

Major Accomplishments of Environmental Programs in Fiscal 2008

We divide the environmental activities we carry out into four broad categories: eco-products, eco-factories, eco-management, and social contribution. The principal results of these environmental activities during fiscal 2008 are summarized below.

Category	Environmental Target	Results of Activities	Evaluation
Eco-Product (Product Development)	Increase the share of products that are eco-products to 95% (Retail Systems Business)	· Increased the eco-product share to 88%	△
	Attain vending machine top-runner standards in advance for 80% of products (2012: top-runner standard compliance for 100% of products)	· Attained vending machine top-runner standards in advance for 60% of products	△
	Obtain EcoLeaf certification for vending machines (heat pump products)	· Obtained certification for 19 product models	○
	Expand sales of eco-products	· Attained targets for vending machines, store products, and store master Did not attain target for Eco Cute* products	○ ×
	Create innovative technologies and reduce environmental impact associated with product use.	· Commercialized non-fluoron freezing/refrigerating system · Developed heat exchanger for use with replacement refrigerant (CO ₂) systems · Developed diverse Eco Cute products · Developed electric-powered compressor for use with CO ₂ and new refrigerants	○
	Create environmental businesses appropriate for a recycling-oriented society	· Commercialized environmental businesses appropriate for a recycling-oriented society	○
Eco-Factories (Manufacturing Activities)	〈Japan〉 Reduce volume of energy used per cost-of-sales unit by 10% (from level in previous year) 〈Overseas〉 Reduce volume of energy used per cost-of-sales unit by 5% (from level in base year)	· Volume of energy used per cost-of-sales unit +12% (total energy consumption associated with manufacturing operations -6%) · Volume of energy used compared to base year -3%	× ×
	〈Japan〉 Reduce volume of waste generated per cost-of-sales unit by 5% (from level in previous year) 〈Overseas〉 Reduce volume of waste generated by 5% (from level in base year)	· Volume of waste generated per cost-of-sales unit +10% (total waste generated during manufacturing operations -5%) · Volume of waste generated compared to base year -3%	× ×
	Maintain recycling rate of 99% or higher (zero emission) performance	· Maintained recycling rate of 99% or higher (zero emission) performance	○
	〈Japan〉 Reduce water use volume (compared to reference year (2005)) 〈Overseas〉 Reduce water use volume (compared to reference year)	· Reduced water use volume 5%	○
	Reduce harmful chemical material emission volume (automotive business)	· Thorough fluoron recovery for experimental trials (average of 52%) · Full phaseout of dichloromethane	○
	Promote green distribution methods that reduce environmental impact at the transportation stage	· Energy use per distribution unit -2.0% (total energy use at the transportation stage -15%) · Implemented measures to use cooperative transportation systems rather than exclusively chartered vehicles, shift to appropriately sized vehicles in line with load volumes, and increase vehicle loading ratios	×
	Promote "eliminating every possible loss"	· Held morning environmental meetings and safety health and environment conferences · Implemented environmental patrols	○
Eco-Management	Expand application of environmental appraisals (visualization)	· Expanded use of MFCA method (at one division and one domestic Group company) (visualization of supply chain losses) · Expanded use of LCA method (development departments) (visualization of environmental impact of principal products)	○
	Expand green procurement activities and reduce use of harmful chemicals in line with EU and other regulations	· Continued conducting supplier surveys, implementing study meetings, and using replacement materials · Completed preliminary registration for REACH	○
Social Contribution Activities	Act as an excellent corporate citizen by proactively undertaking environmental preservation activities in local communities	· Held the Sanden Eco Festival · Undertook Ashiodozan region tree-planting activities (organized by Ashio Green Growing Association) · Participated in the Gunma Prefecture unified beautification campaign · Participated in the Isezaki Environment Festival · Non-fluoron freezing/air conditioning system eco-product exhibition	○
	Proactively contribute to local communities by participating in social contribution activities!	· Participated in the Akagi Nature School · Participated in the global warming countermeasures regional conference	○

*"Eco Cute" is the nickname given to CO₂ natural refrigerant heat pump hot water supply systems that have been promoted by electric power companies and by companies manufacturing and marketing these units.

Environmental Risk Management

To prevent environmental accidents related to such substances as oil and chemicals, the Sanden Group is implementing thorough environmental risk reduction measures.

In particular, we have identified materials, facilities, and equipment with the potential for causing such environmental accidents as spills or leakage during transportation, storage, or usage processes. Having done that, we are undertaking such initiatives as those to plan and introduce daily management processes for those potential risk sources as well as install monitoring equipment. Regarding diverse kinds of environmental impact, we have autonomously

adopted in-house regulations that are stricter than national or regional regulations, and we are striving to maintain rigorous compliance with our extra-strict regulations.

To prepare for the possibility of an accident, we have prepared emergency response manuals and such provisions as sandbags and oil mats. We also regularly conduct emergency response drills. In these and other ways, we are doing our utmost to ensure the prevention of accidents with environmental impact.

Environment-Related Accidents/Complaints

In fiscal 2008, there were no environment-

related accidents or complaints involving the Parent Company or other domestic Sanden Group companies.

In the United States, Group company SandenVendo, America Inc. continued to implement remediation measures regarding ground and groundwater pollution at the site of a former plant.

In Thailand, STC (Sanden (Thailand) Co., Ltd.) discovered based on an analysis of its effluent water handled by Rojana Industrial Park that certain water quality standards were being exceeded. Having already implemented corrective measures and confirmed the effectiveness of those measures, we are continuing to conduct water quality analysis measures on a sustained basis.