



(Reference) Equity:	As of	February 28, 2025:	¥	96,508 million
	As of	May 31, 2024:	¥	96,137 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2024	-	10.00	-	10.00	20.00
Fiscal year ending May 31, 2025	-	12.50	-		
Fiscal year ending May 31, 2025 (Forecast)				12.50	25.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 31, 2025(June 1, 2024 to May 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	357,000	1.1	3,000	(21.2)	2,000	(48.5)	200	-	6.38

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: - (Company name:)
Excluded: 1 (Company name: Okinawa Sankyo Tateyama Alumi, Inc.)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: Yes
- 3) Changes in accounting estimates: Yes
- 4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

February 28, 2025: 31,554,629 shares
May 31, 2024: 31,554,629 shares

2) Number of treasury shares at the end of the period:

February 28, 2025: 213,895 shares
May 31, 2024: 209,911 shares

3) Average number of shares outstanding during the period:

Nine months ended February 28, 2025: 31,342,630 shares
Nine months ended February 29, 2024: 31,348,670 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The operating results forecasts and other forward-looking statements contained in this report are based on information currently available to Sankyo Tateyama, Inc. (the "Company"), as well as certain assumptions that the Company has judged to be reasonable. As such, they do not constitute an assurance that the Company promises to achieve these projected results. Therefore, readers are advised to note that the actual results may vary materially from the forecasts due to a variety of factors.

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1. Overview of Operating Results and Financial Position

(1) Overview of operating results

In the external environment surrounding our group during the nine months of the current fiscal year, in the domestic economy, there was a steady increase in capital investment against the backdrop of improved corporate earnings, and the gradual upward trend in personal consumption continued due to improvements in the employment and income environment. On the other hand, the number of new housing starts remained weak due to factors such as soaring construction costs caused by rising material prices and labor costs, as well as a shortage of labor, and there was also an increase in logistics costs, so the business environment remained challenging.

Overseas, the German economy continues to struggle due to factors such as the decline in its mainstay manufacturing industry. The Thai economy is still weak in the automotive market, but there are signs of economic recovery due to factors such as increased exports.

Under these circumstances, consolidated results for the nine months of the current fiscal year were as follows: net sales of 267,299 million yen (up 1.1% year-on-year), operating profit of 2,045 million yen (down 23.1% year-on-year), ordinary profit of 1,493 million yen (down 47.1% year-on-year), and loss attributable to owners of parent of 413 million yen (compared to loss attributable to owners of parent of 569 million yen in the same period of the previous year).

The results for each segment are as follows.

Construction Materials Business

In the Construction Materials Business, despite the acquisition of renovation demand, the number of new housing starts continued to fall below the previous year's level, and net sales were 135,188 million yen (down 1.8% year-on-year). As for operating profit, the increase in material prices, aluminum ingot prices, and logistics costs could not be absorbed by revenue improvement measures, including price revisions, and segment income was 735 million yen (down 35.4% year-on-year).

Materials Business

In the Materials Business, net sales increased 10.5% year-on-year to 43,999 million yen due to a recovery in demand in the general machinery sector and an increase in sales linked to the aluminum ingot market, despite the impact of market slumps in the construction materials and transportation sectors. As for operating profit, segment income was 2,125 million yen (up 41.7% year-on-year), due to factors such as the effect of cost reduction.

Commercial Facilities Business

In the Commercial Facilities Business, there was active investment in new store openings and store renovations against a backdrop of intensifying competition across retail industry categories and increasing inbound demand. We were able to capture this demand, and net sales were 32,044 million yen (up 2.6% year-on-year). As for operating profit, despite the increase in net sales, segment income was 1,062 million yen (down 4.7% year-on-year) due to a delay in implementing revenue improvement measures, including price revisions, in response to various cost increases, such as logistics costs.

Global Business

In the Global Business, the European subsidiary was significantly affected by the decline in EV sales in Germany. On the other hand, due to the revenue increase effect of foreign exchange and the increase in sales volume for wholesale, as well as growth in the electric equipment field at the Thai subsidiary, net sales were 55,851 million yen (up 0.8% year-on-year). As for operating profit, due to factors such as the change in sales composition accompanying the decline in EV sales in Germany, segment loss was 1,746 million yen (compared to segment loss of 1,015 million yen in the same period of the previous year).

(2) Overview of financial position

Total assets at the end of the third quarter of the current consolidated fiscal year increased by 7,029 million yen compared to the end of the previous consolidated fiscal year to 297,004 million yen. This was mainly due to increases of 6,261 million yen in property, plant and equipment such as construction in progress, 5,103 million yen in inventories such as work in process, and 1,019 million yen in electronically recorded monetary claims - operating, despite decreases of 3,733 million yen in cash and deposits and 2,254 million yen in notes and accounts receivable - trade, and contract assets.

Liabilities increased by 6,542 million yen compared to the end of the previous consolidated fiscal year, to 197,034 million yen. This was mainly due to increases of 5,926 million yen in long-term borrowings and 4,737 million yen in short-term borrowings, despite decreases of 1,975 million yen in electronically recorded obligations - operating and 1,143 million yen in notes and accounts payable - trade. Net assets were 99,970 million yen, and the equity ratio was 32.5%.

(3) Forecasts of consolidated financial results and other forward-looking statements

There has been no revision to the earnings forecast announced on January 9, 2025.

2. Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	24,653	20,920
Notes and accounts receivable - trade, and contract assets	50,303	48,049
Electronically recorded monetary claims - operating	6,427	7,447
Securities	12	24
Merchandise and finished goods	20,082	21,177
Work in process	15,230	17,707
Raw materials and supplies	21,211	22,742
Other	8,332	7,246
Allowance for doubtful accounts	(570)	(499)
Total current assets	145,684	144,816
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,088	21,781
Land	55,178	58,325
Other, net	27,972	31,394
Total property, plant and equipment	105,240	111,501
Intangible assets		
Goodwill	636	118
Other	2,677	2,739
Total intangible assets	3,313	2,857
Investments and other assets		
Investment securities	14,257	15,167
Other	21,856	23,140
Allowance for doubtful accounts	(375)	(479)
Total investments and other assets	35,737	37,828
Total non-current assets	144,291	152,188
Total assets	289,975	297,004

(Millions of yen)

	As of May 31, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,023	39,880
Electronically recorded obligations - operating	17,770	15,795
Short-term borrowings	13,739	18,476
Current portion of long-term borrowings	18,180	18,735
Income taxes payable	1,077	405
Provision for bonuses	463	1,543
Provision for loss on disaster	1,049	525
Provisions	11	29
Other	25,487	24,482
Total current liabilities	118,804	119,875
Non-current liabilities		
Long-term borrowings	46,268	52,194
A product repair reserve fund	763	713
Retirement benefit liability	10,167	10,234
Asset retirement obligations	493	500
Other	13,995	13,515
Total non-current liabilities	71,687	77,159
Total liabilities	190,492	197,034
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	31,932	31,932
Retained earnings	25,766	24,645
Treasury shares	(259)	(262)
Total shareholders' equity	72,439	71,315
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,625	2,813
Deferred gains or losses on hedges	541	(32)
Revaluation reserve for land	3,776	3,776
Foreign currency translation adjustment	3,784	6,554
Remeasurements of defined benefit plans	12,970	12,081
Total accumulated other comprehensive income	23,698	25,193
Non-controlling interests	3,345	3,461
Total net assets	99,483	99,970
Total liabilities and net assets	289,975	297,004

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended February 29, 2024	For the nine months ended February 28, 2025
Net sales	264,459	267,299
Cost of sales	212,584	213,957
Gross profit	51,874	53,342
Selling, general and administrative expenses	49,215	51,296
Operating profit	2,659	2,045
Non-operating income		
Interest income	89	118
Dividend income	178	389
Share of profit of entities accounted for using equity method	244	227
Foreign exchange gains	581	-
Other	522	585
Total non-operating income	1,616	1,321
Non-operating expenses		
Interest expenses	984	1,144
Foreign exchange losses	-	291
Other	466	437
Total non-operating expenses	1,451	1,873
Ordinary profit	2,824	1,493
Extraordinary income		
Gain on sale of non-current assets	51	25
Gain on sale of investment securities	106	-
Gain on extinguishment of tie-in shares	16	-
Other	0	0
Total extraordinary income	174	25
Extraordinary losses		
Loss on sale of non-current assets	4	1
Loss on retirement of non-current assets	340	360
Loss on valuation of investment securities	4	2
Loss on disaster	691	-
Provision for loss on disaster	1,418	-
Environmental expenses	-	414
Other	-	1
Total extraordinary losses	2,461	780
Profit before income taxes	537	738
Income taxes	1,098	1,088
Loss	(561)	(350)
Profit attributable to non-controlling interests	7	63
Loss attributable to owners of parent	(569)	(413)

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended February 29, 2024	For the nine months ended February 28, 2025
Loss	(561)	(350)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,065	187
Deferred gains or losses on hedges	335	(574)
Foreign currency translation adjustment	1,243	2,824
Remeasurements of defined benefit plans, net of tax	478	(889)
Share of other comprehensive income of entities accounted for using equity method	5	1
Total other comprehensive income	3,128	1,549
Comprehensive income	2,566	1,199
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,534	1,081
Comprehensive income attributable to non-controlling interests	32	118

(3) Key notes on consolidated quarterly financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity, if any)

Not applicable.

(Notes on accounting methods specific to preparation of quarterly consolidated financial statements)

(Calculation of tax expense)

Certain consolidated subsidiaries have adopted a method of reasonably estimating the effective tax rate after applying tax effect accounting to income before income taxes and minority interests for the consolidated fiscal year, including the current consolidated accounting period, and multiplying income before income taxes and minority interests by this estimated effective tax rate.

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”), etc. from the beginning of the first quarter.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso of Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Guidance 2022”). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries, etc. resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Guidance 2022 has been applied from the beginning of the first quarter. This change in accounting policies is applied retrospectively, and the quarterly consolidated financial statements and consolidated financial statements for the previous fiscal year are those after retrospective application. This change in accounting policies has no impact on the quarterly consolidated financial statements and consolidated financial statements for the previous fiscal year.

(Changes in accounting policies that are difficult to differentiate from changes in accounting estimates and changes in accounting estimates)

(Changes in method of depreciation of property, plant and equipment)

The Company and its consolidated subsidiaries in Japan previously used the declining balance method as the method of depreciation for part of property, plant and equipment. The method, however, has been changed to the straight-line method from the beginning of the first quarter.

In formulating the Midium-Term Management Plan (FYE2025–2027) as the second phase toward the achievement of VISION2030, the Group reviewed how its property, plant and equipment were used and capital investments were made. The Group found that stable production was expected to level out the use of property, plant and equipment, and therefore judged that adopting the straight-line method, which spreads costs evenly over the service life, would result in a more appropriate periodic accounting of profit and loss.

In addition, the estimated periods of use of property, plant and equipment were reviewed along with the change in the method of depreciation. As a result, service lives have been changed for part of property, plant and equipment, based on more realistic forecasts for the possibility of economic use. Furthermore, the Group reviewed the values at the time of retirement for property, plant and equipment that are past their service lives, and changed the residual values of part of property, plant and equipment to 1 yen, the reminder price.

As a result of the changes described above, operating profit for the period increased by 416 million yen, and ordinary profit and profit before income taxes increased by 417 million yen compared with the figures based on the previous method.

(Notes on segment information, etc.)

[Segment information]

For the nine months ended February 29, 2024 (from June 1, 2023 to February 29, 2024)

1. Net sales and income or loss by reportable segments

	Reportable segments					Others (Note) 1	Total	Adjustments (Note) 2	Amounts in consolidated financial statements (Note) 3
	Construction Materials Business	Materials Business	Commercial Facilities Business	Global Business	Total				
Net sales									
Net sales to external customers	137,691	39,816	31,230	55,432	264,171	287	264,459	—	264,459
Intersegment sales or transfers	3,060	31,666	49	1,375	36,150	—	36,150	(36,150)	—
Total	140,752	71,482	31,279	56,808	300,322	287	300,609	(36,150)	264,459
Segment income (loss)	1,137	1,499	1,114	(1,015)	2,736	(23)	2,713	(54)	2,659

- (Notes)
1. The “Others” category is a business segment which is not included in the reportable segments and includes leasing business and plant factory business, etc.
 2. Adjustment of segment income (loss) of (54) million yen includes corporate expenses of (49) million yen not allocated to each reportable segment. Corporate expenses are primarily selling, general and administrative expenses not attributable to each reportable segment.
 3. Segment income (loss) is adjusted for operating profit in the quarterly consolidated statements of income.

2. Information on impairment loss on fixed assets and goodwill by reporting segment

During the first nine months of the fiscal year ended February 29, 2024, there was no recognition of significant impairment losses on non-current assets, no significant fluctuations in the amount of goodwill, and no recognition of significant gain on bargain purchase.

For the nine months ended February 28, 2025 (from June 1, 2024 to February 28, 2025)

1. Net sales and income or loss by reportable segments

(Millions of yen)

	Reportable segments					Others (Note) 1	Total	Adjustments (Note) 2	Amounts in consolidated financial statements (Note) 3
	Construction Materials Business	Materials Business	Commercial Facilities Business	Global Business	Total				
Net sales									
Net sales to external customers	135,188	43,999	32,044	55,851	267,083	215	267,299	—	267,299
Intersegment sales or transfers	3,384	30,003	62	1,423	34,873	—	34,873	(34,873)	—
Total	138,573	74,002	32,106	57,275	301,957	215	302,173	(34,873)	267,299
Segment income (loss)	735	2,125	1,062	(1,746)	2,177	(66)	2,110	(65)	2,045

- (Notes)
1. The “Others” category is a business segment which is not included in the reportable segments and includes leasing business and plant factory business, etc.
 2. Adjustment of segment income (loss) of (65) million yen includes corporate expenses of (62) million yen not allocated to each reportable segment. Corporate expenses are primarily selling, general and administrative expenses not attributable to each reportable segment.
 3. Segment income (loss) is adjusted for operating profit in the quarterly consolidated statements of income.

2. Information on impairment loss on fixed assets and goodwill by reporting segment

During the first nine months of the fiscal year ended February 28, 2025, there was no recognition of significant impairment losses on non-current assets, no significant fluctuations in the amount of goodwill, and no recognition of significant gain on bargain purchase.

3. Matters on changes in reportable segments, etc.

As stated in “(Changes in accounting policies that are difficult to differentiate from changes in accounting estimates and changes in accounting estimates),” the method of depreciation of property, plant and equipment has been changed to the straight-line method from the beginning of the first quarter. Along with the change in the method of depreciation, for part of property, plant and equipment, service lives also have been changed based on more realistic forecasts for the possibility of economic use and residual values were changed to 1 yen, the reminder price. Due to these changes, the calculation method of segment income (loss) has been changed as well.

As a result of the said changes, segment income for the period under review changed as follows: Compared with the figures based on the previous method, segment income for the Construction Materials Business decreased by 160 million yen, segment income for the Materials Business increased by 551 million yen, segment income for the Commercial Facilities Business increased by 23 million yen, segment income for the Global Business decreased by 0 million yen, segment income for the leasing business, plant factory business, etc. included in others increased by 1 million yen, and segment income for adjustments decreased by 0 million yen.

(Notes on quarterly consolidated statements of cash flows)

No quarterly consolidated cash flow statement has been prepared for the nine months of the current fiscal year. Depreciation (including amortization of intangible assets and excluding goodwill) and amortization of goodwill for the nine months of the current fiscal year are as follows.

(Millions of yen)

	For the nine months ended February 29, 2024	For the nine months ended February 28, 2025
Depreciation	6,382	6,157
Amortization of goodwill	487	519