

# Consolidated Financial Results for the year ended March 31, 2025

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

English translation from the original Japanese-language document



May 12, 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  
 Contact person : Munetoshi Sasaki, Director, Senior Executive Officer & CFO,  
 General Manager of Financial Headquarters  
 Tel. 03-6879-2622

Scheduled date of Shareholders' Meeting : June 20, 2025  
 Scheduled date of Annual Securities Report : June 23, 2025  
 Payment date of Dividend : June 02, 2025  
 Supplemental material for Financial Statements : Available  
 Schedule for Financial Results Briefing Session : Available (for Institutional Investors and Analysts)

## 1. Consolidated Results for FY2024 (April 1, 2024 to March 31, 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	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 2025	159,538	1.7	4,860	(39.7)	4,600	(37.0)	737	(82.5)
March 2024	156,814	13.9	8,053	509.7	7,296	389.6	4,216	—

Ref. Comprehensive Income: FY2024: 1,603 million yen ( $\Delta$ 84.6%) | FY2023: 10,417 million yen (— %)

	Earnings per share	Diluted EPS	Return on Equity	Return on Assets	Operating Income Margin
Year ended	Yen	Yen	%	%	%
March 2025	20.59	—	1.7	4.0	3.0
March 2024	117.42	—	10.4	7.0	5.1

### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As on March 31, 2025	117,138	48,087	37.8	1,236.34
As on March 31, 2024	111,245	48,288	40.2	1,248.37

Ref. Shareholders' Equity: FY2024: 44,272 million yen | FY2023: 44,684 million yen

### (3) Consolidated Cash Flow

	From Operating Activities	From Investing Activities	From Financing Activities	Cash and cash equivalents at the end of year
Year ended	Million yen	Million yen	Million yen	Million yen
March 2025	8,484	(8,118)	4,093	22,692
March 2024	10,139	(7,141)	743	17,653

**2. Dividends**

	Annual cash dividends per share					Total amount of dividend (Annual)	Dividend payout (consolidated)	Dividend to net assets (consolidated)
	End of Q1	End of Q2	End of Q3	Year- end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 2025	—	12.50	—	14.00	26.50	964	22.6	2.3
Year ended March 2024	—	14.00	—	14.00	28.00	1,019	136.0	2.3
Year ended March 2026 (Forecast)	—	—	—	—	—		—	

(Note) The dividend forecast for the fiscal year ending March 31, 2026 has not been determined at this time. As soon as it is determined, it will be announced.

**3. Forecast of Consolidated Results for 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

**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: Yes
  - ② Changes in accounting policies other than ① above: No
  - ③ Changes in accounting estimates: No
  - ④ Restatement: No

For more details, please refer to Note 'Changes in Accounting Policies', in '(5). Notes to the Consolidated Financial Statements' on page 14 of this document.

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

- ① Number of issued shares at the end of the period (including treasury stock):
- ② Number of treasury shares at the end of the period:
- ③ Average number of shares outstanding during the period:

FY24Q4	37,112,000	FY23Q4	37,112,000
FY24Q4	1,303,425	FY23Q4	1,318,303
FY24Q4	35,795,228	FY23Q4	35,907,058

※ Full-year Consolidated Financial Results are not subject to review by a Certified Public Accountant or Auditing Firm.

※ 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 '1 (4) FY2025 Forecast' in 'Overview of Business Performance' on page 6 of this document.

## Table of Contents

1. Overview of Business Performance for the Year Ended March 31, 2025 .....	4
(1) Overview of Operating Results .....	4
(2) Overview of Financial Position.....	5
(3) Overview of Cash Flow .....	5
(4) FY2025 Forecast .....	6
2. Basic Policy on Selection of Accounting Standards.....	6
3. Consolidated Financial Statements and Notes .....	7
(1) Consolidated Balance Sheet .....	7
(2) Consolidated Income Statement and Consolidated Comprehensive Income Statement.....	9
(3) Consolidated Statement of Changes in Net Assets.....	11
(4) Consolidated Cash Flow Statement .....	13
(5) Notes to the Consolidated Financial Statements.....	14
(Assumption of a Going Concern) .....	14
(Changes in Accounting Policies).....	14
(Additional Information) .....	14
(Notes on Segment Information).....	15
(Earnings per Share) .....	16
(Significant Subsequent Events).....	16

# 1. Overview of Business Performance for the Year Ended March 31, 2025

## (1) Overview of Operating Results

For the consolidated results of this fiscal year, Japan's macro-economic environment showed a moderate recovery trend, supported by improvements in employment and income conditions, as well as increased inbound demand, despite the impact of rising prices. However, the economic outlook remains uncertain due to exchange rate volatility. The yen's historic depreciation was followed by a rapid appreciation due to market disruptions triggered by US import tariff hikes.

Overseas, inflation in the United States has slowed down, but remained at an elevated level. Amid ongoing attention to monetary policy developments, consumer spending has weakened. Nevertheless, the labour market remained strong, underpinning economic resilience. In China, economic environment continued to stagnate due to prolonged downturn in the real estate sector. The government's economic stimulus measures had only a limited effect, and both consumer spending and investment remained sluggish. In Europe, while there were early signs of stabilization, the overall economy remained weak. Uncertainty persists due to sustained increases in energy and material costs, compounded by prolonged geopolitical tensions in the Middle East. In Asia, although the region was partially affected due to economic slowdown in China, a recovery in tourism sector and strong performance in the electronics industry supported stable economic conditions.

In Japan, the domestic automotive industry was affected by shipment suspensions of certain vehicle models due to certification irregularities. Overseas, automotive sales showed an overall upward trend. At the same time, several risk factors persist, including sustained high raw material costs, rising energy costs, and supply chain disruptions stemming from instability in the Middle East. Furthermore, the business environment in the North American market has grown increasingly uncertain following the introduction of additional tariffs under the Trump administration. These developments have led to greater cost burdens on automakers and suppliers, necessitating strategic adjustments in the sales and supply chain management. It is becoming increasingly necessary to ensure stability of supply chains, strongly manage costs, and adapt to technological advancements while closely monitoring developments in electric vehicle policies and regulatory changes across key markets.

Against this backdrop, consolidated sales for the fiscal year ended increased to JPY 159.538 billion (up 1.7% YoY). Overall revenue increased, supported by strong sales performance of Japanese OEMs in the Americas and favorable currency translation effects from yen depreciation.

As a result, operating income decreased to JPY 4.860 billion (down 39.7% YoY), and ordinary income decreased JPY 4.600 billion (down 37.0% YoY) due to reduced value-added resulting from lower sales of Japanese OEMs in China, increased labour costs in Japan and the recording of one-time expenses in the Americas. Net income attributable to owners of the parent company dropped to JPY 737 million (down 82.5% YoY). While the company recorded a gain from the sale of investment securities as extraordinary income, net income declined due to a decrease in ordinary income, as well as impairment losses and special retirement benefits expenses.

Overview of operating results by segment is as follows:

### ① Japan

Revenue in Japan declined to JPY 29.157 billion (down 2.6% YoY), due to production cuts impacting both domestic OEMs and export sales. Operating income decreased to JPY 1.014 billion (down 51.3% YoY) as a result of low revenue. Additionally, higher labor costs resulting from wage hikes, increased spending on new business investments, including commission fees and R&D costs, contributed to the decline.

### ② Americas

Revenue surged to JPY 67.288 billion (up 13.8% YoY), driven by strong sales performance of Japanese OEMs in North America and favorable currency translation effects from yen depreciation. Operating income increased to JPY 1.744 billion (up 1.6% YoY), despite one-time expenses, due to the effective implementation of price adjustments, a reduction in inflationary pressures, and improved operational efficiency leading to more stable production.

### ③ Europe

Revenue in Europe declined to JPY 21.520 billion (down 3.0% YoY) due to weak demand from European manufacturers, despite favorable currency translation effects. The segment recorded an operating loss of JPY 118 million, compared to an operating income of JPY 911 million in the previous fiscal year. The loss was due to delay in passing on the high inflationary costs of material and labour, as well as an increase in fixed costs, including system implementation expenses.

### ④ China

Revenue in China dropped significantly to JPY 13.012 billion (down 26.4% YoY) due to continued sluggish sales of Japanese OEMs. The segment recorded an operating loss of JPY 963 million, a sharp decline from operating income of JPY 824 million in the same period last year. The loss was driven by a significant decline in revenue as well as fixed costs associated with workforce reductions such as severance pay.

## ⑤ Asia

Revenue in Asia increased to JPY 28.561 billion (up 2.5% YoY), supported by higher production at the Indian subsidiary and favorable currency effects from yen depreciation. This growth offset the sluggish market conditions in Thailand and Indonesia. Operating income rose to JPY 2.847 billion (up 19.4% YoY), due to strong revenue growth and effective cost control measures that helped mitigate fluctuations in production volumes.

**(2) Overview of Financial Position**

As of the end of the fiscal year, total assets stood at JPY 117.138 billion, marking an increase of JPY 5.893 billion from the previous financial year-end. Key factors include:

- an increase in cash and deposits by JPY 5.039 billion,
- a decrease in notes receivable, accounts receivable, and contract assets by JPY 1.664 billion.
- an increase in work-in-progress of JPY 1.560 billion.
- an increase in other current assets, such as advances and prepaid expenses, of JPY 1.012 billion.
- an increase in tangible fixed assets, such as machinery and equipment, of JPY 1.529 billion.
- a decrease in investment securities of JPY 2.034 billion.

Total liabilities amounted to JPY 69.051 billion, an increase of JPY 6.094 billion from the end of the previous financial year-end. Key factors include:

- a decrease of JPY 924 million in electronically recorded obligations.
- an increase of 6.902 billion yen in long term borrowings, etc.

Net assets were JPY 48.087 billion, a decrease of JPY 201 million from the previous financial year-end. Key factors include:

- a decrease of 1.348 billion yen in valuation differences on available for sale securities.
- An increase of 908 million yen in foreign currency translation adjustments, etc.

**(3) Overview of Cash Flow**

As of the end of the fiscal year, cash and cash equivalents stood at JPY 22.692 billion, reflecting an increase of JPY 5.039 billion from the end of the previous financial year.

## i. Cash flow from Operating Activities:

Net cash provided by operating activities increased to JPY 8.484 billion (decreased by JPY 1.655 billion compared to the previous fiscal year).

This increase was primarily driven by:

- Income before income taxes of JPY 2.696 billion (JPY 6.903 billion in the previous fiscal year)
- Depreciation of JPY 6.769 billion (JPY 6.153 billion in the previous fiscal year)
- Impairment losses of JPY 1.299 billion (JPY 0.034 billion in the previous fiscal year)
- Gain on sale of investment securities of JPY 1.571 billion (JPY 0.200 billion in the previous fiscal year)
- Decrease in trade receivables of JPY 2.644 billion (increase of JPY 1.817 billion in the previous fiscal year)
- Increase in inventories of JPY 1.092 billion (decrease of JPY 3.194 billion in the previous fiscal year)
- Decrease in accounts payable of JPY 1.441 billion (increase of JPY 0.569 billion in the previous fiscal year)
- Payment of corporate income taxes amounting to JPY 1.367 billion (JPY 2.436 billion in the previous fiscal year)

## ii. Cash flow from Investing Activities:

Net cash used in investing activities totaled JPY 8.118 billion (JPY 7.141 billion in the previous fiscal year).

- Purchases of tangible fixed assets of JPY 9.435 billion (JPY 7.588 billion in the previous fiscal year)
- Proceeds from sale of investment securities of JPY 1.816 billion (JPY 0.296 billion in the previous fiscal year)

## iii. Cash flow from Financing Activities:

Net cash provided by financing activities amounted to JPY 4.093 billion (JPY 0.743 billion in the previous fiscal year).

The primary factors include:

- Outflows of JPY 1.074 billion from repayment of short-term borrowings (JPY 1.027 billion in the previous fiscal year)
- Inflows of JPY 15.0 billion from long-term borrowings (JPY 10.0 billion in the previous fiscal year)
- Outflows of JPY 7.520 billion from repayment of long-term borrowings (JPY 5.704 billion in the previous fiscal year)
- Dividend payments of JPY 1.023 billion (JPY 0.910 billion in the previous fiscal year)
- Payments of dividends to non-controlling shareholders of JPY 0.796 billion (JPY 0.640 billion in the previous fiscal year)

**(4) FY2025 Forecast**

The consolidated full-year earnings forecast for the fiscal year ending March 31, 2026, is as follows:

	Amount in JPY million	YoY Change (%)
Net Sales	147,000	-7.9%
Operating Profit	5,500	+13.2%
Ordinary Profit	4,000	-13.0%
Net Income Attributable to Owners of the Parent	1,800	+144.3%

**Notes on Earnings Forecast**

This forecast is based on information available to the Company as of the date of publication, along with certain assumptions deemed reasonable. However, actual results may differ materially due to various factors and uncertainties.

**2. Basic Policy on Selection of Accounting Standards**

The Group currently prepares its consolidated financial statements in accordance with Japanese GAAP, with a view to ensuring comparability across fiscal periods and among peer companies.

Regarding the potential adoption of IFRS, the Company will continue to monitor regulatory developments and international trends and will respond appropriately based on careful consideration of future requirements and business circumstances.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

(Amounts are rounded to the nearest million)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	17,653	22,692
Notes and accounts receivable - trade, and contract assets	19,490	17,826
Electronically recorded monetary claims - operating	863	826
Finished goods	5,119	4,871
Work in process	5,421	6,981
Raw materials and supplies	12,254	12,575
Other	3,581	4,593
Allowance for doubtful accounts	△52	△17
Total current assets	64,329	70,348
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,946	20,865
Machinery, equipment and vehicles	87,588	92,508
Tools, furniture and fixtures	13,897	14,536
Land	2,859	2,924
Leased assets	3,269	3,566
Construction in progress	4,189	5,416
Accumulated depreciation	△86,420	△91,533
Accumulated impairment	△10,183	△11,607
Total property, plant and equipment	35,145	36,674
Intangible assets		
Leased assets	57	41
Other	471	646
Total intangible assets	528	687
Investments and other assets		
Investment securities	8,741	6,707
Retirement benefit asset	159	169
Deferred tax assets	1,873	1,965
Other	471	588
Total investments and other assets	11,244	9,429
Total non-current assets	46,916	46,790
Total assets	111,245	117,138

(Amounts are rounded to the nearest million)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	9,074	9,209
Electronically recorded obligations - operating	5,355	4,431
Short-term borrowings	17,648	17,847
Accounts payable - other	2,686	4,171
Lease liabilities	457	281
Income taxes payable	531	529
Accrued consumption taxes	588	263
Provision for bonuses	1,226	1,391
Provision for bonuses for directors (and other officers)	24	30
Provision for product warranties	96	272
Other	3,535	3,453
Total current liabilities	41,219	41,878
Non-current liabilities		
Long-term borrowings	14,392	21,293
Lease liabilities	515	253
Deferred tax liabilities	2,472	1,789
Provision for retirement benefits for directors (and other officers)	163	154
Provision for loss on litigation	494	40
Retirement benefit liability	3,223	3,080
Other	479	565
Total non-current liabilities	21,738	27,173
Total liabilities	62,957	69,051
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,481	3,481
Capital surplus	2,362	2,362
Retained earnings	31,872	31,589
Treasury shares	△980	△968
Total shareholders' equity	36,735	36,465
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,671	3,324
Foreign currency translation adjustment	2,586	3,494
Remeasurements of defined benefit plans	692	989
Total accumulated other comprehensive income	7,949	7,807
Non-controlling interests	3,604	3,816
Total net assets	48,288	48,087
<b>Total liabilities and net assets</b>	<b>111,245</b>	<b>117,138</b>



**(2) Consolidated Income Statement and Consolidated Comprehensive Income Statement**

## Consolidated Income Statement

(Amounts are rounded to the nearest million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	156,814	159,538
Cost of sales	133,511	136,767
Gross profit	23,302	22,770
Selling, general and administrative expenses	15,249	17,910
Operating profit	8,053	4,860
Non-operating income		
Interest income	148	274
Dividend income	235	283
Insurance claim income	108	—
Subsidy income	146	—
Foreign exchange gains	—	238
Other	303	383
Total non-operating income	941	1,177
Non-operating expenses		
Interest expenses	774	827
Commission expenses	466	461
Foreign exchange losses	192	—
Other	266	150
Total non-operating expenses	1,698	1,438
Ordinary profit	7,296	4,600
Extraordinary income		
Gain on sale of non-current assets	50	12
Gain on sale of investment securities	200	1,571
Total extraordinary income	250	1,583
Extraordinary losses		
Loss on sale of non-current assets	6	5
Loss on retirement of non-current assets	252	764
Impairment losses	34	1,299
Loss on valuation of investment securities	—	75
Provision for loss on litigation	351	364
Extra retirement payments	—	980
Total extraordinary losses	642	3,486
Profit before income taxes	6,903	2,696
Income taxes - current	1,728	1,527
Income taxes - deferred	193	△221
Total income taxes	1,921	1,306
Profit	4,982	1,390
Profit attributable to non-controlling interests	766	653
Profit attributable to owners of parent	4,216	737

## Consolidated Comprehensive Income Statement

(Amounts are rounded to the nearest million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	4,982	1,390
Other comprehensive income		
Valuation difference on available-for-sale securities	1,848	△1,348
Foreign currency translation adjustment	3,434	1,263
Remeasurements of defined benefit plans, net of tax	153	297
Total other comprehensive income	5,435	213
Comprehensive income	10,417	1,603
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,352	594
Comprehensive income attributable to non-controlling interests	1,065	1,008

**(3) Consolidated Statement of Changes in Net Assets**

Consolidated Previous Fiscal Year (April 1, 2023 to March 31, 2024)

(Amounts are rounded to the nearest million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,481	2,365	28,565	△ 697	33,714
Changes during period					
Dividends of surplus			△ 910		△ 910
Profit (loss) attributable to owners of parent			4,216		4,216
Purchase of treasury shares				△ 303	△ 303
Disposal of treasury shares				20	20
Changes in capital surplus due to transactions with non-controlling interests		△ 3			△ 3
Net changes in items other than shareholders' equity					
Total changes during period	—	△ 3	3,306	△ 283	3,021
Balance at end of period	3,481	2,362	31,872	△ 980	36,735

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,823	△ 549	539	2,813	3,384	39,911
Changes during period						
Dividends of surplus						△ 910
Profit (loss) attributable to owners of parent						4,216
Purchase of treasury shares						△ 303
Disposal of treasury shares						20
Changes in capital surplus due to transactions with non-controlling interests						△ 3
Net changes in items other than shareholders' equity	1,848	3,135	153	5,136	221	5,357
Total changes during period	1,848	3,135	153	5,136	221	8,377
Balance at end of period	4,671	2,586	692	7,949	3,604	48,288

## Consolidated Current Fiscal Year (April 1, 2024 to March 31, 2025)

(Amounts are rounded to the nearest million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,481	2,362	31,872	△ 980	36,735
Changes during period					
Dividends of surplus			△ 1,019		△ 1,019
Profit (loss) attributable to owners of parent			737		737
Purchase of treasury shares				△ 0	△ 0
Disposal of treasury shares				12	12
Net changes in items other than shareholders' equity					
Total changes during period	—	—	△ 282	12	△ 270
Balance at end of period	3,481	2,362	31,589	△ 968	36,465

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,671	2,586	692	7,949	3,604	48,288
Changes during period						
Dividends of surplus						△ 1,019
Profit (loss) attributable to owners of parent						737
Purchase of treasury shares						△ 0
Disposal of treasury shares						12
Net changes in items other than shareholders' equity	△ 1,348	908	297	△ 143	211	69
Total changes during period	△ 1,348	908	297	△ 143	211	△ 201
Balance at end of period	3,324	3,494	989	7,807	3,816	48,087

**(4) Consolidated Cash Flow Statement**

(Amounts are rounded to the nearest million)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
<b>Cash flows from Operating Activities</b>		
Profit before income taxes	6,903	2,696
Depreciation	6,153	6,769
Impairment losses	34	1,299
Loss on retirement of property, plant and equipment	252	764
Loss (gain) on sale of property, plant and equipment	△44	△6
Interest and dividend income	△383	△557
Interest expenses	774	827
Commission expenses	466	461
Loss (gain) on sale of investment securities	△200	△1,571
Loss (gain) on valuation of investment securities	—	75
Insurance claim income	△108	—
Increase (decrease) in provision for product warranties	△542	166
Increase (decrease) in provision for loss on litigation	351	364
Extra retirement payments	—	980
Decrease (increase) in trade receivables	△1,817	2,644
Decrease (increase) in inventories	3,194	△1,092
Increase (decrease) in trade payables	569	△1,441
Increase (decrease) in provision for bonuses	37	167
Increase (decrease) in accounts payable - other	△403	442
Increase (decrease) in accrued expenses	403	△231
Increase (decrease) in retirement benefit liability	12	79
Other, net	△2,104	△1,277
Subtotal	13,546	11,556
Interest and dividends received	383	557
Interest paid	△829	△886
Commission fee paid	△445	△483
Settlement paid	△190	△818
Income taxes paid	△2,436	△1,367
Proceeds from insurance income	108	—
Extra retirement payments	—	△75
Net cash provided by (used in) operating activities	10,139	8,484
<b>Cash flows from Investing Activities</b>		
Purchase of property, plant and equipment	△7,588	△9,435
Proceeds from sale of property, plant and equipment	174	40
Purchase of investment securities	△70	△149
Proceeds from sale of investment securities	296	1,816
Other, net	46	△389
Net cash provided by (used in) investing activities	△7,141	△8,118
<b>Cash flows from Financing Activities</b>		
Net increase (decrease) in short-term borrowings	△1,027	△1,074
Proceeds from long-term borrowings	10,000	15,000
Repayments of long-term borrowings	△5,704	△7,520
Dividends paid	△910	△1,023
Dividends paid to non-controlling interests	△640	△796
Repayments of lease liabilities	△466	△495
Purchase of treasury shares	△303	△0
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	△207	—
Net cash provided by (used in) financing activities	743	4,093
Effect of exchange rate change on cash and cash equivalents	1,076	580
Net increase (decrease) in cash and cash equivalents	4,816	5,039
Cash and cash equivalents at beginning of period	12,837	17,653
Cash and cash equivalents at end of period	17,653	22,692

**(5) Notes to the Consolidated Financial Statements****(Assumption of a Going Concern)**

Not applicable

**(Changes in Accounting Policies)**

Application of "Accounting Standard for Corporate, Residence, and Business Taxes"

We have applied the "Accounting Standards for Corporate Taxes, Local Resident Taxes, Enterprise Taxes, etc." (ASBJ Statement No. 27, October 28, 2022; "2022 Revised Accounting Standards") and other standards from the beginning of this consolidated accounting period. Regarding the amendment to the classification of corporate taxes, etc. (taxation on other comprehensive income), we are following the transitional treatment set forth in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment set forth in the proviso of Paragraph 65-2 (2) of the "Guidelines for the Implementation of Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; "2022 Revised Implementation Guidelines"). Additionally, the amendment concerning the treatment of deferred tax gains and losses from intra-group sales of subsidiary shares has been applied to the consolidated financial statements from the beginning of this consolidated accounting period, in line with the "2022 Revised Implementation Guidelines". There are no impacts of this change in accounting policy on the consolidated financial statements.

**(Additional Information)**

1. Director Stock Grant Trust

Pursuant to the resolution of the 112<sup>th</sup> 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 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 158 million and 189,700 shares. As of the end of the current financial year, the book value and number of treasury shares were JPY 145 million and 174,700 shares.

**(Notes on Segment Information)****1. Overview of Reportable Segments**

The reportable segments of the Company are defined as business units for which separate financial information is available, and which are regularly reviewed by the Board of Directors to make decisions regarding the allocation of management resources and to assess performance.

The Group is primarily engaged in the manufacture and sale of automotive components, electrical components, and equipment. In Japan, these operations are carried out by the Company and consolidated subsidiaries such as Fulton Products Kogyo Co., Ltd., while overseas operations are handled by consolidated subsidiaries located in Americas, Europe, China, and Asia. These include, but are not limited to, Sanoh America Inc. (USA), Geiger Automotive GmbH (Germany), Guangzhou Sanoh Industrial Co., Ltd. (China), and Able Sanoh Industries (1996) Co., Ltd. (Thailand).

Each consolidated subsidiary functions as an independent management unit, formulating region-specific strategies for the products it handles and conducting business activities accordingly. As such, the Group's reporting structure is organized into geographical segments based on its production and sales framework. The five reportable segments are: Japan, Americas, Europe, China, and Asia.

Note that Geiger Automotive de Mexico S. de R.L. de C.V. and Geiger Automotive (Shenyang) Co., Ltd. are included in the Europe segment as their operations are managed under the oversight of the European business administration unit.

**2. Basis for Calculating Sales, Income or Loss, Assets, Liabilities, and Other Items by Reportable Segment**

The accounting methods applied to each reportable geographical segment are generally consistent with those used in the preparation of the consolidated financial statements.

Segment income figures are based on operating income.

Internal revenues and inter-segment transfers are recorded based on prevailing market prices.

**3. Information on Sales, Income or Loss, Assets, Liabilities, and Other Items by Reportable Segment Consolidated Previous Fiscal Year (April 1, 2023 to March 31, 2024)**

	Reportable Segments						Adjs. (Note 1)	Reported Amount (Note 2)
	Japan	Americas	Europe	China	Asia	Total		
<b>Sales</b>								
External Customers	29,927	59,137	22,191	17,684	27,875	156,814	—	156,814
Internal Sales & Transfers between segments	19,344	13	428	1,205	881	21,871	(21,871)	—
<b>Total</b>	<b>49,271</b>	<b>59,150</b>	<b>22,169</b>	<b>18,888</b>	<b>28,756</b>	<b>178,685</b>	<b>(21,871)</b>	<b>156,814</b>
<b>Segment income</b>	<b>2,083</b>	<b>1,717</b>	<b>911</b>	<b>824</b>	<b>2,384</b>	<b>7,920</b>	<b>133</b>	<b>8,053</b>
<b>Segment assets</b>	<b>44,880</b>	<b>29,314</b>	<b>14,589</b>	<b>14,668</b>	<b>18,534</b>	<b>121,986</b>	<b>(10,741)</b>	<b>111,245</b>
<b>Other items</b>								
Depreciation	2,033	2,358	304	783	922	6,401	(248)	6,153
Impairment Loss	—	—	—	—	34	34	—	34
Increase in Tangible and Intangible Assets	3,488	2,606	863	885	743	8,584	(185)	8,400

(Note 1) The adjustment amounts are as follows:

- (1) The adjustment amount of (21,871) million yen for net sales is the amount for eliminating inter-segment transactions.
- (2) The adjustment amount of 133 million yen in segment operating income includes reversal of provision for doubtful accounts of JPY 83 million, fixed asset adjustments of JPY 63 million, and inventory adjustments of (13) million yen.
- (3) The adjustment amount of (10,741) million yen for segment assets includes investments securities of JPY 1,737 million, assets related to administrative department of JPY 252 million, elimination of inter-segment transactions of (14,333) million yen, reversal of provision for doubtful accounts in consolidated companies of JPY 8,550 million, elimination of investment and capital of (5,556) million yen, and elimination of unrealized profits of (1,390) million yen.
- (4) The adjustment amount of (185) million yen for increase in tangible and intangible assets represents elimination of unrealized profits of (185) million yen.

(Note 2) Segment income is adjusted to match operating income in the consolidated financial statements.

(Note 3) Segment liabilities are not stated as they are not used in decision making.

## Consolidated Current Fiscal Year (April 1, 2024 to March 31, 2025)

	Reportable Segments						Adjs. (Note 1)	Reported Amount (Note 2)
	Japan	Americas	Europe	China	Asia	Total		
Sales								
External Customers	29,157	67,288	21,520	13,012	28,561	159,538	—	159,538
Internal Sales & Transfers between segments	18,863	18	746	1,346	1,040	22,014	(22,014)	—
Total	48,020	67,306	22,267	14,358	29,601	181,552	(22,014)	159,538
Segment income	1,014	1,744	(118)	(963)	2,847	4,525	335	4,860
Segment assets	49,427	30,766	15,890	12,307	19,899	128,289	(11,151)	117,138
Other items								
Depreciation	2,272	2,409	627	797	922	7,027	(258)	6,769
Impairment Loss	—	—	91	1,127	95	1,313	(14)	1,299
Increase in Tangible and Intangible Assets	4,689	2,030	1,594	489	947	9,749	(174)	9,575

(Note 1) The adjustment amounts are as follows:

- (1) The adjustment amount of (22,014) million yen for net sales is the amount for eliminating inter-segment transactions.
- (2) The adjustment amount of 335 million yen in segment operating income includes fixed asset adjustments of JPY 84 million, and inventory adjustments of JPY 251 million.
- (3) The adjustment amount of (11,151) million yen for segment assets includes investments securities of JPY 2,072 million, assets related to administrative department of JPY 372 million, elimination of inter-segment transactions of (15,390) million yen, reversal of provision for doubtful accounts in consolidated companies of JPY 8,947 million, elimination of investment and capital of (5,989) million yen, and elimination of unrealized profits of (1,163) million yen.
- (4) The adjustment amount of (174) million yen for increase in tangible and intangible assets represents elimination of unrealized profits of (174) million yen.

(Note 2) Segment income is adjusted to match operating income in the consolidated financial statements.

(Note 3) Segment liabilities are not stated as they are not used in decision making.

**(Earnings per Share)**

The basis of calculating earnings per share is as follows:

	FY2023 (April 1, 2023, to March 31, 2024)	FY2024 (April 1, 2024, to March 31, 2025)
Net Assets per Share	1,248.37	1,236.34
Earnings per Share	117.42	20.59
(Basis of Calculation)		
Net Income		
Attributable to the Shareholders of the Parent Company (in Million Yen)	4,216	737
Not Attributable to Common Shareholders (in Million Yen)	—	—
Attributable to the Shareholders of the Parent Company Relating to Common Shares (in Million Yen)	4,216	737
Average Number of Common Shares Outstanding During the Period (in thousands)	35,907	35,795

**Notes**

1. Diluted earnings per share is not reported as there are no potentially dilutive shares.
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.
3. The average number of treasury shares deducted in the calculation of Net Assets per Share is 600,700 shares at the end of the previous fiscal year and 585,700 shares at the end of the current fiscal year.  
The average number of treasury shares deducted in the calculation of Earnings per Share is 487,485 shares at the end of the previous fiscal year and 599,097 shares at the end of the current fiscal year.

**(Significant Subsequent Events)**

Not applicable