

## What is the SANGO WAY?

The SANGO WAY lays down the **principles of behavior** for Sango employees, describing the values shared by people working in the Sango Group and what actions or behaviors are expected of Sango Group members. Briefly stated, the SANGO WAY ensures that all Sango Group companies, both domestic and overseas business operations, are moving in the same direction, and upon the full exertion of the capabilities held by these operations, the Sango Way is the background upon which our actions and behavior are based (the foundation referred to when making a value judgment), meaning that when various judgments are made, it is necessary to confirm that **this judgment corresponds with the principles of the SANGO WAY**.

## Establishment of the SANGO WAY

The process leading up to the establishment of the SANGO WAY involved a study by a team of various executives who are heads of functional areas, and the entire document was repeatedly scrutinized through two separate executive seminars and other events.

Based on the Company Motto and Company Basic Principles and from the added viewpoint of considering the best way to realize these ideals within our company activities, the executives extracted and enhanced upon the most important items from among those which represent the history of the Sango Group, structuring the SANGO WAY around 5 basic pillars: “Fair and Conscientious Behavior,” “Cultivating Skills and Building Strong Teamwork,” “The Spirit of Challenge,” “Innovation and Creativity” and “GENCHI GENBUTSU (Go and See).”

## Explanation of the structure of the SANGO WAY

The SANGO WAY is comprised of the **five pillars (I – V)**, with multiple **titles** and **sub-titles** under each pillar and an **explanation** for each title and sub-title.

## I. Fair and conscientious behavior

Title	Sub-title/Explanation
<b>1 Contribution to society</b>	<p><b>(1) Contribution to customers, suppliers, regional community and shareholders</b></p> <ul style="list-style-type: none"> <li>Trust our customers, our colleagues, people with whom we have cooperative relationships and those around us, while also striving to achieve the status of a trusted company and individual, so that this will contribute to the prosperity of the company and the happiness of our employees.</li> <li>Together with the manufacture of products that respect environmental concerns, focus on environmental improvement in the region.</li> </ul>
<b>2 “Mutual trust” and “Mutual responsibility”</b>	<p><b>(1) Acceptance of diversity</b></p> <ul style="list-style-type: none"> <li>Keep an awareness and viewpoint that is consistently open and global, so as to respect various cultural, ethnic, and individual diversity.</li> </ul> <p><b>(2) Actions consistent with words, ensuring that we “carry out what we say”</b></p> <ul style="list-style-type: none"> <li>All company members are asked to approach their job with independence and self-reliance, applying their strengths and capabilities to do what should be done, while also taking responsibility for their actions.</li> </ul>
<b>3 Interactive communication</b>	<p><b>(1) Sensitivity and attention to all circumstances</b></p> <ul style="list-style-type: none"> <li>All company members are asked to be fair in all circumstances and relate to others in a fair and open manner. Take care to consider the positions of others and show sensitivity to their concerns.</li> </ul>

## II. Cultivating skills and building strong teamwork

Title	Sub-title/Explanation
<b>1 Training for employees</b>	<p><b>(1) Cultivating skills in people who work under you</b></p> <ul style="list-style-type: none"> <li>A manager must provide people working under him/her with clear goals that aim high, and train them so that they can meet those goals.</li> <li>A manager must educate and cultivate the skills of people working under him/her. Through this process, a manager will also learn from those working for him/her and from his/her replacement, creating a mutual exchange and gain in knowledge.</li> </ul> <p><b>(2) Leadership</b></p> <ul style="list-style-type: none"> <li>A manager must provide people working under him/her with challenges to take up, providing him/her with the opportunity to grow and gain a sense of achievement. In addition, the manager must correctly evaluate those working for him/her and have the strength of character to take responsibility for the actions of people working under him/her.</li> </ul>
<b>2 Maximize all of the team capabilities</b>	<p><b>(1) Respect for individual human qualities</b></p> <ul style="list-style-type: none"> <li>Respect for individual human qualities will maximize a team’s total strength.</li> <li>Aim to be a company that has the feel of a family that can share the joy of working together.</li> </ul> <p><b>(2) Teamwork</b></p> <ul style="list-style-type: none"> <li>Build strong teamwork through the mutual understanding of each other’s roles, a cooperative spirit and a sense of responsibility.</li> <li>Good teamwork is born of problem-solving activities based on creative innovation and a “never-say-die” attitude, coupled with inquisitive minds.</li> </ul>

## III. Spirit of challenge

Title	Sub-title/Explanation
<b>1 Challenging ourselves to achieve our dreams</b>	<p><b>(1) Development of original and creative products</b></p> <ul style="list-style-type: none"> <li>Centered around our core capabilities of providing high quality and originality in our manufacturing know-how, our basic mission is to create added value, while continuing to challenge ourselves to keep our enthusiasm high and hold on to the excitement, creativity and courage to pursue the realization of our dreams.</li> </ul> <p><b>(2) A self-sustaining attitude and the fostering of pride</b></p> <ul style="list-style-type: none"> <li>Encourage a sense of ownership and the idea that “only we ourselves can protect what we have already built and achieved”, embracing the spirit of taking the initiative to do things ourselves.</li> </ul>
<b>2 Long-term oriented</b>	<p><b>(1) Vision and long-term foresight</b></p> <ul style="list-style-type: none"> <li>Gain a firm grasp of the essential trends of the future with a long term vision that is not swayed by current conditions.</li> </ul> <p><b>(2) Realistic approach</b></p> <ul style="list-style-type: none"> <li>Always keeping long-term success in mind, make plans that take a realistic approach, formulating flexible scenarios for deployment.</li> </ul>
<b>3 Good judgment and prudent action</b>	<p><b>(1) Realistic recognition of risks</b></p> <ul style="list-style-type: none"> <li>Even in circumstances where current or future conditions are uncertain, gain a sufficiently firm grasp of ways to avoid risk and make decisions fully conscious of risks.</li> </ul> <p><b>(2) Direction of emphasis, overall optimization</b></p> <ul style="list-style-type: none"> <li>Set clear priorities based on a broad view of the whole, with overall optimization being the highest priority of all.</li> </ul>

## IV. Innovation and Creativity

Title	Sub-title/Explanation
<b>1 The pursuit of innovative manufacturing</b>	<p><b>(1) Continuous improvement (kaizen)</b></p> <ul style="list-style-type: none"> <li>Set ever-higher targets and never let up in the pursuit of continuous improvement (kaizen).</li> <li>Regardless of precedent or taboo, do not give up because something is thought to be impossible, aiming for breakthroughs born of creative ideas and approaches.</li> </ul> <p><b>(2) Creative innovation and benchmarking</b></p> <ul style="list-style-type: none"> <li>Keep an unflagging devotion to creativity and innovation. Gain a good understanding of our actual capabilities through internal and external comparisons.</li> </ul>
<b>2 Exhaustive pursuit of productivity improvement</b>	<p><b>(1) Elimination of muda (waste), mura (unevenness), and muri (overburden)</b></p> <ul style="list-style-type: none"> <li>Exhaustively seek elimination of “muda (waste), mura (unevenness) and muri (overburden).”</li> <li>Make judicious use of older items, avoid the purchase of unnecessary items and do not make defective goods.</li> <li>In order to clearly identify problems, build systems that will stop when an abnormality occurs.</li> </ul> <p><b>(2) Just-in-time</b></p> <ul style="list-style-type: none"> <li>For all production processes, the following process will be considered the customer, with only the necessary goods provided when they are needed in the amount that they are needed.</li> <li>Firmly meet customer demands.</li> </ul>
<b>3 Thorough, systematic learning and accumulation of knowledge</b>	<p><b>(1) Sharing information and knowledge, standardization, YOKOTEN (deployment of improvements, ideas, etc. to all applicable areas)</b></p> <ul style="list-style-type: none"> <li>Through the aggressive use of such techniques as Visual Control, cultivate a GENCHI GENBUTSU approach that can categorize differences, creating a shared recognition of current conditions among those involved and promoting awareness.</li> <li>Promote standardization and apply these standards company-wide (YOKOTEN) to firmly establish them within the organization.</li> </ul> <p><b>(2) Learning from mistakes</b></p> <ul style="list-style-type: none"> <li>Do not fear failure, keep a positive outlook and repeatedly challenge ourselves, brainstorming with each other to improve capabilities.</li> </ul>

## V. GENCHI GENBUTSU (GO and SEE)

Title	Sub-title/Explanation
<b>1 GENCHI GENBUTSU (on site investigation with actual items = GO and SEE)</b>	<p><b>(1) Fact check</b></p> <ul style="list-style-type: none"> <li>In order to gain a deeper understanding, operate in the spirit of “GENCHI GENBUTSU” (on site investigation with the actual item). The facts must be observed directly at the scene of the action.</li> <li>Even in cases where authority has been passed to someone else, with regard to issues that must be completely grasped yourself and solved, physically visit the actual site and carry out an exhaustive gathering of quantitative and qualitative information over a broad area.</li> </ul> <p><b>(2) Grasp the issues and seek the cause</b></p> <ul style="list-style-type: none"> <li>Carry out a deep analysis of Issues (gap between the targets and current conditions), identify the essence of the issues and pursue the root cause in line with the basic principles involved (“5 why analysis”).</li> </ul>
<b>2 Consensus-building</b>	<p><b>(1) Common targets</b></p> <ul style="list-style-type: none"> <li>With regard to what should be done, build a consensus by gathering the ideas from a broad range of sources, including cross-disciplinary members as well as partners.</li> <li>In order to have common targets, it is important to establish concrete, detailed targets and define the issue (target and gap with the current condition).</li> </ul> <p><b>(2) Focus on the process</b></p> <ul style="list-style-type: none"> <li>Strive for agreement on the process that will lead to achievement of the target and focus on how the execution of that process is going.</li> </ul>
<b>3 Pragmatic approach, achievement oriented</b>	<p><b>(1) Act first/with speed</b></p> <ul style="list-style-type: none"> <li>When responding to changes in the environment, first carry out trials (rough preliminary version). Before saying something can't be done, first take action, executing this before critiquing it.</li> <li>If a decision is made, strictly observe the deadline for carrying it out and urge everyone to work together in a focused effort over a short term period.</li> </ul> <p><b>(2) Problem solving attacked tenaciously and persistently</b></p> <ul style="list-style-type: none"> <li>In working towards achievement of a target, use such techniques as PDCA to follow up on progress, aiming to solve problems by remaining tenaciously focused and not giving up until results are achieved.</li> </ul>