FY2026 2nd Quarter

Financial Results Briefing

November 26, 2026

Sanoh Industrial

(Securities Code: 6584, TSE Prime Market)

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FY2026 2nd Quarter

Overview of Financial Results

FY26Q2 Consolidated Financial Performance

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

Particulars	Quarter Ended September 30, 2025		Quarter Ended September 30, 2026				Full Year Forecast for the Fiscal Year Ending March 31, 2027 (Announced on May 14, 2026)	
	Amount	%	Amount	%	Variance		Amount	Progress (%)
					Amount	%		
Net sales	78,522	100.0	86,265	100.0	+7,743	+9.9	167,000	51.7
Operating income	3,361	+4.3	1,541	+1.8	▲1,821	▲54.2	5,500	28.0
Ordinary income	2,438	+3.1	948	+ 1.1	▲1,490	▲61.1	3,500	27.1
Net income attributable to the shareholders of the parent company	2,979	+3.8	▲244	▲0.3	▲3,223	-	1,500	-

Summary of FY26Q2 Financial Performance (Year-on-Year)

- Sales: Increased due to revenue growth in the Americas, including newly consolidated subsidiaries, and the impact of foreign currency translation, despite the absence of the prior-year contribution from new launch sales in Japan and revenue decline in China.
- Operating Income: Decreased by ▲1,821 million yen due to lower sales in Japan, higher new launch expenses in the Americas, 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 Income: Decreased by ▲1,490 million yen, mainly due to the decrease in operating income, despite foreign exchange gains.
- Net Income: Decreased by ▲3,223 million yen, mainly due to the decrease in ordinary income and the absence of the prior-year gain on bargain purchase, partially offset by the absence of restructuring expenses at the German subsidiary.

Exchange Rate

Currency (1 unit = JPY)	September 30, 2025 (Average Rate)	September 30, 2026 (Average Rate)	Variance
USD	148.6	158.2	+6%
EUR	162.2	184.5	+14%
MXN	7.5	9.1	+22%
RMB	20.5	23.1	+13%
INR	1.7	1.7	▲1%
THB	4.4	4.9	+11%
RUB	1.7	2.1	+22%
BRL	25.8	30.7	+19%

FY26Q2 Segment Financial Performance

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

Particulars	Sales			Operating Income		
	Quarter Ended September 30, 2025	Quarter Ended September 30, 2026	Variance	Quarter Ended September 30, 2025	Quarter Ended September 30, 2026	Variance
Japan	26,742	24,099	▲2,642	1,259	629	▲630
Americas	32,838	41,207	+8,370	1,090	490	▲600
Europe	9,966	11,061	+1,095	88	▲582	▲670
China	5,832	4,202	▲1,629	▲314	▲375	▲61
Asia	14,685	16,194	+1,509	1,426	1,487	+60
Adjs.	▲11,540	▲10,499	+1,041	▲188	▲107	+81
TOTAL	78,522	86,265	+7,743	3,361	1,541	▲1,821

Highlights of the Quarter Ended September 30, 2026 (Year-on-Year)

Japan (Revenue & Profit Decline)

Revenue decreased as the prior-year sales contribution from high-unit-price new product launches diminished.
Operating profit decreased due to lower value added resulting from the decline in sales, despite the absence of subsidiary acquisition expenses in the current period.

Americas (Revenue Growth & Profit Decline)

Revenue increased due to robust sales to Japanese customers in North America, U.S. tariff compensation income, and the newly consolidated Mexican subsidiary.
Operating profit decreased due to higher costs associated with preparations for new launches, a partial delay in the price pass-through of cost increases associated with U.S. tariff measures, and foreign exchange effect.

Europe (Revenue Growth & Operating Loss)

Revenue increased due to favorable foreign currency translation effects, while sales remained at approximately the same level as the previous year.
An operating loss was recorded despite cost reductions, including lower personnel expenses associated with plant closures, due to higher material costs and losses arising from inventory-related adjustments.

China (Revenue Decline & Operating Loss)

Revenue decreased due to the liquidation of a subsidiary and continued weak sales to Japanese customers.
An operating loss was recorded due to lower revenue and losses associated with the liquidation of the subsidiary, despite reduced depreciation expenses following the fixed asset impairment recognized in the previous fiscal year.

Asia (Revenue Growth & Profit Growth)

Revenue increased as higher sales driven by increased production in India, together with favorable foreign currency translation effects, more than offset lower sales in Thailand due to weak market conditions.
Operating profit increased despite higher material and energy costs due to foreign exchange effects and instability in the Middle East, as well as increased personnel expenses, supported by higher sales and effective cost controls in response to production fluctuations.

FY26Q2 Consolidated Non-operating and Extraordinary Items

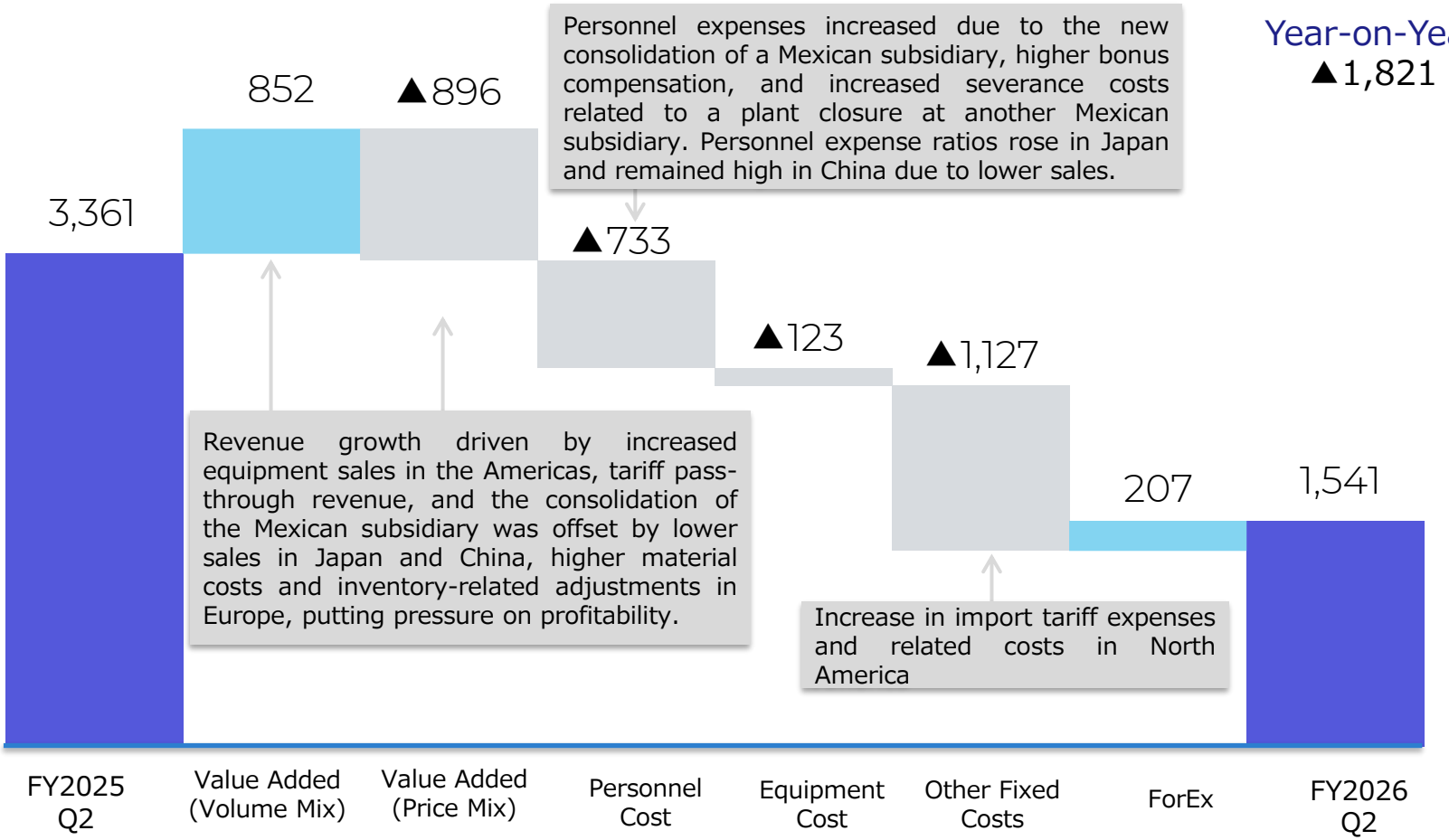
(All amounts are in million yen except percentages, and per share data)

Particulars		Quarter Ended September 30, 2025	Quarter Ended September 30, 2026			Major Factors for Change
		Amount	Amount	Variance		
				Amount	%	
Operating Income		3,361	1,541	▲1,821	▲54.2	
Non-operating	Income	328	437	+109		Interest income: +43 Foreign exchange gain: +78 (FY25Q2: 0 → FY26Q2: +78)
	Expenses	1,251	1,029	+221		Interest expense: ▲221 Foreign exchange loss: +568 (FY25Q2: ▲568 → FY26Q2: 0)
Ordinary Income		2,438	948	▲1,490	▲61.1	
Extraordinary	Gains	2,609	193	▲2,416		Reversal of provision for loss on liquidation of subsidiaries +124 Gain on negative goodwill: ▲2,595 (FY25Q2: +2,595 → FY26Q2: 0)
	Losses	589	35	+554		Special retirement payments: +539 (FY25Q2: ▲539 → FY26Q2 : 0)
Profit before Income Taxes		4,458	1,106	▲3,352	▲75.2	
Corporate Taxes, etc.		1,091	911	+180		
Net Income attributable to Non-controlling shareholders		388	439	▲52		
Net Income attributable to Owners of the Parent Company		2,979	▲244	▲3,223	-	

FY26Q2 Analysis of Operating Income

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

Revenue increased on higher sales in the Americas. However, increased fixed cost resulting from lower sales in Japan and China, higher import tariff costs at the U.S subsidiary, higher material costs at the European subsidiary, and inventory-related adjustment led to a year-on-year decline in profit.



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

FY26Q2 Consolidated Financial Position

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

Particulars	Year Ended March 31, 2026		Quarter Ended September 30, 2026			
	Amount	%	Amount	%	Variance	Major Factors of Change
Current Assets	83,377	58.7	79,207	56.4	▲4,170	Total assets: ▲1,444 (Decrease) ① Cash and deposits ▲7,372 ② Trade receivables +1,604 ③ Inventories +793 ④ Other current assets +804 ⑤Tangible fixed assets +1,008 ⑥Investment securities +1,483
Fixed Assets	58,553	41.3	61,278	43.6	+2,725	
Total Assets	141,929	100.0	140,485	100.0	▲1,444	
Current Liabilities	52,982	37.3	54,629	38.9	+1,647	Total liabilities: ▲3,196(Decrease) ⑦ Trade payables +747 ⑧ Provision for loss on liquidation(Current) ▲842 ⑨Other current liabilities +2,024 ⑩Long-term borrowings ▲5,351 ⑪Differed tax liabilities +425
Fixed Liabilities	36,979	26.1	32,136	22.9	▲4,843	
Total Liabilities	89,961	63.4	86,765	61.8	▲3,196	
Total Net Assets	51,968	36.6	53,720	38.2	+1,751	Net assets: +1,751 (Increase) ⑫Retained earnings ▲754 ⑬Valuation difference on available-for-sale securities +1,014 ⑭Foreign currency translation adjustment +1,924 ⑮Non-controlling interests ▲381
Total Liabilities and Net Assets	141,929	100.0	140,485	100.0	▲1,444	

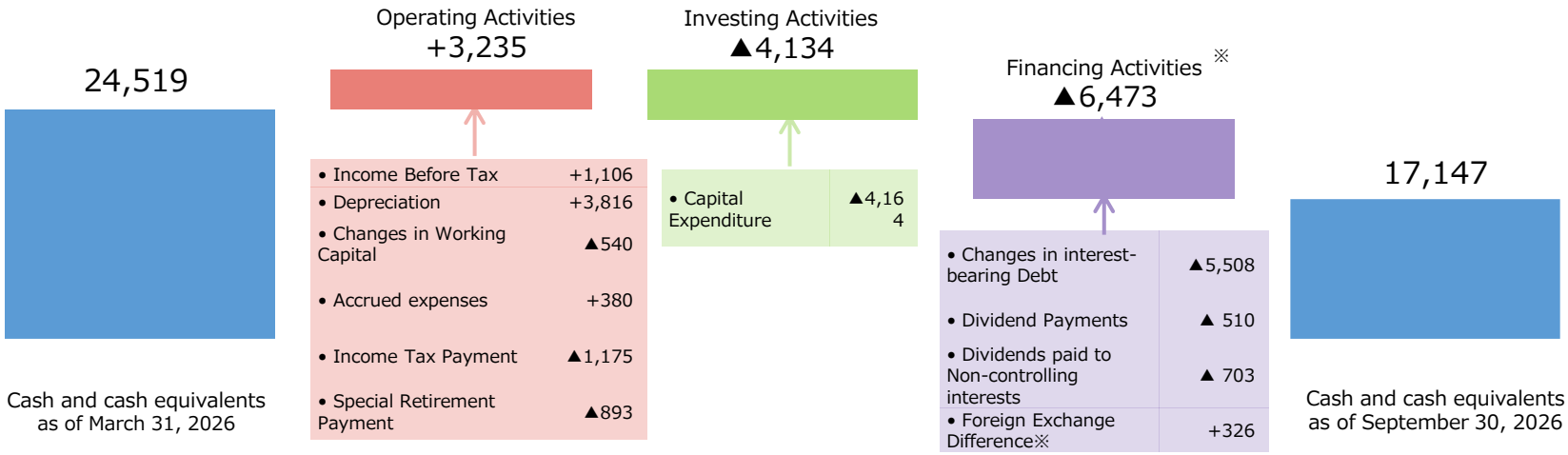
Note	FY25Q4		FY26Q2
D/E Ratio	1.19	→	1.04
Equity Ratio	33.8	→	35.7

	FY25Q4	FY26Q2
① Interest Bearing Liabilities	57,219	51,963
② Equity	48,003	50,135
① ÷ ②	1.19	1.04

FY26Q2 Consolidated Cash Flow & CapEx

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

Consolidated Cash Flow



※ Translation adjustments related to cash and cash equivalents (+326 million yen) have been included in financing activities.

Capital Expenditure/Depreciation

Particulars	Quarter Ended September 30, 2025	Quarter Ended September 30, 2026	
		Amount	Variance
Capital Expenditure	4,791	4,164	▲627
Depreciation	3,317	3,816	+499

Mid-term Strategy and Target Overview and Progress

Mid-term Strategy and Target: Overview and Progress (Summary)

- **Via the Sanoh Last Man Standing Strategy (capturing profits as a surviving supplier) and two business model transformations, we target consolidated net sales of ¥200 billion and ROE of 15%+ in FY2030.**
- **We are in a transition phase, pursuing structural reforms and future investment simultaneously.**

Overview of Mid-term Policy and FY2030 Targets

Sanoh Last Man Standing Strategy	We stay as long as customers need us, capturing profits as a surviving supplier (higher market share, pricing power) ▶ **Global No.1 share in automotive tubing by FY2030**
Two Business Model Transformations	Automotive parts business ▷ New businesses Internal combustion ▷ Non-internal combustion ▶ **Build a resilient multi-portfolio**

FY2030 Targets

Consolidated net sales ¥200 billion

ROE 15% or more

Progress Assessment

	Theme	Rating	Results / Comments
	Investment Allocation Based on Cash Allocation Policy	△～○	☞ Certain level of investment executed; measures continue to translate investment returns into enhanced corporate value
	Measures by Priority Investment Region Segment	△～○	☞ Measures in the growing Indian market contributing to business acquisition and improved profitability
	Progress of the Sanoh Last Man Standing Strategy	△～○	☞ Led by the Americas; share expansion and surviving-player positioning advancing, incl. acquisition of a Mexican competitor
Transform	**Existing Businesses ▶ New Businesses**	○	☞ Mass-production order won in data center business (Sep 2025), multiple large projects in sight; not yet enough to offset existing-business volatility
Transform	**ICE ▶ Non-ICE**	△	☞ Transition period with EVs and ICE coexisting; advancing non-ICE while maintaining a multi-pathway product portfolio incl. ICE

Progress of the Last Man Standing Strategy (Overview)

- **We will not withdraw while customers need us, capturing profits as a surviving supplier (higher market share, pricing power) to become No.1 in global automotive tubing by FY2030.**
- **Continuing capex in Japan, the Americas and India, we will especially reap order growth in North America.**

Priority Investment Regions and Investment Policy

Capex	Japan	Americas	India
FY2025: ~¥10 bn 1H FY2026: ~¥4.2 bn	Strengthen core manufacturing plant functions	Capacity expansion and launch of new projects	Build a foundation in a growth market

North American Investment Supports Order Growth

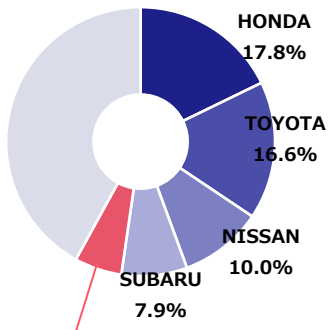
① Last Man Standing Strategy: More Orders from US OEMs

New orders and inquiries from US OEMs growing
→ Strategy is translating into mass-production orders

FY2026	**Sequential SOP** New projects for US OEMs are starting mass production in sequence this fiscal year
Next FY FY2027	**Full contribution** New projects contribute to sales for the full year
FY2029	**Further expansion** Aim to win additional orders from US OEMs

② Portfolio Diversification: Reaping North American Investment

Mexico acquisition → Reaping North American investment
Capacity expansion + customer portfolio diversification



Bosch: 5.7%
+3.1pt vs. prior FY-end

Capacity expansion

Expanding North American capacity
Stronger supply via the Mexican competitor acquisition

Reaping investment

Won projects add to sales in sequence
Turning North American investment into mass production

Initiatives to Improve Profitability in the Automotive Parts Business

Structural Reform Phase [FY2026–FY2028]

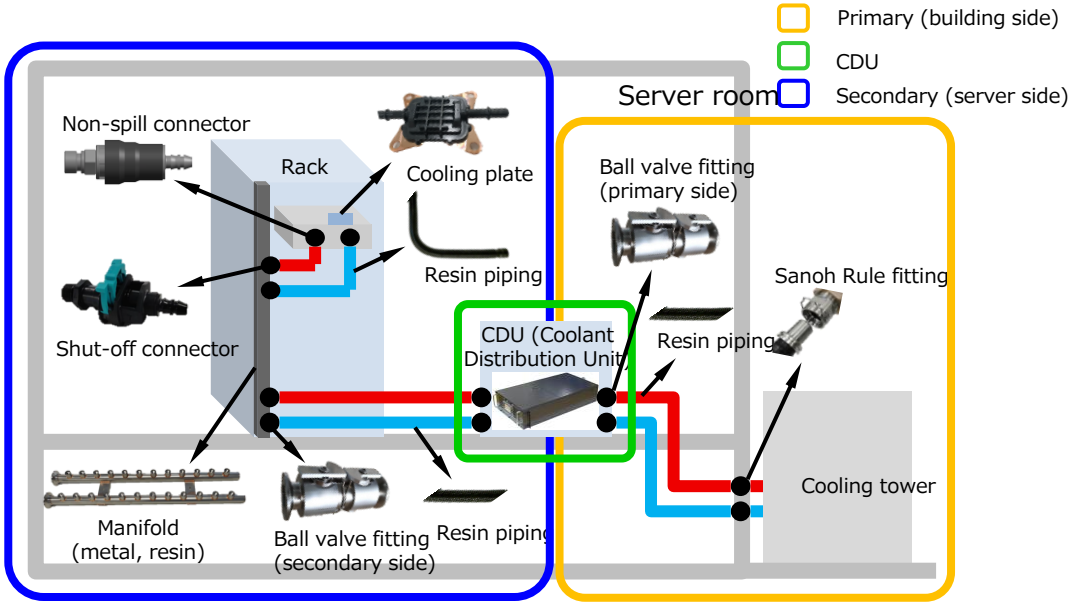
Structural reform segments

Japan	**Promotion of BPR and restructuring of production systems in response to changes in demand structure [FY2026–FY2028]**	**Progress** Following the change in demand structure after the previous year's special-demand projects ended, we are reducing fixed costs and optimizing selling prices. In addition, we are reviewing business processes (BPR) and studying specific measures to optimize the production system, in order to strengthen our earnings base.
Europe	**Review of unprofitable businesses, including all strategic options [FY2027–FY2028]**	**Progress** We are continuing efforts to improve profitability in unprofitable businesses. We are verifying their positioning in the business portfolio in light of the business environment and future potential. We are also considering a review, including all options, from the perspectives of profitability and capital efficiency.
China	**Selection and concentration [FY2026–FY2027]**	**Progress** We are proceeding with the liquidation of the Guangzhou site as planned and reallocating management resources through site consolidation. We are assessing the profitability and growth potential of each business and promoting “selection and concentration” in the business portfolio.

We plan to disclose “Measures to Achieve Cost of Capital and Share Price Conscious Management (Phase 2)” within this fiscal year

[Transform] New Business: Data Center Business ①

- **Contributing to lower power consumption with thermal solutions. Entering via parts sales and expanding step by step to the entire liquid-cooling system.**



DLC cooling system diagram

Steps for Business Expansion

STEP 1

Parts sales

Mass production starts; sales of parts and combinations

Scope

STEP 2

Module sales

Considering in-house server cooling modules and CDUs

Scope

STEP 3

System sales

Total cooling solutions including installation and maintenance

Scope

Current Status and Initiatives

Current Status

Building a mass-production track record

Actively pursuing large-scale orders. In FY2026, we have won multiple prototype and validation projects and aim to build a track record in mass production.

[Transform] New Business: Data Center Business ②

- **Specifications are determined primarily by ODMs, in a market dominated by Taiwanese and Greater China-based players. With few Japanese suppliers, we have ample room to enter.**
- **We aim to expand adoption via prototype evaluations with leading players and collaboration with ODMs.**

Commercial Flow of Liquid-Cooling Systems and Our Position

	Our potential customer range		Our position
End users / Hyperscalers	Server makers/ ODM (or EMS)	Cooling module makers	Component makers
01 Requirements & investment decisions Major US IT / semiconductor companies	02 Design & product specifications ODMs are mainly Taiwanese	03 Cooling component assembly Mainly Taiwanese; a few Japanese	04 Liquid-cooling components Mainly US/European and Taiwanese

Status | Prototype evaluations under way with leading players in Japan and overseas

Prototype evaluation is in progress at server, cooling module and component makers in Japan and overseas

ODM collaboration | Co-developing a lightweight liquid-cooling module for next-gen AI servers with Taiwan's Wiwynn



ODM (Original Design Manufacturer)
= Contract maker for design and manufacturing / EMS: manufacturing only

50%+
Lighter (vs. metal)
Achieved by converting key parts to resin

OCP 2026
Joint exhibit at Wiwynn booth
San Jose, USA (Oct 12–15)

Fugaku
Leveraging manifold mass-production record
+ automotive lightweighting technology

Further evaluation
Both companies advancing
evaluation toward reliability standards

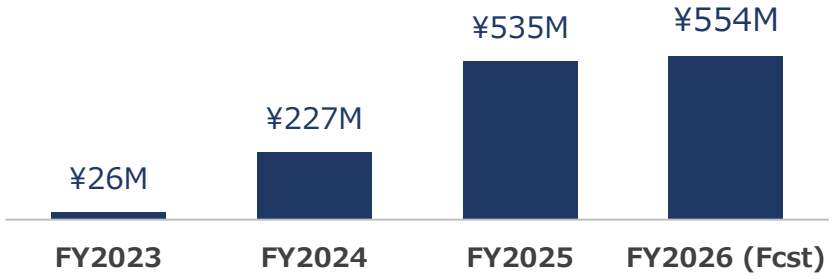
[Transform] New Business: Production Solutions & Home Appliances

- **Leveraging equipment and heat-exchange technologies cultivated in automotive parts, we are expanding external sales to build a new earnings pillar beyond automotive.**

Building a business model for production solutions

Selling in-house equipment know-how externally to improve productivity for us and external customers

Net sales



External sales of FA equipment

Selling general-purpose and automation FA equipment

Customized matching

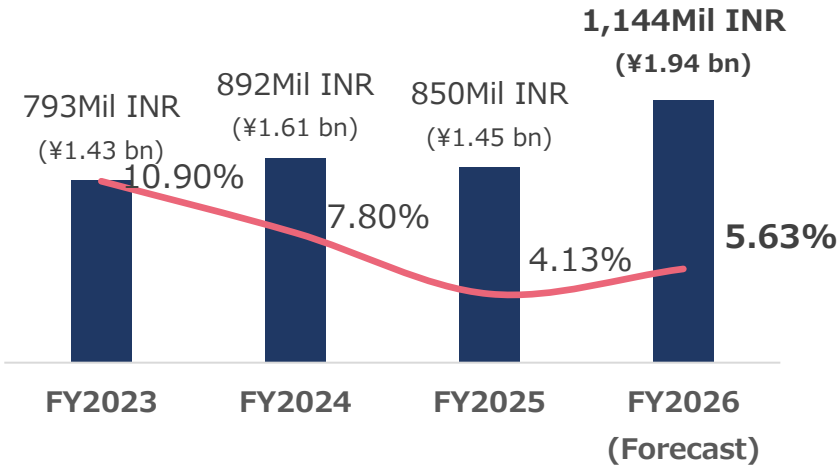
Procuring and customizing low-cost, short-lead-time overseas FA equipment

Major order examples
Automatic conveyor for automotive parts line
Square pipe cutting machine for unit baths
Plate bending machine for home appliances
Semiconductor AOI equipment

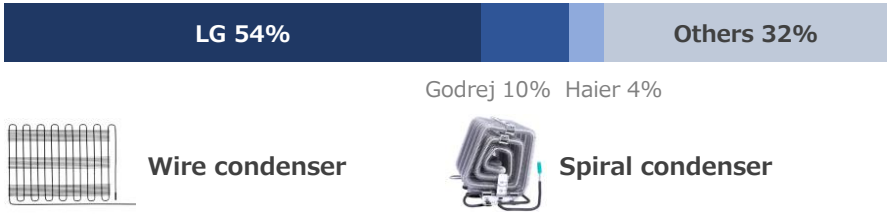
Refrigerator wire condenser business (India)

[Thermal × Production Solutions] Expanding wire condensers in India's growing refrigerator market

Net sales & operating margin



Net sales by customer



Q1: At the time of the first-quarter results, you explained that the earnings impact would be weighted toward the second half. You have not revised your full-year forecast this time. Do you expect to make up the shortfall in first-half progress during the second half?

A1: In the second half, we expect benefits from the start of mass production for new projects in the Americas and from price revisions. Accordingly, we are maintaining our full-year forecast at this time. However, uncertainties remain. We will closely monitor progress and promptly disclose any revision if we determine that the forecast needs to be updated.

Q2: When do you plan to disclose Phase 2 of Measures to Achieve Cost of Capital and Share Price Conscious Management?

A2: We are actively preparing the Phase 2 disclosure, taking changes in the external environment into account. At present, we plan to disclose it within FY2026.

Q3: Please comment on the outlook for the existing businesses and new businesses from the second half onward.

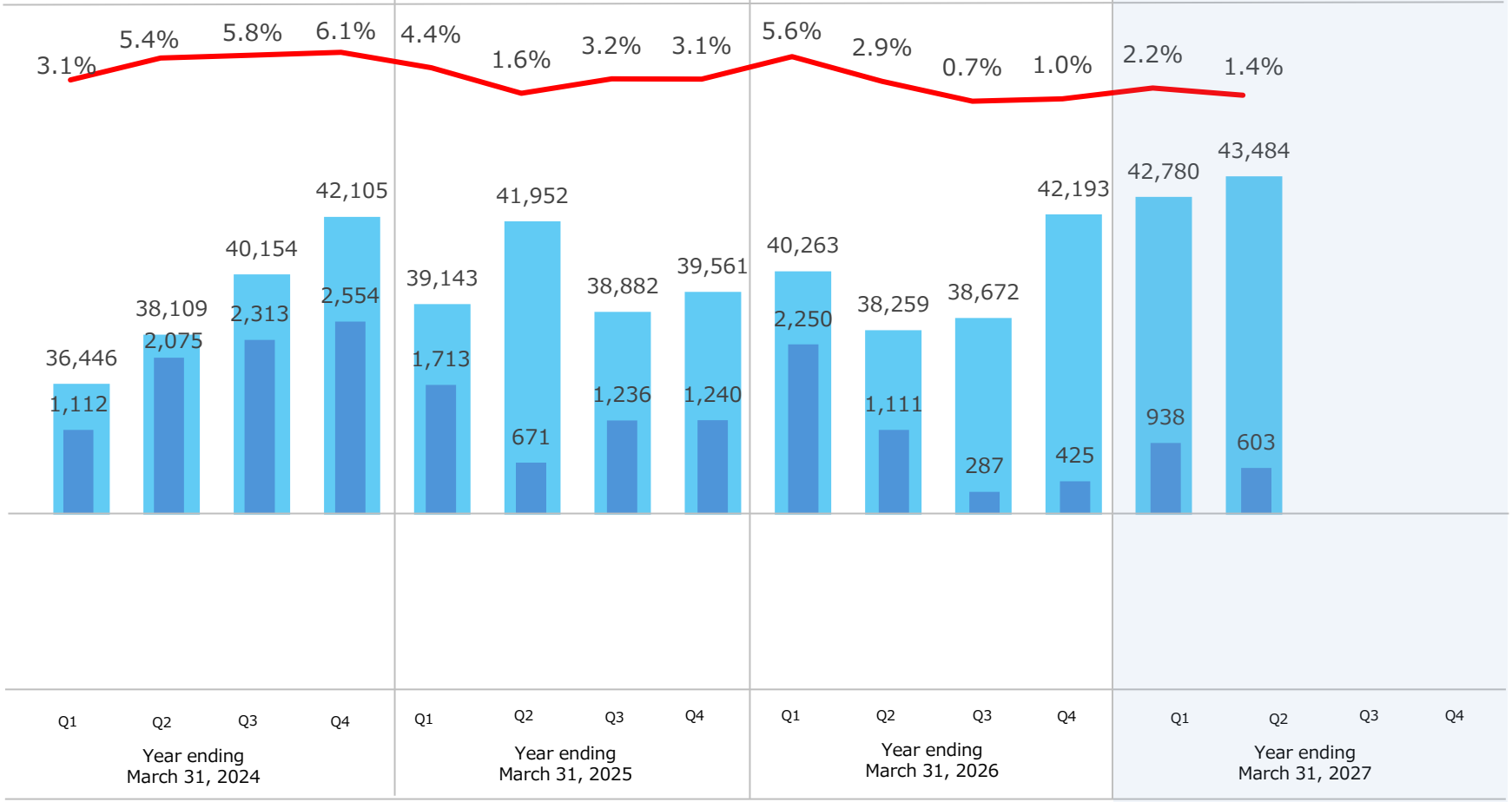
A3: For the existing businesses, we will improve profitability through the full-scale contribution of new projects in the Americas and ongoing structural reforms. For the new businesses, we will steadily build a track record of mass production in the data center business and pursue a phased expansion of the business.

Supplementary

[Supplementary] Quarterly Segment Results: Consolidated

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

Year ending March 31, 2024		Year ending March 31, 2025		Year ending March 31, 2026		Year ending March 31, 2027	
Sales	156,814	Sales	159,538	Sales	159,387	Sales	86,265
Operating Income	8,053	Operating Income	4,860	Operating Income	4,073	Operating Income	1,541
Operating Income Margin	5.1%	Operating Income Margin	3.0%	Operating Income Margin	2.6%	Operating Income Margin	1.8%
Exchange rate (Yen/USD)	140.6	Exchange rate (Yen/USD)	151.6	Exchange rate (Yen/USD)	149.7	Exchange rate (Yen/USD)	158.2



[Supplementary] Quarterly Segment Results: Japan

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

Year ending March 31, 2024		Year ending March 31, 2025		Year ending March 31, 2026		Year ending March 31, 2027	
Sales	49,271	Sales	48,020	Sales	51,885	Sales	24,099
Operating Income	2,083	Operating Income	1,014	Operating Income	2,053	Operating Income	629
Operating Income Margin	4.2%	Operating Income Margin	2.1%	Operating Income Margin	4.0%	Operating Income Margin	2.6%
Exchange rate (Yen/USD)	140.6	Exchange rate (Yen/USD)	151.6	Exchange rate (Yen/USD)	149.7	Exchange rate (Yen/USD)	158.2



[Supplementary] Quarterly Segment Results: Americas

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

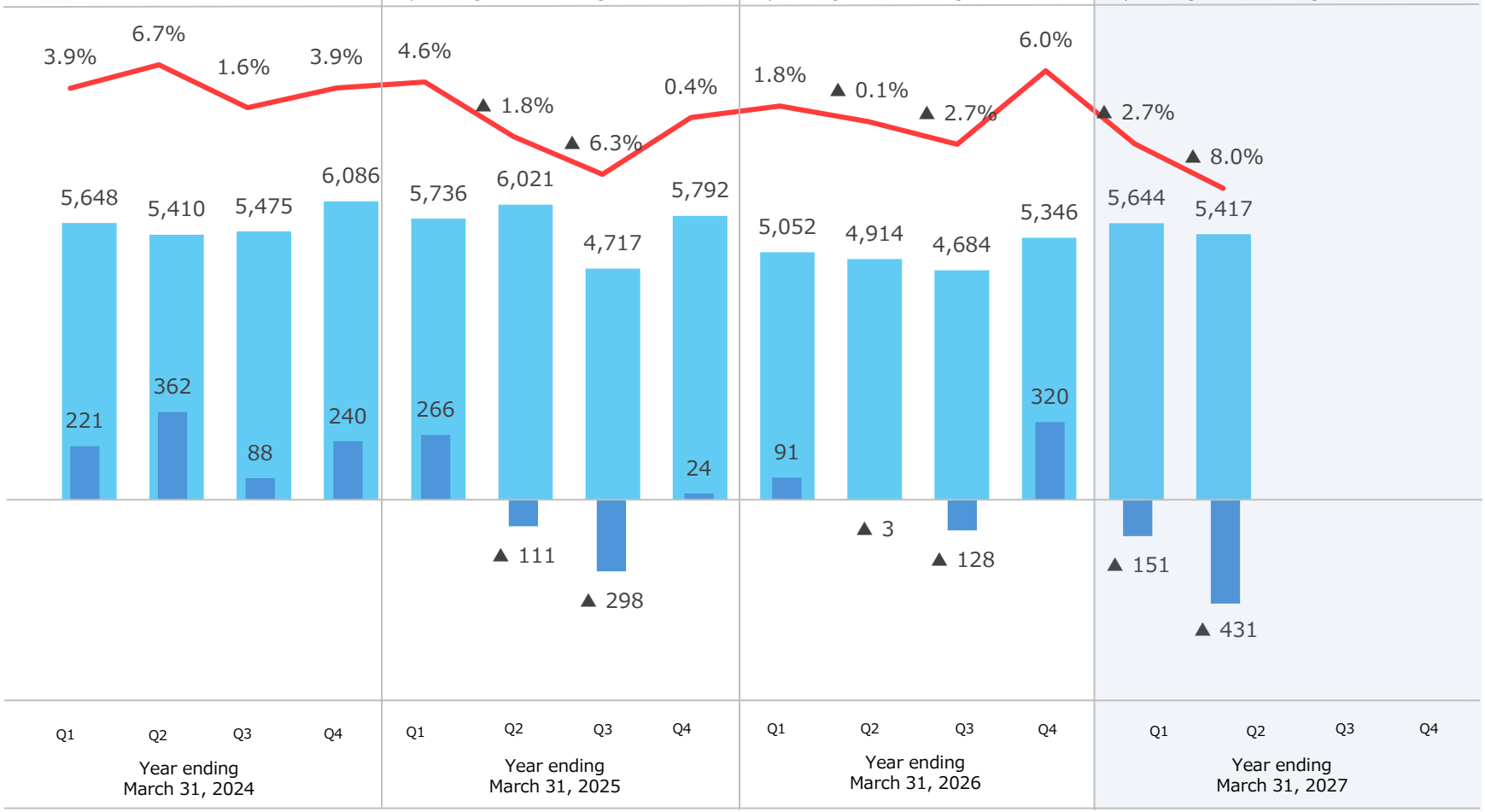
	Year ending March 31, 2024				Year ending March 31, 2025				Year ending March 31, 2026				Year ending March 31, 2027			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	59,150				67,306				67,822				41,207			
Operating Income	1,717				1,744				▲327				490			
Operating Income Margin	2.9%				2.6%				▲0.5%				1.2%			
Exchange rate (Yen/USD)	140.6				151.6				149.7				158.2			
Operating Income Margin	▲0.7%	4.2%	1.3%	6.0%	4.8%	0.0%	5.2%	0.5%	5.2%	1.3%	▲2.9%	▲5.1%	1.3%	1.1%		
Sales	13,075	14,746	14,949	16,380	16,513	18,556	16,502	15,735	16,946	15,891	16,374	18,610	20,017	21,190		
Operating Income	▲85	620	191	991	794	6	861	84	877	212	▲469	▲948	251	239		

↗ Operating Income Margin　Sales　Operating Income

[Supplementary] Quarterly Segment Results: Europe

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

Year ending March 31, 2024		Year ending March 31, 2025		Year ending March 31, 2026		Year ending March 31, 2027	
Sales	22,619	Sales	22,267	Sales	19,996	Sales	11,061
Operating Income	911	Operating Income	▲118	Operating Income	280	Operating Income	▲582
Operating Income Margin	4.0%	Operating Income Margin	▲ 0.5%	Operating Income Margin	1.4%	Operating Income Margin	▲ 5.3%



[Supplementary] Quarterly Segment Results: China

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

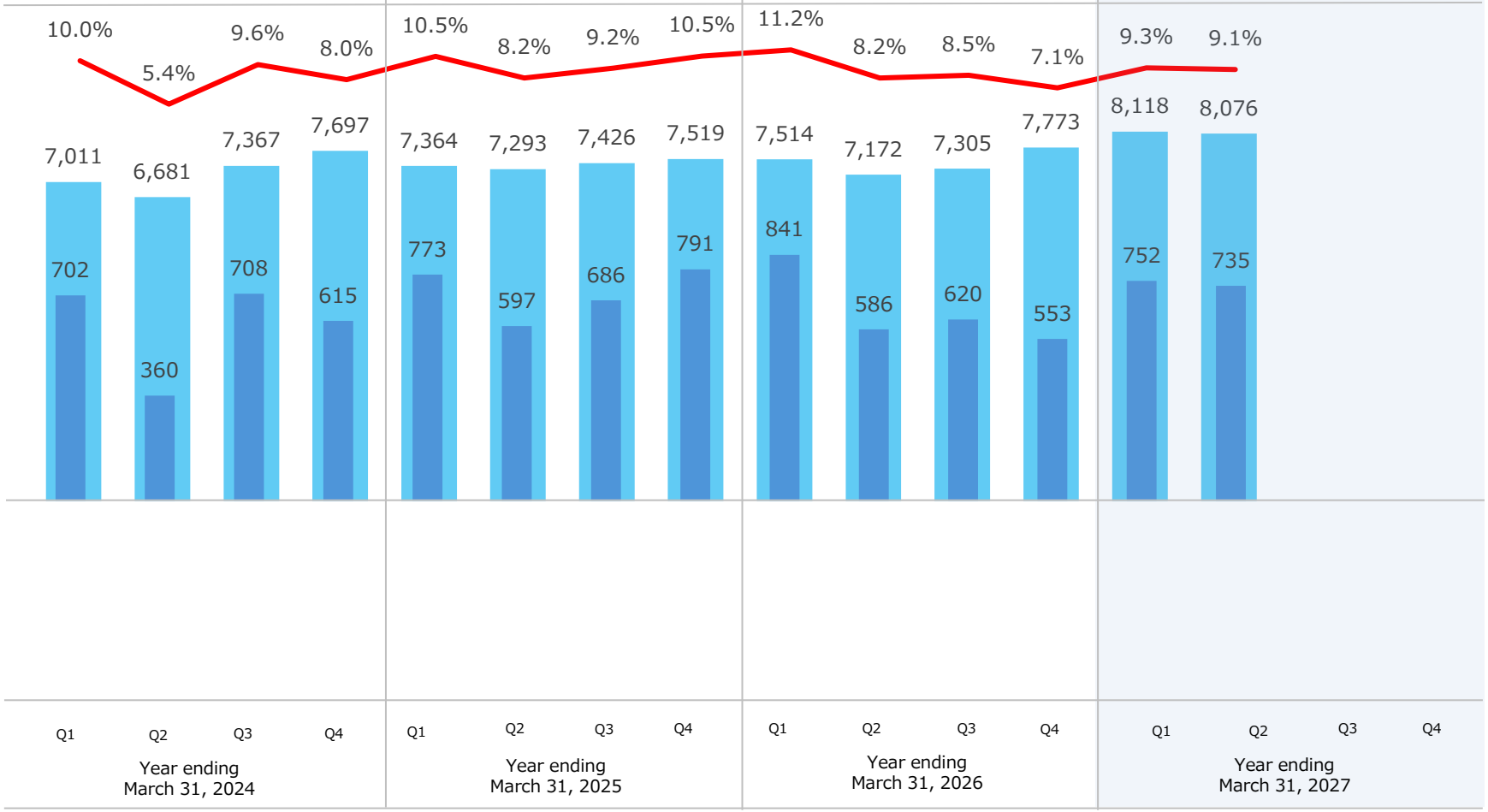
	Year ending March 31, 2024				Year ending March 31, 2025				Year ending March 31, 2026				Year ending March 31, 2027			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	4,258	4,273	4,556	5,802	3,340	3,458	3,347	4,213	2,955	2,877	3,098	3,551	2,180	2,022		
Operating Income	69	22	163	570	▲ 150	▲ 336	▲ 255	▲ 222	▲ 181	▲ 133	▲ 103	69	▲ 234	▲ 142		
Operating Income Margin	1.6%	0.5%	3.6%	9.8%	▲ 4.5%	▲ 9.7%	▲ 7.6%	▲ 5.3%	▲ 6.1%	▲ 4.6%	▲ 3.3%	2.0%	▲ 10.7%	▲ 7.0%		
Sales	18,888				14,358				12,481				4,202			
Operating Income	824				▲ 963				▲ 348				▲ 375			
Operating Income Margin	4.4%				▲ 6.7%				▲ 2.8%				▲ 8.9%			

↗ Operating Income Margin　Sales　Operating Income

[Supplementary] Quarterly Segment Results: Asia

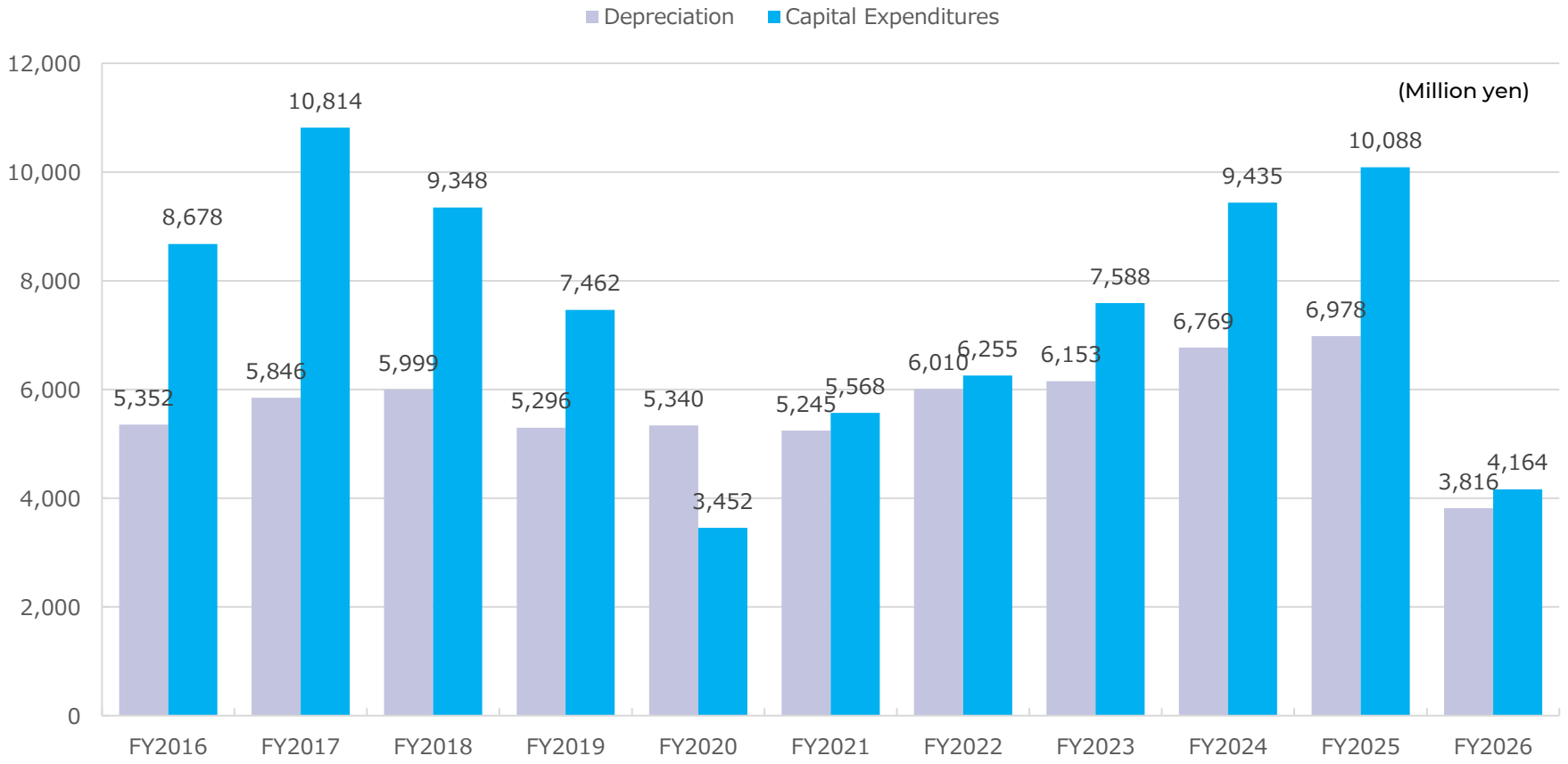
(All amounts are in million yen except percentages, and per share data)

	Year ending March 31, 2024	Year ending March 31, 2025	Year ending March 31, 2026	Year ending March 31, 2027
Sales	28,756	29,601	29,763	16,194
Operating Income	2,384	2,847	2,599	1,487
Operating Income Margin	8.3%	9.6%	8.7%	9.2%



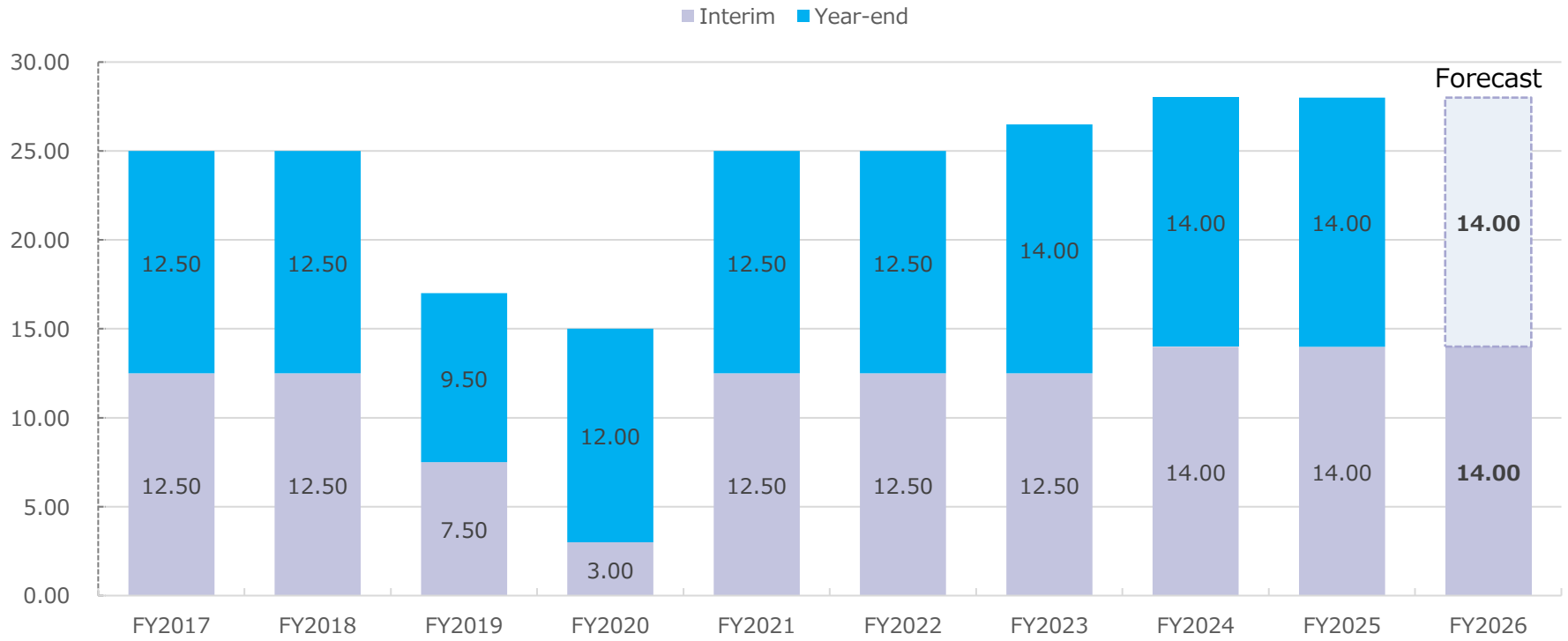
Capital Expenditures and Depreciation Trends

Although capital expenditures were temporarily restrained during the COVID-19 pandemic, they have since recovered to a level equivalent to depreciation expenses and have now exceeded that level significantly.



Dividend Trends

We return profits to our shareholders and investors—who continuously support our business—through steady dividend returns. For FY2026, we plan to pay an annual dividend of ¥28 per share.



Reference

DPR (%)	18.4	-	28.4	15.0	89.6	-	22.6	136.0	65.8	66.8
DOE (%)	2.4	2.5	2.0	1.7	2.5	2.4	2.3	2.3	2.2	-

"–" for DPR (dividend payout ratio) and DOE indicates a fiscal year in which a net loss per share was recorded or figures are currently undetermined.
The dividend payout ratio for FY2026 is calculated based on projected figures.

Caution in Handling This Document

The financial forecasts, plans, business operations, and other information about Sanoh Industrial Co., Ltd. in this presentation are based on information available at the time of this announcement.

This information is subject to a major change depending on factors such as macroeconomic trends, trends in the industries related to Sanoh Industrial, and the development of new technologies.

Therefore, please be aware that there are risks and uncertainties that could cause actual results and other information to differ from those in this presentation. We will provide further information when there is a major change.