

Environmental Management



Environmental Guidelines

As its corporate vision, MFTBC aims to follow an “All for you” philosophy. To realize that, it prescribes in the management policies to emphasize social responsibility as well as corporate ethics and quality.

In connection with that, basic policies on the environment are integrated into “Environmental Guidelines.” In those, MFTBC recognizes environmental protection as a key priority and declares its determination to make continual, concerted efforts, with the cooperation of affiliated companies and suppliers, toward protecting the environment.

In order to incorporate the Environmental Guidelines in all products and services, MFTBC formulates an “Environmental Sustainability Plan” (see P.6-7) and promotes concrete activities to protect the environment.



MFTBC's Environmental Guidelines

Basic policy

MFTBC recognizes that protection of the global environment is a priority for humankind and as such makes the following pledge:

- (1) From a global viewpoint, we are committed to continual reduction of environmental impact of our corporate activities with all our strength. These include development, procurement, production, sales and after-sale servicing activities related to vehicles.
- (2) As a good corporate citizen, we are committed to action to protect the environment at the level of local communities and society as a whole.

Behavioral Standards

- (1) We will endeavor to protect the environment by forecasting and assessing the environmental impact of our products at all stages in their life cycles.
<Priority is given to the following areas:>
 - Prevention of global warming by reducing emissions of greenhouse gases.
 - Prevention of pollution by restricting emissions of substances harmful to the environment
 - Reduction of waste and maximizing efficient use of resources by promoting conservation of resources and recycling.
- (2) We will endeavor to improve our environmental management practices as part of ongoing efforts to improve the environment.
- (3) We will comply with environmental regulations and agreements, and will work to protect the environment by establishing voluntary management targets.
- (4) We will encourage our affiliates and suppliers, both in Japan and overseas, to cooperate in working to protect the environment.
- (5) We will actively disclose environment-related information and will seek the understanding of local communities and of society at large.

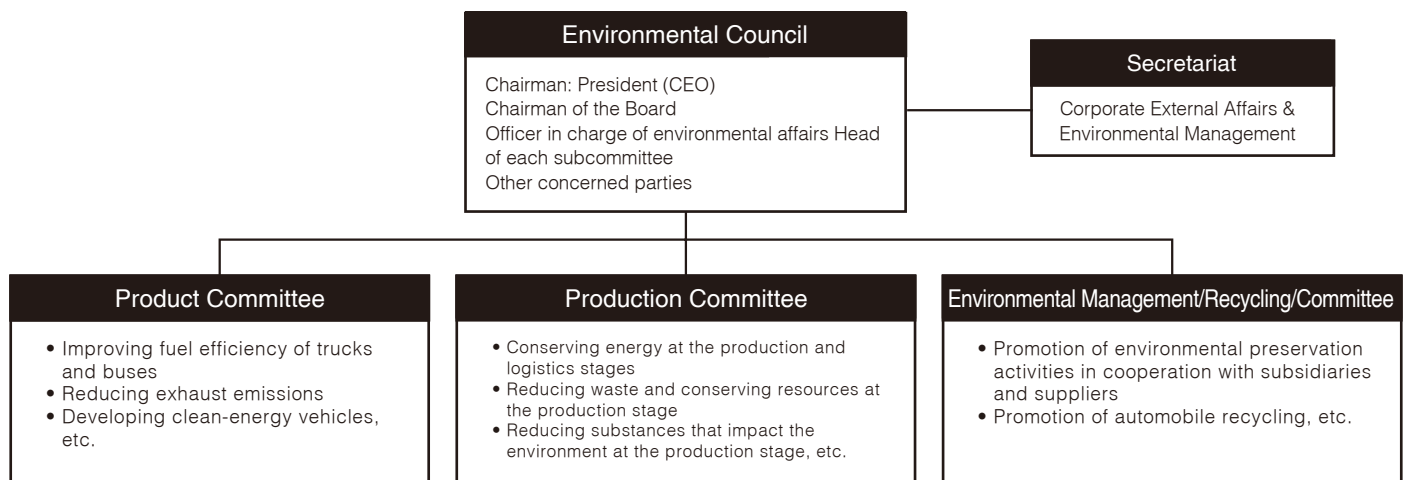
Organizational Control

MFTBC Environmental Council

MFTBC has established an Environmental Council, whose chairman is the president of the company, to promote environmental protection activities throughout the company. The MFTBC Environmental Council determines basic corporate policies on measures to protect the environment, and considers and resolves questions brought by its three

committees – Product Committee, Production Committee and Environmental Management/Recycling Committee (structure as shown below).

Since the company's formation in 2003, we have promoted environmental activities under this system. Now we are reviewing the system to conduct better environmental activities.



Environmental Sustainability Plan

MFTBC defined its medium-term plan "Environmental Sustainability Plan" when it was founded in January 2003. In this plan, specific goals are set in terms of 4 perspectives, namely, environmental management, recycling, prevention of global warming and prevention of environmental pollution. So far 22 items are set in the plan, and committees in each department define specific Action Plans each year to promote the efforts.

Monitoring the progress status of the Environmental Sustainability Plan is also an important role of the Environmental Council. Every year, MFTBC publicizes the results of evaluations of these activities through this report. The evaluations of activities for FY2008 are shown below. For details on each activity, refer to the reference page shown in each item.

2008 Goals	2008 Achievements	Evaluation	Reference Page
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(1) Environmental management

○ : Achieved × : Not Achieved

Collaboration with domestic & overseas production affiliates

Promotion of acquisition of ISO 14001 certification	• Completed	—	—	—
Cooperation with domestic production affiliates	• Holding the "Environmental Liaison Conference of Group Plants" and issuing the "Plant Environment Information" (annual)	The Environmental Liaison Conference of Group Plants was not held.	×	8

Collaboration with dealers

Supporting environmental management systems	• Support of the administration of the Environmental Management System	Continuously in operation	—	21
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Disclosure

Disclosing environmental information	• Issuing the Environmental and Social Report 2008 • Disclosure of environmental information	• Issued in October 2008 (Japanese version) • Environmental information is always shown on the website	○	9
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Collaboration with suppliers (Green Procurement)

Promotion of acquisition of ISO 14001 certification	• Encouraging main business partners to achieve ISO14001	Continuously promoting	○	14
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2008 Goals	2008 Achievements	Evaluation	Reference Page
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(2) Recycling

○ : Achieved × : Not Achieved

Promotion of vehicle recycling

Compliance with Japanese and EU legislation on vehicle recycling	<ul style="list-style-type: none"> Measures and efforts to conform to the domestic vehicle recycling law 	Publicized the results of recycling of used products. Adhered to the legal standard of the ASR recycling rate (30%) (achieved 72.4%).	○	22
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Reduction of waste emissions and improved resource conservation at the production stage

Zero production of landfill waste	<ul style="list-style-type: none"> Holding landfill waste production at 0.1% or less of total generated waste 	The ratio of landfill disposal to the amount of generated waste was 0.006%.	○	15
Promotion of recycling	<ul style="list-style-type: none"> Maintaining a waste resource recycling rate of at least 98% 	The recycling rate was 99.7%.	○	15
Reduction of emission of byproducts at the production stage	<ul style="list-style-type: none"> Reducing the volume (metal scrap) per sales amount from FY2002 	The proportion of the generated amount to sales has decreased by 31% compared to FY2002 (0.0402 t/million yen).	○	16
Effective use of water resources	<ul style="list-style-type: none"> The consumption rate of water used per vehicle has decreased by 12% compared to FY2005. 	The amount of water used per vehicle has decreased by 1% compared to FY2005 (4.92 m ³ per vehicle).	×	16

(3) Prevention of global warming

Improvement of fuel efficiency

Improvement of fuel efficiency of trucks and buses	<ul style="list-style-type: none"> Intensifying the promotion of heavy vehicles compliant with fuel efficiency standards 	Put into the market small trucks compliant with the fuel efficiency standards for heavy vehicles.	○	11
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Reduction of use of air conditioner refrigerant

Reduction of the use of HFC134a	<ul style="list-style-type: none"> Gradual adoption of air conditioner systems that use less coolant 	Continuously developing products that use new high-efficiency components	○	11
Promotion of development of HFC134a-free air conditioners	<ul style="list-style-type: none"> Promoting the evaluation of air conditioners that use new coolant 	Continuously conducting joint evaluation with affiliated manufacturers	○	11

Improvement of traffic flow

Development of transport management systems using vehicle data communications	<ul style="list-style-type: none"> Support of the traffic control system 	Support of Fuso Eco Fleet PRO (digital tachograph)	○	11
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Production and logistics

Reduction of CO ₂ emission of plants	<ul style="list-style-type: none"> Reducing total CO₂ emission by at least 20% compared with FY1990 	The total amount of CO ₂ emission has been reduced by 50% compared to FY1990.	○	15
Reduction of CO ₂ in logistics	<ul style="list-style-type: none"> The amount of CO₂ generated per shipment of a vehicle (t/km (ton kilometer)*1) has been reduced by 1% compared to the previous year. 	The amount of CO ₂ emission per shipment of a vehicle was 63.9 g/t-km (1.38% reduction compared to the previous year).	○	19
Reduction of packaging and packing materials	<ul style="list-style-type: none"> Amount of wooden packages used per sale: Reduce more than 24% compared to FY2000 	Amount of wooden packages used per sale: Reduced 41.7% compared to FY2000	○	20

(4) Prevention of environmental pollution

Development and propagation of low emission vehicles

Launch clean energy vehicles	<ul style="list-style-type: none"> Promotion of hybrid electric vehicle development 	Developed 2009-model Canter Eco Hybrid that achieved even greater fuel efficiency	○	11-12
Compliance with Japanese and overseas exhaust emission regulations	<ul style="list-style-type: none"> Putting into the market vehicles compliant with regulations at appropriate time 	Launched regulation-conforming vehicles: Small trucks for Australia Launched vehicles conforming to the EPA04 regulation: Mid-sized trucks for Australia	○	11-12

Reduction of noise

Compliance with Japanese and overseas noise regulations	<ul style="list-style-type: none"> Putting into the market vehicles compliant with regulations at appropriate time 	Put regulation-conforming vehicles into the market	○	—
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Reduction of use of hazardous substances at production stage

Reduction of VOC emission	<ul style="list-style-type: none"> VOC emission reduction goal for the carburetor painting process: 20 g/m² or lower Investigation and execution of VOC emission measures 	VOC emission amount: 18 g/m ²	○	17
Use of lead-free paint for electrodeposition painting	<ul style="list-style-type: none"> Non-use of lead (Pb) in the electrodeposition line of truck carburetors 	Complete	—	—

*1 t-km (ton kilometer): Figure calculated by multiplying the weight (t) of material transported by the number of kilometers driven.

ISO 14001 Certification

ISO 14001 Acquisition

The main plant of MFTBC first obtained ISO14001 certification, which is the international standard of the environmental management system as shown in the table below, in order to ensure the transparency and reliability of our environmental activities.

We also obtained the certification of Environmental Management System for development and design work when we renewed the certification of the main plant in December 2002.

Our main affiliated companies in Japan and overseas have also obtained the certification by FY2003.

State of Acquisition of ISO 14001 Certification

MFTBC	Main plant	December	1999
	Expanding it to the development department	December	2002
Domestic affiliates	PABCO Co., Ltd	June	2000
	Mitsubishi Fuso Bus Manufacturing Co., Ltd	December	2003
	Fuso Technical Service Co.,Ltd.	June	2006
Overseas affiliates	MFTE (Portugal)	February	2002

Coordination with affiliated companies

MFTBC annually holds "Plant Environment Liaison Conference" with major affiliated manufacturing companies to promote the same level of environmental activities as those done in MFTBC and the mutual exchange of information. Although it could not be held in FY2008, it is scheduled to be held this year.

Since FY2002, each company has developed "Medium-Term Environmental Activity Plans" and checks their progress status every six months.

We also annually issue "Plant Environment Information" for approximately 40 affiliated partner companies to provide information about the latest regulations and environmental issues.



Plant Environment Information

Environmental Auditing

In order to confirm that the environmental management system is working properly and to improve the system further, we conduct an annual internal audit for each department and an annual external audit by a third party.

As for the internal audit, internal auditors (our employees) check environment-related items. Internal auditors have been certified through our qualification process after completing relevant education within and outside the company. Appropriate measures are taken to correct problems that are found by them after the problems are checked and reviewed by the chief executive. Measures regarded as highly effective will be adopted across all departments.

In the FY2008 external audit, 2 nonconformance items and 3 observations were reported. As a whole, our environmental management is evaluated as satisfactory in terms of operation and maintenance. As to the reported items, we will immediately correct the system and continuously try to provide better system operation.

We have also undergone a second environmental audit by Daimler AG in November 2008 as we are a member of the Daimler Truck Group.

Emergency Measures and Environmental Incidents

Emergency Measures

MFTBC strives constantly in its production activities to maintain and manage safety and reduce environmental effects through stable operations in line with its existing operational and work standards. It has established guidelines, as well, for conceivable emergency situations, and carries out regular training exercises.

Incidents

In FY2008, there were no environmental incidents.

Complaints

In 2008, we received 5 complaints about the noise and smell emanating from the Kawasaki Plant, and also some complaints about the behavior of our employees. We are currently investigating the cause and educating the employees, and conducting monitoring activities such as patrolling around the plant.

Legal Actions

There were no environmental lawsuits.

Environment-Related Recalls

We have recalled vehicles with 4M50 engines such as the small truck Canter and mid-sized truck Fighter because of their regeneration control DPF (recall number 2113, May 2008). Regeneration requires too much time during traffic jams, which may result in fuel running into the engine oil. For details, please refer to the "Recall Information" field on the website of MFTBC.

(<http://www.mitsubishi-fuso.com/jp/news/recall.html>)

Environmental Accounting

MFTBC's environmental accounting refers to the FY2005 version of the Ministry of the Environment's Environmental Accounting Guidelines. As we use a fiscal accounting period of January through December, environmental accounting is done based on the same period.

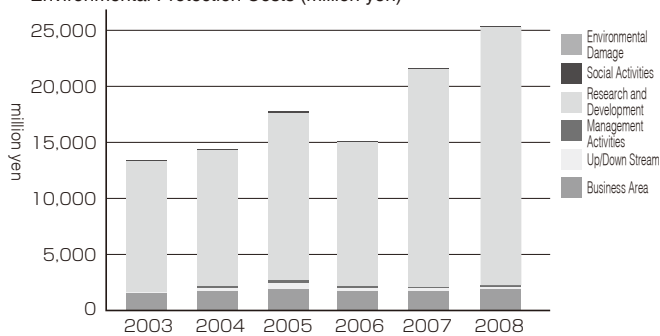
(1) Environmental Protection Costs^{※1}

The total environmental costs in 2008 was 25 billion yen and it accounts for 3.4% the total sales. It has increased by 3.8 billion yen compared to the previous year. The main cause of the increase is an increase in the environmental research and development costs.

Environmental Protection Costs (million yen)

Category	2007 (Jan. - Dec. 2007)	2008 (Jan. - Dec. 2008)	2008 Increase and Decrease against 2007
(1) Internal costs	1,782	1,862	+80
Breakdown			
①Anti-pollution	529	560	+31
②Anti-global warming	922	993	+71
③Recycling resources	331	310	-21
(2) Upstream/downstream costs	217	159	-58
(3) Management activity costs	155	189	+34
(4) R&D costs	19,421	23,144	+3,723
(5) Social activity costs	56	67	+11
(6) Environmental damage costs	1	1	±0
Total costs:	21,632	25,421	+3,789

Environmental Protection Costs (million yen)



Fiscal years (2004 and earlier: April to March; 2005 and later: January to December)

(2) Environmental Protection Effects^{※2}

As for environmental protection effects, we successfully reduced the environmental load in all major categories.

Environmental Protection Effects

Item (Unit)	2007	2008	Environmental Protection effects
(1) Resources used for business activities			
Total energy input (10 ¹² J)	2,359	2,243	116
Substances subject to PRTR input (t)	1,088	813	275
Water resources input (1,000 m ³)	991.5	836.5	155
(2) Environmental impact and waste from business activities			
CO ₂ emissions from production (1,000 t)	107	95	12
CO ₂ emissions from transporting BU vehicles (t)	4,357	3,421	936
Emissions and transfers of PRTR substances ^{※3} (t)	303	232	71
Waste generated (t)	35,561	26,951	8,610
Final disposal of waste (t)	2.3	1.7	0.6

(3) Economic Benefits Accompanying Environmental Protection Measures^{※4}

As with previous years, some revenue was received from waste recycling. However, because of higher electricity and gas prices, the energy costs have increased despite the reduction in energy use.

Economic Benefits Accompanying Environmental Protection Measures (million yen)

Profit/Cost	Item	Economic Benefits
Profit	Recycling waste	1,037
Cost reduction ^{※5}	Energy costs	-272
	Industrial waste disposal	14
	Industrial water costs	115
Total		894

Environmental Communications

MFTBC provides information on its environmental activities through its website, brochures and various events.

Various environmental information such as past environmental reports, vehicle type specific environmental information and our efforts to develop low-emission vehicles is posted on our website, and it is regularly updated. Environmental information for each vehicle is also written on our brochures with an aim to provide our customers with environmental information.

"MFTBC's Environmental Activities" (<http://www.mitsubishi-fuso.com/ECO/index.html>)

Cooperation in External Events

We are participating in events held in various places such as a low emission vehicle fair. In FY2008, we participated in numerous exhibitions and fairs such as "Eco Car World 2008 in Kobe" held in May.



Eco Car World 2008 in Kobe



Environmental Day Nagoya 2008

In the fall of 2008, we also exhibited Canter Eco Hybrid in "Clean Energy Vehicle Test-Drive/Exhibition" that was held on a university campus by the Next Generation Vehicle Promotion Center as part of their next generation vehicle promotion activities.



※1 Environmental protection costs: (1) Costs associated with environmental measures at each plant, including energy conservation, saving resources and waste disposal; (2) costs of collection of used parts, etc.; (3) costs of ISO 14001 certification and employee education concerning the environment, etc.; (4) costs of R&D related to improving fuel efficiency, reducing exhaust emissions, etc.; (5) donations to external environmental organizations, etc.; (6) taxes paid to the national government, etc.

※2 Environmental protection effects: Converting the effects of prevention, control and avoidance of environmental impact into quantitative values. Reductions over the previous year were calculated as "effects."

※3 Waste is not included in "transfers."

※4 Economic benefits accompanying environmental protection measures: Converting the beneficial effects of carrying out environmental protection measures into monetary values.

※5 "Effects" are calculated based on the difference between performance in the relevant year and the previous year.