

A Stakeholder Meeting was held to discuss the themes of "Expectations towards the prevention of global warming" and "How should we approach society?" (Opening Date: June 15, 2007.)

## Is Isuzu contributing to the prevention of global warming?

**Masui:** Isuzu is a company that is well-known for its diesel engine. Its diesel engine technology has been highly acclaimed, even by competitors, and Isuzu's contribution to the environment through engineering power is worthy of high acclaim. However, the environmental issue is not the kind of issue that can be solved through the efforts of one company alone. To achieve higher effects, mutual cooperation among administrative bodies, cargo shippers and logistic service providers are indispensable. As a leading company, we think we need to focus more on this aspect in future.

**Sato:** We often hear favorable comments from truck drivers about Isuzu's Smoother<sup>1</sup> technology. Giving consideration to the fact that

even drivers with a license limited to automatic vehicles can drive these vehicles, which reduce driver fatigue, and that environmental performance has been improved, the quality of the model as a truck has been drastically enhanced. This model is worthy of receiving high acclaim for this aspect. On the other hand, further verification may be needed in the future to determine whether or not a real improvement in fuel efficiency has been achieved.

**Yokoe:** Aiming to reduce drive fatigue and improve fuel efficiency, the smoothness of the new ELF and FORWARD models has been limited to only an automatic shift transmission. Although considerable differences have been observed in fuel costs from driver to driver, these differences can be significantly decreased by adopting automatic shift transmissions. Please check this point for yourself, based on the statistics of the actual fuel cost.



**Kamoshida:** It is important to analyze the facts around us numerically, concerning issues such as fuel efficiency and global warming, because numerical data allows us to manage our environment more easily. In this sense, we admire efforts to reduce environmental impact through "Mimamori-kun"<sup>2</sup>, not to mention the high praise of Isuzu's diesel technology.

**Kaneko:** While the automobile industry makes products with a high environmental impact, it is also possible to contribute to the environment by improving fuel efficiency and making emission gas cleaner. We can evaluate Isuzu's approach to the new technologies, not only with diesel engines, but also in CNG vehicles<sup>3</sup>, for which Isuzu shares the top position. However, I think more positive public communication is needed to publicize these advantages.

**Tsutsumi:** The diesel engine and *Mimamori-kun* are some of Isuzu's important efforts and I am much honored that these efforts are receiving favorable reactions. Furthermore, I take a pride that Smoother technology is making a significant contribution to the workload reduction in delivery work in a declining birth rate and aging society, because this technology allows female, young and elderly drivers to drive a truck safely and these members of the population are increasing in the total driver population.

more impressive if Isuzu is courageous enough to targeting a reduction by more than 8% in total CO<sub>2</sub> emissions because the Kyoto Protocol which serves as a target in our country adopted the total level system. It would give a better impression to the general public if we positively advocate initiatives based on the total level, to be consistent with the Kyoto Protocol.

**Sato:** Thinking of the fuel costs, the effect of idling while waiting for traffic signals is very significant. Nevertheless, considering that vehicles require temperature control, idling may cause the compromising of cooling performance. While this may be the type of issue to be addressed by automotive equipment manufacturers, it is desirable that Isuzu, as a leading company in the commercial vehicle industry, be more committed to this aspect in cooperation with the automotive equipment industry.

**Kamoshida:** It is critical to promote an initiative to educate more consumers so that they will have a better awareness of the significance of global warming. Not to mention that Isuzu can propagate this message to the general public through its manufacturing activities and drivers who use Isuzu products may be able to play a role in delivering this message. I expect that Isuzu will reinforce its ability to involve these parties in its approach to addressing environmental issues.

**Yokoe:** We participate in various events such as the "Eco-car World" and "Eco-Products Exhibition" every year to introduce Isuzu's ecological efforts, including our trucks, diesel engines, low-pollution trucks, *Mimamori-kun* and so on. We will continue these activities in the future, as they may inspire people to take part in various ecological initiatives.

**Tsutsumi:** Hearing the comments of all the participants in this session, I feel that we can be more proud of our efforts in versatile areas to protect the global environment. In addition, I feel that we need to renew our determination to make further commitments to preventing global warming.

## Expectations of the prevention of global warming

**Masui:** To take appropriate action regarding environmental issues, we need to allocate 50% of our efforts to technology and the remaining 50% to mechanism. Although it is easy to understand technology, it is rather difficult to understand the mechanism. To promote the prevention of global warming, creating a mechanism to support this initiative is the most critical issue. As *Mimamori-kun* is one of these mechanisms, I want to make it easier for the general public to accept it.

**Kaneko:** Isuzu is targeting a reduction in CO<sub>2</sub> emissions by more than 8% per unit over FY2004 levels by FY2010. However, it may be

## Participants



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### Participants from Isuzu



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## How should we approach society?

**Kaneko:** We have two proposals, namely, the “presentation of imaginative vision” and “creation of environmental activities promoting the users’ commitment.” I propose “imaginative vision,” because companies are requested to give dreams to the society they belong to. Based on this, I hope that Isuzu will advocate its vision that indicates the mechanism of green logistics in future, with the diesel engine as its core. It would give clear guidance to consumers, if Isuzu makes a proposal describing specifically how the diesel engine will be positioned in the future logistics industry. Concerning the “creation of environmental activities promoting users’ commitment,” on the other hand, one example may be the positive use of *Mimamori-kun*. Isuzu may contribute to tree planting, depending on the user’s eco-driving level by using *Mimamori-kun*. Such an ecological contribution by Isuzu as a reward for environmental activities conducted by its users may be a social activity that has great impact.

**Kamoshida:** The key element to enhancing consumers’ lives is logistics. Logistics ensure convenience in our lives. In this sense, Isuzu is always approaching society sincerely as a member that supports the logistics industry. I feel it is critical that Isuzu maintains this attitude in future. A company and society are tightly connected to each other through trust and contribution. While trust and contribution are eternal targets, you can expect a lot from hope if these two contact points are steadily established. When considering how Isuzu should approach society, my expectation is that Isuzu will establish an interface with society in a way that people can envision their hope in it. Namely, I hope Isuzu will contribute to society and society will trust Isuzu.

**Sato:** Referring to “stakeholders” in the narrow sense, it may mean truck users. However, if you consider this word from a broad standpoint, local communities and local residents should occupy a significant position. It is essential to appeal the importance of the roles played by logistics and trucks in our society in more positive manner. Riding in a truck is a truly enjoyable experience. When I participated in the trial driving of the new ELF, I was excited by its comfortableness and wide field of vision. The ideal way to appeal the importance and necessity of trucks is to communicate the fun of

driving them at the same time.

**Masui:** I want to make three proposals. The first one is the establishment of a KPI (Key Performance Indicator). People often say that environmental action is expensive and may deteriorate business performance if you spend too much money on it. However, it is essential to establish an index that contributes to the compatibility of business performance and environmental efficiency, based on our viewpoint that both business performance and environmental efficiency can be satisfied (business efficiency can be improved only by implementing environmental action). The second is the nurturing of fans. When we were children, we often toured a factory. After you visit a factory, you will become a long-term fan of the company. So, if we place more emphasis on invitations to our factory, we can nurture familiarity and a feeling of trust toward Isuzu among the general public. I hope this kind of activity takes place not only in Japan, but also worldwide. The third proposal is cooperation among companies. In this age of electronics, you can place order and make payment via the Internet. Nevertheless, you can’t deliver the ordered goods electronically. The logistics that deliver the goods from person to person, or from company to company, are indispensable in any age. To appeal this fact to society with the cooperation of cargo shippers and logistic service providers is very important.

**Yokoe:** It is very encouraging for us to hear the words like “imagination,” “hope” and “fan,” which have hardly been associated with manufacturing so far. It will provide significant guidance in our further efforts in environmental activities and social contributions. The things that Isuzu can do are limited. In this sense, I sincerely feel the importance of mutual collaboration across companies and industries. We should consider this point as one of our main emphases in future.

## Recommendations for the future of Isuzu

**Kaneko:** The cost of CSR has become a serious risk for companies. The power of shareholders is stronger in overseas countries and consumer movements are more active in comparison to the situation in Japan. No one can be assured that Isuzu is safe from being targeted by such parties. This factor can be a risk when it is



combined with CSR. We should be well prepared for any such situation. Because of this, it is critical to nurture fan populations or to encourage favorable reactions from the general public. Then the aspect of trust is also a very important from the standpoint of risk mitigation, not to mention the importance of nurturing feelings of trust that increase with the growth of the company in the global arena.

**Kamoshida:** From the global standpoint, traffic congestion in China and other Southeast Asian countries is considered to be a serious issue. Considering logistics in this context, it is one of the challenges to appropriately establish the positioning of trucks. Besides presentation of technologies and products, steady activities such as creating employment, developing human resources and building human networks in the local community are also critical for companies when they expand their business into the global arena and increase local production.

**Sato:** Speaking of traffic congestion, there is a strict regulation in Beijing that prohibits the entrance of trucks into the city center during the day. Because of this, delivery during the day is done with light vans or mini vans. It is worthwhile for Isuzu to consider including these models in its product lines, because these are not currently available. Furthermore, there is room to take local originality into consideration when designing vehicles, because regulations for emission gases are different from country to country. This issue should be reviewed together with the issue of addressing the imbalance in the development level of the road infrastructure and the number of vehicles.

**Masui:** I have three recommendations. The first is product deployment based on the identified concept of the role and significance of trucks in the global supply chain. I think this

approach will promote interesting product deployment. For instance, marine transportation is indispensable in logistical services between Japan and overseas countries. The most annoying part in this case is the loading and unloading of cargo. You need to have a truck that can address this challenge. The second recommendation is the creation of trucks that best match the specific regulatory requirements and road conditions in each country. For instance, if only unpaved roads are available in a country, safe and reliable vehicles must be supplied to those people. The third recommendation is the establishment of a quality assurance mechanism. With the progress of globalization, issues related to quality assurance may occur from an unexpected source. This is why we should constantly clearly identify who is responsible for each quality aspect. To achieve this, education to promote sincere attitudes to product quality is very important. Specifically, at overseas manufacturing sites, you need to take positive action for the education of human resources.

**Tsutsumi:** While it may sound like an unexpected fact, Isuzu developed its overseas business a long time ago and increased its performance steadily, in both production and sales. Furthermore, the company has been actively involved in employment creation and development of human resources in the local community of each country. In some countries, Isuzu represents the generic name for trucks. To reward those parties who have supported Isuzu to date, Isuzu is determined to contribute to local communities requiring supports for further growth in the future, also in fields not directly related to our core business. This is the realization of our company motto, “Isuzu will always mean the best.”



## Responding to the meeting

In the current meeting, we realized that Isuzu’s diesel engine and *Mimamori-kun* are attracting wide attention among people and we find it encouraging that they are highly regarded as efforts to contribute to the prevention of global warming.

While Isuzu advocates “See Technology” as its base concept of development, listening to various comments and opinions from the participants in this meeting, we are convinced that safety engineering, economic engineering and environmental engineering are tightly linked to each other and the direction that we are headed in is justified.

We are eager to make further commitments to development, production and

continuous improvement of these products in the future, as before.

To realize recommendations such as “imaginative vision” and “creation of fan populations,” we recognize that positive promotion and mutual collaboration among various parties including customers, companies in other sectors and people in local communities are critically important.

We will continue to provide opportunities to hear stakeholders’ opinions in the future. These opinions will serve as the basis for our efforts to be a company that supports environmental protection, including efforts to prevent global warming, and makes social contributions while ensuring close communication with our society.

(Tsutsumi/Yokoe)

1 “Smoother”: Manual transmission with an automatic gear shifting function. (See p. 10 and p. 27.)

2 *Mimamori-kun*: An advanced vehicle diagnostic and information system that analyzes driving data, provides advice for reducing fuel consumption and gives tips on safe driving. (See p. 29 and p. 30.)

3 CNG vehicles: Vehicles that use natural gas as fuel (See p. 27 and p. 49.)