

Environmental Report

The KUBOTA Group has made global environmental conservation a high priority goal of its CSR management, and is bolstering the standards of its corporate activities group-wide to ensure that greater consideration is given to the global environment in all aspects.

Basic Policy

KUBOTA Group Environment Charter

The KUBOTA Group aims to create a society where sustainable development is possible on a global scale and conducts its operations with concern for preserving the natural environment.

KUBOTA Group Environmental Action Guidelines

- The KUBOTA Group takes initiatives for the protection of the natural environment in all its activities.
 - By setting specific goals on its own initiative while remaining in compliance with all laws and regulations
 - By promoting initiatives at all levels of its operations, from product development to production, sales, distribution, and services
 - By taking a proactive stance toward securing the understanding of the importance of protecting the environment among its suppliers and actively obtaining their cooperation
 - By promoting activities friendly to the natural environment and biodiversity
- The KUBOTA Group works to protect the environment and create a symbiotic relationship with the community.
 - By participating in community beautification and environmental enlightenment activities in its role as a good corporate citizen
 - By engaging in business activities that take full account of environment protection in the community, including pollution prevention
- The KUBOTA Group undertakes systematic initiatives to protect the environment.
 - By conducting environmental impact assessments, working to reduce environmental risk, and preventing environmental pollution
 - By working to solve environmental issues, including prevention of global warming, creation of a recycling society, and reduction of the release of harmful substances
- The KUBOTA Group implements a thorough program of environmental management.
 - By introducing environmental management systems and promoting initiatives in everyday operations
 - By proactively monitoring whether the "Plan, Do, Check, Action (PDCA)" cycle is functioning in environmental management activities
 - By promoting enlightenment and educational activities related to the environment and working to heighten awareness of the environment
- The KUBOTA Group is proactive in communicating its environmental perspective.
 - By issuing timely and easily understandable environmental information
 - By gathering environmental information from a broad range of stakeholders and reviewing as well as upgrading its environmental protection activities

The New Medium-Term Environmental Conservation Plan

The KUBOTA Group adopted and has been promoting the Medium-Term Environmental Conservation Plan in order to put into practice the basic policy of our corporate environmental management. In FY2010 the New Medium-Term Environmental Conservation Plan was launched on a group-wide basis.

New Medium-Term Environmental Conservation Plan and Targets/Results for FY2010

During FY2010, we exceeded the targets for "reducing CO₂" and "reducing waste" set under the New Medium-Term Environmental Conservation Plan, due to the successful implementation of strengthened measures for CO₂ and waste reduction in this fiscal year. We will continue concerted efforts in these areas into FY2011 and beyond, in order to achieve the final goals set for FY2013. On the other hand, we failed to achieve targets for FY2010 in "reducing CO₂ during distribution," "conserving water resources," and "reducing PRTR-designated substances." This is mainly due to a decline in sales, which resulted in lower achievements per unit of sales. We also failed to achieve targets for "reducing chemical substances in products," as our agricultural machinery and environmental equipment still use some main components that were difficult to replace. We will remain committed to achieving the targets in all these areas in FY2011 and beyond, by further reinforcing and refining our environmental measures.

| Issues | Actions | Management Indicators | Base FY | Targets | Results | Self-evaluation* | Future Tasks and Actions to be Taken (reasons for failing to achieve targets for FY2010) | Targets | | |
|--|--|---|-----------------------------------|----------|----------|---|--|---|----------|----------|
| | | | | FY2010 | FY2010 | | | FY2011 | FY2012 | FY2013 |
| 1. Stopping climate change | Reduce CO ₂ | CO ₂ emissions per unit of sales | 2009 | -1% | -1.2% | ⊙ | <ul style="list-style-type: none"> To develop technologies that can reduce CO₂ emissions during the production process To promote further energy conservation by enhancing operational efficiency and reducing redundancy To encourage introduction of higher-efficiency equipment To conduct real-time monitoring of energy consumption and the management of performance per unit of sales by visualizing production status | -4% | -7% | -10% |
| | | | (2005) | (-0.2%) | (-0.4%) | ⊙ | | (-3.2%) | (-6.2%) | (-9.3%) |
| | | | (1991 (KUBOTA production plants)) | (-16.7%) | (-19.4%) | ○ | | (-19.2%) | (-21.7%) | (-24.2%) |
| | Reduce CO ₂ during distribution | Volume of CO ₂ emissions | 2009 | -1% | -17.0% | ⊙ | | -4% | -7% | -10% |
| | | | (2005) | (+11.1%) | (-6.8%) | ⊙ | | (+7.8%) | (+4.4%) | (+1.0%) |
| | | | (1991 (KUBOTA production plants)) | (-24.4%) | (-37.3%) | ⊙ | | (-26.7%) | (-29.0%) | (-31.3%) |
| Reduce CO ₂ during distribution | CO ₂ emissions per unit of sales | 2009 | -1% | +1.0% | × | (Reason for failure) CO ₂ emissions were reduced by 15.1% but the target was not achieved on a per unit of sales basis due to the decline in sales. | -2% | -3% | -4% | |
| | | (2005) | (-6.8%) | (-4.9%) | × | (-7.7%) | (-8.7%) | (-9.6%) | | |
| | | (2007) | (-6.8%) | (-4.9%) | × | (-7.7%) | (-8.7%) | (-9.6%) | | |
| 2. Working towards a recycling-based society | Reduce waste | Waste discharge per unit of sales | 2009 | -2% | -6.0% | ⊙ | <ul style="list-style-type: none"> To more strictly encourage waste separation To contract with recycling companies | -4% | -6% | -8% |
| | | | (2005) | (-9.9%) | (-13.6%) | ⊙ | | (-11.7%) | (-13.5%) | (-15.4%) |
| | Percentage of business sites that have achieved zero emissions | — | 40% | 45% | ○ | 50% | | 60% | 70% | |
| | Conserve water resources | Water consumption per unit of sales | 2009 | -1% | +8.9% | × | | (Reason for failure) Water consumption was reduced by 8.5% but the target was not achieved on a per unit of sales basis due to the decline in sales. | -2% | -3% |
| (2005) | | | (-21.0%) | (-12.3%) | × | (-21.8%) | (-22.6%) | (-23.4%) | | |
| 3. Controlling chemical substances | Reduce PRTR-designated substances | Release and transfer per unit of sales | 2009 | -2% | -0.5% | × | <ul style="list-style-type: none"> (Reason for failure) PRTR-designated substances were reduced by 16.4% but the target was not achieved on a per unit of sales basis due to the decline in sales. (Reason for failure) Some of the major components of the machinery were difficult to replace. | -4% | -6% | -9% |
| | | | (2005) | (-30.1%) | (-26.9%) | × | | (-31.5%) | (-32.9%) | (-34.4%) |
| | Reduce chemical substances in products | Ratio of models with reduced RoHS-designated substances | — | 25% | 24.2% | × | | 30% | 35% | 40% |

⊙ Exceeded target ○ Reached target × Target not reached

Basic direction of corporate environmental management

The KUBOTA Group has established "Stop Climate Change," "Work Towards a Recycling-based Society," and "Control Chemical Substances" as the three basic goals of our corporate environmental management, for building a society capable of sustainable development on a global scale. We are also focusing on the enhancement of the "Environmental Management System" and "Environmental Communication" as the foundation of our efforts toward these goals.



Message from the Officer in Charge

Eisaku Shinohara

Senior Managing Executive Officer in charge of Research & Development Planning & Promotion Department and Environmental Protection Department KUBOTA Corporation



Environmental management pursued by the KUBOTA Group

In April 2010, KUBOTA celebrated its 120th anniversary of establishment. Though today's social situations are greatly different from those of the early days of our inception, over the years we have remained consistently and sincerely committed to contributing to the development of society and the preservation of the global environment through our manufacturing activities.

At the KUBOTA Group, we place the greatest importance on environmental conservation regarding our CSR management and have continued concerted efforts to reduce the environmental impacts of our corporate activities.

For example, in FY2010, we formulated the New Medium-Term Environmental Conservation Plan. Under this plan, we reinforced measures to reduce CO₂ emissions and other environmental impacts, and have been promoting them on a global basis. In May 2010, we also made an "Eco-First Commitment" pledge to promote voluntary environmental efforts to the Minister of the Environment, and were officially endorsed as an "Eco-First company."

Encouraged by this, we have renewed our determination to further promote environmental management, focusing on the following two objectives.

- To take more active measures to reduce environmental impacts such as CO₂ emissions and waste discharge from the KUBOTA Group's business sites, in order to achieve the ultimate goals set in the New Medium-Term Environmental Conservation Plan
- To promote the development of technologies to enhance the environmental performance of our products, remove environmental pollutants and reduce environmental impacts, thereby contributing to the prevention of climate change, the circulation of resources, and the reduction of risks pertaining to chemical substances

We are firmly determined to achieving these goals by improving the level of our environmental management through our group-wide efforts and by fulfilling our social responsibility as a corporate citizen working toward a sustainable society.