

Financial Year Ending March 31, 2026 - First Quarter

Explanatory Material

August 08, 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

FY25Q1 Consolidated Financial Performance



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

Particulars	Quarter Ended June 30, 2024		Quarter Ended June 30, 2025				Full Year Forecast for the Fiscal Year Ending March 31, 2026	
	Amount	%	Amount	%	Variance		Amount	Progress (%)
					Amount	%		
Net sales	39,143	100.0	40,263	100.0	+1,120	+2.9	147,000	27.4
Operating income	1,713	+4.4	2,250	+5.6	+538	+31.4	5,500	40.9
Ordinary income	1,695	+4.3	1,893	+4.7	+197	+11.6	4,000	47.3
Net income attributable to the shareholders of the parent company	1,014	+2.6	697	+1.7	▲316	▲31.2	1,800	38.7

Summary of FY25Q1 Financial Performance (Year-on-Year)

- **Sales:** Increased due to strong sales by Japanese OEM in the Americas and newly launched projects in Japan.
- **Operating Income:** Increased tooling and parts sales in Japan, offset the impact of declining sales in China and Europe, and offset the impact of one-time expenses recorded in the previous fiscal year in the Americas.
- **Ordinary Income:** Increased by +197 million yen due to increase in operating income, despite foreign exchange losses.
- **Net Income:** Decreased by ▲316 million yen due to special retirement benefits expenses and an increase in tax expenses.

Exchange Rate

Currency (1 unit = JPY)	June 30, 2024 (Average Rate)	June 30, 2025 (Average Rate)	Variance
USD	148.6	152.6	+3%
EUR	161.3	160.5	▲1%
MXN	8.8	7.5	▲15%
RMB	20.6	20.9	+2%
INR	1.9	1.7	▲10%
THB	4.2	4.5	+8%
RUB	1.6	1.6	-
BRL	30.0	26.1	▲13%

FY25Q1 Segment Financial Performance



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

Particulars	Sales			Operating Income		
	Quarter Ended June 30, 2024	Quarter Ended June 30, 2025	Variance	Quarter Ended June 30, 2024	Quarter Ended June 30, 2025	Variance
Japan	11,580	13,482	+1,903	81	685	+604
Americas	16,513	16,946	+433	794	877	+84
Europe	5,736	5,052	▲684	266	91	▲176
China	3,340	2,955	▲385	▲150	▲181	▲31
Asia	7,364	7,514	+150	773	841	+67
Adjs.	▲5,389	▲5,686	▲297	▲52	▲63	▲11
TOTAL	39,143	40,263	+1,120	1,713	2,250	+538

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

Japan (Revenue & Profit Growth)	Revenue increased driven by newly launched tooling and parts sales. Profits increased as higher sales volume increased earnings, despite high labour costs due to wage hikes and increased spending on new business investments, including commission fees and R&D costs.
Americas (Revenue & Profit Growth)	Revenue growth, driven by steady sales from Japanese OEMs in North America. Operating profit improved resulting from stable production operations, despite the recognition of one-time expenses.
Europe (Revenue & Profit Decline)	Revenue declined due to lower sales to European OEMs. Despite efforts to control fixed costs were made, operating profit declined due to lower revenue.
China (Revenue Decline, Operating Loss)	Revenue decreased due to continued slowdown in sales of Japanese OEMs. Despite efforts to control costs in response to sudden production fluctuations, high cost of severance pay and decline in revenue incurred an operating loss.
Asia (Revenue & Profit Growth)	Revenue increased supported by stable production. Profit increased due to strong revenue growth as well as effective cost management measures introduced in response to production fluctuations.

FY25Q1 Consolidated Non-operating and Extraordinary Items



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

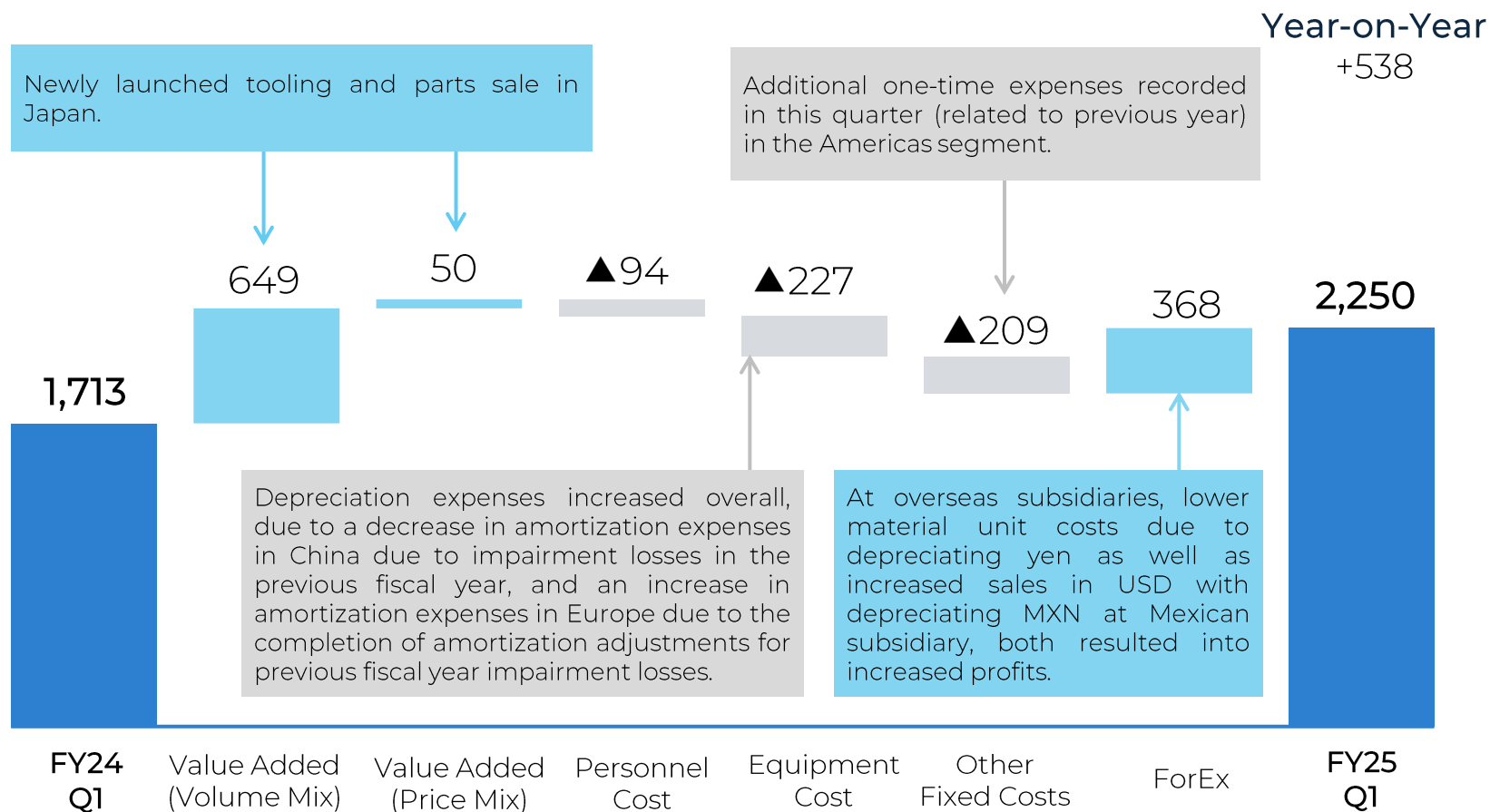
Particulars		Quarter Ended June 30, 2024	Quarter Ended June 30, 2025			Major Factors for Change
		Amount	Amount	Variance		
				Amount	%	
Operating Income		1,713	2,250	+538	+31.4	
Non-operating	Income	399	191	▲207		Foreign exchange gain: ▲204 Dividends earned: ▲15
	Expenses	416	549	▲133		Foreign exchange loss: ▲199 Commission fees paid: +40
Ordinary Income		1,695	1,893	+197	+11.6	
Extraordinary	Gains	2	10	+7		
	Losses	28	207	▲179		Special retirement payments: ▲194 (FY24Q1 : Zero, FY25Q1 : ▲194)
Profit before Income Taxes		1,669	1,695	+26	+1.6	
Corporate Taxes, etc.		474	765	▲292		
Net Income attributable to Non-controlling shareholders		182	233	▲51		
Net Income attributable to Owners of the Parent Company		1,014	697	▲316	▲31.2	

FY25Q1 Analysis of Operating Income



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

Operating profit increased due to newly launched tooling and parts sales in Japan, covering the impact of additional one-time expenses recorded in this quarter (related to previous year) in North America, and offset the lower sales in China and Europe.



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

FY25Q1 Consolidated Financial Position



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

Particulars		Year Ended March 31, 2025		Quarter Ended June 30, 2025			Major Factors of Change
		Amount	%	Amount	%	Variance	
	Current Assets	70,348	60.1	71,467	60.7	+1,119	Total assets: +606 (Increase) ① Cash and Deposits +536 ② Trade Receivables +844 ③ Inventory ▲585 ④ Other Current Assets +322 ⑤ Tangible Fixed Assets ▲212 ⑥ Investment Securities ▲172
	Fixed Assets	46,790	39.9	46,277	39.3	▲ 513	
Total Assets		117,138	100.0	117,743	100.0	+606	
	Current Liabilities	41,878	35.8	44,665	37.9	+2,787	Total liabilities: +2,387 (Increase) ⑦ Trade Payables ▲567 ⑧ Short-term borrowings +1,956 ⑨ Tax Payable +641 ⑩ Deferred Tax Liabilities ▲137
	Fixed Liabilities	27,173	23.2	26,773	22.7	▲400	
	Total Liabilities	69,051	58.9	71,438	60.7	+ 2,387	
	Total Net Assets	48,087	41.1	46,306	39.3	▲1,781	Net assets: ▲1,781 (Decrease) ⑪ Retained Earnings +188 ⑫ Unrealized Gains on Securities ▲126 ⑬ Foreign Currency Translation Adjustment ▲1,236 ⑭ Non-controlling interests ▲593
Total Liabilities and Net Assets		117,138	100.0	117,743	100.0	+606	

Note	FY24Q4		FY25Q1
D/E Ratio	0.90	→	0.96
Equity Ratio	37.8	→	36.6

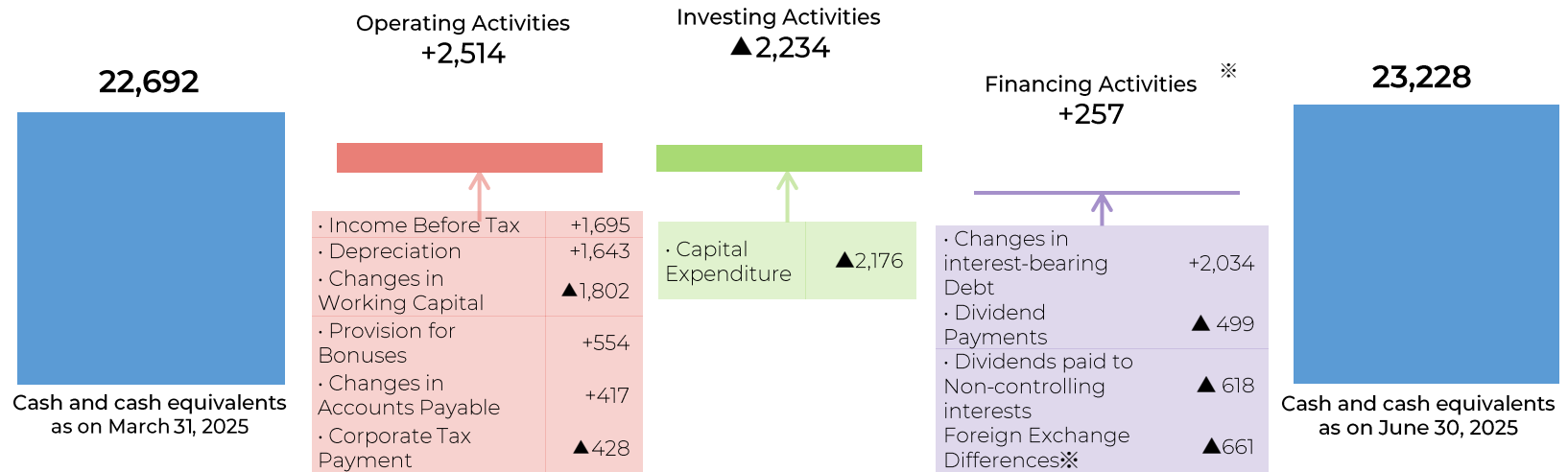
	FY24Q4	FY25Q1
① Interest Bearing Liabilities	39,674	41,421
② Equity	44,272	43,083
① ÷ ②	0.90	0.96

FY25Q1 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 (▲661 million yen) have been included in financing activities.

Capital Expenditure/Depreciation

Particulars	Quarter Ended June 30, 2024	Quarter Ended June 30, 2025	
		Amount	Variance
Capital Expenditure	1,856	2,176	+320
Depreciation	1,551	1,643	+93

Supplementary

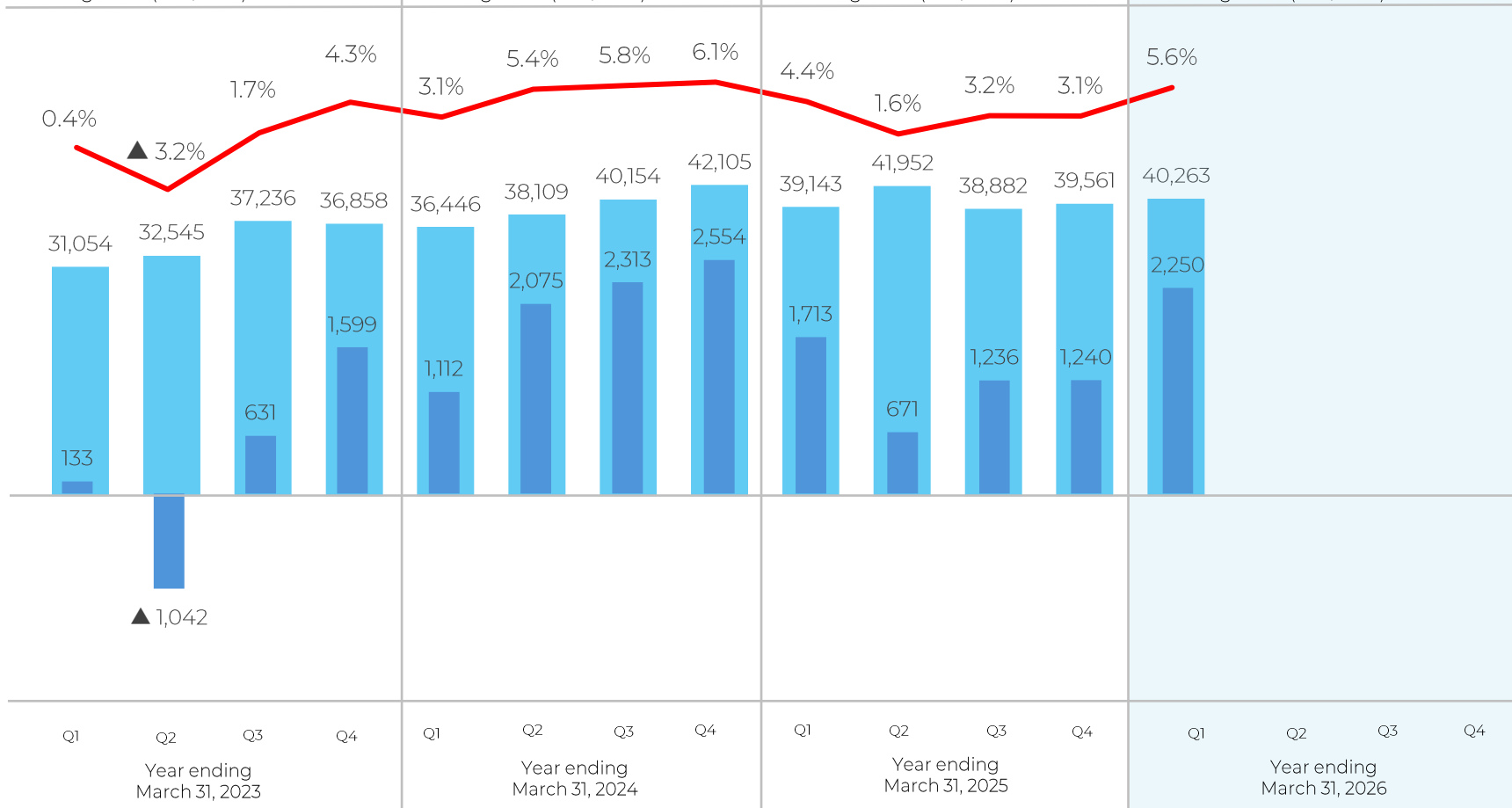
Infographic Quarterly Segment Results

[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	40,263
Operating Income	1,321	Operating Income	8,053	Operating Income	4,860	Operating Income	2,250
Operating Income Margin	1.0%	Operating Income Margin	5.1%	Operating Income Margin	3.0%	Operating Income Margin	5.6%
Exchange rate (Yen/USD)	131.4	Exchange rate (Yen/USD)	140.6	Exchange rate (Yen/USD)	151.6	Exchange rate (Yen/USD)	152.6



Operating Income Margin



Sales



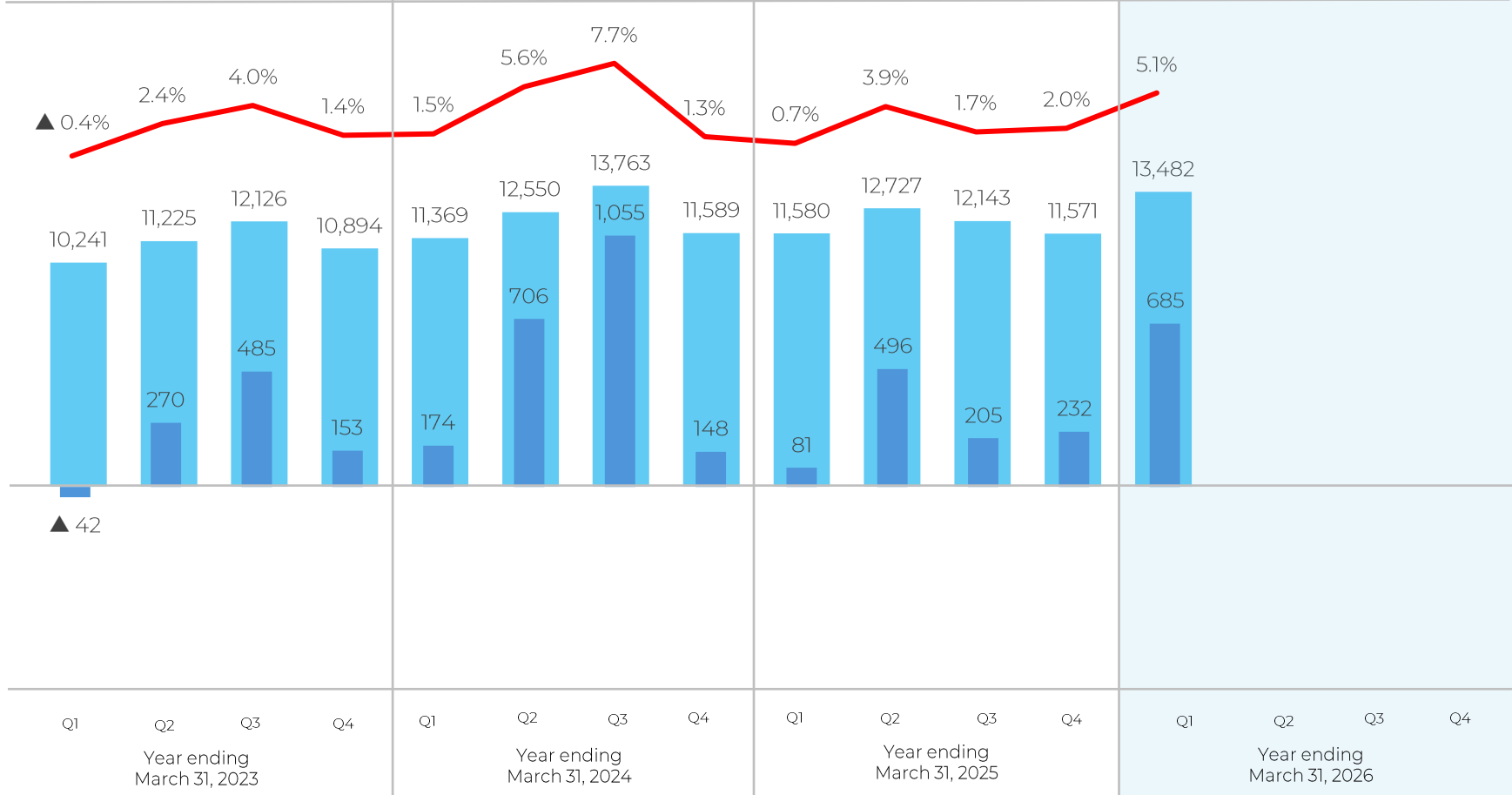
Operating Income

[Supplementary] Quarterly Segment Results: Japan



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Sales	44,485	Sales	49,271	Sales	48,020	Sales	13,482
Operating Income	865	Operating Income	2,083	Operating Income	1,014	Operating Income	685
Operating Income Margin	1.9%	Operating Income Margin	4.2%	Operating Income Margin	2.1%	Operating Income Margin	5.1%
Exchange rate (Yen/USD)	131.4	Exchange rate (Yen/USD)	140.6	Exchange rate (Yen/USD)	151.6	Exchange rate (Yen/USD)	152.6



Operating Income Margin



Sales

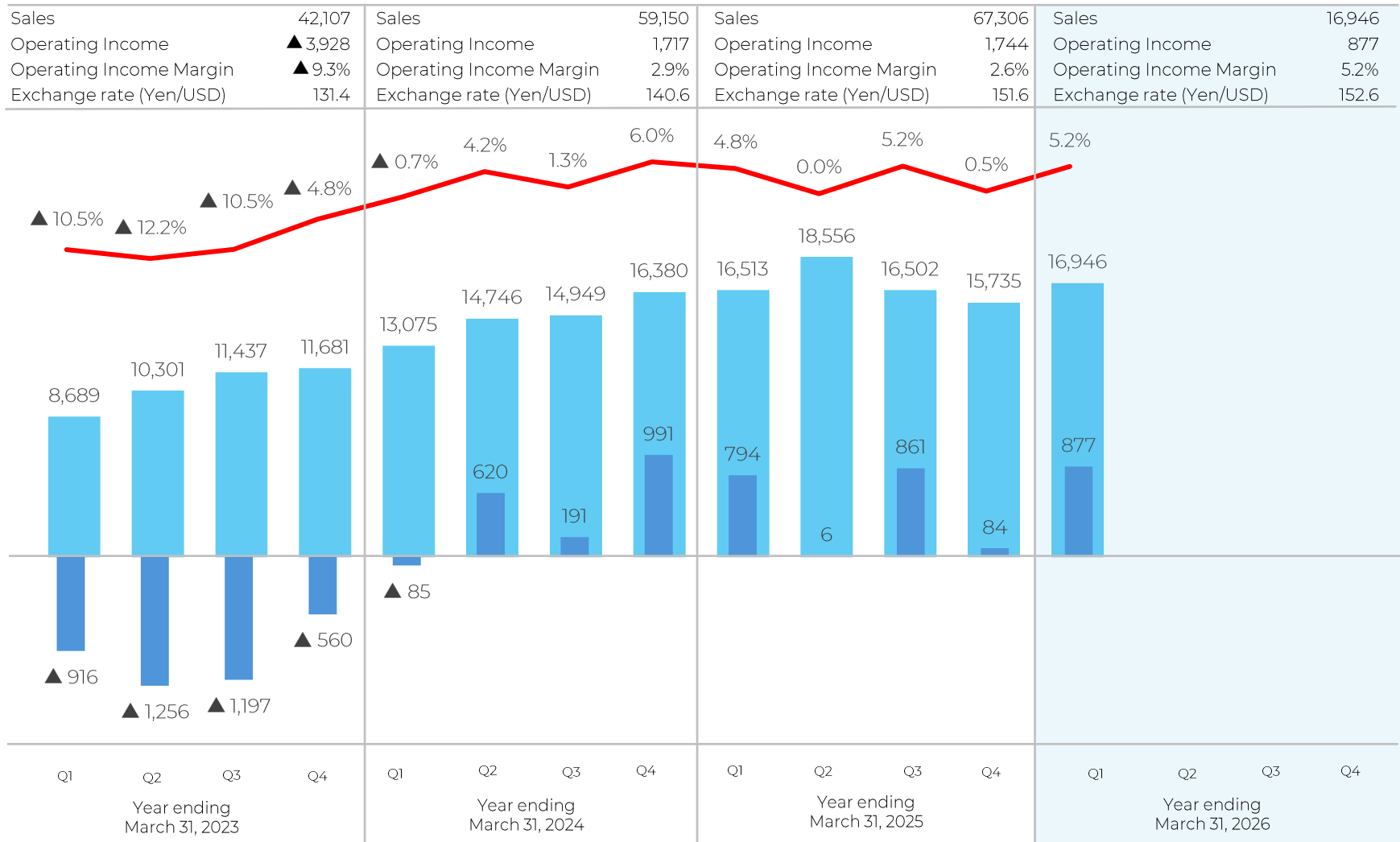


Operating Income

[Supplementary] Quarterly Segment Results: Americas



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※ From FY2023 onwards Geiger USA has been included in Americas segment and no longer included in Europe segment.



Operating Income Margin



Sales

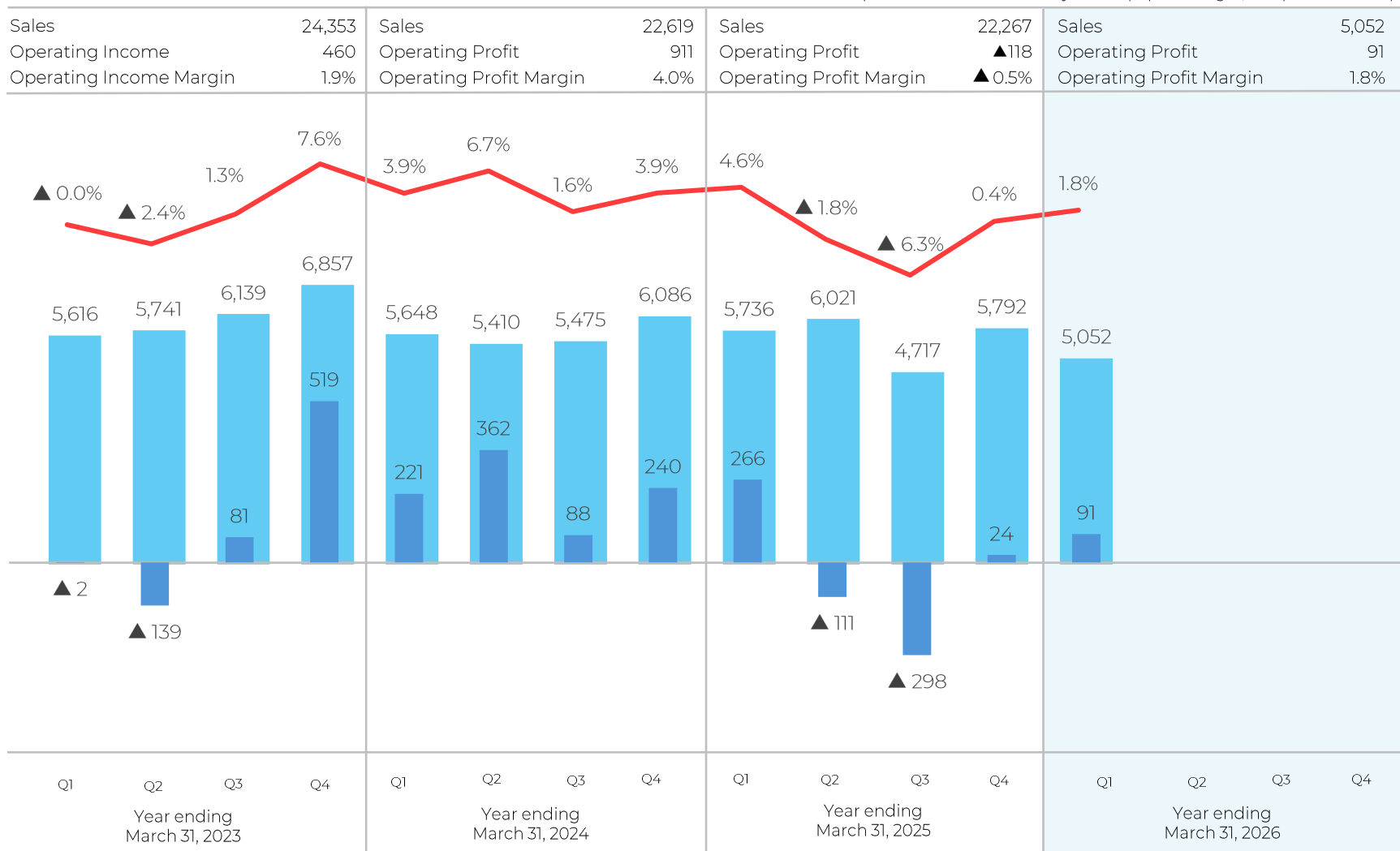


Operating Income

[Supplementary] Quarterly Segment Results: Europe



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



※ From FY2023 onwards Geiger USA has been included in Americas segment and no longer included in Europe segment.



Operating Income Margin



Sales

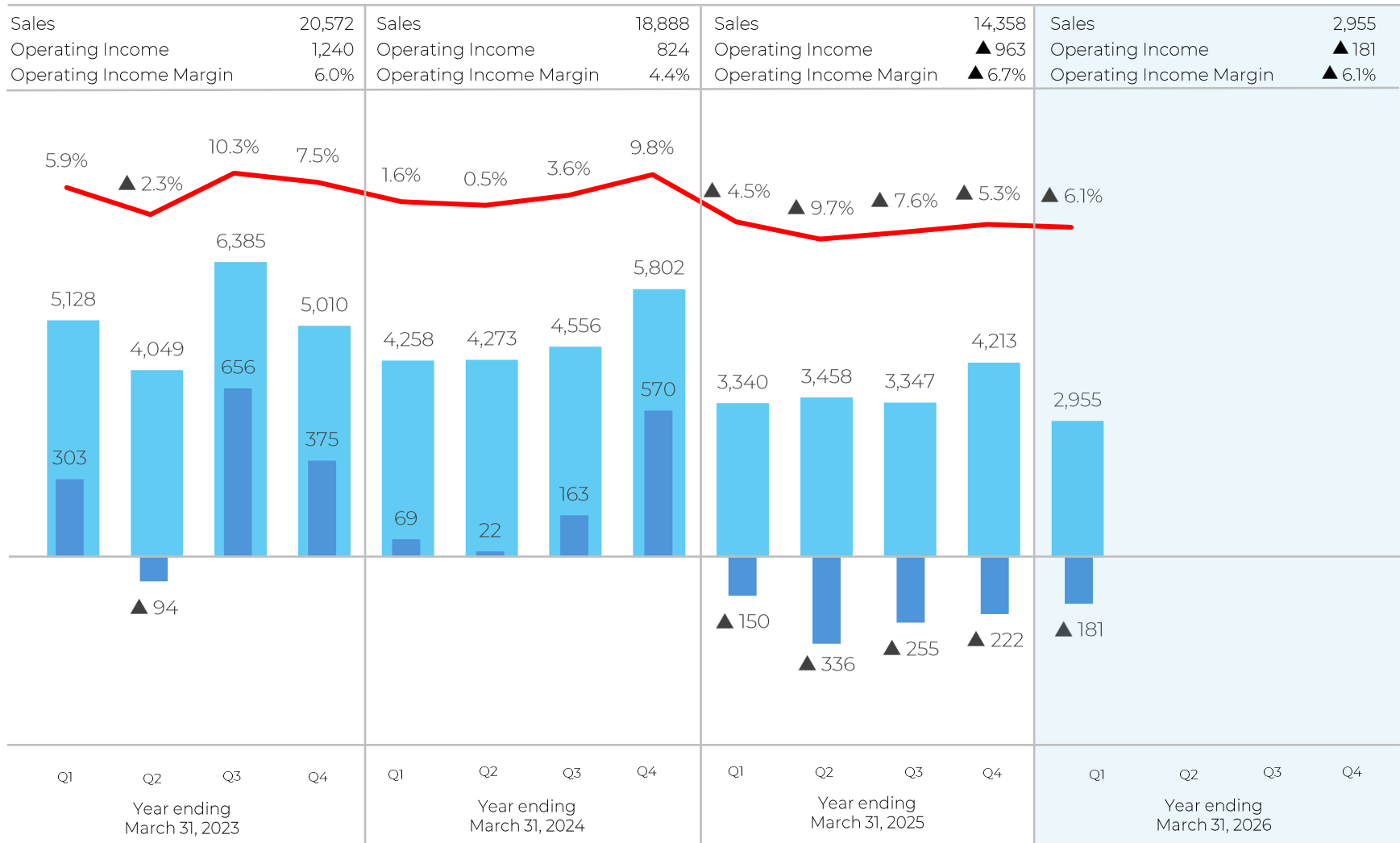


Operating Income

[Supplementary] Quarterly Segment Results: China



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



Operating Income Margin



Sales



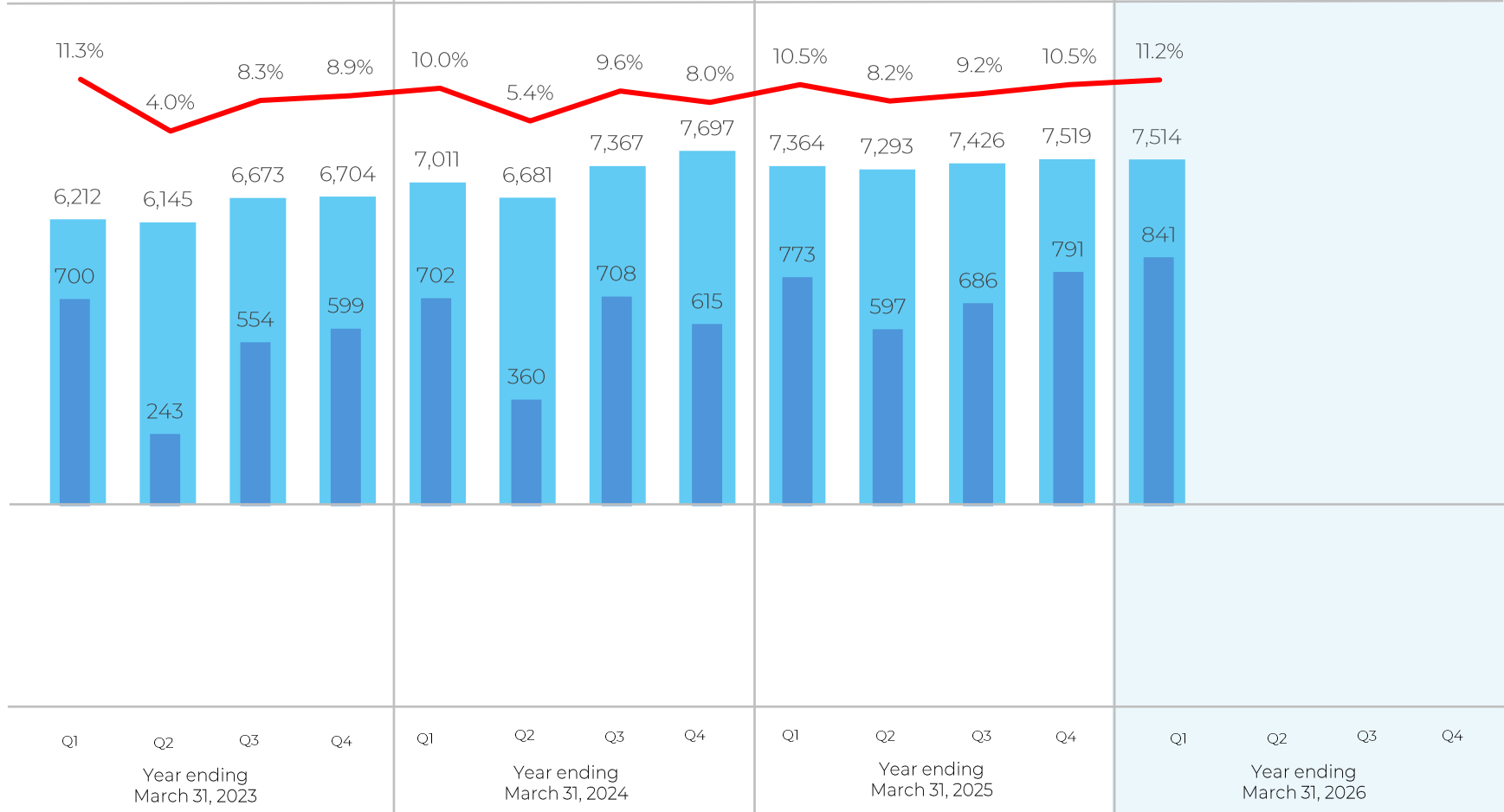
Operating Income

[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	7,514
Operating Income	2,096	Operating Income	2,384	Operating Income	2,847	Operating Income	841
Operating Income Margin	8.1%	Operating Income Margin	8.3%	Operating Income Margin	9.6%	Operating Income Margin	11.2%



Operating Income Margin



Sales



Operating Income

This presentation contains forward-looking statements reflecting Sanoh's plans, forecasts, and expectations based on the information available as of the publication date.

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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