On the Publication of the 2019 Environmental Report

Written in easy-to-understand language, the 2019 edition of this Environmental Report enables us to present to our customers, and all who support our Group, the environmental initiatives that were taken by our Head Office and Kyoto Plant, Shiga Plant, and Azuchi Plant in fiscal 2018.

Going forward, we will continue to promote the emergence of a sustainable society by offering global markets our innovative environment-friendly products.

Environmental Initiatives

Burnable Waste (domestic solid waste) Generated

At the Kyoto Plant, emissions rose due to increased production and a revised calculation method. At our Shiga Plant, on the other hand, emissions decreased due to a decline in production and a warm winter. Emissions from our Azuchi Plant decreased despite increased production because of lower energy consumption and improved energy efficiency.

CO2 Emissions

Electricity Consumption

Water Consumption

Shiga Plant, and Azuchi Plant

Environmental Policies & Organizational Structure

Environmental Policies

We are committed to protecting the global environment from an international perspective and contributing to the ongoing development of local communities.

Environmental Action Guidelines

Mitsubishi Logisnext 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 forklifts and other industrial vehicles, distribution systems, and logistics products. In keeping with our environmental philosophy, we aim to reduce our environmental impact and improve society on a sustainable basis through our business operations.

1. We recognize that preserving the environment and maintaining harmony with the global ecosystem are among the most important management issues, and we shall continue to systematically promote environmental initiatives throughout our business operations.

2. 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.

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 take 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 collect industrial waste to control environmental pollution and promote environmental preservation activities by accurately monitoring the environment impact of our business operations.

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 establish an organizational structure for achieving these goals within our technical and economic scope.

   Operational officers at all the divisions will work out and consciously implement these environmental policies.

   We aim to reduce our environmental impact and improve society on a sustainable basis through our business operations.

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Environmental Initiatives

Summary of Environmental Impact (Fiscal 2018)

<table>
<thead>
<tr>
<th>INPUT</th>
<th>OUTPUT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kyoto Plant</td>
<td>Shiga Plant</td>
</tr>
<tr>
<td>Electricity</td>
<td>6,882,000 kWh</td>
</tr>
<tr>
<td>City Gas</td>
<td>550,000 m³</td>
</tr>
<tr>
<td>Bunker A</td>
<td>—</td>
</tr>
<tr>
<td>Kerosene</td>
<td>846 L</td>
</tr>
<tr>
<td>Diesel oil</td>
<td>49 L</td>
</tr>
<tr>
<td>Gasoline</td>
<td>24 L</td>
</tr>
<tr>
<td>LPG</td>
<td>—</td>
</tr>
<tr>
<td>Water</td>
<td>31,000 m³</td>
</tr>
</tbody>
</table>

Compliance with Laws and Ordinances

Water Quality
At the Shiga and Azuchi plants, we established wastewater treatment facilities that partially separate wastewater from factory processes before it is discharged from the plants. This purified water is discharged into the drainage system after proper treatment. Before it is discharged from the plants, this purified water is discharged into tributary waterways of neighboring rivers. At the Kyoto Plant, drainage into the atmosphere is measured at the site boundary. We undertake periodic odor measurements at the site boundary.

Noise
We undertake periodic noise measurements at the site boundary.

Atmosphere
We periodically undertake measurement of the concentrations of particulates in the atmosphere around warm air heating units. We also measure for hazardous substances as stipulated under local ordinances.

Odor
We undertake periodic odor measurements at the site boundary.

Targets and Results

Emission Trends

<table>
<thead>
<tr>
<th>Fiscal 2018 Target</th>
<th>Fiscal 2018 Target (Qualitative/YP)</th>
<th>Fiscal 2018 Results</th>
<th>Evaluation</th>
<th>Future Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>To reduce energy intensity by 1% year-on-year (Kyoto, Shiga, and Azuchi Plants)</td>
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<td></td>
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</tr>
<tr>
<td>To reduce water intensity by 1% year-on-year (Kyoto, Shiga, and Azuchi Plants)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>To improve CO2 emission reduction measures when using development vehicles (model update) or when using logistics solution development vehicles</td>
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<td>To improve CO2 emission reduction measures when using development vehicles (model update) or when using logistics solution development vehicles</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Environmental Initiatives

INFORMATION REPORT 2019
New Operation Management System for Forklift Trucks Introduced

We have released LVS 2.0, our new forklift truck operation management system. Our LVS (Logistics Vehicle Support) is a management support tool that collects and analyzes forklift operation data. It monitors the operation status of the forklift and the operator, as well as any dangerous forklift operations, and creates daily and monthly reports. This numerical data can be viewed on any Internet-connected PC and is accessible from any web browser.

- By compiling and analyzing the operation status of a forklift, operators can learn to minimize wasteful energy consumption and operate the forklift more efficiently.
- Because the operation status of the forklift is recorded, operators are more likely to avoid rapid acceleration, minimize idling to reduce energy consumption, and thus decrease exhaust emissions.
- The operation status of multiple forklift units can be analyzed, which enables operators to determine the optimal number of units to operate at each worksite. Eliminating superfluous forklift units contributes to greater operational efficiency.

In short, by supporting visualization of the status of forklift operation, LVS contributes to reduced environmental impact as well as improved efficiency and reduced costs.

Features

- The operation status of multiple forklift units can be analyzed, which enables operators to determine the optimal number of units to operate at each worksite. Eliminating superfluous forklift units contributes to greater operational efficiency.
- Because the operation status of the forklift is recorded, operators are more likely to avoid rapid acceleration, minimize idling to reduce energy consumption, and thus decrease exhaust emissions.
- By compiling and analyzing the operation status of a forklift, operators can learn to minimize wasteful energy consumption and operate the forklift more efficiently.

New 3-wheel Model Introduced

- This model incorporates both SDS and ICS, two features that were already included in the 2.5-3.5t Model EDAX EX released in 2014.
- The SDS controls the acceleration and deceleration of the vehicle and the cargo handling device according to the manipulation of the accelerator pedal and cargo handling lever. By optimizing the start/stop movement, it ensures smooth, agile operation and vehicle control as intended by the operator, reducing wasteful energy consumption.
- The ICS improves stability during cornering by sensing the angle of the inertia and centrifugal force.
- By compiling and analyzing the operation status of a forklift, operators can learn to minimize wasteful energy consumption and operate the forklift more efficiently.

FD Series 12-tonne Diesel Engine Forklift for the Domestic Market

We have reduced the environmental impact in compliance with domestic diesel emission regulations.¹

Features

1. Reducing environmental impact with a new clean engine and emissions system
- We have adopted a new clean engine featuring the eco-friendly common-rail fuel injection system for optimal combustion. It provides the power, durability, and performance to withstand heavy-duty work requirements.
- In addition, our new urea SCR emissions system (Fig. 1) combines high power with low emissions.

2. Reduced running costs and a more welcoming work environment
- This model is equipped with the Eco mode that improves fuel economy by about 7% compared with the standard mode, all while maintaining satisfactory performance. Eco mode can be accessed with one button on the operating panel (Fig. 2).
- The new clean engine reduces maintenance costs by extending the coolant replacement cycle by up to 3.3 times and the engine oil replacement cycle by up to 2.5 times. Moreover, elimination of the DPF further reduces maintenance costs.
- The engine cooling fan is a temperature-sensitive viscous fan, which allows the fan speed to be reduced to 50% or less of the maximum fan speed during low-load operation. This feature contributes to a more comfortable working environment for the operator and other workers nearby.

FB 1.4–2.0 Tonne Electric Forklift Models for the European Market

Equipped with 360° steering and other advanced features while providing 25% greater energy efficiency than the preceding model.

Features

1. 3-wheel model equipped with 360° steering for reduced turning time and reduced load loss
- When reversing direction, a conventional forklift typically has to shift into reverse, stop, and shift into forward in a multi-step operation. The advanced Model EDAX EM, however, features 360° steering, which enables the vehicle to be turned in one continuous steering operation without stopping or having to shift between forward and reverse (Fig. 3).
- This feature improves productivity at workplaces with narrow spaces requiring many turns. It also reduces energy consumption and minimizes the chance of cargo becoming dislodged or toppling from inertia and centrifugal force.

2. SDS¹¹ and ICS¹² both contribute to ease of operation and energy efficiency
- This model incorporates both SDS and ICS, two features that were already included in the 2.5–3.5t Model EDAX EX released in 2014.
- The SDS controls the acceleration and deceleration of the vehicle and the cargo handling device according to the manipulation of the accelerator pedal and cargo handling lever. By optimizing the start/stop movement, it ensures smooth, agile operation and vehicle control as intended by the operator, reducing wasteful energy consumption.
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Laser-guided Unmanned Forklift Trucks

The Rack Fork Auto (laser-guided unmanned forklift truck) eliminates the floor modifications required by conventional magnetic-induction guidance systems. It also reduces the water consumption and waste disposal associated with installation of the conventional systems. For a given travel distance of 100 meters, the associated concrete cutting work would typically consume about 120 liters (120 kg) of water and generate about 17 kg of floor concrete (Fig. 1). In addition, the adoption of the Route Optimizer, a control system for multiple units, which has established a track record with the laser-guided Platter Auto, contributes to an average increase of about 23% in terms of the number of circuits per hour (with 2 to 10 vehicles) (Fig. 2). The resulting operational efficiency reduces the number of vehicles required as well as the amount of energy consumed. In addition, environmental impact is reduced, as the system requires roughly 2% fewer parts overall compared with the magnetic induction method.

Initiatives of the Special Environmental Group

Environmental Products Group

Fig. 1 Illustration of 360° steering in-operation

Three-wheeled model (left) and four-wheeled model
Initiatives of the Special Environmental Group

Environmental Preservation Group

Environmental Patrons
We have been addressing the issue of waste reduction for many years. After implementing improvements at each of our work places, we were able to reduce the amount of general waste to some extent. However, we recognized that our waste-sorting efforts could be improved further, so we continue to conduct regular environmental patrols in order to devise better solutions in collaboration with the employees at each workplace. Productive innovations are shared throughout the company as we continue to focus on waste-reduction strategies.

The “Zero Waste” Campaign
Out of respect for local residents, we conduct a cleanup campaign around the Kyoto Plant twice a year and around the Azuchi Plant once a year. In fiscal 2018, about 240 people participated at the Kyoto Plant on May 28, while about 230 took part on October 22, at the Azuchi Plant, about 50 took part on May 21. We remain committed to our efforts to maintain a close relationship with local communities.

Encouraging Light Dimming on No-Overtime Days
In addition to the summer light-dimming campaigns that we participate in every summer solstice and on Star Festival Day, we conduct a light dimming campaign on no-overtime days that includes minimizing air conditioning and use of PCs at certain work locations. This effort was launched as a company-wide initiative. We will continue to promote initiatives to encourage all employees to work efficiently and finish their assigned tasks during regular working hours.

Environmental Efficiency Group

Conversion to LED Illumination at Our Plants
We upgraded our factory lighting with LED lamps. Specifically, we upgraded a total of 518 lamps to LEDs with high luminous efficiency, thus reducing our CO2 emissions by 194 tonnes/year.

Updating of Air Conditioning Equipment
We have updated our aging air conditioners with the most advanced models available. A total of three units were upgraded to new energy-efficient models, reducing our CO2 emissions by 7 tonnes per year.

Reduction of Compressed Air Leaks in Plant
We repaired leaking air piping and replaced our air compressors with electric units. By reducing air leaks, we succeeded in reducing our CO2 emissions by 23 tonnes/year.

Logistics and Packing Group

Reducing Pallet Waste and Improving the Usage Rate of Returnable Containers
When one-way disposable containers are used to deliver production parts to the factory, they tend to be discarded as factory waste, increasing our environmental load. By promoting the use of returnable containers, we can reduce the amount of waste we generate while reducing the costs and energy consumed by the container materials.

Reducing the Cost of Buffer Materials Used for Packing
When we ship service parts, we protect the shipments with buffer materials to prevent any damage caused by interference between parts. Likewise, when we receive parts for production, similar buffer materials are used to protect many packages. Therefore, we are working to reduce costs and waste by collecting these buffer materials from inbound parts shipments and reusing them for outbound product shipments.

Streamlining Product Shipments
When transporting finished vehicles, we emphasize cargo loading efficiency in order to reduce the fuel consumption of transport trucks and the resulting exhaust emissions.
Relationship with the Community

1. Participating in the Nagaokakyo City's Environmental Fair

According to the Environmental City Declaration of Nagaokakyo, the city's environmental fair is held annually with the aim of raising the environmental awareness of members of the public regarding prevention of global warming. In fiscal 2018, the event was held at the Nagaokakyo City Central Community Hall on November 17.

In addition to displaying information on our environmental initiatives, we provided toilet paper made from recyclable waste paper from the Kyoto Plant.

2. Participating in the Cleaning and Beautification Initiatives of Neighboring Waterways

In June of each year, local community associations in the neighborhood of the Azuchi Plant hold a community beautification campaign known as the Oiso Cleanup Initiative. On June 10, 2018, we participated in this community cleanup initiative.

On the day, participants were assigned to waterways neighboring the Azuchi Plant, and all worked together to remove the mud, sand, and weeds that had accumulated in the waterways.

3. Participating in Reed-Harvesting in Lake Iba-naiko

The Shiga Plant participates in the Network to Protect Lake Biwa with Yoshii Reed, which is a natural conservation volunteer initiative to encourage the healthy development of Yoshii reed, which is useful for preserving the water environment, ecosystem, and landscape of Lake Biwa. On December 1, 2018, we participated as a company in reed-harvesting in Lake Banakoi, where our volunteer participants helped to bundle the harvested reeds.

4. Weeding Project in Collaboration with the Community Association

Every year in early July, the local community association located adjacent to the Shiga Plant carries out weeding work along the Sannai River. The road that follows this river is also a route for commuters traveling to the company from the nearest train station. On July 1, 2018, 32 individuals from our company, neighboring businesses, and the local community association participated in the project to remove weeds with weed cutters and collected the harvested green.

Environmental Management Systems

1. Environmental Audits

By conducting internal audits twice yearly and undergoing an annual audit by external auditors from the certification organization, we confirm that our environmental management systems (EMS) are maintained or continuously improved to ensure their use as effective business tools.

2. Internal Auditor Training

In order to increase the number of internal auditors at our company, we held a QMS and EMS Internal Auditor Training Course at the Shin Kawasaki Office on February 21, 22 and 27.

Emergency Preparedness

Each plant launched an emergency preparedness initiative as a precautionary measure to reduce the likelihood of accidents and emergencies. In preparation for an emergency, we provide periodic emergency response training in the workplaces where facilities have the potential to greatly impact the environment.

Providing Work Experience for Students from Neighboring Junior High Schools

From June 4 to 8, we hosted two junior high school students from schools in the Azuchi Plant's neighborhood for work experience. These students were introduced to the Azuchi Plant and were able to deepen their understanding of the operations conducted on the production site.

From November 7 to 10, we hosted three more students from the local junior high school to our On-site Training Center. They were accepted for the Summer School Holiday Program, which is held annually for students who are interested in agricultural work experience. We provided them with an introduction to the “earthquake vehicle experience” and a “smoky building experience” and showed them the effects of an earthquake of seismic intensity 7. About 100 people, including the group leader, participated in the event.

We hope these opportunities help these students make important decisions about their future careers and their choice of employer.

Environmental Impact Reduction Initiatives

1. Participating in the Light-Dimming Campaign Targeting Reduced CO2 Emissions

We participated in a light-dimming campaign sponsored by Japan’s Ministry of the Environment. We turned off outdoor advertising signs at night during the “Summer Solstice Light Dimming” on June 21 and during the “Cool Earth Day and Star Festival” on July 7.

Moreover, our Kyoto, Shiga, and Auichi Plants encouraged employees to leave the office by 19:00 in an effort to motivate all to do their part in fighting global warming.

Contributing to the Community

1. Cooperating with Blood Donation Drives

Every year, our plants participate in blood donation drives in response to requests from the Blood Center of the Japanese Red Cross Society. In fiscal 2018, we welcomed the participation of a total 176 blood donors at the Kyoto Plant in addition to 147 at the Shiga Plant and 59 at the Auichi Plant. In the future, we intend to continue participating in this endeavor as part of our contribution to the essential health of our communities.

2. Opening of Regional Social Welfare Facilities

The Kyoto Plant renets its grounds to various groups on request, including the Otokori Fire-extinguishing Technique Association as well as the organizers of the Nagaokakyo Gansha Festival and participants in gateball (a type of croquet) competitions. In this way, the Kyoto Plant is helping to revitalize the region.

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4. Cooperation with the Hakone Trust

We were a charity sponsor supporting the CAT Ladies Golf Tournament held on August 17–19, 2018, setting up the venue for an “approach shot for charity contest.” The charity funds gathered were assigned to the Hakone Town Resource Maintenance Foundation (Hakone Trust) for the protection of the natural environment and cultural assets of Hakone, a town designated as a national park.

5. Participation in the Hataraku Norimono Collection 2018

We presented a display at Hataraku Norimono ("industrial vehicles") Collection 2018, an exhibition held at the Mitsubishi Minatomirai Industrial Museum from June 20 to July 6. The events, which included displays of scale models as well as full-size vehicles, was held under the themes Supporting Industry, Supporting Safety and Security, Supporting Life and Leisure, and Supporting the Community. We displayed trucks and other vehicles and visiting children gained a deeper understanding of the role and function of the vehicles that support society.

6. Participation in Local Disaster Drills

Our On-site Training Center participates in the Sugito Town Community Disaster Response Drill, which is held as part of the town’s disaster preparedness initiatives. The event, held on November 22, 2018, at a training site provided by the Training Center, helped to raise local awareness of the need for regional disaster preparedness training. On the day, participants were instructed on proper handling of fire extinguishers and were introduced to an “earthquake vehicle experience” and a “smoky building experience” and were shown the effects of an earth tremor of seismic intensity 7. About 100 people, including the group leader, took part in events that highlighted the frightening effects of natural disasters.

7. Commendations Awarded for “Raising Awareness of Our Safety Management Philosophy”

Every year since 2007, we have been cooperating with the administrators of the Sugito Town Community Disaster Response Drill as a community cooperation activity in Sugito Town, the location of our On-site Training Center. On May 23, 2019, the Saitama Prefecture Association for Safety of Manufacturing Communities presented us with an award for outstanding achievements in “raising awareness of safety management philosophy.” This recognition will serve as encouragement to us to participate in more local contribution initiatives in the future.