

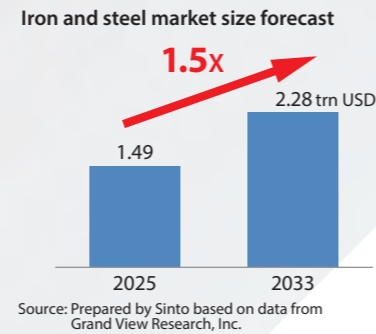
Strategy 1

Business domain: Giving form and life to process materials

Our business began with casting production, and we have developed the “form creation segment” through providing foundry equipment. After this, based on the idea of “giving form and life to process materials,” we developed into the “surface creation segment” through surface treatment processes such as sand removal from casting surfaces. Finally, we expanded our business to the “material creation segment” as we developed materials for advanced manufacturing. We are redefining our business domain based on these “three creations” supported by “five supporting technology segments,” and we are developing it across various sectors, from metal materials such as iron and aluminum, to ceramics and beyond.

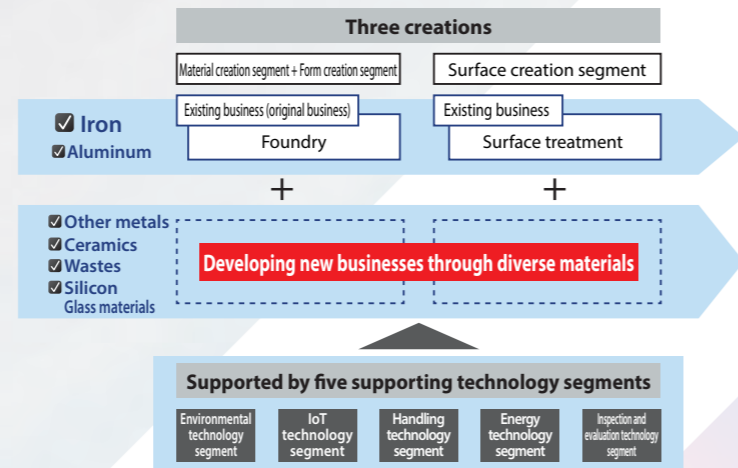
▶ Stability of demand in the iron market

Iron is a key material that supports a wide range of industries, and as an indispensable material in both society and industry, stable trends are forecasted for the mid-to-long term. In addition, on the back of infrastructure investment and expanding industrial activities, continued demand is expected. We will use this stable market environment as a foundation for our business, to continue to secure profitable opportunities in the future.



▶ Developing in growth markets with various materials

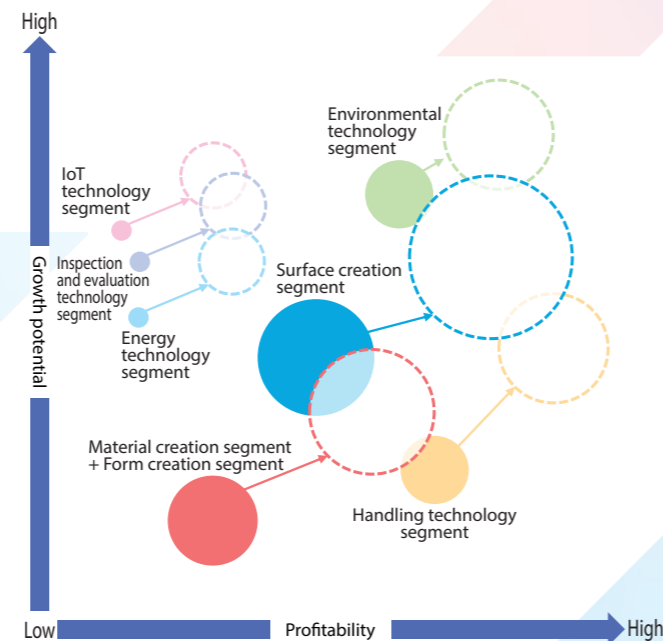
In the future, by applying the technologies originally used for iron in our existing foundry and surface treatment businesses, we will expand our range of materials to include ceramics and silicon as well as waste materials. Utilizing our global customer base developed through our foundry business, we will accelerate our entry into the global market. One example of this is the development of our ceramics business from global cooperation through Sinto Advanced Ceramics (see P.33). Furthermore, we will continue to refine our existing businesses while making proactive and apt investments in new ventures, thereby achieving both the expansion of our business domain and the strengthening of our revenue base. Through these initiatives, we will expand into growing markets while contributing to the resolution of social issues.



▶ Business portfolio strategy

From this perspective, our business portfolio is organized into existing and new businesses based on the three segments of material creation, form creation, and surface creation, and we are pursuing strategies tailored to the characteristics of each. In existing businesses, we will strengthen profitability by improving productivity and upgrading value-added products based on a stable revenue base. Meanwhile, we will aggressively invest in new businesses based on their market growth potential and nurture them as mid-to-long-term growth drivers. Furthermore, we will clarify the positioning of the “five supporting technology segments” based on growth potential and profitability, and we will allocate resources appropriately to achieve sustainable growth and improve corporate value.

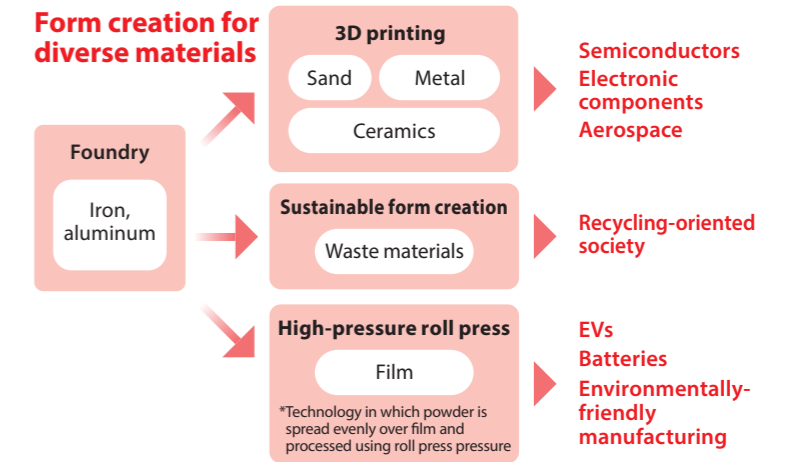
Business domain	Description, main products
Material creation segment + Form creation segment	Foundry business, 3D printing business
Surface creation segment	Blasting machines, polishing and laser processing equipment
Environmental technology segment	Dust collection equipment, gas treatment equipment, water treatment equipment
IoT technology segment	IoT products that contribute to visualization of data in factories
Handling technology segment	Handling/transport systems, force sensors
Energy technology segment	Electric cylinders, servo presses
Inspection and evaluation technology segment	Testing and high-precision measurement equipment



Material creation segment + Form creation segment

In foundry, our original business, we have earned a high level of recognition and trust over the years. Now, utilizing our technologies and network, we are taking on the challenge of providing new form creation that transcends conventional boundaries. “Form creation” refers not only to the creation of product forms, but also to a comprehensive approach to creating high-value-added products using iron and various other materials, with foundry technology as a starting point. Our goal is to expand the possibilities of iron casting and provide new value to society and our customers while maximizing the use of existing technologies and networks. In addition to “form creation,” we are also engaged in “material creation” to provide state-of-the-art materials, enabling us to offer optimal manufacturing solutions.

Expanding possibilities in materials through the form creation segment



▶ Making better castings

Target materials: Iron, aluminum
Field contribution: Wide variety of fields including automotive, iron and steel, industrial machinery, etc.

As a technique that allows us to freely form iron into any shape, casting production was and still is an essential industry. However, with the changing times, the business environment around casting has also shifted, and combined with concerns about environmental impact, factories located in towns have been pushed out to the suburbs. Under the vision of “making better castings,” we aim to enhance the potential of castings and to create foundries that “can make castings in the middle of town,” a catchphrase that expresses our desire to be useful not only to the people who work there but also to the residents of the surrounding community.

At the time of our founding, we took on the challenge of mechanizing the foundry and completed the first domestically-produced molding machine. Since then, we have built a history of form creation in foundry by constantly developing original technologies that add high value to casting products, to achieve our goal of “making better castings.” Through these activities, 6,077 customers* use our foundry equipment around the world.

*Number of customers as of the end of March 2026

We have formulated a five-step evolutionary process to make better castings to respond to the shifts that the foundry industry has been facing in recent years: a material shift from iron to aluminum, a regional shift to move production bases to areas of demand, and a needs shift toward higher-precision casting quality. As we move toward more advanced foundry systems, we are investing in producing zero waste or recycling waste for further form creation, thereby differentiating ourselves from our competitors.

Five steps of evolution toward “making better castings”

- 1 Supporting stable operations**
We support casting production that meets customers' needs.
- 2 Realizing high-precision castings**
We use advanced technologies to produce high-precision castings.
- 3 Improving the work environment**
We contribute to a safe and comfortable work environment.
- 4 Considering the local community**
We reduce waste and noise, acting as a good neighbor.

5 Being used as a community resource

We turn foundry plants into community resources welcomed by local residents.
Creating foundry plants that are recognized by the local community

Examples of ideas to bring joy to the local community

- Sandboxes for children using recycled casting sand*
- Greenhouses using heat generated by factories

*Sand used to make sand molds for castings

Form creation **Material creation** **3D printing (additive manufacturing)**

Target materials Ceramics, metals, sand, plastics, etc.
Field contribution Semiconductors, electronic components, aerospace, medical

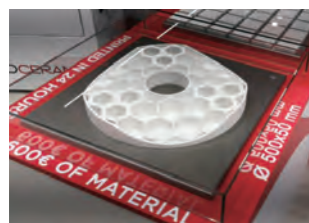
3D printers are in the spotlight as a next-generation manufacturing technology. Our focus is form creation using a wide variety of materials through the use of 3D printing technology. We contribute to environmentally-friendly manufacturing by reducing waste generation through solutions using less energy and fewer resources, and also by reusing waste.

Strengthening the ceramics business

Ceramics have excellent hardness, heat resistance, corrosion resistance, and electrical insulation properties, but their high hardness also makes machining difficult. Our 3D printing technology is expected to help solve these challenges and play an active role in a wide range of growth areas. Not just limited to form creation, our ceramics powders are used in material creation, and we propose the optimal materials for each application.

Supporting large and small items, from prototyping to mass production

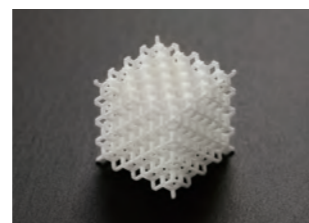
We provide a full range of services from material selection, design proposals, and 3D printing method selection to molding, sintering, inspection, and other manufacturing processes to meet the needs of our customers.



Satellite mirror component with a diameter of 50 cm



Sample with a minimum hole diameter of 0.3 mm



Sample of a complex internal lattice structure



Hollow and monolithically molded semiconductor wafer transfer hand

Monolithic forming of hollow and complex shapes

3D printing enables the manufacture of complex-shaped products that are difficult to handle with conventional molding technology, as well as hollow structured products that are lighter in weight and more highly functional.

Taking on challenges in growth areas

Semiconductors and electronic components

These ceramic parts for semiconductor manufacturing equipment have a long service life due to their high hardness and excellent wear resistance, and their hollow structure enables them to be lightweight.



Suction tables utilized in semiconductor manufacturing equipment

Aerospace

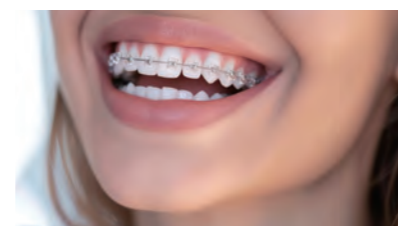
A Sinto Group company in the U.S. was selected by NASA as a company to support space exposure experiments. If the 3D printer samples we provide are evaluated as effective in the harsh environment of outer space, we expect to be able to apply this technology to manufacturing a wide variety of parts.



Large 3D printer for ceramics

Medical

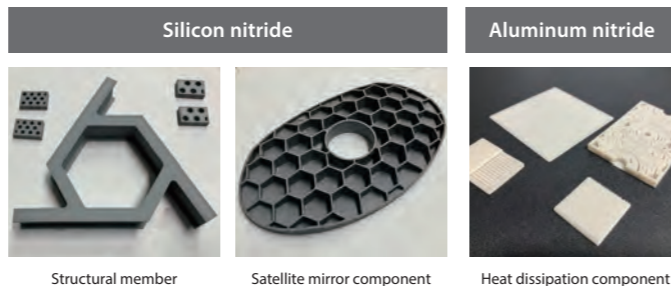
The excellent properties of ceramics are utilized to create complex shapes with high precision and high reliability. We provide custom-made, one-of-a-kind products tailored to each patient with short delivery times.



Orthodontic (wired) bridges

Focus on non-oxide ceramics in addition to conventional alumina

From FY2025, in addition to conventional oxide ceramics (mainly alumina), we began manufacturing with non-oxide ceramics such as silicon carbide, silicon nitride, and aluminum nitride. As non-oxide ceramics find expanding adoption in aerospace, medical, and semiconductor manufacturing applications in Europe and the United States, the Sinto Group is promoting the development of products that take advantage of hollow and complex shapes. Through these efforts, we aim to further develop our business by expanding into growing markets.



Structural member Satellite mirror component Heat dissipation component

Value creation through collaboration with our Nakama

Case 1 Acquisition of German 3D printing business
Strengthening global development of ceramics business through cooperation spanning Japan, Europe, and the United States

In November 2025, we acquired Bosch Advanced Ceramics ("BAC"), a 3D printing contract manufacturing business for high-precision ceramic components developed by Bosch Business Innovations GmbH. This acquisition is intended to accelerate the global development of ceramic products and strengthen our manufacturing base centered on additive manufacturing technology. Thus, we established a new company, Sinto Advanced Ceramics Europe, to inherit BAC's business, followed by the establishment of Sinto Advanced Ceramics USA, a production base in the United States. In Japan, our domestic group company Sinto V-Cerax was renamed Sinto Advanced Ceramics to unify the group company names in Japan, Europe, and the United States. Through this, we are further strengthening global technological collaboration by integrating the molding technology, additive manufacturing technology, and design and materials technology possessed by our core centers in each region.



Signing ceremony

Case 2 3D printing for a wide variety of materials

We have concluded an exclusive distribution agreement in Japan with Exentis, a manufacturer of 3D printers used for mass production, and are deploying this technology to form creation using a wide variety of materials. Their 3D printing technology is capable of manufacturing products of fine, complex shapes with high precision and in a short time. Supporting a wide range of materials, including metallic, ceramic, plastic, and bio-based raw materials, and through collaboration with Exentis, we will focus on developing our business in a wider range of fields.



Products made using an Exentis 3D printer

Form creation **Form creation for the future using waste materials**

Target materials Waste materials

In the future, we will also focus on form creation that reuses materials that were previously considered waste. For example, we are working on the development of a 3D printer that utilizes wood scrap (sawdust) produced when cutting wood with a saw. In this way, we are promoting form creation for the future that contributes to the realization of carbon neutrality by giving new value to materials that were previously discarded and transforming them into value-added products.



Samples made from waste sawdust

Form creation **High-pressure roll presses**

Target materials Film **Field contribution** EVs, batteries

With our high-pressure roll press technology capable of processing continuous sheet materials, we are opening up new possibilities in form creation. This technology is capable of various kinds of pressing treatment, performing consistently at speeds of 100 meters per minute, including compression of rechargeable battery electrodes used in EVs, as well as laminating films together or films with metal foils, and forming powders arranged on films. This enables stable, high-quality manufacturing for rechargeable batteries and flexible circuit boards, contributing to improving productivity and product quality. Furthermore, we are the only company in the industry to offer an all-electric roll press. Since no operating oil is used, this eliminates the risk of leaks and standby noise, vastly improving the work environment and contributing to improved product reliability and stability.

In addition, because this technology helps to reduce carbon emissions during the manufacturing process, we expect to see further expansion as a technology that responds to demand for environmentally-friendly manufacturing processes especially in the European market, where environmental restrictions are only becoming stricter.

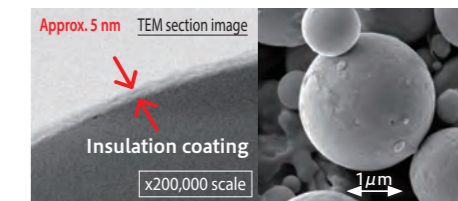


High-pressure roll press

Material creation **Soft magnetic metal powder**

Field contribution Semiconductors, electronic components

Based on the manufacturing technologies that we have cultivated over the years for abrasives used in surface treatment, we have been pursuing the microparticulation and stabilization of soft magnetic metal powders to provide them at the micron level. These powders are used as core materials in electronic components supporting high-speed, compact, and high-frequency communication in electronic devices, automobiles, and other applications. In recent years, demand has been growing across many markets as data volumes increase with the spread of generative AI and 5G communications. Electronic components have shifted from conventional ferrite to metal powder materials for inductors and other applications, increasing the need for high magnetic properties, fine powder, and insulation coating technology. As one of the key materials in electronic components to meet these needs, our soft magnetic metal powders are expected to see increased demand in the future.





Surface creation segment

Our “surface creation” began with removing sand, impurities, and burrs from castings using blasting technology.* It has since evolved to meet the needs of the times and changes in the industrial structure. We have now expanded our surface creation business domain to include micromachining to form small holes and grooves in surfaces, surface conditioning for harder and longer-lasting surfaces, and joining of dissimilar materials such as metals and resins. In addition, to expand our range of processes suitable for various materials, we are developing new laser-based surface treatment methods to complement our conventional blasting processes, and we are also working to provide solutions through composite processing that combines multiple processing technologies.

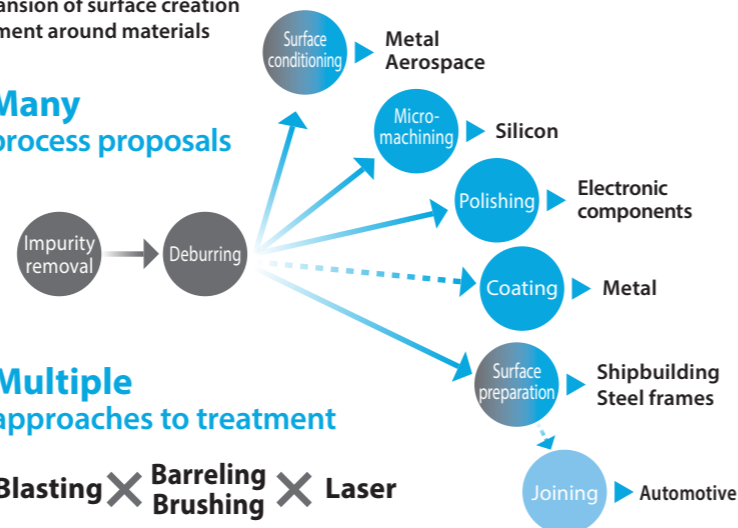
*Processing method that shoots metal spheres (abrasives) against the surface of workpieces

Expansion of surface creation segment around materials

Many process proposals

Multiple approaches to treatment

Blasting X Barreling X Laser



► Laser processing

While previously we have primarily used blasting, we are now adopting new surface processing methods exposing surfaces to laser light. These methods boast high-speed, high-precision, and non-contact processing that limits damage to surfaces, and they are also environmentally friendly as they do not generate waste. Laser processing is being used in many growing fields.

■ Aerospace

Parts used in aerospace fields require high precision and durability. Laser peening and shot peening are used to improve the strength, durability, and reliability of important parts such as turbine blades. Laser cleaning is also used for surface treatment such as cleaning parts and removing deposits from surfaces.

■ Semiconductor and electronic components

With the rapid growth of AI, there has been heightened demand for next-generation semiconductors used in data centers and for communications parts. Processing using UV nanosecond and UV picosecond lasers enables precise and stable micromachining at the micron level.

■ Medical

Lasers can be used for non-contact processing, enabling precision processing while maintaining sterile conditions. Laser processing is utilized in the production of equipment used in medical settings, and high-precision, high-durability laser marking is also used for traceability of advanced medical parts and medicine tablets.

Examples of laser processing



Example application of laser peening process (turbine blades for aircraft)



Rust removal using laser cleaning, before (left) and after (right) treatment



Example of laser marking

► Surface conditioning

By exposing the surface of materials to laser light, this process improves surfaces by applying compressive residual stress to surface layers. This enables treatment limited to very small areas (hole edges, gear valleys, etc.) without affecting the product surface, and service life improvement can be expected due to deeper stress application. For example, high safety and reliability are required in the aerospace industry. The key to this is to achieve both light weight and high durability. Rather than making materials thicker and heavier, our technology for strengthening surfaces extends the service life of components and contributes to weight reduction, allowing us to expand to applications in fields where future growth is expected, such as the aerospace and aviation sectors.

Target materials Metals
Field contribution Aerospace



Laser peening process

► Micromachining

Our micromachining technology enables micron-level precision machining of grooves and holes in hard-to-process materials such as glass, silicon wafers, and ceramics. Now, with the advance of digitalization, this technology is being adopted in the electronics and precision components industries, which are expected to see continued growth. In the pin machining of ceramic electrostatic chucks used in semiconductor manufacturing processes, the use of quantitative injection control technology to achieve uniform pin height with high accuracy helps to maintain uniform silicon wafer temperatures and contributes to the stability of film deposition quality.

Additionally, with our unique developing technology, we enable uniquely precise, high-aspect-ratio development for thick dry films. With the spread of AI, increasing demand for GPUs and other components is predicted, and we expect our technologies to be used in processes such as pillar forming for power semiconductor substrates.

Target materials Glass, silicon, ceramics
Field contribution Semiconductors, electronic components



Example of developing process

► Joining of dissimilar materials

Our joining technology directly bonds different materials using nano-level surface roughness without adhesives, freely combining the inherent properties of dissimilar materials such as metals and resins to create products with new functions and performance, such as heat dissipation, airtightness, and magnetism, in addition to weight reduction. This technology will play a crucial role in fields such as EVs and autonomous driving, where electrification is a trend expected to grow in the future.

Target materials Metal and resins
Field contribution EVs



Joined metal and resin sample

► Composite processing

Along with proposals for form creation through 3D printers using metal additive manufacturing (metal AM), by combining these technologies with our long years of surface treatment expertise, we are able to resolve issues faced by metal AM such as surface roughness and strength, promoting high-value-added manufacturing. For example, by using our barrel polishing and peening technologies together, we can introduce our original “barrel peening” method to both smoothen and strengthen surfaces, to expand the range of applications for new molding methods such as additive machining.



Metal AM sample before (left) and after (right) surface treatment

Value creation through collaboration with our Nakama

Case ① Expansion of our laser business through collaboration with partners

We are strengthening our long-lasting ties with LASERAX and expanding sales of laser machining equipment through our Laser Solution Lab, which was established in Aichi Prefecture in FY2025. LASERAX's equipment has the advantage of high output and high precision and can support integrated services from test machining to contract processing. Through this initiative, we are expanding the scope of surface treatment using lasers by developing into growing markets such as medical equipment, semiconductors and electronic components, and the automotive field.



Laser Solution Lab opened at Oharu Works

Case ② Problem solving and value enhancement through integration of metal AM and surface treatment technologies

Together with SOLIZE, we are collaborating to expand metal AM prototype manufacturing and contract production. By combining the metal AM technology of SOLIZE with our surface treatment technology, we are pursuing the resolution of issues such as strength and surface roughness of molded products and the production of high-value-added products. By providing design, modeling, and surface treatment in an integrated manner, we are improving quality, reducing costs, and expanding applications to realize sustainable manufacturing.



Samples of SOLIZE 3D printed products processed with our surface treatment

► Synergy strategy with Elastikos

In 2024, we acquired Elastikos, a French company engaged in the surface treatment-related consumables business. This is a strategic initiative aimed at sustainable growth of the surface treatment business and strengthening its competitiveness on a global scale. By combining the strengths of both companies, we will further increase customer value and strengthen our business foundation.

Aim of the acquisition

1 Expand customer base

Elastikos is a consumables manufacturer with sales to approximately 10,000 customers worldwide, building a stable customer base, especially in emerging markets such as India. With this acquisition, we are expanding our business by attracting new customers and strengthening our access across many geographic areas. This will greatly expand customer contacts in the surface treatment business, deepen our understanding of customers' issues and needs, and create future opportunities for proposals (cross-selling) of related products such as equipment and after-sales service.

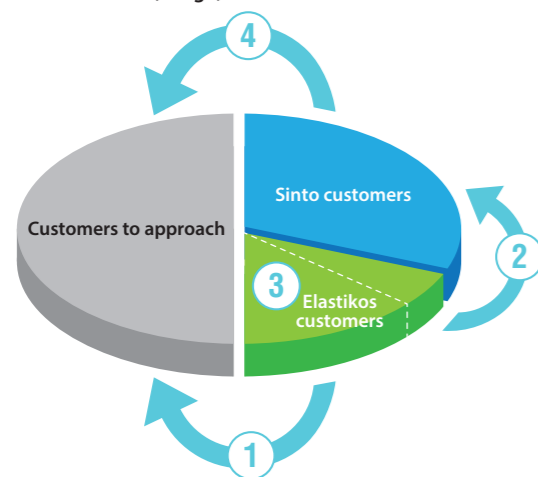
2 Reduce cost of capital

This acquisition is positioned as a growth strategy as well as a capital policy aimed at strengthening our financial base. By leveraging the stable cashflow generated by the consumables business, we aim to optimize our procurement structure and reduce our cost of capital from 7.0% to around 6.5%. Cash generated from the acquisition will be used to secure liquidity on hand to fund stock acquisitions and refinance existing debt, thereby achieving both financial soundness and capital efficiency.

Synergy strategy with Elastikos

Utilizing the customer database of both companies, we aim to respond to the needs of our existing 40,000 customers around the world through integrated 3-in-1 activities. We will also work together to acquire new customers, regardless of the business field or application.

Abrasives market share (image)



- ① On top of our strong support system, we will use Elastikos's network to approach new markets.
- ② For existing Elastikos customers, we will create opportunities for use beyond abrasives, such as equipment and after-sales service.
- ③ Elastikos will make proposals from new perspectives to respond to the various needs of their existing customers.
- ④ We will strengthen our development in the peening and precision processing markets using our differentiated technologies and know-how.

Objectives

Our long-term goal is to increase sales per customer by 1.5 times in Europe and Asia, and to double the number of customers in North America. We strive to be #1 in both sales volume and global market share.



Five supporting technology segments

Along with supporting our "three creations" and enabling the development of our business, these "five supporting technology segments" resolve issues faced by our customers and stakeholders, contributing to the advance of society.

Environmental technology segment

Enabling workers' health, safety, and comfort

Through our environmental technologies developed from pollution prevention in factories, such as dust collection, gas treatment, and water treatment, we are making efforts to create a work environment that is not only safe and healthy for workers but also comfortable. A safe and comfortable environment creates a place in which all workers can thrive, and it also reduces the risks surrounding the company.

Advanced fire countermeasure systems

Conventionally, factory fire risks have been a major issue for companies, and the importance of countermeasures has increased dramatically in recent years. In response to this, we offer a complete fire prevention system, from the suction port to the main unit to the exhaust air, to realize a safer and more secure factory. Effective countermeasures are applied to each area, and the combination of these measures greatly improves safety.

We will continue to further strengthen the three measures of fire prevention, early detection, and fire spread prevention to enhance plant safety, thereby reducing the risks surrounding companies and contributing to the realization of a safe factory environment.



Our Amenity Meter visualizes the factory environment

Our Amenity Meter, launched in FY2023, has realized visualization of the broader work environment in factories and has garnered a high reputation from major enterprises as a revolutionary tool. In FY2025, we added functions for estimating legally mandated work management classifications, to further contribute to achieving safe workplaces. This has received a great response as a groundbreaking function that enables real-time estimation of environmental conditions that were previously only identified once a year. We will continue to evolve by providing even more functionality to realize even safer, more secure, and more comfortable factory environments.



IoT technology segment

Addressing labor shortages at manufacturing sites through digital transformation

With continuing issues in the manufacturing industry such as the serious labor shortage and increasingly aging equipment, more and more customers are forced to deal with sudden breakdowns. In addition to the visualization technology we have developed at production sites, we combine and analyze control and sensor data collected using virtual sensors, enabling advanced management of signs of abnormalities and trends in equipment, and helping to resolve our customers' issues. These solutions are available both through the cloud and with on-premise tools, accommodating all work environments.

We provide value in the following two areas: Firstly, "remote monitoring" enables efficient maintenance and service work by monitoring equipment conditions and enabling abnormality detection. Secondly, "Package by C-BOX" utilizes data to create value, enabling high-level analysis of equipment data using virtual sensors, image processing, and visualization functions.

In addition, in February 2026, we began offering the "Sensor Integration Platform by C-BOX," which enables centralized management, visualization, and analysis of sensors from multiple manufacturers in an on-premise environment. We will continue to improve the accuracy of data analysis utilizing rapidly evolving AI technology, supporting quick decision-making, reduction of labor shortages, and improved productivity.



Handling technology segment

Force sensors Visualization of force, enabling automation and motion analysis

With our 6-axis force sensor ZYXer as a core product, we provide solutions to social issues such as resolving labor shortages by automating various tasks in the manufacturing field. The sensor simultaneously detects load (F) in three axes (X, Y, Z) and the moment (M) around each axis, contributing to automation of skilled work and improved quality and productivity through the quantification of force data. In addition, with top-class signal speed and high detection accuracy, it minimizes the time lag even against the fastest robot movements, enabling minute force control. These features have been well received, resulting in increasing product awareness, with six domestic robot manufacturers having adopted the product as an option. Sales have also been trending strongly.

Furthermore, in August 2025, we launched a new original product utilizing the same technology, Force Plate. This ground reaction force meter can analyze human motion by measuring the ground reaction force exerted on the plate surface and the point of action between the sole and the plate. This movement analysis is expected to be used in various fields such as sports and medicine/rehabilitation. In addition to the traditional target market of the manufacturing field, we aim to further increase sales by expanding into new markets.



Shaft fitting by a robot equipped with ZYXer



High knees game experience

Transport devices Logistics enabling energy savings, labor savings, automation, and safety

We develop, manufacture, and sell high-precision, high-quality products such as lifts, conveyors, and systems in the material handling field. In the lift field, we are strengthening our lineup of electric lifts, such as high-head lifts and high-performance pantograph servo lifts, and in the conveyor field, we are working toward the market launch of conveyors with an entanglement prevention mechanism as a safety measure. For systems, we are promoting the development of new products and expanding our product lineup, including debinders for unloading truck beds and containers, and mobile step eliminators that can be used in environments where there are no platforms, such as the Dansa Racooda scissor lift. Dansa Racooda eliminates steps on a logistics site, and it has received praise for its contributions to reducing workload, improving safety, and shortening work time. In March 2026, we achieved 150 total unit sales of the product.

Amid rising demand for logistics efficiency and labor savings solutions, we contribute to the rationalization of cargo handling worksites. In addition, we are focusing on responding to the needs and trust of customers in a wide range of fields (factory logistics, e-commerce warehouse logistics, transport logistics, entertainment, nursing care, medical equipment, etc.) by promoting the launch of new fully automatic unloading systems incorporating image processing technology.



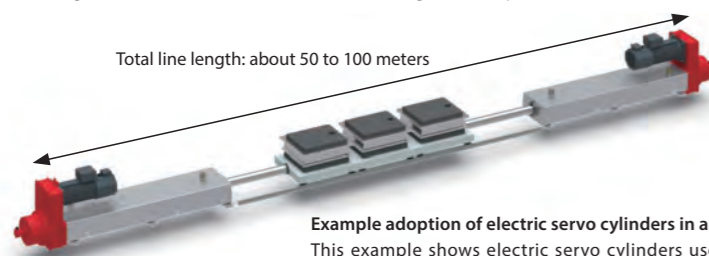
Dansa Racooda installed at a cargo worksite

Energy technology segment

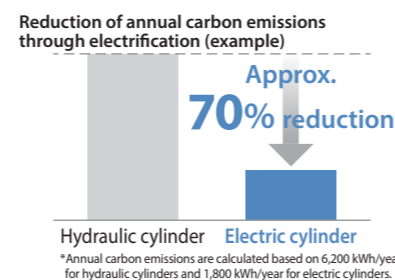
Electric cylinders Replacing hydraulic cylinders to reduce power consumption and carbon emissions

Unlike hydraulic cylinders, electric cylinders are energy-efficient actuators powered by electric motors. Not only does this enable precise and flexible movement, but by replacing hydraulic cylinders with electric cylinders, power consumption and carbon emissions can be reduced by approximately 70%, contributing to the creation of carbon-neutral factories. Also, unlike hydraulic cylinders, there is no oil leakage, making for a clean environment. Furthermore, electric cylinders save space and reduce noise, resulting in improved working conditions, and we can expect continued stable growth from the perspectives of precision and the environment.

In February 2026, we introduced the next evolution with an improved user interface and a template function that greatly enhances usability. Furthermore, the help function and automatic calibration function contribute to labor savings, while cycle time is shortened through simultaneous data transfer during processing. In addition, the brake circuit monitoring function prevents breakdowns, improving productivity.

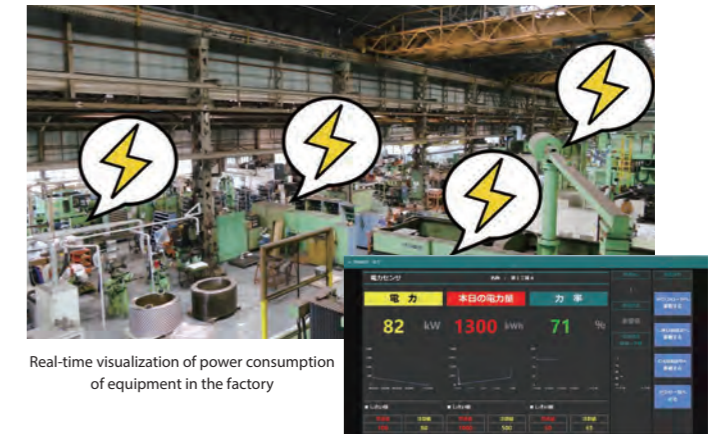


Example adoption of electric servo cylinders in a casting line
This example shows electric servo cylinders used to transfer molds. Conventionally this would be performed by hydraulics.



Visualization/reduction of power consumption Achieving carbon neutrality in manufacturing sites

With our experience as an equipment manufacturer, our strength is in our ability to realize digital transformation at the site level and to propose equipment/devices in sets that can reduce power consumption. In this way, we will continue to make proposals for realizing a sustainable society in a wide range of manufacturing fields. By utilizing IoT technology, it is possible to visualize power consumption at every level, from the entire company to each individual machine, thereby enabling actions to reduce unnecessary power consumption. Furthermore, by proposing energy-saving products such as the electric cylinders mentioned before, we promote the reduction of power consumption and carbon emissions.



Real-time visualization of power consumption of equipment in the factory

Inspection and evaluation technology segment

Surface length and shape measurement High-precision dimensional measurement

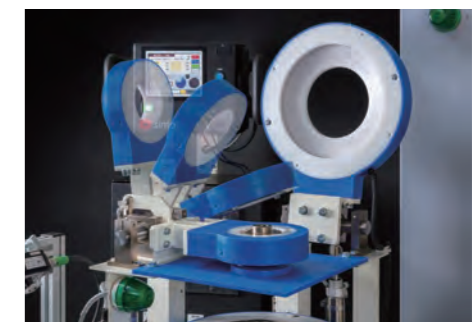
The expanding use of AI has resulted in a boom in the construction of data centers. In this age of advancing digital innovation, components for semiconductors, displays, optical communications, etc., are becoming increasingly dense and precise, increasing the demand for accurate dimensional measurement in research and development and the manufacturing process. The SMIC series of precision 2D coordinate measuring machines, capable of measuring fine line widths as thin as 0.5 micrometers (1/2000 of a millimeter), is so reliable in its absolute measurement accuracy that the machines are used not only to measure various precision electronic components, but also to evaluate the accuracy of the equipment used in the manufacturing process of those components, supporting Japan's precision manufacturing.



Measuring the dimensions of an MT ferrule (a connector component for optical fibers)

Surface evaluation Contributing to quality assurance and production efficiency

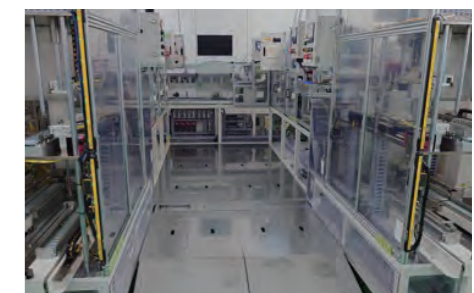
Our surface evaluation technology Sightia™ makes it possible to visualize changes in material properties, thereby contributing to improved production efficiency by preventing defective products from being sent to the next process; it is also possible to measure the product condition before processing and designate processing settings that suit the condition of each individual product. Furthermore, our surface evaluation equipment can measure stress in just 15-20 seconds, the fastest in the world, making it possible to inspect all items in a lot. This data is then remotely connected to our Technology Center, where operation status and measurement results can be communicated to engineers in real time, enabling us to provide optimal process proposals.



Surface evaluation technology Sightia™

Electrical property inspection High-precision and efficient one-stop inspection

We aim to improve our corporate value by strengthening our unique business domain that combines mechatronics with electrical measurement technologies. Based on testing technology for conventional fossil fuel vehicles, we are expanding our business into the field of high-speed, high-precision electrical measurement testing for electric vehicles such as BEVs. Centered on our original electrical property tester, we provide complete inspection solutions with the 3-in-1 functions of carrying, touching, and measuring, for everything from power semiconductor chips to eAxls. In this way, we contribute to the quality assurance of next-generation mobility.

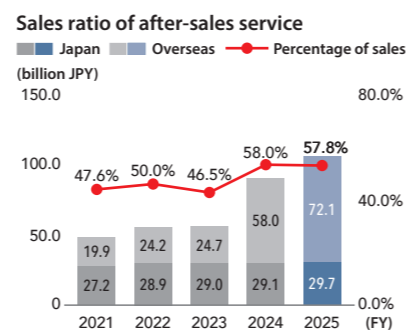


Electrical property inspection equipment

After-sales Service

Sales from after-sales service* amounted to 72.1 billion JPY overseas (up 24.3% year-on-year), with a major increase in sales of consumables and after-sales service. On the other hand, in Japan, despite a slight downward trend in customer facility utilization rates overall, we achieved a slight increase to 29.7 billion JPY (up 2.0% year-on-year), responding to customer needs for investment in equipment maintenance to maintain productivity. The sales ratio of after-sales service to consolidated net sales was 57.8%, maintaining a high overall ratio. We will continue to further expand our after-sales services and provide timely service to our customers, resulting in a stronger, sustainable revenue base.

*Total sales of consumables, parts, and modification



▶ Providing after-sales service that ensures equipment never stops

With the motto of “preventing our customers’ equipment from stopping,” our after-sales service supports the stable operation of our customers’ equipment by utilizing the Sinto Support System, which combines digital technology (including IoT) and the skills and knowledge we have cultivated over many years in the field. Recently, as the number of skilled engineers and maintenance personnel has been decreasing at manufacturing sites, the role required of maintenance operations has become more sophisticated every year. To address these issues that customers are facing, we deploy our after-sales service both in person and through digital tools. By visualizing operation data and monitoring warning signs, we can detect signs of stoppage or abnormalities early, shifting from the conventional maintenance style of repairs after an incident occurs, to an improved level of preventive maintenance that anticipates issues beforehand. Additionally, using timely awareness and analysis of the equipment conditions through digital tools in combination with strong skills developed on site, we continuously support the stable operation of our customers’ equipment. We will continue to strengthen our after-sales service so that customers can operate our equipment with peace of mind.

Preventive Maintenance

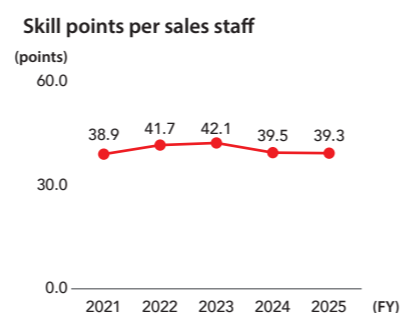
- Warning sign management**
Alarms to prevent breakdowns or abnormalities during operation
- Trend management**
Data collection to identify issues and implement improvement measures
- Plant management**
Visualization of the worksite environment to protect workers’ safety and health

Corrective Maintenance

- Remote restoration support**
Remote support to minimize downtime

Human resource development and skill improvement for universal after-sales service

As we expand our business globally, we regard the provision of after-sales service without regional differences as an important theme. This is based on our management philosophy of HEART (Human Enrichment & Achievement through Reliable Technology), in which we build relationships of trust through reliable technology, and develop and succeed together. To achieve this, through support tools and standardized business processes utilizing digital technology, we are working to standardize the skill level and quality of response of our technicians at our worldwide locations. In addition, we regularly hold Black Belt Meetings, during which the heads of after-sales service departments of overseas group companies gather to promote common global skill management and evaluation criteria. Through these efforts, we provide stable service that is not dependent on location or personnel, and we have established a system that ensures the long-term reliable operation of our customers’ facilities.



Research and Development, Intellectual Property Strategy

Research and Development

▶ Promoting expansion of our business domain of “giving form and life to process materials”

We are actively conducting research and development to expand our business domain of “giving form and life to process materials,” which we have been working on for many years. The core of this business domain are the material creation segment, form creation segment, and surface creation segment, along with the five supporting technology segments that support them. Particularly, for developing applications for 3D printing technologies, and with the purpose of creating business in response to social issues such as sustainability, carbon neutrality, and labor savings, we invested 2.8 billion JPY, or 1.6% of our consolidated sales, in research and development in FY2025 toward the development of technologies and products. We are also strengthening our efforts in joint development with universities and research facilities and further promoting co-creation with partner companies.

▶ Strengthening collaboration in technological development with bases in each country

Currently, our primary development bases are located in Japan, but we are working to accelerate technological development in other regions and create a global development system as One Global Sinto. Today, we are engaged in regular technological exchange in the foundry and surface treatment businesses, and we have been discussing business strategies from a global perspective to be deployed in each region. By utilizing our customer service bases in each country and capturing customer needs, we are developing appropriate strategies for each region.

Intellectual Property Strategy

▶ Strengthening our intellectual property portfolio

As the core of our business domain of “giving form and life to process materials,” we are continuing to strengthen our intellectual property portfolio based on the material creation segment, form creation segment, and surface creation segment, as well as the five supporting technology segments that support these three creations. In addition to newly developed technologies, we aim to maintain and strengthen our competitiveness by proactively filing applications for intellectual property rights (patents, utility models, and designs) that fill gaps in our portfolio. Furthermore, we aim to secure an advantage in terms of intellectual property by filing patent applications not only for our core technologies but also for the peripheral technologies that support them.

▶ Contributing to business through intellectual property (maintaining and strengthening competitiveness and risk management)

■ Avoiding intellectual risk

We respect the intellectual property of others and ensure that we do not infringe on their rights. To prevent litigation and legal risks from occurring, we regularly monitor the rights of other companies in each business field and cooperate with business divisions to thoroughly investigate and review the results of such monitoring.

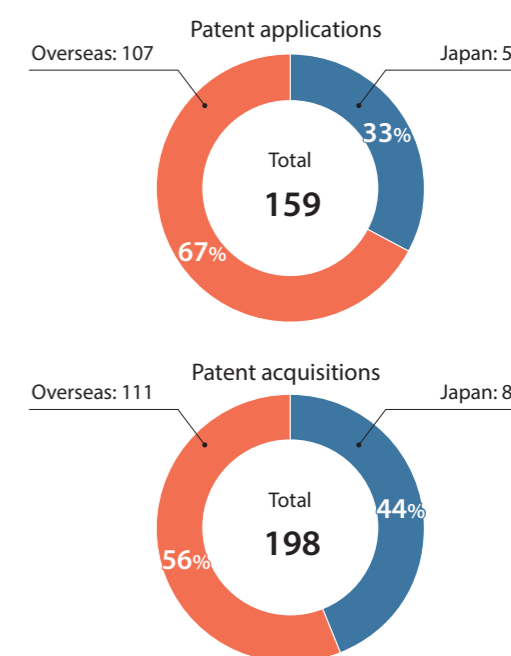
■ Utilizing intellectual property information

In addition to our existing business domain, we are enacting intellectual property analysis in new business areas. Based on the direction of each business division, we are able to develop intellectual property strategies that are suited to the business environment. Through this intellectual property analysis and the proposed strategies, we are organizing our intellectual property structure with considerations also made from development and sales perspectives.

■ Intellectual property human resource development

We offer intellectual property training as per rank and job type, striving to increase motivation to invent and create, respect the rights of others, and protect our own company’s rights. For instance, by holding training every year for employees planning to take the intellectual property management skills examination, we are raising awareness of intellectual property topics across the company.

FY2025 results for patent applications and acquisitions



One Global Sinto (Global Business Foundation)

The overseas expansion of our company started in 1959 when we began technical cooperation with Wheelabrator Inc. (USA) for the shot blast field, as the first step in building collaborative relationships with overseas companies. Then, in 1963, we established Sintobrador, Ltd. in Japan as a joint venture with Wheelabrator, and in 2009, Sintokogio and Sintobrador merged together as one, strengthening our business base as the Sinto Group.

Our first overseas subsidiary was established in Taiwan in 1968. Subsequently, the development of foundry technology resulted in the establishment of after-sales service bases for customers in the high-demand foundry industry, along with manufacturing bases for new growing industries. This global network set the foundation for our current business development.

We utilize this network to expand our market share for our existing businesses and to promote development in new businesses. Sinto has also developed a global 3-in-1 business model that provides equipment, parts/consumables, and after-sales service to customers after equipment is delivered. With the motto of "preventing our customers' equipment from stopping," we provide stable supply of parts and services by expanding our network to locations close to the customer. Through this, we aim to deepen bonds with our customers. Our global network spans across various regions all around the world.



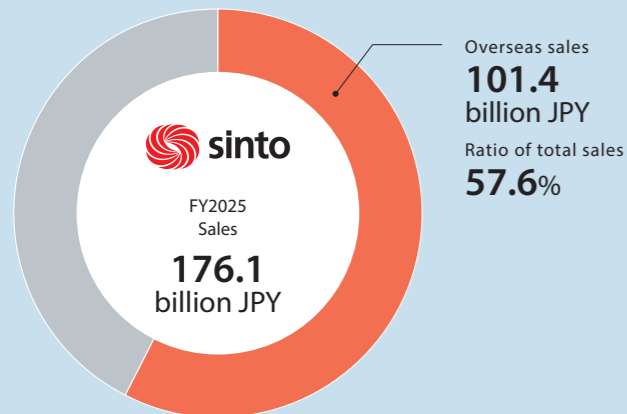
Subsidiaries outside of Japan

(as of March 2026)

59 locations in
23 countries and regions

- Management company
- Manufacturing base
- Support base
- Technical center

Overseas sales composition



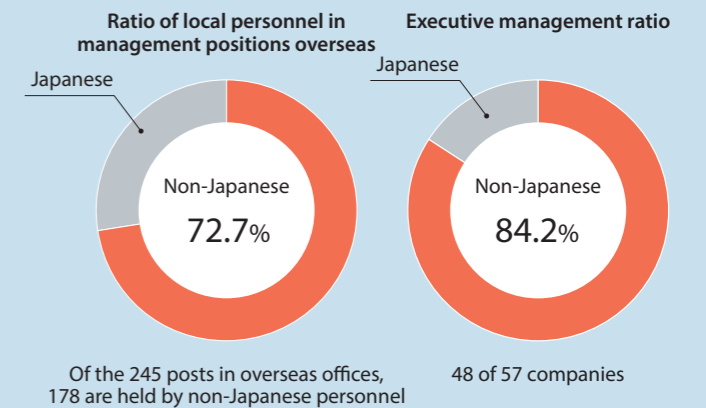
Global management structure

Every year, we host the Sinto International Conference for the executive management of all overseas group companies. This is an opportunity for our global group of companies to come together to ensure a fully shared understanding of the global management policies, and to address topics such as risk management and the promotion of sustainability activities to strengthen our global management structure. In developing our overseas business, we emphasize our idea of trust-based management. By entrusting management of day-to-day operations to the local people while we provide technology and capital, we aim to achieve management that is rooted in each local area under a unified business vision as One Global Sinto.

While entrusting operations to local human resources, through appropriate monitoring, we are continuously improving efficacy of risk management and governance on a global scale (see P.51). Incorporating local perspectives, our companies in each region take the lead as we strengthen our global management structure.

Activating our global human resources

Currently, 48 of the 57 major overseas group companies are headed by local staff. In addition to embracing the diverse values of the world and managing operations based on local roots, we formulate business strategies from a global perspective and develop customer-focused responses in each region. We also believe it is necessary to increase management transparency, develop an organizational structure that can respond flexibly and quickly to changes in the business environment, and establish a group-wide compliance system.



Strategy 2

Creating an organization in which diverse human resources can play an active role

We regard respect for human rights and the individuality of each employee as a foundation of our management style, and diversity serves as a source of new value creation and sustainable growth. We promote Diversity, Equity, and Inclusion (DEI) to create an environment where people of various backgrounds, including age, gender, nationality, disabilities, values, and work styles, can recognize each other and maximize their abilities.

DEI is not simply a set of measures targeting specific demographics; rather, it is a management initiative designed to enhance a company's competitiveness by enabling diverse talent to leverage and combine their respective strengths. In this era of rapid change, we must move beyond simply continuing to work as we always have and instead constantly reexamine the questions: "Why are we doing this work?" and "What value are we creating?" We believe that by promoting DEI and encouraging each employee to reflect on and continually refine their potential through these questions, we can foster personal growth and contribute to the company's overall competitiveness and sustainable growth.

"Our employees are at the heart of our company." Guided by this philosophy, we are working to create an environment suited to an era where people choose their employers. DEI is not an initiative for the sake of others; it is an effort to shape the future of our company and an opportunity for each employee to focus on their own personal growth.

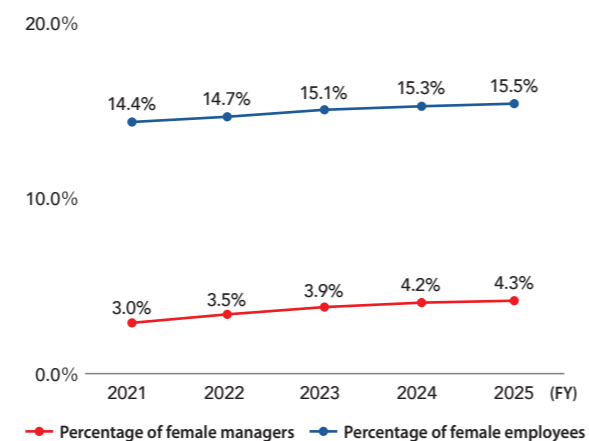
Promoting career advancement for female employees

We regard the creation of an organization in which diverse human resources can play an active role as one of our important management issues, and we are continuously working on the promotion of women in the workforce. As of March 2026, the ratio of female managers was 4.3%, and we aim to increase this to 5.0% by March 2027. In addition, the percentage of female employees has continued to increase steadily to 15.5% as of March 2026. We will not only improve these figures but also promote an environment in which women with ambition and ability can broaden their career choices, thereby leading to sustainable growth and value creation for the organization as a whole. Below are some examples of specific initiatives.

>> Aichi Women's Brilliance Company Certification

In April 2026, we obtained certification as an "Aichi Women's Brilliance Company" under Aichi Prefecture's certification program for companies promoting women in the workforce. Aichi Prefecture certifies companies and organizations that are actively working to promote the advancement of women, and we believe that our efforts to create a comfortable work environment and systems, as well as our ongoing diversity initiatives, have received a certain level of recognition. We will continue to aim for sustainable enhancement of corporate value through the creation of an environment where diverse human resources can demonstrate their abilities.

Percentage of female managers / Percentage of female employees



Aichi Women's Brilliance Company Certification

>> BIP Promotion Group

The BIP Promotion Group, which was established at each business site as an initiative to promote the further advancement of female employees, expanded in FY2025 to cover more departments in the second year of the program. The BIP Promotion Group promotes grassroots improvements based on on-site information, and through these initiatives, we have enabled significant man-hour reductions by streamlining the entire business process, automating tasks through RPA, and more. At an information exchange gathering for the BIP Promotion Group, members shared best practices and consulted with each other about problems they were facing. In connection with our System Department, we also held a digital expo including demonstrations of business automation using RPA and PowerApps that each promotion office has been recommending. This provided an opportunity for employees in various departments to learn about the efforts of the BIP Promotion Group, leading to the lateral deployment of improvement examples and the fostering of a company-wide improvement mindset.

In addition to reduced man-hours and increased work efficiency, these activities serve as an opportunity for each member to consider their own careers, becoming a springboard for members to seek out their own strengths and desires for what they want to do, such as becoming an "information pro" using digital tools. We will continue to accelerate our efforts to improve productivity and further promote women in the workforce throughout the company by utilizing digital tools and strengthening internal and external collaboration.



Information exchange gathering

>> DEI Promotion Program

With the belief that diversity is a source of new value, we have positioned the promotion of DEI as one of our key management tasks. As a first step, we are actively and intensively working on the promotion of women in the workforce. In April 2025, the DEI Promotion Project was launched, spearheaded by external director Yukako Uchinaga and with other directors as active members. Based on the factors hindering women in the workforce, this project set three priority issues: improving career awareness, creating a comfortable workplace suited to Sinto, and reforming corporate culture such as customs and unspoken rules. Promotion of DEI is not simply about promoting women, but rather supporting the careers of each individual, and changing the consciousness of the company as a whole to accept more diverse viewpoints and work styles.

To help resolve these issues, we have launched the DEI Promotion Program, "Sinto Women's Challenge Team." Female employees of different ages and occupations participate in this program of their own volition, bringing diverse perspectives and discussing the future with the directors. A total of four teams have been formed based on three key themes, with each team proactively promoting its own initiatives. Specifically, we are enacting various measures such as conducting awareness surveys through in-house questionnaires, launching an online community for female employees to network with each other, holding lectures on the so-called "old boys' network" for all employees, and posting awareness posters. In parallel with team activities, we are also working to build internal and external networks and improve our skills by holding exchange meetings with female managers who are active in other companies, as well as study sessions aimed at improving problem-solving skills. In this way, we are striving to create a corporate culture in which everyone, regardless of gender, can demonstrate their abilities, while allowing employees to take the initiative in solving problems, leading to the formulation of more effective policies.

* Traditionally male-dominated organizations and communities that have cultivated unique cultures and traditions



Meeting to report on activities



DEI Promotion Program logo

>> Starting new businesses from a female perspective

A new Surface Creation Team consisting of three women was established in April 2026. This team is taking on the challenge of reconfiguring our carefully developed surface treatment technology to be more in tune with users' lifestyles, and expanding our primarily B-to-B business domain into the B-to-C consumer market. We are working to create new value by taking advantage of the characteristics of our technology, which can be applied not only to metals but also to a wide variety of other materials, including plastics, glass, and natural materials. In addition to emphasizing the stories and social backgrounds that go into our products, we are also working to establish new business models such as e-commerce sales and brand building. Through these efforts, we promote women in the workforce and engage their creativity and innovation throughout the organization.

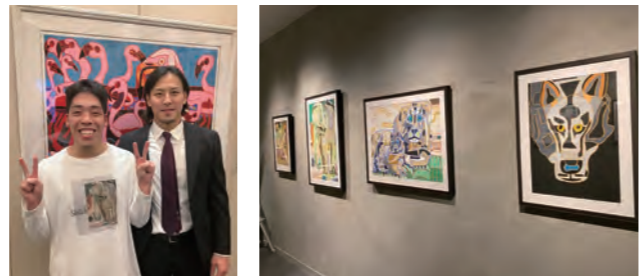


Example of a Surface Creation Team product

Supporting the success of people with disabilities

By providing a workplace in which all employees are comfortable working in accordance with their abilities and aptitudes, along with expanding employment opportunities for persons with disabilities, we aim to enable them to feel confident and proud of their work. As part of these efforts, we opened the Sinto Farm, a corporate farm in which individuals with intellectual and mental disabilities are employed to grow crops for our welfare facilities and other uses. Furthermore, we support our employees who participate in the Abilympics, encouraging them to develop new knowledge and skills based on their wish to further contribute to the workplace. In the Mechanical CAD category, our employee won the gold medal when he participated at the National Abilympics in 2008. Since then, he has continued to work hard, winning the gold medal again at the National Abilympics in 2023. As of March 2026, the percentage of our employees who have disabilities is 2.5%, satisfying the statutory employment rate.

Shinnosuke Akimoto, who works at Sinto Farm, is emblematic of these efforts. In addition to being diligent at work, Shinnosuke is also trying his hand at painting as an Art Brut* artist with the support of the Wonder Heart General Incorporated Association. His works, full of free expression and inner vitality, have been highly acclaimed at exhibitions around the country, and in December 2025, he held a solo exhibition at the Foreign Correspondents' Club of Japan. In addition, he continues to swim competitively and is active in a variety of socially connected arenas, and we will continue to support his activities in all these arenas. Going beyond simply meeting legal employment quotas, by respecting each individual's desire to take on new challenges and working together to create opportunities to engage with society, we can achieve sustainable corporate growth and the realization of a more prosperous society.



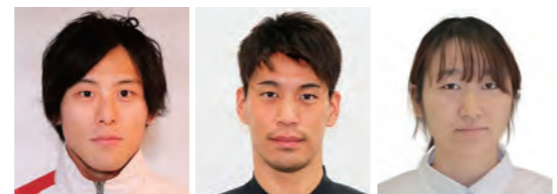
Shinnosuke Akimoto (left) with athlete employee Takaya Yasue
Exhibition held at the Foreign Correspondents' Club of Japan

*Free form of artistic expression not limited to preconceived ideas

Support for athlete employees

We respect the skills of each employee and strive to foster a corporate culture that allows employees to constantly take on challenges and improve their life potential. As part of these efforts, we encourage employee growth through support for sports activities. In addition to athlete employees that compete in swimming and sport climbing, in July 2025, we hired curling mixed doubles athlete, Go Aoki. In April 2026, we welcomed a new swimmer, Kodai Nishiono, further expanding the range of activities of our athlete employees.

The athletes are working daily to improve and strengthen their skills while balancing work and competition, and we actively support them as they take on these challenges.



Swimming: Takaya Yasue Swimming: Akira Namba Sport climbing: Nanako Kura



Curling mixed doubles: Go Aoki Swimming: Kodai Nishiono

Activating expert employees

At our company, employees who continue to work after the retirement age (60 years) are referred to as "expert employees" whom we rely on for their extensive experience, advanced skills, and knowledge. In an era of diversifying lifestyles and work styles, we respect the diversification of life choices; we believe it is crucial to provide an environment for older employees to continue working in the way that suits them best. In FY2024, we reviewed our personnel system for these older employees, revising and adapting the three primary features below:

1 Review of work style

We categorize expert employees into two types: those who will continue their managerial roles and those who will work as staff in their departments. Among the latter, we have established a task force and introduced a system that allows those who tackle the company's challenges to receive the same compensation as they did before the retirement age.

2 Extension of employment period

We have extended the employment period of our expert employees to the end of the fiscal year when they reach 65 years. As a result, employees can proceed with their work based on a full-year plan. Furthermore, we hope that by having these employees step into a new phase as our company's alumni at the end of the fiscal year, it will deepen the bonds among all employees.

3 Introduction of a second retirement allowance

We have introduced a second retirement allowance as part of our welfare system; this will allow our alumni to enjoy their retirement with peace of mind.

Fostering a comfortable workplace

To create an environment in which employees can work safely and securely as a foundation for promoting DEI, we are implementing measures from various perspectives, such as enhancing work-life balance and stimulating internal communication. This section introduces our efforts to promote DEI from both a systemic and a cultural perspective, and to create a workplace where diverse human resources can thrive.

Initiatives to increase job satisfaction

In FY2025, we redesigned our uniforms based on feedback from female employees working on the production floor. By prioritizing ease of movement, functionality, and a better fit for diverse body types, while also paying close attention to color schemes and design, we have created uniforms that are comfortable and pleasant to wear. Through these initiatives, which incorporate feedback from the front lines, we are working to foster a workplace environment where female employees can work with greater enthusiasm and fully demonstrate their abilities.



An initiative to revamp the uniforms, led primarily by female employees on the front lines

Initiatives to eradicate harassment

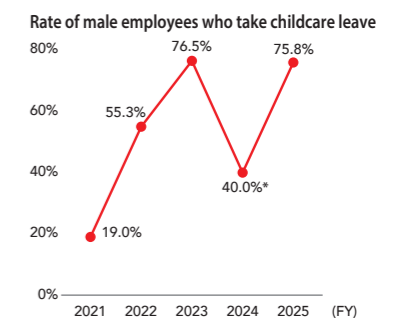
We regularly conduct workshops for employees and managers in an effort to eliminate all types of harassment. Furthermore, through our Sinto Speak-Up System (internal whistleblower system) (see P.55), we have established internal and external consultation services to cultivate an environment in which it is easier for employees to consult with experts on issues. Through these initiatives, we are working toward early identification and resolution of workplace harassment issues.

Sinto Speak-Up System



Promoting work-life balance

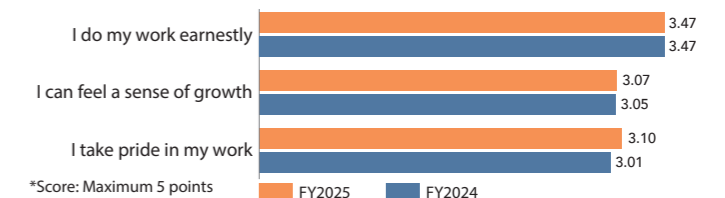
To deepen understanding of male childcare leave, we hold seminars for managers, and we make efforts to familiarize regular employees with the childcare support system; through these efforts, we are working to improve our rate of childcare leave for male employees. Furthermore, there has been a rise in male employees choosing to utilize our system for shortened work hours for childcare and sick/injured childcare leave. This shows that use of our work-life support systems based on employees' requirements has taken root. Enacting initiatives to enable employees to manage a healthy balance between their personal lives and work, we will continue to expand our personnel system to allow all employees to work efficiently in a way that suits their lifestyles.



Improving engagement

Every year, we conduct an engagement survey for all employees. The collected data is used to understand the actual conditions of employee growth and sense of fellowship between employees, and to further improve the work environment and culture by expanding human resource programs.

Engagement indicators, company average (employee consciousness survey)



Cultural club activities

As cultural activities, we hold regular events at each business site such as mochi-pounding parties and cherry blossom viewing, led by employees who do the organizing themselves. These events allow employees and management, as well as their families, to deepen their bonds through communication. Furthermore, we support the regular activities of 16 physical/sports clubs and 6 cultural clubs within the company, with club activities after work or on days off, promoting lively communication and health activities for employees. At the 2025 Toyokawa Inter-Company Sports Festival, 15 teams from our physical/sports clubs participated, and in addition to building connections within and outside of the company, Sinto won the top place overall for the first time in six years, and the 15th time accumulatively.



Cultural club activities

We also support the sports activities of our employees. In addition to our athlete employees, regular employees are also active in various fields. As a few examples, sumo wrestler Akira Fukunaga participated in the National Sports Festival held in Shiga Prefecture in September to October 2025, our soft tennis club has produced a player who competes at the national level, and we have employees engaged in swimming as well. Our employees are achieving good results in each competitive field.

Strategy 3

Strengthening the company's governance with the Board of Directors



- 1 Yoshiki Ueda
Chairman of the Board
- 2 Yasuhito Yamauchi
External Director
- 3 Yukako Uchinaga
External Director
- 4 Hiroshi Kurihara
External Director
- 5 Masato Tsuru
External Director

▶ Roundtable discussion among the external directors

Having made the difficult decision of a one-time impairment loss for our European business, Sinto is facing an unprecedented time of change in the company's history. Rooted in our "Motivation, Effort, and Growth Acceleration (MEGA)" principle for human resource development, we must focus on securing profitability and evolving into a truly global company. Our five external directors met for a candid discussion about the company's future, laying down a roadmap toward our 100th anniversary in 2034.

» What are Sinto's strengths, and what are its weaknesses to overcome?

Ueda: The culture of sincerely responding to customers' needs, and the consolidated network enabling local production for local consumption on a global scale. These are undoubtedly strong assets that the company should be proud of. That being said, keeping in mind issues that came to light in past investment strategies, there is a need for the company to further strengthen its management discipline. For example, this would include having a standard measurement for evaluating capital costs to decisively retain or eliminate unprofitable businesses. It is essential to develop mechanisms to ensure this management transparency and effectiveness to maximize corporate value as the company works toward 100 years.

Yamauchi: This also applies to the actual conditions on the worksite. While the concept of "actual site, actual products" has become widely recognized throughout the company, there remains further opportunities to deepen understanding and strengthen alignment across the organization. In other words, the company must work on employees' sense of ownership of

issues, to move together in the same direction. For an organization to achieve its goals, it is critical to have shared values. A sense of urgency only has meaning when it is implemented in specific actions. Each employee needs to carefully consider how their own work should change on site to make improvements on a fundamental level. By improving on-site capabilities in the true sense, I believe the company will be able to break through this stagnation.

Uchinaga: In the three main businesses of surface treatment, foundry, and environment, along with customer support, the company maintains high technological capabilities which enable continuous profit generation, with a strong established sense of values. The major task now is to accelerate decision-making to narrow down and eliminate areas of investment. A company has only limited management resources, and it is important to select



and concentrate operations based on new business areas. Therefore, the company must clarify its priorities and criteria for considering profitability and future prospects based on objective figures, for strict evaluation of its businesses. Establishing this structure for business selection and concentration will be the driving force for enhancing competitiveness.

Kurihara: Sinto's strength lies in its technologies and know-how developed over many years in foundry and surface treatment, and the existence of earnest employees who support these businesses. Furthermore, the company's stance in working to truly understand its customers has resulted in high market shares and deep trust within the industry. In recent years, the company has also greatly increased its presence in the global market. That being said, the company cannot simply be content with long-standing trust. Instead, it needs to consider how to swiftly transfer its technologies and know-how to the next generation, applying digital tools for further standardization and globalization. It is essential to establish and effectively utilize a global structure to smoothly deliver the Japan-famous "Sinto quality" around the world. This is the largest issue to overcome for the company to move to the next level of growth.

Tsuru: Sinto's greatest strength is its unmoving philosophy of "MEGA." Trusting in the autonomy of employees, Sinto directly aligns personal growth with the company's success. Along with this culture of respect for human dignity, the company considers objective facts based on elaborate data to make managerial decisions. This is an especially powerful weapon amid a rapidly changing market. On the other hand, with the increasing expansion of its overseas business, the company must further strengthen efforts and initiatives for global governance, ensuring a unified sense of values across the group while also bringing out the unique strengths of each company. This means determining what is truly important and concentrating management resources in fields that create true value, without being tied down to specific formats or customs. That resolute commitment to change is what the company needs most right now.

» Evaluation of initiatives to strengthen governance and risk management

Ueda: In Japan, we have seen the reinforcement of governance items such as the supervisory function and effectiveness of the Board of Directors, leading to concrete results. However, on a consolidated basis, there is still work to be done. What is important now is to objectively consider business risks and returns based on capital costs, and to set common measurements (criteria) for strict evaluation. To achieve this, the company requires the presence of a CFO to be the president's right-hand man, constantly verifying the business portfolio and encouraging decisions for business selection and concentration from the optimal viewpoint. It is important to establish this position immediately to clarify the criteria for investment and withdrawal, and to ensure management discipline through strict operation based on these criteria.

Yamauchi: To add to the previous comment, governance of the overseas group companies will continue to be an important focus area for the company. Along with strengthening the monitoring function for the overseas group companies, it is necessary to visualize conditions at each company. We must redefine and reinstate the role of the executive in charge of management, which has been unfilled for some time, and appoint an expert who can objectively understand the actual situation on site. An open work environment that allows the real voices from workers on site to reach the management is a vital aspect of effective risk management.

Uchinaga: As the two gentlemen before me stated, ensuring effectiveness is key. The system itself is in place, but we must be careful that the means does not become the end. If a company focuses too much on observance and confirmation of detailed rules, the larger connection with strategic goals may become unclear. Governance is not only a protective shield for defense, but also a compass for aggressive investment. Detailed rules for management are important, but even more so, the company needs to thoroughly focus on confronting the real risks and opportunities for business and leveraging them for growth.

Kurihara: Governance and the supervisory function of the Board of Directors has been progressively enhanced for a strong foundation in Japan. The next priority is solidifying the effectiveness of this governance on a global scale for the rapidly expanding overseas group companies. The structure for monitoring conditions is coming together, but I believe it is still necessary to further strengthen actual operations. Starting with suitable visualization of the situation at each group company, while also using IT systems, it is urgent for the company to visualize management information around the world in real time and build a structure across borders to prevent risks before they occur.

Tsuru: Enacting various measures to strengthen governance, the framework for the management structure is being put into place. However, the act itself of establishing the system and mechanisms cannot be the end goal. What is important is to continue verifying that the system is working properly, based on the actual business situation, including the atmosphere on site. Particularly with the expansion of the overseas group



companies, overall group governance is becoming increasingly important. This does not simply mean uniform control from Japan, but rather application of rules adapted to the unique situation in each country and region, in coordination with overall group governance from Japan. It is important to maintain this balance and build a flexible but strong management structure based on trust.

» Acceleration of progress to realize sustainable growth

Ueda: To achieve sustainable growth as a truly global company, Sinto must have enthusiasm and new ideas for earning power, now more than ever. Now with its expanded business scale, to prevent each division from falling into partial optimization, the company must steer toward overall optimization with a focus on company-wide profits and capital efficiency. Essential for this is the existence of a CFO that acts as a command post, reorganizing

unprofitable businesses and taking the lead for bold investments in growing fields. When a strong management structure based on objective figures is solidly in place, the company's high technological capabilities can be applied to achieve true global competitiveness.



Yamauchi: I agree with his comment that the perspective of overall optimization is of critical importance. Furthermore, a major driving force for accelerating further growth is undoubtedly the workers on site. Orders from above will not move an organization. Each and every employee must think for themselves about how to make today better than yesterday, and tomorrow better than today,

reducing unnecessary work and creating an autonomous organization through continuous improvement. The role of the company headquarters is not to control the worksites, but rather to create an environment in which workers can take on new challenges without fear of failure. By lighting a fire under the latent potential of the worksite, I believe the company can ascend to the next stage.

Uchinaga: In the next growth phase, the company needs to carefully verify the results of the M&A activities up until now and redefine its global competition domains. The key for this is clarifying authority and responsibility based on job descriptions. To further enhance effective management at every level, the company should boldly proceed with transfer of authority to the responsible members in each position. By doing so, the speed of decision-making on site will greatly improve. Individual autonomy and swift judgment are the strongest weapon for winning in the drastically changing global market.

Kurihara: The trigger for growth is drastically improved productivity combined with technology. By reducing internal processes, time saved by employees through reduced work can be applied to serving customers directly. For example, incorporating physical AI in foundry processes will lead to labor savings and the transfer of techniques and technologies. The resources generated from this shift need to be concentrated in growing areas such as the environment business and the Indian market. However, simply drawing up the structure will not make it a reality. The company must follow through on its business plan with unwavering resolution. This combination of strong will and dynamic change is what will create a growth curve leading to the 100th anniversary.

Tsuru: Based on our discussions today, I believe what is necessary for sustainable growth is the thorough selection and concentration of business. It is important to have the courage to make clear what needs to be cut out, taking inventory of the various development themes and strictly determining what should receive continuous investment and what should be cut off. Sinto's "MEGA" philosophy certainly does not mean maintaining the status quo or postponing pain. Making calm management decisions based on facts and applying management resources to future growth areas is what will lead to true growth.

>> Future vision and message for the 100th anniversary in 2034

Ueda: Looking back on the 10 years since I was appointed as an external

director, Sinto has steadily evolved while maintaining a solid foundation. However, with the high speed of change in the business environment such as increasing geopolitical risks, the company needs to accelerate its progress right away. Sinto's solid foundation is in its approach of local production for local consumption, and of taking good care of employees. Now, it is important to bring these strengths together for the company to realize its true potential as an organization. The corporate governance code revision recommended by the Tokyo Stock Exchange is the perfect opportunity for the company to transform. As for the external directors with our different backgrounds, we offer our full cooperation to do whatever it takes to increase the company's corporate value. With our strong determination and our commitment to sound governance, we will continue to support Sinto's development in the future.

Yamauchi: With a history of almost 100 years, and aiming for the next 100 after that, Sinto is a company that serves society, its customers, and its employees. It is a company that offers value, that inspires people to say, "I'm glad Sinto is here." That, in turn, makes employees proud of their company. With pure intentions behind its actions, I look forward to seeing Sinto's future as a company that everyone can be proud of.

Uchinaga: Today, I shared some stern remarks about many issues that the company faces, but considering things from another perspective, we can say that despite various issues, Sinto has steadily progressed in business until today. Breaking out of the shell of homogeneity, I hope Sinto positions its 100th anniversary as its second founding, turning diversity into energy. With its wealth of opportunities and endless upsides and potential, I am confident in the great success of Sinto.

Kurihara: As was just mentioned, Sinto has many issues to overcome, but it also has many firm strengths developed over its long history. That is the reason business has been able to continue for over 90 years. Now, with rapid changes among customers, technologies, and competitors, there is no longer time to spare on slow deliberations. What is important now is swiftly turning deliberations into action with speedy implementation. By staying ahead of change and applying overwhelming speed to reliable strengths, I am certain that Sinto will be able to continue its strong growth into the future.

Tsuru: Based on today's discussions, I see the coexistence of transformation and succession as an important theme. Sinto's "MEGA" philosophy is an important part of the company's identity which should be protected until 100 years and beyond. However, true succession is not simply maintaining status quo, but rather updating oneself in response to the changing times. Please



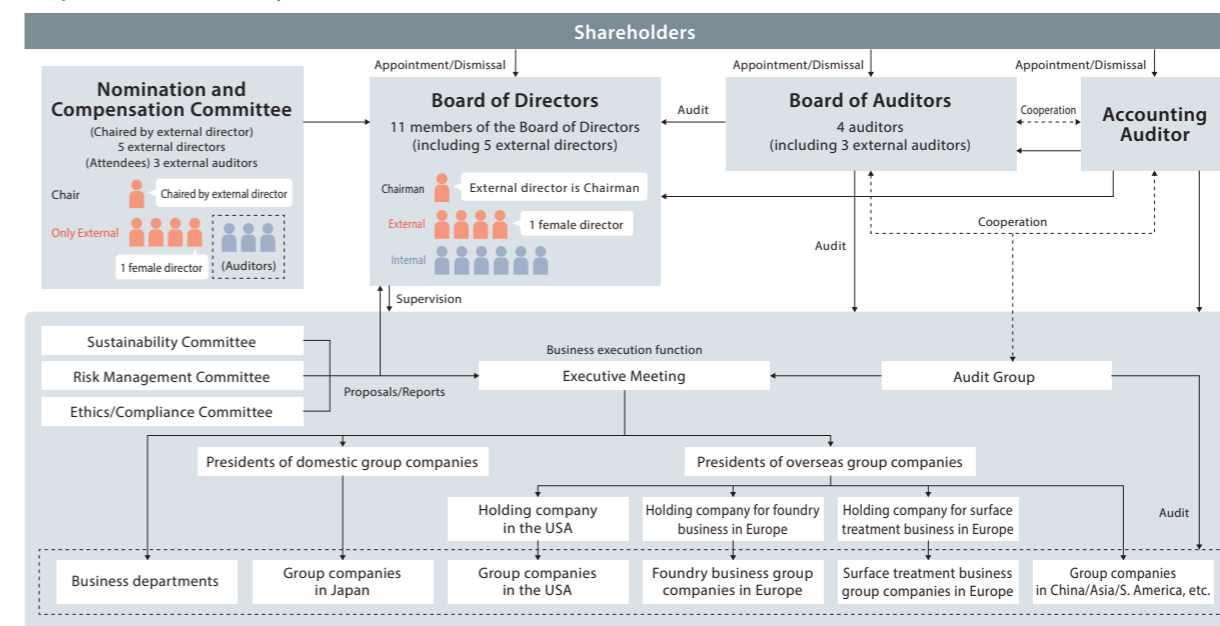
do not be afraid of pruning away unprofitable branches and making room to cultivate future growth. In reaching the milestone of 100 years, I hope to see Sinto combine succession and transformation, continuing to be a company that is needed by society. I, myself, will continue to support the company in order to achieve this goal.

Corporate governance

>> Basic approach

The company's basic management policy is to enhance corporate value from a long-term perspective and to ensure appropriate and efficient business execution. We have established a corporate governance system that enhances the transparency of decision-making and appropriately incorporates monitoring and supervisory functions.

Corporate Governance System



Building a governance structure for global management through "trust-based management"

>> Basic approach

For global management, we believe that leaving decisions to local management and then performing proper evaluation of those results is an important source of added value for the company. Therefore, our basic stance is to transfer authority to each group company for decision-making led by local management, based on a set of rules. This is not simply a hands-off approach, but rather, we enact appropriate monitoring from the local perspective, and it is also important to carefully confirm areas of potential risk or inappropriate action in each country and region. Therefore, we receive confirmation in writing from each overseas group company that they are enacting appropriate management based on rules set by the company. In this way, we strike a balance between delegation and supervision, building a structure for thorough management with local staff taking the lead.

By incorporating perspectives from each region such as the U.S., Germany, and China, we are able to create a highly effective global strategy. With capable foreign staff joining our group leadership and by achieving both transfer of authority along with risk management, we aim to maximize the collective power of our group overall, leading to enhanced corporate value. From now on, with the added perspective of diversity, we will have many Japanese and local personnel from each region actively participate in creating an effective business strategy for the future.

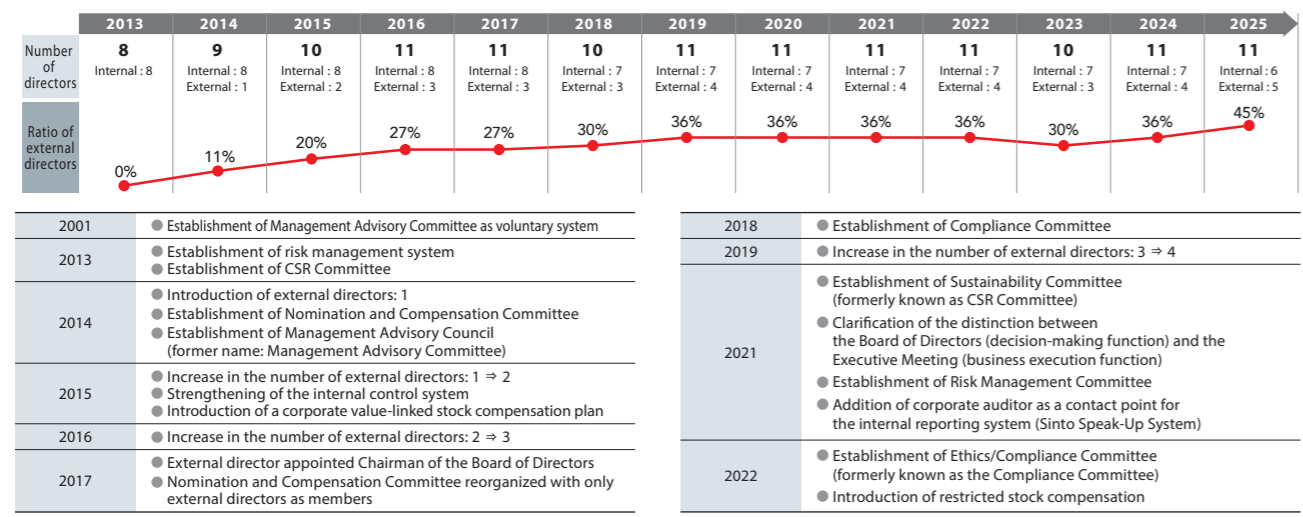
>> Examples of initiatives for quantitative and qualitative global management

To further enhance the effectiveness of our global management, we are enacting initiatives to strengthen risk management and management monitoring from the local point of view, using quantitative data from each company. Along with utilizing J-SOX (internal control reporting system) and an internal control framework, we organize this data and visualize the management status of each overseas group company, enabling yearly monitoring on a global scale.

To ensure objectivity and adaptation to local circumstances, we incorporate the local perspective in the management control of each company. For example, in addition to certified public accountants, in Europe and the U.S., external directors allow us to build a risk management structure that is specific to regional characteristics.

Additionally, for qualitative management, we hold regular meetings as continuous opportunities for face-to-face discussions with each member of local management. In addition to eliminating the sense of distance with the Board of Directors, this increases the sense of unity and level of engagement among management, enabling close cooperation between Japan and overseas to identify and resolve issues. Through these initiatives, we respect the autonomy of each group company while also increasing the effective governance of the overall group, thereby improving the quality of our global management.

Changes in governance structure



Board of Directors

Our Board of Directors consists of 11 directors, with an external director as the Chairman. The directors are decided by resolution of the Board of Directors after the board receives reports from the Nomination and Compensation Committee, which selects the candidates. In consideration of diversity in our Board of Directors, a female external director has been appointed since FY2021. The Board of Directors met 16 times in FY2025 to make crucial decisions about the group and engage in lively discussions about management strategy as well as mid-to-long-term management business challenges, providing oversight for the operating conditions of the directors and executives. The Board of Directors is not just a decision-making body, but rather a place to propose various ideas to management, enabling a higher quality of decision-making by exchanging opinions from different perspectives. Based on these lively discussions among board members and executives, the company makes decisions on issues such as mergers of sister companies, new business development and partnerships, and investment in human resource development and initiatives for human capital.

Board of Auditors

The Board of Auditors consists of four auditors. Three out of the four are external auditors who ensure the appropriateness of decisions made by the Board of Directors with their objective perspectives. The Board of Auditors also works with financial auditors as required to ensure the accuracy of the financial audit, and with internal control departments to improve audit quality and effectiveness. The Board of Auditors is not just a body placing checks on the company, but rather, it ensures the soundness of decision-making by confirming a suitable process for discussions engaged among the Board of Directors and executives, providing transparency in business decisions. In FY2025, the Board of Auditors met 16 times.

Nomination and Compensation Committee

We have established a Nomination and Compensation Committee as a private body to select candidates for directors/auditors and discuss the validity of the executive compensation system. With a focus on independence, this committee consists of five external directors and three external auditors. Being operated only by external members ensures independence from management and an objective viewpoint, thereby supporting a highly transparent governance structure. The committee met three times in FY2025, reporting to the Board of Directors after discussing the evaluations of internal directors who are also executive officers, and nominating candidates for director with a high degree of independence and objectivity.

Executive Meeting

Sintokogio has 22 executive officers, with six concurrently serving as directors. The Executive Meeting is a body that deliberates on matters related to business execution. Its members include the top management of in-house companies, business divisions, and sales, production, development, and administrative divisions, along with the responsible parties representing each relevant committee. It makes resolutions, shares reports, and holds discussions on the status of business execution every month. While the Board of Directors acts as a decision-making and control function, the Executive Meeting is a place where business challenges are discussed in detail, leading to concrete actions. The meeting was held 12 times in FY2025.

Internal control

To ensure appropriate business execution throughout the Sinto Group, we have established a basic policy for our internal control system. The Ethics/Compliance Committee (with the president as the chair and internal directors as the members) was independently formed to focus solely on compliance and governance, and it is currently moving forward with its initiatives. Furthermore, based on the Financial Instruments and Exchange Act's internal control reporting system, our audit section conducts audits at regular intervals to confirm that internal control is being developed and administered properly. Subsequently, we receive an assessment from our auditing firm and submit an internal control report to the Financial Services Agency every fiscal year.

Board effectiveness assessment

In FY2025, we began conducting an evaluation of the effectiveness of the Board of Directors with the objective of periodically verifying whether the Board of Directors as a whole is functioning properly, identifying issues, and continuing improvement efforts. In performing the assessment, we commissioned a third-party organization to conduct questionnaires and interviews with all directors and auditors.

Background of the board effectiveness assessment for FY2025

- We have determined that it would be effective to obtain the support of an external organization to conduct a more objective and multifaceted analysis of the Board of Directors' operations and to organize issues.
- The objective is to verify whether the Board of Directors is appropriately fulfilling its expected roles, responsibilities, and duties, and to link this to sustained improvement in the effectiveness of governance and corporate value through the identification of issues and the implementation of improvement plans.

Evaluation method

(1) January to March 2026: Evaluation and analysis

- For transparency and objectivity of the evaluation, a third-party organization prepared the evaluation method and evaluation items for the current fiscal year and discussed and determined them with the office of the Board of Directors.
- The third-party organization conducted an effectiveness evaluation questionnaire for all directors and auditors and tabulated and analyzed the results.
- The third-party organization conducted interviews with all directors and auditors based on the results of the anonymized questionnaire analysis.

Overview

Evaluated persons	All 11 directors and 4 auditors
Evaluating agency	Third-party organization
Evaluation method	Questionnaire to all directors and auditors and individual interviews (approx. 1 hour)
Evaluation period	January through April 2026 (including preparation period)
Evaluation items	① Board level ② Board operations ③ Board composition ④ Board support system ⑤ Board discussion content ⑥ Oversight by the Board ⑦ Nomination and Compensation Committee operations ⑧ Free remarks

(2) April 2026: Board discussions

- At the April 7, 2026 meeting of the Board of Directors, the results of the anonymized evaluation were reported by the third-party organization, and the future courses of action were discussed.
- The Board of Directors meeting held on April 23 of the same year resolved the details of the announcement.

Summary of evaluation results and response policies

Evaluation results	<ul style="list-style-type: none"> • The Board of Directors highly evaluated the appointment of external directors with experience as representative directors of listed companies and knowledge of a wide range of industries, leading to improved effectiveness of the Board of Directors and lively discussions based on their accurate opinions and suggestions. • In addition, the following issues were recognized, and the Board of Directors decided on a policy based on each issue.
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No.	Key issue	Policy
1	Strengthen problem-solving structure in preparation for Board of Directors	■ Perform thorough management by confirming actual conditions on the actual worksite to bring back to the Board of Directors for discussions to enhance risk management and governance
2	Strengthen structure for conducting Board of Directors meetings (enhance functions of office of Board of Directors)	■ Promote advance preparations to deepen understanding of background of discussion topics and improve level of deliberations in conducting Board of Directors meetings
3	Expand global management control structure	■ Further strengthen communication between local management and Board of Directors to enhance corporate value as a consolidated group

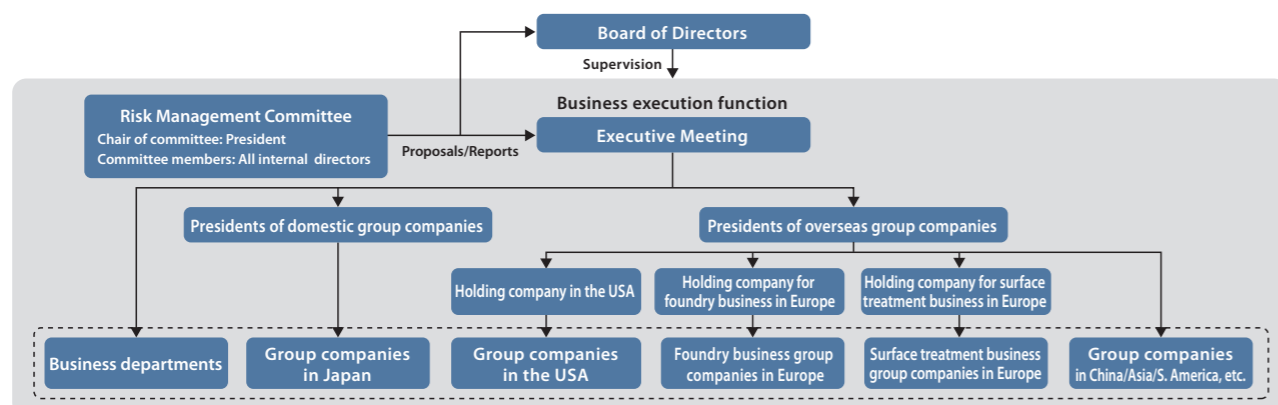
Risk Management

Basic approach

Our company's business activities are influenced by various risks internally and externally. Recognizing risk management as a critical management issue, we address it accordingly. Within the internal control system basic policy approved by our Board of Directors, we have established fundamental policies on risk management and developed a risk management system with risk management protocols.

Risk management structure

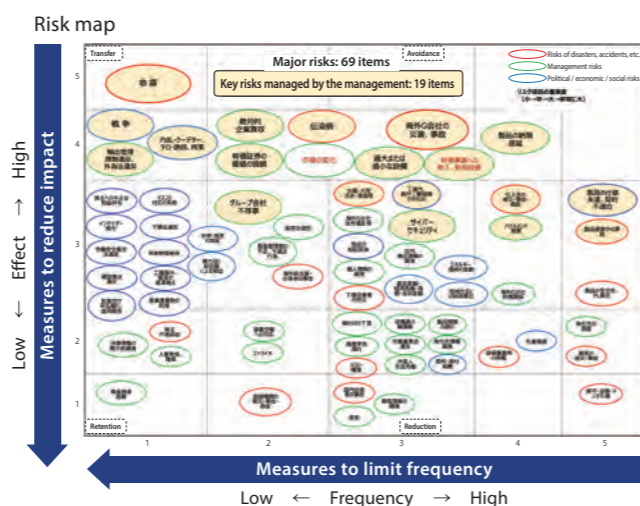
We have a Risk Management Committee under the Board of Directors, with our president acting as its chairman and the internal directors as its members, which manages risks at each department. We have established a basic policy for handling each type of risk, and we have developed systems to reduce risks, enacting initiatives to raise awareness while monitoring the implementation status of this risk management. We conduct a survey of business risks twice a year, including items that have not had any issues previously. The survey results are discussed by the Risk Management Committee and are regularly reported to the Board of Directors for monitoring.



Risk awareness and countermeasures

For each department's response to risks in business activities, the executive overseeing that department confirms the response status, evaluating the response using a risk management table. The seriousness of risks is visualized by mapping them onto a risk map that indicates the impact on business activities and frequency of occurrence. This process helps to narrow down key risks for prioritized countermeasure implementation, with the ultimate goal of reducing impact to decrease overall risks.

As key management risks, three risks have been selected: Business Continuity Planning (BCP), information security, and workplace safety. An internal committee has been established to lead in managing these risks using the PDCA cycle. Moreover, for various other risks, responsible departments have been designated, and necessary management systems/methods (including management regulations) have been established, thereby setting risk limits and establishing reporting and monitoring systems to manage risks both individually and comprehensively.



Revision of the BCP manual

We maintain BCP inventory to ensure that we do not inconvenience our customers in the event of a large-scale disaster that halts production and supply. Considering recent changes in demand, logistics, and production volume, we regularly revise the definitions and rules for inventory. Furthermore, we have reviewed our response to the issuance of emergency information for the Nankai Trough earthquake and our response to fires and explosions. In the event of a disaster, we aim to minimize the impact on the safety of our employees and the business operations of our customers and partners by keeping the manual constantly up-to-date for proper management.

Compliance

Basic approach

Our company defines compliance not merely as "following laws and regulations" but as the company and individuals "acting fairly and equitably in light of corporate ethics and social norms." We educate our employees to promote compliance activities as a company and to pay attention to their behavior as individuals. The execution of the compliance program is evaluated annually from the perspectives of whether the system exists, whether the system is being promoted, whether the system is being utilized, and whether results are being achieved; these evaluations are used to inform our actions for the following year.

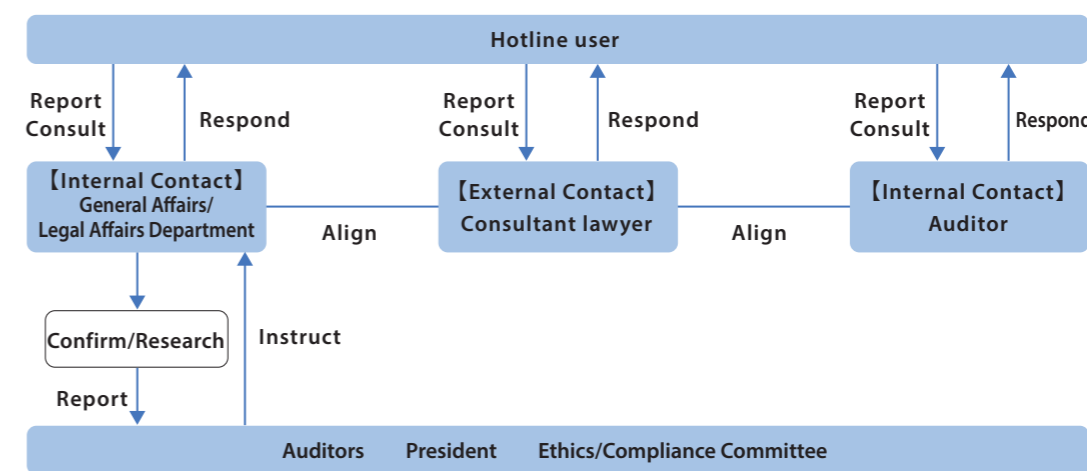
Operation and monitoring of the Sinto Speak-Up System (internal whistleblower system)

While practicing actions as per the Sinto Corporate Ethics and Conduct Policy, if there are actions that violate laws or ethics, or if it is unclear whether they do so, employees first consult with their supervisors to resolve the issue. Next, for specialized consultations, the matter is resolved by consulting the responsible department through the supervisor. In cases when it is difficult or impossible to consult with the supervisor or responsible party for whatever reason, we have established and operate the "Sinto Speak-Up System Consultation Desk" as an internal reporting channel. This desk includes three channels: our General Affairs/Legal Affairs Department, internal auditors, and external lawyers.

The purpose of this system is to detect signs of misconduct early, prevent misconduct by eliminating its root causes, and ensure self-corrective actions within the organization. By utilizing this system, we aim to protect employees and create an organization that grows from its mistakes. The confidentiality of whistleblowers and consultants is maintained, and any adverse treatment because of reporting or consulting is prohibited. If required, we establish an investigation system and respond appropriately while sharing information with the whistleblower and consultant.

In FY2025, 20 consultations were received, with 18 completely resolved, and the remaining 2 in progress. The annual activity status is reported to the Ethics/Compliance Committee, and the results are reported to the Board of Directors. We continuously monitor specific internal reporting cases and the overall operation of the internal reporting system at the internal desk.

Basic operation flow of the hotline



Compliance program

We address compliance in the three areas of (1) laws and regulations, (2) internal company rules and regulations, and (3) social norms such as SDGs and ESG, management incorporating human rights, etc. With respect to compliance violations, we consider the four areas of (1) law and regulation violations, (2) accounting fraud, (3) information leaks, and (4) labor issues.

For our compliance program, the Ethics/Compliance Committee formulates and executes the plan for yearly activities based on the basic policy for the internal control system as decided by the Board of Directors. To prevent compliance violations, we make improvements to our internal structure (review of internal regulations and codes of conduct), conduct trainings and learning opportunities for employees, and stay up-to-date on the latest information.