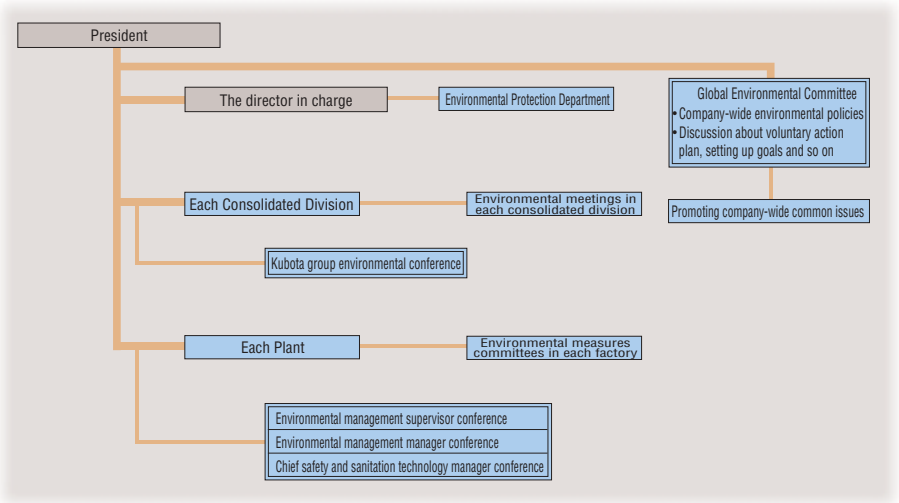
# Environmental Management

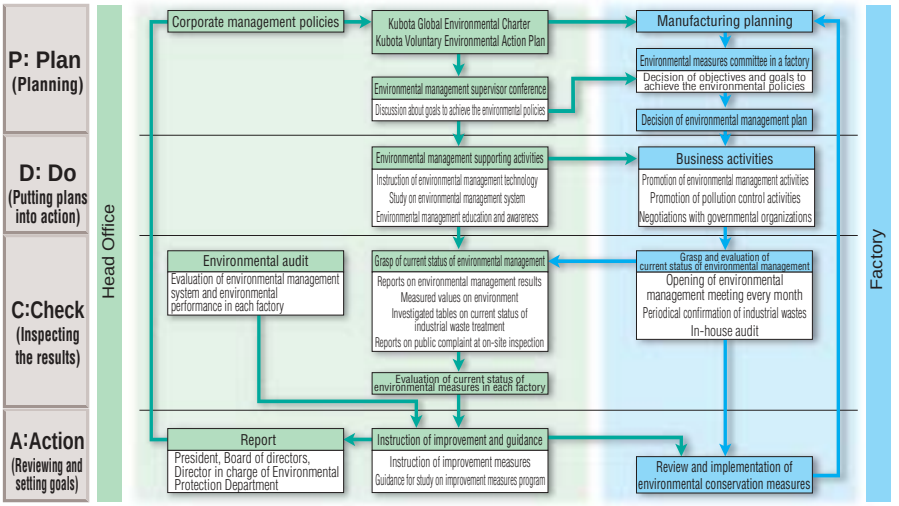
## Environmental Management Promotion Organization

At Kubota, we set up the Environmental Protection Department which promotes environmental conservation and saving energy under the director in charge, we also set up the environmental management sections in each factory and plant, in order to cope with global and local environmental issues. We discuss voluntary action plan, setting up goals and so on, at Global Environmental Committee




## Kubota Environmental Management System

Since 1972, all Kubota employees have participated in environmental management activities, based on the TPC (Total Pollution Control ) concept. In 1995, we introduced the Kubota Environmental Management System ( KEMS), in conformance with ISO14001. All of our plants acquired ISO 14001 certificate ( on an unconsolidated basis ) by the end of fiscal 2000.




## Environmental audit (discussion meeting on environmental safety and sanitation in each plant )

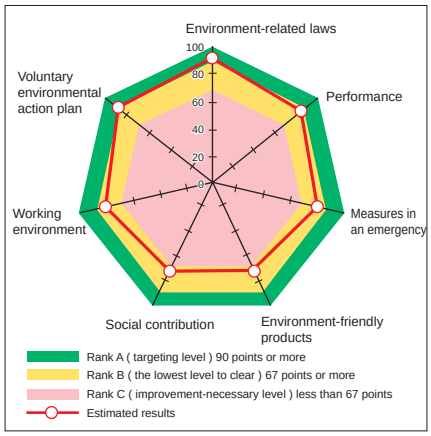
At Kubota, we started the system of Central Pollution Patrol, in 1973.
We changed the system into the one based on ISO 14001 standard, and enhanced the audit in 1994.
We changed the name of the system into “discussion meeting on environmental safety and sanitation in each plant” in fiscal 2002. We conduct the solving-problem-type audit in each plant, extracting environmental risk on a thoroughly-site-oriented basis.
Regarding improvement-necessary items extracted in the discussion meeting, the improvement plan is drafted and conducted steadily in each plant.
And environmental audit is also conducted in our nine main affiliates since fiscal 2001.
We are increasingly going to raise the level of the environmental management activities of Kubota group from now on, making the audit thorough and fulfilling by reconsidering the estimate standards and so on.

Estimated items and the number of improvement-necessary items in the discussion meeting on environmental safety and sanitation in each plant ( environmental field ) ( on an unconsolidated basis )

| Item | The number of improvement-necessary items |
|---|---|
| 1. Compliance with environment-related laws | 48 |
| 2. Environmental performance | 79 |
| 3. Measures, education and training in an emergency | 37 |
| 4. Environment-friendly products | 43 |
| 5. Social contribution and accountability | 32 |
| 6. Working environment management | 73 |
| 7. Implementation of voluntary environmental action plan | 8 |
| Total | 320 |

The scene of the discussion meeting on environmental safety and sanitation in each plant

Companywide estimated results on average ( on an unconsolidated basis )



## Status of ISO14001 certificate acquisition

We acquired the certificate in our two affiliates ( Kubota Environmental Service Co., Ltd. and Kyushu Kubota Chemical Co., Ltd. ) in fiscal 2002.

### Domestic sites

| Plant | Main line of business | Certifying organization/Registration number | Date of Certification |
|---|---|---|---|
| Hanshin plant Mukogawa | Manufacturing of ductile iron pipes | LRQA 772498 | March 5, 1999 |
| Hanshin plant Amagasaki | Manufacturing of rollers for rolling steel, reducing pipes and inorganic synthesized mineral ( potassium titanate ) | JACO EC00J0224 | January 24, 2001 |
| Shin-yodogawa factory in Hanshin plant | Manufacturing of FW pipes | JCQA JCQA-E-0114 | January 11, 2000 |
| Keiyo plant Funabashi | Manufacturing of ductile iron pipes | LRQA 771890 | July 16, 1998 |
| Keiyo plant Ichikawa | Manufacturing of spiral steel pipes and heat transfer pipes | JICQA E097 | November 25, 1999 |
| Sakai PVC pipe plant | Manufacturing of plastic pipes and fittings | JUSE JUSE-EG-019 | July 23, 1999 |
| Odawara plant | Manufacturing of plastic pipes and fittings, and roofing materials | JUSE JUSE-EG-028 | January 19, 2000 |
| Hirakata plant | Manufacturing of cast steel products, pumps, valves, construction machinery, and new material products | LRQA 772527 | September 17, 1999 |
| Okajima plant | Manufacturing of ductile segment, drainage pipes and cast iron products | JICQA E105 | December 22, 1999 |
| Sakai plant (including Sakai coastal factory and Naniwa factory) | Manufacturing of engines and farm machinery | LRQA 772673 | March 10, 2000 |
| Utsunomiya plant | Manufacturing of rice transplanters and combines | LRQA 772846 | December 8, 2000 |
| Tsukuba plant | Manufacturing of engines and farm machinery | LRQA 771757 | November 28, 1997 |
| Kyuhoji plant | Manufacturing of precision machinery products | DNV EMSC-1379 | March 19, 1999 |
| Ryugasaki plant | Manufacturing of automatic vending machines | DNV EMSC-1273 | November 13, 1998 |
| Shiga plant | Manufacturing of roofing materials and FRP products | JUSE JUSE-EG-031 | May 18, 2000 |
| Ohama plant | Manufacturing of ceramic siding, its related parts and its construction materials | JTCCM RE0187 | March 1, 2001 |
| Kashima plant | Manufacturing of ceramic siding, its related parts and its construction materials | JTCCM RE0183 | March 1, 2001 |
| Shin-yodogawa environmental plant center | Design and development of environmental facilities | JICQA E018 | December 3, 1997 |
| Environmental engineering consolidated division | Sales, development, design, procurement, manufacturing, construction, service of environmental control plant | LRQA 772707 | July 14, 2000 |

### Foreign site

| Plant | Main line of business | Certifying organization/Registration number | Date of Certification |
|---|---|---|---|
| The Siam Kubota Industry Co.,Ltd | Manufacturing of engines and farm machinery | MASCI EMS99001/001 | August 13, 1999 |

### Affiliates

| Company | Main line of business | Certifying organization/Registration number | Date of Certification |
|---|---|---|---|
| Nihon Plastic Co., Ltd. | Manufacturing and sale of vinyl pipes and various kinds of tarpaulin | JSA JSAE276 | October 27, 2000 |
| Kubota Construction Co., Ltd. | Contracting business regarding drinking water, sewage water, civil engineering, and buildings | JQA JQA-EM1205 | December 22, 2000 |
| Kubota Environmental Service Co., Ltd. | Maintenance service, design and construction, and fixing and conversion construction of wastewater and solid waste treatment facilities | MSA MSA-ES-171 | November 20, 2002 |
| Kyushu Kubota Chemical Co., Ltd. | Manufacturing and sale of vinyl pipes | JUSE JUSE-EG-118 | March 27, 2003 |

LRQA : Lloyd's Register Quality Assurance Limited / JACO : Japan Audit and Certification Organization for Environment and Quality/JCQA: Japan Chemical Quality Assurance Ltd.
JICQA : JIC Quality Assurance / JUSE : Union of Japanese Scientists and Engineers ISO / DNV : Dedt Noriske Veritas AS / JTCCM : Japan Testing Center for Construction Materials
JSA : Japan Standards Association / JQA : Japan Quality Assurance Organization / MSA : Management System Assessment Center Co., Ltd.

### The number of indication in the renewal audit ( including regular audit ) in the plants acquired ISO14001 certificate ( on an unconsolidated basis, total in nineteen sites )

| Standards number in ISO14001 | 4.3.3 | 4.3.4 | 4.4.2 | 4.4.3 | 4.4.4 | 4.4.5 | 4.4.6 | 4.5.1 | 4.6 | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Requirement | Purpose and goal | Environmental management program | Training, awareness, and ability | Communication | Environmental management system documents | Documents management | Operation management | Audit and measurement | Reconsideration by executives | Serious indication | Slight indication |
| The number of indication | 1 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 10 |

## Environment-related education

It is required for us to improve our one-and-all environmental awareness and to improve our knowledge and technologies in order to promote environment-friendly business activities. We at Kubota reconsidered our education system. For example, we started the basic education for new employees such as environmental knowledge, laws and regulations, controlling technologies and so on. We also started the technology education for improving specialty ability and the education for acquiring national qualification for our rank-and-file employees and foremen.

■Environment-related education for fiscal 2002

1. Basic education
   - ●New employee education
   - ●General lectures

   Basic environmental management education
   Basic distribution education
   Basic procurement and raw materials management education
2. Specialty education
   - ●Education of environmental management technology
   - ●LCA education
   - ●Education of saving energy technology
   - ●Eco-design education
3. Education for acquiring qualification
   - ●Education for pollution control manager examination
   - ●Education for class 1 working environment measurement engineer examination
   - ●Education for class 2 working environment measurement engineer examination
4. Environmental management-related education
   - ●Education for in-house environmental auditors

■Number of employees acquiring environment-related qualifications ( as of end of March 2003 )

| | | |
|---|---|---|
| ●Pollution control managers | Air | 52 |
| | Water | 75 |
| | Noise | 89 |
| | Vibration | 65 |
| | Dioxins | 6 |
| ●Environment measurement engineer | | 15 |
| ●ISO14001 | Assistant environment monitor | 1 |
| | Energy management engineer | 2 |
| ●Chief environment monitor | Heat | 4 |
| | Electricity | 43 |
| | Working environment measurement engineer | 40 |
| ●Environment monitor | Class 1 | 99 |
| | Class 2 | 106 |