

Sanden Eco-Label

In fiscal 2002, we introduced the Sanden Eco-Label program to promote the development of eco-products and actively provide customers with environmental information. Under this program, products that demonstrate an outstanding level of environment-friendliness in their respective product life cycles and thus contribute to the protection of the global environment are designated "Eco-product" and may bear the Sanden Eco-Label. In fiscal 2004, 92 products earned Sanden Eco-Label certification-29 canned beverage vending machine models, 60 models from four series of showcases, and, for the first time, three products offered by the Living & Environment Systems Division.



We believe that the best way for us to help protect the global environment is to develop Eco-product and encourage customers to use these products. In product development, we are actively working to save, contribute to the establishment of a sustainable society through product recycling, and completely eliminate the use of hazardous substances as part of efforts to achieve our goal of obtaining Sanden Eco-Label certification for all products by 2010. In fiscal 2004, 49% of products were certified, exceeding our target of 40%.

Turning to sales activities, our work to achieve our newly established environmental target for fiscal 2004 of increasing the percentage of Sanden Eco-Label product sales to 25% of total sales paid off, as we raised the percentage to 28%.

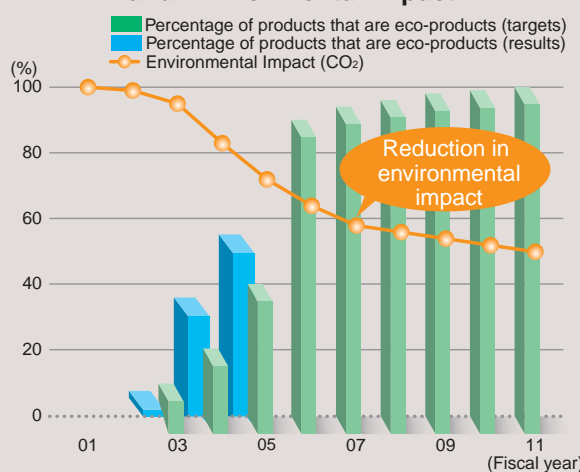
Product assessment standards are fundamental to the Sanden Eco-Label. In 1996, we began conducting simple assessments of products designed to be environment-friendly, focusing on energy efficiency and recyclability, as part of activities to attain ISO 14001 certification. In 1999, we created a Companywide working group to manage new product assessments and commenced initiatives to develop environmentally advanced products in response to stronger demand for eco-products.

Under the current system, evaluation items are selected and targets are established for each business area based on various environmental issues, laws, and regulations as well as industry association information. Specifically, in the early stages of design, target values are set for each evaluation item and a wide range of materials, organizations, structures, and technologies are considered throughout the design process to overcome obstacles to meeting these targets. Then, in the evaluation stage of product development, progress toward achieving these targets is assessed.

The first product to achieve Sanden Eco-Label certification-a cup-type coffee vending machine-won the Chairman's Award in the Fiscal 2003 Energy Conservation Awards sponsored by The Energy Conservation Center, Japan.



Percentage of Products that are Eco-Products and Environmental Impact



Sanden Eco-Label Criteria

Products must meet the following three requirements to carry the Sanden Eco-Label

1. Products that meet assessment standards
2. Products that are particularly environment-friendly
3. Products that are manufactured at an ISO 14001 certified plant

Sanden Eco-Label Process

- Divisions: Proposals
- Recommendation Review Committee: Technology Strategy Council members
- Approval Committee: Plant Management Council members
- President makes final decisions