

Environmental Vision

A transformation into a recycling-oriented society where economic activities are conducted in harmony with the environment is critical to passing on the precious earth to the next generation in a sustainable condition. In addition, in February 2005, the Kyoto Protocol came into force, expanding the scope of companies' roles and social responsibilities.

The Sanden Group's proactive steps to protect the environment include efforts to establish an independent environmental management system, obtain ISO 14001 certification at domestic offices, and achieve zero emissions at manufacturing sites. As a corporate citizen with global operations, we are committed to establishing environment-friendly activities. To this end, we have developed a long-term environmental vision aimed at reducing the environmental impact of our operations as we grow and the entire Sanden Group, including its affiliates and employees, is moving forward with environmental activities.

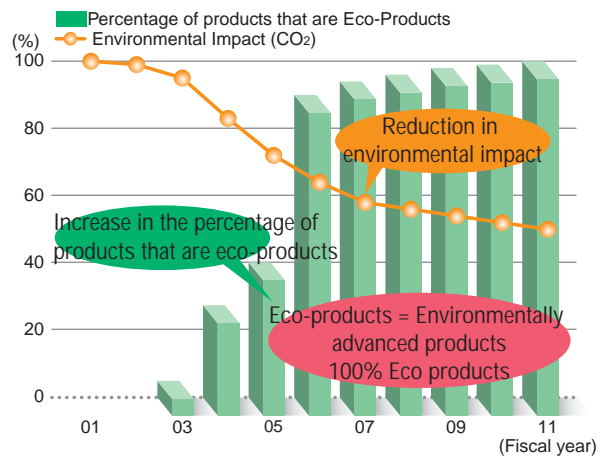
Eliminating every possible loss in the Product Life Cycle to Expand Our Lineup of Environmentally Advanced Products

Analysis of the Company's major products using life cycle assessments (LCAs) show that energy burden at the time of use accounts for more than 90% of overall environmental impact. Thus, the most effective way to reduce our impact on the global environment is to enhance the energy efficiency of our products during operation. Therefore, we are shifting the focus of our Companywide development activities to making marked improvements in this area.

In response to the move to a recycling-oriented society, Sanden is promoting energy efficiency-oriented development, product recycling, complete elimination of the use of hazardous substances, and green procurement. In addition, we have established a system wherein products that excel in these areas may bear the Sanden Eco-Label for environmentally advanced products and are actively encouraging customers to make use of this system.

Going forward, we will continue to pool our collective strengths to reduce our impact on the global environment through these and other activities.

Percentage of products that are Eco-Products Environmental Impact



To reduce the environmental impact of our production activities, we are working to cut energy use 10% from the fiscal 1990 level by fiscal 2010 through the promotion of energy conservation.

Sanden regards energy conservation as a key management task and is taking steps to prevent global warming while moving forward with production reform. In 1999, the Company's focused energy conservation initiatives started to produce results, reversing the upward trend in energy consumption (on a CO₂ conversion basis) that accompanied the expansion of operations. Nevertheless, energy consumption is currently on the rise due to the reorganization of plants, introduction of new manufacturing processes, and further expansion of operations. Sanden is implementing reforms focused on cutting energy use through efforts on the part of every employee to conserve energy along with the establishment of a long-term vision and judicious capital investment.

In addition, we will continue to work aggressively to maintain zero emissions at plants where this goal has been achieved and reduce the use of hazardous substances.

CO₂ Emissions

