

2016 ANNUAL REPORT

Year Ended March 31, 2016



To be always selected by customers

SINTOKOGIO, LTD.

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Corporate Profile

In the Foundry Business Since 1934

Since its foundation, Sinto has been committed to developing the most innovative technologies in order to supply the best foundry equipment in the process materials industry. This is based on the concept of "Giving Form and Life to Process Materials".

As a result, Sinto has become the world's largest and most trusted manufacturer of foundry equipment. We can offer sophisticated foundry technologies for improving casting quality, productivity and the work environment.

Sinto has applied its expertise and know-how of foundry technology to related fields, such as surface treatment, environmental equipment, material handling, mechatronics, consumables and more.

Our Guiding Principles

The infinitely outstretched red band in our brand design symbolizes "Connection", "Heart" and "Passion". The gray band symbolizes our whole-hearted commitment to quality as a manufacturer working in metal-related industries.

Our brand slogan, "New Harmony >> New Solutions™", declares to the world the concepts of "Technology Differentiation" and "Reliable Support", the principles of the Sinto Group. It is our hope to establish strong relationships of trust through deeper bonds with our customers.

To achieve this goal, we will continue to provide new solutions and contribute to the harmony of society and the environment.



To Our Stakeholders

Business Results for Fiscal 2015

Overseas, the economic situation for Sinto-related industries was varied. In the United States, thanks to the strengthened labor market and consumption, industry markets (in particular the automotive industry) showed signs of improvement. Europe, however, hit bottom and was unable to wipe away its stagnation, and with China's excessive production capacity and Brazil's economy, signs of a downturn were clear. Domestically, especially for export-related enterprises, the steady improvement of company profits and the gradual recovery of capital investment contributed to the continued stabilization of the market.

Regarding Sinto's business environment, capital investment in the automotive industry markets in Europe, China and ASEAN slowed, but domestically, there was firm demand in the automotive industry. Additionally, replacement demand for surface treatment and foundry equipment expanded due to government aid, and accompanying the improved operation rate for equipment, demand for aftermarket equipment such as blasting abrasives and maintenance parts also stabilized. Under these conditions, we had an order volume of ¥93,730 million (decrease of 0.1% from last fiscal year), sales of ¥94,232 million (1.0% increase) and order backlog of ¥29,066 million (1.7% decrease).

As for income, in response to greatly heightened demand domestically, we put special effort into managing the progress of our factories' manufacturing system to ensure orders. Additionally, through patternization and modularization, we were able to suppress an increase in man hours for engineering and production, leading to a large increase in sales, for a total increase in operating income to ¥5,712 million (up 69.1% from last fiscal year). With foreign exchange loss and impairment loss on fixed assets, income before income taxes became ¥4,845 million (4.6% decrease) and the net income attributable to shareholders of the parent company amounted to ¥2,706 million (2.6% increase).



Forecasting Fiscal 2016

Looking to the future economy, internationally it is predicted that the American economy will continue its steady growth. In Europe, however, with many destabilizing factors, their period of uncertainty will continue, and in China, the effects of their slowed growth are of concern. Domestically, considering trends in the currency exchange environment and oil prices, it is estimated that risks of a downturn will increase and that unpredictable conditions will continue.

For the business environment surrounding the Sinto Group, China's excessive production capacity and Brazil's sluggish economy continue to be of concern, but in Mexico, firm automobile-related demand focused on Japanese companies is expected. Domestically, continued demand for the aftermarket such as equipment maintenance and consumables is expected, but we must bear in mind that should export conditions worsen due to a stronger yen, it will inhibit automobile-related capital investment.

Under these circumstances, as we aim for success with our medium-term management plan "Vital Sinto" during its second year, we will press forward with expanding sales of competitive strategic products in markets including North America, Mexico, China and ASEAN. We will also develop our remote support system globally in cooperation with overseas companies, bringing our customers the reliable Sinto Support System™, with preventative maintenance to keep machines running and corrective service using our information technology. Domestically, we will be selective and focus our business enterprises, and we will re-examine our production bases and existing businesses. We will engage in the fields of electricity and medical care by developing new products, new services and new business, and we will work toward improved operation speed and efficiency with the construction of a new mainframe system. We will continue to thoroughly reduce costs and increase added-value, expanding sales and securing profits.

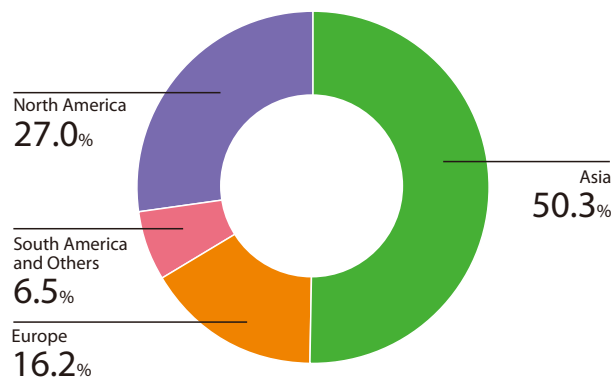


Atsushi Nagai, President
June 2016

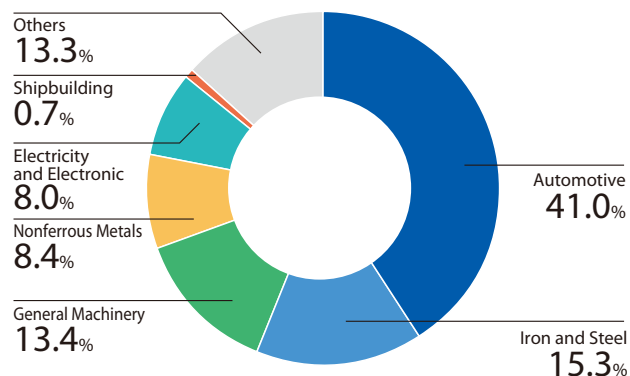
Global Network

Asia	15	Europe	4
China	8	Germany	3
Taiwan	2	Austria	1
Thailand	2	South America and Others	3
Korea	1	Brazil	2
Indonesia	1	Mexico	1
India	1	North America	8
		U.S.A.	8

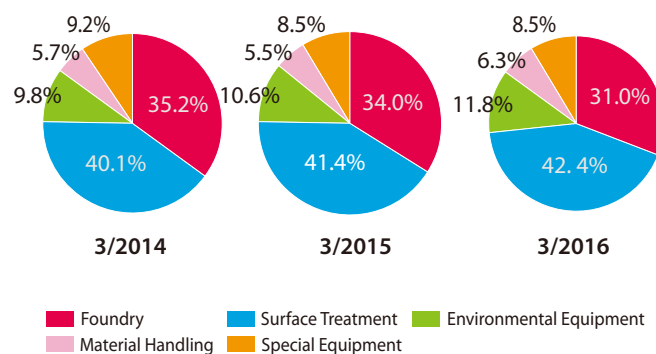
Sales by Region (3/2016)



Sales by Industry (3/2016)



Sales by Division



Management Policy

Sinto Beliefs

In 2015, Sinto Group established a new management policy called Sinto Beliefs, which represents each Sinto employee's convictions and is the foundation for our actions.

Sinto Group's corporate philosophy is "HEART (Human Enrichment & Achievement through Reliable Technology)". Our mission based on this philosophy is to create new value for manufacturing and to share our achievements and joy with our customers all over the world. We aim to deepen our bonds with all related people through our "Technology Differentiation" and "Reliable Support," enhancing Sinto's brand value by continuing to offer new solutions.

Under this policy, our long term goal is to build emotional connections with our customers, promote sustainable growth and development on a global basis, and increase shareholder value.



Medium-term Management Plan "Vital Sinto"

2015

In April 2015, we formulated our Medium-term Management Plan, Vital Sinto, based on the results of Global Customer Satisfaction 5, our previous medium-term management plan. We will boldly take on global business challenges with speed and efficiency. With Vital Sinto, we will enact initiatives under the two main themes: "To Be Always Selected by Customers" and "To Create a Workplace Filled with Hope".

Common target shared by the Sinto group

Number of new customers:	8% up
Customer coverage ratio:	5pt up
Operating income margin (Consolidated basis):	8%

2016

Target vision



Company song "Let's Go Team Sinto"

To strengthen solidarity between all Sinto Group companies around the world as One Global Sinto, we made an English company song titled "Let's Go Team Sinto". By singing it together when Sinto Group employees gather, we can share our corporate philosophy even more broadly.

Access the "Let's Go Team Sinto" video using the QR code below.



Let's Go Team Sinto

We always have something new
It's another winning technology
That's what we do, Let's do our best
We will show you what makes us different

Customers trust Sinto every time
Because we listen to what they need
That's what we do, Let's do our best
We will provide you with reliable support

There is a reason why they always choose Sinto
We share the joy of making things
and working together in harmony
"Kizuna" is the bond that joins us
"Shinrai" is the trust that we'll earn

Let's go team Sinto, One Global Sinto
Let's go team Sinto, Team Sinto!

We are working all over the world
but never left our home
That's what we do, Let's do our best
Let the world know we are proud of being Sinto

There is a reason why they always choose Sinto
We share the joy of making things
and working together in harmony
"Kizuna" is the bond that joins us
"Shinrai" is the trust that we'll earn

Let's go team Sinto, One Global Sinto
Let's go team Sinto, Team Sinto!

There is a reason why they always choose Sinto
We share the joy of making things
and working together in harmony
"Kizuna" is the bond that joins us
"Shinrai" is the trust that we'll earn

Let's go team Sinto, One Global Sinto
Our work makes everyone smile all over the
world

2017

2018

Progress and Initiatives for Fiscal 2016

In fiscal 2015, we focused on increasing global recognition of the Sinto name and raising Sinto's power as a global competitive manufacturer.

Regarding global recognition, we participated in exhibitions around the world and were able to continuously promote our exceptional products and service. We will continue these efforts in fiscal 2016 by participating in exhibitions in countries such as America and Turkey, in hopes of having more customers experience our technological power.

In terms of competitive power, by pro-

actively transferring technology to each global group company, we increased our competitiveness cost-wise. Additionally, in the future, we will be taking on the growing fields of aviation, power generation and medical care.

In America, our group company National Peening, which specializes in shot peening services and non-destructive testing, has received high acclaim as a supplier for Boeing and General Electric.

In 2014, we also took part in capital participation in Airex, the company with the top technology in Japan for isolators (high-

power sterilized clean rooms used in pharmaceutical manufacturing). In cooperation with Airex, we will further develop in the medical field.



Financial Highlights

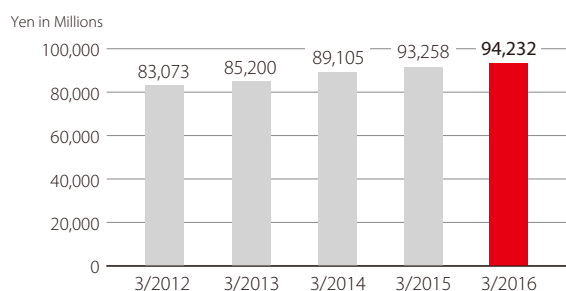
	Japanese Yen in millions			U.S. Dollars in thousands
	3/2014	3/2015	3/2016	3/2016
Net sales	¥ 89,105	¥ 93,258	¥ 94,232	\$ 836,280
Operating income	3,836	3,378	5,712	50,700
Operating income margin	4.3%	3.6%	6.1%	6.1%
Income before income taxes	5,471	5,081	4,845	43,001
Income before income taxes margin	6.1%	5.4%	5.1%	5.1%
Net income attributable to shareholders of the parent company	2,824	2,637	2,706	24,018
Return on sales	3.2%	2.8%	2.9%	2.9%
Total assets	126,908	146,315	139,207	1,235,419
Net assets	85,114	95,278	88,899	788,958
Equity ratio	64.5%	62.0%	60.7%	60.7%

	Japanese Yen			U.S. Dollars
Net income attributable to shareholders of the parent company per share	¥ 52.02	¥ 48.58	¥ 50.57	\$ 0.45
Net assets excluding non-controlling interests per share	¥ 1,508.71	¥ 1,672.19	¥ 1,587.79	\$ 14.09
Return on Equity	3.6%	3.1%	3.1%	3.1%

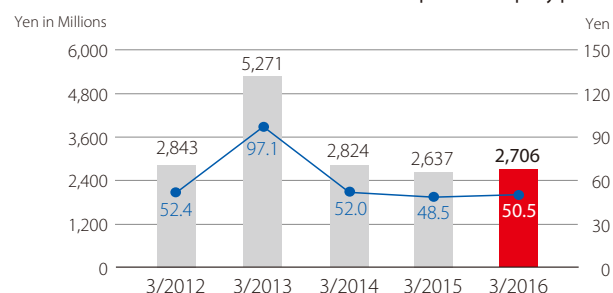
Notes: 1. The exchange rate used in these calculations is ¥112.68 per U.S. dollar as of March 31, 2016.

2. Net income attributable to shareholders of the parent company per share is computed using the weighted average number of outstanding shares during the fiscal year April 1, 2015 through March 31, 2016. Net assets excluding non-controlling interests per share are computed using the actual number of outstanding shares at the end of the fiscal year.

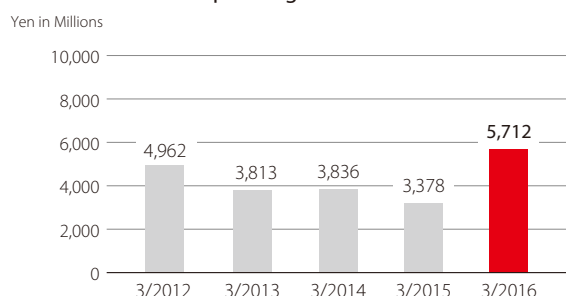
Net sales



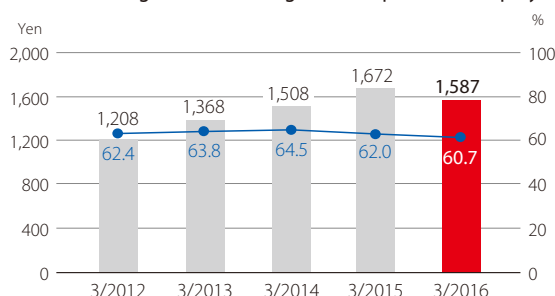
Net income attributable to shareholders of the parent company / Net income attributable to shareholders of the parent company per share



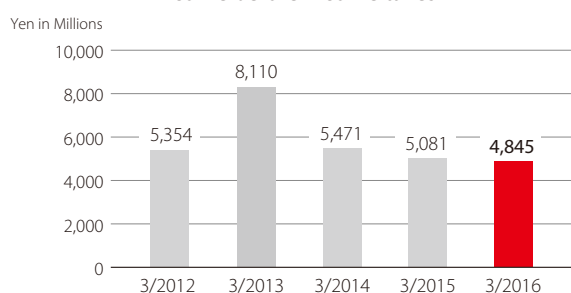
Operating income



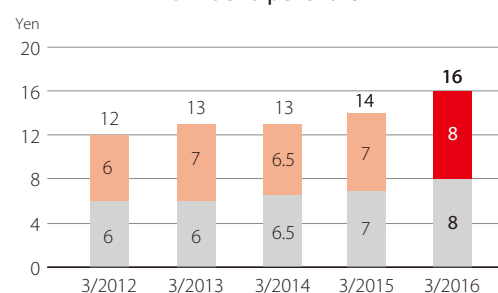
Net assets excluding non-controlling interests per share / Equity ratio



Income before income taxes



Dividend per share



Global Development

Overseas main manufacturing and sales bases — 30 bases in 11 countries —



Global Development

Overseas main manufacturing and sales bases — 30 bases in 11 countries —

Main News

- Roberts Sinto de Mexico, S. de R.L. de C.V. established a new branch for after-sale services.
(May 2015)
Location: Aguascalientes, Ags., Mexico



- Sinto Frohn Metal Abrasive (Qingdao) Co., Ltd. was established for sales and production of cut wire in China.
(September 2015)
Location: Jiaozhou, Qingdao, Shangdong, China



- National Peening, surface finishing contractor, was selected as an official supplier for Boeing.
(December 2015)
Location: Bedford Heights, OH, U.S.A.



- Taiwan Sintong Machinery Co., Ltd. opened a new plant for operation.
(March 2016)
Location: Taoyuan, Taiwan



Exhibitions



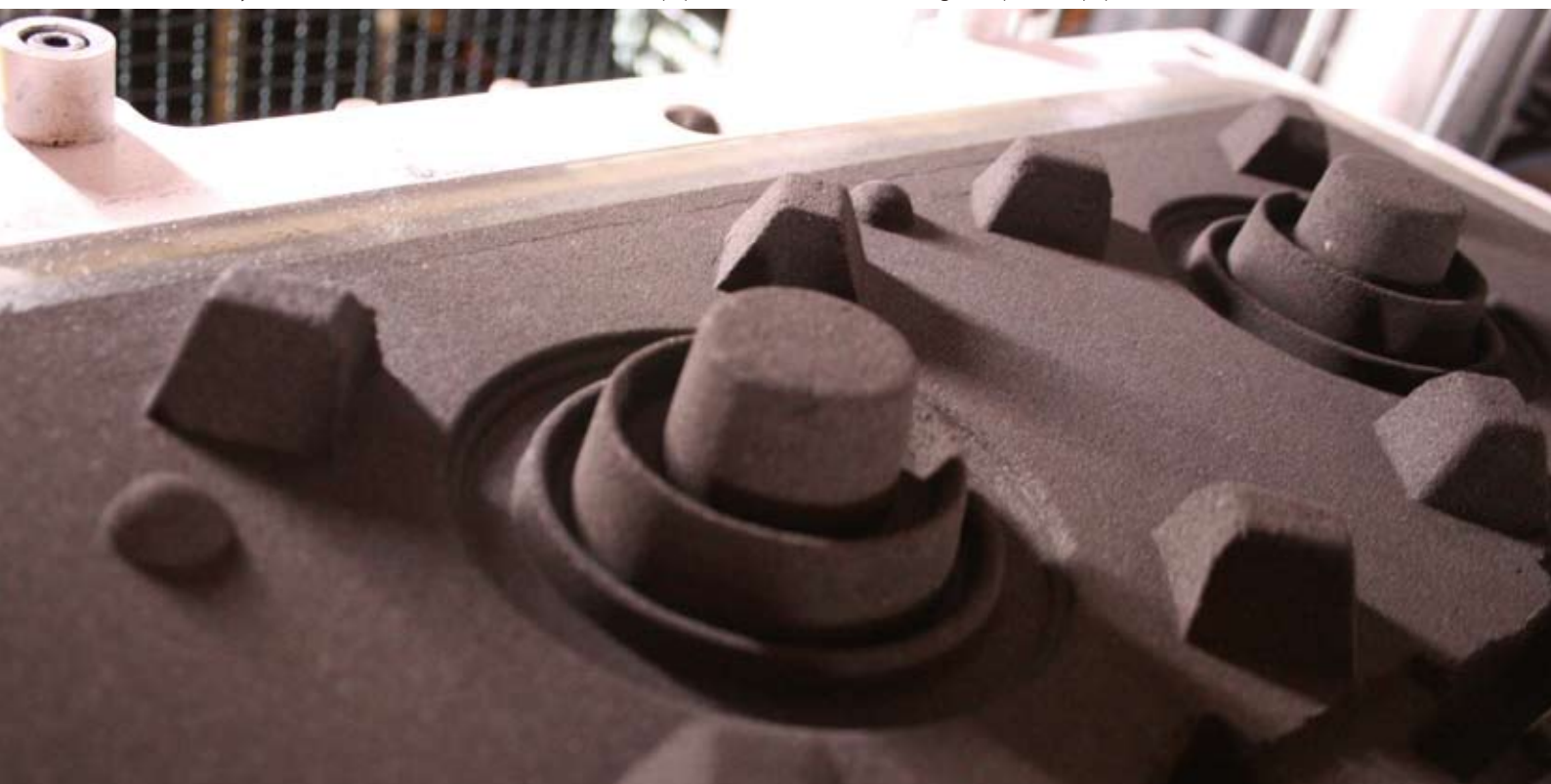
GIFA 2015

Participation in major exhibitions

Region	Exhibition	Period	Place
● Asia	Metal + Metallurgy China 2015	Mar. 31 - Apr. 3, 2015	Shanghai, China
	METALEX 2015	Nov. 18 - 21, 2015	Bangkok, Thailand
	International Metal Technology Taiwan	Dec. 2 - 4, 2015	Kaohsiung, Taiwan
	IFEX 2016	Jan. 29 - 31, 2016	Coimbatore, India
● North America	2015 Die Casting Congress	Oct. 15 - 17, 2015	Indiana, United States
	Gear Expo 2015	Oct. 20 - 22, 2015	Michigan, United States
● South America and Others	FENAF 2015	Sep. 28 - Oct. 1, 2015	Sao Paulo, Brazil
● Europe	GIFA 2015	Jun. 16 - 20, 2015	Dusseldorf, Germany

Business Segments

■ Foundry ■ Surface Treatment ■ Environmental Equipment ■ Material Handling ■ Special Equipment



Foundry

The foundry business has been driving the growth of Sinto for 80 years, developing in response to customers' demands and the needs of the times, and contributing to the development of the industry all over the world. Cast products are used in various industrial fields such as the automobile and aircraft industries, and Sinto delivers this production equipment to more than 60 countries. Sinto is now a world-leading manufacturer of foundry plants.

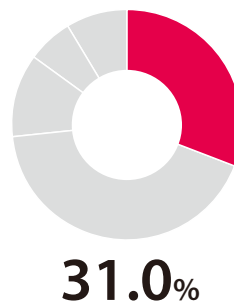
High-quality Castings and Harmony with the Environment

Through automation to preserve manpower, energy and space, Sinto reduces total costs and provides customers with environmentally friendly equipment. We have developed innovative technology including the Seiatsu molding system using airflow (recognized as "SEIATSU" all over the world) and the ACE molding system equipped with a mechanism for sand filling by aeration. We continue to manufacture products to help customers produce higher quality castings while reducing the environmental burden.

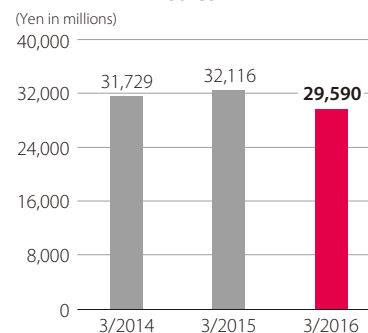
Customer Support on a Global Scale

The biggest goal for Sinto is to support the stable and uninterrupted operation of customers' equipment once it has been delivered. The Sinto Support System™ is one of the ways we achieve this goal. Our experts remotely analyze the operating state of equipment, providing maintenance support and early action for sudden equipment failure. Thus we can support the stable operation of equipment, ensuring and improving product quality. We will continue to develop the Sinto Support System™ on a global basis in cooperation with our overseas group companies so that it can be utilized all over the world.

Sales by Division



Sales



Results of Fiscal 2015

Focusing on foundry equipment made in response to the increased production of automobile parts, we received the underlying support of domestic replacement demand in a wide variety of fields. In overseas markets such as Europe and Asia, however, demand was sluggish, resulting in sales of ¥29,590 million (decrease of 7.9% from last fiscal year). Operating income increased due to the improved sales cost ratio domestically, to ¥1,346 million (9.7% increase).

Product Information

The Tilting Gravity Die Casting Machine GDCX was developed as a new entry in Sinto's aluminum gravity die casting lineup.

- Stabilized high-quality casting production and the reduction of defects
- Low initial cost and running cost
- Reduced-space installation



GDCX

SINTO SMART FOUNDRY™

In hopes of achieving the highest quality casting, Sinto is working toward sustained casting production using equipment with preventative maintenance and improved quality through visualization and traceability.



Sinto Smart Foundry™ aims to become the foundry plant of the future, making the sustained production of high-quality casting possible by improving casting quality and productivity through the utilization of information technology.



Stable Production of High-quality Casting through **Traceability and Visualization**

Data about the sand conditions, molding, pouring and more is collected and searchable. It can be used toward prevention of defects.



Automated **Aluminum Casting System**

A system in which everything from melting to finishing is automated in consideration of working conditions.

(Robotic handling between each process: aluminum melting, core making, molding and finishing)



Pursuit of **Near-net Shape**

A new model using Sinto's Aeration sand filling system is applied.
(Horizontal Parting Flaskless Molding Machine FBMX and Tight Flask Molding Machine ACEX)



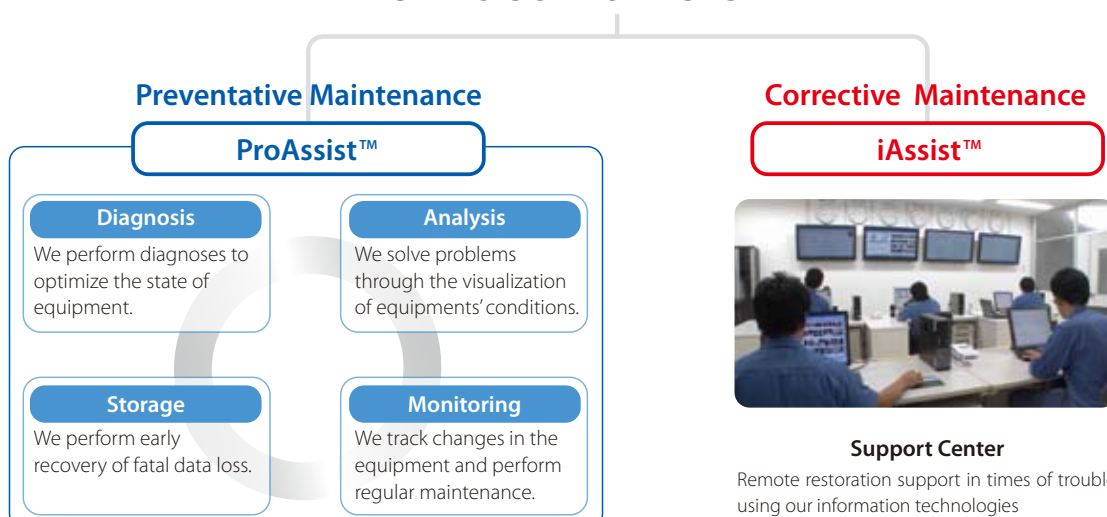
Optimal Processes for **Core Making** Accepting Trial Testing

We can test the core making for a variety of processes from small to large pieces.

SINTO SUPPORT SYSTEM™

The Sinto Support System™ is Sinto's after support system that allows customers to use their equipment with peace of mind. It includes preventative maintenance to keep equipment running, assistance with machine diagnosis that begins with regular checks, problem solving which includes remote support when problems arise, and more. Using remote monitoring, preventative maintenance and corrective maintenance when trouble occurs contribute to stable production. We also propose new ideas and solutions to improve product quality.

SINTO SUPPORT SYSTEM™



Business Segments

Foundry Surface Treatment Environmental Equipment Material Handling Special Equipment

Peening
Peeling Off
Removing
Hitting
Roughing
Polishing
Chipping

Surface Treatment

Most industrial products and daily necessities including automobiles, electrics and electronic devices are surface treated. Surface treatment processes such as deburring, descaling, glazing, precision processing, durability improvement and matting are applied to a wide range of materials including metal, plastic, wood, stone and gum.

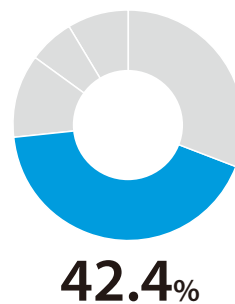
Unparalleled Performance in a Growing Field

Sinto supplies equipment based on our many years of experience and expertise in the ever-growing surface treatment industry. Our surface treatment philosophy combines “Technology and Equipment”, “Shot and Media” and “Support and Parts” to contribute to stable operation in a “Three-in-One” manner. Additionally, we offer surface finishing services for products from customers, making our business model “Three-in-One + α”. We are the sole manufacturer of surface treatment equipment that can collectively supply products and service in this way, working with customers all over the world.

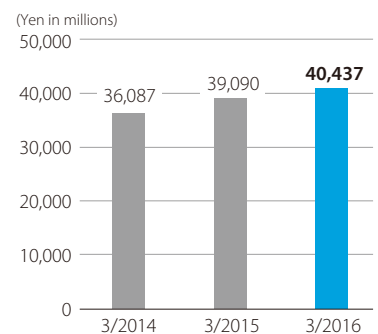
New Possibilities: Visualization of Surface Properties

In recent years we have continued to work on visualization of surface properties. We have developed two types of non-destructive surface evaluation devices branded “Sightia”. The in-line type inspection instrument ECNI evaluates whether the entire surface has been treated by shot peening, and it can be incorporated into the shot peening machine. Customers can use it to ensure process and quality control. The portable X-ray residual stress measurement device PSMX enables quick and precise measurement of high compressive

Sales by Division



Sales



residual stress, contributing to the improvement of inspection efficiency. We will further develop surface inspection devices to expand the Sightia line.

Results of Fiscal 2015

Beginning with shot peening machines for automotive and aircraft parts, sales for shot blasting equipment for steel frame parts showed promising movement upward, in part due to added help from subsidiary investment. Domestic sales for shot and media also showed firm growth due to the improved operation rate of equipment, and the overall sales of the industry rose to ¥40,437 million (increase of 3.4% from last fiscal year). Operating income rose greatly to ¥4,790 million (44.9% increase) as a result of the increased sales of machines as well as endeavors to make production more efficient even as early as the planning phase.

Our Initiatives for Visualization of Surface Properties

In-line X-ray residual stress measurement device PSMX-II was developed and is being sold as the third unit in the surface evaluation technology Sightia series.

- Ensuring quality control
- World's fastest* X-ray residual stress measurement of shot peened pieces (10 seconds)

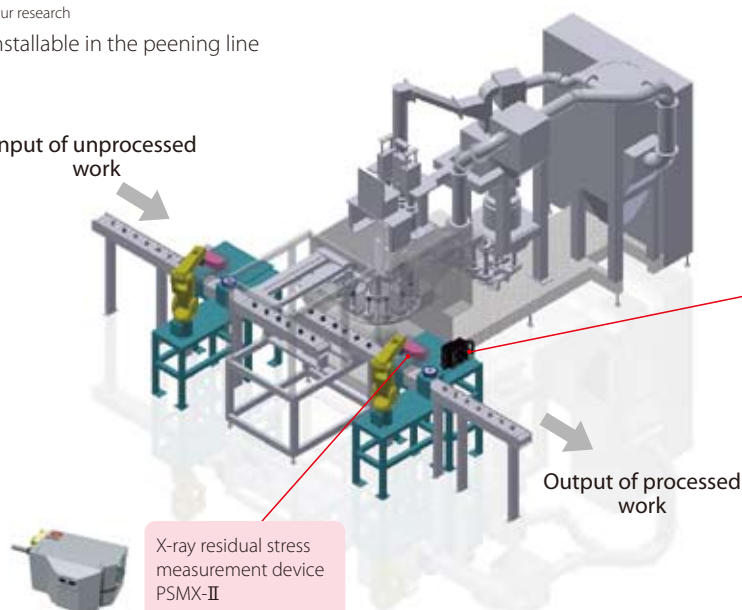
*Our research

- Installable in the peening line



PSMX-II

Input of unprocessed work



Non-destructive inspection instrument ECNI-I



Samples of work



Gear

Spring

Product Information

The application of minute processing (rounding, deburring) for microscopic and brittle parts has always been difficult with blasting and barrel finishing, so we developed a new process and turned it into equipment, the powder suction treatment device SSN.

- Minute processing for microscopic and brittle parts with little deviation
- Consideration for the work environment and energy preservation



Microscopic and brittle parts



SSN

Blast Technology Center

The Blast Technology Center was established in December 2011, equipped with state-of-the-art inspection equipment. With this equipment we can utilize our accumulated technology database. This Center is a base for global development as well as a model center.



Our newest products and technology



Sample of surface properties based on our technology database

Business Segments

■ Foundry ■ Surface Treatment ■ Environmental Equipment ■ Material Handling ■ Special Equipment



Environmental Equipment

The ideal environmental technology pursued by Sinto is the harmonization of people, industry and the environment. If we as humans are unable to lead rich lives and protect the global environment at the same time, then our lives are not truly rich.

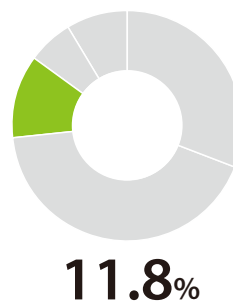
Forerunner in Environmental Consciousness

In 1963 when the notion of “public pollution” did not exist, we came out with a corporate advertisement about the necessity and importance of clean air. For 50 years since then, we have expanded our efforts based on the needs of the times globally, including improving the work environment and responding to a sound materials-cycle society. We have continued to assist in protecting workers’ health and safety and as well as the community environment.

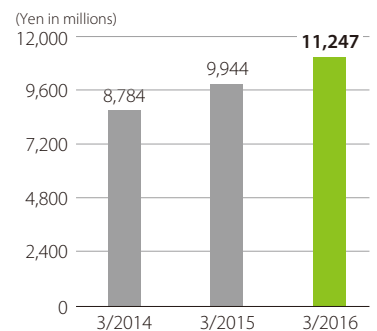
A Winning Combination: Environment and Efficiency

Sinto is now the only manufacturer that can collectively offer environmental preservation technology including treatment and prevention of air, gas, water, noise and vibration pollution, as well as improved production efficiency through energy and environmental preservation measures. To pursue the harmony of people, industry and the environment, we will continue to offer environmental technology indispensable to manufacturing both within and beyond Japan.

Sales by Division



Sales



Results of Fiscal 2015

Mid- and large-sized dust collectors experienced a slight downturn in the foundry, aluminum and cement industries, but demand increased for compact general-purpose dust collectors used for the machining tools industry as well as VOC gas purifiers used for the converting industry. This increase in demand resulted in sales of ¥11,247 million (increase of 13.1% from last fiscal year). Operating income also grew due to the increased sales, rising to ¥847 million (16.9% increase).

Our Offer to Improve Production Efficiency

With the compact general-use dust collector Dusmic series, we offer many variations such as anti-fire/explosion and sanitary specifications to meet the needs and space of our customers' worksites. The PXN series, for example, is well suited for capturing fumes from welding. With a hood on a flexible arm, you can adjust the hood position and capture fumes with this high-performance equipment that fits the nature of your work.



Example Application: Welding Robot

Dust collector
Welding Robot

Environment Technology Center

In July 2015, the Environment Technology Center opened at Koda Works. We made visible various technologies such as the airflow of dust collectors and gas purifiers and the mechanism behind explosions. We hope to heighten our customers' interest in improving the work environment and to have our visitors experience first-hand Sinto's problem-solving ability for environmental improvements, protecting the safety and health of our customers' production site workers.



Analyzers to back up our technologies



Visualization of our technologies such as the airflow of dust collectors and gas purifiers

Business Segments

■ Foundry ■ Surface Treatment ■ Environmental Equipment ■ Material Handling ■ Special Equipment



Material Handling

To help our customers improve material handling efficiency, Sinto engages in the businesses of scissor lifts, conveyors and clean flow systems. Taking advantage of technology and experience accumulated over the past 60 years, Sinto contributes to the rationalization, automation and productivity improvement of material handling in industrial fields on a global basis.

High Durability, High Precision and Safety for Customers in All Sectors

In the sector of scissor lifts, Sinto offers safety as well as value including high durability and high precision in industries ranging from auto parts to IT to precision machinery. Scissor lifts are also used more widely now, from lifting wheelchairs and bathtubs in the caretaking sector to stage lifting in the entertainment sector.

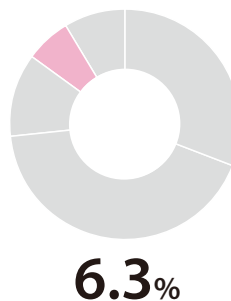
Our conveyor systems are used globally in the physical distribution industry and in production lines of various manufacturing industries. With a basis in roller conveyors, we design and manufacture case and pallet flow conveyors as the key machines of physical distribution.

In the field of clean flow systems, we provide high-precision handling systems for clean rooms used in the manufacturing of liquid crystal glass substrates and semi-conductor wafers. Our original clean robots will play a role in maintaining the quality of electronic parts as the electronics industry continues to expand.

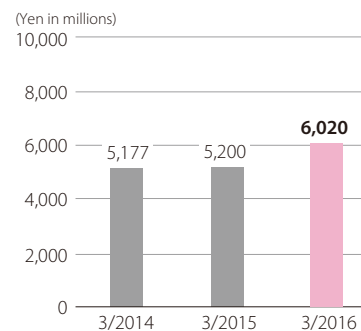
Results of Fiscal 2015

In North America, handling equipment for automobile parts showed growth, and domestically, conveyors for material handling and

Sales by Division



Sales



scissor lifts in the food processing industry both showed steady upward trends. In addition, rental wheelchair lifts for caretaking and medical treatment also contributed to growth, resulting in overall sales of ¥6,020 million (increase of 15.8% from last fiscal year). Due to this increase in sales, the operating income rose to ¥262 million (40.8% increase).



Conveyor in the food industry

Product Information

Our specialized elevator for lifting wheelchairs up and down building staircases contributes to the caretaking industry.

- Easy control with just one switch
- Safe, secure and comfortable to use
- Installation in 1/3 of the slope space



Scissor lift for nursing care



Special Equipment

Sinto provides the latest technology for peripheral industries such as mechatronics, molds and forming, powder processing and ceramics.

Sinto's mechatronics technology started with measurement and control systems for foundry equipment. From there it expanded to semi-conductor- and liquid crystal-related equipment, test and inspection devices, robots and servo cylinders. A variety of Sinto's unique technologies are also used in the fields of plastic forming machines for interior auto parts and ceramic precision parts. Recently, Sinto's mechatronics technology has launched ultra-precision heating presses in response to the market's needs for higher precision and energy preservation, as well as high-throughput high-speed processing hot presses for fuel batteries.

In the field of electric characteristic measurement, we have developed a dynamic characteristic tester, the most important item for power devices which measures switching efficiency using the transitional characteristics of the moment between ON/OFF.

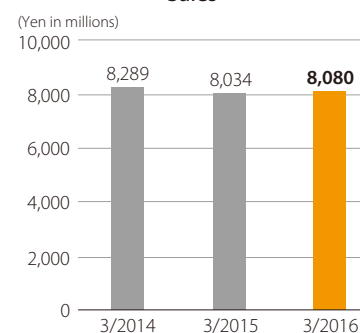
We will improve usability related to production technology at various production sites and enhance customer satisfaction. Furthermore, we will work to satisfy next-generation needs for new energy possibilities in the increasingly important field of electricity. We hope to contribute to the electric power society of the future.

Sinto recently began offering a precise coordinate/dimension measuring instrument for cutting-edge fields, capable of recording stable figures on the micrometer and nanometer level. We will continue to combine these various technologies and increase the sophistication of our technologically innovative manufacturing in the industries of energy, electronics, recycling and more.

Sales by Division



Sales



Results of Fiscal 2015

Although sales of our liquid crystal panel handling robot slumped, servo cylinders for automobile part manufacturing equipment, precision presses and inspection devices showed firm growth. With the additional contribution of precise measurement instruments for electroluminescent devices, segment sales increased to ¥8,080 million (increase of 0.6% from last fiscal year). Operating income rose to ¥71 million due to improved cost price, returning to positive figures after being in the red (losses of ¥390 million) during the previous fiscal year.



Vacuum roll press machine

Product Information

The 3D Ceramaster© is the world's first measurement tool* that measures on the three XYZ axes. *Our research

- Simultaneous 3D-axis measurement
- Perpendicular precision of 5μm or less per 1,060mm
- 1/4 lighter (270kg) compared to standard stone model



3D Ceramaster©

Contribution to the Environment by Our Strategic Products

Offering a Better Work Environment



VOC Gas Purifier ETSC



Total CO₂ Emission Reduction
Since Sales Began

24,200 tons

Total CO₂ Emission Reduction

49,264 tons

*Cumulative total since sales began in 2001

*Emission reduction by our strategically marketed products

Servo Cylinder



Sinto servo cylinder CYAP-CA series

Total CO₂ Emission Reduction
Since Sales Began

14,304 tons

ACE Molding Machine



Total CO₂ Emission Reduction
Since Sales Began

6,358 tons

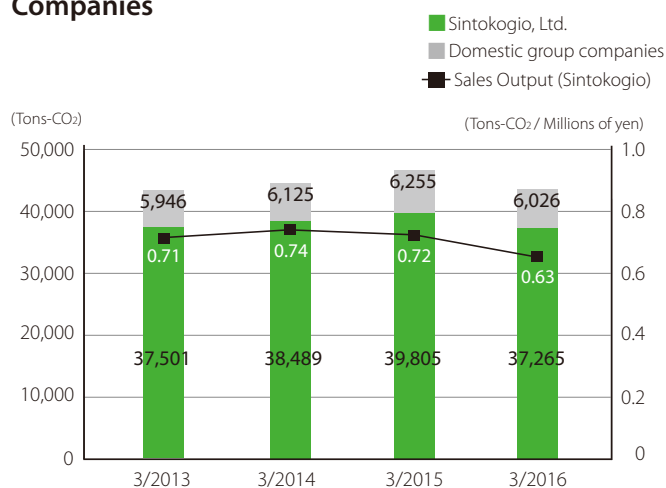
Contributions to the Environment Through Corporate Activities

As a member of the global society, we aim to create and sustain a society in which environmental burden is reduced and pollution is prevented in every aspect of business. That is Sinto Group's basic policy, under which each individual employee takes initiatives to improve the environment and preservation as a means of solving environmental problems.

●Reduction of CO₂ Emissions in Japan

At Sinto, our group company employees come together to consider the amount of electricity used during production, and each individual employee takes steps to consider the environment in their daily routine as part of our Eco Rally activities. With these initiatives and more, we are working toward the reduction of CO₂ emissions. In fiscal 2015, as a result of initiatives taken at each domestic plant and office, we achieved our goal by reducing emissions 12.5% compared to the previous year.

CO₂ Emissions by Sintokogio and Domestic Group Companies



Actual CO₂ Reduction in 2015 Compared to 2014

12.5%
(2,768 tons)

●Activities by Overseas Group Companies

Our overseas group companies are taking initiatives to be more conscious of the environment in business activities. At our daughter company Qingdao Sinto Machinery in China, garbage is separated into categories before disposal in each area of the plant. We will expand this initiative globally to take place at all overseas group companies.

●Other Activities in Japan

We make visible technology for airflow and explosion mechanisms at our Environment Technology Center, allowing customers to see first-hand how they can improve the work environment.





Corporate Governance

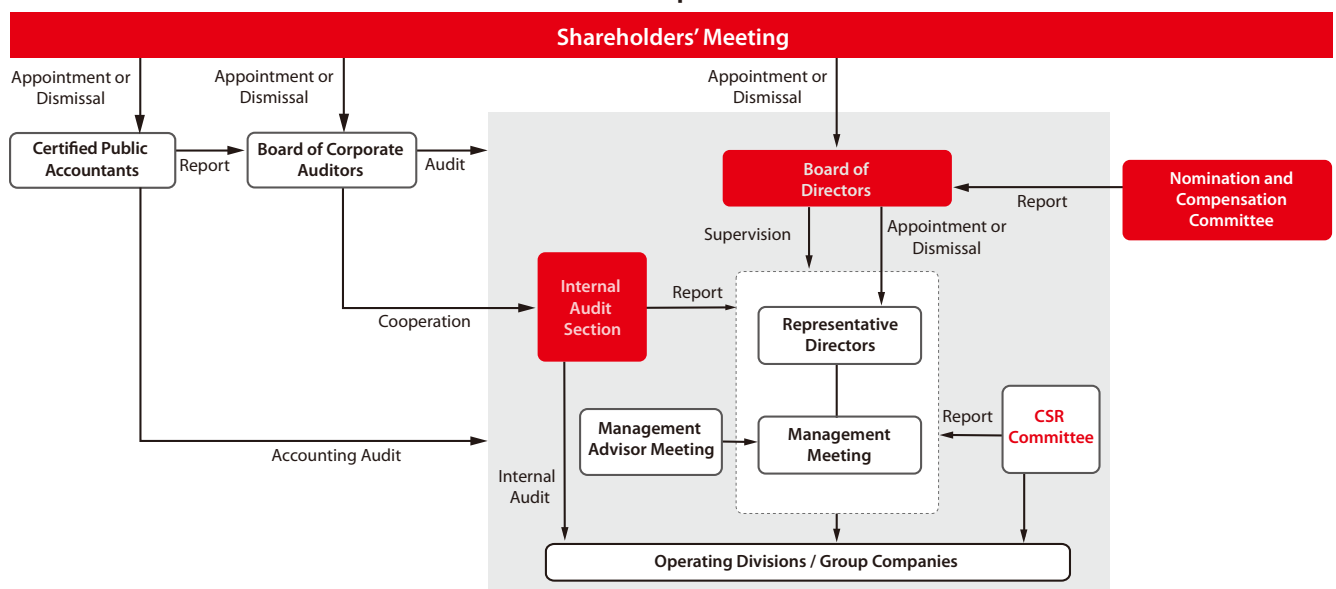
Corporate Governance

We hold in high regard the letter and spirit of the Tokyo Stock Exchange's Corporate Governance Code. In addition to three external directors on our Board of Directors, the Nomination and Compensation Committee consists of a majority external executives, and we have adopted a system of stock compensation for non-external directors. We promote the coexistence of sound leadership and transparent and impartial decision-making on the part of the managing body.

Internal Control

We develop and administer a basic policy for our internal control system to ensure appropriate business execution throughout the Sinto Group. Based on the Financial Instruments and Exchange Act's internal control reporting system, our internal audit section audits first at regular intervals to confirm that internal control is being developed and administered properly, and then we receive an assessment report from our auditing firm. Finally, we submit an internal control report to the Financial Services Agency.

Structure of Corporate Governance





Management

Promoting Compliance

Sinto Beliefs was established by the executives of all of the Sinto Group's global companies in order to put into practice our corporate philosophy and meet the needs and gain the trust of our customers. It outlines Sinto's corporate ethics and guidelines for conduct, safety policy, environmental policy and quality policy. Through opportunities for education and training, we can improve knowledge and regularly check for adherence to rules as part of our commitment to compliance.

Enhancing Sinto's Speak-up System

Sinto Group established and administers the Sinto Speak-up System, which can be used for employees of all domestic companies to report any fraudulent or unfair practices that may occur in the workplace. Misconduct is reported directly to the legal department or to our external law firm, and rules are enforced within the company to ensure that reporting can take place without penalty to the person reporting, establishing an atmosphere in which the speak-up system can function properly.

Risk Management

Sinto Group established risk management regulations as the foundation of risk management. Workplace risks are divided into categories and are the jurisdiction of each department, enabling a system in which risk management can take place on an individual level. Major risks that the company faces are managed comprehensively, and they are made visible using a risk map and ranked in importance. Countermeasures are implemented and evaluated, and follow-up for improvement is performed.

BCP (Business Continuity Plan)

In recent years, large-scale natural disasters have often occurred, and we have been considering what we could do in times of emergency for business partners, local communities, employees and their families to fulfill our responsibility to support our customers. As a result, we have been stocking consumable goods and supplies, and we formulated the BCP (Business Continuity Plan) as part of our activities for disaster prevention and mitigation. Furthermore, we regularly provide training and exercises to ensure that each employee can develop skills in basic firefighting and rescue.



Delivering Safe Products

Our company puts safety first above all else, and basic safety guidelines have been put into place as we work to deliver safe products to our customers. Training takes place for new and mid-level employees in which they learn about product safety. In fiscal 2015, CE marking compliant certification procedures were newly added to our basic safety standards. In addition, our employees are earning individual Safety Assessor official certifications for product safety. Currently, 92 employees are officially certified.



Education for mid-level employees about product safety

For Our Customers' Peace of Mind

To ensure that our customers' equipment keeps running and to assist with delivering better manufacturing, we put every effort into the Sinto Support System™, helping our customers solve their problems.

As part of these efforts, we created an internal department to contribute to the recovery of our customers who were affected by the recent earthquake in Kumamoto, and we visited those customers in the affected areas. We brought water and food supplies, and we assisted with checking and repairing equipment. We also supplied parts and consumables as needed by the customers, sent from our Kyushu Works. We will continue to support our customers affected by the disaster.

Quality Assurance

In accordance with our company's quality policy, we continuously work to improve the quality of our products and services in order to continue to offer trustworthy products with trustworthy technology to customers all over the world.

We aim to ensure that the same problem does not happen twice, so for each product, we manage a list of errors that have occurred and we work to find the true cause of the problem. This initiative takes place throughout Sinto, linking directly to our customers' satisfaction.

In every plant we put up an index to nurture personnel consciousness, ensuring quality that our customers can trust.



Employees

Developing Human Resources for Work Safety

We have obtained JISHA Standards certification for OSHMS at seven domestic business places, creating a work environment in which we can independently conduct occupational safety and health activities. In addition, through experience at our Skill & Safety Training Center, we have established multiple places for education to advance skills in danger forecasting and health and safety management. We put great effort into education of the next generation. Furthermore, we hold a seminar on safety, health and accident prevention to improve safety awareness for top management of our suppliers three times a year.

In addition to Class 3 Accident-Free certification that Toyokawa Works received last year, Ichinomiya Works and Oharu Works received Class 1 Accident-Free certification in fiscal 2015.

*JISHA: Japan Industrial Safety and Health Association

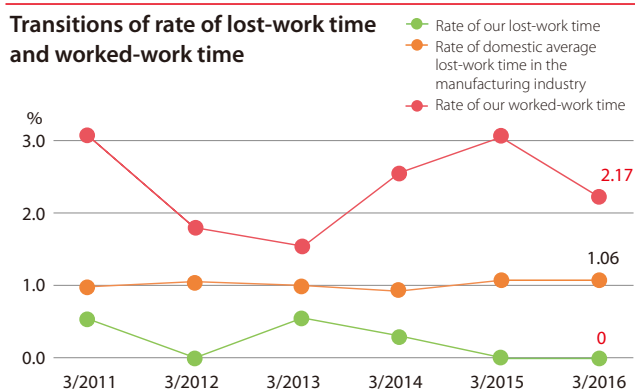
*OSHMS: Occupational Safety and Health Management System

Accidents (Not Requiring Time Off) in Fiscal 2015

0

(two years running)

Transitions of rate of lost-work time and worked-work time



Support for Employees' Self-Improvement

We believe that human resources are the source of company growth, and we hope that all employees work spiritedly toward their dreams (objectives). We have defined this thought as "Katsujinshugi", and we have constructed an educational system for activating human resources consisting of various training programs for employee growth.

To respond to accelerating globalization in recent years, we are cultivating our global human resources through language and cross-cultural management training for employees expected to work globally. Additionally, we are developing a global challenge system for assisting employees in their wishes to study at overseas universities and research institutes, supporting their ambitious spirit.



Executive Education program at University of Notre Dame

Mental Healthcare

To ensure that employees work with healthy body and spirit, we are strengthening our mental healthcare initiatives. Study sessions run by a clinical psychologist are held at our business places every month, and we are working toward deepened understanding of each and every manager and employee, appropriate care for those in poor condition and improvement of the workplace environment.

In order to enhance health management, we will continue to improve measures to prevent illness and promote health, further creating an environment in which employees can work with peace of mind.



Mental health study session



Communities

Sinto Group is developing activities to deepen our bonds with children and communities all over the world.

Foundry Lecture at an Industrial Training School

In October 2015, our daughter company Sinto Indonesia provided a one-day program about the foundry business at industrial training school Polman Ceper, located in Central Java. Sintokogio discussed the global foundry situation with a focus on Japan, and presented on the latest casting technology. More than 100 trainees participated.



Students who attended the foundry lecture

Participation in the 23rd World Scout Jamboree

At the 23rd World Scout Jamboree held in Yamaguchi Prefecture in Japan from July 28-August 8, 2015, we held a workshop for engraving letters into stainless steel mugs using our airblasting technology, sharing with children from all over the world the joy of manufacturing.



Children who participated in the workshop



Interacting with Local Kindergartens

Our daughter company Heinrich Wagner Sinto in Germany participates in the summer festival Altstadtfest every year in order to strengthen ties with the community. Proceeds from the open-air stall are donated to local kindergartens. In November 2015, donations were made to Bäderborn Kindergarten and AWO Kindergarten.

Donation for Damage from Heavy Rain in Chennai



In early December 2015, Chennai City located in South India got hit by the heaviest rain of the century. It was reported that more than 500 people died. Our daughter company Sinto Bharat received no damage because its plant is 75 km away from central Chennai, but business was temporarily suspended for four days, due to the power outage, water outage and interrupted traffic. Additionally, telephones were unavailable and it was impossible to contact employees. It was a situation that had never been experienced before. Sintokogio made a donation of ¥300,000 to the public rescue funds of Tamil Nadu State for victims of the heavy rain. We hope that this monetary donation will be of use to them, even if only a little.

Continued Participation in "Delivery of Briquettes with Love"

Our daughter company Korea Sinto (KS) made a donation of 2.5 million won to local people living in the area around the KS head office for the purchase of briquette coals (corresponding to about 5,000 pieces) as part of the Association for Briquette Coal Donation's annual campaign. In addition, KS employees personally delivered 1,200 pieces of briquette coals directly to four families.



Participating Korea Sinto employees

Financial Data

Consolidated Balance Sheets

As of March 31, 2016 and 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 6)
	March 31 2016	March 31 2015	March 31 2016
ASSETS			
Current Assets:			
Cash and cash equivalents	¥ 18,865	¥ 22,063	\$ 167,425
Short-term investments	11,743	13,821	104,223
Notes and accounts receivable:			
Trade notes	10,506	8,952	93,245
Trade accounts	25,523	22,113	226,511
Allowance for doubtful accounts	(568)	(288)	(5,044)
Subtotal	35,461	30,777	314,712
Inventories	11,776	10,816	104,514
Deferred tax assets	1,001	1,117	8,886
Other current assets	1,101	1,538	9,772
Total current assets	79,950	80,134	709,534
Property, Plant and Equipment:			
Land	7,288	7,594	64,679
Buildings and structures	25,569	25,635	226,919
Machinery, equipment and vehicles	25,529	25,613	226,565
Construction in progress	404	709	3,587
Others	5,173	5,073	45,915
Subtotal	63,964	64,627	567,668
Accumulated depreciation	(36,540)	(35,431)	(324,283)
Net property, plant and equipment	27,424	29,196	243,384
Investments and Other Assets:			
Investment securities	26,785	30,202	237,710
Deferred tax assets	445	252	3,952
Other assets	4,601	6,530	40,837
Total investments and other assets	31,832	36,985	282,500
TOTAL	¥ 139,207	¥ 146,315	\$ 1,235,419

See "Notes to Consolidated Financial Statements".
(Continued)

Consolidated Balance Sheets

As of March 31, 2016 and 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 6)
	March 31 2016	March 31 2015	March 31 2016
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Short-term borrowings (Note 3)	¥ 2,003	¥ 1,665	\$ 17,783
Current portion of bond due within one year	-	66	-
Notes and accounts payable:			
Trade notes	8,369	7,039	74,272
Trade accounts	6,988	6,714	62,020
Subtotal	15,357	13,754	136,292
Income taxes payable	1,418	976	12,584
Advances received	2,822	3,514	25,045
Other current liabilities	7,219	10,170	64,073
Total current liabilities	28,821	30,146	255,780
Long-Term Liabilities:			
Long-term borrowings (Note 3)	13,937	11,479	123,686
Net defined benefit liability	1,089	794	9,665
Directors' and corporate auditors' retirement benefits	372	356	3,302
Deferred tax liabilities	4,999	7,279	44,364
Other long-term liabilities	1,088	981	9,660
Total long-term liabilities	21,485	20,890	190,680
Contingent Liabilities (Note 4)			
Net Assets (Note 5):			
Common stock	5,752	5,752	51,049
Additional paid-in capital	6,238	6,269	55,360
Retained earnings	65,304	64,446	579,559
Less: Treasury stocks	(1,475)	(1,309)	(13,093)
Total shareholders' equity	75,819	75,158	672,875
Net unrealized gain on available-for-sale securities	7,314	10,692	64,912
Deferred gain or loss on hedges	-	(16)	-
Foreign currency translation adjustments	1,641	4,217	14,565
Remeasurements of defined benefit plans	(235)	729	(2,089)
Total accumulated other comprehensive income	8,720	15,622	77,387
Non-controlling interests	4,360	4,496	38,695
Total net assets	88,899	95,278	788,958
TOTAL	¥ 139,207	¥ 146,315	\$ 1,235,419

See "Notes to Consolidated Financial Statements".
(Concluded)

Consolidated Statements of Income

Years Ended March 31, 2016 and 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 6)
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016
Net Sales	¥ 94,232	¥ 93,258	\$ 836,280
Cost of Sales	65,342	66,659	579,890
Gross Profit	28,890	26,598	256,389
Selling, General and Administrative Expenses	23,177	23,220	205,689
Operating Income	5,712	3,378	50,700
Other Income (Expenses):			
Interest and dividend income	729	690	6,477
Interest expense	(163)	(168)	(1,449)
Exchange loss	(503)	0	(4,466)
Gain on sales of securities – net	0	9	0
Gain (Loss) on redemption of investment securities	(4)	94	(35)
Gain on sales of property, plant and equipment	43	1	387
Equity in earnings (loss) of non-consolidated subsidiaries and affiliates	(337)	53	(2,997)
Other – net	(632)	1,020	(5,613)
Total	(867)	1,702	(7,698)
Income before Income Taxes	4,845	5,081	43,001
Income Taxes:			
Current	2,139	1,792	18,987
Deferred	(215)	249	(1,908)
Total	1,924	2,041	17,078
Net Income	2,921	3,039	25,923
Net Income Attributable to Non-controlling Interests	214	402	1,904
Net Income Attributable to Shareholders of the Parent Company	¥ 2,706	¥ 2,637	\$ 24,018

See "Notes to Consolidated Financial Statements".

Consolidated Statements of Comprehensive Income

Years Ended March 31, 2016 and 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 6)
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016
Net Income	¥ 2,921	¥ 3,039	\$ 25,923
Other Comprehensive Income			
Net unrealized gain on available-for-sale securities	(3,375)	4,263	(29,954)
Deferred gain (loss) on hedges	16	(16)	150
Foreign currency translation adjustments	(2,502)	1,976	(22,207)
Remeasurements of defined benefit plans	(964)	540	(8,560)
Share of other comprehensive income of non-consolidated subsidiaries and affiliates	(301)	229	(2,679)
Total other comprehensive income	(7,127)	6,992	(63,251)
Comprehensive Income	¥ (4,206)	¥ 10,032	\$ (37,328)
Attributable to:			
Shareholders of the parent company	(4,196)	9,387	(37,240)
Non-controlling interests	(9)	644	(88)

See "Notes to Consolidated Financial Statements".

Consolidated Statements of Changes in Net Assets

Year Ended March 31, 2016

Millions of Yen

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stocks	Subtotal
Balance at April 1, 2015	5,752	6,269	64,446	(1,309)	75,158
Net increase/decrease during the fiscal year					
Cash dividends			(805)		(805)
Net income attributable to shareholders of the parent company			2,706		2,706
Change in equity attributable to the parent arising from transactions with non-controlling shareholders		(7)			(7)
Purchase of treasury stocks				(1,500)	(1,500)
Retirement of treasury stocks		(1,170)		1,170	-
Disposal of treasury stocks		104		343	448
Purchase of treasury stocks for management Board Incentive Plan trust				(179)	(179)
Transfer from retained earnings to additional paid-in capital		1,041	(1,041)		-
Net changes of items other than shareholders' equity					-
Total increase/decrease during the fiscal year	-	(31)	858	(165)	660
Balance at March 31, 2016	5,752	6,238	65,304	(1,475)	75,819

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gain on available-for-sale securities	Deferred gain or loss on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Subtotal		
Balance at April 1, 2015	10,692	(16)	4,217	729	15,622	4,496	95,278
Net increase/decrease during the fiscal year							
Cash dividends							(805)
Net income attributable to shareholders of the parent company							2,706
Change in equity attributable to the parent arising from transactions with non-controlling shareholders							(7)
Purchase of treasury stocks							(1,500)
Retirement of treasury stocks							-
Disposal of treasury stocks							448
Purchase of treasury stocks for management Board Incentive Plan trust							(179)
Transfer from retained earnings to additional paid-in capital							-
Net changes of items other than shareholders' equity	(3,378)	16	(2,576)	(964)	(6,902)	(136)	(7,039)
Total increase/decrease during the fiscal year	(3,378)	16	(2,576)	(964)	(6,902)	(136)	(6,378)
Balance at March 31, 2016	7,314	-	1,641	(235)	8,720	4,360	88,899

Thousands of U.S. Dollars (Note 6)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stocks	Subtotal
Balance at April 1, 2015	51,049	55,644	571,939	(11,621)	667,012
Net increase/decrease during the fiscal year					
Cash dividends			(7,152)		(7,152)
Net income attributable to shareholders of the parent company			24,018		24,018
Change in equity attributable to the parent arising from transactions with non-controlling shareholders		(64)			(64)
Purchase of treasury stocks				(13,317)	(13,317)
Retirement of treasury stocks		(10,389)		10,389	-
Disposal of treasury stocks		924		3,052	3,976
Purchase of treasury stocks for management Board Incentive Plan trust				(1,596)	(1,596)
Transfer from retained earnings to additional paid-in capital		9,246	(9,246)		-
Net changes of items other than shareholders' equity					-
Total increase/decrease during the fiscal year	-	(283)	7,619	(1,472)	5,863
Balance at March 31, 2016	51,049	55,360	579,559	(13,093)	672,875

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gain on available-for-sale securities	Deferred gain or loss on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Subtotal		
Balance at April 1, 2015	94,895	(150)	37,431	6,470	138,646	39,907	845,566
Net increase/decrease during the fiscal year							
Cash dividends							(7,152)
Net income attributable to shareholders of the parent company							24,018
Change in equity attributable to the parent arising from transactions with non-controlling shareholders							(64)
Purchase of treasury stocks							(13,317)
Retirement of treasury stocks							-
Disposal of treasury stocks							3,976
Purchase of treasury stocks for management Board Incentive Plan trust							(1,596)
Transfer from retained earnings to additional paid-in capital							-
Net changes of items other than shareholders' equity	(29,982)	150	(22,866)	(8,560)	(61,259)	(1,211)	(62,470)
Total increase/decrease during the fiscal year	(29,982)	150	(22,866)	(8,560)	(61,259)	(1,211)	(56,607)
Balance at March 31, 2016	64,912	-	14,565	(2,089)	77,387	38,695	788,958

See "Notes to Consolidated Financial Statements".

Consolidated Statements of Cash Flows

Years Ended March 31, 2016 and 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 6)
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016
Operating Activities:			
Income before income taxes	¥ 4,845	¥ 5,081	\$ 43,001
Adjustments for:			
Depreciation and amortization	2,619	2,784	23,248
Increase (decrease) in net defined benefit liability	(470)	(624)	(4,179)
Increase (decrease) in directors' and corporate auditors' retirement benefits	21	69	186
Loss (gain) on disposal of property, plant and equipment	(43)	(1)	(387)
Loss (gain) on sale and valuation of marketable securities	7	(97)	65
Decrease (increase) in trade receivables	(5,172)	362	(45,905)
Decrease (increase) in inventories	(819)	(336)	(7,272)
Increase (decrease) in trade payables	1,032	(482)	9,159
Income taxes – paid	(1,765)	(1,694)	(15,667)
Other – net	2,238	(557)	19,866
Total adjustment	(2,353)	(579)	(20,883)
Net cash provided by operating activities	2,491	4,502	22,114
Investing Activities:			
Proceeds from sales of property, plant and equipment	123	133	1,098
Purchases of property, plant and equipment	(2,002)	(3,094)	(17,770)
Purchases of investment securities	(3,854)	(1,401)	(34,203)
Proceeds from sales of securities	688	723	6,112
Other – net	(98)	(1,292)	(873)
Net cash provided in investing activities	(5,142)	(4,931)	(45,634)
Financing Activities:			
Increase (decrease) in short-term borrowings - net	53	4	475
Proceeds from long-term borrowings	3,176	4,724	28,191
Repayment of long-term borrowings	(769)	(692)	(6,833)
Payment of bond retirement	(66)	(132)	(587)
Dividend paid	(806)	(733)	(7,158)
Other – net	(1,562)	(266)	(13,867)
Net cash provided by financing activities	24	2,904	219
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(571)	200	(5,076)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,197)	2,675	(28,377)
Cash and Cash Equivalents, Beginning of Year	22,063	19,303	195,802
Cash and Cash Equivalents of Newly Consolidated Subsidiaries, Beginning of Year	-	84	-
Cash and Cash Equivalents, End of Year	¥ 18,865	¥ 22,063	\$ 167,425

See "Notes to Consolidated Financial Statements".

Notes to Consolidated Financial Statements, Year Ended March 31, 2016

1. Basis of Consolidated Financial Statements

Consolidated financial statements include the accounts of Sintokogio, Ltd. (the "Company") and its subsidiaries. The consolidated financial statements are prepared in conformity with Japanese generally accepted accounting principles. Certain items presented in the original consolidated financial statements have been reclassified for easier comprehension by readers unfamiliar with Japanese accounting practices.

2. Significant Accounting Policies

a. Principles of Consolidation

The consolidated financial statements as of March 31, 2016 include the accounts of the Company and its significant 40 (38 in 2015) subsidiaries (together, the "Group"). Investments in 9 (9 in 2015) non-consolidated subsidiaries and 5 (5 in 2015) affiliated companies are accounted for by the equity method. Investment in the remaining affiliated company is stated at cost as the effect on consolidated financial statements is not material.

b. Inventories

Finished goods and work-in-process are mainly valued at cost, determined by the individual identification method. Raw materials and supplies are stated at cost mainly determined by the semiannual average cost method.

c. Property, Plant and Equipment

Property, plant and equipment are valued at acquisition cost. Depreciation is mainly calculated using the declining-balance method based on the estimated useful life of the item.

d. Marketable Securities and Investment Securities

Securities are classified as held-to-maturity debt securities or available-for-sale securities. The held-to-maturity debt securities are stated at the amortized cost. Securities with market values in available-for-sale securities are stated at market value. The difference between cost and market value is shown as "Net unrealized gain (loss) on available-for-sale securities" in a separate component of net assets. Available-for-sale securities whose fair value is not readily determinable are stated at cost determined by the moving-average method.

e. Income Taxes

Deferred tax assets and liabilities are to reflect the impact of temporary difference between assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. These deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

3. Interest-bearing Debts

On March 31, 2016 and 2015, Interest-bearing debts were as follows:

		Millions of Yen		Thousands of U.S. Dollars	
		3/2016	3/2015	3/2016	
Current Liabilities:					
Short-term borrowings	Sintokogio, Ltd.	¥ —	¥ —	\$ —	—
	Consolidated Subsidiaries	2,003	1,665		17,783
	Total	2,003	1,665		17,783
Current portion of bond due within one year	Sintokogio, Ltd.	¥ —	¥ 66	\$ —	—
	Consolidated Subsidiaries	—	—		—
	Total	—	66		—
Long-term Liabilities:					
Long-term borrowings	Sintokogio, Ltd.	¥ 13,000	¥ 10,000	\$ 115,370	
	Consolidated Subsidiaries	937	1,479		8,315
	Total	13,937	11,479		123,686

4. Contingent Liabilities

On March 31, 2016 and 2015, contingent liabilities consisted of the following:

		Millions of Yen		Thousands of U.S. Dollars	
		3/2016	3/2015	3/2016	
Notes sold with recourse (Note 1)		¥ 40	¥ 423	\$ 361	
Notes endorsed (Note 2)		12	28		107

Notes 1. Notes liquidated at discount 2. Notes endorsed for payments

5. Shareholders' Equity

Common stock: Authorized March 31, 2016: 230,476 thousand shares March 31, 2015: 230,476 thousand shares
 Issued March 31, 2016: 54,580 thousand shares March 31, 2015: 56,554 thousand shares

6. U.S. Dollar Amounts

The Company maintains its consolidated accounting records in Japanese yen. Japanese yen are translated to U.S. dollars for easier comprehension by the reader. The exchange rate used is ¥112.68=\$1.00 on March 31, 2016. The inclusion of such amounts is not intended to imply that the Japanese yen amounts have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

7. Subsequent Events (Sintokogio, Non-consolidated)

Appropriation of retained earnings: During the board of directors meeting held on May 23, 2016, the board of directors decided the following appropriation of retained earnings as of March 31, 2016.

	Millions of Yen	Thousands of U.S. Dollars
Appropriations for cash dividend	427	3,791

Corporate Information

Corporate Data

As of March 31, 2016

Headquarters	3-28-12, Mei-eki, Nakamura-ku, Nagoya 450-6424, Japan Tel: +81-52-582-9211 Fax: +81-52-586-2279 Website: http://www.sinto.co.jp Global site: http://www.sinto.com
Manufacturing Facilities	Toyokawa, Koda, Nishiharu, Oharu, Osaki, Ichinomiya, Shinshiro, Kyushu
Establishment	October 2, 1934
Paid-in Capital	¥5,752 million
Common Stock	Authorized 230,476,000 Issued and Outstanding 54,580,928
Stock Listings	Tokyo, Nagoya
Number of Employees	3,820 Consolidated 1,628 Sintokogio, Ltd.
Number of Shareholders	4,423



Sintokogio Toyokawa Works

Major Shareholders

Name of Major Shareholders	Number of Shares Held (in thousands)
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.	2,289
MEIJI YASUDA LIFE INSURANCE COMPANY	2,276
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT)	2,241
THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	1,755
RESONA BANK, LIMITED	1,668
THE NAGAI FOUNDATION FOR SCIENCE AND TECHNOLOGY	1,405
STATE STREET BANK AND TRUST COMPANY 505223	1,092
MIZUHO BANK, LTD.	1,001
CGML PB CLIENT ACCOUNT / COLLATERAL	953
TOKIO MARINE & NICHIDO FIRE INSURANCE CO., LTD.	909

*The treasury stock of 1,172 thousand shares is not included in the major shareholders.

Board of Directors and Corporate Auditors

As of June 24, 2016

Chairman	Masayuki Hirayama	Director	Masatoshi Ozawa *1
President	Atsushi Nagai	Director	Yasuhito Yamauchi *1
Managing Director	Tsuneyasu Kuno	Director	Yoshiki Ueda *1
Managing Director	Moriyasu Izawa	Auditor	Toshinobu Natsume
Director	Yatsuka Taniguchi	Auditor	Kazuaki Kawakami
Director	Toshikazu Morishita	Auditor	Yasumasa Karaki *2
Director	Masaharu Hashizume	Auditor	Toshiro Kojima *2
Director	Tsuyoshi Goto		

*1 External director

*2 External corporate auditor

Honorary Chairman Yuzuru Nagai

Global Network

Overseas main manufacturing and sales bases

— 30 bases in 11 countries —



SINTOKOGIO, LTD.

3-28-12, Mei-eki, Nakamura-ku, Nagoya 450-6424, Japan

Website: <http://www.sinto.co.jp> Global site: <http://www.sinto.com>