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## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (J-GAAP)

May 13, 2024

Listed Company Name: Sanwa Holdings Corporation  
 Securities Code: 5929 URL <https://www.sanwa-hldgs.co.jp/english/>  
 Representative: Yasushi Takayama, Representative Director, President  
 Contact: Katsumi Fujii, General Manager, Corporate Planning Department  
 Scheduled Date of Ordinary General Meeting of Shareholders June 26, 2024  
 Scheduled Date to Start Dividend Payment: June 27, 2024  
 Scheduled Date to Submit the Annual Securities Report June 27, 2024  
 Preparation of Results Briefing Materials: Yes  
 Holding of Financial Results Briefing: Yes (for securities analysts and institutional investors)

Listing: Tokyo Stock Exchange  
Tel.: +81-3-3346-3019

(Amounts of less than one million yen have been truncated)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year Ended March 31, 2024	611,107	3.9	65,360	16.1	64,903	23.0	43,228	30.7
Fiscal Year Ended March 31, 2023	588,159	25.4	56,307	58.7	52,780	54.7	33,084	44.8

Note: Comprehensive income  
 Fiscal Year Ended March 31, 2024: 61,701 million yen 26.0%  
 Fiscal Year Ended March 31, 2023: 48,985 million yen 67.9%

	Earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating income margin
	Yen	Yen	%	%	%
Fiscal Year Ended March 31, 2024	196.03	195.56	16.5	13.9	10.7
Fiscal Year Ended March 31, 2023	149.71	149.34	15.0	12.7	9.6

Reference: Share of profits (losses) of investments accounted for using the equity method

Fiscal Year Ended March 31, 2024: (84) million yen

Fiscal Year Ended March 31, 2023: (629) million yen

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	491,701	285,501	57.7	1,295.50
As of March 31, 2023	442,274	242,350	54.4	1,088.87

Reference: Shareholders' equity As of March 31, 2024: 283,557 million yen

As of March 31, 2023: 240,656 million yen

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal Year Ended March 31, 2024	72,427	(24,819)	(26,244)	94,195
Fiscal Year Ended March 31, 2023	34,425	(15,941)	(9,887)	71,153

## 2. Dividends

	Annual dividend					Total dividends paid (annual)	Payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	–	25.00	–	33.00	58.00	12,818	38.7	5.8
Fiscal year ended March 31, 2024	–	29.00	–	49.00	78.00	17,136	39.8	6.5
Fiscal year ending March 31, 2025 (Forecast)	–	39.00	–	39.00	78.00		40.2	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	293,000	2.6	26,500	(4.4)	26,000	(4.3)	18,000	(18.6)	82.24
Full year	625,000	2.3	62,500	(4.4)	62,000	(4.5)	42,500	(1.7)	194.17

### Notes:

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation): None

New: — Excluded: —

(2) Changes in accounting policies, accounting estimates, and retrospective restatements

1) Changes in accounting policies in accordance with revision of accounting standards: None

2) Changes in accounting policies other than item 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatements: None

(3) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury shares)

As of March 31, 2024 231,000,000 shares

As of March 31, 2023 231,000,000 shares

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

As of March 31, 2024 12,120,592 shares

As of March 31, 2023 9,985,209 shares

3) Average number of shares during the period

April–March 2024 220,517,809 shares

April–March 2023 220,993,425 shares

(Reference) Non-Consolidated Financial Results

Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year Ended March 31, 2024	18,123	10.7	14,737	14.1	15,483	16.0	13,929	32.1
Fiscal Year Ended March 31, 2023	16,368	(3.6)	12,913	(5.6)	13,347	(6.4)	10,545	(20.8)

	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Fiscal Year Ended March 31, 2024	63.17	63.01		
Fiscal Year Ended March 31, 2023	47.72	47.60		

(2) Non-Consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	%	Yen	Yen
As of March 31, 2024	237,040	147,637	147,637	147,594	62.2	63.3	673.34	666.64
As of March 31, 2023	232,659	147,594	147,594					

Reference: Shareholders' equity As of March 31, 2024: 147,381 million yen

As of March 31, 2023: 147,338 million yen

The review procedure by a certified public accountant or an auditing firm does not apply to this Summary of Consolidated Financial Results.

Explanation regarding appropriate use of results forecast and additional notes

(Earnings forecasts and other forward-looking statements)

This document includes projections based on assumptions, forecasts, and plans for the future that are available on the day of its publication, and actual results may differ from the forecast figures stated in the document due to various risk factors and uncertainties. For further details regarding the earnings forecasts, please see "1. Overview of Operating Results for the Fiscal Year Ended March 31, 2024, (4) Forecast and Plans for the Future" on page 4 of the attached materials.

(Supplementary presentation materials for financial results)

Supplementary materials for financial results will be posted on the Company's website, along with a summary of financial results report.

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## 1. Overview of Operating Results for the Fiscal Year Ended March 31, 2024

### (1) Operating Results

In the fiscal year ended March 31, 2024 (fiscal 2023), the external environment surrounding the Sanwa Group continued to face an uncertain outlook because of protracted inflation, elevated interest rates, yen weakness caused by the interest rate differential between Japan and the United States, the prolonged conflict in Ukraine, unstable situation in the Middle East, and the outlook for China's economy.

Amid this environment, the Sanwa Group was in the second year of its long-term management vision, Sanwa Global Vision 2030, and the Mid-Term Management Plan 2024, and is working on establishing the foundation to become a global leader of smart entrance solutions that meet the changing needs of society due to climate change and digitalization as well as executing our basic strategies. Under our basic strategies of expanding and strengthening core businesses in Japan, North America, and Europe, we continued to work to enhance our structure for business expansion, increase the market share of the shutter and door businesses, and strengthen the service business based on the unique characteristics of each market. Under expanding products for disaster prevention and climate change response and enhancing smart products and services, we promoted the expansion of products with high thermal insulation performance (Re-carbo series) that contribute to energy conservation and CO2 reduction, as well as garage opening and closing systems connected to smartphones and smart home apps. Under our basic strategy of strengthening the basis of growth of the Asian business, we focused on strengthening the business foundation in addition to bringing Sanwa Shanghai, Sanwa Novoferm Changshu, and AUB within the scope of consolidation. Under our basic strategy of enhancing sustainability management, we formally adopted a new Sanwa Group Human Rights Policy, taking into account changes in awareness of human rights in international society and related issues. We also installed new solar panels at our plants in each region (Kyushu, the United Kingdom, Italy, Spain, and China) to help reduce CO2 emissions.

Looking at the operating results by segment, in Japan, we sought to secure profitability through price pass-on, and the maintenance and service business performed well. In addition, solid sales were recorded for core products such as doors for buildings and condominiums, mainly for factory facilities and large-scale redevelopment projects, and strategic products including partitions. In North America, amid a slump in the residential market, we worked to expand our lineup of dock levelers and other products, maintain selling prices, improve productivity, and reduce costs through distribution efficiencies and other means. In Europe, we continued to face difficult circumstances due in part to the deterioration of market conditions caused by economic deceleration on top of rising costs. Meanwhile, sales and profit were up in Asia owing to strong sales in Hong Kong and Taiwan as well as the effect of the new inclusion of subsidiaries in consolidation.

As a result of the above, net sales for the fiscal year ended March 31, 2024 increased by 3.9% year on year to ¥611,107 million. On the profit side, operating profit increased by 16.1% year on year to ¥65,360 million, ordinary profit increased by 23.0% to ¥64,903 million, and profit attributable to owners of parent increased by 30.7% to ¥43,228 million.

The following describes performance by segment.

#### (1) Japan

Net sales amounted to ¥265,591 million, a 5.0% year-on-year increase, with segment income of ¥28,177 million, a 12.6% increase.

#### (2) North America

Net sales amounted to ¥219,799 million, a 0.4% year-on-year increase (a 6.1% decrease on a local currency basis), with segment income of ¥34,502 million, an 18.8% increase.

#### (3) Europe

Net sales amounted to ¥111,484 million, a 5.8% year-on-year increase (a 4.3% decrease on a local currency basis), with segment income amounting to ¥3,890 million, an 8.9% decrease.

#### (4) Asia

Net sales amounted to ¥14,168 million, a 30.5% year-on-year increase, with segment income amounting to ¥577 million, a 123.4% increase.

## (2) Financial Position

As of March 31, 2024, total assets increased by ¥49,426 million from the end of the previous fiscal year, to ¥491,701 million, primarily due to increases in inventories and non-current assets. Liabilities increased by ¥6,275 million from the end of the previous fiscal year, to ¥206,199 million, due mainly to an increase in accounts payable - other. Net assets increased by ¥43,151 million from the end of the previous fiscal year to ¥285,501 million, due mainly to increases in retained earnings and foreign currency translation adjustment.

As a result, the shareholders' equity ratio increased by 3.3 points from the end of the previous fiscal year to 57.7%.

## (3) Cash Flows

As of March 31, 2024, cash and cash equivalents increased by ¥23,041 million from the end of the previous fiscal year, to ¥94,195 million. Cash flows by category during the fiscal year under review are as follows.

### Cash flows from operating activities

Net cash provided by operating activities amounted to ¥72,427 million (net cash of ¥34,425 million was provided in the previous fiscal year), mainly due to the recording of profit before income taxes.

### Cash flows from investing activities

Net cash used in investing activities came to ¥24,819 million (net cash of ¥15,941 million was used in the previous fiscal year), mainly attributable to payments for acquisitions of non-current assets.

### Cash flows from financing activities

Net cash used in financing activities totaled ¥26,244 million (net cash of ¥9,887 million was used in the previous fiscal year), mainly due to payment of cash dividends.

### (Reference) Results for cash flow-related indicators

	Fiscal 2021	Fiscal 2022	Fiscal 2023
Shareholders' equity ratio (%)	52.2	54.4	57.7
Shareholders' equity ratio on market value basis (%)	74.4	74.0	126.0
Ratio of interest-bearing debt to cash flow (years)	2.3	1.4	0.6
Interest coverage ratio (times)	42.2	85.3	75.5

Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio on market value basis: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest expense

(Notes) 1. All indicators are calculated based on consolidated financial figures.

2. Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year by the number of shares outstanding (less treasury shares) at the end of the fiscal year.

3. Operating cash flow is the net cash provided by operating activities in the consolidated statements of cash flows. Interest-bearing debt includes all liabilities on the consolidated balance sheets for which interest is paid. For interest expense, the amount of interest expenses paid in the consolidated statements of cash flows is used.

#### (4) Forecast and Plans for the Future

The global economy is expected to continue facing outlooks of uncertainty due to the sustained monetary tightening policies worldwide and growing geopolitical risks.

Amid this environment, the Sanwa Group will enter the final year of the Mid-Term Management Plan 2024 toward the goals of the Sanwa Global Vision 2030. In fiscal 2022 and fiscal 2023, we were able to exceed our initial medium-term targets (net sales of ¥580,000 million and operating profit of ¥45,000 million), driven by the strong performance of our domestic and Americas businesses. Although sales are expected to increase and profits decrease from fiscal 2023, in fiscal 2024, we will continue to implement the following basic strategies and focus on establishing a foundation for becoming a global leader of smart entrance solutions.

##### Basic Strategies

1. Expand and strengthen core businesses (shutters, doors & service) in Japan, North America, and Europe
2. Strengthen a basis for growth of the Asian business
3. Expand products for disaster prevention and climate change response and enhance smart products and services
4. Increase productivity through digitalization and manufacturing innovation
5. Enhance sustainability management

In consideration of the above, the forecast for consolidated financial results in the next fiscal year is as follows.

(Millions of yen)

	Fiscal 2023 (Actual)	Fiscal 2024 (Forecast)	Change	Change (%)
Net sales	611,107	625,000	13,892	2.3%
Operating profit	65,360	62,500	(2,860)	(4.4%)
Ordinary profit	64,903	62,000	(2,903)	(4.5%)
Profit attributable to owners of parent	43,228	42,500	(728)	(1.7%)

The above results forecasts were calculated based on the information available as of the date of the announcement. Actual results may differ from the forecast figures due to changes in the environment and business conditions.

#### (5) Basic Profit Appropriation Policy and Dividends for Fiscal 2023 and Fiscal 2024

To further promote management aimed at increasing corporate value while also improving the corporate structure and strengthening the management foundation, the Company aims to maintain a stable dividend payout ratio under its basic policy to distribute profits based on consolidated performance, specifically targeting a payout ratio of 40% of profit attributable to owners of parent.

For fiscal 2023, the Company plans to pay a year-end dividend of ¥49.0 (annual dividend of ¥78.0), an increase of ¥20.0 from the most recently announced dividend, taking into consideration the business results for fiscal 2023 and future business development.

For the next fiscal year, the Company plans to pay an annual dividend of ¥78.0 (¥39.0 paid at the end of the second quarter and ¥39.0 at the end of the fiscal year), the same amount as the current fiscal year.

Retained earnings will be utilized for strategic investments such as M&A, as well as capital expenditures and reduction of interest-bearing debt.

## 2. Basic Concept of Selecting Accounting Standards

The Sanwa Group applies Japanese GAAP in its accounting. Going forward, the Group will closely monitor future trends as they pertain to the application of International Financial Reporting Standards (IFRS).

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	63,653	95,947
Notes and accounts receivable - trade, and contract assets	113,909	115,925
Electronically recorded monetary claims - operating	14,324	17,096
Securities	8,600	11,848
Merchandise and finished goods	20,301	16,737
Work in process	14,198	14,885
Raw materials	45,923	49,068
Other	8,567	9,209
Allowance for doubtful accounts	(4,061)	(3,639)
Total current assets	285,416	327,079
Non-current assets		
Property, plant and equipment		
Buildings	63,844	68,088
Accumulated depreciation	(38,744)	(41,351)
Buildings, net	25,100	26,736
Structures	7,209	8,948
Accumulated depreciation	(5,632)	(6,608)
Structures, net	1,577	2,339
Machinery and equipment	70,263	79,251
Accumulated depreciation	(53,206)	(59,566)
Machinery and equipment, net	17,057	19,684
Vehicles	3,774	4,437
Accumulated depreciation	(2,788)	(3,265)
Vehicles, net	986	1,171
Tools, furniture and fixtures	21,987	23,897
Accumulated depreciation	(18,286)	(20,031)
Tools, furniture and fixtures, net	3,700	3,866
Land	20,900	21,341
Right-of use assets	12,243	14,254
Accumulated depreciation	(2,143)	(3,065)
Right-of-use asset, net	10,099	11,188
Construction in progress	3,941	5,613
Total property, plant and equipment	83,364	91,942
Intangible assets		
Goodwill	7,601	4,907
Trademark right	6,327	6,738
Software	7,542	6,937
Software in progress	1,042	1,628
Other	4,570	2,291
Total intangible assets	27,084	22,504



(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Investments and other assets</b>		
Investment securities	32,054	33,886
Long-term loans receivable	632	614
Retirement benefit asset	7,262	9,392
Deferred tax assets	1,309	1,760
Other	5,732	5,750
Allowance for doubtful accounts	(582)	(1,228)
<b>Total investments and other assets</b>	<b>46,408</b>	<b>50,175</b>
<b>Total non-current assets</b>	<b>156,857</b>	<b>164,622</b>
<b>Total assets</b>	<b>442,274</b>	<b>491,701</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	63,843	60,435
Electronically recorded obligations - operating	3,118	3,863
Short-term borrowings	9,895	6,824
Current portion of long-term borrowings	8,541	1,216
Lease obligations	2,569	2,980
Accounts payable - other	18,961	22,381
Accrued consumption taxes	4,258	5,008
Income taxes payable	7,374	7,245
Contract liabilities	4,840	6,638
Provision for bonuses	11,147	12,914
Other	9,957	10,224
<b>Total current liabilities</b>	<b>144,508</b>	<b>139,734</b>
<b>Non-current liabilities</b>		
Bonds payable	20,000	20,000
Long-term borrowings	10,816	17,319
Lease obligations	7,773	8,493
Provision for retirement benefits for directors (and other officers)	339	332
Retirement benefit liability	10,976	11,554
Deferred tax liabilities	2,034	3,514
Other	3,474	5,252
<b>Total non-current liabilities</b>	<b>55,414</b>	<b>66,465</b>
<b>Total liabilities</b>	<b>199,923</b>	<b>206,199</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	38,413	38,413
Capital surplus	39,737	39,781
Retained earnings	144,460	174,019
Treasury shares	(9,869)	(14,801)
<b>Total shareholders' equity</b>	<b>212,742</b>	<b>237,414</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,106	7,189
Deferred gains or losses on hedges	327	34
Foreign currency translation adjustment	25,895	37,995
Remeasurements of defined benefit plans	(414)	922
<b>Total accumulated other comprehensive income</b>	<b>27,914</b>	<b>46,143</b>
Share acquisition rights	255	255
Non-controlling interests	1,437	1,688
<b>Total net assets</b>	<b>242,350</b>	<b>285,501</b>
<b>Total liabilities and net assets</b>	<b>442,274</b>	<b>491,701</b>

(2) Consolidated Statements of Income and Comprehensive Income  
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Net sales	588,159	611,107
Cost of sales	408,461	414,000
Gross profit	179,697	197,107
Selling, general and administrative expenses	123,390	131,746
Operating profit	56,307	65,360
Non-operating income		
Interest income	142	1,471
Dividend income	410	514
Foreign exchange gains	—	206
Other	312	298
Total non-operating income	865	2,491
Non-operating expenses		
Interest expenses	613	1,211
Foreign exchange losses	194	—
Share of loss of entities accounted for using equity method	629	84
Litigation expenses	1,684	372
Other	1,269	1,278
Total non-operating expenses	4,391	2,947
Ordinary profit	52,780	64,903
Extraordinary income		
Gain on sale of non-current assets	37	66
Gain on sale of investment securities	4	3
Settlement income	148	4,689
Other	3	—
Total extraordinary income	194	4,758
Extraordinary losses		
Loss on disposal of non-current assets	79	73
Loss on sale of non-current assets	1	0
Impairment losses	3,450	4,665
Loss on valuation of investment securities	—	0
Loss on valuation of shares of subsidiaries and associates	—	191
Business restructuring expenses for subsidiaries	367	318
Loss on liquidation of subsidiaries and associates	1	2
Retirement benefit expenses	—	2,117
Total extraordinary losses	3,900	7,367
Profit before income taxes	49,075	62,294
Income taxes - current	17,720	20,766
Income taxes - deferred	(1,910)	(1,945)
Total income taxes	15,810	18,821
Profit	33,264	43,473
Profit attributable to non-controlling interests	180	244
Profit attributable to owners of parent	33,084	43,228

(Consolidated Statements of Comprehensive Income)  
(For the fiscal year ended March 31, 2024)

(Millions of yen)

	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Profit	33,264	43,473
Other comprehensive income		
Valuation difference on available-for-sale securities	624	5,083
Deferred gains or losses on hedges	289	(292)
Foreign currency translation adjustment	14,239	12,307
Remeasurements of defined benefit plans, net of tax	253	1,337
Share of other comprehensive income of entities accounted for using equity method	314	(206)
Total other comprehensive income	15,720	18,228
Comprehensive income	48,985	61,701
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	48,729	61,336
Comprehensive income attributable to non-controlling interests	256	364

## (3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares, at cost	Total shareholders' equity
Balance at beginning of period	38,413	39,732	121,256	(9,947)	189,455
Changes during period					
Dividends of surplus			(9,723)		(9,723)
Profit attributable to owners of parent			33,084		33,084
Change in scope of consolidation					—
Change in scope of equity method			(37)		(37)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		5		78	83
Change in ownership interest of parent due to transactions with non-controlling interests			(119)		(119)
Net changes in items other than shareholders' equity					
Total net changes during the year	—	5	23,204	77	23,286
Balance at end of period	38,413	39,737	144,460	(9,869)	212,742

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests Foreign	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,482	37	11,342	(668)	12,194	285	1,376	203,311
Changes during period								
Dividends of surplus								(9,723)
Profit attributable to owners of parent								33,084
Change in scope of consolidation								—
Change in scope of equity method								(37)
Purchase of treasury shares								(0)
Disposal of treasury shares								83
Change in ownership interest of parent due to transactions with non-controlling interests								(119)
Net changes in items other than shareholders' equity	624	289	14,553	253	15,720	(29)	61	15,751
Total net changes during the year	624	289	14,553	253	15,720	(29)	61	39,038
Balance at end of period	2,106	327	25,895	(414)	27,914	255	1,437	242,350

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares, at cost	Total shareholders' equity
Balance at beginning of period	38,413	39,737	144,460	(9,869)	212,742
Changes during period					
Dividends of surplus			(13,704)		(13,704)
Profit attributable to owners of parent			43,228		43,228
Change in scope of consolidation			35		35
Change in scope of equity method					—
Purchase of treasury shares				(5,001)	(5,001)
Disposal of treasury shares		44		70	114
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes in items other than shareholders' equity					
Total net changes during the year	—	44	29,559	(4,931)	24,671
Balance at end of period	38,413	39,781	174,019	(14,801)	237,414

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests Foreign	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,106	327	25,895	(414)	27,914	255	1,437	242,350
Changes during period								
Dividends of surplus								(13,704)
Profit attributable to owners of parent								43,228
Change in scope of consolidation								35
Change in scope of equity method								—
Purchase of treasury shares								(5,001)
Disposal of treasury shares								114
Change in ownership interest of parent due to transactions with non-controlling interests								—
Net changes in items other than shareholders' equity	5,083	(292)	12,100	1,337	18,228	—	250	18,479
Total net changes during the year	5,083	(292)	12,100	1,337	18,228	—	250	43,151
Balance at end of period	7,189	34	37,995	922	46,143	255	1,688	285,501

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	49,075	62,294
Depreciation and amortization	12,020	13,392
Amortization of goodwill	2,766	2,684
Impairment loss	3,450	4,665
Settlement income	—	(4,689)
Increase (decrease) in allowance for doubtful accounts	1,457	(124)
Increase (decrease) in provision for bonuses	3,410	1,334
Retirement benefit expenses	—	2,117
Increase (decrease) in retirement benefit liability and asset	(1,063)	(1,054)
Interest and dividend income	(552)	(1,986)
Interest expenses	613	1,211
Share of loss (profit) of entities accounted for using equity method	629	84
Loss (gain) on sale and retirement of non-current assets	43	7
Loss (gain) on sale of investment securities	(4)	(3)
Loss (gain) on valuation of investment securities	—	191
(Increase) decrease in trade receivable	(13,235)	1,120
(Increase) decrease in inventories	(10,501)	5,604
Increase (decrease) in trade payable	2,172	(5,005)
Other, net	(328)	5,885
Subtotal	49,953	87,731
Interest and dividend income received	551	1,953
Interest expenses paid	(403)	(959)
Settlement received	—	4,689
Income taxes paid	(15,676)	(20,987)
Net cash provided by (used in) operating activities	34,425	72,427
<b>Cash flows from investing activities</b>		
Purchase of short-term and long-term investment securities	(4,248)	(1,530)
Proceeds from sales of short-term and long-term investment	1,091	1,587
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(990)
Purchase of non-current assets	(10,041)	(13,364)
Loan advances	(214)	(122)
Proceeds from collections of loans receivable	228	147
Other, net	(2,755)	(10,546)
Net cash provided by (used in) investing activities	(15,941)	(24,819)

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	1,347	(3,432)
Proceeds from long-term borrowings	9,450	7,747
Repayments of long-term borrowings	(9,616)	(8,572)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(246)	—
Net decrease (increase) in treasury shares	82	(4,887)
Dividends paid	(9,723)	(13,704)
Dividends paid to non-controlling interests	(105)	(147)
Other, net	(1,076)	(3,246)
Net cash provided by (used in) financing activities	(9,887)	(26,244)
Effect of exchange rate changes on cash and cash equivalents	1,159	1,338
Net increase (decrease) in cash and cash equivalents	9,755	22,702
Cash and cash equivalents at beginning of period	61,397	71,153
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	339
Cash and cash equivalents at end of period	71,153	94,195

(5) Notes to Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Changes in the Scope of Consolidation or Application of the Equity Method)

(Significant Changes in the Scope of Consolidation)

In the three months ended June 30, 2023, Sanwa Holdings (Shanghai) Co., Ltd., Sanwa Novoferm (Changshu) Co., Ltd., AUB Limited, and AUB (Macau) Limited took on greater importance, so they have been included in the scope of consolidation. Door Control, Inc. is also included in the scope of consolidation as a result of acquiring its shares.

In the nine months ended December 31, 2023, Sanwa Facade Laboratory Corporation took on greater importance, so it has been included in the scope of consolidation.

(Significant Changes in the Scope of Application of the Equity Method)

In the three months ended June 30, 2023, Sanwa Holdings (Shanghai) Co., Ltd., Sanwa Novoferm (Changshu) Co., Ltd., AUB Limited, and AUB (Macau) Limited took on greater importance, so they have been removed from the scope of application of the equity method and included in the scope of consolidation.

(Change in Presentation Method)

(Consolidated Balance Sheets)

In fiscal 2022, because "Electronically recorded obligations - operating," which were included in "Notes and accounts payable - trade" in "Current liabilities," have increased in importance in monetary terms, the Company has decided to report this item separately beginning from fiscal 2023. In order to reflect this change in the presentation method, we have reclassified the consolidated financial statements for fiscal 2022.

As a result, the ¥66,962 million presented in "Notes and accounts payable - trade" of "Current liabilities" in the consolidated balance sheet for fiscal 2022 was reclassified as "Notes and accounts payable - trade" of ¥63,843 million and "Electronically recorded obligations - operating" of ¥3,118 million.



(Segment Information, etc.)

#### 1. Outline of reportable segments

Reportable segments of the Group are components for which discrete financial information is available and which are subject to regular discussion by the Board of Directors of the Company, the highest management decision-making body, to make decisions on the allocation of management resources and assess performance.

The Group is primarily engaged in the manufacture and sales of construction materials for commercial and residential buildings, as well as the maintenance and service business for these products. The Group mainly comprises Sanwa Shutter Corporation in Japan, Overhead Door Corporation in North America, Novoferm GmbH in Europe, and Shanghai Baosteel-Sanwa Door Co., Ltd., SANWA SHUTTER (HK) Ltd., AnHo Metal Industrial Co., Ltd., Vina-Sanwa Company Liability Ltd., SUZUKI SHUTTER (HK) Ltd., Sanwa Holdings (Shanghai) Co., Ltd., Sanwa Novoferm (Changshu) Co., Ltd., AUB Limited, and AUB (Macau) Limited in Asia. Local legal entities are independent management units, and formulate overall regional management strategies for their products and conduct separate business activities.

Accordingly, the Group is comprised of regional segments and divided into legal entities, based on the manufacture and sales systems. The Group's four reportable segments are "Japan," "North America," "Europe," and "Asia."

The major products and services of each reportable segment are as follows:

##### **Japan**

Rolling shutters, shutter-related products, door products for buildings, partitions, stainless steel products, store front products, window products, residential door products, exterior products, residential garage door products, automatic door products, and the maintenance and service business, etc.

##### **North America**

Rolling shutters, shutter-related products, industrial sectional door products, residential garage door products, operator for garage doors and other doors, automatic door products, and the maintenance and service business, etc.

##### **Europe**

Rolling shutters, shutter-related products, door products, industrial sectional door products, residential garage door products, operator for garage doors and other doors, and the maintenance and service business, etc.

##### **Asia**

Rolling shutters, shutter-related products, door products, residential garage door products, and the maintenance and service business, etc.

#### 2. Calculation method used for net sales, income or loss, assets and other items on each reportable segment

The accounting methods used for reportable segments are generally the same as the descriptions in "Basis of Presenting Consolidated Financial Statements." Inter-segment transactions are inter-company transactions and are based on market price and other relevant factors.

3. Information about net sales, income or loss, assets and other items on each reportable segment  
For the fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segment					Adjustments (Note 1)	Consolidated financial statements (Note 2)
	Japan	North America	Europe	Asia	Total		
Net sales							
Sales to customers	252,877	218,968	105,394	10,855	588,095	63	588,159
Intersegment sales or transfers	138	208	62	4	414	(414)	—
Total	253,015	219,177	105,457	10,860	588,510	(351)	588,159
Segment income	25,023	29,049	4,268	258	58,599	(2,292)	56,307
Segment assets	145,500	133,158	74,998	10,713	364,369	77,904	442,274
Other items							
Depreciation and amortization	3,277	4,900	3,645	149	11,972	47	12,020
Investment in entities accounted for using equity method	—	—	—	788	788	3,547	4,335
Increase in property, plant and equipment and intangible assets	3,600	2,693	3,383	355	10,033	7	10,041

Notes: 1. Adjustments are as follows:

(1) Net sales

- Other net sales ¥63 million
- Elimination of intersegment transactions ¥(414) million

(2) Segment income

- Other income ¥63 million
- Corporate expenses ¥(2,431) million
- Amortization of goodwill ¥(2,766) million
- Other adjustments ¥(378) million
- Elimination of intersegment transactions ¥3,220 million

(3) Segment assets

- Other assets ¥4,737 million
- Corporate assets ¥73,166 million

Other adjustments are as a result of incidental activities associated with facility management operations.

Corporate expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.

Corporate assets mainly consist of surplus operating funds (cash and deposits, securities) and long-term investment funds (investment securities) that do not belong to any reportable segment.

2. Segment income is reconciled to the operating profit of the consolidated statements of income.

3. The major countries and regions in each reportable segment are as follows:

North America: U.S., Canada, etc.

Europe: Germany, France, Italy, Netherlands, England, etc.

Asia: China, Hong Kong, Taiwan, and Vietnam

For the fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment					Adjustments (Note 1)	Consolidated financial statements (Note 2)
	Japan	North America	Europe	Asia	Total		
Net sales							
Sales to customers	265,591	219,799	111,484	14,168	611,043	63	611,107
Intersegment sales or transfers	137	120	45	183	486	(486)	—
Total	265,728	219,919	111,529	14,352	611,530	(423)	611,107
Segment income	28,177	34,502	3,890	577	67,148	(1,788)	65,360
Segment assets	149,727	165,966	80,235	14,826	410,755	80,945	491,701
Other items							
Depreciation and amortization	3,341	5,255	4,329	427	13,354	37	13,392
Investment in entities accounted for using equity method	—	—	—	—	—	1,060	1,060
Increase in property, plant and equipment and intangible assets	4,072	5,199	3,754	254	13,280	83	13,364

Notes: 1. Adjustments are as follows:

(1) Net sales

- Other net sales ¥63 million
- Elimination of intersegment transactions ¥(486) million

(2) Segment income

- Other income ¥63 million
- Corporate expenses ¥(2,361) million
- Amortization of goodwill ¥(2,684) million
- Other adjustments ¥(50) million
- Elimination of intersegment transactions ¥3,244 million

(3) Segment assets

- Other assets ¥6,300 million
- Corporate assets ¥74,645 million

Other adjustments are as a result of incidental activities associated with facility management operations.

Corporate expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.

Corporate assets mainly consist of surplus operating funds (cash and deposits, securities) and long-term investment funds (investment securities) that do not belong to any reportable segment.

2. Segment income is reconciled to the operating profit of the consolidated statements of income.

3. The major countries and regions in each reportable segment are as follows:

North America: U.S., Canada, etc.

Europe: Germany, France, Italy, Netherlands, England, etc.

Asia: China, Hong Kong, Taiwan, and Vietnam

## (Per-Share Information)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net assets per share	1,088.87 yen	1,295.50 yen
Earnings per share	149.71 yen	196.03 yen
Diluted earnings per share	149.34 yen	195.56 yen

Note: 1. The basis for calculation of earnings per share and diluted earnings per share is as follows.

Item		For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Earnings per share			
Profit attributable to owners of parent	(Millions of yen)	33,084	43,228
Amount not attributable to common shareholders	(Millions of yen)	—	—
Profit related to common shares attributable to owners of parent	(Millions of yen)	33,084	43,228
Average number of common shares during the period	(Thousands of shares)	220,993	220,517
Diluted earnings per share			
Adjustments for profit attributable to owners of parent	(Millions of yen)	—	—
Increase in common shares	(Thousands of shares)	541	535
(of which, share acquisition rights)	(Thousands of shares)	(541)	(535)
Overview of dilutive shares not included in the calculation of diluted earnings per share due to the absence of dilutive effects		—	

2. The basis for calculation of earnings per share is as follows.

Item		As of March 31, 2023	As of March 31, 2024
Total net assets	(Millions of yen)	242,350	285,501
Deductions from total net assets	(Millions of yen)	1,693	1,944
(of which, share acquisition rights)	(Millions of yen)	(255)	(255)
(of which, non-controlling interests)	(Millions of yen)	(1,437)	(1,688)
Net assets related to common shares at the end of the period	(Millions of yen)	240,656	283,557
Number of common share used in the calculation of earnings per share at the end of the period	(Thousands of shares)	221,014	218,879

(Significant Subsequent Events)

(Cancellation of treasury shares)

At the Board of Directors meeting held on March 27, 2024, the Company resolved to cancel treasury shares in accordance with the provisions of Article 178 of the Companies Act, and the cancellation of treasury shares was implemented as follows.

1. Details of the resolution by the Board of Directors on the cancellation of treasury shares

(1) Type of shares to be cancelled

The Company's common stock

(2) Total number of shares to be cancelled

2,000,000 shares

(3) Scheduled cancellation date

April 19, 2024

2. Cancellation date

April 19, 2024

3. The total number of shares outstanding after this cancellation will be 229,000,000.