

Financial Results Briefing for the Fiscal Year Ended September 30, 2025

Sanyo Trading Co., Ltd.
(Stock exchange code: 3176)

November 17, 2025

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Today, I will be presenting our full-year financial results for the fiscal year ending September 2025.

First and foremost, I would like to express my sincere gratitude to our investors, financial institutions, analysts, and all market participants for your continued support.

We take this opportunity to express our deepest gratitude. Now, let us proceed with today's presentation.

Today's Topics

1	Sales and gross profit reached new record highs. Operating profit decreased year on year, partly due to the increase in personnel and IT-related investments.
2	Profit declined in Life Science (loss of distributor agreements for bio-related equipment), but Sustainability was the force driving performance.
3	The value chain was expanded by acquiring all of the shares of EMAS Supplies & Services Pte Ltd (EMAS), a Singaporean distribution company.
4	While there will be a temporary lull in business performance due to upfront investments in the fiscal year ending September 30, 2026, new projects are planned to begin to contribute to profit one by one in the fiscal year ending September 30, 2027, and it is expected that the SV2028* targets will be achieved.

* SV2028: SANYO VISION 2028 A five-year, long-term management plan that was announced in November 2023 (The same applies hereafter.)

The highlights for the fiscal year ending September 2025 are primarily four points.

First, while top-line revenue reached a record high, operating profit decreased year-on-year due to increased personnel costs, training and education expenses related to human resource development, and IT-related expenses. These are all upfront investments for future growth. Although there may be some lag, we expect these investments to yield returns as our business expands, and we hope you will look forward to this.

Second, within segments, while Life Sciences saw a decline in profit, Sustainability drove performance.

Third, we completed a major overseas M&A transaction, acquiring the whole equity of Singapore-based EMAS. EMAS is a trading company primarily selling automotive parts, such as air conditioning compressors, in over 50 countries worldwide. We position EMAS as a platform within our Mobility domain. Leveraging EMAS's distribution channels, we will expand sales globally not only of air conditioning-related products but also other automotive aftermarket parts and components. Integrating EMAS into our group holds three strategic implications. First, it extends the value chain of our mobility business, which was primarily focused on interior material wholesaling, into the aftermarket. Second, it expands our business with non-Japanese customers. Third, it positions EMAS as a base for lateral expansion into regions where we currently have no presence, such as the Middle East and Oceania.

Finally, the fiscal year ending September 2026 represents a transitional budget period. This is due to upfront investments required to achieve the SV2028 five-year plan targets and the timing of revenue recognition for certain projects. This is strictly a temporary phenomenon. New projects we have in the pipeline for the fiscal year ending September 2027 and beyond will generate revenue. Therefore, the outlook for achieving the SV2028 operating profit target of 9 billion yen remains favorable, and we expect to meet it as planned.

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Now, let us proceed with today's presentation.

Regarding the overall structure, I, Namba, will first explain slides 01 and 02, which provide an executive summary of Sanyo Trading's overall business performance. Subsequently, President Shintani will explain slide 03.

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Consolidated Results in Fiscal Year Ended September 30, 2025

- Sales and gross profit reached new record highs. The gross profit ratio was also maintained at a high level.
- Operating profit decreased year on year, partly due to the increase in personnel and IT-related investments.
- Ordinary profit and profit decreased year on year, partly reflecting the one-time amortization of goodwill, etc.

(Million yen)	FYE September 2024	FYE September 2025		
	Full fiscal year	Full fiscal year		
	Result	Forecast at the beginning of the fiscal year	Result	Year on year
Net sales	129,263	132,000	132,703	+2.7%
Gross profit (Gross profit ratio)	22,229 (17.2%)		22,564 (17.0%)	+1.5%
Selling, general and administrative expenses	15,156		16,133	+6.4%
Operating profit (Operating profit ratio)	7,072 (5.5%)	7,100 (5.4%)	6,430 (4.8%)	(9.1%)
Ordinary profit (Ordinary profit ratio)	7,905 (6.1%)	7,500 (5.7%)	6,879 (5.2%)	(13.0%)
Profit attributable to owners of parent	5,207	4,900	4,615	(11.4%)
EPS (yen)	180.88	170.11	160.23	-

The results for the fiscal year ending September 2025 are as shown here.

Top-line sales reached ¥132.0 billion, a 2.7% increase year-on-year.

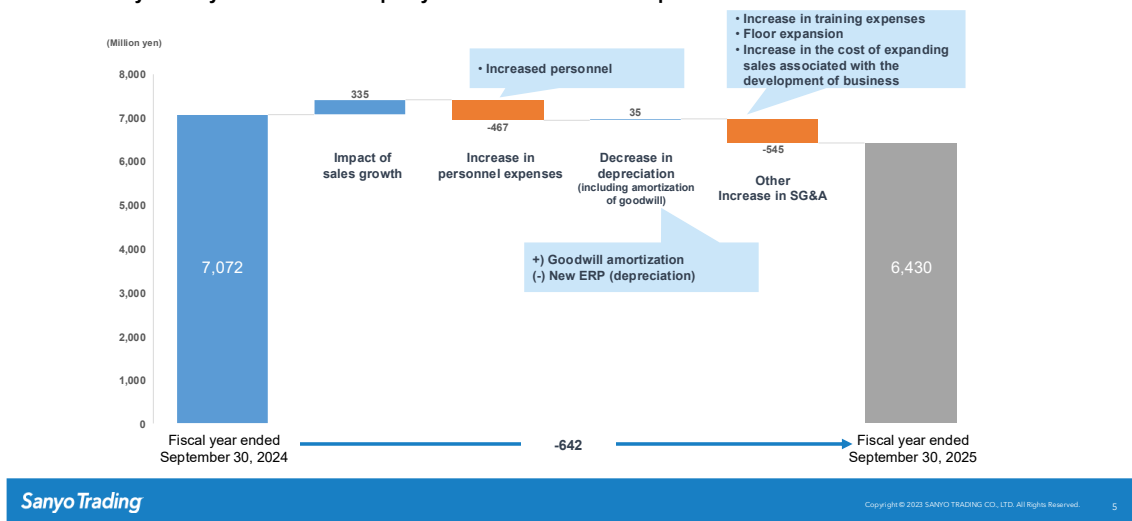
Gross profit was ¥22.5 billion, a 1.5% increase year-on-year. Both sales and gross profit reached record highs. The gross profit margin was 17.0%, maintaining a very high level among our peer trading companies.

On the other hand, operating profit was ¥6.4 billion, down 9.1% year-on-year, partly due to the upfront investments mentioned earlier.

Ordinary income and net income were affected by factors such as the one-time amortization of goodwill related to startup investments. Ordinary income was ¥6.8 billion, and net income was ¥4.6 billion, down 11.4% year-on-year.

Factors Affecting Operating Profit in in Fiscal Year Ended September 30, 2025

■ A year-on-year decrease that partly reflected the increase in personnel and IT-related investments



This waterfall chart shows the factors affecting operating income.

As shown in the second column from the left, revenue increased by ¥330 million compared to the previous fiscal year. Meanwhile, to its right, personnel increased due to growth investments. For the fiscal year ending September 2025, we hired 15 fresh graduates and 28 experienced hires for a total increase of 43 employees. The impact of this staffing increase is ¥467 million.

Similarly, the second column from the right shows a ¥546 million decrease due to growth investments, including costs associated with expanding the head office floor space and increased sales promotion expenses. Overall, this resulted in a net decrease in profit of ¥642 million.

While this increase in personnel expenses is the most significant factor, we view this expenditure as an investment for growth.

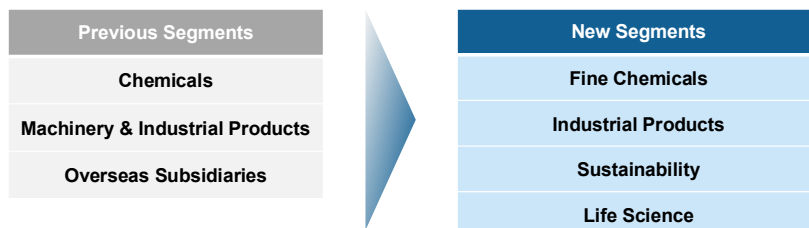
Looking ahead to SV2028 and beyond, human capital remains the company's most critical asset. Management is fully committed to expanding our workforce, enhancing their capabilities, and ensuring this elite force achieves results as quickly as possible. We will spare no necessary investment to make this happen.

For example, our KPI for per-employee training and development expenses ranks among the highest in the industry, including major corporations. We will ensure these investments in people pay off as quickly as possible.

Notice [Repost]

■ New reportable segments are used beginning with the first quarter of the fiscal year ending September 30, 2025 (announced on September 10, 2024).

■ Purposes: Disclosure to the market, optimal allocation of management resources, and performance monitoring (Reportable segments)



(Breakdown of sales by region)

➤ New regional divisions: Japan, North America, China, ASEAN, and Others (India, Europe and elsewhere)

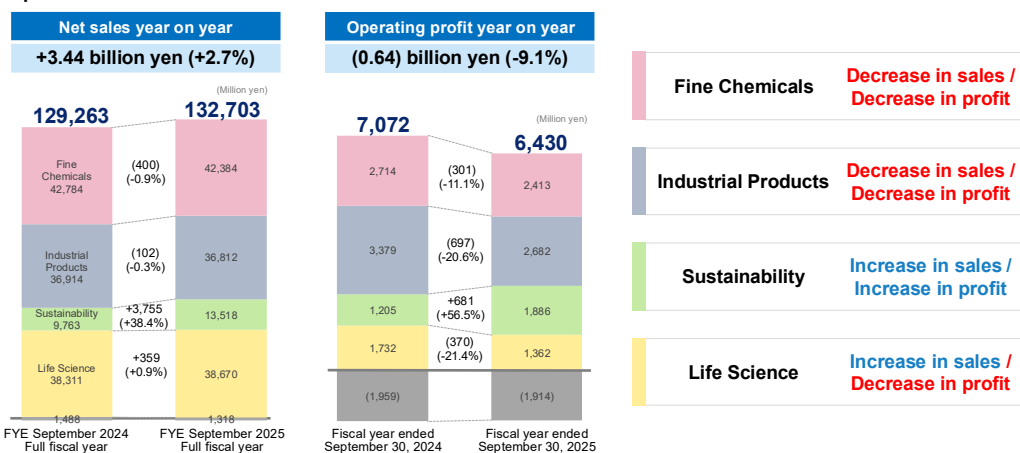
* Before change: Japan, USA, China, and Others

This is a repost, but we are advancing disclosure to enhance management transparency.

Starting this fiscal year, we have reorganized our three former segments—Chemicals, Machinery & Materials, and Overseas Subsidiaries—into four clearer market segments, as shown on the right. This new structure has been very well received by market participants, so we will continue to present our results aligned with these new segments.

Summary of Results by Segment

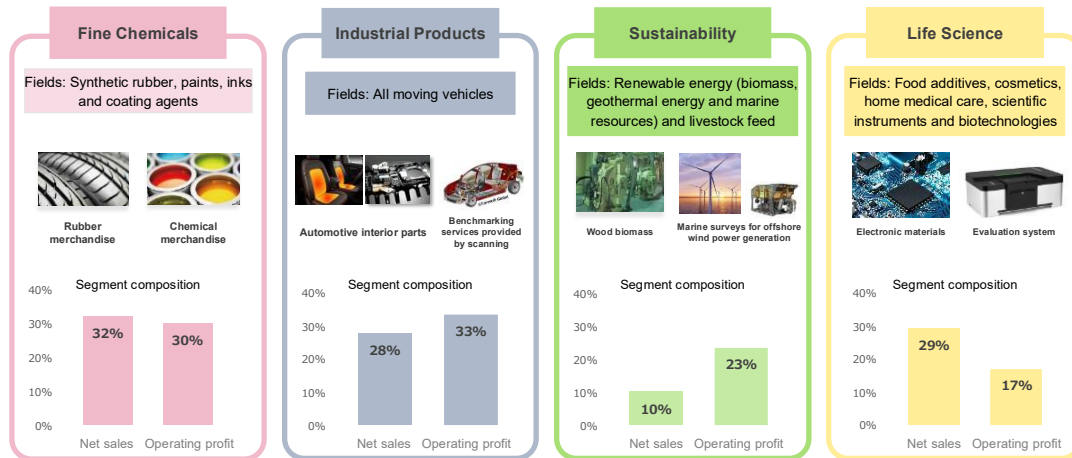
- Sustainability was the force driving performance. In the other three segments, sales remained almost flat, but profit decreased.



This is the company-wide segment summary for the fiscal year ending September 2025. Individual details will be provided later. Overall in terms of performance, while Fine Chemicals, Industrial Products, and Life Sciences saw declines in operating profit, Sustainability emerged as the key driver of our results.

Segment Composition

- Sustainability has grown, with net sales at 10% and operating profit exceeding 20%.



Note: Segment net sales and operating profit ratios are calculated using pre-consolidation adjustment figures. As the "Other" category is not included, the sums may not total 100%.

The sales composition ratio for the four segments is shown in this bar graph.

Roughly speaking, sales are divided among Fine Chemicals, Industrial Products, and Life Sciences, each accounting for about 30%, accounting for 90% of total sales. Sustainability accounts for the remaining 10%.

The Sustainability segment's share of sales reached double digits for the first time.

Operating profit: Industrial Products, the main contributor, saw a slight decrease from the first half, accounting for 33%. Fine Chemicals contributed 30%, and Life Sciences 17%. Sustainability, which was 18% in the first half, exceeded 20% for the first time at 23%, surpassing Life Sciences to become the third-largest profit contributor.

Overview of Each Segment: Fine Chemicals

(Million yen)	Fiscal year ended September 30, 2024	Fiscal year ended September 30, 2025	Year on year
Net sales	42,784	42,384	(0.9%)
Operating profit (Operating profit ratio)	2,714 (6.3%)	2,413 (5.7%)	(11.1%)

Factors for changes	
Net sales	Rubber: (+) Demand for raw materials for domestic markets was strong. Improvement in performance at certain overseas Group companies Chemicals: (+) Improvement in performance at certain overseas Group companies (-) Demand for mainstay products was on a weak note due to the impact of the market conditions.
Operating profit	Rubber: (-) Sluggish exports of some products. Chemicals: (-) Decrease in sales and a rise in purchase prices

[Major products we deal in]



Synthetic rubbers



Thermoplastic elastomers and resins



Rubber reinforcements and fillers

<Final uses>

- Automotive sealants
- High pressure hose
- Tires
- Home electric appliances



Photoinitiators/UV absorbers



Specialty monomers



Pigments



Wax



Silane coupling agents

<Final uses>

- Inks and printed materials
- Exterior wall paints
- Adhesives
- Plastic products

Fine Chemicals recorded a decline in both sales and profits.

For rubber-related products, domestic demand for raw materials remained very strong, but some exports were weak.

For chemical-related products, demand for key products remained subdued.

As a result, overall Fine Chemicals sales declined slightly, and operating profit decreased by 11%.

Overview of Each Segment: Industrial Products

(Million yen)	Fiscal year ended September 30, 2024	Fiscal year ended September 30, 2025	Year on year	Factors for changes	
Net sales	36,914	36,812	(0.3%)	Net sales	Domestic: (+) Steady performance due to sales price revisions. Overseas: (+) Strong performance of automobile-related products in the United States and Mexico (-) Japanese automakers reducing production amid an economic slowdown and intensified competition in China
Operating profit (Operating profit ratio)	3,379 (9.2%)	2,682 (7.3%)	(20.6%)	Operating profit	(-) Decrease in profit in the domestic business due to the impact of foreign

[Major products we deal in]



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This is Industrial Products, automotive-related. Sales were strong in Japan and North America.

However, the segment as a whole saw a 20% decline in profit due to the impact of China's economic slowdown and reduced production by Japanese OEMs.

However, as will be explained later, we have initiated various new projects in this segment. New high-potential businesses, such as EV testers and circular materials for environmentally friendly interior surfaces, are progressing smoothly and are expected to contribute to earnings sequentially from the fiscal year ending March 2027 onwards. Therefore, we ask that you understand the 20% profit decline figure as merely a temporary plateau.

Overview of Each Segment: Sustainability

(Million yen)	Fiscal year ended September 30, 2024	Fiscal year ended September 30, 2025	Year on year	Factors for changes	
Net sales	9,763	13,518	+38.4%	Net sales	(+) Strong sales of wearing parts related to feed processing machines Major projects in the wood-biomass-related business
Operating profit (Operating profit ratio)	1,205 (12.3%)	1,886 (14.0%)	+56.5%	Operating profit	(+) Ocean development, mainly including ocean investigation materials and equipment, was the driving force Sales of equipment related to geothermal heat were also strong. (-) Sales of oil- and gas-related equipment were weak. (+) Growth in profit attributed to the above increase in sales

[Major products we deal in]		<Feed processing machines and wood-biomass-related products>	<Marine surveys for offshore wind power generation>
 Pellet mill  Low-temperature belt dryer for wood chips  Gasification unit  (Different types of pellets)  Various hammer mills  Cogeneration unit		<Final uses> • Feed/fertilizer • Food, industrial products, etc. • Renewable energy	 Top drive system  Remotely operated vehicle (ROV)  TP cover  Cable protection system <Final uses> • Oil and gas • Geothermal development • Offshore wind power generation • Ocean investigation

Sustainability achieved significant revenue and profit growth, exceeding 30% year-on year sales growth.

In the pellet mill segment, the material processing machinery business performed exceptionally well.

Additionally, a large biomass-related project was recognized in the accounts.

In the offshore wind sector, businesses such as marine survey equipment also performed well.

Geothermal-related equipment also showed strong performance.

Overall, Sustainability saw sales increase by just under 40% and operating profit increase by just under 60%, significantly driving the company's overall performance.

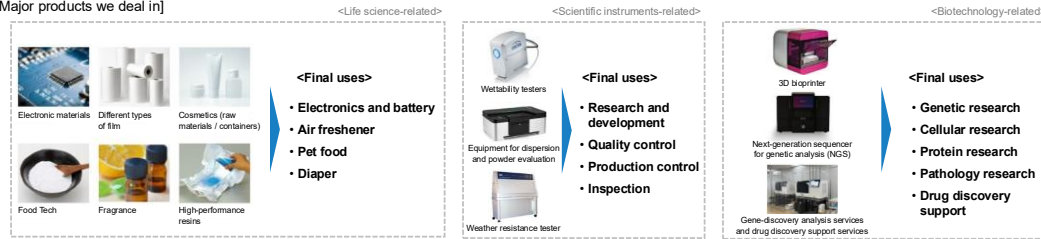
Overview of Each Segment: Life Science

* LS: Life Science

(Million yen)	Fiscal year ended September 30, 2024	Fiscal year ended September 30, 2025	Year on year
Net sales	38,311	38,670	+0.9%
Operating profit (Operating profit ratio)	1,732 (4.5%)	1,362 (3.5%)	(21.4%)

Factors for changes	
Net sales	(+) LS*: Exports of electrical materials remained strong, reflecting the weak yen. Scientific instruments: Steady performance due to due to an upturn in demand YPTECH: Increase in sales quantity of functional feed materials (-) Scrum Inc.: Impact of termination of contract for biotech products
Operating profit	(-) Decline in profit attributed to the above decline in sales (significant impact of biotech products)

[Major products we deal in]



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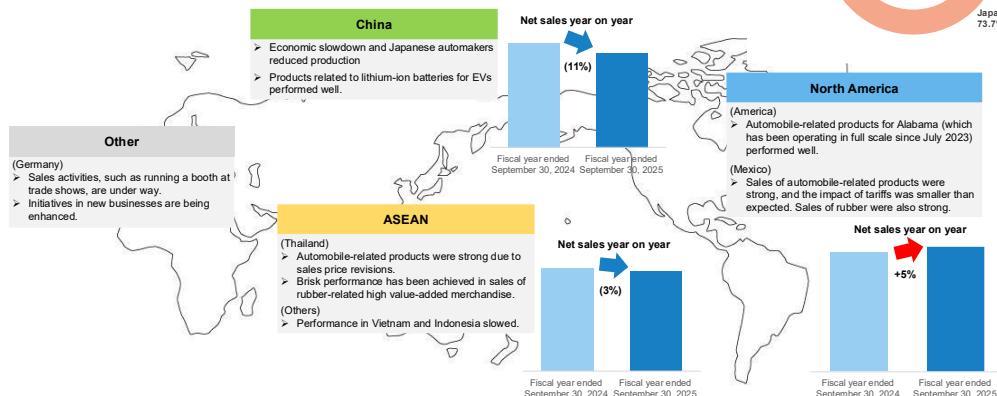
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Life Sciences saw increased revenue but decreased profit.

Sales of electrical materials for China's electric vehicles (EVs) performed exceptionally well and contributed positively. Sales increased by 0.9% due to the strong performance of group company Wipy Tech. However, operating profit for the segment as a whole decreased by 21% due to the termination of contracts for bio-related equipment, which was the main product of group company Scrum.

Net Sales and Situations in Each Region

- Net sales were strong in North America. Net sales in China and ASEAN countries slowed. Total overseas sales declined 0.6% year on year.
- Development of locally originated businesses is under way with the initiative of overseas bases.



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In conjunction with the segment changes for the fiscal year ending September 2025, we presented one slide to convey the overseas situation. The regional categories are Japan, North America, China, and ASEAN.

As shown in the pie chart, Japan accounts for over 70%, while overseas markets account for just under 30%.

Within overseas sales, North America accounted for 15.2%, ASEAN for 5.6%, and China for 4.8%. As shown in the bar graph, China's economic slowdown was the most significant factor in the year-on-year sales change, resulting in an 11% decline.

Although Thailand performed well within ASEAN, Vietnam and Indonesia saw slight slowdowns, resulting in a 3% decrease for ASEAN as a whole.

North America saw a 5% increase, resulting in an overall overseas decrease of 0.6% compared to the previous quarter, which is roughly on par with last year.

Furthermore, we have been vigorously promoting business development originating from our overseas bases since last year, an initiative we call "local business origination." Previously, new business development was mainly head office-led and product-out oriented. Recognizing that new business opportunities and growth fields lie overseas, this initiative empowers our overseas bases to originate market-driven, locally sourced business ideas. As a result of this effort, 22 proposals for local business origination were submitted.

After careful management review, we have formally entered six projects from six countries (the U.S., China, Vietnam, Indonesia, Thailand, and India) into our pipeline as potential core businesses and are actively advancing them.

Therefore, while the overall overseas ratio saw a slight decrease of 0.6%, with the sprouting of these locally originated initiatives, the overseas ratio will steadily increase towards 30% or even exceed it. We ask for your continued interest in its future progress.

Topic: Opening of the Korea Branch

Life Science

* Disclosed on our website on September 19, 2025
([Notice Regarding the Establishment of the Korea Branch.](#))

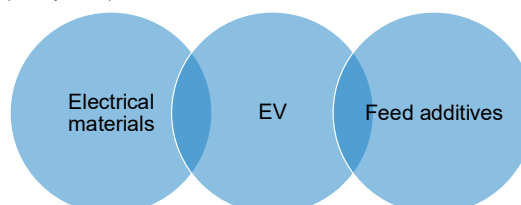


- We have established a branch office in the Republic of Korea, a promising market for our Life Science business, to further expand the scope of our business.

[Location]

- Seoul, South Korea

(Priority areas)



[Timing]

- Sales activities started in October 2025.

[Overview of Business]

- Support of sales of rubber, chemicals, machinery, automotive parts, scientific instruments, and various other products

[Objectives and future business development]

- Strengthening of the electrical materials and semiconductor business for Korea (high value-added customer services)
- Expansion of initiatives in the EV-related sector
- Enhancement of the feed additives business (both imports and exports)

We have established a branch office in Seoul, South Korea. By opening this branch in South Korea, a promising market for our life sciences business, we have gained the status to conduct business operations. This means we have created a legal entity in Korea capable of activities such as contracting, settlement, and delivery. We have also hired permanent staff starting in October and started sales activities.

Our key strategies include strengthening our electrical materials and semiconductor business targeting Korea, expanding high-value-added services, and developing business related to automotive EVs. Additionally, we will strengthen our feed additive business in both imports from Korea and exports to Korea.

We intend to fully utilize our Seoul branch.

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Forecasts for Fiscal Year Ending September 30, 2026

- There will be a temporary lull in performance in the fiscal year ending September 30, 2026 mainly reflecting the upfront investment in growth and the timing of the monetization of businesses (The plan is for new projects to begin to contribute to profit one by one in the fiscal year ending September 30, 2027.).

(Million yen)	FYE September 2025 Results		FYE September 2026 Forecasts	
	Result	Year on year	Forecast	Year on year
Net sales	132,703	+2.7%	130,000	(2.0%)
Gross profit (Gross profit ratio)	22,564 (17.0%)	+1.5%		
Selling, general and administrative expenses	16,133	+6.4%		
Operating profit (Operating profit ratio)	6,430 (4.8%)	(9.1%)	6,200 (4.8%)	(3.6%)
Ordinary profit (Ordinary profit ratio)	6,879 (5.2%)	(13.0%)	6,500 (5.0%)	(5.5%)
Profit attributable to owners of parent	4,615	(11.4%)	4,100	(11.2%)
EPS (yen)	160.23	-	142.31	-

The forecast for the fiscal year ending September 2026 is for a decrease in both revenue and profit.

There are three reasons for the decline in revenue and profit.

1 The first is that upfront investments for growth are impacting profits as expenses. Specifically, increasing fresh graduate and career hires, and providing financial support in the form of subsidies for new projects are factors reducing profits.

2 Second, internally we refer to two business styles: "agricultural people style" and "hunting people style." While businesses like automotive and chemicals are agricultural people style—with regular orders, shipments, and payments—the Sustainability segment is hunting style, pursuing individual projects like geothermal, offshore wind, and biomass. The fiscal year ending September 2026 marks a transitional period for project recognition in the sustainability hunter model business, which is a major factor in the decline in revenue and profit.

3 Second, there is the impact of losing the commercial rights to Scrum in the Bio Frontier Business Office.

Therefore, we anticipate reduced revenue and profit due to upfront investments, the transitional phase of the hunter-gatherer model, and the Scrum impact. However, these upfront investments will gradually contribute to profits as they yield returns. Please understand that the SV2028 target of 9 billion yen in operating profit will not be achieved in a straight, linear path. While the journey may have some bumps, we expect to reach the ultimate goal as planned in 2028.

Forecasts by Segment for Fiscal Year Ending September 30, 2026

- **Fine Chemicals:** Steady performance is expected, resulting from the expansion of existing businesses and progress in overseas business.
- **Sustainability:** While a strong performance is expected due to the recording of earnings from a major project related to wood biomass, it will be the slow season for the recording of project contracts in the ocean development-related business. Therefore, progress is expected to slow temporarily.
- **Life Science:** The growth of existing businesses and the reduction of amortization of goodwill burdens will offset the negative growth of Scrum Inc.

(Million yen)	Net sales			Operating profit		
	FYE September 2025 Result	FYE September 2026 Forecast	Year on year	FYE September 2025 Result	FYE September 2026 Forecast	Year on year
Fine Chemicals	42,384	44,000	+3.8%	2,413	2,700	+11.9%
Industrial Products	36,812	35,000	(4.9%)	2,682	2,500	(6.8%)
Sustainability	13,518	11,500	(14.9%)	1,886	1,100	(41.7%)
Life Science	38,670	38,000	(1.7%)	1,362	1,600	+17.4%
Other	1,318	1,500	-	(1,914)	(1,700)	-
Total	132,703	130,000	(2.0%)	6,430	6,200	(3.6%)

Segment-by-Segment Earnings Forecast for the Fiscal Year Ending September 2026.

Operating profit is projected to show double-digit growth year-on-year for Fine Chemicals and Life Sciences. Industrial Products will see a slight decrease of 6.8%.

Sustainability is experiencing a significant decline, down 42% year-on-year, as it enters a transitional phase in its pipeline projects.

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Now, moving on to item 03, President Shintani will explain the progress of SV2028.

I am President Shintani. I would like to explain the progress of SV2028.

Progress toward the Financial Targets in SANYO VISION 2028

- The second year of SV2028 has ended. It is expected that the SV2028 targets will be achieved, as a series of new projects are planned to begin to contribute to profit in the fiscal year ending September 30, 2027.

	Target (Fiscal year ending September 30, 2028)	Result (Fiscal year ended September 30, 2024)	Result (Fiscal year ended September 30, 2025)	Evaluation
ROE	10-12%	11.4%	9.3%	△
Operating profit	9.0 billion yen	7.0 billion yen (Upfront investments included)	6.4 billion yen	△
Operating profit ratio	5.1%	5.5%	4.8%	△
Operating cash flow	Cash surplus	5.4 billion yen (cash surplus)	7.1 billion yen (cash surplus)	○
Shareholders' equity ratio	50% or more	63.3%	62.9%	○
PBR	More than 1	0.92	0.91	△

Here is the progress status of SV2028 after two years.

While we have achieved some targets, such as ROE, operating margin, and PBR, others unfortunately remain unmet.

Operating profit has been impacted by factors like office expansion and upfront investments in personnel costs.

However, we view personnel expenses as necessary upfront investments for future growth.

In short, we recognize that we are currently in a plateau phase necessary for future growth.

I will now explain the specific measures for achieving the targets for the fiscal year ending September 2028.

Notice Regarding Organizational Restructuring and Appointment of Responsible Officers

*Disclosed on our website on November 10, 2025

([Notice Regarding Organizational Restructuring and Appointment of Responsible Officers](#))

- The Board of Directors resolved to implement an organizational restructuring and appoint responsible officers with the aim of further strengthening its management structure.

[Key Changes]

1. We will appoint promotion managers for each of the three key SV2028 targets:

(1) Operating profit of 9.0 billion yen, (2) PBR of more than 1, and (3) Strengthening human capital.

Target	Responsible Person	Position
Operating Profit of 9.0 Billion Yen	Mitsuyasu Hirasawa	Director & Executive Officer, in charge of Business Divisions
PBR of More than 1	Yoshimi Namba	Director & Executive Officer, in charge of Business Divisions, General Manager of Corporate Planning Department
Strengthening Human Capital	Masanobu Shintani	President & CEO

2. Based on SV2028's management policy, we will newly appoint executive officers to oversee each business segment, enhancing strategic focus and expertise in the market.

Business segment	Executive Officer	Position
Fine Chemicals	Yasushi Komiya	Senior Executive Officer, General Manager of Rubber Business Unit
Industrial Products	Yoshimi Namba	Director & Executive Officer, in charge of Business Divisions, General Manager of Corporate Planning Department
Sustainability	Mitsuyasu Hirasawa	Director & Executive Officer, in charge of Business Divisions
Life Science	Koji Taguchi	Senior Executive Officer, General Manager of Life Science Business Unit

3. The Committee of Executive Officers will be reorganized and renamed the "SV2028 Execution Committee." The committee's purpose will be focused solely on "Executing SV2028," enabling swift identification of management issues and advancing strategic, agile business execution and organizational strengthening.

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First, we have transformed our internal organization and structure to achieve SV2028.

1 Second, we identified particularly critical items for achieving SV2028 and appointed dedicated leaders for each of the three key areas: achieving operating profit of 9 billion yen, achieving a PBR of 1x or higher, and enhancing human capital.

I will personally take charge of the human capital initiative.

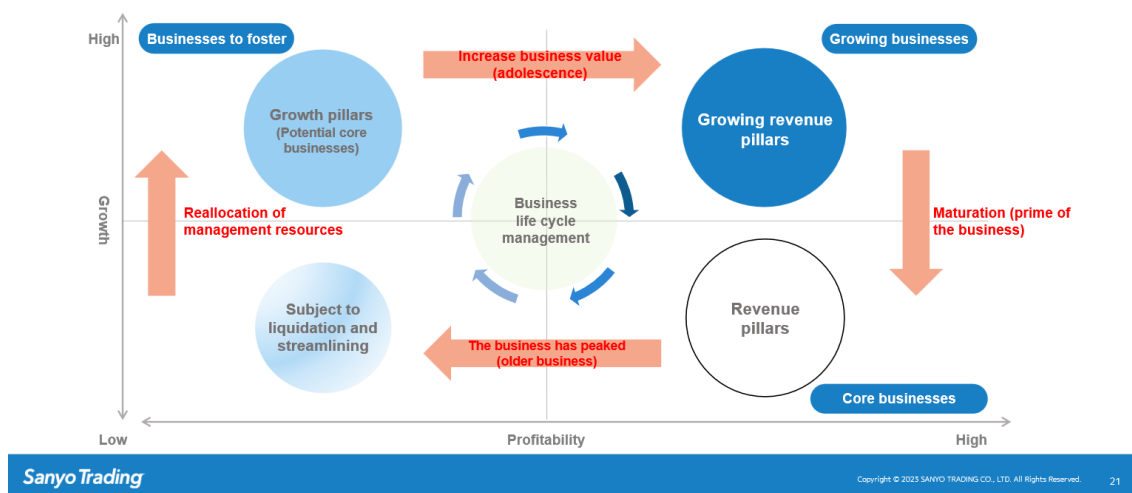
2 Third, to enable swift on-site responses to business segment strategies, we have appointed executive officers for each of the four segments and delegated certain authorities to them. This structure, akin to a company system, brings decision-making closer to the front lines, enabling rapid on-site command.

3 Third, we changed the name of the Executive Officers' Meeting.

It is now called the "SV2028 Achievement Committee." The committee's purpose has also been refocused on achieving SV2028, transforming it into a meeting body that drives progress with a clear sense of purpose.

Continual Change of the Business Portfolio

- Reenforce the discovery and cultivation of businesses that will be future revenue pillars
- Strategically allocate management resources heavily to these businesses to accelerate their growth



This is the overall diagram of our business portfolio restructuring.

The starting point is the development business in the upper left. This serves as the source of growth. Currently, we have approximately 30 potential core businesses. The concept is that these transition into growth businesses and then into foundation businesses, while resources from businesses that have peaked are redeployed back into the development business.

We are advancing this restructuring of our business portfolio through internal institutionalization.

We believe the development businesses, or what we call potential core businesses, will drive future growth.

Business Segments and Businesses of Focus

- Provide diverse types of products and services in businesses for the development and growth of businesses with high growth potential
- Strengthen businesses by strategically investing leveraging the expertise, technological capabilities and solid financial foundation that are our strengths

Red: Businesses of greatest focus

Portfolio	Business segment			
	Fine Chemicals	Industrial Products	Sustainability	Life Science
Businesses to foster	- Naturally derived materials - Functional materials with next-generation applications - Electrical materials and chemicals	- EV maintenance equipment - Environmentally friendly skins - High-frequency coaxial cable	- Equipment related to offshore wind power generation systems - New materials and films - Carbon neutrality	- Cosmetics - Agriculture - Protein analysis/bioinformatics
Growing businesses	- Functional rubber materials - Secondary materials (rubber) - Raw material for adhesives	Automotive benchmarking	- Wood-biomass-related equipment - Ocean resources development and survey	- Electrical materials including LIB-related parts and materials - Food additives - New functional feeds
Core businesses	- Core rubber product - Ink raw materials - Paint and coating raw materials	Automotive interiors	- Pellet mill - Equipment related to geothermal development	- Scientific equipment - Films - SAP - Dyestuff/aroma chemicals - Various functional raw materials - Bio-related devices/reagents
Businesses needing to be considered	Low-profit/low-growth businesses			

This table summarizes the specific new business initiatives.

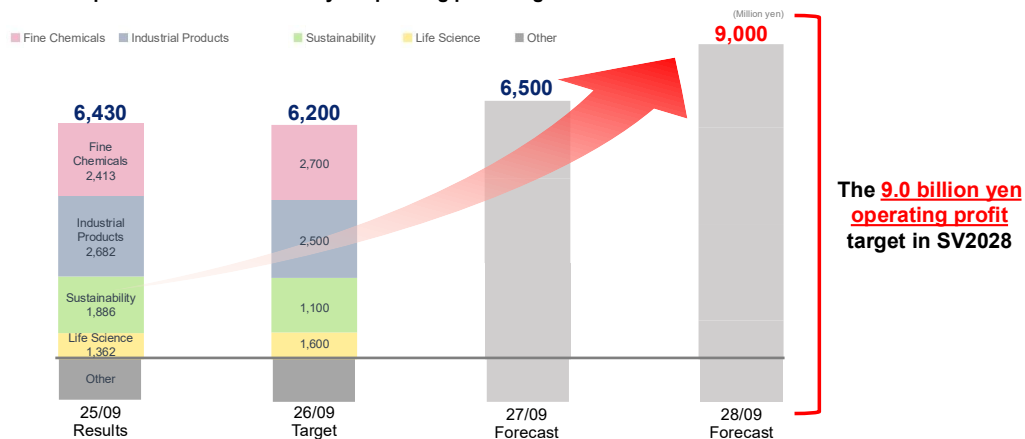
4 This document lists themes categorized by market segment into development businesses, growth businesses, and foundation businesses. The development businesses listed here are the potential core businesses.

The items listed in red—EV maintenance equipment, environmentally responsive coatings, high-frequency coaxial cables, offshore wind power generation equipment, and new material films—represent projects within the potential core businesses that the company is particularly focused on.

We plan to actively pursue M&A in these nurturing and growth business areas to accelerate our business.

Operating Profit Results and Outlook by Segment

- While there will be a temporary lull in profit in the fiscal year ending September 30, 2026, new projects are planned to begin contributing to profit one by one in the fiscal year ending September 30, 2027.
- It is expected that the 9.0 billion yen operating profit target in SV2028 will be achieved.



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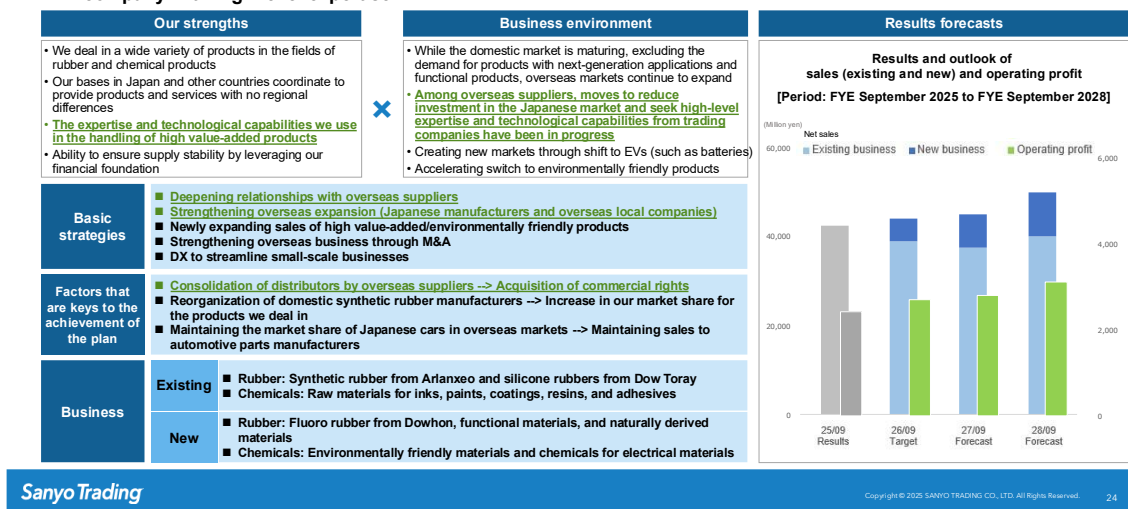
Here are the actual and projected operating profits by segment.

As previously explained, the fiscal year ending September 2026 marks the third year of SV2028 and will serve as a consolidation phase for future growth. By advancing new businesses and M&A, we aim to achieve the operating profit target of 9 billion yen for the fiscal year ending September 2028.

We believe achieving ¥9 billion is possible by steadily advancing the numerous initiatives currently underway.

[Growth Strategy in Each Segment] Fine Chemicals

- This is our founding business. We aim to achieve continued growth by leveraging our functions as a trading company with high-level expertise.



I would like to explain specifically by four segments. First is fine chemicals.

This segment represents our heartland business. Over more than 50 years, we have steadily built a reliable and solid position in the rubber and ink coating markets.

A trend in the domestic market is the consolidation of Japanese distributors for overseas chemical manufacturers. In other words, there is a movement toward consolidation with strong distributors.

Recently, various restructurings have been taking place among domestic synthetic rubber manufacturers, as exemplified by the sale of JSR Corporation's rubber business and the discontinuation of production by Sumitomo Rubber Industries, Ltd. While these markets may appear less glamorous at first glance compared to, say, the IT market, they are absolutely essential and enduring foundations of Japanese industry.

Building on our long-standing track record within this industry, we will continue our efforts to support these businesses within Japan.

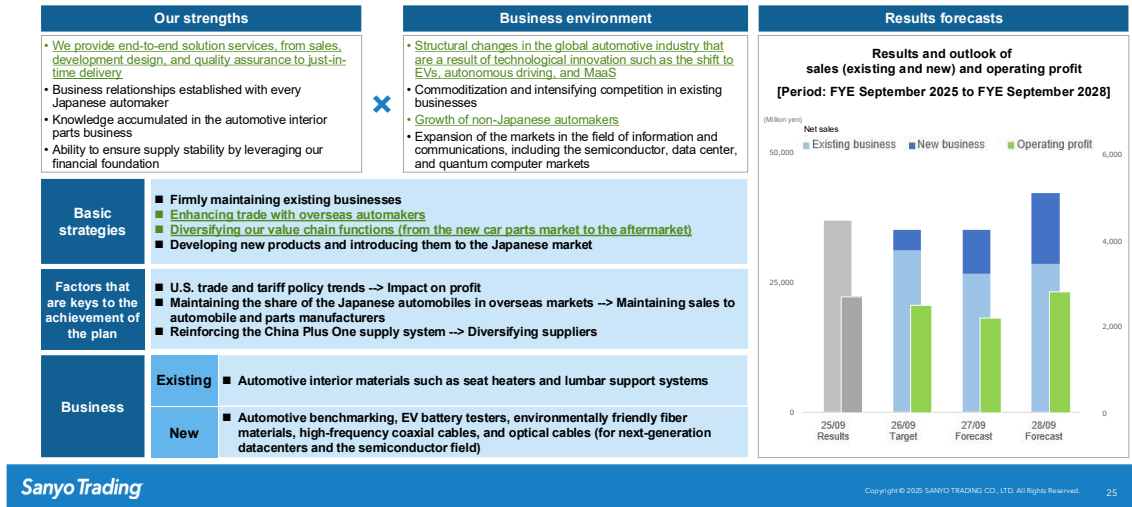
Regarding overseas expansion, for the rubber business, our robust support system in ASEAN and China gives us a competitive edge over peers. Furthermore, we handle products from the world's largest synthetic rubber manufacturer (parent company: Saudi Aramco), enabling us to expand sales not only in Japan but also in ASEAN.

Additionally, we handle new products such as environmentally friendly items and equipment for EV batteries.

Consequently, as shown in the graph on the right, we anticipate steady growth going forward.

[Growth Strategy in Each Segment] Industrial Products

- This is one of our large pillars of revenue. We will develop new businesses to push forward with the replacement of our business portfolio.



Next is Industrial Products. This segment primarily deals in automotive interior components.

We handle interior components for overseas manufacturers, such as lumbar supports, seat heaters, and seat belt reminders. Our strengths lie in our long-standing relationships with all Japanese automakers as an independent supplier, free from any single group affiliation. Furthermore, our integrated system spanning development, design, quality assurance, just-in-time delivery, and the aftermarket represents our unique, solid business model and competitive advantage.

However, due to restructuring in the automotive industry, particularly in China, our existing business is experiencing some competitive pressure from commoditization.

Therefore, we will aim for recovery in this segment and proceed by maintaining our existing business.

Fortunately, we have strong relationships with our partners. We believe this is due to the effectiveness of our "one product, one supplier" strategy. Based on these strong relationships, we can propose improvements to our customers.

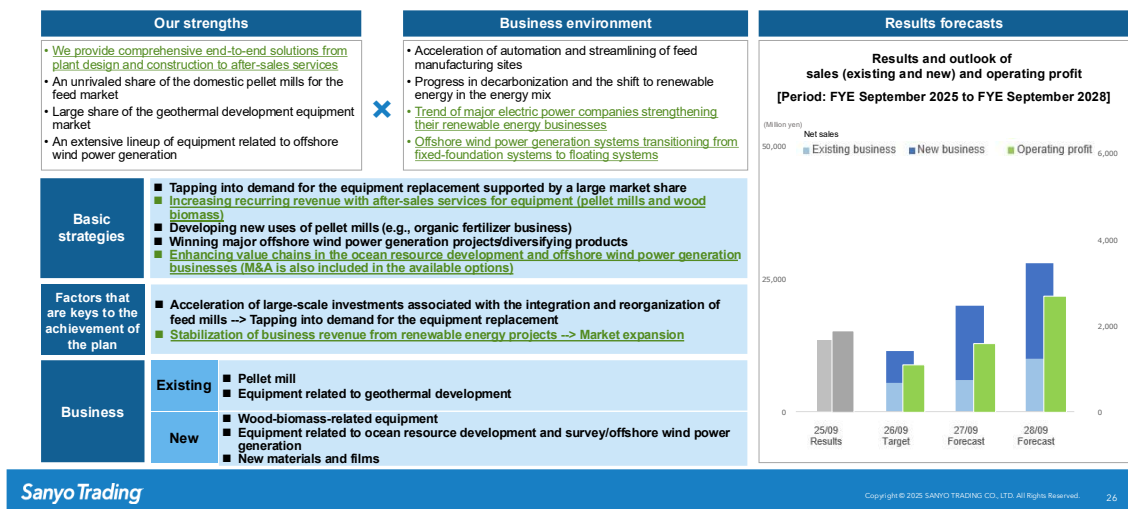
Another strength of this segment is the launch of many new businesses.

For example, the Mizunami Exhibition Hall, which displays disassembled EV automotive parts. This benchmarking business operates as a new business model. Other examples include EV battery testers and environmentally friendly exterior materials. As I will explain in detail later, the acquisition project in Singapore also falls under this segment.

In summary, we will pursue a dual strategy: recovery initiatives and the development of new businesses in the automotive market.

[Growth Strategy in Each Segment] Sustainability

- The growth of business has been accelerated by the expansion of the renewable energy market.



The Sustainability Segment is a segment with significant growth potential going forward.

Our strengths in this field lie in our overwhelming market share for pellet mills targeting the domestic market, as well as our dominant positions in geothermal, oil drilling, and offshore wind power – essentially niche-leading sectors.

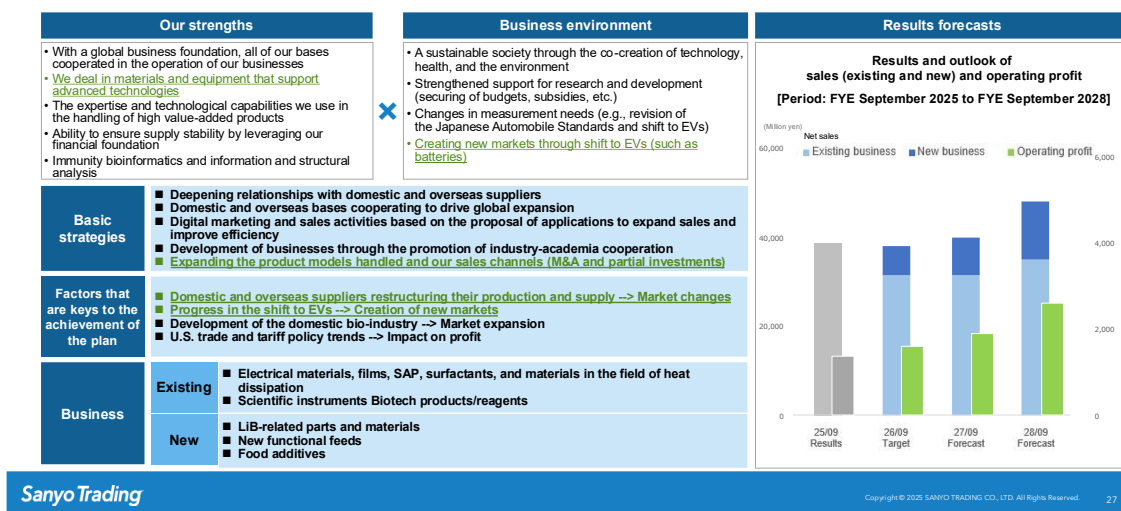
Moving forward, equipment deliveries for offshore wind projects are scheduled to commence sequentially from 2027 onwards. Regarding marine resource development, as many may have heard recently, we supplied all equipment for the riser accessories and ROVs for the rare earth project off Minamitorishima island. We believe this presents opportunities to contribute not only to our business but also to Japan.

Regarding wood biomass, a joint power sales project with Tohoku Electric Power is scheduled to commence in 2026-2027, and other projects are also progressing sequentially. Furthermore, we anticipate future demand for geothermal development equipment as a renewable energy source and for large-scale investment equipment driven by major manufacturer consolidation.

Therefore, while the fiscal year ending September 2026 represents a transitional period for plant installations, this segment is expected to achieve significant growth starting from the fiscal year ending September 2027 and beyond.

[Growth Strategy in Each Segment] Life Science

- Discover and develop QOL and environmental products for growth markets



Finally, the Life Sciences segment.

The strengths of this segment lie in its business development in collaboration with global bases and the presence of several specialized organizations within the division that possess expertise and technical capabilities. In addition, we are developing value-added products and services through industry-academia collaboration.

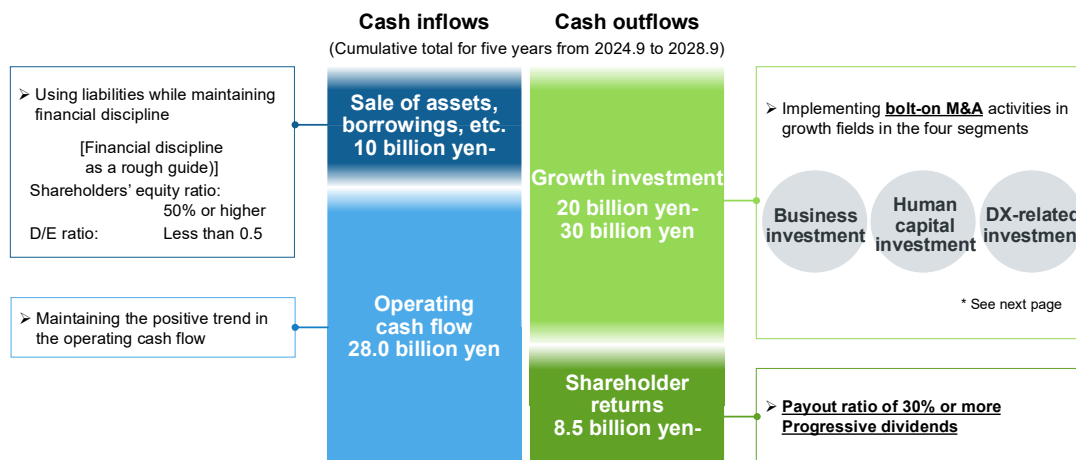
For example, we have numerous pipelines that we are nurturing as potential core businesses, including the continued growth of our foundation businesses such as chemical equipment, Dow Corning specialty products, 3M products, films, SAP products, and industrial products, as well as expansion in growth areas such as electrical materials, food additives, and food loss reduction materials.

We believe that the fruition of these various projects will lead to steady growth in the future.

Therefore, along with the growth of these four segments, we will achieve operating income of 9 billion yen.

We look forward to providing a detailed explanation of the progress in these four segments next year.

Cash Allocation



This is the overall picture of cash allocation over five years.

5 We plan to allocate approximately ¥28 billion in annual operating cash flow and over ¥10 billion in borrowings to growth investments of ¥20 to ¥30 billion and shareholder returns of over ¥8.5 billion.

Growth investments will be made in bolt-on acquisitions within the growth areas of the four segments.

As a trading company, people are our lifeblood, and we will actively pursue necessary human capital recruitment and other personnel support.

Regarding DX-related investments, we have introduced a new core system as a platform for operational efficiency. We will roll this out to group companies going forward. Centralized management of figures and optimization of fund operations across the Sanyo Trading Group have already commenced.

Investment Strategy

■ We will implement bolt-on M&A activities in growth fields. The specific strategy is as follows.

Growth investment 20.0 billion to 30.0 billion yen	Business investment	Fine Chemicals	➢ Expansion of overseas sales channels ➢ Acquisition of commercial rights ➢ Development of new products
		Industrial Products	➢ Automotive aftermarket (EMAS in Singapore)*1 ➢ Investment related to environmentally friendly fiber materials
		Sustainability	➢ Offshore wind power generation and marine survey (product models handled and value chain) ➢ Businesses peripheral to wood biomass
		Life Science	➢ Healthcare (enhancing product models handled) ➢ Sales channel expansion (Kyushu Mitaka)*2
	Human capital investment	➢ Recruitment, education, performance evaluation and placement, etc. to promote the idea of Sanyo as a people company	
	DX-related investment	➢ Core system (operation started in October 2024)	

*1 Disclosed on our website on September 9, 2025 (Notice Regarding Share Acquisition Involving Change in Subsidiaries)

*2 Disclosed on our website on October 9, 2025 (Notice Regarding Share Acquisition Involving Change in Sub-subsidiaries)

I will explain our investment strategy.

M&A remains a key growth strategy, and our policy of actively pursuing deals that benefit our company remains unchanged. Our focus areas, specific approaches, and targets are outlined here.

In Industrial Products, we have opportunities in the automotive aftermarket.

Sustainability: We aim to expand the value chain in offshore wind power, marine-related businesses, and wood biomass.

Human Capital: We will invest in training and recruitment across various fields.

Regarding DX, we will sequentially deploy ERP to group companies.

These investments will be prioritized through information sharing within the internal Business Investment Committee, with progress visualized and driven forward.

[Topic Regarding Strategic Investment] Acquisition of All Shares of EMAS

Industrial Products

(Share acquisition execution date: October 1, 2025)

- We acquired all shares of EMAS Supplies & Services Pte. Ltd., a Singaporean distribution company, mainly to expand our business domain to the automotive aftermarket.

[Name]

- EMAS SUPPLIES & SERVICES PTE LTD

[Overview]

- A Singapore-based trading company specializing in the sales of automotive air conditioner-related parts

[Strengths]

- A history of more than 30 years of operation, high-level expertise, and an extensive purchasing network
- Supplying products in more than 50 countries with a focus on the Middle East and Southeast Asia



[Objective]

Mobility business with its mainstay being the provision of automotive interior parts for new vehicles

Expanding business to the automotive aftermarket to diversify value chain functions

Sanyo Trading

Strong relationship with the automotive industry
Global network

EMAS

High-level expertise and purchasing network
Network extending to the Middle East and Southeast Asia

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We will explain the acquisition of all shares in Singapore's EMAS, announced last month.

EMAS is a specialized trading company selling automotive air conditioning components in the aftermarket.

Until now, our business has been entirely focused on supplying interior components to Japanese automakers.

However, this acquisition of EMAS represents a new venture into the automotive parts aftermarket, a new market for us, targeting overseas non-Japanese markets. In other words, it allows us to maximize the use of our global network, including our strong relationships within the automotive industry, thereby expanding our value chain in the automotive market.

EMAS is based in Singapore, but its sales targets are overseas markets including the Philippines and the Middle East.

We believe this network can be maximally utilized going forward.

I visited the company myself in early November and met all the employees. In a word, I felt it was a company with a corporate culture very similar to ours, a good fit. I believe both our company and EMAS felt reassured. This compatibility is extremely important in M&A.

Going forward, we aim to expand our business and increase the number of projects accordingly.

[Topic on Strategic Investment] Business Alliance with KORBON CO., LTD. and Acquisition of Convertible Bonds

Life Science

^{*1} Disclosed on our website on October 30, 2025
([Notice Regarding Business Alliance with KORBON CO., LTD. and Acquisition of Convertible Bonds](#))

- We have signed a business alliance with KORBON CO., LTD., which is involved in R&D and the manufacture and sale of SWCNTs^{*2} in South Korea (acquisition of convertible bonds issued by KORBON). We will develop the SWCNT business into a growth driver and enhance our business portfolio in the medium and long term.

(Date of acquisition of convertible bonds: October 30, 2025)

^{*2}: Single wall carbon nanotubes. They are in rapidly growing demand as conductive additives in automotive lithium ion batteries (LIB). They are expected to be used in secondary batteries, antistatic applications, and composite materials, among other areas.

[Name]

- KORBON CO., LTD.

[Overview]

- This partnership gives the Company the exclusive right to sell the SWCNTs to Japanese companies.

[Background and Purpose]

- We combine the Company's global sales network with KORBON's unique technology to accelerate sales expansion of these materials.
- In collaboration with KORBON, we drive market introduction, technical support, and customer development in an integrated manner.
- We will develop the SWCNT business into a new growth driver while also aiming to enhance our business portfolio over the medium and long terms.



Another investment project involved a business partnership with KORBON in South Korea in the life sciences field.

KORBON is a manufacturer of single-walled carbon nanotubes, a material useful as a conductive additive for automotive lithium ion batteries.

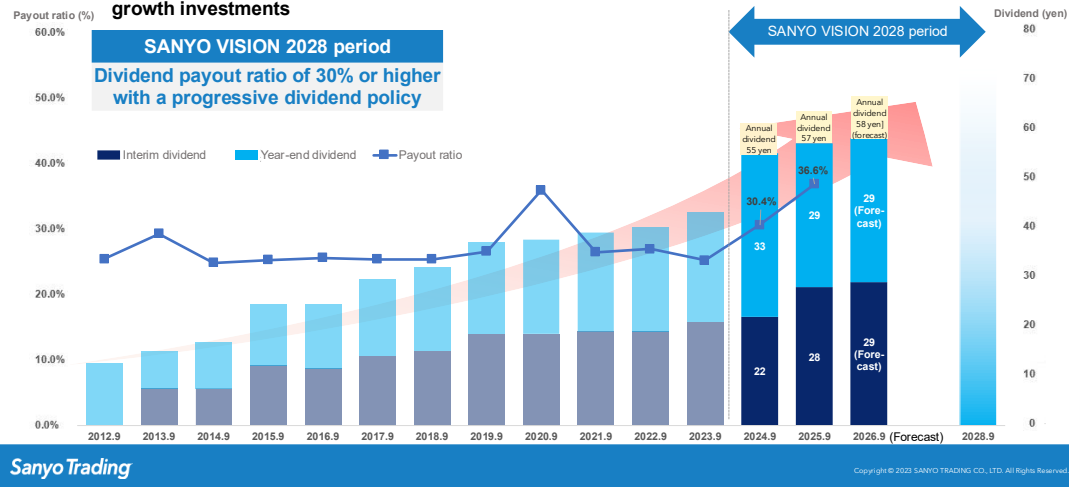
Through our investment, we have secured exclusive sales rights for Japanese companies.

We have formed a partnership, so to speak, where KORBON develops its patented single-walled carbon nanotubes and we promote their sales.

Although development will take some time, we believe it will contribute to SV2028.

Shareholder returns

- **Maintaining stable dividends for 13 consecutive years** since the company was listed, under a basic policy of continuously increasing dividends and paying stable dividends
- The possibility of a share buyback is being considered taking into account financing needs regarding growth investments



We will explain shareholder returns.

Since our IPO in 2012, we have maintained stable dividends for 13 consecutive years.

For the fiscal year ending September 2025, we have set an annual dividend of 57 yen, an increase of 2 yen.

The dividend forecast for the fiscal year ending September 2026 is assumed to be 58 yen.

SV2028's policy advocates a dividend payout ratio of 30% or higher and progressive dividends.

We maintain a policy of continually refining our capital strategy, including consideration of share repurchase, while taking into account funding needs for growth investments.

This concludes my explanation.

Quest for Next