

Results of Environmental Protection Activities

Aiming for Steady Progress, Step by Step

Companywide environmental protection activities are enabling numerous significant accomplishments.

The Company's environmental management system is being implemented from the division level down to the department and section levels. As a consequence,

the policies stated in the Environmental Action Plan have produced the results shown in the following table.

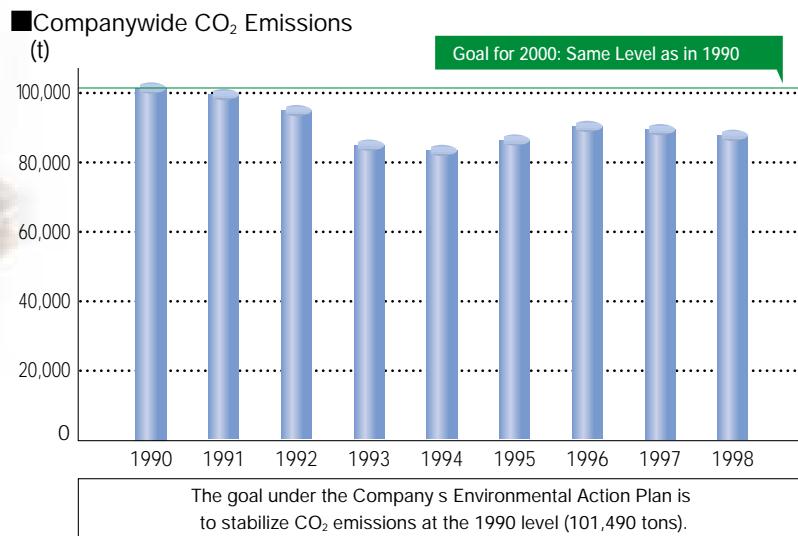
Basic Policies of the Environmental Action Plan		Accomplishments since Fiscal 1996
(1) Establish the necessary internal systems	1. Create environmental management and auditing systems	<ul style="list-style-type: none"> ● Established environmental management and auditing systems based on ISO 14001 at all plants ● Created environment-related organizations at partner companies
	2. Create a system for environmental pre-evaluation	<ul style="list-style-type: none"> ● Developed systems for preevaluation from the points of view of the global environment and the workplace environment
	3. Develop environment-friendly products	<ul style="list-style-type: none"> ● Contributed to lower fuel consumption and reduction in vehicle weight through the development of variable displacement compressors ● Improved environmental friendliness through the introduction of new types of forklifts: GENEO and GENEO-B (7 series) ● Reduced electric power consumption with the air jet loom ● Contributed to more environment-friendly vehicles through reduction in the exhaust emissions, weight, and fuel consumption of diesel engines
	4. Reduce environmental impact	<ul style="list-style-type: none"> ● Reduced nitrogen content of water emissions through the installation of nitrogen removal and processing equipment ● Implemented volatile organic compound (VOC) removal activities at the Nagakusa and Takahama plants ● Participated in the PRTR pilot projects of the Environment Agency and the PRTR survey of the Federation of Economic Organizations (Keidanren)
	5. Promote energy conservation	<ul style="list-style-type: none"> ● Introduced co-generation systems at the Kariya, Nagakusa, Takahama, and Hekinan plants ● Reduced CO₂ emissions through the introduction of fuel conversion ● Promoted improvements in energy conservation
	6. Restraining the volume of waste and promote the reuse of resources	<ul style="list-style-type: none"> ● Reduced fluid emissions through the introduction of concentration equipment ● Reduced emissions through the reuse of foundry sand
	7. Rationalize distribution systems	<ul style="list-style-type: none"> ● Reduced the usage of resources by simplifying and reusing packaging materials
	8. Reflect concern for the environment in our overseas activities	<ul style="list-style-type: none"> ● Two plants in the United States obtained ISO 14001 certification
	9. Conduct environmental awareness campaigns among employees	<ul style="list-style-type: none"> ● Placed ten articles (concerning ISO 14001, endocrine-disrupting substances, and other topics) in in-house magazine ● Published in-house environmental news magazine ● Sponsored lectures on the environment
	10. Conduct public relations activities	<ul style="list-style-type: none"> ● Provided information on the environment to the media ● Sponsored a milk carton recycling event at the Kariya Industrial Festival
(3) Contribute to society	11. Promote activities to protect forestland and plant new greenery	<ul style="list-style-type: none"> ● Promoted the planting of greenery around all plants
	12. Undertake activities that contribute to the community	<ul style="list-style-type: none"> ● Contributed to the Keidanren Natural Preservation Fund ● Participated in Wild Rabbit-Eared Iris Community Nature Protection activities ● Presented prepaid telephone cards to assist in the Oisuka Children's Forest program in Indonesia

Note: Further information on items marked with a pink dot ● can be found in the sections on divisional activities that begin on page 16.



Promoting Energy Conservation: Reducing CO₂ Emissions

We are working to promote energy conservation through the active introduction of co-generation systems while also reducing CO₂ emissions. Similarly, we are promoting the transition to fuels that emit less CO₂ when combusted. We have achieved significant CO₂ emission reductions through shifting from electricity to LNG in air-conditioning and other equipment and from heavy oil to LNG in boilers and other applications. We are preparing systems that will measure energy usage in detail on a by-product basis, thus making more effective management possible through visual indicators.



Restraining the Volume of Waste and Promoting the Reuse of Resources

We are proactively reducing the volume of waste. These include activities that focus on foundry sand, which accounts for a substantial portion of waste Companywide, and soluble liquid emissions. We have introduced equipment that makes it possible to reuse sand coming from the foundry processes and have thereby been able to reduce emissions by 30,000 tons. In addition, liquid waste from cutting processes has been reduced through the installation of concentration equipment. A portion of the concentrated fluids are being reused as fuel, and the overall reduction in emissions of soluble liquids amounts to approximately 3,000 tons.



Promotion of LCA and Related Activities

We give due consideration to environmental impact at all stages of product life cycles, from the selection of raw materials to product disposal, and believe reducing this impact is important. We have introduced the concept of life cycle assessment (LCA) into our product design activities and have recorded a number of accomplishments. (Specific

results are described in the section beginning on page 16.) Our Product Technology Committee considers and adopts LCA evaluation methods. The committee also evaluates the preparation of recycle design guidelines. The LCA approach examines the impact of products on the environment over their full life cycles (from raw materials

procurement to manufacturing, usage, disposal, and reuse) and takes the environmental impact into account at the development and design stages to reduce the environmental impact of products.