

# SANGO

## Group Report 2018

## *Company Creed*

Three intertwined elements of prosperity  
Prosperity for our country,  
for our company and for ourselves

## *Basic Principles*

Through actions of integrity and fairness, and through the fostering of strong teamwork and mutual trust, we shall develop our human resources, our manufacturing capabilities and environmentally friendly policies. By creating harmony among these elements, we will contribute to the development of all countries and regions, as we strive to achieve prosperity for a society rich in the pleasures of life.

Through further innovation of our production technology, applied to an integrated production process from raw material to finished product, and through the development of creative new products, we are developing our manufacturing skills to be the best in the world.

Through education and training programs that pass on our traditions and foster a spirit of challenge, we are developing human resources capable of working anywhere in the world.

**Honoring tradition  
without fear of change**



Working together with the local community, we are building an earth-friendly environment, from the level of individuals up to the entire world.

## *Editorial Policy*

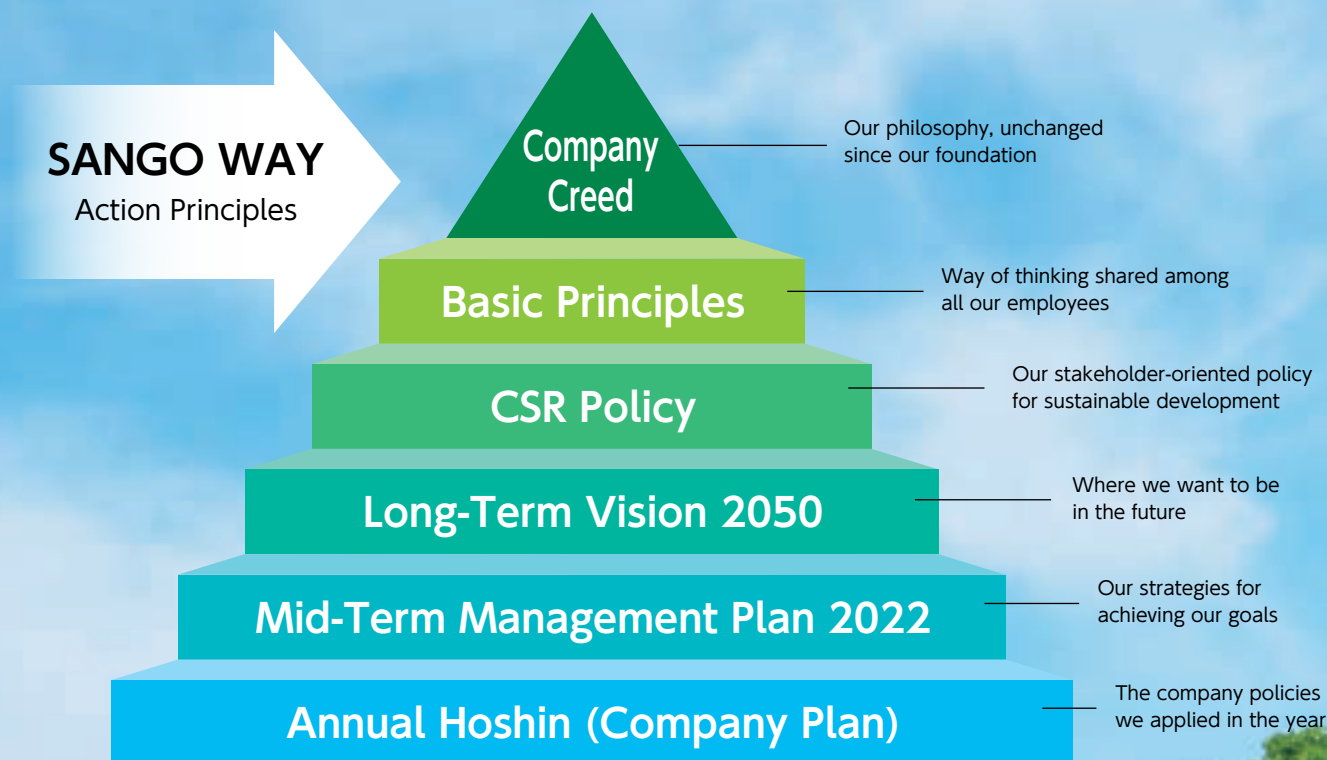
To mark the 90th anniversary of our foundation, we decided to publish an integrated report, "SANGO Group Report," starting from this fiscal year. The report encompasses both financial and non-financial information about us, in addition to presenting our approaches toward the environment, society, and corporate governance.

Our basic policy in compiling this report focused on our approach toward technologies for the future. This approach

includes our new Mid-Term Management Plan 2022, which we have formulated with the aim of getting us through the major, once-in-a-century changes being seen in the structure of the industry.

We hope this report conveys to our many stakeholders our current situation, our approach to challenges, and our future goals.

## Hierarchy of Our Policies and Principles



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## *Message from the President*



We will further hone our development of human resources, manufacturing capabilities, and an earth-friendly environment, and work toward sustainable growth.

*President Kozo Tsunekawa*

*Kozo Tsunekawa.*

# Formulation of the Mid-Term Management Plan 2022, for Our Long Term Visions

The Sango Group has formulated a Mid-term Management Plan for 2022. Today, the automotive industry is experiencing a major once-in-a-century transformation. Waves of change are rocking the industry's conventions and frameworks to the core. At the forefront of this revolution are the concepts of C.A.S.E.—“Connected,” “Autonomous,” “Shared,” and “Electric.” There can be no mistake that automotive manufacturers—our customers—are steering a course to ride those waves, and we must also follow.

The Sango Group's core business is manufacturing automotive exhaust system components. With the world moving toward phasing out combustion engines altogether, there is ample reason to predict that demand for our products is going to decrease significantly. Against this background, we chose “Building the foundation for transforming the business structure to achieve sustainable growth” as the main theme for our newly formulated mid-term management plan. Under this overarching theme, we are going to establish the foundation for transforming our business structure, so we can survive the severe competition the changing business environment will bring. It is both a policy and target to steer the Sango Group to sustainable growth going into the future. Now more than ever is the time for all of the Group's employees to share a sense of crisis, find opportunities in the changes of the age, and boldly take on the challenges they represent. We must all strive together to develop human resources who are capable of these things, and to create a corporate climate that encourages them to achieve them.

## Mid-Term Management Plan 2022

**Aim** Building the foundation for transforming the business structure to achieve sustainable growth

**Business**

**A** Improving the profitability of the existing areas of business and expanding business for the future

**B** Sowing the seeds for launching new areas of business and developing structures for them

**Functions that support business**

**C** Constructing a lean and robust business structure

**D** Developing human resources who can think like a manager

**E** Developing manufacturing capabilities that will keep us sustainably competitive

# CSR Policy and Environmental Challenge 2050

We now have a new CSR Policy and Environmental Challenge 2050. Our goal with this CSR Policy is to “Become a company that contributes to society, is trusted, and grows sustainably.” Although this is nothing new and extraordinary, recently, we have seen a number of companies lose the trust they have built over many years in an instant, because they failed to observe this basic rule. We in the Sango Group will also go back to basics, get ourselves in order as a company, and promote social contribution through business. In so doing, our goal will be continued, sustainable growth.

ESG (Environment, Society, and Governance) has become a keyword we frequently hear in connection with increasing the sustainability of companies. Our CSR Policy also revolves around the three pillars of environmental, social, and governance criteria, and advocates six approaches that form the foundation of these pillars.

Environmental problems and global warming, in particular, are grave global issues, and they need to be addressed more effectively. As a manufacturer, we think it is possible to make more significant environmental contributions not only through efforts in production processes, but also by innovation through our company’s products. We are proud to have increased our corporate value and kept growing as we have thus far by meeting the needs of society through our development capabilities and technological strengths. We will keep on creating value by making use of our unique strengths and finding solutions to social problems.

## CSR Policy



Become a company that contributes to society, is trusted, and grows sustainably

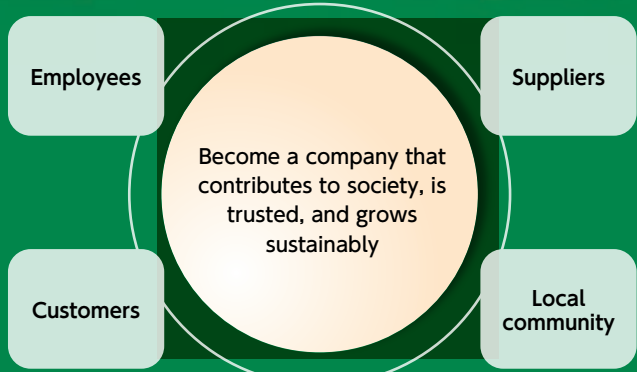
Three pillars supporting the policy



Fundamental approaches



- A range of work-styles to accommodate people’s diversity and lifestyles
- Developing a safe work environment where everyone can work with peace of mind
- Delivering joy that goes beyond the customers’ expectations through safe, high-quality products.
- Working to develop products that are friendly to people and the environment



- Striving to develop each other through strong partnerships built on trust and fairness
- Actively participating in social contribution activities as a good corporate citizen and communicating with the local community through dialog
- Promoting manufacturing that is friendly to the local environment

## Environmental Challenge 2050

Expansion and creation of markets for products that contribute to the environment  
Creating a good environment through our products

### Contributing to the sustainability of society and customers

Reduction of the environmental burden of business activities  
Creating a good production site environment

Preservation of the natural environment  
Tree planting

See p.11 for details



Tree planting ceremony at Yawatayama Plant (2009), with Dr. Akira Miyawaki (left).

## Sango's Tree-Planting Efforts

Our Environmental Challenge 2050 has three pillars: Creating a good environment through our products, creating a good production site environment, and tree planting. The Sango Group has been planting trees since 2006, through the Sango Tree Planting project.

This project was launched when controlled substances were found in the soil at our old Nagoya Plant—the place our company started—and we had to clean up the contaminated soil. Instead of rebuilding a manufacturing plant on the site, we decided to build a facility for researching future technologies, a conference hall, and a Muffler Museum to pass on our manufacturing traditions. As well as these, we also created forests, rice fields, and biotopes, all of which incorporated our awareness of environmental preservation.

Since launching the project, we have planted trees in the vicinity of our plants and offices in and outside Japan, under the guidance of Dr. Akira Miyawaki, professor emeritus of Yokohama National University. Some 240,000 have been planted to date. It is not only our employees who participate in our tree planting activities: their families join in too, and sometimes even residents from the local communities take part. We all get to know each other better while working together.

## To Our Stakeholders

In order to survive through this time of great changes, we need to be flexible as well as innovative, so that we can make full use of the knowledge and expertise that we have built up thus far. We expect demand for mufflers to continue to grow in emerging countries, and our exhaust systems not only filter the exhaust gases to meet the requirements of vehicle emission control, but also reduce noise. We believe this capability in noise attenuation technology can, for example, be a new opening for us to offer new value through our products.

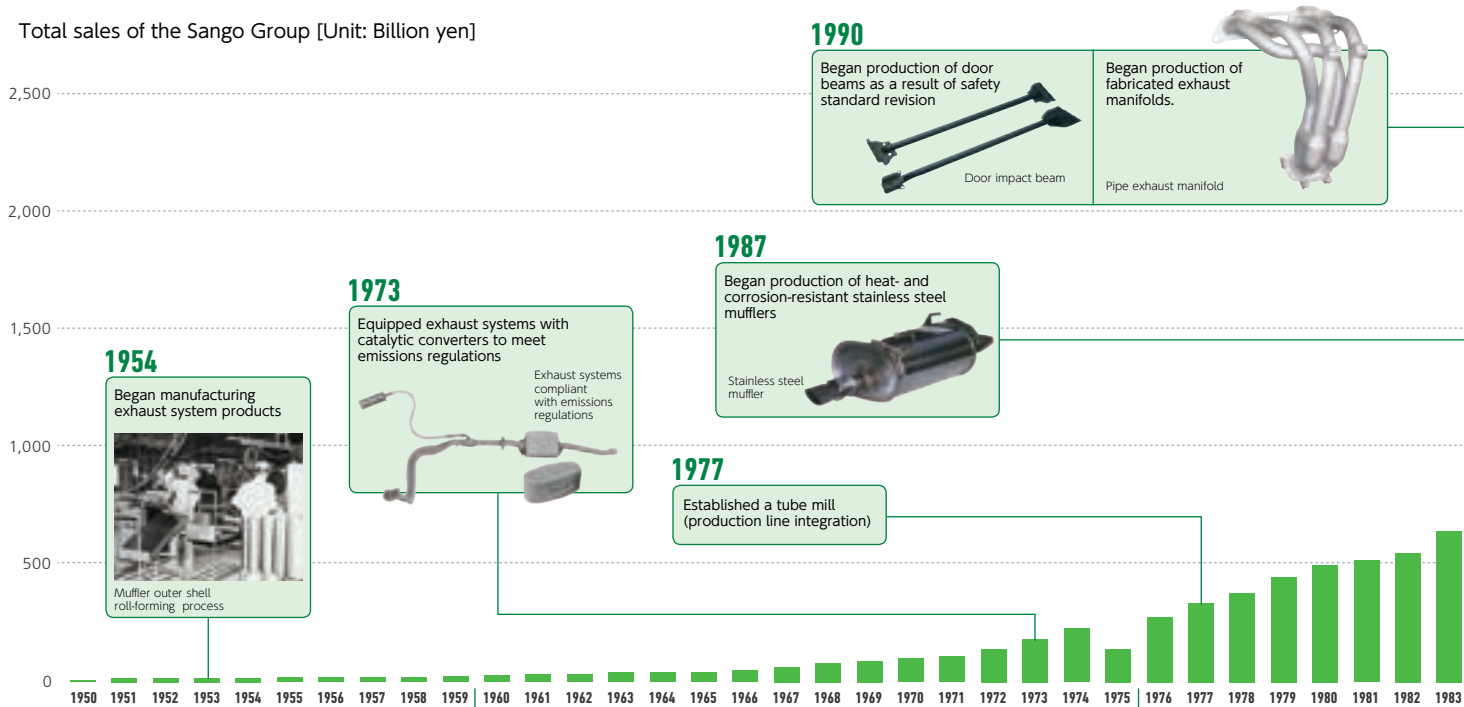
In the immediate term, we will launch and develop new enterprises on the basis of our existing areas of business, and earnestly address IoT, AI, and the other new technologies that the march of progress is going to bring, so that we can make the best possible use of them. For the current Sango Group, having human assets who can flexibly adapt to the changes of the times and think like a manager is more crucial than anything else to achieving our goals. However, developing human assets takes time. This is another reason why we have published this “SANGO Group Report” so that our stakeholders as well as our employees can get a better understanding of the Sango Group. We hope this report will become a tool for promoting meaningful dialog with all of you.



# Our Journey

The Sango Group's journey began when it was founded, 90 years ago. It has been supporting the development of the automotive industry through the manufacture of exhaust system parts ever since. We will continue to explore new fields, technologies, and possibilities for the coming age, addressing the challenges of globalization and contribution to the environment through our products to meet the needs of the times.

Total sales of the Sango Group [Unit: Billion yen]



## Startup Period 1950 » 1959

### Start of exhaust system parts manufacturing

Sango Co., Ltd. was incorporated in 1950. Our company creed—Sango's source of inspiration—was set down in writing the following year. With the reconstruction of Japan after the war, the country's automotive industry saw the arrival of the early days of economy cars. Our company started manufacturing exhaust system parts in 1954, and since then, we have striven to improve our expertise and offer an ever wider range of products, centered around the two core pillars of our manufacturing business, parts manufacturing and precision steel parts manufacturing—crafts we have been pursuing ever since the time of Sango's predecessor, Tsunekawa Ironworks.



### 1953

Introduced wiper benders  
Pipes used to be bent manually. After much trial and error, we mechanized the process and made it possible to mass-produce bent pipes.

## Seminal Period 1960 » 1975

### Becoming one of Toyota's approved drawing manufacturers

In the high-growth period, when everyone wanted to own a car, our company changed course to become a manufacturer that specialized in exhaust systems. We worked hard and overcame many challenges to meet the advanced requirements of our customers, for example setting up a laboratory equipped with the latest technology for measuring exhaust sound. In the course of doing so, we refined and bettered our expertise and skills in exhaust system manufacturing, and successfully became an approved drawing manufacturer for Toyota Motor. Since around this time, we have been making our products compliant with emissions regulations. We undertake a variety of R&D projects to meet the needs of the times. In addition, we invested effort in expanding existing plants and building new ones.



### 1961

Established a Muffler and Exhaust System Technical Center  
Our basic research into mufflers started in earnest. As part of this, we also undertook joint research with Nagoya Institute of Technology.

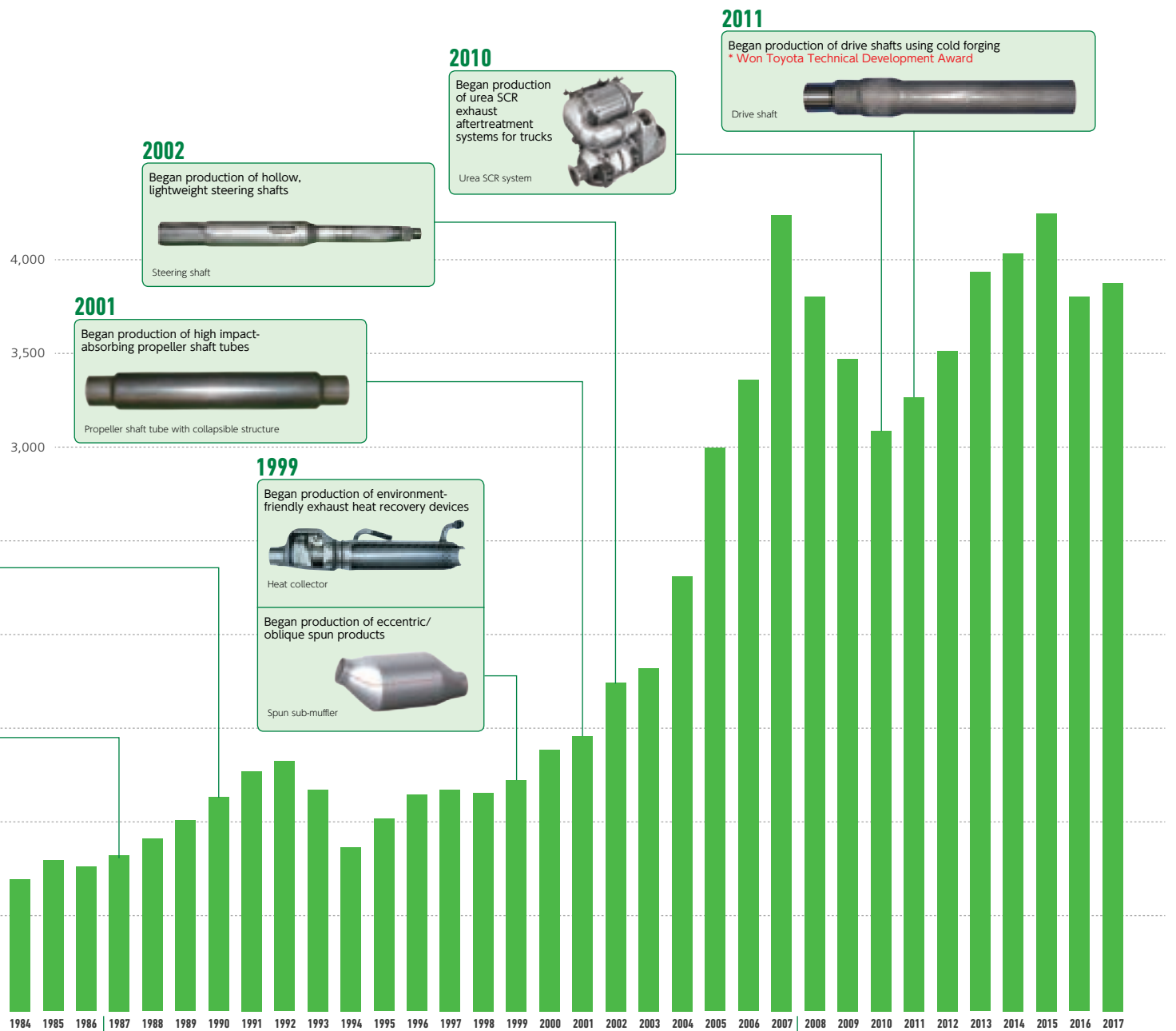
## Growth Period 1976

### Introduction of the Toyota production system

In 1976, we introduced the Toyota production system, in order to thoroughly streamline our production and improve productivity. The system helped us improve our production processes and establish better quality, and the culture of thoroughly eliminating waste took root in our company. In 1985, we received an Award for







» 1986

Excellence in the Toyota Quality Control Award program. It was a time of high and stable growth in Japan, and demand for automobiles became more and more mature and diversified. Keeping in step with this trend, we worked steadily toward better quality and reliability.

Advancement Period 1987 » 2007

**Aiming to become the global standard**  
 During this period, a strong yen caused trade friction, and reduced the competitiveness of Japanese auto manufacturers in exports. This drove them to seek ways to survive by moving their production sites overseas. In line with this move, we started up a joint venture with Arvin Inc. in the U.S. in 1987, and from there, went on to establish other facilities around the world, including technical partnerships. In addition, amid calls to hold companies to account for global resource depletion and environmental pollution, we rolled out initiatives to reduce the environmental burden in accordance with environmental management standards, acquiring ISO 140000 certification in 2000. Besides this, our techniques and technologies have been patented, so we are creating an outstanding track record of technical achievements for posterity.

Endeavor Period 2008 » 2017

**Venturing into the new age**  
 The business environment surrounding the automotive industry is undergoing major changes on a global level, and auto-related companies are seeking new possibilities in every kind of area in pursuit of sustainable development. In the midst of this, our company is launching into new areas of business that make use of technology we have right now. Meanwhile, we continue to work on our independent approach to achieve harmony with the natural environment—for example, the Sango Tree Planting project. We will uphold our sense of mission about social contribution and sincere attitude toward the art of manufacturing unchanged from the time of our foundation, and continue to adapt to changes while honoring tradition, so that we can be a company that society needs.

**1977**  
 Added Tubing Department to Fukuda Plant  
 We achieved integrated production from raw material to product.



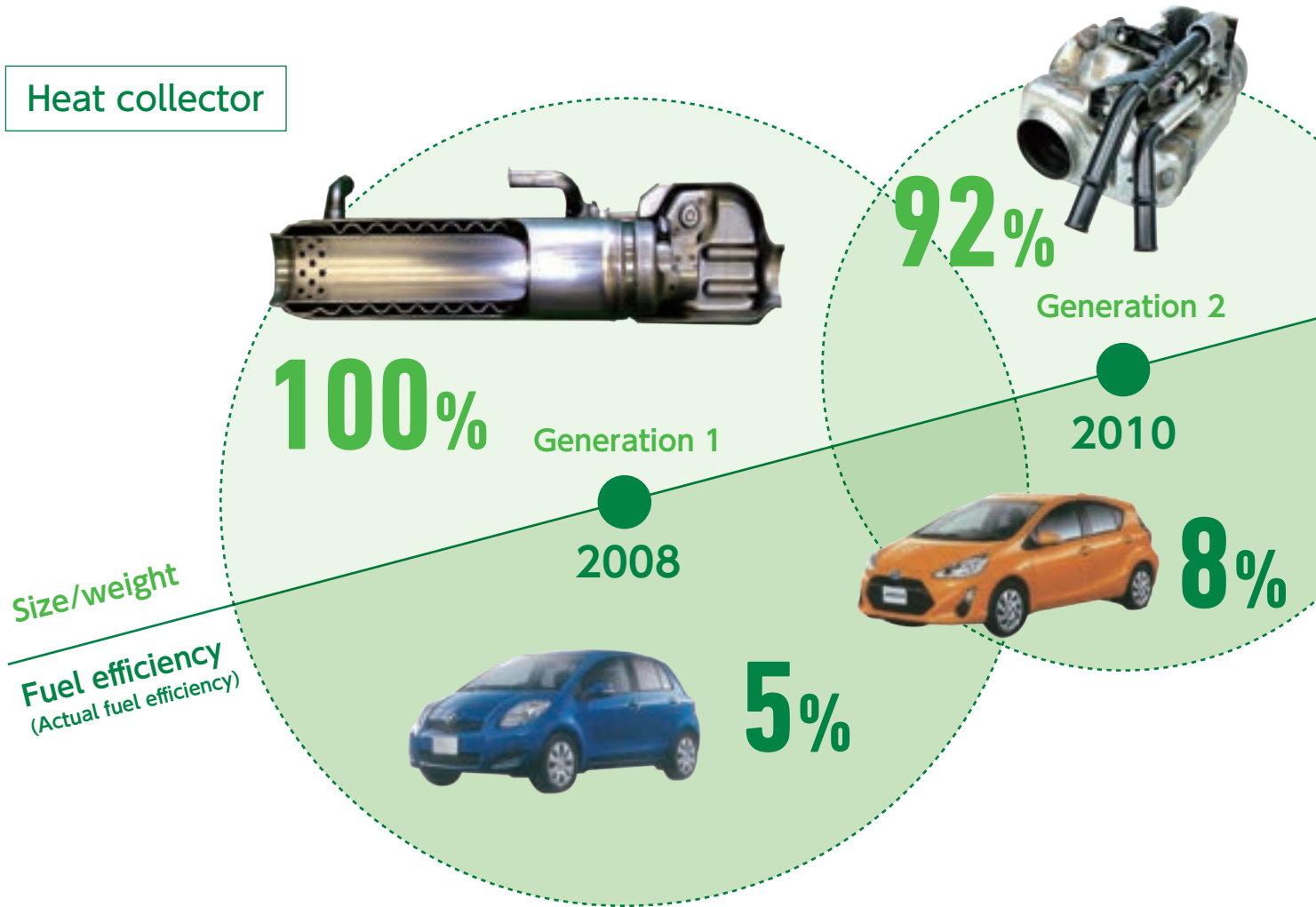
**1988**  
 Opening ceremony at Arvin Sango, Inc.  
 ASI was our first overseas affiliate. After that, we expanded to Asia, China, and Europe.



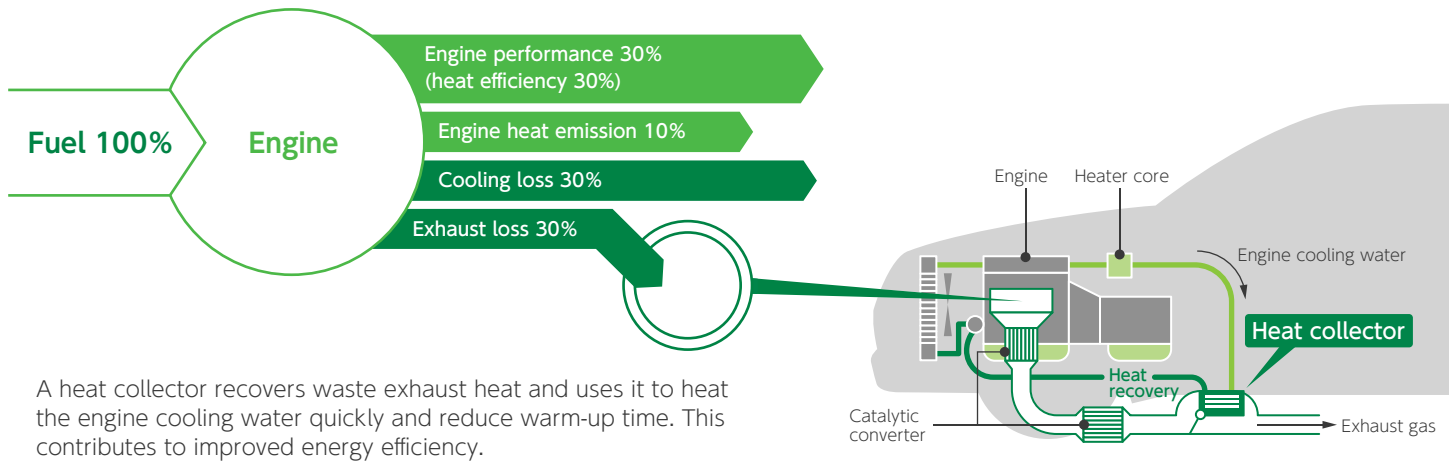
**2015**  
 No.2 Technical Center at Toyota Plant completed  
 Toyota Plant became our technology development base.

# Environmental Contribution through Fuel-Efficient Products

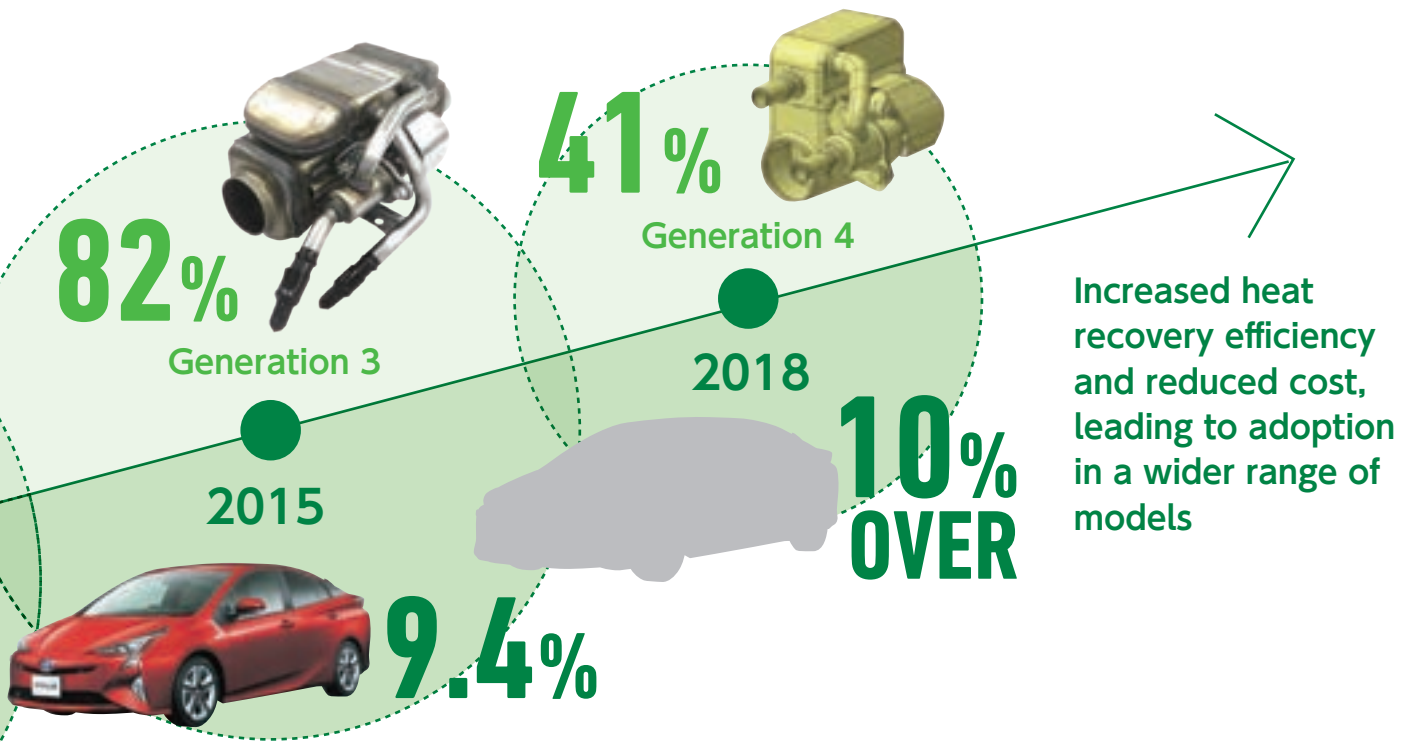
The Sango Group has abundant experience in developing and manufacturing exhaust systems. Building on our expertise and knowledge, we have leveraged our technological strengths and development capabilities to develop heat collectors that recover exhaust heat and help increase energy efficiency. By providing products such as these, we will contribute to reducing the environmental burden.



# Waste Exhaust Heat Recycling Technology (Introduction of Exhaust Heat Recovery Device)



A heat collector recovers waste exhaust heat and uses it to heat the engine cooling water quickly and reduce warm-up time. This contributes to improved energy efficiency.



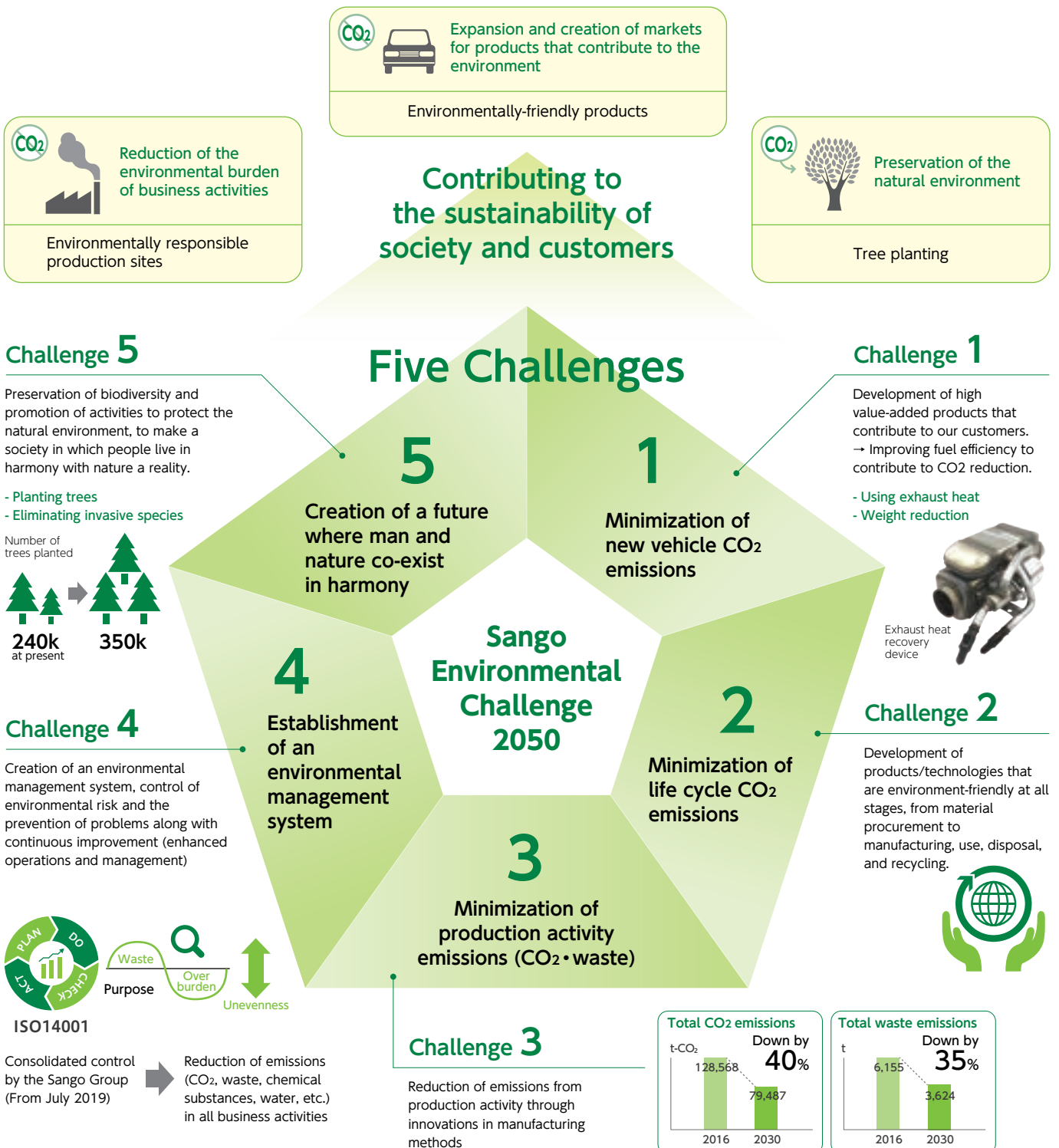
## Technical Roadmap

Electric vehicles are going to become the mainstream in the future. We will enhance our product line-ups to meet their functions and needs.

	Engine-powered car	Electric vehicle		
		HV/PHEV (Including range extender)	EV	FCEV
Heat management	●	●	●	●
New cleansing system		●		
Composite materials		●	●	●
Motor/battery parts		●	●	●
Light body parts	●	●	●	●
Secondary steel processingraw materials	●	●	●	●
Exhaust system	●	●		
Testing and analysis technologies	●	●	●	●

# Long-Term Environmental Vision: Sango Environmental Challenge 2050

The Sango Group will work on the creation of three forms of value. To accomplish this, we will add an environmental perspective to our conventional business operations. By doing so, we aim to achieve both economic growth and preservation of the global environment, and to help make a sustainable society a reality, all with a view toward the global environment of 2050.



## A “Forest Seawall” That Protects Life

In order to help with the reconstruction of the Tohoku region in the aftermath of the Great East Japan Earthquake, our manufacturing plants gather acorns in their local areas, grow them into seedlings, and send them to the disaster-stricken areas.

The seedlings we grow are planted on Millennium Hope Hills in Iwanuma City, Miyagi Prefecture. When they are fully grown, the trees will serve as a “forest seawall.” If a tsunami happens, the green wall will reduce its impact, and stop people and property from being carried out to sea when the tide recedes.

The project started in 2013, and we have sent seedlings every year since then. Including the approximately three thousand saplings contributed in FY 2017, we have shipped over 17 thousand seedlings in total.



Employees at Yawatayama Plant after finishing some shipping work (The signboard is at Toyota Plant)  
In the circle: Some of our employees at the tree planting ceremony at Millennium Hope Hills

## Global Tree Planting



Above: A tree planting event at Sango Hokkaido  
Right: A tree planting opening ceremony at STA, Thailand



The Sango Tree Planting project started with the ECO35 tree planting program in 2006, under the guidance of Dr. Akira Miyawaki, professor emeritus of Yokohama National University.

In addition to Sango’s plants, its affiliates in Japan and overseas have also been actively planting trees, and over the last 12 years, we have planted about 240 thousand in total.

Our tree planting efforts are spreading beyond our own facilities. For example, we are planting mangroves in river estuaries in Thailand, and supporting local communities’ tree planting events. We will continue promoting the initiative, with the aim of planting 350 thousand trees in the Sango Group as a whole.

## Connecting with Local Communities (Rice Planting/Harvesting and Environmental Education for Elementary School Pupils)

Every year, we invite pupils from elementary schools in Nagoya City to the rice fields in ECO35, and give them hands-on experience of rice planting and harvesting as part of their environmental education.

After taking part, some of the pupils say they think growing rice must be a hard way to make a living. It is a good opportunity for them to experience the hard work involved in making things.

We also give them an opportunity to come into contact with a variety of living things in the adjoining wooded area and biotopes, so they can learn about natural ecosystems.



Local elementary school pupils planting rice

## Quality Learning Center

In November 2017, we established a Quality Learning Center in the Toyota Plant TPS Promotion Center. The purpose of the new center is pass on lessons learned from critical quality problems that occurred in the past to all employees, so that these lessons will not be forgotten. The exhibition booths have been created on the basis of three key words:

- ① **“Legacy”**: Tell future generations about example cases that occurred in the past.
- ② **“The next process is the customer”**: Never forget critical quality problems, so they will not cause problems for our customers again.
- ③ **“Perceived quality”**: Identify good and bad quality by seeing, touching, and feeling the products.



Above: Skills trainees looking at the exhibits  
Right: Hands-on exhibits, such as quizzes

With video screenings, quality awareness improvement quizzes, and more, the Center offers opportunities to re-acknowledge the importance of high-quality manufacturing through hands-on learning. The TPS Promotion Center, where the Quality Learning Center is located, is also a training facility for education in various skills. It is used by large numbers of employees as a place to develop quality assurance-related human resources.

## Quality Case-Study Exhibition



Above: Staff from various departments looking at the exhibits  
Right: Introducing improvements by showing a video

In order to create robust manufacturing sites, we hold quality case-study exhibitions as a special event during the annual Quality Month in November. The exhibitions involve panel displays of over 50 cases of quality improvement, including ones by our suppliers. Over 900 members participated in the event in FY 2017, with people joining in from design, production engineering, and administrative departments as well as the manufacturing department. The number of participants is growing every year. Event participants take ideas from the successful improvement examples on display back to their workplaces, and introduce them there. The exhibition is an important part of our approach to quality improvement through participation by all.

## Awards from Customers (CE Special Award)

Our exhaust sound control system and mass production method for 1180 MPa difficult-to-form components were adopted for the Lexus LC500/LC500h. Toyota Motor Corporation recognized these contributions to the development of new vehicles by giving us two CE Special Awards for the achievements.

The awards were given in recognition of the development of an exhaust sound that achieved both quietness and an impression of power through the development and use of valves, and of the development of a method for stably mass producing difficult-to-form components made of high-tensile steel. We will continue to work on developing products that make our customers happy.



CE Special Award Letter of Appreciation



Lexus LC500h

## Promotion of Green Purchasing

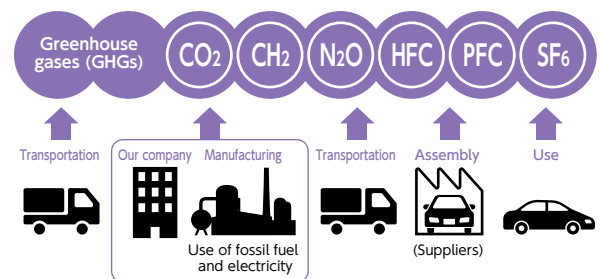
In cooperation with our suppliers, we have been striving to better preserve the environment through purchasing of parts and materials that are more environment-friendly. In 2018, we published the “Sango Group Green Purchasing Guidelines” in order to promote joint approaches with our suppliers toward greater harmony with the environment.

### What we ask of our suppliers

1. Build an environmental management system
  2. Reduce greenhouse gases (GHGs)
  3. Reduce water environmental impacts
  4. Promote resource recycling
  5. Control chemical substances
  6. Build a society in harmony with nature
- (“5. Control chemical substances” is mandatory, and is the most important item.)



Briefing session for our suppliers



Implementing approaches to preservation throughout the supply chain

## Sharing Information and Building Partnership through Supplier Meetings

We hold a supplier meeting every month at which we deepen partnerships with our suppliers by sharing information on topics such as quality, safety, and production trends. We also organize study tours and seminars on a regular basis so we can learn with our suppliers. The things we learn together are introduced into suppliers’ companies as well, and they use these opportunities to gain knowledge to help solve their respective problems.



Hamaoka Nuclear Power Station study tour (Measures against earthquakes and tsunamis)



A seminar by one of our engineers, under the title “Tips from a Development Engineer”

## Approaches for Persons with Disabilities and Re-Employed Retirees

Our group has a number of employees with disabilities. First, they come and work with us for a trial period to see if the job details suit them. Once they officially join our company, on-site counselors are always available to listen to their concerns, so they can feel at ease working in a place where they can make full use of their own abilities. The retirement age in our company is 60. 90% of our retired employees use the re-employment system after retiring to continue working with us and using the techniques and skills they have acquired over many years. Besides returning to the same workplace they worked at before retirement, we also have a scheme to introduce them to other workplaces where they can work without too much exertion. We are working to create workplaces where our employees can feel an even greater sense of reward.

We have programs for childcare support such as a childcare leave program and shorter working hours for parents, and a long-term nursing care leave program for employees who provide long-term care for family members. These programs are equally available to both men and women, and through them, we are creating a system through which our employees can work at Sango for as long as they want to, in a way that suits their home circumstances.



Everyone works together in our inclusive workplaces.

## Women's QC Circle



A Women's QC Circle meeting

Many female employees are also playing an active role in our company. In order to be able to work at ease and feel comfortable in the workplace, some of our female employees formed a Women's QC Circle to share opinions. The circle members also conducted a questionnaire survey of our employees about the work environment. After narrowing down the points that needed to be improved, they gave a presentation on them to the president and board members. Their efforts led to successful improvements of the work environment.

The women's restroom at the Head Office was renovated, and became cleaner and easier to use.

## Smile Lines (Expectant Mother-Friendly Production Lines)

Our Smile Lines are the fruit of a positive action project our female employees conducted with the aim of developing workplaces that are easy to work in.

Before the project, our production sites' female employees would often leave their jobs or switch to office work after becoming pregnant. However, some still want to keep working in the same workplace, performing work that is not too strenuous.

We thought that a workplace where an expectant mother could work without too much exertion would also be easier for a male employee to work in, and creating one would improve the entire work environment. To this end and after much trial and error, we completed our first Smile Line in 2013, with the aim of developing a production line that would be accessible for a diverse range of staff.

Today, we are still working to create production lines that will be friendly to all.

### Before

A task consisting of covering products with a metal mesh



### After

The process was improved so that it can be performed while seated so there is less strain on the body



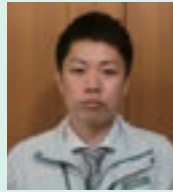


## Trainee Program

We have introduced an overseas trainee program to help employees improve their language skills quickly and encourage cross-cultural understanding. The program provides language training and practical training overseas over the course of about a year. It is available to employees who have been with us for less than 10 years.

Nine young employees had been dispatched by FY 2017, and many of the people who have taken the training are playing active roles as bridges between our bases in Japan and our overseas affiliates.

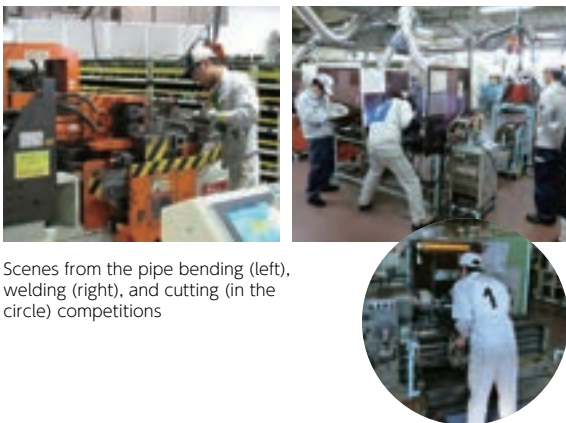
### After the Trainee Program at TSC (Tianjin, China)



Purchasing Division 2,  
Purchasing Department  
**Yasuharu Kato**

For the first six months, I studied Chinese at a local university. Then, I spent the next six months working at a local affiliate. I had a hard time communicating with local suppliers in their own language, but I was able to overcome the problems thanks to the language education support. Now I'm back in Japan after completing the program, I'm able to communicate with the local affiliates with ease, and have been given a wider range of work.

## Sangorin Olympiad



Scenes from the pipe bending (left), welding (right), and cutting (in the circle) competitions

In Sango, we hold technical olympiads. Each of our manufacturing plants and departments selects delegate technicians to use their skills and techniques to compete for medals in 10 competitions. Examples of the competition categories include welding and pipe bending. Ninety-three employees from throughout the company took part in the 7th Sangorin Olympiad, and 11 of them won gold medals. The increasing number of participants from overseas affiliates in recent years is a testament to the growing interest in the competition. The Olympiad encourages technical improvement company-wide through mutual improvement among employees, in order to achieve strong on-site capabilities and pass on skills to subsequent generations.

## Pre-Management Juku

Pre-Management Juku started with the goal of developing prospective leaders for subsequent generations who will be able to adapt to changes. It is now in its fourth term. The program aims to develop human resources who can think for themselves and take action on their own initiative, through practical exercises in thinking outside the box for existing forms of business and coming up with new technologies and ideas. These capabilities are essential to adapting to the changing business environment for the automotive industry.

Active wheelchair  
"NODUR," designed by  
Pre-Management Juku  
students



## Health Promotion Efforts



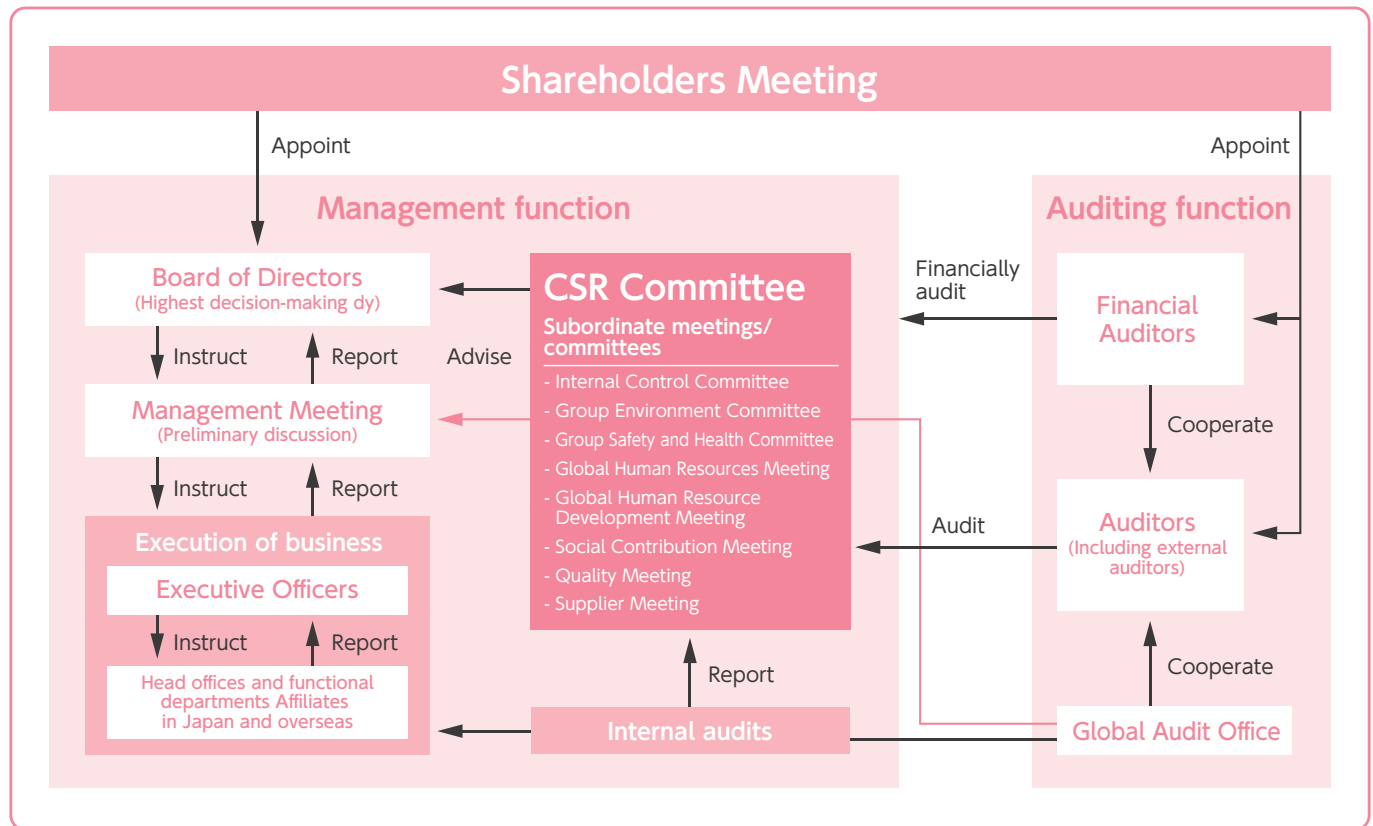
Employees at a walking study meeting

Human resources who are healthy in mind and body are an important element for a company to grow soundly. We hold company-wide fitness walking study sessions in order to address people's lack of exercise in everyday life.

In the walking study sessions, our employees learn walking exercises that they can do in their daily life, then take part in a walk. Our goal with the program is to get as many employees as possible into the habit of taking exercise, and to become more conscious about health.

## Corporate Governance System

Our company has the corporate governance system shown below. The system enables us to make transparent and fair decisions in a quick and decisive manner, taking into consideration all our stakeholders, which include our employees, shareholders, customers, suppliers, and local communities.



The Board of Directors—the highest decision-making body in our group—monitors our directors and decides on critical issues concerned with management and statutory matters. Meanwhile, our auditors—who include external auditors to ensure fairness and independence—supervise management and audit how the directors are executing their duties.

## Internal Control Committee

Our company has a basic policy on establishing an internal control system to ensure the properness of operations in its organizations. In accordance with this policy, our Internal Control Committee promotes three approaches: 1) corporate governance; 2) compliance; and 3) risk management.



## Enlightenment through the Company Magazine: Sango ★ Compliance Newsletters

We distribute our in-house magazine, Sunshine, to all of our employees, and every issue has a Sango ★ Compliance Newsletter.

The newsletters introduce examples of compliance issues that are relevant to and could easily occur in any department, whether manufacturing, administrative, or technical. For instance, there are articles about problems with using SNS, and about problems related to drinking. The examples are explained in an easy-to-understand way using four-panel cartoons and illustrations.

The aim of the magazine is to enlighten our employees so that each of them will be able to comply with laws and societal norms and be a good role model in society.



An example of a Sango ★ Compliance Newsletter

## Education on Important Laws and Regulations



Training session on important laws and regulations given by an in-house lecturer

Business operations involve compliance with a variety of laws and regulations. We must not allow ourselves to violate them just because we did not know about them.

In order to prevent law violations by employees lacking such knowledge, we provide new executives with education on five themes: the Antimonopoly Act, bribery, the Subcontract Act, the Worker Dispatch Act, and drug control. The educational lectures explain the details of these laws and rules in an easy-to-understand way, using specific examples that are relevant to our company's situation.

## Whistleblowing System: Sango ☆ Helpline

We have a whistleblowing system, Sango ☆ Helpline, to help our employees report and get advice on inappropriate conduct they have found in the company. The system protects and ensures the safety of whistleblowers, and helps us discover violations of laws, regulations, and the company's internal rules, ascertain the potential risks they involve, and take action early on.

The helpline provides an internal point of contact and an external point of contact which is operated by our general legal counsel, and both accept reports through telephone hotlines and dedicated email addresses. It is an important system for resolving problems quickly.



An information poster displayed in the company

## Social

Number of employees



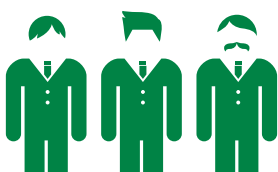
**7,066** <sup>\*1</sup>

Proportion of female employees



**6.5%** <sup>\*2</sup>

Average age



**40.0** <sup>\*2</sup>

Average number of years at the company



**17.1** <sup>\*2</sup>

Number of educational courses



**73**

Number of workers who have acquired a National Trade Skill Test & Certification qualification



**291**

Rate of returning to work after child care leave



**100%** <sup>\*2</sup>

Ratio of employees with disabilities



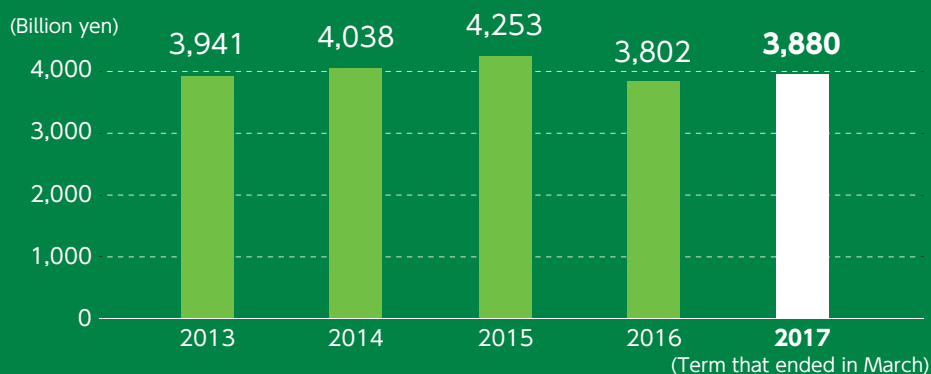
**2.3%** <sup>\*2</sup>

\*1: The number of employees in Sango Co., Ltd. and consolidated subsidiaries as of the end of March 2018 (excluding temporary employees).

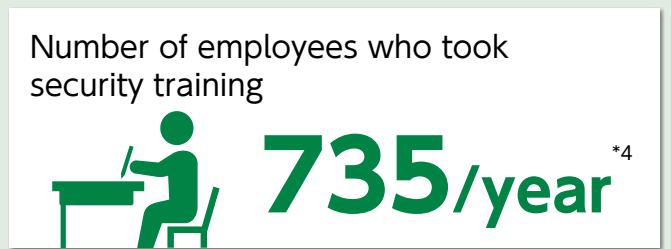
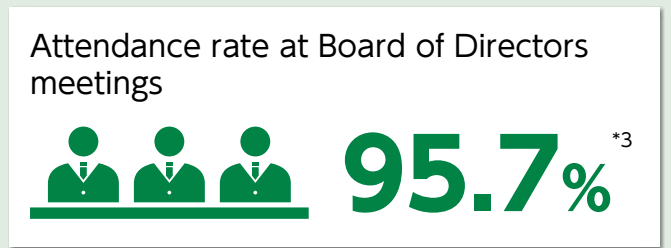
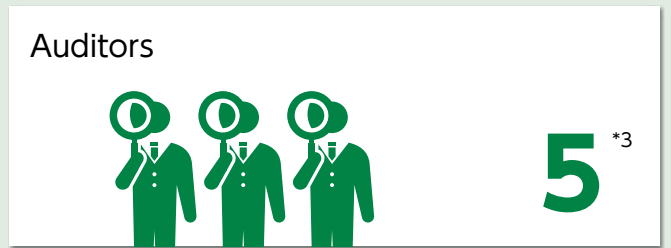
\*2: Results for Sango Co., Ltd. and Sango Corporation Ltd. for FY 2017.

## Financial

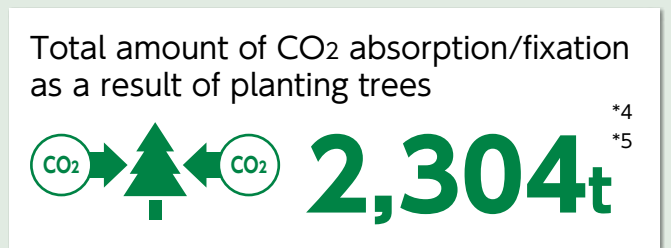
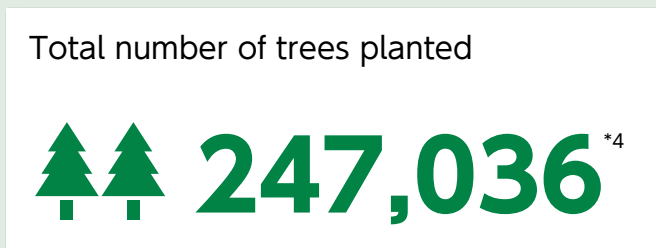
Changes in Sales  
(Consolidated)



# Governance



# Environment



\*3: Results for Sango Co., Ltd. for FY 2017.

\*4: Results for Sango Co., Ltd. and consolidated subsidiaries for FY 2017.

\*5: The figure given is equivalent to the amount of CO<sub>2</sub> adsorbed by trees we planted, obtained using our own calculation method.

# Company Overview

Company Name	Sango Co., Ltd.
Representative	President Koza Tsunekawa
Head Office/Fukuta Plant	1-1 Miyashita, Fukuta-cho, Miyoshi-shi, Aichi-ken
Founded	1-Jun-28
Incorporated	1-Jun-50
Capitalization	608 million yen
Main Products	Mufflers, exhaust systems, exhaust manifolds, vehicle body products, impact door beams, other automotive parts, cold forged products, cold finished steel bars, drawn pipes, carbon steel pipes for mechanical structures, machined/ground steel bar products
Customers	Toyota Motor Corporation, Hino Motors, Ltd., Daihatsu Motor Co., Ltd., Nissan Moter Co., Ltd., Mitsubishi Motors Corporation, Isuzu Motors, Ltd., Subaru Corporation, Mazda Motor Corporation, Toyota Industries Corporation, JTEKT Corporation, KYB Co., Ltd., Toyota Tsusho Corporation, Sumitomo Corporation, Asai Sangyo Co., Ltd., Metal One Corporation, Canox Corporation (random order)
Main Banks	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation

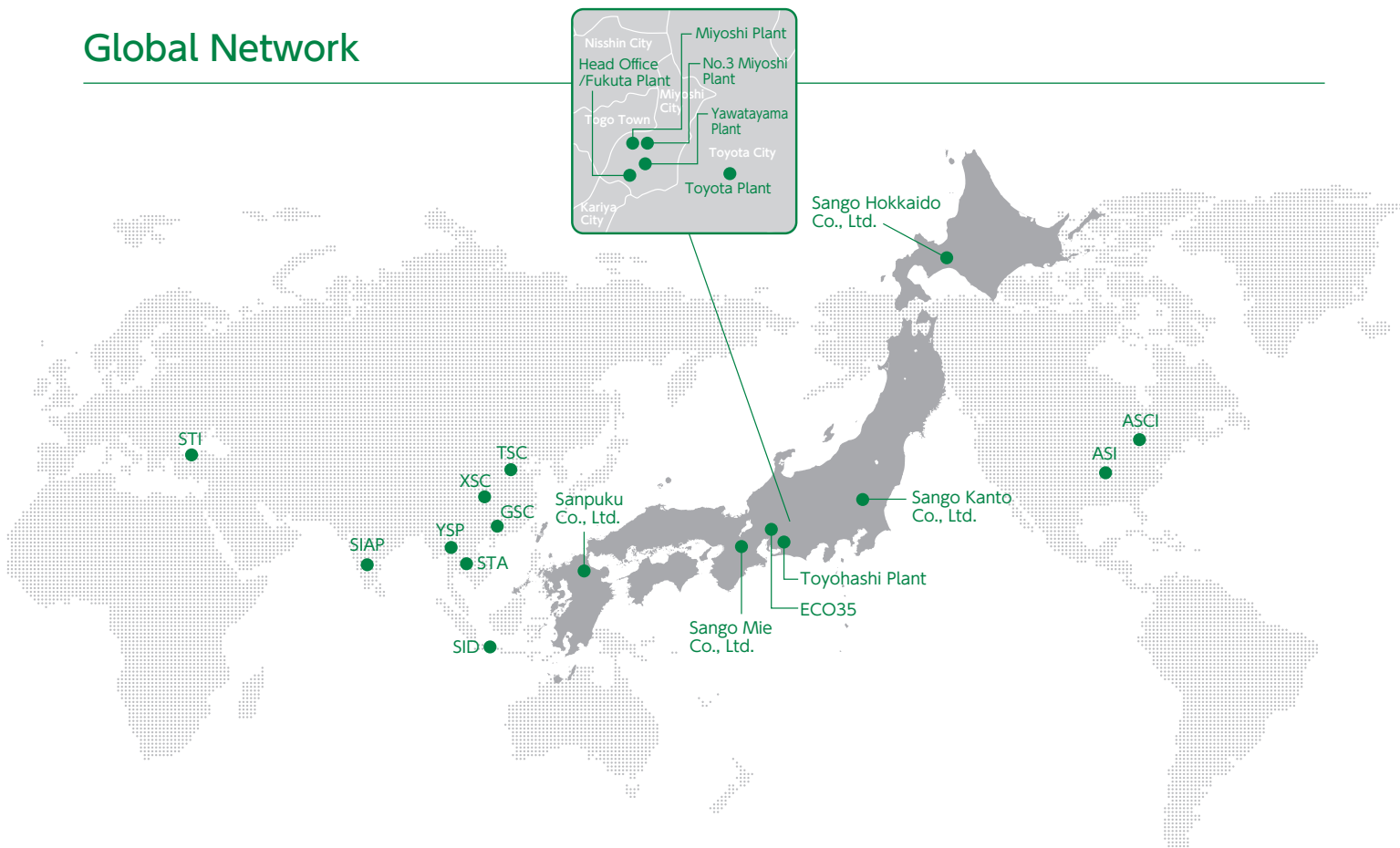


Head Office/Fukuta Plant



ECO35

# Global Network

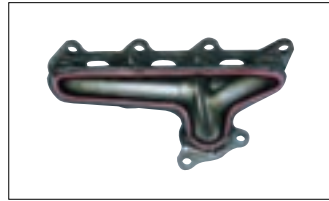


## Exhaust Systems

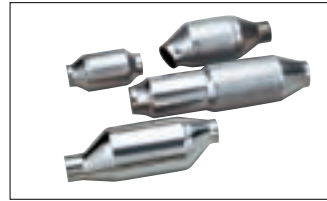
### Exhaust Systems



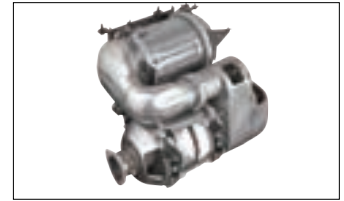
Single wall tubular manifolds



Air gap manifolds

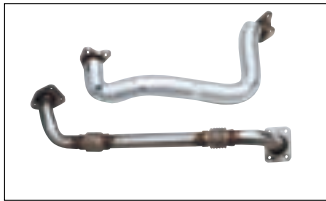


Spun catalytic converters



SCR aftertreatment systems

### Pipe components for engines



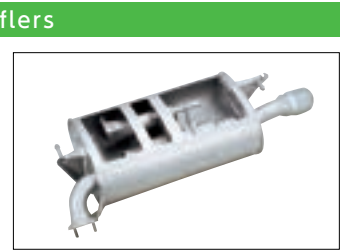
EGR pipes



Exhaust gas heat collectors



Spun sub-mufflers



Dual mode mufflers (internal valve)

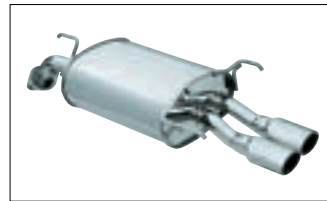
### Mufflers



Laser welded mufflers



Titanium mufflers



Sports mufflers

## Vehicle Body Products



A-pillars



Roof side rails



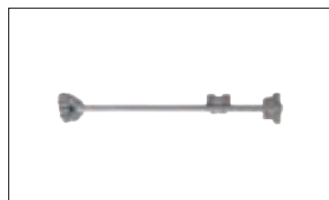
Floor cross members



Radiator supports

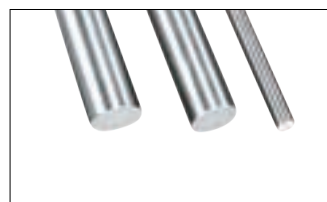


Cross members



Door impact beams

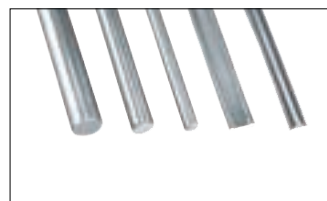
## Secondary Steel Products



Cold finished bars



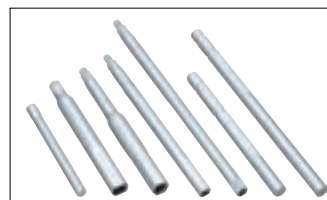
Carbon steel pipes for mechanical structure purposes



Cold finished bars (drawn)



Steel wires (drawn) for cold heading and extruding



Steering shafts



Cold forged products



**Contact**

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