

Nichiyu Environmental Report 2011



Message from the President

On the Publication of the 2011 Nichiyu Environmental Report

The corporate philosophy of the Nichiyu Group is focused on two main goals: contributing to the development of a dynamic society through our logistics technology; and implementing a management policy that supports the maintenance of sustainable communities and a healthy global environment. Moreover, we at Nichiyu remain committed to further improving the performance of our product lines while undertaking research and development of energy storage innovations that could supplant conventional battery technology. At the same time, we are working to reduce the environmental impact of our flagship product, the electric forklift, as well as our distribution systems equipment.

In September 2010, we completed construction of the new main building of our Head Office and Kyoto Plant. Having incorporated various green initiatives in the design of this building, we have shown our dedication to reducing our emissions of carbon dioxide.

By working in unison a group, we are striving to reduce future environmental impacts by considering environmental risks and product life cycles.

The 2011 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 2010. This report also seeks to keep our customers, and all who support our Group, fully informed by providing a wide range of information on our initiatives in an easy-to-understand manner.

We trust you will enjoy reading this report, and we look forward to receiving your comments and opinions.



二宮秀明

Hideaki Ninomiya
President

Environmental Policies & Organizational Structure

Environmental Policies

Environmental Philosophy

We shall maintain a sound corporation while conducting business with sincerity and contributing to social development and environmental conservation.

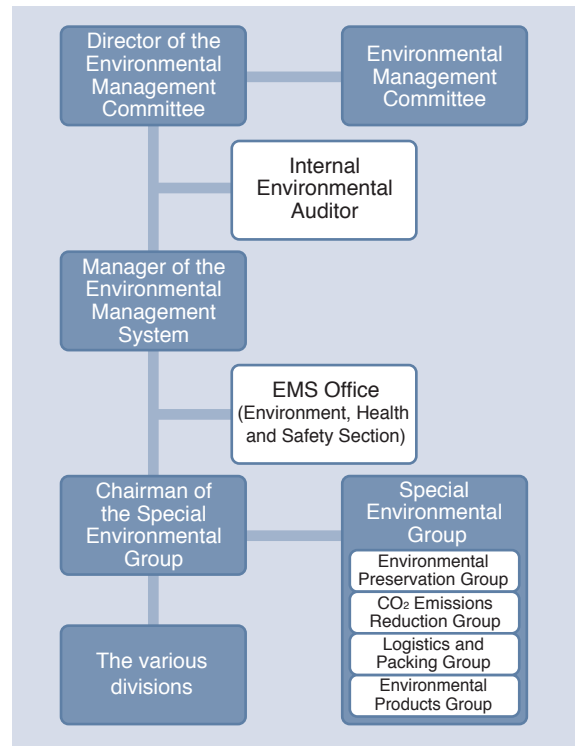
Environmental Policies

Nippon Yusoki Co., Ltd. and its affiliates are committed to proactively implementing the following environmental policies through our business operations, which encompass the development, manufacture, sales, and servicing of electric forklifts and other industrial vehicles, distribution systems, and logistics products. In keeping with our environmental philosophy, we aim to reduce the environmental impact of our business on a sustainable basis while improving the circumstances of society through our business operations.

- 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.
- 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.
- 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.
- In acknowledging the environmental impact of our business operations, we shall adopt the following important initiatives.
 - We shall manufacture eco-friendly products.
 - We shall reduce, recycle, and properly dispose of all industrial waste resulting from our business operations.
 - 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.
 - We shall improve the transportation efficiency of our product and parts distribution, reduce the use of packing materials, and decrease our environmental load.
- 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

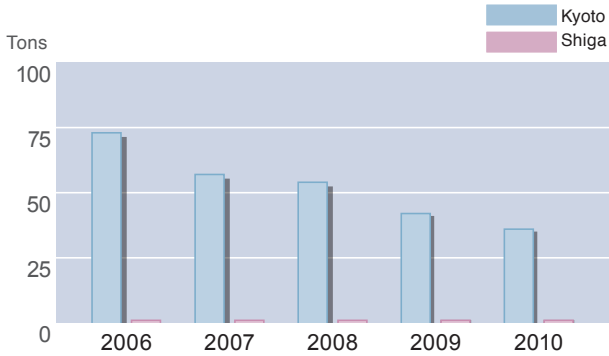
Targets & Achievements of Our Environmental Initiatives

Under environmental initiatives implemented according to our environmental policies, we adopted the following environmental targets for fiscal 2010. Accordingly, we are implementing environmental improvements through implementation plans prepared at each of our various workplaces.

| Main Environmental Targets for Fiscal 2010 | | | Status for Fiscal 2010 | Evaluation | |
|--|---|-------------------------------|---|--------------------|--------------|
| Environmental Protection | Burnable Waste (domestic solid waste) Generated | Kyoto | 107% improvement over fiscal 2009 result (44.0 tons max.) | 35.5 tons | Achieved |
| | | Shiga | 107% improvement over fiscal 2009 result (0.68 tons max.) | 0.5 tons | Achieved |
| Reduction of CO ₂ Emissions | CO ₂ Emissions | Kyoto | 107% improvement over fiscal 2009 result (2,851 tons max.) | 2,891 tons | Not achieved |
| | | Shiga | 107% improvement over fiscal 2009 result (2,725 tons max.) | 2,790 tons | Not achieved |
| Distribution & Packing | Truck Loading Ratio | 2.58 products/unit at minimum | | 2.45 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 (domestic solid waste) Generated

We addressed the sorting of solid waste, including soft plastics, pruned branches, leaves and other raw materials. This waste is used as solid "refuse paper & plastic fuel" (RPF) and for composting purposes. In addition, the Kyoto Plant has introduced an electronic manifest to enhance operational efficiency and compliance.



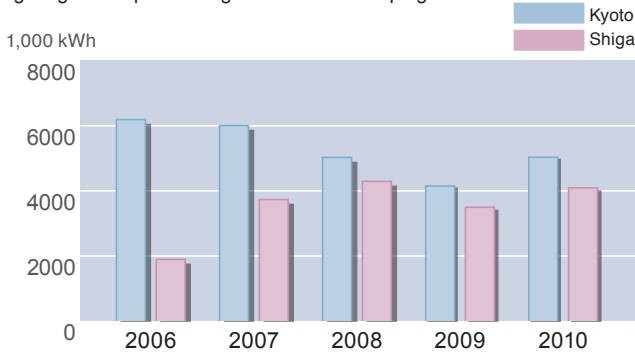
CO₂ Emissions

As a result of increased production volume, both the Kyoto and Shiga Plants increased their emissions compared with the previous fiscal year. We remain committed to curbing our energy consumption by incorporating a variety of energy-efficient devices in the new main building recently constructed at our Kyoto Plant.



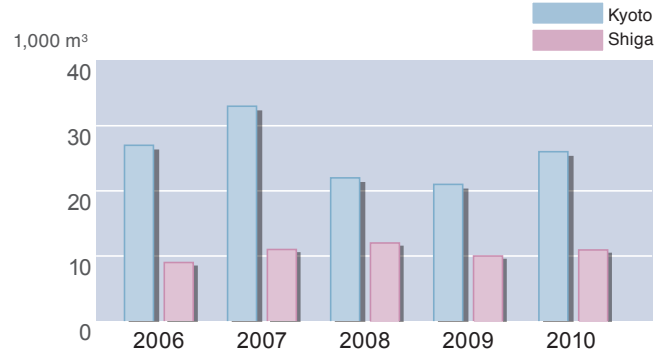
Electricity Consumption

Due to an increase in production volume, both the Kyoto and Shiga Plants increased their consumption relative to the preceding fiscal year. We continue to work on energy-efficiency measures such as updating our lighting and implementing our Cool Biz campaign.

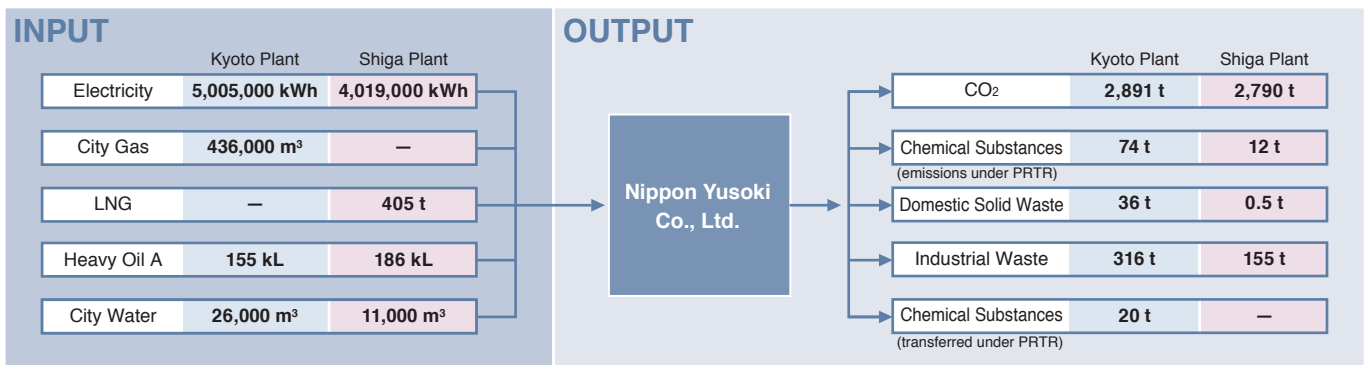


City Water Consumption

Due to an increase in production volume, both Kyoto and Shiga Plants increased consumption compared with the previous fiscal year. We continue to work on implementing our water-saving campaign.



Summary of Environmental Load (Fiscal 2010)



Occupational Health and Safety



AED First Aid Course



Fire-fighting skills competition

AED First Aid Course

With the introduction of automated external defibrillators (AEDs) in our new main building, we offered a general first aid course, under the guidance of Nagaokakyo Fire Department, to teach employees how to use these devices.

Firefighting Skills Competition

Our plant firefighting teams participated in the Otokuni Firefighting Skills Competition.

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 | 62 |
| | | 18:00–22:00 | | | 60 |
| Shiga | Noise | 8:00–18:00 | dB | 70 | 57 |
| | | 18:00–22:00 | | | 70 |

Measurement dates: May 18, 2011 (Kyoto) and December 7, 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 | 7.2 |
| | Biochemical oxygen demand (BOD) | mg/L | 600 | 21 |
| | Suspended solids (SS) | mg/L | 600 | 18 |
| | N-hexane extracts | mg/L | 5 | Less than 0.5 |
| | Zinc | mg/L | 2 | Less than 0.01 |
| Shiga | pH | | 6–8.5 | 7.6 |
| | Biochemical oxygen demand (BOD) | mg/L | 40 | 2 |
| | Chemical oxygen demand (COD) | mg/L | 40 | 4.7 |
| | Suspended solids (SS) | mg/L | 90 | 1.3 |
| | Nitrogen | mg/L | 12 | 2.8 |
| | Phosphorus | mg/L | 1 | Less than 0.1 |

Measurement dates: February 15, 2011 (Kyoto) and March 4, 2011 (Shiga)

Odor

We undertake periodic odor measurements at the lot line.

| Plant | Measured Item | Unit | Regulated Value | Observed Value |
|-------|---------------|------|-----------------|----------------------|
| Kyoto | Toluene | ppm | 10 | Less than 0.5 |
| | Xylene | ppm | 1 | Less than 0.5 |
| Shiga | Toluene | ppm | 10 | Less than 1 |
| | Xylene | ppm | 1 | Less than 0.1 |

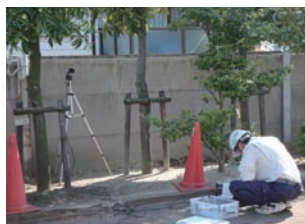
Measurement dates: March 3, 2011 (Kyoto) and January 26, 2011 (Shiga)

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 ³ N | 0.30 | 0.09 |
| | | SOx | m ³ N/h | 0.23 | 0.01 |
| | | NOx | ppm | 180 | 96.2 |
| Shiga | Once-through boiler | Particulate | g/m ³ N | 0.15 | 0.016 |
| | | SOx | m ³ N/h | 0.69 | 0.027 |
| | | NOx | ppm | 180 | 95 |

Measurement dates: January 6, 2011 (Kyoto) and January 11, 2011 (Shiga)



Measuring noise levels



Measuring gas emissions

Green Features Incorporated in Our New Main Building

Green highlights of our main building

We constructed a new main building in 2010 in light of the aging condition of our former main building. We also sought to increase operational efficiency by consolidating functions in one place and expanding our business space. On the environmental side, we are striving to reduce our environmental impact by actively incorporating energy-efficient equipment and innovations such as the green roof.

- A Low-e dual-pane window glass and deeply inset window openings**
Increased efficiency results in reduced emissions.
CO₂ emissions reduced by 4.9 tons/year
- B Water-saving fixtures**
Our water-conserving fixtures reduce water consumption.
CO₂ emissions reduced by 21.6 tons/year
- C Green roof**
This adds refreshment to the surrounding environment and reduces the sunlight load.
CO₂ emissions reduced by 0.2 tons/year
- D Outside air cooling**
We've reduced the cooling load during the shoulder seasons.
CO₂ emissions reduced by 8.5 tons/year
- E Using daylight to reduce lighting demand**
We've reduced our power consumption by maximizing the use of natural light.
CO₂ emissions reduced by 16.8 tons/year
- F Comprehensive use of heat exchangers**
We've reduced energy loss from ventilation.
CO₂ emissions reduced by 22.6 tons/year
- G Natural ventilation system**
We've increased efficiency by employing natural cooling.
CO₂ emissions reduced by 6.4 tons/year
- H High-efficiency transformers**
Improved transformer efficiency results in lower energy losses.
CO₂ emissions reduced by 3.9 tons/year
- I Eco-monitoring**
This system displays energy consumption and target values.



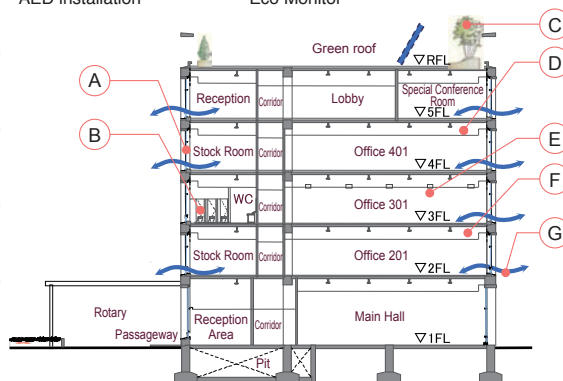
Tour of the green roof



AED installation



Eco Monitor



Annual reduction in CO₂ totals 84.9 tons (about 17% energy saving)

Other Environmental Initiatives

Nagaokakyo Agriculture Festival & Environment Fair (14th Citizens Environment Forum)

The Nagaokakyo Agriculture Festival & Environment Fair was held in the Central Community Hall and at other locations on November 28. This event offered an opportunity for companies and members of the public to focus on the theme of "citizens, agriculture, and the environment" with an emphasis on consumption of local products. The fair presented a variety of hands-on workshops and exhibits intended to raise awareness of environmental issues. In addition, lectures were presented and agricultural products were made available for purchase. Nichiyu participated as one of the companies maintaining a head office in the city of Nagaokakyo. This fair presented an excellent opportunity for our company to closely interact with local residents.



Nagaokakyo Agriculture Festival & Environment Fair



530 (zero waste) Campaign

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.

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 2010, we demonstrated our innovative green roof to staff from our member companies as part of our commitment to constructing a new green main building at our Kyoto Plant.

CO₂ Emissions Reduction & the "Lights Down" Campaign

We participated in CO₂ Emissions Reduction & the "Lights Down" Campaign 2010 sponsored by the Ministry of the Environment. We helped to add momentum to global warming mitigation by turning off neon lighting between the hours of 8 p.m. and 10 p.m. on June 21 (Midsummer Day) and on July 7 (Tanabata Festival).



Eco Ship Mark

We reduced CO₂ emissions by promoting a modal shift to marine transport when shipping forklift trucks from our Kyoto Plant to the Kyushu area. This effort has been highly commended, notably through the awarding of the Project Supporter commendation of the Eco Ship Mark by the Executive Committee of the second fiscal 2010 "Eco Ship" Modal Shift Project and the presentation of the award of the Director-General of the Maritime Bureau of the Ministry of Land, Infrastructure and Transport.

Providing recycled "eco charcoal" to the Kyoto Botanical Garden

As part of its Cherry Tree Revitalization Project, the Kyoto Botanical Garden has adopted a variety of measures intended to halt deterioration of its cherry tree forest, a place noted for its beauty. As part of this effort, they are promoting a soil improvement project, in which waste wood pallets from several companies in Kyoto Prefecture are made into charcoal to enrich the soil. Some wood pallets discarded at the Kyoto Plant have also been used for this project.

Training of internal auditors

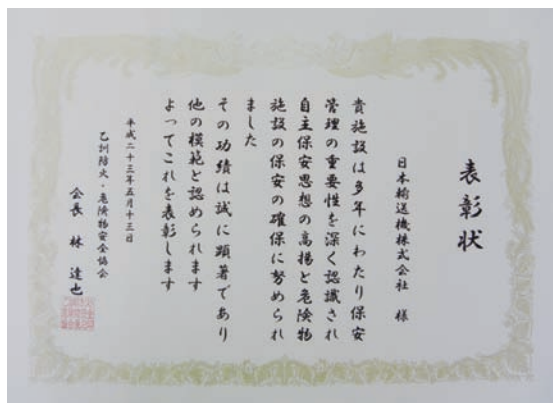
In order to maintain and continually improve our environmental management systems, we have been hiring new auditors and providing upgraded training for existing auditors. Moreover, we undergo periodic reviews by external institutions.

Hazardous material management

The Otokuni Fire-Protection and Hazardous Material Safety Association commended us regarding the safety of our hazardous materials facilities.



The Kyoto Botanical Garden



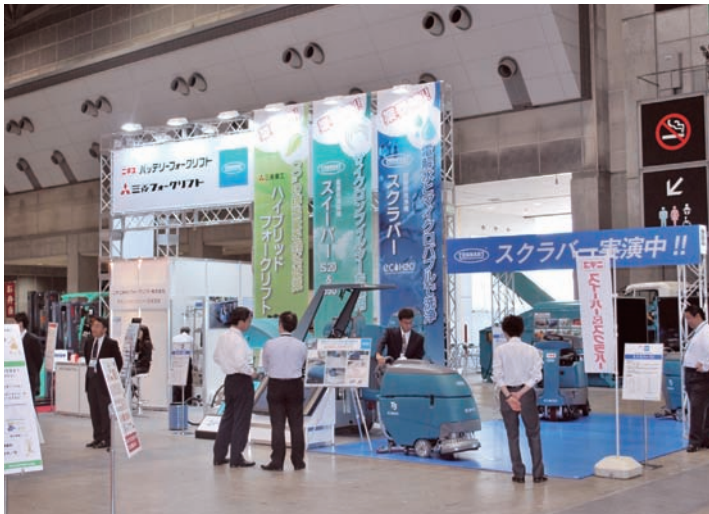
Auditors in training



Periodic review by ISO

Nichiyu Green Products

The NEW Environmental Exposition 2010 Tokyo was held at Tokyo Big Sight from May 25 to 28, 2010. Nichiyu presented an electric forklift exhibit at the booth of Nichiyu MHI Forklift Co., Ltd.



NEW Environmental Exposition 2010 Tokyo

Nichiyu also manufactures electric yard-transport trucks. These are commonly used in wholesale food markets and other locations where maintaining a clean environment is indispensable.



Electric yard-transport truck (ELE-Truck)

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



Kyoto Plant (main building)

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



Shiga Plant (mast and power unit plant)

NICHIYU

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