

**Presentation Materials**

# **First Half FY2022 Business Results**

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**October 31, 2022**



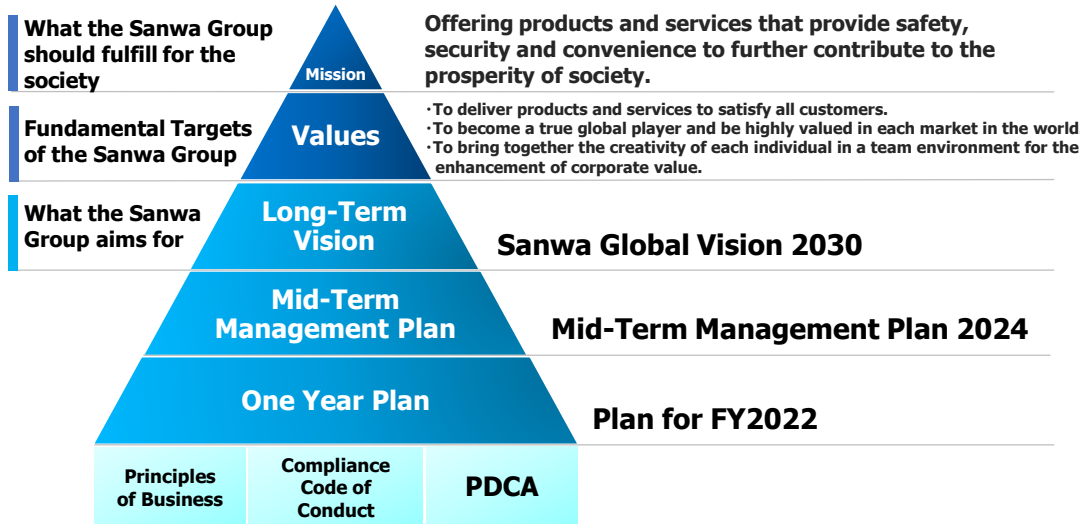
**SANWA HOLDINGS CORPORATION**  
[www.sanwa-hldgs.co.jp](http://www.sanwa-hldgs.co.jp)

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## Our Mission, Our values



## PDCA of Sanwa Group



In the PDCA (plan, do, check, act) cycle, it is important to carry out processes from planning to implementation, subsequent assessment of issues to be resolved, and improvements and countermeasures that lead to the next stage. In all business operations, all Sanwa Group employees act with an awareness of problems, are never satisfied with the status quo, and are committed to making steady efforts every day. Therefore, the Sanwa Group has made the PDCA cycle part of its Compliance Code of Conduct.



## Foot-note on Forecast

Any contents in this brochure are based on various assumptions, and neither promise nor guarantee the indicated results of forecast or realization of any management issue.

## **Introduction**

**H1 FY2022 Consolidated Results**

**FY2022 Consolidated Forecasts**

**Progress of Mid-Term Management Plan 2024**

**Financial Highlights**

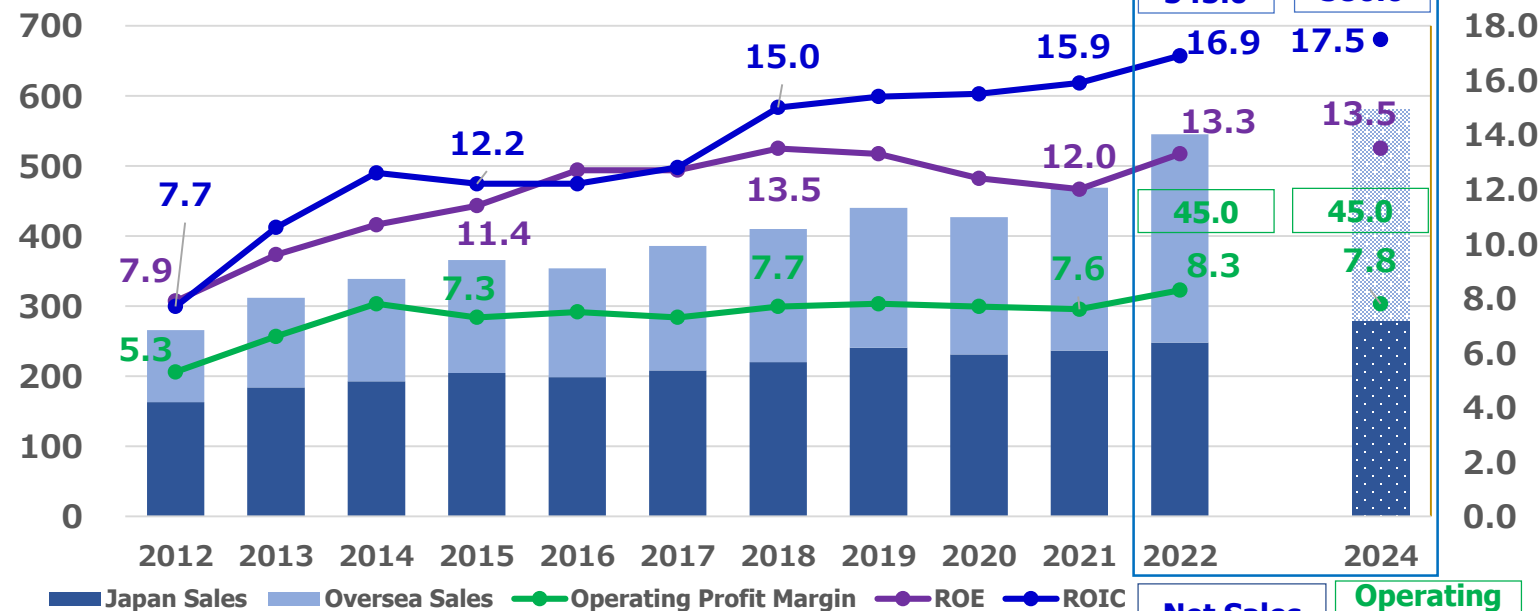
# 01 Progress of Mid-Term Management Plan 2024 and Performance Trend

## Progress of Mid-Term Management Plan 2024 (FY2022~2024)

- First Half, Full-year Forecast revised at Q1
  - Record-high first half sales and profits exceeded revised forecast
  - Full-year operating profit expected to meet FY2024 target, two years ahead of schedule, with an operating profit margin of 8.3%
- ※ Full-year forecast remains unchanged, revised forecast in this presentation refers to that announced in Q1

(JPY bn)	H1 FY2022 Actual	H1 FY2022 Revised Forecast	FY2022 Revised Forecast	Mid-Term Management Plan 2024 Targets
Net Sales	268.2	261.0	545.0	580.0
Operating Profit	21.49	20.00	45.00	45.00
Operating Profit Margin	8.0%	7.7%	8.3%	7.8%
SVA <sup>(1)</sup>	-	-	18.5	19.0
ROIC <sup>(2)</sup>	-	-	16.9%	17.5%
ROE <sup>(3)</sup>	-	-	13.3%	13.5%

Sales (JPY bn)



### Mid-Term Management Plan 2024

545.0 580.0

(1) Calculated at the weighted average cost of capital (WACC) of 6%, tax rate of 33%  
 (2) ROIC = Net operating profit after tax / Invested capital x 100  
 \*The invested capital used in the Company's ROIC has been calculated excluding cash and cash equivalents as well as investments in securities.  
 (3) The cost of equity capital 8% assumed

Forex Rate	H1 FY2022	Mid-Term 2024
1 USD	124.52	125.00
1 EUR	135.16	135.00

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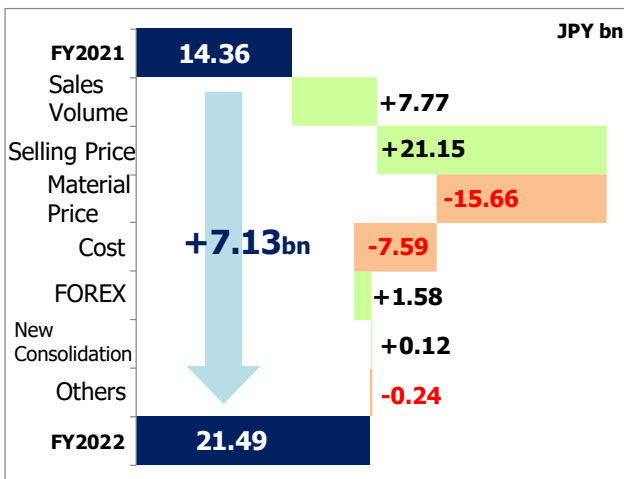
# Business Results Highlights

《Consolidated Results》	(JPY bn, %)					
	H1 FY2021	H1 FY2022 Actual	Revised Forecast	Variance vs. Forecast (amt)	Variance vs. FY2021 (amt)	Variance vs. FY2021 (%)
Net Sales	216.5	268.2 [253.4]	261.0	+7.2	+51.7 [+36.9]	+23.9 [+17.1]
Operating Profit	14.36	21.49 [19.91]	20.00	+1.49	+7.13 [+5.55]	+49.7 [+38.7]
Ordinary Profit	13.93	19.85 [18.48]	18.00	+1.85	+5.92 [+4.55]	+42.5 [+32.7]
Net Profit attributable to owners of parent	9.14	13.49 [12.47]	12.00	+1.49	+4.35 [+3.33]	+47.6 [+36.5]

[assumed Forex rate same as FY2021] (Asia excluded)

Forex Rate	H1 FY2021	H1 FY2022
1 USD	108.45	124.52
1 EUR	130.46	135.16

## Operating profit reconciliation(consolidated)



《Summary》	Net sales and profits exceeded revised forecast and increased YoY, marking a new record high
Net sales	<ul style="list-style-type: none"> <li>•All sectors exceeded revised forecast and increased YoY. Effect of currency fluctuation was 14.8 billion yen. North America stands out in sales growth through sales volume increase and price raise, while Japan, Europe and Asia are also progressing steadily.</li> </ul>
Operating profit	<ul style="list-style-type: none"> <li>•Exceeded revised forecast and increased YoY. Effect of currency fluctuation was 1.58 billion yen. North America increased substantially and drove consolidated performance due to improvement of supply chain issues led to higher sales volume, pass-through of rising raw material prices and productivity enhancement. Japan and Europe were in line with revised forecast, yet profits declined due to high raw material and energy prices.</li> </ul>
Ordinary profit	<ul style="list-style-type: none"> <li>•Exceeded revised forecast and increased YoY.</li> </ul>
Net Profit attributable to owners of parent	<ul style="list-style-type: none"> <li>•Exceeded revised forecast and increased YoY.</li> </ul>

# Net Sales & Operating Profit (By Sector)

	【Net Sales】			【Operating Profit】			(JPY bn, <i>USD m</i> , <i>EUR m</i> , %)
	H1 FY2021	H1 FY2022	YoY (%)	H1 FY2021	H1 FY2022	YoY (%)	
Japan	106.8	112.4	+5.2	9.43 8.8	8.49 7.6	-9.9	Sales of core products such as shutters and doors progressed steadily securing a sales growth. Material price rise was greater than expected and mitigated by price pass-through. Reached revised forecast yet profits declined.
North America (ODC)	<i>596</i> 64.6	<i>805</i> 100.3	<i>+35.2</i> +55.2	<i>29.6</i> 3.21 5.0	<i>94.1</i> 11.72 11.7	<i>+217.9</i> +265.0	Gradual improvement of supply chain issues led to a substantial sales growth. Profit increased through price pass-through of raw materials and productivity enhancement.
Europe (NF)	<i>321</i> 41.8	<i>382</i> 51.6	<i>+19.1</i> +23.4	<i>17.5</i> 2.29 5.5	<i>15.4</i> 2.08 4.0	<i>-12.3</i> -9.1	Sales volume increase and price pass-through of raw materials led to a substantial sales growth. Profit declined despite price pass-through effort of raw materials and energy costs.
Asia	3.3	4.0	+22.9	0.08 2.3	0.11 2.6	+41.0	While affected by the lockdown in Shanghai, sales and profit increased due to well performing Hong Kong and Taiwan business.
Consolidated	216.5	268.2	+23.9	14.36 6.6	21.49 8.0	+49.7	

\*Due to intercompany elimination, values does not add up to consolidated result.

\*The upper figure in NA and EU shows results on a local currency basis.

\*The lower figure in Operating Profit shows the operating profit margin.

Forex Rate	H1 FY2021	H1 FY2022
1 USD	108.45	124.52
1 EUR	130.46	135.16

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# 04 Business Forecasts Highlights

FY2022 Consolidated Forecasts

《Consolidated Forecasts》	FY2021	FY2022 Revised Forecast	H1 FY2022 Actual	H2 FY2022 Forecast	Variance vs. FY2021 (amt)	Variance vs. FY2021 (%)	(JPY bn, %)		
Net Sales	469.0	545.0 [519.3]	268.2	276.8	+76.0 [+50.3]	+16.2 [+10.7]			
Operating Profit	35.49	45.00 [42.85]	21.49	23.51	+9.51 [+7.36]	+26.8 [+20.8]			
Ordinary Profit	34.12	42.00 [40.15]	19.85	22.15	+7.88 [+6.03]	+23.1 [+17.7]	[assumed Forex rate same as FY2021] (Asia excluded)		
Net Profit attributable to owners of parent	22.84	28.00 [26.64]	13.49	14.51	+5.16 [+3.80]	+22.6 [+16.6]	Forex Rate	FY2021	FY2022(F)
							1USD	110.37	125.00
							1EUR	130.34	135.00

## Operating profit reconciliation(consolidated)

FY2021	35.49	JPY bn
Sales		(Initial forecast)
Volume	+10.40(+7.98)	
Selling Price	+39.38(+23.34)	
Material Price	-29.07(-22.08)	
Cost	+9.51bn -13.34(-6.16)	
FOREX	+2.15(+0.27)	
New Consolidation	+0.14(+0.31)	
Others	-0.15(-0.15)	
FY2022	45.00 (39.00)	

## 《Summary》

Sales and profits are forecast to grow substantially and break record consecutively.

### Net sales

- All sectors forecast to increase, with effect of currency fluctuation being 25.7 billion yen.
- Japan sector is expected to be solid through sales of core products such as shutters and doors, and service business.
- NA, EU sector is expected to grow substantially through sales volume increase and price raise.

### Operating profit

- Forecast to increase substantially, with effect of currency fluctuation being 2.15 billion yen.
- Raw material costs remain high in Japan. Expect to reach forecast through price pass-through and productivity enhancement.
- NA, EU sector is expected to grow substantially through sales volume increase and pass-through of rise in raw material costs to sales price.

### Ordinary profit

- Forecast to increase due to operating profit growth.

### Net Profit attributable to owners of parent

- Forecast to increase. Same level of extraordinary loss YoY.

# Net Sales & Operating Profit (By Sector)

	[Net Sales]			[Operating Profit]			(JPY bn, <i>USD m</i> , <i>EUR m</i> , %)
	FY2021	FY2022 Revised Forecast	YoY (%)	FY2021	FY2022 Revised Forecast	YoY (%)	
Japan	236.4	247.8	+4.8	24.47 10.4	24.47 9.9	-0.0	Sales forecast to increase, driven by a favorable market condition. Despite considerable impact of raw material price rise and upfront investments for growth, operating profit is expected to meet revised forecast through progressing price pass-through.
North America (ODC)	1,261 139.2	1,523 190.4	+20.8 +36.8	75.9 8.38 6.0	135.0 16.88 8.9	+77.8 +101.4	Sales forecast to increase due to order backlog and growth in commercial sector. Operating profit forecast to increase substantially due to higher sales volume and pass-through of soaring raw material prices.
Europe (NF)	658 85.8	735 99.2	+11.6 +15.6	30.2 3.94 4.6	36.8 4.97 5.0	+21.9 +26.2	Sales forecast to increase across all segments despite the expectation of a weakening economy. Operating profit forecast to increase substantially due to pass-through of raw material price rise.
Asia	7.7	10.0	+30.5	0.12 1.6	0.30 3.0	+150.3	Sales and profit forecast to increased due to Hong Kong and Taiwan business progressing well.
Consolidated	469.0	545.0	+16.2	35.49 7.6	45.00 8.3	+26.8	

\*Due to intercompany elimination, values does not add up to consolidated result.

\*The upper figure in NA and EU shows results on a local currency basis.

\*The lower figure in Operating Profit shows the operating profit margin.

Forex Rate	FY2021	FY2022(F)
1USD	110.37	125.00
1EUR	130.34	135.00

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## Basic Strategies ① Expand and strengthen core businesses at Japan, North America and Europe

With quick and appropriate response to customer needs, aims to strengthen business and expand core business, including the service business.



### 1 Increase market share of shutter and door business

- **JP:** Order intake of core products is steady. Aims to increase market share through differentiation of products  
Effort made to pass-through rise in steel prices to sales price to ensure order profitability
- **NA:** Expanded sales of commercial door through launching a dedicated sales team and new products  
Managed sales prices to address falling steel prices
- **EU:** Expanded sales of industrial door with expansion of a dock leveler factory

### 2 Expand service business

- **JP:** Repair and maintenance business steadily recovering from the COVID-19 pandemic
- **NA:** Promoted service business of pedestrian access division(automatic door)
- **EU:** Progressing steadily contributed by the acquisition of Manuregion

### 3 Utilizing M&A to strengthen business and expand business domain

- August 2022, acquired AUB(HK), the group's first M&A in Asia.

## Basic Strategies ② Strengthen a basis for growth of Asian business

**Restructuring manufacturing and sales operation to increase market share, and build foundation for a fourth pillar alongside Japan, North America and Europe**

(JPY bn)	H1 FY2021	H1 FY2022 Actual	FY2021	FY2022 Revised Forecast	Mid-Term Management Plan 2024 Targets
Net Sales	3.3	4.0	7.7	10.0	16.0
Operating Profit	0.08	0.11	0.12	0.30	0.80



### 1 Significantly boost production capacity by enhanced facilities

- Operation of Sanwa NF Changshu Factory started in June, 2022
- Renovate production facilities to enhance production capacity at main factories (Vietnam, Taiwan, Indonesia)



### 2 Restructuring sales operations and address product diversification

- Strengthened sales capabilities by integrating sales departments for shutters and doors in East China
- Captured demand in the fireproof and heat-insulating product market of Asia to vitalize sales growth.



### 3 Strengthen the foundation of business framework

- Introducing an optimized ERP system for each region (East China, Hong Kong and Vietnam to be implemented in FY2022)
- In addition to controlling function, centralized sales, installation and procurement at Sanwa Shanghai to strengthen business management.

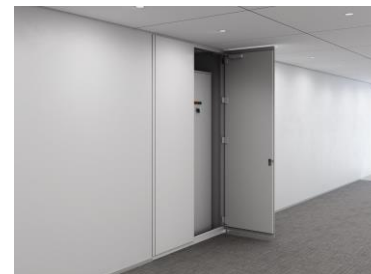
## Basic Strategies ③ Expand product for disaster prevention and climate change response and enhance smart products and services

Expand product for disaster prevention and climate change response and enhance smart products and services to meet the changing needs of society due to climate change and digitalization.

### 1 Expand product for disaster prevention and climate change response

(JPY bn)	FY2021	FY2022 Forecast	FY2024 Target
Disaster Prevention Product	63.1	66.4	81.0
Climate Change Adaption Product	14.0	16.4	18.0
Climate Change Mitigation Product	77.4	87.5	96.0
Sales of product for disaster prevention and climate change response	154.5	170.3	195.0

#### Disaster Prevention



Steel partition "Wall Panel Inspection Door" added a specific fire prevention apparatus type (Sanwa Shutter)

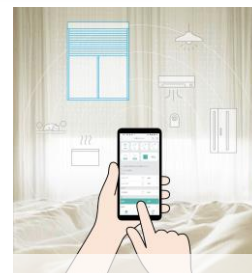
#### Climate Change Adaption

モノづくり  
部品大賞



"Mado More Wind-resistant Guard Screen Type G II" acquired industry's first fire prevention certification (Sanwa Shutter)

#### IoT



Smart Home Compatible Window Shutter (Sanwa Shutter)

#### Climate Change Mitigation



TORNADO RESISTANT



Tornado Resistant Shutter (ODC)

### 2 Enhance smart products and services

- Linkage of window shutters to *HomeLink*
- Linkage of operators and smartwatches
- Application enhancements

## Basic Strategies ④ Increase productivity through digitalization and manufacturing innovation

Promote digitalization of business processes and invest for production capacity expansion and labor saving

### 1 Promote Digitalization

- JP: Promoted the EDI system for installation contract  
Productivity enhancement through linkage of manufacturing, sales and installation systems
- NA: Revised ERP implementation plan and began phased adaptation at main factories.
- EU: Digitalization of business process, implemented ERP at sales companies
- AS: Business process improvement through ERP implementation

### 2 Manufacturing Innovation

- JP: Introduced facilities to strengthen supply ability of SD
- NA: Reviewed suppliers network aiming at resolving supply chain issues
- EU: Enhanced a dock leveler factory(Poland) and a door factory(Italy)
- CN: Increased production capacity through the operation of Sanwa NF Changshu factory and renovated production facilities

(JPY bn)	FY21	FY22	FY 22-24
Capital Investment	8.1	10.2	34.0
IT Investment	1.1	2.3	12.0
Total investment	9.2	12.5	46.0



## Basic Strategies ⑤ Enhance sustainability management

Set KPIs linked to the group's 11 ESG materiality in May, 2022.

Motivated to head for the next stage towards "contributing to sustainable, resilient communities."

### Manufacturing



■ Contribute to achieve social sustainability



Climate change(mitigation·adaption) products

¥114bn



Disaster prevention products ¥81bn

### Environment



■ Reduce Scope1+2  
CO<sub>2</sub> emissions by **10%**  
(Sanwa Shutter)



Solar Electric System (Ota Door Plant)

■ Reduce Scope1+2  
CO<sub>2</sub> emissions by **30%**  
(Sanwa Shutter)

■ Reduce water usage·  
waste intensity by **10%**  
(Sanwa Shutter)

Aims for net zero emissions in our business operations.

2050

2030

2024

2023

2022

- Conducted career advancement training for female employees
- Broadened the scope of disclosure of environmental data (ODC, NF)
- Conducted third-party verification on disclosed CO<sub>2</sub> emissions data
- Consecutively selected for 3 FTSE index



- Broaden the scope of disclosure(Asia) to a group consolidated level
- Calculate and manage Scope3 CO<sub>2</sub> emissions (Sanwa Shutter)
- Start operations of solar panels at factories in China and Italy

- Calculate and manage Scope3 CO<sub>2</sub> emissions (consolidated)

### People



- Rate of female managerial employees **15%**(consolidated)
- Rate of female employees **20%**(consolidated)



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# 07 Financial Highlights

(JPY MM)

Consolidated BS	H1 FY2021	%	H1 FY2022 Actual	%	Variance vs. FY2021(amt)	
Current assets	232,278	61.5	267,189	63.1	34,911	
Cash and cash equivalents	82,003	21.7	57,144	13.5	-24,858	✓ Due to sales increase and effect of currency fluctuation
Inventories, accounts receivable	146,433	38.8	204,900	48.4	58,466	
Noncurrent assets	145,127	38.5	156,405	36.9	11,278	
Investment securities	23,665	6.3	22,790	5.4	-874	✓ Effect of currency fluctuation(weaker yen) approx. 40 billion yen
Total assets	377,405	100.0	423,595	100.0	46,190	
Interest-bearing debt	66,274	17.6	48,174	11.4	-18,099	
Other liabilities	119,021	31.5	143,343	33.8	24,321	
Net assets	192,109	50.9	232,077	54.8	39,968	✓ Due to currency fluctuation(weaker yen)

(JPY MM)

Extraordinary Losses	FY2021	FY2022	
	Full-year	H1 Actual	Full-year Forecast
Extraordinary losses total	479	32	500

# 07 Financial Highlights

(JPY MM)

Consolidated CF	H1 FY2021	H1 FY2022 Actual	Variance vs. FY2021(amt)
Net income before income taxes	13,907	19,847	5,940
Depreciation and amortization/ Amortization of goodwill	6,147	7,000	853
Income taxes paid	-8,321	-7,886	434
Working capital	6,084	-16,444	-22,529
Others	-8,181	900	9,082
CF from Operating activities	9,636	3,418	-6,218
CF from Investing activities	-12,589	-4,671	7,917
FCF (Operating + Investing)	-2,952	-1,253	1,699
CF from Financing activities	-4,311	-4,816	-505
Cash and cash equivalents(end of year)	82,003	57,144	-24,858

✓ Increase of accounts receivable and inventory  
Effect of currency fluctuation approx. 13 billion yen

## Shareholder Returns

### ■ Dividend

FY2022 dividend forecast: Retain Q1 forecast of First Half ... ¥25, Annual ... ¥50

\*The Company targets a payout ratio of 40% EPS

### ■ Stock Buybacks

Policy : Make necessary strategic investments for growth and consider buy-backing shares after taking cash reserves into account.

# Appendix

# Outline of Consolidated Results by Sector

¥ in millions・%

		FY2021									FY2022									
		1st Half			2nd Half			Full Year			1st Half				2nd Half (F)			Full Year (F)		
			profit ratio	Y/Y		profit ratio	Y/Y		profit ratio	Y/Y	Revised Forecast		profit ratio	Y/Y	Forecast	profit ratio	Y/Y	Revised Forecast	profit ratio	Y/Y
<b>Net Sales</b>		<b>216,500</b>		13.4	<b>252,714</b>		7.0	<b>468,956</b>		9.8	<b>261,000</b>	<b>268,179</b>		23.9	<b>276,820</b>		9.5	<b>545,000</b>		16.2
[assumed forex rate same as the previous year]												[253,445]		[17.1]	[265,848]		5.2	[519,293]		[10.7]
Japan		106,823		5.4	129,552		0.5	236,376		2.7	110,541	112,371		5.2	135,403		4.5	247,775		4.8
North America (ODC)		64,598		19.9	74,569		17.7	139,168		18.7	98,125	100,265		55.2	90,109		20.8	190,375		36.8
Europe (NF)		41,818		29.8	44,005		10.1	85,824		18.9	49,410	51,590		23.4	47,634		8.2	99,225		15.6
ASIA		3,286		13.8	4,388		18.2	7,675		16.3	3,930	4,040		22.9	5,977		36.2	10,017		30.5
<b>Operating Profit</b>		<b>14,356</b>	<b>6.6</b>	<b>49.9</b>	<b>20,943</b>	<b>8.3</b>	<b>-10.9</b>	<b>35,487</b>	<b>7.6</b>	<b>7.3</b>	<b>20,000</b>	<b>21,494</b>	<b>8.0</b>	<b>49.7</b>	<b>23,505</b>	<b>8.5</b>	<b>12.2</b>	<b>45,000</b>	<b>8.3</b>	<b>26.8</b>
[assumed forex rate same as the previous year]												[19,909]		[38.7]	[22,944]		9.6	[42,853]		[20.8]
Japan		9,425	8.8	23.5	15,047	11.6	-3.9	24,472	10.4	5.0	8,449	8,493	7.6	-9.9	15,976	11.8	6.2	24,470	9.9	-0.0
North America (ODC)		3,210	5.0	48.9	5,167	6.9	-7.4	8,378	6.0	8.3	10,125	11,719	11.7	265.0	5,155	5.7	-0.2	16,875	8.9	101.4
Europe (NF)		2,288	5.5	< + >	1,646	3.7	-46.9	3,935	4.6	27.3	2,200	2,079	4.0	-9.1	2,888	6.1	75.4	4,968	5.0	26.2
ASIA		76	2.3	124.5	43	1.0	< + >	119	1.6	< + >	79	107	2.6	41.0	192	3.2	340.7	300	3.0	150.3
<b>Ordinary Profit</b>		<b>13,927</b>	<b>6.4</b>	<b>53.6</b>	<b>20,318</b>	<b>8.0</b>	<b>-11.9</b>	<b>34,122</b>	<b>7.3</b>	<b>6.2</b>	<b>18,000</b>	<b>19,852</b>	<b>7.4</b>	<b>42.5</b>	<b>22,147</b>	<b>8.0</b>	<b>9.0</b>	<b>42,000</b>	<b>7.7</b>	<b>23.1</b>
[assumed forex rate same as the previous year]												[18,481]		[32.7]	[21,673]		6.7	[40,154]		[17.7]
Japan		9,584	9.0	22.6	15,206	11.7	-3.7	24,791	10.5	5.0	8,587	8,675	7.7	-9.5	16,074	11.9	5.7	24,750	10.0	-0.2
North America (ODC)		2,819	4.4	49.1	4,119	5.5	-24.3	6,938	5.0	-5.4	8,487	10,116	10.1	258.8	4,258	4.7	3.4	14,375	7.6	107.2
Europe (NF)		2,267	5.4	< + >	1,629	3.7	-46.6	3,897	4.5	41.9	2,092	1,886	3.7	-16.8	2,852	6.0	75.0	4,738	4.8	21.6
ASIA		60	1.8	208.2	53	1.1	< + >	114	1.5	< + >	50	93	2.3	54.5	147	2.4	177.5	241	2.4	112.0
Equity method Affiliates		-220		< - >	1		< + >	-218		< + >	-264	-264		< - >	-25		< - >	-290		< - >
<b>Profit attributable to owners of parent</b>		<b>9,135</b>	<b>4.2</b>	<b>57.3</b>	<b>13,247</b>	<b>5.2</b>	<b>-14.2</b>	<b>22,842</b>	<b>4.9</b>	<b>7.5</b>	<b>12,000</b>	<b>13,487</b>	<b>5.0</b>	<b>47.6</b>	<b>14,512</b>	<b>5.2</b>	<b>9.5</b>	<b>28,000</b>	<b>5.1</b>	<b>22.6</b>
[assumed forex rate same as the previous year]												[12,466]		[36.5]	[14,169]		7.0	[26,635]		[16.6]
Japan		6,311	5.9	22.2	10,491	8.1	-4.9	16,803	7.1	3.7	5,687	5,742	5.1	-9.0	10,933	8.1	4.2	16,676	6.7	-0.8
North America (ODC)		2,097	3.2	52.9	3,280	4.4	257.0	5,378	3.9	134.8	6,312	7,570	7.5	260.9	3,129	3.5	-4.6	10,700	5.6	98.9
Europe (NF)		1,726	4.1	< + >	978	2.2	-46.4	2,704	3.2	73.7	1,471	1,273	2.5	-26.2	1,993	4.2	103.7	3,267	3.3	20.8
ASIA		36	1.1	< + >	2	0.0	< + >	38	0.5	< + >	32	42	1.0	17.2	132	2.2	5,444.8	175	1.7	355.1
Equity method Affiliates		-220		< - >	1		< + >	-218		< + >	-264	-264		< - >	-25		< - >	-290		< - >

## 《Local currency》

\$ in thousands, € in thousands・%

		FY2021									FY2022									
		1st Half			2nd Half			Full Year			1st Half			2nd Half			Full Year			
			profit ratio	Y/Y		profit ratio	Y/Y		profit ratio	Y/Y	Revised Forecast		profit ratio	Y/Y	Forecast	profit ratio	Y/Y	Revised Forecast	profit ratio	Y/Y
Sales	North America (ODC)	\$595,649		19.7	\$665,273		10.2	\$1,260,923		14.5	\$785,000	\$805,218		35.2	\$717,781		7.9	\$1,523,000		20.8
	Europe (NF)	€320,544		18.8	€337,918		5.0	€658,463		11.3	€366,000	€381,696		19.1	€353,303		4.6	€735,000		11.6
Operating Profit	North America (ODC)	\$29,603	5.0	48.6	\$46,306	7.0	-12.2	\$75,910	6.0	4.5	\$81,000	\$94,114	11.7	217.9	\$40,885	5.7	-11.7	\$135,000	8.9	77.8
	Europe (NF)	€17,543	5.5	<+>	€12,650	3.7	-50.3	€30,193	4.6	19.1	€16,300	€15,385	4.0	-12.3	€21,414	6.1	69.3	€36,800	5.0	21.9

1) Figures of [ ] in FY2022 is assumed forex rate same as FY2021.

2) Figures are round off. &lt; + &gt; is for increase, &lt; - &gt; is for decrease from the previous year.

3) Forex rate is term average.

4) Figures by entities are before consolidation adjustment and do not add up to total.

Forex Rate	FY2021		FY2022	
	1H	FY	1H	FY(F)
USD	108.45	110.37	124.52	125.00
EUR	130.46	130.34	135.16	135.00

# Order Intake & Net Sales by Products (Japan)

¥ in millions・%

	FY2021										FY2022									
	1st Half			2nd Half			Full Year				1st Half			2nd Half(F)			Full Year(F)			
	Order Intake	Sales	% to total	Order Intake	Sales	% to total	Order Intake	% to total	Sales	% to total	Order Intake	Sales	% to total	Order Intake	Sales	% to total	Order Intake	% to total	Sales	% to total
Lightweight Shutters	<9.5> 12,404	<10.8> 12,133	11.4	<3.4> 12,441	<3.6> 12,629	9.7	<6.3> 24,845	10.2	<7.0> 24,763	10.5	<3.8> 12,879	<3.8> 12,599	11.2	<5.6> 13,141	<4.8> 13,234	9.8	<4.7> 26,021	10.1	<4.3> 25,833	10.4
Heavy-duty Shutters	<-0.5> 14,818	<23.2> 13,917	13.0	<15.7> 16,259	<5.3> 15,431	11.9	<7.4> 31,077	12.8	<13.1> 29,349	12.4	<14.9> 17,022	<13.2> 15,757	14.0	<1.6> 16,518	<2.6> 15,832	11.7	<7.9> 33,540	13.0	<7.6> 31,589	12.7
Overhead Doors	<2.9> 2,976	<16.3> 2,599	2.4	<4.6> 2,712	<-6.8> 2,853	2.2	<3.7> 5,689	2.3	<2.9> 5,452	2.3	<3.6> 3,082	<0.9> 2,621	2.3	<0.1> 2,716	<7.1> 3,054	2.3	<1.9> 5,798	2.2	<4.1> 5,676	2.3
Shutter-related Products	<11.4> 8,194	<10.1> 7,090	6.6	<24.3> 8,569	<16.0> 9,316	7.2	<17.7> 16,764	6.9	<13.4> 16,407	6.9	<-3.7> 7,890	<-0.8> 7,034	6.3	<16.2> 9,960	<5.6> 9,838	7.3	<6.5> 17,850	6.9	<2.8> 16,873	6.8
Comm. Bldgs/ Condominiums Doors	<-0.7> 27,354	<-2.7> 23,398	21.9	<11.7> 31,379	<-3.4> 31,108	24.0	<5.6> 58,734	24.2	<-3.1> 54,507	23.1	<11.0> 30,366	<9.5> 25,624	22.8	<-2.6> 30,557	<2.0> 31,723	23.4	<3.7> 60,924	23.6	<5.2> 57,348	23.1
Residential Doors	<5.3> 1,618	<1.8> 1,573	1.5	<16.6> 1,764	<17.6> 1,782	1.4	<10.9> 3,383	1.4	<9.6> 3,355	1.4	<12.6> 1,822	<14.1> 1,794	1.6	<6.5> 1,879	<7.0> 1,907	1.4	<9.4> 3,702	1.4	<10.3> 3,702	1.5
Window-related Product	<0.3> 4,495	<-0.1> 4,413	4.1	<0.7> 4,466	<1.2> 4,540	3.5	<0.5> 8,962	3.7	<0.5> 8,954	3.8	<-2.0> 4,403	<-1.3> 4,355	3.9	<12.2> 5,012	<11.1> 5,043	3.7	<5.1> 9,416	3.7	<5.0> 9,399	3.8
Exterior Fittings	<2.4> 1,747	<1.1> 1,727	1.6	<2.3> 1,787	<3.3> 1,899	1.5	<2.4> 3,534	1.5	<2.3> 3,626	1.5	<11.5> 1,947	<6.2> 1,835	1.6	<-2.4> 1,745	<-8.3> 1,742	1.3	<4.5> 3,692	1.4	<-1.4> 3,577	1.4
Partitions	<4.1> 7,452	<20.0> 6,062	5.7	<-4.3> 6,917	<-13.4> 8,682	6.7	<-0.2> 14,369	5.9	<-2.2> 14,744	6.2	<-0.3> 7,430	<-9.9> 5,461	4.9	<6.1> 7,341	<6.5> 9,244	6.8	<2.8> 14,771	5.7	<-0.3> 14,705	5.9
Stainless-Steel Entrances	<-6.6> 6,860	<-20.9> 5,797	5.4	<-7.0> 7,750	<-2.7> 7,785	6.0	<-6.8> 14,610	6.0	<-11.4> 13,583	5.7	<2.7> 7,047	<8.4> 6,284	5.6	<17.5> 9,106	<12.7> 8,771	6.5	<10.6> 16,153	6.3	<10.8> 15,056	6.1
Aluminum Fronts	<1.8> 6,752	<-6.3> 6,120	5.7	<8.1> 6,869	<-5.7> 7,202	5.6	<4.9> 13,621	5.6	<-6.0> 13,322	5.6	<6.2> 7,169	<3.7> 6,344	5.6	<7.0> 7,347	<8.3> 7,800	5.8	<6.6> 14,516	5.6	<6.2> 14,144	5.7
Automatic door operators	<5.8> 1,139	<3.0> 1,049	1.0	<-2.3> 1,236	<-2.1> 1,236	1.0	<1.5> 2,375	1.0	<0.2> 2,285	1.0	<3.3> 1,176	<6.5> 1,117	1.0	<13.0> 1,396	<4.0> 1,285	0.9	<8.3> 2,573	1.0	<5.1> 2,402	1.0
Maintenance & Repair	<6.3> 21,550	<8.9> 19,612	18.4	<4.3> 21,429	<6.3> 23,719	18.3	<5.3> 42,979	17.7	<7.4> 43,332	18.3	<8.4> 23,354	<4.8> 20,555	18.3	<9.0> 23,357	<3.7> 24,598	18.2	<8.7> 46,712	18.1	<4.2> 45,153	18.2
Others	<-16.9> 1,097	<-5.9> 1,326	1.2	<-59.5> 1,043	<-28.3> 1,365	1.1	<-45.0> 2,141	0.9	<-18.8> 2,691	1.1	<-9.3> 996	<-25.7> 986	0.9	<7.3> 1,119	<-2.9> 1,325	1.0	<-1.2> 2,115	0.8	<-14.1> 2,312	0.9
Total	<2.5> 118,463	<4.7> 106,823	100.0	<5.9> 124,627	<0.3> 129,552	100.0	<4.2> 243,090	100.0	<2.3> 236,376	100.0	<6.9> 126,590	<5.2> 112,371	100.0	<5.3> 131,200	<4.5> 135,403	100.0	<6.0> 257,790	100.0	<4.8> 247,775	100.0
	the end of Sep. 2021			the end of Mar. 2022			Y/Y				the end of Sep. 2022			the end of Mar. 2023 (F)			Y/Y (F)			
Outstanding Order Backlog	108,417			102,561			-12,953				117,404			113,479			10,918			

1) &lt; &gt; = % year on year 2) Outstanding Order Backlog = Backlog of orders including orders worked-in-process

# North America & Europe : Net Sales by products (ODC, NF)

## ODC Group Sales Performance

\$ in thousands, &lt;△%yoy&gt;

		FY2021						FY2022					
		1H		2H		Full Year		1H		2H(F)		Full Year(F)	
			%to total		%to total		%to total		%to total		%to total		%to total
Sales breakdown by Products													
	Vehicular Access	<15.5> 419,209	70.4	<12.4> 463,879	69.7	<13.9> 883,088	70.0	<44.5> 605,877	75.2	<4.7> 485,523	67.6	<23.6> 1,091,400	71.7
	Electronic & Perimeter Access Control	<29.5> 133,671	22.4	<-3.4> 144,290	21.7	<10.0> 277,962	22.0	<11.1> 148,549	18.4	<11.3> 160,551	22.4	<11.2> 309,100	20.3
	Pedestrian Access	<35.0> 42,768	7.2	<36.7> 57,104	8.6	<36.0> 99,872	7.9	<18.8> 50,792	6.3	<25.6> 71,708	10.0	<22.7> 122,500	8.0
<b>Net Sales</b>		<19.7> 595,649	100.0	<10.2> 665,273	100.0	<14.5> 1,260,923	100.0	<35.2> 805,218	100.0	<7.9> 717,782	100.0	<20.8> 1,523,000	100.0

1) &lt; &gt; = % year on year

2) Previous "Door" "Operator" "Automatic Door" are now "Vehicular Access" "Electronic &amp; Perimeter Access Control" "Pedestrian Access" respectively.

3) Starting from April FY2021, "Pedestrian Access" will include sales of Won-Door Corp.

## NF Group Sales Performance

€ in thousands, &lt;△%yoy&gt;

		FY2021						FY2022					
		1H		2H		Full Year		1H		2H(F)		Full Year(F)	
			%to total		%to total		%to total		%to total		%to total		%to total
Sales breakdown by Products													
	Hinged Door	<14.2> 94,166	29.4	<0.4> 98,990	29.3	<6.7> 193,157	29.3	<9.6> 103,248	27.0	<5.8> 104,752	29.6	<7.7> 208,000	28.3
	Garage Door	<34.7> 92,800	29.0	<-0.6> 89,348	26.4	<14.7> 182,149	27.7	<3.5> 96,051	25.2	<2.5> 91,549	25.9	<3.0> 187,600	25.5
	Industrial Door	<12.9> 133,577	41.7	<12.1> 149,579	44.3	<12.5> 283,156	43.0	<36.5> 182,397	47.8	<5.0> 157,003	44.4	<19.9> 339,400	46.2
<b>Net Sales</b>		<18.8> 320,544	100.0	<5.0> 337,918	100.0	<11.3> 658,463	100.0	<19.1> 381,696	100.0	<4.6> 353,304	100.0	<11.6> 735,000	100.0

1) &lt; &gt; = % year on year

2) Starting from November FY2021, "Industrial Door" will include sales of Manuregion S.A.S.

# Business and External Environment

## External Environment

			2019		2020		2021		2022		2023	
											Forecast	
Japan	Housing Starts	k units	884	-7.3%	812	-8.1%	866	6.6%	855	-1.3%	859	0.5%
	Non-res construction areas	k m <sup>2</sup>	43,019	-6.6%	40,030	-6.9%	43,738	9.3%	46,700	6.8%	47,120	0.9%
	Private-sector capital investment	JPY bn	90,150	-1.7%	83,178	-7.7%	83,692	0.6%	86,621	3.5%	90,259	4.2%
USA	Housing starts	k units	1,290	3.2%	1,380	6.9%	1,601	16.0%	1,580	-1.3%	1,440	-8.9%
	Existing Home Sales	k units	5,340	0.0%	5,640	5.6%	6,120	8.5%	5,190	-15.2%	4,820	-7.1%
	Capital investment	USD bn	2,805	3.6%	2,666	-4.9%	2,835	6.4%	2,949	4.0%	2,969	0.7%
Europe	Housing completions(5 countries)	EUR m	605,139	1.8%	575,922	-4.8%	622,659	8.1%	637,789	2.4%	650,367	2.0%
	Non-res investment(5 countries)	EUR m	353,960	2.6%	321,793	-9.1%	332,540	3.3%	340,438	2.4%	349,636	2.7%
Germany	Housing completions	EUR m	242,487	1.5%	247,183	1.9%	246,284	-0.4%	247,515	0.5%	249,146	0.7%
	Non-res investment	EUR m	107,753	1.4%	107,350	-0.4%	104,011	-3.1%	103,874	-0.1%	105,043	1.1%

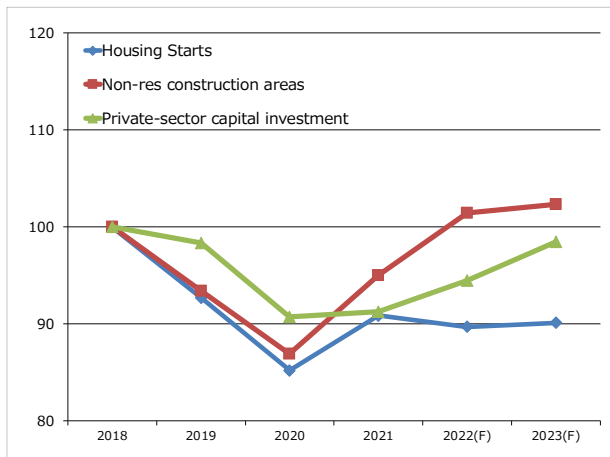
※EU(5 countries) include U.K., Germany, France, Italy and the Netherlands.

※Ref:(JPN) MLIT Sep 2022, CAO Sep 2022, R.I.C.E. Oct 2022, (US) National Association of Realtors Oct 2022, Construct Connect Sep 2022, (EU)Euroconstruct June 2022.

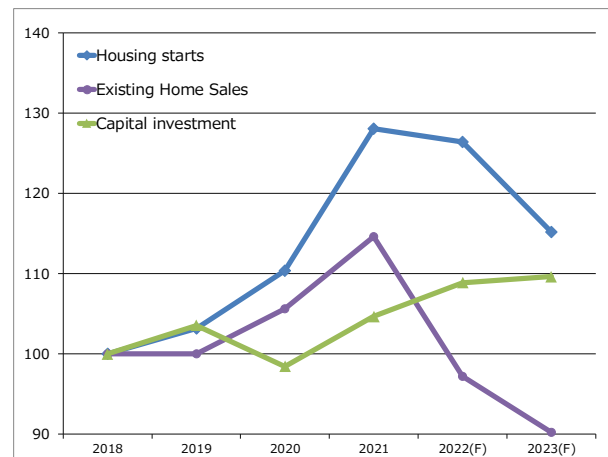
※FY basis in JPN(Apr-March), US/EU on CY basis(Jan-Dec)

## Change in External Environment (2018=100)

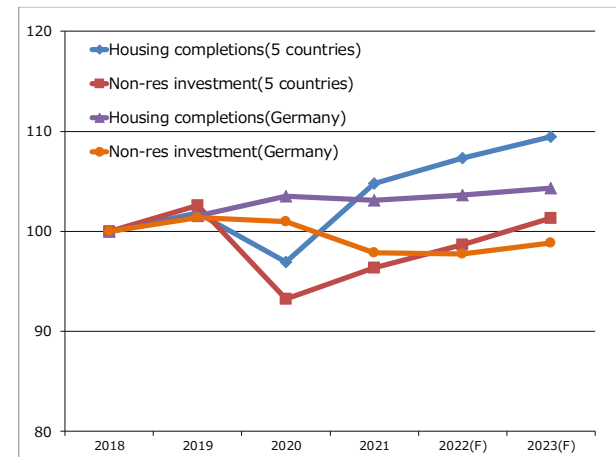
Japan



U.S.



Europe





## Key Figures &amp; Ratios

(¥ in millions, %)

		FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	
									Initial Forecast	Revised Forecast
Net Sales	(JPYm)	365,615	353,922	385,673	409,990	440,161	427,062	468,956	518,000	545,000
Operating profit	(JPYm)	26,870	26,440	28,322	31,593	34,218	33,077	35,487	39,000	45,000
Net Profit attributable to owners of the parent	(JPYm)	14,627	17,070	18,280	20,910	21,647	21,252	22,842	25,000	28,000
Operating profit Ratio	(%)	7.3%	7.5%	7.3%	7.7%	7.8%	7.7%	7.6%	7.5%	8.3%
ROE : Net profit attributable to owners of the parent company/Shareholders' Equity	(%)	11.4%	12.7%	12.7%	13.5%	13.3%	12.4%	12.0%	12.4%	13.3%
Shareholders' Equity Ratio (term end)	(%)	41.7%	43.0%	45.2%	47.4%	46.3%	47.9%	52.2%	51.8%	51.8%
Net Assets (term end)	(JPYm)	130,334	139,906	151,121	161,604	165,634	181,387	203,311	203,703	219,539
Total Assets (term end)	(JPYm)	310,269	323,393	331,686	338,432	354,023	375,160	386,237	390,000	412,500
Interest Bearing Liabilities (term end)	(JPYm)	70,798	74,739	65,945	61,217	63,730	66,194	47,706	46,797	46,900
Debt-Equity Ratio: Interest Bearing Liabilities/Shareholders' Equity	(times)	0.54	0.53	0.44	0.38	0.38	0.36	0.23	0.23	0.21
SVA(Sanwa Value Added)	(JPYm)	8,290	8,057	9,026	12,693	13,974	13,609	14,784	16,400	18,500
ROIC:NOPAT/Invested capital	(%)	12.2	12.2	12.8	15.0	15.4	15.5	15.9	16.1	16.9
EPS : Earnings per share	(JPY)	63.1	74.6	80.9	92.9	97.1	96.2	103.4	113.2	126.7
Number of shares issued (term avg.)	(K shares)	231,923	228,782	225,761	224,979	222,852	220,881	220,922	220,922	220,922

\*1 SVA refers to Sanwa's original indicator, following EVA concept.

\*2 The invested capital used in the Company's ROIC has been calculated excluding cash and cash equivalents as well as investments in securities.

# SVA & ROIC Tree

- Sanwa Value Added (SVA) is the Company's unique indicator of economic value added used since 2001.
- For ROIC, we will implement improvement measures at each location and promote capital cost management within the group.

## ROIC composing elements

### ROIC Improvement (NOPAT/Invested capital)

WACC: 6%  
Cost of equity: 8% projected

#### Profitability

NOPAT Margin  
(NOPAT/Sales)

Marginal Profit

Fixed Cost

#### Capital Efficiency

Invested Capital  
Turnover  
(Sales/Invested capital)

Cash  
Conversion  
Cycle

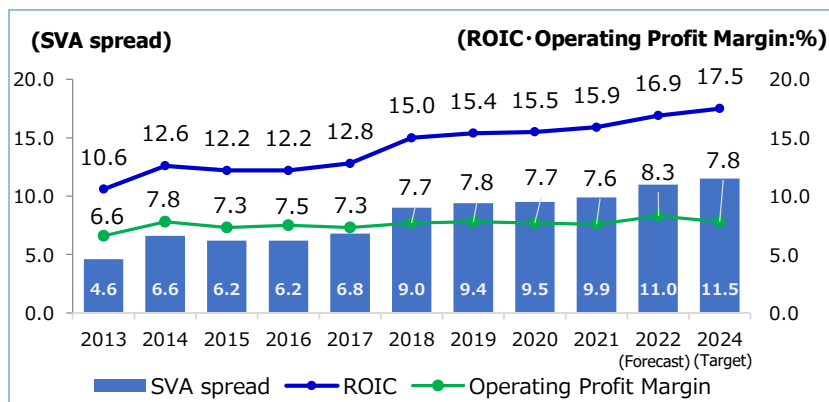
Receivables  
Holding  
Period

Inventory  
Holding  
Period

Fixed Asset  
Turnover

## Improvement measures

- Promote sales of high-profitability products
- Reduction measures on installation and logistics expenses
- Appropriate pass-through of material price
- Improve productivity
- Cost reduction measures on SGA, etc.
- Early collection of accounts receivable
- Acquisition of advances received
- Optimization of accounts payable management (terms of payment)
- Optimize inventory control (compress, etc.)
- Disposal of idle assets
- Review of cross-shareholdings



$SVA = \text{Net operating profit after tax} - \text{Invested capital} \times \text{WACC}(6\%)$

$ROIC = \text{Net operating profit after tax} / \text{Invested capital} \times 100$

\* The invested capital used in the Company's SVA, ROIC has been calculated excluding cash and cash equivalents as well as investments in securities.

$SVA \text{ spread} = ROIC - \text{WACC}(6\%)$

# Capital Expenditure & Depreciation

(¥ in millions)

	FY2020		FY2021		FY2022	
	1H	Full Year	1H	Full Year	1H	Full Year(F)
<b>Capital Expenditures</b>	<b>3,557</b>	<b>8,770</b>	<b>3,789</b>	<b>9,281</b>	<b>4,140</b>	<b>12,500</b>
Japan	1,370	3,765	1,245	3,397	1,601	4,663
Forex rate < \$ in thousands >	108.24 <\$12,364>	106.43 <\$27,114>	108.45 <\$13,037>	110.37 <\$23,098>	124.52 <\$7,842>	125.00 <\$24,800>
North America (ODC)	1,338	2,885	1,413	2,549	976	3,100
Forex rate < € in thousands >	119.40 <€6,434>	121.97 <€16,470>	130.46 <€7,681>	130.34 <€21,652>	135.16 <€9,603>	135.00 <€32,592>
Europe (NF)	768	2,008	1,002	2,822	1,298	4,400
ASIA	80	110	128	512	264	337
<b>Depreciation &amp; Amortization</b>	<b>5,797</b>	<b>11,575</b>	<b>6,147</b>	<b>12,952</b>	<b>7,000</b>	<b>14,116</b>
Japan	1,403	3,038	1,504	3,190	1,576	3,276
Forex rate < \$ in thousands >	<\$18,613>	<\$34,519>	<\$17,390>	<\$36,384>	<\$18,277>	<\$37,600>
North America (ODC)	2,014	3,673	1,886	4,015	2,275	4,700
Forex rate < € in thousands >	<€12,871>	<€26,285>	<€13,214>	<€25,674>	<€12,612>	<€27,373>
Europe (NF)	1,536	3,206	1,724	3,346	1,704	3,695
ASIA	43	92	41	113	93	158
Amortization of goodwill	797	1,564	991	2,285	1,350	2,285

Industry First!

May 2022

"Mado More Wind-resistant Guard Screen Type G II" acquired industry's first fire prevention certification



For hospitals and nursing home

May 2022

"Smood S corner type" launched



Design and safeness combined

July 2022

Steel partition "Wall Panel Inspection Door" added a specific fire prevention apparatus type



April 2022

June 2022

Started operation of Sanwa NF Changshu Factory



novofarm



July 2022

Winner of Women's Choice Award® 11 years consecutively



August 2022

Acquisition of AUB Limited(HK)



March 2023

October 2022

"Mado More Wind-resistant Guard Fire Prevention type" received honorable mention in the "2022 Super Monozukuri Parts Award"



# External Evaluations

The Sanwa Group's sustainability initiatives and disclosure level are evaluated by external parties and are recognized with inclusion in domestic and international ESG indexes and receipt of various awards.

## ESG Index

2nd  
Consecutive

**FTSE4Good Index Series**



FTSE4Good

2nd  
Consecutive

**FTSE Blossom Japan Index**



FTSE Blossom  
Japan

Consecutive

**FTSE Blossom Japan  
Sector Relative Index**



FTSE Blossom  
Japan Sector  
Relative Index

**S&P/JPX Carbon Efficient Index**



## Awards and Ratings

**CDP2021  
Climate Change  
Score - B**



**5th NIKKEI  
Smart Work  
Management Survey  
★3.0**



**3rd NIKKEI  
SDGs  
Management Survey  
★3.5**



**Daiwa Investor Relation  
2021 Internet IR Award  
「Commendation Award」**



**NIKKO Investor Relation  
2021 All listed company  
Homepage Content Ranking  
All・Industry Category  
「AAA Rating」**

