

Financial Results for 3Q FY2022

(June 1, 2021 – February 28, 2022)

April 5, 2022

 **SankyoTateyama, Inc.**

Financial results

(Billion JPY)

	3Q FY2022 9 months Results	3Q FY2021 Results	Year-on-year Change(*1)		3Q FY2022 3 months Results	3Q FY2021 3 months Results	Year-on-year Change(*1)	
				%				%
Net sales	250.6	217.8	32.7	+15.0%	85.5	72.8	12.6	+17.4%
Operating income	2.7	2.5	0.1	+6.4%	-0.2	0.5	-0.7	-
Operating margin	1.1%	1.2%		-0.1p				
Ordinary income	2.6	3.1	-0.4	-	-0.1	0.7	-0.8	-
Net income attributable to owners of parent	0.3	1.0	-0.7	-	-0.6	0.2	-0.8	-

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

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

✓ Q3 (9 months) :Sales and operating income increased YoY

✓ Sales of all businesses increased approx. 32.7 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. 0.1 billion JPY

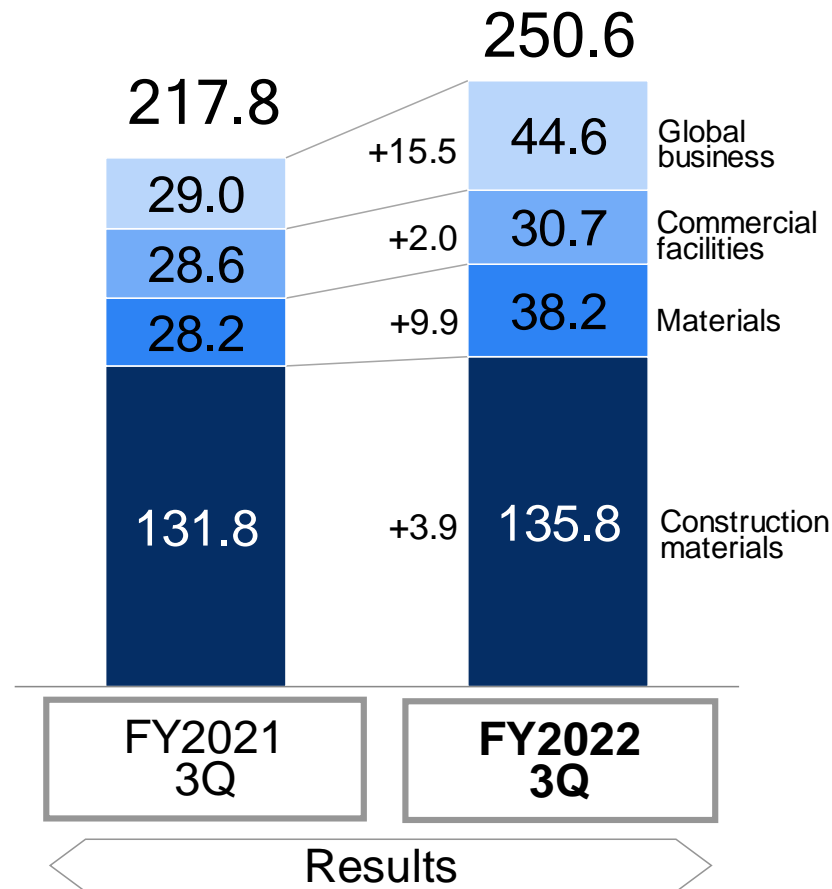
Despite being affected by soaring prices of various materials, operating income increased due to increased sales and efforts to reduce costs.

Net sales

250.6 billion JPY

Change YoY **+32.7** billion JPY

YoY **(+15.0%)**

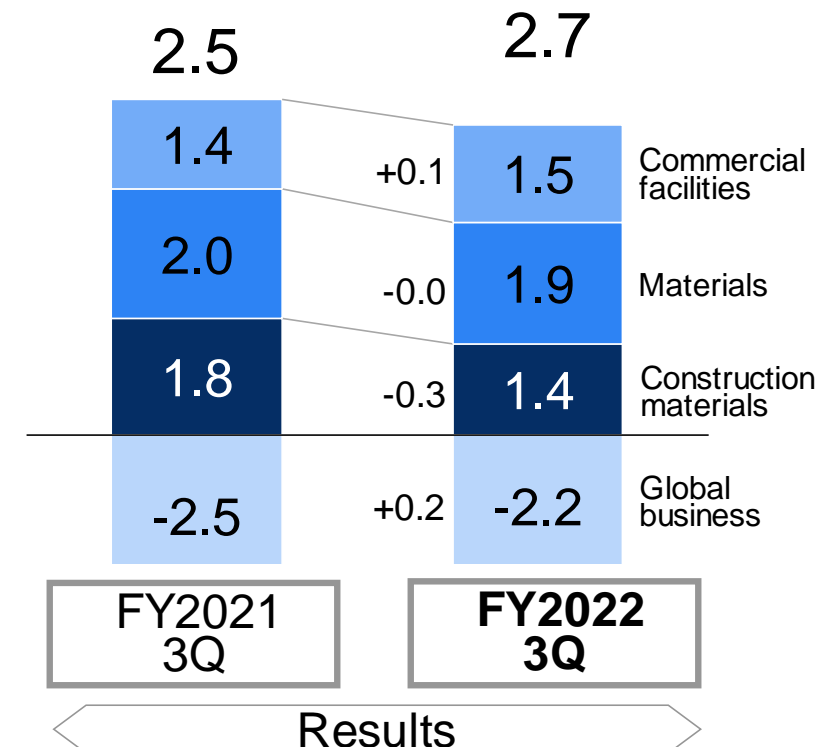


Operating income

2.7 billion JPY

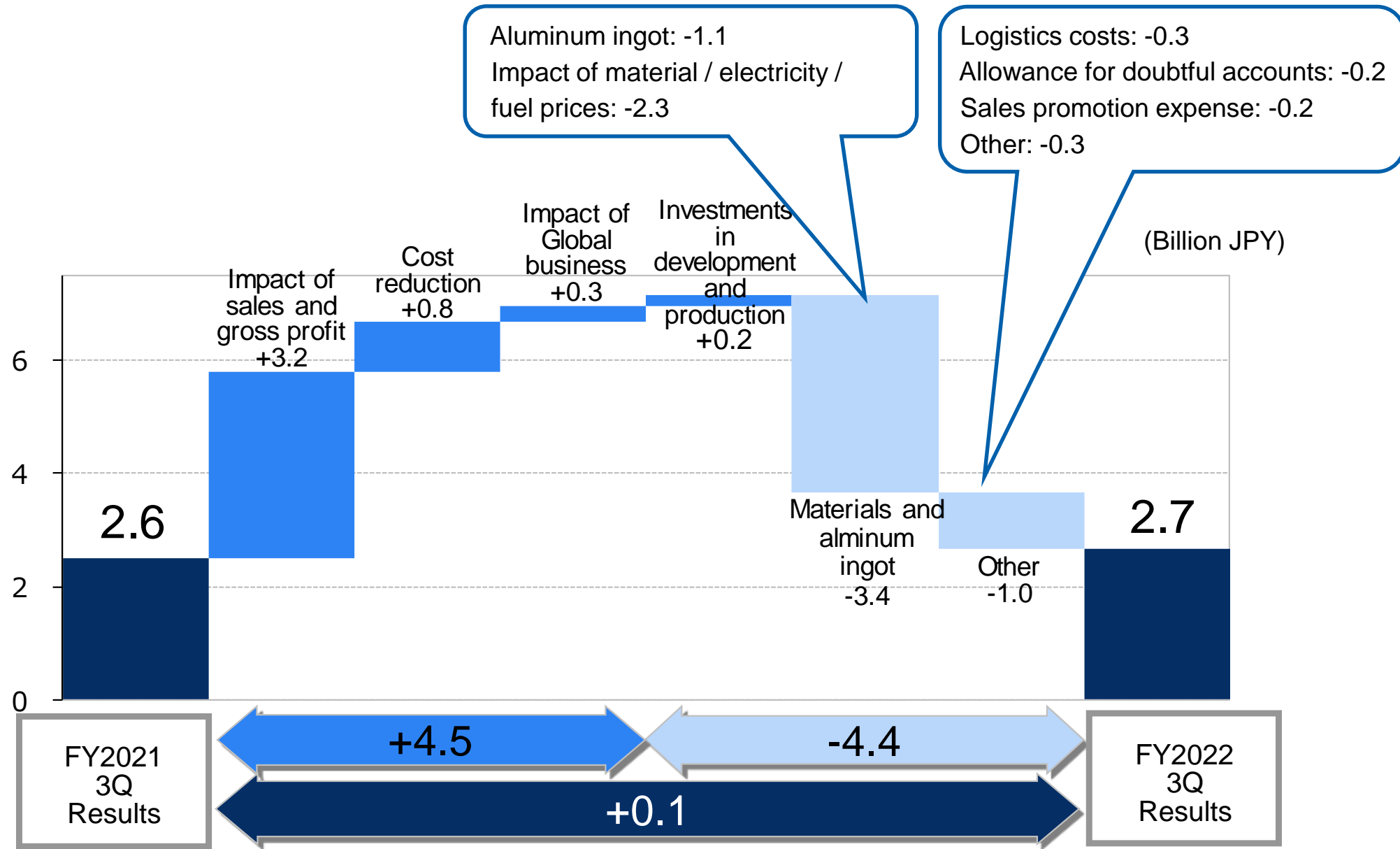
Change YoY **+0.1** billion JPY

YoY **(+6.4%)**



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

Factors for Change in Operating Income for 2Q FY2022: Year-on-Year , 3Q 9 months 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.

Topics



“agri-cube ID” Plant Factory System Delivered to a large plant factory Vegetable Tech Co., Ltd.

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



Daiwa House Industry Co., Ltd. (Daiwa House Industry) newly built a plant factory of Vegetable Tech Co., Ltd..

Sankyo Tateyama undertakes the construction of plant factory equipment and provides cultivation technology and operational technology support.

Construction location	Naka-shi, Ibaraki Prefecture
Total floor area	4,938.5m ²
Start of operation	May 2022
Products cultivated	Vegetables (green leaf, frilly lettuce, etc.)
Scale of cultivation	2.25 t/day (11,250 plants/day based on conversion of 200g /frilly lettuce plant)

Sankyo Tateyama operate in a joint venture with Daiwa House industry 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.



Sankyo Tateyama

Certified as the 2022 Certified Health & Productivity Management Outstanding Organization - in large enterprise category -

Subsidiary ST Logistics Service

Certified as the 2022 Certified Health & Productivity Management Outstanding Organization - “Bright 500” in the SME sector category -



(Organizer: Ministry of Economy, Trade and Industry and Japan Health Conference)

Certified as a corporation that considers employee health management from a management perspective and is working strategically

Sankyo Tateyama



2022
健康経営優良法人
Health and productivity

Formulated the "Sankyo Tateyama Health Declaration" to promote work-life balance and strengthen the creation of a culture in which diverse human resources can play an active role.

※Certified for 2 consecutive years (certified as White 500 in 2021)

Subsidiary ST Logistics Service



2022
健康経営優良法人
Health and productivity
ブライツ500

Formulate a "Health Management Declaration" and aim to create a workplace where employees feel safe, easy to work, and rewarding.

Bright 500: Top 500 companies in the SME sector are certified

Declaration of Support for the TCFD Recommendations



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

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.



✓ Screen door for entrance

Sales
Jun. – Feb.
vs. 2019 **108%**



"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.

✓ Terrace with enclosure

Sales
Jun. – Feb.
vs. 2019 **117%**



"Haremoyo With"

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

✓ Garden room

Sales
Jun. – Feb.
vs. 2019 **224%**

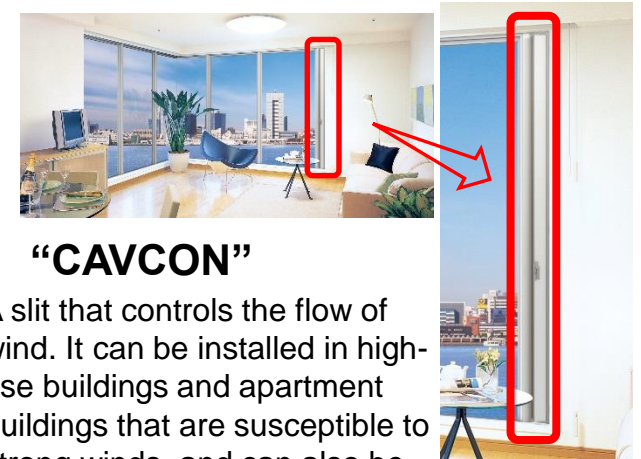


"Happina Rela"

Provides a comfortable, relaxing space during the day or night.

✓ Natural ventilation system

Oct 2021
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.

✓ Delivery box

Sales
Jun. – Feb.
vs. 2019 **177%**



"Flamus / Flamus Light"

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

✓ Interior products

Sales
Jun. – Feb.
vs. 2019 **117%**

"AMiS"

Movable partitions to create a space for home office.





✓ High durability to withstand storms

May 2021
Strengthening / refining



“ALGEO S-5”

Tough performance that can withstand large typhoons and guerrilla rainstorms. Further strengthened safety performance.

✓ Protect windows from flying objects

Sales
Jun. – Feb.
vs. 2019 **111%**



“Shutter”

Providing a safe home by preventing the window glass from breaking due to flying objects and strong winds.

✓ Increased snowfall resistance and wind pressure resistance

Sales
Jun. – Feb.
vs. 2019 **111%**



“G1-R”

Strength design according to the amount of snow. Suppresses the blow-up of the folded plate and the shaking of the main body in strong winds.

✓ High specs for all required performance

Sales
Jun. – Feb.
vs. 2019 **160%**



“MTG-70R”

Respond to unpredictable changes in nature and realize a sustainable society.

✓ Seismic isolation products

Sales
Jun. – Feb.
vs. 2019 **172%**



“URAYNUS”

Simply placing under store shelves make it difficult for displayed products to fall off. Damage can be reduced by preventing injuries caused by broken glass products and securing evacuation routes.

✓ Large telescopic gate that can withstand strong winds

Sales
Jun. – Feb.
vs. 2020 **373%**

“Altendaforte”

Can be used with the door fully closed even in strong winds.



Reference

	Target period	2019	2020	2021
[Construction materials business (housing) index] The number of new housing starts	Apr.-Dec.	690 thousand units (-6.5% yoy)	621 thousand units (-10.0% yoy)	665 thousand units (+7.2% yoy)
The number of new housing starts [Owner-occupied houses]	Apr.-Dec.	223 thousand units (+0.5% yoy)	201 thousand units (-10.0% yoy)	224 thousand units (+11.2% yoy)
The number of new housing starts [House for rent]	Apr.-Dec.	261 thousand units (-15.5% yoy)	233 thousand units (-10.8% yoy)	252 thousand units (+8.1% yoy)
[Construction materials business (Building) index] Floor area of non-wooden structure starts	Apr.-Dec.	54.8 million m ² (-5.7% yoy)	48.6 million m ² (-11.2% yoy)	53.3 million m² (+9.5% yoy)
[Materials business index] Aluminum extrusion weight [Excluding sashes and doors]	Jun.-Feb.	26.2 thousand tons (-2.7% yoy)	23.8 thousand tons (-9.3% yoy)	24.5 thousand tons (+3.1% yoy)
[Commercial facilities business index] The number of new building starts [Stores]	Apr.-Dec.	5,076 buildings (-13.2% yoy)	3,862 buildings (-23.9% yoy)	4,208 buildings (+9.0% yoy)
[Global business index] Vehicle production Germany	Apr.-Dec.	3397 thousand units (-8.0% yoy)	2496 thousand units (-26.5% yoy)	2187 thousand units (-12.4% yoy)
Vehicle production Thailand	Apr.-Dec.	1452 thousand units (-10.8% yoy)	974 thousand units (-32.9% yoy)	1217 thousand units (+25.0% yoy)
[Aluminum ingot Average value (The Nikkei)]	Jun.-Feb.	244.0 JPY/kg	244.6 JPY/kg	379.3 JPY/kg

(): 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	+2.7%	88.2	90.6	+2.3	+2.7%
3Q	43.5	45.1	+1.6	+3.7%	131.8	135.8	+3.9	+3.0%
4Q	48.8				180.6			
					FY2022 Plan	188.0		

- Construction starts continue to recover steadily.
- Capturing strong demand for remodeling of condominiums, etc.
- Increased sales of products related to stay-at-home practices, ventilation and non-contact.

Operating income

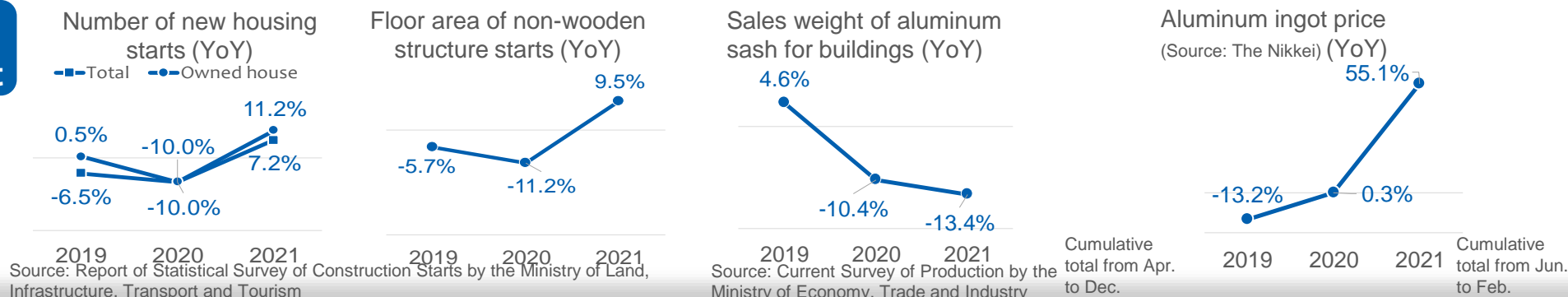
(Billion JPY)

	Quarterly				Total			
	FY2021	FY2022	Change YoY(*1)		FY2021	FY2022	Change YoY(*1)	
1Q	-0.0	0.4	+0.5	-				
2Q	1.4	1.2	-0.2	-	1.4	1.7	+0.2	+20.8%
3Q	0.4	-0.2	-0.6	-	1.8	1.4	-0.3	-
4Q	1.8				3.7			
					FY2022 Plan	2.4		

- Improved profitability, but affected by impact of soaring prices of raw materials such as aluminum ingot.

(*1) "Accounting Standard for Revenue Recognition" etc. has been 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	+4.0	+52.1%				
2Q	10.0	12.6	+2.6	+25.9%	17.9	24.6	+6.6	+37.4%
3Q	10.2	13.5	+3.2	+32.0%	28.2	38.2	+9.9	+35.4%
4Q	11.4				39.6			
					FY2022 Plan	47.5		

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

Operating income

(Billion JPY)

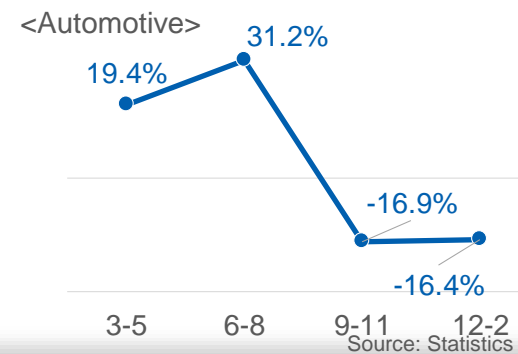
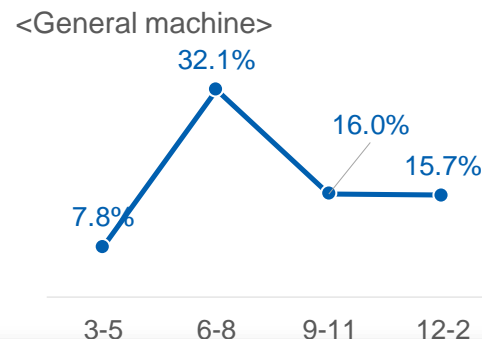
	Quarterly				Total			
	FY2021	FY2022	Change YoY(*1)		FY2021	FY2022	Change YoY(*1)	
1Q	0.2	1.0	+0.8	+360.3%				
2Q	1.0	0.5	-0.4	-	1.2	1.6	+0.3	+30.6%
3Q	0.8	0.3	-0.4	-	2.0	1.9	-0.0	-
4Q	0.5				2.5			
					FY2022 Plan	2.2		

- Impact of soaring prices of raw materials such as fuel prices and added metals.

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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	+11.9%				
2Q	11.4	11.1	-0.2	-	19.9	20.6	+0.7	+3.7%
3Q	8.6	10	+1.3	+15.2%	28.6	30.7	+2.0	+7.2%
4Q	10.2				38.8			
					FY2022 Plan	37.5		

- Recovery trend in new store construction starts.
- Capturing demand for renovations of existing distribution and retail stores.

Operating income

(Billion JPY)

	Quarterly				Total			
	FY2021	FY2022	Change YoY(*1)		FY2021	FY2022	Change YoY(*1)	
1Q	0.2	0.3	+0.1	+65.6%				
2Q	0.8	0.6	-0.1	-	1.0	1	-0.0	-
3Q	0.3	0.5	+0.1	+45.3%	1.4	1.5	+0.1	+10.4%
4Q	0.6				2.0			
					FY2022 Plan	0.9		

- Despite being affected by soaring prices of raw materials such as steel, sales increased and operational efficiency improved.

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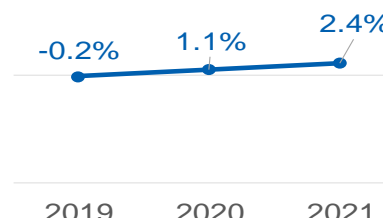
Business environment

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 Dec.

Net sales

(Billion JPY)

	Quarterly				Total			
	FY2021	FY2022	Change YoY(*1)		FY2021	FY2022	Change YoY(*1)	
1Q	8.9	14.4	+5.5	+61.9%				
2Q	9.8	14.3	+4.4	+44.8%	18.7	28.7	+9.9	+52.9%
3Q	10.2	15.8	+5.5	+54.1%	29.0	44.6	+15.5	+53.3%
4Q	12.7				41.8			
					FY2022 Plan	45.5		

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

- Increased in sales volume in the machinery field and in demand for electric vehicles in Europe.
- Increased volume thanks to recovering automotive market in Thailand.
- Increased in sales linked to the aluminum ingot market and impact of exchange rate fluctuations.

Operating income

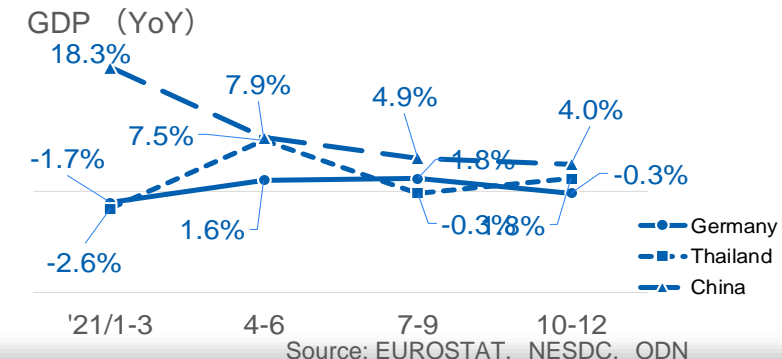
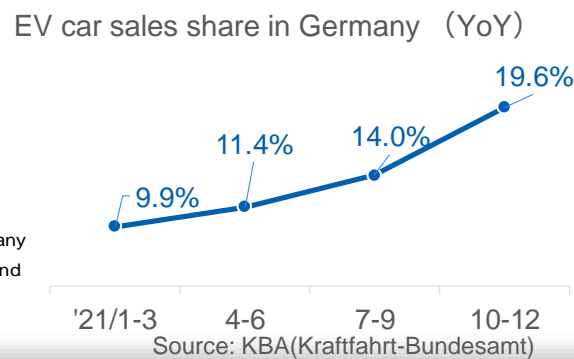
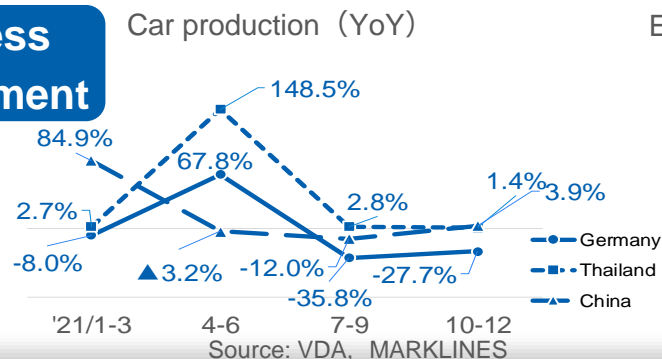
(Billion JPY)

	Quarterly				Total			
	FY2021	FY2022	Change YoY(*1)		FY2021	FY2022	Change YoY(*1)	
1Q	-0.6	-0.4	+0.2	-				
2Q	-0.9	-0.8	+0.1	-	-1.5	-1.2	+0.3	-
3Q	-0.9	-1.0	-0.0	-	-2.5	-2.2	+0.2	-
4Q	-1.0				-3.5			
					FY2022 Plan	-1.7		

- Despite being affected by soaring fuel prices and raw material prices.
- Sales increased and the sales composition in Thailand improved.

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

Business environment



Aluminum Ingot Price and Exchange Rates

		average	3Q FY2021 Results	FY2022 Plan	3Q FY2022 Results
Aluminum ingot price (Nikkei Aluminum average)		Jun.- Feb.	244.6 JPY/kg	325.0 JPY/kg	379.3 JPY/kg
Exchange rates	USD	Apr.- Dec.	106.1 JPY	110.0 JPY	111.1 JPY
	EUR	Apr.- Dec.	122.4 JPY	127.0 JPY	130.6 JPY
	THB	Apr.- Dec.	3.4 JPY	3.5 JPY	3.4 JPY
	CNY	Apr.- Dec.	15.4 JPY	16.3 JPY	17.3 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.

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%



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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