Environmental Report

Chemical Substance Controls

The KUBOTA Group has continued concerted efforts to provide appropriate control over chemical substances and achieve the target for reducing them.

Reducing PRTR-designated substances

PRTR stands for Pollutant Release and Transfer Register. The PRTR Law, or the Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in their Management, is designed to improve management of specific chemical substances by identifying the amount of such substances released to the environment.

<table>
<thead>
<tr>
<th>Themes of activities under the New Medium-Term Environmental Conservation Plan</th>
<th>Plan FY2010 targets</th>
<th>Do FY2010 results</th>
<th>Check Self-evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reduction in release and transfer of PRTR-designated substances per unit of sales</strong></td>
<td>A 2% decrease from the FY2009 level</td>
<td>A 0.5% decrease from the FY2009 level</td>
<td>X</td>
</tr>
</tbody>
</table>

Measures taken to reduce PRTR-designated substances

We are working for the reduction of PRTR-designated substances by: replacing conventional products with alternatives that do not contain these substances, introducing waste thinner recycling units, and improving the production process. In FY2010, we achieved a 16.4% reduction in the amount of PRTR-designated substances released and transferred from the previous year, but the target was not achieved on a per-unit-of-sales basis because sales declined to a greater extent.

Reduction of chemical substances in products

Measures taken to reduce RoHS-designated substances

EUs RoHS and ELV Directives and similar regulations of other countries and regions are intended for electrical/electronic equipment and automobiles, and are not applied to most of the industrial machinery offered by the KUBOTA Group. However, we have been taking voluntary measures to reduce the six RoHS-designated substances (lead, mercury, cadmium, hexavalent chromium, PBB, and PBDE) in a well-planned manner. The ratio of KUBOTA models with reduced RoHS-designated substances is 24.2% in FY2010, against the target of 25%.

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<tr>
<td><strong>Ratio of models with reduced RoHS-designated substances</strong></td>
<td>25%</td>
<td>24.2%</td>
<td>X</td>
</tr>
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</table>

Report from the Front

Responding to the European REACH Regulations

The REACH regulations* require manufacturers to register chemical substances and provide information on “Substances of Very High Concern” contained in their products.

At the KUBOTA Group, the Product Chemical Substances Management Committee was established in October 2009 with a view to building an internal mechanism to collect information on the chemical substances used in our products and provide appropriate control over them, and during FY2010, an information system for chemical substances control was introduced. We will further strengthen measures to meet the REACH regulations by fostering closer cooperative ties with the suppliers of various materials.

*REACH stands for Registration, Evaluation, Authorization and Restriction of Chemicals.