

Japan

Strengths

- Top share in Japan in six fields, including shutters and doors
- Seamlessly integrated business model from development to sales, design, production, installation and after-sales service
- Nationwide sales network comprising around 500 locations and more than 3,900 installers
- Social contribution through multi-product sales, including disaster prevention products

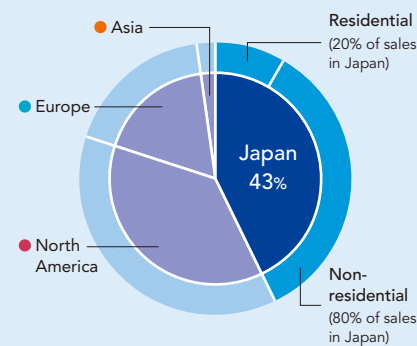
Risks

- Deterioration in earnings due to sudden price hikes for steel or other auxiliary materials, as well as rising energy and labor costs
- Decline in supply capacity with the aging of production facilities, a decrease in the number of manufacturing personnel, decline in manufacturing technology, etc.
- Insufficient supply capacity due to a decrease in the number of installers, installer aging, or a decline in installation abilities
- Decline in competitiveness due to delays in advanced technology development and its application to services, and insufficient product improvements

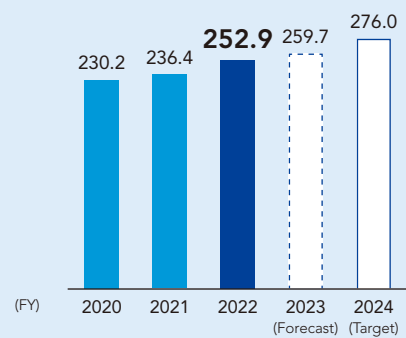
Collaboration in the supply chain

- Comply with relevant laws and regulations in our procurement activities, conduct transactions in a fair and equitable manner, and build relationships of trust with partner companies
- Aim to enhance skills mutually with partner companies and develop together through continuous business transactions
- Strive to reduce our environmental impact throughout the supply chain, in cooperation and collaboration with partner companies

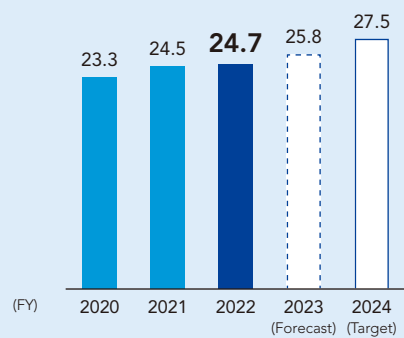
Net Sales Composition by Region



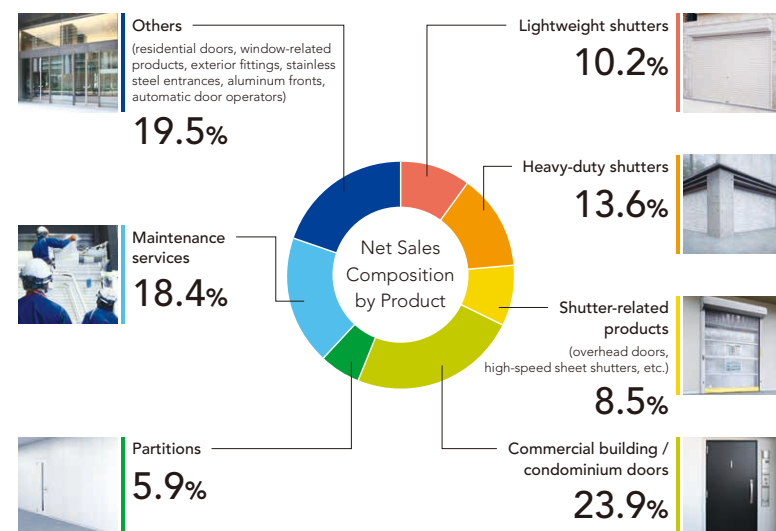
Net Sales



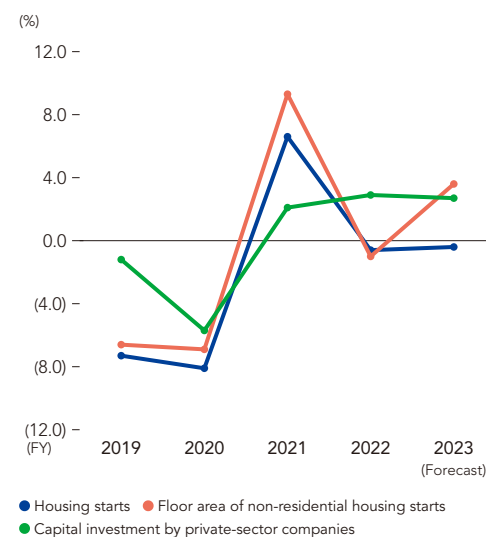
Operating Profit



FY2022 Net Sales Composition by Product (Japan)



Trends in the Construction Industry Environment (year-on-year)



We will expand our circulation-oriented business by creating new products and services that are ahead of the times in terms of environmental change.



Representative Director and President, Sanwa Shutter Corporation

Meiji Takayama

Fiscal 2022 Results and Review

Fiscal 2022 was the first year of the Mid-Term Management Plan 2024. Under the motto "Creation and circulation," we are working to solve customer issues and create even greater value by developing new products and services that uphold three principles: disaster prevention and mitigation, environmental contribution, and IoT and electrification. Based on that approach, we have released new products such as the overhead doors with high heat insulation from the Re-carbo series, with improved thermal insulation performance in addition to increased convenience and compactness, the IoT-compatible MADOMORE Change SY system for motorizing existing manual window shutters, and

RemoSma, a garage door smart operating system.

In terms of business performance, net sales increased by 7.0% from the previous year to ¥252.9 billion. This was thanks to a trend of strong sales for core products such as shutters and doors, as well as for maintenance and servicing, and through continued strong sales of products classified by use and targeted at factories, logistics warehouses and other facilities. In addition, although prices of materials such as steel and various other components rose more than expected, operating profit increased by 1.0% from the previous year to ¥24.7 billion, as a result of our efforts to pass on the cost of materials in selling prices.

Initiatives to Achieve the Mid-Term Management Plan Goals

Fiscal 2023 will be the second year of both the Sanwa Global Vision 2030 and the Mid-Term Management Plan 2024. We will move forward with the following initiatives during the year, with the aim of achieving the management plan's goals.

Sales

In addition to large-scale urban redevelopment projects, we will work to increase orders for core products such as shutters and doors for use in factories and logistics warehouses, as there continues to be strong demand in this area. In terms of our strategic products, we will also propose value-added solutions and strive to differentiate from our competitors, with the aim of increasing our market share. In the maintenance and service business, we will enhance statutory inspections and strengthen our efforts to capture demand for post-inspection repairs and replacements.

Products

As well as expanding our lineup of disaster prevention products and environmentally friendly products, which help to protect lives and property from natural disasters and other negative impacts of climate change, we will move forward with development of IoT- and electrification-related products that incorporate information technology.

Production, logistics and installation

We will promote the digitalization of business processes and strive to improve productivity through system integrations. In addition, as part of manufacturing innovation, we will proactively make capital investments in the expansion of our production and supply capabilities and labor reductions.

Human resources

Alongside moving forward with human resource development, work style reforms and securing personnel, we are working to train and develop the next generation of leaders.

HIGHLIGHT

Launch of "overhead doors with high heat insulation" from the Re-carbo Series

The new overhead doors with high heat insulation from the Re-carbo series can be used in locations with a room temperature of 0°C or lower, in contrast to previous products which were unusable because the door panels would freeze. When combined with the optional heat-insulating frame, the overhead doors can prevent both condensation and freezing, and can be installed in place of heat-resistant doors in cold storage warehouses and other locations where room temperatures are as low as -5°C. The new panels, redesigned with an industry-beating 80mm thickness, offer improved convenience and are more compact than conventional heat-resistant doors, and their insulating capability has also significantly increased. By improving the insulation at entranceways and openings, where the heat transfer in cooling and heating systems is the most active, air conditioning efficiency is increased and energy consumption and CO₂ emissions are likewise reduced. In these ways and more, we anticipate that the new overhead doors with high heat insulation will help customers reduce their Scope 1 and 2 CO₂ emissions.



North America

Strengths

- Being a leading brand
- High market share
- Strong sales network (distributors, large retailers, online sales)
- A robust manufacturing network for acquiring market share
- Materials selection and manufacturing processes aimed at reducing environmental impact

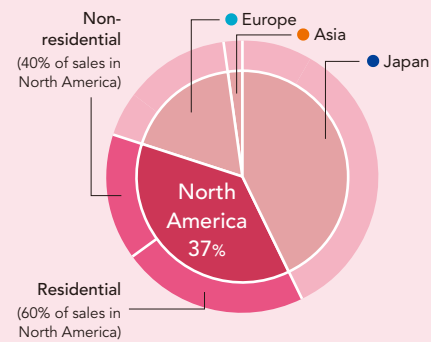
Risks

- Concerns that costs will remain high
- Supply shortages for specific raw materials (aluminum extrusions, spring wires, electronic components, etc.)
- Slowdown in the housing market in line with rising interest rates, and the impact on non-residential markets
- Project delays and purchasing postponements caused by rising product prices, and/or a switch to lower-priced products

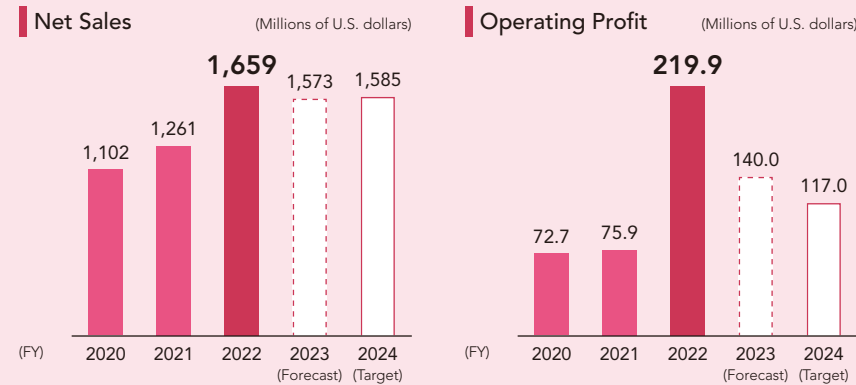
Collaboration in the supply chain

- Strengthening the supply base for key materials that are subject to continued shortages throughout the year (aluminum extrusions, spring wires, electronic components, etc.)
- Reducing the risk of component supply shortages and shortening lead times by outsourcing components
- Entering into contracts with new suppliers, in order to secure stable supplies of key components

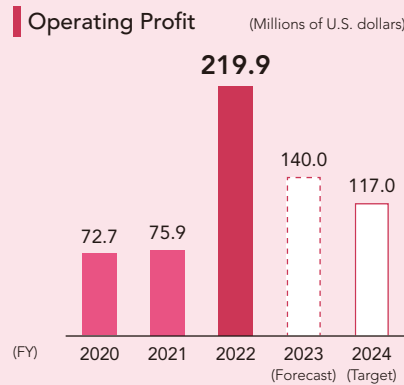
Net Sales Composition by Region



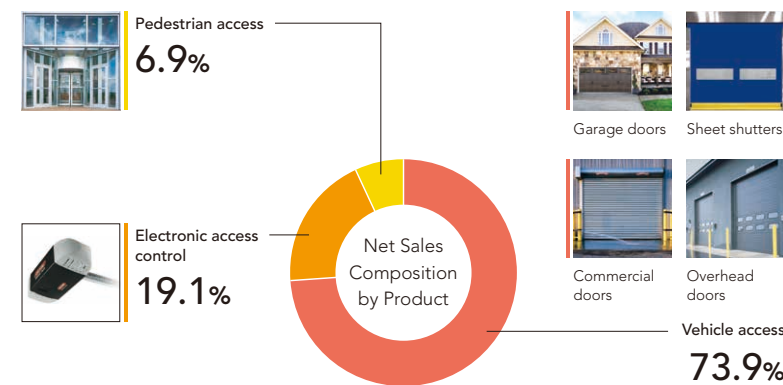
Net Sales



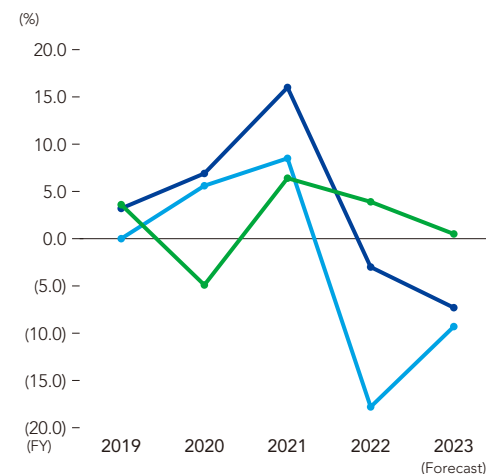
Operating Profit



FY2022 Net Sales Composition by Product (North America)



Trends in the Construction Industry Environment (year-on-year)



Note: Vehicle access indicates the former doors category, electronic access control indicates the former door openers category, and pedestrian access indicates the former automatic doors category.

● Housing starts ● Existing homes sold ● Capital investments

The Genuine. The Original.



We will aim to further expand our product lineup and achieve sustainable growth.



President & CEO, Overhead Door Corporation **Kelly Terry**

Fiscal 2022 Results and Review

Amid strong demand and rising market prices, increased costs and a deterioration in efficiency caused by supply chain disruptions and labor shortages meant that fiscal 2022 was a turbulent year for the Company. That said, the supply chain recovered almost completely in the second half of the fiscal year, and we made progress in processing the backlog of increased post-pandemic orders and returning our lead times to normal levels. As a result, net sales in fiscal 2022 increased by 31.6% from the previous year to USD 1,659 million, while operating profit reached USD 219.9 million—both record highs.

Our main initiatives in fiscal 2022 focused on investments in and improvements to new manufacturing facilities. We upgraded one of our high-speed insulating door lines for residential and commercial applications, and commissioned circuit board production and testing equipment. In addition, we launched a commercial warehouse door that is highly competitive on cost, and introduced wind-resistant products in response to disaster prevention needs in coastal areas. In addition to these efforts, we worked to add partner distributors and further expand our product lineup, and continued to make progress with initiatives to achieve sustainable growth.

Initiatives to Achieve Mid-Term Management Plan Goals

In terms of core business expansion, alongside developing new products such as next-generation smart products and door openers, we will expand sales in peripheral businesses, including dock products and gate openers, and strengthen sales to retailers and sales of our parts and services. In addition, through the Commercial Solution Team in our corporate business, we will move forward with sales promotions for advanced products aimed at large-scale projects.

As part of our efforts to increase productivity, through the further introduction of a new ERP system that incorporates customer support tools, we will reinforce our business processes and achieve integration. From a sustainability management perspective, we are making thorough cost reductions throughout the value chain. In manufacturing, we will invest in the automation of labor-intensive door assembly processes to reduce the environmental impact of our operations. At the same time, we will continue to invest in skill development and improving well-being for employees through systematic workplace programs.

HIGHLIGHT

Released BenchSentry™ by Genie, a Smart Delivery Box

BenchSentry™ is a delivery box for securely storing packages from Amazon and other companies. It can be accessed after registering the product through the smartphone app. The recipient registers the package's tracking number on the app, and the box opens when the courier enters the last four digits of the tracking number or order number on the keypad, enabling them to place the package inside. The box automatically locks, making it highly secure, and weatherproofing ensures that packages inside are protected. The app also allows users to track the shipment status of their packages and to receive delivery notifications.



HIGHLIGHT

Acquisition of Door Control, Inc. and Door Concepts, Inc.

In January 2023 we acquired Door Control, Inc. and Door Concepts, Inc., two U.S.-based automatic door installation and servicing companies. Both companies specialize in automatic door sales, installations and repairs in the New England region. With these acquisitions, we anticipate continued growth in our automatic door service and installation businesses in North America, and expect to increase our market share in the areas covered by both businesses.



Europe

Strengths

- Wide range of innovative products tailored to customer needs
- Processes digitalized with a view to the customer experience, including orders and customer support
- Europe-wide service network
- Experienced and talented employees

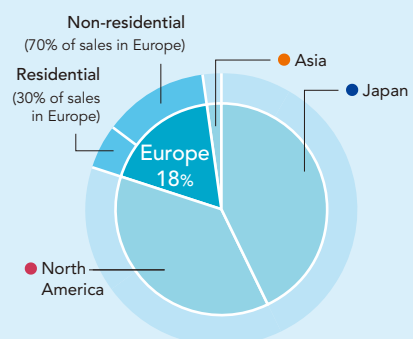
Risks

- Increasing uncertainty in Europe due to the situation in Ukraine
- Noticeable decline in construction activities caused by sharp rises in construction costs and interest rates
- Direct rises in energy costs in line with surging energy prices, and significant material cost increases

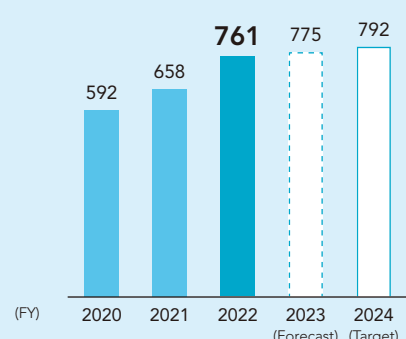
Collaboration in the supply chain

- Avoiding supply chain disruptions thanks to our long-held relationships with suppliers
- Flexibly responding to supply issues whenever they occur, having built close relationships with suppliers
- Minimizing risks caused by supply chain disruptions by doubling our procurement capabilities for materials and parts

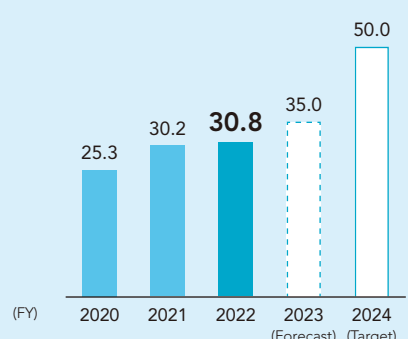
Net Sales Composition by Region



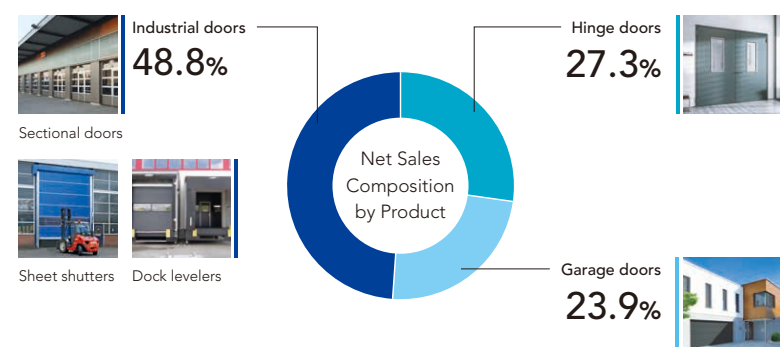
Net Sales



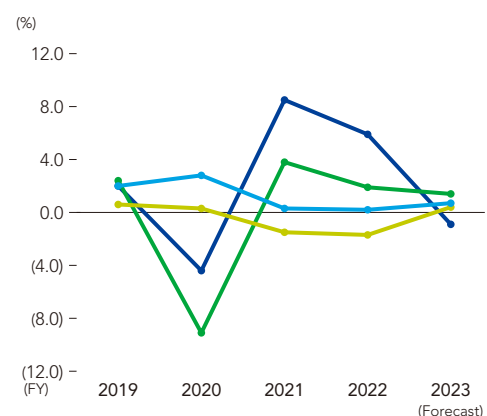
Operating Profit



FY2022 Net Sales Composition by Product (Europe)



Trends in the Construction Industry Environment (year-on-year)



- Investment in residential building construction (U.K., Germany, France, Italy and the Netherlands)
- Investment in residential building construction (Germany only)
- Investment in non-residential building construction (U.K., Germany, France, Italy and the Netherlands)
- Investment in non-residential building construction (Germany only)



We will focus on continued promotion of digitalization, and on the area of sustainability.



CEO, Novoferm Group **Rainer Schackmann**

Fiscal 2022 Results and Review

In fiscal 2022, Novoferm was able to increase its market share in all segments and further improve its market position. In particular, the service segment has expanded in line with our strategy and is becoming more important than ever. Additionally, new digital solutions make it possible to conduct even more efficient business operations, and we are achieving improved levels of customer satisfaction.

In terms of business performance, although fiscal 2022 had an extremely strong and promising start, Novoferm has moved into a new position influenced by the situation in Ukraine, which has been ongoing since February 2022. The prices of all materials have risen in tandem with increased uncertainty and surging energy prices, and inflation and interest rates have reached their highest levels in decades. In the

residential construction sector, the effects were felt immediately, with the number of new residential construction permits having fallen sharply in almost every area of Europe since the second quarter of the fiscal year. In addition, construction costs are 30% higher than they were two years ago, and growth in new construction and renovation starts is expected to slow down.

On the other hand, compared to residential construction, non-residential construction has been robust. With a large order backlog from the previous year and strong demand for logistics facilities and industrial buildings, net sales increased significantly, reaching a record high for Novoferm. Even so, the soaring costs of energy and materials were the main contributors to slightly lower performance.

Initiatives to Achieve Mid-Term Management Plan Goals

After years of steady growth, the European construction market is currently experiencing a severe decline. In particular, the number of new residential construction permits is expected to noticeably drop even further over the coming months. At the same time, the decline in non-residential construction is progressing more gradually. Sharp rises in construction costs and rising interest rates are clearly factors, but this situation is also being influenced by uncertainty in relation to economic growth throughout Europe.

As the market environment remains stagnant, Novoferm is focusing on efforts to acquire a greater market share. In order to achieve this, we

are consolidating the comprehensive strengths of our products, processes and services, and putting even more effort into supporting our customers' day-to-day operations. We have developed Novosale, a digital platform for communicating with customers, and added features designed for installation and construction site management, product monitoring and document management, as well as an app version. In these ways, we will support our customers through the use of digital tools at every stage of the work process, from ordering to installation, document creation and after-sales services.

Furthermore, by installing solar panels at our factories, reducing the amount of standby power used by door openers and increasing our use of recyclable materials, we will focus on the area of sustainability.

HIGHLIGHT Sectional garage door: Launched the Evolution premium sectional garage door

As the Evolution premium sectional garage door is designed with a thermal break between each panel's outer and inner shells, it reduces heat loss to an absolute minimum. The new optimized steel panels are 45mm thick with a "thermally broken sandwich construction," ensuring that the space between panels is airtight and achieving outstanding heat insulation performance. Compared to other garage door products with panels of equal thickness, the Evolution premium sectional garage door achieves up to a 17% improvement in heat insulation.



Asia

Strengths

- Sales advantage to Japanese companies by using the Sanwa Shutter brand
- Sales advantage in Greater China and the ASEAN region by using European brands
- Corporate competitiveness through application of the PDCA cycle across the Group
- Low funding costs based on leveraging the Sanwa Group's strong financial foundation

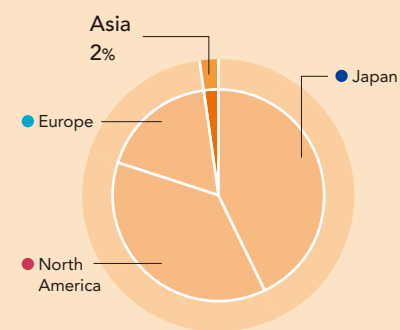
Risks

- Rising interest rates and energy costs
- Compliance with rapidly changing legal reforms, including environmental regulations in each country
- Geopolitical risks (U.S.-China relations, Myanmar)
- Compliance violations

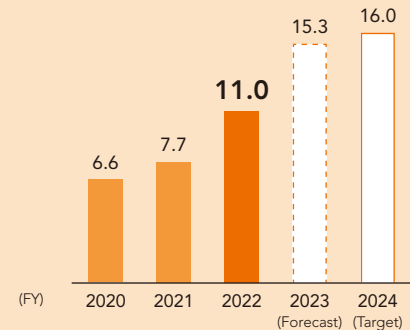
Collaboration in the supply chain

- Maintaining and managing the quality of construction work by subcontracted construction workers
- Ensuring quality and quantity to win out when competing on cost

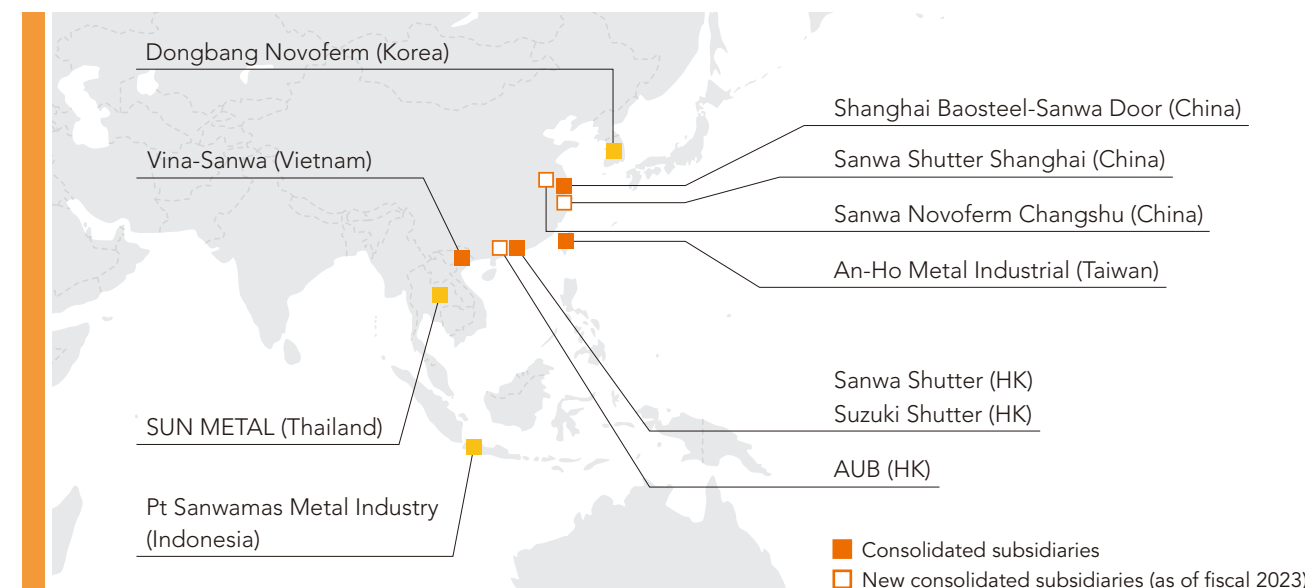
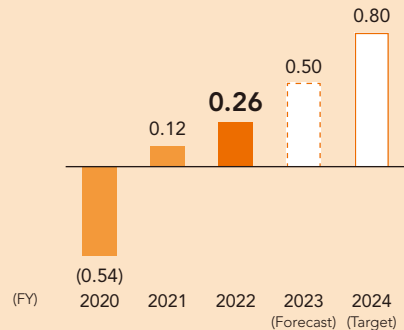
Net Sales Composition by Region



Net Sales (Billions of yen)



Operating Profit (Billions of yen)



Through initiatives to strengthen our production and sales system and diversify our product range, we will move forward with business expansion.

Fiscal 2022 Results and Review

In fiscal 2022, despite severe restrictions on movement due to the COVID-19 pandemic, including the lockdown in Shanghai, we were able to install equipment, acquire licenses and train employees for our new plant in Changshu, China, and had commenced operations at the plant before the end of the year. In addition, each company made steady progress in reinforcing its production facilities and put the foundations for increasing production volume into place. We also established a

system for joint sales of doors and shutters in China, and are aiming to secure an order level proportionate to our production volume increases. Although market conditions were extremely severe due to the COVID-19 pandemic, our Hong Kong and Taiwan businesses remained strong, with the five consolidated subsidiaries in the region reporting net sales of ¥11.0 billion and operating profit of ¥260 million in fiscal 2022, up 43.4% and 115.6% from the previous year respectively.

Initiatives to Achieve Mid-Term Management Plan Goals

As part of the Sanwa Global Vision 2030, which started in fiscal 2022, the recently established Sanwa Novoferm Changshu door manufacturing plant is currently operational. We have also acquired AUB Limited, a comprehensive provider of door access products primarily operating in Hong Kong and Macau with a strong track record in sales and distribution. With this acquisition, we can provide comprehensive solutions in the industrial shutter and door access markets in Hong Kong and Macau through Sanwa Shutter (HK), Suzuki Shutter (HK) and

AUB, and expand both our range of services and our customer base. In fiscal 2023, we will establish our market superiority through advance certification for a new standard of fireproof products at Vina-Sanwa Company Liability Ltd. (Vietnam) and An-Ho Metal Industrial Co., Ltd. (Taiwan). As for our Hong Kong business, we plan to optimize the product ranges offered by Sanwa Shutter (HK) Ltd. and Suzuki Shutter (HK) Ltd. At PT. Sanwamas Metal Industry (Indonesia), profits are steadily increasing, and we are moving forward with business expansion by adding door products to the existing lineup of shutter products.

HIGHLIGHT Acquired AUB Limited (Hong Kong)

In August 2022, Sanwa Shutter (HK)'s acquisition of AUB Limited, a comprehensive provider of door access products primarily operating in Hong Kong and Macau, became the Group's first M&A in Asia. Sanwa Shutter (HK), which is expanding its business in Asia, is a manufacturer and distributor of industrial shutter products primarily operating in Hong Kong and Macau. AUB has a strong track record of sales and distribution in Hong Kong and Macau, through its wide-ranging relationships with developers and independent architecture and construction contractors in the commercial, industrial and residential housing markets. Through this acquisition, we can provide comprehensive solutions in the industrial shutter and door access markets in Hong Kong and Macau, and expand both the Group's range of services and its customer base.



HIGHLIGHT Opening Ceremony held at the Sanwa Novoferm Changshu Plant

Sanwa Novoferm Changshu established a new door manufacturing plant in Changshu City, Jiangsu Province, China, and production commenced in June 2022. The company held an opening ceremony at the plant in June 2023, to pray for the development of its business in China. In addition to attendees from Sanwa Holdings and Group companies in Japan, the U.S., Europe and Asia, the company welcomed special guests from Changshu City and the Consulate-General of Japan in Shanghai. Attendees dined together and enjoyed lavish events and activities, including a lion dance performance and a ribbon-cutting ceremony.

