



Environmental Report

[Version: 2005]



Environmental Report by ISEKI & CO., LTD.



Achieving harmony between human beings and the earth

We aim to
"live peacefully with a stable
natural environment"
although things are dramatically
changing in this age.

INDEX

Message from our president	2
Outline of our Business	3

Environmental management

● Eco vision	5
● Outline of the management	6
● Mid term and long term environmental targets and results of the year 2004	7
● Environment management system	8
● Environmental accounting	8
● Environmental risk management	9

Environmental performance

Eco factory	
● Promotion of energy saving (to prevent global warming and preserve water resources)	11
● Reduction of industrial wastes (3R in the production processes)	12
● Optimal control and reduction of use of chemical substances	13
Eco products	
● Approach to LCA	13
● Designing for environmental conformity	15
● Supporting nature-friendly farming	16
● Promotion of green procurement	16

Collaborative creation together with our stakeholders

● Education and training for environment / Qualified persons	17
● Environmental communication	18

Environmental data

● Iseki-Matsuyama MFG. Co., Ltd.	19
● Iseki-Kumamoto MFG. Co., Ltd.	20
● Iseki-Niigata MFG. Co., Ltd.	21
● Iseki-Houei MFG. Co., Ltd.	22

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

Recent increase in the average global temperature have triggered many environmental issues such as desertification, glacier reduction, and raising the sea levels. It seems to me that we see more news than before about weather issues such as abnormal drought and water floods caused by concentrated heavy rain in Japan. Last year, we were attacked by more typhoons than usual, and it is difficult to think that all these phenomena happened with no relation to global warming. Whatever the case may be, it is very clear that the battle between nature and civilization becomes more acute year by year.

I would like to emphasize that our corporate basis, Agriculture, is the most environment-friendly industry with blessed sun, water, and four definite seasons. It is our corporate mission to esteem nature highly, to support the agricultural industry, and to play a part in the world food security.

We, Iseki, since its foundation about 80 years ago, walked side by side with farmers by providing them with agricultural machinery.

At the same time, Iseki has strived to fulfill our corporate governance so as to establish fruitful relationships with our stockholders, customers, and stakeholders. We believe that it is our highest priority management task to disclose information, to be concerned about global environmental preservation, and to recognize that the acknowledgement of such issues is the obligation of companies like us, while strictly complying with legal requirements.

We would like to further reduce stress on the environment at each stage, such as the product use and materials and parts procurement, through further streamlining of agri-business, improvement of productivity by reducing stressful work, and aiming to provide further environment-friendly products.

At the same time, we are making efforts toward the establishment of “Prosperous community, constantly growing in affluence” through stress reduction activities, such as energy-saving and resource-saving, in all areas of our business, such as development, manufacturing, and sales.

Starting in 2005, we have reviewed the constitution of our environment committee and decided to include all of our directors as members of the committee so as to accelerate the decision making for environment issues and to clarify management accountability.

In order to strengthen our group-wide approach to environmental preservation, we have broadened the areas to which we applied our policy of environment preservation and we plan to accelerate the introduction of environmental management in each organizational level.

I commit to exercise my social responsibility as a leader of Iseki Group by being most friendly to the environment during our development, manufacturing, sales and servicing activities.

Now, I am delighted to report to you about our approaches to environmental preservation in 2004, and I would like to ask for your further cooperation with, and consideration of, Iseki now and in the future.



President

中野 弘之

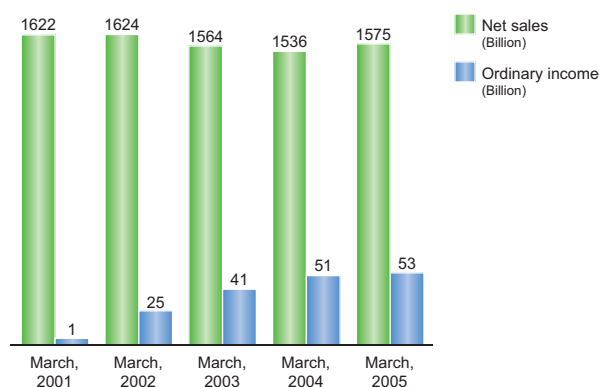
Hiroyuki Nakano

Outline of our business

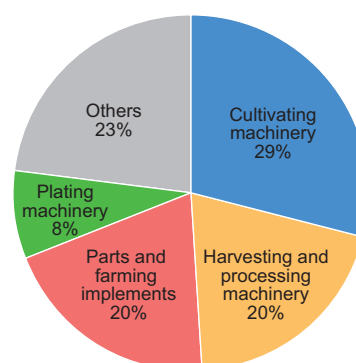
〈Company profile〉

Company name	ISEKI & CO., LTD.
Head quarters	700 Umaki-cho, Matsuyama-shi, Ehime prefecture Phone: +81-89-979-6111 Fax: +81-89-978-6440
Main office	5-3-14 Nishi-Nippori, Arakawa-ku, Tokyo Phone: +81-3-5604-7602 Fax: +81-3-5604-7701
Foundation	August, 1926
Capital	JPY 22,534,250,000 (as of March 31, 2005)
Employees	Consolidated: 6,665 Individual: 716 (as of March 31, 2005)
Business	Manufacturing and sales of following products as our major business. Cultivating machinery tractor, cultivator, tiller, garden equipment Plating machinery rice transplanter, vegetable transplanter Harvesting machinery combine harvester, binder, harvester Processing machinery rice huller, dryer, rice milling machine, weighing and grading machine vegetable harvest conditioning machine Others implements, spare parts, agricultural facilities

〈Achievement trends〉



〈Sales composition by product category as of March, 2005 at the of fiscal year〉



〈Financial statements〉

(As of March 31, 2004)

Summary of consolidated balance sheet

Account	Amount (in mil. JPY)	Account	Amount (in mil. JPY)
Cash and time deposits	8,202	Notes and accounts payable	44,493
Notes and accounts receivable	37,015	Short-term borrowings	27,697
Inventories	40,851	Long-term debt	33,180
Others	5,799	Others	25,878
Current assets	91,868	Total liabilities	131,249
Tangible fixed assets	79,418	Minority interests in consolidated subsidiaries	1,502
Intangible fixed assets	1,102	Common stock	22,534
Investments and other assets	12,087	Capital surplus	11,664
Fixed assets total	92,608	Retained earnings	6,829
Total assets	184,477	Land revaluation reserve	10,696
		Net unrealized holding gain on securities	1,956
		Foreign currency translation adjustments	△14
		Treasury stock	△1,940
		Total shareholders' equity	51,726
		Total liabilities, minority interests and shareholders' equity	184,477

(From April 1, 2004 to March 31, 2005)

Consolidated statement of income

Account	Amount (in mil. JPY)
Net sales	157,462
Cost of sales	105,128
Gross profit	52,334
Selling, general and administrative expenses	45,817
Operating income	6,516
Non-operating income	1,556
Non-operating expenses	2,787
Ordinary income	5,286
Extraordinary gains	841
Extraordinary losses	1,069
Income before income taxes and minority interests	5,058
Income taxes	2,064
Minority interests in consolidated subsidiaries	28
Net income	2,965

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

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

〈Major products〉

Tractor



Rice transplanter



Combine harvester



Machines for exports



garden equipment for exports



tractor for exports



Line-up of other products



tiller



vegetable transplanter



binder



harvester



dryer



rice huller



weighing and separating machine



coin-operated rice milling machine



nutrient solution cultivation facility

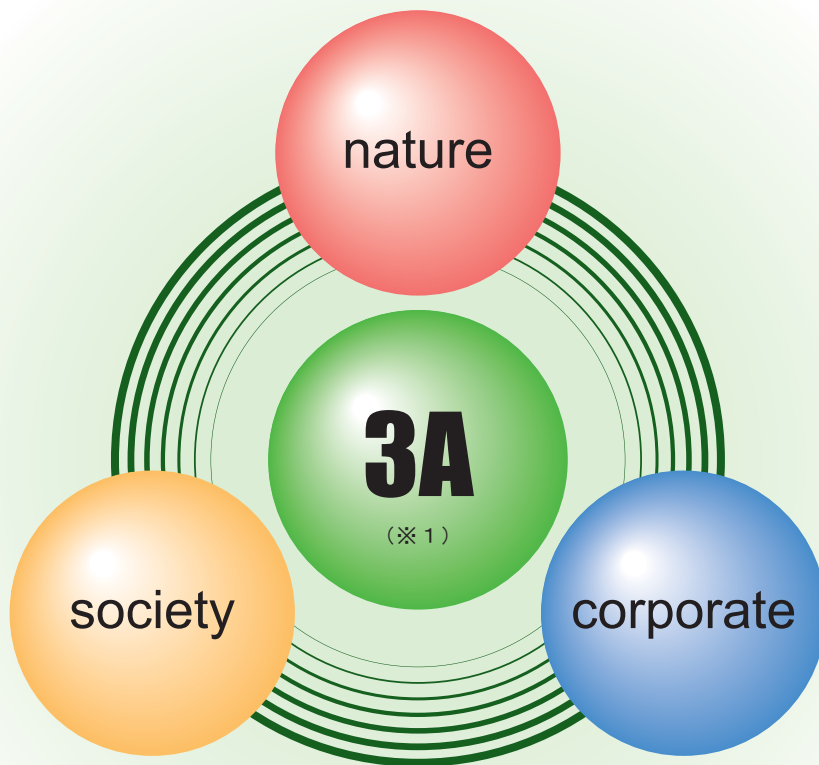
Eco vision

Environmental management

Iseki has determined the direction which can be the base of our “Eco vision: Green Cycle”, and the words, “Environmental concept”, “Basic environmental policy”, and “Environmental conduct guidelines”, best explain our principles.

[Green circle]

※1
management on the Axis of Agriculture and Agricultural machine (3A)



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

【Environmental concept】

“Agriculture and Agricultural machines” are the axes of management and we contribute to the formation of a continuously growing society through activities for harmonizing nature, society, and business entities.

【Basic environmental policy】

- 1.Maintenance of environment management system and its functional application
- 2.Reducing elements of our business activities and products which may be causing stress on the environment.
- 3.Compliance with environmental laws, regulations, and standards
- 4.Environmental education and information disclosure.

【Environmental conduct guidelines】

- 1.Development activities considering environment
Recycling and reduction of noise, vibration, fuel consumption, emission gas, and environmental stress substances
- 2.Manufacturing activities considering environment
Prevention of (air, water, noise, and vibration) pollution, energy-saving, resource-saving, and purchasing green
- 3.Office activities considering environment
Energy-saving and resource-saving
- 4.Distribution and logistics considering environment
Improvement of transportation system (packaging materials, efficient transportation), disposition of industrial wastes
- 5.Environmental education and information disclosure
Environmental education to be offered to employees, participation in social activities, and information disclosure

Outline of management

Environmental management

We deploy our approaches to environment within all of our group companies.

〈Promotional framework〉

Iseki group, including manufacturing plants and market company, promotes the group-wide approaches on environment preservation.

〈Environmental Planning Group Meeting〉

The Environmental Planning Group Meeting determines detailed environmental approaches to be performed by the group member companies in each district and presents such approaches to the environment committee while deploying the environment targets and action plans in each district and following up the progress of such plans. At the same time, the council organizes the environment management office which is operated by environmental office staff and the product assessment workshop consisting of specialists who design products suitable for environmental preservation.

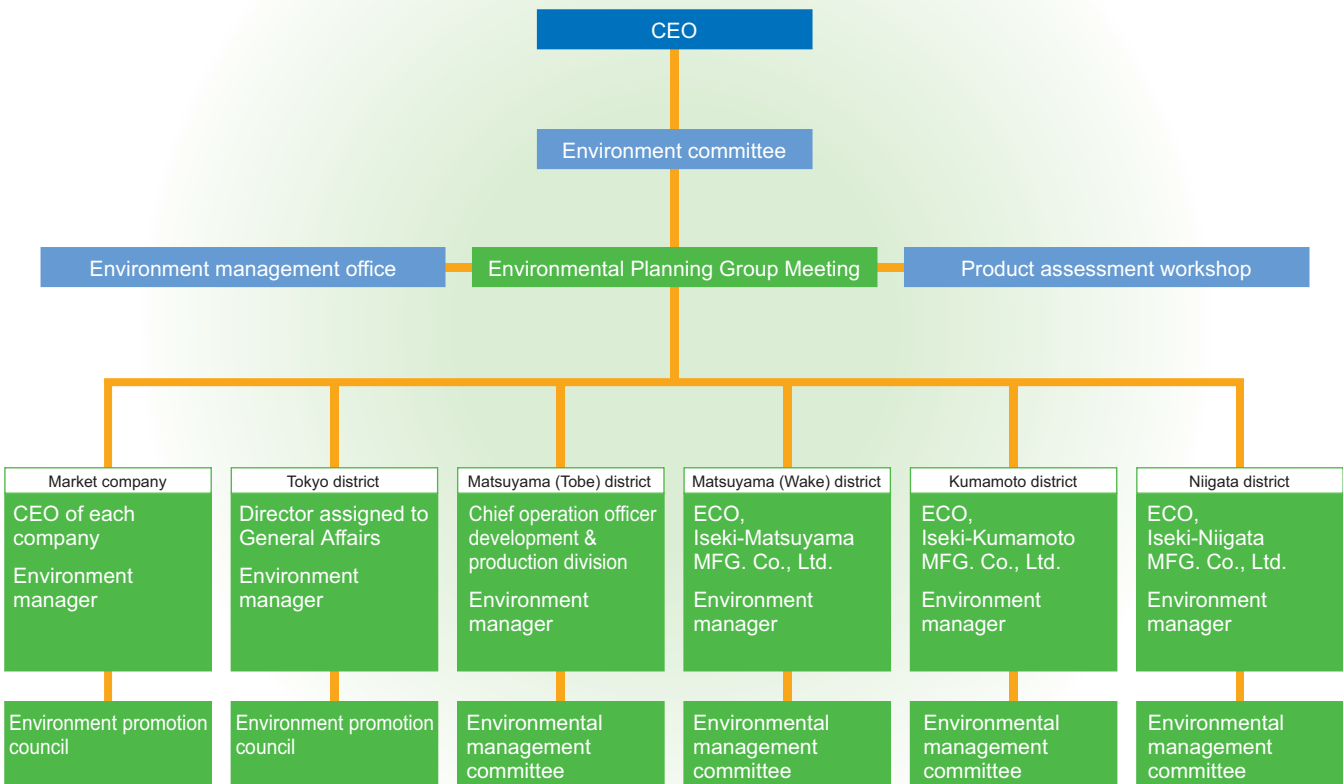
〈Environment committee〉

The environment committee chaired by our CEO deliberates and determines Iseki's basic policies on the environment. The committee also deliberates and determines the control targets, action plans, and priority environment tasks which are presented by the Environmental Planning Group Meeting.

〈Environment management system employed in each district〉

We have appointed chief executives and environment managers, who are responsible for environment management activities, determination of policies, and deployment of action plans, in each location such as Tokyo, Matsuyama (Tobe), Matsuyama (Wake), Kumamoto, and Niigata. Since the beginning of 2005, we have maintained systems at each market company in order to enhance group activities.

[Environment management organization]



Mid term and long term environmental targets and results of the year 2004

Environmental management

Iseki group aims to define and achieve our environment target and object by 2010.

Hereby, we report on the results of our major activities in 2004.

Item	Mid and long term environment target		Accomplishments in 2004	Evaluation	Pages
Eco factory	Prevention of global warming	Reduce more than 15% of CO ₂ emission, produced by consumed energy in proportion to production volume, from the volume of 1997.	<ul style="list-style-type: none"> The volume of emission increased by 2% when compared with the previous year as we reduced the price of machine. 	×	11
	Reduction of water use	Reduce more than 30% of water use per production volume from the volume of 1997.	<ul style="list-style-type: none"> A subsidiary, which was not precluded at the beginning, was included, therefore, the volume of discharge per production volume increased by 12% from that of previous year. 	×	11
	Reduction of wastes	Reduce more than 30% of final wastes per production volume from the volume of 1997.	<ul style="list-style-type: none"> The final waste volume of this year is 22% less than that of the last year as we strictly sorted wastes. Started the recycling of cast sand. 	△	12
	Chemical substance control	Reduce more than 20% of volume of chemical substances to be controlled per production volume from 2001.	<ul style="list-style-type: none"> The volume of use per production volume was reduced by 6% from that of previous year. Discontinued the use of water-soluble zinc compound and formaldehyde. 	△	13

Item	Mid and long term environment target		Accomplishments in 2004	Evaluation	Pages
Eco products	Approach to LCA	Promotion and expansion of designing suitable for the environmental preservation	<ul style="list-style-type: none"> Worked on LCA with which impacts to environment can be assessed comprehensively in the stages of material, part, manufacturing, use, and scrapping. Reduced stress on environment and the number of wires used totally during the lifecycle of a product by improving efficiency and reducing weight of products. Accelerated the development of an environment-conscious diesel engine to reduce air pollutant diesel emission. Our engines are emission gas certified by various countries in the world, as well as Japanese emission gas standard for special-purpose vehicles commenced in 2003. 	○	13-15
	Reduction of packages resulting environmental stress	Eliminate all wooden packages for major products by 2006	<ul style="list-style-type: none"> Started to use steel frames for packing cultivators and weighing & selection machine and eliminated all wooden frames used for packing major products. 	○	—
	Promotion of green purchasing	Promotion of green purchasing in relation to partnership with suppliers and customers	<ul style="list-style-type: none"> Green purchasing was implemented at each division until 2003, but in 2004, the company-wide green purchasing campaign started. The ratio of office supply green purchasing is approximately 70%. 	○	16
	Support of nature-friendly agriculture	Promotion of development of environment preservation products	<ul style="list-style-type: none"> Jointly developed a rice transplanter with a self-supporting rectilinear propagation function together with BRAIN (Bio-oriented Technology Research Advancement Institution) and affiliated companies. It is expected that the use of diversion water at the time of rice planting can be reduced by skipping the drainage of ponded water. Promoted the use of domestic bees for pollinizers in the hothouses to reduce impacts to ecosystem. 	○	16

Item	Mid and long term environment target		Accomplishments in 2004	Evaluation	Pages
Reinforcement of environment management basis	Environment management system	Renewal of ISO14001 certificates at each division / promotion to be certified EA21	<ul style="list-style-type: none"> There was an instruction by the auditors to improve 1 item during the periodic auditing for ISO14001 renewal. We tried to improve the situation by establishing tighter self-auditing criteria and severe control. Shigenobu plant of Iseki-Houeï MFG. Co., Ltd. was EA21 certified for the first time. We will implement the activities for this certification throughout the group. 	○	8
	Introduction of environmental accounting	Introduction of environmental accounting and up-grading	<ul style="list-style-type: none"> The new environmental accounting was introduced at Iseki-Matsuyama MFG. Co., Ltd. and Iseki-Kumamoto MFG. Co., Ltd. Introduction at other divisions and enhancement of contents are our future tasks.	△	8
	Environment risk management	Strict compliance / predicting potential risks and strengthening the control system which lowers the risks before incidents occur.	<ul style="list-style-type: none"> The legal measurement requirements are all cleared. The dioxin density shall be further lowered by strictly checking and separating articles to be incinerated. Emergency training will take place periodically so as to respond to any emergency cases in each division appropriately. 	○	9-10

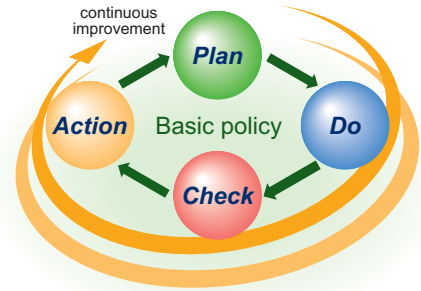
Item	Mid and long term environment target		Accomplishments in 2004	Evaluation	Pages
Collaborative creation together with stakeholders	Environmental education	Raising employees' environmental consciousness / offering training to improve the environment preservation techniques	<ul style="list-style-type: none"> Brought environment issues to the employees' attention in the company morning meeting, company news, and multi-level education. Held in-house seminars on a regular basis to certify officially qualified employees needed to drive the optimum environment control. Promoted the training of company environment auditors so as to optimize and maintain the environment management system. 	○	17
	Environmental communication	Promotion of volunteer activities / enhancement of collaboration with community	<ul style="list-style-type: none"> Accepted wide variety of guests at each division from elementary school students to people from foreign countries. Promoted environmental volunteer activities such as the "Cleanup activity" at each division. Provided information on the tractor production processes to Shikoku Business and Industry Bureau so as to be exhibited in their web site, "Manufacturing expedition team", and to support the education of elementary school pupils for manufacturing. 	○	18

Environment management system

Environmental management

【Development of a management system for constant and continuous improvement】

Iseki group has established an environment management system in accordance with the global standard, ISO14001 for our constant and continuous environment preservation activities. Each ISO14001 certified district conducts the activities suitable for their own businesses and community. Utilizing the basic process of environment preservation activities, "Plan → Do → Check → Action", based on ISO14001, we will create an upward spiral to form an environment-friendly entity.



〈Certified environment control system of Iseki group〉

Four major domestic manufacturing plants of Iseki were certified as followings:

Certification	Business office	Major businesses	Registration number	Date of certification
ISO14001	Iseki-Matsuyama MFG. Co., Ltd.	Manufacturing tractor, small combine harvester, engine, and dryer	JQA-EM0341	Feb. 26, 1999
	Iseki-Kumamoto MFG. Co., Ltd.	Manufacturing large combine harvester	JQA-EM1382	Mar. 9, 2001
	Iseki-Niigata MFG. Co., Ltd.	Manufacturing rice transplanter, rice huller, vegetable transplanter, and binder	JQA-EM3313	Aug. 1, 2003
EA-21	Iseki-Houei MFG. Co., Ltd., Shigenobu plant	Processing various steel, machining gears, and stamping and welding parts	IGES-0000325	May 2, 2005

In addition to the certification of ISO14001 (Environment Management System), Iseki's business offices were certified EA-21, Environment Activity Evaluation Program for medium and small

companies under the direction of the Ministry of the Environment. We will try to implement this within our group companies in the future.

〈Environmental auditing〉

2004	Iseki-Matsuyama MFG. Co., Ltd.			Iseki-Kumamoto MFG. Co., Ltd.			Iseki-Niigata MFG. Co., Ltd.		
	Total number of departments audited	Number of improvement recommendations	Cautionary suggestions	Total number of departments audited	Number of improvement recommendations	Cautionary suggestions	Total number of departments audited	Number of improvement recommendations	Cautionary suggestions
Internal environmental auditing	58	0	14	24	0	4	15	0	2
External regular auditing	23	1	17	13	0	12	15	0	9

In order to make an assessment that the environmental management system functions appropriately and the approaches to environment preservation are optimally carried out, we collect necessary information and data for the environmental auditing. In

2005, we were given several improvement recommendations and suggestions by the auditors, and all of the issues were already corrected according to their advice and suggestions.

Environmental accounting

Environmental management

We have carried out environmental accounting at both Matsuyama and Kumamoto MFG. Co., Ltd. since 2004 in accordance with the environmental accounting guideline made available to the public by the Ministry of the Environment. The total investment provided for the environmental preservation was 46,000,000 JPY (47% of the amount was for purchasing energy-saving equipment) and the cost

was 144,000,000 JPY (95% of the cost was for environmental management). The breakdown of the total investment was: pollution prevention cost (20%), environment preservation cost (54%), and resource environment cost (26%). Approximately 80% of the total cost was spent for environmental management and the resource recycling mainly for casting sand scrapping.

Environmental preservation cost				
Categories		Major programs	Amount of cost (in 1,000 JPY)	
(1)	Cost spent in the business area		45,821	79,117
	① Pollution prevention cost	Sewage treatment	9,186	24,445
	② Environment preservation cost	Installation of invertors	24,695	779
(2)	③ Resource recycling cost	Recycling of casting sand	11,940	53,883
	Cost required at previous and later stages	Use of steel packing frames	0	3,922
(3)	Control activity cost	Maintenance of EMS	0	56,646
(4)	Research and development cost	—	0	0
(5)	Community activity cost	Cleaning factory neighborhoods	0	4,074
(6)	Environment recovery cost	—	0	0
			45,821	143,759

Financial impacts caused by the environmental preservation activities		
Details of effects		Amount (in 1,000 JPY)
(1)	Reduction of volume of various resources to be consumed	2,222
(2)	Reduction of environmental stress substances	4,463
(3)	Reduction of energy consumption	2,079

The financial impact resulted by the environmental preservation activities was approximately 9 million yen in total as the volume of consumed resources, environmental stress causing substances, and energy consumption. The environmental management activities were carried out in limited areas of two manufacturing companies only, in 2004, and thus the result did not represent the entire picture. We plan to carry out the activities accordingly in the larger areas.

Data reported by Iseki-Matsuyama MFG. Co., Ltd. and Iseki-Kumamoto MFG. Co., Ltd.
Period of data: April, 2004 ~ March, 2005

Environmental risk management

Environmental management

【Responses in emergency condition】

〈Preparation of emergency manual〉

Iseki group developed an “Emergency Manual”, in accordance with the requirements of ISO14001, by assuming the concrete emergency circumstances. In accordance with this standard, we designated the machines and equipment which may cause heavy pollution in emergencies and prepared an “Emergency Manual” for each machine and piece of equipment.

Assumed emergencies	Name of emergency manual
Hazardous material spill fire, and explosion	Hazardous material storage management manual
Hazardous material spill fire, and explosion	Underground tank control manual
Hazardous material spill fire, and explosion	Oil feed pipe and oil feeder control manual
Waste oil dripping and spill	Iron chip storage control manual
Inflow of oil, grease, and chemical and outflow of water contaminant	Sewage pit control manual
Outflow of paint sludge before treatment	Paint sludge treatment facility control manual

〈Emergency training〉

In order to verify that we are able to act as described in the “Emergency Manual” in emergencies, we conduct emergency training on a regular basis. Such training is conducted once a year for each emergency case, and there are 42 cases of emergencies assumed in total in three MFG. Co.s, Matsuyama, Kumamoto, and Niigata.



Training for assumed spill of hazardous materials

【Actions to comply with Antipollution Law】

〈Establishment of voluntary standards and management in the company〉

Iseki employs and applies stricter voluntary standards that go beyond those prescribed by regulations and laws. For example, Iseki-Matsuyama MFG. Co., Ltd. has revised their voluntary standard for dioxin this year from 4ng-TEQ/m³N

(standard of last year) to 3ng- TEQ/m³N. Although the actual measured value has not met the new voluntary standard yet, we are taking actions to meet the voluntary standard by checking the incineration.

Measured item	Unit	Iseki-Matsuyama MFG. Co., Ltd.			Iseki-Kumamoto MFG. Co., Ltd.			Iseki-Niigata MFG. Co., Ltd.		
		Regulation standard	Voluntary standard	Measurement in 2004	Regulation standard	Voluntary standard	Measurement in 2004	Regulation standard	Voluntary standard	Measurement in 2004
Water quality	Volume of suspended substances (SS)	200	96	1 or less	200	40	4	90	90	7
	Volume of biochemical oxygen demand (BOD)	160	120	3	160	8	6	60	60	23
	Chemical oxygen demand (COD)	160	96	22	—	—	—	160	—	—
	n-hexane (liquid petroleum)	5.0	1.0	1 or less	5.0	2.4	0.5	5.0	5.0	0.6
Air	Particulate	0.30	0.18	0.01 or less	0.30	0.08	0.01	0.20	0.10	0.01
	Nitrogen oxide (Nox)	250	150	78	250	200	66	230	150	17
Dioxin	Emission gas	5.0	3.0	3.4	—	—	—	—	—	—

— : shows standard N/A or not applicable machines

〈Frequency of environment data measurement〉

Machine, equipment, and place	Items to be measured	Measuring frequency			
		Iseki-Matsuyama MFG. Co., Ltd.	Iseki-Kumamoto MFG. Co., Ltd.	Iseki-Niigata MFG. Co., Ltd.	
Industrial effluent	Water quality	General (BOD, pH, SS, etc.)	Once a year	Once a year	Once a month
		Nitrogen, phosphorus	Monitor regularly	Once a year	—
		COD · pH	Monitor regularly	Once a year	—
Cast melting furnace (Paint oven in Niigata)	Air	Twice a year	—	Twice a year	
Boiler (Hot blast heater in Niigata)		Twice a year	Twice a year	Once a year	
Waste incinerator	Dioxin	Once a year	—	—	
Lot borderline	Noise	Twice a year	Once a year	—	
	Vibration	Twice a year	—	—	

— : shows standard N/A or not applicable machines

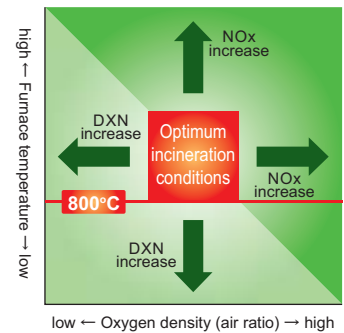
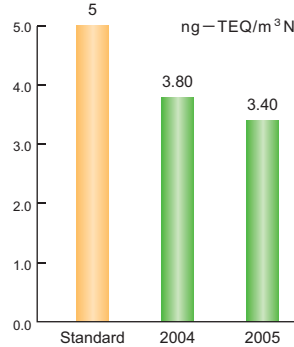
Environmental risk management [Example of control for air pollution prevention]

Environmental management

[Control to inhibit the generation of dioxin and other hazardous substances]

Iseki group strictly follows "Law Concerning Special Measures against Dioxins" and meets all legal requirements on the emission standard. The pyrolysis furnace, which utilizes a system to convert into and burn dry distilled gas, is situated in Iseki-Matsuyama MFG. Co., Ltd. so that the furnace contributes to minimizing the volume of dioxin and nitrogen oxide when wastes are burned as it automatically regulates the incineration temperature and air intake volume. The heat emitted from the furnace is used to operate steam boilers and this recycled energy is utilized in the manufacturing plants. This is a part of our energy-saving policy. (Please see page 11 for details of use of such recycled energy.)

< Standard of dioxin emission and actual volume of emitted hazardous substances from Iseki-Matsuyama MFG. Co., Ltd. >



[Control to inhibit production of particulates]

The particulates (fine iron powders) generated in the electric melting furnace in the manufacturing processes and sulfur oxide are treated with a dust collector and released into the

air. Each division of Iseki establishes their own control standards stipulating the discharge density, and our exhaust gasses met the legal discharge requirements.

Standards of electric melting furnace in Iseki-Matsuyama MFG. Co., Ltd.

Item	Unit	Standard	Record of 2004
Particulates	g/m³N	0.10	0.01 or less
Sulfur oxide (SOx)	ppm	-	1



Casting process dust collector for electric melting furnace

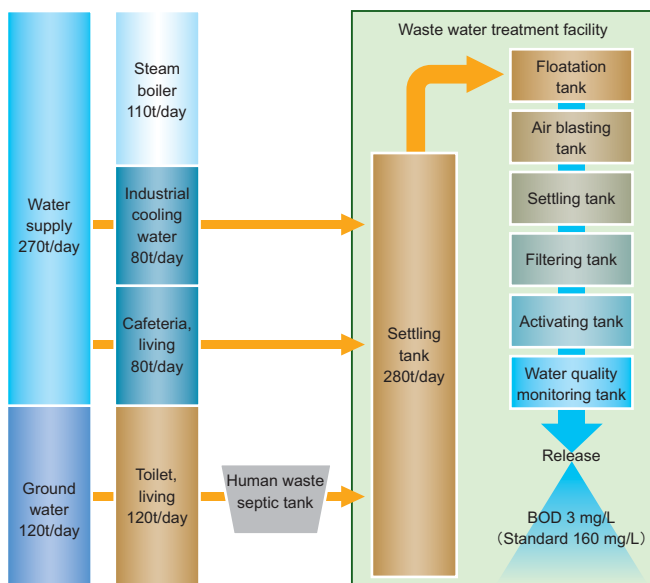


Electric melting furnace

Environmental risk management [Example of control for water pollution prevention]

Environmental management

[Prevention of pollution from sewage water]



As mentioned above, our voluntary standards utilized on a daily basis are stricter than the legal standards if the sewage treated in our plants is to be released into the rivers and sewer systems. The water in the monitoring tank immediately before being released is clean enough that goldfish can survive in it. We make continuous efforts to treat sewage optimally using the treatment flow as shown on the left so that we treat the industrial sewage and biological sewage properly.

Data obtained through the measurement at Iseki-Matsuyama MFG. Co., Ltd.

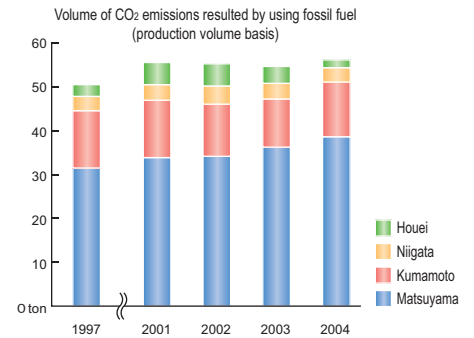
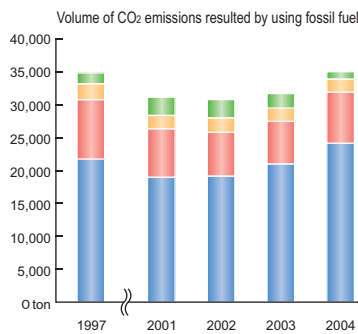
Item	Unit	Standard	Voluntary standard	Record of 2004
Volume of suspended substances (SS)	mg/L	200	96	1 or less
Volume of biochemical oxygen demand (BOD)	mg/L	160	120	3
Chemical oxygen demand (COD)	mg/L	160	96	22
n-hexane (liquid petroleum)	ppm	5.0	1.0	1 or less

Promotion of energy saving [Preventing global warming and preserving water resources]

Environmental performance

【Reduction of energy used in the plants】

Iseki aims to sharply reduce production losses in the course of its energy saving activity and even improve productivity. The volume of CO₂ emissions in 2004 increased by 1% over the previous year due to an increase in total production output. At the same time, the emission volume per output increased by 2% from the previous year as product prices were lowered.



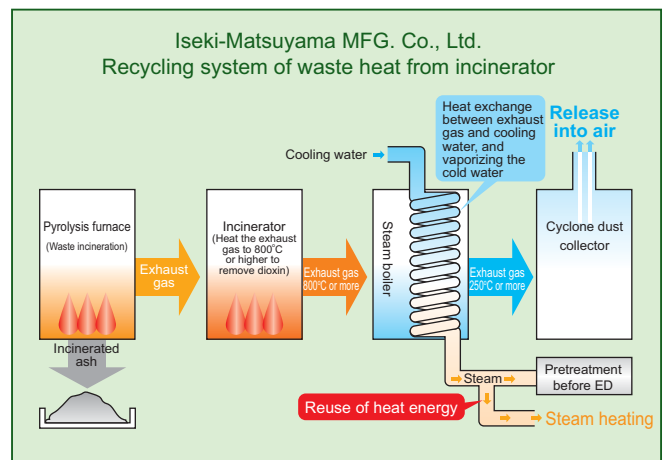
〈Reuse of waste heat energy〉

The production and inclusion of dioxin in the exhaust gas from the incinerator in Iseki-Matsuyama MFG. Co., Ltd. when burning wastes are minimized as the wastes are burned at 800°C or higher. After the burning, the gas is cooled down to 250°C or less and released into the air after removing particulates with a cyclone collector to eliminate pollutants.

Using the heat released during the cooling stage of the exhaust gas, the cooling water is boiled to generate steam in the steam boiler and recycled for use in the paint shop for pre-treatment before ED and steam heating. This helps us to improve the use of recycled energy.



Steam boiler



〈Use of electric forklift〉

Iseki started to replace the gasoline forklifts, which are in use at each division currently, gradually with electric forklifts with low impact on environment. Use of electric forklifts greatly reduces CO₂, prevents air pollution, and improves safety and hygiene as they are very quiet when in operation.



Electric forklift

〈Use of inverter motor〉

Iseki-Matsuyama MFG. Co., Ltd. promotes the use of inverters to supply power which meets level of required motor load levels for the dust collector of cast melting furnaces and engine intensive coolants. At the same time, for energy saving, the outer fluorescent light cutout switches are being replaced with the type built in the inverters.



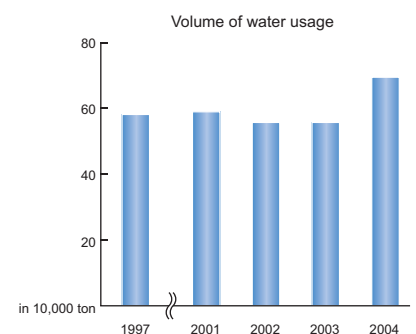
Cast melting furnace dust collector



Inverter

【Reduction of volume of water used】

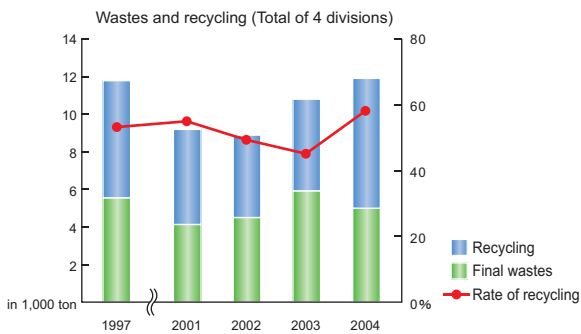
The volume of water usage increased by 140,000 ton in 2004. This was caused by the production increase in Iseki-Matsuyama MFG. Co., Ltd. and the inclusion of the usage of a subsidiary, which was not normally counted in the past but it is now as the subsidiary was relocated into the site of Iseki-Kumamoto MFG. Co., Ltd. In 2004, recycled water was used for the casting sand treatment. In 2005, we have a further improved plan for the use of recycled water at each company.



Reduction of industrial wastes [3R in the production processes]

Environmental performance

【Approach of Iseki group】



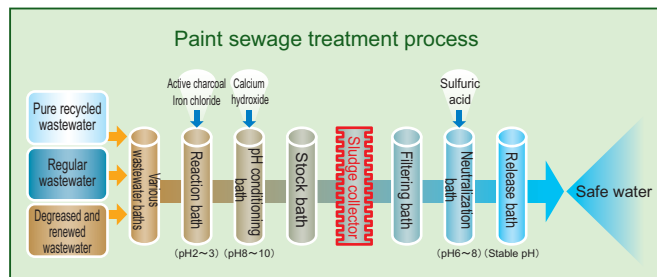
The Iseki group promotes energy-saving, recycling, and waste reduction as part of our environmental management activities in each district. In 2004, the non-burnable industrial wastes were further separated into either small metal rubbish to be collected or otherwise, to be compacted. The casting sand which accounted for a large part of the total land-filling waste was separated into metal and sand using a magnetic clobbering machine. This improved sand quality and now it can be reused as base course material. We will continue our quest for zero emission achievement through recycling, reusing, and restriction of industrial wastes production in accordance with the business characteristics of each district.

【Detail examples of our wastes reduction activities】

～Sewage sludge reduction activity in Iseki-Niigata MFG. Co., Ltd.～

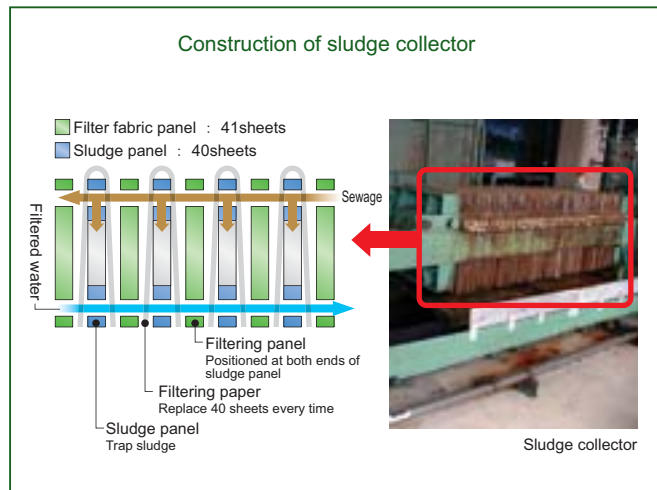
〈Treatment process of sewage from painting line〉

For preserving the quality water environment, it is essential for us to strictly control the sewage treatment as our paint shop uses organic solvent. Each paint station discharges sewage containing organic solvent into various wastewater baths and the sewage goes through a reaction bath and pH bath for pH conditioning. After the pH bath, the sewage goes to the sludge collector to collect the sludge in the sewage and to the neutralization bath to stabilize the pH before release. At the time of release, the water is pollutant-free and can be safely released.



〈Improvement for reducing sewage sludge〉

The sludge collector is composed of alternative layers of sludge panels (40 panels) and filter fabric panels (41 panels). The sludge panels are covered with filters to trap sludge and compressed by the press machine. This collector filters the sewage and collects sludge included in the sewage. The sludge is land-filling waste and the key to reducing sludge volume is to dry out the sludge as much as possible. The flow of sewage was improved by reducing the pressure of the sludge collector, preventing the sludge from adhering to the filter fabric, and reduced clogging of filter fabric panels. The drying was successfully improved by doubling the air feeding time before removing the sludge. Through these improvements to remove moisture from the sludge, the operating efficiency of the sludge collector was improved remarkably and the volume of sludge was cut in half.



※Sludge: Muddy substances, including paint, discharged at the time of sewage treatment.

〈Awarded “Originality and ingenuity merit award” of Ministry of Education, Culture, Sports, Science and Technology〉

Our sewage sludge reduction activities at Iseki-Niigata MFG. Co., Ltd. were highly esteemed by external stakeholders and awarded the originality and ingenuity merit award of Ministry of Education, Culture, Sports, Science and Technology.

Iseki group promotes these company-wide improvement activities. Based on “3R” principle, “Reduce”, “Reuse”, and “Recycle”, we will strive harder than before to further reduce wastes.



Members who were awarded “Originality and ingenuity merit award”
(From the left, Yoshio Noma, Haruyuki Yokota, Masaru Minagawa.)



The originality and ingenuity merit award medal.

Optimal control and reduction of use of chemical substances

Environmental performance

【Optimal control of chemical substances】

The emission volume (1 ton or more) of class-1 chemical substances according to PRTR Law is as follow.

Most of them are the substances contained in the paint solvent, and thus we are trying to reduce their volume by improving the paint film thickness. As aforementioned, the

sales of 2004 increased, and the usage of paint and volume of emitted chemical substances increased as well. The use of water-soluble zinc compound and formaldehyde was 100% reduced. We will reduce the use of environment stressing substances using an appropriate control.

	2001 (Registered in 2002)					2003 (Registered in 2004)					2004 (Registered in 2005)				
	Matsuyama	Kumamoto	Niigata	Houei	total	Matsuyama	Kumamoto	Niigata	Houei	total	Matsuyama	Kumamoto	Niigata	Houei	total
xylene	24.7	26.7	20.0	6.5	77.9	29.5	36.8	11.0	3.0	80.3	37.7	26.6	13.5	0.0	77.8
toluene	14.2	0.0	15.0	1.0	30.2	25.9	2.1	4.4	0.3	32.7	24.7	2.4	6.0	0.0	33.1
ethyl benzene	15.9	14.7	6.8	0.0	37.4	25.9	9.9	9.4	0.0	45.2	32.1	14.4	9.6	0.0	56.1
water-soluble zinc compound	0.0	0.0	0.0	3.2	3.2	0.0	0.0	0.0	1.5	1.5	0.0	0.0	0.0	0.0	0.0
formaldehyde	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0
zinc nitrate	—	—	—	—	—	—	—	—	—	—	—	1	1	—	—
total	54.8	41.4	41.8	10.8	148.8	81.3	48.8	24.8	4.9	159.8	94.5	44.5	29.1	0.0	168.1

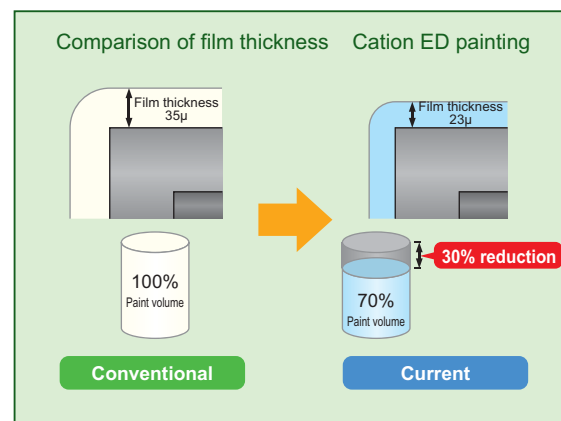
— : Regulations N/A

【Reduction of use of chemical substances】

〈Reduction of use of chemical substances by reducing the volume of paint used〉

The cation ED painting is employed for Iseki's dryers as it is good for the products designed for outdoor use, thus requiring strict painting quality suitable for outdoor use. The cation ED painting uses electric charges to form a paint film on the product using waterborne paint. The painting is even and smooth, without mis-painting, and highly anti-corrosive, on top of its environment-friendly nature as waterborne paint. It is a very safety painting method.

In the past, approximately 35 μ was necessary to make sure to deposit paint film on the surfaces of the product evenly. Currently, the evenness and film depositing are improved and only 32 μ of paint film is enough to achieve the same painting quality as before. It is a 30% reduction.



Eco products

Approach to LCA

Environmental performance

【Product assessment】

Nearly all stresses on the environment during the product's life cycle are determined in the research and development stage. Iseki group established the target assessment items to reduce stressful impacts on the environment through the product's life cycle (material, production, logistics, collection, decomposition, and disposal) so as to continue product development by verifying the condition at each stage of development.

〈Detail assessment control〉

We evaluate the products using even more detailed design check lists in the product development stage. If a design is poorly evaluated, we re-study the design to meet required levels.

Assessment item	Environmental suitability design
Volume reduction	<ul style="list-style-type: none"> Reduction of weight Reduction of number of component parts Commonality of parts Improvement of scrap ratio
Lifetime extension	<ul style="list-style-type: none"> Improvement of durability
Recycling	<ul style="list-style-type: none"> Increasing the number of common materials Material indication
Decomposition	<ul style="list-style-type: none"> Restriction of use of insert parts Cancellation of rivet connection
Environment preservation	<ul style="list-style-type: none"> Reduction of hazardous substances Natural decomposition materials Reduction of volume of oil used Safety of agricultural work Conformity to engine exhaust gas regulations
Energy-saving	<ul style="list-style-type: none"> Computer-controlled engine output Employment of high-efficiency transmission mechanism

Approach to LCA

Environmental performance

【Approach to LCA】

Iseki group employs LCA (Life Cycle Assessment) which enables an assessment of the total impact of developed products on the environment at the time of product development.

As a matter of course, at the time of product development phase, we check the stress on environment during product use in addition to the verification of the stresses, which may be created at the stages of material, production, logistics, collection, decomposition, and scrapping.

Small full-width reaping combine harvester

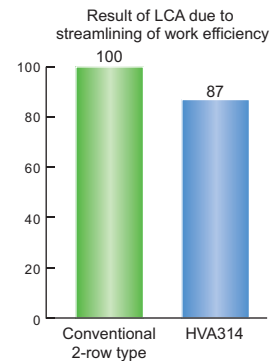
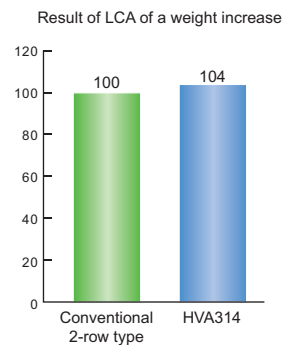
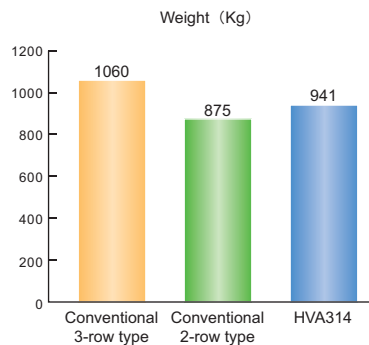
The full-width reaping was possible with the large combine harvesters for reaping 4 or more rows of rice. But the best selling 2-row type was not able to reap rice using its entire front face due to its construction. The full-width reaping combine made possible the elimination of fringe reaping processes, streamlining of circulation reaping processes, and reduction of turning frequency. This directly results in efficient work.

In the case of HVA314, a combine for 3-row reaping was made based on the combine for 2-row reaping. The down-sizing and weight reduction, as well as work efficiency,

were compatible. In comparison to a conventional combine harvester for 3-row reaping, the weight was reduced by 119kg (11%) and in comparison to a conventional combine harvester for 2-row reaping, the weight was reduced by 66kg (7%) so that this actualized the full-width reaping. When the LCA (life cycle assessment), which assesses the environmental stress, is compared with the conventional combine harvester for 2-row reaping, the environmental stress increases by 4% (CO₂ standard) in the stages of material procurement and production while it is reduced by 13% in the product use stage.



Combine harvester VIVA314



In this LCA graph, the figure is indicated provided that CO₂ is 1.

Development of semi-automatic vegetable transplanter

When planting vegetable seedling using a machine, it is normal to use mulch, such as mountain soil and peat moss, and nursery materials such as nursery trays. For the planting of cabbage, which is transplanted conventionally, there is a strong demand for lightening the planting work using a machine. In the case of LCA of PVH1-60FVL, which enabled the conventional transplanting of cabbages using a machine, CO₂ emission was reduced by 23% (CO₂ standard) when compared with the cell tray system which uses the seedling materials.



Vegetable transplanter PVH1-60FVL

Environmental stress at the time of diesel engine development

The nitrogen oxide (NO_x) and particulate materials (PM) emitted from diesel engines are said to be air pollutants and to cause environment pollution. In order to reduce such air pollutants, we developed environment-friendly diesel engines. Our engines are world-wide emission gas standard (EPA, CARB, EC) certified engines and have already reached compliance with the special automobile emission gas regulation which came into effect in Japan in 2003.



Dilution tunnel equipment

Names of standards	Special automobile emission gas standard	40CFR§89	Directive 97/68/EC
Area	Japan	North America	EC
Authority	Ministry of the Environment, Ministry of Land, Infrastructure, and Transport	Environmental Protection Agency (EPA)	EC member countries
Engine type	Diesel engine	Diesel engine	Diesel engine
Output restriction	19kW or more, less than 560kW	All output zones	19kW or more, less than 560kW
usage of engine	Special vehicles (agricultural, construction, and industrial)	Non-road machines	Non-road machines
Substances of control subject	NO _x , HC, CO, PM, black smoke, FA	NO _x + HMHC, CO, PM, Transient smoke	NO _x , HC, CO, PM
Time to start the control	October 1, 2003	January 1, 1996	December 31, 1998

Trend of emission gas control

Designing for environmental conformity

Environmental performance

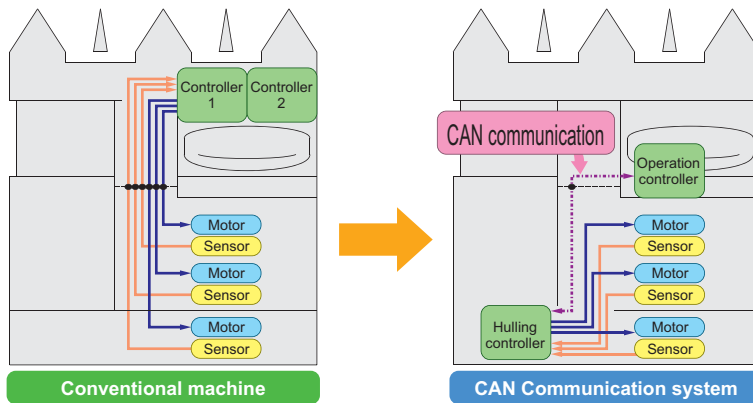
In 2004, we mainly dealt with reducing the number of and the length of cables, wires, and harnesses.

〈Approach to the reduction of the number of cables, wires, and harnesses〉

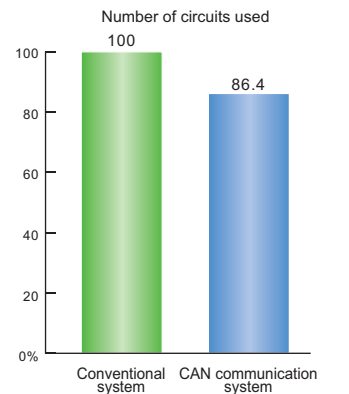
The tractors, combines, and rice transplanters are motorized and computerized: therefore, they greatly contribute to man-power saving. However, along with the said motorization and computerization, the number of wires, cables, and harnesses used for such machines increased remarkably. Iseki applied the in-vehicle LAN (local area network) technique and reduced the number of

circuits by approximately 15%. Such reduction also contributed to weight reduction and assembling and disassembling efficiency. In the case of driers, the number of wires, cables, and harnesses, as well as their length, is reduced by changing our mind-set. The number of parts was reduced and disassembling efficiency improved while maintaining identical functions as conventional machines.

Combine HF443 ~ 559 series CAN communication

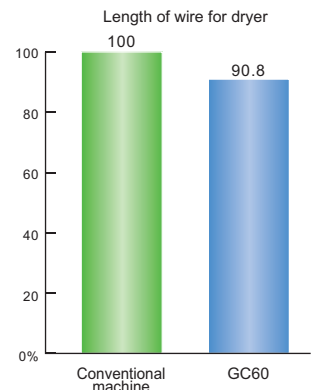
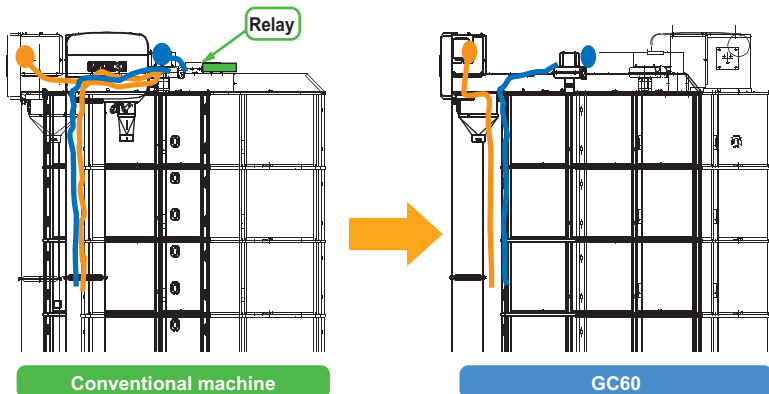


CAN (Controller Area Network) In-vehicle LAN technology which using communication



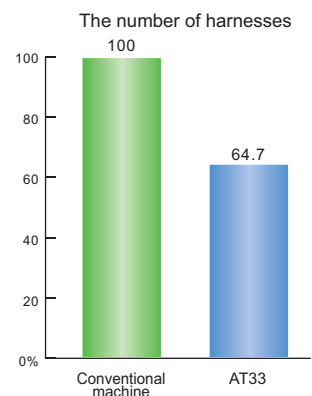
The index for the conventional system is 100.

Dryer GC60 Cabling route



The index for the conventional system is 100.

Reduction of the number of harnesses used for AT tractor



The index for the conventional system is 100.

Supporting nature-friendly farming

Environmental performance

【Development of rice transplanter which has a self-supporting rectilinear propagation function and enables the farmer to skip drainage of ponded water】

Straight rows of rice seedlings appear nice.

With the conventional machine, we needed to drain ponded water before planting work in order to make markings for planting rice seedlings.

〈Joint development business with BRAIN (Bio-oriented Technology Research Advancement Institution) and affiliated companies〉

It is an important point for rice transplanters to have a rectilinear propagation function when planting rice. Due to this, we have normally drained ponded water so that the markings, which are made with the line marking device, can be recognized easily. Iseki worked cooperatively with the BRAIN and other affiliated companies so as to develop a self-supporting rectilinear propagation function which utilizes the earth's magnetism. We expect another relief from stress on environment. In Shiga prefecture, they reported that the use of irrigation water including that used for water controls can be reduced by 14%. We expect another reduction of environment stress by saving fertilizers will be made possible.



Rice seedling feeding while traveling autonomously

【Approach to the nature-friendly farming in the hot houses】

〈Restrict impacts to the eco system〉

Recently, many farmers use bees for pollinators inside the hot houses. Currently, bees from other countries are used; however, we are trying to use domestic bees to inhibit the use of foreign bees and minimize the impact to the eco-system.



Blowhole of bees

〈Reduction of stressful and heavy work and industrial wastes〉

The fruit vegetables are cultivated using binding strings. Natural material strings are not as strong as plastic strings, natural material strings are heavier than the natural stings, and farmers do not prefer to use them. Most of the strings used currently are plastic, and it is necessary to dispose of them separately. Iseki has developed a type of plastic which has sufficient strength but decomposes naturally so that the separation is no longer needed and the reduction of industrial wastes can be achieved.



Binding of tomato (biodegradable strings are used)

Green purchase

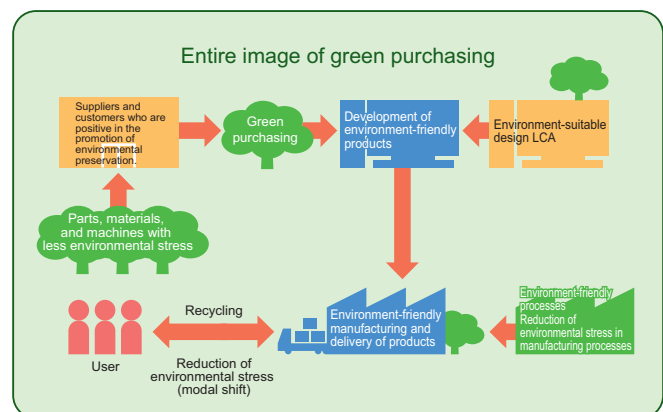
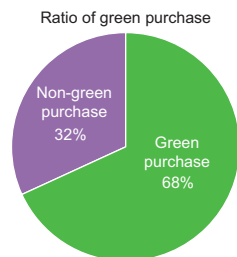
Green purchase

(As the Law on Promoting Green Purchasing was in force since April, 2001, we are supposed to purchase articles and merchandises which cause less stress on environment. This is called "Green procurement" or "Green purchase".)

Environmental performance

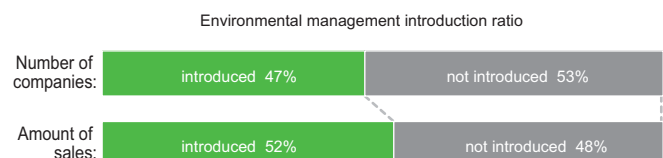
〈Green purchase of office suppliers〉

We have established a green procurement standard for approximately 5200 items in 14 categories, in accordance with GPN. We will purchase environmentally labeled products, such as with eco marks, at higher priority. In 2004, 68% of total office supplies purchases were of green products.



〈Level of environmental awareness of our customers and suppliers〉

The ratio of green purchasing, which is the standard at the time of introduction of environmental management, by our suppliers and customers was as follows: The number of customers and suppliers: 47%, The ratio of sales: 52%.

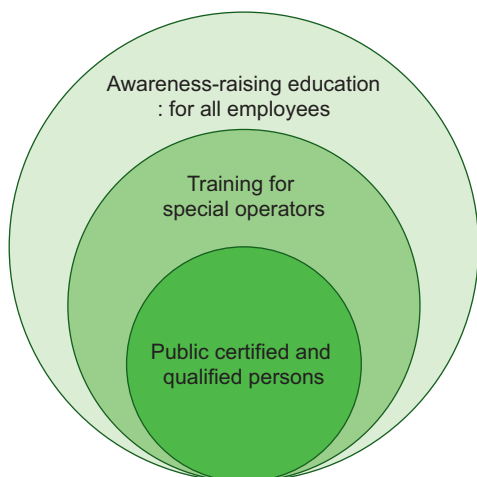


Education and training for environment / Qualified persons

Collaborative creation together with our stakeholders

〈Approach to systematic environmental education and training〉

There are three steps in the approach to environmental education for enhancing awareness of each individual depending on the level of environment stresses, awareness-raising education to make people more conscious about environment, training for operators which provide especially good impacts on the environment, and actions which require legal certification and qualification.



Education and training for environment / Qualified persons

〈Strict compliance to environment-related laws and legal qualification and licenses related to environment〉

Recognizing that the strict compliance with environment-related laws is the base of environment preservation activities, Iseki requests all our employees to observe laws and to be qualified. In order to secure necessary qualification to optimize the environmental control, we hold seminars for pollution supervisors, chief electrical engineers, and boiler engineers to promote the positive challenge to be qualified. The numbers in the following table show the officially qualified employees by the environment-related authorities as of the end of March, 2005.

Name of qualification		Number of employees
Pollution chief supervisor		3
Pollution supervisor	Air	14
	Water quality	20
	Noise	19
	Vibration	15
	Dioxin	2
Energy control engineer	Electricity	4
	Heat	2
Chief electrical engineer		22
Boiler engineer		69
Special control waste control chief engineer		2
Industrial waste treatment facility engineer		2
Specific chemical substances chief operator		2

The number of employees qualified

〈Environmental education〉

The first step in environmental preservation can be the self-awareness of each individual. Iseki group provides each employee with opportunities to raise awareness on the environment through environmental education in each district and through Iseki group newsletters.



Training for pollution supervisor

〈Environmental training〉

Employees must complete specific training and education before working as casting operators or welding operators as such operations may have significant negative impacts on the environment. In such training and education, we provide them with information about the negative impacts of certain operations, daily control methods, monitoring and measuring methods and emergency procedures in accordance with the standard of operational procedure.

〈Training for internal environment auditor〉

The environment management system can be maintained optimally by the yearly regular audits by external agencies and the internal auditing system. We, Iseki group, think that the training for the internal auditors is the important point to improve and maintain the environment management system, and provide consistent training of the third party agents.

Environmental communication

Collaborative creation together with our stakeholders

To exercise our responsibility as a company having a very close contact with the community, we support various activities in each community.

Contribution to the development of community is a priority mission of Iseki group.

〈Introduction of tractor manufacturing processes〉

The Economy, Trade and Industry Bureau of Shikoku has a web site, "Plants which are in Shikoku area and manufacture products which can be easily understood by fifth and sixth grade elementary school pupils" and companies which wish to introduce their manufacturing processes can display the "Craftsmanship used in their production" in the virtual plant tour page called "Manufacturing expedition team" to help children to understand manufacturing in a simple way. Iseki-Matsuyama MFG. Co., Ltd. introduced our manufacturing processes from the beginning to the final step, the shipment of completed tractors, in the "Manufacturing expedition team" web site. This site was introduced by "Shikoku economic Navi" and we had a favorable reception.

This kind of web site is effective and helps children to be interested in manufacturing. On the other hand, there is limited information about "Manufacturing" and it is not useful for the education of pupils in the elementary school classroom as general education. The Economy, Trade, and Industry Bureau of Shikoku aims to enhance this web site and encourage the access of children to the "Manufacturing expedition team" site so that as many children as possible who visit the site will develop an interest in "Manufacturing". Iseki has that same spirit and we introduced the manufacturing processes of our tractors, which can be easily visualized even by the elementary school children, in the site.

Iseki group is committed to taking aggressive action in each district to contribute to the raising up of human resources who can be the leaders of manufacturing industries in the next generation.



※Web site of Economy, Trade and Industry Bureau of Shikoku.
<http://www.shikoku.meti.go.jp/>

←Click here to see the site.

〈Execution of Clean activity〉

Iseki's employees engage in a cleanup activity in each district as a part of "Contribution to the community" which is one of our environment policies.



Iseki-Matsuyama MFG. Co., Ltd.



Iseki-Kumamoto MFG. Co., Ltd.



Iseki-Niigata MFG. Co., Ltd.



Process to complete a tractor !





 Now, it is the start of assembling of a tractor.

 The room with a windshield, called cabin, is assembled. There are many instruments mounted in the cabin so that farmers can drive the tractor comfortably.



 Many people are involved in the manufacturing of a tractor until the completion of its assembling.

 The complete tractor leaves here to many destinations in the world.

 Bon voyage! We send you forth with best wishes for world agriculture.

completed tractor

〈Acceptance of plant tour〉

Each division of Iseki accepts visitors from the community and elementary school children who wish to see our plants as a social study's field trip. Especially, there are many visitors accepted by the Iseki-Matsuyama MFG. Co., Ltd. in Ehime prefecture where Iseki & Co., Ltd. was founded as this plant was appointed as a "Energy Environment Education Facility" by the Socioeconomy productivity office.



History of products



Museum in Iseki-Matsuyama MFG. Co., Ltd.

〈Information offering from web site〉

We also introduce Iseki's activities on environment preservation on our web site. There is a "mail to" address for your questions and suggestions. For more information, see our web site.

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

Iseki-Matsuyama MFG. Co., Ltd.

Environmental data

〈Company profile〉



Address	700 Umaki-cho, Matsuyama-shi, Ehime prefecture
Number of employees	574
Area	151,000m ²
Major products	Tractor, medium and small combines, dryer, engine

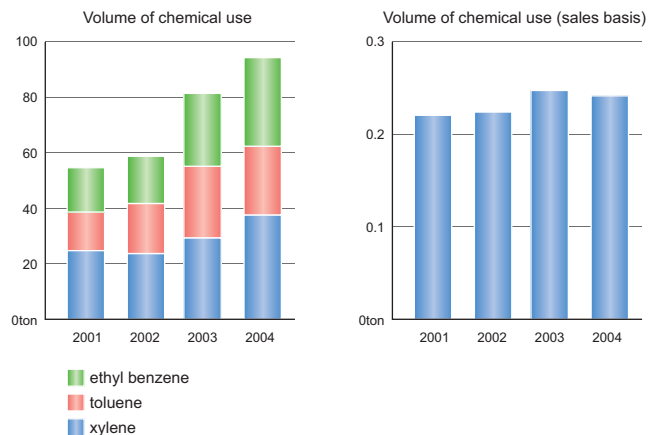
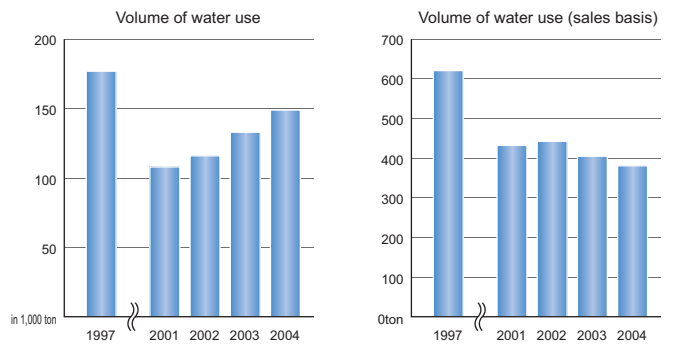
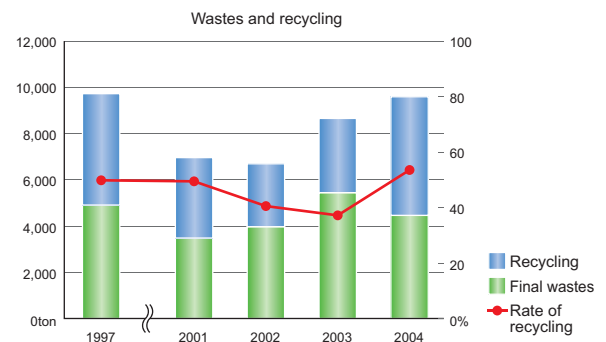
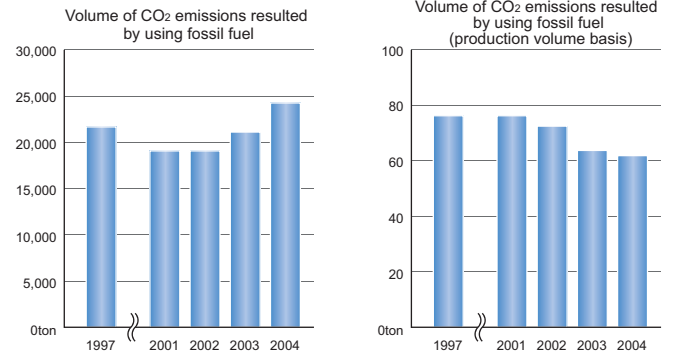
〈Basic principles on environment〉

Seto Inland sea, one of the incomparably beautiful seas in the world. Blue sea dotted with green islands under a blue sky. Iseki-Matsuyama MFG. Co., Ltd. promotes our environmental friendly businesses as our principles are to preserve our blessed natural environment.

〈Action policy〉

1. Continuous improvement
Improve the environmental management system and environmental performance by observing the environmental management system based on ISO14001.
2. Observation of laws and regulations concerning environment
Observe laws, regulation, and agreements entered by the division concerning environment.
3. Mitigation of negative impacts on environment and prevention of contamination
 - 1) Minimize volume of electric energy use
 - 2) Minimize volume of fuel and wood use
 - 3) Segregate wastes and recycling
 - 4) Control chemical substance optimally
Set up objects and targets to the technical and economical extent possible, review these on regular basis to deploy to the activities, and enhance corporate profit in addition to the mitigation of negative impacts on environment and prevention of contamination.
4. Contribution to community
 - 1) Save water and use water efficiently as a corporate citizen in order to contribute to the severe water issues that our community has.
 - 2) Participate in the environmental preservation activities in our community proactively.
5. Familiarization of information to all employees
Familiarize all the information of environmental policy to all employees in the company and deal with the environment issues together through a publicity using company news and environmental education.

〈Environmental data〉



Iseki-Kumamoto MFG. Co., Ltd.

Environmental data

〈Company profile〉



Address	1400 Yasunaga, Mashiki-machi, Kamimashiki-gun, Kumamoto prefecture
Number of employees	261
Area	215,500m ²
Major products	Medium and large combines, multi-purpose combine, construction machines

〈Basic principles on environment〉

Mountain Aso with one of the largest caldera in the world, clean spring water in a rural paradise which spreads around the skirt of the mountain, under the high blue sky. We live by means of this rich nature and want to live in harmony with this natural wealth. Iseki-Kumamoto MFG. Co., Ltd. recognizes the multiple functions and roles of agriculture and agricultural villages by supplying them with agricultural machines; therefore, we establish our action guidelines based on honest thinking about what shall be done to preserve this wonderful natural environment and what can be done.

〈Action policy〉

1. Continuous improvement

Improve the environmental performance by observing the environmental management system based on ISO14001.

2. Observation of laws and regulations concerning environment

Observe laws, regulation, and agreements entered by the company concerning environment.

3. Mitigation of negative impacts on environment and prevention of contamination

- 1) Promote energy-saving and resource-saving
- 2) Promote reduction of industrial wastes
- 3) Accelerate recycling approach

Set up targets to the technical and execute and review on regular basis so as to mitigate negative impacts and prevent contamination.

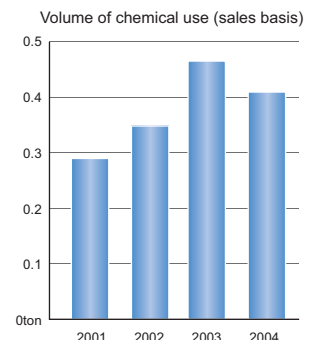
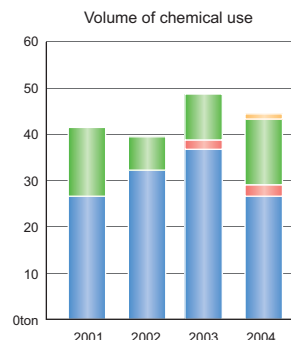
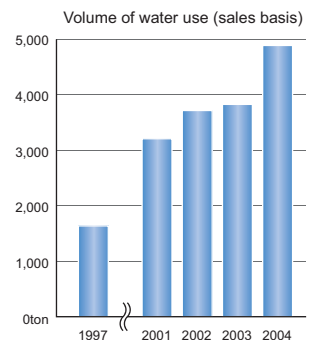
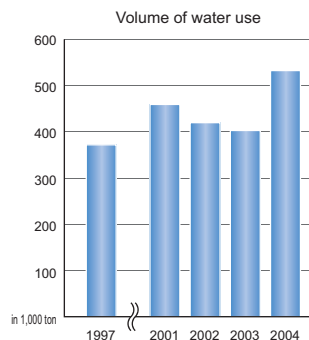
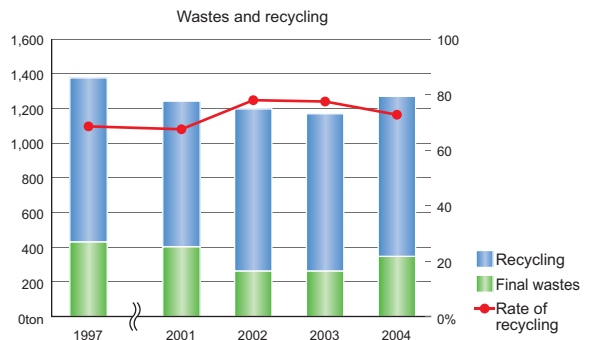
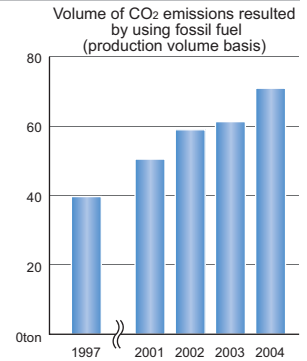
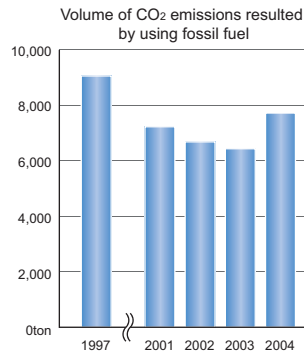
4. Contribution to community

Open company welfare facilities up to public and contribute to the environmental preservation through cleanup activities.

5. Familiarization of information to all employees

Familiarize all the information of environmental policy to all employees and constituent members in the company and deal with the environment issues together through a publicity using company news and environmental education.

〈Environmental data〉



zinc nitrate
ethyl benzene
toluene
xylene

Iseki-Niigata MFG. Co., Ltd.

Environmental data

〈Company profile〉



Address	3-12-23 Nishi-ohsaki, Sanjo-shi, Niigata prefecture
Number of employees	202
Area	29,000m ²
Major products	Rice transplanter, rice huller, vegetable transplanter, binder

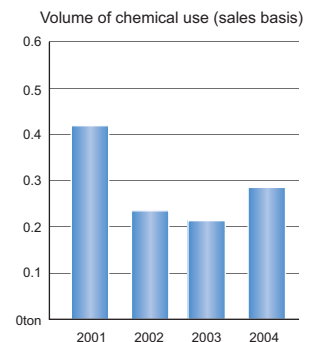
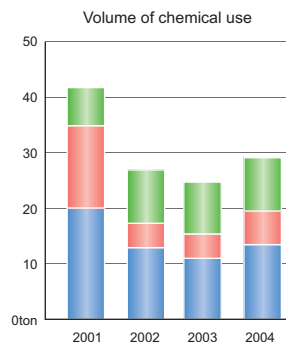
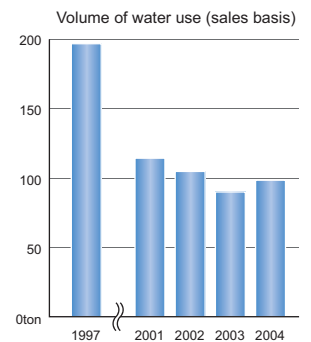
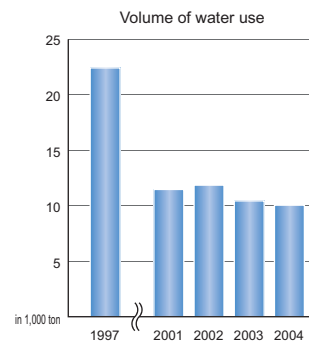
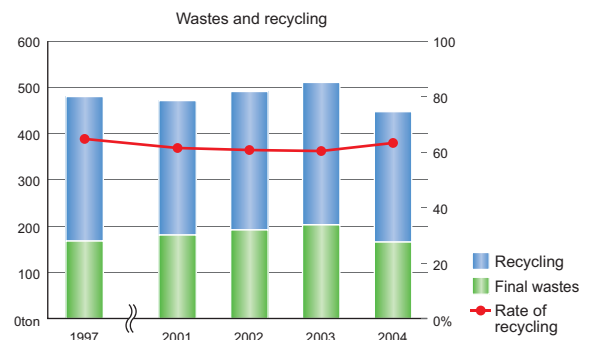
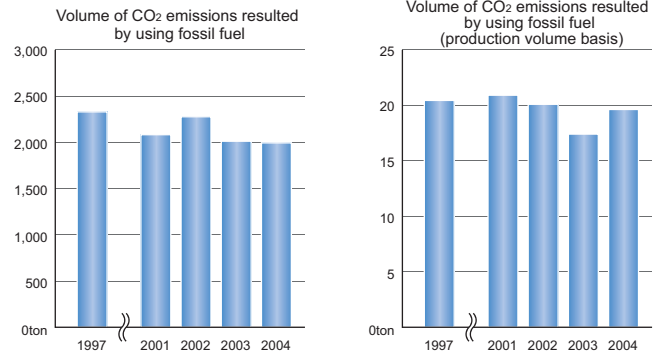
〈Basic principles on environment〉

Clear water from Igarashi river, a feeder stream of great Shinano river, natural environment surrounded by mountains of Echigo, and the Echigo Plain known as an area which boasts of abundant rice production. Iseki promotes this business in harmony with the natural environment through a supply of agricultural machines to preserve this blessed environment.

〈Action policy〉

1. Observation of laws and regulations concerning environment
Observe laws, regulation, and agreements entered by the company concerning the environment and the environmental management system based on ISO14001.
2. Mitigation of negative impacts on environment and prevention of contamination
Set up the environmental target and aim to improve the environmental performance continuously. The framework of periodic review and execution are as follows:
 - 1) Improve energy use
 - 2) Improve use of natural resources
 - 3) Reduce waste and recycle
3. Familiarization of information to all employees
Familiarize all the information of environmental policy to all employees and constituent members in the company and promote the environment preservation activities by having close communication with the community.

〈Environmental data〉



■ ethyl benzene
■ toluene
■ xylene

Iseki-Houei MFG. Co., Ltd.

Environmental data

〈Company profile〉



Address	878-1 Umaki-cho, Matsuyama-shi, Ehime prefecture
Number of employees	276
Area	5,028m ²
Major products	Cultivator, control machine

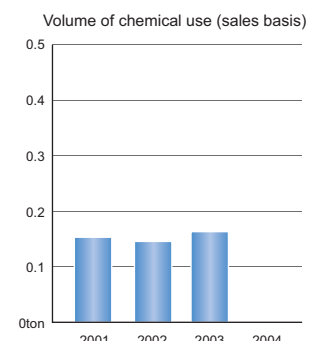
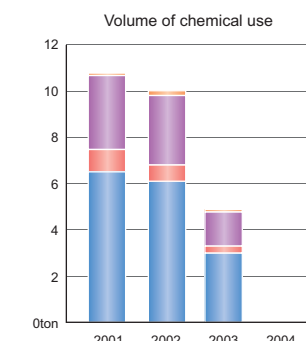
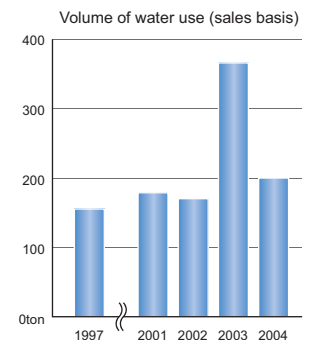
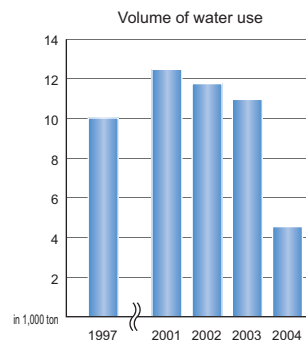
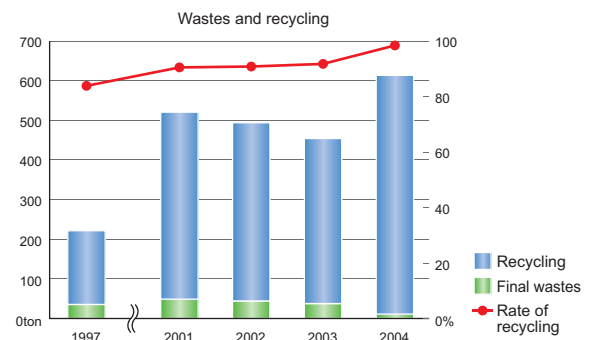
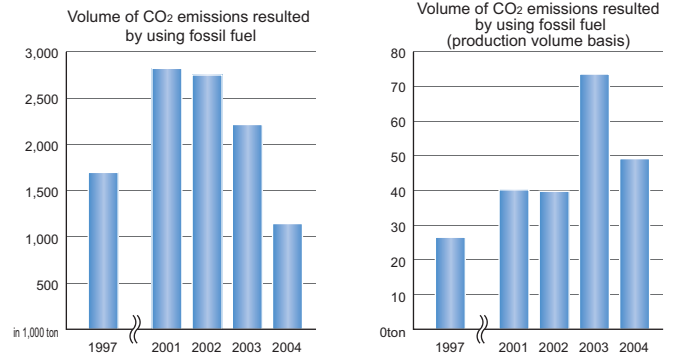
〈Basic principles on environment〉

We promote the preservation of the community adjacent to the Seto Inland Sea National Park and the creation of a people-friendly working environment for our employees.

〈Action policy〉

- Continuous improvement
 - Improve the environmental management system and environment performance continuously by observing the environmental management system based on ISO14001.
- Observation of laws and regulations concerning environment
 - Observe laws, regulation, and agreements entered by the division concerning environment.
- Mitigation of negative impacts on environment and prevention of contamination
 - Reduce electric energy use
 - Reduce water use
 - Segregate wastes and recycle
- Contribution to community
 - Save water and use water efficiently as a corporate citizen in order to contribute to the severe water issues that our community has.
 - Participate in the environmental preservation activities in our community proactively.
- Familiarization of information to all employees
 - Familiarize all the information of environmental policy to all employees and constituent members in the company and deal with the environment issues together through a publicity using company news and environmental education.

〈Environmental data〉



Achieving harmony between human beings and the earth



Contact about this report

Environmental Control Department, Iseki & Co., Ltd.

〒791-2193 1 Yakura, Tobe-cho, Iyo-gun, Ehime prefecture
Phone: +81-89-957-3311 (main switchboard) Fax: +81-89-957-7959
E-mail: kankyo@iseki.co.jp

Issued in Aug., 2005

