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November 14, 2025

Company name:	Sanoh Industrial Co., Ltd.
Representative:	Genya Takeda, Director & President
(Code No:	6584)
Contact Person:	Munetoshi Sasaki, Director, Senior Executive Officer & CFO, General Manager of Financial Headquarters (Tel: 03-6879-2622)

Recognition of Extraordinary Income (Gain on Bargain Purchase)

We hereby announce that, as a result of acquiring all equity interests in Winkelmann Powertrain México S. de R.L. de C.V., we have recorded an extraordinary income on account of a gain on bargain purchase (i.e., negative goodwill) as described below:

1. Amount of Gain on Bargain Purchase (i.e., Negative Goodwill)

JPY 2,595 million

2. Reason for Recognition

As previously disclosed on July 11, 2025 in the '(Progressive Disclosure) Completion of Acquisition of Equity Interest in Winkelmann Powertrain México S. de R.L. de C.V. (To Make It a Subsidiary)' we have acquired all equity interests in Winkelmann Powertrain México S. de R.L. de C.V. on July 10, 2025, and consolidated it as a subsidiary with a deemed acquisition date of September 30, 2025. Accordingly, we recognized a gain on bargain purchase i.e., negative goodwill during the second quarter of the fiscal year ending March 31, 2026. Please note that this amount is provisional, as the purchase price allocation has not been completed as of the end of the second quarter. Further, Winkelmann Powertrain México S. de R.L. de C.V. has been renamed to Sanoh Powertrain México S. de R.L. de C.V.

3. Future Outlook

The above gain has already been incorporated in the 'Consolidated Financial Results for the Quarter Ended September 30, 2025' disclosed today. With regard to 'Forecast of Consolidated Results for the Year Ending March 31, 2026' announced on May 12, 2025, the Company will carefully assess the finalized amount of gain on bargain purchase, and its impact on full-year performance. Any necessary revisions to the forecast will be disclosed promptly.