

*Achieving Harmony  
between Human Beings  
and the Earth*

Iseki aims to  
“live peacefully with a stable natural environment”

***Environmental Report***

***by ISEKI & CO., LTD***



**井関農機株式会社**

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### The coverage of this report

Term covered : 2008 Fiscal Year  
(From April, 2008 to March, 2009)

Activities covered : Domestic activities

Organization : Iseki & Co., Ltd., affiliates, domestic  
covered distributors and sales subsidiaries

Guideline used : Environmental Report Guideline  
as reference (2003 and 2007 editions)  
by The Ministry of The Environment

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

While global warming and the depletion of energy resources have become critical global environmental issues, it was agreed by representatives of the participating countries in the last Toyako Environmental Summit that all countries shall unite even more closely in order to halve the volume of greenhouse effects gasses as presented in a plan, “Cool earth 50.” Upon this agreement, it is a great challenge for us to find realistic ways of attaining a 6% reduction in total emission levels as recorded in the year 1990, starting from 2008, the first year of Primary Commitment Period (2008 to 2012) mentioned in the “Kyoto Protocol.” In Japan, responsibilities imposed not only on manufacturing companies but also on every entity have become extremely critical after an amendment of a Law concerning the Rational Use of Energy. Meeting this challenge means the fight against global warming must be accelerated in various fields of people’s lives through the motivation and actions of each individual in Japan.

Since its foundation over 80 years ago, Iseki has made exertions to improve the productivity through the promotion of agricultural streamlining and by reducing fatigue farming work through providing agricultural machines. An effective use of bio-mass for agriculture in which Iseki Group’s business is based allows for not only great contributions with respect to the prevention of global warming by controlling the emission of greenhouse effect gasses and the formation of a recycle-oriented society by utilizing resources which had been normally disposed of as wastes, but also for regional revitalization and an increase in job opportunities. Iseki believes that we can serve society by tangibly improving food self sufficiency rates through the utilization of sparse planting technology that we have been developing through improvements in agriculture and agricultural machinery, provide insight regarding the expansion of consumption such as the local consumption of local products, and by providing information regarding dietary education and the future of our food strategy.

Iseki Group recognizes that it is our social responsibility to contribute to society which is in the stage to be recycle-oriented. We therefore position these as important management tasks among others. Our environment preservation activities were started primarily at our manufacturing factories and they have now spread widely throughout the entire scope of our business, from headquarters to sales subsidiaries, through the implementation of the Environmental Management System (EMS). From initial product development, manufacturing, product logistics and all the way to after-sales activities all business activities at Iseki Group are based on a tangible target and the management system so as to be an environment-conscious company. Iseki continues our efforts to be of assistance in establishing a “prosperous community, constantly growing in affluence.”

We are pleased to have an opportunity to publish this 2008 report of our approach and actions to preserve the global environment. Iseki Group carries out now and in future years, our social responsibilities to even greater improve the environmental quality through the group-wide environmental management activities. We would like to ask for your further support, assistance, and cooperation to make our activities successful.



President

蒲生 誠一郎

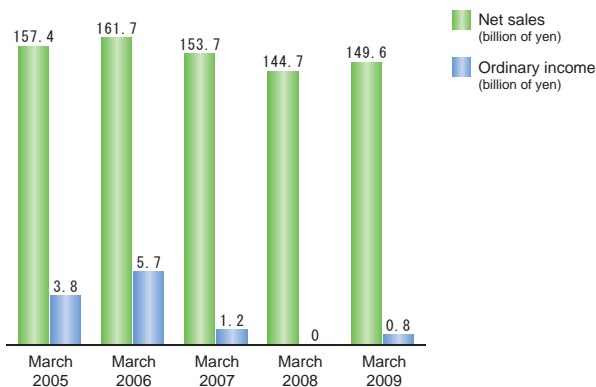
Seichiro Gamo

# Outline of our business

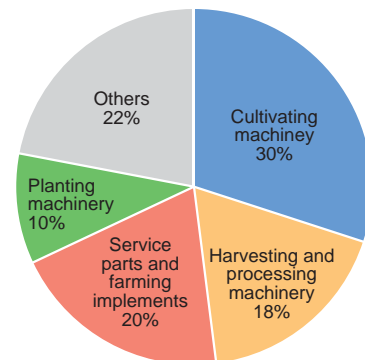
## 〈Company profile〉

Company name	ISEKI & CO., LTD.
Headquarter	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 22,784,000,000 (as of March 31, 2009)
Employees	Consolidated: 6,514 (as of March 31, 2009)
Business	Manufacturing and sales of following products as our major business. Cultivating machinery ..... Tractors, Cultivators, Tillers, Lawnmowers Planting machinery ..... Rice transplanters, Vegetable transplanters Harvesting machinery ..... Combine harvesters, Binders, Harvesters, Vegetable harvesters Processing machinery ..... Rice hullers, Dryers, Rice milling Rice graders, Vegetable harvesting and processing machinery Others ..... Farming implements, Spare parts, Agricultural facilities

## 〈Achievement trends (consolidated)〉



## 〈Sales composition by product category as of March, 2009 at the end of fiscal year〉



## 〈Financial statements〉

(As of March 31, 2009)

(From April 1, 2008 to March 31, 2009)

Summary of consolidated balance sheet			
Account	Amount (in mil. JPY)	Account	Amount (in mil. JPY)
Cash equivalent	5,708	Notes and accounts payable, trade	43,801
Notes and accounts receivable	28,734	Short-term borrowings	32,860
Inventories	41,976	Long-term debt	17,808
Others	4,192	Others	24,837
<b>Current assets</b>	<b>80,611</b>	<b>Total liabilities</b>	<b>119,308</b>
Tangible fixed assets	79,988	Common stock	22,784
Intangible fixed assets	842	Capital surplus	12,815
Investments and other assets	9,559	Retained earnings	4,072
<b>Fixed assets total</b>	<b>90,390</b>	Treasury stock	(185)
<b>Total assets</b>	<b>171,002</b>	Net unrealized holding gain on securities	212
		Land revaluation reserve	10,527
		Foreign currency translation adjustments	(11)
		Minority interests in consolidated subsidiaries	1,479
		<b>Total shareholders' equity</b>	<b>51,694</b>
		<b>Total liabilities, minority interests and shareholders' equity</b>	<b>171,002</b>

Consolidated statement of income	
Account	Amount (in mil. JPY)
Net sales	149,601
Cost of sales	103,736
Gross profit	45,865
Selling, general and administrative expenses	44,287
Operating income	1,577
Non-operating income	1,579
Non-operating expenses	2,384
Ordinary income	771
Extraordinary gains	596
Extraordinary losses	911
Income before income taxes and minority interests	457
Income taxes	455
Minority interests in consolidated subsidiaries	0
Net income	2

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>

Tractors



Rice transplanters



Combine harvesters



Machines for exports



Line-up of other products



Tiller



Inside ridge processor



Onion transplanter



Binder



Dryer



Rice huller



Weighing and separating machine



Coin-operated rice milling machine



Hydroponics facility

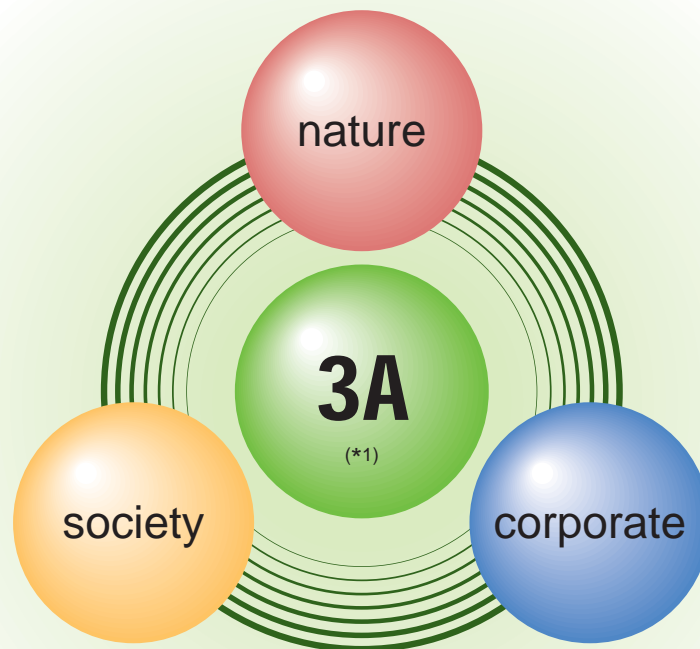
# Eco vision

## Environmental management

Iseki Group 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 ]

<sup>\*1</sup>  
3A is : The management on the **Axis of Agriculture and Agricultural machine (3A)**  
“ Business Management with Agriculture and Agricultural Machinery as its key ”



Iseki Group has walked together with Agriculture since its establishment. Based on our managerial creed, “Management on the Axis (3A) 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 our 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. Maintain environmental management system and its functional applications
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. Environment-friendly manufacturing activities  
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), energy-saving and 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 develop the recycling-oriented and low carbon emission society within all of our group companies.

### ◀Promotional scheme▶

Entire companies within Iseki Group promote the development of recycling-oriented and low carbon emission society by using the environment management system as a tool, through involvement with R & D dept., Production dept., Logistics dept., and sales subsidiaries.

### ◀Environmental planning group meeting▶

The Environment Planning Group Meeting plots out tangible plans to be deployed in each district, provides strategies and advice to the Environment Committee, assists each district to deploy environmental targets and action plans, and manages the progress of such plans. At the same time, the Environmental Management Office and the Product Assessment Committee, which supports the designing of environment-friendly products, are established to assist activities to be efficient and successful.

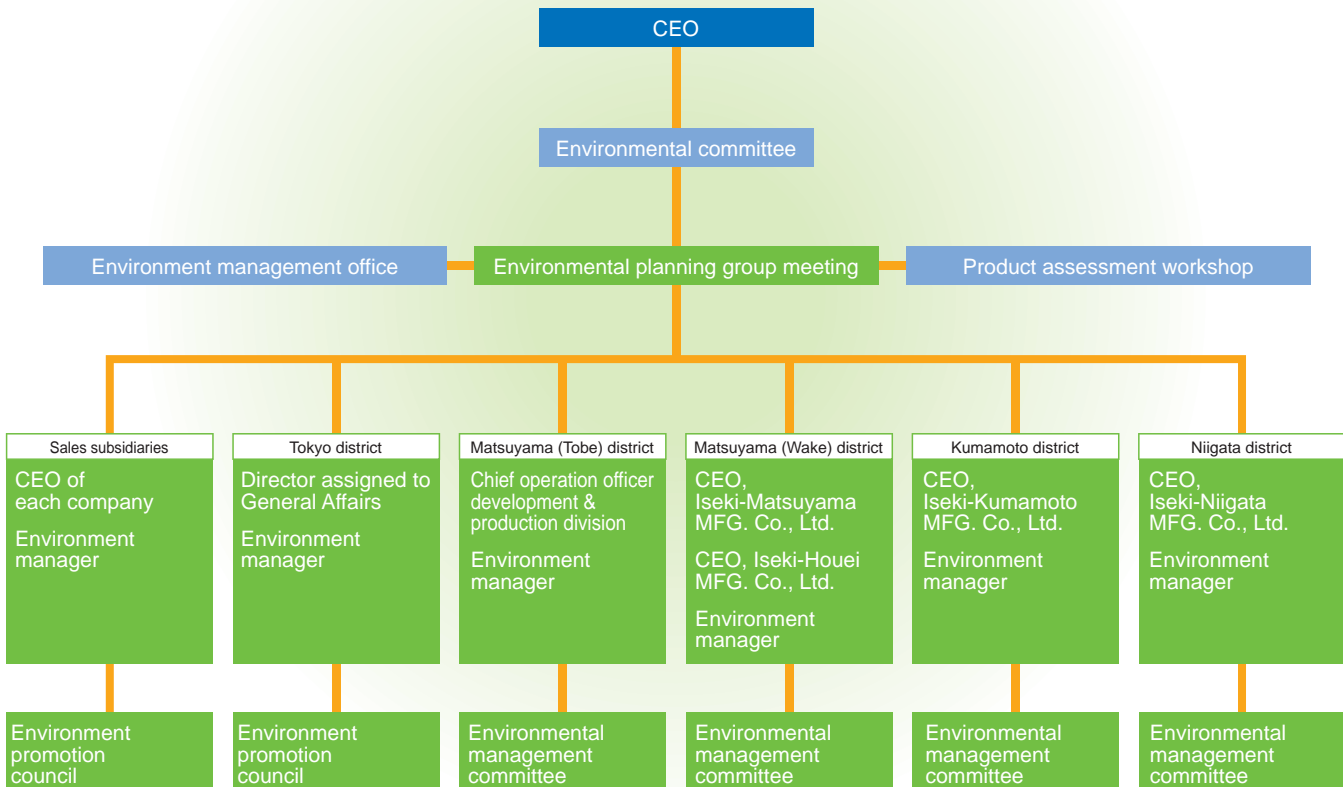
### ◀Environment committee▶

The Environment Committee, whose members include the president as chairman and all directors, deliberates and determines Iseki group's basic policies regarding the environment, as well as the accommodation of management targets, action plans, and corrective actions for critical environmental issues submitted by the Environment Planning Group Meeting.

### ◀Environment management system employed in each district▶

An Executive Officer responsible for the environmental management activities and the Environmental Management Officer are assigned to Tokyo, Matsuyama (Tobe), Matsuyama (Wake), Kumamoto, Niigata and sales subsidiaries in each district. These executive officers shall be responsible for the determination of policies and the deployment of action plans in each district.

## [ Environmental Management Organization ]

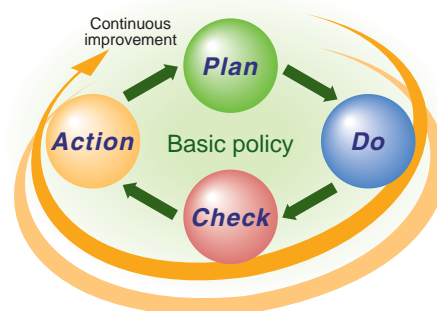


# Environmental management system

## Environmental management

### [ Development of a management system for development of recycle-oriented society ]

Iseki Group has already implemented the Environmental Management System in accordance with the global standard, ISO14001, and the environment preservation activity assessment program, EA-21, under supervision of the Ministry of the Environment and continues environment preservation activities for development of recycling-oriented and low carbon emission society. The certified companies in each district take responsibility for deploying activities which are most suitable for both the regional characteristics of community and the business activities of Iseki. We apply the process of "Plan, Do, Check and Action", which is the basis of the environment preservation activities in accordance with ISO14001 and EA-21, in an efficient manner so as to spiral up the development of recycling-oriented society.



### <Certified environment control system of Iseki group>

As Iseki Group companies were certified the global standard ISO14001 and EA-21 listed below, we support local communities in developing recycling-oriented and low carbon emission societies by playing active roles in environmental preservation activities using these certifications as tools of our activities.

Certification	Business entity	Major business	Registration number	Date of certification
ISO 14001	Iseki-Matsuyama MFG. Co., Ltd.	Manufacturing tractors, small combined harvesters, engines, and dryers	JQA-EM0341	February 26, 1999
	Iseki-Kumamoto MFG. Co., Ltd.	Manufacturing large combined harvesters and multi-purpose combined harvesters	JQA-EM1382	March 9, 2001
	Iseki-Niigata MFG. Co., Ltd.	Manufacturing rice transplanters and rice hullers	JQA-EM3313	August 1, 2003
	Iseki-Houei MFG. Co., Ltd.	Manufacturing cultivators, tillers, lawnmowers, riding mowers	JQA-EM0341	October 1, 2003
	Iseki & Co., Ltd. HQ	Sales of agricultural machinery	JQA-EM5761	March 23, 2007
EA-21	Iseki-Ueki MFG. Co., Ltd.	Manufacturing of precision parts machining, stamping and welding	IGES-0000645	March 8, 2006
	Iseki Hokkaido Co., Ltd.	Sales and servicing of agricultural machinery and sales of agricultural materials	IGES-0000708	March 30, 2006
	Iseki Tohoku Co., Ltd.	Sales and servicing of agricultural machinery and sales of agricultural materials	IGES-0000636	March 6, 2006
	Iseki Kanto Co., Ltd.	Sales and servicing of agricultural machinery and sales of agricultural materials	IGES-0003944	July 31, 2009
	Gunma Iseki Sales Co., Ltd.	Sales and servicing of agricultural machinery and sales of agricultural materials	IGES-0000699	March 30, 2006
	Iseki Shinetsu Co., Ltd. Nagano Office	Sales and servicing of agricultural machinery and sales of agricultural materials	IGES-0000820	June 21, 2006
	Iseki Shinetsu Co., Ltd. Niigata Office	Sales and servicing of agricultural machinery and sales of agricultural materials	IGES-0000768	May 22, 2006
	Iseki Hokuriku Co., Ltd.	Sales and servicing of agricultural machinery and sales of agricultural materials	IGES-0000780	May 25, 2006
	Iseki Tokai Co., Ltd.	Sales and servicing of agricultural machinery and sales of agricultural materials	IGES-0000776	May 25, 2006
	Mie Iseki Sales Co., Ltd.	Sales and servicing of agricultural machinery and sales of agricultural materials	IGES-0000771	May 25, 2006
	Iseki Kansai Co., Ltd. Shiga & Kyoto Office	Sales and servicing of agricultural machinery and sales of agricultural materials	IGES-0000763	May 22, 2006
	Iseki Kansai Co., Ltd. Hyogo Office	Sales and servicing of agricultural machinery and sales of agricultural materials	IGES-0000614	February 17, 2006
	Nara Iseki Sales Co., Ltd.	Sales and servicing of agricultural machinery and sales of agricultural materials	IGES-0000673	March 28, 2006
	Iseki Chugoku Co., Ltd.	Sales and servicing of agricultural machinery and sales of agricultural materials	IGES-0000898	August 2, 2006
	Iseki Shikoku Co., Ltd.	Sales and servicing of agricultural machinery and sales of agricultural materials	IGES-0000670	March 28, 2006
	Iseki Kyushu Co., Ltd.	Sales and servicing of agricultural machinery and sales of agricultural materials	IGES-0000739	May 17, 2006
	Agrip Co., Ltd. Kanto Office	Sales and servicing of agricultural machinery and sales of agricultural materials	IGES-0000774	May 25, 2006

### <Environmental auditing>

FY2008	Iseki-Matsuyama & Iseki-Houei MFG. Co., Ltd.			Iseki-Kumamoto MFG. Co., Ltd.			Iseki-Niigata MFG. Co., Ltd.			Iseki Co., Ltd. HQ offices		
	Total number of departments audited	Nonconformance	Improvement opportunities	Total number of departments audited	Nonconformance	Improvement opportunities	Total number of departments audited	Nonconformance	Improvement opportunities	Total number of departments audited	Nonconformance	Improvement opportunities
Internal environmental auditing	60	0	8	28	0	7	16	0	2	8	0	9
External regular auditing	19	0	11	12	0	6	16	0	7	9	0	4

Iseki carries out internal environmental auditing and regular auditing by external institutions in order to assess if the Environment Management System functions properly and effectively, as well as to ascertain whether approaches to preserve the environment are appropriate. In FY2008, there were no reports of nonconformance after both internal environmental auditing and external regular

auditing. However, the result of auditing is based upon the matters sampled for auditing and not the grounds showing that every matter in Iseki has been carried out perfectly. Iseki, therefore, will continue our follow up on the subjects and utilize every opportunity to conduct improvements.



# Mid-term and long-term environmental targets and results of the FY2008

## Environmental management

Iseki group aims to define the mid-term and long-term environmental targets and achieve our environment target and object by 2010.

Hereby, we report on the results of our major activities in FY2008.

Item	Mid-term and long-term environment targets		Accomplishments in FY2008	Evaluation	Relevant pages
Eco Factory	Prevention of global warming	Reduced the volume of energy-generated CO <sub>2</sub> emission for the total production volume by 15% comparing to the volume in FY1997	<ul style="list-style-type: none"> <li>The volume of CO<sub>2</sub> emission for the total production volume was reduced by 15% of the datum year. Even though the production volume increased from the last year, we succeeded in reducing the total volume of emission.</li> </ul>	○	12
	Reduction of water used	Reduced the volume of water used for the total production volume by 30% or more compared to the volume in FY1997	<ul style="list-style-type: none"> <li>The volume of water used for the total production volume decreased by 27% of the datum year although we started the in-house manufacturing of parts which had been outsourced. As a result of renovation of the water supply piping, a steep reduction from the last year was achieved. From now, the effect of the utility equipment improvement plan will be successfully realized and the target of FY2010 will be achieved.</li> </ul>	○	13
	Reduction of wastes	Reduced the final volume of wastes for the total production volume by 70% or more compared to the volume in FY1997	<ul style="list-style-type: none"> <li>The final volume of wastes for the total production volume was 78% lower than the datum year and 12% lower than the last year as a result of promotion of reuse and recycling, as well as segregation of wastes.</li> </ul>	○	13
	Chemical substance control	Reduced the volume of controlled substances for the total production volume by 20% or more compared to the use in FY2001	<ul style="list-style-type: none"> <li>The emission of controlled chemical substances for the total production volume was only 12% lower than the datum year and 9% lower than the last year as the use of paint and solvents increased due to an increase of production volume. It seems difficult to achieve the target in the FY2010, therefore, we will continue our activities to further reduce such chemical substances including VOC. VOC: Volatile Organic Compounds (causative substance of photochemical smog and allergy)</li> </ul>	△	14

Item	Mid-term and long-term environment targets		Accomplishments in FY2008	Evaluation	Relevant pages
Eco Products	Approach to environment-friendly designing	Promotion and enlarging the application of environment-friendly designing	<ul style="list-style-type: none"> <li>We dealt with the reduction of environment stresses by implementing the environment-friendly designing assessment at each step of DR (design review) and by reducing the number of components, the total weight of machinery, and harmful substances. We are now mainly working on the reduction of harmful heavy metals such as hexavalent-chrome and lead.</li> <li>To reduce the air pollutants discharged by diesel engines using an extra-high pressure fuel injection system, Iseki have developed environment-conscious diesel engines which emit less air pollutants. In addition to meeting the emission control of Japan and other countries in the world, our engines comply with the agricultural industry's voluntary controls which are not legally binding.</li> </ul>	○	14-16
	Promotion of waste products recycle system	Promotion of effective use of resources	<ul style="list-style-type: none"> <li>In order to realize zero emission, Iseki further promotes the recycling of waste products in order to accelerate "3R" principle (Restriction of wastes, Reuse and Recycling).</li> </ul>	○	12
	Promotion of purchasing green	Promoted purchasing green through good relationships with business partners	<ul style="list-style-type: none"> <li>The overall ratio of purchasing green including office supplies in the entire company was 96%. The ratio of the purchasing green for production parts and materials was 52%. Iseki will assist our business partners in developing the environmental management system.</li> </ul>	○	20
	Support of nature-friendly agriculture	Reduction of air pollutants included in the diesel engine emission gas	<ul style="list-style-type: none"> <li>We aim to realize the low carbon emission society through a control of greenhouse effect gasses included in the emissions from a diesel engine.</li> </ul>	○	17-19

Item	Mid-term and long-term environment targets		Accomplishments in FY2008	Evaluation	Relevant pages
Reinforcement of Environment Management Basis	Environmental management system	ISO14001 certificate updating / EA21 certificate updating at each manufacturing plant	<ul style="list-style-type: none"> <li>The headquarter departments and manufacturing plants promote the activities which utilize ISO14001 in most efficient ways.</li> <li>In order to promote the approaches that will realize a recycling-oriented and low carbon emission society, Iseki's Group, including sales companies, have accelerated to be audited on a regular basis while putting the environment management system in practice.</li> </ul>	○	7
	Entrenching of environmental accounting	Introduction of environmental accounting and up-grading	<ul style="list-style-type: none"> <li>We have introduced and deployed an environmental accounting system as an index of our environment preservation activities. We will continue to check if the environmental preservation effects are comparable for the investment in order to prevent the global warming.</li> </ul>	○	9
	Environmental risk management	Strictly obey laws and regulations / Predict potential risks and strengthen the management system in order to prevent the actualization of such risks strictly	<ul style="list-style-type: none"> <li>Iseki cleared all self-directed control standards which are more stringent than the criteria of legal measurement requirements on top of the legal compliance rules. From now, we will promote the matters to be satisfied by the business establishments according to the provisions of Amended Energy-saving Law which specifies the changes from plant basis to company basis, as well as strengthening of the management structure.</li> <li>Iseki implemented emergency training on a regular basis at each business establishment to be able to respond to emergency cases.</li> </ul>	○	9

Item	Mid-term and long-term environment targets		Accomplishments in FY2008	Evaluation	Relevant 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"> <li>We strived to improve the capability of internal auditors through training by external educational institutes while taking necessary measures for aging of such qualified auditors.</li> <li>We recommended employees to have the official qualifications needed to deal with Amended Energy-saving Law.</li> <li>We trained and assigned new internal environment auditors in order to maintain the environmental management system properly.</li> </ul>	○	21
	Environmental communication	Promotion of volunteer activities / enhancement of collaboration with community	<ul style="list-style-type: none"> <li>The renewal of Matsuyama Exhibition Pavilion was completed. Iseki had accepted and arranged the factory tours for elementary school students and general public in order to communicate about the importance of agriculture and agricultural machinery.</li> <li>Iseki's employees joined the environment volunteer activities such as clean-up campaign of the community surrounding each business establishment.</li> </ul>	○	22

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

# Environmental accounting

## Environmental management

Iseki Group deals with the use of aggregated costs used for the environment preservation activities for our management decisions relevant to environment preservation, as well as for a guideline of valuation of business through information disclosures to the public. The implementation of environmental accounting started in FY2004. The amount invested for environment preservation costs (pollution prevention,

environment preservation, and resource recycling costs) in 2008 was 167,000,000 JPY. The total amount of expenses was 643,000,000 JPY that we made through some investments into diesel engine emission gas and maintenance and improvement of the environmental management system.

Environment preservation cost				
Category	Major programs	Amount of investment (in mil. JPY)	Expenses (in mil. JPY)	
(1) Cost spent in the business area	-	138.0	78.3	
Breakdown	① Pollution prevention cost	Sewage treatment	89.0	28.0
	② Environment preservation cost	Inverter installation	44.0	1.9
	③ Resource recycling cost	Waste treatment	4.9	48.4
(2) Cost required at previous and later stages	Green purchasing	0.0	31.2	
(3) Control activity cost	Maintenance of environment management system	0.0	48.8	
(4) Research and development cost	Corresponding to emission gas regulation	28.7	478.7	
(5) Community activity cost	Cleaning activity in the district	0.0	5.6	
(6) Environment recovery cost	-	0.0	0.0	
Total		166.7	642.7	

Scope of aggregation: (Iseki-Matsuyama, Iseki-Kumamoto, Iseki-Niigata, and Iseki-Houei MFG. Co., Ltd.)  
Period of data: April, 2008 to March, 2009

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	2.0
(2) Reduction of environmental stress substances	49.6
(3) Reduction of energy consumption	16.6
Total	68.2

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 inverters and appropriate control and operation of boilers, was 68,200,000 JPY. The physical effect was the reduction of CO<sub>2</sub> emission by 1,470 tons, reduction of water consumption by 138,000 tons, and recycling of wastes by 4,310 tons.

# Environmental risk management

## Environmental management

### [ Actions to comply with Antipollution Laws ]

#### <Establishment of self-directed standards and management in the company>

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 have cleared all the self-directed control standards as a result of activities in 2008.

Measured item	Unit	Iseki-Matsuyama & Iseki-Houei MFG. Co., Ltd.			Iseki-Kumamoto MFG Co., Ltd.			Iseki-Niigata MFG Co., Ltd.		
		Regulatory standards	Self-directed control standards	Result in 2008	Regulatory standards	Self-directed control standards	Result in 2008	Regulatory standards	Self-directed control standards	Result in 2008
Water quality	Volume of suspended substances (SS)	600	500	3	200	40	3	90	45	3
	Volume of biochemical oxygen demand (BOD)	600	500	1.1	25	8	1	60	30	6
	n-hexane (Mineral oil)	5	4	Less than 1	5.0	2.4	Less than 0.5	5.0	5.0	1.0
Air	Particulate	0.30	0.18	Less than 0.01	0.30	0.08	Less than 0.01	0.20	0.10	Less than 0.01
	Nitrogen oxide (NOx)	180	150	62	250	200	66	230	150	52
Dioxin	Emission gas	5.0	3.0	1.3	-	-	-	-	-	-

- : shows standard N/A or not applicable machines

#### <Frequency of environment data measurement>

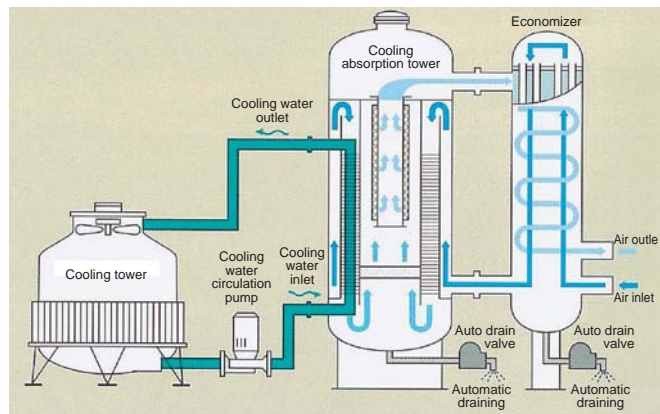
Machine, equipment, and place	Measured item	Measuring frequency		
		Iseki-Matsuyama & Iseki-Houei MFG. Co., Ltd.	Iseki-Kumamoto MFG. Co., Ltd.	Iseki-Niigata MFG. Co., Ltd.
Industrial effluent	Water quality	Once a year	Once a year	Once a month
Casting melt furnace	Air	Twice a year	-	-
Boiler		Twice a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

- : shows standard N/A or not applicable machines

[ Control to inhibit the emission of GHG (Global Greenhouse Gas) ]

< Reduction of the loss of compressed air by using a dehumidifying facility with a de-oiling function (Hygro-master) >

Iseki-Matsuyama MFG Co., Ltd., uses compressed air as a source of energy to operate various equipment and tools. The air compressed by the compressor includes moisture and oil resulting in the need to drain water from the air piping every day. This process is imperative for manufacturing activities in order to maintain quality compressed air does not contain moisture or oil. Our new facility, the "Hygro-master" having de-humidifying and de-oiling functions", has contributed in eliminating the need for daily draining operations as we started to use the hygro-master to dehumidify and de-oil compressed air before feeding the air to various locations required in manufacturing. This has resulted in a reduction of 441,000kWh per year which is equivalent to a reduction of 167 ton of CO<sub>2</sub>, saving approximately 3 million yen in the cost of electricity.



Layout of hygro-master facility

[ Control to inhibit the emission of GHG (Global Greenhouse Gas) ]

< Reduction of CO<sub>2</sub> emissions from boilers >

Iseki-Kumamoto MFG Co., Ltd., steam is used as the heat source in the manufacturing processes, and for air-conditioning and hot water supply. The boiler that we recently purchased is equipped with an inverter and is capable of compensating the revolution when there is a change in the ambient and air supply temperatures in summer time and winter time, maintaining stable combustion by keeping the appropriate air ratio, and maintaining a highly efficient operation rate and clean emission gasses. The boiler efficiency was improved by approximately 15% as small through-flow boilers were introduced, allowing for the control of the number of boilers used depending on the volume of steam required. As a result of fuel-savings from the boilers, we were able to contribute towards the prevention of global warming by reducing the CO<sub>2</sub> emission by 127 tons. This is equivalent to the savings of approximately 4 million yen in fuel costs.



Through-flow boiler

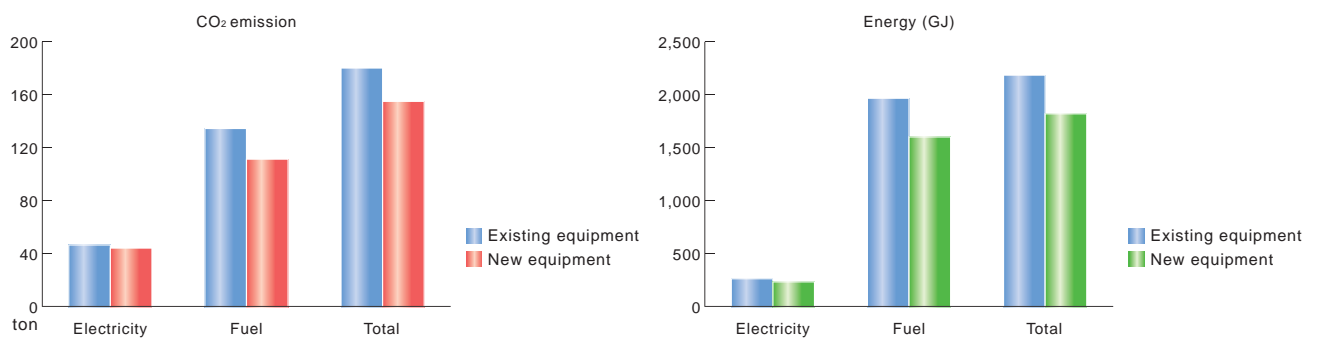
### [ Control to inhibit the emission of GHG (Global Greenhouse Gas) ]

#### < Reduction of environmentally stressful substances by renewing a water cooling and heating machine situated in the office >

The current water cooling and heating machine situated in Iseki & Co., Ltd. Tobe Office became inefficient after a long period of use and thus its capacity for cooling and heating water decreased. A significant improvement of its cooling and heating capacity was not expected even after an overhaul; therefore, a new high energy-saving type of machine categorized in the top runner (a campaign to stimulate energy-savings) was purchased as equipment for environmental innovation. The type purchased at this time meets COP1.2\*1 of JIS, and thus reductions of 5% in the annual use of electricity and 18% in the annual fuel cost were achieved in comparison to the previous machine. These volumes of reduction to electricity and fuel are equivalent to 393GJ of energy, having the same reduction effect as approximately 10,000 liters of crude oil.

As a result, the emissions of CO<sub>2</sub>, a greenhouse effect gas, were reduced by 15%, equivalent to 27 tons-CO<sub>2</sub>. The total amount of savings on electricity and fuel costs per year is approximately 750,000 yen.

Note 1: COP : Coefficient of Performance, showing the ratio of air-conditioning capacity (KW) per consumed energy (KW).



#### <Operation premises>

- Operation hours : 11.5 hrs. per day
- Cooling period : 88 days in average from June to October
- Heating period : 88 days in average from December to March

#### <Cooling and heating machine>



Operation panel



Combustion unit

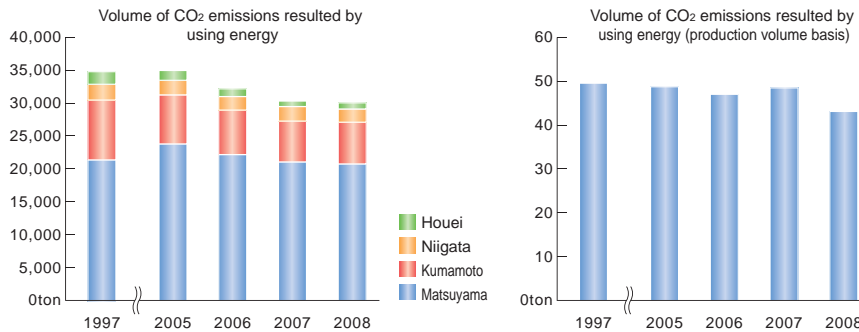
# Promotion of energy saving [ Preventing global warming ]

## Environmental performance

### [ Reduction of energy use in the plant ]

Iseki Group has been striving to reduce energy consumption mainly in manufacturing plants where a large amount of electricity and fuel is consumed by reducing energy consumption required for production activities, by maximizing the efficient operation of all machines and

facility, and by replacing existing machines and equipment with those of energy-saving types. The total volume of CO<sub>2</sub> emissions was well controlled that the volume in FY2008 was 9% lower than the previous year even though the production volume increased.



### [ Reduction of volume of waste products for final treatment ]

#### <Application of waste products recycling system>

Since the latter half of 2007, Iseki Group has implemented and applied an industrial waste products recycling system in order to accelerate the 3R principle (restriction of wastes, reuse and recycling) which has been promoted by the sales subsidiaries for the formation of recycling-oriented society and the promotion of recycling waste products generated as a result of business activities. The annual result of our activities is shown hereunder. From now on, we will establish tangible targets, for example by comparing with data of the previous year, for better approaches in recycling. Iseki will also

use this recycling route in an effective manner so that other industrial wastes created by reasons other than the scrapping of products can be collected together with the scraps for effective recycling. We believe that the recycling of both scrap and industrial waste will greatly contribute towards the formation of low carbon emission society. Iseki has been positively adhering to the new system called the Manifest System in which notification of the disposal of industrial wastes to government authorities has been required since 2008 due to an amendment of Energy Saving Laws.

Submission of Manifest (Industrial Waste Control Boucher) Due date: June 30, 2008

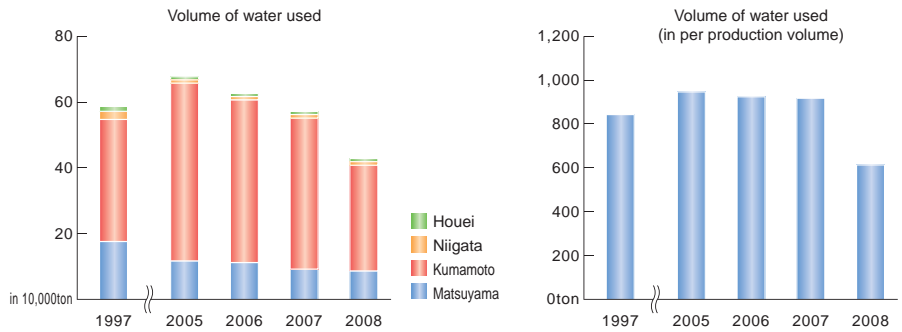
業種	資源		プラスチック		紙		金属類		ガラス		その他		燃焼		不燃		総合廃棄物		その他	
	回収量(トン)	発生量(トン)	回収量(トン)	発生量(トン)	回収量(トン)	発生量(トン)	回収量(トン)	発生量(トン)	回収量(トン)	発生量(トン)	回収量(トン)	発生量(トン)	回収量(トン)	発生量(トン)	回収量(トン)	発生量(トン)	回収量(トン)	発生量(トン)	回収量(トン)	発生量(トン)
全社	87.2	176			87.2	176	25.4	83	90.1	25	0.1	5	0.5	1	5.4	5	0.5	2	0.6	2
株	42.5	115			53.9	153	51.7	59	32.9	9	0.8	6	0.7	6	21.9	21	29.5	13	12.2	25
株	14.9	54	0.3	3	23.9	46	23.2	14	30.9	9	0.2	1	0.8	1	0.5	5	90.5	21		
株					9.0	9									9.0	3				
株	43.7	132			23.9	110	201.8	185	31.2	7	0.3	9			57.6	72			2.0	15
株	5.1	14			0.7	25			7.2	4					0.9	24	7.0	1	6.2	22
株					31.3	115	48.1	43			3.4	11	4.3	24	0.4	21	0.3	4	11.3	12
株	11.4	45	0.4	4	6.0	2	1.2	2												
株	30.9	127			97.2	97	6.9	5	23.5	14					6.1	1	0.9	2	10.9	6
株	46.7	176			9.2	36	157.7	96	27.7	31	0.2	3	3.9	5	7.6	5			0.2	1
株	27.4	95			12.1	17	47.4	17	7.9	3	0.1	1	2.0	1			0.2	6	1.0	14
株	39.9	255			17.6	20	99.9	58	6.0	6	0.2	1			2.2	3	4.4	5	9.3	16
計	329.7	1,204	0.6	7	417.2	714	942.2	942	217.1	164	11.2	39	12.4	30	133.1	166	149.4	57	53.6	113

# Promotion of energy saving [ Preserving water resources ]

## Environmental performance

### [ Reduction of volume of water used ]

According to the installation of the water circulation facility and implementation of countermeasures for water leakage, Iseki strived to reduce the volume of water used. The volume of water used in FY2008 was reduced by 26% from the previous year, by 27% from the datum year in per production volume. The "Century of water" is the word expressing the 21st Century. Iseki will continue our efforts in reducing the volume of water used.

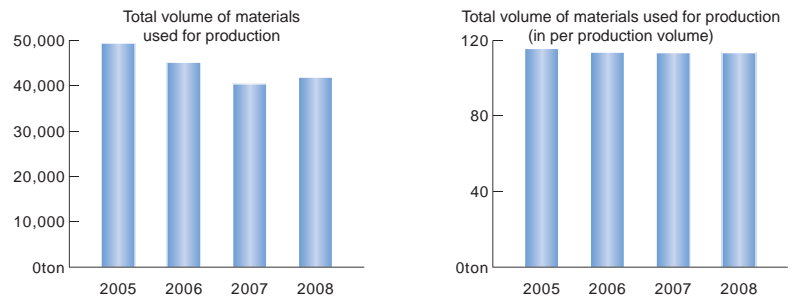


# Promotion of energy saving [ Reducing total material input ]

## Environmental performance

### [ Reduction of total volume of materials used for production ]

Iseki-Matsuyama MFG Co., Ltd. uses the aggregated amount of total materials used as an important index in the reduction of indirect greenhouse effect gas emissions. In order to reduce the indirect generation of greenhouse effect gasses through a reduction in the total volume of materials used and by promoting energy-saving activities, we calculated the total volume of materials used for production. This included all raw materials, indirect production materials, as well as all outsourced and purchased parts. In comparison to FY2007, we increased the total volume of materials used in the FY2008 as the production volume increased. However, the total volume of materials per production volume was unchanged.



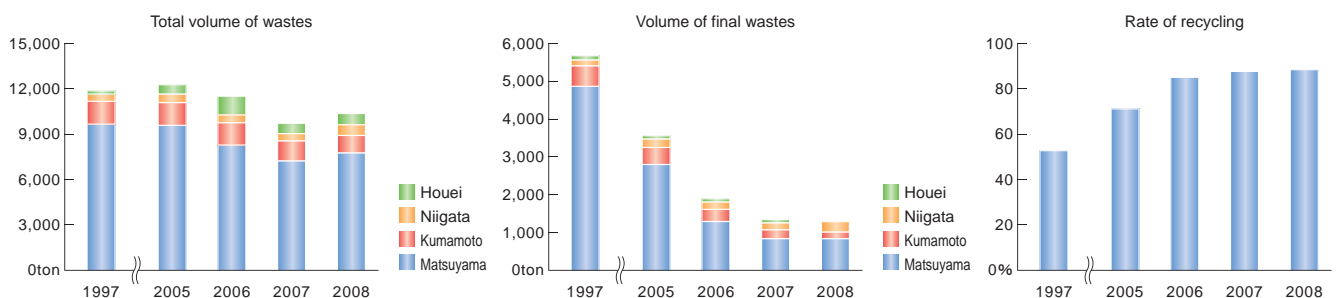
# Reduction of industrial wastes [ 3R of production processes ]

## Environmental performance

### [ Reduction of wastes ]

To contribute towards the acceleration of a recycling-oriented society, Iseki made best efforts in recycling and reusing resources by reducing the total volume of wastes, reusing them and recycling the wastes at four manufacturing plants. In FY2008, Iseki increased the volume of wastes by 6% from the previous year, at the same time, per production volume was up 3% compared to the previous year. This happened because of an increase of production volume. The final volume of

wastes reduced this year such as by landfilling was 1% less than last year and there was a 78% drop in the volume of per production volume compared to the datum year. As a result, our recycling rate for the total volume of wastes improved to 88%. Now and in the future, Iseki will take further approaches towards the inhibition, reuse, and stringent segregation of wastes, as well as the promotion of recycling in accordance with the businesses of each manufacturing plant for zero emission.

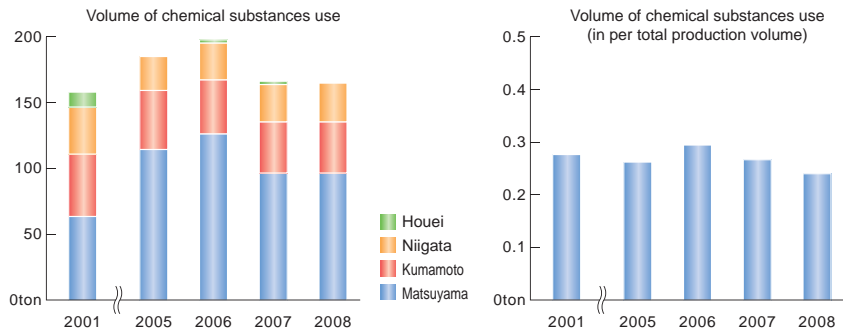


# Optimal control and reduction of use of chemical substances

## Environmental performance

### [ Optimal control of chemical substances ]

The volume of use, emission, and transportation of Category-1 Chemical Substances (1 ton or more) stipulated by PRTR law is as follows. The volume of use for the total production volume in FY2008 increased slightly while the volume of per unit of production dropped by 9% in comparison to the previous year as materials used were replaced with those containing less harmful chemical substances controlled by law. From now and in the future, Iseki will closely monitor the volume of use and reduction of VOC (Volatile Organic Compounds) use through appropriate control and management of such chemical substances.



#### [ Volume of use of substances controlled by PRTR law

(unit : ton)

	FY2001					FY2007					FY2008				
	Matsuyama	Kumamoto	Niigata	Houei	Total	Matsuyama	Kumamoto	Niigata	Houei	Total	Matsuyama	Kumamoto	Niigata	Houei	Total
Xylene	37.4	22.7	12.8	0.0	72.8	37.0	22.9	13.3	0.0	73.2	36.6	22.0	14.3	0.0	72.9
Toluene	33.3	4.4	5.2	0.0	42.8	15.4	2.9	3.2	0.0	21.6	17.7	1.8	3.7	0.0	23.2
Ethyl benzene	36.4	12.2	10.1	0.0	58.7	34.3	12.5	10.7	0.0	57.4	35.3	11.8	11.7	0.0	58.7
Water-soluble zinc compound	0.0	1.8	0.0	0.0	1.8	0.0	1.5	0.1	0.0	1.5	0.3	2.3	0.0	0.0	2.6
Dichloromethane	18.8	0.0	0.0	0.0	18.8	8.9	0.0	0.0	0.0	8.9	5.2	0.0	0.0	0.0	5.2
1, 3, 5-Trimethylbenzen	0.9	0.0	0.2	0.0	1.1	1.1	0.0	0.1	0.0	1.3	1.2	0.3	0.2	0.0	1.6
Total	126.8	41.0	28.2	0.0	196.0	96.7	39.8	27.4	0.0	163.9	96.2	38.1	29.8	0.0	164.1

Period of data: April, 2008 to March, 2009

## Eco products

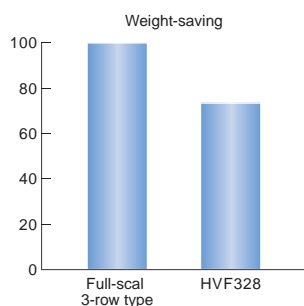
# Approach to environment-friendly designing

## Environmental performance

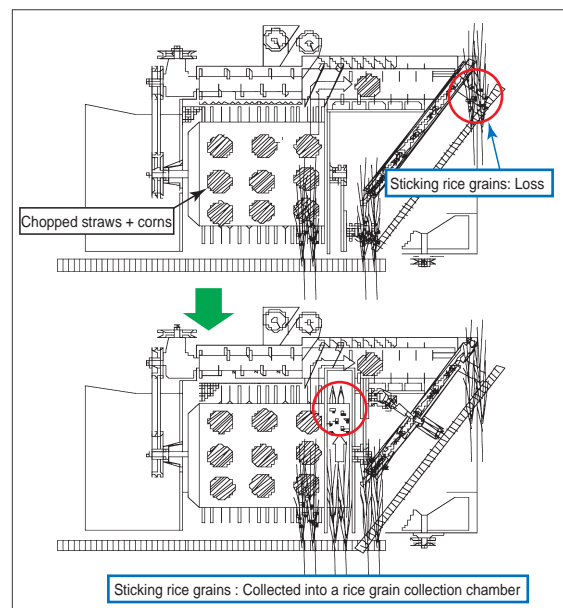
### [ Approach to weight reduction through weight-saving and down-sizing ]

#### < Approaches to reduce weight of small combine harvesters >

According to Iseki's own data, Iseki has succeeded in reducing the weight of HVF328 combined harvester by 26.5% while improving the working performance by 10% compared to a full-scale 3-row combined harvester. Losses resulting from the sticking of rice grains were reduced and a high efficiency was achieved by installing a new rice grain collection chamber to the harvester without changing the size of its threshing unit. The HVF328 achieves a performance efficient equivalent to that of a full-scale 3-row combined harvester even after succeeding in down-sizing and having savings in weight to the extent of a 2-row combined harvester. This down-sizing makes possible small turns similar to those achieved by a 2-row combined harvester. As a result, the degree of damage of farming fields with crawlers is lowered. Both weight-savings and an improvement in fuel consumption are made possible and the combined harvester has been well received.



The index shows the comparison when the full-scal 3-row type is considered to be 100.



A loss resulting from sticking rice grains is a phenomenon that the grains stay on straws again after once they are threshed.

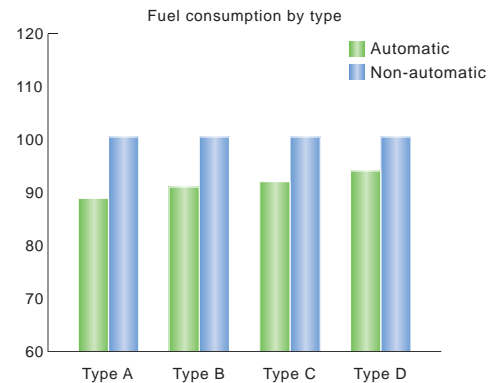
# Approach to environment-friendly designing

## Environmental performance

### 〈Approach to low fuel consumption by using an auto acceleration mechanism〉

The auto acceleration mechanism enables an efficient planting operation, therefore, the engine revolutions are controlled optimally by selecting any desired speed with the speed lever. Noise and the consumption of fuel can be reduced as the engine automatically idles when the machine is not in operation, such as the time when seedlings are being fed onto the machine.

Planting can be done without gunning a machine motor as the engine revolution can be optimized in connection with the machine speed. Although fuel consumption varies by type and model of rice transplanter, fuel consumption was cut down 6% to 11% due to the use of this mechanism. At the same time, the reduction of CO<sub>2</sub> emissions per 10a was 140g to 230g depending on the type and model of rice transplanters.



### 〈Approach to environment pollution prevention by spraying proper amount of chemical fertilizers〉

Currently farmers in Japan are aging rapidly and thus the size of one farm business unit, such as farming groups and farming co-operations, is expanded. This is the reason why easy-handling fertilizing machines with the ability to spray fertilizers precisely and evenly are in demand. Also from the view point of environmental protection, spraying of proper amount of fertilizers will protect rivers from nutrient enrichment and mitigate the pollution of underground water with nitrate salt. In the case of Iseki's traditional boom tabular (grain spreader), it was necessary to set the volume of fertilization manually depending on the selected speed of the spreader and by utilizing the experience of volume setting depending on the hardness of the field. As already mentioned, this operation required quite a lot of skill and experience. The volume of fertilizer sprayed onto the 10a of fields is not accurate as the volume needs to be controlled visually by checking the scale showing the remaining amount of fertilizer. This time, the boom tabular is marketed as a product created through the

accomplishment of collaborative research between Iseki and public institutions and developed together with our business partners.

The employment of microcomputer-controlled spraying interlocked with the machine speed and the use of easily visible liquid crystal display (LCD) device allow for the possibility of the new product spraying the target volume of fertilizer by simply setting the volume of fertilizer by using the LCD device. This LCD can be used to check the volume sprayed whenever it is necessary to check, therefore, the handling convenience has been greatly improved and environmental pollution resulting from spraying too many chemical fertilizers has been mitigated. The use of microcomputers will contribute to the environment preservation as it can control the volume of fertilizers appropriately, precisely, and evenly. The precise and even application will also assist in the quality of cultivated crops while improving the quality of the paddy rice.



New boom tumbler (IHB200LA)



Microcomputer display



# Approach to environment-friendly designing

## Environmental performance

### 〈 Approach to environment-friendly high technology greenhouse 〉



High technology greenhouse and robot for diagnosis of plant growth

Now, plant factories are drawing the attention of society as they can be the solution for the stable production of safe food as well as the creation of employment in suburban areas. Iseki is devoting itself to research on "high technology green house" using solar power in collaboration with Ehime University. In this research, we do not control the conditions of plants, ambient temperature, or soil temperature, instead we use the concept of the "Speaking Plant Approach" which is a concept that determines the information that plants directly transmit (such as a degree of chlorophyll fluorescence\*1 and a leaf temperature).

We developed a "robot for diagnosis of plant growth" which makes diagnoses on the information received without touching or damaging the plants. (2008 Region regeneration consortium program and 2009 Regional innovation program of the Shikoku Bureau of Economy, Trade, & Industry) The robot autonomously travels between cultivation beds and passages according to the previously determined procedure. All of the machines used in the greenhouse are electric motor-driven machines, therefore, they do not emit any harmful gasses. The greenhouses are truly environment-friendly factories as they emit no greenhouse effects gasses.

Note 1: The "degree of chlorophyll fluorescence from chlorophyll" provides us with a degree of photosynthesis activity. The chlorophyll fluorescence is emitted when exposed under a blue LED.

### 〈 Approach to the use of biomass boilers for global warming preventive nutrient solution facility 〉

Iseki considers that agriculture which is friendly to the global environment is an important task of today and that we need to address to prevent the earth warming. Recently we have introduced and delivered biomass heating equipment to our customer.

In November, 2008, we delivered biomass heating equipment to one farmer in Ohzu City, Ehime Prefecture for the installation of the equipment in an existing greenhouse. The existing heat sources of the greenhouse had been fuel oil boilers, two of these boilers were replaced with biomass boilers. Biomass fuel is a carbon neutral\*1 type of fuel for heaters using dried pulverized wood chips that have been re-solidified and then made into pellets. The wooden pellets we use at this time are made from thinned woods and formwork wastes from construction sites and are mainly produced by construction companies in nearby areas. These are substituting energy generated by burning oil; this is an effective use of timber resources. The timber which absorbs carbon dioxide (CO<sub>2</sub>) in the air is the raw material that is used, therefore, it is one of earth-friendly fuels. When compared to the emissions from fuel oil boilers, the emissions from the biomass boilers include less harmful substances, therefore, it is an environmentally-sound facility that is contributing towards the preservation of the environment.

Note 1: Carbon Neutral refers to a situation in which the volume of carbon dioxide (CO<sub>2</sub>) emission and absorption is balanced perfectly and become zero within the lifecycle. For example, the volume of CO<sub>2</sub> absorbed through photosynthesis during a growing stage of a tree and the volume of CO<sub>2</sub> emitted by the burning the tree balance out.



Boiler room



Biomass fuel tank



Burning burner

# Support to promote environment-friendly agriculture

## Environmental performance

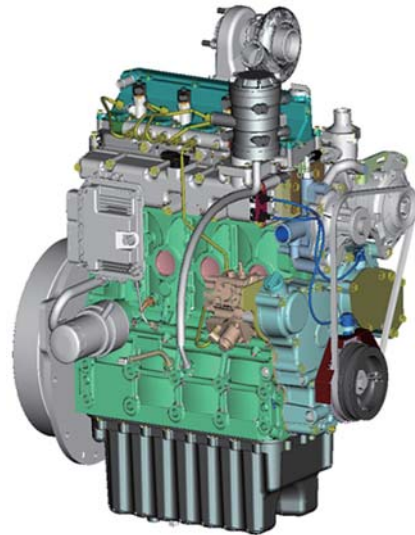
### < Approach to the reduction of air pollutants from diesel engines >

Diesel engines are widely used as the main source of power for agricultural machinery, such as tractors and combined harvesters. They are also the center issue in efficient agricultural production which Iseki Group has been dealing with as a company program. Currently, in order to prevent the global-wide issue of global warming, the reduction of CO<sub>2</sub> emissions which are responsible for a large portion of greenhouse effect gasses is an especially urgent task from the view point of "environmental consciousness."

However, since diesel engines emit lower volumes of CO<sub>2</sub> per unit of output in comparison to gasoline engines they are utilized positively and widely considered to be a more environment-friendly source of power for vehicles, including passenger cars mainly in Europe. Due to these characteristics of diesel engines, they play an integral part in industrial fields including agricultural machinery.

Currently, diesel engine development is facing difficulty as it is essential not only to improve fuel consumption efficiency but also to clarify the emission gas criteria both in Japan and the rest of the world while the criteria for such emission gasses becomes more severe than ever. Iseki aims to realize efficient, low cost, and environment-friendly agriculture by multi-functionalizing while offering high efficiency equipment and adding values such as enhanced functionality and reliability.

As this time Iseki has developed a fully electronic-controlled diesel engine equipped with cutting-edge technologies including a common rail system, allowing for a broad improvement of engine functionality by considerably reducing the emissions of PM and NO<sub>x</sub>. Consequently, the tertiary level of domestic and global emissions requirements was achieved while improving the fuel consumption, noise level, and vibration level in comparison to existing machines.



Engine meeting the emission regulations

From the conventional tractors and combined harvesters with diesel engines to recent rice transplanters, the technologies for large riding machines have been advanced and improved and thus they have realized gains in lower levels of noise and vibration, as well as a light-weight operation. Such rice transplanters with diesel engines have been very well received in the market.



Tractor



Rice transplanter



Combined harvester

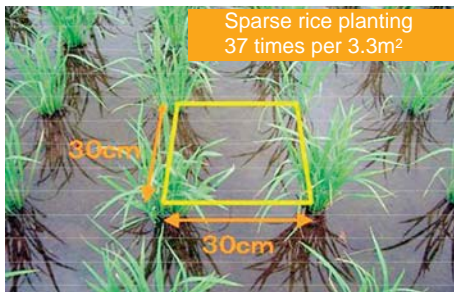
# Support to promote environment-friendly agriculture

## Environmental performance

### <Approach to reduction of agricultural chemicals by adopting sparse planting>

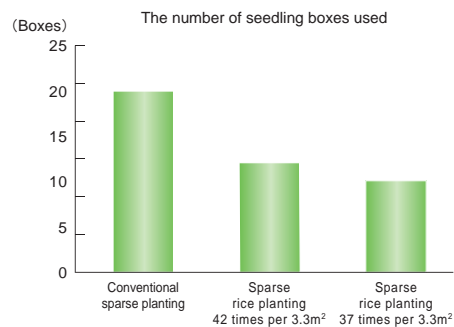
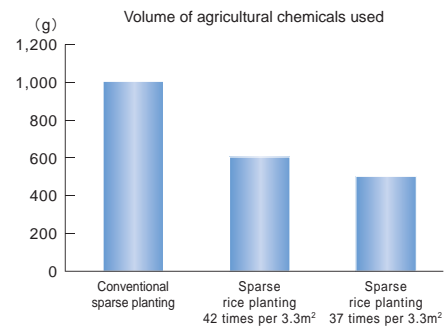
Sparse planting is a cultivation method in which standing space is increased to twice as much as a conventional space. 37 stubbles (planted with a spacing of 30x30cm) will be planted in a space of tsubo (3.3m<sup>2</sup>). The standard spacing is 18cm x 30cm, which totals about 60 stubbles in one tsubo (3.3m<sup>2</sup>).

Sparse planting sufficiently exerts vital energy and potential that rice plants originally have, and an equivalent amount of crops can be raised as those planted with standard spacing. An implement for 37 stubbles for sparse planting is standard equipment for all series of riding rice transplanters from 4-row types to 10-row types. As a result, following environment-friendly effects shown below, in addition to which a reduction in the use of agricultural chemicals can be expected.



### <Effect on the aspect of the environment>

- (1) Rice planting 37 times per 3.3m<sup>2</sup> requires half of the number of seedling boxes required for conventional planting, therefore, the volume agriculture chemicals used can be reduced by approximately 50%.
- (2) As only a half of the number of seedling boxes compared to conventional planting are required, the space for seedling raising can also be reduced by one half, resulting in a reduction in the time needed for control and a reduction in the volume of water used.
- (3) As the number of seedling boxes can be a half of conventional seedling rising, the transportation frequency can be reduced as well, allowing for a reduction in fuel used.



# Support to promote environment-friendly agriculture

## Environmental performance

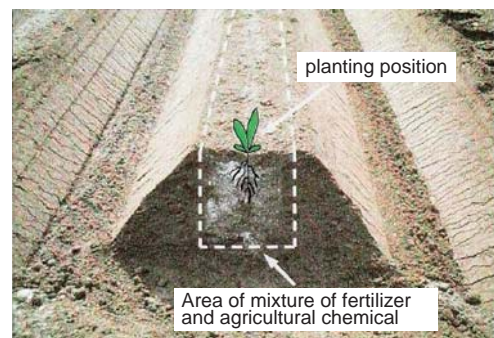
### < Approach to low-cost agriculture by reducing the volume of applied fertilizers and agricultural chemicals >

In conjunction with the National Agricultural Research Center Iseki has developed significantly improved application technologies which enable a sharp reduction in fertilizers and agricultural chemicals compared to the volume of those using the conventional technology. The conventional method was to spread fertilizers and agricultural chemicals on the entire surface of a field before tilling, and then the lists were made and the seedlings were transplanted. This was not such an effective method as environmental pollution could be caused as fertilizers and agricultural chemicals remain in the gutter and become built up without being used or are drained together with rainfall.

The technology that we have invented at this time enables the application of fertilizers and agricultural chemicals to only the areas where they are effective to crops because of the function of agitation pawls. Verification tests have demonstrated that the volume of fertilizer could be reduced by 30%. Although the volume of agricultural chemicals applied was reduced by 60%, the volume and quality of crops was maintained to almost the same level as that of conventional panning. Furthermore, as fertilizers are not applied to the gutters, the growth of weeds was reduced and lower cost agriculture was realized as the time normally needed for weeding and fuel costs were saved. This technology was chosen as one of top 10 topics of 2008 Agriculture, Forestry and Fisheries Researches and was awarded the 2009 Innovative Agricultural Technology Award.



Inside ridge processor



### < Approach to reduction of volume of agricultural chemicals used for treatment of paddy seeds >



Hot-water disinfection facility with a seed bath



Hot-water disinfection facility

Hot-water disinfection is a "technology to prevent diseases and damages by disinfecting the paddy seeds by soaking them in a 60 °C hot water for 10 minutes." This technique is drawing the attention of the industry as it is one of disinfection methods which can replace current disinfection procedures in which agricultural chemicals are being used, as the industry is seeking for the preventive techniques using less agricultural chemicals in consideration of the preservation of the environment. Hot water disinfection does not use disinfecting chemicals for the disinfection of paddy seeds. Because of this, the process is environment-friendly in addition to other advantages, such as the easy disposition of agricultural chemicals and reduction in the use of synthetic agricultural chemicals required for the certification of specially-cultivated agricultural products.

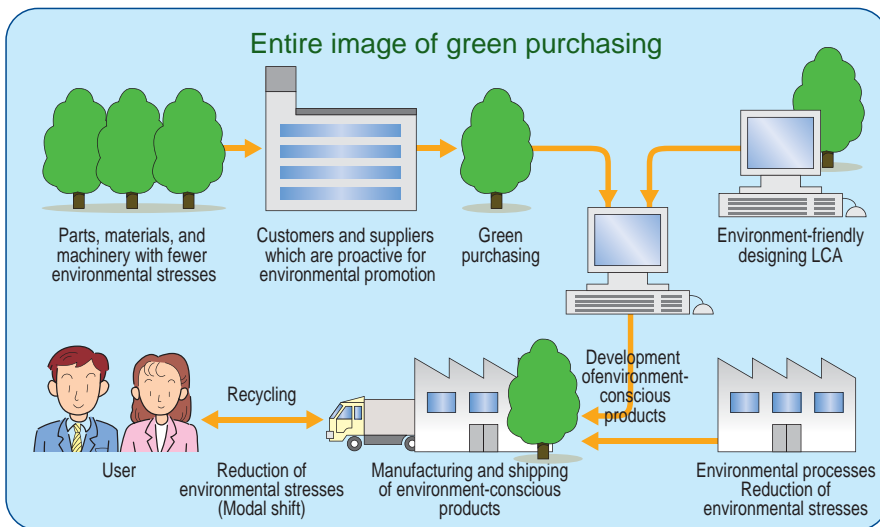
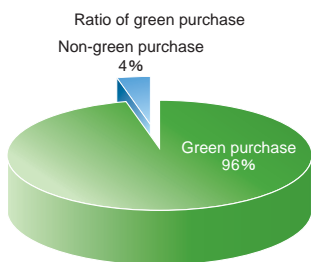
The facility cost for this equipment is very reasonable since the existing seed soaking baths can be reused. Furthermore, the time required for a large amount of seed disinfection has been cut down from the paddy seeds hot-water disinfection facility sold last year. From now on, we will establish a technology which contributes to a further reduction in agricultural chemicals in order to reduce environmental stresses.

# Green purchase

## Environmental performance

### <Green purchase of office suppliers>

We have established the green standards for paper and 14 other categories of commercialized commodities such as office suppliers and electric and electronic devices. In order to follow these standards, Iseki promoted the purchase of products with environmental labels such as eco marks and GPN standard products on a priority basis. The total amount of green purchase of entire Iseki Group was 96% of the total purchase in FY2008.

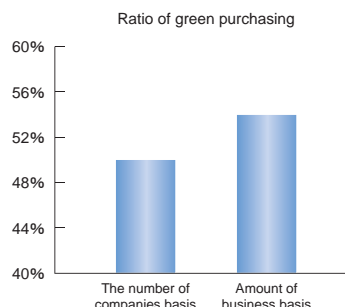


Items to be covered: Commercialized environmental products  
 Period of purchase: April, 2008 to March, 2009

大分類	中・小分類	単位	グリーン (1)		非グリーン (2)		グリーン (4)		非グリーン (5)		備考
			数量	金額	数量	金額	数量	金額	数量	金額	
1	紙類	枚	27,140	1,467	24,511	6,542,069	1,992,113	6,204,982	75.4		
12	事務用品	枚	11,924	44	11,924	19,491,524	12,229	19,491,512	99.9		
13	複写機紙	枚	5,796	219	5,577	1,121,631	469	1,122,011	99.0		
119,329	その他	枚	914	22,099	22,099	25,797	699,613	915,410	93.0		
	小計		45,144	20,599	75,721	25,381,229	2,094,767	27,449,717	92.5		
2	文具類	枚	29,093	23,002	54,095	3,620,967	1,191,294	5,011,261	79.2		
3	機器類	枚	1,292	7,462	8,694	4,931,532	1,294,434	1,991,994	25.6		
4	OA機器	枚	60	7	67	994,190	151,290	1,015,390	95.7		
5	家電製品	枚	0	0	0	0	214,622	214,622	0.0		
6	エアコン	枚	29	0	29	7,112,900	0	7,112,900	100.0		
7	温水器	枚	2	0	2	2,420,000	0	2,420,000	100.0		
8	照明	枚	444	464	928	9,994,874	197,920	9,012,461	99.2		
9	自動車	枚	136	4	140	999,324	10,900	990,228	99.0		
10	印刷機	枚	3,230	3,534	6,764	4,608,719	3,331,246	7,945,918	94.0		
11	インテック	枚	0	13	13	41,423	318,239	361,239	13.1		
12	作業手袋	枚	3,107	26,542	40,250	391,347	3,174,299	5,794,234	93.0		
13	編織製品	枚	1,292	299	1,649	229,600	41,652	299,252	94.5		
14	図書	枚	0	0	0	0	0	0	0.0		
15	自動車	枚	0	0	0	0	0	0	0.0		
小計			93,797	76,894	171,641	387,297,469	14,991,990	401,879,953	96.4		
合計			95,911	107,432	203,392	412,668,429	16,436,722	428,125,152	96.2		

### <Level of environmental awareness of our suppliers and vendors>

The Green Purchase ratios of our suppliers and vendors based on the environmental management system (EMS), such as ISO14001 and Eco Action 21 (EA-21), were 50% of the total number of vendors and suppliers and the amount of purchase from these suppliers and vendors was 54% of our total purchase. Iseki strive to encourage such suppliers and vendors to implement the EMS in the future so as to establish a supply chain which enhances the ratio of our Green Purchasing.

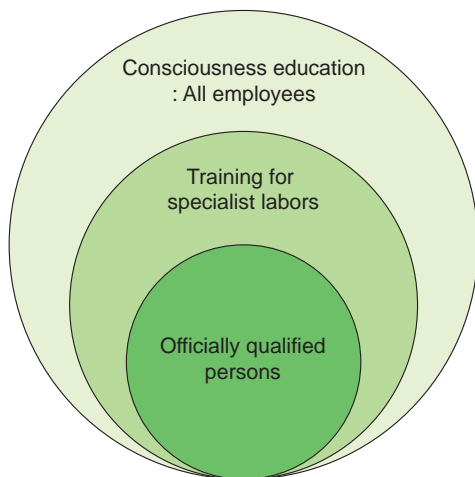


# Education and training for environment / Qualified persons

Collaborative creation together with our stakeholders

## 〈Approach to systematic environmental education and training〉

The principle to develop the recycle-oriented society and realize the low carbon emission society is to promote the reduction of environmental stresses and thus it is necessary for each employee to enhance their own consciousness and competency of the environment. For this, Iseki Group aims to improve environmental consciousness by providing all employees with the education and training called environmental program in three major steps according to the level of environmental stresses: subjective training for every employee, training for special jobs and education for employees who engage with jobs which require certain official qualification.



System for education and training for environment / Qualified persons

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

As we acknowledge that conformance to environment-related laws and legislation is the basis of environmental preservation activities, we therefore encourage all of our employees to observe safety and hygiene rules strictly. At the same time, we offer our employees the opportunities to participate in seminars held by external institutes for managers in charge of pollution supervisor, chief electrical engineer, and boiler engineers to have the official qualifications needed for the promotion of developing recycling-oriented society. The number of employees qualified for official environmental qualification as of the end of March, 2009 is shown in the following table.

Name of qualification		Number of employees
Pollution supervisor	Air	15
	Water quality	15
	Noise	16
	Vibration	17
Energy control engineer		8
Energy controller		3
Chief electrical engineer		13
Boiler engineer		89
High pressure gas production safety supervisor		12
Industrial waste treatment facility engineer		4
Specific chemical substances chief operator		19
Hazardous material handler		175

The number of officially qualified persons for environment

## 〈Environmental education〉

Iseki Group realizes that the first step to the environmental preservation is to raise the awareness of each individual; therefore, we support their activities to promote the environment preservation not only in their workshops but also in their home and community. Iseki Group strives to further increase the awareness of each employee about the environment through the environmental training of new employees and issuance of Iseki Group newsletters.



Lecture for environment

## 〈Training for internal environment auditors〉

Iseki promotes appropriate improvements and continuous activities through system application checking by having environmental education based on the environmental management system and yearly regular audits by external certification institutes, as well as internal system application audits. Iseki Group has been offering our employees unified and systematic training and education by third-party institutions as we think it is necessary for us to train internal auditors to up-grade their skills and capabilities in order to maintain and improve the application of the environmental management system.

## 〈Environmental training〉

It is required to complete training and educations to a certain level for any employees assigned to particular jobs such as casting, heat treatment and painting. This training and education is offered on a regular basis in accordance with various standards describing the impacts of such particular jobs to the environment, daily management procedures, and emergency procedures.

# Environmental communication

## Collaborative creation together with our stakeholders

To exercise our responsibility as a company having a very close contact with the community, Iseki supports various activities in each community. Contribution to the development of community is a priority mission of Iseki group.

Iseki has made a registration as a promotion partner of the national movement, “Food Action Nippon Project Headquarters” for improving the food self-sufficiency ratio, started by the Ministry of Agriculture, Forestry and Fisheries of Japan as of October 6, 2008, in order to accelerate activities for the improvement of the food self-sufficiency ratio through local production for local consumption activities in each region of Iseki Group companies.

### <Acceptance of plant tour>

As a part of communication with people from outside, Iseki-Matsuyama MFG Co., Ltd., at the location of birthplace of Iseki, and other Iseki's manufacturing plants, including Iseki-Kumamoto, Iseki-Niigata and Iseki-Houei, accept elementary school students, people from other countries, and local residents for plant tours.



Visit of a delegation from Jilin, China for plant tour  
December, 2008

### <Product exhibition corner>

The Exhibition Pavilion in Matsuyama, the base of advertisement and public relations of Iseki Group, was renewed and reopened in March, 2009. There are exhibitions of products including combined harvesters, tractors, dryers, and the SANAE-chan Farm for home gardening, as well as the “Food Action Nippon” corner.

URL <http://www.iseki.co.jp/products/sanae/index.html>



### <Information offering from web site>

Iseki Group also publishes our environmental activities on Iseki's web site. On the web site, you will find a mail box for your opinions and questions about environmental matters. For more information, please visit our web site.

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

### <Execution of clean activity>

As part of our practices regarding “Contribution to society and community”, which Iseki Group presents as our environmental policies for each district, our employees participate in cleaning activities in their district.



Iseki-Matsuyama MFG. Co., Ltd.



Iseki-Kumamoto MFG. Co., Ltd.



Iseki-Niigata MFG. Co., Ltd.



Iseki-Houei MFG. Co., Ltd.

# Iseki-Matsuyama MFG. Co., Ltd.

## Environmental data

### <Company profile>



Address	700 Umaki-cho, Matsuyama-shi, Ehime prefecture
Number of employees	640 (As of March 31, 2009)
Area	151,000m <sup>2</sup>
Major products	Tractors, Medium and Small combine harvesters Dryers, Engines

### <Basic principles on environment>

The Seto Inland Sea, a beautiful landscape which is incomparable in the world. Sea dotted with green islands under a blue clear sky. Iseki-Matsuyama MFG. Co., Ltd. determines action guidelines and promotes any business activities which harmonize with the environment for preserving this blessed natural environment.

### <Action policy>

#### 1. Continuous improvement

Continuously 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 environment-related legislation, local government regulations, and agreements concluded by the company.

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

- 1) Minimize volume of CO<sub>2</sub> generated as a result of production and electric energy use
- 2) Segregate wastes for collection and recycling
- 3) Control chemical substance optimally
- 4) Product design to consider the environment

These purposes and targets shall be set up within a technically and economically possible range, reviewed on a regular basis in order to deploy them into business activities, and aim to improve the company profit on top of the reduction of environmental stresses and the prevention of pollution.

#### 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) Proactive participation in the environmental preservation activities of community.

#### 5. Familiarization of information to all employees

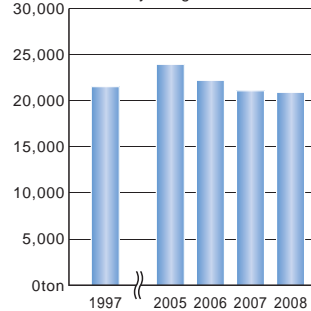
Familiarize all the information of environmental policy to all employees in the company and deal with the environment issues together through a publicity using company news and environmental education.

#### 6. Disclosure of environmental policies

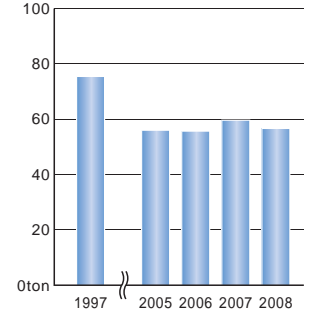
Disclose the environmental policies upon request of outsiders

### <Environmental data>

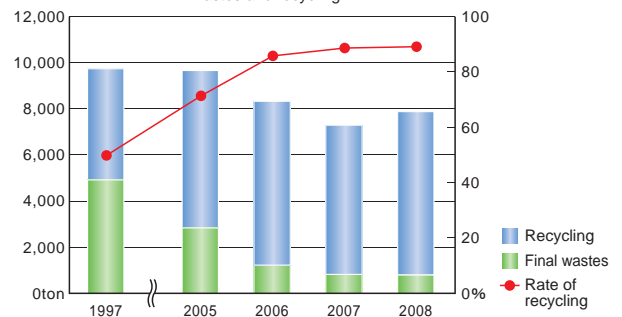
Volume of CO<sub>2</sub> emissions resulted by using fossil fuel



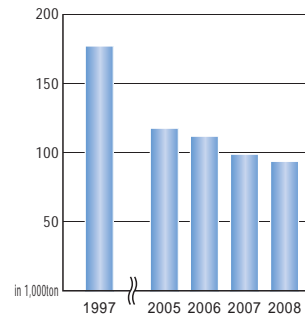
Volume of CO<sub>2</sub> emissions resulted by using fossil fuel (production volume basis)



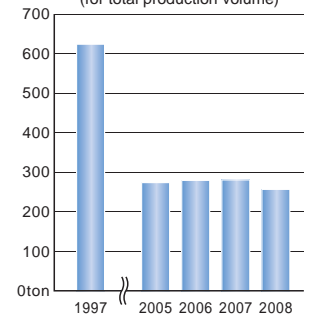
Wastes and recycling



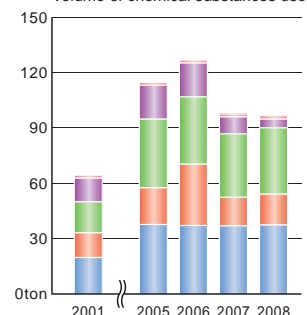
Volume of water use



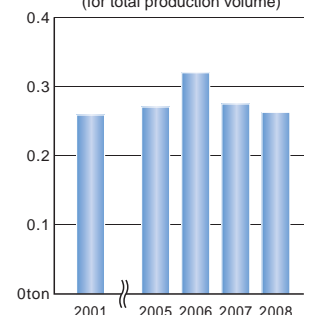
Volume of water use (for total production volume)



Volume of chemical substances use



Volume of chemical substances use (for total production volume)



- 1, 3, 5- Trimethylbenzene
- Dichloromethane
- Water-soluble zinc compound
- Ethyl benzene
- Toluene
- Xylene



# Iseki-Kumamoto MFG. Co., Ltd.

## Environmental data

### <Company profile>



Address	1400 Yasunaga, Mashiki-cho, Kamimashiki-gun, Kumamoto prefecture
Number of employees	257 (As of March 31, 2009)
Area	217,000m <sup>2</sup>
Major products	Large combine harvesters, Multi-crop combine harvesters, Carrot harvesters

### <Basic principles on environment>

Iseki-Kumamoto MFG. Co., Ltd. calls the importance of environment into account through a supply of agricultural machines; therefore, we strive to preserve these wonderful environmental resources, such as nature, a rural paradise, and water, in Kumamoto.

### <Action policy>

#### 1. Continuous improvement

Continuously 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 environment-related legislation, local government regulations, and agreements concluded by the company.

#### 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 extent technically and economically possible to carry out. Execute and review the targets on a 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.

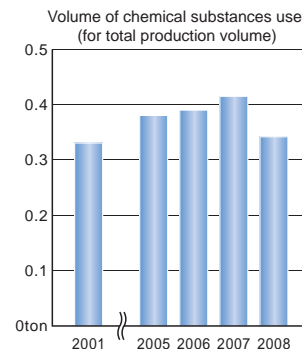
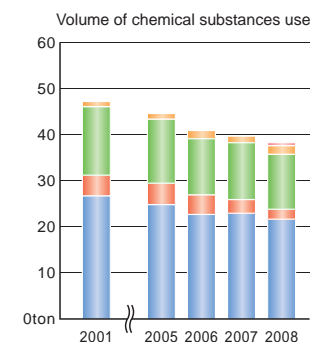
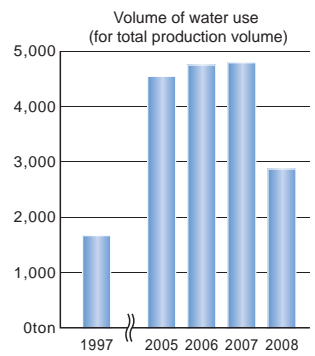
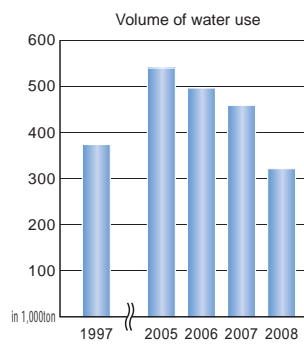
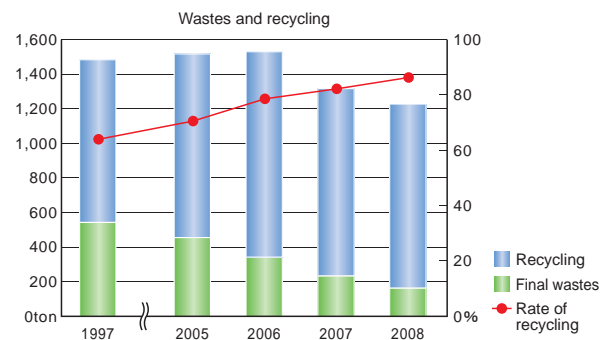
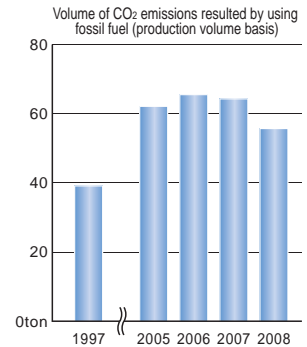
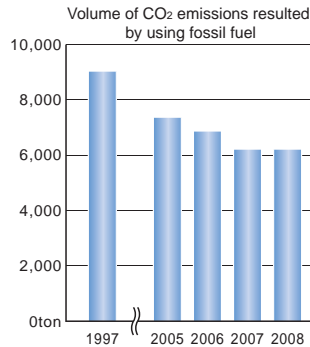
#### 5. Familiarization of information to all employees

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.

#### 6. Disclosure of environmental policies

Disclose the environmental policies upon request of outsiders.

### <Environmental data>



- 1, 3, 5- Trimethylbenzene
- Dichloromethane
- Water-soluble zinc compound
- Ethyl benzene
- Toluene
- Ylene

# Iseki-Niigata MFG. Co., Ltd.

## Environmental data

### <Company profile>



Address	3-12-23 Nishiohsaki, Sanjo-shi, Niigata prefecture
Number of employees	281 (As of March 31, 2009)
Area	29,000m <sup>2</sup>
Major products	Rice transplanters, Rice hullers, Vegetable transplanters, Binders

### <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. Continuous improvement

Continuously improve the environmental management system and environmental performance by observing the environmental management system based on ISO14001.

#### 2. Continuous improvement and prevention of contamination

Set up the environmental target and practice to achieve the target while reviewing the target on a regular basis in order to improve the environmental performance continuously.

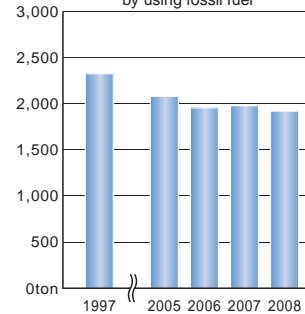
- 1) Improve energy use
- 2) Improve use of natural resources
- 3) Reduce waste and recycle
- 4) Control chemical substances properly

#### 3. Familiarization of information to all employees and contribution to community

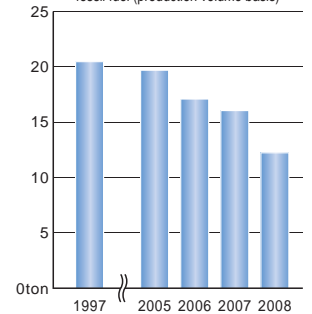
Distribute publicity to every employee through corporate environmental activities and education, as well as having close communication with people in the community, in order to promote environment preservation activities. We will disclose our environmental policies to the public upon request so that the people in the community will know our policies.

### <Environmental data>

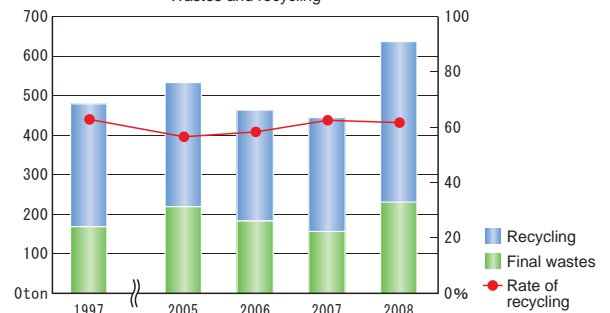
Volume of CO<sub>2</sub> emissions resulted by using fossil fuel



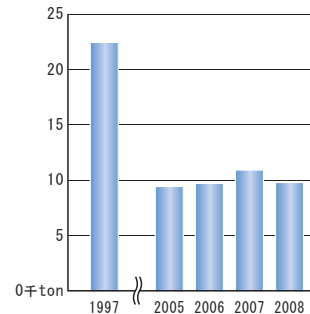
Volume of CO<sub>2</sub> emissions resulted by using fossil fuel (production volume basis)



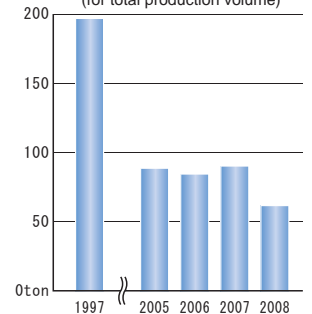
Wastes and recycling



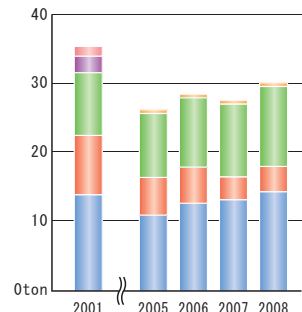
Volume of water use



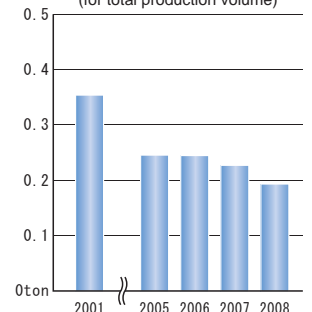
Volume of water use (for total production volume)



Volume of chemical substances use



Volume of chemical substances use (for total production volume)



- 1, 3, 5- Trimethylbenzene
- Dichloromethane
- Water-soluble zinc compound
- Ethyl benzene
- Toluene
- Xylene

# Iseki-Housei MFG. Co., Ltd.

## Environmental data

### 〈Company profile〉



Address	878-1 Umaki-cho, Matsuyama-shi, Ehime prefecture
Number of employees	282 (As of March 3, 2009)
Area	8,959m <sup>2</sup>
Major products	Cultivators, Tillers, Walk behind mower, Riding mower, Rotary

### 〈Basic principles on environment〉

The community adjacent to the Seto Inland Sea National Park. Iseki-Housei MFG. Co., Ltd. promotes the preservation of this blessed community and the creation of a people-friendly working environment for our employees.

### 〈Action policy〉

#### 1. Continuous improvement

Continuously 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 environment-related legislation, local government regulations, and agreements concluded by the company.

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

- 1) Reduce volume of electric energy use
- 2) Reduce volume of water use
- 3) Segregate wastes for collection and recycle

#### 4. Contribution to community

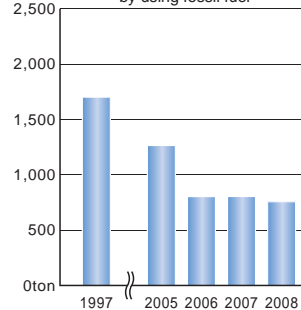
- 1) Save water and use water efficiently as a corporate citizen in order to contribute to the severe water issues that our community has.
- 2) Participate in the environmental preservation activities in our community proactively

#### 5. Familiarization of information to all employees

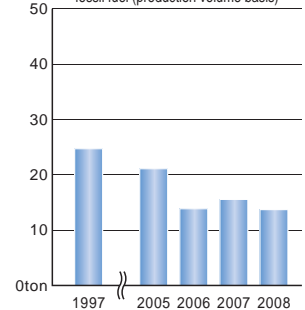
Familiarize all the information of environmental policy to all employees and constituent members in the company and deal with the environment issues together through a publicity using company news and environmental education.

### 〈Environmental data〉

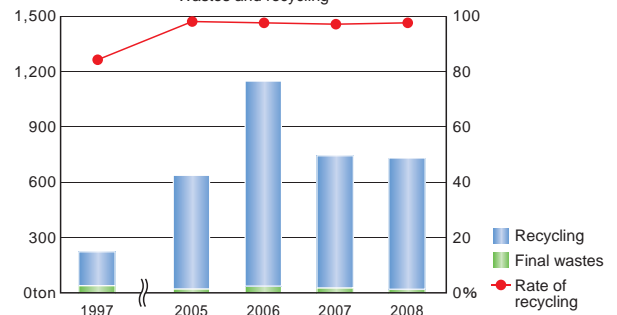
Volume of CO<sub>2</sub> emissions resulted by using fossil fuel



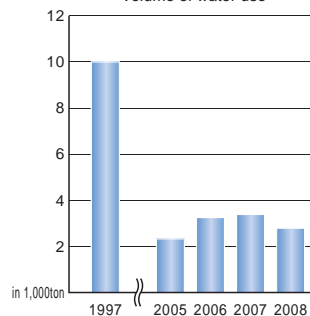
Volume of CO<sub>2</sub> emissions resulted by using fossil fuel (production volume basis)



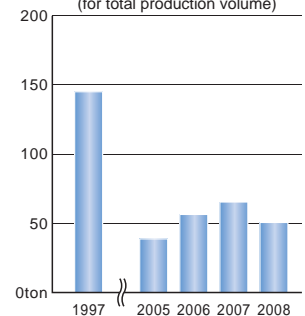
Wastes and recycling



Volume of water use



Volume of water use (for total production volume)



Achieving Harmony between Human Beings and the Earth



Contact about this report

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