



We pursue every phase of operation-from development and production to waste management-under an environmental management system that complies with ISO14001.

1 Environmental Philosophy

Feel the Warmth

Nissan Diesel contributes to the development of societies by manufacturing vehicles that are safe and comfortable to drive and well integrated into the environment, while actively engaging in conservation of the global environment so that the people of future generations will be able to maintain sustainable development in harmony with the natural environment on the Earth-the one and only home of life.

Nissan Diesel's Environmental Policy

Nissan Diesel aims to create a better environment by taking every possible measure to tackle global environmental issues.

- ① Develop environmentally-friendly products through measures such as reducing exhaust emissions, improving fuel efficiency, developing cleaner fuels and reducing external automobile noise levels
- ② Pursue activities for energy-saving, resource-saving and waste reduction

Nissan Diesel aims to create a better environment by becoming a corporation that works in harmony with local communities.

- ① Ensure legal compliance and pursue well-planned innovation
- ② Nurture a corporate climate which has a high respect for the environment

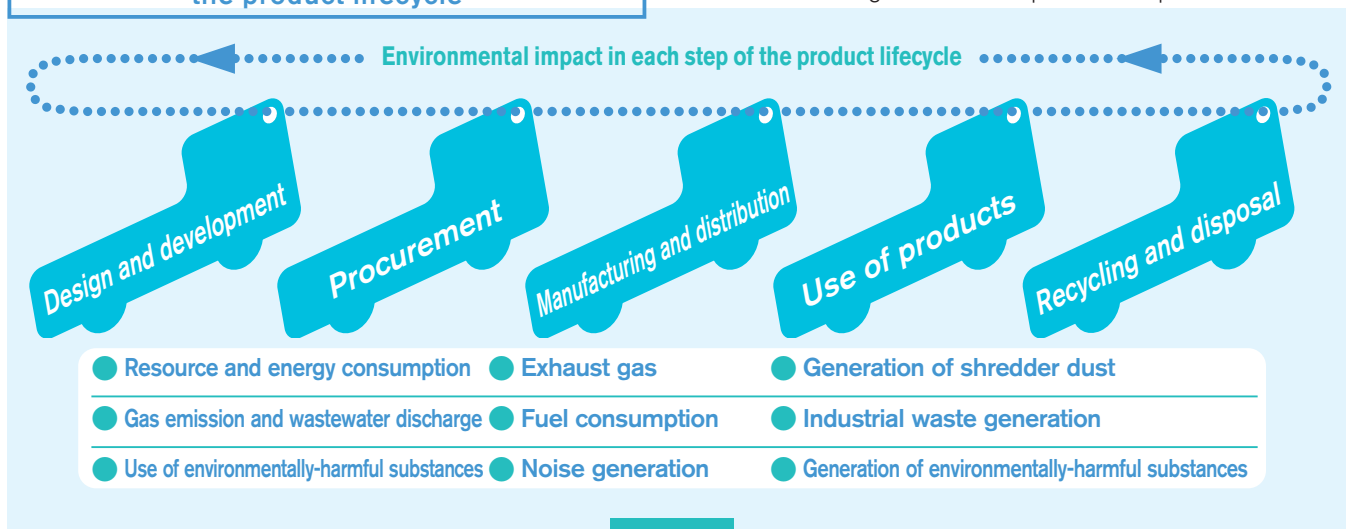
Nissan Diesel acts to prevent environmental disruptions and pursues voluntary measures to improve the environment.

Nissan Diesel pursues public relations, awareness-raising and social contribution activities for environmental conservation, including timely provision of environmental information.

2 Nissan Diesel's Environmental Conservation Activities

Environmental consideration in every phase of the product lifecycle

Nissan Diesel implements measures to reduce environmental impact in every phase of the product lifecycle-from development and manufacturing to use and disposal of the products.



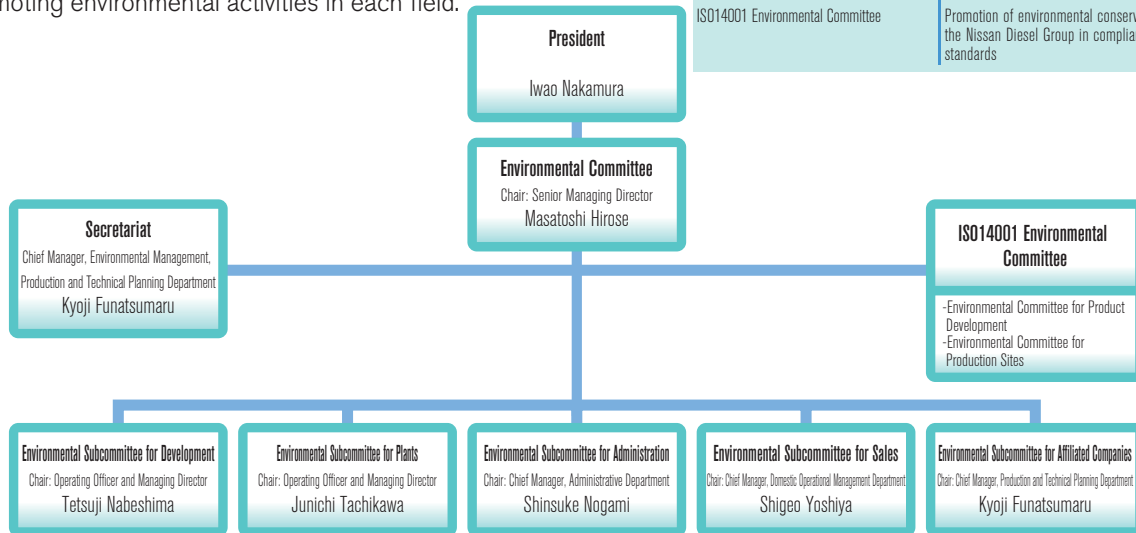
Environmental activities



3 Environmental Management Promotion Scheme

Nissan Diesel's environmental management promotion scheme is organized by the Environmental Committee, which is chaired by the director in charge of environmental issues, and five subcommittees and the ISO14001 Environmental Committee. Each subcommittee and ISO committee is responsible for promoting environmental activities in each field.

Environmental Subcommittee for Development	Environmental measures in product development including design
Environmental Subcommittee for Plants	Environmental measures in manufacturing products including bodies and engines
Environmental Subcommittee for Administration	Environmental measures in administration including the office environment
Environmental Subcommittee for Sales	Environmental measures by sales companies
Environmental Subcommittee for Affiliated Companies	Environmental measures by affiliated companies
ISO14001 Environmental Committee	Promotion of environmental conservation activities by members of the Nissan Diesel Group in compliance with the ISO14001 standards



4 Acquisition of ISO14001 Certification

As an effort to further promote our environmental conservation activities, Nissan Diesel has been working on acquiring certification for the international environmental management standard ISO14001 for each site. Nissan Diesel's main production site, the Ageo Plant, acquired certification in fiscal 1998, followed by the Product Development Division in fiscal 2002 and the Kounosu Plant, Hanyu Plant and an affiliated company in fiscal 2004. We will continue our efforts to further expand the areas that have gained ISO 14001 approval.



5 Environmental Auditing

Nissan Diesel's environmental management system is regularly inspected to ensure that it is functioning appropriately. Internal auditing is carried out in compliance with the corporate regulations.

In fiscal 2004, we also conducted audits by external organizations and reciprocal inspections by each division. No significant problems were found in the inspections in any of the Ageo, Kounosu and Hanyu Plants, or in affiliated companies.



6 Legal Compliance

Nissan Diesel has built an information collection system to ensure its compliance with environmental laws and national regulations, ordinances stipulated by local

governments, and rules laid down by industrial organizations of which Nissan Diesel is a member.

7 Emergency Response System

Nissan Diesel's operation, maintenance and management of production sites include measures to prevent accidents during production, so that no disruptions to the environment on a local or global scale will occur. At the same time, emergency response training is conducted

regularly following the emergency manual in order to contain the impact of an environmental accident to the minimum level. In fiscal 2004, no accident on a scale that could impact the local community occurred.

8 Employee Education and Training

We provide employees with education and training sessions to raise their awareness of environmental issues throughout the year. At the same time, environmental management is included as a theme in various education

curricula, such as orientation for new employees, manager training courses, training of senior skill workers, training of new managers and training of ISO14001 internal auditors.

■ Participation in training sessions in fiscal 2004

Training Session	Number of Participants
Orientation for new employees	40
Manager training	24
Senior skill worker training	40
New manager training	23
ISO14001 internal auditor training	25



9 Promoting Green Procurement

In fiscal 2004, Nissan Diesel started cooperative approaches with suppliers to reduce environmental impact. This is based on our belief that efforts to further reduce the environmental impact of our products must start with the manufacturing process of the parts that make up Nissan Diesel vehicles. Each supplier designs its own environmental management system based on the Green Procurement Guidelines prepared

by Nissan Diesel. Then the suppliers study the magnitude of the environmental impact caused by their parts manufacturing processes and take appropriate measures to reduce the level. In fiscal 2005, we are conducting a survey to assess the progress of the environmental management systems designed by each supplier.

10 Environmental Accounting

Nissan Diesel conducts a numerical assessment of the costs and economic benefits and environmental conservation benefits to improve the efficiency and effectiveness of the environmental conservation activities. For fiscal 2004, we calculated the data based on the Environmental Accounting Guidelines 2005 published by the Ministry of the Environment and obtained the results shown in the tables below.

■ Environmental conservation costs (Units: millions of yen)

	Fiscal 2003	Fiscal 2004
1. Business area cost	456	400
2. Upstream/downstream cost	0	105
3. Environmental activity cost	38	62
4. R&D cost	9,218	9,605
5. Social activity cost	0	1
6. Environmental remediation cost	3	3
Total	9,715	10,176

■ Economic Benefits Associated with Environmental Conservation Activities (Units: millions of yen)

	Fiscal 2004
1. Reduction in expenses for energy	6
2. Reduction in expenses for wastewater treatment chemicals	7
3. Profit on sales of valuable resource	182
Total	195

The major factor in environmental conservation costs in fiscal 2004 was the cost for research and development of new heavy-duty trucks that are environmentally friendly. This indicates our focus on reducing the environmental impact of our products.

Among the elements used to calculate the environmental conservation benefit, the values for the total energy input volume, the volume of greenhouse gas (CO₂) emissions and the total waste emission volume were higher than the previous year, reflecting the increased production volume. The disruption and delays to the production line caused by a natural disaster were considered to be the major reasons for this phenomenon. For the economic benefit, we included only those elements that can be accurately calculated.

■ Environmental conservation benefit

Environmental conservation benefit categories	Environmental performance indicators (unit)	Fiscal 2003	Fiscal 2004	Environmental conservation benefit
Environmental conservation benefit related to resources input into business activities	Total energy input volume (GJ)	2,101,536	2,180,291	(58,755)
	Input volume of water by source: well water (m ³)	1,592,115	1,571,180	20,935
	Input volume of water by source: tap water (m ³)	65,599	62,630	2,969
Environmental conservation benefit related to waste or environmental impact originating from business activities	Volume of greenhouse gas emissions (t-CO ₂)	106,225	11,2594	(6,369)
	Volume of dioxin emissions (mg-TEQ)	200	165	35
	Total waste emission volume (t)	58,231	58,657	(426)
	Final waste disposal volume (t)	370	315	55
	Volume of BOD emissions (t)	12	9	3

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Goals for Environmental Activities and Achievements in Fiscal 2004

Nissan Diesel has been actively engaged in pursuing environmental conservation activities since 1993, when the Environmental Committee was established and the Code of Conduct for the Environment was established. In fiscal 2004, we laid down the 2004-2008 Nissan Diesel

Group Long-term Environmental Plan to strengthen the environmental management system in our group member companies, including affiliated companies, sales companies and suppliers. The table below summarizes all of these efforts.

	Categories	Environmental Objectives	Achievements made by Fiscal 2004	
1	Environmental management system	① ISO14001 certification	Ageo Site certified Expansion to Kounosu and Hanyu Plants (Fiscal 2004) Certification of affiliated companies (Started in fiscal 2004) Certification of sales companies (Starting in fiscal 2006)	Product Development Division certified (February 2003) Expanded to Kounosu and Hanyu Plants (February 2005) One affiliated company certified (February 2005)
		② Communications	Promotion of public relations	Participated in surveys and meetings related to environmental issues.
		③ Education	Provision of environmental education	Conducted environmental education sessions for employees of Nissan Diesel and affiliated companies.
		④ Green procurement	Establishment of environmental management system (2008)	Prepared Green Procurement Guidelines. Introduced the guidelines to the parts manufacturers.
2	Development of environmentally-friendly products	① Improvements in fuel efficiency	Improvements in vehicle fuel efficiency	Product announcement and launch of the Condor series of medium-duty trucks, which have achieved low fuel consumption with a common rail fuel injection system and EGR cooler, as well as the Quon series of heavy-duty trucks, which have achieved improved fuel efficiency with an ultrahigh pressure fuel injection system and improved air pressure features.
		② Improvements in exhaust gas quality	Significant reductions in NOx and PM	Product announcement and launch of the Condor series of medium-duty trucks, which complies with the New Short-term Exhaust Emission Regulations and meets the 85% reduction level (☆☆☆☆) for the ultra-low PM emission diesel vehicle certification system authorized by the Ministry of Land, Infrastructure and Transport. Product announcement and launch of the Quon series of heavy-duty trucks, which meets the new Long-term Exhaust Emission Regulations by using the urea-SCR system.
		③ Development of vehicles driven by clean energies	Development of vehicles driven by petroleum-substitute energies	Product announcement and launch of the new Condor CNG truck models that feature a theoretical mixture ratio combustion system and electronically-controlled engine throttle. Controlling fuel with a higher precision has achieved cleanness at a level that satisfies even the regulations that would be introduced to replace the new-Long-term Regulations (the "Post-New-Long-term Regulations").
		④ Reduction of external automobile noise	Reduction of acceleration noise, steady speed noise and proximity noise levels for exhausts	Product announcement and launch of the new heavy- and medium-duty trucks aimed at meeting the regulations. The heavy- and medium-duty trucks and buses meet the noise regulations for fiscal 2001.
		⑤ Promotion of recycling	Recyclable rate of new models (voluntary targets): Attainment of 90% or higher recyclable rate of new models developed in and after 2002	Product announcement and launch of the new heavy- and medium-duty trucks that meet the 90% recyclable rate. Published a revised edition of the Manual for Vehicle Dismantling.
		⑥ Reduction of environmentally-harmful substances	Achievement of the objectives in the voluntary plan by the Japan Automobile Manufacturers Associations, Inc. (JAMA) - Reduction in lead usage: To 25% of the 1996 level or lower after 2006 - Ban on mercury use: Starting in 2005 (excluding some lighting fixtures and indicators) - Ban on cadmium use: Starting in 2007 - Ban on hexavalent chromium: Starting in 2008	Discontinuation of the use of lead for battery cable terminals resulted in a reduction in total lead usage for new models of medium-duty trucks to a third, and for new models of heavy-duty trucks to a quarter. The use of mercury was discontinued for all vehicles (heavy- and medium-duty trucks and buses) excluding some lighting fixtures and indicators.
		⑦ Protection of the ozone layers	Reduction of refrigerant (HFC134a) usage	The use of air-conditioning refrigerant (HFC134a) for heavy-duty trucks was reduced to 500g.
3	Environmental Conservation in Production	① Prevention of environmental problems	Implementation of environmental impact assessments prior to the construction of factories or addition of new lines Compliance with environmental standards and reduction of environmental impact	Conducted prior environmental impact assessments for facilities and new materials. Air pollution: Changed the boiler fuel from heavy oil to a cleaner fuel (gas). Water contamination: Improved the chemical administration system to stabilize BOD.
		② Prevention of global warming	Reduction of CO ₂ emissions in 2010 by 10% of the 1990 level	Met the target for total CO ₂ emissions (reduced by 21% from the 1990 level).
		③ Waste management and recycling	Reduction of the final waste disposal in fiscal 2010 by 88% of the fiscal 2003 level Declaration of "zero waste emissions" (fiscal 2004)	Reduced the final waste disposal in fiscal 2004 to 315 tons (15% reduction from the fiscal 2003 level).
		④ Fulfillment of chemical substance management	Reduction of PRTR substances generated in fiscal 2010 by 5% of the 2003 level	Set the reduction targets. Laid down the revised mid- to long-term plan.
4	Environmental Conservation in Distribution	Improvement of distribution for part procurement and finished vehicle transportation Rationalization of distribution Increase in the percentage of iron and plastic containers used for overseas shipping Determination and reduction of CO ₂ emissions	Improved the packaging and expanded surface shipment. Achieved 82% for the rate of wood-free packaging shipped overseas. Conducted an assessment for CO ₂ emission information collection standards.	
5	Environmental Conservation at Offices	Promotion of voluntary activities Promotion of green procurement Active use of electronic media	Achieved 100% use of recycled paper (starting in fiscal 2001, excluding special types of paper). Digitized some documents (the number of printouts was reduced by 64% of the fiscal 1997 level).	