



Environmental Management Basic Policy

In line with its brand statement, "For Earth, For Life," while protecting the beauty of the global environment, the KUBOTA Group is committed to the continued support of people's affluent lifestyles. Through business, the Group contributes to building a sustainable society.

Environmental Charter / Action Guidelines

● The KUBOTA Group Environmental Charter

- The KUBOTA Group aspires to create a society where sustainable development is possible on a global scale.
- The KUBOTA Group contributes to the conservation of global and local environments through its environmentally friendly operations, products, and technologies.

● The KUBOTA Group Environmental Action Guidelines

1 Environmental Conservation Efforts in All Business Activities

- (1) We promote environmental conservation measures in all stages of our corporate activities, including product development, production, sales, physical distribution, and service.
- (2) We also request that our suppliers understand the importance of environmental conservation efforts and cooperate in this regard.

2 Global Environmental Conservation

- (1) We promote global environmental conservation measures for stopping climate change, creating a recycling-based society, and controlling chemical substances.
- (2) We promote global environmental conservation by providing technologies and products contributing to solving environmental problems.
- (3) We strive to ensure our corporate activities are friendly to the natural environment and biodiversity.

3 Environmental Protection to Create a Symbiotic Relationship with Local Societies

- (1) We make efforts in the reduction of environmental risks and promote our business activities with proper consideration for the protection of local environments, including pollution prevention.
- (2) We actively participate in environmental beautification/education activities in local communities.

4 Our Voluntary and Organized Efforts in Environmental Conservation

- (1) By introducing the environmental management system and establishing voluntary targets and action plans, we work on our daily business operations.
- (2) We endeavor to enhance environmental awareness through active environmental education/enlightenment activities.
- (3) We actively provide the stakeholders with environment-related information.
- (4) We collect stakeholders' opinions broadly through environmental communication, and reflect the findings in our environmental activities.

Message from the Environmental Conservation Control Officer

The mission of the KUBOTA Group is to continuously support the future of the Earth and people under the slogan "For Earth, For Life" and contribute to the conservation of the global environment through "Made by Kubota" manufacturing activities. The Environmental Management Strategy Committee was established in FY2015 for the purpose of raising the Group's level of environmental conservation efforts, such as accelerating environmental management, expanding KUBOTA's lineup of eco-conscious products, and reducing environmental load and environmental risk.

This fiscal year was the last year of the Medium-term Environmental Conservation Targets for FY2016. Therefore, we are currently preparing new targets for the next medium-term period. In preparation for the next stage, we are proactively taking on new challenges and vitalizing our activities. We will continue working towards building a sustainable society and promoting environmental management.



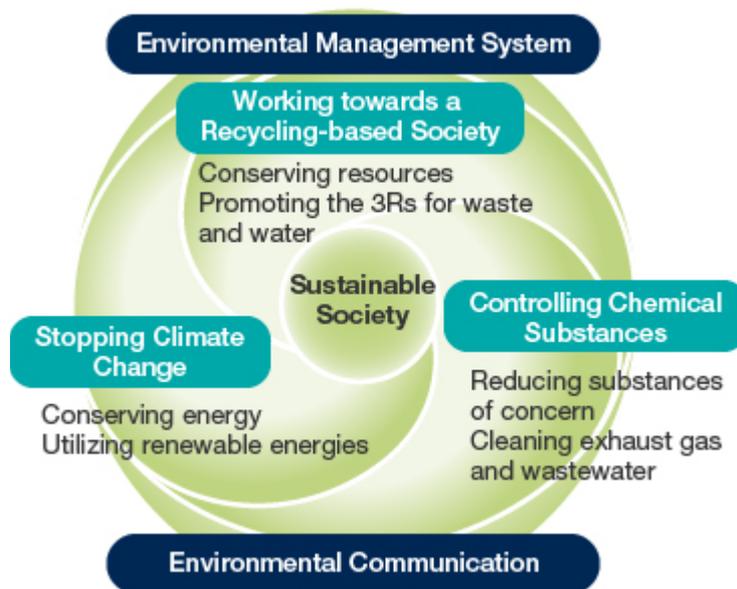
Kenshiro Ogawa

Director and Senior Managing Executive Officer
General Manager of Manufacturing Engineering Headquarters (Environmental Conservation Control Officer)

Basic Direction of Corporate Environmental Management / Key measures

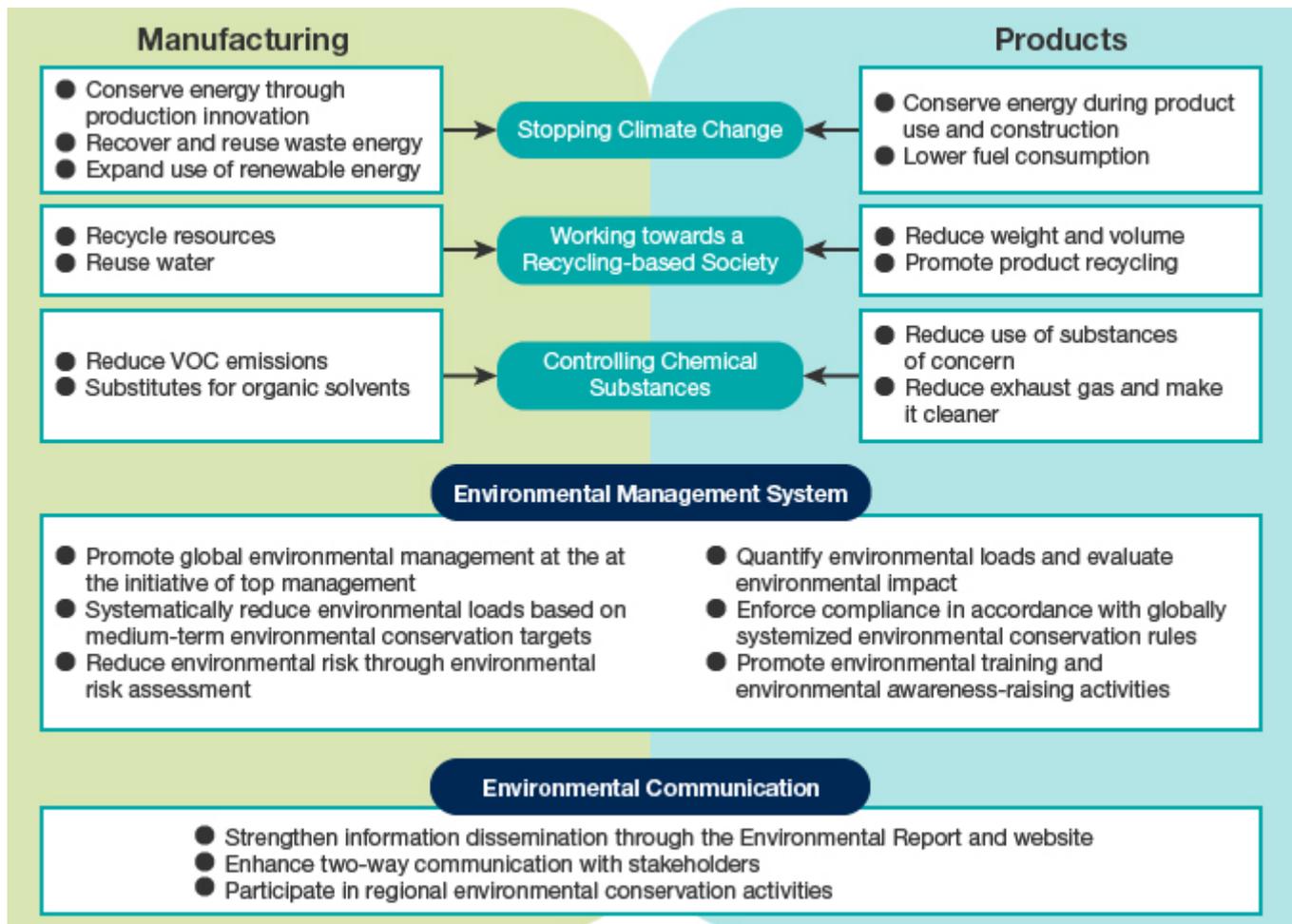
● Basic Direction of Corporate Environmental Management

As stipulated in the Basic Direction of Corporate Environmental Management prepared for the KUBOTA Group, three initiatives have been established: "Stopping Climate Change," "Working towards a Recycling-based Society" and "Controlling Chemical Substances."



Key Measures

Based on the Basic Direction of Corporate Environmental Management, the KUBOTA Group engages in environmental management with key measures focused on manufacturing and products.

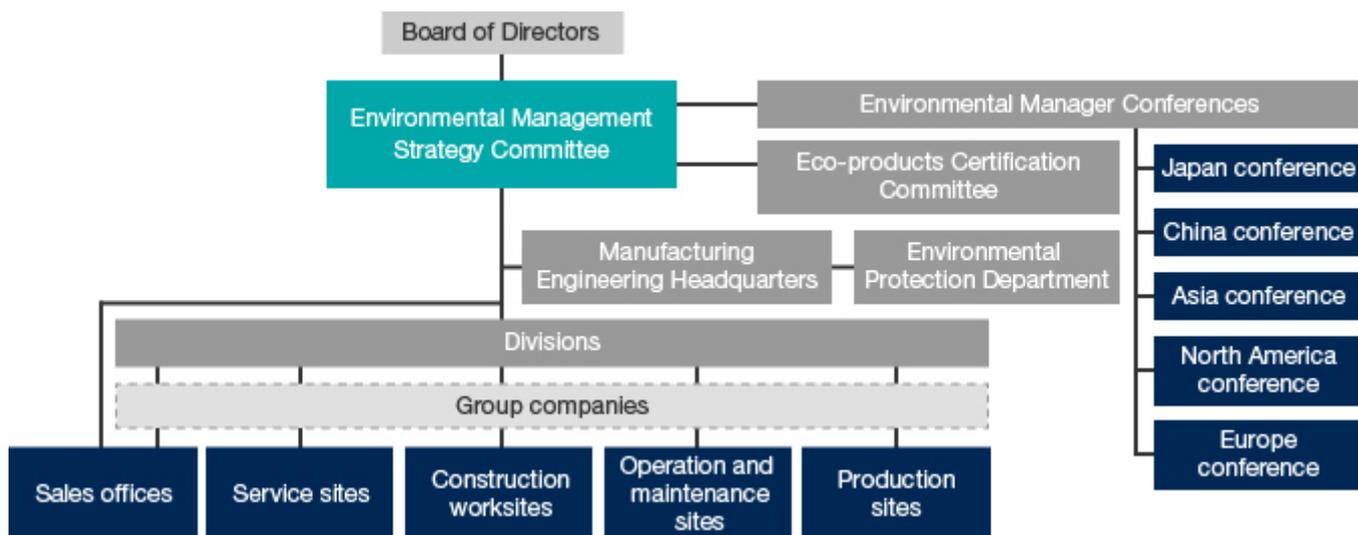


Environmental Management Promotion System

In FY2015, the Environmental Management Strategy Committee was newly established to take a more strategic and innovative approach to environmental management by management-led promotion.

In addition, Environmental Manager Conferences, are held in China, Asia, North America and Europe to globally advance environmental management across the KUBOTA Group.

Organization structure



Environmental Management Strategy Committee

The Environmental Management Strategy Committee is chaired by KUBOTA's executive vice president and is comprised of executive officers. The Committee discusses the direction of the KUBOTA Group's environmental management for the medium- and long-term. It determines issues such as items and plans that should be carried out in order to reduce environmental impact and risk, and what products to add to extend the lineup of environmentally-friendly products. It also promotes management based on the plan-do-check-action (PDCA) cycle by assessing and analyzing the progress of the entire Group's environmental conservation activities and reflecting the results when formulating new plans and policies. We will continue to promote swift environmental management led by members at the management-level.



Environmental Management Strategy Committee

Environmental Manager Conferences

In FY2015, KUBOTA held Environmental Manager Conferences for the Chinese, Asian and Japanese regions. Environmental managers from eight companies with business sites in China and seven companies with production sites in East Asian countries other than China and Japan attended the Environmental Manager Conferences held for the Chinese and Asian regions, respectively. Environmental managers from Japan's mother plant also attended.

Each company presented case studies, and group debate was held on the theme of environmental management, thus providing an opportunity to reaffirm the KUBOTA Group policy and share excellent case studies. In order to strengthen the environmental management of the entire KUBOTA Group, we will continue raising the level of environmental conservation activities at each site through gatherings such as these.



Environmental Manager Conferences held for Chinese regions Kubota Agricultural Machinery (SUZHOU) Co., Ltd.



Environmental Manager Conferences held for Asian regions SIAM KUBOTA Corporation Co., Ltd.

Medium-Term Environmental Conservation Targets and Results

To properly execute the Basic Direction of Corporate Environmental Management and systematically promote environmental conservation activities in the production and product development stages, KUBOTA established the FY2016 Mid-term Environmental Conservation Targets. As the following table shows, we practically achieved the targets for FY2016 in FY2015.

Issues	Actions	Management Indicators ^{*2}	Scope	Base FY	Target for FY2016 ^{*6}	Results of FY2015 ^{*6}	Self-evaluation ^{*7}	Achievement Status
Stopping climate change	Reduce CO ₂	CO ₂ emissions per unit of production ^{*3}	Global production	2009	▲14%	▲26.0%	◎	We are making progress on energy conservation in production facilities, air handling systems and lighting, etc.
	Energy conservation	Energy use per unit of production	Global production	2009	▲14%	▲23.4%	◎	
Working towards a recycling-based society	Reduce waste	Waste discharge per unit of production	Global production	2009	▲14%	▲30.6%	◎	We are making progress on waste separation and introduction of returnable containers.
		Resource recycling ratio ^{*4}	Production sites in Japan	-	99.5% or more	99.8%	○	We are maintaining a resource recycling ratio above the target.
			Overseas production sites	-	90.0% or more	89.8%	△	Landfill disposal was reduced as the result of changing contractor consignment. We are now very close to achieving our target.

Issues	Actions	Management Indicators*2	Scope	Base FY	Target of FY2016 Results*6	FY2015*6	Self-evaluation*7	Achievement Status
Working towards a recycling-based society	Conserve water resources	Water consumption per unit of production	Global production	2009	▲21%	▲39.1%	◎	We are making progress on water conservation by the installation of waste water recycling facilities.
Controlling chemical substances	Reduction of VOCs*1	VOC emissions per unit of production	Global production	2009	▲21%	▲29.4%	◎	We are making progress on VOC reduction by improving coating efficiency and use of non-VOC paints
Improve environmental performance of products	Expand line of Eco-Products	Sales ratio of Eco-Products*5	Global	-	40%	36.6%	△	In FY2015, we certified 43 products as Eco-Products.

*1 VOCs comprise the six VOCs that are most prevalent in emissions from the KUBOTA Group: xylene, toluene, ethylbenzene, styrene, 1, 2, 4-trimethylbenzene, and 1, 3, 5-trimethylbenzene.

*2 The figures per unit of production represent the intensity of the environmental load per unit of production money amount. The exchange rate of the base fiscal year is used when translating the production value of overseas sites into yen.

*3 CO₂ emissions include greenhouse gases from non-energy sources. We use the emissions coefficient for electricity of the base fiscal year in our calculation of CO₂ emissions from energy sources.

*4 Resource recycling ratio (%) = (Sales volume of valuable resources + External recycling volume) / (Sales volume of valuable resources + External recycling volume + Landfill disposal) × 100. Heat recovery is included in external recycling volume.

*5 Sales ratio of Eco-Products (%) = Sales of Eco-Products / Sales of products (excluding construction work, services, software, parts and accessories) × 100

*6 ▲ is a symbol used to express "minus".

*7 Self-evaluation rating symbols: ◎Target exceeded (by at least 20%) ○Target reached △ Target not yet reached

Environmental information in the online version of the KUBOTA REPORT 2015 (Full Report Edition PDF) has received third-party assurance from KPMG AZSA Sustainability Co., Ltd. Indicators covered by this assurance are marked with the "🔍" symbol.

As An "Eco-First Company"

In May 2010, the KUBOTA Group was certified by the Japan's Minister for Environment as an "Eco-First Company" due to its commitments to environmental conservation.

Moreover, in June 2014, the KUBOTA Group created the FY2016 Medium-Term Environmental Conservation Targets with a commitment to achieving the following five objectives, and was recertified as an "Eco-First Company." We will aggressively work toward achieving these objectives based on this new commitment.

- Work towards a recycling-based society
- Stop climate change
- Reduce emission into the atmosphere
- Develop environmentally friendly products
- Conserve biodiversity



Eco-First Mark

▶ [See here for details on Eco-First Company certification](#)

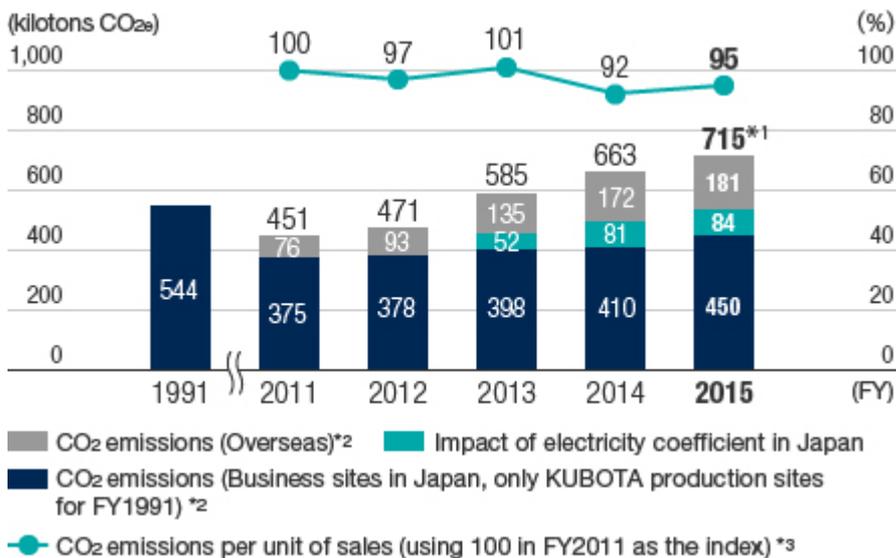
Stopping Climate Change

The Fifth Assessment Report by the Intergovernmental Panel on Climate Change (IPCC), states that the 'warming of the climate system is unequivocal' and there is an extremely high possibility that the impact of human activities is one of the contributing factors. The KUBOTA Group is engaged in initiatives to reduce CO₂, placing a focus on energy-saving activities in order to prevent global warming.

CO₂ Emissions (scope 1 and scope 2)

In FY2015, CO₂ emissions were 715 kilotons CO₂e, an increase of 7.9% compared to the previous fiscal year. We made efforts to conserve energy such as converting to alternative fuels and upgrading to highly efficient equipment. However, CO₂ emissions increased owing to increasing production at cast iron production sites in Japan, expanding aggregation scope in Japan and increasing production overseas. Additionally, CO₂ emissions per unit of sales increased 2.6% compared to the previous fiscal year.

Trends in CO₂ Emissions and Emissions per Unit of Sales

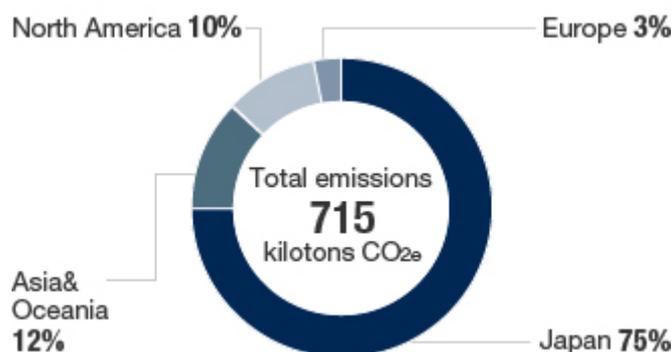


*1 CO₂ emissions (715 kilotons CO₂e) include portions of CO₂ that were not released into the atmosphere but absorbed as carbon into products such as iron pipe (33 kilotons CO₂e).

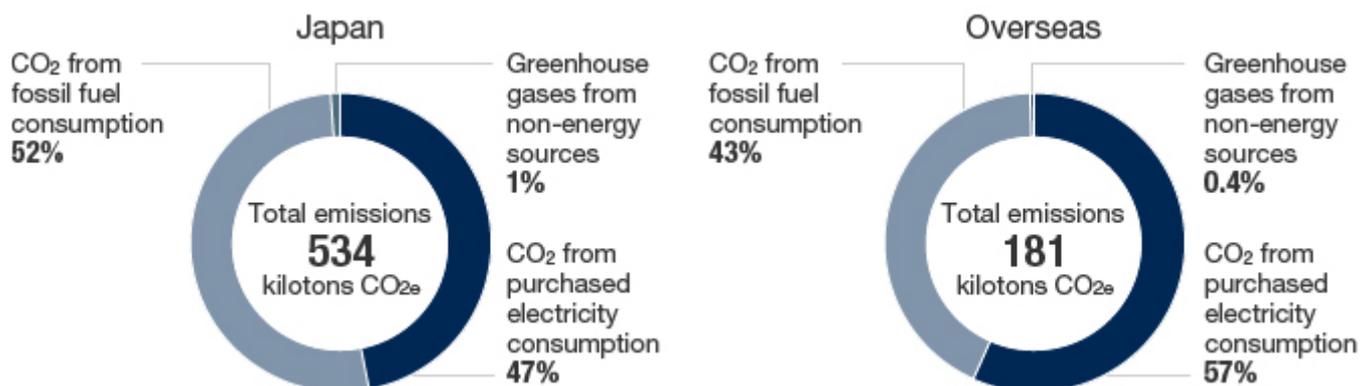
*2 CO₂ emissions after FY2011 include greenhouse gases from non-energy sources.

*3 CO₂ emissions per unit of consolidated net sales.

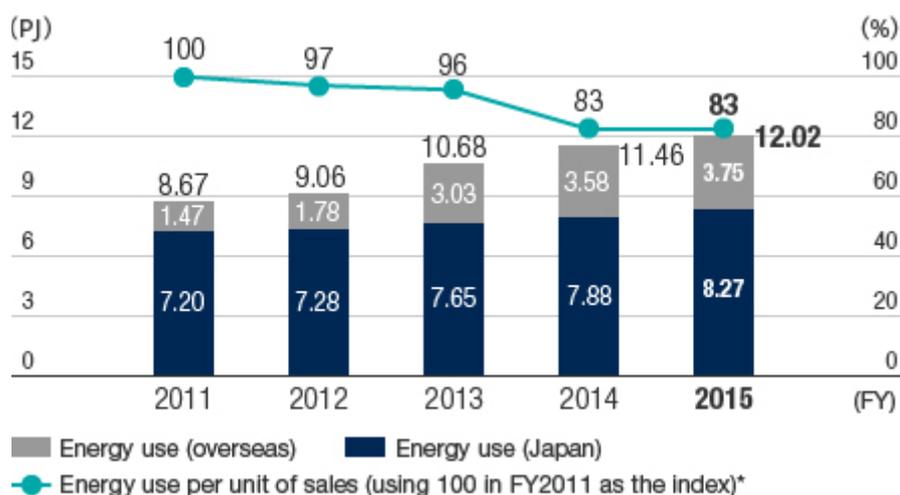
CO₂ Emissions by Region (FY2015 results)



CO₂ Emissions by Emission Source (FY2015 results)



Trend in Energy Use by Business Sites



*Energy use per unit of consolidated net sales.

Voice

Solar Panels Installed on Plant Roof to Reduce CO₂ Emissions

Kubota Construction Machinery (WUXI) Co., Ltd. installed 8,808 solar panels on the roof of its plant and began generating solar power in April 2015. The maximum output of the panels is 2,233kWp, and annual electricity generation of approximately 2,300MWh is anticipated. This amounts to about 60% of all power consumed by the company in 2013 and about 50% of overall energy consumed. When converted to CO₂ emissions, this equates to an annual reduction of approximately 2,293 tons*. Moreover, the gaps between the solar panels and the roof serve as a heat insulation layer, alleviating the heat of summer and the cold of winter. Therefore, it is anticipated that energy consumption related to air-conditioning will be reduced as well.

We are effectively utilizing the roof of the plant to promote the use of clean reusable energy, thereby becoming a plant that can be trusted by the local community.

*CO₂ emissions coefficient: 0.997kg/kWh



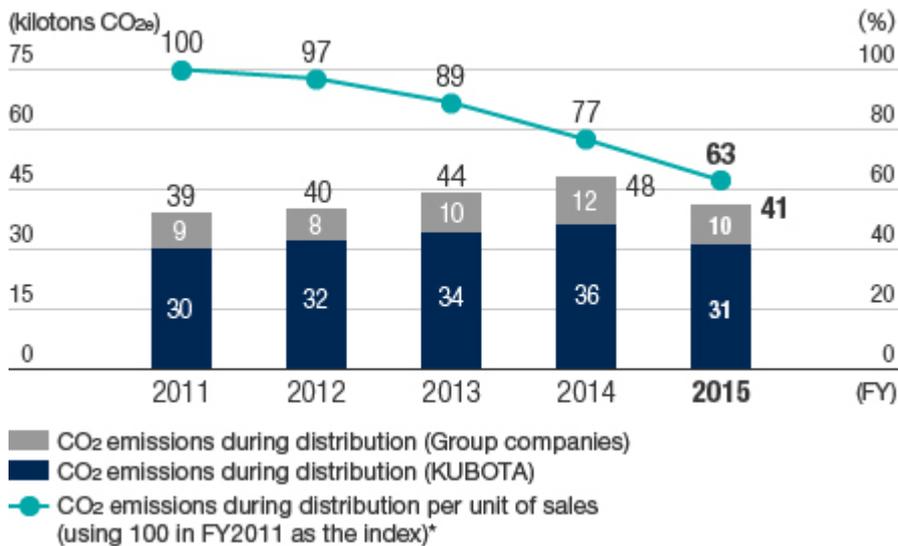
Feng Luo

Safety, Health and Environment
 Section Manager
 Kubota Construction Machinery
 (WUXI) Co., Ltd.

CO₂ Emissions during Distribution

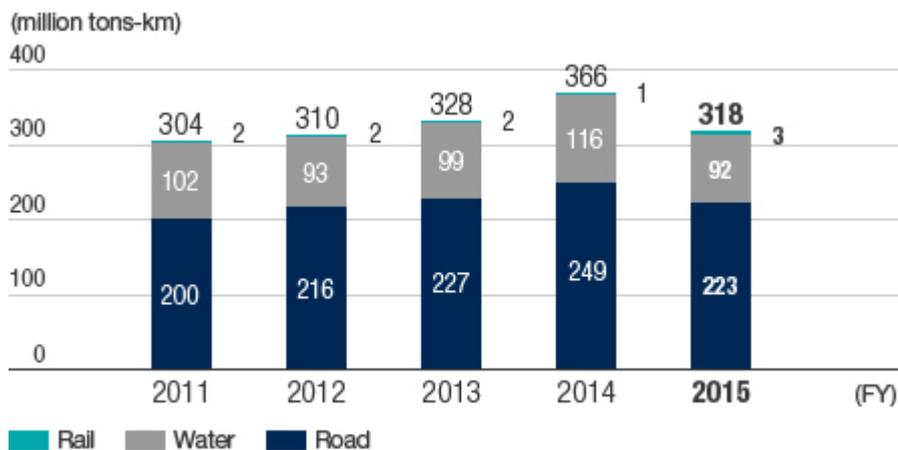
In FY2015, CO₂ emissions during distribution were 41 kilotons CO₂e, a reduction of 15.0% compared to the previous fiscal year. Additionally, CO₂ emissions during distribution per unit of sales decreased 19.2%. This was the result of improved transportation efficiency by shipping mixed cargo and reducing transportation distance by routing more exports to ports that are closer to the actual destination.

Trends in CO₂ Emissions during Distribution and Emissions per Unit of Sales (Japan)



*CO₂ emissions during distribution per unit of consolidated net sales.

Trends in Freight Traffic (Japan)



CO₂ Emissions throughout the Value Chain

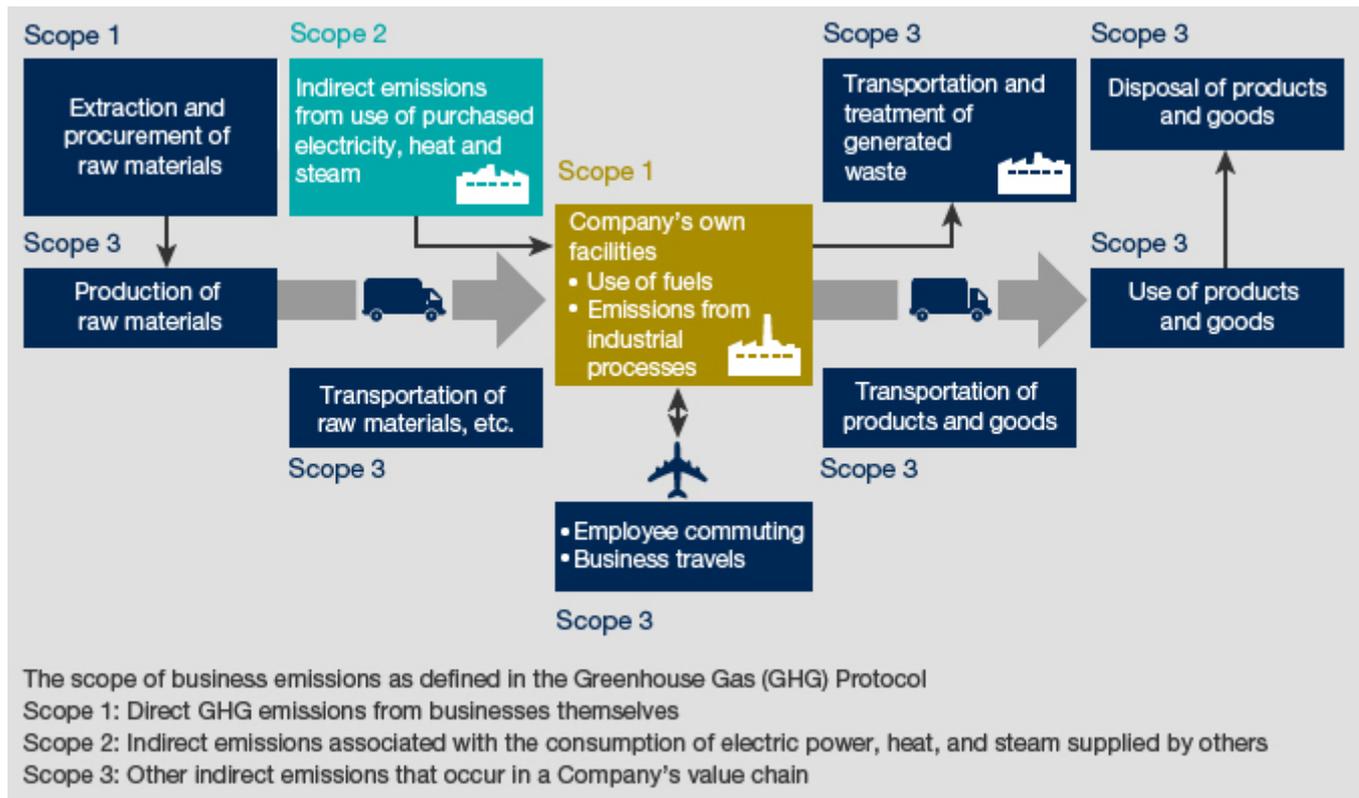
The KUBOTA Group makes concerted efforts to figure out CO₂ emissions throughout the value chain in addition to its business sites. Following guidelines*, we calculate CO₂ emissions based on Scope 1, Scope 2 and Scope 3, and continue to expand the categories in the scope3 of our calculation of CO₂ emissions.

* Basic guidelines for calculating greenhouse gas emissions in supply chains issued by the Japanese Ministry of the Environment and Ministry of Economy, Trade and Industry.

CO₂ Emissions in Each Stage of Value Chain (FY2015 results)

Classification		Scope of calculation	CO ₂ emissions (kilotons CO ₂ e)
Emissions of the KUBOTA Group's business sites	Direct emissions (Scope 1)	Use of fossil fuels 	355
		Non-energy-related greenhouse gas emissions 	8
	Indirect emissions (Scope 2)	Purchased electricity use 	353
Upstream and downstream emissions	Other indirect emissions (Scope 3)	Extraction, production and transportation of fuels for generation of electricity used 	25
		Disposal of waste emitted from sites 	22
		Employee business trips 	8
		Transportation of products and waste 	41
		Construction and Manufacturing of capital goods such as equipment	170
		Use of sold products	15,494

Example Activities of Each Scope



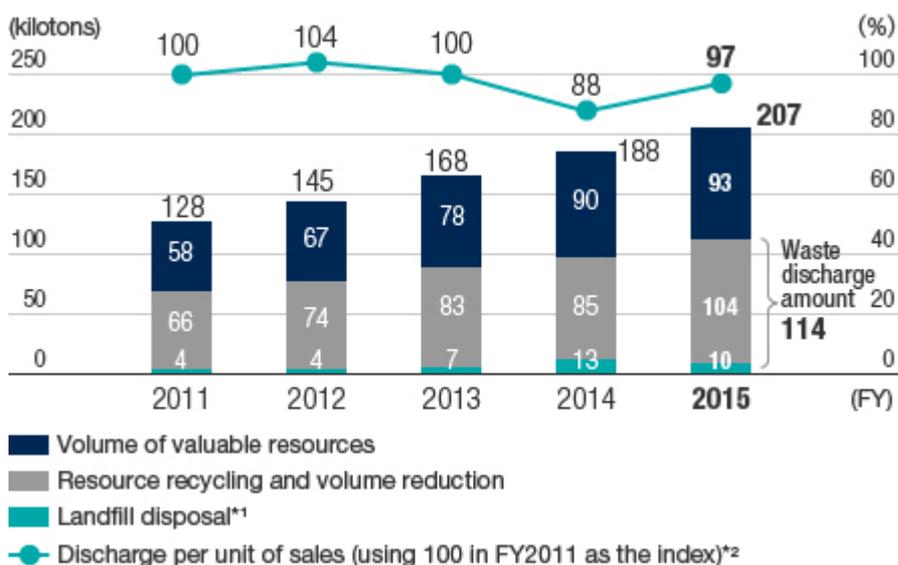
Working towards a Recycling-based Society - The 3Rs of Waste -

As a result of being a mass production, mass consumption and mass disposal society, we now face many problems such as the depletion of resources and increasing waste. The KUBOTA Group engages in activities such as the reduction and effective utilization of resources necessary for business activities, the reduction of waste and recycling.

Waste, Etc. from Business Sites

In FY2015, the waste discharge amount was 114 kilotons, an increase of 16.1% compared to the previous fiscal year. We made efforts to thoroughly sort waste and recycle valuable resources. However, the waste discharge amount increased owing to increased production at domestic cast iron production sites, expanding aggregation scope in Japan and increasing production overseas. The waste discharge amount per unit of sales also increased 10.4% compared to the previous fiscal year.

Trends in Waste, Etc. (including valuable sources) and Waste Discharge per Unit of Sales



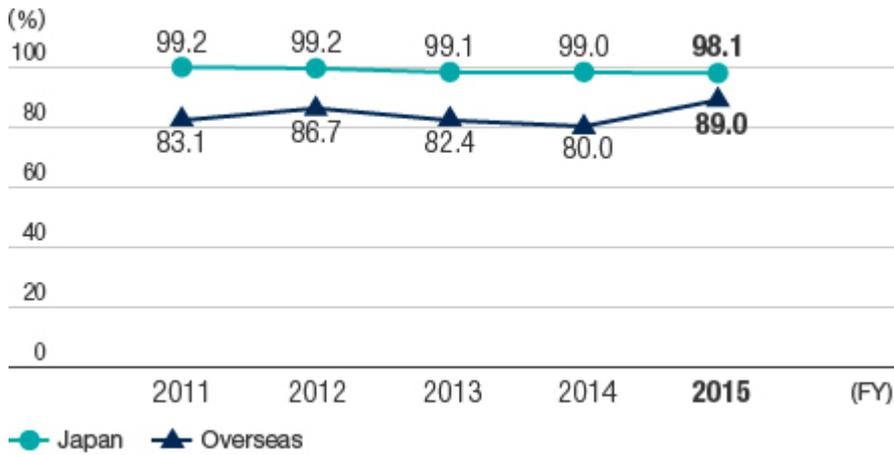
*1 Landfill disposal = Direct landfill disposal + Final landfill disposal following intermediate treatment

*2 Waste discharge per unit of consolidated net sales.

Waste discharge = Recycled resources / Volume reduction + Landfill disposal

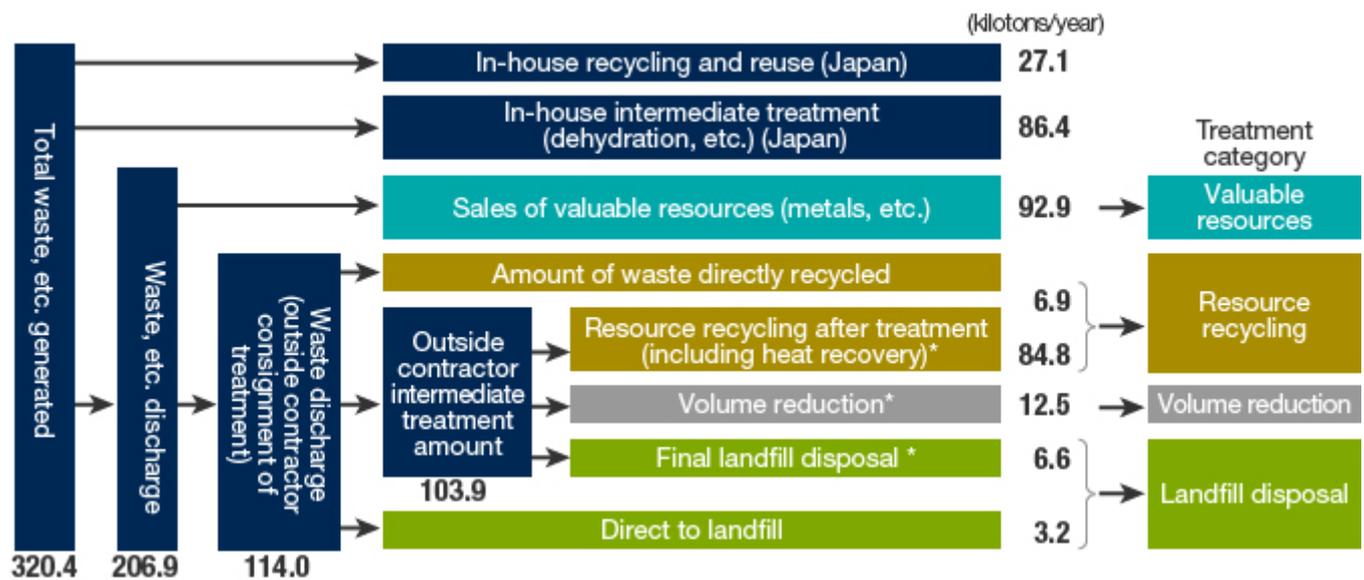
The resource recycling ratio in FY2015 was 98.1% in Japan, down 0.9 points compared to the previous fiscal year. This was due to the influence of expanding the aggregation scope. On the other hand, overseas, the promotion of conversion into valuable resources and recycling led to increasing the recycling ratio by 9 points, totaling 89.0%.

Trends in Recycling Ratio*



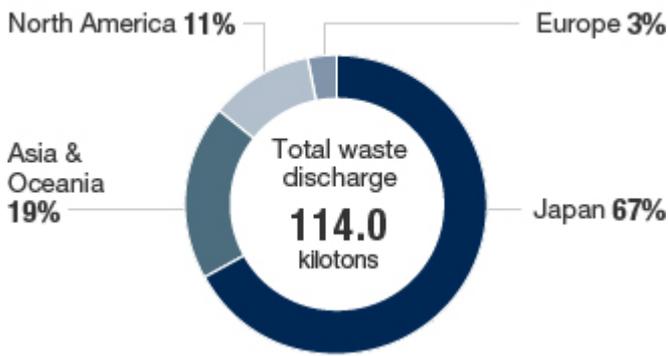
*Starting in FY2014, heat recovery has been included in external recycling volume. The resulting difference compared with the previous method that did not include heat recovery is minor.

Waste recycling and treatment flow (FY2015 results)

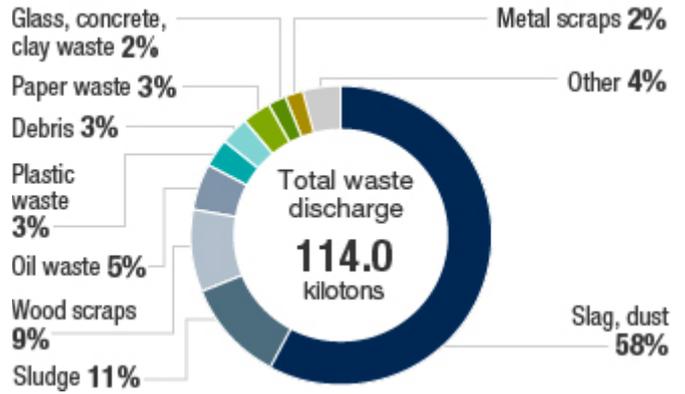


* The amounts of resource recycling after treatment, volume reduction, and final landfill disposal were the results of surveys conducted by outside intermediate treatment companies.

Waste Discharge by Region (FY2015 results)



Waste Discharge by Type (FY2015 results)



Waste, Etc. Discharge by Treatment Category (FY2015 results)



Voice

Switching to Environment-friendly Returnable Steel Crates to Minimize Waste

Kubota Industrial Equipment (KIE) is contributing to protecting the environment by using returnable crates for shipping L series tractors and all series loaders to the U.S market.

KIE has reduced the use of wood pallets by approximately 70% since the introduction of returnable crates. By using returnable crates, KIE is saving annually 3,600 tons of wood waste from going into landfills.

As our business grows even further, we will continue activities to minimize environmental load.

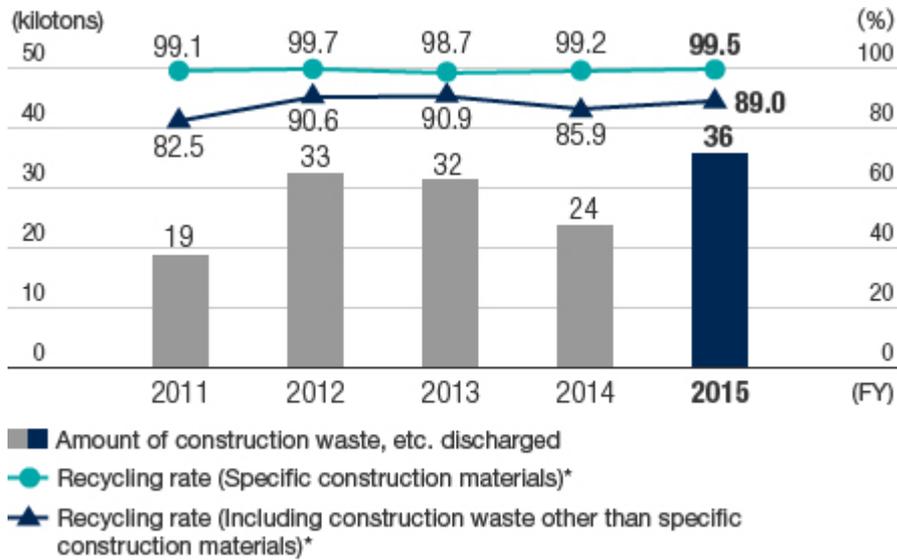


Bethany Vega

Manager of Production Management
Kubota Industrial Equipment Corporation

Waste Generated from Construction Work

Trend in Discharge and Recycling Ratio of Construction Waste, Etc. (Japan)



* Recycling rate = [Sales of valuable resources + Resource recycling + Volume reduction (heat recovery)] / Amount of construction waste, etc. discharged (including sales of valuable resources) x 100 (%)

Handling and Storage of Equipment Containing PCBs (in Japan)

Transformers, capacitors and other equipment containing polychlorinated biphenyls (PCBs) are properly delivered, stored and handled based on the Japanese Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes. Equipment containing PCBs are being disposed of steadily, being with sites for which acceptance at PCBs treatment facilities are available.

Equipment containing PCBs are locked in storage, periodically inspected, and environmentally audited as part of a thorough management system. We plan to properly process these wastes by the treatment deadline of March 2027.

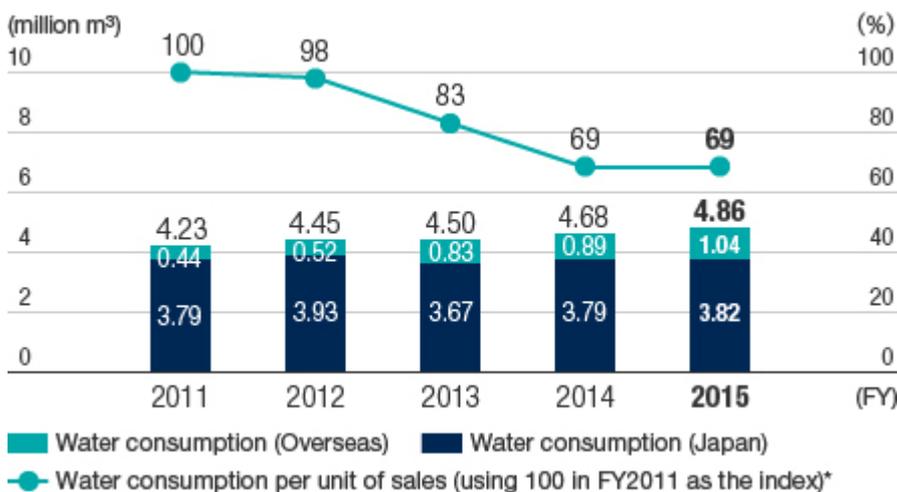
Working towards a Recycling-based Society - The 3Rs of Water -

The Organization for Economic Co-operation and Development (OECD) has reported that over 40% of the global population is projected to be living in river basins under severe water stress by the year 2050. The KUBOTA Group is involved in initiatives such as the effective utilization of water resources by promoting wastewater recycling.

Water Consumption in the Business Sites

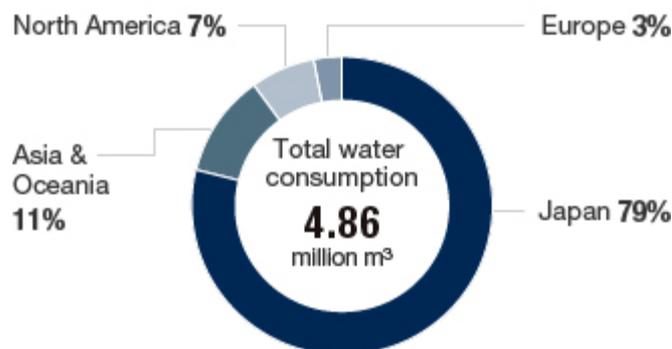
In FY2015, water consumption was 4.86 million m³, an increase of 3.8% compared to the previous fiscal year. We made efforts to utilize water resources effectively by water conservation activities and recycling wastewater. However, water consumption increased due to an increase in overseas production volume. As a result, water consumption per unit of sales decreased 1.3% compared to the previous fiscal year.

Trends in Total Water Consumption and Consumption per Unit of Sales

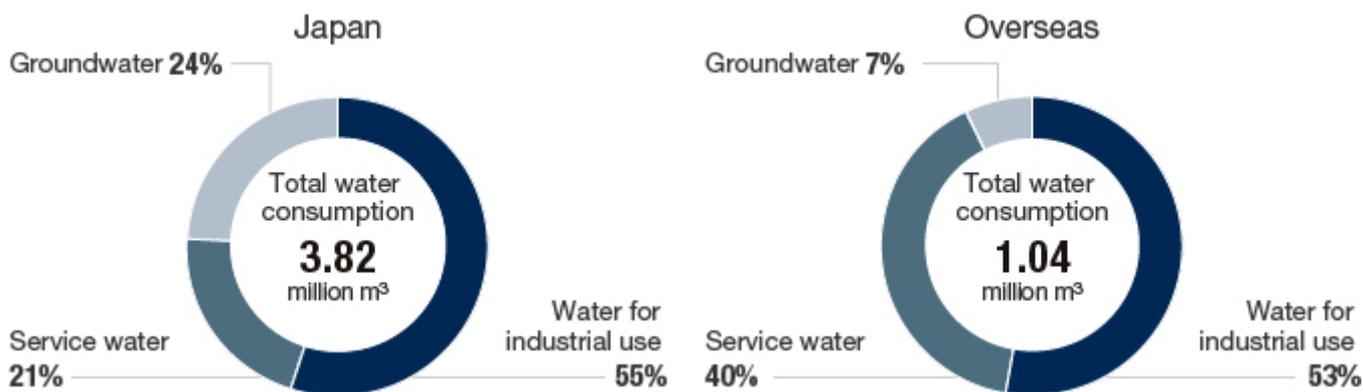


* Water consumption per unit of consolidated net sales.

Water Consumption by Region (FY2015 results)



Water Consumption by Type (FY2015 results)



Voice

Installation of Wastewater Treatment Equipment Utilizing Photocatalyst Processing

In 2014, the Amata Nakorn plant of SIAM KUBOTA Corporation Co., Ltd. installed a photocatalyst treatment facility that breaks down and removes the substances in wastewater that cause high-concentration COD*.

The substances that cause COD are difficult to break down and hard to treat. Accordingly, treating the approximately 8,200 tons of high-concentration COD wastewater produced each year was previously outsourced to external service providers in its entirety. In an attempt to improve the situation, we began joint research with the wastewater treatment laboratory of Naresuan University in 2013. The project focused on developing a method for treating high-concentration COD wastewater using a photocatalyst process. After repeated verification experiments, a treatment facility was finally installed.

Using the new photocatalyst treatment process, the concentration was reduced to less than half of the standard value stipulated in the wastewater specifications of the industrial park. Furthermore, the installation of this facility has led to a reduction in waste and chemical usage, and significant cost cuts.



From right

Soray lam-am,
Somchai Limthongsittikhun,
Patcharin Ngenbaion,
Nattawat Yuttiwat

Tractor Manufacturing Division,
 Safety Health and Environment
 Department
 SIAM KUBOTA Corporation Co., Ltd.
 (Amata Nakorn plant)

*Chemical oxygen demand

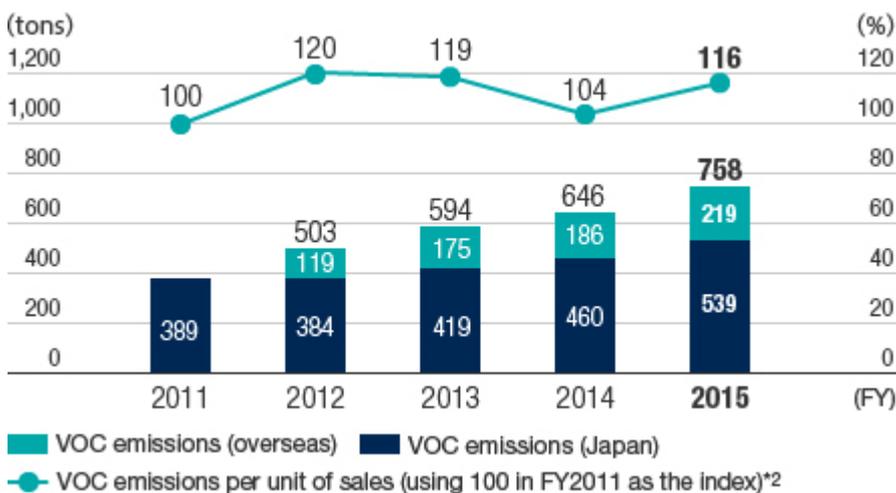
Controlling Chemical Substances

International frameworks are being established to minimize the negative impact of chemical substances on people's health and the environment. The KUBOTA Group engages in ongoing activities aimed at appropriately controlling and reducing the use of chemical substances.

VOC Emissions

In FY2015, volatile organic compound (VOC) emissions were 758 tons, an increase of 17.4% compared to the previous fiscal year. We made efforts to reduce VOCs such as improving painting effectiveness and switching to VOC-free materials. However, VOC emissions increased owing to increasing production at Japan cast iron production sites and overseas production sites. Additionally, the VOC emissions per unit of sales increased 11.6%.

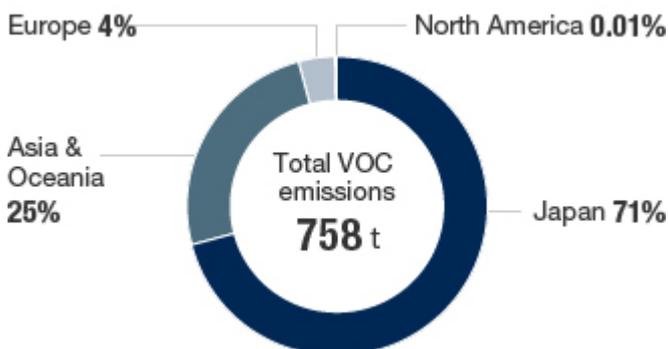
Trends in VOC Emissions*1 and Emissions per Unit of Sales



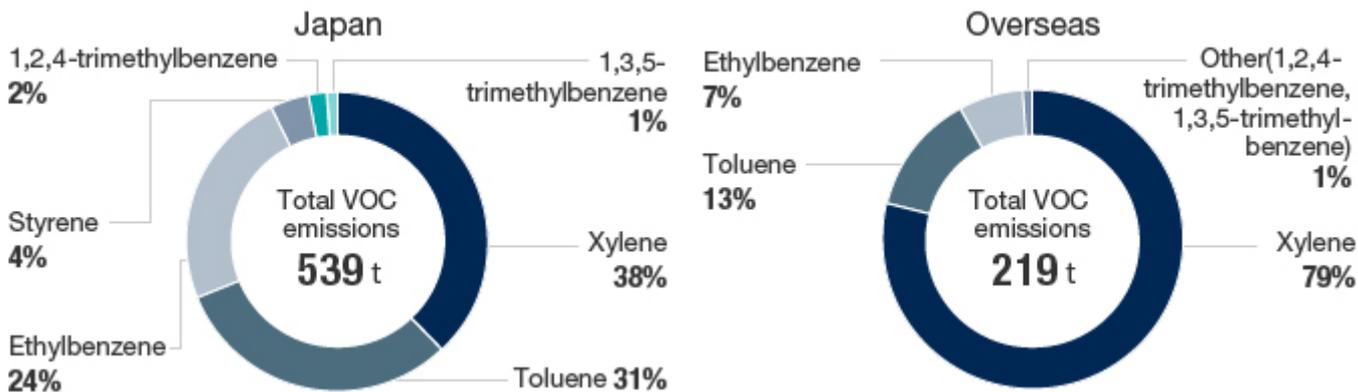
*1 VOCs comprise the six VOCs that are most prevalent in emissions from the KUBOTA Group: xylene, toluene, ethylbenzene, styrene, 1,2,4-trimethylbenzene, and 1,3,5-trimethylbenzene.

*2 VOC emissions per unit of consolidated net sales

VOC Emissions by Region (FY2015 results)



VOC Emissions by Substance (FY2015 results)

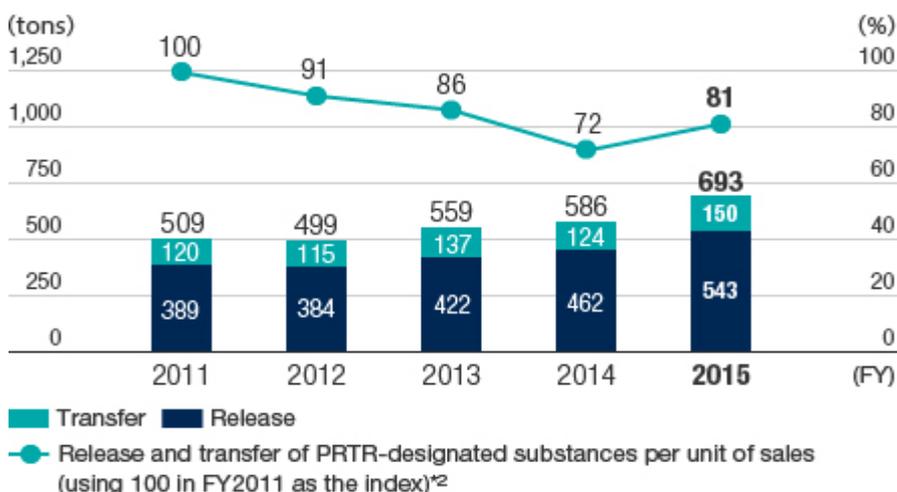


Release and Transfer of PRTR-designated Substances

In FY2015, a total of 693 tons of substances stipulated in the PRTR Law* was released and transferred, an increase of 18.2% compared to the previous fiscal year. Additionally, the release and transfer per unit of sales increased 12.4% compared to the previous fiscal year.

* Act regarding the release amounts of specific chemical substances into the environment and promotion of improving the management thereof.

Trend in Release and Transfer of PRTR-designated Substances*1, and Release and Transfer per Unit of Sales (Japan)



*1 Total amount of declarable substances that are handled at each site (annual volume of 1 ton or more (0.5 ton for Specific Class I designations))

*2 Release and transfer of PRTR-designated substances per unit of consolidated net sales.

Voice

Changing Pre-Painting Treatment to Reduce the Amount of PRTR-Designated Substances Handled

KUBOTA Utsunomiya Plant introduced initiatives to reduce the amount of PRTR-designated substances used in its production processes. In the pre-painting treatment process, in order to improve corrosive resistance and adhesiveness of paint among other characteristics, zinc phosphate—which contains many PRTR-designated substances—had conventionally been used. However, beginning from May 2014, the plant introduced a process that uses zirconium oxide. While the introduction of this method means that intricate temperature control is now required, it led to a reduction in zinc compounds—PRTR -designated substances—in the amount of 1,786kg in the year 2014. Moreover, the plant has also succeeded in minimizing its sludge generation by 27 tons. The cost involved in processing these substances has also been reduced, and the quality and corrosive resistance have been improved.

The KUBOTA Utsunomiya Plant, along with the entire KUBOTA Group, will continue to introduce improvement initiatives with the belief that reducing negative environmental impact and cost are one and the same with quality improvement.

**Yoshiyuki Kashiwagi****(supervisor)****Tetsuo Oki****Akihiro Kurokawa****Tokitake Suzuki****Sadayuki Suzuki****Osamu Kikegawa**

KUBOTA Utsunomiya Plant

Monitoring Groundwater

Results of groundwater measurements conducted on the premises of the business sites that used organic chlorine-based compounds in the past are as shown below.

Groundwater monitoring (FY2015)

Business site	Substance	Measured groundwater value	Environmental standard
Tsukuba Plant	Trichloroethylene	Non-detected (less than 0.0001mg/L)	Less than 0.03mg/L
Utsunomiya Plant	Trichloroethylene	Non-detected (less than 0.001mg/L)	Less than 0.03mg/L

Reduction of Chemical Substances Contained in Products

The KUBOTA Group has set rules for identifying and properly managing chemical substances in products in order to comply with REACH regulations* in Europe and other chemical substance regulations.

Since FY2011, chemical substances in products have been classified as one of the three following categories and managed appropriately. With cooperation from our suppliers, we investigate chemical substances in products on a global basis.

* REACH Regulations: EU Regulations for Registration, Evaluation, Authorization and Restriction of Chemical

Managing by Categorization into Three Levels

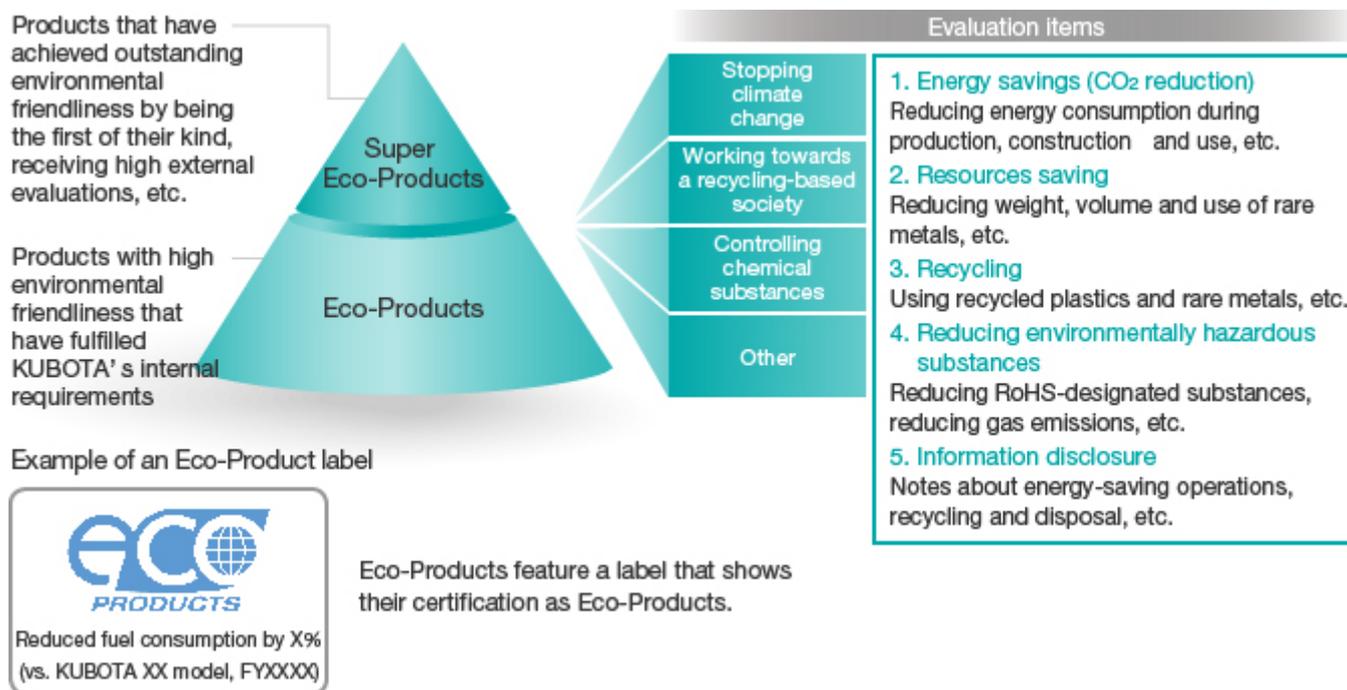
1. Substances to be Prohibited; Should not be contained in products
2. Substances to be Restricted; Should not be contained in products under certain conditions and applications
3. Substances to be Controlled; Presence in products should be recognized

Expanding Environment-friendly Products and Services

The KUBOTA Group is contributing to resolving global issues by expanding its environment-friendly products and services. We are working on initiatives that consider the entire value chain, from procurement of raw materials to product disposal.

Internal certification system for Eco-Products

Based on the Eco-Products Certification System, an in-house certification of the environmental friendliness of products, the Group certified 43 Eco-Products in FY2015. We will continue to focus on reducing environmental impact throughout the life cycle of our products.



Products Certified as Eco-Products in FY2015 (excerpt)



Tractors
M60 Series
M9960, etc. (North America, Europe)

Compliant with exhaust gas regulations



Combine
WORLD
WR6100, etc.

Compliant with exhaust gas regulations



Combine
PRO Series
PRO688Q-C, etc. (China)

Compliant with exhaust gas regulations



Riding Mower
Front Mower
F90 Series
F3990 (North America)

Compliant with exhaust gas regulations



Rice Transplanter
Racwel α Light
ZP50L, etc.

Compliant with exhaust gas regulations

Conserving resources



Construction Equipment
Compact Excavator
KX155-5(China)

Compliant with exhaust gas regulations

Saving energy



Construction Equipment
Wheel Loader
R085(Europe)

Compliant with exhaust gas regulations

Saving energy



Grass cutter
Electric grass cutter
"Shizukaru"
GC-E300

Saving energy

Reducing environmentally hazardous substances



Heat pump air-conditioner for home fertilizer
Guppi Bazooka
KBHP-GP224-T, etc.

Saving energy

Reducing environmentally hazardous substances

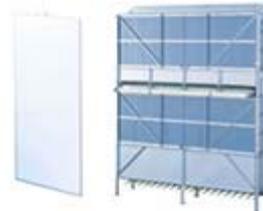


PVC-U drainage pipes with function of preventing fire spread
Kanpeitatekan 100A

Saving energy

Conserving resources

Reducing environmentally hazardous substances



Wastewater treatment apparatus
Membrane Cartridge/ KUBOTA Submerged Membrane Unit™
H7-510 Type / ES/EK Series, etc.

Conserving resources

Reducing environmentally hazardous substances



Cracking coil for Ethlene plant
AFTALLOY
KHR35AF

Conserving resources

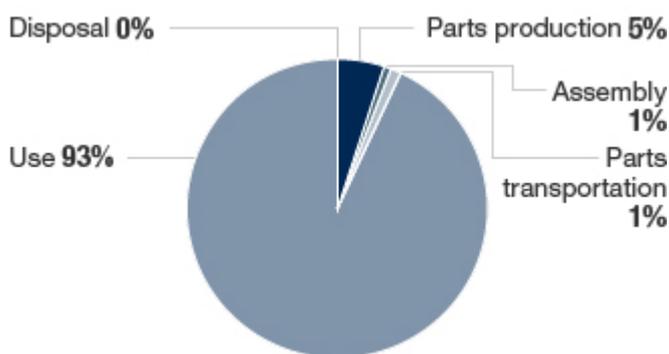
Environmental Considerations in the Product Life Cycle

🔍 Analyzing Environmental Impact Throughout the Life Cycle

In FY2015, we requested the Japan Environmental Management Association for Industry to conduct a third-party review of the life cycle assessment (LCA) system we utilize for our main products—farm tractors and ductile cast iron pipes—with the aim of assessing greenhouse gas (GHG) emissions throughout the life cycle of each product.

The percentage of GHG emissions in the life cycle of a farm tractor is at its highest during actual use (90% or more). KUBOTA is aware that increasing the efficiency of tractors at the stage of actual use is important to reducing the environmental impact.

Results of Farm Tractor LCA (GHG emission percentages by stage)*



* Presumptions:

Farm tractor: M9540DTHQ-EC 95hp;

Conditions of use: 5,000h hauling and transporting goods;

Location of use: France

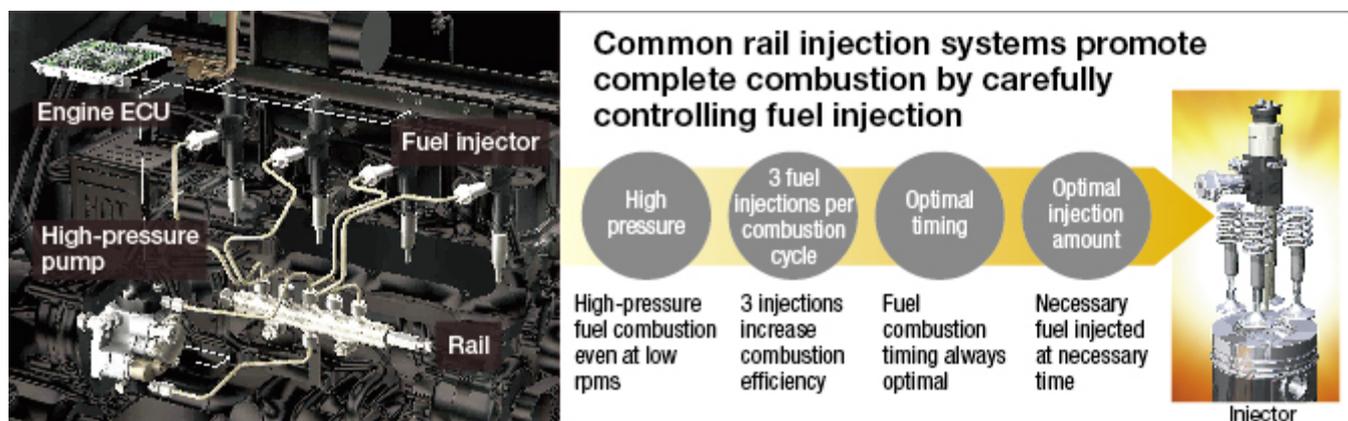
🔍 Reducing Environmental Impact during Product Use

The KUBOTA Group recommends appropriate maintenance and working methods in order to save energy when utilizing agricultural machinery. We are also contributing to reducing CO₂ emissions through efforts such as developing agricultural machinery capable of simultaneously conducting multiple tasks and reducing fuel consumption per harvested volume by making agricultural tasks more efficient.

■ Contributing through Higher Performance of Diesel Engines

Fuel injection can be carefully controlled in engines equipped with fully electronic-controlled common rail injection systems. Therefore, high combustion efficiency is possible, and high output, low noise and low fuel consumption are achieved.

Furthermore, the system contributes to making exhaust gas cleaner by minimizing particulate matter (PM) caused by incomplete combustion.



■ Contributing through Multi-Functional Agricultural Machinery

The KUBOTA RACWEL α rice transplanter is capable of simultaneously performing five tasks. We are contributing to the reduction of CO₂ emissions by making agricultural machinery multi-functional, thereby improving their efficiency and reducing fuel consumption.



Utilizing ICT to Achieve Eco-conscious Farm Management

The KUBOTA Smart Agri System (KSAS) utilizes information communications technologies (ICT) to not only achieve safe and secure crop production by increasing crop yield and quality by visualizing farm management, but also realizes eco-conscious farm management by optimizing fertilizer dispersion and extending the service life of farm machinery by improving serviceability.

Contributing to the Environment by Visualizing Farm Work

Harvest data collected by KSAS is useful for the soil preparation and fertilization plans of each field. This makes it possible to realize lean farm work and contribute to preventing soil and water pollution by optimizing fertilizer use.

① **Assess**
Possible to assess and confirm the taste and yield of each field during the reaping process.



② **Analyze**
Possible to accumulate data on the taste and yield of each field, and analyze any issues.

④ **Execution**
In the following year, possible to distribute the appropriate amount of fertilizer planned for each field using tractors and rice transplanters.



③ **Plan**
The data obtained and results of issues analyzed can be used to plan soil preparation and fertilization by field for the following year.



Extending Service Life by Improving Maintainability

Improving Maintainability Based on Farm Machinery Information

KSAS automatically collects information on the operation of compatible machinery and prepares farm machinery information for each customer based on their machinery. This service is updated each morning and offered to customers.

By offering self-maintenance information, unforeseen trouble can be minimized, which helps to extend the service life of machinery.



項目	名称/部品名	単位	状態	標準交換時期 (稼働時間)	現在の稼働時間	残り稼働時間	備考
ファンベルト	ファンベルト	本	正常	0	200	300	点検・交換
エンジンオイル	エンジンオイル	リットル	正常	0	50	300	点検・交換
エンジンオイルフィルター	エンジンオイルフィルター	個	正常	0	300	300	点検・交換
エンジンオイル	エンジンオイル	リットル	正常	0	30	300	点検・交換
エンジンオイル	エンジンオイル	リットル	正常	0	500	500	点検・交換
エンジンオイル	エンジンオイル	リットル	正常	0	100	500	点検・交換
エンジンオイル	エンジンオイル	リットル	正常	0	100	500	点検・交換

Example farm machinery information offered to customers

Example of Improving Maintainability of Farm Machinery

KUBOTA offers a combine harvester equipped with its original DYNAMAX FULL OPEN, a mechanism that enables each of the combine's components to open and close dynamically.

By making it possible to complete maintenance work quickly, whether it is daily cleaning and upkeep or the unlikely occurrence of a problem during a field operation, safe and secure work is possible and the life of the combine harvester is extended.



Condition before being fully opened

Voice

Wishing to Contribute to Eco-conscious Farming through Customers' Broad Use of KSAS

Development verification tests were conducted for KSAS from 2011 to 2014 in Niigata Prefecture (Japan). From 2014, monitoring activities were carried out in various regions throughout Japan, and we exerted efforts to improve the accuracy of the system. The service officially started in 2014, and has since been highly regarded by government bodies, agricultural organizations and large-scale farm operators.

Through the accumulation and analysis of crop and work information, it is possible to produce high-yielding, good-tasting crops, improve work efficiency and reduce costs. Additionally, through the appropriate management of cultivation history, it is possible to achieve safe and secure crop-growing, which leads to environment-friendly, sustainable farming. KUBOTA wishes to continue contributing to eco-conscious farming by having its customers utilize KSAS widely for their operations.



Hirotaka Choami

Manager (KSAS Group)
Tractor and Utility
Machinery Planning and
Sales Promotion Dept.
KUBOTA Corporation

Conservation of Biodiversity

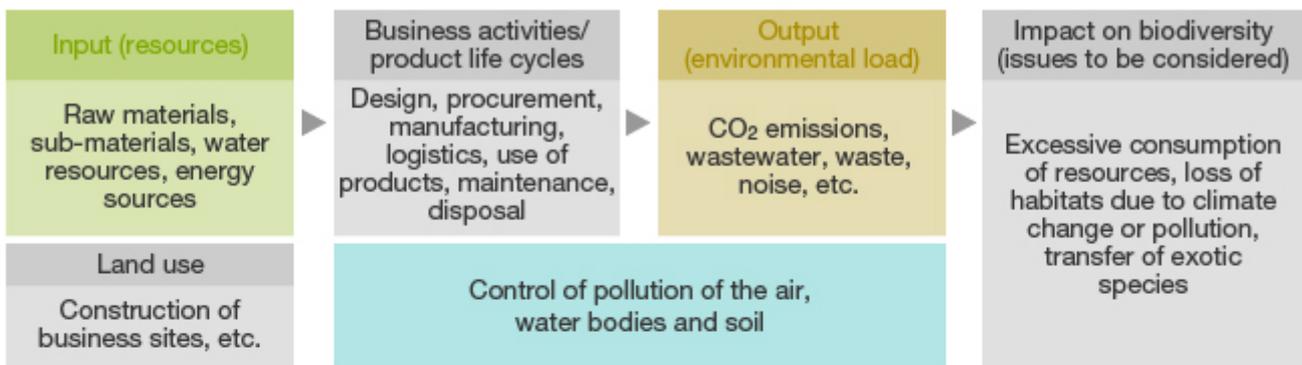
Conservation of biodiversity is set as one of the targets for the KUBOTA Group's "Eco-First Commitment." In our business activities and social contribution initiatives, the Group is endeavoring to ensure that care is taken to conserve biodiversity and protect the natural environment.

Relationship between the KUBOTA Group and Biodiversity

Relationship between the KUBOTA Group and Biodiversity

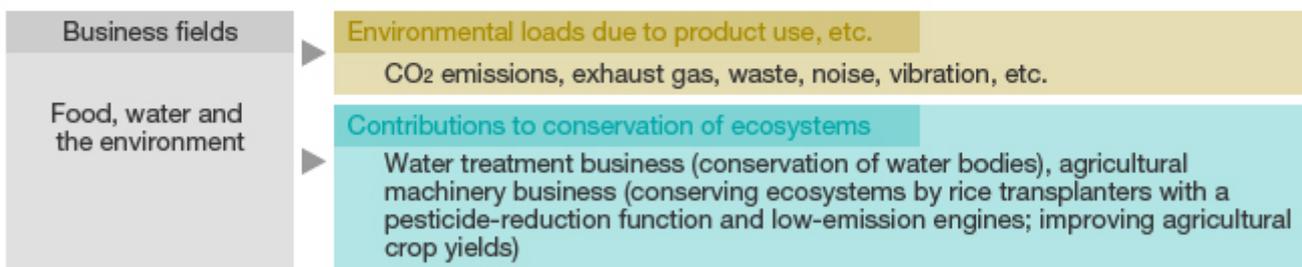
Management and reduction of environmental load involved to business activities

In each stage of business activities, the KUBOTA Group reduces environmental load and consider our influence on biodiversity.



Impact reduction and environmental contributions through businesses (products/services)

The KUBOTA Group reduces environmental impacts of our business activities, and contributes to conservation of ecosystems.



Symbiosis with the natural environment through social contribution initiatives

As a corporate citizen, the KUBOTA Group devotes efforts to preserving the natural environment.

KUBOTA e-Project (supporting reclamation of abandoned farmland),
KUBOTA e-Day (environmental beautification volunteers),
Planting trees and installing biotopes on the grounds of business sites, etc.

Action Report

Practice Report

Amata Nakorn Plant of SIAM KUBOTA Corporation Co., Ltd. Participates in Volunteer Planting of White Mangroves

The Amata Nakorn Plant of SIAM KUBOTA Corporation Co., Ltd. has defined an independent policy regarding the social responsibilities of its employees. In accordance with this policy, many members participate in social contribution activities as volunteers.

In 2014, as a part of the plant's environmental conservation activities, all employees—approximately 1,400—participated in a white mangrove tree-planting event the Royal Thai Army Natural Study Centre. Through participating in this event three times by 2016, the goal is to plant a total of 100,000 mangroves and expand the forest.



Tree-planting activities

Practice Report

P.T. Kubota Indonesia Participates in Organic Rice Plantation Project

Beginning from 2014, P.T. Kubota Indonesia has continued to participate in a project to develop organic paddy fields for rice in central Java. This project started as part of the Corporate Responsibility Program operated by the Bank Indonesia and other government organizations. The aim is to work together with research institutions and local residents to grow rice paddies that have minimal impact on biological systems by not using chemical fertilizers or pesticides. P.T. Kubota Indonesia contributes by donating hand tractors and threshers that help to increase productivity, and provides lectures on how to use and maintain the products.

In 2015, P.T. Kubota Indonesia plans to invite farmers to its plant and conduct training on diesel engines.



Stakeholders from Bank Indonesia, etc.

Environmental Management

The KUBOTA Group has established an environmental management system for each site and enhances risk management activities based on a specific set of group rules. In recent years, we have been strengthening environmental management initiatives at our overseas sites.

Compliance with Environmental Laws and Regulations

To ensure compliance with environmental laws, the KUBOTA Group has set and thoroughly manages its own control values at each of its sites for exhaust gas, wastewater, noise, vibration and other variables that are stricter than the relevant laws and regulations.

In the case of non-compliance or claims regarding environmental laws and regulations, the KUBOTA Group has a system established to report promptly to head office. Of the reports made in FY2015, two were non-compliance cases which were subjected to instruction and caution from the related government agency. These were the wastewater of a production site in Japan exceeding the pH control value and a Chinese group company with an excessive odor concentration value. For either case, we have taken the appropriate measures and are making improvements to prevent reoccurrence.

Environmental Auditing / Environmental Risk Assessment

Environmental Auditing

Each year environmental audits are conducted by the KUBOTA Environmental Protection Department based on the internal control system of the KUBOTA Group. Audits in FY2015 were conducted by means of paper audits and field audits targeting production sites, service sites, offices, construction and maintenance management departments in Japan and overseas production sites.

Furthermore, in addition to environmental audits conducted by the Environmental Protection Department, at production sites, internal environmental audits were implemented by staff members at each site with the aim of raising the level of environmental management.



Audit of overseas production site
Kubota Construction Machinery (WUXI) Co., Ltd.

FY2015 Environmental audit implementation Status

- Number of subject sites and departments: 219
- Number of audit items: 32 (for construction departments) up to 90 (for production sites in Japan)
- Audit details: Water and air quality management, noise and vibration management, waste discharge and chemical substances management, climate change prevention, response to abnormalities and emergencies, and environmental management system

Environmental Risk Assessment

The KUBOTA Group has begun conducting environmental risk assessments at production sites to accurately evaluate the use of harmful substances and functions of environment-related equipment. The objective is to clarify the condition of the environmental risk and to implement systematic improvement.

In FY2015, the KUBOTA Environmental Protection Department conducted onsite assessments at each overseas production site, as well as self-assessments using a self-checksheet at production sites in Japan. By conducting the environmental audits and environmental risk assessments—which have different perspectives—in parallel, the Group is striving to increase its ability to accurately identify environmental risks and reduce risk even further.



Environmental risk assessment at an overseas production site, KUBOTA Precision Machinery (Thailand) Co., Ltd.

FY2015 Environmental Risk Assessment Implementation Status

- Number of sites and departments subjected: 33 (26 production sites in Japan, 7 overseas production sites)
- Number of audit items: 247 items (145 water quality, 102 air quality)
- Assessment targets: Water quality-related equipment, air quality-related equipment

Drills for responding to abnormal and emergency situations

The KUBOTA Group is making efforts to identify and minimize the environmental risks associated with its business activities.

It carries out regular training based on the procedures established to respond to specific risks at each site in order to mitigate the impact on the ambient environment in case of an environmental accident.



Flow prevention drill simulating the leakage of oil containing PCBs.
KUBOTA Okajima Business Center.



Flow prevention drill simulating the leakage of oil.
Nihon Plastic Co., Ltd. (Headquarters factory)

Green Procurement

For the purpose of providing products that are friendly to the global and local environment, the KUBOTA Group is seeking to procure products with reduced environmental impacts from eco-friendly suppliers.

In order to effectively promote eco-friendly sourcing activities, the Group presents its policy for green procurement in the KUBOTA Group's Green Procurement Guidelines, to request the understanding and cooperation of suppliers.



KUBOTA Group's Green Procurement Guidelines and Appendix (Publishing in Japanese, English and Chinese.)

➤ [For details on KUBOTA Group's Green Procurement Guidelines, click here.](#)

Environmental Education and Enlightenment

Results of environmental education in FY2015

The KUBOTA Group provides environmental training and education to our employees around the world. The education program for employees consists of rank-based training, professional training, and general training. KUBOTA assists external group's environmental education programs.

Classification	Course title	Frequency	No. of participants	Course descriptions
Education by employee-level	Kubota Introductory course (new employees, etc.)	2	172	Global and local environmental issues and KUBOTA's environmental conservation activities
	CSR training (for 9th year employees in staff position)	2	116	Environmental issues and environmental risk management
	Training for employees promoted to managerial positions	3	112	The KUBOTA Group's environmental management
	Training for newly appointed supervisors	2	65	KUBOTA's environmental management and efforts as supervisors
	Training for newly appointed foremen	1	27	KUBOTA's environmental management and efforts as foremen
	Environmental forum for executive officers	1	200	Lecture by landscaper Masayuki Wakui
Professional education	Basics of environmental management	1	20	Basic knowledge of legal systems, environmental risk, and environmental conservation
	Environment-related facilities management	1	22	Pollution control technologies and pollution control laws
	Energy-saving management	1	12	Energy-saving technologies, energy-saving laws

Classification	Course title	Frequency	No. of participants	Course descriptions
Professional education	Waste management	2	26	Waste Management and Public Cleansing Law, practical training in consignment contracts and manifests, etc.
	Education to train ISO 14001 environmental auditors	3	46	The ISO 14001 standard, environment-related laws, audit techniques
	New waste management system training	24	283	Training on electronic information management systems
General training	Business sites in Japan Environmental education	15	333	The KUBOTA Group's environmental management and medium-term environmental conservation targets
	Overseas production sites Environmental management technologies education	1	23	Pollution control technologies
total		59	1457	

Classification	Course title	Frequency	No. of participants	Course descriptions
Supporting to education in outside organizations	Internship program with Utsunomiya Hakuyo High School	1	3	KUBOTA environmental conservation activities and efforts at Utsunomiya Plant
	Environmental training for local governments, companies and organizations	4	56	Hanshin Plant's environmental initiatives and Environment Dojo tours



Education on environmental management technologies
(Environment staffs of each Chinese site)



Environmental forum for executive officers
(Lecturer: Mr. Masayuki Wakui)

**Environment
Month Report**

Developing activities based on the theme, "Effective Utilization of Water"

KUBOTA Group has declared June every year as "Environment Month," and carries out enlightenment activities accordingly. In FY2015, "Effective Utilization of Water" was chosen as the theme as water is intrinsic to our business.

As part of the activities, a poster was produced to raise awareness of Environment Month and displayed on the notice boards at all Group sites. For the poster design, we chose a painting by Yuki Sasaki, the winner of the 2013 International Children's Painting Competition on the Environment in the Japanese elementary school upper grades category.



Noticeboard at Kubota Engine
(Thailand) Co., Ltd.



Environment
Month poster

[Artist's comments]

The planet is said to have around 1.4 billion cubic kilometers of water. Apparently around 97% of this is sea water and only the remaining 3% or so is fresh water. We can only use 0.8% of that for our daily water. Many people around the world are facing water shortage problems. I drew this illustration thinking how important it was that the people of the world help each other and take good care of our precious, limited water supply. I was really surprised that my illustration was used for Environment Month. I hope for the creation of a society in which the people of the world don't need to struggle for water.



Yuki Sasaki

First grade, Fukaya Junior High School, Fukaya City, Saitama Prefecture, Japan

Receiving Environmental Awards

● Award for Disclosure of Environmental Information

At the 18th Environmental Communication Awards hosted by the Global Environmental Forum of Japan's Ministry of the Environment, the online version of KUBOTA Group's CSR report—KUBOTA REPORT 2014—received the Special Award for Reliable Reporting in the Environmental Reporting Category. It was presented by the chairman of the Japanese Association of Assurance Organizations for Sustainability Information.

The Environmental Communication Awards is an awards system that commends outstanding environmental reporting, etc. in an effort to promote environmental management and environmental communication by companies, as well as improve the quality of information disclosure. The Special Award for Reliable Reporting is awarded for not only producing an outstanding environmental report, but for also subjecting reports to third-party assurance as a measure to further improve the reliability and transparency of information disclosure regarding environmental efforts. The KUBOTA Group received recognition for providing factual information in full and disclosing information with sincerity. We will continue our sincere efforts to disclose reliable and comprehensive information.



Special Award for Reliable Reporting Certificate of Commendation

Receiving Environmental Awards

P.T. Kubota Indonesia Receives the BLUE PROPER Award

P.T. Kubota Indonesia (PTKI) has received its second Blue PROPER Award from the Indonesian Ministry of Environment in recognition of its corporate activities over the year beginning July 2013. The Environmental Performance Rating Program (PROPER) is operated by the Indonesian Ministry of Environment and commends companies that have produced excellent results in regards to environmental conservation activities.

This award is given to companies who comply with environmental regulations and operate appropriate environmental management systems. Moving forward, PTKI will continue to strengthen its initiatives in the area of environmental management.



BLUE PROPER Award Certificate of Commendation

■ SIAM KUBOTA Corporation Co., Ltd (Amata Nakorn Plant) Receives The Prime Minister's Award for Environmental Conservation

In 2014, the Amata Nakorn Plant of SIAM KUBOTA Corporation Co., Ltd. (SKCA) received the Environmental Quality Conservation Award of the Thailand Prime Minister's Industry Award. This award is given to companies that not only serve as role models for the development and moral improvement of industry in Thailand, but also promote environmental conservation activities aimed at sustainable economic growth. SKCA received recognition for its well-organized environmental management system, which includes initiatives such as working to reduce environmental burden and providing environmental training to employees.

SKCA also received the highest award at the IEAT Waste Management Awards event relating to industrial waste management and hosted by the Industrial Estate Authority of Thailand (IEAT), and the Thailand Energy Award 2014 from the Ministry of Industry, Thailand, which relates to energy management.



Staff at Amata Nakorn Plant

Environment Communication Report

Practice Report

SIAM KUBOTA Metal Technology Co., Ltd. Provides Environmental Education for Elementary School Students

SIAM KUBOTA Metal Technology Co., Ltd.(SKMT) provides environmental education for local elementary children as part of its environment-orientated social contribution activities. Employees have lunch with the children while casually discussing things about the natural environment, and sow the seeds of environmental conservation awareness through quizzes and games.

SKMT is grateful for the privilege of being able to share precious resources such as air and water with local residents, and will continue to proactively engage in activities that contribute to society.



Environmental education session

Environmental Communication with Elementary and Junior High School Students at KUBOTA Hanshin Plant (Mukogawa)

As part of the Next-generation Development Project of Amagasaki City, the KUBOTA Hanshin Plant in Mukogawa has been offering plant tours to local elementary and junior high school students every year since FY2012. In FY2015, approximately 150 students took part in the tour.

First, KUBOTA employees explain the manufacturing processes for water pipes and other products, and then take the students to the actual manufacturing lines. Afterwards, the children receive an explanation of the plant's environmental conservation activities at the Environment Dojo in hope of helping them to understand the importance of resources such as water and heighten their awareness of environmental conservation. During the tour, children are also introduced to wastewater treatment and waste recycling processes in straightforward ways such as models and quizzes. Children also observe the electricity consumption of LED lights and witness firsthand how effective LED is for reducing CO₂.

The KUBOTA Hanshin Plant will continue striving to impress customers and the local community by being an accommodating and informative plant.



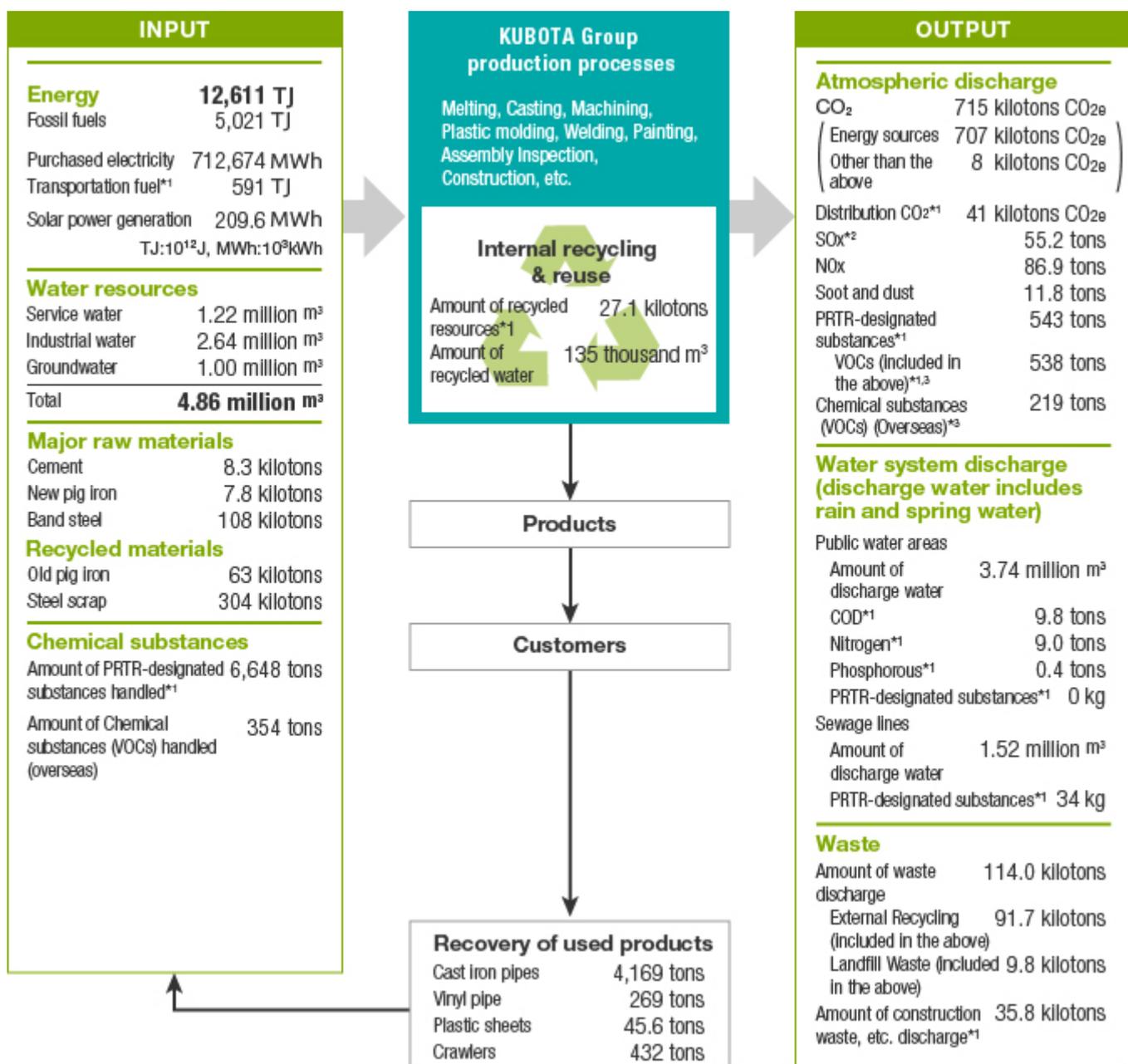
Elementary school students receiving an explanation at the Environment Dojo

Environmental Data

Overview of the KUBOTA Group's Environmental Load

This is an overall summary of the KUBOTA Group's environmental load from its diverse business activities in Japan and overseas in FY2015. We will continue to assess and analyze environmental load and engage in initiatives to reduce it.

Overview of the KUBOTA Group's Environmental Load



*1 Data concerning business sites in Japan .

*2 From FY2015, the scope for SO_x emissions calculation has changed. For the latest scope, please refer to "Trends in Major Environmental Indicators."

*3 VOCs comprise the six VOCs that are most prevalent in emissions from the KUBOTA Group: xylene, toluene, ethylbenzene, styrene, 1,2,4-trimethylbenzene and 1,3,5-trimethylbenzene.

Trends in Major Environmental Indicators

Trends in Major Environmental Indicators in the Last Five Years Listed on "Overview of the KUBOTA Group's Environmental Load" 

Environmental indicators		Unit	FY2011	FY2012	FY2013	FY2014	FY2015	
INPUT	Total energy input	TJ	9,235	9,646	11,320	12,150	12,611	
	Fossil fuel	TJ	3,535	3,726	4,370	4,660	5,021	
	Purchased electricity	MWh	523,490	543,100	642,400	690,600	712,674	
	Transportation fuel (Japan)	TJ	564	587	641	695	591	
	Water consumption	Million m ³	4.23	4.45	4.50	4.68	4.86	
	Overseas included in the above	Million m ³	0.44	0.52	0.83	0.89	1.04	
	Service water	Million m ³	0.86	0.87	1.03	1.10	1.22	
	Water for industrial use	Million m ³	2.36	2.56	2.46	2.56	2.64	
	Groundwater	Million m ³	1.01	1.02	1.01	1.02	1.00	
	Amount of PRTR-designated substances handled (Japan)	tons	5,277	5,321	5,667	5,839	6,648	
Amount of chemical substances (VOCs) handled (Overseas)* ¹	tons	-	-	329	354	354		
OUTPUT	Atmospheric discharge	CO ₂ emissions	kilotons CO ₂	451	471	585	663	715
		Overseas included in the above	kilotons CO ₂	76	93	135	172	181
		Energy sources	kilotons CO ₂	445	465	579	657	707
		Other than the above	kilotons CO ₂	6	6	6	6	8

Environmental indicators		Unit	FY2011	FY2012	FY2013	FY2014	FY2015		
OUTPUT	Atmospheric discharge	Distribution CO ₂ (Japan)	kilotons CO ₂	39	40	44	48	41	
		SOx emissions ^{*2,3}	tons	5.2	2.9	26.6	78.7	55.2	
		NOx emissions	tons	66.1	61.7	64.3	79.6	86.9	
		Soot and dust emissions	tons	5.5	6.4	5.7	9.2	11.8	
		Amount of PRTR-designated substances released (Japan)	tons	389	384	422	462	543	
		VOC (included in the above) ^{*1}	tons	389	384	419	460	539	
		Amount of chemical substances (VOCs) released (Overseas) ^{*1}	tons	-	119	175	186	219	
	Water system discharge	Public water areas	Wastewater discharge	Million m ³	3.78	3.82	3.48	3.82	3.74
			COD ^{*4,5} (Japan)	tons	10.6	11.9	10.4	10.6	9.8
			Nitrogen discharge ^{*4,5} (Japan)	tons	9.5	10.2	9.7	8.9	9.0
			Phosphorous discharge ^{*4,5} (Japan)	tons	0.35	0.29	0.30	0.32	0.37
			Amount of PRTR-designated substances released (Japan)	kg	35	40	9.0	8.4	0
		Sewage lines	Wastewater discharge	Million m ³	0.94	1.01	1.34	1.23	1.52
			Trend in amount of PRTR-designated substances released (Japan)	kg	21	20	20	21	34
	Waste	Amount of waste discharge	kilotons	70.0	78.2	89.7	98.2	114.0	
		Overseas included in the above	kilotons	10.2	14.5	25.4	32.6	38.0	
		Landfill waste	kilotons	4.3	4.1	7.2	13.1	9.8	
		Amount of construction waste, etc. discharge(Japan)	kilotons	18.9	32.7	31.8	23.8	35.8	

*1 VOCs comprise the six VOCs that are most prevalent in emissions from the KUBOTA Group: xylene, toluene, ethylbenzene, styrene, 1,2,4-trimethylbenzene and 1,3,5-trimethylbenzene.

*2 Previously, the sulfur contained in the slag and particulate matter was included in the calculation of SOx emissions emitted from the fuel combustion in casting plants. However, from FY2015, it has been excluded from calculations as it is not emitted into the atmosphere.

*3 Previously, SOx deriving from fuel combustion was included in the calculation of SOx emissions. However, in FY2015, it was discovered that, at a part of our overseas subsidiaries (SIAM KUBOTA Metal Technology Co., Ltd. and three other companies), SOx emissions were emitted from production processes other than fuel combustion. The SOx concentration regulation applies to the exhaust discharged from the concerned production processes of these overseas subsidiaries, and the SOx emission amount was significant so it has been included in the SOx emissions calculation. In accordance with these changes, the SOx emissions amount has been revised for the past fiscal year.

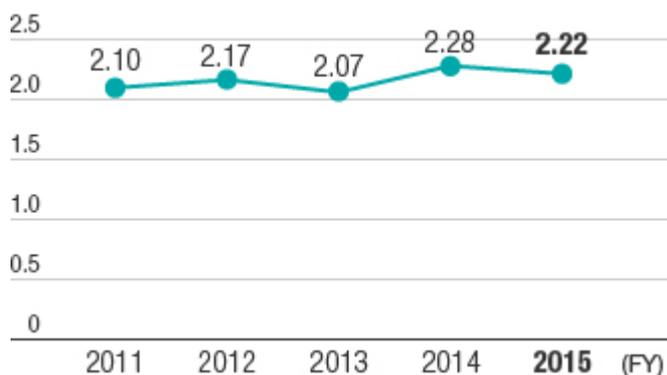
*4 Data for total discharge from business sites subject to total emission control.

*5 Data in FY2014 was revised to improve accuracy.

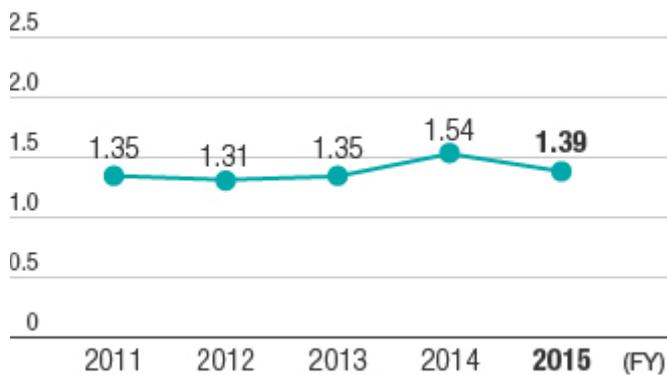
Eco-efficiency

Eco-efficiency of the environmental load for water consumption improved in comparison with last fiscal year. Meanwhile, the eco-efficiency for CO₂, waste and VOC worsened. The improvement in figures means that the sales per unit of environmental load have increased, which is considered to indicate higher eco-efficiency.

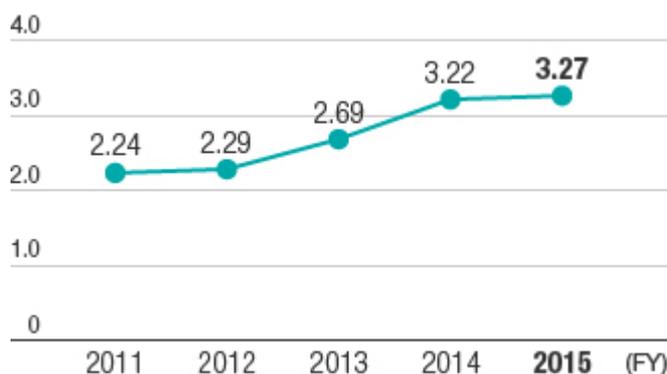
CO₂ Eco-efficiency*¹



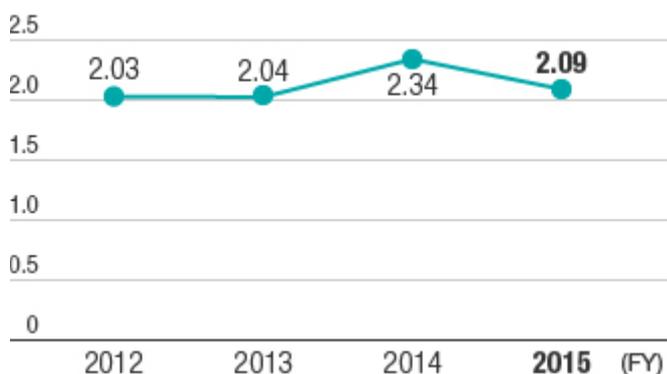
Waste Eco-efficiency*²



Water Eco-Efficiency*³



VOC Eco-efficiency*⁴



*1 CO₂ Eco-efficiency = Consolidated net sales (million yen)/ CO₂ emissions (tons CO₂e)

*2 Waste Eco-efficiency = Consolidated net sales (million yen)/ Waste discharge (tons)/10

*3 Water Eco-efficiency = Consolidated net sales(million yen)/water consumption (m³) x 10

*4 VOC Eco-efficiency = Consolidated net sales(million yen)/VOC emissions (kg)

Calculation Results of PRTR-Designated Substances

FY2015 Results of PRTR reporting (Japan)

Number specified in Cabinet Order	Chemical substance	Releases				Transfers	
		Atmosphere	Public water areas	Soil	On-site landfills	Sewerage	Transfers to off-site
1	Water-soluble zinc compounds	0.0	0.0	0.0	0.0	34	873
53	Ethylbenzene	132,403	0.0	0.0	0.0	0.0	24,898
71	Ferric chloride	0.0	0.0	0.0	0.0	0.0	0.0
80	Xylene	204,045	0.0	0.0	0.0	0.0	37,372
87	Chromium and chromium (III) compounds	0.0	0.0	0.0	0.0	0.0	3,383
132	Cobalt and its compounds	0.0	0.0	0.0	0.0	0.0	2.8
185	Dichloro-pentafluoro-propane	2,692	0.0	0.0	0.0	0.0	0.0
188	N,N-Dicyclohexylamine	0.0	0.0	0.0	0.0	0.0	1,105
239	Organic tin compounds	0.0	0.0	0.0	0.0	0.0	14
240	Styrene	20,399	0.0	0.0	0.0	0.0	0.0
243	Dioxins	0.017	0.0	0.0	0.0	0.0	0.52
277	Triethylamine	0.0	0.0	0.0	0.0	0.0	0.0
296	1, 2, 4-trimethylbenzene	11,311	0.0	0.0	0.0	0.0	2,389
297	1, 3, 5-trimethylbenzene	2,516	0.0	0.0	0.0	0.0	9.1
300	Toluene	168,010	0.0	0.0	0.0	0.0	21,947
302	Naphthalene	1,482	0.0	0.0	0.0	0.0	0.0
305	Lead compounds	10	0.0	0.0	0.0	0.0	11,112

Number specified in Cabinet Order	Chemical substance	Releases				Transfers	
		Atmosphere	Public water areas	Soil	On-site landfills	Sewerage	Transfers to off-site
308	Nickel	0.68	0.0	0.0	0.0	0.0	441
349	Phenol	0.0	0.0	0.0	0.0	0.0	0.0
354	Di-n-butyl phthalate	52	0.0	0.0	0.0	0.0	149
392	n-Hexane	0.0	0.0	0.0	0.0	0.0	0.0
400	Benzene	2.5	0.0	0.0	0.0	0.0	0.0
405	Boron compounds	0.0	0.0	0.0	0.0	0.0	1,927
412	Manganese and its compounds	0.0	0.0	0.0	0.0	0.0	44,253
448	Methylenebis (4, 1-phenylene) diisocyanate	0.0	0.0	0.0	0.0	0.0	0.0
453	Molybdenum and its compounds	0.0	0.0	0.0	0.0	0.0	0.0
Total		542,923	0.0	0.0	0.0	34	149,876

* Total of substances with annual handling volume of one ton or more (0.5 ton or more for Specific Class I Designations) at each business site.

* Unit: kg/year (Dioxins: mg-TEQ/year)

Volatile Organic Compounds (VOCs)

Six VOC substances targeted for reduction in FY2016 Medium-Term Environmental Conservation Targets

Environmental Accounting

The KUBOTA Group performs environmental accounting and publicizes data about the cost of investments in environmental conservation and the economic and environmental benefits of these investments.

Environmental conservation costs

(Yen in millions)

Classifications	Main activities	FY2014		FY2015	
		Investment	Expenses	Investment	Expenses
Within the business area cost		679	1,353	1,476	1,657
Local environmental conservation cost	Prevention of air and water pollution, soil contamination, noise, vibration, etc.	377	341	563	433
Global environmental conservation cost	Prevention of climate change	301	233	888	326
Resource recycling cost	Minimizing waste production, reducing quantity of waste, and recycling	0.5	779	25	898
Upstream and downstream costs	Collection of used products and commercialization of recycled products	0	30	0	25
Management activities cost	Environmental management personnel, ISO maintenance and implementation, environmental information dissemination	2	1,326	14	1,581
R&D cost	R&D for reducing of product environmental load and developing environment conservation equipment	288	6,394	282	6,598
Social activities cost	Local cleanup activities and membership fees and contributions to environmental groups, etc.	0	1	0	1

Classifications	Main activities	FY2014		FY2015	
		Investment	Expenses	Investment	Expenses
Environmental remediation cost	Contributions and impositions, etc.	0	199	0	88
Total		969	9,303	1,772	9,950

Total capital investment (including land) for the corresponding period (consolidated data)	50,700
Total R&D costs for the corresponding period	39,500

Environmental conservation effects

Effects	Items	FY2014	FY2015
Environmental effect related to resources input into business activities	Energy consumption (Except for transportation fuel) [units of heat; in terajoules (TJ)]	7,870	8,274
	Water consumption (million m ³)	379	382
Environmental effect related to waste or environmental impact originating from business activities	CO ₂ emissions (Energy related) (kilotons CO ₂)	485	526
	SO _x emissions (tons)	16.2	19.8
	NO _x emissions (tons)	64.7	70.0
	Soot and dust emissions (tons)	3.4	3.5
	Releases and transfers of PRTR-designated substances (tons)	586	693
	Waste discharge (kilotons)	65.6	76.0
	Waste to landfills (kilotons)	1.2	2.5

Economic effects

(Yen in millions)

Classifications	Details	Annual effects
Energy conservation measures	Use alternative fuels for production facilities and switch to more efficient lighting and air handling systems	234
Zero-emissions measures	Reduce the amount of industrial waste; promote resource recycling; other	47
	Sales of valuable resources	1,018
Total		1,299

<Environmental accounting principles>

- 1) The period covered spans from April 1, 2014 to March 31, 2015.
- 2) The data of business sites in Japan are considered in the calculation.
- 3) Data was calculated referring to the Environmental Accounting Guidelines 2005, published by Japan's Ministry of the Environment.
- 4) "Expenses" includes depreciation costs.
 Depreciation cost was calculated based on the standards applied to KUBOTA's financial accounting, and assets acquired in and after 1998 were considered in the calculation. "Management activities" and "R&D costs" include personnel expenses. "Resource recycling costs" does not include costs incurred during disposal of construction waste at construction sites. "R&D costs" represents that which was spent on environmental purposes, calculated on a pro-rata basis.
- 5) "Economic effects" is obtained only by adding up tangible results and does not include estimated effects.

Status of Environmental Management System Certification Acquisition

The KUBOTA Group's production sites in Japan acquired ISO 14001 certification by the end of FY2007. We are currently developing activities to promote certification of ISO 14001 and other qualifications at overseas production sites. In FY2015, certification was obtained by two of our production sites in China and one in Thailand.

ISO 14001 Certification

KUBOTA in Japan

No	Name	Other Included Organizations and Subsidiaries	Main Business	Inspecting/Certifying Organization	Date of Certification
1	Tsukuba Plant	<ul style="list-style-type: none"> Eastern Main Parts Center KUBOTA F.I.M. Service Ltd. KS Tsukuba Training Center Kanto Kubota Precision Machinery Co.,Ltd. 	Engines, tractors, etc.	LRQA	November 28, 1997
2	Keiyo Plant	<ul style="list-style-type: none"> Distribution Center 	Ductile iron pipe, spiral welded steel pipe	LRQA	July 16, 1998
3	Ryugasaki Plant	<ul style="list-style-type: none"> KUBOTA Vending Service Co., Ltd Ryugasaki Plant KUBOTA Kanto Vender Center Inc. Ryugasaki Plant 	Vending machines	DNV	November 13, 1998
4	Hanshin Plant	<ul style="list-style-type: none"> Marushima Factory 	Ductile iron pipe, rolls, potassium titanate, KUBOTA TXAX products	LRQA	March 5, 1999
5	Kyuhoji Business Center	<ul style="list-style-type: none"> KUBOTA Environmental Service Co., Ltd KUBOTA Membrane Corp. KUBOTA Keiso Corp. 	Measuring instruments, measuring systems, rice-milling products, waste shredder systems, submerged membranes, and mold temperature controllers	DNV	March 19, 1999

No	Name	Other Included Organizations and Subsidiaries	Main Business	Inspecting/Certifying Organization	Date of Certification
6	Hirakata Plant		Valves, cast steel, new ceramic materials, and construction machinery	LRQA	September 17, 1999
7	Okajima Business Center		Industrial cast iron products, drainage pipes, and other cast iron products	JICQA	December 22, 1999
8	Sakai Plant/Sakai Rinkai Plant		Engines, tractors, small-size construction machinery, etc.	LRQA	March 10, 2000
9	Shiga Plant		FRP products	JUSE	May 18, 2000
10	Water Engineering & Solution Business Unit	<ul style="list-style-type: none"> Shin-yodogawa Environmental Plant Center 	Sewage and sludge water purification, wastewater treatment facilities	LRQA	July 14, 2000
11	Pumps Business Unit	<ul style="list-style-type: none"> KUBOTA Kiko Ltd. 	Sewage and water purification plants, pumps and pump stations	LRQA	July 14, 2000
12	Water Engineering & Solution Business Unit (membrane filtration system)		Filtration membrane unit	LRQA	July 14, 2000
13	Utsunomiya Plant	<ul style="list-style-type: none"> KUBOTA F.I.M. Service Ltd. KS Utsunomiya Training Center 	Rice transplanters and combine harvesters	LRQA	December 8, 2000

KUBOTA Group: Companies in Japan

No	Name	Other Included Organizations and Subsidiaries	Main Business	Inspecting/Certifying Organization	Date of Certification
1	Nippon Plastic Industry Co., Ltd.	<ul style="list-style-type: none"> Head office and plant, Mino Plant 	Plastic pipes, plastic sheets, etc.	JSA	October 27, 2000
2	KUBOTA Construction Co., Ltd.		Design and construction of civil engineering structures and buildings	JQA	December 22, 2000
3	KUBOTA Environmental Service Co., Ltd.		Installation, maintenance and management of environmental systems for service water, sewage, landfill disposal, raw waste and waste plants, etc.	MSA	November 20, 2002
4	KUBOTA-C.I. Co., Ltd.	<ul style="list-style-type: none"> Tochigi Plant Sakai Plant Odawara Plant Kyushu KUBOTA Chemical Co., Ltd. 	Plastic pipes and couplings	JUSE	March 27, 2003 (integrated authentication in 2011)
5	KUBOTA Air Conditioner Co., Ltd.	<ul style="list-style-type: none"> Tochigi Plant 	Central air conditioning systems	JQA	August 27, 2004
6	KUBOTA Precision Machinery Co., Ltd.		Hydraulic valves, hydraulic cylinders, transmissions, hydraulic pumps, hydraulic motors, etc.	LRQA	March 17, 2007
7	KUBOTA KASUI Corporation		Design, construction and maintenance management of environmental conservation facilities	BCJ	February 1, 2010

KUBOTA Group: Overseas companies

No	Name	Main Business	Inspecting/ Certifying Organization	Date of Certification
1	SIAM KUBOTA Corporation Co., Ltd. (Thailand)	Small diesel engines and agricultural machinery	MASCI	February 28, 2003
2	P.T. Kubota Indonesia (Indonesia)	Diesel engines and agricultural machinery	LRQA	February 10, 2006
3	Kubota Materials Canada Corporation (Canada)	Cast steel products, TXAX	SGS (U.S.)	June 15, 2006
4	P.T.Metec Semarang (Indonesia)	Vending machines	TUV	March 16, 2011
5	Kubota Precision Machinery (Thailand) Co., Ltd. (Thailand)	Equipment for tractors	LRQA	August 5, 2015
6	Kubota Manufacturing of America Corporation (U.S.)	Small-sized tractors, mowers, utility vehicles and tractor accessories	BSI	September 20, 2012
7	SIAM KUBOTA Corporation Co., Ltd. (Amata Nakorn, Thailand)	Tractors and combine harvesters	BV	September 27, 2012
8	Kubota Industrial Equipment Corporation (U.S.)	Tractor implements and tractors	DEKRA	November 28, 2012
9	KUBOTA SANLIAN PUMP (ANHUI) Co., Ltd. (China)	Pumps	CCSCC	May 29, 2013
10	Kubota Agricultural Machinery (SUZHOU) Co., Ltd. (China)	Combine harvesters, rice transplanters and tractors	SGS	November 13, 2013
11	Kubota Construction Machinery (WUXI) Co.,Ltd	Construction machinery	CQC	December 11, 2014
12	SIAM KUBOTA Metal Technology Co., Ltd. (Thailand)	Cast iron products for engines and tractors	BV	December 19, 2014
13	Kubota Engine (WUXI) Co., Ltd (China)	Diesel engines	SGS	March 22, 2015

LRQA: Lloyd's Register Quality Assurance Limited (U.K.)

DNV: DNV Certification B.V. (Netherlands)

JICQA: JIC Quality Assurance Ltd. (Japan)

JUSE: Union of Japanese Scientists and Engineers ISO Center

JSA: Japanese Standards Association

JQA: Japan Quality Assurance Organization

MSA: Management System Assessment Center (Japan)

JCQA: Japan Chemical Quality Assurance Ltd.

BCJ: The Building Center of Japan

MASCI: Management System Certification Institute (Thailand)

SGS (U.S.): Systems & Services Certification, a Division of SGS North America Inc. (U.S.)

TÜV: TÜV Rheinland Cert GmbH (Germany)

SGS: SGS United Kingdom Limited (U.K.)

BSI: BSI Assurance UK Limited (U.K.)

BV: Bureau Veritas Certification Holding SAS—UK Branch (U.K.)

DEKRA: DEKRA Certification, Inc. (U.S.)

CCSCC: China Classification Society Certification Company (China)

EMAS Certification

KUBOTA Group: Overseas companies

No	Name	Main Business	Inspecting/ Certifying Organization	Date of Certification
1	Kubota Baumaschinen GmbH (Germany)	Construction machinery	IHK	January 3, 2013

IHK: Industrie- und Handelskammer für die Pfalz (Germany)

Calculation Standards of Environmental Performance Indicators

Period: April 2014 to March 2015 (overseas data: January 2014 to December 2014)

* From FY2014, the accounting policy of the KUBOTA Group has changed to reflect the preliminary results of some of its consolidated subsidiaries whose fiscal years end at different times in its consolidated financial statements. The period covered in the Environmental Report is as stated above.

Organizations covered:

KUBOTA Corporation and 53 consolidated subsidiaries in Japan and 103 overseas consolidated subsidiaries (100% coverage). In addition, 12 affiliated companies accounted for under the equity method covered by the scope of the KUBOTA Group's environmental management are included from FY2015.

(Total of 156 consolidated subsidiaries and 12 affiliated companies accounted for under the equity method).

Calculation Standards of Environmental Performance Indicators

Environmental performance indicators		Unit	Calculation method
Energy and CO ₂ -related	Total energy input (TJ: 10 ¹² J)	TJ	<p>[Calculation formula]</p> <ul style="list-style-type: none"> Amount of purchased electricity x per-unit heat value + Σ [amount of each fuel consumed x per-unit heat value of each fuel] Per-unit heat value is determined in accordance with the Enforcement Regulation for the Act on the Rational Use of Energy, Japan <p>[Calculation scope]</p> <ul style="list-style-type: none"> Purchased electricity and fossil fuel used at business sites Transportation fuel used in distribution (Japan)
	Energy consumption (PJ: 10 ¹⁵ J)	PJ	<p>[Calculation formula]</p> <ul style="list-style-type: none"> Amount of purchased electricity x per-unit heat value + Σ [amount of each fuel consumed x per-unit heat value of each fuel] Per-unit heat value is determined in accordance with the Enforcement Regulation for the Act on the Rational Use of Energy, Japan

			<p>[Calculation scope]</p> <ul style="list-style-type: none"> Purchased electricity and fossil fuel used at business sites
Energy and CO2-related	CO2 emissions	kilotons-CO2e	<p>[Calculation formula]</p> <ul style="list-style-type: none"> Amount of purchased electricity x CO2 emission coefficient + Σ [amount of each fuel consumed at business sites x per-unit heat value of each fuel x CO2 emission coefficient of each fuel] + non-energy source greenhouse gas emissions Non-energy source greenhouse gas emissions = CO2 emissions from non-energy sources + non-CO2 greenhouse gas emissions The method for calculating non-energy source greenhouse gas emissions is based on the Manual for Calculation and Report of Greenhouse Gas Emissions (latest version every fiscal year; Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry) <p>[CO2 emission coefficients]</p> <p>FY1991</p> <p>Based on the Report on Survey of Carbon Dioxide Emissions (Japan's Environment Agency 1992) and the Guideline for Measures to prevent Global Warming (Japan's Environment Agency 1993)</p> <p>From FY2011 to FY2015</p> <p>Fuel: Based on the Manual for Calculation and Report of Greenhouse Gas Emissions (latest version every fiscal year; Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry)</p> <p>Electricity: Data for Japan are effective emission coefficients published by electricity utilities (before reflecting carbon credits)</p> <p>Overseas data are emission coefficients of respective countries published in the Greenhouse Gas Protocol Initiative (Ver.</p>

			<p>4.5) Effect of CO₂ emission coefficients for electricity: The difference between the emitted amount of CO₂ calculated using the FY2012 CO₂ emission coefficients for electricity in Japan, which are based on the amounts reported by electricity utilities in FY2011, and the emitted amount of CO₂ calculated using the same CO₂ emission coefficients for each year</p> <p>[Calculation scope]</p> <ul style="list-style-type: none"> • Non-energy source greenhouse gas data for FY2011 are for business sites in Japan only • Data are for HFC, PFC and SF₆ emissions from January to December included in non-energy source greenhouse gases
Energy and CO ₂ -related	Freight traffic	ton-km	<p>[Calculation formula]</p> <ul style="list-style-type: none"> • Σ [Freight transportation amount (tons) x distance traveled (km)] <p>[Calculation scope]</p> <ul style="list-style-type: none"> • Transportation in Japan (products and industrial waste discharge)
	Fuel consumption during transportation	TJ	<p>[Calculation formula]</p> <ul style="list-style-type: none"> • Σ [Freight traffic by truck x Fuel consumption per ton-kilometer x per-unit heat value]+Σ [Freight traffic by rail and water X energy use (heat value) per unit ton-kilometer] • Calculation method is from the Manual to Support Merchants regarding Revisions to Energy Conservation Laws , 3rd Edition (April 2006, Japan's Energy Conservation Center of the Agency of Natural Resources and Energy, Japanese Ministry of Economy, Trade and Industry) <p>[Calculation scope]</p> <ul style="list-style-type: none"> • Transportation in Japan (products and industrial waste discharge)
	CO ₂ emissions	kilotons-	[Calculation

	during distribution	CO2e	<p>formula]</p> <ul style="list-style-type: none"> • Σ [Fuel consumption for freight shipment by truck X CO2 emission per ton-kilometer by fuel of transportation]+Σ[Fuel consumption for freight shipment by rail and water X CO2 emission per ton-kilometer by means of transportation] • Calculation method is based on the ton-kilometer method stipulated in the Manual for Calculation and Report of Greenhouse gas Emission (Ver.4.0) (May 2015, Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry) <p>[Calculation scope]</p> <ul style="list-style-type: none"> • Transportation in Japan (products and industrial waste discharge) 						
Energy and CO2-related	Scope 3 emissions	kilotons-CO2e	<p>The calculation method is based on the Basic Guidelines regarding the Calculation of Greenhouse Gas Emissions throughout the Supply Chain (Ver. 2.2) and the Emissions per Unit Database for the Purpose of Calculating the Greenhouse Gas and Other Emissions of Organizations throughout the Supply Chain (Ver. 2.2) (March 2015 Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry)</p> <table border="1"> <tr> <td>Resource extraction, production and transportation for fuels used to generate electricity purchased</td> <td> <p>[Calculation formula] Electricity consumed x CO2 emissions per unit</p> <p>[Calculation scope] Purchased electricity (Japan and overseas)</p> </td> </tr> <tr> <td>Disposal of waste generated at business sites</td> <td> <p>[Calculation formula] Σ [Amount of waste discharge by type x CO2 emissions per unit]</p> <p>[Calculation scope] Waste generated at business sites (Japan and overseas)</p> </td> </tr> <tr> <td></td> <td>[Calculation</td> </tr> </table>	Resource extraction, production and transportation for fuels used to generate electricity purchased	<p>[Calculation formula] Electricity consumed x CO2 emissions per unit</p> <p>[Calculation scope] Purchased electricity (Japan and overseas)</p>	Disposal of waste generated at business sites	<p>[Calculation formula] Σ [Amount of waste discharge by type x CO2 emissions per unit]</p> <p>[Calculation scope] Waste generated at business sites (Japan and overseas)</p>		[Calculation
Resource extraction, production and transportation for fuels used to generate electricity purchased	<p>[Calculation formula] Electricity consumed x CO2 emissions per unit</p> <p>[Calculation scope] Purchased electricity (Japan and overseas)</p>								
Disposal of waste generated at business sites	<p>[Calculation formula] Σ [Amount of waste discharge by type x CO2 emissions per unit]</p> <p>[Calculation scope] Waste generated at business sites (Japan and overseas)</p>								
	[Calculation								

Employee business travels	<p>formula] Σ [transportation expenses paid by method of transport x CO₂ emissions per unit]</p> <p>Transportation expenses for each method of travel for a portion of the overseas subsidiaries (45 sites) are estimated by multiplying the net sales of the subsidiaries in each of the regions and countries mentioned by the ratio of transportation expenses for each method of travel included in the net sales of major subsidiaries in Europe, North America, Asia and China.</p> <p>[Calculation scope] The amount of transportation expenses paid for airline tickets (Japan and overseas) and railway tickets (Japan and overseas)</p>
Construction and Manufacturing of capital goods such as equipment	<p>[Calculation formula] Σ [Equipment investment amount x CO₂ emissions per unit]</p> <p>[Calculation scope] Equipment investment (Japan and overseas)</p>
	<p>[Calculation formula] Σ [fuel consumption per hour x annual hours of use x years of life span* x per-unit heat value of each fuel x CO₂ emission coefficient of each fuel]</p>

			Product usage	<p>* Calculation assuming fuel consumption per hour, annual hours of use and years of life span per product</p> <p>[Calculation scope] Agricultural machinery (tractors, rice transplanters, combine harvesters) and construction machinery (mini backhoe, etc.)</p>
Waste-related	Amount of waste, etc. discharge	tons	[Calculation formula]	<ul style="list-style-type: none"> Sales of valuable resources + amount of waste discharge
	Amount of waste discharge	tons	[Calculation formula]	<ul style="list-style-type: none"> Amount of waste recycled and waste reduction + landfill disposal Amount of industrial waste discharge + amount of general waste discharged from business activities
	Amount of landfill disposal	tons	[Calculation formula]	<ul style="list-style-type: none"> Direct landfill + final landfill following external intermediate treatment
	Recycling ratio	%	[Calculation formula]	<ul style="list-style-type: none"> $(\text{Sales of valuable resources} + \text{external recycling volume}) \div (\text{Sales of valuable resources} + \text{external recycling volume} + \text{amount of landfill disposal}) \times 100$ [External recycling volume includes heat recovery]
	Amount of construction waste, etc. discharge	tons	[Calculation formula]	<ul style="list-style-type: none"> Amount of construction waste discharge (Including construction waste other than specific construction materials) + sales of valuable resources (generated from construction) (covers directly contracted companies that buy valuable materials from the KUBOTA Group)
			[Calculation scope]	<ul style="list-style-type: none"> Japan

	Recycling ratio of construction waste	%	[Calculation formula] <ul style="list-style-type: none"> [Sales of valuable resources + resource recycling + amount reduced (including heat recovery)] / amount of construction waste, etc. discharge (including sales of valuable resources) x 100
Water-related	Water consumption	m ³	[Calculation formula] <ul style="list-style-type: none"> Total amount of service water, industrial water and groundwater consumption
	Wastewater discharge (public water areas, sewage lines)	m ³	[Calculation formula] <ul style="list-style-type: none"> Total wastewater discharge to public water areas and sewage lines (including rain and spring water)
	Amount of COD, nitrogen and phosphorus discharge	tons	[Calculation formula] <ul style="list-style-type: none"> COD, nitrogen or phosphorous concentration (mg/L) x amount of effluent discharged to public water area (m³) x 10⁻⁶ [Calculation scope] <ul style="list-style-type: none"> Business sites subject to total emission control in Japan
	Amount of recycled water	m ³	[Calculation formula] <ul style="list-style-type: none"> Amount of water purified in on-site effluent treatment facilities and recycled (excluding the circulating cooling water used)
Chemical substance-related	Amount of PRTR-designated substances handled	tons	[Calculation formula] <ul style="list-style-type: none"> Total amount of chemical substances handled, which are designated as Class I under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (the PRTR Law) whose amount handled by each business site is one ton or more (or 0.5 ton or more for Specific Class I Designated Chemical Substances) per year

		<p>[Calculation scope]</p> <ul style="list-style-type: none"> • Business sites in Japan (business sites subject to legal notification only) • After FY2013 data includes designated chemical substances derived from recycled resources in accordance revisions to the Manual for PRTR Release Estimation Methods in the Steel Industry (Ver. 12 FY2013 use)
Amount of PRTR-designated substances released and transferred	tons	<p>[Calculation formula]</p> <ul style="list-style-type: none"> • Total release and transfer amount of the chemical substances which are designated as Class I under the PRTR Law and whose annual total amount handled by each business site is one ton or more (or 0.5 ton or more in case of Specific Class I Designated Chemical Substances). • Amount released = amount discharged to the atmosphere + amount discharged to public water areas + amount discharged to soil + amount disposed of by landfill in the premises of the business site • Amount transferred = amount discharged to sewerage + amount transferred out of the business site as waste • The amount of each substance released and transferred is calculated in accordance with Manual for PRTR Release Estimation Methods Ver. 4.1 (March 2011) of the Japan's Ministry of the Environment and the Ministry of Economy, Trade and Industry, and Manual for PRTR Release Estimation Methods in the Steel Industry Ver. 13 (March 2014) of the Japan Iron and Steel Federation. <p>[Calculation scope]</p> <ul style="list-style-type: none"> • The same calculation scope as the amount of PRTR-designated substances handled
Amount of chemical	tons	<p>[Calculation formula]</p> <ul style="list-style-type: none"> • Total amount of xylene; toluene;

substances (VOC) handled		<p>ethylbenzene; styrene; 1, 2, 4-trimethylbenzene; 1, 3, 5-trimethylbenzene</p> <p>[Calculation scope]</p> <ul style="list-style-type: none"> Overseas Xylene; toluene; ethylbenzene; styrene; 1, 2, 4-trimethylbenzene; 1, 3, 5-trimethylbenzene that are at each site handled in amounts of one ton or more per year
VOC emissions	tons	<p>[Calculation formula]</p> <ul style="list-style-type: none"> The total emissions of xylene; toluene; ethylbenzene; styrene; 1, 2, 4-trimethylbenzene; 1, 3, 5-trimethylbenzene <p>[Calculation scope]</p> <ul style="list-style-type: none"> Japan and overseas Xylene; toluene; ethylbenzene; styrene; 1, 2, 4-trimethylbenzene; 1, 3, 5-trimethylbenzene that are at each site handled in amounts of one ton or more per year
SOx emissions	tons	<p>[Calculation formula]</p> <ul style="list-style-type: none"> Amount of fuel consumed (kg) x sulfur content in the fuel (Wt %) ÷ 100 x 64 ÷ 32 x [(1 - desulphurization efficiency) ÷ 100] x 10⁻³, or amount of SOx emitted per hour (m³N/h) x annual operation hours of the relevant facility (h) x 64 ÷ 22.4 x 10⁻³, or SOx emission concentration (ppm) x annual exhaust gas from facilities (m³N/y) x 64 ÷ 22.4 x 10⁻⁹, or SOx emission concentration (mg/m³N) x annual exhaust gas from facilities (m³N/y) x 10⁻⁹ <p>[Calculation scope]</p> <ul style="list-style-type: none"> Smoke and soot generating facilities at business sites in Japan as defined by the Air Pollution Control Law, and facilities at overseas business sites covered in laws and regulations.

NOx emissions	tons	<p>[Calculation formula]</p> <ul style="list-style-type: none"> • NOx concentration (ppm) x 10^{-6} x amount of gas emitted per hour (m^3N/h) x annual operation hours of the relevant facility (h) x $46 \div 22.4 \times 10^{-3}$ <p>[Calculation scope]</p> <ul style="list-style-type: none"> • The same calculation scope as that for SOx emissions.
Soot and dust emissions	tons	<p>[Calculation formula]</p> <ul style="list-style-type: none"> • Soot and dust concentration (g/m^3N) x amount of gas emitted per hour (m^3N/h) x annual operation hours of the relevant facility (h) x 10^{-6} <p>[Calculation scope]</p> <ul style="list-style-type: none"> • The same calculation scope as that for SOx emissions.

Third-party Assurance of Environmental Report

Since FY2005, the KUBOTA Group has received third-party assurance for the purpose of improving the reliability and comprehensiveness of its environmental data. Based on the third-party assurance obtained this fiscal year, the KUBOTA REPORT 2015 (Full Report PDF Version), received the Environmental Report Assurance and Registration Symbol of the Japanese Association of Assurance Organizations for Sustainability Information (J-SUS)*. This symbol indicates that information provided has been confirmed by a third party and that the reliability of the environmental data presented in the KUBOTA REPORT 2015 (Full Report PDF version) satisfies the requirements by J-SUS.

* <http://www.j-sus.org/english.html>

Environmental report assurance and registration mark



Factory visit



Kubota Manufacturing of America Corp.



Kubota Precision Machinery Co., Ltd.



Independent Assurance Report

To the President and Representative Director of KUBOTA Corporation

We were engaged by KUBOTA Corporation (the "Company") to undertake a limited assurance engagement of the environmental performance indicators marked with "J-SUS" for the period from April 1, 2014 to March 31, 2015 (the "Indicators") included in its KUBOTA REPORT 2015 - Business and CSR Activities (Full Report PDF version) (the "Report") for the fiscal year ended March 31, 2015, and the completeness of material environmental information in the Report.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report, which are derived, among others, from the Sustainability Reporting Guidelines version 3.1 of the Global Reporting Initiative and Environmental Reporting Guidelines of Japan's Ministry of the Environment, and for including the material environmental information defined in the 'Environmental Reporting Assurance and Registration Criteria' of the Japanese Association of Assurance Organizations for Sustainability Information ("J-SUS") in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information', 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board, and the 'Practical Guidelines for the Assurance of Sustainability Information' of J-SUS. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical reviews of the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and also recalculating the Indicators.
- Visiting to the Company's 2 subsidiaries selected on the basis of a risk analysis.
- Assessing whether or not all the material environmental information defined by J-SUS is included in the Report.
- Evaluating the overall statement in which the Indicators are expressed.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report, and all the material environmental information defined by J-SUS is not included in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.
Osaka, Japan
August 11, 2015