

Environmental activities digest in fiscal 2002

We at Kubota introduce our main environmental activity results in fiscal 2002.

Topics

We went into solid waste treatment business.

We at Kubota started the construction of the industrial waste treatment facilities, "the Resource Recycling Center in Kitakami," in the city of Kitakami, Iwate in April 2003.

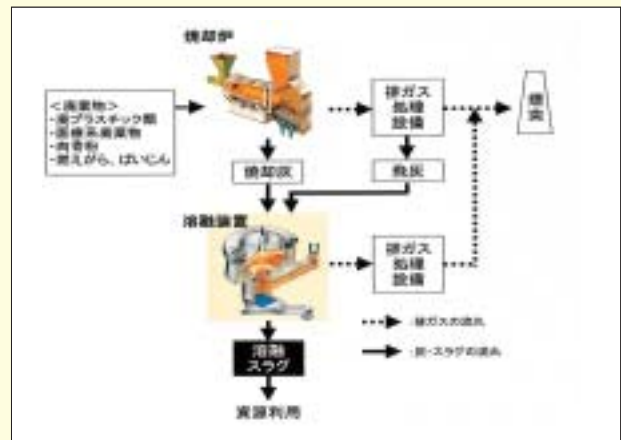
The Center is our first step to the industrial waste treatment business. Kubota Retex Corporation, our subsidiary, mainly conducts the business under license of marketing of the solid waste treatment business, and expected to start the business in October 2003.

Medical wastes, waste plastics, compound feeds, cinders and dusts generated in Iwate will be mainly treated in the Center. Our "Rotary kiln stocker furnace" and "Rotary surface melting furnace" can treat these difficult-to-treat wastes safely, cracking the hazardous substances such as dioxins and so on. Moreover, the Center is suitable for the recycling-oriented society because the by-product (molten slag) in incineration and melting is reusable as the resources such as highway roadbed and so on.

We at Kubota promote the business form now on, constructing the model plants which can treat the wastes correctly complying with the local areas.



Expected completed illustration of the Resource Recycling Center in Kitakami

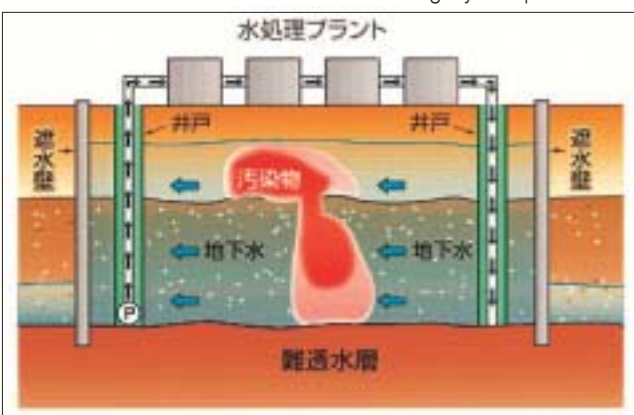


Providing environment-friendly products and services

P17

Development of environmental remediation business

We at Kubota are developing an environmental remediation business as our new business in the Environmental Engineering Consolidated Division. It is a serious social problem that soil and groundwater are contaminated by the hazardous substances leaking from the sites of demolished factories and the illegally-dumped-waste sites in various area. We can completely treat these hazardous substances using the dioxins decomposition treatment equipment and the membrane filtration equipment developed by Kubota. We have received the orders of remediation business of the illegally-dumped-waste sites in Teshima (Kagawa) and in the city of Kuwana (Mie).



Conceptual illustration of the soil purification method at the original point in the city of Kuwana, Mie



Status of soil contamination investigation

Topics

Ductile iron pipes for the Middle East

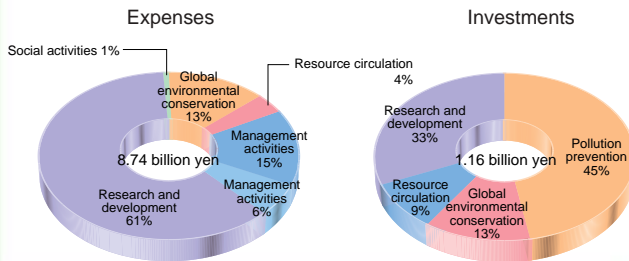
The people of the countries in the Middle East are annoyed by the chronic shortage of water because of less rainfall, depending on the groundwater and desalination of the seawater. On the other hand, the infrastructural construction of drinking water and sewage is an imminent problem because of high population increasing rate more than 3 % a year, livelihood standards improvement, progressing urbanization and so on. Our products were adopted as the drinking water pipes carrying the fresh water produced in the power generation and desalination plants to the consumption sites. They were 130km in length in United Arab Emirates, and 78km in length in Qatar. Our products are highly estimated as the excellent durable drinking water pipes coping with the special conditions in the Middle East where the leakage of the water from the pipes is a serious problem because a lot of salt is included in the sand of the deserts.



The straight pipes with 1600mm in diameter, 9m in length, the longest in the world, are welded. They are continuing to the horizon.

Environmental accounting P15

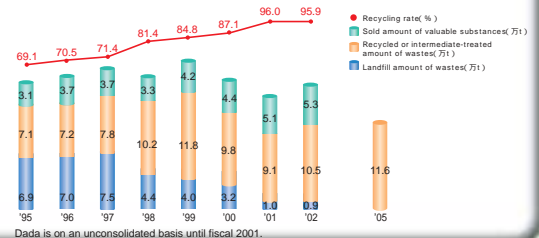
In the environmental conservation costs in fiscal 2002, expenses were 8.74 billion yen (including 5.39 billion yen for research and development cost), investments were 1.16 billion yen, and economical effects of environmental conservation activities were 1.45 billion yen. (on an unconsolidated basis)



Zero Emission P27

We excessively accomplished our goal by reducing discharged amount of waste by 16% in fiscal 2002 compared with fiscal 2000, though the goal was 10% in fiscal 2005. The recycling rate increased by 8.8% compared with fiscal 2000, to 95.9%. And landfill amount were also reduced by 74%

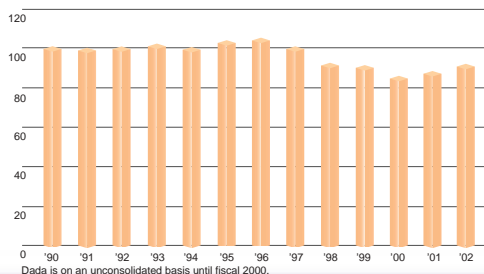
Transition of discharged amount of industrial wastes, sold amount of valuable substances, and recycling rate



Saving energy measures P29

In the third saving energy activities, on an unconsolidated basis, started in fiscal 1999, our goal is 5% or more reduction of energy unit requirement for five years compared with fiscal 1998, considering amended Energy Conservation Law. Energy unit requirement and carbon dioxide emission unit requirement increased by 6.9% and 7.0% respectively, because of decrease of in-house output and product price, in fiscal 2002. However we reduced carbon dioxide emission in whole Kubota group by 6% compared with 1990, in fiscal 2002.

Transition of carbon dioxide emission (fiscal year percentages based on fiscal 1990 as 100) Fiscal 1990, fiscal 1991 etc.



Chemical substances control P34

We have already notified to the government under the PRTR system law in our 28 plants (including six affiliates) required notification. In 354 Class 1 designated chemical substances in the PRTR system law, we use 29 substances. Substances whose amount is large in emission and transfer are xylene, toluene, ethylbenzene, manganese and its compounds, and styrene. And the total amount of emission and transfer in Kubota in fiscal 2002 was reduced by 7.4%, compared with fiscal 2001.

The rate of emission and transfer by substances

