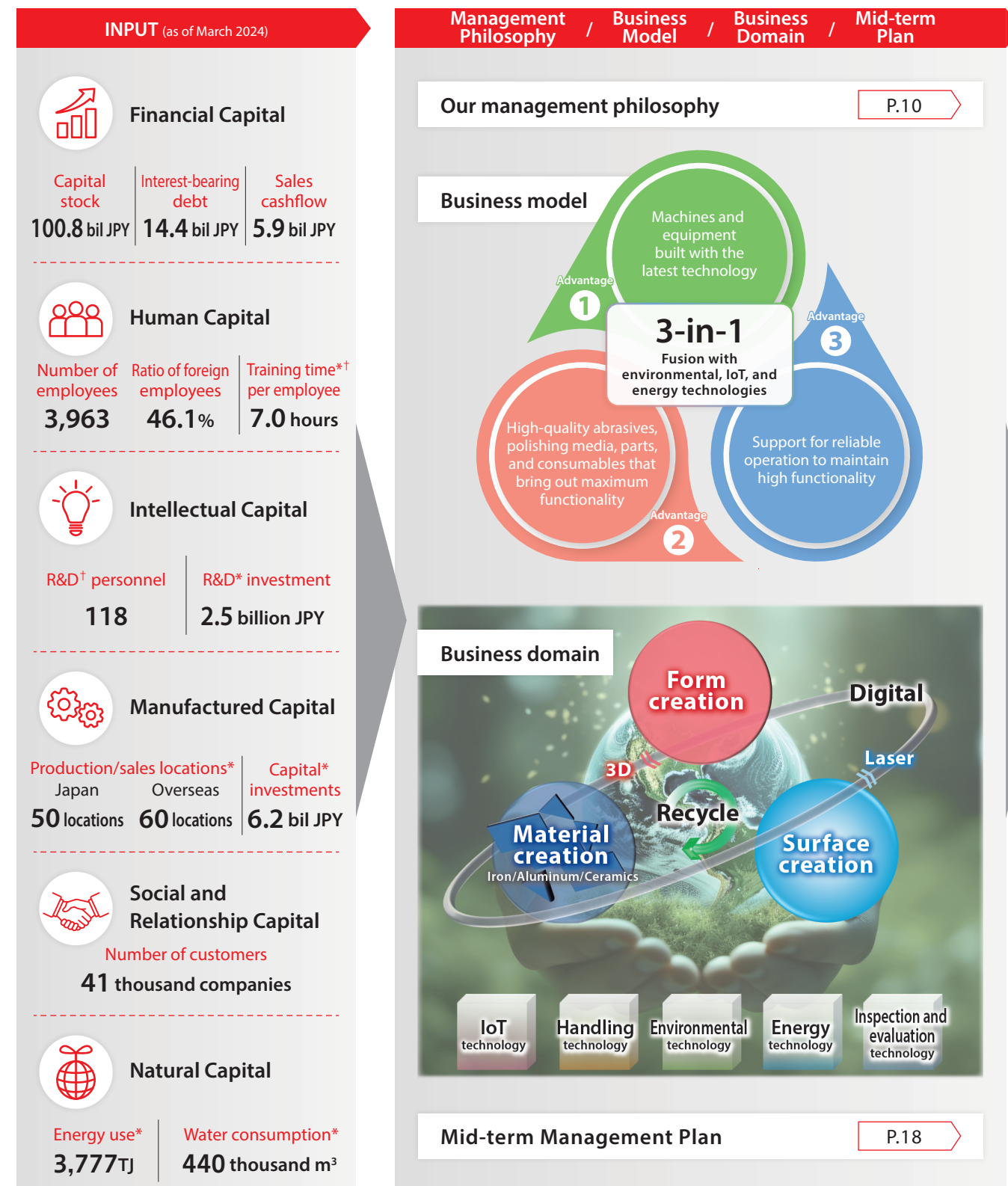


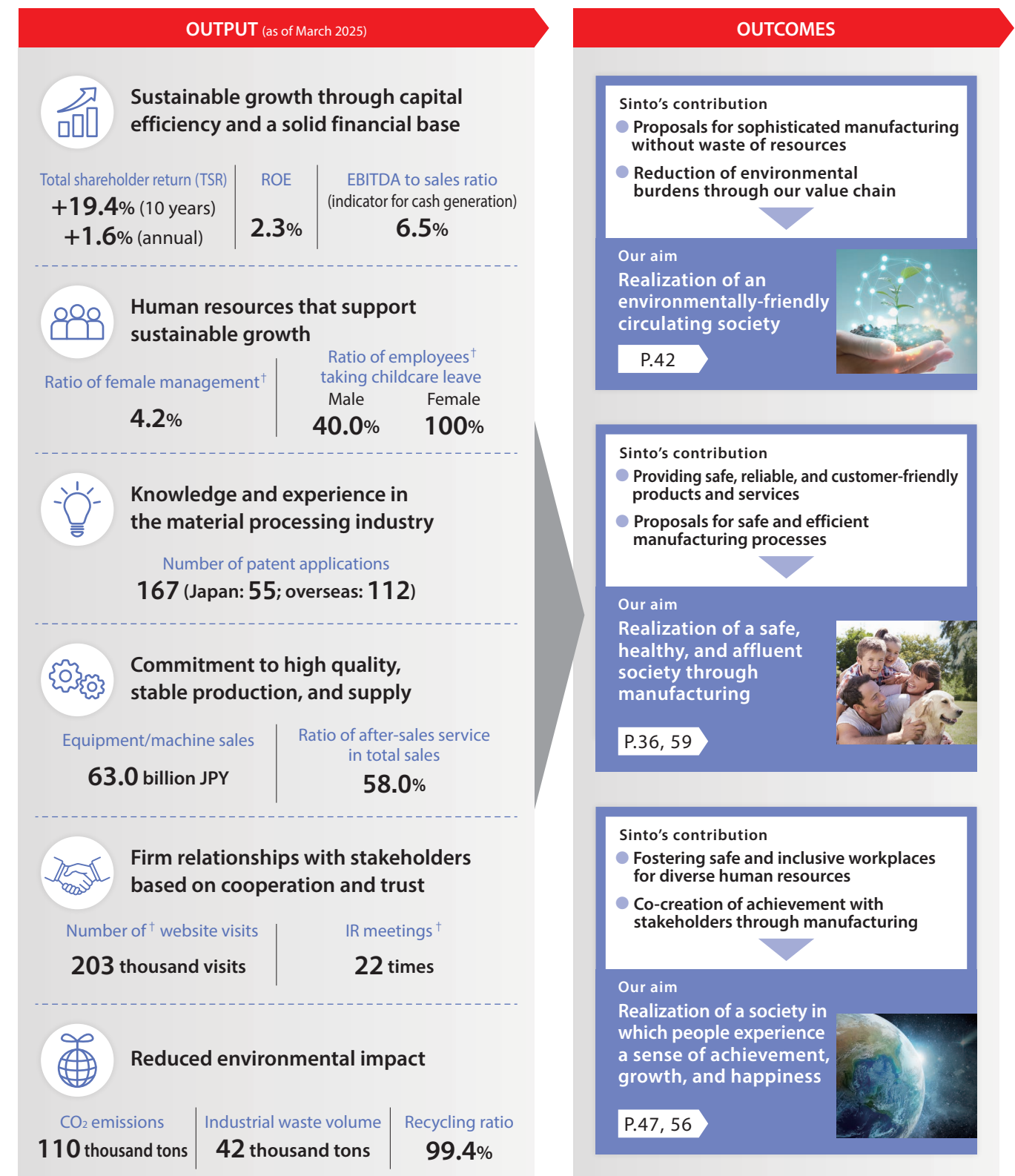
Value Creation Process

Based on our desire to cherish the spirit of manufacturing and make the world a better place, we have continued to pursue world-class technology. We aim to always be by our customers' side, providing new value to their manufacturing. Our goal is to be a company that creates deep bonds with all stakeholders and is always chosen by our customers, no matter what era.



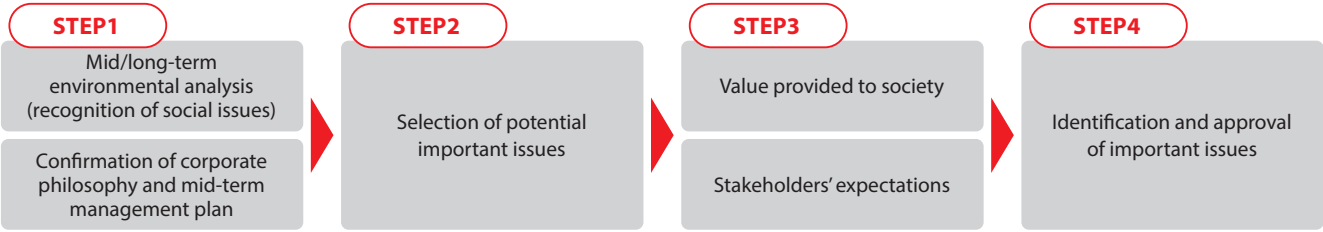
* FY2024 results
† Non-consolidated values for Sintokogio, Ltd.

Social Issues	Environment	Technology/Industry	Society		
	<ul style="list-style-type: none">● Global warming, climate change● Resource depletion● Unknown infectious diseases	<ul style="list-style-type: none">● IoT adoption, AI application, advance of digital transformation● EV, self-driving vehicles	<ul style="list-style-type: none">● Declining birthrate and aging society● Pursuit of health, safety, well-being, and comfort● Changing values and lifestyles		
Materiality	Environment	Human Resources	Technology, Development, and Manufacturing	Stakeholders	Corporate Foundation
	Achieving a circulating, sustainable society	Employees' growth and motivation in work and life	Technologies and manufacturing for sustainable growth	Building bonds with stakeholders and society	Healthy and sustainable management



While identifying important issues (materiality), we selected potential items by considering a variety of factors, such as future social issues owing to environmental changes, the Sinto Group's corporate philosophy, the strengths we have developed, our initiatives in our mid-term management plan, and the society we would like to achieve. Then, we had internal discussions about the value we can provide to society as the Sinto Group and what our stakeholders expect. Finally, we narrowed the field to five major items and then gathered opinions from external directors before a final decision was reached by the Board of Directors. We will work to advance initiatives toward solving societal issues in accordance with these materialities, in order to contribute to the development of our local and global communities. Decisions about identified materialities are not permanent but should be updated as needed based on the direction of environmental change and business activities; we plan to review these regularly.

Materiality	Mid-term Action Items	Initiatives for FY2024 (Goals/KPI)	Initiatives for 2024 (Results)
Environment Achieving a circulating, sustainable society Related SDGs 	Reducing greenhouse gases	● CO ₂ emissions reduction target: 3% reduction from the previous year	● CO ₂ emissions reduction target: 6.7% reduction from the previous year
		● Promote visualization of electricity use ● Determine CO ₂ reduction effect of eco-products and expand across domestic and overseas group companies	● In February 2025, completed visualization of electricity use up to four levels at the Koda Works location ● Developed and shared calculation method for new eco-products
	Advancing resource recycling	● Decide on calculation method and set targets for Scope 3	● Determined calculation methods for categories 4, 6, 7, 11, and 12
	Measures for reducing hazardous substances	● Waste reduction target: 5% reduction from the previous year	● Waste reduction target: 14.8% increase from the previous year
	Building green awareness	● Use dust collectors for recovery of hazardous waste ● Continue declaration of 18 th SDG "actions for ourselves"	● Conducted awareness activities ● Approximately 4,000 domestic and overseas group employees: "Actions for ourselves" declared and posted at the workplace
Human Resources Management that respects employees' growth and motivation in work and life Related SDGs 	Promoting One Global Sinto	● Train employees based on personnel development structure [Achieve 75%+ on growth survey]	● Growth survey: 71.0%
	Promoting diversity	● Comply with the statutory employment rate of persons with disabilities: 2.5%+ (as of June 2024)	● Employment rate of persons with disabilities: 2.6% (as of June 2024)
		● Ratio of female management: 5.0%+ (by April 2025)	● Ratio of female management: 4.2% (as of April 2025)
	Initiatives for promoting health	● Improve ratio of male employees who take childcare leave: 80%+	● Ratio of male employees who took childcare leave: 40.0%
	Fostering a pleasant work environment	● Promotion of health management ① Ratio of persons at a healthy weight: 65.0% ② Ratio of sufficient sleep: 57.0% ③ Ratio of regular exercise: 23.0% ④ Dietary habit indicator (Sinto original indicator): 25.0%	● Promotion of health management ① Ratio of persons at a healthy weight: 62.0% ② Ratio of sufficient sleep: 50.1% ③ Ratio of regular exercise: 22.1% ④ Dietary habit indicator (Sinto original indicator): 29.6%
Technology, Development, and Manufacturing Strengthening technologies and manufacturing for sustainable growth Related SDGs 	New business development through combining technology	● Expand surface treatment business through technological integration with Elastikos (total effect of synergy: 11.5 million JPY) ● Expand contract production using ceramic 3D printers ● Strengthen DX business through collaboration with sensor manufacturers	● Total effect of synergy of technological integration: 622 million JPY ● Introduced the compact ceramic printer "M.A.T." and expanded the contract business ● Provided solutions using C-BOX® in collaboration with sensor manufacturers
	Stronger strategy for intellectual property	● Analyze patents of new and existing businesses and formulate future response policies ● Analyze status of patent assets by product type/technology theme, share data about competitiveness and direction with business divisions, strengthen intellectual property	● Secured intellectual property rights for "advanced equipment" and "business domain" ● Compared our patents with those of other companies, identified strengths, and drafted plans for the future direction
	Safe and reliable production	● Continue strengthening safety through Safety Assessor certification (target: 14 additional employees)	● New Safety Sub-assessor certifications: 11 employees
Stakeholders Building bonds with stakeholders and society Related SDGs 	Developing customer relationships	● Skill points: 2.0-point increase per sales staff ● Number of IoT service contract customers: 100 companies (49.3% increase) ● Begin construction for Support Center renovation	● Skill points: 2.6-point decrease per sales staff ● Number of IoT service contract customers: 82 companies (22% increase); 67 → 82 companies ● Did not begin construction due to ongoing discussions about the establishment of the new Support Center
	Developing business partner relationships	● Collect monthly electricity use data from Shin-boku-kai (suppliers association) ● Request cooperation in reducing wood waste	● Called for reduction in electricity usage and wood waste at the Shin-boku-kai (suppliers association) general assembly and information exchange meetings (May and October)
	Communication with shareholders/investors	● Conduct engagement with institutional investors ● Hold facility tours for individual shareholders	● Conducted financial results briefings and individual interviews with institutional investors (22 companies) ● Participated in IR fairs (Nikkei IR and Nagoya Stock Exchange IR) ● Hosted factory tours
	Contributing to local communities	● Contribute to the local community for sustainability	● Held the 90 th anniversary event (parasports and disaster simulation) ● Held Casting Campus workshops for children
Corporate Foundation Healthy and sustainable management Related SDGs 	Corporate governance	● Strengthen corporate governance • 100% external directors for Nomination and Compensation Committee • At least 1/3 external directors for the Board of Directors • At least 1/2 external auditors for the Board of Auditors	● Strengthening corporate governance • Ratio of external directors on the Nomination and Compensation Committee: 100% • Ratio of external directors on the Board of Directors: 36.4% (4/11) • Ratio of external auditors on the Board of Auditors: 75.0% (3/4)
	Compliance	● Strengthen information security efforts (0 serious compliance violations)	● Serious compliance violations: 0
	Risk management	● Select key risks and strengthen measures (decrease the risk level of at least three key risks)	● Risk reduction of key risks: three items



Applicable to: ● Sinto Group (including domestic/overseas group companies) ● Sintokogio, Ltd. and overseas group companies ● Sintokogio, Ltd.

○ Achieved △ In progress × Not achieved

Self-evaluation	Initiatives for 2025 (Goals/KPI)	Related pages
○	● CO ₂ emissions reduction target: 3.45% annual reduction (from FY2021)	P.42-46
○ △	● Make improvements for real-time visualization of first-level electricity use at each worksite Reduce contract power by 3% (compared to FY2022), enact visualization for eight domestic locations by September 2025 ● Share and compile electric motor power reductions for new eco-products Target: 1.5% power reduction *Compilation to begin in H2	
△	● Category 4: 1% reduction of CO ₂ emissions (eco-logistics) Category 11: Customer contribution of 1.5% CO ₂ emissions reduction (eco-products) Category 12: Customer contribution of 0.6t-CO ₂ /ton of CO ₂ emissions (3R)	
×	● Waste reduction target: 5% reduction from the previous year	
△	● Collect hazardous waste dust (containing lead) using dust collectors No breakage/stoppage of dust collectors used for hazardous waste dust (Ichinomiya Works and Osaki Works)	
○	● Continue declaration of 18 th SDG "actions for ourselves"	P.47-52
△	● Train employees based on personnel development structure [Achieve 75%+ on growth survey]	
○	● Comply with the statutory employment rate for persons with disabilities: 2.5%+ (as of June 2025)	
△	● Ratio of female management: 5.0%+ (as of April 2026)	
△	● Improve ratio of male employees who take childcare leave: 80%+	
△	● Promotion of health management ① Ratio of persons at a healthy weight: 65.0% ② Ratio of sufficient sleep: 57.0% ③ Ratio of regular exercise: 25.0% ④ Dietary habit indicator (Sinto original indicator): 25.0%	P.36, 59
○	● For safety, remove pavement next to truck and forklift pathways for safety reasons (100% completion)	
○	● Overall synergy target: 150 million JPY ● Produce new materials for ceramics field (target: three new materials) ● Collaborate with sensor manufacturers and strengthen solutions (target: increase by five sensor manufacturers)	
○	● Patent analysis: 12 themes ● Intellection property applications: 30 themes ● Patent monitoring: Verify monitoring structure for 5 new business domain themes	
○	● Continue strengthening safety through Safety Assessor certification (target: 17 additional employees)	
×	● Skill points: 2.0-point increase per sales staff	P.56-58
△	● Number of IoT service contract customers (including new services): 125 companies (1.5x)	
×	● Draft construction schedule for new Support Center, including milestones until completion (by September) ● Expand corrective maintenance and new services (three contracts within the year)	
○	● Collect electricity usage data from Shin-boku-kai (suppliers association); data from 68 companies (+24 from last year) ● Receive examples of environmental improvements by suppliers (6 per year); share improvement examples from Sinto (monthly) ● Create opportunities for communication with suppliers (4 times per year)	
○	● Conduct engagement with institutional and individual investors (30 companies) ● Hold facility tours for individual shareholders	
○	● Contribute to the local community for sustainability	P.53-55, 60-69
○	● Strengthen corporate governance • 100% external directors for Nomination and Compensation Committee • At least 1/3 external directors for the Board of Directors • At least 1/2 external auditors for the Board of Auditors	
○	● Serious compliance violations: 0	
△	● Risk reduction of key risks: At least three items (themes: BCP, IT security, workplace safety)	



Examples of FY2024 initiatives

Environment: Reducing greenhouse gas emissions

P.44

Review of CO₂ emissions reduction targets and definition of Scope 3

■ Review of CO₂ emissions reduction targets

We had originally set targets to reduce Scope 1 and 2 CO₂ emissions by 3% per year by FY2030, continuing to FY2034 (our 100th anniversary). However, we discovered that to achieve carbon neutrality in 2050 to match Japan's national target, we would need to reduce emissions by 3.45% each year from the base year, FY2021. Therefore, we have reset our targets.

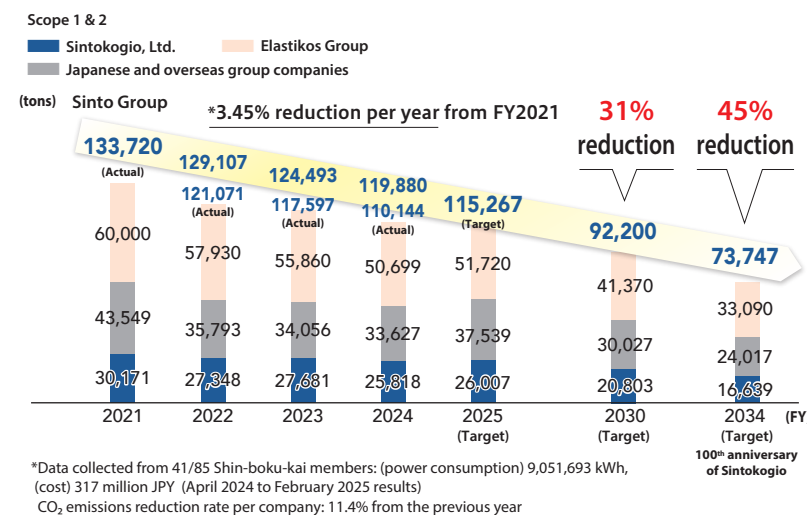
2030 Target:

Scope 1, 2 CO₂ emissions reduced by 31% compared to FY2021

2034 Target:

Scope 1, 2 CO₂ emissions reduced by 45% compared to FY2021

Sinto Group CO₂ emissions reduction plan (by 100th anniversary in 2034)

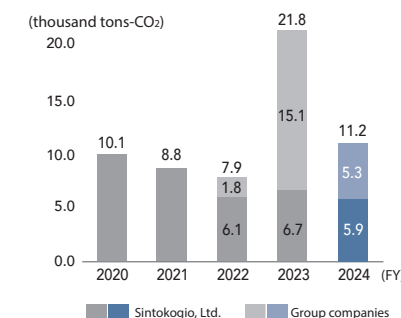


■ Setting Scope 3 Definitions

Of the 15 categories covered by Scope 3, we have set calculation definitions and are collecting data for the following 5 categories.

Category	Definition of Calculation
Category 4 Upstream transportation and distribution	Collect data on transported goods and transport distances.
Category 6 Business travel	Analyze and set the basic unit for travel expenses paid, number of nights stayed, and number of business trip days.
Category 7 Employee commuting	Analyze and set the basic unit for commuting expenses paid and number of working days.
Category 11 Use of sold products	Calculate the volume of CO ₂ emissions during operation for each piece of equipment sold to customers. Because we cannot monitor the operating status, we set operating conditions for each piece of equipment.
Category 12 End-of-life treatment of sold products	By using WAT tape, reduce the volume of waste plastic (CO ₂ emissions) at the customer site.

(ex.) Category 11: Use of sold products Contribution to CO₂ emissions reduction by eco-friendly products



*Values are for Sintokogio, Ltd. until FY2021. Starting FY2022, these values include domestic/overseas group companies.

Environment: Promoting resource circulation

P.43

Reduction of sludge waste emissions

In the abrasives production process at Osaki Works, a waterway was set up exclusively for circulating water to make effective use of water resources, and sludge containing iron is regularly collected and disposed of as industrial waste. However, the sludge contains much water, making collection a time-consuming process. Therefore, a method was introduced to efficiently separate the sludge from the water, with the sludge collected in a flexible container bag, and the excess water successfully removed. As a result, we reduced the annual sludge waste amount from 120 tons to 72 tons, with a reduction of 700,000 JPY/year in waste disposal costs. Additionally, 48 tons/year of collected water can now be reused as circulating water, reducing make-up water costs by 20,000 JPY/year. We will continue this initiative in the future, aiming to reduce the amount of sludge discharged as waste by 40% compared with the current level.



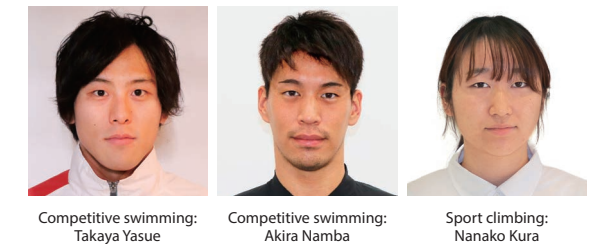
Human resources: Promoting One Global Sinto

P.47

Support for athlete employees

We respect the skills of each employee and strive to foster a corporate culture in which employees can constantly take on challenges and improve their life potential. Further to this, we support the growth of our employees through sports. Currently, we have three athlete employees who are active in swimming and sport climbing. While balancing work and athletics, they are working to improve and strengthen their skills. In FY2024, swimmers Yasue and Namba won in their respective events at the Japan Swimming Championships and went on to represent Japan at the World Championships.

Athlete Employees



Technology, development, and manufacturing: Stronger strategy for intellectual property

P.36

Strengthening our intellectual property portfolio

Based on the philosophy of "giving form and life to process materials," we are strengthening our intellectual property portfolio in both existing and new business fields. For our existing business domain, we aim to ensure our competitiveness by proactively filing applications for intellectual property rights (patents, utility models, and designs) that fill gaps in our portfolio in addition to newly developed technologies. For our business domain in new fields, we aim to secure an advantage in terms of intellectual property by filing patent applications not only for the main technologies but also for peripheral technologies, such as methods of utilizing relevant technologies.

Stakeholders

P.39

Commitment to human rights

Under our management philosophy HEART (Human Enrichment & Achievement through Reliable Technology), the Sinto Group promotes efforts to respect the human rights of all stakeholders by specifying standards of behavior for employees in the Sinto Corporate Ethics and Conduct Policy, and by establishing basic procurement policies as the basis for building trust-based relationships with business partners throughout the supply chain in the Sinto Business Partner Guidelines. While no serious issues have been identified at this time, we will continue to work to respect human rights in order to realize a sustainable society and increase our corporate value.

Corporate foundation: Corporate governance

P.54

Guidelines for carrying out work

The guidelines for our work are expressed in the three-line Corporate Principles. The articles of the Corporate Principles contain keywords for the actions employees should take and the values they should have, and they have been passed down over generations to the present day as the basis of the Sinto Group's competitiveness. As our business becomes more globalized and we work with Nakama who have diverse values and ways of thinking, the ideas and values embodied in the Corporate Principles are becoming increasingly crucial. For this reason, we created a booklet for employees to once again clearly explain the meaning of the keywords and to help employees understand them in concrete actions.

Guidelines for Action (Corporate Principles)

- We always act with both a **steady** and **enterprising** attitude.
- We always deepen **mutual trust** and **act decisively**.
- We always **serve society** with **wholehearted sincerity**.



Booklet for Corporate Principles applied to work

Mid-term Management Plan

Co-creation for New Value: Together with the earth, together with our Nakama*

The world is entering an era of great change due to diversification of values and changes in the economic environment, including a major transformation of the automotive industry with the shift to EVs, the declining birthrate and aging population, and advances in information technology. Under these circumstances, with the hope of cherishing manufacturing and contributing to society, the Sinto Group formulated a 3-year mid-term management plan for the period from April 2024 to March 2027. The mid-term plan is entitled “Co-Creation for New Value,” with the aim of pioneering the future by sharing wisdom, refining technologies, and creating new value together with our “Nakama”^{*} around the world to solve global issues. Through this plan, we will work together with our Nakama to create new possibilities, aiming to thrive in the next generation. All of the Sinto Group companies are working together as one to achieve our targets.



*“Nakama” is a Japanese word for “friends” with a shared bond.

Main aspects of the mid-term plan

To always be chosen by customers

Number of new customers
+3,900 companies

① Growth for a new era

Offer new after-sales service proposals from the customers’ perspective

Parts coverage ratio
5pt up

② Reducing costs and increasing added value to become more competitive

Pursue added value based on customer needs and improve profitability with differentiated items

Gross margin ratio
3pt up

③ Improved work efficiency through use of IT and AI

Increase competitiveness per person through enhanced efficiency and skill improvement

Added value amount
per person **10% up**

EBITDA margin of 8%+

Background and policy

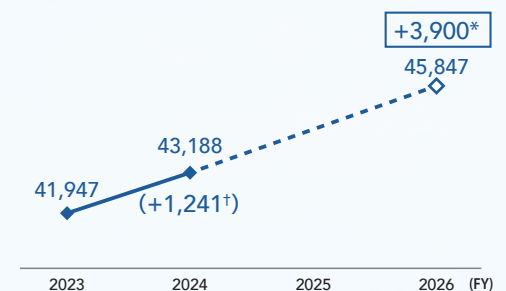
Behind the set target of an EBITDA margin of 8%+ is our intention to increase the profitability and efficiency of the company. This ratio is an important indicator of how much EBITDA the company is generating in relation to sales. In the ideal scenario of having achieved this target, our company will have thoroughly reduced costs and will be operating efficiently to increase operating income. Specifically, by reviewing business processes and incorporating automation, we will eliminate wasteful work and improve efficiency. Next, we will increase our efforts to provide high value-added products and services to increase sales. To this end, we can increase our competitiveness by accurately grasping market requirements and providing differentiated products. We also believe that it is important to increase repeat customers and build a stable revenue base through marketing strategies (diversification of sales methods) and improving customer satisfaction. We will achieve sustainable growth by becoming partners (Nakama) with our customers and creating new business together for the future. Furthermore, we will improve profit margins by strengthening our financial management. By combining these measures, we aim to achieve an 8%+ EBITDA margin.

Looking back on the first year of the mid-term plan

To always be chosen by customers

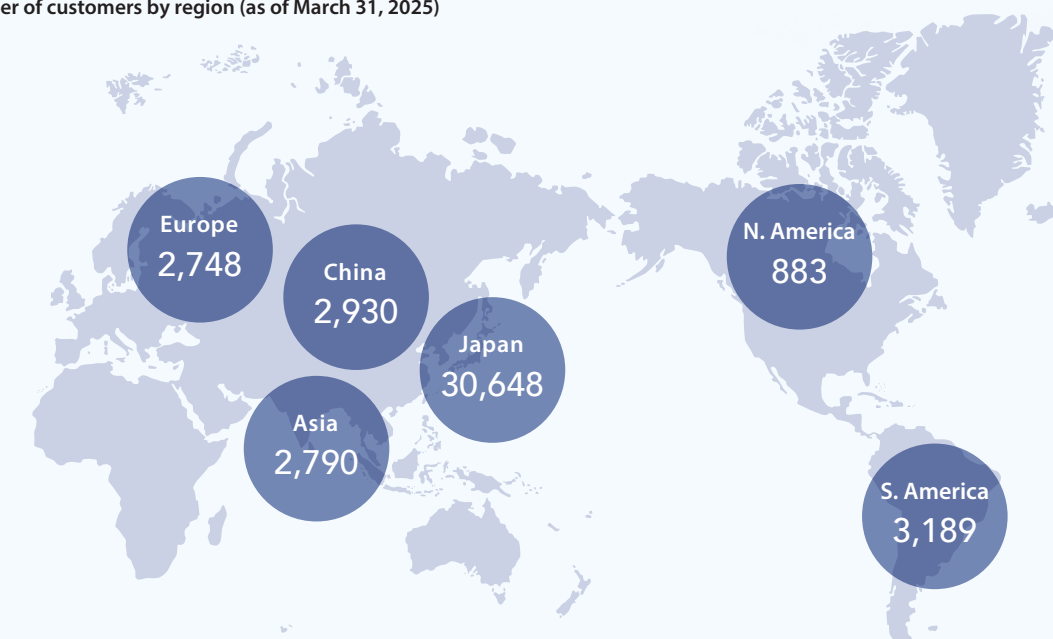
The number of customers is an important indicator (KGI) that we want to continue to grow even as times and the environment change. To always be chosen by customers, we are continuously refining our abilities for “customer-oriented proposals,” “immediate response,” and “being a good advisor.” Taking care of each and every customer through these actions will result in increased corporate value. Specifically, it is important to build win-win relationships through our products and services. As part of these efforts to achieve sustainable growth for both parties and increase corporate value, the number of new customers increased by 1,241 companies in the first year of the mid-term management plan.

Number of new customers
Unit: companies



*Including 1,400 consumables customers
†Breakdown: 703 in Japan, 538 overseas

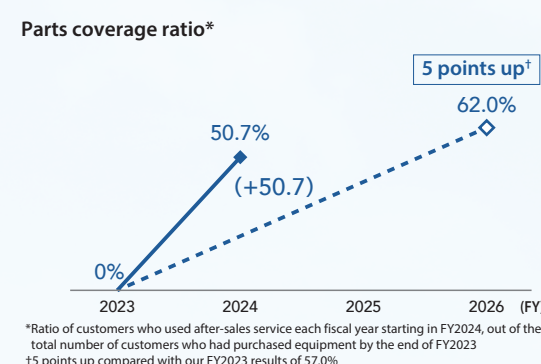
Number of customers by region (as of March 31, 2025)



1 Growth for a new era

- To date** We focused on increasing the number of new customers
- Going forward** We will work closely with each of our customers to create new value together
- Commitment** Support our customers in adapting to the changing times, deepening their business endeavors, and exploring new fields

At Sinto, we value our relationships with existing customers above all else. We place particular emphasis on our policy of not just selling the equipment we deliver but also providing total support. In other words, by working closely with each of our customers to resolve their problems, we aim to be a company that receives a “thank you” from our customers. What lies beyond our after-sales service is a future in which we come together with customers who put their trust in us, sharing knowledge and wisdom to create products that open up a new era together. These are the thoughts behind the current mid-term plan, with parts coverage ratio as the KGI for strengthening our after-sales service. The results for the first year of the mid-term plan were 50.7%.

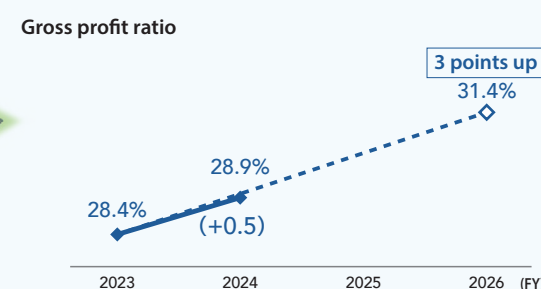
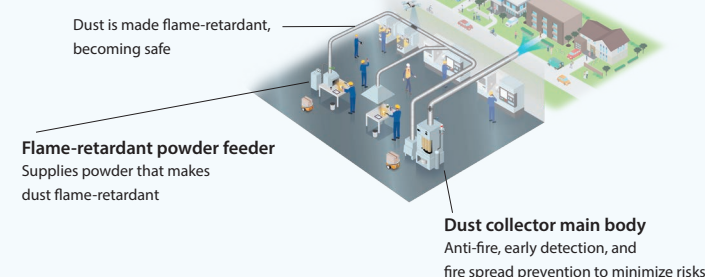


2 Reducing costs and increasing added value to become more competitive

- Customer needs** Automation for labor savings Utilization of IT for streamlining Environmental measures
- Commitment** Expand margin range (gross profit) by adding value (increase in selling price) and reducing cost (increase in competitiveness)

Our company is committed to reducing costs and increasing added value to become more competitive. With a shift in perspective from selling things to selling services, we are developing new products and software applications that make the work of equipment operators, maintenance staff, and supervisors easier and safer. One example is our products with countermeasures against fire and explosions (see figure below). We are also working on simple activities for cost reduction by reducing weight and transportation costs, and using efficient construction methods. As a result, our gross profit ratio increased by 0.5% compared to last year.

Further improvements to our dust fire prevention system



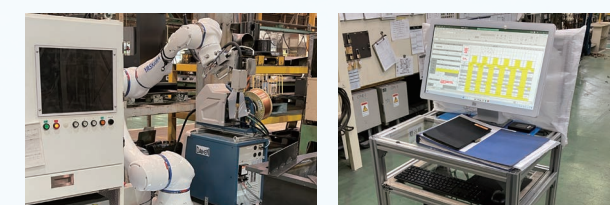
3 Improved work efficiency through use of IT and AI

- Efficiency through digital technology** Thoroughly increase efficiency by utilizing digital technology to improve and automate operations
- Shorten lead time by utilizing 3D data
 - Eliminate tabulation work by using RPA
 - Analysis by AI and so forth
- Improving skills** Each individual develops their own abilities, thereby increasing competitiveness

Commitment Eliminate wasteful work and increase net efficiency through efficiency and skill improvement → Increased profitability

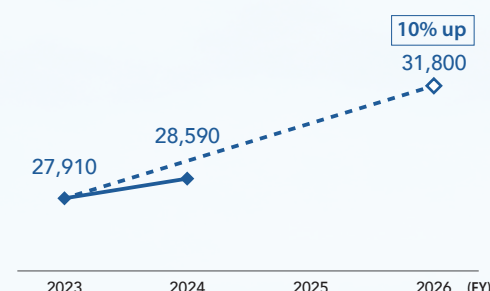
Worksite improvements

At the manufacturing site, we have reduced the number of man-hours on site by automating some processes and working on digitalization of the handling of drawings to shorten lead times. In particular, we have made efforts to increase work efficiency by introducing an automated welding system. Furthermore, digitizing drawings has made it possible to quickly share and search for information, resulting in fewer mistakes.



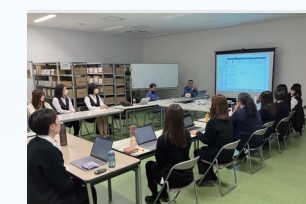
Added value amount per person

Unit: 1,000 JPY



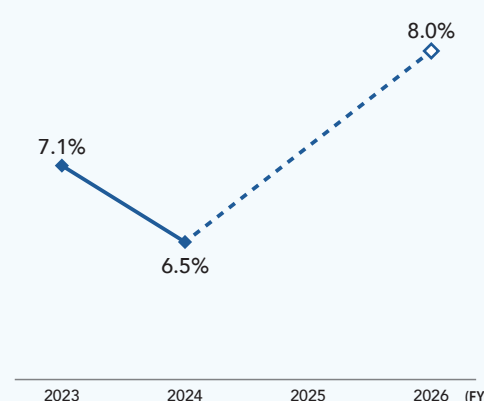
Office improvements

We have improved the efficiency of operations using IT and AI. After 1 year of activities since the launch of the Business Improvement Project (BIP) Promotion Group, which also promotes the active participation of female employees, we have achieved a reduction of 297 work hours per month. The time saved has been put to effective use, such as new skill acquisition. We aim to apply these good practices across the company to create further benefits for our employees.



Office improvements led by female employees

Toward an EBITDA margin of 8%+

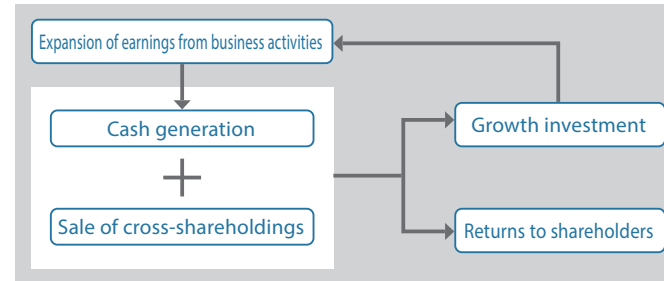


In our mid-term management plan, we aim to strengthen our ability to generate cash. In FY2024, we redefined the framework of material creation, form creation, surface creation, and the five technologies that support them, clarifying the fields that are expected to grow in the future. Now, in FY2025, we will use the cash generated through these efforts as capital for proactive investments in growing fields, producing a virtuous cycle of cash generation. Furthermore, by using our unique support network to take care of each and every customer, we will further stabilize our revenue base. Through these actions, we will secure operating profits and improve our ROE.

Financial Strategy

Basic policy

To increase corporate value and provide shareholders with long-term and stable profit returns, our financial strategy is to continue to prioritize strategic investments for M&A, capital investment, R&D, human capital, and sustainable growth.



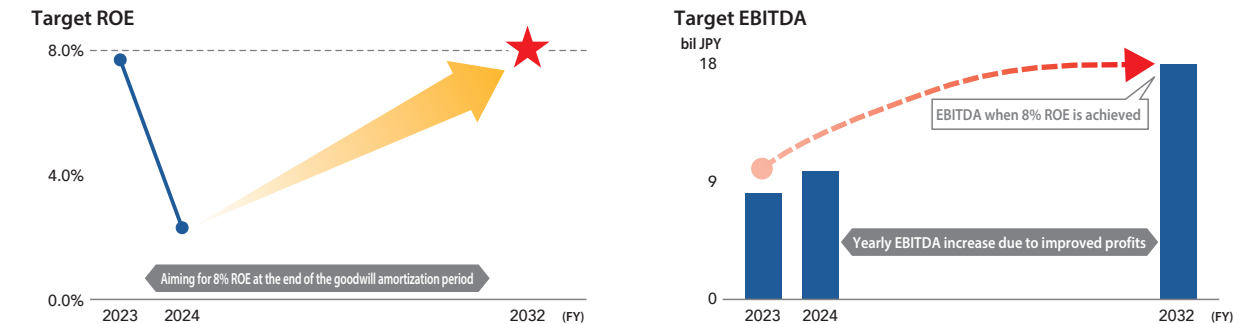
Sustainable growth through efficient use of capital with a focus on capital cost

As a measure to enhance corporate value, we are focusing on reducing the cost of capital and increasing our operating income. We will convert retained investment securities into cash as necessary to improve operating cashflow generated from business activities and capital efficiency. Then, we will use these funds for ongoing growth investments and development expenses within the scope of depreciation expenses; any funds exceeding this will be used for further growth investments, debt repayment, and shareholder returns.

Cash allocation: FY2024-2026



Although the large investment made for the acquisitions in 2024 will generate cash, profit margins are forecasted to be sluggish owing to goodwill amortization; however, sales and EBITDA are expected to increase. We will leverage synergies from these acquisitions and invest in our business domain of “giving form and life to process materials,” while shifting to the after-sales service market. By transforming our business portfolio in this way, we will work to improve profits. After first increasing operating income and then completing the amortization of goodwill, we aim to exceed 8% ROE.

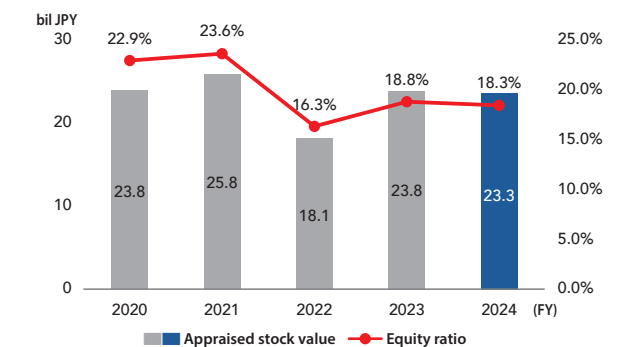


Regarding the balance sheet, we will promote capital efficiency, reduce excess assets, and raise interest-bearing debt to reduce capital costs. However, we believe that maintaining a stable financial base is crucial; therefore, we will build an optimal balance sheet with a shareholders' equity ratio of approximately 50%.

Initiatives related to cross-shareholdings

We strategically utilize cross-shareholdings as investments in growth opportunities. In making these decisions, we comprehensively consider our business strategies as well as our relationship with business partners. We hold these shares from a mid-term perspective with the aim of collaborating with partner companies to improve our corporate value and create new business; however, from the perspective of capital efficiency, we are also practicing the option of gradually reducing our shareholdings. Furthermore, once a year, the Board of Directors reviews all listed cross-shareholdings by comparing the reduction risk of holding shares, taking into account capital costs, with the benefits of holding them (business income, dividends, capital gains, etc.) to determine whether the holdings are advisable.

Appraised stock value of cross-sharings and consolidated equity ratio



Policy on shareholder returns

Our basic policy on shareholder returns has traditionally been to link shareholder returns to performance. We strive to achieve stable dividends and to build up dividends in line with increases in consolidated net profit. We will increase our target DOE from 1.5% to 2.0%, and we will aim to pay dividends at 2.0%+ in order to return profits to shareholders with considerations made for the shareholder equity ratio. We plan to pay a full-year dividend of 44 JPY for FY2025, at a dividend payout ratio of 77.2%. As we continue working to enhance returns to shareholders through increased profits, we will strike a balance between sustainable growth investments and stable profit returns. In doing so, we aim to achieve a PBR of 1 or above.

Dividends per share, DOE

