

Financial Year Ending March 31, 2026 - Second Quarter

# **Explanatory Material**

November 14, 2025

Sanoh Industrial Co., Ltd.

Tokyo Stock Exchange: 6584 (Prime)

- Consolidated Financial Performance
- Segment Financial Performance
- Consolidated Non-operating and Extraordinary Items
- Analysis of Operating Income
- Consolidated Financial Position
- Consolidated Cash Flow & CapEx
- Supplementary: Infographic Quarterly Segment Results

# FY25Q2 Consolidated Financial Performance



(All amounts are in million yen except percentages, and per share data)

Particulars	Quarter Ended September 30, 2024		Quarter Ended September 30, 2025				Full Year Forecast for the Fiscal Year Ending March 31, 2026	
	Amount	%	Amount	%	Variance		Amount	Progress (%)
					Amount	%		
Net sales	81,094	100.0	78,522	100.0	▲2,573	▲3.2	147,000	53.4
Operating income	2,384	+2.9	3,361	+4.3	+977	+41.0	5,500	61.1
Ordinary income	2,156	+2.7	2,438	+ 3.1	+282	+13.1	4,000	61.0
Net income attributable to the shareholders of the parent company	1,153	+1.4	2,979	+ 3.8	+1,825	+158.3	1,800	165.5

## Summary of FY25Q2 Financial Performance (Year-on-Year)

- **Sales:** Increased due to newly launched projects in Japan but decreased overall due to sluggish sales in Europe and China, as well as negative impact of unfavourable currency translations due to strong yen in the Americas.
- **Operating Income:** Increased due to one-time expenses recorded in Americas decreased year-on-year, positive contributions from tooling and parts sales of newly launched projects in Japan as well as reduced personnel costs as a part of workforce restructuring in Europe and China.
- **Ordinary Income:** Increased by +282 million yen due to increase in operating income, despite incurring foreign exchange losses.
- **Net Income:** Increased by +1,825 million yen due to recording of gain on bargain purchase (i.e., negative goodwill) of 2,595 million yen which was offset by special retirement allowance expenses of 539 million yen.

## Exchange Rate

Currency (1 unit = JPY)	September 30, 2024 (Average Rate)	September 30, 2025 (Average Rate)	Variance
USD	152.3	148.6	▲2%
EUR	164.6	162.2	▲1%
MXN	8.9	7.5	▲16%
RMB	21.1	20.5	▲3%
INR	1.8	1.7	▲8%
THB	4.2	4.4	+5%
RUB	1.7	1.7	+2%
BRL	30.0	25.8	▲14%

# FY25Q2 Segment Financial Performance



(All amounts are in million yen except percentages, and per share data)

Particulars	Sales			Operating Income		
	Quarter Ended September 30, 2024	Quarter Ended September 30, 2025	Variance	Quarter Ended September 30, 2024	Quarter Ended September 30, 2025	Variance
Japan	24,306	26,742	+2,435	577	1,259	+682
Americas	35,069	32,838	▲2,231	800	1,090	+290
Europe	11,758	9,966	▲1,792	156	88	▲68
China	6,798	5,832	▲966	▲486	▲314	+172
Asia	14,656	14,685	+29	1,371	1,426	+56
Adjs.	▲11,492	▲11,540	▲48	▲33	▲188	▲155
TOTAL	81,094	78,522	▲2,573	2,384	3,361	+977

## Highlights of the Quarter Ended September 30, 2025 (Year-on-Year)

<b>Japan</b> (Revenue & Profit Growth)	Revenue increased driven by tooling and parts sales of newly launched projects. Profits increased as higher sales volume increased earnings, despite expenses related to acquisition of Mexican subsidiary and increased depreciation costs due to capital investment.
<b>Americas</b> (Revenue Decline & Profit Growth)	Revenue declined due to the negative impact of unfavourable currency translations resulting from the stronger yen, despite steady sales performance of Japanese OEMs. Operating profit increased due to a year-on-year decrease in one-time expenses recorded in the previous period.
<b>Europe</b> (Revenue & Profit Decline)	Revenue declined due to sluggish sales to European OEMs. Despite reduction in personnel costs due to workforce restructuring, operating profit declined due to lower revenue.
<b>China</b> (Revenue Decline, Operating Loss)	Revenue decreased due to continued slowdown in sales of Japanese OEMs. Incurred operating loss was mitigated by year-on-year reduction in personnel costs due to workforce restructuring as well as decrease in depreciation costs as a result of impairment recognized in the previous period.
<b>Asia</b> (Revenue & Profit Growth)	Revenue increased, supported by stable production. Profit increased due to revenue growth as well as effective cost management measures introduced in response to production fluctuations.

# FY25Q2 Consolidated Non-operating and Extraordinary Items



(All amounts are in million yen except percentages, and per share data)

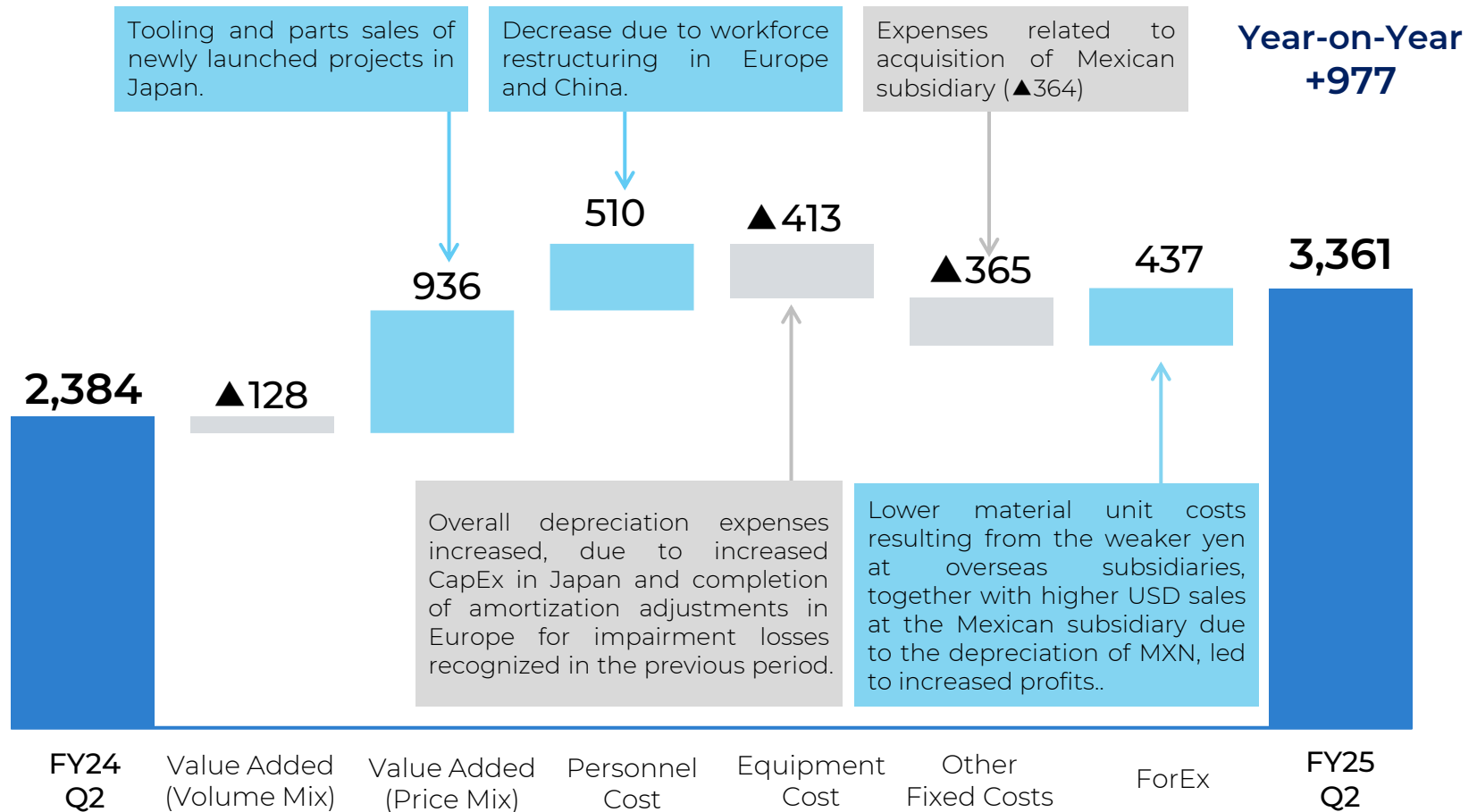
Particulars		Quarter Ended September 30, 2024	Quarter Ended September 30, 2025		Major Factors for Change
		Amount	Amount	Variance	
				Amount      %	
Operating Income		2,384	3,361	+977      +41.0	
Non-operating	Income	478	328	▲150	Foreign exchange gain: ▲ 71 Dividends earned: ▲30 Interest Income: ▲20
	Expenses	706	1,251	▲545	Foreign exchange loss: ▲ 568 Commission fees paid: + 36
Ordinary Income		2,156	2,438	+282      +13.1	
Extraordinary	Gains	2	2,609	+2,607	Negative goodwill gain: +2,595
	Losses	245	589	▲344	Loss on disposal of fixed assets: +194 Special retirement payments: ▲539 (FY24Q2 : Zero, FY25Q2 : ▲ 539)
Profit before Income Taxes		1,913	4,458	+2,545      +133.1	
Corporate Taxes, etc.		429	1,091	▲662	
Net Income attributable to Non-controlling shareholders		330	388	▲57	
Net Income attributable to Owners of the Parent Company		1,153	2,979	+1,825      +158.3	

# FY25Q2 Analysis of Operating Income



(All amounts are in million yen except percentages, and per share data)

Operating profit increased due to tooling and parts sales of newly launched projects in Japan and decrease in personnel costs in Europe & China, combined with a year-on-year decrease in one-time expenses in Americas.



Note: Value Added (Volume Mix) = Change in consolidated sales (after currency conversion) × YoY value added ratio (after currency conversion).

# FY25Q2 Consolidated Financial Position



(All amounts are in million yen except percentages, and per share data)

Particulars		Year Ended March 31, 2025		Quarter Ended September 30, 2025			
		Amount	%	Amount	%	Variance	Major Factors of Change
	Current Assets	70,348	60.1	72,083	58.1	+1,735	Total assets: +6,845 (Increase) ① Cash and Deposits ▲4,806 ② Trade Receivables +1,290 ③ Inventory +2,316 ④ Other Current Assets +2,942 ⑤ Tangible Fixed Assets +2,747 ⑥ Investment Securities +1,183 ⑦ Deferred Tax Assets: +1,113
	Fixed Assets	46,790	39.9	51,900	41.9	+5,110	
Total Assets		117,138	100.0	123,982	100.0	+6,845	
	Current Liabilities	41,878	35.8	48,983	39.5	+7,105	Total liabilities: +5,340 (Increase) ⑧ Short-term borrowings +5,077 ⑨ Tax Payable +535 ⑩ Other current liabilities +1,576 ⑪ Long-term borrowings ▲2,315 ⑫ Deferred tax liabilities +410
	Fixed Liabilities	27,173	23.2	25,408	20.5	▲1,765	
	Total Liabilities	69,051	58.9	74,391	60.0	+ 5,340	
	Total Net Assets	48,087	41.1	49,592	40.0	+1,505	Net assets: +1,505 (Increase) ⑬ Retained Earnings +2,469 ⑭ Unrealized Gains on Securities +813 ⑮ Foreign Currency Translation Adjustment ▲1,208 ⑯ Non-controlling interests ▲457
Total Liabilities and Net Assets		117,138	100.0	123,982	100.0	+6,845	

Note	FY24Q4		FY25Q2
D/E Ratio	0.90	→	0.92
Equity Ratio	37.8	→	37.3

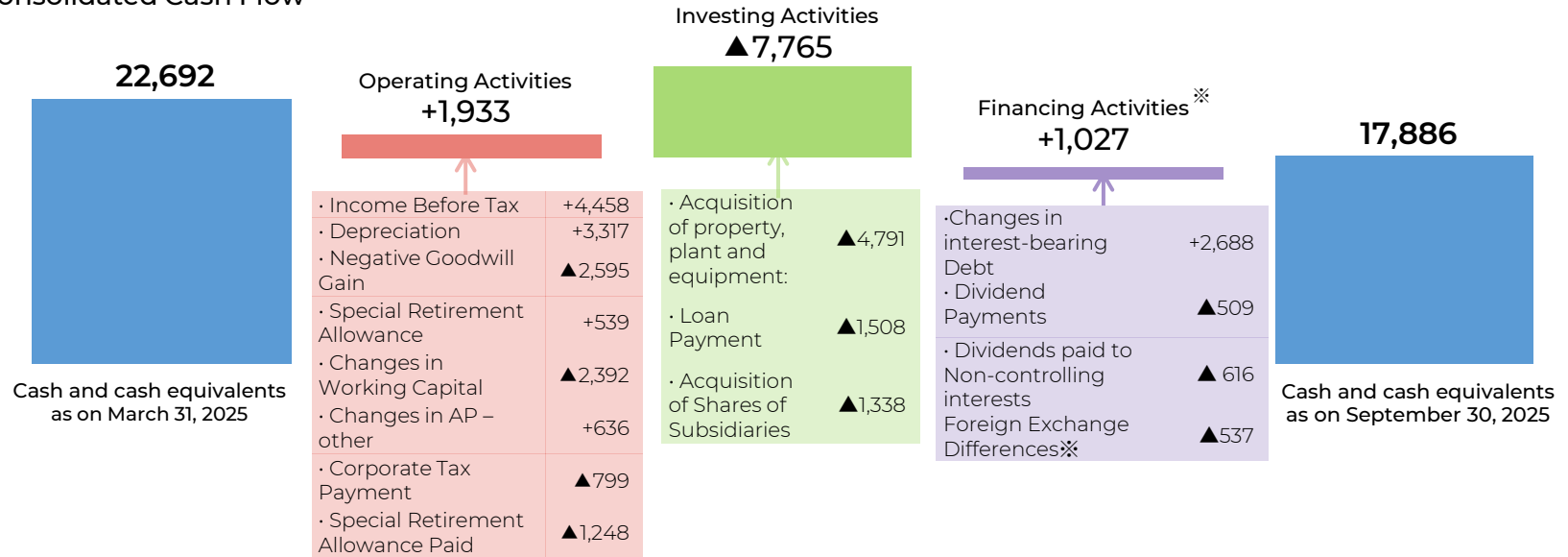
	FY24Q4	FY25Q2
① Interest Bearing Liabilities	39,674	42,568
② Equity	44,272	46,233
① ÷ ②	0.90	0.92

# FY25Q2 Consolidated Cash Flow & CapEx



(All amounts are in million yen except percentages, and per share data)

## Consolidated Cash Flow



※ Translation adjustments related to cash and cash equivalents (▲537 million yen) have been included in financing activities.

## Capital Expenditure/Depreciation

Particulars	Quarter Ended September 30, 2024	Quarter Ended September 30, 2025	
		Amount	Variance
Capital Expenditure	3,914	4,791	+877
Depreciation	3,208	3,317	+109



# **Supplementary**

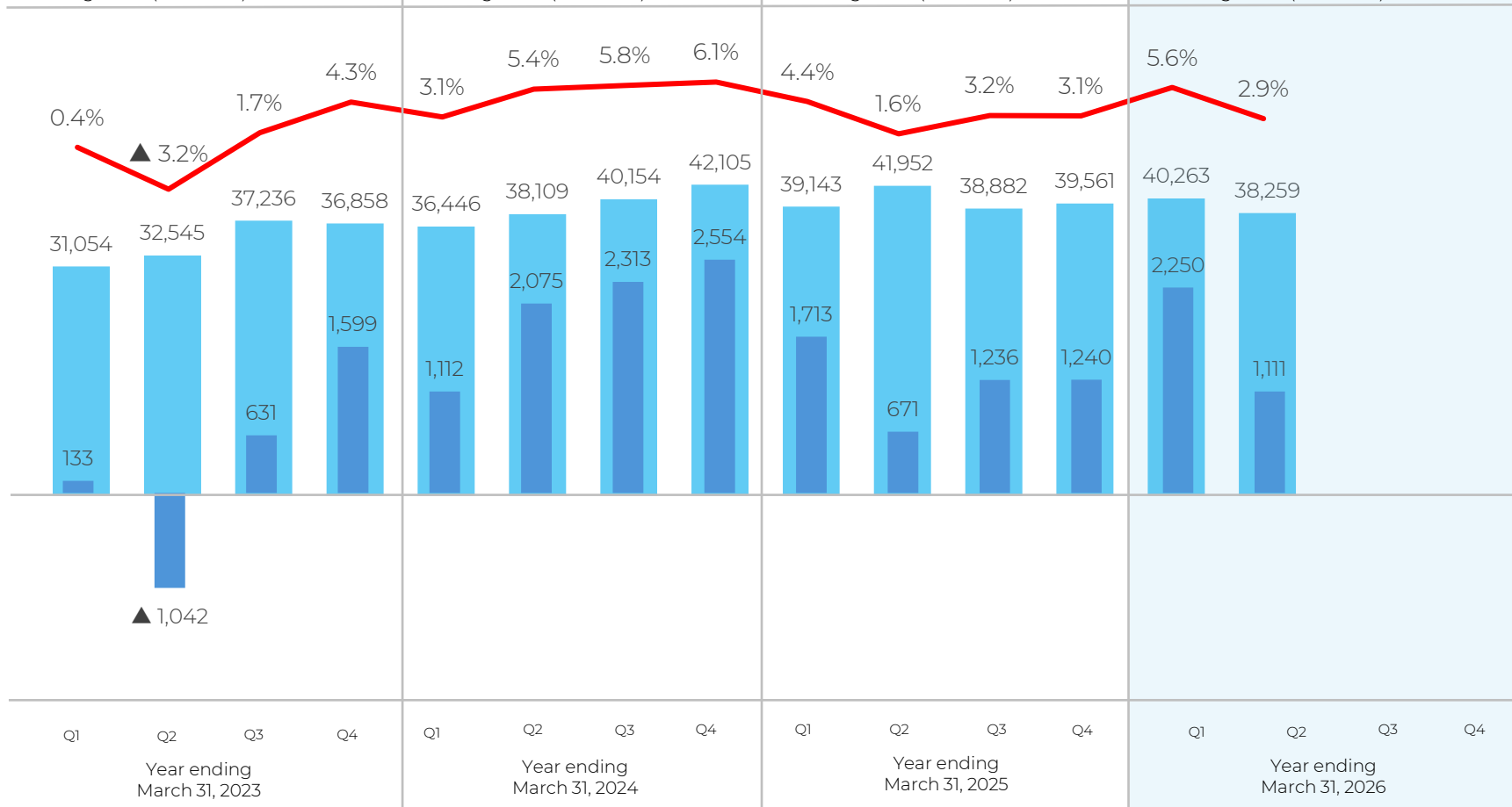
## **Infographic Quarterly Segment Results**

# [Supplementary] Quarterly Segment Results: Consolidated



(All amounts are in million yen except percentages, and per share data)

Sales	137,692	Sales	156,814	Sales	159,538	Sales	78,522
Operating Income	1,321	Operating Income	8,053	Operating Income	4,860	Operating Income	3,361
Operating Income Margin	1.0%	Operating Income Margin	5.1%	Operating Income Margin	3.0%	Operating Income Margin	4.3%
Exchange rate (Yen/USD)	131.4	Exchange rate (Yen/USD)	140.6	Exchange rate (Yen/USD)	151.6	Exchange rate (Yen/USD)	148.6



Operating Income Margin



Sales



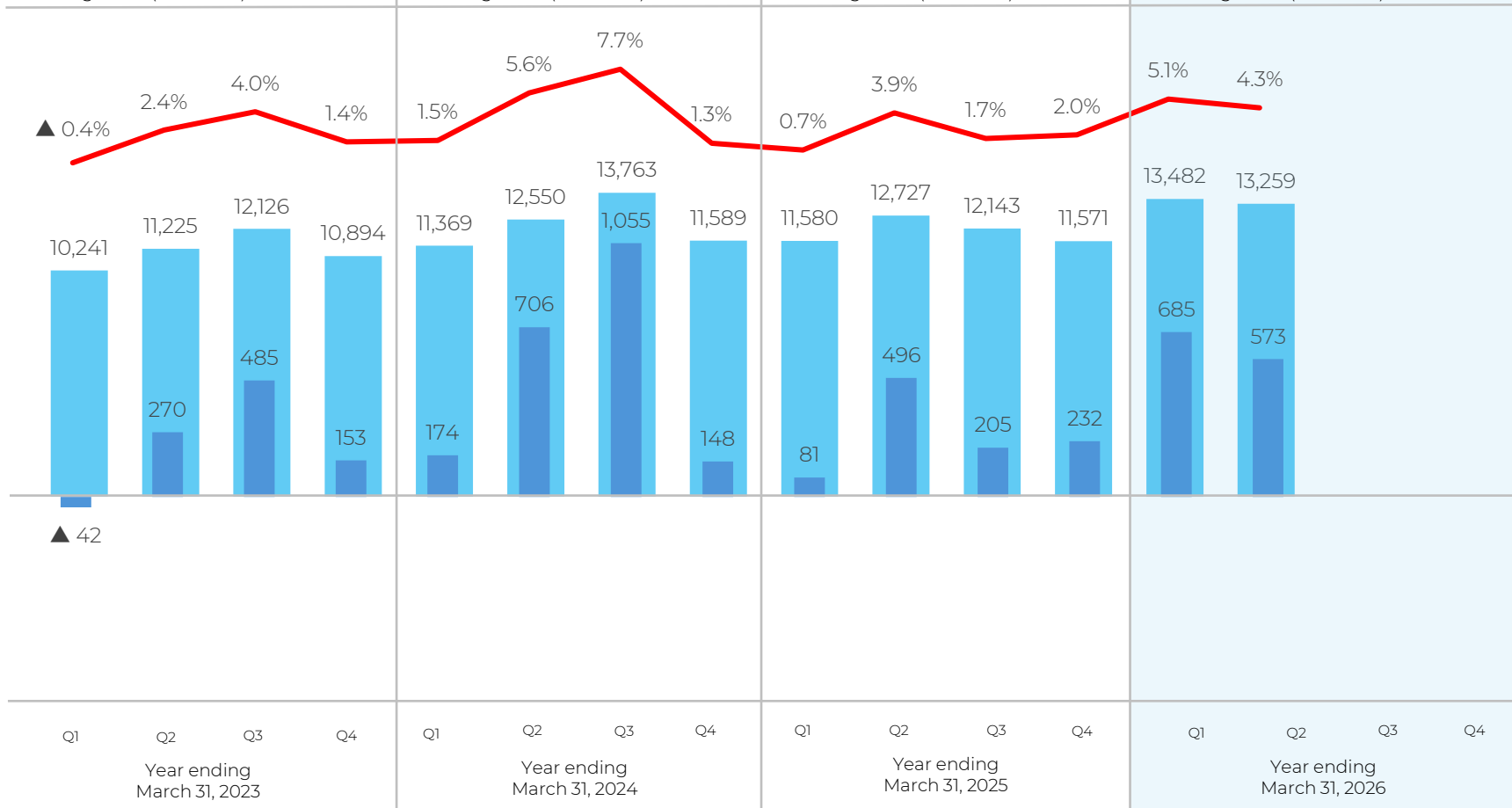
Operating Income

# [Supplementary] Quarterly Segment Results: Japan



(All amounts are in million yen except percentages, and per share data)

Sales	44,485	Sales	49,271	Sales	48,020	Sales	26,742
Operating Income	865	Operating Income	2,083	Operating Income	1,014	Operating Income	1,259
Operating Income Margin	1.9%	Operating Income Margin	4.2%	Operating Income Margin	2.1%	Operating Income Margin	4.7%
Exchange rate (Yen/USD)	131.4	Exchange rate (Yen/USD)	140.6	Exchange rate (Yen/USD)	151.6	Exchange rate (Yen/USD)	148.6



Operating Income Margin



Sales



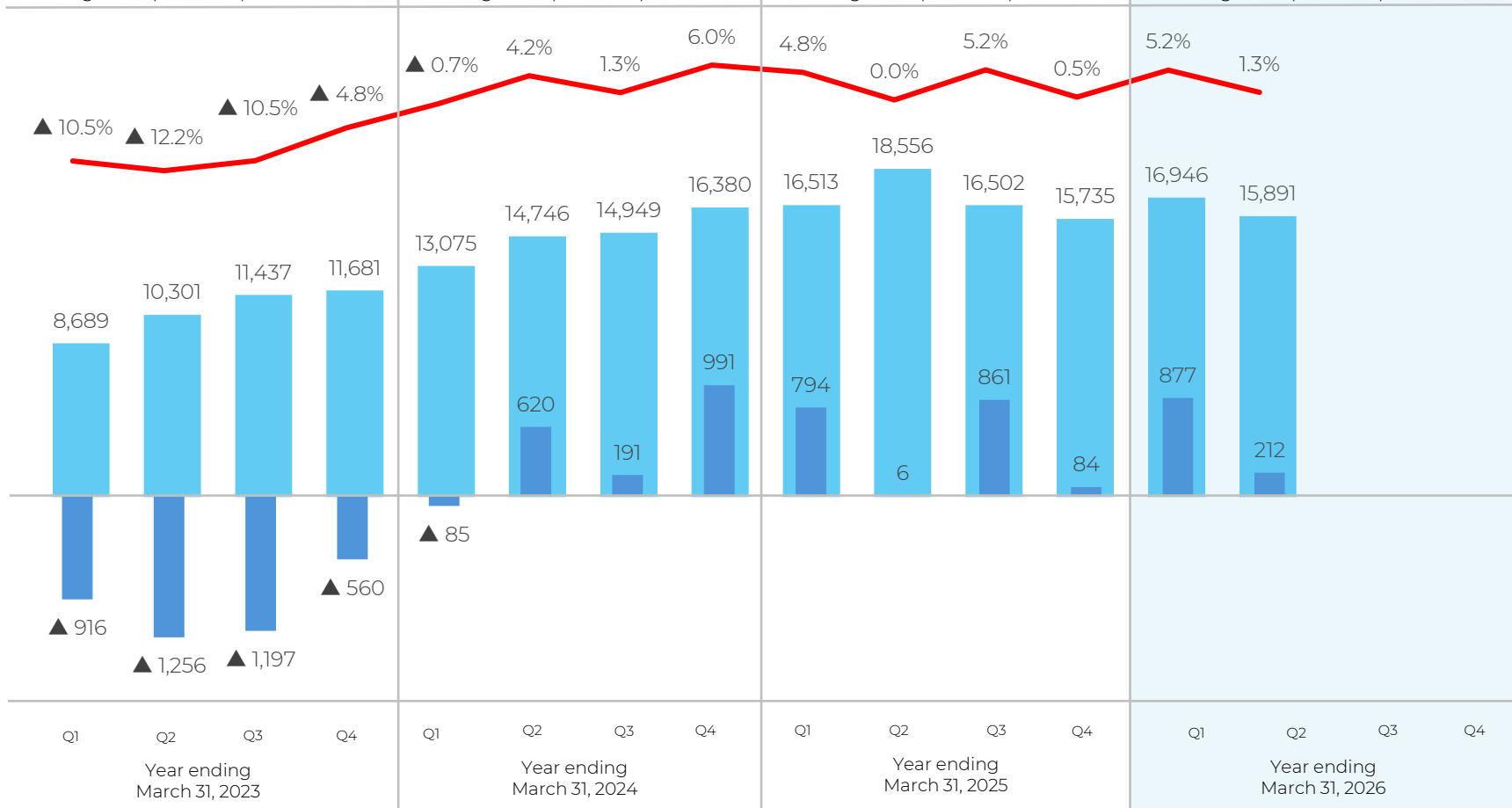
Operating Income

# [Supplementary] Quarterly Segment Results: Americas



(All amounts are in million yen except percentages, and per share data)

Sales	42,107	Sales	59,150	Sales	67,306	Sales	32,838
Operating Income	▲3,928	Operating Income	1,717	Operating Income	1,744	Operating Income	1,090
Operating Income Margin	▲9.3%	Operating Income Margin	2.9%	Operating Income Margin	2.6%	Operating Income Margin	3.3%
Exchange rate (Yen/USD)	131.4	Exchange rate (Yen/USD)	140.6	Exchange rate (Yen/USD)	151.6	Exchange rate (Yen/USD)	148.6



※ From FY2023 (Year ended on March 31, 2024) onwards Geiger USA has been included in Americas segment and no longer included in Europe segment.



Operating Income Margin



Sales

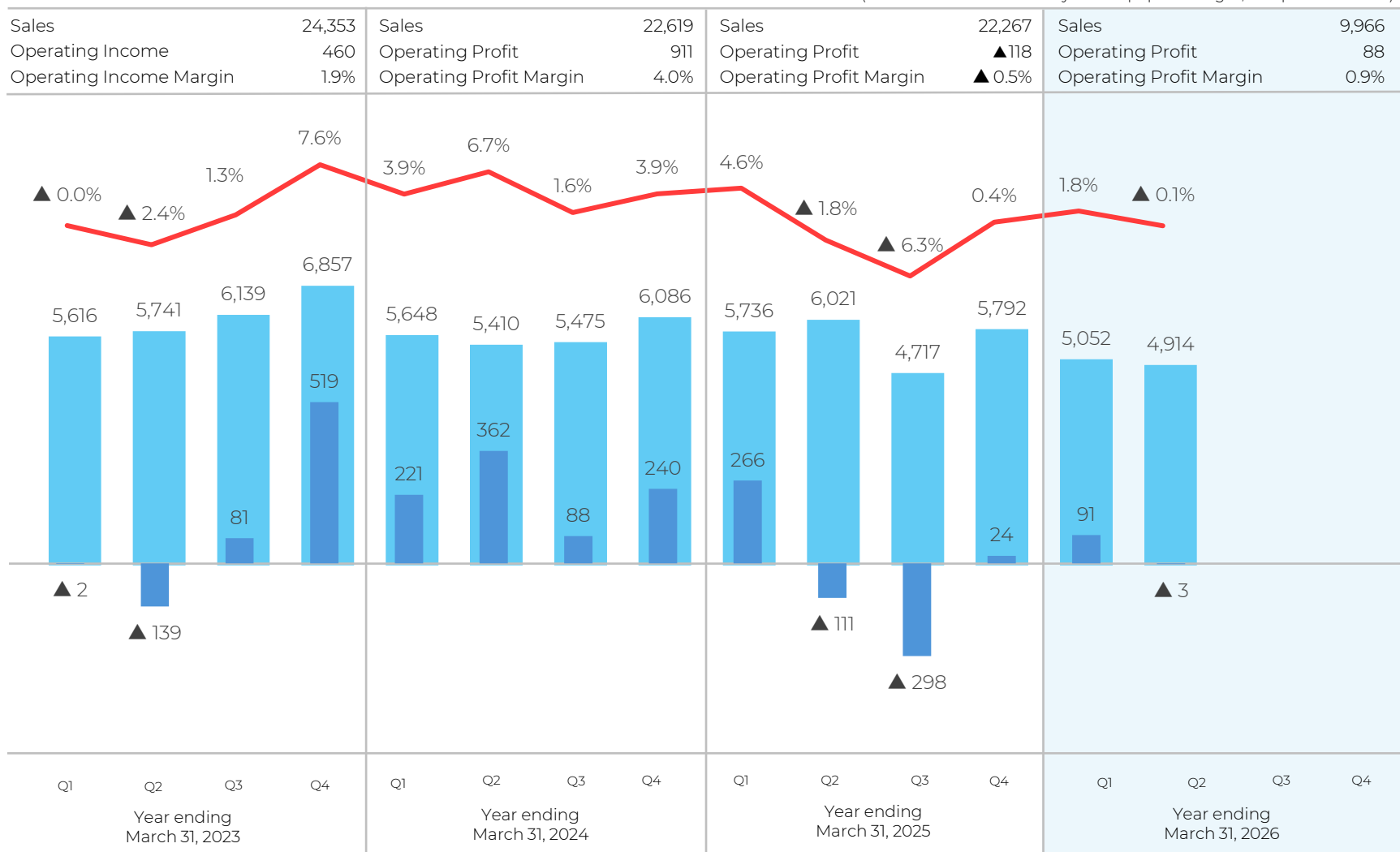


Operating Income

# [Supplementary] Quarterly Segment Results: Europe



(All amounts are in million yen except percentages, and per share data)



※ From FY2023 (Year ended on March 31, 2024) onwards Geiger USA has been included in Americas segment and no longer included in Europe segment.



Operating Income Margin



Sales

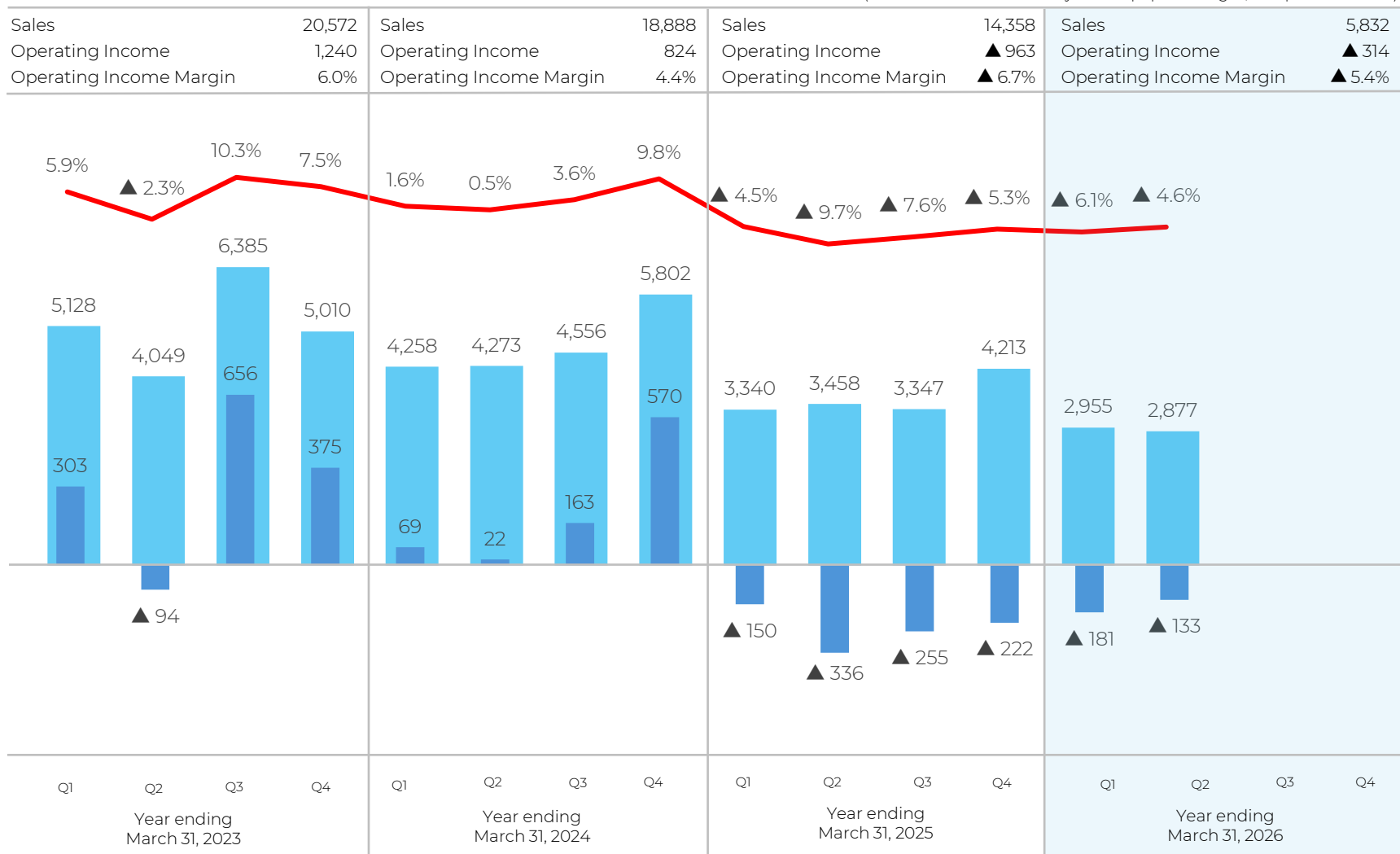


Operating Income

# [Supplementary] Quarterly Segment Results: China



(All amounts are in million yen except percentages, and per share data)



Operating Income Margin



Sales



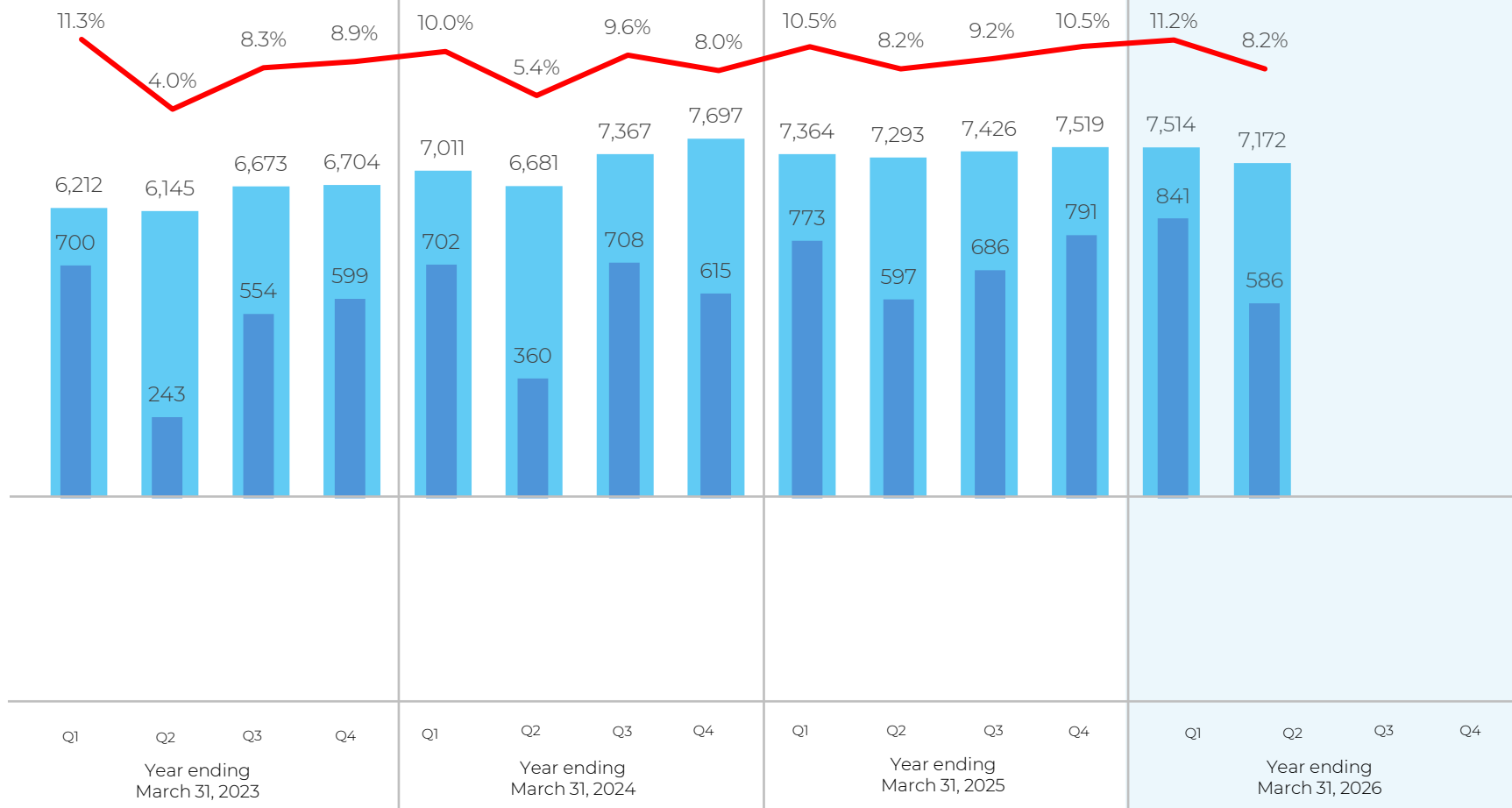
Operating Income

# [Supplementary] Quarterly Segment Results: Asia



(All amounts are in million yen except percentages, and per share data)

Sales	25,735	Sales	28,756	Sales	29,601	Sales	14,685
Operating Income	2,096	Operating Income	2,384	Operating Income	2,847	Operating Income	1,426
Operating Income Margin	8.1%	Operating Income Margin	8.3%	Operating Income Margin	9.6%	Operating Income Margin	9.7%



Operating Income Margin



Sales



Operating Income

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These statements are not guarantees of future performance and are subject to various risks, uncertainties and factors that may cause Sanoh's actual results to differ materially from the ones expressed or implied by these forward-looking statements. Such factors include, but are not limited to, changes in economic conditions, industry developments, and technological advancements. Significant changes will be announced as they occur.

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