

The Sanden Group will observe the following ten principles in full compliance with applicable laws, regulations and rules.

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

At Sanden, corporate ethics and compliance mean putting the Corporate Philosophy into practice and adopting a basic stance on faithfully fulfilling the company's social responsibilities or engaging in specific associated practical activities.

In concrete terms, this includes (1) through (4) below.

- (1) Compliance (including international rules and standards)
- (2) Compliance with social norms
- (3) Compliance with in-house rules
- (4) Establishment and diffusion of the corporate culture

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 its 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 adherence 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 Handbook of Company Principles that explains the Corporate Philosophy and related items.

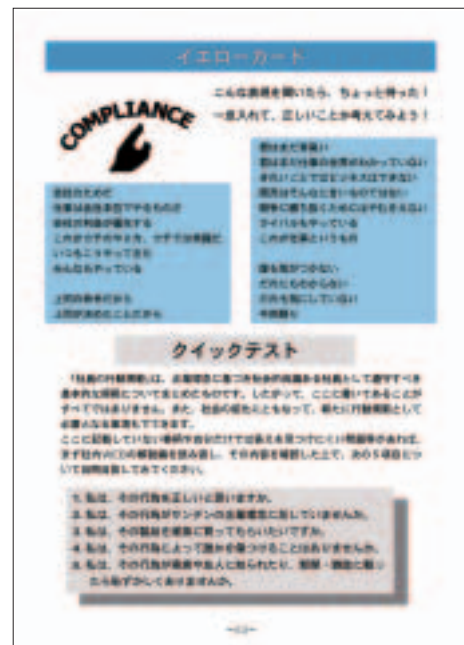
#### (3) Compliance Training

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



### Sanden Group Compliance Management System

