

# Open the Future. Build the Hub.



## The Sanwa Group's

# 70<sup>th</sup> Anniversary Story



Over the last 70 years, we have taken on the challenge of creating safety, security, and convenience.

## The Founding Ambition Entrusted to Lightweight Shutters

1

Recognizing the convenience that shutters offered and their potential, Manji Takayama founded Sanwa in 1956 based on his belief in bringing safety to people's lives. Against the backdrop of growing needs for security, our business grew, and innovations in technology and production efficiency made it more competitive. Despite being a latecomer to the market, we were quick to expand across Japan, growing to become an enterprise that supports safe, convenient lifestyles.



## A System That Stays Responsible to the End

2

As demand expanded during the period of Japan's rapid economic growth, we focused on integrating manufacturing and sales, and established a direct sales system as well as a network of plants across Japan. "If we don't increase the value of the products themselves, we won't reach the end customer." With this conviction, we focused our efforts on building a foundation for reliably delivering quality. Through an approach based on "Integrated manufacturing and sales with responsible installation," we solidified our position in the industry while enhancing customer satisfaction and trust.



## Rushing to Aid in Times of Need

In 1982, we began offering 24-hour full-time service (FTS), an industry first, and expanded our rapid repair and maintenance system to cover all of Japan. Furthermore, we took the lead in developing safety systems and complying with legal regulations on fire prevention equipment, helping to instill an understanding of the importance of inspections and maintenance in society. In recent years, we have continued to support customers in their daily lives by leveraging digital technologies such as IoT to enhance safety and improve preventive maintenance.

3



## A Resolve to Face the World

As a pioneer in the construction materials industry, we launched a full-scale expansion of our business overseas. Following a technical partnership with a U.S. company and the establishment of local subsidiaries in Asia, we acquired Overhead Door Corporation (ODC), the largest overhead door manufacturer in the U.S., and the Novoform (NF) Group, a major European player, thereby establishing a global four-polar structure encompassing North America, Europe, and Asia. Guided by a value system of pursuing not short-term expansion but socially meaningful business—a stance we have upheld since our founding—Sanwa has grown into a global leader in smart entrance solutions.



4

## Continuing to Address a Wide Range of Societal Challenges

The Sanwa Group's mission, which began with security and convenience, has evolved to encompass fire and smoke protection, earthquake resistance, universal design, soundproofing, waterproofing, wind resistance, and IoT. Moving forward, we will continue to leverage our Group's technologies and network to deliver tangible value as a provider of safety, security, and convenience for every kind of building entrance.

5



## Corporate Mission / Management Philosophy



Spreading the Sanwa Group's mission of safety, security, and convenience throughout the world; safeguarding the valuable lives of people; and realizing a more affluent and comfortable society. That is the mission that we, as a global leader of smart entrance solutions, are aiming to achieve.

### The Sanwa Group's Mission to Society

The Sanwa Group is committed to offering products and services that provide safety, security and convenience to further contribute to the prosperity of society.

### The Sanwa Group's Management Philosophy

- To deliver products and services to satisfy all customers.
- To become a true global player and be highly valued in each market in the world.
- To bring together the creativity of each individual in a team environment for the enhancement of corporate value.

# Key Points of Integrated Report 2026

1

## 70 Years Since Our Founding: The Sanwa Group's Journey as a Global Leader of Smart Entrance Solutions

Having begun with a lightweight shutter business in 1956, the Sanwa Group has now reached the milestone of its 70th anniversary. We look back on the history of our efforts to create safety, security, and convenience—values we uphold to this day—through five key highlights.

▶ p. 01– The Sanwa Group's 70th Anniversary Story

2

## Progress in the First Year of Medium-term Management Plan 2027

Fiscal 2025 was the first year of Medium-term Management Plan 2027. In addition to the plan's five basic strategies, we present the progress made on financial strategies, regional strategies, and other initiatives, and outline future plans.

▶ p. 11– Vision and Strategies

3

## Initiatives to Address Social Issues Based on the Sanwa Group's Materiality

In accordance with our 11 ESG material issues, organized into the four themes of Manufacturing, Environment, People, and the Group's Management Foundation, we present our initiatives aimed at solving social issues and continuing to create value.

▶ p. 31– Enhancing Management Resources

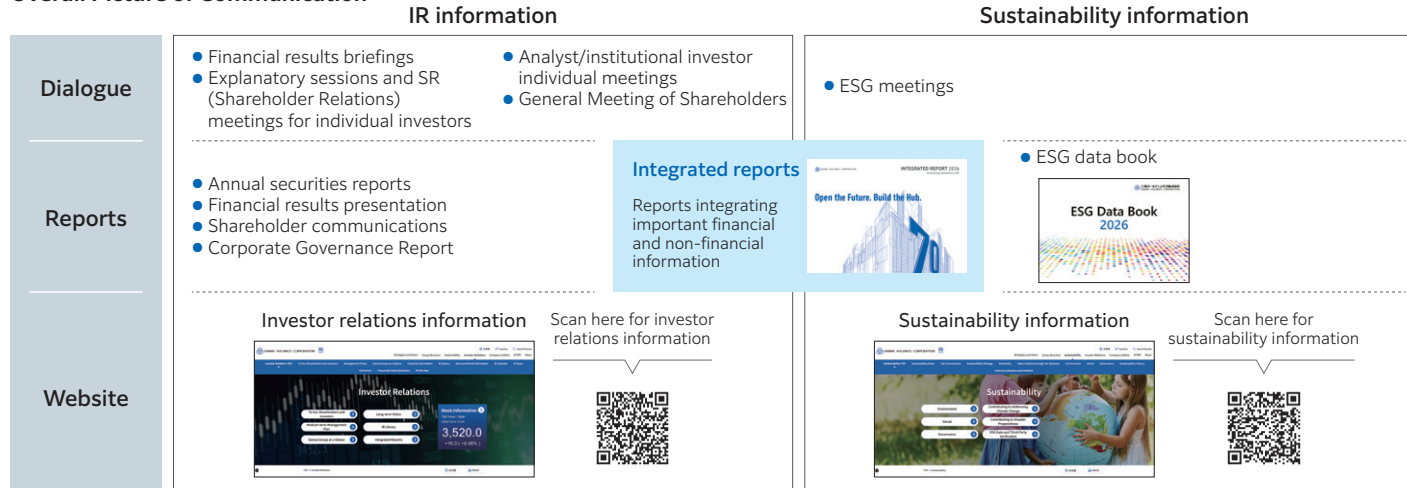
### Editorial Policy

The purpose of this report is to provide both financial and non-financial information on the Sanwa Group's management, business outlook, and external environment. In editing this report, we have referred to the International Integrated Reporting Framework proposed by the IFRS Foundation; Guidance for Collaborative Value Creation proposed by the Ministry of Economy, Trade and Industry; the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD); and other documents.

### Forward-looking Statements

This integrated report includes forward-looking statements pertaining to expectations, plans, strategies, management goals, future performance, expenses, revenues, income, and other forecasts formulated on past experiences and information available to Sanwa Holdings Corporation (hereafter "the Company") at the time of publication. Forward-looking statements necessarily entail some degree of uncertainty, and the content conveyed in the results as well as underlying factors identified in the report may differ materially from actual results depending on changes in those factors.

### Overall Picture of Communication



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# At a Glance

The Sanwa Group engages in the manufacture, sale, and service of building materials such as shutters and doors in 28 countries and regions worldwide, including Japan and elsewhere in Asia, North America, and Europe. As a pioneer in the industry, we are expanding our operations globally and are diversifying our product lineup with the aim of establishing ourselves as a global leader in the building materials sector.

FY2025

**70<sup>th</sup> anniversary**  
1956–

Employees  
**13,174**

Countries and regions of operation  
**28**

Production bases worldwide  
**58**

## Sales breakdown by region

**Japan** **44%** **¥291.3 billion**

**No. 1 market share:** Shutters, garage doors, steel doors, industrial sectional doors, lightweight sliding doors, and stainless steel facades

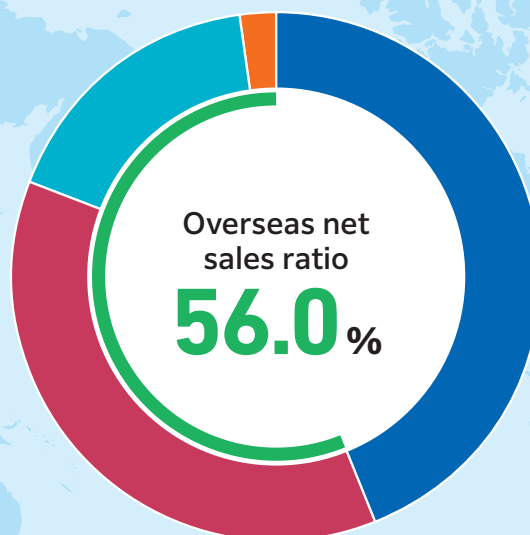
**North America** **37%** **¥241.9 billion**

**No. 2 market share:** Shutters and garage doors, industrial sectional doors, and door operators

**Europe** **17%** **¥115.0 billion**

**No. 2 market share:** Garage doors, shutters, and industrial sectional doors

**Asia** **2%** **¥13.0 billion**



## Product sales supporting climate change response and disaster preparedness

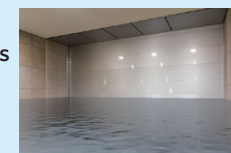
Climate change response-related products (mitigation)

**¥107.9 billion**



Climate change response-related products (adaptation)

**¥27.9 billion**



Disaster preparedness products

**¥83.0 billion**



## Financial indicators (consolidated)

Net sales (consolidated)  
**¥660.7 billion**

Operating profit  
**¥79.1 billion**

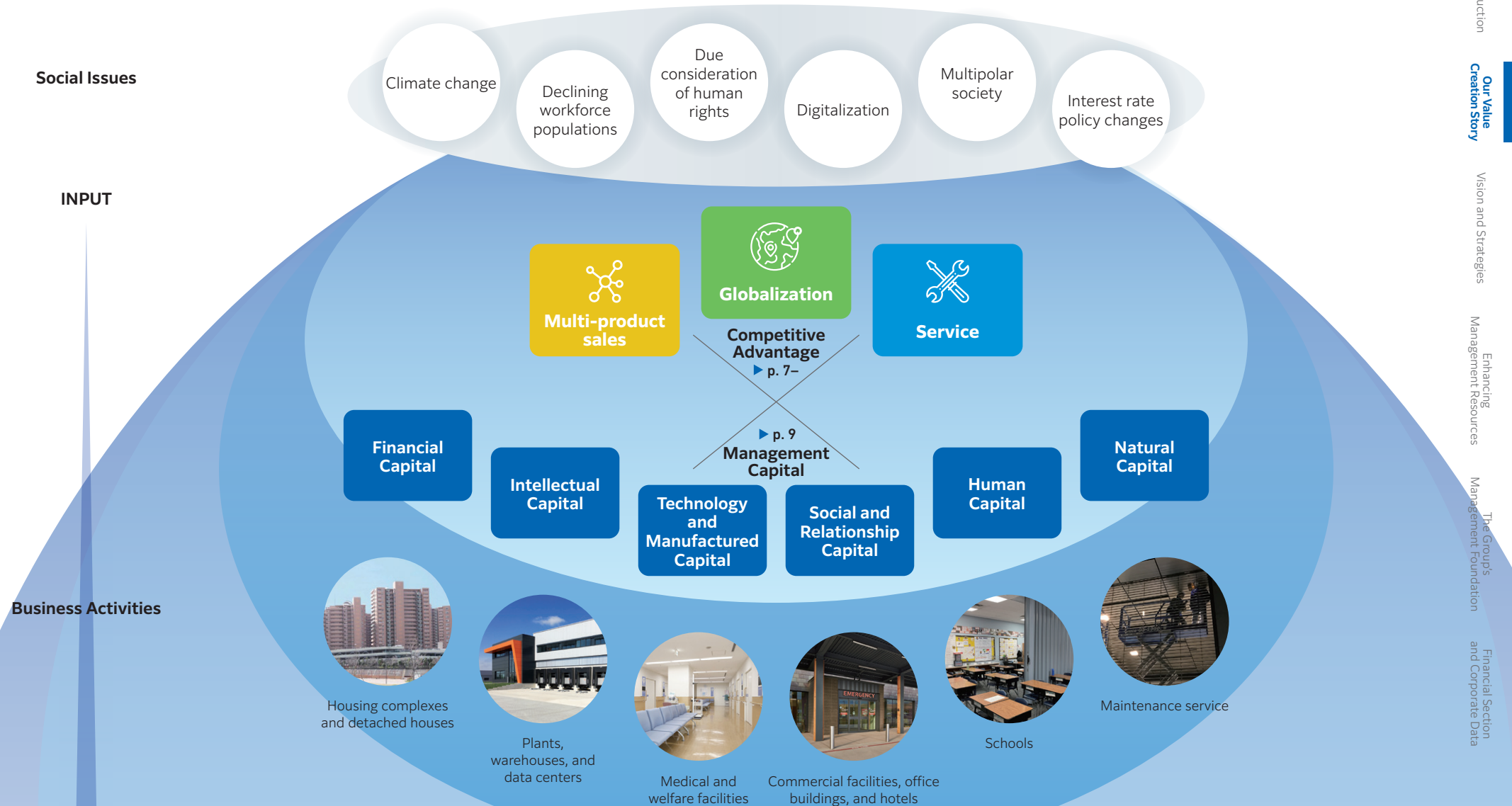
Operating profit ratio  
**12.0%**

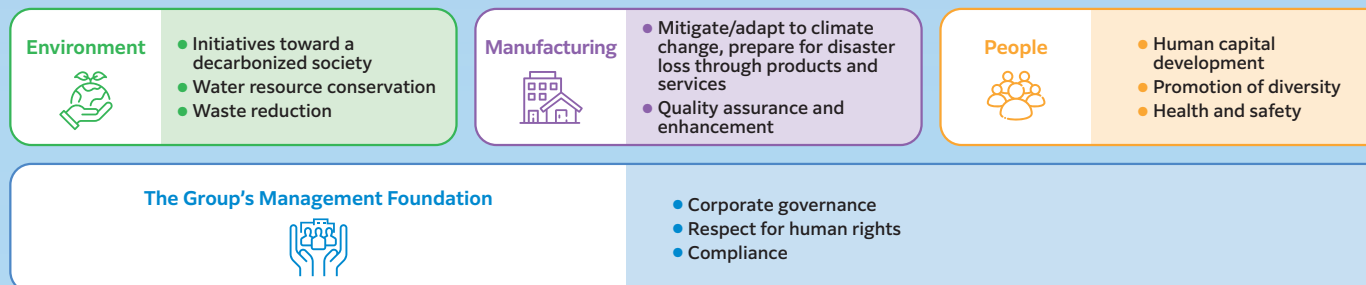
ROE  
**17.8%**

ROIC  
**17.3%**

# Sanwa Value Creation Model

The Sanwa Group creates value by working to resolve global social issues, such as climate change, declining workforce populations, and human rights considerations, and contributes to society by providing safety, security and convenience to communities and the daily lives of people around the world. To this end, we will strive to achieve continued growth and sustainable value creation by making full use of our management resources and deepening the strengths we have cultivated since our founding.





Sanwa Global Vision 2030

## To be a Global Leader of Smart Entrance Solutions

Group's Mission



The Sanwa Group is committed to offering products and services that provide safety, security and convenience to further contribute to the prosperity of society.

Value Provided to Stakeholders

▶ p. 10

# Our Journey

Manji Takayama founded Sanwa Shutter Manufacturing in 1956 with a fundamental ethos of passion, trust, and diligence. After that, Sanwa Shutter expanded into the door business in the 1960s and thoroughly implemented its “Multi-Product Sales Strategy” into a wide range of product lines. Furthermore, under the leadership of the company’s second President, Toshitaka Takayama, Sanwa added two more pillars to its business operations through the introduction of 24-hour service in the 1980s and initiatives for globalization in the 1990s, thus achieving growth and development based on the three pillars of multi-product sales, globalization, and service.

## Organizational transitions

1956

### Founded as Sanwa Shutter Manufacturing

In 1956, Sanwa Shutter Manufacturing was established, launching our lightweight shutter business in Amagasaki City. Despite being a latecomer to the market, we established a leading position in the shutter industry in the 1960s.



1969

### Established Sanwa Door Industrial

1974

### Entered into technical tie-up with Overhead Door Corporation

1982

### Deployed 24-hour service nationwide



## Multi-product sales

### Solving a variety of problems with the industry's No. 1 product variety

Since our founding, the Sanwa Group has been providing products suited to the changing needs of the times in such areas as crime prevention, fireproofing, and disaster preparedness, aiming to solve social issues through our multi-product sales strategy.

### Accelerating multi-product sales through entry into the door business and the acquisition of high-quality companies

Starting with the Sanwa Group's entry into the door business in the late 1960s, we actively expanded into areas where we could leverage the expertise we had cultivated through our shutter business. We acquired a series of quality companies with strong brands in such areas as automatic doors, partitions, and stainless steel products, accelerating our multi-product sales strategy.



### Expanding our lineup in terms of function with disaster preparedness and environmentally friendly products

We strengthened our response to climate change risks by launching waterproof and wind-resistant products designed to withstand natural disasters that are becoming increasingly severe. We are expanding our product lineup to offer enhanced functionality and are contributing to building a sustainable society.



## Globalization

### Adapting to different cultures and needs around the world, increasing our presence

Each part of the world has different laws, regulations, climates, and cultural customs that must be accommodated. The Sanwa Group increased its global presence by developing products and cultivating markets while taking the time to understand the technologies and products of each region.

### From a technical partnership with a U.S. company to a full-scale expansion into Asia and North America

In 1974, we entered into a technical partnership with Overhead Door Corporation (ODC) of the U.S. and began manufacturing and selling overhead doors. We were also quick to enter the Asian market outside our home base of Japan, establishing a Hong Kong subsidiary in 1986. With the acquisition of ODC in 1996, the Sanwa Group began engaging in full-scale joint product development and mutual sales.



### Becoming a global leader of smart entrance solutions with a four-pole structure in Japan, North America, Europe, and Asia

Through M&A activities, including the acquisition of the Novoferm (NF) Group in 2003 and the Dutch company Alpha Deuren in 2014, the Sanwa Group has steadily expanded its global presence while adapting to regional cultures, legal regulations, and product characteristics.



## Service

### Increasing the added value of products and services with seamless support

Shutters and doors play an important role in security and disaster preparedness. The Sanwa Group's advanced installation and maintenance capabilities increase the value we provide in terms of safety, security, and comfort.

### Establishing a seamless support system and expanding into mandatory inspections as well as service overseas

Supported by an integrated system spanning everything from sales to installation and repair, the Sanwa Group introduced 24-hour service across Japan in 1982. With the introduction of a mandatory periodic inspection and reporting system for fire prevention equipment in Japan in 2016 as well as our acquisition of service companies in Europe and North America, we expanded our service operations both domestically and internationally.

### Creating new solutions such as smart products and services using IoT

We are developing new business models by creating novel solutions such as smart products and services using IoT.

1990

1986

Established Sanwa Shutter (HK)

2000

1996

Acquired Overhead Door Corporation

2010

2003

Acquired Novoferm Group

2009

Acquired the door business of Wayne Dalton

2014

Acquired Alpha Deuren of the Netherlands

2019

Acquired Suzuki Shutter

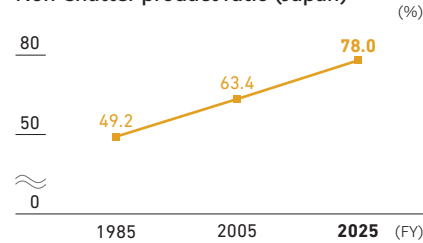
2020

2023

Established Sanwa Facade Laboratory

In Japan, the promotion of our multi-product sales strategy has significantly changed our product mix. It has resulted in an increase in the percentage of non-shutter products, including door products, partitions, entranceways, and our maintenance and service business.

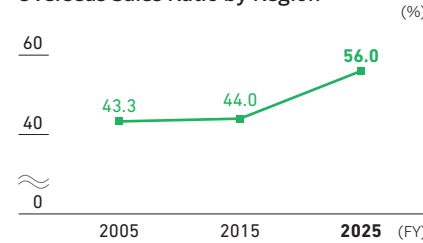
Non-shutter product ratio (Japan)\*



\* Percentage of products excluding heavy and lightweight shutters from consolidated Japanese sales

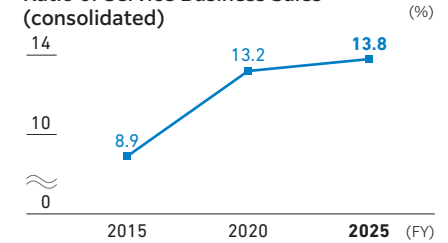
We expanded our businesses overseas through M&As with a focus on North America, Europe, and Asia. Since fiscal 2022 onward, overseas sales have accounted for more than half of the Group's total sales.

Overseas Sales Ratio by Region



With legally-required fire prevention equipment inspections as well as the need for disaster response in Japan plus our acquisition of service companies in Europe and North America, our service business is currently experiencing significant growth.

Ratio of Service Business Sales (consolidated)



## Leveraging our competitive advantages, the Sanwa Group is rapidly growing as a global leader

With a focus on the three key competitive advantages of multi-product sales, globalization, and service operations, the Sanwa Group has achieved sustainable growth. Our growth has also accelerated particularly in recent years, with revenue and operating profit in fiscal 2025 reaching approximately 1.5 and 2.4 times their respective fiscal 2020 levels. And as a global leader, we are aiming to reach even greater heights.



\*1 Compared to FY2020  
\*2 Since Sanwa's founding

FY2025

Service sales (consolidated)

¥91.3 billion (13.8% of sales)

Overseas sales

¥369.9 billion (56.0% of sales)

Sales of disaster preparedness and climate change response products (consolidated)

¥218.8 billion (33.1% of sales)

Net sales (consolidated)

¥660.7 billion

# Sources of Value Creation

The six capitals that support the Sanwa Group's management foundation and which are the source of our value creation are financial capital, intellectual capital, technology and manufactured capital, social and relationship capital, human capital, and natural capital. By making maximum use of these capitals, we develop business activities that solve various social issues.

| Capitals                 | <div>Competitive advantages</div> <div>Multi-product sales</div> <div>Globalization</div> <div>Service</div>                                                                 |                                                                                                                                                                                                                                                |                                                                                                                                                                                                                              |                                                                                                                                                                     |                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | Financial Capital                                                                                                                                                            | Intellectual Capital                                                                                                                                                                                                                           | Technology and Manufactured Capital                                                                                                                                                                                          | Social and Relationship Capital                                                                                                                                     | Human Capital                                                                                                                                                                                                                             | Natural Capital                                                                                                                                                                                                                                                                                                                                                                   |
|                          | Stable financial base<br>▶ p. 21–                                                                                                                                            | Solutions for social issues<br>▶ p. 35                                                                                                                                                                                                         | Robust value chain leveraging digital technology<br>▶ p. 19–                                                                                                                                                                 | Global network<br>▶ p. 25–                                                                                                                                          | Global and diverse workforce that implements the PDCA cycle<br>▶ p. 39–                                                                                                                                                                   | Sustainable resource management<br>▶ p. 37–                                                                                                                                                                                                                                                                                                                                       |
| Main indicators (FY2025) | Total assets <b>¥547.8 billion</b><br>ROE <b>17.8%</b><br>D/E ratio <b>0.13 times</b>                                                                                        | R&D expenses (consolidated) <b>¥7.8 billion</b><br>Product lineup (Sanwa Shutter Corporation) <b>19 types, 105 products</b><br>Installers (Japan) <b>Approx. 4,000</b>                                                                         | Capital investments <b>¥14.2 billion</b><br>IT investments <b>¥2.2 billion</b><br><b>58 production bases (39 overseas)</b>                                                                                                   | Sales distributors in North America <b>Approx. 450</b><br>No. 1 market share in each region <b>6 fields</b><br>Sales network in Japan <b>Approx. 350 locations</b>  | Number of employees (consolidated) <b>13,174</b><br>(Percentage of overseas employees: <b>63.7%</b> )<br>Number of employees who have received training (Sanwa Shutter Corporation) <b>6,448</b>                                          | Total energy input (Sanwa Shutter Corporation) <b>319,505 GJ</b><br>Water intake (Sanwa Shutter Corporation) <b>114,309 m³</b><br>CO <sub>2</sub> emissions (consolidated) <b>66,136 t</b>                                                                                                                                                                                        |
| Strengthening measures   | <ul style="list-style-type: none"> <li>• Increase capital efficiency</li> <li>• Maintain financial soundness</li> <li>• Increase financial capital for new growth</li> </ul> | <ul style="list-style-type: none"> <li>• Quality assurance and enhancement</li> <li>• Research and develop products that solve social issues such as climate change risks</li> <li>• Securing and training installation technicians</li> </ul> | <ul style="list-style-type: none"> <li>• Improve productivity by increasing production capacity and optimizing the manufacturing network</li> <li>• Improve business processes through digitalization such as ERP</li> </ul> | <ul style="list-style-type: none"> <li>• Build an optimal global supply system</li> <li>• Appropriately understand and reflect diverse stakeholder needs</li> </ul> | <ul style="list-style-type: none"> <li>• Secure and develop human capital</li> <li>• Creating safe and healthy workplaces and promoting wellbeing</li> <li>• Maximizing organizational performance through improved engagement</li> </ul> | <ul style="list-style-type: none"> <li>• Improve energy conservation in business processes</li> <li>• Utilize renewable energy</li> </ul>                                                                                                                                                                                                                                         |
| FY2027 targets           | SVA* <b>¥46.0 billion</b><br>ROE <b>19.0%</b><br>ROIC <b>18.5%</b>                                                                                                           | Training hours per person per year (Sanwa Shutter Corporation) <b>38 hours</b><br>Sales of disaster preparedness and climate change response products (consolidated) <b>¥230.0 billion</b>                                                     | Sales of maintenance and service businesses <b>¥102.0 billion</b><br>Sales of smart products and services <b>¥16.0 billion</b>                                                                                               | Overseas net sales ratio <b>56.0%</b><br>M&A investments (three-year total) <b>¥50.0 billion</b>                                                                    | Female employee ratio (consolidated) <b>25% or more (FY2030)</b><br>Ratio of female managers (consolidated) <b>20% or more (FY2030)</b>                                                                                                   | CO <sub>2</sub> emissions (Scope 1 and 2) reductions (Sanwa Shutter Corporation) <b>30% reduction</b> from FY2019 levels (FY2030)<br>Water usage intensity (plants and offices) (Sanwa Shutter Corporation) <b>30% reduction</b> from FY2020 levels (FY2030)<br>Waste intensity (Plants and offices) (Sanwa Shutter Corporation) <b>60% reduction</b> from FY2020 levels (FY2030) |

\* SVA: Our unique indicator of added value

# Value Provided to Stakeholders

The Sanwa Group's business activities are supported by many different stakeholders, including customers, business partners, local community members, shareholders and investors, and employees and their families. We seek to engage in active communication with all our stakeholders, identify problems and issues through the statements and views they provide, and adjust our business activities in turn. We will continue to provide various values through business and social contribution activities leveraging the voices of our stakeholders and society.

|                          |                                                                                     | Actions taken by the Sanwa Group                                                                                                                                                                                                                                                                                                                         | Related indicators (FY2025)                                                                                                                                                                                                                   | Provided values and effects                                                                                                                                                                  |
|--------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customers                |    | <ul style="list-style-type: none"> <li>24 hours a day 365 days a year repair service</li> <li>Responding to climate change and other needs</li> <li>Network of approximately 350 locations throughout Japan</li> <li>Building a strong network spanning 28 countries and regions around the world</li> <li>Smarter products and services</li> </ul>      | <ul style="list-style-type: none"> <li>Number of customer inquiries (Sanwa Shutter Corporation)<br/><b>11,083</b></li> <li>Number of general repair inquiries (Sanwa Shutter Corporation)<br/><b>127,472</b></li> </ul>                       | <ul style="list-style-type: none"> <li>Realizing a safe, secure, comfortable, and convenient society through our products and services</li> </ul>                                            |
| Business partners        |    | <ul style="list-style-type: none"> <li>Information sharing and mutual learning through Sanwakai, a group consisting of suppliers and plant partner companies</li> <li>Continue strengthening relationships with ODC distributors in North America</li> </ul>                                                                                             | <ul style="list-style-type: none"> <li>Distributor network (North America ODC)<br/><b>Approx. 450 companies</b></li> <li>Green procurement ratio (Sanwa Shutter's main suppliers)<br/><b>86.0%</b></li> </ul>                                 | <ul style="list-style-type: none"> <li>Improvement of level of QCDE* and long-term mutual development</li> </ul> <p>* QCDE: An abbreviation for quality, cost, delivery, and environment</p> |
| Installers               |    | <ul style="list-style-type: none"> <li>Development of installation skills at the Installation Training Center and in each region, and ongoing recruitment and training</li> <li>Supporting welfare programs and information exchange at regular monthly health and safety meetings</li> <li>Publication of a biannual magazine for installers</li> </ul> | <ul style="list-style-type: none"> <li>Installation qualifications (Japan)<br/><b>19 types, 105 products</b></li> <li>Service sales ratio (consolidated)<br/><b>13.8%</b></li> </ul>                                                          | <ul style="list-style-type: none"> <li>Improvement of installation quality and enhancement of engagement</li> </ul>                                                                          |
| Employees<br>▶ pp. 39–42 |   | <ul style="list-style-type: none"> <li>Securing talents, strategic personnel deployment and development, linked to regional business strategies</li> <li>Creating safe and healthy workplaces and promoting wellbeing</li> <li>Maximizing organizational performance through improved engagement</li> </ul>                                              | <ul style="list-style-type: none"> <li>Overseas employee ratio (consolidated)<br/><b>63.7%</b></li> <li>Female employee ratio (consolidated)<br/><b>20.9%</b></li> </ul>                                                                      | <ul style="list-style-type: none"> <li>Increased engagement through individual and organizational growth</li> <li>Realization of rewarding and attractive companies to work for</li> </ul>   |
| Local communities        |  | <ul style="list-style-type: none"> <li>Disaster preparedness and mitigation initiatives</li> <li>Environmental conservation activities</li> <li>Community and social contribution activities</li> </ul>                                                                                                                                                  | <ul style="list-style-type: none"> <li>Sales ratio of disaster preparedness and climate change response products (consolidated)<br/><b>33.1%</b></li> <li>Social contribution expenditure (consolidated)<br/><b>¥15.38 million</b></li> </ul> | <ul style="list-style-type: none"> <li>Contributing to the realization of a sustainable and affluent society as a good corporate citizen</li> </ul>                                          |
| Shareholders / investors |  | <ul style="list-style-type: none"> <li>Timely and appropriate information disclosure</li> <li>Dialogue with shareholders and investors, and reflection in management</li> </ul>                                                                                                                                                                          | <ul style="list-style-type: none"> <li>Analyst/institutional investor individual meetings<br/><b>377</b></li> <li>Explanatory sessions for individual investors<br/><b>1,075 participants in 2 sessions</b></li> </ul>                        | <ul style="list-style-type: none"> <li>Improved transparency of corporate activities</li> <li>Sustainable growth and enhancement of corporate value</li> </ul>                               |

## Message from the President

**As we take pride in reaching a new milestone, going forward we will aim for sustainable growth through further enhancement of our solutions and ongoing global expansion.**

**Yasushi Takayama**

Representative Director, President  
Sanwa Holdings Corporation



## Message from the President

**In April 2026, Sanwa celebrated its 70th anniversary. Please share your honest thoughts with us about this milestone.**

Reaching the milestone of our 70th anniversary is entirely thanks to all of our stakeholders who have given us their support, and I am deeply grateful to them. We have received many encouraging messages of congratulations from our business partners, but what has stood out most are the words of praise regarding our business growth and progress toward globalization in recent years.

A short time ago, Overhead Door Corporation (ODC), a U.S. company and Sanwa subsidiary celebrating its 105th anniversary this year, held its distributor meeting in San Diego, and I attended for the first time in a while. I was able to meet in person with representatives from parties that have been important ODC customers and partners for over a century, and personally express my gratitude to them as our own enterprise reaches its 70th anniversary. As I've had the opportunity to interact more closely with our stakeholders, I've come to keenly feel their expectations,



ODC's distributor meeting

and I've renewed my resolve to approach management with diligence so that we may continue to advance and grow for many more years to come.

**What do you think are the factors that have enabled Sanwa to stay in business for such a long time?**

Reflecting on the reason why we've been able to stay in business all this time, I feel the answer ultimately lies in the enduring characteristics of shutters—that is, the ubiquitous value they provide as a technology which, while by no means flashy, blends seamlessly into buildings and daily life as something that is always needed. That being said, this alone of course does not explain why we have been able to survive for so long. We take pride in the fact that the recognition we have received from our customers and the market is the result of our unique approach. This includes not only the obvious initiatives of ensuring product quality and safety, but also of taking full responsibility for installation and maintenance, as well as our ability to meet a wide range of customer needs. We don't just make and sell shutters and other building materials; we also engage in their development, production, design, marketing, installation, and maintenance. This unique business model creates a barrier to entry that other companies cannot easily replicate, contributing to our high market share. Furthermore, rather than simply pursuing product differentiation, the know-how and experience we have accumulated over the years in such areas as safety features for crime prevention and disaster preparedness, as well as safe opening and closing operations, contribute to the distinctive value that we provide. In addition, we are deeply committed to installing and maintaining the products we manufacture ourselves, and this integrated approach is a key factor in enhancing both quality and safety.

Further, looking back at Sanwa's history, our pioneering expansion into overseas markets served as a major turning

point that supported our sustained growth. It all began with our technical partnership with ODC in the U.S. in 1974. Taking full advantage of this opportunity, we conducted a thorough investigation into the U.S. market, the characteristics of our partner, and alignment with our company. We then made the decision to acquire ODC in 1996, marking the start of our full-scale global expansion. The Japanese economy at that time was in a period of turmoil following the bursting of the economic bubble, and I understand that Sanwa, like many other companies then, was facing its share of difficulties. I think it's clear that one of the reasons management at the time made the bold decision to fully step out into the international market was a sense of crisis regarding the prospect of continuing to operate solely in the Japanese market, where significant, sustained growth could not be expected. I also imagine, however, that this sense of crisis alone may well not have been enough to give Sanwa's leadership the courage to take that first step. In fact, I suspect it may have been more a matter of pure curiosity and a spirit of adventure—a desire to push beyond one's limits, see the globe, and take on the world. Regardless as to the specific reasons why, as a result of that momentous decision, our global operations now consist of a four-pole structure encompassing Japan, North America, Europe, and Asia, which serve as the pillars driving our growth.

**Could you please explain once again what the focus of the "Sanwa Global Vision 2030" is?**

The business environment is undergoing significant changes, including the maturing of the domestic Japanese market, labor shortages, the worsening of climate change issues such as increasingly severe natural disasters, and the advancement of digitalization. Against this backdrop, in 2022 we launched our Long-Term Vision, Sanwa Global Vision 2030, to serve as a compass, both to those within the Sanwa Group and those outside it, and point to where we as Sanwa should be

## Message from the President

heading. In particular, as social structures change, infrastructure and technology continue to advance, and customer needs for our products become more sophisticated and complex, we have come to realize that we must also evolve the value we provide.

We have set forth our vision, “To be a global leader of smart entrance solutions,” but what I focus most on here is the “solutions” component. We have more clearly articulated our strategic direction, which goes beyond simply selling, installing, inspecting, and repairing products as we have done in the past—instead, we aim to provide more advanced solutions by adding value and new features, and to roll these out globally. We previously used the term “major global player” to describe our vision, but in our current vision, we have taken our ideal for our future state a step further with the aspiration to be a solutions leader in our industry, and therefore now use the term “global leader.” As we continue to

enhance our solutions, our greatest advantage is the direct contact we have with our customers through installation and maintenance. The key will be how effectively we can identify demand by addressing customers’ problems and challenges, and then create solutions through collaboration with business partners and various other stakeholders, as well as by leveraging the latest technologies. Under our current medium-term management plan, “Expand business through disaster preparedness products, climate change response products, and smart products and services” is identified as one of our basic strategies, and we have positioned it as the most emblematic strategic theme for realizing our vision.

On the other hand, “what will remain unchanged” is also an important guiding principle, and we have no intention of changing the nature of our business itself, which centers on shutters and other products for entrances. This is by no means a matter of sentimentality regarding our founding legacy; rather, it is based on the highly rational reason that we have established a highly profitable business model. Of course, it is not guaranteed to last forever, but we will continue to carefully protect and develop this core revenue pillar, maintain a high market share, and use it as a springboard to expand into related fields and broaden our global reach.

Looking back on the four years since the launch of the Sanwa Global Vision 2030, while our recent business performance has struggled due to a confluence of various external factors, we are encouraged by the significant growth we achieved in our U.S. operations during the previous medium-term management plan period (fiscal 2022 to 2024), the fact that our capital and IT investments are proceeding as planned, and the steady expansion of our key disaster preparedness and climate change response products. It is therefore our perception that we have achieved a certain degree of results in building up our business foundation. On the other hand, for the Company, which advocates ROIC-based management, improving the profitability of our European operations and achieving profitable growth in our Asian operations are key challenges

moving forward. However, in addition to the benefits of regional diversification, lifecycle management tailored to each market is a key factor for our sustainable growth. Going forward, we plan to not only strengthen our operations in Asia but also aim to expand into other regions where we currently have no presence. Our mission is to deliver safe, secure, and convenient products and solutions across the globe, and that is the mindset with which we view the world.

### How do you assess the progress made in the first year of Medium-term Management Plan 2027?

Medium-term Management Plan 2027, which began in the fiscal year ended March 2026, is the second phase toward realizing the Sanwa Global Vision 2030. It is positioned as a stage in which we shift gears from “establishing a foundation” in the previous medium-term management plan to “strengthening and expanding that foundation.” That said, our strategic direction has not changed significantly from the previous medium-term management plan. We are continuing to move forward with our initiatives in line with the five basic strategies outlined in our vision.

For the fiscal year ended March 2026, the plan’s first year, financial performance was generally weak compared to the previous medium-term management plan, which had seen strong results, due to a combination of various external factors. In particular, North America saw a delayed market recovery due to factors such as the impact of tariffs and persistently high interest rates, while in Europe, market conditions remained uncertain, including the situation in the Middle East, resulting in sluggish growth in our overseas operations. In Japan as well, sales volumes of core products such as shutters and doors declined due to factors including delays and prolonged construction periods in large-scale urban development projects, driven by soaring construction material costs and labor shortages. However, our operating



## Message from the President

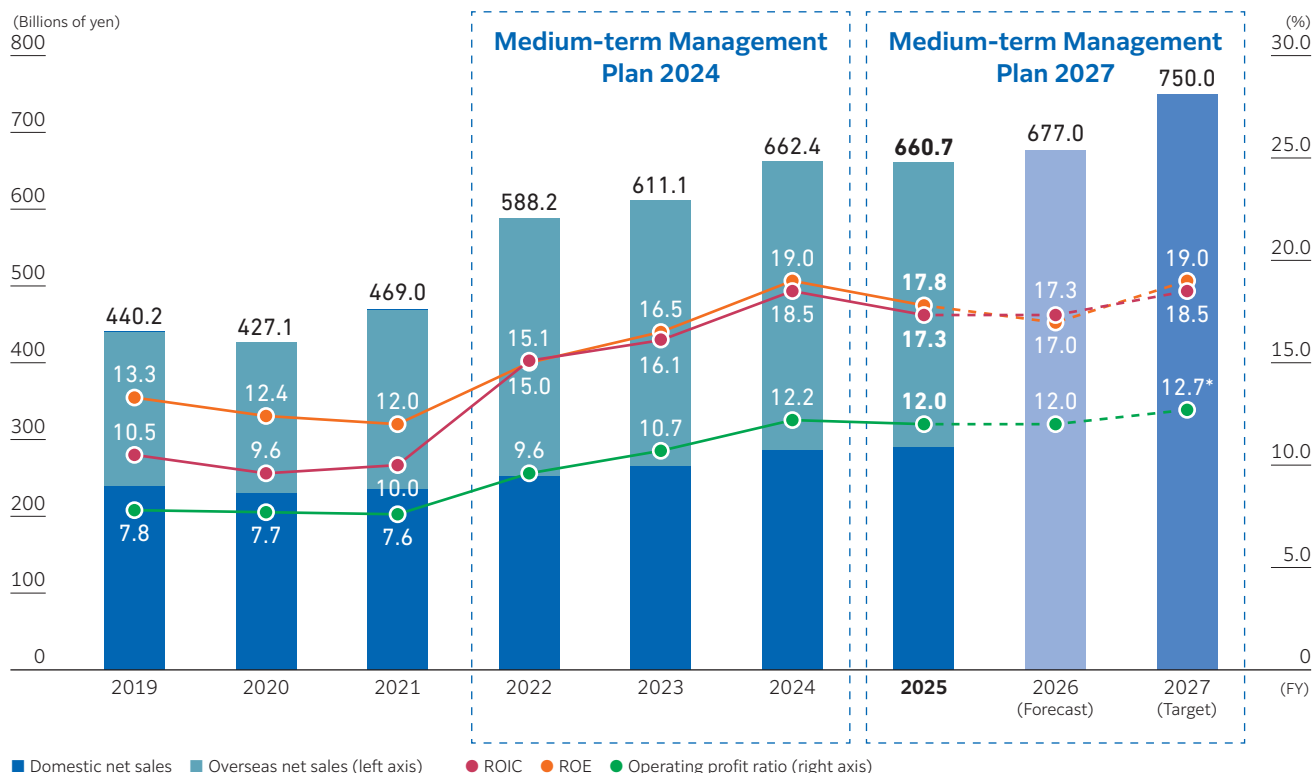
profit ratio improved significantly thanks to the expansion of high-value-added, high-margin climate change response products and our maintenance and service operations, as well as the successful passing on of cost increases. This improvement in the operating profit ratio helped underpin overall earnings and is a positive sign for the future.

On the other hand, looking at the progress of our basic strategies, we have found ourselves somewhat playing catch-up as we've been preoccupied with responding to the sluggish market. However, in addition to expanding our key disaster preparedness and climate change response products, as well as smart products and services, our

investments in increasing production capacity and advancing digitalization are proceeding smoothly. Particularly with regard to disaster preparedness and climate change response, products such as Quick Saver have seen significant growth in our domestic Japanese market as solutions that address the need to improve workplace environments at plants and other facilities. This accordingly can truly be considered a symbolic example that illustrates the path toward strengthening our solutions. We are also working to expand our lineup of products that support a decarbonized society, such as launching heavy-duty doors that incorporate GX (green transformation) steel, a material designed to reduce environmental impact. In addition, we are focusing on IoT initiatives, such as the rollout of our newly launched remote management system. As a service that allows users to check the operational status of shutters and other equipment via a computer without having to physically visit the site, it is an effective means of addressing labor shortages in building management. In North America as well, we are advancing the digitalization of systems related to entrances, and we have acquired Pasco Doors, an automatic door service company, to diversify our revenue streams by strengthening our service and installation structure. Going forward, it is important that we continue to grow sales of high-value-added products through solutions like these.

Furthermore, while our Asian operations are still small in scale and have only just managed to turn a profit, we will move forward with structural reforms in our struggling East China operations, while also focusing on growth in Hong Kong and Taiwan—where business is relatively strong—and expanding our presence in the ASEAN region. In any case, we need to ensure we have the necessary structure in place so that we can effectively capture demand when our main markets in Japan, North America, and Europe recover. We will move forward with transforming our revenue structure through measures such as passing on price increases, reducing costs, and expanding our service operations, while also focusing our efforts on investments to increase

### Changes in management indicators



ROIC: Return on invested capital = NOPAT (net operating profit after tax) / Invested capital × 100

Invested capital used in ROIC is calculated as shareholders' equity + interest-bearing debt.

\* The operating profit ratio for fiscal year 2027 is before goodwill amortization.

## Message from the President

production capacity and improve productivity. Furthermore, even if a delay in market recovery were to affect our business expansion, we are committed to ensuring that we achieve the operating profit ratio target set forth in our current medium-term management plan.

### **Please tell us about your assessment of the challenges the Sanwa Group is facing with regard to medium- to long-term growth. In particular, what are your thoughts concerning the strengthening of human capital and digitalization?**

We recognize that strengthening our human capital is our greatest challenge, not only for realizing Global Vision 2030, but also for achieving sustainable growth beyond that. In particular, we must strive for qualitative improvement. Of course, it goes without saying that our human capital has been the foundation of our value creation to date. We take pride in the fact that our employees' dedication, commitment to their work, and passion for our products are major strengths for our Group. However, I feel that in order to strengthen our solutions as outlined in Global Vision 2030, we also need flexible and creative thinking that drives high productivity. Although I stated that the focus of our operations on shutters itself will not change, the expectations placed on shutters and the capabilities they offer will likely expand in line with technological advancements and the challenges users face. We must therefore identify the business opportunities therein and, without being constrained by past ideas or concepts, propose new functions and applications. We may also need to be flexible in terms of redefining how and to whom we sell.

Furthermore, as we move forward with our global expansion, developing and securing global human capital is an urgent priority. As we consider expanding into Asian, African, and other markets in the future, a shortage of global

talent could become a critical bottleneck. While developing domestic human resources is important, I feel we have reached a point where we should also turn our attention to talent at our overseas subsidiaries and consider identifying and promoting individuals with the skills and mindset to thrive on a global stage through initiatives such as personnel exchanges within the Group. In addition to addressing labor shortages caused by the declining population in Japan, adapting to digitalization to improve productivity and add value has also become a challenge that must be tackled on a global level. We are addressing this point as one of the basic strategies of our current medium-term management plan, and through IT investments totaling ¥10 billion over three years, we are working to improve business processes and boost productivity in Japan, North America, and Europe.

I also believe that realizing the M&A for which we have secured a budget of ¥50 billion over three years is a strategic initiative that presents significant challenges. A key feature of our business is that our investment in equipment and other assets yields high returns, resulting in a superior revenue model that naturally generates abundant cash flow. Making effective use of our substantial cash reserves is a top priority in our ROIC-based management, and our M&A strategy also plays a significant role in this. However, it is not our intention for M&A to become an end in itself; rather, we plan to flexibly review our allocation of funds depending on the situation, including further enhancing shareholder returns and providing benefits to employees.

Regarding our governance structure, which underpins sustainable growth from the ground up, independent Outside Directors make up half of our Board of Directors, and with the inclusion of women and foreign nationals, the board is able to engage in free and open discussions from a variety of perspectives; a situation which, I feel, provides the necessary level of effectiveness. I believe the market also requires us to constantly review and continuously refine our processes, including how we set the agenda for Board of Directors meetings and ensure a shared understanding of challenges,



in order to further enhance the quality of board discussions and the speed of decision-making.

### **Lastly, please share a message for our stakeholders.**

As I discussed earlier, our 70th anniversary is merely a milestone. With our 80th anniversary on the horizon and our 100th beyond that, we must move forward with the tasks at hand, and I recognize that my role as President is, first and foremost, to give concrete form to the vision set forth in the Sanwa Global Vision 2030. To that end, we will not only focus on expanding our scale but also prioritize profitability and capital efficiency, while consistently maintaining a focus on management that is conscious of the cost of capital. We are dedicated to strengthening and expanding our business foundation, addressing social issues, and using these efforts to further enhance our corporate value. As “a global leader of smart entrance solutions,” I encourage you to look forward to our future growth, as I look forward to your continued support.

# Sanwa Global Vision 2030

The Sanwa Group launched its long-term management vision, Sanwa Global Vision 2030, with the slogan “To be a global leader of smart entrance solutions” in fiscal 2022.

## Sanwa Global Vision 2020

### Results

- Expansion of core businesses in Japan, North America, and Europe
- Expansion of businesses through M&A
- Significant growth in service business

### Challenges

- Strengthening supply capabilities/investment in digitalization
- Strengthening human capital capabilities
- Strengthening growth potential of Asian businesses

## Phase 1 Medium-term Management Plan 2024

Establish a foundation toward becoming a global leader in high-performance entrance solutions to meet the changing needs of society due to climate change and digitalization

| Net sales                        | Operating profit                | Operating profit ratio  |
|----------------------------------|---------------------------------|-------------------------|
| ¥580.0 billion<br>Initial target | ¥45.0 billion<br>Initial target | 7.8%<br>Initial target  |
| ¥662.4 billion<br>FY2024 actual  | ¥80.52 billion<br>FY2024 actual | 12.2%<br>FY2024 actual  |
| SVA                              | ROIC                            | ROE                     |
| ¥19.0 billion<br>Initial target  | 11.5%<br>Initial target         | 13.5%<br>Initial target |
| ¥41.8 billion<br>FY2024 actual   | 18.5%<br>FY2024 actual          | 19.0%<br>FY2024 actual  |

## Phase 2 Medium-term Management Plan 2027

Strengthen and expand a foundation toward becoming a global leader in high-performance entrance solutions to meet the changing needs of society due to climate change and digitalization

| Net sales                       | Operating profit                                                      | Operating profit ratio                                       |
|---------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------|
| ¥750.0 billion<br>FY2027 target | ¥100.0 billion<br>FY2027 target<br>* Before amortization of goodwill. | 13.3%<br>FY2027 target<br>* Before amortization of goodwill. |
| ¥660.7 billion<br>FY2025 actual | ¥79.1 billion<br>FY2025 actual                                        | 12.0%<br>FY2025 actual                                       |
| SVA                             | ROIC                                                                  | ROE                                                          |
| ¥46.0 billion<br>FY2027 target  | 18.5%<br>FY2027 target                                                | 19.0%<br>FY2027 target                                       |
| ¥38.0 billion<br>FY2025 actual  | 17.3%<br>FY2025 actual                                                | 17.8%<br>FY2025 actual                                       |

## Sanwa Global Vision 2030

### To be a Global Leader of Smart Entrance Solutions

Become a corporate group valued by all stakeholders, globally providing high-performance entrance solutions to meet the changing needs of society due to climate change and digitalization, with enhanced sustainability management and investing in people.

## Sanwa Global Vision 2030 Basic Strategies

- Expand and strengthen core businesses in a four-polar global structure consisting of Japan, North America, Europe, and Asia
- Create customer value through products for disaster preparedness and climate change response, as well as smart products and services
- Increase productivity through digitalization and manufacturing innovation
- Strengthen core businesses and expand into new business areas through M&A
- Become a corporate group valued globally with enhanced sustainability management

Net sales  
(Billions of yen)

2022  
588.2

2023  
611.1

2024  
662.4

2025  
660.7

2026  
677.0  
(Forecast)

2027  
750.0  
(Target)

2030

Materiality

Manufacturing

Environment

People

The Group's Management Foundation

# Progress on Medium-term Management Plan 2027 Basic Strategies

## 1 Expand and strengthen core businesses in Japan, North America, and Europe

### 2025 actual

Service Business net sales  
**¥91.3 billion**

M&A investment  
**2 companies**

### Medium-term Management Plan 2027 cumulative targets

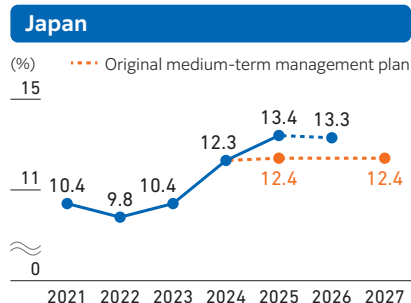
Service Business net sales  
**¥102.0 billion**

M&A investment (cumulative)  
**¥50.0 billion**

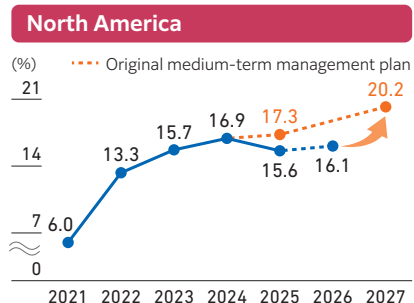
## 1 Strengthen core products and strategic products

- Japan**
- Lull caused by delays and prolonged construction periods in large-scale urban development projects
  - Improved profitability through price pass-throughs and cost reductions
  - Increased profitability through further value-added initiatives
- North America**
- Sluggish market due to persistently high interest rates and impact of tariff measures
  - Profitability declined due to reduced productivity and temporary disruptions
  - Ongoing steady performance of door operators and automatic door operations
  - Generated demand by expanding sales channels
- Europe**
- Sales volume declined due to a challenging market environment
  - Offset various cost increases with price pass-throughs
  - Integrated and strengthened industrial door and service operations

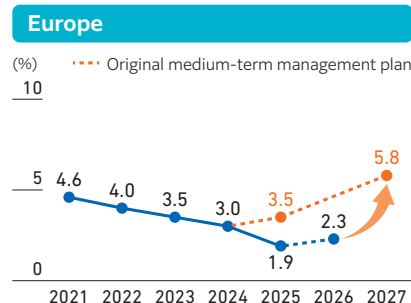
## Operating Profit Ratio by Region



Operating profit ratio improved more than expected



Market recovery will still take some time

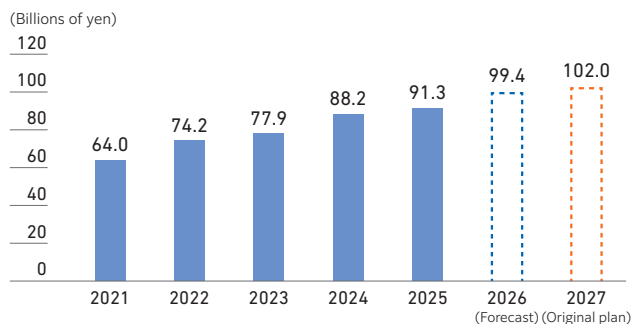


Market conditions remain uncertain

## 2 Expand service business

- Japan** Strengthened efforts to capture demand from the strong office and other building renovation market
- North America** Strengthened automatic door service operations through M&A, etc.
- Europe** Focused on expanding service operations

### Service Business Net Sales



## 3 M&A with peripheral domains

- North America** Acquired all shares of two U.S. automatic door service and installation companies

**pasco doors**  
a Horton Automatics Company  
Pasco Doors  
(acquired May 2025)

**Your Automatic Door Company**  
a Horton Automatics Company  
Your Automatic Door Company  
(acquired February 2026)

## 2 Grow Asian businesses with solid profits

### 2025 actual

Net sales  
**¥13.0 billion**

Operating profit  
**¥0.1 billion**

### 2027 targets

Net sales  
**¥19.6 billion**

Operating profit  
**¥1.25 billion**

- Asia** Implemented structural reforms in East China operations. Aiming to improve management of Vietnam operations, drive further growth in Hong Kong and Taiwan.

### East China

- Implement structural reforms: strengthening sales channel, manufacturing, and development initiatives

### Hong Kong

- Optimize operations by consolidating manufacturing and management functions of three Hong Kong subsidiaries
- Pursue synergies: promote the inclusion of Group products in inserts to drive orders

### Taiwan

- Supply a large number of doors for semiconductor plants and other major projects

### ASEAN

- Aim for profitable growth through Vietnam operations management improvement

**Towards stable profitability and revenue growth**

# Progress on Medium-term Management Plan 2027 Basic Strategies

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

### 2025 actual

Sales of disaster preparedness and climate change response products  
**¥218.8 billion**

Sales of smart products and services  
**¥16.2 billion**

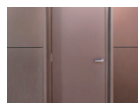
### 2027 targets

Sales of disaster preparedness and climate change response products  
**¥230.0 billion**

Sales of smart products and services  
**¥16.0 billion**

### Disaster preparedness

- The Shakunetsu Guard heat-shielding door received ministerial certification for 60 minutes of heat resistance
- Shakunetsu Guard heat shielding door (Sanwa Shutter Corporation)



### Adaptation

- A garage door certified to meet building codes in Florida, a region frequently hit by hurricanes
- WindStorm Model 7565 Series wind-resistant residential garage door (ODC)
- Waterproof shutters designed to prevent flood damage caused by major typhoons and torrential rains; expanded design scope enables support for a wide range of applications
- Water Guard Waterproof Shutter (Sanwa Shutter Corporation)



### Mitigation

- Sales of high-speed sheet shutters were strong, driven by proposals to improve workplace environments at factories, etc.
- Other shutter orders received:  
**+18.1% in FY2025 compared to the previous FY**
- Re-carbo series Heat Insulation Quick Saver TR (Sanwa Shutter Corporation)
- Launched Yag Door Green Flag, a heavy-duty low-CO<sub>2</sub> GX steel door
- Yag Door Green Flag heavy-duty steel door (Sanwa Shutter Corporation)



### Smart products

- Expanded the lineup of IoT-enabled window shutters in Japan
  - Smart garage doors are seeing increasing adoption in North America and Europe
- Madomore Change SY II, an IoT-compatible motorized window shutter system (Sanwa Shutter Corporation)



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

### 2025 actual

Capital investments  
**¥12.0 billion**

IT/digital investments  
**¥2.2 billion**

### 2027 targets

Capital investments  
**¥40.0 billion**

IT/digital investments  
**¥10.0 billion**

### 1 Improve productivity by increasing production capacity and optimizing the manufacturing network

- Japan** Expanded production capacity for steel doors, increased in-house production of toilet booths
- North America** Promoted plant optimization and automation; installed new painting line and initiated production of door products at automatic door plant in Mexico
- Europe** Expanded Italian door plant and installed an automated production line for hinged doors

### 2 Improve business processes by promoting digitalization

- Japan** Currently promoting streamlining of ordering, delivery, and blueprint submission through system utilization
- North America** Currently sequentially introducing ERP system to major plants
- Europe** Currently promoting digitalization of manufacturing and service processes



Automatic door plant in Mexico



New building at Italian door plant

## 5 Enhance sustainability management and human capital management

Increasing engagement through individual and organizational growth, become a rewarding and attractive company to work for



- 1 Securing talents, strategic personnel deployment and development linked to regional business strategies
- 2 Creating safe and healthy workplaces and promoting wellbeing
- 3 Maximizing organizational performance through improved engagement

### Manufacturing

- The Madomore Taifu Guard high wind pressure-resistant window shutter received an Honorable Mention at the Disaster Prevention and Mitigation x Sustainability Award 2026
- The Shakunetsu Guard heat-shielding door received ministerial certification for 60 minutes of heat resistance
- Launched Yag Door Green Flag made using low-carbon materials

### Environment

- Selected for the first time for the CDP 2025 A List, the highest rating for climate change
- Solar carports installed at the Ota Door Plant
- Currently preparing to expand the scope of Scope 3 calculations in anticipation of SSBJ compliance

### People

- Conducted an engagement survey (FY2025: Japan and North America)
- Japan engagement score: **63 points**
- ⇒ Plan to continue conducting the survey to promote survey results utilization
- Decided to implement a stock grant plan for upper management and for Employee Stock Ownership Plan members
  - Began implementing digital education (basic/applied) from FY2025

### Management Foundation

- Conducting a third-party assessment of the effectiveness of the Board of Directors
- Began implementing and improving human rights due diligence from FY2023
- Conducted shareholder relations meetings to build relationships with shareholders (FY 2025: 19 companies)
- Stakeholder dialogues held: **377**

# Digitalization Strategy

## Basic approach

To achieve the Sanwa Group's goal "to be a Global Leader of Smart Entrance Solutions," outlined in our Long-Term Vision, Sanwa Global Vision 2030, under our basic policy for digital transformation (DX), we are advancing digitalization strategies across three categories: external initiatives, internal operations, and human capital.

To address social issues caused by changes in the external environment, such as labor shortages and climate change, as well as to meet the increasingly diverse needs of customers, we are implementing digitalization measures tailored to the characteristics of each region. We will work to optimize the value chain, which spans product development, sales, design,

procurement, manufacturing, installation, and maintenance services. At the same time, we are also focusing on developing the human capital to drive these efforts, and are providing digital education.



## Governance and risk management

The Sanwa Group positions ensuring appropriate governance in the promotion of digitalization as an important management issue, and we have established systems in each region to promote relevant measures and provide proper management. In terms of risk management, in addition to formulating IT-BCP plans and procedures and conducting drills both domestically and internationally through the Information Security Countermeasures Council, we also implement various measures on an ongoing basis, such as information system vulnerability assessments and corrective actions, thereby strengthening information security.

## Strategy 1 Smarter products and services

Through the provision of smart products and services that leverage digital technologies such as IoT and the cloud, the Sanwa Group accumulates a database of information such as usage data and histories. We utilize this data for product maintenance, preventive maintenance, and the identification of maintenance opportunities, thereby helping to solve our customers' challenges and create new value. We are also developing new products in Japan, North America, and Europe with the goal of creating a more comfortable and convenient lifestyle through the integration of IoT into the home.



Aladdin Connect (ODC)



Lion 4.0 (Novoferm)

### Launch of RemoSmaPro, an IoT management service for shutters

Sanwa Shutter Corporation began a Japan-wide rollout of RemoSmaPro in June 2026, an IoT service that enables remote monitoring and control of shutters and other entrance systems, and provides features such as anomaly notifications and history management. By centrally managing building entrances using data, we help reduce the burden on our customers' building management operations and improve the efficiency of our maintenance services.



## Strategy 2 Greater productivity through digitization

The Sanwa Group is working to improve operational efficiency through digital technologies while seeking to expand business by enhancing the working environment and reducing labor and manpower demands. At Sanwa Shutter Corporation's Ota Door Plant in Japan, automated guided vehicles (AGVs) and a warehouse management system for dispatching vehicles have been introduced to improve loading efficiency and enhance warehouse and inventory management. Truck loading and waiting times have been significantly reduced, resulting in improved delivery efficiency. At our overseas Group companies as well, we are working to improve productivity through the digitalization of manufacturing and service processes, such as the introduction of a new painting line at our automatic door plant in Mexico, and the implementation of an automated production line for hinged doors as part of the expansion of our door plant in Italy.

### Trends in investment amounts

|                    | 2024<br>actual | 2025<br>actual | 2026<br>forecast | Medium-term<br>Management<br>Plan 2027 cum.<br>target |
|--------------------|----------------|----------------|------------------|-------------------------------------------------------|
| Capital investment | ¥13.3 billion  | ¥12.0 billion  | ¥15.6 billion    | ¥40.0 billion                                         |
| IT investments     | ¥2.3 billion   | ¥2.2 billion   | ¥3.1 billion     | ¥10.0 billion                                         |
| Total investments  | ¥15.6 billion  | ¥14.2 billion  | ¥18.7 billion    | ¥50.0 billion                                         |

### Moving forward with APS and MES implementation

The Novoferm Group is advancing the digitalization of its planning and execution systems and is sequentially introducing APS (advanced planning and scheduling) and MES (manufacturing execution system) at each of its plants. The APS system enables highly accurate planning that reflects production capacity, while the MES allows for real-time monitoring of production progress and quality information. Utilizing these systems enhances the visibility and efficiency of production processes, in turn contributing to the improvement of the competitiveness of the entire Group.

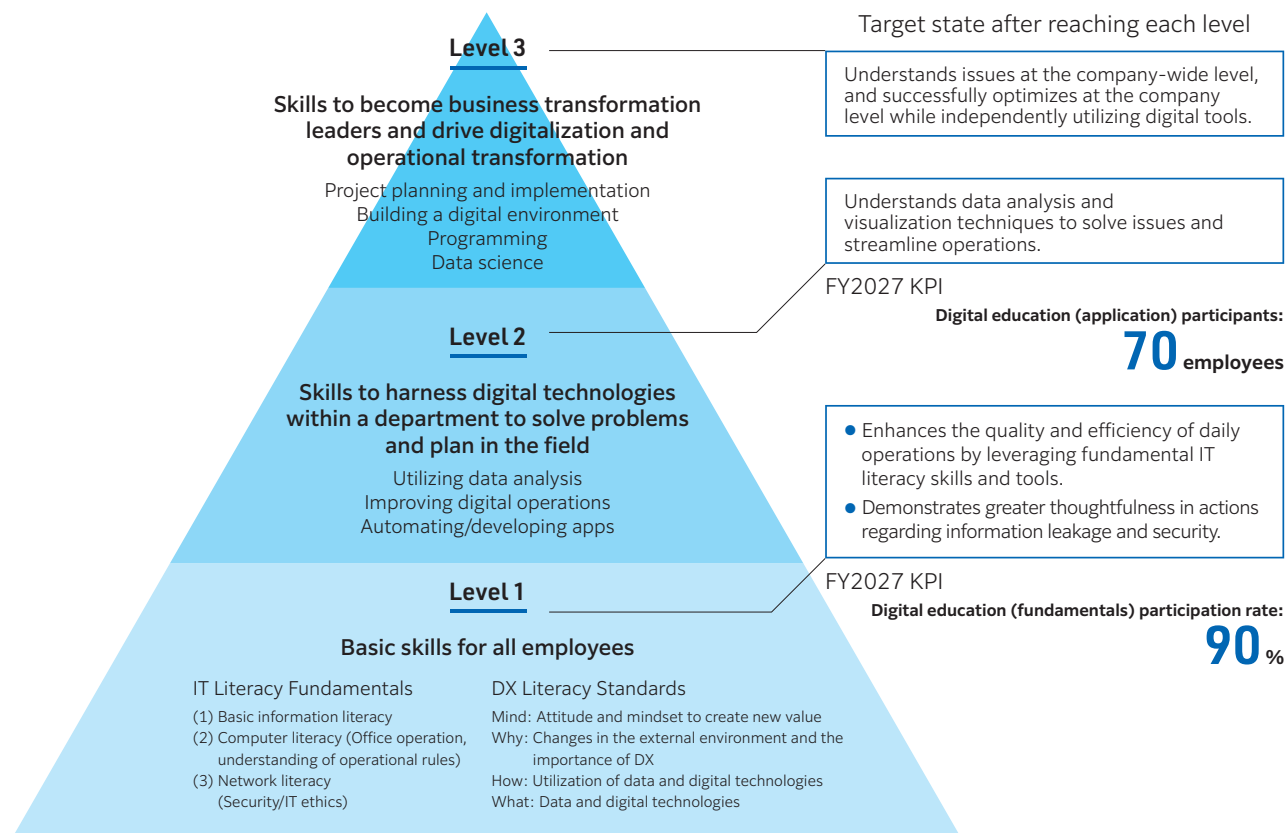
# Digitalization Strategy

## Strategy 3 Cultivation of DX professionals

As AI, IoT, and other information technologies evolve on a daily basis, companies have faced new challenges in securing human resources with the skills necessary for DX to leverage these technologies and boost their competitiveness. In fiscal 2022, the Sanwa Group established the goal of raising basic IT and DX literacy standards among employees. At Level 1,

the focus is on providing employees with foundational knowledge of IT and DX skills; at Level 2, on implementing operational reforms and productivity improvements through data utilization and the digitalization of operations; and at Level 3, on developing leaders who can drive business transformation. Through these efforts, we are working to enhance DX literacy Group-wide.

### Skill hierarchy for DX professionals



## Digital education implementation in FY2025

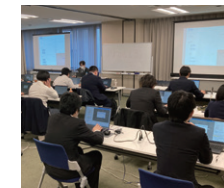
### ■ Fundamentals education

We conducted e-learning sessions covering a wide range of topics for all employees in Japan, including the necessity of utilizing digital technologies, IT ethics, security literacy, data collection and utilization, and fundamental DX knowledge.

**Fundamentals education participation rate**  
FY2025  
(FY2027 KPI: 90%) **83.8** %

### ■ Application education

We conducted a two-phase program for employees selected from each department, consisting of a one-day webinar on data utilization and a two-day training session on the Power Automate business automation tool.



**Application education participants**  
FY2025  
(FY2027 KPI: 70 employees) **81** employees

### Comments from participants

I used Power Automate to automate routine tasks I perform when arriving at work (such as clocking in and opening the daily report in Excel), which led to an improvement in operational efficiency of about 15 minutes per day.

I felt it would be useful for administrative tasks such as compiling production volume figures at the beginning and end of the month.

I gained a deeper understanding by comparing things to my own work when learning, such as the ability to partially automate the management of meeting materials data.

# Financial Strategy

## We will continue to prioritize profitability and capital efficiency, and pursue growth by enhancing corporate value through cost of capital management and achieving optimal capital allocation.

### Hiroyuki Yamazaki

Director, Senior Managing Executive Officer,  
Responsible for  
Corporate Planning Unit

### Looking Back on FY2025

Fiscal Year 2025 marked a transition from the post-pandemic recovery phase to a period of “slowdown and restructuring,” and was a year in which the global economy and politics strongly influenced one another. On the economic front, a slowdown in growth and progress in structural reforms became apparent, while on the political front, market uncertainty increased further due to tensions between major powers and policy shifts.

Under these circumstances, although the Sanwa Group achieved strong growth in Japan, our overseas operations in regions such as North America were affected by a deteriorating market environment, resulting in a decline in

both revenue and profit on a consolidated basis.

In Japan, while we continued to appropriately pass on cost increases caused by inflation to our selling prices, we also maintained strong sales of high-speed sheet shutters and other high-value-added products that contribute to improving the workplace environment and addressing environmental concerns. Our service operations also expanded steadily, and as a result of these efforts, profitability exceeded initial projections, with the operating profit ratio rising to 13.4%—one percentage point above our target.

Meanwhile, in North America, raw material and other costs rose due to the U.S. government’s tariff policies. Although we sought to pass on these increases to selling prices, the market

### Results and outlook for various indicators

|                        | FY2023<br>actual | FY2024<br>actual | FY2025<br>actual | FY2026<br>forecast | (Billions of yen)<br>Medium-term<br>Management<br>Plan 2027 |
|------------------------|------------------|------------------|------------------|--------------------|-------------------------------------------------------------|
| Net sales              | 611.1            | 662.4            | 660.7            | 677.0              | 750.0                                                       |
| Operating profit       | 65.36            | 80.52            | 79.1             | 81.0               | 95.0                                                        |
| Operating profit ratio | 10.7%            | 12.2%            | 12.0%            | 12.0%              | 12.7%                                                       |
| SVA*1                  | 32.2             | 41.8             | 38.0             | 38.0               | 46.0                                                        |
| ROIC*2                 | 16.1%            | 18.5%            | 17.3%            | 17.3%              | 18.5%                                                       |
| ROE                    | 16.5%            | 19.0%            | 17.8%            | 17.0%              | 19.0%                                                       |

\*1 We have calculated the weighted average cost of capital (WACC) at 7% (changed to 7% starting with Medium-term Management Plan 2027 [fiscal 2025]) and the tax rate at 33%.

SVA is our proprietary value-added metric; we are aiming for a cost of shareholders’ equity of 8%.

\*2 Return on invested capital = Net operating profit after tax (NOPAT) ÷ invested capital × 100

## Financial Strategy

failed to recover in both the residential and non-residential sectors, leading to a decline in sales volume and, as a result, a decrease in both revenue and profit on a yen basis. The market environment in Europe remained challenging as well, with no signs of recovery, and we fell short of our targets. In Asia, although we pushed forward with structural reforms in our East China operations in an effort to improve performance, both sales and profit fell short of projections.

As a result, while the Group as a whole did not achieve its targets for either operating profit or ordinary profit, it achieved record-high net profit, partly due to the recognition of extraordinary income and other items. At the same time, we continue to recognize the promotion of M&A, as well as the recruitment and development of human resources, as important challenges. Furthermore, while our initiatives related to disaster preparedness, climate change response, IoT, and AI are progressing as planned, there is a need to accelerate them further.

In terms of capital efficiency, both ROE and ROIC remained flat at 17.8% and 17.3%, respectively. With regard to shareholder returns, following a review of the dividend policy presented in the Medium-term Management Plan 2027 and



based on a target dividend on equity (DOE) ratio of 8%, we increased the annual dividend by ¥24 to ¥130. In addition, regarding the total of ¥40 billion in share buybacks outlined under the plan, we are continuing to actively pursue this initiative, having carried out ¥20 billion in the first year and announcing that we will carry out ¥10 billion in the second year, which is the current fiscal year.

### Progress on Medium-term Management Plan 2027 Capital Policy

The foundation of our capital policy going forward will be to emphasize a balance between financial stability and capital efficiency. And the content of this capital policy remains unchanged: we aim to increase corporate value over the medium to long term through management that is conscious of the cost of capital and stock price, and through the optimal allocation of funds to investment for sustainable growth and to shareholder returns.

In fiscal 2025, the first year of our Medium-term Management Plan 2027, our business performance and various indicators showed some stagnation. However, we have not revised our targets and will continue to work toward improvement.

We will also continue to place importance on SVA, our proprietary metric introduced in fiscal 2001, and strive to improve capital efficiency on an ongoing basis. Due to factors such as an increase in WACC from 6% to 7% and a decline in ROIC compared to the previous fiscal year, SVA temporarily decreased from ¥41.8 billion in the previous fiscal year to ¥38.0 billion in fiscal 2025. However, our target for SVA under the Medium-term Management Plan 2027 remains ¥46.0 billion.

We position ROIC as an important management indicator, and manage our capital efficiency not only at the overall Group level but also by region. Through analyses of ROIC by region, we evaluate the competitiveness of each of our businesses in terms of both profitability and capital efficiency, and use these insights to optimize capital allocation and our business portfolio.

### Visualization of ROIC\* by Region in FY2025



\* The invested capital used for ROIC by region is calculated as current assets (excluding cash) + non-current assets (excluding goodwill) – liabilities (excluding interest-bearing debt).

In Japan, we will steadily achieve stable growth by expanding our lineup of high-value-added products—such as our climate change response products—and by growing our thriving service operations. Although we have already achieved the operating profit ratio target set in our medium-term management plan, we will strive to maintain and further strengthen this high level going forward.

In North America, although profitability improved significantly during the previous medium-term management plan period, progress stalled in the first year of the current plan. This was due to sluggish market conditions in both the residential and non-residential sectors. Going forward, we will closely monitor interest rate trends, capitalize on the recovery in residential investment and capital expenditures for industrial use, and further strengthen our efforts to reduce costs and improve productivity, with the goal of achieving an operating profit ratio of 20% or more.

Although market conditions in Europe remained challenging in fiscal 2025, we expect a gradual recovery going forward, led primarily by the housing market. We will work to improve profitability as sales volumes recover. In addition, we will continue to improve our operational foundation through business restructuring, cost reduction, improvements in production efficiency, the promotion of digitalization, and the strengthening and optimization of our sales structure.

In Asia, while our Hong Kong and Taiwan operations are

## Financial Strategy

performing well, our market share in the region as a whole is low, and we continue to face challenges in terms of business performance and profitability. Going forward, we will aim for stable profitability by further advancing the localization of our management to optimize prices and specifications in line with regional market characteristics as well as strengthen our cost competitiveness. We will also embark on structural reforms to drive fundamental improvements.

As discussed above, while Japan is currently performing well, North America, Europe, and Asia are all facing difficult conditions. Going forward, we will carefully assess our business

portfolio and, based on a strategy grounded in a medium- to long-term perspective, build a solid management foundation capable of withstanding changes in the external environment, thereby achieving sustainable growth.

### Cash Allocation and Shareholder Returns

Historically, backed by ample cash on hand, we have prioritized growth investments and shareholder returns. Moving forward, however, we will consider restructuring our cash allocation to include investments in human capital, as described below.

With regard to shareholder returns, we have been making use of an 8% dividend on equity (DOE) ratio as a guideline and have strived to pay stable dividends. However, in light of recent market conditions and fluctuations in financial indicators, we have decided to revise our dividend policy from fiscal 2026 in order to establish a more stable and transparent dividend policy. We will change from a target DOE ratio of 8%, based on total equity, to a target DOE of 10%, based on shareholders' equity.

We made this decision due to differences in the nature of the indicators. Total equity includes items that are sensitive to market conditions, such as foreign currency translation adjustments and valuation difference on available-for-sale securities, and may fluctuate independently of a company's underlying earning power. Consequently, when using total equity as a benchmark, dividend levels were prone to fluctuations due to external factors, making it difficult for shareholders to make future projections.

On the other hand, shareholders' equity consists of pure capital entrusted to the company by its shareholders and is a relatively stable indicator. By using this as a benchmark, it becomes possible to establish a sustainable and predictable dividend policy that is aligned with our profitability and financial foundation. This change demonstrates our clear dedication to delivering more stable and predictable dividends.

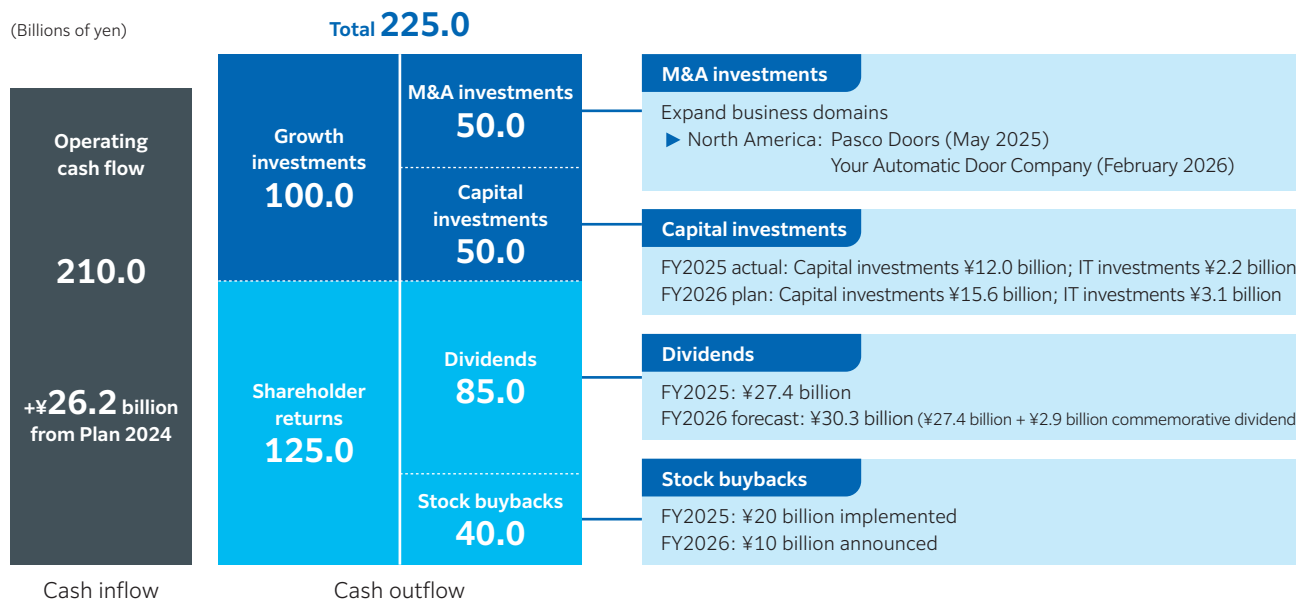
In addition, to mark our 70th anniversary and as a token of our appreciation to our shareholders, we will pay a commemorative dividend of ¥14 in fiscal 2026, bringing the annual dividend to ¥146. Furthermore, we plan to use this level as a benchmark for the minimum dividend amount for the next fiscal year and beyond. Rather than treating the commemorative dividend as a one-time event, we will use it as a standard for future dividend levels, thereby demonstrating our strong commitment to providing stable returns that are not subject to fluctuations in business performance.

Under the Medium-term Management Plan 2027, we will continue to actively promote M&A as a pillar of our growth strategy. Although the amount actually invested to date remains in the range of several hundred million yen, there is no change to

#### Allocation of Cash Flow

##### Medium-term Management Plan 2027 FY2025–FY2027 cumulative

(Billions of yen)



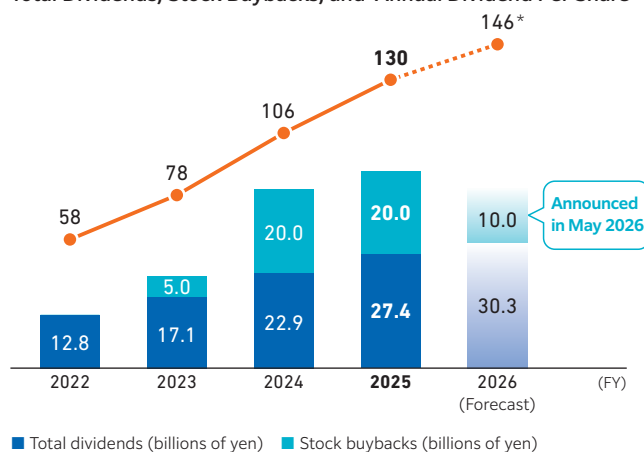
## Financial Strategy

our investment plan totaling ¥50 billion. By region, we will focus on expanding our product lineup in Japan, expanding our business scope in North America, and strengthening our industrial door and service operations in Europe. In particular, we see significant room for expansion in our core businesses in Europe, and increasing growth opportunities in peripheral domains such as IoT and automation in North America.

In addition, we are planning on ¥40 billion in capital investments and ¥10 billion in IT investments, and progress in the first year was generally in line with our plans. Together with strengthening our manufacturing capacity, we will promote productivity improvements through digitalization and work to streamline not only our production processes but also related operations.

With regard to cash flow, we expect it to exceed the levels achieved during the previous medium-term management plan over the course of the Medium-term Management Plan 2027 period. While investing a total of ¥100 billion in M&A and capital expenditures, we expect to generate ¥110 billion in free cash

**Total Dividends, Stock Buybacks, and Annual Dividend Per Share**



\* The fiscal 2026 forecast includes a commemorative dividend of ¥14.

flow. Furthermore, we plan to return ¥125 billion to shareholders and intend to do so proactively at a level exceeding our free cash flow. In addition, if investment falls short of our plans, we will flexibly consider further expanding shareholder returns to optimize our capital allocation.

Along with this, to maintain financial stability, we have set a new target for cash reserves of 1.5 to 2 months' worth of monthly sales. We consider this to be a level that will enable us to operate our businesses stably even in an uncertain environment.

### Future Outlook

Going forward, we aim to increase corporate value over the medium to long term through the optimal allocation of funds between investments for sustainable growth and shareholder returns, as well as through the expansion of equity spread. To achieve this, we will promote ROIC-based and SVA-based management grounded in suitable equity management, while also working to further strengthen our corporate governance through measures such as reducing business risks and enhancing the transparency of our disclosures. Through these measures, we aim to maintain and improve our PER and PBR at high levels.

At the same time, we will focus on strengthening our balance sheet management by optimizing the balance between fundraising and investment under a well-defined financial strategy, with the aim of maximizing capital efficiency while ensuring financial stability.

Furthermore, there remains significant room for growth in business domains where we can leverage our core competencies. As opportunities to create new value continue to expand against the backdrop of environmental changes and technological innovations such as IoT, we will contribute to solving our customers' challenges through means that include improving their working environments with thermally insulated high-speed sheet shutters; and reducing their workload with RemoSmaPro, a service enabling remote



monitoring and control.

In addition, as mentioned earlier, we will continue to strengthen our investment in human capital. Our people are the foundation of our value creation. Of particular note, to address the revitalization of our workforce, a challenge of paramount importance amid a declining birthrate and aging population, we will aim to create an environment where employees can work with enthusiasm and strive to improve engagement. Through these efforts, we will seek to achieve both enhanced profitability and improved work-life balance for our employees.

More specifically, we are working to improve employee engagement through initiatives such as conducting an engagement survey for all employees across our Group companies in Japan, and granting stock through the Employee Stock Ownership Plan as part of our 70th-anniversary commemorative activities. Furthermore, as an enterprise which provides comprehensive services that include installation and maintenance, our proven technical skills and prompt response capabilities are underpinned by our talented workforce. Our maintenance and service operations are becoming increasingly important in terms of both sales and earnings, and our workforce will remain a key pillar of our earnings base going forward. In light of these factors, we will continue to actively invest in human capital, treating the recruitment and development of talent as a top priority.

# The Sanwa Group's Global Strategies | History of Overseas Expansion

Ever since the establishment of Sanwa Shutter (HK) Ltd. in 1986, globalization has been a driving force for the Sanwa Group that has placed it ahead of its peers. Today, we have operations spanning 28 countries and regions around the world. As a global leader of smart entrance solutions, we have established a strong presence in the key regions of Japan, North America, and Europe.

- 1986** • Established Sanwa Shutter (HK)
- 1988** • Established An-Ho Metal Industrial (Taiwan)
- 1990** • Established Sun Metal (Thailand)
- 1996** • Acquired Overhead Door Corporation (U.S.)
- Established PT. Sanwamas Metal Industry (Indonesia)

The Genuine. The Original.



- 2003** • Acquired Novoferm Group (Europe)
- 2006** • Established Shanghai Baochan-Sanwa Door
- 2008** • Established Vina-Sanwa (Vietnam)
- 2009** • Acquired the door business of Wayne Dalton (U.S.)



Intelligent Door Solutions



- 2011** • Acquired business of Automatic Door (U.S.)
- Acquired Creative Door Service (Canada)
- 2012** • Acquired business of Door Controls (U.S.)
- Acquired business of Advanced Door Automation (U.S.)
- 2013** • Acquired business of Texas Access Controls (U.S.)
- 2014** • Acquired Alpha Deuren (Netherlands)
- 2016** • Acquired Norsud Gestion (France)
- 2018** • Acquired Bolton Gate Services (U.K.)
- Acquired Lux Overhead Door (U.S.)
- 2019** • Acquired Robust (Sweden)



- 2021** • Acquired Won-Door (U.S.)
- Acquired Manuregion (France)
- 2022** • Acquired AUB (Hong Kong)
- 2023** • Acquired Door Control (U.S.)
- 2025** • Acquired Pasco Doors (U.S.)



Net sales  
(consolidated)  
¥660.7 billion

Japan  
44%

North America  
37%

Europe  
17%

Asia  
2%

## North America

1997 (at time of acquisition)

\$597 million

2005 (20 years ago)

\$747 million

2015 (10 years ago)

\$910 million

2025 (present)

\$1,615 million

## Europe

2004 (at time of acquisition)

€340 million

2015 (10 years ago)

€399 million

2025 (present)

€678 million

# The Sanwa Group's Global Strategies | Overview by Region

FY2025  
Net sales  
(consolidated)  
¥660.7 billion

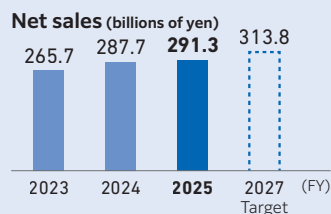
Japan

North America

Europe

Asia

## Japan



### Strengths

- Product lines with top market share and strong brand power
- High entry barrier business model seamlessly integrated from development to sales, design, production, installation, and after-sales service
- Nationwide sales network comprising around 350 locations (divisions) and a robust installation structure of some 4,000 installers
- A stable base of recurring revenue centered on maintenance and servicing
- Ability to address social issues through disaster preparedness and climate change response products

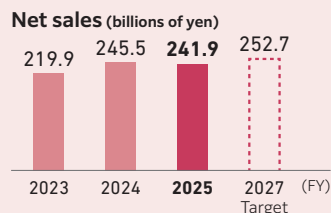
### Opportunities

- Growing demand for disaster preparedness and climate change response products
- Growing demand for data centers and semiconductor-related plants
- Increased demand for maintenance and upgrades against the backdrop of stricter safety regulations
- Creating high added value through smart technology and IoT
- Improving productivity and profitability through digitalization and automation

### Risks

- Rising costs of raw materials, energy, and labor
- Decline in the number of new housing starts
- Decline in competitiveness due to failure to keep pace with technological innovation
- Constraints on construction capacity due to labor shortages
- Supply chain disruptions caused by geopolitical risks

## North America



### Strengths

- Diverse sales channels and a broad customer base
- Strong brand power backed by 105 years of history as a sectional door pioneer
- A wide range of products in addition to door products, including door operators and automatic doors

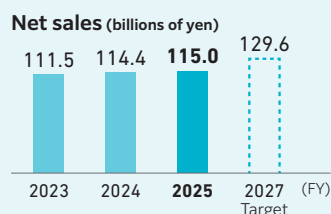
### Opportunities

- Increasing market share through sales network expansion
- Expansion into the high-value-added product sector
- Improving productivity and strengthening profitability through plant restructuring and investments in automation
- Expansion of gross order volume leveraging an extensive product lineup

### Risks

- Cost increases due to tariffs and trade policies
- Sluggish housing demand due to persistently high interest rates
- Slowdown in capital and construction investment due to the economic downturn
- Supply chain disruptions caused by geopolitical risks

## Europe



### Strengths

- A broad range of products and services covering all of Europe
- Economies of scale achieved through our manufacturing and logistics network
- Highly specialized personnel and strong Group collaboration
- Increased operational efficiency and strengthened competitiveness through digital technology

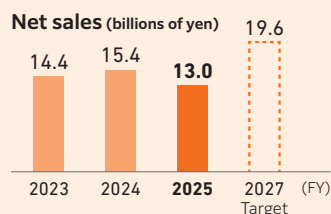
### Opportunities

- Improving profitability through the expansion of industrial products and services
- Expansion of logistics facilities and infrastructure market
- Improving profitability through the standardization of specifications, integration of networks, and centralization of procurement
- Enhancing added value through digitalization, including the use of AI in sales, project operations, and services

### Risks

- Delayed recovery in the European construction market
- Rising energy and labor costs
- Execution risks associated with large-scale transformations, such as business transformation and digitalization
- Declining profitability due to intensifying competition in areas such as technical capabilities and price
- Slowdown in the economy leading to a decline in capital and construction investment
- Supply chain disruptions caused by geopolitical risks

## Asia



### Strengths

- Stable supply and high quality through integrated production and sales system
- A lineup of high-quality products that leverage Japanese technology
- Group synergies and sales infrastructure for Japanese companies

### Opportunities

- Growing demand for construction amid ASEAN economic growth
- Expansion of infrastructure investment
- Room for market share growth due to absence of market leaders

### Risks

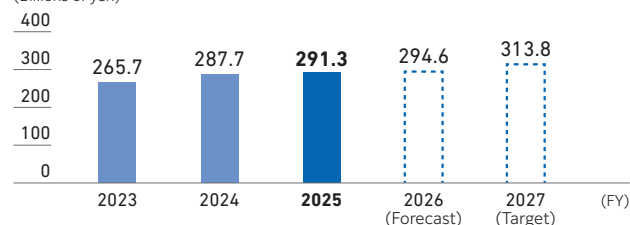
- Political and regulatory change risks
- Rising costs of raw materials, energy, and labor
- Business environment deterioration due to geopolitical risks

# Strategies by Region Japan



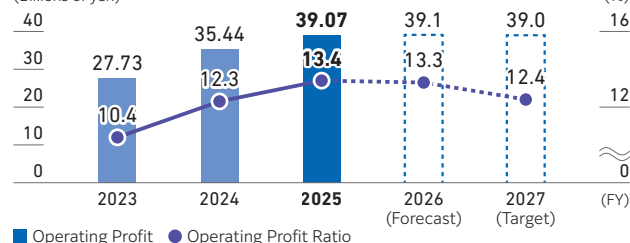
## Net Sales

(Billions of yen)

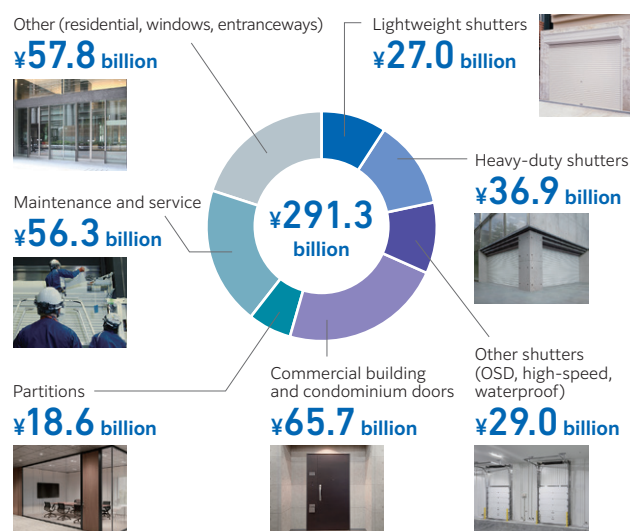


## Operating Profit / Operating Profit Ratio

(Billions of yen)



## FY2025 Net Sales Composition by Product



## We will expand our circular business model by enhancing products and services ready to meet the needs of a changing environment.

### Meiji Takayama

Representative Director and President, Sanwa Shutter Corporation



In fiscal 2025, the first year of our Medium-term Management Plan 2027, we focused on growth areas and worked to improve profitability in line with our basic strategies. Specifically, we steadily captured demand centered on production and logistics facilities, while also moving forward with efforts to meet demand for the renewal and renovation of existing buildings. In addition, we promoted climate change response products and other solutions that contribute to resolving our customers' challenges, thereby enhancing the added-value we provide and improving profitability. Furthermore, our efforts to pass on rising material and other costs to selling prices have gained traction, resulting in an operating profit ratio of 13.4%, which exceeded initial forecasts and equals a year-on-year increase of 1.1 percentage points.

On the other hand, the business environment remained uncertain, and chronic labor shortages and persistently high construction costs led to longer construction periods and project delays. Under these circumstances, we worked to stabilize our business operations by thoroughly managing

orders, carefully assessing project details, and improving business processes through digitalization.

While the market environment is expected to remain similar in fiscal 2026, social demand for disaster preparedness and climate change response measures as well as for the utilization of existing building stock is steadily increasing. We will therefore promote our initiatives based on the view that this situation represents an opportunity for further growth.

We will continue to offer high-value-added products and, in line with our medium-term management plan's goal of establishing our partition operations as a core business, we will work to strengthen both the sales and manufacturing operations and enhance our production capabilities for door products.

We also position the recruitment and development of human resources as an important management issue, and by strengthening our efforts in this area alongside promoting digitalization, we will continue to build the infrastructure for achieving sustainable growth.

## Frequently Asked Questions from Investors

- Q.** Tell us which business areas or product categories are performing particularly well and the reasons behind that.
- A.** Our maintenance and service operations are steadily capturing demand for the maintenance and management of existing buildings, and are seeing stable expansion. In addition, we are receiving increased inquiries regarding our climate change response products that help reduce CO<sub>2</sub> emissions, and products that contribute to improving the workplace environment, as high-value-added offerings.
- Q.** Tell us about your initiatives and outlook for improving the operating profit ratio going forward.
- A.** We are steadily passing on increases in material costs and other expenses to our selling prices. At the same time, we are promoting operational efficiency through capital and digital investments in order to improve our operating profit ratio through increased productivity.

# Strategies by Region

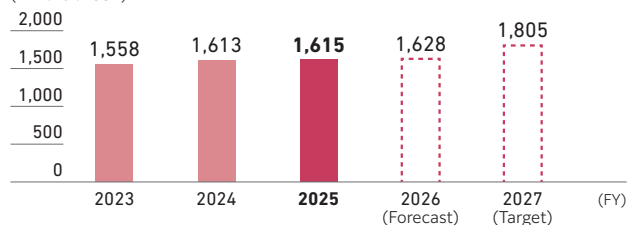
## North America

The Genuine. The Original.



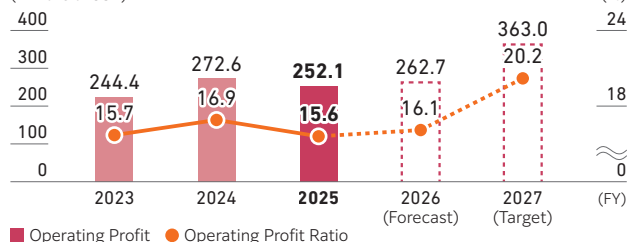
### Net Sales

(Millions of USD)

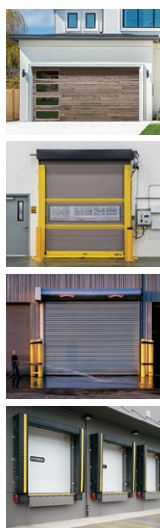


### Operating Profit / Operating Profit Ratio

(Millions of USD)



### FY2025 Net Sales Composition by Product



Even as market uncertainty increases, we will steadily execute our strategies and continue to achieve growth that exceeds expectations.

### Kelly Terry

Overhead Door Corporation President & CEO



In fiscal 2025, the business environment remained challenging due to a slower than expected recovery in demand in both the residential and non-residential markets, as well as ongoing inflation, persistently high interest rates, and rising raw material and other costs resulting from tariff policies. Against this backdrop, we implemented strategic pricing policies and pursued cost reductions, while also working to expand our sales channels and strengthen our business foundation through the acquisition of an automatic door service and installation company. While our vehicle access (door products) operations struggled due to sluggish demand, our electronic access control (door operators) and pedestrian access (automatic doors) operations performed steadily. However, due in part to a decline in productivity caused by lower production volumes and temporary disruptions in production, our aims to improve profitability across our North America operations as a whole remained at an impasse.

Looking ahead to 2026, we remain cautiously optimistic about the year despite market challenges--particularly in the residential segment--which will temper our pace in the first half. Nevertheless, we remain focused on delivering meaningful sales growth and margin improvement as we progress toward our Medium-term Management Plan goal of 20% operating profit ratio. Our strategy centers on four pillars: growing our core business through demand generation and channel expansion, improving cost competitiveness via plant automation and low-cost country manufacturing, deploying scalable IT systems, and expanding into adjacencies such as dock equipment and gate operators. By identifying and executing strategic investment opportunities that drive efficiency, we are well-positioned to navigate current market uncertainties while building a foundation for sustainable long-term growth as conditions normalize.

### Frequently Asked Questions from Investors

- Q.** Explain the factors behind the increase in the operating profit ratio over the past few years and the initiatives you are undertaking to further improve it.
- A.** During the previous medium-term management plan period, in response to the sharp rise in steel prices following the recovery in demand after the COVID-19 pandemic, we successfully passed on these costs to our sales prices. We subsequently maintained high price levels through our pricing strategy, and, in addition, we implemented measures to enhance productivity, significantly improving our operating profit ratio. Although the operating profit ratio has temporarily plateaued due to the sluggish market conditions, with the aim of further improving profitability, we will continue to pursue initiatives to improve productivity and optimize our production structure through the consolidation of plants following the implementation of a Group-wide system.

- Q.** With sales of door products stagnating, could you explain why sales of door operators and automatic doors are performing well?
- A.** With regard to door operators, we are steadily increasing sales by introducing new products that accurately reflect market trends. With regard to automatic doors, productivity increases resulting from the relocation of production to our plant in Matamoros, Mexico have led to significant improvements in costs and delivery times, which in turn have contributed to sales growth.

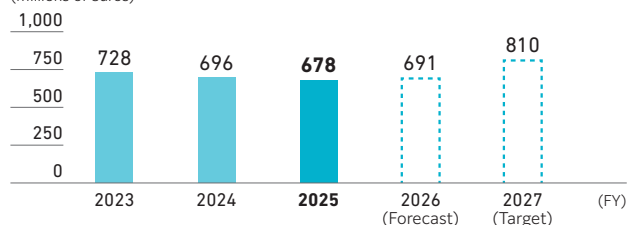
# Strategies by Region

## Europe

novoferm

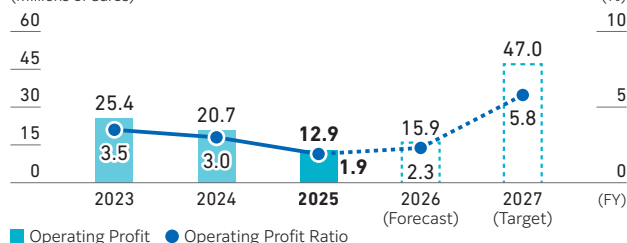
### Net Sales

(Millions of euros)



### Operating Profit / Operating Profit Ratio

(Millions of euros)



### FY2025 Net Sales Composition by Product



To ensure we capitalize on the recovery of the market, we will overcome challenges and promote strategic transformation.

**Christian Hasenest**

Novoferm Group CEO



In fiscal year 2025 we defined a clear transformation agenda to ensure progress toward achieving our Vision 2030. Market conditions remained challenging across Europe, particularly in the residential segment. At the same time, the Industry and Service segments demonstrated solid resilience and continued positive customer demand. We achieved important steps in digital production through Advanced Planning and Scheduling (APS) and Manufacturing Execution System (MES), which increased transparency and planning accuracy in several plants. Furthermore, initiatives such as the European Competence Center for Data Centers and the development of an international Key Account Management model strengthened customer proximity and prepared the organization for scalable growth. Profitability remained under pressure due to heterogeneous segment performance, structural inefficiencies and rising operational costs. Nevertheless, efficiency programs were initiated and first operational improvements were realized.

In 2026 we will accelerate the implementation of the One Novoferm strategy. Our central focus is the establishment of an integrated European group supported by the Value Stream structure, a unified Operations organization and a consistent IT landscape. While both the Value Streams and the harmonized production network will be implemented in 2026, their measurable financial impact will follow gradually and is expected from 2027 onwards. We expect strong momentum in the Service and Industry segments supported by full portfolio availability in all markets. The growing demand for data centers will be captured and our position in logistics and infrastructure projects will be strengthened. The systematic rollout of digital solutions will further enhance customer value and internal efficiency. In addition, the Iran war that began in 2026 may increase energy and financing costs, which could lead to temporary investment hesitation in the construction sector. Even so, the strategic transformation provides clear opportunities to reinforce our growth ambitions and steadily improve profitability.

## Frequently Asked Questions from Investors

**Q.** Tell us the factors behind the sluggish operating profit in your European operations and outline your plans for improvement going forward.

**A.** Since needs such as legal regulations and design requirements vary from country to country in Europe, it is often the case that customized solutions are required, resulting in a structure where it is relatively difficult to increase the operating profit ratio. In addition, the market environment has continued to be sluggish in recent years due to the impact of the COVID-19 pandemic and geopolitical risks. Going forward, predicated on a market recovery, we will strengthen our highly profitable service operations by combining them with our industrial products and thus aim to improve the operating profit ratio.

**Q.** What is your plan for expanding your European operations going forward?

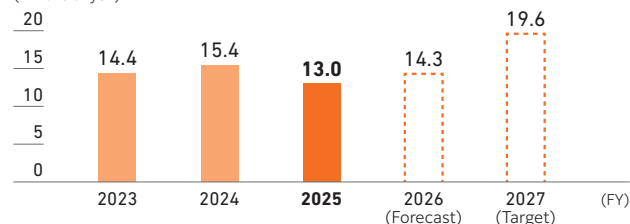
**A.** In addition to the fact that the European shutter and door market is less concentrated than those in Japan and North America, there are many regions where we have not yet established a presence, leaving room for expansion in terms of both products and geographic reach. Going forward, in addition to our efforts to expand our existing operations, we will explore opportunities for business expansion, including M&A, based on a thorough review of our business portfolio.

## Strategies by Region

### Asia

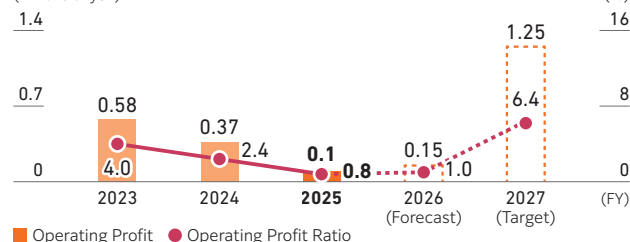
#### Net Sales

(Billions of yen)

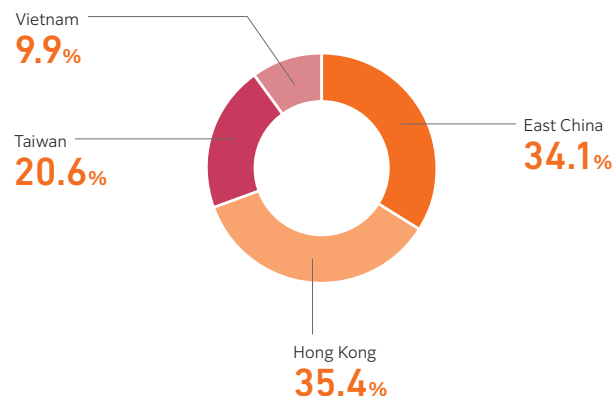


#### Operating Profit / Operating Profit Ratio

(Billions of yen)



#### FY2025 Net Sales Composition by Region (consolidated)



**We will aim to build a foundation for stable growth in our Asian operations by strengthening and optimizing our business structure.**

In our Asian operations for fiscal 2025, we advanced initiatives aimed at achieving profitable growth in accordance with the basic strategies outlined in our Medium-term Management Plan 2027. In Taiwan, our business performance remained steady, driven by demand for capital investment centering on semiconductor plants, and we maintained a strong market presence. In Vietnam, where we had been struggling for the past few years, efforts to improve management have led to the acquisition of major projects and improved profitability, and we are now beginning to enter a recovery trend. Meanwhile, while we had maintained strong results in Hong Kong in recent years, particularly for large-scale properties, our results for fiscal 2025 in this region were somewhat subdued due to a pullback from the previous year.

Against this backdrop, in fiscal 2025, we positioned improving the management of our East China operations as our top priority and have been implementing structural reforms in the areas of organization, sales, and

administration. Although we focused on localizing our sales channels and product mix, the market environment remained challenging due to the slump in the real estate market, and we still face operational challenges, so a recovery will still take some time. The operating profit ratio for our Asian operations as a whole was 0.8%, down 1.6 percentage points from the previous year, falling short of initial expectations.

We anticipate that, while there will be regional variations, the business environment in the Asian market for fiscal 2026 is unlikely to see any significant improvement from current levels overall. Given this context, we will work to maintain and strengthen our business foundation in Taiwan, while also optimizing our operations by consolidating manufacturing and management functions across our three Hong Kong subsidiaries. Furthermore, in China and Vietnam, we will work to establish a solid revenue base and achieve sustainable growth by strengthening our sales and manufacturing structures.

#### Frequently Asked Questions from Investors

**Q.** Tell us about the market environment and market share in each region.

**A.** Demand in Taiwan remains strong, centering on semiconductor plants. Although we hold a large share of the Hong Kong shutter market, the competitive landscape is changing due to factors such as the entry of mainland general contractors. We are working to adapt our operations to local conditions in East China and Vietnam, but we are still only at the halfway point of our market share expansion efforts.

**Q.** Will you not be expanding your operations in Asia through M&A?

**A.** In Asia, because the level of market maturity differs from that in North America and Europe, our basic approach is to expand our operations through joint ventures with local companies or by establishing our own local subsidiaries. That being said, in fiscal 2022, we completed our first Asian M&A outside Japan in Hong Kong, and we will continue to explore opportunities for business expansion and synergies as they arise.

## ESG Material Issues

### Identifying material issues to achieve our desired state in 2030

For a company to grow sustainably in the face of a rapidly changing environment, it is important for it to move its business forward at the same time as contributing to solving social issues, and to respond and transform to keep one step ahead of changing trends. Even in an era of great uncertainty, to receive the support of stakeholders and continue creating value that is useful to society, the Group is advancing a variety of initiatives toward achieving the Sanwa Global Vision 2030. To guide these efforts, we have established 11 ESG material issues, consisting of the three themes of Manufacturing, Environment, and People, internal and external factors that have a particularly significant impact on the Group, as well as the Management Foundation that supports these themes.

Within the three themes, the Sanwa Group will create distinctive value by linking our Environment and People initiatives around the core axis of our Manufacturing initiatives.

### Creating value by linking **Manufacturing** and **Environment**

#### Reducing environmental impact with products and services

We are developing products that reduce CO<sub>2</sub> emissions around the world. By increasing the airtightness of building entranceways and the efficiency of air conditioning, our products contribute to energy savings, which in turn help to reduce environmental impact.

#### Integrating climate change response and improved profitability

By matching our technological capabilities (seeds) to global environmental conservation issues (needs), we aim to contribute to the climate change response and improve profitability.

### Creating value by linking **Manufacturing** and **People**

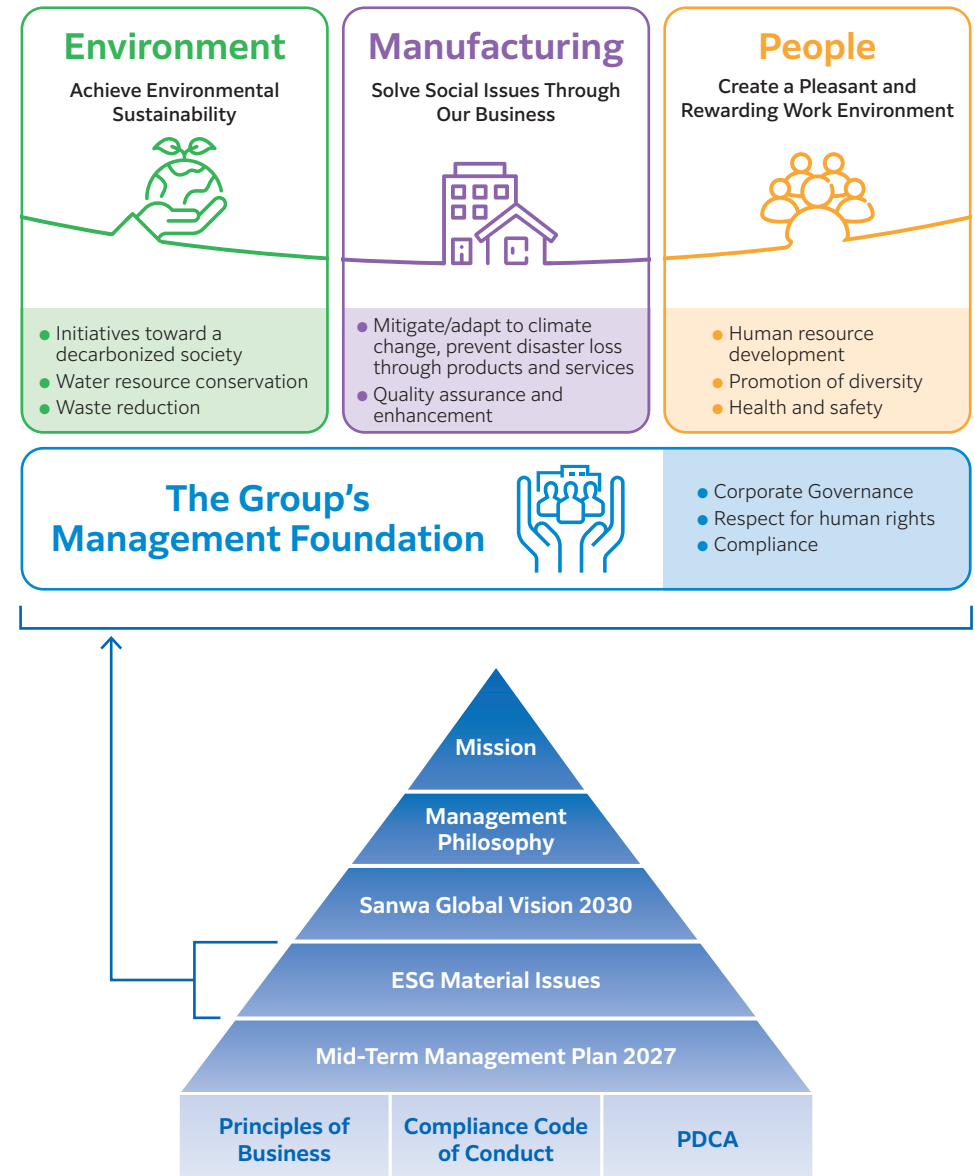
#### Improving job satisfaction

By providing society with products and services that contribute to the safety and security of communities and of everyday life, our employees can feel a sense of pride and accomplishment in their work.

#### Harnessing technological and development capabilities

The expertise, technological and development capabilities each employee possesses are the driving forces behind our business advancement and the source of our value creation.

Here at the Sanwa Group, we will further accelerate our efforts to tackle the three themes in accordance with this approach and framework. By doing so, we will increase our sustainable corporate value and fulfill our responsibilities as a company by carrying out our mission of safety, security, and convenience.

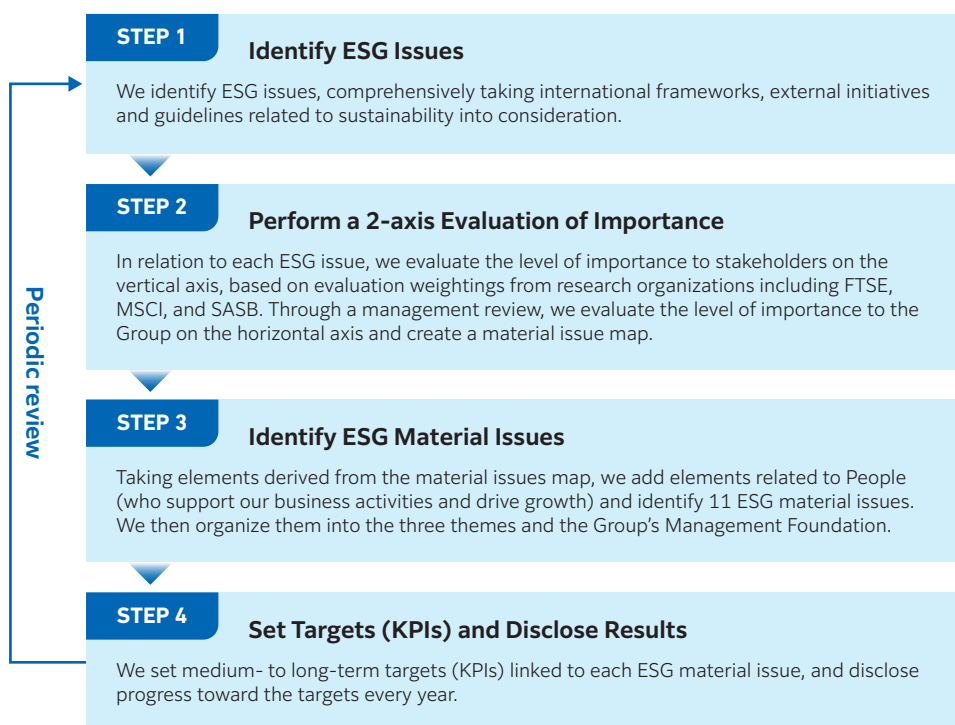


# ESG Material Issue Identification Process and Promotion Structure

To promote sustainable management, the Group has identified 11 ESG material issues (consisting of the three themes of Manufacturing, Environment, and People, as well as the Management Foundation that supports these themes). We will move forward with measures to achieve the KPIs we have set with the aim of realizing the Sanwa Global Vision 2030, and we will strive to improve corporate value through dialogue and collaboration with stakeholders.

## Process of identifying ESG material issues

In 2025, we partially revised our KPI items and raised our numerical targets in conjunction with the formulation of our Medium-Term Management Plan 2027.

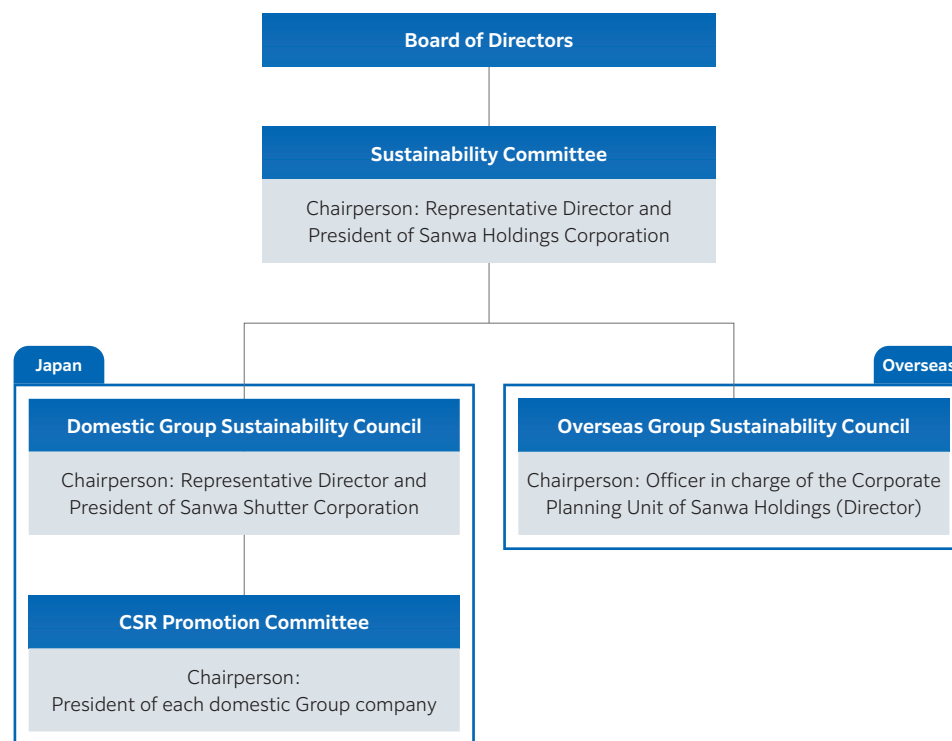


## Sustainability Committee

We aim to increase medium- to long-term value by implementing sustainability practices. In order to do so, the Sustainability Committee (chaired by the Representative Director and President of Sanwa Holdings) meets once per quarter, to deliberate on and drive the Group's sustainability policies and other related issues.

Regular reports are also made to the Board of Directors, building a sustainability management system in coordination with various Japanese and overseas meeting bodies.

## Sustainability Promotion Structure



# ESG Material Issues and KPIs

| Material issue themes                                                                                                                                                  | Vision                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | ESG material issues                                                                       | Items                                                              | FY2025 results                                                           | Medium-Term Management Plan 2027 KPIs                                                  | Scope                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------|
| <b>Manufacturing</b><br>Solve Social Issues Through Our Business<br><br>▶ pp. 35–36   | The Group has been contributing to the realization of safe, secure, and convenient societies around the world by providing entrance products designed to prevent, protect, and separate, such as shutters, doors, and partitions, protecting lives and properties from disasters and crimes. We help solve social issues with reliable technologies and quality to meet society's diversifying needs and ensure its sustainability.                                       | Mitigate/adapt to climate change, prepare for disaster loss through products and services | Net sales of climate change response-related products (mitigation) | ¥107.9 billion                                                           | ¥112.0 billion (FY2027)                                                                | Consolidated               |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           | Net sales of climate change response-related products (adaptation) | ¥27.9 billion                                                            | ¥28.0 billion (FY2027)                                                                 |                            |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           | Net sales of disaster preparedness products                        | ¥83.0 billion                                                            | ¥90.0 billion (FY2027)                                                                 |                            |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           | Net sales in the maintenance and service business                  | ¥91.3 billion                                                            | ¥102.0 billion (FY2027)                                                                |                            |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Quality assurance and enhancement                                                         | Achieve quality targets in line with each company's quality policy | —                                                                        | —                                                                                      |                            |
| <b>Environment</b><br>Achieve Environmental Sustainability<br><br>▶ pp. 37–38         | As a Group that utilizes natural capital in the course of its business activities, we will work to reduce CO <sub>2</sub> emissions and contribute to the realization of a carbon-neutral society. We will also take steps to reduce our water consumption and waste emissions by using water and raw materials more efficiently, thereby reducing our environmental footprint.                                                                                           | Initiatives toward a decarbonized society                                                 | Reduction of CO <sub>2</sub> emissions (Scope 1 + 2)               | Reduce by 16.9% compared to FY2019                                       | Reduce by 20% compared to FY2019 (FY2027)<br>Reduce by 30% compared to FY2019 (FY2030) | Sanwa Shutter Corporation  |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Preserving water resources                                                                | Reduction of water usage intensity (at plants and offices)         | Reduce by 25.6% compared to FY2020                                       | Reduce by 30% compared to FY2020 (FY2030)                                              |                            |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Reduction of waste                                                                        | Reduction of waste intensity (at plants and offices)               | Reduce by 60.6% compared to FY2020                                       | Reduce by 60% compared to FY2020 (FY2030)                                              |                            |
| <b>People</b><br>Create a Pleasant and Rewarding Work Environment<br><br>▶ pp. 39–42 | We respect the diversity of all people involved in the Group, who support our business activities and drive growth, and provide them with a safe work environment. We maximize corporate value by ensuring the growth of both individuals who can act independently from the perspective of overall optimization, and an organization that is both pleasant to work in and rewarding to work for.                                                                         | Human resource development                                                                | Annual training hours per employee                                 | 31.1 hours                                                               | 38 hours (2027)                                                                        | Sanwa Shutter Corporation  |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           | Digital education (fundamentals) participation rate                | 83.8%                                                                    | 90% (FY2027)                                                                           |                            |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           | Digital education (application) participants                       | 81                                                                       | 70 (FY2027)                                                                            |                            |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Promotion of diversity                                                                    | Ratio of female employees                                          | 20.9%                                                                    | 25% or higher (FY2030)                                                                 | Consolidated               |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           |                                                                    | 14.7%                                                                    | 15% or higher (FY2030)                                                                 | Sanwa Shutter Corporation  |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           | Ratio of female new graduate hires                                 | 26.6%                                                                    | 30% or higher (Every fiscal year)                                                      | Sanwa Shutter Corporation  |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           | Ratio of female managers                                           | 15.2%                                                                    | 20% or higher (FY2030)                                                                 | Consolidated               |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           | Ratio of male employees taking childcare leave                     | 73.3%                                                                    | 70% or higher (FY2027)<br>100% (FY2030)                                                | Sanwa Shutter Corporation  |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Health and safety                                                                         | Obesity rate (BMI of 25 and above)                                 | 35.5%                                                                    | 30% (FY2030)                                                                           | Domestic Group companies   |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           | Smoking rate                                                       | 29.1%                                                                    | 25% (FY2030)                                                                           | Sanwa Shutter Corporation  |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           | Rate of high-risk persons undergoing screening*                    | 65.6%                                                                    | 100% (FY2030)                                                                          |                            |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           | Rate of taking annual paid leave                                   | 56.8%                                                                    | 70% (FY2027)                                                                           |                            |
| <b>Management Foundation</b><br><br>▶ pp. 49–58                                     | As a Group that operates globally, with businesses in Japan, North America, Europe, and Asia, we are committed to corporate governance to build a fair management system, actions for human rights at the foundation of our business activities, and internal controls to regulate our business activities through an appropriate and sound system. By doing so, we will seek to achieve sustainable growth and enhance our corporate value over the medium to long term. | Corporate Governance                                                                      | Ensuring the diversity of the Board of Directors                   | Appointed one female director<br>Appointed one foreign-national director | Response to board diversity (FY2027)                                                   | Sanwa Holdings Corporation |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           | Number of times stakeholder dialogues held                         | 377                                                                      | 350 (FY2027)                                                                           |                            |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Respect for human rights                                                                  | Identification, elimination, and prevention of human rights risks  | Conducted human rights due diligence                                     | Implementation and improvement of human rights due diligence (FY2027)                  | Japan/Asia                 |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Compliance                                                                                | Number of participants in compliance training                      | 10,332                                                                   | 8,000 (FY2027)                                                                         | Domestic Group companies   |
|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           | Participation rate in compliance training                          | 99.7%                                                                    | 100% (FY2027)                                                                          |                            |

\* Rate of high-risk persons undergoing screening: persons who underwent testing and started treatment/persons with a higher risk of developing severe lifestyle-related diseases

# Risks and Opportunities



Business-related Risks

<https://www.sanwa-hldgs.co.jp/english/ir/management/risk.html>

The Group ensures stable business operations by implementing a Groupwide risk management system and working to predict potential risks, as well as by responding appropriately through measures to counter risks as required for business continuity. Details about risks are provided on the Business Risks page of our website.

| Material issue theme                         | Risk category                                                                             | Likelihood | Impact | Major risks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Major opportunities                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------|-------------------------------------------------------------------------------------------|------------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Manufacturing</b><br>                     | Major disasters /Infectious-disease-related risks                                         | Medium     | High   | <ul style="list-style-type: none"> <li>Business continuity risks due to large-scale disasters (typhoons, torrential rains, earthquakes, etc.)</li> <li>Crisis in terms of continuation of business activities due to spread of infectious diseases (pandemics) and outbreaks of clusters</li> </ul>                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>Expand profit opportunities through product differentiation, e.g., disaster preparedness and climate change response products and easy-to-install products, and solution proposal sales</li> <li>Expand maintenance and service business</li> <li>Continue to provide products by achieving stable procurement</li> <li>Improve production and logistics systems by leveraging our network</li> </ul> |
|                                              | Quality risks (Manufacturing/installation/design/sales/inspection)                        | High       | High   | <ul style="list-style-type: none"> <li>Quality defects attributable to manufacturing, installation, and design</li> <li>Occurrence of fire incidents attributable to installation</li> <li>Complaints attributable to the content of proposals to customers and inadequacies in meetings, etc.</li> <li>Accidents caused by failure to conduct regular inspections</li> </ul>                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                              | R&D risks                                                                                 | Medium     | Medium | <ul style="list-style-type: none"> <li>Delays in responding to product development needs and insufficient safety measures</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                              | Raw material prices and procurement risks                                                 | High       | High   | <ul style="list-style-type: none"> <li>Soaring raw material prices and rising auxiliary material and logistics costs</li> <li>Stagnation of shipping due to difficulties in procuring parts, materials, etc.</li> </ul>                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                              | Production and logistics risks                                                            | High       | High   | <ul style="list-style-type: none"> <li>Failure of product delivery systems</li> <li>Responding to regulations limiting overtime work (difficulty securing truck drivers, etc.)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                              | Occupational accident risks                                                               | High       | High   | <ul style="list-style-type: none"> <li>Occurrence of accidents and occupational injuries at plants and installation sites</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Environment</b><br>                       | Environmental and climate change risks                                                    | High       | High   | <ul style="list-style-type: none"> <li>Increased costs due to the imposition of a carbon tax</li> <li>Increase in R&amp;D expenses associated with eco-friendly products</li> <li>Impact of climate change on production activities and shipments, and decrease in productivity at production and installation sites due to rising temperatures</li> <li>Increase in energy costs and waste disposal costs</li> <li>Loss of trust due to failure to achieve greenhouse gas emission, water consumption, and industrial waste reduction targets</li> </ul> | <ul style="list-style-type: none"> <li>Achieve growth through expansion of climate change response (mitigation) products</li> </ul>                                                                                                                                                                                                                                                                                                          |
| <b>People</b><br>                            | Human capital risks                                                                       | Medium     | High   | <ul style="list-style-type: none"> <li>Decrease in operational efficiency due to loss of competent human capital and lack of appropriate personnel</li> <li>Negative impact on employment and loss of trust due to delays in diversity initiatives</li> </ul>                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Build a robust organizational structure through enhanced engagement</li> <li>Increase competitiveness by securing talented human capital</li> <li>Enhance organizational capabilities by promoting diversity</li> <li>Improve productivity by creating a comfortable work environment</li> </ul>                                                                                                      |
|                                              | Personnel and labor risks                                                                 | High       | High   | <ul style="list-style-type: none"> <li>Insufficient management of employee health and safety</li> <li>Losses from mistakes due to reduced concentration caused by overwork, decline in operational efficiency</li> <li>Loss of trust due to violations of overtime work agreement, etc.</li> </ul>                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>The Group's Management Foundation</b><br> | Management risks (Geopolitical, economic-trend-related, Financial and accounting related) | Medium     | High   | <ul style="list-style-type: none"> <li>Outbreak of terrorism, riots, wars, conflicts in overseas locations</li> <li>Deterioration in business performance due to decreased demand resulting from economic recessions, impact of foreign exchange rate and interest rate fluctuations, funding procurement risks</li> <li>Bankruptcy due to the business failure of partner companies, bad debt due to the discontinuation of business, and bad debt losses</li> </ul>                                                                                     | <ul style="list-style-type: none"> <li>Improve trust from society by strengthening governance</li> <li>Increase credibility by preventing accidents and incidents before they occur</li> </ul>                                                                                                                                                                                                                                               |
|                                              | Corporate governance-related risks                                                        | Medium     | High   | <ul style="list-style-type: none"> <li>Loss of trust due to inadequate governance structure</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                              | Human rights risks                                                                        | Medium     | Medium | <ul style="list-style-type: none"> <li>Deterioration of the work environment due to human rights violations and loss of trust due to disputes between labor and management, lawsuits, etc.</li> </ul>                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                              | Compliance risks (Fraud/scandal/legal violation/ traffic accident)                        | Medium     | High   | <ul style="list-style-type: none"> <li>Loss of trust due to inadequate internal controls</li> <li>Loss of trust due to problems arising from fraud, scandals, legal violations, internal rule violations, etc.</li> <li>Decrease in business operations and increase in damages awarded due to personal injuries from traffic accidents</li> <li>Loss of trust due to drink driving incidents</li> </ul>                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                              | Information security risks                                                                | Medium     | High   | <ul style="list-style-type: none"> <li>Loss of opportunities and trust due to cyberattacks, and increased restart costs</li> <li>Loss of trust due to information leakage</li> </ul>                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                              |



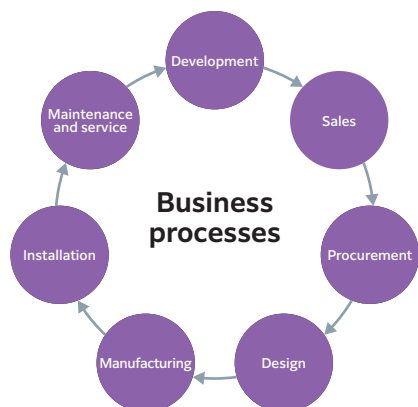
# Manufacturing | Contributing to Sustainability Through Our Core Business

## Basic approach

For 70 years since its founding, the Sanwa Group has supported communities and lifestyles by providing a wide range of metal fittings centering on building entrance products. We believe that our products and services designed to prevent, protect, and separate can make contributions in a wide range of fields, and that we are called upon to tackle an ever-expanding range of issues. The Group believes that developing and providing products that address climate change issues will enable us to respond to changing needs and create new markets. We also believe that by using our products and services to solve issues including fires, earthquakes, and other disasters, we can help communities become sustainable and resilient.

In addition, we are committed to pursuing quality and safety, which is our primary responsibility as a manufacturer. We strive to improve quality and safety in all processes, from development to sales, production, installation, and maintenance. As we possess a diverse range of global products, the characteristics of each business and the products handled are not consistent throughout the Group. For this reason, while the quality indicators we use in Japan are the number of product accidents, number of complaints and the amount of related losses, the quality indicator we use overseas is the ratio of complaint cost to net sales. Based

on these indicators, we are moving forward with specific measures to make improvements. Furthermore, we aim to balance solving social issues and achieving sustainable growth through diligent research and development.



## Governance and risk management

The Sanwa Group has established the following Sanwa Group Quality Objectives in pursuit of quality and safety, which is our primary responsibility as a manufacturer: 1) Improve product safety; 2) Improve the product quality and installation quality; 3) Improve the quality of service and business etiquette; and 4) Increase traceability. Furthermore, in Japan, North America, Europe, and Asia, we have set quality targets that meet the needs of customers in each region, and are promoting initiatives on a global basis. Progress, measures, and initiatives for these regional targets are reported and discussed twice a year by the Domestic Group Sustainability Council for Group companies in Japan, and by the Overseas Group Sustainability Council for overseas Group companies, and are also reported to the Sustainability Committee.

## Strategy

### Mitigate/adapt to climate change, prepare for disaster loss through products and services

To confront the urgent issue of climate change, the Sanwa Group offers products worldwide that support both mitigation, which entails reducing greenhouse gas emissions such as CO<sub>2</sub>, and adaptation, which addresses the various impacts of climate change. Through these initiatives, we contribute to building a sustainable society by achieving both lower greenhouse gas emissions and reduced social vulnerability.

Furthermore, in response to disasters such as fires and earthquakes that threaten the realization of a safe, secure, and convenient society—our Group's mission—we help create resilient communities through maintenance and services that preserve the disaster preparedness functions of buildings, including products such as shutters and doors.

▶ p. 36 Contributing to sustainability through our core business

## Quality assurance and enhancement

The Sanwa Group Test Center assesses the quality, performance, safety, and manufacturing technology of both the Group's products and items sourced domestically and internationally. This is done with a range of performance testing methods, including fire resistance and fireproofing, wind pressure resistance, airtightness, and watertightness tests. Certified under the international standard ISO/IEC 17025, which sets the requirements for quality management and technical competence in testing laboratories, the center ensures the reliability of its test results. The Group's products, including shutters, doors, and partitions, are semi-finished at the plant stage and only become finished products upon installation by installers; therefore, improving installation quality as well as maintenance and service standards is essential for customers to use our products with confidence over the long term. For this reason, we remain dedicated to training and advancing the skills of our installers.

▶ p. 45 FOCUS 3: Developing the next generation of installers and in-house technicians



The Sanwa Group Test Center



# Manufacturing | Contributing to Sustainability Through Our Core Business

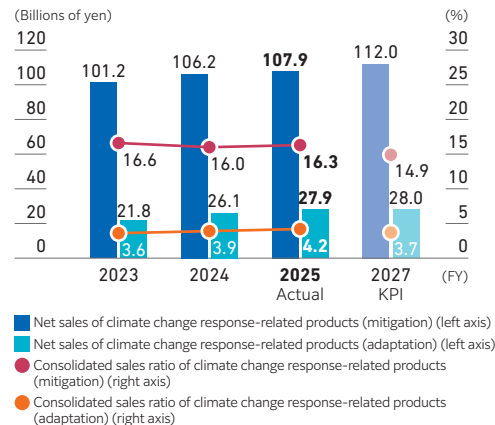
The Sanwa Group seeks to provide solutions to social issues such as climate change and disaster preparedness through its wide range of entrance products, while also enhancing corporate value, competitiveness, and social contribution through its business activities. In May 2022, we introduced the Sanwa Global Vision 2030, our Long-Term Vision, and the Mid-Term Management Plan 2024. These established key performance indicators that include net sales of climate change response products (mitigation and adaptation), net sales of disaster preparedness products, and net sales in the maintenance and service business, clearly affirming that our core business contributes directly to sustainability. Looking ahead, we will accelerate product development and sales growth in response to social issues and needs, aiming for sustainable growth by helping to resolve climate change issues and improving our profitability.

## Contributing to climate change response (mitigation and adaptation)

The Sanwa Group is addressing climate change by offering a wide range of products worldwide through two key approaches: mitigation, which focuses on reducing greenhouse gas emissions such as CO<sub>2</sub>, and adaptation, which involves responding to the various effects of climate change.

As for net sales of climate change response-related products, we have set higher targets for fiscal 2027 in our Medium-Term Management Plan 2027 (see the graph on the right).

### Trends and KPIs in net sales of climate change response-related products (consolidated)



### Mitigation

To reduce greenhouse gas emissions, we develop and sell products such as high-speed sheet shutters that improve air conditioning efficiency at plants and warehouses, sectional doors with heat insulation properties, and heavy-duty steel doors made with low-CO<sub>2</sub> steel.



A heavy-duty steel door made with low-CO<sub>2</sub> GX Steel (Sanwa Shutter Corporation)

► p. 43 FOCUS 1:  
New value pioneered by YAG Doors

### Adaptation

We develop and sell waterproof products that guard against flood damage caused by climate change, high-strength shutters that reduce the risk of wind damage, and sectional doors and wind-resistant window products from ODC that are designed to withstand hurricanes.



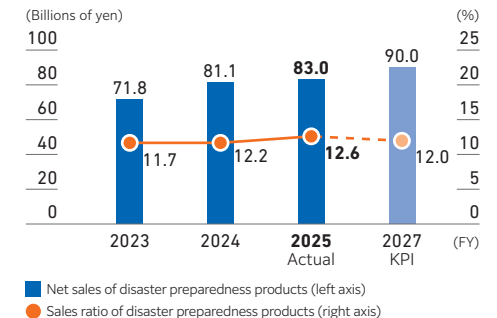
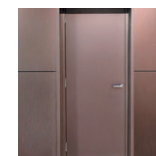
Water Guard waterproof shutter (Sanwa Shutter Corporation)  
An electric panel shutter with industry-first waterproofing

## Contributing to disaster preparedness (fire, earthquakes, power outages)

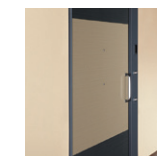
The Sanwa Group provides a broad range of products globally that help minimize damage from disasters such as fires and earthquakes, while also supporting recovery efforts, such as through measures against power outages.

We have set a net sales target for disaster preparedness products of 90.0 billion yen for fiscal 2027 in our Medium-Term Management Plan 2027 (see the graph to the right).

### Trends and KPIs in net sales of disaster preparedness products (consolidated)



"Shakunetsu Guard" (Sanwa Shutter Corporation)  
A fire protection door that provides heat-shielding performance for 60 minutes in addition to flame-retardant performance



Smood Yuraku with seismic-resistant design (Sanwa Shutter Corporation)  
A sliding entranceway door for hallways, suitable for seniors' condominiums

### Maintenance and service

In Japan, we contribute to maintaining disaster prevention functions as part of social infrastructure through services such as Sanwa Shutter Corporation's 24-hour full-time service (FTS) and compliance with the regular inspection reporting system for fire prevention equipment. Overseas, we contribute to this area by expanding our service capabilities through ODC and the Novoferm Group.

### Service Business Net Sales

| FY2025 results | FY2027 target  |
|----------------|----------------|
| ¥91.3 billion  | ¥102.0 billion |



# Environment | Achieve Environmental Sustainability

## Basic approach

The Sanwa Group, which operates in 28 countries and regions around the world, recognizes that concerns about the stable supply of energy, water and other natural resources pose a risk to its business foundation. At the same time, we see taking measures to reduce the global environmental impact of our business activities as an extremely important mission. We will move forward with initiatives to reduce our environmental impact by lowering our CO<sub>2</sub> emissions, water consumption and waste emissions, and to enhance our information disclosures. With these measures, we will increase our medium- to long-term corporate value.

## Governance and risk management

The Sanwa Group has been working to promote environmental management and improve environmental performance through the acquisition of ISO 14001 and other environmental management system certifications at Japanese and overseas Group companies, with the aim of developing environmental conservation activities systematically and continuously in line with its environmental policy. Initiatives in each region are reported and discussed twice a year by the Domestic Group Sustainability Council for Group companies in Japan, and by the Overseas Group Sustainability Council for overseas Group companies, and are also reported to the Sustainability Committee.

## Strategy

### Initiatives toward a decarbonized society

In the Sanwa Global Vision 2030 and Medium-Term Management Plan 2024 announced in May 2022, the Sanwa Group set forth its policy for achieving carbon neutrality, aiming for net zero CO<sub>2</sub> emissions from business activities by 2050. We are moving forward with a variety of initiatives based on this policy.

In terms of our efforts to reduce Scope 1 emissions, we are actively switching to ecocars, in addition to working to upgrade to more energy-efficient equipment. In the Novoferm Group, company-owned vehicles at Novoferm Germany and Novoferm UK are being converted to electric vehicles or plug-in hybrids.

In terms of our efforts to reduce Scope 2 emissions, we are promoting the transition to renewable energy. We have installed solar power generation facilities at three locations in Japan, three in Europe, and two in Asia, and we are also utilizing electricity generated from renewable energy sources. In addition, at ODC, Won-Door has switched to LED lighting and upgraded to energy-efficient air conditioning systems.

We began calculating Scope 3 emissions in fiscal 2023, based on the recognition that reducing not only our own CO<sub>2</sub> emissions but also those of our entire supply chain is a necessary step in realizing a carbon-neutral society. Since fiscal 2024, we have expanded the scope of calculation categories, among which we have obtained third-party verification from JMASusC for emissions in categories 1, 3, and 11.

In addition, to reduce our environmental impact throughout the entire product lifecycle, we are introducing



Solar carports at the Ota Door Plant

products such as doors made from GX Steel, a low-CO<sub>2</sub> steel that reduces CO<sub>2</sub> emissions at the raw material procurement stage.

▶ p. 43 FOCUS 1: New value pioneered by YAG Doors

### Water resource conservation

Sanwa Shutter Corporation has been carrying out various initiatives to achieve its water usage intensity reduction targets for fiscal 2030. These include making effective use of a water circulation system for painting equipment and chillers that circulate chilled tank water, and reducing water waste at painting booths by using an overspray treatment agent. As a result, the water usage intensity for fiscal 2025 was reduced by 25.6% compared to fiscal 2020.

### Waste reduction

Sanwa Shutter Corporation has been working on initiatives to achieve its waste intensity reduction targets for fiscal 2030, including thorough sorting and recycling, reduction of paint waste and reuse of wooden pallets. As a result, the waste intensity for fiscal 2025 was reduced by 60.6% compared to fiscal 2020, achieving the fiscal 2030 target of a 60% reduction from fiscal 2020.

As part of our efforts to reduce the plastic waste that we generate, we have set unit reduction targets and are conducting thorough waste sorting and employee training.



### Climate-related disclosure (TCFD)

Recognizing that climate-related risks and opportunities are important management issues, the Group expressed its endorsement of the TCFD recommendations in December 2021. As defined in our Long-Term Vision, we will strive to enhance our corporate value by expanding the lineup of climate change response products, promoting our ESG material issues (“mitigate/adapt to climate change, prevent disaster loss through products and services” and “initiatives toward a decarbonized society”), and enhancing our information disclosure.

### Governance and risk management

The Sanwa Holdings Group has established the Sustainability Committee, chaired by the Representative Director and President of Sanwa Holdings, as an organization to promote sustainability management. The committee meets four times

a year to set policies and promote initiatives on all ESG-related themes. Addressing climate change risks is positioned as an important issue for the Sustainability Committee, and the committee reviews the progress of activity policies and checks activity direction.

### Strategy (scenario analysis)

Sanwa Shutter Corporation, the core business company of the Group, was selected for analysis and analyzed using the IEA's 1.5°C scenario and the Intergovernmental Panel on Climate Change (IPCC)'s 4°C scenario, and risks and opportunities as of 2030 were summarized. As a result, we confirmed that in each case the diverse lineup of climate change response-related products demonstrates a high degree of resilience, enabling us to contribute to climate change mitigation and adaptation while capturing abundant business opportunities.

### Scenario analysis

| Classification                                     | Category                 | Impact | Risks                                                                                                                                        | Impact on business                                                                                                                                                                                                                                        | Our response                                                                                                                                                                                                                                        |
|----------------------------------------------------|--------------------------|--------|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transition risks<br>Mainly assuming 1.5°C scenario | Policies and regulations | High   | <ul style="list-style-type: none"> <li>● Introduction of carbon tax</li> <li>● Tightening of emissions target regulations</li> </ul>         | <ul style="list-style-type: none"> <li>● Increase in costs of fuel, electricity, etc. used in plants and offices due to introduction of carbon tax</li> <li>● Transition costs incurred as part of emissions reductions in business activities</li> </ul> | <ul style="list-style-type: none"> <li>● Use of renewable energy</li> <li>● Switch to energy-saving, high-efficiency equipment</li> <li>● Switch to eco-friendly cars</li> </ul>                                                                    |
|                                                    |                          | Medium | <ul style="list-style-type: none"> <li>● Tightening of regulations such as ZEB, ZEH, energy conservation standards, etc.</li> </ul>          | <ul style="list-style-type: none"> <li>● Elimination of specific products due to tightening standards</li> <li>● Mandatory use of alternative and recycled materials</li> </ul>                                                                           | <ul style="list-style-type: none"> <li>● Strengthening of development, sales, and production of products for ZEB and ZEH</li> </ul>                                                                                                                 |
|                                                    | Market changes           | High   | <ul style="list-style-type: none"> <li>● Rising raw material prices</li> </ul>                                                               | <ul style="list-style-type: none"> <li>● Increase in prices of key materials due to carbon tax and other regulations</li> </ul>                                                                                                                           | <ul style="list-style-type: none"> <li>● Securing of profit through high value-added products and services</li> <li>● Cost reduction through self-help efforts and appropriate reflection in prices</li> </ul>                                      |
|                                                    | Reputation               | Medium | <ul style="list-style-type: none"> <li>● Changes in investor and consumer behavior</li> </ul>                                                | <ul style="list-style-type: none"> <li>● Deterioration of reputation due to delays in information disclosure and countermeasures</li> <li>● Expansion of consumption behavior that takes environmental impact into consideration</li> </ul>               | <ul style="list-style-type: none"> <li>● Enhancement of information disclosure</li> <li>● Promotion of environmental measures</li> <li>● Development of technologies and products that contribute to climate change mitigation</li> </ul>           |
| Physical risks<br>Assuming 4°C scenario            | Acute/chronic            | High   | <ul style="list-style-type: none"> <li>● Frequent occurrence of extreme weather events (torrential rains, typhoons, floods, etc.)</li> </ul> | <ul style="list-style-type: none"> <li>● Suspension of sales activities and production due to damage to the Company</li> <li>● Suspension of supply of materials and labor due to damage to suppliers</li> </ul>                                          | <ul style="list-style-type: none"> <li>● Periodic checks using hazard maps, etc., and response to flooding risks</li> <li>● Preparation of alternative procurement methods for materials and parts</li> <li>● Strengthening BCP measures</li> </ul> |
|                                                    | Chronic                  | High   | <ul style="list-style-type: none"> <li>● Rising average temperatures</li> </ul>                                                              | <ul style="list-style-type: none"> <li>● Increased health risks at plants and installation sites</li> <li>● Decline in labor productivity</li> </ul>                                                                                                      | <ul style="list-style-type: none"> <li>● Labor-reducing installations through reviewing construction methods and utilizing robots</li> </ul>                                                                                                        |

### Metrics and targets

We have set targets for both reducing CO<sub>2</sub> emissions produced during our business activities and expanding our climate change response-related products business, and are moving forward with initiatives to mitigate the effects of climate change and maximize opportunities.

CO<sub>2</sub> emissions (produced during business activities)  
 reduction target (Scope 1 + 2)  
 (Scope: Sanwa Shutter Corporation)

|        |                                                                                                           |
|--------|-----------------------------------------------------------------------------------------------------------|
| FY2027 | 20% reduction from FY2019 level                                                                           |
| FY2030 | 30% reduction from FY2019 level                                                                           |
| FY2050 | Sanwa Group aims to achieve <b>net zero</b> CO <sub>2</sub> emissions produced during business activities |

Net sales targets for climate change response-related products  
 (Scope: consolidated)

|        |                                                                         |
|--------|-------------------------------------------------------------------------|
| FY2027 | Climate change response products (mitigation):<br><b>¥112.0 billion</b> |
|        | Climate change response products (adaptation):<br><b>¥28.0 billion</b>  |



# People | Create a Pleasant and Rewarding Work Environment

## Basic approach

While labor shortages are a challenge in many economies, we believe that people are the source of our value creation and competitiveness, as all of our business activities rely on them. During the previous Medium-Term Management Plan period, while progress was made to a certain extent on the materiality themes of Manufacturing, Environment, and the Group's Management Foundation, many challenges remained regarding People. Therefore, to achieve sustainable growth and fulfill our mission, we have fundamentally reviewed our initiatives related to People. To realize our vision of becoming the global leader in high-performance entrance solutions as outlined in the Sanwa Global Vision 2030, we have formulated a human capital strategy aligned with the Medium-Term Management Plan 2027. We will focus on employee development to enable our employees to maximize their potential, and we will strive to sustainably enhance corporate value through initiatives such as respecting diversity and ensuring occupational health and safety. Our human capital strategy is designed to improve employee

engagement and transform the Sanwa Group into a rewarding and attractive company through the joint growth of individuals who think and act autonomously and organizations that provide both facilitative and fulfilling workplaces. This creates a virtuous cycle in which each person works with energy and a willingness to contribute, increasing labor productivity and corporate value, which in turn leads to stronger external recognition and the ability to attract new talent. This virtuous cycle will drive the achievement of goals in both our Medium-Term Management Plan and our Long-Term Vision.

## Governance and risk management

We promote such things as the development of human capital to maximize individual abilities, respect for diversity, equal opportunities for growth and fair evaluations irrespective of gender or age, and a safe and comfortable work environment. In this area, the Sustainability Committee regularly deliberates on the Group's policies, efforts to achieve KPIs, progress, and other matters.

## Major agenda items at FY2025 meetings of the Sustainability Committee

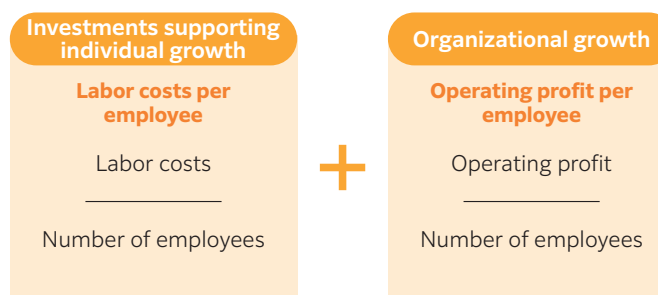
|           |                                                                                                                                                                                                                                                              |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Session 1 | <ul style="list-style-type: none"> <li>ESG materiality KPIs and fiscal 2024 results</li> <li>Initiatives to improve engagement</li> <li>Direction for compliance with the SSBJ Standards for sustainability disclosure</li> </ul>                            |
| Session 2 | <ul style="list-style-type: none"> <li>Third-party verification of CO<sub>2</sub> emissions and fiscal 2024 results</li> <li>Health management initiatives</li> <li>Progress of risk countermeasures and compliance training</li> </ul>                      |
| Session 3 | <ul style="list-style-type: none"> <li>Report on the engagement survey and proposals for future action</li> <li>Direction for compliance with the SSBJ Standards for sustainability disclosure</li> <li>Report on Compliance Month and BCP drills</li> </ul> |
| Session 4 | <ul style="list-style-type: none"> <li>Expansion of sustainability information in annual securities reports</li> <li>Report on ESG indices and external ratings</li> <li>Progress of risk countermeasures and compliance training</li> </ul>                 |

## Increasing engagement through individual and organizational growth, become a rewarding and attractive company to work for

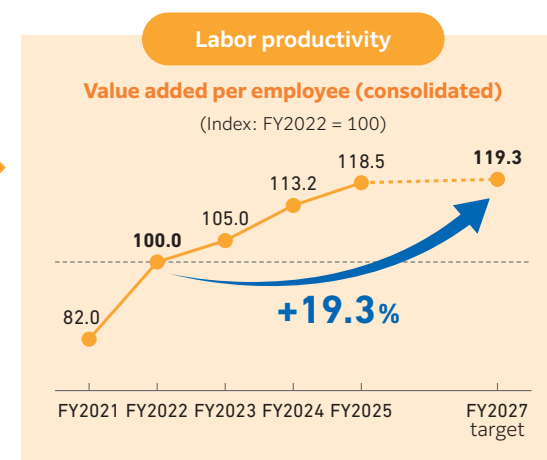


- 1 Securing talents, strategic personnel deployment and development, linked to regional business strategies
- 2 Creating safe and healthy workplaces and promoting wellbeing
- 3 Maximizing organizational performance through improved engagement

## To sustainably create value



At the Sanwa Group, we take a holistic view that integrates labor costs and other investments in human capital with our operating profit performance. Therefore, we have defined the metric of value added per employee as the sum of labor costs per employee and operating profit per employee. Centered on the strengthening of human capital outlined in our Medium-Term Management Plan 2027, we aim to achieve a 19.3% increase in this metric in fiscal 2027 versus fiscal 2022, with the goal of establishing a virtuous cycle that enables sustainable value creation.





# People | Create a Pleasant and Rewarding Work Environment

## Strategy 1 Securing talents, strategic personnel deployment and development, linked to regional business strategies

### Challenges recognized

Ongoing Japanese population decline is expected to result in a gradually shrinking construction market over the long term. To expand our business under these conditions, it is essential to accurately capture market needs, incorporate them into our product development, and take integrated action from go-to-market to sales expansion.

For example, in response to the increasing severity of natural disasters, the growing number of environmentally friendly buildings, and heightened security demands, we must further strengthen products that contribute to disaster preparedness and mitigation, as well as products with advanced functionality. Aging social infrastructure and labor shortages are also social challenges that require maintenance services and new solutions.

To develop and expand sales of products that meet these diverse market demands, optimizing personnel allocation, securing personnel, and building capabilities are vital. In particular, as installers age, training younger generations has become an urgent priority. Moreover, environmental and other emerging domains require talent with strong proposal

capabilities to uncover and stimulate customer needs.

In response to these circumstances, Sanwa Shutter Corporation holds Human Capital Development Enhancement Meetings and subcommittees, chaired by a manager in charge of corporate strategy, to discuss training plans and recruitment and retention efforts, and to follow up on human capital development in detail. We also opened specialized training facilities to build a nationwide base for training installers.

Meanwhile, in the United States, a tight labor market has made it difficult to secure personnel for manufacturing and technical positions, which poses a challenge when combined with the higher turnover rate compared to Japan. Labor shortages are also emerging in Europe, particularly for skilled workers in Germany, which accounts for approximately 30 percent of the Novoferm Group's sales, and measures are being implemented in each region to address these issues.

### Strategies for acquiring and developing human capital

In talent acquisition, we draw from a diverse pool through methods such as internships, referrals, and alumni recruitment.

For human capital development, we pursue two approaches: upskilling and reskilling. In upskilling, we provide training tailored to each employee's job title and rank, strengthening sales expertise and improving installation quality. In reskilling, we are focusing on developing digital talent and promoting digitalization across the Group.

Furthermore, to ensure optimal human capital assignments, we use a self-assessment system to gather information on employees' current situations, preferences, and qualifications. This allows us to assign employees and carry out capability development initiatives that respect their individual strengths. Additional programs include the free agent system and open recruitment for digital talent, where we promote autonomous career development and skill enhancement.

In North America, ODC is committed to creating an attractive work environment by fostering a corporate culture, offering a competitive compensation structure and benefits package, improving operational efficiency and productivity through training, and strengthening safety programs, all with the goal of becoming a company preferred by its employees.

At the Novoferm Group in Europe, the Novoferm Vision 2030 identifies people as a core element, and the organization is building capabilities tailored to regional characteristics, advancing digital transformation, cultivating corporate culture, and making improvements to the workplace environment.

### Training system (Domestic Group companies)

|                     | Level-specific training                                                | Goal-specific training                             |                                                                                 |                                                                            |                                 | Personal development                              |
|---------------------|------------------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------------------|---------------------------------------------------|
|                     |                                                                        | Next-generation/Career                             | Division-specific skills                                                        | Digital                                                                    | Global                          |                                                   |
| Senior management   |                                                                        |                                                    |                                                                                 |                                                                            |                                 |                                                   |
| Managers            | Training for onboarding new employees                                  | Sanwa Management Training School                   |                                                                                 |                                                                            |                                 |                                                   |
|                     | New manager training                                                   | Training to strengthen management skills           |                                                                                 |                                                                            |                                 |                                                   |
| Mid-level employees | Next-generation leader training                                        | Life planning seminars                             | Job type-specific training (sales/engineering/design, etc.) based on skill maps | Digital skills training (fundamentals/application)<br>IT literacy training | Training for global assignments | Correspondence courses, recommended reading, etc. |
|                     | Mid-level employee training                                            | Career enhancement training                        |                                                                                 |                                                                            | Practical global training       |                                                   |
|                     | OJT leader training                                                    | Career development training (for female employees) |                                                                                 |                                                                            | TOEIC IP e-learning             |                                                   |
| New employees       | Follow-up training                                                     |                                                    |                                                                                 |                                                                            |                                 |                                                   |
|                     | New employee training (Sanwa Professional Human Capital Training Plan) |                                                    |                                                                                 |                                                                            |                                 |                                                   |

### Initiatives at each location

#### An Ho Metal Industrial Co., Ltd.: Level-specific training

Taiwan-based An Ho Metal Industrial Co., Ltd., which celebrates its 38th anniversary in 2026, operates under the philosophy that a company is defined by its people. The company conducts level-specific training to help employees acquire the knowledge and skills necessary for their respective positions, thereby supporting the professional development of each individual.





# People | Create a Pleasant and Rewarding Work Environment

## Strategy 2 Creating safe and healthy workplaces and promoting wellbeing

### Promotion of diversity

The Sanwa Group believes that promoting diversity is essential for securing talented human capital, fostering innovation, and improving responsiveness to diverse customer needs and we therefore take a variety of proactive measures in this area. These measures are aimed at creating an environment where each of our diverse employees realizes their full potential.

In Japan, to ensure gender equality and diversity, we have been conducting career development training for female employees with at least 10 years of service since fiscal 2022. This program supports the cultivation of management candidates and assists their proactive career development. In addition, we encourage our female employees to participate in external seminars to foster female executives and stimulate self-leadership skills.

In North America, ODC is committed to equal employment opportunities and affirmative action, and is committed to creating a workplace where a diverse workforce—including women, minorities, people with disabilities, and veterans—can thrive.

In Europe, the Novoferm Group is committed to fostering a corporate culture that values openness and mutual respect, as well as designing organizational structures that promote teamwork through mutual recognition of diversity and strengthening collaboration among its group companies.

### Creation of a comfortable working environment

The Sanwa Group takes actions to provide a working environment where employees can work flexibly while balancing responsibilities such as childcare and nursing care.

Sanwa Shutter Corporation is enhancing workplace systems to ensure the retention and success of diverse employees through such measures as telework, providing paid nursing care leave for employees raising children up through the sixth year of elementary school, introducing paid leave in hourly increments, and broadening the scope of shorter working hours for employees raising children. In

addition, in response to legal revisions taking effect in April 2025, we have expanded nursing care leave eligibility to include family members requiring care level 1.

Furthermore, to encourage men's participation in childcare, we have newly established partial paid leave during the childcare leave period.

The Sanwa Group is committed to eliminating occupational accidents. We strive to ensure the safety of our employees by providing safety training and thoroughly enforcing rules, sharing case studies of near-misses, and improving the environment to reduce workloads, raising awareness of and thoroughly implementing heat stroke prevention measures.

### Promotion of health management

In Japan, to address health challenges such as employee obesity and smoking rates that exceed the national average, we are implementing initiatives such as actively encouraging medical examinations, holding walking campaigns, and implementing a smoking cessation support program.

Additionally, in March 2024, we defined employees at high risk of developing severe lifestyle-related diseases as high-risk employees and set a KPI aiming for a 100% participation rate in testing and starting treatment. Through targeted support, we aim to promote behavioral change and improve employee health.

Furthermore, starting in fiscal 2025, we expanded the stress check items in the Shinjuku and Itabashi office areas from the previous 57 items to 80 items. By adding and measuring presenteeism (a state of reduced productivity due to health issues) and work engagement (a state of positive feelings and fulfillment regarding work), we are identifying physical and mental burden and using this information to improve the work environment. In fiscal 2025, the presenteeism rate was 78.4%, and the work engagement score was 3.13 points.

## Initiatives at each location

### Genie/Horton: Matamoros plants continue their long accident-free streaks

As of the end of March 2026, the Genie plant in Matamoros, Mexico, has maintained an accident-free streak for over 1,600 days, while the Horton plant in the same location has maintained one for over 1,000 days. This achievement is the result of each employee's high safety awareness and daily efforts; it has been highly praised by third-party organizations and has earned various certifications and awards. Ongoing efforts by the Matamoros teams are making significant contributions to the improvement of safety culture across the entire ODC Group.



### Novoferm (Manuregion): Safety Day

In October 2025, all Manuregion employees gathered in Reims, France, for Safety Day, an event aimed at preventing accidents and raising safety awareness. Throughout the day, employees participated in five workshops to learn about safe behaviors to practice on a daily basis.



### Genie: 5k Run / 1-Mile Walk

Genie, ODC's door operator division, hosts an annual five-kilometer run and one-mile walk for charity. Entry fees and donations collected on the day of the event are donated to the American Cancer Society to help eradicate cancer and improve local healthcare. In 2025, marking the 14th annual event, approximately 900 employees from various ODC locations participated, contributing not only to social good through a donation of \$8,000 but also to improved employee engagement.





# People | Create a Pleasant and Rewarding Work Environment

## Strategy 3 Maximizing organizational performance through improved engagement

The Sanwa Group regards improving employee engagement as a key priority, as it not only enhances individual capabilities and productivity but also leads to greater overall organizational performance and employee retention.

Starting in April 2025, Sanwa Shutter Corporation introduced a scholarship repayment support program with a maximum term of 10 years, creating an environment where young employees repaying scholarships can continue to work with peace of mind. Additionally, for upper management, the Company introduced a restricted stock grant program to deepen their understanding of the Group's management strategies and policies and to foster a sense of participation in corporate management.

The increased engagement resulting from these initiatives improves operational efficiency and the quality of work, which in turn contributes to higher sales and greater customer satisfaction. By reducing turnover, these initiatives also lead to reduced recruitment and training costs, while increased psychological safety stimulates innovation.

In Japan, the Group conducted an engagement survey in

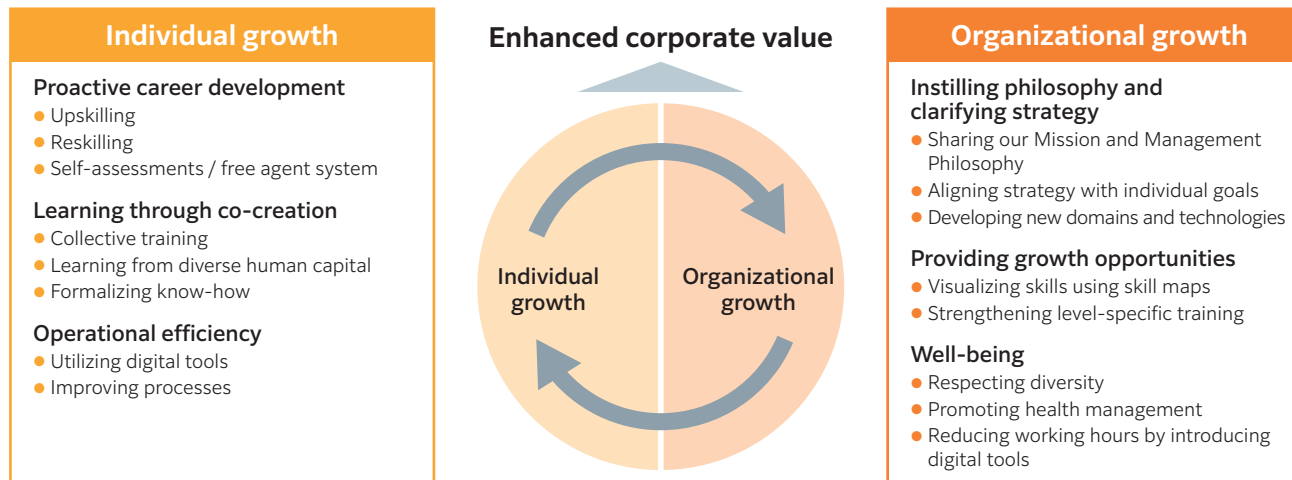
2025 and will continue to assess the current situation and work on improvements going forward.

▶ **p. 44 FOCUS2: Using dialogue and co-creation to build better organizations and support human capital management**

In North America, ODC conducts a full engagement survey, designed to gain a comprehensive understanding of employee engagement, and a pulse survey, which tracks progress on key priority areas, in alternating years. In 2025, ODC achieved a response rate of 90% among the 4,789 eligible employees. The Novoferm Group in Europe is also gradually expanding its employee satisfaction survey and plans to conduct it for all employees in fiscal 2026.

In celebration of its 70th anniversary in 2026, the Sanwa Group announced that it would grant shares to members of the Employee Stock Ownership Plan and presented commemorative gifts to partners who support our business. Moving forward, we will continue to enhance the engagement of our employees and partners, aiming to maximize our human capital through a virtuous cycle of individual and organizational growth.

### Virtuous cycle of individual and organizational growth



### Initiatives at each location

#### ODC: Christmas Party hosted at headquarters

In December 2025, a Christmas party was held at ODC's Dallas headquarters in the U.S., with a total of 160 employees in attendance. Through various activities—including a catered lunch, a gift raffle, photo sessions with Santa, and Jenga—participants deepened their connections across team boundaries.



#### Alpha Deuren: 30th Anniversary Alpha Family Day

Netherlands-based Alpha Deuren held Alpha Family Day in September 2025 to celebrate its 30th anniversary. Over 500 attendees—including employees and their families—enjoyed a sunny day filled with activities, guided tours, and entertainment.



#### An Ho Metal Industrial: All-employee sports event

Taiwan-based An Ho Metal Industrial Co., Ltd. hosts a variety of engagement-building events, including all-employee sports events and social gatherings at its plants and offices.



# FOCUS 1

## New value pioneered by YAG Doors: Decarbonization from the materials stage, achieved through proprietary technology and GX Steel

In recent years, efforts to reduce CO<sub>2</sub> emissions in the construction sector have been accelerating. Amid this, Sanwa Shutter Corporation has taken on a new challenge to start reducing environmental impact from the materials stage, rather than just during the product's use. As part of our efforts in this area, we have launched the new "YAG Door green flag" product, which combines our proprietary laser-based weight-reduction technology with NSCarbolex® Neutral, which is steel produced with reduced CO<sub>2</sub> emissions during manufacturing. This not only achieves CO<sub>2</sub> emissions reductions starting from the material stage but also establishes a mechanism that can quantitatively verify the extent of these reductions.

### YAG Door green flag: Balancing Weight Reduction and Environmental Performance

Our YAG Doors use laser processing to reduce the thickness of surface materials and other components to 1.0 mm, resulting in a reduction of approximately 45% in steel usage compared to standard heavy steel doors. By achieving lighter weight, we have made these products easier to install and less resource-consuming, striving to balance functionality with environmental performance.

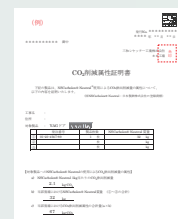
The newly developed YAG Door green flag product combines this weight-reduction technology with NSCarbolex® Neutral, a GX Steel offering from Nippon Steel that reduces CO<sub>2</sub> emissions during manufacturing, to lower environmental impact starting at the materials stage. Compared to standard steel doors, this product successfully reduces CO<sub>2</sub> emissions by approximately 139 kg-CO<sub>2</sub>\*<sup>1</sup> per door.

Furthermore, we have established a mechanism that automatically calculates CO<sub>2</sub> emission reductions by entering door size and specifications into the system and issues the results as a certificate. This product not only visualizes efforts toward decarbonization but also contributes to reducing customers' Scope 3\*<sup>2</sup> emissions and managing emissions across the entire supply chain.



### Visualizing CO<sub>2</sub> Emission Reductions with NSCarbolex® Neutral\*<sup>3</sup>

NSCarbolex® Neutral is a kind of GX Steel (steel for green transformation) produced by Nippon Steel Corporation. It is the outcome of CO<sub>2</sub> emission reductions achieved through the transformation and improvement of steel manufacturing processes. Emission reduction amounts are verified by third-party organizations for each project, and the CO<sub>2</sub> emission reductions stated on issued certificates can be used by customers to calculate and report their Scope 3 emissions in accordance with the GHG Protocol. A major strength is that it can be applied to any product while maintaining the same quality and performance as conventional products. Through the use of materials with this environmental value, we will contribute to decarbonization across the entire supply chain in the building materials sector.



Certificate of CO<sub>2</sub> reduction attributes

- \*1 Based on calculations by Sanwa Holdings Corporation. For a door measuring W800 mm × H2,000 mm, single-leaf, without windows or louvers
- \*2 One category of corporate greenhouse gas (GHG) emissions, including CO<sub>2</sub>. Excludes a company's direct emissions (Scope 1) and purchased electricity (Scope 2); refers to indirect emissions generated throughout the entire supply chain, including raw material procurement, logistics, use, and disposal
- \*3 NSCarbolex and its logo are registered trademarks of Nippon Steel Corporation.

### Supporting the Decarbonization of Building Materials with GX Steel

#### Mr. Yoshihiro Sumida

General Manager, Head of Section  
Structural Flat Products Marketing Section-2  
Structural Flat Products Marketing Dept.  
Flat Products Marketing Div.  
Nippon Steel Corporation



The steel industry accounts for a significant portion of Japan's CO<sub>2</sub> emissions, making decarbonization a critical management issue for our company as well. Though we are working to develop new technologies such as hydrogen reduction steelmaking, it will take some time for these to be put into practical use. Against this backdrop, we have developed the NSCarbolex® Neutral product in the GX Steel family, which combines responsiveness with effectiveness. Its ability to quantitatively demonstrate emission reductions is of great significance in advancing emissions management across the entire supply chain.

The commercialization of YAG Door green flag, a product incorporating NSCarbolex® Neutral, is a pioneering example of translating Scope 3 reduction goals in the construction sector into concrete action. The fact that Sanwa Shutter Corporation has been able to so quickly commercialize this product through collaboration across its development, manufacturing, procurement, and sales teams demonstrates their strong commitment to leveraging decarbonization to enhance competitiveness.

Going forward, we at Nippon Steel will also continue to create value through both materials and products to support the decarbonization of the construction industry.

Initiatives to reduce CO<sub>2</sub> emissions

Steel use reduced through laser processing and thinner sheet metal (conversion from SD to the YAG Door)

CO<sub>2</sub> emission reductions

Approx. **72** kg-CO<sub>2</sub>

+

Reduction by adopting the NSCarbolex® Neutral GX Steel

Approx. **67** kg-CO<sub>2</sub>

=

Total

Conditions: W800 mm × H2,000 mm; single-leaf door; no windows or louvers

Approx. **139** kg-CO<sub>2</sub>  
(Equivalent to approx. 82% reduction)

## Using dialogue and co-creation to build better organizations and support human capital management Maximizing organizational performance through improved engagement

Under the Sanwa Group's core strategy of enhancing sustainability management and human capital management, we are working to create an environment where diverse talent can maximize their potential. As part of this effort, we introduced an engagement survey across all domestic Group companies starting in fiscal 2025. With this, we are fostering the next generation of young employees and further leveraging the strengths of our nationwide sales and construction network to channel individual energy into improving the performance of the entire organization.



### Becoming a Group with a fulfilling and attractive work environment, where each employee is more proactive and thriving

#### Masayuki Atarashi

Senior Executive Officer,  
Head of Corporate Communication Department,  
Corporate Planning Unit  
Sanwa Holdings Corporation

At the Sanwa Group, as part of our human capital management initiatives, we are focusing on maximizing organizational performance through improved engagement. As a concrete measure, we conducted an engagement survey across all domestic Group companies in fiscal 2025, after conducting the survey in our businesses in North America and Europe. The survey's goal is to elevate the level of communication within the organization and further stimulate employees' motivation to contribute to their respective companies.

Our domestic Group is particularly noteworthy for possessing a nationwide sales and construction network. While this enables us to meticulously identify and address locally rooted needs, it also presents certain physical constraints when it comes to pooling the organization's

#### Overview of the FY2025 survey

|                     |                                                                                                                                                 |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Survey period       | October 16–31, 2025                                                                                                                             |
| Target respondents  | All employees of domestic Group companies (regular employees, mid-career hires, Mate employees, senior employees, and directly-hired employees) |
| Method              | Anonymous online survey (multiple-choice format)                                                                                                |
| Number of questions | 32                                                                                                                                              |
| Response rate       | 97% (6,255 respondents of 6,421 target respondents)                                                                                             |

Total engagement score  
**63 points**

collective strength. Although the domestic Group has continued to grow steadily while overcoming these challenges, in order to evolve further into a fulfilling and attractive Group where employees can take pride in their work, we must fully embrace the individual energy that springs from within the organization. Differences in values between supervisors and subordinates, such as a sense of accomplishment, career plans, and work-life balance, mean that unless both sides understand each other, the organization's maturity will not increase, nor will it lead to improved organizational performance. Moving forward, we will collaborate with our human resources units and regional talent development teams to utilize the engagement survey as a catalyst for behavioral change, thereby fostering a corporate culture that supports the growth of both individuals and the organization.

#### Components of the engagement survey score

| Work drivers                |                                                | Organizational drivers  |                                                         |
|-----------------------------|------------------------------------------------|-------------------------|---------------------------------------------------------|
| Key driver                  | Sub-item                                       | Key driver              | Sub-item                                                |
| Job responsibilities        | Fulfillment                                    | Philosophy and strategy | Empathy with mission and vision                         |
|                             | Autonomy                                       |                         | Agreement with company policies and business strategies |
| Personal growth             | Sense of accomplishment                        |                         | Pride in business and services                          |
|                             | Opportunities for growth                       |                         | Trust in management                                     |
| Health                      | Workload                                       | Organizational culture  | Provision of career opportunities                       |
|                             | Stress response                                |                         | Culture of taking on challenges                         |
| Support                     | Job-related support                            |                         | Interdepartmental cooperation                           |
|                             | Support for personal growth                    |                         | Appropriateness of praise                               |
|                             | Clarity of mission and goals                   | Environment             | Satisfaction with the work environment                  |
| Interpersonal relationships | Support from colleagues during difficult times |                         | Work-life balance                                       |
|                             | Relationship with supervisors                  |                         | Satisfaction with compensation                          |
| Recognition                 | Relationship with coworkers                    |                         |                                                         |
|                             | Recognition for comments and opinions          |                         |                                                         |
|                             | Recognition for achievements                   |                         |                                                         |
|                             | Satisfaction with evaluations                  |                         |                                                         |

(Source) Excerpted from "Engagement Run! Training: Engagement Improvement Training" by SMBC Wexvo, Inc.

### Creating an environment where young employees can take on challenges with confidence

#### Tokyo Metropolitan Maintenance Branch No. 1

Solutions Business Division  
Sanwa Shutter Corporation



#### Items earning particularly high scores

- Relationship with coworkers
- Support from colleagues during difficult times
- Relationship with supervisors
- Satisfaction with the work environment
- Provision of career opportunities

With high overall engagement and particularly high scores in interpersonal relationships, support, and job responsibilities, this branch entrusts young employees with tasks early on so they can gain experience interacting with customers independently, and is actively fostering an environment that encourages their independent thought and ambition. Supervisors monitor the situation closely while establishing support systems, such as team-based work and pairing junior staff with senior colleagues, to create a workplace where young employees can confidently tackle their duties and take on new challenges. The branch also provides full support for obtaining the various certifications required for their work. Daily communication and a system that allows employees to seek advice immediately when needed are well-established, and this culture of mutual support underpins the growth of the entire organization.

# FOCUS 3

## Developing the next generation of installers and in-house technicians Strengthening installation and maintenance capabilities as the driving force for sustainable growth

A building's entranceway directly affects its safety and comfort; without proper installation and maintenance, entrance products cannot deliver their intended performance. The Sanwa Group's strength lies in its ability to properly install and maintain a wide variety of products, and this is made possible by the high technical skills of our installers. As customer needs continue to diversify across the industry and labor shortages on construction sites become a challenge, our Group has identified improving technical skills and multi-skilling among installation staff as key management priorities and we are systematically developing our installers to address these.

### Systematic development through training, including on-the-job training

Installation work at the Sanwa Group is carried out by external partner installers and in-house technicians trained within the Group. Approximately 4,000 installers are registered across roughly 350 sales offices and departments nationwide, and we have about 300 in-house technicians on staff. At installation sites, specialized technical skills are essential to handle increasingly sophisticated products; however, as labor shortages become more severe, passing down these skills is becoming increasingly difficult. To ensure the reliable training of these installers and in-house technicians even under these circumstances, our Group established the Installation Training Center in 2008 as a foundation for this effort. Today, we conduct systematic installation training at eight training facilities nationwide.

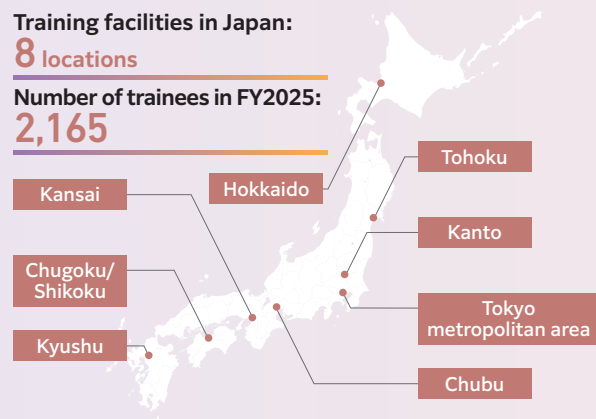
#### Installation training facilities and number of trainees

##### Training facilities in Japan:

**8 locations**

##### Number of trainees in FY2025:

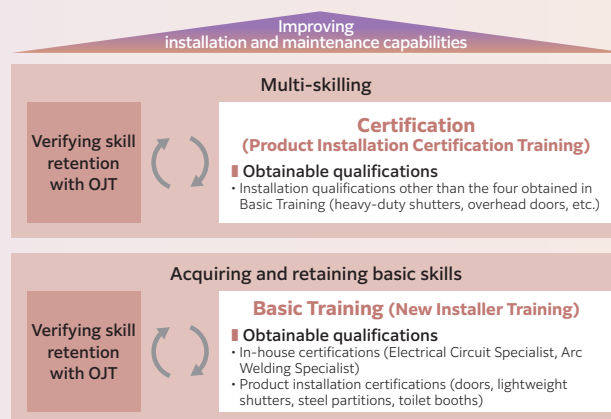
**2,165**



Training programs consist of two stages. The first stage, Basic Training (New Installer Training), is a 10-day in-person course. Installers and in-house technicians who meet the eligibility requirements and are selected by their respective business units obtain in-house certifications in arc welding and electrical circuitry, as well as installation certifications for four products that are particularly frequently handled. After obtaining these certifications, on-the-job training (OJT) is conducted to verify that the skills have been mastered.

The second stage, Product Installation Certification Training, grants installation certifications for products other than the four covered in Basic Training, organized into 105 products across 19 product types. Each department formulates a training plan based on the proficiency level of each installer and/or in-house technician, and through the acquisition of certifications in training and the consolidation of skills via OJT, we develop multi-skilled workers capable of installing multiple products.

#### System for training installers and in-house technicians



### Linking the training cycle to improved installation quality

#### Koki Morifuji

Director, Installation Training Center  
Sanwa Shutter Corporation



Our training is aimed at increasing installers and in-house technicians' safety awareness and ensuring product quality and safety. Training programs combine classroom instruction with hands-on practice and are designed to translate directly into on-site application. By participating in training with a clear sense of purpose and applying skills they have learned on the job, each employee acquires a strong foundation of skills. Since on-site experience is essential for mastering technical skills, we also place great importance on collaboration with the trainees' departments. This results in an emergent training cycle, one in which on-site work and training are closely linked. Going forward, we aim to further strengthen this cycle and, by developing the next generation of installers and in-house technicians, contribute to improving the installation capabilities and quality of the entire Sanwa Group.



The Installation Training Center

A training session in progress

# Management Team

## Directors



**Yasushi Takayama**

Representative Director, President Chief Executive Officer

|                                                              |                |
|--------------------------------------------------------------|----------------|
| ■ Attendance at Board of Directors' meetings                 | 100%           |
| ■ Attendance at Nomination & Compensation Committee meetings | 100%           |
| ■ Number of company shares held                              | 516,877 shares |

### Reasons for appointment

Since joining the Company in 2006, Mr. Yasushi Takayama has served in important positions, including General Manager of Total Cost Reduction (TCR) Dept. and General Manager of Structural Reform Dept., where he promoted a wide range of management reforms throughout the Company Group. After assuming office as President in 2017, he has promoted global group management both in Japan and overseas, laying the foundation for the Company to become a major global player. Based on his extensive experience and track record, the Company has determined that he remains qualified to be a Director.



**Hiroyuki Yamazaki**

Director, Senior Managing Executive Officer Responsible for Corporate Planning Unit

|                                                              |               |
|--------------------------------------------------------------|---------------|
| ■ Attendance at Board of Directors' meetings                 | 80%           |
| ■ Attendance at Nomination & Compensation Committee meetings | 100%          |
| ■ Number of company shares held                              | 33,891 shares |

### Reasons for appointment

Mr. Hiroyuki Yamazaki held important positions at a trading company, a system development company, and other organizations before joining the Company in 2017. At the Company, he has contributed to the growth of the Company Group in terms of both attacking and defensive aspects, by utilizing his extensive experience and acumen to promote management strategy and global personnel strategy, as well as strengthen risk management and so forth. Based on his experience and acumen, the Company has determined that he remains qualified to be a Director.



**Toshiaki Doba**

Director, Senior Managing Executive Officer Responsible for Global Business Unit

|                                              |               |
|----------------------------------------------|---------------|
| ■ Attendance at Board of Directors' meetings | 100%          |
| ■ Number of company shares held              | 22,697 shares |

### Reasons for appointment

After holding important positions at a trading company and a foreign-owned enterprise, Mr. Toshiaki Doba joined the Company in 2014. At the Company, he has been mainly involved with North America business, making a substantial contribution to expanding the sales of the US subsidiary and improving its profitability. From 2022, he was responsible for Global Business Unit, where he led the Company's business strategy in Europe and Asia, as well as North America, contributing to the growth of the Company's global business. Based on his experience and track record, the Company has determined that he remains qualified to be a Director.



**Meiji Takayama**

Director (Part-time)

|                                              |                |
|----------------------------------------------|----------------|
| ■ Attendance at Board of Directors' meetings | 100%           |
| ■ Number of company shares held              | 712,840 shares |

### Reasons for appointment

Mr. Meiji Takayama held important positions at Sanwa Shutter Corporation, the core business company of the Company Group, such as General Manager of Sales Promotion Dept. and Head of the Building Materials Div., before assuming office as Representative Director, President of that company in 2017. Drawing on his experience and knowledge of the field of construction and the construction materials industry, he has driven the domestic business and contributed to the development of the Company Group. Based on his experience and strong leadership, the Company has determined that he remains qualified to be a Director.



**Masanaka Yokota**

Independent Outside Director

|                                                              |              |
|--------------------------------------------------------------|--------------|
| ■ Attendance at Board of Directors' meetings                 | 100%         |
| ■ Attendance at Nomination & Compensation Committee meetings | 100%         |
| ■ Number of company shares held                              | 6,600 shares |

### Reasons for appointment

As a consultant for many years at JMA Consultants Inc., Mr. Masanaka Yokota provided advice and guidance for improvements and reforms in areas such as management strategy, production & manufacturing, and personnel development. Since he assumed office as an Outside Director in 2020, he has utilized his experience as a consultant and as the president of an overseas subsidiary, etc., to provide advice and suggestions on management as a whole, while also providing impartial opinions as a member of the Nomination & Compensation Committee. The Company expects him to utilize this extensive experience and knowledge to continue to provide supervision and advice in relation to the execution of duties by Directors of the Company.



**Hiroko Ishimura**

Independent Outside Director

|                                              |              |
|----------------------------------------------|--------------|
| ■ Attendance at Board of Directors' meetings | 100%         |
| ■ Number of company shares held              | 1,500 shares |

### Reasons for appointment

After first being employed by The Mitsubishi Bank, Ltd., Ms. Hiroko Ishimura joined Cincom Systems Japan Ltd. in 1991, where she held important positions, including those of Marketing Manager, Managing Director, and Representative Director. Since she assumed office as Outside Director of the Company in 2022, she has utilized her deep knowledge of solving business problems using IT and digital technologies, etc., and extensive experience as a corporate manager to provide advice and suggestions on management as a whole. The Company expects her to utilize this deep knowledge and extensive experience to continue to provide supervision and advice in relation to the execution of duties by Directors of the Company.



**Tsunekatsu Yonezawa**

Independent Outside Director (Audit & Supervisory Committee Member)

|                                                              |          |
|--------------------------------------------------------------|----------|
| ■ Attendance at Board of Directors' meetings                 | 100%     |
| ■ Attendance at Audit & Supervisory Committee meetings       | 100%     |
| ■ Attendance at Nomination & Compensation Committee meetings | 100%     |
| ■ Number of company shares held                              | — shares |

### Reasons for appointment

Mr. Tsunekatsu Yonezawa served as General Manager of Thin Plate Department I, ITOCHU Corporation, and General Manager of Oceania, ITOCHU Corporation, before being appointed as a member of the Board of Marubeni-Itchu Steel Inc. in the ITOCHU Group. Subsequently he assumed office as Outside Corporate Auditor of the Company in 2015, and Director serving as Audit and Supervisory Committee member in 2016. Since June 2025, he has served as Chairperson of the Audit and Supervisory Committee of the Company. Based on his experience as a corporate manager both in Japan and overseas and his deep knowledge of economics and management, he has provided appropriate opinions and advice while also providing impartial opinions as Chairperson of the Nomination & Compensation Committee. The Company expects him to utilize his experience and knowledge to continue to provide appropriate supervision of execution of business by the Company.



**Naoto Yamaoka**

Director (Audit & Supervisory Committee Member)

|                                                        |              |
|--------------------------------------------------------|--------------|
| ■ Attendance at Board of Directors' meetings           | 100%         |
| ■ Attendance at Audit & Supervisory Committee meetings | 100%         |
| ■ Number of company shares held                        | 1,900 shares |

### Reasons for appointment

Mr. Naoto Yamaoka held important positions at Sanwa Shutter Corporation, the core business company of the Company Group, such as General Manager of Human Resources and General Affairs Dept. and Senior Executive Officer, before assuming office as Corporate Auditor of that company in 2023. In 2025, he was appointed as a Director serving as Audit and Supervisory Committee Member at the Company. He possesses many years of experience in human resources, labor, human resource development, and general affairs operations, as well as broad knowledge of the Company Group's business. Based on his extensive experience, the Company expects him to provide appropriate opinions and advice, and has determined that he is qualified to be a Director serving as Audit and Supervisory Committee Member.



**Michael Morizumi**

Independent Outside Director (Audit & Supervisory Committee Member)

|                                                        |          |
|--------------------------------------------------------|----------|
| ■ Attendance at Board of Directors' meetings           | 86%      |
| ■ Attendance at Audit & Supervisory Committee meetings | 83%      |
| ■ Number of company shares held                        | — shares |

### Reasons for appointment

Mr. Michael Morizumi has knowledge of corporate analysis, investment decisions, and finance and accounting from his many years of experience as a securities analyst, as well as extensive knowledge of domestic and international corporate management from his experience as a representative of Pacific IR Co., Ltd. The Company expects him to utilize his experience, knowledge, and global perspective and to provide appropriate supervision of execution of business by the Company.



**Emiko Suzuki**

Independent Outside Director (Audit & Supervisory Committee Member)

|                                                        |          |
|--------------------------------------------------------|----------|
| ■ Attendance at Board of Directors' meetings           | — %      |
| ■ Attendance at Audit & Supervisory Committee meetings | — %      |
| ■ Number of company shares held                        | — shares |

### Reasons for appointment

Ms. Emiko Suzuki has extensive practical experience at financial institutions and audit firms, as well as professional expertise as a certified public accountant, and possesses deep knowledge of corporate accounting, internal controls, and risk management. In addition, through her experience as an outside corporate auditor of listed companies and as a supervisory director of an investment corporation, the Company expects her to contribute to the enhancement of its corporate governance by exercising appropriate supervisory and audit functions from an independent standpoint. Although she has had no direct involvement in company management, the Company has determined that, based on the above experiences and expertise, she will be able to appropriately perform her duties as an Outside Director.

## Executive Officers

**Katsumi Fujii**

Senior Executive Officer  
Head of North America Business, Global Business Unit

**Masayuki Atarashi**

Senior Executive Officer  
Head of Corporate Communication Department, Corporate Planning Unit

## Message from an Outside Director

# Strong Potential as a Global Enterprise, with Talent Acquisition and Further Brand Enhancement Presenting Future Challenges



**Michael Morizumi**

Outside Director  
(Audit & Supervisory Committee Member)

After many years as a securities analyst at multinational securities firms, he established Pacific IR Co., Ltd. as a finance and investor relations specialist. He also serves as an outside director and outside corporate auditor at Japanese companies. He was appointed as an Outside Director (Audit & Supervisory Committee Member) of the Company in June 2025.

### Contributing to High-Quality Discussions Through Experience as a Securities Analyst and Expertise in Finance and Investor Relations

For many years, I worked as a securities analyst at foreign securities firms, engaging in corporate analysis, investment strategy, and other areas. I am now an independent finance and IR specialist and also serve as an outside director and auditor at several Japanese companies, giving me extensive involvement in corporate governance. One particularly valuable experience was serving as an outside corporate auditor at a restaurant company. Given the nature of its food-related business, I was involved not only in ensuring compliance with stringent safety standards but also in carefully examining its restaurant opening strategy based on rigorous risk-return analysis.

Although I have extensive business experience in Japan, I am originally from the United States and have built my career in an internationally diverse environment. I therefore make a conscious effort to offer different perspectives by drawing on my global outlook, experience as a securities analyst, and expertise in finance and IR. I also consistently emphasize discussions grounded in objective and rational market analysis and decision-making criteria, as well as transparent processes. I see my role as helping to further improve the quality of corporate governance from the perspectives of diversity, expertise, and objectivity.

### High Regard for Sanwa as a Global Enterprise for Its Outstanding Quality and Unwavering Commitment to Service

I had long associated Sanwa with shutters and doors and had encountered Group products in many settings. I previously viewed it primarily as a leading company in Japan, but when I became Outside Director, I learned that overseas sales account for more than half of total sales and that foreign investors also hold a high proportion of its shares. This deepened my recognition of the Company as a global enterprise. It has placed particular emphasis on its overseas M&A strategy. On a personal level, I was surprised to discover that Genie,\* a brand familiar to me from my youth in the United States, was part of the Group, and this made me feel a closer connection to Sanwa.

In assessing the Company, I see its key strengths as its thorough commitment to quality and service and its successful globalization through overseas M&A. Its globally diversified risk profile is particularly valuable amid a highly uncertain business environment. The Company's high PBR can be attributed to its strong capital efficiency, as indicated by ROE and ROIC, and its ability to generate earnings globally. For overseas investors in particular, whether a Japanese company can address the maturation of its domestic market is an important consideration.

I also see considerable social value in the Company's strategy of developing products that help solve social issues, including disaster preparedness, safety, and environmental challenges. When I visited the Ota Door Plant in Gunma Prefecture, the main production site for lightweight doors, I toured the on-site testing center and witnessed rigorous safety assessments and quality tests

## Message from an Outside Director

covering fire resistance, wind pressure resistance, waterproofing, and other performance criteria. With the response to torrential rain, flooding, and other natural disasters intensified by climate change becoming an urgent social issue, the Company's development and provision of distinctive disaster-preparedness products have a major impact on society while enhancing the competitiveness and brand strength of its products. It is exciting simply to consider the solutions that the Company could create in the field of access systems by also leveraging AI and digital technologies.

Meanwhile, as uncertainty rises worldwide, current performance appears to have reached something of a plateau compared with the past three years, when the Company had repeatedly achieved record results. Nevertheless, the Global Vision is progressing smoothly overall, and solid performance in the domestic market continues to provide support. This can also be viewed as evidence that the benefits of diversification are taking effect.

\* Genie is a brand of the door operator business of ODC in the United States.

### An Open Corporate Culture That Encourages Candid Communication and a Highly Transparent Governance Structure

I also view Sanwa's highly open corporate culture, which encourages candid communication, very positively. Having observed the management of many companies, I believe this is a common characteristic of growing companies.

I also believe that governance over management is functioning effectively. Outside Directors account for half of the Board of Directors, while the Audit & Supervisory Committee and the Nomination & Compensation Committee are both chaired by Outside Directors, ensuring sufficient independence and transparency. Meetings allow for open and lively discussion, and the support provided to Outside Directors is also comprehensive. What matters particularly to me is whether the environment facilitates communication and whether the information required for high-quality discussions is available. I am very satisfied on both counts.

### Future Challenges Include Securing Talent, Accelerating Growth Investment, and Strengthening the Brand

As Japan faces population decline and labor shortages, I see addressing these issues as one of Sanwa's highest priorities. The Company must identify the challenges shared by nearly all Japanese companies in such areas as personnel systems, compensation structures, and productivity, and consider whether fundamental reforms are required. Given Japan's shrinking population, I also believe it is increasingly important for Sanwa to focus on new business opportunities in overseas markets. Developing and securing global and DX talent will be essential to achieving Sanwa's goal of becoming a global leader of smart entrance solutions.

The Company is also pursuing an aggressive growth investment strategy that includes M&A. Increasing the speed and precision of these investments and maximizing post-investment performance will be crucial to its future growth. At the same time, growing global uncertainty and expansion into emerging markets make it necessary to further strengthen global governance and risk management. The Company must pursue both growth and safeguards simultaneously. I believe that stronger communication with overseas subsidiaries that have joined the Group through M&A will benefit not only governance but also the business itself. In addition to pursuing synergies, the Company has much to learn from their knowledge and expertise, and such communication should also have a positive effect on identifying and developing talent.

I believe there remains considerable room to strengthen the Company's brand. Its brand strength does not yet fully reflect the quality and functionality of its products, suggesting that substantial potential could be unlocked through more compelling brand storytelling and stronger communications. In that regard, further expanding English-language communications, including IR communications for overseas investors, is another priority for strengthening engagement with overseas investors.



As the Company looks ahead to its 80th anniversary and then its 100th, I believe the direction of the Global Vision is highly rational and achievable. The key to future success will be to respond flexibly to rapidly changing market trends while preserving the values the Company has long upheld, including its commitment to quality and service and its determination to address social issues.

### Supporting Sustainable Growth by Appropriately Overseeing the Progress of Proactive Global Expansion and Investment Strategies

My first year in office involved the occasional bout of trial and error as I found my footing. As my understanding deepened, however, the areas requiring oversight and advice became clearer. Because proactive global expansion and growth investment are central to the Company's strategy, I recognize the importance of the role I must fulfill.

I will continue to promote discussions based on objective and rational market analysis and investment decisions while closely monitoring progress in the areas I have identified as priorities, including human capital and investment strategy, collaboration with overseas subsidiaries, and global governance. Drawing on my experience and expertise, I also intend to offer proposals from a range of perspectives to strengthen product and solution development, which will drive future value creation, and enhance the Company's brand. By continuing to leverage my individual strengths, I am committed to helping improve corporate value and meeting the expectations of stakeholders.

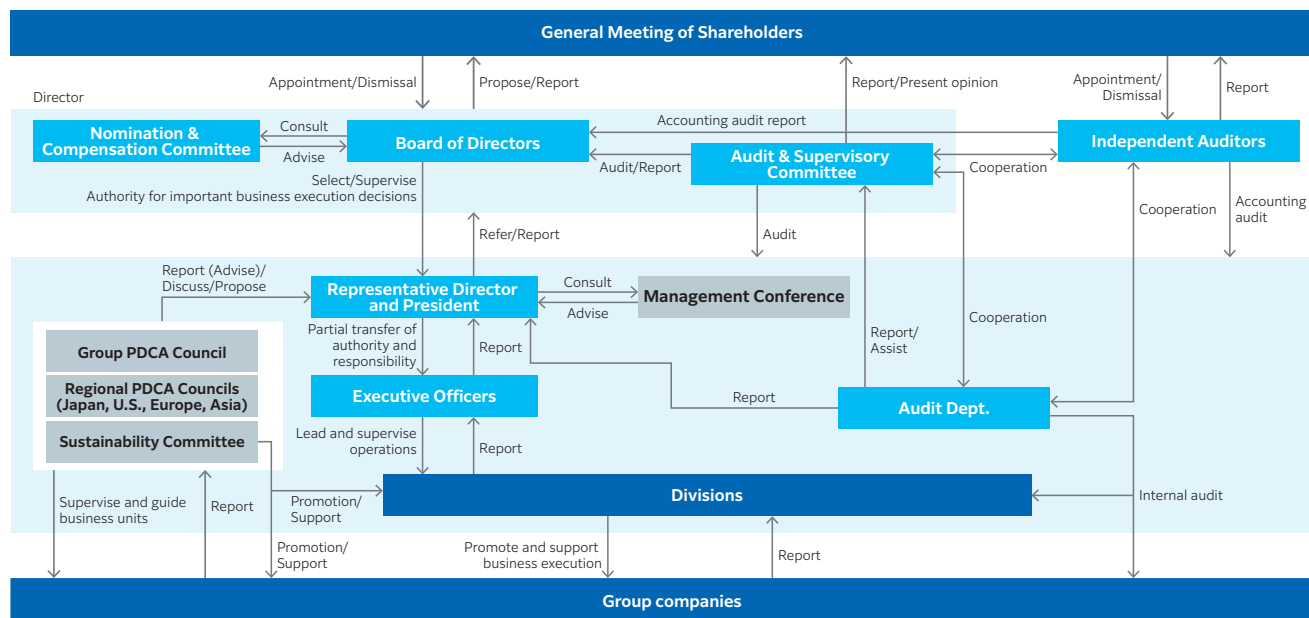
# Corporate Governance

## Basic Policy on Governance and Its Evolution

### Basic approach

As a global access systems company that is developing business in 28 countries and regions in North America, Europe and Asia as well as in Japan, Sanwa Holdings Corporation achieves business growth through good faith and fair business activities on the basis of the Company's Mission, Our Values, Principles of Business and Compliance Code of Conduct while aiming to instill two kinds of reliability (reliable business performance and reliable management). Continuing to grow and improve corporate value, the Company will also contribute to the sustainable development of society while positioning corporate governance, which forms its foundation, as an important management issue.

### The Sanwa Group's Corporate Governance Structure



## Governance Structure and Decision-Making

### Corporate Governance Structure

The details of specific measures to enhance our business execution and supervisory functions are set out below. By adopting this system, we believe that we can establish a system to ensure the appropriateness of operations and enhance corporate governance.

## Enhancement Process of Corporate Governance

|      |                                                                                              |                                         |
|------|----------------------------------------------------------------------------------------------|-----------------------------------------|
| 2000 | Adopted Executive Officer system                                                             |                                         |
|      | Appointment of one outside Audit & Supervisory Board member                                  |                                         |
| 2003 | Established Group Strategy Committee                                                         |                                         |
|      | Established Domestic Business/Overseas Business PDCA Council (Regional PDCA Councils)        |                                         |
| 2005 | Established the Group CSR Promotion Council                                                  |                                         |
| 2006 | Appointment of two outside Audit & Supervisory Board members                                 |                                         |
| 2007 | Adopted holding company system                                                               |                                         |
| 2008 | Appointment of one Outside Director                                                          | Ratio of Outside Directors <b>10.0%</b> |
| 2016 | Transition to a company with an Audit & Supervisory Committee                                |                                         |
|      | Established the Management Conference                                                        |                                         |
|      | Appointment of three Outside Directors                                                       | Ratio of Outside Directors <b>27.3%</b> |
| 2021 | Established the Nomination & Compensation Committee                                          |                                         |
|      | Established the Sustainability Committee                                                     |                                         |
|      | Introduction of restricted stock compensation                                                |                                         |
| 2022 | Appointment of one female Outside Director                                                   | Ratio of Outside Directors <b>40.0%</b> |
| 2023 | Established shareholding guidelines                                                          |                                         |
| 2024 | Chair of the Nomination & Compensation Committee becomes an Outside Director                 | Ratio of Outside Directors <b>44.4%</b> |
| 2025 | Chair of the Audit & Supervisory Committee becomes an Outside Director                       | Ratio of Outside Directors <b>50.0%</b> |
|      | Appointment of one non-Japanese Outside Director                                             |                                         |
| 2026 | Appointment of one additional female Outside Director (total: 2)                             | Diversity Ratio <b>30.0%</b>            |
|      | Addition of third-party assessment to the effectiveness evaluation of the Board of Directors |                                         |
|      | Change to compensation proportions                                                           |                                         |

## Corporate Governance

### Board of Directors

The Board of Directors consists of ten Directors (including four Directors who are Audit & Supervisory Committee members), of whom five (50.0%) are designated as independent Outside Directors. In principle, the Board of Directors meets at least once every three months to make important managerial decisions in a timely manner, as well as to oversee the execution of duties by the Directors, thereby ensuring that the Company is managed in a legal and appropriate manner. In addition, we have adopted an Executive Officer system as a means to separate management decision-making by the Board of Directors and business execution by Executive Officers, thus streamlining management and enhancing the ability of Directors to oversee the execution of business by Executive Officers.

#### FY2025 Board of Directors meetings

**Number of meetings held: 8**  
**Items on the agenda: 26**  
**Matters reported: 34**  
**Duration (average): 2 hours 48 minutes**

Specifically, the Board of Directors mainly deliberated and reported on the following matters.

### Main Deliberation Items at FY2025 Board of Directors Meetings

- Matters concerning the General Meeting of Shareholders
- Matters concerning shares, capital, etc.
- Matters concerning corporate governance, management policies, and plans
- Matters concerning financial results
- Matters concerning the Board of Directors and Directors
- Matters concerning human resources
- Matters concerning the acquisition and disposal of assets and funding
- Matters concerning business restructuring and organization
- Matters concerning the establishment, revision, and abolition of important rules
- Other matters concerning the execution of business

### Management Conference

In accordance with the transition to a company with an Audit & Supervisory Committee structure in fiscal 2016, from the perspective of speeding up management decisions a Director (President) was entrusted to make “significant decisions

concerning business execution,” excluding matters prescribed by law. Consequently, set up as an advisory body to the delegated Director, a Management Conference reports on important management issues, and assists that Director in making decisions and strengthening the flexibility of business execution. Under this system, we strive to ensure swift and efficient management decision-making in conjunction with the Board of Directors.

### Audit & Supervisory Committee

The Directors who are Audit & Supervisory Committee members monitor the status of business execution by Directors who are not Audit & Supervisory Committee members and other Executive Officers, and report and express their opinions. In this way, we work to ensure legal and appropriate corporate management. We believe the transition to a company with an Audit & Supervisory Committee has contributed to improving the supervisory function and transparency of the Board of Directors, and thus demonstrates the effectiveness of the Board.

### Nomination & Compensation Committee

The Company established the Nomination & Compensation

Committee in January 2021 as an advisory body (voluntary) to the Board of Directors to enhance the fairness, transparency, and objectivity of procedures related to the nomination and compensation of Directors (excluding Directors serving as Audit & Supervisory Committee members) and Executive Officers. The Committee, a majority of whose members are Outside Directors and which is chaired by an Outside Director, deliberates in response to consultations from the Board of Directors on matters such as nomination proposals for candidates for the position of Director, etc., as well as calculation methods, etc. for compensation for Directors, etc. and for individual compensation, and advises based on the results of its deliberations to the Board of Directors.

### Group and Regional PDCA Councils

Group and Regional PDCA Councils consist of Directors, Executive Officers and other senior management officers (independent Outside Directors excluded). At the councils, Directors oversee the progress of management plans and provide guidance on management issues, while the Directors who are Audit & Supervisory Committee members audit the status of business execution by Executive Officers.

### FY2025 Meeting Body Status and Major Agenda Items

| Name of the meeting body                                     | Frequency of meetings/the number of meetings held/attendance rate                                  | Agenda items                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Management Conference                                        | Once a month, as a general rule (Fiscal 2025: 10 times)<br>Attendance rate: 100%                   | <ul style="list-style-type: none"> <li>• Deliberates on matters deemed necessary by the President from among matters concerning important business execution decisions delegated by the Board of Directors to the President</li> <li>• Deliberates on matters deemed necessary by the President from among the Board of Directors' meeting agenda items</li> <li>• Deliberates on other important, management-related matters</li> </ul> |
| Audit & Supervisory Committee                                | At least once every three months, as a general rule (Fiscal 2025: 8 times)<br>Attendance rate: 96% | <ul style="list-style-type: none"> <li>• Reports and expresses their opinions on the audit of the status of business execution by Directors who are not Audit &amp; Supervisory Committee members and other Executive Officers</li> </ul>                                                                                                                                                                                                |
| Nomination & Compensation Committee                          | Twice a year, as a general rule (Fiscal 2025: 2 times)<br>Attendance rate: 100%                    | <ul style="list-style-type: none"> <li>• Proposals for the election of Directors, excluding Directors serving as Audit &amp; Supervisory Committee members and Executive Officers</li> <li>• Matters concerning the compensation for Directors, excluding Directors serving as Audit &amp; Supervisory Committee members, etc., and the calculation method for individual compensation</li> </ul>                                        |
| Group PDCA Council                                           | Once a month, as a general rule (Fiscal 2025: 8 times)<br>Attendance rate: 100%                    | <ul style="list-style-type: none"> <li>• Reports, confirms, and provides guidance on the progress of Groupwide plans (for each business unit)</li> <li>• Reports, confirms, and provides guidance on the progress of important projects of each business unit</li> <li>• Considers and coordinates new management issues across business units</li> </ul>                                                                                |
| Regional PDCA Councils (Japan, U.S., Europe, Asia)           | Once every three months, as a general rule (Fiscal 2025: 4 times each)<br>Attendance rate: 100%    | <ul style="list-style-type: none"> <li>• Considers the plans and budgets of each business company</li> <li>• Reports, confirms, and provides guidance on the progress of the plans of each business company</li> </ul>                                                                                                                                                                                                                   |
| Sustainability Committee<br>▶ p. 32 Sustainability Committee | Once every three months, as a general rule (Fiscal 2025: 4 times)<br>Attendance rate: 100%         | <ul style="list-style-type: none"> <li>• Deliberates on and promotes Groupwide sustainability policies, etc., including the Group's quality, risk management, compliance, social contribution, global environment conservation, respect for human rights, work-style reforms, and gender equality</li> </ul>                                                                                                                             |

## Effectiveness Evaluation of the Board of Directors

### About the Evaluations

Since fiscal 2017, the Company has conducted an annual evaluation of the effectiveness of the Board of Directors following the final Board meeting of each fiscal year. For fiscal 2025, to further enhance the objectivity and transparency of the evaluation, the Company engaged an external third-party organization to conduct an analysis and evaluation through a questionnaire and individual interviews. Based on the third-party organization's analysis and advice, the Company will pursue initiatives to further improve the effectiveness of the Board of Directors.

### Analysis and Evaluation Process

#### (1) Analysis and evaluation by an external organization (April 2026)

- The third-party organization conducted an anonymous questionnaire of the Directors and individual interviews to directly ascertain their views regarding their responses.
- The organization compiled and analyzed the questionnaire responses and individual interview findings to determine key issues and future response policies concerning the effectiveness of the Board of Directors.

#### (2) Deliberations by the Board of Directors (May–June 2026)

- At the Company's Board of Directors meeting on May 14, 2026, the external organization reported the results of the Board effectiveness evaluation. The Board discussed future response policies at that meeting and at its meeting on June 24, 2026.

### Overview of Analysis and Evaluation Methods

- Persons evaluated: All ten Directors
- Evaluation methods: Questionnaire and individual interviews
- Main questionnaire items:
  1. Composition of the Board of Directors
  2. Roles of and deliberations/oversight by the Board of Directors
  3. Operation and support system for the Board of Directors
  4. Nomination & Compensation Committee
  5. Audit & Supervisory Committee
- Interview topics: Individual interviews focused on exploring in depth potential issues identified through the questionnaire.

### Evaluation Results and Future Response Policies

The evaluation of the effectiveness of the Board of Directors confirmed that the Directors generally viewed the current state of the Board and committees favorably, and that active discussions involving Outside Directors were taking place under a well-balanced Board composition. Meanwhile, the following matters were identified as issues to be addressed to further improve effectiveness. By taking action to address each issue, the Company aims to further improve the effectiveness of the Board of Directors.

### Issues Identified through the Effectiveness Evaluation and Direction of Initiatives

| Issues                                                                    | Direction of response                                                                                                                                                                       |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Clarifying the role of the Board of Directors</b>                      | <b>Reviewing and adjusting the Board composition for optimization</b><br>Continually optimize the Board composition from the perspective of Board diversity to help enhance corporate value |
| <b>Enhancing Board operations</b>                                         | <b>Strengthening the secretariat structure supporting Board operations</b><br>Improve the expertise and effectiveness of Board operations by strengthening the secretariat structure        |
| <b>Clarifying the role of the Nomination &amp; Compensation Committee</b> | <b>Improving the effectiveness of the Nomination &amp; Compensation Committee</b><br>Clarify the Committee's roles and functions to help strengthen governance                              |

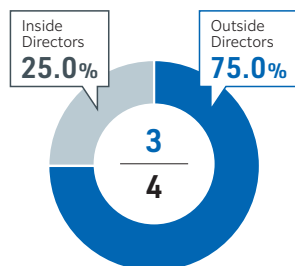
## Appointment and Development of Directors

### Policy for Appointing Directors

The Company's criteria for appointing Directors are based on whether the individual in question possesses the abilities, knowledge, and experience necessary to monitor and supervise the Company's management from a global perspective, and to make important decisions concerning the Company's business operations.

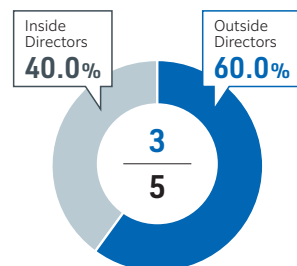
Ever since we created and disclosed a skill matrix for Directors in 2021, we have been reviewing it from time to time in light of the management issues we face. We have selected the areas described in the table on the right after deliberations by the Board of Directors with a view to achieving Sanwa Global Vision 2030, our Long-Term Vision, and the Medium-term Management Plan 2027.

Ratio of Outside Directors  
(Audit & Supervisory Committee)



\* Chaired by an Outside Director

Ratio of Outside Directors  
(Nomination & Compensation Committee)



\* Chaired by an Outside Director

### Expected Skills

|                                                                  |                                                                                                                                                               |                                            |                                                                                                                                                                                                 |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate management                                             | Experience as a representative Director or an executive with a broad scope of managerial duties equivalent to those of a representative Director in a company | IT, Digital                                | Expertise in how to apply digital technology to transform and streamline businesses and operations                                                                                              |
| Industry knowledge, Industry experience                          | Management skills of a kind that will contribute to the growth of the Company by leveraging knowledge and experience of industry                              | Finance and accounting, Monetary           | Knowledge of finance and accounting required to build a management foundation that balances investment in growth, sound finances, and shareholder returns                                       |
| Global experience                                                | Experience of conducting business outside of Japan or managing a company with global operations                                                               | Personnel and labor, Personnel development | Skills and experience to oversee the situation surrounding the implementation of human capital management, including human resource development linked to management strategy and other matters |
| Sales, Marketing                                                 | Foresight to create business opportunities in a rapidly-changing business environment                                                                         | Legal affairs, Risk management, Compliance | Expertise in how to respond promptly and appropriately from the standpoints of legal affairs, corporate governance, and risk management so as to secure the trust of stakeholders               |
| Manufacturing and engineering, Development and quality assurance | Expertise in manufacturing (production, technology, and development) and quality assurance needed to earn the trust of customers                              |                                            |                                                                                                                                                                                                 |

### Skill Matrix of the Board of Directors

|                                                                                  |                                                      | Skills (ability, knowledge, experience etc. which the Company expects) |                                         |                   |                  |                                                                  |             |                                  |                                             |                                            | Diversity           |        |
|----------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------|-------------------|------------------|------------------------------------------------------------------|-------------|----------------------------------|---------------------------------------------|--------------------------------------------|---------------------|--------|
|                                                                                  |                                                      | Corporate management                                                   | Industry knowledge, Industry experience | Global experience | Sales, Marketing | Manufacturing and engineering, Development and quality assurance | IT, Digital | Finance and accounting, Monetary | Personnel and labor / Personnel development | Legal affairs, Risk management, Compliance | Foreign nationality | Female |
| Directors (excluding Directors serving as Audit & Supervisory Committee members) | Yasushi Takayama                                     | ●                                                                      | ●                                       |                   |                  |                                                                  | ●           | ●                                | ●                                           | ●                                          |                     |        |
|                                                                                  | Hiroyuki Yamazaki                                    | ●                                                                      |                                         | ●                 |                  |                                                                  | ●           | ●                                | ●                                           | ●                                          |                     |        |
|                                                                                  | Toshiaki Doba                                        | ●                                                                      | ●                                       | ●                 | ●                |                                                                  |             | ●                                |                                             |                                            |                     |        |
|                                                                                  | Meiji Takayama                                       | ●                                                                      | ●                                       |                   | ●                | ●                                                                |             | ●                                | ●                                           |                                            |                     |        |
|                                                                                  | Masanaka Yokota<br><div>OutsideIndependent</div>     | ●                                                                      |                                         | ●                 |                  | ●                                                                |             |                                  | ●                                           |                                            |                     |        |
|                                                                                  | Hiroko Ishimura<br><div>OutsideIndependent</div>     | ●                                                                      |                                         | ●                 | ●                |                                                                  | ●           |                                  |                                             |                                            |                     | ●      |
| Directors serving as Audit & Supervisory Committee members                       | Tsunekatsu Yonezawa<br><div>OutsideIndependent</div> | ●                                                                      | ●                                       | ●                 | ●                |                                                                  |             |                                  |                                             |                                            |                     |        |
|                                                                                  | Naoto Yamaoka                                        |                                                                        | ●                                       |                   |                  |                                                                  |             | ●                                | ●                                           | ●                                          |                     |        |
|                                                                                  | Michael Morizumi<br><div>OutsideIndependent</div>    | ●                                                                      |                                         | ●                 |                  |                                                                  |             | ●                                |                                             |                                            | ●                   |        |
|                                                                                  | Emiko Suzuki<br><div>OutsideIndependent</div>        |                                                                        |                                         |                   |                  |                                                                  | ●           | ●                                |                                             | ●                                          |                     | ●      |

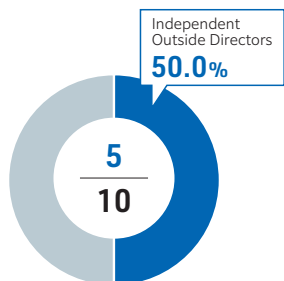
Note: The above matrix does not indicate all skills, knowledge, experience, etc., possessed by the Directors.

## Corporate Governance

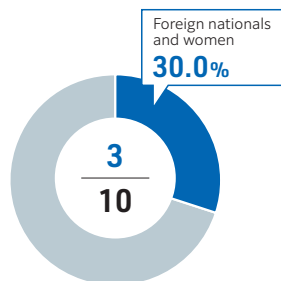
### Independent Outside Directors

The five Outside Directors each provide management advice based on their extensive experience and expertise. In doing so, they audit and supervise the Directors in the execution of their duties from a neutral standpoint that is independent of the execution of business, thus fully enhancing the oversight function of the Board of Directors. Going forward, we will continue to consider increasing the ratio of Outside Directors as necessary with a view to ensuring the effectiveness of the Board of Directors and further improving governance.

Ratio of Independent Outside Directors



Diversity Ratio



### Appointment Process

The Board of Directors selects Directors who possess broad knowledge and extensive experience in the Company's business operations and can contribute to its sustainable growth and the enhancement of corporate value over the medium to long term. Selection is based on individual abilities, insight, and experience as well as in consideration of the balance and diversity of the overall Board of Directors and the Audit & Supervisory Committee. (At least one person who is an expert in finance and accounting is appointed as a Director serving as an Audit & Supervisory Committee Member.) A decision is made on the candidates by the Board of Directors in deliberations following verification by the Audit & Supervisory Committee.

Furthermore, Director candidates are selected by the Board of Directors after receiving advice requested from the Nomination & Compensation Committee. The reasons for the selection of individual Director candidates are provided in the convocation notice of the General Meeting of Shareholders. The selection and dismissal of executives (excluding Directors) use the same procedure, with a decision made after deliberation by the Board of Directors.

### Officer Compensation and Linkage to Performance

#### Policies, etc., for Determining Details of Officer Compensation, etc.

At the Board of Directors' meeting held on June 22, 2021, the Company resolved a policy for determining the details of the individual compensation, etc., of Directors (excluding Directors serving as Audit & Supervisory Committee members; hereinafter referred to simply as "Directors"). Compensation of Directors, etc., is intended to contribute to continual improvement of the Company's business performance and corporate value. The Company designs its compensation system so that the level and structure of compensation are in accordance with the roles and responsibilities required of the Company's Directors, and enable the recruitment and retention of well-qualified people. Compensation of Directors consists of base compensation, performance-linked compensation, and restricted stock compensation. However, compensation of Directors serving as Audit & Supervisory Committee members and Outside Directors consists only of base compensation. Furthermore, as a general rule, compensation is not paid to part-time Directors (who are paid compensation from consolidated subsidiaries). The total amount of base compensation and performance-linked compensation and the total amount of restricted stock compensation shall each be within the total amount determined at General Meetings of Shareholders.

|                                                                                                                | Base compensation             | Short-term incentive<br>Performance-linked compensation | Long-term incentive<br>Restricted stock compensation |
|----------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------------------|------------------------------------------------------|
| Directors (excluding directors serving as Audit & Supervisory Committee Members) (excluding outside directors) | ¥380 million or less per year | ¥280 million or less per year                           | ¥80 million or less per year                         |
| Outside Directors (excluding Audit & Supervisory Committee members)                                            |                               |                                                         |                                                      |
| Directors serving as Audit & Supervisory Committee members                                                     | ¥150 million or less per year |                                                         |                                                      |

The details of the policy for determining the compensation, etc., for individual Directors are as follows.

#### Comment from the New Outside Director

#### Corporate Governance for Sustainable Growth

The Sanwa Group positions corporate governance as an important management issue and actively works to strengthen it. Drawing on my more than 20 years of experience auditing listed companies at a major audit firm as a certified public accountant, I will work to further strengthen corporate governance. I will promote greater

transparency, rigorous risk management, and effective internal controls, thereby helping earn the trust of shareholders and other stakeholders. Acting with integrity and fairness, I will contribute to the Company's sound management and sustainable growth and work to enhance corporate value.



**Emiko Suzuki**

Outside Director (Audit & Supervisory Committee member)

## Corporate Governance

### a. Policy for base compensation

The base compensation for each Director is set for each position based on consolidated performance with reference to the compensation levels of other companies presented by a specialized outside organization and is paid monthly.

### b. Policy for performance-linked compensation

For performance-linked compensation, as monetary compensation for business execution during the term (one year) of Directors, a standard amount is set for each position based on the Company's consolidated performance with reference to the compensation levels of other companies presented by a specialized outside organization. The standard amount of this type of compensation is determined by taking into account standard amount indicators and the levels of contribution of each Director, evaluated quantitatively and qualitatively, and the compensation is paid during the fiscal year following the fiscal year under review.

As far as it serves as a reward that functions as a sound incentive for sustainable growth and reflects the Company's business performance, consolidated operating profit has been selected as the primary indicator for performance-linked compensation.

The amount of performance-linked compensation is determined as the amount calculated by multiplying the number of points specified for each position by the unit price

$$\text{Performance-linked compensation for each individual Director} = \text{Number of points} \times \text{Per-point price} \times \text{Individual evaluation}$$

|                              |                                                                                                                            |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| <b>Number of points</b>      | Determined for each position                                                                                               |
| <b>Per-point price</b>       | Unit price of points for the previous fiscal year x percentage change from the previous fiscal year x amplification factor |
| <b>Individual evaluation</b> | ±25%                                                                                                                       |

of points, and then by individual evaluation that reflects the evaluation of each Director.

Individual evaluations are conducted by setting multiple priority targets for each Director individually and evaluating them quantitatively and qualitatively through the PDCA (Plan, Do, Check, Action) cycle. In addition to these individual priority targets, items that contribute to the sustainable growth of the Company, such as "revitalization of the organization, compliance, and creation of a comfortable working environment," are set as common priority targets for all Directors. The unit price of points for the fiscal year under review is calculated by multiplying the unit price of points for

the previous fiscal year by the percentage change in consolidated operating income from the previous fiscal year (percentage derived by dividing consolidated operating income for the fiscal year under review by consolidated operating income for the previous fiscal year) by the amplification factor set to raise incentives, and is determined by approval of the Board of Directors.

In addition, the individual evaluation of each Director is made and determined by the Representative Director and President, who is delegated by the Board of Directors to evaluate the performance and contribution of each Director quantitatively and qualitatively, by ±25% for each evaluation item.

### Actual Compensation Amount for FY2025

| Classification                                                                                                   | Total compensation (millions of yen) | Total compensation by type (millions of yen) |                                 |                           | Number of officers eligible |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------------------|---------------------------------|---------------------------|-----------------------------|
|                                                                                                                  |                                      | Base compensation                            | Performance-linked compensation | Non-monetary compensation |                             |
| <b>Directors</b><br>(excluding directors serving as Audit & Supervisory Committee members and outside directors) | 297                                  | 110                                          | 129                             | 57                        | 3                           |
| <b>Directors</b><br>(Audit & Supervisory Committee Members)<br>(excluding outside directors)                     | 34                                   | 34                                           | —                               | —                         | 2                           |
| <b>Outside Directors</b><br>(excluding Audit & Supervisory Committee members)                                    | 25                                   | 25                                           | —                               | —                         | 2                           |
| <b>Outside Directors</b><br>(Audit & Supervisory Committee members)                                              | 64                                   | 64                                           | —                               | —                         | 3                           |

(Note)

- The amount paid to directors does not include the portion of employee's salary for those directors who concurrently serve as employees.
- Performance-linked compensation adopts the Company's consolidated operating income as the performance indicator to explicitly reflect profitability of the business activity in the fiscal year under review, and the said compensation is calculated by determining a base amount for each position based on consolidated operating income compared to the previous year, then adding or subtracting the contribution of each director within a range of ±25% to the base amount.
- Non-monetary compensation is included in the amount recorded in the current fiscal year related to restricted stock compensation. Under the restricted stock compensation plan, the Company's common stock allocated under restricted stock allocation contracts shall not be transferred, pledged or disposed in other ways from the allocation date to the day on which the Directors or persons in any other positions designated by the Board of Directors of the Company lose their positions. If an eligible Director ceases to hold a position designated by the Company's Board of Directors before the end of a period separately specified by the Board, the Company will automatically acquire, without consideration, the restricted shares allotted to that Director unless the Board recognizes a justifiable reason. Furthermore, if the eligible Director commits any act that constitutes a breach of legal compliance or internal regulations, etc., as stipulated in the restricted stock allocation contract, the Company shall automatically acquire the restricted stock allocated to the eligible Director without consideration.

## Corporate Governance

### c. Policy for non-monetary compensation (restricted stock compensation)

The restricted stock compensation plan is a stock compensation plan aimed at providing incentives to Directors for sustainable improvement of the corporate value of the Company as well as promoting further value sharing between Directors and shareholders.

Directors, excluding Outside Directors and Directors serving as Audit & Supervisory Committee members, are eligible, and the specific allocation to each eligible Director is decided based on a resolution by the Company's Board of Directors.

Each eligible Director shall pay all claims for monetary compensation to be paid for granting restricted stock in the form of properties contributed in kind each fiscal year and shall receive allotment of common stock of the Company. Furthermore, restricted stock compensation shall be granted as compensation for duties performed during the term (one year) of Directors within one month after the conclusion of the Ordinary General Meeting of Shareholders in which the Directors were elected. The allotment will be made through the disposition of treasury stock

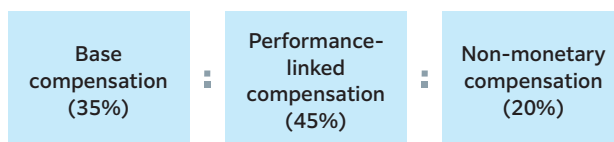
The transfer restriction period shall be the period from the date of delivery of restricted stock to the time that Directors lose their positions as Director of the Company or any other positions determined by the Board of Directors of the Company.

### d. Policy for proportion of amounts of compensation, etc.

The proportion of different types of compensation paid to Directors is based on compensation level benchmarks of companies with similar business scales as the Company and belonging to related industry and business categories and through consultation with the voluntary Nomination &

Compensation Committee, and is determined by the Board of Directors based on the advice of the committee.

The model case for the proportion of base compensation, performance-linked compensation and nonmonetary compensation is 35% : 45% : 20%. However, the actual proportions paid may vary by individual.



### e. Policy for deciding the details of compensation, etc. for individual Directors

Based on a resolution by the Board of Directors, the Representative Director, President is delegated authority to decide the specific details of the amounts of individual compensation. The scope of that authority covers the amount of base compensation for each Director and the evaluation and allocation of performance-linked compensation based on the business performance of the business for which the individual Director is responsible. However, so that the Representative Director, President appropriately uses this authority, the Board of Directors will consult with the Nomination & Compensation Committee on items related to the calculation method, etc., of individual compensation and receive advice from the committee. The delegated Representative Director, President will then consider the details of this advice and decide.

The amount of compensation for individual Directors is reported to the Nomination & Compensation Committee and validated by the committee, thereby ensuring its fairness, transparency, and objectivity.

## Officer Shareholding Guidelines

On April 1, 2023, the Company established the following shareholding guidelines with the aim of having Directors share the merits and risks of stock price fluctuations with shareholders, and further increasing motivation of Directors to improve business performance by encouraging Directors of the Company (excluding outside Directors, part-time Directors and Directors serving as Audit & Supervisory Committee members) to hold the Company's shares.

### Shareholding Guidelines

Each Director shall endeavor to hold the Company's shares in accordance with the basic amounts presented below.

Chairperson/President/Senior Advisor:

An amount equivalent to 2 x base compensation (annual amount) within four years after assuming office of one of the said positions

Other Directors:

An amount equivalent to 1 x base compensation (annual amount) within four years after assuming office as Director

## Internal Control System

In accordance with the provisions of the Companies Act, the Company passed a resolution on its "Basic Policy for Building a System to Ensure the Appropriateness of Operations" at a Board of Directors' meeting and has appropriately established an internal control system based on that basic policy. Also, every year, we check the execution status of the internal control system and report the results to the Board of Directors and, via business reports, to shareholders. We will continue to strengthen corporate governance by making improvements.

# Corporate Governance

## Group Governance

The Group operates globally and, while respecting the independent and autonomous management of each Group company, promotes sound and efficient corporate group activities through Group-wide compliance, quality assurance, risk management, and other systems to ensure the proper conduct of business based on total Group optimization.

### Group Management Structure

- To ensure and promote the appropriateness of operations at each company of the Sanwa Group, the director responsible for each Group company monitors the operational decisions and status of business execution at each company, provides guidance, issues recommendations and regularly reports to the Board of Directors to improve business management transparency.
- Regional PDCA Council meetings and other meetings are held to formulate management policy, management targets and yearly business plans based on pertinent two-way discussions with each group company.
- The Sanwa Group requires Group companies to seek preliminary consultation or approval on certain matters concerning business execution, as well as to submit follow-up reports, in accordance with the Group Company Management Regulations and the standards of respective regulating authorities for companies in Europe, the United States and Asia.
- The Audit Department conducts internal audits related to the status of business execution, compliance and risk management at the Sanwa Group companies that do not have their own internal auditing function.

## Dialogue with Investors

We recognize that the understanding and support of our shareholders and investors are essential to achieving sustainable growth and enhancing our corporate value over the medium to long term. Through IR and SR activities, we strive to disclose accurate information in a

fair manner, continue constructive dialogue, and build long-term relationships based on trust.

We also share the opinions and requests obtained through constructive dialogue with shareholders and investors with management and relevant departments and use them to improve management strategies and business operations.

### FY2025 Major Dialogue Sessions with Investors

| Sessions Held                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Main Dialogue Topics                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial results briefings for institutional investors and securities analysts: 2                                                                                                                                                                                                                                                                                                                                                                                  | <b>Business performance</b>                                                                                                                                                                                                                                     | <b>Sustainability</b>                                                                                                                                                                                                                                                                                                                                                         |
| Individual meetings for institutional investors and securities analysts: 324                                                                                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"><li>• Operating profit ratios in each region</li><li>• Market conditions in each region</li><li>• Share of sales in each region</li><li>• Standards for business withdrawal in each region</li><li>• ROIC by region</li></ul> | <ul style="list-style-type: none"><li>• Expanding the scope of environmental data and enhancing disclosure</li><li>• Disclosure of the impact of climate change mitigation products</li><li>• Metrics related to women and paid leave uptake</li><li>• Formulation of a succession plan</li><li>• Nomination &amp; Compensation Committee</li><li>• Board diversity</li></ul> |
| Explanatory sessions for individual investors: 2                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Finance</b>                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                               |
| Conferences held by securities companies: 3                                                                                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"><li>• Appropriate benchmark for the shareholders' equity ratio</li><li>• Cash allocation</li><li>• Financial leverage</li></ul>                                                                                               |                                                                                                                                                                                                                                                                                                                                                                               |
| Roadshows for investors in North America and Europe: 2 (1 NA, 1 EU)                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                               |
| Information Shared with Management                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                               |
| <ul style="list-style-type: none"><li>• Investor relations activity results and reports on the stock market's view of the Company to the Board of Directors (four times a year)</li><li>• Reports to senior management on the Company's stock price (quarterly)</li><li>• Reports to senior management on dialogue with institutional investors and securities analysts during overseas investor relations activities and financial results announcements</li></ul> |                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                               |

# Risk Management

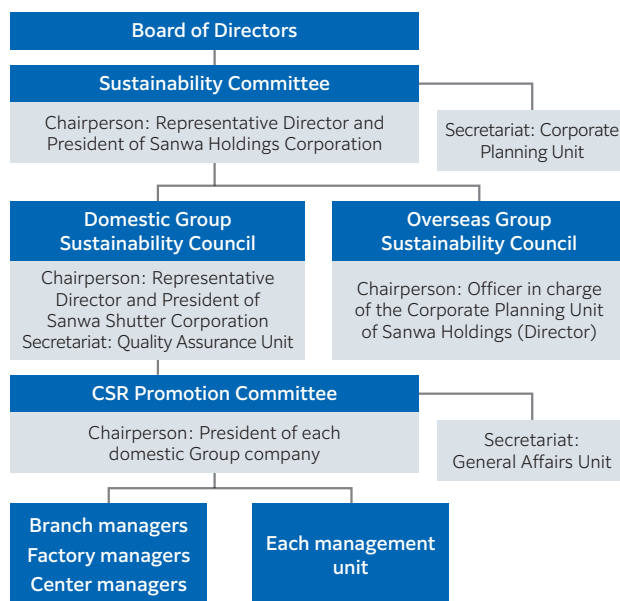
## Implementing Risk Management

The Sanwa Group identifies, analyzes and evaluates business execution-related risks, and undertakes measures required to avoid and/or mitigate risks. As an organization dedicated to promoting risk management, the Sustainability Committee reports and deliberates on the Sanwa Group's basic risk management policies, risk management-related plans and the progress of initiatives. In addition, the Domestic Group Sustainability Council (part of the Domestic Business Unit), each Group company's CSR Promotion Committee, and the Overseas Group Sustainability Council (part of the Overseas Business Unit) manage risks by appropriately and rapidly responding to risks that occur during the course of each company's business activities.

Number of themes implemented as risk countermeasures in FY2025

25

## Sustainability Promotion Structure



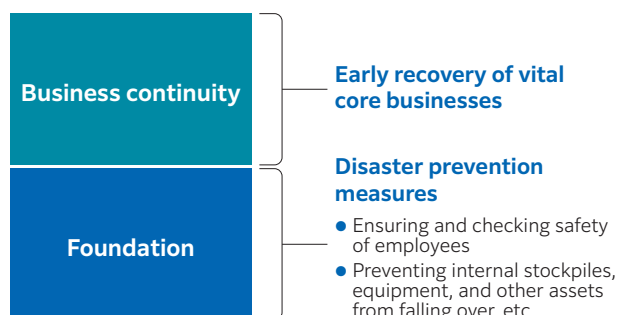
## Business Continuity Plan (BCP) Initiatives

### Basic approach

The Sanwa Group's BCP is based on disaster prevention measures to protect employees' lives and the Company's assets, with the aims of business continuity and recovering as soon as possible.

We formulated our BCP with a focus on putting disaster prevention measures in place, based on the idea that continuing to do business is impossible without knowing that our employees are safe.

Assuming the scenario and risks of an earthquake happening in (directly below) the Tokyo metropolitan area, core business company Sanwa Shutter Corporation and each other Group company with headquarters in the area formulated a BCP.



## Basic principles

### Aims

- Ensure the safety of employees, installers, internal partner companies and their families
- Resume business operations as soon as possible to avoid losing business opportunities and continue providing products and services to existing customers
- Cooperate with local residents near business sites and contribute to society

### Core businesses targeted

- Supply and repair of shutters and doors

## Information Security Countermeasures

In June 2019, we established the Information Security Countermeasures Council, chaired by the Officer in charge of the Corporate Planning Unit, for the purpose of strengthening and promoting security countermeasures in preparation for contingencies (occurrence of incidents). This council's purpose is to identify security risks for the entire Group, including overseas locations, and to study, plan, and implement various countermeasures to maintain and improve our level of security, as well as to develop security measures based on the latest data by obtaining information from external organizations, etc.

In fiscal 2020, we formulated our IT-BCP, and commenced the plan with the aim of preventing business interruptions due to information security incidents (e.g., cyberattacks). In addition, we raised awareness of the appropriate management and handling of personal information by focusing on the theme of personal information protection.

In fiscal 2025, we made partial revisions to our Information Security Regulations, which are applicable to all domestic Group companies, with the aim of strengthening our information security system, including clarifying how to handle confidential information and optimizing access rights to internal documents.

In addition, as an information security measure, we conduct web-based training and virus email training to improve IT literacy for all employees. Furthermore, we have established a security information portal site on our intranet, where we post information security-related regulations, guidelines for identifying and dealing with suspicious emails, and other security-related information to ensure thorough awareness and compliance with information security measures. Additionally, in alignment with the Japanese government's annual Cybersecurity Awareness Month campaign held from February to March, we communicate with all employees to remind them about rules for using internal information systems to enhance practical security levels.

# Compliance

## Respect for Human Rights

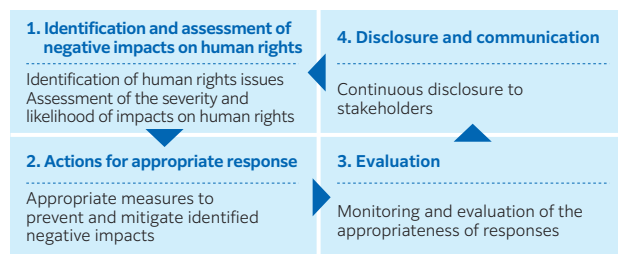
We believe that respecting the fundamental human rights of all people involved with our Group and ensuring their physical/mental health and safety is an important responsibility, and that they contribute to the stability of our business operations. As such, in November 2023, we established the Sanwa Group Human Rights Policy with approval from the Board of Directors. Going forward, we will continue to address human rights risks through such means as employee education and the enhancement of relief mechanisms.

## Human Rights Due Diligence

The Sanwa Holdings Group has established and continuously operates a human rights due diligence framework to minimize adverse impacts on human rights.

Through this framework, we identify risks and work to prevent and mitigate them. The process is as shown in the figure below.

### The Process of Human Rights Due Diligence



Since 2024, we have administered a questionnaire on human rights among major suppliers of Sanwa Shutter Corporation, our core operating company, as well as internal partner companies of our plants. In April of the same year, we opened a contact point on our website where people can provide information (including requests for redress) directly to the Company on human rights issues.

Number of companies subject to human rights due diligence in FY2025

57

## Ensuring Thorough Compliance

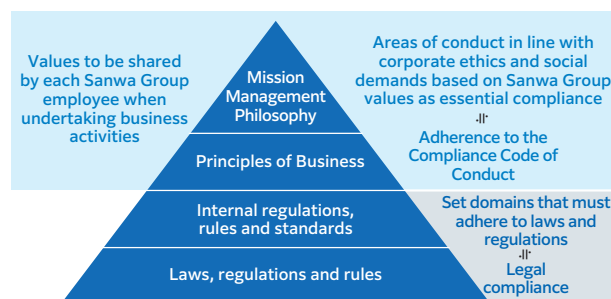
In order to maintain the trust of society, in 2005 the Sanwa Group formulated the Compliance Code of Conduct, which outlines specific conduct that must be adhered to based on Our Mission, Our Values, Principles of Business, and the philosophy of the Group. In 2025, the revised Compliance Code of Conduct and Case Study Booklet was distributed to all employees.

## Instilling Compliance Awareness at Overseas Group Companies

In Asia, we are implementing ongoing compliance awareness activities for employees, including reading and discussing the Compliance Code of Conduct and Case Study Booklet, holding study sessions, providing access to this material on our intranet, and collecting signed pledges.

The Audit Department of Sanwa Holdings also conducts internal audits of overseas Group companies. In fiscal 2025, remote audits were conducted at seven overseas companies regarding accounting, manufacturing, engineering, human resources and labor, internal controls, governance, risk management, and other areas in accordance with local laws and regulations.

### Compliance Code of Conduct: Conceptual Diagram



## Compliance Month

In order to spread awareness of compliance and ensure that all domestic Group companies act in accordance with this spirit, we have designated November of each year as

Compliance Month. During this month, we hold study sessions using the Compliance Code of Conduct and Case Study Booklet, and thoroughly refamiliarize ourselves with the Antitrust Law Guidebook and the Guidelines on Regulations Concerning Contact with Associates from Industry Peers.

## Compliance Training

At domestic Group companies, compliance training for managers is conducted nationwide. This training features lectures on laws related to our business, such as the Antimonopoly Act, the Construction Business Act, and the Labor Standards Act. It also includes lectures concerning safety obligations, harassment, and risks relating to information security, respect for human rights, anti-bribery and corruption and other areas, and thereby fosters compliance awareness.

We also provide the same training for new employees, mid-career hires, and newly appointed managers. Since fiscal 2024, we have also provided e-learning for all employees.

Number of participants in compliance training in FY2025

10,332

## Corporate Ethics Hotline (Internal Whistleblowing System)

The domestic Group established a corporate ethics hotline in October 2006 to deter misconduct and legal violations, identify risks that could lead to misconduct and legal violations at an early stage, and detect misconduct and legal violations at an early stage. We have also established whistleblower systems in North America (ODC) and Europe (NF). In July 2019, we introduced corporate ethics hotlines at six companies in Asia (as of the end of fiscal year 2025: 12 companies). We have posted multilingual posters and distributed cards to employees to ensure appropriate awareness. We also strive to improve trust by thoroughly ensuring confidentiality and anonymity of reports and prohibiting any adverse treatment of whistleblowers.

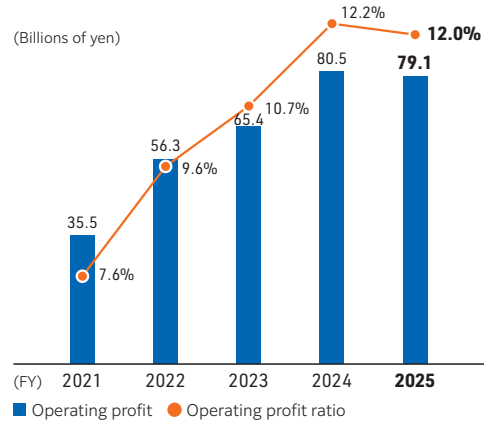
Number of reports made using the internal whistleblower system in FY2025

88 (of which 46 were made in Japan)

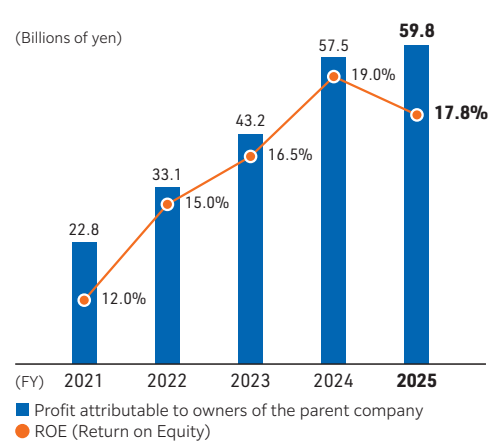
# Financial & Non-Financial Highlights

## Financial Indicators

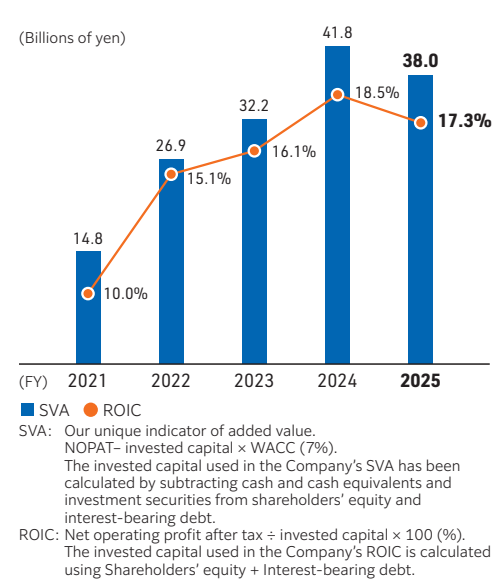
### Operating Profit / Operating Profit Ratio



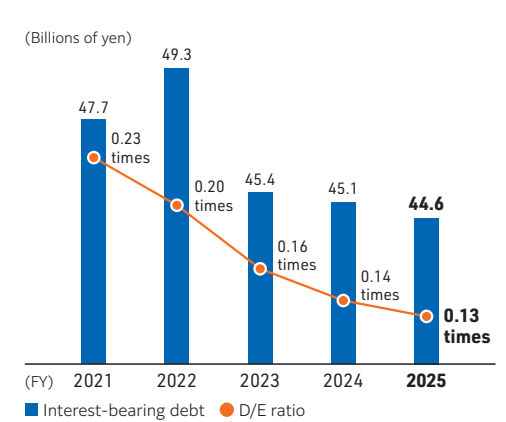
### Profit Attributable to Owners of the Parent Company / ROE (Return on Equity)



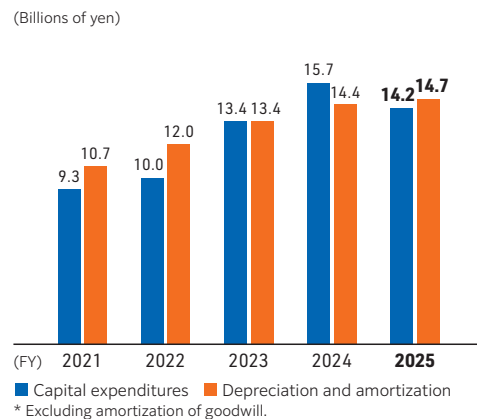
### Sanwa Value Added (SVA) / Return on Invested Capital (ROIC)



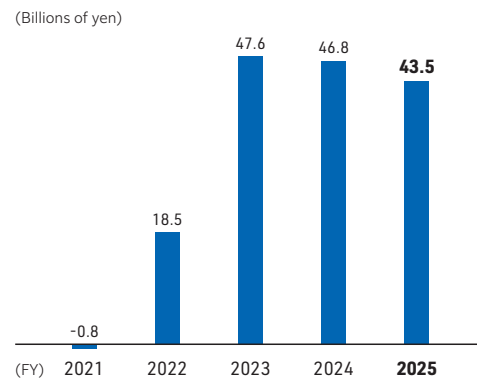
### Interest-Bearing Debt / D/E Ratio



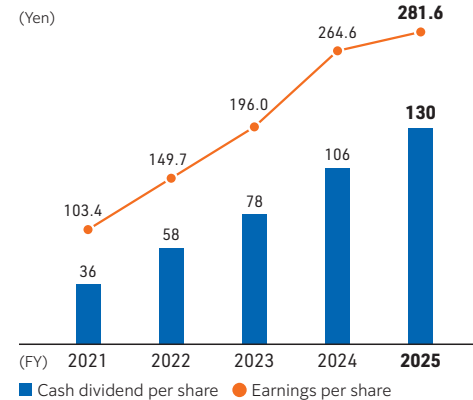
### Capital Expenditures / Depreciation and Amortization\*



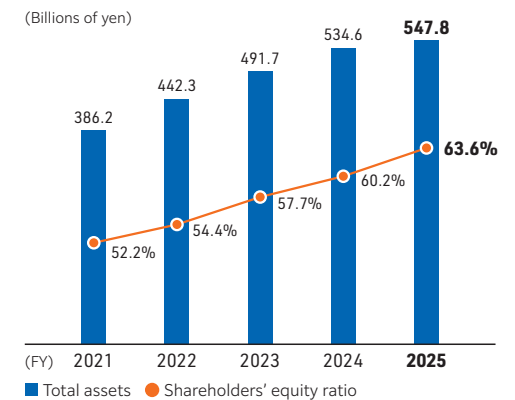
### Free Cash Flows



### Cash Dividend per Share / Earnings per Share



### Total Assets / Shareholders' Equity Ratio



# Financial & Non-Financial Highlights



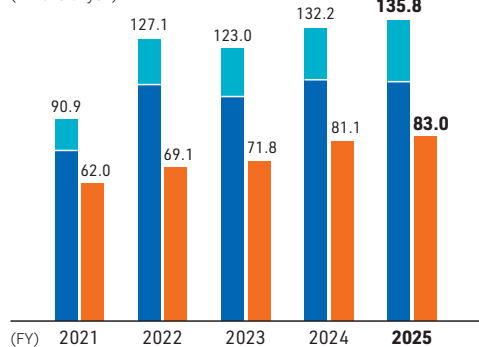
Latest ESG Data

<https://www.sanwa-hldgs.co.jp/english/csr/esg.html>

## Non-Financial Highlights

### Sales of Climate Change (Mitigation, Adaptation) Response Products / Sales of Disaster Prevention Products (Consolidated)

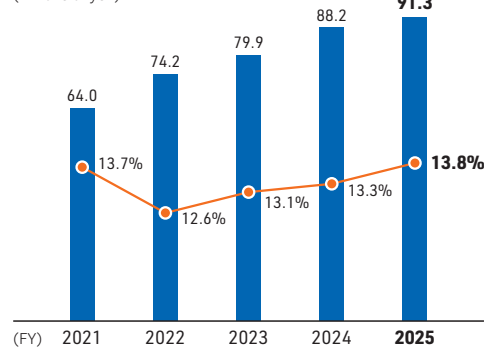
(Billions of yen)



■ Sales of climate change response (mitigation) products  
■ Sales of climate change response (adaptation) products  
■ Sales of disaster preparedness products

### Service Business Net Sales / Ratio of Service Business Sales to Total Net Sales (Consolidated)

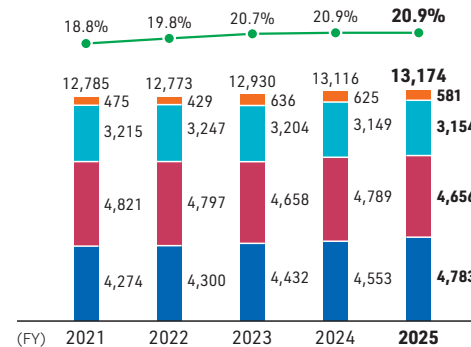
(Billions of yen)



■ Service business net sales  
● Ratio of service business sales to total net sales

### Number of Employees / Female Employees Ratio (Consolidated)

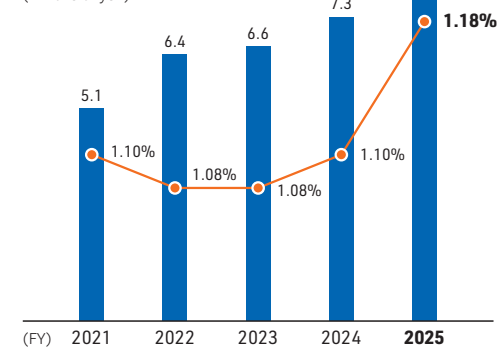
(FY)



■ Japan ■ North America  
■ Europe ■ Asia ● Female employees ratio

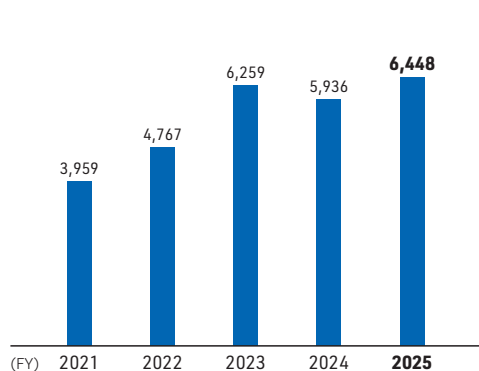
### R&D Expenditures / Ratio of R&D Expenditures to Net Sales (Consolidated)

(Billions of yen)



■ R&D expenditures ● Ratio of R&D expenditures to net sales

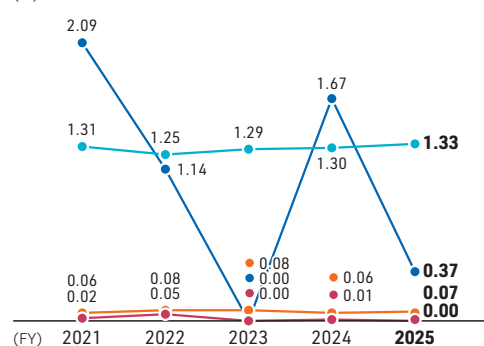
### Number of Employees Who Have Received Training (Sanwa Shutter Corporation)



Note: Includes the number of participants who received training organized by the Human Resources Development Center, the Construction Training Center, and the Maintenance Business Promotion Department, or occupational health and safety training.

### Lost-Time Injuries Frequency Rate / Severity Rate (Domestic Group Plants)

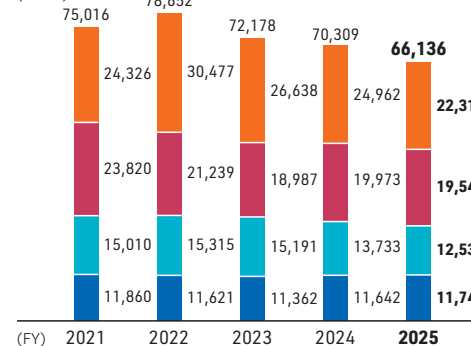
(%)



● Japan (domestic plants) lost-time injuries frequency rate  
● Manufacturer average lost-time injuries frequency rate  
● Japan (domestic plants) severity rate  
● Manufacturer average severity rate  
Source: 2025 survey on workplace accidents (Ministry of Health, Labour and Welfare of Japan)

### CO<sub>2</sub> Emissions (Domestic and Overseas)

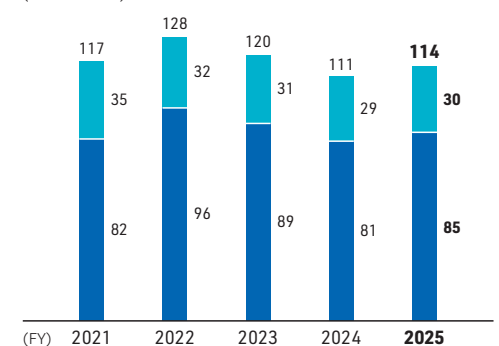
(t-CO<sub>2</sub>)



■ Scope 1 (Domestic) ■ Scope 2 (Domestic)  
■ Scope 1 (Overseas) ■ Scope 2 (Overseas)  
Note: From FY2022, figures are for the consolidated Sanwa Group. Figures for FY2021 are for the consolidated Sanwa Group excluding Asia.

### Amount of Water Intake (Sanwa Shutter Corporation)

(Thousand m<sup>3</sup>)



■ Plants ■ Offices

# Ten-Year Summary (As of March 31, 2026)

## Sanwa Global Vision 2020 (FY2013–FY2021)

To offer products and services that provide safety, security and convenience to customers worldwide as a major global player in the access systems industry

## Sanwa Global Vision 2030 (FY2022–FY2030)

To be a Global Leader of Smart Entrance Solutions

|                                                                     | FY2017   | FY2018   | FY2019   | FY2020   | FY2021   | FY2022   | FY2023   | FY2024   | FY2025   | FY2026 (Forecast) |
|---------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-------------------|
| <b>Operating Results</b> (Millions of yen)                          |          |          |          |          |          |          |          |          |          |                   |
| Net sales                                                           | 385,673  | 409,990  | 440,161  | 427,061  | 468,956  | 588,159  | 611,107  | 662,380  | 660,712  | 677,000           |
| Overseas sales ratio (%)                                            | 46.1     | 46.4     | 45.4     | 45.9     | 49.6     | 57.1     | 56.6     | 56.6     | 56.0     | 56.6              |
| Operating profit                                                    | 28,322   | 31,593   | 34,217   | 33,077   | 35,487   | 56,307   | 65,360   | 80,515   | 79,095   | 81,000            |
| Operating profit ratio (%)                                          | 7.3      | 7.7      | 7.8      | 7.7      | 7.6      | 9.6      | 10.7     | 12.2     | 12.0     | 12.0              |
| Ordinary profit                                                     | 27,898   | 30,437   | 33,469   | 32,142   | 34,122   | 52,780   | 64,903   | 84,015   | 80,647   | 82,500            |
| Profit attributable to owners of the parent company                 | 18,280   | 20,910   | 21,647   | 21,251   | 22,842   | 33,084   | 43,228   | 57,512   | 59,776   | 60,000            |
| Research and development expenses                                   | 4,422    | 4,611    | 4,728    | 4,641    | 5,143    | 6,385    | 6,582    | 7,293    | 7,807    | —                 |
| Capital expenditures                                                | 11,383   | 12,367   | 8,419    | 8,770    | 9,281    | 10,041   | 13,364   | 15,656   | 14,233   | 18,700            |
| Depreciation and amortization (excluding amortization of goodwill)  | 7,622    | 8,049    | 9,301    | 10,010   | 10,666   | 12,021   | 13,392   | 14,383   | 14,734   | 16,359            |
| <b>Cash Flows</b> (Millions of yen)                                 |          |          |          |          |          |          |          |          |          |                   |
| Cash flows from operating activities                                | 26,532   | 24,271   | 32,301   | 50,144   | 20,526   | 34,425   | 72,427   | 76,942   | 61,396   | —                 |
| Cash flows from investing activities                                | (13,172) | (13,677) | (16,622) | (11,177) | (21,353) | (15,941) | (24,819) | (30,174) | (17,917) | —                 |
| Cash flows from financing activities                                | (20,505) | (11,349) | (10,466) | (6,102)  | (27,363) | (9,887)  | (26,244) | (42,890) | (52,702) | —                 |
| Cash and cash equivalents (end of year)                             | 49,263   | 47,977   | 54,618   | 87,795   | 61,397   | 71,153   | 94,195   | 103,114  | 91,583   | —                 |
| Free cash flows                                                     | 13,360   | 10,593   | 15,679   | 38,967   | (827)    | 18,484   | 47,608   | 46,768   | 43,479   | —                 |
| <b>Financial Position (at Balance Sheet Date)</b> (Millions of yen) |          |          |          |          |          |          |          |          |          |                   |
| Total assets                                                        | 331,686  | 338,432  | 354,023  | 375,159  | 386,237  | 442,274  | 491,701  | 534,609  | 547,798  | —                 |
| Interest-bearing debt                                               | 65,945   | 61,217   | 63,730   | 66,194   | 47,706   | 49,253   | 45,360   | 45,107   | 44,581   | —                 |
| Net assets                                                          | 151,121  | 161,603  | 165,633  | 181,387  | 203,311  | 242,350  | 285,501  | 324,192  | 350,984  | —                 |
| Working capital*1                                                   | 90,794   | 96,162   | 105,235  | 96,067   | 110,235  | 141,693  | 149,414  | 158,369  | 176,223  | —                 |
| <b>Financial Indicators</b>                                         |          |          |          |          |          |          |          |          |          |                   |
| Net profit per share (EPS) (yen)                                    | 81.0     | 93.0     | 97.1     | 96.2     | 103.4    | 149.7    | 196.0    | 264.6    | 281.6    | 288.1             |
| Net assets per share (yen)                                          | 667.1    | 713.5    | 742.9    | 814.1    | 912.7    | 1,088.9  | 1,295.5  | 1,499.1  | 1,660.4  | —                 |
| Cash dividends per share (yen)                                      | 30       | 32       | 34       | 34       | 36       | 58       | 78       | 106      | 130      | 146               |
| Return on assets (ROA) (%)                                          | 5.6      | 6.2      | 6.3      | 5.8      | 6.0      | 8.0      | 9.3      | 11.2     | 11.0     | —                 |
| Return on equity (ROE) (%)                                          | 12.7     | 13.5     | 13.3     | 12.4     | 12.0     | 15.0     | 16.5     | 19.0     | 17.8     | 17.0              |
| ROIC*2 (%)                                                          | 8.4      | 10.2     | 10.5     | 9.6      | 10.0     | 15.1     | 16.1     | 18.5     | 17.3     | 17.3              |
| SVA*3 (billions of yen)                                             | 9.0      | 12.7     | 14.0     | 13.6     | 14.8     | 26.9     | 32.2     | 41.8     | 38.0     | 38.0              |
| D/E ratio (times)                                                   | 0.44     | 0.38     | 0.38     | 0.36     | 0.23     | 0.20     | 0.16     | 0.14     | 0.13     | 0.08              |
| Shareholders' equity ratio (%)                                      | 45.2     | 47.4     | 46.3     | 47.9     | 52.2     | 54.4     | 57.7     | 60.2     | 63.6     | 65.7              |
| Cash conversion cycle (CCC)*4 (days)                                | 82.2     | 83.2     | 83.5     | 86.0     | 80.3     | 78.2     | 86.9     | 84.8     | 92.4     | —                 |
| Payout ratio (%)                                                    | 37.1     | 34.4     | 35.0     | 35.3     | 34.8     | 38.7     | 39.8     | 40.1     | 46.2     | 50.7              |
| Price-to-book ratio (PBR) (times)                                   | 2.1      | 1.9      | 1.1      | 1.8      | 1.4      | 1.3      | 2.1      | 3.2      | 2.1      | —                 |
| Price earnings ratio (PER) (times)                                  | 17.0     | 14.2     | 8.7      | 15.1     | 12.0     | 9.5      | 13.7     | 18.0     | 12.6     | —                 |
| EV/EBITDA ratio*5 (times)                                           | 9.5      | 8.2      | 4.7      | 7.3      | 6.0      | 4.5      | 7.3      | 10.8     | 7.9      | —                 |

\*1 Working capital: accounts receivable + inventory - accounts payable

\*2 ROIC: Net operating profit after tax ÷ invested capital × 100 (%)  
The invested capital used in the Company's ROIC is calculated using shareholders' equity + interest-bearing debt.  
We are aiming for a cost of shareholders' equity of 8%, and the actual tax rate changed from 40% to 33% for FY2018 onward.

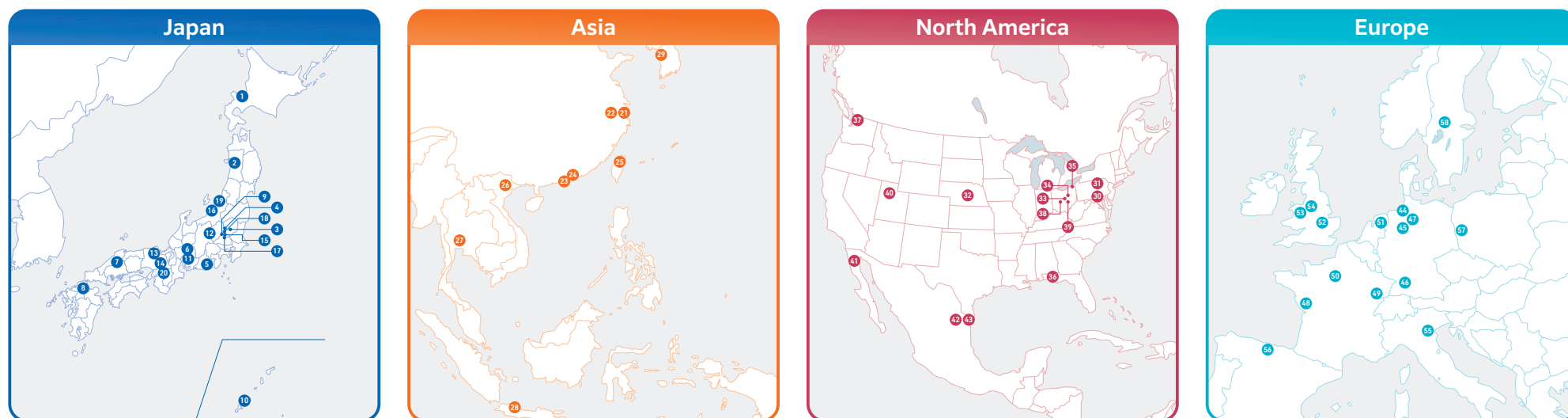
\*3 SVA: Our unique indicator of added value. NOPAT - invested capital × WACC.  
The invested capital used in the Company's SVA has been calculated by subtracting cash and cash equivalents and investment securities from shareholders' equity and interest-bearing debt.  
The weighted average cost of capital (WACC) was changed from 6% to 7% starting in fiscal 2025.  
We are aiming for a cost of shareholders' equity of 8%, and the actual tax rate changed from 40% to 33% for FY2018 onward.

\*4 CCC: Accounts receivable turnover days + inventory turnover days - accounts payable turnover days

\*5 EV/EBITDA ratio: EV (market capitalization + interest-bearing debt - cash)

# Global Network

Global Network (Production Locations) (As of April 1, 2026)



## Group Production Locations

| Country | Company                                 | Area                                     | Products                                              |
|---------|-----------------------------------------|------------------------------------------|-------------------------------------------------------|
| Japan   | Sanwa Shutter Corporation               | ① Eniwa City, Hokkaido                   | Rolling shutters, overhead doors, doors & door frames |
|         |                                         | ② Akita City, Akita                      | Lightweight shutters                                  |
|         |                                         | ③ Ashikaga City, Tochigi                 | Rolling shutters, overhead doors                      |
|         |                                         | ④ Ota City, Gunma                        | Doors & door frames                                   |
|         |                                         | ⑤ Makinohara City, Shizuoka              | Window shutters, doors & door frames, partitions      |
|         |                                         | ⑥ Tarui Town, Fuwa District, Gifu        | Rolling shutters, overhead doors                      |
|         |                                         | ⑦ Akitakata City, Hiroshima              | Rolling shutters, doors & door frames                 |
|         |                                         | ⑧ Asakura City, Fukuoka                  | Rolling shutters, doors & door frames                 |
|         |                                         | ⑨ Moroyama Town, Iruma District, Saitama | Aluminum facades                                      |
|         |                                         | ⑩ Uruma City, Okinawa                    | Rolling shutters, doors & door frames, partitions     |
|         | Showai Front Co., Ltd.                  | ⑪ Moroyama Town, Iruma District, Saitama | Stainless steel products                              |
|         | Okinawa Sanwa Shutter Corporation       | ⑫ Inuyama City, Aichi                    | Stainless steel products                              |
|         |                                         | ⑬ Saku City, Nagano                      | Stainless steel products                              |
|         |                                         | ⑭ Tanba City, Hyogo                      | Stainless steel products                              |
|         | Sanwa System Wall Co., Ltd.             | ⑮ Amagasaki City, Hyogo                  | Partitions                                            |
|         |                                         | ⑯ Asakura City, Fukuoka                  | Partitions                                            |
|         | Suzuki Shutter Corporation              | ⑰ Kawagoe City, Saitama                  | Rolling shutters, waterproof products                 |
|         | Sanwa Exterior Niigata Plant Co., Ltd.  | ⑱ Tsubame City, Niigata                  | Window shutters, doors & door frames                  |
|         | Venix Co., Ltd.                         | ⑲ Ranzan Town, Hiki District, Saitama    | Partitions                                            |
|         | Showai Kansen Co., Ltd.                 | ⑳ Oura Town, Oura District, Gunma        | Automatic doors                                       |
| Asia    | Hayashi Kogyo Co., Ltd.                 | ㉑ Niigata City, Niigata                  | Doors & door frames                                   |
|         | Sanwa Electronics Engineering Co., Ltd. | ㉒ Osaka City, Osaka                      | Shutter operators                                     |
|         | Sanwa Mitaka K.K.                       | ㉓ Eniwa City, Hokkaido                   | Doors & door frames                                   |
|         |                                         |                                          |                                                       |
| China   | Shanghai Baochan-Sanwa Door Co., Ltd.   | ㉔ Shanghai                               | Overhead doors, rolling shutters                      |
|         | Sanwa Novoferm (Changshu) CO., LTD.     | ㉕ Jiangsu                                | Doors & door frames                                   |
|         | SANWA SHUTTER (HK) LTD.                 | ㉖ Hong Kong                              | Rolling shutters                                      |
|         | SUZUKI SHUTTER (HK) LTD.                | ㉗ Hong Kong                              | Rolling shutters                                      |
|         | An-Ho Metal Industrial Co., Ltd.        | ㉘ Hsinchu                                | Door & door frames                                    |
|         | Vina-Sanwa Company Liability Ltd.       | ㉙ Hanoi                                  | Doors & door frames, rolling shutters                 |
|         | Sun Metal Co., Ltd.                     | ㉚ Korat                                  | Rolling shutters, door & door frames                  |
|         | PT. Sanwamas Metal Industry             | ㉛ Bekasi                                 | Rolling shutters, door & door frames                  |
|         | Dongbang Novoferm Inc.                  | ㉜ Gyeonggi-do                            | Door & door frames                                    |
|         |                                         |                                          |                                                       |

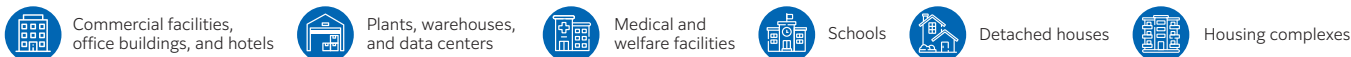
| Country       | Company                   | Area             | Products                                                             |
|---------------|---------------------------|------------------|----------------------------------------------------------------------|
| North America | Overhead Door Corporation | ㉝ Lewistown      | Rolling shutters, dock levelers                                      |
|               |                           | ㉞ Williamsport   | Residential garage doors, commercial sectional doors                 |
|               |                           | ㉟ Grand Island   | Residential garage doors, commercial sectional doors                 |
|               |                           | ㊱ Mt. Hope       | Residential garage doors, commercial sectional doors, hardware parts |
|               |                           | ㊲ Dalton         | Rolling shutters                                                     |
|               |                           | ㊳ Conneaut       | Resin panels & parts                                                 |
|               |                           | ㊴ Pensacola      | Residential garage doors, commercial sectional doors, sheet shutters |
|               |                           | ㊵ Centralia      | Residential garage doors                                             |
|               |                           | ㊶ Marion         | Truck & trailer doors                                                |
|               |                           | ㊷ Baltic         | Garage door operators                                                |
| U.S.          | Overhead Door Corporation | ㊸ Salt Lake City | Fireproof doors, security doors                                      |
|               |                           | ㊹ Tecate         | Truck & trailer doors                                                |
|               |                           | ㊺ Matamoros      | Garage door operators                                                |
|               |                           | ㊻ Matamoros      | Automatic doors                                                      |
| Mexico        | Overhead Door Corporation |                  |                                                                      |
|               |                           |                  |                                                                      |
|               |                           |                  |                                                                      |
|               |                           |                  |                                                                      |
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|               |                           |                  |                                                                      |
|               |                           |                  |                                                                      |

| Country     | Company                         | Area                                 | Products                                                                    |
|-------------|---------------------------------|--------------------------------------|-----------------------------------------------------------------------------|
| Europe      | Novoferm Group                  | ㊼ Werth                              | Residential garage doors, door & door frames                                |
|             |                                 | ㊽ Dortmund                           | Residential garage doors, industrial sectional doors, truck & trailer doors |
|             |                                 | ㊾ Brackenheim                        | Fireproof doors & door frames, fireproof sliding doors                      |
|             |                                 | ㊿ Dortmund                           | Garage door operators                                                       |
|             |                                 | ㋀ Macheocol                          | Residential garage doors                                                    |
|             |                                 | ㋁ Bavilliers                         | Residential garage doors                                                    |
|             |                                 | ㋂ Melun                              | Fireproof doors & door frames, fireproof sliding doors                      |
|             |                                 | ㋃ Didam                              | Commercial sectional doors                                                  |
|             |                                 | ㋄ Luton                              | Residential garage doors                                                    |
|             |                                 | ㋅ Telford                            | Automatic doors                                                             |
| Germany     | Novoferm GmbH                   | ㋆ Robust UK Ltd.                     | Door & door frames                                                          |
|             |                                 | ㋇ Novoferm Riexinger Türenwerke GmbH | Doors & door frames, fireproof sliding doors                                |
| France      | Novoferm France S.A.S           | ㋈ Padova                             | Doors & door frames, fireproof sliding doors                                |
|             |                                 | ㋉ Cantabria                          | Doors & door frames, residential garage doors, industrial sectional doors   |
| Netherlands | Alpha Deuren International B.V. | ㋊ Wykroty                            | Door & door frames, dock leveler                                            |
|             |                                 | ㋋ Nykroppa                           | Door & door frames                                                          |
| U.K.        | Horton Automatics Ltd.          |                                      |                                                                             |
|             |                                 |                                      |                                                                             |
| Italy       | Novoferm Schievano s.r.l.       |                                      |                                                                             |
|             |                                 |                                      |                                                                             |
| Spain       | Novoferm Alsai S.A.             |                                      |                                                                             |
|             |                                 |                                      |                                                                             |
| Poland      | Novoferm Door Sp. z o.o.        |                                      |                                                                             |
|             |                                 |                                      |                                                                             |
| Sweden      | Robust AB                       |                                      |                                                                             |
|             |                                 |                                      |                                                                             |

# Product Information

The Sanwa Group's products are used in a wide range of applications, including detached houses, housing complexes, commercial facilities, office buildings, schools, medical and welfare facilities, plants, and warehouses, delivering safety, security, and convenience to everyday life and further increasing their value.

## Sanwa Group products deliver greater safety, security, and convenience



### Core Products

#### Shutters



#### Regions

|             |                     |
|-------------|---------------------|
| Japan No. 1 | North America No. 2 |
| Europe      | Asia                |

#### Building type/use



#### Industrial sectional doors



|              |                     |
|--------------|---------------------|
| Japan No. 1  | North America No. 2 |
| Europe No. 2 | Asia                |



#### Garage doors



|              |                     |
|--------------|---------------------|
| Japan No. 1  | North America No. 2 |
| Europe No. 2 | Asia                |



#### High-speed sheet shutters



|             |               |
|-------------|---------------|
| Japan No. 1 | North America |
| Europe      | Asia          |



#### Door operators



|        |                     |
|--------|---------------------|
| Japan  | North America No. 2 |
| Europe | Asia                |



#### Steel doors



|              |               |
|--------------|---------------|
| Japan No. 1  | North America |
| Europe No. 2 | Asia          |



### Multi Products

#### Partitions & toilet booths



#### Regions

|        |               |
|--------|---------------|
| Japan  | North America |
| Europe | Asia          |

#### Building type/use



#### Waterproof products



|        |               |
|--------|---------------|
| Japan  | North America |
| Europe | Asia          |



#### Aluminum & stainless steel facades



|             |               |
|-------------|---------------|
| Japan No. 2 | North America |
| Europe      | Asia          |



#### Mailboxes & delivery boxes



|             |               |
|-------------|---------------|
| Japan No. 2 | North America |
| Europe      | Asia          |



#### Automatic doors



|        |               |
|--------|---------------|
| Japan  | North America |
| Europe | Asia          |



#### Lightweight sliding doors



|             |               |
|-------------|---------------|
| Japan No. 1 | North America |
| Europe      | Asia          |



## Our products for buildings

### Office Areas



Partitions

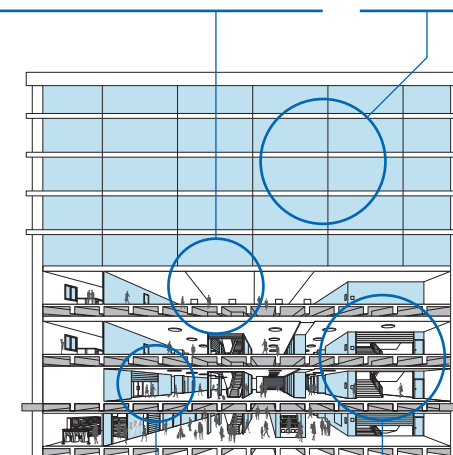


Toilet booths

### Building Exteriors



Facades



### Entrance Areas



Automatic doors



Aluminum & stainless steel facades



Fireproof & smokeproof shutters



Mailboxes & delivery boxes



Waterproof products



Fireproof doors (steel doors)

# Corporate Overview (As of March 31, 2026)

## Corporate Overview

|                          |                                                                                                                                                                         |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Head Office              | Shinjuku Mitsui Building 52F<br>Nishi-Shinjuku 2-1-1, Shinjuku-ku, Tokyo<br>163-0478, Japan<br>Phone: +81-3-3346-3019                                                   |
| Established              | April 10, 1956                                                                                                                                                          |
| Capital (Paid-In)        | ¥38,413 million                                                                                                                                                         |
| Employees (Consolidated) | 13,174                                                                                                                                                                  |
| Stock Listings           | Tokyo Stock Exchange                                                                                                                                                    |
| Transfer Agent           | Mitsubishi UFJ Trust and Banking Corporation<br>Corporate Agency Department<br>P.O. Box 29, Shin-Tokyo Post Office<br>Nikkocho 1-1, Fuchu-shi,<br>Tokyo 137-8081, Japan |
| Common Stock             | Authorized: 550,000,000 shares<br>Issued: 221,000,000 shares<br>Number of shareholders: 15,399                                                                          |

## Principal Shareholders

| Shareholder name                                     | Number of shares held (thousands of shares) | Percentage of voting rights (%) |
|------------------------------------------------------|---------------------------------------------|---------------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 29,646                                      | 14.13                           |
| Custody Bank of Japan, Ltd. (Trust Account)          | 13,821                                      | 6.59                            |
| Sumitomo Mitsui Banking Corporation                  | 10,038                                      | 4.78                            |
| The Dai-ichi Life Insurance Company, Limited         | 6,784                                       | 3.23                            |
| CGML PB CLIENT ACCOUNT/COLLATERAL                    | 6,161                                       | 2.94                            |
| STATE STREET BANK AND TRUST COMPANY 505010           | 5,756                                       | 2.74                            |
| Aioi Nissay Dowa Insurance Co., Ltd.                 | 5,140                                       | 2.45                            |
| STATE STREET BANK AND TRUST COMPANY 505001           | 3,758                                       | 1.79                            |
| Goldman Sachs Japan Co., Ltd. BNYM                   | 3,420                                       | 1.63                            |
| Nippon Life Insurance Company                        | 3,348                                       | 1.60                            |

Notes: 1. The Company holds treasury stock as follows, which is excluded from the principal shareholders listed above.  
Number of shares held: 11,115 thousand shares  
Percentage of shares issued: 5.03%  
2. Percentage of voting rights is calculated based on the total number of shares issued excluding treasury stock.

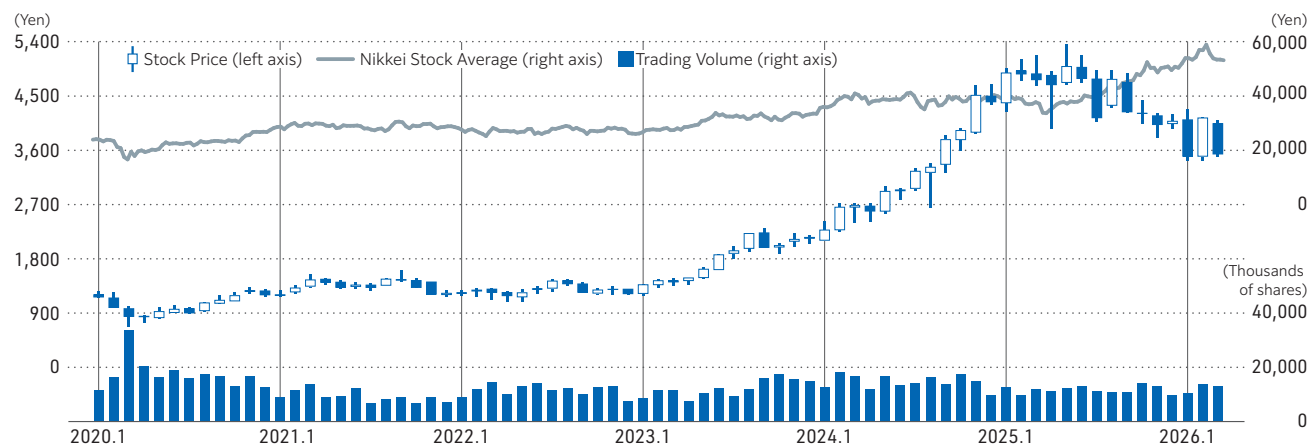
## External Evaluations

The Group's sustainability initiatives and disclosure level are evaluated by external parties and are recognized with inclusion in domestic and international ESG indexes and receipt of various awards.

| ESG Indexes        | FTSE4Good Index Series                                                                                                | FTSE JPX Blossom Japan Index                                                                                               | FTSE JPX Blossom Japan Sector Relative Index                                                                                                                          | MSCI Japan ESG Select Leaders Index                                                                                                                                                                                     | S&P/JPX Carbon Efficient Index                                                                                                                                                   | SOMPO Sustainability Index                                                                                             |
|--------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
|                    | <br>FTSE4Good                      | <br>FTSE JPX Blossom Japan Index        | <br>FTSE JPX Blossom Japan Sector Relative Index                                   | <br>2026 CONSTITUENT MSCI NIKONKABU ESG SELECT LEADERS INDEX                                                                         | <br>S&P/JPX カーボン エフィシエント 指数                                                                   | <br>2026 Sompo Sustainability Index |
| Awards and Ratings | CDP 2025 Climate Change A List<br> | CDP 2025 Supplier Engagement Leader<br> | Broadband Security Gomez IR Site Ranking 2025 Gold Prize for Excellent Company<br> | NIKKO Investor Relations 2025 All Japanese Listed Companies' Website Ranking "AAA Website" in Overall Ranking and Sector Ranking<br> | 2026 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category)<br> |                                                                                                                        |

THE INCLUSION OF Sanwa Holdings Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Sanwa Holdings Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

## Stock Price / Trading Volume



## Stock Price Trend

| Fiscal year                    | High (yen) | Low (yen) | Fiscal year                    | High (yen) | Low (yen) |
|--------------------------------|------------|-----------|--------------------------------|------------|-----------|
| April 1, 2014 – March 31, 2015 | 925        | 598       | April 1, 2020 – March 31, 2021 | 1,550      | 741       |
| April 1, 2015 – March 31, 2016 | 1,113      | 660       | April 1, 2021 – March 31, 2022 | 1,606      | 1,121     |
| April 1, 2016 – March 31, 2017 | 1,165      | 793       | April 1, 2022 – March 31, 2023 | 1,478      | 1,090     |
| April 1, 2017 – March 31, 2018 | 1,624      | 1,016     | April 1, 2023 – March 31, 2024 | 2,729      | 1,375     |
| April 1, 2018 – March 31, 2019 | 1,449      | 1,135     | April 1, 2024 – March 31, 2025 | 5,165      | 2,405     |
| April 1, 2019 – March 31, 2020 | 1,367      | 666       | April 1, 2025 – March 31, 2026 | 5,352      | 3,426     |



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