



Preventing Issues at Production Facilities

Production facilities that can coexist with the local environment

• Implementing environmental assessments

We conduct environmental assessments based on regulations and company standards whenever we install new plants or facilities. We do an advance evaluation of the environmental impacts on the local community, and work to ensure coexistence with the local environment by incorporating strong efforts to minimize these impacts into our planning.

The Daihatsu Kyushu Oita (Nakatsu) Plant, which was designed and built as an "Environmental Model Plant," has been conducting assessments of natural environments (such as local rivers and beaches) and the living environment, in conjunction with local governmental organs, since 1992. The results of these assessments are reflected in the plant design and planning.



The Daihatsu Kyushu Oita (Nakatsu) Plant built as an "Environmental Model Plant."



Mound for noise measures as well as landscape conservation

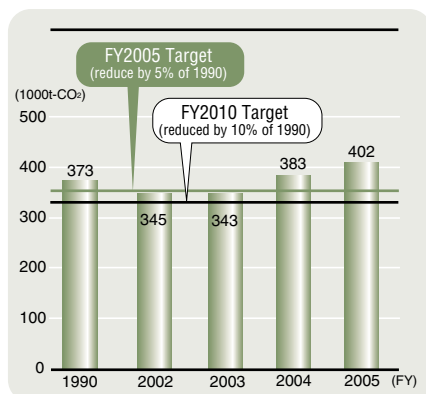
Preventing Global Warming

A production structure that creates even fewer greenhouse gas emissions

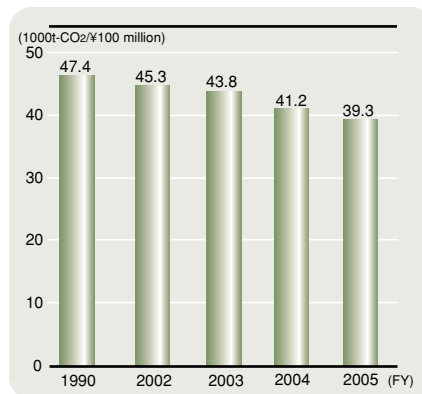
• Reducing CO₂ emissions

Despite implementing various measures such as line efficiency and installation of energy conservation equipment, due to an ongoing increase in units produced our CO₂ emissions increased by 4.9%. Unit CO₂ emissions per sales were improved by 4.5% on a value of shipment basis.

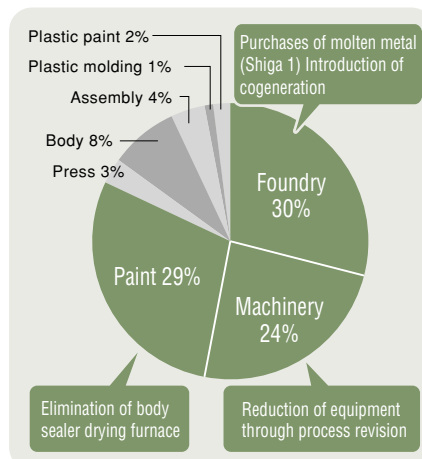
While we foresee a continuing increase in units produced, we will continue to improve our energy efficiency, and expect to meet our 2010 CO₂ emissions reduction targets.



Total CO₂ emissions of production plants (including Daihatsu Kyushu)



CO₂ emissions per 100 million in sales (including Daihatsu Kyushu)

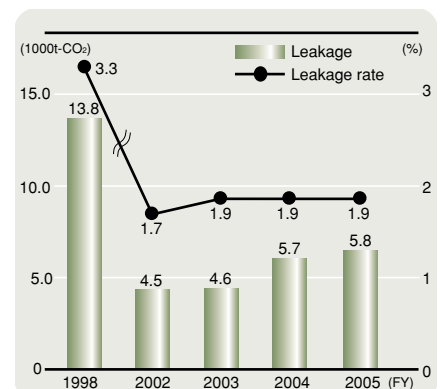


CO₂ emissions rate by process and activities (Daihatsu only)

• Collecting substitute CFC

The substitute CFC cooling medium for air conditioners, HFC 134a, has a greenhouse impact 1,300 times greater than CO₂, so even a minute amount has a great impact on global warming.

Daihatsu took action against leaks by installing "substitute CFC collection equipment" for the collection of leaked CFC in the substitute CFC refilling processes at all plants by 2002. CFC substitute leaks in 2005 amounted to 5,800t-CO₂, in line with the previous year.



HFC134a leakage into air (CO₂ conversion)

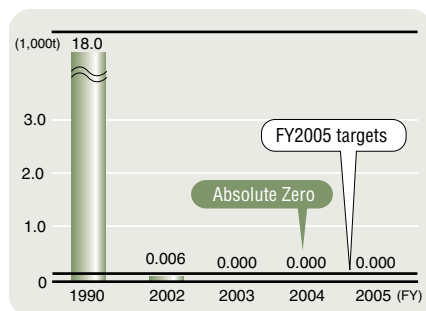
Reducing Waste and Resource Conservation

Low-waste manufacturing through resource conservation

• Reduction of direct landfill waste

Direct landfill waste is waste that goes directly from the plant to the landfill. In an effort to reduce direct landfill waste, we set our target level for such emissions at zero* at all factories. As a result of our efforts, we achieved our target in August 2001, two and a half years ahead of schedule. Recycling has been implemented at our facilities since December 2002, resulting in an annual volume of direct landfill waste of absolute zero.

* Daihatsu defines the "zero level" as 1% or less of the amount of direct landfill waste produced in 1990.

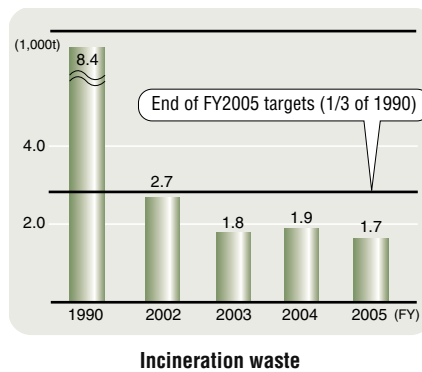


Direct landfill waste

• Reduction of incineration waste

Daihatsu has been engaging in efforts to reduce incineration waste as part of our activities to realize further reduction of waste. In 2002, incineration waste was reduced to 1/3 or lower than 1990 levels thus achieving the target set for 2005.

The 1,700t in FY2005 represents 11% below the previous year.

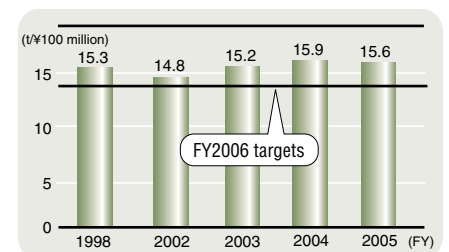


Incineration waste

• Measures for the Promotion of Recyclable Resources Law

In April 2001, the Japanese government established the Law for the Promotion of Effective Utilization of Resources (law promoting effective use of resources), in response to this law, in 2002 we drafted our By-product Reduction Plan, which establishes methods and targets for the reduction of scrap metal and casting sand.

In 2005, emissions of scrap metal and casting sand by shipment value stood at 15.6t/¥100 million.



By-product emissions per unit shipment value

Reduction of Substances of Concern

Production structure that prevents emissions of hazardous chemicals

• Making particular efforts in the painting process

Daihatsu implements thorough chemical management at every step, including the advance evaluation process for new materials, usage, and emissions.

Materials are purchased only after approval made through our "system for advance evaluation of new materials." We are making progress in reducing amounts used or substituting non-toxic alternatives for chemicals already in use.

We have also developed our own "internal system for tabulating PRTR-listed substances"¹, which we use for constant monitoring and control of the use and emissions of chemicals. Daihatsu is making particular efforts in the painting process, which accounts for 90% of all emissions. We seek to promote reductions in emissions, through painting efficiency and rinsing thinner collection/recycling.

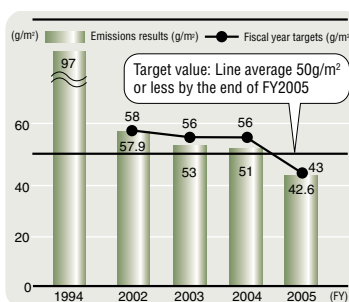
• Reducing VOC and PRTR-listed substances, centering on the painting process

Daihatsu achieved the FY2005 goal of 43g/m² VOC emissions² through improved rinsing thinner collection and other efforts. Our Oita (Nakatsu) Plant, which is a VOC

Model Production Line, achieved 12g/m², in comparison with the 2005 target of 20g/m².

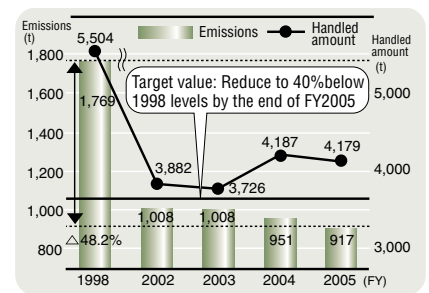
Daihatsu had by FY2002 achieved its FY2005 targets for PRTR-listed chemical emissions. We achieved a further 2% below the previous year (48.2% below 1998 levels) by adopting ECO-thinner (PRTR-free thinner). Daihatsu's chemical management efforts are showcased on the Minister of Economy, Trade and Industry's homepage (Industry efforts at chemical management).

http://www.meti.go.jp/policy/chemical_management/law/index.html
¹ Pollutant Release and Transfer Register: A system for registration of the volume of harmful chemical substances emitted or transferred as components of waste. It covers 354 substances considered harmful to human health and life.
² VOC (Volatile Organic Compounds): VOC is the acronym applied to a group of several hundred volatile organic compounds. VOCs contribute to photochemical smog, and are of concern with regard to their impacts on human health.



VOC Emissions per Unit of Painted Surface Area

* We have changed the measuring method of painted surface area to improve accuracy since 2005.



PRTR-listed chemical emissions

• Storage of equipment containing PCBs

We have finished recalling all of the condensers and other equipment containing PCBs (which cause harm to health even in small quantities) from three plants, with the exception of our Shiga Plant. We are executing strict control and storage of removed equipment containing PCBs at all worksites, as required by the "Special Measures for Disposal of PCB Waste Law." We plan to have completed proper processing of all such equipment by the legally mandated deadline (March 2015).

Storage of Equipment Containing PCBs

	Storage	In use
Head (Ikeda) Plant	66	0
Kyoto Plant	11	0
Shiga (Ryuo) Plant	19	75
Machinery Division (Former Tada Plant)	16	0



Water Conservation

Production structure in which water use is reduced

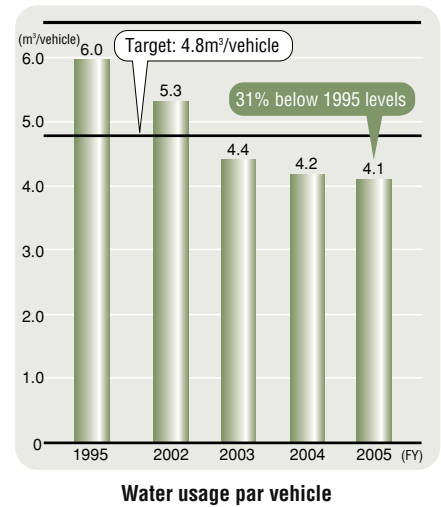
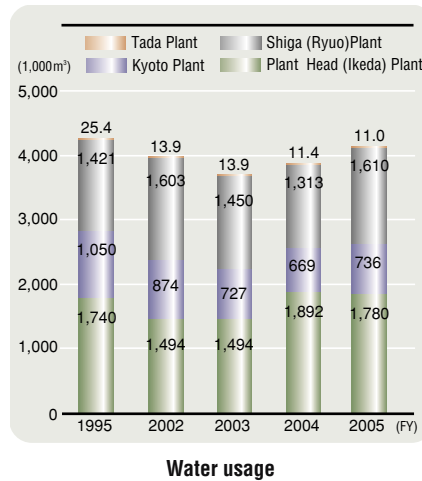
Water reduction efforts focusing on the painting process

Daihatsu has established a goal of "Reducing unit water usage per vehicle in our vehicle manufacturing plants to 20% below 1995 levels by the end of 2005", and has been making progress toward achieving that target.

We have been focusing our water use reduction efforts on the painting process, which accounts for most of the total water consumption at our production facilities. These efforts include an emphasis on water recycling; for example, the water used for the "main rinse" in the pre-treatment rinsing process can be used in preliminary rinses that do not require a high water quality standard.

In FY2005 we initiated new efforts such as using surplus steam from cogeneration systems to reduce the use of boiler water. This resulted in per unit water usage of

4.1m, representing 2.4% below the previous year (31% below the benchmark year of FY1995). We have continuously met our targets from FY2003 through FY2005.



Improving Efficiency in Transport

Reducing greenhouse gases due to transport

Promoting the modal shift

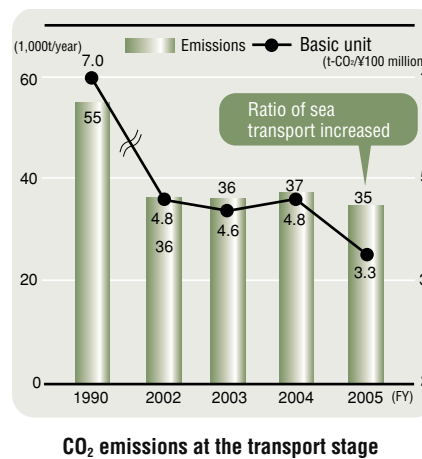
Through measures such as shifting to sea transport between Kansai and Oita, we were able to reduce CO₂ emissions at the transportation stage in FY2005 by 3.2% below the previous year. This represents 38% below 1990 levels.

[Modal shift]

We are actively undertaking a shift to sea transport, which is highly efficient, as a means to reduce CO₂ emissions. At present we have succeeded in shifting 64% of our shipments of finished vehicles to sea transport.

[High transportation efficiency]

We are seeking to increase the efficiency of our shipping by truck and to optimize our trucking routes. We are also actively promoting joint shipping with other auto makers so as to reduce deadheading.



Freighter purchased for shipping finished vehicles (Nakatsu ~ Amagasaki Harbor)

Reducing Packaging Materials

Promoting resource conservation during transport

Reducing packaging materials

We used 5,500 tons of packaging materials in FY2005, 18% below the previous year. This also represents 59% below FY1995 levels.

[The switch to returnable containers]

We have made the switch from cardboard to returnable containers for parts shipped by our suppliers. 60 companies were added in FY2005, for a cumulative expansion to 330 companies.

[Simplification of packaging material]

We are also taking steps to simplify packaging material. In FY2005 we revised packaging for front disc brakes and airbags.

