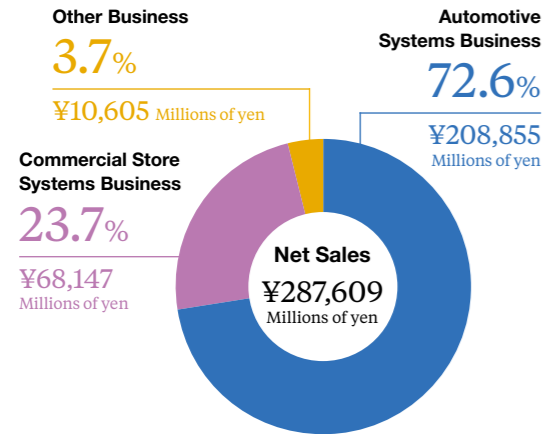


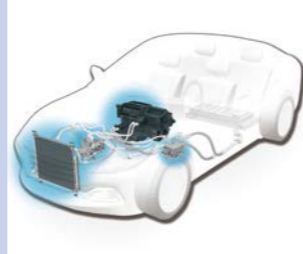
Business Expansion

Composition of Net Sales by Business Segment (Fiscal 2017)



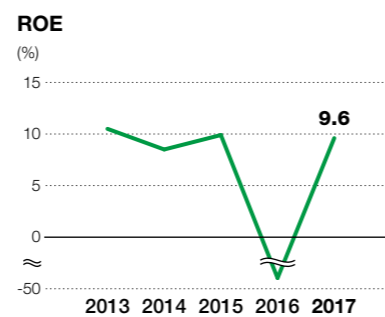
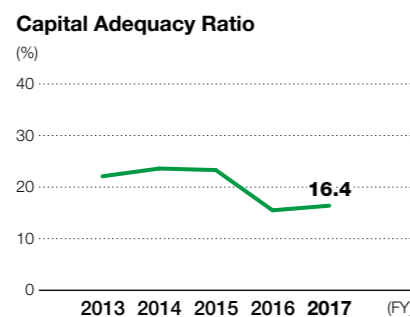
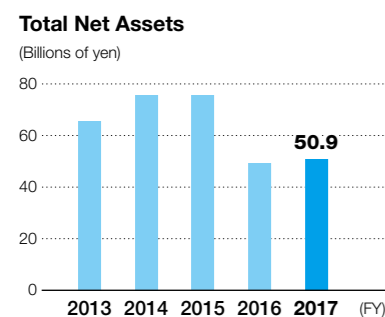
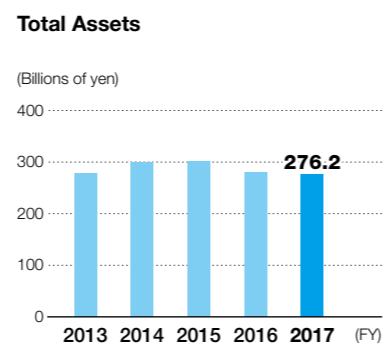
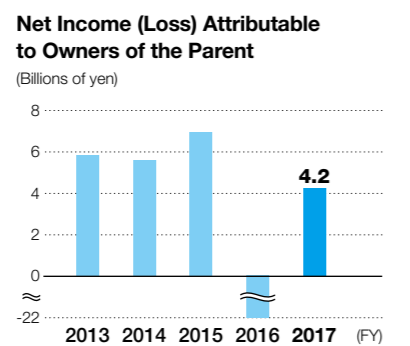
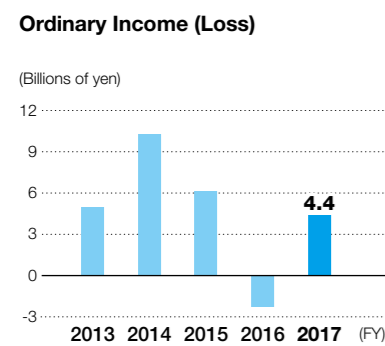
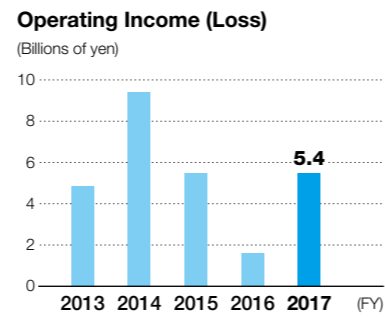
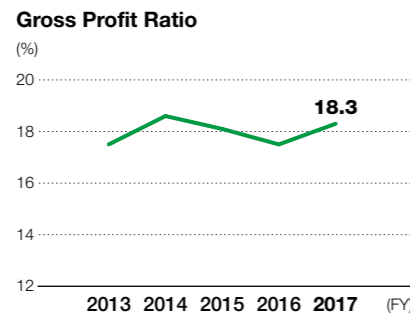
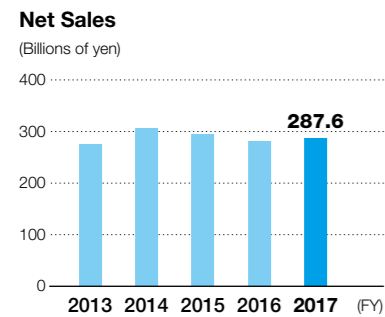
Automotive Systems Business

We are pursuing the further development of next-generation air-conditioning systems that are friendly to people and to the earth. The Sanden Group's car air-conditioning system products rapidly meet vehicle electrification requirements and are adopted by automobile, construction equipment, and agricultural equipment manufacturers all over the world.



Commercial Store Systems Business

We provide support for the food product distribution, mainly through provision of our retail store systems and vending systems. We provide environmentally friendly products, systems, and services that contribute to the business growth of our customers globally.



CSR Policy of Sanden

The Sanden Group's CSR policy is based on putting the company's Corporate Philosophy\* into practice, with each and every employee remaining aware of these policies and incorporating them into their daily activities.

With the goal of achieving a sustainable society and ensuring further growth, we established in 2015 and continue to work on priority (materiality) CSR issues that reflect the expectations of our stakeholders.

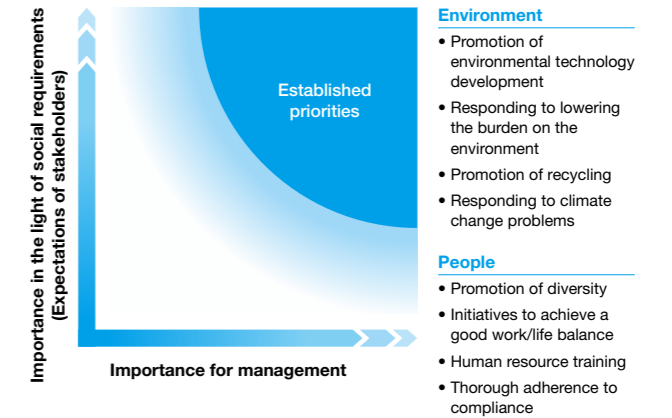
\*Please see page 1 for information regarding our Corporate Philosophy.

Methods of Establishing Priorities and the Results

We identified the departments that have relationships with the CSR items listed in the Group's Corporate Philosophy, including the environment, customers, employees, shareholders and investors, and suppliers. Then, for each department, we took into consideration two major angles: namely "importance for management" and "importance in the light of social requirements (expectations of stakeholders)." Going forward, we will set specific objectives for initiatives related to selected themes, specifically "environment" and "people", and work to raise the level of these CSR activities throughout the Group.

For information related to the environment, please see "Sanden and the Environment" on pages 6-9. For information on people, please the "Sanden and our Employees" on pages 12-13.

Materiality Chart



Relationship with our Stakeholders

The Sanden Group not only values but seeks to deepen communication with our many stakeholders, including our customers, employees, and shareholders. While deepening our connections with customers through daily factory tours and exhibitions, we also continue to engage in direct dialog with our partners at policy briefings and CSR hearings. In addition to the timely disclosure of information to our shareholders, we have received valuable feedback from these same shareholder via distributed questionnaires. The Sanden Group will continue to engage in dialog in line with our goal of bolstering satisfaction among all our stakeholders.

Engagement with stakeholders

