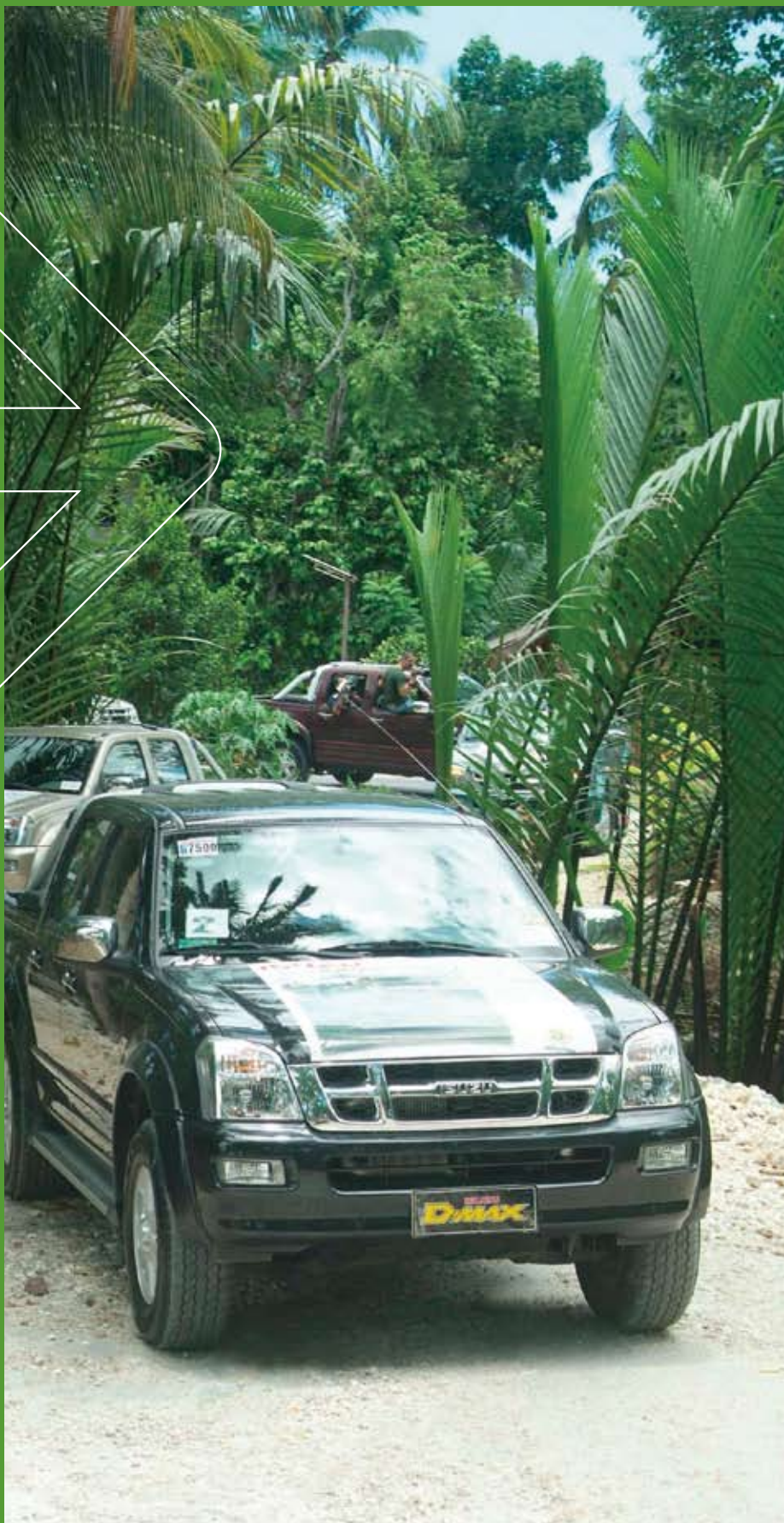


In April 2005, we launched our Mid-term Business Plan with the aim of becoming a global leader in commercial vehicles and diesel engines. For Isuzu, "global leader" does not refer only to profits, but also to our commitment to the environment and society.

Environmental & Social Responsibilities





Our environmental management vision

As an industry leader in environmental responsibility, we take a two-pronged approach—developing cleaner vehicles and minimizing the environmental burden of our manufacturing facilities. Isuzu currently has three steps in developing environmental products in terms of timeframe. In the short term, since diesel engines are fuel-efficient, we are working to make emissions cleaner while maintaining their advantages. In the medium term, we aim to reduce CO₂ emissions by making our products more fuel-efficient, and in the long term, from an energy security perspective, we are starting to reduce our dependency on fossil fuels.

Reducing environmental impact (product lifecycle)

Over 90% of the environmental impact caused by automobiles occurs during their use, and most of that impact consists of exhaust emissions such as particulate matter (PM), NOx and CO₂. Isuzu tackles the challenge of reducing emissions from the “hard” and “soft” aspects of our business. The “hard” aspect is developing clean diesel engines, while the “soft” aspect includes driver education programs on safety and fuel-efficient driving.

Isuzu works on reducing environmental impact of its vehicles and manufacturing facilities throughout the product life cycle. In addition to the efforts involved in the Team Minus 6% project, there are initiatives during the manufacturing stage to reduce industrial waste, managing and reducing environment-impacting substances, preventing air and water pollution, and encourage efficient resource use. At the disposal and recycling stage, Isuzu is active in recycling efforts such as improving vehicle disassembly and waste separation, reusing recycled materials and parts, and minimizing waste.

Environmental management/audit system

To tackle the environmental issues throughout the Isuzu group worldwide, we initiated a Consolidated Environmental Management System to regulate the activities of financially consolidated domestic and overseas manufacturers and sales companies, including subsidiaries and equity-method companies. The goal of Isuzu's Environmental Management System is continual reduction of the environmental impact caused by our business activities and to strengthen the company's environmental controls. We distribute the Isuzu Charter on the Global Environment to group companies to ensure the spread of our environmental activities worldwide.

Isuzu conducts annual audits to ensure that the Environmental Management System is being implemented correctly and to evaluate progress. There are one or two internal environmental audits per year, and monitoring and reviews by third-party certifying organizations. All domestic plants and the Engineering Division were monitored in fiscal 2004 and no problems were found.

Environmental-friendly products (ELF CNG, hybrid)

The two mainstay eco-friendly vehicles in Isuzu's current product range are hybrid and compressed natural gas (CNG) powered vehicles. The ELF CNG-MPI is the latest model of Japan's best-selling CNG vehicle, with approximately 70% market share. With its multipoint injection (MPI) system with

highly precise electronic controls, the new ELF CNG-MPI became the first vehicle in Japan to meet the CNG vehicle emissions standards of the New Long-Term Emissions Regulations. This model achieved the cleanest exhaust emissions of all clean energy vehicles. It produces virtually no PM or black smoke emissions, and boasts low-noise performance, making it ideal for early morning and late evening deliveries in urban areas.

Diesel hybrid vehicles are highly fuel-efficient and emit low levels of CO₂. The ELF Hybrid is a practical clean energy vehicle with no facilities constraints in that it can use existing diesel refueling facilities. Featuring the newest diesel engine and a hybrid system optimal for light-duty vehicles, it is assisted by an electronic motor and highly efficient to operate. Compared with the 2003 emissions regulations, fuel consumption was reduced by 35%, CO₂ emissions by 25%, PM by 85%, and NOx by more than 25%. The ELF Hybrid offers 10–20% better fuel efficiency and 9–17% less CO₂ emissions than current diesel models in general city driving.

Environment-friendly plants

An example of Isuzu's ongoing efforts to reduce environmental impact is the upgrading of the cogeneration system at the Fujisawa plant, which is Isuzu's main manufacturing plant. The new cogeneration system replaces the first system introduced in 1991, which used a turbine powered by natural gas to generate electricity and reused the waste heat to generate additional electricity and steam for plant air-conditioning and some production processes. Isuzu improved the efficiency of the system's power generation by replacing the turbine with a gas-powered engine. The fuel for the system's boiler was also changed from heavy oil to natural gas. As a result, the new system consumes 4.3% less energy and releases 10.2% less CO₂ emissions than the previous system. The power output has increased 4.5 times to 18MW/h.

Social Responsibility

Isuzu addresses its responsibility to local and wider communities in multiple ways. In Japan, we take part in local events, support community service initiatives like working with the disabled, and participate in environmental clean-up activities. We engage in similar activities overseas.

Isuzu group and its employees have also been active in providing financial and material assistance to the victims of earthquakes and tsunamis, floods and landslides, and weather and other calamities—all around the world. Since 2004, they have given over ¥90 million, beginning with ¥23 million in cash donations and materiel following the October 2004 earthquakes that struck Niigata, Japan, and extending to ¥1.5 million for the victims of February 2005's mudslides in the Philippines, ¥7.2 million for those affected by Hurricane Katrina in the U.S. in September 2005, ¥5.6 million for the victims of the October 2005 earthquakes in Pakistan, and—most recently—¥12 million to help the people of central Java recover from the May 27, 2006, earthquake and its aftershocks. Most significantly, Isuzu group and its employees contributed some ¥41 million in cash, materiel, and labor (including traveling repair teams to fix broken down vehicles) to help those whose lives were affected by the December 2004 earthquakes off Sumatra (Indonesia) and the resulting tsunamis.