A/R DES/GN COMPANY
SINKO

SINKO INDUSTRIES LTD.

（TSE Prime Market Stock Exchange Code: 6458）

Financial Results Briefing for the Second Quarter of the Fiscal Year Ending March 31, 2026

Date	December 1, 2025	
Venue	Webcast	
Speakers	Satoshi Suenaga	President and CEO
	Tokuji Aota	Representative Director, Executive Vice President and CFO
	Tomoaki Fujii	Director, Senior Executive Officer and General Manager of Corporate Planning Division
	Yasuyuki Aoyagi	Executive Officer and General Manager of Business Strategy Office, Technical Division

Note: Some parts of this document have been translated from the Japanese original for reference purposes only, using artificial intelligence (AI) or machine translation technology with no or limited human review or editing. Some content may not be accurately translated due to the limitations of the translation technology and the translated content may contain errors, discrepancies, or differences created in the translation. The Company assumes no responsibility for any problems arising from or related to the translation. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Table of Contents

■ Presentation Transcript P.2 -

■ Ⅰ. Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2026 P.4 -

■ Ⅱ. Financial Results Forecast for the Fiscal Year Ending March 31, 2026 P.14 -

■ Ⅲ. Medium-term Management Plan “move.2027” P.19 -

■ Ⅳ. Initiatives to Implement Cost of Capital Management P.29 -

■ Summary of Q&A Session P.38 -

*The above refers to the page numbers in this document, and differs from the pages in the presentation material used during the financial results briefing.

Notes on forward-looking statements

This material is solely intended to provide information to investors, and it is not intended to solicit sales or purchases.

Forward-looking statements in this material are based on targets and projections and do not constitute promises or guarantees. Please note that the Company’s future performance may differ from the Company’s current forecast.

In addition, while descriptions related to industries, etc. have been prepared based on data that are deemed to be reliable, the Company does not guarantee their accuracy or completeness.

The use of this material by investors for any purpose is assumed to be at their discretion and responsibility, and the Company assumes no responsibility in any circumstances.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

Aota: My name is Aota. I would like to thank you all for taking time for this financial results briefing today despite your busy schedules.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

Table of Contents

A/R DES/GN COMPANY SINKO

I. Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2026 P.2 -

II. Financial Results Forecast for the Fiscal Year Ending March 31, 2026 P.12 -
(No revision has been made to the forecast announced on May 15, 2025)

III. Medium-term Management Plan “move.2027” P.17 -

IV. Initiatives to Implement Cost of Capital Management P.27 -

SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 1

Today, I will first explain the financial results for the second quarter of the fiscal year ending March 2026 and the full-year performance forecast.

Following that, President Suenaga will provide an update on the progress of the Medium-term Management Plan "move.2027" and initiatives to implement cost of capital management.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

A/R DES/GN COMPANY
SINKO

I. Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2026

2

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

I. Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2026

Summary of Financial Results

A/R DES/GN COMPANY SINKO

- Financial results for the second quarter of the fiscal year ending March 31, 2026:
  Consolidated net sales of 25.8 billion yen (6.9% increase YoY) and consolidated operating profit of 3.57 billion yen (0.4% increase YoY)
- Fueled by robust demand for air conditioning for buildings including those in large-scale redevelopment, industrial air conditioning for domestic manufacturing facilities, and data center investments, the business environment remained favorable. Meanwhile, in the domestic construction market, work style reforms in construction and logistics, rising construction costs, and shifts in international trade policies have begun to affect project durations and investment plans, necessitating cautious monitoring of future market trends.
- In the Japan segment, sales increased year over year due to robust air conditioning equipment sales and strong demand for installation and maintenance services. Although efforts were made to establish price revisions and enhance product and service value, rising labor and logistics costs led to a decline in operating income compared to the previous year. The effects of the price revisions implemented at the start of the period are expected to emerge in the latter half, with full-year profit levels projected to improve.
- In the Asia segment, the impact of the slowdown in China's real estate market persisted. This period saw an increase in air conditioning equipment sales volume, resulting in higher sales compared to the same period last year. Increases in gross profit from equipment sales and project income recognition led to a positive segment profit. However, the challenging pricing-focused business environment remains a concern, and efforts to reduce costs and implement a differentiated strategy combining equipment sales and installation are underway to improve future profitability.
- The interim dividend is planned as 20 yen per share, in line with initial expectations (an effective increase of 2 yen per share over the previous period).
- For detailed full-year consolidated earnings forecasts, please refer to pages from p.12 onwards of this document (no revision from the forecast announced on May 15, 2025).

SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 3

Let me give a summary of the financial results.

For the second quarter of the fiscal year ending March 2026, net sales were 25.8 billion yen and operating profit was 3.57 billion yen, representing a year-on-year increase of 6.9% in net sales and 0.4% in operating profit. Compared to the initial plan, net sales increased by 3.5% and operating profit increased by 8.4%.

In our industry, in addition to steady demand for building air conditioning and industrial air conditioning in Japan, investment in data centers has expanded, and the business environment has been favorable. On the other hand, the work style reforms in the construction and logistics industries that began last year, rising construction costs, and international trade policies such as U.S. tariff measures have started to impact domestic construction projects, leading to delays or cancellations. Considering these circumstances, we believe careful observation of future market trends is necessary.

Our group aims to sustainably enhance corporate value by implementing management conscious of capital costs and stock prices, improving profitability in existing markets, and challenging new markets.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

I. Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2026

Consolidated Statements of Income

A/R DES/GN COMPANY SINKO

■ Net sales were 25.8 billion yen (up 6.9% year on year), and operating profit was 3.57 billion yen (up 0.4% year on year).

(Unit: millions of yen, %)

		Q2 FYE 2025/3		Q2 FYE 2026/3			
		Amount	Composition ratio	Amount	Composition ratio	YoY	
						Change	Rate of change
Net sales		**24,201**	**100.0**	**25,878**	**100.0**	**1,677**	**6.9**
	Japan	**21,500**	**88.8**	**22,490**	**86.9**	**990**	**4.6**
	Asia	**2,713**	**11.2**	**3,423**	**13.2**	**710**	**26.2**
Gross profit		**8,910**	**36.8**	**9,604**	**37.1**	**694**	**7.8**
Operating profit		**3,561**	**14.7**	**3,576**	**13.8**	**15**	**0.4**
	Japan	**3,652**	**15.1**	**3,530**	**13.6**	**(122)**	**(3.3)**
	Asia	**(112)**	**(0.5)**	**32**	**0.1**	**144**	**—**
Ordinary profit		**3,907**	**16.1**	**3,883**	**15.0**	**(24)**	**(0.6)**
Profit attributable to owners of parent		**3,138**	**13.0**	**2,611**	**10.1**	**(527)**	**(16.8)**

■ In the Japan segment, sales increased year-over-year thanks to robust sales of air conditioning equipment, as well as strong demand for air conditioning installation and maintenance. While initiatives such as price revisions and enhancement of product and service value were pursued, rising personnel and logistics costs resulted in a decline in operating income compared to the same period last year.

■ In the Asia segment, increased sales volume of air conditioning equipment led to higher sales year-over-year. Gains from increased equipment sales and recognition of profits from installation projects resulted in the segment turning profitable. Despite the ongoing challenge of a cost-sensitive business environment, measures such as thorough cost reduction and a differentiation strategy combining equipment sales and installation projects are being pursued to improve future profitability.

SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 4

This is the consolidated income statement for the cumulative second quarter.

In the Japan segment, in addition to steady sales of core air conditioning equipment, the growth of construction and service businesses led to a 4.6% year-on-year increase in net sales. However, due to rising selling, general, and administrative expenses such as personnel and logistics costs since the beginning of the fiscal year, the segment's operating profit decreased by 3.3% year-on-year.

In the Asia segment, despite the continued stagnation of the real estate market in China, net sales increased by 26.2% year-on-year due to increased sales of air conditioning equipment during the period. In terms of profit, in addition to increased profits from equipment sales, revenue from construction projects was recorded, resulting in segment profit landing in the black for the period. The competitive business environment remains a challenge, and we will continue to implement measures to improve profitability.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

I. Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2026

Revenue Analysis for the First Half of the Year

A/R DES/GN COMPANY SINKO

- Boosted by increased sales of installation and services and improved profitability in the Asia segment, the profit level for the second quarter alone increased year-on-year (a).
- Against the first-half earnings forecast, consolidated operating income exceeded expectations by 270 million yen (b). Meanwhile, due to rising SG&A expenses such as personnel and logistics costs from the start of the period, the consolidated operating margin for the first half declined year-on-year (c).

(Unit: millions of yen)

		H1					H2	Full Year
		Q1	Q2	H1 total	Initial forecast	Forecast / result difference	Forecast	Forecast
FYE 2025/3	Net sales	11,651	12,550	24,201	–	–	–	–
	Gross profit	4,596	4,314	8,910	–	–	–	–
	Gross profit margin	39.4%	(a) 34.4%	36.8%	–	–	–	–
	Operating profit	1,958	1,603	3,561	–	–	–	–
	Operating profit margin	16.8%	12.8% (a)	14.7% (c)	–	–	–	–
FYE 2026/3	Net sales	12,227	13,651	25,878	25,000	878	32,122	58,000
	Gross profit	4,627	4,977	9,604	–	–	–	–
	Gross profit margin	37.8%	36.5%	37.1%	–	(b) –	–	–
	Operating profit	1,657	1,919	3,576	3,300	276	6,524	10,100
	Operating profit margin	13.6%	14.1%	13.8%	13.2%	0.6pt	20.3%	17.4%
Change	Net sales	576	1,101	1,677	–	–	–	–
Rate of change		4.9%	8.8%	6.9%				
Change	Gross profit	31	663	694	–	–	–	–
Rate of change		0.7%	15.4%	7.8%				
Change	Operating profit	(301)	316	15	–	–	–	–
Rate of change		(15.4)%	19.7%	0.4%				

SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 5

Let me explain the revenue analysis for the second quarter alone and the differences between the first half's performance forecast and actual results.

In the second quarter of last year, the proportion of the Asia segment, which has a lower profit margin, increased within the consolidated results, leading to a decline in the consolidated gross profit margin and operating profit margin.

In contrast, this quarter, the profit margin of the Asia segment remained at the same level as the first quarter, and in Japan, increased sales of construction and services led to an improvement in profit levels for the second quarter alone, as shown in **(a)**, with both gross profit margin and operating profit margin rising compared to the previous year.

Additionally, while a decrease in operating profit was forecasted for the first half compared to the same period last year, as shown in **(b)** it exceeded the plan by 0.27 billion yen as profits grew beyond projections in both Japan and Asia, resulting in a slight increase in operating profit compared to the previous year.

However, compared to the first half of last year, when operating profit significantly increased due to production leveling efforts, this year, the increase in selling, general, and administrative expenses impacted the consolidated operating profit margin for the first half, as shown in **(c)**, which decreased by approximately 1 percentage point compared to the previous year.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

I. Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2026

Group Net Sales by Business

A/R DES/GN COMPANY SINKO

- We operate mainly in Japan, but also with production and sales bases in China and Taiwan. In overseas markets, we have the most such bases in China, and in other regions we operate mainly through agents.

Consolidated Sales Composition (57.0 billion yen for the fiscal year ended March 31, 2025)

Air conditioning equipment manufacturing and sales business

- SINKO INDUSTRIES LTD.
- BAC JAPAN CO., LTD.
- Shanghai SINKO Air Conditioning Equipment Co., Ltd.
- SINKO Air Conditioning (H.K.) Limited
- Taiwan SINKO Kogyo Co.,Ltd.

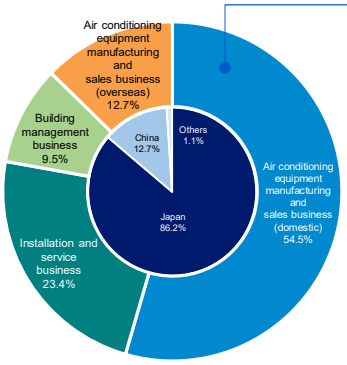
AHU / FCU / heat pump AHU / cooling tower

Installation and service business

- SINKO ATMOS CO., LTD.

Building management business

- CHIYODA BLDG. KANZAI CO., LTD.



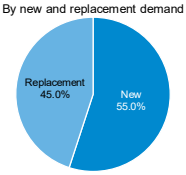
Source: the Company's results

*The outer circle represents net sales categorized by business type and location of seller, while the inner circle represents net sales categorized by customer location.

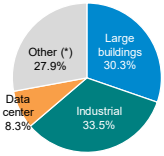
*Due to rounding, the total of composition ratios in the pie charts may not be 100%.

Domestic sales trend of SINKO INDUSTRIES alone

By new and replacement demand



By construction application



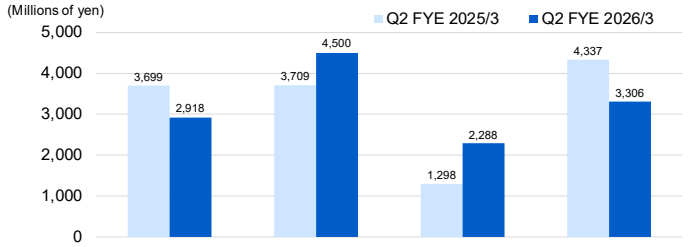
(*) Other includes medical and welfare, education, accommodations, stations, airports, etc.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

I. Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2026

Sales Trend by Construction Application (SINKO INDUSTRIES alone)



		Large buildings	Industrial	Data center	Other (*2)	Total
Q2 FYE 2025/3	Net sales (*1)	3,699	3,709	1,298	4,337	13,043
Q2 FYE 2026/3	Net sales (*1)	2,918	4,500	2,288	3,306	13,012
YoY	Change	(781)	791	990	(1,031)	(31)
	Rate of change	(21.1)%	21.3%	76.3%	(23.8)%	(0.2)%

*1 Net sales in Japan of SINKO INDUSTRIES alone *2 Other includes medical and welfare, education, accommodations, stations, airports, etc.

- In the large building sector, shipments for redevelopment projects have slowed, resulting in a year-over-year decline in sales. With large projects scheduled for delivery from 2027 onward and an expected rise in demand for equipment updates in aging buildings, efforts to strengthen sales strategies are underway.
- In the industrial sector, sales for new manufacturing bases and research facilities have remained solid, and increased by capturing renovation work. Meanwhile, rising construction costs and concerns over international trade policies are prompting cautious monitoring of market trends in domestic industrial investment.
- In the data center sector, strengthened sales initiatives and strategic investments have driven sales growth. With continued strong demand expected, further efforts to capture demand are being prioritized.
- In other sectors, shipments for large-scale projects targeting hospitals, hotels, and public facilities have stabilized, resulting in a decline in sales.

SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 7

This section shows the sales figures by construction application for SINKO INDUSTRIES alone and the trends in year-on-year changes.

For large buildings, shipments of redevelopment projects have settled since the beginning of this fiscal year, resulting in a 21.1% year-on-year decrease in sales. Currently, we are working to secure new construction projects for 2027 and beyond, as well as strengthening sales for active renewal demand in existing buildings.

For industrial use, sales have been steady for both new construction and renewal, resulting in a 21.3% year-on-year increase in sales. However, as explained earlier, concerns remain regarding rising construction costs and the impact of international trade policies on domestic industrial investment, and we will carefully observe future market trends.

For data centers, strengthened sales and strategic investments have led to increased shipments of large projects, resulting in a 76.3% year-on-year increase in sales. Data center projects are expected to continue receiving strong inquiries, but due to the large monetary value per project, we aim for long-term business expansion.

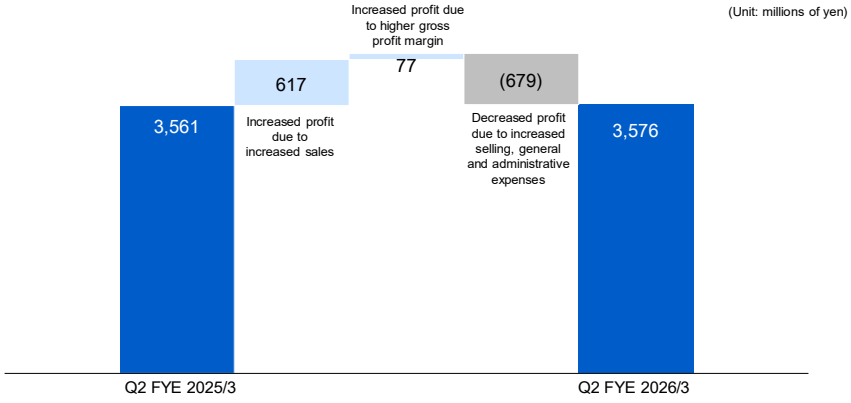
For other uses, shipments for hospitals, hotels, and public facilities have settled, resulting in a 23.8% year-on-year decrease in sales.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

I. Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2026

Factors for Changes in Operating Profit

- The increase in profit due to the increase in sales was approximately 610 million yen, while a higher gross profit margin lifted profit by around 70 million yen. The decrease in profit due to the increase in other selling, general and administrative expenses such as personnel and logistics expenses was approximately 670 million yen. Total profit increased by approximately 10 million yen year on year.
- In the Japan segment, growth in installation and services drove gross profit higher, while in the Asia segment, increased equipment sales played a major role. Meanwhile, significant rises in SG&A expenses, including personnel and logistics costs, resulted in consolidated operating profit remaining flat compared to the same period last year.



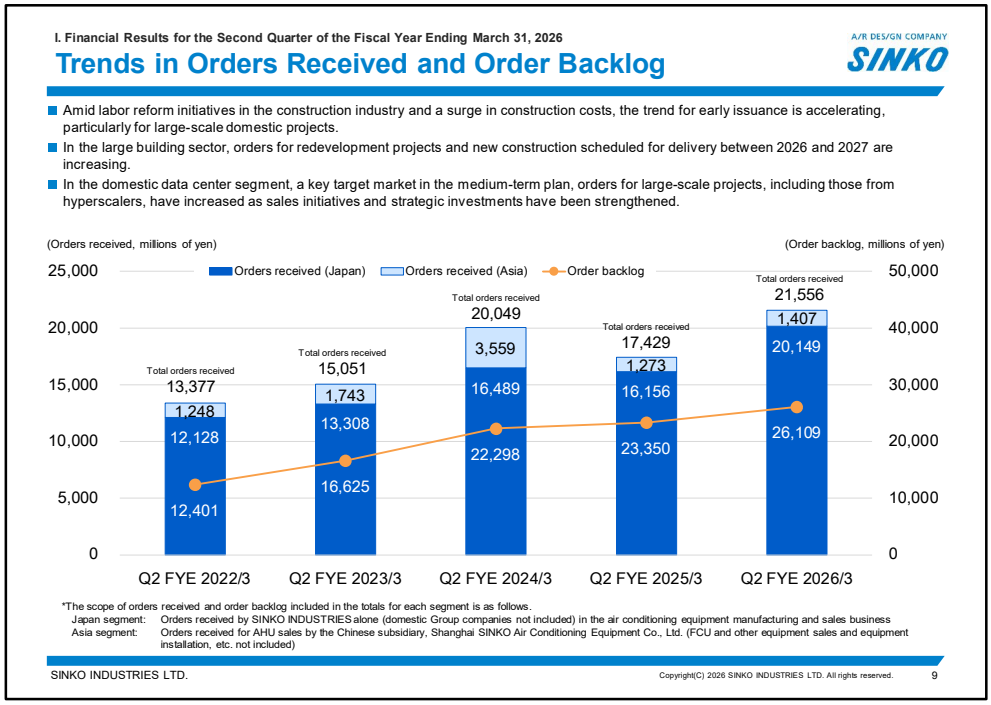
SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 8

This section shows the factors for changes in operating profit.

As explained earlier, consolidated gross profit was boosted by increased sales in construction and services as well as growth in equipment sales in the Chinese market.

On the other hand, due to significant increases in selling, general, and administrative expenses including personnel and logistics costs, the consolidated operating profit showed only a slight increase compared to the same period last year.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.



This section shows the trends in orders received and order backlog.

The orders received and order backlog in this document only include air conditioning equipment sales in the Japan and Asia segments. Orders for products other than air conditioning equipment, such as cooling towers and construction projects, are not included.

Consolidated orders received amounted to 21.5 billion yen, representing an increase of 4.1 billion yen compared to the previous year, and reached the highest level in the past five years. We believe that one reason for this is that within Japan's construction market, there is a trend whereby orders to manufacturers are being placed earlier, particularly for large-scale projects.

In particular, in the large building sector, orders for redevelopment projects and new construction scheduled for delivery between 2026 and 2027 have significantly increased. In the data center sector, orders for large projects scheduled for delivery next year and beyond, mainly from hyper-scalers, have also increased.

Given this background, while orders in the first half have increased, further strengthening of sales is considered necessary for business expansion this fiscal year and next.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

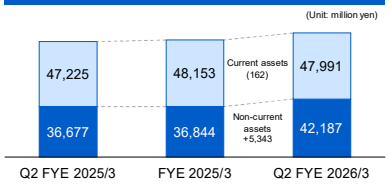
I. Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2026

Consolidated Balance Sheets

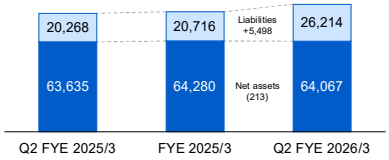
A/R DES/GN COMPANY SINKO

- Due to the issuance of euro-yen convertible bonds in April 2025 (6.0 billion yen as the funds for share repurchases), cash and deposits increased from the end of the previous period. Trade receivables decreased from the end of the previous period due to seasonal factors.
- While liabilities increased due to the issuance of convertible bonds, net assets decreased due to share repurchases and other factors. The equity ratio also declined by 4.2pt from the end of the previous period.

Assets



Liabilities/Net assets



(Unit: million yen)

	FYE 2025/3	Q2 FYE 2026/3	Change
Current assets	48,153	47,991	(162)
Cash and deposits	15,669	23,157	7,488
Notes and accounts receivable - trade	19,249	16,212	(3,037)
Inventories	4,142	4,425	283
Non-current assets	36,844	42,187	5,343
Property, plant and equipment	20,777	22,060	1,283
Intangible assets	1,163	1,251	88
Investments and other assets	14,903	18,875	3,972
Total assets	84,997	90,282	5,285
Total liabilities	20,716	26,214	5,498
(Interest-bearing debt balance)	2,412	2,580	168
Total net assets	64,280	64,067	(213)
Total liabilities and net assets	84,997	90,282	5,285

(Unit: %)

Equity ratio	71.7	67.5	(4.2)pt

SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 10

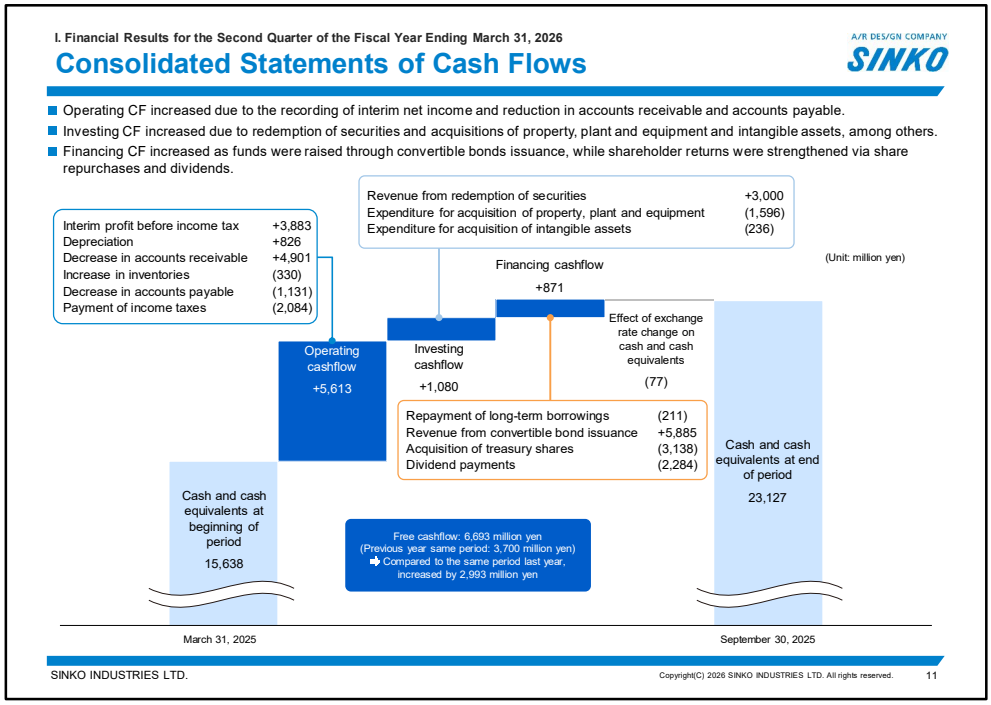
This section shows the balance sheet status.

At the end of the interim period, cash and deposits increased by 7.4 billion yen compared to the end of the previous fiscal year, partly due to the issuance of 6.0 billion yen in convertible bonds in April this year. On the other hand, trade receivables decreased by 3.0 billion yen compared to the end of the previous fiscal year due to seasonal factors.

Liabilities also increased by approximately 5.5 billion yen compared to the end of the previous fiscal year due to convertible bonds, while net assets decreased by 0.21 billion yen compared to the end of the previous fiscal year due to share repurchases. As a result, the equity ratio at the end of the second quarter decreased by 4.2 percentage points compared to the end of the previous fiscal year, to 67.5%.

The 6.0 billion yen raised through convertible bonds is planned to be fully allocated to share repurchases, advancing the "bold review of capital structure through the use of debt" outlined in the Medium-term Management Plan.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.



This section shows the cash flow status.

Net cash provided by operating activities was 5.6 billion yen due to increased profit and decreases in trade receivables and trade payables. Net cash provided by investing activities was 1.08 billion yen due to proceeds from the redemption of securities and purchase of property, plant and equipment and intangible assets. Net cash provided by financing activities was 0.87 billion yen due to share repurchases and strengthened shareholder returns, such as dividend payments, while raising approximately 6.0 billion yen through the issuance of convertible bonds.

As a result, the balance of cash and cash equivalents increased by approximately 7.5 billion yen compared to the beginning of the fiscal year.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

A/R DES/GN COMPANY
SINKO

II. Financial Results Forecast for the Fiscal Year Ending March 31, 2026

(No revision has been made to the forecast announced on May 15, 2025)

12

Next, I will explain the full-year performance forecast.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

II. Financial Results Forecast for the Fiscal Year Ending March 31, 2026

Consolidated Statements of Income

A/R DES/GN COMPANY SINKO

- We expect net sales of 58.0 billion yen (up 1.7% year on year) and operating profit of 10.1 billion yen (up 1.1% year on year) for the full fiscal year ending March 31, 2026.
- Regarding the annual dividend per share, in line with the dividend policy in the Medium-term Management Plan "mov.2027," we plan to pay an interim dividend of 20 yen and a year-end dividend of 30 yen, for a total of 50 yen.

(Unit: millions of yen, %)

	FYE 2025/3		Results forecast for FYE 2026/3			
	Amount	Composition ratio	Amount	Composition ratio	YoY Change	YoY Rate of change
Net sales	57,005	100.0	58,000	100.0	995	1.7
Japan	49,768	87.3	50,000	86.2	232	0.5
Asia	7,237	12.7	8,000	13.8	763	10.5
Operating profit	9,986	17.5	10,100	17.4	114	1.1
Ordinary profit	10,615	18.6	10,700	18.4	85	0.8
Profit attributable to owners of parent	7,829	13.7	7,400	12.8	(429)	(5.5)
Basic earnings per share (yen)	107.68	—	104.66	—	(3.02)	(2.8)
Investment amount	3,059	—	4,200	—	1,141	37.3
Depreciation	1,576	—	1,750	—	174	11.0

- While investment in air conditioning equipment in Japan is expected to remain strong, due to work style reforms, soaring construction costs, and other factors, the impact of longer project durations and reviews of investment plans is expected to emerge, requiring careful identification of future market trends.
- In the second year of the Medium-term Management Plan, we will further sharpen our focus on target markets and work to improve profitability across the Group and strengthen Group synergies.
- As Japan and the Asia region account for almost all the Group's business, the tariff measures of the U.S. government are not expected to have a direct impact. We will continue to monitor market trends amid uncertainties about the future of the global economy.

SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 13

This section explains the performance forecast for the fiscal year ending March 2026.

Full-year net sales are forecasted to increase by 1.7% year-on-year to 58.0 billion yen, and operating profit is forecasted to increase by 1.1% year-on-year to 10.1 billion yen. The forecast for the full year has not been revised from the initial announcement at the beginning of the fiscal year. To achieve the full-year plan, we will continue to work on increasing the volume of air conditioning equipment sales, targeting market strategies, and improving profitability across the group.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

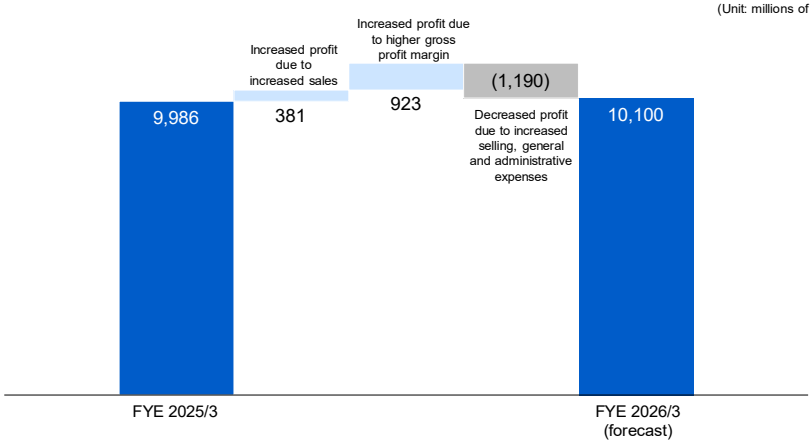
II. Financial Results Forecast for the Fiscal Year Ending March 31, 2026

Factors for Changes in Operating profit

A/R DES/GN COMPANY SINKO

- Costs, including personnel and logistics expenses, are expected to increase even further going forward.
- For the fiscal year ending March 31, 2026, we will work to increase added value in our target markets and improve profitability of the Group overall, as well as strive to absorb cost increases through price revisions.

(Unit: millions of yen)



SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 14

There are no changes to the forecast for changes in operating profit.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

II. Financial Results Forecast for the Fiscal Year Ending March 31, 2026

Shareholder Returns (Dividends)

A/R DESIGN COMPANY SINKO

- Considering the medium-term shareholder return policy and the current period's performance, the annual dividend is expected to be the same as the initial forecast (effectively equal to the previous period).
- Although the total dividend amount is expected to decrease due to ongoing share buybacks, the dividend payout ratio is expected to increase by approximately 1.4 points.

		Annual dividend per share			Total amount of dividends*3	Amount of treasury shares purchased*3	Payout ratio*3 (consolidated)	Total payout ratio*3 (consolidated)
		Interim	Year-end	Total				
		Yen	Yen	Yen	Millions of yen	Millions of yen	%	%
FYE 2025/3	Determined amount	54.00	32.00	- *2	3,608	4,715	46.4	106.3
	After adjustment for stock split*1	18.00	32.00	50.00				
FYE 2026/3	Determined amount	20.00	-	-	3,535	4,584	47.8	109.7
	Forecast amount	-	30.00	50.00				
Change	After adjustment for stock split*1	+2.00	(2.00)	0.00	(73)	(131)	+1.4pt	+3.4pt

*1 As the Company conducted a 3-for-1 stock split of its common shares with an effective date of December 1, 2024, past dividend figures prior to and including the FYE 2025/3 interim dividend have been adjusted to reflect this split.

*2 The total determined amount of the dividend for FYE 2025/3 is not presented, as a simple aggregation is not possible due to the stock split (if the split were not considered, the annual dividend per share would be 96 yen at year-end and 150 yen in total).

*3 Total amount of dividends, amount of treasury shares purchased, payout ratio and total payout ratio for FYE 2026/3 are if dividends are paid as expected based on the number of issued shares (excluding treasury shares) as of March 31, 2025, and all the treasury shares not yet acquired (approx. 4.58 billion yen) of the treasury share repurchases resolved on March 13, 2025 (upper limit of 6.0 billion yen) are acquired.

Shareholder Benefits

*Number of shares held is adjusted for the stock split

Holding Period	Number of shares held	Benefit
For one year or more	300 shares or more but less than 3,000 shares	Book gift card worth 1,000 yen
	3,000 shares or more	Gift voucher worth 5,000 yen

SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 15

This section explains the annual dividend forecast for the fiscal year ending March 2026.

Based on the first half's performance, the interim dividend has been decided at 20 yen per share, as initially forecasted. The year-end dividend is also planned to be 30 yen per share, as initially forecasted, resulting in a total annual dividend forecast of 50 yen per share.

Considering the impact of the stock split implemented last December, the annual dividend for the fiscal year ending March 2026 is effectively the same as the previous fiscal year.

Due to the progress in share repurchases, the total annual dividend amount is expected to decrease compared to the previous fiscal year, but the dividend payout ratio itself is expected to increase by 1.4 percentage points from 46.4% in the previous fiscal year to 47.8%.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

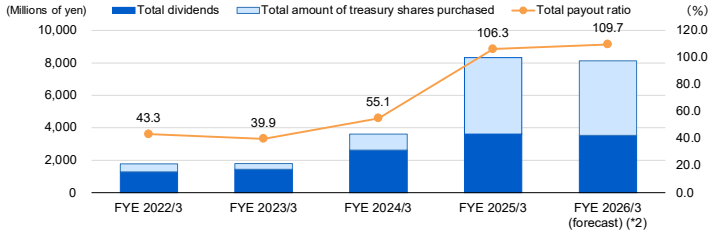
II. Financial Results Forecast for the Fiscal Year Ending March 31, 2026

Shareholder Returns (Trends in Total Payout Ratio)

A/R DESIGN COMPANY SINKO

- Under the Medium-term Management Plan "move.2027," we have adopted a dividend policy of raising our target payout ratio to 50% and maintaining a minimum DOE of 3.5%. We will work to strengthen our shareholder returns by also conducting share repurchases and raising our total payout ratio.
- Regarding the annual dividend per share for the fiscal year ending March 31, 2026, in line with the above dividend policy, we plan to pay an interim dividend of 20 yen and a year-end dividend of 30 yen, for a total of 50 yen.

Trends in total payout ratio



	FYE 2022/3	FYE 2023/3	FYE 2024/3	FYE 2025/3	FYE 2026/3 (forecast) (*2)
Basic earnings per share (yen) (*1)	53.04	59.54	88.37	107.68	104.66
Dividend per share (yen) (*1)	16.67	19.00	35.00	50.00	50.00
Payout ratio (%)	31.4	31.9	39.6	46.4	47.8
Total payout ratio (%)	43.3	39.9	55.1	106.3	109.7 (*2)

*1 As the Company conducted a 3-for-1 stock split of its common shares with an effective date of December 1, 2024, figures for basic earnings per share and dividend per share have been adjusted to reflect this split.

*2 Total dividends and total payout ratio for FYE 2026/3 are if dividends are paid as expected based on the number of issued shares (excluding treasury shares) as of March 31, 2025, and all the treasury shares not yet acquired (approx. 4.58 billion yen) of the treasury share repurchases resolved on March 13, 2025 (upper limit of 6.0 billion yen) are acquired.

SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 16

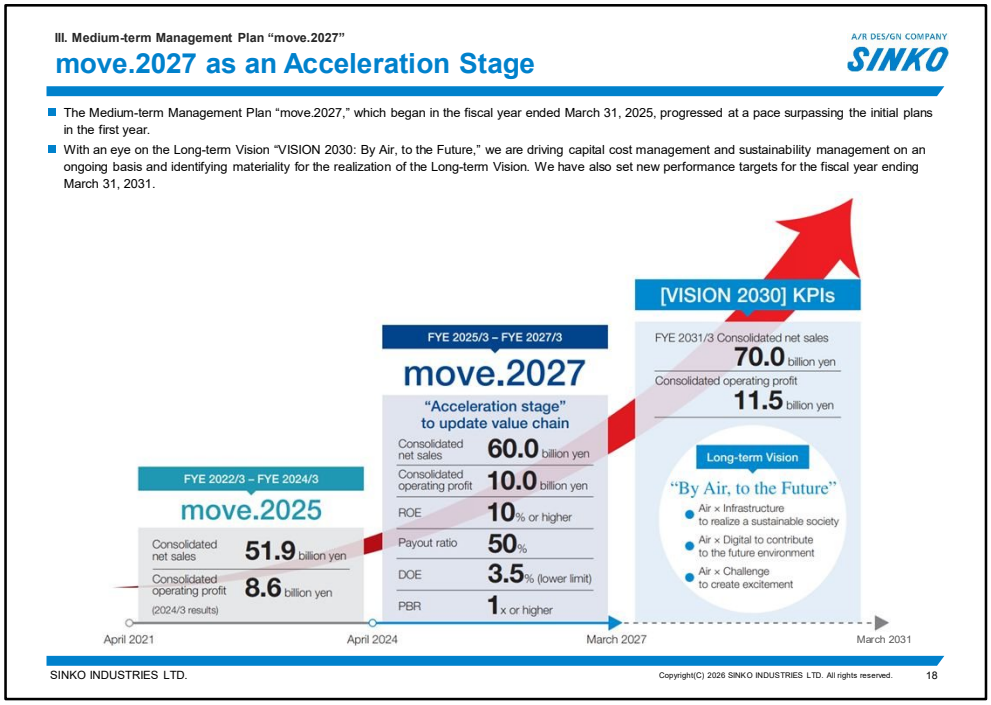
There are no changes to the trend in total shareholder return ratio. In line with the financial strategy outlined in the Medium-term Management Plan, we will continue to strengthen shareholder returns.

Next, President Suenaga will explain the progress of the Medium-term Management Plan "move.2027" and initiatives to implement cost of capital management.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

Suenaga: I’m Suenaga, the President. Let me explain the progress of the Medium-term Management Plan "move.2027."

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.



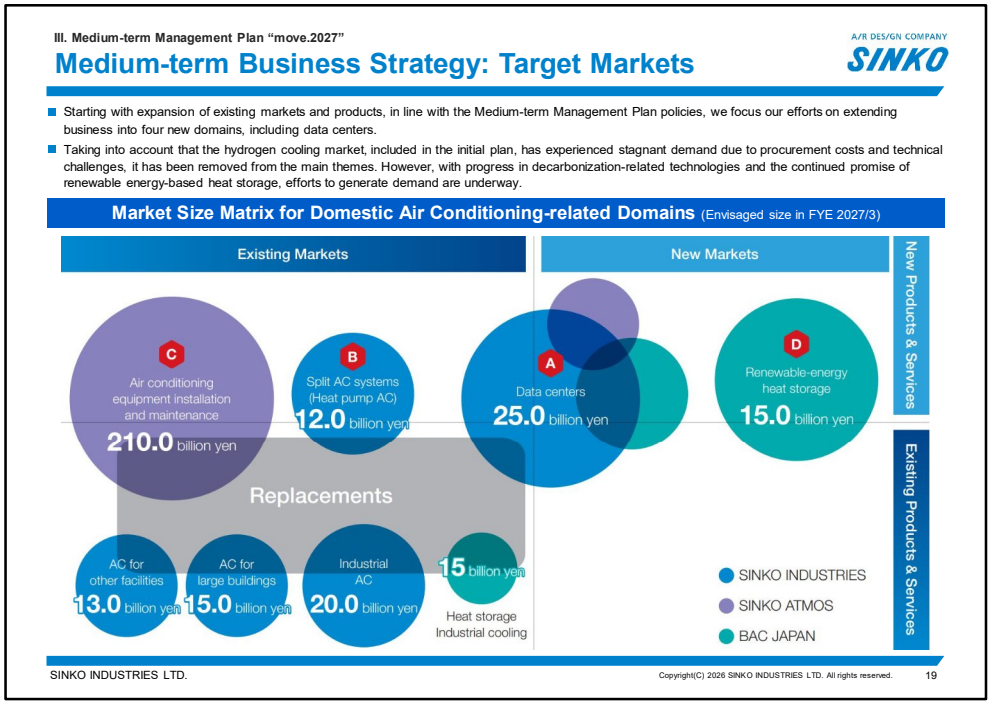
This section shows the performance targets of the Medium-term Management Plan that started last fiscal year and the Long-term Vision of our group.

The three-year Medium-term Management Plan period has already reached its halfway point. In addition to steadily advancing efforts to achieve the final goals of the Medium-term Management Plan, we are now entering a stage of drawing a long-term vision beyond the Medium-term Management Plan.

Therefore, in the integrated report issued this September, we newly announced performance targets for the Long-term Vision "VISION 2030." Our group aims to achieve performance targets of 70.0 billion yen in net sales and 11.5 billion yen in operating profit for the fiscal year ending March 2031.

Furthermore, we will continue to pursue cost of capital management and sustainability management, aiming to contribute to a sustainable society while pursuing corporate profits.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.



Regarding the target market matrix previously explained, based on current progress, we have decided to exclude the hydrogen cooling market from the main themes of the current Medium-term Management Plan. We will continue to work on business expansion in the renewable energy heat storage market and aim to create demand for hydrogen cooling itself from a long-term perspective.

There are no changes to other target markets.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

III. Medium-term Management Plan "move.2027"

Targets and Strategies for Target Markets

A/R DES/GN COMPANY SINKO

- Capturing data centers, split AC system, and air conditioning equipment installation and maintenance markets is progressing steadily and is on track to achieve targets.
- In the renewable energy heat storage market, although sales are expected to decline from the previous term, efforts are underway to strengthen sales and create demand over the long term.

Group Target Markets and Strategies

Main Themes of Group Market Strategy	Group sales			Group's Aims	Progress as of September 2025 (Excellent/Good/Fair/Poor)
	FYE 2025/3 Results	FYE 2026/3 Forecasts	FYE 2027/3 Targets		
Data center	4.3 billion yen	4.7 billion yen	5.5 billion yen	• Leverage SINKO Group value chain to propose total solutions covering products and services • Offer stable operation and environmental value	E We are clarifying the strengths and value of products and services, and building a consistent value chain across the group While promoting sales of production to air-cooled data centers, we are also monitoring market changes such as liquid-cooled data centers and container-type data centers
Split AC system	3.0 billion yen	3.15 billion yen	3.3 billion yen	• Ocoogeo® (all-in-one heat pump air conditioner) • Development and sale of heat pump air conditioners compatible with new low-GWP refrigerants	E Sales are on an increasing trend for deliveries to public facilities and hotels, and for outside air treatment applications in data centers We are focusing on creating new needs and proposal-based sales, such as the gymnasium air conditioning system "BREEZE for ARENA®"
Air conditioning equipment installation and maintenance	12.3 billion yen	12.5 billion yen	12.6 billion yen	• Actively expand post-installation downstream offerings, e.g. service packages, regular inspection packages • Expand electrical works related to maintenance and replacement of air conditioning units	E We are capturing steady demand for air conditioning equipment installation work, and we expect sales to grow steadily in this fiscal year We are addressing challenges of resource expansion and creating sustainable human resource development systems to support business growth
Renewable energy heat storage	0.24 billion yen	0.07 billion yen	0.7 billion yen	• Thermal storage systems for renewable energy	F Sales in this fiscal year are expected through marketing of thermal storage products with a focus on demand response (DR) strategies We are strengthening the foundation by considering sales methods and increasing awareness in line with the transition trend to a decarbonized society

Raised the split AC system market's final sales target 3.0 billion yen → 3.3 billion yen

SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 20

This section shows the final sales targets for each target market and the sales forecast for the fiscal year ending March 2026. Let me briefly explain the progress for each target market.

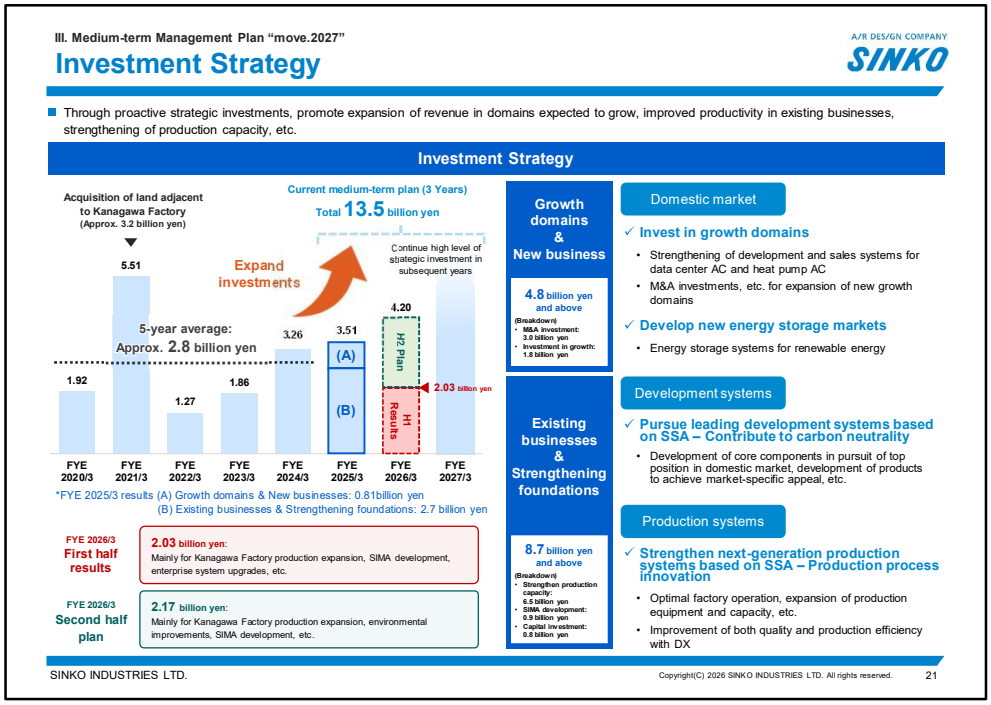
In the data center market, we are executing sales strategies based on the group's value chain concept, clearly defining the group's strengths and value. As a result, the group's sales for this fiscal year are forecasted at 4.7 billion yen.

In the split AC system market, sales have increased for public facilities and hotels, as well as for outdoor air treatment applications in data centers, and sales are currently growing at a pace exceeding the previous year. Sales for this fiscal year are forecasted at 3.15 billion yen.

In the air conditioning equipment installation and maintenance market, we are capturing steady demand, and sales are growing smoothly. Sales for this fiscal year are forecasted at 12.5 billion yen.

In the renewable energy heat storage market, sales of heat storage products focusing on demand response (DR) are forecasted at 70 million yen for this fiscal year. Although sales in this market are expected to decrease compared to the previous fiscal year, we are working on strengthening sales and creating demand from a long-term perspective.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

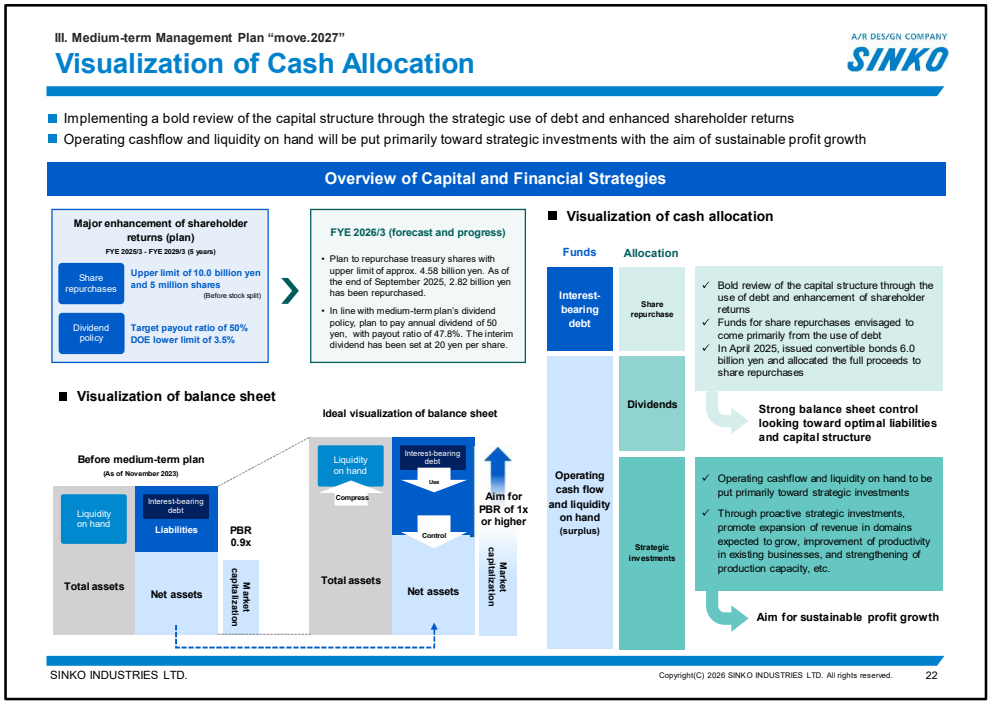


I will explain the progress of our group's investment strategy for this fiscal year.

The investment plan for this fiscal year is set to exceed the previous fiscal year's actual investment of 3.51 billion yen, with a planned investment of 4.2 billion yen. In the first half of the fiscal year, we executed investments totaling 2.03 billion yen. The main investments include enhancing production capacity at the Kanagawa factory and the SIMA project, which is part of our DX strategy.

These investments will continue in the second half of the fiscal year to establish a foundation for sustainable growth.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.



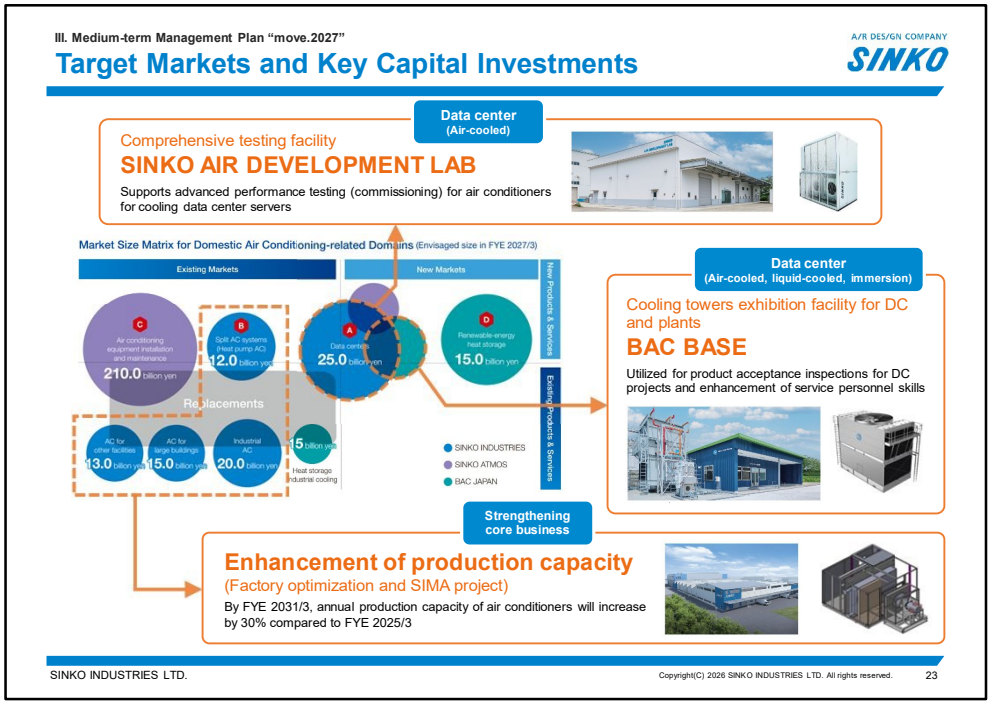
This is the status of cash allocation.

As previously explained, the enhancement of shareholder returns is steadily progressing. This fiscal year, we plan to repurchase shares up to a maximum of 4.58 billion yen, with 2.82 billion yen already acquired in the first half. The funds for share repurchases are being allocated from the capital raised through the issuance of convertible bonds, implementing a bold review of the capital structure by utilizing debt.

By ensuring both shareholder returns and growth investments, we aim to maintain profitability that exceeds the cost of capital and strive for sustainable growth.

From the next page, I will explain the progress and main initiatives of the Medium-term Management Plan.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.



This page shows the relationship between the target market matrix explained earlier and the key capital investments currently underway.

For existing markets, we are advancing initiatives such as optimizing factory operations and DX efforts to strengthen the production capacity of our core business, air conditioning equipment. For new markets, we have established dedicated facilities that combine product PR and performance testing to meet requirements, particularly in the data center market.

By advancing these capital investments in parallel, we are steadily implementing measures to achieve the goals of the Medium-term Management Plan and the Long-term Vision.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

III. Medium-term Management Plan "move.2027"

Overview of Key Capital Investments

A/R DES/GN COMPANY SINKO

Enhancement of production capacity
(Factory optimization and SIMA project)

Strengthening core business

- While our ability to provide custom-made solutions is a strength, our complex and labor-intensive production system remains a challenge. In view of the declining domestic workforce and the need for sustainable growth, we have initiated a fundamental production reform to move away from labor-intensive manufacturing.
- We are establishing sustainable manufacturing by streamlining our production processes and operating both the Kanagawa and Okayama factories optimally.
- We are promoting the DX of design and manufacturing to achieve both shortened manufacturing lead times and improved quality through the digitalization of our products.
- By FYE 2031/3, annual production capacity of air handling units will increase by 30% compared to FYE 2025/3.

Comprehensive testing facility
SINKO AIR DEVELOPMENT LAB

Data center (Air-cooled)

- To overcome the barrier to entering the data center market posed by actual load testing on equipment and phased inspections (commissioning), it was established in June 2024 within the Kanagawa Factory. It is one of the largest air conditioning test facilities in Japan.
- As a domestic manufacturer, we swiftly entered the air conditioning market for data centers. We are focused on enhancing our brand recognition and expanding our record of deliveries in the market.
- It includes a testing room that allows evaluation of heating and cooling performance under severe conditions such as extreme heat and harsh winter, and under JIS/JRA standards.

Cooling towers exhibition facility for DC and plants
BAC BASE

Data center (Air-cooled, liquid-cooled, immersion)

- With an expected increase in sales of large cooling towers, it was established in February 2025 within the Kanagawa Factory with the aim of strengthening customer appeal and enhancing service personnel skills. It stands as one of the largest exhibition facilities for large cooling towers in Japan.
- Large cooling towers are essential equipment even if liquid cooling and immersion cooling become widespread, and they are expected to maintain stable demand in the future.
- We effectively highlight the product's structure, scale, and quality—including service—and have earned high praise from customers.

SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 24

This section outlines the key capital investments currently underway.

For investments to enhance production capacity for our core business, we are advancing fundamental production reforms to move away from labor-intensive production systems. In addition to optimizing the operations of our factories in Kanagawa and Okayama, we are establishing a sustainable manufacturing system through digitalization and production efficiency improvements. As a result, the annual production capacity of air conditioning equipment is expected to increase by 30% by fiscal year 2030 compared to fiscal year 2024.

For the new market of data centers, we have established dedicated facilities capable of product PR and performance testing for two main products: air handling units for server cooling and cooling towers for heat sources. In the data center market, it is necessary to meet requirements such as high quality and reliability based on actual product testing and emergency support systems. To meet these market entry requirements, our group has been working on sales strategies utilizing these facilities. As a result, we are acquiring new markets and customers, such as hyper-scale data center operators, and expanding our business performance.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

III. Medium-term Management Plan "move.2027"

Enhancing Competitiveness in the Split AC System

A/R DES/GN COMPANY SINKO

- In the Split AC system market, one of the targets under the Medium-Term Management Plan, we aim not only at equipment sales but also at business expansion into engineering, focusing on consultative sales approaches and capturing air conditioning needs as opposed to conventional central air conditioning system.
- To enhance the appeal of gymnasium air conditioning systems and factory heat countermeasure products, a demonstration facility where customers can experience the air conditioning effect, "SINKO AIR EXPERIENCE SPACE," is scheduled to open during FYE 2026/3 within the Kanagawa Factory.
- In view of social trends such as decarbonization and future market needs, research and development that supports product competitiveness is also being strengthened from a medium- to long-term perspective.

Sales Initiatives for Expanding Performance in the Split AC System Market

Promotion of the gymnasium air conditioning system "BREEZE for ARENA®"

- ✓ Since the start of PR in April 2025, proactive promotional activities for BREEZE for ARENA have been underway nationwide targeting municipalities and school officials.
- ✓ In the demonstration project being carried out with Hadano City in Kanagawa Prefecture, the heat index (WBGT: wet bulb globe temperature) inside the gymnasium has significantly improved even in the sweltering midsummer heat. Data collection for verifying the effectiveness of the product concept and for promotional use will continue until March 2026.
- ✓ The challenges anticipated during the sales phase include balancing municipal budgets and introducing costs. Information on government subsidies is also being gathered, and measures to smoothly implement sales initiatives are concurrently under review.

(Left) BREEZE for ARENA installation status at an elementary school in Hadano City
(Right) Measurement of air conditioning effect (thermography) during BREEZE for ARENA operation

Air Conditioning Experience Facility "SINKO AIR EXPERIENCE SPACE"

- ✓ By designing an interior space reminiscent of a school gymnasium and operating the "BREEZE for ARENA," we aim to highlight the air conditioning effect.
- ✓ It is scheduled to open during FYE 2026/3 within the Kanagawa Factory. After opening, PR activities targeting school officials and architectural firms will be implemented.
- ✓ The facility will also exhibit heat countermeasure products intended for small- to medium-sized factories, serving as a platform for consultative sales and capturing needs that differ from conventional central air conditioning system.

SINKO AIR EXPERIENCE SPACE - Completed project rendering

SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 25

I will explain our initiatives to enhance competitiveness in the split AC system market, where sales are steadily growing alongside data centers.

For the split AC system market, we are focusing on engineering and proposal-based sales to capture new air conditioning needs beyond traditional equipment sales. For example, we are promoting the sales of a new air conditioning system, "BREEZE for ARENA," for school gymnasiums, which have traditionally had limited air conditioning installations.

Since July this year, in collaboration with Hadano City, Kanagawa Prefecture, where our Kanagawa factory is located, we have been conducting a demonstration project by installing BREEZE for ARENA in the gymnasiums of elementary schools in the city to verify its effectiveness and cost. The demonstration project confirmed the effectiveness of the product concept, as the operation of BREEZE for ARENA significantly improved the gymnasium environment even in the extreme heat of summer, reducing the risk of heatstroke. Towards the full-scale launch of sales, we will continue to collect data through the demonstration project and consider effective PR methods.

Additionally, in proposal-based sales, it is highly effective for customers to experience the benefits of introducing air conditioning firsthand. To enhance the appeal of our products, we believe it is necessary to have facilities where the effects of air conditioning can be experienced. We are preparing to complete such a facility within this fiscal year. This facility will not only showcase air conditioning for gymnasiums but also display products suitable for heat countermeasures targeting small to medium-sized factories.

Through these initiatives, we aim to strengthen both product competitiveness and sales capabilities, working towards business expansion from a medium- to long-term perspective.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

I will briefly introduce the initiatives of our domestic group companies.

SINKO ATMOS, responsible for installation and service businesses, collaborates with SINKO INDUSTRIES, the manufacturer, to provide after-sales services. The demand for air conditioning-related construction and services remains strong, achieving revenue and profit growth for ten consecutive years up to the previous fiscal year. However, challenges such as the high proportion of revenue from spot project responses and the shortage of human resources due to business expansion have been recognized. Moving forward, we aim to transition to a stock business model, promote DX in business processes, and establish a sustainable human resource development system to achieve business expansion and stabilization.

BAC JAPAN, responsible for manufacturing and selling air conditioning equipment, is growing its business through sales of cooling towers for data centers. In addition to the current expansion in data center demand, we are developing sales strategies that anticipate future needs, such as liquid-cooled data centers and container-type data centers. Furthermore, capturing market needs unique to Japan, such as product compactness and energy-saving trends, is also important. Based on these needs, we will continue to improve products and innovate sales methods to explore promising new targets.

CHIYODA BLDG. KANZAI, engaged in building management, faces challenges common to the building maintenance industry, such as labor shortages and rising costs, and is working on improving profitability and securing human resources. Additionally, we are taking on new businesses, such as infrastructure inspection using drones and thermal insulation construction using a resin called polyurea, to strengthen our revenue base with a focus on solving social issues.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

Finally, I will explain the status of initiatives for capital cost management, which is the core of the Medium-term Management Plan.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

III. Initiatives to Implement Cost of Capital Management

Progress and Results Regarding the Medium-term Financial Strategy

A/R DESIGN COMPANY SINKO

- Based on the request announced by Tokyo Stock Exchange (TSE) in March 2023 regarding measures to realize management that is conscious of capital cost and share price, our group is promoting management focused on these aspects in the medium-term management plan "move.2027" starting in fiscal year ended March 31, 2025. It clearly states that capital cost management will be the central axis of business operations by newly setting quantitative targets such as ROE and PBR as management indicators.
- The three-year medium-term period has reached its midpoint. While reviewing our efforts to promote capital cost management, we will continue to strive to enhance corporate value in order to achieve the long-term vision "VISION 2030: By Air, to the Future."

Financial Strategy in the Medium-term Management Plan "move.2027"

Enhancing corporate value by improving ROE and reducing cost of equity

Enhance corporate value [Target] Achieve PBR of 1x or higher

Improve ROE
[Policy] Securing ROE above capital cost
[Measures] Strategic allocation of investments and shareholder returns

Reduce cost of equity
[Policy] Improving investors' and shareholders' trust
[Measures] Strengthening information disclosure and dialogue with investors and shareholders

Efforts and results in the first half of the medium-term period

The first year of the medium-term period, fiscal year ended March 31, 2025, is progressing smoothly. We will continue to pursue initiatives to enhance corporate value.

Enhance corporate value [Results] By the end of March 2025, the PBR stood at 1.4, achieving the target of 1x or higher (and aiming to maintain this achievement in the future)

Improve ROE [Results] For fiscal 2025, ROE reached 12.8%, achieving the target of at least 10% (and aiming to maintain this achievement in the future)
- ✓ Improving capital efficiency through a review of the capital structure, a reduction in cross-shareholdings, and enhanced shareholder returns
- ✓ As a result of executing business and investment strategies based on target markets, consolidated operating profit has grown at a pace exceeding the original plan

Reduce cost of equity [Results] Proactively promoted robust disclosure and dialogue with the capital market
- ✓ We are working to enhance recognition among domestic and international investors and improve the liquidity of our shares through expanded disclosure methods and scope, and measures such as stock splits
- ✓ The status of dialogues with shareholders and investors conducted through individual meetings is reported to the Board of Directors, and matters deemed beneficial to the company are addressed proactively

SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 28

In response to the Tokyo Stock Exchange's request to realize capital cost management, we have clearly stated in the current Medium-term Management Plan that management focusing on capital cost and stock price is the axis of our business operations. The current three-year Medium-term Management Plan has reached its halfway point, and we will continue to promote capital cost management for the remainder of the Medium-term Management Plan period and beyond, aiming to realize the long-term vision and further enhance corporate value.

The left side of the page shows the financial strategy of the Medium-term Management Plan, which we have explained previously. As a result of our efforts towards these goals and policies, we have steadily accumulated achievements in the first half of the Medium-term Management Plan period. I will briefly explain specific initiatives.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

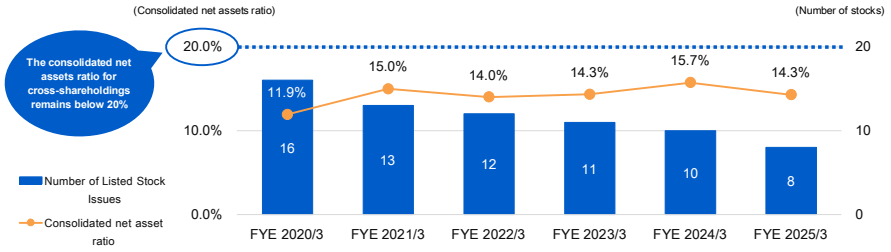
III. Initiatives to Implement Cost of Capital Management

Reduction of Cross-shareholdings

A/R DES/GN COMPANY SINKO

- To improve capital efficiency, cross-shareholdings have been continuously reduced. The Board of Directors will comprehensively evaluate the rationale for these holdings, and those determined as sellable were largely divested by the fiscal year ended March 31, 2025.
- Although holdings in capital alliance partners and major business partners will be maintained, efforts will be made to enhance governance transparency by disclosing the purposes of these holdings and dividend amounts in the securities reports.

Status of Holdings in Cross-shareholdings (Listed Issue)



	FYE 2020/3	FYE 2021/3	FYE 2022/3	FYE 2023/3	FYE 2024/3	FYE 2025/3
Number of listed stocks (issue)	16	13	12	11	10	8
Total amount on the balance sheet (in million yen)	5,519	7,639	7,560	8,269	10,044	9,171
Consolidated net assets (in million yen)	46,254	50,981	53,982	57,683	63,907	64,280
Consolidated net assets ratio (%)	11.9	15.0	14.0	14.3	15.7	14.3

SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 29

To improve capital efficiency, we have been continuously reducing cross-shareholdings. For stocks deemed sellable, we have mostly completed their sale by the end of the previous fiscal year. For stocks currently held, we are striving for highly transparent information disclosure by stating the purpose of holding and the amount of dividend income in the securities report.

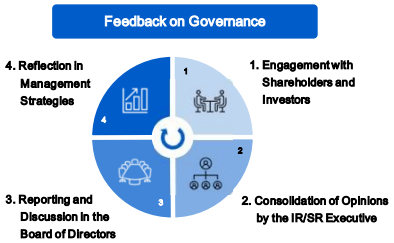
Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

III. Initiatives to Implement Cost of Capital Management

Engagement with Shareholders and Investors

A/R DES/GN COMPANY SINKO

- The status of IR/SR activities is reported to management through the responsible officer, and opinions deemed beneficial are addressed proactively.
- In addition to holding semi-annual earnings briefings, over 80 individual meetings are conducted annually (actual results for the fiscal year ended march 31, 2025), and tours of our plants and showrooms are held as needed to enhance opportunities for dialogue.



Examples of Feedback and Requests from Investors	Status of Response to Feedback and Requests
We highly appreciate the medium-term management plan that adopts capital cost management.	We have taken note of the market's evaluation of this plan, and we will strive to operate our business with a greater awareness of capital cost.
In order to save the effort of calculating and comparing with the prior period based on sales composition ratios, I would like the actual figures to be included in the financial results briefing materials.	We have revised the financial results briefing materials as requested.
I believe there is a need to reassess the profitability of group businesses, and I hope to stimulate internal discussions involving the management team.	All feedback received from investors has been reported to and deliberated by the Board of Directors.
I would like the order intake figures to be disclosed simultaneously with the summary of financial results.	Supplementary materials including orders received were disclosed concurrently with the summary of financial results.
I would like to see an enhancement in the English disclosure of IR information.	The supplementary materials and transcripts of the financial results briefing have been disclosed in English.

SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 30

To reduce cost of equity, we actively engage in dialogue with shareholders and investors, positively responding to opinions and requests deemed beneficial by our management and incorporating them into our management measures.

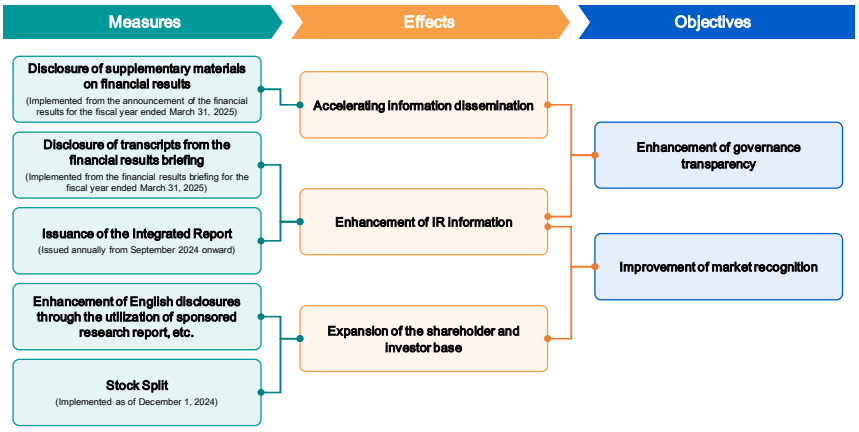
Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

III. Initiatives to Implement Cost of Capital Management

Efforts to Enhance Governance Transparency and Market Recognition

A/R DESIGN COMPANY SINKO

- Since the announcement of our medium-term management plan "move.2027" in November 2023, while our share price has risen sharply, our market capitalization has remained around 100 billion yen over the past year.
- To sustainably enhance corporate value, we are not only building a clear value creation story but also working to improve recognition in the capital markets and governance transparency through straightforward communication.



SINKO INDUSTRIES LTD. Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 31

Alongside enhancing dialogue with shareholders and investors, we aim to improve governance transparency and recognition in the capital market by increasing the quantity and quality of information disclosure, striving for further corporate value enhancement.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

III. Initiatives to Implement Cost of Capital Management

Issuance of the 'Integrated Report 2025'

A/R DES/GN COMPANY SINKO

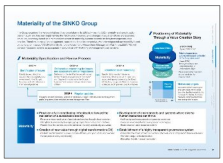
- Beginning in 2024, our group has issued an Integrated Report with the aim of enhancing communication with the capital markets and deepening dialogue with stakeholders.
- The latest 'Integrated Report 2025', issued at the end of September 2025, focuses on [the concretization of the roadmap for realizing our long-term vision], [systematic materiality identification], and [a special feature on our group's key initiatives and human capital].

SINKO INDUSTRIES LTD.
'Integrated Report 2025'

*The English and Chinese versions was published in late December 2025.

▾ View and Download Here ▾
https://www.sinko.co.jp/sustainability/integrated-report

Roadmap for the Long-Term Vision



SINKO Group Materiality Identification

SINKO Group Special Feature on Key Initiatives
(Data centers, Split AC systems and DX Strategy)

SINKO Group Introduction to Human Capital
(Employee Roundtable and Outside Directors' Roundtable)

SINKO INDUSTRIES LTD.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved. 32

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

I will introduce the philosophy system of the SINKO Group.

To realize the current Medium-term Management Plan and Long-term Vision and to achieve sustainable corporate value enhancement, it is also essential to enrich the human capital supporting our business strategy.

Until now, our group has developed its business based on the management philosophy of "Prolific creativity and quality to be proud." However, in the current competitive environment, where business forms are becoming more complex and rapidly changing, we believe it is necessary to create an organization where employees perceive the company's future vision as their own and grow together as a group.

Considering this situation, we have defined a new philosophy system starting from the management philosophy, consisting of three frameworks: [Mission: The essence of SINKO Group's business], [Vision: The future SINKO Group aims for], and [Purpose: The reason for SINKO Group's existence].

We will implement measures to instill this philosophy system among all group employees and work on establishing an organizational culture that encourages employees' challenges.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

III. Initiatives to Implement Cost of Capital Management

Reference: Stock Price Trend

A/R DESIGN COMPANY SINKO

- Since the announcement of the medium-term management plan "move.2027", which set forth the implement of capital cost management, in November 2023, our stock price has consistently traded above a PBR of 1.0.
- While steadily implementing measures to continuously achieve the current mid-term plan's target of a PBR of at least 1, we are also committed to building a value creation story and enhancing corporate value sustainably, with an eye on the long-term vision 'VISION 2030: By Air, to the Future'.

Stock Price Trend (January 2023 - October 2025)

*Displays the trend of adjusted stock prices, considering the stock split implemented as of December 1, 2024

SINKO INDUSTRIES LTD.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

Thank you for your attention

A/R DES/GN COMPANY SINKO

IR Inquiries

SINKO INDUSTRIES LTD.
Group Business Planning Department, Corporate Planning Division

URL https://www.sinko.co.jp/
Contact URL https://www.sinko.co.jp/contactus/form/

Notes on forward-looking statements

This material is solely intended to provide information to investors, and it is not intended to solicit sales or purchases. Forward-looking statements in this material are based on targets and projections and do not constitute promises or guarantees. Please note that the Company's future performance may differ from the Company's current forecast.
In addition, while descriptions related to industries, etc. have been prepared based on data that are deemed to be reliable, the Company does not guarantee their accuracy or completeness.
The use of this material by investors for any purpose is assumed to be at their discretion and responsibility, and the Company assumes no responsibility in any circumstances.

 Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

This concludes our report on the progress of the Medium-term Management Plan "move.2027" and the initiatives for capital cost management. Thank you for your attention.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.

Summary of Q&A Session

Q: Please tell us about the business environment of SINKO ATMOS.

A: (Suenaga) The business environment of SINKO ATMOS is very favorable. There has been an increase in work related to the maintenance and construction of existing air conditioning equipment delivered by our company in the past, and the acquisition of such projects has led to revenue and profit growth. We believe this favorable environment will continue in the future. However, as mentioned earlier, the construction industry faces issues such as labor shortages. Our group plans to address future market demand by establishing a training facility within the Kanagawa factory for workers involved in construction and services, fostering human resources as a united group.

Q: Regarding the Medium-term Management Plan target market performance for the fiscal year ending March 2026, is the sales forecast conservative of 12.5 billion yen for air conditioning equipment installation and maintenance?

A: (Suenaga) Based on the budget planning up to the first half and the current orders receivedm, we forecast this figure of 12.5 billion yen. Typically, construction progresses significantly during the third to fourth quarters, from winter to early spring. Previously, construction advanced during intermediate periods like spring and autumn to prepare for summer and winter peaks. However, recently, due to the impact of climate change, there is a trend of increasing work during autumn to winter, when the physical burden on workers is lower. Therefore, based on the budget planning up to the first half, the figure is 12.5 billion yen. Regarding the performance expected in the third to fourth quarters, it may slightly increase depending on the situation, but currently, this is the figure.

Copyright(C) 2026 SINKO INDUSTRIES LTD. All rights reserved.