

Remarks from the New President

My name is Hiroshi Kanda from Yanmar Co., Ltd. and it is my great honor to succeed the distinguished Mr. Hishikawa of Mitsubishi Heavy Industry, Ltd, as President of Japan Land Engine Manufacturers Association.

Established in 1948, Japan Land Engine Manufacturers Association has a formidable history spanning 65 years, and, as I prepared to take up this post as the 23rd President, the magnitude of this great responsibility was once again brought home to me.

Taking a global perspective, I will commit myself wholeheartedly to supporting the development of Japan's land engine industry and furthering our contributions to society, with the advice and cooperation of our member companies.

Nowadays, Japan's land engine business, otherwise known as industrial engine business, faces a number of challenges.

With Japan rocked by natural disaster, we have been reminded of the great importance of engines as a source of safe and reliable energy. From power or emergency generators, through gas heat pumps air-conditioning systems, to the engines that give peoples' lives safety and peace of mind and drive agricultural and construction machinery, expectations are higher than ever.

On the other hand, with a view to realizing increased competitiveness and actively vying for the vibrant demand found in developing overseas markets, industrial engine production has rapidly increased overseas, with gasoline engines leading the way. Diesel engines can also be seen to be heading in the same direction.

It is their abilities in high-tech development, environmental response, manufacturing and marketing, which, together with advanced production technology, allow Japan's industrial engine manufacturers to so effectively develop these markets.

Let's take one example from our response to the environment. Together with the introduction of America's EPA Tier 4 and Europe's EC Stage IV emissions regulations, Japan will see the introduction of regulations governing special diesel vehicles, due to come into effect in 2014 and 2015. Furthermore, Japan Land Engine Manufacturers Association has decided to implement Phase 3 voluntary regulation of compact industrial spark ignition engines, equivalent to EPA



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Phase 3. These regulations are consistent with international standards and speak to a “Global Response” to issues facing the environment.

Whether it be environmental responsiveness or any of our other abilities, we must exceed global standards, developing our capabilities and rising to the challenge to continue to play a preeminent role in global markets.

In keeping with the activities and results to date of Japan Land Engine Manufacturers Association, it is my wish that we continue to contribute to the development of the industry around the themes: “Environmental Responsiveness” and “Response to Globalization”.

Let us in the industrial engine business stand together against the challenges posed by these times, to develop the industry and make a positive contribution to society.

I ask for your support, understanding and cooperation in the times to come.

Thank you.