

■ Environmental Accounting for the Parent Company

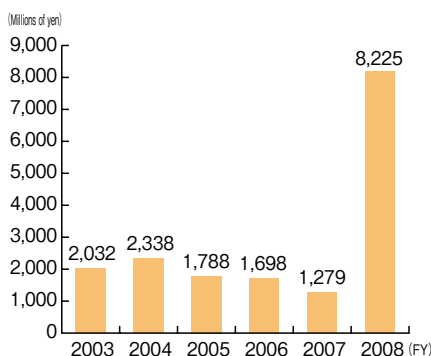
To promote efficient and effective progress in environmental protection activities, it is important to measure environmental protection costs and benefits in quantitative terms to clarify environmental protection tasks and facilitate rational decision-making processes.

Since 2000, Sanden has calculated environmental protection costs (in financial terms) and environmental protection benefits (in physical units) based on its own environmental accounting system, which was developed with reference to the Environmental Accounting Guidelines of Japan's Ministry of the Environment. We are currently moving ahead with environmental accounting activities at all Group companies in Japan and overseas, and we plan to progressively develop these activities going forward.

In fiscal 2008, our environmental accounting scope encompasses environmental costs associated with the parent company's facilities and Sanden Forest. Regarding environmental protection benefits, we are reporting on increases and decreases in "the environmental impact of resources used in business activities and emissions associated with business activities."

In fiscal 2008, environmental protection costs increased ¥6.9 billion from the level in fiscal 2007. Besides growth in such items as environmental protection-related capital investments at facilities and R&D investments related to environment-friendly products and systems, the rise in environmental protection costs reflects capital investments associated with the construction of the Sanden

■ Parent Company Environmental Protection Costs over Six Years



Note: Environmental protection costs include environmental protection investments and environmental protection costs.

Global Center of Technology (SGCT) in September 2008 (+ ¥1.7 billion) and the addition of R&D investments related to environmental technologies.

■ Sanden Group Environmental Performance Data

The Sanden Group employs environmental accounting to obtain important physical volume data regarding the amounts of energy used, the amount of CO₂ emitted, and the amount of waste generated. This data is used to evaluate the environmental protection activities of the parent company and of other Group companies in Japan and overseas.

While different countries use different methods of measuring CO₂ equivalents, to promote a good

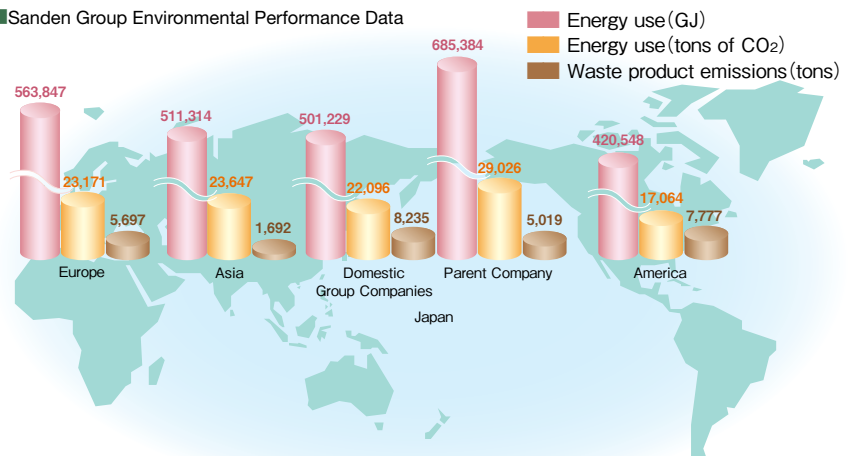
understanding of actual situations regarding environmental impact and environmental activities, we are consistently using a method based on that of the Environmental Activities Evaluation Program of Japan's Ministry of the Environment.

The Group's emissions of CO₂ in fiscal 2008 declined to 7% below the fiscal 2007 level, reflecting temporary suspensions of manufacturing operations in response to sharp changes in the economic environment as well as the thorough development and management of energy-conservation measures. Based on consideration of this result, all Group companies are moving forward with measures to achieve additional decreases in CO₂ emission volume and hydrofluorocarbon (HFC) usage volume.

■ Sanden Corporation Non-Consolidated Environmental Accounting for Fiscal 2008 Environmental Costs(100 Millions of yen)

Classification		Major activities and effects (from guidelines)	Investment	Expense
1) Business Area Costs			757	898
Breakdown	① Pollution Prevention Costs	Maintaining and administering pollution prevention facilities Cost of preventing water pollution (including soil contamination) Cost of preventing air pollution	—	108
	② Global Environmental Preservation Costs	Expense of energy conservation improvement promotion projects	757	35
	③ Resource-Related Costs	Resource recycling related costs Expense of treating and recycling recovered R141b	—	755
2) Upstream/Downstream Costs		Costs for the disposal of products and components	—	19
3) Administration Costs		Expense of monitoring and measuring environmental impact Health, Safety, and Environment Committee at each site	—	326
4) R&D Costs		Development of alternative refrigerants and environment-friendly compressors Development environment-friendly car air-conditioning technologies Development of energy-saving vending machines Development of energy-saving refrigerator/freezer showcases	1701	4280
5) Social Activity Costs		Sanden Forest environmental monitoring surveys and maintenance and tree-planting administration Akagi Clean/Green Eco Network (including Akagi Nature School) operation Operation of Akagi Club and Forest Kids NPOs	210	35
Subtotal			2668	5557
Total			8225	

■ Sanden Group Environmental Performance Data



※Figures for Sanden Mexicana S.A. de C.V. (SMX)—which became a consolidated subsidiary in May 2008—are newly included in the Americas region beginning with this report.

