

## Sales Companies



Nissan Diesel sells its products in Japan through 16 sales companies. These companies also function as a point of contact for customers over the entire life cycle of their Nissan Diesel vehicles. Sales companies extend a broad line of support for the businesses of their customers, including maintenance and inspection services and the serving as a place where users can return their end-of-life Nissan Diesel vehicles.

### Environmental Activities

Sales companies perform many activities that lower the environmental impact occurred by their Nissan Diesel vehicles. Among these activities are properly disposing of used motor oil and hydraulic fluid; collecting, discarding and recycling used parts; properly disposing of end-of-life vehicles; and conducting energy conservation campaigns at offices.

#### 1. Excellent Factory Certification Program

Nissan Diesel has a program for the certification of excellent factories based on its own evaluation standards. We started this program in fiscal 2004 as one way to improve the quality of operations at sales companies. Evaluations cover safety, environmental considerations, maintenance and many other aspects of operations. Facilities that meet these standards receive our excellent factory designation.

#### 2. Nissan Diesel Service System (NDSS)

Nissan Diesel will continue to implement the Nissan Diesel Service System (NDSS) to promote enhancements and innovations in after-sales services, such as the quality of vehicle maintenance and repair, productivity, and reduction of environmental impact at service stations. To reach these goals, employees at these service bases are keeping work areas neat and tidy, making tools that boost productivity, and taking other actions to enhance customer services. Of course, NDSS incorporates a systematic approach to lowering a facility's environmental impact, such as by conserving energy, recycling parts and cutting the volume of waste.

#### Major environmental activities at sales companies

##### Vehicle maintenance and repairs

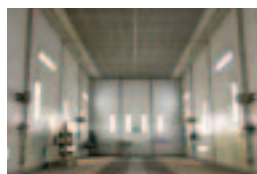
- Proper disposal of motor oil, hydraulic fluids and parts
- Proper disposal of end-of-life vehicles
- Proper disposal of wastewater
- Recovery of fluorocarbons

##### Offices

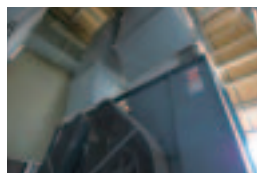
- Trash collection by category and support for recycling
- Energy conservation activities (lights, heating and AC)
- Reduction in need for paper



Used motor oil and hydraulic fluids are stored in an underground tank or other secure location until removal for proper treatment.



Sophisticated vehicle paint shops are equipped to prevent releases of thinner gases.



Dust collection unit at a paint shop



Care is exercised to prevent the release of fluorocarbons during vehicle maintenance procedures.



Convenient wheel replacement wagon designed by service staff



Recoated and smartened up workshop bay

### Profile

Location:

[ Head Office ]

362 Oaza-Tsutsumizaki, Ageo, Saitama

[ Gunma Office ]

340 Higashi-Shinmachi, Ota, Gunma

Established: June 1974

Paid-in capital: ¥290 million

Employees: 340

Land/building area:

[ Head Office/Ageo Plant ] 30,000 m<sup>2</sup> / 14,000 m<sup>2</sup>

[ Gunma Office ] 63,000 m<sup>2</sup> / 27,000 m<sup>2</sup>

### Major Products and Services

- Wrapping and packaging of parts for knock-down (KD) motor vehicle parts
- Storage and distribution of parts for servicing motor vehicles
- Transportation, outsourced delivery and marine container handling for machinery and motor vehicle parts
- Customs clearing, loading and ocean transportation for overseas shipments
- Third-party logistics (3PL) to raise distribution efficiency for other companies

### Fiscal 2007 Initiatives and Results

Focusing on environmental management that does not impact the environment, Nissan Diesel Logicom Co., Ltd is devoting its energies to enhance employees' environmental awareness with the establishment of ISO 14001 related activities within the company. In order to reduce environmental impact by curbing CO<sub>2</sub> emissions, the company is incorporating environmental initiatives into measures to enhance the efficiency of its main business areas, namely, distribution, manufacture of packaging, and warehouse management through the adoption of the Nissan Diesel Production System along with themes of environmental activities. Further, to cope with the rising cost of raw materials in recent years, all operations have been reviewed from the perspective of recycling, based on the thinking that environmental action will lead to cost reduction.

These initiatives have enhanced the environmental awareness of employees, who now volunteer in beautification activities conducted along neighboring roads and highways and also actively participate in events to raise the environmental awareness of the local community.

Nissan Diesel Logicom will continue to proactively implement environmental initiatives based on the thinking that a commitment to environmental management is necessary to fulfill its responsibility as a company in the future.

### A Message from the President, Yuji Kawaguchi

Nissan Diesel Logicom is a company to conduct the wrapping and packaging of vehicle parts, and transport and supply service parts to domestic sales companies and production parts to overseas companies. The company is strongly committed to conserving energy through efficient usage of materials and distribution methods.

Towards this end, we are taking action with the creation of a recycling-oriented society and reducing environmental impact.

To contribute to creating a recycling-oriented society, the company has based its actions on the two concepts of "streamlining" and "repeated use." Furthermore, we base operations on the 3R's; Reducing the amount of packaging materials we use, Reusing cartons and other materials, Recycling packaging and shipping materials. We have made substantial progress in terms of cutting the volume of waste, returnability and recycling materials by optimizing every step in the logistics process, beginning with the procurement of packaging materials and extending through the preparation of goods for shipment, transport and unpacking the shipment at the final destination. To reduce environmental impact, Nissan Diesel Logicom is actively working to enhance filling rates and operational efficiency of container transportation by improving wrapping and packaging methods. In its daily operations, the company is also taking steps to reduce the volume of waste sent for processing by setting reduction targets and incinerating combustible waste, and by thorough waste segregation.

As a member of the Volvo Group, we anticipate further globalization of our operations and a greater role for our company in the future in the distribution of products and service parts. We will foster a corporate culture that emphasizes environmental action, and further improve and develop activities.



Yuji Kawaguchi

### Major Activities

#### Returnable Packaging and Shipping Materials\*

Since FY2005, Nissan Diesel Logicom has been developing and utilizing returnable cases as a part of efforts to improve the knock-down packaging. In FY2008, the company plans to build new warehouses in the major export countries to promote environmental facilities, which will result in enhancement of the returnable rate. Nissan Diesel Logicom will continue to expand the countries of usage as well as new developments in order to realize the efficient utilization of limited resources.

\*Returnable packaging: Materials that can be reused many times



#### Improvements in shipments to the Volvo Parts Center

In May 2007, the Volvo Parts Center was created within the Gunma Part Center and shipment based on received orders was begun. Initially each order volume was packaged and shipped individually, but beginning in the second half of the fiscal year the company switched to combined shipments by destination. This has reduced the number of shipment cases and enhanced transportation efficiency. In addition, foldable and recyclable wrapping cases were introduced to reduce waste volumes.

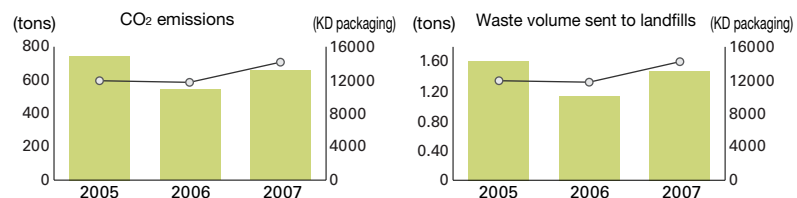


### Fiscal 2007 Environmental Data

● Input

Electricity	708 kWh
Light oil	63 kiloliters
Heavy oil	80 kiloliters
Chemicals	0 tons
Wood	2,484 m <sup>3</sup>
Plywood	236,840 m <sup>2</sup>

● Output





# DRD Co., Ltd.

## Profile

Location: 1 Oaza 1-chome, Ageo, Saitama  
 Established: May 1980  
 Paid-in capital: ¥70 million  
 Employees: 700  
 Site: 4,000 square meters  
 Buildings: 2,600 square meters

## Major Products and Services

- Design, prototype fabrication, testing and other development activities for motor vehicles, machinery and electric and electronic devices and their components
- Preparation of technical and service materials
- Development designs and tests for other companies
- Staffing Service of development engineers



Design section

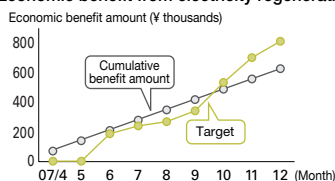


Road tests

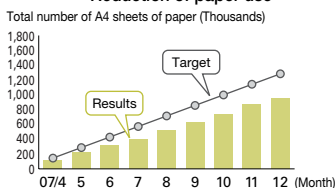
## Environmental Policy and Key Activities

1. Comply with environmental laws and regulations
2. Conserve of energy during design and testing operations
  - Conserve energy in current activities (eliminate waste, raise efficiency)
  - Reduce use of resources and generation of waste
3. Conduct programs to make company sites and nearby areas clean and attractive
4. Conduct activities to raise ISO 14001 awareness and understanding among employees
5. Promote environmental management activities
  - Perform regular equipment inspections and accident response drills
6. Be an active participant in community activities

### Economic benefit from electricity regeneration



### Reduction of paper use



## Fiscal 2007 Environmental Data

Input		Output	
Electricity	408,000 kWh	CO <sub>2</sub>	150 t-CO <sub>2</sub>
LPG	1,168 kg	Waste volume	11.5 tons (2.9 kg per operating day)
Copier and printer paper	1,229,000 units		

## A Message from the President, Kozaburo Fukumuro

In recent years, we have seen a steady rise in demands for a reduction in the environmental impact not only at factories but in all aspects of business operations and our daily activities. DRD performs R&D activities for the Nissan Diesel Group with the aim of becoming a comprehensive engineering company. To fulfill our environmental responsibilities, we established and operated an environmental management system and conducted programs to make our operations more environmentally-friendly. As a result, we were one of several Nissan Diesel business sites that earned ISO 14001 certification in 2005.

Designs and tests are our core businesses. Consequently, we are always working on improving the efficiency and quality of these two activities. Accompanying these actions are various steps to cut our impact on the environment. As part of this drive, we participate in the Team Minus 6% Campaign of the Japanese government and numerous initiatives aimed at conserving resources and generating less waste. Due to these activities, we succeeded last year in once again lowering the volume of combustible waste and the amount of electricity, paper and other resources used.

In accordance with our environmental management system, we will continue to perform a PDCA cycle on a monthly, quarterly and annual basis. We are determined to perform environmental activities that are dependable in every way, as is expressed by our company name DRD (Dependable R&D).



Kozaburo Fukumuro

## Fiscal 2007 Initiatives and Results

In FY2007, a nation-wide momentum in Japan towards action to prevent further global warming served to enhance and establish employee awareness of the usage of items that directly impact the environment, such as paper, waste and electricity. With regard to ongoing initiatives to reduce the environmental impact, DRD made progress by including specific measures in its business plan and being certain to execute a PDCA cycle at all times.

## Major accomplishments of fiscal 2007

- 1) Corporate initiatives
  - a) Environmental education
 

All new employees undergo environmental training that gives them a sound understanding of the Nissan Diesel Group's commitment to conserving the environment.
  - b) Paperless campaign
 

In FY2007, the target for paper consumption was set at 1.28 million sheets, and the result was 1.23 million sheets due to company-wide activities involving not only the design department but also the testing department.
  - c) Reorganization of the Secretariat
 

The Secretariat was reorganized with a view to strengthening collaboration between the head office and the testing department to ensure steady implementation and follow-up of initiatives.
- 2) Design department initiatives
 

DRD has a training program that gives employees specialized skills based on an education plan that provides classes for specific job categories. This program cuts to the absolute minimum the amount of wasted work time caused by human errors.
- 3) Testing department initiatives
 

In FY2007, a reduction in CO<sub>2</sub> emissions volume was achieved by improving electricity regeneration with engine test bench equipments introduced in FY2006. The volume of regeneration with the new equipments achieved the annual target of 620,000 yen to 810,000 yen (target and achievement as of December 2007).
- 4) General affairs and operations initiatives
 

The contents of the Intranet site describing the functions and features of the administration department were further enhanced, thus promoting paperless operations.

## Important Issues

For DRD which has no production facilities and its operations focus mainly on design and testing for new product development, enhancing the quality of design and testing is of utmost importance. To realize this, all departments are steadily improving their technological skills to prevent mistakes that require rework, and have formulated and put into effect those action plans to minimize environmental impact. In the future, DRD will work to achieve its reduction goals, while at the same time implementing actions that will make the reduction on environmental impact more recognizable.

## Profile

Location: 1 Oaza 1-chome, Ageo, Saitama  
 Established: April 1987  
 Paid-in capital: ¥95 million  
 Employees: 272  
 Site: 760 square meters  
 Buildings: 140 square meters

## Major Products and Services

Maintenance and installation of production equipment

- Upgrades of production equipment
- Operation and management of production equipment
- Supply and management of cutting tools
- Maintenance and installation of die-casting equipment

Scope of activities

- Ageo Plant
- Kounosu Plant
- Hanyu Plant

## Fiscal 2007 Initiatives and Results

(In partnership with Nissan Diesel)

1. Compliance with laws and regulations and prevention of pollution
  - Legal compliance (submission of notices and reports)
  - Management of facility registered for environmental supervision
  - Environmental accident response drills
2. Enhancement of environmental training activities
3. Measures to prevent global warming
  - Conserve energy by reducing equipment malfunctions to boost capacity utilization
4. Reduction of waste
  - Reduce incinerated waste oils and resins by recycling these materials
  - Reduce wastewater by recycling wastewater at factories
5. Participation in community activities
  - Clean areas around factories
  - Disclose information on environmental matters

## A Message from the President, Hiroyuki Sato

As a Group member of the Nissan Diesel Group, Techsus supply power supply equipment and perform maintenance and management services for production machinery and tool at Nissan Diesel production facilities. Our environmental activities center on these operations.



Hiroyuki Sato

To further upgrade our environmental activities, we received extension ISO 14001 certification in December 2005, as one of the ISO certified sites of Nissan Diesel. In addition, we are participating in Nissan Diesel's NDPS Campaign with the aims of strengthening our production support and environmental protection activities.

Based on the principle that all business operations must lead to environmental improvement, Techsus believes that it can make a significant contribution to preserving the environment by controlling energy consumption. In order to maintain equipment performance on regular basis and prevent sudden equipment failure, Techsus ensures the proper management and maintenance of production equipment and tools prerequisite for production activities, and of power supply equipments that constitute the lifeline of a plant. For example, we do more than perform inspections and repairs at regular intervals. We also use the latest diagnostic devices to accumulate data for preventive maintenance as well as predictive maintenance. By raising the quality of our maintenance services, we intend to continue to help raise the efficiency of production activities. Our activities reduce the volume of industrial waste, cut CO2 emissions, a source of global warming, and lower the use of petroleum products as concerns rise about the future availability of fossil fuels, continuing to play a part in improving the environmental performance of all Nissan Diesel manufacturing facilities.

Expertise involving technologies and specialized skills underpin our ability to perform our important role and we need to refine these skills even more. This is why we are conducting activities that reflect a heightened awareness of the fact that the skills of our people are the sum of our sensitivity, vision and intuition.

## Major Activities

### Introduction of a high frequency diagnostic device to improve predictive maintenance

A high frequency diagnostic device is being used to ensure that there will be no stoppage of energy supplying equipments. This device monitors the status of the equipment motor and inverter, recognizes in advance any wear and tear, abnormalities and damage, and enables a high degree of predictive maintenance.

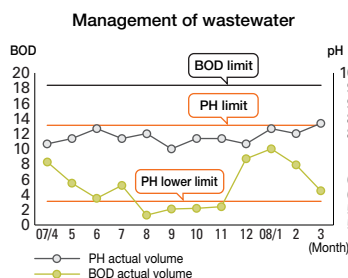
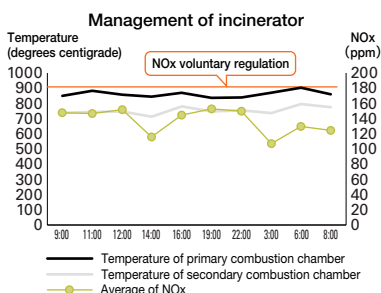
- Example: High frequency control of the spray pump motor

Spray pump motor standard monitoring values

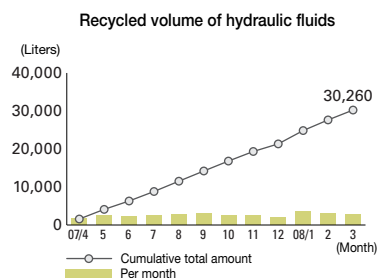


## Fiscal 2007 Environmental Data

- Management of environmental data



- Management of hydraulic fluids and cutting oil





# N-Tech Co., Ltd.

## Profile

Location: 20-1 Oaza 1-chome, Ageo, Saitama  
 Established: April 1998  
 Paid-in capital: ¥30 million  
 Employees: 130  
 Site: 7,400 square meters  
 Buildings: 4,900 square meters

## Major Products and Services

- Manufacture of vehicle brake pipes
- Manufacture of vehicle exhaust pipes
- Manufacture of vehicle nylon tubes
- Manufacture of other pipes

## Environmental policy and major activities

In accordance with the Nissan Diesel environmental policy, N-Tech adopts the following stance with the aim of achieving the targets of its own environmental programs.

1. Have all workers actively participate in environmental conservation programs
2. Heighten workers' awareness of the importance of environmental activities  
 Central themes
  1. Cut the volume of waste to the absolute minimum and sort all waste
  2. Rigorously implement energy conservation activities
  3. Execute the 5S campaign "one rank up"

## A Message from the President, Kazuhito Asari

N-Tech manufactures parts are used in Nissan Diesel Group's vehicles. Our main job is the processing and assembly of vehicle components made of pipes. We manufacture brake pipes, exhaust pipes and many other pipes used in trucks. We are also a supplier of nylon tubes, side-bumper for trucks and other parts.

We position environmental measures as a core element of our corporate activities. Based on the corporate policy of working to reduce environmental impact, N-Tech fundamentally seeks to achieve a steady increase in income while actively promoting the implementation of comprehensive improvement activities.

The N-Tech Production System (NPS) on which production activities are centered thoroughly emphasizes the minimal input of resources and energy conservation during the production processes for the manufacture of high quality products with no material and energy wastage.



Kazuhito Asari

## Major accomplishments of fiscal 2007

The main results of activity in FY2007 were 1) holding of Internal Economical Emphasis Month between June 24 and July 31; 2) preparation of the waste storage area; 3) improvement in disposal frequency of the alkaline cleaning machine; 4) improvement of the cooking equipment in the cafeteria; 5) full employee participation in energy conservation and reduction of waste, waste segregation and other activities, which achieved our targets.

The company also participates in the Team Minus 6% Campaign of the Japanese Government. Environmental improvement information acquired there is published regularly in the in-house newsletter titled Environmental News to provide information about environmental improvement. This newsletter is widely read at the workplace and is greatly contributing to enhancing the environmental awareness of employees.

During the Internal Economical Emphasis Month, in particular, several initiatives were undertaken to include not only the employees but also their families in environmental improvement activities. These included distributing booklets on light-down campaign as well as economical driving practices to employees, and holding environmental quizzes.

As a result, we achieved steady reductions in environmental impact. Everyone at the company will continue to concentrate on environmental activities to achieve even more improvements in the years ahead.

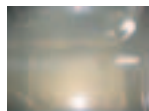
## Alkaline cleaning machine Improvement in disposal frequency of waste liquid



Achieved a reduction in waste alkaline liquid (an industrial waste) from 8.3 tons in FY2007 4.3 tons in FY2008



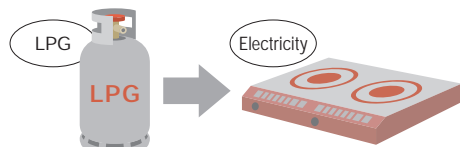
Cleaning liquid



Rinsing tank

## Improvements in cooking equipment at the cafeteria

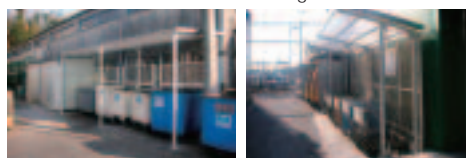
Switched from LPG to electrical cooking equipment, led to a significant reduction in CO<sub>2</sub> emissions



LPG (propane) t CO<sub>2</sub>/ton  
CO<sub>2</sub> emissions indicator 3

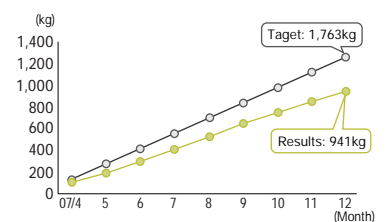
Electric power t CO<sub>2</sub>/thousand kwh  
CO<sub>2</sub> emissions indicator 0.368

## Maintenance of the waste storage area

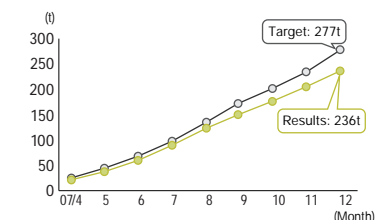


A roof was built for the waste storage area to keep out rainwater

## General Refuse Sent to Landfills



## CO<sub>2</sub> Emissions



## Implemented Internal Economical Emphasis Month between June 24 and July 31



### Distributed a booklet on light-down campaign

On the night of June 24 (Sunday), all employees were requested to cooperate in Black Illumination 2007, a campaign promoted by the Japanese Ministry of the Environment, by switching off TVs and lights between 8p.m and 10p.m, spending time outside their homes, and enjoying the stars in the sky.

### Other activities

Distributed a booklet on Economical Driving  
 Held an environmental quizzes

- 1) Streamlining of production processes
- 2) Reduction of sudden equipment failure through intensive repairs
- 3) Reduction of waste through improvements in delivery packaging style
- 4) Environmental accident drills
- 5) Disposal of unnecessary equipment in the plant
- 6) "Cool Biz" and "Warm biz" campaigns
- 7) Switch from oil-based to water-based paints (except for products)