

Environmentally Conscious Logistics

In cooperation with shipping contractors, Sharp is creating a system to accurately assess environmental impacts in distribution. In Japan, the Sharp Group as a whole is promoting initiatives to optimize transport methods and load efficiency. Sharp is also working to further reduce environmental impacts in distribution by setting a goal of slashing annual CO₂ emissions per sales unit^{*1} by at least 1%, a mandate for certain shippers specified under Japan's revised Law Concerning the Rational Use of Energy.

Objectives for Fiscal 2007	Achievements for Fiscal 2007	Objectives for Every Fiscal Year
Shift to environmentally friendly modes of transport Domestic railway cargo transport (container transport) ^{*2} : 15,600 containers	20,619 containers	—
Reduce CO ₂ emissions per sales unit by at least 1% from previous fiscal year by the Sharp Group in Japan	Reduced by 14% from previous fiscal year	Reduce by 1% from previous fiscal year

*1 CO₂ emissions per sales unit (t-CO₂/100 million yen) = CO₂ emissions (t-CO₂) ÷ net sales (100 million yen)
*2 Calculated based on 5-ton containers.

Energy Conservation Law Committee Assesses Environmental Impacts in All Areas of Distribution in Japan


In fiscal 2005, Sharp established the Committee for Compliance with the Energy Conservation Law as a Shipper. The committee assesses the environmental impacts of distribution and logistics in the areas of product sales, procurement and production, waste disposal, and parts^{*3}, and works to strengthen energy-saving measures in distribution across the Sharp Group.

Although only Sharp Corporation and its consolidated subsidiary, Sharp Electronics Marketing Corporation, are designated as specified shippers (shippers with large transport volume) under Japan's revised Law Concerning the Rational Use of Energy, Sharp has declared an objective of achieving an annual reduction in CO₂ emissions per sales unit of 1% or greater, a mandate for specified shippers under the law, for all members of the Sharp Group in Japan, including consolidated subsidiaries not so designated, and will promote energy-saving measures to reach this objective.

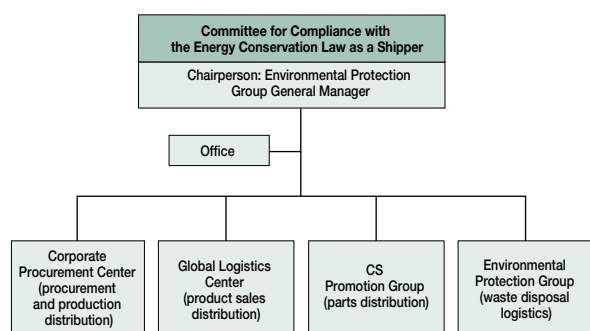
In fiscal 2007, the amount of cargo transported by Sharp Group companies in Japan (total weight by cargo category [t] x transport distance [km]) was approximately 185.5 million ton-kilometers (down 4% from the previous fiscal year). CO₂ emissions were 42,101 t-CO₂ (down 6% from the previous fiscal year), and CO₂ emissions per sales unit were 1.23 t-CO₂/100 million yen (down 14% from the previous fiscal year).

Sharp will continue expanding its energy-saving efforts, such as shifting to environmentally friendly modes of transport and improving transport and load efficiencies.

*3 Distribution of parts used for after-sales service, such as repair and maintenance of products.

 Data on distribution

System to promote energy savings in distribution



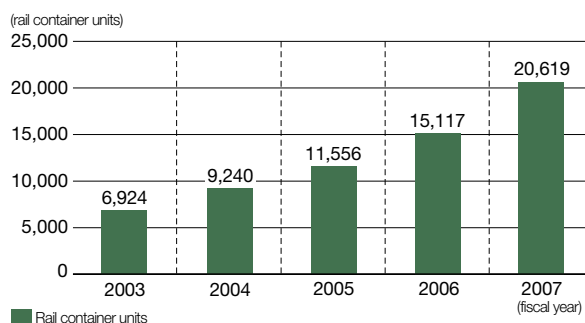
Shifting to Environmentally Friendly Modes of Transport in Japan

In Japan, Sharp is shifting from conventional trucking to more environmentally friendly transportation modes, such as rail and ships. In fiscal 2007, Sharp shipped 20,619 containers by railway freight transport (up 36% over the previous fiscal year).

For actively expanding the use of rail transport, Sharp's West Japan Logistics Center won the Excellent Shipper in Shifting Transportation Mode award (four years in a row) and a 2007 Commendation for Outstanding Railway Shippers.

In the future, Sharp will work to expand the shift in transport modes and switch from air cargo to high-speed ocean vessels.

Sharp Group's railway container shipments in Japan



Environmentally Conscious Distribution Worldwide

In the US, Sharp Electronics Corporation (SEC), Sharp's sales subsidiary, participates in the SmartWay Transport Program^{*4}. Of the total volume of products distributed by SEC, the weight of freight that complied with this program increased from 33% in 2005 to 98% in 2007. SEC is also working to promote wider participation in this program through logistics-related lectures. In 2007, at the second annual awards ceremony sponsored by the Environmental Protection Agency, the SmartWay Transportation Partnership honored SEC with an excellence award for these activities, the first company to win this award two years in a row.



Accepting the award of excellence for the second year in a row

*4 SmartWay Transport Program: A joint effort by the US Environmental Protection Agency and industry to promote environmentally conscious shipping and distribution.