

Communication with Employees

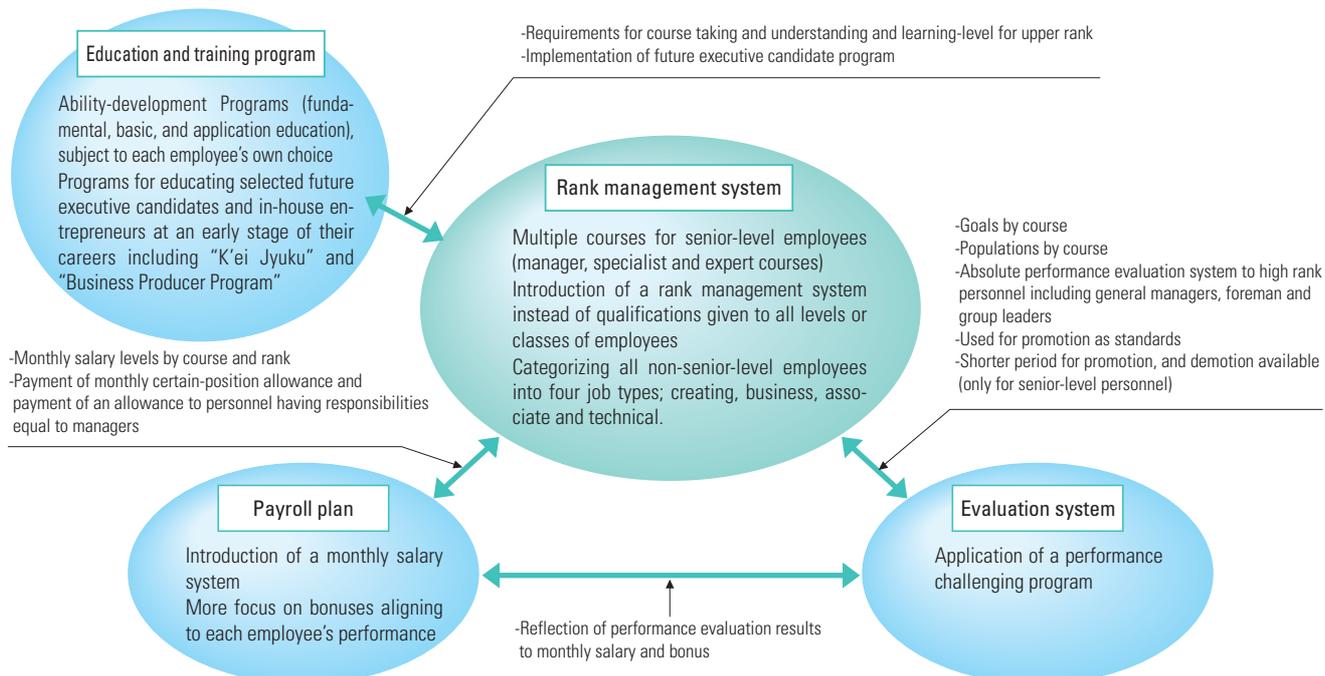
Human Resources-related Basic Policy, "Fairness & Transparency",

Kubota's employees are its main asset, contributing to sustainable economic and social development, and influencing the evolution of the Company in response to the changing needs of our customers, society and the environment. We, at Kubota, maintain a fair and transparent personnel system aligning with changes in the society and our operations. In addition, we pay special attention to promoting the Kubota corporate culture and atmosphere welcoming challenge and encouraging creativity and enthusiasm.

Implementation of a "performance-basis" personnel system.

Kubota aims to maintain its competitive advantage by developing, educating and nurturing our personnel through a range of personnel system reform projects as part of the mid-term business plan which started in 2001. We have incorporated a "performance basis evaluation" concept into all human resources systems and programs based on the following priorities; a) minimization of seniority factors or aspects, b) elimination of disadvantages in lifetime employment program and c) elimination of unfairness.

Given the above, we have implemented revisions and reforms in the personnel system and programs on a step by step basis since April 2002. In April 2005, a new personnel system was completed which will benefit all employees. The new system of fair performance evaluation and promotion is designed to encourage progression ensuring that employees maximize their potential for the benefit of themselves and Kubota, too.



Performance challenging program

Based on a MBO (goal control) concept, an employee evaluation program applies to all ranking personnel aiming at the achievement of the following: a) integration of corporate and employee goals, b) pursuit of performance results and cultivation of corporate culture embracing change and challenge, and c) increase in transparency of performance evaluation and stimulation of employees' personal development. The performance challenging program is recognized as a core of Kubota's human resources program and utilized as a basis for the treatment of all its employees.

New step for FY2004

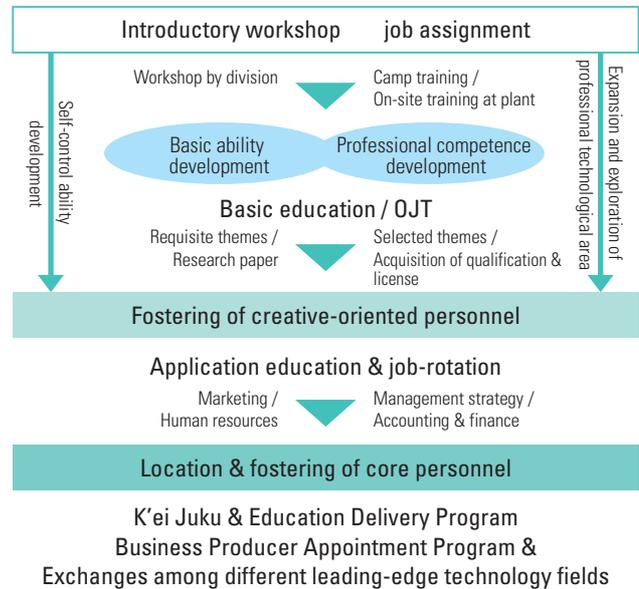
Introduction of internal open recruitment program

Kubota introduced an open recruitment program to locate personnel best suited for a particular position from among all divisions and departments. This program is intended to encourage each employee to develop his/her career by determining his/her duties at his/her own will and initiative and help cultivate a challenging, creative and rewarding corporate environment.

“Challenge & Creativity”

To produce “independent and creative-thinking personnel” Education and training system

Based on a corporate belief to “develop people before product-making” we at Kubota are enthusiastically devoted to educating our employees. During April 2002, education programs covering senior-level personnel and Creating Job employees were drastically revised so that people belonging to those categories were supported in the development of their careers. We also organized a selective education program under which those individuals that showed a potential for contributing added value and supporting Kubota’s future plans are selected at an early age and given special education. Technical Job employees are encouraged to enhance their technology skills essential to product-making and to hand down acquired skills and technologies to younger generations. The human resources system was revised in April 2005 so as to correlate education programs with promotion requirements. As such, we have implemented various measures to motivate our employees with incentives towards education and enhancement of skills.



To make full use of each employee’s competence and ability Employment system

The Kubota Group has a philosophy; “To secure employment is company’s social responsibility.” Based on this concept, we implement an employment system coping with diversified aspects such as each individual’s career plan, competence and ability.

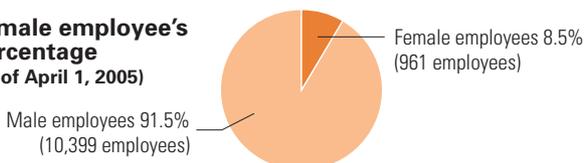
Recruiting activity

The Kubota Group needs “personnel who have a sense of independence and creativity to develop new added values.” Based on this corporate policy, during the current year we hired eighty-two individuals, including the employment of eleven workers who moved from other company. The eleven workers are valuable and useful in the immediate work force.

Equal employment opportunity

The Kubota Group has a gender-free and fair human resources system in place based on the Labor Standards Law and the Equal Employment Act. A new maternity health management policy was established. A child care leave program and a nursing care leave program were revised in line with revisions to the laws made in 1998 and 1999. We work to improve on the various working conditions and work environment in particular for our female employees to work in a stable, fair and harassment-free environment.

Female employee’s percentage (as of April 1, 2005)



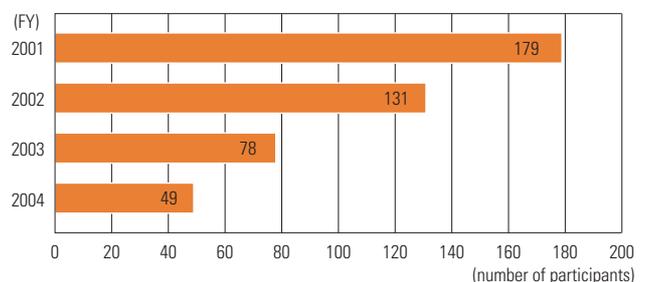
Total number of employees as of April 1, 2005

Management-level	Staff				Non-regular staff	Total
	Create	Business	Associate	Technical		
2,400	2,068	706	754	5,239	193	11,360

“Hatsuratsu Plan,” a reemployment program for retired personnel aged 60 or more

Effective April 2001, Kubota introduced a reemployment program called Hatsuratsu Plan in line with the Japanese government’s decision of gradually increasing the age of pension payment eligibility. This plan is intended for use as a guideline to provide an economically stable life to the personnel who retired from Kubota or its group company and still desire to work using their cultivated abilities or skills. 437 personnel participated in the Hatsuratsu Plan until April 1, 2005.

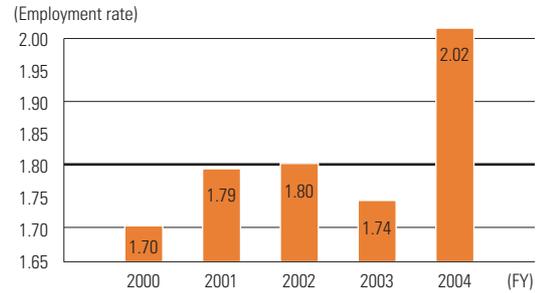
Change in the number of personnel who joined the Hatsuratsu Plan



Active employment for the physically challenged

Kubota Works, which was created as a Kubota subsidiary in 2003, provides building maintenance, printing or information processing-related jobs to the physically challenged. Seventeen personnel, each possessing a physical disability such as impairment of perception or hearing disability, participate in social activities by engaging in one of those jobs compatible to each person. Kubota will continuously make efforts to design and maintain a working environment that is comfortable and friendly to physically challenged workers so that the Company will eventually have more physically challenged people within its work force.

Change in employment rate related to the physically challenged

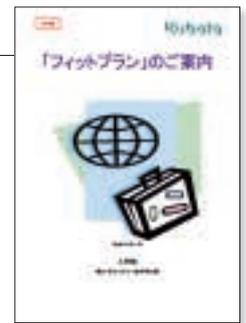


To response to employees' diversified and sophisticated needs

Welfare program

Kubota's welfare program is operated under a basic philosophy that the "Company should provide a stable and safe environment for its employees so that they are motivated to work hard and develop their abilities. The Company should foster an environment for its employees that promotes the best performance." As part of demonstrations based on this philosophy, a Kubota-styled cafeteria plan,

called the "Fit Plan," is available to its employees. The Fit Plan is designed to satisfy employees' diversified and sophisticated needs. Kubota strives to implement a policy that is flexible and responsive to self-responsibility.

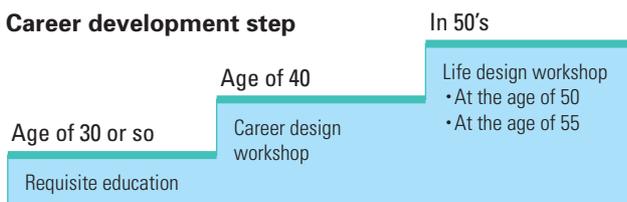


To lead a happy life from the employment to post-retirement years

Support for career development

Kubota prepares a career design workshop for each of three age groups; 30's, 40's and 50's. Members of each age group are given an opportunity to look back on their career and life and reflect upon ways to develop their future career and lifestyle. Kubota encour-

ages its members to design their career and future lifestyle by providing the tools to empower them.



Career design workshop

To collaborate with each other for problem solution

Labor and management relations

Labor and management have maintained sound relations with each other for years based on a mutual understanding; sharing managerial and operating information and having prior discussions. Now that the Japanese traditional wage system's framework is fading, both sides recognize the need to look to their respective work environments and strengthen communications with each other in the hope of leading to growth and development within the Company.

working conditions are discussed by such committees focusing on the Company's prosperity and respect for employees' life and dignity.

Currently, there are various labor management committees in place. Labor issues such as employment, work hours, employee education and



Labor management committee

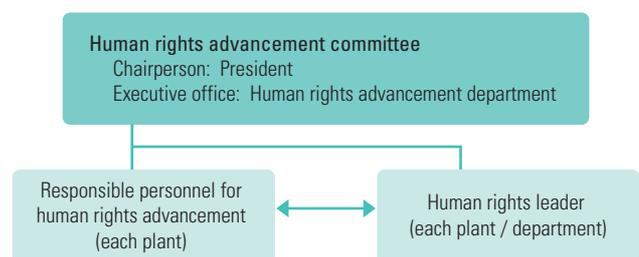
Human Rights Advancement Activity

aiming to cultivate a respect for human rights culture and sustain such corporate culture

Based on Kubota Group Charter of Business Conduct and Code of Compliance Standards, Kubota Group's employees are required to pay respect to fundamental human rights according to "The Universal Declaration of Human Rights" and not to infringe upon those rights. The Charter also mentions that sufficient attention should be paid with respect to privacy and the protection of personal information. Given the above, we must be aware that human rights should be taken seriously in the course of our business activities. We will make efforts to foster a corporate culture of prioritizing human rights and sustain such a corporate culture on a long-term basis.

Human rights advancement system

Human rights advancement committee takes an initiative to proceed and expand human rights activities in the Kubota Group. The committee is headed by the president of Kubota as chairman and operated by the human rights advancement department, as an executive office. A human rights leader is appointed at each plant and department, and each plant and department endeavor to expedite topics of human rights advancement with the human rights leader's initiatives.



Consultation services for human right issues

Each plant has a consultation service section to handle related issues. The section's activities are to take applicable precautions to prevent human rights-related incidents from occurring, locate such incidents in the initial stages and respond quickly to such incidents for settlement. This company-wide program works effectively, supported by responsible personnel.



Human rights workshop scene

Human rights workshop

In the Kubota group companies, either the human rights advancement department, the human resources department or the labor union arranges to hold human rights workshops for executives and personnel belonging to management-rank, staff-rank and new employee-rank. Theme-basis workshops are available for all employees. At each plant, the related workshops are arranged by personnel in charge of human rights advancement. The Group's employees are active in participating in the related outside seminars, too.

Details of human rights workshops held (FY2004)

		Number of attendant	Total
Ranks	Executive officer	82	6,663
	Manager	559	
	Staff	801	
	New employee	235	
At plants		3,995	6,663
Theme-base (such as personal information protection, etc.)		524	
Attendance to outside workshops		467	

Prevention of sexual harassment incidents

Based on the Equal Employment Act, several measures were introduced in workplaces to prevent sexual harassment to prevent serious infringement on human rights from occurring. Task forces were created through mutual cooperation of labor and management. Each plant

maintains a consultation service section dealing with sexual harassment matters together with various workshops and promotion activities. We double our efforts to secure a safe, easy and comfortable working environment for our employees.

Health & Safety in Workplace

The Kubota Group's belief is that "safety should be a top priority." Focusing from a viewpoint of "respect for human life," we make efforts to keep our workplace safe from labor accidents or occupational diseases and secure a safe, healthy and comfortable working environment for employees.

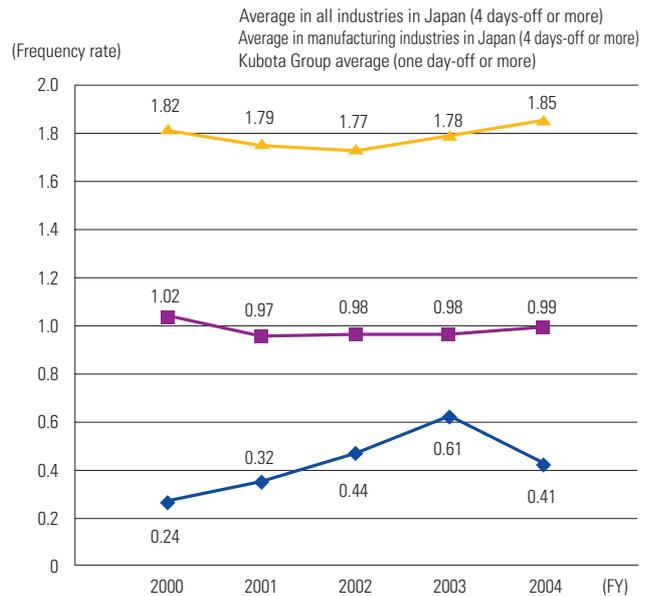
Efforts to maintain a safety- and health-oriented workplace

There are two safety control systems in place; a central safety & health control, and a plant safety & health control (particularly addressed to factory operations and construction operations in each plant). Moreover, a long-term accident prevention program was launched in 1973, and is reviewed every five years. Given the above, in order to implement a safety-minded culture company-wide, we promote a policy "to construct a system" and "to educate personnel" in line with a long-term accident prevention program and an annual safety & health policy. Regarding the occupational health & safety management system, the Tsukuba plant, Keiyo plants (Funabashi and Ichikawa) and Hanshin plants (Mukogawa, Shinyodogawa and Amagasaki) acquired the OASAS 18001 certification. Other plants are beginning to form an occupational health & safety management system in line with the Kubota occupational health & safety management program, an independent standard. Kubota and its group companies will exert efforts to implement those systems completely and use them efficiently for our employees.

Goals for 7th long-term accident prevention plan (FY2003-2007)

- No life-threatening and serious accidents
- Prevention of recurrence of stuffing/rolling/falling accidents
- Restoration of safe and comfortable workplace and physical/mental health

Change of serious accident frequency rate in plants



* Frequency rate: the number of deaths and/or injuries occurred for one million working hours. (Frequency rate, 1.0, indicates that one employee took 4 days-off or more a year at a plant having approximately 500 employees.)

Activity at manufacturing departments

With respect "to construct a system" policy, we started with activities for risk reduction and the establishment of equipment safety standards. Those standards were supported by a certain risk management approach. We work to keep machines and equipment operating safely in our workplaces. Regarding the policy "to educate personnel," employees learn at frequent workshops about a wide range of topics, from legal compliance issues to how a safe workplace can be realized.

As part of our measures taken to strengthen health & safety control in plants, an in-house inspection is conducted. In addition, outside experts are hired at each plant to conduct an examination in terms of safety. Plants will double efforts to pursue health & safety management in a more efficient way.

Publication of "Site checkup handbook for supervisors" and "Laws and regulations excerpt."

Kubota published an excerpt handbook of laws and regulations. The handbook, which includes a checklist, will be helpful for supervisors to conduct on-site checks.



Example on-site safety and health training experience at Keiyo plant

In order to develop an acute sensitivity of safety in our personnel, we believe that both self-study and on-the-job-related experiences are important. In accordance, we provide them with education and firsthand experiences. Those experiences were highlighted at the FY2004 national industry safety & health convention.



Equipment



Crane check-up workshop

Construction work department

Based on the objective of "Framework Formation & People Development," we established and managed the operation of design standards. We also provided education and training on the standards, as well as conduc-

ted safety and health patrol programs. We are committed to the overall enforcing at the management function level of headquarters and divisions controls to prevent and minimize industrial accidents in our workplaces.

Mental health program

As social concerns over mental health problems increase, it becomes essential for us to offer mental healthcare services to our employees. We developed a mental healthcare system with four focused areas. We also educate our employees on mental health issues through company newsletters and workshops so that they are aware of early detection of mental health problems and receive proper treatment.

In April 2004, we introduced a self-diagnosable system by which employees can take stress tests on their PC. As such, we promote self-care and provide for professional care supported by healthcare staff.



Work environment improvement

We conduct regular inspections of our work environment, and we make improvements accordingly to keep the workplace safe in order to protect employees' health and to further prevent local environmental pollution. We apply countermeasures against heat, focusing on controls over noise and hazardous chemical substances.

Noise reduction

The numbers of unit work area grouped into control classification 3 increased by five compared to the number in July 2003. We strive to improve noise level conditions and to eradicate the control class 3 unit work areas.

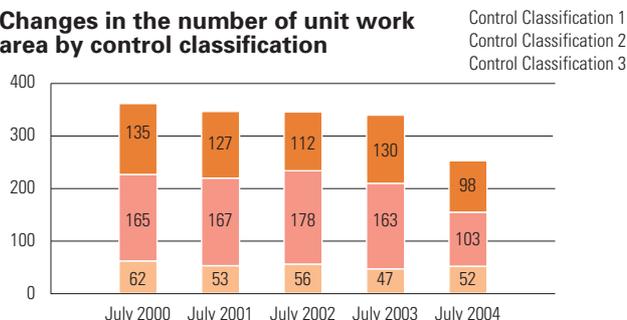
Hazardous chemical reduction

As of July 2004, we have two hazardous chemical workplaces where employees are exposed to dust, specified chemical substances, lead and organic solvent. We immediately provide countermeasures and undergo improvement plans. We will also provide measures for those chemical substances under stricter legal controls over their toxicity effective April 2005, and make further efforts to create safe and pleasant workplaces.

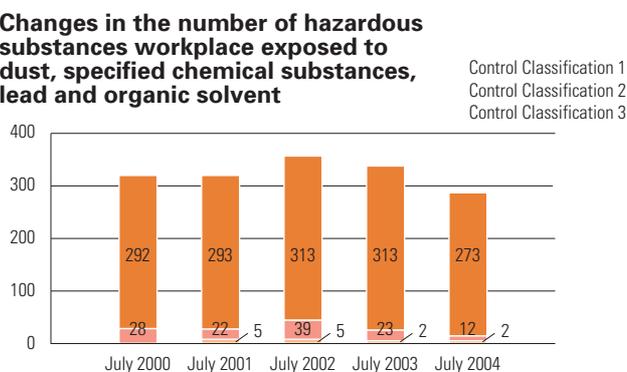
Countermeasures against heat

We established and promoted internal standards for working conditions in terms of heat. We quantify the effects of countermeasures to clarify the priority target workplaces and assess those countermeasures in an objective manner.

Changes in the number of unit work area by control classification



Changes in the number of hazardous substances workplace exposed to dust, specified chemical substances, lead and organic solvent



* Data: Domestic manufacturing plants of KUBOTA Corporation

In order to reduce the physical and mental risk to employees working under elevated temperature, we provide proper protective equipment, facilities and welfare programs to improve the work environment.