

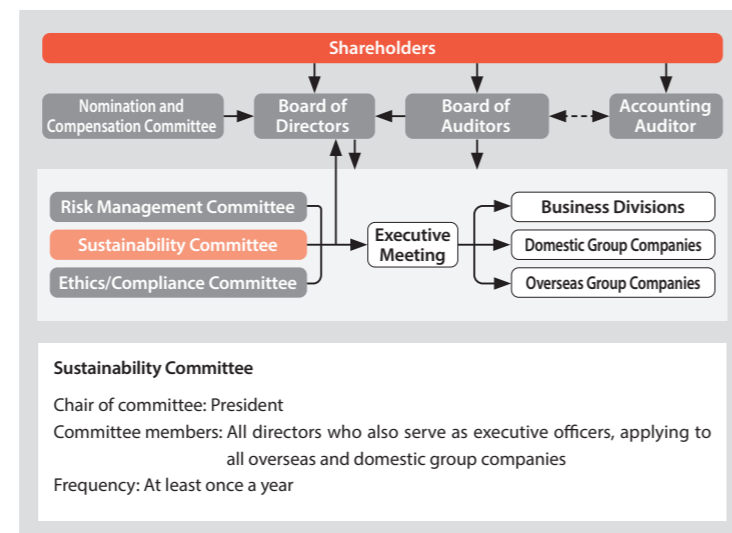
# Sustainability Management

## Basic policy

As Sinto, we have pursued world-class technology and expanded our business globally under the management philosophy of HEART (Human Enrichment & Achievement through Reliable Technology). Valuing the spirit of manufacturing, we stand by our customers and deliver new value as a manufacturing company that supports customers' manufacturing. We deepen our bonds with all stakeholders involved with our company and tackle various social issues as a company that continues to be chosen. We aim to realize an environmentally-friendly circular society; a safe, secure, and prosperous society through manufacturing; and a society in which people experience a sense of achievement, growth, and happiness.

## Governance

The Sustainability Committee, chaired by our president, evaluates various issues related to sustainability within the company, deliberating and following up on issues related to business strategy. The activities of the committee are reported to and overseen by the Board of Directors.



## Risk management

The Sustainability Committee shares information with the Risk Management Committee on items evaluated as high-risk from the perspectives of Environment (E), Social (S), and Governance (G), and manages them comprehensively.

## Efforts toward sustainability reporting

From the perspective of sustainability management, we are promoting efforts to disclose information regarding our material issues (materiality) within the company under the framework of Environment (E), Social (S), and Governance (G).

### Identification of sustainability topics (disclosure requirements)

We have conducted a materiality assessment from two perspectives: "financial materiality," which refers to the impact of the global environment and society on the company, and "impact materiality," which refers to the impact of the company on the global environment and society. Through this assessment, we have identified key sustainability topics that are important to our company.

## Examples of sustainability topics

### Reducing greenhouse gases

#### Review of carbon emissions reduction targets

Working toward FY2030 as well as our 100<sup>th</sup> anniversary in FY2034, we originally set targets to reduce Scope 1 and 2 carbon emissions by 3% per year. However, we discovered that to achieve carbon neutrality in 2050 to match Japan's national target, we would need to reduce emissions by 3.45% each year from the base year, FY2021. Therefore, we have reset our targets.

2030 Target:

Scope 1 and 2: Carbon emissions reduced by 31% compared to FY2021

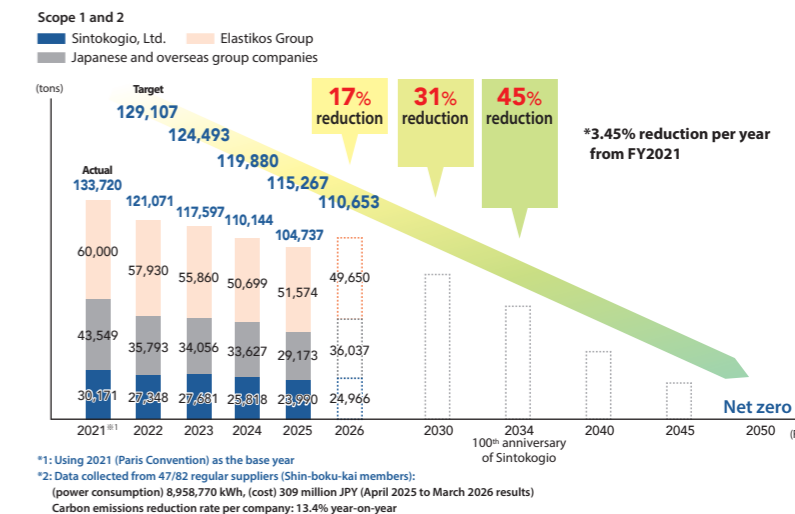
2034 Target:

Scope 1 and 2: Carbon emissions reduced by 45%

2050 Target:

**Achieve Scope 1 and 2 carbon neutrality**

#### Carbon emissions reduction and targets



### Building bonds with society and stakeholders

#### Respect for human rights

To realize our management philosophy, we are making efforts to promote respect for human rights of all individuals affected by our group's business activities throughout the entire group and fulfill our responsibilities. Regarding our stakeholders, we promote respect for human rights across the entire supply chain through the "Sinto Business Partner Guidelines: For Our Future Nakama." While no serious issues have been identified at this time, we will continue our efforts to respect human rights to realize a sustainable society and increase our corporate value.

○ Elimination of discrimination: In all employment situations\*, discrimination based on race, ethnicity, national origin, religion, gender, etc. will not be tolerated.

\*All employment situations\* refers to application, hiring, promotion, wages, dismissal, work assignments, and disciplinary actions.

○ Respect for human rights: Any form of harassment in the workplace based on race, ethnicity, national origin, religion, gender, etc. will not be tolerated.

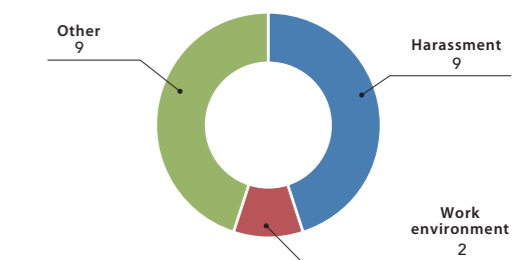
○ Prohibition of child labor: The employment of children who have not reached the working age as defined by the laws and regulations of each country and region is not permitted.

○ Prohibition of forced labor: All labor must be voluntary, and employees must be guaranteed the freedom to leave their employment. Forced labor will not be tolerated.

○ Wages: We will comply with the laws and regulations of each country and region regarding minimum wage, overtime, wage deductions, piece-rate wages, and other benefits.

○ Working hours: We will comply with the laws and regulations of each country and region regarding the determination of employees' working hours (including overtime), the provision of holidays and annual paid leave, and other related matters.

#### Complaints raised (number and type) in FY2025 (cases)



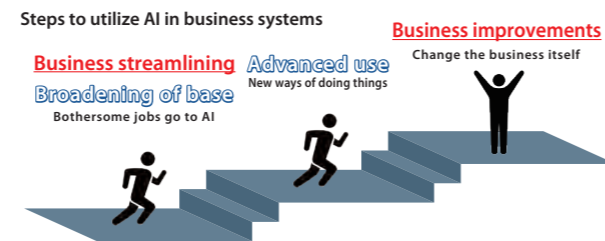
## Strengthening technology and manufacturing for sustainable growth

### Initiatives to use AI

We have begun company-wide use of generative AI to improve operational efficiency and create new value. In FY2025, with the start of using generative AI within the company, we revised our system usage regulations and established guidelines for generative AI usage to build a foundation for safe and appropriate use. At the same time, a company-wide study session on generative AI was held based on the concepts of expanding the base of AI use and delegating routine and high-load tasks to AI. In addition, a working group was formed by inviting personnel interested in AI utilization from various divisions. The group conducts research on new AI technologies and becomes beta users, determining whether or not the technology can be applied to business operations, deploying it across the company, and conducting educational activities. These efforts have promoted understanding and use of generative AI while ensuring security, and the number of daily users has tripled compared to the previous fiscal year.

Currently, based on internal documents and accumulated knowledge, we are promoting efforts to utilize the RAG (Retrieval Augmented Generation\*) functions across the board for information retrieval and response to inquiries that occur on a daily basis in each department. Until now, employee training has been conducted mainly through on-the-job training, but through the RAG system, we will create an environment in which employees can access necessary information on their own, thereby improving learning efficiency and work execution. In the future, we will gradually expand the use of generative AI to core operations and promote the transformation of our business processes, while improving the quality of service to our customers and enhancing business productivity. At the same time, we will promote further utilization of generative AI in cooperation with AI vendors.

\*AI technology that generates answers by referring to internal data



### Healthy and sustainable management

#### Information security initiatives

In today's digital society, cyber attacks and other threats are becoming more sophisticated every year, posing a serious risk to the continuation of corporate activities. In this environment, we are aware that vulnerability countermeasures and the development of a system to prepare for incidents are essential to ensure the safety and stability of information systems. We have established a 24/7/365 monitoring network for our information systems and have a system in place to respond promptly when any unusual behavior is detected. At the same time, we have established a cyber BCP response flow and manual that cover everything from initial response to recovery in the event of an incident, in an effort to minimize damage and achieve early recovery. In preparation for a serious incident requiring a long period of time to recover systems, we have established a recovery system (CSIRT) and alternative business methods. Currently, to enhance the effectiveness of these systems, we conduct periodic simulation drills.

In addition to technical measures, personnel measures are also important. Therefore, targeted email training and information security education are continuously conducted throughout the company to raise employee security awareness. In the future, we will promote compliance with the Security Measures Evaluation System that the Ministry of Economy, Trade and Industry (METI) is planning to launch. By undergoing evaluation by a third party, we will objectively verify and further advance our information security measures.

There is no end to information security measures, and we will continue to monitor the latest threat trends, continuously checking and enhancing the status of our own measures, and working to improve the level of information security.

#### Initiatives to prevent fraudulent acts such as bribery

Our company adheres to the "Sinto Corporate Ethics and Conduct Policy" and equivalent codes of conduct for overseas group companies, ensuring compliance with relevant laws and regulations in the countries and regions where we operate. Various forms of illegal and corrupt practices such as bribery and conflicts of interest are regulated as they hamper fair business transactions. To prevent such corrupt practices, we have established guidelines for the strict use of entertainment expenses and the exchange of gifts, and we ensure thorough dissemination for full understanding.

In our relationships with business partners, we distribute the "Sinto Business Partner Guidelines: For Our Future Nakama" to all partners and regularly hold information exchange meetings to promote and ensure understanding of our principles on fair and equitable transactions, compliance with laws and regulations, and safety, quality, and environment. Furthermore, in the "Basic Transaction Agreement," which we revised in FY2023, we have added clauses related to fraud prevention (including bribery) and respect for human rights. We regularly distribute this agreement to all of our business partners globally and have successfully concluded the agreement with most of them.

Disciplinary action taken (number and types)	(cases)		
	FY2023	FY2024	FY2025
Reprimand	3	2	0
Pay cut	2	1	1
Suspension	3	1	0
Encouraged resignation/ disciplinary dismissal	4	0	0

# Initiatives for the Environment

Our environmental activities started in the late 1940s, before the term "pollution" was widely used, when we began to improve the environment at foundry factories. Then, in 1963, during an era when economic growth was taking precedence over environmental issues, we sent out a corporate advertisement to the world with the words "manufacturing that is kind to flowers" as a warning against environmental problems. For over 60 years, we have continuously promoted the reduction of our environmental impact.



Corporate advertisement in 1963: "Manufacturing that is kind to flowers"

## Environmental management

### Environmental Policy

As a member of the global society, we seek to actively reduce environmental burdens in all areas of our business activities, work to prevent pollution, and achieve a sustainable society.

### Actions

1. Comply with environmental laws and regulations
2. Promote the prevention and reduction of waste
3. Work to effectively use resources and energy to eliminate waste and reduce carbon emissions
4. Work to develop technology and products that offer reduction of environmental burdens throughout their lifecycle
5. Perform internal environmental training and strive to improve staff awareness
6. Publicly share the environmental policy
7. Take actions to continuously improve the global environmental management system

### Environmental management system certification

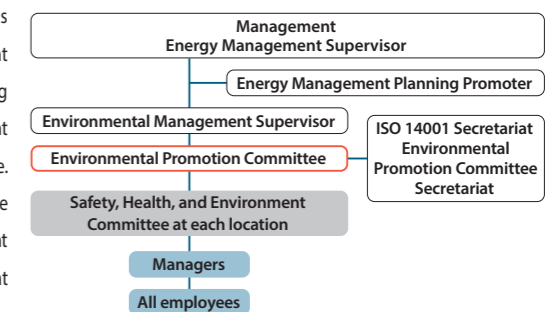
To promote the continuous reduction of our environmental impact, we have established environmental policies, objectives, and targets; we have put in place an environmental management system that includes plans, systems, and processes for initiatives to achieve them. Eight Sintokogio manufacturing sites and 12 domestic/overseas group companies have obtained ISO 14001 certification, an international standard for environmental management. Furthermore, our domestic partner companies are working to obtain certification under "ECO Action 21" established by the Japanese Ministry of the Environment.

### Environmental training

We systematically provide environmental education (general and specialized) for all employees engaged in activities associated with the environmental management system, as per their roles and job descriptions. In particular, for specialized education, we utilize internal and external training sessions to systematically train employees to acquire qualifications, such as certifications for energy management, pollution managers, and hazardous substance handlers, which are necessary for the performance of their duties.

### Environmental management system diagram

Our environmental management system is in accordance with environmental management standards (ISO 14001) and the Environmental Promotion Committee, and it includes a company-wide system that comprehensively manages initiatives and progress. The company director in charge of the Manufacturing Platform Division also serves as the company's top management in charge of ISO 14001, Energy Management Supervisor based on the Energy Conservation Law, and chairman of the Environmental Promotion Committee. At the company-wide Environmental Promotion Committee meeting held every month, the committee discusses, promotes, and reports on the progress of environmental management goals, and it shares excellent case studies. The contents are communicated through the Safety, Health, and Environment Committee at each location; thus, these company-wide policies and initiatives are disseminated to all employees.



## Disclosure based on TCFD recommendations

In June 2022, we endorsed the Task Force on Climate-related Financial Disclosure (TCFD) recommendations, and we have continued to work to enhance the disclosure of climate change-related information in line with them. For our company, which uses a large amount of energy in our foundry business and other operations, carbon neutrality is a pressing issue, and we are promoting activities to address it.



### ► Governance

Our company positions climate change and topics related to nature as an important management theme, and we incorporate this theme in our business operations and mid-to-long-term business decisions. The internal committees related to these issues continuously deliberate on these topics. Information about the role and topics of each committee can be found in the “Sustainability Management” section on P.56.

### ► Strategy

We examined the world in two scenarios: less than 2°C increase in global average temperature from pre-industrial revolution (“Under 2°C scenario”) and a 4°C increase (“4°C scenario”).

Scenario	Worldview
Under 2°C scenario	Business impacted by changes with the transition to a decarbonized society (major transition risks) <ul style="list-style-type: none"> <li>• Shifts to stronger regulations related to climate change, carbon tax adoption, electric power composition of non-petroleum fuel, and EV production</li> <li>• Society as a whole heads for decarbonization. Actions for decarbonization of companies are evaluated, and adoption of decarbonization equipment in factories and offices is promoted.</li> </ul>
4°C scenario	Business impacted by physical harm from climate change (major physical risks) <ul style="list-style-type: none"> <li>• Limited adoption of regulations related to climate change</li> <li>• Advancing severity of abnormal climate events, frequent natural disasters</li> <li>• Rising temperatures causing a worsening labor environment and limited availability of water in some regions</li> </ul>

We examined risks and opportunities that have a major impact on our company for both the Under 2°C and 4°C scenarios. We estimated the approximate financial impact, and through our internal Sustainability Committee, we deliberated on countermeasures for risks and opportunities that will have a large impact.

In the table below, we have listed risks and opportunities that we estimated to have a large impact on our company. Upon performing financial impact analysis, we deliberated on countermeasures for carbon tax adoption, transition to low-carbon technology, increased extreme climate phenomena, and low carbon emission products/services.

Theme	Category	Subcategory	Identified climate change risks/opportunities	Countermeasures
Transition risks	Governance & law	Carbon tax adoption	<ul style="list-style-type: none"> <li>• Increased expenses from paying carbon tax</li> <li>• Increased costs for purchasing materials with high carbon intensity</li> </ul>	Initiatives to reduce carbon emissions by 3.45% year-on-year
		Stronger energy saving policies	<ul style="list-style-type: none"> <li>• Reduced sales from contracting gasoline vehicle market</li> </ul>	Expansion of products for the EV market
	Technology	Transition to low-carbon technology	<ul style="list-style-type: none"> <li>• Increased costs from early updates to existing equipment</li> <li>• Decreased sales due to slow development for environmental parts and services</li> <li>• Increased R&amp;D expenses for development of environmental parts and services</li> </ul>	Promoting sales of environmentally-friendly products (202 products) and expanding product lineup
Market	Changes in energy market	<ul style="list-style-type: none"> <li>• Increased energy costs including switching to renewable energy</li> </ul>	Installation of solar power generators	
Physical risks	Acute	Increased extreme climate phenomena	<ul style="list-style-type: none"> <li>• Suspension of business operations and loss of sales opportunities due to increased frequency of floods</li> </ul>	Enhancing BCP (reinforcing factories, increasing inventory of parts and consumables)
	Chronic	Rising average temperature	<ul style="list-style-type: none"> <li>• Additional costs for heat measures with rising temperatures</li> <li>• Plant stoppage and increased operating costs from limited availability of fresh water associated with droughts</li> </ul>	Implementation of air conditioning and heat shield roofs in the factory
Opportunities	Resource efficiency	Improving productivity	<ul style="list-style-type: none"> <li>• Reduced plant operation costs through reduced use of energy</li> </ul>	Reducing waste through visualization of electricity
	Energy sources	Policies for use of renewable energy	<ul style="list-style-type: none"> <li>• Increased sales for industries related to renewable energy</li> </ul>	Development of products and services related to solar power generation and wind power generation
	Products/services	Low carbon emission products/services	<ul style="list-style-type: none"> <li>• Increased sales through expansion of recycling services</li> <li>• Improving sales by developing and rolling out environmentally-friendly products and services</li> </ul>	Recycling of consumables and collected dust, promoting sales of environmentally-friendly products (202 products) and expanding product lineup
	Market	Creating new markets	<ul style="list-style-type: none"> <li>• Increased sales in EV market</li> </ul>	Proposals for changing from hydraulic to electric cylinders

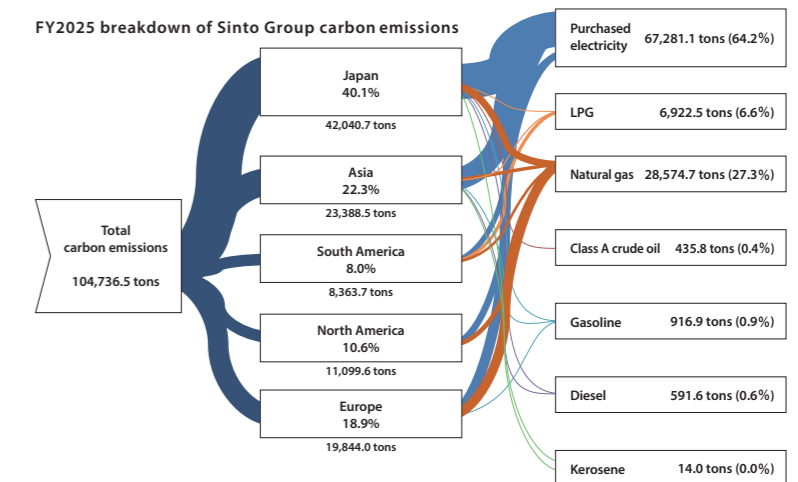
## Reducing greenhouse gases

### ► Eco-factory (Scopes 1 and 2)

Looking toward the achievement of carbon neutrality, each employee gets creative when taking action for energy conservation around them, making efforts to reduce carbon emissions generated by our manufacturing.

### Visualization of energy consumption

Energy consumption is monitored by region and type, and reduction strategies are developed and executed with a particular focus on high-consumption regions and energy types. For Japan, we are focusing on Osaki Works, with the highest level of energy usage, as we pursue initiatives to reduce power consumption.



### Electric power visualization at business sites

As one of our eco-factory initiatives, we are promoting the visualization of electric power. Koda Works has successfully completed the visualization of power consumption across four levels: the entire worksite, each building, each product line, and each individual machine unit. By measuring power consumption not only for the entire worksite and each building but also for each production line, it has become easier to identify wasted energy and implement energy-saving improvements. For instance, at the machine level, the timing of compressor and air conditioning unit startups is monitored, allowing for staggered startups to reduce peak demand power. In the future, based on the data collected at the worksite, we plan to explore and progressively implement measures to reduce power consumption. Furthermore, we aim to use Koda Works as a model case to promote the visualization and reduction of power consumption at other worksites.

### Procurement and utilization of renewable electricity through off-site PPA

As part of our efforts to realize a decarbonized society, we have begun procuring electricity derived from renewable energy sources by utilizing off-site physical PPA services.\* In this initiative, electricity generated by our exclusive farm-based solar power plant is supplied to three business sites in Aichi Prefecture through an electric power company. As a result, we expect to use approximately 610,000 kWh of renewable electricity and reduce carbon emissions by approximately 252 tons per year. The contract term is 20 years, which enables long-term stable procurement of renewable energy and contributes to reducing the risk of electricity price fluctuations.

This power plant is located on a farm combining solar power generation and agriculture, and it contributes to securing sustainable income for local agriculture. In the future, we will consider installing further power generation facilities to expand the use of renewable energy and contribute to the realization of a sustainable society through the promotion of locally produced, locally consumed energy.

\*Projects combining the purchase of electricity generated by renewable energy sources installed off the electricity user's premises together with environmental value



Our exclusive farm-based solar power plant

### Heat shielding and insulation measures for factory and office buildings

Against the backdrop of increased air conditioning load caused by rising temperatures, we are implementing heat shielding and insulation measures in our factory and office buildings to both improve the working environment and conserve energy. At factories, existing exterior walls were covered with thermal insulation and heat shields to reduce indoor temperatures by approximately 3°C. In office buildings, thermal barrier paint was applied to window glass to reduce temperatures near the windows by approximately 5°C. These efforts are expected to reduce power consumption by air conditioners throughout the year.



Factory with heat shielding and insulation measures on exterior walls



Thermal barrier paint being applied to window glass

### Reduction of environmental impact using heat recovery system

Omega Sinto Foundry Machinery in the UK is developing an innovative heat recovery system to reduce the environmental impact of the casting process. Conventionally, waste heat of approximately 180°C generated in the sand reclamation process was released directly into the atmosphere, but this new system recovers this unused energy and reuses it as electricity. This effectively utilizes energy that would have been lost in the past, contributing to improved efficiency and reduced carbon emissions throughout the process. Furthermore, the facility itself is equipped with a power generation function, making it a green power source that can self-sufficiently supply part of its electricity. The modular design allows for installation in existing facilities as well as new facilities, and it is expected to be applied in a wide range of sites. We will continue to work toward the realization of sustainable manufacturing through the development of technologies that achieve both energy conservation and low carbon emissions.



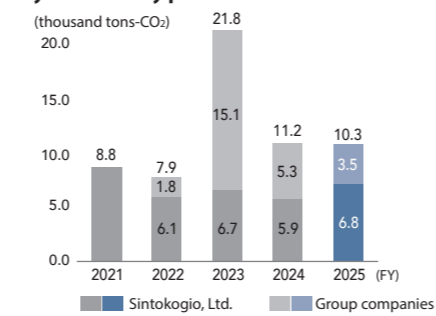
Heat recovery system (image)

### ► Eco-products/eco-logistics (Scope 3)

Of the 15 Scope 3 categories, we have determined calculation methods and are collecting data for the following 5 categories, enacting initiatives for the reduction of carbon emissions.

Category	FY2025 initiative	Key Performance Indicators (KPI)	FY2025 results
Category 4: Upstream transportation and distribution	(Eco-logistics) Convert transportation method of abrasives to rail/ships with less environmental impact and increase ratio of this kind of transportation	Carbon emissions: 1% reduction year-on-year	Carbon emissions 18% increase year-on-year
Category 6: Business travel	Aggregation of FY results according to the agreed upon aggregation method	Undecided	670 t-CO <sub>2</sub> /year
Category 7: Employee commuting	Aggregation of FY results according to the agreed upon aggregation method	Undecided	1,683 t-CO <sub>2</sub> /year
Category 11: Use of sold products	(Eco-products) Calculate carbon emissions during operation for each system sold to customers	Customer contribution carbon emissions: 1.5% reduction year-on-year	10,348 t-CO <sub>2</sub> /year
Category 12: End-of-life treatment of sold products	(3R) Utilize cardboard as packaging material	Customer contribution carbon emissions: 0.6 t-CO <sub>2</sub> /ton	0.03 t-CO <sub>2</sub> /year

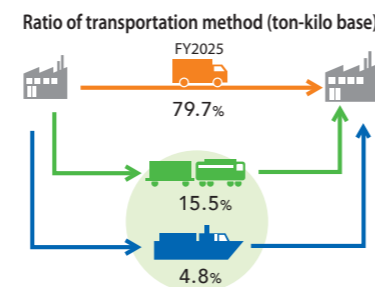
#### Category 11: Use of sold products Contribution to carbon emissions reduction by eco-friendly products



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

### Review of transportation methods (Category 4: Upstream transportation and distribution)

Shifting abrasives shipments from truck transportation to rail or ships (with less environmental impact) contributes to reducing carbon emissions during shipping. Our current total transport volume per method is as follows: 15,542,100 ton-km by truck, 425,500 ton-km by rail, and 159,100 ton-km by ship. We will continue to increase the ratio of rail and ship transportation in the future. We are also promoting the use of circulating shipments between locations and optimizing shipping schedules to consolidate shipment dates. By the end of FY2025, these efforts have resulted in a 38.6% reduction of carbon emissions. We will continue these initiatives in the future, contributing to the reduction of our environmental impact.

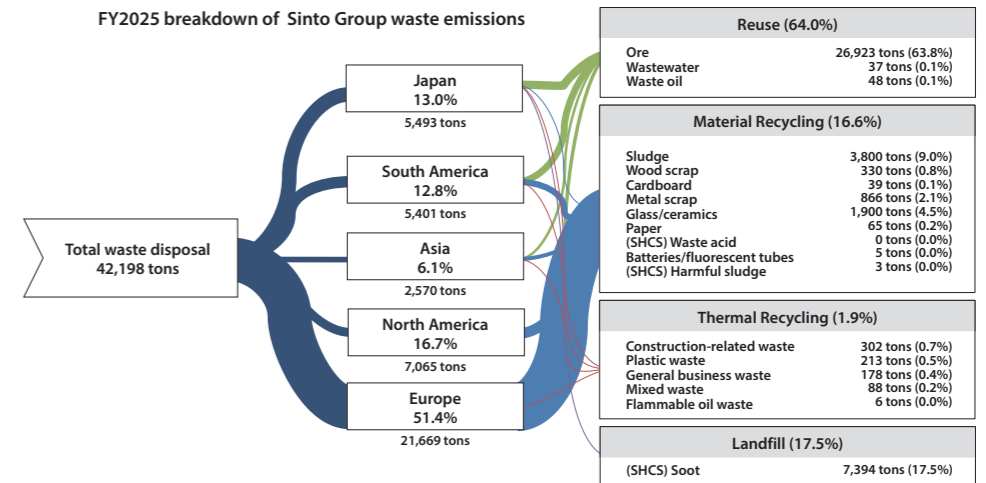


## Resource circulation and conservation

### ► Initiatives for resource circulation

#### Visualization of waste emissions

Waste emissions are monitored by region and by type, and reduction measures are planned and implemented with an emphasis on the regions and waste types with the highest emissions. Most of the waste is ore, sludge, and metal scraps. On the other hand, as common waste reduction measures that can be enacted across all business sites, we are promoting initiatives related to plastic pallets and cardboard.



#### Use of on-site plastic pallets

Wooden pallets had been used for cargo handling operations at the plant, but they were fragile and had to be replaced frequently. By reviewing pallet operations and switching to plastic pallets, which are more durable than wooden pallets, we reduced the pallet replacement frequency and the amount of wood waste. Furthermore, plastic pallets are shared between factories to limit the number of new pallets purchased. In FY2025, we concluded a buy-back contract for waste plastic pallets, turning waste into materials of value and contributing to the reduction of waste emissions. We will continue to set individual targets for reducing the amount of wood and plastic waste at each business site, rigorously managing these targets by comparing them with actual performance.

### ► Water conservation initiatives

#### Aboveground water piping

In recent years, the continued use of water and sewage pipes in Japan has become a problem, as replacement of these pipes has not progressed even though they have exceeded their useful life. At our company as well, water utility costs at Toyokawa Works had remained high compared to those at Ichinomiya Works, which is of a similar size, leading to concerns about potential leaks in the underground piping.

Since locating and repairing leaks in buried pipes requires a significant amount of time and money, we have installed aboveground water supply pipes to enable early detection and prompt response in the event of a leak. As a result, over the 10-month period ending in September 2025, we achieved a year-on-year reduction of 1,912,000 JPY (approximately 2,600 m<sup>3</sup>) in water and sewerage charges, while also reducing carbon emissions associated with water production by 1.2 tons.



Aboveground water piping

## Fostering eco-awareness

### ► “Actions for ourselves” of all our employees around the world

Bringing together all of our employees around the world to act as one, we set our own Environmental Awareness goal as an 18<sup>th</sup> SDG. Through this initiative, which began in FY2021, we promote a culture in which each individual can feel personal responsibility to take decisive action for the environment.

Establishment of Sinto Group's original goal



# Human Resource Strategy

For Sinto, we believe that “being a company chosen as an arena for our employees to realize their full potential” is a core value for the sustainable growth of the company. Based on this vision, we have redefined the company as “a place for self-development and growth,” and we work to provide an environment in which each employee can independently learn, challenge themselves, and achieve self-realization. The relationship between people (employees) and companies has changed. In the past, it used to be that companies chose people, but now, people choose companies. Amid diversifying values and changing work styles, we aim to create and foster a corporate culture in which each employee takes pride in their work and constantly moves forward and takes on challenges, growing as individuals and charting their own careers regardless of age or gender. We believe that realizing the idea of a company as “a place for self-development and growth” will bring out our employees’ full potential, and by extension, result in the sustained growth and development of the company itself.

## ▶ Basic stance (“MEGA”)

For Sinto, our human capital management entails encouraging the motivation and growth of each employee and providing them with a place where they can make the most of their cultivated abilities. The core philosophy of our company’s human resource system is the principle of “Motivation, Effort, and Growth Acceleration (MEGA).” “MEGA” is a management style that encourages employees to have a sense of purpose in life so that they work with enthusiasm, maximizing the potential of each employee. We truly believe that human resources (employees) are a company’s greatest asset, and the name “MEGA” reflects our idea that the growth and success of human resources will result in the development of the entire company. Furthermore, to contribute to our customers and society, based on the spirit of our management philosophy HEART, we believe that it is important for each employee to acquire world-class skills and techniques to further evolve. Now in an era in which people can live over 100 years, “MEGA” is the base for our employees to maximize their potential during their lifetime at the company. We are continuing to develop our human resources system for the long period from joining the company to retirement, aligning the company’s goals with the employees’ own goals, encouraging individuals to proactively improve their abilities and skills, and rewarding those who work hard to develop their skills.



### ISO 30414 certification and periodic review



Human Capital Report (Japanese)  
<https://www.sinto.co.jp/ir/library/human-capital-report/>



In March 2024, we acquired ISO 30414 certification, an international guideline for disclosing information related to human capital. We are the second machine manufacturer in Japan, and the fourth company in the domestic manufacturing industry, to do so. Since receiving the certification, we have further accelerated our initiatives for employee growth, and in March 2026, we passed the third-year periodic review for recertification. Furthermore, in conjunction with acquiring ISO 30414 certification, we have published the 2025 Human Capital Report that summarizes quantitative information regarding our human capital.

\*Total number of Japanese companies that have received certification: 21 companies (as of March 31, 2026)

## ▶ Human resource policy

### ■ Growth of each employee

- Securing and developing creative human resources with the desire and ability to contribute to business growth from a long-term perspective
- Providing opportunities for each individual to realize their full potential and experience growth and self-actualization

### ■ An organization in which members share a sense of purpose in life and work

- Building relationships of mutual trust based on communication and teamwork, and working together to achieve goals
- Fairly evaluating not only results but also work processes and actions such as level of effort and willingness to take on challenges, resulting in improved engagement of those who have worked hard

### ■ Creating a good work environment

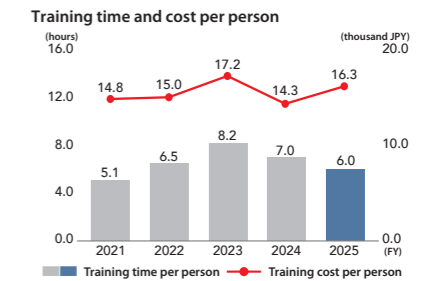
- Respecting and integrating diverse values and ways of thinking, resulting in new ideas
- Establishing a culture of active engagement among diverse human resources, diverse workplaces, and diverse work styles

## Human resource development

To properly respond to changes in the business environment and constantly develop new technologies and products, based on the principle of “MEGA,” we have established human resource development by job grade, and we have put in place various tools and resources for personnel development.

## ▶ Enhanced human resource development system

Employee growth is crucial for the sustainable development of a company. To encourage the growth of individual employees, we have prepared 51 different kinds of training by rank, specialized training, and so forth. These trainings are suitable for each rank and occupation so that the employees acquire the knowledge and specialized skills required to perform their work. In FY2025, we did a comprehensive review of rank-based and specialized training so that employees can independently build their careers more effectively.



## ▶ Evaluator training

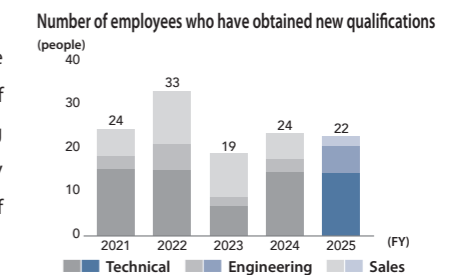
With increasing diversity in work styles and approaches to career development among the workforce, it is crucial for fair evaluations to take place so that superiors and their subordinates can build a firm relationship of trust. For that reason, during FY2023 and FY2024, we reviewed the curriculum for evaluator training, and we held trainings for all members in managerial positions. These managers and supervisors who serve as evaluators not only deepened their understanding of our company’s evaluation system and purpose but also enacted roleplaying activities based on the company’s unique case studies to improve interview and communication skills when providing feedback to their subordinates.

## ▶ Evaluating hard work and willingness to develop skills

We operate a system that awards points to employees for their efforts to develop their abilities, rewarding them for their motivation and hard work. Focusing on employees who put effort into developing their own abilities, such as participating in self-development training, obtaining skill certifications, and obtaining official qualifications, the system has resulted in an increase in employee motivation for self-development since its introduction.

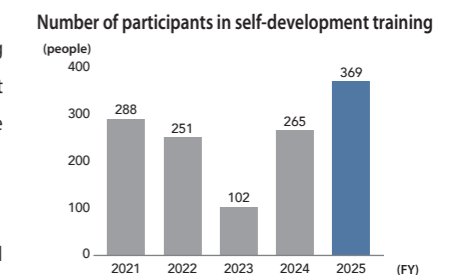
### ■ Sinto Career System

We have established a unique system for honing specialized skills for each job type, encouraging those in technical and sales positions to obtain in-house qualifications. Through this system, the skills of employees are evaluated regardless of their job grade or age, and understanding their own standing (level) allows employees to grasp the direction of their growth. This system is being expanded globally as group-wide universal qualifications for employees not only in Japan but all over the world, as one of the methods of increasing the capabilities and skills of all members worldwide.



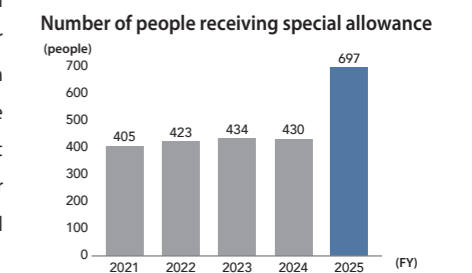
### ■ Promoting self-development

We offer self-development training (20 courses) and correspondence courses (100 courses) supporting employees’ growth and skill development, including anger management, resilience, and other topics that focus on technical, physical, and mental strength. The offerings are regularly revised to consistently provide the best learning opportunities as per the changing times and the needs of the employees.



### ■ Special allowance

This system encourages employees’ motivation and effort, promotes self-development, and offers real compensation for those efforts. Separate from regular performance evaluations, this system is intended to evaluate individuals’ efforts and growth. Based on the points earned by employees for improving their skills and knowledge, a special allowance is added to their salary each month, making it possible for them to improve their own compensation directly. Additionally, points are also offered for skills and knowledge that are not directly related to work. Rewarding employees for proactively acquiring skills that might be useful later on and investing in their own future, we hope to empower employees to shape their own career paths and accelerate their growth. In April 2025, we increased the allowance amount and reconsidered the criteria for earning an allowance, encouraging more employees to use the system.



## Health management

We place great importance on the health of our employees, aiming to revitalize our organization by maintaining and improving employee health. We have established a Health Promotion Committee comprising departments that are responsible for health management (including occupational physicians, public health nurses, and clinical psychologists), our health insurance association, and health-responsible personnel at each business site. Through this system, we provide support and educational activities that improve both mental and physical health. As a result, we have been certified as a "Health & Productivity Management Outstanding Organization" again in 2026.



### ▶ Health policy and health promotion activities

We have revised the "Health Management Declaration" established in FY2022 for our employees and have published it as the "Health Policy" effective FY2024. To enable employees to lead a healthy and happy professional life, we conduct activities for primary prevention (prevention in advance), secondary prevention (early detection and early response), and tertiary prevention (prevention of recurrence) of health issues through the establishment of Health Month and Health Promotion Day, health guidance opportunities for the prevention of lifestyle-related diseases, and various measures for mental health.

### ▶ Seminars for physical and mental health

Every year, we conduct awareness campaigns on physical and mental health to raise our employees' health awareness. In FY2025, we held seminars led by occupational physicians, public health nurses, clinical psychologists, and external instructors on topics such as sleep, mental health and communication, health issues specific to women, how to interpret the results of regular health checkups, and minor physical ailments.

### ▶ Health Month and Health Promotion Day

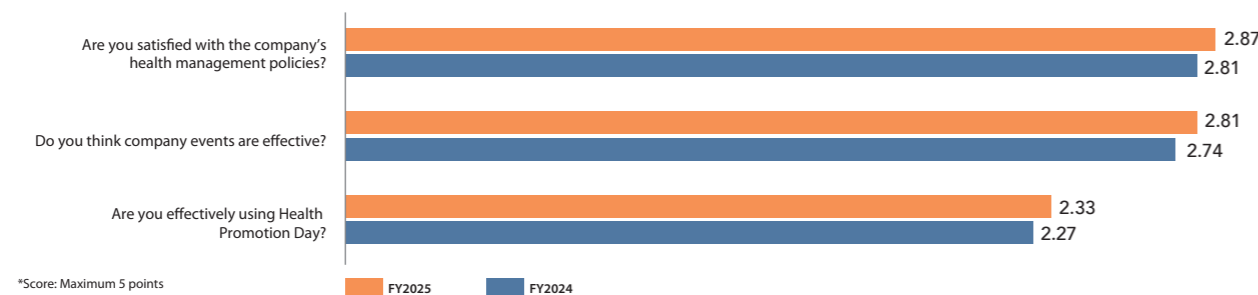
Every year, April is designated as Health Month, and we hold seminars and other educational activities to raise health awareness and encourage people to take their health into their own hands. We also designate every Wednesday as Health Promotion Day, encouraging employees to go home on time to maintain their physical health and refresh their minds by setting aside time for sports, hobbies, and sleep. In addition, free tickets for use of the gym in Sinto Heart Arena (Toyokawa City Gymnasium; see P.70) are distributed to promote exercise habits.

Indicators related to health and work style\*1

Item	FY2023	FY2024	FY2025
Health checkup participation rate	100%	100%	100%
Rate of findings from health examinations	70.8%	65.3%	70.3%
Rate of receiving a detailed follow-up examination	72.0%	29.0%	65.9%
Specific health guidance implementation rate*2	22.1%	37.0%	21.0%
Stress check examination rate	98.7%	97.2%	97.4%
High stress rate	19.0%	17.3%	17.4%
Overtime hours worked (monthly average)	21 hrs	20 hrs	20 hrs
Leave of absence rate	0.20%	0.80%	0.25%
Rate of annual paid leave taken	74.4%	76.0%	72.4%
Number of days of annual paid leave taken	13.8 days	14.1 days	13.4 days
Presenteeism*3	85.0%	74.1%	73.1%

\*1: Data collection range: Sintokogio, Ltd.  
 \*2: Sinto (Japan) employees aged 40 years and over who are insured by Sinto Health Insurance  
 \*3: Began survey in 2023 using the University of Tokyo's "one-question method"

Indicators for health management, company average (employee consciousness survey)



## Occupational safety and health

### Safety Policy

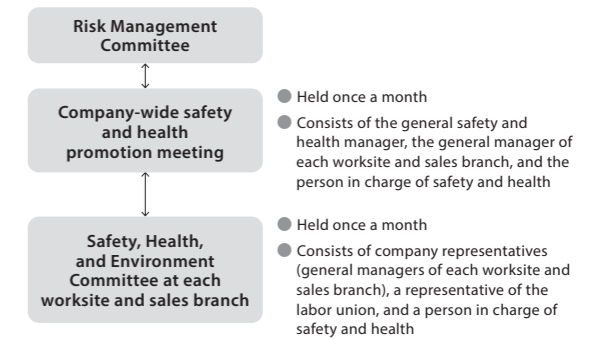
We respect humanity and aim to be a company that receives trust and understanding from all customers, based on the basic principles of prioritizing safety and promoting and maintaining health. All employees will work together to promote safety and health activities.

### Actions

1. Properly understand and comply with safety- and health-related laws and regulations
2. Promote the creation of a comfortable work environment with attention to safety, hygiene, and health
3. Conduct periodic audits and promote continuous improvement of the health and safety management system
4. Prevent lifestyle-related diseases among employees
5. Provide guidance, education, and support for safety and health management for subcontractors
6. Participate in government and community activities related to health and safety

### ▶ Promotion structure

A company-wide safety and health promotion meeting is held every month to inform employees of the safety and health activity policies, promote the expansion of ideas across divisions, report results, and discuss issues at each business site to make improvements. The general managers and safety representatives of each business division attend the meeting, and they convey the content of the meeting to the Safety, Health, and Environment Committee at each worksite and sales branch to promote company-wide policies and initiatives. By collecting employee opinions and applying these ideas, labor and management work together to promote safety and health activities.



### Major initiatives for occupational safety and health

We have obtained Occupational Safety and Health Management System (OSHMS) certification at all eight of our business locations in Japan, and we have created a work environment in which all employees can independently work on safety activities by following the PDCA cycle. Through risk assessments for all equipment, we identify sources of danger and conduct risk reduction activities, promoting the creation of a safe and secure workplace. Moreover, meetings for safety and encouragement are held for supervisors and representatives of subcontractors prior to construction work performed during holidays, with all related parties pledging to be able to say "I'm home" with a smile.

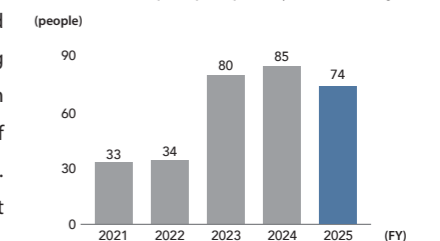


### ▶ Initiatives for safety

#### Increasing safety awareness

We conduct monthly inspections at our eight domestic business locations, and by conducting on-site patrols with the management supervisors, we aim to create a safe and vibrant workplace and prevent labor accidents before they occur. The management supervisors participate in the morning meetings, confirming that their thoughts are reaching everyone on site, and that safety and health activities and risk prediction activities are being performed. We have also made a daily collection of industrial accidents and shared it across departments, enacting repeated enlightenment activities. Furthermore, all members of executive management (including the company president) conduct patrols during on-site construction work and speak to the people involved to achieve zero accidents.

On-site construction patrol participation by executive management (people)



#### Confirming the worksite in response to new regulations

With the introduction of new regulations for chemical substances, we regularly confirm the operational status at each worksite in response to these regulations. At monthly worksite visits, we do checks of whether the person in charge of chemical substances has been appropriately selected, and whether that person's responsibilities are being properly fulfilled. In particular, we look especially at whether protective equipment is being used during work, and whether chemical substances stored in separate containers are properly labelled to show danger and toxicity levels. In case any issues are found, we instruct the person in charge to make corrections immediately, ensuring before any accidents happen that there are no threats to the workers' health.

# Stakeholders

## Customers

### ► In pursuit of customer satisfaction

To always be chosen by customers, we have an internal slogan of “not just selling products.” We make regular visits to all customers who have purchased products or services from us, work together with them to resolve their problems and issues, and ultimately aim to contribute to our customers’ growth. We offer detailed after-sales maintenance and timely support using digital tools that our customers can trust, and as a result, they order parts and consumables from us. Through these efforts, we aim to improve customer satisfaction to keep our customers happy for many years to come.

To always be chosen by customers

- ▶ Customer-oriented proposals
- ▶ Immediate response
- ▶ Being a good advisor

### ► Proposals through the use of our Online Solution Site

As points of contact with customers, in addition to our main homepage on which we share information about our products and services, we provide an Online Solution Site as an information base to support customers in resolving their issues. This Online Solution Site is not just an information outlet, but rather a communications channel for offering solutions and know-how to customers, supporting a deeper understanding of products and technologies to resolve their issues.

#### Providing easy-to-understand solutions through videos and study sessions

To offer proposals and solutions to customers in an easy-to-understand manner, we provide information through videos and study sessions. In FY2025, we released videos explaining how to inspect dust collectors, focusing on dust collector fires as a potential operational risk for customers. In addition, for customers who wish to gain a deeper understanding, we hold a number of study sessions at our company to help them acquire the correct knowledge.



#### Proposals specific to your industry in our Connection Room

We have established our new Connection Room as part of our Online Solution Site. This is a place to gain a deeper understanding of our industry-specific technologies, products, and services. As the first phase of this initiative, we have released content for customers in the semiconductor and electronic components industries, providing information that contributes to solving various issues, including precision processing, inspection, and measurement technologies. Currently, we are expanding our services to the shipbuilding industry, steel industry, and battery industry, among others. By presenting our strengths in an easy-to-understand manner by industry, we aim to create opportunities for co-creation, leading to visits and inquiries at each business site. Since its establishment, the access count has been steadily increasing, and we will continue to expand business opportunities by introducing our technologies and products according to the characteristics of each industry.



The Connection Room on our Online Solution Site (Japanese) <https://www.sinto.co.jp/connection/>

### ► Using digital technology to enable rapid troubleshooting

With the aim of minimizing downtime for our customers and enabling swift recovery support, we offer corrective maintenance that provides remote restoration support for equipment and production lines, and a monitoring system that remotely monitors changes in trends that can be a predictor of failure. These systems have been installed in more than 1,400 units in total, contributing to customers’ stable operation and improved productivity through a timely support system that utilizes digital technology.

### ► Strengthening staff development to foster good advisors

We place importance on being a good advisor to our customers and proposing the best solutions to their problems and issues. In order to continue to be the best partner for our customers, we provide ongoing training to improve the skills of each of our sales representatives, utilizing our in-house educational facilities. By learning in an environment closer to practice, trainees gain a deep understanding of the worksite and accumulate proposals to prevent our customers’ equipment from stopping.

## Quality management

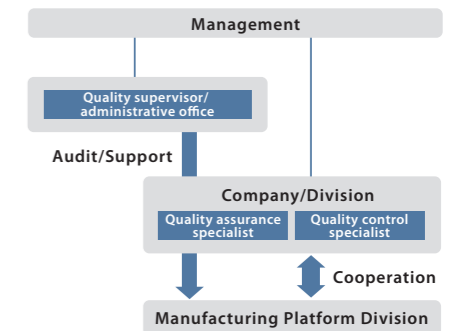
Our company has established a Quality Policy that is the basis for continuous quality management improvement group-wide, in order to provide reliable products with trusted technology to our customers worldwide.

You can find our Quality Policy on our website. (Japanese) <https://www.sinto.co.jp/ir/esg/social/>



### ► System for promoting quality

By establishing a quality management system and thoroughly implementing the PDCA cycle in each organization, we ensure product safety, secure product quality, and prevent quality problems. At the core of the system, a quality supervisor and administrative office oversee the promotion of quality across the company. Each in-house company and business division also has quality assurance and quality control specialists who prepare quality plans for each project and work to ensure quality. The entire company, from management to production divisions, implements our quality policies.



### ► Improving drawing quality to eliminate recurrence of defects

With the slogan of “preventing recurrence of defects, with zero defects in the main unit,” we categorize machine parts into three categories (main body, auxiliary, and surrounding), and we are working to achieve zero defect recurrences. For each part, we further classify the design drawings as new, repurposed, etc., and we analyze defects as having occurred on the customer side or on our side as the manufacturer. Other aspects that we examine include people and methods as we consider countermeasures to prevent recurrence. Currently, we continue to have zero defect recurrences in the main body, and the number of recurrences in auxiliary and surrounding parts has also been reduced to only a few cases per year. In the future, we will continue to work closely with each business division to prevent recurrence.

### ► Providing safe products

To improve the safety and security of customers who use our equipment, we encourage them to obtain Safety Assessor qualifications based on international safety standards; in FY2025, 8 new employees obtained Safety Sub-assessor qualifications. We also represent Japan in the TC306 committee\* and are working on ISO standardization of safety requirements for foundry equipment and terminology. Eight ISOs have been issued so far, and in the future, after the global safety standards are made into JIS standards, they will be introduced to the Japanese foundry industry.

\*A technical committee that considers international standards for foundry machinery. The main participating countries are China, Germany, France, Italy, Denmark, Switzerland, the UK, and Japan.

Total certified employees	
Safety Assessor	14 employees
Safety Sub-assessor	169 employees

## Supply chain management

Our basic procurement policy focuses on sourcing high-quality, eco-friendly, and cost-effective products and services to realize our corporate philosophy.

You can find our basic procurement policy on our website. (Japanese) <https://www.sinto.co.jp/ir/esg/social/>



### ► Promotion of green procurement

We globally implement the “Sinto Business Partner Guidelines: For Our Future Nakama.” Through the sustainability policy, environmental policy, and environmental action plan included in the guidelines, we work to reduce the environmental impact throughout the supply chain. Additionally, we have requested cooperation from members of Shin-boku-kai, which consists of suppliers of purchased and manufactured goods, and received consent from all member companies (82 in total) to disclose environmental data. We also compile and share improvement case studies to contribute to reducing the environmental impact among members. In the future, we will continue to work to further reduce our environmental impact throughout the supply chain by providing regular opportunities for communication, and by introducing and distributing our improvement case studies regularly.

► Collaboration with suppliers (Shin-boku-kai activities)

We are committed to manufacturing together with our suppliers, who are our important business partners. We regularly hold information exchange meetings with our suppliers' association, Shin-boku-kai, to spread our ideas and understanding about fair and equitable transactions, legal compliance, and safety, quality, and the environment. In FY2025, we held a tour of our shipping yard to show our pallet yard and our efforts to reuse and recycle corrugated cardboard materials. The corrugated cushioning material introduced at the tour was adopted by two member companies, contributing to a reduction in the use of plastic cushioning material.



Information exchange meeting

In cooperation with Shin-boku-kai members, we will continue to actively promote initiatives for visualization and reduction of power consumption along with 3R activities to realize a sustainable and recycling-oriented society. In addition, we are strengthening cooperation with our subcontractors through the network of the Construction Safety and Health Cooperative Association, a group of companies responsible for equipment installation work, to ensure co-existence and co-prosperity with our business partners.

Initiatives to enhance brand recognition

We view the improvement of corporate recognition as an important issue and are promoting efforts to communicate the appeal of our corporate brand in a wide range of areas. These activities will not only enhance corporate value and brand image but also strengthen recruiting capabilities. We will continue our initiatives to become a company that is familiar to and trusted by society.

Naming rights acquired for Toyokawa City Gymnasium

■ Contributing to society through health

We have acquired preferential negotiation rights for the naming rights of the Toyokawa City Gymnasium in Toyokawa City, Aichi Prefecture, and have decided on the nickname "Sinto Heart Arena" for this facility. The name, which doubles up on the company's management philosophy of HEART, was chosen in the hope that it would be familiar and easy for all citizens to remember. Along with contributing to the local community and improving our corporate recognition, this initiative also contributes to the health management of the company.



Naming rights acquired for Toyokawa City Gymnasium



"Sinto Heart Arena" sign at the front entrance

Sinto: Start of mini broadcasting

■ Supporting young engineers involved in manufacturing

From September 2025, Chubu-Nippon Broadcasting Corporation (CBC) began airing the mini-program "Mirai e Tsudzuke! Tech" ("Tech that continues into the future"). In light of the national WorldSkills competition (2025-2027) and the international WorldSkills competition (to be held in Aichi Prefecture in 2028), we are putting a spotlight on young engineers' challenging spirit and polished skills. Along with sending encouragement to engineers who work hard every day, this program expresses our sincere hopes to revive the pride of manufacturing in Japan, create new value for manufacturing, and contribute to social prosperity.



Introducing young engineers



We have posted videos of past broadcasts on our website. (Japanese)



Sponsor contract signed with ComoNe

■ Supporting spaces for next-generation learning

We have become a sponsor for Common Nexus (ComoNe), a new facility established by the Tokai National Higher Education and Research System with the goal of co-creation with the local community. With direct access from the Nagoya University subway station, it opened in July 2025 as a space for exploration not only for students and educators, but for all kinds of community members, from neighborhood children to corporate

and government workers. Sinto has received naming rights for a seminar room as well as advertising space within the facility and along the passage from the subway. Along with boosting our brand power, we will continue to support activities for education and research.



Exterior view of ComoNe



Inside ComoNe



Naming rights acquired for seminar room "SINTOKOGIO SAND THEATER"

Social contribution activities

■ NAGAI Foundation for Science & Technology award ceremony

In FY2025, grants and plaques were awarded to the recipients of the Foundation Awards (13 recipients) and the Encouragement Grants (18 recipients). The Foundation was established in 1983 by the late Kakichi Nagai to honor researchers and academic research organizations in Aichi Prefecture and to award research grants. Since its establishment, the Foundation has awarded 725 grants and honors; many of the selected projects involve ambitious research themes proposed by young researchers, and there are high hopes for their future practical applications.



■ Tours for local high school students (USA)

Roberts Sinto welcomed local high school students to the manufacturing site for a tour and introduction to the latest technology. It was a valuable opportunity to support the development of the next generation of human resources and to increase their interest through on-site experience.



■ Community cleanup activities (Germany)

Employees of Heinrich Wagner Sinto are engaged in keeping their community clean. Together with colleagues from German, Chinese, and Turkish group companies, our team collected garbage, contributing to beautifying the local area and improving environmental awareness.



■ Providing a venue for bicycle competitions

In conjunction with the Tokai Cyclocross Round 2: iRC TIRE CUP 2025 cyclocross race, we provided our Shinshiro Works as the venue. Cyclocross is a sport that involves running on a course with muddy terrain and obstacles. This will be the fourth time that the company has provided the venue. We contribute to the development of the next generation, promotion of health, and revitalization of local communities through sports.



■ Support for kart racers (Brazil)

Sinto Brasil helped 8-year-old kart racer Romeo Ferrante take on the challenge. We continue our sponsorship activities with the aim of promoting sports and nurturing young people, while monitoring their growth.



■ Support activities for impoverished families (China)

Qingdao Sinto supported a charity event organized by the local police station through donations and volunteering. We delivered daily commodities and food purchased with donations to those in need and also participated in roundtable discussions.



Communication with shareholders and investors

We aim to achieve sustainable growth and enhance our corporate value over the mid-to-long term by promptly, accurately, and fairly disclosing crucial information on our business activities and strengthening communication with our shareholders and investors. In FY2025, we published our integrated report, held semi-annual online briefings for analysts and institutional investors, and conducted individual IR interviews with a total of 17 companies. We also held tours of our facilities, giving visitors an opportunity to inspect our manufacturing site (Toyokawa City, Aichi Prefecture) and providing explanations focusing on our initiatives for future growth. Furthermore, we participate in two IR fairs and hold an online briefing annually to actively engage in dialogue with individual investors. We will apply the valuable opinions we receive from everyone to enhance our quality of management and engage in dialogue to deepen our business activities for shareholders and investors.



IR fair

<https://www.sinto.co.jp/ir/> (Japanese)

