

October 9, 2025

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

Company name: Sanko Gosei Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7888
 URL: <https://www.sankogosei.co.jp>
 Representative: Amen Kusumi, Representative Director/President
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

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

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

(1) Consolidated operating results (cumulative)

(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 | % |
| Three months ended August 31, 2025 | 22,421 | 5.0 | 1,190 | 16.8 | 995 | 20.3 | 708 | 5.3 |
| August 31, 2024 | 21,357 | 1.2 | 1,019 | 165.6 | 827 | 206.4 | 673 | 429.8 |

Note: Comprehensive income For the three months ended August 31, 2025: ¥1,171 million [-%]
 For the three months ended August 31, 2024: ¥(349) million [(136.9)%]

| | Basic earnings per share | Diluted earnings per share |
|------------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Three months ended August 31, 2025 | 23.25 | - |
| August 31, 2024 | 22.08 | - |

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|-----------------------|-----------------|-----------------|-----------------------|
| | Millions of yen | Millions of yen | % |
| As of August 31, 2025 | 79,249 | 33,521 | 41.5 |
| May 31, 2025 | 76,052 | 32,779 | 42.3 |

Reference: Equity
 As of August 31, 2025: ¥32,913 million
 As of May 31, 2025: ¥32,192 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 May 31, 2025 | - | 10.00 | - | 14.00 | 24.00 |
| Fiscal year ending May 31, 2026 | - | | | | |
| Fiscal year ending May 31, 2026 (Forecast) | | 14.00 | | 14.00 | 28.00 |

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

3. Forecast of consolidated financial results for the fiscal year ending May 31, 2026 (from June 1, 2025 to May 31, 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 May 31, 2026 | 94,000 | 3.2 | 6,100 | 7.8 | 5,500 | 5.9 | 4,000 | 3.7 | 131.21 |

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 quarterly consolidated financial statements: Yes
- (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: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(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 | 30,688,569 shares |
| As of May 31, 2025 | 30,688,569 shares |

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

| | |
|-----------------------|----------------|
| As of August 31, 2025 | 204,806 shares |
| As of May 31, 2025 | 204,806 shares |

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

| | |
|------------------------------------|-------------------|
| Three months ended August 31, 2025 | 30,483,763 shares |
| Three months ended August 31, 2024 | 30,483,783 shares |

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

Quarterly consolidated balance sheet

(Millions of yen)

| | As of May 31, 2025 | As of August 31, 2025 |
|---|--------------------|-----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 12,029 | 14,444 |
| Notes receivable - trade | 1 | 4 |
| Electronically recorded monetary claims - operating | 1,347 | 1,392 |
| Accounts receivable - trade | 15,734 | 15,700 |
| Merchandise and finished goods | 1,771 | 1,699 |
| Work in process | 4,044 | 3,769 |
| Raw materials and supplies | 2,066 | 2,149 |
| Other | 3,101 | 3,378 |
| Total current assets | 40,097 | 42,540 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 10,793 | 12,150 |
| Machinery, equipment and vehicles, net | 11,722 | 11,966 |
| Tools, furniture and fixtures, net | 2,378 | 2,356 |
| Land | 6,445 | 6,472 |
| Construction in progress | 2,750 | 1,919 |
| Total property, plant and equipment | 34,090 | 34,865 |
| Intangible assets | | |
| Other | 414 | 472 |
| Total intangible assets | 414 | 472 |
| Investments and other assets | | |
| Investment securities | 22 | 25 |
| Deferred tax assets | 238 | 221 |
| Retirement benefit asset | 785 | 833 |
| Other | 404 | 291 |
| Total investments and other assets | 1,450 | 1,371 |
| Total non-current assets | 35,954 | 36,709 |
| Total assets | 76,052 | 79,249 |

| | As of May 31, 2025 | As of August 31, 2025 |
|--|--------------------|-----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 7,842 | 8,590 |
| Electronically recorded obligations - operating | 3,348 | 3,393 |
| Short-term borrowings | 3,045 | 1,517 |
| Current portion of long-term borrowings | 3,405 | 3,398 |
| Lease liabilities | 1,584 | 1,506 |
| Income taxes payable | 597 | 347 |
| Provision for bonuses | 228 | 179 |
| Provision for bonuses for directors (and other officers) | 92 | - |
| Other | 6,035 | 5,695 |
| Total current liabilities | 26,180 | 24,629 |
| Non-current liabilities | | |
| Long-term borrowings | 12,325 | 16,416 |
| Lease liabilities | 3,840 | 3,759 |
| Deferred tax liabilities | 189 | 122 |
| Provision for retirement benefits for directors (and other officers) | 16 | 16 |
| Retirement benefit liability | 370 | 377 |
| Other | 347 | 406 |
| Total non-current liabilities | 17,092 | 21,098 |
| Total liabilities | 43,272 | 45,727 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 4,008 | 4,008 |
| Capital surplus | 4,072 | 4,072 |
| Retained earnings | 21,680 | 21,963 |
| Treasury shares | (43) | (43) |
| Total shareholders' equity | 29,718 | 30,001 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 0 | 1 |
| Remeasurements of defined benefit plans | 459 | 481 |
| Foreign currency translation adjustment | 2,013 | 2,429 |
| Total accumulated other comprehensive income | 2,473 | 2,912 |
| Non-controlling interests | 586 | 607 |
| Total net assets | 32,779 | 33,521 |
| Total liabilities and net assets | 76,052 | 79,249 |

Quarterly consolidated statement of income

(Millions of yen)

| | Three months ended August 31, 2024 | Three months ended August 31, 2025 |
|--|---------------------------------------|---------------------------------------|
| Net sales | 21,357 | 22,421 |
| Cost of sales | 18,076 | 18,968 |
| Gross profit | 3,280 | 3,453 |
| Selling, general and administrative expenses | 2,261 | 2,262 |
| Operating profit | 1,019 | 1,190 |
| Non-operating income | | |
| Interest income | 17 | 15 |
| Dividend income | 1 | 1 |
| Foreign exchange gains | - | 67 |
| Rental income | 20 | 16 |
| Gain on sale of scraps | 12 | 15 |
| Other | 27 | 6 |
| Total non-operating income | 80 | 122 |
| Non-operating expenses | | |
| Interest expenses | 133 | 93 |
| Foreign exchange losses | 98 | - |
| Loss on Derivative | 11 | 217 |
| Other | 29 | 7 |
| Total non-operating expenses | 272 | 317 |
| Ordinary profit | 827 | 995 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 0 | 1 |
| Total extraordinary income | 0 | 1 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 2 | 2 |
| Loss on retirement of non-current assets | 12 | 12 |
| Extra retirement payments | 23 | - |
| Total extraordinary losses | 38 | 14 |
| Profit before income taxes | 788 | 982 |
| Income taxes | 106 | 257 |
| Profit | 682 | 725 |
| Profit attributable to non-controlling interests | 9 | 16 |
| Profit attributable to owners of parent | 673 | 708 |

Quarterly consolidated statement of comprehensive income

(Millions of yen)

| | Three months ended August 31, 2024 | Three months ended August 31, 2025 |
|--|---------------------------------------|---------------------------------------|
| Profit | 682 | 725 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (1) | 1 |
| Foreign currency translation adjustment | (1,028) | 422 |
| Remeasurements of defined benefit plans, net of tax | (1) | 21 |
| Total other comprehensive income | (1,031) | 445 |
| Comprehensive income | (349) | 1,171 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (330) | 1,147 |
| Comprehensive income attributable to non-controlling interests | (19) | 23 |

(Notes on segment information, etc.)

Segment Information

I. The three months of the previous fiscal year (June 1, 2024 to August 31, 2024)

1. Information on sales and the amount of profit or loss for each reported segment

(Millions of yen)

| | Reportable segments | | | | | Adjustment amount (Note) 1 | Quarterly Consolidated Statements of Income (Note)2 |
|----------------------------------|---------------------|--------|-------|---------------|--------|----------------------------|---|
| | Japan | Europe | Asia | North America | Total | | |
| Sales | | | | | | | |
| Revenues from external customers | 6,549 | 3,015 | 7,352 | 4,440 | 21,357 | - | 21,357 |
| Transactions with other segments | 1,507 | 0 | 119 | 0 | 1,627 | (1,627) | - |
| Total | 8,056 | 3,015 | 7,471 | 4,441 | 22,984 | (1,627) | 21,357 |
| Segment profit (loss) | 910 | (25) | 165 | 154 | 1,205 | (186) | 1,019 |

Note: 1. The amount of adjustment for segment profit or loss (loss) is (12) million yen for inter-segment transaction elimination and for each reported segment.

Unallocated company-wide expenses are (173) million yen.

2. Segment profit or loss (loss) is adjusted for operating income in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

Not applicable.

(Significant fluctuations in the amount of goodwill)

Not applicable.

(Significant Negative Goodwill Accrual)

Not applicable.

II. The three months of the current fiscal year (June 1, 2025 to August 31, 2025)

1. Information on sales and the amount of profit or loss for each reported segment

(Millions of yen)

| | Reportable segments | | | | | Adjustment amount (Note) 1 | Quarterly Consolidated Statements of Income (Note)2 |
|----------------------------------|---------------------|--------|-------|---------------|--------|----------------------------|---|
| | Japan | Europe | Asia | North America | Total | | |
| Sales | | | | | | | |
| Revenues from external customers | 7,820 | 2,445 | 7,501 | 4,654 | 22,421 | - | 22,421 |
| Transactions with other segments | 1,034 | - | 56 | 1 | 1,092 | (1,092) | - |
| Total | 8,854 | 2,445 | 7,558 | 4,655 | 23,513 | (1,092) | 22,421 |
| Segment profit (loss) | 1,079 | (79) | 191 | 161 | 1,353 | (162) | 1,190 |

Note: 1. The amount of adjustment for segment profit or loss (loss) is 23 million yen for inter-segment transaction elimination and for each reported segment.

Unallocated company-wide expenses are (186) million yen.

2. Segment profit or loss (loss) is adjusted for operating income in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

Not applicable.

(Significant fluctuations in the amount of goodwill)

Not applicable.

(Significant Negative Goodwill Accrual)

Not applicable.