

*Achieving Harmony
between Human Beings
and the Earth*

ISEKI Group aims to
“live peacefully with a stable natural environment”

Environmental Report

Environmental Report

by ISEKI & CO., LTD

Aiming to bring about a prosperous community, constantly growing in affluence

For your continued support of the business operations of ISEKI Group, I would like to extend my heartfelt gratitude.

In 2015, ISEKI & Co., Ltd. is celebrating its 90th anniversary. Since the establishment of the company, with the principle of our founder, “free farmers from exhausting labor” as the cornerstone, ISEKI has been striving to contribute to the modernization of Japan’s agricultural industry as a full-time manufacturer specialized in agricultural machinery. Over the period, we have consistently pursued efficiency and laborsaving advances in agriculture and kept providing the products to the market by pioneering the development of a quantity great deal of agricultural machinery and facilities. When we consider the increase of global population, food issues, food self-sufficiency and land conservation, and global environmental issues, the role agriculture plays is significant and, consequently, the social mission of agricultural machinery manufacturer becomes more and more important. ISEKI Group will continue to operate under the basic business philosophy to “provide products that satisfy customers,” aiming to contribute to agriculture, both in Japan and throughout the world.

For the growth and development of Japan’s agriculture, we provide support from both hardware and software. Specifically, we offer energy-saving, low cost, and environmentally sound products by improving the productivity through enhanced efficiency and reduced workload, by saving fuel and fertilizers further, and by utilizing ICT and robot technology, to name a few. We are also promoting the spread of cultivation and farm management technologies, supporting the revitalization of deserted farmland and regional activation, and offering support to women, young, and new farmers. We also work on the food education and “local production for local consumption” in an attempt to improve the food self-sufficiency. To cope with the recent global needs to increase food production, we are actively providing products to Europe, North America, China, and ASEAN countries.

Regarding environmental issues, including global warming, we set our goal to cooperate in forming recycling-oriented society and position this goal as one of the most important issues of the management. Such efforts include the implementation of an Environmental Management System (EMS) throughout the entire ISEKI Group, from our domestic manufacturing locations to the headquarters and sales subsidiaries. Starting from this year, we will launch the full-scale activities in the overseas locations as well. We implemented tangible targets and management system from initial product development phase in an effort towards environmental preservation. In order to convey the results of these approaches in an easy-to-understand manner to the customers and all stakeholders, we have set environmental-friendly design standards, and we are promoting the implementation of an “eco-product certification system.” In this system, based on the evaluation results, environmental labels are used only for products that have passed our own environmental-friendly design standard. In addition, we are actively engaged in various social engagement activities, so that we can contribute to the people in the community.

What we see at the base of these activities and initiatives is people. We realize that human resource development is essential for us. We make sure that skills and techniques, which are indispensable in the production site, are improved and properly passed on. We also make sure to develop human resources who can offer comprehensive farm business proposals to the customers and who can work in a global setting actively. We also promote recruitment of foreigners and appointment of women in management.

ISEKI Group positions the contribution to achieving a recycling-oriented society as one of our most important management tasks. We will continue our efforts to realize a “prosperous community, constantly growing in affluence,” work on various issues and carry out our social responsibilities together with the stakeholders. We would like to ask for your further support, assistance, and cooperation to make our activities successful.



President

木村 典之

Noriyuki Kimura

I N D E X

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“Environmental Reports” refers to reports and publications which are periodically disclosed by business operators (corporations, organizations, and schools, etc.) stating the state of environmental burden caused by their business activities, their environmental policies and efforts to society.
 According to the website of the Ministry of the Environment

The coverage of this report
 Term covered: Activities from April 2014 to March 2015 were mainly covered. Some recent activities were also covered.
 Activities covered: Domestic activities
 Organization: ISEKI & Co., Ltd., affiliates, domestic covered distributors and sales subsidiaries
 Material used:
 Environmental Report Guidelines (2012 edition)
 Guide on Items to be Included in Environmental Reports (Version 3)
 GRI G4 Sustainability Reporting Guidelines

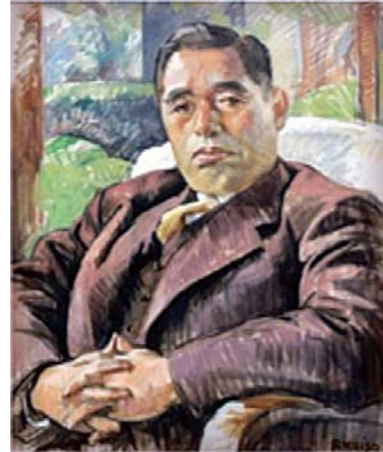
Front page picture: Terraced rice paddies in early summer, Joetsu City, Niigata Prefecture

To bring about “a prosperous community, constantly growing in affluence”
 We contribute by “providing products that satisfy customers”

< Spirit of ISEKI – Passion of founder – >

“I want to free farmers from exhausting labor”

Agriculture was hard work, done by hand and with the help of animal power. To change this, Kunisaburo Iseki, the founder endeavored to realize labor-saving and further development of agriculture through mechanization. “We produce good machinery that customers highly praise,” Kunisaburo used to say. He devoted himself to provide products and services that made the customers happy. That founder’s passion has been inherited in an unbroken line until today as “Iseki’s spirit.”



Founder
Kunisaburo Iseki

< Company Motto >

Our management philosophy is to provide

1. Products that satisfy customers,
2. A stable workplace to the employees,
3. Appropriate dividend to the shareholders,

and thereby we will fulfil our social mission.

< Providing products that please the customers >

Contribute to the mechanization and modernization of agriculture as
 “all-round agricultural machinery and equipment manufacturer”

Developed the self-threshing combine harvester for the first time in the world

We announced the self-threshing combine harvester in 1966 and launched it in the following year. This is currently the main combine harvester type in Japan. At that time, farmers used the conventional large-sized combine harvesters imported from abroad. Under such circumstances, ISEKI’s engineer team endeavored to “produce a combine harvester that satisfies farmers” and that suited the rice farming in Japan. The outcome was the “self-threshing combine harvester” which combined the automatic threshing machine and reaper.



Development of two-wheel rice transplanter equipped with backward-tilting seedling tanks

After repeated trial and error, we developed a rice transplanter “PF20” with a plastic float which maintained the constant plant depth, solving a challenging issue at that time in 1971. This model was launched as the unique “two-wheel rice transplanter equipped with backward-tilting seedling tanks” and later became the standard of rice transplanter in Japan.

The nickname of this model “Sanae” has become well-known and used as the synonym of ISEKI’s transplanter.



< Technical development >

To provide “good product” to the customers!

No. 1 patent allowance rate in Japan! No. 1 open patent per specialty field for 14 consecutive years

With an aim to “provide products that satisfy customers,” ISEKI is actively pursuing the development, introduction, and implementation of new technology.

In the “Patent Administration Annual Report 2015 Edition,” ISEKI has secured the No. 1 ranking in the following categories:

- No. 1 with the number of patent allowance rate in 2014 (Patent allowance rate: 99.2%)
- No. 1 with the open patent per specialty field in 2013 (other special machinery sector)

*For details, see the “Intellectual Property Report” and our corporate website.

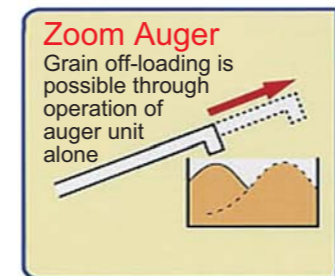


Rotary type rice transplanter

We developed a rotary-type rice transplanter in 1985 and commercialized it in the following year for the first time in the industry.

Being able to plant two seedlings by one rotation, this technology has enhanced the efficiency of rice transplanter.

- Rotary-type transplanter: Patent No. 2137045
- Invention Awards of the Institute of Invention and Innovation



Zoom Auger for combine harvesters

We announced the “swing & zoom” auger in 1999. This flexibly extendable grain discharge auger unit made it simple to correctly position the grain discharge vent without having to move the combine harvester itself, thereby enabling highly-efficient paddy off-loadings.

- Zoom Auger for combine harvester Patent No. 3282587
- Award of the President of the Ehime Institute of Invention and Innovation (District Head Award)”

Invention that brought about the innovation in Japan’s agriculture

Self-threshing combine harvester and rice transplanter were selected as “100 Postwar Japanese Inventions”!

■ Change of labor hours of rice farming (per 10a)

	Year 1954	Year 2010
Putting seedlings in bed, growing in nurseries, transplanting	37.55 hrs.	3.33 hrs.
Harvesting and threshing	57.20 hrs.	3.54 hrs.

The First “100 Postwar Japanese Inventions” was announced by the Japan Institute of Invention and Innovation

- Without these two inventions, rural labor powers would not have concentrated in the urban areas that rapidly and the rapid economic growth would not have progressed at that pace.
- In the past, rice farming, especially transplanting and harvesting, was continuous repetition of hard labor. This overwork was the main cause of farmers often suffering from illnesses. Mechanization of transplanting and harvesting was a longtime dream of farmers. In the past, many people invested fortune out of their pockets in an attempt to improve this situation by invention.
- Rice transplanters and self-threshing combine harvesters are not only utilized in Japan (omitted) In the age of internationalization, the technology which was cultivated in the development of transplanters and self-threshing combine harvesters should be utilized soon.

*Excerpt from the announcement of the award announcement. In the “100 Postwar Japanese Inventions,” ISEKI’s efforts were referred to as a part of description of the combine harvester.

To bring about “a prosperous community, constantly growing in affluence” We contribute to the development of agriculture both from hardware and software

“ISEKI – Support team for the farming industry full of dreams”

In the age, when the environment surrounding the agriculture is rapidly changing, ISEKI is committed to offering support to the farmers by bringing together the full strength of ISEKI Group. We would like to help farmers to realize profitable agriculture by providing a wide-range of farm business proposals, which covers both hardware (agricultural machinery) and software (production management and cultivation technology).



Supporting “NOGYOJOSHI” in the “YUMEARU NOGYOJOSHI PROJECT”

ISEKI Group participated in the “NOGYOJOSHI” Project sponsored by the Ministry of Agriculture, Forestry and Fisheries as the sole all-round agricultural machinery manufacturer.

The project we are working with is called “YUMEARU NOGYOJOSHI OEN” Project, in which female farmers share the difficulties they face and we provide support to them to invigorate the entire domestic agricultural industries.

Held a seminar on agricultural machines

The seminar was held in Tsukuba Mirai City and covered basic points, such as how to use the machines, their characteristics, and how to self-maintenance them. In this seminar, ISEKI has prepared the “NOGYOJOSHI Style Operation Manual” which covered the points that female farmers really wanted to know. To meet the request from other, ISEKI Group is now offering seminars countrywide.

Commercialized a “tractor for female farmers”

Many female farmers face difficulties in handling the agricultural machines. This was a popular topic at the seminar and we received many requests and opinions about this topic. Considering the fact that the number of female farmers who operate the agricultural machines is increasing, ISEKI set up the “NOGYOJOSHI Tractor Project” and commercialized a tractor specially made for female farmers.



SHIROPUCHI Z15 Special Model

Approach to revitalization of deserted farmland and regional activation

The area of deserted farmland has been increasing in the last 20 years. The number is reported to be approx. 400,000 ha. all over the country. Deserted farmland is especially found in mesomountainous regions mainly because of the decrease of successors of agriculture in the regions. It has also caused depopulation and exhaustion in the region, which is one of the important problems of Japanese agriculture to be solved. Under these circumstances, ISEKI Group is actively supporting the local activities to revitalize the deserted farmland and regional activities as the “Support team for the farming industry full of dreamful.”

Problem of deserted farmland

- Deteriorates scenery
- Causes bird and animal damages and pests
- Requires lots of work to revitalize as farmland



Support for revitalization of deserted farmland and regional activation in Wakayama prefecture

ISEKI Co., Ltd. and ISEKI Kansai Co., Ltd have worked together in the “Home of companies” system in Wakayama prefecture on supporting activities for resurgence of “Hatagonbo” in the Nishibata area in a mesomountainous region of Hashimoto-shi, Wakayama prefecture.

“Hatagonbo” is a big, fragrant burdock root that had been cultivated in this Nishibata area since the Edo period (1603-1868). However, cultivation died out at the beginning of the Showa period (1926-1989) because working in steep-sided fields was extremely laborious. About 80 years later, residents of the Nishibata area decided to revive Hatagonbo using deserted farmland in order to reinvigorate the region. ISEKI have been offering a proposal with completely mechanized system that helps to revitalize the deserted farmland and solve issues related to the harvesting work since April 2013.

In 2014, the second year from the start, ISEKI revitalized more deserted farmland than the previous year. This phantom “Hatagonbo” which revived was selected as “Premier Wakayama” in the system that selects and recommends the excellent prefectural products in Wakayama prefecture.



Support of the cultivation of local traditional products

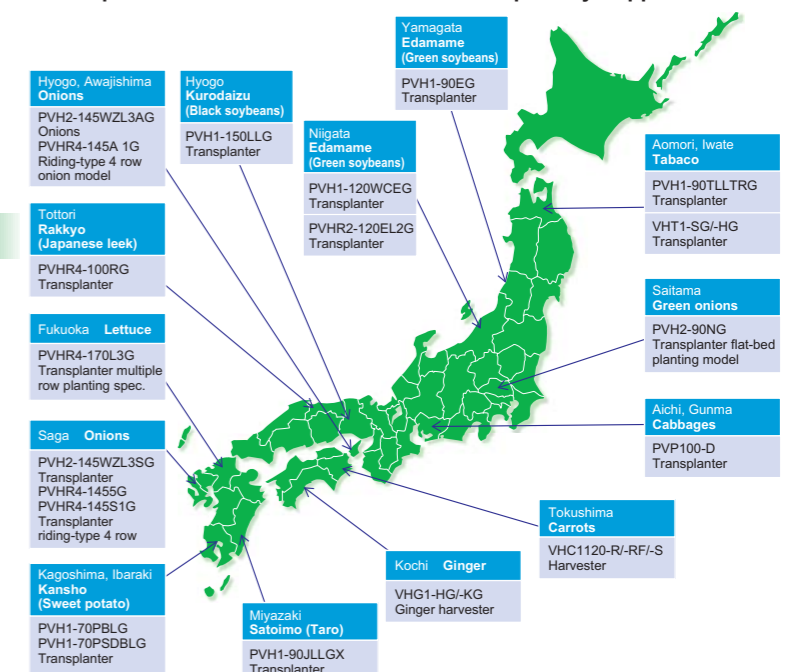
ISEKI Group is supporting the development and activation of local agriculture through mechanization of cultivating local traditional products, cultivation management and seminars on the farm business software, etc. We are also supporting the “local production for local consumption” through the commercialization of machines that suit the specialty of each area.

Case of “NOTO DAINAGON” in Ishikawa prefecture

At the seminar focusing on how to increase the production of Noto Dainagon Azuki beans, the specialty of Okunoto, we gave the demonstration of agricultural machines and training on the farm business software to help realize the stable harvest.



<Examples of Traditional Products and Local Specialty Support Models>



To realize “a rich society with sustainable development”
Based on the axis of “agriculture and agricultural machines,”
we contribute to the development of recycle-oriented society

Through the activities that aim to harmonize nature, society and corporate, we contribute to the development of sustainable society

ISEKI Group has walked together with agriculture since its establishment. Based on our managerial creed, “Management of the Axis of Agriculture and Agricultural machines”, we promote environmental preservation activities with harmony between nature and society.



Development of products that reduce the environmental burden and the promotion of widespread usage

As a whole, ISEKI Group is working on the development of “eco certified products” and their widespread use. By utilizing the product assessment system, we improve the durability, fuel efficiency, work efficiency, etc., we have successfully increased the number of environment-friendly designs and “eco certified product” models.

By implementing the “eco product certification system”, in which environmental labels are used only for products that have passed our own environment-friendly design standard. This “eco-product certification system” is intended to provide information on reduced environment stresses of the certified products to customers and all stakeholders more plainly.



Development of Eco Certified Products and Their Status of Spread

<Year 2014 Eco Product Certified Models>

Target model	Target product
Drying machine	GHL50 – 65H
Riding-type rice transplanters	NP50, NP60, NP70, NP80, NP60D
Combine harvester	HFR463, HFR450

<Eco Products Domestic Sales Ratio>

2013	2014
4.3%	9.4%

Receipt of FOOD ACTION NIPPON AWARD 2014 in R&D/new technology section!

As the first company registered to the “FOOD ACTION NIPPON Promotion Headquarters,” which is an approach to increase the consumption of domestic agricultural products, led by the Ministry of Agriculture, Forestry and Fisheries, we develop activities to increase the food self-efficiency ratio.

“FOOD ACTION NIPPON AWARD” was established to invite approaches of business operators, associations, etc. to contribute to increase of food self-efficiency widely from the public and give awards to excellent approaches. Our “plant growth diagnosis device” received the award for excellence in the “R&D and new technology section” and “Rice transplanter Sanae NP series” obtained a winning entry.

Plant growth diagnosis device

The device was developed together with Ehime University. The reason for the award was that the device is expected to reduce the work time and production cost, among others, thus lowering the price of domestic agricultural products and increasing the consumption.



Plant growth diagnosis device

Rice transplanter Sanae NP series

The reason of award was that the machine solved the problem with conventional transplanters, which could not plant the rice seedling very close to the ridge edge. This machine eliminated the need of additional hand transplanting, thus realized laborsaving.



Rice transplanter Sanae NP series



[Awards history: Tractor, rice transplanter, and combine harvester received the award for excellence]

FY 2010	“Sparse rice transplanter” received the award for excellence
FY 2011	“Industry’s first 7-row type combine harvester HJ7120” received the award for excellence
FY 2012	“Industry’s first far-infrared heat recycling dryer” received award
FY 2013	“Tractor that can be driven like a car and increases the efficiency of farm work” received the award for excellence. (Tractor NTA series)

“In-Ridge Partial Fertilizer” was selected as one of the “Ten Outstanding Topics in Research Results in Agriculture, Forestry and Fisheries 2014”!

“In-Ridge Partial Fertilizer,” jointly developed with NARO Agricultural Research Center, was selected as the “Ten Outstanding Topics in Research Results in Agriculture, Forestry and Fisheries 2014,” which was announced on December 10, 2014. The reason for selection was that this has “completed the line-up of “In-Ridge Partial Fertilizer” and is expected to reduce the amount of fertilizer significantly.



In-Ridge Partial Fertilizer

In-Ridge Partial Fertilizer is the fertilizer for tractor, which does not apply fertilizer to unnecessary places. The reason of selection was because the line-up has completed by the commercialization of five models and the use of this machine can reduce the amount of fertilizer by 30 to 50%, just to name a few, this low cost, energy saving and environment stress reduction technology was expected to become popular in the production site.

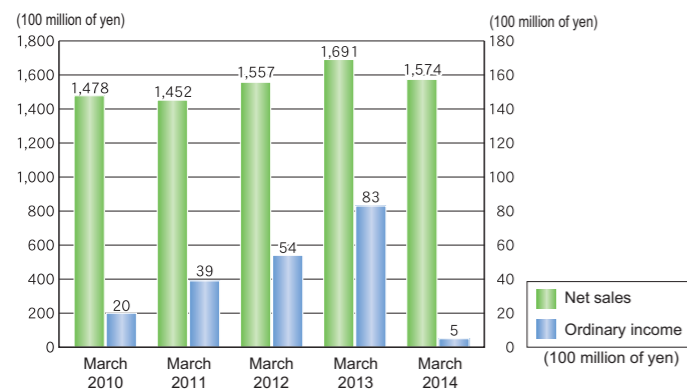
Outline of our business

Economic report

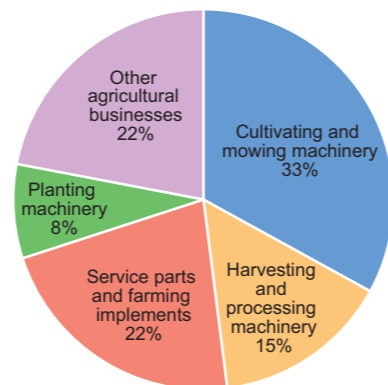
< Company profile >

Company Name	ISEKI & CO., LTD.
Head Office	700 Umaki-cho, Matsuyama-shi, Ehime-ken, 799-2692 JAPAN
Tokyo Headquarters	5-3-14, Nishi-Nippori, Arakawa-ku, Tokyo, 116-8541 JAPAN
Tel	03-5604-7602
Fax	03-5604-7701
Foundation	August 1926
Paid-in Capital	23,344 million yen (as at March 31, 2015)
Number of Employees	Consolidated: 6,039 Non-Consolidated: 754 (as at March 31, 2015)
Principle Business	ISEKI's principle business is the manufacture and sale of the following products: Cultivating Machinery Tractors, Tillers, High clearance multipurpose vehicles, Mowers Planting Machinery Rice Transplanters, Vegetable Transplanters Harvesting Machinery Combine Harvesters, Binders Processing Machinery Rice Hullers, Dryers, Rice Cleaners, Rice Graders, Vegetable Harvesting and Processing Machinery Miscellaneous Implements, Spare Parts, Agricultural Facilities

< Achievement trends (consolidated) >



< Sales composition by product category as of March, 2015 at the end of fiscal year >



< Financial statements >

Summary of consolidated balance sheet (As of March 31, 2015)			
Account	Amount (in mil. JPY)	Account	Amount (in mil. JPY)
Cash and deposits	6,603	Notes and accounts payable-trade	38,713
Notes and accounts receivable-trade	30,404	Short-term loans payable	39,075
Inventories	47,711	Long-term loans payable	18,520
Others	4,631	Others	36,765
Total Current Assets	91,851	Total Current Liabilities	133,073
Property, plants and equipment	92,992	Capital stock	23,344
Intangible assets	1,105	Capital surplus	13,454
Total investments and other assets	18,189	Retained earnings	15,658
		Treasury stock	△986
		Valuation difference on available-for-sale securities	2,979
Total Noncurrent Assets	112,287	Difference in revaluation of land	12,401
		Foreign currency translation adjustment	1,771
Total Assets	204,138	Adjustment total sum pertaining to retirement wages	750
		Minority interests	1,624
		Total Net Assets	71,085
		Total Liabilities and Net Assets	204,138

Note: The amount shown is the number after rounding the fractional part.

Consolidated statement of income (From April 1, 2014 to March 31, 2015)	
Account	Amount (in mil. JPY)
Net sales	157,417
Cost of sales	111,777
Gross profit	45,640
Selling, general and administrative expenses	46,175
Operating income	△535
Non-operating income	2,125
Non-operating expenses	1,091
Ordinary income	499
Extraordinary gains	1,680
Extraordinary losses	874
Income before income taxes	1,304
Income taxes	1,633
Minority interests in income (loss)	△9
Net income	△319

Note: The amount shown is the number after rounding the fractional part.

Major products

Economic report

We respond to a wide-variety customer needs!

To respond to a wide-variety customer needs, the sales, development, and manufacturing departments work together as one. We commercialize products in support of energy-saving and low cost agriculture, environmental preservation and the safety of agricultural work. In domestic business, in addition to the agricultural machinery for rice cultivation, which is our main field, we engage in the mechanization of crops and vegetable cultivation, where the needs for laborsaving are high, and the utilization of advanced technologies, such as introduction of IT in agriculture, use of robots in agricultural machinery and plant factory. In overseas business, we provide products which meet the needs of customers and areas in a wide range of fields, including lawn mowing, light civil engineering and environmental conservation.

Tractors



Rice transplanters



Combine harvesters



Export machines



Other products



Tiller

Inside ridge processor

Vegetable transplanter



Binder



Dryer



Rice huller



Weighing and separating machine



Coin-operated rice milling machine



Hydroponics facility

Domestic business

Economic report

Developing initiatives to cope with the agriculture facing significant changes we will further expand our domestic business!

Agriculture
Changes into
↓
More Profitable
Industry

Advanced technology and smart agriculture machines

We develop and promote the “smart agricultural machines” and “farm business and management software,” utilizing advanced technologies, such as ICT and robot technology, to improve productivity and efficiency.



Domestic agriculture is undergoing changes from the conventional systems centering on food rice into the diversified ones with feed rice, crops, vegetation, etc.

In the midst of major change, together with the introduction of IT in the farming and robot agricultural machines, we will enhance our “support capacity to the customers” to be able to provide the products that meets the wide range of customer’s needs, such as business scale and locality, and to offer proposals that suit the agriculture management of the customers.

Expansion of vegetable growing machinery to support crop changeover

As to the crop changeover of soybeans, wheat, vegetables, from rice paddies, and the expansion of production, we offer various support with the enhanced line-up that covers the new mechanization system of vegetable farming and know-hows to utilize the machines.



Maintenance bases for large-scale farming and introduction of large agricultural machines

To cope with the trend of large-scale farming, we offer “expanded line-up of large machines” and “refurbish our maintenance bases” in various locations in Japan.



Farm business proposals to support farmers

To establish the cultivation technologies, such as low cost laborsaving production and crop changeover, we are engaged in “Agri Heroes support project.” In this project, we foster human resources who can make farm business proposals both from hardware and software to support all kinds of farmers from agricultural corporations and large-scale farmers to female farmers, hoping that they can play a significant role in domestic agriculture in the future.



“You can see the advanced farm business technology there!”

“Dream Agricultural Research Institute” to be established in October 2015

– Base of research and promotion of advanced farm business that will support Japan’s agriculture –

We will research, demonstrate, and promote the farm business software and farm business technologies, by enhancing the farm business proposals, such as low cost agriculture support, including sparse planting technology and direct seeding, by utilizing the advanced technologies for the next generation, coping with issues that Japan’s agriculture faces, such as aging and large-scale farms, and realizing productivity increase of changeover crops, through the joint work with the universities and research institutes.



<Outline of the activities>

- Advanced farm business technology research
 - (1) Research and demonstration of advanced cultivation technologies, such as low cost agriculture, new strains cultivation, etc.
 - (2) Research and development of advanced agricultural machines, such as ICT, robot, plant factory, etc.
 - (3) Research of data information analysis and effective use of agricultural ICT.
- Promote farm business
 - (1) Providing consultation of farm business in general to the farmers, agricultural corporations, etc.
 - (2) Human resources development of the group employees, turning them into someone who can offer farm business proposals
 - (3) Offering information on the farm business

Overseas business

Economic report

In addition to the existing markets of Europe, North America and China, we will enhance our overseas expansion with an eye on Southeast Asia, where mechanization is progressing rapidly, and aim to quickly achieve a 20% overseas sales ratio.

Business in Europe



Since ISEKI Europe was established in Belgium in 1971, we have introduced products, such as tractors and riding mowers, mainly in the landscaping market and expanded the sales area. Launching the "new strategic" products that meet the customer's needs, we will further expand the sales area.

Centering on ISEKI France, which we have subsidized, we will accelerate expansion of the sales area further.



ISEKI France started in July 2014



In North America, we provide products, such as compact tractors and utility tractors to AGCO, an agricultural machinery manufacturer which has a wide sales network in America, as an OEM supplier. We will expand the sales area further by introducing "new strategical products" which meet the customer's requirements.

Business in North America

Expand the sales area by the full-scale distribution of economic tractors, which is a new strategical product.



Economic tractor manufactured in Indonesia

Name of company (country, area)

- (1) N.V. ISEKI Europa S.A.S. (Belgium)
- (2) ISEKI France S.A.S (France)
- (3) ISEKI-Maschinen GmbH Deutschland (Germany)
- (4) Dongfeng ISEKI Agricultural Machinery Co., Ltd. (China)
- (5) ISEKI SALES (THAILAND) CO., LTD. (Thailand)
- (6) PT. ISEKI INDONESIA (Indonesia)

Business in China



In Chinese market, where agricultural mechanization is advancing rapidly, through the establishment of Dongfeng ISEKI Agricultural Machinery Co., Ltd., we will expand our business by bringing new products into the market and establishing a supply chain.

- Increase the sales by enhancing product line-up and sales system
- Start to work on the construction of a new plant



Introduced a wide range of line-up at an exhibition



In the Southeastern Asian market, where future growth is expected, we will try to establish ISEKI brand through stabilizing the operation of PT. ISEKI INDONESIA and, enhancing the sales of ISEKI SALES THAILAND.

Business in Asia and Oceania

- Thailand: Develop a full-scale business by expanding the sales network
- Indonesia:
 - Manufacturing: Increase the production through export to the neighboring countries and expansion of the line-up to Europe
 - Sales: Introduce the rice transplanters and combine harvesters in addition to the tractors



A new model manufactured in Indonesia

Corporate governance and compliance

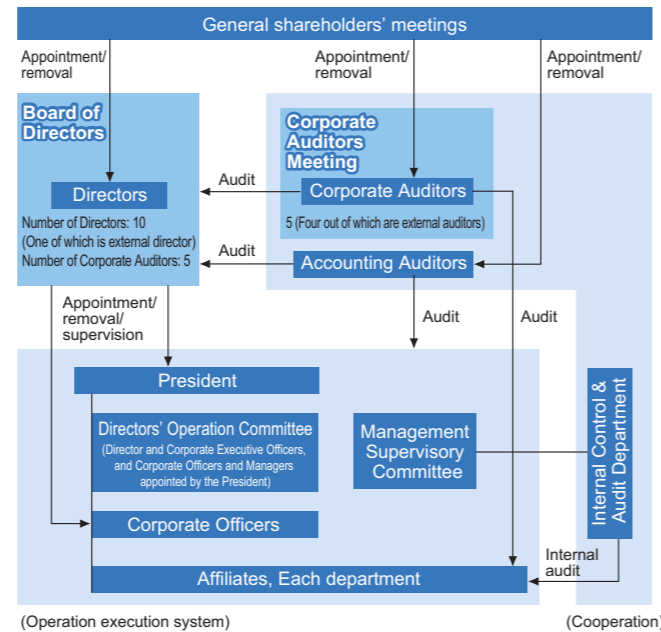
Sociality report

We operate the management system by focusing on quick and accurate response to changes of the management environment to maintain fair management. Also, to keep up a good relationship with the customers, shareholders and other stakeholders, we enhance the corporate governance.

Corporate governance system

Board of Directors makes decisions on basic matters in relation to management as well as matters set forth in laws, regulations and the articles of association. Regarding the execution of business, the corporate officers fulfill their duties smoothly as the persons responsible for the various operations appointed to each executive officer at Board of Directors meeting. In addition, with the aim of managing the business in a sound manner, Directors' Operation Committee meetings are held twice a month, in principle, in order to share the latest information and discuss and report on how the business should be expanded, the existence of risks, and how to prevent and avoid them.

Corporate Auditors attend the Board of Directors and Management Supervisory Committee meetings. They audit the operations and assets of the company and our subsidiaries in cooperation with the Internal Audit Department and accounting auditors. In addition, they strictly check the important agenda items at the Directors' Operation Committee meetings and the status of operation execution by Directors to ensure the effectiveness of our corporate governance. In addition, we have established the Management Supervisory Committee with the chairman of the Board of Directors as the chairman, all the directors as members and all the auditors as observers to follow up the deliberation of measures and their progress status and to check the thoroughness of compliance.



Communication with stakeholders

Sociality report

For a good relationship with stakeholders!

To establish a good relationship with stakeholders, we are actively pursuing to disclose the information transparently to the customers, people in the community, shareholders and investors, suppliers, and employees.



ISEKI Group communication with the major stakeholders

As the basic element of social responsibilities, ISEKI Group is aware of the responsibilities to be fulfilled for each stakeholder and is actively committed to disclosing information and creating opportunities to communicate with them.

Stakeholder	Communication Method
Customers	Sales and engineering service desk Farm business information magazine, product catalogs, DVDs Corporate website, inquiry by e-mail, consultation and report desk, Farm business support site (i-Next) User meetings, dealer meetings, Exhibitions, demonstrations, trainings, seminars, farm business and technology support
Local community	Various activities through economic organizations and industrial organizations Communication via Environmental Report and Intellectual Property Report Corporate website, inquiry by e-mail, consultation and report desk, Communication during factory tour and at an exhibition hall (ISEKI Dream Gallery) Social contribution activities Volunteer activities Alliance with administrative organization, research institutes, schools, etc.
Shareholders and investors	Various reports (Securities Report, Annual Report, Environmental Report, Intellectual Property Report, etc.) Corporate website, inquiry by e-mail, consultation and report desk, IR activities General stockholders' meeting Replies to various surveys
Suppliers	IR meeting for cooperative companies Inspection training workshop Corporate website Suppliers' business support
Employees	House magazine, information magazine, Environmental Report, Intellectual Property Report Internal IR, Labor management council, Sales subsidiary employees meeting Corporate website, intranet, inquiry by e-mail, counseling and report desk Various trainings on skills development

Establishment and use of Group Internal Communication System

We have defined the basic policy on internal control to organize the internal control system and review it if necessary. To secure efficient job execution by directors, various regulations and systems, such as Assignment of Duties Regulations and Internal Control System, were established and important matters are deliberated from viewpoints of various aspects at the Director's Operation Committee. The Internal Control & Audit Department, which is an organization responsible for the internal control and conducts audit and monitoring of the group, is placed under the Management Supervisory Committee, which is independent from the operation execution section, to enhance neutrality.

Compliance system

We have established the "Management Supervisory Committee" with the chairman of the board of directors as the chairman, all the directors as members and all the auditors as observers to check the thoroughness of compliance. According to an annual plan, we provide compliance training to all the group employees continuously to spread the consciousness of compliance and to prevent injustice and scandals from occurring.

Status of approach to fair trade

To ensure fair trade, we prepare and circulate the comprehensive "Action Guidelines" and "Antitrust Compliance Manual" in the company. We also provide training to the employees regularly to keep them thoroughly informed. In addition, we enhanced the risk management system by setting up a consultation service desk and conducting a regular audit.

Concerning a bidding of facility construction, ISEKI has received an on-site inspection by Japan Fair Trade Commission for suspicion of an Anti-Monopoly Act violation. For this, we received a cease and desist order and a surcharge payment order on March 26, 2015. Also, our consolidated subsidiary, ISEKI Hokkaido, has received an on-site inspection by Japan Fair Trade Commission for an Anti-Monopoly Act violation concerning a bidding of facility construction in July 2014. ISEKI Hokkaido and we cooperate fully with the corresponding inspection. We fully recognized the significance of these cases and prevent recurrence by establishing preventive measures and appointing new management. In terms of organizational structure, we have moved the Facility Supervisory Room which has supervising and monitoring function to the facility business to Internal Control & Audit Department and placed Internal Control & Audit Department under the Management Supervisory Committee, which is independent from the operation execution section, as of May 1, 2015. We have also reviewed the action guidelines and manuals related to the facility business and enhanced training to the employees, including the sales subsidiaries. Under this new system, we will continue to accomplish thorough compliance with all laws and regulations and further enhance the internal control.

To achieve customer satisfaction

Sociality report

< Agri-Hero support project >

ISEKI Group is working on the "Agri-Hero support project" to support farmers by introducing not only agricultural machines but also proposing multifaceted farming activities, including production management and cultivation technologies. The agricultural environment in Japan requires the use of larger fields and reduction of production costs. In addition, a shift in cultivation is happening from staple food varieties of rice to wheat, rice for animal feed and soybeans. Shifting from growing rice to growing other crops brings about a significant change in the cultivation method itself, in addition to the need for improved precision in management work, including field management, work process management and cultivation management. To cope with such changes in domestic agriculture, we also offer proposals regarding farm business, which covers the farming management in general, to the farmers as a way to contribute to the agriculture in Japan.

Overview of the Agri-Hero support project

- "Agri-Hero" refers to the farmers who support agriculture in Japan. We will support Agri-Hero on the farm by providing not only agricultural machines but also by making proposals on general farm management know-hows, including production management and cultivation technologies.
- We will educate human resources within ISEKI Group who can make proposals for profitable farming.
 - <Policy of human resource development>
 - To be able to make proposals on soil preparation, which is the foundation of crop cultivation
 - To be able to make proposals on technology for cultivating soybeans, wheat, vegetables and rice as well as on low-cost production technologies
 - To be able to conduct work management and business management using ICT technologies



Agri-Hero support member training

At our Training Center in Tsukuba Mirai City, we are providing the Agri-Hero support training to the group sales company members from April 2014. They have already started to support Agri-Heros all over Japan.



< Initiative to develop and promote the software using ICT >

To manage agriculture efficiently and to reduce production cost, system to utilize labor and to support agricultural work through data analysis is required. Farmers who are going to expand their scale of production have to restructure the production management and cultivation technology. To help them cope with these issues, we are working on the development and promotion of software, which utilizes ICT.

Work and machine management system

This system makes the work information of machines "visible."
 <AGRISUPPORT>
 This system supports farm management by converting the track of work, fertilizer and agrochemical management, and machine information into data and utilizes it to improve daily work. Product line-up includes smart agriculture machine, which utilizes GPS and sensor, etc., to realize precise agriculture, called "smart agriculture."



<Smart agricultural machines supporting "AGRISUPPORT">
 • Overview of the yield of combine harvester

Farm business management software

This system collects the plan and track of production, work, harvest and shipping and analyzes the data to enable a "visible" farm business management, production and quality control.
 <Smart farmer's support>
 PDCA management is expected to contribute to the enhancement of farm business, for example, by improving productivity and quality, and creating brand.

< Initiative to research and promote the advanced farm business technology >

In the midst of the changing environment surrounding the agricultural industry, we are engaged in the development and promotion of advanced farm business technology, which utilizes, for example, ICT and robot technologies. We are also involved in the research and promotion of advanced cultivation technologies, such as laborsaving and low cost cultivation and new breed cultivation, by working together with research and development institutes, universities and other organizations.

Engagement in the development and promotion of advanced agricultural machinery

We participate to the government's demonstration business for reconstruction of the devastated areas by the Great East Japan Earthquake to restore them as food production areas. The project is called "Advanced technology development business for restoration of food production areas." we are involved in this project with its "variable fertilizing rice transplanter," which is under joint study with the Ishikawa Prefectural Agriculture and Forestry Research Center as an empirical research. As a new project, we participate in the "Introducing robot technologies into agriculture, forestry and fisheries industries demonstration experiment project in 2014" of the Ministry of Agriculture, Forestry and Fisheries and promote various demonstration and feasibility tests on a nationwide scale.



<Variable fertilizing rice transplanter>

The "variable fertilizing rice transplanter" enables reduction of yield loss caused by falling down of paddy rice when harvested by a combine harvester, stabilization of rice quality, and reduction of excessive fertilization by controlling the amount of fertilizer application at high precision according to the depth of prepared soil of paddy soil and its fertility which are detected in sequence while running.

Engagement in the development and promotion of laborsaving and low cost cultivation technology

As our engagement in laborsaving and low cost agriculture support, we promote the sparse planting and direct seeding cultivation. Regarding sparse cultivation, our instructors of sparse planting farming propose to farmers the comprehensive cultivation management, from soil preparation to harvesting. Also, with the aim to realize new technology for further laborsaving and low cost agriculture, we are researching "high density seeding & sparse planting" at the moment. Also, through joint research with the Miyagi Prefectural Furukawa Agriculture Experiment Station, which developed "simplified baby seedling," we combine the "simplified baby seedling" and our "sparse planting" together to develop an efficient use of seedling cultivation facility in addition to the laborsaving and low cost cultivation method. ISEKI Group is currently conducting tests to achieve commercialization of high density seeding & sparse planting. In the cultivation test conducted by ISEKI Tohoku Co., Ltd., Yamagata Branch, rice of high density seeding & sparse planting (amount of planting seed 225g) has demonstrated the equivalent growth and yields compared to the normal planting rice (amount of planting seed 180g).

Result of high density seeding & sparse planting cultivation test conducted by ISEKI Tohoku Yamagata Branch

Location	Yuza-cho, Yamagata prefecture	Planting amount 225g	Planting amount 180g
Variety of rice	Haenuki	Comparison of seeding at transplanting (26 days after seeding)	
Seeding date	April 16	Seeding of high density seeding & sparse planting	
Transplanting date	May 12		
Amount of fertilizer	Base fertilizer 5.6, Additional fertilizer 2.0 (N: kg/10a)		

Test area	Seeding amount (g/box)	Density of planting (seedling/1subo)	Number of seedling used for transplanting (box/10a)	Yield (kg/10a)*1
High density seeding	225	37	6.3	526
Normal density seeding	180	37	9.0	545
	180	63	-*2	525

*1: Research by an estimate of the size of a crop based on the yield of one 1subo of land, 1.9mm or more with polished brown rice.
 *2: No data available as this was conducted only at some part of farm field.

37 seedling/1subo: Inter-row distance 30cm x inter-seedling distance 30cm
 63 seedling/1subo: Inter-row distance 30cm x inter-seedling distance 17.5cm

<Advantage of high density seeding & sparse planting>

- Reduces seedling nursing cost by reducing the number of seedling boxes
- Reduces the amount of labor required to carry seedling
- Increases the area of work per hour, consequently expanding the scale of business

< Communication via website and information magazines >

We introduce farm business technologies, such as laborsaving and lost cultivation technologies in addition to the information on agricultural machinery, on our corporate website and information magazine "FARMISLAND." In "Farm Business Information" section on our corporate website, we introduce experiences of our employees in an easy-to-understand manner with pictures. In "FARMISLAND," we introduce the customers who are working on the forefront of agriculture with some useful information on the farm management, such as multiple management and the sixtiary industry.



"FARMISLAND" was first issued in 1995

To achieve customer satisfaction

Sociality report

As a all-round agricultural machinery and equipment manufacturer ISEKI Group regards our company motto, "to provide consumers with products that satisfy them," as our social mission. We strive to develop business activities to achieve customer satisfaction, by understanding the market needs and providing the products and services in a timely manner.

< ISEKI's Product Quality Assurance >

With the aim to improve customer satisfaction

To provide products and services that satisfy customers, we promote ISEKI's product quality assurance by establishing the followings:

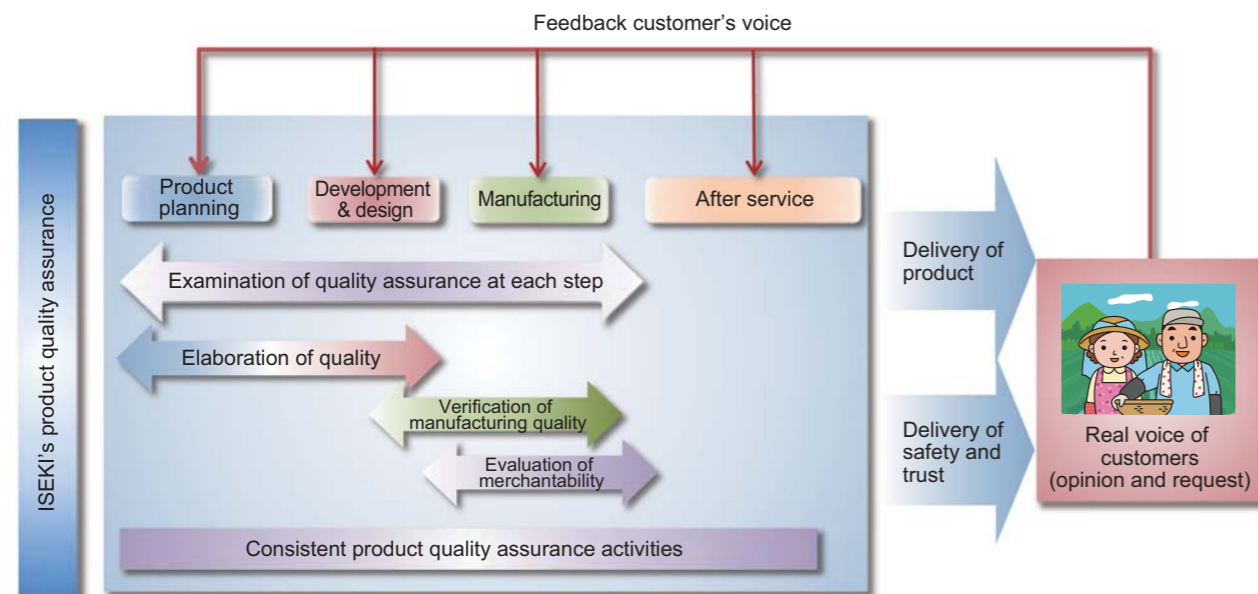
- (1) Feedback system of customers voice,
- (2) Quality assurance examination at each commercialization step, and
- (3) Backup system as the whole company,

while considering the customers at all times.

To realize products that meet the expectation of customers in terms of safety and trust, we listen to the "real voice of customers" and analyze the product quality at each step from the planning, development and design, production and after service in the entire process of manufacturing.

We elaborate the quality in the product planning, development and design phases, examine the manufacturing quality in the next phase, and evaluate the merchantability in the final phase.

Likewise, to provide the products that meet the trust of customer, we perform consistent product quality assurance activities.



< Handling of recall >

If any problem occurred to products used by customers and we find it necessary to take improvement measures, we check and repair the products immediately, giving first priority to the safety of the customer.

When we implement a recall, we give notice and report to the relevant organizations⁽¹⁾ and disclose the information on the website of ISEKI CO., LTD. to draw attention of customers and provide them with information.

Note

Notices on reporting of recall are posted on our website. Please visit the following address:

<http://www.iseki.co.jp/news>

<Transition of numbers of recalls over years⁽²⁾>

FY	2010	2011	2012	2013	2014
Number of recalls	6	2	3	3	7

*1 Ministry of Land, Infrastructure and Transport, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, etc.

*2 Number of recalls reported to the Ministry of Land, Infrastructure and Transport

< Approach to the service >

To ensure that the customers can use the product "securely" and "safely," ISEKI Group is engaged in the service activities.

Service before the sales

- **Safety training**
We hold a safety training at our sales subsidiaries to ensure that the customers can use the product safely.
- **Instruction of trial operation at delivery time**
We offer delivery instructions of the purchased product to the customer at the delivery time based on the delivery check sheet.



Service after the sales

- **Troubleshooting**
As to a failure occurred during operation, our staff will repair the problem immediately through the sales office and service center immediately.
- **Inspection and maintenance**
According to the customer's request, we will provide the inspection and maintenance so that the customers can use the product with peace of mind in the next season.
- **Condition inquires**
As to the new and repaired vehicles, we perform condition inquires after the start of use.



<Number of people who obtained the national license of agricultural machinery mechanic>
1,151 people in 2014

License	Number of people
First class	599
Second class	552

Internal training

At our Training Center in Ibaraki prefecture, we provide courses to the service staff to improve their technical skills regularly.

< Customer consulting service and inquiries >

Various inquiry service

In the "Contact Us" page of the website of ISEKI CO., LTD., we welcome inquiries from customers by e-mail. Please visit the following address:

<http://www.iseki.co.jp/contact>

In the "Contact Us" page, we welcome the inquiries concerning the following topics:

- (1) Products
- (2) Company in general
- (3) Investor information
- (4) Our environmental initiatives, etc.

In 2014, we received about 350 inquiries by e-mail and we have replied them all. We received about 300 inquiries by telephone. We also received many questions about other topics than agricultural machinery (about facilities, related products, etc.). Those questions came not only from the customers but also from administrative organs, design offices, police stations, etc. The departments in charge have replied them all thoroughly.

<Number of inquiries by e-mail in FY2014: Approx. 350>

Product	Inquiry rate
Tractor	29%
Cultivators/tillers	13%
Rice transplanters	17%
Combine harvesters	15%
Others	26%

<Number of inquiries by telephone in FY2014: Approx. 300>

Product	Inquiry rate
Tractor	32%
Cultivators/tillers	9%
Rice transplanters	13%
Combine harvesters	12%
Others	34%

Together with the people in community

Sociality report

< Communication through ISEKI Dream Gallery >

We established exhibition halls called "ISEKI Dream Gallery" (IDG) in manufacturing companies in Matsuyama, Kumamoto and Niigata. The IDGs were built to communicate information to elementary and junior high school students, who visit there as a part of "social study class" or "food education," as well as visitors and people in the community. IDGs focus on the "history of foundation" of the company and "manufacturing and technology" of the agricultural machinery. They also exhibit and describe our approaches to "agriculture at present and in the future" and our engagement in "local production for local consumption" and "improvement of food self-sufficiency."

● ISEKI Dream Gallery (Matsuyama)

ISEKI Dream Gallery MATSUYAMA is located next to the ISEKI-Matsuyama MFG. Co., Ltd. Visitors can observe the actual "manufacturing" process of tractors at the factory. The gallery offers a "3-Step Tour," including IDG tour and factory viewing, in which visitors can obtain a deeper understanding of the manufacturing process of tractors on site. (Opened in April 2014)



● ISEKI Dream Gallery KUMAMOTO (Kumamoto)

ISEKI Dream Gallery KUMAMOTO is located next to the ISEKI-Kumamoto MFG. Co., Ltd., where combine harvesters are manufactured. The gallery focuses on the "manufacturing and technologies" of combine harvesters. It also introduces our regional activities and commitment in living harmoniously with natural environment. (Opened in October 2014)



● ISEKI Dream Gallery NIIGATA (Niigata)

ISEKI Dream Gallery NIIGATA is located next to the ISEKI-Niigata MFG. Co., Ltd., where rice transplanters and vegetable transplanters are manufactured. The gallery offers various new imaging technologies, such as projection mapping. Visitors can enjoy virtual rice planting experience using a device, which utilizes 360 degrees imaging technology. (Opened in April 2015)



"IDG Omotenashita" (IDG hospitality team), formed mainly by female and young employees, shows visitors around the "ISEKI Dream Gallery" and the factory.

Under the slogan of "With our gratitude and hospitality to visitors," we welcome visitors with hospitality. The IDG is maintained clean and neat, items are displayed in a well-thought manner, and attendance service is provided from a perspective of women and young people.

To enable an easy access for aged or physically-challenged visitors, we hold a tour with an electric cart and a wheel chair, too. The galleries are provided with slopes.

< Exchange with community - exhibition and events - >

To help more and more people understand better about food, agriculture and agricultural machinery through an exhibition of agricultural machinery and agricultural activity experience, we offer exhibitions actively at local events.

Farmers and Kids Festa 2014
(Chiyoda-ku, Tokyo)



Ehime, Matsuyama Sangyo Festival
- Sugo-i-Mono Exhibition 2014 - (Matsuyama city, Ehime)



Food in Hometown & Food in Japan
National Festival (Shibuya-ku, Tokyo)



< Development of social contribution activities >

● As an opportunity to enhance family relationship

At the 19th Sanae National Children's Drawing Contest, which we host annually, we received approximately 2,000 drawings from children all over Japan.

This contest is one of ISEKI Group activities to help support farmers, by enhancing the value of family relationship and living together with nature.



National Best Award "Water Melon Cultivation with Family"
Naoki Yamazaki (10 years old)(Kochi prefecture)

● To develop global human resources

With an aim to nurture global human resources which acquire international culture and can actively work internationally in the future, from the high school level, the Ministry of Education, Culture, Sports, Science and Technology has started the "Super Global High school (SGH) Project" in FY2014. ISEKI Group takes care of and support students from Ehime Prefectural Matsuyama Higashi High School, which was selected as one of SGHs, as a global corporation. Under the theme of "viewing factories in Japan and abroad" of a company which is expanding overseas, the students visited ISEKI-Matsuyama MFG. Co., Ltd. and Changzhou Factory of Dongfeng ISEKI Agricultural Machinery Co., Ltd. (China).



● Exchange with the local community and volunteer activities

Held Monoiku Bunkasai
- ISEKI-Matsuyama MFG. Co., Ltd. -



Rice planting experience with children
- ISEKI Kyushu, ISEKI Labor Union,
ISEKI-Kumamoto MFG. Co., Ltd. -



Donated a tent to a local school
- ISEKI-Niigata MFG. Co., Ltd. -



Cleaning in Shiroyama Horinouchi Park
(Matsuyama City, Ehime)



Cleaning in Toon City
(Toon city, Ehime)



Cleaning activity
(Sanjo, Niigata)



For shareholders and investors

Sociality report

Aiming to be a good corporate citizen, we are committed to disclosing information to shareholders and investors in our reports and corporate website. We strive to win the trust from the shareholders and investors through our proactive activities in a precise and timely manner.

Communication by various reports and corporate website

The screenshot shows the ISEKI corporate website's IR section. On the left is a navigation menu with items like 'IRカレンダー', '電子公告', and 'IRライブラリー'. The main content area features an 'IRカレンダー' for 2015 with a table of events, and three report covers: 'Annual Report 2014', 'Environmental Report 2014', and '知的財産報告書 2014年版'.

Date	Event
5月18日	2015年3月期 決算説明会
5月14日	2015年3月期 決算発表
2月13日	2015年3月期 第3四半期決算説明会
2月6日	2015年3月期 第3四半期決算発表

Together with the suppliers

ISEKI Group is committed to nurturing human resources; those who can establish a supply chain and handle business issues from a global point of view. With this in mind, we work together with the suppliers to draw out maximum performance from the human resources and expand the business further.

Approach to the human resource development

As the base of human resource development, we provide various training at our internal facility. To expand and develop the business continuously with the suppliers, we work on a variety of ability development programs.

Location	Description
Training Center (Tsukuba Mirai city, Ibaraki prefecture)	Training mainly on the enhancement of sales and service skills
ISEKI Technical Training Center (Matsuyama city, Ehime Prefecture)	Training mainly on the improvement of skills required in the manufacturing site
Dream Agricultural Research Institute (Tsukuba Mirai city, Ibaraki prefecture) (To be opened in October 2015)	Base of advanced farm business technology training and promotion support, human resource development of group employees

Initiatives including IR information meeting to vendors

We hold external IR information meetings and corporation tour for the vendors in an attempt to expand and develop business together. We provide business support to the suppliers and transparent information disclosure through various meetings and on our corporate website.

As a part of environmental preservation activity, we have set up a system to offer various awards to the vendors and suppliers who have actively helped and promoted the "ISEKI Group Green Supply Guideline."

Together with the employees

Sociality report

We regard "human resources" as an important point to survive in a fast-changing business environment. We are committed to nurturing human resources; those who can handle business issues from a global point of view. To realize this goal, we strive to create a rewarding workplace to bring out motivation and abilities of employees to a maximum extent, which will lead to the development of our business.

Recruitment and human resource development

ISEKI Group strives to secure necessary human resources to carry out its social mission and recruits people based on their personalities and abilities. Above all, we focus on recruiting those who can actively contribute to the full-scale development of global strategies and increase overseas sales which is one of our most important issues. To fulfill such criteria, we also positively work on mid-carrier recruitment of people with high abilities and precious experience. In the company, we provide training divided by level in the entire group according to skills of employees and training divided by job in each division and each company. We also offer other programs, such as learning a foreign language abroad, succession of skills and techniques with the introduction of the "Meister" system, and a correspondence course for self-development.



Work-life balance initiative

We have introduced the following measures to ensure that each employee can lead a more fulfilling life by balancing career and private life, while fully displaying his/her ability to fulfill his/her duties at work (including those applied only to some departments).

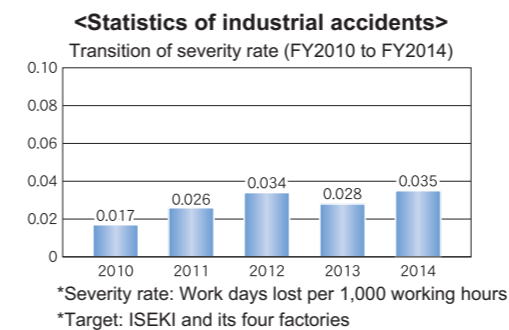
- (1) Recruitment for jobs in limited work locations
- (2) Flexible working hour setting by flextime system
- (3) Reduction of extra work with implementation of "no overtime" day, etc.

Prohibition of discriminatory treatment

ISEKI Group observes the labor law and works on appropriate employment management, avoiding discriminatory treatment based on nationality, race, religion, sex, disability, etc. and distribute the "Code of Ethical Behavior," which describes these points, to all employees. We educate the employees to behave with respect for human rights, prohibit actions that ignore the personality of others such as sexual harassment and power harassment, and instruct employees to be careful about their language and behavior on a daily bases. As an internal communications system, we have established the "Ethical Hotline" in order to detect potential problems in companies and prevent them from occurring.

Occupational safety and health

We set up "a healthy and safe workplace" as the code of conduct and conduct safety and health patrol according to the actual state of each base of each company, in order to enhance the awareness of the employees on site, to keep up "zero industrial accident" and to reduce accident risks completely.



Diversity initiative

As a part of management strategy, we promote diversity in global strategy and in human resources. We are actively hiring foreigners, both newly graduated and mid-carrier, continuously. We also employ female human resource actively, while making sure that ability based evaluation system functions properly and promoting the appointment of women in management. As we regard the employment of physically-challenged people as a social responsibility of a corporation, we promote their recruitment and employment according to the appropriateness of operation. These are all our efforts to create a comfortable working environment to those who have ability and motivation, provide them appropriate handling and opportunity for them to perform actively, so that they can show the maximum achievement. As a part of important human resource strategies of the company, we will continue to support the carrier formation of employees.

Child care support initiative

Based on the Japan's Law on the Promotion of Measures to Support the Development of the Next Generation set by the Ministry of Labor, Health and Welfare, ISEKI Group has implemented child care supporting measures so that employees can maintain a good work-life balance and raise their children with peace of mind. Examples are the introduction of childcare leave system and parental shortened working-hour system. In 2014, one of our male employees took the parental leave for the first time. We will continue to make the system known to the employees and invite them to take advantage of the system. ISEKI Co., Ltd. received the "Kurumin" accreditation mark, which is given to companies that bolster the next generation by supporting child rearing in July 2015.



Various seminars and health management

- [Major initiative]**
- Matsuyama area
Topic: "Dogo walking event"
(Date) October 25, 2014 (Saturday)
 - Kumamoto area
Topic: "About mental health"
(Date) May 21, 2014 (Wednesday)
Topic: "Diabetes mellitus as a lifestyle disease"
(Date) February 5, 2015 (Thursday)



ISEKI Group Environmental Management

Environmental report

ISEKI Group has walked together with agriculture since its establishment and operated on the axis of "agriculture and agricultural machines." In environmental management, too, we base on our management philosophy and set up the "environmental concept" to promote environmental preservation activities. In these activities, we aim to contribute to the formation of a continuously growing society through activities for harmonizing nature, society, and business entities. We establish the "Environmental Conduct Guidelines," construct the management system as the whole ISEKI Group., and fix middle- and long-term targets, on which all employees work together.

< Environmental conduct guidelines >

[Environmental conduct guidelines]

1. Development activities considering environment
2. Environment-friendly manufacturing activities
3. Office activities considering environment
4. Distribution and logistics considering environment
5. Development of biodiversity
6. Environmental education and information disclosure

..... Greetings from newly-appointed

"Greetings from the Environmental Control Department. I do my best, while maintaining a woman's perspective."

Since April this year, I have started to work in the Environmental Control Department, which supports ISEKI's environmental preservation activities. My commitment is to promote our environmental preservation activities and develop them further from a woman's perspective. At the same time, I would like to enhance communication with the people in community to further improve the corporate image.



General Manager of Environmental Control Section
Takako Kusunose

< Outline of management >

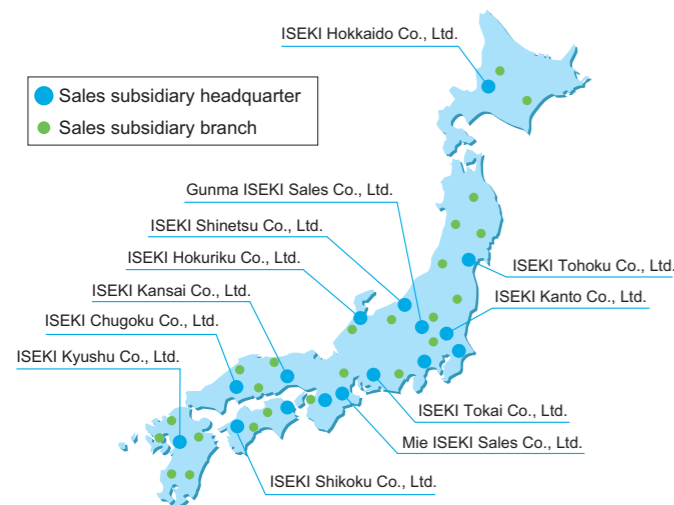
ISEKI Group promotes environmental activities according to the action plans decided in each district based on the environmental targets decided in the Director's Operation Committee. The progress of such plans is managed by the Environmental Planning Group Meeting. The activity records and future actions are reported to the Director's Operation Committee.

[Environmental Management Organization]



< Domestic sales subsidiaries >

All domestic sales subsidiaries have acquired EA-21 certification and are actively involved in environmental preservation activities, such as reduction of environmental stresses.



< In overseas locations >

In overseas locations, we develop environmental preservation activities, including acquisition of EMS certification, in a full-scale.

- Activities are planned in:
- Dongfeng ISEKI Agricultural Machinery Co., Ltd., Changzhou Factory
 - Dongfeng ISEKI Agricultural Machinery Co., Ltd., Xiangyang Factory
 - PT. ISEKI Indonesia, etc.

Second mid-term and long-term environmental targets and results of FY2014

Environmental report

ISEKI Group defines the second mid-term and long-term environmental targets from FY2011 to 2015 and work on them. Hereby, we report the results of our major activities of FY2014.

1. Second mid-term and long-term environmental targets and accomplishments in FY2014

Item	Second mid-term and long-term environmental targets	Accomplishments in FY2014	Evaluation	
Realization of a low-carbon society	Reduction of CO ₂ emissions	To reduce the volume of energy-generated CO ₂ emission per production volume by 8% or more compared to the average result of three years from FY2008 to FY2010	● The achievement rate of the total volume of CO ₂ emissions and the volume of CO ₂ per production volume were 89% and 99% respectively against the second-term and long-term environmental targets, falling slightly short of the goal.	△
	Reduction of logistics CO ₂ emissions	To reduce the volume of energy-generated CO ₂ emission per transportation volume (10,000ton-km) by 4% or more compared to the average result of three years from FY2008 to FY2010	● The achievement rate of the volume of CO ₂ emissions per transportation volume was 106% against the second mid-term and long-term environmental targets.	○
Restrain of manufacturing resource	Reduction of total material input	To reduce the total volume of materials input per production volume by 4% or more compared to the average result of three years from FY2008 to FY2010	● The achievement rates of the total volume of materials used for production and the volume of materials used for production per production volume were 100% and 111% respectively against the second mid-term and long-term environmental targets.	○
Formation of recycling-oriented society	Reduction of volume of water used	To reduce the volume of water used per production volume by 44% or more compared to the average result of three years from FY2008 to FY2010	● The achievement rates of the total volume of water used and the volume of water used per production volume were 85% and 94% respectively against the second mid-term and long-term environmental targets, falling short of the goal.	△
Restraint of toxic chemical substances	Reduction of used volume of chemical substances subject to PRTR law	To reduce the used volume of chemical substances subject to the PRTR law per production volume by 16% or more compared to the average result of three years from FY2008 to FY2010.	● The achievement rates of the total volume of use of chemical substances subject to the PRTR law and the used volume per production volume were 89% and 99% respectively against the second mid-term and long-term environmental targets, falling slightly short of the goal.	△
Formation of recycling society	Reduction of volume of final wastes	To reduce the volume of final wastes per production volume by 20% or more compared to the average result of three years from FY2008 to FY2010	● As the recycling contractor of molding sand shut down the business and the selection of new contractor did not proceed as expected, the waste had to be disposed by landfill. Therefore the volume of final waste per production volume was 62% against the second mid-term and long-term environmental targets, falling short of the goal. Because a new contractor was selected, it is expected to achieve the goal in FY2015.	×

2. Mid-term and long-term targets of business activities and results of FY2014

Classification	Item to be implemented	Accomplishments in FY2014	Evaluation
Environmental management	(1) Quality improvement of environmental management system	● According to the environmental management systems of ISO14001, EA-21, we prepare action plans by marking use of the characteristics of each office/department to improve the quality of activities.	○
	(2) Implementation of environmental education	● We specified and promoted environmental education of the year based on the policy of each general manager.	○
	(3) Responses to stakeholders	● We have started to disclose the status of the environmental preservation initiative of each group on the Environmental Report, which has been issued since 2004, and on our corporate website.	○
Product development and service	(1) Prohibition, reduction and restraint of use of toxic substances included in procured parts	● We checked the amount of toxic substances used and promoted reduction and abolition of them according to our green purchase standard in cooperation with our vendors and suppliers.	○
	(2) Development of products to reduce environmental stresses	● We promoted the environment conscious designing and the increase of eco product certified models, by improving the durability, fuel and working efficiencies, etc. by using the product assessment system.	○
	(3) Expansion of product assessments and execution of LCA evaluation	● We promoted environment conscious designing that allows grasp of the volume of CO ₂ emissions in the entire cycle from parts manufacturing to disposal, etc. by executing product assessments and LCA evaluation.	○
	(4) Provision of information contributing to environmental preservation	● On product manuals, we properly described cautions for using the products and failure diagnosis, as well as cautions for disposing the products from the viewpoints of environment, safety and health.	○
	(5) Development of products in consideration of biodiversity	● We promoted development of products in consideration of biodiversity and formation of a recycling-oriented society	○

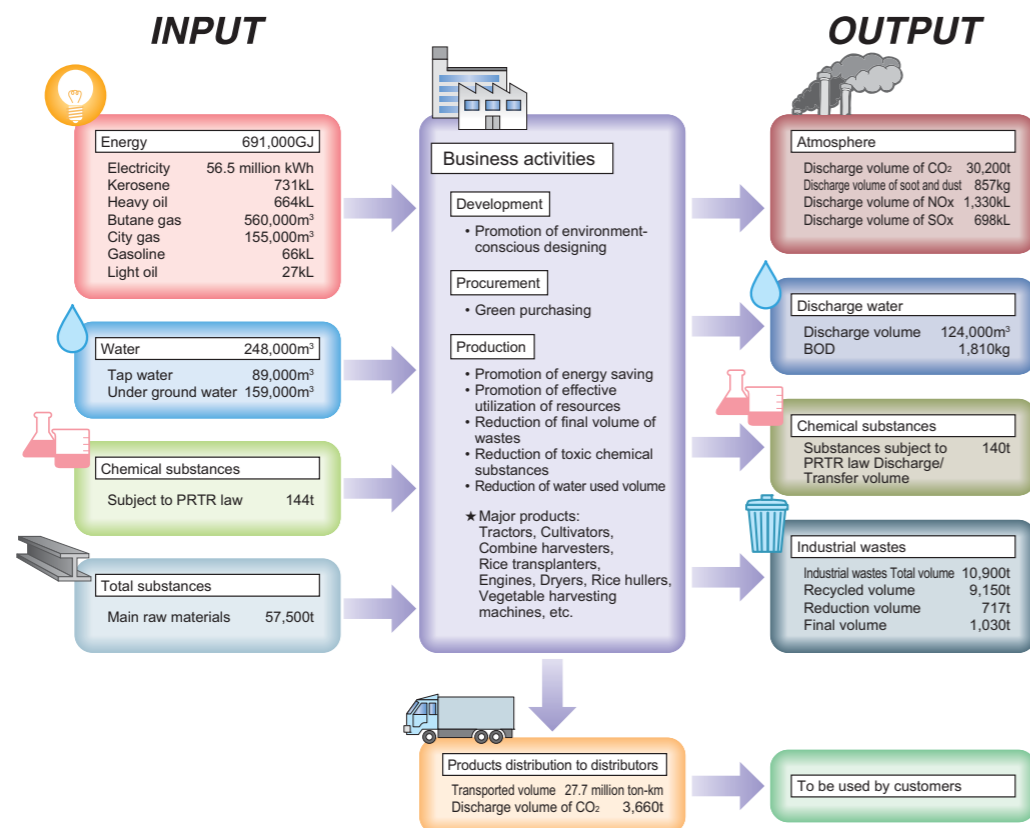
Evaluation criteria ○: Achieved, △: Nearly achieved, ×: Not achieved

Business activities and environmental stresses

Environmental report

[Eco balance]

ISEKI Group uses materials such as fuel, electricity, water and other raw materials in the process of production, and discharges chemical substances and industrial wastes subject to laws related to carbon dioxide (CO₂) and PRTR law. We always check the volume of materials used for production (INPUT) and discharged volume of chemical substances and industrial wastes (OUTPUT) as an index in reducing discharge of such chemical substances and industrial wastes for realizing business activities with less environmental stresses. The following shows the figures of undertakings in FY2014.



[Eco efficiency]

It is important to improve eco-efficiency to realize a sustainable society. Eco-efficiency is presented as a value calculated by subtracting environmental stresses from the value of a product or service. On the other hand, we defined "eco-efficiency = production volume / environmental stresses" and evaluated eco-efficiency with the eco-efficiency index and environmental stress integrated index.

In 2009 to 2012, the production volume of four factories has significantly decreased compared to the reference year FY2005. We have been continuously taking action to reduce environmental stresses and achieved eco-efficiency improvement of 125 and environmental stress integrated index improvement of 84 in FY2014 compared to the index of 100 in the reference year FY2005.

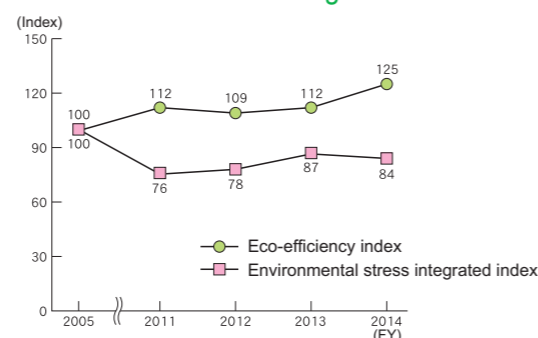
Eco-efficiency index:

Item	Integration coefficient	2005		2014	
		Actual value (t)	Integrated value	Actual value (t)	Integrated value
Volume of CO ₂ emissions	1	34,600	34,600	30,200	30,200
Volume of non-methane VOC emissions and displacement	239	174	41,500	139	33,100
Volume of landfilled wastes	3	2,750	8,260	1,030	3,090
Total of environmental stress integrated values	-	-	84,300	-	66,400
Eco-efficiency	-	-	83.3	-	106
Environmental stress integrated index (2005 as reference year)	-	-	100	-	84
Eco-efficiency index (2005 as reference year)	-	-	100	-	125

Environmental stress integration and eco-efficiency

Note: The higher, the more efficient

Environmental stress integrated index:



Trend of eco-efficient index and environmental stress integrated index (100 in FY2005)

Note: the lower the index is, the smaller environmental stresses are

Environmental risk management

Environmental report

[Actions to comply with Antipollution Laws]

◀ Establishment of self-directed standards and management in the company ▶

Four factories of ISEKI Group set up and applied more stringent self-directed control standards than those described in the environment-related laws and regulations. As shown in the table below, we cleared all the self-directed control standards in FY2014, making progress toward reduction of environmental pollution.

Measured item	Units	ISEKI-Matsuyama & ISEKI-Houei MFG. Co., Ltd.			ISEKI-Kumamoto MFG. Co., Ltd.			ISEKI-Niigata MFG. Co., Ltd.			
		Regulatory standards	Self-directed control standard	Result in 2014	Regulatory standards	Self-directed control standard	Result in 2014	Regulatory standards	Self-directed control standard	Result in 2014	
Water quality	Volume of suspended substances (SS)	Mg/L	600	500	16	200	40	4.0	90	45	1.6
	Volume of biochemical oxygen demand (BOD)		600	500	51	25	8	Less than 1	60	30	5.7
	n-hexane (Mineral oil)	ppm	5	4	2.5	5.0	2.4	Less than 0.5	5.0	5.0	0.1
Air	Particulate	g/m ³ N	0.30	0.18	Less than 0.01	0.30	0.08	Less than 0.01	0.20	0.10	0.01
	Nitrogen oxide (NO _x)	ppm	260	91	53	250	200	85	230	50	15
	Particulate (electric casting melt furnace)	g/m ³ N	0.10	0.08	0.06	0.06	-	-	-	-	-

--: shows standard N/A or not applicable machines

◀ Frequency of environment data measurement ▶

Machine, equipment, and place	Measured item	Measured item		
		ISEKI-Matsuyama & ISEKI-Houei MFG. Co., Ltd.	ISEKI-Kumamoto MFG. Co., Ltd.	ISEKI-Niigata MFG. Co., Ltd.
Industrial effluent	Water quality	Once a year	Once a year	Once a month
Casting melt furnace	Air	Twice a year	-	-
Boiler		Twice a year	Twice a year	Twice a year
Lot boarder line	Noise	Twice a year	Once a year	Once a year
	Vibration	Twice a year	-	-

--: shows standard N/A or not applicable machines

Environmental accounting

Environmental report

ISEKI Group deals with the use of aggregated costs of investment and expenses used for the environmental preservation activities for our management decisions relevant to environmental preservation, as well as for a guideline of evaluation of business through information disclosures to the public. The amount invested for environmental reservation costs (pollution prevention, environmental preservation, and resource recycling costs) in 2014 was 766 million JPY. The total amount of expenses was 521 million JPY that we made through some investments into diesel engine gas emission control and fuel efficiency improvement, mainly for prevention of air pollution to comply with the laws and regulations of Europe, U.S., Southeast Asia and Japan.

Environment preservation cost			
Category	Major programs	Amount of investment (in mil. JPY)	Expenses (in mil. JPY)
(1) Cost spent in the business area		732	113
Breakdown	1) Pollution prevention cost	499	40.6
	2) Environment preservation cost	203	19.6
	3) Resource recycling cost	30.2	52.3
(2) Cost required at previous and later stages	Green purchasing	0.0	75.2
(3) Control activity cost	Maintenance of environmental management system	0.0	53.9
(4) Research and development cost	Corresponding to emission gas regulation	34.0	267
(5) Community activity cost	Cleaning activity in the district, social contribution	0.0	12.5
(6) Environment recovery cost	-	0.0	0.0
Total		76.6	521

Scope of aggregation: (ISEKI-Matsuyama, ISEKI-Kumamoto, ISEKI-Niigata, and ISEKI-Houei MFG. Co., Ltd. and Tobe office)
Period of data: April, 2014 to March 2015

Economic effects resulted from the environment preservation measures	
Details of effect	Amount (in mil. JPY)
(1) Reduction of volume of various resources to be consumed	2.2
(2) Reduction of environmental stress substances	52.1
(3) Reduction of energy consumption	4.3
Total	58.6

The economic effect resulting from the environment preservation measures, such as recycling of wastes, streamlining of painting methods, use of energy-saving machines, use of processing machines equipped with inverter and appropriate control and operation of boilers, was 58,600,000 JPY. The physical effect was the reduction of CO₂ emission by 4,010 tons, reduction of water consumption by 700 tons, and recycling of wastes by 5,540 tons.

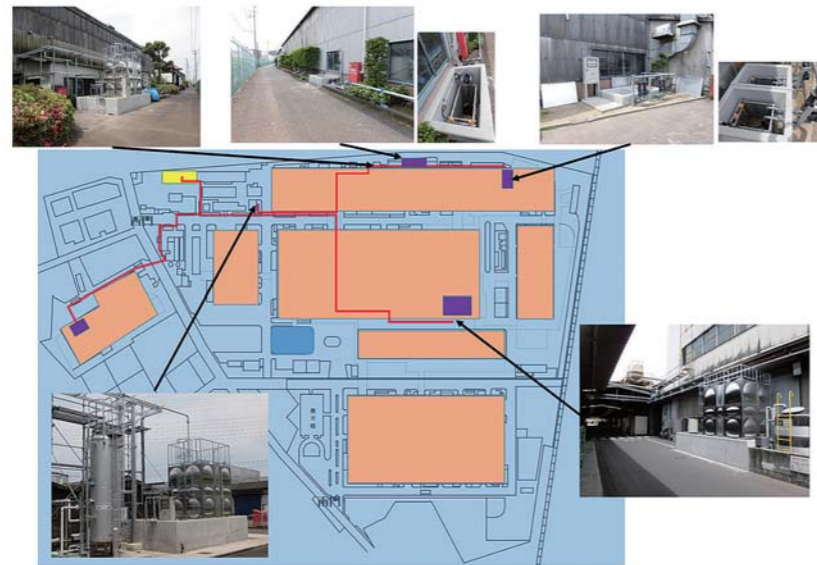
Examples of initiatives to reduce environmental burden

Environmental report

< Initiatives for action in response to the revisions of the Water Quality Pollution Control Act >

ISEKI-Matsuyama MFG. Co., Ltd. has registered the preprocessing unit of four painting lines as the specified facilities which use specified chemical substances. The factory has changed the structure of the facility, by changing the waste water treatment piping from underground piping to above-ground piping in order to prevent the chemical substances from permeating into the ground. This was an action taken in response to the revisions of the Water Quality Pollution Control Act. For the neighborhood, we reduced the amount of substances hazardous for the environment and the risk of dispersion by complying with the revised act and using the waste water treatment facilities, which are in operation since May 2014, at the same time.

Introduction timing of the above-ground waste water treatment piping: May 2015



Layout of the above-ground piping facilities

< Initiative to reduce the amount of thinner used by introducing a one-color-one gun device in the painting line >

ISEKI-Matsuyama MFG. Co., Ltd. uses five painting colors in the top coating booth. Before, the painting was performed only with one gun device. Each time the color was changed, thinner was used to clean the gun. However, sometimes the former color remained in the gun and contaminated, so correction work had to be done. Since the introduction of a one-color-one-gun device, the gun does not require cleaning after color change any more. This resulted in a significant reduction of amount of thinner and paint used, because the amount of thinner was reduced and the number of color spreading failure has become less.

Introduction timing of a one-color-one-gun device in the painting line: May 2014

[Annual reduction]

- Reduction of amount of thinner used for cleaning: Approx. 6,140L
- Reduction of cost of thinner and paint: Approx. 1.1 million yen



Painting gun facilities



A scene of a worker at painting work

< Initiative to reduce environmental burden by updating the painting facilities >

When ISEKI-Kumamoto MFG. Co., Ltd. upgraded the painting facilities, it introduced the latest pretreatment technologies and decomposition technology using biotechnology for waste water from the painting booth. It also upgraded the peripheral facilities significantly. These changes were made to enhance the painting quality and to reduce the environmental burden. These changes improved the corrosion resistance of parts and reduced the cleaning cost of pretreatment facilities and painting booth. Also newly introduced transfer equipment and painting booth, which had less painting defects caused by dust, enhanced the painting quality significantly and reduced re-painting cost because the number of defects decreased. Furthermore, because the heat source of dryer was changed from kerosene to LP gas and the facilities, including air-conditioning, lighting, and water supply and drainage around the facilities, were upgraded, the amount of CO₂ emission and the water used reduced significantly.

Introduction timing of pretreatment technologies, decomposition treatment facilities of painting booth waste water, and upgraded peripheral facilities: June 2014

[Annual reduction]

- Reduction of the amount of CO₂ emission: Approx. 725t-CO₂
- Reduction of water used: Approx. 34,000t
- Reduction of labor costs: Approx. 1.5 million yen
- Reduction of the amount of chemical substances subject to the PRTR law used: Approx. 1,540kg



New painting facilities

< Initiative to reduce environmental burden by updating the painting facilities >

Painting spray booths at three locations in ISEKI-Niigata MFG. Co., Ltd., are equipped with total 13 fans for intake and exhaust. Each fan operates in balance with each other by controlling the air flow using a damper. By changing the air flow control method from damper to motor inverter, the air flow control has become easier and more precise and the power consumption has been reduced.

Introduction timing of inverter-control: May 2015

[Annual reduction]

- Reduction of power used: Approx. 61,000kWh
- Lowering of electricity bill: Approx. 1.04 million yen
- Reduction of the amount of CO₂ emission: Approx. 36t-CO₂



Exhaust fan



Inverter controller

Approach to design for environment

Environmental report

In order to promote environmentally-friendly design in all product development, including weight reduction, restraint of use of harmful substances, and reducing environmental burden and performing LCA evaluation at each stage of manufacturing, use, and disposal, we execute the product assessment.

Based on this assessment result, we use an "eco-product certification system" to give environmental labels to products that have passed our own environment-friendly design standard. This "eco-product certification system" is intended to provide information on reduced environmental burden of the certified products to customers and all stakeholders more plainly.

< Initiative for 4 row class head-feeding combine harvester HFR463 >

To cope with high yield rice farming and changeover to rice for animal feed, threshing capacity needs to be boosted. At the same time, to realize light weight and improved adaptability in weak fields and to enable efficient operation with reduced loss, we developed a self-threshing combine harvester HFR463, which employed an environmental-friendly design.

Improved threshing capacity

The new combine harvester HFR463 has improved the threshing capacity by integrating the following three new features:

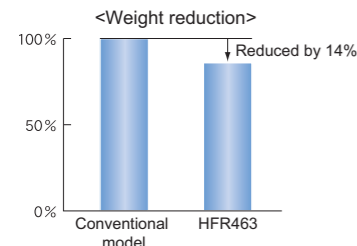
- (1) **Twin flapper:** A mechanism which controls the direction and rate of winnow selection air according to the processing amount.
- (2) **Sheave scraper:** A mechanism which cleans the dust attached to the surface of sheave, using a movable cleaning device
- (3) **Collecting free grains from the threshed waste straw:** A mechanism which extends a threshing drum backwards and recovers free grains toward the end of the communicating port to the dust treating cylinder



Combine harvester HFR463

Light weight

By unification of parts and reviewing of components, the weight of HFR643 was reduced by 14% compared to our conventional model.



Improved efficiency in wet paddy fields

By reducing the body weight and ground pressure and by introducing a ship-shaped crawler, which is easier to move in mud, efficient operation with less running loss has become possible.

	Machine weight Kgf	Crawler W: mm × Circumference: mm	Ground pressure Kg/cm ²	Remarks
HFR463	2,650	450 × 1,525	0.193	P type
Conventional model	3,070	450 × 1,700	0.204	P type

Certified as an "eco-product"

Combine harvester HFR463 has been certified as an "eco-product" since it reduced the number of parts by 15% compared to our conventional model.

< Initiative with dryer GHLH model and GHLBN model >

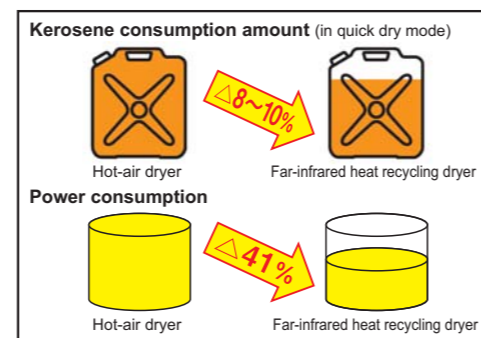
Due to dropped rice price and soaring material prices, energy-saving and laborsaving are strongly needed with agricultural machinery, too.

We have realized a middle-size class "far-infrared heat recycling dryer," which reuses the waste heat and moisture. We have also commercialized a powerful large-size class energy-saving dryer GHL series.

Energy-saving performance

In the standard drying mode, the new model reduced the fuel consumption by 6% compared to the conventional far-infrared heat dryer. In the quick dry mode, the new model reduced the fuel consumption by 8 to 10% and the power consumption by 41%.

In the LCA (Life Cycle Assessment) evaluation, the new model reduced the amount of CO₂ emission by 7% compared to our conventional model.

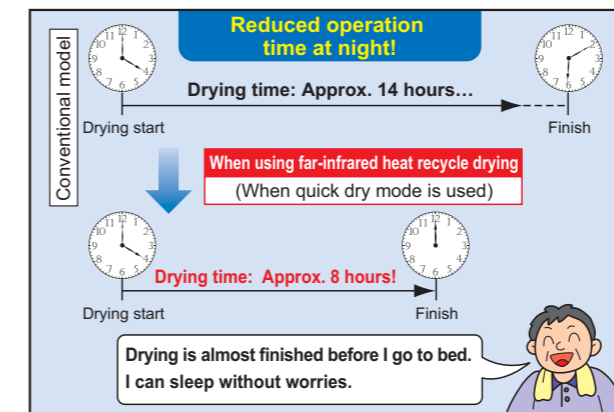


Reduced drying time

This dryer is friendly to farmers who work hard during daytime. It reduces farmer's psychological burden by reducing drying time significantly and thus making drying operation at midnight unnecessary. Farmers can sleep without worrying about drying. Furthermore, because the dryer can operate two cycles a day, it enhances work efficiency and laborsaving when the weather is bad.



Dryer GHL50H



Certified as an "eco-product"

Dryer GHL series has been certified as an "eco-product" since it reduced the kerosene consumption by maximum 6%, by integrating the far-infrared heat recycle mechanism.

< Initiative of TJV tractor series >

We have been selling large size tractors "TJV tractor series" to cope with the development of large-scale farm management in Japan since 2010. Now we have commercialized "TJV 3 series" which is much more environmentally-friendly than the conventional models. The improvements include the integration of a new engine, which cleared off-road vehicle exhaust emission regulation in Japan (3rd phase), IT features to cope with AGRISUPPORT, better fuel efficiency and reduction of materials used.

Cleared domestic tier 3 emission requirements

In addition to the high torque, low fuel consumption, low noise, electronically-controlled common rail engine, we have equipped the followings:

- Exhaust gas recirculation system (EGR),
- Exhaust gas after-treatment equipment using oxidation catalysts (DOC), and
- Diesel exhaust gas particulate filters (DPF).

Thus, we have reduced nitrogen oxide (NO_x) formation and realized clean emission that complies with the domestic tier 3 emission requirements.



TJV983

AGRISUPPORT and "LEADEYE"

AGRISUPPORT feature is equipped as standard. Using data communication, this feature imports machine sensor's data into a mobile device, such as a tablet device, to be utilized for farm work and machine management.

Also, by attaching a high precision GPS receiver (sold separately), it can be used as a navigation system (LEADEYE) for travel route, using GPS.



AGRISUPPORT display screen

To cope with energy saving work (GREENMODE)

GREENMODE is a feature which reduces fuel consumption during on-road travelling and light-duty work, when large engine torque is not required. Unnecessary torque is limited by controlling the fuel injection quantity.

By using green mode, fuel consumption can be reduced by approx. 10% (compared with in-house standard), contributing to energy saving work.

Approach to preserve biodiversity

Environmental report

While recognizing that we benefit from blessings of nature produced by biodiversity (ecological system service), ISEKI Group contributes to the realization of sustainable society by providing business activities, products and services that take biodiversity into consideration in cooperation with various stakeholders, including the local communities.

< Plant growth diagnosis device initiative >

In joint research and development with Research Center for High-technology Greenhouse Plant Promotion at Ehime University, we have commercialized "Plant growth diagnosis device" for solar powered plant factory for the first time in the industry. This device diagnoses the photosynthesis of plants, which is not visible to human eyes, analyzes the factors, and reacts to the change of cultivation environment and plant growth immediately. This device helps to realize environmentally-friendly cultivation and contribute to the preservation of biodiversity significantly.

Non-destructive, non-contact, large area

Because the measurement is made by using images, it does not damage the plants under cultivation or put them under stress. Using a CCD camera with a wide-angle lens, plants are photographed in a wide area.

Visualization automatically, regularly and early

Photosynthesis, which is important to the growth of plant, is measured automatically and evaluated by numerical assessment regularly. The change of growth is visualized before visible change occurs. By taking an action and treatment at an early stage, it is possible to find diseases, to improve cultivation environment, and to take some laborsaving actions in tomato cultivation.

Environmentally-friendly device

- Driving power of diagnosis device
 - (1) Because the device is running on motor, it is quiet
 - (2) Because the power source is battery, it releases no exhaust gas
- Reduced power consumption
 - (3) Because measurement is made only during LED irradiation, power consumption is minimum
 - (4) Because the power turns off automatically after unmanned diagnosis, power is not wasted



Plant growth diagnosis device

< Initiative for tree-planting of "town with forests" >

As an approach to preserve biodiversity, we promote the development of forests to offer home for many living things. ISEKI Group supports the "Promotion Group of Town Development with Forests," which is led by Iyo Bank in Ehime prefecture and participates tree-planting festivals all over Japan.

<Ehime Prefectural Central Hospital>

- Date: November 30, 2014
- Participants: Approx. 100 people
- Trees planted: 1,440 evergreen broad-leaved trees of 15 different kinds, including camellia japonica.



Ehime Prefectural Central Hospital

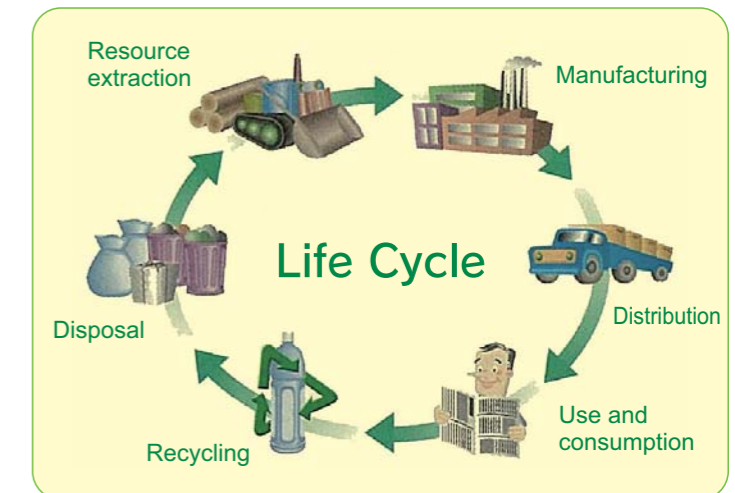
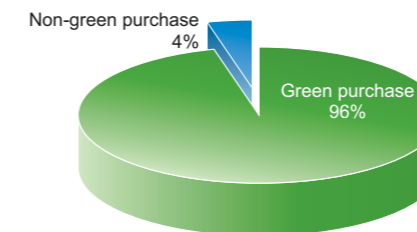
"Promotion Group of Town Development with Forests" (established in August 2010) carries out tree-planting activities in company-owned land and public land in the town to "grow real forests near ourselves to leave an environment, where children can grow healthy and sound, to the next generation" in cooperation with the companies that are working on preservation of local natural environment.

Green purchases/Green procurement

Environmental report

< Green purchase initiative >

We promote green purchase to prioritize products with environmental labels, such as eco marks and GPN (Green Purchase Network) standard products when purchasing commercialized commodities, such as office supplies and electric and electronic devices. The total amount of green purchase of entire ISEKI Group was 96% of the total purchase in FY2014.



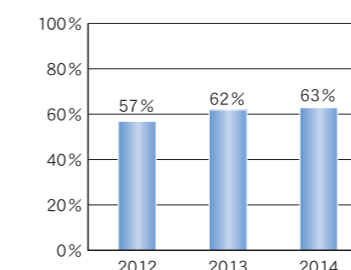
< Green procurement initiative >

In order for ISEKI Group to perform true environmental preservation activities, it is necessary to promote environmental-friendly design throughout the entire life cycle of ISEKI products, including product purchases, manufacturing, distribution, product use, and disposal and recycling. As a part of these initiatives, based on our recognition that "green purchase" is an important factor in addition to the traditional factors of quality, cost and delivery period, we have established "Green Supply Guideline" to actively promote procurement.

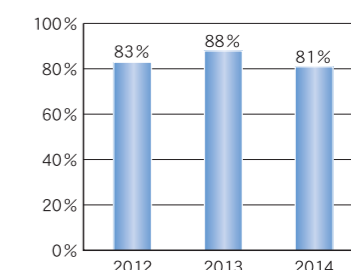
<Result of green procurement in FY2014>

In FY2014, the green procurement ratio was 63% in the total number of certified companies and the amount of green procurement from those certified companies was 81%. In the future, ISEKI will give award to those suppliers and vendors, which showed excellent initiatives to environmental preservation, in the hope that they can help us further.

Shift of the number of certified companies



Shift of the business amount ratio of the certified companies



DBJ Environmental Rating

Environmental report

< The highest "DBJ Environmental Rating" nine times in a row >

Again in FY2014, ISEKI & Co., Ltd. earned the highest "DBJ Environmental Rating" of Development Bank of Japan (hereinafter "DBJ"), one of our correspondent financial institutions. We obtained the best rating, which means "environmental consciousness is notably progressive," nine times in a row.



Certificate

Environmental performance of four factories

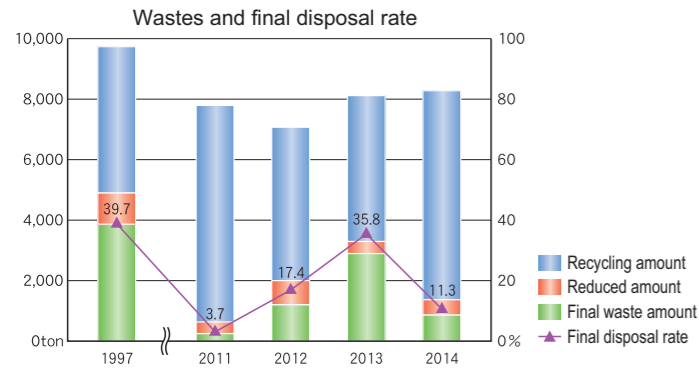
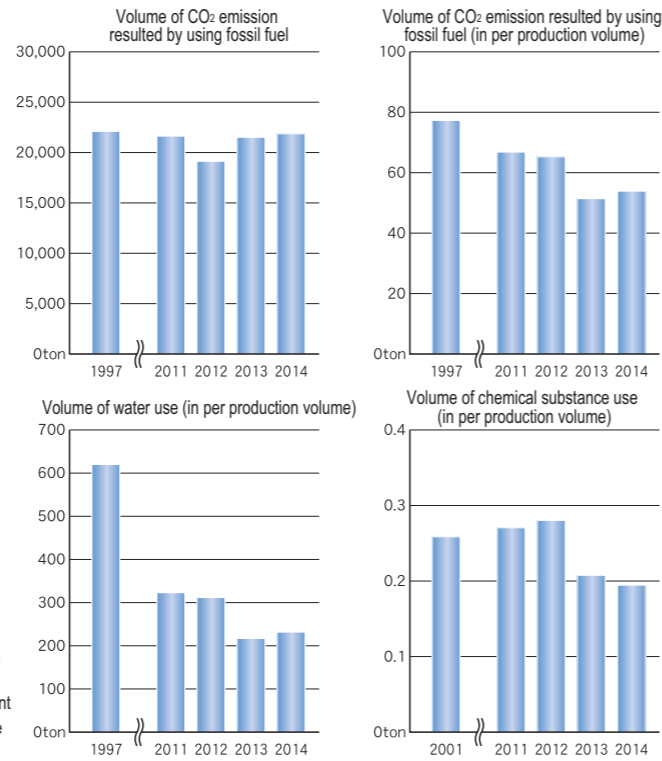
Environmental report

ISEKI-Matsuyama MFG. Co., Ltd.

< Company profile >

Address	700 Umaki-cho, Matsuyama-shi, Ehime prefecture
Number of employees	569 (As of March 31, 2015)
Area	151,000m ²
Major products	Tractors, riding tillers, lawnmowers, dryers, engines

< Environmental data >

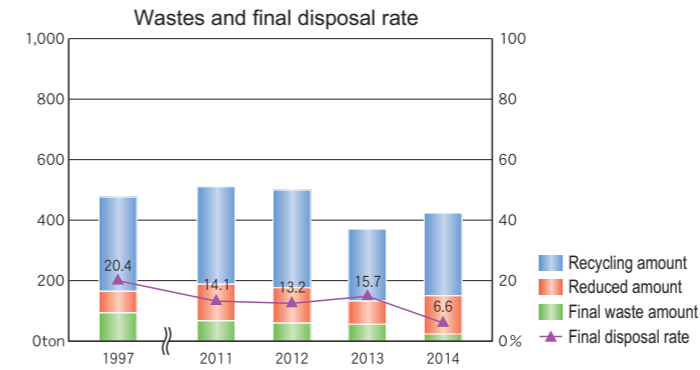
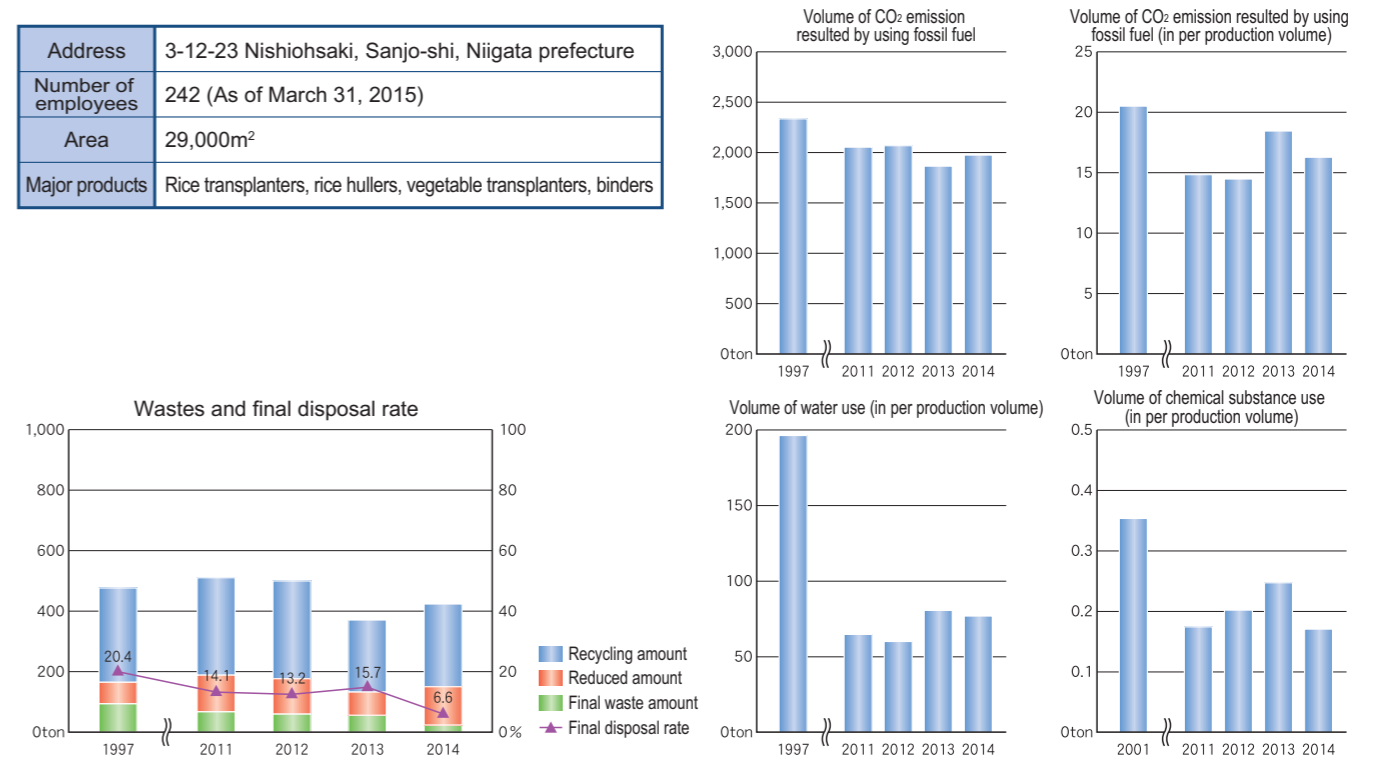


ISEKI-Niigata MFG. Co., Ltd.

< Company profile >

Address	3-12-23 Nishiohsaki, Sanjo-shi, Niigata prefecture
Number of employees	242 (As of March 31, 2015)
Area	29,000m ²
Major products	Rice transplanters, rice hullers, vegetable transplanters, binders

< Environmental data >

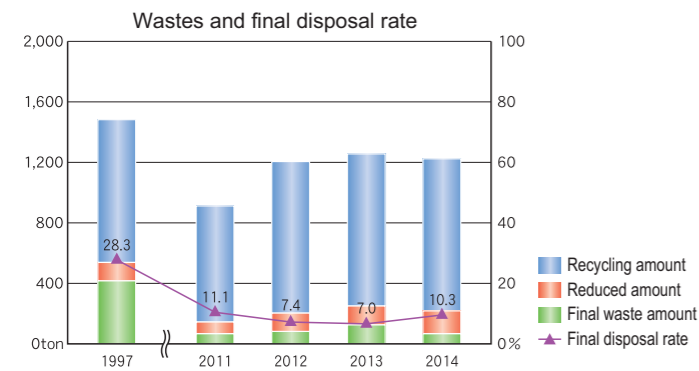
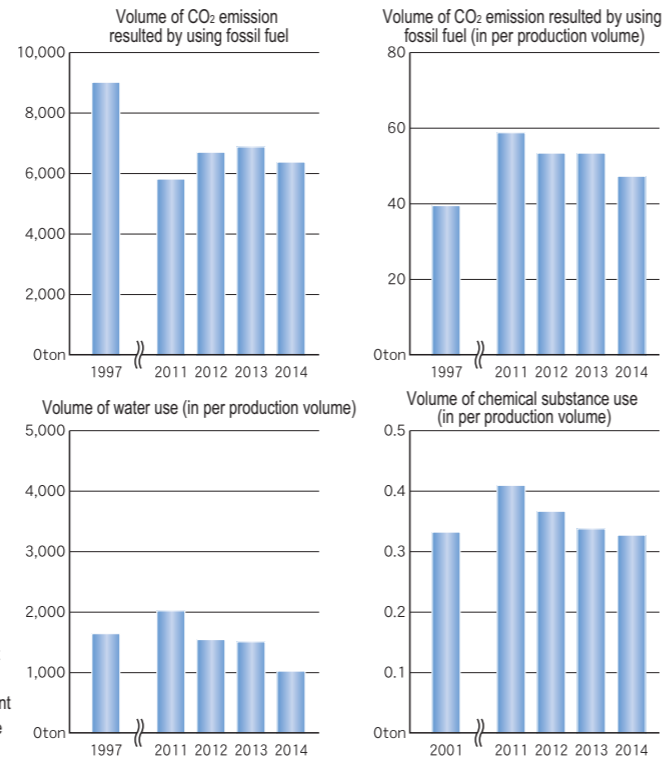


ISEKI-Kumamoto MFG. Co., Ltd.

< Company profile >

Address	1400 Yasunaga, Mashiki-cho, Kamimashiki-gun, Kumamoto prefecture
Number of employees	280 (As of March 31, 2015)
Area	217,000m ²
Major products	Head-feeding combine harvester, multi-crop combine harvesters, carrot harvesters

< Environmental data >

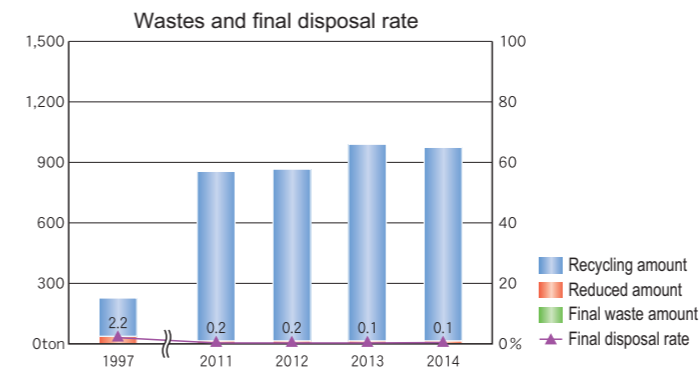
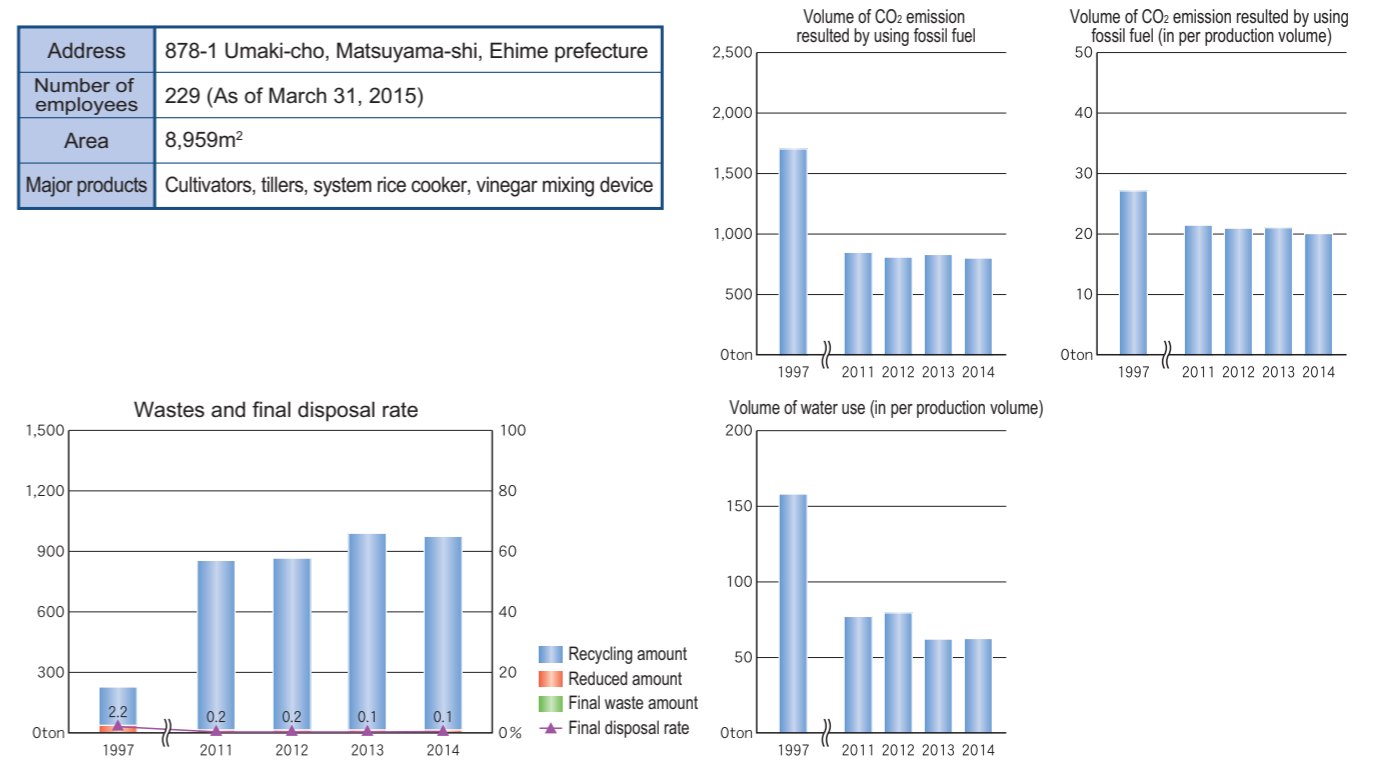


ISEKI-Houei MFG. Co., Ltd.

< Company profile >

Address	878-1 Umaki-cho, Matsuyama-shi, Ehime prefecture
Number of employees	229 (As of March 31, 2015)
Area	8,959m ²
Major products	Cultivators, tillers, system rice cooker, vinegar mixing device

< Environmental data >



Achieving Harmony between Human Beings and the Earth



<http://www.iseki.co.jp/>

You can see the Environmental Report online, too.

井関



Go to our corporate website and “Contribution to Society,” then “Environmental Report.”

<http://www.iseki.co.jp/csr/report/>

Contact about this report

**Environmental Control Section, Administrative Department,
ISEKI & CO., LTD.**

1 Yakura, Tobe-cho, Yakura, Tobe-cho, Iyo-gun, Ehime prefecture,
791-2193 Japan

Phone: +81-89-957-3311 Fax: +81-89-957-7959

E-mail: kankyo@iseki.co.jp

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