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Pure AIR & More.

SANGO Group Report 2025



Greetings

Sango the Environmental Company,
and then Sango a Value Innovation
Company. We will take a step forward
into the future.



Over the past 97 years since its founding and 75 years since its establishment, Sango Group has grown with our stakeholders and been contributing to the development of society and overcoming social issues through our products.

In September 2024, we formulated the SANGO Group Vision 2040, a new long-term vision. The slogan “Pure AIR & More.” expresses our determination to continue creating new value that goes beyond our existing values of purifying the air and delivering environmentally friendly products.

The environment surrounding the automobile industry is undergoing major changes, such as acceleration of electrification, changes in the global economy and security, and intensified efforts toward a decarbonized society, among others. Amid these changes, we are continuing to deepen our current technologies in exhaust systems and steadily pursue new fields such as automotive body parts and battery-related components. Also, we are actively engaged in forward-looking measures such as the setting up of high-capacity press machines at the Fukuta Plant, the construction of a new plant, and the reorganization of our exhaust business.

Year 2025 is the final year of the Midterm Management Plan 2025 and marks an important milestone for Sango Group to take a leap to the next stage. To achieve our long-term vision, we will work together to create new value while strengthening our management basis.

Sango Group will continue to value harmony with the global environment and contribute to the realization of a sustainable society. We look forward to the continued support and encouragement from our customers, business partners, and local communities.

Representative Director & Executive President **AKICHI MIZUNO**

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Company Creed

Sango Group's elements of prosperity
Prosperity for our planet,
for our company and for ourselves

SANGO WAY (General rules for actions)

As Sango employees, the yardstick by which we judge whether our actions are correct or not.

- I .Fair and conscientious behavior
- II .Cultivating skills and building strong teamwork
- III.Spirit of challenge
- IV.Innovation and Creativity
- V.GENCHI GENBUTSU (GO and SEE)

Corporate Principles (Purpose)

To achieve a sustainable society, we aim to be “Sango the Environmental Company” and a “Corporate Group that Cares about People”

- Human Resources Development: form international players who carry on the spirit of challenge, action, and tradition
- Manufacturing: create unique products through technical innovation and world-class skills
- Environmental Creation: work together with local communities so that individuals can live in harmony with the Earth

Sango Group Code of Conduct

Basic guidelines and specific cautionary points for Sango employees to use as norms and a compass

- 1. Respect of Human Rights
- 2. Compliance with Laws & Rules
- 3. Safety and Health
- 4. Protection of Company Assets
- 5. Proper Information Management, Transparency, Responsibility of Disclosure
- 6. Fair and Impartial Relationship
- 7. Environmental Preservation and Social Contribution Activities
- 8. Business Operations Respecting the Culture and Customs of Other Countries

Long-term Plan

SANGO Group VISION 2040
Pure AIR & More.

- Contribute to a safe, secure and sustainable society as a manufacturer and an experience provider
- Provide employees with a workplace where they can find satisfaction and happiness through their own personal growth

*See pages 05–06 for details.

CSR Policy

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

Midterm Management Plan

Management Policy for 2025

*See page 07-10 for details

SDGs Action Policy

Based on Sango's Corporate Principles, we shall consider the Earth's environment as we aim to be a company in harmony with local communities, and through our growth, contribute to the realization of a sustainable society.

Sango Group Mid- and Long-Term Strategy Roadmap

Sango Group announced its long-term vision toward 2040 in October 2024. The SANGO Group Vision 2040 was released along with revised Company Creed and Corporate Principles (Purpose). Under the slogan “Pure AIR & More.” we will contribute creating a sustainable society as Sango the Environmental Company.

As basic concepts to formulate mid- to long-term strategies, there are two approaches: a “backcasting,” which involves working backward from a desired future to develop strategies, and a “forecasting,” which involves predicting the future based on the present to develop strategies. Our company will proceed using both approaches. In addition, in response to the many environmental changes and uncertainties in today’s world, we formulate midterm management plans every five years to reach targets of our strategies. According to those plans, we decide on our annual policies and promote the realization of our vision for the future, “Pure AIR & More.”

Future Vision
for Our Group

Pure AIR & More.

As a provider of solutions to environmental issues, we will continue to create pure and clean air. In addition, we will take further steps to transform ourselves into “Sango the Environmental Company” for the sake of local communities, customers, and employees, in pursuit of building a sustainable society.

- What is VISION 2040?

Clear statement of Sango Group’s vision for 2040, 15 years from now, which it hopes to achieve through its business
- Aims of the formulation of VISION 2040

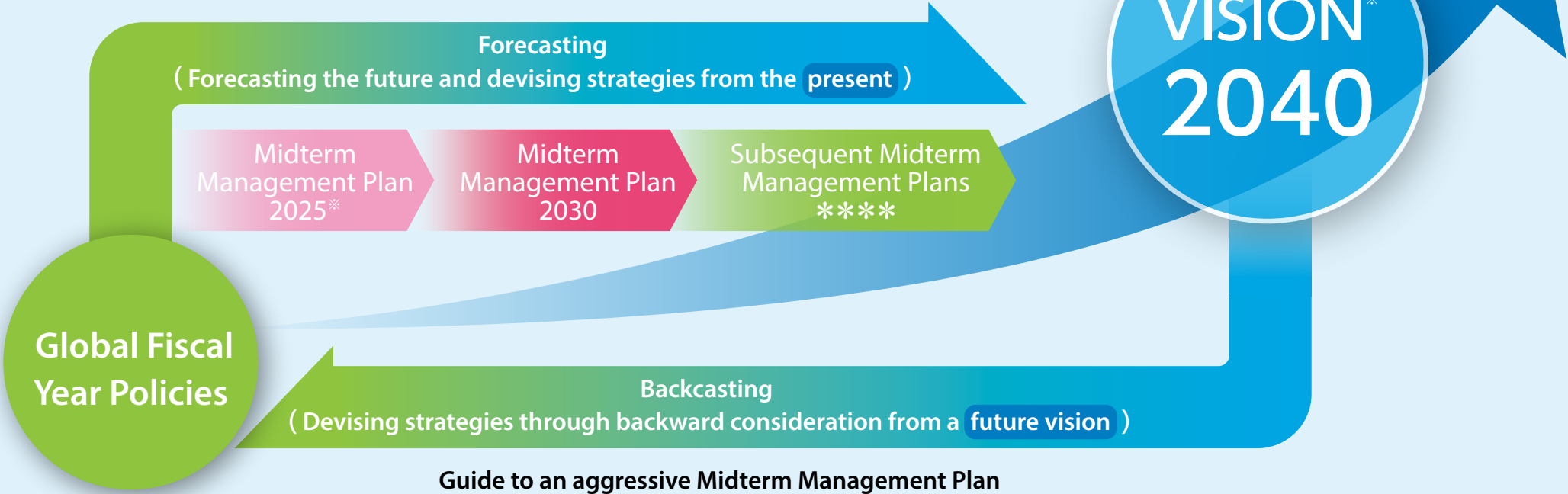
1

To show the Group’s purpose-driven vision in response to the growing public expectation for companies to perform “purpose management” as drivers of a shared effort toward a sustainable global society

2

To overcome the current headwinds against the exhaust business and evolve our business and corporate culture so that they will match the times

● Future Vision of Sango Group



*See more details of VISION2040 and Midterm Management Plan 2025, on pages 05–10

SANGO

Group VISION 2040

The slogan “Pure AIR & More.” embodies our determination to continue providing pure and clean air, creating pleasant engine sounds, and providing new value beyond the automotive field. We commit to this mission while inheriting the challenging spirit of our predecessors who have sincerely addressed environmental issues in the past.

One of the characteristic features of this vision-making process is that it involved 3 teams of young and midlevel employees and 1 team of managers (35 people in total). VISION 2040 represents the future for Sango that all employees can relate to, with the spirits of not only management but also general employees from different generations.

We will take further steps to transform ourselves into Sango the Environmental Company in pursuit of building a sustainable society, gaining affection and trust from local communities, making our customers smile radiantly, and securing a happier future for our employees. Together, we will move forwards.



Director & Executive Vice President
Hiromi Sakata

Slogan

A watchword for all Sango Group employees to aspire to the same ambition

Pure AIR & More.

Our determination embodied in the slogan

Pure AIR

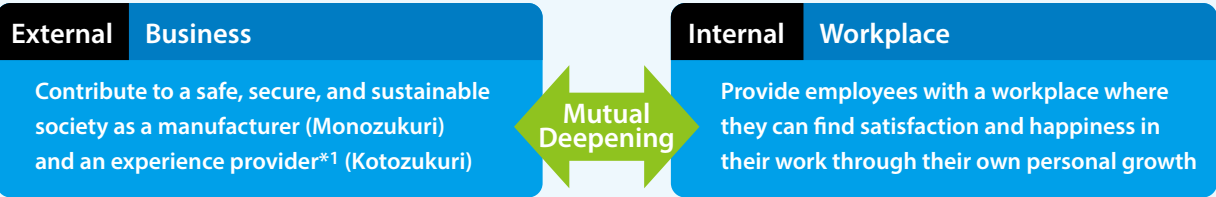
Determination to continue to provide the value of pure and clean air as “Sango the Environmental Company”

More.

Determination to provide various forms of new value in addition to pure air

Mission

Mission of each business field and workplace to meet the slogan



*1: Provider of added value in the form of the experiences that users expect to have through products, instead of being just a designer and manufacturer of the products themselves (e.g., creating more pleasant engine sounds)

Two Business Fields We Focus On

Two areas of focus to achieve the mission



- Our Aspirations

 - ➡ Further broaden our lineup of body and drive system products in line with a multi-pathway approach
 - ➡ Explore new possibilities for our exhaust business (including M&A and collaboration)
 - ➡ Add a greater depth to our existing products so that they are more environmentally friendly and create new products of this kind in anticipation of future regulations
 - ➡ Create parts and services associated with next-generation mobility
 - ➡ Promote an integrated process of product creation, from development to processing, including both existing and new materials, and scale it out to a wider range of areas
- Our Aspirations

 - ➡ Expand our infrastructure business that helps resolve the issues of deteriorated infrastructure, with increased demand for maintenance and replacement, and labor shortages (e.g., making our products comply with Japan Industrial Standards and other standards)
 - ➡ Enter business fields related to urban infrastructure and living environments
 - ➡ Create products associated with next-generation energy (e.g., hydrogen- and smart-city-related products)

Management Foundation

Six functions that we want to develop as a foundation toward being a cheerful company filled with smiles



Management Targets

Qualitative and quantitative management targets for 2040

- Non-financial targets

 - E Promote CO₂ emissions reduction to achieve carbon neutrality by 2050
 - S Increase employee engagement and ensure diversity in personnel appointments
 - G Comply with laws, regulations, and corporate ethics and build a sound management governance system
- Financial targets

 - Group’s consolidated profit margin: 7%*2
 - Sales ratio of new businesses: 10% or higher*2
- *2: Excluding supplies

Midterm Management Plan 2025 Review

The Midterm Management Plan 2025, launched in 2021, is at its final year in FY2025. During the plan formulation, we classified management issues into three categories and set five pillars to give solutions to them. Based on those five pillars as management policies, we have implemented various measures during these years.

In FY2025, we are reviewing the achievements and learnings we have made so far, identifying steps for the future, and conducting activities that lead to SANGO Group Vision 2040.



● Management Issues at the Time of Midterm Management Plan 2025 Formulation

(1)Earnings structure (including business fields) issues	Need for reformulating future strategies for each business and balancing resources and optimization
(2)"Our weapons = technical capabilities" issues for business growth and change	Delays in production technology development for existing products and new product
(3) Internal growth inhibition issues	Resolving issues related to workplace management

● Achievements in Response to the 5 Pillars of Management Policies Set Forth in Midterm Management Plan 2025

Framework of management policy	Main measures	FY2021	FY2022	FY2023	FY2024	FY2025
①Restructuring of business strategies	●Improvement of exhaust system business profit ●Strengthening the automotive body business ●Restructuring of precision steel and chassis business ●Commercialization of FP35 next-generation piping for construction sites		Establishing efficient ways to buy, manufacture, and sell products according to their characteristics			
			Installation of high-capacity presses and mass production of large-body products			
			Change from material processing to parts processing			
		FP35 technology development	FP35 market and commercialization survey		Commercialization of FP35 and operation of MEGLiS Co., Ltd.	
②Strengthening technology development capabilities	●Development of hydrogen technology ●Strengthening of processing technology ●Development of technology for electrification		Development of new technologies for hydrogen storage and transportation			
			Strengthening processing technology (applications of pipe processing and laser welding technology)			
			Receiving orders for battery packs and module parts			
		Development of in-house designed battery coolers		Sales activities for battery coolers		
③Reform of earnings structure	●Earnings improvement activities ●Strengthening the basis of cost management		Promotion of company-wide profit improvement activities			
			Reconstruction of cost management concepts and rules			
④Promotion of manufacturing reforms ensuring safety and quality	●Full review of core systems ●Reform of manufacturing and transportation methods		Preparing for ERP deployment (data centralization, business process reform, etc.)			ERP operation
		Productivity improvement through line consolidation (supplies and mass-produced product lines)				
		Automation of factory transport operations				
		Restructuring of Fukuta Plant (establishment and operation of press building No. 2, mold warehouse, automated parts warehouse, and distribution center)				
⑤Human resource development and strengthening workplace capabilities	●Restructuring the personnel system ●Work style and workplace environment reform ●Trainings system for each level, and communication skills improvement ●Strengthening recruitment capabilities		Establishment and operation of the new personnel system (review of wage, qualification, interview, and reemployment system)			
		Employee satisfaction survey, telecommuting system implementation, childcare system expansion, cafeteria plan introduction				
			Introduction of a new system for training and workplace dialogue called “mane-talk” in administrative and technical workplaces			
			Establishment of a recruitment strategy program and introduction of cross-border learning			

Key Themes toward the Ideal Plant Prospect

To achieve the management policies outlined in our Midterm Management Plan 2025, that are “promotion of manufacturing reforms ensuring safety and quality” and “human resource development and strengthening workplace capabilities,” we are implementing smart factory initiatives. Aiming for efficient and flexible operations using IoT and AI, we create factory where everyone appreciate working, and form an organization that maximizes employee potentials employees. At the same time, we are working on both productivity and job satisfaction while addressing the matter of diversity. We are also working to create a workplace where workers can fulfill their mental and physical well-being and be active over the long term.

Report

Since 2021, we have focused on the following activities to create a workplace full of smiles and vitality, as well as to realize flexible and efficient plant operations and enhance competitiveness.

(1) Skill transmission and human resource development through trainings

As a manufacturing company, we are committed to fostering highly skilled workers. In-house skills tests, and skill Olympics called the SANGO-RIN are held, and we support employees who take on the challenges of national skills tests. We are also working to pass down skills by introducing the Takumi Line. This is a production line, in which veterans and younger employees work in pairs to perform the hand welding and hand bending work required for replenishment items and small-volume product lines.



In June 2024, 9th SANGO-RIN



Fukuta Plant Distribution Center (top)
Rest space at Fukuta Plant, No. 4
Manufacturing Section (bottom)

(2) Creating an attractive and comfortable workplace

We are working to enhance spaces where employees can refresh themselves. By allowing employees to take breaks in a comfortable and a cheerful atmosphere, we anticipate they will refresh their minds and recover their concentration. These spaces also serve as a place for active communication between members of different departments, leading to improved work efficiency and performance.

(3) Development of citizen developers and utilization of DX

We train employees as “citizen developers” of apps so that employees themselves can improve their work efficiency and solve problems. We also actively use digital transformation (DX) to improve production management, quality improvement, energy conservation, and other areas.

Projects in FY2025

Business	Acquisition of production and maintenance skills and human resource development for direct customer production	Information	Collection and utilization of production information
Way of working	Creating a line that is friendly to the seniors and women (one line per plant)	Quality	Quality judgment by AI cameras, visualization of wire feed resistance, and other data collection
Transmission of skills	Preparation of a Takumi Line training environment and training of highly skilled workers	Maintenance	Data collection for predictive maintenance (vibration, current, temperature, etc.)
Transportation methods	Automation from parts stores to production lines, and finished product storage areas (one area per plant)	Production	Introduction of picking technology using 3D cameras
Work atmosphere	Heat measures, expansion of resting spaces, and walking strips placement		

Taking Manufacturing into the Next Era. Changing Workplaces and the Future through DX

DX is not just about improving efficiency. It is also a driving force for creating new value through the fusion of on-site capabilities and technological capabilities. Since FY2024, we have been reviewing the conventional inspection process and utilizing digital technology to conduct more accurate quality checks. One example is a visualization method using eye tracking devices. By visualizing the eye movements, we can now periodically confirm whether key monitoring points are being checked.

Check by wearing tracking glasses

Under the Midterm Management Plan 2025, the Manufacturing Department places top priority on safety, and aims to achieve both productivity and environmental performance with a focus on improving quality, saving energy, and improving efficiency. We have made capital investments to increase production of body parts and have promoted the development of smart factories by introducing automation and IoT. I would like to create a work atmosphere that suits diverse lifestyles and improve work-life balance to maintain employee motivation. With vibrant workers, I will promote making sustainable manufacturing sites by raising production-site capability and passing on skills.

Operating Officer/Skills Improvement Conference Chairman **Genichi Kamizuka**

Developing Human Resources and Strengthening Workplace Capabilities

Sango has redesigned its personnel system to improve employee engagement to achieve the goals of “human resource development and enhancement of workplace capabilities” in the Midterm Management Plan 2025. In recent years, as the diversity of our work styles has increased, more and more companies are working to improve employee engagement. Employee engagement is the idea of building a solid relationship between a company and its employees and growing together. It is regarded as an important factor that leads to employee satisfaction in work and a company’s growth.

Our goal for employee engagement is for all employees to work cheerfully, positively, and actively, and to experience personal growth and joy while feeling proper pressure. By instilling this way of thinking, we are expecting that our employees will increase their motivation, the workplace atmosphere become more positive, the quality of work will improve, and the company will be more productive.

Report

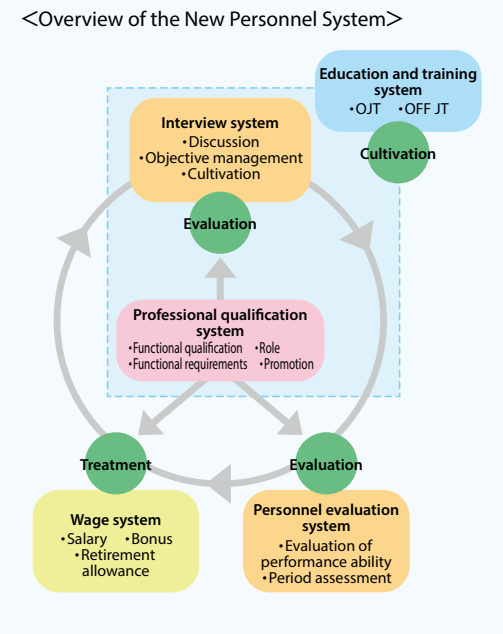
The personnel system reform, which has been underway since 2021, aims to enable those who are willing to take on challenges to be more active. We began the reform with executive and managerial levels in April 2022. It is gradually being shifted to administrative and technical personnel, and we plan to complete it in FY2025. At the same time, we have made a major review of our reemployment system and started a new one. We will examine effects of the implementation from now. We aim to be a company where all employees can work actively and positively.

Steps of Personnel System Reform

	FY2022	FY2023	FY2024	FY2025	FY2026
Executives and managers	● Reformation of functional qualifications, interviews, and personnel evaluation systems	● Reformation of the wage system	● Full transition (Adjustment period)		
Administrative and technical personnel	● Reformation of functional qualifications, interviews, and personnel evaluation systems	● Reformation of the wage system	● Full transition (Adjustment period)		
Reemployed personnel		● Establishment of reemployment qualifications, interviews, personnel evaluation systems, and revision of the wage system			

Aims of the New Personnel System

- Prompt completion of a work style that rewards those who work harder (achieve greater results) and those who are highly motivated and have a positive mindset.
- Implement a personnel system that encourages employees who constantly strive to improve their abilities, and evaluates them based on their growth and performance.
- Achieving balanced treatment (salaries, promotions, and bonuses) according to the weight of responsibility.
- Cultivating human resources with long-term continuous motivation and ambition.



Efforts to Promote Understanding of the Personnel System

A personnel system handbook was published in December 2024 and distributed to all employees to deepen their understanding of the goals and content of the system. We edited a booklet that is easy to read and understand, using many illustrations.

We have been working on the personnel system reform for several years with the aim of creating a workplace where every employee can feel their own growth and work with enthusiasm. We have fundamentally revised the traditional system of professional qualifications, evaluations, and wages. A new system was created that is fair and reasonable in terms of the importance of roles and work performance. We will continue to engage in dialogue so that all employees can live their own lifestyle and work healthily and cheerfully. We will also work to improve employees’ well-being and create a better work atmosphere.

Operating Officer **Kazumi Nagata**

Future Talk

Employees and executives gathered from various perspectives and talked about their thoughts, challenges, and expectations for the future, as well as the appeal of Sango as a manufacturing company.

Let's talk about Sango's manufacturing and its appeal!



Q1 What is the appeal of manufacturing?

- Mizutani** To bring a product to life from my own idea and design; that is the appeal of manufacturing. I feel very happy when I see a final product comes out as I had imagined.
- Suzuki** I am assigned to a section working closely with production staff. It is a pleasure to work with those who take pride in their work and try to meet deadlines.
- Hayakawa** When I was taught the entire process of product making from start to finish, I learned how the parts are completed and found the manufacturing industry interesting.
- Fujishiro** I am attracted to the fact that everyone is involved in manufacturing in this company, because all departments are directly and indirectly involved in the manufacturing process.
- Amano** As you may have experienced, there are intense discussions along the way among various departments, before a drawing on paper becomes a

product and is delivered to customers several years later. Regardless of the differences in opinions, we all share the same desire to deliver good products to customers. As one person mentioned before "everyone is involved," that is true. You could say that Sango has made its history with all hands on deck.

Yamada I believe that manufacturing is not simply a production process, but rather an activity that creates new added value. I think that we can find satisfaction in the fact that the products we created are useful to society, addressing environmental issues, and enrich people's lives.

Q2 What's rewarding to you?

Mizutani When developing complex processing technologies in non-automotive fields, it is extremely important to follow the process of analysis, trial, feedback, and improvement. I am assigned to such job. Through the experience, I feel satisfaction by gaining a deeper understanding of the field and broaden my experience and knowledge.

Hayakawa I am responsible for making estimates, and I check the drawings of parts for that. It is rewarding to see a car on a road, equipped with those parts that I see on drawings.

Suzuki In the past when I was involved with a project, there was a task that I believed an improvement could made in. Because I thought it would be too difficult to achieve, I almost gave up. One day, I attended a roundtable discussion between then-president and younger employees. I boldly asked to the president for advice, and new project to make the improvement was launched immediately. At that time, Officer Yamada also helped me to create a new system. It was worthwhile to do all that because the system is still in operation and being used by numerous people of different positions.

Amano When I was young, my boss at the time told me to give it a try to facing troubles, so I did. Sango has a corporate culture of delegating work even to younger employees. I think it is rewarding for an employee to face his or her work by thinking independently how to proceed. As a company, we have established a training system to improve skills and made a personnel system to link employee motivation to evaluation. We will continue valuing employees' motivation.

Q3 Which aspect of Sango do you find attractive?

Hayakawa I'm currently working reduced hours after returning from childcare leave. I think it's a good place to work here because I can manage the jobs and time myself. There are many women returning to work after giving birth within the company.

Suzuki When we need to act, we all push things forward at once to get the job done. I think the strong teamwork is one of the values of Sango.

Fujishiro I think one of the appealing features of Sango is that the company has many businesses and is trying to expand in other new fields. By taking on challenges in various fields, we can broaden and deepen our technological capabilities and knowledge. I think they'll be Sango's strengths.

Amano This is related to what Mr. Fujishiro said, but I think the prime appealing point of Sango is that we have many ideas and approaches in the various business fields.

Yamada Sango's Corporate Principles state we are a "Corporate Group that Cares about People." Human resources development is needed for a good manufacturing. For that, we are putting in efforts to create a comfortable work atmosphere through welfare enrichment and implementation of an open culture at workplace. We will continue to value these approaches, now and in future.

Q4 What kind of company do you want Sango to be in 5 or 10 years?

Mizutani I hope it'll be a company where one can keep taking on challenges without fearing failure.

Hayakawa Today, I learned Sango is trying to expand into new business fields. I hope that our company can grow more into various fields.

Suzuki What I've been feeling lately is that it would be nice if administrative staff could gain experiences in different departments. This will allow us to think from different angles and broaden the range of our ideas, which in turn will lead to the improvement of on-site capacities.

Fujishiro I believe that production site-first companies are strong. As long as Sango stays being a manufacturing company, I'll be pleased if our company focuses on making its production sites stronger not only in 5 or 10 years, but also towards 50 or 100 years from now.

Amano As Sango the Environmental Company, we will continue to provide the products that are good for the environment worldwide, so that we can work with pride and build a win-win relationship between society, company, and employees.

Yamada As many have pointed out, I hope the company never loses its pioneering spirit and continues to challenge new technological innovations in manufacturing.

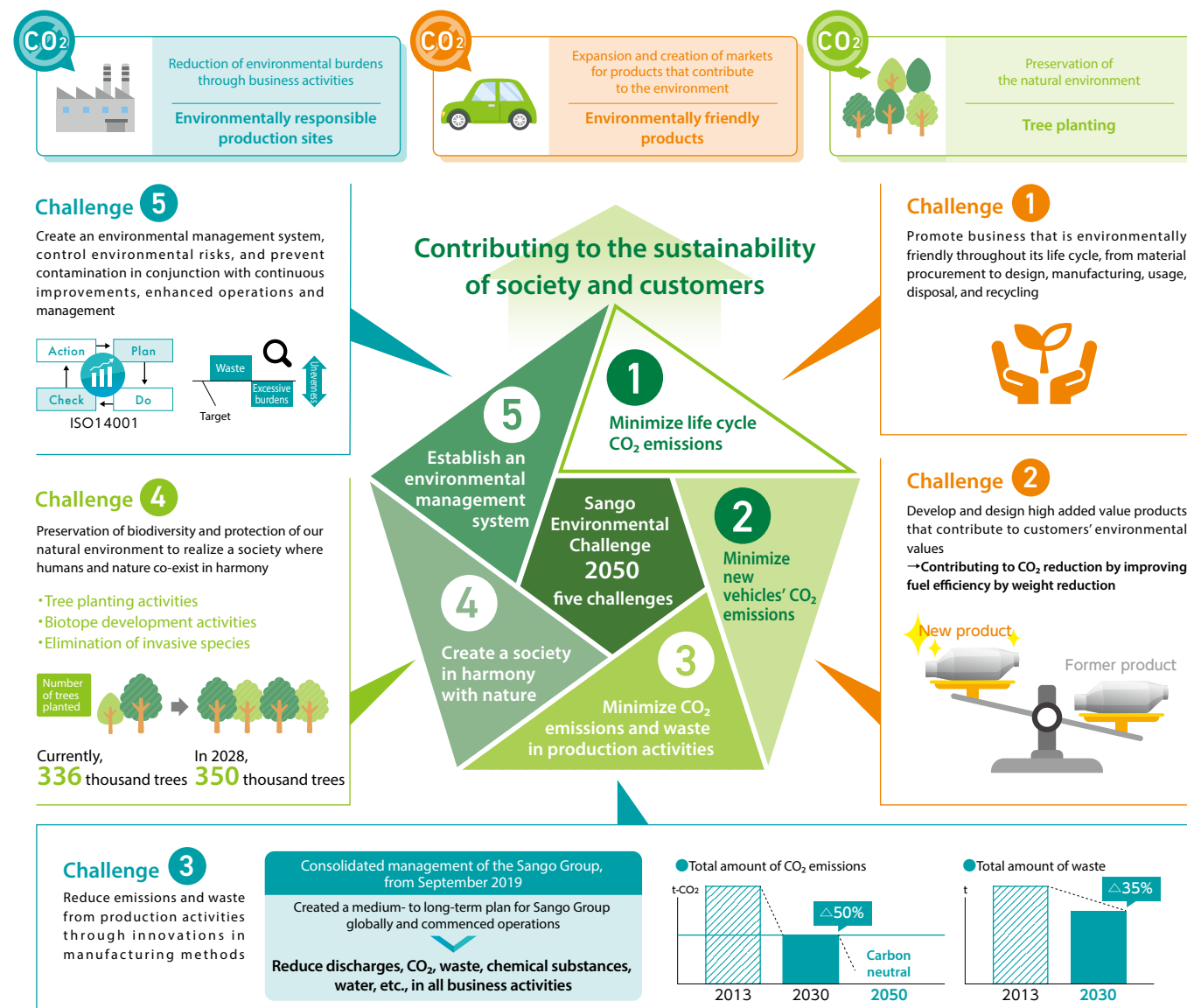


ESG Environment

Sango Group contributes to the realization of a sustainable society under the CSR Policy “Be a company that contributes to society, is trusted, and grows sustainably.” In the area of Environment, we strive to reach both economic growth and environmental conservation of the Earth through approaches such as “Environmental Challenge” and “Human-friendly Workplaces,” while also taking actions towards achievement of carbon neutrality.

Long-term Environmental Vision: “Sango Environmental Challenge 2050”

In 2017, Sango Group established a long-term environmental vision called Sango Environmental Challenge 2050. Towards a better global environment in 2050, we strive for a balance in economic growth and environmental conservation of the Earth. To build a sustainable society, the Sango Group is working on five challenges to create three values.



Steps to achieve Sango Environmental Challenge 2050

The 2nd Environmental Action Plan, one of the medium-term environmental action plans, was launched in FY2023. We have set detailed initiatives and quantitative targets for FY2026.



Sango Group Results for FY2024: Summary of 2nd Environmental Action Plan

CO₂ Emissions and Waste Emissions

FY2024 Targets	FY2024 Results	Scores
◆ CO ₂ Emissions, Scope 1, 2*1 [Sango Co., Ltd. and domestic group companies*2] 52,967 t-CO ₂ (27% reduction from FY2013)	55,777 t-CO ₂	Target Achievement Rate 95%
◆ Waste emissions [Entire Sango Group, globally] 5,225 tons (3.5% reduction compared to FY2013)	7,007 tons	Target Achievement Rate 75%

*1 Global standard GHG protocol scope 1: direct greenhouse gas emissions by companies. Scope 2: indirect emissions from the use of electricity, heat, and steam supplied by other companies.
*2 As for CO₂ (Scope 1 and 2) emissions by overseas companies, BM targets are set for each country.

Major Activities and Results

Category	Five challenges for the “Sango Environmental Challenge 2050”	Initiatives	FY2024 Results
Expansion and creation of markets for products that contribute to the environment	1. Challenge towards the minimization of life cycle CO ₂ emissions	Promote business that is environmentally friendly throughout the life cycle, from material procurement to design, manufacturing, usage, disposal, and recycling.	Reducing life cycle CO ₂ emissions by product unit • Calculated amount of life-cycle CO ₂ emissions per exhaust product, in selected models (during material manufacturing, production, transportation, and vehicle operation). • Reduced CO ₂ emissions by 30% compared to the previous model.
	2. Challenge for minimization of new vehicle CO ₂ emissions	Develop and design high value-added products that contribute to customers' environmental values.	Visualization of environmental impact and CO ₂ reduction activities at suppliers and in logistics processes • Conducted energy consumption surveys at 31 suppliers and shared good practices for improvements, thereby achieving the supplier's CO ₂ reduction targets. Promoted energy consumption reduction activities together with a prototypical supplier under our customer's support (ongoing activity). • Reduced CO ₂ emission during transport and delivery through cost reduction activities for logistics.
Reduction of environmental burdens through business activities	3. Challenge for minimization of emissions from production activity, CO ₂ and waste	Reduce emissions and waste from production activities through innovations in manufacturing methods.	Contribution to fuel efficiency by reducing weight • Achieved weight reduction targets, by 5.2 kg, for exhaust pipes and manifolds of major models, while also improving performance and complying with legal regulations. • Continued the development of new products that contribute to the environment.
	4. Challenge for creation of a society in harmony with nature	Preserve biodiversity and protection of our natural environment to realize a society where humans and nature co-exist in harmony.	Reduction of CO ₂ emissions from own plants and life cycle of our product • Reduced CO ₂ emissions by 505 tons, by installing solar panels and starting power generation at Sango Inabe Plant. • Considered improvement strategies for productivity, cost reduction in equipment and material, etc. when implementing new projects to obtain reductions in cost, environmental impact, and CO ₂ emissions. • Reduced CO ₂ emissions by measuring power consumption and reviewing slide strokes of a high-capacity press. • Target not achieved due to increased production and worsening emission factor. Reduction of waste emissions from daily production activities • Although there were significant reductions in hydrochloric acid treatment waste and oil-containing wastewater, global targets were not met due to increased production and unexpected waste materials.
Preservation of the natural environment	4. Challenge for creation of a society in harmony with nature	Preserve biodiversity and protection of our natural environment to realize a society where humans and nature co-exist in harmony.	Forest creation to absorb and reduce CO ₂ • Total number of trees planted reached 336,805, contributing to CO ₂ absorption of 1,276 tons. • Received the 2025 Aichi Environment Award for Excellence (in recognition of the company's ongoing global efforts to co-exist with nature). • As a site where biodiversity is conserved, ECO35 was recognized as a Nationally Certified Sustainably Managed Natural Site.
Reduction of environmental burdens through business activities	5. Challenge for establishment of an environmental management system	Build a consolidated environmental management system, manage environmental risk, and carry out prevention and continuous improvements, strengthen operations and management.	Compliance with environmental laws and regulations, and prevention of environmental incidents • Continued ISO 14001 certification, reaching certification for 93% of Sango Group companies and sites. • Implemented recurrence prevention measurements through periodic checks (twice a year) of environmental laws and regulations.
	5. Challenge for establishment of an environmental management system	Enhancement of communication through active disclosure of environmental information	• Obtained B rank in Climate Change and C Rank in Water Security categories of the CDP Supply Chain Program. • Held an annual event during Environment Month to raise environmental awareness among employees.

Some of the FY2024 initiatives are presented in detail on the following pages.

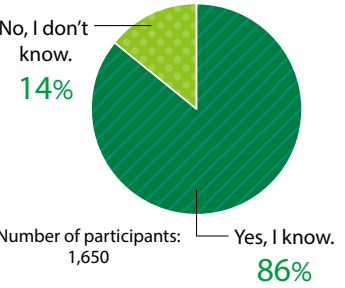
ESG Environment

Participation by All Employees in the Medium-term Environmental Action Plan Challenge 5

To achieve the Sango Environmental Challenge 2050, we formulate medium-term environmental action plans. Currently, we are carrying out the 2nd Environmental Action Plan which sets quantitative targets for CO₂ and waste emissions that we want to reach by 2026, as well as specific action plans.

Every June, Sango celebrates Environment Month holding special events to raise awareness of the 2nd Environmental Action Plan, so that employees act by understanding the purpose and importance of these activities. In FY2024, we communicated through videos and quizzes to employees why we are conducting these activities and that all our jobs lead to the goal of achievement of the Environmental Action Plan directly and indirectly. As a result, the awareness level was 86%, a significant improvement from the level before the activities. Going forward, we will continue to contribute to the realization of a decarbonized society by raising each employee's interest in environmental issues.

Results of the Environment Month's Questionnaire; Do you know the 2nd Environmental Action Plan?



Carbon Neutrality Initiatives in Life Cycle Assessment Challenge 1 & 2

To achieve carbon neutrality, we conduct ongoing CO₂ reduction activities from the perspective of Life Cycle Assessment, covering everything from material procurement to design, manufacturing, usage, disposal, and recycling. In our product development process, we focus on reducing product weight and vehicle emissions. Furthermore, we promote reduction of the numbers of components for each product and product standardization to improve productivity, and then accomplish CO₂ reduction.

In cooperation with our suppliers and customers, we have been participating in Carbon Neutral Co-creation Activities since FY2024. To enhance the effectiveness of activities towards carbon neutrality implemented by our suppliers and to promote their autonomy, we visit them and support them with their difficulties by sharing the expertise of our customers, who are major car manufacturers. In FY2024, we invited a speaker from one of our customers and held a forum with 77 participants from 14 suppliers and Sango. In addition, we held our first Carbon Neutral Exhibition in collaboration with our suppliers, who showed a great deal of interest.



In September 2024, Carbon Neutral Co-creation Activities

Reduction of CO₂ Emissions by Reviewing the Air-blow Process at Pickling Lines Challenge 3

We are implementing ideas from employees to save energy and reduce CO₂ emissions. Miyoshi Plant uses large facilities to process wire material. As a result, power consumption is high, and daily activities for improvement bring about significant effects. The pickling line has a sulfuric acid tank to remove the heat-treated coating of wire material. Conventionally, a compressor generated air was used to separate and remove detached coating and impurities in the tank.

This method resulted a significant energy loss because air was generated constantly. In FY2024, we introduced a blower that can be used only when it's necessary, an idea inspired by oxygen supply pumps for goldfish tanks. The improvement resulted in a reduction of 49.3 tons of CO₂ per year.



Large scale pickling line

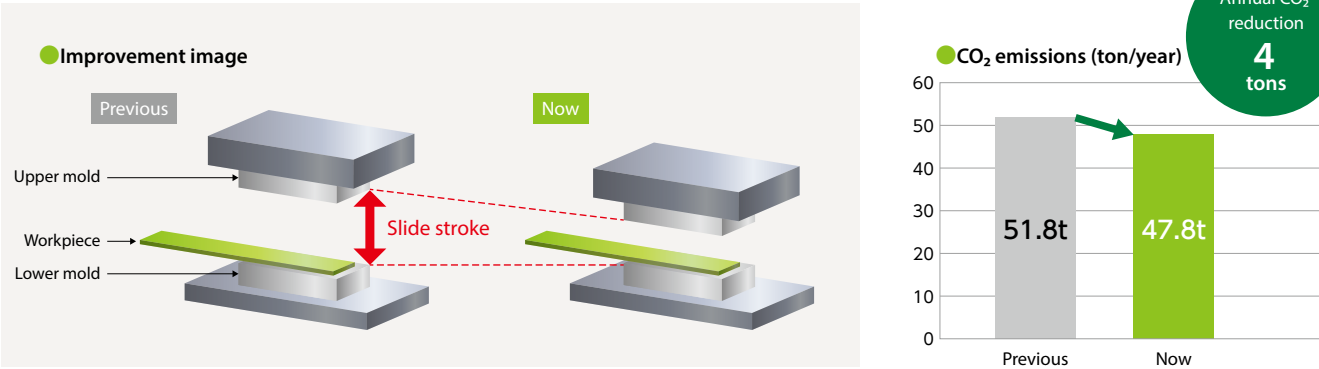


Sulfuric acid tank in pickling line and a newly introduced blower

CO₂ Reduction by Reducing Slide Strokes of a High-capacity Press Challenge 3

As part of efforts to ease environmental impact, we are promoting activities to reduce CO₂ emissions, and for energy conservation in production. At Fukuta Plant, where metal sheet stamping is performed, we have been able to reduce CO₂ emissions by 4 tons per year by shortening the slide stroke length in the high-capacity press machine.

If the slide stroke is longer than necessary for product processing, lost movement occurs in the slide and upper mold. As a result, power consumption increases. By finding the minimum movement range necessary to process and optimize the slide stroke, we reduced power consumption by 7.7%. In the future, we will apply this concept to other press machines to further reduce CO₂ emissions.



Cooperative Actions with Local Communities to Co-exist with Nature in Harmony Challenge 4

We organize activities to co-exist with nature in harmony, such as tree plantings, in order to recover biodiversity and accomplish carbon neutrality. ECO35, located in Nagoya, has wooded area, biotopes, and rice fields. The site was recognized as a biodiversity conservation area and certified as one of the Nationally Certified Sustainably Managed Natural Sites by the Minister of the Environment in the first half of FY2024.

In February 2025, Sango Group also received the 2025 Aichi Environmental Award for Excellence. This award was given in recognition of the fact that our activities to co-exist in harmony with nature spread from the entire Sango Group to other companies and to local communities. The fact that we are creating wooded areas with consideration to biodiversity and implementing multiple environmental education programs for residents including children were highly appraised.

Activities spread throughout communities.

April 2024	Rice planting activity for elementary school students.
August 2024	Lecture at an online seminar hosted by Nagoya Open University of the Environment.
September 2024	Rice harvesting activity for elementary school students.
October 2024	Present Sango's tree planting activity at the International Symposium "Miyawaki Forest and Urban Forest Restoration."
November 2024	Conduct tours at ECO35 for Miyoshi citizens in cooperation with the "MIYOSHI People and Things Discovery Experience Event."



February 2025 Received the 2025 Aichi Environment Award for Excellence

Efforts to publicize activities in harmony with the nature.

In June 2025, we launched our Instagram account to disseminate information about Sango Group's activities to co-exist in harmony with the nature. In the account, we present the creatures that visit our wooded areas and biotopes, as well as our employees' efforts, with photos and videos.

[Official Instagram Account] Sango Nature Positive Activity



ECO35 certified as a Nationally Certified Sustainably Managed Natural Site

ESG Social

Sango group's Social area is based on improving customer satisfaction and participating in local communities. Through creating safe and high-quality products and business activities that contribute to society, we aim to be a company cherished and trusted by suppliers, customers, and local communities. We will also strive to enhance employee engagement.

Sango's Initiatives for SDGs



Sango announced its SDGs Action Policy in 2022. We are currently targeting all 17 SDGs, contributing to solving issues. Furthermore, we are encouraging our employees to take conscious actions of their own, by posting their personal SDGs declarations. We believe that the company's efforts and the actions made by each employee will be a powerful force, and we will continue to act for the Earth and the future.



Sango SDGs Action Policy

Key Themes

A corporate climate of respect for diversity and social rules



Responsibility as a manufacturer and consideration of the environment



Number of participants in the personal SDGs declaration

3,426 employees* from 58 departments made declarations

*Compiled for Sango Co. Ltd. and its group companies in Japan

The most declared goals on SDGs Action Statement Sheets



SDGs company registration in regions as of June 30, 2025

All Sango domestic sites are registered by the SDGs certification system in their local governments.

Aichi prefecture	Nagoya City	Miyoshi City	Toyohashi City	Toyota City
Aichi SDGs Registration System	Nagoya SDGs Promotion Platform Nagoya SDGs Green Partners	Miyoshi SDGs Promotion Partner	Toyohashi SDGs Promotion Partner	Toyota SDGs Certification System
Mie Prefecture	Inabe City	Hokkaido Prefecture	Shimotsuma City	Fukuoka Prefecture
Mie Prefecture SDGs Promotion Partner	Inabe SDGs Promotion Partner	Hokkaido SDGs Promotion Network	Shimotsuma SDGs Partner	Fukuoka SDGs Registration System

Sango's Social Contributions



We promote social contributions on four priority themes: environment, social welfare, community crime prevention, and disaster recovery. We aim to become a company that contributes to people around the world and local communities.

Summary of Activities in FY2024

Environment

Since 2016, we have conducted activities to eradicate invasive alien species, mainly in Miyoshi City of Aichi Prefecture. We also held cleanup activities around our plants in seven domestic locations and three overseas locations.

Social welfare

Sango gave donations to the government of Miyoshi and support a children's cafeteria in Nagoya. STI held welfare events for children, STEM supported a local kindergarten and SID gave donations to orphanages.

Regional crime prevention

We conducted traffic safety outpost activities around our seven domestic locations.



In Dec. 2024, donations were made for supporting educational programs and safety net operation to Miyoshi City



In Jun. 2024, STEM provided maintenance for kindergartens in Thailand

Strengthening the Supply Chain



Basic Purchasing Policy

Based on the philosophy of co-existence and co-prosperity with our suppliers, we have established the Basic Purchasing Policy and are working together to achieve sustainable growth while deepening partnerships with our suppliers.



Basic Purchasing Policy

Basic Purchasing Policy

- 01.Open business transactions
- 02.Mutual growth and development based on mutual trust
- 03.Promotion of green purchasing
- 04.Well-thought-out disaster risk management
- 05.Complete legal compliance and confidentiality

Sustainability Initiatives throughout the Supply Chain

We established the Sango Group Supplier Sustainability Guidelines to promote business activities aimed at realizing a sustainable society together with our suppliers. The guidelines set forth policies on human rights, labor, the environment, and compliance. In addition to social issues such as long working hours, we ask our suppliers to consider environmental issues such as water usage and biodiversity, and to comply with laws and regulations. Regarding conflict minerals, we require our suppliers to procure resources and raw materials in compliance with the law and regulations. We cooperate with all our suppliers to carry out surveys on conflict minerals.

Promotion of Sango Green Purchasing Guidelines

The escalation of environmental issues poses new risks for companies. In April 2023, we revised the Sango Green Purchasing Guidelines, by considering current social trends and clarifying the contents of Sango Environmental Challenge 2050. We aim to achieve sustainable growth with our suppliers while maintaining harmony with nature.

Strengthening Partnerships with Suppliers

Our company's business is built on strong partnerships with our suppliers. Therefore, we give effort to strengthen partnerships throughout the supply chain and achieve sustainable growth.

Every year at the Suppliers General Meeting, Sango's long-term vision and global corporate policy are explained, as well as issues and targets related to safety, legal compliance, the environment, quality, cost competitiveness, and supply risks that are written in our yearly policy for procurement are shared. We also provide opportunities to discuss highly effective solutions to management issues such as corporate management, finance, human resources, and legal affairs with our suppliers' executives.

Lately, price revisions in response to inflation and rising material costs, as well as to accomplish wage increases have become social issues. Under these circumstances, based on our partnership declaration, we are promoting fair trade to increase added value throughout the whole supply chain and achieve coexistence and co-prosperity.



In March 2025, commending annual awards for quality improvement and carbon neutral activities at the Suppliers General Meeting

Creating Safe and Secure Workplace



We believe that “Safety is the important value that must be prioritized above all else, and the foundation of all activities” and have established the Sango Basic Policy on Health and Safety. Based on this policy, we are working on creating a safe and secure workplace to achieve zero disasters, eliminate traffic accidents, promote the health of all employees, and prevent fires and explosions.

Prevention of Fires and Explosions

To raise further awareness of prevention of fires and explosions, we have set up a learning site at each plant, called Fires and Explosions Prevention Dojo. In FY2024, we conducted hands-on education at one of the Fires and Explosions Prevention Dojo in Sango's Toyota Production System (TPS) Center at Toyota Technical Center, where we simulated cases of fire such as dust explosions. We are working to raise awareness among all employees that fires should never happen.



Fires and Explosions Prevention Dojo, at Sango's Toyota Production System (TPS) Center



Contribute to cost reduction by installing in-house arch lights for lifts

Initiatives to Achieve Zero Accidents by Transport Vehicles

To prevent accidents involving forklifts, electric vehicles, and pedestrians in our factories, we installed arch lights on vehicles in FY2024. When vehicles retrocede, lights are reflected on the ground to alert pedestrians to danger. In addition, we will continue to work on automation of transport vehicles and reducing numbers of them, to realize zero accidents.

Initiatives to Promote Employees' Health



Since 2020, we have been implementing health management initiatives under the Sango Health Declaration, which states "a healthy mind and body are the origin of everything." Our objective is to create a workplace where employees can work healthily and be lively. In FY2023, a program to support female health issues was launched. In FY2024, we addressed issues by carrying out individual interviews with 198 female employees, listening to their work-related concerns that they hesitate to talk about on regular basis, as well as recommending cancer screenings and giving other advice. In April 2025, a health management system was introduced to digitized employee health information. Employees receive health advice directly via email, which they can use to improve their health. These efforts have been recognized by the 2025 Certified Health & Productivity Management Outstanding Organization program promoted by the Ministry of Economy, Trade and Industry.



6 health counseling offices

11 health consultants

includes 3 industrial counselors

Activities for Quality Improvement



We promote initiatives to improve quality, and the quality control (QC) circle activities is one of them. Employees discuss the quality of their work and take actions to improve it.

In June 2024, Sango's WAYMIK Circle received the "QC Circle Chief's Award" at the first QC Circle Grand Championships. Among the 15 circle themes from all over the country recommended for the award, the WAYMIK Circle was awarded with the best title as an outstanding and exemplary QC activity. The circle was formed with members of the Human Resources Labor Section from the Human Resources and General Affairs Department. They worked aiming to reduce the workload from incoming inquiries and responding to incomplete applications related to human resources. They have solved problems and achieved great results by creating an in-house search form.



In June 2024, the First QC Circle Grand Championships

Creating a Fulfilling and Comfortable Workplace



Introduction of a Cafeteria Plan System

We are making efforts to create a workplace where every employee can find fulfillment and perform his/her best. In April 2025, we introduced a benefit system, called Cafeteria Plan System, which allows employees to freely choose their benefits according to their lifestyles and values. With the introduction of this system, we aim to make our company even more attractive.

How the Cafeteria Plan System works (an image)

Point usage examples.

- Travel expenses: Refresh mind and body by taking vacations.
- Upskilling and reskilling expenses: Self-investment for career advancement.
- Childcare and nursing care support expenses: Aid for creating balance between private life and work.
- Health support: Support healthy life with an aid for medical checkups and using sports facilities.

Support for Diversifying Work Styles

To inform employees more about the company's programs, we have published a handbook on childcare and nursing care, which have been in particularly high need recently. We will continue to support employees' diversifying work styles. By divulgating the childcare and nursing care support system available in the company and public entities, we aim to create a workplace where employees can keep working with peace of mind. On the other hand, we began full-scale operation of the "Zero Annual Paid Leave Cut Campaign," in FY2024. This effort is to encourage our employees to use all annual paid leave. We raise awareness among employees and workplaces to achieve work style reform.



Major Awards Received for our Technology Development and Quality Control, in FY2024



Sango

- Cost Improvement Award Excellence Award, from Toyota Motor Corporation
- Special Award (Certificate of Appreciation), from Toyota Auto Body Co., Ltd.
- Supplies Parts Excellence Award, from Hino Motors, Ltd.

Sango Kyushu

- Good Quality Award, from Toyota Motor Kyushu, Inc.

STI (Türkiye)

- Supply Achievement Award, from Toyota Motor Europe

STEM (Thailand)

- 2024 Quality Excellence Award, from Toyota Motor Asia (Thailand) Co., Ltd.
- 2024 TCC MCE Activity Outstanding Leader Award (AGV Group), from Toyota Co-operation Club
- 2024 TCC Environmental Activity Award of Excellence for Best Practices in GHG Reduction, from Toyota Co-operation Club
- 35th THCC QCC Activity Award of Excellence, Thai Hino Co-operation Club

GSC (Guangzhou, China)

- Special Award for VA Promotion, from Guangzhou Toyota Motor Co., Ltd.
- Cost Improvement Award, from Guangzhou Toyota Motor Co., Ltd.
- Award of Excellence for Supplier Kaizen – Gold Prize in Safety, from Toyota Motor Technical Center (China) Co., Ltd.
- FY2024 Mass Production Quality Award, from Dongfeng Nissan Passenger Vehicle Company

Production Support for Customers

Remaining a trustful company for customers, we have provided technical and production support to customers in times of emergency. In FY2024, we responded to our customer's request due to an unforeseen accident in their supply chain. Sango Fukuta Plant urgently provided backup production and supplied parts. We continue to be a company that provides safe and high-quality products and is trusted by our customers.



Human Resource Development



Aiming to be a company where every employee can flourish, Sango offers a variety of training programs tailored to their abilities and roles. The midlevel employee training offers “Cross-border learning (at another company),” in which participants take part in projects and address issues faced by the host company and “Cross-border learning (social issue resolution),” in which participants propose business plans for solving social issues by forming joint teams with employees from other companies. Also, it includes an “external school” program, in which participants learn about leadership alongside the members of other companies.

Sango Training System

Hierarchy level	Programs for each level, group training and online training		Self-development courses	Training for select employees
Manager	•Executive and managerial training	•Core employee training		Training for managerial candidates
Chief position	•New chiefs’ training •Creative problem skills	•Practice on-the-job training •Communication training		Midcareer selection training
Midlevel employee	•Midlevel employee training •Developed problem solving skills, applied	•Leadership •Toyota Production System (TPS)		Overseas trainees
General employee	•Developed problem solving skills, basic •Introduction to TPS	•Career planning training •Introduction to QC		
New employee	•New employee training •Basics in logical thinking and expressions	•How to make work arrangements •Business manners		

Taking on the challenge of cross-border learning (at another company), a training for midlevel employees

It was quite difficult for me to grasp and implement assignments at the host company, switching from my usual work at Sango. On the other hand, I gained new insights by assessing and demonstrating my abilities in unaccustomed surroundings and among unfamiliar people. I also had a valuable experience working while exploring ways to contribute to both companies. In the future, I will try to be a leader who can take initiatives to act.



Powertrain Development Department
Mr. Nagaya

Taking on the challenge of cross-border learning (social issue resolution), a training for midlevel employees

I participated in a cross-border learning program where I teamed up with people from other companies to study social issues seen in Kyoto and propose solutions. It was a valuable learning experience to consider problems and suggest solutions from a business perspective. Through this program, I found Kyoto more attractive.



Business Planning Section
Mr. Ishiguro

Responding to Human Resource Diversity



In manufacturing workplaces, communication is important as well as technology. In increasingly multinational workplaces, language barriers are a big issue, occasionally. To reduce misunderstandings caused by language barriers, we have issued multilingual manuals and instructions. We are working to create a working environment where everyone can intuitively understand their work.

In October 2024, ASI (U.S.A.) began offering free in-house English courses to non-native English speakers. When the first course was completed in March 2025, 15 employees received certificates of attendance. We aim to create a workplace where all prosper, regardless of nationality or language.



Factory monitors in five languages



ASI in-house English course

Initiatives to Respect Human Rights



Formulation of a Human Rights Policy

Recently, the importance of corporate commitment to human rights issues has expanded. As a member of society, Sango recognizes the importance of respecting human rights in all our activities, and in 2023, has clearly stated our basic stance on human rights in the Sango Group Human Rights Policy. We respect and support human rights in all countries and regions involved in the business activities of Sango Group and contribute to the realization of a sustainable society.



Sango Group Human Rights Policy

Key Themes of the Human Rights Policy



Source: Corporate Training on Business and Human Rights (Ministry of Justice)

Building a Human Rights Due Diligence Mechanism

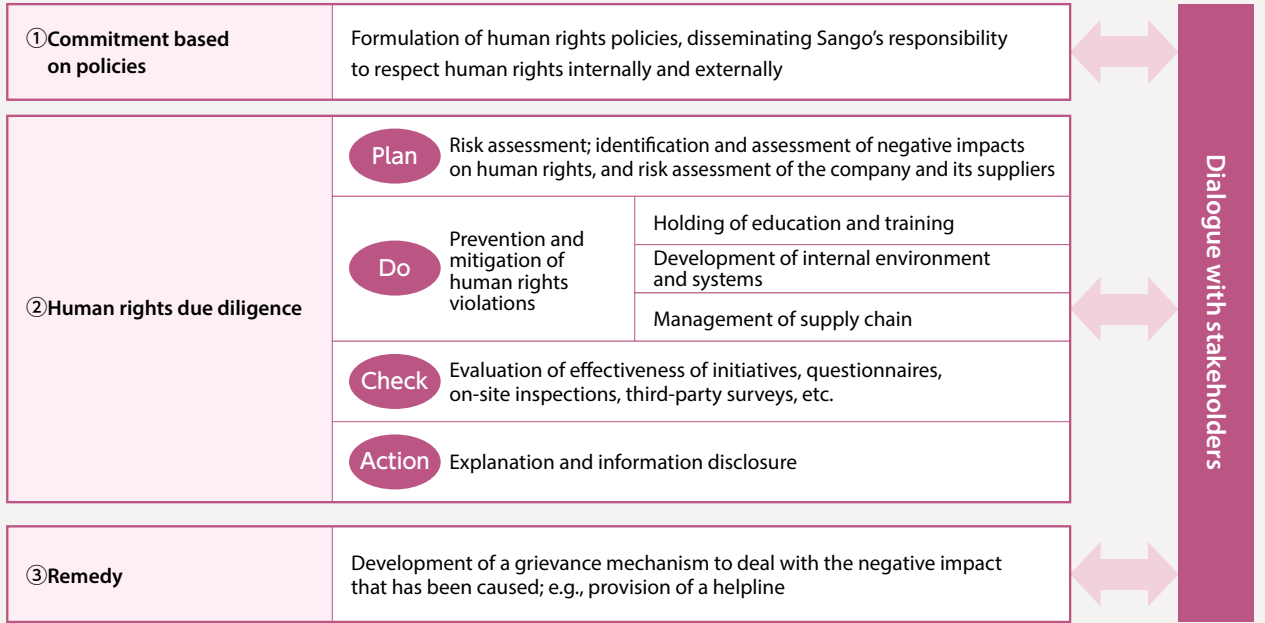
Based on our human rights policy, we have established a human rights due diligence mechanism to identify any negative impacts on human rights in our business activities, and to prevent and mitigate those impacts.

Education and Trainings

Through monthly morning meetings, in-house newsletters, and e-learning, we conduct education and training aimed at creating a corporate culture that respects human rights throughout the entire Group and we strive to instill awareness of human rights.

Overview of Human Rights Response in the Sango Group

Through the PDCA cycle, we will continue to conduct human rights due diligence and address human rights risks.



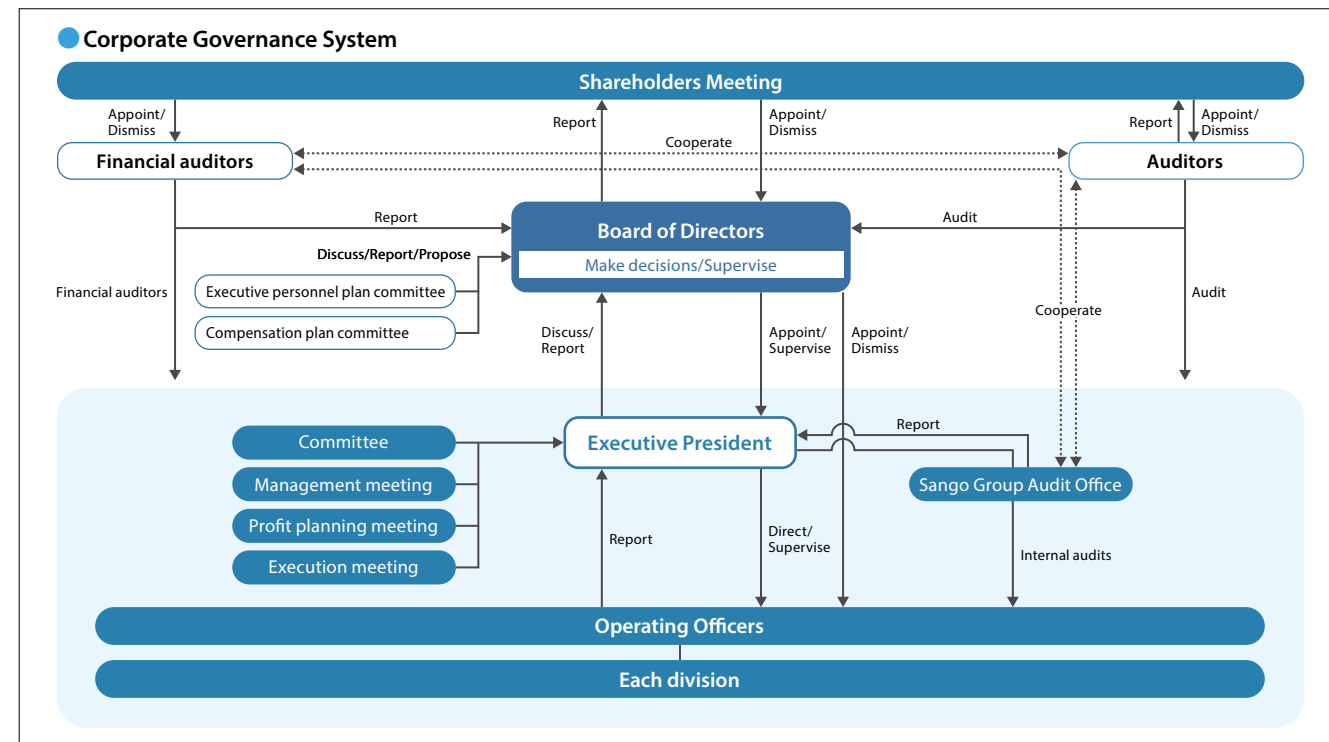
ESG Governance

In the area of Governance, Sango group is working to strengthen its corporate governance and compliance systems. We are working to ensure compliance with laws and regulations and to raise awareness of information security and establish crisis management systems, both domestically and internationally, including in our supply chain.

Corporate Governance System

We are working to fortify our corporate governance system by monitoring and establishing a control system to ensure fair judgment and operations in corporate management. We are also working to enhance corporate credibility by preventing the occurrence of disgraceful affairs and by promoting the company's sustainable growth and medium- to long-term improvement of corporate values.

We have established the corporate governance system shown below. This system enables us to quickly make transparent and fair decisions while considering all our stakeholders, including our employees, shareholders, customers, suppliers, and local communities.



The highest decision-making body in the Sango Group is the Board of Directors, which consists of 10 directors, including three external directors.* The board directs and decides on legal issues and critical matters concerning management, as well as serving as a supervisory entity. On the other hand, to ensure fairness and independence, our auditors, including external auditors, supervise management and audit how directors execute their duties. *As of June 27, 2025.

Executives

As of June 27, 2025

Representative Director & Chairman	Takashi Tsunekawa			
Representative Director & Executive President	Akichi Mizuno			
Director & Executive Vice President	Hiromi Sakata			
Senior Managing Director	Shuichi Hase	Kenji Shindo	Yoshimitsu Tsunekawa	
Director	Tetsuya Watabe	Akihiko Nakamura *1	Ayako Kino *1	Mina Ito *1
Auditor	Takuji Ogawa	Katsushi Taniguchi *2	Kazuyuki Iwata *2	

*1 External Director
*2 External Auditor

Internal Control Committee

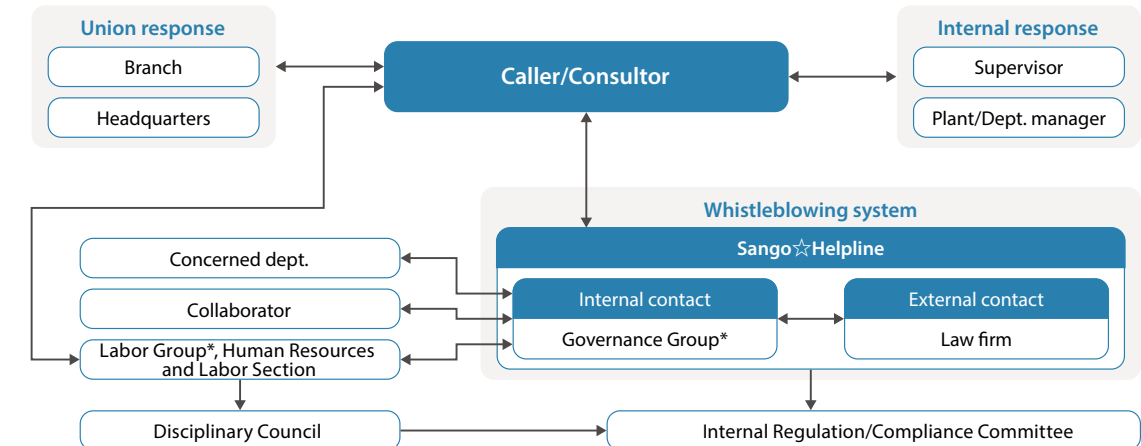
In accordance with our corporate governance system, Sango has established an internal control system to ensure the appropriateness of operations. We also actively promote initiatives for compliance and risk management.



Whistleblowing System

We have set up an internal whistleblowing and consultation service called the Sango☆Helpline to strengthen our compliance system by preventing, detecting, and correcting misconduct at an early stage. We have also established and operate a system that enables us to respond in cooperation with domestic group companies.

Whistleblowing system, the Sango☆Helpline - Consultation flow



*The Governance Group conducts fact-finding investigations of legal violations. The Labor Group conducts fact-finding investigations of harassment/labor issues, etc.

Corporate Compliance Initiatives

The company's global policy states "Raise individual awareness of Sango Group Code of Conduct and compliance." We conduct activities to increase compliance awareness throughout the year.

As a new initiative to deepen the understanding of harassment, we held trainings for officers and managers in FY2024 to be aware of hidden harassment risks in their behaviors and to review management methods. In addition, we worked to raise awareness by providing opportunities for employees to consider compliance from their own perspectives. Some of the activities were posting compliance "senryu" (short poems) and conducting the third compliance awareness survey.

Based on the results of the compliance awareness survey, we continue to promote initiatives to further raise the awareness of compliance among all employees, in order to solve issues and prevent risks.



Compliance education

ESG Governance

Basic Policy of the Business Continuity Plan (BCP), Formulation of a Medium-term Crisis Management Plan

Based on the basic BCP policy, we are working to solve issues in event of an emergency, so that the company can continue and restart its business as soon as possible.

In FY2024, we formulated a medium-term crisis management plan, as a roadmap to respond to large-scale disasters, such as the Nankai Trough earthquake for which the risk of occurrence increases year by year. By clarifying the targets to be achieved by FY2027, we proceed with measures systematically and steadily.

Measures and Training Results of FY2024

Countermeasures against flood damage of electrical units
Implemented on 1 unit in Miyoshi Plant
Flood prevention measures for plant buildings
WATER DAM Deployment in Toyohashi Plant
Safety report training for all employees
Conducted 3 times a year (before long holidays)

Medium-term Crisis Management Plan (a roadmap)
Towards FY2027, we will achieve the following 3 pillars by developing “mechanisms” and “human resources.”

Three Pillars of the Medium-term Crisis Management Plan

1. Activities to protect the lives of employees, their families, and visitors

2. Aims for steady business continuity

3. Strengthening Sango Group's organizational constitution

Development of mechanisms and human resources

Targets for FY2027

1.

- Review the self-defense fire brigade organizational structure and prepare disaster response manuals and communication equipment manuals
- Enlarge numbers of employees who acquire basic knowledge of emergency first aid
- Establish and operate the system and increase employees who are capable of taking voluntary actions

2.

- Identify important tasks in each department, consider how to deal with unexpected or worst-case situations, and create a flow chart
- Conduct drills repeatedly, such as disaster control headquarters and company-wide unified evacuation drills (including at group companies and suppliers)

3.

- Develop risk management systems and identify risks at each business entity
- Create a system to share information and conduct joint drills between Sango, group companies, and suppliers

Strengthening Information Security

The Japan Automobile Manufacturers Association (JAMA) and Japan Auto Parts Industries Association (JAPIA) have developed security guidelines to improve the level of cybersecurity measures throughout the automotive industry. Based on these guidelines, Sango is actively working to strengthen our information security against cyberattacks, which are increasing every year. In FY2024, we achieved 100% of Level 1~2 of the guidelines. In the future, we will implement trainings to ensure the production continuity even in the event of cyberattacks. We also are taking measures such as multi-factor authentication and making efforts in the supply chain to achieve 100% of Level 3.

Targeted Attack Email Training
We continue to conduct trainings for all employees to increase sensitivity to dangerous emails and prevent damage. In FY2024, we opened a new email account exclusively to report suspicious emails, as well as increased the number of trainings so that employees can respond quickly and reliably to suspicious emails.

Efforts to Improve Security Level

We have conducted a self-assessment of key information security measures to understand the status of security measures at overseas business entities and our suppliers. In FY2024, we asked 30 suppliers to conduct a self-assessment based on the JAMA Cyber Security Guidelines. In FY2025, based on those results, we are visiting each supplier to identify problems and to improve security levels throughout the supply chain.

Sango asked its suppliers to self-evaluate after receiving guidelines from JAMA, JAPIA, and car manufacturers.

Improve the security level of the entire supply chain through cooperation with suppliers!

Company Profile

Since its foundation, Sango Group has continued to grow globally in its metal products business along with the development of the automobile industry. Today, with the support of many business partners, we operate in nine countries. To achieve a sustainable society, we aim to be “Sango the Environmental Company” and a “Corporate Group that Cares about People.”



Product Overview

Body and chassis

Drive system

Exhaust systems

Secondary steel products

Non-automotive products

We leverage our automotive parts manufacturing expertise to develop products outside the automotive sector.

Construction piping system FP35

Company Profile

Overview

Company Name	Sango Co., Ltd.
Representative	President Akichi Mizuno
Head Office	1-1 Miyashita, Fukuta-cho, Miyoshi, Aichi, JAPAN
Founded	June 1, 1928
Incorporated	June 1, 1950
Capital	100 million yen
Sales*1	Consolidated gross sales: 666.6 billion yen Non-consolidated gross sales: 318.1 billion yen
Number of*1 Employees	Non-consolidated: 2,907 Consolidated: 8,262 Including temporary and fixed-term employees, etc.
Certificate	ISO 14001:2015 ISO 9001:2015

*1 As of March 31, 2025

Main Products

- Mufflers
- Exhaust pipes
- Exhaust manifolds
- Vehicle body products
- Door impact beams
- Other automotive parts
- Cold forged products
- Cold finished steel bars
- Drawn pipes
- Carbon steel pipes for mechanical structures
- Machined/ground steel bar products
- Construction piping system

Main banks

MUFG Bank, Ltd.
Sumitomo Mitsui Banking Corporation
Mizuho Bank, Ltd.
Bank of Nagoya, Ltd.

Customers (in random order)

Toyota Motor Corporation
Hino Motors, Ltd.
Daihatsu Motor Co., Ltd.
Nissan Motor Co., Ltd.
Mitsubishi Motors Corporation
Isuzu Motors, Ltd.
SUBARU Corporation
Mazda Motor Corporation
Toyota Industries Corporation
Toyota Motor East Japan, Inc.
Toyota Auto Body Co., Ltd.
Toyota Customizing & Development Co., Ltd.
AISIN Corporation
JTEKT Corporation
KYB Co., Ltd.
Toyota Tsusho Corporation
Sumitomo Corporation
Asai Sangyo Co., Ltd.
Metal One Corporation
CANOX Corporation

History

- Jun. 1928

Founded Tsunekawa Ironworks and began the stamping business
- Sep. 1934

Began business relationship with Toyoda Automatic Loom Works, Ltd.
- Aug. 1937

Began business relationship with Toyota Motor Corporation
- Jun. 1950

Incorporated to form Sango Co., Ltd.
- Sep. 1950

Established Takakura Plant (formerly Nagoya Plant and now ECO35)
- Mar. 1954

Began production of muffler and exhaust systems
- May 1962

Established the muffler and exhaust system laboratory at Nagoya Plant
- Aug. 1967

Established Miyoshi Plant (it specializes in cold finished steel bars)
- Nov. 1973

Completed the engineering and technical research center at Toyota Plant
- May 1976

Introduced the Toyota Production System in Sango operations
- Jan. 1987

Arvin Sango, Inc., a joint venture with Arvin Industries, was founded in the United States (started overseas operations)
- Aug. 1994

Built the Technical Center at Yawatayama Plant
- Nov. 2008

Completed the Muffler Museum at ECO35
- Jun. 2015

Built the 2nd Technical Center at Sango's Toyota Technical Center (formerly the Toyota Plant)
- May 2016

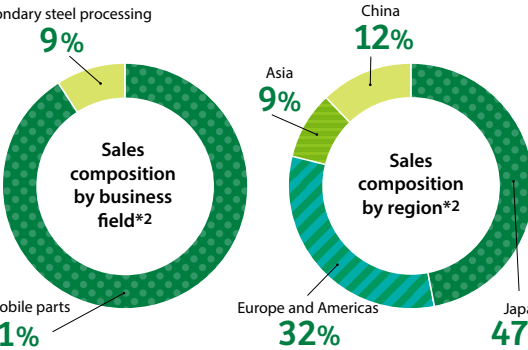
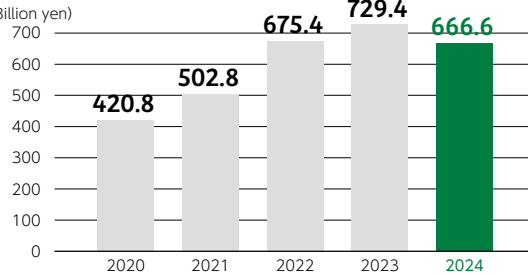
Built the Guangzhou Sango R&D Center in China
- Jun. 2021

Acquired ISO 9001/2015 certification
- May 2023

Built the new press building at Fukuda Plant
- Oct. 2024

MEGLiS Co., Ltd. was established.

Sales (Consolidated)



*2 Results for Sango Co., Ltd. and consolidated subsidiaries for FY2024

Plants

Seven plants in central Japan

Head Office, Fukuta Plant

1-1 Miyashita, Fukuta-cho, Miyoshi, Aichi, 470-0294
TEL: 0561-34-0035
FAX: 0561-34-1240

Miyoshi Plant

47 Inokuchi, Miyoshi-cho, Miyoshi, Aichi, 470-0224
TEL: 0561-32-3511
FAX: 0561-34-0157

Toyohashi Plant

3-33 Akemi-cho, Toyohashi, Aichi, 441-8074
TEL: 0532-23-3515
FAX: 0532-23-3519

Yawatayama Plant/R&D Center

5-35 Yawatayama, Miyoshi-cho, Miyoshi, Aichi, 470-0224
TEL: 0561-32-3501
FAX: 0561-32-0235

Miyoshi No.3 Plant

63 Ikemorida, Miyoshi-cho, Miyoshi, Aichi, 470-0224
TEL: 0561-33-3595
FAX: 0561-33-3594

Inabe Plant

1-1 Fujigaoka, Fujiwara-cho, Inabe, Mie, 511-0508
TEL: 0594-46-5135
FAX: 0594-46-3560

Komono Plant

2438-1 Kamiaiba, Fujiwara-cho, Inabe, Mie, 511-0502
TEL: 0594-46-8635
FAX: 0594-46-8636

Domestic and Overseas Companies

A ECO35

1-3-1 Mutsuno, Atsuta-ku, Nagoya, Aichi, 456-0023
TEL: 052-882-0035
FAX: 052-882-3562

B Toyota Technical Center

3-1 Konosu-cho, Toyota, Aichi, 471-0836
TEL: 0565-28-3535
FAX: 0565-28-4463

C SE Center

Room No. 1606, Shinjuku Mitsui Building No. 2,
3-2-11 Nishishinjuku, Shinjuku-ku, Tokyo, 160-0023
TEL: 03-5909-3935
FAX: 03-3347-1135

D Sango Hokkaido Co., Ltd.

41-2 Masago-cho, Tomakomai, Hokkaido, 059-1373
TEL: 0144-51-5135

E Sango Kanto Co., Ltd.

1100-5 Hanya, Shimotsuma, Ibaraki, 304-0005
TEL: 0296-45-0035

F Sango Kyushu Co., Ltd.

185-8 Oaza Koishihara, Buzen, Fukuoka, 828-0044
TEL: 0979-84-0735

G SANGO Machine Tech Co., Ltd.

17-12 Sakurada-cho, Atsuta-ku, Nagoya, Aichi, 456-0004
TEL: 052-884-3531

H Sango Partners Co., Ltd.

1-1 Miyashita, Fukuta-cho, Miyoshi, Aichi, 470-0294
TEL: 0561-34-8301

I MEGLiS Co., Ltd.

185-8 Oaza Koishihara, Buzen, Fukuoka, 828-0044
TEL: 050-3190-3820

1 Türkiye (STI)

Sango Türkiye, Inc.(TUR)

2 India (SIAP)

Sango India Automotive Parts Pvt. Ltd.(IND)

3 Thailand (STEM)

Sango Thai Engineering & Manufacturing Co., Ltd.(THA)

4 Indonesia (SID)

PT. Sango Indonesia(IDN)

5 Guangzhou China (GSC)

Guangzhou Sango Automotive Parts Co., Ltd. (CHN)+ R&D Center

6 Xiangyang China (XSC)

Xiangyang Sango Automotive Parts Co., Ltd. (CHN)

7 Tianjin China (TSC)

Tianjin Sango Automotive Parts Co., Ltd. (CHN)

8 Canada (ASCI)

Arvin Sango Canada, Inc.(CAN)

9 USA (five plants) (ASI)

Arvin Sango, Inc.(USA)

10 Mexico (SAM)

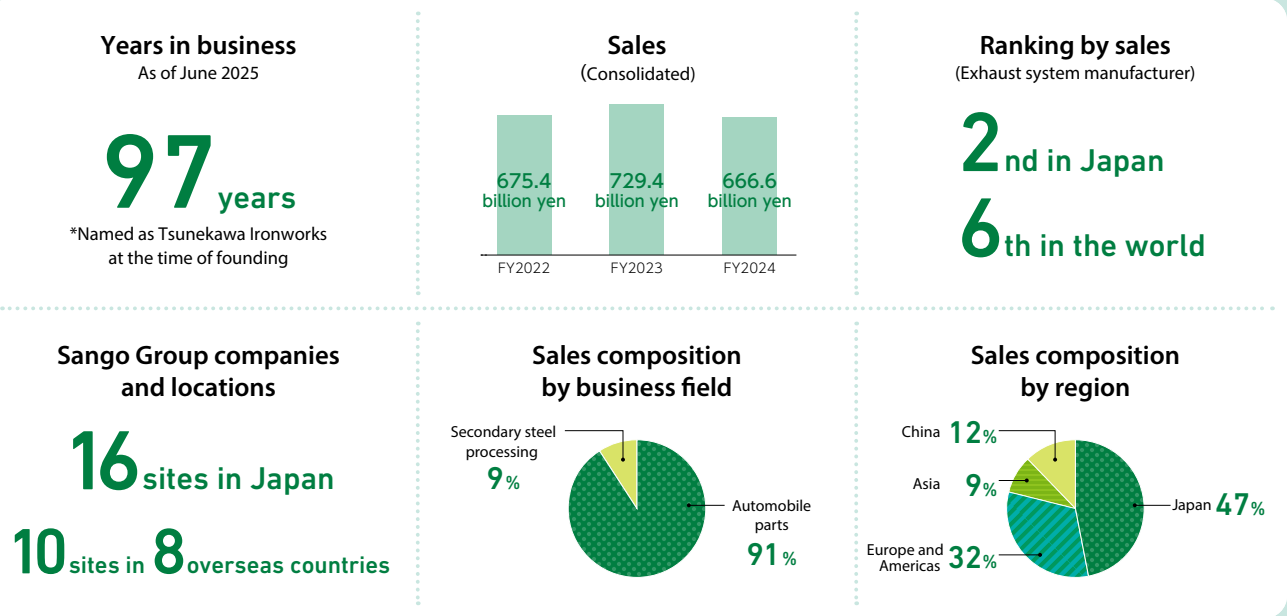
Sango Auto Parts Mexico, S.A. de C.V. (MEX)

Countries and regions where technical assistance is provided.

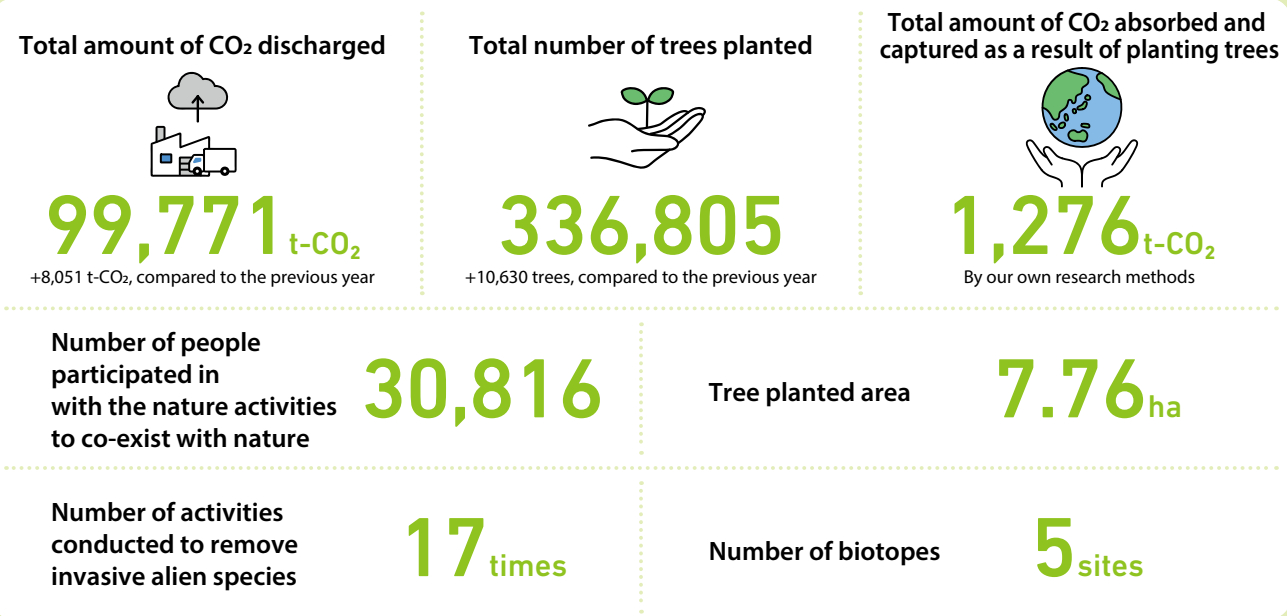
Mexico/Malaysia/Brazil/Indonesia/Argentina/Taiwan/South Africa

Sango by Numbers, as of Fiscal Year 2024

Company Profile

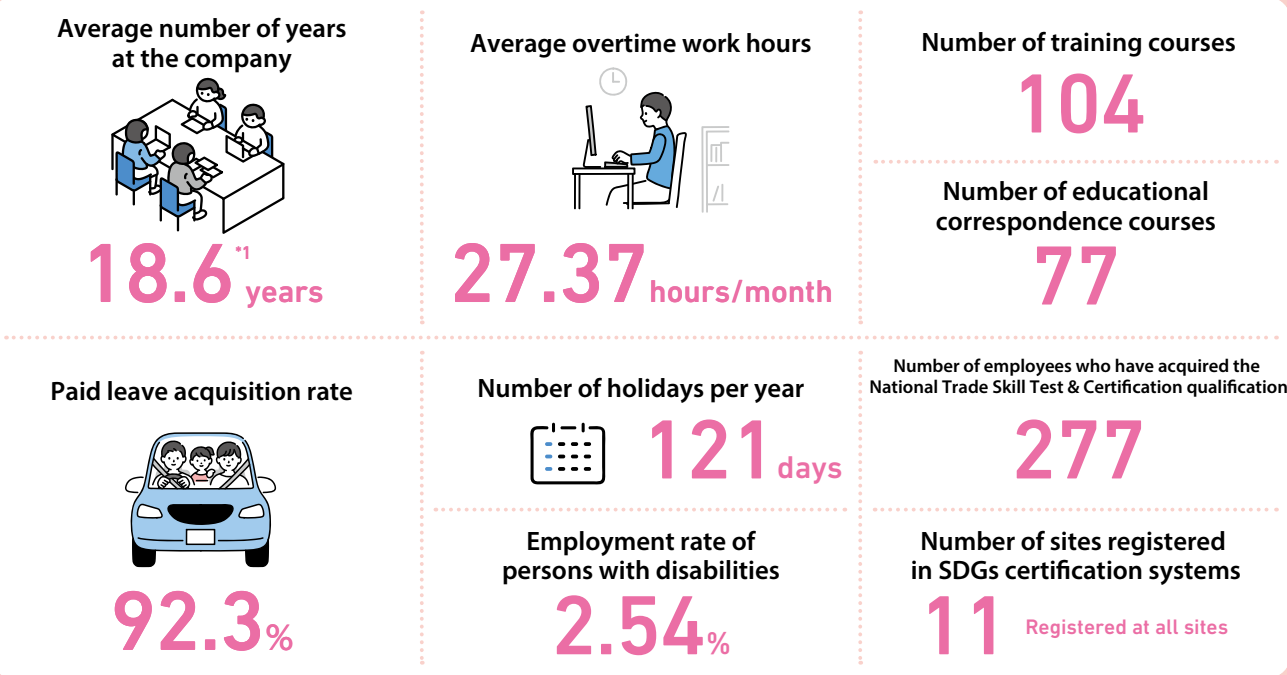
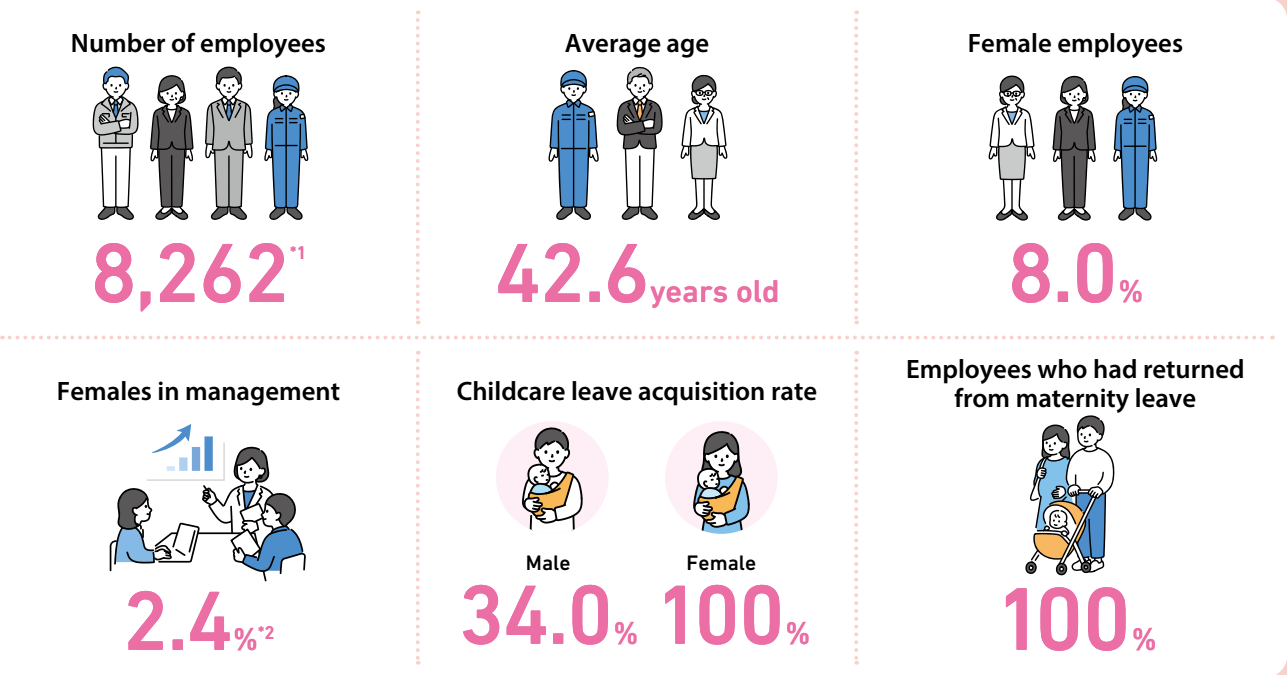


Environment



* Results for all the Sango Group.

Social



Governance



*1 Results for all the Sango Group. The number of employees includes directly hired temporary and part-time workers (unmarked parts are values for Sango only) *2 Calculated as females in key positions÷employees in management x 100 *3 Training courses on legal compliance, human rights issues (harassment, discrimination, diversity, etc.), and ethics