



Sanden Group will continue to strive to be a Group that is trusted by all the people by opening new era and solving social issues.

Katsuya Nishi

Representative Director & President
Sanden Holdings Corporation

Determination as President of the Group

In June 2019, I was newly appointed as Representative Director & President of Sanden Holdings Corporation. The current business environment faced by the Sanden Group, which approaches 76 years of business operations since its founding, is very difficult due to problems related to U.S.-China trade friction, stricter fuel economy regulations in Europe, and economic sanctions on Iran in the Middle East. I will make use of my experience rebuilding in a range circumstances in the past to promote activities to bring management and employees together to achieve the new Sanden.

Issues to Be Addressed

The Sanden Group implemented comprehensive structural reforms in fiscal 2016 and from fiscal 2017 we have been working on a range of measures in the New Mid-term Management Plan under the concept of “Shrink to Grow.” However, the business environment changed dramatically from the summer of fiscal 2018 and that had significantly large negative impact on earnings.

Going forward, to achieve sustainable growth, the rebuilding our financial base is an important management issue. As a part of this process, and as our corporate social responsibility we recognize the necessity of addressing such social issues as those represented by SDGs.

Creating a New Sanden

In recognition of the issues to be addressed, in April we formulated and launched the New Mid-term Management Plan, “SCOPE 2023” running through to March 31, 2024.

To achieve the Mid-term Management Plan, the Group developed a new vision, “Open up a new era and become a company that is trusted by all the people so that we will be able to create an enriched society in which environment and comfort are harmonized.”

We will create new corporate value by working toward five key initiatives: comprehensive reorganization of production system; enhancement of basic earning power; growth by actively promoting ‘collaborative creation’; cash flow creation through capital reinforcement and reform of assets structure; and system innovation for implementation. In addition, the Group has achieved growth through our Automotive Systems Business and our Commercial Store Systems Business.

As outlined in the issues to be addressed, the business environment surrounding the Group continues to be very difficult. To deal with these issues, we concentrated management resources in the Automotive Systems Business in October 2019, and accelerated our efforts in this once-in-a-hundred-year era that is a period of great change for the automobile industry.

Together with Our Stakeholders

Our Group vision aims at the “creation of comfortable spaces that enrich human lives” for society in 2030. The new technologies and markets that will be sought after in this society are “automobile and air conditioning,” “smarter technology,” “energy utilization,” and “social welfare.”

One example of these technologies is the “lithium-ion battery temperature control system” that Sanden developed and provided to the racing team of the Pikes Peak International Hill Climb held in June 2019.

The creation of heat management technology that utilizes technology for air-conditioning equipment to enable the realization of better “energy utilization.” The provision of this technology will also contribute to the construction of a mobility society under SDG 11 “Sustainable Cities and Communities.”

We will continue to focus on solving social issues, creating innovation and change, and working to achieve sustainable growth so that we can meet the high expectations of our many stakeholders.

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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 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.

Period of Time Covered by This Report

The report primarily focuses on the period from April 1, 2018 through March 31, 2019. 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 consolidated subsidiaries and affiliates). Please note that the scope of information in certain sections of the report may differ from this, as indicated.

Guidelines Used in the Preparation of This Report

This report was prepared with reference to the Japanese Ministry of the Environment’s 2018 Environmental Reporting Guidelines.