# Consolidated Financial Results for the year ended March 31, 2025

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

**May 12, 2025**

| | |
|---|---|
| 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 20, 2025 |
| Scheduled date of Annual Securities Report | : June 23, 2025 |
| Payment date of Dividend | : June 02, 2025 |
| Supplemental material for Financial Statements | : Available |
| Schedule for Financial Results Briefing Session | : Available (for Institutional Investors and Analysts) |

## 1. Consolidated Results for FY2024 (April 1, 2024 to March 31, 2025)

(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 2025 | 159,538 | 1.7 | 4,860 | (39.7) | 4,600 | (37.0) | 737 | (82.5) |
| March 2024 | 156,814 | 13.9 | 8,053 | 509.7 | 7,296 | 389.6 | 4,216 | – |

Ref. Comprehensive Income: FY2024: 1,603 million yen (△84.6%) | FY2023: 10,417 million yen (－%)

| | Earnings per share | Diluted EPS | Return on Equity | Return on Assets | Operating Income Margin |
|---|---|---|---|---|---|
| Year ended | Yen | Yen | % | % | % |
| March 2025 | 20.59 | – | 1.7 | 4.0 | 3.0 |
| March 2024 | 117.42 | – | 10.4 | 7.0 | 5.1 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|---|---|---|---|---|
| | Million yen | Million yen | % | Yen |
| As on March 31, 2025 | 117,138 | 48,087 | 37.8 | 1,236.34 |
| As on March 31, 2024 | 111,245 | 48,288 | 40.2 | 1,248.37 |

Ref. Shareholders' Equity: FY2024: 44,272 million yen | FY2023: 44,684 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 2025 | 8,484 | (8,118) | 4,093 | 22,692 |
| March 2024 | 10,139 | (7,141) | 743 | 17,653 |

**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 2025 | — | 12.50 | — | 14.00 | 26.50 | 964 | 22.6 | 2.3 |
| Year ended March 2024 | — | 14.00 | — | 14.00 | 28.00 | 1,019 | 136.0 | 2.3 |
| Year ended March 2026 (Forecast) | — | — | — | — | — | | — | |

(Note) The dividend forecast for the fiscal year ending March 31, 2026 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, 2026 (April 1, 2025 to March 31, 2026)**

(% 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 | 147,000 | (7.9) | 5,500 | 13.2 | 4,000 | (13.0) | 1,800 | 144.3 | 50.29 |

**Notes**

(1) Significant changes in the scope of consolidation during the period: No
Newly included: 0 companies | Excluded: 0 companies

(2) Changes in accounting policies, accounting estimates, and restatement
① Changes in accounting policies due to revisions of Accounting Standards: Yes
② Changes in accounting policies other than ① above: No
③ Changes in accounting estimates: No
④ Restatement: No

For more details, please refer to Note 'Changes in Accounting Policies', in '(5). Notes to the Consolidated Financial Statements' on page 14 of this document.

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

| | | | | |
|---|---|---|---|---|
| ① Number of issued shares at the end of the period (including treasury stock): | FY24Q4 | 37,112,000 | FY23Q4 | 37,112,000 |
| ② Number of treasury shares at the end of the period: | FY24Q4 | 1,303,425 | FY23Q4 | 1,318,303 |
| ③ Average number of shares outstanding during the period: | FY24Q4 | 35,795,228 | FY23Q4 | 35,907,058 |

※ Full-year Consolidated Financial Results are not subject to review by a Certified Public Accountant or Auditing Firm.

※ 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 are not a guarantee of performance. Actual results may differ significantly due to various factors. For the assumptions underlying the forecasts and cautionary notes, please refer to '1 (4) FY2025 Forecast' in 'Overview of Business Performance' on page 6 of this document.

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# 1. Overview of Business Performance for the Year Ended March 31, 2025

## (1) Overview of Operating Results

For the consolidated results of this fiscal year, Japan's macro-economic environment showed a moderate recovery trend, supported by improvements in employment and income conditions, as well as increased inbound demand, despite the impact of rising prices. However, the economic outlook remains uncertain due to exchange rate volatility. The yen's historic depreciation was followed by a rapid appreciation due to market disruptions triggered by US import tariff hikes.

Overseas, inflation in the United States has slowed down, but remained at an elevated level. Amid ongoing attention to monetary policy developments, consumer spending has weakened. Nevertheless, the labour market remained strong, underpinning economic resilience. In China, economic environment continued to stagnate due to prolonged downturn in the real estate sector. The government's economic stimulus measures had only a limited effect, and both consumer spending and investment remained sluggish. In Europe, while there were early signs of stabilization, the overall economy remained weak. Uncertainty persists due to sustained increases in energy and material costs, compounded by prolonged geopolitical tensions in the Middle East. In Asia, although the region was partially affected due to economic slowdown in China, a recovery in tourism sector and strong performance in the electronics industry supported stable economic conditions.

In Japan, the domestic automotive industry was affected by shipment suspensions of certain vehicle models due to certification irregularities. Overseas, automotive sales showed an overall upward trend. At the same time, several risk factors persist, including sustained high raw material costs, rising energy costs, and supply chain disruptions stemming from instability in the Middle East. Furthermore, the business environment in the North American market has grown increasingly uncertain following the introduction of additional tariffs under the Trump administration. These developments have led to greater cost burdens on automakers and suppliers, necessitating strategic adjustments in the sales and supply chain management. It is becoming increasingly necessary to ensure stability of supply chains, strongly manage costs, and adapt to technological advancements while closely monitoring developments in electric vehicle policies and regulatory changes across key markets.

Against this backdrop, consolidated sales for the fiscal year ended increased to JPY 159.538 billion (up 1.7% YoY). Overall revenue increased, supported by strong sales performance of Japanese OEMs in the Americas and favorable currency translation effects from yen depreciation.

As a result, operating income decreased to JPY 4.860 billion (down 39.7% YoY), and ordinary income decreased JPY 4.600 billion (down 37.0% YoY) due to reduced value-added resulting from lower sales of Japanese OEMs in China, increased labour costs in Japan and the recording of one-time expenses in the Americas. Net income attributable to owners of the parent company dropped to JPY 737 million (down 82.5% YoY). While the company recorded a gain from the sale of investment securities as extraordinary income, net income declined due to a decrease in ordinary income, as well as impairment losses and special retirement benefits expenses.

Overview of operating results by segment is as follows:

① Japan
Revenue in Japan declined to JPY 29.157 billion (down 2.6% YoY), due to production cuts impacting both domestic OEMs and export sales. Operating income decreased to JPY 1.014 billion (down 51.3% YoY) as a result of low revenue. Additionally, higher labor costs resulting from wage hikes, increased spending on new business investments, including commission fees and R&D costs, contributed to the decline.

② Americas
Revenue surged to JPY 67.288 billion (up 13.8% YoY), driven by strong sales performance of Japanese OEMs in North America and favorable currency translation effects from yen depreciation. Operating income increased to JPY 1.744 billion (up 1.6% YoY), despite one-time expenses, due to the effective implementation of price adjustments, a reduction in inflationary pressures, and improved operational efficiency leading to more stable production.

③ Europe
Revenue in Europe declined to JPY 21.520 billion (down 3.0% YoY) due to weak demand from European manufacturers, despite favorable currency translation effects. The segment recorded an operating loss of JPY 118 million, compared to an operating income of JPY 911 million in the previous fiscal year. The loss was due to delay in passing on the high inflationary costs of material and labour, as well as an increase in fixed costs, including system implementation expenses.

④ China
Revenue in China dropped significantly to JPY 13.012 billion (down 26.4% YoY) due to continued sluggish sales of Japanese OEMs. The segment recorded an operating loss of JPY 963 million, a sharp decline from operating income of JPY 824 million in the same period last year. The loss was driven by a significant decline in revenue as well as fixed costs associated with workforce reductions such as severance pay.

⑤ Asia

Revenue in Asia increased to JPY 28.561 billion (up 2.5% YoY), supported by higher production at the Indian subsidiary and favorable currency effects from yen depreciation. This growth offset the sluggish market conditions in Thailand and Indonesia. Operating income rose to JPY 2.847 billion (up 19.4% YoY), due to strong revenue growth and effective cost control measures that helped mitigate fluctuations in production volumes.

**(2) Overview of Financial Position**

As of the end of the fiscal year, total assets stood at JPY 117.138 billion, marking an increase of JPY 5.893 billion from the previous financial year-end. Key factors include:

- an increase in cash and deposits by JPY 5.039 billion,
- a decrease in notes receivable, accounts receivable, and contract assets by JPY 1.664 billion.
- an increase in work-in-progress of JPY 1.560 billion.
- an increase in other current assets, such as advances and prepaid expenses, of JPY 1.012 billion.
- an increase in tangible fixed assets, such as machinery and equipment, of JPY 1.529 billion.
- a decrease in investment securities of JPY 2.034 billion.

Total liabilities amounted to JPY 69.051 billion, an increase of JPY 6.094 billion from the end of the previous financial year-end. Key factors include:

- a decrease of JPY 924 million in electronically recorded obligations.
- an increase of 6.902 billion yen in long term borrowings, etc.

Net assets were JPY 48.087 billion, a decrease of JPY 201 million from the previous financial year-end. Key factors include:

- a decrease of 1.348 billion yen in valuation differences on available for sale securities.
- An increase of 908 million yen in foreign currency translation adjustments, etc.

**(3) Overview of Cash Flow**

As of the end of the fiscal year, cash and cash equivalents stood at JPY 22.692 billion, reflecting an increase of JPY 5.039 billion from the end of the previous financial year.

i. Cash flow from Operating Activities:
Net cash provided by operating activities increased to JPY 8.484 billion (decreased by JPY 1.655 billion compared to the previous fiscal year).
This increase was primarily driven by:
- Income before income taxes of JPY 2.696 billion (JPY 6.903 billion in the previous fiscal year)
- Depreciation of JPY 6.769 billion (JPY 6.153 billion in the previous fiscal year)
- Impairment losses of JPY 1.299 billion (JPY 0.034 billion in the previous fiscal year)
- Gain on sale of investment securities of JPY 1.571 billion (JPY 0.200 billion in the previous fiscal year)
- Decrease in trade receivables of JPY 2.644 billion (increase of JPY 1.817 billion in the previous fiscal year)
- Increase in inventories of JPY 1.092 billion (decrease of JPY 3.194 billion in the previous fiscal year)
- Decrease in accounts payable of JPY 1.441 billion (increase of JPY 0.569 billion in the previous fiscal year)
- Payment of corporate income taxes amounting to JPY 1.367 billion (JPY 2.436 billion in the previous fiscal year)

ii. Cash flow from Investing Activities:
Net cash used in investing activities totaled JPY 8.118 billion (JPY 7.141 billion in the previous fiscal year).
- Purchases of tangible fixed assets of JPY 9.435 billion (JPY 7.588 billion in the previous fiscal year)
- Proceeds from sale of investment securities of JPY 1.816 billion (JPY 0.296 billion in the previous fiscal year)

iii. Cash flow from Financing Activities:
Net cash provided by financing activities amounted to JPY 4.093 billion (JPY 0.743 billion in the previous fiscal year).
The primary factors include:
- Outflows of JPY 1.074 billion from repayment of short-term borrowings (JPY 1.027 billion in the previous fiscal year)
- Inflows of JPY 15.0 billion from long-term borrowings (JPY 10.0 billion in the previous fiscal year)
- Outflows of JPY 7.520 billion from repayment of long-term borrowings (JPY 5.704 billion in the previous fiscal year)
- Dividend payments of JPY 1.023 billion (JPY 0.910 billion in the previous fiscal year)
- Payments of dividends to non-controlling shareholders of JPY 0.796 billion (JPY 0.640 billion in the previous fiscal year)

**(4) FY2025 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 | 147,000 | –7.9% |
| Operating Profit | 5,500 | +13.2% |
| Ordinary Profit | 4,000 | –13.0% |
| Net Income Attributable to Owners of the Parent | 1,800 | +144.3% |

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, 2024 | As of March 31, 2025 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 17,653 | 22,692 |
| Notes and accounts receivable - trade, and contract assets | 19,490 | 17,826 |
| Electronically recorded monetary claims - operating | 863 | 826 |
| Finished goods | 5,119 | 4,871 |
| Work in process | 5,421 | 6,981 |
| Raw materials and supplies | 12,254 | 12,575 |
| Other | 3,581 | 4,593 |
| Allowance for doubtful accounts | △52 | △17 |
| Total current assets | 64,329 | 70,348 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 19,946 | 20,865 |
| Machinery, equipment and vehicles | 87,588 | 92,508 |
| Tools, furniture and fixtures | 13,897 | 14,536 |
| Land | 2,859 | 2,924 |
| Leased assets | 3,269 | 3,566 |
| Construction in progress | 4,189 | 5,416 |
| Accumulated depreciation | △86,420 | △91,533 |
| Accumulated impairment | △10,183 | △11,607 |
| Total property, plant and equipment | 35,145 | 36,674 |
| Intangible assets | | |
| Leased assets | 57 | 41 |
| Other | 471 | 646 |
| Total intangible assets | 528 | 687 |
| Investments and other assets | | |
| Investment securities | 8,741 | 6,707 |
| Retirement benefit asset | 159 | 169 |
| Deferred tax assets | 1,873 | 1,965 |
| Other | 471 | 588 |
| Total investments and other assets | 11,244 | 9,429 |
| Total non-current assets | 46,916 | 46,790 |
| Total assets | 111,245 | 117,138 |

(Amounts are rounded to the nearest million)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 9,074 | 9,209 |
| Electronically recorded obligations - operating | 5,355 | 4,431 |
| Short-term borrowings | 17,648 | 17,847 |
| Accounts payable - other | 2,686 | 4,171 |
| Lease liabilities | 457 | 281 |
| Income taxes payable | 531 | 529 |
| Accrued consumption taxes | 588 | 263 |
| Provision for bonuses | 1,226 | 1,391 |
| Provision for bonuses for directors (and other officers) | 24 | 30 |
| Provision for product warranties | 96 | 272 |
| Other | 3,535 | 3,453 |
| Total current liabilities | 41,219 | 41,878 |
| Non-current liabilities | | |
| Long-term borrowings | 14,392 | 21,293 |
| Lease liabilities | 515 | 253 |
| Deferred tax liabilities | 2,472 | 1,789 |
| Provision for retirement benefits for directors (and other officers) | 163 | 154 |
| Provision for loss on litigation | 494 | 40 |
| Retirement benefit liability | 3,223 | 3,080 |
| Other | 479 | 565 |
| Total non-current liabilities | 21,738 | 27,173 |
| Total liabilities | 62,957 | 69,051 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 3,481 | 3,481 |
| Capital surplus | 2,362 | 2,362 |
| Retained earnings | 31,872 | 31,589 |
| Treasury shares | △980 | △968 |
| Total shareholders' equity | 36,735 | 36,465 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 4,671 | 3,324 |
| Foreign currency translation adjustment | 2,586 | 3,494 |
| Remeasurements of defined benefit plans | 692 | 989 |
| Total accumulated other comprehensive income | 7,949 | 7,807 |
| Non-controlling interests | 3,604 | 3,816 |
| Total net assets | 48,288 | 48,087 |
| Total liabilities and net assets | 111,245 | 117,138 |

## (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, 2024 | Fiscal year ended March 31, 2025 |
|---|---|---|
| Net sales | 156,814 | 159,538 |
| Cost of sales | 133,511 | 136,767 |
| Gross profit | 23,302 | 22,770 |
| Selling, general and administrative expenses | 15,249 | 17,910 |
| Operating profit | 8,053 | 4,860 |
| Non-operating income | | |
| Interest income | 148 | 274 |
| Dividend income | 235 | 283 |
| Insurance claim income | 108 | — |
| Subsidy income | 146 | — |
| Foreign exchange gains | — | 238 |
| Other | 303 | 383 |
| Total non-operating income | 941 | 1,177 |
| Non-operating expenses | | |
| Interest expenses | 774 | 827 |
| Commission expenses | 466 | 461 |
| Foreign exchange losses | 192 | — |
| Other | 266 | 150 |
| Total non-operating expenses | 1,698 | 1,438 |
| Ordinary profit | 7,296 | 4,600 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 50 | 12 |
| Gain on sale of investment securities | 200 | 1,571 |
| Total extraordinary income | 250 | 1,583 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 6 | 5 |
| Loss on retirement of non-current assets | 252 | 764 |
| Impairment losses | 34 | 1,299 |
| Loss on valuation of investment securities | — | 75 |
| Provision for loss on litigation | 351 | 364 |
| Extra retirement payments | — | 980 |
| Total extraordinary losses | 642 | 3,486 |
| Profit before income taxes | 6,903 | 2,696 |
| Income taxes - current | 1,728 | 1,527 |
| Income taxes - deferred | 193 | △221 |
| Total income taxes | 1,921 | 1,306 |
| Profit | 4,982 | 1,390 |
| Profit attributable to non-controlling interests | 766 | 653 |
| Profit attributable to owners of parent | 4,216 | 737 |

Consolidated Comprehensive Income Statement

(Amounts are rounded to the nearest million yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|---|---|
| Profit | 4,982 | 1,390 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,848 | △1,348 |
| Foreign currency translation adjustment | 3,434 | 1,263 |
| Remeasurements of defined benefit plans, net of tax | 153 | 297 |
| Total other comprehensive income | 5,435 | 213 |
| Comprehensive income | 10,417 | 1,603 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 9,352 | 594 |
| Comprehensive income attributable to non-controlling interests | 1,065 | 1,008 |

### (3) Consolidated Statement of Changes in Net Assets

Consolidated Previous Fiscal Year (April 1, 2023 to March 31, 2024)

(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 | 2,365 | 28,565 | △697 | 33,714 |
| Changes during period | | | | | |
| Dividends of surplus | | | △910 | | △910 |
| Profit (loss) attributable to owners of parent | | | 4,216 | | 4,216 |
| Purchase of treasury shares | | | | △303 | △303 |
| Disposal of treasury shares | | | | 20 | 20 |
| Changes in capital surplus due to transactions with non-controlling interests | | △3 | | | △3 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | — | △3 | 3,306 | △283 | 3,021 |
| Balance at end of period | 3,481 | 2,362 | 31,872 | △980 | 36,735 |

| | 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 | 2,823 | △549 | 539 | 2,813 | 3,384 | 39,911 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | △910 |
| Profit (loss) attributable to owners of parent | | | | | | 4,216 |
| Purchase of treasury shares | | | | | | △303 |
| Disposal of treasury shares | | | | | | 20 |
| Changes in capital surplus due to transactions with non-controlling interests | | | | | | △3 |
| Net changes in items other than shareholders' equity | 1,848 | 3,135 | 153 | 5,136 | 221 | 5,357 |
| Total changes during period | 1,848 | 3,135 | 153 | 5,136 | 221 | 8,377 |
| Balance at end of period | 4,671 | 2,586 | 692 | 7,949 | 3,604 | 48,288 |

Consolidated Current 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 |
| 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 |
| 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 |

### (4) Consolidated Cash Flow Statement

(Amounts are rounded to the nearest million)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|---|---|
| Cash flows from Operating Activities | | |
| Profit before income taxes | 6,903 | 2,696 |
| Depreciation | 6,153 | 6,769 |
| Impairment losses | 34 | 1,299 |
| Loss on retirement of property, plant and equipment | 252 | 764 |
| Loss (gain) on sale of property, plant and equipment | △44 | △6 |
| Interest and dividend income | △383 | △557 |
| Interest expenses | 774 | 827 |
| Commission expenses | 466 | 461 |
| Loss (gain) on sale of investment securities | △200 | △1,571 |
| Loss (gain) on valuation of investment securities | — | 75 |
| Insurance claim income | △108 | — |
| Increase (decrease) in provision for product warranties | △542 | 166 |
| Increase (decrease) in provision for loss on litigation | 351 | 364 |
| Extra retirement payments | — | 980 |
| Decrease (increase) in trade receivables | △1,817 | 2,644 |
| Decrease (increase) in inventories | 3,194 | △1,092 |
| Increase (decrease) in trade payables | 569 | △1,441 |
| Increase (decrease) in provision for bonuses | 37 | 167 |
| Increase (decrease) in accounts payable - other | △403 | 442 |
| Increase (decrease) in accrued expenses | 403 | △231 |
| Increase (decrease) in retirement benefit liability | 12 | 79 |
| Other, net | △2,104 | △1,277 |
| Subtotal | 13,546 | 11,556 |
| Interest and dividends received | 383 | 557 |
| Interest paid | △829 | △886 |
| Commission fee paid | △445 | △483 |
| Settlement paid | △190 | △818 |
| Income taxes paid | △2,436 | △1,367 |
| Proceeds from insurance income | 108 | — |
| Extra retirement payments | — | △75 |
| Net cash provided by (used in) operating activities | 10,139 | 8,484 |
| Cash flows from Investing Activities | | |
| Purchase of property, plant and equipment | △7,588 | △9,435 |
| Proceeds from sale of property, plant and equipment | 174 | 40 |
| Purchase of investment securities | △70 | △149 |
| Proceeds from sale of investment securities | 296 | 1,816 |
| Other, net | 46 | △389 |
| Net cash provided by (used in) investing activities | △7,141 | △8,118 |
| Cash flows from Financing Activities | | |
| Net increase (decrease) in short-term borrowings | △1,027 | △1,074 |
| Proceeds from long-term borrowings | 10,000 | 15,000 |
| Repayments of long-term borrowings | △5,704 | △7,520 |
| Dividends paid | △910 | △1,023 |
| Dividends paid to non-controlling interests | △640 | △796 |
| Repayments of lease liabilities | △466 | △495 |
| Purchase of treasury shares | △303 | △0 |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | △207 | — |
| Net cash provided by (used in) financing activities | 743 | 4,093 |
| Effect of exchange rate change on cash and cash equivalents | 1,076 | 580 |
| Net increase (decrease) in cash and cash equivalents | 4,816 | 5,039 |
| Cash and cash equivalents at beginning of period | 12,837 | 17,653 |
| Cash and cash equivalents at end of period | 17,653 | 22,692 |

## (5) Notes to the Consolidated Financial Statements

**(Assumption of a Going Concern)**
Not applicable

**(Changes in Accounting Policies)**
Application of "Accounting Standard for Corporate, Residence, and Business Taxes"

We have applied the "Accounting Standards for Corporate Taxes, Local Resident Taxes, Enterprise Taxes, etc." (ASBJ Statement No. 27, October 28, 2022; "2022 Revised Accounting Standards") and other standards from the beginning of this consolidated accounting period. Regarding the amendment to the classification of corporate taxes, etc. (taxation on other comprehensive income), we are following the transitional treatment set forth in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment set forth in the proviso of Paragraph 65-2 (2) of the "Guidelines for the Implementation of Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; "2022 Revised Implementation Guidelines"). Additionally, the amendment concerning the treatment of deferred tax gains and losses from intra-group sales of subsidiary shares has been applied to the consolidated financial statements from the beginning of this consolidated accounting period, in line with the "2022 Revised Implementation Guidelines". There are no impacts of this change in accounting policy on the consolidated financial statements.

**(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 158 million and 189,700 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, 2023 to March 31, 2024)

| | Reportable Segments | | | | | | Adjs. (Note 1) | Reported Amount (Note 2) |
|---|---|---|---|---|---|---|---|---|
| | Japan | Americas | Europe | China | Asia | Total | | |
| Sales | | | | | | | | |
| External Customers | 29,927 | 59,137 | 22,191 | 17,684 | 27,875 | 156,814 | — | 156,814 |
| Internal Sales & Transfers between segments | 19,344 | 13 | 428 | 1,205 | 881 | 21,871 | (21,871) | — |
| Total | 49,271 | 59,150 | 22,169 | 18,888 | 28,756 | 178,685 | (21,871) | 156,814 |
| Segment income | 2,083 | 1,717 | 911 | 824 | 2,384 | 7,920 | 133 | 8,053 |
| Segment assets | 44,880 | 29,314 | 14,589 | 14,668 | 18,534 | 121,986 | (10,741) | 111,245 |
| Other items | | | | | | | | |
| Depreciation | 2,033 | 2,358 | 304 | 783 | 922 | 6,401 | (248) | 6,153 |
| Impairment Loss | — | — | — | — | 34 | 34 | — | 34 |
| Increase in Tangible and Intangible Assets | 3,488 | 2,606 | 863 | 885 | 743 | 8,584 | (185) | 8,400 |

(Note 1) The adjustment amounts are as follows:
- (1) The adjustment amount of (21,871) million yen for net sales is the amount for eliminating inter-segment transactions.
- (2) The adjustment amount of 133 million yen in segment operating income includes reversal of provision for doubtful accounts of JPY 83 million, fixed asset adjustments of JPY 63 million, and inventory adjustments of (13) million yen.
- (3) The adjustment amount of (10,741) million yen for segment assets includes investments securities of JPY 1,737 million, assets related to administrative department of JPY 252 million, elimination of inter-segment transactions of (14,333) million yen, reversal of provision for doubtful accounts in consolidated companies of JPY 8,550 million, elimination of investment and capital of (5,556) million yen, and elimination of unrealized profits of (1,390) million yen.
- (4) The adjustment amount of (185) million yen for increase in tangible and intangible assets represents elimination of unrealized profits of (185) 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, 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 fixed asset adjustments of JPY 84 million, and inventory adjustments of JPY 251 million.
(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.

**(Earnings per Share)**
The basis of calculating earnings per share is as follows:

| | FY2023 (April 1, 2023, to March 31, 2024) | FY2024 (April 1, 2024, to March 31, 2025) |
|---|---|---|
| Net Assets per Share | 1,248.37 | 1,236.34 |
| Earnings per Share | 117.42 | 20.59 |
| (Basis of Calculation) | | |
| Net Income Attributable to the Shareholders of the Parent Company (in Million Yen) | 4,216 | 737 |
| Not Attributable to Common Shareholders (in Million Yen) | — | — |
| Attributable to the Shareholders of the Parent Company Relating to Common Shares (in Million Yen) | 4,216 | 737 |
| Average Number of Common Shares Outstanding During the Period (in thousands) | 35,907 | 35,795 |

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 600,700 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 487,485 shares at the end of the previous fiscal year and 599,097 shares at the end of the current fiscal year.

**(Significant Subsequent Events)**
Not applicable