

Value Creation Process

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

INPUT (as of March 2025)

Financial Capital

Capital stock	Interest-bearing debt	Sales cashflow
99.7 bil JPY	49.1 bil JPY	2.3 bil JPY

Human Capital

Number of employees	Ratio of foreign employees	Training time per employee*†
4,844	56.4%	6.0 hours

Intellectual Capital

R&D personnel†	R&D investment*
184	2.8 billion JPY

Manufactured Capital

Production/sales locations*	Capital investments*
Japan: 53 locations, Overseas: 62 locations	8.8 bil JPY

Social and Relationship Capital

Number of customers: 41 thousand companies

Natural Capital

Energy use*	Water consumption*
3,652TJ	522 thousand m ³

Management Philosophy / Business Model / Business Domain / Mid-term Plan
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Our management philosophy

Business domain

Mid-term Management Plan
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* FY2025 results
† Non-consolidated values for Sintokogio, Ltd.

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

OUTPUT (as of March 2026)

Sustainable growth through capital efficiency and a solid financial base

Total shareholder return (TSR)	EBITDA to sales ratio (indicator for cash generation)
+23.7% (10 years) +2.0% (annual)	7.5%

Human resources that support sustainable growth

Ratio of female managers†	Ratio of employees taking childcare leave†
4.3%	Male: 75.8%, Female: 100%

Knowledge and experience in the material processing industry

Number of patent applications: 159 (Japan: 52; overseas: 107)

Commitment to high quality, stable production, and supply

Equipment/machine sales	Ratio of after-sales service in total sales
74.2 billion JPY	57.8%

Firm relationships with stakeholders based on cooperation and trust

Number of website visits†	IR meetings†
206 thousand visits	17 times

Reduced environmental impact

Carbon emissions	Industrial waste volume	Recycling ratio
104 thousand tons	42 thousand tons	92.7%

OUTCOMES

Sinto's contribution

- Proposals for sophisticated manufacturing without waste of resources
- Reduction of environmental burdens through our value chain

Our aim: Realization of an environmentally-friendly circulating society

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Sinto's contribution

- Providing safe, reliable, and customer-friendly products and services
- Proposals for safe and efficient manufacturing processes

Our aim: Realization of a safe, healthy, and affluent society through manufacturing

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Sinto's contribution

- Fostering safe and inclusive workplaces for diverse human resources
- Co-creation of achievement with stakeholders through manufacturing

Our aim: Realization of a society in which people experience a sense of achievement, growth, and happiness

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Materiality

In identifying material issues (materiality), we selected candidates for material issues based on our corporate philosophy, the initiatives of our mid-term management plan, and our aspirations for society in response to social issues arising from future changes in the environment. In this selection process, we analyzed and weighed issues from two perspectives: the impact of risks/opportunities in the execution of business activities, and the impact on the environment and society (double materiality assessment). Then, while discussing what value we can provide to society and what our stakeholders expect from us, we finally narrowed it down to five major items.

In line with these material issues, we will promote initiatives to solve social issues and contribute to the development of local communities. We recognize that the identified material issues are not an immutable list but should be updated in response to future changes in the environment or major shifts in business activities, and we will continue to review them on a regular basis.

Process for identifying materiality



► Environment analysis

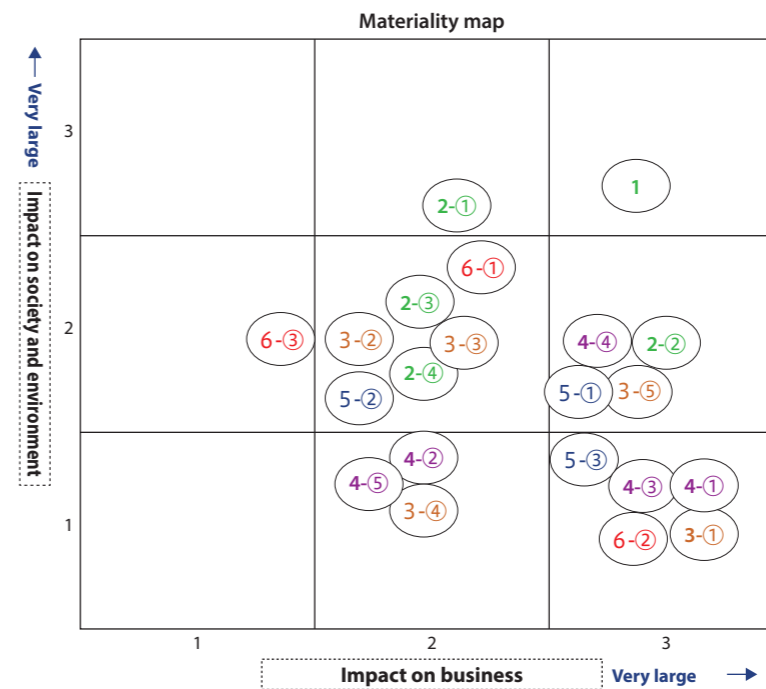
Global warming and climate change have become important social issues, while labor shortages are becoming more serious due to the declining birthrate and aging population, as well as a shrinking workforce. Furthermore, on the industrial side, DX (digital transformation) is accelerating with the spread of IoT and the development of AI, while social issues are becoming more complex and multifaceted as values diversify and geopolitical risks arise from regional conflicts. We will accurately grasp the impact on society and the risks and opportunities associated with our business activities, clarify the importance of these social issues, and boldly take on the challenge of working to resolve them.

Materiality		Climate and social impacts		Financial impact of business risks and opportunities	
				Risks	Opportunities
[E] Environment	1 Reducing greenhouse gases	<ul style="list-style-type: none"> Increasing carbon emissions <ul style="list-style-type: none"> ⇒ Global warming (average temperature rise) Heat island phenomenon Increasing heat stroke incidents Torrential rainfall/urban flooding/stunted plant growth Increasing energy consumption for cooling equipment 		<ul style="list-style-type: none"> Adoption of carbon taxes Stricter energy conservation policies Transition to low-carbon technologies Changing energy market Increasing extreme weather events Rising average temperature 	<ul style="list-style-type: none"> Improved productivity Use of renewable energy policies Expansion of low carbon emission products and services Creation of new markets
	2 Realization of a recycling-oriented society	① Measures for reducing hazardous substances	<ul style="list-style-type: none"> Air, water, ocean, and soil pollution <ul style="list-style-type: none"> ⇒ Impact on the human body Inhibition of biodiversity Ozone layer depletion 	<ul style="list-style-type: none"> Stricter laws and regulations governing hazardous chemical substances Prohibition of sale of products containing hazardous chemicals 	<ul style="list-style-type: none"> Increasing sales of environmental business products
		② Minimizing water usage	<ul style="list-style-type: none"> Depletion of water resources <ul style="list-style-type: none"> ⇒ Drought of drinking water (tap water) Land subsidence Depletion of wells 	<ul style="list-style-type: none"> Limits on water usage Suspension of factory production activities 	
		③ Advancing resource recycling	<ul style="list-style-type: none"> Depletion of limited resources <ul style="list-style-type: none"> ⇒ Depletion of fossil fuel resources (Oil, coal, natural gas, etc.) Shut down of oil and coal power plants Shortages of gasoline, kerosene, and other fuel 	<ul style="list-style-type: none"> Restricted use of fossil fuels Suspension of factory production activities 	<ul style="list-style-type: none"> Proactive development of environmental activities due to sense of ownership
[S] Society (Human Resources)	3 Management that respects employees' growth and motivation in work and life	④ Building green awareness	<ul style="list-style-type: none"> Fostering awareness of environmental issues 		<ul style="list-style-type: none"> Proactive development of environmental activities due to sense of ownership
		① Promoting One Global Sinto	<ul style="list-style-type: none"> Producing global talent through the recruitment and development of individuals capable of succeeding on the world stage 	<ul style="list-style-type: none"> Difficulty in securing global human resources 	<ul style="list-style-type: none"> Accelerating global business expansion
		② Promoting diversity	<ul style="list-style-type: none"> Fostering innovation through the utilization of a diverse workforce 	<ul style="list-style-type: none"> Increasing administrative costs, including recruitment and training costs and benefits for a diverse workforce 	<ul style="list-style-type: none"> Unique business operations driven by ideas generated from diverse perspectives
		③ Initiatives for promoting health	<ul style="list-style-type: none"> Ensuring a healthy and safe work environment and benefits for employees 	<ul style="list-style-type: none"> Increasing health insurance costs due to poor employee health conditions 	<ul style="list-style-type: none"> Company-wide revitalization through increased employee engagement
		④ Fostering a pleasant work environment	<ul style="list-style-type: none"> Improving employee engagement and reducing carbon emissions 	<ul style="list-style-type: none"> Increasing expenses due to higher energy costs 	<ul style="list-style-type: none"> Improved work environment and reduced carbon emissions through the development of in-house facilities
[S] Society (Stakeholders)	4 Building bonds with society and stakeholders	⑤ Respecting human rights	<ul style="list-style-type: none"> Aiming to enhance employee engagement and secure talent through respect for human rights and a healthy corporate culture 	<ul style="list-style-type: none"> Employee turnover due to lack of respect for human rights 	<ul style="list-style-type: none"> Enhanced company image and level of trust
		① Developing customer relationships	<ul style="list-style-type: none"> Improving the sustainability of related industries Fostering innovation through cooperation Enhancing social resilience 	<ul style="list-style-type: none"> Decreasing sales due to lower customer satisfaction Increased risk of losing business to competitors due to weakened customer relationships Increased risk of reputational damage due to delayed response 	<ul style="list-style-type: none"> Increasing customer retention Building customer trust to spread our positive image
		② Developing business partner relationships	<ul style="list-style-type: none"> Environmental impact of greenhouse gas emissions 	<ul style="list-style-type: none"> Effect of decarbonization on cost structure, reputation, and financing of companies 	<ul style="list-style-type: none"> Strengthening the supply chain
		③ Communication with shareholders/investors	<ul style="list-style-type: none"> Revitalization of the market Shareholder asset impact 	<ul style="list-style-type: none"> Acquisition risks 	<ul style="list-style-type: none"> Securing shareholder stability Increasing name recognition and credibility Improving market capitalization
		④ Respecting human rights	<ul style="list-style-type: none"> Gender discrimination Disability-based discrimination Negative impact on mental and physical health 	<ul style="list-style-type: none"> Reputational risk, fines for legal violations Difficulty in securing excellent human resources, hindering innovation 	<ul style="list-style-type: none"> Enhanced company image and level of trust
[G] Governance (Corporate Foundation)	5 Healthy and sustainable management	⑤ Contributing to local communities	<ul style="list-style-type: none"> Contributing to local human resource development Fulfilling corporate social responsibility through collaboration with educational institutions Enhancing inclusivity by embracing diverse perspectives 	<ul style="list-style-type: none"> Reputational risk Mismatch with local needs (the possibility of being perceived as "self-serving" or "hypocritical") 	<ul style="list-style-type: none"> Reinforcing stakeholder trust Improved sustainability of the local economy by increasing young people's interest in local businesses
		① Corporate governance	<ul style="list-style-type: none"> Higher share price due to improved creditworthiness and higher dividends due to improved management efficiency Lower share price due to financial losses and lower dividends due to lower management efficiency 	<ul style="list-style-type: none"> Risk of shareholder lawsuits, financial losses due to failure of risk mitigation measures 	<ul style="list-style-type: none"> Achieving financial plans
		② Compliance	<ul style="list-style-type: none"> Promoting fairness and enhancing credibility Impediments to fair practices, delisting, bankruptcy 	<ul style="list-style-type: none"> Reputation risk, fines for violations of laws and regulations 	<ul style="list-style-type: none"> Enhanced company image and level of trust
[T] Technology, Development, and Manufacturing	6 Strengthening technology and manufacturing for sustainable growth	③ Risk management	<ul style="list-style-type: none"> Higher share price through achievement of financial plans Lower share price due to financial losses 	<ul style="list-style-type: none"> Litigation risk, losses due to failure of risk mitigation measures 	<ul style="list-style-type: none"> Achieving financial plans through successful implementation of risk measures
		① New business development through combining technology	<ul style="list-style-type: none"> Stable operation of companies owning surface treatment equipment Promoting a circular economy through energy-efficient design and material processing using 3D printers Promoting DX initiatives and contributing to energy conservation through measures such as visualization of electricity use 	<ul style="list-style-type: none"> High capital investment required to introduce 3D printers and risk associated with the continued sale of printed products Intensifying competition in the DX business and concerns about cost competitiveness 	<ul style="list-style-type: none"> Expanding the scale of the surface treatment business and increasing market share
		② Stronger strategy for intellectual property	<ul style="list-style-type: none"> Providing products that reduce the burden on society and the surrounding environment, such as automation of equipment to cope with future labor shortages and casting production that can be done even in urban areas 	<ul style="list-style-type: none"> Adverse impact on business activities from imitation products Effect on business activities due to others' patents, etc. 	<ul style="list-style-type: none"> Protecting the intellectual property of our differentiated "three creations" and "five supporting technology segments," which include our existing business areas, contributing to providing reliable products to our customers
	③ Safe and reliable production	<ul style="list-style-type: none"> Achieving a safe and secure work environment 	<ul style="list-style-type: none"> Payment of compensation from lawsuits Risk of lawsuits under the Product Liability Act Loss of public trust 	<ul style="list-style-type: none"> Expanding sales by building customer trust in our products 	

► Double materiality assessment

Based on our business environment analysis and the identified risks and opportunities to our business, we performed double materiality assessment on material issues, considering both the mid-to-long-term effect on value creation as well as the impact on the environment and society.

Evaluating importance through mapping



Materiality

E [Environment]

- 1 Reducing greenhouse gases
- 2 Realization of a recycling-oriented society
 - ① Measures for reducing hazardous substances
 - ② Minimizing water usage
 - ③ Advancing resource recycling
 - ④ Building green awareness

S [Society]

- 3 Management that respects employees' growth and motivation in work and life
 - ① Promoting One Global Sinto
 - ② Promoting diversity
 - ③ Initiatives for promoting health
 - ④ Fostering a pleasant work environment
 - ⑤ Respecting human rights

G [Governance]

- 4 Building bonds with society and stakeholders
 - ① Developing customer relationships
 - ② Developing business partner relationships
 - ③ Communication with shareholders/investors
 - ④ Respecting human rights
 - ⑤ Contributing to local communities

G [Governance]

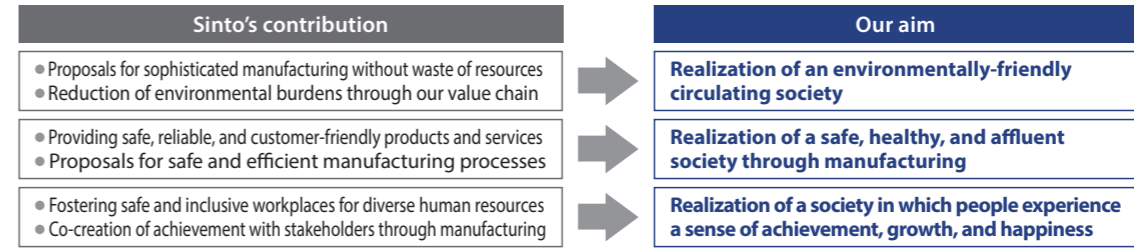
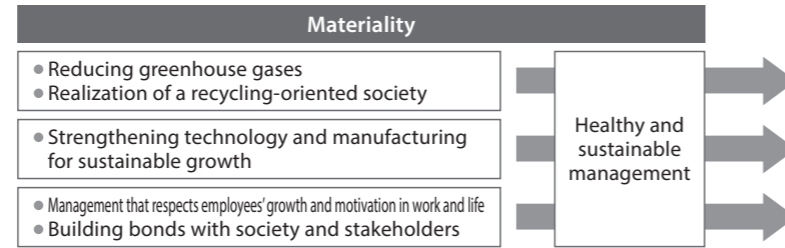
- 5 Healthy and sustainable management
 - ① Corporate governance
 - ② Compliance
 - ③ Risk management

T [Technology, Development, and Manufacturing]

- 6 Strengthening technology and manufacturing for sustainable growth
 - ① New business development through combining technology
 - ② Stronger strategy for intellectual property
 - ③ Safe and reliable production

▶ Identifying materiality

Based on our environment analysis and evaluation of important issues, we identify the material issues (materiality) for our company to work on in the mid-to-long term. In response to each materiality, to achieve our goals for contribution and our vision for the future, we set concrete actions and KPI each year and manage the progress on each item.



○ Achieved △ In progress × Not achieved

Materiality		FY2025				FY2026				Objectives to achieve
		Initiative	Key Performance Indicators (KPI)	Results	Self-evaluation	Initiative	Key Performance Indicators (KPI)	Results	Self-evaluation	
[E] Environment	1 Reducing greenhouse gases	● Scope 1: Conversion of LPG fuel to LNG fuel ● Scope 2: Reduction of power consumption ● Promote visualization of power consumption	● Scope 1 and 2: Carbon emissions: 3.45% reduction year-on-year ● Real-time visualization of first-level power consumption at each worksite ● Electricity reduction from new eco-products: 1.5% reduction ● Category 4: 1% reduction in carbon emissions (eco-logistics) Category 11: Customer contribution of 1.5% carbon emissions reduction (eco-products) Category 12: Customer contribution of 0.6t-CO ₂ /ton of carbon emissions (3R)	● Scope 2 alone: 6.3% reduction year-on-year ● All offices complete ● No results due to delayed progress ● Category 4: 18% increase year-on-year Category 11: 8% reduction year-on-year Category 12: -0.03t-CO ₂ /ton	○ ○ ×	● Scope 2: Reduction of power consumption Purchase of carbon-free electricity ● Follow-up on the implementation of the 4 levels of visualization and reduction ● Determine carbon reduction effect of eco-products ● Decide on calculation method and set targets for Scope 3	● Scope 1 and 2: Carbon emissions: 830-ton reduction year-on-year ● Contract electricity: 3% down from FY2022 ● Electricity usage: 1.5% reduction Category 4: 1% reduction in carbon emissions (eco-logistics) Category 11: Customer contribution of 1.5% carbon emissions reduction (eco-products) Category 12: Customer contribution of 0.6t-CO ₂ /ton of carbon emissions (3R) Category 6 (business travel) and 7 (commuting) aggregation conducted	● FY2050 Carbon neutrality ● FY2030 Carbon emissions volume Sinto Group: 92,200 tons/year Sintokogio, Ltd.: 20,803 tons/year ● FY2034 Carbon emissions volume Sinto Group: 73,747 tons/year Sintokogio, Ltd.: 16,639 tons/year		
		● Use dust collectors for recovery of hazardous waste ● Elimination of products containing mercury (light bulbs, batteries, etc.) ⇒ Upgrading to LED light fixtures ● Disposal of products containing low concentrations of PCBs	● Collect hazardous waste dust (including lead) using dust collectors: 0 unintended stops ● Renewal to be completed by the end of production of fluorescent lamps (March 2027) ● Proper disposal completed by April 2027	● Unintended stops: 0 cases ● LEDs in factory and office buildings: 84% ● Mercury/fluorescent light disposal: 877 kg/year	○ ○ ○	● Collect hazardous waste dust using dust collectors ● Elimination of products containing mercury (light bulbs, batteries, etc.) ⇒ Upgrading to LED light fixtures ● Disposal of products containing low concentrations of PCBs	● 0 unintended stops ● LEDs in factory and office buildings: 95% ● Disposal of products containing low concentrations of PCBs (excluding those in use)	● 0 unintended stops ● LED lighting: updating to be completed by March 2027 ● Proper disposal completed by March 2027		
	① Measures for reducing hazardous substances	● Reuse of wastewater, rainwater, and well water ● Reduce electricity use through more efficient cooling/air conditioning	● Tabulate volume of tap water/well water usage for FY2025 (Sintokogio, Ltd.)	● Tabulation completed (130,637 m ³)	○	● Establishment of the scope of water risk assessment and collection of necessary data ● Risk evaluation				
	② Minimizing water usage	● Waste reduction (3R ⇒ 5R promotion)	● Waste emissions: 5% reduction year-on-year ● Reduction of plastic cushioning material purchases	● 0.8% reduction ● Cost of purchases: 12% increase year-on-year	△ △	● Waste emissions: 5% reduction year-on-year ● Reduction of plastic cushioning material purchases	● Wood waste and waste plastic emissions: 5% reduction year-on-year ● Plastic cushioning material purchase volume: 1% reduction year-on-year	● Waste emissions volume: 5% reduction year-on-year ● Plastic cushioning material purchase volume: 1% reduction year-on-year		
[S] Society (Human Resources)	3 Management that respects employees' growth and motivation in work and life	① Promoting One Global Sinto	● Train employees based on personnel development structure	● Growth survey: 75% or more	● 72.2%	△	● Revise training program curriculum with low evaluations ● Management motivating participants	● Growth survey: 75% or more	● Growth survey: 75% or more	
		② Promoting diversity	● Develop recruitment activities to comply with statutory employment rate of persons with disabilities ● Training of candidates for female managerial positions and hiring of experienced personnel ● Explanation and development of childcare-related measures for male employees	● Employment rate of persons with disabilities: 2.5% or more (as of March 2026) ● Ratio of female managers: 5.0% or more (as of April 2026) ● Ratio of male employees who took childcare leave: 80% or more	● 2.54% ● 4.3% ● 75.8%	○ × △	● Improve working environment for persons with disabilities ● Expand the pool of female managerial candidates and recruit them ● Promote awareness of the need to encourage employees eligible for maternity leave to take it	● Employment rate of persons with disabilities: 2.7% or more (as of March 2027) ● Ratio of female managers: 5.0% or more (as of April 2027) ● Ratio of male employees who took childcare leave: 80% or more	● Employment rate of persons with disabilities: 2.7% or more ● Ratio of female managers: 5.0% or more ● Ratio of male employees who took childcare leave: 80% or more	
		③ Initiatives for promoting health	● Develop health initiatives based on the health policy	● Ratio of persons maintaining a healthy weight: 65.0% ● Ratio of sufficient sleep: 57.0% ● Ratio of regular exercise: 25.0% ● Dietary habit indicator (Sinto original indicator): 25.0%	● 58.0% ● 47.7% ● 21.8% ● 30.7%	× × × ×	● Thorough implementation of Health Promotion Day ● Hold walking events in cooperation with health insurance association ● Foster health awareness by holding health workshops	● Ratio of persons maintaining a healthy weight*: 65.0% or more *BMI: 18.5 to 24.9	● Ratio of persons maintaining a healthy weight: 65.0% or more	
		④ Fostering a pleasant work environment	● Continue work environment improvements based on Workplace Improvement Committee ideas	● Improve pavement next to truck and forklift pathways: 100%	● 20%	△	● Implement measures to improve engagement	● Engagement survey score: 3.3pt or more *Maximum 5pt	● Engagement survey score: 3.5pt or more	
		⑤ Respecting human rights	● Raise awareness for the Sinto Speak-Up System	● Publication in in-house newsletters ● Raising awareness through questionnaires	● Monthly ● Not implemented	○ ×	● Raise awareness for the Sinto Speak-Up System	● Publication in in-house newsletters: Once monthly ● Raising awareness through questionnaires: Once yearly	● Once monthly ● Once yearly	
[S] Society (Stakeholders)	4 Building bonds with society and stakeholders	① Developing customer relationships	● Strengthen construction alliances to expedite customer restoration ● Deploy predictive monitoring services for early detection of customer problems ● Provide maintenance training to improve support skills	● Expansion of alliances ● Number of IoT service subscribers for predictive and trend monitoring: 20% increase ● Skill points: 3.0pt up per sales staff	● 5 companies ● 121 companies ● 3.6-point increase	△ ○ ○	● Expand construction alliances (increase Nakama) ● Strengthen promotion of IoT services ● Hold specialized trainings by product type	● Rate of construction projects: 5% increase ● New contracts for IoT services: 20% increase ● Skill points: 3.0pt up per sales staff	● Maintain/expand number of construction projects ● Use of IoT services at 30% or more of customers ● Acquisition of sales skill Level 2 by all sales staff	
		② Developing business partner relationships	● Collect electricity usage data from Shin-boku-kai members ● Receive examples of environmental improvements from suppliers ● Introduce and distribute examples of improvements	● Collect data from 68 companies ● Number of improvement cases submitted: 4 cases ● Number of times shared: 4 times (quarterly)	● 47 companies ● 2 cases ● 3 times	△ △ △	● Distribute energy conservation and environmental improvement case studies ● Adopt reference cases (Shin-boku-kai)	● Cases distributed: 6 cases ● Cases adopted: 3 cases	● Collect electricity data from 82 Shin-boku-kai members ● Number of improvement cases submitted: 3 companies ● Number of times shared: 6 times	
		③ Communication with shareholders/investors	● Individual meetings with institutional investors ● Facility tours for individual shareholders ● Publication of integrated reports and other media	● Number of meetings: 30 companies ● Facility tours for individual shareholders	● 17 companies ● Held on February 10, 2026	○ ○	● Individual meetings with institutional investors ● Participate in IR fairs ● Conduct facility tours	● Number of meetings: 20 companies ● Participation in the Nikkei/TSE IR Fair and the NSE IR Expo ● Once for individual investors and once for institutional investors	● Stable shareholder ratio: 50% or more ● Integrated reporting award score: Achieve average level among all companies	
		④ Respecting human rights	● Raise awareness for the Sinto Speak-Up System	● Publication in in-house newsletters ● Raising awareness through questionnaires	● Monthly ● Not implemented	○ ×	● Raise awareness for the Sinto Speak-Up System	● Publication in in-house newsletters: Once monthly ● Raising awareness through surveys: Once yearly	● Publication in in-house newsletters: Once monthly ● Raising awareness through surveys: Once yearly	
		⑤ Contributing to local communities	● Safety training held at the Skill & Safety Training Center	● Number of safety trainings: 15 sessions ● Number of KYT* trainings: 5 sessions *KYT (Kiken Yochi Training): Hazard Prediction Training	● 17 sessions ● 6 sessions	○ ○	● Safety training held at the Skill & Safety Training Center ● Implement KYT training	● Number of safety trainings: 15 sessions ● Number of KYT trainings: 5 sessions	● 15 sessions ● 5 sessions	
[G] Corporate Foundation	5 Healthy and sustainable management	① Corporate governance	● Reinforce corporate governance	● External directors on the Nomination and Compensation Committee: 100% ● External director ratio for the Board of Directors: 50% or more ● External auditor ratio for the Board of Auditors: 50% or more	● 100% ● 45% ● 75%	○ × ○	● Outsourcing to a third-party organization to evaluate the effectiveness of the Board of Directors ● Establishment of criteria for independence	● External directors on the Nomination and Compensation Committee: 100% ● External director ratio for the Board of Directors: 50% or more ● External auditor ratio for the Board of Auditors: 50% or more	● External directors on the Nomination and Compensation Committee: 100% ● External director ratio for the Board of Directors: 50% or more ● External auditor ratio for the Board of Auditors: 50% or more	
		② Compliance	● Reinforce fraud prevention initiatives	● Serious noncompliance	● 0 cases	○	● Implement compliance training ● Conduct internal audits	● Sharing with employees: 100% ● Serious noncompliance: 0 cases	● Sharing with employees: 100% ● Serious noncompliance: 0 cases	
		③ Risk management	● Select key risks and strengthen measures	● Risk reduction of key risks (BCP, IT security, workplace safety)	● 1 case	△	● Comprehensive review of risks and identification of priority initiatives by the Risk Management Committee	● Percentage of risk point reduction targets achieved: 100%	● Percentage of risk point reduction targets achieved: 100%	
[T] Technology, Development and Manufacturing	6 Strengthening technology and manufacturing for sustainable growth	① New business development through combining technology	● Expand surface treatment business through technological integration with Elastikos ● Expand target materials for 3D printers ● Strengthen DX business through collaboration with sensor manufacturers	● Overall synergy target: 150 million JPY ● Adopt three new kinds of materials ● Collaboration with sensor manufacturers to enhance solutions ⇒ Partners: 5 additional companies	● Started 3D molding of two new materials ● Partners: 5 additional companies	△ ○	● Accumulate 3D molding technology with new materials ● Strengthen results through expansion of cooperative partners	● Overall synergy target: 150 million JPY ● Started to sell samples of molded products ● Cooperative partner companies: 5 additional companies	● Overall synergy target: 150 million JPY ● 3D molding with new materials, business scale of 1 billion JPY or more (as of FY2028) ● Develop 100 new client companies in the three years to FY2026	
		② Stronger strategy for intellectual property	● In addition to existing business domain, patent analysis and patent network development in collaboration with business divisions on key themes in new supporting technology segments ● Continue and strengthen monitoring of other party patent rights, etc. (patent monitoring for new fields in addition to standard monitoring activities)	● Percentage of patent applications for priority themes in all fields: 80% (second year cumulative) ● Addition of key monitoring areas: 4 themes	● Achievement rate of applications for key themes: 80% (second year cumulative) ● 3 themes completed (1 theme awaiting development status)	○ △	● In addition to existing business domain, patent analysis and patent network development in collaboration with business divisions on key themes in new supporting technology segments ● Continue and strengthen monitoring of other party patent rights, etc. (patent monitoring for new fields in addition to standard monitoring activities)	● Percentage of patent applications for priority themes in all fields: 100% achieved (third year cumulative) ● Addition of key monitoring areas: 4 themes	● Continued patent network development based on key themes ● Sufficient patent risk monitoring for new business segments	
		③ Safe and reliable products	● Safety Assessor training ● Conduct risk assessments for all products sold	● Safety Assessors certified: 17 persons/year ● Percentage of risk assessment conducted: 100%	● 8 persons certified ● Percentage of risk assessment conducted: 100%	△ ○	● Safety Assessor training ● Conduct risk assessments for all products sold	● Safety Assessors certified: 15 persons/year ● Percentage of risk assessment conducted: 100%	● Safety Assessors certified: 17 persons/year ● Percentage of risk assessment conducted: 100%	

Mid-term Management Plan

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

The world is entering an era of great change due to diversification of values and changes in the economic environment, including a major transformation of the automotive industry with the shift to EVs, the declining birthrate and aging population, and advances in information technology. Under these circumstances, with the hope of cherishing manufacturing and contributing to society, the Sinto Group formulated a 3-year mid-term management plan for the period from April 2024 to March 2027. The mid-term plan is entitled "Co-creation for New Value," with the aim of pioneering the future by sharing wisdom, refining technologies, and creating new value together with our "Nakama"* around the world to solve global issues.



As part of this plan, we will achieve sustainable growth by creating new business together with our Nakama. As a KGI for these initiatives, we aim to achieve an EBITDA margin of 8% or more through cost reduction, improved work efficiency, providing value-added products, strengthening our marketing strategies, and more, while valuing our relationships of trust with each and every customer. We will come together as one to succeed in these efforts, ultimately increasing the profitability and efficiency of the company.

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

► Outline of the Mid-term Management Plan

To always be chosen by customers

1 Growth for a new era

Initiatives to resolve customer issues through after-sales service

Number of new customers
+3,900 companies

2 Reducing costs and increasing added value to become more competitive

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

Parts coverage ratio
5pt up

3 Improved work efficiency through use of IT and AI

Increase competitiveness per person through enhanced efficiency and skill improvement

Gross margin ratio
3pt up

Added value amount per person
10% up

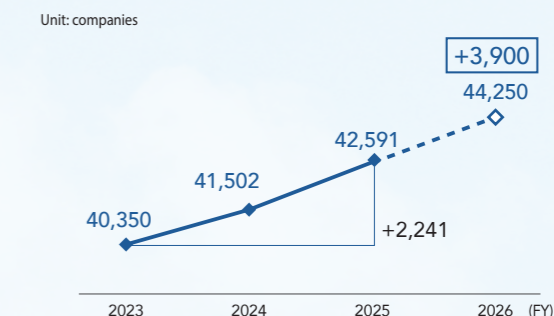
EBITDA margin of 8%+

► Looking back on the first two years of the mid-term plan

To always be chosen by customers

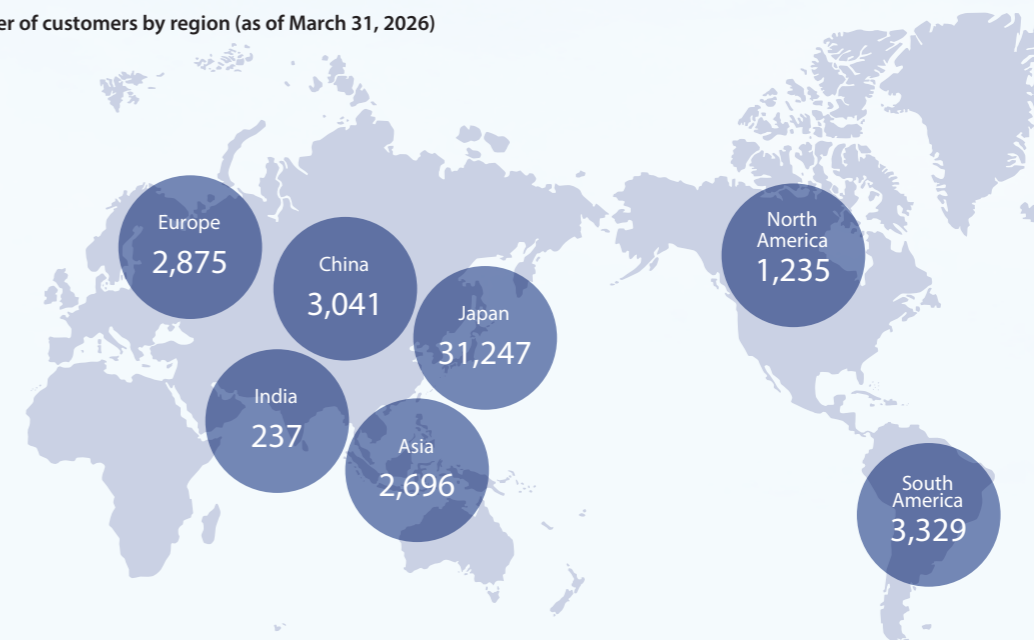
The number of customers is an extremely important indicator (KGI) that we want to continue to grow even amid the changing era and business environment. To always be chosen by customers, we are continuously refining our abilities for "customer-oriented proposals," "immediate response," and "being a good advisor." Taking care of each and every customer through these actions will result in increased corporate value. Specifically, it is important to build win-win relationships through our products and services. As part of these efforts to achieve sustainable growth for both parties and increase corporate value, the number of new customers increased by 2,241 companies in the second year of the mid-term management plan.

Number of new customers

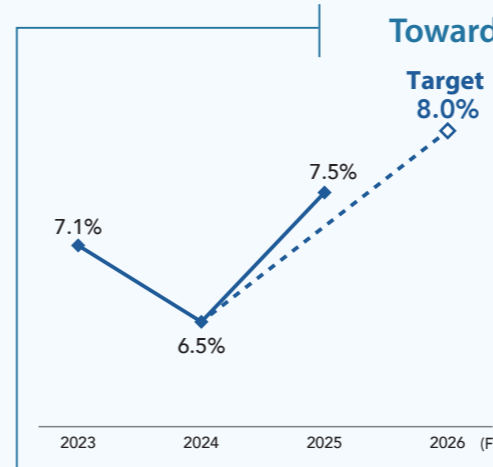


*The number of customers shown here has been consolidated and adjusted retroactively based on target customers for aggregation in FY2023.

Number of customers by region (as of March 31, 2026)



Toward EBITDA margin of 8%+

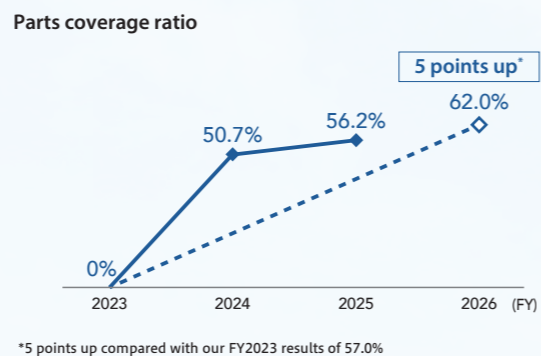


In our mid-term management plan, we aim to strengthen our ability to generate cash. In FY2024, we redefined our business domain of "giving form and life to process materials" and reorganized the framework of the material creation segment, form creation segment, and surface creation segment, and the five supporting technology segments that support them, clarifying the fields that are aiming for growth in the future. In FY2025, we used the cash generated to aggressively invest in growth areas and take on challenges, and these efforts are continuing and developing even now. Through these initiatives, we aim to create a virtuous cycle of cash generation and stabilize our earnings base by leveraging our unique support network and taking care of each and every customer. Through these efforts, we will strive to achieve an EBITDA margin of 8% or more, secure operating income, and improve ROE.

1 Growth for a new era

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

At Sinto, we do not just take care of new customers, but rather we consider our relationships with existing customers as one of our most important assets. We place particular emphasis on our policy of not just selling the equipment we deliver but also providing total support. In other words, we work closely with each of our customers to resolve every one of their issues, aiming to receive their gratitude in return. Our ultimate goal starting with this after-sales service is a future in which we come together with customers who put their trust in us, sharing knowledge and wisdom to create products that open up a new era together, thereby solidifying a stable revenue base. These are the thoughts behind the current mid-term plan, with parts coverage ratio as the KGI for strengthening our after-sales service. The results for this year were a parts coverage ratio of 56.2%.

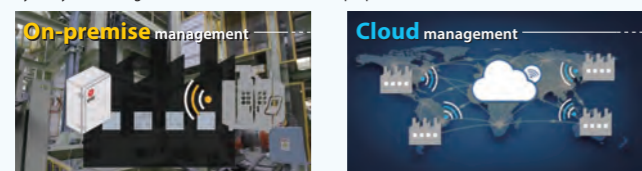


2 Reducing costs and increasing added value to become more competitive

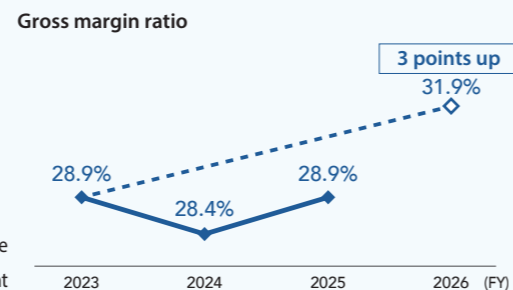
Customer needs Automation for labor savings | Utilization of IT for streamlining | Environmental measures
Commitment Expand margin range (gross profit) by adding value (increasing selling price) and reducing cost (increasing competitiveness)

We will strive to strengthen our competitiveness over our competitors through cost reduction and value-added improvement efforts. On top of providing lower-cost and higher-value manufacturing, we believe that the most important competitive advantage is to provide products that satisfy our customers. In this mid-term plan, we have expanded sales of fire prevention systems, and we have developed system products that reduce man-hours and equipment that eliminates defects in customers' factories. As a result, the gross margin ratio came to 28.9%.

C-BOX
 By easily connecting various sensors and devices, we propose solutions to resolve our customers' issues.



We are making proposals for labor savings in factories in response to the decline in the working population. We develop and market products that assist in the independent operation of facilities, such as using IoT sensing technology to automatically determine abnormalities and automatically adjust and replenish supplies.



3 Improved work efficiency through use of IT and AI

Increasing skills Each individual develops their own abilities to increase competitiveness
Efficiency through digital technology Thoroughly increase efficiency by utilizing digital technology to achieve timely operations
 (Shorten lead time by utilizing 3D data
 • Eliminate aggregation work by using RPA
 • Analyze with AI etc.)

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

Worksite improvements

Led especially by improvement promotion departments, we are working on worksite improvements for increased productivity and quality across departments. Based on the philosophy of "complete elimination of overburden, unevenness, and waste (three Ms)" adopted from the NPS Study Group, we thoroughly confirm the actual conditions on the actual worksite, creating a structure for implementing improvements.

Improvement activities are done in tiers of overall plant inspections, smaller-scale area inspections, and individual line inspections to identify issues and solutions. In particular, for the line inspections, the designated business division trainers for 43 production lines lead trainings for both the worksite and back office together. In doing so, we create a structure for implementing improvements, thoroughly carrying out the practices, holding educational activities to reinforce understanding, and achieving concrete results, for a continuous improvement cycle.

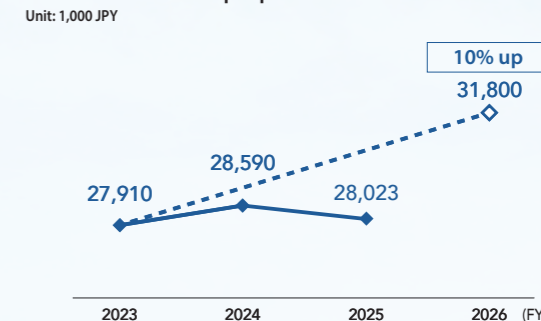
These improvements are not only limited to production sites. Overall work processes including office work are reviewed, and we promote enhanced efficiency through the standardization and streamlining of work.

Furthermore, based on this integration of work processes built through improvement activities, by adopting and utilizing digital technologies in phases, we are aiming to achieve an even higher level of work efficiency.

Office improvements

The BIP Promotion Group, launched in FY2024, is a project to laterally deploy improvements implemented by each division and to discover examples of improvements through exchanges with other companies, among other activities. Currently, about 200 people in 12 divisions participate in the activities, which are becoming even more active. Improvement examples are deployed throughout the company and utilized laterally in various workplaces to help employees motivate each other and instigate further improvements.

Added value amount per person



Worksite improvement activities

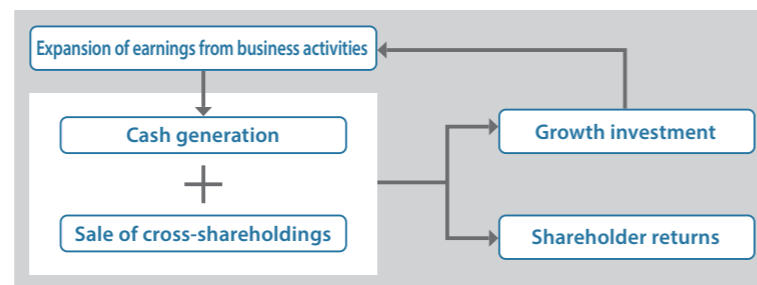


BIP Promotion Group information exchange gathering

Financial Strategy

Basic policy

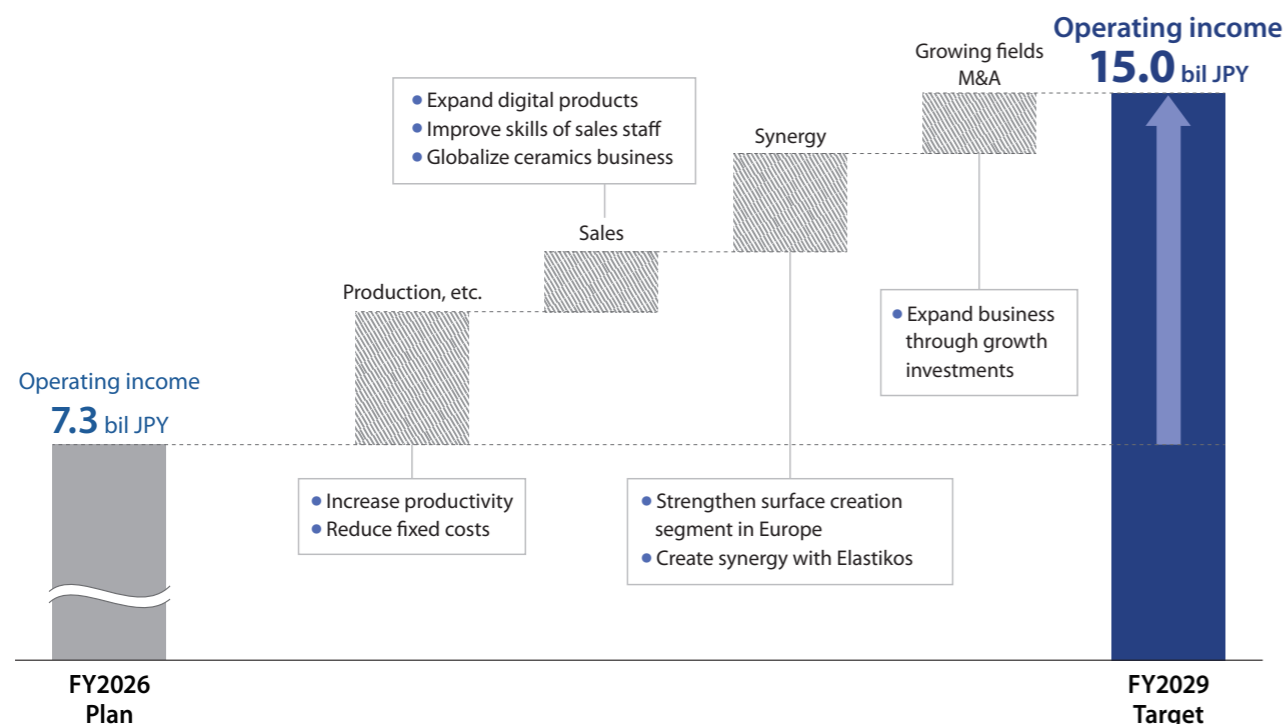
To increase corporate value and provide shareholders with long-term and stable profit returns, our financial strategy is to continue to prioritize strategic investments for M&A, capital investment, R&D, human capital, and sustainable growth.



Initiatives for achieving EBITDA margin of 12% and 15.0 billion JPY in operating income

To steadily promote our growth strategy considering changes in the business environment and our earnings situation, we made the decision to record an impairment loss on all goodwill and fixed assets related to the acquisition of Elastikos (France) in 2024. This impairment loss will put a stop to the sluggish business results of recent years, and we consider it as an opportunity to shift to business management focused on capital efficiency. From now, we will accelerate a new growth strategy by achieving growth as well as returns. Through this growth strategy, for the final year of the next mid-term management plan (FY2029), we aim to achieve EBITDA margin of 12%. Through this, we hope to reach an operating income target of 15.0 billion JPY, and as a result of enhanced capital efficiency, ROE of 8%.

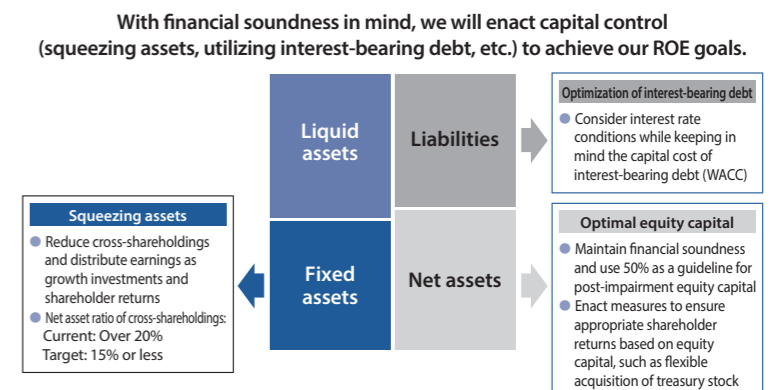
To achieve this, we will increase productivity by reducing costs, further digitalize after-sales service, and create synergy for equipment and after-sales service through 3-in-1 activities using the Elastikos network, developing in new business fields to secure profits. Additionally, the operating cashflow generated through these initiatives will be fully used for growth investment and shareholder returns, in our efforts to ensure the efficient use of capital.



Balance sheet improvement (capital efficiency)

We are continuously working to improve our balance sheet in order to sustainably increase our corporate value and strengthen our financial base. As part of these efforts, we are systematically implementing measures that contribute to the improvement of capital efficiency. First, from the perspective of strengthening governance and improving capital efficiency, we are aiming to reduce the net asset ratio of cross-shareholdings to 15% or less by reexamining the purpose for which they are held. The proceeds from the sale of these cross-shareholdings will be used for growth investment and shareholder returns to improve ROE and other financial indicators.

Additionally, along with properly managing and utilizing interest-bearing debt, reducing the interest burden, and adjusting the short- and long-term balance, we will strengthen our financial soundness and flexibility, with a target shareholders' equity ratio of 50%.

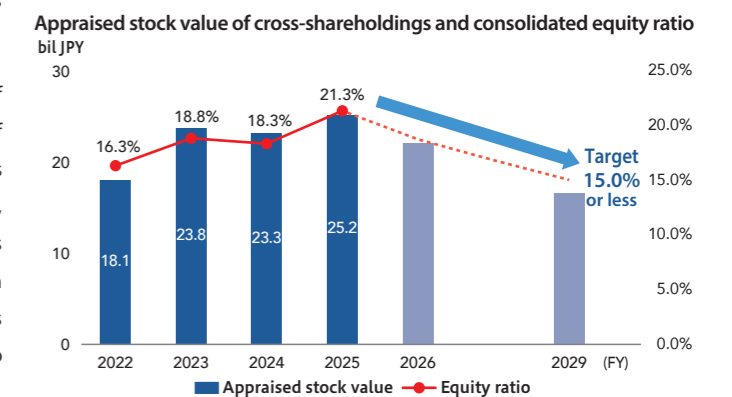


Sustainable growth through efficient use of capital

As a measure to enhance corporate value, we are focusing on expanding growth investments through the efficient use of capital. In addition to operating cashflow generated from business activities, from the perspective of capital efficiency, we will convert our investment securities holdings into cash as needed. These funds will be used within the scope of depreciation and amortization for investments to improve existing businesses as well as M&A and capital investment for growth.

For cross-shareholdings, taking into account the overall business strategy and relationships with business partners, we are also considering the option of gradually selling our shareholdings from the perspective of capital efficiency. Once every year, the Board of Directors also reviews the appropriateness of holding the entire listed cross-shareholdings by comparing the risk of reducing the shareholdings in light of the cost of capital with the benefits associated with holding the shares (business income, dividends, capital gains, etc.).

We will further reduce our cross-shareholdings with the target of net asset ratio of 15% or less by FY2029, with the ultimate goal of improving our capital efficiency. Funds generated from these sales will be strategically used for growth investment. As one example, we are proceeding with the construction of a facility for the mass production of metal and ceramic parts using 3D printers, and we plan to establish a structure to manufacture high-value-added products mainly for data centers. The total cost of this project is projected to be 10 billion JPY.



Policy on shareholder returns

Our basic policy for shareholder returns has always been to link dividend payments to business performance based on stable dividends and an increase in consolidated net income. We will pay dividends while remaining conscious of DOE and return profits to shareholders in consideration of the shareholders' equity ratio. For FY2026, we plan to pay a full-year dividend of 48 JPY (increase of 4 JPY), with an expected payout ratio of 45.2%. With an eye to further enhancing shareholder returns through profit growth, we aim to achieve a P/B ratio of 1x or more by striking a balance between investment in sustainable growth and stable profit returns.

