

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

Special Feature <2018 Japan Floods Support Activities>
Donation of ENGEL refrigerators to Hiroshima City and 3 other municipalities

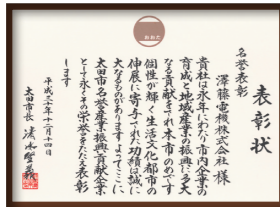
As a disaster recovery support activity following the heavy rain in western Japan that occurred in July 2018, through our agency Nakayoshi Engineering Corporation, we donated 10 ENGEL "MT60F" refrigerators, which were installed in the Hiroshima City Council of Social Welfare, Kure City Council of Social Welfare, Kumano Town Council of Social Welfare, and Saka Town Council of Social Welfare in Hiroshima Prefecture. We will continue to contribute to society in various ways through our products.



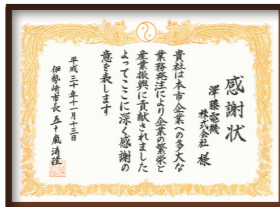
Contribution to Local Industries and Communities

We were awarded the Industrial Development Contributing Company Award by the neighboring cities of Ota and Isesaki, Gunma Prefecture.

Sawafuji works hard to deepen ties with the local community. Our efforts include get-togethers with people in welfare facilities, cleaning the area near our factory, volunteer activity and the participation in local events.



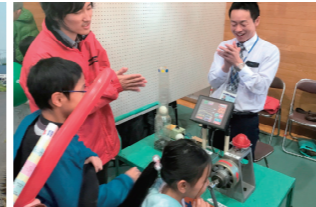
Ota City's certificate recognizing Sawafuji as a company contributing to industrial development



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



Cleanup activity near our factory



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



ELEMAX generators actively being used in Vietnam



ELEMAX generator SH3900

ENGEL
 A LEGEND IN RELIABILITY

Refrigerator



ENGEL refrigerators are actively used in campsites



ENGEL refrigerator MT45F-P



CSR Report 2019
 Digest Edition

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



WEBSITE

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

On our company's web site above, we have introduced in detail the contents of our Social Compliance Report and our Environmental Report. Thank you for reading them over along with this digest version.

SAWAFUJI CSR Search

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SAWAFUJI ELECTRIC CO.,LTD.

President's Message

Since our beginning in 1934, SAWAFUJI ELECTRIC CO., LTD. has been devoted to our craftsmanship and in meeting the expectations of our world-wide customers in providing good products and service. True to our corporate philosophy, we foster communication among our stakeholders across the globe as we work to remain the kind of company that the public can trust. Amidst uncertainties such as the trend of economic leveling and slowing in domestic and overseas economic conditions, trends in the trade policies in each country, the UK's exit from the EU, and the situation in North Korea, the Sawafuji Electric Group aims to become an "Electricity-related" solutions company utilizing the core technologies we have cultivated. We would appreciate your frank opinions on this report about Sawafuji's efforts for CSR.

Sawafuji Electric Co., Ltd. President & Executive Officer President Akihiko Yoshikawa

Basic Philosophy

Company Policy

(Established in July 1960)

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

Management Creed

(Established in October 1990 Revised in April 2001)

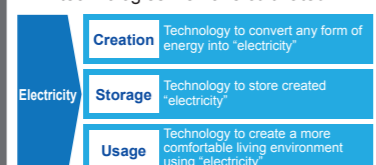
SAWAFUJI ELECTRIC CO., LTD. produces good products, performs social responsibility as a corporation and provides prosperity to all people concerned.

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

SAWAFUJI VISION

Sawafuji, living with electricity
Becoming a global Sawafuji through innovative technology

Direction to aim for
We aim to become an "Electricity-related" solutions company utilizing the core technologies we have cultivated.



Medium Term Management Policy

Based on the smiles of our employees, we will create a virtuous "Sawafuji Cycle" that will provide products that are truly attractive to customers in a timely manner, and which will in turn lead to profits.



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, and therefore ask for their understanding and cooperation in fulfilling their own corporate social responsibilities.



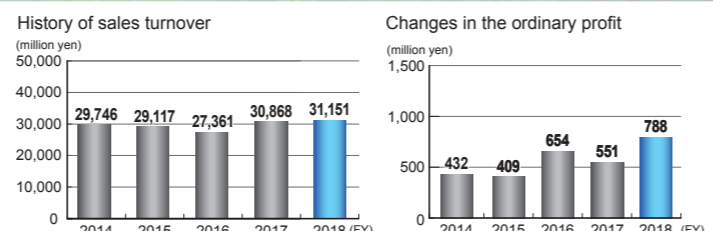
Dialogue with Stakeholders

Sawafuji conducts lectures at autumn seminar with affiliates, periodical information exchange meetings with the local residents, friendship meetings with people in nearby welfare facilities and promotes other CSR management efforts with the focus on talks with the stakeholders.

Earnings Results for FY 2018

Sawafuji Group strived to improve earnings in all our operations, improve business efficiency and productivity, and reduce costs. Consolidated earnings results for FY 2018 (123th term) were as follows.

- Amount of sales: 31,151 million yen
- Ordinary income: 788 million yen



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 2018 are as follows. More information can be found on the last page of this report.

- Working with the Japanese Red Cross Society in their blood donation drives
- Get-togethers with people in welfare facilities.
- 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 2018, 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.

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.

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, re-employing retired people, employing disabled people, offering child-care leave and volunteer leave system.

Safety and sanitation management and health care

Under the concept that "Safety takes precedence over all business", we are developing safety activities with the aim of "An environment where people can work with peace of mind".

We value each of our employees and make every effort to ensure that they stay healthy.

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, managing and reducing substances that damage the environment, and we also are providing miniaturized and lightweight products that are energy efficient, have low emission and that conserve on resources and water. We have compiled the results of our environmental work in an environmental report, which is included in the CSR Report published on our corporate website.

* Please refer to the web version that we have introduced on the last page.

Environmental Policy

Sawafuji Electric is committed to playing a vital role in building a society designed to pass on a healthy environment to future generations, so we work to provide products and services that meet customer expectations through safe manufacturing practices and to develop next-generation technologies for a new society driven by environmentally sound energy.

1. We develop and design technologies that will not only enhance performance but also reduce the environmental burden.
2. We are committed to protecting the environment by assessing the impact of our production activities, products, and services on the surrounding environment, resources, climate change, and the ecosystem as we work with an eye to preventing pollution and making continuous improvements.
3. We comply with environment-related laws and regulations as well as prescribed requirements while ensuring that each employee fulfills his or her social responsibility.
4. We actively foster communication among local communities as a good corporate citizen.

Established in May 1997 Revised in January 2017
Sawafuji Electric Co., Ltd. President Akihiko Yoshikawa