



October 31, 2018

Presentation Materials

First Half Year FY2018 Business Results (The 84th Period)



SANWA HOLDINGS CORPORATION
www.sanwa-hldgs.co.jp

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Foot-note on Forecast

Any contents in this brochure are based on various assumptions, and neither promise nor guarantee the indicated results of forecast or realization of any management issue.

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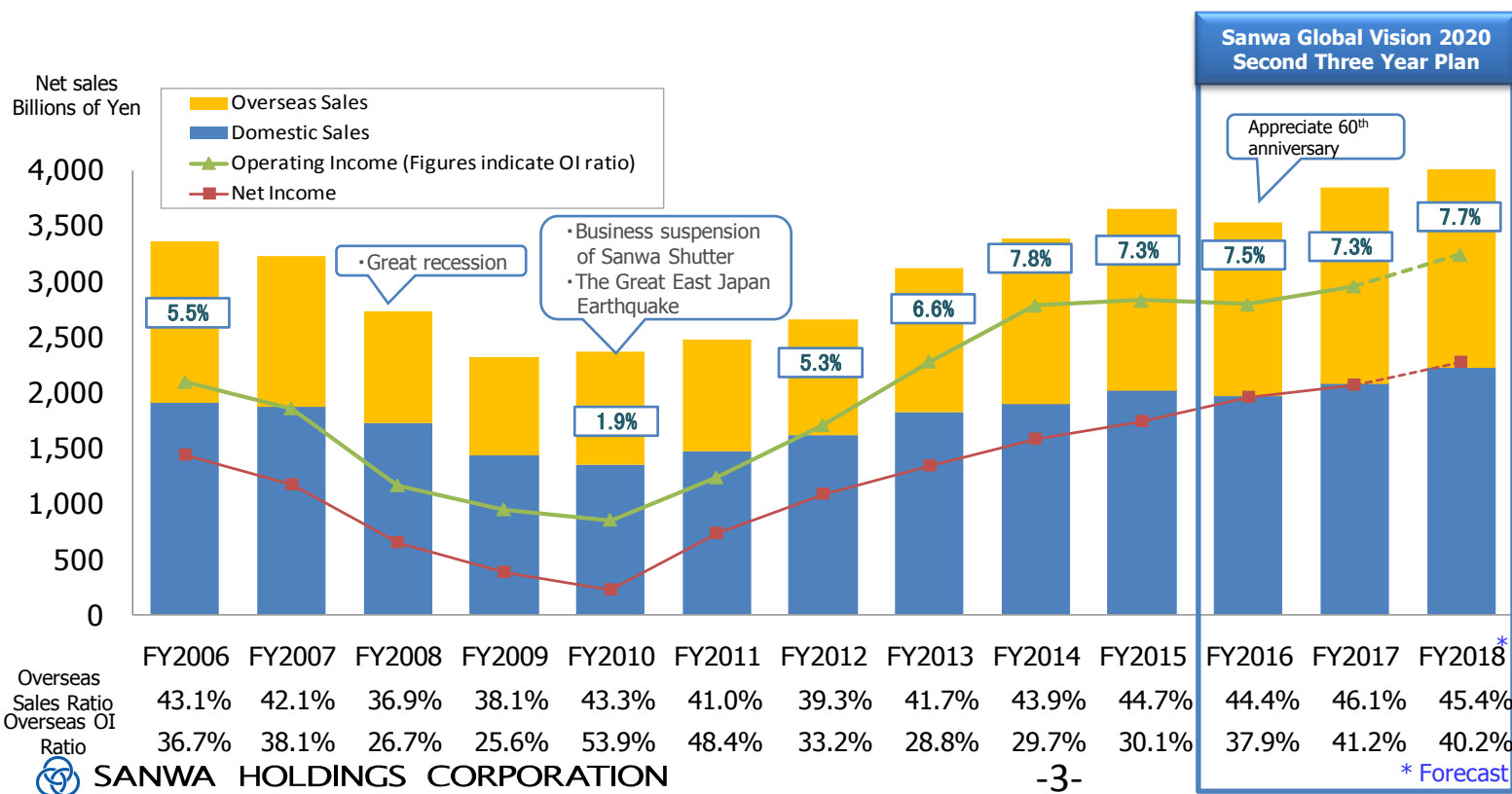
1. Key points: Second Three Year Plan / Trend of Consolidated Results

Progress of the second three year plan(2016-2018)

■ 1H FY2018 net sales and profits exceeded the forecast. The full year forecast remains the same as the original.

- Japan : 1H profit fell, but a recovery is expected for the full year by the progress of large-scale projects and expansion of the maintenance and service business.
- U.S. : Both residential and non-residential markets were firm, and the sharp rise in material costs was absorbed by price increases.
- Europe : Group's growth engine this year, owing in part to M&A.
- Asia : Organization split into the China Business and the Asia Business to accelerate growth.

	Target of the second three year plan	Revised Forecast (FY2018)
Net Sales	¥410.0Bln	¥407.0Bln
Operating Income	¥37.0Bln	¥31.5Bln
Operating Income ratio	9.0%	7.7%
ROE *1	15.0%	13.3%
SVA *2	¥12.8Bln	¥10.4Bln
Shareholders' Equity Ratio	42.0%	46.2%
Debt-Equity Ratio	0.40	0.40



*1 Shareholder's equity cost assumed to be around 8%

*2 Calculated the weighted average cost of capital 6% and corporate tax rate 40%

*3 Forex rate: Second three year:
Revised Forecast:
1USD=110yen, 1EUR=125yen
1USD=105 yen, 1EUR=130yen

Forex Rate*	USD	EUR
2014	106.46	140.35
2015	121.03	133.69
2016	109.44	120.63
2017	112.04	127.22
2018(F)	105.00	130.00

*Applying yearly average exchange rates for our consolidated figures.

■ Business Environment

			2014		2015		2016		2017		2018				2019	
											Revised Forecast		Original Forecast		Forecast	
Japan	Housing Starts	k units	880	-10.8%	921	4.6%	974	5.8%	946	-2.8%	964	1.8%	965	2.0%	929	-3.5%
	Non-res construction areas	k m ²	45,013	-5.9%	44,098	-2.0%	45,299	2.7%	47,293	4.4%	48,100	1.7%	47,198	-0.2%	48,100	0.0%
	Private-sector capital investment	JPY bn	79,781	3.3%	81,623	2.3%	82,627	1.2%	85,223	3.1%	89,654	5.2%	87,950	3.2%	90,910	1.4%
USA	Housing starts	k units	1,003	8.4%	1,112	10.8%	1,174	5.6%	1,203	2.5%	1,280	6.4%	1,290	7.2%	1,320	3.1%
	Existing Home Sales	k units	4,940	-2.9%	5,250	6.3%	5,450	3.8%	5,510	1.1%	5,420	-1.6%	5,500	-0.2%	5,530	2.0%
	Capital investment	USD bn	2,357	6.9%	2,400	1.8%	2,411	0.5%	2,538	4.5%	2,721	7.2%	2,670	5.2%	2,862	5.2%
EU	Housing completions(4 countries)	k units	373,593	0.4%	377,164	1.0%	392,649	4.1%	407,082	3.7%	413,823	1.7%	416,445	2.3%	415,739	0.5%
	Non-res investment(4 countries)	EUR m	214,954	0.3%	214,463	-1.6%	217,066	1.2%	220,979	1.8%	225,802	2.2%	224,515	1.6%	228,729	1.3%
Germany	Housing completions	k units	171,586	4.4%	174,346	1.6%	180,901	3.8%	185,732	2.7%	188,007	1.2%	187,032	0.7%	188,741	0.4%
	Non-res investment	EUR m	85,127	4.0%	83,763	-1.6%	84,198	0.5%	85,019	1.0%	85,780	0.9%	84,849	-0.2%	85,097	-0.8%

※EU(4 countries) include Germany, France, Italy and the Netherlands.

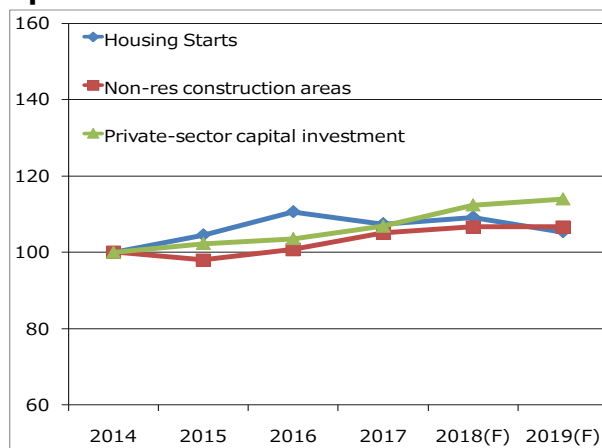
※Ref:(JPN) MLIT Apr 2018, R.I.C.E. Oct 2018, (US) Blue Chip Economic Indicators Oct 2018, National Association of Realtors Oct 2018, Construct Connect Oct 2018, (EU)Euroconstruct Oct 2018.

Capital investment in JPN/US from NLI Research Institute.

※FY basis in JPN(Apr-March), US/EU on CY basis(Jan-Dec)

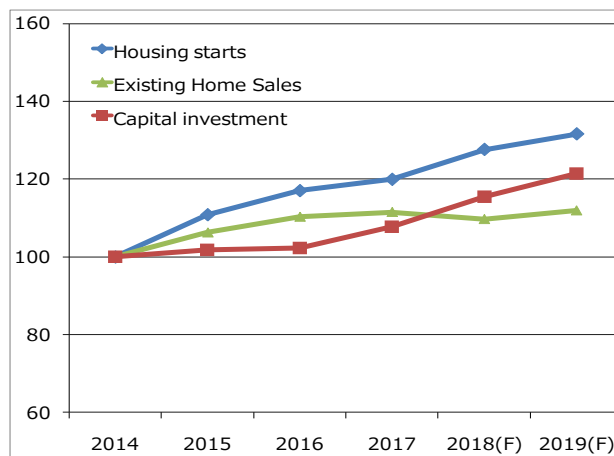
■ Change in Business Environment (2014=100)

Japan



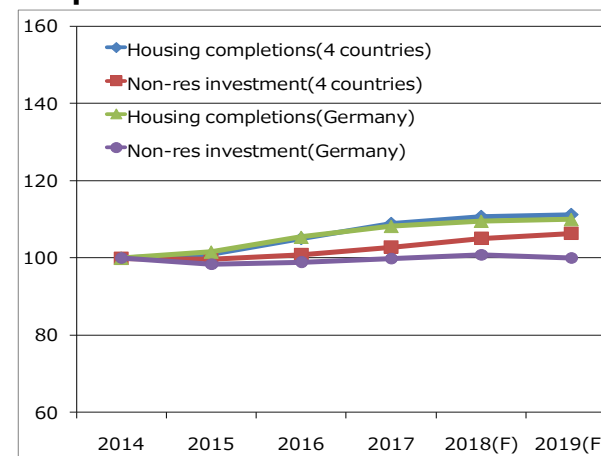
Residential market is bearish.
Capital investment recovery accelerated.

U.S.



Housing starts recovery continues.
Capital investment recovery accelerated.

Europe



Residential market is strong.
Non-residential market in Germany seems bearish.

■ 1st Half FY2018 Consolidated Results
April 2018 – September 2018



《Consolidated Results》

【 assumed forex rate same as FY2017 】

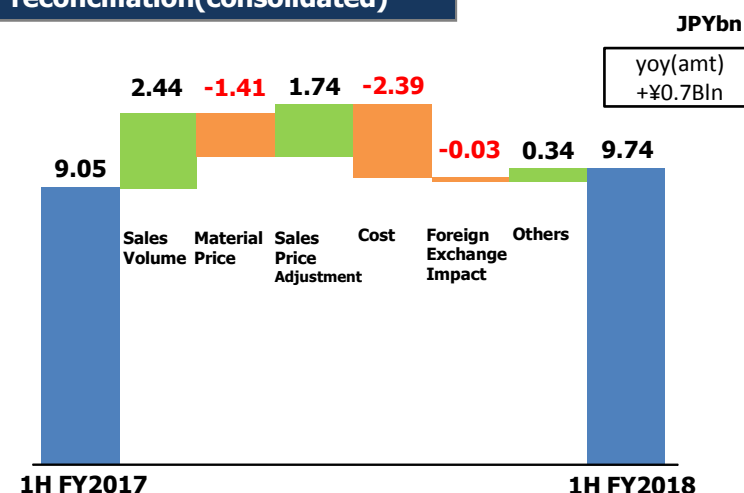
	FY2018 1H Actual	FY2018 1H Forecast	Variance vs. Original F (amt)	FY2017 1H Actual	Variance vs. FY2017 (amt)	Variance vs. FY2017 (%)
Net Sales	¥183.9Bln 【¥183.5Bln】	¥183.0Bln	¥+0.9Bln (+0.5%)	¥173.1Bln	¥+10.8Bln 【¥+10.3Bln】	+6.2% 【+6.0%】
Operating Income	¥9.74Bln 【¥9.77Bln】	¥9.25Bln	¥+0.49Bln (+5.3%)	¥9.05Bln	¥+0.70Bln 【¥+0.73Bln】	+7.7% 【+8.0%】
Ordinary Income	¥9.25Bln 【¥9.28Bln】	¥8.80Bln	¥+0.45Bln (+5.1%)	¥8.80Bln	¥+0.45Bln 【¥+0.48Bln】	+5.1% 【+5.4%】
Net Income attributable to owners of the parent	¥5.93Bln 【¥5.96Bln】	¥5.40Bln	¥+0.53Bln (+9.9%)	¥5.73Bln	¥+0.21Bln 【¥+0.23Bln】	+3.6% 【+4.0%】

《Key points of 2Q Result》

Forex Rate	2015/6	2016/6	2017/6	2018/6
1USD	120.48	111.80	112.14	108.50
1EUR	133.83	124.36	122.22	130.65

《Summary》	Net Sales and Incomes were higher than forecast and posted record high.
Net Sales	Consolidated net sales was higher than 1H 2017 and forecast. U.S. and Europe were higher than 1H 2017 and forecast. Japan was higher than 1H 2017 but lower than forecast due to a recent spate of natural disasters.
Operating Income	Consolidated operating income was higher than 1H 2017 and forecast. The increase of sales volume and sales price covered the rise in various costs.
Current Income	NF Shanghai restructuring brought down equity-method profit and non-operating profit declined by 0.25 billion yen form last year, but consolidated current income was higher than 1H 2017 and forecast.
Net Income attributable to owners of the parent	Consolidated net income was higher than 1H 2017 and forecast although one-time profit decreased by 0.29 billion yen vs. 1H 2017 due to the sales of fixed assets in Europe in 2017.

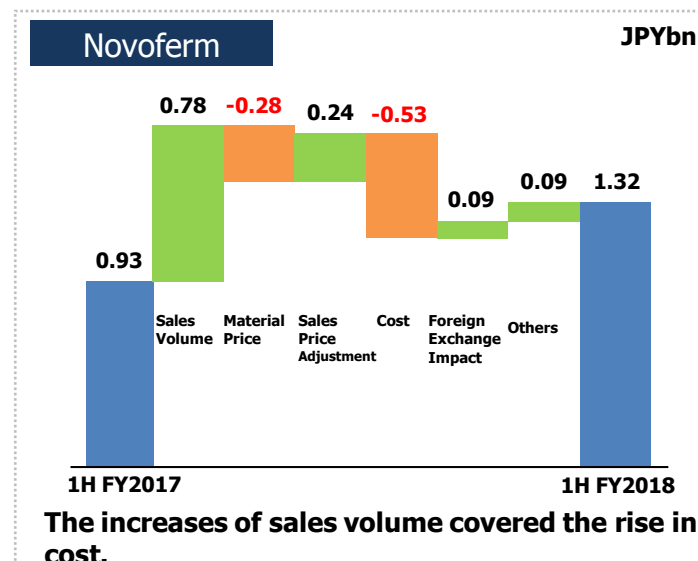
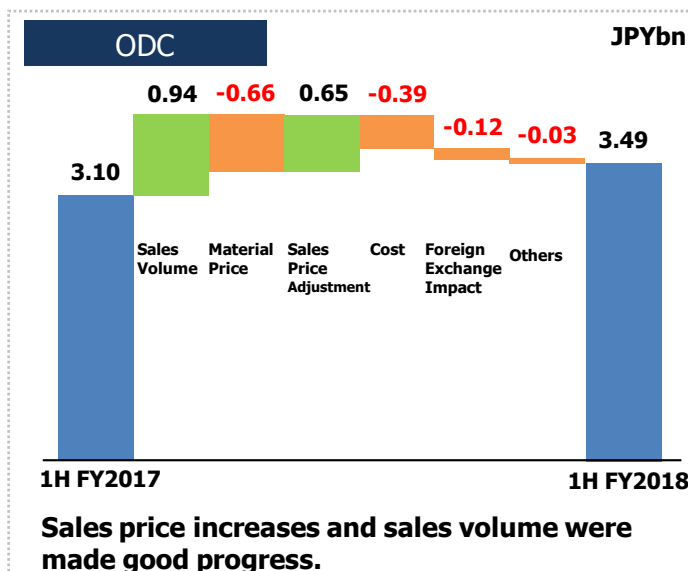
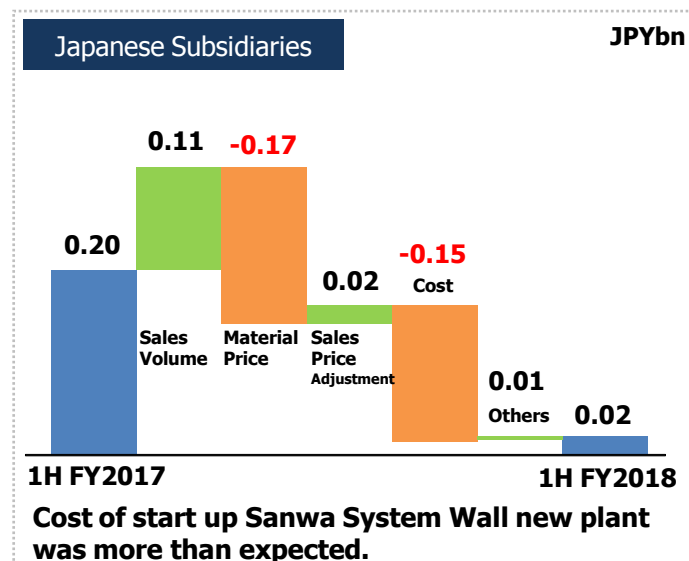
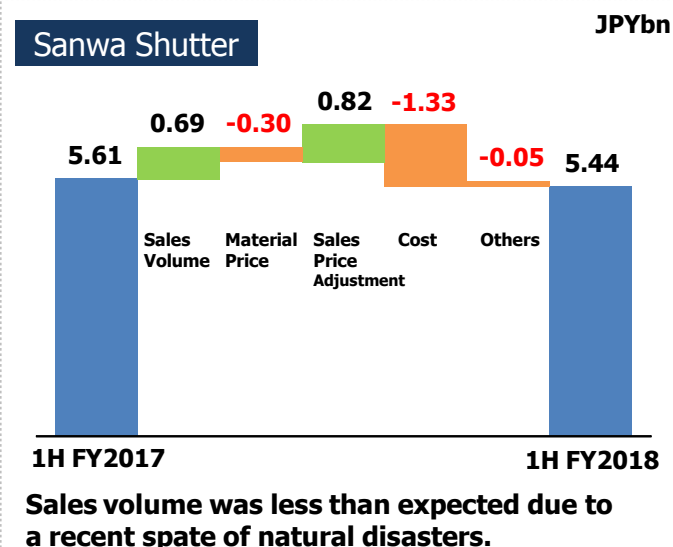
Operating income reconciliation(consolidated)



Net Sales	FY2017 1H Actual	FY2018 1H Actual	Variance vs. FY2017 (amt)	Variance vs. FY2017 (%)	Key Point
Consolidated	¥173.1Bln	¥183.9Bln 【¥183.5Bln】	+¥10.8Bln 【+¥10.3Bln】	+6.2 【+6.0】	The impact of fluctuation in foreign exchange rates: + 0.5 billion yen.
Sanwa Shutter ※refer to page 25	¥80.5Bln	¥83.2Bln	+¥2.7Bln	+3.3	①Lightweight shutters increased by 4.3% driven by increased for residential projects. ②Heavy-duty shutters increased 7.7% driven by increased for factory. ③Building/Condominium doors increased by 0.6% since a massive increase in hotel and office covered the decrease in medical and welfare facility. ④Maintenance service increased by 10.8% driven by good progress of the legal inspection & report for fire-proof equipment. ⑤Partitions decreased by 7.8% driven by decreased for office and school.
Japanese Subsidiaries	¥14.2Bln	¥15.0Bln	+¥0.8Bln	+5.4	Japanese Subsidiaries increased since the significant increase in Okinawa Sanwa Shutter and Sanwa Tajima covered the decrease in Showa Front.
ODC (U.S.) ※refer to page 26 <i>FX (\$)</i>	¥53.2Bln <i>\$475M</i> <i>(¥112.14)</i>	¥55.8Bln <i>\$514M</i> <i>(¥108.50)</i>	+¥2.6Bln <i>+\$39M</i>	+4.8 <i>+8.3</i>	①Doors increased by 9.7% driven by continuing strong sales of Garage and Commercial doors. ②Installation & Services increased by 0.8% driven by the recovery of Canadian business but a part of Nation Serve (USA) got into a slump. ③Operators increased significantly by 11.4% driven by continuing strong sales at professional channel and recovering widely at retail business. ④Automatic doors increased by 9.6% driven by the recovery of sales share. ⑤Truck doors decreased by 7.0% due to intensified competition.
Novoform (Europe) ※refer to page 27 <i>FX (€)</i>	¥30.3Bln <i>€248M</i> <i>(¥122.22)</i>	¥36.1Bln <i>€276M</i> <i>(¥130.65)</i>	+¥5.8Bln <i>+€28M</i>	19.0 <i>+11.3</i>	①Hinge doors increased by 7.7% thanks to success of sales strategies in Southern Europe despite the delay in projects in Germany. ②Garage doors increased by 5.4% driven by continuing good performance in Netherlands and France. ③Industrial doors increased by 18.4% driven by continuing strong sales in dock levelers and the effect of Bolton Gate Services consolidation.

Operating Income	FY2017 1H Actual	Operating Income Ratio(%)	FY2018 1H Actual	Operating Income Ratio(%)	Variance vs. FY2017 (amt)	Variance Vs. FY2017 (%)
Consolidated	¥9.05Bln	5.2	¥9.74Bln 【¥9.77Bln】	5.3	+¥0.70Bln 【+¥0.73Bln】	+7.7 【+8.0】
Sanwa Shutter	¥5.61Bln	7.0	¥5.44Bln	6.5	-¥0.18Bln	-3.2
Japanese Subsidiaries	¥0.20Bln	1.4	¥0.02Bln	0.1	-¥0.18Bln	-90.6
ODC (U.S.) <i>FX (\$)</i>	¥3.10Bln \$27.6M (¥112.14)	5.8	¥3.49Bln \$32.1M (¥108.50)	6.3	+¥0.39Bln +\$4.5M	+12.5 +16.3
Novoform (Europe) <i>FX (€)</i>	¥0.93Bln €7.6M (¥122.22)	3.0	¥1.32Bln €10.1M (¥130.65)	3.7	+¥0.40Bln +€2.6M	+43.1 +33.9

【 assumed forex rate same as FY2017 】



■ FY2018 Consolidated Forecast
April 2018 – March 2019

《Consolidated Results》

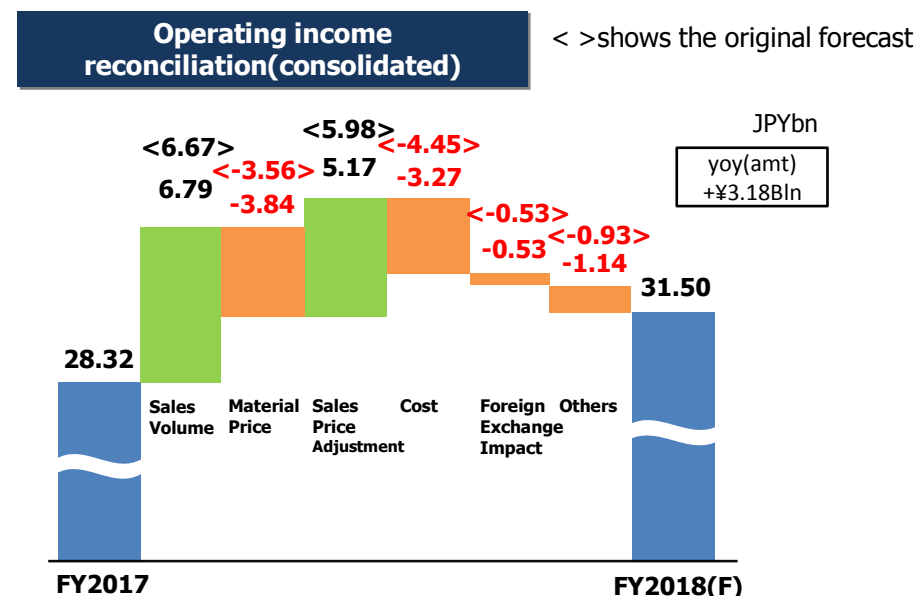
【 assumed forex rate same as FY2017 】

	FY2018 Forecast	FY2018 Original Forecast	Variance vs. Original F (amt)	FY2017 Actual	Variance vs. FY2017 (amt)	Variance vs. FY2017 (%)
Net Sales	¥407.0Bln 【¥413.0Bln】	¥407.0Bln 【¥413.0Bln】	+¥0.0Bln	¥385.7Bln	+¥21.3Bln 【+¥27.3Bln】	(+5.5%) 【+7.1%】
Operating Income	¥31.50Bln 【¥32.03Bln】	¥31.50Bln 【¥32.03Bln】	+¥0.0Bln	¥28.32Bln	+¥3.18Bln 【+¥3.71Bln】	(+11.2%) 【+13.1%】
Ordinary Income	¥31.00Bln 【¥31.50Bln】	¥31.00Bln 【¥31.50Bln】	+¥0.0Bln	¥27.90Bln	+¥3.10Bln 【+¥3.60Bln】	(+11.1%) 【+12.9%】
Net Income attributable to owners of the parent	¥20.60Bln 【¥20.98Bln】	¥20.60Bln 【¥20.98Bln】	+¥0.0Bln	¥18.28Bln	+¥2.32Bln 【+¥2.70Bln】	(+12.7%) 【+14.8%】

Forex Rate	2016	2017	2018(F)
1USD	109.44	112.04	105.00
1EUR	120.63	127.22	130.00

《Key Points of FY2018 Forecast 》

《Summary》	Maintain the original full year forecast supported by good 1H 2018 result, record high for two consecutive terms.
Net Sales	Maintain the original forecast and aim to exceed 400 billion yen for the first time. U.S. and Europe are made good progress. In Japan, the good progress of large-scale projects and expansion of the legal inspection & report for fire-proof equipment are expected.
Operating Income	Maintain the original forecast. Material price and various costs increases will be covered by sales price increases and cost reduction.
Current Income	Maintain the original forecast since non-operating profit/loss remain unchanged from the forecast.
Net Income attributable to owners of the parent	Maintain the original forecast and expect to exceed 20 billion yen for the first time.



Net Sales	FY2017 Actual	FY2018 Forecast	Variance vs. FY2017 (amt)	Variance vs. FY2017 (%)	Key Point
Consolidated	¥385.7Bln	¥407.0Bln 【¥413.0Bln】	+¥21.3Bln 【+¥27.3Bln】	+5.5 【+7.1】	The impact of fluctuation in foreign exchange rate : -6.0 billion yen.
Sanwa Shutter ※refer to page 25	¥187.4Bln	¥197.0Bln	+¥9.6Bln	+5.1	①Lightweight shutters to increase by 5.9% driven by increase for warehouse. ②Heavy-duty shutters to increase by 11.1% driven by sales increase for factory and warehouse. ③Building/Condominium doors to increase by 3.1% driven by the increase of office construction. ④Maintenance service to increase by 17.6% driven by the significant growth of legal inspection. ⑤Partitions to increase by 1.9% driven by sales increase in large-scale office projects.
Japanese Subsidiaries	¥32.5Bln	¥36.8Bln	+¥4.3Bln	+13.2	Sanwa Tajima and Okinawa Sanwa drive growth in Japanese company and Sanwa System Wall expect to increase.
ODC (U.S.) ※refer to page 26 <i>FX (\$)</i>	¥112.8Bln <i>\$1,007M</i> <i>(¥112.04)</i>	¥112.7Bln <i>\$1,073M</i> <i>(¥105.00)</i>	-¥0.1Bln <i>+\$66M</i>	-0.1 <i>+6.6</i>	①Doors to increase by 7.5% driven by the favorable residential market and capital expenditure. ②Installation & Services to decrease by 0.8% due to prolonged slump in Nation Serve business. ③Operators to increase by 10.8% driven by continuing to be strong sales in both professional-channel and retail business. ④Automatic doors to increase by 6.3% driven by the recovery of service business. ⑤Truck doors to decrease by 7.5% due to intensified competition.
Novoform (Europe) ※refer to page 27 <i>FX (€)</i>	¥65.0Bln <i>€511M</i> <i>(¥127.22)</i>	¥72.0Bln <i>€554M</i> <i>(¥130.00)</i>	+¥7.1Bln <i>+€43M</i>	+10.9 <i>+8.5</i>	①Hinge doors to increase by 6.5% driven by sales volume increases in Southern Europe. ②Garage doors to increase by 4.3% thanks to the measures to enhance customer service although the recovery of the market in Germany and France is slowing down. ③Industrial doors to increase by 12.9% driven by strong sales of dock levelers and the effect of BGS acquisition.

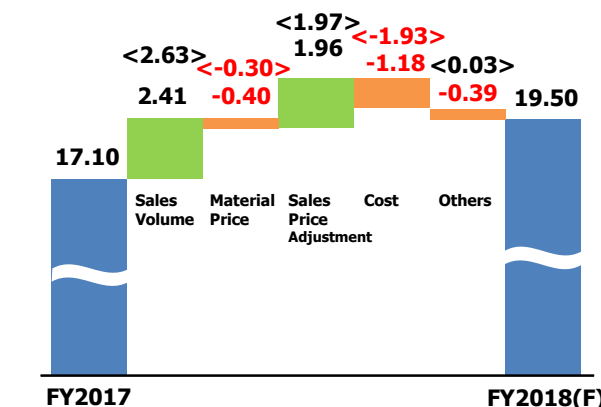
【 assumed forex rate same as FY2017 】

< > shows the original forecast

Operating Income	FY2017 Actual	Operating Income Ratio(%)	FY2018 Forecast	Operating Income Ratio(%)	Variance vs. FY2017 (amt)	Variance vs. FY2017 (%)
Consolidated	¥28.32Bln	7.3	¥31.50Bln 【¥32.03Bln】	7.7	+¥3.18Bln 【+¥3.71Bln】	+11.2 【+13.1】
Sanwa Shutter	¥17.10Bln	9.1	¥19.50Bln	9.9	+¥2.40Bln	+14.0
Japanese Subsidiaries	¥1.16Bln	3.6	¥1.50Bln	4.1	+¥0.34Bln	+29.2
ODC (U.S.) <i>FX (\$)</i>	¥8.78Bln \$78.3M (¥112.04)	7.8	¥9.03Bln \$86.0M (¥105.00)	8.0	+¥0.25Bln +\$7.7M	+2.9 +9.8
Novoform (Europe) <i>FX (€)</i>	¥2.89Bln €22.7M (¥127.22)	4.4	¥3.64Bln €28.0M (¥130.00)	5.1	+¥0.75Bln +€5.3M	+26.1 +23.4

Sanwa Shutter

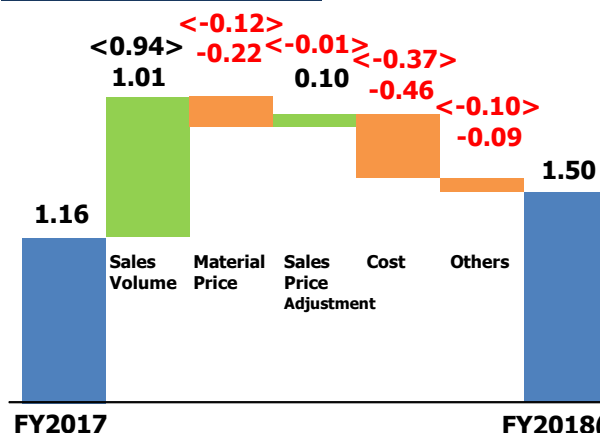
JPYbn



Sales price increases as the forecast.
We will make efforts on reducing costs.

Japanese Subsidiaries

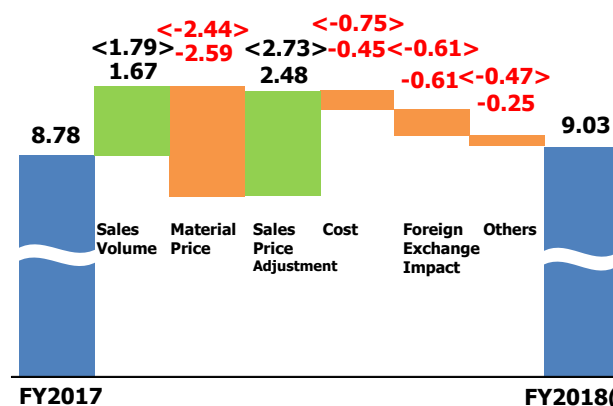
JPYbn



Sanwa Tajima and Okinawa Sanwa continue to be favorable and System Wall will stably operate.

ODC

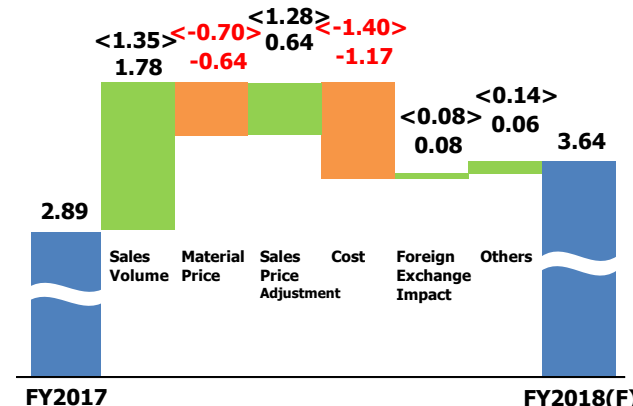
JPYbn



Sales volume continue to make good progress.
The rise in material price will pass on to sales price.

Novoform

JPYbn



Sales volume expected to be higher than the original forecast.

■ Progress of Second Three Year Plan



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

1. Strengthening core products

Measures to address Sanwa Shutter's key issues

Orders ⇒ Turned positive year-on-year in 2Q. Orders for large-scale projects expected to recover in 2H.

Costs ⇒ Although material costs stabilized during the period, distribution costs and installation costs are rising, so we will continue company-wide efforts to cut costs and reflect higher costs in product prices.

Typhoons ⇒ We have received many requests for inspections and repairs due to a recent spate of natural disasters, and are responding to them throughout the company.

3. Legal inspection & report for fire-proof equipment

Final year of transitional period (2016-2018)

	FY2016	FY2017	1H 2018	FY2018(F)
Maintenance & Repair Order Intake	¥24.8Bln (+7.6%)	¥27.8Bln (+11.9%)	¥14.9Bln (+12.4%)	¥32.5Bln (+17.0%)

1H results were better than forecast. Inspections projected to increase further in FY2019, when yearly legal inspections will officially begin.

2. Promote multi-product sales

Cultivate diversified products in addition to shutters and doors

•Partitions

Production and marketing cooperation between Sanwa System Wall and Group companies in Japan is gradually producing effects.

•Environmental construction materials

Added Million Guard, removable and convenient aluminum waterproof panel, to our lineup of waterproofing products.

•Window products

Added smartphone interface and voice command functions using AI speakers to window shutters with HEMS specifications.

4. Productivity Improvements

Initiatives to improve hourly productivity

•Improvement from cross-sectional cooperation

Ex: •Sharing information to ensure stable supplies during busy periods and strategies to secure orders during off-periods.
•Cost reduction through cooperation in development processes.

•Improvement from operational reforms

Ex: •Enhancement of process control capabilities and standardization of work through introduction of systems.
•Labor-saving in installation with improved installation methods (Unified installation method for shutters, fireless installation method, etc.)

Grow the core business with enhancing profit base

1.ASD (Access Systems Division)

■ Enhance sales channels

- ① Commercial doors sales growth
 - Work with distributors to focus sales efforts on end-users.
 - Work directly with Architects to get specified in projects.
- ② Residential retro-fit sales growth
 - Provide B-to-C sales tools to support distributor sales.
- ③ Expand sales in major metropolitan areas
 - Enhance sales support for distributors and dealers in major metropolitan areas.

《1H FY2018 Performance》

Commercial door sales: +8.1% (YoY)

Garage door sales: +10.8% (YoY)

■ Response to material inflation

Trade measures by the U.S. administration affected to steel prices continuing to rise in 2018. ASD (door business) implemented price adjustment in January and June.

■ The status of new ERP introduction project

Implementation completed at Rolling steel plant (Lewistown).
Implementation for entire ASD completed by 2021.

2. Forward Integration Strategy

■ ISD (Installation & Service for doors & operators)

- In the U.S., performance was solid in the core home builder construction business, but commercial product and service sales remained weak in some large-scale business bases.
- In Canada (CDS), commercial and service businesses recovered driven by favorable market condition. The integration plan with LUX (Canada), acquired this year, is progressing as expected.

■ Door Services

(Installation & Service for automatic doors)

Strengthening the service business by increasing the number of sales and service personnel.

3. Recovery of operator business (Genie)

■ Volume and profitability both improved

- Big sales promotions to leading home improvement stores drove a strong recovery in sales to retailers.
 - The impact of U.S.-China trade policies are becoming evident in certain materials.
- ⇒ While evaluating the impact, we will also consider sourcing materials from countries other than China.

Establish foundation for profitable growth by implementing “NF3.0”

1. Expand hinge door sales

Expand sales of hinge doors by strengthening project sales

1. Sales expanded steadily, led by recovery in the Southern European market and growth in orders for export projects.
2. We established a project-dedicated organization and on-site management organization, and are taking steps to further strengthen relationships with customers (Germany).

2. Expand industrial door business

Expand industrial door business through Alpha products & dock equipment products.

1. Expansion of the Alpha Deuren plant (Netherlands) to increase production capacity for sectional doors is in progress, and should go into operation on schedule in 1Q FY2019.
2. Production of dock levelers expanded steadily on the back of rising demand for construction of distribution facilities in Europe.
3. To expand production capacity for industrial products in Spain, a plant extension and capital investments at the Alsar plant are being implemented, with operation scheduled to begin in 1Q FY2019.
4. Integration plans are proceeding smoothly at Norsud Gestion (France), acquired in 2016, and Bolton Gate Services (U.K.), acquired in January 2018.

3. Gain market share of sectional garage doors

Market is favorable and good progress

1. Performance in France and the Netherlands was strong. Operations in Germany and the U.K. struggled against competition, but secured market share with initiatives such as measures to expand in-store share among key customers.
2. Aggressively carried out measures to enhance customer service, such as meeting short delivery times and online marketing.

	FY2017	FY2018		
	Actual	1H Actual	FY Original Forecast	FY Revised Forecast
Net Sales	¥9.40Bln	¥3.70Bln	¥11.2Bln	¥10.0Bln
Operating Income	¥0.10Bln	-¥0.16Bln	¥0.38Bln	¥0.03Bln

In July 2018, We split our business in Asia into the China Business and the Asia Business mainly to cover ASEAN countries for accelerating our activities to establish and expand our business foundation in each business area.

※refer to page 31

【China Business】 Shanghai BaoSteel-Sanwa, NF Shanghai, An-Ho Metal(Taiwan), Sanwa Shutter(Hong Kong)

1H 2018 Actual	FY2018 Forecast
NF Shanghai is restructuring its business, and is restructuring the production operations as priority. BaoSteel-Sanwa reported an increase in revenue and a decrease in earnings by the increase in personnel expenses and falling prices due to increased competition. We will improve competitiveness by reducing costs of distribution-related products. Sanwa Shutter (H.K.) also reported an increase in revenue and a decrease in earnings due to a higher steel prices and the increase in personnel expenses. An-Ho Metal (Taiwan) posted growth in both sales and profits.	The business restructuring of NF Shanghai continues to proceed as planned. NF Shanghai aims to improve production capacity and productivity by restructuring the production structures, and attract excellent customers as well as improve margins by restructuring sales channels. BaoSteel-Sanwa is expected to reach higher revenues but lower income. We will focus on the active logistics projects. Sanwa Shutter (H.K.) is performing well and expected to increase on both revenue and earnings. An-Ho Metal is expected to achieve profit growth as sales of projects with good profitability move forward.

【Asia Business】 Vina-Sanwa(Vietnam), Dong Bang NF (South Korea)

1H 2018 Actual	FY2018 Forecast
Vina-Sanwa (Vietnam) faced intense competition on local projects as well as Japanese projects, and with no core large-scale projects this period therefore, sales and profits declined. Despite reaching higher sales, Dongbang Novoferm (Korea) saw a drop in profits due to a decrease in export projects which are more profitable, but remained a key earnings driver of our business in Asia.	Vina-Sanwa is supposed to have a lower sales and profits. We expect to make a recovery in the next fiscal year by introducing cost-competitive products and promoting sales to local general contractors. Dongbang is expected to reach higher sales and profits. Sales of fireproof doors in Korea are expected to remain strong. On October 29, we increased Sanwamas's capital (Indonesia). We acquired a majority stake and converted it into a subsidiary. Please note that the results of Sanwamas are not included in the figures above.

Product development targeting to global market

Promoting product development that leverages technical know-how within the Group

- Development of a high-speed spiral shutter, led by ODC (U.S.). Engineers from Germany and the Netherlands participated in the design review, which led to completion of the product. (Sales will begin in North America in November)
A rollout to Europe and Asia is under study.
[First-year sales target: US\$1 million]
- Technical information sharing with Novoferm (Germany) on thermal insulation properties of fire prevention products, which have been requested in recent years in Asia, primarily in China, to incorporate know-how from Europe.
- Co-development between Japan and the U.S. of remote control that matches the specifications required in the Japanese market
Rollout starting in October, together with an ODC-manufactured garage door opener (Genie brand)



RapidView



Garage door opener

Expand group procurement activities

Promoting procurement from low-cost countries, primarily China, using the Sanwa Global Procurement Center (SGPC).

[Procurement amount in 1H 2018: \$28 million]

Global sales network

Promote sales activities taking advantage of our Group's product lineup

- BS/UL-certified shutters and doors from each company
- Novospeed Thermo high-speed metal door from Novoferm



Novospeed Thermo

■ Financial Information Highlight

15. Financial Information Highlight ①

1. Balance Sheet

Mill Yen

	FY2017			FY2018		
	Sep.	% to total	Y/Y(amt)	Sep.	% to total	Y/Y(amt)
Current Assets	184,055	58.2%	16,766	194,646	58.8%	10,591
Cash & Cashables	51,805	16.4%	13,058	50,151	15.2%	-1,654
AR s. & Inventories	126,969	40.1%	12,361	138,554	41.9%	11,585
Fixed Assets	132,339	41.8%	16,624	136,344	41.2%	4,005
Financial Investments	31,042	9.8%	6,994	29,064	8.8%	-1,978
Total Assets	316,395		33,390	330,990		14,595
Financial Debts	71,156	22.5%	7,859	68,857	20.8%	-2,299
(Debt/Equity Ratio)	0.51			0.46		
Other Liabilities	106,519	33.7%	8,123	111,338	33.6%	4,819
Equities	138,720	43.8%	17,408	150,795	45.6%	12,075
currency exchange adjustment	9,359		5,527	8,371		-988

■ Reflecting the increase of net sales

■ Partial repayment of the loans

2. Extraordinary gain & loss

Mill Yen

	FY2017 Actual	FY2018		
		1H Actual	FY Revised Forecast	FY Original Forecast
Fixed asset disposal	-181	-36	-90	0
Write-down of securities	-5	-1	-1	0
restructuring expenses of subsidiaries	-110	-122	-330	-330
Others	-2	-37	-274	-320
Extraordinary loss (total)	-298	-196	-695	-650
Extraordinary gain (total)	354	45	45	0
Extraordinary gain & loss	56	-151	-650	-650

15. Financial Information Highlight ②

3. Free cash flow

Mill Yen

	Sep-17	Sep-18	yoy	FY2018(F)
Net income before income taxes and minority interests	8,936	9,097	161	30,350
Depreciation & Amortization	3,595	3,856	261	8,441
Amortization of goodwill	777	781	4	1,470
Income taxes paid	-4,948	-5,098	-150	-8,514
Working Capital	1,127	-815	-1,942	-5,029
Other	3,715	612	-3,103	-564
Net cash provided by operating activities	13,202	8,433	-4,769	26,154
Net cash provided by investing activities	-6,098	-7,306	-1,208	-21,587
FCF① (Operating CF + Investing CF)	7,104	1,127	-5,977	4,567
Net cash provided by financing activities	-11,534	-8	11,526	-8,760
Cash and cash equivalents at end of year	51,805	50,151	-1,654	45,070

■ Free Cash Flow Allocation Policy

We place priority on using free cash flow, excluding dividend payments and repayment of interest-bearing debt approaching maturity, for strategic investments (M&A and strategic capital investment). However, if there are few strategic investment opportunities and our cash position becomes too large, we will also specifically consider using it for shareholder returns.
(No change in policy)

4. Stock buyback

① Dividend

■ FY2018 Annual dividend forecast

¥32, ¥2 higher than 2017 (Interim: ¥16, Year End: ¥16)
 *unchanged from original forecast
 *payout ratio: 35% is the target

② Share buyback

■ Status of share buyback in recent years.

Repurchased ¥5.0 billion of our own stock in FY2014, FY2015, and FY2017 and already retired its full amounts.

◆ Appendix



1. Outline of Consolidated Results by Sector

JPYm・USDk・EURk

	FY2017									FY2018											
	1H			2H			Full Year			1H				2H (F)			Full Year (F)				
	(\$112.14 €122.22)	Operating Income ratio	Y/Y		Operating Income ratio	Y/Y	(\$112.04 €127.22)	Operating Income ratio	Y/Y	Original F (@105.00 @130.00)	(\$108.50 €130.65)	Operating Income ratio	Y/Y		Operating Income ratio	Y/Y	Original F (\$105.00 €130.00)	(\$105.00 €130.00)	Operating Income ratio	Y/Y	
Net Sales [assumed forex rate same as the previous year]	173,125		7.9	212,547		9.9	385,673		9.0	183,000	183,911 [183,453]		6.2 [6.0]	223,088 [229,561]		5.0 [8.0]	407,000 [413,014]	407,000 [413,014]		5.5 [7.1]	
Sanwa Shutter	80,519		7.0	106,868		5.8	187,388		6.3	83,900	83,205		3.3	113,794		6.5	197,000	197,000		5.1	
Japanese Subsidiaries	14,247		6.0	18,217		6.8	32,464		6.5	15,520	15,019		5.4	21,740		19.3	36,760	36,760		13.2	
ODC (U.S.A.)	\$474,502 53,210		6.1 6.4	\$532,417 59,604		6.3 10.9	\$1,006,919 112,815		6.2 8.7	\$510,000 53,550	\$513,951 55,763		8.3 4.8	\$559,048 56,901		5.0 -4.5	\$1,073,000 112,665	\$1,073,000 112,665		6.6 -0.1	
Novoform (Europe)	€ 248,160 30,330		18.2 16.2	€ 262,474 34,632		12.7 26.8	€510,634 64,962		15.3 21.6	€ 270,000 35,100	€ 276,304 36,099		11.3 19.0	€ 277,695 35,920		5.8 3.7	€ 554,000 72,020	€554,000 72,020		8.5 10.9	
Operating Income [assumed forex rate same as the previous year]	9,045	5.2	13.4	19,277	9.1	4.4	28,322	7.3	7.1	9,250	9,741 [9,772]	5.3 [8.0]	7.7 [8.0]	21,758 [22,255]	9.8 [15.4]	12.9 [15.4]	31,500 [32,028]	31,500 [32,028]	7.7 [13.1]	11.2 [13.1]	
Sanwa Shutter	5,614	7.0	8.4	11,489	10.8	0.2	17,104	9.1	2.8	5,650	5,435	6.5	-3.2	14,064	12.4	22.4	19,500	19,500	9.9	14.0	
Japanese Subsidiaries	195	1.4	-36.3	966	5.3	9.7	1,161	3.6	-2.1	360	18	0.1	-90.6	1,481	6.8	53.4	1,500	1,500	4.1	29.2	
ODC (U.S.A.)	\$27,621 3,097		24.2 5.8	\$50,726 5,680		2.9 6.3	\$78,348 8,778		9.5 12.1	\$31,000 3,255	\$32,123 3,485		16.3 6.3	\$53,876 5,544		6.2 -2.4	\$86,000 9,030	\$86,000 9,030		9.8 2.9	
Novoform (Europe)	€ 7,571 925		6.9 3.0	€ 15,114 1,960		36.8 50.1	€22,686 2,886		25.1 31.9	€ 9,000 1,170	€ 10,136 1,324		33.9 43.1	€ 17,863 2,315		18.2 6.4	€ 28,000 3,640	€28,000 3,640		23.4 26.1	
Current Income [assumed forex rate same as the previous year]	8,798	5.1	22.1	19,099	9.0	5.7	27,898	7.2	10.4	8,800	9,248 [9,277]	5.0 [5.4]	5.1 [5.4]	21,751 [22,218]	9.7 [16.3]	13.9 [16.3]	31,000 [31,495]	31,000 [31,495]	7.6 [12.9]	11.1 [12.9]	
Sanwa Shutter	5,705	7.1	8.5	11,581	10.8	0.2	17,286	9.2	2.8	5,730	5,573	6.7	-2.3	14,076	12.4	21.5	19,650	19,650	10.0	13.7	
Japanese Subsidiaries	220	1.5	-34.5	999	5.5	10.7	1,219	3.8	-1.6	380	61	0.4	-72.2	1,478	6.8	48.0	1,540	1,540	4.2	26.3	
ODC (U.S.A.)	\$26,180 2,935		22.0 5.5	\$49,153 5,504		5.2 8.8	\$75,333 8,440		10.5 13.2	\$28,000 2,940	\$30,118 3,267		15.0 5.9	\$50,881 5,237		3.5 -4.9	\$81,000 8,505	\$81,000 8,505		7.5 0.8	
Novoform (Europe)	€ 6,710 820		11.7 2.7	€ 14,369 1,861		43.1 56.6	€21,079 2,681		31.3 38.5	€ 8,500 1,105	€ 9,560 1,249		42.5 3.5	€ 17,439 2,260		21.4 6.3	€ 27,000 3,510	€27,000 3,510		28.1 30.9	
Other Affiliates	-109		<+>	99		64.7	-10		<+>	-190	-352		<->	-15		<->	140	-368		<->	
Net Income attributable to owners of the parent [assumed forex rate same as the previous year]	5,726	3.3	43.0	12,554	5.9	-3.9	18,280	4.7	7.1	5,400	5,933 [5,956]	3.2 [4.0]	3.6 [4.0]	14,666 [15,026]	6.6 [19.7]	16.8 [19.7]	20,600 [20,982]	20,600 [20,982]	5.1 [14.8]	12.7 [14.8]	
Sanwa Shutter	3,800	4.7	6.1	8,066	7.5	-2.6	11,867	6.3	0.0	3,770	3,682	4.4	-3.1	9,677	8.5	20.0	13,360	13,360	6.8	12.6	
Japanese Subsidiaries	140	1.0	-25.2	642	3.5	-3.0	783	2.4	-7.9	240	-9	-0.1	<->	929	4.3	44.6	920	920	2.5	17.5	
ODC (U.S.A.)	\$16,841 1,888		21.4 3.5	\$28,461 3,187		-6.5 -3.4	\$45,303 5,075		2.2 4.5	\$21,000 2,205	\$21,486 2,331		27.6 4.2	\$39,513 4,073		38.8 7.2	\$61,000 6,405	\$61,000 6,405		34.6 26.2	
Novoform (Europe)	€6,402 782		229.0 2.6	€ 9,983 1,302		55.5 3.8	€16,385 2,084		95.9 106.6	€5,800 754	€6,543 854		2.2 2.4	€ 10,457 1,355		4.7 3.8	€17,000 2,210	€17,000 2,210		3.7 6.0	
Other Affiliates	-109		<+>	99		64.7	-10		<+>	-190	-352		<->	-15		<->	140	-368		<->	

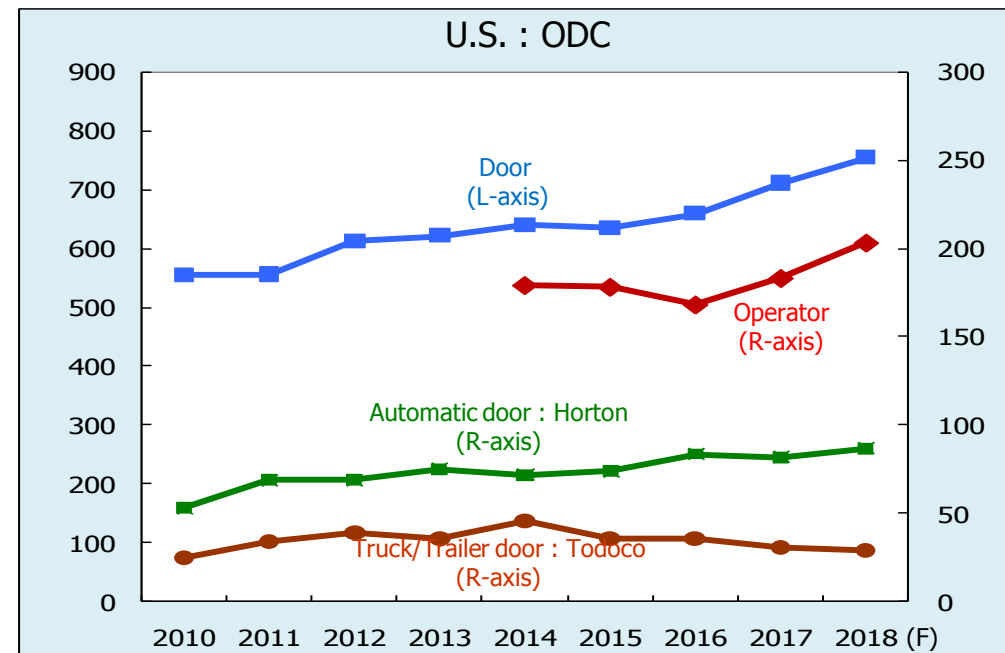
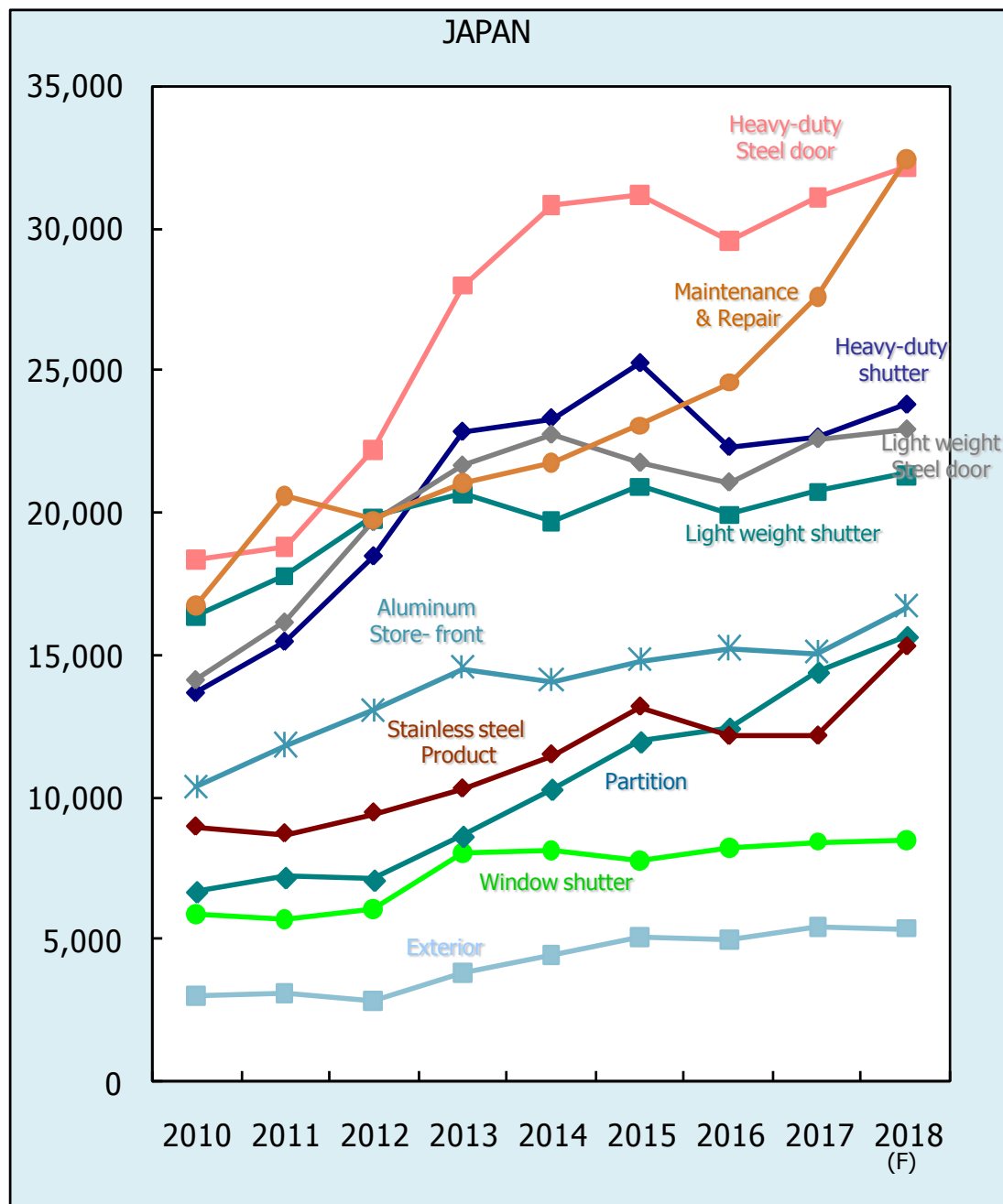
1) The relevant financial periods for each entity are as follows:

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

3) Each figure by entities is before consolidation adjustment.

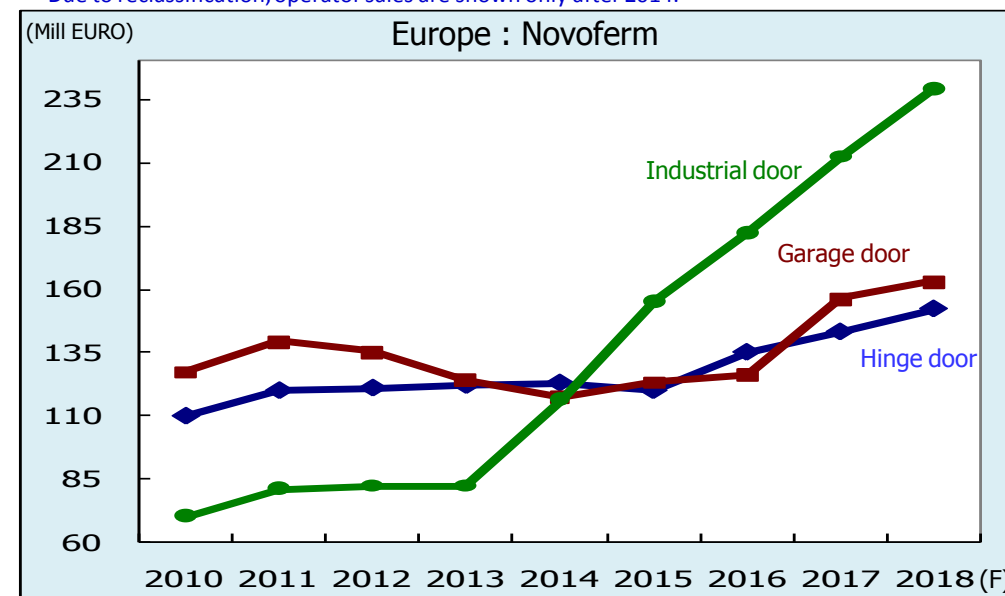
4) Forex rate is changed from end of the term to term average.

2. Sales Trend of Main Products (Japan, U.S., Europe)



*Door sales Include Installation & Service(ISO) sales.

*Due to reclassification, operator sales are shown only after 2014.



3. Japan : Order Intake & Net Sales by Products (Sanwa Shutter)

JPYm・%

		FY2017										FY2018										
		1H			2H			Full Year				1H			2H(F)			Full Year(F)				
		Order Intake	Sales	% to total	Order Intake	Sales	% to total	Order Intake	% to total	Sales	% to total	Order Intake	Sales	% to total	Order Intake	Sales	% to total	Order Intake	% to total	Sales	% to total	
Rolling Shutters	Lightweight	<-0.2> 13,859	<1.9> 13,671	17.0	<7.3> 14,288	<8.1> 14,571	13.6	<3.5> 28,148	15.0	<5.0> 28,242	15.1	<10.8> 15,350	<4.3> 14,262	17.1	<6.7> 15,249	<7.3> 15,637	13.7	<8.7> 30,600	14.9	<5.9> 29,900	15.2	
	Heavy-duty	<-4.5> 17,631	<4.8> 14,974	18.6	<4.7> 17,832	<8.3> 20,312	19.0	<-0.1> 35,464	18.9	<6.8> 35,286	18.8	<9.5> 19,297	<7.7> 16,120	19.4	<20.6> 21,502	<13.6> 23,079	20.3	<15.0> 40,800	19.9	<11.1> 39,200	19.9	
	Sub Total	<-2.7> 31,491	<3.4> 28,645	35.6	<5.9> 32,121	<8.2> 34,883	32.6	<1.5> 63,612	33.9	<6.0> 63,529	33.9	<10.0> 34,648	<6.1> 30,382	36.5	<14.4> 36,751	<11.0> 38,717	34.0	<12.2> 71,400	34.8	<8.8> 69,100	35.1	
Shutter-related Products	Overhead Doors	<-1.0> 3,376	<4.4> 3,143	3.9	<-1.0> 3,483	<-0.7> 3,725	3.5	<-1.0> 6,859	3.7	<1.6> 6,868	3.7	<3.5> 3,495	<-1.7> 3,091	3.7	<12.1> 3,904	<10.3> 4,108	3.6	<7.9> 7,400	3.6	<4.8> 7,200	3.7	
	Others	5,702	4,984	6.2	6,165	6,730	6.3	11,867	6.3	11,714	6.3	6,837	5,629	6.8	7,062	7,270	6.4	13,900	6.8	12,900	6.5	
	Sub Total	<-0.4> 9,078	<1.4> 8,128	10.1	<2.0> 9,648	<5.7> 10,455	9.8	<0.8> 18,726	10.0	<3.8> 18,583	9.9	<13.8> 10,332	<7.3> 8,720	10.5	<13.7> 10,967	<8.8> 11,379	10.0	<13.7> 21,300	10.4	<8.2> 20,100	10.2	
Doors	Comm. Bldgs/ Condominiums	<0.7> 29,344	<10.3> 21,471	26.7	<-20.5> 26,103	<4.0> 33,133	31.0	<-10.5> 55,447	29.6	<6.4> 54,604	29.1	<-12.3> 25,741	<0.6> 21,598	26.0	<21.3> 31,658	<4.7> 34,701	30.5	<3.5> 57,400	28.0	<3.1> 56,300	28.6	
	Residential	<2.6> 2,261	<2.6> 2,261	2.8	<6.3> 2,472	<6.2> 2,471	2.3	<4.5> 4,733	2.5	<4.5> 4,732	2.5	<-1.1> 2,237	<-3.5> 2,180	2.6	<-12.5> 2,162	<-14.3> 2,119	1.9	<-7.1> 4,400	2.1	<-9.1> 4,300	2.2	
	Sub Total	<0.8> 31,606	<9.6> 23,732	29.5	<-18.7> 28,575	<4.1> 35,604	33.3	<-9.5> 60,181	32.1	<6.2> 59,336	31.7	<-11.5> 27,978	<0.2> 23,779	28.6	<18.4> 33,821	<3.4> 36,820	32.4	<2.7> 61,800	30.1	<2.1> 60,600	30.8	
Window-related Products		<5.1> 4,454	<5.0> 4,423	5.5	<1.8> 4,619	<2.0> 4,645	4.3	<3.4> 9,073	4.8	<3.5> 9,068	4.8	<1.9> 4,538	<-1.1> 4,374	5.3	<3.1> 4,761	<3.9> 4,825	4.2	<2.5> 9,300	4.5	<1.4> 9,200	4.7	
Exterior Fittings		<3.4> 2,496	<8.3> 2,454	3.0	<-10.0> 2,379	<3.0> 2,644	2.5	<-3.6> 4,875	2.6	<5.5> 5,098	2.7	<-16.7> 2,079	<-11.9> 2,162	2.6	<14.3> 2,720	<7.3> 2,837	2.5	<-1.5> 4,800	2.3	<-1.9> 5,000	2.5	
Others	Partitions	<4.8> 6,867	<2.7> 5,006	6.2	<-14.3> 5,634	<9.5> 8,143	7.6	<-4.8> 12,501	6.7	<6.8> 13,150	7.0	<-3.3> 6,641	<-7.8> 4,616	5.5	<43.0> 8,058	<7.9> 8,783	7.7	<17.6> 14,700	7.2	<1.9> 13,400	6.8	
	Stainless-Steel Entrances	<13.5> 3,677	<-2.5> 2,504	3.1	<4.6> 4,056	<8.0> 4,564	4.3	<8.6> 7,734	4.1	<4.1> 7,068	3.8	<35.7> 4,990	<55.9> 3,904	4.7	<18.5> 4,809	<-1.5> 4,495	4.0	<26.7> 9,800	4.8	<18.8> 8,400	4.3	
	Aluminum Fronts	<27.6> 1,279	<43.4> 1,093	1.4	<-4.8> 1,307	<16.5> 1,456	1.4	<8.9> 2,587	1.4	<26.7> 2,550	1.4	<-3.8> 1,231	<16.5> 1,274	1.5	<27.6> 1,668	<4.7> 1,525	1.3	<12.1> 2,900	1.4	<9.8> 2,800	1.4	
	Automatic door operators	<8.1> 1,586	<4.1> 1,360	1.7	<-2.7> 1,648	<3.5> 1,822	1.7	<2.3> 3,234	1.7	<3.8> 3,182	1.7	<-0.4> 1,579	<7.3> 1,459	1.8	<10.4> 1,820	<6.5> 1,940	1.7	<5.1> 3,400	1.7	<6.8> 3,400	1.7	
	Others	2,529	3,170	3.9	2,385	2,648	2.5	4,914	2.6	5,819	3.1	2,616	2,530	3.0	2,983	2,469	2.2	5,600	2.7	5,000	2.5	
	Sub Total	<7.5> 15,940	<15.4> 13,135	16.3	<-8.5> 15,032	<6.1> 18,635	17.4	<-0.9> 30,972	16.5	<9.7> 31,771	17.0	<7.0> 17,059	<4.9> 13,785	16.6	<28.7> 19,340	<3.1> 19,214	16.9	<17.5> 36,400	17.8	<3.9> 33,000	16.8	
Total		<0.8> 95,067	<7.0> 80,519	100.0	<-6.3> 92,375	<5.8> 106,868	100.0	<-2.8> 187,443	100.0	<6.3> 187,388	100.0	<1.7> 96,637	<3.3> 83,205	100.0	<17.3> 108,362	<6.5> 113,794	100.0	<9.4> 205,000	100.0	<5.1> 197,000	100.0	
Commercial Building Materials		<-1.8> 58,907	<5.0> 45,369	56.3	<-12.5> 54,500	<4.5> 67,394	63.1	<-7.2> 113,408	60.5	<4.7> 112,763	60.2	<-0.9> 58,357	<3.2> 46,818	56.3	<21.7> 66,342	<4.9> 70,681	62.1	<10.0> 124,700	60.8	<4.2> 117,500	59.6	
Shop-related Materials		<0.4> 11,769	<4.0> 11,426	14.2	<4.2> 11,944	<6.5> 12,329	11.5	<2.3> 23,713	12.7	<5.3> 23,756	12.7	<8.5> 12,771	<4.6> 11,948	14.4	<5.7> 12,628	<3.4> 12,751	11.2	<7.1> 25,400	12.4	<4.0> 24,700	12.5	
Residential Housing Materials		<3.2> 9,493	<4.5> 9,422	11.7	<-1.4> 9,764	<2.6> 10,073	9.4	<0.8> 19,258	10.3	<3.5> 19,495	10.4	<-4.1> 9,102	<-5.2> 8,936	10.7	<0.3> 9,797	<-2.1> 9,863	8.7	<-1.9> 18,900	9.2	<-3.6> 18,800	9.5	
Maintenance & Repair		<12.4> 13,219	<9.4> 12,179	15.1	<11.5> 14,549	<14.3> 15,128	14.2	<11.9> 27,769	14.8	<12.1> 27,307	14.6	<12.4> 14,863	<10.8> 13,491	16.2	<21.2> 17,636	<23.0> 18,608	16.4	<17.0> 32,500	15.9	<17.6> 32,100	16.3	
Others		1,677	2,121	2.6	1,617	1,943	1.8	3,294	1.8	4,065	2.2	1,542	2,010	2.4	1,957	1,889	1.7	3,500	1.7	3,900	2.0	
Amount		Amount			Amount			Y/Y			Amount			Amount			Y/Y					
Outstanding Order Intake		110,804			96,358			553			110,182			104,750			8,392					
Work-in-process		21,326			16,439			500			22,597			17,600			1,160					

1) < > = 1% year on year 2) Outstanding Order Intake = Backlog of orders including orders worked-in-process

4. U.S. : Net Sales by products (ODC)

USDk, <Δ%yoy>

		FY2017						FY2018					
		1H		2H		Full Year		1H		2H(F)		Full Year(F)	
			%to total		%to total		%to total		%to total		%to total		%to total
Sales breakdown by Products													
	Door	<8.2> 271,481	57.2	<10.3> 315,480	59.3	<9.3> 586,961	58.3	<9.7> 297,944	58.0	<5.6> 333,255	59.6	<7.5> 631,200	58.8
	Install & Service	<1.6> 58,624	12.4	<-0.5> 65,047	12.2	<0.5> 123,671	12.3	<0.8> 59,094	11.5	<-2.2> 63,606	11.4	<-0.8> 122,700	11.4
	Operator	<10.5> 88,134	18.6	<7.4> 95,313	17.9	<8.8> 183,447	18.2	<11.4> 98,156	19.1	<10.3> 105,144	18.8	<10.8> 203,300	18.9
	Automatic Door	<-1.8> 38,786	8.2	<-3.0> 43,030	8.1	<-2.4> 81,816	8.1	<9.6> 42,506	8.3	<3.4> 44,494	8.0	<6.3> 87,000	8.1
	Truck & Trailer Door	<-9.1> 17,477	3.7	<-17.2> 13,547	2.5	<-12.8> 31,024	3.1	<-7.0> 16,251	3.2	<-8.1> 12,449	2.2	<-7.5> 28,700	2.7
Net Sales		<6.1> 474,502	100.0	<6.3> 532,417	100.0	<6.2> 1,006,919	100.0	<8.3> 513,951	100.0	<5.0> 559,048	100.0	<6.6> 1,073,000	100.0
Operating Income		<24.2> 27,621	5.8	<2.9> 50,726	9.5	<9.5> 78,348	7.8	<16.3> 32,123	6.3	<6.2> 53,876	9.6	<9.8> 86,000	8.0
Current Income		<22.0> 26,180	5.5	<5.2> 49,153	9.2	<10.5> 75,333	7.5	<15.0> 30,118	5.9	<3.5> 50,881	9.1	<7.5> 81,000	7.5
Net Income attributable to owners of the parent		<21.4> 16,841	3.5	<-6.5> 28,461	5.3	<2.2> 45,303	4.5	<27.6> 21,486	4.2	<38.8> 39,513	7.1	<34.6> 61,000	5.7

5. Europe : Net Sales by products (NF)

EURk, <Δ%yoy>

		FY2017						FY2018					
		1H		2H		Full Year		1H		2H(F)		Full Year(F)	
			%to total		%to total		%to total		%to total		%to total		%to total
Sales breakdown by Products													
	Hinge Door	<3.3> 69,381	28.0	<8.6> 73,431	28.0	<6.0> 142,812	28.0	<7.7> 74,699	27.0	<5.4> 77,401	27.9	<6.5> 152,100	27.5
	Garage Door	<23.6> 77,364	31.2	<23.4> 78,918	30.1	<23.5> 156,282	30.6	<5.4> 81,557	29.5	<3.2> 81,443	29.3	<4.3> 163,000	29.4
	Industrial Door	<26.4> 101,415	40.9	<8.6> 110,125	42.0	<16.5> 211,540	41.4	<18.4> 120,048	43.4	<7.9> 118,851	42.8	<12.9> 238,900	43.1
Net Sales		<18.2> 248,160	100.0	<12.7> 262,474	100.0	<15.3> 510,634	100.0	<11.3> 276,304	100.0	<5.8> 277,695	100.0	<8.5> 554,000	100.0
Operating Income		<6.9> 7,571	3.1	<36.8> 15,114	5.8	<25.1> 22,686	4.4	<33.9> 10,136	3.7	<18.2> 17,863	6.4	<23.4> 28,000	5.1
Ordinary Income		<11.7> 6,710	2.7	<43.1> 14,369	5.5	<31.3> 21,079	4.1	<42.5> 9,560	3.5	<21.4> 17,439	6.3	<28.1> 27,000	4.9
Net Income attributable to owners of the parent		<229.0> 6,402	2.6	<55.5> 9,983	3.8	<95.9> 16,385	3.2	<2.2> 6,543	2.4	<4.7> 10,457	3.8	<3.7> 17,000	3.1

6. Key Figures & Ratios

Key Figures & Ratios (Consolidated)		FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Revised(F)	Original(F)
Net Sales	(JPYm)	248,214	265,913	311,957	339,045	365,615	353,922	385,673	407,000	407,000
Operating Income	(JPYm)	8,855	14,174	20,649	26,334	26,870	26,440	28,322	31,500	31,500
(Before goodwill amortization))										
Net Income	(JPYm)	3,297	7,182	10,161	12,857	14,627	17,070	18,280	20,600	20,600
(Before goodwill amortization)										
Operating Income Ratio	(JPYm)	3.6%	5.3%	6.6%	7.8%	7.3%	7.5%	7.3%	7.7%	7.7%
(Before goodwill amortization)										
ROE : Net Income/Shareholders' Equity		3.8%	7.9%	9.6%	10.7%	11.4%	12.7%	12.7%	13.3%	13.3%
(Before goodwill amortization)										
Shareholders' Equity Ratio (term end)		37.7%	40.1%	40.4%	39.1%	41.7%	43.0%	45.2%	46.2%	47.1%
Net Assets (term end)	(JPYm)	85,522	97,134	113,956	126,748	130,334	139,906	151,121	159,819	159,819
Total Assets (term end)	(JPYm)	226,579	241,771	281,917	323,327	310,269	323,393	331,686	343,867	337,000
Interest Bearing Liabilities (term end)	(JPYm)	61,607	60,799	69,153	88,484	70,798	74,739	65,945	63,523	63,166
Debt-Equity Ratio:	(times)	0.72	0.63	0.61	0.70	0.54	0.53	0.44	0.40	0.40
Interest Bearing Liabilities / Shareholders' Equity										
SVA(Sanwa Value Added)	(JPYm)	-1,201	1,870	5,410	7,770	8,290	8,057	9,026	10,416	10,346
EPS : Earnings per share	(JPY)	13.7	29.9	42.4	54.1	63.1	74.6	80.9	91.6	91.6
(Before goodwill amortization)										
Number of shares issued (term avg.)	(K shares)	240,306	239,961	239,768	237,694	231,923	228,782	225,761	224,979	224,980

1. SVA refers to Sanwa's original indicator, following EVA concept.

7. Capital Expenditure & Depreciation

JPYm

	FY2016		FY2017		FY2018	
	1H	Full Year	1H	Full Year	1H	Full Year(F)
Capital Expenditures	3,067	8,096	4,248	11,383	6,818	11,302
Sanwa Holdings	240	723	805	2,221	117	204
Sanwa Shutter	748	2,616	1,231	2,705	1,086	2,140
Japanese Subsidiaries	81	124	97	653	227	429
Forex rate	111.80	109.44	112.14	112.04	108.50	105.00
<USD k>	<\$11,475>	<\$22,818>	<\$13,923>	<\$30,154>	<\$19,573>	<\$42,150>
ODC (U.S.A.)	1,282	2,497	1,561	3,378	2,123	4,425
Forex rate	124.36	120.63	122.22	127.22	130.65	130.00
<EUR k>	<€5,733>	<€17,699>	<€4,526>	<€19,058>	<€24,976>	<€31,560>
Novoferr	712	2,135	553	2,424	3,263	4,102
Depreciation & Amortization	4,211	8,622	4,373	9,225	4,637	9,911
Sanwa Holdings	236	479	230	474	264	502
Sanwa Shutter	858	1,848	778	1,758	912	2,036
Japanese Subsidiaries	96	206	107	230	159	349
Forex rate	<\$13,727>	<\$27,915>	<\$14,145>	<\$28,791>	<\$14,094>	<\$31,000>
ODC (U.S.A.)	1,534	3,055	1,586	3,225	1,529	3,255
Forex rate	<€6,604>	<€14,097>	<€7,305>	<€15,198>	<€7,576>	<€17,680>
Novoferr	821	1,700	892	1,933	989	2,298
Amortization of goodwill	664	1,332	777	1,603	781	1,470
Property, Plant and Equipment	2,500	5,150	2,631	5,581	2,811	6,257
Sanwa Holdings	235	477	229	472	263	500
Sanwa Shutter	510	1,133	541	1,260	630	1,448
Japanese Subsidiaries	73	160	84	182	131	291
Forex rate	<\$9,313>	<\$18,912>	<\$9,608>	<\$19,621>	<\$9,191>	<\$21,200>
ODC (U.S.A.)	1,041	2,069	1,077	2,198	997	2,226
Forex rate	<€5,143>	<€10,853>	<€5,717>	<€11,534>	<€6,036>	<€13,780>
Novoferm (Europe)	639	1,309	698	1,467	788	1,791
Intangibles	1,711	3,472	1,741	3,643	1,825	3,653
Sanwa Holdings	0	1	0	1	0	1
Sanwa Shutter	347	715	236	498	282	588
Japanese Subsidiaries	23	46	23	47	28	57
Forex rate	<\$4,414>	<\$9,003>	<\$4,537>	<\$9,169>	<\$4,902>	<\$9,800>
ODC (U.S.A.)	493	985	508	1,027	531	1,029
Forex rate	<€1,461>	<€3,244>	<€1,588>	<€3,663>	<€1,540>	<€3,900>
Novoferm (Europe)	181	391	194	466	201	507
Amortization of goodwill	664	1,332	777	1,603	781	1,470



Stock Purchase Agreement of LIXIL SUZUKI SHUTTER CORPORATION

Sanwa Holdings has decided to conclude a Stock Purchase Agreement to acquire LIXIL SUZUKI SHUTTER CORPORATION with LIXIL Corporation on July 31, 2018. LIXIL SUZUKI is a consolidated subsidiary of LIXIL. This acquisition is conditional upon approval by Japan Fair Trade Commission. The acquisition of LIXIL SUZUKI is expected to generate the significant synergies by combining Sanwa's strength in region-based sales with top share with LIXIL SUZUKI's strong customer base fostered by its 115 year history.



~ Effective Use of Limited Space and Smooth Opening/Closing ~

Toilet Booth R Booth TR40 Launched



Sanwa Shutter began sales of the R Booth TR40 toilet booth in July. This toilet booth uses a curved sliding door to allow the door to open and close smoothly. The door, which moves in an arc-like motion, enables limited space to be used effectively.



Smillion

~ Easy Installation with No Construction Work Required ~

Launch of Million Guard, a Removable and Convenient Aluminum Waterproof Panel



In October, Sanwa Shutter launched Million Guard, an aluminum waterproof panel that is removable and convenient. To meet the diverse needs of customers, Sanwa Shutter expanded its lineup with this product, which can block flood water up to 490 mm high.

The simple installation method enables opening and closing of the automated door after it is mounted, with no prior construction work required. Taking advantage of Group synergy, the product is manufactured by Showa Kensan and sold by Sanwa Shutter.



Aid for Victims of Large-Scale Disasters

Sanwa Holdings and Sanwa Shutter donated the following amounts to aid relief efforts for disaster-hit areas and people affected by disasters.

- **Torrential Rains of July 2018: Total of ¥5 million**
Donation recipients: Hiroshima, Higashi-hiroshima and Kure in Hiroshima Prefecture; Kurashiki, Okayama Prefecture; Seiyō, Ehime Prefecture
- **Hokkaido Eastern Iburi Earthquake: Total of ¥2 million**
Donation recipient: Hokkaido Prefecture

We extend our heartfelt condolences to the victims of these disasters, and hope for the earliest possible recovery of the disaster-stricken areas.

The Genuine. The Original.
OVERHEAD DOOR

~Sharing and interaction the various cultures~ Hold a Diversity Festival



ODC held a Diversity Festival in July at Dallas head office. At the festival, employees from various parts of the world introduce the foods and cultures of their native countries. The employees from Japan, India, Poland, Vietnam, and the state of Oklahoma exhibited.



~Anniversary Celebration Held at the Machecoul Plant~ Novoferm France Marks Its 60th Anniversary

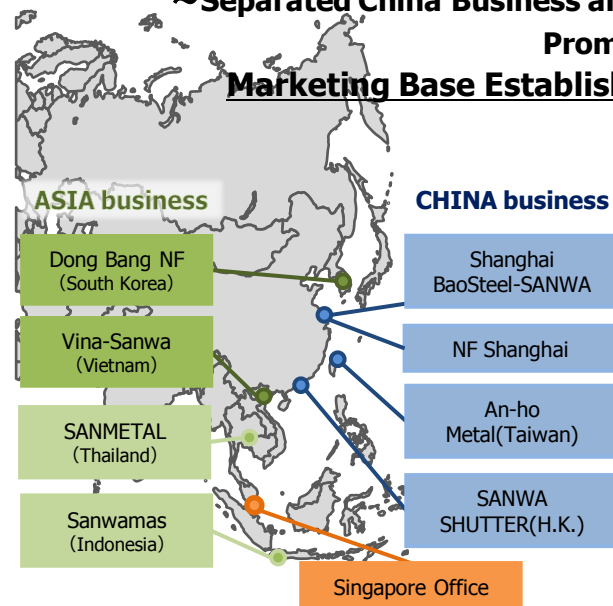


Novoferm France, established in 1958, marked its 60th anniversary this year. In July, an anniversary celebration was held at the company's Machecoul plant in northwestern France.



Afterward, the families of employees were invited on an observation tour of the factory aboard a mini-train.

~Separated China Business and Asia Business to Promote Business Expansion~ Marketing Base Established in Singapore



The Sanwa Group split its business in Asia into the China Business and the Asia Business on July 1, and established the Singapore Office on October 1 as a marketing base for the Asia Business.

The Asia Business will use the Singapore Office to help drive further business expansion in Asia, where strong growth is anticipated.



~ Further expansion of ASEAN markets~ Increase Equity Share to 51.02% in PT SANWAMAS METAL INDUSTRY

Sanwa has increased its share from 18.88% to 51.02% in PT SANWAMAS METAL INDUSTRY, company that manufactures and sells shutter. Through the share acquisition this time, Sanwa will continue to accelerate its expansion of the business domain and further strengthen the operating foundations in the fast-growing ASEAN markets.

【Company overview of SANWAMAS】

Name	PT SANWAMAS METAL INDUSTRY	
Date of establish	December 1996	
Business lines	Manufactures and sells shutters	
Shareholder	Sanwa Holdings	51.02%
	PT Esti Pura Kencana	48.98%