

*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: Term covered: 2011 Fiscal Year
(From April, 2011 to March, 2012)

Activities covered: Domestic activities

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

Guideline used: Environmental Report Guideline
(2009 edition) as reference
and GRI Guideline

Picture taken at Masaki-cho, Ehime prefecture

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

The Great East Japan Earthquake on March 11, 2011 claimed many precious human lives and destroyed beautiful nature and farmland, the basis of our company. The nuclear accident following the earthquake disaster not only caused significant social confusion, but also gave us a chance to recognize the necessity to stably secure clean and risk-free energy. The increase in consumption of natural resources and energy in emerging countries that accompanies their economic growth, in addition to the globalization of previous economic activities, also increases stresses to the natural environment and contributes to global warming and climate change. We consider now is the time to utilize the limited natural resources and energy more effectively and efficiently to reduce the stresses to the environment.

Since its foundation in 1926, Iseki has made exertions to improve productivity through agricultural machines that promote agricultural streamlining and reduce fatigue farming work. Refining our skills that we have cultivated, we develop products that realize further reduction of fuel and fertilizer and promote their use, while taking various environmentally-conscious approaches in the development and manufacturing of products, and in office work. To name a few, we have been working on developing dryers with improved fuel and time efficiencies, diffusing a sparse planting cultivation system which realizes low-cost transplanting, and promoting the use of fertilizing machines in ridges, that reduce the use of fertilizer by 30%. Our environmental preservation activities were started primarily at our manufacturing factories and 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 management system so as to be an environment-conscious company.

Furthermore, in terms of the restoration of the farmland damaged by the Great East Japan Earthquake and the nuclear accident, based on the belief that the technologies of Iseki Group will be of help, and with the cooperation of the local people, we have been continuing positive activities. We will continue providing support for complete recovery from the Great East Japan Earthquake. Iseki Group recognizes that it is our social responsibility to contribute to the society which is in the stage to be recycle-oriented. We therefore position this as one of our most important management tasks. We continue 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 2011 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

木村 典之

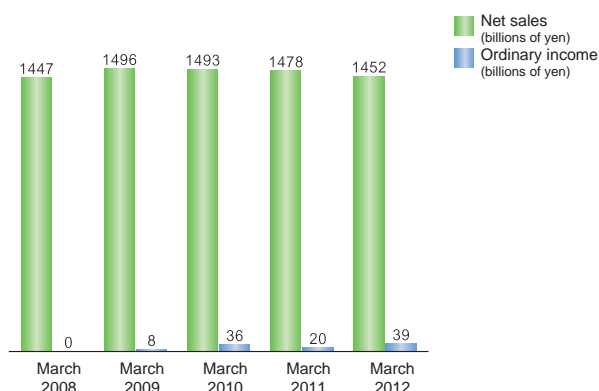
Noriyuki Kimura

Outline of our business

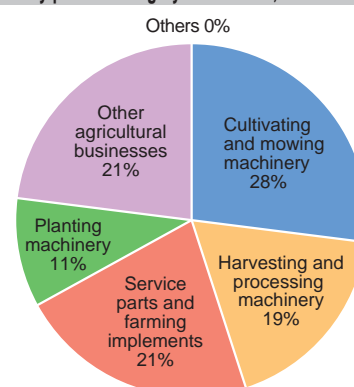
<Company profile>

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, 2012)
Employees	Consolidated: 6,295 (as of March 31, 2012)
Business activities	Our main business activities are manufacturing and sales of following products: Cultivating machinery Tractors, Cultivators, High-clearance multipurpose vehicles, 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 processing machinery Others Farming implements, Spare parts, Agricultural facilities

<Achievement trends (consolidated)>



<Sales composition by product category as of March, 2012 at the end of fiscal year>



<Financial statements>

Summary of consolidated balance sheet				Consolidated statement of income	
(As of March 31, 2012)		(As of March 31, 2012)		(From April 1, 2011 to March 31, 2012)	
Account	Amount (in mil. JPY)	Account	Amount (in mil. JPY)	Account	Amount (in mil. JPY)
Cash and deposits	7,052	Notes and accounts payable-trade	43,667	Net sales	145,252
Notes and accounts receivable-trade	28,703	Short-term loans payable	25,321	Cost of sales	98,839
Inventories	42,843	Long-term loans payable	16,753	Gross profit	46,412
Others	4,238	Others	28,615	Selling, general and administrative expenses	42,181
Total Current Assets	82,840	Total Current Liabilities	114,364	Operating income	4,231
Property, plant and equipment	79,840	Capital stock	23,344	Non-operating income	1,194
Intangible assets	981	Capital surplus	13,454	Non-operating expenses	1,527
Total Investments and other assets	8,892	Retained earnings	7,887	Ordinary income	3,898
Total Noncurrent Assets	89,714	Treasury stock	△22	Extraordinary gains	293
Total Assets	172,554	Valuation difference on available-for-sale securities	265	Extraordinary losses	477
		Revaluation reserve for land	11,816	Income before income taxes	3,715
		Foreign currency translation adjustment	△51	Income taxes	998
		Minority interests	1,490	Minority interests in income (loss)	△11
		Total Net Assets	58,189	Net income	2,727
		Total Liabilities and Net Assets	172,554		

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



Electric mini tiller



Inside ridge processor



Onion transplanter



Binder



Dryer



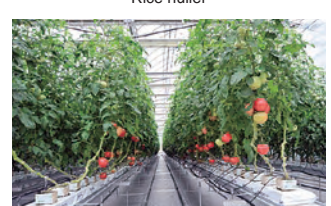
Rice huller



Weighing and separating machine



Coin-operated rice milling machine



Hydroponics facility

Corporate governance and compliance

Sociality report

< Approach to corporate governance >

Corporate governance structure and dispatch of corporate information

We operate the management system by focusing on quick and accurate response to changes of the management environment to maintain fair management.

Iseki regards it as the most important issue for management to strive for steady improvement of the stockholder value. We try to improve corporate governance by disclosing information proactively in regular IR explanatory meetings, etc. to maintain good relationships with stockholders, customers, and stakeholders such as suppliers, local communities and employees.

Establishment of internal control of group

To secure appropriateness of operations, we have defined the basic policy on internal control to organize the internal control system and review it if necessary. We disclose the basic policy on internal control on our website.

<Basic Policy on Internal Control (extracted)>

- (1) The system is to secure compliance of job execution by directors and employees with laws and regulations as well as the Article of Association
- (2) The system concerning maintenance and control of information related to job execution by directors
- (3) Regulations and other systems concerning management of risk of loss
- (4) The system to secure efficient job execution by directors
- (5) The system to secure appropriateness of operations of the company and the company group which consists of subsidiaries
- (6) Matters related to the independence of employees who assist in duties of corporate auditors from directors
- (7) A system for directors and employees to report to auditors and other system to secure effective implementation of auditing by auditors

< Approach to compliance >

Compliance system

Under the director in charge of compliance, a company-wide compliance team takes initiative to provide compliance training continuously to prevent injustice and scandals from occurring by spreading consciousness of compliance to all the executives and regular employees.

In addition, we have established the "Management Supervisory Committee" with the president as the chairman, all the directors as members and all the auditors as observers to check the thoroughness of compliance.



Compliance training

<Main actions for the compliance system>

- (1) Establishment of the "Iseki Group Code of Ethical Behavior" and distribution to everyone in the group, and continuous execution of training based on the code.
- (2) Spreading consciousness of compliance by issuing and posting "Compliance News" regularly
- (3) Establishment and use of Group Internal Communications System (Ethical Hotline)

<Fundamental principles of Iseki Group Code of Ethical Behavior>

1. To comply with laws and regulations
2. To respect basic human rights
3. To respect common sense
4. To disclose information properly to fulfill social responsibility for explanation
5. To make efforts for environmental preservation

Aiming to respect human rights and for a happy workplace

Sociality report

< Approach to respect human rights >

In the "Iseki Group Code of Ethical Behavior" established in 2003, Iseki Group stipulates "to respect basic human rights and avoid discrimination and harassment based on nationality, race, religion, sex, disability, etc". According to this code of conduct, we promote actions to respect human rights.

Prohibition of discriminatory treatment

Iseki Group observes the labor law and works on appropriate employment management, avoiding discriminatory treatment based on nationality, race, religion, sex, disability, etc.

Education on respect for human rights

We distribute the "Code of Ethical Behavior" to all the employees of Iseki Group and educate them to behave with respect for human rights in the society and among people.

We also prohibit actions that ignore the personality of others such as sexual harassment and power harassment and instruct employees to be careful about their language and behavior on a daily bases.

Internal communications system

As an internal communications system of Iseki Group, we have established the "Ethical Hotline" in order to detect potential problems in companies of Iseki Group and prevent them from occurring.

- The communication routes are (1) office organization route, (2) personnel division route and (3) external route to the lawyer.
- Items to be communicated are (1) violation of law, (2) violation of Code of Ethical Behavior such as respect for human rights and (3) violation of company rules such as work regulations. We try to create an environment where people can consult about problems easily.

Protection of personal information

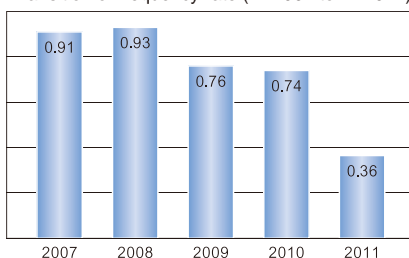
Recognizing importance of protection of personal information in an advanced information communication society, we set a philosophy to respect human rights and manage and use personal information legally and fairly as per respect of privacy and privacy policy.

< Approach to a happy workplace >

Occupational safety and health

We set "a healthy and safe workplace" as a code and try to thorough management of safety and health across Iseki Group. Since the working environment differs from office to office, we work on activities for safety and health according to the actual state of each base of each company. Especially, in manufacturing companies, we promote improvement of awareness by conducting safety and health patrol, striving not only for continuous "zero industrial accident" but also through reduction of accident risks.

<Statistics of industrial accidents>
Transition of frequency rate (FY2007 to FY2011)



* Frequency rate: Casualty toll per 1 million working hours
* Target: Iseki and four factories

Health management

Recognizing the great impact of the working environment on the health of employees, we strive to create a comfortable working environment.

Especially, as for mental health, we try to prevent illness by conducting stress checks in periodical health examinations and educational activities for the management.

In addition, we promote "walking" for health enhancement, in which many employees participate.



Warming-up before walking

Employment and human resource development

Sociality report

< Approach to employment and human resource development >

Iseki Group regards “human resources” as an important point to survive in a fast-changing business environment, in addition to the development of competitive products. Therefore, we try to create a rewarding workplace to bring out motivation and abilities of employees to a maximum extent, which will lead to the development of our business.

Recruitment

Iseki Group strives to secure necessary human resources to carry out its social mission and recruits people based on their personalities and abilities.

Above all, we focus on recruiting those who can respond to global management in order to promote the increase of overseas sales which is one of our most important issues. We also positively work on mid-career recruitment of people with high abilities and precious experiences.

Diversity

As globalization of management progresses and the securement of capable human resources is required, we promote recruitment of foreigners and appointment of women in management.

We will continuously take such actions and support career formation of employees so that diverse people can utilize their abilities to achieve the best performance.

We also promote recruitment of physically-challenged people and work on creation of a working environment that is friendly to everyone.

Human resource development

For sustainable growth of Iseki Group, human resource development is essential. We work on a variety of ability development to effectively utilize the human resources of the group and draw out maximum performance.

We provide a variety of training at the Training Center (Tsukubamirai-shi, Ibaraki prefecture) and in the bases of each company, as well as detailed education such as cultivation of global human resources with foreign language training, succession of skills and techniques with the introduction of the meister system, and a corresponding education system to promote self-development.

Before implementing these measures, we discuss them in the Human Resources Committee with all the directors present and promote them from the view point of human resource development in consideration of management issues.

Meister system

The meister system is a system that allows skills to be passed on smoothly from skilled workers on site to young mid-level employees.

For each important job type, we certify a person as a meister (excellently skilled worker) who will be engaged in skill upgrading, instruction and cultivation of young employees.



<<Introduction of meister>>

Iseki-Niigata MFG. Co., Ltd.
Painting Department

Hiroshi Doma
Meister job type: Coating

I engage in maintenance and management of coating equipment to have it operate properly every day in Iseki-Niigata MFG. Co., Ltd.

I have prepared a meister annual plan to hand on skills and techniques to young employees and successors based on my knowledge and experiences, and have been providing education and training according to this.

When teaching, I always focus on repeating the work many times until the trainee learns it and checking carefully if he/she has learned it correctly.

Work-life balance

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

- (1) Recruitment for jobs in limited work locations
- (2) Flexible working hour setting by flextime system
- (3) Reduction of extra work with implementation such as “no overtime” day.
- (4) Implementation of child care supporting measures through General Business Owner Action Plans based on Act on Advancement of Measures to Support Raising Next-Generation Children

To achieve customer satisfaction

Sociality report

The business activities of Iseki Group consist of selling products and providing services to customers and the company motto says "our management philosophy is 'to provide consumers with products that please them', thereby we fulfill our social mission."

To satisfy customers, we make it a rule to recognize the values of products and services we provide from the view point of customers, and speedily provide what is required by customers and what satisfies them.

Aiming at the above, everyone in Iseki Group strives to provide safe and high-quality products and services after sales to customers.

<How to improve customer satisfaction>

We try to improve customer satisfaction with the following concepts.

- (1) The next process is the customer : To carry out our work with a concept of "The next process is the customer" in workplaces in all the departments.
- (2) Improvement of product satisfaction level : To develop products convenient for customers based on the results of market research.
- (3) Improvement of service satisfaction : To provide optimal products and information to customers.
- (4) Satisfaction of each customer : Every employee responds to customers, always considering their convenience.

< Services after sales of products >

CS promotion activity

Iseki Group holds a CS Enhancement Committee every month to follow and check the results of instructions of product delivery to customers and results of condition inquiries in sales subsidiaries across Japan for CS promotion of Iseki Group.

- Service before the sales : Implementation of delivery instructions based on delivery check sheet
- Service after the sales : Implementation of inquiry about new vehicles and maintained vehicles

In-house education, external courses

In the training facility (Training Center) in the Technical Support & Solution Center in Ibaraki prefecture, we provide a wide range of courses such as training for maintenance of agricultural machines and training to have customers use products safely, with sales persons and service persons of sales subsidiaries and successors of dealerships across Japan as trainees.

- Regular training courses : 82 courses/year
- Annual number of trainees : About 1,000 from within and outside the Iseki Group

Consumer consulting service

<Inquiries to website by e-mail>

In the "Contact Us" page of the website of ISEKI CO. LTD., we welcome a variety of inquiries from customers concerning (1) products and (2) the entire company, etc.

In "Technical inquiries to manufacturer" of "Inquiries as to product," our Technical Support & Solution Department serves as a window of technical inquiries as to products and responds to inquiries from customers with responsible technology departments of the relevant products.

There were about 1,000 inquiries by e-mail in FY2011 and we have responded to all of them with respect.

<Telephone consulting for technical inquiries as to products>

For the above "Inquiries as to products", we started to directly respond to phone calls from customers from February 2012 in addition to "inquiries by e-mail".

We receive various inquiries and consultations not only from customers but also from various organizations such as administrative institutions, electric power companies, insurance companies, food companies, and TV stations. The person in charge responds to them with respect.

The "Contact Us" page of the inquiry window is on our website.

Please visit the following address.

<http://www.iseki.co.jp/english/contactus.html>

<Number of inquiries by e-mail in FY2011: Approx. 1,000>

Product	Inquiry rate
Tractors	29%
Cultivators/tillers	18%
Rice transplanters	13%
Combine harvesters	12%
Others	29%

To achieve customer satisfaction

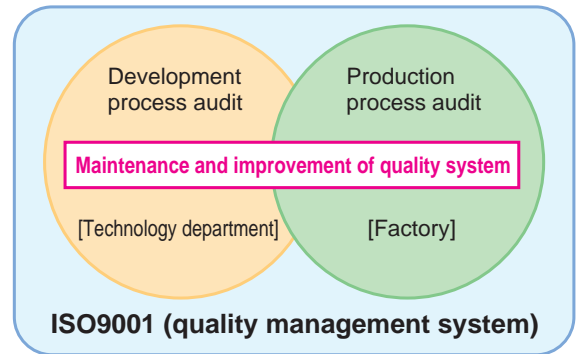
Sociality report

< Approach to quality improvement >

Iseki Group puts the provision of products that please customers and the safety of customers as first priority, and promotes efforts for quality improvement to pursue the safety of products. We carry out quality assurance activities by utilizing the system of "ISO9001," an international standard for quality assurance, and conduct thorough design review (DR*1) from the upstream of product planning of the production process. Also in the production process, we try to eliminate careless mistakes by utilizing "ISO9001" system. To realize user-friendly products, we employ universal design (UD*2) to secure the safety of products.

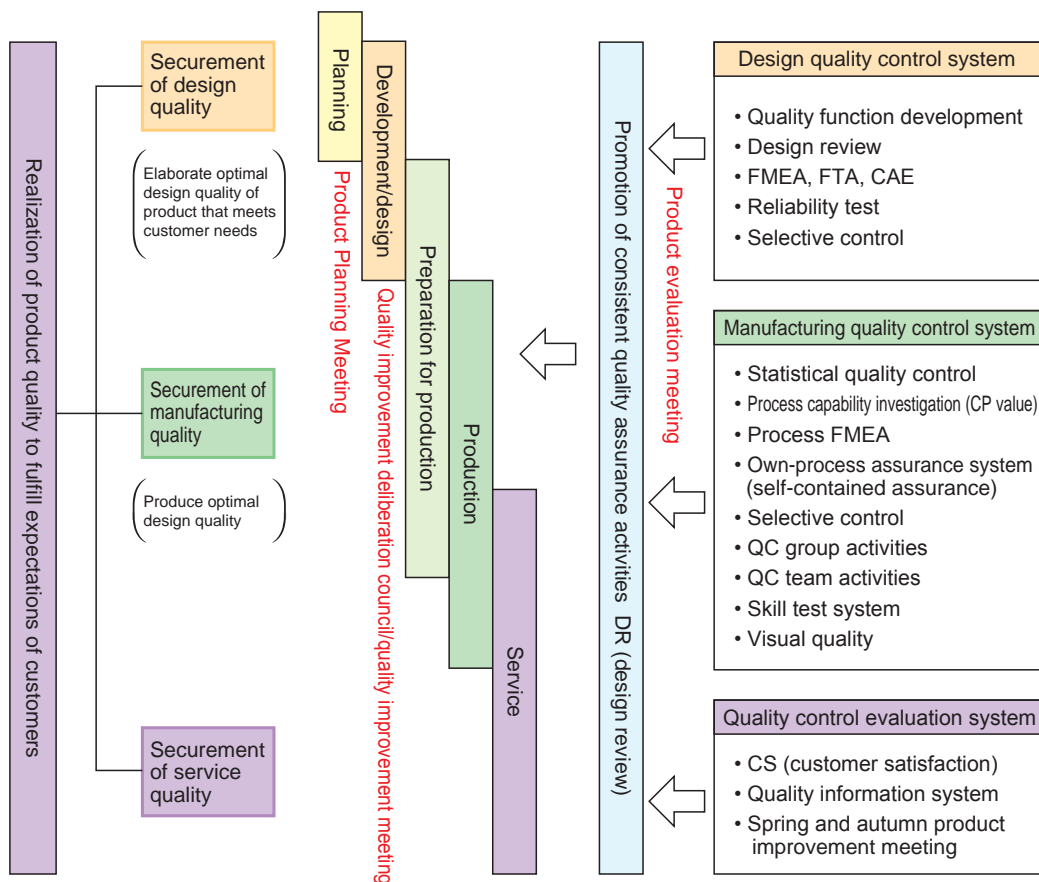
*1 DR: Design review to check whether the design allows realization of a product required by customer.
*2 UD: Design that is suitable for everyone.

After Iseki-Matsuyama MFG. Co. Ltd. (mainly producing tractors) acquired ISO9001 in November, 1995, all four factories acquired the certification and carry out quality assurance activities.



< Approach to quality assurance activities >

To make products that secure safety of customers and fulfill their expectations, we effectively organize consistent quality assurance activities from product planning to production and service, and make evaluation in DR for quality assurance for each step. We elaborate product planning in the Product Planning Committee (body to decide commercialization of products) and the quality of design and production in the quality improvement deliberation council (a body to validate the qualities of products).

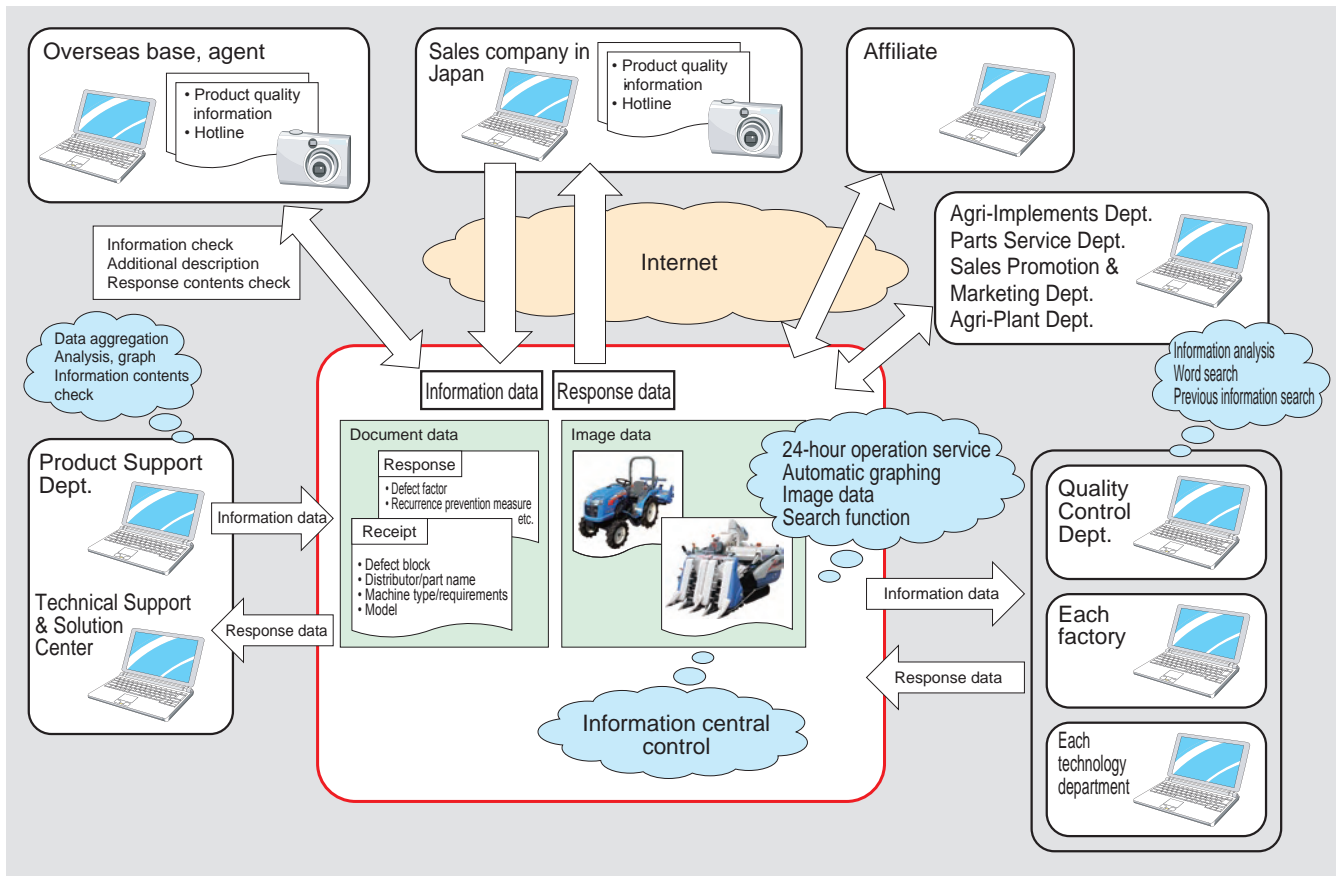


To achieve customer satisfaction

Sociality report

< Approach to establishment of product quality information system >

To speed up response to product quality information inquiries from customers in Japan and abroad, we are building a new system to share information search and analysis functions among relevant departments. This new system will link relevant divisions from sales subsidiaries to development and manufacturing departments via the Internet to speed up the course of problem detection, treatment, and response concerning the quality after shipping of product.



< Handling of recall >

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

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

Note

Notices on reporting of recall are posted on our website.

Please visit the following address.

<http://www.iseki.co.jp/english/newsrelease.html>

<Transition of number of recalls over years (*2)>

FY	2007	2008	2009	2010	2011
Number of recalls	4	4	2	6	2

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

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

Contribution to local communities

Sociality report

< Support for recovery from the Great East Japan Earthquake >

Since its foundation, Iseki has developed its business based on agriculture, supported by farming households. Due to the "Great East Japan Earthquake" that occurred in March 11, 2011 and the subsequent "nuclear accident", many farming households in the Tohoku (northeast) and Kanto regions have suffered.

Iseki Group has united all forces and has joined together to work on support activities proactively not only for recovery of farmland but also for the general devastated areas. We will continuously promote our support activities.

Decontamination of farmland soil polluted by radioactive materials

Due to the nuclear accident, some farmland in Fukushima prefecture has been polluted by radioactive materials, causing serious problems in agricultural production activities. A verification test "farmland soil decontamination technology development" to decontaminate and improve this farmland was decided to be implemented by the Ministry of Agriculture, Forestry and Fisheries and Fukushima prefecture jointly and Iseki Group also participated in it as an only agricultural machine manufacturer. The verification test had 13 projects and we participated in six projects out of them to cooperate for decontamination technology development for restoration of farmland.

<Verification test of surface soil separation on June 13, 2011>

In the presence of many reporters, we conducted a verification test of surface soil separation in a rice field in Itoi district, Iitate Village, Fukushima prefecture. We provided a large-sized tractor TJV75 and an operating machine and proposed an operation method, which was adopted. The operation itself was also conducted by us.

The process consisted of (1) crushing soil with plowing depth of about 5cm by using a vertical harrow, (2) collecting the crushed surface soil to one place in the cultivated land with a rear grader, (3) putting the collected soil into a flexible container with a compact excavator and (4) putting it to a truck with a front loader to carry out of the cultivated land.

The result proved that the cesium concentration in the soil that was 10,000 Bq/kg in average became 2,600 Bq/kg in average after work, falling much below the allowable value for planting 5,000 Bq/kg specified by the country. After that, rice plants were set out by the owner of the field.



Collection of soil with rear grader operation machine



Preparation of rice field before planting in the presence of reporters from many media companies

<Test of radioactive material removal technology by land preparation and forced draining in rice fields on August 23 to 25, 2011>

We conducted the test in the following way. First, we ploughed and irrigated the field to mix the surface soil with cesium into the water and drained the muddy water by using a pump to remove cesium from the rice field. We added chemicals to the drained muddy water to precipitate the mud with cesium to separate it from the supernatant water and collect cesium.

In addition, decontamination tests were conducted by removing surface soil of rice fields with a fixation agent and land surface of dry fields with use of a rear grader.

To recover beautiful land of Tohoku, we will continuously cooperate for soil decontamination, aiming to the earliest possible restoration.

Support for agricultural products of Fukushima

Accompanying the Great East Japan Earthquake and the nuclear accident, shipment restriction and harmful rumor occurred to agricultural products of Fukushima and other regions, and agriculture in the devastated areas was significantly damaged.

Considering such a situation, Iseki Group supports recovery of agriculture in the devastated areas by using "rice of Fukushima prefecture" in the staff canteens and company dormitories of our major offices in cooperation with the Fukushima Branch of the Federation of Agricultural Cooperative Associations.



Staff canteen of Iseki-Matsuyama MFG. Co., Ltd.

Contribution to local communities

Sociality report

< Support for NPO in Ehime >

We provided our rice transplanter and combine harvester for rice planting and reaping in a self-reliance support farm for physically-challenged people "Aguri-juku" run by "NPO for Hometown Development with Agriculture" to help physically-challenged people experience actual farm work.

On the day of rice planting, eight people with handicaps of body or hearing, members of the NPO and our employees planted seedlings by using the rice transplanter. The physically-challenged people tried to drive the rice transplanter for the first time, learning how to operate it from our employees.

In September, three months after rice planting, we provided our combine harvester to reap rice that had grown vigorously, supporting them by teaching how to reap the rice.

<"NPO for Hometown Development with Agriculture">

This is an NPO to provide job assistance for physically-challenged people through agriculture (represented by Kunio Shirato in Matsuyama-shi, Ehime prefecture). Their activities focus on cultivating deserted farmland [deserted farmland in eight places in Toon-shi, Ehime prefecture (approx. 100 ares in total)] to recover the landscape of their hometown, simultaneously providing job assistance for physically-challenged people.



Rice reaping with our combine harvester

< Approach to educational farm "Volunteer Rice" in Kumamoto >



Since 2002, Iseki-Kumamoto MFG. Co., Ltd. has been showing rice growing, the importance of "food", "agriculture" and environmental preservation and raising consciousness of social welfare through real experiences of rice planting and reaping with children in local facilities. In recent years, we have also been challenging "sparse rice planting". The harvested rice is donated to social welfare facilities, etc.

< Cooperation for Sanjo Festival in Niigata >

Iseki-Niigata MFG. Co. Ltd. sent security guards to prevent visitors from going into Shinano River from their seats in the Sanjo Great Firework Festival in August at the request of the Sanjo Chamber of Commerce and Industry.



< Ehime Prefecture Children's Exhibit of Invention and Devices >

The awards ceremony of the 70th Ehime Prefecture Children's Exhibit of Invention and Devices was held on October 31, 2011. Many children in elementary and junior high schools in the prefecture entered this exhibit and 5 special prizes, including Iseki Prize, 10 awards for excellence and 20 awards for effort were given to 35 works in total.

We participate in the review of this exhibit and give Iseki Prize to an excellent invention of a child every year to help children to improve their motivation for invention.



Award of Iseki Prize



Iseki Prize winner
"Rain Water Discharging Machine"

Eco vision

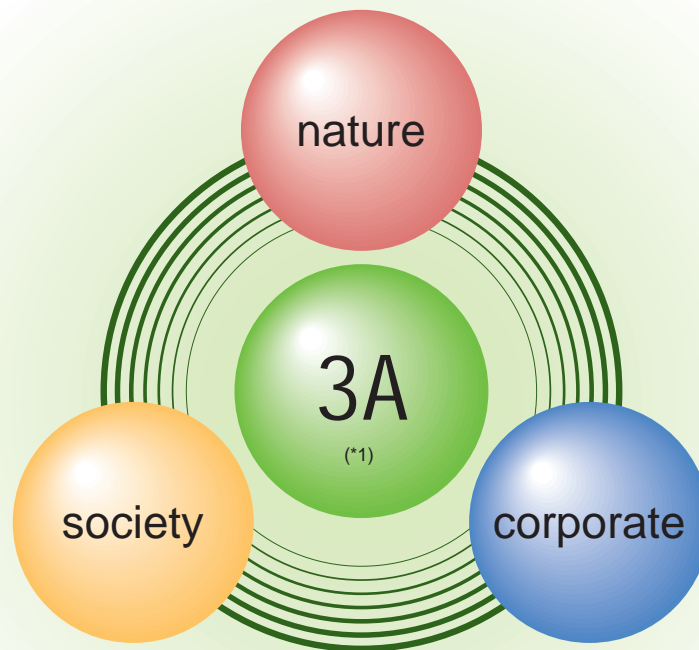
Environmental report

Iseki Group has determined the direction that can be the base of our “Eco vision: Green Circle”, and the words, “Environmental concept”, “Basic environmental policy”, and “Environmental conduct guidelines”, best explain our principles. We promote these concepts across the group.

[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 (packing material, more efficient transportation), disposal
5. Development of biodiversity
Promotion of tree-planting activities of Iseki Group
6. 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 and biodiversity within all of our group companies.

◀Promotional scheme▶

According to the environment management system, Iseki Group promotes environmental preservation activities through the entire cycle of product development, manufacturing, logistics and disposal, aiming to develop a recycling-oriented and Low-Carbon society and to preserve biodiversity.

◀Environmental planning group meeting▶

The Environmental Planning Group Meeting deploys environmental targets and action plans decided in the Directors' Operation Committee to each district and manages the progress of such plans.

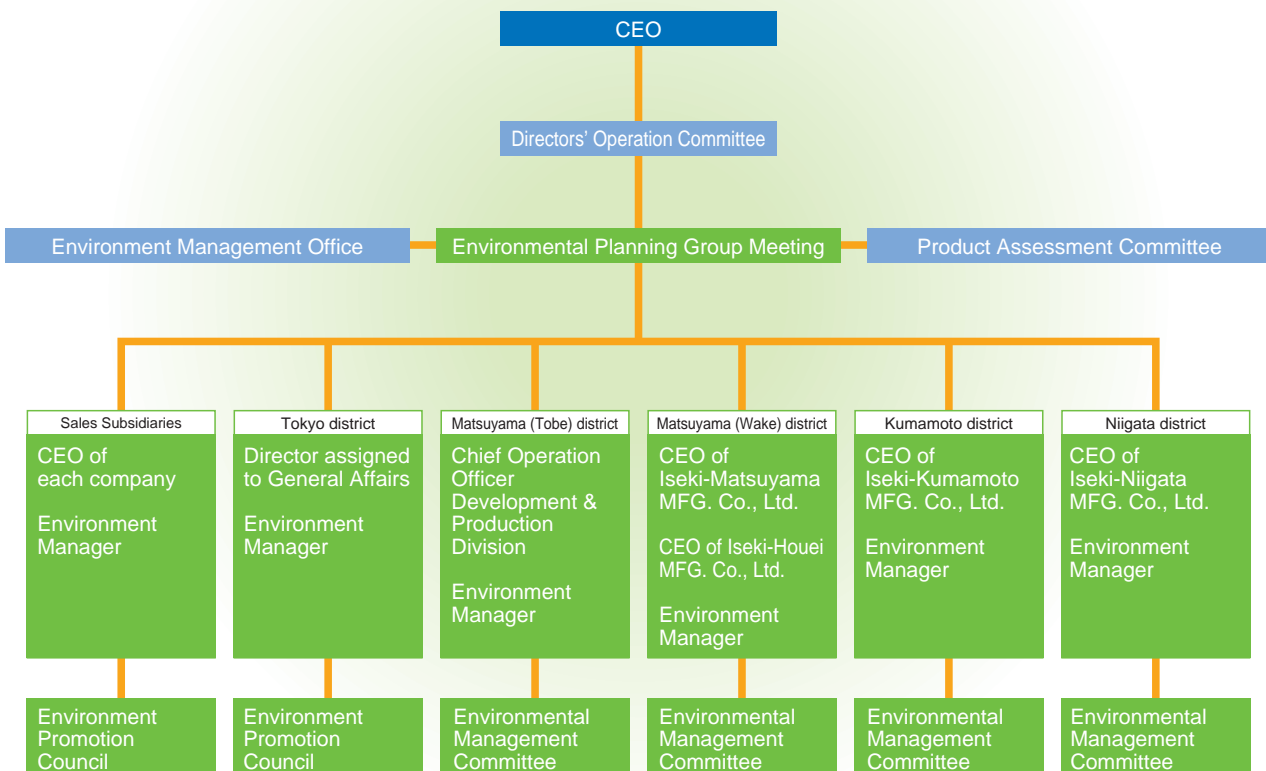
◀Environment committee▶

The Directors' Operation Committee 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 environment issues submitted by the Environmental Planning Group Meeting.

◀Environment management system employed in each district▶

An Executive Officer responsible to promote the environmental management activities and an Environmental Manager are assigned to Tokyo, Matsuyama (Tobe), Matsuyama (Wake), Kumamoto, Niigata and sales subsidiaries. They are responsible for the determination of policies, deployment of action plans and management of progress in each district according to the environment management system.

[Environmental Management Organization]



Second mid-term and long-term environmental targets and results of FY2011

Environmental management

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

1. Second mid-term and long-term environmental targets and accomplishments in FY2011

Item	Second mid-term and long-term environmental targets		Accomplishments in FY2011	Evaluation	Relevant pages
Realization of a low-carbon emission society	Reduction of CO ₂ emissions	To reduce the volume of energy-generated CO ₂ emissions per production volume by 2% or more compared to the average result of three years from FY2008 to FY2010	The achievement rates of the total volume of CO ₂ emissions and the volume of CO ₂ per production volume were 97% and 92% respectively against the second mid-term and long-term environmental target, falling short of the goal. We will continuously strive to reduce the volume of CO ₂ emissions by replacing facilities with energy-saving ones.	△	20
	Reduction of logistics CO ₂ emissions	To reduce the volume of energy-generated CO ₂ emissions per transportation volume (10,000ton-km) by 1% or more compared to the average result of three years from FY2008 to FY2010	The achievement rate of the volume of CO ₂ emissions per transportation volume was 107% against the second mid-term and long-term environmental target. We will continuously strive to reduce the volume of CO ₂ emissions by promoting modal shift.	○	20
Formation of a recycling-oriented society	Reduction of wastes	To reduce the volume of final wastes per production volume by 5% or more compared to the average result of three years from FY2008 to FY2010	The achievement rates of the total volume of final wastes and the volume per production volume were 176% and 168% respectively against the second mid-term and long-term environmental target. We will continuously strive for reduction, aiming at zero emission (Standard: The rate of the final volume of wastes shall be less than 1% of the total volume of wastes)	○	22
	Water resource saving	To reduce the volume of water used per production volume by 14% or more compared to the average result of three years from FY2008 to FY2010	The achievement rates of the total volume of water used and the volume of water used per production volume were 101% and 96% respectively against the second mid-term and long-term environmental target, falling short of the goal. We will continuously strive for reduction by repairing water piping, etc.	△	21
Restraint of toxic chemical substances	Reduction of substance subject to PRTR Law	To reduce used volume of substances subject to control per production volume by 4% or more compared to the average result of three years from FY2008 to FY2010	The achievement rates of the total volume of use of substances subject to the PRTR law and the used volume per production volume were 96% and 91% respectively against the second mid-term and long-term environmental target, falling short of the goal. We will continuously strive for reduction by promoting early adoption of paint and thinner with less substances subject to the PRTR law and regeneration of thinner, etc.	△	21
Restraint of manufacturing resource	Reduction of total material input	To reduce the total volume of materials input per production volume by 1% or more compared to the average result of three years from FY2008 to FY2010	The achievement rates of the total volume of materials used for production and the volume of materials used for production per production volume were 123% and 117% respectively against the second mid-term and long-term environmental target. We will continuously strive for reduction.	○	20

2. Mid-term and long-term targets of business activities and results of FY2011

Classification	Item to be implemented	Accomplishments in FY2011	Evaluation	Relevant pages
Environmental management	(1) Quality improvement of environmental management system	According to the environment management systems of ISO14001 and EA-21, we prepared action plans by making use of the characteristics of each department to improve the quality of activities.	○	14
	(2) Implementation of environmental education	We specified and promoted environmental education of the year based on the policy of each general manager.	○	29
	(3) Environmental communication and contribution to society	We promoted cleaning activities of roads around offices in cooperation of local communities. We also participated in tree-planting activities as one of our actions for prevention of global warming and preservation of biodiversity.	○	30
Product development and service	(1) Development of products in consideration of biodiversity	We promoted development of products in consideration of biodiversity and formation of a recycling-oriented society.	○	23
	(2) Development of products to reduce environmental stresses	We promoted development of products to reduce environmental stresses by improving the durability, fuel and working efficiencies, etc. with use of the product assessment system.	○	25
	(3) Prohibition, reduction and restraint of use of toxic substances included in procured parts	We promoted grasp, reduction and abolition of toxic substances according to our green purchase standard in cooperation with our suppliers.	○	28
	(4) Establishment and expansion of product assessments and execution of LCA evaluation	We promoted environment-friendly designs that allows grasp of the volume of CO ₂ emissions in the entire cycle from parts manufacturing to disposal, etc. by executing product assessments and LCA evaluation.	○	24
	(5) Provision of information contributing to environmental preservation	On product manuals, we properly described cautions for using the products and failure diagnosis, as well as cautions for disposing the product from the view points of environment, safety and health.	○	25

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

Environmental accounting

Environmental report

Iseki Group employed the environmental accounting system from 2004. We deal with the use of aggregated costs of investment and expenses used for the environmental preservation activities for our management decisions relevant to environmental preservation, as well as for a guideline of evaluation of business through information disclosures to the public. The amount invested for environmental preservation costs (pollution prevention, environmental preservation, and resource recycling costs) in 2011 was 433 million JPY. The total amount of expenses was 563 million JPY that we made through some investments into diesel engine emission gas and maintenance and improvement of the environmental management system, mainly for prevention of air pollution to comply with the laws and regulations of Europe, U.S, and Japan.

Environment preservation cost				
Category		Major programs	Amount of investment (in mil. JPY)	Expenses (in mil. JPY)
(1)	Cost spent in the business area		28.3	73.5
Breakdown	(1) Pollution prevention cost	Sewage treatment	8.7	36.4
	(2) Environment preservation cost	Inverter installation	19.6	1.7
	(3) Resource recycling cost	Waste treatment	0.0	35.4
(2)	Cost required at previous and later stages	Green purchasing	0.0	174.7
(3)	Control activity cost	Maintenance of environment management system	0.4	47.3
(4)	Research and development cost	Corresponding to emission gas regulation	404.6	262.1
(5)	Community activity cost	Cleaning activity in the district	0.0	5.8
(6)	Environment recovery cost		0.0	0.0
Total			433.3	563.4

Scope of aggregation : (Iseki-Matsuyama, Iseki-Kumamoto, Iseki-Niigata, and Iseki-Houei MFG. Co., Ltd. and tobe office)
Period of data : April, 2011 to March, 2012

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	0.6
(2)	Reduction of environmental stress substances	52.0
(3)	Reduction of energy consumption	4.1
Total		56.7

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 57,000,000 JPY. The physical effect was the reduction of CO₂ emission by 3,827 tons, reduction of water consumption by 15,797 tons, and recycling of wastes by 5,020 tons.

Environmental risk management

Environmental report

[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 in FY2011, making progress toward reduction of environmental pollution.

Measured item	Units	Iseki-Matsuyama & Iseki-Houei MFG. Co., Ltd.			Iseki-Kumamoto MFG. Co., Ltd.			Iseki-Niigata MFG. Co., Ltd.		
		Regulatory standards	Self-directed control standards	Result in 2011	Regulatory standards	Self-directed control standards	Result in 2011	Regulatory standards	Self-directed control standards	Result in 2011
Water quality	Volume of suspended substances (SS)	600 (Note 1)	500	16	200	40	3.0	90	45	13
	Volume of biochemical oxygen demand (BOD)	600 (Note 2)	500	81	25	8	Less than 1	60	30	21
	n-hexane (Mineral oil)	5	4	Less than 1	5.0	2.4	Less than 0.5	5.0	5.0	Not detected
Air	Particulate	0.30	0.18	Less than 0.01	0.30	0.08	Less than 0.01	0.20	0.10	0.01
	Nitrogen oxide (NOx)	180	91	66	250	200	27	250	100	66
	Particulate (electric casting melt furnace)	0.10	0.08	Less than 0.01	—	—	—	—	—	—

—: shows standard N/A or not applicable machines

(Note 1)(Note 2): With the expanded sewerage works implemented by Matsuyama city in FY2008 and afterward, the regulated value of water discharge to the synthetic effluent treatment outfall has been raised from 160mg/L to 600mg/L, however, the self-directed control standard of Iseki-Matsuyama MFG. Co., Ltd. and Iseki-Houei MFG. Co., Ltd is 500mg/L, because industrial effluent is mixed. The measured values are as shown above.

<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	Twice a year
Lot boarder line	Noise	Twice a year	Once a year	Once a year
	Vibration	Twice a year	—	—

—: shows standard N/A or not applicable machines

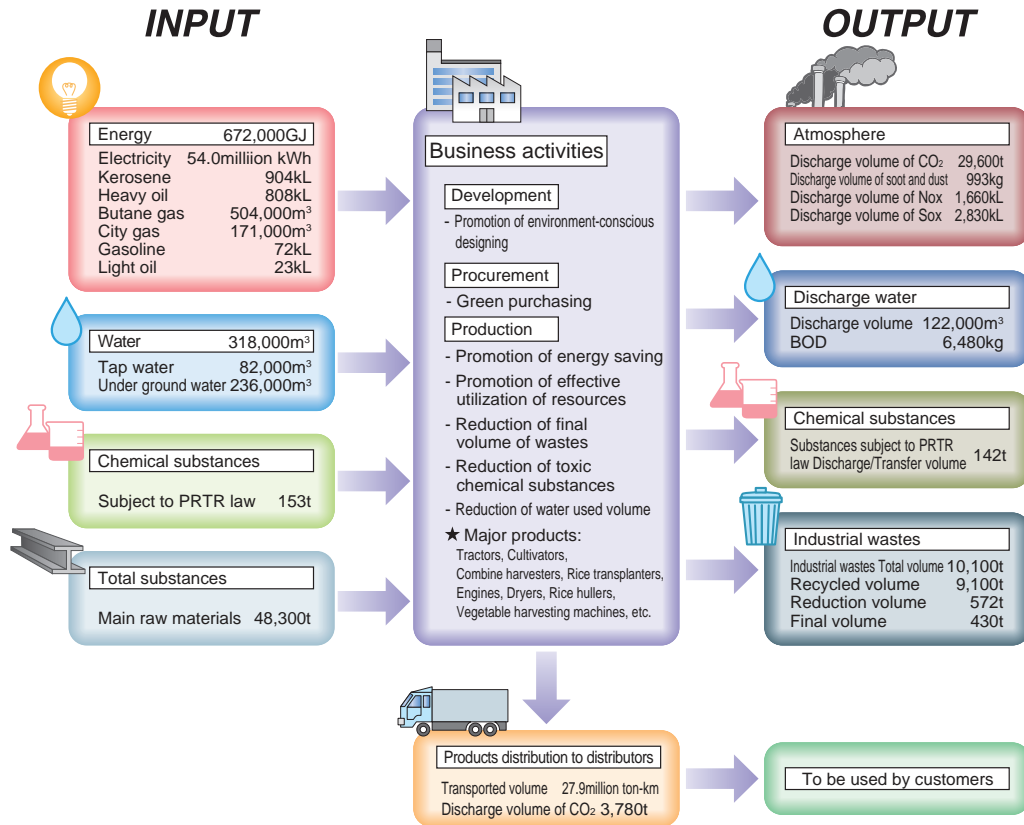
Business activities and environmental stresses

Environmental report

[Eco balance]

Iseki Group uses materials such as fuel, electricity, water and other raw materials in the process of production, and discharges chemical substances and industrial wastes subject to laws related to carbon dioxide (CO₂) and PRTR law.

We always check the volume of materials used for production (INPUT) and discharged volume of chemical substances and industrial wastes (OUTPUT) as an index in reducing discharge of such chemical substances and industrial wastes for realizing business activities with less environmental stresses. The following shows figures of undertakings for 2011.



[ECO-efficiency]

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

In FY2009 and 2011, the production volume of four factories has significantly decreased compared to the reference year FY2005. We have been continuously taking actions to reduce environmental stresses and achieved improved eco-efficiency of 112 and environmental stress integrated index of 76 in FY2011 compared to the index of 100 in the reference year FY2005.

[Eco-efficiency index: the higher the more efficient]

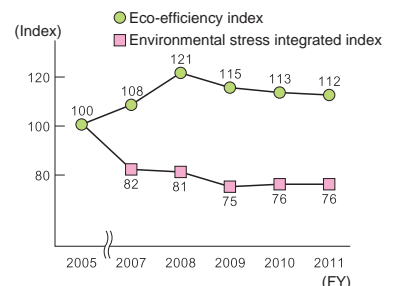
Our eco-efficiency is presented as a value calculated by subtracting the environmental stress integrated index of our four factories from the production volume of the four factories. The environmental stresses have three items integrated; volume of CO₂ emissions, volumes of non-methane VOC emissions and displacement and volume of landfilled wastes.

[Environmental stress integrated index: the lower the index is, the smaller environmental stresses are]

Based on the Panel Method of Professor Nagata at Waseda University, we adopted the average value of the integration coefficients for Japan presented by LCA experts, environmental experts and enterprise experts for integration of environmental stresses, with the value of CO₂ defined as 1.

Item	Integration coefficient	2005		2011	
		Actual value (t)	Integrated value	Actual value (t)	Integrated value
Volume of CO ₂ emissions	1	34,600	34,600	29,600	29,600
Volume of non-methane VOC emissions and displacement	239	174	41,500	140	33,400
Volume of landfilled wastes	3	2,750	8,260	430	1,290
Total of environmental stress integrated values	—	—	84,300	—	64,300
Eco-efficiency	—	—	83.3	—	93.6
Environmental stress integrated index (2005 as reference year)	—	—	100	—	76
Eco-efficiency index (2005 as reference year)	—	—	100	—	112

Environmental stress integration and eco-efficiency



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

Control to inhibit emission of greenhouse gas

Environmental report

<Approach to reduction of CO₂ emissions by introducing high-efficiency air-conditioning machines>

Iseki-Kumamoto MFG. Co., Ltd. replaced the air-conditioning facilities in the office, conference room and temperature controlled room with machining equipment. Air-conditioning facilities are used for two major purposes: health air conditioning that is intended for people and Industry air conditioning for articles. Since all the air-conditioning facilities replaced this time were installed more than 20 years before, the efficiencies of air-conditioning were low and the power consumption was increasing. By replacing them with high-efficiency air-conditioning facilities, the electrical usage and CO₂ emissions were reduced.

We will continuously replace inefficient air-conditioning facilities in turn to promote prevention of global warming and energy saving.



Air-conditioning facilities are classified into four types according to the heat transportation method. They are the full-air system adopted in theaters, gymnasiums, etc., the water and air system which uses both water and air for heat transportation, the water system which only uses water for heat transportation, and the refrigerant type which uses refrigerant piping for heat transportation, represented by *air-conditioners. The facilities improved this time were the refrigerant types.

*An air-conditioner is one type of air-conditioning facilities. It is a machine to that adjusts the temperature and humidity of the air in the room and transports heat with a heat carrier other than water

[Reduction results in FY2011]

- Reduction of electrical usage:
Approx. 47,000 kWh/year
- Reduction of electricity charges:
Approx. 300,000 yen/year
- Reduction of CO₂ volume:
Approx. 18,000kg-CO₂/year

<Approach to reduction of CO₂ emissions by introducing high-efficiency multifunction machines>

Iseki-Hoei MFG. Co. Ltd. replaced copying machines and printers used in the office with high-efficiency multifunction machines (three units). As a result, the electricity usage and CO₂ volume could be reduced as shown in the following table. The multifunction machines can not only copy documents but also save them to electronic media (CD, etc.) with a scanner and the cost of copying and the volume of copy paper could be reduced. The communication fees could also be reduced with IP-FAX (a function to allow communication between fax machines that are distant from each other and connected to the Internet by using IP addresses instead of fax numbers). As an approach in the future, we will promote replacement fluorescent lamps with LED.



Multifunction machine: A machine with multiple functions. It has functions of a copying machine, printer, image scanner, facsimile, etc. collected together.

[Reduction results in FY2011]

- Reduction of electrical usage: Approx. 37,000 kWh/year
- Reduction of electricity charges: Approx. 33,000 yen/year
- Reduction of CO₂ volume: Approx. 1,500 kg-CO₂/year

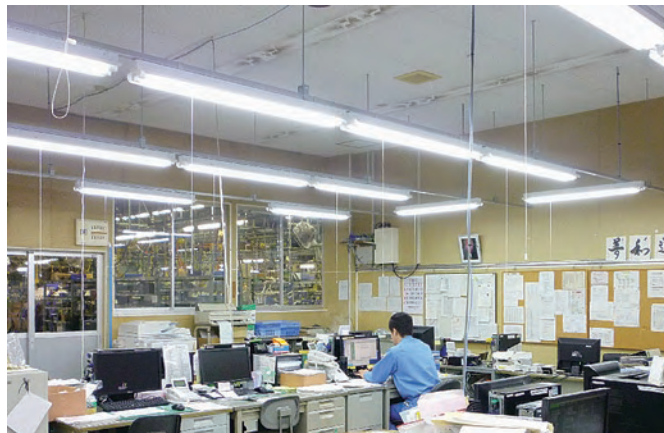
Control to inhibit emission of greenhouse gas

Environmental report

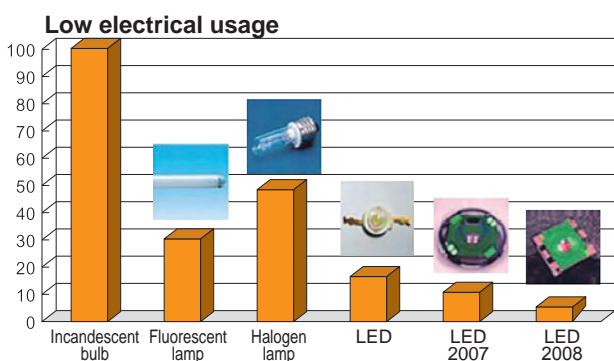
〈Approach to reduction of electrical usage by replacing lights of offices with LED〉

Iseki-Niigata MFG. Co., Ltd. replaced the 132W straight tube fluorescent lamps in the office of the Manufacturing Department and the 50W fluorescent lamps of the office of Engineering Works Department with LED fluorescent lamps, and the stabilizers with converters. This replacement allows the yearly CO₂ emissions to be reduced by 50% and the lifetime of the lamps will be more than four times prolonged.

We will continue to replace the conventional straight tube fluorescent lamp with LED fluorescent lamps in turn systematically.



LED lights in the office of the Engineering Works Department



[Reduction results in FY2011]

- Reduction of electrical usage: 6,648 kWh/year
- Reduction of electricity charges: 99,000 yen/year
- Reduction of CO₂ volume: 3,100kg-CO₂/year

〈Approach to reduction of electrical usage by replacing lights of the east side of the second floor and the reception room of the design management building with LED〉

Tobe Office replaced the fluorescent lamps of the east side of the second floor and the reception room of the design management building with fluorescent type LED bulbs (straight tube type). As a result, the electrical usage and the CO₂ emissions were reduced. We will continuously promote energy saving to reduce environmental stresses.



Fluorescent type LED bulb

Inverted image of Mt. Fuji 2 light

Color: White	Weight: 2.8kg
Size: width 202 x length 1,256 x height 85mm	



Fluorescent lamp type LED bulb (straight tube type)
(37 lamps replaced on the east side of the second floor)

East side of the second floor

[Reduction results in FY2011]

- Reduction of electrical usage: 1,910kWh/year
- Reduction of electricity charges: 21,000 yen/year
- Reduction of CO₂ volume: 725kg-CO₂/year
(estimation by 8h/day x operating day of year)

Preventing global warming

Environmental report

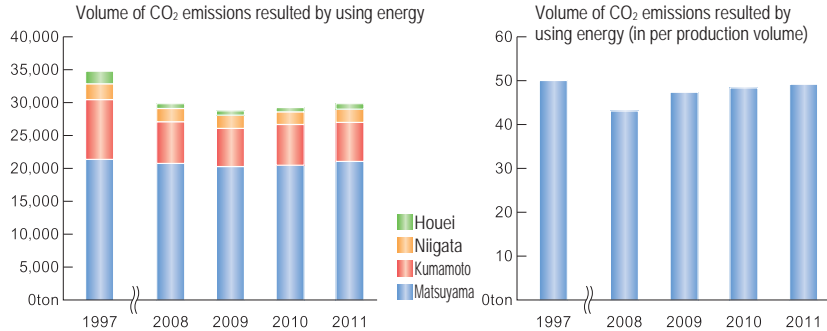
[Reduction of energy use in the factories]

The four factories of Iseki Group promote reduction in consumption of electricity and fuel required for production activities in the factories, by realizing the efficient operation of all machines and facilities, and by replacing existing machine and equipment with energy-saving type ones.

We have established and promoted the second new mid-term and long-term plan (from FY2011 to FY2015) with the average of three years, from FY2008 to FY2010, as a reference value. In FY2011, the achievement rates of the total volume of CO₂ emissions and the volume of CO₂ per production volume were 97% and 92% respectively against the reduction target of 2%/year, falling short of the goal. We will continuously strive to reduce the volume of CO₂ emissions.

Volume of CO₂ emissions resulted by using energy at 4 factories

	1997	2008	2009	2010	2011
Total volume (t-CO ₂)	34,500	29,800	28,600	29,300	29,600
Per production volume(t-CO ₂ / 100million yen)	50.0	43.3	47.2	48.4	49.2



[Reduction of energy use in product distribution]

We grasp the environmental stresses in distribution of Iseki products and parts and take actions to reduce them.

In FY2006, we became a specified shipper because the CO₂ emissions slightly exceeded 30 million ton-km. After that, the emissions have been varying slightly under 30 million ton-km.

We have promoted modal shift and contributed to reduction of the total volume of CO₂ emissions, however, the modal shift rate has been flat since FY2009.

Volume of CO₂ emissions in product distribution

	2007	2008	2009	2010	2011
10,000ton-km	2,730	2,990	2,920	2,980	2,790
Total volume (t-CO ₂)	4,200	4,740	3,920	4,180	3,780
Rate (t-CO ₂ /10,000ton-km)	1.54	1.59	1.34	1.40	1.35
Modal shift rate	35%	31%	46%	43%	44%

Note) Modal shift rate = (railway ton-km + sea freight ton-km) ÷ total ton-km

Reducing total material input

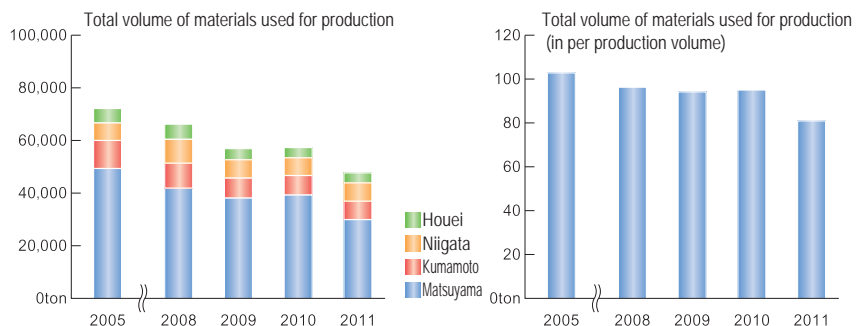
Environmental report

The four factories of Iseki Group reduce total material input such as raw materials, production supporting materials, purchasing parts, etc. to promote energy saving activities.

We have established and promoted the second new mid-term and long-term plan (from FY2011 to FY2015) with the average of three years, from FY2008 to FY2010, as a reference value. In FY2011, the achievement rates of the total volume of materials used for production and the volume of materials used per production volume were 123% and 117% respectively against the reduction target of 1%/year, exceeding the goal substantially. We will continuously strive to reduce the total volume of materials used for production.

Materials used volume

	2005	2008	2009	2010	2011
Total volume (ton)	72,100	66,000	56,900	57,600	48,300
Per production volume(ton / 100million yen)	103	96.1	93.9	95.2	80.2



Preserving water resources

Environmental report

[Reduction of volume of water used]

According to the installation of the water circulation facility and implementation of countermeasures for water leakage, the four factories of Iseki Group strive to reduce the volume of water used.

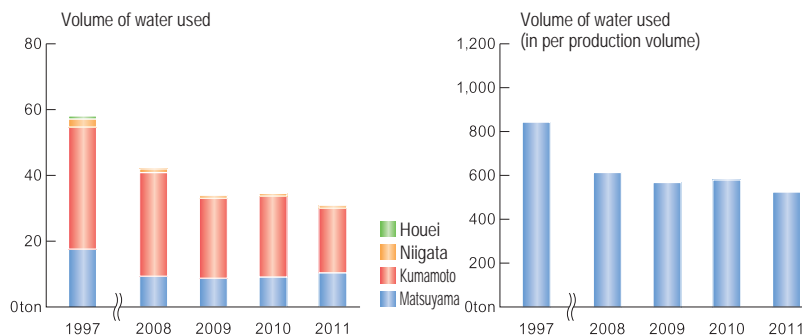
We have established and promoted the second new mid-term and long-term plan (from FY2011 to FY2015) with the average of three years, from FY2008 to FY2010, as a reference value.

In FY2011, the achievement rates of the total volume of water used and the volume of water used per production volume were 101% and 96% respectively against the reduction target of 14%/year.

Water shortage is becoming a more serious issue than food shortage or exhaustion of fossil fuels with the population growth expected in the future. We will continuously strive to reduce water usage.

Volume of water used

	1997	2008	2009	2010	2011
Total volume (Unit: 10,000ton)	58.2	42.4	34.2	35.5	31.8
Per production volume (ton/100 million yen)	844	617	565	588	529



Optimal control and reduction of use of chemical substances

Environmental report

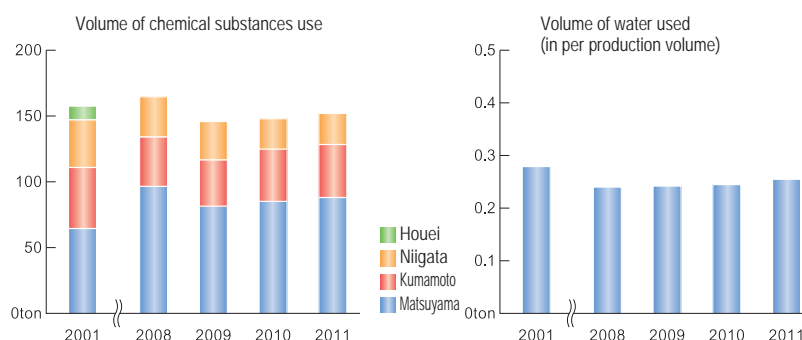
The four factories of Iseki Group strive to reduce chemical substances subjected to PRTR law by replacing paint with one which contains less toxic chemical substances stipulated and introducing regeneration facilities of paint thinner.

We have established and promoted the second new mid-term and long-term plan (from FY2011 to FY2015) with the average of three years, from FY2008 to FY2010, as a reference value.

In FY2011, the achievement rates of the total volume of use and the used volume per production volume were 96% and 91% respectively against the reduction target of 4%/year, falling short of the goal. We will continuously strive to perform appropriate control and management of such chemical substance and reduce the volume of use.

Volume of use of substances controlled by PRTR law

	2001	2008	2009	2010	2011
Total volume (ton)	157	165	145	149	153
Per production volume (ton/100 million yen)	0.277	0.240	0.240	0.245	0.254



[Volume of use of substances controlled by PRTR law]

(unit : ton)

	2001					2010					2011				
	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	32.7	19.6	9.8	0.15	62.2	35.3	23.6	10.2	0.14	69.2
Toluene	13.4	4.71	8.54	1.00	27.7	20.5	2.18	4.76	0.14	27.6	18.1	2.15	4.57	0.18	25.0
Ethyl benzene	16.8	14.7	9.09	0.00	40.6	31.3	14.1	8.3	0.05	53.7	33.0	12.1	8.72	0.04	53.8
Water-soluble zinc compound	0.00	1.21	0.00	3.20	4.41	0.28	2.48	0.20	0.00	2.96	0.33	2.44	0.26	0.00	3.03
Dichloromethane	13.0	0.00	2.42	0.00	15.4	0.09	0.00	0.00	0.00	0.09	0.00	0.00	0.01	0.00	0.01
1, 3, 5-Trimethylbenzen	0.75	0.00	1.41	0.00	2.16	1.10	0.59	0.24	0.00	1.93	1.32	0.37	0.27	0.00	1.96
Total	64.1	47.3	35.4	10.7	157	85.9	39.0	23.3	0.34	148	88.0	40.6	24.1	0.37	153

3R of production processes

Environmental report

[Reduction of wastes]

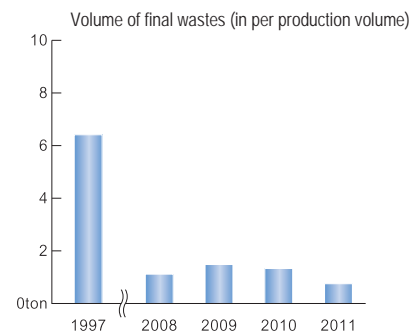
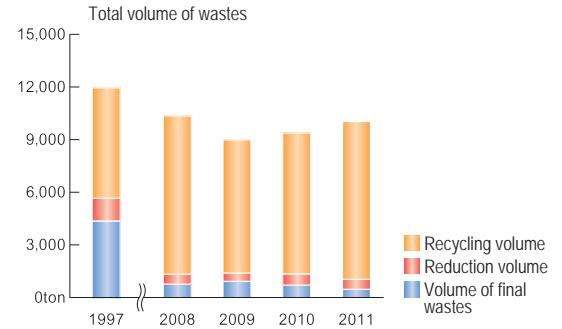
To build a recycling-oriented society, four factories of Iseki Group have been contributing to an effective usage of their wastes by promoting restriction of wastes, reuse and recycling.

We have established and promoted the second new mid-term and long-term plan (from FY2011 to FY2015) with the average of three years, from FY2008 to FY2010, as a reference value.

In FY2011, the achievement rates of the total volume of final wastes and the volume of final wastes per production volume were 176% and 168% respectively against the reduction target of 5%/year, exceeding the goal substantially.

Volume of wastes

	1997	2008	2009	2010	2011
Total volume of wastes (t)	11,900	10,400	8,990	9,390	10,100
Per production volume (t/100 million yen)	17.3	15.1	14.8	15.5	16.8
Volume of final wastes (t)	4,390	754	859	774	430
Per production volume (t/100 million yen)	6.36	1.10	1.42	1.28	0.72
Reduction volume(t)	1,260	571	483	553	572
Recycled volume of wastes(t)	6,270	9,050	7,650	8,060	9,100
Rate of final wastes (%)	37	7.3	9.6	8.2	4.3
Rate of recycling (%)	53	87	85	86	90



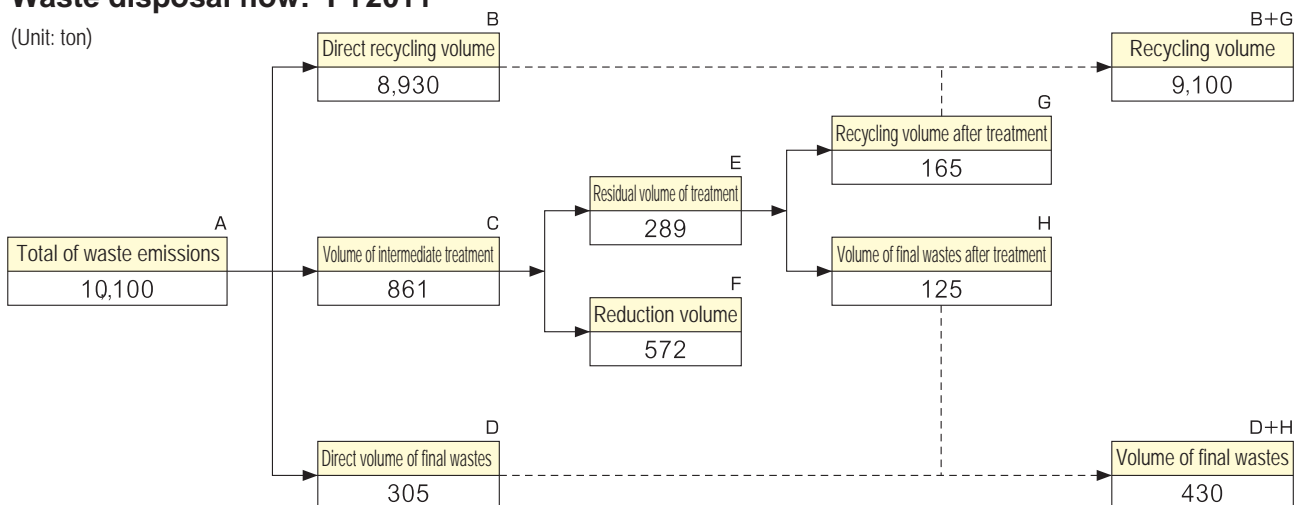
Waste disposal flow

The waste disposal flow in FY2011 is as shown below. The rate of final wastes was 4.3% and the rate of recycled volume was 90% which were greatly improved from the reference year 1997. The major factors are thorough segregation of wastes, new selection of waste disposal service for recycling and improvement that made much of the molding sand to be recycled as a base course material.

In accordance with the operations of the four factories, we will continue to promote restraint, thorough segregation and recycling of wastes and reduction of final volume, aiming at zero emission (our standard: the rate of the final volume of waste shall be less than 1%).

Waste disposal flow: FY2011

(Unit: ton)



Note1) The reduction volume, the recycling volume after treatment and the volume of final wastes after treatment associated with the intermediate treatment are the results of investigation to the subcontractor of waste disposal.

Note2) Rate of the volume of final wastes = volume of final wastes (D+H) ÷ total of waste emissions (A)

Note3) Rate of the recycling volume = recycling volume (B+G) ÷ total of waste emissions (A)

Approach to preserve biodiversity

Environmental report

Iseki Group regards the approach to preserve biodiversity as an important challenge in environmental management. Concretely, we promote activities to reduce harmful substances emitted from all the factories and offices to the environment, provide safe and easy-to-use agricultural machines and services, and support agriculture and approaches to conservation of the natural environment to preserve biodiversity.

< Approach to tree planting for “town development with forests” >



For an approach to biodiversity, we promote growth of forests as biodiverse habitats. Iseki joins in with “Promotion Group of ‘Town Development with Forests’” led by Iyo Bank, Ltd. of Ehime prefecture and participates in tree-planting ceremonies held in various locations. In Tomitashinminato, Imabari-shi, we held the second joint tree-planting ceremony since the establishment of the group in cooperation with “Ehime CO₂ Reduction Eco-Activity Coordination Project” of a special member, the Joint Association of Imabari-shi and Ehime Prefecture Corporation Association.

- Date: March 17, 2012
- Participants: 18 member companies, 420 persons
- Tree planting: 3,000 plants of 12 kinds of trees such as bayberry



“Promotion Group of ‘Town Development with Forests’” carries out tree-planting activities in company-owned land and public land in the town, aiming to plant 50,000 trees by three years later to “grow real forests near ourselves to leave an environment for healthy growth of children to the next generation”, with companies in the center that are working on preservation of local natural environment. In November 2010, we planted 1,000 plants of 24 kinds of trees such as *Quercus myrsinifolia* and *Castanopsis sieboldii* in the area of Iseki-Matsuyama MFG. Co., Ltd. as an activity of this group. Not only our employees but also local people (about 240 persons) including children participated.

< Approach to reduction of fertilizer usage >

We provide easy-to-use, high-performance and energy-saving agricultural machines and facilities which contribute to reducing environmental stresses as well as agricultural machines which reduce and properly control the usage of “fertilizer” which is harmful to living organisms.

Eco-Unemaze-kun

“Eco-Unemaze-kun” cuts the management costs by reducing the usage of “fertilizer”. We added a “4-ridge type” to the traditional “3-ridge type”, “2-ridge type”, “flat-and-high-ridge type” and “entire mulching type” which have been developed with National Agriculture and Food Research Organization (abbreviated as NARO) and sold on the market.

● Environmental preservation by reduction of the usage of “fertilizer”
Traditionally, “fertilizer” was applied to the entire field before cultivation and ridge making and seedling transplanting followed after that. The problems were that the growth of roots of crop plants was limited in scope and fertilizer in ditches and all layers of ridges remained unused and flowed out with discharged water, resulting in environmental pollution.

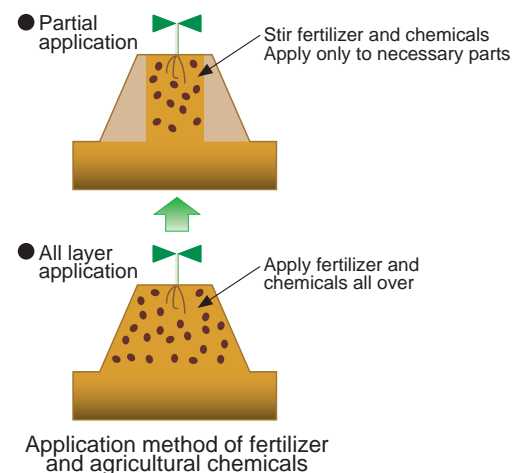
The entire mulching 4-ridge type of “Eco-Unemaze-kun” eliminates this waste. By applying necessary amount of fertilizer to necessary locations, it can reduce fertilizer approximately by 30% compared to all layer application.

● Improvement of efficiency of work

Fertilizer application and ridge making are done simultaneously, which reduces working processes and improves efficiency. It also leads to reduction of fuel consumption of the machine.



Eco-Unemaze-kun



Approach to design for environment

Environmental report

< Approach of eco-product certification system >

<Eco-product certification system>

From November 1, 2011, Iseki set its own environment-friendly design standard and started to implement "eco-product certification system" in which environmental labels are used only for products that have passed the standard.

This "eco-system certification system" is intended to evaluate the compatibility of products with environmental preservation in our standard and provide information on reduced environmental stresses of the certified products to customers and all stake holders more plainly.

We also utilize it as an index or guideline to further promote environment-friendly design in in-house product development.

*Among the environmental labels specified by International Organization for Standardization (ISO), our environmental labels comply with "Type II environmental label" for self-declaration of environmental friendliness of the product based on the business operator's own standard.

<Certification standard>

We evaluate the compatibility of our products with environmental preservation with our own evaluation indexes. Products that have passed the in-house standard are certified as eco-products.

In addition, products are certified either as "super eco-products" or "eco-products" according to the level of environmental friendliness.

<Certification labels>

The certification labels of eco-products have a mark and description of environmental performance that are presented on the product catalogue, operation manuals, etc.



Environment-friendly product that has realized outstanding environmental performance with a noteworthy function



Environment-friendly product that has realized outstanding environmental performance with a noteworthy function

<Evaluation item>

1. Weight reduction of product
2. Restraint of use of harmful environmentally hazardous substances
3. Easiness of maintenance and inspection
4. Reduction of environmental stresses in use
5. Improvement of recyclability
6. Reduction of environmental stresses in manufacturing stage
7. Reduction of environmental stresses in logistics of product
8. LCA (life cycle assessment)
9. Disclosure of information on product usage (communication)
10. Noteworthy function

The ten items above are further divided into detailed items to be evaluated with score respectively. Comprehensive evaluation is made with the total score of improvement.

<Certified products in 2011>

Combine harvester Applicable product: "HFC330/433"

Rank: "Eco-product"

Dryers Applicable products:

"GML25H/30H/35H/40H/45H"

Rank: "Super eco-product"

Approach to design for environment

Environmental report

< Approach of riding mower SXG series >

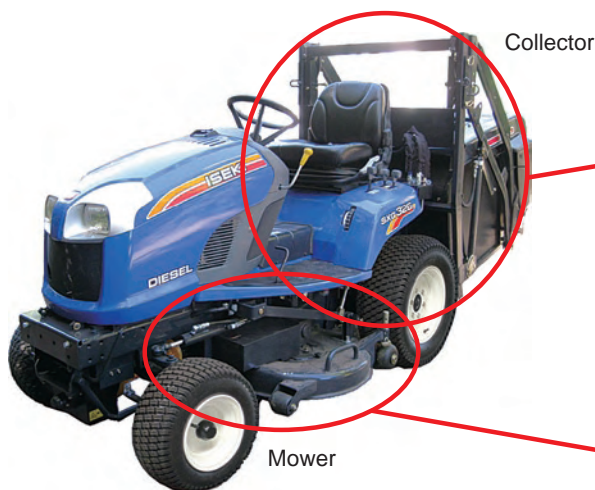
Europe has much more lawns and grass fields than Japan, requiring much maintenance work all year round. Therefore, we provide easy-to-use high-performance tractors dedicated to mowing, contributing to energy saving and reduction of environmental stresses.

Increased capacity of collector (for grass)

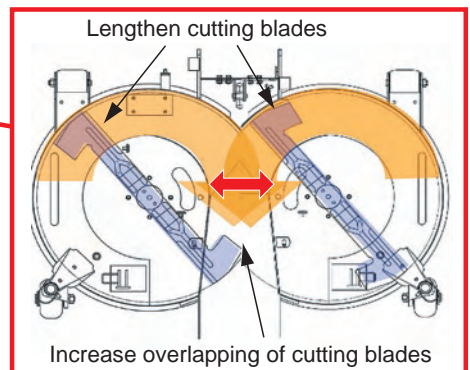
With the conventional models, the collectors to store reaped grass had a space on the top even when they were full, and their capacities were not fully utilized. At first, change of the angle of the grass cutting route and increased speed of the cutting blades of the mower allowed much more grass to be collected. However, it caused problems: the working speed was not increased due to more stress to the engine and fuel consumption increased with speed. By expanding the container in the horizontal direction without increasing the current width of the vehicle, the capacity was increased by 23% with the compact size and ability to collect grass retained. The working hours were shortened by reducing the number of times to go and dispose the collected grass, as well as the time required for removal of grass.



Exhibition in "Salonvert Show" in France



Capacity increased in horizontal direction



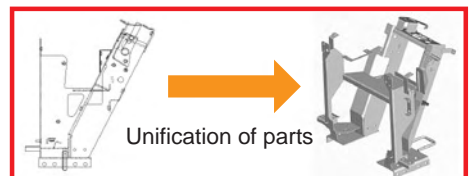
Increase overlapping of cutting blades

Improvement of performance of mower

To eliminate waste of time when grass remains uncut and to be cut again, we made the cutting blades longer than those of the conventional models and increased overlapping of the right and left cutting blades. This allowed grass to be cut clean at a higher speed (increased by 4%) than the conventional models without increasing the engine horsepower, reducing the working hours.

Reduction of number of parts

We unified many small pieces together to simplify parts. Especially, we reduced the number of parts of the steering post by 35%.



Unification of parts

The riding mower SXG series are environment-friendly grass cutting tractors with increased operability that allows the collectors to be mounted and removed in a short time without tools. Their costs are kept low and the fuel consumption is also reduced by increasing the working efficiency.



Approach to design for environment

Environmental report

< Approach of 3-row type HFC combine harvester >

Improvement of threshing ability

The new model combine harvester HFC330 has the following three new mechanisms to improve threshing ability substantially.

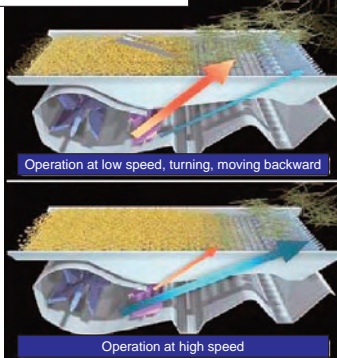
- (1) Twin flapper:
A mechanism to control the direction and volume of the air generated by the fan for separation of paddy from straws according to the processed volume.
- (2) Sieve scraper:
A mechanism to clean dust off the surface of the sieve for filtration of paddy with swinging motion.
- (3) Stuck paddy collection room :
The threshing cylinder is extended backward to set a stuck paddy collection room. A mechanism to collect stuck paddy so that paddy attached to straws after threshing shall not go out of the machine.



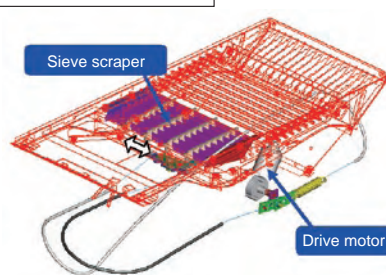
HFC330

New mechanisms contributing to threshing ability

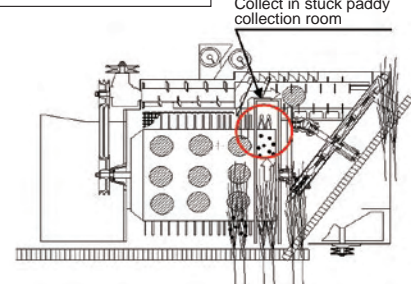
(1) Twin flapper



(2) Sieve scraper



(3) Stuck paddy collection room



Improvement of working efficiency

$$\text{Working efficiency} = \frac{23}{\text{Blade width (m)} \times \text{Working speed (m/s)}}$$

The working speed was increased by improving the threshing ability as described above and the working efficiency was improved by 21% compared to the conventional model 3-row type combine harvester HFG328.

The calculation formula of working efficiency is based on the regulations of Agricultural Machine Fair Trade Committee.

<Working efficiency>

	Conventional model	HFC330
Blade width (m)	1.120	1.091
Working speed (m/s)	1.00	1.31
Working efficiency (min/10a)	20.5	16.1

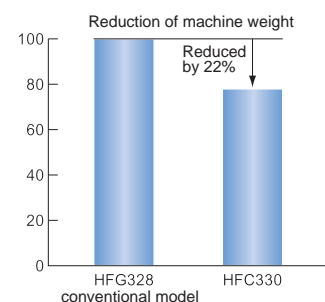
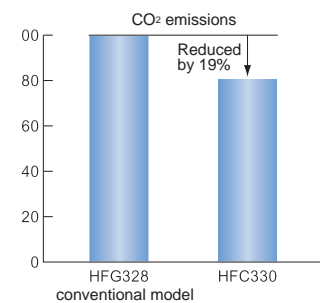
Reduction of machine weight and capacity

The machine weight was reduced by 22% compared to the conventional model HFG328. The machine capacity was also reduced by 14%, realizing a compact size.

To improve the working environment, we adopted a portal structure for reaping section which has a reaping visor adjustable to 3 stages; visor folded, visor opened and upper cover opened. This blocks rice hulls and dirt which fly and come when rice straws are pulled up and prevent dust from flying to improve the environment of operators.

LCA evaluation: Reduction of CO₂ emissions

Since we tried to improve the working efficiency and reduce the weight of the machine body in comparison with our conventional model, CO₂ emission was reduced by 19% compared to the conventional model HFG328 according to LCA (total of CO₂ emissions of the entire cycle from production to disposal) calculation of our standard.



Approach to design for environment

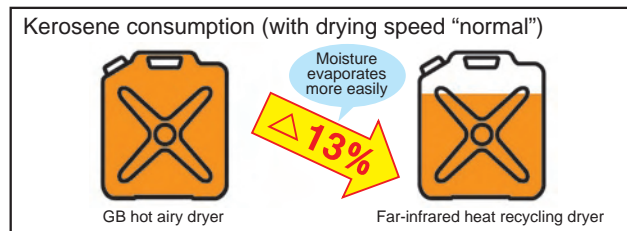
Environmental report

< Approach of dryer GML H type >

For dryers using much fossil fuel, energy and power saving is strongly required. We commercialized energy-saving dryers GML by realizing "far-infrared heat recycling drying" to recycle exhaust heat and humidity. These are the first machines certified as our super eco-products. (For details of eco-product certification system, see page 24.)

Energy saving performance

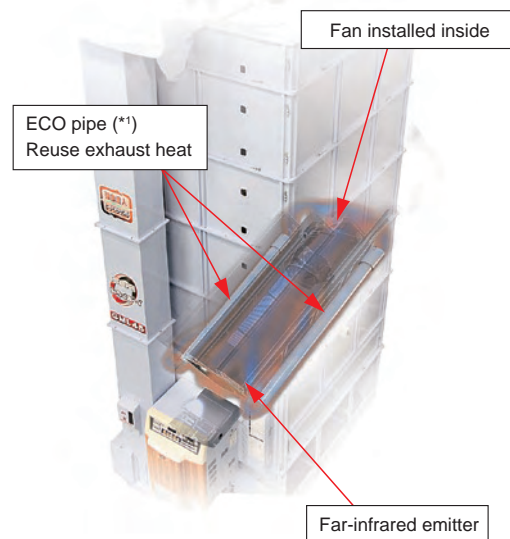
At the standard drying speed, the fuel consumption was reduced by 13% at a maximum compared to the conventional hot air dryers. In rapid drying, the fuel consumption was reduced by 8 to 10% and the electrical usage by 41%. Even when evaluated in life cycle assessment (LCA) (rate against our standard), the lifetime CO₂ emissions were reduced by 7% compared to the conventional models.



Low noise

Noise was reduced drastically by setting the fans inside the dryers. With GML25H/30H, noise levels of 75dB (A) or less were realized in the operation part.

*1 ECO pipe: A pipe to recirculate exhaust air in the machine



Inside drawing of heat recycling mechanism

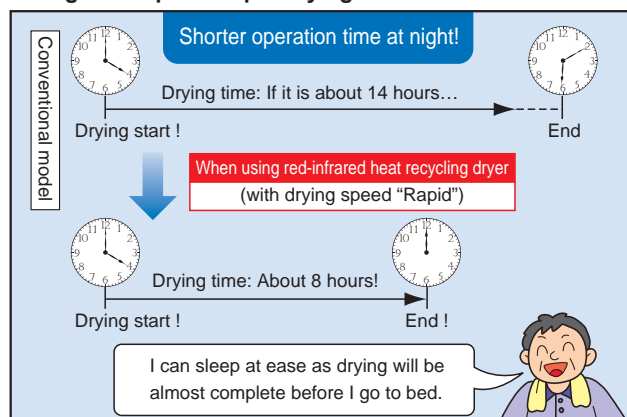
Compact sizes

The sizes were reduced by installing the fans inside the dryers, allowing the machines to be stored in small barns. In large barns, the enlarged empty space can be effectively utilized, allowing easy cleaning and maintenance.

Laborsaving

The drying time can be shortened substantially in rapid drying mode and you can sleep at ease because drying operation is no longer required at midnight. They have become people-friendly machines, reducing the mental strains of people in farm households who work hard during the daytime. In addition, drying can be done twice a day, increasing the working efficiency during bad weather and contributing to laborsaving

•Usage example of rapid drying



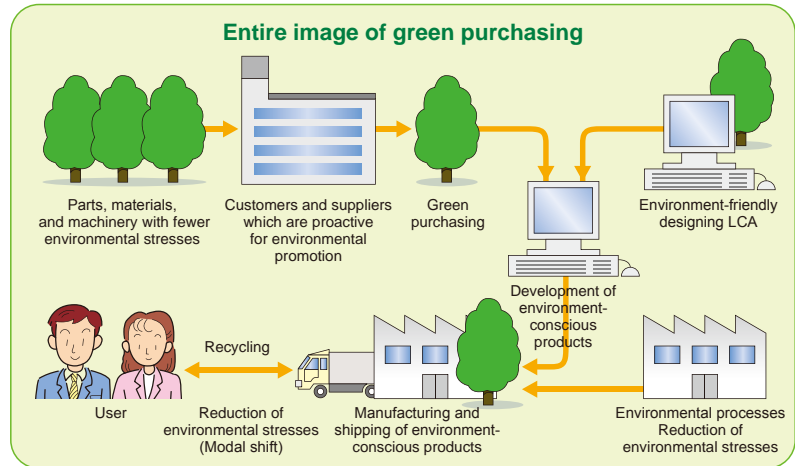
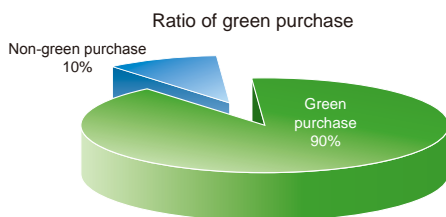
Green purchase / Green supply

Environmental report

< Green purchase >

We promote green purchase to prioritize products with environmental labels such as eco marks and GPN* standard products when purchasing commercialized commodities such as office supplies and electric and electronic devices. The total amount of green purchase of entire Iseki Group was 90% of the total purchase in FY2011.

* GPN : Green Purchase Network



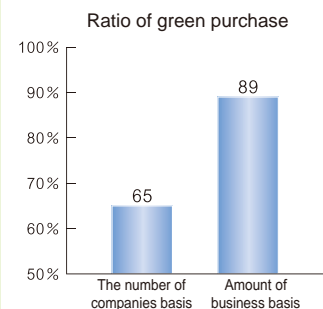
< Green supply >

We evaluate our suppliers and vendors based on our green purchase standard. We jointly promote increase of green purchase for environmental preservation and building of a sustainable resource recycling society.

<Criteria of green purchase>

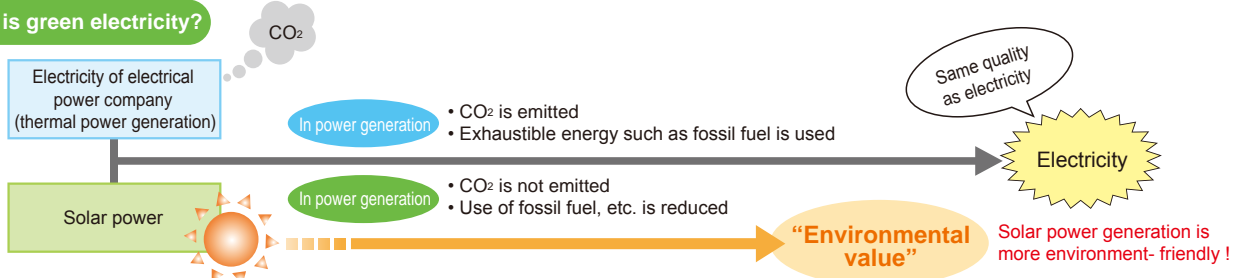
- Certifications such as ISO14001, EA-21, etc. are acquired.
- Voluntary and progressive environmental approaches are promoted.

In FY2011, the green purchase ratio was 65% of the total number of vendors and suppliers and the amount of green purchase from these suppliers and vendors was 89% of our total purchase. Iseki will strive to encourage such suppliers and vendors to acquire the certification of EMS in the future so as to increase the ratio of our green purchase.



< Purchase of green electricity certificate >

What is green electricity?



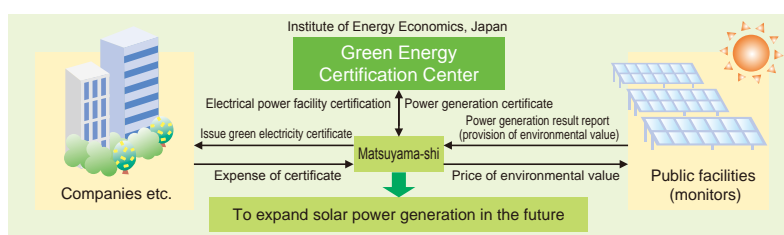
What is a green electricity certificate?

Mascot of "Matsuyama Sunshine Project" →



By combining “environmental value (considered separately from electricity)” with electricity used on daily basis in a form of “green electricity certificate”, use of green electricity generated by solar power is acknowledged.

Environmental values of public facilities with solar power system and general monitors are collected and sold as green electricity certificates. The earnings are used to further expand solar power generation in the future.



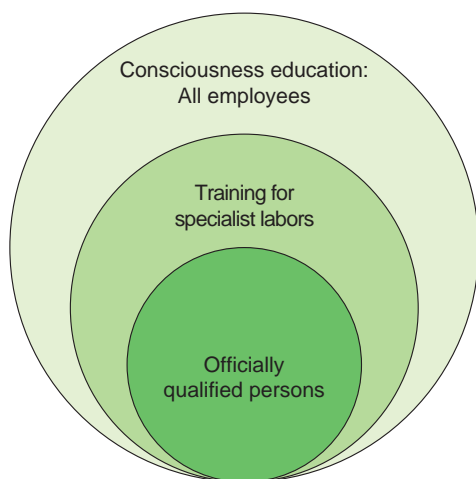
Education and training for environment / Qualified persons

Environmental report

< 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 education and training based on an environmental program with three major steps according to the level of environmental stresses: general environmental education for every employee, training and education for special jobs, and training for employees who engage with jobs which require certain official qualifications.



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 them strictly.

At the same time, we encourage our employees to have the official qualifications needed for the promotion of developing recycling-oriented society, such as managers in charge of pollution supervisor, chief electrical engineer, and boiler engineers.

The number of employees qualified for official environmental qualification as of the end of March, 2012 is shown in the following table.

Name of qualification		Number of employees
Pollution supervisor	Air	15
	Water quality	15
	Noise	16
	Vibration	16
Energy control engineer		8
Energy controller		3
Chief electrical engineer		11
Boiler engineer		89
High pressure gas production safety supervisor		12
Industrial waste treatment facility engineer		3
Specific chemical substances chief operator		18
Hazardous material handler		173

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.

For promotion of environmental preservation, awareness of every employee is required. We strive to raise the awareness of the environment through various environmental training and issuance of Iseki Group newsletters.



Lecture for environment

< Training for internal environment auditors >

Iseki confirms the effectiveness of the system 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 trains internal auditors in a planned and regular way to enhance internal audit. We have been offering our employees in-house education and, if necessary, unified and systematic training and education by external institutions as we think it is important to up-grade the skills and capabilities of our employee in order to spiral up in PDCA 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, based on training programs for each job including legal requirements, before performing actual jobs.

This training and education is offered on a regular basis, handling the impacts of such particular jobs to the environment, daily management procedures, and emergency procedures with due investigation and check of regulatory changes.

Environmental communication

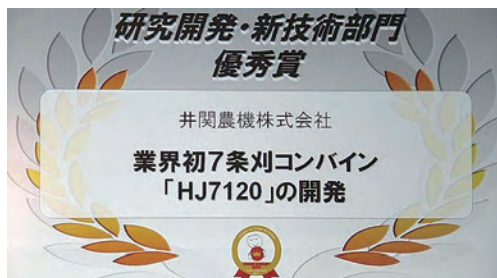
Environmental report

< Approach to improvement of food self-sufficiency ratio >

As global food issues increasingly become serious, the Ministry of Agriculture, Forestry and Fisheries established a “promotion project of national movement toward improvement of food self-sufficiency ratio”, regarding the rise in consumption of domestic agricultural products as the most effective measure to increase the self-sufficiency ratio, and established the “FOOD ACTION NIPPON promotion headquarters” in FY2008 as a base of the project. Since its foundation, Iseki has contributed to growth of agriculture in Japan through mechanization of agriculture. As a company firstly registered to the “FOOD ACTION NIPPON promotion headquarters”, we develop activities to increase the food self-sufficiency ratio with themes of “local production for local consumption”, “low-cost agriculture” and “food in the future”.

< Receipt of FOOD ACTION NIPPON AWARD in R&D/new technology section >

“FOOD ACTION NIPPON AWARD” was established as an activities of “FOOD ACTION NIPPON” led by the Ministry of Agriculture, Forestry and Fisheries as an approach to the rise in consumption of domestic agricultural products. It is intended to invite approaches of business operators, associations, etc. to contribute to increase of food self-sufficiency widely from the public and give awards to excellent approaches. Our “sparse rice transplanter” received the award for excellence in the R&D/new technology section in FY2010. In addition, our “development of the industry’s first 7-row type combine harvester ‘HJ7120’” received the award for excellence in the same section in FY2011 in succession. This means that our technological capabilities were highly evaluated and, at the same time, our contribution to improve food self-sufficiency ratio by energy and labor saving was recognized.



< Utilization of Exhibition Pavilions in Matsuyama and Kumamoto as places for dietary education >

As a part of communication with people from outside, Iseki-Matsuyama MFG. Co., Ltd., located at the birthplace of Iseki, and other Iseki's manufacturing factories, such as Iseki-Kumamoto MFG. Co., Ltd. and Iseki-Niigata MFG. Co., Ltd. accepted about 5,800 people including elementary school students, local residents, and people from other countries for plant tours in FY2011. In each exhibition facilities, we presented information concerning food in Japan with a panel corner of “increase of food self-sufficiency” and “local production for local consumption” and screening of a DVD “Ensuring the Future of Food” created by the Ministry of Agriculture, Forestry and Fisheries “To secure the Future of Food” to dispatch information for increase of food self-sufficiency. Nearly half of visitors of the headquarters Exhibition Pavilion in the site of Iseki-Matsuyama MFG. Co., Ltd. are elementary and junior high school students. It has been used for plant tours in social studies and been utilized as a “place for dietary education” for a long time.



Visit to Iseki-Matsuyama MFG. Co., Ltd.



Visit to Iseki-Kumamoto MFG. Co., Ltd.



Visit to Iseki-Niigata MFG. Co., Ltd.

Environmental communication

Environmental report

Farmers & Kids Festa 2011

< Living together, cultivating together >

Iseki Group exhibited agricultural machines and riding corners in “Farmers & Kids Festa 2011” held in Hibiya Park from November 19 (Sat.) to 20 (Sun.) in 2011. In this event, held for the second time, a variety of booths livened up the site, aiming at the recovery of Japanese agriculture and fishing industry and the communication of importance of food to city dwellers, especially children.

Outline

- Date : November 19 (Sat.) to 20 (Sun.), 2011
- Place : Hibiya Park
- Organizer : Executive Committee for the 2nd Food and Agriculture Festa
- Co-organizers : Japan Agricultural Corporations Association,
: Japan Professional Agriculture Total Support Organization,
: Japan Brand Agricultural Corporation, Japan Pork Producers Association

Events in the Iseki booth

- Home gardening with electrical mini cultivator (ERENA)
- Taking a commemorative photo with a tractor BIG-T
- Riding agricultural machines
- Demonstration of rice milling machine



Iseki booth



Taking a commemorative photo with a large-sized tractor



Operating ERENA

As in last year, many people visited the Iseki booth. In the corner to take commemorative photos, we provided a service to take photos of visitors with our largest tractor BIG-T behind them and print the photos on calendars to give them as presents to visitors. In the ERENA operating corner, we prepared an agricultural field with soil to let children simulate agricultural work. We believe that operation of an agricultural machine unfamiliar in their daily life provided the families with a good memory and awakened their interest in agriculture and food.

Environmental communication

Environmental report

Food in Hometown & Food in Japan National Festival

Iseki presented its products in “Food in Hometown & Food in Japan National Festival “ held in Yoyogi Park from March 10 (Sat.) to 11 (Sun.) in 2012. “Food in Hometown & Food in Japan” that was started from 2001 is an event aiming to review local food cultures and hand them on the next generation. This year, just one year after the “Great East Japan Earthquake”, a reconstruction support zone was also prepared.

Outline

- Date : March 10 (Sat.) to 11(Sun.), 2012
- Place : Yoyogi Park
- Organizer : “Food in Home Province & Food in Japan” National Planning Committee
- Co-organizers : Central Union of Agricultural Cooperatives,
National Federation of Fisheries Co-operative Associations,
Japan Fisheries Association, NHK,
“Food in Hometown & Food in Japan” Prefectural Planning Committee

Events in the Iseki booth

- Home gardening with electrical mini cultivator ERENA
- Taking a commemorative photo with a tractor BIG-T
- Riding agricultural machines
- Demonstration of rice milling machine
- Introduction of “efforts for restoration” of Iseki



Exhibition of products



Compact type coin-operated rice milling machines



ERENA enjoyed by whole family

Also in this event, the Iseki booth was thriving and many children stood in a long line in front of the ERENA operating corner and the exhibition corner of machines. A living doll of “Sanae-chan”, which is the mascot of our rice transplanter, made her first appearance and gained much popularity among children.

Many visitors came to the Iseki booth in both events “Farmers & Kids Festa” and “Food in Hometown & Food in Japan”. Children showed great interest in machines they saw for the first time and had a great time learning about agricultural machines with their families. We believe we could not only let general public recognize “ISEKI CO., LTD.” but also play a part in “a bridge between children and agriculture” as a company engaged in agriculture.



Sanae-chan

Environmental communication

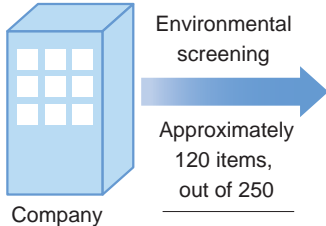
Environmental report

◀ Highest of environmental rating of Development Bank of Japan (DBJ) 6 times in a row ▶

In March, 2012, ISEKI & CO., LTD. earned the highest rating (environmental consciousness notably progressive) of “DBJ Environmental Rating” of Development Bank of Japan (hereafter called “DBJ”) 6 times in a row. “DBJ Environmental Rating” evaluates index of sustainable management of companies by a screening system developed by DBJ. It is the first loan menu in the world which offers advantageous interest rate according to the point. Evaluation and rating are made based on not only information such as environmental reports but also on the results of questions to which companies reply by themselves.

Concretely, the following points were highly evaluated as excellent environment- friendly approaches that were deeper than extended producer responsibility.

- (1) Implementing the “eco-product certification system” from this year to tighten the environmental assessment standard and make a hierarchy of environment-friendly products, and promoting development of environment-friendly agricultural machines with high environmental performance in the entire lifecycle.
- (2) Providing high-efficiency agricultural machines to reduce the use of chemicals harmful to living organisms in consideration with biodiversity in business activities, which is considered to be very remarkable as environmental contribution to the entire society utilizing Iseki’s technology development capabilities.
- (3) Deploying a collection system of used products and other industrial wastes nationwide with a recycling system for discarded product and continuously increasing the number of types of collectable industrial wastes.



Rating	Major company	Small and medium-sized company	Interest rate
A	160 or more		Special interest rate II
B	140 to 159		Special interest rate I
C	100 to 139	80 to 139	General interest rate
D (Engagement)	80 to 99	50 to 79	General interest rate
Without rating	Less than 80	Less than 50	Not passed



◀ 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.



Tobe Office

Iseki-Matsuyama MFG. Co., Ltd.

Environmental report

< Company profile >



Address	700 Umaki-cho, Matsuyama-shi, Ehime prefecture
Number of employees	627 (As of March 31, 2012)
Area	151,000m ²
Major products	Tractors, Riding mower, Dryers, Engines

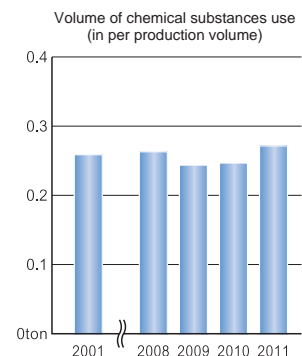
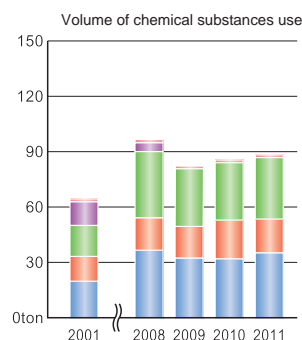
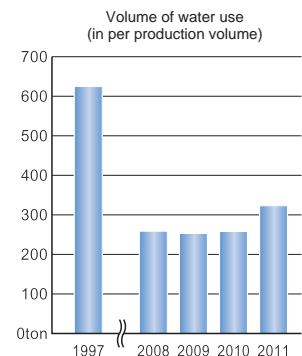
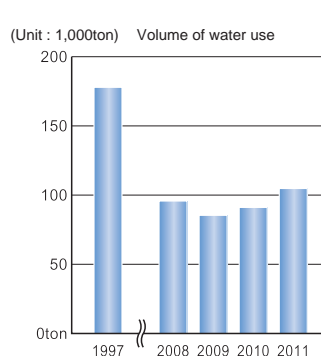
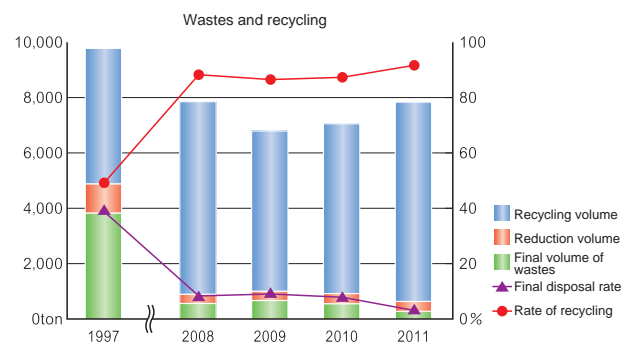
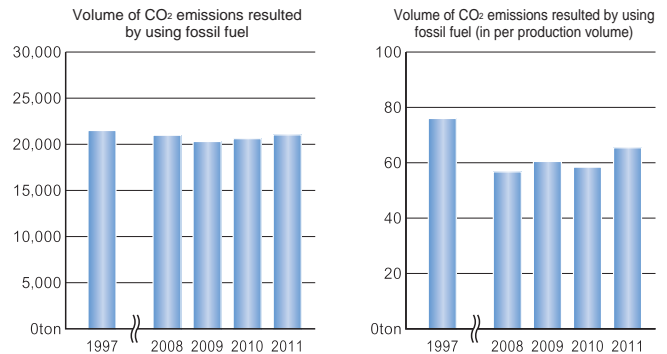
< Basic principles on environment >

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 report

< Company profile >



Address	1400 Yasunaga, Mashiki-cho, Kamimashiki-gun, Kumamoto prefecture
Number of employees	296 (As of March 31, 2012)
Area	217,000m ²
Major products	Head-feeding combine harvester, Multi-crop combine harvesters, Carrot harvesters

< Basic principles on environment >

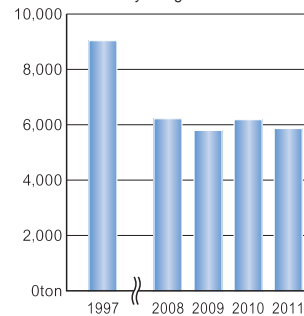
Iseki-Kumamoto MFG. Co., Ltd. calls the importance of environment into account through a supply of agricultural machines; therefore, we strive to preserve these wonderful environmental resources, such as nature, a rural paradise, and water, in Kumamoto.

< Action policy >

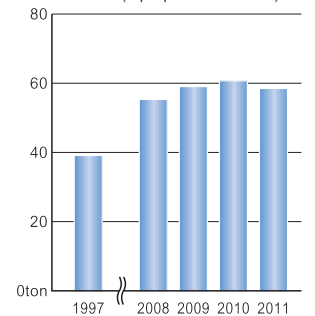
- Continuous improvement**
Continuously improve the environmental management system and environmental performance by observing the environmental management system based on ISO14001.
- Observation of laws and regulations concerning environment**
Observe environment-related legislation, local government regulations, and agreements concluded by the company.
- Mitigation of negative impacts on environment and prevention of contamination**
 - Promote energy-saving and resource-saving
 - Promote reduction of industrial wastes
 - 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.
- Contribution to community**
Open company welfare facilities up to public and contribute to the environmental preservation through cleanup activities.
- 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.
- Disclosure of environmental policies**
Disclose the environmental policies upon request of outsiders.

< Environmental data >

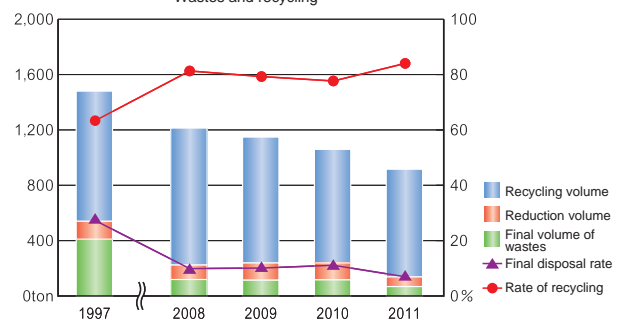
Volume of CO₂ emissions resulted by using fossil fuel



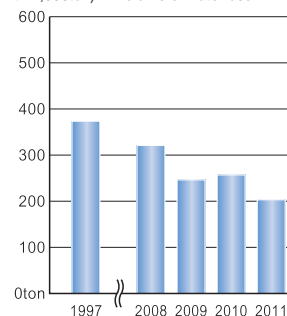
Volume of CO₂ emissions resulted by using fossil fuel (in per production volume)



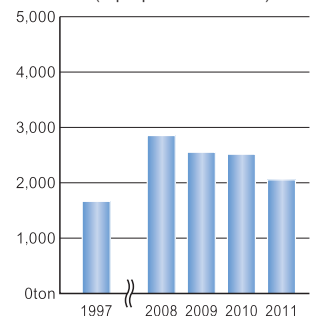
Wastes and recycling



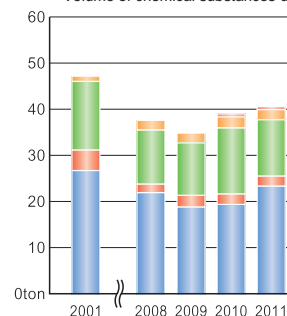
(Unit : 1,000ton) Volume of water use



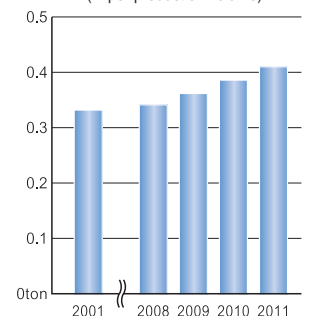
Volume of water use (in per production volume)



Volume of chemical substances use



Volume of chemical substances use (in per production volume)



Iseki-Niigata MFG. Co., Ltd.

Environmental report

< Company profile >



Address	3-12-23 Nishiohsaki, Sanjo-shi, Niigata prefecture
Number of employees	272 (As of March 31, 2012)
Area	29,000m ²
Major products	Rice transplanters, Rice hullers, Vegetable transplanters, Binders

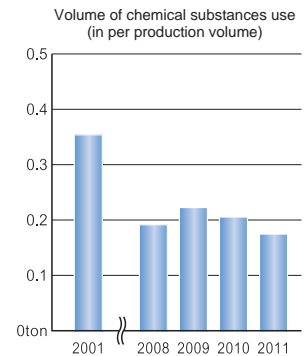
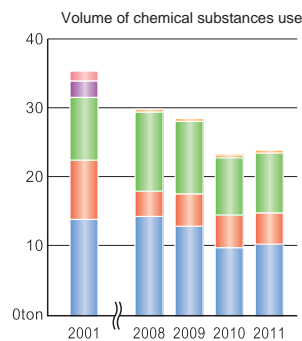
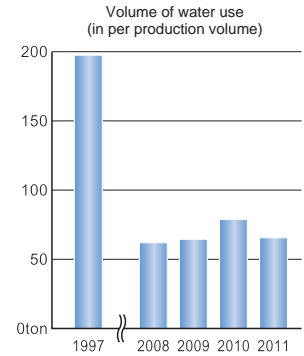
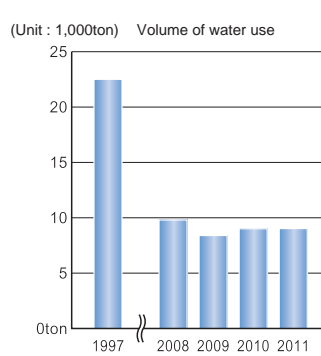
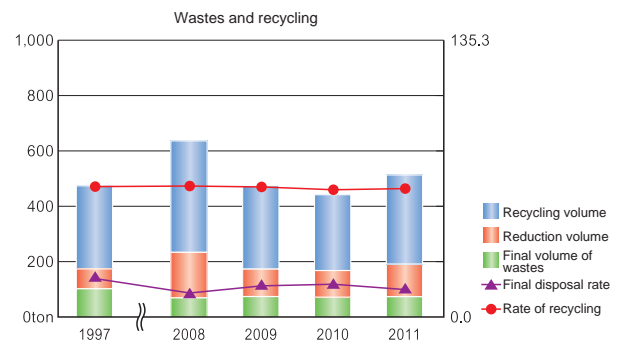
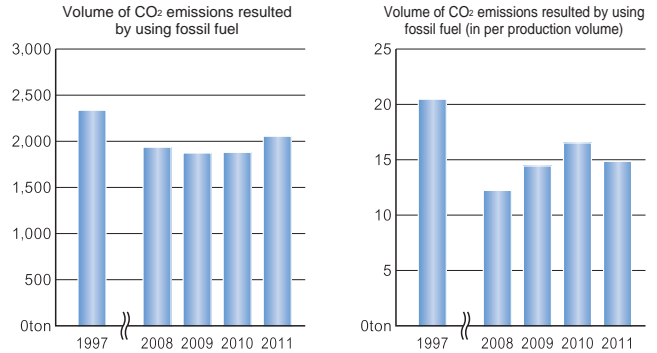
< Basic principles on environment >

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 >



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

Iseki-Houei MFG. Co., Ltd.

Environmental report

< Company profile >



Address	878-1 Umaki-cho, Matsuyama-shi, Ehime prefecture
Number of employees	275 (As of March 31, 2012)
Area	8,959m ²
Major products	Cultivators, Tillers, Walk behind mower, System rice cooker

< Basic principles on environment >

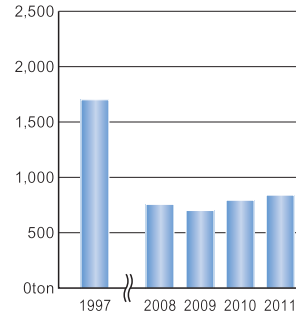
The community adjacent to the Seto Inland Sea National Park. Iseki-Housei MFG. Co., Ltd. promotes the preservation of this blessed community and the creation of a people-friendly working environment for our employees.

< Action policy >

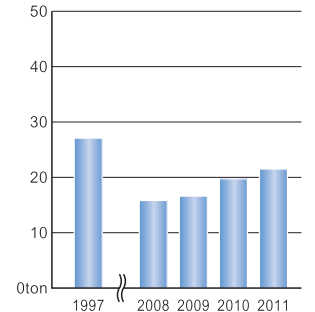
1. Continuous improvement
Continuously improve the environmental management system and environmental performance by observing the environmental management system based on ISO14001.
2. Observation of laws and regulations concerning environment
Observe environment-related legislation, local government 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 >

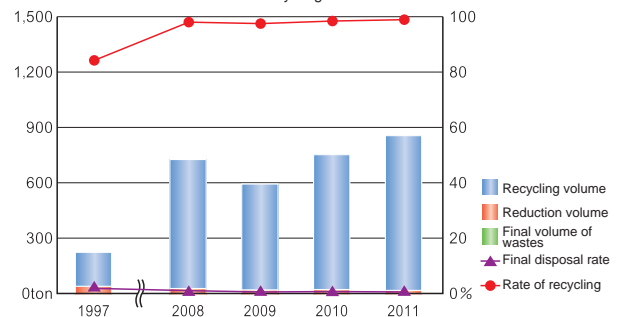
Volume of CO₂ emissions resulted by using fossil fuel



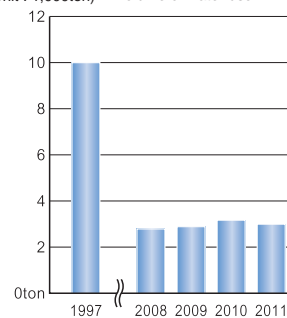
Volume of CO₂ emissions resulted by using fossil fuel (in per production volume)



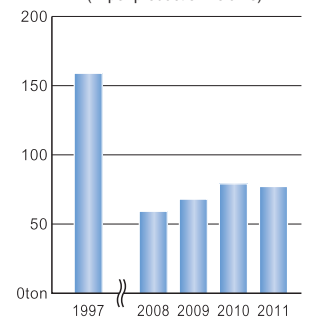
Wastes and recycling



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



Volume of water use (in per production volume)



Main locations



Location name	Address	
Headquarters	700 Umaki-cho, Matsuyama-shi, Ehime prefecture 799-2692	089-979-6111
Tokyo Headquarters	5-3-14 Nishinippori, Arakawa-ku, Tokyo 116-8541	03-5604-7602
Tobe Office	1 Yakura, Tobe-cho, Iyo-gun, Ehime prefecture 791-2193	089-957-3311
Kumamoto Office	1400 Yasunaga, Mashiki-machi, Kamimashiki-gun, Kumamoto prefecture 861-2293	096-286-5515
Technical Support & Solution Center	560 Aoki, Tsukubamirai-shi, Ibaraki prefecture 300-2346	0297-58-5131
Training Center	560 Aoki, Tsukubamirai-shi, Ibaraki prefecture 300-2346	0297-58-1111
Ibaraki Center	4818 Ami, Ami-machi, Inashiki-gun, Ibaraki prefecture 300-0331	0298-87-4490
Kansai Office	602-1 Ohashi, Senzoku-cho, Omihachiman-shi, Shiga prefecture 523-0016	0748-37-3831

Achieving Harmony between Human Beings and the Earth



Contact about this report

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

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E-mail: kankyo@iseki.co.jp

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