

Financial Year Ending March 31, 2026 - Third Quarter

Explanatory Material

February 10, 2026

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

FY25Q3 Consolidated Financial Performance



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

Particulars	Quarter Ended December 31, 2024		Quarter Ended December 31, 2025				Full Year Forecast for the Fiscal Year Ending March 31, 2026	
	Amount	%	Amount	%	Variance		Amount	Progress (%)
					Amount	%		
Net sales	119,977	100.0	117,194	100.0	▲2,783	▲2.3	147,000	79.7
Operating income	3,620	+3.0	3,649	+3.1	+29	+0.8	5,500	66.3
Ordinary income	3,070	+2.6	2,658	+2.3	▲412	▲13.4	4,000	66.4
Net income attributable to the shareholders of the parent company	1,106	+0.9	1,613	+1.4	+507	+45.8	1,800	89.6

Summary of FY25Q3 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:** Maintained approximately the same level as the previous year. Despite the impact of import-related costs, increased expenses related to new project launches, and additional one-time expenses in the Americas, earnings were supported by contributions from newly launched projects in Japan, workforce reductions in Europe and China, and the closure of the German plant.
- Ordinary Income:** Decreased by ▲ 412 million yen due to foreign exchange losses.
- Net Income:** Increased by +507 million yen. Although losses were recorded from the liquidation of a Chinese subsidiary (▲1,194 million yen) and special retirement allowance expenses related to workforce restructuring at a German subsidiary (▲749 million yen), these were more than offset by the recognition of a gain on a bargain purchase (negative goodwill) of +2,595 million yen arising from the acquisition of a Mexican subsidiary.

Exchange Rate

Currency (1 unit = JPY)	December 31, 2024 (Average Rate)	December 31, 2025 (Average Rate)	Variance
USD	151.3	148.2	▲2%
EUR	164.4	165.5	+1%
MXN	8.6	7.6	▲11%
RMB	21.0	20.5	▲2%
INR	1.8	1.7	▲7%
THB	4.2	4.5	+6%
RUB	1.7	1.8	+4%
BRL	29.0	26.2	▲9%

FY25Q3 Segment Financial Performance



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

Particulars	Sales			Operating Income		
	Quarter Ended December 31, 2024	Quarter Ended December 31, 2025	Variance	Quarter Ended December 31, 2024	Quarter Ended December 31, 2025	Variance
Japan	36,449	39,525	+3,075	782	1,887	+1,105
Americas	51,571	49,211	▲2,359	1,661	621	▲1,040
Europe	16,474	14,650	▲1,824	▲142	▲40	+102
China	10,145	8,930	▲1,215	▲741	▲417	+324
Asia	22,082	21,990	▲92	2,056	2,046	▲10
Adjs.	▲16,744	▲17,112	▲368	5	▲448	▲453
TOTAL	119,977	117,194	▲2,783	3,620	3,649	+29

Highlights of the Quarter Ended December 31, 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 & Profit Decline)
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 declined due to the impact of U.S tariff measures, costs related to import issues and increased expenses associated with new project launches.
- Europe**
(Revenue Decline, Operating Loss)
Revenue declined due to sluggish sales to European OEMs. Operating profit improved, supported by personnel cost reductions from workforce restructuring implemented in the previous period and the closure of one plant in Germany.
- 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 Decline)
Revenue remained the same level, supported by stable production. Profit remained at the same level as the same period last year as well as effective cost management measures introduced in response to production fluctuations.

FY25Q3 Consolidated Non-operating and Extraordinary Items



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

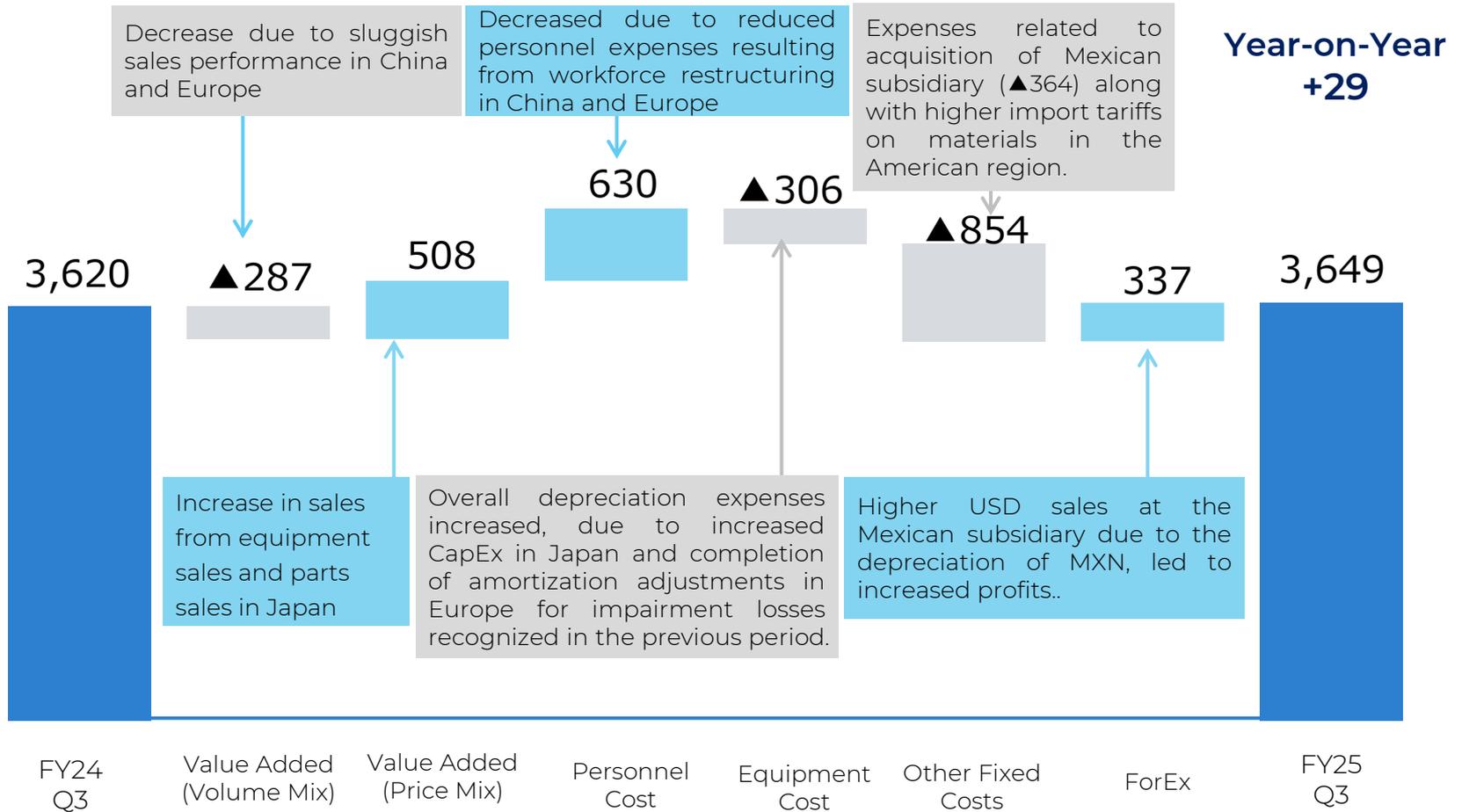
Particulars		Quarter Ended December 31, 2024	Quarter Ended December 31, 2025		Major Factors for Change	
		Amount	Amount	Variance		
				Amount		%
Operating Income		3,620	3,649	+29	+0.8	
Non-operating	Income	576	476	▲100		
	Expenses	1,126	1,467	▲340		
Ordinary Income		3,070	2,658	▲412	▲13.4	
Extraordinary	Gains	476	2,619	+2,142		
	Losses	746	2,077	▲1,331		
Profit before Income Taxes		2,800	3,199	+400	+14.3	
Corporate Taxes, etc.		1,180	1,094	+86		
Net Income attributable to Non-controlling shareholders		513	492	+21		
Net Income attributable to Owners of the Parent Company		1,106	1,613	+507	+45.8	

FY25Q3 Analysis of Operating Income



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

Operating profit remained the same level as the previous year due as the negative impact of one-time expenses incurred in the Americas was offset by increased sales in Japan, reductions in personnel costs in Europe and China, and fixed-cost savings resulting from the closure of the German plant.



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

FY25Q3 Consolidated Financial Position



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

Particulars		Year Ended March 31, 2025		Quarter Ended December 31, 2025			
		Amount	%	Amount	%	Variance	Major Factors of Change
Current Assets		70,348	60.1	75,445	58.0	+5,097	Total assets: +12,841 (Increase) ① Cash and Deposits ▲5,754 ② Trade Receivables +1,666 ③ Inventory +5,090 ④ Other Current Assets +4,095 ⑤ Tangible Fixed Assets +4,620 ⑥ Investment Securities +1,847 ⑦ Deferred Tax Assets: +1,190
	Fixed Assets	46,790	39.9	54,534	42.0	+7,744	
Total Assets		117,138	100.0	129,979	100.0	+12,841	
Current Liabilities		41,878	35.8	54,269	41.8	+12,391	Total liabilities: +11,696 (Increase) ⑧ Short-term borrowings +8,327 ⑨ Other current liabilities +2,684 ⑩ Long-term borrowings ▲2,531 ⑪ Lease Liabilities: +1,301 ⑫ Provision of Loss on Liquidation of subsidiaries: +942
	Fixed Liabilities	27,173	23.2	26,478	20.4	▲695	
Total Liabilities		69,051	58.9	80,746	62.1	+ 11,696	
Total Net Assets		48,087	41.1	49,233	37.9	+1,146	Net assets: +1,146 (Increase) ⑬ Retained Earnings +594 ⑭ Unrealized Gains on Securities +1,274 ⑮ Foreign Currency Translation Adjustment ▲408 ⑯ Non-controlling interests ▲204
Total Liabilities and Net Assets		117,138	100.0	129,979	100.0	+12,841	

Note	FY24Q4		FY25Q3
D/E Ratio	0.90	→	1.02
Equity Ratio	37.8	→	35.1

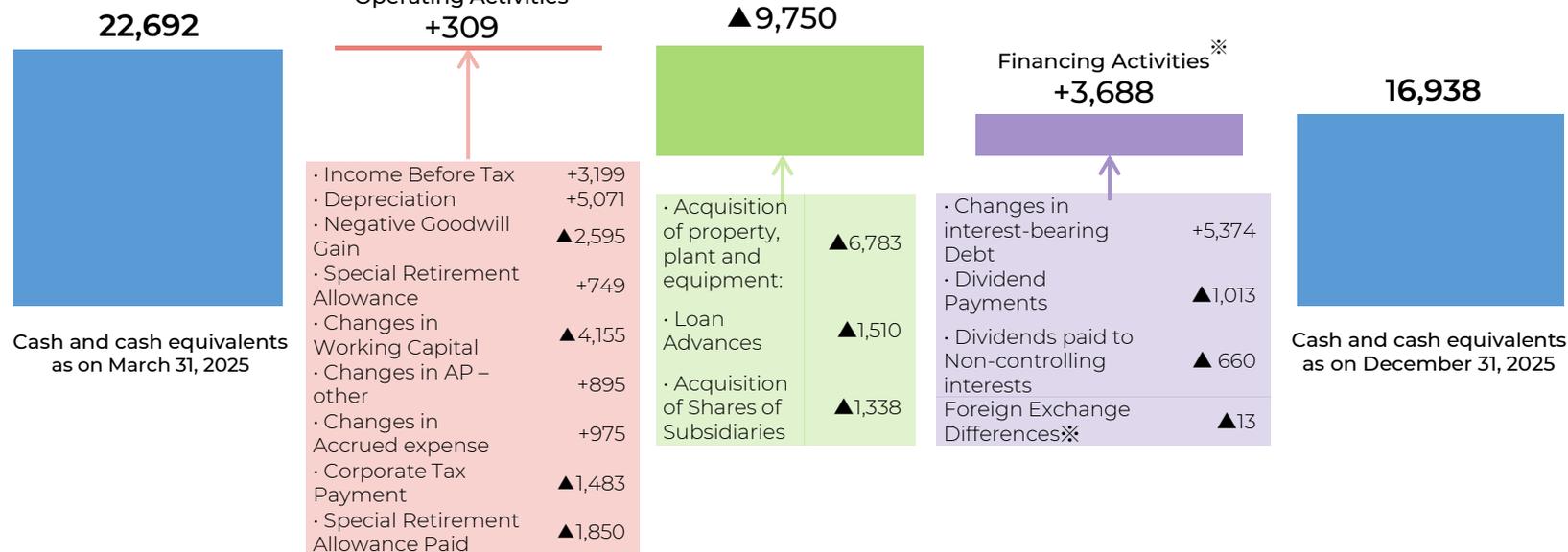
	FY24Q4	FY25Q3
① Interest Bearing Liabilities	39,674	46,631
② Equity	44,272	46,621
① ÷ ②	0.90	1.02

FY25Q3 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 (▲13 million yen) have been included in financing activities.

Capital Expenditure/Depreciation

Particulars	Quarter Ended December 31, 2024	Quarter Ended December 31, 2025	
		Amount	Variance
Capital Expenditure	5,900	6,783	+883
Depreciation	4,953	5,071	+117

Supplementary

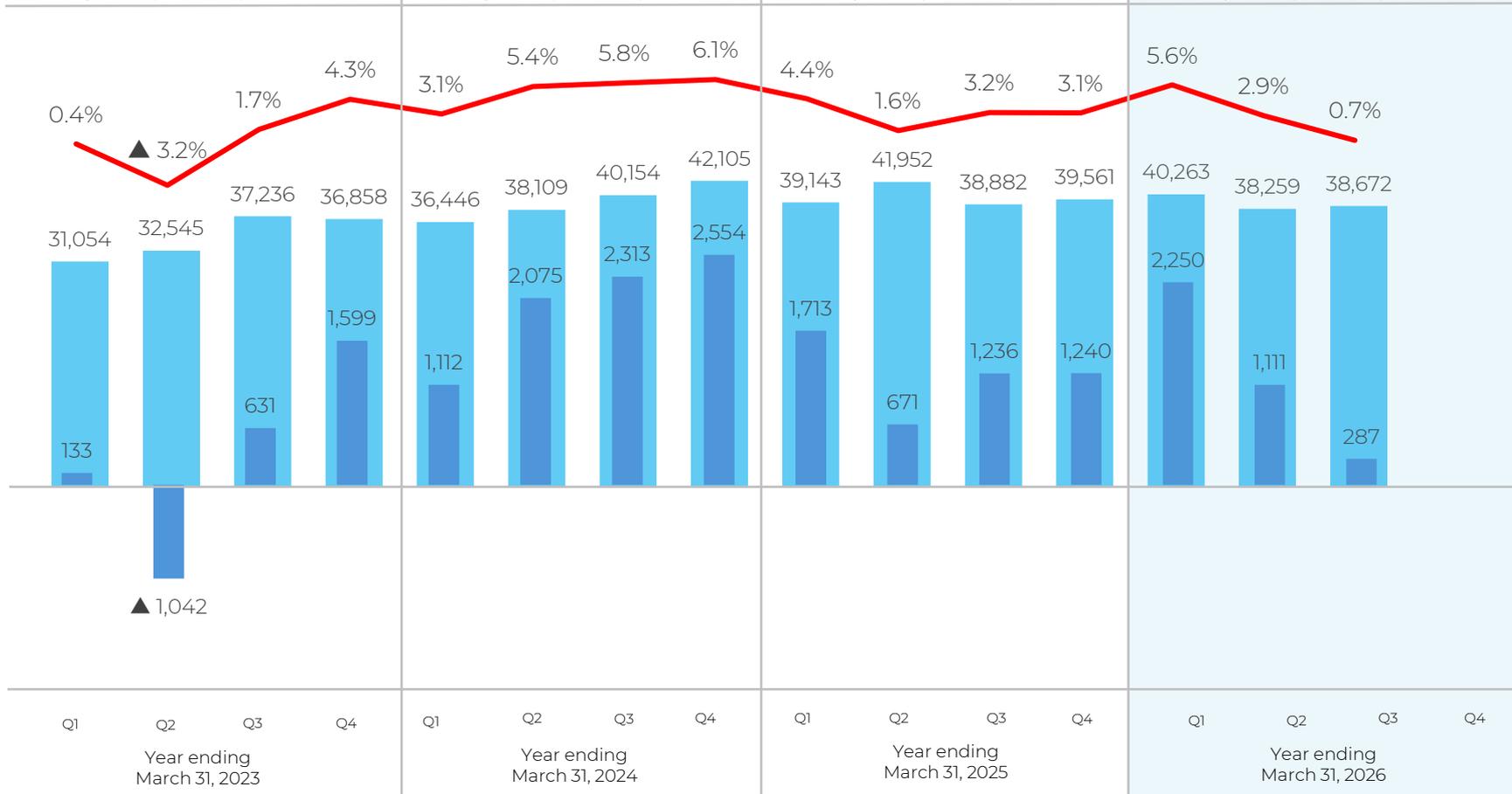
Infographic Quarterly Segment Results

[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	117,194
Operating Income	1,321	Operating Income	8,053	Operating Income	4,860	Operating Income	3,649
Operating Income Margin	1.0%	Operating Income Margin	5.1%	Operating Income Margin	3.0%	Operating Income Margin	3.1%
Exchange rate (Yen/USD)	131.4	Exchange rate (Yen/USD)	140.6	Exchange rate (Yen/USD)	151.6	Exchange rate (Yen/USD)	148.2



Operating Income Margin



Sales



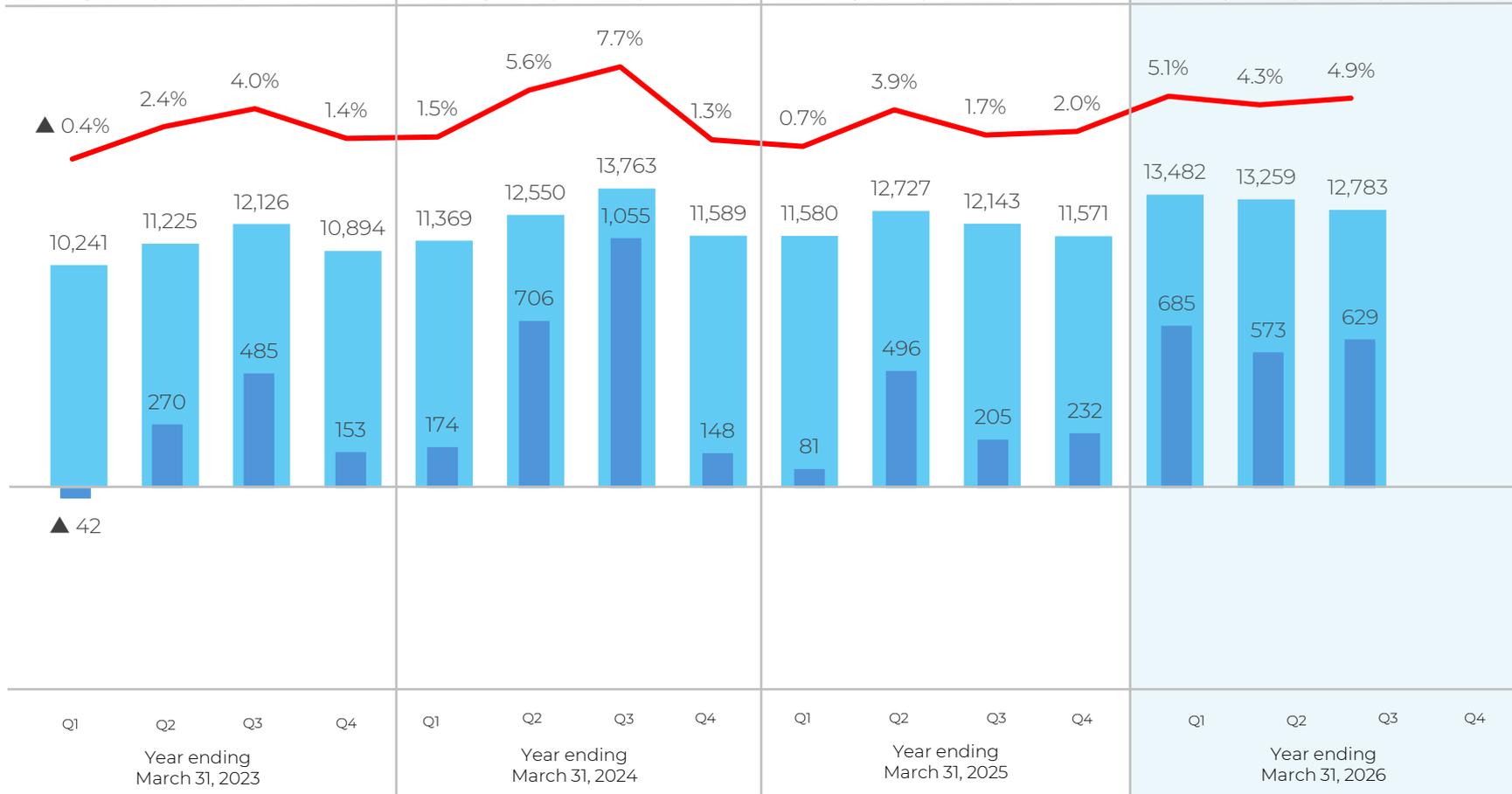
Operating Income

[Supplementary] Quarterly Segment Results: Japan



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Sales	44,485	Sales	49,271	Sales	48,020	Sales	39,525
Operating Income	865	Operating Income	2,083	Operating Income	1,014	Operating Income	1,887
Operating Income Margin	1.9%	Operating Income Margin	4.2%	Operating Income Margin	2.1%	Operating Income Margin	4.8%
Exchange rate (Yen/USD)	131.4	Exchange rate (Yen/USD)	140.6	Exchange rate (Yen/USD)	151.6	Exchange rate (Yen/USD)	148.2



Operating Income Margin



Sales



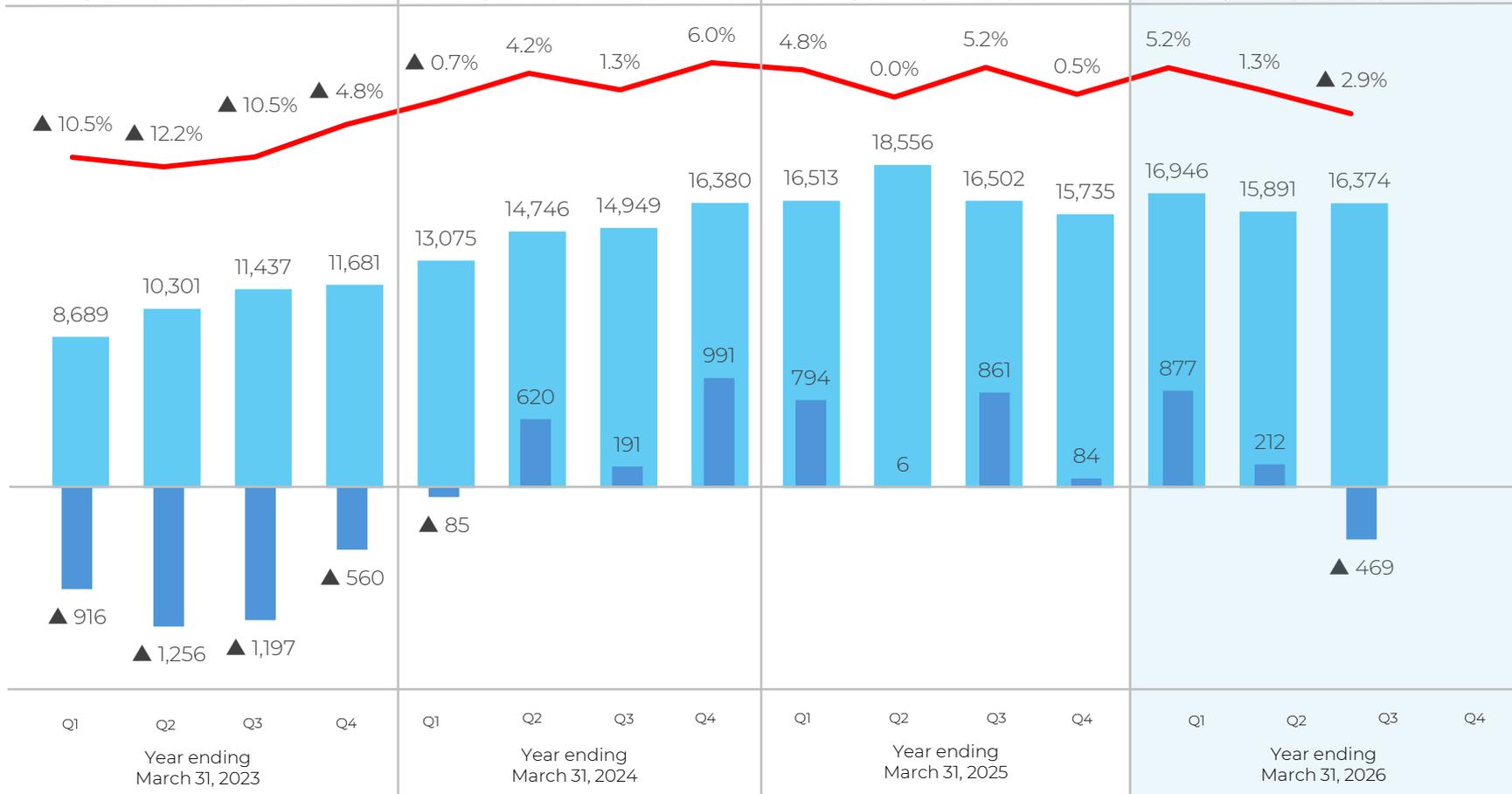
Operating Income

[Supplementary] Quarterly Segment Results: Americas



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

Sales	42,107	Sales	59,150	Sales	67,306	Sales	49,211
Operating Income	▲3,928	Operating Income	1,717	Operating Income	1,744	Operating Income	621
Operating Income Margin	▲9.3%	Operating Income Margin	2.9%	Operating Income Margin	2.6%	Operating Income Margin	1.3%
Exchange rate (Yen/USD)	131.4	Exchange rate (Yen/USD)	140.6	Exchange rate (Yen/USD)	151.6	Exchange rate (Yen/USD)	148.2



※ 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



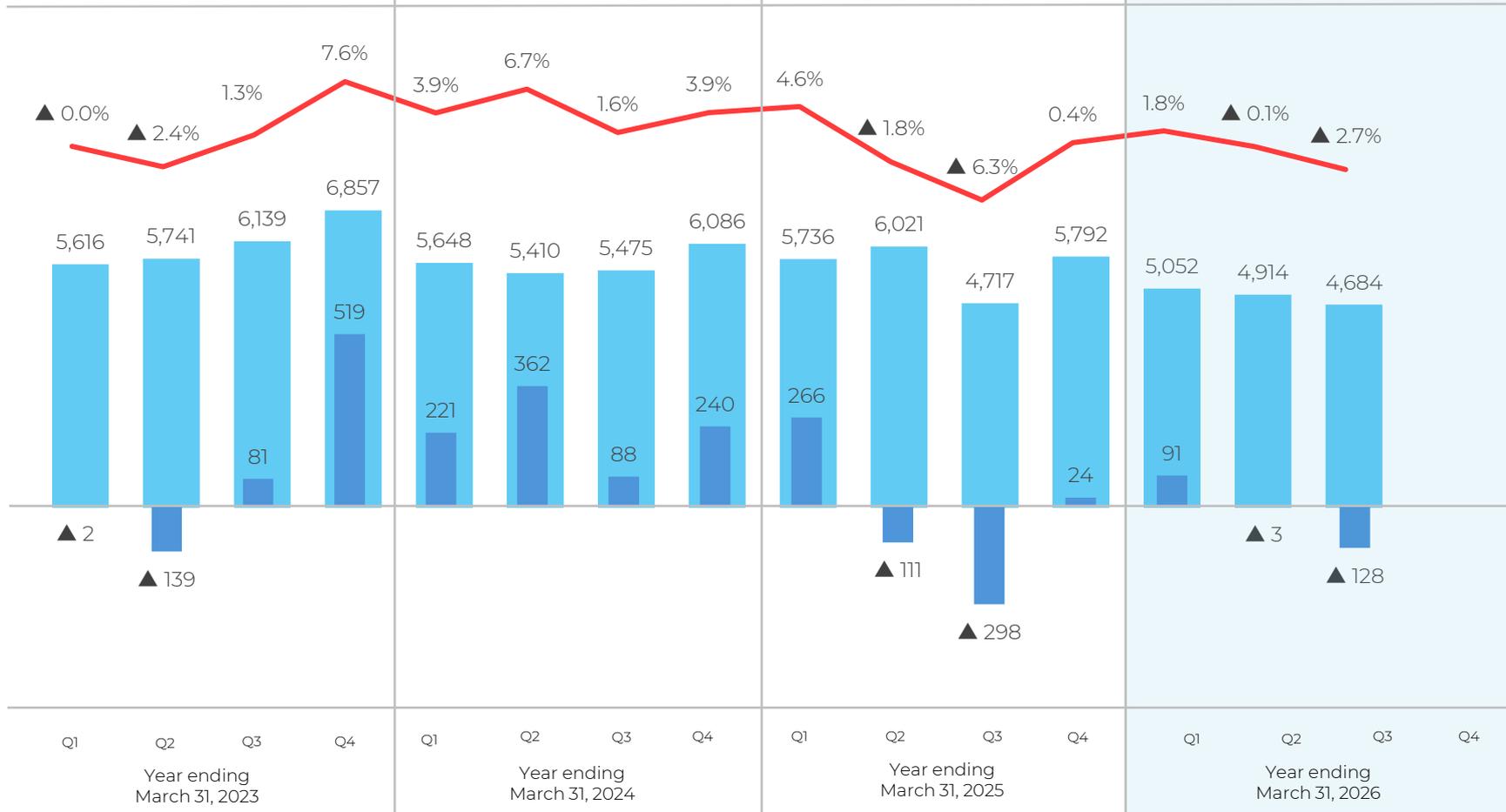
Operating Income

[Supplementary] Quarterly Segment Results: Europe



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

Sales	24,353	Sales	22,619	Sales	22,267	Sales	14,650
Operating Income	460	Operating Profit	911	Operating Profit	▲118	Operating Profit	▲40
Operating Income Margin	1.9%	Operating Profit Margin	4.0%	Operating Profit Margin	▲0.5%	Operating Profit Margin	▲0.3%



※ From FY2023 (Year ended on March 31, 2024) onwards Geiger USA has been included in Americas segment and no longer included in Europe segment.

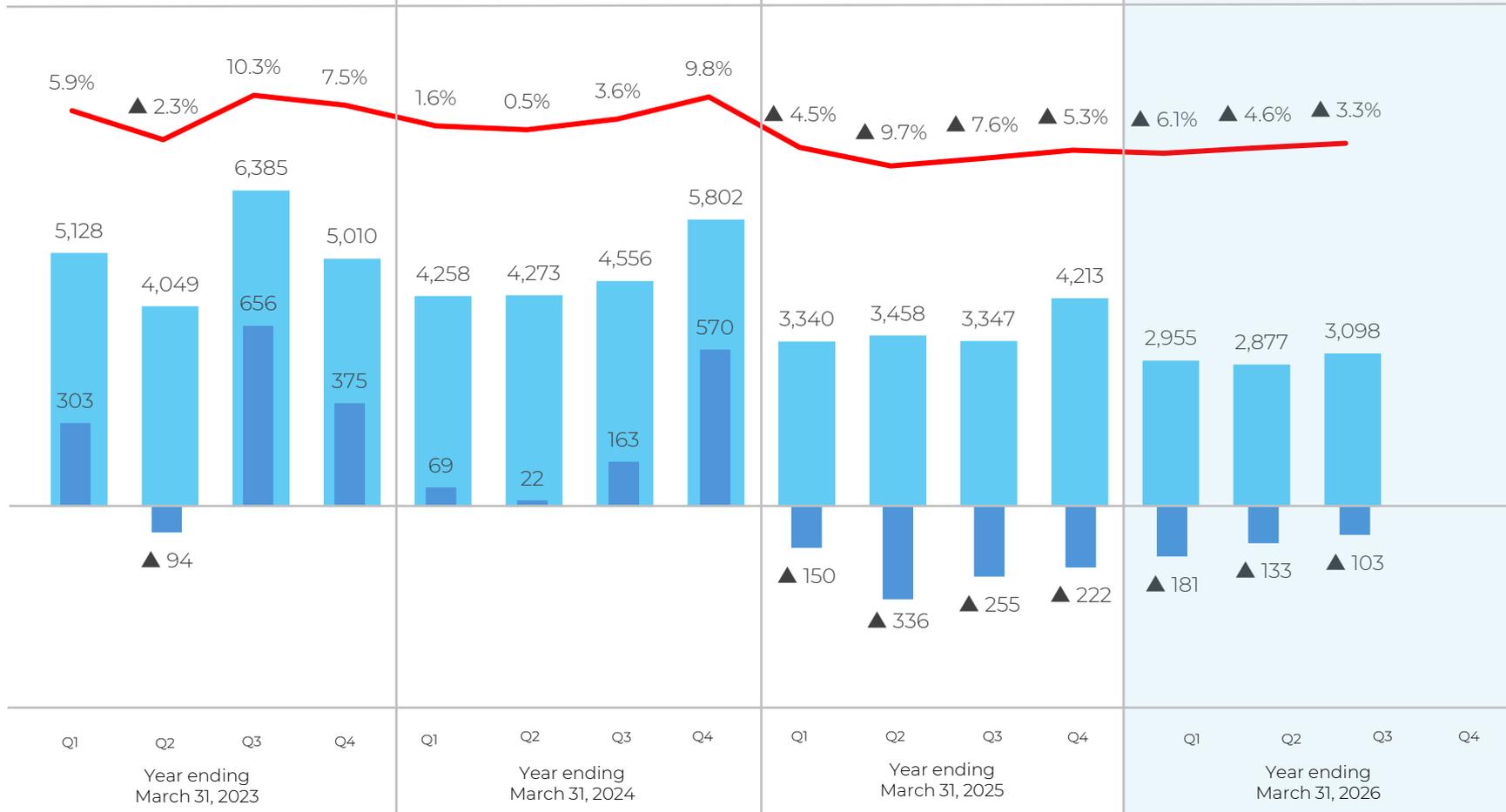
▲ Operating Income Margin Sales Operating Income

[Supplementary] Quarterly Segment Results: China



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Sales	20,572	Sales	18,888	Sales	14,358	Sales	8,930
Operating Income	1,240	Operating Income	824	Operating Income	▲ 963	Operating Income	▲ 417
Operating Income Margin	6.0%	Operating Income Margin	4.4%	Operating Income Margin	▲ 6.7%	Operating Income Margin	▲ 4.7%



Operating Income Margin



Sales



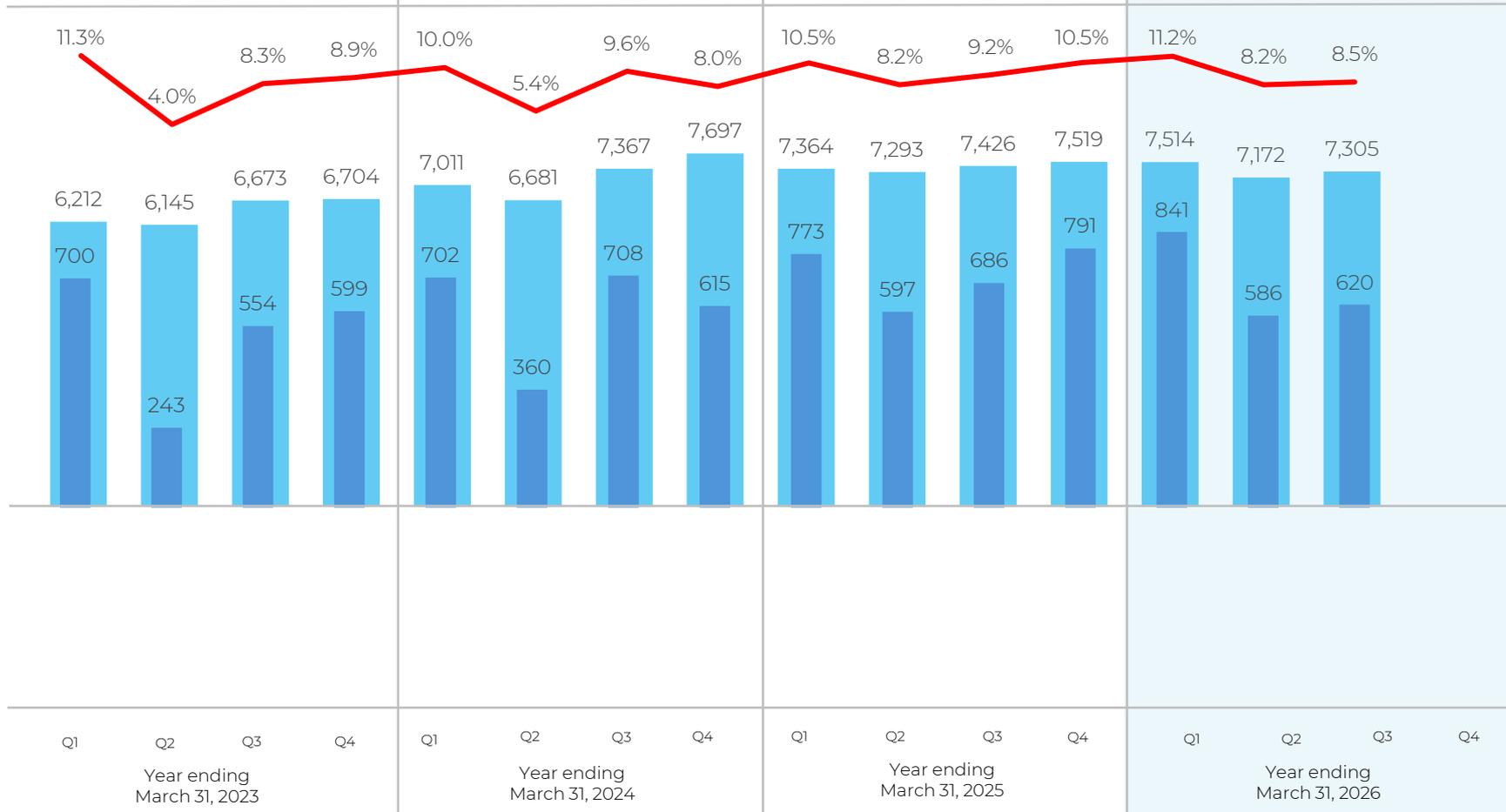
Operating Income

[Supplementary] Quarterly Segment Results: Asia



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Sales	25,735	Sales	28,756	Sales	29,601	Sales	21,990
Operating Income	2,096	Operating Income	2,384	Operating Income	2,847	Operating Income	2,046
Operating Income Margin	8.1%	Operating Income Margin	8.3%	Operating Income Margin	9.6%	Operating Income Margin	9.3%



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.

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