

Sanden Achieved Good Results in All Categories, Including Development, Production, and Management.

Guidelines Are Being Implemented Globally, Principally to Deal with Additional Problems.

Sanden's environmental preservation activities are based on its Environmental Guidelines, which were prepared from the Company's Environmental Charter and Environmental Vision, which are, in turn, based on Sanden's Corporate Philosophy. Specific activities include solving environmental problems that arise at various business sites and taking steps to prevent the emergence of latent issues.

Major Accomplishments of Environmental Programs in Fiscal 2006

We divide the environmental activities we carry out into three broad categories: product development, manufacturing activities, and management. The principal results of these environmental activities are summarized below.

Category	Environmental Target (Reductions refer to reductions from the previous fiscal year level)	Performance in Fiscal 2006
Product development	Accelerate the development of Eco-Products, raise the percentage of products that are Eco-Products to 85% (Food distribution)	<ul style="list-style-type: none"> Reached 85% of targets, primarily in the vending machine and showcase businesses
	Create innovative technologies, promote conservation of energy during use.	<ul style="list-style-type: none"> Automotive Equipment: Developing methods to improve COP and reduce OFF drive refrigerant leaks Retail system equipment: Newly developed models Reduce energy consumption (compared with previous models of the same type of equipment) by 30% Vending machines/showcases: Achieved industry-leading vending machine standards regarding energy conservation
	Save material in products and improve recycling ratio.	<ul style="list-style-type: none"> Automotive Equipment: Shift to lighter materials, improve ease of disassembly of parts Vending machines/showcases: Reduce weight through reduction in the number of parts
	Promote green procurement, completely eliminate the use of substances that are restricted in the EU	<ul style="list-style-type: none"> Automotive Equipment: Completed all responses Conduct PRTR-related surveys among suppliers Food-related equipment: Completed gradual transition
	Reinforce our appeal to customers to purchase Eco-Products, raise the percentage of Eco-Products sales to 45% of total sales (Food distribution)	<ul style="list-style-type: none"> Eco-sales ratio: Reached 40%
Manufacturing activities	Reduce volume of energy used per unit of production by 10%	<ul style="list-style-type: none"> Cut energy consumption (CO₂ equivalent) by 11% (vs. FY99)
	Reduce waste per unit of production by 5%	<ul style="list-style-type: none"> Cut unit base by 19%. Reduce absolute volume by 410 tons (at Sanden, compared with the previous year) Introduced MFCA methods (in three departments and four subsidiaries)
	Reduce the volume of harmful emissions from manufacturing processes (automobile equipment)	<ul style="list-style-type: none"> Reduced emissions by 40% through reduction in use of methylene chloride Increased recovery rate to 60% through improving the rate of recovery of fluoride gases in experiments Promoted development of technology to make cleansing unnecessary
	Investigate and reduce the environmental impact at the transportation stage	<ul style="list-style-type: none"> Determined environmental impact based on the revised Energy Conservation Law Improved overall efficiency of truck use
Management	Promote "eliminating every possible loss"	<ul style="list-style-type: none"> Conducted activities to improve awareness through patrols in the workplace
	Promote consolidation of environmental management systems at each business site in Japan (with target date of fiscal 2007)	<ul style="list-style-type: none"> Began consolidation at each business site
	Expand green procurement activities with suppliers	<ul style="list-style-type: none"> Automotive Equipment: Continued to implement by IMDS Food-related Equipment: Green procurement management system now being developed
	Ensure that each plant do not cause environmental pollution in neighboring areas	<ul style="list-style-type: none"> No environmental pollution in vicinity of plants Formulated measure for preventing atmospheric emissions of flax
	Actively promote volunteer activities as part of social contribution activities	<ul style="list-style-type: none"> Held events to enable participants to experience nature at the Sanden Forest Participated in the Environmental Festival held by Isezaki City Participated in tree-planting activities

Major Environmental Targets for Fiscal 2007

The Sanden Group aims for the entities in its Group to become Global Excellent Companies by promoting a corporate culture that "eliminate every possible loss" and "promote environmental activities by all personnel." In addition, we are scheduled to introduce our Environmental Action Guidelines, which we prepared the year before last as an outline of environmental activities suited to Global Excellent Companies, throughout our operations around the globe to deal expeditiously with the bewildering changes in environmental regulations and the emergence of environmental issues.

The Five Environmental Action Guidelines

1. Develop environmentally responsible products and environmental technologies
2. Conduct green procurement, sales, and service activities
3. Conduct environmental protection activities that promotes cost effects and environmental improvements
4. Upgrade the environmental management system
5. Increase community activities involving the environment