

A large, stylized blue tree graphic with a thick trunk and two main branches, set against a background of various shades of blue with abstract patterns like dots and wavy lines.

# Financial Results for 1Q FYE2024

(June 1, 2023 – August 31, 2023)

October 5, 2023

## ✓ In 1Q FY2024, sales and operating income increased YoY.

### ■ Sales increased approx. 0.9 billion JPY

Sales increased from the previous fiscal year, mainly due to an increase in demand for renovations, which was attributable to government subsidies, and a rise in sales in the commercial facilities business. These factors offset the adverse impact of conditions in the domestic construction market on sales volume and a decline in sales linked to the aluminum ingot market.

### ■ Operating income increased approx. 1.6 billion JPY

Operating income increased due to price revisions and positive profit in the global business, despite the impact of rising of energy and material prices.

(Billion JPY)

#### Financial results

	1Q FYE2024 Results	1Q FYE2023 Results	Year-on-year Change	
				%
Net sales	88.4	87.5	0.9	1.1%
Operating income	0.6	-0.9	1.6	-
Operating margin	0.7%	-1.1%	—	1.8p
Ordinary income	1.0	-0.7	1.8	-
Net income attributable to owners of the parent	0.6	-1.0	1.6	-

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

## Outlook

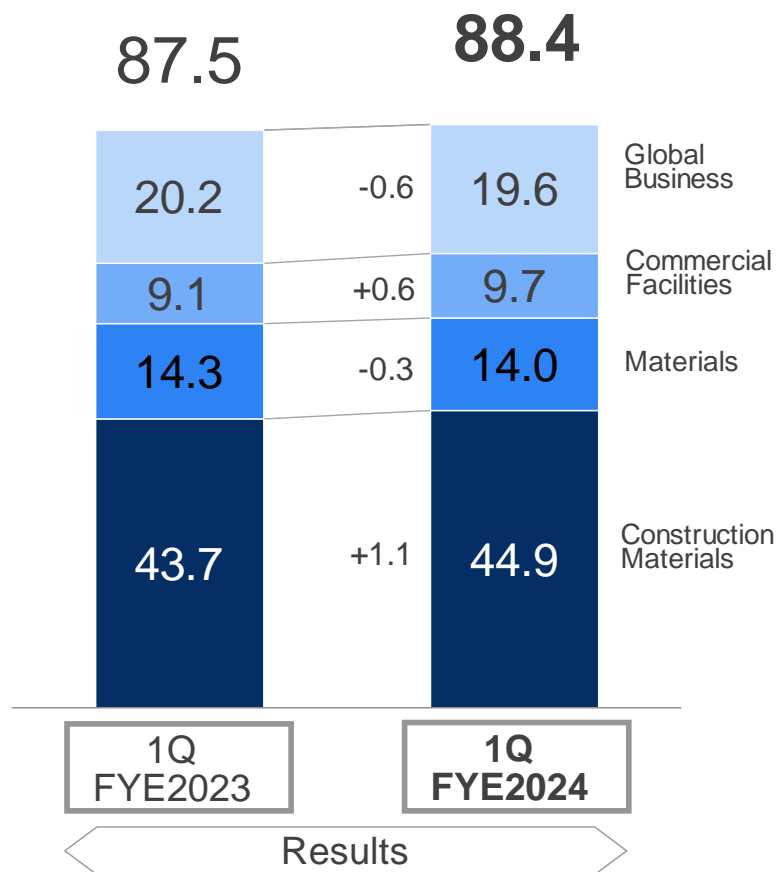
The outlook remains uncertain given a slump in the domestic housing market and the impact of economic stagnation in Germany and other countries in Europe.

# Review of Consolidated Financial Results for 1Q FYE2024: Year-on-Year Comparison

## Net sales

**88.4** billion JPY

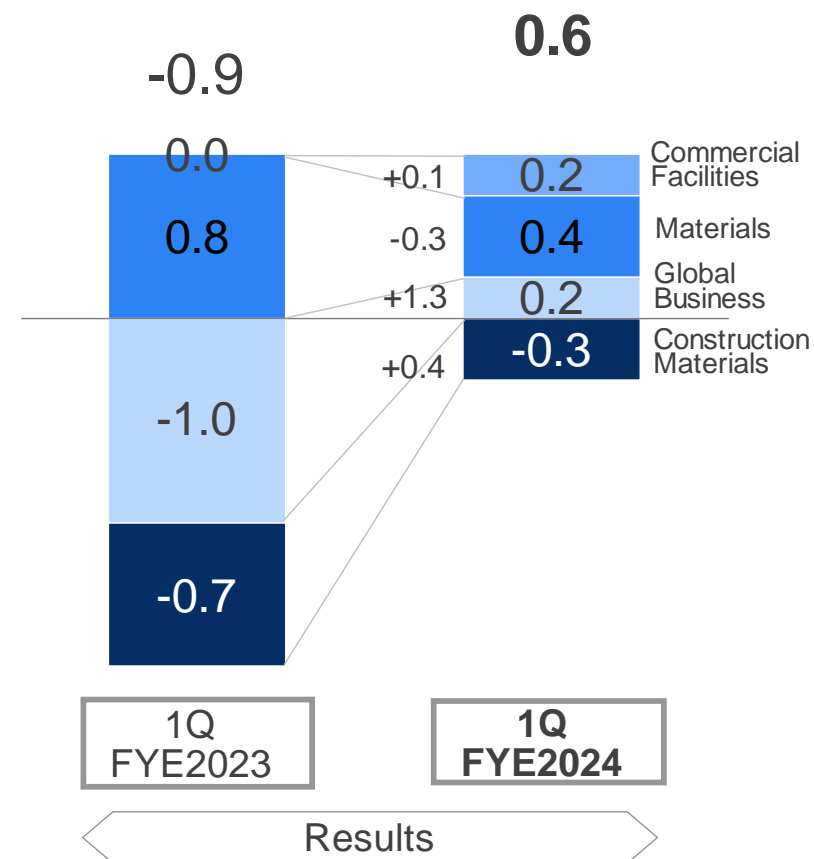
Change YoY **+0.9** billion JPY  
(**+1.1%**)



## Operating income

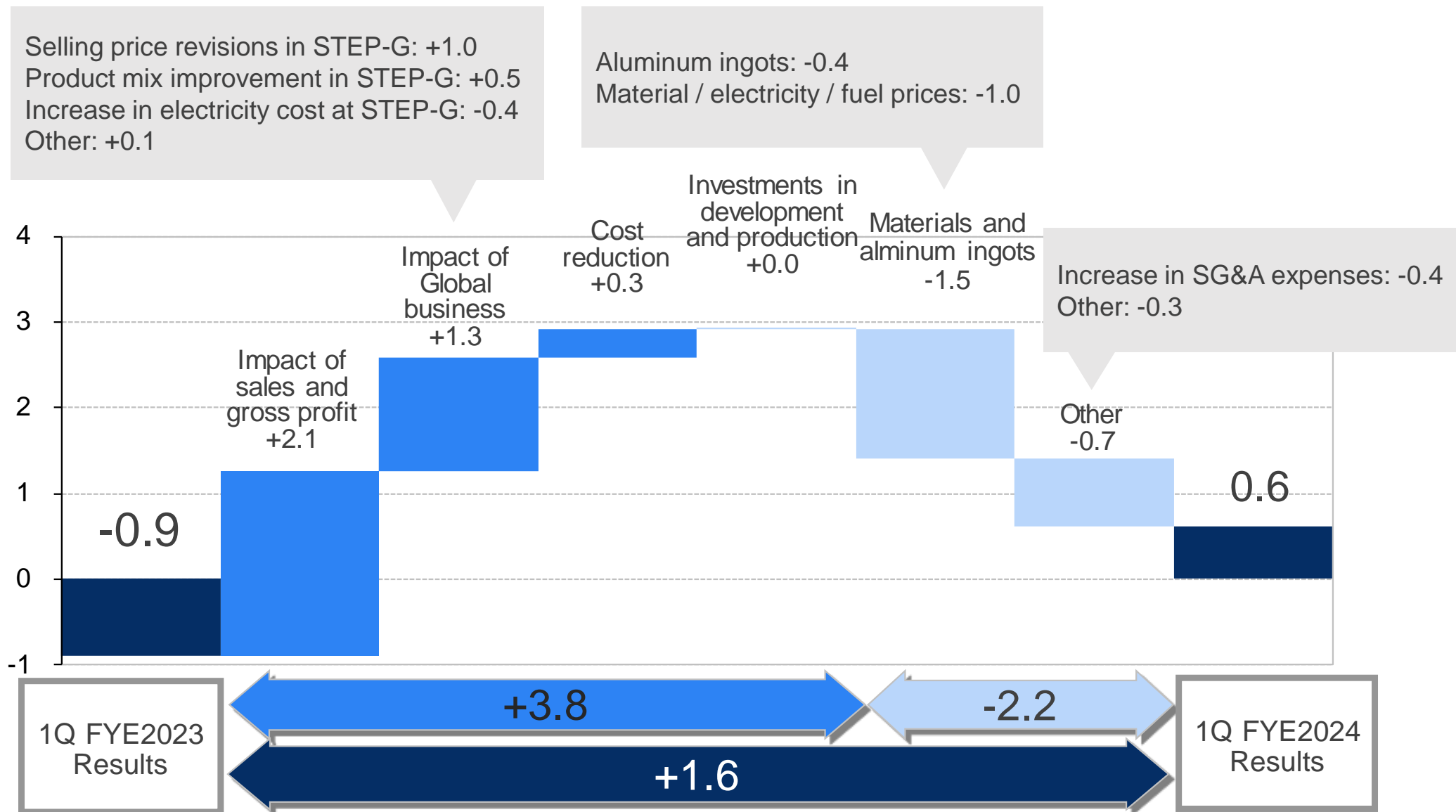
**0.6** billion JPY

Change YoY **+1.6** billion JPY



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

# Factors for Change in Operating Income for 1Q FYE2024: 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.

## Artificial wood deck “VILLAWOOD” wins the 17th Kids Design Award

(organized by the Kids Design Association and supported by the Ministry of Economy, Trade and Industry, the Cabinet Office, the Consumer Affairs Agency and the Children and Families Agency)



[Category]

Designs that contribute to comfortably raising children

人工木デッキ

 **VILLAWOOD** ヴィラウッド

### ◆ Product overview

Artificial wood deck “VILLAWOOD” is a deck that has almost the same surface and colors as a deck made from natural wood, but with superior durability. To create an environment where parents who are busy with childcare and household chores can enjoy time with their children, we have curbed temperature rises and static electricity using our unique material formulation technology so that children can play in the sun. We have also developed a deck structure having a low step height for children to move safely to the garden.



● News Release (Kids Design Award) (Japanese) ➡ <https://alumi.st-grp.co.jp/news/2023news/sa20230823.html>



● News Release (VILLAWOOD) (Japanese) ➡ <https://alumi.st-grp.co.jp/news/2023news/ex20230822.html>





## A List of Products Launched in the 1Q of FYE2024 (from June 1, 2023 to August 31, 2023)

### June 2023

Construction Materials Launched carport “FII”.



carport “FII”

### August 2023

Construction Materials Launched waterproof automatic door “Estima”.

Construction Materials Launched artificial wood deck “VILAWOOD”.

Construction Materials Added black to the colors of “Altenda”, a expansion gate doors series.

Commercial Facilities Launched cash tray "Antiviral Carton".

**SIAA**  
ISO 21702  
抗ウイルス加工  
無機系・練込  
本体  
JP0612884X0002M



cash tray "Antiviral Carton"



waterproof automatic door “Estima”

● News Release (Construction materials/Sankyo Alumi Company) (Japanese) ➔ <https://alumi.st-grp.co.jp/news/2023news/news2023.html>



● News Release (Commercial facilities/Tateyama Advance Company) (Japanese) ➔ <https://advance.st-grp.co.jp/news/>



	Target period	2021	2022	2023
[Construction materials business (housing) index] The number of new housing starts	Apr.-Jun.	221 thousand units (+8.3%)	218 thousand units (-1.3%)	<b>208 thousand units (-4.7%)</b>
The number of new housing starts [Owner-occupied houses]	Apr.-Jun.	72 thousand units (+11.7%)	66 thousand units (-8.9%)	<b>58 thousand units (-11.8%)</b>
The number of new housing starts [House for rent]	Apr.-Jun.	84 thousand units (+10.6%)	86 thousand units (+2.5%)	<b>87 thousand units (+2.0%)</b>
[Construction materials business (Building) index] Floor area of non-wooden structure starts	Apr.-Jun.	18.1 million m <sup>2</sup> (+5.7%)	19.3 million m <sup>2</sup> (+6.3%)	<b>16.7 million m<sup>2</sup> (-13.5%)</b>
[Materials business index] Aluminum extrusion weight [Excluding sashes and doors]	Jun.-Aug.	89 thousand tons (+24.2%)	77 thousand tons (-13.3%)	<b>88 thousand tons (+14.6%)</b>
[Commercial facilities business index] The number of new building starts [Stores]	Apr.-Jun.	1,416 buildings (+12.5%)	1,612 buildings (+13.8%)	<b>1,408 buildings (-12.7%)</b>
[Global business index] Vehicle production Germany	Apr.-Jun.	797 thousand units (+67.8%)	851 thousand units (+6.7%)	<b>1078 thousand units (+26.7%)</b>
Vehicle production Thailand	Apr.-Jun.	379 thousand units (+148.5%)	390 thousand units (+3.0%)	<b>414 thousand units (+6.1%)</b>
[Aluminum ingot Average value (The Nikkei)]	Jun.-Aug.	342.4 JPY/kg	410.2 JPY/kg	<b>379.3 JPY/kg</b>

( ): 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

	Quarterly			Total		
	FYE2023	FYE2024	Change YoY	FYE2023	FYE2024	Change YoY(*1)
1Q	43.7	44.9	+1.1	+2.7%		
2Q						
3Q						
4Q						
FYE2024 Plan				190.0		

- Effect of selling price revisions
- Increase in demand for renovations, due to large-scale government-led support programs such as the Advanced Window Renovation Project

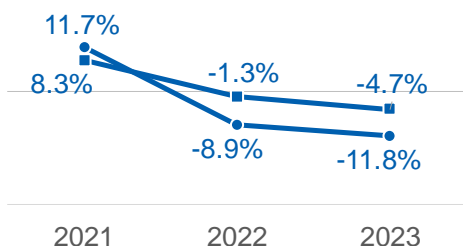
## Operating income

	Quarterly			Total		
	FYE2023	FYE2024	Change YoY	FYE2023	FYE2024	Change YoY
1Q	-0.7	-0.3	+0.4	-		
2Q						
3Q						
4Q						
FYE2024 Plan				1.7		

- Effects of measures to improve profitability, including price revisions
- The impact of rising energy and material prices
- Decrease in sales quantity due to sluggish housing starts

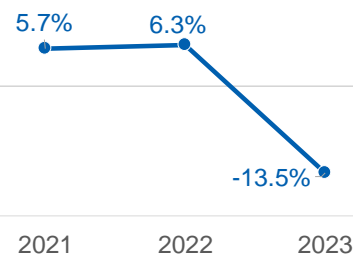
## Business environment

Number of new housing starts (YoY) ■ Total ● Owned house

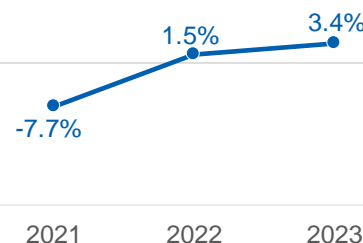


Source: Report of Statistical Survey of Construction Starts by the Ministry of Land, Infrastructure, transport and Tourism

Floor area of non-wooden structure starts (YoY)



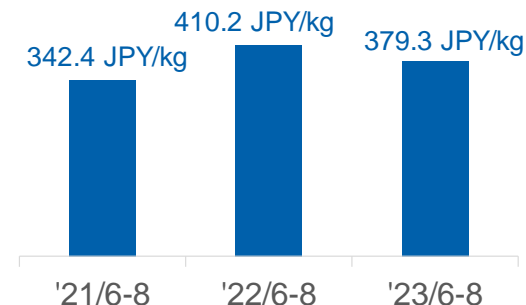
Sales weight of aluminum sash for buildings (YoY)



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

Cumulative total from Apr. to Jun.

Aluminum ingot price (Source: The Nikkei)



Cumulative average from Jun. to Aug.



# Business Environment and Financial Results - Materials business -

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

## Net sales

	Quarterly				Total			
	FYE2023	FYE2024	Change YoY		FYE2023	FYE2024	Change YoY	
1Q	14.3	14.0	-0.3	-2.1%				
2Q								
3Q								
4Q								
					FYE2024 Plan	61.0		

- Sluggish demand in the field of construction materials, etc., despite an increase in demand in the transportation field

## Operating income

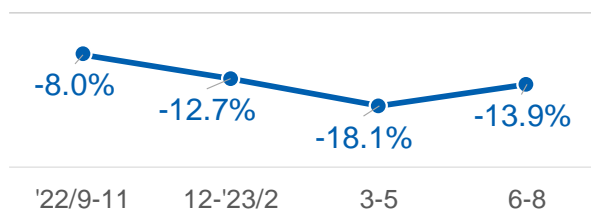
	Quarterly				Total			
	FYE2023	FYE2024	Change YoY		FYE2023	FYE2024	Change YoY	
1Q	0.8	0.4	-0.3	-44.4%				
2Q								
3Q								
4Q								
					FYE2024 Plan	2.9		

- Effects of a change in the sales mix as well as the impact of lower capacity utilization, etc., despite effects of measures to improve profitability

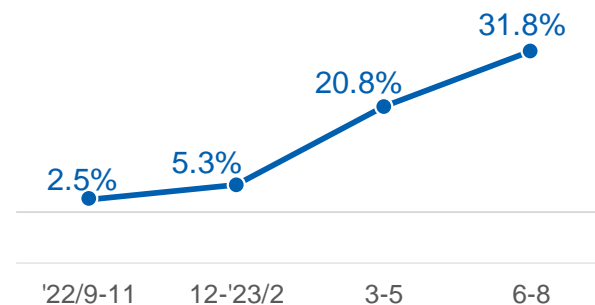
## Business environment

Domestic aluminum extrusion weight (YoY)

<General machine>



<Automotive>



Source: Statistics by Japan Aluminum Association

# Business Environment and Financial Results - Commercial facilities business -

## Net sales

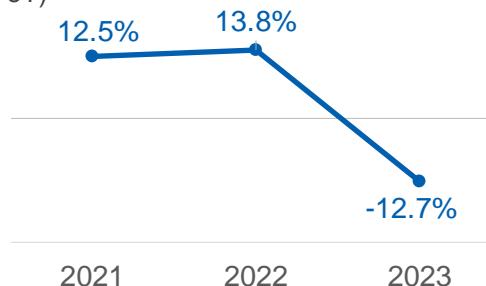
	Quarterly				Total			
	FYE2023	FYE2024	Change YoY		FYE2023	FYE2024	Change YoY	
1Q	9.1	9.7	+0.6	+7.2%				
2Q								
3Q								
4Q								
					FYE2024 Plan	39.5		

## Operating income

	Quarterly				Total			
	FYE2023	FYE2024	Change YoY		FYE2023	FYE2024	Change YoY	
1Q	0.0	0.2	+0.1	+326.4%				
2Q								
3Q								
4Q								
					FYE2024 Plan	1.1		

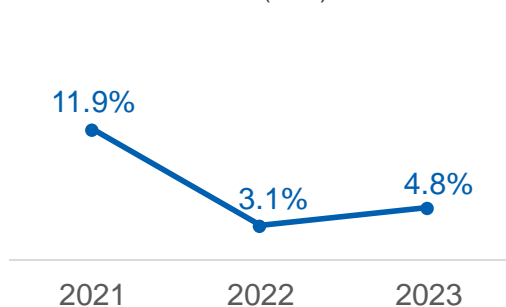
## Business environment

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 (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.

- Captured demand for new store openings and renovations, particularly in categories where investment appetite is strong

- Increase in sales  
- Effects of measures to improve profitability, including price revisions

# Business Environment and Financial Results - Global business -

## Net sales

	Quarterly			Total		
	FYE2023	FYE2024	Change YoY	FYE2023	FYE2024	Change YoY
1Q	20.2	19.6	-0.6	-3.0%		
2Q						
3Q						
4Q						
FYE2024 Plan					84.0	

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

- Decrease in sales linked to aluminum ingot market, despite an increase in sales due to the impact of exchange rates
- A downward trend in automobile production in Europe

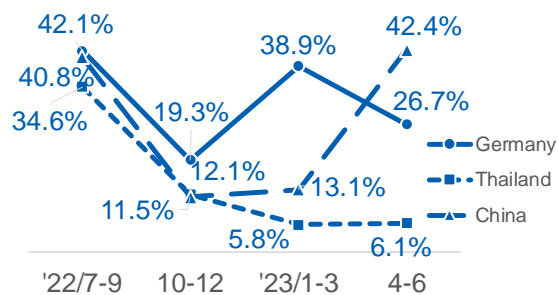
## Operating income

	Quarterly			Total		
	FYE2023	FYE2024	Change YoY	FYE2023	FYE2024	Change YoY
1Q	-1.0	0.2	+1.3	-		
2Q						
3Q						
4Q						
FYE2024 Plan					0.3	

- Effect of price pass-through at the European subsidiary against increases in the prices of energy and materials

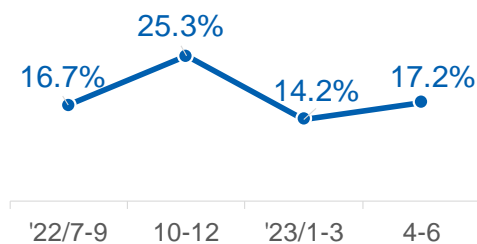
## Business environment

Car production (YoY)



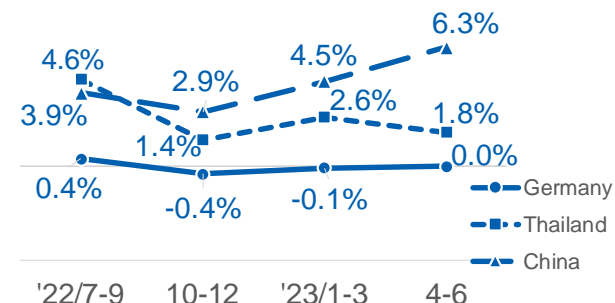
Source: VDA, MARKLINES

EV car sales share in Germany



Source: KBA (Kraftfahrt-Bundesamt)

GDP (YoY)



Source: EUROSTAT, NESDC, CEIC

## Aluminum Ingot Price and Exchange Rates

		Average	1Q FYE2023 Results	FYE2024 Plan	1Q FYE2024 Results
Aluminum ingot price (Nikkei Aluminum average)		Jun.-Aug.	410.2 JPY/kg	375.0 JPY/kg	<b>379.3 JPY/kg</b>
Exchange rates	USD	Apr.-Jun.	129.7 JPY	135.0 JPY	<b>137.5 JPY</b>
	EUR	Apr.-Jun.	138.2 JPY	140.0 JPY	<b>149.6 JPY</b>
	THB	Apr.-Jun.	3.8 JPY	3.8 JPY	<b>4.0 JPY</b>
	CNY	Apr.-Jun.	19.6 JPY	19.5 JPY	<b>19.6 JPY</b>

# Sustainability Vision 2050

## Life with Green Technology

### Achieving carbon neutrality

We aim to 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.

## FYE2030 Targets

Greenhouse gas emissions

**50% cut**

(compared to FYE2017) (Scope1+2\*)

**Promoting use of recycled aluminum**

Percentage of woman in management positions:

**10%**

\*Scope1: Direct emissions from in-house fuel use, Scope2: Indirect emissions from the use of heat and electricity purchased the company

### 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, exchange rates, as well as price fluctuations of items such as aluminum ingots.

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