



Sanden Holdings Corporation
Director & President
Kin-ei Kanda

Aiming to Become a Global Excellent Companies that Is Trusted by All Its Stakeholders

One Year since the Transition to a Holding Company Structure

Beginning in April 2015, the Sanden Group made the transition to a holding company structure. After this transition, we feel that the responsibilities and authority of each business companies have been clarified, hence the speed of decision making has increased, and the relation between Sanden and its customers have become closer.

On the other hand, there were concerns that under the holding company structure the unity of the Group might be weakened, but our Corporate Philosophy (See page 1) has played the role of bringing us together. This philosophy sets forth systematically the behavior that the companies and employees of the Sanden Group, as a global excellent companies, should follow.

The Corporate Philosophy contains 10 basic principles under the categories of "Universal Values Shared by the International Community" and "Basic Stance toward Stakeholders." Sanden's CSR activities is essentially putting these principles into practice, and each and every employee continues to be aware of these principles and puts them into action on a daily basis.

Establishing Priority CSR Issues Starting from "Environment" and "People"

Interest in CSR among our stakeholders, including customers, in Japan and overseas, is rising. Also, for us to implement our CSR activities strategically, we formed our CSR Promotion Committee in fiscal 2014. This committee has selected the CSR activities the Group as a whole should undertake, and, as they have evaluated the appropriateness of these activities from the perspective of stakeholders, has given them consideration over the past year. After this process, the committee has selected as material domains the "environment," which is one of the Group's areas of strength, and "people," which is in accord with our basic concept "a company is as good as the people it keeps." In this year's report, as in the previous year, we feature our CSR activities. By pursuing these material CSR issues on a groupwide basis, we are aiming to increase the Group's corporate value and contribute to society.

Technological Development and Social Contribution

The management policy of the Sanden Group is "to attain the next stage in growth, with the environment as the core of its activities, based on its global capabilities and ability for delivering high-quality products." By making the environment the core of our management, as a manufacturing company, we create and deliver environmentally superior technologies, and, in all phases of our activities, we seek to contribute to society like the wheels of a vehicle.

Research and development (R&D) is the source of our growth, and we also take excellence in manufacturing to be another basis for our activities. The aim of these activities is to have our customers use our better products.

In our Automotive Systems Business, we seek to increase efficiency and make our products more compact and lighter. In our Commercial Store Systems Business, we aim for further energy conservation and efficiency. Through the innovative products, systems, and services that we develop through these initiatives, we contribute to making a high-level recycling and low-carbon society a reality.

In addition, in each of our businesses, we are working to broaden our product lines and to respond quickly to the needs of our customers in Japan and overseas through the realization of global business expansion and optimal production systems. Through these initiatives, we are seeking to attain sustainable growth.

Strengthening Corporate Governance

To attain sustainable growth and increase the Group's corporate value in the medium- to-long term as we fulfill our social responsibilities, we believe it is necessary to substantially strengthen our corporate governance systems. For this purpose, in June 2015, the Sanden Group newly invited another outside director to join its Board of Directors, thus bringing the number of outside directors to two, with the aim of strengthening management surveillance functions. In addition, with the objectives of enhancing the fairness, transparency, and efficiency of management, the Group issued its *Corporate Governance Report* in December 2015 containing the Group's response to the issuance of Japan's Corporate Governance Code.

To realize sustainable growth, the Group engages in activities to increase its corporate value that are appropriate for Sanden, and to respond to the trust and expectations of all our stakeholders; from now on also, we will actively take every opportunity to deepen communication with our stakeholders.

As we move forward with these initiatives, we look forward to your continuing support and cooperation.