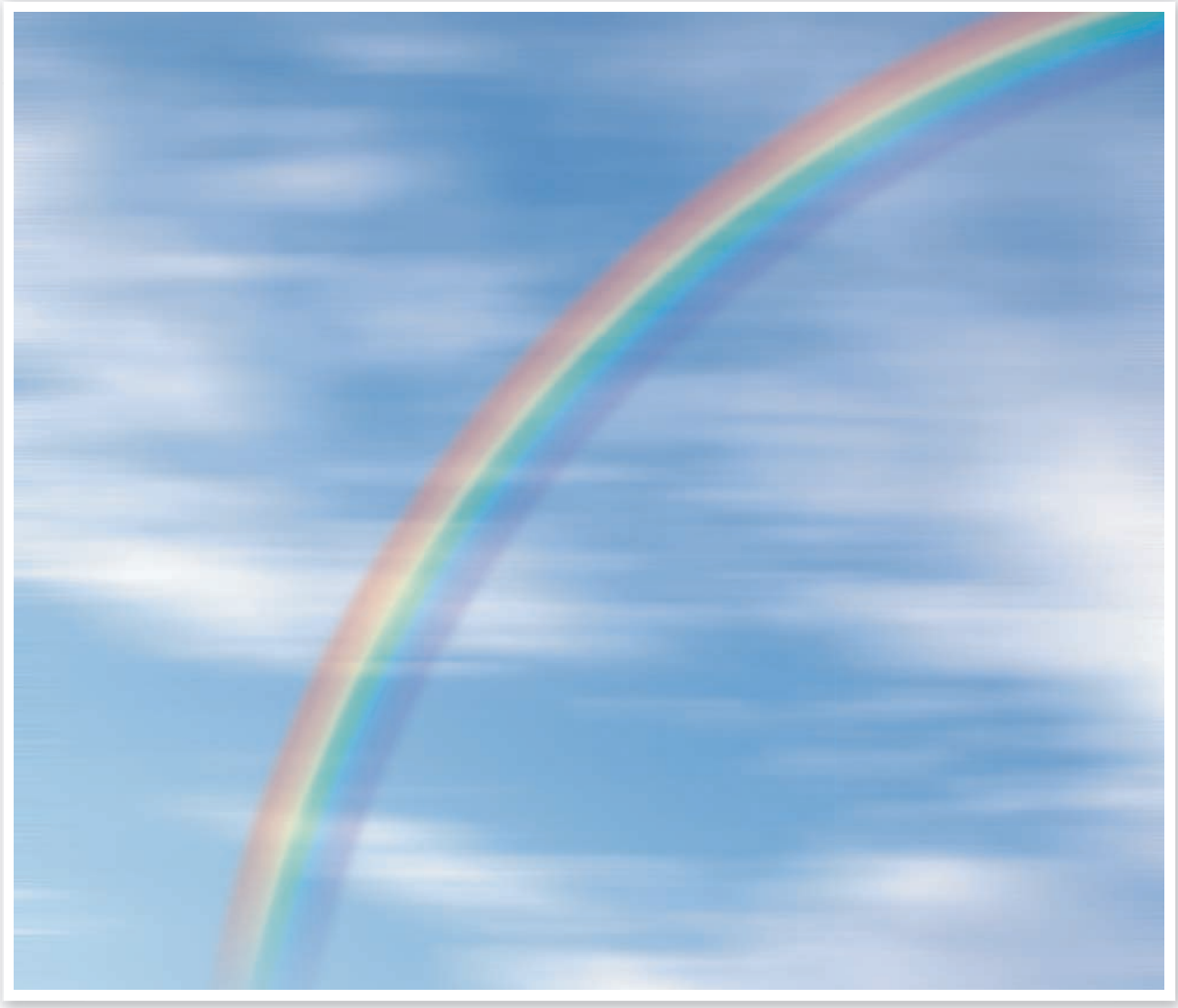
NICHIYU

Nichiyu Environmental Report 2010



Nippon Yusoki Co., Ltd.

Message from the President

On the Publication of the 2010 Nichiyu Environmental Report



The corporate philosophy of the Nichiyu Group is focused on contributing to the emergence of a vibrant society through our logistics technology and implementing a management policy that addresses the health of the local community and the global environment. In short, we seek to further improve our product performance while reducing the environmental impact of our flagship product, the electric forklift.

Moreover, in the five years since we acquired our certification of ISO 14001 registration, our employees have steadily demonstrated a higher degree of environmental awareness and commitment to action. As a member of the community, we will endeavor to communicate effectively with local residents and with government entities.

The 2010 Nichiyu Environmental Report, which encompasses the operations of the Kyoto Plant and Shiga Plant of Nippon Yusoki Co., Ltd., summarizes our environmental initiatives for fiscal 2009. This report also seeks to keep our customers and neighboring residents fully informed by providing ample details of these initiatives.

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.

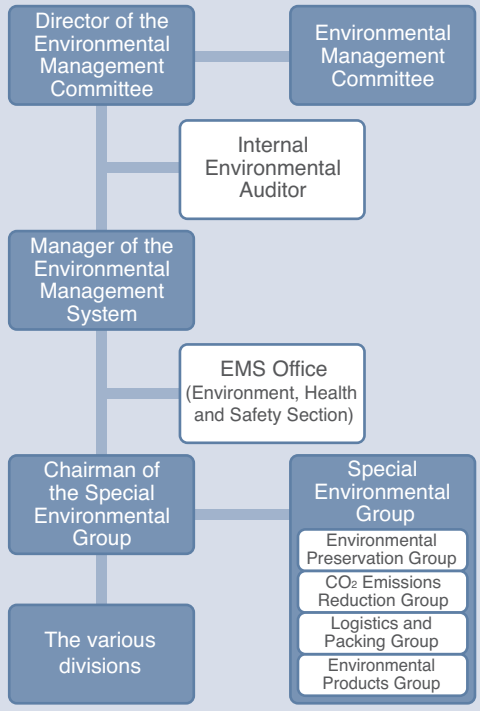
Environmental Policies

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.

Organizational Structure



Achievements of Our Initiatives

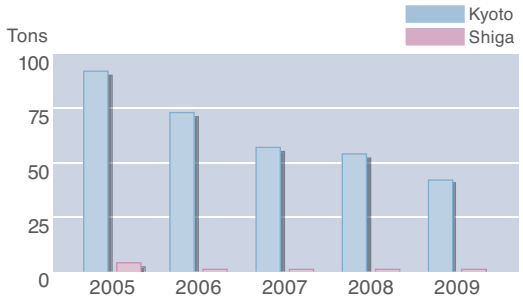
Targets & Achievements of Our Environmental Initiatives

Under environmental initiatives implemented according to our environmental policies, we adopted the following environmental targets for fiscal 2009. Accordingly, we are implementing environmental improvements through implementation plans prepared at each of our various workplaces.

Main Environmental Targets for Fiscal 2009				Status for Fiscal 2009	Evaluation
Environmental Protection	Burnable Waste Generated	Kyoto	Improvement over fiscal 2008 result (55.0 tons max.)	42 tons	Achieved
		Shiga	Improvement over fiscal 2008 result (0.6 tons max.)	0.64 tons	Not achieved
Reduction of CO_2 Emissions	CO_2 Emissions	Kyoto	Improvement over fiscal 2008 result (90% max.)	83%	Achieved
		Shiga	Improvement over fiscal 2008 result (95% max.)	83%	Achieved
Distribution & Packing	Truck Loading Ratio		2.58 products/unit at minimum	2.30 products/unit	Not achieved
Product-related Environmental Impact	Reduction of Product-related Environmental Impact			Reduced the chemical content of products and improved their energy efficiency	Achieved

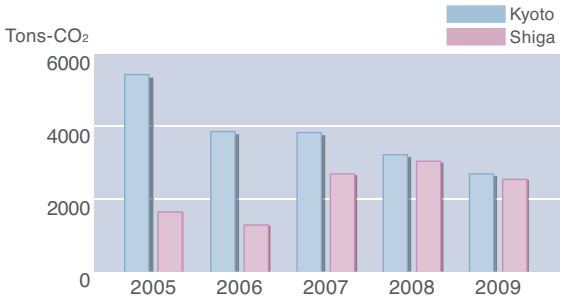
Burnable Waste Generated

We installed a door on the Eco-station and stipulated dates and times for opening of the gate. We instituted in-house training on the sorting of soft plastic waste for use as solid fuel and promoted reuse by encouraging those responsible for the Environmental Health & Safety Section to attend. Moreover, we evaluated the facilities of our industrial waste contractors.



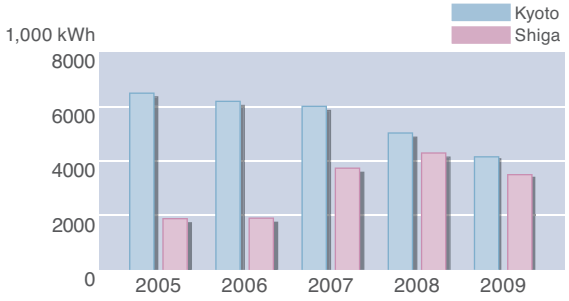
CO_2 Emissions

CO_2 emissions from the Shiga Plant increased due to the operation of our new plant building in 2007. However, when establishing new facilities, we promote the adoption of machinery and equipment with exceptional environmental performance. For example, we introduced a turbo refrigerator that functions as a highly efficient air conditioner yet is also effective for controlling CO_2 emissions.



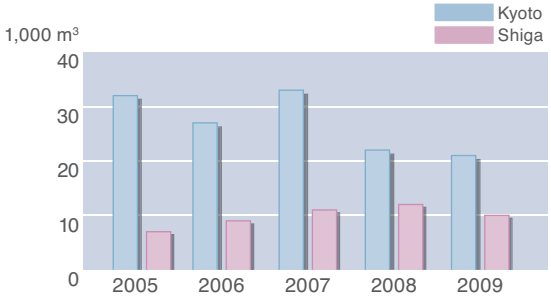
Electricity Consumption

We implemented our Cool Biz campaign and promoted a switchover to energy-efficient fluorescent lamps. The Kyoto Plant maintained its record of gradually reducing its power consumption, while the Shiga Plant achieved a moderate reduction in power consumption in 2009.



City Water Consumption

The Kyoto Plant has been on a decreasing consumption trend thanks to a continuation of water conservation initiatives. While water use by coating processes and domestic water use increased as a result of the opening of the new plant building in 2007, the Shiga Plant managed to achieve a slight reduction in consumption in 2009.



Summary of Environmental Load (Fiscal 2009)

INPUT

	Kyoto Plant	Shiga Plant
Electricity	4,147,000 kWh	3,558,000 kWh
City Gas	346,000 m³	—
LNG	—	323 t
Heavy Oil A	148 kL	144 kL
City Water	21,000 m³	10,000 m³

Nippon Yusoki Co., Ltd.

OUTPUT

	Kyoto Plant	Shiga Plant
CO_2	2,690 t	2,540 t
Chemical Substances (emissions under PRTR)	62 t	9 t
Burnable Waste	42 t	0.64 t
Industrial Waste	267 t	150 t
Chemical Substances (transferred under PRTR)	20 t	—



Scrap wood



Eco-Cap collection campaign

Recycling of Scrap Wood

Our Kyoto Plant is working to turn its waste wood, such as scrap wood from pallets, into a type of charcoal known as “Eco-Charcoal.” This task has been outsourced to a professional contractor who employs a pulverization and carbonization process. The plant distributes this Eco-Charcoal product at various events in an effort to increase the public’s environmental awareness. Offices in the Kyoto Plant also use this product in flower vases.

Eco-Cap Campaign

The Kyoto Plant has provided collection boxes beside in-house vending machines to promote recycling of PET bottle caps. The collected caps are then sent to the Eco-Cap advocacy group through a nearby elementary school. The funds raised with these caps are used to cover the costs of vaccination programs in developing countries.

Compliance with Laws and Ordinances

Noise

We undertake periodic noise measurements at the lot line.

Plant	Measured Item		Unit	Regulated Value	Observed Value
Kyoto	Noise	8:00–18:00	dB	70	**69**
		18:00–22:00	dB	60	**56**
Shiga	Noise	8:00–18:00	dB	70	**57**
		18:00–22:00	dB	70	**41**

Measurement dates: February 2, 2010 (Kyoto) and December 2, 2009 (Shiga)

Odor

We undertake periodic odor measurements at the lot line.

Plant	Measured Item	Unit	Regulated Value	Observed Value
Kyoto	Toluene	ppm	10	**0.095**
	Xylene	ppm	1	**Less than 0.069**
Shiga	Toluene	ppm	10	**Less than 1**
	Xylene	ppm	1	**Less than 0.1**

Measurement dates: February 4, 2010 (Kyoto) and January 14, 2010 (Shiga)

Atmosphere

We periodically undertake atmospheric measurements of warm air heaters and once-through boilers. We also measure for hazardous substances as stipulated under Kyoto prefectural ordinances.

Plant	Measured Item		Unit	Regulated Value	Observed Value
Kyoto	Air heater	Particulate	g/m^3N	0.30	**0.13**
		SOx	m^3N/h	0.23	**0.034**
		NOx	ppm	180	**69**
Shiga	Once-through boiler	Particulate	g/m^3N	0.15	**0.026**
		SOx	m^3N/h	0.69	**0.021**
		NOx	ppm	180	**91**

Measurement dates: January 29, 2010 (Kyoto) and January 12, 2010 (Shiga)

Water Quality

At the Shiga Plant, we established a wastewater treatment tank facility and ensured that any water from sewage and processes is purified before being discharged from the plant. This purified water is discharged into tributary waterways of neighboring rivers. At the Kyoto Plant, drainage water is discharged into the drainage system after proper treatment.

Plant	Measured Item	Unit	Regulated Value	Observed Value
Kyoto	pH		5–9	**7**
	Biochemical oxygen demand (BOD)	mg/L	600	**4.7**
	Suspended solids (SS)	mg/L	600	**Less than 5**
	N-hexane extracts	mg/L	5	**Less than 0.5**
	Zinc	mg/L	2	**0.003**
Shiga	pH		6–8.5	**7.2**
	Biochemical oxygen demand (BOD)	mg/L	40	**8**
	Chemical oxygen demand (COD)	mg/L	40	**10.5**
	Suspended solids (SS)	mg/L	90	**1.3**
	Nitrogen	mg/L	12	**Less than 0.5**
	Phosphorus	mg/L	1	**Less than 0.1**

Measurement dates: February 16, 2010 (Kyoto) and March 9, 2010 (Shiga)

Pollution Patrol

The Shiga Plant emphasizes early detection of abnormalities by instituting monthly patrols around the plant.



Cleanup of Waterway near Shiga Plant (May 28, 2009)



Pollution Patrol near Shiga Plant (June 11, 2009)

Occupational Health and Safety

Occupational Health and Safety Management System

At our Kyoto Plant and Shiga Plant, we are working to prevent labor accidents by instituting health and safety patrols inside the plants as well as hazard prediction training and risk assessment through the Health and Safety Committee. In addition, the plant fire-fighting team provides periodic fire-fighting drills. These drills raise awareness of fire prevention and help to support an initial response as part of our disaster preparedness system.

Installation of AED Units

We have provided emergency AEDs (automated external defibrillators) in our Kyoto Plant and Shiga Plant. As part of this effort, our employees regularly attend emergency first-aid courses provided by the local fire department. Through this initiative, employees are given the necessary training to prepare them for an emergency.

Blood Donor Clinics

Our Kyoto Plant works with the Kyoto Red Cross Blood Center and the city of Nagaokakyo to ensure the success of the blood donor clinics held twice a year. These clinics attract more than 100 company employees as blood donors.

Hazard Prediction Training Calendar

As part of our hazard prediction training (KYT), we publish a KYT calendar to support our distribution sites.



Fire-fighting drill



KYT calendar

Participation in Community Activities

Nagaokakyo Environmental Fair

The Nagaokakyo Environmental Fair was held at the Central Community Hall on December 12. This fair offered an opportunity for companies and members of the public to focus on environmental protection measures.
At the fair, companies and environmental groups presented exhibits and elementary school children held environmental lectures and presentations on environmental issues. Nichiyu also participated as a company with a head office in the city of Nagaokakyo.
This fair presented an excellent and rare opportunity for our company to closely interact with local residents.


Nagaokakyo Environmental Fair

Nishiyama Forest Volunteers

Employees of the Kyoto Plant participate in voluntary forest maintenance work with the city of Nagaokakyo. Held in cooperation with citizens and business establishments, this annual volunteer forest improvement project is an effort to conserve the water and greenery of Nishiyama through participation and collaboration. On November 1, employees engaged in tree pruning and forest thinning near the Nishiyama campground in Nishiyama.


Nishiyama Forest Volunteers

530 (zero waste) Campaign

The employees of the Kyoto Plant participate in the annual “530 (‘zero waste’) Campaign” held in Nagaokakyo in May. Every year, about 150 employees engage in a cleanup of the grounds surrounding the plant.


530 (zero waste) Campaign


Study group to promote environmental management in Otokuni

Group Study to Promote Otokuni Environmental Management

The Kyoto Plant is located in the Otokuni region, where staff in charge of environmental issues at workplaces of major companies hold periodic study groups. In fiscal 2009, the Kyoto Plant assumed the rotating role of secretariat. We introduced examples of our industrial waste treatment plant, our energy-efficiency measures, and our initiative of offering tours of the Kyoto Plant.



Do You Kyoto?

Promoting Global Environmental Awareness

Kyoto City has established the 16th day of each month as “Do You Kyoto?” Day. This date was chosen because the Kyoto Protocol came into force on February 16. We contribute by engaging in a public awareness campaign on global environmental issues; for example, we became a co-sponsor of the Kyoto Sanga Football Club, a J-League soccer team that has been appointed as a sports ambassador to this campaign.

The Kyoto Plant is also contributing to the goal of reducing CO_2 emissions by turning off its neon signs on the 16th of every month.

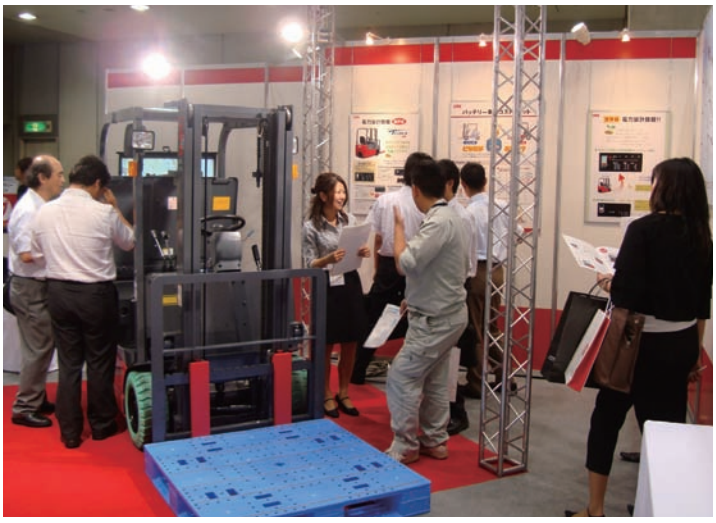
Plant Tour

From time to time, we provide plant tours to elementary school children. On January 20, 2010, we hosted fifth grade students from the Nagaoka No. 9 Elementary School and gave them an introduction to the forklift manufacturing process.


Plant tour

Nichiyu Green Products

The Energy Solutions & Thermal Storage Fair was held at Tokyo Big Sight from July 29 to 31, 2009. Nichiyu participated with an exhibit of an electric forklift featuring an integrated energy meter to highlight the growing need for energy management.



Energy Solutions & Thermal Storage Fair

Environmental Top Runner Award

Nichiyu is proud to have received the Kyoto Prefecture Environmental Top Runner Award in 2009.



表彰状

日本輸送機株式会社 様

貴社は温室効果ガス削減に向けた製品の開発及び普及を推進され、社内においても温室効果ガス及び廃棄物排出削減に尽力されるなど「環境先進地・京都」を目指す府民意識の高揚に大きく寄与されました。京都府開庁記念日に当たり、その活動をたたえ一層の御活躍を期待し、京都府環境トップランナーとしてこれを表彰します。

平成二十二年六月十八日

京都府知事 山田啓二

Corporate Data

Kyoto Plant

Location:
1-1, 2-chome, Higashikotari, Nagaokakyo-shi, Kyoto, Japan

Start of operation: 1940

Employees: Approx. 700 (including partner companies)

Site area: 44,509 m²

Principal product: Electric Forklifts



Shipping Center of Kyoto Plant

Shiga Plant

Location:
8-1, Nishioiso, Azuchi-cho, Omihachiman-shi, Shiga, Japan

Start of operation: 1991

Employees: Approx. 270 (including partner companies)

Site area: 68,794 m²

Principal product: Automated guided vehicle systems; automated storage systems; rack forks; monorail workshop trucks; bogie wheels; winders; forklift components



Front gate of Shiga Plant

ISO 14001
JQA-EM4909

NICHIYU

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