**Consolidated Financial Results for the Six Months Ended September 30, 2026**
(Consolidated financial information has been prepared in accordance with J-GAAP)
English translation from the original Japanese-language document

**November 12, 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 Semi-Annual Securities Report | : November 12, 2026 |
| Payment date of Dividend | : December 1, 2026 |
| Supplemental material for Financial Statements | : Available |
| Schedule for Financial Results Briefing Session | : Available |

## 1. Consolidated Results for FY2026 (April 1, 2026 to September 30, 2026)

(Amounts are rounded to the nearest million yen)

(1) Consolidated Financial Results

| | Net sales | | Operating Income | | Ordinary Income | | Net income attributable to owners of the parent company | |
|---|---|---|---|---|---|---|---|---|
| Six Months ended | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| September 2026 | 86,265 | 9.9 | 1,541 | (54.2) | 948 | (61.1) | (244) | ― |
| September 2025 | 78,522 | (3.2) | 3,361 | 41.0 | 2,438 | 13.1 | 2,979 | 158.3 |

Ref. Comprehensive Income: FY2026 Q2: 3,063 million yen (14.5%) | FY2025 Q2: 2,674 million yen (△26.0%)

| | Earnings per share | Diluted EPS |
|---|---|---|
| Six Months ended | Yen | Yen |
| September 2026 | (6.82) | ― |
| September 2025 | 83.18 | ― |

(2) Consolidated Financial Position

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|---|---|---|---|---|
| | Million yen | Million yen | % | Yen |
| As of September 30, 2026 | 140,485 | 53,720 | 35.7 | 1,398.41 |
| As of March 31, 2026 | 141,929 | 51,968 | 33.8 | 1,340.56 |

Ref. Shareholders' Equity: FY2026 Q2: 50,135 million yen | FY2025 Q4: 48,003 million yen

## 2. Dividends

| | Annual cash dividends per share | | | | |
|---|---|---|---|---|---|
| | End of Q1 | End of Q2 | End of Q3 | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended March 2026 | ― | 14.00 | ― | 14.00 | 28.00 |
| Year ending March 2027 | ― | 14.00 | | | |
| Year ending March 2027 (Forecast) | | | ― | 14.00 | 28.00 |

※ Modifications from most recent dividend forecast: No

### 3. Forecast of Consolidated Results for the 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 |

※ Any modifications from the most recently published business forecast: No

**Notes**

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

(2) Application of accounting treatments specific to the preparation of interim consolidated financial statements: No

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

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

| | | | | |
|---|---|---|---|---|
| ① Number of issued shares at the end of the period (including treasury stock): | FY26Q2 | 37,112,000 | FY25Q4 | 37,112,000 |
| ② Number of treasury shares at the end of the period: | FY26Q2 | 1,260,431 | FY25Q4 | 1,303,435 |
| ③ Average number of shares outstanding during the period: | FY26Q2 | 35,811,580 | FY25Q2 | 35,808,575 |

※ 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 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 '(3) Explanation of Future Forecasts and Forward-Looking Statements' in 'Overview of Business Performance' on page 5 of this document.

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## 1. Overview of Business Performance for the Six Months Ended September 30, 2026

### (1) Overview of Operating Results

The economic environment surrounding the automotive industry, in which our Group operates, has remained mixed globally, while production and sales volumes were broadly flat. However, business uncertainty persisted, with raw material and logistics costs remaining elevated due to U.S. tariff measures and increasing instability in the Middle East.

Amid this operating environment, consolidated net sales for the interim period increased 9.9% year-on-year to ¥86.265 billion. The increase was primarily attributable to revenue growth in North and South America, including contributions from newly consolidated subsidiaries, as well as favorable foreign exchange translation effects, which more than offset the decline in sales resulting from the absence of contributions from newly launched programs in Japan that benefited the corresponding period of the previous fiscal year, as well as lower sales in China.

On the earnings front, operating profit declined to ¥1,541 million (down 54.2% year-on-year), reflecting lower sales in Japan, increased launch-related expenses in North and South America, a partial delay in the price pass-through of cost increases associated with U.S. tariff measures, and higher material costs and additional one-time expenses in Europe. Ordinary profit declined to ¥948 million (down 61.1% year-on-year). Although foreign exchange gains were recorded during the period, they were insufficient to offset the impact of lower operating profit. Although no restructuring expenses were recognized at the German subsidiary, unlike the same period of the previous fiscal year, no gain on bargain purchase was recognized either. Due to the decline in ordinary profit, loss attributable to owners of the parent amounted to ¥244 million, compared with profit attributable to owners of the parent of ¥2,979 million in the same period of the previous fiscal year.

Overview of operating results by segment is as follows:

① Japan
Net sales amounted to ¥15.129 billion (down 9.5% year-on-year), as the sales contribution from high-unit-price products launched in the previous fiscal year diminished.
Operating profit was ¥629 million (down 50.1% year-on-year). Although no subsidiary acquisition expenses were incurred during the current period, profitability declined due to lower value added resulting from the decrease in sales.

② Americas
Revenue increased to ¥41.198 billion (up 25.5% year-on-year), supported by robust sales to Japanese customers in North America, increased income associated with U.S. tariff measures, and the contribution from the newly consolidated Mexican subsidiary.
Operating profit declined to ¥490 million (down 55.0% year-on-year), reflecting increased costs associated with preparations for new program launches, a partial delay in the price pass-through of cost increases associated with U.S. tariff measures, and foreign exchange effects.

③ Europe
Revenue increased to ¥10.679 billion (up 11.1% year-on-year), driven by favorable foreign exchange translation effects, while maintaining sales volumes at a level comparable to the previous year.
Operating loss was ¥582 million, compared with operating profit of ¥88 million in the same period of the previous fiscal year. Despite cost reduction effects, including lower personnel expenses associated with factory closures, profitability deteriorated due to losses arising from inventory-related adjustments and high material costs.

④ China
Revenue declined to ¥3.639 billion (down 29.9% year-on-year), reflecting the liquidation of a subsidiary and the continued weak sales performance of Japanese OEMs.
Operating loss was ¥375 million, compared with an operating loss of ¥314 million in the same period of the previous fiscal year. Despite lower depreciation expenses resulting from fixed asset impairment losses recognized in the previous fiscal year, profitability deteriorated due to losses associated with the liquidation of a subsidiary and the significant impact of lower revenue.

⑤ Asia
Revenue increased to ¥15.620 billion (up 10.2% year-on-year), reflecting favorable foreign exchange translation effects and increased production at the Indian subsidiary, which more than offset the impact of the sluggish market in Thailand.
Operating Profit was ¥1.487 billion (up 4.2% year-on-year). Although material and energy costs increased due to factors including foreign exchange effects and the situation in the Middle East, as well as high personnel expenses, these impacts were offset by increased sales and cost control in response to production fluctuations.

## (2) Overview of Financial Position

① Assets, Liabilities and Net Assets

As of the end of the second quarter, total assets stood at JPY 140.485 billion, a decrease of JPY 1.444 billion from the previous fiscal year-end. Key factors included:

- a decrease of JPY 7.372 billion in cash and deposits
- an increase of JPY 1.640 billion in notes receivable, accounts receivable, and contract assets
- a decrease of JPY 301 million in finished goods
- an increase of JPY 1.248 billion in work-in-progress
- a decrease of JPY 153 million in raw materials and supplies
- an increase of JPY 804 million in other current assets, including advance payments and prepaid expenses
- an increase of JPY 1.008 billion in tangible fixed assets such as machinery and equipment
- an increase of JPY 1.483 billion in investment securities

Total liabilities stood at JPY 86.765 billion, a decrease of JPY 3.196 billion from the previous fiscal year-end. Key factors included:

- an increase of JPY 609 million in notes and accounts payable
- an increase of JPY 71 million in short-term borrowings
- an increase of JPY 164 million in other accounts payable
- a decrease of JPY 201 million in income taxes payable
- a decrease of JPY 243 million in consumption taxes payable
- a decrease of JPY 842 million in provision for restructuring losses
- an increase of JPY 2.024 billion in other current liabilities, including accrued expenses, deposits received, and advances received
- a decrease of JPY 5.351 billion in long-term borrowings
- an increase of JPY 425 million in deferred tax liabilities

Net assets increased to JPY 53.720 billion, an increase of JPY 1.751 billion from the previous fiscal year-end. Key factors included:

- an increase of JPY 1.924 billion in foreign currency translation adjustments
- an increase of JPY 1.014 billion in valuation difference on available-for-sale securities
- a decrease of JPY 381 million in non-controlling interests
- a decrease of JPY 754 million in retained earnings

② Cash Flow

As of the end of the second quarter, cash and cash equivalents stood at JPY 17.147 billion, reflecting a decrease of JPY 7.372 billion from the end of the previous fiscal year.

i. Cash flow from Operating Activities:

Net cash provided by operating activities was JPY 3.235 billion (JPY 1.933 billion in the previous fiscal year). Key factors included:

- Income before income taxes: JPY 1.106 billion (JPY 4.458 billion in the previous fiscal year)
- Depreciation: JPY 3.816 billion (JPY 3.317 billion in the previous fiscal year)
- Increase in trade receivables: JPY 1.030 billion (increase of JPY 868 million in the previous fiscal year)
- Decrease in inventories: JPY 189 million (increase of JPY 1.216 billion in the previous fiscal year)
- Increase in accounts payable: JPY 302 million (decrease of JPY 308 million in the previous fiscal year)
- Income tax payments: JPY 1.175 billion (JPY 799 million in the previous fiscal year)

ii. Cash flow from Investing Activities:

Net cash used in investing activities totaled JPY 4.134 billion (JPY 7.765 billion in the previous fiscal year).

- Purchase of tangible fixed assets amounting to JPY 4.164 billion (JPY 4.791 billion in the previous fiscal year)

iii. Cash flow from Financing Activities:

Net cash used in financing activities was JPY 6.799 billion (inflow of JPY 1.564 billion in the previous fiscal year). Key factors included:

- Increase in short-term borrowings: JPY 426 million (inflow of JPY 4.921 billion in the previous fiscal year)
- Repayment of long-term borrowings: JPY 5.833 billion (JPY 4.166 billion in the previous fiscal year)
- Dividend payments: JPY 510 million (JPY 509 million in the previous fiscal year)
- Dividends paid to non-controlling interests: JPY 703 million (JPY 616 million in the previous fiscal year)

## (3) Explanation of Future Forecasts and Forward-Looking Statements

Taking into consideration recent business trends and other factors, we have decided to maintain the consolidated earnings forecast for the financial year ending March 2027, as announced in the “Consolidated Financial Results for the Financial Year Ended March 31, 2026 (Japanese GAAP)” dated May 14, 2026.

## Consolidated Financial Statements and Notes

### (1) Consolidated Balance Sheet

(Amounts are rounded to the nearest million yen)

| | As of March 31, 2026 | As of September 30, 2026 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 24,519 | 17,147 |
| Notes and accounts receivable - trade, and contract assets | 19,267 | 20,907 |
| Electronically recorded monetary claims - operating | 932 | 895 |
| Finished goods | 5,215 | 4,914 |
| Work in process | 8,757 | 10,004 |
| Raw materials and supplies | 15,985 | 15,832 |
| Other | 8,717 | 9,522 |
| Allowance for doubtful accounts | △15 | △14 |
| Total current assets | 83,377 | 79,207 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 25,094 | 25,854 |
| Machinery, equipment and vehicles | 101,662 | 104,978 |
| Tools, furniture and fixtures | 15,192 | 15,065 |
| Land | 3,393 | 3,428 |
| Leased assets | 5,488 | 5,661 |
| Construction in progress | 5,750 | 6,429 |
| Accumulated depreciation | △98,636 | △102,668 |
| Accumulated impairment | △12,632 | △12,429 |
| Total property, plant and equipment | 45,310 | 46,319 |
| Intangible assets | | |
| Leased assets | 24 | 21 |
| Other | 693 | 678 |
| Total intangible assets | 717 | 699 |
| Investments and other assets | | |
| Investment securities | 7,877 | 9,360 |
| Retirement benefit asset | 201 | 210 |
| Deferred tax assets | 3,795 | 3,956 |
| Other | 652 | 735 |
| Total investments and other assets | 12,525 | 14,260 |
| Total non-current assets | 58,553 | 61,278 |
| Total assets | 141,929 | 140,485 |

(Amounts are rounded to the nearest million yen)

| | As of March 31, 2026 | As of September 30, 2026 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 10,466 | 11,074 |
| Electronically recorded obligations - operating | 2,402 | 2,541 |
| Short-term borrowings | 25,724 | 25,795 |
| Accounts payable - other | 5,515 | 5,678 |
| Lease liabilities | 160 | 144 |
| Income taxes payable | 826 | 625 |
| Accrued consumption taxes | 701 | 458 |
| Provision for bonuses | 1,356 | 1,432 |
| Provision for bonuses for directors (and other officers) | 40 | 37 |
| Provision for product warranties | 291 | 161 |
| Provision for loss on liquidation of subsidiaries and associates | 1,018 | 176 |
| Other | 4,484 | 6,509 |
| Total current liabilities | 52,982 | 54,629 |
| Non-current liabilities | | |
| Long-term borrowings | 29,056 | 23,705 |
| Lease liabilities | 2,279 | 2,319 |
| Deferred tax liabilities | 2,668 | 3,093 |
| Provision for retirement benefits for directors (and other officers) | 154 | 154 |
| Provision for loss on litigation | 40 | 40 |
| Retirement benefit liability | 2,089 | 2,188 |
| Other | 693 | 638 |
| Total non-current liabilities | 36,979 | 32,136 |
| Total liabilities | 89,961 | 86,765 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 3,481 | 3,481 |
| Capital surplus | 2,362 | 2,294 |
| Retained earnings | 32,095 | 31,341 |
| Treasury shares | △968 | △932 |
| Total shareholders' equity | 36,970 | 36,184 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,982 | 4,997 |
| Foreign currency translation adjustment | 5,366 | 7,290 |
| Remeasurements of defined benefit plans | 1,685 | 1,665 |
| Total accumulated other comprehensive income | 11,033 | 13,952 |
| Non-controlling interests | 3,965 | 3,584 |
| Total net assets | 51,968 | 53,720 |
| Total liabilities and net assets | 141,929 | 140,485 |

## (2) Consolidated Income Statement and Consolidated Comprehensive Income Statement

Consolidated Income Statement

(Amounts are rounded to the nearest million yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 |
|---|---|---|
| Net sales | 78,522 | 86,265 |
| Cost of sales | 65,366 | 74,961 |
| Gross profit | 13,156 | 11,303 |
| Selling, general and administrative expenses | 9,794 | 9,763 |
| Operating profit | 3,361 | 1,541 |
| Non-operating income | | |
| Interest income | 100 | 143 |
| Dividend income | 100 | 110 |
| Foreign exchange gains | — | 78 |
| Other | 127 | 105 |
| Total non-operating income | 328 | 437 |
| Non-operating expenses | | |
| Interest expenses | 431 | 652 |
| Commission expenses | 215 | 255 |
| Foreign exchange losses | 568 | — |
| Other | 37 | 123 |
| Total non-operating expenses | 1,251 | 1,029 |
| Ordinary profit | 2,438 | 948 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 13 | 69 |
| Reversal of provision for loss on liquidation of subsidiaries and associates | — | 124 |
| Gain on bargain purchase | 2,595 | — |
| Total extraordinary income | 2,609 | 193 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 0 | 1 |
| Loss on retirement of non-current assets | 50 | 34 |
| Extra retirement payments | 539 | — |
| Total extraordinary losses | 589 | 35 |
| Profit before income taxes | 4,458 | 1,106 |
| Income taxes - current | 1,039 | 888 |
| Income taxes - deferred | 52 | 23 |
| Total income taxes | 1,091 | 911 |
| Profit | 3,366 | 195 |
| Profit attributable to non-controlling interests | 388 | 439 |
| Profit (loss) attributable to owners of parent | 2,979 | △244 |

Consolidated Comprehensive Income Statement

(Amounts are rounded to the nearest million yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 |
|---|---|---|
| Profit | 3,366 | 195 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 813 | 1,014 |
| Foreign currency translation adjustment | △1,392 | 1,874 |
| Remeasurements of defined benefit plans, net of tax | △113 | △20 |
| Total other comprehensive income | △692 | 2,868 |
| Comprehensive income | 2,674 | 3,063 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 2,471 | 2,674 |
| Comprehensive income attributable to non-controlling interests | 203 | 389 |

### (3) Consolidated Cash Flow Statement

(Amounts are rounded to the nearest million)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 4,458 | 1,106 |
| Depreciation | 3,317 | 3,816 |
| Loss on retirement of property, plant and equipment | 50 | 34 |
| Loss (gain) on sale of property, plant and equipment | △13 | △67 |
| Interest and dividend income | △200 | △253 |
| Interest expenses | 431 | 652 |
| Commission expenses | 215 | 255 |
| Increase (decrease) in provision for product warranties | 57 | △134 |
| Gain on bargain purchase | △2,595 | — |
| Extra retirement payments | 539 | — |
| Increase (decrease) in provision for loss on liquidation of subsidiaries and associates | — | △124 |
| Decrease (increase) in trade receivables | △868 | △1,030 |
| Decrease (increase) in inventories | △1,216 | 189 |
| Increase (decrease) in trade payables | △308 | 302 |
| Increase (decrease) in provision for bonuses | △20 | 57 |
| Increase (decrease) in accounts payable - other | 636 | 24 |
| Increase (decrease) in accrued expenses | 412 | 380 |
| Increase (decrease) in retirement benefit liability | △235 | 61 |
| Other, net | △263 | 797 |
| Subtotal | 4,395 | 6,063 |
| Interest and dividends received | 200 | 247 |
| Interest paid | △408 | △748 |
| Commission fee paid | △208 | △258 |
| Income taxes paid | △799 | △1,175 |
| Extra retirement payments | △1,248 | △893 |
| Net cash provided by (used in) operating activities | 1,933 | 3,235 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | △4,791 | △4,164 |
| Proceeds from sale of property, plant and equipment | 23 | 188 |
| Purchase of investment securities | △11 | △32 |
| Proceeds from sale of investment securities | 0 | — |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | △1,338 | — |
| Loan advances | △1,508 | — |
| Other, net | △142 | △126 |
| Net cash provided by (used in) investing activities | △7,765 | △4,134 |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 4,921 | 426 |
| Proceeds from long-term borrowings | 2,081 | — |
| Repayments of long-term borrowings | △4,166 | △5,833 |
| Dividends paid | △509 | △510 |
| Dividends paid to non-controlling interests | △616 | △703 |
| Repayments of lease liabilities | △148 | △101 |
| Purchase of treasury shares | — | △0 |
| Purchase of investments in capital of subsidiaries without change in scope of consolidation | — | △78 |
| Net cash provided by (used in) financing activities | 1,564 | △6,799 |
| Effect of exchange rate change on cash and cash equivalents | △537 | 326 |
| Net increase (decrease) in cash and cash equivalents | △4,806 | △7,372 |
| Cash and cash equivalents at beginning of period | 22,692 | 24,519 |
| Cash and cash equivalents at end of period | 17,886 | 17,147 |

**(4) Notes to the Consolidated Financial Statements**
**(Notes on Segment Information)**

I. Second quarter of the previous period (April 1, 2025 to September 30, 2025)

1. Information on Sales and Operating income (loss) by reportable segment

(Amounts are rounded to the nearest million yen)

| | Reportable Segments | | | | | | Adjs. (Note 1) | Reported Amount (Note 2) |
|---|---|---|---|---|---|---|---|---|
| | Japan | Americas | Europe | China | Asia | Total | | |
| Sales | | | | | | | | |
| External Customers | 16,713 | 32,825 | 9,614 | 5,194 | 14,177 | 78,522 | — | 78,522 |
| Internal Sales & Transfers between segments | 10,029 | 13 | 351 | 638 | 509 | 11,540 | (11,540) | — |
| Total | 26,742 | 32,838 | 9,966 | 5,832 | 14,685 | 90,062 | (11,540) | 78,522 |
| Segment income (loss) | 1,259 | 1,090 | 88 | (314) | 1,426 | 3,549 | (188) | 3,361 |

(Note 1) The adjustment amounts are as follows:
(1) The adjustment amount of (11,540) million yen for net sales is the amount for eliminating inter-segment transactions.
(2) The adjustment amount of (188) million yen in segment income includes fixed asset adjustments of JPY (157) million, and inventory adjustments of (31) million yen.

(Note 2) Segment income (loss) is adjusted to match operating income in the quarterly consolidated income statement.

2. Information on assets by reportable segment:

During the current interim consolidated accounting period, the Company acquired all shares of Winkelmann Powertrain México S. de R.L. de C.V. and included the company within the scope of consolidation. As a result, segment assets in the “Americas” segment increased by JPY 7,486 million compared with the end of the previous consolidated fiscal year.
Note: Winkelmann Powertrain México S. de R.L. de C.V. has been renamed to Sanoh Powertrain México S. de R.L. de C.V.

3. Information on impairment loss on fixed assets or goodwill by reportable segment:

(Significant Gain on Bargain Purchase)

In the “Americas” segment, the Company acquired all shares of Winkelmann Powertrain México S. de R.L. de C.V. and included the company within the scope of consolidation. As a result, a gain on bargain purchase of JPY 2,595 million was recognized.
Note: Winkelmann Powertrain México S. de R.L. de C.V. has been renamed to Sanoh Powertrain México S. de R.L. de C.V.

II. Second quarter ended September 30, 2026 (April 1, 2026 to September 30, 2026)

1. Information on Sales and Operating income (loss) by reportable segment.

(Amounts are rounded to the nearest million yen)

| | Reporting Segments | | | | | | Adjs. (Note 1) | Reported Amount (Note 2) |
|---|---|---|---|---|---|---|---|---|
| | Japan | Americas | Europe | China | Asia | Total | | |
| Sales | | | | | | | | |
| External Customers | 15,129 | 41,198 | 10,679 | 3,639 | 15,620 | 86,265 | — | 86,265 |
| Internal Sales & Transfers between segments | 8,970 | 10 | 382 | 563 | 573 | 10,499 | (10,499) | — |
| Total | 24,099 | 41,207 | 11,061 | 4,202 | 16,194 | 96,763 | (10,499) | 86,265 |
| Segment Income (loss) | 629 | 490 | (582) | (375) | 1,487 | 1,647 | (107) | 1,541 |

(Note 1) The adjustment amounts are as follows:
(1) The adjustment amount of (10,499) million yen for net sales is the amount for eliminating inter-segment transactions.
(2) The adjustment amount of (107) million yen for segment income (loss) includes an adjustment amount of (135) million yen for fixed assets and an adjustment of 28 million yen for inventories.

(Note 2) Segment income (loss) is adjusted to reconcile with operating income in the quarterly consolidated income statements.

2. Information on impairment loss on fixed assets or by reportable segment:
Not applicable

**(Significant Changes in Shareholder's Equity)**

Not applicable

**(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 as of September 30, 2026, 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 September 30, 2026, the book value and number of treasury shares were JPY 110 million and 131,600 shares.

**(Earnings per Share)**

The basis of calculating earnings per share is as follows:

| | FY2025 Q2 (From April 1, 2025 to September 30, 2025) | FY2026 Q2 (From April 1, 2026 to September 30, 2026) |
|---|---|---|
| Earnings per Share | 83.18 | (6.82) |
| (Basis of Calculation) | | |
| Net Income Attributable to the Shareholders of the Parent Company (in million yen) | 2,979 | (244) |
| Not Attributable to Common Shareholders (in million yen) | — | — |
| Attributable to the Shareholders of the Parent Company Relating to Common Shares (in million yen) | 2,979 | (244) |
| Average Number of Common Shares Outstanding During the Period (in thousands) | 35,809 | 35,812 |

(Note 1) Diluted earnings per share are not reported from previous interim period as there are no potentially diluted shares. For the current interim period, diluted earnings per share are not presented because a loss per share was recorded and there were no potentially dilutive shares.

(Note 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.
The average number of treasury shares deducted in the calculation amounted to 585,700 shares during the six months ended September 30, 2025, and 582,638 shares during the six months ended September 30, 2026.

**(Significant Subsequent Events)**

(Acquisition of Treasury Shares)
At the meeting of the Board of Directors held on October 28, 2026, the Company resolved to acquire treasury shares pursuant to the provisions of its Articles of Incorporation in accordance with Article 459, Paragraph 1 of the Companies Act.

1. Reason for the acquisition of the treasury shares
The Company has introduced stock-based compensation plan for the directors and employees, utilizing stock-delivery trust. The purpose of the acquisition is to secure the Company’s shares to be granted in the future under these stock-based remuneration plans.

2. Details of the acquisition of treasury shares

(1) Class of shares to be acquired: Common shares
(2) Total number of shares to be acquired: 393,000 shares
(285,000 shares for directors and 108,000 shares for employees)
(1.10% of total issued shares excluding treasury shares)
(3) Total acquisition amount: JPY 262 million (JPY 190 million for directors and JPY 72 million for employees)
(4) Acquisition period: November 13, 2026, to December 11, 2026
(5) Acquisition method: Market purchase on the Tokyo Stock Exchange