Link between Corporate Activities and Environment

The status of environmental loads incurred in the production process in the industrial infrastructure department, the machinery department and the environmental engineering department are provided as follow. The Kubota group will commit to reduce environmental loads by collecting and utilizing data regarding production inputs such as the amount of raw materials, electricity, water and fuels as well as production outputs such as the amount of CO_2 emissions and waste products.

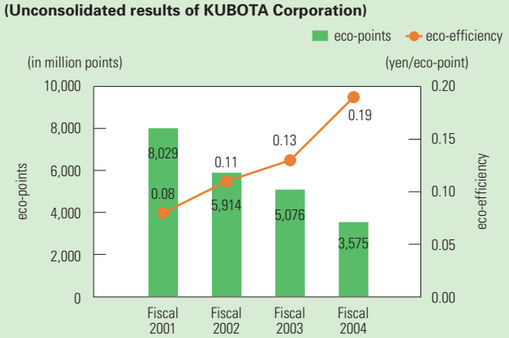
Valuation of environmental influence

We are testing the Japan Environmental Policy Index (JEPIX) to adopt it as an eco-efficiency assessment method to measure the effects of corporate activities on the environment. JEPIX is an indicator using a single unit obtained by converting a corporate environmental impact data into a numerical value.
Since FY2004, we have been involved in the JEPIX forum – a part of the 21st Century Centers of Excellence (COE) Program of the Ministry of Education, Culture, Sports, Science and Technology (headed by International Christian University.)

* JEPIX: Japan Environmental Policy Index
Japan customized Environmental Policy Index.
Eco-efficiency = Net sales (in ¥) / eco-point

Changes in eco-efficiency

(Unconsolidated results of KUBOTA Corporation)



The eco-point is a numerical value representing the degree of environmental loads, with smaller value indicating less environmental impacts. The above graph shows decreasing trends from FY2001 through FY2004. We confirmed that the eco-efficiency of FY2004 improved by 46% from FY2003.

INPUT

Major raw materials

Cement	15 thousand tons
Cast iron	76 thousand tons
New pig iron	53 thousand tons
Flat bars	107 thousand tons

Recycled raw materials

Scraps	286 thousand tons

INPUT

Energy **8.33 PJ***

Heavy oil	1,904 kL
Gasoline	824 kL
Kerosene	17,983 kL
Light oil	2,833 kL
Coal/coke	46,675 tons
LPG	558 tons
Town gas	27,325 thousand cubic meters (CBM)
Electric power	489,300 thousand kWh
New energies	9,560 thousand kWh

Water

Clean water	810 thousand CBM
Industrial water	3,110 thousand CBM
Groundwater	1,510 thousand CBM

Chemical substances **7,740 tons**
[designated by the Pollutant Release and Transfer Register (PRTR) Law]

* PJ: 10^{15}J
* PRTR Law: Law concerning reporting, etc., environmental release of specific chemical substances and promoting improvements in their management

In-house recycling
26,309 tons

Kubota

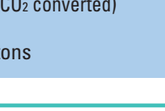
Manufacturing Process

Major production (summery)

Ductile cast iron pipes	230 thousand tons
Sheet piles	167 thousand meters
Tractors	112 thousand units
Engines	624 thousand units
Rice transplanters	20 thousand units
Combine harvesters	15 thousand units
Construction machinery	14 thousand units
Johkaso or water treatment tank	32 thousand units

Physical Distribution

Customers


Municipal solid waste incineration plant with super power generation


Rice transplanter

River fountains

Earthquake-resistant ductile iron pipe

Construction machinery

Desert greening

External recycling
84,435 tons

OUTPUT

Water

Public water area	
Water discharge	4,470 thousand CBM (m^3)
COD	13.9 tons
Nitrogen	8.8 tons
Phosphorus	0.24 tons
PRTR designated substances	34.6 kg
Sewage	
Wastewater discharge	710 thousand CBM (m^3)
PRTR designated substances	8.5 kg

Air

SOx	24.2 tons
NOx	75.5 tons
Dust	15.3 tons
Ozone depletion substances	
HCFC	114 kg
Greenhouse gas	
CO_2	455 thousand tons
HFC	0.4 thousand tons (CO_2 converted)
PRTR designated substances	791 tons

Waste materials

Incinerated wastes	1,649 tons
Landfill wastes	2,819 tons

Collection of disposed products

Cast iron pipes	13,292 tons
Vinyl pipes	81 tons

(Domestic plant and office data)