

Financial Results for 2Q FY2022

(June 1, 2021 – November 30, 2021)

January 12, 2022

 **SankyoTateyama, Inc.**

(Billion JPY)

Financial results

	2Q FY2022	2Q FY2021	Year-on-year Change		2Q FY2022	Change from Plan		FY2022 Previous forecast
	Results	Results		%	Plan *1		%	
Net sales	165.0	145.0	20.0	13.8%	161.0	4.0	2.5%	320.0
Operating income	3.0	1.9	1.0	52.4%	2.4	0.6	26.5%	3.9
Operating margin	1.8%	1.4%		0.4p	1.5%		0.3p	1.2%
Ordinary income	2.7	2.3	0.4	17.2%	2.0	0.7	39.7%	3.1
Net income attributable to owners of parent	0.9	0.7	0.1	23.3%	5.0	0.4	95.3%	4.0

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

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

✓ Sales and operating income increased YoY

✓ Sales of all businesses increased approx. 20.0 billion JPY

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

✓ Operating income increased approx. 1.0 billion JPY

Increased profits due to increased sales due to market recovery, cost reductions in the Construction materials business and the Materials business, and improved profits in the Global business.

Dividend

Interim: 10 JPY per share(paid), Year-end: 5 JPY per share(plan)

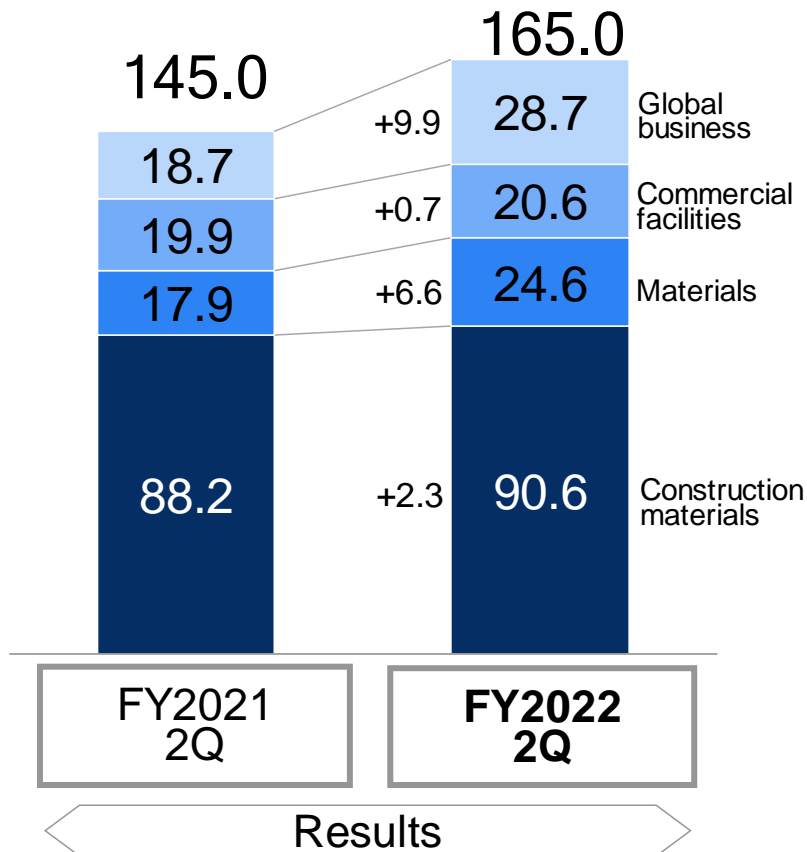
Full-year performance forecast for FY2022

There is no change from the previous forecast at this time because there are concerns about the recent rise in raw material prices and fuel prices and the re-expansion of infection due to the mutant strain of COVID-19, and uncertainties remain.

Net sales

165.0 billion JPY

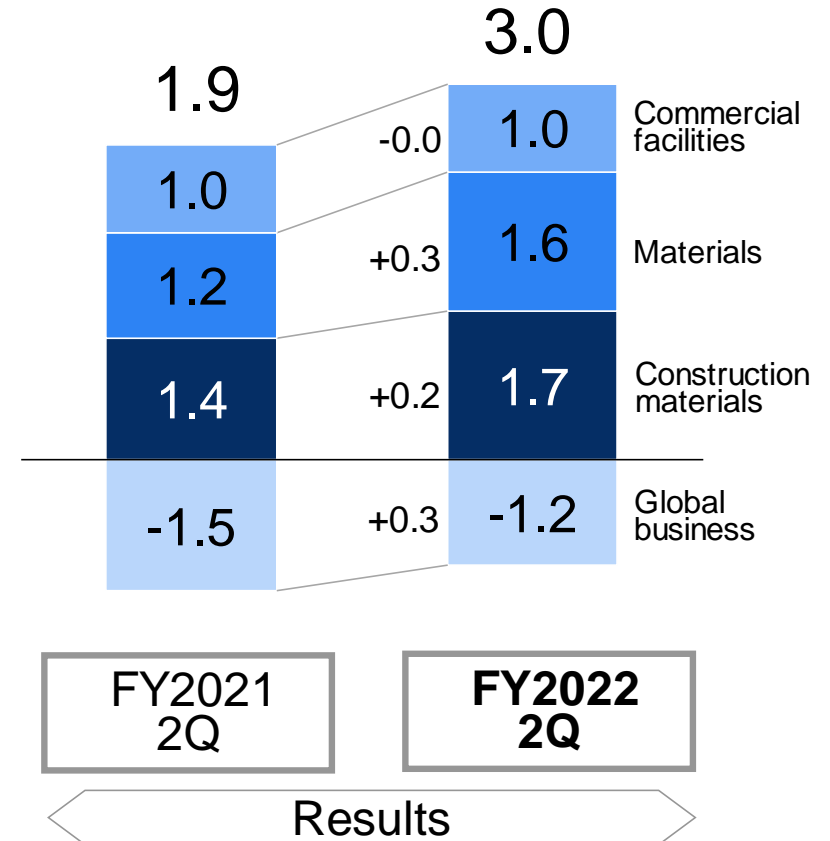
Change YoY **+20.0** billion JPY



Operating income

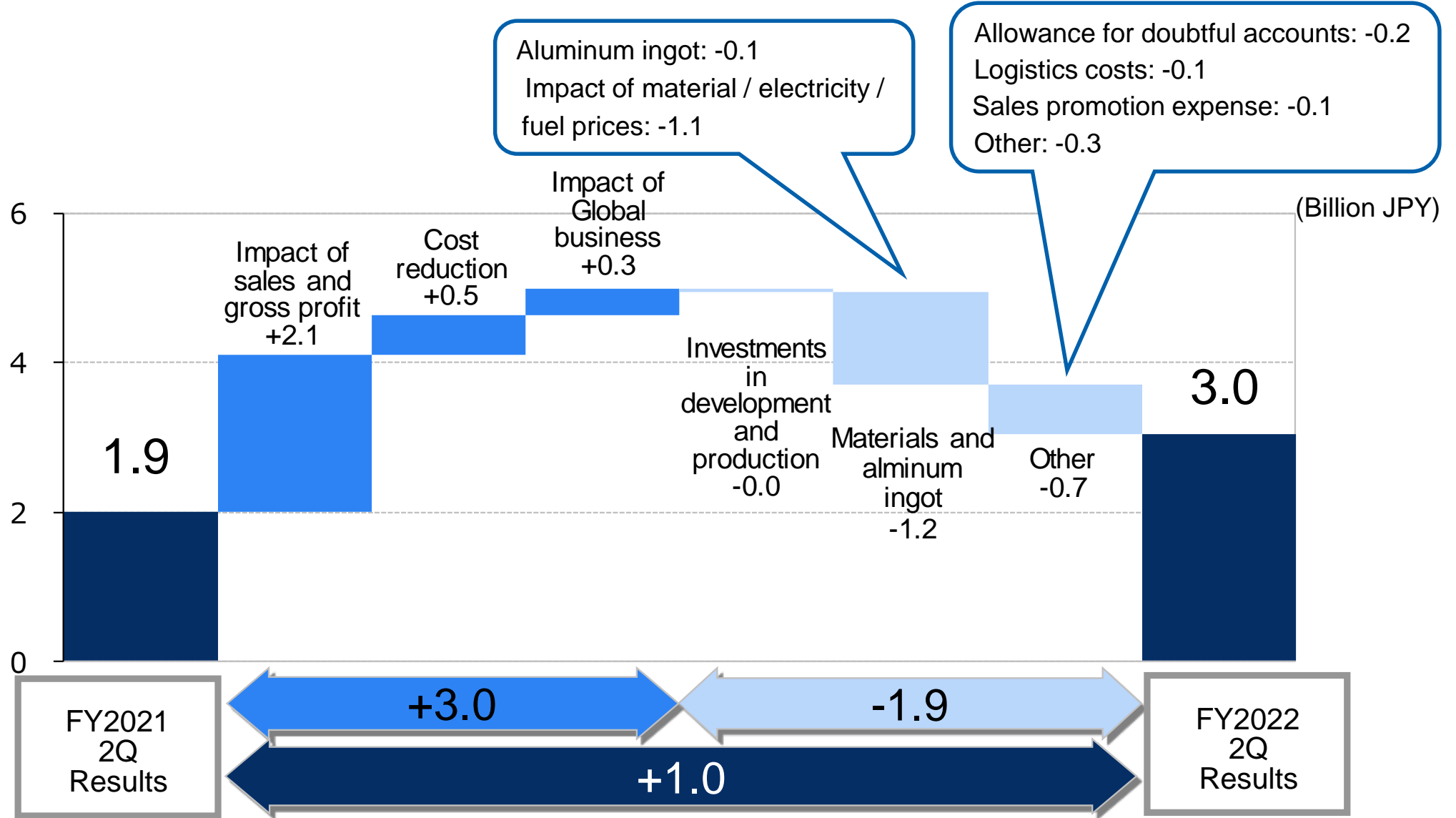
3.0 billion JPY

Change YoY **+1.0** billion JPY



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

Factors for Change in Operating Income for 2Q FY2022: Year-on-Year Comparison



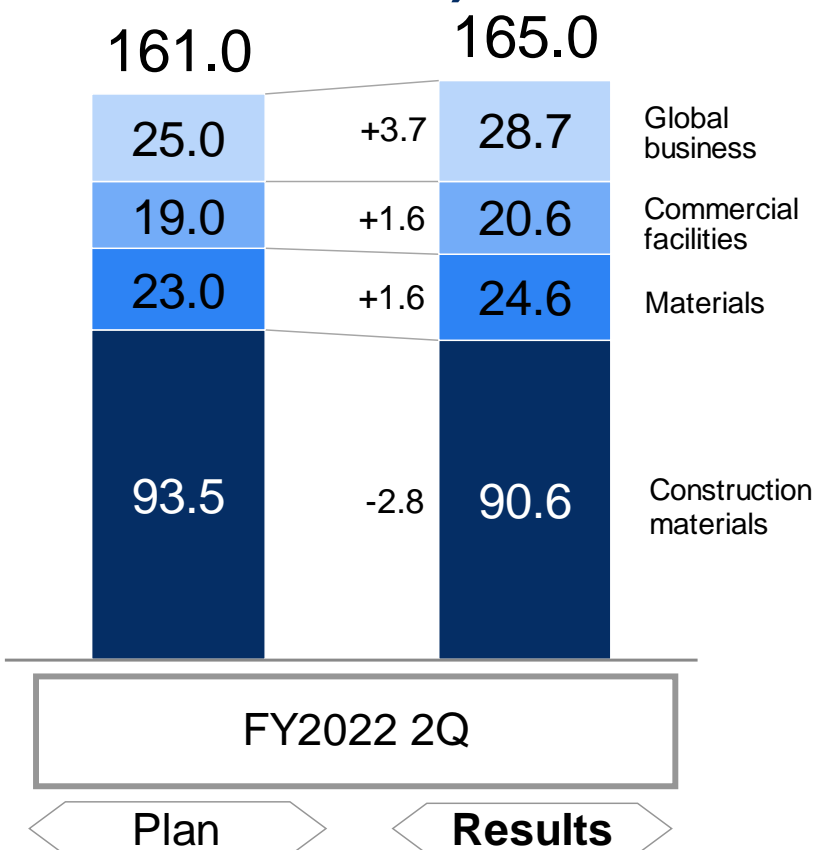
Change in profits from Global business is consolidated into "Impact of Global business."

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

Net sales

165.0 billion JPY

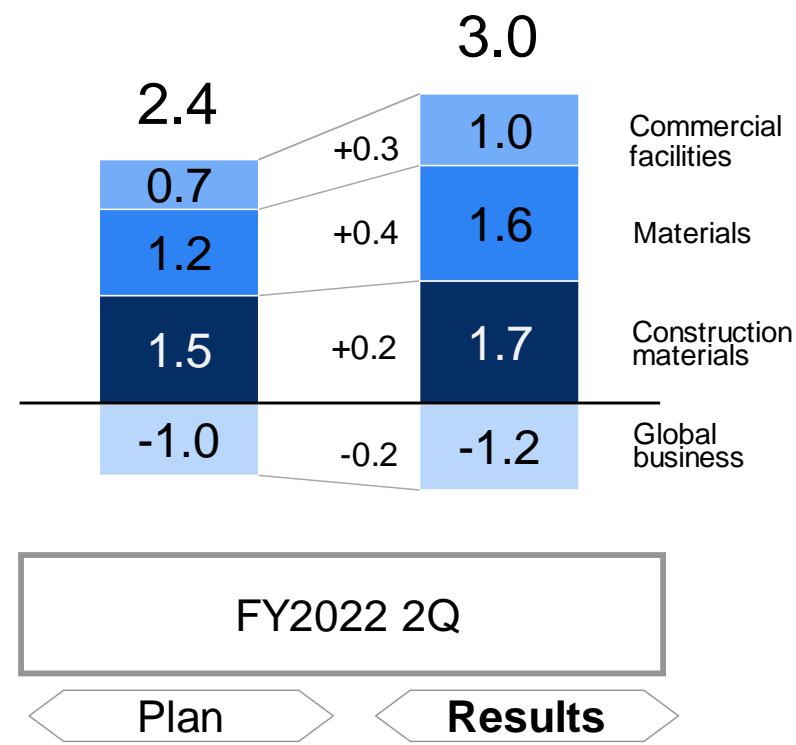
Change from Plan **+4.0** billion JPY
(+2.5%)



Operating income

3.0 billion JPY

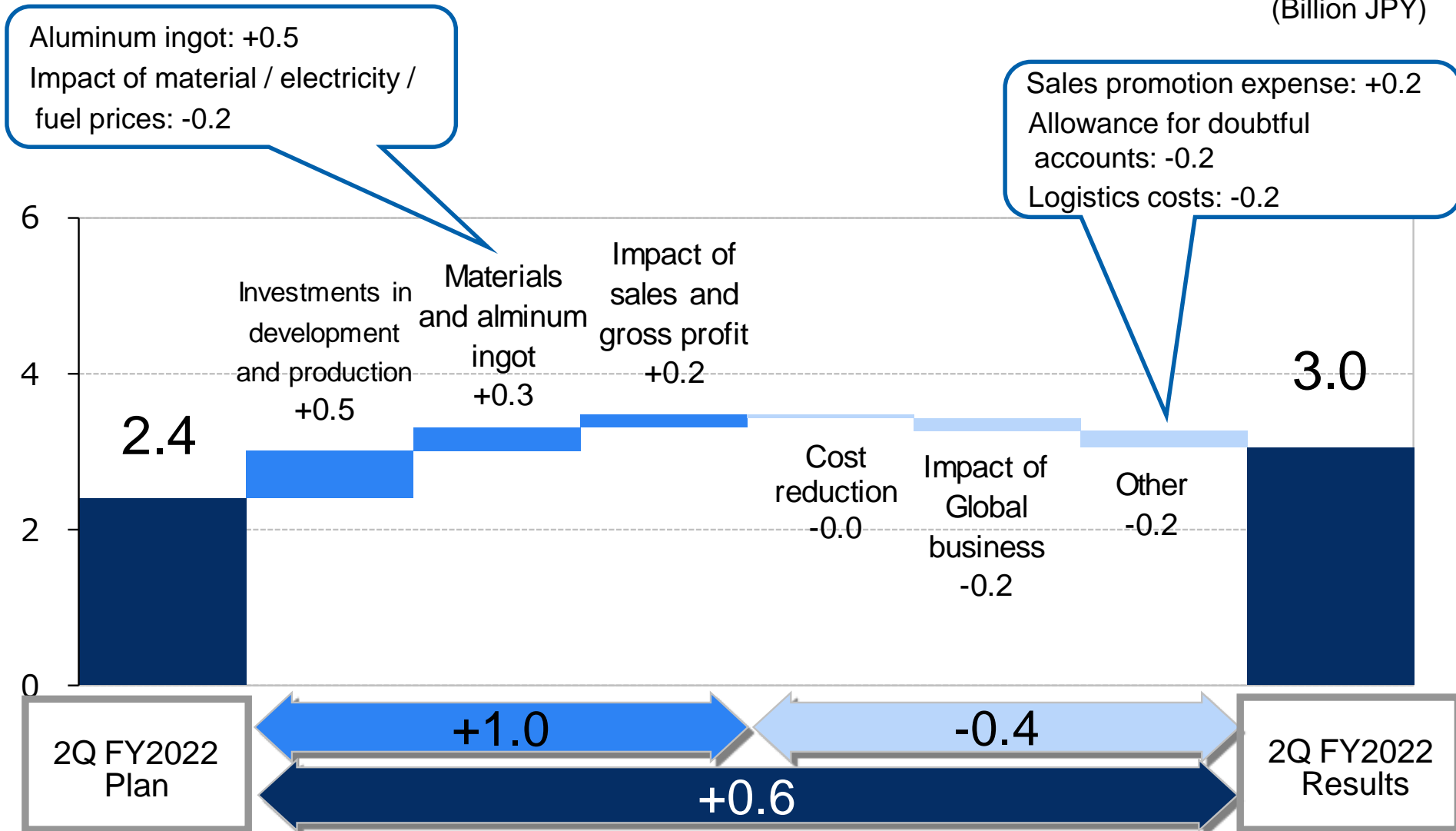
Change from Plan **+0.6** billion JPY
(+26.5%)



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

Factors for Change in Operating Income for 2Q FY2022: Comparison with Plan

(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.

Reform of Global Business

■ Outlook for Reform in Global Business

FY2023 Make the European subsidiary STEP-G profitable by Move by structural reform

FY2026 Make the Global business segment profitable by combination of profitable STEP-G and completion of goodwill amortization

■ Operating profit transition

(billion JPY)

	FY2021 Results	FY2022 Plan	FY2023 Mid-term Plan
STEP-G	▲ 2.7	▲ 1.2	0.1

■ Additional measures to make STEP-G profitable

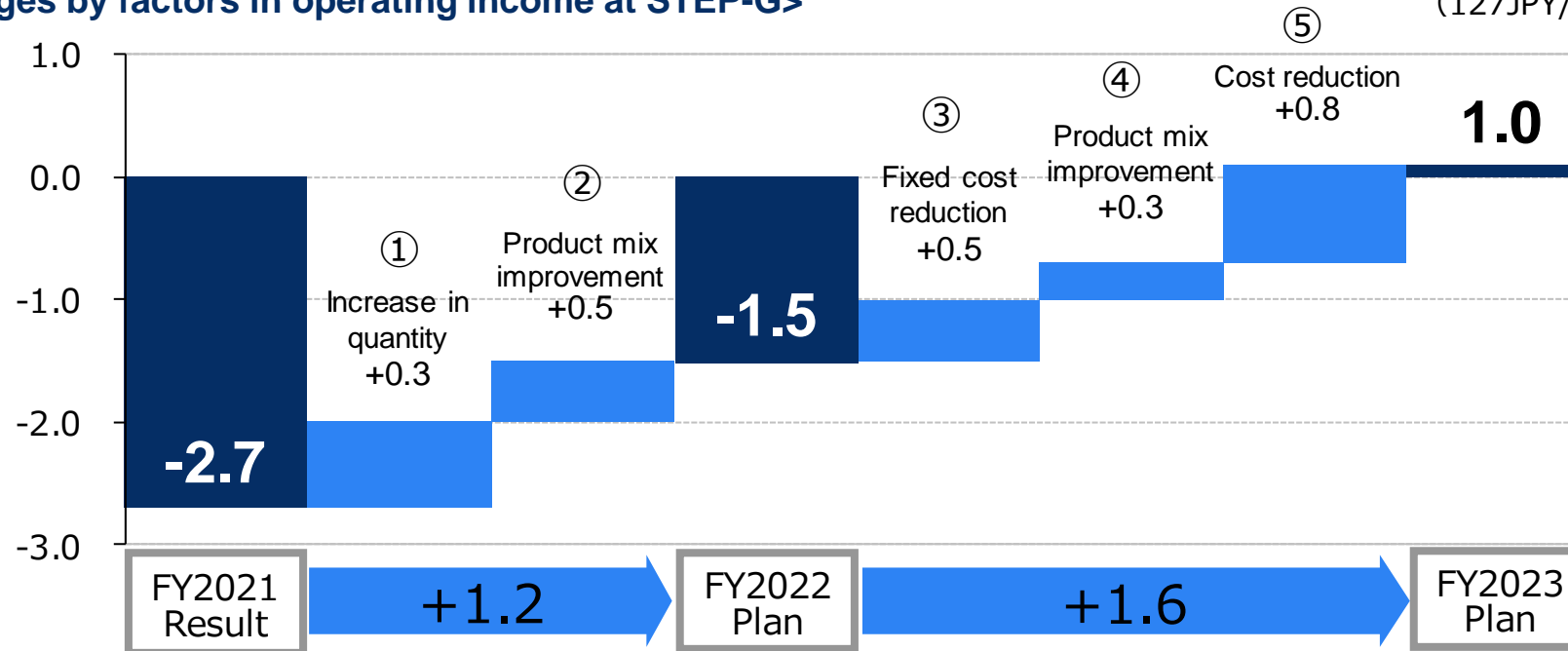
Reduction of fixed costs: Closure of Ladenburg (*1)
→ Improvement effect approx. 0.1 billion JPY (FY2023)

(*1) Ladenburg, Germany
Business activities: Primarily the processing and sale of aluminum products



■ Measures and effects to make STEP-G profitable

<Changes by factors in operating income at STEP-G> (billion JPY) (127JPY/1EURO)



■ Improvement effect on operating income for FY2022: approx. 1.2 billion JPY

- (1) Increased volume in the automotive field → Improvement effect of approx. 0.7 billion JPY
- (2) Improved product mix → Improvement effect of approx. 0.5 billion JPY
(50% high value-added products of total sales)

■ Improvement effect on operating income for FY2023: approx. 1.6 billion JPY

- (3) Reduction in fixed costs (closure of Bonn casting line and Ladenburg, etc.) → Improvement effect of approx. 0.5 billion JPY
- (4) Improved product mix → Improvement effect of approx. 0.3 billion JPY
(60% high value-added products of total sales)
- (5) Other revenue improvements → Improvement effect of approx. 0.8 billion JPY

ST Extruded Products Group (STEP-G)

Acquired from Aleris(US) in March 2015, becoming a member of the Sankyo Tateyama Group

Operates a total of 7 plants, with 5 plants in Germany, 1 plant in Belgium, and 1 plant in China

Aluminum billet casting, extrusion and processing

Employees: approx. 1,100

Net sales: approx. 30 billion yen (FY2021)

Duffel: Extrusion



Bonn: Casting, and extrusion
(Casting line scheduled to close in FY2022)

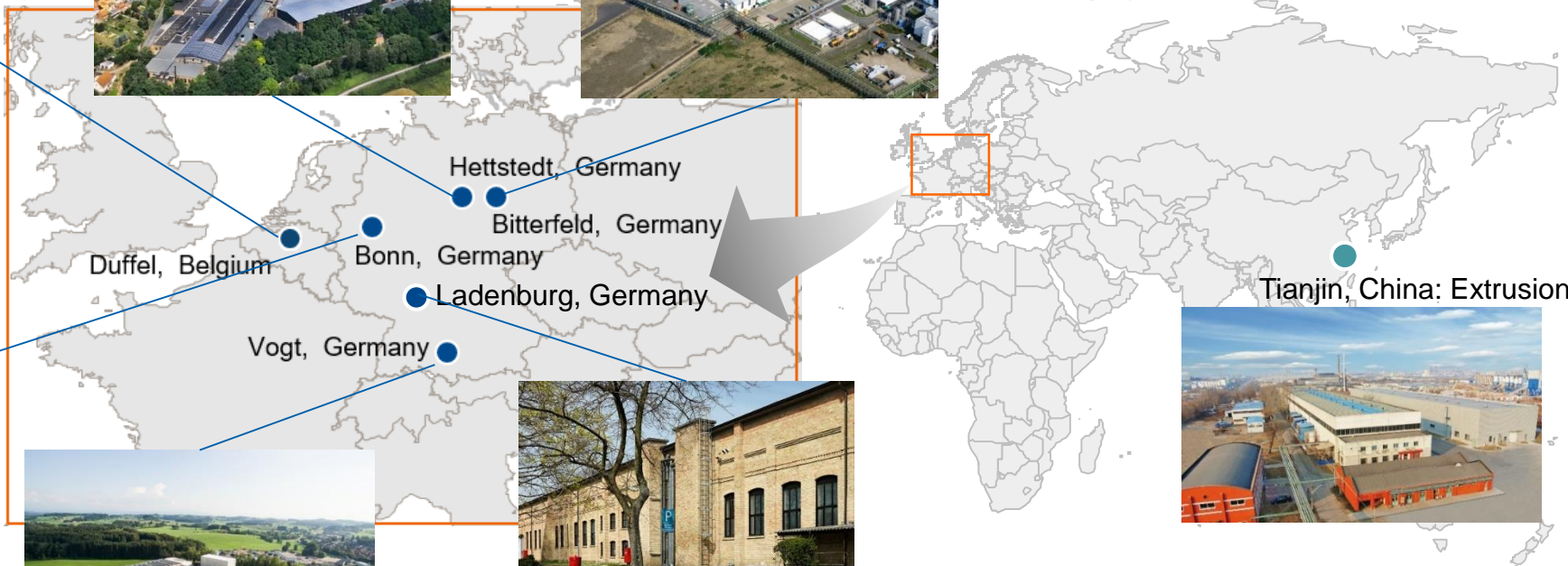
Vogt: Extrusion



Hettstedt: Casting



Bitterfeld: Extrusion



Tianjin, China: Extrusion



Ladenburg: Product processing and sales
(Scheduled to close in FY2022)

STEP-G Sales Volume by End Use



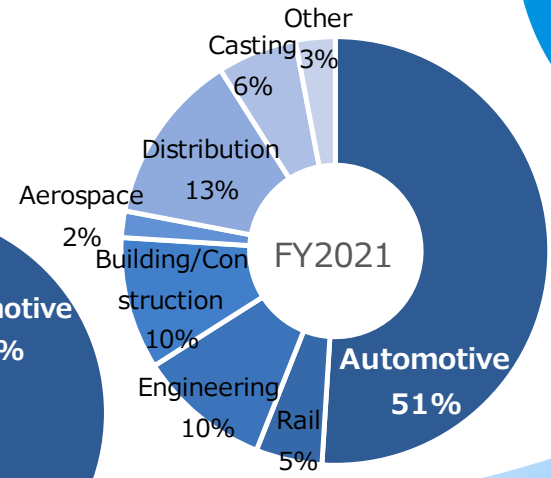
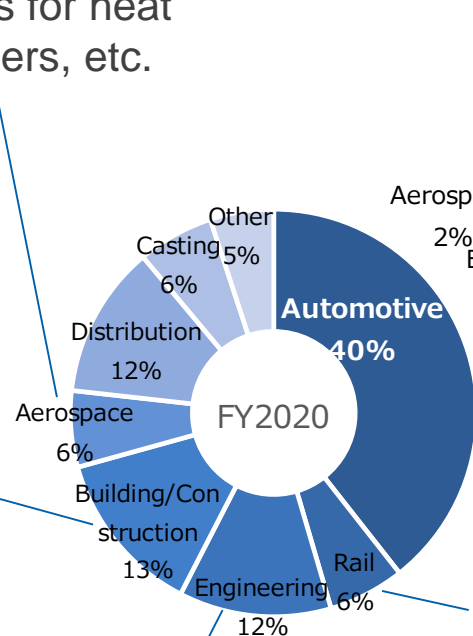
- Materials for heat exchangers, etc.



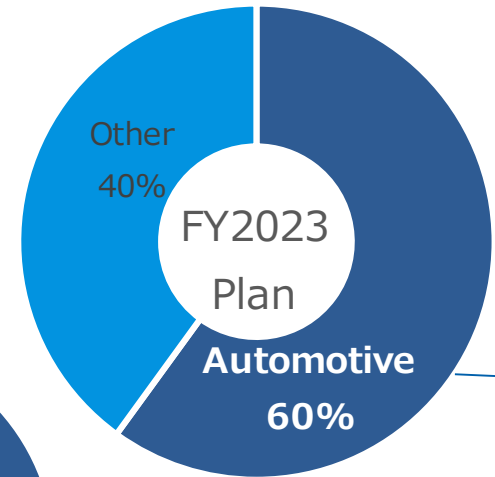
- BUG system
- Window sill, etc.



- Parts for machine equipment

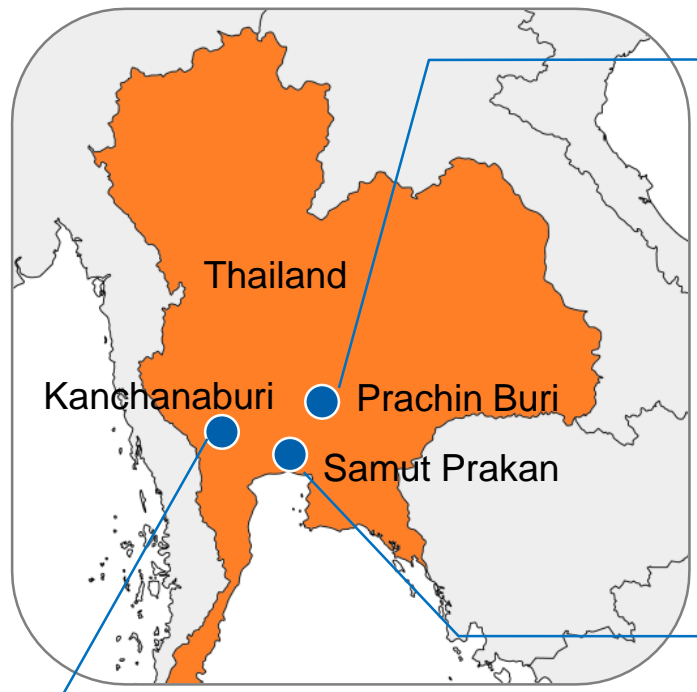


- Floor, walls and roof



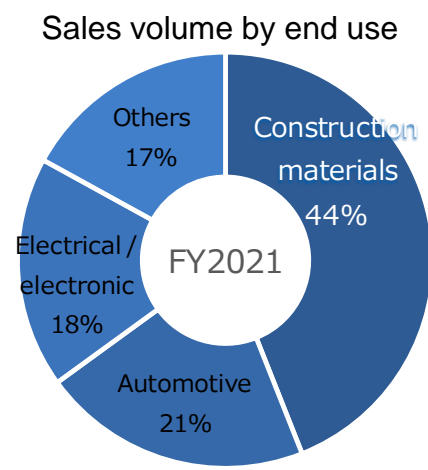
- ABS block
- Crash box
- Bumper reinforcement
- EV battery frame parts





Sankyo Tateyama Alloy (Thailand)

Established: 2014
Aluminum billet casting
Employees: approx. 50
Net sales:
approx. 1 billion JPY
(FY2021)



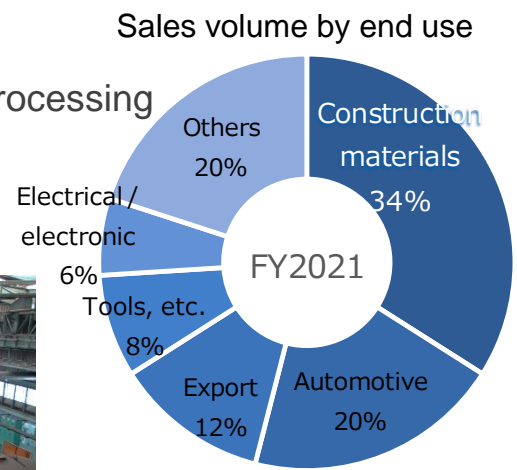
Thai-Aust Aluminium

2015: became a subsidiary
Aluminum construction materials assembly and processing
Employees: approx. 250
Net sales: approx. 1 billion JPY (FY2021)



Thai Metal Aluminium

2015: became a subsidiary
Aluminum shape extrusion and processing
Employees: approx. 1,000
Net sales: approx. 10 billion JPY
(FY2021)



Topics



“Agri-Cube ID” Plant Factory System

First company to adopt the system has been determined: Misumi Co., Ltd.

Agri-Cube ID: A plant factory system that provides comprehensive service from construction through to cultivation and operational support.

Overview of the Plant Factory



The plant factory was developed by having Daiwa House Industry Co., Ltd. (Daiwa House) renovate a facility that Misumi Co., Ltd. (Misumi) had been using as a mineral water plant. By utilizing an existing facility and undertaking the work by removing the interior, installing insulation panels and setting up cultivation equipment, the initial costs were reduced.

Misumi operates the plant factory business (production and sale of vegetables), while Daiwa House provides sales routes for the vegetable produce and SankyoTateyama offers cultivation support for the plant factory.

Construction location	1406, Kamo-cho Shirao, Aira-shi, Kagoshima Prefecture
Total floor area	1,282m ²
Start of operation	November 10, 2021
Investment amount	510 million yen
Number of employees	15 (plan)
Products cultivated	Vegetables (green leaf, frilly lettuce, etc.)
Scale of cultivation	3,200 plants/day (640 kg/day based on conversion of 200g /frilly lettuce plant)
Annual sales target	180 million JPY

In the future, Sankyo Tateyama will operate in a joint venture with Daiwa House to develop a range of proposals, including the creation of new businesses for corporate clients, the utilization of idle real estate, and the creation of new agricultural businesses for local government and agricultural corporations, with the aim of installing “Agri-Cube ID” plant factory systems in five projects a year by FY2026.



Sustainability Vision 2050 2030 Targets Material Issues

&

Declaration of Support for the TCFD Recommendations

Sustainability Vision 2050

Life with Green Technology

Achieving carbon neutrality

We aim to become carbon neutral by striking a balance between reducing greenhouse gas emissions resulting from our business activities and reducing the greenhouse gas emissions of the products and services that we create with environmental technologies.

Reusing resources

To help bring about a recycling-oriented society, we will encourage recycling of major materials and promote the reuse of waste.

Connecting personnel and the future

By promoting personnel training that values diversity and human rights, we will foster a dynamic corporate culture,

which is how we connect the personnel—who are the driving force behind our efforts to make lives richer—with the future.

2030 Targets

Greenhouse gas emissions

50% cut

(compared to FY2013)

For the group's emissions in Japan in Scope 1 + 2

Encouraging use of recycled aluminum

Percentage of women in management positions: 10%



Sankyo Tateyama's Sustainability Vision 2050, 2030 targets and the group's material issues were disclosed in Sankyo Tateyama Integrated Report 2021 (issued October 2021)



In December 2021, Sankyo Tateyama declared its support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)*1

Going forward, Sankyo Tateyama will collect the necessary data and conduct analyses on the impact that climate change-related risks and opportunities will have on the company's business activities, management strategies and financial plans, and enhance its disclosures.

We will continue to contribute to the development of a society with a sustainable and good life through various corporate activities.

*1 The TCFD is a body established by the Financial Stability Board in 2015 in response to a request from the G20. The TCFD recommends businesses to evaluate the financial impact that climate-related risks and opportunities have on their management and disclose matters on governance, strategy, risk management, indicators and targets.



- Reducing annual CO₂ emissions by approx. 4,300 tons -

In response to the Japanese government's policy of reaching net zero greenhouse gas emissions by 2050, we are implementing two initiatives to reduce our CO₂ emissions.

In the VISION 2030 and Medium-term Management Plan announced in July 2021, we established one of our key strategies as "Contribute to sustainable and good life - building an environmentally friendly, secure and comfortable society." Through environmental conservation initiatives such as sustainable materials procurement, the development of eco-friendly products and greenhouse gas emission reductions, we aim to contribute to the achievement of the United Nations' Sustainable Development Goals (SDGs).

(1) Zero CO₂ Emissions from electricity usage, shifting to 100% renewable energy

- ◆ Applies to: Sankyo Tateyama head office, nationwide branches, offices and sales offices of each company (Sankyo Alumi Company, Sankyo Material Company, Tateyama Advance Company), employee dormitories
*Excludes plants and consolidated subsidiaries.
- ◆ Timing of implementation: Wednesday, December 1, 2021
- ◆ CO₂ emission reduction: Approx. 3,660 tons per year (a reduction of approx. 1.5% from emissions of approx. 247,000 tons in FY2013)

(2) Transition to Battery-Operated forklifts

- ◆ Applies to: 6 plants of Sankyo Alumi Company and 5 plants of Sankyo Material Company
*Forklifts (3 tons and lower): 107
- ◆ Transition period: October 2021 to October 2025
- ◆ CO₂ emission reduction: Approx. 640 tons per year (a reduction of approx. 0.3% from emissions of approx. 247,000 tons in FY2013)
*CO₂ reduction after subtracting the CO₂ emissions produced when charging the battery-powered forklifts from the CO₂ reduction due to the transition



Sankyo Tateyama won 2021 Good Design Award

Door handle [Long Bar Handle Square Type] / Areaway Shelter [FIVEFORT]



GOOD DESIGN AWARD
2021年度受賞

(Organizer: Japan Institute of Design Promotion)

✓ Door Handle [Long bar handle square type]



A highly universal long bar handle that can be operated anywhere from children to adults, that also considers reducing the opening force. It has a square design that matches the trend, but the operation part has a round and gentle feel that does not hurt even if you put your finger on it.

Key Points of the Recognition

The operation of standard push handles was reevaluated. In addition to making the shape of the handle itself noiseless, noiselessness was achieved in the layout by moving the outer handle to the edge of the door. The handle was recognized for considering the entire entrance as a part of the elements when the front door is installed.

✓ Areaway Shelter [FIVEFORT]



An areaway shelter with a highly recyclable aluminum structure that enables the industry's largest pillar span of 5 meters and a roof overhang of 1.8 meters, which is comparable to a steel structure. With a simple flat roof design and a wide variety of installations, this product can be used anywhere.

Key Points of the Recognition

Through technological accumulation and design considerations, the achievement of an unprecedentedly simple exterior that still satisfies strength and other requirements is commendable. This represents the thorough pursuit of a simple exterior by increasing the pillar span, reducing the number of pillars, eliminating crosspieces, avoiding the exposure of components and screws, and developing built-in downpipes. The design more readily harmonizes with the environment than conventional steel products, and also boasts desirable features including recyclability and superior corrosion resistance.

Reference



✓ Screen door for entrance

Sales
Jun. – Nov.
vs. 2019 **128%**



"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.

✓ Delivery box

Sales
Jun. – Nov.
vs. 2019 **172%**



"Fulemus / Fulemus Light"

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

✓ Terrace with enclosure

Sales
Jun. – Nov.
vs. 2019 **111%**



"Haremoyo With"

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

✓ Garden room

Sales
Jun. – Nov.
vs. 2019 **124%**

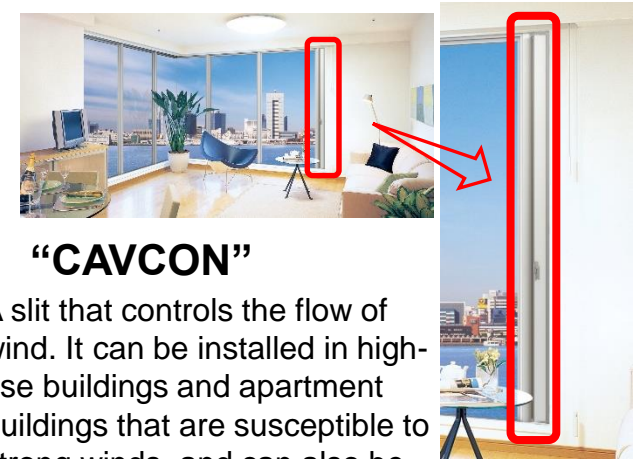


"Happina Rela"

Provides a comfortable, relaxing space during the day or night

✓ Natural ventilation system

2021/10
Strengthening / refining



"CAVCON"

A slit that controls the flow of wind. It can be installed in high-rise buildings and apartment buildings that are susceptible to strong winds, and can also be used in fire-prevention areas and semi-fire-prevention areas.

✓ Interior products

Sales
Jun. – Nov.
vs. 2019 **116%**

"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.-Sep.	467 thousand units (-5.0% yoy)	414 thousand units (-11.4% yoy)	446 thousand units (+7.7% yoy)
The number of new housing starts [Owner-occupied houses]	Apr.-Sep.	153 thousand units (+4.4% yoy)	131 thousand units (-14.2% yoy)	149 thousand units (+13.3% yoy)
The number of new housing starts [House for rent]	Apr.-Sep.	175 thousand units (-15.7% yoy)	156 thousand units (-11.0% yoy)	170 thousand units (+8.9% yoy)
[Construction materials business (Building) index] Floor area of non-wooden structure starts	Apr.-Sep.	37.8 million m ² (-3.9% yoy)	33.7 million m ² (-10.7% yoy)	34.2 million m² (+1.6% yoy)
[Materials business index] Aluminum extrusion weight [Excluding sashes and doors]	Jun.-Nov.	17.9 thousand tons (-0.3% yoy)	15.8 thousand tons (-12.0% yoy)	16.6 thousand tons (+5.5% yoy)
[Commercial facilities business index] The number of new building starts [Stores]	Apr.-Sep.	3,573 buildings (-10.1% yoy)	2,523 buildings (-29.4% yoy)	2,791 buildings (+10.6% yoy)
[Global business index] Vehicle production Germany	Apr.-Sep.	2309 thousand units (-8.0% yoy)	1374 thousand units (-40.5% yoy)	1375 thousand units (+0.0% yoy)
Vehicle production Thailand	Apr.-Sep.	1011 thousand units (-5.0% yoy)	509 thousand units (-49.6% yoy)	746 thousand units (+46.4% yoy)
[Aluminum ingot Average value (The Nikkei)]	Jun.-Nov.	244.0 JPY/kg (-16.0% yoy)	233.6 JPY/kg (-4.2% yoy)	363.6 JPY/kg (+55.7% yoy)

(): Year-on-year comparison

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	48.4	+1.2	+2.5%	88.2	90.6	+2.4	+2.7%
3Q	43.5				131.8			
4Q	48.8				180.6			
					FY2022 Plan	188.0		

- Continued recovery of new construction starts due to the contribution of rush demand for reduced taxes on housing loans
- Strong demand for renovations
- Increased sales of products related to stay-at-home practices, ventilation and non-contact

Operating income

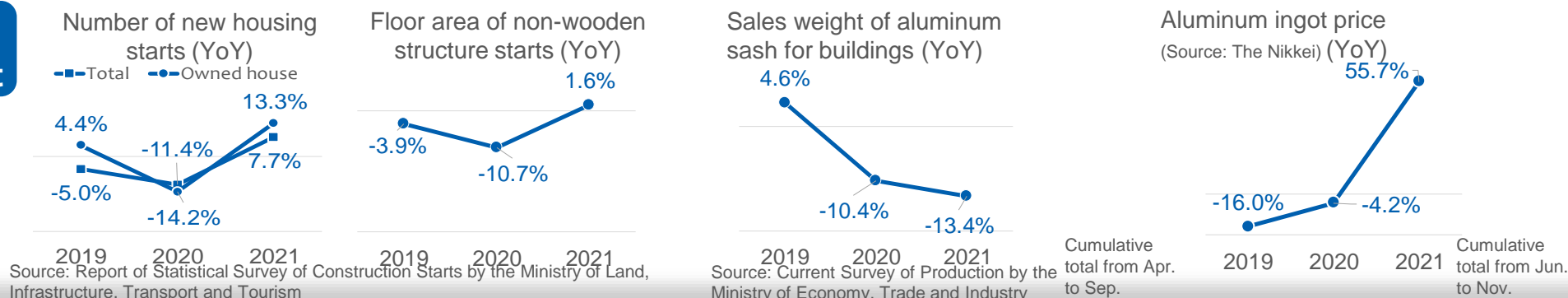
(Billion JPY)

	Quarterly				Total			
	FY2021	FY2022	Change YoY(*1)		FY2021	FY2022	Change YoY(*1)	
1Q	-0.0	0.4	+0.4	-				
2Q	1.4	1.2	-0.2	▲14.3%	1.4	1.7	+0.3	+21.4%
3Q	0.4				1.8			
4Q	1.8				3.7			
					FY2022 Plan	2.4		

- Implementation of profit improvement measures, increased sales and improved operation rate despite upward effect on material costs due to rising material 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



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	7.8	11.9	+4.1	+52.6%				
2Q	10.0	12.6	+2.6	+26.0%	17.9	24.6	+6.7	+37.4%
3Q	10.2				28.2			
4Q	11.4				39.6			
					FY2022 Plan	47.5		

- Strong orders associated with favorable market for capital investment in semiconductor manufacturing equipment
- Increase in sales linked to the aluminum ingot market, etc.

Operating income

(Billion JPY)

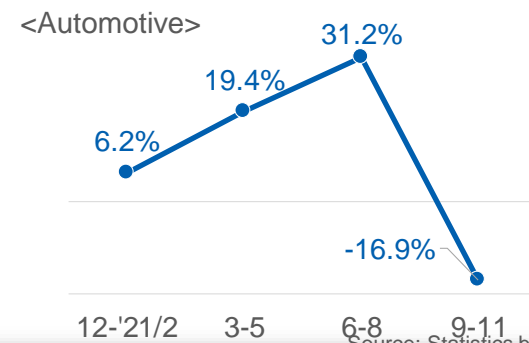
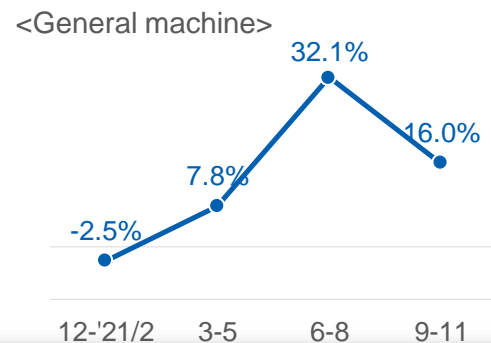
	Quarterly				Total			
	FY2021	FY2022	Change YoY(*1)		FY2021	FY2022	Change YoY(*1)	
1Q	0.2	1.0	+0.8	+400.0%				
2Q	1.0	0.5	-0.5	▲50.0%	1.2	1.6	+0.4	+33.3%
3Q	0.8				2.0			
4Q	0.5				2.5			
					FY2022 Plan	2.2		

- Increase in sales, improved operation rate, 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

Domestic aluminum extrusion weight (YoY)



Source: Statistics by Japan Aluminum Association

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	11.1	-0.3	-2.6%	19.9	20.6	+0.7	+3.5%
3Q	8.6				28.6			
4Q	10.2				38.8			
					FY2022 Plan	37.5		

- Recovery trend in new store construction starts
- Capturing demand for renovations of existing stores, with a focus on distribution and retail where active investments are being made

Operating income

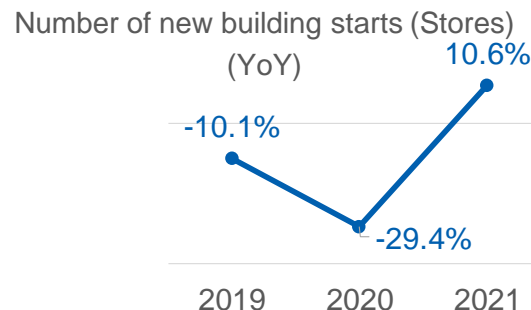
(Billion JPY)

	Quarterly				Total			
	FY2021	FY2022	Change YoY(*1)		FY2021	FY2022	Change YoY(*1)	
1Q	0.2	0.3	+0.1	+50.0%				
2Q	0.8	0.6	-0.2	▲25.0%	1.0	1.0	+0.0	+0.0%
3Q	0.3				1.4			
4Q	0.6				2.0			
					FY2022 Plan	0.9		

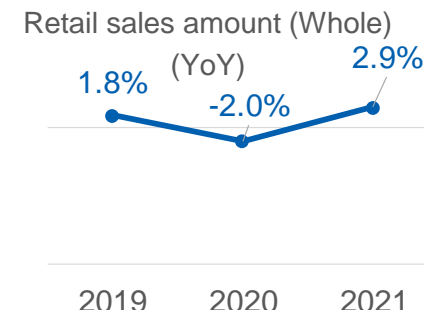
- Upward effect on material costs due to rising steel prices despite progress in controlling SG&A expenses due to business streamlining

(*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



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



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

Cumulative total from Apr. to Sep.

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	14.3	+4.5	+45.9%	18.7	28.7	+10.0	+53.5%
3Q	10.2				29.0			
4Q	12.7				41.8			
					FY2022 Plan	45.5		

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

- Rising demand for EV sluggish automotive market against the backdrop of semiconductor shortages in Europe
- Increased volume thanks to recovering automotive market in Thailand
- Increase in sales linked to the aluminum ingot market

Operating income

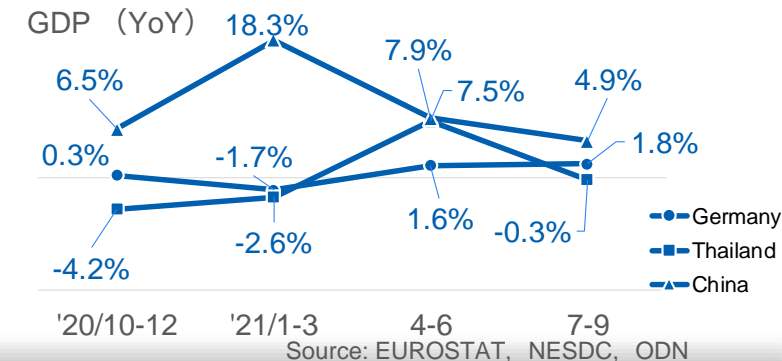
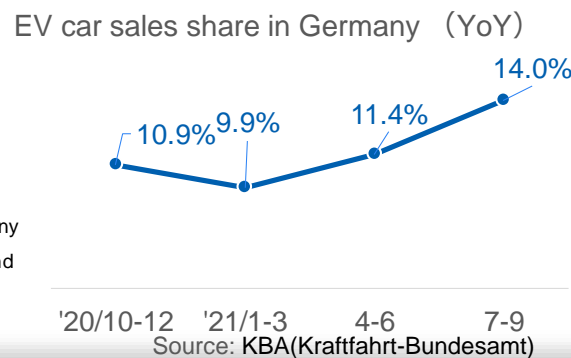
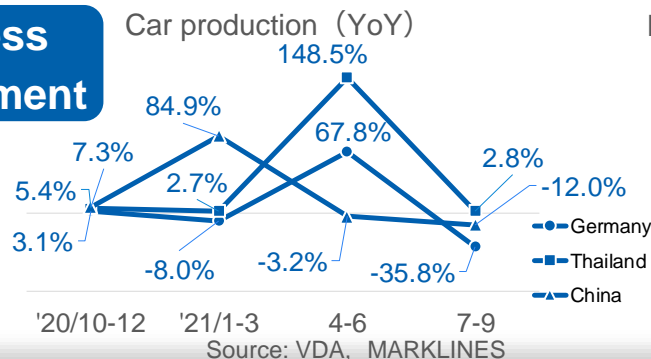
(Billion JPY)

	Quarterly				Total			
	FY2021	FY2022	Change YoY(*1)		FY2021	FY2022	Change YoY(*1)	
1Q	-0.6	-0.4	+0.2	▲33.3%				
2Q	-0.9	-0.8	+0.1	-	-1.5	-1.2	+0.3	-
3Q	-0.9				-2.5			
4Q	-1.0				-3.5			
					FY2022 Plan	-1.7		

- Increase 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



Balance Sheet

FY2021

2Q FY2022

(Billion JPY)

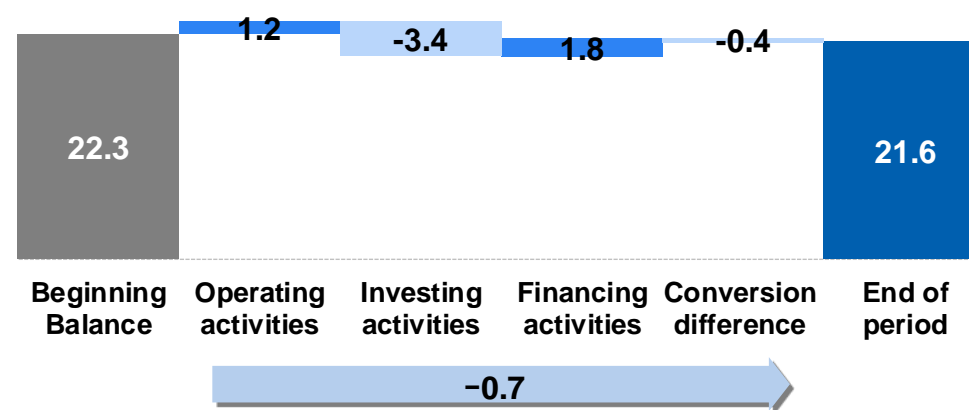
Current assets 126.8	Current liabilities 107.2	Current assets 140.0	Current liabilities 117.7
	Fixed liabilities 61.5		Fixed liabilities 65.1
Fixed asset 126.0	Net assets 84.0	Fixed asset 126.3	Net assets 83.4

	End of FY2021	End of 2Q FY2022	YoY
Total assets	252.9	266.3	13.4
Equity	81.3	80.5	-0.7
Capital adequacy ratio	32.1%	30.2%	-1.9pt
Interest-bearing dept	69.0	71.6	2.5
Interest-bearing dept ratio	84.9%	88.9%	4pt

* Equity: net assets – non-controlling interests
 Capital adequacy ratio: equity / total assets
 Interest-bearing: short-term loans + long-term loans + corporate bonds
 Interest-bearing ratio: total amount of interest-bearing debt / equity

Statement of Cash Flows

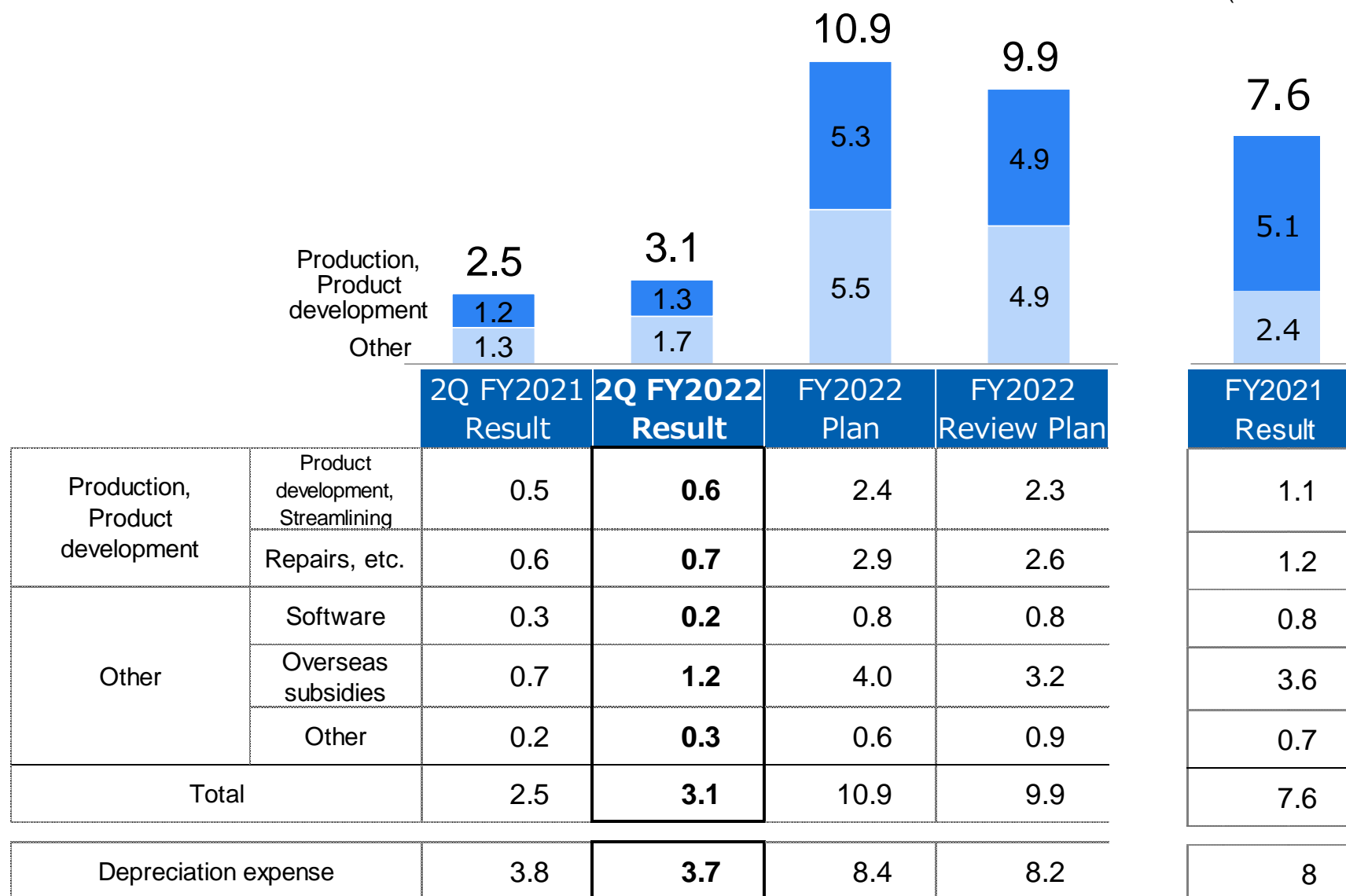
(Billion JPY)



Cash flows from operating activities	1.2	Cash flows from investing activities	-3.4	Cash flows from financing activities	1.8
Profit (loss) before income taxes	2.6	Purchase of tangible fixed assets	-3.3	Net increase (decrease) in short-term loans	-2.6
Depreciation	3.7	Other, net	-0.1	Proceeds from long-term borrowings	13.2
Decrease (increase) in trade receivables	-7.5			Repayments of long-term borrowings	-7.9
Decrease (increase) in inventories	-6.4			Dividends paid	-0.4
Increase (Decrease) in trade payables	9.6			Other, net	-0.3
Income taxes paid	-1.2				
Other, net	2.4				

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

(Billion JPY)



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

Scope of consolidation and equity method

	End of FY2021	End of 2Q FY2022	YoY
Consolidated subsidiaries	47	47	-
Equity method-applied companies	7	7	-
Total	54	54	-

Status of personnel (Regular employees)

	End of FY2021	End of 2Q FY2022	YoY
Sankyo Tateyama, Inc.	5,138	5,037	-101
Consolidated subsidiaries	5,439	5,321	-118
Total	10,577	10,358	-219

Aluminum Ingot Price and Exchange Rates

		average	2Q FY2021 Results	FY2022 Plan	2Q FY2022 Results
Aluminum ingot price (Nikkei Aluminum average)		Jun.-Nov.	233.6 JPY/kg	325.0 JPY/kg	363.6 JPY/kg
Exchange rates	USD	Apr.-Sep.	106.9 JPY	110.0 JPY	109.8 JPY
	EUR	Apr.-Sep.	121.3 JPY	127.0 JPY	130.9 JPY
	THB	Apr.-Sep.	3.4 JPY	3.5 JPY	3.4 JPY
	CNY	Apr.-Sep.	15.3 JPY	16.3 JPY	17.0 JPY

Sustainability Vision 2050 Life with Green Technology

Achieving carbon neutrality

We aim to become carbon neutral by striking a balance between reducing greenhouse gas emissions resulting from our business activities and reducing the greenhouse gas emissions of the products and services that we create with environmental technologies.

Reusing resources

To help bring about a recycling-oriented society, we will encourage recycling of major materials and promote the reuse of waste.

Connecting personnel and the future

By promoting personnel training that values diversity and human rights, we will foster a dynamic corporate culture, which is how we connect the personnel—who are the driving force behind our efforts to make lives richer—with the future.

Material Issues

The following table shows the ten material issues selected as with a target year of 2030.

ESG	Material Issues	Improvement Measures
G	1. Corporate governance	- Internal control - Internal auditing - Quality control - PL - Sustainability promotion - Stakeholder engagement
S	2. Positive working environment	- Developing a system that takes on board employee feedback
S	3. Health and safety	- Establishing a working environment that promotes health and safety
S	4. Diversity and personnel development	- Securing and training highly creative personnel - Promote greater participation by older employees and rehiring of retired workers - Promoting greater participation by female employees
E	5. Response to climate change	- Reducing greenhouse gas emissions - Contributing to reduced CO2 emissions
E	6. Effective use of resources	- Recycling of aluminum resources - Recycling of resin resources - Waste reduction
S	7. Fair dealings anti-corruption	- Complying with laws and regulations - Formulating and forecasting procurement policy
S	8. Supply chain management	- Encouraging anti-corruption practices in the supply chain - Promotion of green procurement and CSR procurement in the supply chain - Customer CSR policy
S	9. Pursuit of customer satisfaction	- Offering products and services that meet customer wishes
S	10. Product safety	- Enhancing quality through cooperation with business partners - Managing and reducing use of hazardous chemicals

2030 Targets

Percentage of women in management positions: 10%

Greenhouse gas emissions 50% cut (compared to FY2013)
For the group's emissions in Japan in Scope 1 + 2

Encouraging use of recycled aluminum

Environment



Social



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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