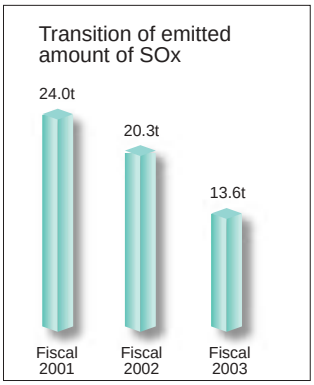
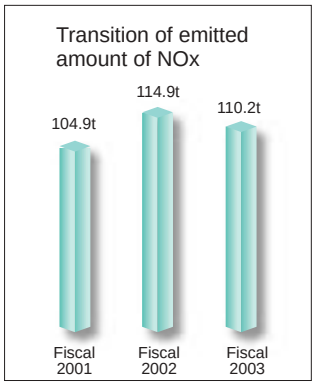
Local environmental conservation

Air pollution prevention

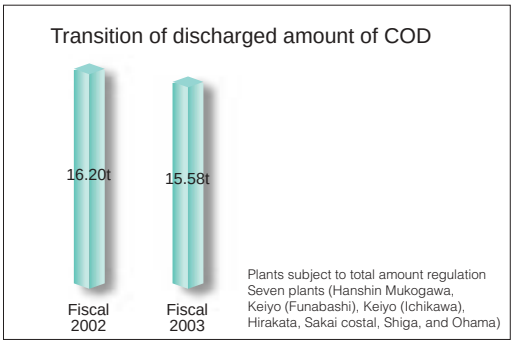
We keep the regulated values of air quality of laws and ordinances, and promote to reduce the emission of air pollutants by suitable maintenance and control of equipments, and regular inspections.
We did not exceed the regulated values of air quality in our measured values in fiscal 2003.
We reduced emitted amount of SOx by changing heavy oil into town gas in fuel of boilers.





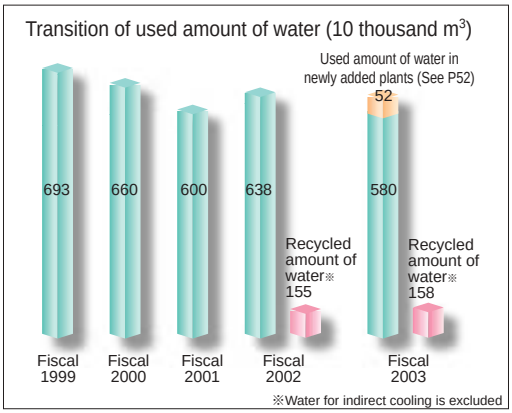
Water pollution prevention

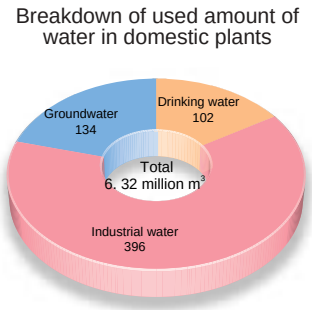
Each of our plants has its own regulation standards regarding emission to environment. These self-imposed standards are stricter than those of municipal regulations. We do not exceed the regulated values of water quality in our measured values in all items.
We reduced discharged amount of COD by about 4% compared with fiscal 2002.

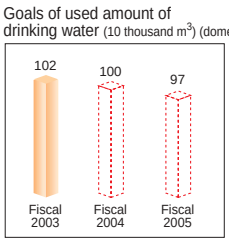


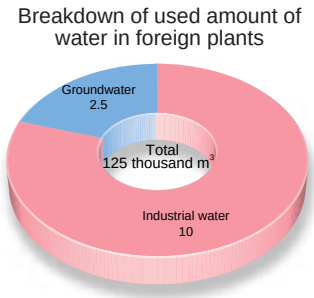
Reduction of used amount of water

We promote to reuse domestic wastewater and industrial wastewater to keep water resources, and to reduce environmental load. Used amount of water is the same level as the previous year, in fiscal 2003.
We are going to reduce it much from fiscal 2004, deciding a goal of reduction.



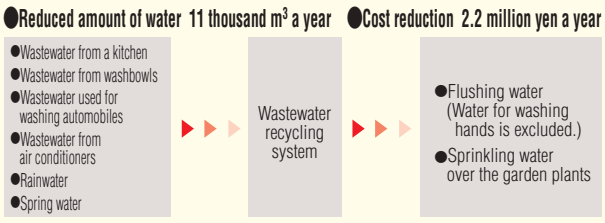






We reduced used amount of water in our Head office, using rainwater.

We treat rainwater and wastewater from a kitchen in wastewater recycling system using membrane. The treated water is used for flushing the toilet and sprinkling water over the garden plants.




Wastewater recycling system using membrane in our Head office

Status of groundwater contamination control

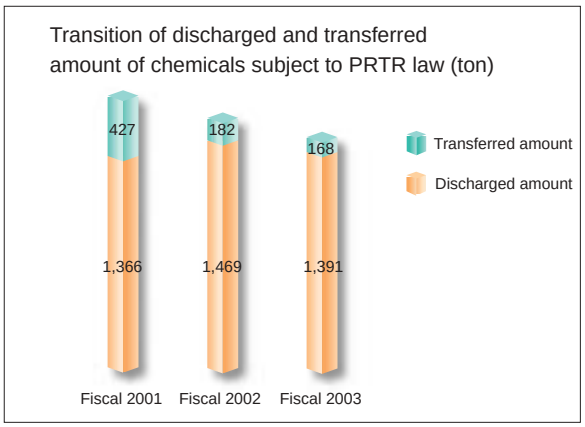
Though trichloroethylene is used in our one plant (Naniwa factory), we are making an effort to stop its use completely in fiscal 2004.

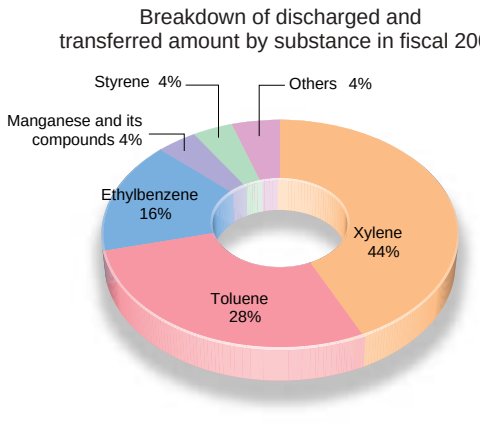
Plant	Substance	Annual used amount	Measured items	Environmental standard	Measured value
Naniwa	Trichloroethylene	7.54	Trichloroethylene Tetrachloroethylene 1,1,1-Trichloroethene	0.03 0.01 1	Not detected (less than 0.002 mg/ℓ) Not detected (less than 0.0005 mg/ℓ) Not detected (less than 0.0005 mg/ℓ)


An observation well

Chemical substances control

The total discharged and transferred amount of chemicals was reduced by 5.5% compared with the previous year. We are mainly going to promote reduction of emitted amount of volatile organic compounds (VOC) such as Xylene and Toluene, which account for 90% of total discharged and transferred amount of chemicals in our company.





Aggregated results in PRTR in fiscal 2003 (Handling amount: 1 ton or more per year)

(unit: kg/year, mg-TEQ/year for dioxins)

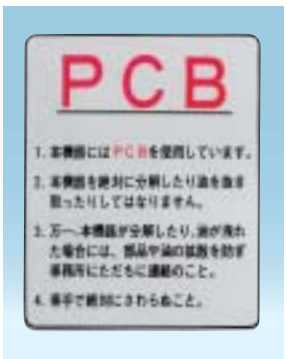
Number specified in cabinet order	Substances	Discharged amount				Transferred amount	
		Air	Public water	Soil	Landfill	Sewer	Transferred outside
1	Water-soluble zinc compounds	0	45.1	0	0	14.0	11.9
9	Bis (2-ethylhexyl) adipate	0	0	0	0	0	382.0
16	2-aminoethanol	0	0	0	0	0	11,059.5
29	Bisphenol A	0	0	0	0	0	0
30	Bisphenol A type epoxy resin	0	0	0	0	0	2,360.2
40	Ethylbenzene	249,593.9	0	0	0	0	3,564.0
43	Ethylene glycol	0	0	0	0	0	1,393.0
63	Xylene	652,300.2	0	0	0	0	23,417.5
68	Chromium and its trivalent compounds	0	0	0	0	0	27,048.1
69	Hexavalent chromium compounds	0	0	0	0	0	567.5
100	Cobalt and its compounds	0	0	0	0	0	213.0
132	HCFC-141b	191.0	0	0	0	0	660.0
145	Methylene dichloride	1,102.7	0	0	0	0.7	0
176	Organic tin compounds	15.0	0	0	0	0	38.4
177	Styrene	63,737.7	0	0	0	0	0
179	Dioxins	0.0045	0	0	0	0	0.66
211	Trichloroethylene	3,521.0	0	0	0	0	3,944.0
224	1, 3, 5-trimethylbenzene	9,542.1	0	0	0	0	74.0
227	Toluene	411,360.2	0	0	0	0	20,959.3
230	Lead and its compounds	38.6	0	0	0	0	3,143.5
231	Nickel	4.1	0	0	0	0	92.7
266	Phenol	0	0	0	0	0	0
270	Di-n-butyl phthalate	0	0	0	0	0	128.0
272	Bis (2-ethylhexyl) phthalate	0	0	0	0	0	576.3
304	Boron and its compounds	0	0	0	0	0	2,173.0
309	Poly (oxyethylene) nonylphenyl ether	0	0	0	0	0	10.0
311	Manganese and its compounds	0	0	0	0	0	66,386.8
312	Phthalic anhydride	4.0	0	0	0	0	0
346	Molybdenum and its compounds	0	0	0	0	0	0
	Total	1,391,410.5	45.1	0	0	14.7	168,203.0

*Data in Kubota's domestic plants and our subsidiaries' domestic plants was aggregated.

Status of storage of electric equipments containing PCB

We continue the strict storage of electric equipments containing PCB. At the same time, we will entirely abolish the equipments currently used by fiscal 2005, and intend to finish harmless treatment of them by fiscal 2015, complying with newly enforced Law Concerning Special against PCB.

	Number of plants and subsidiaries possessing them	High-voltage equipments		
		In use	Storage	Total
Kubota	17	129	626	755
Domestic subsidiaries	3	0	7	7
Total	2	129	633	762



A label attached to the equipment containing PCB

Storage warehouse of PCB

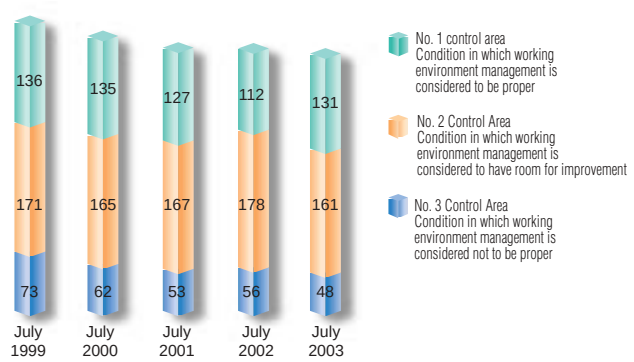
Improvement of working environment

For the sake of safety and employee's health in our workshops, and local environmental pollution prevention, we are always improving working environment, checking mainly noise and chemical substances.

Noise

The number of No 3 control area in noisy workshops decreased by eight compared with July 2002. We promote to reduce the number, aiming at eliminating them entirely, from now on.

Transition of number of noisy workshops

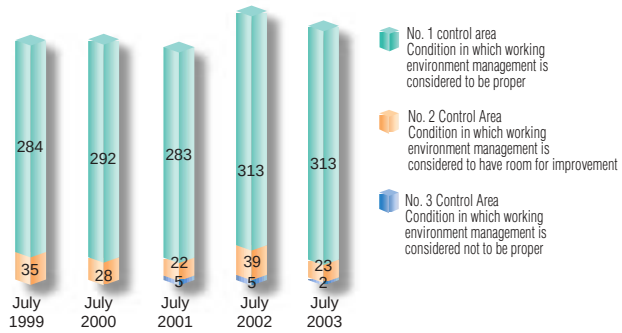


*Data in Kubota's domestic plants

Hazardous substances

Regarding hazardous substances handling workshops (dust, organic solvents, special chemicals, and lead), there were no No. 3 control area since 1998, but there are two workshops as of July 2003. We will consider the improving measures at once to improve the status. We are also improving the working environment of these workshops, deciding stricter self-imposed concentration than that of national standards.

Transition of number of hazardous substances handling workshops (dust, organic solvents, special chemicals, and lead)



*Data in Kubota's domestic plants

Patrol in dusty workshops

We patrolled in our dusty workshops to improve their working environment once in September 2003, and once in February 2004. We checked the status of controlling local discharging equipments (dust collectors) mainly in casting-related workshops. As a result, we are improving equipments which do not work well.

Natural environmental conservation

We are developing natural environment such as greening and biotope in our plants.
*What is biotope?
Biotope is a German word which combines the word for ''biology'' with ''tope'', indicating a place, and has come to mean a place where wildlife thrives.

Keiyo plant (Funabashi)

Hanshin plant (Mukogawa)