



ISEKI

Environmental Report

Version: 2010

*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 : 2009 Fiscal Year
(From April, 2009 to March, 2010)

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)
and GRI Guideline

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, Japan has initiated a new approach to drastically reduce greenhouse gasses by proposing a plan “Challenge 25”, investing to environmental preservation activities and living a Low-Carbon lifestyle (an ecological lifestyle). Such an investment for building a Low-Carbon society will expand the market and employment opportunities and encourage the development of scientific technology, finally creating economic growth in various industrial fields. We have a vision to build such a low-carbon society by 2020. For realizing this, responsibilities should now be imposed on every entity by improving his/her motivation and playing active roles in environmental preservation activities to reduce greenhouse gasses in any fields.

Since its foundation over 85 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 2009 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

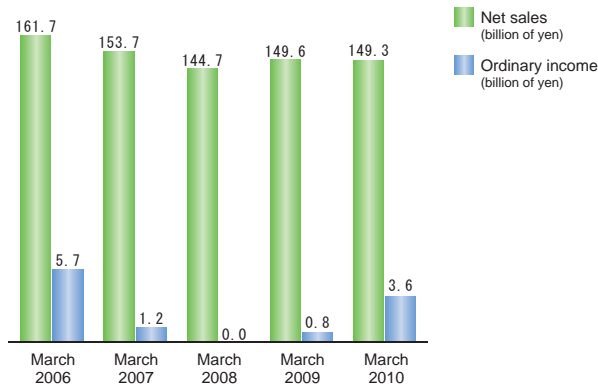
Seichiro Gamo

Outline of our business

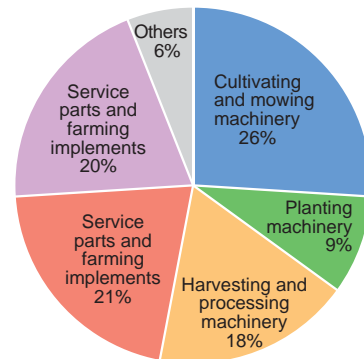
<Company profile>

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 23,344,000,000 (as of March 31, 2010)
Employees	Consolidated: 6,435 (as of March 31, 2010)
Business	<p>Manufacturing and sales of following products as our major business.</p> <p>Cultivating machinery Tractors, Cultivators, High-clearance multipurpose vehicles, Lawnmowers</p> <p>Planting machinery Rice transplanters, Vegetable transplanters</p> <p>Harvesting machinery Combine harvesters, Binders, Harvesters,</p> <p>Processing machinery Rice hullers, Dryers, Rice milling Rice graders, Vegetable harvesting and processing machinery</p> <p>Others Farming implements, Spare parts, Agricultural facilities</p>

<Achievement trends (consolidated)>



<Sales composition by product category as of March, 2010 at the end of fiscal year>



<Financial statements>

(As of March 31, 2010)

Summary of consolidated balance sheet			
Account	Amount (in mil. JPY)	Account	Amount (in mil. JPY)
Cash and deposits	6,705	Notes and accounts payable-trade	41,773
Notes and accounts receivable-trade	29,320	Short-term loans payable	30,282
Inventories	41,469	Long-term loans payable	15,958
Others	3,264	Others	27,419
Total Current Assets	80,761	Total Current Liabilities	115,439
Property, plant and equipment	79,697	Capital stock	23,344
Intangible assets	883	Capital surplus	13,454
Total Investments and other assets	9,702	Retained earnings	6,076
		Treasury stock	△13
		Valuation difference on available-for-sale securities	385
		Revaluation reserve for land	10,869
		Foreign currency translation adjustment	△7
		Minority interests	1,494
Total Noncurrent Assets	90,283	Total Net Assets	55,604
Total Assets	171,044	Total Liabilities and Net Assets	171,044

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

(From April 1, 2009 to March 31, 2010)

Consolidated statement of income	
Account	Amount (in mil. JPY)
Net sales	149,314
Cost of sales	101,925
Gross profit	47,389
Selling, general and administrative expenses	42,873
Operating income	4,515
Non-operating income	1,044
Non-operating expenses	1,902
Ordinary income	3,657
Extraordinary gains	89
Extraordinary losses	1,000
Income before income taxes	2,747
Income taxes	397
Minority interests in income (loss)	2
Net income	2,347

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



Electric mini tiller



Inside ridge processor



Onion transplanter



Binder



Dryer



Rice huller



Weighing and separating machine



Coin-operated rice milling machine



Hydroponics facility

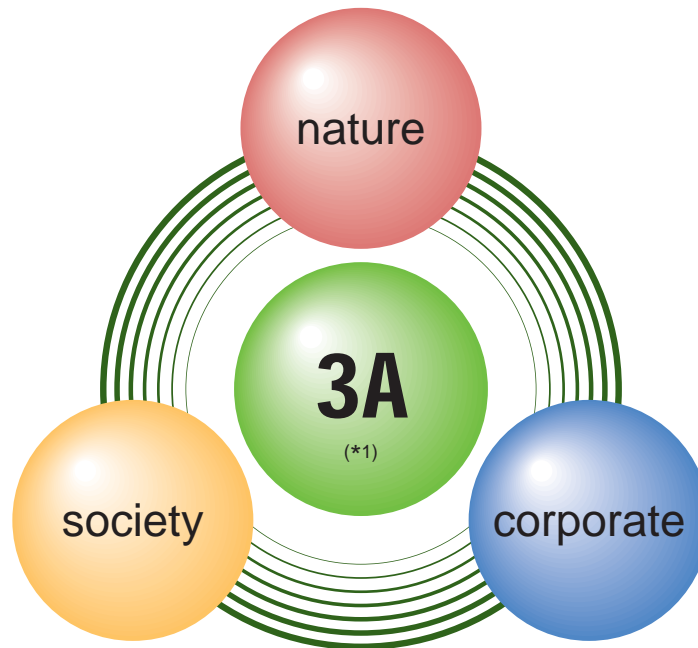
Eco vision

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]

^{*1}
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 Society within all of our group companies.

◀Promotional scheme▶

Entire companies within Iseki Group promote the development of recycling-oriented and Low-Carbon 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.

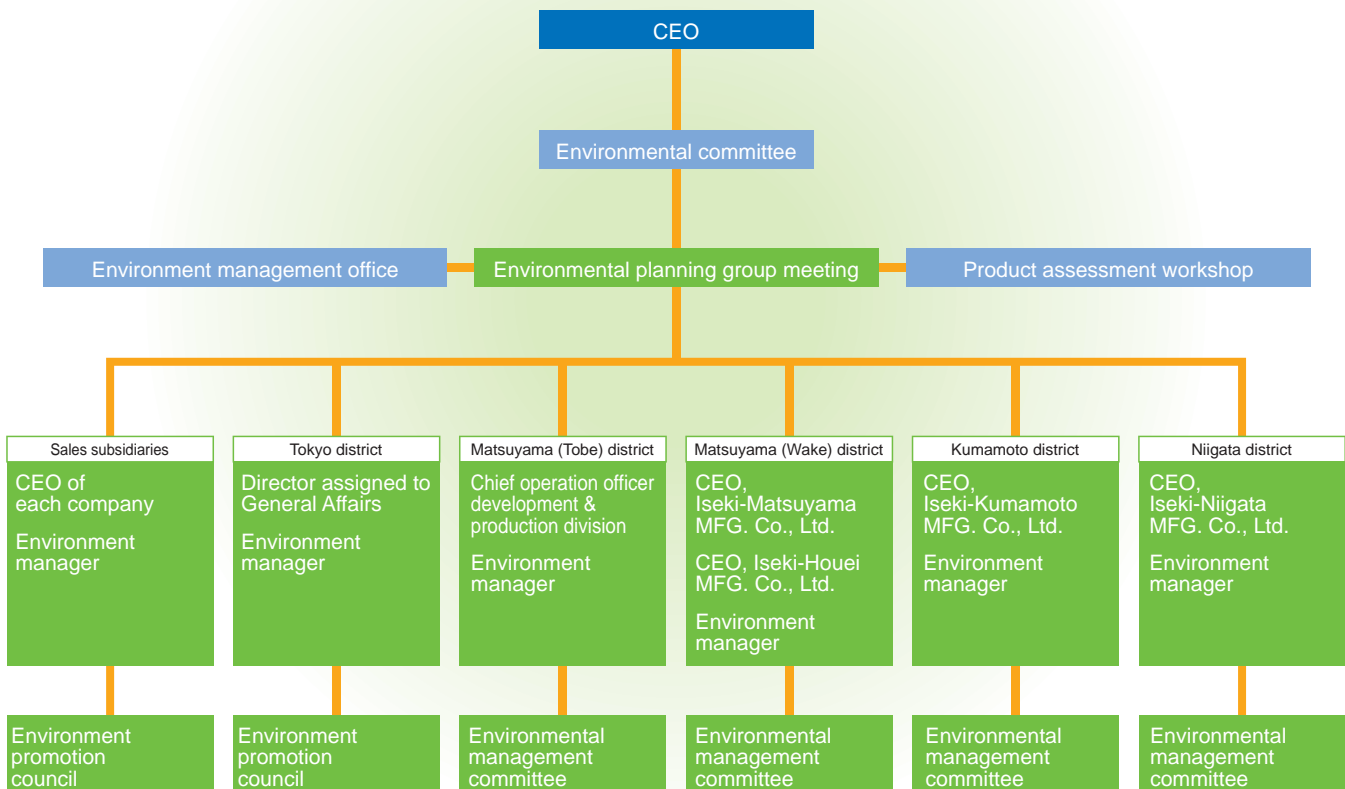
◀Environment committee▶

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]

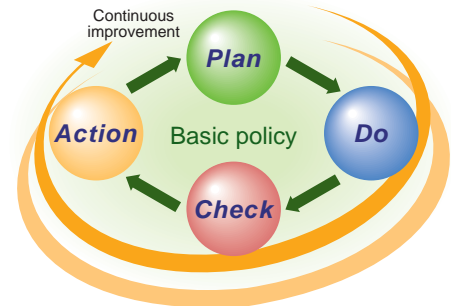


Environmental management system

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 the global standard ISO 14001 and Eco Action 21 Guideline 2009 edition were issued, Iseki Group companies reflected the amended contents in their activities plan and promoted continuously improvement plan for environmental management while being under examination. At the same time, we support local communities in developing recycling-oriented and low carbon emission societies by playing active roles in environmental preservation 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.	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>

FY2009	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	58	0	7	26	0	5	17	0	0	7	0	7
External regular auditing	18	0	9	14	0	9	19	0	8	9	0	9

Iseki carries out internal environmental auditing as first-party auditing and regular auditing by external institutions as third-party auditing 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 FY2009, 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 and recurrence prevention.

Mid-term and long-term environmental targets and results of the FY2009

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 FY2009.

Item	Mid-term and long-term environment targets		Accomplishments in FY2009	Evaluation	Relevant pages
Eco Factory	Prevention of global warming	Reduced the volume of energy-generated CO ₂ emission for the total production volume by 15% comparing to the volume in FY1997	<ul style="list-style-type: none"> The total volume of CO₂ emission was reduced by 17% of the datum year. However, the volume of CO₂ for the total production volume was reduced by 6%. This is because the production volume decreased in 2009. We are continuously taking actions to reduce CO₂. 	△	13
	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"> The volume of water used for the total production volume was reduced by 33% of the datum year. As a result of renovation of the water supply piping, conducted as mid-term plan, a steep reduction was achieved. 	○	14
	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"> The final volume of wastes for the total production volume was reduced by 74% of the datum year as a result of improvement of reuse and recycling rate of cast metal wastes, as well as segregation of wastes. 	○	15
	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"> The emission of controlled chemical substances for the total production volume was 13% lower than the datum year. We will continue our activities to further reduce such chemical substances including VOC. <p>VOC: Volatile Organic Compounds (causative substance of photochemical smog and allergy)</p>	△	15
Eco Products	Approach to environment-friendly designing	Promotion and enlarging the application of environment-friendly designing	<ul style="list-style-type: none"> We implemented the environment-friendly designing assessment at each main step of development and designing to evaluate whether the number of components, the total weight of machinery, or harmful substances had been reduced for promotion of environment-friendly designing. To reduce the air pollutants discharged by diesel engines, Iseki have developed environment-conscious diesel engines conforming to legal emission control and continuously manufactures the engines. 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. 	○	16
	Support of nature-friendly agriculture	Reduction of air pollutants by employment of tiller	<ul style="list-style-type: none"> We have developed electric mini tillers of no emission gas instead of the current engine using petroleum-based fuel for prevention of global warming. From now on, Iseki keeps developing environment-friendly products and promotes safe-conscious and environment-friendly activities. 	○	20
	Promotion of purchasing green	Promoted purchasing green through good relationships with business partners	<ul style="list-style-type: none"> The overall rate of purchasing green including office supplies in the entire company was 93%. The rate of the purchasing green for production parts and materials was 63%. Iseki will assist our business partners in developing the environmental management system for increasing the purchasing green rate. In 2009, Iseki obtained a green electricity certificate from Matsuyama city by promoting solar energy generation, which is now used for the power in the "local production for local consumption activities" corner. 	○	22
Reinforcement of Environment Management Basis	Environmental management system	ISO14001 certificate updating / EA21 certificate updating at each manufacturing plant	<ul style="list-style-type: none"> The headquarter offices and manufacturing plants promote the activities which utilize ISO14001 in most efficient ways. In order to promote the approaches that will realize a recycling-oriented and low carbon emission society, Iseki's Group, including sales subsidiaries, have accelerated to be audited on a regular basis. <p>Our distributors will further promote environment preservation activities by reflecting the amended contents of the "Eco Action 21 Guideline" 2009 edition.</p>	○	7
	Entrenching of environmental accounting	Introduction of environmental accounting and up-grading	<ul style="list-style-type: none"> 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 grasp the investment effect and prevent the global warming. 	○	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"> 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 take actions for environment preservation by management of various environmental data according to the provisions of Amended Energy-saving Law and Law Concerning the Promotion of Measures to Cope with Global Warming which specify the changes from plant basis to company basis, as well as strengthening of the management structure. Iseki implemented emergency training on a regular basis at each business establishment to be able to respond to emergency cases. 	○	9
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"> We strived to improve the capability of internal auditors through training by external educational institutes while promoting environmental education to employee, being coupled with various education systems. We recommended employees to have the official qualifications needed to deal with environmental laws and regulations including Amended Energy-saving Law. We trained and assigned new internal environment auditors in order to maintain the environmental management system properly. 	○	23
	Environmental communication	Promotion of volunteer activities / enhancement of collaboration with community	<ul style="list-style-type: none"> Our 4 local factories and offices strived to further increase the awareness about local production for local consumption activities by displaying messages, etc. 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. Our sales agencies promoted "FOOD ACTION NIPPON" activity by implementing roadside station relay in Tohoku region. 	○	24

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

Environmental accounting

Environmental management

Iseki Group employed the environmental accounting system from 2004 and 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 2009 was 176,100,000 JPY. The total amount of expenses was 668,900,000 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		120.6	80.1	
Breakdown	① Pollution prevention cost	Sewage treatment	29.2	26.4
	② Environment preservation cost	Inverter installation	89.1	1.8
	③ Resource recycling cost	Waste treatment	2.3	51.9
(2) Cost required at previous and later stages	Green purchasing	0.0	145.8	
(3) Control activity cost	Maintenance of environment management system	0.0	45.5	
(4) Research and development cost	Corresponding to emission gas regulation	55.5	392.9	
(5) Community activity cost	Cleaning activity in the district	0.0	4.6	
(6) Environment recovery cost		0.0	0.0	
Total		176.1	668.9	

Scope of aggregation: (Iseki-Matsuyama, Iseki-Kumamoto, Iseki-Niigata, and Iseki-Houei MFG. Co., Ltd. and tobe office)
Period of data: April, 2009 to March, 2010

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	1.9
(2) Reduction of environmental stress substances	27.9
(3) Reduction of energy consumption	3.9
Total	33.7

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 33,700,000 JPY. The physical effect was the reduction of CO₂ emission by 2,926 tons, reduction of water consumption by 8,317 tons, and recycling of wastes by 3,398 tons.

Environmental risk management

Environmental management

[Actions to comply with Antipollution Laws]

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

4 local factories of Iseki Group set up and applied more stringent self-directed control standards than those described in the environment-related laws and regulations. As shown in the table below, we have cleared all the self-directed control standards as a result of activities in FY2009.

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 2009	Regulatory standards	Self-directed control standards	Result in 2009	Regulatory standards	Self-directed control standards	Result in 2008
Water quality	Volume of suspended substances (SS)	600	500	5	200	40	6	90	45	4
	Volume of biochemical oxygen demand (BOD)	600	500	1.8	25	8	1	60	30	10
	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	91	78	250	200	24	230	150	15
Dioxin	Emission gas	5.0	3.0	0.9	-	-	-	-	-	-

- : shows standard N/A or not applicable machines

<Frequency of environment data measurement>

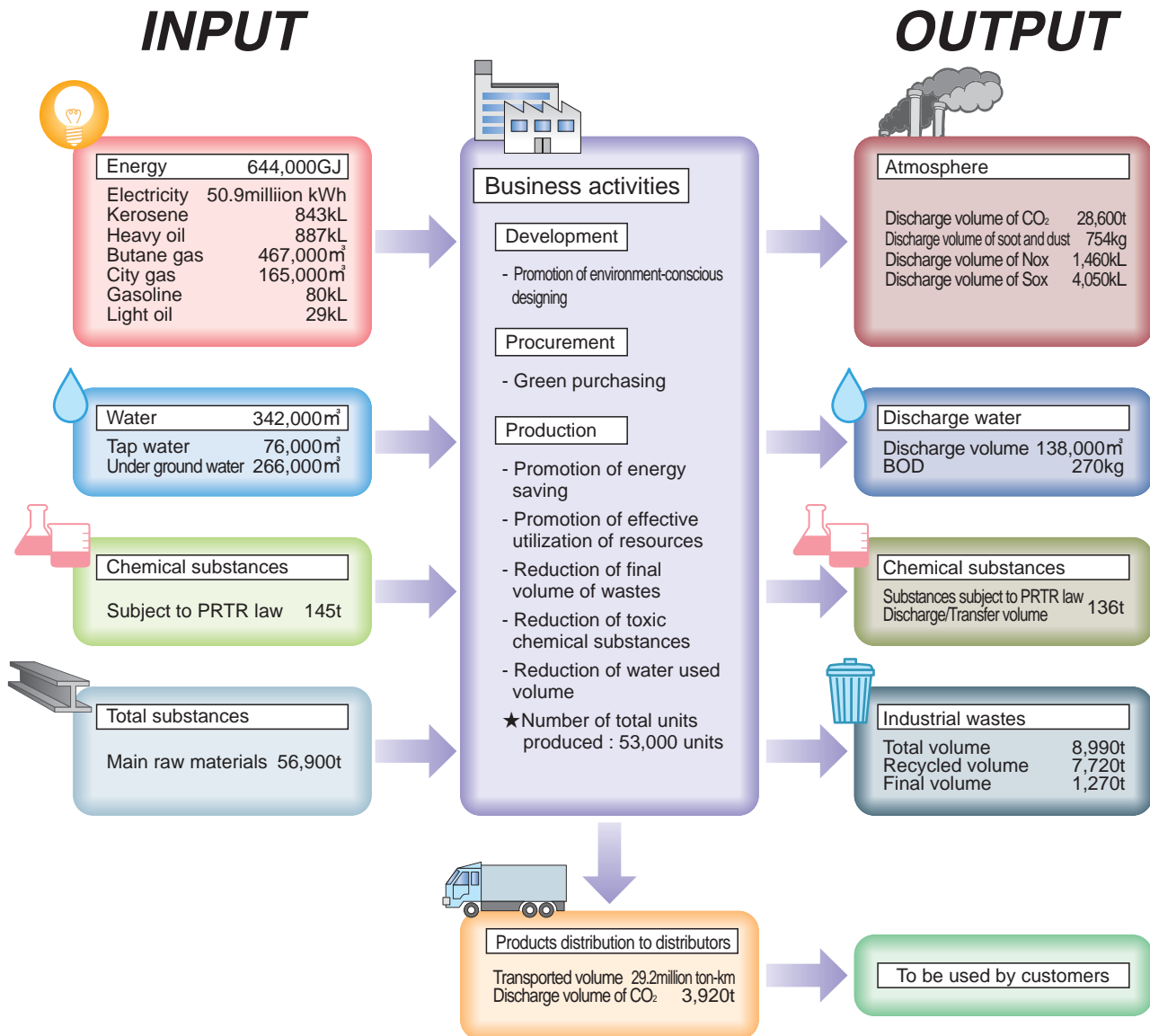
Machine, equipment, and place	Measured item	Measuring frequency		
		Iseki-Matsuyama & Iseki-Houei MFG. Co., Ltd.	Iseki-Kumamoto MFG. Co., Ltd.	Iseki-Niigata MFG. Co., Ltd.
Industrial effluent	Water quality	Once a year	Once a year	Once a month
Casting melt furnace	Air	Twice a year	-	-
Boiler		Twice a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

- : shows standard N/A or not applicable machines

Eco balance

Environmental performance

Iseki Group uses materials such as fuel, electricity, water and other raw materials in the process of production, and discharges chemical substances and industrial wastes subject to laws related to carbon dioxide (CO₂) and PRTR (Pollutant Release and Transfer Register) law. We always check the volume of materials used for production (INPUT) and discharged volume of chemical substances and industrial wastes (OUTPUT) as an index in reducing discharge of such chemical substances and industrial wastes for realizing business activities with less environmental stresses. The following shows figures of undertakings for 2009.



Approach to reduction of environmental stresses caused by products distribution

As Energy Saving Act amended in 2006 imposed energy saving activity on every goods owner, we always check the environmental stresses caused by the products distribution and promote the reduction. The CO₂ discharged volume in 2009 is 17% lower than the last year, and*the modal shift rate is drastically lowered to 46%.

* The modal shift: means change of transportation ways.

For example : Changing the transportation ways from trucks to trains or ships.

Environmental risk management [Examples of air pollution prevention and control]

Environmental performance

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

◁ Approach to energy saving by using the inverter compressor ▷



Iseki Matsuyama MFG, Co., Ltd. uses compressed air as a source of energy to operate various equipment and tools. Workload applied to the air compressor (compressor) changes greatly according to the compressor operating time. We used to deal with this change in the workload by reducing or increasing the number of units to be operated though; appropriate compressed air for the changing workload can be supplied now by employing 2 inverter compressors. This contributes to reduce electrical usage.

This has resulted in a reduction of 400,000kWh per year, which is equivalent to a reduction of 157 ton of CO₂, saving approximately 2.8 million yen in the cost of electricity.

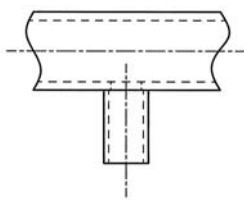
◁ Approach to energy saving for electrodeposition coating ▷

Iseki-Kumamoto MFG Co., Ltd., has promoted to expand operation of the inverter for the electrodeposition coating circulation pump (22kW x 2 units), which is operated 24 hours a day. The discharge nozzle inside the paint tank has been improved to the one with higher agitating capacity, allowing for the reduction in the output of the circulation pump motor. As a result, Iseki-Kumamoto was able to reduce the electrical usage.

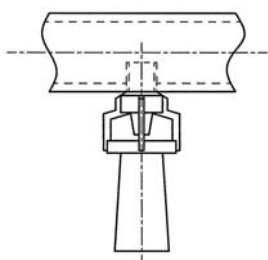
[Reduction effect in FY2009]

- Electricity usage : Approximately 83MWh/year
- CO₂ reduction volume : Approximately 29t-CO₂/year

Conventional discharge nozzle



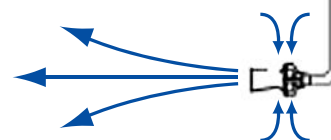
Improved discharge nozzle



140 places in total



Feature of the nozzle



The improved nozzle absorbs 4 times the volume absorbed by the conventional nozzle and strongly discharge 5 times the volume discharged by the conventional one, realizing drastic improvement of the agitating capacity in the tank. This resulted in a reduction in the output of the circulator pump.

Environmental risk management [Examples of air pollution prevention and control]

Environmental performance

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

< Approach to electric energy recycling for the tractor test facilities >

Tobe Office in Iseki Group renewed the test facilities for performance measurement and endurance test of PTO (Power Take-off) shaft to deal with the trends of growth of tractors in size. The renewed test facilities will recycle the electricity by absorbing the output energy from PTO shaft of the tractor, and employment of the data automatic measurement and monitoring function allows for 24-hour continuous operation. This also has high maintainability as the body of the dynamometer itself is an alternator and no brush is needed as well as high security without a risk of ignition of spark.



Power panel



Dynamometer

The test facilities uniquely employ an alternative dynamometer using the inverter control. The alternative dynamometer controls all digital sign waves, PWM (Pulse with Modulation), realizing high performance and low noise level. This system enable the regeneration of approximately 80% to 90% of the energy of PTO shaft output as electric energy, allowing for reduction of electricity usage and discharge volume of CO₂.

- Yearly reduction of electric energy : Approximately 100MWh (electricity cost: reduced by approximately 1,7million yen per year.)

- Reduction volume of CO₂ emission : Approximately 38t-CO₂



Operation measurement control panel

Function overview of operation measurement control panel:

As well as automatically controlling the load of the dynamometer by using the personal computer and control panel, this system automatically monitors various data (temperature, strain, shaft torque), etc. Sufficient consideration to safety is given in the automatic measurement system, which will automatically reduce the load to nearly zero and stop the engine.

Promotion of energy saving [Preventing global warming]

Environmental performance

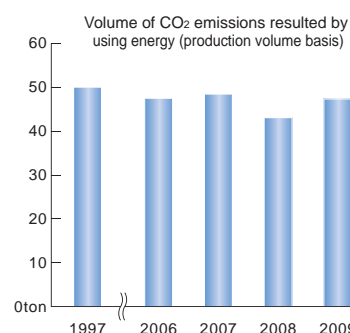
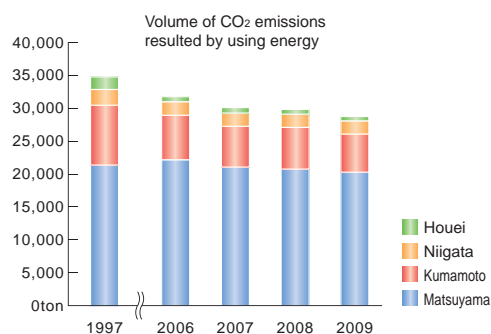
[Reduction of energy use in the plant]

4 factories of Iseki Group have been striving to reduce consumption of energy such as electricity and fuel required for production activities in 4 factories, by realizing the efficient operation of all machines and facilities, and by replacing existing machines and equipment with energy-saving type ones.

The total volume of CO₂ emissions due to energy usage was 4% lower than the previous year and the emission volume was 6% lower than the datum year. The reduction was because the production output in FY2009 was greatly reduced; we are still going to keep reducing the energy consumption.

Volume of CO₂ emissions resulted by using energy

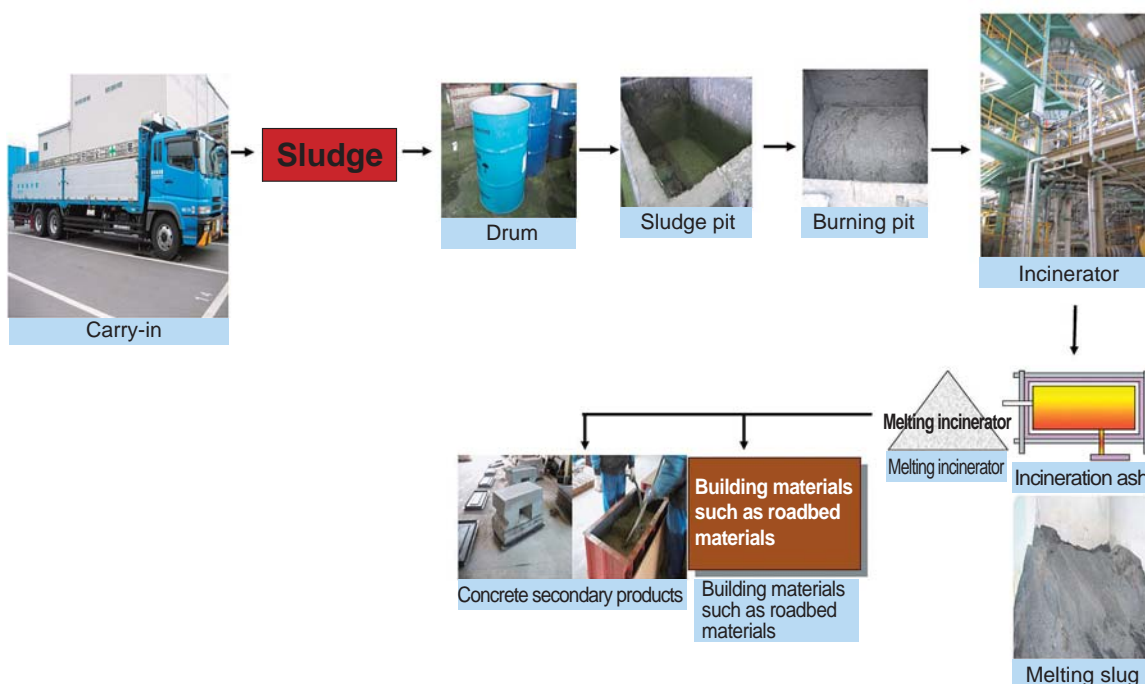
	1997	2006	2007	2008	2009
Total volume (ton-CO ₂)	34,500	31,800	30,000	29,800	28,600
Total production output per year (ton-CO ₂ / 100million yen)	50.0	47.4	48.3	43.3	47.2



[Reduction of final industrial wastes]

< Recycling sludge >

Iseki Houei factory has been aiming to realize zero emission manufacturing by implementing and applying an industrial waste products recycling system in order to promote 3R principle (restriction of wastes, reuse and recycling) for the formation of recycling-oriented society. We used to outsource the final treatment of the industrial wastes such as landfilling to the industrial treatment firm. In FY2010, however, we started recycling them into concrete secondary products or roadbed materials.



Promotion of energy saving [Preserving water resources]

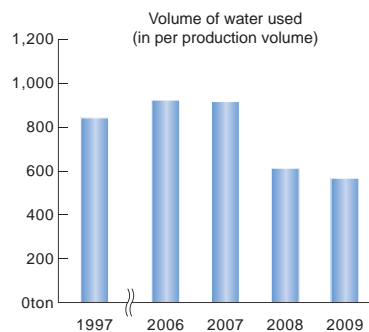
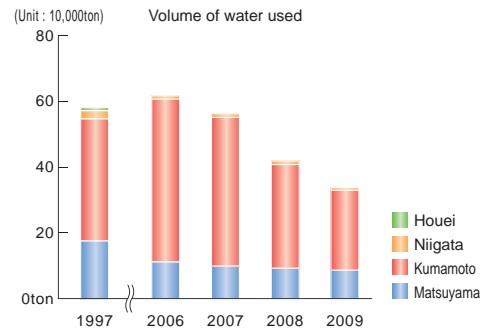
Environmental performance

[Reduction of volume of water used]

According to the installation of the water circulation facility and implementation of countermeasures for water leakage, 4 factories of Iseki Group strived to reduce the volume of water used. The volume of water used in FY2009 was reduced by 19% from the previous year, and by 33% from the datum year per production volume although the production volume was reduced. Water shortage has become more serious issue than food shortage or exhaustion of fossil fuels with population growth. We are going to reduce water usage from now on.

Water used volume

	1997	2006	2007	2008	2009
Total volume (Unit : 10,000ton)	58.2	61.9	56.7	42.4	34.2
Total production output per year (ton/ 100million yen)	844	924	913	617	565



Promotion of energy saving [Reducing total material input]

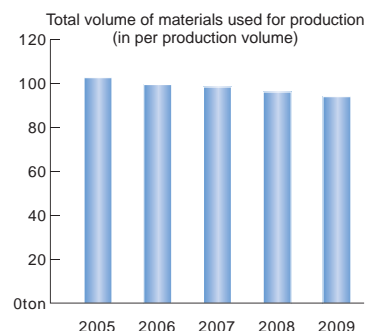
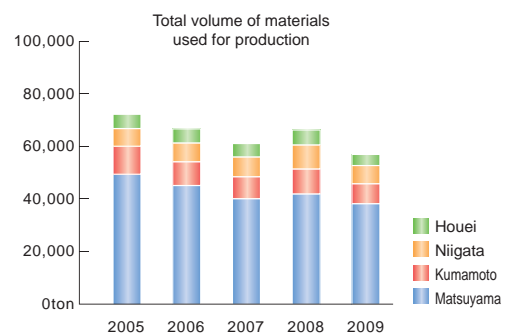
Environmental performance

[Reduction of total volume of materials used for production]

4 factories of Iseki Group use the aggregated amount of total materials such as raw materials, production supporting materials, purchasing parts, etc. as an index to reduce the total volume of materials used and by promote energy-saving activities. In comparison to previous year, the total volume of materials used for production in FY2009 per production volume was reduced by 14% due to the reduction in the production volume. The total volume of materials used for production per production volume was reduced by 8% from the FY2005 (reference year).

Materials used volume

	2005	2006	2007	2008	2009
Total volume (ton)	72,100	66,600	61,100	66,000	56,900
Total production output per year (ton / 100million yen)	103	99.4	98.3	96.0	93.9



Reduction of industrial wastes [3R of production processes]

Environmental performance

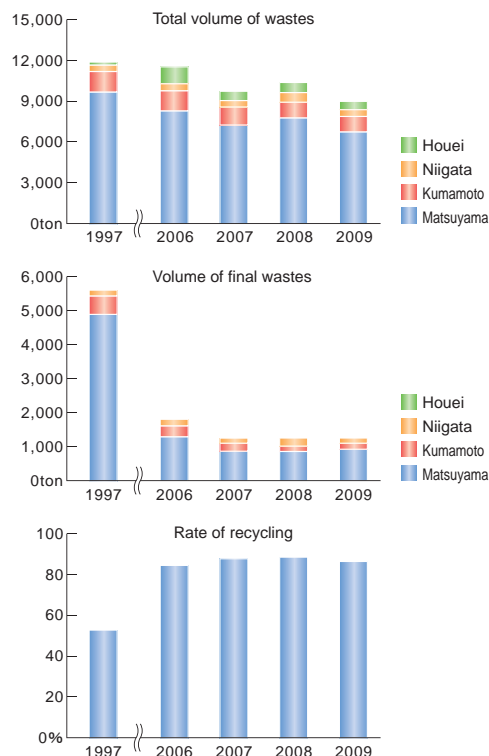
[Reduction of wastes]

To build a recycling-oriented society, 4 factories of Iseki Group have been contributing to an effective usage of their industrial wastes by promoting restriction of wastes, reuse and recycling. The total volume of wastes in FY2009 was reduced by 13% from the previous year due to the reduction in the total production volume, and by 14% lower than the datum year per production volume.

The final volume of wastes reduced this year such as by landfilling was same as the last year and there was a 74% 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 86%. Now and in the future, the 4 factories of Iseki group 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.

Volume of wastes (ton)

	1997	2006	2007	2008	2009
Total volume of waste	11,900	11,500	9,760	10,400	8,990
Volume of recycling materials	6,270	9,640	8,490	9,120	7,720
Volume of final waste	5,640	1,840	1,270	1,260	1,270
Rate of recycling	53%	84%	87%	88%	86%

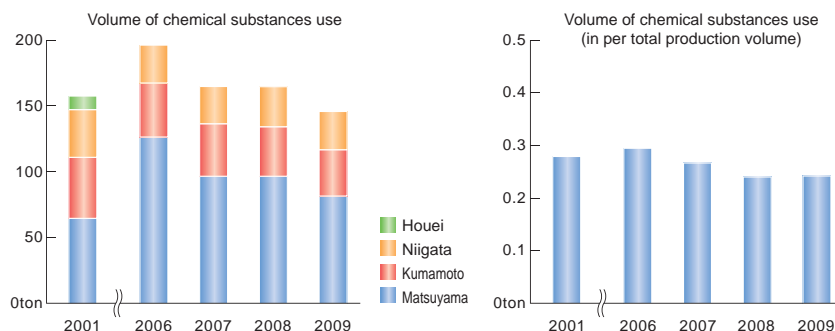


Optimal control and reduction of use of chemical substances

Environmental performance

[Optimal control of chemical substances]

The total volume of use of Category-1 Chemical Substances stipulated by PRTR law in FY2009 was 12% lower than the previous year. The used volume per production volume was reduced by 13% lower than the datum year by changing the chemical substances to those containing less toxic chemical substance stipulated. 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					FY2008					FY2009				
	Matsuyama	Kumamoto	Niigata	Houei	Total	Matsuyama	Kumamoto	Niigata	Houei	Total	Matsuyama	Kumamoto	Niigata	Houei	Total
Xylene	20.1	26.7	13.9	6.50	67.2	36.6	22.0	14.3	0.14	73.1	31.7	18.8	13.0	0.10	63.6
Toluene	13.4	4.71	8.54	1.00	27.7	17.7	1.78	3.69	0.24	23.4	17.9	2.60	4.59	0.18	25.3
Ethyl benzene	16.8	14.7	9.09	0.00	40.6	35.3	11.8	11.7	0.05	58.8	30.4	11.2	10.5	0.02	52.2
Water-soluble zinc compound	0.00	1.21	0.00	3.20	4.41	0.29	2.26	0.24	0.00	2.79	0.26	2.30	0.20	0.00	2.76
Dichloromethane	13.0	0.00	2.42	0.00	15.4	5.15	0.00	0.01	0.00	5.16	0.04	0.00	0.01	0.00	0.05
1, 3, 5-Trimethylbenzen	0.75	0.00	1.41	0.00	2.16	1.20	0.29	0.15	0.00	1.64	1.00	0.29	0.25	0.00	1.54
Total	64.1	47.3	35.4	10.7	157	96.2	38.1	30.1	0.43	165	81.3	35.2	28.6	0.30	145

Approach to environment-conscious designing

Environmental performance

< Approaches to environment-conscious designing by product assessment >

Tobe office implements the product assessment in the development and designing phase to enhance the environment-conscious designing by improving energy-saving and recycling rate of the products.

The evaluation items for the product assessment are 40 items in 8 categories including reduction of products in volume, prohibition or reduction in use of toxic substances, etc. A product cannot be commercialized if it does not pass our standard.

8 categories for evaluation of products

- | | |
|--|--|
| 1. Reduction of product volume | 5. Reduction of environmental stresses in manufacturing phase |
| 2. Prohibition or reduction in use of toxic substances causing environmental stresses | 6. Reduction of environmental stresses in product distribution |
| 3. Improvement of maintainability and ease of repair, and reduction of environmental stresses in using phase | 7. LCA |
| 4. Improvement of recycling rate | 8. Promotion of disclosure of products usage information (communication) |

< Approaches to LCA >

LCA is a method to create an inventory (list for items related to emission and absorbing volume of greenhouse effect gas) for the emission volume of toxic gas such as CO₂, especially affecting the global warming, emitted during burning of fossil fuel consumed in manufacturing phase including manufacturing of raw materials, manufacturing of products in the factories, transportation, and use or disposal of products by users.

For reducing toxic substance emission in the environment, LCA method allows for clarifying which items to be improved first and focused on in each phase by comparing our conventional products with newly developed products. Each technical department uses and promotes this method to realize effective reduction of the toxic substance emission, leading to energy and resource saving.

The following Fig. 1 shows the lifecycle model of the product.

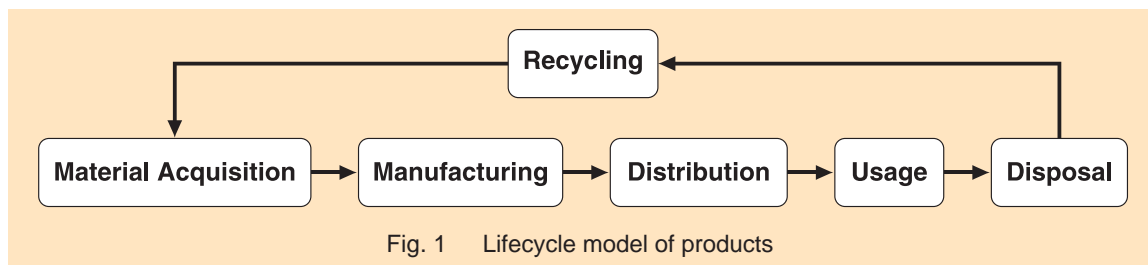


Fig. 1 Lifecycle model of products

< Approaches to prohibition or reduction in use of toxic substances >

Our products are not subject to RoHS directive though; we manage ourselves to reduce toxic substance contained in our product, which causes environmental stresses, by separating materials prohibited to be used from the ones to be reduced step by step, for promoting green purchasing activity.

* RoHS directive : This directive prohibits use of stipulated toxic substances in the electric or electronic equipment.

Substances causing environmental stresses prohibited or requiring reduction of use in our product

★ Prohibited materials

(1) PCB (2) Asbestos (3) Ozone depleting substance (PFC chlorofluorocarbon)

★ Materials requiring reduction of use

(1) Mercury (2) cadmium (3) Lead (4) Hexavalent chromium (5) Polybrominated biphenyl (6) Polybrominated diphenyl ether

Approach to environment-friendly designing

Environmental performance

<Approaches to improvement of workability for combine harvesters>



New JAPAN HJ7120

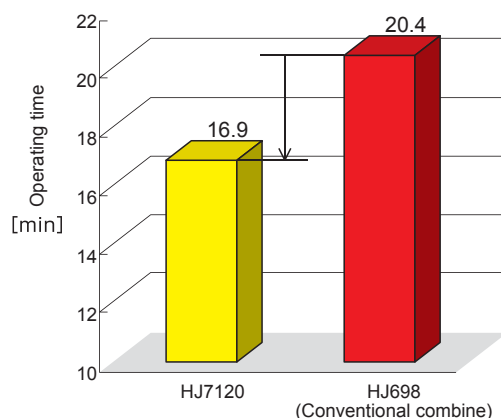
As a result of the governmental policy to cope with the successor reduction issue in the agricultural field implemented by “Ministry of Agriculture, Forestry and Fisheries of Japan”, number of certified agriculture workers have been increased and agricultural lands have been centralized, expanding the demand of large size combine harvesters. Under these circumstances, we have developed the environmentally conscious and large size combine harvesters, “JAPAN” series, around the concept of “high accuracy, efficiency and durability.”

Usability and workability have been greatly improved

Iseki 7-row type combine harvester has a 4-cylinder diesel engine of 120 horsepower, which is common rail and water-cooled type. This combine harvester is the industry's first 7-row type combine harvester, realizing ease of feeling tired at high driving speed 1.75m/s.

The reaping section in this 7-row type combine harvester is wide enough, requiring only 2 turns at the corner unlike the conventional one requires 3 turns, which has reduced the number of turns in the field. In a field of 30a, the working time was 17% lower when compared with that of our conventional 6-row type combine harvester. Thus, the operating efficiency has greatly been improved.

This reaping section wide enough for the width required by running and threshing realized easy handling without paying attention to the rear side even in a field near a residential area where there are high concrete walls or woods.



Field area: 30a=60m x 50m

	HJ7120	HJ698
1st time speed (m/s)	1.25	←
Speed other than 1st time (m/s)	1.75	←
Number of turns for reaping	2	3
Distance to move backward at corner (m)	10	←
Number of reapings at corner	2	3
Distance to move backward at α-turn (m)	3	←

Approach to environment-friendly designing

Environmental performance

< Approaches to reduction of environmental stresses caused by the combine harvesters >

The “switch panel” of the new combine harvester “HJ7120” has an electronic control PC board inside. The electronic control PC board requires “soldering” using leads, toxic substances, for joining the electronic panel to the PC board. For avoiding usage of leads, Iseki has employed “lead-free soldering” method. For employment of the “lead-free soldering”, all the electronic parts installed to the electronic PC board need to be applicable for the “lead-free soldering”, and have to withstand higher temperature welding, because the “lead-free soldering” has higher melting point.

This “switch panel” uses parts and materials such as cases, labels, water-proofing sealing materials and screws conforming to European RoHS directives as well as the PC board parts applicable for the “lead-free soldering.”

Integrated structure of the switch panel

The switch panel installed in the “New JAPAN” series contributes to reduction of toxic substances.

The switch panel is equipped with sensors and switches including input circuit, output circuit and communication circuit in addition to the toxic substances, integrating into the electronic control PC board while it was separately installed in the conventional switch panel.

This structure enabled removal of the operating parts such as switches or volume controllers and electric cable connection between the electronic control PC boards, reducing the weight of the switch panel.

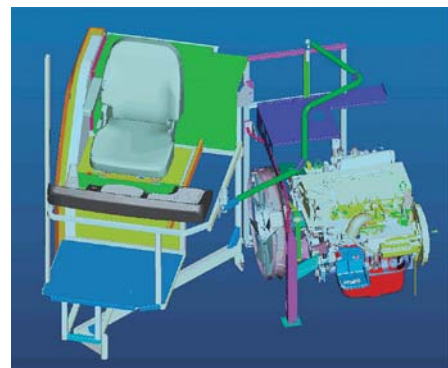
The integral arrangement of electronic parts improved the disassembling capability for easy maintenance and repair. For the indicators of the switches, super luminosity LEDs are employed, eliminating replacement work of the conventional incandescent lamps. This realized the maintenance-free switch panel.



Switch panel

Facilitations of maintenance

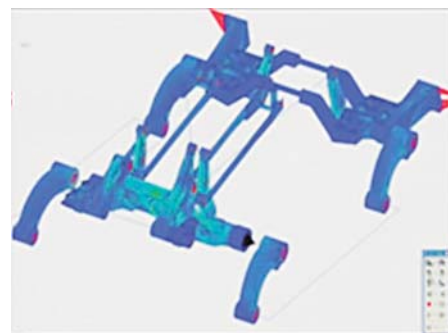
For greatly improving the maintainability of the engine, we designed the “4 point link” type open mechanism in which the engine is more widely opened. This mechanism is able to reduce extended part in size when opening, and it is not necessary to open the grain tank or reaping section. Instead, the entire operating seat was made openable. This facilitated maintenance of the important parts such as shift HST, shift transmission case, hydraulic valve, etc. as well as the engine and improved the safety.



Opened operating seat

Improvement of strength and durability

CAE analysis was implemented about mainly leg section which has many important parts, reaping frame greatly affected when it is vibrated and cylinder driving part assuming application of excessive load to select shape and material of the cases, reduce the vibration and improve the strength and durability.



CAE analysis of running frame

Approach to environment-friendly designing

Environmental performance

< Approaches to reduction of rice huller >

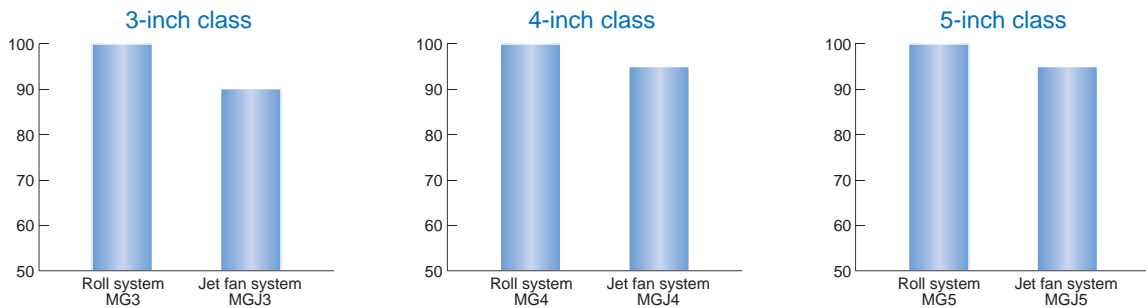
The oscillating type rice huller, MGJ series, employs jet fan system in the husking part which is a main mechanism of the husker, realizing reduction of power consumption during husking work by approximately 5 to 10% as compared with the conventional roll system.

The noise workers feel has also been reduced. Thus, human and environment-friendly machine was realized.



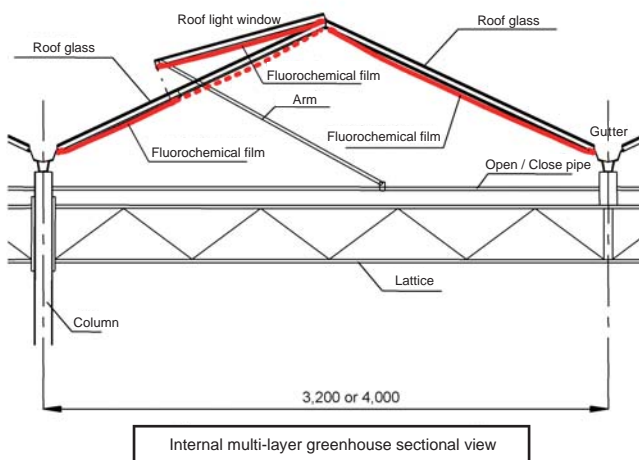
MGJ5

Power consumption rate



(Value is calculated provided that the power consumption of the conventional roll system is 100.)

< Approaches to reduction in use of petroleum-based fuel by employment of multi-layer greenhouse roof >



Boilers or hot air heaters are installed as a heat source of the heating system for heating the greenhouse plantation facility during cold period. Many of those boilers or heaters use petroleum-based fuel. The consumption of the petroleum-based fuel is one of causes of global warming, and it is our duty to reduce the consumption.

For this duty, we have made the greenhouse roof multi-layered, allowing for great reduction in consumption of petroleum-based fuel. The multi-layered roof was created by overlaying a new cover material on the existing cover material in parallel with some space left between. By creating air layer between cover materials, the greenhouse insulation capacity increased allowing for reduction of the volume of the heat from the heater inside the greenhouse.

In our laboratory greenhouse, the fuel consumption has been reduced by 1/3 by employing multi-layer roof with fluorochemical films applied inside the glass.

Support to promote environment-friendly agriculture

Environmental performance

< Approaches to electric mini tiller, which is environment-friendly >



ERENA

ASUNA

Electric mini tiller

Recently many people have been appealing for food safety, and gardening and table gardens have become a boom in a wide range of people including baby boomers or people interested in the field. Under the circumstances, demand for tiller which can be handled by aged person or women has grown. Thus, Iseki commercialized the field's first electric mini tiller driven by lithium ion battery for realizing both full-scale work (cultivation, ridge making, field filing and weeding) and environment-conscious work.

★ Clean operation

- The electric mini tiller, emitting no gas and releasing no odor, is an environmental and human-friendly product.
- There is no need for supplying gasoline or replacement of engine oil.
- Employment of a clean tray realized to keep the tiller clean even while it is running on a road, a worker is loading a cargo into the vehicle or the tiller is stored.



Clean tray

★ Silent operation

- This noise-less tiller, driven by a motor, allows for environment-friendly operation around a residential area.

★ Simple operation

- Easy charging
A lithium ion battery, having large capacity and rechargeable, is employed.
- Easy transportation
The tiller is equipped with 2 driving wheels for stable and easy transportation. This tiller is foldable and can be loaded into a trunk of an automobile.

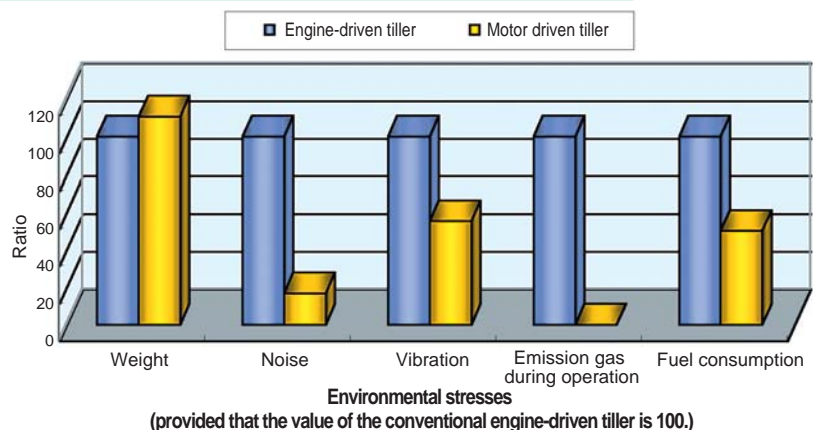


Loaded into a car trunk

Comparison of environmental stresses between the conventional tiller (driven by a engine) and electric mini tiller (driven by a motor)

The graph proved that the new motor driven tiller is superior to the conventional one in almost all the aspects except for weight. It is notable that there is no emission from this new tiller during operation, contributing to environment-friendly manufacturing activities.

When evaluated (compared with our standard) by Life Cycle Assessment (LCA) from the manufacturing phase to disposal phase including the phase of recharging batteries, the lifetime emission volume of CO₂ is 42% of that of the conventional one driven by a gasoline engine, realizing drastic reduction of CO₂ emission volume.



Support to promote environment-friendly agriculture

Environmental performance

< Approaches to low-fuel consumption for TJV tractor >



TJV95

With a common rail type electronically-controlled fuel injection system, conforming to the emission control standard in Japan in 2008, installed, this new tractor accurately controls pressure, volume and timing of injection by using a computer for fuel injection appropriate for the operating condition of the engine.

It employed a function to select either mode between 2 modes (standard mode or green mode (fuel-efficient mode)) depending on the kind of work, attaining reduction in usage of energy, high fuel efficiency and environment-friendly operation.

By selecting the green mode (fuel-efficient mode), the fuel consumption was reduced approximately by 10% in light load operation.

By using the governor mode selector function (either droop or isochronous) together with other main functions, the working efficiency was improved due to change in the operating condition or method. Thus, fuel efficiency can be improved.

Operators' awareness of reduction of fuel consumption, by the graph display of the fuel consumption rate on the panel, was improved, contributing to improvement of the global environment.

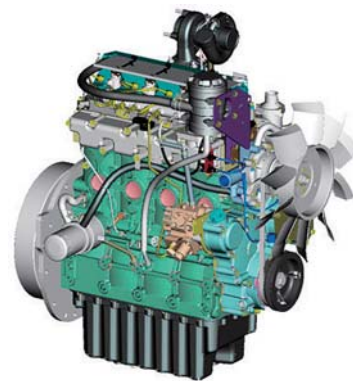
Droop mode:

Standard control to reduce engine speed when the engine is overloaded.

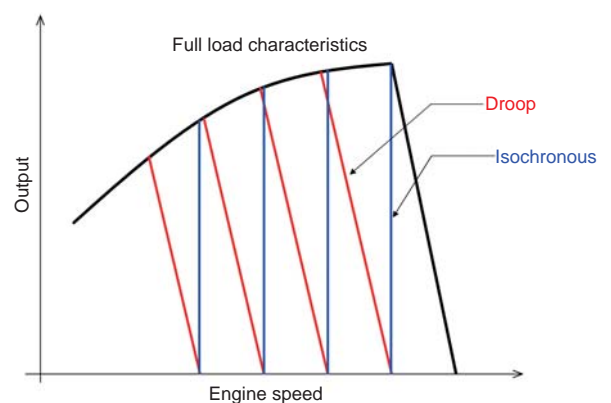
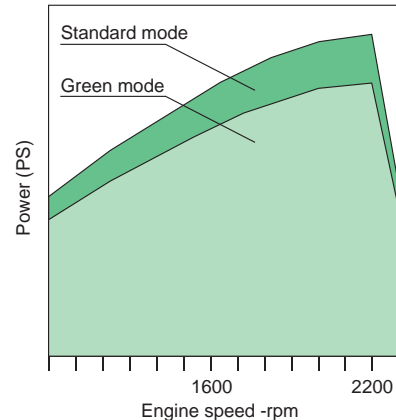
Isochronous mode:

Control to keep the engine speed constant.

In response to the gain of momentum for improvement of food self-sufficiency ratio in Japan, demand for high horsepower tractors exceeding 50PS has been expanding in a field of tractors. Iseki developed an environment-friendly new model tractor (TJV series) with PS between 58 and 95 meeting the demand.



Iseki common rail engine



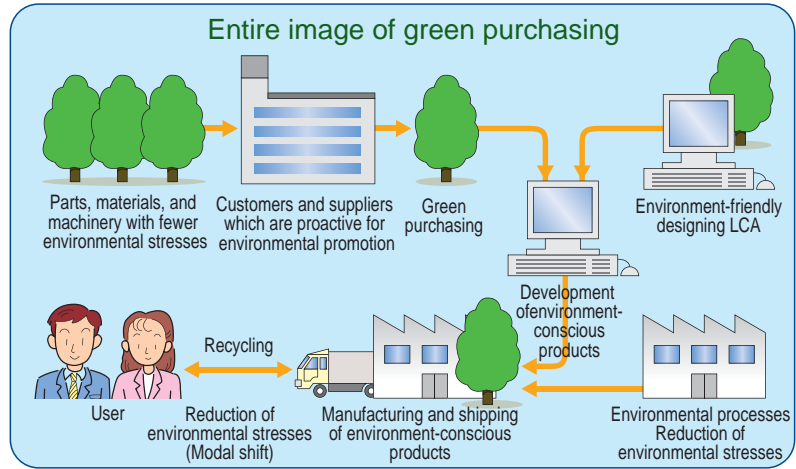
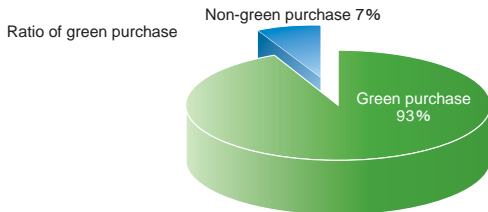
Governor mood chart

Green purchase

Environmental performance

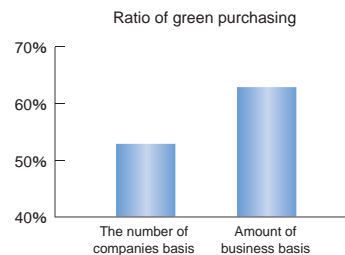
<Green purchase of office suppliers>

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 93% of the total purchase in FY2009.



<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 53% of the total number of vendors and suppliers and the amount of purchase from these suppliers and vendors was 63% of our total purchase. Iseki strive to encourage such suppliers and vendors to implement the EMS and expand the usage in the future so as to establish a supply chain which enhances the ratio of our Green Purchasing.



<Purchase of green electricity certificate>

Green electricity certificate

Tobe office purchased the green electricity certificate in FY2009 from Matsuyama city as a part of our green activities.

Solar power that electrical power is converted from sunlight does not emit CO₂ when generated, which is environment-friendly, providing environmental value.

This green electricity certificate system enables us to trade the green electricity certificate with the environmental value. By purchasing this certificate, therefore, Iseki is regarded as a company purchasing electricity generated from non-fossil fuel (solar power, wind power, etc.) in a positive manner.

Outline of this business

This green electricity certificate is issued by Matsuyama city. They sell the environmental value of solar power given from the public facility, etc. to companies in Matsuyama city (the area of Tobe office became applicable in this year) in the form of the certificate. Matsuyama city uses the earnings to employ solar systems for further expanding the business.



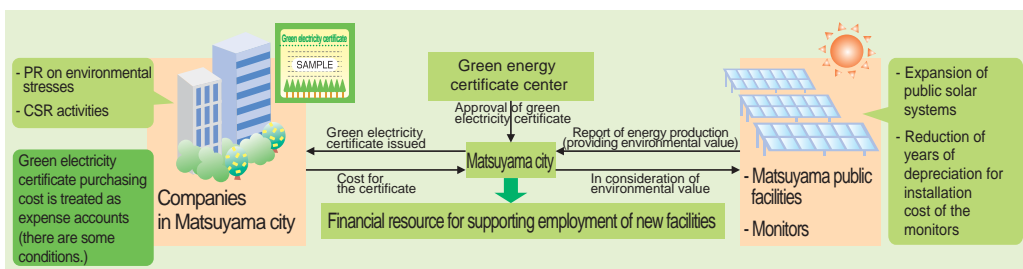
Sale destinations of the 1st and 2nd term green electricity certificates, the "green electricity certificates model project", started as a part of "Matsuyama Sunshine Project"

● 2nd term (December 2009)

Iseki & CO., Ltd.
Iyo Railway Co. Ltd.
Ehime Beverage Inc.
Ehime-Shinkinbank
Eco Tec Kaneshiro Sangyou
Shinei Design Co., Ltd.
Seki Co., Ltd.
Hoshi Advertisement, Ltd.
Hodono Syoten
Messe Matsuyama 2010 Executive Committee
Reimu
Workshop Co. Matsuyama

● 1st term (July 2009)

i-TELEVISION INC.
The Iyo Bank, Ltd.
Ehime Bank, Ltd.
The Ehime Shinbun Co., Ltd.
Ehime Consumer Affairs Center
Ehime Re-cycle Civil Association (NPO)
Seki Co., Ltd.
CELCO JAPAN
HAUKOUISHIEN Executive Committee (NPO)

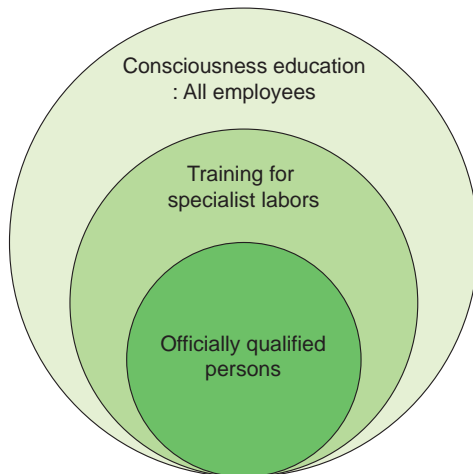


Education and training for environment / Qualified persons

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, 2010 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		185

The number of officially qualified persons for environment

〈Environmental education〉

Iseki Group promotes the environmental preservation not only in their workshops but also in their home and community such as energy saving in their home and eco-driving.

We realized that the first step to the environmental preservation is to raise the awareness of each employee about the environment through the environmental training of new employees and issuances of Iseki Group newsletters.



Lecture for environment

〈Training for internal environment auditors〉

Iseki promotes appropriate improvements and continuous activities through the 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 focuses on the internal audits. Therefore, we have been offering our employees unified and systematic training and education by third-party institutions as we think it is important for us to train internal auditors and up-grade the skills and capabilities of our employee 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 before performing actual jobs. 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 (FAN) Project Headquarters”, started by the Ministry of Agriculture, Forestry and Fisheries of Japan, in order to promote activities for the improvement of the 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, local residents, and people from other countries for plant tours.



〈Product exhibition corner〉

The Exhibition Pavilion in Matsuyama, the base of advertisement and public relations of Iseki Group, there are exhibitions of products including combined harvesters, tractors, dryers, and the “SANAЕ-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 “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.

Environmental communication II

Collaborative creation together with our stakeholders

< Activities of sales subsidiaries >

One of sales subsidiaries of Iseki Group, Iseki-Tohoku, drove around 6 prefectures in Tohoku region by using a tractor as a company of an agricultural field. Iseki Tohoku makes a stop at each “roadside station”, a promotion partner of national movement “FAN”, on its way, and held various events with the slogan of “Expand the local production for local consumption activities from Tohoku region, a base of food production” and “Encourage farmers as producers”.

FOOD ACTION NIPPON backup team In Tohoku region Around Tohoku activity by a tractor

[Information on the activity]

- Schedule : From September 2 (Wed.) to 10 (Thu.) 2009
- Traveling distance : Approximately 1,100 km
- Model of tractor : TJW117 {117 horsepower (86kW)}
- Events held : at 10 roadside stations

[Detail of the events at roadside stations]

- Stopped the tractor (named “FAN”) at each roadside station for photo sessions and PR activities for improvement of food self-sufficiency ratio.
- Handed out brochures of “The most familiar food” issued by Ministry of Agriculture, Forestry and Fisheries of Japan to visitors of the roadside stations.
- Handed out Iseki original goods to answerers of the quiz about FOOD ACTION NIPPON.
- Appealed the local products sold at roadside stations to visitors.

Schedule map

Traveling distance : 1,100km



Driving FAN



Photo with FAN



Company members greeted the tractor arrived at the destination after driving around Tohoku region.

Environmental communication III

Collaborative creation together with our stakeholders

〈Renewal of Exhibition Pavilion of Iseki-Kumamoto MFG. CO., Ltd.〉

Following the renewal of Iseki-Matsuyama MFG. Co., Ltd., Iseki-Kumamoto MFG. Co., Ltd. renewed the exhibition pavilion for offering factory tours featuring food education as well as displaying “approaches of Iseki Group towards improvement of food self-sufficiency ratio” called “FOOD ACTION NIPPON” activity. The 3 companies, Iseki & Co., Ltd, Iseki-Kumamoto MFG. Co., Ltd. and Iseki Kyusyu Co., Ltd. worked together to press-show the renewal of the exhibition pavilion on July 23rd, 2009.

In the exhibition pavilion, we set up an exhibition corner for displaying articles about improvement of food education and food self-sufficiency ratio and our approaches and PR corner for displaying Kumamoto-made products. In the machine exhibition area, exhibited are articles about history of agricultural machines, our main products, articles explaining the function of the combine harvesters produced by Iseki-Kumamoto MFG. Co., Ltd. examples of a telescopic discharge pipe equipped with the combine harvester and transmission mechanism which are cut so that the mechanism inside can be seen.

Outside of the pavilion, there is “Sanae-chan Farm” featuring a home garden for gaining attention of visitors other than farmers. There, visitors are able to actually take care of the farm by using tools and equipment there.

In the company cafeteria of Iseki-Kumamoto MFG. Co., Ltd., a corner for “local production for local consumption” is set up for offering some dishes using local food such as “Katsu-don” (deep-fried pork on rice) and salad. Set meals using local foods only are on the menu on every 3rd Friday for promoting improvement of the local production for local consumption activity and food self-sufficient ratio.



Renewed Exhibition Pavilion



Local production for local consumption corner



FOOD ACTION NIPPON corner

〈Participation in an interactive event with producers and consumers〉

Iseki Co. & Ltd. participated the event built on the concept of “Encouraging Japanese agriculture” held in Yoyogi park in Tokyo on March 13th and 14th 2010 for improving awareness of “FOOD ACTION NIPPON” (FAN). The event was held together with “Local food, Japanese food” activity hosted by NHK, etc., and the event place was full of visitors.

Iseki participated this event as a sole agricultural manufacturer for aiming to increase awareness of people, who do not have much opportunity to have exposure to the agricultural machines or agriculture, about “agriculture” or “food” by actually handling the agricultural machines.

Many visitors were interested in our exhibitions corner where we displayed the panels introducing our approaches to “local production and local consumption” activity and approaches to low cost agriculture and plant factory as a partner of FAN promoting team as well as handing out balloon with a logo “FAN”, implementing PR for promoting FAN activity and showing DVD of promotion and improvement of rice powder consumption. We also had a photo session with the tractor which had driven around Tohoku region for PR of FAN activity in September 2009. In order for the visitors to feel more familiar to “agriculture” and “food”, we set up a corner at which they were able to handle electric mini tiller “ERENA” and/or “ASUNA” suitable for home garden. Many children seemed to be more interested in driving the cultivators than adults. There were huge queues of people form in front of the corner for the driving the cultivator. This event proved to be very popular. From now on, Iseki is going to participate events for foods through FAN activity for giving more information to consumers.



Yoyogi park event corner



Yoyogi park exhibition corner



FOOD ACTION NIPPON corner

Iseki-Matsuyama MFG. Co., Ltd.

Environmental data

<Company profile>



Address	700 Umaki-cho, Matsuyama-shi, Ehime prefecture
Number of employees	630 (As of March 31, 2010)
Area	151,000m ²
Major products	Tractors, Medium and Small combine harvesters Dryers, Engines

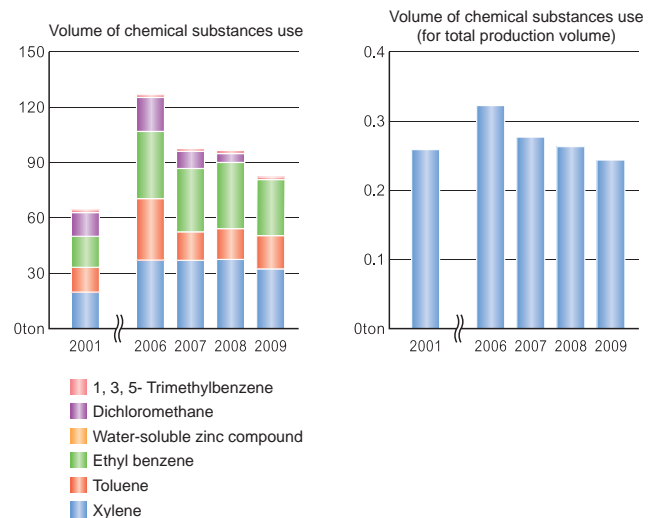
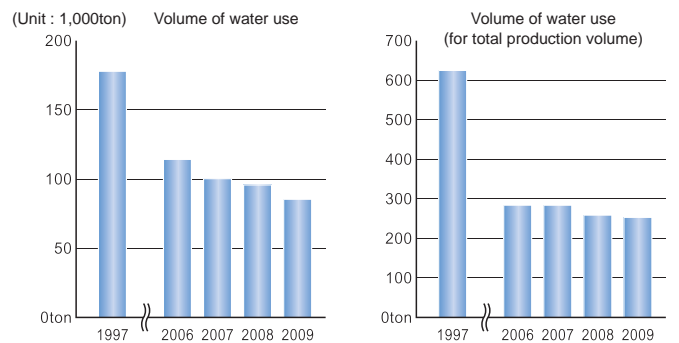
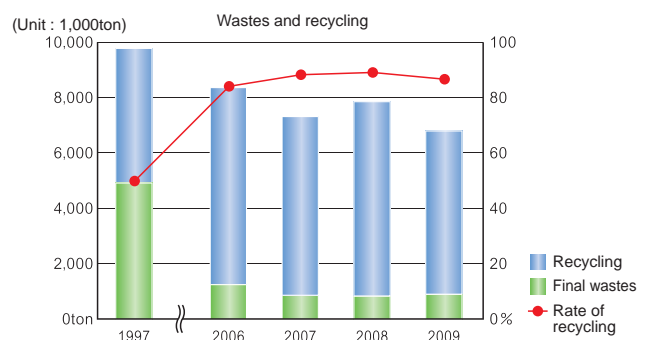
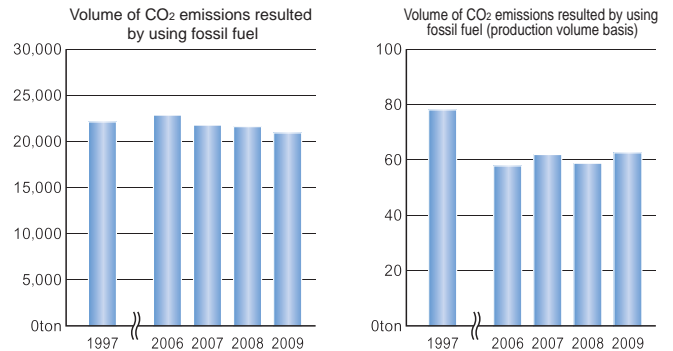
<Basic principles on environment>

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 CO₂ 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>



■ 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	310 (As of March 31, 2010)
Area	217,000m ²
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.

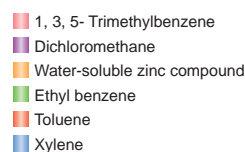
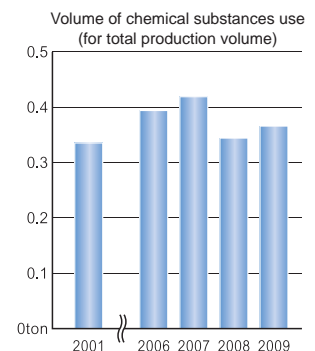
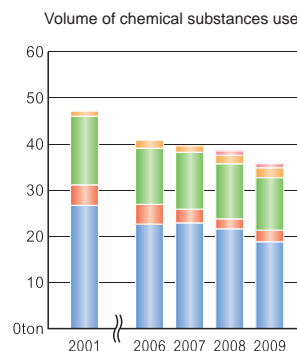
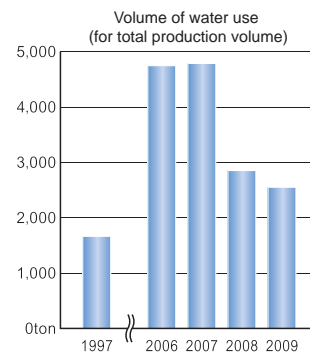
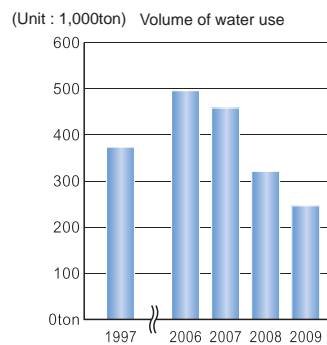
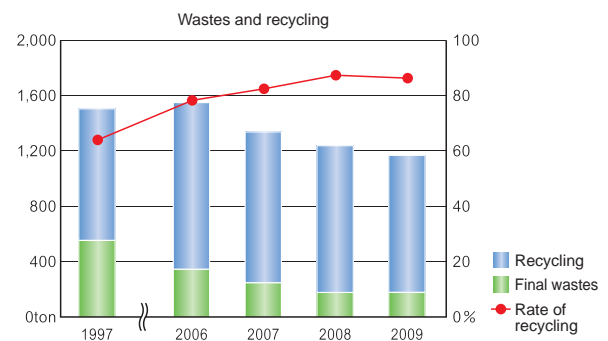
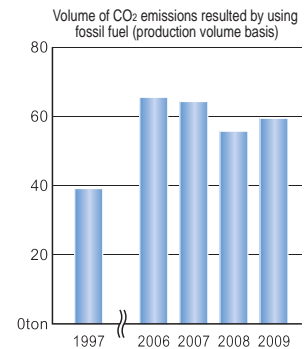
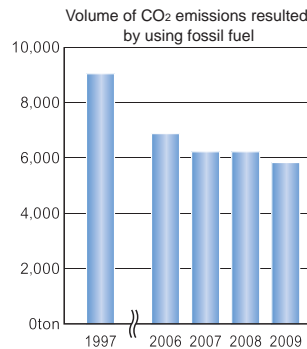
5. Familiarization of information to all employees

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>



Iseki-Niigata MFG. Co., Ltd.

Environmental data

<Company profile>



Address	3-12-23 Nishiohsaki, Sanjo-shi, Niigata prefecture
Number of employees	274 (As of March 31, 2010)
Area	29,000m ²
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

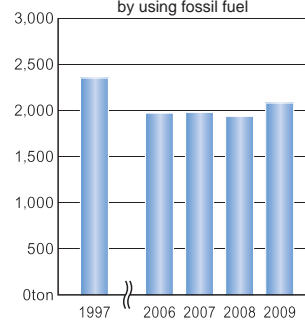
3. Familiarization of information to all employees and contribution to community

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.

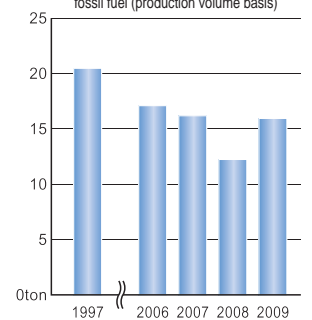
We will disclose our environmental policies to the public upon request so that the people in the community will know our policies.

<Environmental data>

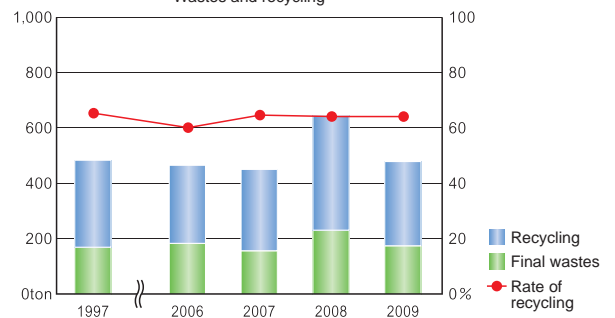
Volume of CO₂ emissions resulted by using fossil fuel



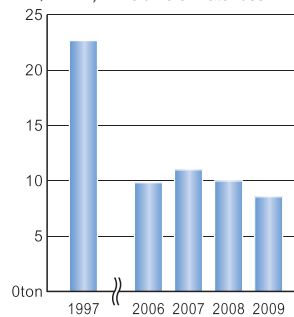
Volume of CO₂ emissions resulted by using fossil fuel (production volume basis)



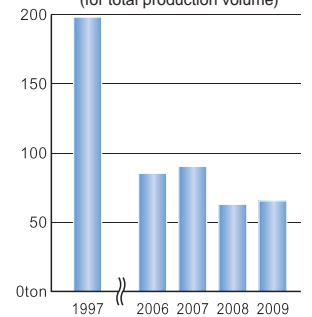
Wastes and recycling



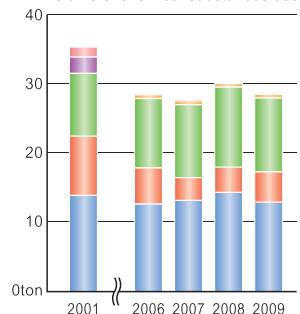
Volume of water use (Unit: 1,000ton)



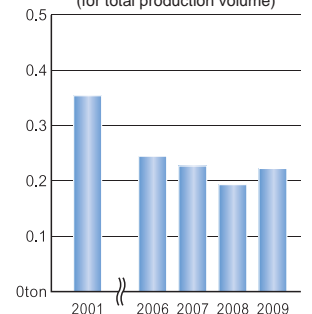
Volume of water use (for total production volume)



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	279 (As of March 3, 2010)
Area	8,959m ²
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

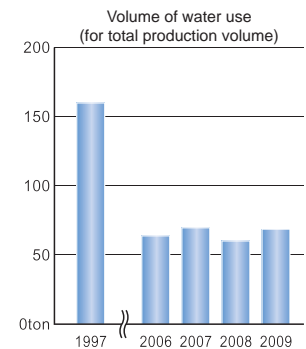
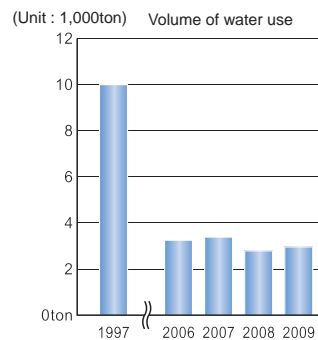
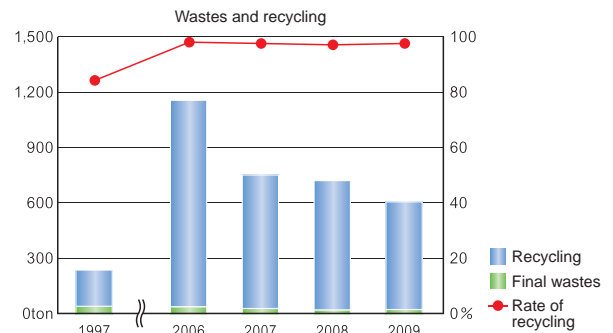
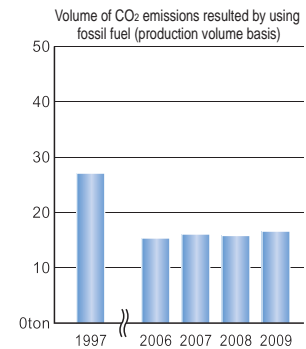
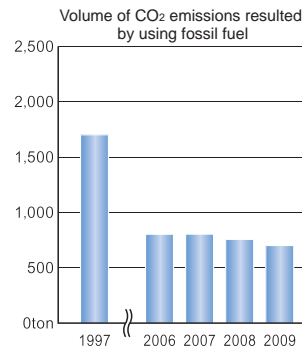
4. Contribution to community

- 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>



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 Fax: +81-89-957-7959

E-mail: kankyo@iseki.co.jp

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