NICHIYU

Nichiyu Environmental Report 2008



Nippon Yusoki Co., Ltd.

Message from the President

On the Publication of the 2008 Nichiyu Environmental Report



Demand for electric forklifts in the domestic market has been growing rapidly in recent years, particularly in light of the increasing public awareness of environmental issues. As a pioneer in the development of electric forklifts, Nichiyu remains committed to developing a broad array of innovative products offering a combination of high performance, energy efficiency, and low environmental impact.

Building on our dedication to a healthy environment, we have taken additional steps to reduce our environmental impact by acquiring certification of registration with ISO 14001, the international standard for environmental management systems. As part of this effort, we have formulated and implemented an environmental improvement plan whose progress we continue to monitor.

The 2008 Nichiyu Environmental Report summarizes our environmental initiatives for fiscal 2007 with an emphasis on the details of these initiatives. The report also highlights our success in implementing the three-year plan we initiated in fiscal 2005 and the environmental mitigation measures we adopted for the new plant facility we have constructed on the site of our existing Shiga Plant. I trust this publication will provide the reader with a deeper understanding of this aspect of Nichiyu's operations.

In closing, I would like to express my gratitude to all who have contributed to our growth through their ongoing support and cooperation.



Toshihiko Uratsuji
President

Environmental Policies & Organizational Structure

Environmental Policies

Environmental Philosophy

Acknowledging that every individual wishes to be part of a harmonious society in a healthy environment, Nippon Yusoki Co., Ltd. and its affiliates shall conduct business with consideration for environmental preservation and harmony across all business operations.

Environmental Policies

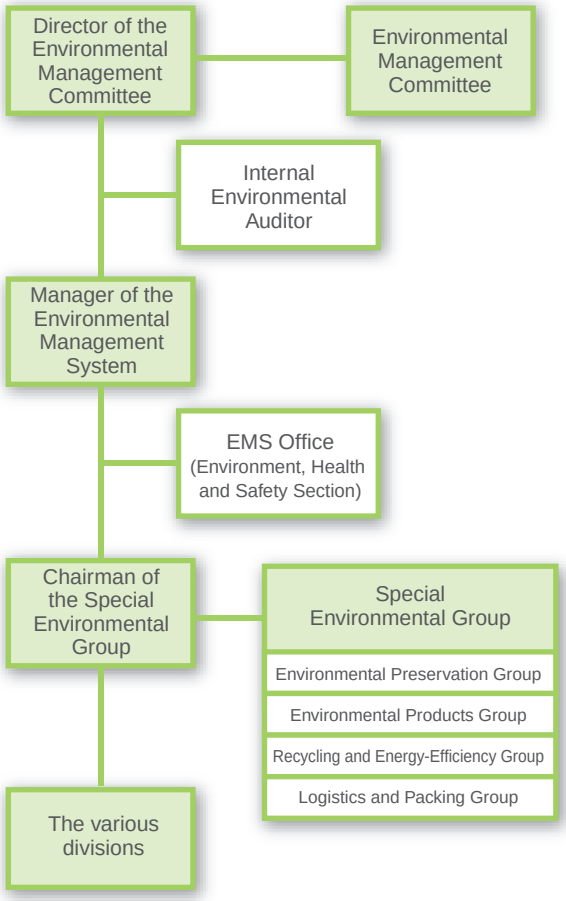
Nippon Yusoki Co., Ltd. and its affiliates are committed to proactively implementing the following environmental policies in the conduct of our business operations, which encompass the development, manufacture, sales, and servicing of electric forklifts and other industrial vehicles, distribution systems, and logistics products. Under the slogan "Providing the products that our customers appreciate," we aim to achieve a sustainable reduction in the environmental impact of our business while improving the social environment through our business operations.

1. Nichiyu recognizes environmental preservation and harmony with the environment as the most important issues facing our entire business and shall assemble the organization required to address these issues.
2. Under our environmental management system, we shall strive to control environmental pollution and promote environmental preservation activities by accurately monitoring the environment impact of our business operations.
3. We shall strictly comply with all environmental laws, regulations, and ordinances as well as all agreements and other requirements to which we are party; adopt voluntary standards; and takes steps to preserve the environment.
4. In acknowledging the environmental impact of our business operations, we shall adopt the following important initiatives.
   (1) We shall manufacture eco-friendly products.
   (2) We shall reduce, recycle, and properly dispose of all industrial waste resulting from our business operations.
   (3) We shall become more efficient and reduce our consumption of raw materials, fuel, and energy, and we shall promote environmental preservation in our manufacturing activities.
   (4) We shall improve the transportation efficiency of our product and parts distribution, reduce the use of packing materials, and decrease our environmental load.
5. We shall implement in-house training sessions and awareness campaigns to inform all our employees and trading partners of our environmental policies and shall disclose them to the public.

In order to implement the above environmental policies, we shall establish environmental goals and targets within our technical and economic scope and periodically review our progress. We shall remain committed to continuously improving our environmental management system and environmental performance.

Director of the Environmental Management Committee

Organizational Structure



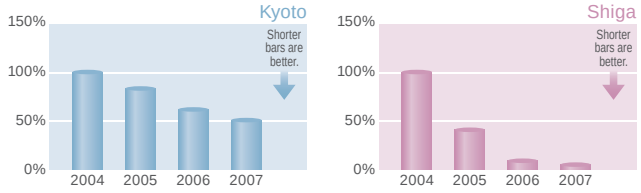
Achievements of Our Initiatives

Status of Our Environmental Initiatives

Environmental Initiatives (Fiscal 2005–07)			Status for Fiscal 2007	Evaluation
Environmental Protection	Burnable Waste Generated	Kyoto (Disposal) 50% reduction	49% reduction	1% short of goal
		Shiga (Disposal) 50% reduction	95% reduction	Achieved
	Paper Usage	Kyoto (Consumption) 20% reduction	45% reduction	Achieved
		Shiga (Consumption) 20% reduction	87% reduction	Achieved
Conservation of Energy and Resources	Electricity Consumption	Kyoto (Consumption) Reduced by 8% min.	14% reduction	Achieved
		Shiga (Consumption) Reduced by 37.5% min.	33% reduction	4.5% short of goal
	Gas Consumption	Kyoto (Consumption) Reduced by 10% min.	9% reduction	1% short of goal
		Shiga (Consumption) Reduced by 43.5% min.	66% reduction	Achieved
	Water Consumption	Kyoto (Consumption) Reduced by 7% min.	6% increase	13% short of goal
		Shiga (Consumption) Reduced by 73% min.	74% reduction	Achieved
Distribution & Packing	Truck Loading Ratio	Kyoto 11% improvement	1% decline	12% short of goal
		Shiga 11% improvement	14% improvement	Achieved
Product-related Environmental Impact	Reduction of Product-related Environmental Impact		Reduced the chemical content of products and improved their energy efficiency	Achieved

Burnable Waste Generated

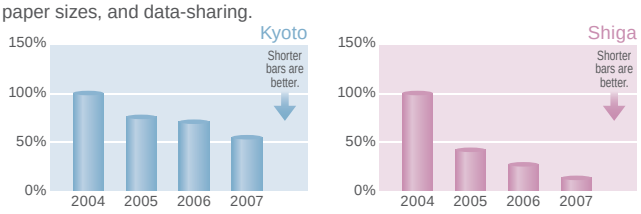
We made a significant effort to sort our wastes effectively.



Waste disposal rate relative to fiscal 2004

Paper Usage

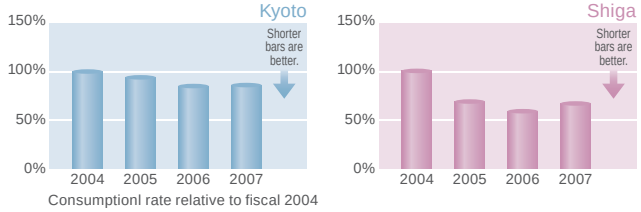
We have continued to promote electronic publishing, duplex printing, smaller paper sizes, and data-sharing.



Consumption rate relative to fiscal 2004

Electricity Consumption

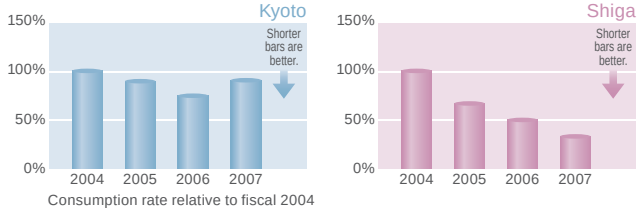
We undertook to reduce electricity consumption company-wide through our “Cool Biz” campaign and through efforts such as frequently switching off lights.



Consumptionl rate relative to fiscal 2004

Gas Consumption

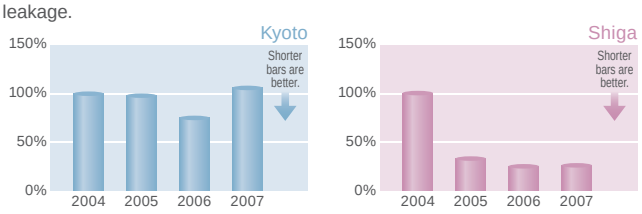
We sought to enhance the operational efficiency of our air conditioning and drying furnace.



Consumption rate relative to fiscal 2004

City Water Consumption

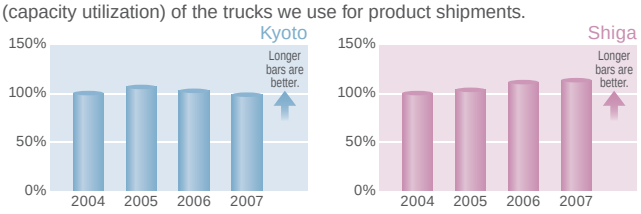
We implemented a water-conservation campaign and monitored for water leakage.



Consumption rate relative to fiscal 2004

Truck Loading Ratio

We reduced the number of trucks in service by increasing the loading ratio (capacity utilization) of the trucks we use for product shipments.



Truck loading ratio relative to fiscal 2004

Compliance with Law and Ordinances

Kyoto Plant

Item	Item to Be Monitored and Measured		Regulated Value	Observed Value
Noise	Noise (dB)	8:00–18:00	70	**69**
		18:00–22:00	60	**54**
Vibration	Vibration (dB)	8:00–19:00	65	**40**
		19:00–8:00	60	**Less than 30**
Odor	Toluene (ppm)		10	**0.27**
	Xylene (ppm)		1	**0.068**
Atmosphere	Air heater	Particulate (g/m³N)	0.30	**0.026**
		SOx (m³N/h)	0.23	**0.024**
		NOx (ppm)	180	**76**
Water Quality	pH		5–9	**7**
	BOD (mg/L)		600	**14**
	SS (mg/L)		600	**12**
	n-hexane (mg/L)		5	**Less than 0.5**
	Zn (mg/L)		2	**0.008**



◀ Odor measurement (December 18, 2007)

Shiga Plant

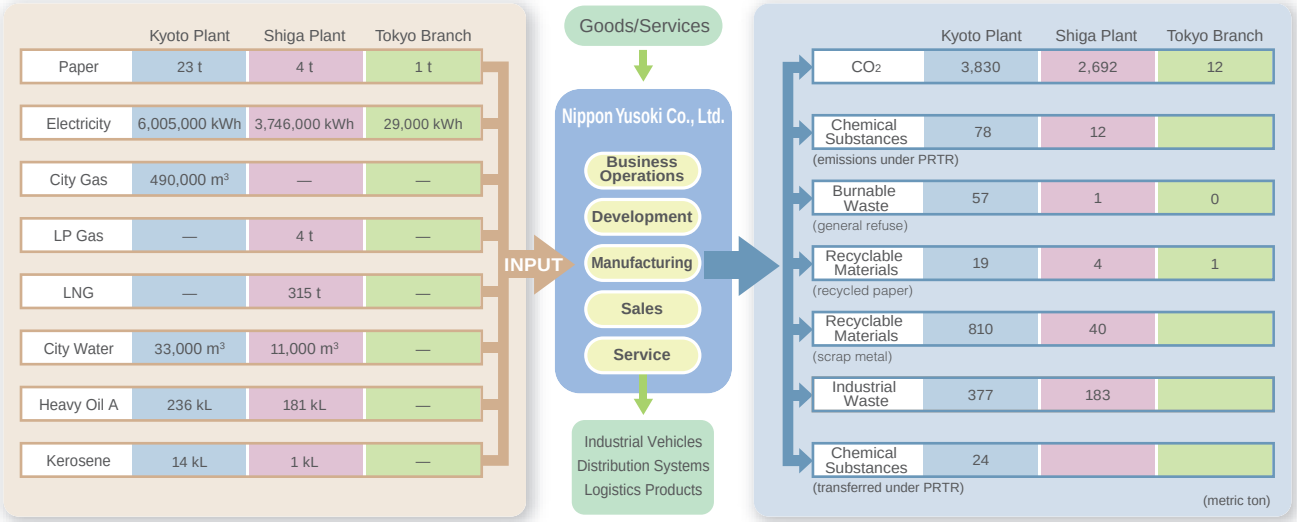
Item	Item to Be Monitored and Measured		Regulated Value	Observed Value
Noise	Noise (dB)	8:00–18:00	70	**58**
		18:00–22:00	70	**59**
Vibration	Vibration (dB)	8:00–19:00	70	**27**
		19:00–8:00	65	**24**
Odor	Toluene (ppm)		10	**Less than 1**
	Xylene (ppm)		1	**Less than 0.1**
Atmosphere	Once-through boiler	Particulate (g/m³N)	0.15	**0.009**
		SOx (m³N/h)	0.69	**0.043**
		NOx (ppm)	180	**130**
Water Quality	pH		6–8.5	**7.6**
	BOD (mg/L)		40	**2**
	COD (mg/L)		40	**6.5**
	SS (mg/L)		90	**4.7**
	Nitrogen (mg/L)		12	**2.3**
	Phosphorus (mg/L)		1	**Less than 0.1**



◀ Odor measurement (Octover 11, 2007)

Water quality: Regulated values differ significantly because the Kyoto Plant discharges into drainage sewers while the Shiga Plant discharges into public water areas.

Summary of Environmental Load



Nichiyu Green Products

Because Nichiyu's forklifts are powered by electricity, they produce significantly less CO_2 emissions than do forklifts powered by fuels such as light diesel oil, gasoline, and LPG. Moreover, we promote eco-friendly development and design by taking steps to reduce the presence of hazardous substances in our products and by improving our recycling rate. We are also gradually adopting benign substitutes for hazardous substances such as lead, cadmium, and hexavalent chromium.

The accompanying photo shows one of our forklifts in use at a paper recycling plant. We continually strive to develop and market products for the recyclable waste stream, which recovers and processes waste materials.



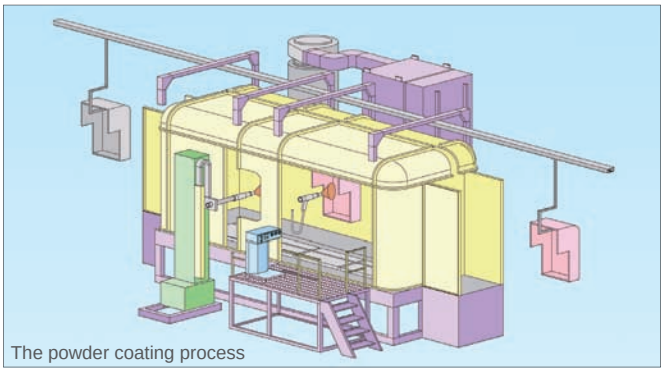
Environmental Measures Adopted at Our New Plant in Shiga

Our new plant in Shiga (right) was completed in August 2007 as part of our effort to increase our production capacity. At the planning stage, we considered the diverse needs of the plant employees, local residents, and the global environment.



Green Innovations

Powder coating



The powder coating process

We adopted this eco-friendly powder coating process in an effort to reduce emissions of volatile organic compounds (VOCs).



Innovative eco-friendly air conditioning system adopted



Turbo refrigeration unit



Spot air conditioning

We introduced a highly efficient and eco-friendly turbo refrigeration unit to provide spot air conditioning across the 10,000 square meters of our vast operations area in our new plant in Shiga. The adoption of this innovative unit is expected to reduce annual CO_2 emissions by one third compared to a conventional gas absorption refrigeration unit.

Noise and odor control

Our new plant is located on the eastern side of our Shiga site and adjoins a residential district. Because of this arrangement, we constructed the outer wall of the plant with a highly effective soundproofing material. The plant was designed with consideration for the residential environment by locating the intake fans on the residential side and the exhaust fans on the plant side.

Examples of Our Environmental Initiatives

ISO 14001 Initiatives



The Japan Quality Assurance Organization (JQA) undertook its periodic inspection of our operations from July 24 to 27, 2007. The JQA implemented an objective confirmation of the environmental initiatives of our Kyoto Plant, Shiga Plant, and Tokyo Branch, including the construction work we performed at our customers' premises, from an impartial third-party perspective. We took the opportunity presented by this periodic inspection and in-house internal audit to review our conventional environmental management system. This is part of our ongoing commitment to continually refine our systems.

◀ On-site evaluation of the Shiga Plant (July 26, 2007)

Participation in Community Activities



The employees of the Kyoto Plant participate in the annual 530 ("zero waste") campaign held in Nagaokakyo in May. Every year, about one hundred employees engage in a cleanup of the grounds surrounding the plant and work hard to beautify the environment of the local community.

As well, the employees of the Shiga Plant undertake a periodic cleanup around their plant and participate in the "Oumiji Road Manners Boost Campaign" held in Shiga prefecture. Once every month, they raise awareness of traffic safety and courteous driving at a busy neighborhood intersection by promoting the use of seatbelts and discouraging cell phone use among commuters on their way home.

◀ Cleanup around the Kyoto Plant (June 6, 2007)

Disaster Response Drills



Employees participated in a joint fire drill with the Omi-hachiman Fire Station near the Shiga Plant in an effort to preserve the local environment, strengthen the in-house fire prevention system, and raise awareness of fire prevention. The scenario for this drill assumed that an earthquake had damaged a gas furnace and sparked a fire, that employees had been injured at work, and that the whereabouts of one employee could not be confirmed. About 50 employees, 20 fire fighters and emergency staff, and five fire engines and ladder trucks participated in the drill.

The Kyoto Plant also periodically conducts fire and disaster drills in order to strengthen the in-house fire-prevention system.

◀ Fire-fighting drill at Shiga Plant (March 10, 2008)

Facilities

Head Office/Kyoto Plant

Product	Electric Forklifts
Site Area	44,509 m²



Head Office/Kyoto Plant

Shiga Plant

Product	Distribution Systems, Locomotives, and Monorails
Site Area	68,794 m²



Shiga Plant

NICHIYU

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