FY2025 2nd Quarter

Financial Results Briefing

November 27, 2025

Sanoh Industrial

(Securities Code: 6584, TSE Prime Market)

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

FY2025 2nd Quarter
Overview of Financial Results

Munetoshi Sasaki
Director and CFO

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	
					Variance			
	Amount	%	Amount	%	Amount	%	Amount	Progress (%)
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)

Japan
(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.

Americas
(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.

Europe
(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.

China
(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.

Asia
(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

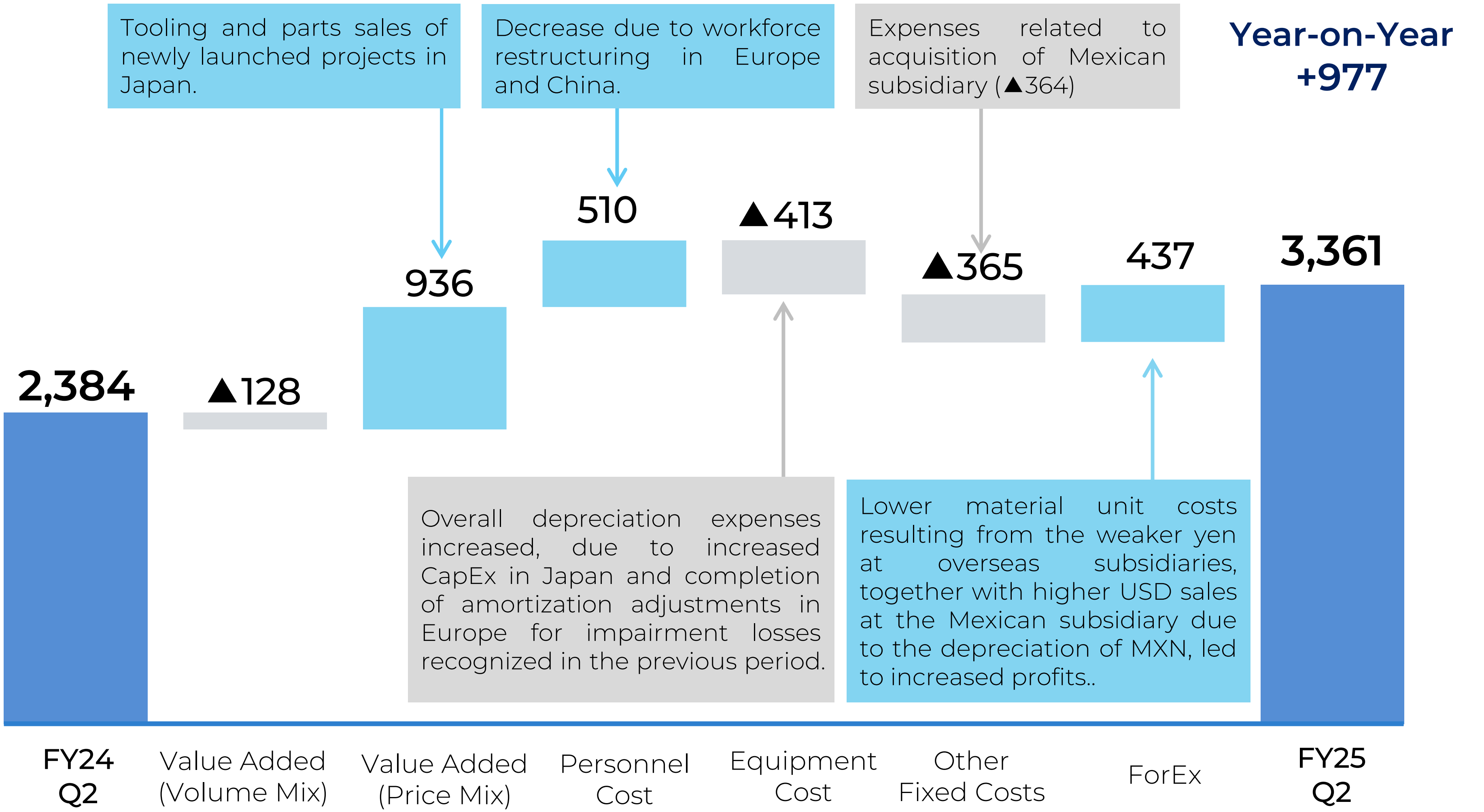
(All amounts are in million yen except percentages, and per share data)

Particulars		Quarter Ended September 30, 2024	Quarter Ended September 30, 2025			Major Factors for Change
		Amount	Amount	Variance Amount	Variance %	
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	

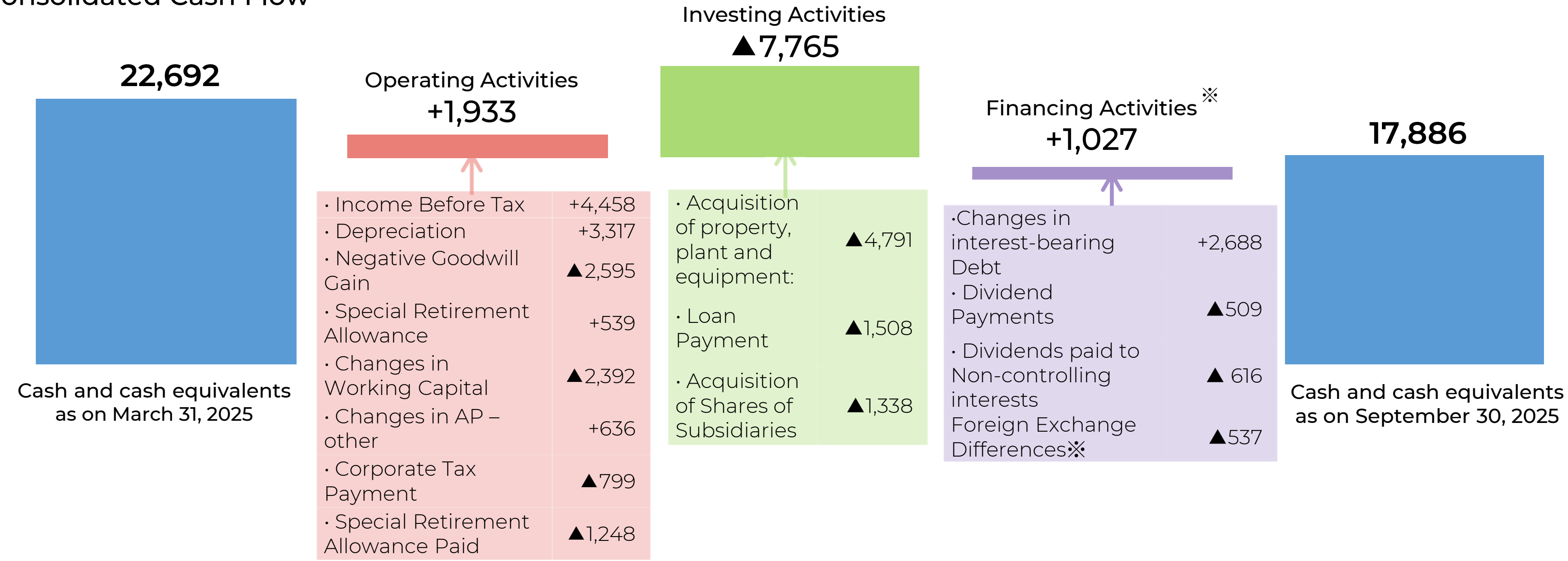
Note	FY24Q4		FY25Q2
D/E Ratio	0.90	→	0.92
Equity Ratio	37.8	→	37.3

	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

Mid-term Strategy and Target Overview and Progress

Genya Takeda

Director, President and COO

Overview①

In the Automotive Parts Business, we will execute the Sanoh Last Man Standing Strategy (our survivor-benefit strategy) and aim to achieve the No.1 global market share in the automotive tubing market by FY2030.
Furthermore, through two major transformations, we will build a resilient multi-product portfolio and continue to achieve sustainable growth beyond 2030.

As long as customers need us,
we will never withdraw.
We will carry out the "**Sanoh Last Man Standing Strategy.**"

By capturing the survivor's benefit,
we aim to become the No.1
in global market share.

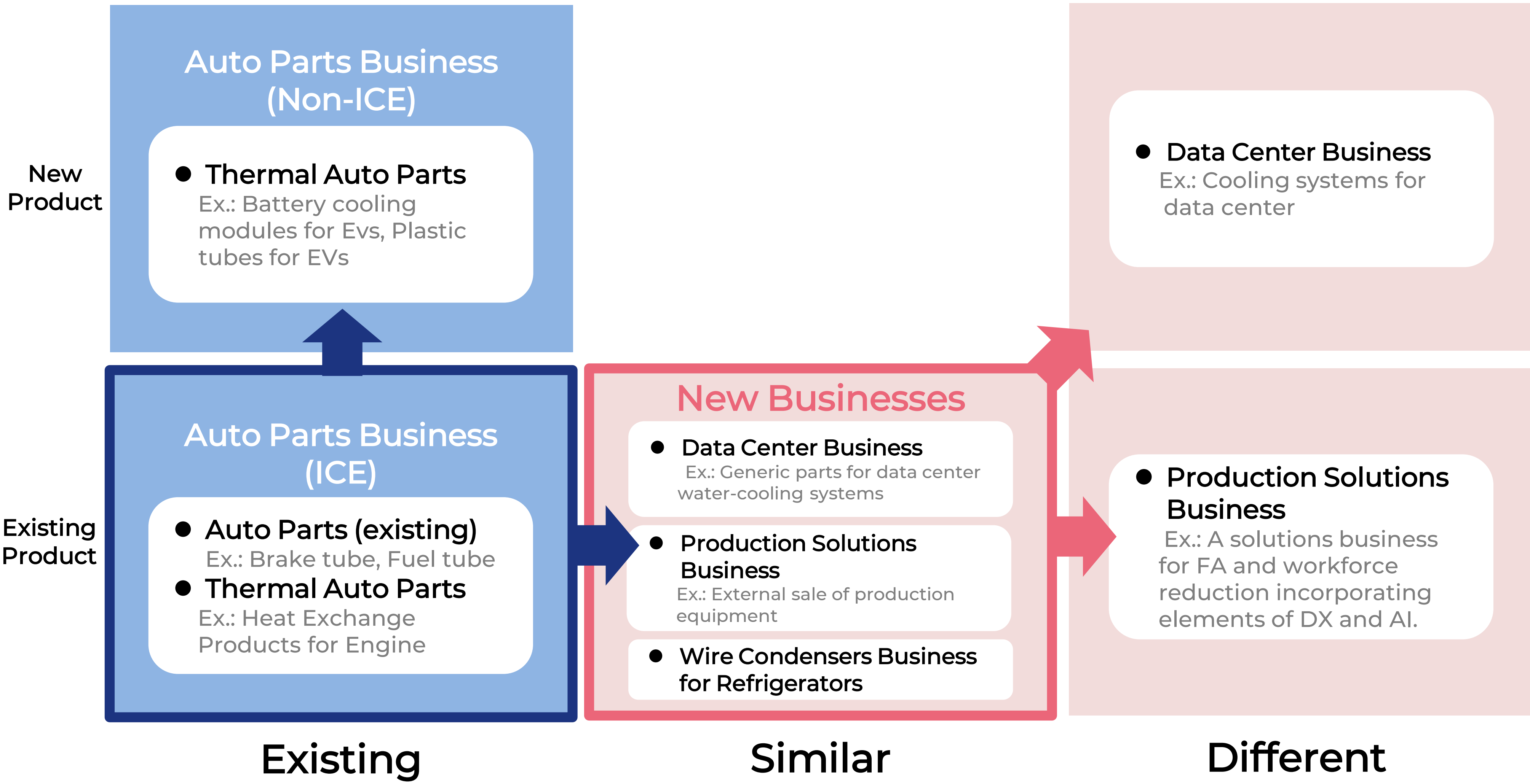
Auto Parts Business → New Business

ICE → Non-ICE

→ Build a Resilient Multi-Product Portfolio

Overview②

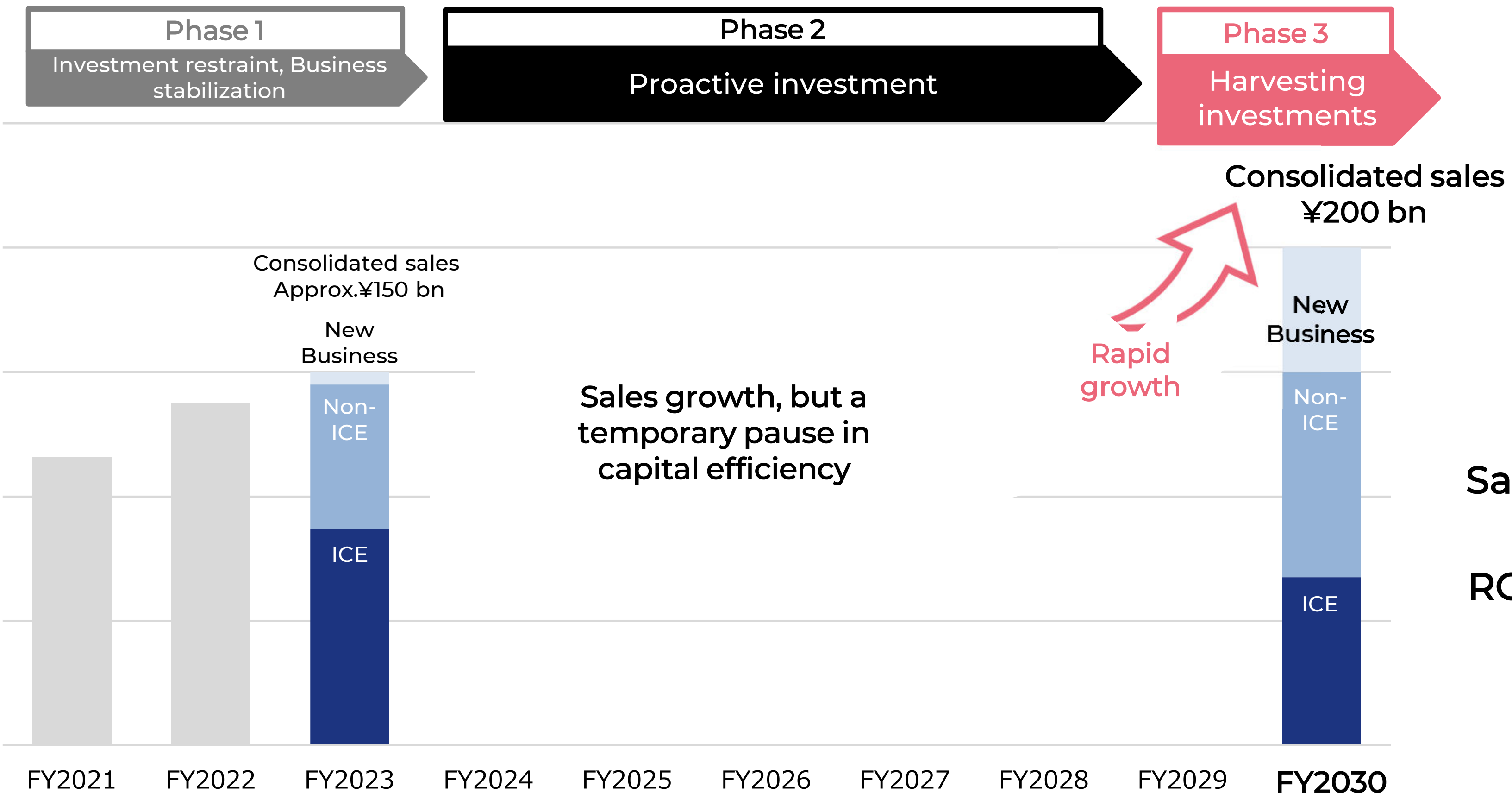
From a mid-term perspective, we aim to turn the **Automotive Parts Business into a cash cow** through the "Sanoh Last Man Standing Strategy" (our survivor-benefit strategy), while in the long term we seek to **build a Resilient Multi-Product Portfolio** by transforming **Automotive Parts Business** into **New Businesses** and shifting from **ICE to Non-ICE.**



Overview③

Since FY2021, we have focused on stabilizing our business foundation by restraining investments (Phase 1). Going forward, we will move into Phase 2, proactively making investments to sow the seeds for future growth. In the following two years, we will transition to Phase 3, harvesting the results of these investments, enabling rapid growth. Through this process, we aim to achieve consolidated sales of ¥200 billion and an ROE of over 15% by FY2030.

Roadmap & Quantitative Targets to FY2030



FY2030 Targets

Sales	¥200 bn
ROE	Over 15%

Main Strategies in Each Business

Automotive Parts Business

As the only "specialized" global supplier of automotive tubing, we are aiming to achieve the No.1 share of the global automotive tubing market through a "Sanoh Last Man Standing Strategy" aimed at gaining business advantages by continuing to operate in existing markets.

1. Improve Profit Margins by Leveraging High Market Share / Switching Cost
2. Improve Local Production Functions & Productivity of Global Customer Production Framework
3. "Tier 1.5 Strategy" for Thermal Automotive Components

New Businesses

Leverage automotive tubing technology to expand into new businesses such as data centers, liquid-cooling tubing for home appliances, and external sale of equipment

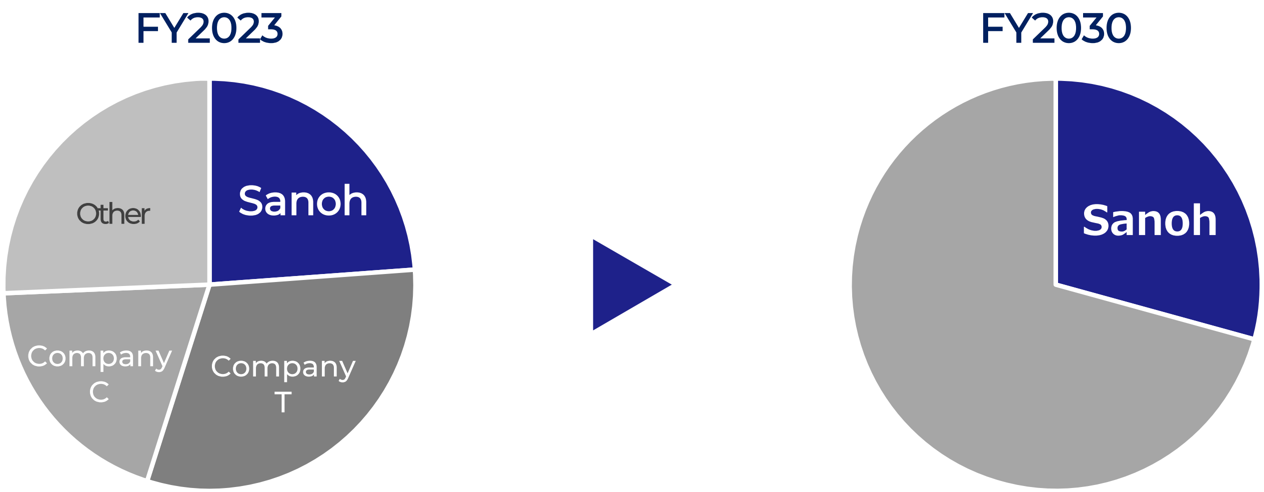
1. Developing Water-Cooling Device for Data Centers (DCs)
2. Developing a Business Model for Production Solutions
3. Thermal x Production Solutions: Cross-domain Wire Condenser Business for Refrigerators

Improve Profit Margins by Leveraging High Market Share / Switching Cost

Improve profit margins by leveraging high market share and the existence of high switching costs for the supply of difficult-to-replace critical safety parts through customer production, including onsite supply.

Sanoh Last Man Standing Strategy is beginning to deliver results not only in the UK and Brazil, but also across the Americas and Europe. Expanding market share and pursuing inorganic approaches are key drivers.

Global share of automotive tubing market (FY2023) and Sanoh's target global position



Recently, inquiries have increased in the Americas and Europe.

In the Automotive Parts Business, it takes approximately two years from receiving an order to recording the related sales. Therefore, if we secure orders in the Americas and Europe, the resulting impact on our business performance is expected to materialize from FY2026 onward.

Improve Local Production Functions & Productivity of Global Customer Production Framework

With the formation of bloc economies throughout the world, we will invest in our existing local production networks worldwide to improve the local production functions and productivity of our customer production frameworks, which represent a barrier to entry.

FY2024: We executed approximately ¥9.4 bn in capital expenditures.
FY2025: We plan to continue making aggressive investments, focusing on the following key regions, and have already executed approximately ¥4.8 bn in capital expenditures through the Q2.

Japan

Enhancement of production functions through the expansion of pipe-forming capacity, the reorganization of domestic operations, and the automation of production equipment.

Americas

Enhancement of production functions through capacity expansion and renewal of production equipment, supported by favorable market conditions and an increase in transferred orders from competitors' customers, despite concerns over the uncertainty of potential Trump tariffs.

▼

Acquisition of Winkelmann Powertrain México (currently Sanoh Powertrain Mexico) as a subsidiary (July 2025)

- Securing stable cash flows
- Establishing a strong market position in Mexico
- Diversifying the customer portfolio and dispersing risk
- Achieving the "Sanoh Last Man Standing Strategy"

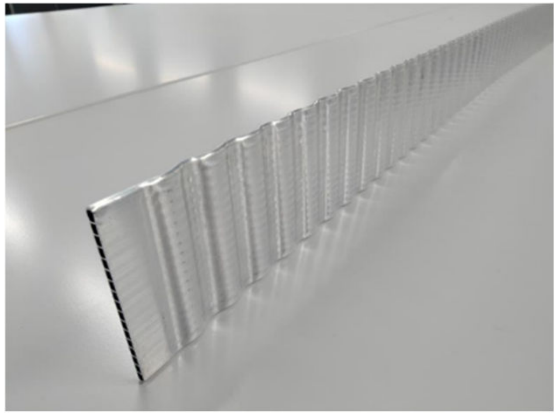
India

Enhancement of production functions through the construction of a new pipe-forming plant and the renewal of production equipment, backed by favorable market conditions.

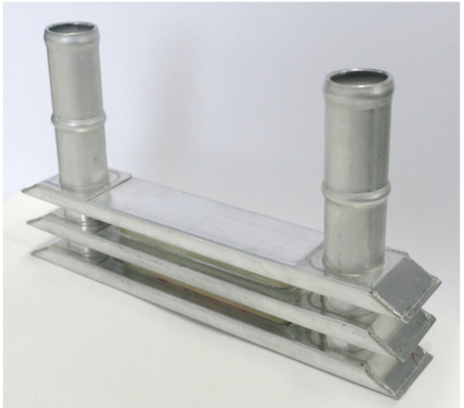
"Tier 1.5 Strategy" for Thermal Automotive Components

We will pursue this strategy aimed at supplying thermal automotive parts not only directly to OEMs, but also to system/module suppliers who are handling CASE functions and transforming into mega-suppliers.

We are focusing on the development of automotive components used for thermal management around batteries, inverters, and computers installed in BEVs and other vehicles—such as cooling plates and plastic tubes. We are currently receiving prototype orders and advancing joint development with OEMs and Tier-1 suppliers.



Case: Development of side-cooling plates
for cylindrical EV batteries



Case: Receipt of prototype orders
for EV inverter cooling plates

①Developing Water-Cooling Device for Data Centers (DCs)

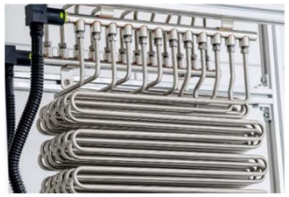
With the global DC market expected to expand in the future, we will expand our business domain through a combination of our proprietary products and inorganic growth efforts, for both air- and liquid-cooling systems - the primary cooling methods for servers.

Air cooling

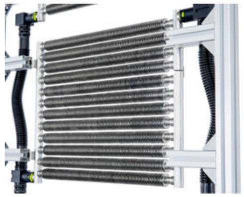
Retrofit for existing equipment

Active Flap Doors

Indirect liquid cooling (rear-door)

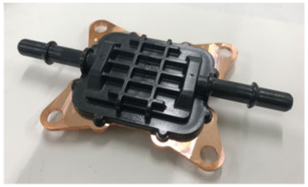


Pipe-type



Fin Pipe-type

Direct liquid cooling (DLC)



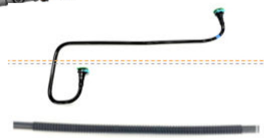
Cooling plates

Liquid cooling common parts

Shut-off Connector

Ball Valve Joints

Manifolds



Prastic Tubes ASSY

Immersion cooling

Considering future entry

Data Center Business - Business Progress

Order results❶

Order received for Water-Cooling Module for Container-Type Data Centers

We are jointly developing with Getworks Co., Ltd. a water-cooling solution designed to be broadly compatible with water-cooled servers manufactured by multiple vendors. As part of this initiative, Getworks has placed an order for our mass-produced water-cooling module (SUS manifold, Plastic Tubes, Ball Valve Joints, Conversion joints).

Order results❷❸

- **Order received for two sets of Ball Valve Joints from a manufacturer.**
- **Order received for four sets of Ball Valve Joints from a manufacturer.**

Our "leak-free" quality, as well as the lightweight and compact design, has been highly valued not only for data centers but also for other applications, leading to multiple orders from several companies.

▼

In addition to the above, collaborations and trials with various other manufacturers and businesses are also underway. At present, we expect the sales contribution in FY2025 to be on the order of several tens of millions yen, and aim for sales in the hundreds of millions of yen in FY2026. We will continue to focus on building a strong track record, with the aim of **achieving 20 to 25 billion yen in annual sales from data center business alone by FY2030.**

Development❶

Development of the new air cooling product, 'Active Flap Door'

Contributing to sustainable data center operations through improved cooling efficiency and reduced power costs. According to our estimates, under specific conditions, the solution can reduce electricity costs by approximately ¥240 per rack per day. For a 200-rack data center, this translates to an annual reduction of about ¥ 17.5 mm.

Open

Close

Development ❷

New production method for 'Manifolds', the key components of water-cooled server cooling systems

Enabling high-precision direct threading on stainless steel pipes, achieving significant reductions in the number of components, weight savings, and lower manufacturing costs.

Collaborations with Other Companies

Participation in the next-generation data center technology testing facility 'Data Center Trial Field' (Ongoing since November 2024)

Established in November 2024 by NTT DATA Corporation and Hibiya Engineering, Ltd., the facility aims to expand the community in the data center domain, promote collaboration, and address industry challenges. Among the many participating companies from various sectors, we have installed a permanent showcase of products designed to meet on-site data center needs, including Ball Valve Joints with leak-prevention features and compatible interface variants, as well as Plastic Tube Assy. Since its opening, the facility has been visited on-site by 708 individuals from 163 companies (as of the end of September 2025).

②Developing a Business Model for Production Solutions

By leveraging our expertise in in-house production of equipment and devices, we will aim to commercialize our production solutions while helping improve the productivity of both the Sanoh Group and external customers through external sale of equipment, which is a market expected to grow in line with increasing demand for automation.

Factory Automation

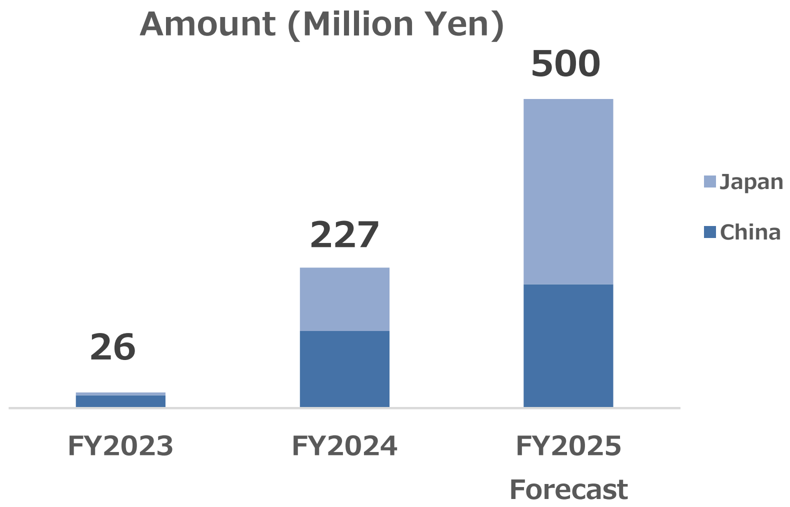
External sales of FA equipment for manufacturing automation, in addition to our versatile production equipment developed through automotive parts manufacturing

Major order examples	Amount (Million Yen)
Automatic conveying system for automotive parts production lines	71
Pipe cutting machine for modular bathrooms	29
Sheet bending machine for home appliances	33

Customized matching

Procurement and customized delivery of low-cost, short-lead-time overseas FA equipment tailored to customer needs

Results and Outlook



Breakdown of order amount and number of orders

Japan	5（1）	102（28）	300（40）
China	21（8）	125（43）	200（70）

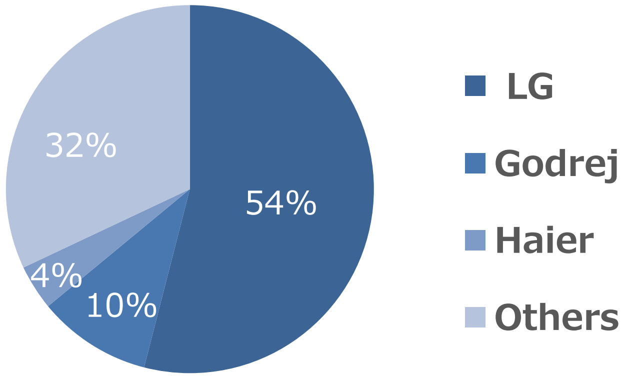
The currency is shown in million yen, and the numbers in parentheses indicate the number of orders.

Thermal x Production Solutions:

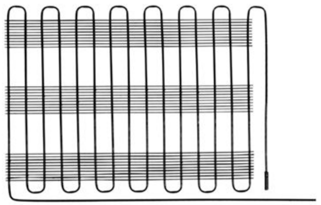
Cross-domain Wire Condenser Business for Refrigerators

We will work to expand the wire condenser business in the fast-growing refrigerator market in India. This overseas business captures demand for both tubing products and equipment needs in the water-cooling market, Sanoh's core market.

Customer composition as a share of sales (FY2024)

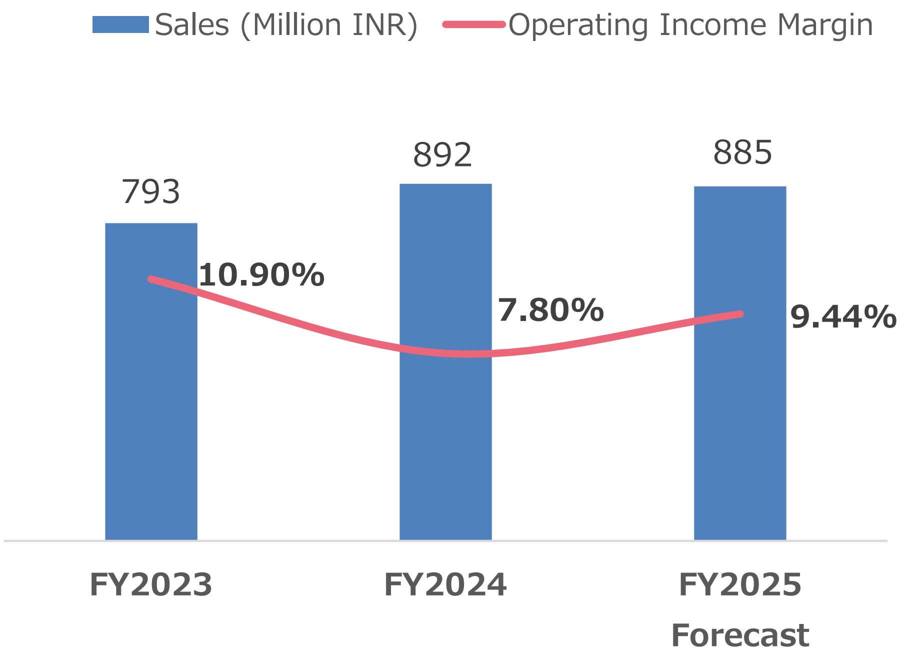


Products


Wire Condenser


Spiral Condenser

Results and Outlook

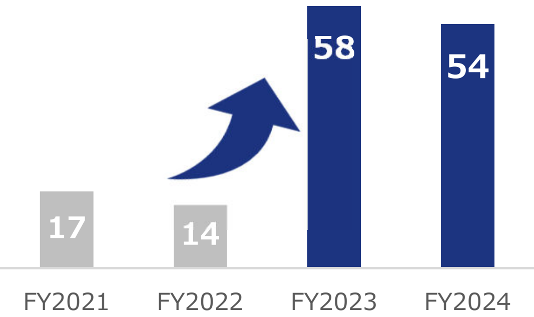


IR Activities

To further enhance understanding of our current positioning and future growth strategy, we are committed to **expanding opportunities for dialogue with investors and improving both the quality and quantity of our IR.**

1-on-1 Meetings

Since announcing our entry into the data center business in February 2024, the number of investor meetings **has increased sharply**. We are also proactively reaching out to investors.



Hosting Various Briefings

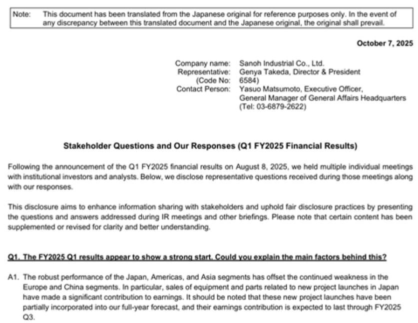
As part of our efforts to engage with stakeholders, we hold **earnings briefings for institutional investors and analysts**, as well as **corporate presentations for individual investors.** We also conduct **integrated report briefings.** Furthermore, as a new initiative, we are considering creating opportunities for **dialogue between investors and our outside directors.**

Factory Tours

We host **factory tours** for institutional investors at Koga Plant (Head Office) in Ibaraki Prefecture, offering opportunities to deepen their understanding of our products and manufacturing processes. Small group meetings are also held after the tours.

Proactive Information Disclosure

We regularly publish **Stakeholder Questions and Our Responses.** In addition, we intend to continue actively disclosing information related to our growth strategies, including our data center business.



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October 7, 2025

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

Stakeholder Questions and Our Responses (Q1 FY2025 Financial Results)

Following the announcement of the Q1 FY2025 financial results on August 8, 2025, we held multiple individual meetings with institutional investors and analysts. Below, we disclose representative questions received during those meetings along with our responses.

This disclosure aims to enhance information sharing with stakeholders and uphold fair disclosure practices by presenting the questions and answers addressed during IR meetings and other briefings. Please note that certain content has been supplemented or revised for clarity and better understanding.

Q1. The FY2025 Q1 results appear to show a strong start. Could you explain the main factors behind this?

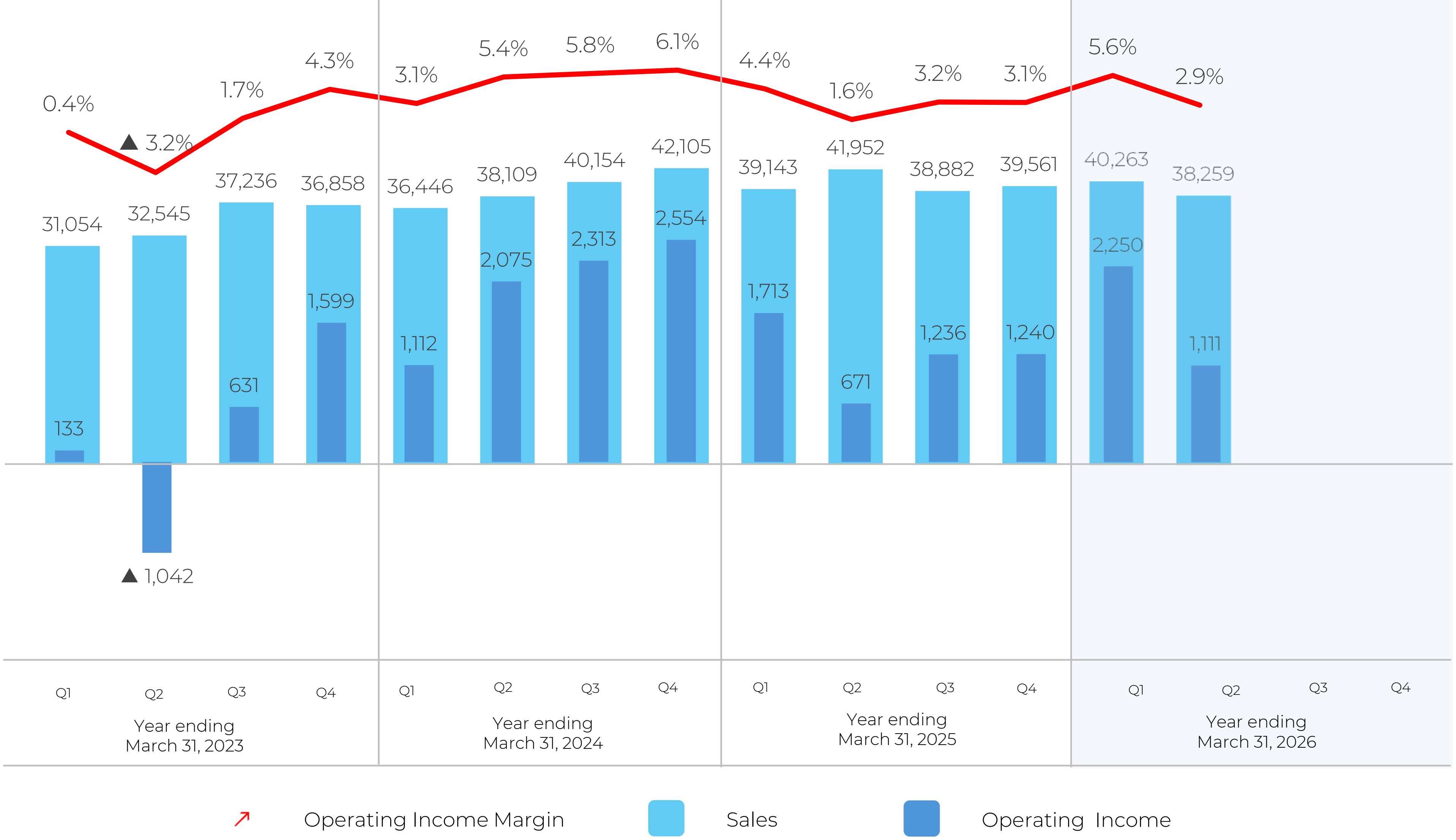
A1. The robust performance of the Japan, Americas, and Asia segments has offset the continued weakness in the Europe and China segments. In particular, sales of equipment and parts related to new project launches in Japan have made a significant contribution to earnings. It should be noted that these new project launches have been partially incorporated into our full-year forecast, and their earnings contribution is expected to last through FY2025 Q3.

Supplementary

Quarterly Segment Results: Consolidated

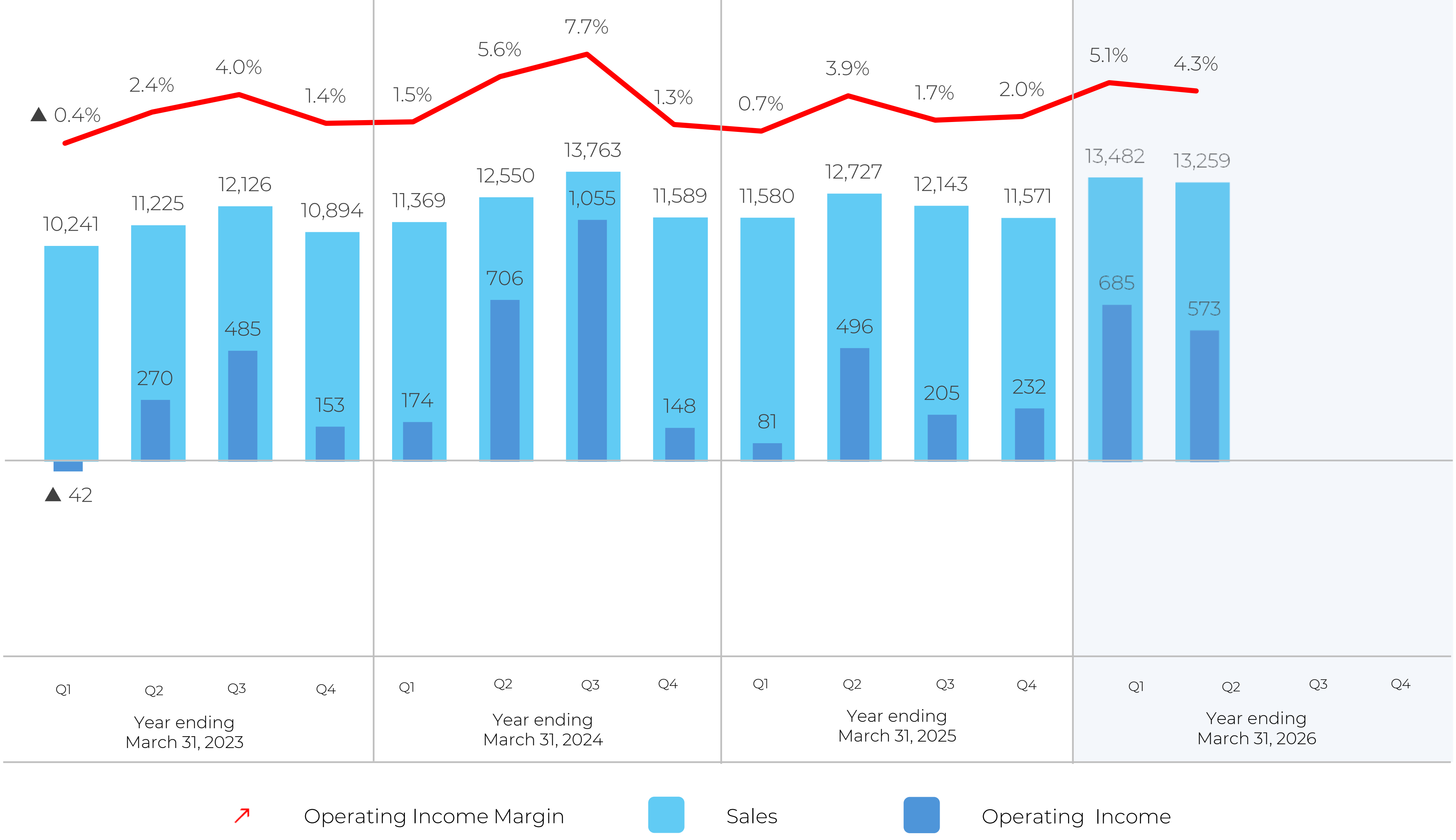
(All amounts are in million yen except percentages, and per share data)

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



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

	Year ending March 31, 2023	Year ending March 31, 2024	Year ending March 31, 2025	Year ending March 31, 2026
Sales	44,485	49,271	48,020	26,742
Operating Income	865	2,083	1,014	1,259
Operating Income Margin	1.9%	4.2%	2.1%	4.7%
Exchange rate (Yen/USD)	131.4	140.6	151.6	148.6



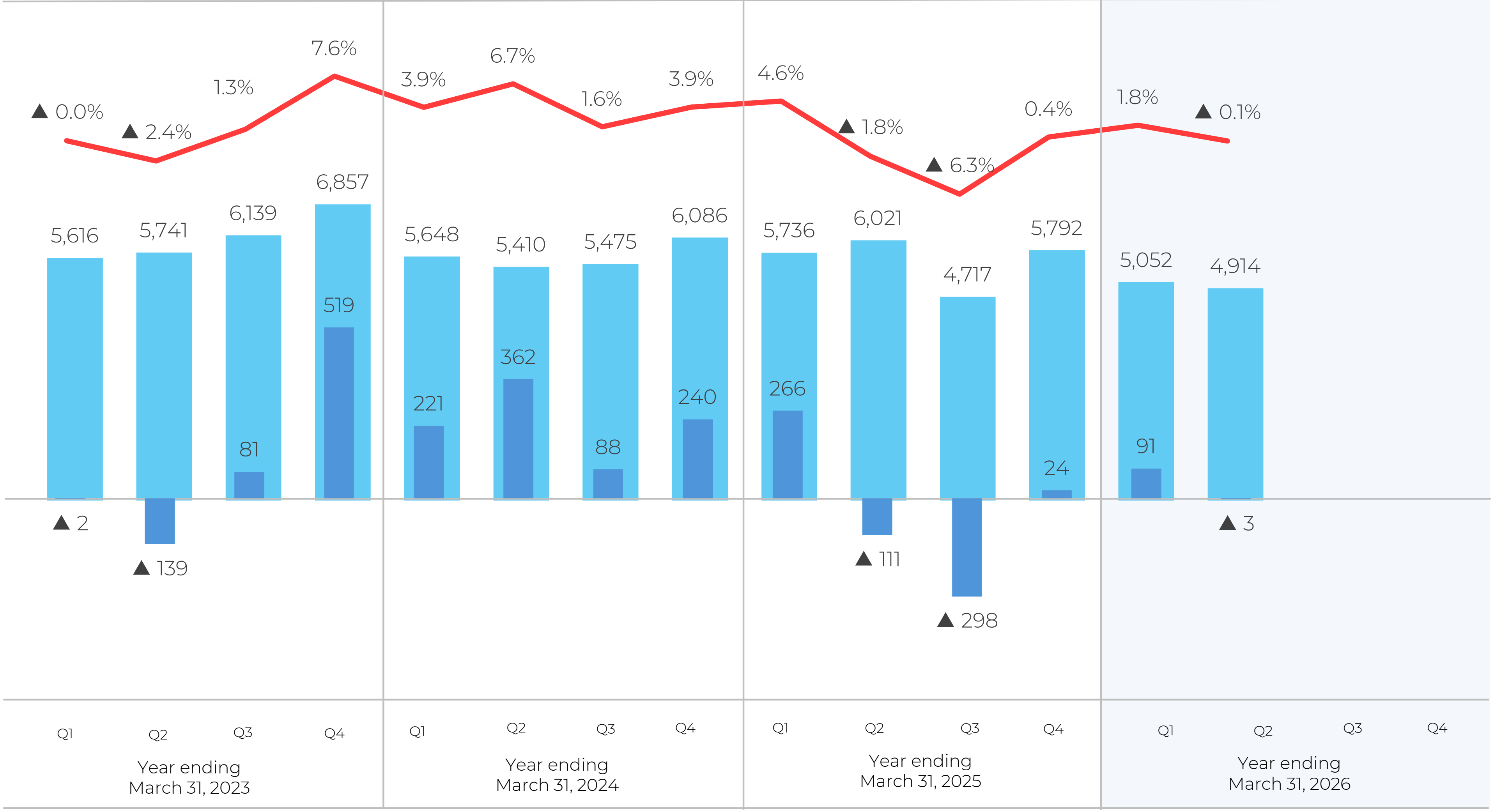
(All amounts are in million yen except percentages, and per share data)

	Year ending March 31, 2023	Year ending March 31, 2024	Year ending March 31, 2025	Year ending March 31, 2026
Sales	42,107	59,150	67,306	32,838
Operating Income	▲ 3,928	1,717	1,744	1,090
Operating Income Margin	▲ 9.3%	2.9%	2.6%	3.3%
Exchange rate (Yen/USD)	131.4	140.6	151.6	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.

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

Sales	24,353	Sales	22,619	Sales	22,267	Sales	9,966
Operating Income	460	Operating Profit	911	Operating Profit	▲118	Operating Profit	88
Operating Income Margin	1.9%	Operating Profit Margin	4.0%	Operating Profit Margin	▲ 0.5%	Operating Profit Margin	0.9%



※ 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

Quarterly Segment Results: China

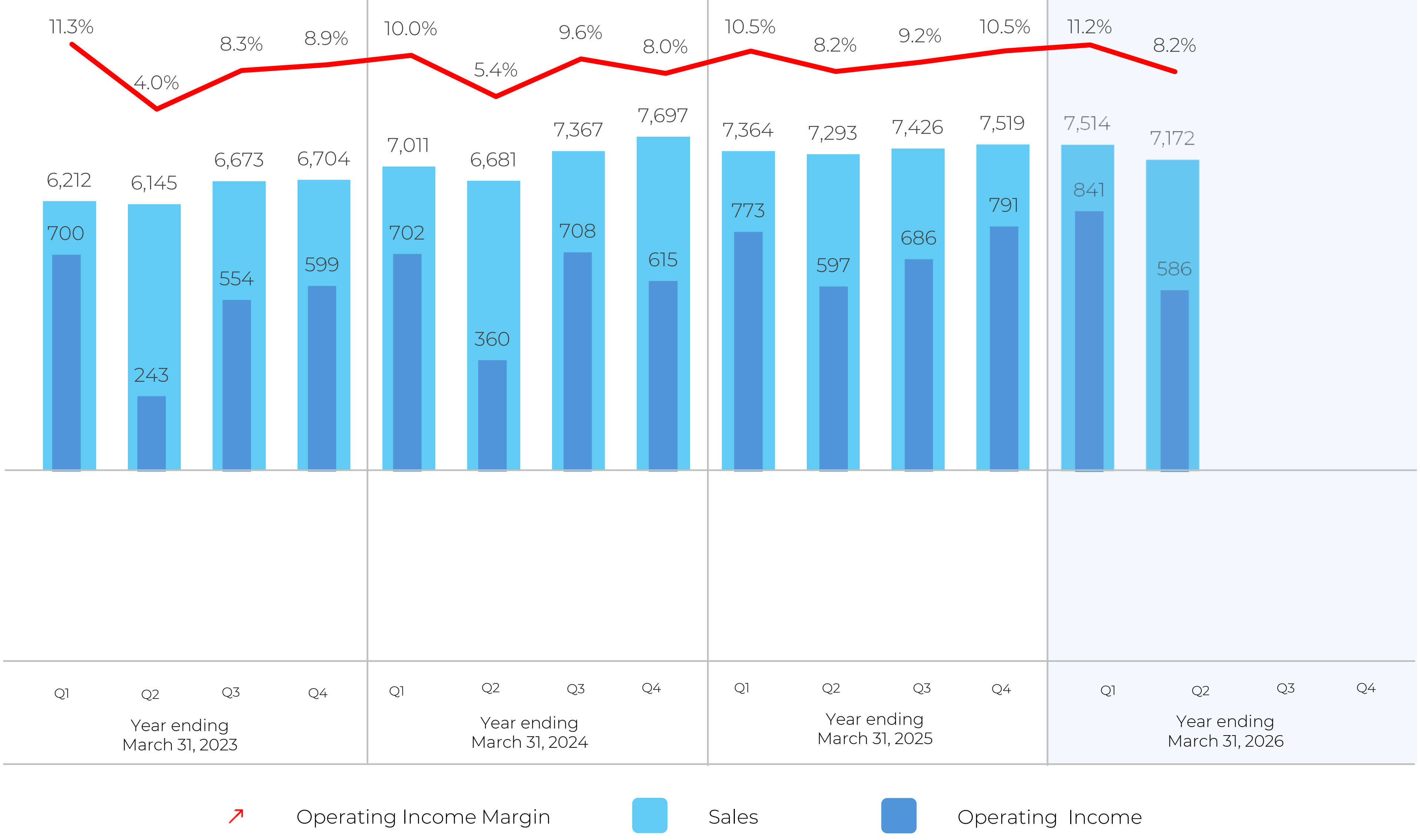
(All amounts are in million yen except percentages, and per share data)

	Year ending March 31, 2023	Year ending March 31, 2024	Year ending March 31, 2025	Year ending March 31, 2026
Sales	20,572	18,888	14,358	5,832
Operating Income	1,240	824	▲ 963	▲ 314
Operating Income Margin	6.0%	4.4%	▲ 6.7%	▲ 5.4%

Quarterly Segment Results: Asia

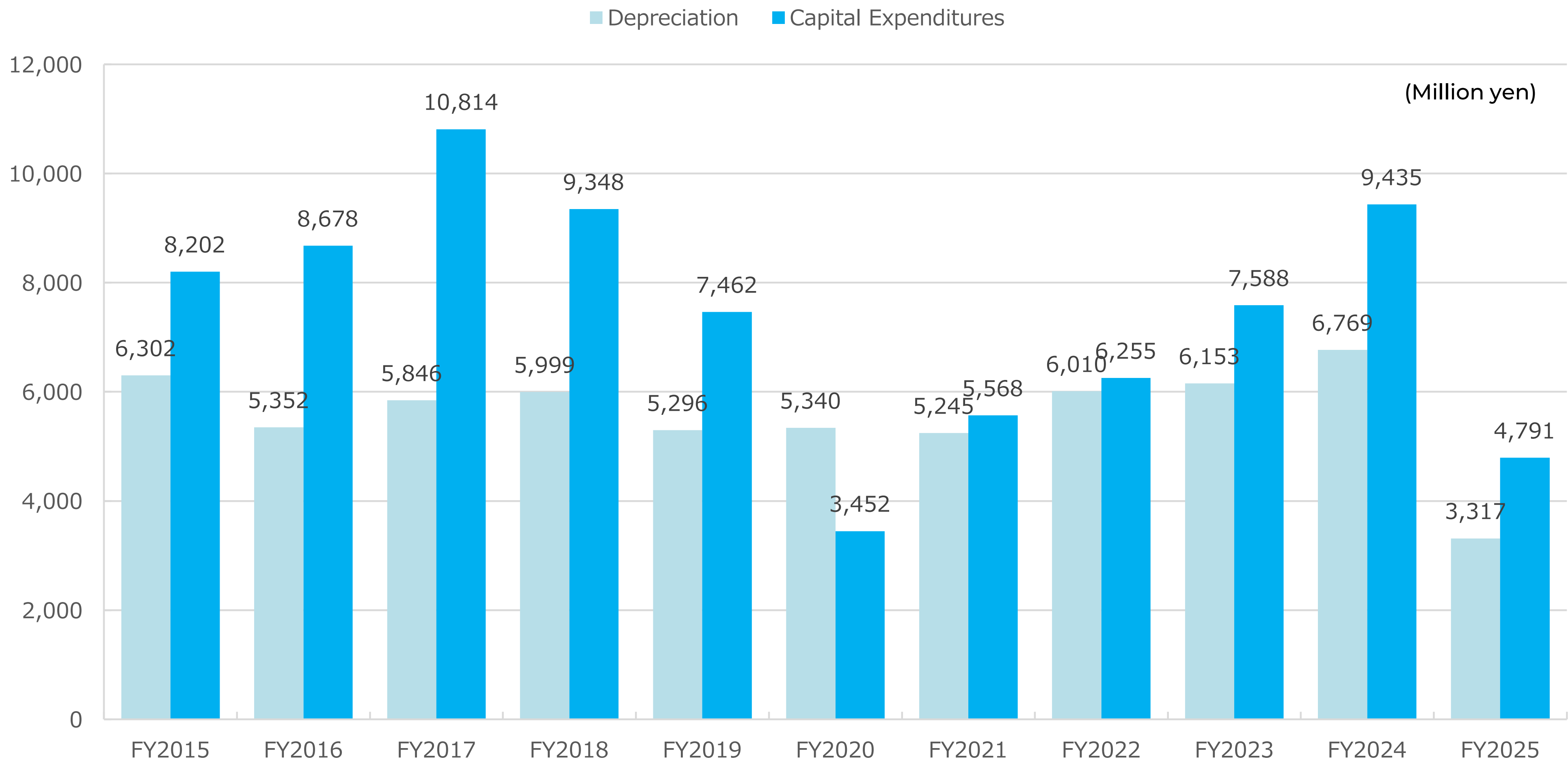
(All amounts are in million yen except percentages, and per share data)

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%



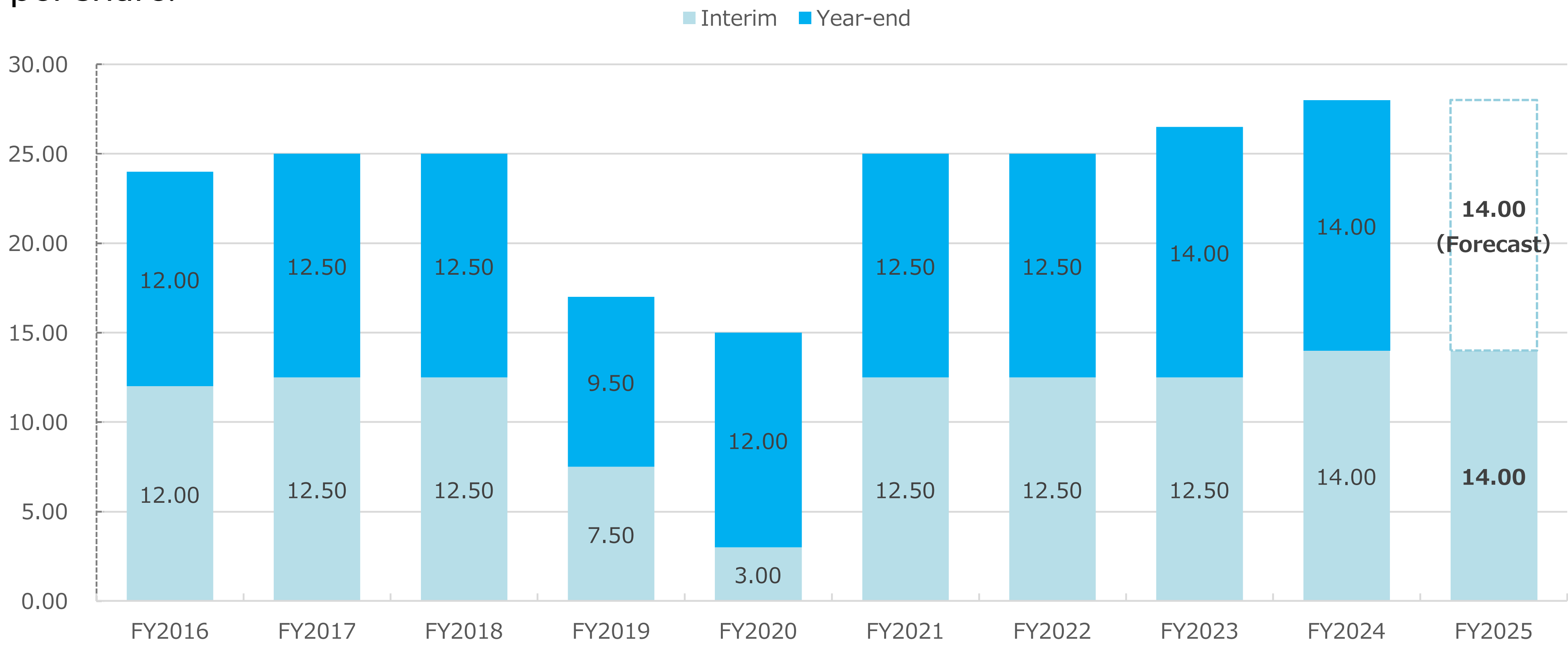
Capital Expenditures and Depreciation Trends

Although capital expenditures were temporarily restrained during the COVID-19 pandemic, they have since recovered to a level equivalent to depreciation expenses and have now exceeded that level significantly.



Dividend Trends

We return profits to our shareholders and investors—who continuously support our business—through steady dividend returns. For FY2024, the annual dividend totaled ¥28.0 per share.



Reference

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
DPR (%)	81.4	18.4	-	28.4	15.0	89.6	-	22.6	136.0	55.7
DOE (%)	2.6	2.4	2.5	2.0	1.7	2.5	2.4	2.3	2.3	-

"–" for DPR (dividend payout ratio) and DOE indicates a fiscal year in which a net loss per share was recorded or figures are currently undetermined.
The dividend payout ratio for FY2025 is calculated based on projected figures.

Caution in Handling This Document

The financial forecasts, plans, business operations, and other information about Sanoh Industrial Co., Ltd. in this presentation are based on information available at the time of this announcement.

This information is subject to a major change depending on factors such as macroeconomic trends, trends in the industries related to Sanoh Industrial, and the development of new technologies.

Therefore, please be aware that there are risks and uncertainties that could cause actual results and other information to differ from those in this presentation. We will provide further information when there is a major change.