

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.

### ■ “A Company Is as Good as the People It Keeps” Concepts



“Teamwork among employees and within the organization is the basis of a company’s prosperity.” This is the basic concept that lives on in the founding spirit of the Company. “In planning for one year, plant grain. In planning for 10 years, plant trees. In planning for 100 years, nothing compares to nurturing people.”

(Chinese philosopher Guanzi)

For a company to continue and develop for 50 or 100 years, people are important above all other considerations. Sanden understands the need to consistently develop superior human resources. Sanden’s founders made these words their guiding management philosophy.

### ■ Creating “A Corporate Culture of Challenge and Innovation”

#### ● Start of Sanden Management School

Aiming to ensure the sustenance and leveraging of STQM along with the identification and development of Sanden’s next generation of top executives, we began operating the Sanden Management School from February 2008. Currently, the number of graduates from the school has risen to 46.



With Chairman Ushikubo himself serving as a teacher, the school helps students learn Sanden-style leadership. In addition to such themes as “learning from the Company’s history” and the “a company is as good as the people it keeps” concepts, students are encouraged to consider the chairman’s experience, actions, beliefs, aspirations, dreams, and vision as a way of helping perpetuate Sanden’s corporate DNA.

#### ● Education by Job Classification

All Sanden Group employees—from new hires through managers—participate in training by job classification programs that promote greater awareness of the Company’s Corporate Philosophy and help employees acquire knowledge and skills in line with the actions required from people in their respective job classification.

In fiscal 2008, we augmented and strengthened programs for middle-level managers. To foster the development of leaders at an early stage, classes were organized for relatively young employees (youth circle leaders within small group activity programs), who learned the mental and technical aspects of problem solving and were encouraged to exhibit leadership in reform activities at their workplaces as a means of accelerating their personal growth.

#### ● Support for Employees’ Career Development

Based on the concept that “productivity is maximized when the values of individuals and the Company coincide,” each Sanden employee sets personal challenge goals, and the Company works to provide the employee with opportunities and positioning that help the employee enjoy the pleasure of surmounting challenges, attaining objectives, and realizing personal growth.

1. Based on communication between managers and subordinates, “Challenge Sheets” are utilized to integrate the development of Company policies and division policies with the autonomous goal setting of individual employees.

2. While emphasizing individual employees’ desires, measures are taken to offer challenging new jobs and work themes through the “FA System” as well as the “open, in-company recruitment system,” which offers employees additional career and personal development opportunities in different Group units.

3. We have established a career consultation office to provide individual employees with career-related information and advice. The office is always available to employees desiring career development support.

4. When employees are approaching the age of 40, which is commonly considered a major turning point in career development, they are invited to attend a “Life Plan Seminar.” These seminars encourage employees to review their work (skills, career) and private life to date and consciously lay life plans for their future personal progress, and the Company strives to give them opportunities in line with their plans.

#### ● Brother/Sister (BS) Trainer System

Newly hired Sanden employees can participate in a mentoring system known as the Brother/Sister (BS) Trainer System. After selecting a trainer, or mentor, from among an assigned group of relatively senior technical and marketing employees, participating employees are given training on how to deal with people and develop conversational power. Subsequently, they are given new employee guidance for about a half year.

By helping guide new employees, the relatively senior employees participating in the system are able to gain a better understanding of the importance of human resource development while also improving their own capabilities for providing guidance. In addition, the system helps ensure that new employees are smoothly accepted at their work sites and provides powerful support for new employees’ efforts to realize their full potential as adult members of society.

### TOPICS



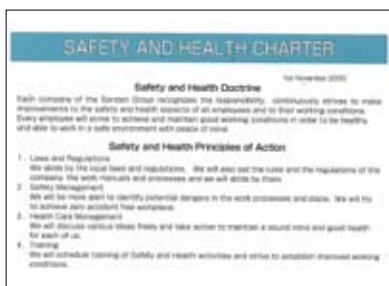
#### ■ Kurumin Mark

● In line with its responsibilities as an employer based on the “Law to promote measures to support the development of the next generation,” which took effect in April 2005, Sanden has drafted and implemented an employment environment creation action plan. We previously took such employment environment creation measures as those to introduce systems for leaves of absence and modified working hours in connection with childbirth and the nursing of relatives. In June 2009, we introduced additional systems including (1) a system providing for the rehiring of employees who retired due to such reasons as pregnancy, childbirth, child raising, the nursing of family members, the overseas work assignment of one’s spouse, or a move to a new location due to marriage and (2) a system to support the employment of employees using the child-raising modified work schedule system based on a contract with a baby-sitting company. As a result, the government has granted us a certificate attesting to our compliance with current standards for ordinary employers.

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

## ■Putting Our Safety and Health Philosophy into Practice

In accordance with our Corporate Philosophy, we established our "Safety and Health Charter" in November 2000, and are taking active steps to create a comfortable work environment that is healthy, safe, and secure for all employees.



## ■Safety and Health Management System

Having built a safety and health management system for the Sanden Group as a whole, we have developed activities aimed at ensuring we will be the first class among the leading companies with respect to safety and health. Specifically, we hold a safety and health environment convention each June for Sanden Group companies as well as the Group's component suppliers, and, based on our Companywide safety and health policy, we are setting targets as well as drafting annual action plans for each Group facility. By utilizing PDCA cycles in activities based on annual action plans, we have clarified the roles and responsibilities of each facility's safety and health officer and manager and other statutory managers and undertaken measures to upgrade the level of daily safety and health activities. These activities—including those related to safety and health committee meetings, safety and health patrols, and emergency response drills—have demonstrated excellent performance and firmly established good practices. We have also implemented regularly scheduled safety and health education programs with outside instructors, and our overseas facilities are developing safety and health activities that utilize PDCA cycles as a means of realizing a "spiraling up" of safety and health performance.

In addition, certificates of compliance with international Occupational Health & Safety Advisory Services (OHSAS) standards were obtained by Sanden International (Singapore) Pte. Ltd. (SIS) in July 2007, and by Sanden Manufacturing Poland Sp.z.o.o. (SMP) in December 2008. The receipt of these certificates has caused each employee to become strongly conscious of safety and health issues as well as helped upgrade the level of safety and health activities.

## ■Sanden Group Health Promotion Activities

As a means of responding to obesity-related problems, we have implemented programs involving convenient blood analyses, body composition measurement meetings, and health seminars. Many employees have participated in these programs, and these activities have effectively provided employees with the motivation to take good care of their health. Aiming to create health-friendly environments at each manufacturing plant, we have taken such health-building-support measures as those to introduce metabolic syndrome care offerings in cafeteria lunch menus and organize yoga and taijiquan (traditional Chinese shadow boxing) classes. In response to prime-of-life metabolic syndrome problems, Sanden has become a corporate participant in Gunma Prefecture's "Genki Gunma 21" (Healthy Gunma 21) program and organized cooking training meetings designed to counter metabolic syndrome.

## ■Job- Commuting-Related Accident Results (Sanden Company)

In fiscal 2008, the number of job-related accidents increased from the level in the previous fiscal year. Considering this to be a serious problem, we have renewed our efforts to thoroughly promote the consciousness of the need for "maintain zero accident" among all employees, and we are intensifying our related activities focused primarily on preventative measures.

(Fiscal Years)	2003	2004	2005	2006	2007	2008
Cases without lost workdays	3	9	14	3	9	12
Cases with lost workdays	5	0	2	0	0	2

## TOPICS

### ●Countermeasures to New Influenza Strains

Sanden has adopted the fundamental policy of giving top priority to (1) protecting human lives and (2) living up to its social responsibilities (in preventing infections and the spread of infections) while also (3) maintain business operations. The Company has proactively implemented new influenza strain countermeasures since 2005, when concerns emerged regarding the potential for a full-scale epidemic. With the goal of enabling a rapid response in the case of infections, we have made revisions to our action plan when necessary. In April 2009, when the H1N1 virus emerged, we established an action plan that provides for different responses depending on the level of viral pathogenicity (virulence). Currently, we are implementing countermeasures based on that plan in a global, Companywide manner. Going forward, we will continue gathering information on global trends regarding new influenza strain infections so that we can take the optimal measures required to protect employee safety.



■Convenient blood analyses



■Cooking training to counter metabolic syndrome



■Metabolic syndrome care menu item