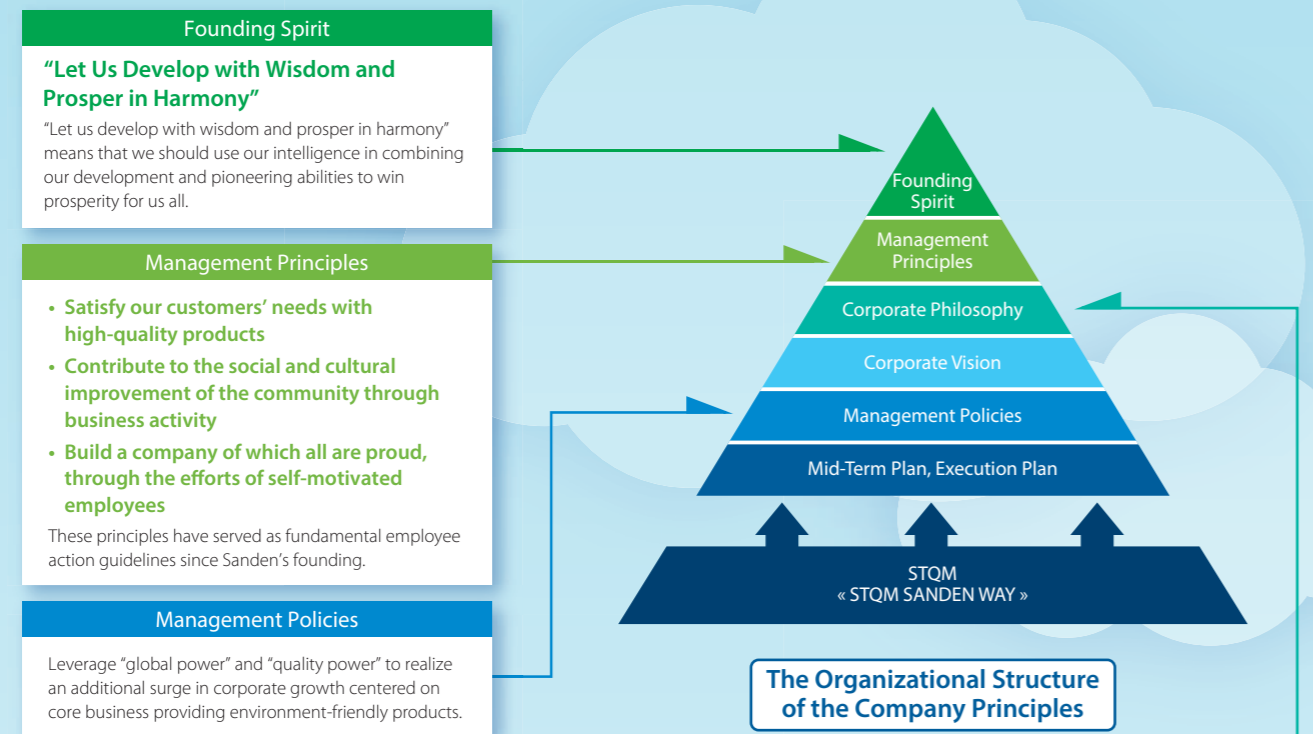


Sanden's CSR Programs Essentially Put Its Corporate Philosophy into Practice

This Remains Unchanged Even under Its Holding Company Structure

Sanden's corporate philosophy, which was adopted in 2003, systematically states our universal shared values and our basic stance. By putting this corporate philosophy into practice, the Sanden Group aims to attain sustainable growth and continue to be a company that is trusted by society. Sanden Group will further evolve its CSR activities under its holding company structure.



Corporate Philosophy

The Sanden Group (G-SDC) observes relevant laws and international rules both in Japan and overseas as it behaves according to the following 10 basic principles.

Basic Principles	Universal Values Shared by the Global Community	Basic Stance toward Stakeholders
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.	6 Customers We will stand on the admired ability of engineering development and manufacturing, and can offer products, systems and services, based on the QUALITY FIRST, that provide constant satisfaction to our customers around the world.
2	Respect for Human Rights We will build a corporate culture founded on respect for all individuals and human rights.	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.
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.	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.
4	Corporate Ethics We will conduct our corporate activities in a spirit of sincerity and fairness based on a strong sense of ethics.	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.
5	Safety and Health We will enable our employees to achieve a healthy life style by creating an environment that assures their health and safety.	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.

Approach to CSR and CSR Promotion Systems

The foundation of the corporate activities of the Sanden Group is our Corporate Philosophy, and our CSR programs are essential for this Philosophy and putting into practice. In fiscal 2014, Sanden established its CSR Promotion Committee with the aim of helping to realize the consistent application of Sanden's Corporate Philosophy in practice. The activities of this Committee are to set targets for putting the Corporate Philosophy into practice and it engages in activities to implement our Philosophy.

About This Report

Since 2005, the Sanden Group has annually published its "Sanden CSR Report," which is designed to offer information about Group businesses and the relationships with stakeholders in those operations in an easy-to-understand format. The 2016 report has been organized around the key word of "evolution." In the Feature 1 section of this report, we report on our progress toward dealing with the Priority Issues of the Sanden Group's CSR program that we have been considering since 2015 and realizing our goals of "Respect Human Beings" and "Contribute to Society through the Power of Our Environment-friendly Technologies." In Feature 2, we discuss our Environment-friendly technology and innovation related to the concept of "The Sanden Group: Contributes to Society through Technology, Ideas, and Innovation." The printed version of this report offers concise information on the Sanden Group's fundamental approach to issues based on its Corporate Philosophy and Management Principles. The Group's website offers more-detailed data as well as information on the latest CSR activities. We have asked Ms. Manami Yamaguchi, Representative Director of FEM Co., Ltd., to provide her views, as a third party, related to the content of our CSR disclosure, including the portion on our website.

More-Detailed Reporting on CSR Activities

Report on Principal Activities

Reports on the activities related to important activities that the Sanden Group is undertaking on a priority basis.

Web <http://www.sanden.co.jp/english/environment/index.html>

The website offers information on the Group's fundamental approaches to issues based on its Corporate Philosophy and Management Principles together with a comprehensive report on activities and detailed data that supplement the Sanden Report.

- **Period of Time Covered by This Report**
The report primarily focuses on the period from April 1, 2015 through March 31, 2016. However, efforts have been made to include as much information as possible on the latest activities and trends, even when they are subsequent to that time period.
- **Scope of This Report**
The scope of data and other information in the report includes the Sanden Group (Sanden Holdings Corporation as well as 68 consolidated subsidiaries and affiliates). Please note that the scope of information in certain sections of the report may differ from this, as indicated. Environmental burden (impact) and environmental accounting data are compiled from major regions covered by Sanden, namely, the Americas, Europe, Japan, China and Asia. More-detailed information on the scope of data is available on the Company's website: <http://www.sanden.co.jp/english/>
- **Guidelines Used in the Preparation of This Report**
This report was prepared with reference to the Global Reporting Initiative (GRI)(Third Version)'s *Sustainability Reporting Guidelines*, and the Japanese Ministry of the Environment's *2012 Environmental Reporting Guidelines*.

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