

Financial Results for 3Q FY2021

(December 1, 2020 – February 28, 2021)

April 6, 2021

 **SankyoTateyama, Inc.**

Financial results

	3Q FY2021 Results	3Q FY2020 Results	(Billion JPY)	
			Year-on-year Change	%
Net sales	217.8	236.3	-18.4	-7.8%
Operating income	2.5	1.8	0.7	+37.4%
Operating margin	1.2%	0.8%		+0.4p
Ordinary income	3.1	1.9	1.2	+67.2%
Net income attributable to owners of parent	1.0	-0.6	1.7	-

Note: Amounts are rounded down to the nearest 100 million JPY.

✓ Sales decreased and operating income increased YoY.

✓ Sales decreased approx. 18.4 billion JPY (- 7.8%).

While economic activity stagnated both in Japan and overseas due to the Covid-19 pandemic, there are signs of a resumption of economic activity thanks to the effects of economic stimulus measures implemented in the US and China, as well as a pick-up in consumer spending and the automotive sector in Japan. However, the forecast remains unpredictable.

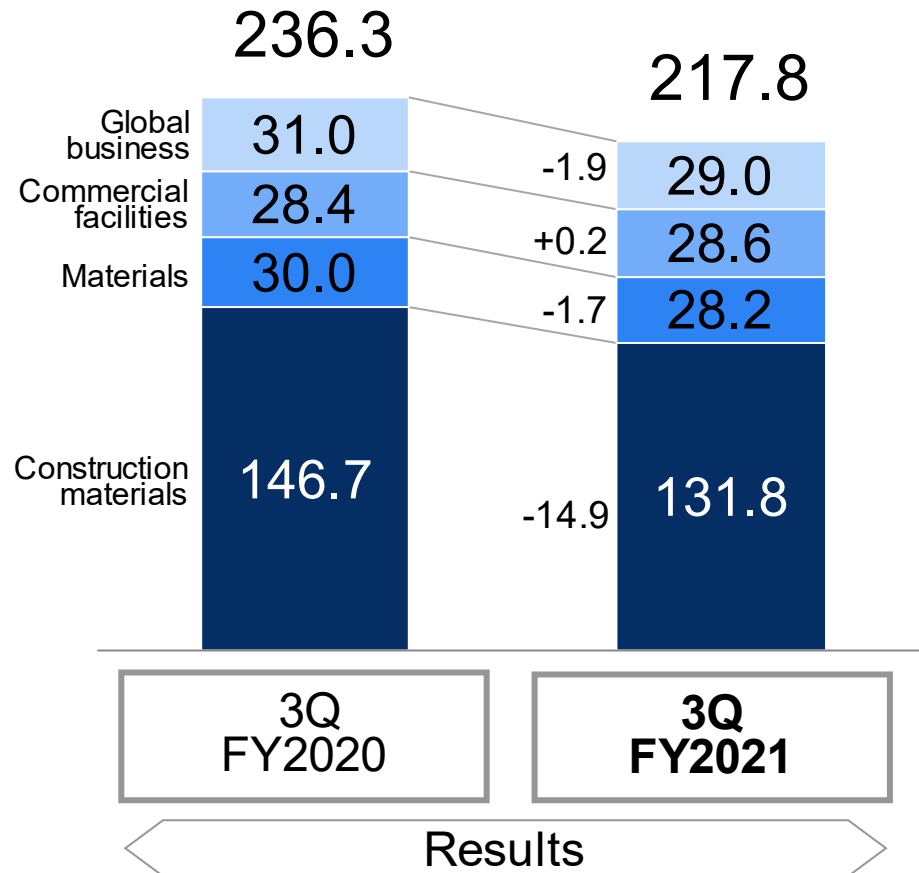
✓ Operating income increased approx. 0.7 billion JPY (+ 37.4%).

Profit increased thanks to sales growth of processed products, reduced SG&A expenses in the Materials Business, and cost reduction and a decrease in SG&A expenses achieved by increasing business efficiency in the Commercial Facilities Business, which offset a fall in sales in the Construction Materials Business.

Net sales

217.8 billion JPY

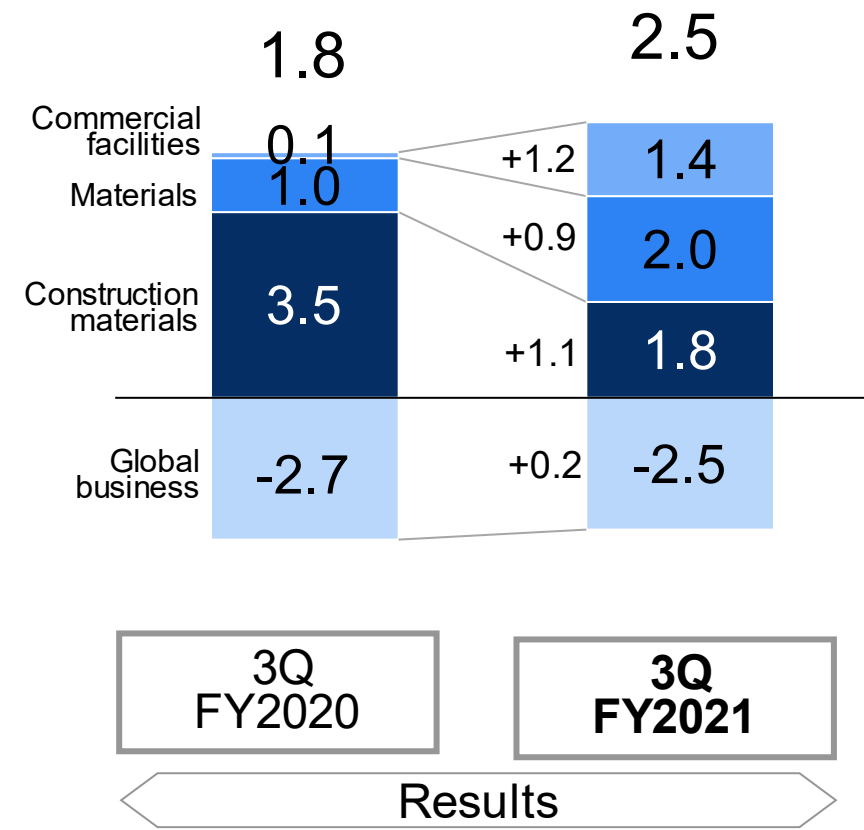
YoY **-18.4** billion JPY
 (-7.8%)



Operating income

2.5 billion JPY

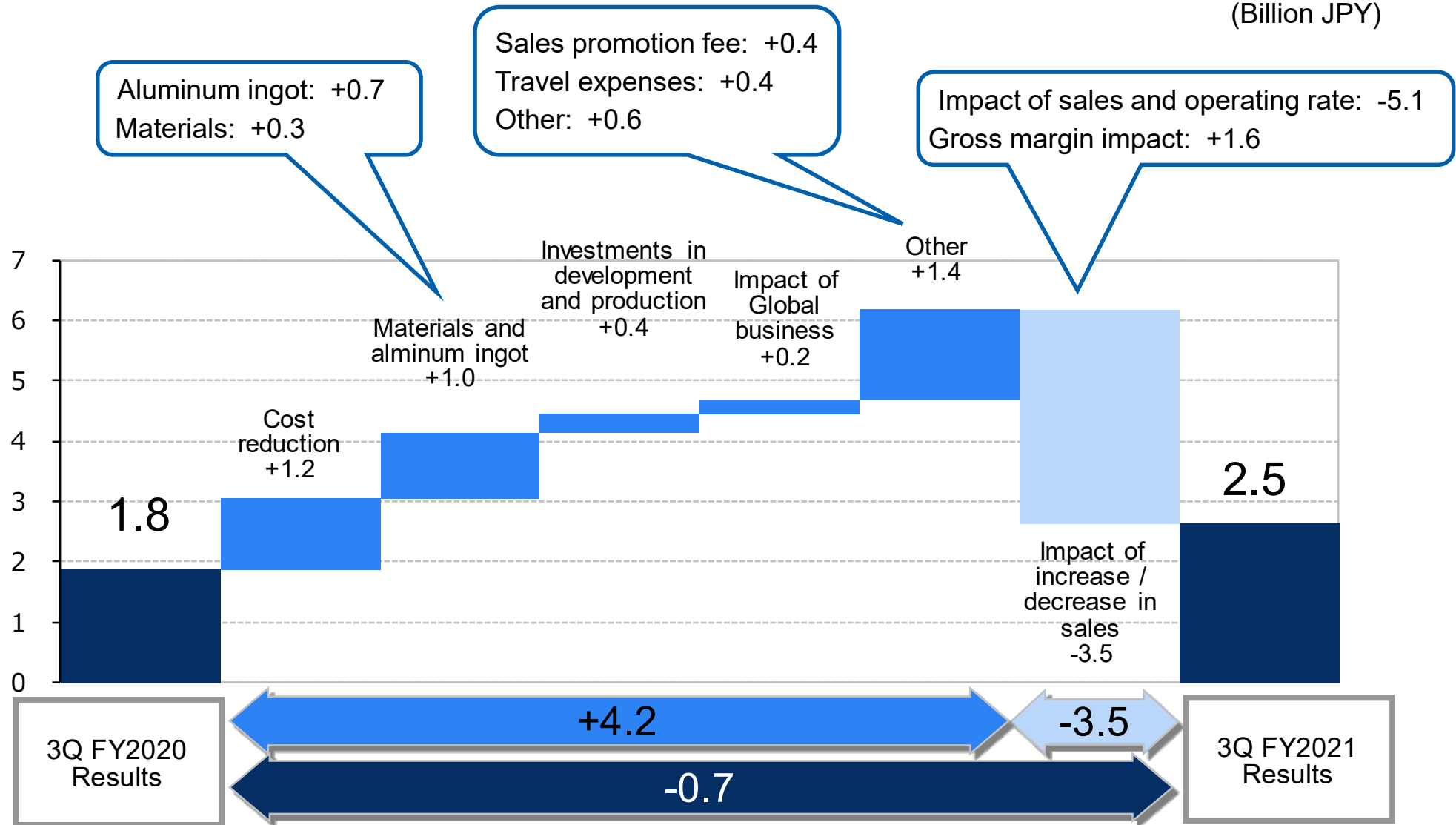
YoY **+0.7** billion JPY
 (+37.4%)



Note: Amounts are rounded down to the nearest 100 million JPY.

Factors for Change in Operating Income for Q3 FY2021: Year-on-Year Comparison

(Billion JPY)



Change in profits from Global business is consolidated into "Impact of Global business."

Note: Amounts are rounded down to the nearest 100 million JPY.

FY2021 Full-Year Forecast

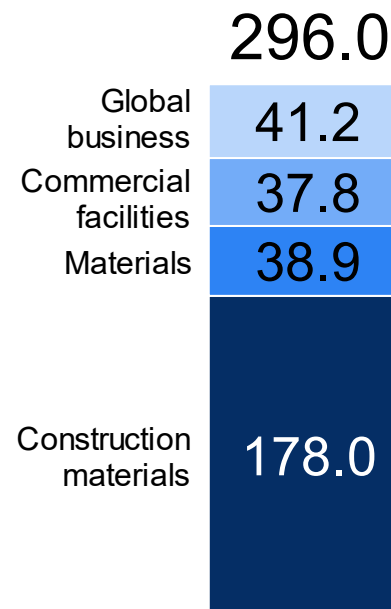
Full-Year Forecast

(Billion JPY)

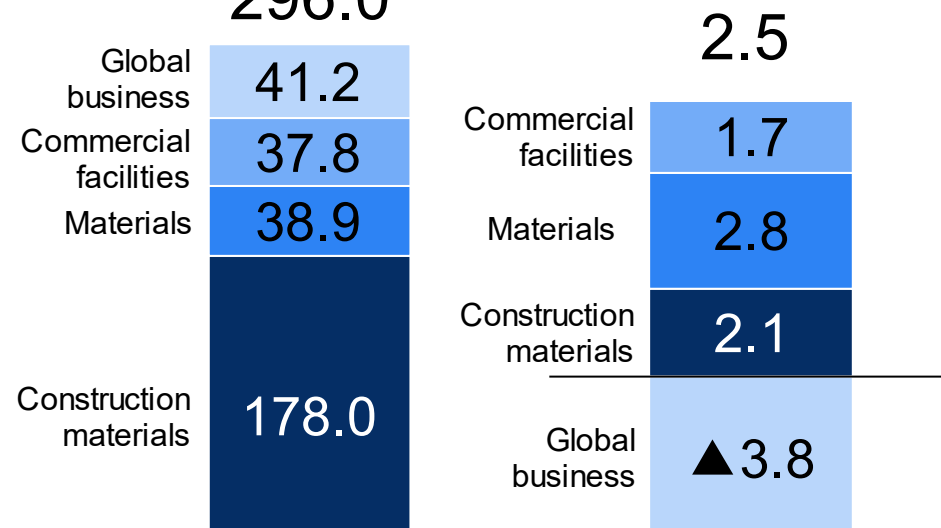
	FY2021 Revised forecast	FY2021 Results	Change	%
Net sales	296.0	313.6	-17.6	-5.6%
Operating income	2.5	2.0	0.5	+24.1%
Operating margin	0.8%	0.6%		+0.2p
Ordinary income	2.7	1.6	1.1	+67.5%
Net income attributable to owners of the parent	0.1	-1.5	1.6	-

Note: Amounts are rounded down to the nearest 100 million JPY.

Net sales



Operating income



FY2021

Full-year earnings forecast

Dividend

Year-end: 5 JPY per share

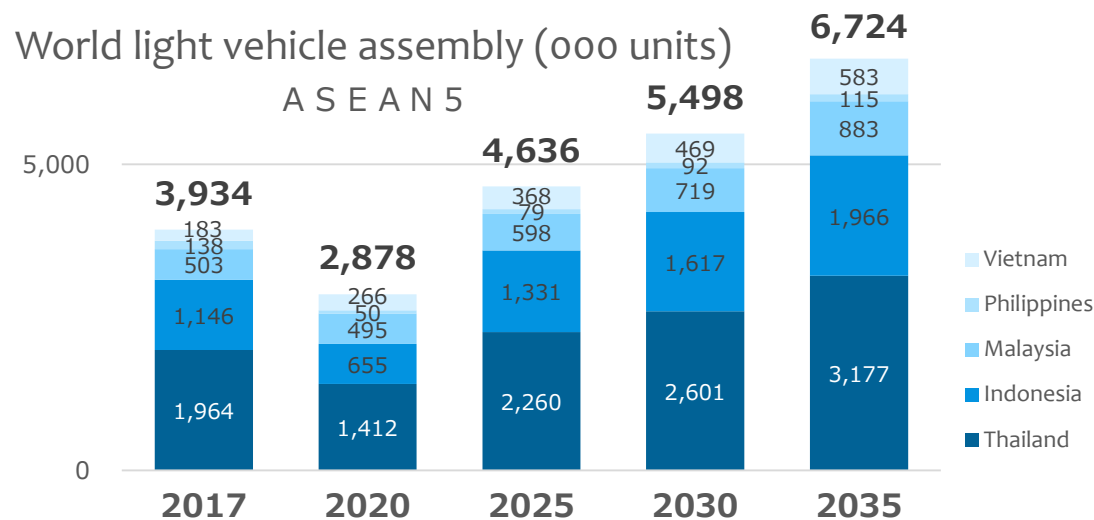
※Forecast announced on April 6, 2021

Thai Metal Aluminium Co., Ltd. Increase in manufacturing capacity

Overview of investment (plan)

Location	Samut Prakan, Thailand (on the premises of current factory)
Investment	One press machine, building, attached facilities
Amount of investment	Approx. 1.0 billion JPY
Start of operation	Jun-21
Production capacity	Approx. 5,000 tons/year

Responding to demands for aluminum mainly in the automotive industry which is expected to grow.



Source: LMC Automotive





Certified as the 2021 Certified Health & Productivity Management Outstanding Organization - "White 500" in large enterprise category -

We have been recognized by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi as a company that views employee health management from a business perspective and strategically works to improve it.



◆ Our health management initiatives

We established the “Sankyo Tateyama Declaration of Health” in October 2019 to demonstrate our commitment to the promotion and maintenance of the physical and mental health of our employees based on the idea that employee health is an important foundation of our business. We set eight action goals to promote work-life balance and improve corporate culture to enable diverse individuals to exert their skills.

Sankyo Tateyama’s Declaration of Health and health management initiatives — <https://www.st-grp.co.jp/csr/health.html>



We will continue to pursue health management in line with our philosophy, “Based on cooperation encompassing clients, local communities and employees, we create new value and contribute to the realization of a world of well-being by giving customers delight and satisfaction,” by building a work environment that enables employees to work with peace of mind.

Reference

	Target period	2020	2019	2018
[Construction materials business (housing) index] The number of new housing starts	Apr.-Dec.	621 thousand units (-10.0% yoy)	690 thousand units (-6.5% yoy)	737 thousand units (-0.5% yoy)
The number of new housing starts [Owner-occupied houses]	Apr.-Dec.	201 thousand units (-10.0% yoy)	223 thousand units (+0.5% yoy)	222 thousand units (+0.5% yoy)
The number of new housing starts [House for rent]	Apr.-Dec.	233 thousand units (-10.8% yoy)	261 thousand units (-15.5% yoy)	309 thousand units (-4.3% yoy)
[Construction materials business (Building) index] Floor area of non-wooden structure starts	Apr.-Dec.	48,462 thousand m² (-11.5% yoy)	54,762 thousand m ² (-5.7% yoy)	58,069 thousand m ² (-2.7% yoy)
[Materials business index] Aluminum extrusion weight [Excluding sashes and doors]	Jun.-Feb.	238.2 thousand tons (-9.4% yoy)	262.9 thousand tons (-2.9% yoy)	270.6 thousand tons (-1.4% yoy)
[Commercial facilities business index] The number of new building starts [Stores]	Apr.-Dec.	3,862 buildings (-23.9% yoy)	5,076 buildings (-13.2% yoy)	5,847 buildings (-4.1% yoy)
[Global business index] Vehicle production Germany	Apr.-Dec.	2495.9 thousand units (-26.5% yoy)	3397.1 thousand units (-8.0% yoy)	3692.4 thousand units (-10.6% yoy)
Vehicle production Thailand	Apr.-Dec.	974.2 thousand units (-32.9% yoy)	1452.2 thousand units (-10.8% yoy)	1628 thousand units (+8.3% yoy)
[Aluminum ingot Average value (The Nikkei)]	Jun.-Feb.	244.6 JPY/kg (+0.3% yoy)	244.0 JPY/kg (-13.2% yoy)	281.0 JPY/kg (-1.4% yoy)

(): Year-on-year comparison

Note: Amounts are rounded down to the nearest 100 million JPY.

Net sales

131.8 billion JPY

YoY **-14.9** billion JPY
(-10.2%)

- Continued decrease in the number of new housing starts year-on-year, etc.

Operating income

1.8 billion JPY

YoY **-1.7** billion JPY
(-48.2%)

- Impact of the fall in sales

Business environment

Number of new housing starts

Floor area of non-wooden structure starts

Sales weight of aluminum sash for buildings

Aluminum ingot price
(Source: The Nikkei)

Whole **-10.0%**

-11.5%

-10.5%

+0.3%

Owner-occupied houses **-10.0%**

Source: Report of Statistical Survey of Construction Starts by the Ministry of Land, Infrastructure, Transport and Tourism

Source: Current Survey of Production by the Ministry of Economy, Trade and Industry

* Percentage figures represent the year-on-year cumulative total from June to February.

Source: Report of Statistical Survey of Construction Starts by the Ministry of Land, Infrastructure, Transport and Tourism

* Percentage figures represent the year-on-year in cumulative total from April to December.

Note: Amounts are rounded down to the nearest 100 million JPY.

Net sales

28.2 billion JPY

YoY **-1.7** billion JPY
(-6.0%)

- Overall decrease in domestic demand in the aluminum profile market due to COVID-19
- Fall in sales linked to the aluminum ingot market, etc.

Operating income

2.0 billion JPY

YoY **+0.9** billion JPY
(+94.6%)

- Increase in sales of processed products, reduced SG&A expenses, etc.

Business environment

Domestic aluminum extrusion weight	YoY	General machinery	Automotive
	(Mar.-May. 2020)	-1.9%	-23.1%
	(Jun.-Aug. 2020)	-23.0%	-34.1%
	(Sep.-Nov. 2020)	-9.8%	4.7%
	(Dec.-Feb. 2020)	-2.6%	5.8%

Source: Statistics by Japan Aluminum Association

Note: Amounts are rounded down to the nearest 100 million JPY.

Net sales

28.6 billion JPY

YoY **+0.2** billion JPY
(+0.8%)

- Increase in demands for renovation of existing stores for labor-saving, etc.

Operating income

1.4 billion JPY

YoY **+1.2** billion JPY
(+635.5%)

- Promotion of cost reduction
- Reduction of SG&A expenses by improvement of operation efficiency, etc.

Business environment

Number of new building starts (Stores)

-23.9%

Source: Report of Statistical Survey of Construction Starts by the Ministry of Land, Infrastructure, Transport and Tourism

Retail sales amount (Whole)

+1.1%

Source: Report of Current Survey of Commerce by the Ministry of Economy, Trade and Industry

Note: Percentage figures represent the year-on-year change in cumulative total from April to December

Note: Amounts are rounded down to the nearest 100 million JPY.

Net sales

29.0 billion JPY

YoY **-1.9** billion JPY
(-6.2%)

- Overall decrease in demand for aluminum profiles due to COVID-19 particularly in the machinery and construction material markets in Europe and Thailand, etc.

Operating income

-2.5 billion JPY

YoY **+0.2** billion JPY
(- %)

- Promotion of activities such as reduced SG&A expenses to improve profit

Business environment

Car production

	YoY	Germany	Thailand	China
(Jan.-Mar. 2020)		-19.5%	-19.2%	-45.3%
(Apr.-Jun. 2020)		-61.2%	-69.8%	2.3%
(Jul.-Sep. 2020)		-17.0%	-29.6%	7.7%
(Oct.-Dec. 2020)		3.1%	5.4%	9.4%

Source: VDA Source: MARKLINES

GDP

	YoY	Germany	Thailand	China
(Jan.-Mar. 2020)		-2.0%	-1.9%	-6.8%
(Apr.-Jun. 2020)		-9.7%	-12.2%	3.2%
(Jul.-Sep. 2020)		8.5%	-6.4%	4.9%
(Oct.-Dec. 2020)		0.3%	-4.2%	6.5%

Source: EUROSTAT Source: NESDC Source: ODN

Aluminum Ingot Price and Exchange Rates

		average	3Q FY2021 Results	3Q FY2020 Results	FY2021 Plan
Aluminum ingot price (Nikkei Aluminum average)		Jun.- Feb.	244.6 JPY/kg	244.0 JPY/kg	236.0 JPY/kg
Exchange rates	USD	Jun.- Feb.	106.1 JPY	108.7 JPY	110.0 JPY
	EUR	Apr.- Dec.	122.4 JPY	121.0 JPY	123.0 JPY
	THB	Apr.- Dec.	3.4 JPY	3.5 JPY	3.5 JPY
	CNY	Apr.- Dec.	15.4 JPY	15.6 JPY	16.0 JPY



Avoid the “Three Cs”

(Closed spaces, Crowded places, Close-contact settings)

• Ventilation

✓ Outdoor living

Jun.- Feb. Sales
YoY **161%**



"Soranoma"

Easy outdoor living (open deck)
Creating a relaxing space that meets your family's lifestyle.

✓ Screen door for entrance

Jun.- Feb. Sales
YoY **131%**



"Accordion Amido" Screen Door

Installed on the front door or sliding door to bring in the breeze. The "Temanon Amido Screen Door" can be easily removed and washed, so it is always clean.

"Temanon Amido" Screen Door

✓ Airy screen door panels

Jun.- Feb. Sales
YoY **117%**



"Airfree"

In contrast to conventional storm door panels this product can keep the room bright and ventilated even when it is closed.



Stay-at-home life

✓ Garden room

Jun.- Feb. Sales
YoY **193%**



"Happina Rela"

Provides a comfortable, relaxing space during the day or night

✓ Aluminum interior

Jun.- Feb. Sales
YoY **107%**



"AMiS"

Movable partitions to create a space for home office

Prevention of infection by preventing close contact

✓ Delivery box

Jun.- Feb. Sales
YoY **110%**



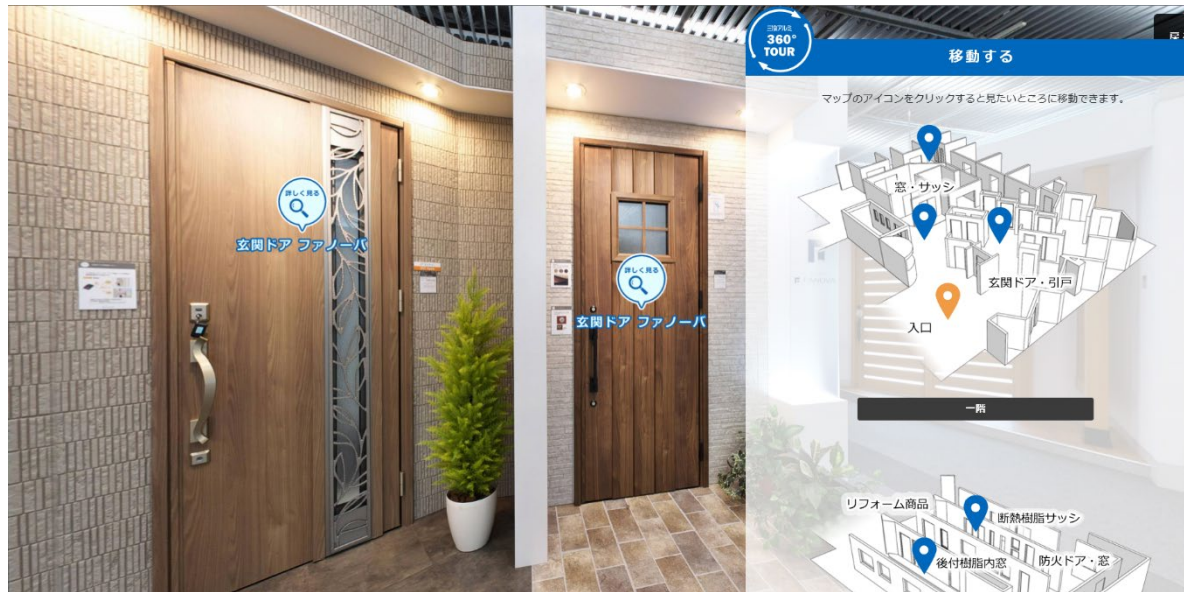
"Fulemus / Fulemus Light"

Allows a package to be received with or without people on site avoiding direct contact with the delivery person



✓ New showroom 360-degree panoramic view

Online tours of the Takaoka, Capital Area, and Nagoya showrooms are available.
Virtual tours of the showroom provided to smartphones, tablets, and computers through web content.



Viewers click and scroll to move around the showroom, rotate 360°, and enlarge and reduce the screen size.
Products can be viewed from various angles.



【URL】 <https://alumi.st-grp.co.jp/shr/webshr/index.html>



Sustainable Development Goals (SDGs) comprise the ideals for a world where everyone can enjoy rich and healthy lives, many of which overlap with our management philosophy and the purposes of our CSR activities. We will continue to contribute to achieving SDGs through our daily business activities.

Sankyo Tateyama Management Philosophy

Based on cooperation encompassing clients, local communities and employees, we create new value and contribute to realizing a world of well-being by giving customers delight and satisfaction

CSR Activities

ESG	SDGs									
E environment										
S society										
G governance										

Notes regarding these documents

These documents contain forward-looking statements, including plans, strategies, and business results of Sankyo Tateyama, Inc. and its consolidated subsidiaries (hereinafter collectively referred to as the “Sankyo Tateyama Group”). These statements are based upon assumptions and decisions of the Sankyo Tateyama Group that have been derived from information available as of the time of writing, and include foreseeable and unforeseeable risks, uncertainties, and other factors. Due to these effects, the actual business results, business activities, and financial conditions of the Sankyo Tateyama Group may vary significantly from these forward-looking statements. Additionally, the Sankyo Tateyama Group may not necessarily revise its forward-looking statements in response to new information, future events, or other reasons. Risks, uncertainties, and other factors that may have a material effect on the actual business results and other aspects of the Sankyo Tateyama Group may include, but are not limited to, economic conditions in the business areas in which it operates, changes in demand trends, and intensified price competition for the products and services of the Sankyo Tateyama Group, as well as price fluctuations of items such as aluminum ingots.

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