

Corporate Ethics and Compliance

The Sanden Group will observe the following ten principles in full compliance with applicable laws, regulations and rules.
Principle 4 of our Corporate Philosophy: We will conduct our corporate activities in a spirit of sincerity and fairness based on a strong sense of ethics.

BASIC THINKING

This is defined as strict adherence to ethics and compliance, reflecting our Corporate Philosophy in our actions, and adopting the fundamental stance of sincerely fulfilling our social obligations as a company, including conducting various programs.

Sanden views corporate ethics and compliance as the implementation of the Corporate Philosophy, the basic commitment to sincerely fulfill its social responsibilities, and specific activities integral to that commitment. Specifically, this refers to

- (1) legal compliance, including international rules,
- (2) compliance with social norms,
- (3) complete adherence to in-house rules, and
- (4) a corporate culture that is both uniform and fixed.

Sanden views compliance as the basis for conduct in all daily work operations and carries out all business activities in accordance with laws and regulations.

COMPLIANCE ACTIVITIES

(1) Compliance Activity Planning

Compliance activity planning is handled in each division as a part of the action plan for the fiscal year.

(2) Raising Awareness of the Importance of Compliance

The Administration and Personnel Division is responsible for ensuring that employees understand the importance of compliance and adhere to compliance guidelines. Each department and business unit has a compliance officer and manager. These individuals oversee actions to give others an understanding of the importance of compliance and to make compliance a part of their daily activities. For this purpose, Sanden has prepared its *Sanden Philosophy Handbook* that explains the Corporate Philosophy and related items.

(3) Compliance Training

Sanden has a variety of training programs, including classes on compliance and on laws, regulations and contracts, that target new employees and employees with different levels of responsibilities. Training also includes information on new and revised laws and regulations so that employees can be certain that their activities are proper.

(4) Establishment of an In-House Hot Line

Sanden has created a page on its Company intranet devoted to corporate ethics and compliance, set up a discussion board specifically for exchanging views on compliance, and established a comprehensive consultation office where employees are free to ask questions and discuss any matters of concern.

We have established a system for submitting reports involving compliance problems. In addition, there is a hotline linked to inter-

nal and external parties that allows individuals to provide information concerning compliance problems.



■ Sanden Group Compliance Management System

