



SANWA HOLDINGS CORPORATION

## **Sanwa Holdings Corporation**

Financial Results Briefing for the Fiscal Year Ended March 2026

May 15, 2026

## Event Summary

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|                      |                                                                                 |                                                                                                     |
|----------------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| [Company Name]       | Sanwa Holdings Corporation                                                      |                                                                                                     |
| [Company ID]         | 5929-QCODE                                                                      |                                                                                                     |
| [Event Language]     | JPN                                                                             |                                                                                                     |
| [Event Type]         | Earnings Announcement                                                           |                                                                                                     |
| [Event Name]         | Financial Results Briefing for the Fiscal Year Ended March 2026                 |                                                                                                     |
| [Fiscal Period]      | FY2026 Annual                                                                   |                                                                                                     |
| [Date]               | May 15, 2026                                                                    |                                                                                                     |
| [Number of Pages]    | 26                                                                              |                                                                                                     |
| [Time]               | 10:00 – 11:01<br>(Total: 61 minutes, Presentation: 43 minutes, Q&A: 18 minutes) |                                                                                                     |
| [Venue]              | Webcast                                                                         |                                                                                                     |
| [Venue Size]         |                                                                                 |                                                                                                     |
| [Participants]       |                                                                                 |                                                                                                     |
| [Number of Speakers] | 3                                                                               |                                                                                                     |
|                      | Yasushi Takayama                                                                | Representative Director, President                                                                  |
|                      | Hiroyuki Yamazaki                                                               | Director, Senior Managing Executive Officer,<br>Corporate Planning Unit                             |
|                      | Masayuki Atarashi                                                               | Senior Executive Officer, Head of Corporate<br>Communication Department, Corporate<br>Planning Unit |
| [Analyst Names]*     |                                                                                 |                                                                                                     |
|                      | Yugo Hamakawa                                                                   | Nomura Securities                                                                                   |
|                      | Sachiko Okada                                                                   | Goldman Sachs                                                                                       |
|                      | Mariko Watanabe                                                                 | UBS Securities                                                                                      |
|                      | Hideaki Teraoka                                                                 | Daiwa Securities                                                                                    |
|                      | Hiroki Kawashima                                                                | SMBC Nikko Securities                                                                               |
|                      | Yoshihiro Nakagawa                                                              | Mizuho Securities                                                                                   |

Ryo Yagi

Morgan Stanley MUFG Securities

\*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A or whose questions were read by moderator/company representatives.

## Presentation

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**Atarashi:** Good morning, everyone. The start time has arrived, and we will now begin the briefing on the financial results of Sanwa Holdings Corporation for the fiscal year ended March 31, 2026. Thank you very much for attending our information session today. Today's facilitator is Atarashi from the Corporate Communication Department. Thank you. Let me now introduce today's explainers, Takayama, President and Representative Director.

**Takayama:** Thank you very much.

**Atarashi:** Yamazaki, Director, Senior Managing Executive Officer, in charge of the Corporate Planning Unit.

**Yamazaki:** Thank you very much.

**Atarashi:** These two people will explain to you. For today's schedule, after this, President Takayama will explain according to the presentation material linked to the screen. This will be followed by a question-and-answer period. The end time is scheduled for 11:00 AM. Thank you for your patience. President Takayama, please go ahead.



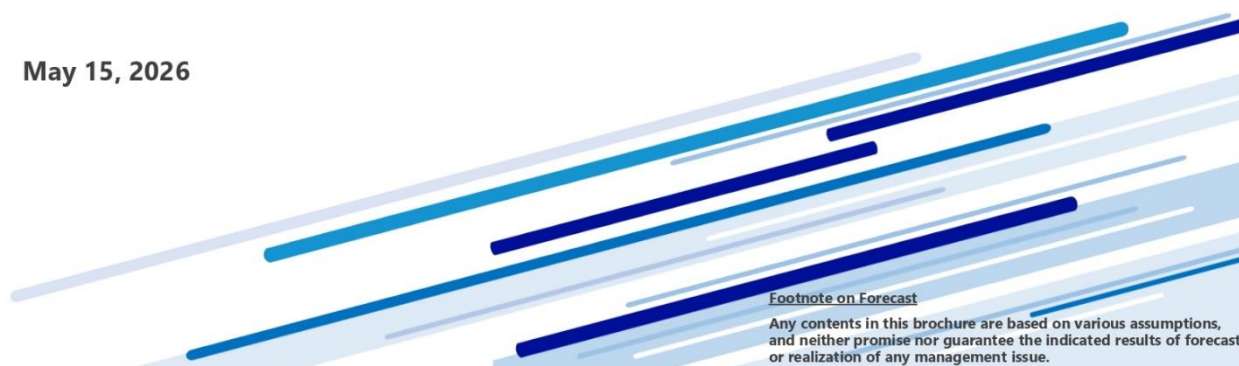
### Presentation Materials

## FY2025 Consolidated Results FY2026 Consolidated Forecasts

### CONTENTS

- FY2025 Consolidated Results
- FY2026 Consolidated Forecasts
- Progress of Medium-Term Management Plan 2027
- Financial Highlights

May 15, 2026



#### Footnote on Forecast

Any contents in this brochure are based on various assumptions, and neither promise nor guarantee the indicated results of forecast or realization of any management issue.

**Takayama:** I will explain then. First, please look at the upper left corner of the cover before we get into the main part. This is the number 70, as the Sanwa Group celebrates its 70th anniversary this year. We would like to take this opportunity to thank our shareholders and other stakeholders for their support. I would like to express my deepest gratitude. We look forward to continuing to meet your expectations as we move forward.

## Performance at a Glance

02

### FY2025 Consolidated Results

- › Sales and net income exceeded the forecast, while operating profit and ordinary profit fell short of the forecast.  
Profit significantly exceeded the forecast in Japan, but fell short of the forecast in North America, Europe, and Asia.

→ See pages 04 and 05

### FY2026 Consolidated Forecasts

- › Net sales: **677.0 billion yen**, Operating profit: **81.0 billion yen**, Operating profit margin: **12.0%**
- › Although markets in each region remain weak, we aim to achieve **a new record high in operating profit (80.5 billion yen)** through steady progress in price pass-through.

→ See pages 07 and 08

### Shareholder Returns

- › FY2025 dividend: Year-end dividend planned at 68 yen (+6 yen from the forecast)  
Annual dividend planned at 130 yen (+24 yen YoY)
- › FY2026 dividend: **Annual dividend forecast of 146 yen (+16 yen YoY)**  
Ordinary dividend of 132 yen (+2 yen YoY)  
**70th anniversary commemorative dividend of 14 yen**
- › Announced new stock buybacks of **10.0 billion yen**



→ See page 18

Now I would like to move on to the content. The three main points of today's presentation are as follows.

The first, FY2025 results, sales and net income here exceeded forecasts, but operating income and ordinary income were lower than expected. Profits were up sharply in Japan, but overseas sales fell short.

The second point is the forecast for FY2026. For FY2026, we forecast sales of JPY677 billion, operating profit of JPY81 billion, and operating profit margin of 12%. Although markets in all regions continue to be soft, we hope to achieve record-high operating profit. We believe that the most important point is the penetration of the selling price shift.

The third point is shareholder returns. As for dividends for FY2025, we plan to pay a year-end dividend of JPY68, resulting in an annual dividend of JPY130, an increase of JPY24 from the previous year. For FY026, we forecast an annual dividend of JPY146 per share, an increase of JPY16 per share. As a breakdown, we will pay an ordinary dividend of JPY132, and in addition, we will pay a dividend of JPY14 in honor of the 70th anniversary, which I mentioned at the beginning. In addition, we have announced a new stock buyback of JPY10 billion. The third point is to strengthen shareholder returns in this way.



# 01 Business Results Highlights (Net Sales)

04

Although markets in Japan, North America, and Europe remained weak, results exceeded the initial forecast due to the steady progress in passing on higher costs through selling prices.

|                     |        | FY2024  |                  | FY2025  |         | YoY (%) | vs. forecast (%)                                                                                                                                                                              |
|---------------------|--------|---------|------------------|---------|---------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     |        | Results | Initial forecast | Results |         |         |                                                                                                                                                                                               |
| Japan               | JPY bn | 287.7   | 289.1            | 291.3   | +1.3%   | +0.8%   | Higher sales due to strong performance in climate change-related products as well as maintenance and services, along with steady progress in price pass-through                               |
| North America (ODC) | USD mn | 1,613   | 1,668            | 1,615   | +0.1%   | -3.2%   |                                                                                                                                                                                               |
|                     | JPY bn | 245.5   | 233.5            | 241.9   | -1.5%   | +3.6%   | Higher sales on a local currency basis driven by operator and automatic doors, despite lower sales volume of door products                                                                    |
| Europe (NF)         | EUR mn | 696     | 731              | 678     | -2.5%   | -7.2%   | Lower sales on a local currency basis due to decreased sales volume                                                                                                                           |
|                     | JPY bn | 114.4   | 117.0            | 115.0   | +0.6%   | -1.7%   |                                                                                                                                                                                               |
| Asia                | JPY bn | 15.4    | 15.6             | 13.0    | -15.3%  | -16.9%  | Higher sales in Taiwan and Vietnam, but lower sales due to delayed recovery of eastern China business and a reactionary decline in Hong Kong following the previous year's strong performance |
| Net sales           | JPY bn | 662.4   | 654.0            | 660.7   | -0.3%   | +1.0%   |                                                                                                                                                                                               |
|                     |        |         | [677.6]          | [661.3] | [-0.2%] |         |                                                                                                                                                                                               |

\* Due to intercompany elimination, values do not add up to consolidated result.

\* The upper figures in North America and Europe show results on a local currency basis.

\* Figures in square brackets ([ ]) are based on the FY2024 forex for comparison with the previous year in real terms.

| Forex Rate | FY2024 Actual | FY2025 Initial Forecast | FY2025 Actual |
|------------|---------------|-------------------------|---------------|
| 1USD       | 152.24        | 140.00                  | 149.78        |
| 1EUR       | 164.36        | 160.00                  | 169.53        |

## Analysis of changes in net sales (consolidated)



I will now discuss the details in turn.

First, here are the results for the full fiscal year of FY2025. Sales are JPY660.7 billion on a consolidated basis. Although the forecast was exceeded, it was a slight decrease from the previous year. The main markets of Japan, the US, and Europe were weak in FY2025, and as you can see in the graph below, the volume was minus JPY9.3 billion. Although this was compensated for by an increase in selling price of JPY8.2 billion, sales were down slightly from the previous year.

By sector, Japan's sales totaled JPY291.3 billion, an increase of 1.3% from the previous year. While volumes of shutters, doors, and mainstay products were sluggish, sales of climate change-responsive products and maintenance services remained strong. In addition, the steady penetration of price shifting has enabled us to secure an increase in revenues.

As for North America, the environment was not as good as expected and did not recover. Although the volume of our mainstay door products declined, we managed to secure an increase in revenue in local currency terms by compensating for this with products, such as operator and automatic doors, and by promoting the transfer of selling prices across the board.

In Europe, the environment remained difficult, with a negative 2.5% in local currency terms compared to the previous year.



## 02 Business Results Highlights (Profits)

05

Operating profit declined due to lower sales volume and higher raw material and other costs, despite steady price pass-through

|                                             |        | FY2024  |               | FY2025           |                  |               |                  | YoY (%) | vs. forecast (%) |                                                                                                                                                |
|---------------------------------------------|--------|---------|---------------|------------------|------------------|---------------|------------------|---------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
|                                             |        | Results | Profit margin | Initial forecast | Results          | Profit margin |                  |         |                  |                                                                                                                                                |
| Japan                                       | JPY bn | 35.44   | 12.3%         | 35.94            | 39.07            | 13.4%         | +10.2%           | +8.7%   |                  | Higher profit driven by steady price pass-through despite lower sales volume                                                                   |
| North America (ODC)                         | USD mn | 272.6   |               | 288.5            | 252.1            |               | -7.5%            | -12.6%  |                  | Lower profit mainly due to lower sales volume of door products and higher costs, despite improved price pass-through                           |
|                                             | JPY bn | 41.50   | 16.9%         | 40.39            | 37.75            | 15.6%         | -9.0%            | -6.5%   |                  |                                                                                                                                                |
| Europe (NF)                                 | EUR mn | 20.7    |               | 25.6             | 12.9             |               | -38.0%           | -49.9%  |                  | Lower profit due to lower sales volume and higher costs, despite efforts to improve price pass-through                                         |
|                                             | JPY bn | 3.41    | 3.0%          | 4.10             | 2.18             | 1.9%          | -36.0%           | -46.9%  |                  |                                                                                                                                                |
| Asia                                        | JPY bn | 0.37    | 2.4%          | 0.51             | 0.10             | 0.8%          | -72.8%           | -80.0%  |                  | Lower profit due to delayed recovery in the Eastern China business and a decline following the previous year's strong performance in Hong Kong |
| Operating profit                            | JPY bn | 80.52   | 12.2%         | 81.00<br>[84.64] | 79.10<br>[79.64] | 12.0%         | -1.8%<br>[-1.1%] | -2.4%   |                  |                                                                                                                                                |
| Ordinary profit                             | JPY bn | 84.02   | 12.7%         | 82.70<br>[86.49] | 80.65<br>[81.26] | 12.2%         | -4.0%<br>[-3.3%] | -2.5%   |                  |                                                                                                                                                |
| Net profit attributable to owners of profit | JPY bn | 57.51   | 8.7%          | 58.00<br>[60.78] | 59.78<br>[60.27] | 9.0%          | +3.9%<br>[+4.8%] | +3.1%   |                  |                                                                                                                                                |

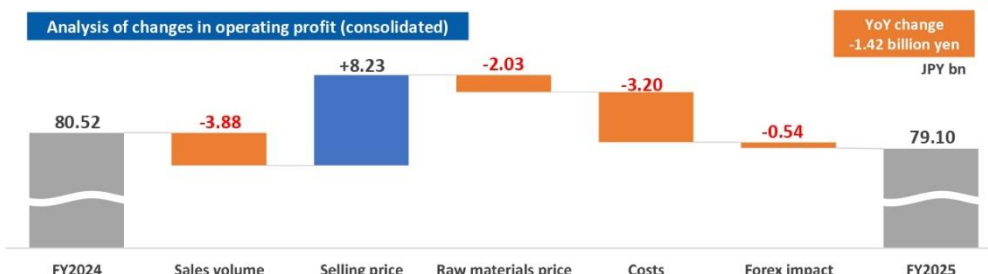
\* Due to intercompany elimination, values do not add up to consolidated result.

\* The upper figures in North America and Europe show results on a local currency basis.

\* Figures in square brackets ([ ]) are based on the FY2024 forex for comparison with the previous year in real terms.

| Forex Rate | FY2024 Actual | FY2025 Initial Forecast | FY2025 Actual |
|------------|---------------|-------------------------|---------------|
| 1USD 1EUR  | 164.36        | 160.00                  | 149.78        |
|            |               |                         | 169.53        |

### Analysis of changes in operating profit (consolidated)



Operating profit was JPY79.1 billion on a consolidated basis in FY2025, short of the previous year's JPY80.5 billion and the initial forecast of JPY81 billion.

As you can see in the graph below, there were increases in raw material prices and costs, and we were able to absorb these cost increases through higher selling prices, but the impact of volume was unavoidable, resulting in a decrease in profit from the previous year. Net profit, on the other hand, was JPY59.8 billion, a new record high, due in part to extraordinary gains and other items.

Looking at the results by sector, first, Japan posted a significant increase of more than 10% from the previous year. The most important factor is the steady penetration of selling price shifting.

For North America, the result was negative 7.5% in local currency from the previous year. Although we made progress in passing on selling prices, the decrease in profit was due to a decline in the volume of our mainstay door products and an unexpected increase in costs.

Europe saw a significant decrease in profit, minus 38% from the previous year. We are working to pass on selling prices, but the biggest reason is that the market environment remained difficult.

These are the results for FY2025.



## 03 Business Forecasts Highlights (Net Sales)

07

➤ Sales are expected to rise due to efforts to achieve price pass-through despite the delayed recovery in the market environment across all regions.

|                     |        | FY2025  | FY2026 (Forecast) |       |                  |                                                                                                                                                                                             |
|---------------------|--------|---------|-------------------|-------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     |        | Results | 1H                | 2H    | Full year        | YoY(%)                                                                                                                                                                                      |
| Japan               | JPY bn | 291.3   | 137.0             | 157.6 | 294.6            | +1.1%                                                                                                                                                                                       |
| North America (ODC) | USD mn | 1,615   | 747               | 881   | 1,628            | +0.8%                                                                                                                                                                                       |
|                     | JPY bn | 241.9   | 112.1             | 132.2 | 244.2            | +1.0%                                                                                                                                                                                       |
| Europe(NF)          | EUR mn | 678     | 326               | 365   | 691              | +1.9%                                                                                                                                                                                       |
|                     | JPY bn | 115.0   | 58.6              | 65.8  | 124.4            | +8.2%                                                                                                                                                                                       |
| Asia                | JPY bn | 13.0    | 6.1               | 8.3   | 14.3             | +10.2%                                                                                                                                                                                      |
| Net Sales           | JPY bn | 660.7   | 313.5             | 363.5 | 677.0<br>[669.4] | +2.5%<br>[+1.3%]                                                                                                                                                                            |
|                     |        |         |                   |       |                  | * As the impact of the situation in the Middle East remains uncertain and difficult to forecast, it has not been factored into the earnings forecast for the fiscal year ending March 2027. |

\* Due to intercompany elimination, values do not add up to consolidated result

\* The upper figures in North America and EU show results on a local currency basis

\* Figures in square brackets ( [ ] ) are based on the FY2025 forex for comparison with the previous year in real terms

| Forex Rate | FY2025 Actual | FY2026 Forecast |
|------------|---------------|-----------------|
| 1USD       | 149.78        | 150.00          |
| 1EUR       | 169.53        | 180.00          |

### Analysis of changes in net sales (consolidated)



I will then discuss our projections for FY2026.

First, we forecast consolidated sales of JPY677 billion for the current fiscal year. This represents an increase of 2.5% from the previous year. We do not expect much recovery in markets and demand in Japan, the US, Europe, and other regions, in FY2026, and we assume that recovery will be delayed. In this context, we will work to pass on selling prices and secure an increase in revenue.

As you can see from the graph below, volume is negative, as it was last year. In contrast, the selling price is largely positive, with the key point being the penetration of the selling price.

First, in Japan, sales increased 1.1% from the previous year. While the situation for mainstay products continues to be difficult, the Company hopes to secure revenue growth by steadily increasing sales of maintenance and repair, and other products, while penetrating the shift of selling prices.

In North America too, it is taking time for the environment to recover, but even under such circumstances, we hope to secure an increase in sales on a local currency basis through continued strong sales in the operator and automatic door divisions and by working on sales prices.

The environment in Europe also continues to be difficult, but we are forecasting an increase of 1.9%, assuming that various sales measures will be implemented and that there may be signs of a slight recovery in H2.

As shown in blue on the right side of the chart, we have assumed an exchange rate of JPY150 to a dollar, the same level as the previous year, and JPY180 to a euro, a slight depreciation of JPY10 from the previous year. This is very difficult to predict.

As a condition and premise for the 2026 forecast, I would like to add a word about the situation in the Middle East, the impact of which is difficult to read and the future outlook is uncertain, so we have not incorporated it into our forecast for the current fiscal year ending March 31, 2027. If the situation in the Middle East were to prolong or worsen, it could have an impact, and we would like to provide a full explanation in response to such a situation.

FY2025 Consolidated Results

FY2026 Consolidated Forecasts

Progress of Medium-Term Management Plan 2027

Financial Highlights



SANWA HOLDINGS CORPORATION

## 04 Business Forecasts Highlights (Profits)

08

Record-high profit is expected, as efforts to achieve price pass-through in each region are expected to absorb high raw material and other costs.

|                                             |        | FY2025  |               | FY2026 |       |                  |               |                  |                                                                                                                 |
|---------------------------------------------|--------|---------|---------------|--------|-------|------------------|---------------|------------------|-----------------------------------------------------------------------------------------------------------------|
|                                             |        | Results | Profit margin | 1H     | 2H    | Full year        | Profit margin | YoY(%)           |                                                                                                                 |
| Japan                                       | JPY bn | 39.07   | 13.4%         | 14.99  | 24.11 | 39.10            | 13.3%         | +0.1%            | ● Profit expected to rise due to steady progress in price pass-through, which is expected to cover higher costs |
| North America (ODC)                         | USD mn | 252.1   | 15.6%         | 103.4  | 159.2 | 262.7            |               | +4.2%            | ● Profit expected to rise due to efforts to achieve price pass-through and cost reduction                       |
|                                             | JPY bn | 37.75   |               | 15.51  | 23.89 | 39.40            | 16.1%         | +4.4%            |                                                                                                                 |
| Europe (NF)                                 | EUR mn | 12.9    | 1.9%          | 1.5    | 14.4  | 15.9             |               | +23.6%           | ● Profit expected to rise as a recovery in volumes and price pass-through are expected to cover higher costs    |
|                                             | JPY bn | 2.18    |               | 0.26   | 2.60  | 2.86             | 2.3%          | +31.3%           |                                                                                                                 |
| Asia                                        | JPY bn | 0.10    | 0.8%          | -0.13  | 0.28  | 0.15             | 1.0%          | +46.1%           | ● Profit expected to rise driven by solid performance in Taiwan and a recovery in Vietnam                       |
| Operating Profit                            | JPY bn | 79.10   | 12.0%         | 30.20  | 50.80 | 81.00<br>[80.78] | 12.0%         | +2.4%<br>[+2.1%] |                                                                                                                 |
| Ordinary Profit                             | JPY bn | 80.65   | 12.2%         | 31.10  | 51.40 | 82.50<br>[82.33] | 12.2%         | +2.3%<br>[+2.1%] |                                                                                                                 |
| Net Profit attributable to owners of parent | JPY bn | 59.78   | 9.0%          | 22.90  | 37.10 | 60.00<br>[59.91] | 8.9%          | +0.4%<br>[+0.2%] |                                                                                                                 |
|                                             |        |         |               |        |       |                  |               |                  | Forex Rate<br>1USD<br>1EUR                                                                                      |
|                                             |        |         |               |        |       |                  |               |                  | FY2025 Actual<br>149.78<br>169.53                                                                               |
|                                             |        |         |               |        |       |                  |               |                  | FY2026 Forecast<br>150.00<br>190.00                                                                             |

Forex Rate  
1USD  
1EUR

FY2025 Actual  
149.78  
169.53

FY2026 Forecast  
150.00  
180.00

\* Due to intercompany elimination, values do not add up to consolidated result.

\* The upper figures in North America and EU show results on a local currency basis.

\* Figures in square brackets ([ ]) are based on the FY2025 forex for comparison with the previous year in real terms.

### Analysis of changes in operating profit (consolidated)



Profits, operating profit for 2026 is projected to be JPY81 billion. We are trying to break the record-high. As you can see from the graph below, while volume will continue to make a negative contribution, we expect raw material prices to rise significantly. In addition, we hope to achieve an increase in profit by largely compensating for the increase in various other costs, such as labor costs, through the selling price.

In Japan, profits were very strong in the previous year, and we intend to make a solid start in this area.

In North America, we had a slight difficulty in the previous year, but we hope to increase profits to 4.2% this fiscal year. The biggest point is how to make up for the large cost increase, including raw materials, by shifting the cost to the selling price.

For Europe, although the amount is small, we expect a significant increase of 23.6% from the previous year. With the expectation of a market recovery, we are determined to cover the cost increase with our selling prices and return to this level. Although we cannot shake off the sense of uncertainty, there are signs of a slight recovery.

We are forecasting net profit of JPY60 billion.

These are the projections for FY2026.



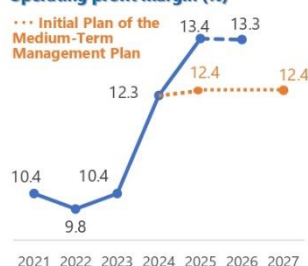
# 05 Basic Strategy (1)

10

## Strengthen and expand core businesses in Japan, North America, and Europe

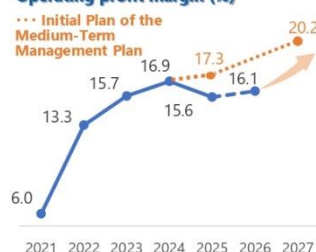
### Japan

#### Operating profit margin (%)



### North America

#### Operating profit margin (%)



### ✓ Profit margins improved more than expected

- › In 2025, soaring construction material prices and labor shortages led to delayed and prolonged large-scale urban development projects, negatively affecting sales volumes, and this trend is expected to continue in FY2026
- › Product margins are improved due to a favorable product mix, driven by high-margin climate change-related products and the strong maintenance and service business
- › Price pass-through of various cost increases progressed steadily
- › Cost reductions through initiatives to increase in-house production in the manufacturing department progressed steadily, contributing to improved profitability
- › We plan to address shortages of petroleum-derived products and rising material costs by procuring alternative materials and implementing price pass-through

### ✓ Market recovery still taking time

- › In 2025, struggling to secure volume in the door business, as market recovery was delayed mainly due to tariff impacts and persistently high interest rates, with volume recovery expected from the second half of 2026 onward
- › The operator and automatic door business secured volumes despite the delayed market recovery
- › In 2025, profitability deteriorated due to lower productivity caused by volume declines and temporary cost increases following plant consolidation
- › Cost increase resulting from tariff impacts in 2025 have already been addressed through price pass-through, and additional cost increases arising from tariff rule changes from 2026 onward are also expected to be addressed through price pass-through

Next, I would like to explain the progress of various measures and the details of each sector.

First, regarding the first basic strategy, strengthening core businesses, the profit margin in Japan has improved more than expected. In FY2024, we were able to raise the operating profit margin to 12.3%, and in the current medium-term plan, we had forecasted that we would maintain the high level of 12.3%. However, in the initial year of FY2025, the operating profit margin improved to 13.4%. While we are struggling in terms of volume, we are doing very well in the sense that we are making a solid profit margin.

As you can see, the market environment has been affected by high costs and labor shortages, which have led to delays and lengthening of construction periods for large-scale development projects, which has had a negative impact on sales of shutters and doors, our mainstay products. As for when this will return, unfortunately, this period of transition or stagnation is expected to continue in FY2026, and the market is anticipating a full-fledged recovery in FY2028 or H2 of FY2027, at the earliest.

The background to the improvement in profit margins in such an environment is the three points mentioned. First, profit margins are improving due to increased sales of high value-added products and services, such as climate-responsive products and maintenance services, then we have been able to steadily penetrate the shift of selling prices. This is the second point. Third, cost reduction efforts centered on the manufacturing division also contributed to improved profitability in FY2025. We would like to continue these efforts.

In the last section, we have mentioned concerns, such as the shortages in the supply of crude oil-derived products and price hikes related to the situation in the Middle East, and we have also mentioned these as risks. We are supposed to respond by procuring alternative products and shifting the selling price, but this is quite uncertain.

Next is the North America business. The main point is when the market will recover, but we believe that it will take some time for the market to recover.

See the graph on the left, operating profit margin. The operating profit margin rose to 16.9% in the last fiscal year. We had forecasted that the profit margin would exceed 20% by 2027, but unfortunately, in the first year of the three-year plan, FY2025, it was 15.6%, resulting in a decline in the profit margin.

First, regarding volume and market environment, in FY2025, we struggled to secure volume, especially in the door business, as the market for both residential and nonresidential housing failed to recover due to the impact of tariffs and high interest rates. As for when this recovery will take place, we expect it to be in H2 of FY2026 at the earliest, and full recovery will probably be delayed until FY2027.

Under such circumstances, we have been able to secure a solid volume in the automatic door business, such as operators. This is mainly because the hospital and retail markets have been relatively strong in both 2025 and 2026, and that we have been able to capture a solid share of the market.

On the other hand, as for profits, one of the reasons for the decline in profit margins is the decrease in volume. In addition to this, there was a slight decline in productivity in some areas in FY2025 due to plant consolidation. These factors have also led to a decline in profitability. However, this may be a transitory factor, and by making firm efforts to increase selling prices, et cetera, we are assuming that the operating profit margin will increase again to 16.1% in FY2026. However, I am still wondering if a full-fledged recovery in volume is necessary for the market to rise more fully.

The last point for North America is about tariffs. This has been a major theme since the beginning of FY2025, and as a result, we have been able to respond to it by firmly shifting the selling price. However, in FY2026, the cost of materials, including tariffs in the US, is expected to increase significantly in FY2026 due to a change in tariff rules, which will further increase costs from the previous year. Responding to this with firm selling prices is one major theme that will ensure profitability in FY2026.



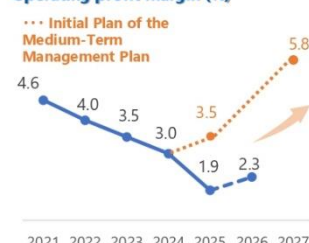
# 05 Basic Strategy (1)

11

## Strengthen and expand core businesses in Japan, North America, and Europe

### Europe

#### Operating profit margin (%)

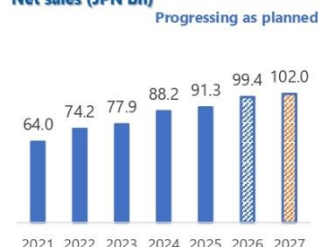


### ✓ Market conditions remain uncertain

- › Market weakness continued in 2025, and although recovery is expected in the second half of 2026, uncertainty in the market environment continues due to factors including the situation in the Middle East
- › The industrial door and service are being strengthened in an integrated manner to secure a stable earnings base
- › Cost increases are expected to be addressed through price pass-through
- › Business restructuring is underway in the UK and Germany, Nordic countries.

### Expand service businesses

#### Net sales (JPN bn)



### Japan

- › Strengthen efforts to capture demand from the robust office renovation and refurbishment market

### North America

- › Strengthen the automatic door service business through M&A and other initiatives

### Europe

- › Focus on the expansion of service business

### M&A in adjacent business areas

- › Acquired all shares of two U.S. companies engaged in automatic door services and installation

- Pasco Doors (May 2025)



- Your Automatic Door Company (February 2026)



In Europe, the operating profit margin has been on a downward trend for a long time, amid a difficult market environment due to the problems in Ukraine and other factors. Unfortunately, we were unable to change this trend in FY2025, which means that the operating profit margin declined to 1.9%. The market environment is very bad and continues to be unclear. However, it is not all bad news, and there are signs that we can expect somewhat of a recovery, particularly in the housing markets of major countries, from H2. We would like to take advantage of the market recovery and launch a turnaround offensive.

In this difficult environment, we are striving to strengthen our mainstay industrial doors and services in an integrated manner. We are also making progress in restructuring our business in areas where we are facing challenges, such as in countries or products, and we hope to achieve a turnaround in profit margins by making such improvements.

The service business is a very important point for the Group, and this business is performing very well. Japan is leading the way, but we are also conducting M&A in North America to strengthen our automatic door service business, and these activities will contribute to the enhancement of our services.

We are also working on services in Europe.

These are our core businesses.

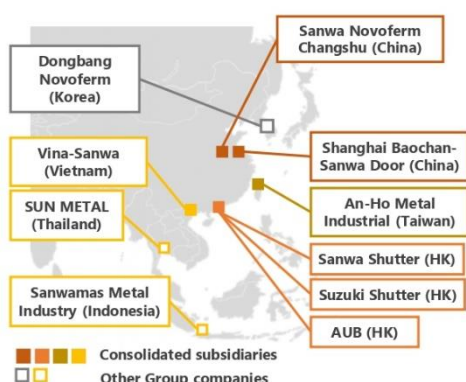


# 05 Basic Strategy (2)

12

## Grow Asian business with solid profits

- Implement structural reform in the eastern China business while striving for management improvement in Vietnam business and driving further growth in Hong Kong and Taiwan



FY2025 Sales Breakdown by Region in Asia



| JPY bn           | FY2024 Results | FY2025 Results | FY2026 Forecasts | FY2027 Targets |
|------------------|----------------|----------------|------------------|----------------|
| Net sales        | 15.4           | 13.0           | 14.3             | 19.6           |
| Operating profit | 0.37           | 0.10           | 0.15             | 1.25           |

### Eastern China

- Implement structural reforms, including strengthening initiatives in sales channels, manufacturing, and development

### Hong Kong

- Optimize operations through the consolidation of manufacturing and administrative functions across three Hong Kong companies
- Pursue synergies by promoting the inclusion and order intake of Group products

### Taiwan

- Deliver a large number of doors to major projects, including semiconductor plants

### ASEAN

- Aim for profitable growth by improving the management of the Vietnam business

Towards stable profitability and revenue growth

This is followed by the second basic strategy, which is profitable growth of the Asian business. I have omitted an explanation of Asia so far, but I would like to touch on it here in a bit of summary.

First, in terms of figures, Asia managed to remain in the black in FY2025, with sales of JPY13 billion and operating profit of JPY100 million. In FY2026, we are expected to increase sales to JPY14.3 billion, but operating profit is expected to remain small at JPY150 million. We believe it is important to steadily expand the business with a firm profit.

The biggest challenge in this context is the Eastern China project. Our biggest challenge now is to carry out structural reform of this Eastern China business. In China, we have been struggling in an unfavorable market environment, and our biggest theme now is to firmly eliminate the deficit in this business.

On the other hand, business around Hong Kong and Taiwan is progressing very well, and we will continue to strive for growth or efficiency.

In the ASEAN region, we have made some progress in improving the management of our Vietnam business. In addition, we would like to further expand this ASEAN area in the future.



# 05 Basic Strategy (3)

13

## Expand business through disaster preparedness products, climate change response products, and smart products and services

|                                                                                       | JPY bn | FY2024 Results | FY2025 Results | FY2027 Targets |
|---------------------------------------------------------------------------------------|--------|----------------|----------------|----------------|
| Disaster preparedness products                                                        |        | 81.1           | 83.0           | 90.0           |
| Climate change adaption products                                                      |        | 26.1           | 27.9           | 28.0           |
| Climate change mitigation products                                                    |        | 106.2          | 107.9          | 112.0          |
| Total of products for disaster preparedness and climate change response (Sales ratio) |        | 213.3 (32.2%)  | 218.8 (33.1%)  | 230.0 (30.5%)  |
| Smart products and services                                                           |        | 13.0           | 16.2           | 16.0           |



| Forex rate | FY2024 Actual | FY2025 Actual | FY2027 Forecast |
|------------|---------------|---------------|-----------------|
| 1 USD      | 152.24        | 149.78        | 140.00          |
| 1 EUR      | 164.36        | 169.53        | 160.00          |

### Disaster preparedness

- Heat-shielding door "Shakunetsu Guard" obtained ministerial certification for 60-minute heat resistance

Heat-shielding door "Shakunetsu Guard" (Sanwa Shutter)



### Enhancing smart products

- Expand lineup of IoT-compatible window shutters in Japan
- Smartification of garage doors gaining traction in North America and Europe

IoT-compatible system for motorizing manual window shutters "Madomore Change SY II" (Sanwa Shutter)



### Adaption

- Garage doors certified under the building code standards of Florida, a hurricane-prone region

Wind-resistant residential garage door "WindStorm Model 7565 Series" (ODC)



- Waterproof shutters designed to prevent flooding caused by large typhoons and torrential rainfall. An expanded design range enables application a wide variety of uses

Water Guard Waterproof Shutter (Sanwa Shutter)



### Mitigation

- Strong sales of high-speed sheet shutters, driven by growing demand for workplace environment improvement at factories, etc.

Order intake for other shutters  
FY2025 +18.1% YoY

Re-carbo series Heat Insulation Quick Saver TR (Sanwa Shutter)



- Introduced to the market the "YAG Door green flag," a heavy-duty steel door made with low-CO2 GX steel

YAG Door green flag, a heavy-duty steel door (Sanwa Shutter)



This is followed by the third point of the basic strategy. This is business expansion through disaster preparedness and climate change-response products, and smart products and services. I feel that we have been able to expand our business in this area because our business provides products that are very useful to society and are firmly connected to our core business.

As you can see, we are introducing a variety of products, and as you can see in the upper part of the mitigation section on the lower right, we are proposing products that match the needs of factories to improve the workplace environment. This is a product we call, Quick Saver, a high-speed sheet shutter in Japan, and this is an area that is growing significantly. We believe it is important to continue to cover our mainstay products by firmly proposing such products and to expand these high value-added products in the future.



# 05 Basic Strategy (4)

14

## Increase productivity and expand production capacity through digitalization and manufacturing innovation

- > Increase productivity by expanding production capacity and optimizing the manufacturing network
  - Japan > Expanded production capacity for steel doors/Increased in-house production of toilet booths
  - North America > Promoted factory optimization and automation/Introduced a new coating line at the automatic door plant in Mexico and commenced door production
  - Europe > Expand the door plant in Italy and introduced an automated production line for hinged doors
- > Improvement of business processes through digitalization
  - Japan > Progressing greater efficiency in ordering, delivery, and drawing submission using systems
  - North America > Introducing ERP systems sequentially at major plants
  - Europe > Progressing digitalization of manufacturing and service processes

### Transition of investment amount

|                     | FY2024  | FY2025  | FY2026    | Medium-term<br>Management<br>Plan 2027<br>Cumulative<br>target |
|---------------------|---------|---------|-----------|----------------------------------------------------------------|
| JPN bn              | Results | Results | Forecasts |                                                                |
| Capital investments | 13.3    | 12.0    | 15.6      | 40.0                                                           |
| IT investments      | 2.3     | 2.2     | 3.1       | 10.0                                                           |
| Total               | 15.6    | 14.2    | 18.7      | 50.0                                                           |



Automatic door plant in Mexico



New building for door plant in Italy

This is followed by the fourth point of the basic strategy. This means that we will invest well in production facilities and information technology. In FY2025, we invested a total of JPY14.2 billion, which is almost in line with our expectations. In FY2026, we will invest more, up to JPY18.7 billion.

Specifically, first, we have been working for some time to expand door production capacity in Japan. Demand for doors has been lagging, and we currently expect demand to peak in FY2028, but we believe it is important to firmly expand production capacity toward this point. In addition, in FY2025, we have been working on expanding in-house production of toilet booths, which has yielded results in a very short period.

In North America, we are making good progress with projects, such as factory optimization and automation, and the start of production of door products at our factory in Mexico.

In terms of digitalization, Japan is introducing various systems to promote efficiency in design, manufacturing, logistics, and various other functions. I wonder if these factors also contribute, to some extent, to the improvement of profit margins in Japan. We will continue to promote this.

In North America, the introduction of ERP has been a major theme, and we have been working on it for a long time. In Q1 of 2026, we successfully completed the introduction at our largest factory in Mount Hope. We have passed one big mountain, and the end of the project is finally in sight and we are committed to delivering solid results.



# 05 Basic Strategy (5)

15

## Enhance sustainability management and human capital management

### ESG Materiality



#### Manufacturing

Solve Social Issues Through Our Business

##### Progress

- › High-strength wind-resistant shutter "Madomore Taifu Guard" received an Encouragement Award at the 2026 Sustainability Awards for Disaster Resilience
- › Heat-shielding door "Shakunetsu Guard" obtained ministerial certification for 60-minute heat resistance
- › Launched the "YAG Door green flag," a steel door made with low-carbon materials



#### Environment

Achieve Environmental Sustainability



##### Progress

- › Selected for the CDP 2025 Climate Change "A List," the highest rating, for the first time.
- › Installed a solar car port at Ota Door Plant
- › Preparing to expand the Scope 3 calculation boundary in anticipation of SSBJ requirements



#### People

Create a Pleasant and Rewarding Work Environment

##### Progress

- › Conducted engagement survey (FY2025: Japan and North America)  
Engagement score in Japan: **63**  
⇒ Planned to be conducted on an ongoing basis to promote the utilization of survey results
- › Implemented a restricted stock grant plan for management and share grants for members of the employee stock ownership plan
- › Implemented digital skills (basic/advanced) e-learning (from FY2025)



#### Management Foundation

##### Progress

- › Conducted a third-party evaluation of the effectiveness of the Board of Directors
- › Implemented ongoing human rights due diligence (since FY2023)
- › Implemented SR meetings to build relationships with shareholders (FY2025: 18 companies)
- › Number of stakeholder dialogue sessions: **368**

The fifth basic strategy is to promote sustainability management and human capital management. In terms of manufacturing, as I mentioned earlier, we have been able to solve social issues through our business, and as you can see in the upper row of the environment section on the right side, we were selected for the first time for the A List by the CDP and our efforts have been evaluated in this way.

Also, people, in the medium-term management plan, we are focusing on this and undertaking a range of measures, but we have decided to grant shares to employees through a shareholding association. Last year, we granted stock grants to senior management, and now we are doing this for all employees, so we are developing various measures. This is the progress of the key strategies of the medium-term management plan.



# 06 Financial Highlights (1)

17

## Consolidated BS/CF & extraordinary income and losses

| Consolidated BS                  | FY2024  |           | FY2025  |           | Variance vs. FY2024 (amt) |
|----------------------------------|---------|-----------|---------|-----------|---------------------------|
|                                  | Results | Ratio (%) | Results | Ratio (%) |                           |
| Current assets                   | 362.7   | 67.8      | 352.9   | 64.4      | -9.8                      |
| Cash and cash equivalents        | 103.1   | 19.3      | 91.6    | 16.7      | -11.5                     |
| Accounts receivable, inventories | 219.6   | 41.1      | 220.8   | 40.3      | +1.2                      |
| Non-current assets               | 171.9   | 32.2      | 194.9   | 35.6      | +23.0                     |
| Investment securities            | 33.4    | 6.2       | 51.1    | 9.3       | +17.7                     |
| Total assets                     | 534.6   | 100.0     | 547.8   | 100.0     | +13.2                     |
| Interest-bearing debt            | 45.1    | 8.4       | 44.6    | 8.1       | -0.5                      |
| Other liabilities                | 165.3   | 30.9      | 152.2   | 27.8      | -13.1                     |
| Net assets                       | 324.2   | 60.6      | 351.0   | 64.1      | +26.8                     |

| Breakdown of extraordinary income and losses | (JPY bn)       |                |                |
|----------------------------------------------|----------------|----------------|----------------|
|                                              | FY2024 Results | FY2025 Results | FY2026 Planned |
| Extraordinary income                         | 0.19           | 1.72           | 1.77           |
| Extraordinary losses                         | -2.88          | -1.86          | -0.54          |
| Loss on disposal of non-current assets       | -0.09          | -0.09          | -              |
| Business restructuring expenses              | -1.66          | -1.73          | -0.54          |
| Impairment losses                            | -1.11          | -              | -              |
| Other                                        | -0.02          | -0.04          | -              |
| Extraordinary income and losses (net)        | -2.69          | -0.14          | 1.23           |

| Consolidated CF                                   | (JPY bn)       |                |
|---------------------------------------------------|----------------|----------------|
|                                                   | FY2024 Results | FY2025 Results |
| CF from operating activities                      | 76.9           | 61.4           |
| Capital investments                               | -15.7          | -14.2          |
| M&A                                               | -              | -0.5           |
| Other                                             | -14.5          | -3.2           |
| CF from investing activities                      | -30.2          | -17.9          |
| Free cash flows (FCF)                             | 46.8           | 43.5           |
| Dividends                                         | -21.0          | -25.8          |
| Stock buybacks                                    | -17.5          | -21.9          |
| Change in interest-bearing debt                   | -0.3           | -0.8           |
| Other                                             | -4.1           | -4.2           |
| CF from financing activities                      | -42.9          | -52.7          |
| Foreign exchange/New consolidations               | 5.0            | -2.3           |
| Cash inflows and outflows                         | 8.9            | -11.6          |
| Balance of cash and cash equivalents (in months*) | 103.1 (1.9)    | 91.6 (1.7)     |

\*Balance of cash and cash equivalents is maintained at a level equivalent to approximately 1.5 to 2.0 months of sales.

### Extraordinary income and losses

- Major extraordinary income in FY2025 includes income on sale of land.
- Major extraordinary losses in FY2025 include business restructuring expenses in Europe and North America.

Finally, I would like to explain a couple of things from a financial perspective.

First, as you can see for BS and cash flow, please look at extraordinary income and losses.

In FY2025, there was JPY1.72 billion in extraordinary income, which was the result of a gain on the sale of land. Under the policy of selling idle land not used for business, et cetera, this kind of special profit was generated in FY2025.

On the other hand, there was an extraordinary loss of JPY1.86 billion, which was due to business restructuring costs in Europe and the US.



# 06 Financial Highlights (2)

18

## Shareholder Returns

### Dividend Policy

#### Revision to Dividend Policy

<Before revision> Aim to provide stable dividends based on a dividend on equity (DOE) of 8%, using shareholders' equity, including accumulated other comprehensive income, as the base.

<After revision> Aim to provide stable dividends based on a DOE\*<sup>1</sup> of 10%\*<sup>2</sup> using shareholders' equity only as the base

→ Equivalent to a dividend payment ratio of approximately 45%

\*1. The base has been changed from "total equity" to "shareholders' equity," excluding items with high volatility such as foreign currency translation adjustments, in order to establish a more stable dividend benchmark.

\*2. The DOE target has been revised from 8.0% to 10.0% to maintain the dividend level.

### Dividends

2025 planned: 130 yen (Interim 62 yen, year-end 68 yen [+24 yen])

2026 forecasts: 146 yen (Interim 73 yen, year-end 73 yen [+16 yen])

Ordinary dividend: 132 yen (Interim 66 yen, year-end 66 yen [+2 yen])

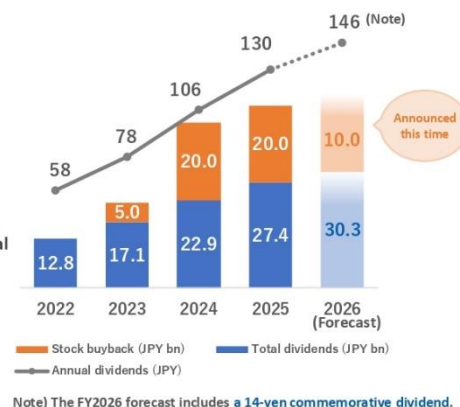
Commemorative dividend: 14 yen (Interim 7 yen, year-end 7 yen [+14 yen])

\* For fiscal years from the next onward, the dividend amount will be guided with the current fiscal year's total dividend, including the commemorative dividend, as the indicative minimum level.

\* All dividend increases shown in square brackets are year-on-year comparisons.

### Share Buybacks

Announced a new share repurchase program of 10.0 billion yen  
(Up to 3.65 million shares, to be completed by September 30, 2026)



I would like to explain about returns. As I mentioned at the beginning of this presentation, the third of today's points is, first, that we have recently changed our dividend policy. The dividend policy in the current medium-term management plan announced last year, as described above, was to aim for stable dividends with a target DOE, dividend on equity ratio, of 8% based on total equity, but the current plan is to change this total equity to DOE based on shareholders' equity and to change this from 8% to a target of 10%.

The reason for the change from total equity to shareholders' equity is, as stated in note one, to eliminate as much as possible the effects of price fluctuations in foreign exchange and securities and to maintain stable dividends. The percentage was raised from 8% to 10%, which is the same as the previous level, assuming a payout ratio of 45%, but the percentage was changed to 10% to maintain the dividend level in accordance with the change from total equity to shareholders' equity. In any case, we are determined to maintain high DOE and high ROE.

Dividends are as I mentioned at the beginning of this presentation. As you can see from the graph on the right, the dividend for FY2025 is JPY130, an increase of JPY24 from JPY106 in FY2024. In addition, the dividend for FY2026 is JPY146, again an increase of JPY16, so we have been able to steadily increase dividends.

For 2026, this JPY146 consists of an ordinary dividend of JPY132 and a commemorative dividend of JPY14. Although we will be implementing a JPY14 commemorative dividend for our 70th anniversary, I understand that you are concerned about what will happen next year, and that the commemorative dividend for the FY2027 will no longer be paid, but I understand that you are concerned about whether the dividend will be reduced because of the loss of the commemorative dividend. We would like to pay a dividend amount that will not be reduced and includes the commemorative dividend portion. We have also announced that we will use the dividend level of JPY146, including this year's commemorative dividend, as a lower limit, to some extent.

In addition, we have announced a JPY10 billion buyback of our own shares, which is a continuation of last year's JPY20 billion buyback, and that we intend to do another JPY10 billion buyback in Q1 of this year. Shareholder returns continue to be an area of great interest to investors, and we will continue to strengthen returns to shareholders and be aware of this.

FY2025 Consolidated Results

FY2026 Consolidated Forecasts

Progress of Medium-Term Management Plan 2027

Financial Highlights

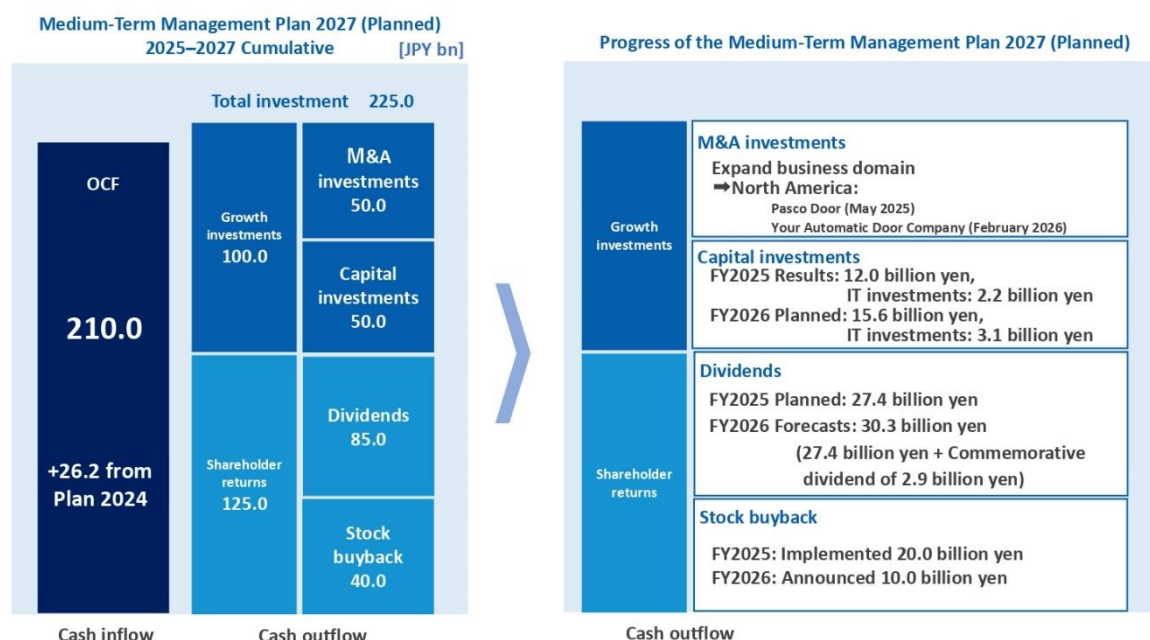


SANWA HOLDINGS CORPORATION

## 06 Financial Highlights (3)

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### Cash flow allocation



This is about the allocation of cash flow, including returns. Although there will be some overlap, the medium-term plan assumes an operating cash flow of JPY210 billion. This is the three-year cumulative total, against which we plan to invest JPY100 billion for growth and JPY125 billion for returns.

First, of the investments, we are aiming for M&A of JPY50 billion, and the current progress is as shown on the right side. Two M&A transactions have been conducted in North America, but they are small and there is still room for more M&A investment.

On the other hand, we are planning to make a total capital investment of approximately JPY33 billion over the next two years regarding the JPY50 billion in capital investment, and we believe that we are steadily making targeted investments.

We expect to pay dividends of JPY85 billion for the next three years, but we have recently paid a commemorative dividend, and we expect to pay dividends at a pace exceeding JPY85 billion for the next three years.

In addition, we have already repurchased 30 billion shares of our own stock, compared to 40 billion, and including this announcement, we have repurchased 30 billion shares of our own stock, which is also faster than announced in the medium-term plan.

We will continue to strike a firm balance between investment and return, and since both are important themes, we want to make sure that we do both well.

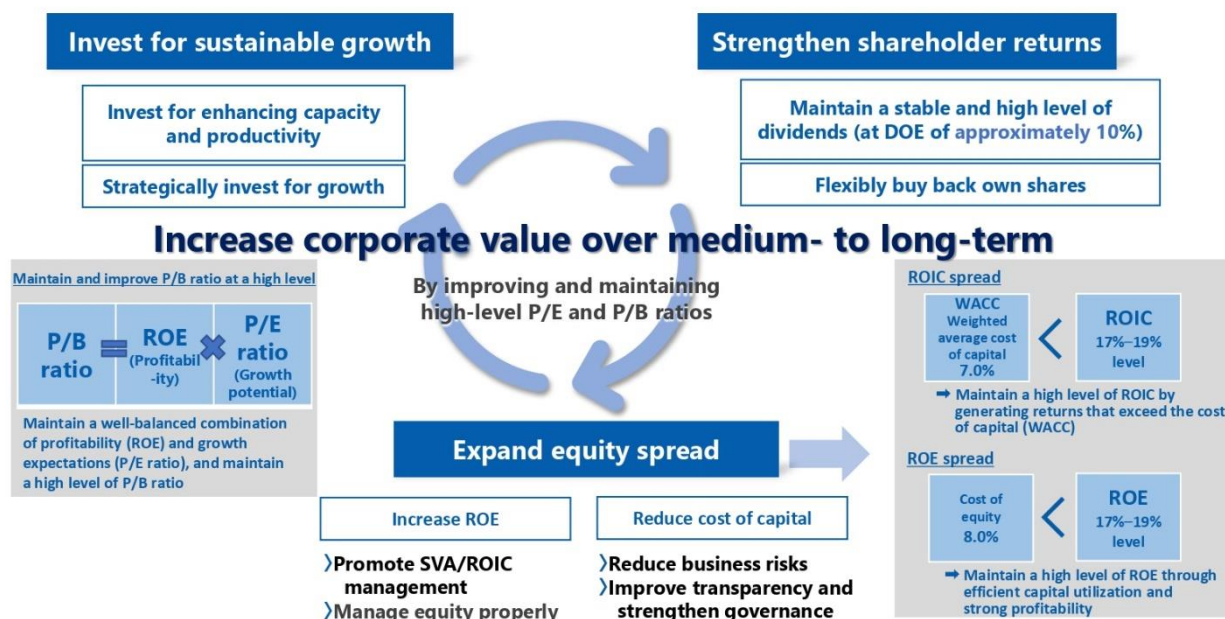


## 06 Financial Highlights (4)

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### Enhancing corporate value through management conscious of cost of capital

- › Aim to increase our corporate value over medium- to long-term by expanding equity spread, as well as by optimally allocating funds to investments for sustainable growth and shareholder returns



Finally, we would like to continue to practice cost-conscious management of capital by doing so.

As you can see in the lower right-hand corner, ROE is around 18%, well above the 8% cost of equity, and we are determined to maintain this level. We are also aware that ROIC will continue to be well above the WACC of 7%.



That's all I have to say, but please look at the last page, page 28, which is titled, Topics. We put out a variety of products. We are conducting M&A and other activities, but we are celebrating our 70th anniversary this year, and we placed an advertisement behind Shohei Ohtani, a Major League Baseball player. I would like to firmly increase our recognition as a company.

That is all from me. Thank you for your attention.

**Atarashi:** Thank you very much.

## Question & Answer

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**Atarashi [M]:** Okay, we will move on to the Q&A session. We have received many questions. Thank you. I would like to begin by answering your questions starting from our domestic business.

From Mr.Hamakawa of Nomura Securities.

**Hamakawa [Q]:** Regarding domestic price pass-on, is it possible to pass on the price of the steel and logistics cost increase? Will it affect the performance side of the business as profitability deteriorates in the fiscal year ending March 31, 2027?

**Atarashi [M]:** From Ms. Okada of Goldman Sachs.

**Okada [Q]:** Are there any signs of change in the shift of selling prices for domestic nonresidential products? In addition, there have been delays in large-scale redevelopment projects due to soaring construction costs. Please tell us about the effects on your future performance.

**Atarashi [M]:** Also, from Ms. Watanabe of UBS Securities.

**Watanabe [Q]:** What is your outlook for the Japanese market in the 2026 to 2030 period?

**Atarashi [M]:** There are many items, but first, please give us your outlook for domestic demand, the impact of the volume decline, and the market in general, Senior Managing Executive Officer Yamazaki.



## Order Intake &amp; Net Sales by Products (Japan)

(JPY in millions, %)

|                                             | FY2025               |                  |            |                      |                  |            |                  |                  |       |                  | FY2026(F)               |       |                  |                         |       |                  |                  |            |       |            |
|---------------------------------------------|----------------------|------------------|------------|----------------------|------------------|------------|------------------|------------------|-------|------------------|-------------------------|-------|------------------|-------------------------|-------|------------------|------------------|------------|-------|------------|
|                                             | 1H                   |                  |            | 2H                   |                  |            | Full Year        |                  |       |                  | 1H                      |       |                  | 2H                      |       |                  | Full Year        |            |       |            |
|                                             | Order Intake         | Sales            | % to total | Order Intake         | Sales            | % to total | Order Intake     | % to total       | Sales | % to total       | Order Intake            | Sales | % to total       | Order Intake            | Sales | % to total       | Order Intake     | % to total | Sales | % to total |
| Lightweight shutters                        | (-1.8)<br>13,497     | (0.8)<br>13,328  | 10.0       | (1.6)<br>13,637      | (-0.8)<br>13,678 | 8.6        | (-0.1)<br>27,135 | (-0.0)<br>27,007 | 9.3   | (2.4)<br>13,825  | (2.5)<br>13,661         | 10.0  | (5.6)<br>14,400  | (3.6)<br>14,165         | 9.0   | (4.0)<br>28,225  | (3.0)<br>27,826  | 9.4        |       |            |
| Heavy-duty shutters                         | (0.9)<br>19,427      | (-1.8)<br>17,476 | 13.2       | (-10.3)<br>18,767    | (-9.0)<br>19,451 | 12.3       | (-4.9)<br>38,195 | (-5.8)<br>36,928 | 12.7  | (0.9)<br>19,609  | (-5.6)<br>16,502        | 12.0  | (2.0)<br>19,147  | (-4.1)<br>18,647        | 11.8  | (1.5)<br>38,757  | (-4.8)<br>35,149 | 11.9       |       |            |
| Other shutters                              | (18.7)<br>14,947     | (11.7)<br>13,087 | 9.9        | (17.5)<br>16,354     | (16.1)<br>15,874 | 10.0       | (18.1)<br>31,302 | (14.1)<br>28,962 | 9.9   | (4.2)<br>15,583  | (3.2)<br>13,512         | 9.9   | (-0.9)<br>16,198 | (0.9)<br>16,013         | 10.2  | (1.5)<br>31,782  | (1.9)<br>29,525  | 10.0       |       |            |
| Commercial buildings/<br>Condominiums doors | (4.8)<br>35,652      | (-6.7)<br>28,667 | 21.6       | (6.4)<br>38,027      | (-0.7)<br>37,029 | 23.3       | (5.6)<br>73,680  | (-3.4)<br>65,697 | 22.6  | (3.0)<br>36,707  | (9.7)<br>31,456         | 23.0  | (4.1)<br>39,568  | (0.2)<br>37,112         | 23.6  | (3.5)<br>76,276  | (4.4)<br>68,568  | 23.3       |       |            |
| Partitions                                  | (9.8)<br>10,527      | (2.8)<br>7,357   | 5.5        | (-13.5)<br>8,490     | (5.3)<br>11,210  | 7.1        | (-2.0)<br>19,017 | (4.3)<br>18,567  | 6.4   | (9.1)<br>11,489  | (-1.4)<br>7,257         | 5.3   | (42.9)<br>12,133 | (-1.6)<br>11,033        | 7.0   | (24.2)<br>23,622 | (-1.5)<br>18,290 | 6.2        |       |            |
| Entrance                                    | (6.2)<br>20,722      | (6.0)<br>18,213  | 13.7       | (1.6)<br>20,146      | (-7.8)<br>20,857 | 13.1       | (3.9)<br>40,869  | (-1.9)<br>39,070 | 13.4  | (-0.5)<br>20,622 | (1.0)<br>18,400         | 13.4  | (12.7)<br>22,708 | (-3.6)<br>20,104        | 12.8  | (6.0)<br>43,330  | (-1.4)<br>38,505 | 13.1       |       |            |
| Housing-related products                    | (1.1)<br>7,940       | (3.2)<br>7,880   | 5.9        | (-5.3)<br>7,449      | (-3.0)<br>7,632  | 4.8        | (-2.1)<br>15,390 | (0.1)<br>15,512  | 5.3   | (1.4)<br>8,051   | (-0.1)<br>7,875         | 5.7   | (3.1)<br>7,678   | (0.8)<br>7,696          | 4.9   | (2.2)<br>15,729  | (0.4)<br>15,572  | 5.3        |       |            |
| Maintenance & repair                        | (6.9)<br>28,642      | (10.1)<br>26,006 | 19.6       | (5.4)<br>28,025      | (4.9)<br>30,342  | 19.1       | (6.2)<br>56,668  | (7.2)<br>56,349  | 19.3  | (7.0)<br>30,649  | (4.9)<br>27,275         | 19.9  | (11.5)<br>31,260 | (5.5)<br>32,004         | 20.3  | (9.2)<br>61,909  | (5.2)<br>59,279  | 20.1       |       |            |
| Others                                      | (-56.3)<br>657       | (-52.5)<br>640   | 0.5        | (79.4)<br>2,123      | (144.0)<br>2,600 | 1.6        | (3.4)<br>2,781   | (34.3)<br>3,240  | 1.1   | (82.6)<br>1,200  | (69.8)<br>1,087         | 0.8   | (-35.3)<br>1,373 | (-69.8)<br>785          | 0.5   | (-7.4)<br>2,574  | (-42.2)<br>1,872 | 0.6        |       |            |
| Total                                       | (4.9)<br>152,016     | (1.7)<br>132,657 | 100.0      | (2.5)<br>153,023     | (0.9)<br>158,678 | 100.0      | (3.7)<br>305,040 | (1.3)<br>291,335 | 100.0 | (3.8)<br>157,739 | (3.3)<br>137,028        | 100.0 | (7.5)<br>164,469 | (-0.7)<br>157,563       | 100.0 | (5.6)<br>322,208 | (1.1)<br>294,592 | 100.0      |       |            |
|                                             | the end of Sep. 2025 |                  |            | the end of Mar. 2026 |                  |            | Y/Y              |                  |       |                  | the end of Sep. 2026(F) |       |                  | the end of Mar. 2027(F) |       |                  | Y/Y(F)           |            |       |            |
| Outstanding Order Backlog                   | 150,332              |                  |            | 144,655              |                  |            | 13,071           |                  |       |                  | 165,366                 |       |                  | 172,271                 |       |                  | 27,616           |            |       |            |

1. ( ) = % year on year 2. Outstanding order backlog - Backlog of orders including orders worked-in-process. 3. \*Other Shutters\* include OSD, QS, and waterproof-related products.

**Yamazaki [A]:** Thank you for your questions. Let me explain. I would like to open the document to page 23. As for the demand trend for so-called large-scale construction properties, although there is no specific mention of this in this document, I have said here in the past that demand would peak around 2028 and then gradually increase until around 2030. However, this morning's Nikkei Shimbun also talked a little about such large-scale properties, projects that were planned for 2030 and after, but are being pushed back even further. There are signs that the peak will not be reached until around 2030, but will continue to peak until 2030 and even later. In FY2025, there was a slight trend toward a decrease in volume, due in part to the transitional period, and we expect a similar trend in FY2026.

There are three thoughts as measures against this. The first is one of our strongest points, which is to firmly hold on to local properties and small and medium-sized properties, including those in the Tokyo metropolitan area. This is one area in which we would like to conduct, although it is a steady activity to receive orders.

Second, the maintenance and service, as mentioned earlier, if you look at the third row from the bottom on this page, maintenance and repair, you will see that for the full year of FY2025 on the left side, both orders and sales have shown considerable growth, although not up to 10%. Orders will continue to grow by 9% in FY2026, and we hope to expand maintenance and repair in this area. The percentage of the total is 19% in FY2025 and will be 20% in FY2026, and I would like to say that we are at the point where we expect to exceed this figure as well.

The third point is climate change-responsive products. As explained a little earlier, the third row from the top is for other shutters, and if you look at FY2025, orders for other shutters increased by 18.1% and sales by 14.1%. In fact, about half of these products are environmental products, especially sheet shutters, and if we look at sheet shutters alone, orders and sales have increased by about twice this amount.

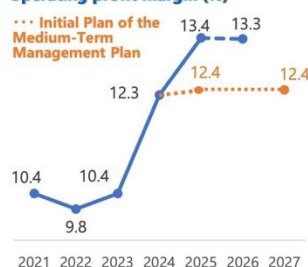
With this three-point set, we hope to get through the off-season period. That is all.

**Atarashi [M]:** In general, going forward, can you give us a summary of the profitability at the time of domestic orders, the status of price negotiations, and once again, the status of orders received and price negotiations for the next fiscal year and beyond? Senior Managing Executive Officer Yamazaki, please?

## Strengthen and expand core businesses in Japan, North America, and Europe

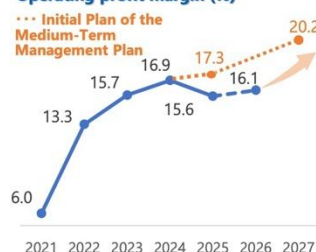
### Japan

Operating profit margin (%)



### North America

Operating profit margin (%)



### ✓ Profit margins improved more than expected

- › In 2025, soaring construction material prices and labor shortages led to delayed and prolonged large-scale urban development projects, negatively affecting sales volumes, and this trend is expected to continue in FY2026
- › Product margins are improved due to a favorable product mix, driven by high-margin climate change-related products and the strong maintenance and service business
- › Price pass-through of various cost increases progressed steadily
- › Cost reductions through initiatives to increase in-house production in the manufacturing department progressed steadily, contributing to improved profitability
- › We plan to address shortages of petroleum-derived products and rising material costs by procuring alternative materials and implementing price pass-through

### ✓ Market recovery still taking time

- › In 2025, struggling to secure volume in the door business, as market recovery was delayed mainly due to tariff impacts and persistently high interest rates, with volume recovery expected from the second half of 2026 onward
- › The operator and automatic door business secured volumes despite the delayed market recovery
- › In 2025, profitability deteriorated due to lower productivity caused by volume declines and temporary cost increases following plant consolidation
- › Cost increase resulting from tariff impacts in 2025 have already been addressed through price pass-through, and additional cost increases arising from tariff rule changes from 2026 onward are also expected to be addressed through price pass-through

**Yamazaki [A]:** We explained earlier that the operating profit margin has increased to 13.4%, and we have been able to firmly pass on selling prices over the past few years. It has been more than three years since we had to raise the selling price due to the so-called post-COVID-19 SCM problem. During this period, general contractors have not only been focusing on price, but also on quality and meeting deadlines. Since we are now in a situation where we can place emphasis on this area, I believe that we will be able to increase selling prices even with the cost increases that are likely to occur due to the situation in Middle East and various other factors. I would also like to mention that the so-called sales margin ratio has been increasing steadily. That is all.

**Atarashi [M]:** Thank you. Continuing, we have received many questions about our US operations, so I will summarize them for you. Mr.Teraoka of Daiwa Securities.

**Teraoka [Q]:** I understand that steel prices are rising in the US. What is your outlook for passing this onto sales prices? Could you also tell us about the progress of the plant consolidation in the US, the introduction of automated lines, and state of progress of ERP, as well as whether there has been any change in the outlook for the medium-term plan target of a 20% operating profit margin?

**Atarashi [M]:** Next, we have Ms.Okada from Goldman Sachs.

**Okada [Q]:** The housing market has remained sluggish due to high interest rates, uncertainty about the economic outlook against the backdrop of the situation in the Middle East and other factors, and concerns about inflation. Please tell us about your company's orders and sales situation for residential and nonresidential customers.

**Atarashi [M]:** Also, from Mr.Hamakawa of Nomura Securities.

**Hamakawa [Q]:** Do you see any signs of improvement in the order situation?

**Atarashi [M]:** I also received this from Mr.Kawashima of SMBC Nikko Securities. Thank you.

**Kawashima [Q]:** What is the outlook for when the US business will bottom out?

**Atarashi [M]:** We have received many other questions, but first, President Takayama will explain the current market trends and future prospects for the US business. Thank you.

**Takayama [A]:** Thank you for your questions. As for trends in the US market, we had expected demand to recover in FY2025, but as a result, both residential and nonresidential demand declined significantly from our initial forecast due to the impact of tariffs and high interest rates, and the market itself ended the year with negative growth.

Looking at the statistical data at hand, for example, in FY2025, the number of new housing starts for detached houses, which is part of housing starts, was minus 7.2%. The market for existing homes is also large, but the movement has been slow due to high interest rates and other factors.

In the nonresidential market, the main applications for door products are warehouses and factories, but construction starts for warehouses were down 4.8% in FY2025, and for factories, construction starts were down 25.5%. The market environment was very bad for FY2025. As for when this recovery will take place, unfortunately, I think it will take some time for a full-fledged recovery in FY2026, and the reason is that interest rates remain high. What this means is that we won't see interest rates decline. For example, interest rates on home mortgages fell to the 5% range at one point, but have recently risen to over 6%, and unfortunately, I believe that this situation will continue in FY2026.

Also, the beginning of this year is particularly cold. The weather has been very bad, and I think the environment is not good for Q1 or H1, which will be affected a little by such special factors.

We expect a gradual recovery in H2 of 2026 for used buildings, since there are replacements, to some extent, but for new buildings, looking at the current indicators, such as permits and construction starts, we do not expect a recovery during FY2026. I think it will be FY2027.

On the other hand, as for nonresidential construction, although it is still unclear, I think that starts of warehouse construction will finally turn positive, and there is hope that the situation will improve a little in H2, but in any case, it may still take some more time.

Among which, due to this impact, our door products will continue to see a difficult situation as a market environment for 2026 as well. However, the market environment for hospitals and stores remained strong, to some extent, in 2025 and 2026, and our sales of operator and automatic doors grew significantly because of market share gains, et cetera. However, we will face a difficult environment, but we will work to secure an increase in sales for businesses in North America as a whole. That is all.

**Atarashi [M]:** There was mention of the plant consolidation in the US, the progress of ERP, and the 20% operating profit margin. Could you give us a brief comment?

**Takayama [A]:** ERP, or factory consolidation, is a very important theme for improving the structural profitability of our Americas business. We have been working on this for some time.

First, talking about factory consolidation, in FY2024, three plants in the US were closed due to consolidation. In FY2025, this closure partially caused a slight deterioration in productivity, so we made efforts to stabilize the situation in FY2025. We are now stabilizing there, and I think we will be able to recover in 2026 from the negative results in 2025.

In addition, ERP, which is largely related to the plant consolidation, was finally introduced to the main Mount Hope plant right now, in Q1 of FY2026. We had a lot of difficulties and some confusion, but we managed to complete the introduction and now it is starting to work very well. Following on this, there is a factory in Florida. Only this factory's deployment remains, and the end is finally in sight. We will complete the ERP by the end of FY2027, and we aim to achieve these effects. In addition, the completion of the ERP will naturally lead to the possibility of further consolidation and elimination of factories, which we will consider again in the future.

We have set an operating profit margin of 20% as one of the targets of our medium-term plan, but considering the situation in FY2025 and the market assumptions, the hurdle to achieve 20% by 2027 is currently very high. However, we still have two years to go, so we will not give up and will continue to make efforts to steadily improve the profit ratio. That is all.

**Atarashi [M]:** Mr. Ura of Amundi Japan also asked about factory consolidation, optimization, et cetera. Thank you.

We are running out of time, but there is a question about the situation in the Middle East, and I would like to ask you briefly about the impact on the supply chain.

**Yamazaki [A]:** I think there are two risks in that case, and one is the cost increase. As I mentioned earlier, we have no choice but to ask our customers to increase the selling price. Secondly, there is a risk of not even being able to procure, but this has not been a problem so far, thanks to our efforts. Some companies have already announced such a thing, but we will continue to do our best to avoid such a situation and to ensure procurement.

**Atarashi [M]:** Lastly, Ms. Watanabe of UBS Securities has a question regarding the concern about the decline in ROE.



(JPY in millions, %)

|                                                                     |          | FY2017  | FY2018  | FY2019  | FY2020  | FY2021  | FY2022  | FY2023  | FY2024  | FY2025  | FY2026<br>Forecast |
|---------------------------------------------------------------------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------------|
| Net Sales                                                           | (JPY mn) | 385,673 | 409,990 | 440,161 | 427,061 | 468,956 | 588,159 | 611,107 | 662,380 | 660,712 | 677,000            |
| Operating profit                                                    | (JPY mn) | 28,322  | 31,593  | 34,217  | 33,077  | 35,487  | 56,307  | 65,360  | 80,515  | 79,095  | 81,000             |
| Net profit attributable to owners of parent                         | (JPY mn) | 18,280  | 20,910  | 21,647  | 21,251  | 22,842  | 33,084  | 43,228  | 57,512  | 59,776  | 60,000             |
| Operating profit margin                                             | (%)      | 7.3%    | 7.7%    | 7.8%    | 7.7%    | 7.6%    | 9.6%    | 10.7%   | 12.2%   | 12.0%   | 12.0%              |
| SVA (Sanwa Value Added) *1, 2.                                      | (JPY mn) | 9,026   | 12,693  | 13,974  | 13,609  | 14,784  | 26,906  | 32,184  | 41,840  | 38,043  | 38,000             |
| ROIC: NOPAT/Invested capital *3.                                    | (%)      | 8.4%    | 10.2%   | 10.5%   | 9.6%    | 10.0%   | 15.1%   | 16.1%   | 18.5%   | 17.3%   | 17.3%              |
| ROE: Net income/Net assets (average of beginning and end of period) | (%)      | 12.7%   | 13.5%   | 13.3%   | 12.4%   | 12.0%   | 15.0%   | 16.5%   | 19.0%   | 17.8%   | 17.0%              |
| Shareholders' equity ratio (term end)                               | (%)      | 45.2%   | 47.4%   | 46.3%   | 47.9%   | 52.2%   | 54.4%   | 57.7%   | 60.2%   | 63.6%   | 65.7%              |
| Debt-to-equity ratio                                                | (times)  | 0.44    | 0.38    | 0.38    | 0.36    | 0.23    | 0.20    | 0.16    | 0.14    | 0.13    | 0.08               |
| Earnings per share (EPS)                                            | (JPY)    | 81.0    | 93.0    | 97.1    | 96.2    | 103.4   | 149.7   | 196.0   | 264.6   | 281.6   | 288.1              |
| Dividend per share                                                  | (JPY)    | 30      | 32      | 34      | 34      | 36      | 58      | 78      | 106     | 130     | 146                |
| Price book-value ratio (PBR)(term end)                              | (times)  | 2.1     | 1.8     | 1.1     | 1.8     | 1.4     | 1.3     | 2.1     | 3.2     | 2.1     | —                  |
| Price Earnings Ratio (PER) (term end)                               | (times)  | 17.0    | 14.2    | 8.7     | 15.1    | 12.0    | 9.5     | 13.7    | 18.0    | 12.6    | —                  |

\*1.SVA refers to Sanwa's original indicator, based on EVA concept

\*2.The invested capital used in the Company's SVA has been calculated by subtracting cash and cash equivalents and investment securities from shareholders' equity and interest-bearing debt

\*3.The invested capital used in the Company's ROIC is calculated using shareholders' equity and interest-bearing debt. Past figures have also been revised in the same way.

\*4.The dividend for FY2026 of ¥146 includes a commemorative dividend of ¥14.

**Yamazaki [A]:** The FY2025 figure was slightly lower at 17.8% versus the initial forecast of 18%. The forecast for FY2026 is 17%, and I think you might have questions about this. As I mentioned earlier, the denominator is total equity, and as a result, ROE will naturally be lower when stock prices rise or exchange rates fall. However, we have many countermeasures in mind, one of which is to increase dividends. Regarding this, as I mentioned earlier, we will continue to aim to increase dividends in the future, with a minimum of JPY146 per share. We have already conducted a 30-billion-share buyback under this medium-term plan, and we would like to do so in a more flexible manner. That is all.

**Atarashi [M]:** Thank you. This is the end of the Q&A session and briefing. Thank you very much for attending today's financial results meeting of Sanwa Holdings Corporation.

[END]

### Document Notes

1. Portions of the document where the audio is unclear are marked with [inaudible].
2. Portions of the document where the audio is obscured by technical difficulty are marked with [TD].
3. Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.
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