

Consolidated Financial Results for the Quarter Ended June 30, 2025

(Consolidated financial information has been prepared in accordance with J-GAAP)

English translation from the original Japanese-language document

August 8, 2025

Company name : Sanoh Industrial Co., Ltd.
 Stock exchange listings : Tokyo Stock Exchange, Japan
 Code number : 6584
 URL : <https://www.sanoh.com/>
 Representative : Genya Takeda, Director & President
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 Payment date of Dividend : Not Applicable
 Supplemental material for Financial Statements : Available
 Schedule for Financial Results Briefing Session : Not Available

1. Consolidated Results for FY2025 (April 1, 2025 to June 30, 2025)

(Amounts are rounded to the nearest million yen)

(1) Consolidated Financial Results

	Net sales		Operating Income		Ordinary Income		Net income attributable to shareholders of the holding company	
Quarter ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 2025	40,263	2.9	2,250	31.4	1,893	11.6	697	(31.2)
June 2024	39,143	7.4	1,713	54.0	1,695	60.9	1,014	—

Ref. Comprehensive Income: FY2025 Q1: △ 654million yen (—%) | FY2024 Q1: 3,158 million yen (72.6%)

	Earnings per share	Diluted EPS
Quarter ended	Yen	Yen
June 2025	19.48	—
June 2024	28.32	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As on June 30, 2025	117,743	46,306	36.6	1,203.14
As on March 31, 2025	117,138	48,087	37.8	1,236.34

Ref. Shareholders' Equity: FY2025 Q1: 43,083 million yen | FY2024: 44,272 million yen

2. Dividends

	Annual cash dividends per share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 2025	—	14.00	—	14.00	28.00
Year ending March 2026	—				
Year ending March 2026 (Forecast)		14.00	—	14.00	28.00

※ Modifications from most recent dividend forecast: No

3. Forecast of Consolidated Results for the Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% are change from previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings Per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Full Year	147,000	(7.9)	5,500	13.2	4,000	(13.0)	1,800	144.3	50.29

※ Any modifications from the most recently published business forecast: No

Notes

- (1) Significant changes in the scope of consolidation during the period: No
Newly included: 0 companies | Excluded: 0 companies
- (2) Changes in accounting policies, accounting estimates, and restatement
- ① Changes in accounting policies due to revisions of Accounting Standards: No
 - ② Changes in accounting policies other than ① above: No
 - ③ Changes in accounting estimates: No
 - ④ Restatement: No

- (3) Number of shares issued & outstanding (common shares)

① Number of issued shares at the end of the period (including treasury stock):	FY25Q1	37,112,000	FY24Q4	37,112,000
② Number of treasury shares at the end of the period:	FY25Q1	1,303,425	FY24Q4	1,303,425
③ Average number of shares outstanding during the period:	FY25Q1	35,808,575	FY24Q1	35,793,690

※ Review of the Quarterly Consolidated Financial Statements by a Certified Public Accountant or Auditing Firm: No

※ Explanation on the Appropriate Use of Earnings Forecasts and Other Special Notes

Cautionary Note on Forward-Looking Statements

The earnings forecasts are based on information currently available to the Company and on certain assumptions deemed reasonable. These forecasts are not a guarantee of performance. Actual results may differ significantly due to various factors. For the assumptions underlying the forecasts and cautionary notes, please refer to '(3) Explanation of Future Forecasts and Forward-Looking Statements' in 'Overview of Business Performance' on page 5 of this document.

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1. Overview of Business Performance for the Quarter Ended June 30, 2025

(1) Overview of Operating Results

The economic environment surrounding the automotive industry, in which our Group operates, has remained robust domestically and internationally, despite fluctuating production and sales volumes. However, several risk factors persist, including persistent high prices of raw material, rising energy costs, ongoing disruptions in logistics stemming from geopolitical instability in the Middle East, and heightened uncertainty surrounding tariffs introduced under the Trump Administration in the United States.

Amid this operating environment, consolidated net sales for the first quarter amounted to ¥40.263 billion (up 2.9% year-on-year). This was driven by strong sales performance among Japanese customers in North and South America, as well as incremental revenue from newly launched projects in Japan.

On the earnings front, strong sales of newly launched tooling and parts in Japan, offset the negative impact of reduced value-added contributions due to declining sales from OEMs in China and Europe, and offset the impact of the additional one-time expenses recorded in this quarter (related to previous year) in the Americas. As a result, operating profit rose to ¥2.250 billion (up 31.4% year-on-year), and ordinary profit increased to ¥1.893 billion (up 11.6% year-on-year). However, profit attributable to owners of the parent declined to ¥697 million (down 31.2% year-on-year) due to the recognition of special retirement allowances and an increase in tax expenses.

Overview of operating results by segment is as follows:

- ① Japan
Revenue increased to ¥8.573 billion (up 24.4% year-on-year), driven by strong contributions from newly launched tooling and parts sales. Operating income increased to ¥685 million (compared to ¥81 million year-on-year) due to higher sales volume, despite high labour costs due to wage hikes and increased spending on new business investments, including commission fees and R&D costs.
- ② Americas
Revenue increased to ¥16.942 billion (up 2.6% year-on-year), supported by steady sales performance by Japanese OEMs in the North America. Operating income increased to ¥877 million (up 10.6% year-on-year), profitability improved resulting from stable production operations, despite the recognition of additional one-time expenses in this quarter (related to previous year).
- ③ Europe
Revenue declined to ¥4.903 billion (down 11.8% year-on-year), mainly due to the lower sales volume of European OEMs. Despite efforts to control fixed costs, operating income declined due to lower revenue, resulting in an operating income of ¥91 million (down 65.9% year-on-year).
- ④ China
Revenue declined to ¥2.571 billion (down 15.6% year-on-year), reflecting the continued slowdown in sales of Japanese OEMs. In addition to the decline in profits due to the decline in revenue, an operating loss of ¥181 million (compared to a loss of ¥150 million year-on-year) was recorded due to severance pay, despite efforts to control costs in response to sudden fluctuations in production volume.
- ⑤ Asia
Revenue increased to ¥7.274 billion (up 1.9% year-on-year), supported by stable production activity. Operating income increased to ¥841 million (up 8.7% year-on-year), reflecting higher sales and effective cost management in response to production fluctuations.

(2) Overview of Financial Position

① Assets, Liabilities and Net Assets

As of the end of the first quarter, total assets stood at JPY 117.743 billion, an increase of JPY 606 million from the previous fiscal year-end. Key factors included:

- an increase of JPY 536 million in cash and deposits
- an increase of JPY 749 million in notes receivable, accounts receivable, and contract assets
- an increase of JPY 209 million in finished goods inventory
- a decrease of JPY 408 million in work-in-progress
- a decrease of JPY 386 million in raw materials and supplies
- an increase of JPY 322 million in other current assets such as advances and prepaid taxes
- a decrease of JPY 212 million in tangible fixed assets such as machinery and equipment

Total liabilities stood at JPY 71.438 billion, an increase of JPY 2.387 billion from the previous fiscal year-end. Key factors included:

- a decrease of JPY 459 million in electronically recorded obligations
- an increase of JPY 1.956 billion in short-term borrowings
- a decrease of JPY 249 million in accounts payable
- an increase of JPY 384 million in income taxes payable
- an increase of JPY 523 million in accrued bonuses
- an increase of JPY 503 million in other accrued liabilities

Net assets decreased to JPY 46.306 billion, a decrease of JPY 1.781 billion from the previous fiscal year-end. Key factors included:

- a decrease of JPY 1.236 billion in foreign currency translation adjustments
- a decrease of JPY 593 million in non-controlling interests

② Cash Flow

As of the end of the first quarter, cash and cash equivalents stood at JPY 23.228 billion, reflecting an increase of JPY 536 million from the end of the previous fiscal year.

i. Cash flow from Operating Activities:

Net cash provided by operating activities was JPY 2.514 billion (JPY 2.042 billion in the previous fiscal year). Key factors included:

- Income before income taxes: JPY 1.695 billion (JPY 1.669 billion in the previous fiscal year)
- Depreciation: JPY 1.643 billion (JPY 1.551 billion in the previous fiscal year)
- Increase in trade receivables: JPY 1.528 billion (decrease of JPY 891 million in the previous fiscal year)
- Increase in inventories: JPY 310 million (increase of JPY 671 million in the previous fiscal year)
- Increase in accounts payable: JPY 36 million (decrease of JPY 700 million in the previous fiscal year)
- Increase in accrued bonuses: JPY 554 million (increase of JPY 634 million in the previous fiscal year)
- Increase in accounts payable: JPY 417 million (decrease of JPY 631 million in the previous fiscal year)
- Income tax payments: JPY 428 million (JPY 426 million in the previous fiscal year)

ii. Cash flow from Investing Activities:

Net cash used in investing activities totaled JPY 2.234 billion (JPY 1.952 billion in the previous fiscal year).

- Purchase of tangible fixed assets amounting to JPY 2.176 billion (JPY 1.856 billion in the previous fiscal year)

iii. Cash flow from Financing Activities:

Net cash provided by financing activities was JPY 918 million (outflow of JPY 2.713 billion in the previous fiscal year). Key factors included:

- Increase in short-term borrowings: JPY 2.407 billion (outflow of JPY 1.043 billion in the previous fiscal year)
- Repayment of long-term borrowings: JPY 264 million (JPY 294 million in the previous fiscal year)
- Dividend payments: JPY 499 million (JPY 501 million in the previous fiscal year)
- Dividends paid to non-controlling interests: JPY 618 million (JPY 754 million in the previous fiscal year)

(3) Explanation of Future Forecasts and Forward-Looking Statements

Taking into consideration recent business trends and other factors, we have decided to maintain the consolidated earnings forecast for the financial year ending March 2026, as announced in the "Consolidated Financial Results for the Financial Year Ended March 31, 2025 (Japanese GAAP)" dated May 12, 2025.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Amounts are rounded to the nearest million)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	22,692	23,228
Notes and accounts receivable - trade, and contract assets	17,826	18,575
Electronically recorded monetary claims - operating	826	921
Finished goods	4,871	5,081
Work in process	6,981	6,573
Raw materials and supplies	12,575	12,189
Other	4,593	4,915
Allowance for doubtful accounts	△17	△16
Total current assets	70,348	71,467
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,865	20,556
Machinery, equipment and vehicles	92,508	89,554
Tools, furniture and fixtures	14,536	15,084
Land	2,924	2,898
Leased assets	3,566	3,403
Construction in progress	5,416	6,182
Accumulated depreciation	△91,533	△89,846
Accumulated impairment	△11,607	△11,368
Total property, plant and equipment	36,674	36,463
Intangible assets		
Leased assets	41	36
Other	646	637
Total intangible assets	687	673
Investments and other assets		
Investment securities	6,707	6,535
Retirement benefit asset	169	169
Deferred tax assets	1,965	1,865
Other	588	572
Total investments and other assets	9,429	9,141
Total non-current assets	46,790	46,277
Total assets	117,138	117,743

(Amounts are rounded to the nearest million)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,209	9,101
Electronically recorded obligations - operating	4,431	3,972
Short-term borrowings	17,847	19,803
Accounts payable - other	4,171	3,922
Lease liabilities	281	208
Income taxes payable	529	913
Accrued consumption taxes	263	520
Provision for bonuses	1,391	1,914
Provision for bonuses for directors (and other officers)	30	49
Provision for product warranties	272	306
Other	3,453	3,956
Total current liabilities	41,878	44,665
Non-current liabilities		
Long-term borrowings	21,293	21,169
Lease liabilities	253	240
Deferred tax liabilities	1,789	1,652
Provision for retirement benefits for directors (and other officers)	154	154
Provision for loss on litigation	40	40
Retirement benefit liability	3,080	2,932
Other	565	586
Total non-current liabilities	27,173	26,773
Total liabilities	69,051	71,438
Net assets		
Shareholders' equity		
Share capital	3,481	3,481
Capital surplus	2,362	2,362
Retained earnings	31,589	31,777
Treasury shares	△968	△968
Total shareholders' equity	36,465	36,653
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,324	3,198
Foreign currency translation adjustment	3,494	2,259
Remeasurements of defined benefit plans	989	973
Total accumulated other comprehensive income	7,807	6,430
Non-controlling interests	3,816	3,223
Total net assets	48,087	46,306
Total liabilities and net assets	117,138	117,743

(2) Consolidated Income Statement and Consolidated Comprehensive Income Statement

Consolidated Income Statement

(Amounts are rounded to the nearest million yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	39,143	40,263
Cost of sales	33,138	33,251
Gross profit	6,004	7,012
Selling, general and administrative expenses	4,292	4,761
Operating profit	1,713	2,250
Non-operating income		
Interest income	47	37
Dividend income	102	87
Foreign exchange gains	204	—
Other	46	68
Total non-operating income	399	191
Non-operating expenses		
Interest expenses	219	216
Commission expenses	145	105
Foreign exchange losses	—	199
Other	51	28
Total non-operating expenses	416	549
Ordinary profit	1,695	1,893
Extraordinary income		
Gain on sale of non-current assets	2	10
Total extraordinary income	2	10
Extraordinary losses		
Loss on sale of non-current assets	10	—
Loss on retirement of non-current assets	19	13
Extra retirement payments	—	194
Total extraordinary losses	28	207
Profit before income taxes	1,669	1,695
Income taxes - current	538	851
Income taxes - deferred	△64	△86
Total income taxes	474	765
Profit	1,196	930
Profit attributable to non-controlling interests	182	233
Profit attributable to owners of parent	1,014	697

Consolidated Comprehensive Income Statement

(Amounts are rounded to the nearest million yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	1,196	930
Other comprehensive income		
Valuation difference on available-for-sale securities	122	△126
Foreign currency translation adjustment	1,825	△1,444
Remeasurements of defined benefit plans, net of tax	16	△16
Total other comprehensive income	1,962	△1,585
Comprehensive income	3,158	△654
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,910	△679
Comprehensive income attributable to non-controlling interests	249	25

(3) Consolidated Cash Flow Statement

(Amounts are rounded to the nearest million)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,669	1,695
Depreciation	1,551	1,643
Loss on retirement of property, plant and equipment	19	13
Loss (gain) on sale of property, plant and equipment	7	△10
Interest and dividend income	△149	△123
Interest expenses	219	216
Commission expenses	145	105
Increase (decrease) in provision for product warranties	0	46
Extra retirement payments	—	194
Decrease (increase) in trade receivables	891	△1,528
Decrease (increase) in inventories	△671	△310
Increase (decrease) in trade payables	△700	36
Increase (decrease) in provision for bonuses	634	554
Increase (decrease) in accounts payable - other	△631	417
Increase (decrease) in accrued expenses	307	311
Increase (decrease) in retirement benefit liability	△7	△95
Other, net	△600	572
Subtotal	2,686	3,737
Interest and dividends received	149	123
Interest paid	△241	△203
Commission fee paid	△127	△103
Income taxes paid	△426	△428
Extra retirement payments	—	△612
Net cash provided by (used in) operating activities	2,042	2,514
Cash flows from investing activities		
Purchase of property, plant and equipment	△1,856	△2,176
Proceeds from sale of property, plant and equipment	2	16
Purchase of investment securities	△10	△9
Other, net	△88	△66
Net cash provided by (used in) investing activities	△1,952	△2,234
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△1,043	2,407
Repayments of long-term borrowings	△294	△264
Dividends paid	△501	△499
Dividends paid to non-controlling interests	△754	△618
Repayments of lease liabilities	△121	△109
Purchase of treasury shares	△0	—
Net cash provided by (used in) financing activities	△2,713	918
Effect of exchange rate change on cash and cash equivalents	518	△661
Net increase (decrease) in cash and cash equivalents	△2,105	536
Cash and cash equivalents at beginning of period	17,653	22,692
Cash and cash equivalents at end of period	15,548	23,228

(4) Notes to the Consolidated Financial Statements**(Notes on Segment Information)****I. First quarter of the previous period (April 1, 2024 to June 30, 2024)****1. Information on Sales and Operating income (loss) by reportable segment**

(Amounts are rounded to the nearest million yen)

	Reportable Segments						Adjs. (Note 1)	Reported Amount (Note 2)
	Japan	Americas	Europe	China	Asia	Total		
Sales								
External Customers	6,893	16,507	5,562	3,045	7,136	39,143	—	39,143
Internal Sales & Transfers between segments	4,687	6	174	294	228	5,389	(5,389)	—
Total	11,580	16,513	5,736	3,340	7,364	44,532	(5,389)	39,143
Segment income (loss)	81	794	266	(150)	773	1,765	(52)	1,713

(Note 1) The adjustment amounts are as follows:

- (1) The adjustment amount of (5,389) million yen for net sales is the amount for eliminating inter-segment transactions.
- (2) The adjustment amount of (52) million yen in segment income includes fixed asset adjustments of JPY 34 million, and inventory adjustments of (86) million yen.

(Note 2) Segment income (loss) is adjusted to match operating income in the quarterly consolidated income statement.

2. Information on Impairment Losses on Fixed Assets or Goodwill by Reportable Segment
Not Applicable**II. First quarter ended June 30, 2025 (April 1, 2025 to June 30, 2025)****1. Information on Sales and Operating income (loss) by reportable segment.**

(Amounts are rounded to the nearest million yen)

	Reporting Segments						Adjs. (Note 1)	Reported Amount (Note 2)
	Japan	Americas	Europe	China	Asia	Total		
Sales								
External Customers	8,573	16,942	4,903	2,571	7,274	40,263	—	40,263
Internal Sales & Transfers between segments	4,909	4	148	384	240	5,686	(5,686)	—
Total	13,482	16,946	5,052	2,955	7,514	45,949	(5,686)	40,263
Segment Income (loss)	685	877	91	(181)	841	2,313	(63)	2,250

(Note 1) The adjustment amounts are as follows:

- (1) The adjustment amount of (5,686) million yen for net sales is the amount for eliminating inter-segment transactions.
- (2) The adjustment amount of (63) million yen for segment loss includes an adjustment amount of (18) million yen for inventories and an adjustment amount of (45) million yen for fixed assets.

(Note 2) Segment income (loss) is adjusted to reconcile with operating income in the quarterly consolidated income statements.

2. Information on impairment loss on fixed assets or goodwill by reportable segment:
Not applicable

(Significant Changes in Shareholder's Equity)

Not applicable

(Assumption of a Going Concern)

Not applicable

(Additional Information)**1. Director Stock Grant Trust**

Pursuant to the resolution of the 112th Annual General Meeting of Shareholders held on June 22, 2020, the Company has implemented a stock-based remuneration system (hereinafter referred to as "the System") for directors who meet the eligibility criteria. The objective of this system is to enhance the medium to long-term performance and to foster commitment to increasing corporate value. The accounting treatment for this System follows the "Practical Treatment of Transactions Involving Granting of Own Shares to Employees, etc. through Trusts" (Practical Solution Report No. 30, March 26, 2015).

- **Overview of the Transaction**
This system involves the establishment of a trust (hereinafter referred to as "the Trust") funded by monetary contributions from the Company. The Trust acquires the Company's shares and allocates a number of shares equivalent to the points granted to each director under the Company's Director Stock Grant Regulations. In principle, shares are delivered to the directors upon their retirement.
- **Remaining Shares in the Trust**
The Company's shares remaining in the Trust are recorded as treasury shares at the book value in the trust (excluding incidental expenses). As of the end of the previous financial year and the end of the first quarter of the current financial year, the book value and number of treasury shares were JPY 344 million and 411,000 shares, respectively.

2. Employee Stock Issuance Trust:

Following the resolution of the Board of Directors on August 27, 2020, the Company has established a stock-based remuneration system (hereinafter referred to as "the System") for employees (excluding directors who also hold executive positions and other specified roles) who meet the eligibility criteria. The accounting treatment for this System follows the "Practical Treatment of Transactions Involving Granting of Own Shares to Employees, etc. through Trusts" (Practical Solution Report No. 30, March 26, 2015).

- **Overview of the Transaction**
This System involves the establishment of a trust (hereinafter referred to as "the Trust") funded by monetary contributions from the Company. This Trust acquires the Company's shares and allocates a number of shares equivalent to the points granted to each employee under the Company's Employee Stock Grant Regulations. In principle, shares are delivered to the employees upon their retirement.
- **Remaining Shares in the Trust**
The Company's shares remaining in the Trust are recorded as treasury shares at the book value in the trust (excluding incidental expenses). As of the end of the previous financial year, the book value and number of treasury shares were JPY 145 million and 174,700 shares. As of the end of the first quarter of the current fiscal year, the book value and number of treasury shares were JPY 145 million and 174,700 shares.

(Earnings per Share)

The basis of calculating earnings per share is as follows:

	FY2024 Q1 (From April 1, 2024 to June 30, 2024)	FY2025 Q1 (From April 1, 2025 to June 30, 2025)
Earnings per Share	28.32	19.48
(Basis of Calculation)		
Net Income		
Attributable to the Shareholders of the Parent Company (in million yen)	1,014	697
Not Attributable to Common Shareholders (in million yen)	—	—
Attributable to the Shareholders of the Parent Company Relating to Common Shares (in million yen)	1,014	697
Average Number of Common Shares Outstanding During the Period (in thousands)	35,794	35,809

(Note 1) Diluted earnings per share are not reported as there are no potentially diluted shares.

(Note 2) The Company has implemented a stock-based remuneration system using a share grant trust (the "Trust"). In calculating the average number of shares outstanding during the period, treasury shares held by the Trust for directors, executive officers, and senior management employees are included.

The average number of treasury shares deducted in the calculation amounted to 600,700 shares in the first quarter of the financial year ending March 2025 and 585,700 shares in the first quarter of the financial year ending March 2026.

(Significant Subsequent Events)**(Business Combination through Equity Acquisition)**

At the meeting of the Board of Directors held on June 6, 2025, the Company resolved to acquire all equity interests in Winkelmann Powertrain México S. de R.L. de C.V. ("WPM" from now on), a Mexican automotive parts manufacturer, and entered into a share transfer agreement on the same date. The acquisition of all equity interests was completed on July 10, 2025.

1. Overview of the Business Combination**① Name and Business Description of the Acquired Company**

Company Name: Winkelmann Powertrain México S. de R.L. de C.V.

Business Activities: Manufacturing and sales of automotive components.

② Purpose of the Business Combination

As part of our medium-term management policy, the Company is advancing its "Sanoh Last Man Standing Strategy", which aims to secure the No.1 position in global market share in the automotive tubing sector.

In the Americas, the market share of electric vehicles in the U.S. is less than 10%, whereas remaining 90% continues to be dominated by internal combustion engine (hereinafter "ICE") vehicles, including hybrids and plug-in hybrids. Given the current policy direction under Trump administration, it is expected that the demand for ICE vehicles will continue to dominate the U.S. market.

WPM manufactures automotive components for the U.S. market, with a particular focus on ICE pickup trucks, a segment characterized by long product life cycle. Pickup trucks consistently represent roughly 20% of U.S. market, and WPM is regarded as one of the key players in this segment.

Through acquisition of WPM as a subsidiary, the Company aims to establish a dominant position in the fuel injection business for vehicles manufactured in Mexico for the U.S. market. We intend to reinforce our presence as a global supplier by enhancing competitiveness through efficient management structures and continuously nurturing technological innovation

③ Date of Business Combination

Date of Equity Acquisition: July 10, 2025

Deemed Acquisition Date: September 30, 2025 (Expected)

④ Legal Form of the Business Combination

Equity acquisition in exchange for cash consideration

⑤ Name of the Acquiring Company Post-Combination

No change is planned at this time.

⑥ Percentage of Voting Rights Acquired

100%

⑦ Basis for Determining the Acquiring Entity

The Company, as the acquiring entity, obtained all equity interests through a cash transaction.

2. Acquisition Cost and Breakdown by Consideration Type (Estimated)

Consideration Paid	Cash	EUR 10 million (JPY 1,719 million*)
Acquisition Cost		EUR 10 million (JPY 1,719 million*)

*Note: The exchange rate used is 1 EUR = 171.93 JPY (as of July 9, 2025).

3. Major Acquisition-Related Expenses (Estimated)

Advisory and professional service fees: approx. JPY 320 million

4. Amount of Goodwill, Cause of Recognition, and Amortization Method and Period

Not yet determined.

5. Amount and Major Breakdown of Assets Acquired and Liabilities Assumed on the Acquisition Date

Not yet determined.

6. Source and Method of Payment

The acquisition was funded through borrowings from financial institutions.