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(Securities Code: 6339)

June 3, 2022

To our shareholders:

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

NOTICE OF THE 125TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 125th Ordinary General Meeting of Shareholders of SINTOKOGIO, LTD. (the “Company”), which will be held as described below.

To prevent the spread of novel coronavirus disease (COVID-19), we are placing the safety and security of our shareholders as our top priority, and are requesting that you carefully consider whether to attend this General Meeting of Shareholders and exercise your voting rights by mail or via the Internet (deadline: Monday, June 20, 2022 at 5:15 p.m. (JST)).

1. **Date and Time:** Tuesday, June 21, 2022, 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 125th Term (from April 1, 2021 to March 31, 2022), 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 125th Term (from April 1, 2021 to March 31, 2022)

Items to be resolved:

- Proposal 1:** Amendment to the Articles of Incorporation
- Proposal 2:** Election of eleven (11) Directors
- Proposal 3:** Payment of bonuses to Directors
- Proposal 4:** Decision on remuneration to grant restricted shares to Directors (excluding External Directors)

4. To Exercise Voting Rights:

If you exercise your voting rights both by mail and via the Internet, the one exercised via the Internet will be deemed valid.

If you exercise your voting rights more than once via the Internet, only your last vote will be treated as valid.

■ Instructions for Methods to Exercise Voting Rights

Exercise of voting rights via the Internet

Deadline: to be exercised by Monday, June 20, 2022 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 Monday, June 20, 2022 at 5:15 p.m. (JST).

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

Attending the General Meeting of Shareholders

Date and Time: Tuesday, June 21, 2022 at 10:00 a.m. (JST)

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

■ Regarding Internet Disclosure

©In accordance with laws and regulations and the Company’s Articles of Incorporation, the (i) Basic Policy on Internal Control and Operation Status Thereof, (ii) Notes to Consolidated Financial Statements and (iii) Notes to Non-Consolidated Financial Statements are posted on the Company’s website (<https://www.sinto.co.jp/>), and are not stated in the attached materials of this convocation notice. (i) to (iii) are subject to auditing by the Auditors, and (ii) and (iii) are subject to auditing by the Accounting Auditor.

©If there are any amendments to Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-Consolidated Financial Statements, they will be announced on the Company’s website (<https://www.sinto.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and Related Matters

Proposal 1: Amendment to the Articles of Incorporation

1. Reason for this proposal

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- (1) Article 16, paragraph (1) in the proposed amendments stipulates that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
- (2) Article 16, paragraph (2) in the proposed amendments establishes a provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) The provision for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 16 of the current Articles of Incorporation) is no longer required and will be deleted.
- (4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of proposed amendments

Details of the proposed amendment are as follows:

(Underlined portions are amended.)

Current Articles	Proposed Amendments
<p><u>Article 16</u> <u>In the case where the Company calls a general meeting of shareholders, the Company may disclose reference documents for the shareholders' meeting, business report, information relating to matters to be included in the separate and consolidated financial statements of the Company by an electromagnetic means in accordance with the provisions of the Ministry of Justice Order. This disclosure by an electromagnetic means shall be deemed as a legal delivery thereof to the shareholders.</u> <New></p>	<p style="text-align: center;"><Deleted></p> <p><u>Article 16</u> (1) <u>In the case where the Company calls a general meeting of shareholders, the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> (2) <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>



Current Articles	Proposed Amendments
<p><New></p>	<p><u>(Supplementary Provisions)</u></p> <ol style="list-style-type: none"> <li data-bbox="821 232 1441 450">1. <u>The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) in the pre-amended Articles of Incorporation and Article 16 (Measures for Electronic Provision, etc.) in the amended Articles of Incorporation shall take effect on September 1, 2022 (“Enforcement Date”).</u> <li data-bbox="821 472 1441 622">2. <u>Notwithstanding the provision of the preceding paragraph, Article 16 of the pre-amended Articles of Incorporation shall remain effective regarding any general meeting of shareholders held between June 1, 2022 and the last day in February 2023.</u> <li data-bbox="821 633 1441 784">3. <u>These supplementary provisions shall be deleted on the date when six (6) months have elapsed from the Enforcement Date or three (3) months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u>



Proposal 2: Election of eleven (11) Directors

At the end of this Ordinary General Meeting of Shareholders, the term of office of all eleven (11) 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 (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 six (6) 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.	508,971
<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	 Tsuneyasu Kuno (February 3, 1957)	Apr. 1980 Joined the Company Sept. 1996 President of Thai Sintokogio Co., Ltd. July 2006 Executive Officer, Manager of Production Center of the Company June 2014 Director in charge of Production Center of the Company June 2015 Managing Director, Deputy General Manager of Sales Division of the Company Apr. 2021 Managing Director, Senior Executive Officer in charge of System and Engineering of the Company (present position)	47,558
<p>[The reason for nominating as a candidate for Director]</p> <p>While engaged in management as a Director since 2014, Tsuneyasu Kuno performed his role and responsibility effectively as General Manager of Toyokawa Works, which is the key part of manufacturing for the Company, and as Deputy General Manager of the Sales Division. Kuno is able to apply his high level of knowledge and extensive experience of production and sales and his experience as an executive of the overseas subsidiary. 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	 Yatsuka Taniguchi (December 10, 1956)	July 2007 Joined SINTOBRATOR, LTD. Apr. 2009 Executive Officer and General Manager of Human Resources Department of the Company Apr. 2011 Executive Officer, Deputy Manager of Administration Center and General Manager of Human Resources Department of the Company June 2014 Director in charge of General Administration and General Manager of Human Resources Department of the Company June 2021 Managing Director, Senior Executive Officer in charge of General Administration of the Company (present position)	25,833
<p>[The reason for nominating as a candidate for Director]</p> <p>While engaged in management as a Director since 2014, Yatsuka Taniguchi currently performs his role and responsibility effectively as Supervisor of General Administration. Taniguchi is able to apply his high level of knowledge and extensive experience of overall General Administration. 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	 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 (present position)	50,069
[The reason for nominating as a candidate for Director] While engaged in management as a Director since 2016, Toshikazu Morishita has performed his role and responsibility effectively as General Manager of the Sales Division. 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.			
6	 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) (present position)	14,602
[The reason for nominating as a candidate for Director] While engaged in management as a Director since 2020, Kenichi Nakamichi has performed his role and responsibility effectively as General Manager of Castec Company. Nakamichi has abundant experience in the overseas business operations, and 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.			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
7	 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 Apr. 2021 Senior Executive Officer, General Manager of Development Division of the Company (present position) June 2021 Director, Senior Executive Officer in charge of Business Development and General Manager of Development Division of the Company (present position)	2,430
<p>[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 Development Division. 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.</p>			
8	*  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) Apr. 2021 Senior Executive Officer, General Manager of Ecotec Company (in-house Company) (present position)	9,763
<p>[The reason for nominating as a candidate for Director] Mikio Nakane has extensive experience in environment business, and after serving as Manager of the Environment Division, he currently serves as General Manager of Ecotec Company. Nakane is able to apply his extensive experience and high level of knowledge in environment 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 as a new 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
9	 Masatoshi Ozawa (February 23, 1943)	Apr. 1966 Joined Daido Steel Co., Ltd. June 2004 Representative Director and President of Daido Steel Co., Ltd. June 2010 Representative Director and Chairman of Daido Steel Co., Ltd. June 2014 External Director of the Company (present position) (Significant concurrent positions outside the Company) Outside Director of Okuma Corporation	-
<p>[The reason for nominating as a candidate for External Director] As Masatoshi Ozawa has extensive knowledge and experience as a corporate manager, 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. Ozawa has been in the position of External Director of the Company for eight (8) years.</p>			
10	 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 seven (7) 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 data-bbox="336 613 539 674">Yukako Uchinaga (July 5, 1946)</p>	<p data-bbox="611 264 1238 779"> 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) (present position) 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 HOYA CORPORATION Outside Director of Teijin Limited </p>	-
<p data-bbox="276 786 1449 1003"> [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 one (1) year. </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, Masatoshi Ozawa, Yasuhito Yamauchi and Yukako Uchinaga 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 is less than 1% of the consolidated net sales of either company.
Furthermore, Ueda served as Advisor to Makino Milling Machine Co., Ltd. until June 2021. The amount of transactions between the Company and Makino Milling Machine Co., Ltd. is 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 Ueda's execution of duties as External Director.
 - Masatoshi Ozawa serves as Special Advisor of Daido Steel Co., Ltd. The amount of transactions between the Company and Daido Steel Co., Ltd. is 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 Ozawa'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 serves as Board Chair of Japan Women's Innovative Network (J-Win). The amount of transactions between the Company and Japan Women's Innovative Network (J-Win) is less than 0.1% of the consolidated net sales of either entity.
Furthermore, Uchinaga also served as Director, Vice Chairman of Benesse Corporation until June 2013, but the amount of transactions between the Company and Benesse Corporation is less than 0.1% of the consolidated net sales of either company.
Furthermore, the amount of transactions between the Company and IBM Japan, Ltd., from where Uchinaga retired in 2007, is less than 0.1% of the consolidated net sales of either company.
Furthermore, the amount of transactions between the Company and HOYA CORPORATION, where Uchinaga currently serves as Outside Director, is less than 0.1% of the consolidated net sales of either company.
Furthermore, the amount of transactions between the Company and Teijin Limited, where Uchinaga currently serves as Outside Director, is 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 Uchinaga'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, Masatoshi Ozawa, 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.

5. The Company has registered Yoshiki Ueda, Masatoshi Ozawa, Yasuhito Yamauchi and Yukako Uchinaga as Independent Officers qualified under the regulations of the Tokyo Stock Exchange and Nagoya Stock Exchange.
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.

(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	Digital/Information Security	Governance Risk Management	
Yoshiki Ueda	Chairman	External Independent	⊙	○ (Trading Company)	○		○					⊙
Atsushi Nagai	President		⊙	○	⊙							⊙
Tsuneyasu Kuno	Managing Director, Senior Executive Officer			○	○				○		○	○
Yatsuka Taniguchi	Managing Director, Senior Executive Officer			○					○			⊙
Toshikazu Morishita	Director, Senior Executive Officer			○				○				○
Kenichi Nakamichi	Director, Senior Executive Officer			○	○			○				○
Hiromitsu Uchiyama	Director, Senior Executive Officer			○					○			○
Mikio Nakane	Director, Senior Executive Officer			○			○		○			○
Masatoshi Ozawa	External Director	External Independent	⊙	○ (Steel Industry)	○				○			⊙
Yasuhito Yamauchi	External Director	External Independent	⊙	○ (Automobile Industry)					○			⊙
Yukako Uchinaga	External Director	External Independent	⊙	○ Information / Communications	○				○	○	○	⊙

Name	Job Title	Attributes	Expertise and experience possessed by Auditors 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	Digital/Information Security	Governance Risk Management	
Tsuyoshi Goto	Auditor			○					◎			○
Yuji Okubo	Auditor			○	○					◎		○
Toshiro Kojima	Auditor	External Independent		○ (Electrical Equipment)	○							◎*1
Kazuhiko Hasegawa	Auditor	External Independent		○ (Banking)						○		◎*2

*1: Possessing a wealth of business experience involving risk management in global business

*2: 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 FY2021, the bonuses paid to Directors in the past, and other various reasons, a total of ¥30 million will be paid to seven (7) Directors (excluding the four (4) External Directors) who are in office at the end of FY2021. 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 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.

Proposal 4: Decision on remuneration to grant restricted shares to Directors (excluding External Directors)

The amount of remuneration for the Directors of the Company was approved to be ¥37 million or less per month (not including employee salaries of Directors who also serve as employees) at the 112th Ordinary General Meeting of Shareholders held on June 26, 2009. At the 118th Ordinary General Meeting of Shareholders held on June 24, 2015, we received approval to contribute up to a total of ¥200 million for each of the three (3) consecutive fiscal years as a share-based remuneration system using a trust, not subject to the aforementioned remuneration limit. These have remained unchanged to the present.

As part of the revision to its remuneration package for officers, the Company hereby proposes to pay remuneration to grant restricted shares to Directors (excluding External Directors) of the Company (“Eligible Directors”) within the limit above in order to provide incentive to sustainably increase the Company’s corporate value and to further promote shared value between shareholders and Directors. With regard to the remuneration limit of ¥37 million per month, the Company seeks to annualize this amount as a remuneration limit of ¥444 million per year (not including employee salaries of Directors who also serve as employees), and to pay remuneration within that limit for granting restricted shares to Eligible Directors.

Based on this proposal, the remuneration to be paid to Eligible Directors for granting restricted shares shall be monetary claims, and the total amount shall be ¥80 million or less per year (not including employee salaries of Directors who also serve as employees). The specific timing and allocation of payment to Eligible Directors of the Company shall be determined by resolution by the Board of Directors. However, no remuneration for granting restricted shares will be paid to External Directors.

There are currently eleven (11) Directors (including four (4) External Directors), and once Proposal 2 “Election of eleven (11) Directors” is approved and adopted as originally proposed, there will be eleven (11) Directors (including four (4) External Directors).

Based on resolution by the Board of Directors of the Company, Eligible Directors shall pay all monetary claims to be paid by this proposal as property contributed in-kind and receive common shares of the Company that shall be issued or disposed of by the Company, and the total number of common shares of the Company to be issued or disposed of shall not exceed 110,000 per year (provided, however, if, on or after the day on which this proposal is approved and adopted, the Company performs a share split (including allotment of shares without contribution) or a reverse share split of its common shares, or any other reason arises necessitating an adjustment to the total number of common shares of the Company to be issued or disposed of as restricted shares, the relevant total number shall be reasonably adjusted). The amount to be paid per share shall be determined by the Board of Directors based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution by the Board of Directors regarding the allotment of shares (if there is no closing price on such date, the closing price on the closest preceding trading day) so that said amount will not be particularly advantageous to Eligible Directors who accept the Company’s common shares. Issuance or disposal of the Company’s common shares and the payment of monetary claims as property contributed in-kind are conditional upon conclusion of an allotment agreement for transfer-restricted shares (“Allotment Agreement”) between the Company and the Eligible Directors that includes the following content. We consider the upper limit on the amount of remuneration in this proposal, the total number of common shares of the Company to be issued or disposed of, and the other conditions for granting restricted shares to Eligible Directors based on this proposal to be appropriate as they have been determined after taking into consideration the aforementioned purposes, the business conditions of the Company, the policies regarding decisions on the content of individual remuneration for the Directors of the Company, and other circumstances.

[Summary of the Allotment Agreement]

(1) Restricted Period

Eligible Directors shall not transfer, establish collateral rights to, or otherwise dispose of (“Transfer Restrictions”) the Company’s common shares to be allotted under the Allotment Agreement (“Allotted Shares”) from the day on which shares are allotted under the Allotment Agreement to the time immediately after resigning or retiring the position of officer or employee of the Company or its subsidiaries that is predetermined by the Board of Directors (“Restricted Period”). However, if said time immediately after resigning or retiring the position is prior to the date when three (3) months have passed after the end of the fiscal year containing the date of allotment of Allotted Shares, the end of the Restricted Period can be adjusted within reason.

(2) Treatment upon Resignation or Retirement of Position

When an Eligible Director resigns or retires the position of officer or employee of the Company or its subsidiaries that is predetermined by the Board of Directors before the expiration of the period predetermined by the Board of Directors of the Company (“Period of Service”), the Company will acquire, by rights, the Allotted Shares without contribution unless the term of office has been fulfilled, or in case of death or other justifiable reason for said resignation or retirement of position.

(3) Lifting of Transfer Restrictions

The Company shall lift the Transfer Restrictions on all Allotted Shares upon expiration of the Restricted Period on the condition that the Eligible Director has remained in a position stipulated by the Board of Directors as officer or employee in the Company or its subsidiaries throughout the Period of Service. However, the number of Allotted Shares on which Transfer Restrictions are to be lifted and the timing of lifting shall be adjusted as necessary if (i) the Eligible Director resigns or retires the position of officer or employee of the Company or its subsidiaries that is predetermined by the Board of Directors of the Company for justifiable reasons before the Period of Service expires, or (ii) if the Eligible Director resigns or retires the position predetermined by the Board of Directors of the Company before the expiration of the Restricted Period for reasons not deemed justifiable even though the Period of Service has expired. The Company shall acquire, by rights, without contribution the Allotted Shares on which Transfer Restrictions have not been lifted at the time immediately after Transfer Restrictions are lifted in accordance with the provision above.

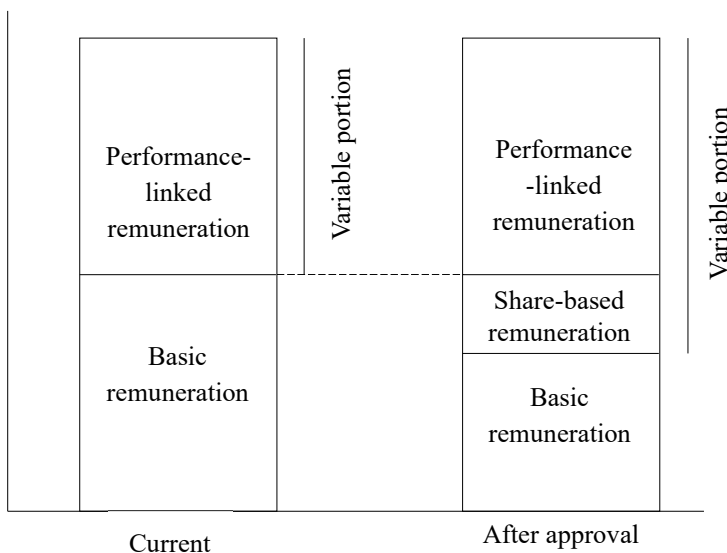
(4) Treatment during Reorganization, etc.

Notwithstanding the provision of (1) above, if, during the Restricted Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company’s General Meeting of Shareholders (or at a meeting of its Board of Directors in case approval at the Company’s General Meeting of Shareholders is not required in relation to the reorganization, etc.), prior to the date on which said reorganization becomes effective, the Company shall, by resolution of the Board of Directors, lift the transfer restrictions with the number of Allotted Shares reasonably determined based on the period of time from the start date of the Restricted Period to the date of approval of the reorganization, etc. Moreover, under the aforementioned circumstances, the Company shall, by right, acquire without contribution the Allotted Shares on which Transfer Restrictions have not been lifted at the time immediately after Transfer Restrictions are lifted.

(5) Other Matters

Other matters pertaining to the Allotment Agreement shall be determined by the Board of Directors of the Company.

Reference: Structure of Remuneration for Directors (Excluding External Directors) After the Proposal Is Approved



Business Report

(From April 1, 2021 to March 31, 2022)

1. Current status of the corporate group

(1) Business progress and achievement

During the fiscal year ended March 31, 2022, the global economy saw a shift to a recovery trend as the apparent easing of restrictions on socioeconomic activities normalized social life against the backdrop of market recovery due to coexistence with the novel coronavirus disease (COVID-19) with the successful progress on vaccinations, although the emergence of new variants of COVID-19 repeatedly protracted the pandemic and continued to restrict movement and production activities. However, particularly in China, economic activity remained stagnant due to stricter movement restrictions as a result of the continued zero-COVID policy to prevent the spread of COVID-19. Moreover, geographical risks caused by the Russian invasion of Ukraine and other factors are increasingly weighing on the economy with rising resource and energy prices and so forth mainly in Europe and the U.S. Inflation is further accelerating due primarily to concerns about semiconductor supply and its deteriorating procurement environment. In Japan, while the number of newly infected patients, especially among young people, remains at a high level, demand for semiconductor-related and other products entered a recovery trend in the process of figuring out a way to coexist with COVID-19 and meeting overseas demand.

With regard to the business environment of the Company group (the “Group”), some of the Group’s major clients including the automobile industry, were forced to make production adjustments in response to the implementation of measures against COVID-19 and parts supply disruptions. However, sales of parts and supplies, mainly for the electronics industry remained firm due to the strong performance in the semiconductor industry. Amid such an environment, orders received during the fiscal year under review totaled to ¥107,303 million, an increase of ¥18,852 million compared with those for the previous fiscal year (up 21.3% year on year). Meanwhile, net sales amounted to ¥99,247 million, an increase of ¥16,703 million (up 20.2% year on year), and backlog of orders amounted to ¥44,389 million, an increase of ¥3,813 million (up 9.4% year on year).

As to earnings, operating profit amounted to ¥2,606 million, an increase of ¥887 million (up 51.7% year on year) due to a positive effect on revenues, ordinary profit amounted to ¥4,478 million, an increase of ¥1,408 million (up 45.9% year on year), and profit attributable to owners of the parent amounted to ¥2,835 million, an increase of ¥2,229 million (up 367.5% 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 totaled to ¥41,306 million, an increase of ¥7,203 million (up 21.1% year on year) due to firm sales of surface treatment equipment in the infrastructure, construction machinery and spring industries and due to an increase in sales of parts and supplies resulting from strong demand for semiconductors for electronics-related applications and a recovery in production activities in various industries including the automobile industry which had been stagnant because of the impact of COVID-19. Operating profit amounted to ¥2,658 million, an increase of ¥495 million (up 22.9% year on year) due to a positive effect on revenues of supplies and parts. Orders received totaled to ¥41,918 million, an increase of ¥8,166 million (up 24.2% year on year), and backlog of orders amounted to ¥6,019 million, an increase of ¥625 million (up 11.6% year on year).

Foundry Business

Net sales amounted to ¥34,041 million, an increase of ¥8,507 million (up 33.3% year on year) as large plant projects remained firm and acceptance inspection in overseas projects progressed on a steady note due to utilization of online technology and an alternative method instead of dispatching instructors locally to overseas bases. Operating loss amounted to ¥17 million (loss of ¥1,079 million in the previous fiscal year) due to reduction in deficit accompanying the increase in revenues, despite the impact of rising raw material and energy costs. Orders received totaled to ¥38,137 million, an increase of ¥5,707 million (up 17.6% year on year), and backlog of orders amounted to ¥25,926 million, an increase of ¥3,576 million (up 16.0% year on year).

Environment Business

Net sales amounted to ¥10,851 million, a decrease of ¥289 million (down 2.6% year on year) due to the impact of declines in sales of large equipment such as dust collecting systems, exhaust gas purifier, and water treatment systems, despite increases in sales of general-purpose dust collectors, maintenance services and parts. Operating profit amounted to ¥901 million, a decrease of ¥538 million (down 37.4% year on year) due to a negative effect on revenues as well as soaring raw material prices and higher procurement costs for electronic components and other items. Orders received totaled to ¥11,234 million, an increase of ¥1,186 million (up 11.8% year on year) by closing deals of new large-scale foundry projects with dust collectors attached, and backlog of orders amounted to ¥4,489 million, an increase of ¥576 million (up 14.7% year on year).

Material Handling Business

Net sales totaled to ¥6,079 million, a decrease of ¥315 million (down 4.9% year on year) due to a decline in sales of logistics transport systems. Operating profit amounted to ¥607 million, a decrease of ¥432 million (down 41.6% year on year). This was largely due to the impact of semiconductor shortages, the Russian-Ukraine incident and other factors on the demand for products for the automobile and machine tool industries. Meanwhile, e-commerce demand for conveyors for the logistics industry remained strong. Orders received totaled to ¥6,473 million, an increase of ¥355 million (up 5.8% year on year), and backlog of orders amounted to ¥2,055 million, an increase of ¥428 million (up 26.3% year on year).

Special Equipment Business

Net sales came to ¥7,694 million, an increase of ¥1,638 million (up 27.1% year on year) due to strong sales of new high-pressure roll press machines for the automotive secondary battery market. Operating loss amounted to ¥386 million (loss of ¥820 million in the previous fiscal year) due to reduction in deficit accompanying the increase in revenues.

Orders received totaled to ¥9,375 million, an increase of ¥3,421 million (up 57.5% year on year), and backlog of orders amounted to ¥5,897 million, a decrease of ¥1,394 million (down 19.1% year on year).

Status of net sales by business segment of the corporate group

Category	Fiscal Year		125th Term (Fiscal year under review) April 1, 2021 to March 31, 2022		124th Term (Previous fiscal year) April 1, 2020 to March 31, 2021		Year-on-year changes	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Surface Treatment Business	41,292	41.6	34,097	41.3				21.1
Foundry Business	33,459	33.7	25,028	30.3				33.7
Environment Business	10,658	10.7	10,948	13.3				(2.7)
Material Handling Business	6,045	6.1	6,373	7.7				(5.1)
Special Equipment Business	7,628	7.7	5,947	7.2				28.3
Other Business	163	0.2	149	0.2				9.3
Total	99,247	100.0	82,544	100.0				20.2
Overseas sales	40,161	40.5	32,130	38.9				25.0

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 ¥3,571 million, and the main components thereof are as follows.

Foundry Business	Construct a new plant in Brazil following the relocation of the foundry
Material Handling Business	Renovate the plant building of MEIKIKOU Corporation
Special Equipment Business	Construct a new plant at Shinshiro Works

(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. We strive to offer new value to our customers and to build bonds of trust, always keeping their manufacturing needs in mind. To such ends, we set our sights on our number of customers, which serves as a key performance indicator. 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

Given that we are operating in a business environment that is undergoing unprecedented change more rapidly and extensive than ever before, we will seek to flexibly address such change by bolstering investment geared to creating partnerships for the sake of actively tapping into external resources and jointly opening a pathway to the future.

We will furthermore set the stage for making growth-oriented investment by holding shares as cross-shareholdings and selling shares as necessary, taking a medium- to long-term perspective for increasing our corporate value upon comprehensively taking into account our business strategy and professional relationships with our business partners.

● 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.

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

(4) Trends in assets and profit and loss

Fiscal Year Category	122nd Term April 1, 2018 to March 31, 2019	123rd Term April 1, 2019 to March 31, 2020	124th Term April 1, 2020 to March 31, 2021	125th Term (Fiscal year under review) April 1, 2021 to March 31, 2022
Net sales	Millions of yen 110,076	Millions of yen 102,703	Millions of yen 82,544	Millions of yen 99,247
Profit attributable to owners of parent	Millions of yen 5,412	Millions of yen 2,879	Millions of yen 606	Millions of yen 2,835
Basic earnings per share	Yen 101.66	Yen 54.10	Yen 11.39	Yen 53.28
Total assets	Millions of yen 164,986	Millions of yen 156,461	Millions of yen 164,201	Millions of yen 168,586
Net assets	Millions of yen 101,465	Millions of yen 99,849	Millions of yen 104,124	Millions of yen 109,641

(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 S-PRECISION, LTD.	Millions of yen 90	100.0	Manufacture and sale of precision measuring instruments
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 2,000	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 indicates the ownership ratio through indirect holdings.

(6) Status of important business combinations

- (i) Sinto Pressenge Máquinas Limitada was made a wholly-owned subsidiary upon acquisition by the Company's subsidiary Sinto Brasil Produtos Limitada of an additional 40% stake in Sinto Pressenge Máquinas Limitada, a subsidiary that manufactures and sells surface treatment equipment and parts.
- (ii) The Company made the decision to merge with and absorb its wholly-owned subsidiary Daito Kihan Co., Ltd., effective April 2022, with the aims of effectively developing bases, sharing expertise, streamlining sales activities, strengthening the sales and services structure, and creating a new business platform in the West Japan area.

(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) SINTO S-PRECISION, LTD. (Kanagawa)
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	2,241	1,801	4,042

Note: The number of employees of the Company is 1,772.

(10) Major creditors

Creditor	Balance of borrowings
Syndicate loan	¥11,300 million
Resona Bank, Limited	¥3,700 million
MUFG Bank, Ltd.	¥1,975 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 1,203,084 treasury shares)
- (3) Number of shareholders: 21,702
- (4) Top ten shareholders

Name	Number of shares held	Shareholding ratio
The Master Trust Bank of Japan, Ltd. (trust account)	Thousands of shares 5,957	11.17 %
Custody Bank of Japan, Ltd. (trust account)	2,913	5.46
MUFG Bank, Ltd.	2,289	4.29
Meiji Yasuda Life Insurance Company	2,276	4.26
Resona Bank, Limited	1,668	3.12
The NAGAI Foundation for Science & Technology	1,405	2.63
Sinto Employee Stock Ownership	1,215	2.27
Sinto Supplier Stock Ownership	1,070	2.00
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS SEC LENDING	1,039	1.94
Tokio Marine & Nichido Fire Insurance Co., Ltd.	909	1.70

- Notes: 1. Although the Company holds 1,203,084 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.

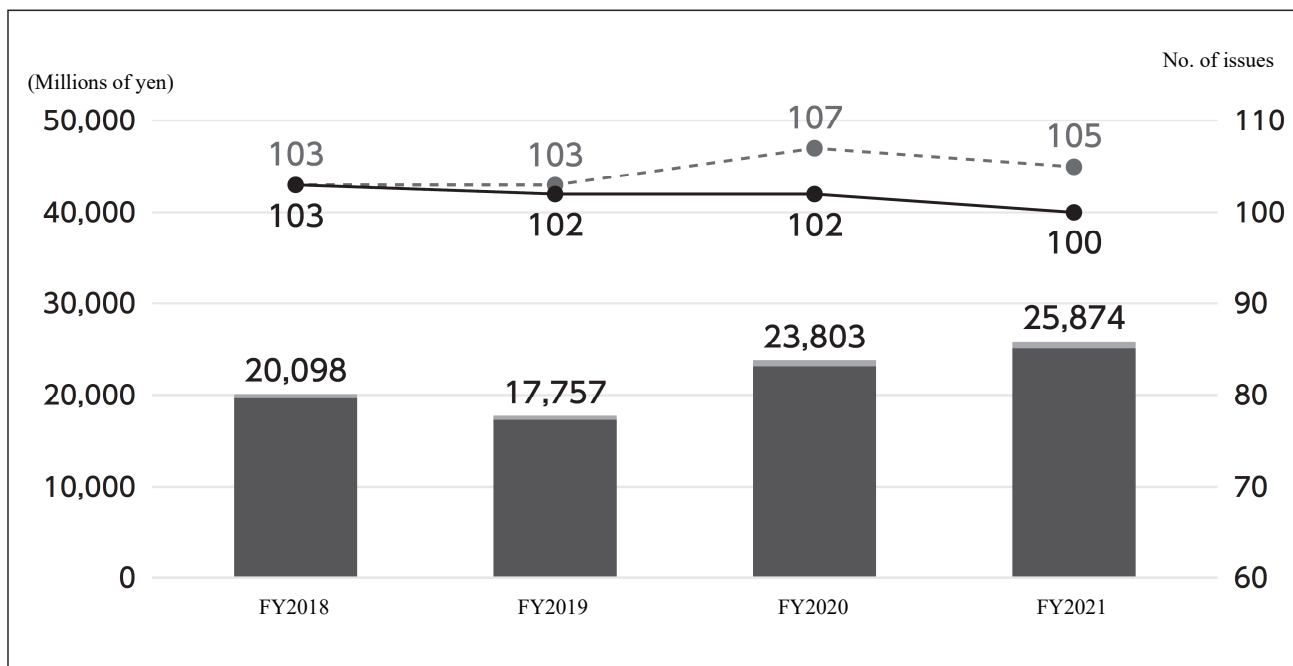
(Reference)

Policy on shares held as cross-shareholding

The Company holds shares as cross-shareholdings 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. Accordingly, the Company successively sells shares subject to diminished significance of equity ownership.

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 listed shares held as cross-shareholding, which involves comparing benefits of ownership (operating revenue, dividends, capital gains, etc.) against risks of ownership including cost of capital. Shares subject to divestiture are to be successively sold to set the stage for growth investment.

Moreover, the Company is currently developing networks of construction contractors who handle work that includes installation, remodeling, and test runs at customer factories (hereinafter referred to as “SSV Companies”). 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.



*The bar chart depicts valuations of shares held as cross-shareholding (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.
Managing Director	Tsuneyasu Kuno	System and Engineering
Managing Director	Yatsuka Taniguchi	General Administration
Director	Toshikazu Morishita	Sales, General Manager of Sales Division
Director	Shigeru Ishida	Manufacturing, General Manager of the Production Division and Manager of Toyokawa Works
Director	Kenichi Nakamichi	International Operations, General Manager of Overseas Business Division
Director	Hikomitsu Uchiyama	Business Development, General Manager of Development Division
Director	Masatoshi Ozawa	[Significant concurrent positions outside the Company] Outside Director of Okuma Corporation
Director	Yasuhito Yamauchi	
Director	Yukako Uchinaga	[Significant concurrent positions outside the Company] Board Chair of Japan Women's Innovative Network (J-Win) Outside Director of HOYA CORPORATION Outside Director of Teijin Limited
Auditor (Full Time)	Tsuyoshi Goto	
Auditor (Full Time)	Yuji Okubo	
Auditor	Toshiro Kojima	[Significant concurrent positions outside the Company] Executive Officer of Kyodo News Digital Co., Ltd.
Auditor	Kazuhiko Hasegawa	[Significant concurrent positions outside the Company] Outside Director (Audit and Supervisory Committee Member) of The Takigami Steel Construction Co., Ltd.

- Notes: 1. At the 124th Ordinary General Meeting of Shareholders held on June 22, 2021, Hiromitsu Uchiyama and Yukako Uchinaga were elected as Directors and assumed the office.
2. At the end of the 124th Ordinary General Meeting of Shareholders held on June 22, 2021, Masaaki Hibi and Yasumasa Karaki retired from their positions as Director.
3. Directors Yoshiki Ueda, Masatoshi Ozawa, Yasuhito Yamauchi, and Yukako Uchinaga are External Directors.
4. Auditors Toshiro Kojima and Kazuhiko Hasegawa are External Auditors.
5. External Directors Yoshiki Ueda, Masatoshi Ozawa, Yasuhito Yamauchi and Yukako Uchinaga, and External Auditors Toshiro Kojima and Kazuhiko Hasegawa 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 four 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 portion according to the job title and position (including a portion subject to contribution to the Officer Stock Ownership), Directors' bonuses, and medium- to long-term incentive remuneration (share-based remuneration). Composition ratios of performance-linked Directors' bonuses and medium- to long-term incentive remuneration with respect to total remuneration increase as Directors rise in rank.

b. Performance-linked remuneration

- 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	167,295	30,000	0	197,295
Auditor	4	50,400	–	–	50,400
Total	17	217,695	30,000	0	247,695

- Notes:
1. The amount of remuneration, etc. paid to five External Directors and two External Auditors is ¥67,200 thousand and is included in the aforementioned amount of remuneration, etc.
 2. The maximum amount of remuneration for Directors was resolved at the 112th Ordinary General Meeting of Shareholders held on June 26, 2009 to be ¥37,000 thousand on a monthly basis (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 who retired at the end of the 124th Ordinary General Meeting of Shareholders held on June 22, 2021.

(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 and 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 Masatoshi Ozawa serves currently as Outside Director of Okuma Corporation. There are no special relationships between the Company and Okuma Corporation.
- Director Yukako Uchinaga serves currently as Board Chair of Japan Women's Innovative Network (J-Win), Outside Director of HOYA CORPORATION and Outside Director of Teijin Limited. There are no special relationships between the Company and each company.
- 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 Kazuhiko Hasegawa 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	16/16	—
Director	Masatoshi Ozawa	15/16	—
Director	Yasuhito Yamauchi	15/16	—
Director	Yukako Uchinaga	11/11	—
Auditor	Toshiro Kojima	16/16	17/17
Auditor	Kazuhiko Hasegawa	16/16	17/17

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 expertise in risk control. In addition, he makes statements at the Board of Auditors meetings as deemed necessary.
- Auditor Kazuhiko Hasegawa 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 and educational institution 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.

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 | ¥44,000 thousand |
| (ii) Total amount of money and other economic benefits to be paid by the Company and its subsidiaries to the Accounting Auditor | ¥44,000 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

(1) Basic policy on internal controls and its operational status

The Company has established the basic policy on internal controls by resolution of the Board of Directors. The basic policy on internal controls and its operational status have been posted on the Company's website on the Internet (<https://www.sinto.co.jp/>).

[Basic policy on internal controls (outline)]

1. Retention and management of information in relation to the execution of duties

- (1) Minutes of the Board of Directors meetings shall be prepared, retained and managed in accordance with the retention period.
- (2) Important documents regarding business execution shall be retained and managed in accordance with the retention period.
- (3) The retention and management of documents shall be stipulated in the Document Management Rules.

2. Management of risk of loss

- (1) The department in charge and the officer in charge of major risks shall be clearly identified and be responsible for the management of these risks.
- (2) The Company is to establish the "Risk Management Committee" which shall visualize the major risks on a risk map, and treat, evaluate and monitor these risks.
- (3) The Company shall establish Risk Management Rules.
- (4) The Company shall prepare a Code of Conduct and manuals, and provide training programs and education.
- (5) The Company shall formulate a business continuity plan (BCP), conduct drills, and take measures such as stockpiling.

3. Ensuring the efficient execution of duties

(1) Systems for managing business plans

- (i) The Company shall formulate a management philosophy, basic policy, and medium-term and annual management plans. In order to achieve the accompanying management goals and strategies, the Company shall incorporate them into the plans and goals of each division and carry out business operations through a linkage of these goals.
- (ii) The Board of Directors shall review the progress of management plans, deliberate and decide on necessary actions.

(2) Systems for managing business execution

- (i) The Board of Directors shall deliberate and make decisions in accordance with the Rules of the Board of Directors.
- (ii) The Executive Officer system shall be enhanced to streamline and expedite business execution processes and clarify where responsibility lies.
- (iii) Authority and responsibilities shall be appropriately delegated in accordance with the Rules on Delegation of Authority and the Rules on Division of Duties.

4. Ensuring the compliance with laws and regulations and the Articles of Incorporation in the execution of duties

- (1) The Company shall set forth and disseminate "Sinto Corporate Code of Conduct and Ethics."
- (2) The Company shall establish and operate the "Nomination and Compensation Committee" consisting solely of Independent External Officers (with Independent External Directors serving as committee members and Independent External Auditors accompanying them at meetings).
- (3) The Company shall establish and operate the "Sustainability Committee" and "Compliance Committee."
- (4) The Company shall establish the Audit Group to periodically audit the operational status of internal controls within the Company.
- (5) The Company shall set up and operate an internal whistle-blowing system.
- (6) The Company shall take a firm stand against antisocial forces.
- (7) The Company shall provide education by rank and job category.

5. Ensuring appropriate business activities

- Ensure the above 1 to 4 in the Group companies

6. Employees assigned to assist with the duties of Auditors

7. Reporting to Auditors

8. Ensuring that persons are not treated disadvantageously for making such report as described in the preceding article

9. Expenses, etc. arising with regard to the execution of Auditors' duties

10. Ensuring the effective audit performance by Auditors

(2) Policy on decisions on dividends and other appropriation of surplus

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

With that in mind, the Company is determined to make effective use of internal reserves to strengthen its management structure and return profits to shareholders, as well as to prioritize investments in business domains where global business development and growth are expected 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 ¥13 per share (date of commencement of payment: June 6, 2022) as resolved at the Board of Directors meeting held on May 23, 2022. As a result, the amount of annual dividend, including the interim dividend of ¥13 per share (date of commencement of payment: December 9, 2021), will be ¥26 per share, an increase of ¥2 year on year.

Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen with fractional amounts discarded)

Account	Amount	Account	Amount
Assets		Liabilities	
Current assets	96,828	Current liabilities	42,539
Cash and deposits	33,736	Notes and accounts payable - trade	15,480
Notes receivable - trade	10,058	Short-term borrowings	12,264
Accounts receivable - trade	17,535	Lease liabilities	132
Contract assets	7,319	Income taxes payable	328
Securities	10,799	Provision for bonuses	1,676
Finished goods	4,427	Provision for bonuses for directors (and other officers)	102
Work in process	5,091	Provision for product warranties	354
Raw materials and supplies	4,895	Provision for loss on orders received	278
Other	3,229	Contract liabilities	7,287
Allowance for doubtful accounts	(264)	Other	4,633
Non-current assets	71,757	Non-current liabilities	16,405
Property, plant and equipment	28,398	Long-term borrowings	7,222
Buildings and structures	12,711	Lease liabilities	164
Machinery, equipment and vehicles	4,917	Deferred tax liabilities	7,158
Land	7,794	Provision for retirement benefits for directors (and other officers)	417
Leased assets	249	Retirement benefit liability	926
Construction in progress	1,951	Asset retirement obligations	17
Other	773	Other	497
Intangible assets	1,961	Total liabilities	58,944
Goodwill	232	Net assets	
Leased assets	31	Shareholders' equity	90,183
Other	1,697	Share capital	5,752
Investments and other assets	41,397	Capital surplus	6,310
Investment securities	33,957	Retained earnings	79,622
Deferred tax assets	526	Treasury shares	(1,501)
Retirement benefit asset	3,310	Accumulated other comprehensive income	13,910
Other	3,642	Valuation difference on available-for-sale securities	12,697
Allowance for doubtful accounts	(40)	Foreign currency translation adjustment	300
		Remeasurements of defined benefit plans	912
		Non-controlling interests	5,547
		Total net assets	109,641
Total assets	168,586	Total liabilities and net assets	168,586

Consolidated Statement of Income

(From April 1, 2021 to March 31, 2022)

(Millions of yen with fractional amounts discarded)

Account	Amount	
Net sales		99,247
Cost of sales		71,815
Gross profit		27,431
Selling, general and administrative expenses		24,825
Operating profit		2,606
Non-operating income		
Interest income	223	
Dividend income	628	
Share of profit of entities accounted for using equity method	628	
Foreign exchange gains	182	
Other	567	2,230
Non-operating expenses		
Interest expenses	139	
Donations	68	
Other	149	357
Ordinary profit		4,478
Extraordinary income		
Gain on sale of non-current assets	83	
Gain on sale of investment securities	52	135
Extraordinary losses		
Loss on sale of non-current assets	22	
Loss on disposal of non-current assets	21	
Loss on valuation of investment securities	230	
Other	6	280
Profit before income taxes		4,333
Income taxes - current	1,008	
Income taxes - deferred	304	1,313
Profit		3,020
Profit attributable to non-controlling interests		185
Profit attributable to owners of parent		2,835

Consolidated Statement of Changes in Equity

(From April 1, 2021 to March 31, 2022)

(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	6,278	78,018	(1,485)	88,563
Cumulative effects of changes in accounting policies			103		103
Restated balance	5,752	6,278	78,121	(1,485)	88,666
Changes during period					
Dividends of surplus			(1,334)		(1,334)
Profit attributable to owners of parent			2,835		2,835
Change in ownership interest of parent due to transactions with non-controlling interests		32			32
Purchase of treasury shares				(15)	(15)
Net changes in items other than shareholders' equity					
Total changes during period	-	32	1,500	(15)	1,517
Balance at end of period	5,752	6,310	79,622	(1,501)	90,183

	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	11,300	(1,678)	733	10,355	5,206	104,124
Cumulative effects of changes in accounting policies						103
Restated balance	11,300	(1,678)	733	10,355	5,206	104,227
Changes during period						
Dividends of surplus						(1,334)
Profit attributable to owners of parent						2,835
Change in ownership interest of parent due to transactions with non-controlling interests						32
Purchase of treasury shares						(15)
Net changes in items other than shareholders' equity	1,397	1,978	178	3,554	341	3,901
Total changes during period	1,397	1,978	178	3,554	341	5,418
Balance at end of period	12,697	300	912	13,910	5,547	109,641

Non-consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen with fractional amounts discarded)

Account	Amount	Account	Amount
Assets		Liabilities	
Current assets	57,853	Current liabilities	27,864
Cash and deposits	16,130	Notes payable - trade	650
Notes receivable - trade	3,245	Electronically recorded obligations - operating	6,017
Electronically recorded monetary claims - operating	4,449	Accounts payable - trade	4,587
Accounts receivable - trade	9,883	Short-term borrowings	11,200
Contract assets	4,670	Lease liabilities	78
Securities	10,799	Accounts payable - other	232
Finished goods	1,463	Accrued expenses	1,506
Work in process	2,184	Income taxes payable	122
Raw materials and supplies	1,407	Contract liabilities	1,843
Other	4,593	Provision for bonuses	1,178
Allowance for doubtful accounts	(972)	Provision for bonuses for directors (and other officers)	30
		Provision for product warranties	263
		Provision for loss on orders received	105
		Other	48
Non-current assets	60,879	Non-current liabilities	13,189
Property, plant and equipment	16,070	Long-term borrowings	7,792
Buildings	7,139	Lease liabilities	111
Structures	343	Deferred tax liabilities	4,940
Machinery and equipment	2,657	Asset retirement obligations	17
Vehicles	2	Other	327
Tools, furniture and fixtures	363		
Land	3,821	Total liabilities	41,053
Leased assets	142		
Construction in progress	1,599	Net assets	
Intangible assets	670	Shareholders' equity	65,187
Software	564	Share capital	5,752
Leased assets	31	Capital surplus	6,195
Other	73	Legal capital surplus	6,195
Investments and other assets	44,138	Retained earnings	54,741
Investment securities	28,598	Legal retained earnings	1,438
Shares of subsidiaries and associates	11,942	Other retained earnings	53,303
Long-term loans receivable	1,914	Reserve for tax purpose reduction entry of non-current assets	221
Prepaid pension costs	1,148	Reserve for cancellation of shares	1,600
Other	570	General reserve	36,500
Allowance for doubtful accounts	(36)	Retained earnings brought forward	14,981
		Treasury shares	(1,501)
		Valuation and translation adjustments	12,491
		Valuation difference on available-for-sale securities	12,491
		Total net assets	77,679
Total assets	118,733	Total liabilities and net assets	118,733

Non-consolidated Statement of Income

(From April 1, 2021 to March 31, 2022)

(Millions of yen with fractional amounts discarded)

Account	Amount	
Net sales		58,457
Cost of sales		43,238
Gross profit		15,218
Selling, general and administrative expenses		14,499
Operating profit		719
Non-operating income		
Interest income	56	
Dividend income	1,240	
Rental income	134	
Other	230	1,660
Non-operating expenses		
Interest expenses	38	
Donations	83	
Rental costs	53	
Other	33	209
Ordinary profit		2,170
Extraordinary income		
Gain on sale of non-current assets	0	
Gain on sale of investment securities	52	52
Extraordinary losses		
Loss on sale of non-current assets	0	
Loss on disposal of non-current assets	10	
Loss on valuation of investment securities	227	
Loss on valuation of shares of subsidiaries and associates	153	392
Profit before income taxes		1,830
Income taxes - current	320	
Income taxes - deferred	155	475
Profit		1,355

Non-consolidated Statement of Changes in Equity

(From April 1, 2021 to March 31, 2022)

(Millions of yen with fractional amounts discarded)

	Shareholders' equity								
	Share capital	Capital surplus		Legal retained earnings	Retained earnings				Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings			Retained earnings brought forward	
					Reserve for tax purpose reduction entry of non-current assets	Reserve for cancellation of shares	General reserve		
Balance at beginning of period	5,752	6,195	6,195	1,438	225	1,600	36,500	14,957	54,721
Changes during period									
Reversal of reserve for tax purpose reduction entry of non-current assets					(4)			4	-
Dividends of surplus								(1,334)	(1,334)
Profit								1,355	1,355
Purchase of treasury shares									
Net changes in items other than shareholders' equity									
Total changes during period	-	-	-	-	(4)	-	-	24	20
Balance at end of period	5,752	6,195	6,195	1,438	221	1,600	36,500	14,981	54,741

	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	(1,485)	65,182	11,090	11,090	76,272
Changes during period					
Reversal of reserve for tax purpose reduction entry of non-current assets		-			-
Dividends of surplus		(1,334)			(1,334)
Profit		1,355			1,355
Purchase of treasury shares	(15)	(15)			(15)
Net changes in items other than shareholders' equity			1,401	1,401	1,401
Total changes during period	(15)	4	1,401	1,401	1,406
Balance at end of period	(1,501)	65,187	12,491	12,491	77,679