

FY2015 First Quarter consolidated financial result highlights

	pages
I . Overview of Consolidated financial Results	... 1
II . Summary of Consolidated Q1 FY2015 financial Results Forecast of FY2015 Consolidated Net Sales and Operating Income	... 2
III . Order Intake and Net Sales by products / Sanwa Shutter	... 4
IV . Order situation of Sanwa Shutter	... 5

July 31, 2015
Sanwa Holdings Corporation

I . Overview of Consolidated Results

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	FY2014											FY2015												
	1Q			2Q			Half Year			Full Year			1Q			2Q(F)			Half Year(F)			Full Year(F)		
	(@102.57 @140.28)	profit ratio	Y/Y	profit ratio	Y/Y	(@102.23 @139.87)	profit ratio	Y/Y	(@106.46 @140.35)	profit ratio	Y/Y	(@119.23 @132.62)	profit ratio	Y/Y	profit ratio	Y/Y	(@120.00 @130.00)	profit ratio	Y/Y	(@120.00 @130.00)	profit ratio	Y/Y		
Net Sales	61,817		11.3%	84,589		7.3%	146,406		8.9%	339,045		8.7%	66,884		8.2%	93,115		10.1%	160,000		9.3%	370,000		9.1%
[assumed forex rate same as the previous year]													[64,166]		3.8%				[154,066]		5.2%	[360,751]		6.4%
Sanwa Shutter	26,324		10.2%	45,617		10.4%	71,942		10.3%	169,419		5.5%	26,928		2.3%	47,071		3.2%	74,000		2.9%	178,500		5.4%
Japanese Subsidiaries	5,393		1.9%	6,865		3.2%	12,258		2.6%	29,108		1.8%	5,379		-0.3%	7,320		6.6%	12,700		3.6%	30,650		5.3%
ODC (U.S.A.)	\$198,717		1.5%	\$227,152		2.1%	\$425,869		1.8%	\$925,271		3.9%	\$203,763		2.5%	\$236,236		4.0%	\$440,000		3.3%	\$985,000		6.5%
	20,382		12.4%	23,154		5.3%	43,536		8.5%	98,504		12.9%	24,294		19.2%	28,505		23.1%	52,800		21.3%	118,200		20.0%
Novoferm (Europe)	€ 78,759		1.4%	€ 78,975		-4.3%	€ 157,735		-1.6%	€356,178		8.5%	€ 88,277		12.1%	€ 102,722		30.1%	€ 191,000		21.1%	€395,000		10.9%
	11,048		16.6%	11,014		3.2%	22,062		9.5%	49,989		16.7%	11,707		6.0%	13,122		19.1%	24,830		12.5%	51,350		2.7%
Operating Income	574	0.9%	< + >	6,566	7.8%	26.9%	7,140	4.9%	58.2%	26,334	7.8%	27.5%	-1,161	-1.7%	< - >	7,861	8.4%	19.7%	6,700	4.2%	-6.2%	28,000	7.6%	6.3%
[assumed forex rate same as the previous year]													[-1,162]		< - >				[6,426]		-10.0%	[27,144]		3.1%
Sanwa Shutter	379	1.4%	< + >	4,859	10.7%	17.2%	5,239	7.3%	45.1%	17,517	10.3%	30.0%	-245	-0.9%	< - >	5,495	11.7%	13.1%	5,250	7.1%	0.2%	18,000	10.1%	2.8%
Japanese Subsidiaries	38	0.7%	49.4%	409	6.0%	53.1%	447	3.6%	52.8%	1,682	5.8%	27.1%	-83	-1.6%	< - >	323	4.4%	-21.0%	240	1.9%	-46.4%	1,750	5.7%	4.0%
ODC (U.S.A.)	\$2,697		140.7%	\$12,785		37.0%	\$15,483		48.2%	\$59,183		19.1%	-\$1,083		< - >	\$17,083		33.6%	\$16,000		3.3%	\$72,000		21.7%
	276	1.4%	166.7%	1,306	5.6%	45.4%	1,582	3.6%	57.9%	6,300	6.4%	29.4%	-129	-0.5%	< - >	2,049	7.2%	56.9%	1,920	3.6%	21.3%	8,640	7.3%	37.1%
Novoferm (Europe)	-€957		< + >	€ 464		507.2%	-€493		< + >	€10,718		30.0%	-€2,477		< - >	€ 3,477		648.6%	€ 1,000		< + >	€11,500		7.3%
	-134	-1.2%	< + >	65	0.6%	3108.2%	-68	-0.3%	< + >	1,504	3.0%	39.7%	-328	-2.8%	< - >	458	3.5%	601.6%	130	0.5%	< + >	1,495	2.9%	-0.6%
Current Income	353	0.6%	< + >	6,472	7.7%	29.7%	6,826	4.7%	58.8%	25,975	7.7%	27.9%	-1,298	-1.9%	< - >	7,598	8.2%	17.4%	6,300	3.9%	-7.7%	27,400	7.4%	5.5%
[assumed forex rate same as the previous year]													[-1,287]		< - >				[6,040]		-11.5%	[26,570]		2.3%
Sanwa Shutter	474	1.8%	< + >	4,957	10.9%	17.7%	5,432	7.6%	44.1%	18,251	10.8%	32.6%	-193	-0.7%	< - >	5,553	11.8%	12.0%	5,360	7.2%	-1.3%	18,200	10.2%	-0.3%
Japanese Subsidiaries	54	1.0%	71.4%	419	6.1%	50.1%	474	3.9%	52.3%	1,738	6.0%	27.8%	-71	-1.3%	< - >	322	4.4%	-23.1%	251	2.0%	-47.1%	1,772	5.8%	1.9%
ODC (U.S.A.)	\$2,326		124.0%	\$12,879		50.7%	\$15,205		58.7%	\$57,476		17.9%	-\$1,793		< - >	\$16,593		28.8%	\$14,800		-2.7%	\$69,100		20.2%
	238	1.2%	148.2%	1,315	5.7%	59.9%	1,554	3.6%	69.1%	6,118	6.2%	28.0%	-213	-0.9%	< - >	1,989	7.0%	51.2%	1,776	3.4%	14.2%	8,292	7.0%	35.5%
Novoferm (Europe)	-€1,201		< + >	€ 500		< + >	-€701		< + >	€10,446		90.6%	-€2,387		< - >	€ 2,687		436.7%	€ 300		< + >	€10,200		-2.4%
	-168	-1.5%	< + >	70	0.6%	< + >	-98	-0.4%	< + >	1,466	2.9%	104.9%	-316	-2.7%	< - >	355	2.7%	404.2%	39	0.2%	< + >	1,326	2.6%	-9.6%
Other Affiliates	-160		< - >	-46		< - >	-207		< - >	-220		< - >	-115		< + >	-34		< + >	-150		< + >	75		< + >
Net Income	11	0.0%	< + >	3,275	3.9%	36.3%	3,286	2.2%	258.8%	12,857	3.8%	26.5%	-1,195	-1.8%	< - >	4,395	4.7%	34.2%	3,200	2.0%	-2.6%	14,000	3.8%	8.9%
[assumed forex rate same as the previous year]													[-1,188]		< - >				[3,023]		-8.0%	[13,461]		4.7%
Sanwa Shutter	315	1.2%	< + >	3,101	6.8%	20.5%	3,416	4.7%	201.4%	11,745	6.9%	62.8%	-248	-0.9%	< - >	3,628	7.7%	17.0%	3,380	4.6%	-1.1%	11,830	6.6%	0.7%
Japanese Subsidiaries	-15	-0.3%	< - >	289	4.2%	69.8%	273	2.2%	46.6%	979	3.4%	44.8%	-98	-1.8%	< - >	201	2.7%	-30.5%	103	0.8%	-62.4%	1,086	3.5%	10.9%
ODC (U.S.A.)	\$1,688		235.4%	\$8,078		318.6%	\$9,767		301.4%	\$36,263		75.8%	-\$1,324		< - >	\$11,124		37.7%	\$9,800		0.3%	\$44,340		22.3%
	173	0.8%	271.7%	825	3.6%	341.9%	998	2.3%	327.9%	3,860	3.9%	90.9%	-157	-0.7%	< - >	1,333	4.7%	61.6%	1,176	2.2%	17.8%	5,320	4.5%	37.8%
Novoferm (Europe)	-€1,351		< + >	-€781		< - >	-€2,132		< - >	€3,775		54.0%	-€1,957		< - >	€ 1,657		< + >	-€300		< + >	€5,900		56.3%
	-189	-1.7%	< + >	-108	-1.0%	< - >	-298	-1.4%	< - >	529	1.1%	65.6%	-259	-2.2%	< - >	220	1.7%	< + >	-39	-0.2%	< + >	767	1.5%	44.8%
Other Affiliates	-160		< - >	-46		< - >	-207		< - >	-220		< - >	-115		< + >	-34		< + >	-150		< + >	75		< + >

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

Sanwa Shutter & Japanese subsidiaries:
ODC & Novoferm:

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

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

2) Figures are round off. < + > is for increase, < - > is for decrease from the previous year.
3) Each figure by entities is before consolidation adjustment.
4) Forex rate is term average.

II. Summary of Consolidated cumulative Q1 FY2015 Results

summary	■ Net sales increased for all areas (Japan, US and Europe) thanks to Alpha acquisition effect and the depreciation of the yen. ■ Consolidated operating income was down due mainly to increase in Japanese business costs (incurred anticipatory investment aimed at strengthening installation capabilities & increased SG&A costs) and US business costs (increased raw material (steel) costs).
Net Sales	■ Consolidated net sales increased by 8.2% or 5.1 billion yen vs. Q1 2014. If using FY2014 currency rate, it would have been 3.8% or 2.3 billion yen higher and would have been almost flat, if further excluding the Alpha acquisition effect. Japan : Increased by 1.9% vs. Q1 2014. Sanwa Shutter increased by 2.3% while sales of heavy-duty shutters and commercial building hinge doors decreased by 2.9% & 5.1%, respectively, due to delay in construction projects. light-duty shutters increased by 2.7% thanks to housing market and partitions, main product for developing multi-product sales strategy, increased significantly by 16.8%. Additionally, order backlog has been growing steadily. Japanese subsidiaries total, except Sanwa Shutter, decreased by 0.3%. Sanwa Tajima decreased by 22.0% due to delay in commercial construction projects. USA (ODC): Increased by 2.5% vs. Q1 2014 on a local currency basis. Door sales (Access Systems Division) increased by 4.8% while Garage door sales was essentially flat vs. Q1 2014 (increased slightly by 0.6%) due to withdrawal from unprofitable channels. Commercial doors (sectional and rolling steels) increased by 8.3%. Operator sales (mainly retail sales) decreased by 0.5%. Automatic Door sales increased by 5.8% driven by the absence of new ERP implementation troubles occurred in 2014 and the acquisition effect. Truck / Trailer Door sales increased. Europe (NF): Increased by 12.1% vs. Q1 2014 on a local currency basis thanks to the Alpha acquisition effect (Q1 2015 Alpha net sales: 15.1 million euro). If excluding Alpha sales, it would have been 7.1% lower than Q1 2014.
Operating Income	■ Consolidated operating income decreased by 1.74 billion yen vs. Q1 2014 (If using 2014 currency rate, it would have decreased by 1.74 billion yen vs. Q1 2014). Japan : Sanwa Shutter decreased by 0.63 billion yen due to increase in SG&A costs (mainly personnel costs responding to the business expansion) partially offset by gross margin increase due to high sales. Japanese subsidiaries total, except Sanwa Shutter, decreased by 0.12 billion. USA (ODC) : Decreased by \$3.8M vs. Q1 2014 on a local currency basis due to steel price increase. Europe (NF) : Decreased by 1.5M Euro vs. Q1 2014 on a local currency basis due to decline in profit of NF existing business (especially hinge door business) partially offset by the Alpha acquisition effect.
Current Income	■ Consolidated current income decreased by 1.65 billion yen vs. same quarter of last year. Profit of equity method affiliate companies (total) improved by 0.05 billion yen partially offset by sluggish NF shanghai performance.
Net Income	■ Consolidated net income decreased by 1.21 billion yen vs. same quarter of last year. Extraordinary loss improved by 0.08 billion yen vs. Q1 2014 due to the absence of Novoferm's restructuring costs.

Forecast of FY2015 Consolidated Net Sales and Operating Income

summary	■The company maintains its forecast (both 1st half and full year) from those announced on May 13, 2015.
Net Sales	■It is expected that Japanese business will achieve its forecast and net sales for both US and EU business will be higher than last year on a local currency basis. Japan : Expected to achieve its forecast since Sanwa Shutter's order backlog has been growing and sales of light-duty shutter and residential related products have recovered. USA (ODC) : Maintains its forecast because sales of leading products such as garage doors and commercial doors expected to be robust and sales of both operators and automatic door expected to be higher than 2014. Europe (NF) : Although the outlook for European economy is still uncertain, maintains its forecast backed by the improvement of NF order volume improvement (especially Germany business).
Operating Income	■All businesses (Japan, US and Europe) maintain its forecast announced on May 13, 2015. Japan : Maintains its forecast since Sanwa Shutter expects to increase sales volume and realize price adjustment effect after Q2 2015, covering the increase in installation costs and personnel costs (those are within expectation). USA (ODC) : Maintains its forecast driven by decrease in raw material costs and cost reduction efforts in 2H 2015 as well as the effect of the yen depreciation. Europe (NF) : Maintains its forecast since order volume has been improving and NF business restructuring plan has been progressing.

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

		FY2014												FY2015											
		1Q				Half Year				Full Year				1Q				Half Year(F)				Full Year(F)			
		Order	% to total	Sales	% to total	Order	% to total	Sales	% to total	Order	% to total	Sales	% to total	Order	% to total	Sales	% to total	Order	% to total	Sales	% to total	Order	% to total	Sales	% to total
Rolling Shutters	Lightweight	<-0.2> 6,801	15.5	<-3.1> 5,973	22.7	<-0.2> 13,560	15.3	<0.5> 13,074	18.2	<-1.7> 27,207	15.1	<-3.2> 26,765	15.8	<1.7> 6,916	15.1	<-2.7> 6,136	22.8	<-3.4> 13,100	14.6	<1.0> 13,200	17.8	<-1.5> 26,800	14.3	<0.5> 26,900	15.1
	Heavy-duty	<5.0> 8,619	19.6	<6.3> 4,741	18.0	<5.8> 16,897	19.1	<8.5> 13,729	19.1	<10.0> 35,262	19.6	<3.1> 31,913	18.8	<4.2> 8,978	19.6	<-2.9> 4,606	17.1	<4.2> 17,600	19.6	<7.1> 14,700	19.9	<5.2> 37,100	19.8	<10.6> 35,300	19.8
	Sub Total	<2.6> 15,421	35.1	<0.8> 10,715	40.7	<3.1> 30,458	34.4	<4.5> 26,803	37.3	<4.6> 62,470	34.7	<0.1> 58,678	34.6	<3.1> 15,894	34.7	<-0.3> 10,742	39.9	<0.8> 30,700	34.1	<4.1> 27,900	37.7	<2.3> 63,900	34.2	<6.0> 62,200	34.8
Shutter-related Products	Overhead Doors	<0.6> 1,465	3.3	<-4.7> 1,088	4.1	<-1.5> 2,937	3.3	<2.0> 2,701	3.8	<-0.5> 6,090	3.4	<-2.9> 5,973	3.5	<12.4> 1,647	3.6	<-1.6> 1,105	4.1	<2.1> 3,000	3.3	<-3.8> 2,600	3.5	<-3.4> 6,300	3.4	<3.8> 6,200	3.5
	Others	2,745	6.2	1,611	6.1	5,367	6.1	4,457	6.2	11,403	6.3	10,586	6.2	3,135	6.9	1,622	6.0	5,900	6.6	5,000	6.8	12,900	6.9	12,300	6.9
	Sub Total	<9.3> 4,212	9.6	<9.2> 2,700	10.3	<4.1> 8,305	9.4	<5.8> 7,159	10.0	<7.7> 17,493	9.7	<2.4> 16,560	9.8	<13.6> 4,783	10.5	<1.1> 2,729	10.1	<7.2> 8,900	9.9	<6.2> 7,600	10.3	<-9.8> 19,200	10.3	<11.7> 18,500	10.4
Doors	Comm. Bldgs/ Condominiums	<15.9> 14,846	33.8	<20.1> 5,649	21.5	<12.7> 28,762	32.5	<13.5> 20,269	28.2	<5.8> 57,160	31.7	<7.5> 54,148	32.0	<-2.1> 14,530	31.8	<-5.1> 5,360	19.9	<2.6> 29,500	32.8	<-1.8> 19,900	26.9	<4.8> 59,900	32.0	<2.1> 55,300	31.0
	Residential	<72.2> 777	1.8	<71.9> 776	2.9	<54.4> 1,617	1.8	<54.7> 1,616	2.2	<32.1> 3,418	1.9	<32.1> 3,417	2.0	<13.6> 883	1.9	<13.6> 881	3.3	<11.3> 1,800	2.0	<11.4> 1,800	2.4	<8.2> 3,700	2.0	<8.3> 3,700	2.1
	Sub Total	<17.8> 15,623	35.5	<24.7> 6,426	24.4	<14.4> 30,380	34.3	<15.7> 21,885	30.4	<7.0> 60,578	33.6	<8.7> 57,566	34.0	<-1.3> 15,413	33.7	<-2.9> 6,242	23.2	<3.0> 31,300	34.8	<-0.8> 21,700	29.3	<5.0> 63,600	34.0	<2.5> 59,000	33.1
Window-related Products		<23.3> 2,098	4.8	<22.5> 2,063	7.8	<13.3> 4,356	4.9	<13.1> 4,318	6.0	<2.3> 8,734	4.8	(2.0) 8,713	5.1	<-5.2> 1,990	4.3	<-4.1> 1,978	7.3	<-1.3> 4,300	4.8	<-0.4> 4,300	5.8	<-0.4> 8,700	4.7	<-0.2> 8,700	4.9
Exterior Fittings		<30.3> 983	2.2	<26.0> 816	3.1	<19.6> 1,995	2.3	<31.4> 1,861	2.6	<10.4> 4,124	2.3	<14.0> 3,981	2.3	<7.9> 1,060	2.3	<7.2> 875	3.2	<1.7> 2,030	2.3	<9.0> 2,030	2.7	<3.3> 4,260	2.3	<7.0> 4,260	2.4
Others	Partitions	<18.2> 2,588	5.9	<5.6> 1,132	4.3	<18.8> 5,683	6.4	<19.8> 3,961	5.5	<14.2> 11,449	6.4	<19.1> 10,254	6.1	<12.6> 2,914	6.4	<16.8> 1,322	4.9	<12.6> 6,400	7.1	<6.0> 4,200	5.7	<11.8> 12,800	6.8	<9.2> 11,200	6.3
	Stainless-Steel Entrances	<31.4> 1,277	2.9	<38.6> 427	1.6	<67.4> 3,666	4.1	<42.9> 1,927	2.7	<38.4> 6,992	3.9	<36.5> 5,550	3.3	<2.0> 1,303	2.8	<49.0> 636	2.4	<-29.1> 2,600	2.9	<8.9> 2,100	2.8	<-18.5> 5,700	3.0	<11.7> 6,200	3.5
	Aluminum Fronts	<-21.2> 164	0.4	<-18.0> 106	0.4	<-0.7> 456	0.5	<-14.1> 360	0.5	<26.7> 1,157	0.6	<1.7> 958	0.6	<137.8> 390	0.9	<60.6> 171	0.6	<9.5> 500	0.6	<38.7> 500	0.7	<3.7> 1,200	0.6	<25.2> 1,200	0.7
	Automatic door operator	<6.3> 604	1.4	<3.8> 432	1.6	<13.4> 1,292	1.5	<12.3> 1,128	1.6	<11.6> 2,719	1.5	<8.6> 2,559	1.5	<1.3> 612	1.3	<14.2> 493	1.8	<7.6> 1,390	1.5	<18.7> 1,340	1.8	<5.5> 2,870	1.5	<9.4> 2,800	1.6
	Others	999	2.3	1,504	5.7	1,918	2.2	2,534	3.5	4,413	2.5	4,596	2.7	1,386	3.0	1,736	6.4	1,880	2.1	2,330	3.1	4,770	2.6	4,440	2.5
	Sub Total	<13.9> 5,634	12.8	<8.9> 3,603	13.7	<22.0> 13,016	14.7	<14.6> 9,912	13.8	<15.7> 26,732	14.8	<15.2> 23,918	14.1	<17.3> 6,608	14.4	<21.0> 4,360	16.2	<-1.9> 12,770	14.2	<5.6> 10,470	14.1	<2.3> 27,340	14.6	<8.0> 25,840	14.5
Total		<11.2> 43,974	100.0	<10.2> 26,324	100.0	<10.3> 88,513	100.0	<10.3> 71,942	100.0	<7.3> 180,135	100.0	<5.5> 169,419	100.0	<2.3> 45,750	100.0	<-2.3> 26,928	100.0	<-1.7> 90,000	100.0	<-2.9> 74,000	100.0	<-3.8> 187,000	100.0	<-5.4> 178,500	100.0
Commercial Building Materials		<13.9> 28,860	65.6	<15.2> 12,456	47.3	<13.0> 57,607	65.1	<13.3> 41,735	58.0	<9.7> 116,103	64.5	<7.8> 106,332	62.8	<3.2> 29,774	65.1	<1.4> 12,636	46.9	<2.9> 59,300	65.9	<3.0> 43,000	58.1	<5.1> 122,000	65.2	<7.1> 113,900	63.8
Shop-related Materials		<-1.7> 5,427	12.3	<-5.0> 4,556	17.3	<-1.6> 10,800	12.2	<-0.9> 10,243	14.2	<-1.6> 21,892	12.2	<-4.3> 21,236	12.5	<5.8> 5,743	12.6	<-3.4> 4,709	17.5	<-4.6> 10,300	11.4	<-0.6> 10,300	13.9	<-3.2> 21,200	11.3	<-0.2> 21,200	11.9
Residential Housing Materials		<29.8> 4,050	9.2	<28.3> 3,847	14.6	<19.3> 8,348	9.4	<21.5> 8,172	11.4	<8.2> 17,060	9.5	<8.7> 16,902	10.0	<1.6> 4,114	9.0	<1.6> 3,908	14.5	<1.8> 8,500	9.4	<4.0> 8,500	11.5	<2.6> 17,500	9.4	<3.5> 17,500	9.8
Maintenance & Repair		<0.9> 4,882	11.1	<1.5> 4,362	16.6	<4.9> 10,328	11.7	<4.1> 9,889	13.7	<4.3> 21,747	12.1	<3.1> 21,592	12.7	<7.2> 5,236	11.4	<-2.3> 4,464	16.6	<0.7> 10,400	11.6	<5.2> 10,400	14.1	<4.4> 22,700	12.1	<5.1> 22,700	12.7
Others		<3.4> 753	1.7	<11.4> 1,101	4.2	<-2.2> 1,428	1.6	<5.5> 1,901	2.6	<2.8> 3,331	1.8	<3.5> 3,354	2.0	<17.0> 881	1.9	<-9.8> 1,209	4.5	<5.0> 1,500	1.7	<-5.3> 1,800	2.4	<8.1> 3,600	1.9	<-4.6> 3,200	1.8
		Amount				Amount				Amount				Amount				Amount				Amount			
Outstanding Order Intake		77,208				76,207				70,115				88,777				86,115				78,615			
Work-in-process		20,640				18,945				14,851				23,753				22,700				16,500			

1) < > = % year on year 2) Outstanding Order Intake = Unordered, unpurchased and work-in-process

IV. Order situation of Sanwa Shutter

