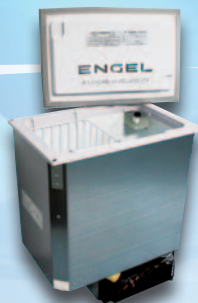




*Aiming to live together in harmony with
the people, society and the Earth*

CSR Report 2014

Digest Edition



SAWAFUJI ELECTRIC CO.,LTD.

President's Message

Since its establishment in 1934, Sawafuji Electric Co., Ltd. has steadily supplied its electric equipment, generator, refrigerator and services for customers in more than 100 countries overseas, as well as Japan. We will continue in the future to fulfill our social responsibility from a global perspective based on our business philosophy, and strive to become a trusted company. Despite the prevailing uncertainty factors with sluggish economic growth in China and other newly developing countries, the Sawafuji Group will

Sawafuji Electric Co., Ltd.
President Hideki Ueda

establish a system as a global enterprise through reinforcement of the technologies, restructuring of Nitta Plant, reinforcement of the sales system and focusing on education of our human resources. We will also make solid commitment on "customers first" and "quality first" by introducing the thorough TQM activities, and make every effort to make our entire Group grow even further. We would appreciate your frank opinions on this report about Sawafuji's efforts for CSR.

Basic Philosophy

Company Policy (established in July 1960)

- Let's proceed with research, practice skills and make rapid progress brightly.
- Let's keep responsibility toward and faith with customers and contribute to the society.
- Let's establish bright workplace based on labor-management cooperation and mutual trust.

Management Creed (established in October 1990 revised in April 2001)

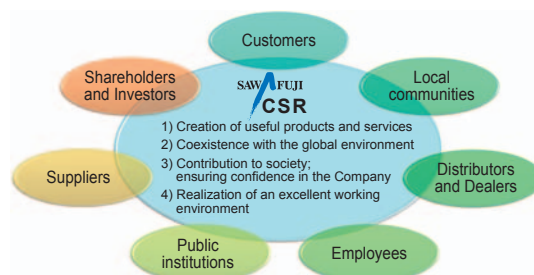
SAWAFUJI ELECTRIC CO., LTD. produces good products, performs social responsibility as a corporation and provides prosperity to all people concerned.

- * Make an impression on customers.
- * Bring purity to nature.
- * Bring prosperity to people engaged in the company work.

CSR Efforts

Under its basic philosophy, Sawafuji will endeavor to continuously raise corporate value by fulfilling corporate social responsibility in cooperation with many stakeholders.

We believe our relationship with our suppliers is important, so we have asked our suppliers to work with us to fulfill our corporate social responsibilities.



Topics

TQM toward reinforcement of the structure

Sawafuji has introduced TQM (total quality management) in order to meet our customers' expectations. We invite instructors from the Union of Japanese Scientists and Engineers and all executives and all department heads are learning the TQM method with the goal of stable, continued growth of the Company.

Awarded the QC Circle Kaoru Ishikawa Award Encouragement Prize

The Orange Circle in the Plant and Manufacturing Department was awarded the "QC Circle Kaoru Ishikawa Award Encouragement Prize" in 2013. This was the first time Sawafuji won this prize, and it was an honorable and significant achievement.



Dialogue with stakeholders

Sawafuji conducts lectures at autumn seminar with affiliates, periodical information exchange meetings with the local residents, friendship meetings with the people in the neighboring community workshops

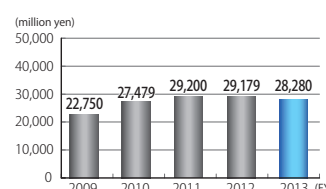
and promotes other CSR management efforts with the focus on talks with the stakeholders.

Earnings Results for FY 2013

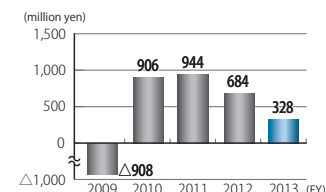
Sawafuji Group strived to improve earnings in all our operations, improve business efficiency and productivity, and reduce costs. Consolidated earnings results for FY 2013 (118th term) were as follows.

- Net sales: 28,280 million yen
- Ordinary income: 328 million yen

History of sales turnover



Changes in the ordinary profit and loss (△)



Relations with Customers

Sawafuji strives to provide products and services that meet customers' needs, with the highest priority given to customer expectations and trust.

Development of products

To be highly evaluated by customers around the world, the Development Division tackles development issues, striving to establish its position as No.1 of the industry in the fields of electric equipment for trucks and buses, engine generators and vehicle-mounted refrigerators, and contribute to the development of these fields.

Monozukuri

Sawafuji strives every day to achieve craftsmanship capable of moving our customers emotionally.

Quality control system and Service network

Sawafuji continues to improve ourselves by creating a quality control system that conforms to the ISO 9001 management system. We have also created a service network enabling a prompt response to difficulties.

Relations with Global and Local Communities

Sawafuji contributes to the community and international society by conducting itself as an engaged member of the community with due consideration for environmental concerns.

Major efforts made during FY 2013 are as follows:

Refer to the last page of this booklet

- Working with the Japanese Red Cross Society in their blood donation drives
- Get-togethers with the people from sheltered workshops
- Volunteer for cleanup activities and traffic safety near our factory
- Offering vaccines to the children of the world
- Participating in local events

Relations with Shareholders and Investors

To ensure fairness and transparency, Sawafuji discloses appropriate information in a timely manner to shareholders and other stakeholders.

IR information

Sawafuji believes that it is important manner for the shareholders and investors to better understand Sawafuji.

As a part of our investor relations (IR) activities, we issue a biannual

Shareholders Newsletter in addition to materials released at the time of business results announcements.

The newsletter, which contains topics on our environmental activities and new products, is intended to help shareholders and investors broadly understand our activities.

Relations with Distributors and Dealers

Sawafuji which has established systems to sell commercial parts and components, collect market information and provide services by using the networks of its distributors and dealers to fulfill its social responsibilities in every business situation.

In FY 2013, the Company held meetings at its 10 bases nationwide, explaining our policies and strengthening communication with our distributors.

We also held technical lectures to enhance services at these distributors and dealers.



Technical lectures to enhance services

Relations with Suppliers

Sawafuji pursue fairness in the transaction process and procure optimal articles. To this end, we establish trusting relationships with our suppliers under the basic philosophy of "mutual trust and prosperity," and aim for mutual development and growth.

We are actively communicating with our suppliers by holding procurement policy briefings, general meetings of cooperating associations of Sawafuji, and joint training sessions on a regular basis, and information exchange meetings on a monthly basis.

We also actively cooperate with our suppliers in areas such as quality improvement and cost reduction.



Associations of Sawafuji autumn seminar

Relations with Employees

Sawafuji values the self-reliance and creativity of each of its employees. We have established the following systems and measures to ensure the safety of the workplace, health of employees and to provide a rich workspace environment.

Employment

We are committed to personnel training based on our policy of employment stability.

Human rights

We maintain a corporate environment conducive to eliciting the desire to work through our response for human rights and a fair personnel system.

Diversity of employment efforts

To support employees' diverse working style, we have developed, employing disabled people, offering child-care leave and volunteer leave system.

Safety and sanitation management and health care

We give preference to safety in all matters, and our objective is to create a workplace where our employees can perform their duties in safety and with enjoyment.

We make every effort to give consideration to our employees' health, because we believe the health of each employee is paramount.

Environmental Report

In 1997, Sawafuji obtained the ISO 14001 Environmental Management System certificate. Since then, it has done its utmost to achieve environmental activity goals, which are set every FY, in line with the Environmental Policy.

Major efforts include reducing CO₂ in production activities, providing miniaturized and lightweight products that are energy efficient, managing and reducing substances that damage the environment, decreasing waste, saving resources and saving water.

We have compiled the results of our environmental work in a report that is presented as part of our CSR report.

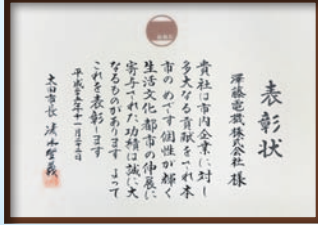


Solar power panels are installed on the roof of our factory

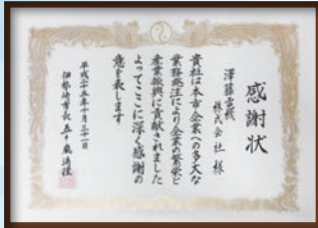
We contribute to local industries and communities, and provide products that satisfy the world.

Contribution to local industries and communities

Sawafuji was honored by Ota City and Isesaki City, Gunma Prefecture, where it is in the neighborhood, as a company contributing to industrial development. We were also awarded the "certificate of cooperation" from the Gunma Prefecture Violence Elimination Promotion Center.



Ota City's certificate recognizing Sawafuji as a company contributing to industrial development



Isesaki City's certificate recognizing Sawafuji as a company contributing to industrial development



Certificate of cooperation for violence elimination campaign

Sawafuji works to strengthen our ties with the local community. Our efforts include get-togethers with the people from sheltered workshops, cleaning the area near our factory, volunteer activity and participating in local events.



Get-togethers with the people from sheltered workshops



Gunma Interactive Festival



Cleanup activity near our factory



Supplied power to the fair site

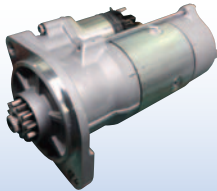
Participated in Ota local teachers' fair

Provision of products that satisfy the world

Sawafuji's products are helpful to people around the world.

SAWAFUJI

Automotive electrical equipment



Starter



Alternator



Computer for onboard use

ELEMAX

Generator



Generator actively involved in a rally in Mongol



Generator being used for cleaning work

ENGEL
A LEGEND IN RELIABILITY

Refrigerator



Refrigerator for leisure



Refrigerator for leisure

WEBSITE

http://www.sawafuji.co.jp/kankyo/kankyo_index.php

All contents of the Social Report, Environmental Report, and other materials are posted on Sawafuji's website (JAPANESE).

SAWAFUJI CSR

Search

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