

**Presentation Materials**

# **First Half FY2023 Business Results**

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**October 31, 2023**



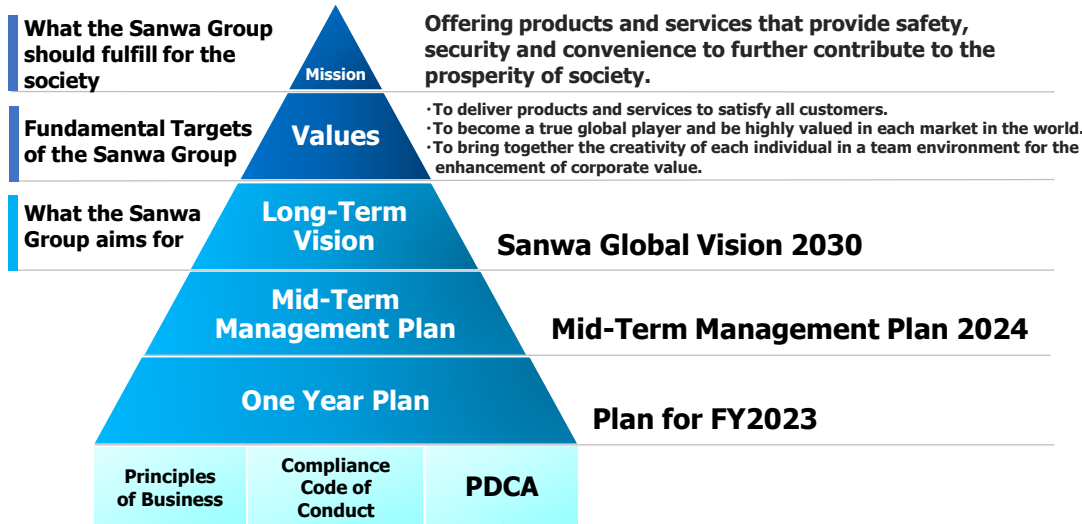
**SANWA HOLDINGS CORPORATION**  
[www.sanwa-hldgs.co.jp](http://www.sanwa-hldgs.co.jp)

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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.

## **Performance at a glance**

**H1 FY2022 Consolidated Results**

**FY2022 Consolidated Forecasts**

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

**Financial Highlights**

# 01 Performance at a glance

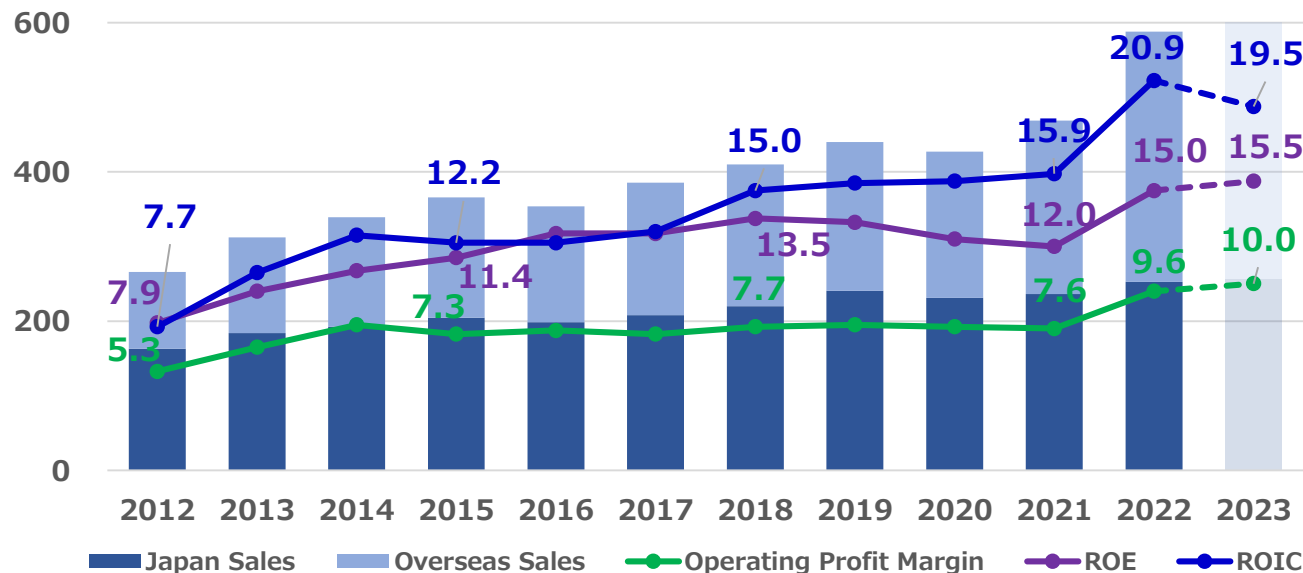
## Performance at a glance

- Record-high first half sales and profit on continued strong performance in North America and Japan.
- Full-year forecast revised upward, from decreases in sales and profit to increases in both categories.
- With sales of 600.0 billion yen and operating profit of 60.0 billion yen, operating profit margin expected to reach 10.0% for the first time.
- Announced stock buyback of 5 billion yen to enhance shareholder returns.

(JPY bn)

	H1 FY2023 Actual	H1 FY2023 Initial Forecast	FY2023 Revised Forecast	FY2023 Initial Forecast	Mid-Term Management Plan 2024 Targets
Net Sales	285.7	274.0	600.0	580.0	580.0
Operating Profit	27.73	18.50	60.00	47.50	45.00
Operating Profit Margin	9.7%	6.8%	10.0%	8.2%	7.8%
SVA (1)	-	-	28.0	20.0	19.0
ROIC (2)	-	-	19.5%	16.5%	17.5%
ROE (3)	-	-	15.5%	13.0%	13.5%

Sales (JPY bn)



24.0 (%)

- (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 FY2023	FY2023(F)
1 USD	136.54	140.00
1 EUR	147.93	152.00

**Performance at a glance**

**H1 FY2023 Consolidated Results**

**FY2023 Consolidated Forecasts**

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

**Financial Highlights**

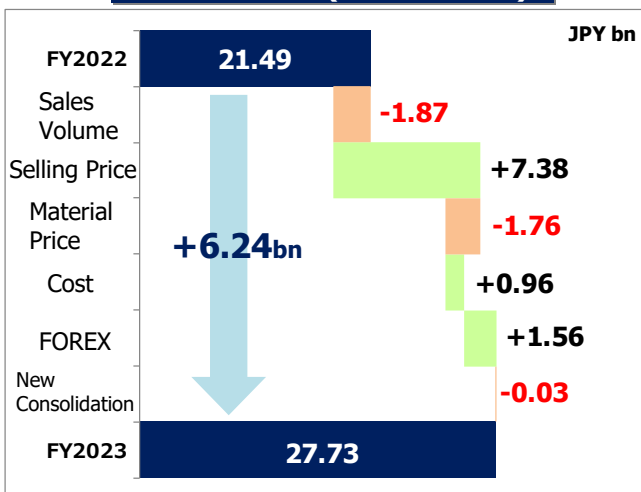
# Business Results Highlights

《Consolidated Results》	(JPY bn, %)					
	H1 FY2022 Actual	H1 FY2023 Actual	FY2023 Initial Forecast	Variance vs. Forecast (amt)	Variance vs. FY2022 (amt)	Variance vs. FY2022 (%)
Net Sales	268.2	285.7 [271.6]	274.0	+11.7	+17.5 [+3.4]	+6.5 [+1.3]
Operating Profit	21.49	27.73 [26.17]	18.50	+9.23	+6.24 [+4.68]	+29.0 [+21.8]
Ordinary Profit	19.85	27.16 [25.68]	18.50	+8.66	+7.31 [+5.83]	+36.8 [+29.4]
Net Profit attributable to owners of parent	13.49	22.11 [20.72]	12.50	+9.61	+8.62 [+7.23]	+63.9 [+53.7]

[assumed Forex rate same as FY2022]

Forex Rate	H1 FY2022	H1 FY2023
1 USD	124.52	136.54
1 EUR	135.16	147.93

## Operating profit reconciliation(consolidated)



## 《Summary》

**Net sales and profits exceeded forecast and increased YoY, setting new records for first half.**

Net sales	<ul style="list-style-type: none"> <li>Exceeded forecast and increased YoY. Impact of currency fluctuation was 14.1 billion yen.</li> <li>Sales in Europe and North America increased on yen basis, but decreased on local currency basis. Sales increased in Japan due to higher sales volume and price pass-through, and in Asia due to the impact of new consolidations.</li> </ul>
Operating profit	<ul style="list-style-type: none"> <li>Exceeded forecast and increased YoY. Impact of currency fluctuation was 1.56 billion yen.</li> <li>Profit up significantly due to impact of price pass-through in each sector, as well as higher sales volume and cost reductions in Japan.</li> </ul>
Ordinary profit	<ul style="list-style-type: none"> <li>Significantly exceeded forecast and increased YoY, reflecting increase in operating profit.</li> </ul>
Net Profit attributable to owners of parent	<ul style="list-style-type: none"> <li>Significantly exceeded forecast and increased YoY, partly due to recording of extraordinary profit (4.4 billion yen).</li> </ul>

# Net Sales & Operating Profit (By Sector)

	【Net Sales】			【Operating Profit】			(JPY bn, <i>USD m</i> , <i>EUR m</i> , %)
	H1 FY2022	H1 FY2023	YoY (%)	H1 FY2022	H1 FY2023	YoY (%)	Comments
Japan	112.4	121.4	+8.0	8.49 7.6	10.49 8.6	+23.5	Strong factory construction and large-scale redevelopment projects fueled steady demand. Maintenance and service also performed well, and sales increased. Operating profit increased sharply on higher sales volume and price pass-through.
North America (ODC)	<i>805</i> 100.3	<i>762</i> 104.0	<i>-5.4</i> +3.8	<i>94.1</i> 11.72 11.7	<i>120.7</i> 16.48 15.8	<i>-28.2</i> -40.6	Sales decreased on a local currency basis amid the challenging market environment in the residential market. Operating profit increased significantly due to penetration of price pass-through and improved productivity.
Europe (NF)	<i>382</i> 51.6	<i>368</i> 54.4	<i>-3.6</i> +5.5	<i>15.4</i> 2.08 4.0	<i>8.5</i> 1.25 2.3	<i>-44.9</i> -39.7	Sales volume decreased in a more-challenging-than-expected market environment, and sales decreased on a local currency basis. Operating profit fell significantly as price pass-through and cost reductions did not fully compensate for the decline in volume.
Asia	4.0	5.9	+44.9	0.11 2.6	0.05 0.8	-56.0	Sales increased due to the impact of new consolidations, but profit decreased as a result of upfront costs and other factors.
Consolidated	268.2	285.7	+6.5	21.49 8.0	27.73 9.7	+29.0	

\*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 FY2022	H1 FY2023
1 USD	124.52	136.54
1 EUR	135.16	147.93

**Performance at a glance**

**H1 FY2023 Consolidated Results**

**FY2023 Consolidated Forecasts**

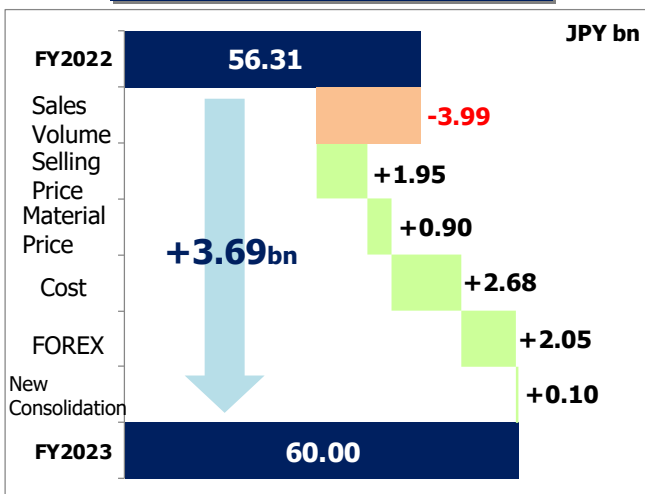
**Progress of Mid-Term Management Plan 2024**

**Financial Highlights**

# Business Forecasts Highlights

《Consolidated Forecasts》	FY2022 Actual	FY2023 Revised Forecast	H1 FY2023 Actual	H2 FY2023 Forecast	Variance vs. FY2022 (amt)	Variance vs. FY2022 (%)	(JPY bn, %)		
Net Sales	588.2	600.0 [577.5]	285.7	314.3	+11.8 [-10.7]	+2.0 [-1.8]			
Operating Profit	56.31	60.00 [57.95]	27.73	32.27	+3.69 [+1.64]	+6.6 [+2.9]			
Ordinary Profit	52.78	59.00 [57.08]	27.16	31.84	+6.22 [+4.30]	+11.8 [+8.2]	[assumed Forex rate same as FY2022]		
Net Profit attributable to owners of parent	33.08	40.00 [38.61]	22.11	17.89	+6.92 [+5.53]	+20.9 [+16.7]	Forex Rate	FY2022	FY2023(F)
							1USD	132.08	140.00
							1EUR	138.52	152.00

## Operating profit reconciliation(consolidated)



## 《Summary》

## Sales and profits expected to set new records for the third consecutive year.

### Net sales

• Consolidated sales forecast to increase by 2.0%, with impact of currency fluctuation at 22.5 billion yen.  
North America and Europe expected to post a sales increase on yen basis, but a decrease on local currency basis. Sales increases are forecast in Japan due to higher sales volume and price pass-through, and in Asia due to impact of new consolidations.

### Operating profit

• Forecast to increase by 6.6%, with impact of currency fluctuation at 2.05 billion yen.  
Penetration of price pass-through in North America, price pass-through and cost reductions in Japan and Europe will compensate for decreased sales volume in North America and Europe.

### Ordinary profit

• Strong increase forecast due to impact of operating profit increase and expected improvement in non-operating income/expenses.

### Net Profit attributable to owners of parent

• Strong increase forecast. Earnings per share forecast at 180 yen.

# Net Sales & Operating Profit (By Sector)

## [Net Sales]

## [Operating Profit]

(JPY bn, *USD m*, *EUR m*, %)

	FY2022 Actual	FY2023 Revised Forecast	YoY (%)	FY2022 Actual	FY2023 Revised Forecast	YoY (%)	Comments
Japan	252.9	261.0	+3.2	24.71 9.8	27.70 10.6	+12.1	Sales forecast to increase with strong sales to factories and office buildings, etc., and efforts to maintain/expand share through various measures. Operating profit forecast to increase significantly due to price pass-through and cost reduction.
North America (ODC)	<i>1,659</i> 219.2	<i>1,561</i> 218.5	<i>-5.9</i> -0.3	<i>219.9</i> 29.05 13.3	<i>214.3</i> 30.00 13.7	<i>-2.6</i> +3.3	Market in recovery phase after bottoming out, yet sales decrease is forecast despite a recovery in volume in the second half through sales measures. Operating profit forecast to remain unchanged YoY due to penetration of price pass-through.
Europe (NF)	<i>761</i> 105.5	<i>726</i> 110.4	<i>-4.6</i> +4.6	<i>30.8</i> 4.27 4.0	<i>25.0</i> 3.80 3.4	<i>-18.9</i> -11.0	Decrease in sales forecast on local currency basis due to continued market deterioration in Germany, the UK, etc. Operating profit forecast to decrease significantly due to large decline in sales volume, despite price pass-through and cost reduction efforts.
Asia	11.0	14.4	+30.8	0.26 2.3	0.50 3.5	+93.5	Sales and profits forecast to increase due to impact of new consolidations.
Consolidated	588.2	600.0	+2.0	56.31 9.6	60.00 10.0	+6.6	

\*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	FY2022	FY2023(F)
1USD	132.08	140.00
1EUR	138.52	152.00

**Performance at a glance**

**H1 FY2023 Consolidated Results**

**FY2023 Consolidated Forecasts**

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

**Financial Highlights**

## 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:** Core products: Sales to factories and office buildings, etc., are solid. Will aim to secure profitability with price pass-through. Strategic products: Partitions business is recovering. Will expand market share through group-wide measures.
- **NA:** Strengthened sales of industrial doors. Will expand share with improved delivery time and new product launches.
- **EU:** Market conditions are challenging in Germany, the UK and northern Europe, but will aim to expand share in southern Europe, etc., with a focus on industrial products.



### 2 Expand service business

- **JP:** General repairs, scheduled maintenance and mandatory statutory inspections all performed well.
- **NA:** Promoted service business of pedestrian access division (automatic doors).
- **EU:** Solid performance through strengthening of service business amid the challenging market conditions.



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

- Expanded business domain by introducing dock products in North America.
- Expanded service business in North America by acquiring Door Control, Inc.
- Continued to explore M&A opportunities that fit our growth strategy.

## 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 FY2022 Actual	H1 FY2023 Actual	FY2022 Actual	FY2023 Revised Forecast	Mid-Term Management Plan 2024 Targets
Net Sales	4.0	5.9	11.0	14.4	16.0
Operating Profit	0.11	0.05	0.26	0.50	0.80



### 1 Significantly boost production capacity by enhanced facilities

- Expand hinged door business by improving productivity of Sanwa NF Changshu.
- Improve productivity by renovating production facilities at main factories (Vietnam and Indonesia)



### 2 Restructuring sales operations and address product diversification

- Strengthen sales through synergy in Hong Kong with AUB, which will be newly consolidated.
- Expand sales by capturing demand in the fire resistance and heat insulation market in Asia.
- Sales expansion driven by solid performance of industrial doors at Baosteel-Sanwa.



### 3 Strengthen the foundation of business framework

- Strengthen business administration at Sanwa Shanghai (centralize procurement functions in addition to administrative functions)
- Introduced ERP systems optimized in each region.

## 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)

	FY2022	FY2023 Revised Forecast	FY2024 Target
Disaster Prevention Product	69.1 (11.8)	74.5 (12.4)	81.0 (14.0)
Climate Change Adaption Product	20.5 (3.5)	19.5 (3.3)	18.0 (3.2)
Climate Change Mitigation Product	106.6 (18.1)	106.0 (17.6)	96.0 (16.6)
Sales of product for disaster prevention and climate change response	196.2 (33.4)	200.0 (33.3)	195.0 (33.7)

### 2 Enhance smart products and services

Introduce additional smartphone-linked systems in each area

- JP: Expand handling of HomeLink and HEMS-compatible products, etc.
- NA: Expand connected apps such as AI speakers
- EU: Expand smart home compatibility

#### Disaster Prevention



Lightweight steel doors (Specific fireproof equipment with window)  
(Sanwa Shutter)

#### Climate Change Adaption



"Water Guard Waterproof Shutter"  
Added a fireproof・smokeproof type  
(Sanwa Shutter)

#### Climate Change Mitigation

Re-carbo

Sanwa Shutter offers the Re-Carbo series, a lineup of products and services that contribute to CO<sub>2</sub> reduction and energy savings.

Re-Carbo series  
Overhead doors with high thermal insulation performance  
(Sanwa Shutter)



Re-Carbo series  
Thermally insulated QuickSaver  
(Sanwa Shutter)

#### IoT



RemoSma smartphone-enabled garage door control system  
(Sanwa Shutter)



Aladdin Connect  
(ODC)



Homematic IP Smart Home System(NF)

## 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** : Productivity enhancement through linkage of manufacturing, sales and installation systems
  - : Introduction of order intake system for partition products
- **NA**: Efficiency improvements at locations that have implemented ERP
  - ERP being implemented in stages by function at main door factory (Mt. Hope)
- **EU**: Promoting digitalization of all processes, including ERP implementation at sales companies (NovoSite: Installation management app and other initiatives)
- **AS**: Promote business process improvement with ERP
  - (Hong Kong, eastern China and Vietnam)

### 2 Manufacturing Innovation

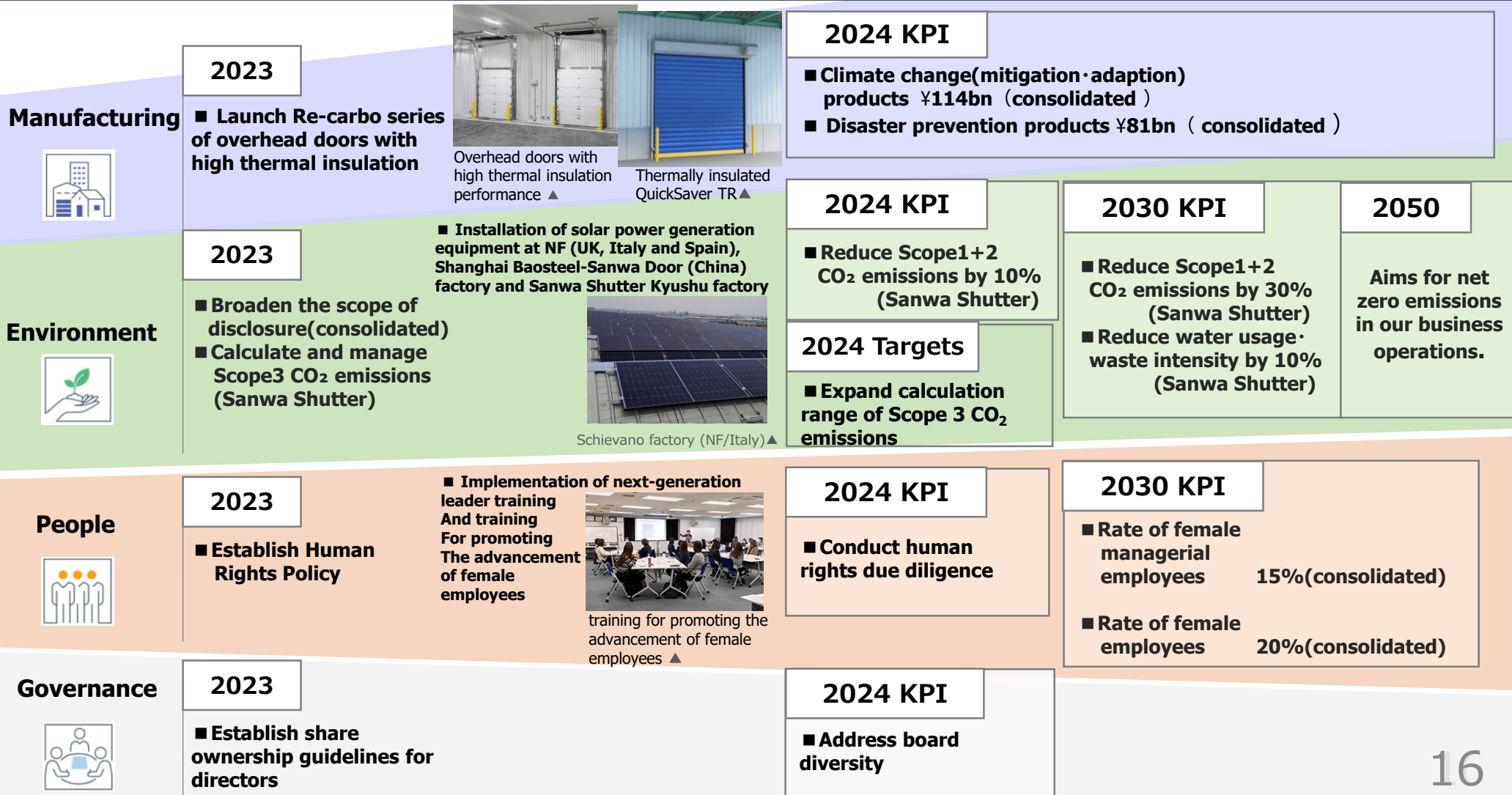
- **JP**: Upgrade staff skills and Capital Investments to strengthen door production
- **NA**: Further Automation of production lines for garage doors and commercial door
  - : Optimize product lineup (commercial non-insulated doors, garage door panels, etc.)
- **EU**: Expansion of door factory in UK
- **AS**: Full-scale operation of Sanwa Novoferm (Changshu) and capacity expansion through renovation of facilities in Asean

Capital Expenditure

(JPY bn)	FY 22	IH 23	FY 23 FC	FY 22-24
IT Investment	1.8	1.4	2.8	12.0
Capital Investment	8.2	5.6	12.3	34.0
Total investment	10.0	7.0	15.1	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."



**Performance at a glance**

**H1 FY2023 Consolidated Results**

**FY2023 Consolidated Forecasts**

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

**Financial Highlights**

## Consolidated BS/CF &amp; Extraordinary profit and loss

(JPY bn, %)						(JPY bn)			
Consolidated BS						Consolidated CF			
	H1 FY2022	%	H1 FY2023 Actual	%	Variance vs. FY2022 (amt)		H1 FY2022	H1 FY2023 Actual	Variance vs. FY2022 (amt)
Current assets	267.1	63.1	310.8	65.0	43.7	Net income before income taxes	19.8	31.3	11.5
Cash and cash equivalents	57.1	13.5	85.3	17.8	28.2	Depreciation and amortization/ Amortization of goodwill	7.0	7.7	0.7
Inventories, accounts receivable	204.9	48.4	231.6	48.4	26.7	Income taxes paid	-7.8	-9.7	-1.9
Noncurrent assets	156.4	36.9	167.3	35.0	10.9	Working capital	-16.4	1.1	17.5
Investment securities	22.7	5.4	27.4	5.7	4.7	Others	0.9	0.6	-0.3
Total assets	423.5	100.0	478.1	100.0	54.6	CF from Operating activities	3.4	31.1	27.7
Interest-bearing debt	48.1	11.4	48.2	10.1	0.1	CF from Investing activities	-4.6	-9.3	-4.7
Other liabilities	143.3	33.8	155.6	32.6	12.3	FCF (Operating + Investing)	-1.2	21.7	22.9
Net assets	232.0	54.8	274.2	57.3	42.2	CF from Financing activities	-4.8	-10.1	5.3
						Cash and cash equivalents(end of year)	57.1	85.3	28.2

Breakdown of Extraordinary Profits and Losses	H1 FY2022	FY2022	H1 FY2023	FY2023 Forecast	(JPY bn )
Extraordinary Profits	0.02	0.19	4.40	4.50	
Extraordinary Losses	-0.03	-3.90	-0.21	-5.35	
Loss on disposal of fixed assets	-0.01	-0.08	-0.01	-0.10	
Business Restructuring Expenses	-0.02	-0.37	-0.02	-0.10	
Impairment loss on fixed assets	-	-3.45	-	-3.20	
Other Extraordinary Losses	-0.00	-0.00	-0.18	-1.95	
Extraordinary Profits and Losses (Net)	-0.01	-3.71	4.19	-0.85	

# Shareholder returns & Ratings

## Shareholder Returns

### ■ Total returns during mid-term management plan

- We are aiming for dividends and stock buybacks totaling **54.0 billion yen** during the period of the mid-term management plan.

#### 1. Dividends

- Policy regarding payout ratio: Aim for stable dividends with a target of **40%** of EPS.
- Dividend forecast: Leave interim dividend at **29 yen** per share, decide on year-end dividend at the time of FY2023 account settlement.

#### 2. Stock buybacks

- Policy: Make the necessary strategic investments for growth, and consider stock buybacks while taking into account cash on hand.
- Implementation: Will make stock buybacks up to a maximum of 5.0 billion yen.

## Issuer credit ratings

### ■ Issuer credit ratings by rating agencies

- |      |             |                         |
|------|-------------|-------------------------|
| •JCR | Rating A+   | Rating outlook (Stable) |
| •R&I | Rating A→A+ | Rating outlook (Stable) |

Upgraded this year

# Appendix

# Outline of Consolidated Results by Sector

¥ in millions・%

		FY2022								FY2023											
		1st Half			2nd Half			Full Year		1st Half				2nd Half			Full Year				
			profit ratio	Y/Y		profit ratio	Y/Y		profit ratio	Y/Y	Initial Forecast		profit ratio	Y/Y	Forecast	profit ratio	Y/Y	Initial Forecast	Forecast	profit ratio	Y/Y
Net Sales		268,179		23.9	319,979		26.7	588,159		25.4	274,000	285,657		6.5	314,342		-1.8	580,000	600,000		2.0
[assumed forex rate same as the previous year]												[271,588]		[1.3]	[305,895]		-4.4		[577,483]		[-1.8]
Japan		112,371		5.2	140,506		8.5	252,877		7.0	120,430	121,387		8.0	139,632		-0.6	259,727	261,020		3.2
North America (ODC)		100,265		55.2	118,911		59.5	219,177		57.5	95,616	104,031		3.8	114,508		-3.7	201,344	218,540		-0.3
Europe (NF)		51,590		23.4	53,867		22.4	105,457		22.9	52,164	54,445		5.5	55,906		3.8	106,950	110,352		4.6
Asia		4,040		22.9	6,968		58.8	11,009		43.4	6,361	5,853		44.9	8,546		22.6	15,272	14,400		30.8
Operating Profit		21,494	8.0	49.7	34,812	10.9	64.7	56,307	9.6	58.7	18,500	27,733	9.7	29.0	32,266	10.3	-7.3	47,500	60,000	10.0	6.6
[assumed forex rate same as the previous year]												[26,171]		[21.8]	[31,780]		-8.7		[57,951]		[2.9]
Japan		8,493	7.6	-9.9	16,214	11.5	7.8	24,707	9.8	1.0	8,614	10,487	8.6	23.5	17,212	12.3	6.2	25,800	27,700	10.6	12.1
North America (ODC)		11,719	11.7	265.0	17,330	14.6	235.4	29,049	13.3	246.7	9,152	16,476	15.8	40.6	13,523	11.8	-22.0	17,920	30,000	13.7	3.3
Europe (NF)		2,079	4.0	-9.1	2,189	4.1	32.9	4,268	4.0	8.5	1,794	1,253	2.3	-39.7	2,546	4.6	16.3	4,830	3,800	3.4	-11.0
Asia		107	2.6	41.0	150	2.2	245.4	258	2.3	115.6	33	47	0.8	-56.0	452	5.3	199.9	500	500	3.5	93.5
Ordinary Profit		19,852	7.4	42.5	32,928	10.3	63.1	52,780	9.0	54.7	18,500	27,163	9.5	36.8	31,836	10.1	-3.3	46,500	59,000	9.8	11.8
[assumed forex rate same as the previous year]												[25,679]		[29.4]	[31,404]		-4.6		[57,083]		[8.2]
Japan		8,675	7.7	-9.5	16,332	11.6	7.4	25,008	9.9	0.9	8,956	10,686	8.8	23.2	17,462	12.5	6.9	26,376	28,149	10.8	12.6
North America (ODC)		10,116	10.1	258.8	16,324	13.7	296.3	26,441	12.1	281.1	8,627	15,717	15.1	55.4	13,128	11.5	-19.6	16,870	28,846	13.2	9.1
Europe (NF)		1,886	3.7	-16.8	1,755	3.3	7.7	3,641	3.5	-6.6	1,559	1,127	2.1	-40.2	1,938	3.5	10.5	4,305	3,065	2.8	-15.8
Asia		93	2.3	54.5	217	3.0	307.8	311	2.8	172.9	2	62	1.1	-33.2	376	4.3	73.1	438	439	3.0	41.1
Equity method Affiliates		-264		<->	-365		<->	-629		<->	33	-107		<+>	42		<+>	41	-64		<+>
Profit attributable to owners of parent		13,487	5.0	47.6	19,596	6.1	42.9	33,084	5.6	44.8	12,500	22,109	7.7	63.9	17,890	5.7	-8.7	31,800	40,000	6.7	20.9
[assumed forex rate same as the previous year]												[20,724]		[53.7]	[17,890]		-8.7		[38,614]		[16.7]
Japan		5,742	5.1	-9.0	11,623	8.3	10.8	17,366	6.9	3.3	5,912	7,046	5.8	22.7	12,049	8.6	3.7	17,950	19,096	7.3	10.0
North America (ODC)		7,570	7.5	260.9	7,158	6.0	118.2	14,729	6.7	173.9	6,464	15,120	14.5	99.7	5,994	5.2	-16.3	12,672	21,114	9.7	43.4
Europe (NF)		1,273	2.5	-26.2	859	1.6	-12.2	2,133	2.0	-21.1	1,062	603	1.1	-52.6	1,459	2.6	69.9	2,994	2,062	1.9	-3.3
Asia		42	1.0	17.2	121	1.7	1,253.8	164	1.5	326.6	-22	17	0.3	-59.2	318	3.7	161.5	335	336	2.3	104.6
Equity method Affiliates		-264		<->	-365		<->	-629		<->	33	-107		<+>	42		<+>	41	-64		<+>

(Local currency)

\$ in thousands, € in thousands・%

		FY2022								FY2023											
		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	Forecast	profit ratio	Y/Y
Sales	North America (ODC)	\$805,218		35.2	\$854,209		28.4	\$1,659,428		31.6	\$747,000	\$761,910		-5.4	\$799,089		-6.5	\$1,573,000	\$1,561,000		-5.9
	Europe (NF)	€381,696		19.1	€ 379,618		12.3	€761,314		15.6	€378,000	€368,048		-3.6	€ 357,951		-5.7	€775,000	€726,000		-4.6
Operating Profit	North America (ODC)	\$94,114	11.7	217.9	\$125,823	14.7	171.7	\$219,938	13.3	189.7	\$71,500	\$120,674	15.8	28.2	\$93,615	11.7	-25.6	\$140,000	\$214,290	13.7	-2.6
	Europe (NF)	€15,385	4.0	-12.3	€ 15,429	4.1	22.0	€30,815	4.0	2.1	€13,000	€8,476	2.3	-44.9	€ 16,523	4.6	7.1	€35,000	€25,000	3.4	-18.9

1) Figures of [ ] in FY2023/2022 is assumed forex rate same as FY2022/2021.

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	FY2022		FY2023	
	1H	FY	1H	FY(F)
USD	124.52	132.08	136.54	140.00
EUR	135.16	138.52	147.93	152.00

# Order Intake & Net Sales by Products (Japan)

¥ in millions • %

	FY2022										FY2023									
	1st Half			2nd Half			Full Year				1st Half (F)			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	<3.8> 12,879	<3.8> 12,599	11.2	<2.4> 12,733	<3.5> 13,076	9.3	<3.1> 25,613	9.9	<3.7> 25,675	10.2	<4.7> 13,480	<3.1> 12,994	10.7	<5.6> 13,442	<2.7> 13,423	9.6	<5.1> 26,923	9.6	<2.9> 26,417	10.1
Heavy-duty Shutters	<14.9> 17,022	<13.2> 15,757	14.0	<1.8> 16,555	<20.7> 18,629	13.3	<8.0> 33,577	13.0	<17.2> 34,386	13.6	<5.2> 17,906	<0.9> 15,893	13.1	<3.0> 17,045	<-12.7> 16,257	11.6	<4.1> 34,951	12.5	<-6.5> 32,151	12.3
Overhead Doors	<3.6> 3,082	<0.9> 2,621	2.3	<11.2> 3,017	<20.2> 3,428	2.4	<7.2> 6,099	2.4	<11.0> 6,049	2.4	<4.1> 3,209	<4.0> 2,726	2.2	<3.1> 3,110	<-8.0> 3,153	2.3	<3.6> 6,320	2.3	<-2.8> 5,880	2.3
Shutter-related Products	<-3.7> 7,890	<-0.8> 7,034	6.3	<-3.3> 8,290	<-10.4> 8,345	5.9	<-3.5> 16,180	6.3	<-6.3> 15,380	6.1	<4.0> 8,203	<3.6> 7,290	6.0	<5.9> 8,781	<4.6> 8,725	6.2	<5.0> 16,984	6.1	<4.1> 16,015	6.1
Comm. Bldgs/ Condominiums Doors	<11.0> 30,366	<9.5> 25,624	22.8	<6.7> 33,479	<11.6> 34,731	24.7	<8.7> 63,846	24.7	<10.7> 60,356	23.9	<12.0> 34,001	<11.8> 28,636	23.6	<4.6> 35,032	<3.1> 35,799	25.6	<8.1> 69,034	24.6	<6.8> 64,435	24.7
Residential Doors	<12.6> 1,822	<14.1> 1,794	1.6	<11.6> 1,969	<10.3> 1,965	1.4	<12.1> 3,791	1.5	<12.1> 3,760	1.5	<7.2> 1,952	<8.8> 1,952	1.6	<9.0> 2,147	<5.2> 2,067	1.5	<8.1> 4,099	1.5	<6.9> 4,019	1.5
Window-related Products	<-2.0> 4,403	<-1.3> 4,355	3.9	<1.1> 4,517	<-0.4> 4,523	3.2	<-0.5> 8,921	3.4	<-0.8> 8,879	3.5	<1.0> 4,446	<1.4> 4,415	3.6	<2.4> 4,626	<0.3> 4,534	3.2	<1.7> 9,073	3.2	<0.8> 8,949	3.4
Exterior Fittings	<11.5> 1,947	<6.2> 1,835	1.6	<-5.5> 1,688	<-5.7> 1,791	1.3	<2.9> 3,636	1.4	<-0.0> 3,626	1.4	<0.3> 1,954	<2.5> 1,880	1.5	<2.8> 1,735	<-3.9> 1,720	1.2	<1.5> 3,689	1.3	<-0.7> 3,601	1.4
Partitions	<-0.3> 7,430	<-9.9> 5,461	4.9	<13.1> 7,826	<8.7> 9,439	6.7	<6.2> 15,257	5.9	<1.1> 14,900	5.9	<20.6> 8,958	<15.2> 6,292	5.2	<18.2> 9,248	<-2.0> 9,251	6.6	<19.3> 18,206	6.5	<4.3> 15,543	6.0
Stainless-Steel Entrances	<2.7> 7,047	<8.4> 6,284	5.6	<19.3> 9,249	<12.3> 8,744	6.2	<11.5> 16,296	6.3	<10.6> 15,029	5.9	<60.0> 11,277	<27.3> 8,002	6.6	<1.3> 9,370	<-13.3> 7,581	5.4	<26.7> 20,648	7.4	<3.7> 15,583	6.0
Aluminum Fronts	<6.2> 7,169	<3.7> 6,344	5.6	<1.2> 6,951	<4.2> 7,505	5.3	<3.7> 14,120	5.5	<4.0> 13,849	5.5	<4.9> 7,521	<1.9> 6,463	5.3	<14.1> 7,929	<7.7> 8,084	5.8	<9.4> 15,450	5.5	<5.0> 14,548	5.6
Automatic door operators	<3.3> 1,176	<6.5> 1,117	1.0	<-5.4> 1,168	<-3.7> 1,190	0.8	<-1.3> 2,345	0.9	<1.0> 2,307	0.9	<-1.1> 1,163	<0.4> 1,121	0.9	<10.8> 1,295	<-1.0> 1,178	0.8	<4.8> 2,459	0.9	<-0.3> 2,300	0.9
Maintenance & Repair	<8.4> 23,354	<4.8> 20,555	18.3	<8.6> 23,279	<9.2> 25,895	18.4	<8.5> 46,634	18.0	<7.2> 46,451	18.4	<4.9> 24,498	<8.9> 22,377	18.4	<8.4> 25,243	<4.1> 26,953	19.3	<6.7> 49,742	17.8	<6.2> 49,330	18.9
Others	<-9.3> 996	<-25.7> 986	0.9	<35.3> 1,412	<-9.1> 1,241	0.9	<12.5> 2,408	0.9	<-17.2> 2,227	0.9	<52.6> 1,519	<36.1> 1,341	1.1	<-26.7> 1,035	<-27.4> 900	0.6	<6.1> 2,555	0.9	<0.7> 2,242	0.9
Total	<6.9> 126,590	<5.2> 112,371	100.0	<6.0> 132,140	<8.5> 140,506	100.0	<6.4> 258,730	100.0	<7.0> 252,877	100.0	<10.7> 140,095	<8.0> 121,387	100.0	<6.0> 140,044	<-0.6> 139,632	100.0	<8.3> 280,140	100.0	<3.2> 261,020	100.0
	the end of Sep. 2022			the end of Mar. 2023			Y/Y				the end of Sep. 2023			the end of Mar. 2024(F)			Y/Y (F)			
Outstanding Order Backlog	117,404			109,200			6,639				127,750			128,320			19,120			

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, <△%yoy>

		FY2022						FY2023					
		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	<44.5> 605,876	75.2	<33.8> 620,804	72.7	<38.9> 1,226,681	73.9	<-8.9> 551,749	72.4	<-9.4> 562,351	70.4	<-9.2> 1,114,100	71.4
	Electronic & Perimeter Access Control	<11.1> 148,549	18.4	<17.3> 169,187	19.8	<14.3> 317,736	19.1	<-1.5> 146,262	19.2	<-3.3> 163,538	20.5	<-2.5> 309,800	19.8
	Pedestrian Access	<18.8> 50,792	6.3	<12.5> 64,217	7.5	<15.2> 115,010	6.9	<25.8> 63,899	8.4	<14.0> 73,201	9.2	<19.2> 137,100	8.8
<b>Net Sales</b>		<35.2> 805,218	100.0	<28.4> 854,209	100.0	<31.6> 1,659,428	100.0	<-5.4> 761,910	100.0	<-6.5> 799,090	100.0	<-5.9> 1,561,000	100.0

1) < > = % year on year

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

## NF Group Sales Performance

€ in thousands, <△%yoy>

		FY2022						FY2023					
		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	<9.6> 103,248	27.0	<5.9> 104,793	27.6	<7.7> 208,042	27.3	<-0.7> 102,555	27.9	<-1.8> 102,945	28.8	<-1.2> 205,500	28.3
	Garage Door	<3.5> 96,051	25.2	<-3.9> 85,882	22.6	<-0.1> 181,934	23.9	<-7.5> 88,807	24.1	<-6.9> 79,993	22.3	<-7.2> 168,800	23.3
	Industrial Door	<36.5> 182,395	47.8	<26.3> 188,942	49.8	<31.1> 371,338	48.8	<-3.1> 176,687	48.0	<-7.4> 175,013	48.9	<-5.3> 351,700	48.4
<b>Net Sales</b>		<19.1> 381,696	100.0	<12.3> 379,618	100.0	<15.6> 761,314	100.0	<-3.6> 368,048	100.0	<-5.7> 357,952	100.0	<-4.6> 726,000	100.0

1) < > = % year on year

# Business and External Environment

## External Environment

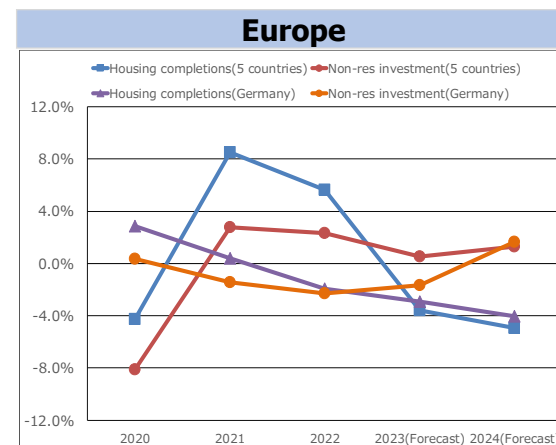
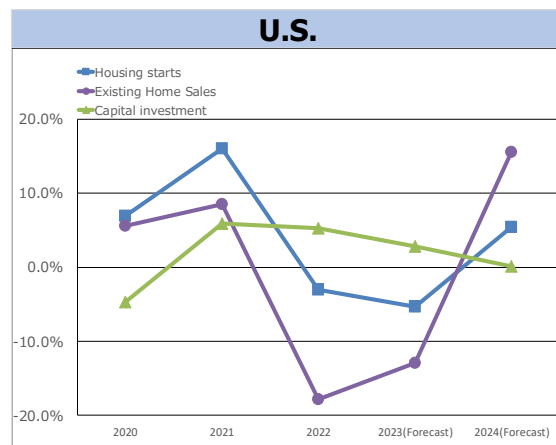
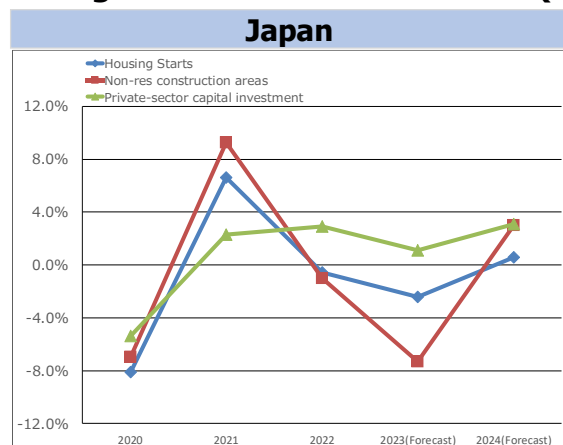
			2020		2021		2022		2023 Forecast		2024 Forecast	
Japan	Housing Starts	k units	812	-8.1%	866	6.6%	861	-0.6%	840	-2.4%	845	0.6%
	Non-res construction areas	k m <sup>2</sup>	40,030	-6.9%	43,738	9.3%	43,296	-1.0%	40,152	-7.3%	41,343	3.0%
	Private-sector capital investment	JPY bn	85,699	-5.4%	87,673	2.3%	90,215	2.9%	91,208	1.1%	94,035	3.1%
USA	Housing starts	k units	1,380	6.9%	1,601	16.0%	1,553	-3.0%	1,470	-5.3%	1,550	5.4%
	Existing Home Sales	k units	5,640	5.6%	6,120	8.5%	5,030	-17.8%	4,380	-12.9%	5,060	15.5%
	Capital investment	USD bn	2,811	-4.7%	2,976	5.9%	3,132	5.2%	3,219	2.8%	3,223	0.1%
Europe	Housing completions(5 countries)	EUR m	626,702	-4.3%	679,931	8.5%	718,369	5.7%	692,715	-3.6%	658,477	-4.9%
	Non-res investment(5 countries)	EUR m	349,230	-8.1%	358,954	2.8%	367,271	2.3%	369,167	0.5%	373,902	1.3%
Germany	Housing completions	EUR m	279,798	2.9%	280,960	0.4%	275,546	-1.9%	267,482	-2.9%	256,702	-4.0%
	Non-res investment	EUR m	119,878	0.4%	118,132	-1.5%	115,443	-2.3%	113,544	-1.6%	115,405	1.6%

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

※Ref:(JPN) MLIT Sep 2023, CAO Sep 2023, R.I.C.E. Oct 2023, (US) National Association of Realtors Oct 2023, Construct Connect Sep 2023, (EU)Euroconstruct June 2023.

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

## Change in External Environment (Y/Y)



## Key Figures &amp; Ratios

(¥ in millions, %)

		FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 Forecast
Net Sales	(JPYm)	365,615	353,922	385,673	409,990	440,161	427,062	468,956	588,159	600,000
Operating profit	(JPYm)	26,870	26,440	28,322	31,593	34,218	33,077	35,487	56,307	60,000
Net Profit attributable to owners of the parent	(JPYm)	14,627	17,070	18,280	20,910	21,647	21,252	22,842	33,084	40,000
Operating profit Ratio	(%)	7.3%	7.5%	7.3%	7.7%	7.8%	7.7%	7.6%	9.6%	10.0%
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%	15.0%	15.5%
Shareholders' Equity Ratio (term end)	(%)	41.7%	43.0%	45.2%	47.4%	46.3%	47.9%	52.2%	54.4%	57.7%
Net Assets (term end)	(JPYm)	130,334	139,906	151,121	161,604	165,634	181,387	203,311	242,350	270,000
Total Assets (term end)	(JPYm)	310,269	323,393	331,686	338,432	354,023	375,160	386,237	442,274	465,000
Interest Bearing Liabilities (term end)	(JPYm)	70,798	74,739	65,945	61,217	63,730	66,194	47,707	49,253	47,500
Debt-Equity Ratio: Interest Bearing Liabilities/Shareholders' Equity	(times)	0.54	0.53	0.44	0.38	0.38	0.36	0.23	0.20	0.18
SVA(Sanwa Value Added)	(JPYm)	8,290	8,057	9,026	12,693	13,974	13,609	14,784	26,906	28,000
ROIC:NOPAT/Invested capital	(%)	12.2	12.2	12.8	15.0	15.4	15.5	15.9	20.9	19.5
EPS : Earnings per share	(JPY)	63.1	74.6	80.9	92.9	97.1	96.2	103.4	149.7	180.9
PBR (Price Book-value Ratio)	(times)	1.48	1.72	2.06	1.85	1.14	1.78	1.36	1.30	—
Number of shares issued (term avg.)	(K shares)	231,923	228,782	225,761	224,979	222,852	220,881	220,922	220,993	221,072

\*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

### 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**

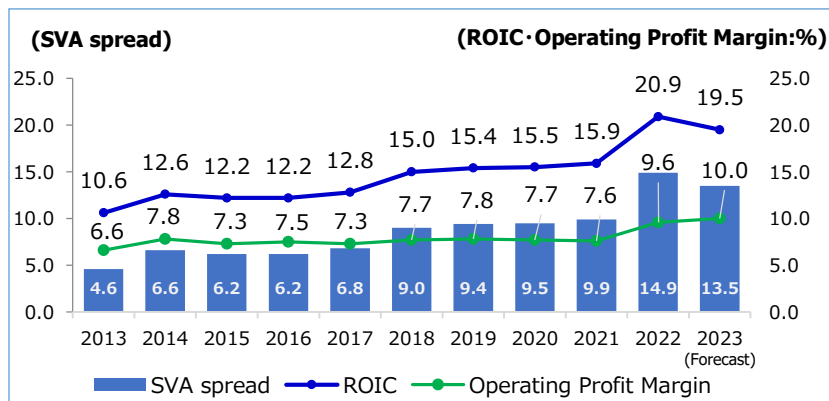
**Fixed Asset  
Turnover**

## 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

## ROIC Improvement (NOPAT/Invested capital)

WACC: 6%  
Cost of equity: 8% projected



**SVA** = Net operating profit after tax - Invested capital × WACC(6%)

**ROIC** = Net operating profit after tax / Invested capital × 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 spread** = ROIC – WACC(6%)

# Capital Expenditure & Depreciation

(¥ in millions)

	FY2021		FY2022		FY2023	
	1H	Full Year	1H	Full Year	1H	Full Year(F)
<b>Capital Expenditures</b>	<b>3,789</b>	<b>9,281</b>	<b>4,140</b>	<b>10,041</b>	<b>6,973</b>	<b>15,100</b>
Japan	1,245	3,397	1,601	3,608	2,593	4,529
Forex rate < \$ in thousands >	108.45 <\$13,037>	110.37 <\$23,098>	124.52 <\$7,842>	132.08 <\$20,396>	136.54 <\$15,540>	140.00 <\$39,298>
North America (ODC)	1,413	2,549	976	2,693	2,121	5,501
Forex rate < € in thousands >	130.46 <€7,681>	130.34 <€21,652>	135.16 <€9,603>	138.52 <€24,429>	147.93 <€14,219>	152.00 <€31,870>
Europe (NF)	1,002	2,822	1,298	3,383	2,103	4,844
Asia	128	512	264	355	154	225
<b>Depreciation &amp; Amortization</b>	<b>6,147</b>	<b>12,952</b>	<b>7,000</b>	<b>14,787</b>	<b>7,710</b>	<b>16,700</b>
Japan	1,504	3,190	1,576	3,324	1,565	3,408
	<\$17,390>	<\$36,384>	<\$18,277>	<\$37,100>	<\$18,720>	<\$40,000>
North America (ODC)	1,886	4,015	2,275	4,900	2,556	5,600
	<€13,214>	<€25,674>	<€12,612>	<€26,317>	<€14,254>	<€30,938>
Europe (NF)	1,724	3,346	1,704	3,645	2,108	4,702
Asia	41	113	93	149	190	352
Amortization of goodwill	991	2,285	1,350	2,766	1,290	2,637

# 08 Topics

Appendix

Won Kids Design Award

**April 2023**  
Launched "Soundproofing Guard" door with high sound insulation performance in the top class of the industry



Secured fireproofing performance, operability and design!

**April 2023**  
Launched lightweight steel door "Specific Fireproof Type with Window"



Received Encouragement Award in the "2023 Super Monozukuri Parts Award"

**May 2023**  
Launched lightweight wind-resistant shutter "Taifu Guard LS"



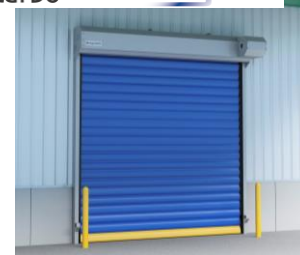
Achieves wind resistance of 800 Pa!



Thermal resistance plus high speed an industry first!

**September 2023**  
Launched high-speed sheet shutter "Insulated QuickSaver TR"

Re-carbo × QuickSaver



March 2024

April 2023

**2023**  
100th anniversary of founding of Genie, a division of door operator at ODC, US



**June 2023**  
Opening ceremony of Sanwa NF Changshu held



**2023**  
Installed solar power generation equipment in various regions (UK, Italy, Spain, China and Japan)



NF Schievano (Italy)



Kyushu factory (Sanwa Shutter)

**August 2023**  
Won Women's Choice Award for 12th consecutive year!



# 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

3rd  
Consecutive

**FTSE4Good Index Series**



FTSE4Good

3rd  
Consecutive

**FTSE Blossom Japan Index**



FTSE Blossom  
Japan

2nd  
Consecutive

**FTSE Blossom Japan  
Sector Relative Index**



FTSE Blossom  
Japan Sector  
Relative Index

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



## Awards and Ratings

**CDP2022  
Climate Change  
Score - B**



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



**Daiwa Investor Relation  
2022 Internet IR Award  
「Commendation Award」**



**NIKKO Investor Relation  
2022 All listed company  
Homepage Content Ranking  
All・Industry Category  
「AAA Rating」**



**U.S. Financial Journal  
「Institutional Investor」  
The 2023 All-Japan  
Executive Team Rankings**

**Construction Sector 2nd Place  
Best Company Board 2nd Place  
Best ESG 3rd Place  
Best IR Professional,  
Program, Team 1st Place**