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(Securities Code: 6339)

Date of sending by postal mail: June 6, 2024

Start date of electronic provision of information: May 23, 2024

To our shareholders:

Atsushi Nagai
President
SINTOKOGIO, LTD.
3-28-12 Meieki, Nakamura-ku, Nagoya City

NOTICE OF THE 127TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 127th Ordinary General Meeting of Shareholders of SINTOKOGIO, LTD. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights via the Internet or in writing (postal mail). Please exercise your voting rights after reviewing the attached Reference Documents for the General Meeting of Shareholders, and refer to the “Instructions for Methods to Exercise Voting Rights” below by Thursday, June 20, 2024 at 5:15 p.m. (JST).

- 1. Date and Time:** Friday, June 21, 2024, 10:00 a.m. (JST)
- 2. Venue:** Midland Hall (5th floor of Midland Square Office Tower)
4-7-1 Meieki, Nakamura-ku, Nagoya City

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 127th Term (from April 1, 2023 to March 31, 2024), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors.
2. Non-Consolidated Financial Statements for the 127th Term (from April 1, 2023 to March 31, 2024)

Items to be resolved:

- Proposal 1:** Election of eleven (11) Directors
Proposal 2: Election of two (2) Auditors
Proposal 3: Payment of bonuses to Directors

The Company has adopted the electronic provision of information for the assembly of this general meeting of shareholders and has posted the items subject to measures for electronic provision on the following website.

Company website: <https://www.sinto.co.jp/ir/library/meeting/>

In addition to the above, the Company has also posted the information on the following website on the Internet.

Tokyo Stock Exchange website

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

Please access the above Tokyo Stock Exchange website, enter or search for our company name or securities code, and select “Basic information” and “Documents for public inspection/PR information” in that order. Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”

◎ If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company’s website listed above and the Tokyo Stock Exchange website.

◎ At this general meeting of shareholders, regardless of whether or not a request for delivery of the document has been made, the Company will uniformly send a document stating the items subject to measures for electronic provision. Among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 16 of the Articles of

Incorporation of the Company, the following items are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents.

- (i) Basic policy on internal controls and its operational status
- (ii) Notes to Consolidated Financial Statements
- (iii) Notes to Non-Consolidated Financial Statements

(i) to (iii) are subject to auditing by the Auditors, and (ii) and (iii) are subject to auditing by the Accounting Auditor.

■ Instructions for Methods to Exercise Voting Rights

Attending the General Meeting of Shareholders

Date and Time: Friday, June 21, 2024 at 10:00 a.m. (JST)

Please submit the voting form to the receptionist at the meeting site.

Only shareholders may enter the meeting on the day it is held. If you attend the meeting by proxy, the proxy must also be a shareholder.

Exercise of voting rights via the Internet

Deadline: to be exercised by Thursday, June 20, 2024 at 5:15 p.m. (JST).

Please access the voting website (<https://evote.tr.mufg.jp/>) and indicate whether you approve or disapprove of each proposal by the voting deadline.

For the “Instructions on Exercise of Voting Rights via the Internet,” please review the following pages.

Exercise of voting rights in writing

Deadline: to be received by Thursday, June 20, 2024 at 5:15 p.m. (JST).

Please indicate on the voting form whether you approve or disapprove of each proposal, and return it by the voting deadline.

To Exercise Voting Rights:

- If you exercise your voting rights in writing (postal mail) and do not indicate your approval or disapproval of a proposal on the voting form, we will treat it as if you indicated your approval.
- If you exercise your voting rights more than once via the Internet, only the last exercise of voting rights shall be deemed valid.
- If you exercise your voting rights both via the Internet and in writing (postal mail), the vote exercised via the Internet will be treated as the valid vote, regardless of the date of arrival.

Reference Documents for the General Meeting of Shareholders

Proposals and Related Matters



Proposal 1: Election of eleven (11) Directors

At the end of this Ordinary General Meeting of Shareholders, the term of office of all ten (10) Directors will expire. Therefore, the Company proposes that eleven (11) Directors be elected.



The candidates for Directors were decided based on recommendations by the Nomination and Compensation Committee comprised of independent external officers.


The candidates for Directors are as follows:


No.	Name		Sex	Attributes	Term of office	Current role at the Company		Attendance at Board of Directors meetings
						Nomination and Compensation Committee	Role	
1	Reelection	Yoshiki Ueda	Male	External Independent	8 years	Chair	Chairman of the Board	100% (17/17 times)
2	Reelection	Atsushi Nagai	Male		28 years		Chief Executive Officer	100% (17/17 times)
3	Reelection	Toshikazu Morishita	Male		8 years		Assistant to President, Sales Control	100% (17/17 times)
4	Reelection	Kenichi Nakamichi	Male		4 years		General Manager of Castec Company, in charge of Accounting and Finance	94% (16/17 times)
5	Reelection	Hiromitsu Uchiyama	Male		3 years		General Manager of Business Promotion Division, in charge of Human Resources	100% (17/17 times)
6	Reelection	Mikio Nakane	Male		2 years		General Manager of Production Division, Environment Control, in charge of System and Engineering	100% (17/17 times)
7	Reelection	Hidemi Yamauchi	Male		1 year		In charge of International Sales	100% (12/12 times)
8	Reelection	Hiroyuki Takeda	Male		1 year		SURFACETEC COMPANY President	100% (12/12 times)
9	Reelection	Yasuhito Yamauchi	Male	External Independent	9 years	Committee Member		100% (17/17 times)
10	Reelection	Yukako Uchinaga	Female	External Independent	3 years	Committee Member		100% (17/17 times)
11	New election	Hiroshi Kurihara	Male	External Independent	-	Committee Member		-


No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
1	 Yoshiki Ueda (March 10, 1953)	Apr. 1976 Joined Mitsubishi Corporation Apr. 2008 Senior Vice President (“Riji”) of Mitsubishi Corporation June 2010 President and CEO of Mitsubishi Corporation Technos June 2016 External Director of the Company June 2017 Chairman of the Company (present position) (Significant concurrent positions outside the Company) Outside Director and Audit and Supervisory Committee Member of THK CO., LTD.	-
<p>[The reason for nominating as a candidate for External Director] As Yoshiki Ueda has extensive business experience and knowledge as a senior executive of a general trading company and a manager of a specialized trading company, the Company believes that he can supervise the management properly. Therefore, the Company is convinced that he is capable of properly performing his duties as an External Director to enhance auditing functions of the Board of Directors and contribute to the business of the Company, and it asks shareholders to elect him continuously as an External Director. Ueda has been in the position of External Director of the Company for eight (8) years.</p>			
2	 Atsushi Nagai (September 30, 1960)	June 2002 Senior Managing Director of the Company June 2006 President of the Company (present position) (Significant concurrent positions outside the Company) Representative Director of Heinrich Wagner Sinto Maschinenfabrik GmbH Director of Sinto America, Inc.	528,781
<p>[The reason for nominating as a candidate for Director] Atsushi Nagai has been taking responsibility as President since 2006. Nagai has extensive knowledge of global business as well as the ability to apply his knowledge of the whole business of the Company, and he has directed and supervised the management properly as President. Therefore the Company is convinced that he is an appropriate person to realize sustainable improvement of corporate value, and asks shareholders to elect him continuously as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
3	 Toshikazu Morishita (June 22, 1958)	Apr. 1982 Joined the Company July 2006 Executive Officer, Deputy General Manager of Foundry Business Division of the Company Apr. 2012 Executive Officer, Manager of Foundry Business Division of the Company June 2016 Director in charge of Sales and General Manager of Sales Division of the Company Apr. 2021 Director, Senior Executive Officer in charge of Sales and General Manager of Sales Division of the Company Apr. 2024 Director, Managing Executive Officer, Assistant to President, Sales Control, General Sales Manager of Castec Company (in-house Company) (present position)	59,353
<p>[The reason for nominating as a candidate for Director]</p> <p>While engaged in management as a Director since 2016, Toshikazu Morishita currently performs his role and responsibility as an Assistant to President and Sales Control effectively. Morishita is able to apply his wealth of experience and high level of knowledge of overall sales and foundry business. Therefore the Company is convinced that he is an appropriate person to realize sustainable improvement of corporate value, and asks shareholders to elect him continuously as a Director.</p>			
4	 Kenichi Nakamichi (August 8, 1965)	Apr. 1989 Joined SINTOBRATOR, LTD. Apr. 2012 Manager of Blast Division of the Company July 2014 Executive Officer, Manager of Blast Division of the Company July 2015 Managing Executive Officer, Manager of Blast Division of the Company June 2020 Director, General Manager of Overseas Business Division of the Company Apr. 2022 Director, Senior Executive Officer, General Manager of Castec Company (in-house Company) Apr. 2024 Director, Managing Executive Officer, General Manager of Castec Company (in-house Company), in charge of Accounting and Finance of the Company (present position)	23,793
<p>[The reason for nominating as a candidate for Director]</p> <p>While engaged in management as a Director since 2020, Kenichi Nakamichi has performed his role and responsibility effectively as General Manager of Castec Company and a supervisor of accounting and finance of the Company. Nakamichi is able to apply his extensive experience and high level of knowledge in overseas business and the surface treatment business. Therefore the Company is convinced that he is an appropriate person to realize sustainable improvement of corporate value, and asks shareholders to elect him continuously as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
5	 Hiromitsu Uchiyama (April 26, 1960)	Apr. 1983 Joined Toyota Motor Corporation Jan. 2011 General Manager of Battery and FC Production Engineering Department of Toyota Motor Corporation May 2020 Advisor of the Company July 2020 Managing Executive Officer, General Manager of Development Division of the Company June 2021 Director, Senior Executive Officer in charge of Business Development and General Manager of Development Division of the Company Apr. 2024 Director, Managing Executive Officer, General Manager of Business Promotion Division, in charge of Human Resources of the Company (present position)	11,622
[The reason for nominating as a candidate for Director] While engaged in management as a Director since 2021, Hiromitsu Uchiyama has performed his role and responsibility effectively as General Manager of the Business Promotion Division and a supervisor of human resources. Uchiyama is able to apply his extensive practical experience and knowledge cultivated in the development of products, such as batteries, at an automobile manufacturer. Therefore the Company is convinced that he is an appropriate person to realize sustainable improvement of corporate value, and asks shareholders to elect him continuously as a Director.			
6	 Mikio Nakane (November 2, 1960)	Apr. 1985 Joined the Company July 2015 Manager of Environment Division of the Company July 2016 Executive Officer and Manager of Environment Division of the Company Apr. 2018 Managing Executive Officer, General Manager of Ecotec Company (in-house Company) June 2022 Director, Senior Executive Officer, General Manager of Ecotec Company (in-house Company) Apr. 2024 Director, Managing Executive Officer, General Manager of Production Division, General Manager of Toyokawa Works, Environment Control, in charge of System and Engineering of the Company (present position)	19,030
[The reason for nominating as a candidate for Director] While engaged in management as a Director since 2022, Mikio Nakane currently performs his role and responsibility effectively as General Manager of the Production Division and Environment Control. Nakane is able to apply his high level of knowledge and extensive experience of environment business as a whole. Therefore the Company is convinced that he is an appropriate person to realize sustainable improvement of corporate value, and asks shareholders to elect him continuously as a Director.			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
7	 Hidemi Yamauchi (April 2, 1961)	Apr. 1980 Joined SINTOBRATOR, LTD. Apr. 2012 General Manager of Support Promotion Department, Sales Division of the Company July 2014 Executive Officer, General Manager of Support Promotion Department, Sales Division of the Company Apr. 2018 Managing Executive Officer, SURFACETEC COMPANY Vice President, General Manager of Osaki Works of the Company June 2023 Director, Managing Executive Officer, SURFACETEC COMPANY President, General Manager of Ichinomiya Works of the Company Apr. 2024 Director, Managing Executive Officer in charge of International Sales and Global Business PJ of the Company (present position)	21,544
[The reason for nominating as a candidate for Director] While engaged in management as a Director since 2023, Hidemi Yamauchi has performed his role and responsibility effectively as a supervisor of international sales and global business PJ. Yamauchi is able to apply his extensive experience and high level of knowledge in sales and manufacturing. Therefore, the Company is convinced that he is an appropriate person to realize sustainable improvement of corporate value, and asks shareholders to elect him continuously as a Director.			
8	 Hiroyuki Takeda (December 30, 1969)	Sep. 1992 Joined SINTOBRATOR, LTD. Mar. 2016 Qingdao Sinto Machinery Co., Ltd., China, Managing Director Apr. 2020 Executive Officer of the Company Mar. 2021 Chairman and General Representative of China, Qingdao Sinto Machinery Co., Ltd., China Apr. 2023 Executive Officer, General Manager of Sales Division of the Company June 2023 Director, Managing Executive Officer, General Manager of Sales Division of the Company Apr. 2024 Director, Managing Executive Officer, SURFACETEC COMPANY President, General Representative of China of the Company (present position)	8,464
[The reason for nominating as a candidate for Director] While engaged in management as a Director since 2023, Hiroyuki Takeda has performed his role and responsibility effectively as President of SURFACETEC COMPANY and General Representative of China. Takeda is able to apply his extensive experience and high level of knowledge in sales and global business. Therefore, the Company is convinced that he is an appropriate person to realize sustainable improvement of corporate value, and asks shareholders to elect him continuously as a Director.			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
9	 Yasuhito Yamauchi (January 2, 1942)	Apr. 1968 Joined Toyota Motor Co., Ltd. (Current Toyota Motor Corporation) June 1995 Director of Toyota Motor Co., Ltd. June 2001 Senior Managing Director of Toyota Motor Co., Ltd. June 2005 President of Aisin Seiki Co., Ltd. (Current AISIN CORPORATION) June 2015 External Director of the Company (present position)	-
<p>[The reason for nominating as a candidate for External Director] As Yasuhito Yamauchi has extensive business experience and knowledge of manufacturing as a manager of automobile manufacturers and automobile parts manufacturers, the Company is convinced that he is capable of properly performing his duties as an External Director to contribute to the business of the Company and asks shareholders to elect him continuously as an External Director. Yamauchi has been in the position of External Director of the Company for nine (9) years.</p>			
10	 Yukako Uchinaga (July 5, 1946)	June 1971 Joined IBM Japan, Ltd. Apr. 1995 Director of IBM Japan, Ltd. Apr. 2004 Director, Senior Executive Officer in charge of Development and Manufacturing of IBM Japan, Ltd. Apr. 2007 Board Chair of Japan Women's Innovative Network (J-Win) Apr. 2008 Director, Vice Chairman of Benesse Corporation Representative Director, Chairman of the Board, President & CEO of Berlitz Corporation June 2021 External Director of the Company (present position) (Significant concurrent positions outside the Company) Outside Director of Nippon Telegraph and Telephone Corporation Representative Director and President of Globalization Research Institute Founder and Honorary Chairperson of Japan Women's Innovative Network (J-Win)	-
<p>[The reason for nominating as a candidate for External Director] As Yukako Uchinaga has extensive management experience as she has served as Director and Senior Executive Officer of IBM Japan, Ltd. and Director and Vice Chairman of Benesse Corporation, extensive knowledge in the information technology (IT) field and a deep understanding of diversity, the Company is convinced that she is capable of properly performing her duties as an External Director to contribute to the business of the Company and asks shareholders to elect her continuously as an External Director. Uchinaga has been in the position of External Director of the Company for three (3) years.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
11	<p style="text-align: center;">*</p>  <p style="text-align: center;">Hiroshi Kurihara (September 12, 1953)</p>	<p>Apr. 1978 Joined Fuji Xerox Co., Ltd. (Current FUJIFILM Business Innovation Corp.)</p> <p>Oct. 2004 Executive Officer, General Manager of Production Service Division of Fuji Xerox Co., Ltd.</p> <p>June 2009 Director, Managing Executive Officer, General Manager of Domestic Sales Division of Fuji Xerox Co., Ltd.</p> <p>June 2013 Director, Senior Managing Executive Officer of Fuji Xerox Co., Ltd.</p> <p>June 2015 Representative Director and President of Fuji Xerox Co., Ltd.</p> <p>June 2018 Special Advisor of Fuji Xerox Co., Ltd.</p> <p>June 2020 Chair of Japan Telework Association (present position)</p> <p>(Significant concurrent positions outside the Company)</p> <ul style="list-style-type: none"> • Outside Director of GiG Works Inc. • Outside Director of HUMAN LIFE Co., Ltd. • Outside Director of Cyber Security Cloud, Inc. • Outside Director and Auditor of ASTI CORPORATION 	—
<p>[The reason for nominating as a candidate for External Director]</p> <p>As Hiroshi Kurihara has extensive experience in managing international organizations as he has previously served as the President and CEO of Fuji Xerox Co., Ltd. (currently FUJIFILM Business Innovation Corp.) and as the Chair of Japan Telework Association, the Company is convinced that he is capable of properly performing his duties as an External Director to contribute to the business of the Company and asks shareholders to elect him as a new External Director.</p>			

- Notes:
1. New Candidates for Directors are marked with (*).
 2. There is no special interest between the candidates and the Company.
 3. Yoshiki Ueda, Yasuhito Yamauchi, Yukako Uchinaga and Hiroshi Kurihara are candidates for External Directors.
 - Yoshiki Ueda served as Advisor to Mitsubishi Corporation Technos until June 2016. The amount of transactions between the Company and Mitsubishi Corporation Technos accounts for less than 1% of the consolidated net sales of either company. Therefore, this business relationship does not require special mention because it will not influence Ueda's execution of duties as External Director.
 - Yasuhito Yamauchi served as Advisor to Aisin Seiki Co., Ltd. (currently AISIN CORPORATION) until June 2018. The amount of transactions between the Company and AISIN CORPORATION is less than 2% of the consolidated net sales of either company. Therefore, this business relationship does not require special mention because it will not influence Yamauchi's execution of duties as External Director.
 - Yukako Uchinaga served as Advisor to IBM Japan, Ltd. until 2007. There are no transactions between the Company and IBM Japan, Ltd.
Furthermore, the amount of transactions between the Company and Nippon Telegraph and Telephone Corporation, where Uchinaga currently serves as Outside Director, is less than 0.1% of the consolidated net sales of either company.
There are no transactions between the Company and Globalization Research Institute, where she currently serves as Representative Director and President.
She currently serves as Founder and Honorary Chairperson of Japan Women's Innovative Network (J-Win), but the amount of transactions between the Company and J-Win is less than 0.1% of the consolidated net sales of either entity.
Therefore, these business relationships do not require special mention because they will not influence Uchinaga's execution of duties as External Director.
 - Hiroshi Kurihara served as Advisor to Fuji Xerox Co., Ltd. (currently FUJIFILM Business Innovation Corp.) until June 2019. The amount of transactions between the Company and Fuji Xerox Co., Ltd. is less than 0.1% of the consolidated net sales of either company.
There are no transactions between the Company and Japan Telework Association, where he currently serves as Chair.
There are no transactions between the Company and Gig Works Inc., where he currently serves as Outside Director.
There are no transactions between the Company and HUMAN LIFE Co., Ltd., where he currently serves as Outside Director.

There are no transactions between the Company and Cyber Security Cloud, Inc., where he currently serves as Outside Director.

Therefore, these business relationships do not require special mention because they will not influence Kurihara's execution of duties as External Director.

4. The Company has entered into limited liability agreements pursuant to Article 427, paragraph 1 of the Companies Act with Yoshiki Ueda, Yasuhito Yamauchi and Yukako Uchinaga. Under the terms of the limited liability agreement, their liability will be limited to a minimum amount stipulated by applicable laws and regulations. If the reelections of them are approved, the Company intends to continue the aforesaid agreements with them. If the election of Hiroshi Kurihara is approved, the Company intends to enter into the same limited liability agreement with him.
5. The Company has registered Yoshiki Ueda, Yasuhito Yamauchi and Yukako Uchinaga as Independent Officers qualified under the regulations of the Tokyo Stock Exchange and Nagoya Stock Exchange. As Hiroshi Kurihara satisfies the requirements for Independent Officer qualified under the regulations of the Tokyo Stock Exchange and Nagoya Stock Exchange, the Company intends to register him as Independent Officer.
6. The Company has entered into a directors and officers liability insurance contract as provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. This insurance policy covers damages, litigation expenses, etc. to be borne by the insured. The candidates are included as the insured in this insurance policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.
7. The number of shares held by Atsushi Nagai, President, includes shares held by Ken Bridge Partners LLC, his asset management company.

Proposal 2: Election of two (2) Auditors



Yuji Okubo, the current Auditor, and Toshiro Kojima, the External Auditor, will resign at the end of this Ordinary General Meeting of Shareholders. Therefore, we request the appointment of two (2) Auditors as substitutes.

The term of office for the Auditors appointed as substitutes will last until the expiration of the term of the Auditors who are retiring, in accordance with the provisions of the Company's Articles of Incorporation.

The candidates for Auditors were decided based on recommendations by the Nomination and Compensation Committee comprised of independent external officers. The Board of Auditors has given its consent to this proposal.

The candidates for Auditors are as follows:

No.	Name		Sex	Attributes	Term of office	Nomination and Compensation Committee	Attendance at Board of Directors meetings	Attendance at Board of Auditors meetings
1	New election	Ken Ito	Male	External Independent	–	Attendee	–	–
2	New election	Ichiro Kanomata	Male	External Independent	–	Attendee	–	–

No.	Name (Date of birth)	Career summary and position (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	<p>*</p>  <p>Ken Ito (March 29, 1949)</p>	<p>Apr. 1971 Joined Fuji Xerox Co., Ltd. (Current FUJIFILM Business Innovation Corp.)</p> <p>Mar. 1999 Corporate Officer, Head of Software Development Division of Fuji Xerox Co., Ltd.</p> <p>Sep. 2002 Representative Director and President of Fuji Xerox Information System Co., Ltd.</p> <p>Apr. 2007 Representative Director, Chairman & CEO of Fuji Xerox Palo Alto Research Center</p> <p>Apr. 2012 Visiting Professor of Industry-Academia-Government Collaboration at Japan Advanced Institute of Science and Technology (present position)</p> <p>June 2023 Director and Advisor of the Aspen Institute Japan (present position)</p>	—
<p>[The reason for nominating as a candidate for External Auditor]</p> <p>As the Company is convinced that Ken Ito is capable of contributing his extensive experience and profound insights in the field of information systems to objectively supervise the execution of duties by directors, the Company asks shareholders to elect him as a new External Auditor this time.</p>			
2	<p>*</p>  <p>Ichiro Kanomata (December 25, 1954)</p>	<p>Apr. 1977 Joined Hitachi, Ltd.</p> <p>Dec. 2002 Accounting Director of the Enterprise Server Division, Information and Communications Department of Hitachi, Ltd.</p> <p>Jan. 2006 Head of Finance Division of Hitachi Kokusai Electric Inc.</p> <p>Apr. 2011 Director and Head of Finance Shared Services Division of Hitachi Management Partner, Corp.</p> <p>Apr. 2014 Full-time Auditor of Hitachi Medico, Ltd.</p> <p>Apr. 2016 Full-time Audit & Supervisory Board Member of Hitachi Industry & Control Solutions, Ltd.</p> <p>Apr. 2019 Part-time Audit Committee Member of Systems and Services Business Unit of Hitachi, Ltd. Part-time Auditor of Hitachi-Omron Terminal Solutions Corp.</p>	—
<p>[The reason for nominating as a candidate for External Auditor]</p> <p>As the Company is convinced that Ichiro Kanomata is capable of contributing his extensive experience gained as an auditor, in addition to his high financial and accounting knowledge developed at a major electrical equipment manufacturer, to objectively supervise the execution of duties by directors, the Company asks shareholders to elect him as a new External Auditor this time.</p>			

- Notes:
1. New Candidates for Auditors are marked with an asterisk (*).
 2. There is no special interest between the candidates and the Company.
 3. Ken Ito and Ichiro Kanomata are candidates for External Auditor.
 - Ken Ito served at Fuji Xerox Co., Ltd. (currently FUJIFILM Business Innovation Corp.) until July 2012. The amount of transactions between the Company and Fuji Xerox Co., Ltd. is less than 0.1% of the consolidated net sales of either company.
The amount of transactions between the Company and the Aspen Institute Japan, where he currently serves as Director and Advisor, is less than 0.1% of the consolidated net sales of either company.
There are no transactions between the Company and Japan Advanced Institute of Science and Technology, where he currently serves as Visiting Professor of Industry-Academia-Government Collaboration.
Therefore, these business relationships do not require special mention because they will not influence Ito's execution of duties as External Auditor.
 - Ichiro Kanomata served at Hitachi, Ltd. until March 2022. The amount of transactions between the Company and Hitachi, Ltd. accounts for less than 0.1% of the consolidated net sales of either company. Therefore, this business relationship does not require special mention because it will not influence Kanomata's execution of duties as External Auditor.
 4. If the election of Ken Ito and Ichiro Kanomata is approved, the Company intends to enter into limited liability agreements pursuant to Article 427, paragraph 1 of the Companies Act with them. Under the terms of the limited liability agreement, their liability will be limited to a minimum amount stipulated by applicable laws and regulations.
 5. As Ken Ito and Ichiro Kanomata satisfy the requirements for Independent Officer qualified under the regulations of the Tokyo Stock Exchange and Nagoya Stock Exchange, the Company intends to register them as Independent Officers.

(Reference) Management structure after agenda is approved (Expertise and experience possessed by Directors and Auditors)

Persons with abundant experience, a high level of insight, and a high degree of expertise are appointed as Directors while ensuring there is a diversity suited to the Company's management plan and strategy. Within the Board of Directors, they conduct appropriate decision-making and management supervision. For Internal Directors, persons who are familiar with sales, development, technology, production, management, etc. are appointed, while taking into account the balance of knowledge, experience and abilities. Four independent External Directors have experience as Representative Directors of listed companies and track records within corporate management, and provide advice and recommendations based on a variety of backgrounds related to sales, technology, manufacturing, information, and sustainability.

- Notes:
- The purpose of this table is not to show all expertise and experience but rather to show the expertise and experience considered particularly important in deliberation and decision-making at the Board of Directors, as indicated with the ◎ symbol, and expertise and experience considered important, as indicated with the ○ symbol.
 - The criteria include current job title and experience based on past job titles.
 - Fourteen (14) males and one (1) female (female comprising 6.7% of Directors and Auditors)

Name	Job Title	Attributes	Expertise and experience possessed by Directors of the Company									
			Corporate Management (such as experience as a Representative Director at a listed company)	Industry Knowledge	Internationality / Global Business	Environment / Sustainability	Sales & Marketing	Development / Technology / Manufacturing	Human Capital / Planning / Finance	Organizational Management / Security	Digital / Information	Governance / Risk Management
Yoshiki Ueda	Chairman	External Independent	◎	○ (Trading Company)	○		○			○		◎
Atsushi Nagai	President		◎	○	◎					○		◎
Toshikazu Morishita	Director, Managing Executive Officer			○				○				○
Kenichi Nakamichi	Director, Managing Executive Officer			○	○					○		○
Hiromitsu Uchiyama	Director, Managing Executive Officer			○					○	○		○
Mikio Nakane	Director, Managing Executive Officer			○			○		○		○	○
Hidemi Yamauchi	Director, Managing Executive Officer			○	○							○
Hiroyuki Takeda	Director, Managing Executive Officer			○	○			○				○
Yasuhito Yamauchi	External Director	External Independent	◎	○ (Auto-mobile Industry)	○				○			◎
Yukako Uchinaga	External Director	External Independent	◎	○ (Information / Communications)	○				○	○	○	◎
Hiroshi Kurihara	External Director	External Independent	◎	○ (Precision Equipment)	○			○			○	◎

Name	Job Title	Attributes	Expertise and experience possessed by Auditors of the Company									
			Corporate Management (such as Representative Director at a listed company)	Industry Knowledge	Internationality / Global Business	Environment / Sustainability	Sales & Marketing	Development/ Technology/ Manufacturing	Planning/Finance	Organizational Management/ Human Capital/	Digital/ Information Security	Governance/ Risk Management
Tsuyoshi Goto	Full Time Auditor			○					◎			○
Takami Onodera	External Auditor	External Independent		○ (Banking)	○					○		◎*1
Ken Ito	External Auditor	External Independent		○ (Information System)	○						○	◎
Ichiro Kanomata	External Auditor	External Independent		○ (Electrical Industry)						○		◎

*1: Possessing a wealth of business experience involving financial related operations, etc.

Proposal 3: Payment of bonuses to Directors

With consideration to the profit level of FY2023, the bonuses paid to Directors in the past, and other various reasons, a total of ¥40 million will be paid to seven (7) Directors (excluding the three (3) External Directors) who are in office at the end of FY2023. This proposal has been decided by giving consideration to the Company's business condition, the policy regarding determination of content of individual remunerations, etc., of Directors of the Company, and other general factors and based on the recommendations by the Nomination and Compensation Committee comprised of independent external officers; and we consider it to be appropriate. The amount to be paid to each Director will be determined by the resolutions of a meeting of the Board of Directors.

Business Report

(From April 1, 2023 to March 31, 2024)

1. Current status of the corporate group

(1) Business progress and achievement

During the fiscal year ended March 31, 2024, the global economic recovery driven by the post-COVID-19 momentum was halfway through, due to adverse factors, such as the prolonged invasion of Ukraine by Russia and the sluggish European economy, as well as the worsening situation in the Middle East. In the U.S., despite monetary tightening, the economy remained firm due to investment promotion measures and other factors. Meanwhile, in China, in addition to a sluggish real estate market, exports declined, especially to Europe, and the resilience of consumer spending was weak; the economy stagnated. In Japan, the invasion of Ukraine by Russia and the strong U.S. economy brought about a significant depreciation of the yen, which led to a broad-based rise in prices. Consumer confidence declined and the economy lacked strength.

With regard to the business environment of the Company group (the “Group”), the automobile industry, our major customer base, was affected by production adjustments due to quality irregularities at car manufacturers, but the semiconductor industry remained strong, and sales of parts and supplies, mainly for the electronics industry, remained firm.

Amid such an environment, orders received during the fiscal year under review totaled to ¥123,916 million, an increase of ¥9,752 million compared with those for the previous fiscal year (up 8.5% year on year). Meanwhile, net sales amounted to ¥115,495 million, an increase of ¥9,114 million (up 8.6% year on year), and backlog of orders amounted to ¥60,593 million, an increase of ¥8,420 million (up 16.1% year on year). As to earnings, operating profit amounted to ¥5,409 million, an increase of ¥3,167 million (up 141.3% year on year), ordinary profit amounted to ¥7,510 million, an increase of ¥3,558 million (up 90.1% year on year), and profit attributable to owners of the parent amounted to ¥8,706 million, an increase of ¥2,518 million (up 40.7% year on year).

Note: All monetary values in this report have been rounded down to the nearest unit, and ratios and per-unit values have been rounded to the nearest unit.

The Group’s products are sold across various businesses, and the following description and table show the details and results of net sales and operating profit by business segment for the fiscal year under review.

Net sales by business segment are the figures prior to intersegment eliminations.

Surface Treatment Business

Net sales increased ¥111 million to ¥46,124 million (up 0.2% year on year) due to strong sales of surface treatment systems for electronics-related applications due to strong demand for semiconductors and for infrastructure and automobile-related applications. Operating profit was ¥3,659 million (up 26.5% year on year) due to price revisions for general-purpose machines in response to soaring raw material prices and the promotion of value-added proposals. Orders received totaled to ¥46,483 million, a decrease of ¥1,914 million (down 4.0% year on year), and backlog of orders amounted to ¥8,765 million, an increase of ¥359 million (up 4.3% year on year).

Foundry Business

Net sales increased ¥4,182 million to ¥40,608 million (up 11.5% year on year) due to steady progress in large-scale plant projects in Japan, despite delays in the delivery of equipment due to delays in construction of customers’ plant buildings overseas, which affected some parts with long delivery times, such as electrical components. Operating profit was ¥335 million (loss of ¥83 million in the previous fiscal year) due to higher sales, despite the effects of soaring raw material and energy prices, continuing high transportation costs, and a shortage of manpower among construction contractors. Orders received totaled to ¥47,658 million, an increase of ¥10,096 million (up 26.9% year on year), and backlog of orders amounted to ¥35,408 million, an increase of ¥7,720 million (up 27.9% year on year).

Environment Business

Net sales increased ¥1,023 million to ¥11,735 million (up 9.6% year on year) due to firm sales of dust collectors to the foundry, steel, and cement industries, as well as solid sales of maintenance services and the delivery of large equipment for wind power generation equipment. Operating profit increased ¥377 million to ¥1,136 million (up 49.7% year on year) due to higher sales. Orders received totaled to ¥12,299 million, an increase of ¥1,119 million (up 10.0% year on year), and backlog of orders amounted to ¥5,993 million, an increase of ¥777 million (up 14.9% year on year).

Material Handling Business

Net sales increased ¥2,197 million to ¥8,332 million (up 35.8% year on year) due to strong sales to the machine tool industry and continued demand from the logistics industry, despite weak sales to the automobile industry. Operating profit increased ¥732 million to ¥1,215 million (up 151.9% year on year) due to higher sales. Orders received totaled to ¥8,666 million, an increase of ¥437 million (up 5.3% year on year), and backlog of orders amounted to ¥4,543 million, an increase of ¥371 million (up 8.9% year on year).

Special Equipment Business

Net sales increased ¥701 million to ¥9,486 million (up 8.0% year on year) due to strong sales of high-pressure roll press machines and servo cylinders for battery assembly equipment. Operating profit increased ¥997 million to ¥368 million (loss of ¥629 million in the previous fiscal year), reflecting the positive impact of the servo cylinder price increase proposal. Orders received totaled to ¥8,604 million, a decrease of ¥21 million (down 0.3% year on year), and backlog of orders amounted to ¥5,880 million, a decrease of ¥810 million (down 12.1% year on year).

Status of net sales by business segment of the corporate group

Category	Fiscal Year		127th Term (Fiscal year under review) April 1, 2023 to March 31, 2024		126th Term (Previous fiscal year) April 1, 2022 to March 31, 2023		Year-on-year changes
	Millions of yen	%	Millions of yen	%	%		
Surface Treatment Business	46,123	39.9	46,011	43.2	0.2		
Foundry Business	39,937	34.6	35,801	33.7	11.5		
Environment Business	11,521	10.0	10,453	9.8	10.2		
Material Handling Business	8,295	7.2	6,111	5.7	35.7		
Special Equipment Business	9,414	8.1	7,832	7.4	20.2		
Other Business	203	0.2	170	0.2	19.4		
Total	115,495	100.0	106,381	100.0	8.6		
Overseas sales	53,175	46.0	49,592	46.6	7.2		

Note: The above amounts are the figures after intersegment eliminations.

(2) Status of capital investments

In the fiscal year under review, the total amount of capital investments made by the Group was ¥3,671 million, and the main components thereof are as follows.

Material Handling Business	Renovate the plant building of MEIKIKOU Corporation, establish a new mission-critical system
Surface Treatment Business	Deploy new laser peening and plasma surface treatment equipment
Foundry Business	Construct a new plant in Brazil following the relocation of the machine factory

(3) Issues to be addressed

Since our establishment in 1934, the Group has been refining its skills, pursuing world-class technologies, and building relationships of trust with its customers through technology, based on its hopes of cherishing the heart of manufacturing and contributing to society. To build bonds of trust, we closely attend to each of our customers, working together to find the best solutions to meet their diverse needs and deliver new value. We will persist with our aim of serving as a company that is consistently chosen by customers generation after generation, as we deepen our bonds with everyone around us while valuing each and every customer.

● Growth strategy

The business environment surrounding the Group is undergoing a period of major change, with the rapid shift to EVs in the automobile industry, in addition to the development of a digital information society and stricter regulations on global environmental issues. In response to these changes, we expect that our customers will also initiate forward-looking efforts. In light of this business environment, we will strive to increase profitability by valuing our existing customers and working to increase added value, thereby showing a further leap from this fiscal year.

We will prioritize growth investments including mergers and acquisitions, capital investments, research investments, and human capital investments to enhance corporate value. By pursuing capital efficiency and aiming to improve return on equity (ROE) to exceed the cost of capital, we will optimize our strategy to keep our P/B ratio above 1, and maximize value to stakeholders and achieve sustainable growth by investing in sustainable growth and providing stable profit returns. We will also seek to achieve an optimal capital structure by reducing our weighted average cost of capital (WACC) through the raising of interest-bearing debt and the sale of shares of other companies.

● Key issues (materiality)

We have set three realms as the aims of our vision, consisting of (i) an environmentally friendly recycling-oriented society, (ii) a safe, secure, and abundant society through manufacturing, and (iii) a society where people are able to experience inspiration, growth, and happiness. In achieving such aims, we have selected the five categories of the environment, human capital, technological development and manufacturing, stakeholders, and business infrastructure as key issues, and will address such key issues.

• Environmental initiatives

We consider the impact of climate change on our business to be a key issue and accordingly manage such risk in a manner that particularly involves paying close attention to how our profits are affected by flood damage and rising energy costs, as well as surging prices of raw materials and difficulty in obtaining them due to increasingly stringent regulations.

• Human capital initiatives

Generally, local nationals serve as top management of our overseas bases and we assess maintenance skills of the Company's products on the basis of universal evaluation standards. We will also accelerate efforts to promote women's empowerment.

• Business infrastructure initiatives

The Group identifies, evaluates, and visually depicts risk associated with its business activities based on its basic policy for addressing risk, established by the Risk Management Committee under the direct control

of the Board of Directors. We will have the Risk Management Committee report results of its activities to the Board of Directors in seeking to further strengthen our risk management structure.

In addition, from the perspective of strengthening governance, we will enhance our efforts to evaluate the effectiveness of the Board of Directors.

We would like to ask our shareholders for your continued support and cooperation.

(4) Trends in assets and profit and loss

Fiscal Year Category	124th Term April 1, 2020 to March 31, 2021	125th Term April 1, 2021 to March 31, 2022	126th Term April 1, 2022 to March 31, 2023	127th Term (Fiscal year under review) April 1, 2023 to March 31, 2024
Net sales	Millions of yen 82,544	Millions of yen 99,247	Millions of yen 106,381	Millions of yen 115,495
Profit attributable to owners of parent	Millions of yen 606	Millions of yen 2,835	Millions of yen 6,187	Millions of yen 8,706
Basic earnings per share	Yen 11.39	Yen 53.28	Yen 117.93	Yen 166.23
Total assets	Millions of yen 164,201	Millions of yen 168,586	Millions of yen 171,367	Millions of yen 187,963
Net assets	Millions of yen 104,124	Millions of yen 109,641	Millions of yen 111,755	Millions of yen 127,140

(5) Status of principal subsidiaries

Company name	Share capital	Equity ownership of the Company	Principal lines of business
MEIKIKOU Corporation	Millions of yen 200	% 83.7	Manufacture and sale of transportation machines, material handling machines and robots
Sinto Europe GmbH	Thousands of euro 49,645	100.0	Management of subsidiaries in Europe
Heinrich Wagner Sinto Maschinenfabrik GmbH	Thousands of euro 2,200	0.0 (100.0)	Manufacture and sales of facilities and machines for foundries in Europe
Sinto America, Inc.	Thousands of U.S. dollar 60	100.0	Management of subsidiaries in the U.S.
Roberts Sinto Corporation	Thousands of U.S. dollar 2,077	0.0 (100.0)	Manufacture and sales of foundry equipment, material handling equipment and sand coating facilities in the U.S.
Qingdao Sinto Machinery Co., Ltd.	Millions of yuan 129	95.0	Manufacture and sales of foundry equipment, surface treatment equipment and abrasives in China
Sinto Brasil Produtos Limitada	Millions of Brazilian real 42	99.0	Manufacture and sales of foundry equipment, surface treatment equipment and abrasives in Brazil
Sinto Bharat Manufacturing Private Limited	Millions of Indian rupee 670	74.0	Manufacture and sales of foundry equipment and surface treatment equipment in India

Note: The numbers in parentheses indicate the ownership ratio through indirect holdings.

(6) Status of important business combinations

In order to establish a system capable of promptly supporting globally expanding clients with a diverse range of products and information technology from each regional base, and meeting their needs for surface finishing, the Company acquired Elastikos (France) S.A.S as a subsidiary in April 2024.

(7) Principal lines of business

Category of business	Details of main products
Surface Treatment Business	Shot blasting machines, air blasting machines, shot peening machines, barrel polishing equipment, precision brushing equipment, ultra-precision microprocessing equipment, surface evaluation equipment, surface treatment contract processing, surface treatment-related parts, abrasives, polishing media, etc.
Foundry Business	Casting production equipment, V-process molding equipment, core molding equipment, casting sand treatment equipment, automated pouring equipment, sand coating facilities, casting-related parts, powder & granule treatment equipment, wear-resistant castings, etc.
Environment Business	Dust collectors, deodorization equipment, wastewater treatment equipment, volatile organic compounds (VOC) gas purifier, environment-related parts, etc.
Material Handling Business	Lifting devices, steplifts, gravity conveyors, material handling systems, etc.
Special Equipment Business	Organic electroluminescent panel assembly equipment, automated line processes thereof (including supply and material handling equipment), material handling robots, servo cylinders, inspection and measurement equipment, precision measuring instruments, precision press processing equipment, disperizers, battery material supply equipment, 3D printers, ceramic products, foaming machines, automotive door assembly equipment, magnetic metal powder, sterile isolator for sterile conditioning, special equipment-related parts, nursing care and welfare tools, etc.
Other Business	Machinery design, welfare businesses, etc.

(8) Major offices and factories

(i) The Company

Headquarters	Headquarters (Nagoya City)
Branches	Tokyo Branch (Kawaguchi City, Saitama) Chubu Branch (Oharu-cho, Ama-gun, Aichi) Osaka Branch (Osaka City)
Offices	Toyokawa Works (Toyokawa City, Aichi) Ichinomiya Works (Toyokawa City, Aichi) Osaki Works (Toyokawa City, Aichi) Shinshiro Works (Shinshiro City, Aichi) Koda Works (Kota-cho, Nukata-gun, Aichi) Oharu Works (Oharu-cho, Ama-gun, Aichi) Kyushu Works (Kurate-cho, Kurate-gun, Fukuoka) Atsugi Works (Atsugi City, Kanagawa)

(ii) Subsidiaries

Domestic	MEIKIKOU Corporation (Aichi)
Overseas	Heinrich Wagner Sinto Maschinenfabrik GmbH (Germany) Roberts Sinto Corporation (U.S.A.) Qingdao Sinto Machinery Co., Ltd. (China) Sinto Brasil Produtos Limitada (Brazil) Sinto Bharat Manufacturing Private Limited (India)

(9) Employees

Category	Domestic	Overseas	Total
Number of employees	2,136	1,827	3,963

Note: The number of employees of the Company is 1,683.

(10) Major creditors

Creditor	Balance of borrowings
MUFG Bank, Ltd.	¥5,612 million
Syndicated loan	¥3,300 million
Resona Bank, Limited	¥3,100 million

Note: Syndicated loan is a joint-financing instrument with MUFG Bank, Ltd. as a lead bank.

2. Matters relating to the Company's shares

- (1) Total number of authorized shares: 230,476,000
- (2) Total number of issued shares: 54,580,928 (including 2,019,438 treasury shares)
- (3) Number of shareholders: 29,817
- (4) Top ten shareholders

Name	Number of shares held	Shareholding ratio
The Master Trust Bank of Japan, Ltd. (trust account)	Thousands of shares 5,175	% 9.84
MUFG Bank, Ltd.	2,289	4.35
Meiji Yasuda Life Insurance Company	2,276	4.33
Custody Bank of Japan, Ltd. (trust account)	1,927	3.66
Resona Bank, Limited	1,668	3.17
CEPLUX- THE INDEPENDENT UCITS PLATFORM 2	1,591	3.02
The NAGAI Foundation for Science & Technology	1,405	2.67
Sinto Employee Stock Ownership	1,158	2.20
Sinto Supplier Stock Ownership	1,155	2.19
STATE STREET BANK AND TRUST COMPANY 505103	930	1.77

- Notes: 1. Although the Company holds 2,019,438 treasury shares, it is excluded from the list of top ten shareholders.
2. The shareholding ratio was calculated based on the total number of issued shares less treasury shares and was rounded down to the nearest unit.

- (5) Shares issued to the Company's directors (and other officers) during the fiscal year under review as compensation for the execution of their duties

	Number of shares	Number of directors (and other officers) to whom shares were granted
Directors (excluding External Directors)	(Thousands of shares) 26	(people) 9

(Reference)

Policy on shareholding of other companies

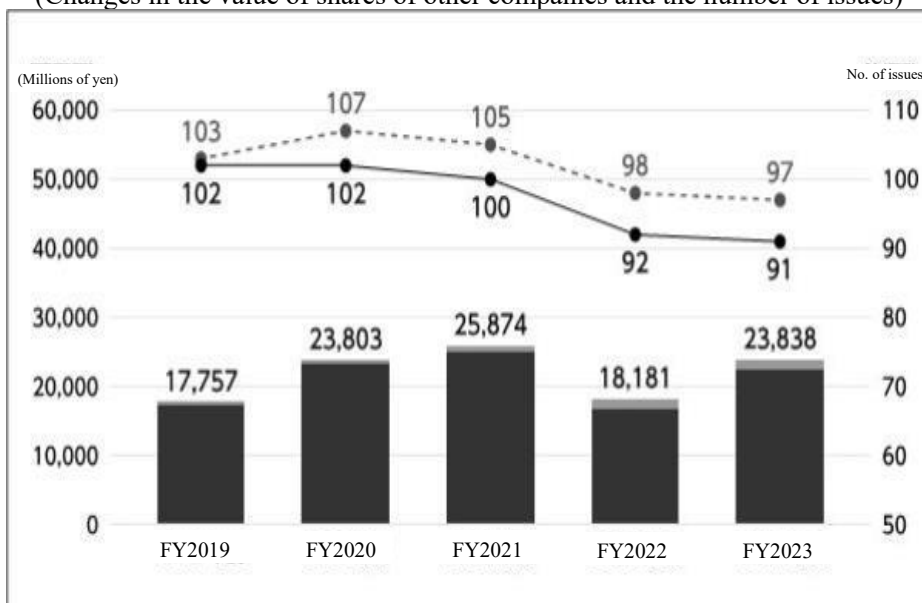
The Company holds shares of other companies taking a medium- to long-term perspective for increasing its corporate value upon comprehensively taking into account its business strategy and professional relationships with its business partners. At the same time, in order to achieve sustainable growth from a long-term perspective, we are responsible for financial resources that allow us to constantly invest even in the face of inflation.

In addition, the Board of Directors, on an annual basis, confirms compatibility with its purpose of share ownership and furthermore confirms the appropriateness of share ownership across its entire portfolio of such listed shares of other companies held by the Company, which involves comparing benefits of ownership (operating revenue, dividends, capital gains, etc.) against risks of ownership including cost of capital.

In March 2024, we sold a portion of shares of other companies to execute mergers and acquisitions as the second step toward expanding business value. We will continue to use this as a source of funds to promote investment in business growth.

Moreover, the Company is developing networks of construction contractors who handle work that includes installation, remodeling, and test runs (hereinafter referred to as “SSV Companies”) to address worker shortages at construction sites. The Company is proceeding with holdings of shares of SSV Companies based on its business strategy, partially for the sake of outsourcing to achieve operational streamlining, and also given that such construction contractors are able to provide support tailored to customers in close proximity to their locations of business.

(Changes in the value of shares of other companies and the number of issues)



	FY2019	FY2020	FY2021	FY2022	FY2023
Consolidated net assets ratio	17.8%	22.9%	23.6%	16.3%	18.8%

* The bar chart depicts valuations of shares of other companies (black = listed shares; gray = unlisted shares)

* The line chart depicts the number of issues held (black solid line = number of issues excluding SSV; gray dotted line = number of listings including SSV)

3. Matters relating to the Company officers

(1) Name, etc. of Directors and Auditors

Position	Name	Responsibility and significant concurrent positions outside the Company
Chairman	Yoshiki Ueda	(Significant concurrent positions outside the Company) Outside Director (Audit and Supervisory Committee Member) of THK CO., LTD.
President	Atsushi Nagai	(Significant concurrent positions outside the Company) Representative Director of Heinrich Wagner Sinto Maschinenfabrik GmbH Director of Sinto America, Inc.
Director, Managing Executive Officer	Toshikazu Morishita	Sales Control, General Sales Manager of Castec Company, in charge of Governance
Director, Managing Executive Officer	Kenichi Nakamichi	General Manager of Castec Company, in charge of Accounting and Finance
Director, Managing Executive Officer	Hiromitsu Uchiyama	General Manager of Development Division, in charge of Special Equipment Business, Business Development Control, in charge of Human Resources
Director, Managing Executive Officer	Mikio Nakane	General Manager of Production Division, General Manager of Toyokawa Works, Environment Control, in charge of System and Engineering
Director, Managing Executive Officer	Hidemi Yamauchi	SURFACETEC COMPANY President
Director, Managing Executive Officer	Hiroyuki Takeda	General Manager of Sales Division, Precision Project Team Leader
External Director	Yasuhito Yamauchi	
External Director	Yukako Uchinaga	(Significant concurrent positions outside the Company) Outside Director of Nippon Telegraph and Telephone Corporation
Auditor (Full Time)	Tsuyoshi Goto	
Auditor (Full Time)	Yuji Okubo	
External Auditor	Toshiro Kojima	(Significant concurrent positions outside the Company) Executive Officer of Kyodo News Digital Co., Ltd.
External Auditor	Takami Onodera	(Significant concurrent positions outside the Company) Outside Director (Audit and Supervisory Committee Member) of The Takigami Steel Construction Co., Ltd.

- Notes:
- At the 126th Ordinary General Meeting of Shareholders held on June 20, 2023, Hidemi Yamauchi and Hiroyuki Takeda were elected as Directors and assumed the office.
 - At the end of the 126th Ordinary General Meeting of Shareholders held on June 20, 2023, Tsuneyasu Kuno and Yatsuka Taniguchi retired from their positions as Director.
 - As of September 7, 2023, Masatoshi Ozawa resigned from his position as External Director.
 - Directors Yoshiki Ueda, Yasuhito Yamauchi, and Yukako Uchinaga are External Directors.
 - Auditors Toshiro Kojima and Takami Onodera are External Auditors.
 - External Directors Yoshiki Ueda, Yasuhito Yamauchi and Yukako Uchinaga, and External Auditors Toshiro Kojima and Takami Onodera are Independent Officers, which are required to be put in place by the Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. for the protection of general shareholders.

(2) Amount of remuneration, etc. for Directors and Auditors

(i) Policy on determining the remuneration, etc. for Directors

- The Company has established the Nomination and Compensation Committee, which is composed of all External Directors and attended by two External Auditors, for the purpose of enhancing transparency with regard to remuneration, etc. for Directors. The Committee deliberates and determines from an objective and fair perspective upon the structure and level of remuneration, etc., and the evaluation, etc. of each Director.
- While remuneration for Directors is based on job title and position, performance-linked remuneration, etc., has been introduced with a view to further improving corporate performance and sharing value with shareholders.
- Based on data from surveys conducted by outside professional organizations, the Company will set remuneration levels that are appropriate to the size of the Company and the duties and responsibilities that officers should fulfill.

a. Structure of remuneration

- It consists of a basic remuneration according to the job title and position (a fixed portion and variable valuation portion), restricted stock compensation, Directors' bonuses, and medium- to long-term incentive remuneration (share-based remuneration). Composition ratios of performance-linked compensation (restricted stock compensation, Directors' bonuses and medium- to long-term incentive remuneration) with respect to total remuneration increase as Directors rise in rank.

b. Performance-linked remuneration

- Restricted stock compensation is a partial transfer of basic compensation to stock compensation, and is intended to provide incentives to increase corporate value and further share value with shareholders.
- Under the concept of profit sharing, the amount of bonuses for Directors are determined by taking into account the amount paid in the past and other various factors, based on the amount of operating profit, which indicates the Company's earnings, and other indicators.
- Medium- to long-term incentive remuneration (share-based remuneration) is a system under which the Company's shares are provided in proportion to the degree to which performance targets (indicator: consolidated ordinary profit margin) are exceeded and the degree to which capital efficiency (indicator: consolidated return on equity) is improved for the period of the medium-term management plan, according to the position. Both indicators are adopted as significant factors that lead to enhancement of corporate and shareholder value. While this system was introduced in 2015, no payment has been made as the set targets have not been achieved.

c. Remuneration determination process

- The Company has established the voluntary Nomination and Compensation Committee, which deliberates and determines on the election of candidates for Directors and Auditors, the remuneration system for Directors, the evaluation of each Director, the amount of bonuses for Directors and so forth.
- Decisions on the amount of bonus for Directors reflect results of evaluations performed by the Nomination and Compensation Committee taking into account the standard amount specified for each position and based on the amount resolved at the Board of Directors meeting and the General Meeting of Shareholders.
- Decisions on the amount of basic remuneration reflect results of the evaluation of Directors performed by the Nomination and Compensation Committee and other factors, based on the standard amount specified for each position.

- (ii) Total amount of remuneration, etc. by officer category, total amount of remuneration, etc. by type of remuneration, etc., and number of eligible officers

Classification	Number of eligible officers (Person)	Amount of remuneration, etc. by type (Thousands of yen)			Amount of remuneration, etc. (Thousands of yen)
		Basic remuneration	Performance-linked remuneration		
			Bonuses	Share-based remuneration	
Director	13	113,944	40,000	23,604	177,548
Auditor	5	50,400	–	–	50,400
Total	18	164,344	40,000	23,604	227,948

- Notes: 1. The amount of remuneration, etc. paid to four External Directors and three External Auditors is ¥63,000 thousand and is included in the aforementioned amount of remuneration, etc.
2. The maximum amount of remuneration for Directors was resolved at the 125th Ordinary General Meeting of Shareholders held on June 21, 2022 to be ¥444,000 thousand (excluding the employee salary portion). The number of eligible Directors was 11, according to the resolution.
3. The maximum amount of remuneration for Auditors was resolved at the 109th Ordinary General Meeting of Shareholders held on June 28, 2006 to be ¥4,500 thousand on a monthly basis.
4. The amount of remuneration, etc. includes the amount paid during the term of office of two Directors and one Auditor who retired at the end of the 126th Ordinary General Meeting of Shareholders held on June 20, 2023, and one External Director who resigned on September 7, 2023.

(3) Overview of the content of directors and officers liability insurance policy

(i) Scope of the insured

All Directors, Auditors, Executive Officers, and managerial employees of the Company

(ii) Summary of the insurance policy

This insurance policy covers damages, litigation expenses, etc. to be borne by the insured in the event of claims arising from actions taken (or inaction) in their role as an officer, etc. of the company, listed in (i). However, measures are taken so that the appropriateness of the execution of duties by an officer, etc. is not impaired by excluding the damages, etc. of officers themselves who engaged in bribery or other criminal acts or intentionally committed illegal acts from the scope of coverage. The insurance premiums are all paid by the Company.

(4) External Officers

(i) Significant concurrent positions at other organizations and relationships between the Company and such other organizations

- Director Yoshiki Ueda serves concurrently as Outside Director (Audit and Supervisory Committee Member) of THK CO., LTD. There are no special relationships between the Company and THK CO., LTD.
- Director Yukako Uchinaga serves currently as Outside Director of Nippon Telegraph and Telephone Corporation. There are no special relationships between the Company and Nippon Telegraph and Telephone Corporation.
- Auditor Toshiro Kojima serves currently as Executive Officer of Kyodo News Digital Co., Ltd. There are no special relationships between the Company and Kyodo News Digital Co., Ltd.
- Auditor Takami Onodera serves currently as Outside Director (Audit and Supervisory Committee Member) of The Takigami Steel Construction Co., Ltd. There are no special relationships between the Company and The Takigami Steel Construction Co., Ltd.

(ii) Major activities during the fiscal year

a) Attendance at Board of Directors meetings and Board of Auditors meetings

Classification	Name	Attendance at Board of Directors meetings	Attendance at Board of Auditors meetings
Director	Yoshiki Ueda	17/17	—
Director	Yasuhito Yamauchi	17/17	—
Director	Yukako Uchinaga	17/17	—
Director	Masatoshi Ozawa	9/9	—
Auditor	Toshiro Kojima	17/17	16/17
Auditor	Takami Onodera	12/12	12/12

b) Statements at the meeting and summary of duties performed pertaining to the role expected as External Director

- Director Yoshiki Ueda provides advice and recommendations to ensure the adequacy and appropriateness of the decisions made by the Board of Directors with his extensive practical experience and knowledge as a senior executive of a general trading company and a manager of a specialized trading company.
- Director Masatoshi Ozawa provides advice and recommendations to ensure the adequacy and appropriateness of the decisions made by the Board of Directors with his extensive experience and knowledge as a corporate manager.
- Director Yasuhito Yamauchi provides advice and recommendations to ensure the adequacy and appropriateness of the decisions made by the Board of Directors with his extensive business experience and knowledge of manufacturing as a manager of automobile manufacturers and automobile parts manufacturers.
- Director Yukako Uchinaga provides advice and recommendations to ensure the adequacy and appropriateness of the decisions made by the Board of Directors with her extensive practical experience in the management of business involving telecommunications, education, and manufacturing, in addition to her extensive knowledge in the information technology field and deep understanding of diversity.
- Auditor Toshiro Kojima makes statements from an objective perspective to ensure the appropriateness of the decisions made by the Board of Directors with his extensive business experience and knowledge in risk control. In addition, he makes statements at the Board of Auditors meetings as deemed necessary.
- Auditor Takami Onodera makes statements from an objective perspective to ensure the appropriateness of the decisions made by the Board of Directors with his extensive practical experience in the management of listed companies in addition to his broad knowledge gained in financial-related operations. In addition, he makes statements at the Board of Auditors meetings as deemed necessary.

(iii) Summary of details of limited liability agreement

The Company has entered into a limited liability agreement pursuant to Article 427, paragraph 1 of the Companies Act with each External Director and External Auditor. Under the terms of the limited liability agreement, their liability will be limited to a minimum amount stipulated by applicable laws and regulations. The Company had a similar agreement with Masatoshi Ozawa, who resigned as an External Director effective September 7, 2023.

4. Accounting Auditor

(1) Name of the Accounting Auditor

Deloitte Touche Tohmatsu LLC

(2) Amount of remuneration for the Accounting Auditor for the fiscal year

- (i) Amount of remuneration for the Accounting Auditor for the fiscal year ¥53,400 thousand
- (ii) Total amount of money and other economic benefits to be paid by the Company and its subsidiaries to the Accounting Auditor ¥53,400 thousand

Notes: 1. In the audit contract between the Company and its Accounting Auditor, amount of remuneration paid for audits by an Accounting Auditor under the Companies Act and amount of remuneration paid for audits by an Accounting Auditor under the Financial Instruments and Exchange Act are not clearly distinguished or practically separable. Therefore, the total amount of these payments is shown in (i) Amount of remuneration listed above.

2. The Board of Auditors verified and reviewed the validity of the results of audit, the contents of audit plan, the performance status of duties of the Accounting Auditor, the basis for the calculation of the estimated amount of remuneration, and other factors in the previous fiscal year using the “Practical Guidelines for Cooperation with Accounting Auditors” released by the Japan Audit & Supervisory Board Members Association as a guide. As a result, the Board of Auditors has provided its consent regarding the amount of remuneration for the Accounting Auditor, pursuant to Article 399, paragraph 1 of the Companies Act.

(3) Policy on decisions of dismissal or non-reappointment of Accounting Auditor

In the event that an Accounting Auditor is found to fall under any of the items of Article 340, paragraph 1 of the Companies Act, the Board of Auditors shall dismiss the Accounting Auditor with the unanimous consent of the Auditors. In this case, the Auditor selected by the Board of Auditors shall report such dismissal and the reason for such dismissal to the first General Meeting of Shareholders convened after the dismissal.

In addition to the above, the Board of Auditors shall propose not to reappoint the Accounting Auditor to the General Meeting of Shareholders in the event that the Accounting Auditor is deemed to be unable to carry out its duties appropriately due to the occurrence of an event that impairs its qualifications or independence.

5. Corporate structure and policies

Policy on decisions on dividends and other appropriation of surplus

The Company strives to increase corporate value by addressing social issues, and prioritizes strategic investments necessary for sustainable growth, including research and development, capital investment, and mergers and acquisitions. In addition, our basic financial strategy is to continue to provide a stable return of profits to shareholders. Cash flow generated by our business activities will be used for active investment in growth areas, as well as for shareholder returns, etc.

With the recognition that distribution of profit to shareholders is one of our important management issues, continuation of stable profit distribution is the basis of our financial strategy, together with strategic investments. We will strive to maintain stable and continuous dividend payments at a certain level and expand them by comprehensively taking into account our financial position and profit level, while considering strengthening our financial structure and management base from a medium- to long-term perspective.

With regard to the appropriation of surplus for the fiscal year under review, a year-end dividend will be ¥24 per share (date of commencement of payment: June 7, 2024) as resolved at the Board of Directors meeting held on May 21, 2024. As a result, the amount of annual dividend, including the interim dividend of ¥20 per share (date of commencement of payment: December 8, 2023), will be ¥44 per share, an increase of ¥8 (dividend ratio of 26.6%) year on year.

Consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen with fractional amounts discarded)

Account	Amount	Account	Amount
Assets		Liabilities	
Current assets	111,801	Current liabilities	41,888
Cash and deposits	43,186	Notes and accounts payable - trade	13,599
Notes receivable - trade	11,238	Short-term borrowings	5,473
Accounts receivable - trade	20,953	Lease liabilities	150
Contract assets	6,785	Income taxes payable	1,714
Securities	9,375	Provision for bonuses	1,978
Finished goods	4,585	Provision for bonuses for directors (and other officers)	238
Work in process	5,853	Provision for product warranties	241
Raw materials and supplies	6,665	Provision for loss on orders received	313
Other	3,777	Contract liabilities	12,363
Allowance for doubtful accounts	(619)	Other	5,814
Non-current assets	76,161	Non-current liabilities	18,934
Property, plant and equipment	31,358	Long-term borrowings	8,971
Buildings and structures	15,006	Lease liabilities	340
Machinery, equipment and vehicles	5,798	Deferred tax liabilities	7,673
Land	8,190	Provision for retirement benefits for directors (and other officers)	545
Leased assets	442	Retirement benefit liability	805
Construction in progress	956	Asset retirement obligations	38
Other	962	Other	559
Intangible assets	1,684	Total liabilities	60,822
Goodwill	26	Net assets	
Leased assets	27	Shareholders' equity	100,897
Other	1,631	Share capital	5,752
Investments and other assets	43,118	Capital surplus	6,319
Investment securities	34,226	Retained earnings	90,870
Deferred tax assets	489	Treasury shares	(2,044)
Retirement benefit asset	5,217	Accumulated other comprehensive income	19,671
Other	3,193	Valuation difference on available-for-sale securities	12,445
Allowance for doubtful accounts	(8)	Foreign currency translation adjustment	5,321
		Remeasurements of defined benefit plans	1,904
		Non-controlling interests	6,571
		Total net assets	127,140
Total assets	187,963	Total liabilities and net assets	187,963

Consolidated Statement of Income

(From April 1, 2023 to March 31, 2024)

(Millions of yen with fractional amounts discarded)

Account	Amount	
Net sales		115,495
Cost of sales		82,167
Gross profit		33,328
Selling, general and administrative expenses		27,919
Operating profit		5,409
Non-operating income		
Interest income	609	
Dividend income	591	
Share of profit of entities accounted for using equity method	635	
Foreign exchange gains	224	
Other	429	2,489
Non-operating expenses		
Interest expenses	144	
Loss on liquidation of a subsidiary	73	
Donations	33	
Other	137	388
Ordinary profit		7,510
Extraordinary income		
Gain on sale of non-current assets	174	
Gain on sale of investment securities	5,026	5,200
Extraordinary losses		
Loss on sale of non-current assets	2	
Loss on disposal of non-current assets	71	73
Profit before income taxes		12,637
Income taxes - current	3,220	
Income taxes - deferred	372	3,592
Profit		9,044
Profit attributable to non-controlling interests		337
Profit attributable to owners of parent		8,706

Consolidated Statement of Changes in Equity

(From April 1, 2023 to March 31, 2024)

(Millions of yen with fractional amounts discarded)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,752	6,310	84,369	(2,082)	94,350
Changes during period					
Dividends of surplus			(2,205)		(2,205)
Profit attributable to owners of parent			8,706		8,706
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		8		41	50
Net changes in items other than shareholders' equity					
Total changes during period	-	8	6,500	38	6,546
Balance at end of period	5,752	6,319	90,870	(2,044)	100,897

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7,893	2,616	919	11,429	5,975	111,755
Changes during period						
Dividends of surplus						(2,205)
Profit attributable to owners of parent						8,706
Purchase of treasury shares						(3)
Disposal of treasury shares						50
Net changes in items other than shareholders' equity	4,552	2,705	984	8,241	596	8,838
Total changes during period	4,552	2,705	984	8,241	596	15,385
Balance at end of period	12,445	5,321	1,904	19,671	6,571	127,140

Non-consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen with fractional amounts discarded)

Account	Amount	Account	Amount
Assets		Liabilities	
Current assets	63,635	Current liabilities	24,711
Cash and deposits	18,266	Notes payable - trade	398
Notes receivable - trade	1,835	Electronically recorded obligations - operating	5,381
Electronically recorded monetary claims - operating	7,040	Accounts payable - trade	3,591
Accounts receivable - trade	11,974	Short-term borrowings	4,000
Contract assets	4,142	Lease liabilities	31
Securities	9,375	Accounts payable - other	141
Finished goods	1,852	Accrued expenses	1,752
Work in process	1,901	Income taxes payable	1,150
Raw materials and supplies	1,923	Contract liabilities	5,386
Other	5,665	Provision for bonuses	1,372
Allowance for doubtful accounts	(342)	Provision for product warranties	147
		Provision for loss on orders received	57
		Provision for loss on guarantees	1,133
		Provision for bonuses for directors (and other officers)	40
		Other	127
Non-current assets	58,714	Non-current liabilities	13,458
Property, plant and equipment	16,126	Long-term borrowings	8,700
Buildings	7,851	Lease liabilities	29
Structures	483	Deferred tax liabilities	4,358
Machinery and equipment	3,037	Asset retirement obligations	38
Vehicles	5	Other	332
Tools, furniture and fixtures	450		
Land	3,920	Total liabilities	38,169
Leased assets	50	Net assets	
Construction in progress	326	Shareholders' equity	72,064
Intangible assets	435	Share capital	5,752
Software	372	Capital surplus	6,203
Leased assets	4	Legal capital surplus	6,195
Other	58	Other capital surplus	8
Investments and other assets	42,152	Retained earnings	62,153
Investment securities	27,766	Legal retained earnings	1,438
Shares of subsidiaries and associates	11,620	Other retained earnings	60,715
Long-term loans receivable	632	Reserve for tax purpose reduction entry of non-current assets	215
Prepaid pension costs	1,691	Reserve for cancellation of shares	1,600
Other	565	General reserve	36,500
Allowance for doubtful accounts	(124)	Retained earnings brought forward	22,399
		Treasury shares	(2,044)
		Valuation and translation adjustments	12,115
		Valuation difference on available-for-sale securities	12,115
		Total net assets	84,180
Total assets	122,349	Total liabilities and net assets	122,349

Non-consolidated Statement of Income

(From April 1, 2023 to March 31, 2024)

(Millions of yen with fractional amounts discarded)

Account	Amount	
Net sales		60,705
Cost of sales		44,296
Gross profit		16,409
Selling, general and administrative expenses		14,771
Operating profit		1,637
Non-operating income		
Interest income	80	
Dividend income	1,092	
Rental income	115	
Other	192	1,480
Non-operating expenses		
Interest expenses	38	
Donations	26	
Rental costs	46	
Provision for loss on guarantees	121	
Other	37	269
Ordinary profit		2,848
Extraordinary income		
Gain on sale of non-current assets	69	
Gain on sale of investment securities	5,026	5,096
Extraordinary losses		
Loss on disposal of non-current assets	56	56
Profit before income taxes		7,888
Income taxes - current	1,937	
Income taxes - deferred	22	1,959
Profit		5,929

Non-consolidated Statement of Changes in Equity

(From April 1, 2023 to March 31, 2024)

(Millions of yen with fractional amounts discarded)

	Shareholders' equity										
	Share capital	Capital surplus			Legal retained earnings	Retained earnings					Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Reserve for tax purpose reduction entry of non-current assets	Reserve for cancellation of shares	General reserve	Retained earnings brought forward		
Balance at beginning of period	5,752	6,195	–	6,195	1,438	217	1,600	36,500	18,673	58,429	
Changes during period											
Reversal of reserve for tax purpose reduction entry of non-current assets						(3)			3	–	
Adjustment to reserve for tax purpose reduction entry of non-current assets						1			(1)	–	
Dividends of surplus									(2,205)	(2,205)	
Profit									5,929	5,929	
Purchase of treasury shares											
Disposal of treasury shares			8	8							
Net changes in items other than shareholders' equity											
Total changes during period	–	–	8	8	–	(2)	–	–	3,725	3,723	
Balance at end of period	5,752	6,195	8	6,203	1,438	215	1,600	36,500	22,399	62,153	

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(2,082)	68,294	7,716	7,716	76,011
Changes during period					
Reversal of reserve for tax purpose reduction entry of non-current assets		–			–
Adjustment to reserve for tax purpose reduction entry of non-current assets		–			–
Dividends of surplus		(2,205)			(2,205)
Profit		5,929			5,929
Purchase of treasury shares	(3)	(3)			(3)
Disposal of treasury shares	41	50			50
Net changes in items other than shareholders' equity			4,398	4,398	4,398
Total changes during period	38	3,770	4,398	4,398	8,168
Balance at end of period	(2,044)	72,064	12,115	12,115	84,180