

October 6, 2025

Consolidated Financial Results for the Six Months Ended August 31, 2025 (Under Japanese GAAP)

Company name: SANYO SHOKAI LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 8011
 URL: <https://www.sanyo-shokai.co.jp/>
 Representative: Shinji Oe, Representative Director, Chief Executive Officer & President
 Inquiries: Tatsuji Tsuchida, General Manager of Accounting Department, Accounting & Finance Headquarters
 Telephone: +81-3-6380-5346
 Scheduled date to file semi-annual securities report: October 10, 2025
 Scheduled date to commence dividend payments: November 12, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (For the press, institutional investors, and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended August 31, 2025 (from March 1, 2025 to August 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|----------------------------------|-----------------|-------|------------------|--------|-----------------|--------|---|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ended August 31, 2025 | 27,042 | (3.1) | (213) | - | (149) | - | (299) | - |
| August 31, 2024 | 27,902 | (0.9) | 599 | (16.5) | 678 | (13.8) | 457 | (38.5) |

Note: Comprehensive income For the six months ended August 31, 2025: ¥613 million [652.8%]
 For the six months ended August 31, 2024: ¥81 million [(96.5)%]

| | Basic earnings per share | Diluted earnings per share |
|----------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Six months ended August 31, 2025 | (28.10) | - |
| August 31, 2024 | 39.21 | - |

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|-----------------------|-----------------|-----------------|-----------------------|
| | Millions of yen | Millions of yen | % |
| As of August 31, 2025 | 54,958 | 38,562 | 70.1 |
| February 28, 2025 | 57,017 | 39,301 | 68.9 |

Reference: Equity
 As of August 31, 2025: ¥38,543 million
 As of February 28, 2025: ¥39,283 million

2. Cash dividends

| | Annual dividends per share | | | | |
|---|----------------------------|--------------------|-------------------|-----------------|--------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended February 28, 2025 | - | 0.00 | - | 129.00 | 129.00 |
| Fiscal year ending February 28, 2026 | - | 69.00 | | | |
| Fiscal year ending February 28, 2026 (Forecast) | | | | 70.00 | 139.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|--|-----------------|---|------------------|---|-----------------|---|---|---|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |

| | | | | | | | | | |
|---|--------|-------|-------|--------|-------|--------|-------|-----|--------|
| Fiscal year ending February 28, 2026 | 59,900 | (1.0) | 2,300 | (15.3) | 2,360 | (16.5) | 4,100 | 2.3 | 384.27 |
|---|--------|-------|-------|--------|-------|--------|-------|-----|--------|

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: For details, please refer to Appendix P.7 "2. Interim Consolidated Financial Statements and Main Notes (3) Notes on Interim Consolidated Financial Statements (Notes on Changes in Accounting Policy)"

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

| | |
|-------------------------|-------------------|
| As of August 31, 2025 | 12,622,934 shares |
| As of February 28, 2025 | 12,622,934 shares |

- (ii) Number of treasury shares at the end of the period

| | |
|-------------------------|------------------|
| As of August 31, 2025 | 1,946,278 shares |
| As of February 28, 2025 | 1,953,281 shares |

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | |
|----------------------------------|-------------------|
| Six months ended August 31, 2025 | 10,672,584 shares |
| Six months ended August 31, 2024 | 11,674,162 shares |

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, such as earnings forecasts, described in this material have been prepared based on information currently available to the Company, and are not intended to be a promise by the Company to realize them. Actual results may differ due to various factors in the future. Matters related to the above earnings forecasts are described in the attached document "1. Summary of Operating Results, etc. (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

Semi-annual consolidated balance sheet

(Millions of yen)

| | As of February 28, 2025 | As of August 31, 2025 |
|-------------------------------------|-------------------------|-----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 23,714 | 19,080 |
| Accounts receivable - trade | 3,419 | 2,794 |
| Merchandise and finished goods | 9,070 | 8,893 |
| Other | 2,018 | 2,790 |
| Allowance for doubtful accounts | (5) | (3) |
| Total current assets | 38,218 | 33,556 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 3,021 | 3,055 |
| Land | 4,309 | 4,824 |
| Other, net | 1,348 | 1,555 |
| Total property, plant and equipment | 8,679 | 9,436 |
| Intangible assets | | |
| Trademark right | 1,887 | 1,732 |
| Other | 865 | 871 |
| Total intangible assets | 2,752 | 2,603 |
| Investments and other assets | | |
| Investment securities | 6,298 | 7,622 |
| Leasehold and guarantee deposits | 1,045 | 1,055 |
| Retirement benefit asset | 12 | 10 |
| Other | 17 | 679 |
| Allowance for doubtful accounts | (6) | (5) |
| Total investments and other assets | 7,366 | 9,361 |
| Total non-current assets | 18,798 | 21,401 |
| Total assets | 57,017 | 54,958 |

| | As of February 28, 2025 | As of August 31, 2025 |
|--|-------------------------|-----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 5,382 | 3,902 |
| Current portion of long-term borrowings | 3,140 | 3,175 |
| Accrued expenses | 1,970 | 1,827 |
| Accrued consumption taxes | 11 | 206 |
| Income taxes payable | 638 | 123 |
| Provision for bonuses | 386 | 343 |
| Provision for bonuses for directors (and other officers) | 10 | 3 |
| Other | 497 | 513 |
| Total current liabilities | 12,036 | 10,095 |
| Non-current liabilities | | |
| Long-term borrowings | 3,790 | 3,720 |
| Long-term accounts payable - other | 52 | 49 |
| Deferred tax liabilities | 418 | 959 |
| Deferred tax liabilities for land revaluation | 540 | 556 |
| Retirement benefit liability | 288 | 311 |
| Other | 589 | 702 |
| Total non-current liabilities | 5,679 | 6,299 |
| Total liabilities | 17,715 | 16,395 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 15,002 | 15,002 |
| Capital surplus | 9,640 | 9,646 |
| Retained earnings | 14,032 | 12,356 |
| Treasury shares | (4,369) | (4,351) |
| Total shareholders' equity | 34,306 | 32,653 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,635 | 4,543 |
| Deferred gains or losses on hedges | 0 | 16 |
| Revaluation reserve for land | 1,224 | 1,208 |
| Foreign currency translation adjustment | 116 | 120 |
| Total accumulated other comprehensive income | 4,977 | 5,890 |
| Non-controlling interests | 18 | 19 |
| Total net assets | 39,301 | 38,562 |
| Total liabilities and net assets | 57,017 | 54,958 |

Semi-annual consolidated statement of income

(Millions of yen)

| | Six months ended August 31, 2024 | Six months ended August 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Net sales | 27,902 | 27,042 |
| Cost of sales | 10,358 | 10,667 |
| Gross profit | 17,543 | 16,374 |
| Selling, general and administrative expenses | 16,944 | 16,587 |
| Operating profit (loss) | 599 | (213) |
| Non-operating income | | |
| Interest income | 0 | 26 |
| Dividend income | 119 | 105 |
| Share of profit of entities accounted for using equity method | 20 | - |
| Other | 6 | 19 |
| Total non-operating income | 145 | 150 |
| Non-operating expenses | | |
| Interest expenses | 53 | 64 |
| Share of loss of entities accounted for using equity method | - | 0 |
| Other | 12 | 21 |
| Total non-operating expenses | 66 | 87 |
| Ordinary profit (loss) | 678 | (149) |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 0 | 0 |
| Impairment losses | 36 | 8 |
| Litigation settlement | 20 | - |
| Total extraordinary losses | 57 | 8 |
| Profit (loss) before income taxes | 621 | (158) |
| Income taxes - current | 53 | 24 |
| Income taxes - deferred | 109 | 116 |
| Total income taxes | 162 | 140 |
| Profit (loss) | 458 | (298) |
| Profit attributable to non-controlling interests | 1 | 0 |
| Profit (loss) attributable to owners of parent | 457 | (299) |

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

| | Six months ended August 31, 2024 | Six months ended August 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Profit (loss) | 458 | (298) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (298) | 907 |
| Revaluation reserve for land | - | (15) |
| Deferred gains or losses on hedges | (73) | 16 |
| Foreign currency translation adjustment | (5) | 3 |
| Total other comprehensive income | (377) | 912 |
| Comprehensive income | 81 | 613 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 80 | 612 |
| Comprehensive income attributable to non-controlling interests | 1 | 0 |