

Status of Mid-term Targets and Results

Targets and results in FY2006

KUBOTA has drafted and promoted a Mid-term Environment Promotion Plan in order to execute the basic direction of our environmental corporate management, which aims at harmonizing the environment with economics and building a sustainable society. Items of emphasis were incorporated in the 2-year plan from fiscal 2005 to fiscal 2006.

New Mid-term Plan established

Based on results from fiscal 2005 and the situational changes in global environmental issues, we implemented a review of content and targets then established a new Mid-term Environment Promotion Plan (for fiscal 2007 to fiscal 2009) for the KUBOTA Group during fiscal 2006.

FY2005–FY2006 Mid-term Environment Promotion Plan (drafted in FY2004)

Issue or Subject	Target	Management Indicator	Standard FY	FY2006		
				Targets	Results	Self-evaluation ¹
① Expanding the environmental management system	Develop eco-office initiatives (non-production offices)	Introduction rate	-	Consider rollout to subsidiaries	Rollout to subsidiaries in head office building completed	
	Ensure a sufficient number of personnel with environmental certification (pollution control managers, etc.)	Rate of guideline achievement	-	100%	81%	
	Expand and implement the educational system (education based on the Environmental Education Promotion Law ²)	-	-	Review	Content review of employee level-based education system and professional training, etc., completed (1,352 employees participated)	
	Implement green purchasing	Ratio of purchase amount	-	100%	93.2%	
② Creating a recycling-based society	Reduce waste	Volume of waste discharge	2004	(6%)	3.7%	×
	Aim for zero emissions (for industrial waste generated in manufacturing plants, etc.)	Resource recovery rate	-	99%	98.8%	
	Implement eco-office measures (reduction of paper use, etc.)	Reduction rate	2004	(10%)	(17%)	
	Conserve water resources (service water)	Reduction rate	2004	(5%)	(16%)	
③ Stopping global warming	Conserve energy and reduce greenhouse gases	CO ₂ emission per unit output	2004	(2%)	(34%)	
	Limit total CO ₂ emission	ton-CO ₂	1991	FY1991 level or less	71%	
	Reduce CO ₂ during distribution	ton-CO ₂	2004	(2%)	(26%)	
④ Reducing hazardous chemical substances	Reduce hazardous chemical substances [reduce Volatile Organic Compound (VOC) atmospheric emission]	Reduction rate	2004	(30%)	(51.6%)	
	Implement PCB measures (high/low voltage devices)	Renewal or replacement of devices containing PCB	-	80% renewal or replacement	92%	
⑤ Increasing eco-friendly products and services	Enhance use of eco-friendly products	Ratio of new products	-	60%	37%	×
	Implement green purchasing	Introduction rate	-	100%	77%	
⑥ Enhancing environmental communication	Environmental Report	Regular issuance	-	Development and integration towards a CSR Report	Implemented from this FY	
	Independent review of the Environmental Report	Reviewed or not	-	Independent review on environmental content	Implemented from last FY report	

As for some targets, change in boundaries of Organizations for FY2006 results and the standard fiscal year were not taken into consideration.

¹: Self-evaluation standards ◎ ... Exceeded target ○ ... Reached target △ ... Target partially achieved × ... Target not achieved

²: Proper name—"Law for Enhancing Motivation on Environmental Conservation and Promoting of Environmental Education"

Incorporating environmental corporate management into subsidiary companies

KUBOTA has to-date placed an emphasis on obtaining ISO 14001 certification, etc., for our environmental corporate management system in domestic production subsidiaries. However, the issues at right will be strengthened as the main points of focus for the future.

- (1) Development of self-governing environmental corporate management activities for non-production subsidiary companies
- (2) Strengthening of internal environmental auditing
- (3) Expansion of those non-production subsidiary companies targeted for environmental management

New FY2007–FY2009 Mid-term Environment Promotion Plan (drafted in FY2006)

Item		Management Indicator	Standard FY	FY2007	FY2008	FY2009
① Expanding the environmental management system	Expand ISO14001 certification	Acquisition of certification for KUBOTA's non-production sites	-	1 site	2 sites	6 sites
	Expand non-production subsidiary companies targeted for environmental management (range of report targets)	Ratio of the number of targeted subsidiary companies	-	50%	65%	75%
② Creating a recycling-based society	Reduce industrial waste	Waste discharge per unit output (volume of discharge / volume from internal production)	2005	(4%)	(6%)	(8%)
		Resource recovery rate	-	99%	99%	99%
	Recycle construction waste	Recycling rate	-	95%	95%	95%
	Implement green purchasing (office supplies)	Ratio of purchase amount	-	95%	98%	99%
	Reduce water use per unit output (service water, industrial water, ground water)	Water use per unit output (volume of use / volume from internal production)	2005	(4%)	(6%)	(8%)
③ Stopping global warming	Reduce greenhouse gases	CO ₂ emission per unit output (volume of emission / volume from internal production)	2005	(2%)	(3%)	(4%)
	Reduce CO ₂ during distribution	CO ₂ emission per unit output (volume of emission / product transportation weight & distance)	2005	(2%)	(3%)	(4%)
④ Reducing hazardous chemical substances	Reduce Volatile Organic Compounds [VOC]	VOCs emission per unit output (volume of emission / volume from internal production)	2005	(10%)	(15%)	(20%)
	Implement PCB measures (high/low voltage devices)	Renewal or replacement	2004	90%	100%	100%
⑤ Increasing eco-friendly products and services	Enhance manufacture of eco-friendly products	Ratio of models with no hazardous chemical substances contained (RoHS-targeted substances)	2006	10%	30%	50%
⑥ Enhancing environmental communication	Disclose environmental information	Integration towards a CSR Report & Enhancement of the Environmental Report	-	Integrated into a CSR Report	-	-
	Improve reliability and content of the Environmental Report	Independent opinions (continuous implementation of independent review)	-	Reviewed	Implemented	-