

# Sanden Is a "Global Environment Company."

Sanden has three principal businesses. A glance at a list of these businesses might suggest that they have little in common. However, the activities of all three businesses are based on concern for the environment—including the use of coolants, waste disposal, and other issues—and are founded on development, production, and services that aim to preserve the natural environment.

## Automotive Systems

Sanden develops, produces, and supplies compressors and heat exchange units, which are components essential for automotive air conditioners to automobile manufacturers worldwide. Our global share of the compressor market is estimated at 25%; our compressors are loaded on one out of every 4 vehicles around the world.

## Commercial Store Systems

Sanden develops, produces, and supplies freezer and refrigerator showcases used in convenience stores and other establishments and also does the same for automatic vending machines for beverages, food, and other items. Our share of the global automatic vending market is estimated at 30%.\* The vending machines and refrigerated showcases we sell include units using an environmentally friendly CO<sub>2</sub> coolant.

## Living & Environment Systems and Other Products

Sanden engages in the development, production, and marketing of equipment for the home, including EcoCute water heaters that operate on the heat pump principle. We also provide central heating systems and engage in IT-related markets with our wireless telecommunications modems. We are also working actively to enter and expand our activities in new business domains.

The core technologies common to these three business areas are "the control of cooling and heating." We are continuing to improve our products, which are used inconspicuously and as a matter of course in people's everyday lives, to help people enjoy even more pleasant living conditions. To this end, on a daily basis, we are striving to refine our cooling and heating technologies and bring them to an even higher level. Sanden is, therefore, a "Global Environment Company" that is continuing to expand and develop its operations on a worldwide scale by offering eco-friendly products.

\* Market share data is based on data estimated by Sanden.

## Framework of Our Corporate Philosophy

This is the organizational structure of the Company Principles that serve as the starting point for corporate activities in which Sanden Group intends to engage as a group of "Global Excellent Companies."

### Founding Spirit

**"Let Us Develop with Wisdom and Prosper in Harmony"**

"Let us develop with wisdom and prosper in harmony" means that we should use intelligence in combining our development and pioneering abilities to win prosperity for us all.

### Management Principles

- Satisfy our customers' needs with high quality products
- Contribute to the social and cultural improvement of the community through business activities
- Build a company of which all are proud, through the efforts of self-motivated employees

### Corporate Philosophy

Sanden's Corporate Philosophy comprises a preamble that serves as the starting point for all corporate activities of the "global excellent companies" of the revitalized Sanden Group and designates compliance as the basis for all operations, five universal values common to all peoples of all nations, and five general rules establishing the Company's basic stance toward its stakeholders.

### Vision

The Sanden Group should

1. Constitute companies which prosper
2. Unify the vitality of all employees
3. Positively contribute to the prosperity and well-being of Customers, Shareholders, Suppliers and the Communities throughout the world.

## GLOBAL EXCELLENT COMPANIES

### Sanden Total Quality Management (STQM)

STQM is the actions to accumulate daily effort of creative improvement while improving the quality of each management and each result, in order to build the company, which prospers in the 21st century.

### STQM SANDEN WAY

Sanden's original set of convictions, values and methods of the STQM SANDEN WAY as the cornerstone of own activities is shared, adopted, and practiced by everyone in the Sanden Group around the world.

### The organizational structure of the Company Principles



We have distributed this *Handbook of Company Principles*, which covers our basic approach to management, to all employees, and these precepts are put into practice in our daily business operations.

## What This Report Covers

This report covers the Sanden Group's corporate social responsibility (CSR) and environmental management activities for our fiscal 2007, ended March 31, 2007.

In principle, descriptions contained in this report, including articles and chronological tables, refer to events that took place in fiscal 2007.

The environmental impact and environmental accounting data contained in this report is for fiscal 2007.

However, this report also contains information regarding important subsequent events related to the environment\*.

\*Subsequent events related to the environment are events that transpired between the last day of the fiscal year covered by this report and the date of the issuance of this report and that are determined to affect the Company's environmental management conditions in the following fiscal year and beyond. Descriptions of important subsequent events related to the environment are provided as supplemental information to promote understanding of the Company's future environmental management conditions.

Environmental impact and environmental accounting data has been collected from major Group companies in Japan, North America, Europe, and Asia. Mentions of "the Sanden Group" may include references to companies from which data has not been collected for the purposes of this report.

## Guidelines Used in the Preparation of This Report

This report was prepared with reference to the Japanese Ministry of the Environment's 2003 Environmental Reporting Guidelines and the Global Reporting Initiative (GRI)'s Sustainability Reporting Guidelines

\*GRI is an NGO established in 1997 for the purpose of establishing worldwide guidelines for corporate sustainability reporting.



# SANDEN

Delivering Excellence

## The Meaning Behind Our Corporate Slogan "Delivering Excellence"

Our corporate slogan alludes to our commitment to ensuring customer satisfaction by creating new value and developing and delivering the very best in products, systems, and services.



## CORPORATE PHILOSOPHY

Established: November 1, 2003  
The Sanden Group (G-SDC) will observe the following 10 principles in full compliance with the laws and regulations, and rules.

### Basic Principles (Universal values shared by the global community)

#### 1 Good Corporate Citizenship and Harmony with Society

We will grow as good corporate citizens, trusted by society and in harmony with the international community.

#### 2 Respect for Human Rights

We will build a corporate culture founded on respect for individuals and human rights.

#### 3 The Environment

We will endeavor to preserve the environment in every aspect of our corporate activities to ensure that future generations will inherit our beautiful, irreplaceable earth.

#### 4 Corporate Ethics

We will conduct our corporate activities in a spirit of sincerity and fairness based on a strong sense of ethics.

#### 5 Safety and Health

We will enable our employees to achieve a healthy lifestyle by creating an environment that assures their health and safety.

### Basic Stance toward Stakeholders

#### 6 Customers

We will stand on the admired ability of engineering development and manufacturing, can offer products, systems and services, based on the QUALITY FIRST, that provide constant satisfaction to our customers around the world.

#### 7 Employees

We will grow together with our employees by creating an organizational culture that encourages free and vigorous communication imbued with a spirit of respect for humanity in line with our corporate culture of challenge and innovation.

#### 8 Shareholders and Investors

We will respond to the trust and expectations of our shareholders and investors by expanding the Sanden Group, enhancing our corporate value and making our management more transparent.

#### 9 Communities

We will respect regional customs and cultures around the world and contribute to the social and cultural development of the communities, which we are related with.

#### 10 Suppliers

We will grow together with our suppliers as business partners who provide our customers with the best possible products, systems and services on the basis of fair and transparent relationships.

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