

Environmental Activities of Subsidiaries

Activities of Domestic Subsidiaries

Tokyu Co., Ltd.

Actions in FY 2001

■Reducing Sludge Released during the Grinding Process

Sludge, emitted from the grinding of compressor components which are Tokyu's main product, accounted for 40% of all industrial waste released. For this reason, Tokyu aims to reduce grinding sludge emitted by 50% by FY 2005, compared to FY 1999 levels.

As a result of standardization and management of the temperature of the grinding liquid, its density and the angle at which the grindstone is set, sludge per product fell to 26.9 grams per product in FY 2001, compared with 33.8 grams per product in FY 1999, a 20.4% reduction.

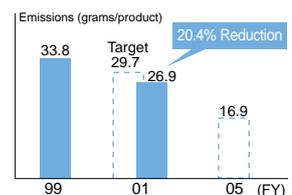
In addition, to make better use of resources, Tokyu has begun recycling its grindstones.

Corporate Overview
 Established: 1941
 Capital: ¥135 million
 Employees: 250
Business activities:
 1 Manufacturing and sale of compressor components
 2 Design, manufacturing, and sale of casting equipment
 3 Design, manufacturing, and sale of specialized machinery
 Headquarters: Oguchi, Niwa, Aichi



On the 60th anniversary of its founding, November 2001, the company acquired ISO 14001 certification.
Basic policies
 (1) Maximum curtailment of energy usage and minimum use of raw materials in production
 (2) Success based on profit-oriented policies
 (3) Improving employee awareness and corporate structure

■Reduction in Grinding Sludge (grams per product)



Future Activities

The environmental management system does not end once third-party certification is acquired but requires that the PDCA cycle be repeated continuously. Tokyu's goal is to improve performance by continually making improvements on a yearly basis.

Tokaiseiki Co., Ltd.

Actions in FY 2001

To promote achieving the environmental objectives and targets, Tokaiseiki established three working groups. Those in charge of accomplishing the targets serve as the head of each working group. Responsibilities and authorities are made clear.

■Energy Working Group –Conserving Energy–

To reduce CO₂ emissions, Tokaiseiki is carrying out a company-wide energy conservation campaign.

In FY 2001, Tokaiseiki aimed to decrease CO₂ emissions per product by 1% compared to levels in FY 2000. To realize this target, company rules were set and an investigation was made of the lighting and ventilation to conserve energy, and production processes to detect air leaks. In addition, detailed management of boiler operations was implemented to boost efficiency. As a result, Tokaiseiki was able to outperform the target, and reduced CO₂ emissions by 1.8%.

■Resource Utilization Subcommittee –Controlling Waste Emissions and Active Involvement in Recycling–

In FY 2001, Tokaiseiki aimed to reduce its waste emissions by 10% over FY 2000. Actions included the minimization of waste throughout the office and production sites, the recycling of waste through the separation of waste, and improved operating efficiency of a system to concentrate waste oil emitted during the processing stage. Reflecting these efforts, Tokaiseiki was able to widely reduce waste oil and plastic, two substances which account for the majority of its waste. Consequently, Tokaiseiki was able to reduce its total waste emissions by around 40%.

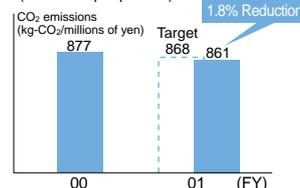
Corporate Overview
 Established: August 1936
 Capital: ¥98 million
 Employees: 230
Business activities:
 1 Die cast and machinery processing (compressor components, engine parts)
 2 Products made from plastic
 Headquarters: Nakaizumi, Iwata, Shizuoka



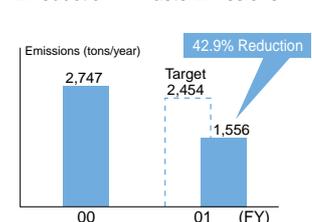
Acquired ISO 14001 certification in March 2002

Basic policies
 (1) Production with the least environmental impact
 (2) Improving productivity and cost effectiveness
 (3) Full participation in the fortification of corporate structure

■Reduction in CO₂ Emissions (Headquarters) (emissions per product)



■Reduction in Waste Emissions



Future Activities

The development of an environmental management system is the first step Tokaiseiki has taken in its effort to fulfill its responsibility to society. Tokaiseiki plans to continue improving its environmental management system. In meeting its social responsibility, Tokaiseiki aims to improve productivity and reduce cost, while at the same time strengthen its corporate structure.

Activities of Overseas Subsidiary

BT Industries Group

Status of Environmental Actions

BT Industries' work on environmental improvements has intensified in recent years due to increased concern for the environment from stakeholders.

The environmental policy of the BT Industries Group (BT) states that environmental work should promote sustainable development through continuous improvements. Preventive work and resource conservation are the key elements in this work.

The focus for BT had previously been on environmental issues associated with production processes, and a large number of environmental-improvement investments were made at production facilities.

More recently the emphasis has shifted to the environmental impact of BT's products. Environmentally oriented product development has therefore become an important future area.

ISO 14001 Certification

BT is working toward the goal of having all of its production facilities certified according to ISO 14001 or its equivalent in the near future. At year-end 2001 four of seven production facilities were certified: two in Mjölby, Sweden, one in Brantford, Canada, and one in Greene, U.S.

BT is establishing an environmental management system for its other production facilities in order to acquire certification by March 2004. (For details on the status of certification, see page 11.)

Among the sales and service companies, part of the U.K. company is certified according to ISO 14001. In the Swedish sales and service company, a process to acquire certification is underway.

Actions of FY 2001

BT carries out the establishment of new facilities and changes production methods so that it may improve the environment.

BT also considers the life cycles of its products and how to reduce substances of concern or improve the recyclability of its products.

BT is also eco-labeling its products with ISO 14021 type II*¹ labels.

Group Overview

BT Industries Group is composed of 78 subsidiaries and affiliates (as of December 31, 2001) under the holding company BT Industries AB.

Business activities:

Development, production, and sale of indoor industrial equipment

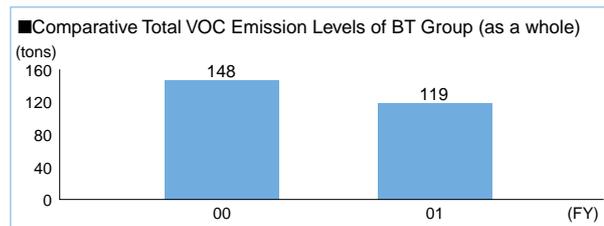
Location: Sweden (BT Industries AB)



■ Environmental Measures in the Production Process

At BT, the reduction of VOCs (Volatile Organic Compounds) released during painting processes is a priority. By switching from a liquid coating with solvent-based paints to water-based coatings or powder painting, the release of solvents into the air is reduced. Powder painting is used at four of BT's seven production facilities.

In FY 2001, BT eliminated approximately twenty-nine tons of VOCs, or 20% compared to the previous fiscal year, by utilizing these measures as well as conducting evaluations of cleaning thinners and high solid paint materials.



Future Activities

Environmental impacts have a great influence on the development and design of products. BT thinks that environmentally oriented product development is the key to reducing environmental impact. BT considers what harmful effect substances of concern may have and is definitive in drawing the line between "blacklist" and "gray list" substances.

At BT, substances on a special "blacklist," such as cadmium, will be eliminated. Levels are already very low. BT's electric trucks contain less than 0.02% of these substances by weight. There is also a "gray list" of substances that will be used as little as possible. The goal is for the trucks to contain less than 0.1% of substances on the gray list by weight.

In 2002 work will continue to find replacements for substances on both lists. Efforts to eco-label more truck models are continuing as well.

*1 Type II Labelling based on ISO 14021 Environmental Labels and Declarations standard: An international standard for environmental labelling, self-declaration by a manufacturer to describe the environmentally conscious functions/features of its product