



Financial Results for 2Q FYE2024
(June 1, 2023 – November 30, 2023)

January 11, 2024

✓ In 2Q FYE2024, sales decreased and operating income increased YoY.

- **Net sales declined by around 5.7 billion JPY, reflecting lower sales volume in Europe, a sluggish domestic construction market and other factors.**

While net sales in the commercial facilities business increased thanks to a recovery in personal consumption, net sales declined overall, in part due to sales decreasing linked to the aluminum ingot market in Japan and overseas and lower sales volume at our European subsidiary in addition to the effects of the stagnant domestic construction market.

- **Operating income increased approximately 1.6 billion JPY, reflecting the effects of price revisions and other factors**

Operating income rose due to price revisions implemented across all businesses and the effects of cost reductions, despite the impact of lower sales and rising energy and material prices

✓ Full-year Forecast for FYE2024

We project a continued slump in the domestic construction market and an impact from rising costs in logistics, personnel and so on, and also have concerns about a slowdown in EV sales at our European subsidiary. However, taking into account various factors such as that the retail industry is on a recovery track in addition to the automotive segment in Japan as well as an increase in demand for renovations due to the "Household Energy Saving Campaign," a large-scale government-led subsidy scheme, our full-year forecast for FYE2024 remains unchanged.

We are currently assessing the impact of Noto Peninsula Earthquake on January 1 2024 on the Group's operating results, and will promptly announce any events requiring disclosure.

Summary of Financial Results for 2Q FYE2024

Financial results

(Billion JPY)

	6 months total (June 2023 - November 2023)						
	2Q FYE2024 Results	2Q FYE2023 Results	Year-on-year Change		2Q FYE2024 Plan	Change from Plan	
				%			%
Net sales	181.3	187.1	-5.7	-3.1%	189.0	-7.6	-4.0%
Operating income	2.4	0.8	1.6	183.2%	3.0	-0.5	-17.4%
Operating margin	1.4%	0.5%	—	0.9p	1.6%	—	-0.2p
Ordinary income	2.7	1.3	1.4	107.5%	3.0	-0.2	-8.4%
Net income attributable to owners of the parent	1.2	0.5	0.7	150.0%	1.5	-0.2	-14.2%

	3 months total (September 2023 - November 2023)			
	2Q FYE2024 Results	2Q FYE2023 Results	Year-on-year Change	
				%
Net sales	92.8	99.5	-6.6	-6.7%
Operating income	1.8	1.8	-0.0	-0.1%
Operating margin	2.0%	1.8%	—	0.2p
Ordinary income	1.6	2.1	-0.4	-20.9%
Net income attributable to owners of the parent	0.6	1.5	-0.8	-56.4%

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

Dividend

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

Review of Consolidated Financial Results for 2Q FYE2024: Year-on-Year Comparison

Net sales

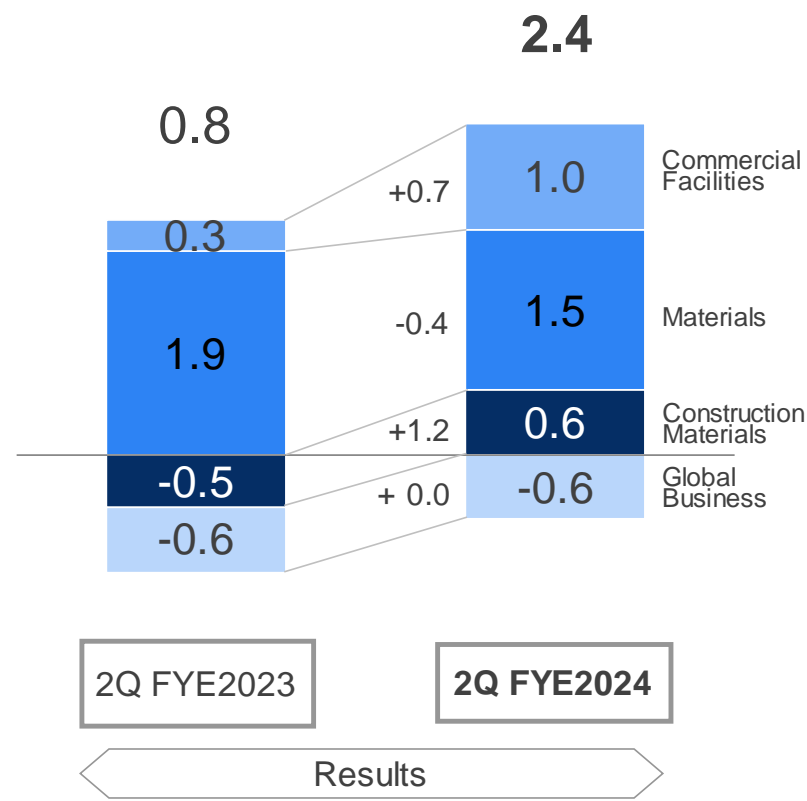
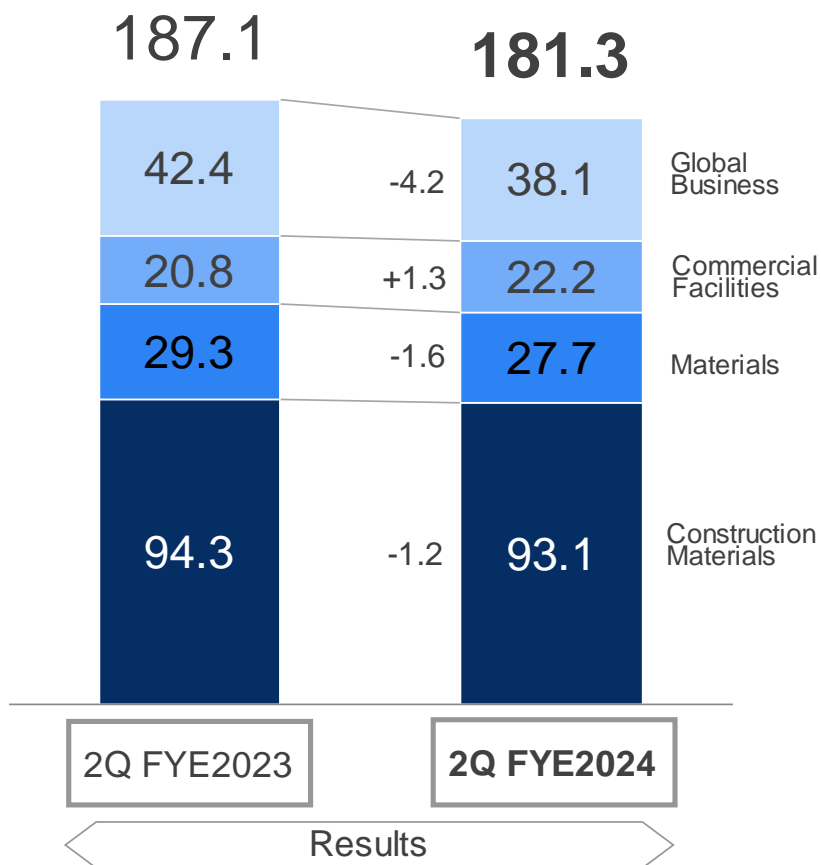
181.3 billion JPY

Change YoY **-5.7** billion JPY
(**-3.1%**)

Operating income

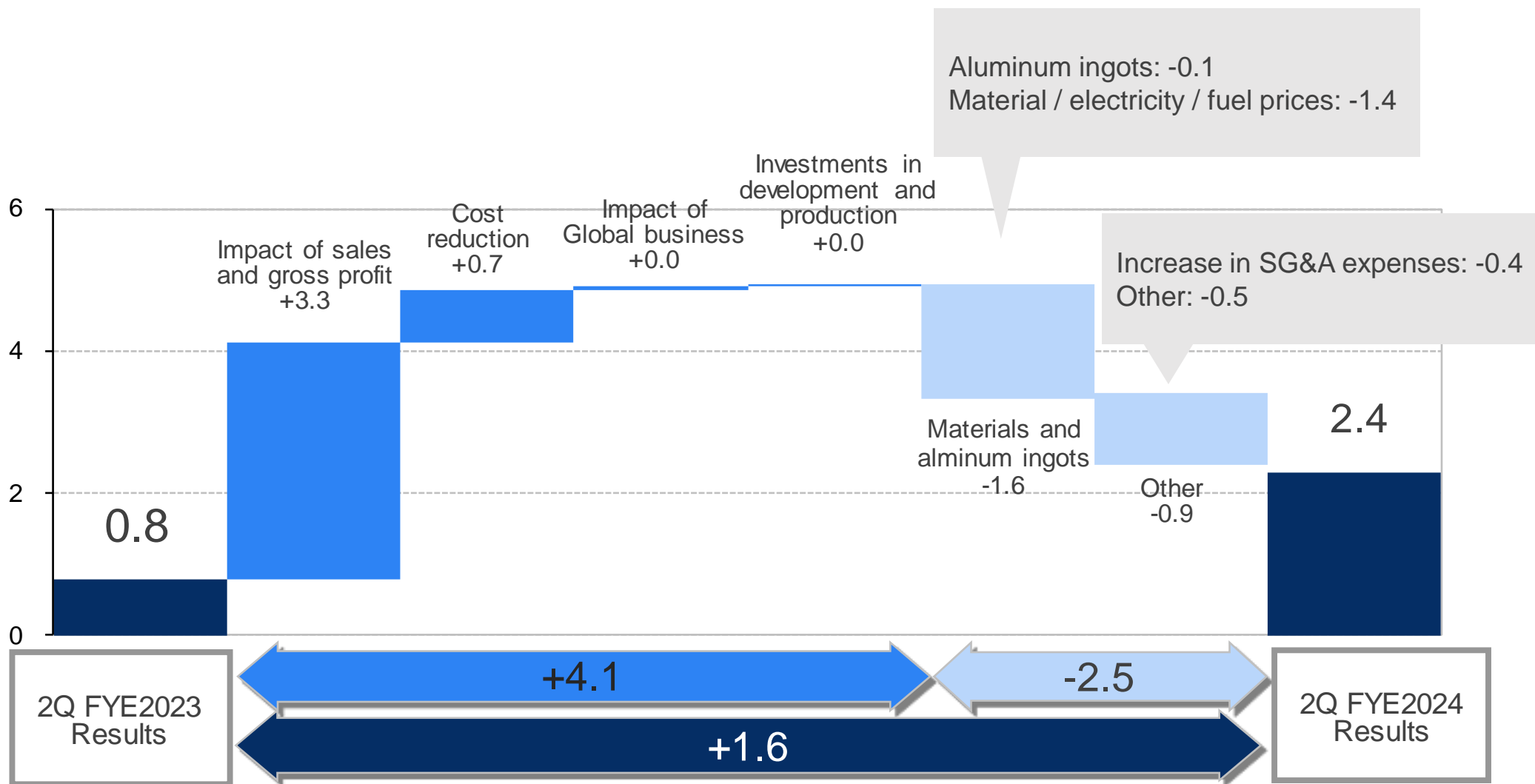
2.4 billion JPY

Change YoY **+1.6** billion JPY
(**+183.2%**)



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

Factors for Change in Operating Income for 2Q 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.

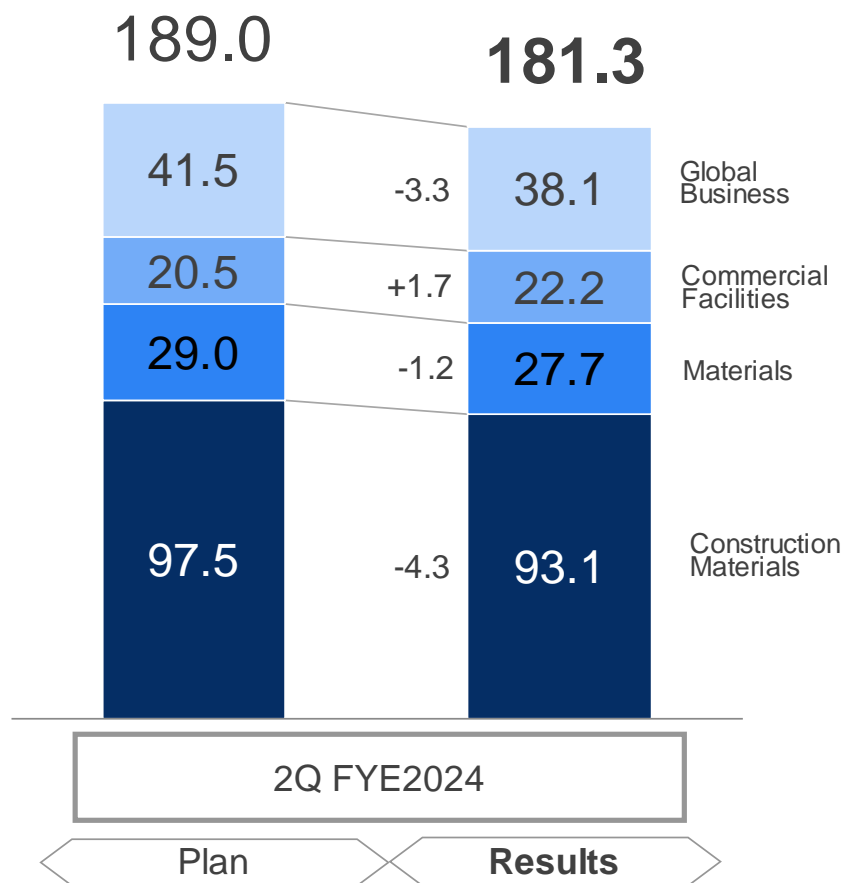
Review of Consolidated Financial Results for 2Q FYE2024: Comparison with Plan

Net sales

181.3 billion JPY

Change from
Plan

-7.6 billion JPY
(**-4.0%**)

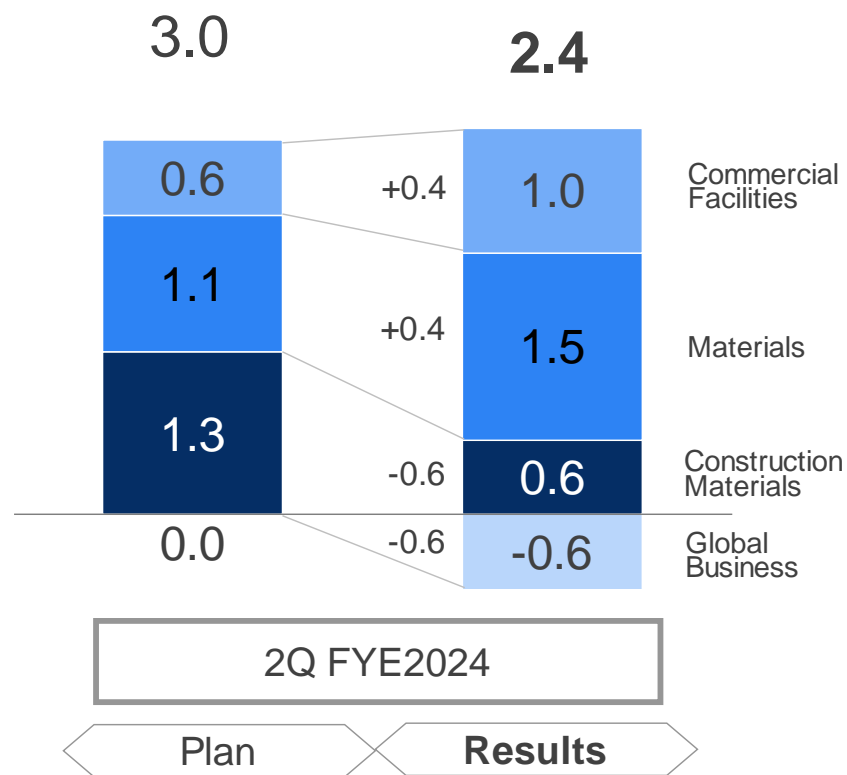


Operating income

2.4 billion JPY

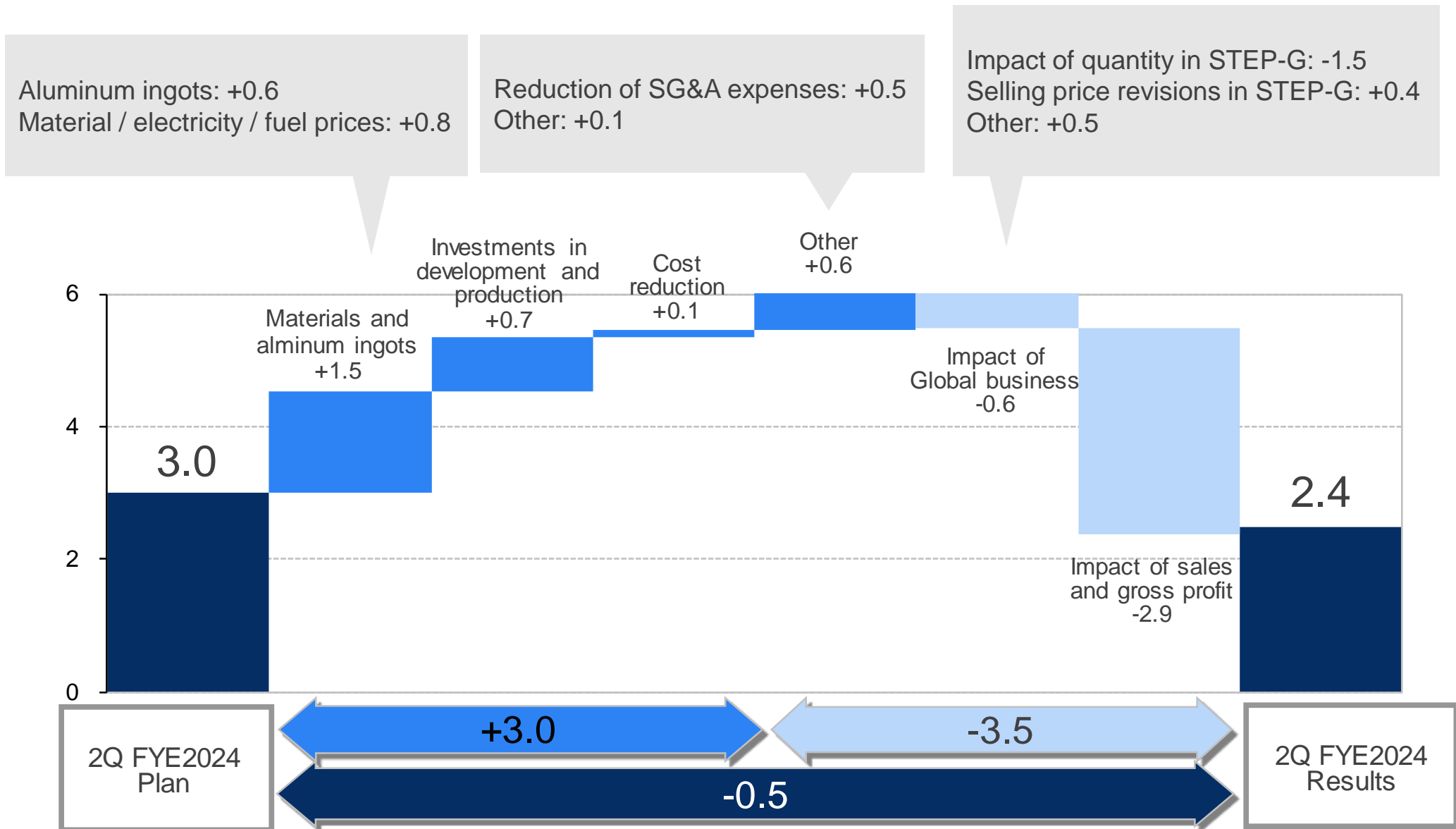
Change from
Plan

-0.5 billion JPY
(**-17.4%**)



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

Factors for Change in Operating Income for 2Q FYE2024: Comparison with Plan



Change in profits from Global business is consolidated into "Impact of Global business".
 Note: Amounts are rounded down to the nearest 100 million JPY.

New aluminum extrusion line at the Shinminato-Higashi Plant Strengthen supply capacity to the EVs, automotive segment

We have decided to expand our Shinminato-Higashi Plant and add a new extrusion line. This is part of efforts to boost aluminum extrusion supply capacity for the EV market, which is expected to grow in the medium- to long-term.

◆ Overview of the Expansion Work

Plant name	Sankyo Tateyama, Inc. Sankyo Material Company Shinminato-Higashi Plant
Location	28-1 Shinbori, Imizu, Toyama Japan
Planned investment	Approx. 12 billion JPY
Building area	Expansion area: 12,862 m ² (entire plant: 26,566 m ²)
Structure and scale	Steel construction, 2 floors above ground
Scheduled start of construction	July 1, 2024
Scheduled completion of construction	October 31, 2025
Items to be manufactured	Aluminium extruded profile
Production capacity	Approx. 1,000 t / month
Extruders	1 unit (5,500 USt)
Solar power generation system	Approx. 5,500 m ² of panels to be installed on the roof of the expanded section, panel output of approx.1MW



Visualization of the expansion

We have been focusing on growth of the materials business to achieve VISION2030, our long-term vision. With the addition of this new extrusion line, we will cater to the shift to EV in automotive segment and the expansion in other aluminum demand. In addition, electricity generated through a solar power generation system installed on the roof will be used inside the plant, the expansion will contribute to the sustainability goals being pursued by Sankyo Tateyama.

ESG-related Contents Enhanced

Sankyo Tateyama Integrated Report 2023 Published

Sankyo Tateyama has posted the Sankyo Tateyama Integrated Report, which describes the Group's activities, for FYE2023 (June 2022 to May 2023) on its website.

Main content

■ Foundation of value creation “Contribution to the realization of decarbonization”

Introducing the current status of the Company and its future initiatives under the theme of decarbonization in order to achieve the “achieving carbon neutrality” and “reusing resources,” as set forth in the Sustainability Vision 2050.

■ Foundation of value creation “Connecting personnel and the future”

Introducing the current status of the Company and its future initiatives under the theme of human resources utilization to achieve the goal of “connecting personnel and the future.” Also, introducing messages from various employees to show that diverse human resources are playing an active role.

- Integrated report ➔ https://www.st-grp.co.jp/english/ir/group_report.html



*Details of measures on chemical substances, basic stance on product development, environmental management and our responses to environmental risks published last year are updated on the "Sustainability" page on our website. (Japanese) ➔ <https://www.st-grp.co.jp/sustainability/index.html>



End of acceptance of grant application reservations under the “2023 Household Energy Saving Campaign” Toward launch of the “2024 Household Energy Saving Campaign”

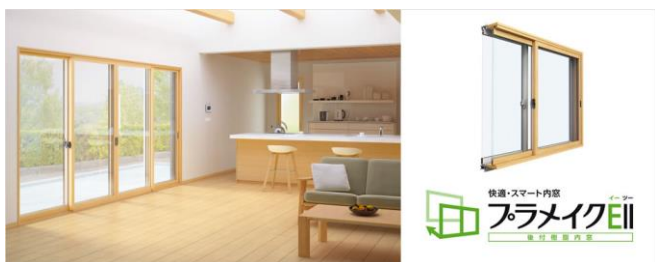
The acceptance of grant application reservations for the “2023 Household Energy Saving Campaign” has now ended. The campaign to support energy saving home renovations had been jointly implemented by three ministries (Ministry of Economy Trade and Industry, Ministry of Land, Infrastructure Transport and Tourism, and Ministry of the Environment) since the end of 2022. The decision has been made to continue the program in FY2024 as the “2024 Household Energy Saving Campaign.”



2023 Household Energy Saving Campaign

- Retrofittable PVC-based inner windows “Plamake EII”, “Plamake”
Year-on-year comparison
(Cumulative sales from June 2023 to November 2023)

Increase in sales approx. **390%**



2024 Household Energy Saving Campaign

◆ 2024 Advanced Window Renovation Program

[Ministry of the Environment] Budget **135** billion JPY

Products expected to be covered (main products)

*Products are subject to change.

- Installation of interior windows
 - “Plamake EII”, “Plamake”
- Replacement of exterior windows (cover method)
 - “NOVARIS” series, etc.

Insulation retrofitting for doors will be added starting with this year's program

* Same sales contract as window retrofitting applies

◆ Child-rearing Eco Home Support Project

[Ministry of Land, Infrastructure, Transport and Tourism] Budget **210** billion JPY

Products expected to be covered (main products)

*Products are subject to change.

- Installation of interior windows
 - “Plamake EII”, “Plamake”
- Renovations of exterior windows and doors
 - “NOVARIS” series, etc.

We will strengthen our product sales and production systems to further increase sales of renovation-related products. Furthermore, we will continue working to reduce CO2 emissions through the provision of Sankyo Tateyama's products with high insulating performance as part of efforts to achieve carbon neutrality by 2050.

- 2024 Household Energy Saving Campaign (Japanese) ➔ <https://alumi.st-grp.co.jp/hojokin/2024/>



Carport "FII"

Sankyo Tateyama Wins 2023 Good Design Awards

(Organizer: Japan Institute of Design Promotion)



Carport "FII"

◆ Product overview

"FII" is a carport with an aluminum flat roof that combines design and functionality. The design makes the beams and roof frame look assimilated while the roof joints appear sharp and noiseless. Together, they create a smart, beautiful impression without making the roof appear thick to the human eye. In addition, the new integrated structure of the beams and roof allows pillars to be placed inward from the edge of the roof. This prevents rain from blowing in under the roof and blocks direct sunlight.

◆ Evaluation points of the Good Design Awards

In today's mobilized society, carports at private residences play a major role in the streetscape. In many urban and suburban areas, private properties are constructed so that they go from street, to parking to the residence, and outdoor activities on the premises of the property are often limited. In this environment, what was evaluated was not only its shape and technology, but also the fact that the space between the pillars supporting the cantilevered roof is able to be used for storage. This benefits residents by providing a place for outdoor activities when there is no vehicle. We believe that it has the potential to change the streetscape by making lifestyles more visible from the street.

● News Release (Good Design Awards) (Japanese) → <https://alumi.st-grp.co.jp/news/2023news/sa20231005.html>



A List of Products Launched in the 2Q of FYE2024 (from September 1, 2023 to November 30, 2023)

September 2023

Construction Materials “Black polycarbonate board” for carport panel material.

Construction Materials Wood tone color and EV/PHEV charging compatible model are added to carport “FII.”

Industry first



Construction image of “black polycarbonate board”

October 2023

Commercial Facilities “Adview C” externally illuminated sign launched.



“Adview C” externally illuminated sign

November 2023

Construction Materials “Inprot” fireproof interior window for curtain walls launched.

Construction Materials “N-SLIM” aluminum handrails for medium and low-rise buildings and condominiums launched.

Construction Materials “Freline Forte” large fence/ gate doors launched.



“Inprot” fireproof interior window for curtain walls

● 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.-Sep.	446 thousand units (+7.7%)	443 thousand units (-0.7%)	415 thousand units (-6.2%)
The number of new housing starts [Owner-occupied houses]	Apr.-Sep.	149 thousand units (+13.3%)	132 thousand units (-10.9%)	119 thousand units (-10.2%)
The number of new housing starts [House for rent]	Apr.-Sep.	170 thousand units (+8.9%)	177 thousand units (+4.3%)	177 thousand units (-0.3%)
[Construction materials business (Building) index] Floor area of non-wooden structure starts	Apr.-Sep.	34.2 million m ² (+1.6%)	37.5 million m ² (+9.5%)	32.3 million m² (-13.9%)
[Materials business index] Aluminum extrusion weight [Excluding sashes and doors]	Jun.-Nov.	166 thousand tons (+5.5%)	157 thousand tons (-5.3%)	182 thousand tons (+15.3%)
[Commercial facilities business index] The number of new building starts [Stores]	Apr.-Sep.	2,791 buildings (+10.6%)	3,124 buildings (+11.9%)	2,758 buildings (-11.7%)
[Global business index] Vehicle production Germany	Apr.-Sep.	1388 thousand units (+1.0%)	1691 thousand units (+21.8%)	1981 thousand units (+17.2%)
Vehicle production Thailand	Apr.-Sep.	746 thousand units (+46.4%)	884 thousand units (+18.5%)	878 thousand units (-0.7%)
[Aluminum ingot Average value (The Nikkei)]	Jun.-Nov.	363.6 JPY/kg	405.9 JPY/kg	389.5 JPY/kg

(): 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%	94.3	93.1	-1.2	-1.3%
2Q	50.5	48.1	-2.4	-4.8%				
3Q								
4Q								
					FYE2024 Plan	190.0		

- Price revisions took root
- Tapped into demand for renovations due to the Household Energy Saving Campaign
- Sluggish construction market

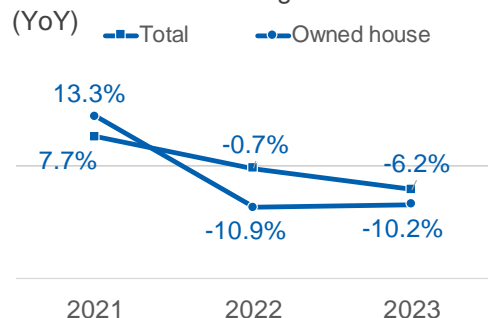
Operating income

	Quarterly				Total			
	FYE2023	FYE2024	Change YoY		FYE2023	FYE2024	Change YoY	
1Q	-0.7	-0.3	+0.4	-	-0.5	0.6	+1.2	-
2Q	0.1	0.9	+0.8	+476.0%				
3Q								
4Q								
					FYE2024 Plan	1.7		

- Net sales declined, but effects of measures to improve profitability, including price revisions.

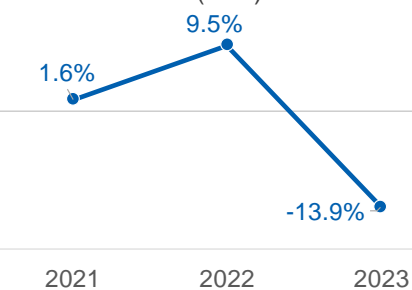
Business environment

Number of new housing starts (YoY)

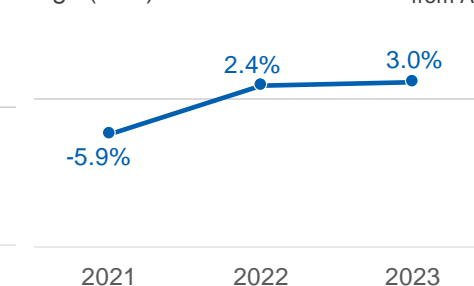


Source: Report of Statistical Survey of Construction Starts by the Ministry of Land, Infrastructure, transport and Tourism

Floor area of non-wooden structure starts (YoY)

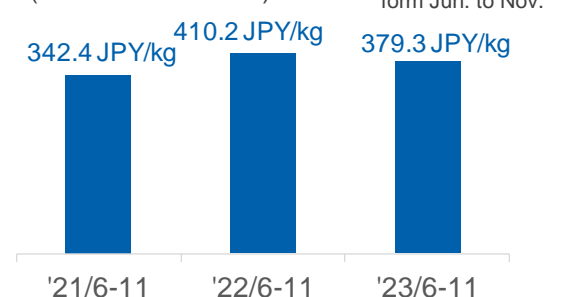


Sales weight of aluminum sash for buildings (YoY)



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

Aluminum ingot price (Source: The Nikkei)



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%	29.3	27.7	-1.6	-5.7%
2Q	15.0	13.7	-1.3	-9.1%				
3Q								
4Q								
					FYE2024 Plan	61.0		

- Continued declines in demand in the construction materials and general machine sectors, despite firm demand in the transportation sector
- Decrease sales linked to aluminum ingot market

Operating income

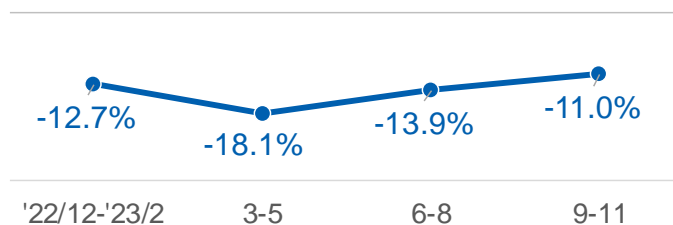
	Quarterly				Total			
	FYE2023	FYE2024	Change YoY		FYE2023	FYE2024	Change YoY	
1Q	0.8	0.4	-0.3	-44.4%	1.9	1.5	-0.4	-22.2%
2Q	1.0	1.0	-0.0	-4.7%				
3Q								
4Q								
					FYE2024 Plan	2.9		

- Change in sales composition and decline in sales, etc.

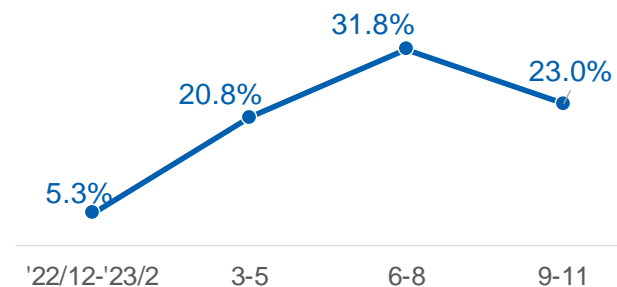
Business environment

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%	20.8	22.2	+1.3	+6.7%
2Q	11.6	12.4	+0.7	+6.3%				
3Q								
4Q								
FYE2024 Plan						39.5		

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

- Captured demand for new store openings and renovations, particularly in categories showing proactive investment

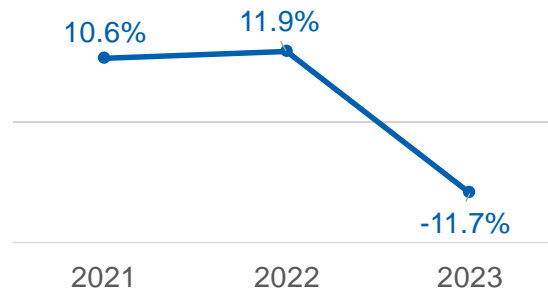
Operating income

	Quarterly				Total			
	FYE2023	FYE2024	Change YoY		FYE2023	FYE2024	Change YoY	
1Q	0.0	0.2	+0.1	+326.4%	0.3	1.0	+0.7	+229.3%
2Q	0.2	0.7	+0.5	+206.5%				
3Q								
4Q								
FYE2024 Plan						1.1		

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

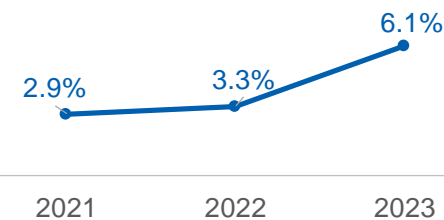
Business environment

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 Sep.

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%	42.4	38.1	-4.2	-10.0%
2Q	22.1	18.4	-3.6	-16.5%				
3Q								
4Q								
					FYE2024 Plan	84.0		

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

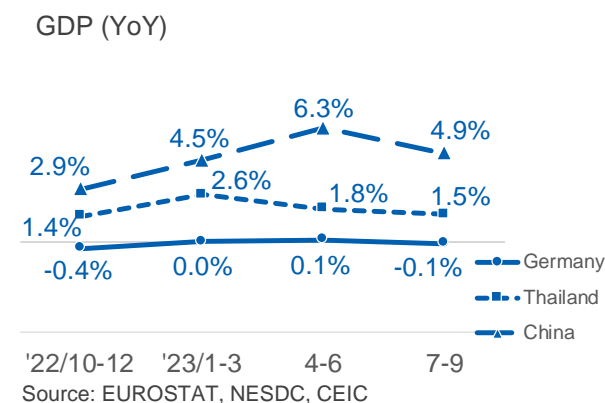
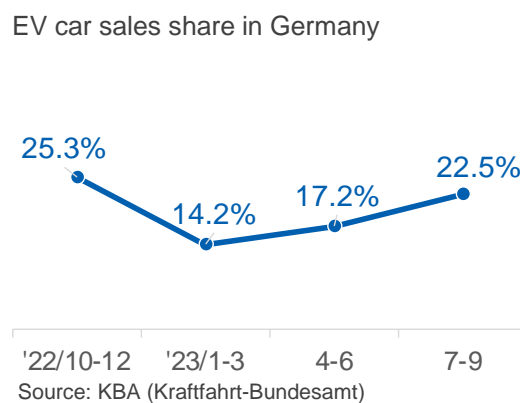
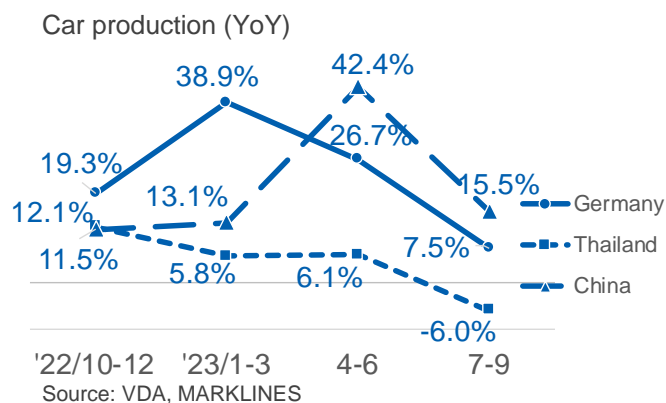
- Decrease in sales linked to aluminum ingot market, despite an increase in sales due to the impact of exchange rates
- Continued downturn in demand for extrusion products in Europe, etc.

Operating income

	Quarterly				Total			
	FYE2023	FYE2024	Change YoY		FYE2023	FYE2024	Change YoY	
1Q	-1.0	0.2	+1.3	-	-0.6	-0.6	+0.0	-
2Q	0.3	-0.9	-1.2	-				
3Q								
4Q								
					FYE2024 Plan	0.3		

- Improved due to factors including sales composition and price pass-through at the European subsidiary against energy and materials price increases, despite a decline in net sales, etc.

Business environment



Balance Sheet

Current assets 151.2	Current liabilities 128.0	Current assets 154.7	Current liabilities 122.0
Fixed assets 131.6	Fixed liabilities 62.2	Fixed assets 134.6	Fixed liabilities 70.8
	Net assets 92.6		Net assets 96.4

	FYE2023 (May 31, 2023)	2QFYE2024 (November 30, 2023)	Change
Total assets	282.9	289.4	6.4
Equity	89.4	93.3	3.8
Capital adequacy ratio	31.6%	32.2%	0.6p
Interest-bearing dept	82.5	83.0	0.5
Interest-bearing dept ratio	92.2%	89.0%	-3.2p

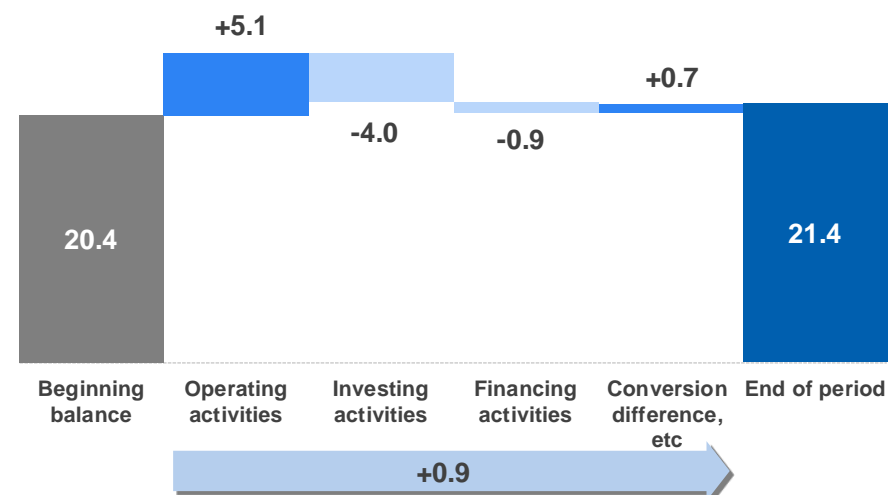
*Equity: net assets – non-controlling interests

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

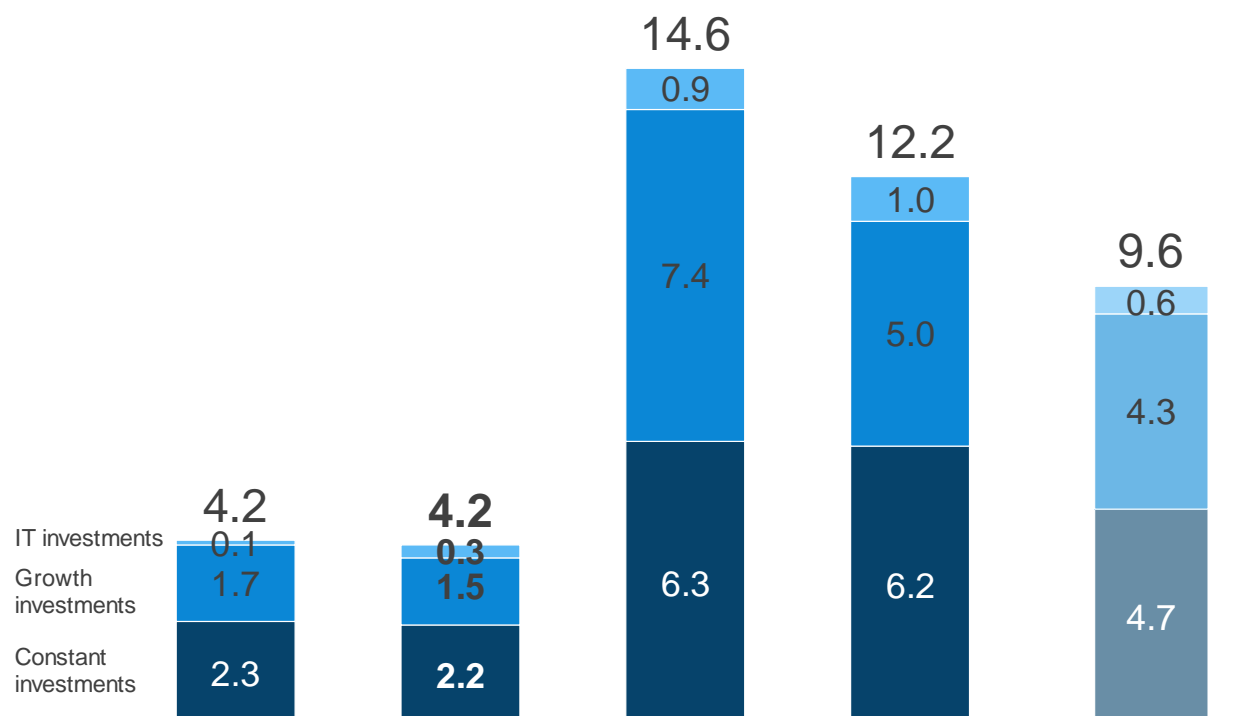
Cash Flows



Cash flows from operating activities	5.1	Cash flows from investing activities	-4.0	Cash flows from financing activities	-0.9
Profit (loss) before income taxes	2.5	Purchase of tangible fixed assets	-4.2	Net increase (decrease) in short-term loans	-9.5
Depreciation	4.1	Other, net	0.2	Proceeds from long-term borrowings	18.3
Decrease (increase)	-3.5			Repayments of long-term borrowings	-9.0
Decrease (increase) in inventories	1.7			Dividends paid	-0.3
Increase (decrease) in trade payables	-1.1			Other, net	-0.3
Income taxes paid	-0.5				
Other, net	1.9				

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

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



	2Q FYE2023 Result	2Q FYE2024 Result	FYE2024 Plan	FYE2024 Review Plan	FYE2023 Result
Constant investments	2.3	2.2	6.3	6.2	4.7
Growth investments	1.7	1.5	7.4	5.0	4.3
IT investments	0.1	0.3	0.9	1.0	0.6
Total	4.2	4.2	14.6	12.2	9.6
(overseas subsidiaries)	(1.7)	(1.8)	(6.1)	(3.9)	(3.7)

Depreciation expense	3.9	4.1	8.6	8.7	8.2
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Scope of consolidation and equity method

	FYE2023 (May 31, 2023)	2Q FYE2024 (November 30, 2023)	Change
Consolidated subsidiaries	46	46	0
Equity method-applied companies	6	6	0
Total	52	52	0

Status of personnel (Regular employees)

	FYE2023 (May 31, 2023)	2Q FYE2024 (November 30, 2023)	Change
Sankyo Tateyama, Inc.	4,968	4,843	-125
Consolidated subsidiaries	5,405	5,478	73
Total	10,373	10,321	-52

Aluminum Ingot Price and Exchange Rates

		Average	2Q FYE2023 Results	FYE2024 Plan	2Q FYE2024 Results
Aluminum ingot price (Nikkei Aluminum average)		Jun.-Nov.	405.9 JPY/kg	375.0 JPY/kg	389.5 JPY/kg
Exchange rates	USD	Apr.-Sep.	134.0 JPY	135.0 JPY	141.1 JPY
	EUR	Apr.-Sep.	138.8 JPY	140.0 JPY	153.4 JPY
	THB	Apr.-Sep.	3.8 JPY	3.8 JPY	4.1 JPY
	CNY	Apr.-Sep.	19.9 JPY	19.5 JPY	19.7 JPY

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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