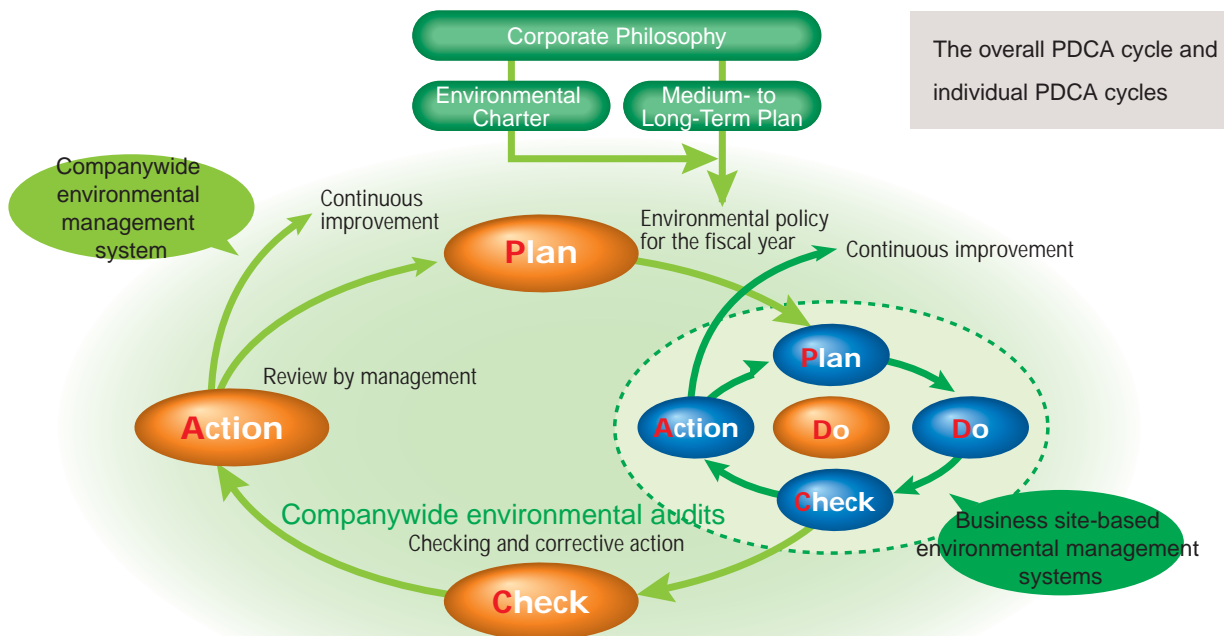


Environmental Management System Overview

Sanden strives to keep the management cycle for the Group's environmental preservation activities (overall PDCA cycle) and the environmental management cycles of each ISO 14001 certified business site (individual PDCA cycles) in sync (chart below).

Sanden has established an environmental policy for the fiscal year based on its Environmental Charter and Medium-to-Long Term Plan, which are rooted in its Corporate Philosophy, and the objectives of this policy are being pursued through business site-based environmental programs. Internally, Companywide environmental audits, which include management reviews by an Environment Officer[JS6], are conducted several times a year to ensure that the environmental preservation activities of individual business sites conform to Companywide policies and plans. Audit results are incorporated in the following fiscal year's environmental policy to encourage ongoing improvement.



ISO 14001 Certification

Sanden is in the process of establishing and putting into operation environmental management systems based on the international standard for environmental management (ISO 14001) throughout the Group—from manufacturing and sales bases in Japan and overseas to affiliates. We have already established environmental management systems and received ISO 14001 certification at three of our production and all of our sales sites, including the Tokyo Headquarters, in Japan. In addition, 10 of our domestic affiliates and 18 of our overseas affiliates in the United States, Europe, and Asia have in place ISO certified environmental management systems.

The Sanden Group has moved forward with its ISO certification efforts on a global basis, aiming to achieve certification for all its major business bases in Japan and overseas by the end of fiscal 2004. Although certification has been obtained at domestic affiliates as planned, at overseas affiliates established after 2000, environmental preservation activities will begin once internal frameworks have been established.

Our next goal is to acquire integrated certification throughout the Group by fiscal 2007 to promote strong, proactive multifaceted efforts to protect the global environment as a global corporation.

Companies That Received ISO 14001 Certification in Fiscal 2005

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|---|
| Laguna Air-conditioning System Philippines, Inc. (LSP) |
| Sanden (Shanghai) Automotive Air-Conditioning Co., Ltd. (SSA) |
| The Vendo Company (VDA) |
| Sanpak Engineering Industries (P.V.T.) Ltd. (SPK) |

ISO 14001 Certified Companies/Business Sites (As of May 2004)

