

Environmental activities digest in fiscal 2001

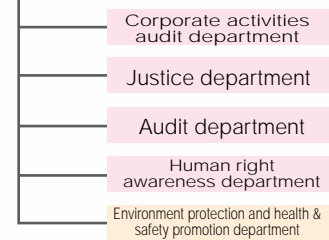
We at Kubota introduce our main environmental activity results in fiscal 2001.

Establishment of compliance management and corporate ethics

Compliance Headquarters were launched in June 2001.

Compliance Headquarters were launched. There are five departments in them, namely Corporate activities audit department, Justice department, Audit department, Human right awareness department, and Environment protection and health & safety promotion department. We at Kubota regard a word "compliance" as having wider and more positive meaning than usual, namely "to obey corporate ethics as well as laws and corporate rules." It is our mission to realize fair and diligent corporate management which should be highly estimated by society as well as prevention of illegal activities and accident occurrence.

Compliance Headquarters

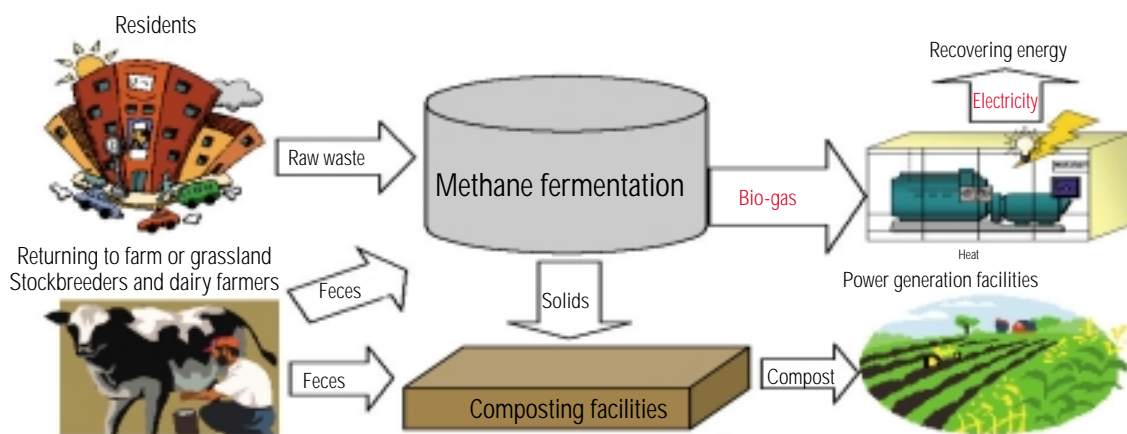


Providing environment-friendly products and services P17

Concentration of whole power of three consolidated divisions to recycle agricultural waste

At present, we are tackling the businesses on which we concentrate the environmental technologies of our three consolidated divisions, namely Environmental Control Plant Consolidated Division, Farm and Industrial Machinery Consolidated Division, and Industrial Infrastructure Consolidated Division. One of the important businesses is the recycling business of agricultural waste. Specifically, we turn the organic waste such as urine and feces of livestock and raw waste into compost. More environment-friendly farming than usual could be possible by using said high quality compost to it. Moreover we could utilize the potential energy in waste for various purposes by transforming methane gas which generates during fermentation of organic waste into electric and heat energy. In this way, we are going to develop new businesses, utilizing our whole power regarding water, soil and environment.

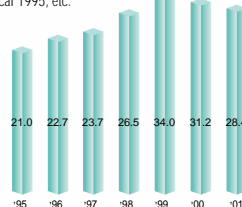
Flow chart of recycling system of agricultural waste



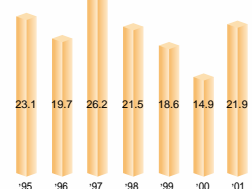
Environmental accounting P15

Environmental management expenses were 2.84 billion yen, environment-related plant investments were 2.19 billion yen, and direct effects of environmental management activities were 2.17 billion yen in fiscal 2001.

Transition of environmental management expenses (Unit: 100 million yen) (on an unconsolidated basis) Fiscal 1995, etc.



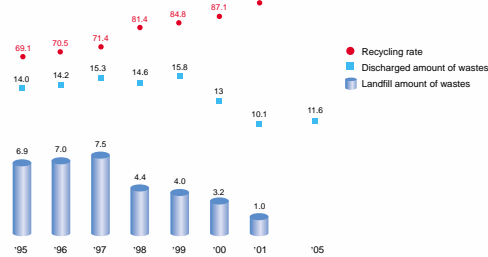
Transition of environment-related plant investments (Unit: 100 million yen) (on an unconsolidated basis) Fiscal 1995, fiscal 1996 etc.



Reduction of emission to zero level P31

We excessively accomplished our objective by reducing waste discharge by 23%, though objective was 10%, in fiscal 2001, compared with fiscal 2000. And landfill amount were also reduced by 69% compared with fiscal 2000. Our recycling rate increased by 8.9 point, compared with the previous year, to 96%. As a result, our nine plants have achieved zero emission.

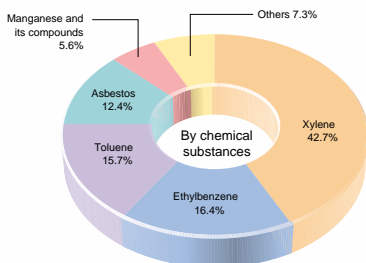
Transition of discharge and landfill amount of industrial wastes, and its recycling rate (on an unconsolidated basis)



Chemical substances control P40

We have already notified to the government under the PRTR system law in our 28 plants (including six affiliates) requiring notification. In 354 Class 1 designated chemical substances in the PRTR system law, we use 28 substances. Substances whose amount is large in emission and transfer are xylene, ethylbenzene, toluene and asbestos. We entirely stopped the use of asbestos according to plan in December 2001.

Status of chemical substances emission and transfer (on an unconsolidated basis)

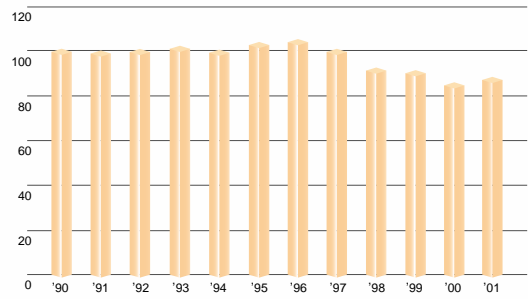


Saving energy measures P33

In the third saving energy activities started in fiscal 1999, our goal is 5% reduction of energy unit requirement for five years started in fiscal 1998, considering amended Energy Conservation Law. Energy unit requirement and carbon dioxide emission unit requirement increased by 6.3% and 6.3% respectively, because of decrease of in-house output and product price, in fiscal 2001. However we reduced carbon dioxide emission of whole Kubota group by 11% compared with 1990, in fiscal 2001.

Transition of carbon dioxide emission

(fiscal year percentages based on fiscal 1990 as 100) Fiscal 1990, fiscal 1991 etc.



* Including affiliates from fiscal 2001

Green procurement and purchasing P35

We drafted green procurement guideline regarding raw materials and parts in April 2001, considering supplier- and product-standard totally when procured. Regarding specific procurement items in the Law on Promoting Green Purchasing, we drafted our green purchasing promotion standards in November 2001, and we have been promoting to purchase raw materials and parts which meet the judging standards in the Law.



<http://www.procure.kubota.co.jp/housin/index01.html>

Regarding editing on this report

This report is compiled referring to "Environmental report guideline" edited by Ministry of the Environment, "Environmental reporting guideline" edited by Ministry of Economy, Trade and Industry, and "Sustainable report guideline" edited by GRI.

Activity items and data contained in this report primarily indicate results of the entire corporation (plants, factories and laboratories) in fiscal 2001 (April 1, 2001 to March 31, 2002), along with the activities of the affiliates, some activities in past years and some activities in fiscal 2002. The affiliates are as follows: Kubota Air Conditioner Co., Ltd., Yamaoka Iron Pipes Co., Ltd., Ito Casting Co., Ltd., Nihon Plastic Co., Ltd., Kyushu Kubota Chemical Co., Ltd., Toba Techno-metal Co., Ltd., Kubota Precision Machinery Co., Ltd., Kubota Vending Services Co., Ltd., and Kubota KCT Corporation.

Main modified items are as follows:

Main added items

1. Environmental load data were disclosed as whole Kubota group including affiliates.
2. The data of each plant were disclosed separately to promote the environmental communication with local society.

Main improved items

1. Regarding the relationship between Kubota's business activities and environment, we have improved the relationship between the process and flow of our business activities, and the environmental load which generated there for our readers to understand easily.
2. Regarding environment-related social contribution, we mentioned the name of the environment-related organizations we are affiliated with, and environment- and social-contribution-related donations and so on.

Next issue will be published in summer 2003.

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