

Regional Operations

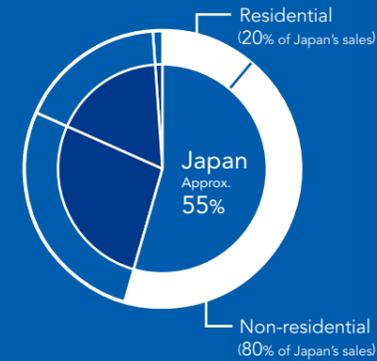
JAPAN

Maintain the profitability of core products and achieve growth through multi-product sales initiatives

Meiji Takayama
Representative Director and President, Sanwa Shutter Corporation



Net Sales Composition by Region



Strengths

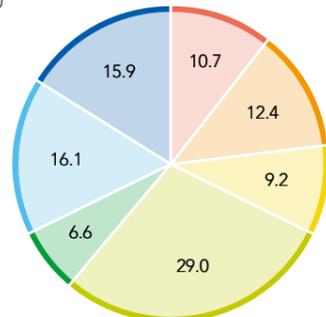
- Number-one share in Japan in six fields, including shutters and doors
- Seamlessly integrated business model from development and production to installation and after-sales service
- Nationwide sales network comprising 500 locations and more than 3,900 installers

Tasks

- Enhance productivity through higher efficiency of production and logistics
- Improve profitability of orders received
- Pass on to customers increases in raw materials prices and other costs

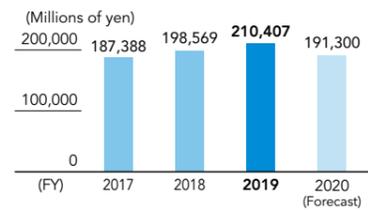
Sanwa Shutter Corporation

Net Sales Composition by Product (%)

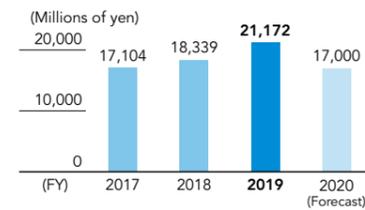


- Lightweight shutters
- Heavy-duty shutters
- Shutter-related (overhead doors, high-speed sheet shutters, etc.)
- Commercial building / condominium doors
- Partitions
- Maintenance services
- Others (residential doors, window-related products, exterior fittings, stainless-steel entrances, aluminum fronts, automatic door operators)

Net Sales

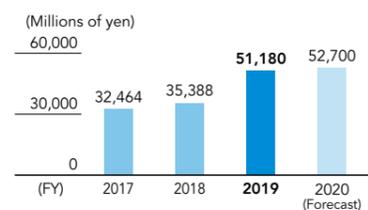


Operating Income

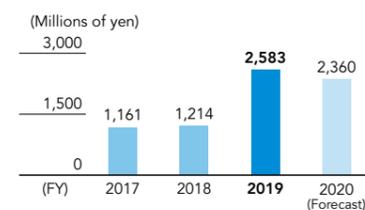


Domestic subsidiaries

Net Sales



Operating Income



Note: Figures for net sales and operating income exclude internal transactions

Fiscal 2019 Business Performance and Fiscal 2020 Outlook

In fiscal 2019, Sanwa Shutter Corporation dealt with a record number of orders received with no major difficulties and revenues from heavy-duty shutters and doors for buildings, condominiums, etc. increased. The maintenance and service business also performed robustly in response to demand for legally required inspections. As a result, net sales increased 6.0% year on year to ¥210.41 billion. Operating income increased 15.4% year on year to ¥21.17 billion due to higher volume and sale prices. In other domestic subsidiaries, the effect of bringing a new subsidiary into the scope of consolidation contributed to a 44.6% increase year on year in net sales to ¥51.2 billion and a 112.8% increase year on year in operating income to ¥2.58 billion.

For fiscal 2020, Sanwa Shutter Corporation is forecasting net sales of ¥191.3 billion (a decrease of 9.1% year on year) and

operating income of ¥17.0 billion (a decrease of 19.7% year on year) due to the impact of COVID-19. In the first quarter (from April to June), the spread of COVID-19 began to have an impact, and this is expected to continue through the second quarter. We believe that signs of recovery will finally begin to be seen from the second half onward. However, factors such as delays in finalizing new incoming orders and slower progress with completing on-site work are likely to have an impact throughout the year. The trend at other domestic subsidiaries will be the same as that for Sanwa Shutter Corporation. However, we are projecting an increase in sales of 3.0% year on year to ¥52.7 billion and a decrease in operating income of 8.7% year on year to ¥2.36 billion due to the effect of the consolidation of SUZUKI SHUTTER CORPORATION.

HIGHLIGHTS

Launched Fireproof Panel, "Magical Taika Plus"

Magical Taika Plus is a fireproof partition for installation in factories, warehouses, etc. It features an insertable panel structure secured by screws at the top and bottom, and the use of an installation-assist robot called a Giraffe allows installation to be completed more than twice as fast as with the ALC (autoclaved lightweight concrete) or LGS (light gauge steel) methods. The opening can be combined with one of Sanwa Shutter Corporation's fireproof shutters, doors, etc. to save space and reduce the time taken for installation.



SUZUKI SHUTTER CORPORATION Joins the Group

SUZUKI SHUTTER CORPORATION was founded in 1903, and was the first company in Japan to manufacture and sell shutters. SUZUKI SHUTTER CORPORATION offers a full range of products from heavy-duty shutters to lightweight shutters and other products for homes and small stores and currently focuses on shutter maintenance services. By integrating its long history and outstanding customer base with the Sanwa Group, we will be aiming to create new synergies and drive further growth.



Headquarters of SUZUKI SHUTTER CORPORATION (Tokyo)

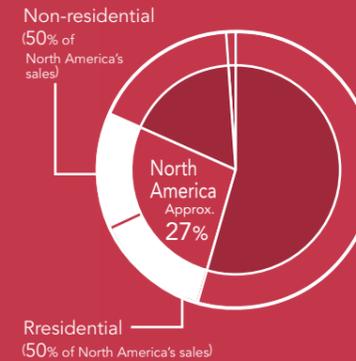
NORTH AMERICA

Maintaining and expanding core businesses while entering into adjacent business fields

Kelly Terry
Overhead Door Corporation
President & CEO



Net Sales Composition by Region



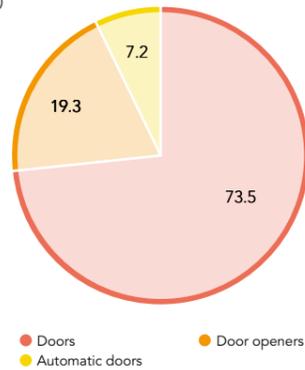
Strengths

- Powerful brand and top-tier market share in North America
- Strong sales network of about 400 "Ribbon Distributors"

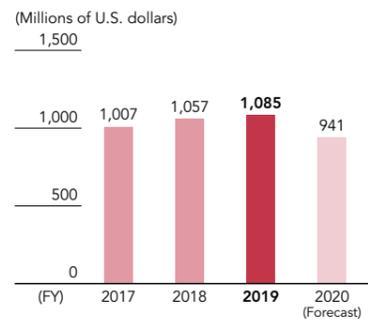
Tasks

- Strengthen channel strategies for each product and application
- Reinforce the service business by proving support to distributors and dealers in the door business
- Build strength in regions in which we have a low market share
- Smoothly deploy a new ERP

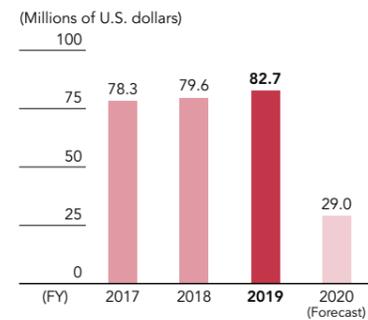
Net Sales Composition by Product (%)



Net Sales



Operating Income



Forex Rate

FY	2017	2018	2019	2020 (Forecast)
Forex Rate (1\$)	¥112.04	¥110.36	¥109.24	¥105.00

Note: Figures for net sales and operating income exclude internal transactions

Fiscal 2019 Business Performance and Fiscal 2020 Outlook

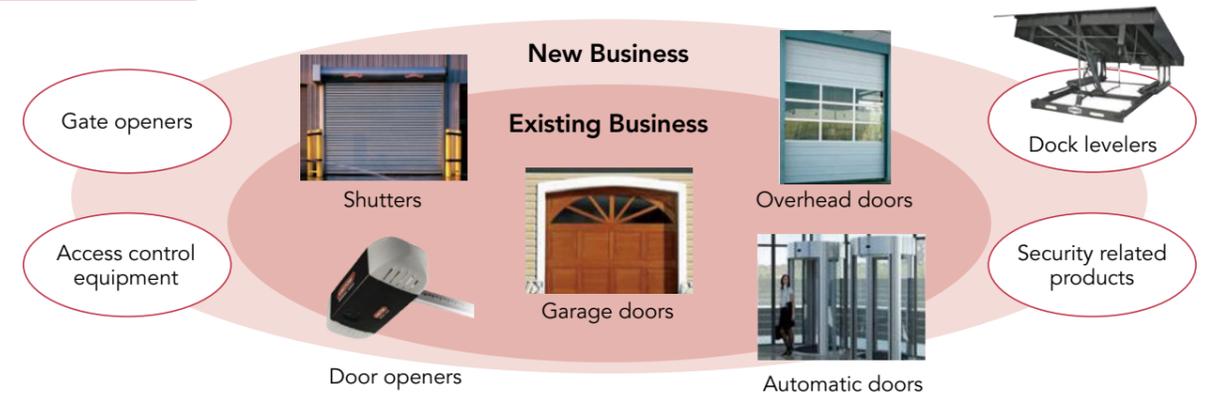
In fiscal 2019, our mainstay door business and door opener business performed steadily, and as a result, net sales totaled ¥118.5 billion, up 1.6% year on year. Operating income was ¥9.03 billion, up 2.9% year on year, due to passing on higher materials prices to customers in the form of higher sale prices and cost reductions. U.S. dollar basis, net sales increased by 2.6% year on year to \$1,085 million, and operating income increased by 3.9% to \$82.7 million.

For fiscal 2020, we estimate a 16.6% drop year on year in net sales to ¥98.8 billion and a 66.3% drop year on year

in operating income to ¥3.05 billion. Although COVID-19 had little impact up to the first quarter (from January to March), we expect to see an effect in the second quarter and a recovery beginning in the fourth quarter. Of the three regions of Japan, North America, and Europe, we forecast that North America will be impacted by the pandemic for the longest period. On a U.S. dollar basis, we estimate net sales decreasing by 13.3% to \$941 million, with operating income down 64.9% to \$29 million.

Basic Strategies

Maintain and expand core business segments while entering into adjacent business fields



HIGHLIGHTS

Launched Genie Models 6170 and 6070

Two shaft-direct openers for residential garage doors, Models 6170 and 6070 have been released by Genie as new-style openers. Unlike the conventional design, in which the opener is attached to the ceiling, these openers can be attached directly to the garage wall. This represents that an opener can be easily installed even in a high-ceiling garage, and brings a clean and open look to the garage. The freed-up space can be used for storage or other purposes.

We will continue working to develop products that deliver convenience to people's lives.



EUROPE

Further strengthen industrial segment and promote digitalization through NF4.0

Rainer Schackmann
Novoferm Group CEO



Net Sales Composition by Region



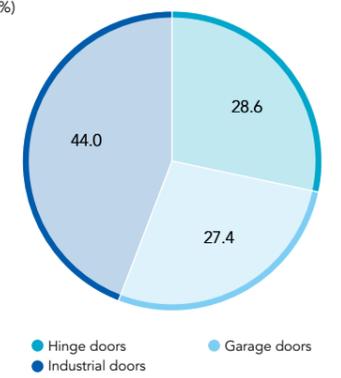
Strengths

- Operates in the mainstay markets of Germany and the Netherlands as well as in other European countries such as France, the U.K., Italy and Spain
- Agile M&A strategy and ability to respond to local needs in each region
- Integrated sales, manufacturing, and logistics network built through structural reform, and increased productivity

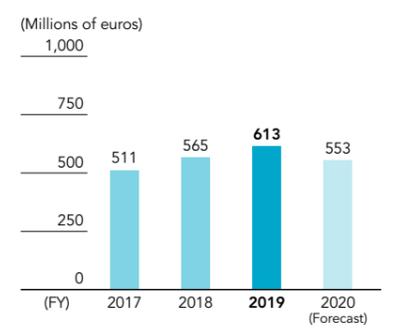
Tasks

- Strengthen competitive edge in regions in which we have a low market share
- Generate synergies from integration with acquired companies

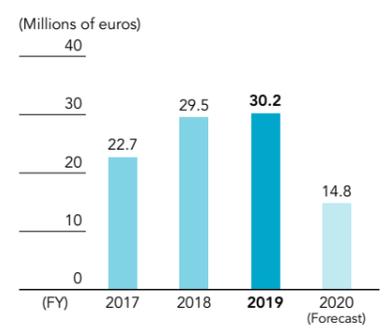
Net Sales Composition by Product (%)



Net Sales



Operating Income



Forex Rate

FY	2017	2018	2019	2020 (Forecast)
Forex Rate (1€)	¥127.22	¥130.01	¥122.15	¥115.00

(Note) Figures for net sales and operating income exclude internal transactions

Fiscal 2019 Business Performance and Fiscal 2020 Outlook

In fiscal 2019, the strong and expanding industrial door business and the acquisition of Robust AB led to a rise in net sales by 2.0% year on year to ¥74.9 billion. Operating income fell 3.7% year on year to ¥3.69 billion, as exchange rate fluctuations offset overall success in passing on higher materials price to customers in the form of higher sale prices. On a euro basis, net sales increased by 8.5% year on year to €613 million, and operating income increased by 2.5% year on year to €30.2 million. For fiscal 2020, we predict that net sales will drop by 15.1%

year on year to ¥63.6 billion, with operating income dropping by 53.9% year on year to ¥1.70 billion due to the impact of COVID-19. Europe began to be affected by COVID-19 in the first quarter (from January to March), earlier than Japan or North America, and the impact was greatest in the second quarter. We expect a recovery to occur to a certain extent in the fourth quarter. On a euro basis, we anticipate that net sales will drop by 9.8% year on year to €553 million, with operating income dropping by 51.0% year on year to €14.8 million.

HIGHLIGHTS

Released Sectional Garage Door, "ISO 70"

ISO 70 is a 70mm-thick sectional garage door featuring panels offering superior insulation performance. A double floor seal located at the bottom of the door maintains close contact with the floor, preventing dirt being blown inside by the wind while reducing heat loss. The door can also be combined with a Thermo frame set as an option, which improves insulation performance by up to 15%.



Synergies with Robust AB

The NF Group has positioned the hinge door business (particularly anticrime and fireproof doors) in Northern Europe and the U.K. as an important and promising market for the future, and expect it to see solid growth over the next few years. With the acquisition of Robust AB, we will strengthen the NF Group's hinge door business, and will be pursuing further growth by maximizing synergies between the two entities.



Headquarters of Robust AB (Sweden)

ASIA

Increase consolidated businesses by enhancing Group integrated management



Net Sales Composition by Region

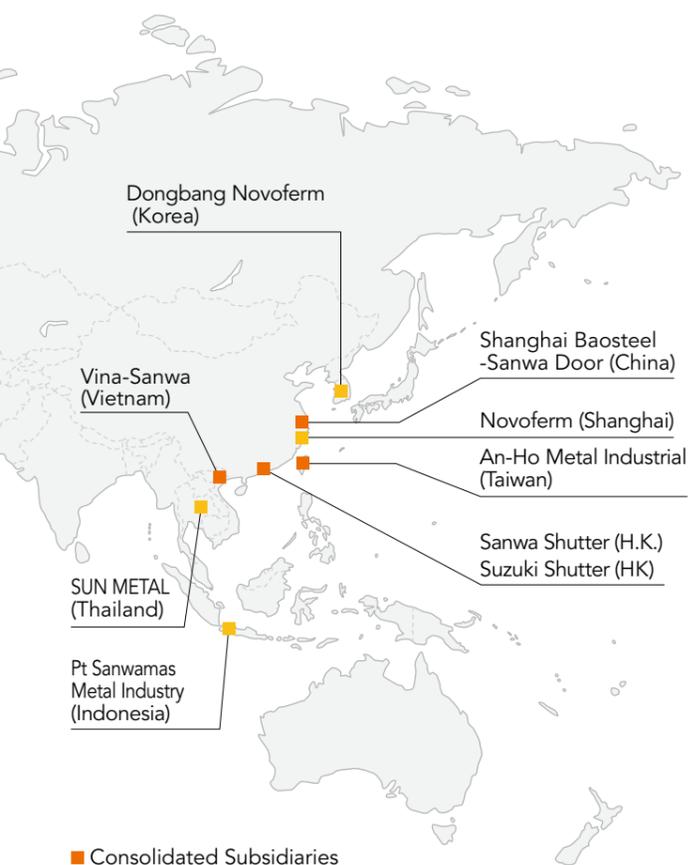


Strengths

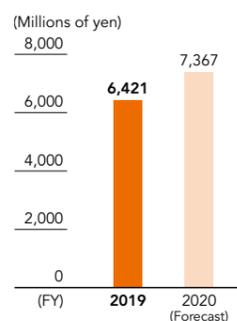
- Product lineup and exceptional quality utilizing Sanwa Group technology
- Production and sales structures that utilize all bases

Tasks

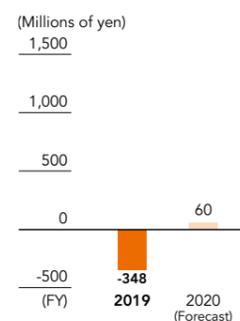
- Promote localization to meet needs in each region
- Establish a network of distributors and optimize manufacturing bases



Net Sales



Operating Income



Fiscal 2019 Business Performance and Fiscal 2020 Outlook

In fiscal 2019, we newly brought Shanghai Baosteel-Sanwa Door, An-Ho Metal Industrial, Sanwa Shutter (H.K.), and Vina-Sanwa into the scope of consolidation, and worked to establish the business foundation by enhancing management synergies of each Group company. Net sales in fiscal 2019 were ¥6.4 billion. However, we recorded an operating loss of ¥348 million and were unable to establish a profit base.

In fiscal 2020, although we anticipate the effect of COVID-19 in Asia mainly in the first quarter, projecting net sales of ¥7.4 billion, a 14.7% increase year on year and operating income of ¥60 million, an improvement of ¥408 million from the previous fiscal year, due mainly to factors such as the effect of bringing Suzuki Shutter (HK) into the scope of consolidation.

HIGHLIGHTS

Aiming for Further Business Expansion by Consolidating the Asia Business

Regarding the Asia business, in view of the separate strategies from each company and for each country that we saw in the past, we regard Greater China and ASEAN members as separate markets, and are aiming to further achieve business expansion through the supply of each other's products and the centralization of production facilities. We are taking steps to rapidly adapt to the needs of each market environment, and will pursue integration synergies from the merger with Sanwa Shutter (H.K.) of two companies that joined the Group in September 2019, namely Suzuki Shutter (HK) and Suzuki Shutter (Macau). In fiscal 2019, Shanghai Baosteel-Sanwa Door, An-Ho Metal Industrial, Sanwa Shutter (H.K.), and Vina-Sanwa were brought into the scope of consolidation, and Suzuki Shutter (HK) will be consolidated in fiscal 2020. With these initiatives, we will be working to ensure that we can accelerate the speed of growth.



New Models of Heat-Insulating Fireproof Doors at Novoferm (Shanghai)

Novoferm (Shanghai) launched new models of heat-insulating fireproof door that are certified as fireproof doors under China's building standards law. All of these models, which are constructed from steel or stainless steel, cleared heat-blocking and fireproofing tests for the three fire-resistance classes of 90 minutes, 60 minutes, and 30 minutes, and they meet a wide range of needs as they can be designed to be as high as three meters, which is top class in the industry. In addition, the new models help reduce CO₂ emissions as they are 8-9% lighter than previous versions by partially replacing magnesium sheets used as structural material with aerated concrete.