

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

■Expanding the Global Application of Original STQM Activities to Enable the Highly Efficient Manufacture of High-Quality Products

Sanden has emphasized quality control throughout the Company since the 1970s, when it began its "Zero Defects" drive to eliminate defective products. In 1986, Sanden engaged the leading person in the quality control (QC) movement in Japan and inaugurated QC instruction sessions. In 1994, we began our STQM (Sanden Total Quality Management) activities aimed at attaining top-quality management in all areas of the Company, including manufacturing, marketing, and administrative units. Based on the understanding that quality is the lifeline of management, we have worked to thoroughly raise management quality and the quality resulting from top-quality management ("results quality") through the cumulative results of sustained STQM activities aimed at creative improvement. To manufacture and then supply customers throughout the world with top-quality products as quickly as possible, it is indispensable to attain management quality and results quality at the same time. To this end, Sanden has instituted the STQM SANDEN WAY as a systematic manifestation of its own values, beliefs, and methods. We have gone on to make all staff members thoroughly aware of this way and have implemented STQM activities throughout the Sanden Group, with the goal of creating "Global Excellent Companies."

■Quality Management Systems

Having made it a corporate policy to relentlessly work to further increase our certainty of "building excellent products for customers," in 1993 we began building customer-oriented quality management systems at all our manufacturing facilities based on the ISO 9001 standard. This has enabled us to realize an outstanding record of development, manufacturing, and service activities that satisfy customer needs. Currently, all Sanden Group manufacturing facilities worldwide have either ISO 9001 certification or TS 16949 certification (The lat-

ter certification corresponds to ISO 9001 with the addition of certain requirements made by Western automobile manufacturers.).

■Realizing Quality Based on SQC-Based Quality Assurance Systems and SQC Meisters



SQC Meister Badge

In all its product development and manufacturing processes, Sanden undertakes scientific data-based quality assurance activities and does its utmost to create appealing products that customers can utilize with satisfaction and confidence. The Company designates employees who have attained a specified level of SQC skills and knowledge (QC Second Class level or higher as certified by the Japanese Standards Association and a graduate of Sanden's Quality Assurance (QA) school) as SQC Meisters. Responsible for building top quality into all Sanden products, these SQC Meisters are assigned to the Company's R&D and manufacturing facilities, where they perform their mission of ensuring that customers can be confident in the products we supply them with.

■Activities to Further Raise Customer Satisfaction Levels

To ensure that products are manufactured in line with feedback from customers who directly make use of those products, we have established a customer call center that handles product-related inquiries 365 days a year.

This feedback information is communicated to QA units at manufacturing plants, which analyze the information and ensure that the next generation of products will reflect customers' views.

Customer feedback obtained by marketing staff is similarly routed to the QA units and used as a reference in our daily efforts to satisfy a still-greater number of customers.



Finished product inspection process

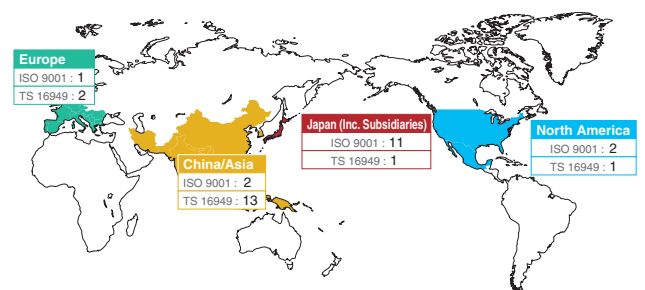


Fiscal 2008 Class of New SQC Meisters



Sanden Received the Japan Quality Control Award for 2002.

In 1998, the results of Sanden's quality control activities were recognized when the Company was awarded the Deming Application Prize. In addition, in 2002, Sanden received Japan's top prize in quality control, the Japan Quality Control Award. Along with these activities, Sanden implements aggressive Total Productive Maintenance (TPM) activities aimed at improving activities at production plants and development in each business field. These efforts were recognized in 2003 with the receipt of the TPM World Class Award. All of Sanden's production plants in Japan and overseas have received ISO 9001 certifications.



Number of Sanden Group Companies with ISO 9001/ISO 16949 Certification