

### A Trustworthy Member of Society, A Responsible Corporate Citizen

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Sanden began operations in 1943 as Sankyo Electric Co., Ltd, with operations located in the city of Isesaki in Gunma Prefecture. Over the years, the Company grew into a global organization with 51 business sites in 23 countries. I want to take this opportunity to express my gratitude to our customers and all other stakeholders who helped make this accomplishment possible.

Through the years, the corporate slogan "Delivering Excellence" has guided our operations. We have remained focused on providing customers worldwide with products, systems, and services of the highest quality. To fulfill this obligation, we are continuously executing the STQM (Sanden Total Quality Management) program, which uses methodology unique to Sanden. Thanks to STQM, major customers worldwide again gave us high marks for quality in the past fiscal year. This positive customer feedback reinforces our confidence that we are taking the right actions.

As we begin a new century, all Sanden employees are directing their energy toward firmly positioning our Group as a successful organization that offers significant benefits for all stakeholders. Our corporate vision is nothing less than to earn recognition as an outstanding company based on global standards. As one way to achieve this goal, we established mission and philosophy statements, the source of all corporate and employee activities, in 2003 when Sanden celebrated its 60th anniversary. One objective is "to grow as good corporate citizens, trusted by society and in harmony with the international community." Environmental protection elements are one means of achieving this objective. However, Sanden is also dedicated to training programs to develop employees skills, volunteering for charitable programs and other participation in community activities, and other social activities. Sanden Group companies and their employees will continue to base their actions on fulfilling our mission of remaining a responsible corporate citizen.

We are never satisfied with the current level of CSR programs. We have prepared this *CSR Report 2006* for the purpose of gaining the understanding of CSR activities by as many people as possible. This is essential to our ability to constantly upgrade our CSR programs. We look forward to hearing your thoughts and suggestions concerning this publication and our CSR policies.

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