Consolidated Financial Results for the year ended March 31, 2026

(Consolidated financial information has been prepared in accordance with J-GAAP)
English translation from the original Japanese-language document

May 14, 2026

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 26, 2026
Scheduled date of Annual Securities Report	: June 25, 2026
Payment date of Dividend	: June 08, 2026
Supplemental material for Financial Statements	: Available
Schedule for Financial Results Briefing Session	: Available (for Institutional Investors and Analysts)

1. Consolidated Results for FY2025 (April 1, 2025 to March 31, 2026)

(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 2026	159,387	(0.1)	4,073	(16.2)	3,038	(34.0)	1,524	106.9
March 2025	159,538	1.7	4,860	(39.7)	4,600	(37.0)	737	(82.5)

Ref. Comprehensive Income: FY2025: 5,599 million yen (249.3%) | FY2024: 1,603 million yen (△ 84.6%)

	Earnings per share	Diluted EPS	Return on Equity	Return on Assets	Operating Income Margin
Year ended	Yen	Yen	%	%	%
March 2026	42.57	—	3.3	2.3	2.6
March 2025	20.59	—	1.7	4.0	3.0

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As on March 31, 2026	141,929	51,968	33.8	1,340.56
As on March 31, 2025	117,138	48,087	37.8	1,236.34

Ref. Shareholders' Equity: FY2025: 48,003 million yen | FY2024: 44,272 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 2026	1,478	(13,471)	12,914	24,519
March 2025	8,484	(8,118)	4,093	22,692

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 2026	—	14.00	—	14.00	28.00	1,019	136.0	2.3
Year ended March 2025	—	14.00	—	14.00	28.00	1,019	65.8	2.2
Year ended March 2027 (Forecast)	—	—	—	—	—		—	

(Note) The dividend forecast for the fiscal year ending March 31, 2027 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, 2027 (April 1, 2026 to March 31, 2027)

(% 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	167,000	4.8	5,500	35.0	3,500	15.2	1,500	(1.6)	41.89

Notes

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company - Sanoh Powertrain México S. de R.L. de C.V.
Excluded: 0 companies

(2) Application of specific accounting treatments for preparation of semi-annual consolidated financial statements: No

(3) Changes in accounting policies, accounting estimates, and restatement
① Changes in accounting policies due to revisions to accounting standards and other regulations: No
② Changes in accounting policies due to other reasons: No
③ Changes in accounting estimates: No
④ Restatement: No

(4) Number of shares issued & outstanding (common shares)

① Total number of issued shares at the end of the period (including treasury stock):	FY25Q4	37,112,000	FY24Q4	37,112,000
② Number of treasury shares at the end of the period:	FY25Q4	1,303,435	FY24Q4	1,303,425
③ Average number of shares outstanding during the period:	FY25Q4	35,808,574	FY24Q4	35,795,228

※ Review of the Semi-annual Consolidated Financial Statements by a Certified Public Accountant or Auditing Firm: No

※ 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 do not guarantee performance. Actual results may differ significantly due to various factors. For the assumptions underlying the forecasts and cautionary notes, please refer to ‘(3) Explanation of Future Forecasts and Forward-Looking Statements’ in ‘1. Overview of Business Performance’ on page 3 of this document.

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1. Overview of Business Performance for the Year Ended March 31, 2026

(1) Overview of Operating Results

The economic environment surrounding the automotive industry, in which our Group operates, has remained steady domestically and internationally, despite fluctuating production and sales volumes. On the other hand, several risk factors persist, including rising costs, disruptions in logistics due to instability in the Middle East, and tariffs by the Trump Administration, continue to pose risks.

Amidst this environment, consolidated sales for the fiscal year ended amounted to ¥159.387 billion (down 0.1% year-on-year), despite sales from new project launches in Japan contributing positively. This is due to decreased sales from customers in China and Europe as well as the impact of currency translation differences due to yen appreciation in North and South America.

On the earnings front, higher value added from increased sales of tooling and parts related to newly launched projects in Japan, together with reductions in personnel costs resulting from workforce restructuring in Europe and China, contributed positively. These factors were more than offset, however, by the impact of U.S. tariff measures in the Americas, and extra costs arising from customs clearance issues, resulting in operating profit of ¥4.073 billion (down 16.2% year on year). Ordinary profit declined to ¥3.038 billion (down 34.0% year on year), mainly due to the recording of foreign exchange losses. Meanwhile, profit attributable to owners of the parent increased to ¥1.524 billion (up 106.9% year on year), primarily driven by the recognition of a gain on a bargain purchase (i.e. negative goodwill) associated with the acquisition of a Mexican subsidiary and tax benefit adjustments at a U.S. subsidiary, which more than offset expenses related to the liquidation of a Chinese subsidiary, impairment losses, and restructuring costs at a German subsidiary.

Overview of operating results by segment is as follows:

① Japan
Revenue increased to ¥32.657 billion (up 12.0% year on year), driven by strong contributions from equipment sales and parts sales associated with newly launched projects.
Operating income rose sharply to ¥2.053 billion (up 102.4% year on year). Despite higher personnel costs stemming from wage increases, acquisition-related expenses connected with the Mexican subsidiary, and increased depreciation due to capital investments, profit improved significantly on the back of higher sales.

② Americas
Revenue increased to ¥67.799 billion (up 0.8% year on year), supported by stable sales to Japanese-affiliated customers in North America and additional volume from the newly consolidated Mexican subsidiary, partially offset by the unfavorable impact of foreign exchange translation.
An operating loss of ¥327 million was recorded (compared with operating income of ¥1.744 billion in the prior year), as profitability deteriorated due to the impact of U.S. tariff measures, the recognition of abnormal expenses related to import issues, and cost increases associated with new project launches.

③ Europe
Revenue declined to ¥19.148 billion (down 11.0% year on year), mainly due to sluggish sales volumes among European customers.
Operating income of ¥280 million was recorded (compared with an operating loss of ¥118 million in the prior year), as cost-reduction measures — including personnel cost savings from factory closures implemented since the previous fiscal year — more than offset the impact of lower sales.

④ China
Revenue decreased to ¥10.988 billion (down 15.6% year on year), reflecting continued weak sales to Japanese-affiliated customers and the withdrawal from certain business operations.
An operating loss of ¥348 million was recorded (compared with an operating loss of ¥963 million in the prior year). While profits declined due to lower sales, reductions in personnel costs from prior workforce restructuring and lower depreciation expenses following fixed asset impairment losses recognized in the previous fiscal year helped mitigate the loss.

⑤ Asia
Revenue increased to ¥28.795 billion (up 0.8% year on year), as growth driven by higher production at the Indian subsidiary outpaced the impact of sluggish market conditions in Thailand.
Operating income totaled ¥2.599 billion (down 8.7% year on year), as effective cost controls in response to production fluctuations were partially offset by rising personnel and other costs.

(2) Overview of Financial Position

As of the end of the fiscal year, total assets stood at ¥141.929 billion, an increase of ¥24.791 billion from the previous fiscal year-end. Key factors included:

- an increase of ¥1.827 billion in cash and deposits;
- an increase of ¥1.440 billion in notes receivable, accounts receivable, and contract assets;
- an increase of ¥1.775 billion in work-in-progress;
- an increase of ¥3.410 billion in raw materials and supplies;
- an increase of ¥4.124 billion in other current assets, including advances and prepaid expenses;
- an increase of ¥8.636 billion in property, plant and equipment;
- an increase of ¥1.169 billion in investment securities, primarily due to valuation gains on securities;
- an increase of ¥1.830 billion in deferred tax assets.

Total liabilities stood at ¥89.961 billion, an increase of ¥20.910 billion from the previous fiscal year-end. Key factors included:

- an increase of ¥1.257 billion in notes and accounts payable – trade;
- a decrease of ¥2.029 billion in electronically recorded obligations;
- an increase of ¥7.877 billion in short-term borrowings;
- an increase of ¥1.344 billion in accounts payable – other;
- an increase of ¥1.031 billion in other current liabilities, including advances received and accrued expenses;
- an increase of ¥7.762 billion in long-term borrowings;
- an increase of ¥2.027 billion in lease liabilities.

Net assets increased to ¥51.968 billion, an increase of ¥3.881 billion from the previous fiscal year-end. Key factors included:

- an increase of ¥659 million in valuation difference on available-for-sale securities;
- an increase of ¥1.872 billion in foreign currency translation adjustments;
- an increase of ¥696 million in remeasurements of defined benefit plans.

(3) Overview of Cash Flow

As of the end of the fiscal year, cash and cash equivalents stood at JPY 24.519 billion, reflecting a year-on-year increase of JPY 1.827 billion.

i. Cash flow from Operating Activities:

Net cash provided by operating activities was ¥1.478 billion (vs. a decrease of ¥7.006 billion year-on-year). Key factors included:

- Income before income taxes: ¥2.047 billion (vs. ¥2.696 billion in the same period last year);
- Depreciation: ¥6.978 billion (vs. ¥6.769 billion in the same period last year);
- Impairment losses: ¥674 million (vs. ¥1.299 billion in the same period last year);
- Decrease in trade receivables: ¥490 million (vs. a decrease of ¥2.644 billion in the same period last year);
- Increase in inventories: ¥2.327 billion (vs. an increase of ¥1.092 billion in the same period last year);
- Decrease in trade payables: ¥2.447 billion (vs. a decrease of ¥1.441 billion in the same period last year);
- Gain on bargain purchase (negative goodwill): ¥2.554 billion (vs. nil in the same period last year);
- Loss on liquidation of subsidiaries: ¥321 million (vs. nil in the same period last year);
- Increase in provision for loss on liquidation of subsidiaries: ¥947 million (vs. nil in the same period last year);
- Income taxes paid: ¥1.812 billion (vs. ¥1.367 billion in the same period last year).

ii. Cash flow from Investing Activities:

Net cash used in investing activities totaled ¥13.471 billion (vs. ¥8.118 billion in the same period last year).

Key factors included:

- Purchase of property, plant and equipment: ¥10.088 billion (vs. ¥9.435 billion in the same period last year);
- Acquisition of equity interests in subsidiaries resulting in changes in the scope of consolidation: ¥1.338 billion (vs. nil in the same period last year);
- Loans advanced: ¥1.510 billion (vs. nil in the same period last year).

iii. Cash flow from Financing Activities:

Net cash provided by financing activities amounted to ¥12.914 billion (vs. ¥4.093 billion in the same period last year). Key factors included:

- Increase in short-term borrowings: ¥3.861 billion (vs. an outflow of ¥1.074 billion in the same period last year);
- Proceeds from long-term borrowings: ¥19.996 billion (vs. ¥15.000 billion in the same period last year);
- Repayment of long-term borrowings: ¥9.021 billion (vs. ¥7.520 billion in the same period last year);
- Dividends paid: ¥1.018 billion (vs. ¥1.023 billion in the same period last year);
- Dividends paid to non-controlling interests: ¥660 million (vs. ¥796 million in the same period last year).

(4) FY2026 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	167,000	+4.8%
Operating Profit	5,500	+35.0%
Ordinary Profit	3,500	+15.2%
Net Income Attributable to Owners of the Parent	1,500	△1.6%

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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	22,692	24,519
Notes and accounts receivable - trade, and contract assets	17,826	19,267
Electronically recorded monetary claims - operating	826	932
Finished goods	4,871	5,215
Work in process	6,981	8,757
Raw materials and supplies	12,575	15,985
Other	4,593	8,717
Allowance for doubtful accounts	△17	△15
Total current assets	70,348	83,377
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,865	25,094
Machinery, equipment and vehicles	92,508	101,662
Tools, furniture and fixtures	14,536	15,192
Land	2,924	3,393
Leased assets	3,566	5,488
Construction in progress	5,416	5,750
Accumulated depreciation	△91,533	△98,636
Accumulated impairment	△11,607	△12,632
Total property, plant and equipment	36,674	45,310
Intangible assets		
Leased assets	41	24
Other	646	693
Total intangible assets	687	717
Investments and other assets		
Investment securities	6,707	7,877
Retirement benefit asset	169	201
Deferred tax assets	1,965	3,795
Other	588	652
Total investments and other assets	9,429	12,525
Total non-current assets	46,790	58,553
Total assets	117,138	141,929

(Amounts are rounded to the nearest million)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,209	10,466
Electronically recorded obligations - operating	4,431	2,402
Short-term borrowings	17,847	25,724
Accounts payable - other	4,171	5,515
Lease liabilities	281	160
Income taxes payable	529	826
Accrued consumption taxes	263	701
Provision for bonuses	1,391	1,356
Provision for bonuses for directors (and other officers)	30	40
Provision for product warranties	272	291
Provision for loss on liquidation of subsidiaries and associates	—	1,018
Other	3,453	4,484
Total current liabilities	41,878	52,982
Non-current liabilities		
Long-term borrowings	21,293	29,056
Lease liabilities	253	2,279
Deferred tax liabilities	1,789	2,668
Provision for retirement benefits for directors (and other officers)	154	154
Provision for loss on litigation	40	40
Retirement benefit liability	3,080	2,089
Other	565	693
Total non-current liabilities	27,173	36,979
Total liabilities	69,051	89,961
Net assets		
Shareholders' equity		
Share capital	3,481	3,481
Capital surplus	2,362	2,362
Retained earnings	31,589	32,095
Treasury shares	△968	△968
Total shareholders' equity	36,465	36,970
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,324	3,982
Foreign currency translation adjustment	3,494	5,366
Remeasurements of defined benefit plans	989	1,685
Total accumulated other comprehensive income	7,807	11,033
Non-controlling interests	3,816	3,965
Total net assets	48,087	51,968
Total liabilities and net assets	117,138	141,929

(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, 2025	Fiscal year ended March 31, 2026
Net sales	159,538	159,387
Cost of sales	136,767	136,505
Gross profit	22,770	22,882
Selling, general and administrative expenses	17,910	18,809
Operating profit	4,860	4,073
Non-operating income		
Interest income	274	242
Dividend income	283	214
Subsidy income	—	102
Foreign exchange gains	238	—
Other	383	118
Total non-operating income	1,177	676
Non-operating expenses		
Interest expenses	827	914
Commission expenses	461	464
Foreign exchange losses	—	265
Other	150	69
Total non-operating expenses	1,438	1,711
Ordinary profit	4,600	3,038
Extraordinary income		
Gain on sale of non-current assets	12	39
Gain on sale of investment securities	1,571	—
Gain on bargain purchase	—	2,554
Total extraordinary income	1,583	2,593
Extraordinary losses		
Loss on sale of non-current assets	5	6
Loss on retirement of non-current assets	764	253
Impairment losses	1,299	674
Loss on valuation of investment securities	75	100
Provision for loss on litigation	364	—
Extra retirement payments	980	1,283
Loss on liquidation of subsidiaries and associates	—	321
Provision for loss on liquidation of subsidiaries and associates	—	947
Total extraordinary losses	3,486	3,584
Profit before income taxes	2,696	2,047
Income taxes - current	1,527	1,805
Income taxes - deferred	△221	△1,917
Total income taxes	1,306	△113
Profit	1,390	2,160
Profit attributable to non-controlling interests	653	636
Profit attributable to owners of parent	737	1,524

Consolidated Comprehensive Income Statement

(Amounts are rounded to the nearest million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	1,390	2,160
Other comprehensive income		
Valuation difference on available-for-sale securities	△1,348	659
Foreign currency translation adjustment	1,263	2,084
Remeasurements of defined benefit plans, net of tax	297	696
Total other comprehensive income	213	3,439
Comprehensive income	1,603	5,599
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	594	4,751
Comprehensive income attributable to non-controlling interests	1,008	848

(3) Consolidated Statement of Changes in Net Assets

Consolidated Previous 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
Changes in capital surplus due to transactions with non-controlling interests					
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
Changes in capital surplus due to transactions with non-controlling interests						
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

Consolidated Current Fiscal Year (April 1, 2025 to March 31, 2026)

(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	31,589	(968)	36,465
Changes during period					
Dividends of surplus			(1,019)		(1,019)
Profit (loss) attributable to owners of parent			1,524		1,524
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	—	—	505	(0)	505
Balance at end of period	3,481	2,362	32,095	(968)	36,970

	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	3,324	3,494	989	7,807	3,816	48,087
Changes during period						
Dividends of surplus						(1,019)
Profit (loss) attributable to owners of parent						1524
Purchase of treasury shares						(0)
Disposal of treasury shares						
Net changes in items other than shareholders' equity	659	1872	696	3,227	149	3,376
Total changes during period	659	1872	696	3,227	149	3,881
Balance at end of period	3,982	5,366	1,685	11,033	3,965	51,968

(4) Consolidated Cash Flow Statement

(Amounts are rounded to the nearest million)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	2,696	2,047
Depreciation	6,769	6,978
Impairment losses	1,299	674
Loss on retirement of property, plant and equipment	764	253
Loss (gain) on sale of property, plant and equipment	△6	△33
Interest and dividend income	△557	△456
Interest expenses	827	914
Commission expenses	461	464
Loss (gain) on sale of investment securities	△1,571	―
Loss (gain) on valuation of investment securities	75	100
Increase (decrease) in provision for loss on litigation	364	―
Increase (decrease) in provision for product warranties	166	1
Gain on bargain purchase	―	△2,554
Extra retirement payments	980	1,283
Loss on liquidation of subsidiaries and associates	―	321
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	―	947
Decrease (increase) in trade receivables	2,644	490
Decrease (increase) in inventories	△1,092	△2,327
Increase (decrease) in trade payables	△1,441	△2,447
Increase (decrease) in provision for bonuses	167	△48
Increase (decrease) in accounts payable - other	442	2,535
Increase (decrease) in accrued expenses	△231	△1
Increase (decrease) in retirement benefit liability	79	△385
Other, net	△1,277	△2,299
Subtotal	11,556	6,454
Interest and dividends received	557	456
Interest paid	△886	△932
Commission fee paid	△483	△441
Settlement paid	△818	―
Income taxes paid	△1,367	△1,812
Extra retirement payments	△75	△2,248
Net cash provided by (used in) operating activities	8,484	1,478
Cash flows from investing activities		
Purchase of property, plant and equipment	△9,435	△10,088
Proceeds from sale of property, plant and equipment	40	36
Purchase of investment securities	△149	△343
Proceeds from sale of investment securities	1,816	0
Purchase of investment in capital of subsidiaries resulting change in scope of consolidation	―	△1,338
Loan advances	―	△1,510
Other, net	△389	△228
Net cash provided by (used in) investing activities	△8,118	△13,471

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△1,074	3,861
Proceeds from long-term borrowings	15,000	19,996
Repayments of long-term borrowings	△7,520	△9,021
Dividends paid	△1,023	△1,018
Dividends paid to non-controlling interests	△796	△660
Repayments of lease liabilities	△495	△243
Purchase of treasury shares	△0	△0
Net cash provided by (used in) financing activities	4,093	12,914
Effect of exchange rate change on cash and cash equivalents	580	906
Net increase (decrease) in cash and cash equivalents	5,039	1,827
Cash and cash equivalents at beginning of period	17,653	22,692
Cash and cash equivalents at end of period	22,692	24,519

(5) Notes to the Consolidated Financial Statements

(Assumption of a Going Concern)
Not applicable

(Additional Information)

1. Director Stock Grant Trust
   Pursuant to the resolution of the 112th 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 145 million and 174,700 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, 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 reversal of provision for fixed asset adjustments of JPY 84 million and inventory adjustments of 251 million yen.
(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.

Consolidated Current Fiscal Year (April 1, 2025, to March 31, 2026)

	Reportable Segments						Adjs. (Note 1)	Reported Amount (Note 2)
	Japan	Americas	Europe	China	Asia	Total		
Sales								
External Customers	32,657	67,799	19,148	10,988	28,795	159,387	—	159,387
Internal Sales & Transfers between segments	19,228	23	848	1,493	967	22,559	(22,559)	—
Total	51,885	67,822	19,996	12,481	29,763	181,946	(22,559)	159,387
Segment income	2,053	(327)	280	(348)	2,599	4,257	(184)	4,073
Segment assets	61,772	48,048	17,808	10,581	21,017	159,226	(17,296)	141,929
Other items								
Depreciation	2,668	2,431	783	484	917	7,282	(305)	6,978
Impairment Loss	—	—	—	575	98	674	—	674
Increase in Tangible and Intangible Assets	4,018	4,605	1,844	267	1,633	12,368	(566)	11,802

(Note 1) The adjustment amounts are as follows:

(1) The adjustment amount of (22,559) million yen for net sales is the amount for eliminating inter-segment transactions.

(2) The adjustment amount of (184) million yen in segment operating income includes fixed asset adjustments of JPY (261) million, and inventory adjustments of JPY 77 million.

(3) The adjustment amount of (17,296) million yen for segment assets includes investments securities of JPY 2,800 million, assets related to administrative department of JPY 328 million, elimination of inter-segment transactions of (21,675) million yen, reversal of provision for doubtful accounts in consolidated companies of JPY 10,459 million, elimination of investment and capital of (7,909) million yen, and elimination of unrealized profits of (1,299) million yen.

(4) The adjustment amount of (566) million yen for increase in tangible and intangible assets represents elimination of unrealized profits of (566) 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:

	FY2024 (April 1, 2024, to March 31, 2025)	FY2025 (April 1, 2025, to March 31, 2026)
Net Assets per Share	1,236.34	1,340.56
Earnings per Share	20.59	42.57
(Basis of Calculation)		
Net Income		
Attributable to the Shareholders of the Parent Company (in Million Yen)	737	1,524
Not Attributable to Common Shareholders (in Million Yen)	—	—
Attributable to the Shareholders of the Parent Company Relating to Common Shares (in Million Yen)	737	1,524
Average Number of Common Shares Outstanding During the Period (in thousands)	35,795	35,809

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 585,700 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 599,097 shares at the end of the previous fiscal year and 585,700 shares at the end of the current fiscal year.

(Significant Subsequent Events)

Not applicable