



FYE2025 to FYE2027

Medium-Term Management Plan

July 11, 2024

(1) Review of Previous Medium-Term Management Plan (FYE2022–FYE2024)

(2) External Environment

(3) Long-term Vision

(4) Medium-Term Management Plan (FYE2025–FYE2027)

- (i) Position of the Medium-Term Management Plan
- (ii) Numerical targets
- (iii) Basic policies
- (iv) Financial strategy
- (v) Optimization of business portfolio
- (vi) Carbon neutrality initiatives
- (vii) Human resources strategy
- (viii) Safety, quality, and compliance
- (ix) DX strategy
- (x) Management indicators

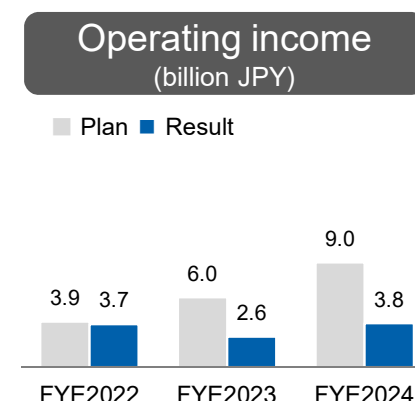
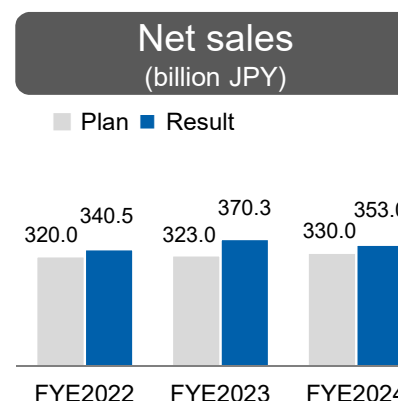
(5) Reference: Strategies by Business

- (i) Construction Materials Business
- (ii) Materials Business
- (iii) Commercial Facilities Business
- (iv) Global Business

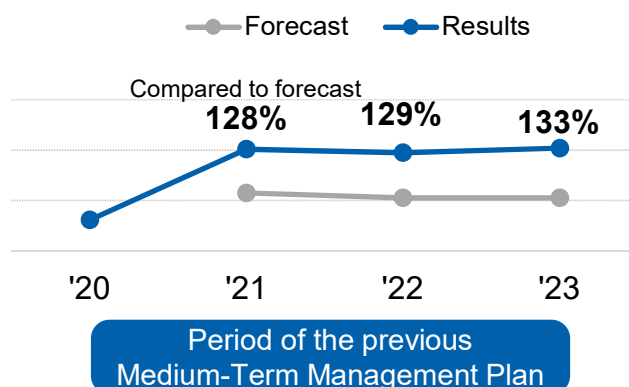
(1) Review of Previous Medium-Term Management Plan | Summary SankyoTateyama, Inc.

Under the previous Medium-Term Management Plan, we set "Achieve sound earnings" and "Establish a stable growth foundation" as management policies. However, issues remained with income due to the greater-than-expected changes in the external environment that resulted from the COVID-19 pandemic and the international uncertainty.

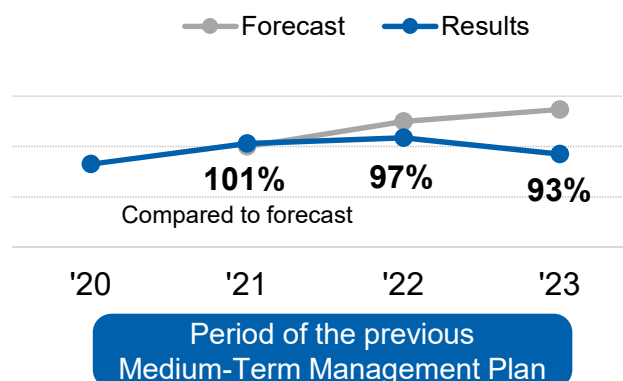
Management indicators	FYE2024 targets	FYE2024 results
Net sales	330.0 billion JPY	353.0 billion JPY
Operating income	9.0 billion JPY	3.8 billion JPY
ROA	1.9%	-0.4%
ROE	5.9%	-1.1%
Capital adequacy ratio	33% or above	33.2%



Nikkei average price of aluminum ingot
Remained approx. 30% higher than the forecast throughout the three fiscal years

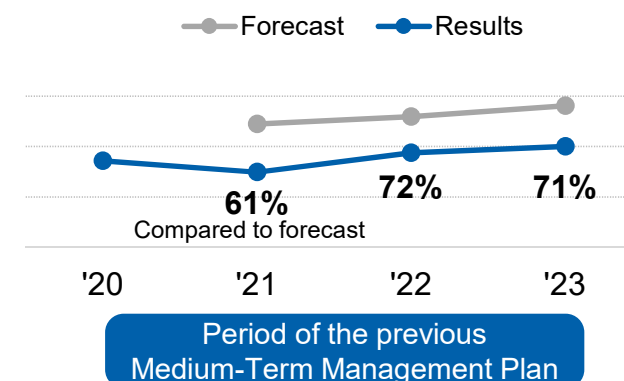


Exterior market
Fell below the forecast due to a decline in consumer confidence that resulted from the weaker yen and price rise



Source: Japan Exterior Industry Association

Vehicle production in Germany
Demand slowed due to a recession caused by inflation.



Source: VDA MARKLINES

(1) Review of Previous Mid-term Management Plan | By Segment

	Net sales (billion JPY)	Operating income (billion JPY)	Overview												
Construction Materials Business	<p>■ Plan ■ Result</p> <table><tr><td>FYE2022</td><td>FYE2023</td><td>FYE2024</td></tr><tr><td>188.0 182.1</td><td>190.5 187.1</td><td>193.0 182.2</td></tr></table>	FYE2022	FYE2023	FYE2024	188.0 182.1	190.5 187.1	193.0 182.2	<p>■ Plan ■ Result</p> <table><tr><td>FYE2022</td><td>FYE2023</td><td>FYE2024</td></tr><tr><td>2.4 2.5</td><td>3.2 -0.1</td><td>5.3 2.2</td></tr></table>	FYE2022	FYE2023	FYE2024	2.4 2.5	3.2 -0.1	5.3 2.2	<p>Revised selling prices in response to soaring prices of aluminum ingots, materials, and energy, although the effects of the revision were more than offset by a decrease in volume.</p> <ul style="list-style-type: none">● Demand for renovations and remodeling increased due to the subsidy policy.● Sales volume decreased in highly profitable business areas.● Improvements in earnings were delayed in low profitability businesses.
FYE2022	FYE2023	FYE2024													
188.0 182.1	190.5 187.1	193.0 182.2													
FYE2022	FYE2023	FYE2024													
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Materials Business	<table><tr><td>FYE2022</td><td>FYE2023</td><td>FYE2024</td></tr><tr><td>47.5 53.3</td><td>45.0 58.5</td><td>46.0 53.0</td></tr></table>	FYE2022	FYE2023	FYE2024	47.5 53.3	45.0 58.5	46.0 53.0	<table><tr><td>FYE2022</td><td>FYE2023</td><td>FYE2024</td></tr><tr><td>2.2 2.6</td><td>2.5 3.2</td><td>3.0 1.4</td></tr></table>	FYE2022	FYE2023	FYE2024	2.2 2.6	2.5 3.2	3.0 1.4	<p>Targets were achieved by FYE2023 but demand was sluggish.</p> <ul style="list-style-type: none">● Demand declined in the construction materials and general machine segments.● Orders received decreased due to the Noto Peninsula Earthquake.● The expansion of aluminum extrusion lines for the EV market began.
FYE2022	FYE2023	FYE2024													
47.5 53.3	45.0 58.5	46.0 53.0													
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Commercial Facilities Business	<table><tr><td>FYE2022</td><td>FYE2023</td><td>FYE2024</td></tr><tr><td>37.5 40.7</td><td>38.5 41.6</td><td>40.0 42.6</td></tr></table>	FYE2022	FYE2023	FYE2024	37.5 40.7	38.5 41.6	40.0 42.6	<table><tr><td>FYE2022</td><td>FYE2023</td><td>FYE2024</td></tr><tr><td>0.9 1.7</td><td>1.0 0.6</td><td>1.2 1.5</td></tr></table>	FYE2022	FYE2023	FYE2024	0.9 1.7	1.0 0.6	1.2 1.5	<p>Captured demand in strong categories and revised selling prices.Plans were achieved despite the effect of foreign exchange rates.</p> <ul style="list-style-type: none">● Tapped into demand for new store openings and renovations.● Launched products that cater to needs for manpower and labor savings.
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37.5 40.7	38.5 41.6	40.0 42.6													
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Global Business	<table><tr><td>FYE2022</td><td>FYE2023</td><td>FYE2024</td></tr><tr><td>45.5 62.6</td><td>46.5 82.8</td><td>48.0 74.6</td></tr></table>	FYE2022	FYE2023	FYE2024	45.5 62.6	46.5 82.8	48.0 74.6	<table><tr><td>FYE2022</td><td>FYE2023</td><td>FYE2024</td></tr><tr><td>-1.7 -3.1</td><td>-0.8 -0.8</td><td>-0.7 -1.3</td></tr></table>	FYE2022	FYE2023	FYE2024	-1.7 -3.1	-0.8 -0.8	-0.7 -1.3	<p>Sales increased due to rising aluminum ingot prices and the effect of foreign exchange rate. The profit target was not achieved due to slowdown in demand for EVs in Europe.</p> <ul style="list-style-type: none">● The sales volume of EVs decreased in Europe.● Production capacity was increased by expanding aluminum extrusion lines in Thailand.
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45.5 62.6	46.5 82.8	48.0 74.6													
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The global environment has changed significantly after the COVID-19 pandemic.
Companies are required to address emerging social issues.

Global

- Increasing seriousness of climate change and environmental problems
- Increase and actualization of country risk
- Global inflation
- Evolution of AI and robot technologies

Domestic

- Growing risks of climate change and disasters
- Demands for decarbonization and a shift to a recycling-oriented society
- Soaring prices of raw materials, materials, and energy
- Fluctuations in foreign exchange rates and interest rates

Actualization of social issues

Division and gap, environmental and energy problems, etc.

Growing awareness of sustainability

Acceleration of moves to create new mechanisms in the era of VUCA

Achieving both social value and economic value

Contribute to solving environmental and social issues through our business

(2) External Environment

	Business environment	Focus
Construction Materials Business	<ul style="list-style-type: none"> ● Decrease in new housing starts reflecting a declining and aging population ● Higher heat insulation of houses aimed at carbon neutrality ● Shift from the new construction market to existing construction market ● Growing risks of climate change and disasters 	<ul style="list-style-type: none"> ● Growing demand for products with high heat insulation ● Increase in products for remodeling reflecting the subsidy program ● Shift to wooden/woody construction for achieving carbon neutrality
Materials Business	<ul style="list-style-type: none"> ● Recovery of semiconductor-related demand ● Major changes in automotive structure attributed to electrification and shift to BEVs ● Productivity improvement and evolution of reforms for increasing supply capacity with new digital technologies ● Large-scale repair of infrastructure constructed more than 50 years ago 	<ul style="list-style-type: none"> ● Increase in demand for aluminum extrusion ● Responses to labor shortages ● Carbon neutrality initiatives ● Demand for replacement with aluminum
Commercial Facilities Business	<ul style="list-style-type: none"> ● Strong retail sales amount reflecting surging prices and a recovery in demand from inbound tourists ● Ongoing investment in renovations for improving existing stores and for manpower and labor savings ● Industry reorganization in the drug store market ● Concern over the future of the Chinese economy and steady economic growth in the ASEAN region 	<ul style="list-style-type: none"> ● Expanding order areas by leveraging commercial flows of direct sales ● Tapping into investment for renovation for labor savings and digitalization ● Tackling the 2024 problem in logistics ● Expanding sales in the global retail industry and ASEAN region
Global Business	<ul style="list-style-type: none"> ● Gradual increase in automobile production in Germany, China, and Thailand ● Slowdown in demand for BEVs in Europe ● Steady expansion of railway and aviation markets ● Steady economic growth of the ASEAN region ● Accelerated departure from dependence on China 	<ul style="list-style-type: none"> ● Tapping into demand for aluminum in fields other than the automotive segment ● Expansion of production in the ASEAN region associated with the avoidance of China risk

Contributing to sustainable and affluent life

– Realizing an environmentally friendly, safe, and comfortable society –

VISION2030

Environmentally friendly

- CO₂ emissions reduction
- Recycling of aluminum and other resources

A safe society

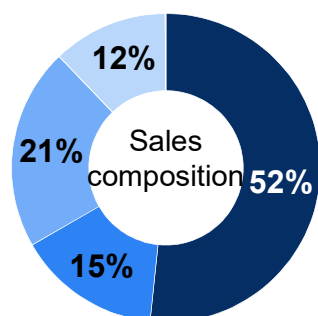
- Maintenance, replacement, and building resilience of social infrastructure
- Respond to DX

Comfortable life

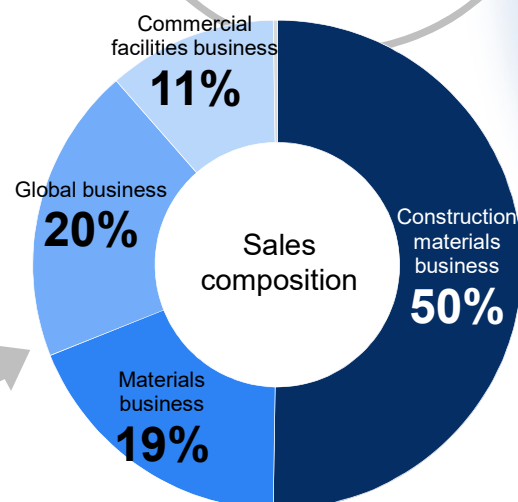
- Pursuit of further ease of use and comfort of space
- Response to diverse lifestyles and workstyles

Diversified management

– Toward a well-balanced business portfolio –



**FYE2024
Results**



**FYE2027
Targets**

**Building a new business
portfolio aimed for
sustainable growth**

Expanding businesses in growth areas
Reinforcing a stable revenue base

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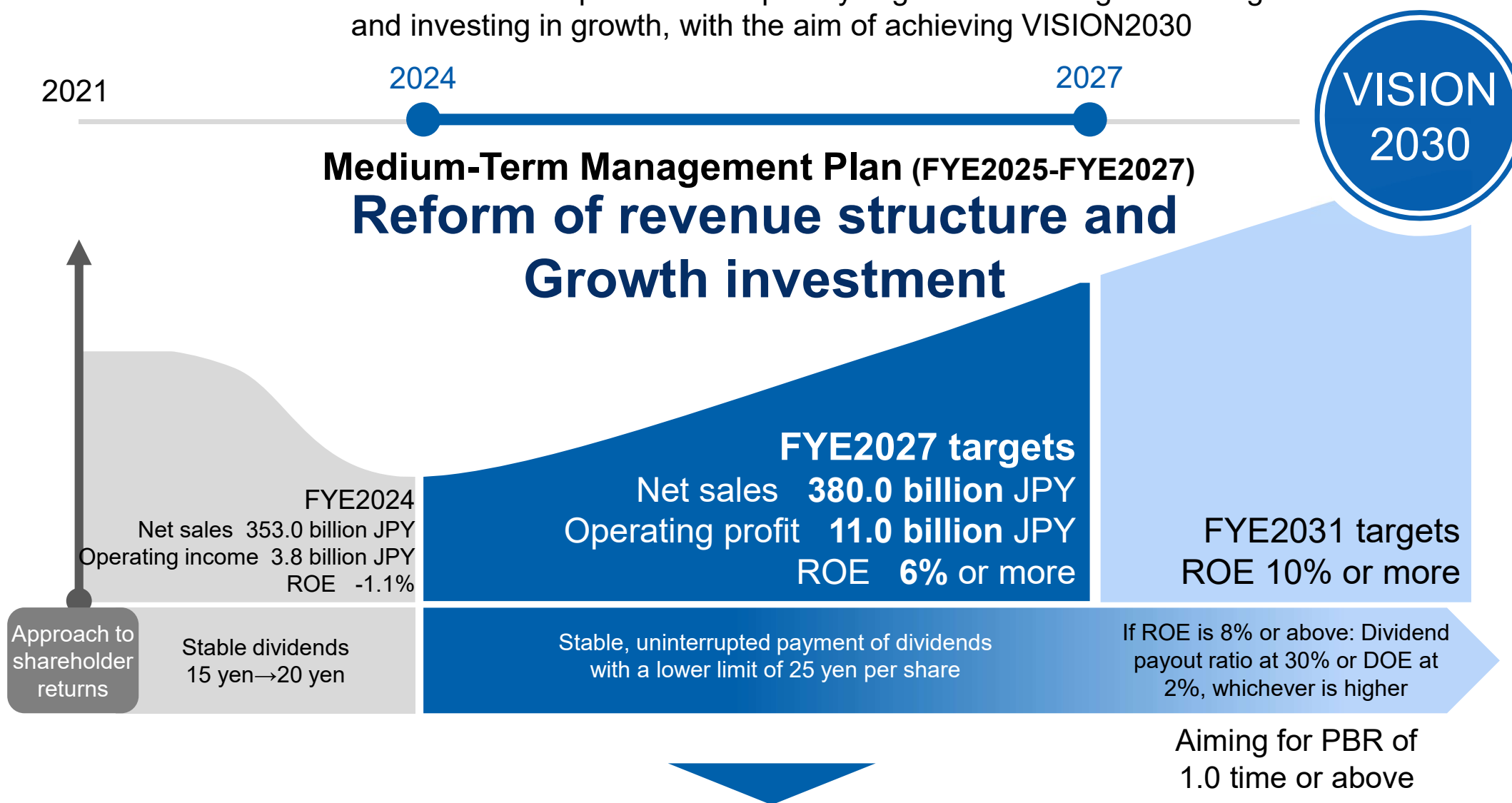
(i) Construction Materials Business

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(iv) Global Business

Positioned as an investment phase where priority is given to building an earnings base and investing in growth, with the aim of achieving VISION2030



Securing stable revenue and getting on the growth track

(ii) Numerical targets

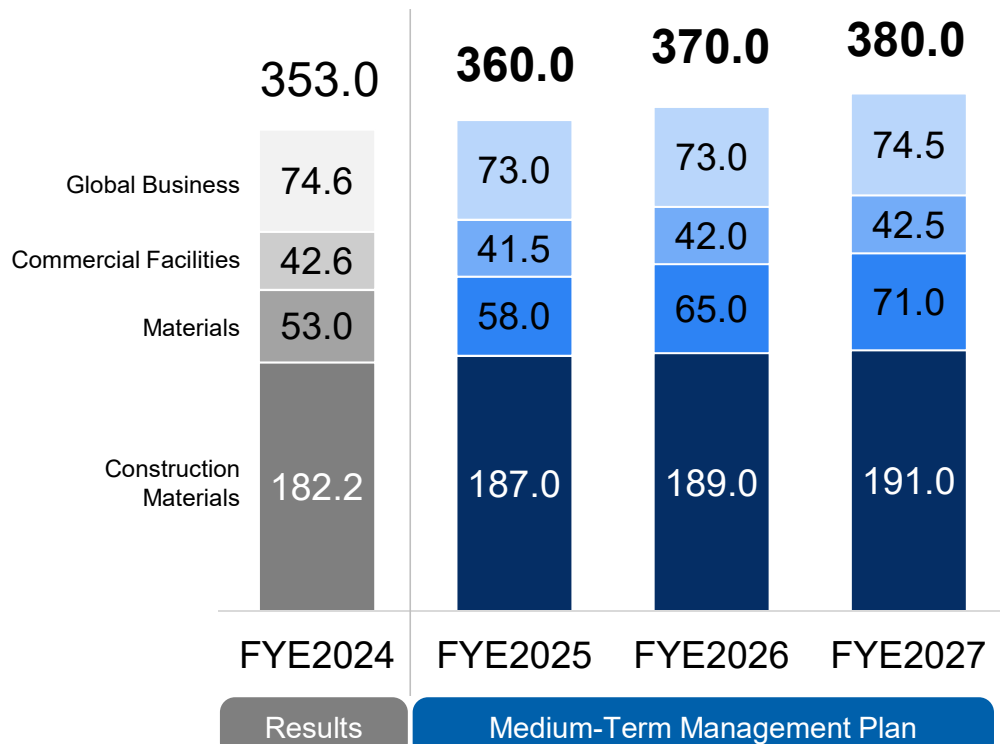
FYE2027 Numerical targets

Net sales
380.0 billion JPY

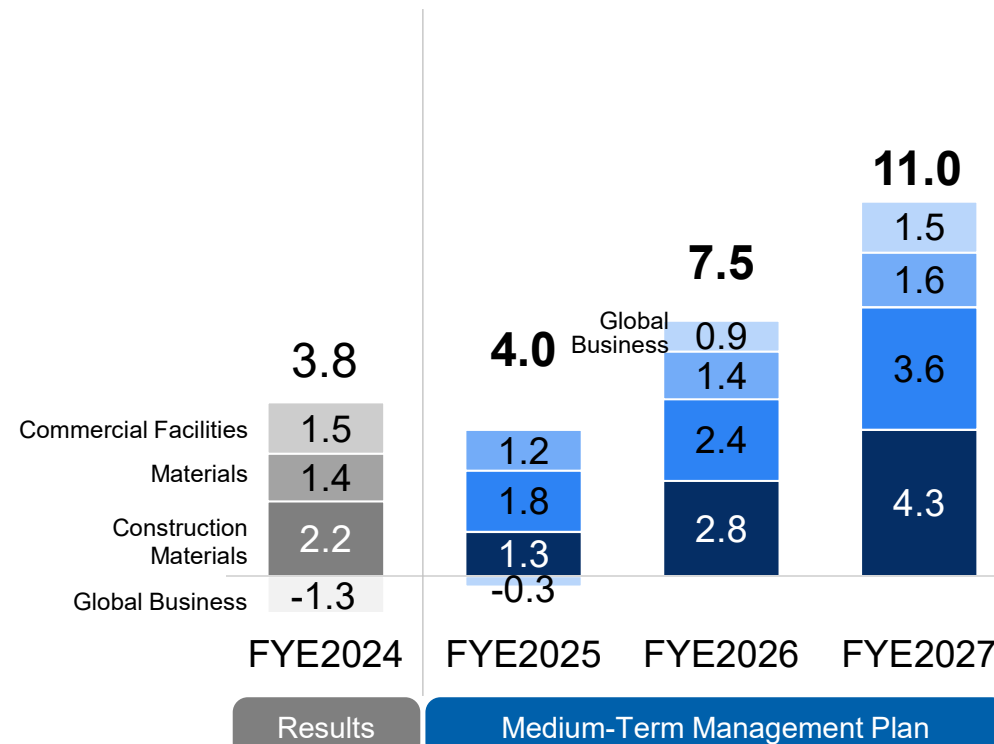
Operating income
11.0 billion JPY

ROE
6% or more

Net sales (Billion JPY)



Operating income (Billion JPY)



FYE2027
Numerical
targets

Net sales
380.0 billion JPY

Operating income
11.0 billion JPY

ROE
6% or more

Basic policies

Securing stable revenue and getting on the growth track

Reform of revenue structure and Growth investment

Basic
strategies

Business
strategy

Optimization of business portfolio

Financial
strategy

Cash allocation

Shareholder returns

Management
foundation

Sustainability

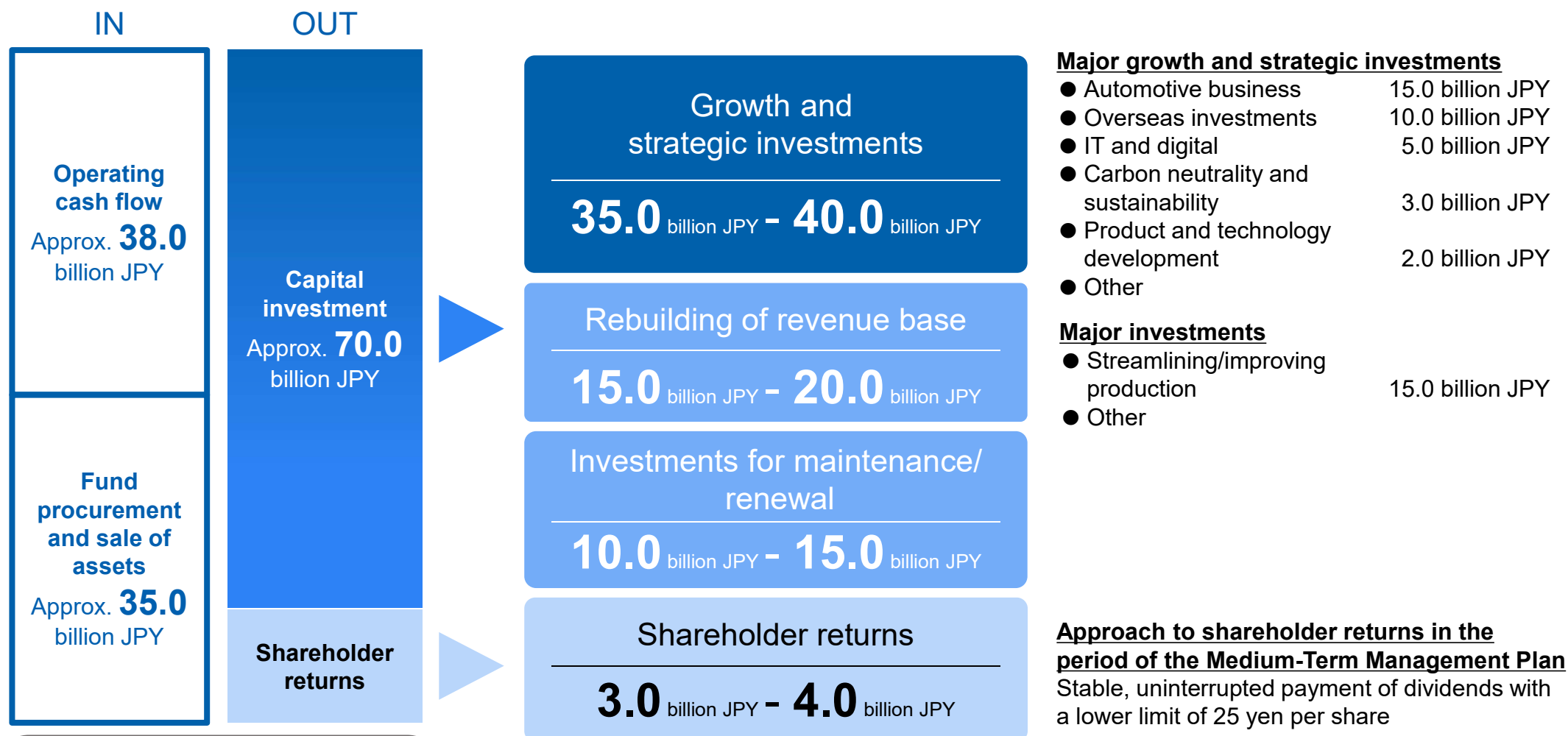
Human capital

Safety and quality

Compliance

DX

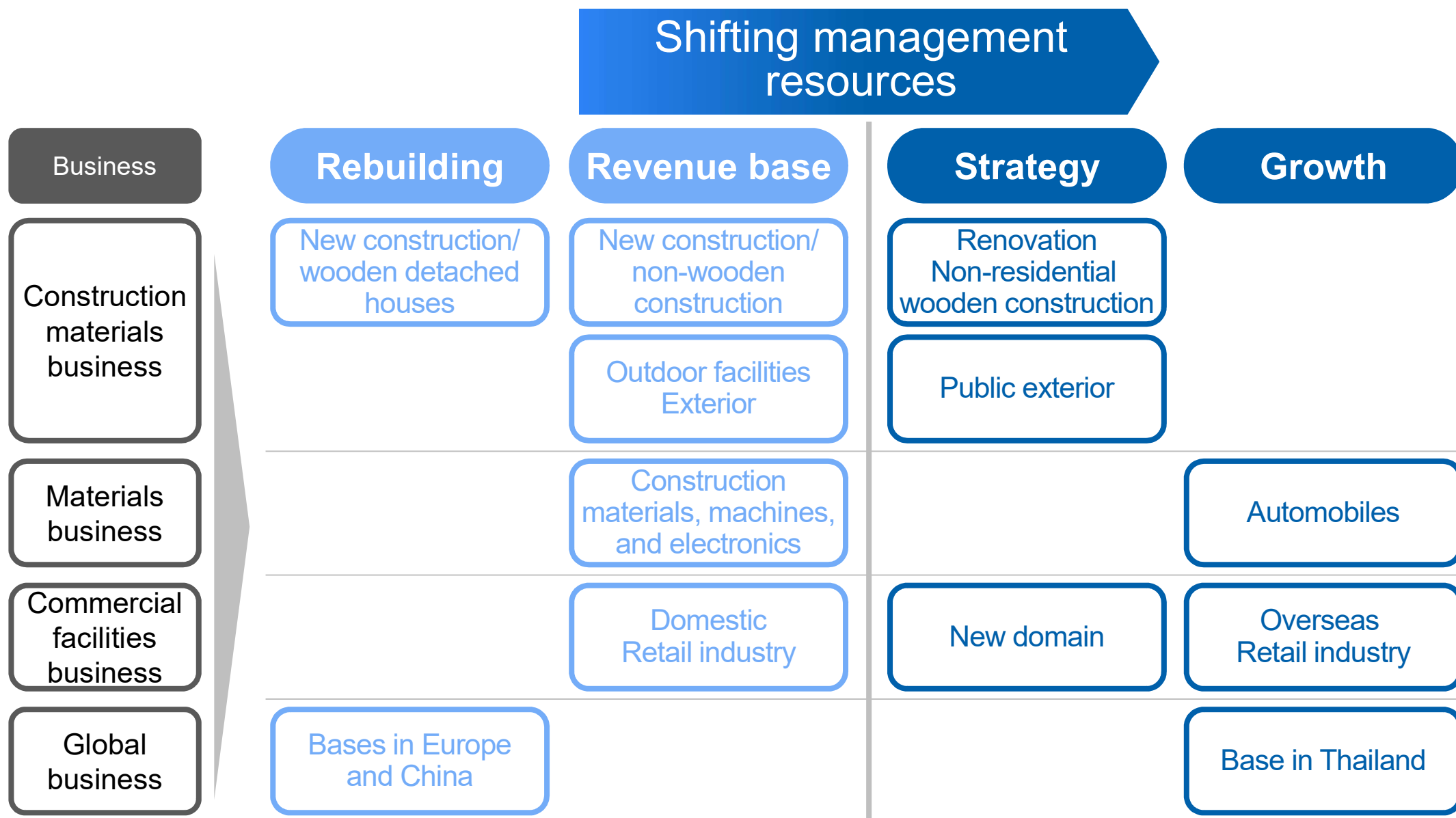
Realizing stable shareholder returns by using operating cash flow, fund procurement, and sale of assets as the sources and giving priority to rebuilding the revenue base and growth and strategic investments



Cumulative total for the three-year period of the Medium-Term Management Plan

Cumulative total for FYE2025 to FYE2027

Optimizing the business portfolio by segmenting the four businesses on an area-by-area basis



Growth investment

Strategy

- **Expanding adjacent fields**
Strengthening cooperation
- **Resource-recycling solutions**
Using and evolving existing infrastructure

Differentiation

➔ **Establishment of business position**

Rebuilding

- **Consolidation of product and production bases**
Supply structure for a shrinking the market
- **Reducing fixed cost**
Business efficiency improvement and streamlining of fixed assets

Realization of optimal production system

➔ **Monetization**

Growth

- **Automobiles**
Domestic and global initiatives
- **Growth markets**
Creating new businesses and areas

Aggressive investment

➔ **Business scale expansion**

Revenue base

- **Deepening existing businesses**
Enhancing strengths
- **Revenue improvement**
Productivity improvement and cost reduction

Revenue improvement

➔ **Revenue stabilization**

**Trans-
formation**
for achieving
sustainable
growth

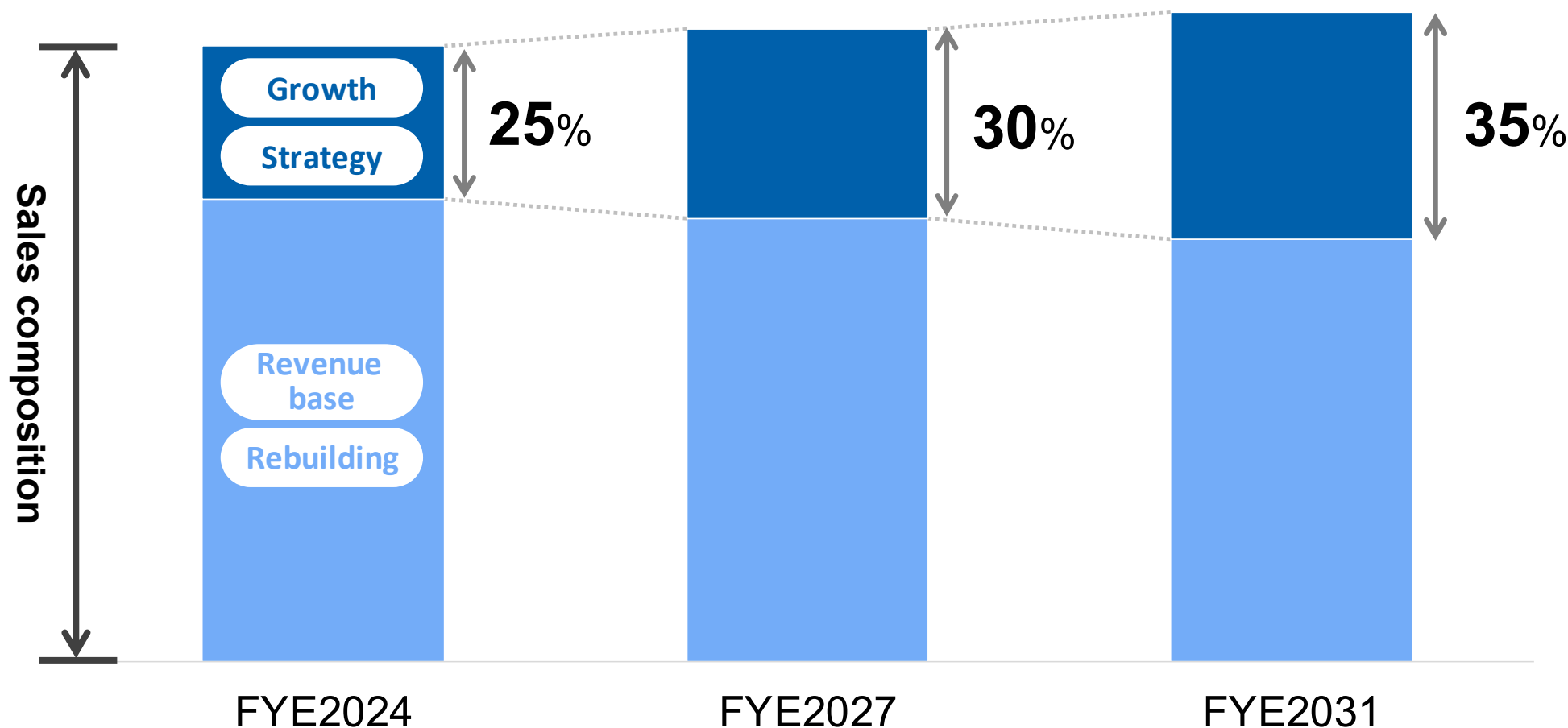
Recovery of earning power

(v) Optimization of business portfolio

Investing **35.0 to 40.0 billion JPY** during the the period of the Medium-Term Management Plan

Achieving a growth/strategy business scale with a sales composition of **30%** by FYE2027

Aiming to achieve **35%** by FYE2031



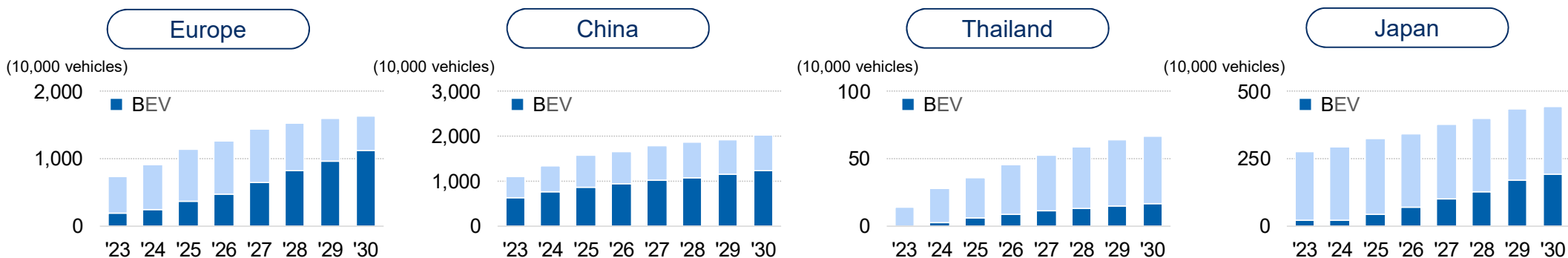
(v) Optimization of business portfolio Growth | Automobiles [Materials and Global Businesses]

Business environment

The EV market is expanding ahead of the achievement of a decarbonized society, despite a temporary slowdown.

Increase in production volume of EVs ⇒ Increase in demand for aluminum parts that are lightweight and appropriate for recycling

Production volume of EVs (Including PHEVs)



- 2035 or thereafter
Prohibiting gasoline- and diesel-fueled vehicles
Including PHEVs and HEVs

⇒ Uncertain impact of termination of subsidies and tightening of conditions

- By 2027
Increasing the ratio of new cards that are new energy cars to 45%

⇒ **Proliferating the vehicles** with purchase incentives

- By 2030
Increasing the production ratio of BEVs to 30%

⇒ **Acceleration of proliferation**
Expansion of production from China to the ASEAN region

- By 2035
Realizing the ratio of electrified vehicles in new cars at 100%

⇒ **Entering the period of full-scale proliferation**

Source: GlobalData

Development through strategies specific to each base

Europe and China

Establishing a revenue structure and stabilizing the business

- Continuing to win key projects

Thailand

Expanding the automotive business

- Tapping into demand from manufacturers who have production bases in Thailand
- Increasing the capacity to supply extrusion

Japan

Building the foundation for the automotive business

- Making sure to tap into demand, with a focus on EV-related demand
- Driving development into a global business

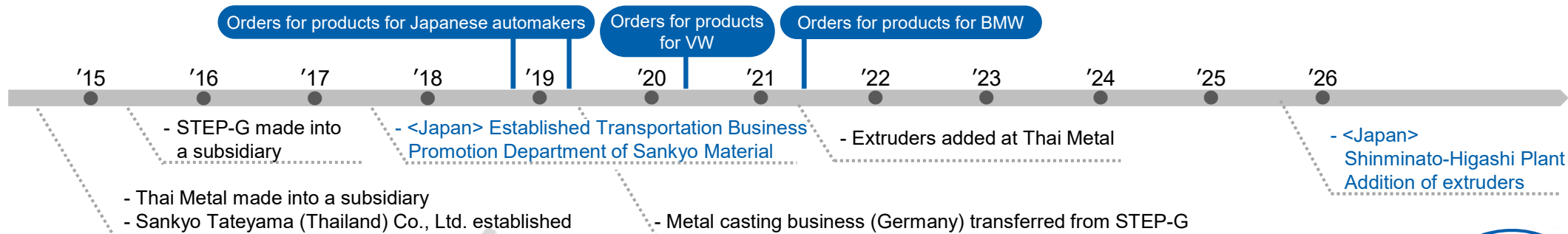
(v) Optimization of business portfolio Growth | Automobiles [Materials and Global Businesses]

Expansion of overseas business development
Addition of global business segment

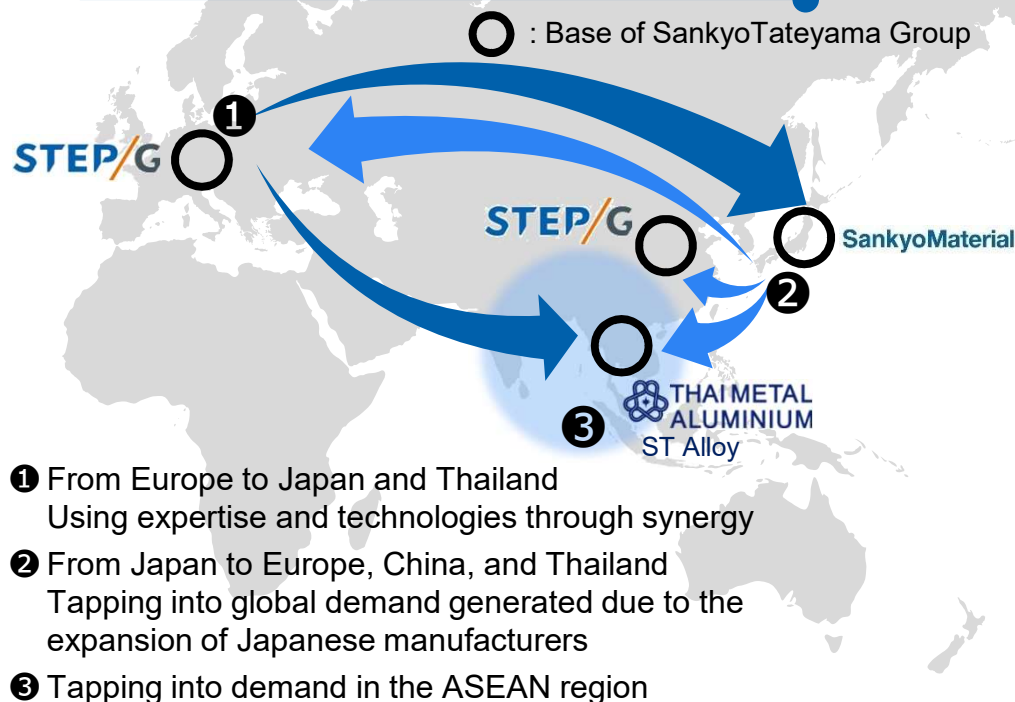
Strengthening sales in the automotive segment

Receiving orders overseas
→ <Japan> Using expertise and technologies from overseas countries and making effective proposals

Expanding sales by building a global supply system



Global system established for supplying products for automobiles



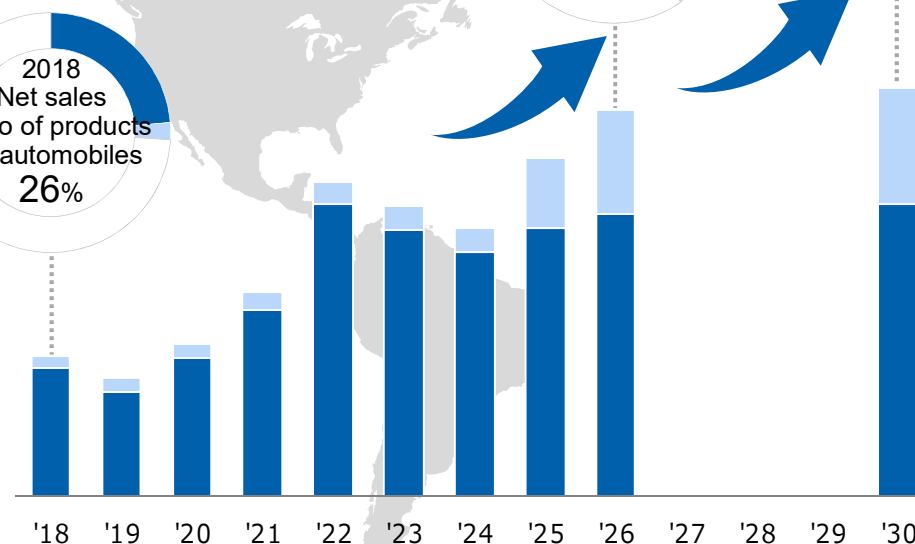
Changes in sales of products for automobiles [Aluminum extrusion]

■ Sankyo Material (Japan)
■ Global business (Overseas)

2018
Net sales
Ratio of products
for automobiles
26%

2026
Net sales
Ratio of products
for automobiles
40%

VISION
2030



Business environment

Diversification of supply chains attributed mainly to growing geopolitical risk in China and uncertainty of policy environment

- Shift and expansion of production to the ASEAN region by companies in major countries
- Increase in entries by Chinese manufacturers

Increase in demand for aluminum extrusion in the ASEAN region



Strength of the base in Thailand

- Advantages in aluminum extrusion for industries including automotive and electronics industries
- Top-class technological capabilities and quality in the ASEAN region
- One-stop proposals covering casting, extrusion, and processing

Business strategy

Responding to brisk demand

Proactive business expansion

- Expanding business by winning large-scale projects
- Increasing the capacity to supply extrusion
- Synergy with Europe and Japan (technologies, customer bases, etc.)

(v) Optimization of business portfolio

Strategy | Remodeling and non-residential wooden construction

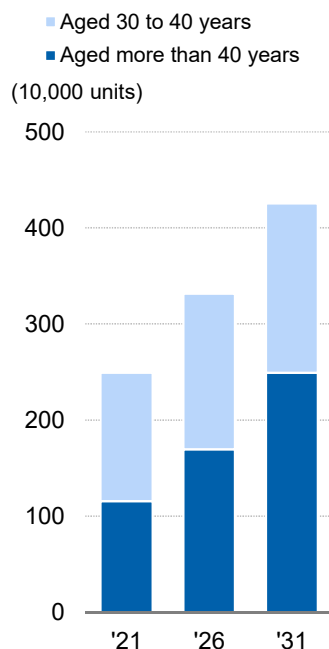
[Construction Materials Business]

Business environment

- The new construction market has remained sluggish due to the impact of soaring material prices and rising interest rates.
- The number of existing condominiums aged more than 30 years has been growing steadily, which has made demand for housing renovation apparent.
- The law encouraging heat insulation of existing houses has been amended, and subsidies for the support have been increased.
- Renovation of non-residential structures into wooden ones has grown with increased environmental awareness, including the SDGs and carbon neutrality.

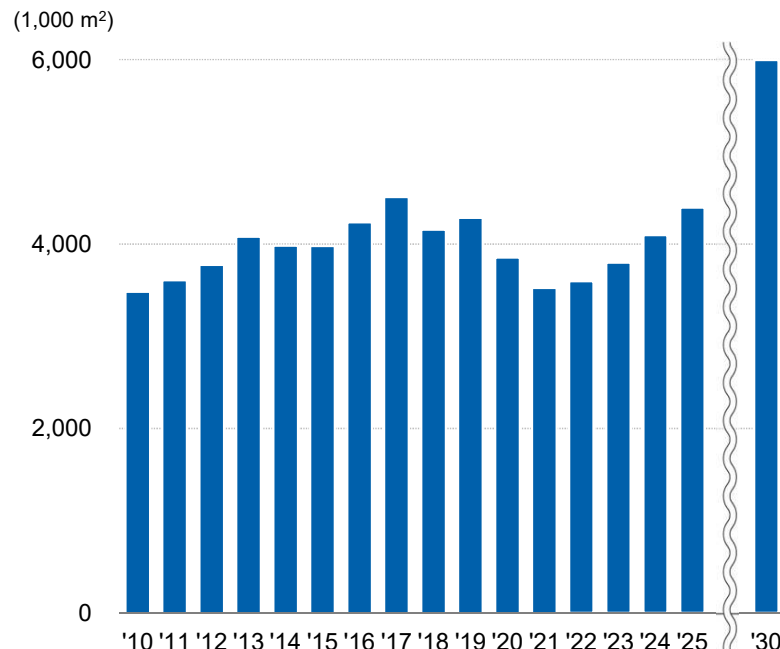
Market forecast

Number of old condominiums



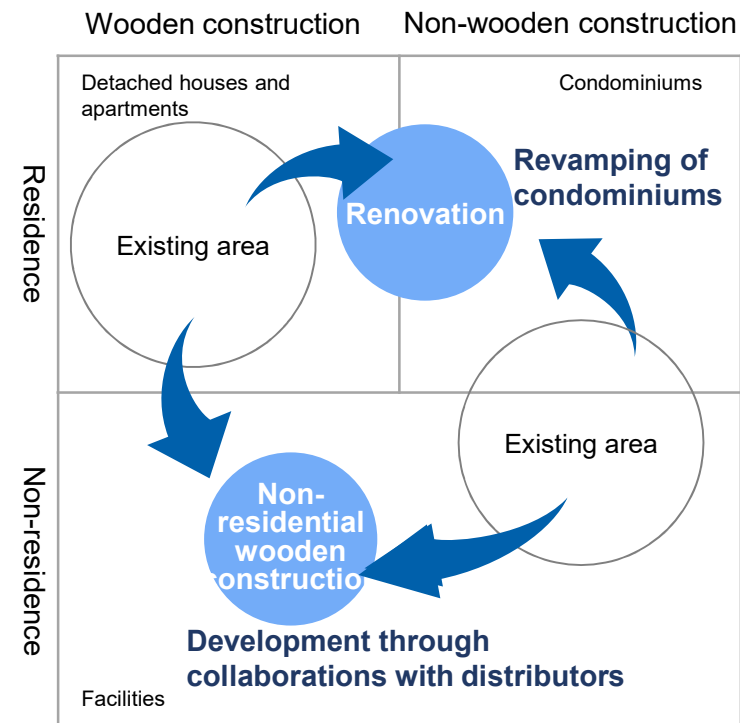
Source: Estimated by the Ministry of Land, Infrastructure, Transport and Tourism (2022)

Non-residential wooden construction market



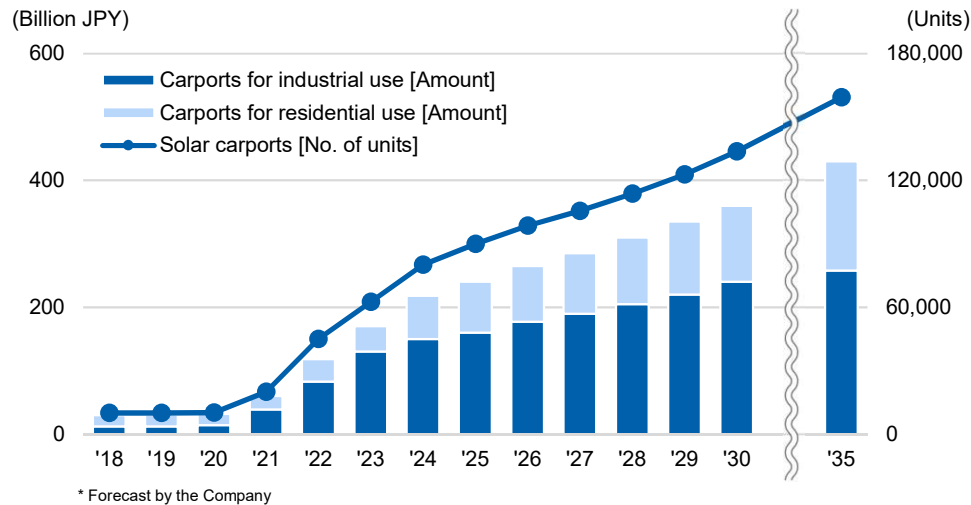
Source: Forecasts by Yano Research Institute (2022)

Strategic areas



Market forecast

Trends in carport mount (excluding solar panels)



Environment of the civil engineering infrastructure market

- Size of the market of inspection passages including permanent scaffolding ➔ 1 trillion JPY
- Market for bridge inspection passages ➔ 15.0 billion JPY/year
(Including 2.0 billion JPY for aluminum passages, 10.0 billion JPY for steel passages, and 3.0 billion JPY for FRP passages)
(Source: Japan Aluminium Association)
- Notices from the Ministry of Land, Infrastructure, Transport and Tourism
 - 2014: Approx. 700,000 bridges all over Japan ➔ Quinquennial inspection made mandatory
 - 2017: Revision of road specifications ➔ Importance attached to preventive maintenance and management
- Demand for replacement of existing iron products with aluminum ones
➔ Ratio of aluminum has increased, reflecting consideration of the lifecycle cost.

Strategic areas

Field of solar carports and EV ports

- Tapping into demand for solar carport mounts, the market for which is expected to grow
- Adding an EV charging function to carports to increase their added value and make them essential



Field of civil engineering infrastructure maintenance

Lower maintenance and longer life enabled by the use of aluminum

- Tapping into demand for new construction and the replacement of aluminum safety barriers and inspection passages for bridges for rivers, expressways, and others
- Expanding sales of aluminum safety barriers to ports and riversides



Expansion into areas other than the public domain

Properties around collective housing and non-residential structure

- Increasing the strength of carports, fences, and decks with high aesthetic quality, improving their specifications, and expanding sales to areas other than detached houses
- Expanding sales of products combining wood and aluminum



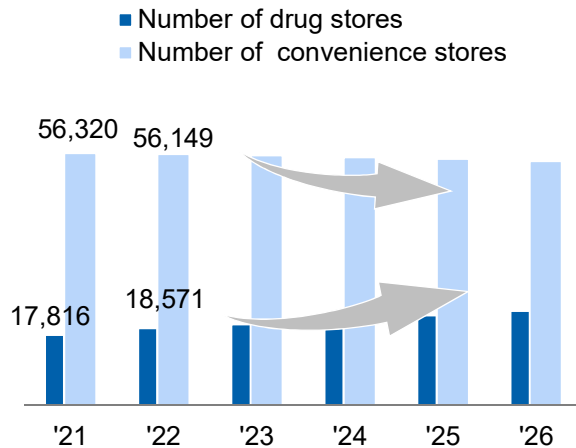
(v) Optimization of business portfolio

Strategy | Expansion to new areas [Commercial Facilities Business]

Business environment

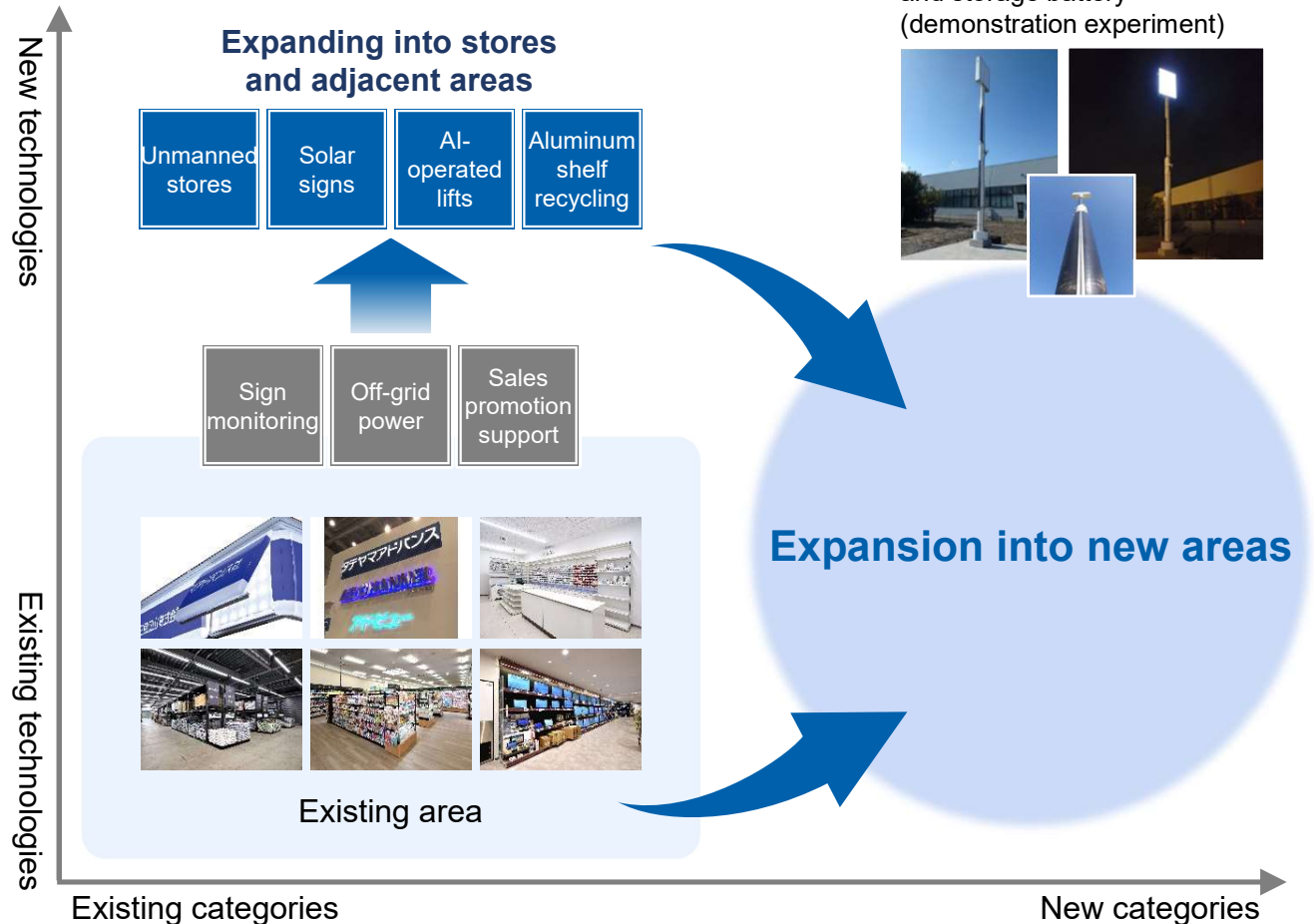
- While the domestic retail market has grown due to surging prices, real consumption has decreased.
- The number of new building starts of stores has been on a downward trend due in part to manpower shortages and soaring material prices.
- Increase in system investment, including investment for streamlining store operations reflecting manpower shortages
- Expanding into adjacent areas, including labor-saving technologies and ones for unmanned operations, as well as new areas

Market forecast

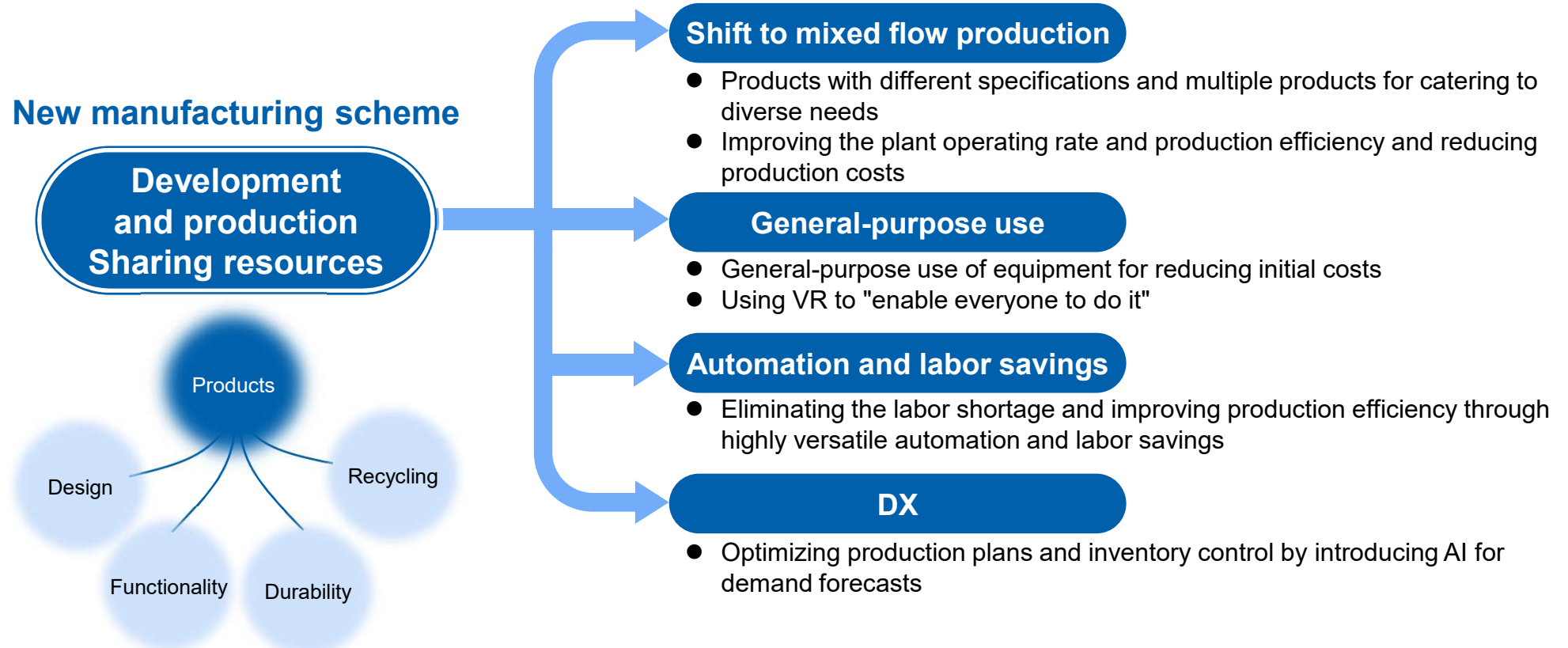


* Forecast by the Company

Strategic areas



Realizing new manufacturing with vision for the future



Assuming future needs, performance, and functions



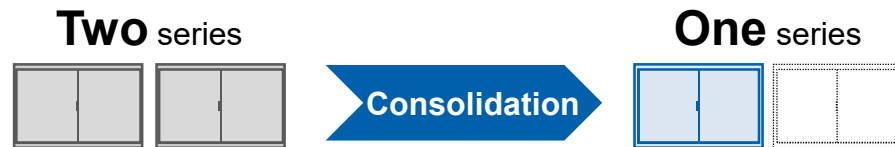
Reform of revenue structure with new manufacturing

Consolidation of products

The first series to be released
around the summer of 2025

- Unifying “MADiO” and “ALGEO” into new sashes
- Achieving thermal insulation performance values exceeding those conforming to the energy-conservation standard
- Functionality and resilience succeeding those of the current high-specification sashes

Sashes

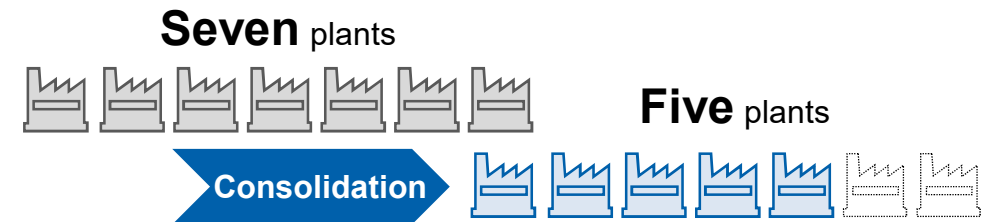


Consolidation of production bases

To be done by 2028 to coincide
with the abolition of current products

- Mixed flow production of sashes for residence and those for buildings with the introduction of new technologies
- Increasing the percentage of equipment diversion with general-purpose equipment
- Increasing the rate of automation by driving robotization

Construction materials business



Fixed cost reduction

- Improving the efficiency of indirect operations
- Streamlining fixed assets
- Optimization of staffing

Cost improvement

- Improvement through productivity improvement and stabilization of production
- Consolidation and standardization of parts
- Cost reduction through optimization of SCM

Driving further structural reforms

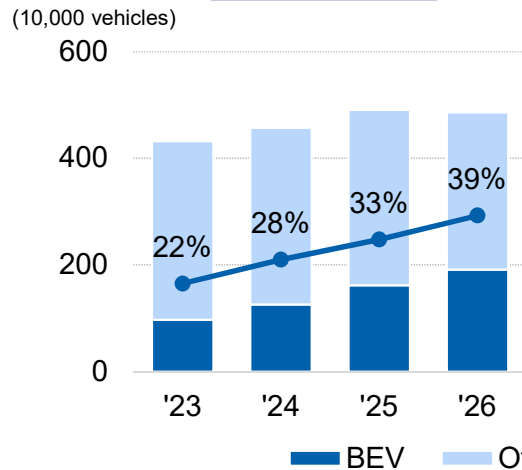
(v) Optimization of business portfolio

Rebuilding | Bases in Europe and China [Global Business]

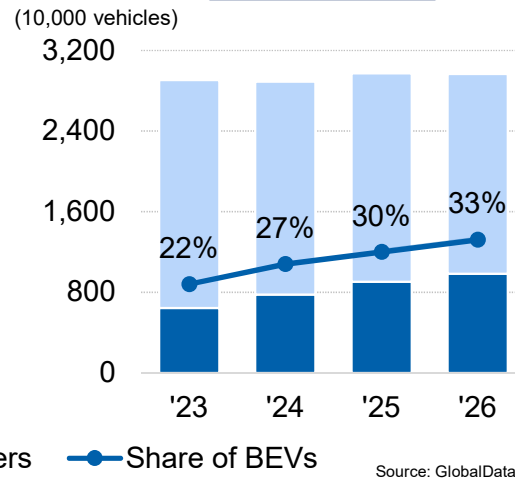
Market forecast

Vehicle production

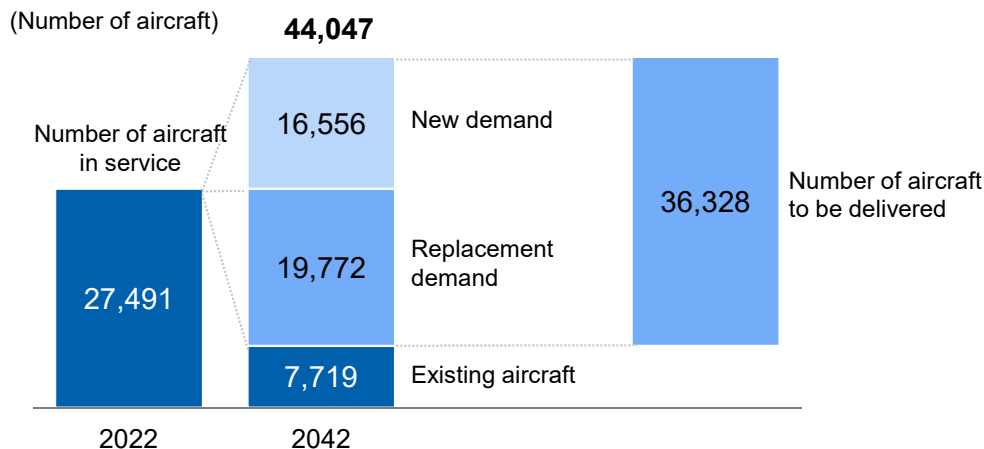
Germany



China



Forecast demand for passenger jets and cargo jets



Source: Japan Aircraft Development Corporation
"Market forecast related to civil aviation aircraft 2023 - 2042"

Major initiatives

Strengths in aluminum extrusion for automobiles, railway cars, and aircraft

Establishing a high-revenue structure and stabilizing the business with a focus on EVs

Revenue improvement

- Revisions to appropriate prices
- Pursuit of synergy
- Winning high value-added projects

Optimizing the portfolio

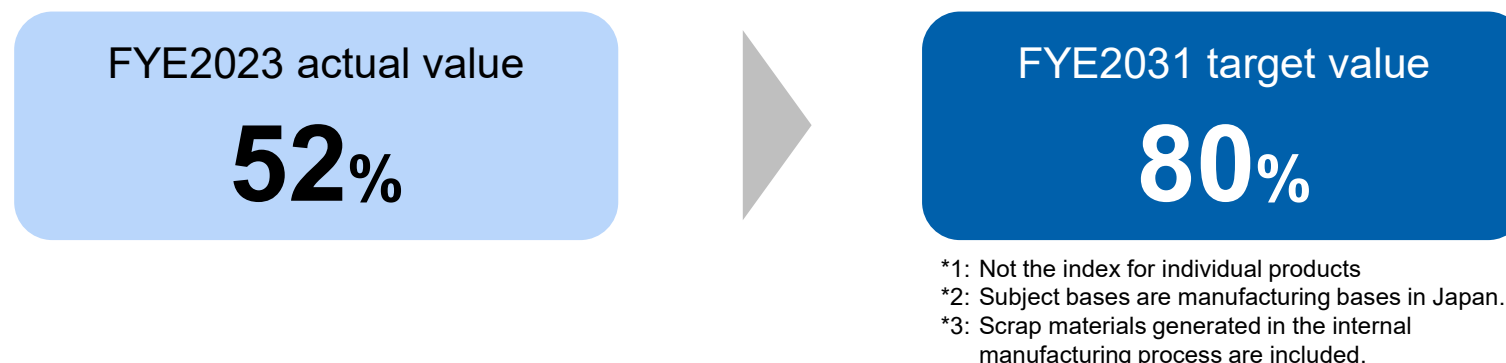
- Addressing the risk of fluctuation in the automotive demand
- Improving the capability of winning short-term projects when the demand is fluctuating
- Driving initiatives to serve more diverse customer markets

Fixed cost reduction

- Ongoing initiatives to reduce manufacturing cost
- Reduction/optimization of selling, general and administrative expenses

Driving the shift to a circular economy by increasing the rate of recycling of aluminum

Rate of recycling of aluminum for construction materials



Aiming to achieve a recycling rate of 100% by addressing tasks

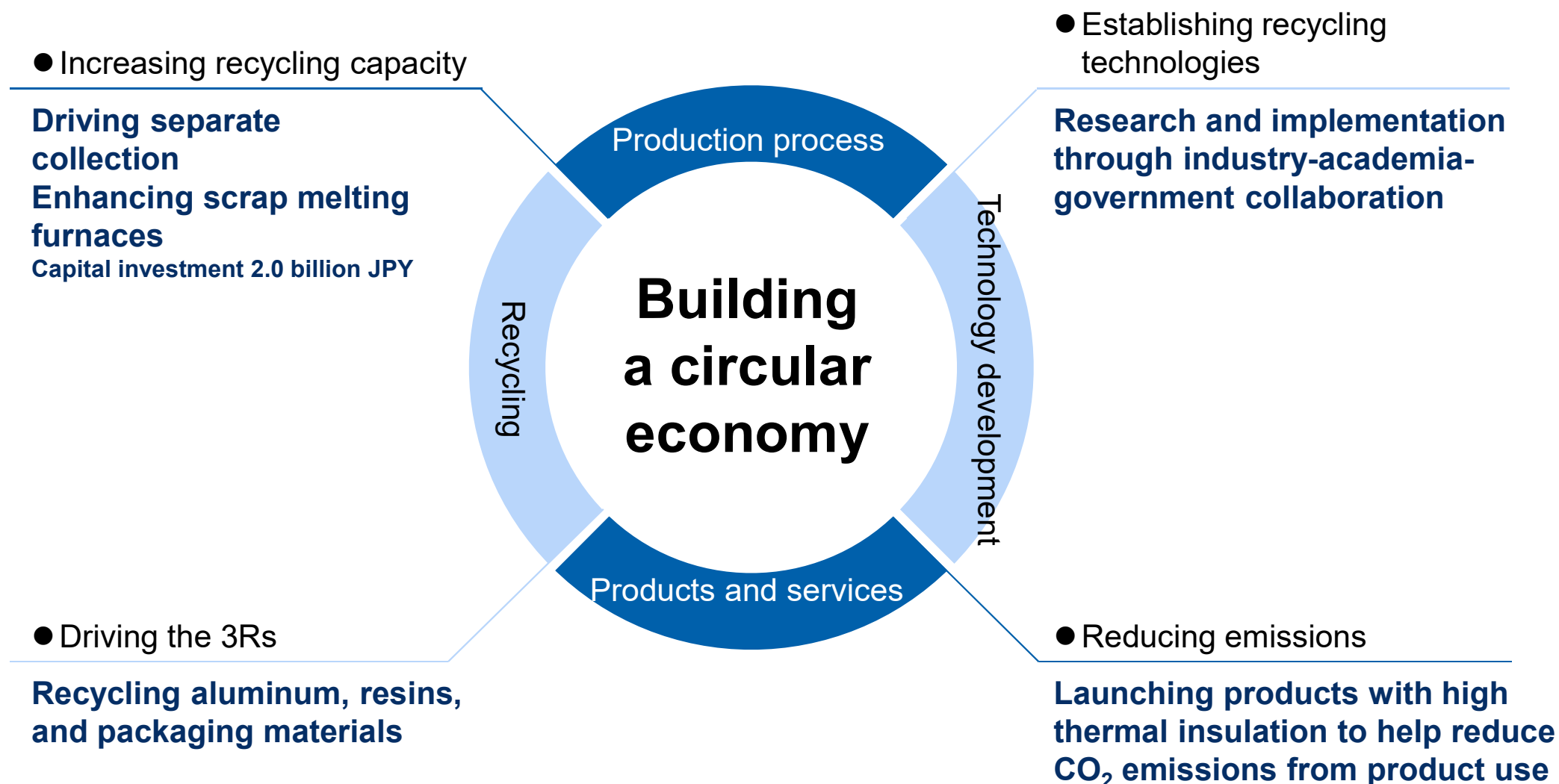
- Reliably securing scraps
- Establishing an upgrade recycling technology

* Formula for calculating the rate of recycling of aluminum
(Defined by Japan Sash Manufacturers Association)

$$\text{Rate of recycling of aluminum} = \frac{(C + D + E)}{(A + B + C + D + E)}$$

A: Virgin ingots
B: Mother alloys with additive metals
C: Recycled ingots
D: Scraps from internal sources and the company's own plants
E: Scraps from the market purchased from outside the company

(vi) Carbon neutrality initiatives



	Scopes 1 and 2	Scope 3
Reduction targets (Base year)	FYE2031 50% reduction (FYE2018)	FYE2031 25% reduction (FYE2023)

Developing bases for strengthening human capital management/ Investing in human capital

Human resource development

- Designing and operating a system for developing globally competitive human resources
- Developing digital human resources
- Enhancing training for developing next-generation leaders and managerial training

Active participation of diverse human resources

- Reforming corporate culture and revising programs to drive the active participation of women
- Improving treatment and increasing motivation for the active participation of senior employees
- Introducing a talent management system

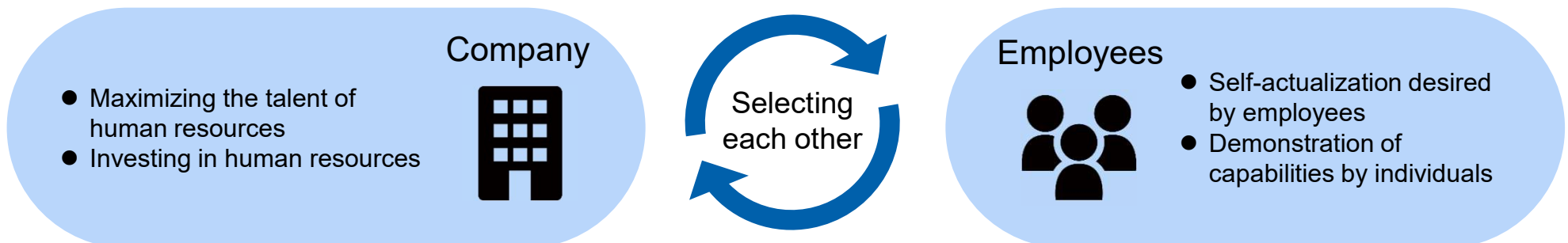
Securing and retaining human resources

- Strengthening activities for improving employee engagement
- Raising wage levels

Health, safety, and workstyle

- Driving initiatives for health and productivity management
- Increasing the childcare leave acquisition rate of male employees
- Improving labor environment and conditions

Improving employee engagement



Giving top priority to safety and quality/Ensuring compliance

Safety first

- Creating a pleasant workplace environment
- Developing human resources who excel in safety
- Activities to reduce danger and hazards
- Revising BCP and holding disaster drills constantly

Quality first

- Improving product safety and quality
- Visualizing quality risks and taking permanent measures
- Driving human resource development by enhancing quality training
- Complying with laws, regulations, and JIS

Strengthening compliance and governance

- Giving compliance training
- Instilling the idea of legal compliance and corporate ethics among all officers and employees to increase their awareness and knowledge of compliance
- Enhancing and strengthening governance further

Improving workplace environment, winning trust, and enhancing corporate value



**Zero occupational
accident and
environmental
accident**



**Zero serious
product accidents**



**Further strengthening
compliance and
governance**

Developing three bases supporting DX

Human resource development

- Developing human resources in a company-wide manner
- Developing leaders in digitalization
- Fostering a culture of autonomous transformation

Organizations and structures

- Having DX strategies driven by a dedicated organization
- Optimizing digital investment

Digital infrastructure

- Building and effectively utilizing organized data infrastructure
- Building digital infrastructure using AI and other new technologies
- Handling growing security risks and BCP

Driving digitalization to increase competitive advantages and streamline operations

DX that innovates businesses

- Management, business, and production activities using data and new technologies including AI
- Controlling emissions for reducing Scope 3 emissions and creating an environment that enables traceability to be secured

DX for being connected with customers

- Sharing information with customers digitally
- Providing customers with a highly convenient digital environment
- Providing valuable digital content that increase customer satisfaction

DX for building work infrastructure

- A digital environment that can be used by anyone
- Operations streamlined with automation and labor savings

		FYE2024 Results	FYE2025 Plan	FYE2026 Plan	FYE2027 Plan
Results	Net sales	353.0 billion JPY	360.0 billion JPY	370.0 billion JPY	380.0 billion JPY
	Operating income / Operating margin	3.8 billion JPY / 1.1%	4.0 billion JPY / 1.1%	7.5 billion JPY / 2.0%	11.0 billion JPY / 2.9%
Return on capital	Capital adequacy ratio	33.2%	30%	30%	30%
	ROA	-0.4%	0.5%	1.3%	2.0%
	ROE	-1.1%	1.7%	4.0%	6.0%
	D/E ratio	81.3%	100%	115%	115%
Shareholder returns	Dividend	20 yen	Stable, uninterrupted payment of dividends with a lower limit of 25 yen per share		
	Dividend payout ratio	—			

● Prerequisites

		FYE2024 Results	Rates assumed in the plan
Aluminum ingot price (yen/kg)		404	435
Exchange rate	US dollars (yen/\$)	144.6	150
	Euro (yen/€)	156.7	160
	Thai bath (yen/THB)	4.1	4.0
	Renminbi (JPY/RMB)	20.1	21.0

(1) Review of Previous Medium-Term Management Plan (FYE2022–FYE2024)

(2) External Environment

(3) Long-term Vision

(4) Medium-Term Management Plan (FYE2025–FYE2027)

(i) Position of the Medium-Term Management Plan

(ii) Numerical targets

(iii) Basic policies

(iv) Financial strategy

(v) Optimization of business portfolio

(vi) Carbon neutrality initiatives

(vii) Human resources strategy

(viii) Safety, quality, and compliance

(ix) DX strategy

(x) Management indicators

(5) Reference: Strategies by Business

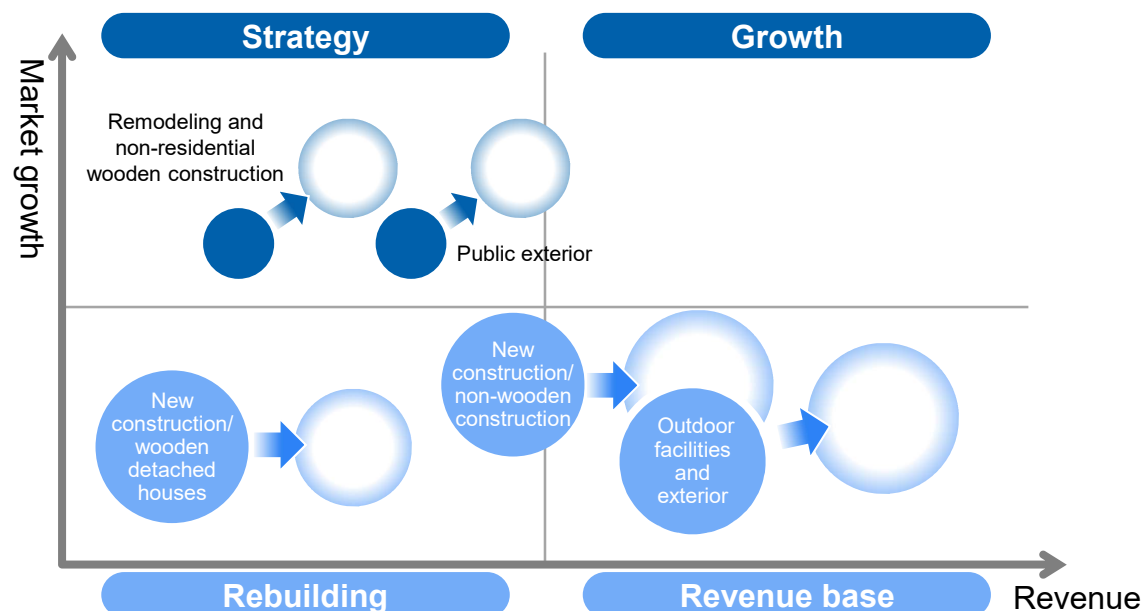
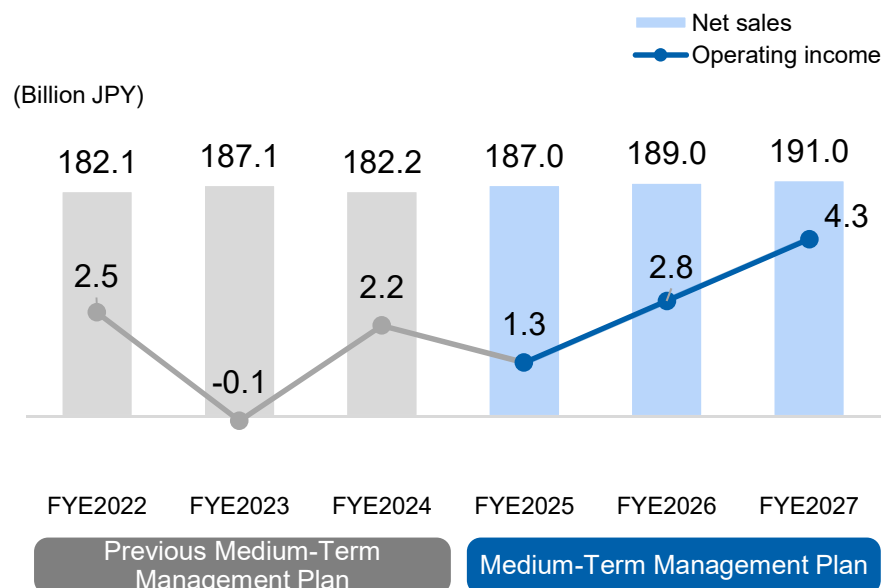
(i) Construction Materials Business

(ii) Materials Business

(iii) Commercial Facilities Business

(iv) Global Business

Aiming to rebuild the earnings base through drastic structural reforms and qualitative transformation made in anticipation of a shrinking of the market and improve the earnings rate on a scale that ensures stability by taking on challenges aggressively in strategic areas



Drastic reform of the revenue structure

- Restructuring the production system
- Realizing new manufacturing

Strengthening core businesses

- Launching sashes with high thermal insulation

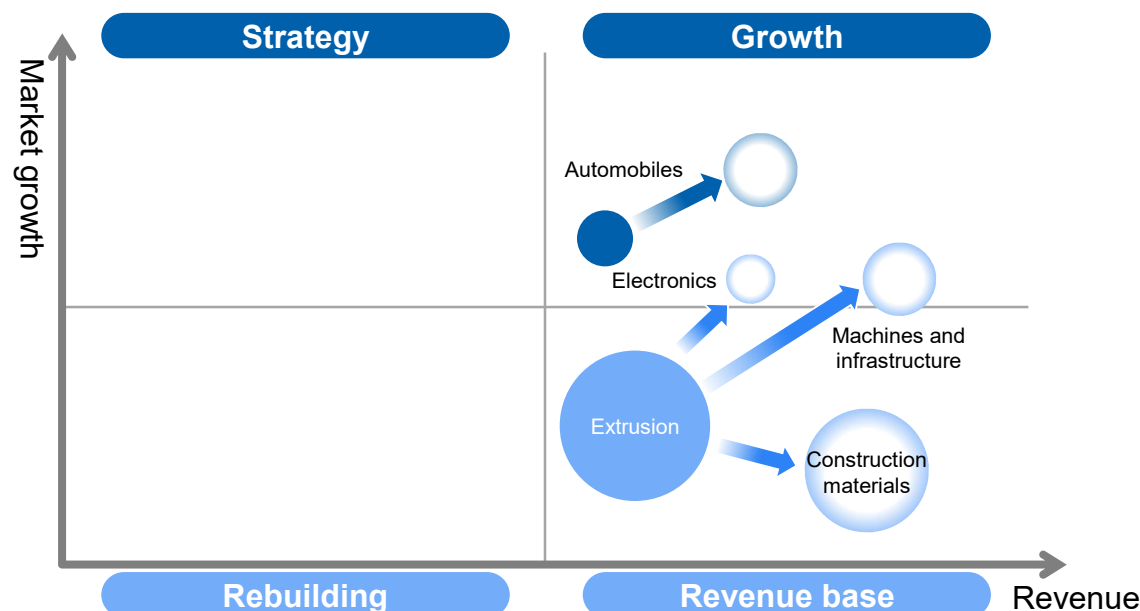
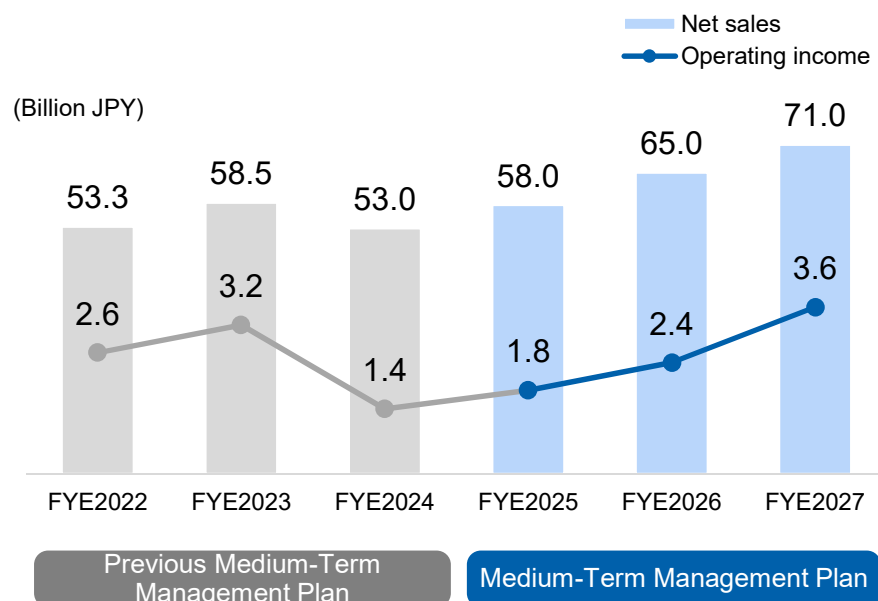
Fostering and developing strategic areas

- Winning orders for remodeling and non-residential wooden construction



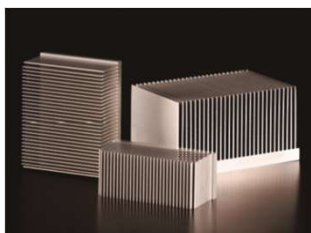
(5) Strategies by Business | (ii) Materials Business

Establishing an earnings base in existing areas while building a system and investing to expand the automotive segment to achieve growth
Driving aluminum recycling by positioning it as a priority task



Reinforcing the earnings base in existing areas

- Tapping into demand for general machines and infrastructure where growth is expected
- Advancing the replacement of other materials with aluminum



Expanding the automotive segment

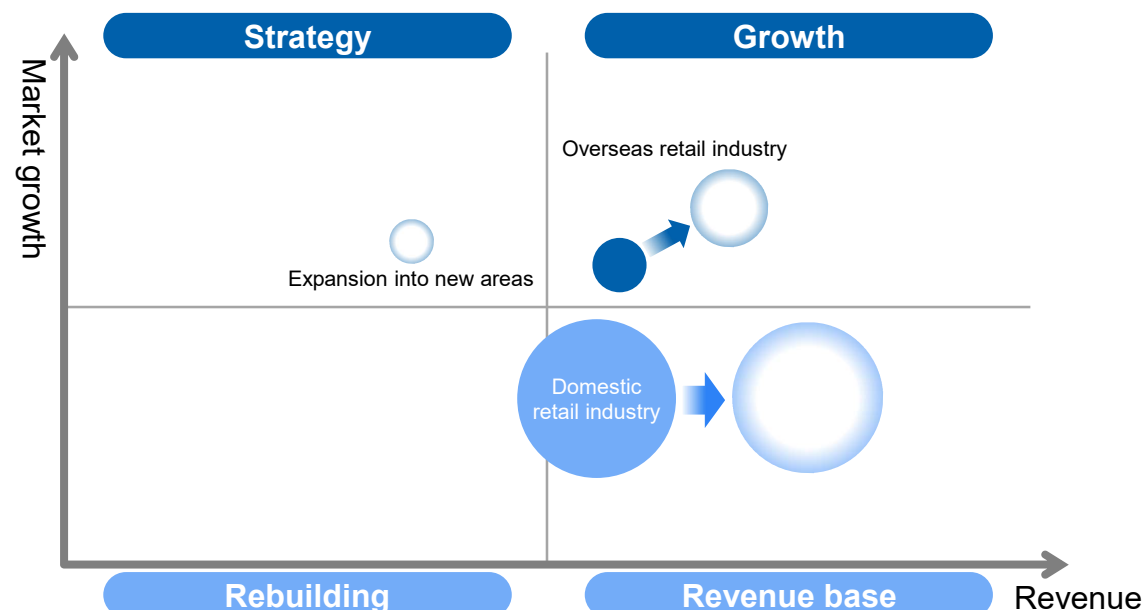
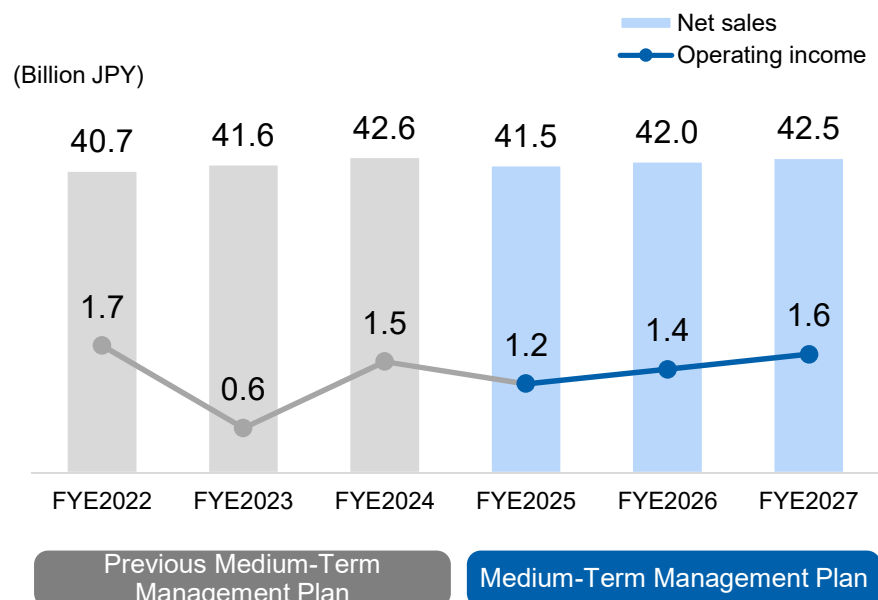
- Tapping into demand for EVs, among others
- Beginning to introduce large extruders
- Securing and developing specialized human resources

Driving aluminum recycling

- Building a structure for increasing the rate of recycling of aluminum
- Research and implementation through industry-academia-government collaboration

(5) Strategies by Business | (iii) Commercial Facilities Business

Aiming for a solution-based business, which is compatible with a retail market evolving with the times, with sales capabilities and product development capabilities that make it possible to acquire an industry-leading market share and fulfill customer requests and a network that enables the same services to be provided across Japan



Deepening existing areas

- Developing new products and expanding services
- Optimizing production and logistics bases

Expansion into new areas

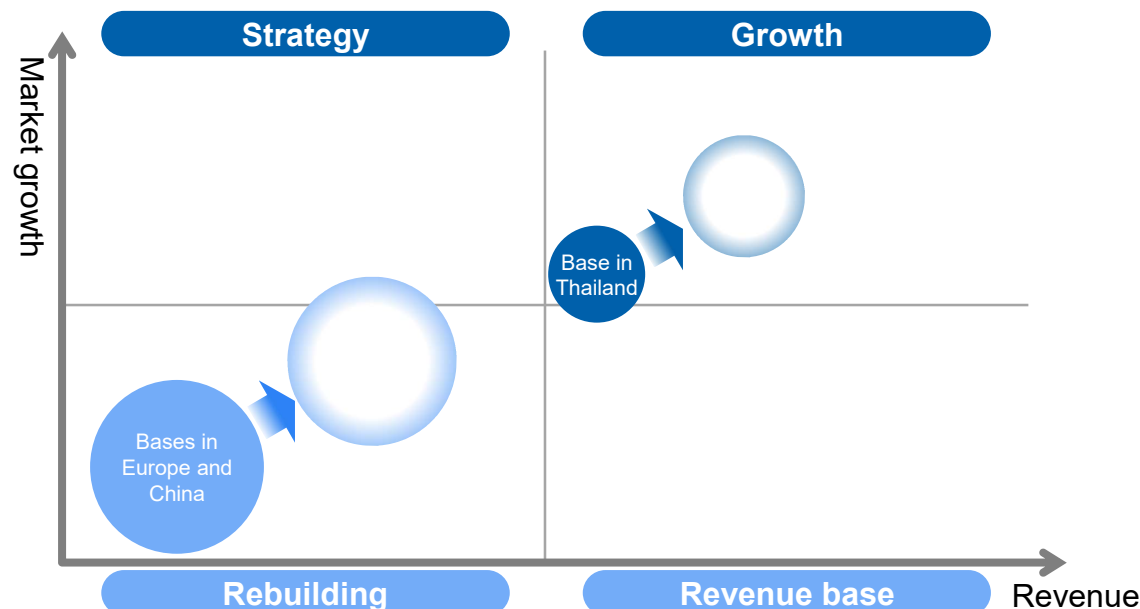
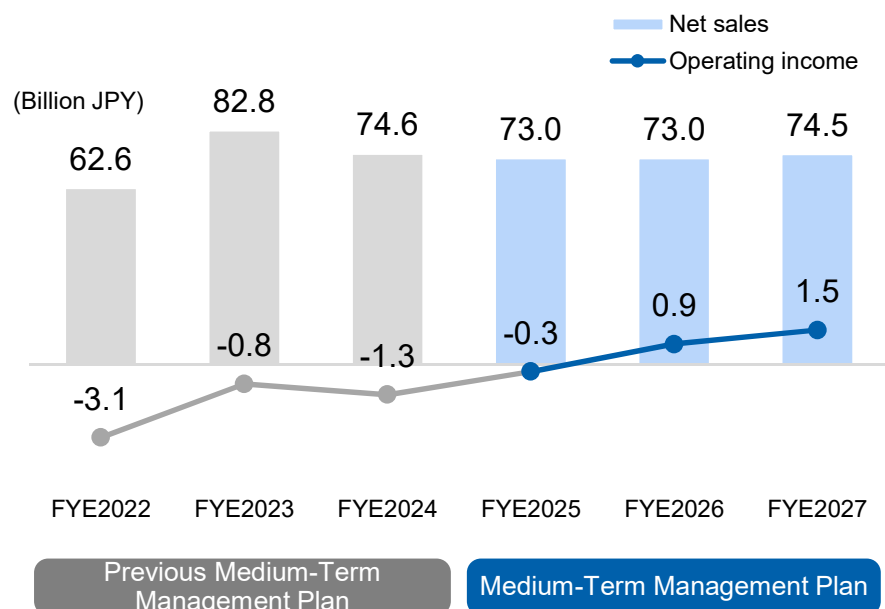
- Integration with next-generation technologies
- Taking on the challenge of services using cloud computing

Expanding the overseas business

- Expanding procurement and sales in the ASEAN region
- Expanding exports to the global retail industry



Transforming the structure into one that enables stable revenue in the overall Global Business segment, thus evolving it into a business that can contribute to the bottom line



Development through strategies specific to each base

ST Extruded Products Group [STEP-G]

- Focusing on value-added areas, including the automotive, railway, and aviation sectors
- Achieving stability by transforming the portfolio into one with a reduced dependence on automobiles
- Fixed cost reduction

Sankyo Tateyama Alloy (Thailand) [STAT]

- Expanding sales with technologies for manufacturing 1000 to 7000 series of billets
- Pursuing resource conservation and higher recycling rates in anticipation of market needs
- Synergy for business expansion produced by strengthening cooperation with TMA

Thai Metal Aluminium [TMA]

- Tapping into demand with ASEAN-leading technological capabilities and quality
- Winning new projects in the automotive and electronics sectors, among others
- Increasing production capacity in response to brisk demand

Thai-Aust Aluminium [TA]

- Further strengthening a comprehensive system, extending from manufacturing to sales and construction
- Expanding sales to high-end and mid-range groups on an ongoing basis
- Continuing and stabilizing the sustainable improvement of the profit margin and cash flow creation