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June 06, 2025

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

Acquisition of Equity Interest in Winkelmann Powertrain México S. de R.L. de C.V. (To Make It a Subsidiary)

Sanoh Industrial Co., Ltd. (the "Company") hereby announces that, at the Board of Directors meeting held today, the Company resolved to acquire all equity interests in the Winkelmann Powertrain México S. de R.L. de C.V. (hereinafter "WPM"), a Mexico-based automotive components manufacturer.

1. Reason for Acquisition

As part of our medium-term management policy, the Company is advancing its "Sanoh Last Man Standing Strategy", which aims to secure the No.1 position in global market share in the automotive tubing sector.

In the Americas, the market share of electric vehicles in the U.S. is less than 10%, whereas remaining 90% continues to be dominated by internal combustion engine (hereinafter "ICE") vehicles, including hybrids and plug-in hybrids. Given the current policy direction under Trump administration, it is expected that the demand for ICE vehicles will continue to dominate the U.S. market.

WPM manufactures automotive components for the U.S. market, with a particular focus on ICE pickup trucks, a segment characterized by long product life cycle. Pickup trucks consistently represent roughly 20% of U.S. market, and WPM is regarded as one of the key players in this segment.

Through acquisition of WPM as a subsidiary, the Company aims to establish a dominant position in the fuel injection business for vehicles manufactured in Mexico for the U.S. market. We intend to reinforce our presence as a global supplier by enhancing competitiveness through efficient management structures and continuously nurturing technological innovation.

2. Method of Acquisition

Pursuant to the Equity Purchase Agreement, the Company and its subsidiary, Sanoh Industrial de Mexico S.A. de C.V., will jointly acquire 100% of the equity interests in WPM from both subsidiaries of Winkelmann Group GmbH & Co. KG viz., Winkelmann Motortechnik Beteiligungsgesellschaft mbH and Winkelmann Group North-America GmbH & Co. KG.

3. Overview of Newly Acquired Company

(1) Name	Winkelmann Powertrain México S. de R.L. de C.V.
(2) Address	Lagos de Moreno, Jalisco, Mexico
(3) Representative	Managing Directors, Dennis Gotta
(4) Business	Manufacturing of automotive components
(5) Capital	MXN 1,066,989 thousand
(6) Date of Incorporation	May 26, 2017
(7) Major Shareholders & Holding Percentage	Winkelmann Motortechnik Beteiligungsgesellschaft mbH 99% Winkelmann Group North-America GmbH & Co. KG 1%
(8) Relationship with the Company	There are no capital, personnel, or transactional relationships between the Company and WPM. In addition, there are no such relationships between any affiliates or related parties of both entities.

(9) Financial Highlights for the Past Three Financial Years
For the year ended December 31

(All amounts are MXN and in thousands)

Particulars	FY2022	FY2023	FY2024
Net Assets	193,484	568,608	573,406
Total Assets	981,153	918,691	815,441
Sales	905,371	1,066,028	913,121
Operating Income	(7,547)	(6,849)	32,623
Ordinary Income	(12,645)	(79,906)	(1,148)
Net Income	(10,281)	(29,762)	4,798

※ [Reference] Exchange Rate: MXN 1 = JPY 7.49 (as of June 5, 2025)

4. Overview of the Counterparties to this Acquisition

a. Winkelmann Motortechnik Beteiligungsgesellschaft mbH

(1) Name	Winkelmann Motortechnik Beteiligungsgesellschaft mbH
(2) Address	Schmalbachstraße 2, 59227 Ahlen, Germany
(3) Representative	Sven Schirmer / Dennis Gotta
(4) Business	Manufacturing of automotive components
(5) Capital	EUR 5,100 thousand
(6) Year of Incorporation	2000
(7) Net Assets	EUR 62,722 thousand (as of December 31, 2024)
(8) Total Assets	EUR 66,010 thousand (as of December 31, 2024)
(9) Major Shareholders & Holding Percentage	Winkelmann Group GmbH & Co. KG 100%
(10) Relationship with the Company	There are no capital, personnel, or transactional relationships between the Company and counterparty. In addition, there are no such relationships between any affiliates or related parties of both entities.

※ [Reference] Exchange Rate: EUR 1 = JPY 163.61 (as of June 5, 2025)

b. Winkelmann Group North-America GmbH & Co. KG

(1) Name	Winkelmann Group North-America GmbH & Co. KG
(2) Address	Heinrich-Winkelmann-Platz 1, 59227 Ahlen, Germany
(3) Representative	Sven Schirmer / Christian Knechtel
(4) Business	Manufacturing of automotive components
(5) Capital	EUR 15,595 thousand
(6) Year of Incorporation	2015
(7) Net Assets	EUR (275) thousand (as of December 31, 2024)
(8) Total Assets	EUR 243 thousand (as of December 31, 2024)
(9) Major Shareholders & Holding Percentage	Winkelmann Group GmbH & Co. KG 100%
(10) Relationship with the Company	There are no capital, personnel, or transactional relationships between the Company and counterparty. In addition, there are no such relationships between any affiliates or related parties of both entities.

※ [Reference] Exchange Rate: EUR 1 = JPY 163.61 (as of June 5, 2025)

5. Acquisition Units, Acquisition Price and Ownership Status Before and After the Acquisition

(1)	Equity interests held before acquisition	0 Units (Voting Rights: 0 Units | Ownership: 0%)	
(2)	Equity interests to be acquired	2 Units (Voting Rights: 2 Units | Ownership: 100%)	
(3)	Acquisition Price	WPM Equity Purchase Cost (estimated):	EUR 10 million (approximately JPY 1,636 million)※
		Advisory Fees, etc. (estimated)	JPY 320 million
		Total (estimated):	Approximately JPY 1,956 million
(4)	Equity interests held after acquisition	2 Units (Voting Rights: 2 Units | Ownership: 100%)	

※ The yen-equivalent amount has been calculated based on closing rate as of June 5, 2025 i.e., EUR 1 = JPY 163.61.

6. Schedule

(1)	Date of Board Resolution	June 06, 2025
(2)	Date of Signing Equity Purchase Agreement	June 06, 2025 (Mexico Time)
(3)	Date of Equity Acquisition	June 30, 2025 (expected)

7. Future Outlook

The financial impact of this transaction on the Company’s consolidated results is currently under evaluation. The Company will promptly disclose any material developments as soon as they are confirmed.