Sanden Corporation

Q3 Financial Results for Fiscal Year Ending December 2025

Nov 20, 2025

Sanden Corporation

Agenda

1. Q3 FY2025 Financial Results

1. Key Highlights and Consolidated Financial Summary
2. Revenue by Segment
3. Year-on-Year Variance Analysis – EBITDA
4. Consolidated Balance Sheet
5. Cash Flow
6. Business Highlights

1. Key Highlights

Revenue

◆Revenue Increased by ¥700 Million Year-on-Year (+0.5%) Foreign Exchange Impact : ▲¥1.9 Billion

Situation By Region

EU	**Decrease** from production cuts due to market shifts
China	**Increase** driven by higher EV product deliveries supported by government subsidies
Asia	**Increase** supported by growth in deliveries to local OEMs in India
Americas	**Increase** due to higher EV and AFM component deliveries

Profit

◆Operating Profit: Increased by ¥2.0 Billion Year-on-Year

Factors Behind Profit Increase: Productivity improvements in China and the Americas
Reduction of quality-related costs in Japan and the Americas

◆Ordinary Profit: Slight Increase of ¥30 Million Year-on-Year

Factor Behind Profit Decline: Non-operating income: Foreign exchange valuation loss on foreign currency-denominated receivables and payables

◆Net Income Attributable to Owners of Parent: Decreased by ¥3.3 Billion Year-on-Year

Factor Behind Profit Decline: One-time expenses related to structural reforms in Japan and Europe.

Measures

◆Impact of U.S. Tariff Policy

Tariff Measures: Established a special internal task force to assess the impact and implement countermeasures, including passing on costs to customers

◆Implementation of Structural Reforms

Implemented structural reforms across all group companies to prepare for the impact of U.S. tariffs and potential economic downturn

1. Key Highlights and Consolidated Financial Summary

		FY2024 Jan-Sep 2024	FY2025 Jan-Sep 2025	YoY Variance	YoY Percent Change
Revenue		**¥137.8 billion**	**¥138.5 billion**	**¥0.7 billion**	**0.5%**
	Automotive Component	¥136.6 billion	¥137.8 billion	¥1.1 billion	0.8%
	Others	¥1.2 billion	¥0.8 billion	▲¥0.4 billion	-33.2%
Operating Profit		**▲¥4.3 billion**	**▲¥2.3 billion**	**¥2.0 billion**	**-**
Equity Gains of Affiliated Companies		¥3.9 billion	¥4.0 billion	¥0.1 billion	2.8%
Foreign Exchange		¥0.4 billion	▲¥0.8 billion	▲¥1.2 billion	-
Ordinary Profit		**¥0 billion**	**¥0.1 billion**	**¥0 billion**	**55.9%**
Net Income **Attributable to Owners of the Parent**		**¥0.1 billion**	**▲¥3.2 billion**	**▲¥3.3 billion**	**-**
EBITDA		**¥5.4 billion**	**¥6.7 billion**	**¥1.3 billion**	**23%**
Foreign Exchange	**US$**	**¥151**	**¥148**	**▲¥3**	
	EUR	**¥164**	**¥166**	**+¥2**	

※ Equity Gains of Affiliated Companies: This mainly relates to Sanden Huayu Automotive Air Conditioning Co., Ltd., an equity-method affiliate of our company.
(Some of our products are sold through joint ventures in markets such as China, and revenue from these joint ventures is recorded as non-operating revenue in our financial statements.)

Actual figures are rounded off to the nearest ¥10 million.

*Exchange rate: Market average rate

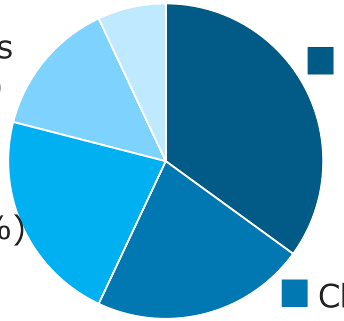
2. Sales Revenues by Segment: By Region

Revenue: ¥137.7 billion YoY: ¥1.1 billion (+0.7%)

(Incl. Foreign Exchange Impact ▲¥1.9 billion)

※Automotive Components segment only. Excluding other businesses.

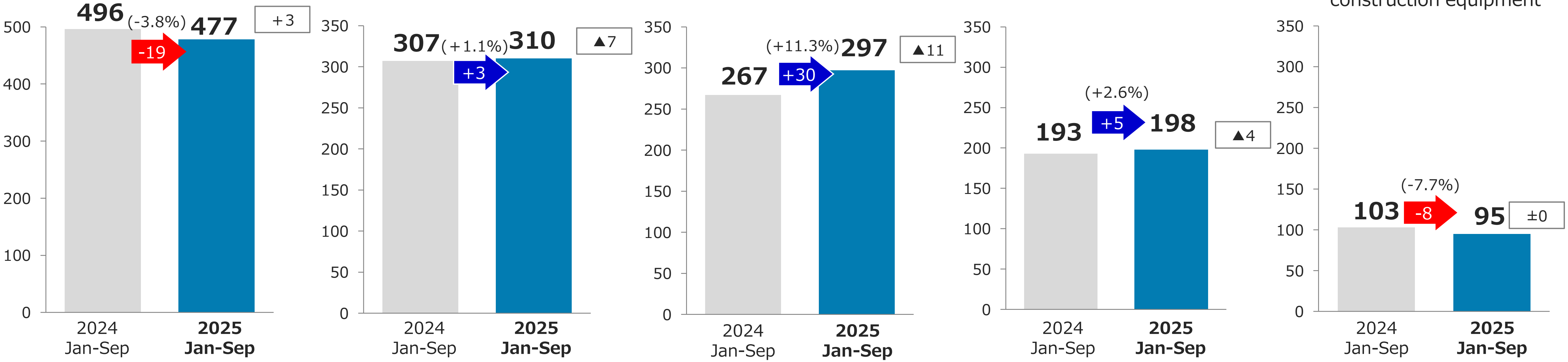
Regional Composition Ratio



Revenue by Region: YoY

[Unit: ¥100M] ( ) YoY Percentage Change
⇨ YoY Change in Amount
□ YoY Exchange Rate Impact

		2024 Jan-Sep	2025 Jan-Sep	YoY Change in Amount	YoY Percentage Change	YoY Exchange Rate Impact
EU	Production adjustment due to market changes	496	477	-19	(-3.8%)	+3
China	Increase in EV product deliveries	307	310	+3	(+1.1%)	▲7
Asia	Increase in product deliveries to Indian OEMs	267	297	+30	(+11.3%)	▲11
Americas	Increase in EV product and AFM product deliveries	193	198	+5	(+2.6%)	▲4
Japan	Decrease in volumes for Japanese OEMs and construction equipment	103	95	-8	(-7.7%)	±0



SANDEN INNOVATING COMFORT

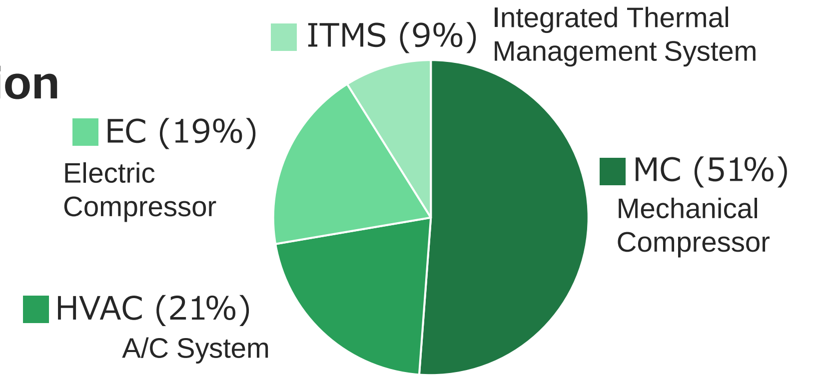
2． Revenue by Segment: By Product

Revenue: ¥137.7 billion YoY: ¥1.1 billion (+0.7%)

(Incl. Foreign Exchange Impact ▲¥1.9 billion)

※Automotive Components segment only. Excluding other businesses.

Product Composition Ratio

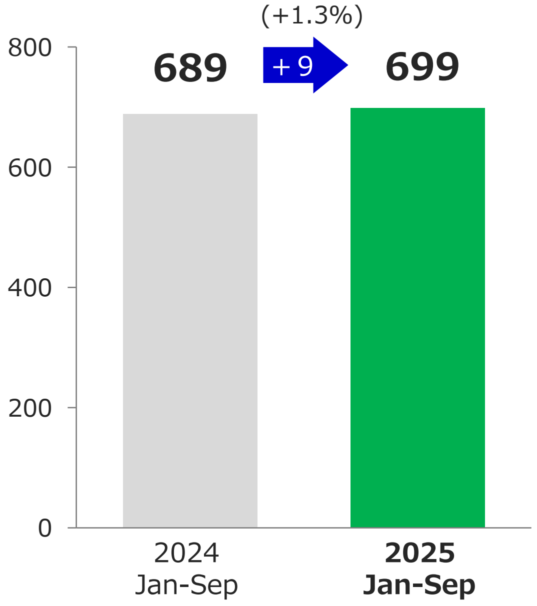


Revenue by Product: YoY

[Unit: ¥100M] ( ) YoY Percentage Change
⇨ YoY Change in Amount

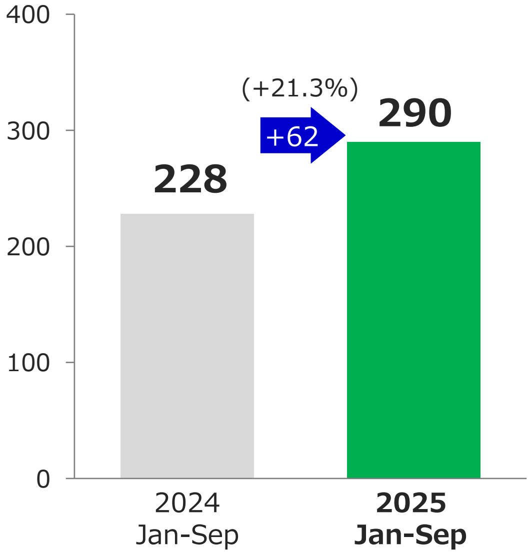
MC

Stronger demand in Asia /
Lower sales to European OEMs



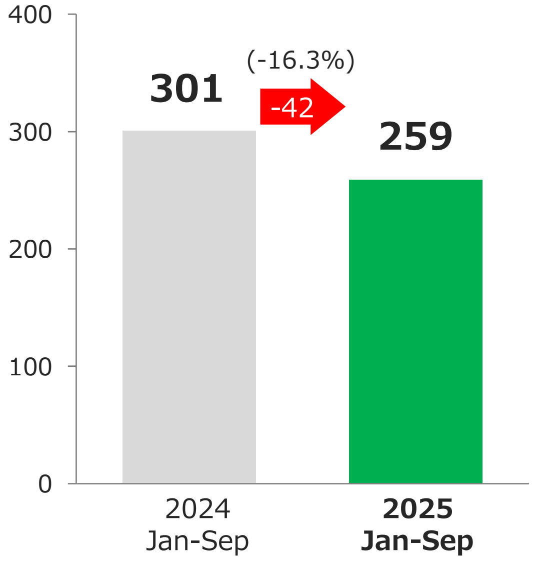
HVAC

Solid demand in China



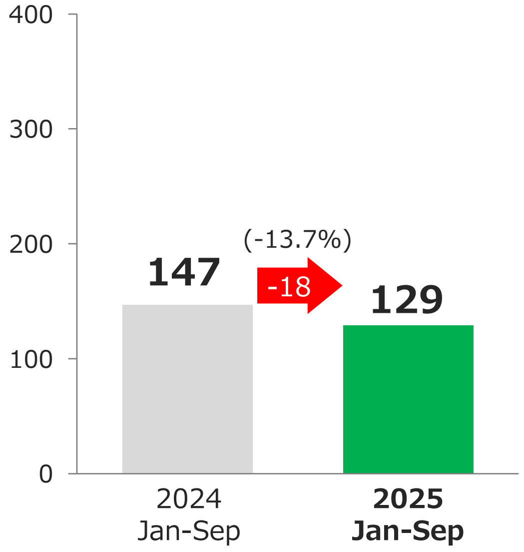
EC

Sales decline in China and Europe,
accompanied by production adjustments



ITMS

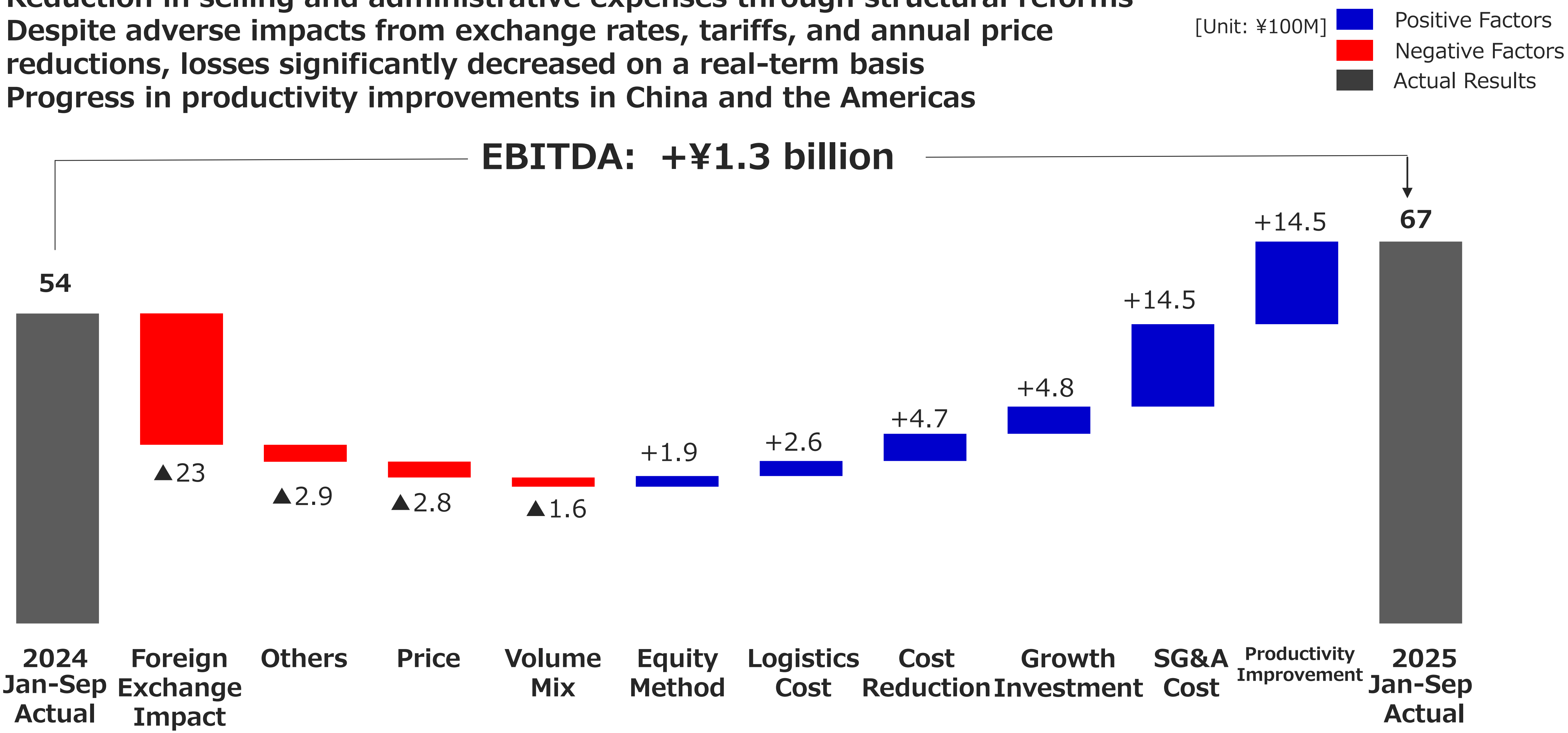
Declining demand in China



SANDEN
INNOVATING COMFORT

3. Year-on-Year Variance Analysis – EBITDA

- **Reduction in selling and administrative expenses through structural reforms**
- **Despite adverse impacts from exchange rates, tariffs, and annual price reductions, losses significantly decreased on a real-term basis**
- **Progress in productivity improvements in China and the Americas**

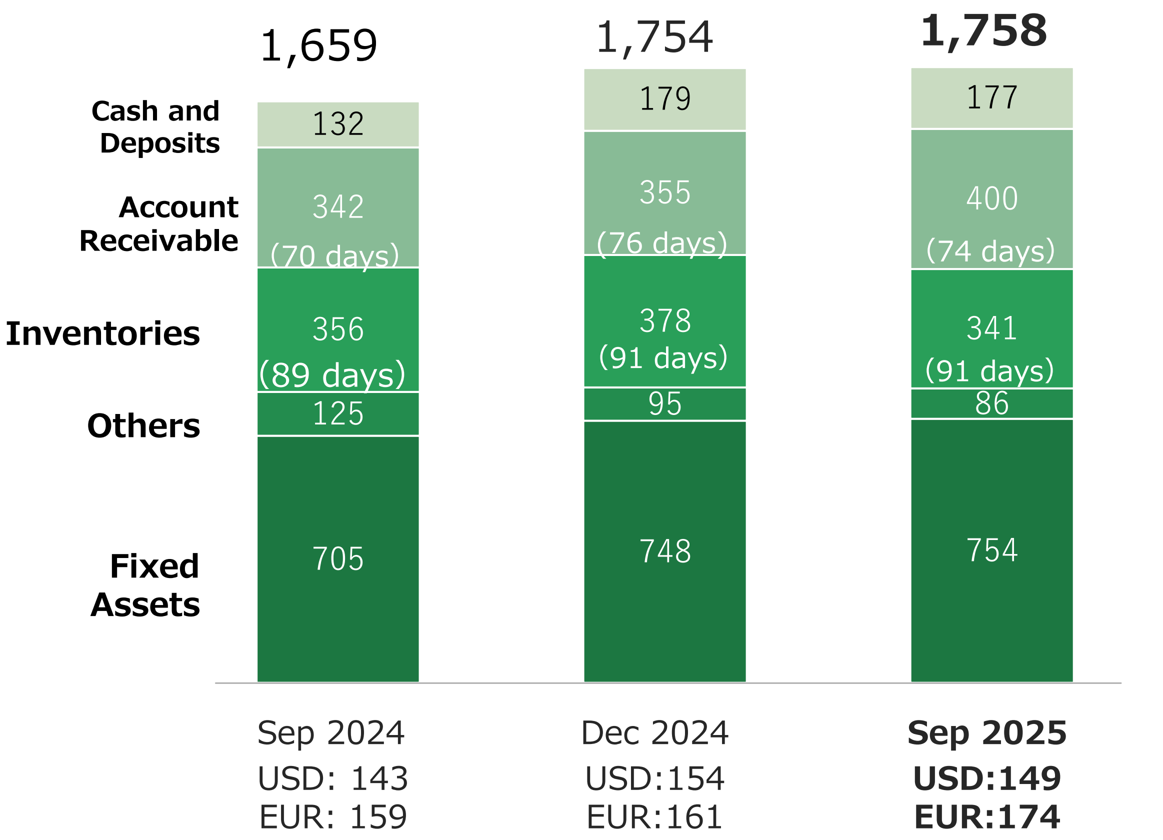


4． Consolidated Balance Sheet

Borrowings increased by approximately ¥8.1 billion compared to the previous fiscal year-end, and the debt ratio deteriorated to 88.4%.

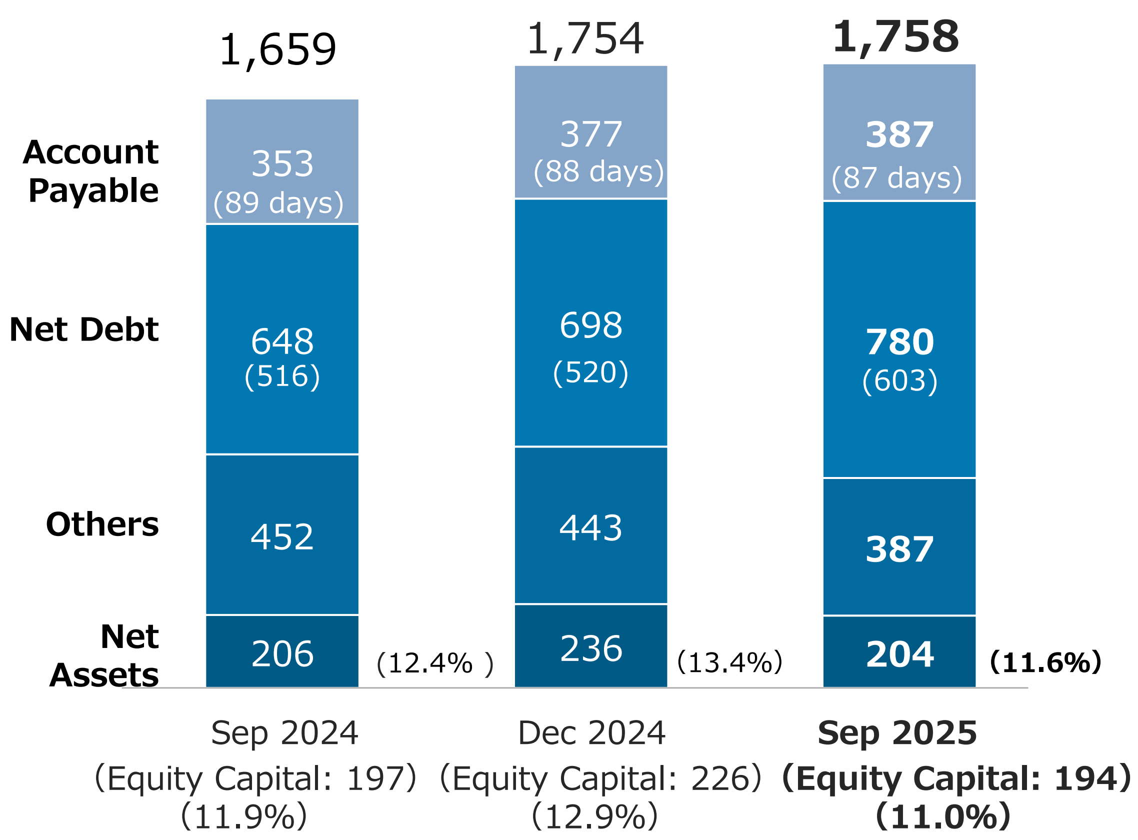
Assets

[Unit: ¥100M]



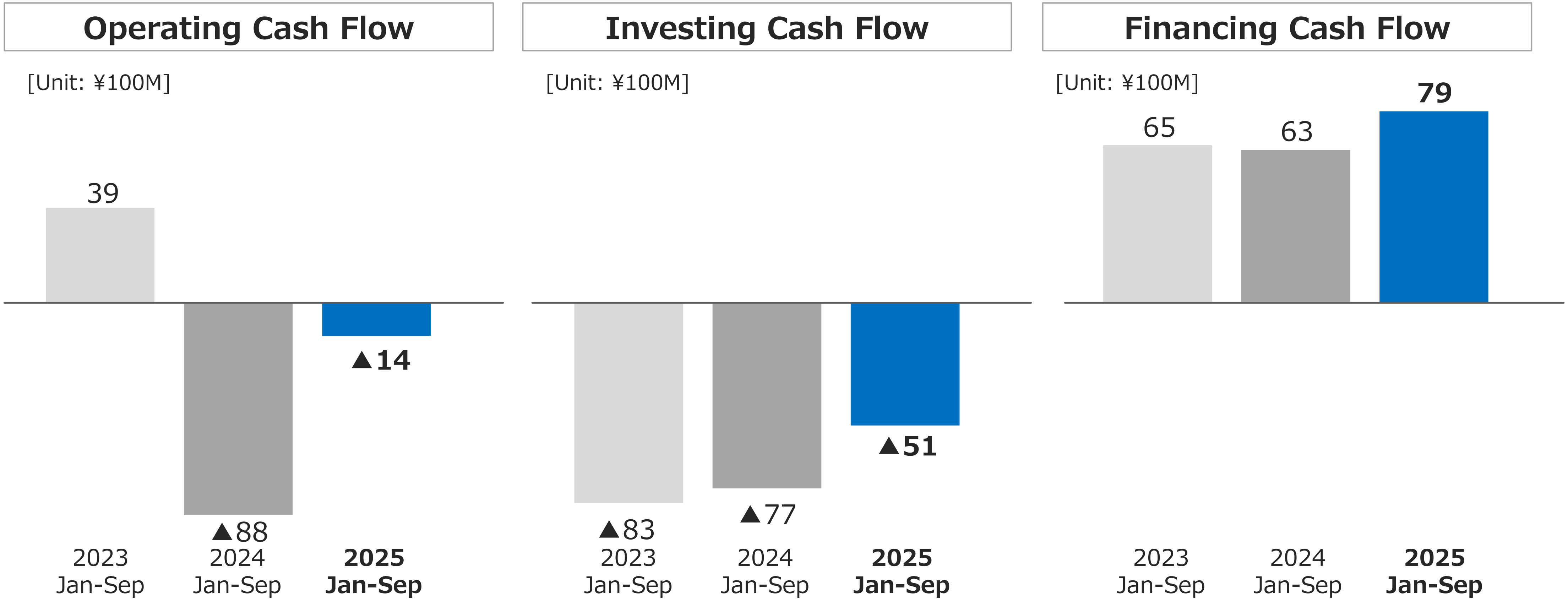
Liabilities and Equity

[Unit: ¥100M]



*Individual line items are rounded; therefore, totals may not match.
*Accounts receivable are presented net of allowance for doubtful accounts related to Iranian receivables.

5． Cash Flow



Working capital: +70

Prepaid taxes and other adjustments: ▲32

Depreciation and Amortization: +7

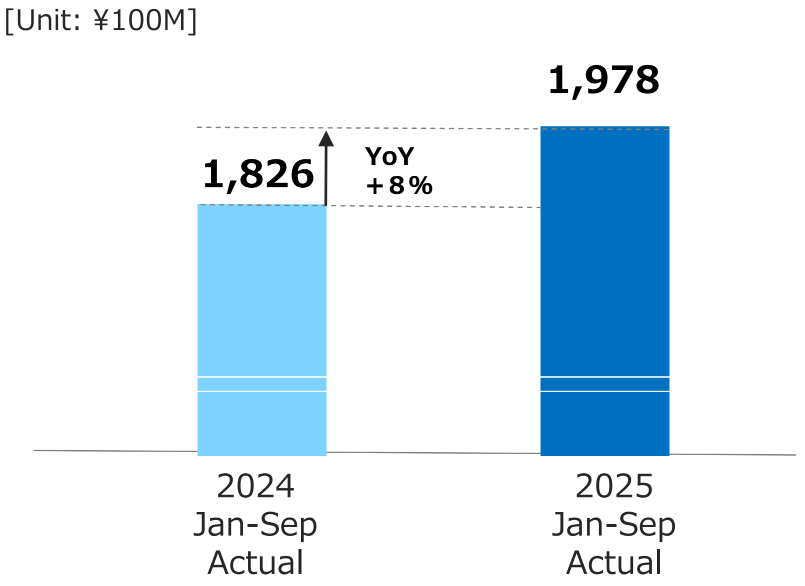
Restructuring provisions: +23

Withdrawal of time deposits: +24

Short-term borrowing: +17

6. Business Highlights (Jul-Sep)

Trend in New Business Acquisition



Major Nominations

Americas	Acquired new business for EC systems from new customers; secured large MC business
EU	Continued carry-over orders for major EC and MC business
China	Acquired ECH business for global OEMs
Japan	Acquired new business for EC HVAC, new refrigerant condensers, and compressors for gas heat pumps

Customer Recognition

STC: Received the Highest Evaluation from Honda APC

Demonstrated excellence in quality, cost, and delivery, and received the Best Supplier Award for the first time.

Received Top Supplier Rating from Nissan

Achieved the highest level for 24 consecutive months and received the Quality Award for two consecutive years.

Received Quality Excellence Award from Caterpillar for the third consecutive year

Recognized comprehensively for strict requirements such as quality, stable supply, and continuous improvement activities.

Promotion of Sustainability

Participation in the SCHUFA Conference by the European Sustainability Lead

Agreed on the importance of collaboration between companies and financial institutions to build an efficient and standardized ESG data model.

First-Year Certification under the Ministry of the Environment's "Nature Symbiosis Site" Program, Legalized in FY2025

Recognized for the objectivity of biodiversity value, management framework, and the feasibility of planning and execution.

Joined Gunma Nature Positive Promotion Platform

Aiming to prevent biodiversity loss and achieve recovery through initiatives aligned with the "Nature Positive" concept.

SANDEN®

INNOVATING COMFORT

Disclaimer

This document is intended to provide an understanding of our management policies, plans, and financial position. It is **not** intended as a solicitation for investment, sale, or purchase of our shares.
The forecasts and forward-looking statements contained in this document are based on information available as of the date of publication and on certain assumptions and expectations. Actual results, performance, or outcomes may differ significantly due to various risks and uncertainties, including economic trends, market conditions, and exchange rate fluctuations.
We assume no responsibility for any loss or damage arising from the use of the information contained in this document.
Furthermore, we are under no obligation to update any forecasts or forward-looking statements included herein.

For inquiries regarding this matter, please contact us
Mail :sdhd.prcsr.jp@g-sanden.com