

Financial Results for 1Q FY2022

(June 1, 2021 – August 31, 2021)

October 6, 2021

 **SankyoTateyama, Inc.**

Summary of Financial Results for 1Q FY2022

Financial results

(Billion JPY)

| | 1Q FY2022 Results | 1Q FY2021 Results | <Reference value> | |
|---|----------------------|----------------------|-------------------|---------|
| | | | YoY Change(*1) | % |
| Net sales | 78.2 | 66.3 | 11.8 | +17.9% |
| Operating income | 1.5 | -0.2 | 1.7 | - |
| Operating margin | 1.9% | -0.4% | | +2.3p |
| Ordinary income | 1.3 | 0.1 | 1.2 | +958.0% |
| Net income attributable to owners of parent | 0.6 | -0.6 | 1.2 | - |

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

(*1) "Accounting Standard for Revenue Recognition" etc. has applied since FY2022, and the year-on-year comparison is shown as a reference value.

✓ Sales and operating income increased YoY in all businesses.

✓ Sales increased approx. 11.8 billion JPY

Compared to the same period of the previous year, sales increased due to the recovery of economic activity that had been stagnant because of the COVID-19 pandemic and the increase in sales linked to the aluminum ingot market.

✓ Operating income increased approx. 1.7 billion JPY

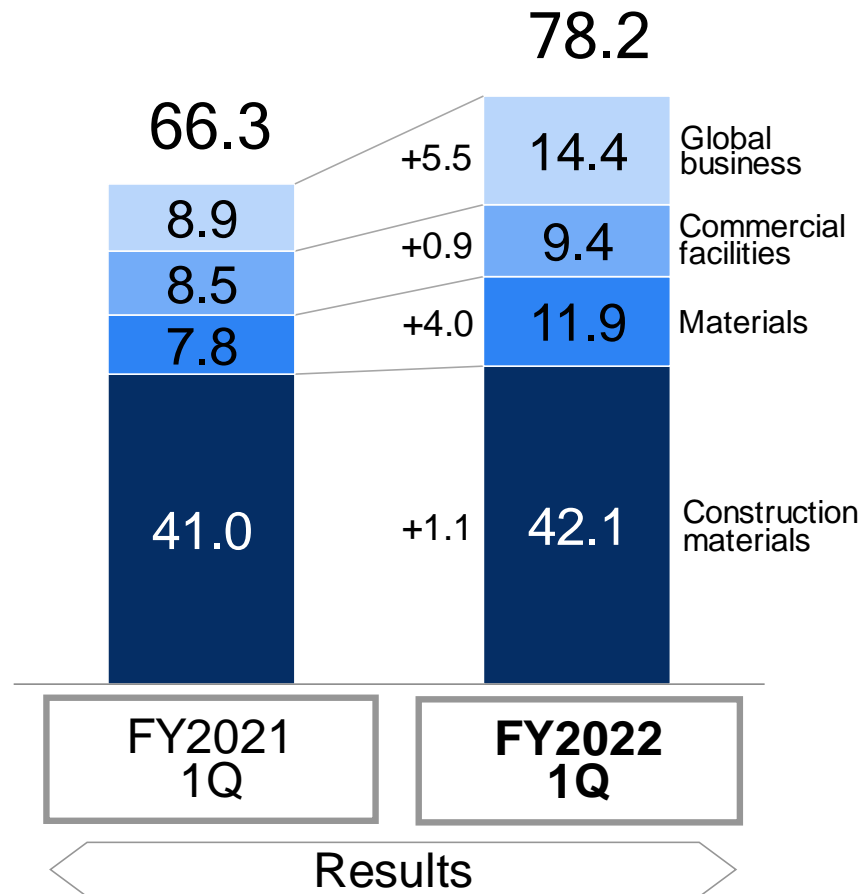
Operating income increased due to increased sales thanks to market recovery, cost reduction through business reforms, and improved profits in Global business.

Net sales

78.2 billion JPY

Change YoY **+11.8** billion JPY

(Billion JPY)

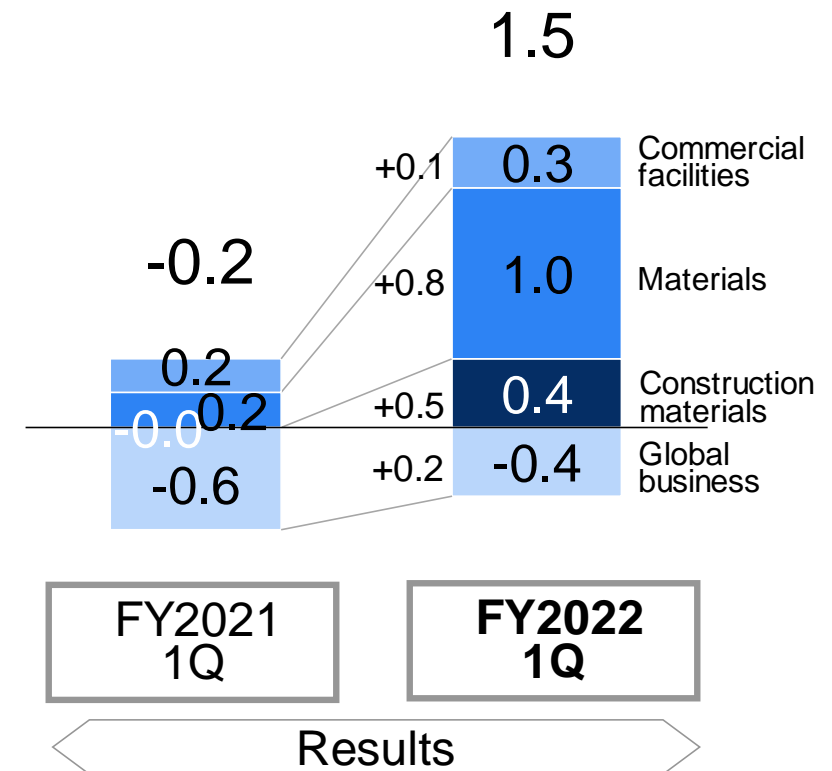


Operating income

1.5 billion JPY

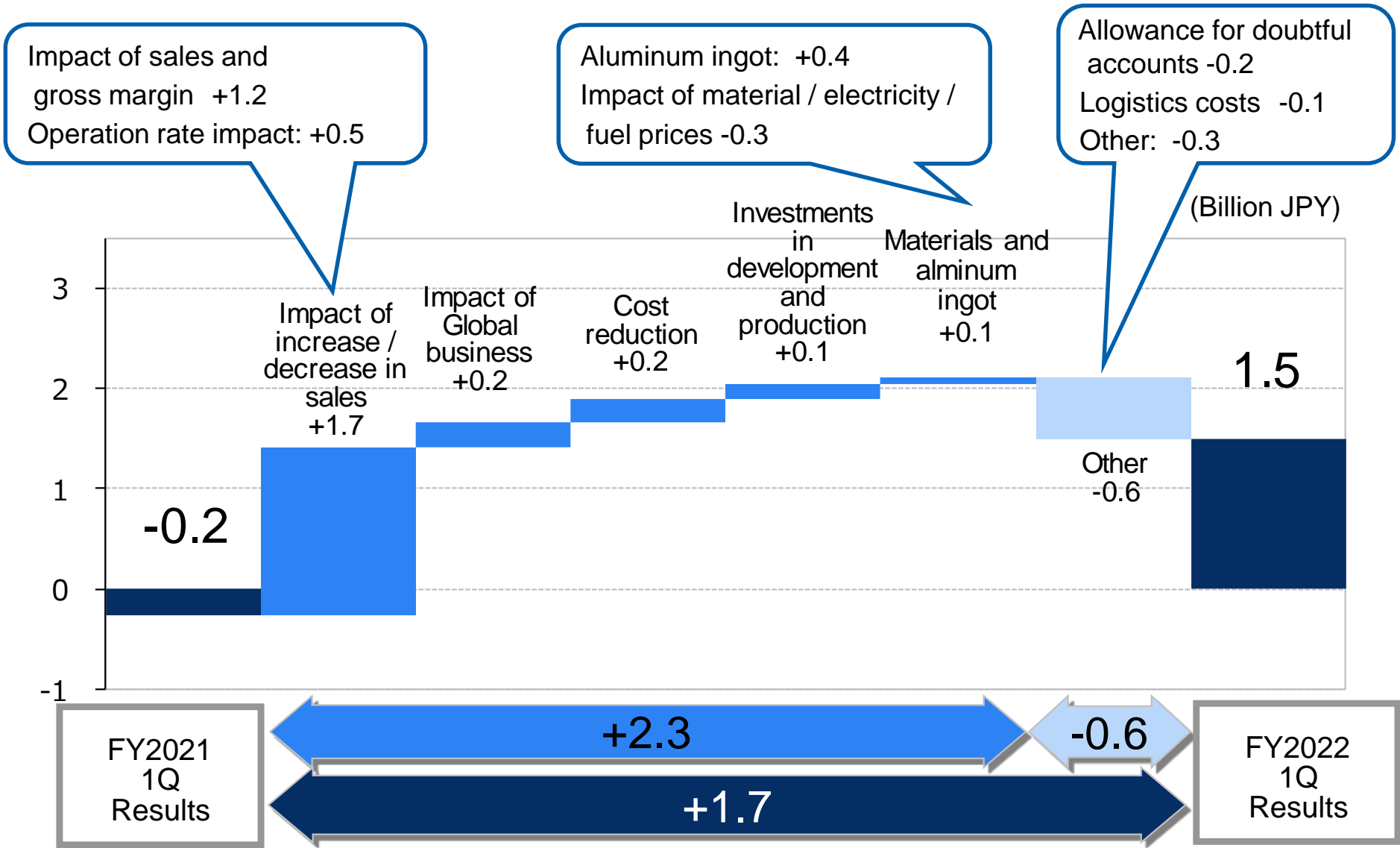
Change YoY **+1.7** billion JPY

(Billion JPY)



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

Factors for Change in Operating Income for 1Q FY2022: Year-on-Year Comparison



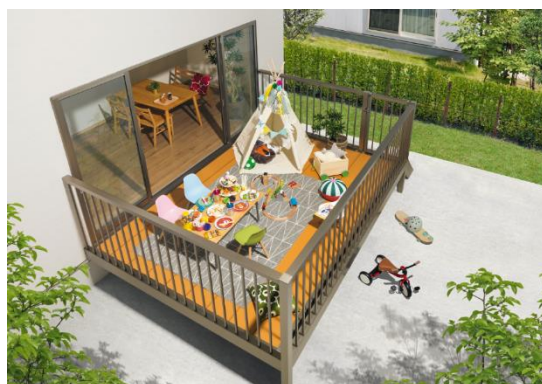
Reference

Received 15th “KIDS DESIGN AWARD” Balcony "Orne" / DI Window (Dynamic Insulation Window)



(Organized by Kids Design Council, Sponsored by Ministry of Economy, Trade and Industry, Cabinet Office, and Consumer Affairs Agency)

[Category] Easy to have and raise children



✓ Balcony "Orne"

“Orne” offers the space where you can easily enjoy outdoor activities safely when you avoid outings. By enhancing functional products which are focused safety and comfort, we aim to improve the child-rearing environment and reduce mental and physical stresses even during busy period for childcare and housework.

Received “BEYOND COVID-19 Special prize”



✓ DI Window (Dynamic Insulation Window)

DI Window is double-glazed window that allows ventilation without opening it. The ventilation system installed in the upper frame allows the incoming air to flow between the outer and inner windows, thereby recovering the heat (warm or cold) escaping through the windows and ventilating the air keeping the room temperature as constant as possible. It creates a space that is warm in winter and comfortable in summer, while providing safe and secure ventilation without opening the windows.

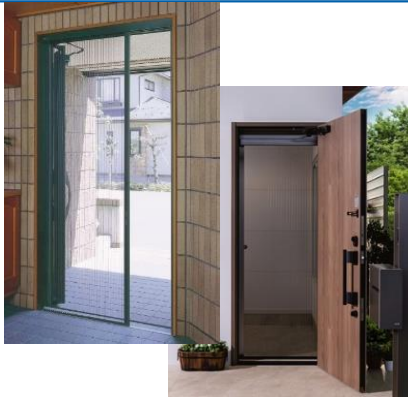
DI: Technology that enhances heat insulation performance by creating an air flow in the direction opposite to the direction in which heat escapes



Ventilation measures during Stay-at-Home

✓ **Screen door for entrance**

Sales
Jun. – Aug.
vs. 2019 **129%**



"Accordion Amido"

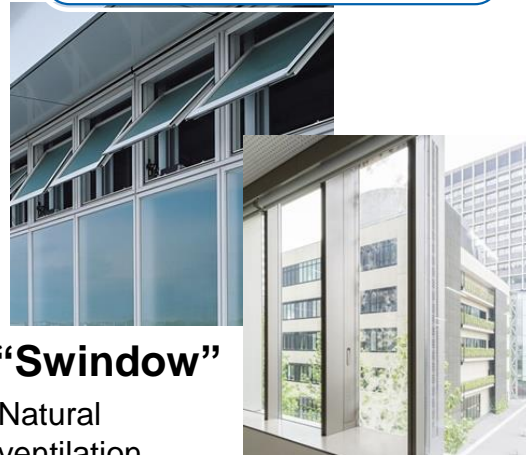
"Temanon Amido"

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.

✓ **Balanced backflow prevention window**

✓ **Natural ventilation system**

Sales
Jun. – Aug.
vs. 2020 **116%**



"Swindow"

Natural ventilation windows that open and close automatically by the force of the wind

"ARM-S@NAV"

Incorporate wind into the building using wind and gravity

✓ **Terrace with enclosure**

Sales
Jun. - Aug.
vs. 2019 **115%**



"Haremoyo with"

Designing the flow of air for a more enjoyable and comfortable laundry style

✓ **Garden room**

Sales
Jun. - Aug.
vs. 2019 **128%**

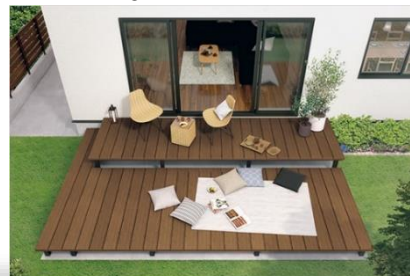


"Happina Rela"

Provides a comfortable, relaxing space during the day or night

✓ **Outdoor living**

Sales
Jun. – Aug.
vs. 2019 **106%**



**Artificial wood deck
"Hitotoki Cures"**

A genuine wood-like deck that is particular about realism

✓ **Interior products**

Sales
Jun. – Aug.
vs. 2019 **118%**

"AMiS"

Movable partitions to create a space for home office



| | Target period | 2019 | 2020 | 2021 |
|--|---------------|--|--|---|
| [Construction materials business (housing) index] The number of new housing starts | Apr.-Jun. | 234 thousand units (-4.7% yoy) | 204 thousand units (-12.6% yoy) | 221 thousand units (+8.3% yoy) |
| The number of new housing starts [Owner-occupied houses] | Apr.-Jun. | 79 thousand units (+9.6% yoy) | 64 thousand units (-18.2% yoy) | 72 thousand units (+11.7% yoy) |
| The number of new housing starts [House for rent] | Apr.-Jun. | 86 thousand units (-14.9% yoy) | 76 thousand units (-12.3% yoy) | 84 thousand units (+10.6% yoy) |
| [Construction materials business (Building) index] Floor area of non-wooden structure starts | Apr.-Jun. | 18.8 million m ² (-5.5% yoy) | 17.2 million m ² (-8.9% yoy) | 18.1 million m² (+5.7% yoy) |
| [Materials business index] Aluminum extrusion weight [Excluding sashes and doors] | Jun.-Aug. | 87.1 thousand tons (+0.1% yoy) | 71.6 thousand tons (-17.8% yoy) | 82.2 thousand tons (+14.8% yoy) |
| [Commercial facilities business index] The number of new building starts [Stores] | Apr.-Jun. | 1,843 buildings (-7.9% yoy) | 1,259 buildings (-31.7% yoy) | 1,416 buildings (+12.5% yoy) |
| [Global business index] Vehicle production Germany | Apr.-Jun. | 1225 thousand units (-13.6% yoy) | 475 thousand units (-61.2% yoy) | 797 thousand units (+67.8% yoy) |
| Vehicle production Thailand | Apr.-Jun. | 504 thousand units (-2.4% yoy) | 152 thousand units (-69.8% yoy) | 379 thousand units (+148.5% yoy) |
| [Aluminum ingot Average value (The Nikkei)] | Jun.-Aug. | 243.9 JPY/kg (-18.0% yoy) | 225.0 JPY/kg (-7.7% yoy) | 342.4 JPY/kg (+52.1% yoy) |

(): Year-on-year comparison

Business Environment and Financial Results

- Construction materials business -

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

Net sales

(Billion JPY)

| | Quarterly | | | | Total | | | |
|----|-----------|-------------|----------------|-------|-------------|--------|----------------|--|
| | FY2021 | FY2022 | Change YoY(*1) | | FY2021 | FY2022 | Change YoY(*1) | |
| 1Q | 41.0 | 42.1 | +1.1 | +2.7% | | | | |
| 2Q | 47.2 | | | | 88.2 | | | |
| 3Q | 43.5 | | | | 131.8 | | | |
| 4Q | 48.8 | | | | 180.6 | | | |
| | | | | | FY2022 Plan | 188.0 | | |

- Recovery of the number of construction starts
- Sales for the remodeling/renovation remained well contributed by promotion and national subsidy
- Increased sales products related Stay-at-home life, ventilation, non-contact, etc.

Operating income

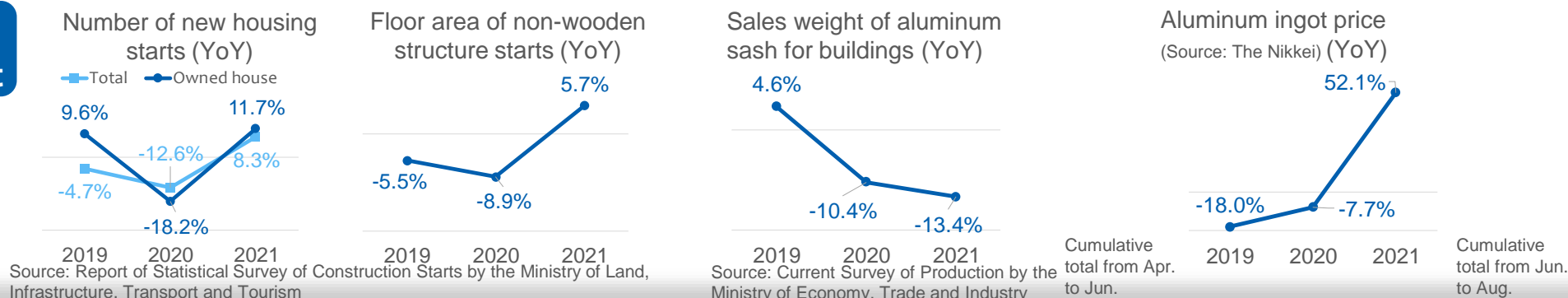
(Billion JPY)

| | Quarterly | | | | Total | | | |
|----|-----------|------------|----------------|---|-------------|--------|----------------|--|
| | FY2021 | FY2022 | Change YoY(*1) | | FY2021 | FY2022 | Change YoY(*1) | |
| 1Q | -0.0 | 0.4 | +0.4 | - | | | | |
| 2Q | 1.4 | | | | 1.4 | | | |
| 3Q | 0.4 | | | | 1.8 | | | |
| 4Q | 1.8 | | | | 3.7 | | | |
| | | | | | FY2022 Plan | 2.4 | | |

- Increase of sales and profit improve measures offset material cost hikes

(*1) "Accounting Standard for Revenue Recognition" etc. has applied since FY2022, and the year-on-year comparison is shown as a reference value.

Business environment



Net sales

| Quarterly | | | | | Total | | | |
|-----------|--------|--------|----------------|--------|-------------|--------|----------------|--|
| | FY2021 | FY2022 | Change YoY(*1) | | FY2021 | FY2022 | Change YoY(*1) | |
| 1Q | 7.8 | 11.9 | +4.1 | +52.6% | | | | |
| 2Q | 10.0 | | | | 17.9 | | | |
| 3Q | 10.2 | | | | 28.2 | | | |
| 4Q | 11.4 | | | | 39.6 | | | |
| | | | | | FY2022 Plan | 47.5 | | |

Operating income

| | Quarterly | | | | Total | | | |
|----|-----------|--------|----------------|---------|-------------|--------|----------------|--|
| | FY2021 | FY2022 | Change YoY(*1) | | FY2021 | FY2022 | Change YoY(*1) | |
| 1Q | 0.2 | 1.0 | +0.8 | +400.0% | | | | |
| 2Q | 1.0 | | | | 1.2 | | | |
| 3Q | 0.8 | | | | 2.0 | | | |
| 4Q | 0.5 | | | | 2.5 | | | |
| | | | | | FY2022 Plan | 2.2 | | |

(*1) "Accounting Standard for Revenue Recognition" etc. has applied since FY2022, and the year-on-year comparison is shown as a reference value.

Domestic aluminum
extrusion weight
(YoY)

<General machine>

| Period | Change (%) |
|----------|------------|
| '20/9-11 | -8.9% |
| 12-'21/2 | -2.5% |
| 3-5 | 7.8% |
| 6-8 | 32.1% |

| Age Group | Proactive (%) |
|-----------|---------------|
| '20/9-11 | 4.9% |
| 12-'21/2 | 6.2% |
| 3-5 | 19.4% |
| 6-8 | 31.2% |

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Business Environment and Financial Results

- Commercial facilities business -

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

Net sales

(Billion JPY)

| | Quarterly | | | | Total | | | |
|----|-----------|------------|----------------|--------|-------------|-------------|----------------|--|
| | FY2021 | FY2022 | Change YoY(*1) | | FY2021 | FY2022 | Change YoY(*1) | |
| 1Q | 8.5 | 9.5 | +1.0 | +11.8% | | | | |
| 2Q | 11.4 | | | | 19.9 | | | |
| 3Q | 8.6 | | | | 28.6 | | | |
| 4Q | 10.2 | | | | 38.8 | | | |
| | | | | | FY2022 Plan | 37.5 | | |

- Obtained demands for refurbishment of existing shops, mainly in the distribution and retail sector, which have been invested actively, etc.

Operating income

(Billion JPY)

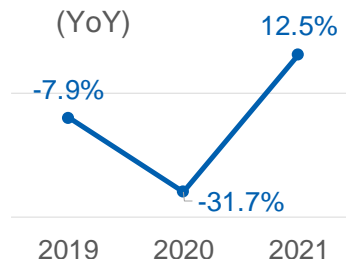
| | Quarterly | | | | Total | | | |
|----|-----------|------------|----------------|--------|-------------|------------|----------------|--|
| | FY2021 | FY2022 | Change YoY(*1) | | FY2021 | FY2022 | Change YoY(*1) | |
| 1Q | 0.2 | 0.3 | +0.1 | +50.0% | | | | |
| 2Q | 0.8 | | | | 1.0 | | | |
| 3Q | 0.3 | | | | 1.4 | | | |
| 4Q | 0.6 | | | | 2.0 | | | |
| | | | | | FY2022 Plan | 0.9 | | |

- Increase of sales and reduction of SG&A expense by improving operational efficiency offset material cost hikes due to rising steel prices

(*1) "Accounting Standard for Revenue Recognition" etc. has applied since FY2022, and the year-on-year comparison is shown as a reference value.

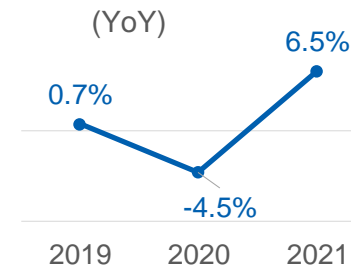
Business environment

Number of new building starts (Stores)
(YoY)



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

Retail sales amount (Whole)
(YoY)



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

Cumulative total
from Apr. to Jun.

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

Net sales

(Billion JPY)

| | Quarterly | | | | Total | | | |
|----|-----------|-------------|----------------|---------------|-------------|-------------|----------------|--|
| | FY2021 | FY2022 | Change YoY(*1) | | FY2021 | FY2022 | Change YoY(*1) | |
| 1Q | 8.9 | 14.4 | +5.5 | +61.8% | | | | |
| 2Q | 9.8 | | | | 18.7 | | | |
| 3Q | 10.2 | | | | 29.0 | | | |
| 4Q | 12.7 | | | | 41.8 | | | |
| | | | | | FY2022 Plan | 45.5 | | |

- Recovery of automotive, building and construction markets in Europe and Thailand
- Increased sales volume for EV which has been growing demands mainly in Europe,
- Increased sales linked with the aluminum ingot market

Operating income

(Billion JPY)

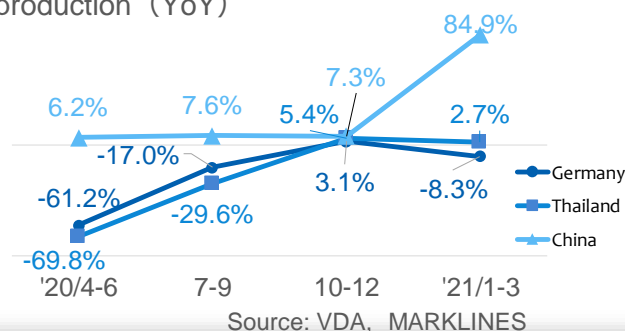
| | Quarterly | | | | Total | | | |
|----|-----------|-------------|----------------|---------------|-------------|-------------|----------------|--|
| | FY2021 | FY2022 | Change YoY(*1) | | FY2021 | FY2022 | Change YoY(*1) | |
| 1Q | -0.6 | -0.4 | +0.2 | ▲33.3% | | | | |
| 2Q | -0.9 | | | | -1.5 | | | |
| 3Q | -0.9 | | | | -2.5 | | | |
| 4Q | -1.0 | | | | -3.5 | | | |
| | | | | | FY2022 Plan | -1.7 | | |

- Increased in sales, improved sales mix, etc.

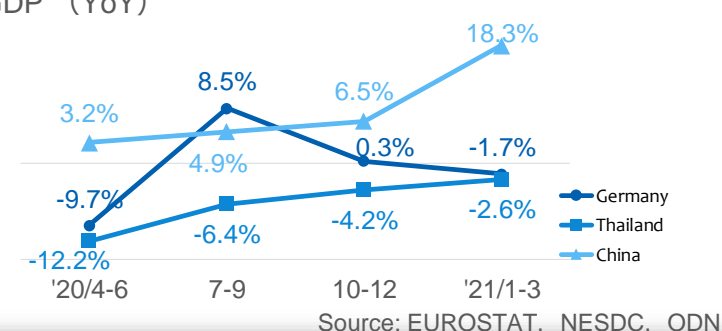
(*1) "Accounting Standard for Revenue Recognition" etc. has applied since FY2022, and the year-on-year comparison is shown as a reference value.

Business environment

Car production (YoY)



GDP (YoY)



Aluminum Ingot Price and Exchange Rates

| | | average | 1Q FY2021 Results | FY2022 Plan | 1Q FY2022 Results |
|---|-----|---------------|----------------------|----------------|----------------------|
| Aluminum ingot price (Nikkei Aluminum average) | | Jun.- Aug. | 211.3 JPY/kg | 325.0 JPY/kg | 330.2 JPY/kg |
| Exchange rates | USD | Apr.- Jun. | 107.6 JPY | 110.0 JPY | 109.5 JPY |
| | EUR | Apr.- Jun. | 118.6 JPY | 127.0 JPY | 131.9 JPY |
| | THB | Apr.- Jun. | 3.4 JPY | 3.5 JPY | 3.5 JPY |
| | CNY | Apr.- Jun. | 15.2 JPY | 16.3 JPY | 17.0 JPY |



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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