



# S A N G O G R O U P VISION 2040

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.

# Pure AIR & More.



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SANGO GROUP **VISION 2040**

# Aims and Positioning of the Vision

## Introduction

What is  
VISION  
2040?

**Clear statement of the Sango Group’s vision for 2040, 16 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**

## Positioning of VISION 2040

### Positioning of VISION 2040 in the Sango Group's mid- to long-term strategies

Approaches to formulating mid- to long-term strategies

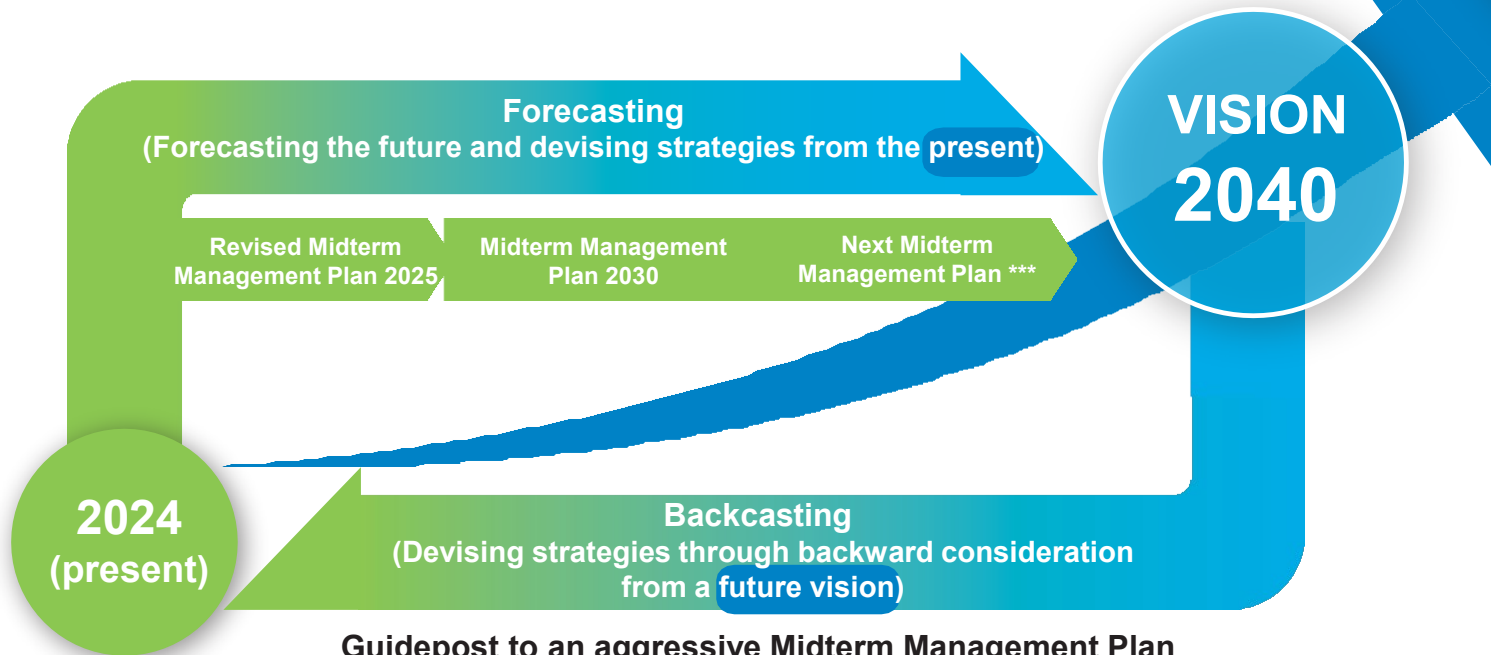
- **Backcasting**: Devising strategies through backward consideration from a long-term vision
- **Forecasting**: Forecasting the future and devising strategies from the present

**The Group will proceed with both backcasting and forecasting approaches.**

**Pure AIR & More.**

**Future vision for our Group**

As a provider of environmental solutions, we will continue to purify the air and take further steps to transform ourselves into "Sango the Environmental Company," which works for the sake of local communities, customers, and employees in pursuit of building a sustainable society.

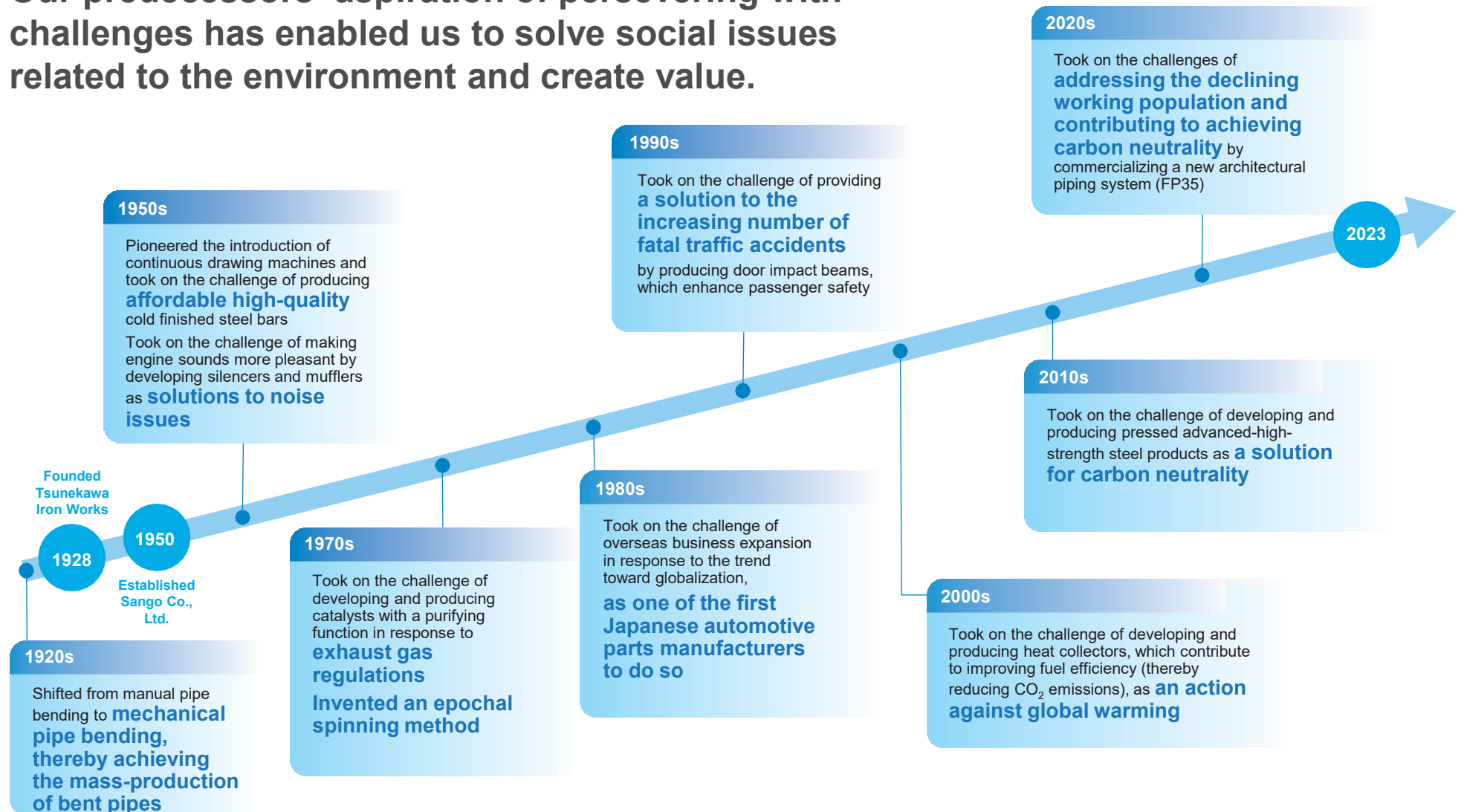


SANGO GROUP **VISION 2040**

# Our History and Corporate Philosophy

## Sango's "DNA" Inherited from Our Predecessors

Our predecessors' aspiration of persevering with challenges has enabled us to solve social issues related to the environment and create value.



# Sango Philosophy

## Company Creed

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

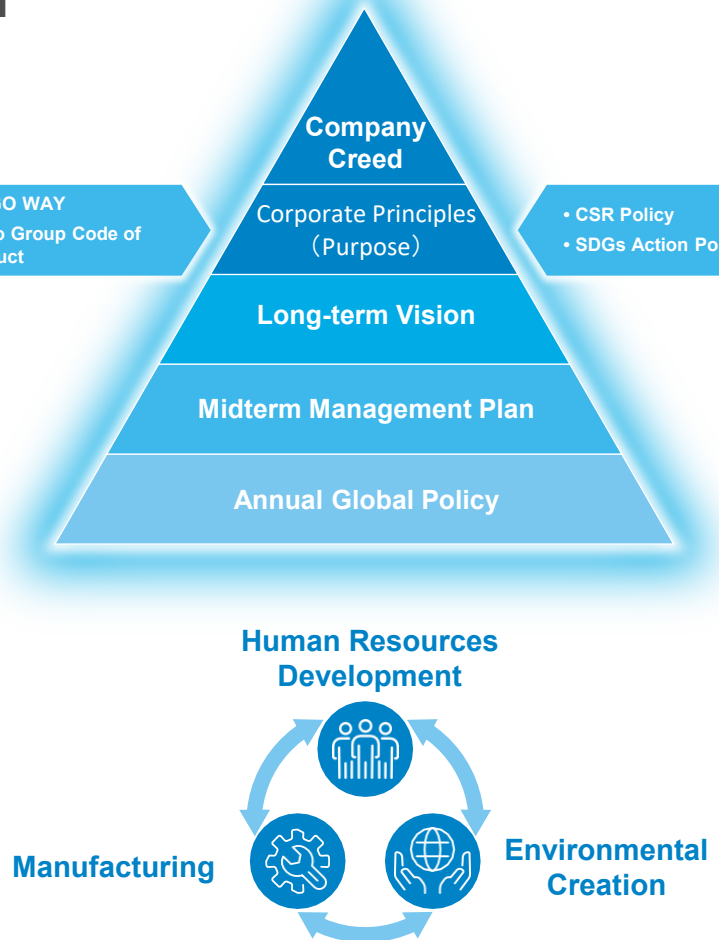
## Corporate Principles (Purpose)

**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 WAY
- Sango Group Code of Conduct

- CSR Policy
- SDGs Action Policy





SANGO GROUP **VISION 2040**

Slogan and  
Mission

## Direction We Should Take under VISION 2040

### Slogan

# 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

#### External Business

Contribute to a safe, secure, and sustainable society as a manufacturer (Monozukuri) and an experience provider\*1 (Kotozukuri)

Mutual deepening

#### Internal Workplace

Provide employees with a workplace where they can find satisfaction and happiness in their work through their own personal growth

\*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)

SANGO GROUP **VISION 2040**

Future Vision  
for Our  
Business Fields

## Two Business Fields We Focus on

To fulfill our mission, we focus on the mobility solution field and the energy and infrastructure solution fields.

### Mobility Solution Field

### Energy and Infrastructure Solution Field







Implement an omnidirectional strategy that does not cling to the power train

Take on the challenge of developing and manufacturing next-generation mobility products

Expand our business in the construction industry, including the public infrastructure sector

Take on the challenge of exploring the next-generation energy frontier

## Four Evolutions in Mobility Society

<p><b>1</b> <b>Evolution of environmental value</b></p>	<p>Age of accelerating carbon pricing and growing public expectation for companies to be committed to protecting the environment</p>	<p><b>Carbon neutrality to be achieved throughout the product lifecycle, from manufacture, through transportation, to use</b></p> 
<p><b>2</b> <b>Evolution of energy</b></p>	<p>Widespread use of energy sources other than gasoline, including hydrogen and electricity</p>	<p><b>Diversification of energies</b></p> 
<p><b>3</b> <b>Evolution of transportation</b></p>	<p>Coordination between various modes of mobility, not only public transportation Expansion of flying cars, drones, and personal mobility devices</p>	<p><b>Diversification of transportation means</b></p> 
<p><b>4</b> <b>Evolution of social infrastructure</b></p>	<p>Expansion of air transportation by flying car, drone, etc. Minimization of road congestion through coordination between various kinds of infrastructures using connected cars and other means</p>	<p><b>Changes in the infrastructural environment</b></p> 

Source: Mobility Vision 2050 announced by Japan Automobile Manufacturers Association (JAMA) in March 2022

## Future Vision for the Mobility Solution Field

### Future vision



Implement an omnidirectional strategy that does not cling to the power train



Take on the challenge of developing and manufacturing next-generation mobility products

### 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**

## Two Evolutions in Terms of Energy and Social Infrastructure

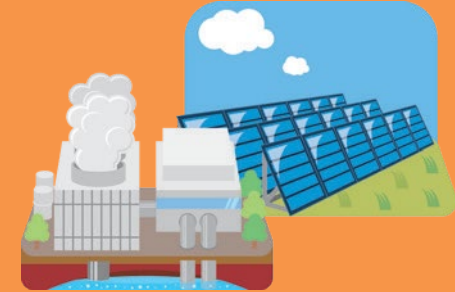
### 1 Evolution of energy

Widespread use of renewable energies

Space-based solar power, biomass power, geothermal power, etc.

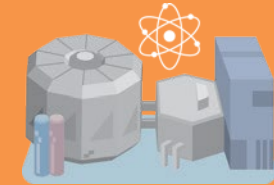
Large-scale introduction of distributed power generation

Widespread use  
of clean energies



Nuclear fusion power generation in practical use

Emergence of next-generation energies



### 2 Evolution of social infrastructure

Utilization of hydrogen or ammonia power generation

Installation of non-contact power supply systems and hydrogen stations

Large-scale works for replacing old infrastructure facilities (roads and water supply and sewerage systems) with new facilities

Hydrogen society  
to be realized



Sustainable  
infrastructure  
networks required

## Future Vision for the Energy and Infrastructure Solution Field

### Future vision



Expand our business related to public infrastructure



Take on the challenge of exploring the next-generation energy frontier

### 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)



SANGO GROUP **VISION 2040**

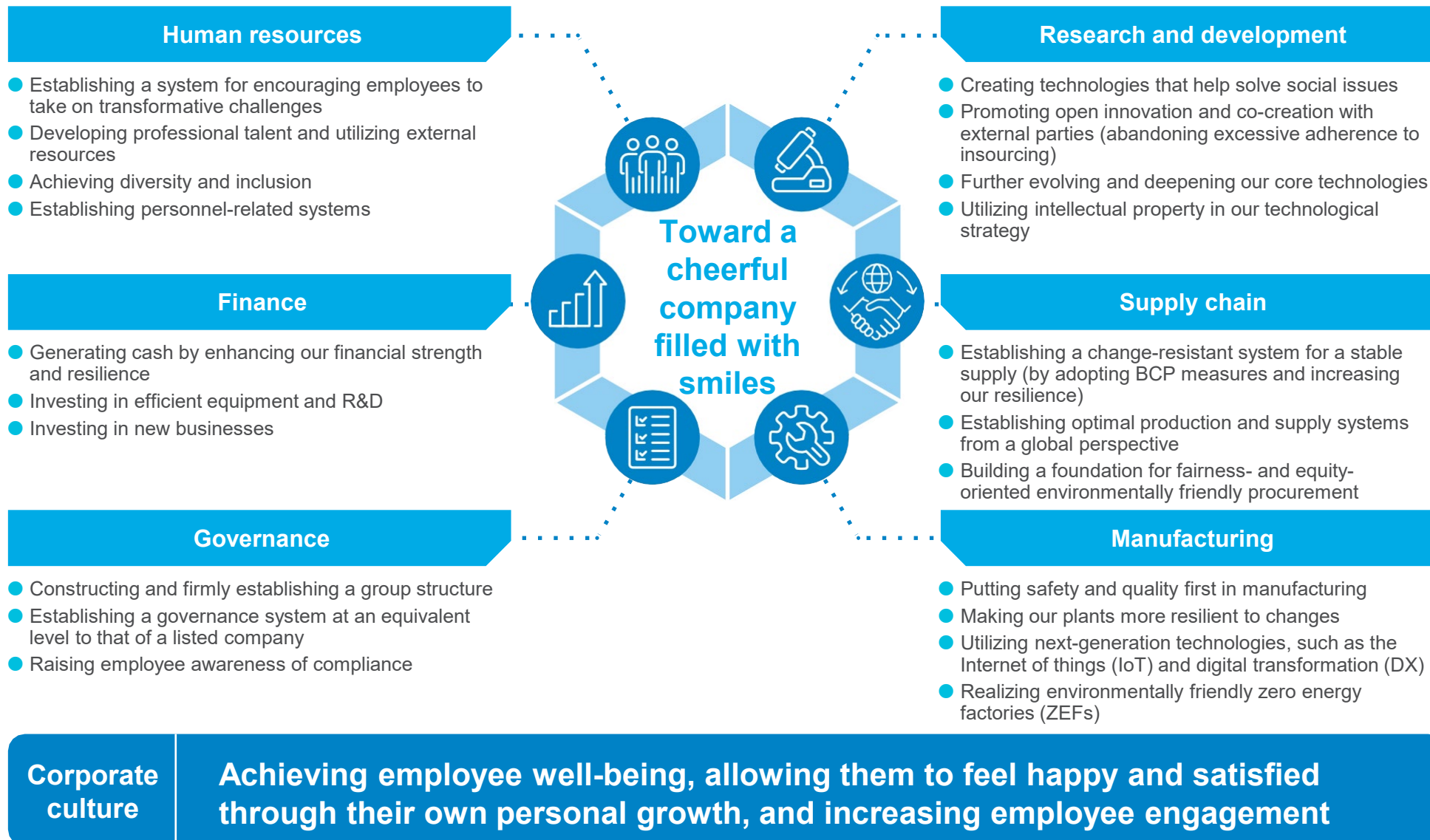


Management  
Foundation

## Corporate Culture We Aim to Create



## Management Foundation That Supports Our Business



SANGO GROUP **VISION 2040**



Management  
Targets

## Qualitative (Non-financial) Targets

# E

Environment

- **Promote CO<sub>2</sub> emissions reduction to achieve carbon neutrality by 2050**



# S

Social

- **Increase employee engagement** → Instill employees with empathy for the Group's initiative to create corporate value and happiness in contributing thereto
- **Ensure diversity in personnel appointments** → Proactively appoint women to executive and managerial positions and global talent to important positions
- **Make a meaningful contribution to society through business activities and thereby become a company loved by local communities**



# G

Governance

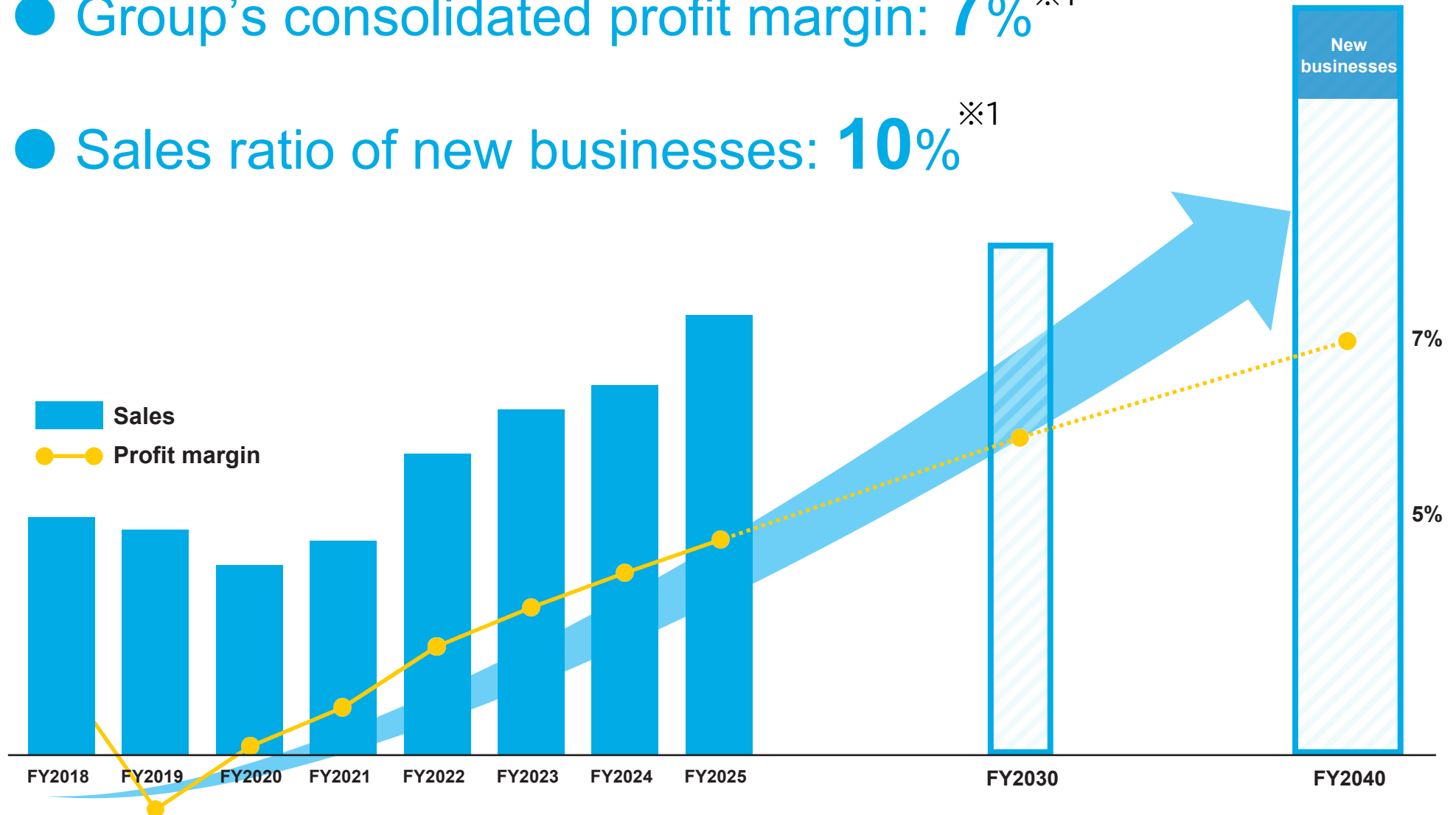
- **Expand global compliance with laws, regulations, and corporate ethics to companies related to us, including those in our supply chain**
- **Build a sound management governance system (at an equivalent level to that of a listed company)**



## Quantitative (Financial) Targets

● Group's consolidated profit margin: **7%** ※1

● Sales ratio of new businesses: **10%** ※1



※1:excluding supplied catalysts

## Overview of VISION 2040

Slogan

# Pure AIR & More.

Mission

### Business

Contribute to a safe, secure, and sustainable society as a manufacturer and an experience provider

### Workplace

Provide employees with a workplace where they can find satisfaction and happiness in their work through their own personal growth

Future Vision for Our Business Fields

### Mobility Solution Field

- Implement an omnidirectional strategy that does not cling to the power train
- Take on the challenge of developing and manufacturing next-generation mobility products

### Energy and Infrastructure Solution Field

- Expand our business in the construction industry, including the public infrastructure sector
- Take on the challenge of exploring the next-generation energy frontier

Management Foundation That Supports Our Business

Toward a cheerful company filled with smiles

Human resources

Finance

Governance

Research and development

Supply chain

Manufacturing

Management Targets

Non-financial

- E** Promote CO<sub>2</sub> 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

Group's consolidated profit margin: 7%  
Sales ratio of new businesses: 10% or higher



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**[Disclaimer on forward-looking statements]**

This document contains statements about plans and strategies based on future projections.

These future projections are subject to risks, uncertainties, and other factors, so actual outcomes and results may differ from those stated.

**[Language]**

This document was published originally in Japanese language and has been machine translated. In the event of any conflict of interpretation between any foreign language translation and the Japanese language version, the Japanese language version shall prevail.