

# 2020 ANNUAL REPORT

Year Ended March 31, 2020



To always be selected by customers



**SINTOKOGIO, LTD.**

# Corporate Profile

## Technology that connects us to the future

Our lives are filled with the products of manufacturing. Sintokogio manufacturing has been and continues to be a foundation for manufacturing around the world. Based on our passion for giving form to and breathing life into raw materials, we apply creative ideas and deep experience to cutting-edge technologies, expanding our global reach as we actively adapt our business activities. Sintokogio manufacturing has reacted to match the transformational forces of our times, evolving from an environment- and energy-focused philosophy into practical solutions for staffing, health and safety concerns, and quality of life issues of workers. Right now, we are approaching a once-in-a-century paradigm shift. Success in this revolutionary moment calls for the ability to look ahead and predict what must come next. To retain our place as a global leader in manufacturing, we will not stop our unrelenting push to open new doors of opportunity.

The photograph on the front cover was taken at Sintokogio's 85th anniversary event on November 3, 2019, when we successfully set a new Guinness World Record™.

Official record name: Largest bottle cap mosaic (image)  
Size: 108.568 m<sup>2</sup>  
Date: November 3, 2019

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# To Our Stakeholders

## Creating new value and working toward the next generation

The Sinto Group has deep roots in our original foundry business. By applying and expanding the technology and know-how that we have developed there to a wide variety of material manufacturing fields, we have continued to evolve as a company. In response to the changing times in every era, we have fused our decades of manufacturing experience with new technologies, growing to become an innovative company that provides new value to our customers around the world.

Constantly offering new proposals and solutions to customers, we are working to build an even stronger support structure in each region, improving our ability to respond quickly and accurately. We continue to strive to be a company that is always chosen by customers.



Atsushi Nagai  
President

Yoshiki Ueda  
Chairman (external)

## Business Results for Fiscal 2019

In 2019, the world was already facing an uncertain future, with the US-China trade conflict and slowdown of the Chinese economy as well as the UK leaving the European Union. Then the COVID-19 pandemic hit at the end of the fiscal year, bringing the global economy to a halt. Overseas, there has been an extreme slowdown in economic activities and clear restraint in capital investments. In Japan, there had been steady public investment, but with outings and events cancelled as a result of the pandemic, personal consumption fell significantly, greatly affecting the economy.

Regarding the Sinto Group's business environment, overseas, there has been a decrease in capital investment in automotive fields and in general. In Japan, amid sluggish foreign demand and capital investment, the slowed economy due to the pandemic has had a large impact on the business environment.

Under these conditions, on a consolidated basis, we had an order volume of ¥96,714 million (13.8% decrease from the previous fiscal year), net sales of ¥102,703 million (6.7% decrease), and order backlog of ¥34,669 million (14.7% decrease), with weak results overall. For income, with the decrease in revenue, operating income fell to ¥4,734 million (15.3% decrease), and with decreased equity in earnings of affiliated companies, net income before taxes fell to ¥4,732 million (27.1% decrease). Additionally, as gains from the sale of fixed assets were included in the previous fiscal year's accounts, net income attributable to shareholders of the parent company fell to ¥2,879 million (46.8% decrease).

## Forecasting Fiscal 2020

Looking toward the future, there are deep-rooted concerns about the global pandemic's effect on the economy and business activities both within Japan and around the world, and negative growth can be expected for some time. It is difficult to predict when the pandemic will end and the economy will recover, and what conditions will be like at that time. While for the time being there is no way of knowing how the situation will turn out, there have been recent signs that we can anticipate the fading effects of the pandemic, such as movement toward economic recovery in China. Additionally, with proactive fiscal and monetary policies enacted by the governments and financial institutions in each country, a shift toward the gradual recovery of economic growth is expected.

The business environment surrounding the Sinto Group has been largely affected by the pandemic. Under these conditions, in forecasting fiscal 2020, we approximate that the business environment will remain sluggish during the first half but will begin to show signs of recovery in the second half.

With the decreasing birthrate and aging population and the expansion of information technology, the markets themselves are greatly changing, and these changes are only accelerating due to the pandemic. To survive at this turn of a new era, we will continue to develop new businesses in the third year of our medium-term management plan "Connecting to the Future". By taking on new business fields, we will reform our business structure, and by utilizing information technology, we will proactively work toward streamlining, business reinforcement, and improved profitability.

Yoshiki Ueda  
Chairman (external)

Atsushi Nagai  
President

# Overseas Leadership for One Global Sinto

## Initiatives in response to the changing times

With the wide spread of COVID-19 affecting the economy, business, and daily life around the world, we are considering the needs of each region to carefully respond to the crisis. Even among difficult business conditions, the local management at each company is working to find and implement ways to support our customers. For equipment installation and support, through the proactive use of IT, we are able to respond to customers' needs even when movement is limited between countries and regions. This will be a great advantage and opportunity for growth for the Sinto Group.

Each group company continues to advance by making use of our individual strengths and characteristics. To overcome this difficult time and move toward a new era, our solidarity as a group is essential. Putting forth our best efforts at each company, we will come together and aim for even greater heights as One Global Sinto.



**USA:**  
Improving production through Kaizen & technical training

**Michael Halsband**  
President and CEO of Roberts Sinto Corporation

We improved process flow, quality, and efficiency through Lean training, Kaizen, 5S events, and comprehensive technical training programs for sales employees. We promoted Sightia technology, D-SCC services, Servo Cylinders, and Sinto Force Sensor technology, and we are developing new technologies for expansion in North America. These important activities and our employees' dedication will make a big difference in our recovery.



**Brazil:**  
Redesigning internal structures for business efficiency

**Vitor Azevedo**  
Chairman of Sinto Brasil Produtos Limitada

This was the ideal time to Think about how to become more nimble, agile, and cost competitive, and above all, more important to our customers. Now we are implementing the Thinking by merging sales, engineering, and manufacturing activities among Brazilian group companies, increasing productivity and reducing costs. We also began a Cold Box Foundry project to increase the quality and competitiveness of our spare parts.



**Germany:**  
Streamlining production and intensifying R&D

**Klaus Wilbert**  
Executive Officer of Sintokogio, President and MD of Heinrich Wagner Sinto

We worked on cost reduction in production and engineering, and modernized our IT infrastructure with advanced document management. R&D activities will be intensified to create better products, and we are also focusing on sales promotion such as new brochures, show attendance, customer visits, and conference presentations. We will continue our activities and strengthen the sales force to reach our goals.



**China:**  
Offering safer and more reliable products

**Hiroyuki Takeda**  
Executive Officer of Sintokogio, General Manager of Qingdao Sinto

Our employees went one step further to raise our cost consciousness and consider what we can offer to customers, renovating our showroom to better introduce Sinto's latest technology. For new products, we focused on the safe and reliable SHBX-AL series for the die cast market, expanding sales by explaining the dangers of fires and explosions. Our success is a result of Chinese customers' demand for a safer work environment.

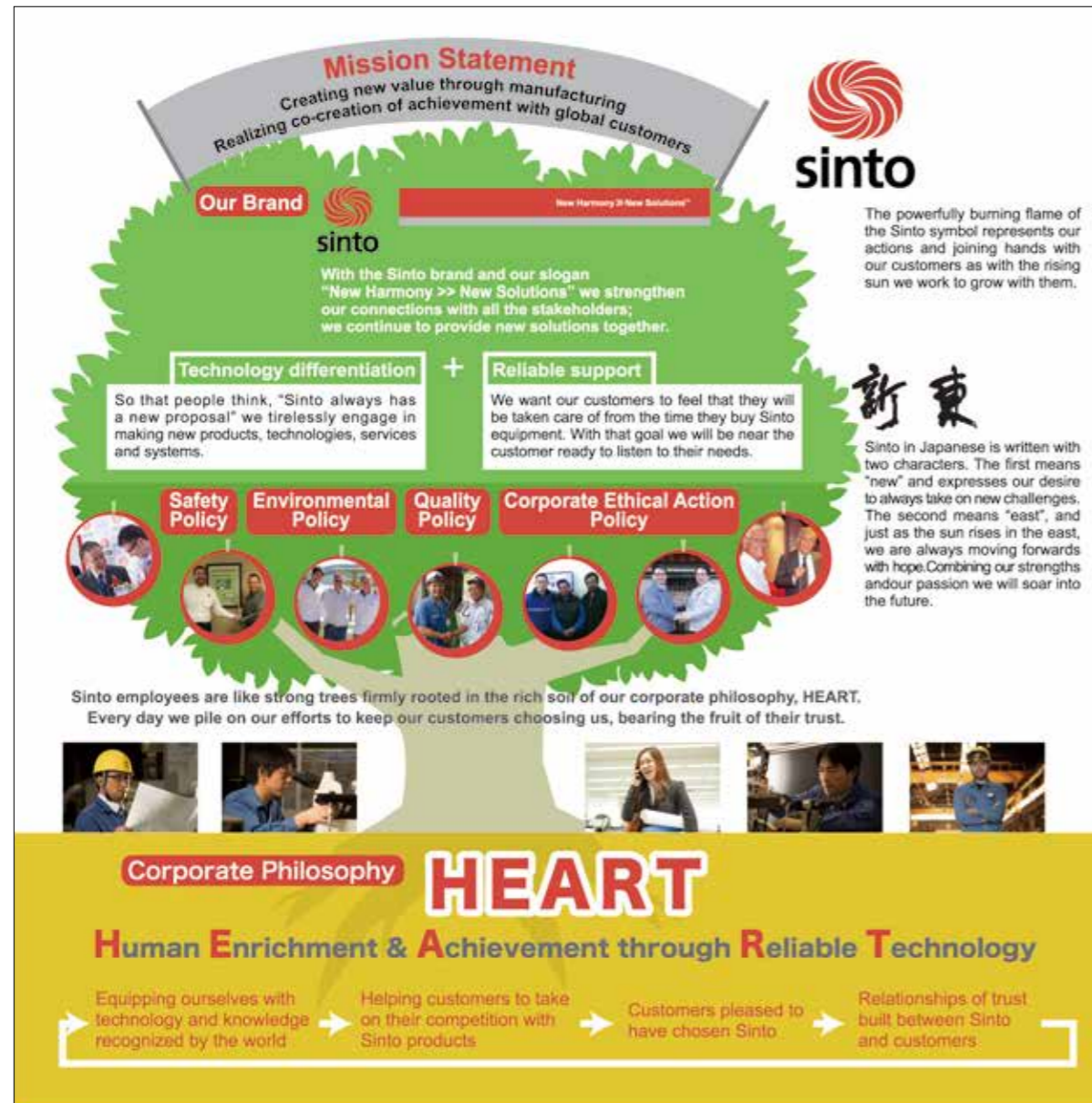


**Taiwan:**  
Tapping into new markets to expand sales

**George Yen**  
Chairman of Taiwan Sinto and Taiwanabrator

Taiwan was able to enjoy export growth in the fourth quarter, but the foundry industry has been adversely affected due to the global economic slowdown. We are taking advantage of this by tapping into the southern half of Taiwan with sales expansion in new markets, i.e., the offshore wind power industry. With our surface treatment, we help to provide the product quality required for parts that must meet high standards and withstand harsh conditions for at least 25 years.

# Sinto Group's Guiding Principle, "Sinto Beliefs"



In 2015, the Sinto Group systematically organized our management policy and philosophy into Sinto Beliefs, which was shared with all group employees. Sinto Beliefs represents each Sinto employee's convictions and is the foundation for our actions.

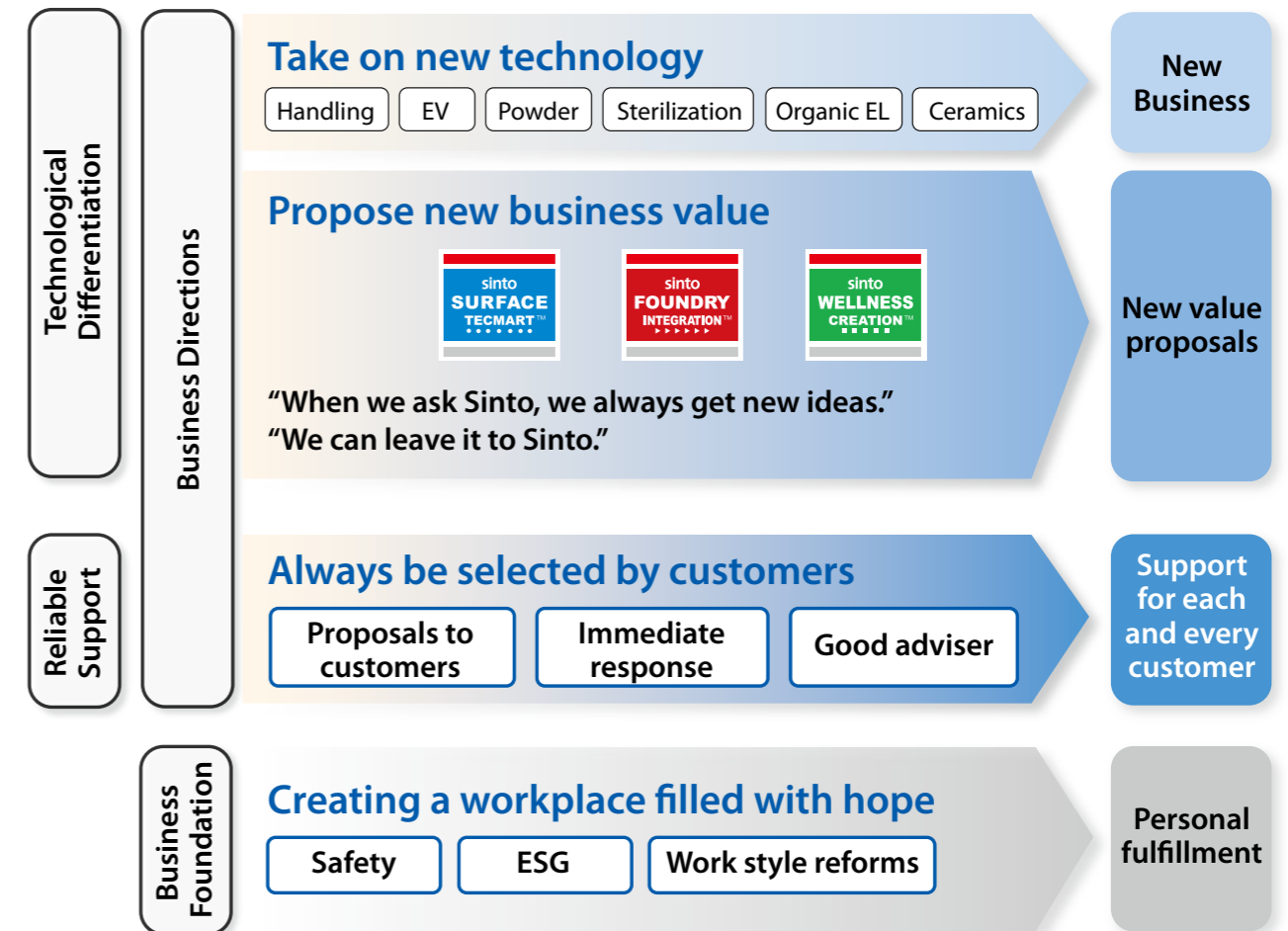
The Sinto Group's corporate philosophy is "HEART (Human Enrichment & Achievement through Reliable Technology)". Our mission based on this philosophy is to create new value for manufacturing and to share our achievements and joy with our customers all over the world. We aim to deepen our bonds with all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

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

# Medium-term Management Plan "Connecting to the Future"



No. of new customers	+8%
New product sales ratio	30%
Parts coverage ratio	84%
Operating income	8%



**Corporate Philosophy HEART** Human Enrichment & Achievement through Reliable Technology

# Sustainability Management

## ESG for the Sinto Group

The Sinto Group considers our initiatives in the ESG (Environment, Social, and Governance) fields as the highest importance. Based on our corporate philosophy of "HEART (Human Enrichment & Achievement through Reliable Technology)", we work to handle ESG items in all of our business activities, enabling sustainable growth.



## Working Toward Sustainable Development Goals

The Sinto Group makes conscious efforts in support of the United Nations' Sustainable Development Goals. Through our initiatives to promote ESG management, we are making a contribution in all aspects of our business to the achievement of these 17 SDGs, as goals to achieve by 2030 to ensure that all people enjoy peace and prosperity.



# ESG Corporate Governance

Creating trust-based management on a global scale

## Improving our governance structure globally

Along with increasing transparency and ensuring an organizational system that can respond flexibly and quickly to changes in the management environment, we believe that it is crucial to build a compliance system throughout the entire Sinto Group. Sinto Beliefs was established for all Sinto Group employees to share the corporate ethical action policy, safety policy, environmental policy, and quality policy for the Sinto Group.

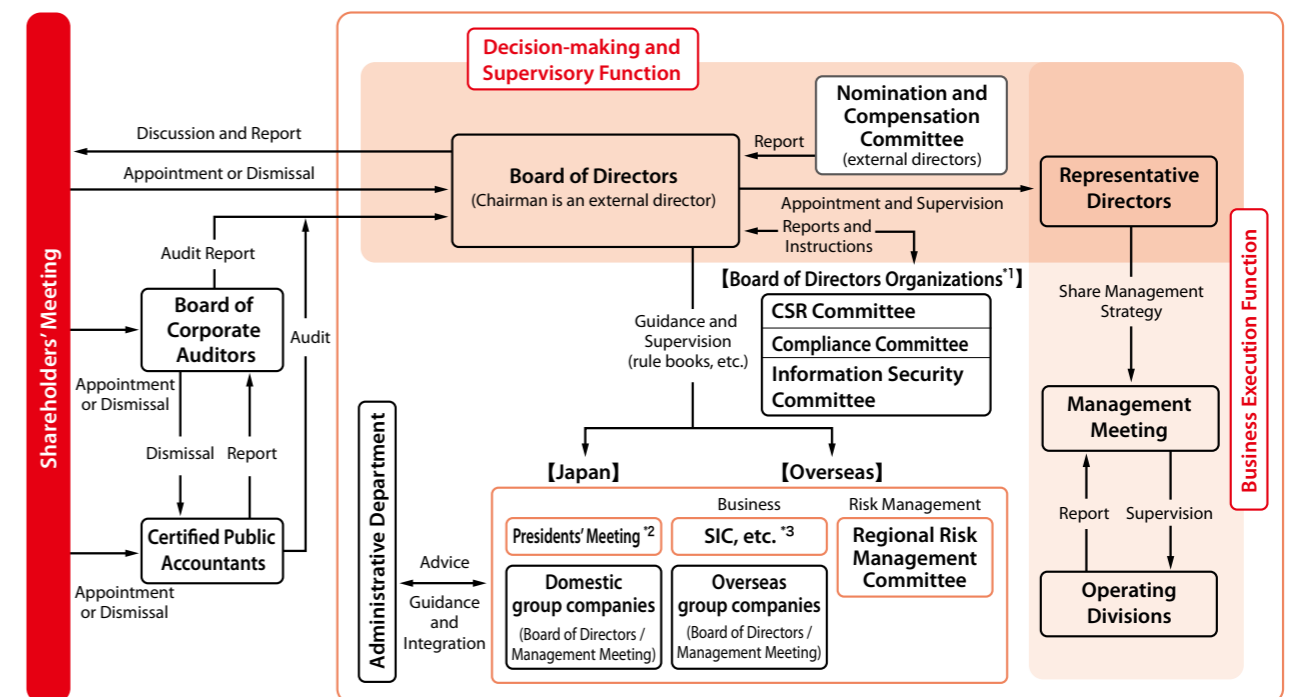
For the overseas group companies in particular, the Sinto International Conference is held for the top leadership of each of the group companies. Along with sharing information about the group management policies, group-wide risk management is also confirmed. In addition, to improve business results, we proactively disclose information to the capital market and other stakeholders. In this way, we strive to fulfill our corporate social responsibility in order to be a trustworthy company that can meet our stakeholders' expectations.

## Establishment of European holding company

In May 2019, Sinto Europe was established in Germany as a holding company for the collective business management of the four Sinto Group companies in Europe. Up until now, each overseas group company has enacted risk management independently, but as our group companies in Europe have increased in recent years, we established Sinto Europe in order to strengthen the risk management of these companies.

On top of local oversight of risk management at the European group companies, with the active participation of local experts, Sinto Europe will enable effective and efficient support for governance of the Sinto Group in Europe.

## Corporate Governance Structure



\*1 As main members, directors determine CSR issues, draw up resolution strategies, and follow up on implementation.  
 \*2 Presidents from main domestic group companies meet to review compliance, revise various rules, update rule books for domestic group companies, and confirm and implement important CSR items. Meets 4 times per year.  
 \*3 Stands for "Sinto International Conference". Presidents from main overseas group companies meet to discuss and consider business management issues, update rule books for overseas group companies, and confirm the current status of risk management items and CSR activities. Meets 1-2 times per year.



## Importance of Risk Management

### North America



**James Hesburgh**  
Chairman of Sinto America

Risk management has become a major focus of Sinto America, especially in response to the COVID-19 pandemic. During the recent months, the Board of Directors and Senior Management have participated in frequent telephonic Board Meetings to discuss the appropriate course of action to respond to the challenges facing the companies in the Sinto America Group.

The safety of our employees and their families were of major importance. To comply with federal and state laws, operations were reduced or halted, staff worked from their homes, and it was necessary to furlough many direct employees. Wages of senior staff were reduced. Unfortunately, new orders have been greatly reduced and our focus is on completing our backlog of orders and close communications with our customer base.

### Europe



**Willi Arntz**  
Executive Advisor to Sinto Europe

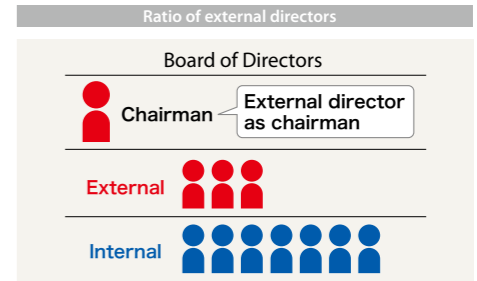
Risk management has always been important to business. Changes are imminent to our lives and to business, and both are getting more complex. Today, business is much more international, and EDP became an integral part of daily operations. Legal implications of doing business have never been more complex and difficult to follow.

As a global player, it is essential to address these changes and adopt our global risk management permanently. Sinto Europe GmbH was founded to assure better cooperation between companies in improving local risk management to reflect the global challenges Sinto Group is facing. Sinto Group's Governance, Risk, and Compliance (GRC) strategy aligns IT with business objectives, while effectively managing risk and meeting compliance requirements. It comes with many benefits, such as improved decision-making, more optimal IT investments, and reduced fragmentation between divisions and departments. Implementation requires a hard look at all of the people and processes that will be affected, and as a result, a GRC framework will not be effective unless the organization's executive leadership really supports cultural change. Sinto Europe and Sintokogio HQ will play a key role to assure this buy-in.

## Board of Directors

Our Board of Directors is made up of 11 members. The process for selection begins with a resolution from the Board of Directors, followed by official nomination by the Nomination and Compensation Committee. Four out of 11 members are external directors, comprising more than 1/3 of the Board (as of June 19, 2020). Each individual comes with a wealth of experience and deep insight into corporate management, offering valuable counseling regarding decision-making and management supervision, contributing greatly to the improved effectiveness of the Board. In 2019, the Board met a total of 16 times, and to increase the efficacy of the meetings, materials and explanations were given to the external directors beforehand.

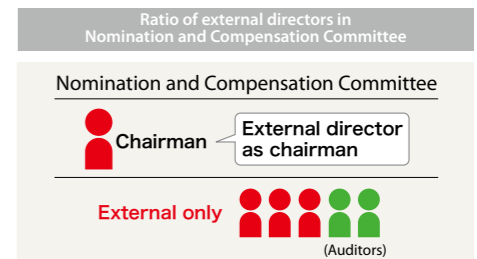
Starting in June 2017, one of these external directors was appointed the Chairman of the Board, further increasing the effectiveness of our Board of Directors' management supervision.



## Nomination and Compensation Committee

Sinto established a Nomination and Compensation Committee as a private body to select director and auditor candidates and discuss the compensation system. This committee consists solely of external directors (four external directors and two external auditors for a total of six members, as of June 19, 2020).

The committee met twice in 2019 for highly independent and objective deliberations. It evaluated the supervision of executives and management by the directors, and it set policies for mid-term incentives (share-based system) for appropriate risk taking by the directors. These results were reported to the Board of Directors.



## Internal Control

We have set a basic policy for our internal control system to ensure appropriate business execution throughout the Sinto Group. The Compliance Committee (Representative Director as committee chair, all directors as committee members) was independently formed to focus solely on compliance and governance, and it is currently moving forward with its initiatives.

In addition, based on the Financial Instruments and Exchange Act's internal control reporting system, our internal audit section performs audits at regular intervals to confirm that internal control is being developed and administered properly. Subsequently, we receive an assessment report from our auditing firm. We submit an internal control report to the Financial Services Agency for each business year.

# ESG Environment

Contributing to a low-carbon society with our manufacturing and products

Corresponding SDGs



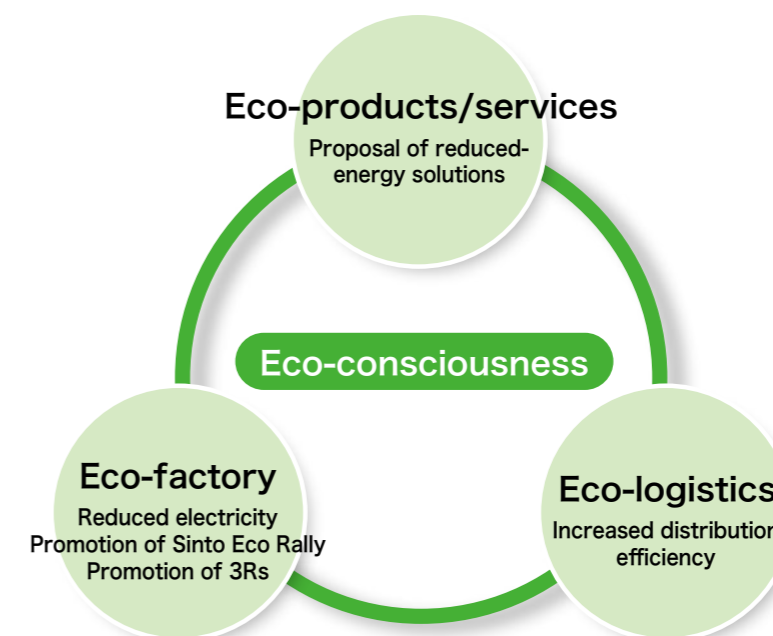
*Creating  
a bright future  
for our children*

## All members of the Sinto Group are engaging in activities with eco-consciousness.

In anticipation of our 100th anniversary, we have adopted an environmental management policy. In order to contribute to a low-carbon society by decreasing CO<sub>2</sub> emissions, we are enacting the three activities of “eco-factory”, “eco-products/services”, and “eco-logistics”. The most important factor in promoting these activities is the eco-consciousness of each and every Sinto member.

All employees around the world are coming together to proactively engage in these activities in every aspect of their work, from manufacturing to product development and sales, as part of the Sinto Group’s initiatives for environmental management. In doing so, we will contribute to bringing about a sustainable society, to create a bright future for our children.

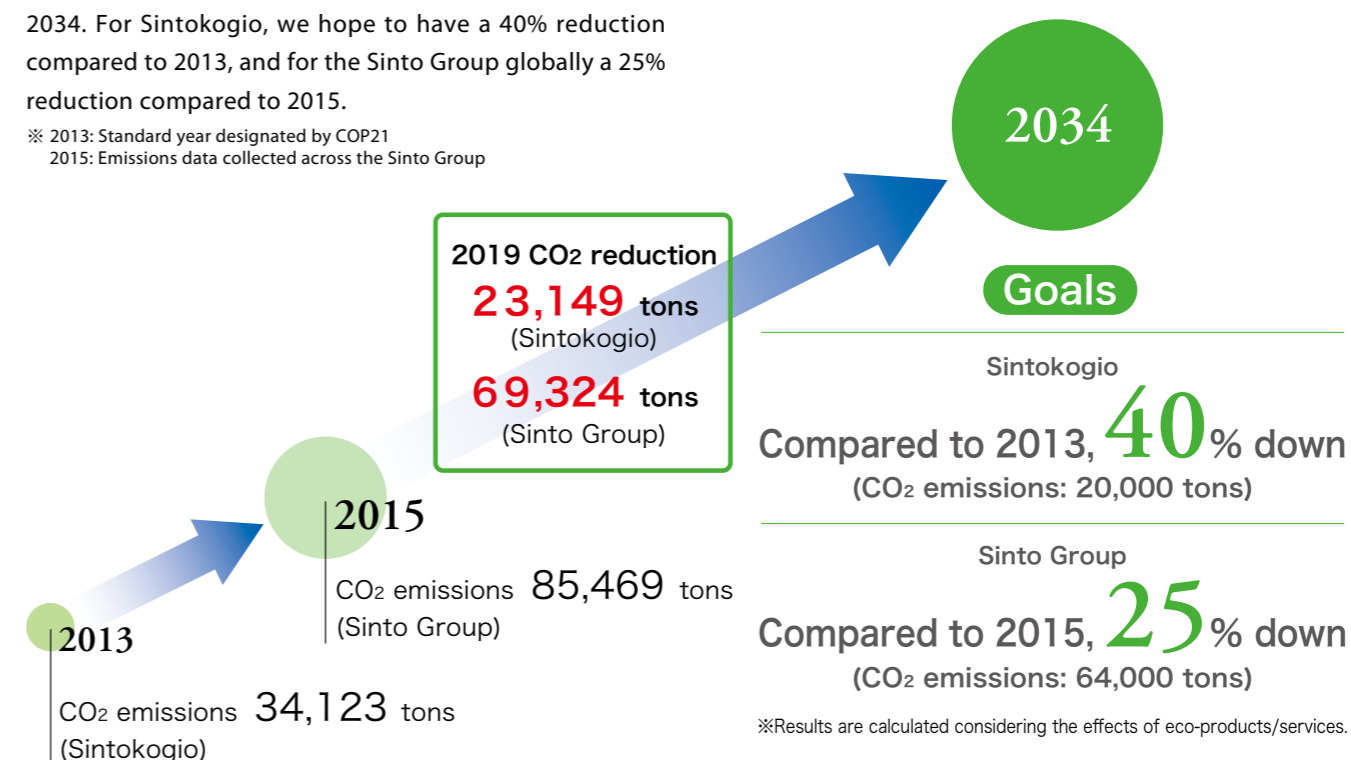
## Proceeding with Environmental Management



## Plan for CO<sub>2</sub> Reduction in Anticipation of 100th Anniversary

We have set targets for the reduction of CO<sub>2</sub> emissions, which we hope to accomplish by our 100th anniversary in 2034. For Sintokogio, we hope to have a 40% reduction compared to 2013, and for the Sinto Group globally a 25% reduction compared to 2015.

※ 2013: Standard year designated by COP21  
2015: Emissions data collected across the Sinto Group

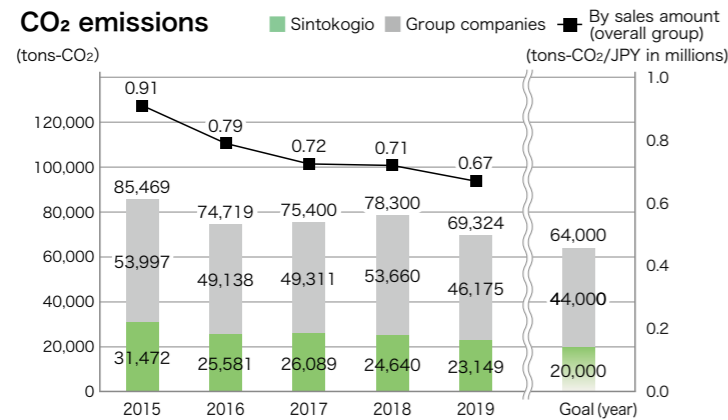






## Progress on CO<sub>2</sub> reduction plan

In order to achieve our goal for reducing CO<sub>2</sub> emissions, we are continuing the PDCA cycle, and in 2019 we were able to continue environmental initiatives at all operations bases.



### 30% reduction in electricity costs through reduced-power initiatives at our new plant

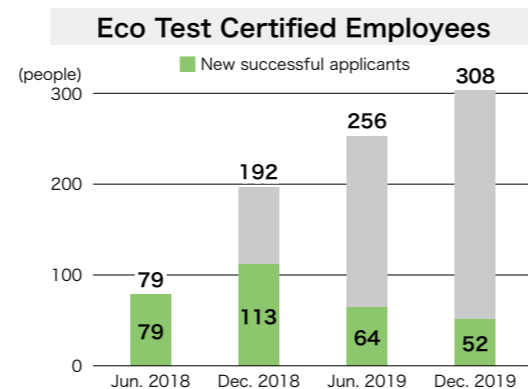
At our Oharu Works location, we established a new plant under the concept of “a worker- and environmentally friendly plant for heartfelt manufacturing”. Lighting, air conditioning, and compressor activity is centrally managed to track energy use, and LED is used for all of the lights. In areas with lower foot traffic, lights with sensors were installed, and by adjusting the flow of air conditioning to efficiently reach wider spaces, we are able to save energy in little ways. The floors were treated with our new floor polishing technology, and with added shine to the concrete, the plant feels brighter overall, contributing to a 30% reduction in electricity costs. In addition, by using an electricity monitoring system, we have started initiatives to manage total energy use.



New plant at Oharu Works

### 308 “Eco People” through company-wide promotion of the Eco Test

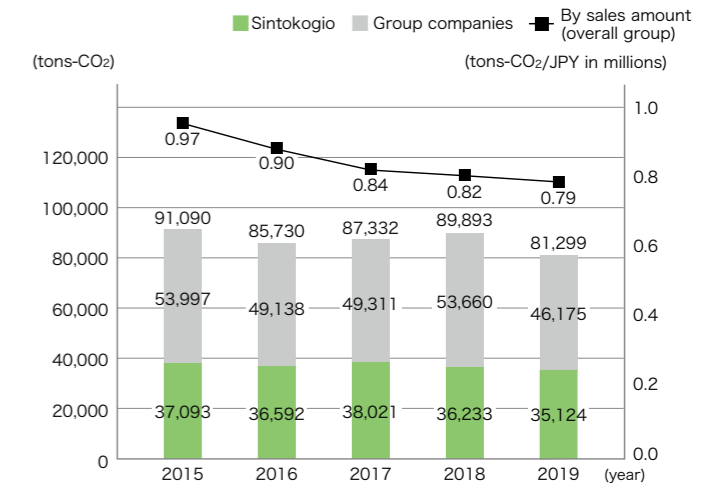
In order to deepen each and every employee’s understanding of the complex and multifaceted environmental issues that we face, we proactively encourage employees to take the “Eco Test” (Certification Test for Environmental Specialists) administered by the Tokyo Chamber of Commerce and Industry. Employees who pass the test become instructors, leading internal study sessions. As of 2019, we have 308 “Eco People” in the company, about 20% of all employees (ranked 4th in Japan among all companies).



## Eco-factory

Each individual employee takes action for energy savings in the workplace.

### CO<sub>2</sub> emissions in manufacturing



### Initiatives for reduced energy

Heinrich Wagner Sinto (Germany) manages energy based on German industrial standards. They are implementing initiatives to increase energy efficiency as well as improve eco-consciousness among employees.



Energy audit certificate

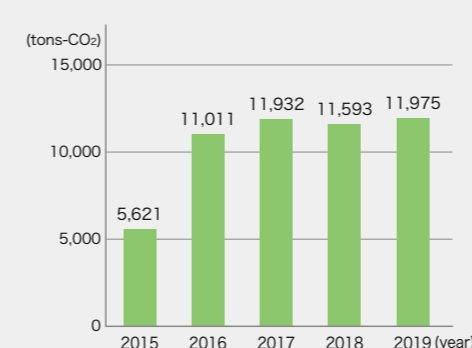
### Recycling waste produced in the plant

At Sinto Brasil Produtos Limitada (Brazil), metal waste produced in the shot plant is recycled. This contributes not only to fixed cost reduction and environmental preservation, but also to the improvement of employees’ environmental consciousness.

## Eco-products/services

By proposing environmentally friendly products and services, we contribute to the reduction of customers’ CO<sub>2</sub> emissions during production.

### CO<sub>2</sub> emissions in customers’ manufacturing



Conventionally, organic chemicals are used as adhesive for cores, producing large amounts of smoke, odors, and CO<sub>2</sub> that harm the plant environment, but with this new technology, 1) inorganic materials are used, releasing no smell; 2) castings with more complex shapes can be produced; and 3) after processing can be reduced, greatly decreasing CO<sub>2</sub> emissions from manufacturing. This technology received the 66th Okochi Memorial Production Prize.



Core

# ESG Society

Supporting and enriching the lives of all of society's stakeholders

Corresponding SDGs



## Breaking fast with orphans

During the Ramadan month, many companies in Indonesia hold CSR programs. At Sinto Indonesia (Indonesia), they invited twenty children from local orphanages to break fast with Sinto Indonesia members. Employees decorated the cafeteria room and gave money and gifts to the children, eating traditional Indonesian food that is specially served during Ramadan and enjoying their time together.



Giving presents to the children

## Christmas presents to children in local hospital

At Omega Sinto Foundry Machinery (UK), employees gave Christmas presents to the children's ward at the local Peterborough City Hospital. These presents were given to children who had to spend their Christmas in the hospital. Throughout November and December, employees collected many presents to give to the children, and they were hand-delivered in December.



Omega Sinto Foundry Machinery employees delivering presents to the hospital

## Donation of sports equipment to local high school

Sinto Bharat Manufacturing (India) donated sports equipment to students at a local public high school. Items included cricket bats, a volleyball net and volleyballs, and indoor ring tennis equipment, which can be used during their physical education classes.



Donating sports equipment to students

## "Health management" initiatives domestically and overseas

For employees' health management, Korea Sinto (Korea) held a health management and insurance information session in June 2019, led by the national health insurance system. The theme of this session was "understanding and managing metabolic syndrome", and it included a lecture by a professor from Yeungnam University Hospital as well as health checks and consultations.



Korea Sinto employees at information session

In Japan, Sintokogio was recognized for the fourth year in a row as a Health and Productivity Management Organization (White 500) as part of a program established by the Ministry of Economy, Trade and Industry to recognize outstanding enterprises engaging in efforts for health and productivity management.



## Initiatives for safety at overseas group companies

Heinrich Wagner Sinto (Germany) took initiatives to strengthen their occupational health and safety management system and met strict requirements to receive ISO45001 certification in May 2019.



ISO45001 certification

The Sinto Group also engages in similar initiatives at other locations. Qingdao Sinto (China) holds a Safety Meeting every year, and Taiwanabrator (Taiwan) holds a safety training session twice a year. In this way, the Sinto Group comes together as one to raise safety consciousness globally.



Employees receiving training at Taiwanabrator

Corresponding SDGs



### Freedom of movement for everyone

The Sinto Group produces conveyors and scissor lifts used for conveyance in factories. In support of parasports, we offer a lifting winners' platform for wheelchair sports that raises athletes to different heights based on the medals they receive.



Lifting winners' platform that raises athletes to the proper height

In these ways, using our lifting technology developed over long years in industrial fields, we strive to create a society in which anyone can move freely.

### Contributing to a better society

Sinto Brasil Produtos Limitada (Brazil) showed their support for young people entering the workforce and providing for their families through a donation to Brazilian NGO VOCAÇÃO. This NGO offers support to approximately 34,000 poor children and young people, providing employment services and contributing to the development of the local area with a focus on education and community.

### Exchange with overseas students

Every year, to promote international exchange, Sinto welcomes overseas students to learn about manufacturing and business in Japan.



Interns from Michigan Tech graduate school

For two months from May to July 2019, Sinto welcomed two business school students from the University of Notre Dame, located in South Bend, Indiana, USA. This was the 28th internship for students from this university. During the same two-month period, two graduate students from Michigan Technological University, located in Houghton, Michigan, USA, came to Sinto for a Summer Fellowship Program.

Corresponding SDGs



### Sintokogio 85th Anniversary Event

Our company celebrated our 85th anniversary on October 2, 2019. In commemoration, we held an event at our Toyokawa Works branch to deepen the bonds between Sinto members and express our gratitude, with the theme of "bonds and solidarity for a workplace filled with hope". To build bonds between comrades, family, and society, many activities were held throughout the day. On top of the main event, the Guinness World Record™ challenge, Sinto members enjoyed a parasports experience, plant open house, educational areas for families (BCP and net morals, environment), and more. Over 1,200 employees and family members from Japan and overseas participated. Through this event, everyone had the opportunity to learn about SDGs first-hand.

### World's largest mosaic art using bottle caps: Contributing to health in developing countries

Employees and their families came together as one to take on the challenge of making the world's largest mosaic art using bottle caps. 105,840 bottle caps were used to create a mosaic of 108.568 m², setting a new Guinness World Record™. The used bottle caps were donated to the Japan Committee of Vaccines for the World's Children, an international NPO dedicated to sending vaccines to children in developing countries and protecting our children's future. The caps will support a total of 123 vaccinations.



Donation of bottle caps used in mosaic art

### Parasports experience: Understanding strength in diversity

With an area where guests could experience boccia, wheelchair racing, and para-powerlifting, we deepened our understanding of parasports in preparation for the Tokyo Paralympics, and gained insights into the differences between people. A national-level boccia athlete and Japanese para-powerlifting champion came as special guests, demonstrating their power and abilities as top athletes. Additionally, in preparation for this event, we took steps to make Toyokawa Works barrier-free and accessible to everyone.



Wheelchair relay and boccia match

### Informational display: Creating learning opportunities for the whole family

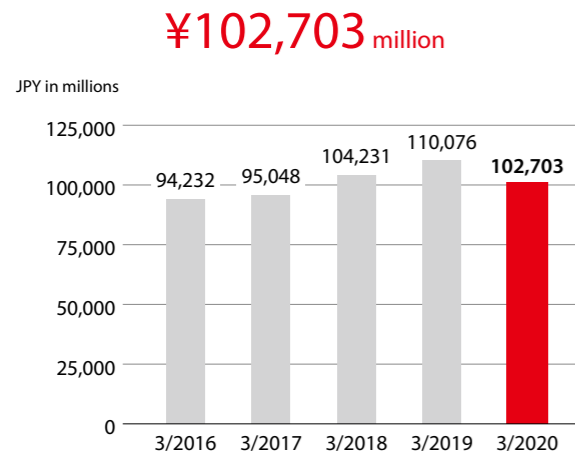
Through a display we created for employees and their families about disaster prevention and the environment, we shared information to raise awareness about these and other important issues for families. The display included a virtual reality experience, disaster prevention items, information about eco-friendly initiatives for the home, eco-friendly items that contribute to the reduced CO<sub>2</sub> and waste emissions, initiatives using bottle caps, and a call for attention about net morals.



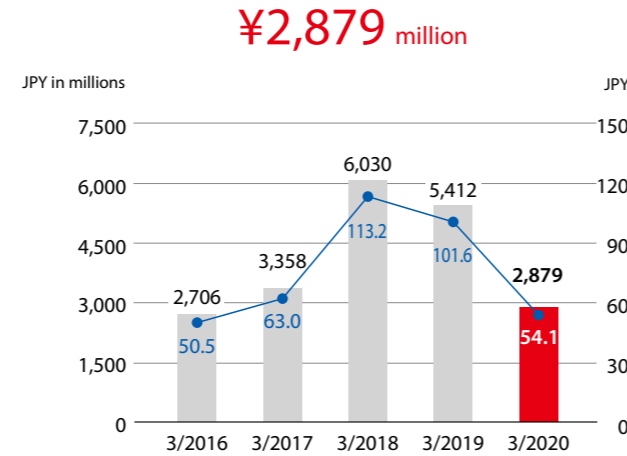
Disaster prevention and environmental information

# Financial Highlights

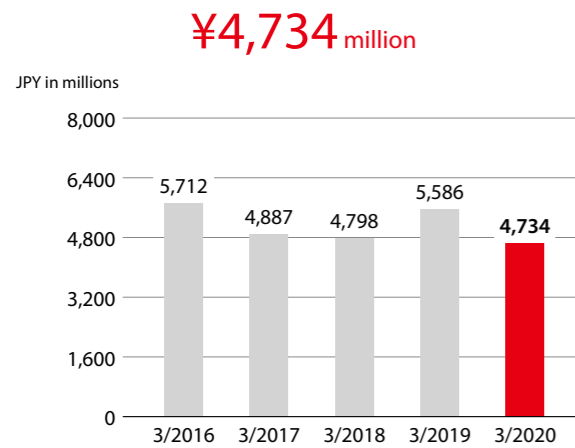
## Net sales



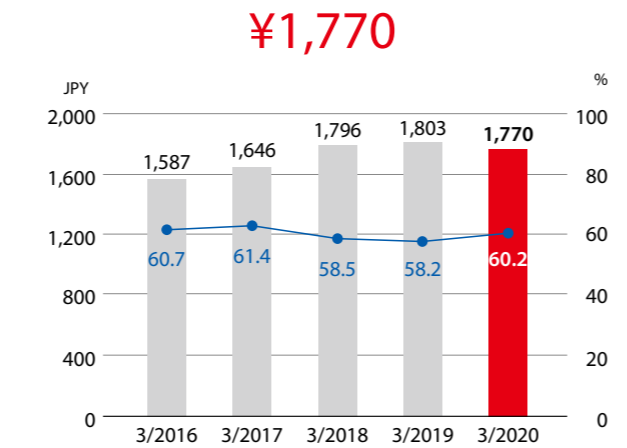
## Net income attributable to shareholders of the parent company / Net income attributable to shareholders of the parent company per share



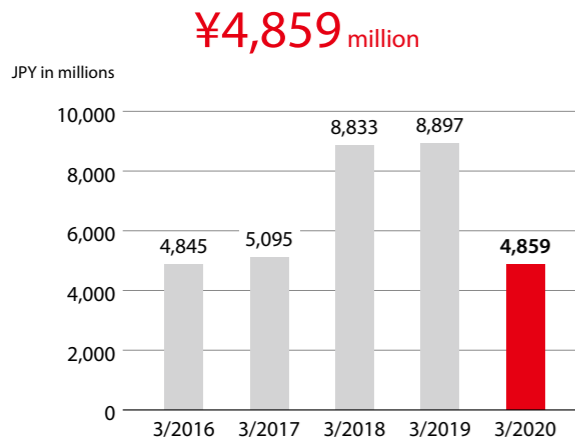
## Operating income



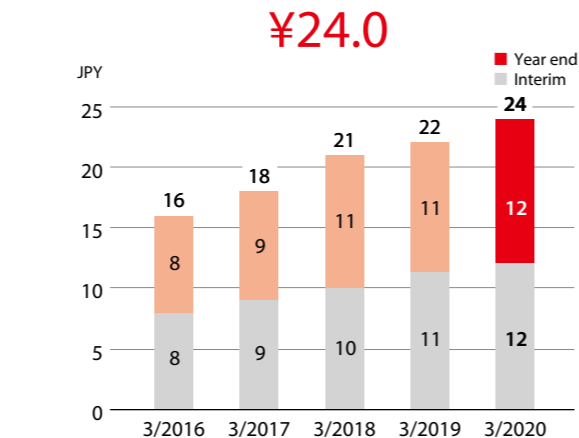
## Net assets excluding non-controlling interests per share / Equity ratio



## Net income before taxes



## Dividends per share

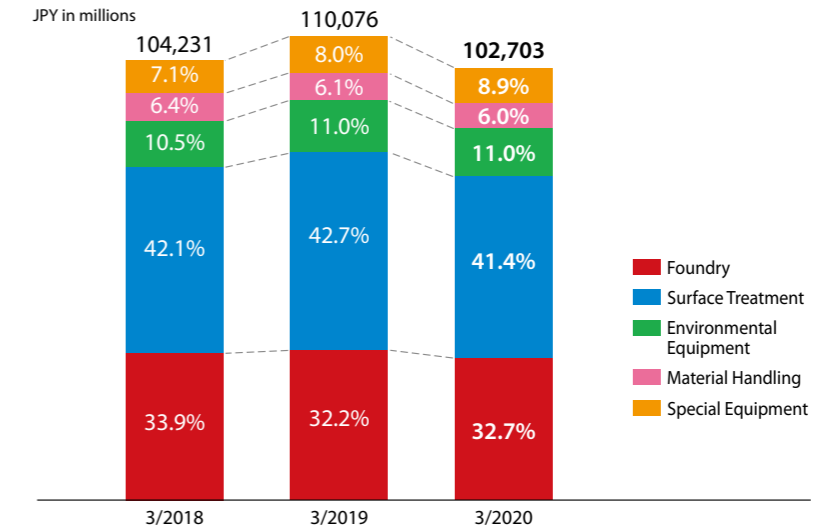


	Japanese Yen in millions			U.S. Dollars in thousands
	3/2018	3/2019	3/2020	3/2020
Net sales	¥ 104,231	¥ 110,076	¥ 102,703	\$ 943,708
Operating income	4,798	5,586	4,734	43,500
Operating income margin	4.6%	5.1%	4.6%	4.6%
Net income before taxes	8,833	8,897	4,859	44,656
Net income before taxes margin	8.5%	8.1%	4.7%	4.7%
Net income attributable to shareholders of the parent company	6,030	5,412	2,879	26,460
Return on sales	5.8%	4.9%	2.8%	2.8%
Total assets	162,629	164,986	156,461	1,437,670
Net assets	101,156	101,465	99,849	917,483
Equity ratio	58.8%	58.2%	60.2%	60.2%

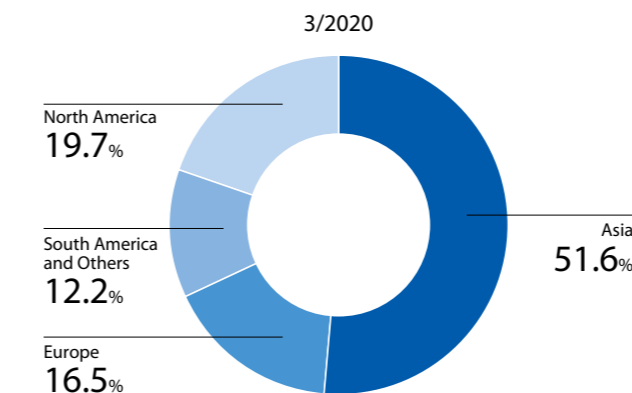
	Japanese Yen			U.S. Dollars
	3/2018	3/2019	3/2020	3/2020
Net income attributable to shareholders of the parent company per share	¥ 113.26	¥ 101.66	¥ 54.10	\$ 0.50
Net assets excluding non-controlling interests per share	¥ 1,796.88	¥ 1,803.01	¥ 1,770.62	\$ 16.27
Return on Equity	6.6%	5.6%	3.0%	3.0%

Notes: 1. The exchange rate used in these calculations is ¥108.33 per U.S. dollar as of March 31, 2020.  
 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, 2019 through March 31, 2020. Net assets excluding non-controlling interests per share are computed using the actual number of outstanding shares at the end of the fiscal year.

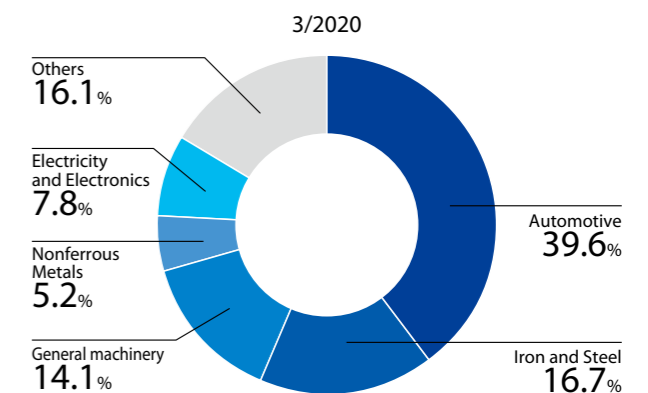
## Sales by division



## Sales by region

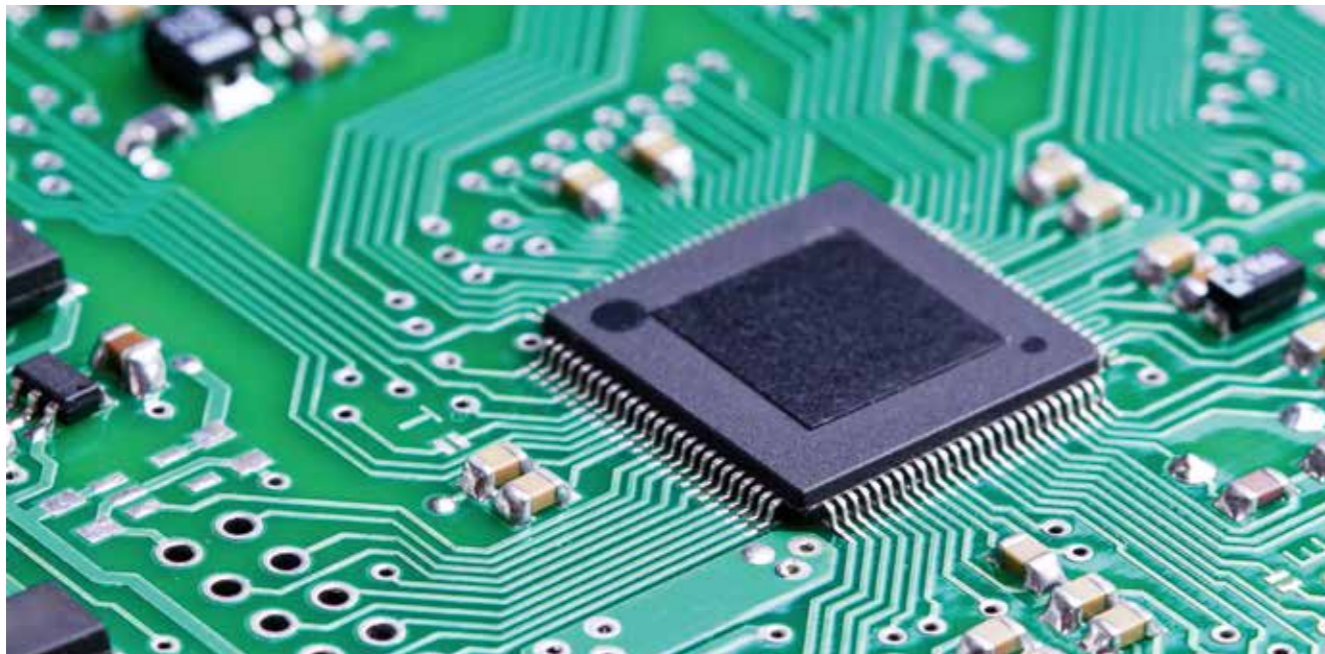


## Sales by industry



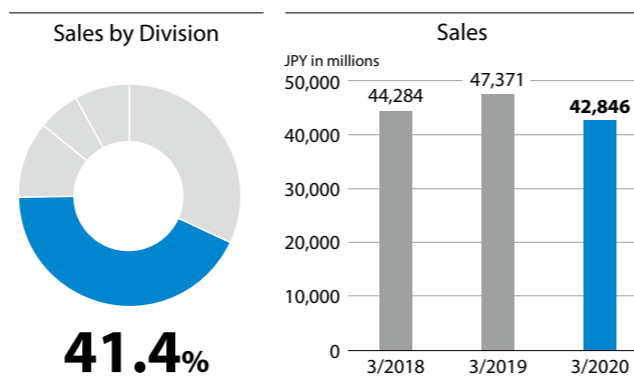
# Business Segments

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



Our surface treatment technologies began with casting sand removal and product deburring, and it has continued to evolve in response to changing needs and industries. Recently, our technology is being used in the electronics industry as demand for 5G technology increases, and we have also expanded to cutting-edge industries such as aerospace, energy, and medicine.

We aim to provide attractive, functional surfaces that exceed our customers' expectations, and we are working to apply our technology even more widely, for use in 3D simulations, surface evaluation, and information technology. We will continue to contribute to these growing industries, developing surface treatment technologies that will be indispensable to future manufacturing globally.



## Results for Fiscal 2019

Overall sales were ¥42,846 million (9.6% decrease from the previous fiscal year). The US-China trade conflict resulted in weak sales of surface treatment equipment and consumables, especially in the automotive industry. Operating income fell to ¥3,594 million (13.2% decrease) due to decreased revenue. Orders received totaled to ¥41,475 million (12.5% decrease), and order backlog was ¥5,739 million (19.3% decrease).



Our Blast Technology Center in Japan is a culmination of our long years of technological strength and know-how. By connecting it with technical locations remotely, we are working to establish "Virtual Technology Centers" around the world in which we can make proposals, run tests, perform evaluations, and have meetings of all kinds.

When this global structure becomes a reality, we will be able to offer the same high level of technical support (optimal processing and quality evaluations) in any location, closer to all of our global customers.

As the first step in this process, we have established centers within Japan in regions with a high volume of aircraft and research facilities.



Remote technical support

## Building a foundation for precision machining

As part of the ongoing IT revolution due to 5G and unmanned operations, there is an increase in demand for sensors and needs related to power semiconductors. At Sinto, we have increased our production capacity for equipment production and contract processing for these precision parts.

We are accelerating our expansion into the production of semiconductors and electronic parts, which are the basis of the ever-expanding IT industry.



Establishment of a new plant



Multilayer capacitors

# Business Segments

Surface Treatment Foundry Environmental Equipment Material Handling Special Equipment



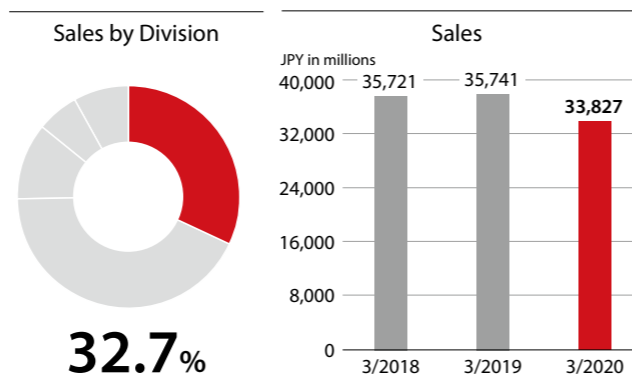
## sinto FOUNDRY INTEGRATION



Foundry technology is at the heart of industry, and it serves as the basis for manufacturing in many fields and helps us to live richer lives.

As a leader in the global foundry industry, we recently developed a unique manufacturing system that utilizes IoT to support casting quality, working toward improved quality, productivity, and labor savings. By introducing global top brand OMEGA's chemically bonded equipment to our lineup, we have also further expanded into construction, machining, agriculture, and other non-automotive industries.

Production of lighter, thinner castings with net-shape; connection of casting production data as part of a fully automated foundry plant. By providing competitive casting production to meet the needs of the industry, we will change the future of casting production.



### Results for Fiscal 2019

Overall sales were ¥33,827 million (5.4% decrease), with sluggish sales due to downward trends for molding machines in China. With this decrease in revenue, operating income fell to ¥985 million (18.7% decrease). Orders received totaled to ¥30,709 million (10.4% decrease) and order backlog was ¥14,949 million (14.6% decrease).



We are promoting initiatives for the realization of net-shape and lighter-weight products, zero defects, and casting manufacturing that is worker- and environment-friendly. This is made possible with Sinto Smart Foundry®, a foundry plant of the near future that uses IT to improve casting quality and productivity. The six important processes in casting production (sand conditioning, molding, core, pouring, cooling, and after treatment) are made visible, and by connecting information to the equipment, we will change the future of casting production.

\*Sinto Smart Foundry is a registered trademark in the following countries and regions: Japan, Europe, USA, Mexico, Brazil, South Korea, Taiwan, Thailand, Indonesia, India, Canada, Russia, Turkey, Vietnam, Singapore, and Malaysia.



Visualization of six processing points

### Control technology to enable net shape

Our sand property management system creates optimal conditions for the casting sand used to make molds. Our initiatives for mold production with improved quality contribute to the production of castings with net shape.



Management system software



Sand property control equipment

### Systematic aluminum casting production

Due to their lighter weight and smaller size, demand for aluminum castings is increasing among industries around the world. Based on our environmentally friendly core production technology that enables precise aluminum castings, we offer a complete production system from molding to finishing.



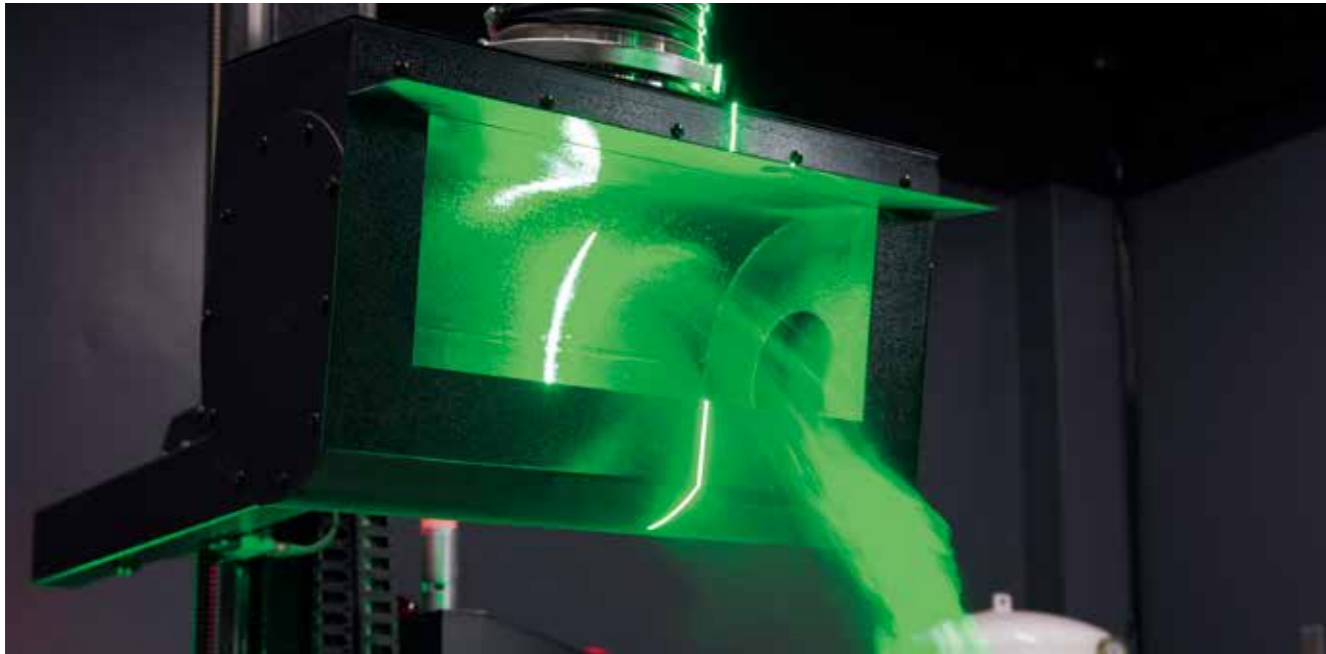
Aluminum casting system



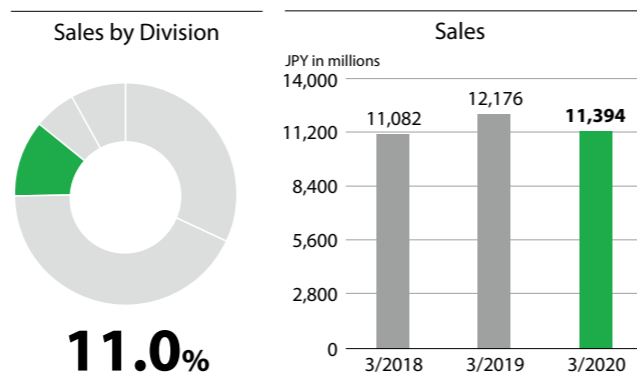
Core

# Business Segments

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



Beginning with equipment including dust, gas, and water treatment, our environmental technology has grown to cover technologies aimed at protecting health and safety in the workplace. With safety measures to prevent fires and explosions due to dust particles, equipment to handle fumes such as exhaust gas and odors from laser processing, and expansion into the floor industry to transform the business structure, we provide a comfortable environment in which workers can work with peace of mind. We will continue to work toward creating a better workspace for all, so that the earth's green environment can live on into the future.

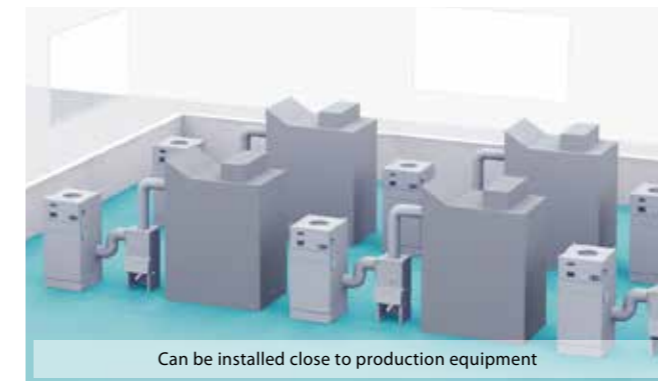


## Results for Fiscal 2019

Overall sales were ¥11,394 million (6.4% decrease), with a decrease in revenue due to weak sales for dust collectors, which had strong sales last year. With this decrease in revenue, operating income fell to ¥1,111 million (12.9% decrease). Orders received were ¥11,894 million (8.9% decrease), and order backlog was ¥4,813 million (19.4% increase).

## A comfortable work environment through ductless dust collection

We promote ductless dust collection as a measure against dust fires and explosions on the worksite. By eliminating the duct itself, we resolve various issues caused by dust accumulated within the duct. One solution we offer is compact ductless dust collectors that can be installed close to where dust is generated, improving performance. We also provide measures that prevent ignition such as fire-resistant filters and wet chambers, minimizing the risk of fires.



Ductless dust collection



## A core product for the business structure revolution: Sinto's concrete floor polishing

We are putting special effort into our concrete floor polishing. The floor is an essential part of the environment for every single worker. With this product, we offer added value to floors, such as increased safety and functionality. Additionally, with added design functionality, this product can be used in a wide variety of applications beyond the plant floor, from commercial buildings to physical distribution facilities and more.

### Function



Easy white line painting



High AGV cleanability, no peeling

### Design



Increased aesthetics



Example installation by a designer

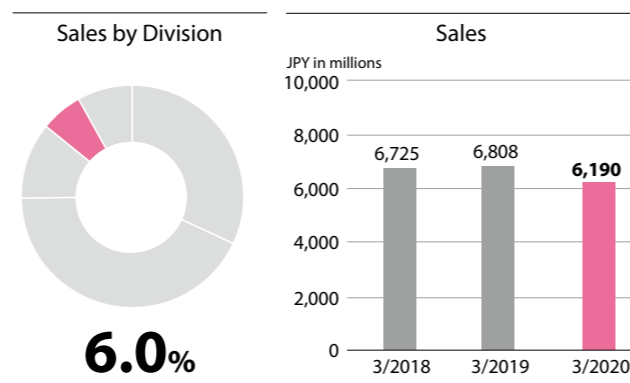
# Business Segments

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

## Material Handling



Lifting, transportation, and handling technologies are needed in every industry, requiring higher added value to respond to needs for labor savings and automation. By applying image processing, AI, and robot technology to our long years of technology and experience, we contribute to the automation of material handling. We will continue to use our technology to improve productivity and safety, leading to a brighter future for our customers.

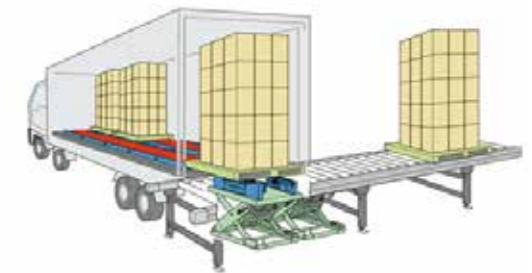


### Results for Fiscal 2019

Overall sales were ¥6,190 million (9.1% decrease), with a decrease in revenue due to a slowdown in conveyors for the machine tool and automotive sectors, despite steady sales in scissor lifts for robot manufacturers. Special efforts were made to increase cost rate, resulting in an operating income of ¥531 million (7.1% increase). With increased needs for automation and streamlining, orders received totaled to ¥6,493 million (5.6% increase), and order backlog was ¥1,882 million (21.2% increase).

### Expansion of technology to truck operations

With the rapid development in recent years of e-commerce and internet shopping, demand for personal distribution has risen, but the issues of labor shortages and an aging workforce remain. We propose solutions to the logistics industry for these problems and more.



As a robot integrator, we use image processing and AI technology for automatic truck loading and unloading, making automated and systematic handling work possible.



Conveyors are used widely in various manufacturing fields for automation, labor savings, and increased efficiency. They are especially valued in industries that are suffering from labor shortages.

### Using technology in wellness fields

We eliminate the gaps that act as barriers for individuals in wheelchairs.



Lift system



Shuttle buses are equipped with lifts so passengers can remain in their wheelchairs when boarding.



In the bus



Taken from outside the bus



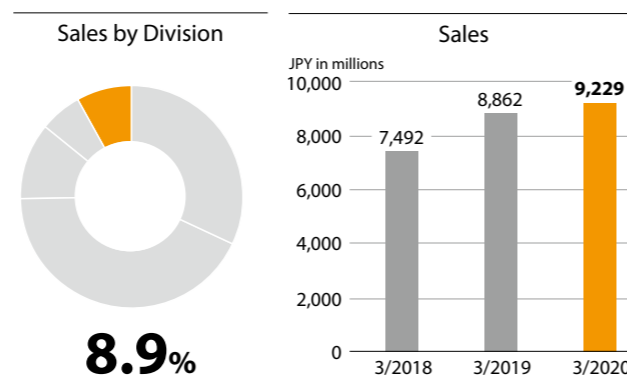
# Business Segments

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

## Special Equipment



In special equipment fields, we must utilize one-of-a-kind technologies to take on new industries in order to respond to the changing environment and expand our range of business. By applying new technologies to the existing technologies that we have developed until now, we are capturing new business fields, and with “clean”, “precise”, “health”, and “electric energy” as keywords, we are expanding business globally. We will open up new doors to ensure a future with richer, fuller lives for all.



### Results for Fiscal 2019

Overall sales were ¥9,229 million (4.1% increase), with positive trends in sales of equipment for automotive secondary cell production and semiconductor inspection. While operating income did improve with the increase in revenue, the year still ended in losses of ¥186 million (as compared to losses of ¥288 million in the previous year). Orders received totaled to ¥5,919 million (46.4% decrease), and order backlog was ¥7,284 million (30.3% decrease).

### Expansion into growing fields

#### Sterilization

From isolators used in the production of medicine to incubators required for cell cultures in regenerative medicine, we offer sterilization technology that creates advanced pharmaceutical products.



Sterile isolator



Incubator

#### EV (batteries, semiconductors)

In electric vehicle production, our high-pressure roll presses are used for the lamination of lithium ion batteries, and our electric characteristic testers are used to inspect the chips used in inverters.



High-pressure roll press



Electric characteristic tester

#### Ceramics

We offer a wide range of products in the ceramics field, from structural parts used in production and precision measurement of semiconductors and OLEDs, to complex shapes created by ceramic 3D printers.



Complex shapes



Structural parts and unit products

#### Robotics

Our 6-axis force sensor ZYXer can simultaneously detect the force along the XYZ axes and the torque applied in those directions. With a force sensor, a robot can demonstrate the same sensitivity as a human hand, and like AI (brain) and the vision sensor (eyes), that sensitivity is an important function for the intelligent technology of robots that can be used in a wide variety of settings.



Force sensor loaded onto robot

# Financial Data

## Consolidated Balance Sheets

As of March 31, 2020 and 2019

	Japanese Yen in millions		U.S. Dollars in thousands (Note 6)
	March 31 2020	March 31 2019	March 31 2020
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	¥ 37,041	¥ 36,277	\$ 340,356
Short-term investments	6,023	5,221	55,348
Notes and accounts receivable:			
Trade notes	10,271	12,457	94,383
Trade accounts	23,713	26,142	217,891
Allowance for doubtful accounts	(268)	(283)	(2,470)
Subtotal	33,716	38,317	309,804
Inventories	17,734	18,292	162,958
Other current assets	1,719	2,592	15,803
Total current assets	96,235	100,701	884,271
<b>Property, Plant and Equipment:</b>			
Land	7,569	7,329	69,556
Buildings and structures	27,901	24,952	256,377
Machinery, equipment and vehicles	27,643	26,970	254,010
Construction in progress	310	389	2,851
Others	6,256	6,026	57,485
Subtotal	69,681	65,668	640,281
Accumulated depreciation	(41,719)	(40,526)	(383,341)
Net property, plant and equipment	27,962	25,141	256,940
<b>Investments and Other Assets:</b>			
Investment securities	25,369	30,658	233,114
Deferred tax assets	486	330	4,472
Other assets	6,407	8,154	58,872
Total investments and other assets	32,263	39,143	296,458
<b>TOTAL</b>	¥ 156,461	¥ 164,986	\$ 1,437,670

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

## Consolidated Balance Sheets

As of March 31, 2020 and 2019

	Japanese Yen in millions		U.S. Dollars in thousands (Note 6)
	March 31 2020	March 31 2019	March 31 2020
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Short-term borrowings (Note 3)	¥ 5,277	¥ 5,586	\$ 48,493
Notes and accounts payable:			
Trade notes	8,692	9,641	79,868
Trade accounts	5,950	8,214	54,674
Subtotal	14,642	17,855	134,543
Income taxes payable	676	1,944	6,215
Advances received	8,123	9,576	74,645
Other current liabilities	7,538	8,546	69,264
Total current liabilities	36,258	43,511	333,162
<b>Long-Term Liabilities:</b>			
Long-term borrowings (Note 3)	14,316	13,500	131,545
Net defined benefit liability	956	825	8,790
Directors' and corporate auditors' retirement benefits	419	409	3,855
Deferred tax liabilities	3,697	4,194	33,971
Other long-term liabilities	964	1,080	8,862
Total long-term liabilities	20,353	20,009	187,024
<b>Contingent Liabilities (Note 4)</b>			
<b>Net Assets (Note 5):</b>			
Common stock	5,752	5,752	52,855
Additional paid-in capital	6,278	6,271	57,693
Retained earnings	78,693	77,008	723,082
Less: Treasury stocks	(1,485)	(1,481)	(13,651)
Total shareholders' equity	89,238	87,550	819,979
Net unrealized gain on available-for-sale securities	6,553	8,496	60,217
Foreign currency translation adjustments	(1,204)	(405)	(11,068)
Remeasurements of defined benefit plans	(330)	346	(3,041)
Total accumulated other comprehensive income	5,017	8,437	46,107
Non-controlling interests	5,593	5,477	51,396
Total net assets	99,849	101,465	917,483
<b>TOTAL</b>	¥ 156,461	¥ 164,986	\$ 1,437,670

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

## Consolidated Statements of Income

Years Ended March 31, 2020 and 2019

	Japanese Yen in millions		U.S. Dollars in thousands (Note 6)
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020
		¥	¥
<b>Net Sales</b>	102,703	110,076	<b>943,708</b>
<b>Cost of Sales</b>	71,897	78,405	<b>660,641</b>
<b>Gross Profit</b>	30,806	31,671	<b>283,066</b>
<b>Selling, General and Administrative Expenses</b>	26,072	26,084	<b>239,566</b>
<b>Operating Income</b>	4,734	5,586	<b>43,500</b>
<b>Other Income (Expenses):</b>			
Interest and dividend income	801	735	<b>7,360</b>
Interest expense	(142)	(130)	<b>(1,304)</b>
Exchange Gain (Loss) - net	(54)	(227)	<b>(500)</b>
Gain (Loss) on sales of securities - net	95	15	<b>875</b>
Loss on revaluation of securities	(45)	(4)	<b>(419)</b>
Gain (Loss) on sales and disposal of property, plant and equipment - net	(4)	2,643	<b>(41)</b>
Equity in earnings of non-consolidated subsidiaries and affiliates	(808)	212	<b>(7,431)</b>
Other - net	284	65	<b>2,618</b>
Total	125	3,310	<b>1,156</b>
<b>Net Income before Taxes</b>	4,859	8,897	<b>44,656</b>
<b>Income Taxes:</b>			
Current	1,497	3,042	<b>13,756</b>
Deferred	107	96	<b>987</b>
Total	1,604	3,138	<b>14,743</b>
<b>Net Income</b>	3,255	5,758	<b>29,912</b>
<b>Net Income Attributable to Non-controlling Interests</b>	375	346	<b>3,451</b>
<b>Net Income Attributable to Shareholders of the Parent Company</b>	¥ 2,879	¥ 5,412	<b>\$ 26,460</b>

See "Notes to Consolidated Financial Statements".

## Consolidated Statements of Comprehensive Income

Years Ended March 31, 2020 and 2019

	Japanese Yen in millions		U.S. Dollars in thousands (Note 6)
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020
		¥	¥
<b>Net Income</b>	3,255	5,758	<b>29,912</b>
<b>Other Comprehensive Income</b>			
Net unrealized gain on available-for-sale securities	(1,933)	(2,131)	<b>(17,766)</b>
Foreign currency translation adjustments	(842)	(1,762)	<b>(7,744)</b>
Remeasurements of defined benefit plans	(677)	(89)	<b>(6,224)</b>
Share of other comprehensive income of non-consolidated subsidiaries and affiliates	42	(143)	<b>389</b>
Total other comprehensive income	(3,411)	(4,127)	<b>(31,345)</b>
<b>Comprehensive Income</b>	¥ (155)	¥ 1,630	<b>\$ (1,432)</b>
Attributable to:			
Shareholders of the parent company	(539)	1,498	<b>(4,960)</b>
Non-controlling interests	383	132	<b>3,527</b>

See "Notes to Consolidated Financial Statements".

## Consolidated Statements of Changes in Net Assets

Year Ended March 31, 2020

Japanese Yen in millions

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stocks	Subtotal
Balance at April 1, 2019	5,752	6,271	77,008	(1,481)	87,550
Cumulative impact of accounting policy changes	0	0	33	0	33
Balance at beginning of current period after retroactive processing	5,752	6,271	77,041	(1,481)	87,583
Net increase/decrease during the fiscal year					
Cash dividends			(1,228)		(1,228)
Net income attributable to shareholders of the parent company			2,879		2,879
Change in equity attributable to the parent arising from transactions with non-controlling shareholders		6			6
Purchase of treasury stocks				(4)	(4)
Total increase/decrease during the fiscal year			1,651	(4)	1,654
Balance at March 31, 2020	5,752	6,278	78,693	(1,485)	89,238

	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, 2019	8,496		(405)	346	8,437	5,477	101,498
Net increase/decrease during the fiscal year							
Cash dividends							(1,228)
Net income attributable to shareholders of the parent company							2,879
Change in equity attributable to the parent arising from transactions with non-controlling shareholders							6
Purchase of treasury stocks							(4)
Net changes of items other than shareholders' equity	(1,943)		(798)	(677)	(3,419)	116	(3,303)
Total increase/decrease during the fiscal year	(1,943)		(798)	(677)	(3,419)	116	(1,648)
Balance at March 31, 2020	6,553		(1,204)	(330)	5,017	5,593	99,849

U.S. Dollars in thousands (Note 6)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stocks	Subtotal
Balance at April 1, 2019	52,855	57,629	707,601	(13,614)	804,471
Cumulative impact of accounting policy changes			306		306
Balance at beginning of current period after retroactive processing	52,855	57,629	707,907	(13,614)	804,777
Net increase/decrease during the fiscal year					
Cash dividends			(11,285)		(11,285)
Net income attributable to shareholders of the parent company			26,460		26,460
Purchase of treasury stocks				(37)	(37)
Total increase/decrease during the fiscal year			15,175	(37)	15,201
Balance at March 31, 2020	52,855	57,693	723,082	(13,651)	819,979

	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, 2019	78,075		(3,729)	3,182	77,528	50,328	932,634
Net increase/decrease during the fiscal year							
Cash dividends							(11,285)
Net income attributable to shareholders of the parent company							49,730
Purchase of treasury stocks							(33)
Net changes of items other than shareholders' equity	(1,785)		(7,339)	(6,224)	(31,420)	1,068	(30,352)
Total increase/decrease during the fiscal year	(1,785)		(7,339)	(6,224)	(31,420)	1,068	(15,150)
Balance at March 31, 2020	60,217		(11,068)	(3,041)	46,107	51,396	917,483

See "Notes to Consolidated Financial Statements".

## Consolidated Statements of Cash Flows

Years Ended March 31, 2020 and 2019

	Japanese Yen in millions		U.S. Dollars in thousands (Note 6)
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020
<b>Operating Activities:</b>			
Net Income before taxes	¥ 4,859	¥ 8,897	\$ 44,656
Adjustments for:			
Depreciation and amortization	3,117	3,034	28,641
Increase (decrease) in net defined benefit liability	(59)	8	(546)
Increase (decrease) in directors' and corporate auditors' retirement benefits	16	127	149
Loss (gain) on disposal of property, plant and equipment	4	(2,643)	41
Loss (gain) on sale and valuation of marketable securities	(33)	(6)	(309)
Decrease (increase) in trade receivables	4,756	(1,690)	43,705
Decrease (increase) in inventories	790	(2,620)	7,265
Increase (decrease) in trade payables	(4,818)	459	(44,272)
Income taxes - paid	(2,810)	(1,848)	(25,828)
Increase (decrease) in Advances received	(1,418)	1,261	(13,037)
Other - net	671	2,061	6,170
Total adjustment	215	(1,856)	1,982
Net cash provided by operating activities	5,075	7,040	46,638
<b>Investing Activities:</b>			
Proceeds from sales of property, plant and equipment	662	2,126	6,083
Purchases of property, plant and equipment	(3,798)	(2,556)	(34,905)
Purchases of securities	(3,767)	(2,521)	(34,614)
Purchases of investment securities	(222)	(1,998)	(2,048)
Proceeds from sales of securities	3,740	1,303	34,373
Other - net	260	1,892	2,395
Net cash provided in investing activities	(3,125)	(1,755)	(28,717)
<b>Financing Activities:</b>			
Increase (decrease) in short-term borrowings - net	590	114	5,421
Proceeds from long-term borrowings	4,100	326	37,673
Repayment of long-term borrowings	(4,130)	(139)	(37,958)
Payment of bond retirement	-	-	-
Dividend paid	(1,228)	(1,173)	(11,284)
Other - net	(491)	(800)	(4,514)
Net cash provided by financing activities	(1,160)	(1,673)	(10,661)
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	(315)	(617)	(2,900)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	474	2,995	4,358
<b>Cash and Cash Equivalents, Beginning of Year</b>	36,277	33,282	333,341
<b>Cash and Cash Equivalents of Newly Consolidated Subsidiaries, Beginning of Year</b>	-	-	-
<b>Cash and Cash Equivalents, End of Year</b>	¥ 37,041	¥ 36,277	\$ 340,356

See "Notes to Consolidated Financial Statements".

## Notes to Consolidated Financial Statements, Year Ended March 31, 2020

### 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, 2020 include the accounts of the Company and its significant 50 (47 in 2019) subsidiaries (together, the "Group"). Investments in 10 (9 in 2019) non-consolidated subsidiaries and 5 (6 in 2019) affiliated companies are accounted for by the equity method. Investment in the remaining affiliated companies is stated at cost as the effect on consolidated financial statements is not material.

#### b. Inventories

Finished goods and works-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 the 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, 2020 and 2019, interest-bearing debts were as follows:

	Japanese Yen in millions		U.S. Dollars in thousands
	3/2020	3/2019	3/2020
<b>Current Liabilities:</b>			
Short-term borrowings			
Sintokogio, Ltd.	¥ 3,000	¥ 4,000	\$ 27,565
Consolidated Subsidiaries	2,277	1,586	20,927
Total	5,277	5,586	48,493
<b>Long-term Liabilities:</b>			
Long-term borrowings			
Sintokogio, Ltd.	¥ 14,000	¥ 13,000	\$ 128,640
Consolidated Subsidiaries	316	500	2,904
Total	14,316	13,500	131,545

### 4. Contingent Liabilities

On March 31, 2020 and 2019, contingent liabilities consisted of the following:

	Japanese Yen in millions		U.S. Dollars in thousands
	3/2020	3/2019	3/2020
Notes sold with recourse (Note 1)	¥ 9	¥ -	\$ 89
Notes endorsed (Note 2)	22	25	203

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

### 5. Shareholders' Equity

Common stock: Authorized March 31, 2020: 230,476 thousand shares March 31, 2019: 230,476 thousand shares  
Issued March 31, 2020: 54,580 thousand shares March 31, 2019: 54,580 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 ¥108.83=\$1.00 on March 31, 2020. 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 22, 2020, the Board of Directors decided the following appropriation of retained earnings as of March 31, 2020.

	Japanese Yen in millions	U.S. Dollars in thousands
Appropriations for cash dividend	587	5,887

# Corporate Information

## Corporate Data

As of March 31, 2020

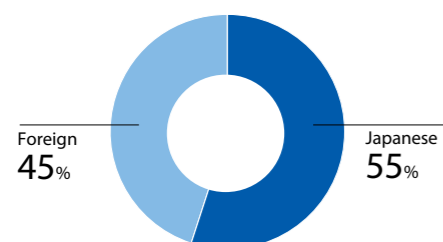
Headquarters	3-28-12, Mei-eki, Nakamura-ku, Nagoya 450-6424, Japan	
	Tel: +81-52-582-9211 Fax: +81-52-586-2279	
	Website: <a href="https://www.sinto.co.jp">https://www.sinto.co.jp</a> Global site: <a href="https://www.sinto.com">https://www.sinto.com</a>	
Manufacturing Facilities	Toyokawa, Koda, Nishiharu, 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	4,099 Consolidated	
	1,706 Sintokogio, Ltd.	
Number of Shareholders	11,802	



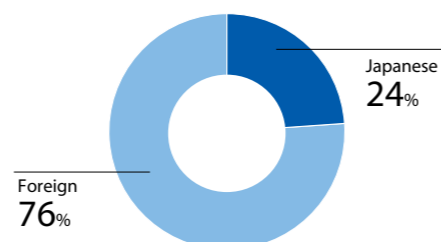
Sintokogio Toyokawa Works

## Diversity

Composition of employees among group companies



Composition of leadership among group companies



## Major Shareholders

Name of Major Shareholder	Number of Shares Held (in thousands)
THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	3,778
MUFG BANK, LTD.	2,289
MEIJI YASUDA LIFE INSURANCE COMPANY	2,276
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT)	2,129
RESONA BANK, LIMITED	1,668
THE NAGAI FOUNDATION FOR SCIENCE AND TECHNOLOGY	1,405
SSBTC CLIENT OMNIBUS ACCOUNT	1,186
SINTO EMPLOYEE STOCK OWNERSHIP	1,004
MIZUHO BANK, LTD.	1,001
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 5)	962

\*The treasury stock of 1,183 thousand shares is not included in the major shareholders.

# Directors and Corporate Auditors

As of June 19, 2020

## Directors

 <b>Yoshiki Ueda</b> Chairman (Board of Directors)	 <b>Atsushi Nagai</b> President	 <b>Tsuneyasu Kuno</b> Managing Director	 <b>Masaaki Hibi</b> Managing Director
 <b>Yatsuka Taniguchi</b> Director	 <b>Toshikazu Morishita</b> Director	 <b>Shigeru Ishida</b> Director	 <b>Kenichi Nakamichi</b> Director
 <b>Masatoshi Ozawa</b> External Director	 <b>Yasuhiro Yamauchi</b> External Director	 <b>Yasumasa Karaki</b> External Director	

## Corporate Auditors

 <b>Tsuyoshi Goto</b> Full Time Auditor	 <b>Yuji Okubo</b> Full Time Auditor	 <b>Toshiro Kojima</b> External Auditor	 <b>Kazuhiko Hasegawa</b> External Auditor
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# Global Network

## Main manufacturing and sales bases — 33 bases in 17 countries and regions

(excluding Sintokogio, Ltd., Japanese group companies, and affiliated companies)



### JAPAN

MEIKIKOU Co., Ltd.

Sinto V-Cerax, Ltd.

Fujiwa Denki Co., Ltd.

Sinto S-Precision, Ltd.

Airex Co., Ltd.

Group company manufacturing bases

As of March 2020  
 \* Group company subsidiaries  
 \*\* Affiliated companies

### NORTH AMERICA

Sinto America, Inc. / Roberts Sinto Corp.

FROHN North America, Inc.

National Peening, Inc.

Roberts Sinto de Mexico, S. De R.L. De C.V.

Technical Metal Finishing Inc.

Tinker Omega Sinto LLC \*

3DCeram-Sinto, Inc. \*

### EUROPE

Sinto Europe GmbH

S.A.S 3DCeram-Sinto

Heinrich Wagner Sinto Machinery GmbH

Sinto Turkey Makina Sanayi ve Ticaret A.S.

FROHN GmbH

Omega Sinto (Italy) S.R.L. \*

Omega Sinto Foundry Machinery Limited

Laempe Mössner Sinto GmbH \*\*

### CHINA & TAIWAN

Qingdao Sinto Machinery Co., Ltd.

Sintokogio (Kunshan) Co., Ltd.

Zhejiang Sinto Abrasive Co., Ltd.

Guangzhou Sinto Zhongtong Machinery Co., Ltd.

Jiangsu Taisintong Machinery Technology Co., Ltd.

Taiwan Sintong Machinery Co., Ltd.

Taiwanabrator Co., Ltd.

Sinto Frohn Metal Abrasive (Qingdao) Co., Ltd. \*

### ASIA & AUSTRALIA

Thai Sintokogio Co., Ltd.

Omega Sinto Foundry Machinery (Malaysia) Sdn Bhd \*

WES Omega Sinto Foundry Machinery Pty Ltd \*

Siambrator Co., Ltd.

PT. Sinto Indonesia

Korea Sinto Co., Ltd.

### SOUTH AMERICA

Sinto Brasil Produtos Limitada

Pressenge Máquinas Ltda. \*

### AFRICA

Endeco Omega Sinto (Pty) Ltd \*

### INDIA

Sinto Bharat Manufacturing Private Limited

Omega Sane Sinto Foundry Machinery Pvt Ltd \*\*

**SINTOKOGIO, LTD.**

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