

FY2017 First Quarter consolidated financial result highlights

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July 31, 2017
Sanwa Holdings Corporation

I. Overview of Consolidated Results

	FY2016										FY2017													
	1Q			2Q			Half Year			Full Year			1Q			2Q(F)			Half Year(F)			Full Year(F)		
	(\$115.72 €127.99)	profit ratio	Y/Y	Y/Y	(\$111.80 €124.36)	profit ratio	Y/Y	Y/Y	(\$109.44 €120.63)	profit ratio	Y/Y	(\$112.85 €120.17)	profit ratio	Y/Y	Y/Y	(\$110.00 €120.00)	profit ratio	Y/Y	Y/Y	(\$110.00 €120.00)	profit ratio	Y/Y	Y/Y	
Net Sales	68,602		2.6	91,855	-2.3	160,457		-0.3	353,922		-3.2	71,381		4.1	99,118	7.9	170,500		6.3	383,000		8.2		
<small>[assumed forex rate same as the previous year]</small>												[72,966]		[6.4]			[172,409]		[7.4]	[382,747]		[8.1]		
Sanwa Shutter	27,084		0.6	48,151	-1.7	75,235		-0.9	176,248		-2.2	27,801		2.7	51,898	7.8	79,700		5.9	189,600		7.6		
Japanese Subsidiaries	5,615		4.4	7,825	2.9	13,441		3.5	30,497		-1.1	5,773		2.8	9,126	16.6	14,900		10.9	35,600		16.7		
ODC (U.S.A.)	\$212,862 24,632		4.5 1.4	\$234,293 25,359	5.3 -6.3	\$447,155 49,991		4.9 -2.6	\$948,110 103,761		4.2 -5.7	\$225,439 25,440		5.9 3.3	\$251,560 27,029	7.4 6.6	\$477,000 52,470		6.7 5.0	\$1,008,000 110,880		6.3 6.9		
Novoferm (Europe)	€101,745 13,022		15.3 11.2	€108,182 13,084	15.0 3.0	€209,928 26,106		15.1 7.0	€442,872 53,423		11.0 0.2	€119,997 14,420		17.9 10.7	€121,002 14,499	11.9 10.8	€241,000 28,920		14.8 10.8	€494,000 59,280		11.5 11.0		
Operating Income	-110	-0.2	<+>	8,087	12.1	7,976	5.0	31.8	26,440	7.5	-1.6	7	0.0	+117	8,192	1.3	8,200	4.8	2.8	30,300	7.9	14.6		
<small>[assumed forex rate same as the previous year]</small>												[55]		[+165]			[8,278]		[3.8]	[30,270]		[14.5]		
Sanwa Shutter	-486	-1.8	<->	5,666	-3.1	5,179	6.9	-7.5	16,641	9.4	-10.9	-706	-2.5	-219	5,906	4.2	5,200	6.5	0.4	19,000	10.0	14.2		
Japanese Subsidiaries	-98	-1.7	<->	404	-15.0	305	2.3	-22.0	1,186	3.9	-32.5	-211	-3.7	-113	506	25.3	295	2.0	-3.6	2,200	6.2	85.4		
ODC (U.S.A.)	\$6,664 771		<+> 3.1	\$15,572 1,714	72.2 57.6	\$22,237 2,486		179.3 159.2	\$71,548 7,830		35.6 7.5	\$8,852 998		+2,187 3.9	\$16,147 1,751	3.7 2.1	\$25,000 2,750		12.4 5.2	\$78,000 8,580		9.0 9.6		
Novoferm (Europe)	€1,853 237		<+> 1.8	€5,230 643	231.9 209.6	€7,083 880		<+> 3.4	€18,134 2,187		44.4 4.1	€2,863 344		+1,009 2.4	€4,636 555	-11.4 -13.6	€7,500 900		5.9 3.1	€22,000 2,640		21.3 20.7		
Current Income	-184	-0.3	<+>	7,391	6.5	7,207	4.5	27.8	25,278	7.1	-3.4	-153	-0.2	+31	7,953	7.6	7,800	4.6	8.2	29,700	7.8	17.5		
<small>[assumed forex rate same as the previous year]</small>												[-112]		[+72]			[7,869]		[9.2]	[29,672]		[17.4]		
Sanwa Shutter	-464	-1.7	<->	5,722	-2.7	5,257	7.0	-7.6	16,817	9.5	-10.8	-665	-2.4	-201	5,965	4.3	5,300	6.6	0.8	19,100	10.1	13.6		
Japanese Subsidiaries	-89	-1.6	<->	425	-10.8	336	2.5	-17.1	1,238	4.1	-31.3	-200	-3.5	-111	515	21.3	315	2.1	-6.3	2,240	6.3	80.8		
ODC (U.S.A.)	\$6,696 774		<+> 3.1	\$14,756 1,623	84.7 69.0	\$21,452 2,398		246.2 221.3	\$68,157 7,459		37.4 7.2	\$7,924 894		+1,228 3.5	\$14,675 1,591	-0.5 -2.0	\$22,600 2,486		5.4 4.7	\$73,000 8,030		7.1 7.7		
Novoferm (Europe)	€1,465 187		<+> 1.4	€4,545 559	473.7 442.9	€6,010 747		<+> 2.9	€16,049 1,935		45.2 3.6	€2,321 278		+855 1.9	€4,279 513	-5.9 -8.4	€6,600 792		9.8 2.7	€20,000 2,400		24.6 24.0		
Other Affiliates	-102		<+>	-524	<->	-627		<->	-566		<->	-94		+8	-3	<+>	-98		<+>	135		<+>		
Net Income attributable to owners of the parent	-490	-0.7	<+>	4,494	0.0	4,003	2.5	24.1	17,070	4.8	16.7	47	0.1	+537	4,844	0.1	4,800	2.8	19.9	19,200	5.0	12.5		
<small>[assumed forex rate same as the previous year]</small>												[89]		[+579]			[4,851]		[21.2]	[19,183]		[12.4]		
Sanwa Shutter	-335	-1.2	<->	3,918	-2.9	3,582	4.8	-5.4	11,863	6.7	-7.4	-448	-1.6	-112	3,948	0.8	3,500	4.4	-2.3	12,900	6.8	8.7		
Japanese Subsidiaries	-138	-2.5	<->	326	-12.7	187	1.4	-31.8	850	2.8	-29.4	-120	-2.1	+17	327	0.5	115	0.8	-38.7	1,375	3.9	61.7		
ODC (U.S.A.)	\$4,383 507		<+> 2.1	\$9,493 1,044	87.7 71.8	\$13,876 1,551		271.7 244.9	\$44,311 4,849		43.6 4.7	\$5,105 576		+721 2.3	\$9,194 996	-3.1 -4.5	\$14,300 1,573		3.0 3.0	\$46,500 5,115		4.9 4.6		
Novoferm (Europe)	€314 40		<+> 0.3	€1,632 201	615.8 617.1	€1,946 242		<+> 0.9	€8,365 1,009		40.3 1.9	€3,556 427		+3,242 3.0	€2,143 256	31.4 27.2	€5,700 684		192.9 2.4	€15,000 1,800		79.3 78.4		
Other Affiliates	-102		<+>	-524	<->	-627		<->	-566		<->	-94		+8	-3	<+>	-98		<+>	135		<+>		

1) The relevant financial periods for each entity are as follows:

Sanwa Shutter & Japanese subsidiaries:
ODC & Novoferm:

1Q

Apr.1 to Jun.30
Jan.1 to Mar.31

First Half

Apr.1 to Sep.30
Jan.1 to Jun.30

Full Year

Apr.1 to Mar.31 following year
Jan.1 to Dec.31

2) Figures are round off. <+> is for increase, <-> is for decrease from the previous year.

3) Figure by entities are before consolidation adjustment and do not add up to total.

4) Forex rate is term average.

5) Figures in FY2017 1Q indicates increase rates for sales and increase/decrease amounts for incomes.

II. Summary of Consolidated cumulative Q1 FY2017 Results

summary	<ul style="list-style-type: none"> ■ Net sales increased in all areas (Japan, US, and Europe). Overhead Door(USA) and Novoferm(Europe) net sales continued to grow steadily from FY2016. ■ Consolidated operating income increased and turned into black. The favorable US & Europe businesses covered the unfavorable Japanese business caused by the decrease of gross profit mainly due to steel price increase.
Net Sales	<ul style="list-style-type: none"> ■ Consolidated net sales increased by 4.1% or 2.8 billion yen vs. Q1 2016 (if FY2016 currency rate applied, it would have increased by 6.4% or 4.4 billion yen). <p>Japan : Increased by 2.7% vs. Q1 2016. Sanwa Shutter increased by 2.7%. The products used for residences, retail stores, and hotels increased, but those for factories and warehouses decreased. By products, heavy-duty shutters decrease by 6.8% due to unfavorable factories and warehouses markets. Lightweight shutters increased by 1.1%, Buildings & condominium doors increased by 0.1%, and Partitions increased by 0.3%. Maintenance & Repair business (the 2nd year of the legal inspection of fire prevention equipment) increased by 7.6%. Japanese subsidiaries total (except Sanwa Shutter) increased by 2.8%. Sanwa Tajima decreased by 32.9% due to the reaction of substantial increase in FY2016, but Showa Front and Others increased. Acquisition of Sanwa Partitions contributed to sales increase.</p> <p>USA(ODC) : Increased by 5.9% vs. Q1 2016 on a local currency basis. Door sales (Access Systems Division) increased by 7.8%, Garage door increased by 7.0%, and Commercial door increased by 3.8%. Install & Service increased by 5.9% due to strong performance at US sales center, partially offset by unfavorable Canadian business (CDS). Operators increased by 5.8% driven by sales increase at both professional-channel and retail stores. Automatic doors increased by 4.1%. Truck doors decreased by 9.1% due to unfavorable of Heat insulating door.</p> <p>Europe(NF) : Increased significantly by 17.9% vs. Q1 2016 on a local currency basis. Even excluding new consolidations (Norsurd and Novoferm UK), it increased by 6.8%. By products, Hinge door decreased slightly by 0.5% due to the delay in projects. Garage door increased by 21.5% driven by the recovery of market and the effect of Novoferm UK consolidation. Industrial Door increased by 30.7% driven by favorable Alpha sales and Norsurd consolidation.</p>
Operating Income	<ul style="list-style-type: none"> ■ Consolidated operating income increased by 0.12 billion yen vs. Q1 2016 and turned into black. (if 2016 currency rate applied, it would have increased by 0.17 billion yen). <p>Japan : Sanwa Shutter decreased by 0.22 billion yen. Gross profit decreased by 0.15 billion yen due to high steel costs. SG&A costs decreased by 0.07 billion yen despite the efforts of cost cutback. However, the degree of deficit is lower than Forecast. Japanese subsidiaries total (except Sanwa Shutter) decreased by 0.11 billion yen due to new consolidation's SG&A costs increase.</p> <p>USA(ODC) : Increased by \$2.2M vs. Q1 2016 on local currency basis due to volume increase and sales price increase overcoming the impact of steel price increase.</p> <p>Europe(NF) : Increased by €1.0M vs. Q1 2016 on local currency basis due to gross profit increase by new consolidation, covering the increase of SG&A costs.</p>
Current Income	<ul style="list-style-type: none"> ■ Consolidated current income improved slightly by 0.03 billion yen. <p>Non-operating profit decreased by 0.09 billion yen despite the improvement of profits of equity method affiliates.</p>
Net Income attributable to owners of the parent	<ul style="list-style-type: none"> ■ Net income attributable to owners of the parent increased by 0.54 billion yen and turned into black. <p>Extraordinary profits improved by 0.4 billion yen by profits of Novoferm's sales of closed plant.</p>

Forecast of FY2017 Consolidated Net Sales and Operating Income

summary	<p>■ The company maintains its forecast (both 1st half and full year) from those announced on May 12, 2017.</p>
Net Sales	<p>■ All sectors(Japan, US, and Europe) achieved as expected, and forecast to grow.</p> <p>Japan : Expected to achieve its forecast since (1)Sanwa Shutter's sales from order backlog increase from 2nd half of FY2017 and (2)sales of Maintenance & Repair business increase significantly.</p> <p>USA(ODC) : Expected to achieve its forecast driven by (1)steady Garage door, Commercial door, and Operator sales in a trend for increase. (2)Those compensate weakening Truck doors sales.</p> <p>Europe(NF) : Expected to achieve its forecast driven by (1)Hinge door's high order volume for large buildings despite the delay in projects. (2)Garage door sales are favorable across Europe. (3)Industrial Door are strong thanks to favorable performance of Alpha.</p>
Operating Income	<p>■ Japanese business achieved according to expectation, oversea business expected to achieve the original forecast.</p> <p>Japan : Maintains its forecast since Sanwa Sutter expects to increase sales volume from 2nd half of FY2017. Steel costs increase are significant but within our expectation.</p> <p>USA(ODC) : Maintains its forecast, expecting increase sales volume of Doors and Operators throughout the year. Sales price increase offset by the impact of steel price increase. Forex rate keeps within our expectation.</p> <p>Europe(NF) : Maintains its forecast driven mainly by sales volume increase of Industrial doors increase and cost reduction.</p>

III. Order Intake and Net Sales by products / Sanwa Shutter

		FY2016												FY2017											
		1Q				Half Year				Full Year				1Q				Half Year(F)				Full Year(F)			
		Order Intake	% of total	Sales	% of total	Order Intake	% of total	Sales	% of total	Order Intake	% of total	Sales	% of total	Order Intake	% of total	Sales	% of total	Order Intake	% of total	Sales	% of total	Order Intake	% of total	Sales	% of total
Rolling Shutters	Lightweight	<4.5> 7,032'	15.1	<3.1> 6,126'	22.6	<0.8> 13,889'	14.7	<2.4> 13,412'	17.8	<-1.5> 27,207'	14.1	<-3.2> 26,889'	15.3	<-0.2> 7,021'	14.3	<1.1> 6,195'	22.3	<-0.6> 13,800'	13.9	<2.9> 13,800'	17.3	<4.0> 28,300'	13.6	<4.9> 28,200'	14.9
	Heavy-duty	<-2.0> 8,914'	19.1	<5.9> 5,028'	18.6	<5.0> 18,466'	19.6	<-3.2> 14,287'	19.0	<-1.0> 35,493'	18.4	<-5.0> 33,040'	18.7	<4.5> 9,312'	19.0	<-6.8> 4,684'	16.8	<7.2> 19,800'	20.0	<4.3> 14,900'	18.7	<12.7> 40,000'	19.3	<8.7> 35,900'	18.9
	Sub Total	<0.8> 15,946'	34.2	<4.3> 11,154'	41.2	<3.1> 32,355'	34.3	<-0.6> 27,700'	36.8	<-1.2> 62,700'	32.5	<-4.2> 59,929'	34.0	<2.4> 16,333'	33.3	<-2.5> 10,879'	39.1	<3.8> 33,600'	33.9	<3.6> 28,700'	36.0	<8.9> 68,300'	32.9	<7.0> 64,100'	33.8
Shutter-related Products	Overhead Doors	<3.7> 1,718'	3.7	<15.7> 1,290'	4.8	<6.8> 3,411'	3.6	<11.2> 3,010'	4.0	<5.2> 6,931'	3.6	<5.9> 6,761'	3.8	<-1.6> 1,690'	3.4	<-8.0> 1,187'	4.3	<5.5> 3,600'	3.6	<3.0> 3,100'	3.9	<9.6> 7,600'	3.7	<6.5> 7,200'	3.8
	Others	2,870'	6.2	1,884'	7.0	5,699'	6.0	5,003'	6.7	11,637'	6.0	11,145'	6.3	2,744'	5.6	1,736'	6.2	6,000'	6.1	5,000'	6.3	12,300'	5.9	11,400'	6.0
	Sub Total	<-4.3> 4,588'	9.8	<15.9> 3,174'	11.7	<-1.3> 9,111'	9.7	<8.1> 8,013'	10.7	<-0.8> 18,569'	9.6	<-1.4> 17,906'	10.2	<-3.3> 4,435'	9.0	<-7.9> 2,923'	10.5	<5.4> 9,600'	9.7	<1.1> 8,100'	10.2	<7.2> 19,900'	9.6	<3.9> 18,600'	9.8
Doors	Comm. Bldgs/ Condominiums	<2.0> 14,822'	31.8	<-5.1> 5,094'	18.8	<-0.3> 29,136'	30.9	<-5.3> 19,457'	25.9	<3.7> 61,965'	32.1	<-4.5> 51,330'	29.1	<7.8> 15,983'	32.6	<0.1> 5,100'	18.3	<5.4> 30,700'	31.0	<8.4> 21,100'	26.5	<6.2> 65,800'	31.7	<11.0> 57,000'	30.1
	Residential	<10.5> 976'	2.1	<10.2> 971'	3.6	<18.0> 2,205'	2.3	<17.9> 2,203'	2.9	<15.9> 4,531'	2.3	<15.9> 4,530'	2.6	<9.5> 1,068'	2.2	<9.3> 1,062'	3.8	<4.3> 2,300'	2.3	<4.4> 2,300'	2.9	<5.9> 4,800'	2.3	<5.9> 4,800'	2.5
	Sub Total	<2.4> 15,798'	33.9	<-2.9> 6,066'	22.4	<0.8> 31,341'	33.2	<-3.4> 21,660'	28.8	<4.5> 66,496'	34.5	<-3.1> 55,860'	31.7	<7.9> 17,052'	34.8	<1.6> 6,162'	22.2	<5.3> 33,000'	33.3	<8.0> 23,400'	29.4	<6.2> 70,600'	34.0	<10.6> 61,800'	32.6
Window-related Products	<-1.5> 1,960'	4.2	<-3.6> 1,907'	7.0	<3.6> 4,239'	4.5	<2.9> 4,211'	5.6	<5.8> 8,777'	4.6	<5.4> 8,763'	5.0	<7.6> 2,109'	4.3	<7.9> 2,058'	7.4	<3.8> 4,400'	4.4	<4.5> 4,400'	5.5	<4.8> 9,200'	4.4	<3.8> 9,100'	4.8	
Exterior Fittings	<8.2> 1,147'	2.5	<11.4> 974'	3.6	<3.6> 2,414'	2.6	<7.1> 2,267'	3.0	<5.6> 5,058'	2.6	<3.8> 4,834'	2.7	<2.5> 1,176'	2.4	<1.8> 992'	3.6	<-0.6> 2,400'	2.4	<7.2> 2,430'	3.0	<2.8> 5,200'	2.5	<7.2> 5,180'	2.7	
Others	Partitions	<10.2> 3,211'	6.9	<7.8> 1,425'	5.3	<4.4> 6,553'	6.9	<11.2> 4,874'	6.5	<5.2> 13,126'	6.8	<3.6> 12,309'	7.0	<4.4> 3,354'	6.8	<0.3> 1,429'	5.1	<11.4> 7,300'	7.4	<10.8> 5,400'	6.8	<15.0> 15,100'	7.3	<7.2> 13,200'	7.0
	Stainless-Steel Entrances	<25.1> 1,631'	3.5	<-10.7> 568'	2.1	<22.2> 3,241'	3.4	<14.8> 2,567'	3.4	<14.7> 7,121'	3.7	<11.4> 6,792'	3.9	<14.0> 1,859'	3.8	<-7.4> 526'	1.9	<4.9> 3,400'	3.4	<-18.2> 2,100'	2.6	<2.5> 7,300'	3.5	<-11.7> 6,000'	3.2
	Aluminum Fronts	<28.4> 501'	1.1	<35.8> 232'	0.9	<22.5> 1,002'	1.1	<-7.9> 762'	1.0	<38.9> 2,376'	1.2	<16.5> 2,013'	1.1	<15.7> 580'	1.2	<34.5> 312'	1.1	<9.7> 1,100'	1.1	<44.2> 1,100'	1.4	<1.0> 2,400'	1.2	<19.2> 2,400'	1.3
	Automatic door operator	<2.9> 667'	1.4	<2.0> 528'	1.9	<5.1> 1,468'	1.6	<-3.2> 1,306'	1.7	<9.1> 3,163'	1.6	<3.4> 3,067'	1.7	<8.6> 725'	1.5	<-2.5> 515'	1.9	<9.0> 1,600'	1.6	<22.4> 1,600'	2.0	<7.5> 3,400'	1.6	<10.9> 3,400'	1.8
	Others	1,202'	2.6	1,051'	3.9	2,562'	2.7	1,870'	2.5	5,470'	2.8	4,771'	2.7	1,400'	2.9	2,001'	7.2	2,600'	2.6	2,470'	3.1	6,000'	2.9	5,820'	3.1
	Sub Total	<8.3> 7,214'	15.5	<-13.4> 3,806'	14.1	<7.2> 14,828'	15.7	<-5.4> 11,382'	15.1	<8.4> 31,258'	16.2	<0.5> 28,953'	16.4	<9.8> 7,919'	16.2	<25.7> 4,784'	17.2	<7.9> 16,000'	16.2	<11.3> 12,670'	15.9	<9.4> 34,200'	16.5	<6.4> 30,820'	16.3
Total	<2.0> 46,656'	100.0	<0.6> 27,084'	100.0	<2.5> 94,291'	100.0	<-0.9> 75,235'	100.0	<2.7> 192,860'	100.0	<-2.2> 176,248'	100.0	<5.1> 49,027'	100.0	<2.7> 27,801'	100.0	<5.0> 99,000'	100.0	<5.9> 79,700'	100.0	<7.5> 207,400'	100.0	<7.6> 189,600'	100.0	
Commercial Building Materials	<0.9> 30,040'	64.4	<2.3> 12,932'	47.7	<1.4> 60,003'	63.6	<-2.1> 43,216'	57.4	<1.4> 122,255'	63.4	<-4.1> 107,720'	61.1	<4.5> 31,400'	64.0	<-6.7> 12,063'	43.4	<6.7> 64,000'	64.6	<3.7> 44,800'	56.2	<8.1> 132,100'	63.7	<6.5> 114,700'	60.5	
Shop-related Materials	<3.6> 5,948'	12.7	<3.1> 4,855'	17.9	<0.9> 11,720'	12.4	<1.0> 10,986'	14.6	<0.1> 23,184'	12.0	<-3.2> 22,562'	12.8	<0.3> 5,967'	12.2	<2.4> 4,972'	17.9	<-3.6> 11,300'	11.4	<2.9> 11,300'	14.2	<-0.4> 23,100'	11.1	<2.4> 23,100'	12.2	
Residential Housing Materials	<2.8> 4,230'	9.1	<2.2> 3,995'	14.8	<6.1> 9,196'	9.8	<6.7> 9,017'	12.0	<7.3> 19,097'	9.9	<6.5> 18,839'	10.7	<6.5> 4,507'	9.2	<6.8> 4,265'	15.3	<2.2> 9,400'	9.5	<4.2> 9,400'	11.8	<3.2> 19,700'	9.5	<4.6> 19,700'	10.4	
Maintenance & Repair	<9.6> 5,740'	12.3	<6.1> 4,737'	17.5	<8.5> 11,760'	12.5	<9.0> 11,128'	14.8	<7.6> 24,806'	12.9	<6.4> 24,368'	13.8	<9.0> 6,256'	12.8	<7.6> 5,098'	18.3	<8.0> 12,700'	12.8	<12.3> 12,500'	15.7	<15.7> 28,700'	13.8	<17.0> 28,500'	15.0	
Others	<-20.9> 697'	1.5	<-53.5> 562'	2.1	<-1.2> 1,610'	1.7	<-60.5> 886'	1.2	<9.3> 3,516'	1.8	<-30.7> 2,757'	1.6	<28.5> 895'	1.8	<149.1> 1,401'	5.0	<-0.7> 1,600'	1.6	<91.7> 1,700'	2.1	<8.1> 3,800'	1.8	<30.6> 3,600'	1.9	
	Amount		Amount		Amount		Amount		Amount		Amount		Amount		Amount		Amount		Amount		Amount		Amount		
Outstanding Order Intake	96,788		96,018		95,805		117,888		115,105		113,605														
Work-in-process	23,348		20,736		15,939		25,137		26,800		20,400														

1) < > = Δ% year on year