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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (J-GAAP)

January 31, 2023

Listed Company Name: Sanwa Holdings Corporation  
 Securities Code: 5929 URL <https://www.sanwa-hldgs.co.jp/english/>  
 Representative: Yasushi Takayama, Representative Director, President  
 Contact: Katsumi Fujii, General Manager, Corporate Planning Department  
 Scheduled Date to Submit Quarterly Securities Report: February 10, 2023  
 Scheduled Date to Start Dividend Payment: -  
 Preparation of Results Briefing Materials: Yes  
 Holding of Financial Results Briefing: None

Listing: Tokyo Stock Exchange

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(Amounts of less than one million yen have been truncated)

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine Months Ended December 31, 2022	416,926	27.4	35,425	85.0	33,006	79.6	22,771	94.7
Nine Months Ended December 31, 2021	327,173	12.8	19,145	14.5	18,379	13.7	11,694	9.6

Note: Comprehensive income  
 Nine Months Ended December 31, 2022: 48,917 million yen (198.6%)  
 Nine Months Ended December 31, 2021: 16,379 million yen (49.2%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine Months Ended December 31, 2022	103.04	102.79
Nine Months Ended December 31, 2021	52.94	52.80

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	443,817	242,398	54.2
As of March 31, 2022	386,237	203,311	52.2

Reference: Shareholders' equity  
 As of December 31, 2022: 240,648 million yen  
 As of March 31, 2022: 201,649 million yen

### 2. Dividends

	Annual dividend				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	17.00	-	19.00	36.00
Fiscal year ending March 31, 2023	-	25.00	-		
Fiscal year ending March 31, 2023 (Forecast)				25.00	50.00

Note: Revision of dividends forecast since last announcement: None

The annual dividend will be determined once the financial results for the fiscal year ending March 31, 2023 have been finalized. No change has been made to the previous forecast of ¥50.00 per share for the annual dividend, comprising an interim dividend of ¥25.00 per share and a year-end dividend of ¥25.00 per share.

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	575,000	22.6	54,000	52.2	51,000	49.5	31,000	35.7	140.32

Note: Revision of consolidated results forecast since last announcement: Yes

For details, please refer to the Notice of revised forecasts of consolidated financial results released on January 31, 2023.

#### Notes:

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation): None

New: — Excluded: —

(2) Application of accounting treatments specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to "2. Quarterly Consolidated Financial Statements and Primary Notes (3) Notes to Quarterly Consolidated Financial Statements (Application of Accounting Treatments Specific to the Preparation of Quarterly Consolidated Financial Statements)" on page 7 of the attached materials.

(3) Changes in accounting policies, accounting estimates, and retrospective restatements

1) Changes in accounting policies in accordance with revision of accounting standards: Yes

2) Changes in accounting policies other than item 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatements: None

Note: For details, please refer to "2. Quarterly Consolidated Financial Statements and Primary Notes (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)" on page 7 of the attached materials.

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury shares)

As of December 31, 2022 231,000,000 shares

As of March 31, 2022 231,000,000 shares

2) Number of treasury shares at the end of the period

As of December 31, 2022 9,985,257 shares

As of March 31, 2022 10,063,915 shares

3) Average number of shares during the period

April–December 2022 220,987,015 shares

April– December 2021 220,918,780 shares

The quarterly review procedure by a certified public accountant or an auditing firm does not apply to this Summary of Consolidated Financial Results.

#### Explanation regarding appropriate use of results forecast and additional notes

(Earnings forecasts and other forward-looking statements)

This document includes projections based on assumptions, forecasts, and plans for the future that are available on the day of its publication, and actual results may differ from the forecast figures stated in the document due to various risk factors and uncertainties. For further details regarding the earnings forecasts, please see "1. Qualitative Information regarding Financial Results for the Nine Months Ended December 31, 2022, (3) Explanation of Consolidated Results Forecasts and Other Forward-looking Statements" on page 2 of the attached materials.

(Supplementary presentation materials for the quarterly results)

Supplementary materials for the quarterly results will be posted on the Company's website, along with a summary of the quarterly financial results report.

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## 1. Qualitative Information regarding Financial Results for the Nine Months Ended December 31, 2022

### (1) Explanation of Operating Results

In the external environment surrounding the Sanwa Group for the nine months ended December 31, 2022, business activity continued to return to normal in many countries and the economy remained on a gradual recovery track. Future uncertainty persists, however, due to an increase in policy interest rates around the world aimed at curbing accelerating inflation, a slowdown in the Chinese economy, rising energy prices caused by the prolonged conflict in Ukraine, and soaring raw material prices in Japan following rapid depreciation of the yen.

Amid this environment, from fiscal 2022, the Sanwa Group launched its long-term management vision, Sanwa Global Vision 2030, and the Mid-Term Management Plan 2024, and worked to establish the foundation to become a global leader in smart entrance solutions that meet the changing needs of society due to climate change and digitalization.

To expand and strengthen core businesses at Japan, North America, and Europe, we expanded our core businesses and service business by promoting measures to pass the soaring costs of raw materials onto our prices, while strengthening the foundation in preparation for future business expansion. In January 2023, we acquired U.S.-based Door Control, Inc. and Door Concepts, Inc., which specialize in the sale, installation and repair of automatic doors. To strengthen a basis for growth of the Asian business, we increased production capacity at our Changshu Plant for our door business in China and worked to integrate the operations of AUB Limited, which manufactures and markets industrial doors mainly for Hong Kong and Macau, and which we acquired in August 2022. To expand products for disaster prevention and climate change response and enhance smart products and services, we released aluminum garage shutters with exceptional wind pressure resistance and the RemoSma smartphone-enabled garage door control system. To increase productivity through digitalization and manufacturing innovation, we invested in an electronic data interchange (EDI) contract system for installation work, introduced an enterprise resource planning (ERP) system in Asia, and worked to automate and expand production at our door plants in Japan and our dock leveler plants in Europe. To enhance sustainability management, we set key performance indicators (KPIs) tied to material issues in environmental, social and governance (ESG) sectors and sought to expand our products that mitigate climate change, while reducing CO<sub>2</sub> emissions and water consumption, to help realize a sustainable society.

As a result, net sales for the nine months ended December 31, 2022 amounted to ¥416,926 million, a 27.4% year-on-year increase. In terms of profits, operating profit amounted to ¥35,425 million, an 85.0% year-on-year increase, ordinary profit amounted to ¥33,006 million, a 79.6% year-on-year increase, and profit attributable to owners of parent amounted to ¥22,771 million, a 94.7% year-on-year increase.

### (2) Explanation of Financial Position

(Assets, Liabilities, and Net Assets)

As of December 31, 2022, total assets increased by ¥57,580 million from the end of the previous fiscal year, to ¥443,817 million, due mainly to an increase in trade receivables and inventories. Liabilities increased by ¥18,494 million from the end of the previous fiscal year, to ¥201,419 million, due mainly to an increase in trade payables. Net assets increased by ¥39,086 million from the end of the previous fiscal year, to ¥242,398 million, due mainly to an increase in retained earnings and foreign currency translation adjustment.

As a result, the shareholders' equity ratio rose by 2.0 points from the end of the previous fiscal year to 54.2%.

### (3) Explanation of Consolidated Results Forecasts and Other Forward-looking Statements

Consolidated financial results forecasts for the fiscal year ending March 31, 2023 have been revised from those announced on July 29, 2022. For details, please refer to the Notice of revised forecasts of consolidated financial results released on January 31, 2023.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	52,897	51,324
Notes and accounts receivable - trade, and contract assets	98,000	108,508
Electronically recorded monetary claims - operating	11,116	14,394
Securities	9,000	6,499
Merchandise and finished goods	17,571	25,429
Work in process	11,549	22,507
Raw materials	34,557	47,374
Other	5,123	9,493
Allowance for doubtful accounts	(2,335)	(3,864)
Total current assets	237,480	281,667
Non-current assets		
Property, plant and equipment		
Buildings, net	23,748	25,415
Land	22,304	22,840
Other, net	28,914	31,565
Total property, plant and equipment	74,967	79,821
Intangible assets		
Goodwill	10,789	10,543
Other	18,783	21,301
Total intangible assets	29,573	31,844
Investments and other assets		
Investment securities	28,756	32,913
Retirement benefit asset	7,776	8,103
Other	8,247	10,062
Allowance for doubtful accounts	(564)	(594)
Total investments and other assets	44,215	50,484
Total non-current assets	148,756	162,150
Total assets	386,237	443,817

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	62,558	71,240
Short-term borrowings	8,190	10,159
Current portion of long-term borrowings	9,550	9,075
Income taxes payable	5,243	3,606
Provision for bonuses	7,400	7,053
Other	36,038	46,073
Total current liabilities	128,981	147,208
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	9,966	10,306
Provision for retirement benefits for directors (and other officers)	502	323
Retirement benefit liability	12,359	12,587
Other	11,114	10,994
Total non-current liabilities	53,943	54,211
<b>Total liabilities</b>	<b>182,925</b>	<b>201,419</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	38,413	38,413
Capital surplus	39,732	39,729
Retained earnings	121,256	134,143
Treasury shares	(9,947)	(9,869)
Total shareholders' equity	189,455	202,416
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,482	1,763
Deferred gains or losses on hedges	37	341
Foreign currency translation adjustment	11,342	36,840
Remeasurements of defined benefit plans	(668)	(713)
Total accumulated other comprehensive income	12,194	38,231
Share acquisition rights	285	255
Non-controlling interests	1,376	1,493
<b>Total net assets</b>	<b>203,311</b>	<b>242,398</b>
<b>Total liabilities and net assets</b>	<b>386,237</b>	<b>443,817</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
(Quarterly Consolidated Statements of Income)  
(For the Nine Months Ended December 31)

(Millions of yen)

	Nine Months Ended December 31, 2021 (From April 1, 2021 to December 31, 2021)	Nine Months Ended December 31, 2022 (From April 1, 2022 to December 31, 2022)
Net sales	327,173	416,926
Cost of sales	232,115	291,473
Gross profit	95,057	125,452
Selling, general and administrative expenses	75,912	90,026
Operating profit	19,145	35,425
Non-operating income		
Interest income	111	83
Dividend income	306	395
Foreign exchange gains	112	—
Other	232	257
Total non-operating income	763	736
Non-operating expenses		
Interest expenses	351	361
Foreign exchange losses	—	99
Share of loss of entities accounted for using equity method	236	353
Litigation expenses	—	1,531
Other	940	810
Total non-operating expenses	1,528	3,156
Ordinary profit	18,379	33,006
Extraordinary income		
Gain on sale of non-current assets	25	19
Gain on sale of investment securities	0	4
Settlement income	—	148
Total extraordinary income	25	172
Extraordinary losses		
Loss on sale and retirement of non-current assets	28	18
Loss on valuation of investment securities	0	—
Business restructuring expenses for subsidiaries	77	41
Loss on liquidation of subsidiaries and associates	2	1
Other	4	—
Total extraordinary losses	113	61
Profit before income taxes	18,291	33,117
Income taxes	6,451	10,237
Profit	11,839	22,880
Profit attributable to non-controlling interests	145	109
Profit attributable to owners of parent	11,694	22,771

(Quarterly Consolidated Statements of Comprehensive Income)  
(For the Nine Months Ended December 31)

(Millions of yen)

	Nine Months Ended December 31, 2021 (From April 1, 2021 to December 31, 2021)	Nine Months Ended December 31, 2022 (From April 1, 2022 to December 31, 2022)
Profit	11,839	22,880
Other comprehensive income		
Valuation difference on available-for-sale securities	(545)	280
Deferred gains or losses on hedges	(47)	303
Foreign currency translation adjustment	4,949	24,778
Remeasurements of defined benefit plans, net of tax	131	(45)
Share of other comprehensive income of entities accounted for using equity method	51	719
Total other comprehensive income	4,539	26,037
Comprehensive income	16,379	48,917
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,214	48,737
Comprehensive income attributable to non-controlling interests	165	180



(3) Notes to Quarterly Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Nine Months Ended December 31, 2022 (From April 1, 2022 to December 31, 2022)

Not applicable.

(Application of Accounting Treatments Specific to the Preparation of Quarterly Consolidated Financial Statements)

(Calculation of Tax Expenses)

The Company reasonably estimates an effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year in which the third quarter of the fiscal year ending March 31, 2023 is included, and calculates tax expenses by multiplying quarterly profit before income taxes by the estimated effective tax rate. However, in cases where the calculation of tax expenses using the estimated effective tax rate yields a result that is considered not to be reasonable to a significant extent, the statutory tax rate is used. Note that income taxes - deferred is included in income taxes.

(Changes in Accounting Policies)

(Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as the "Implementation Guidance") from the beginning of the first quarter of the fiscal year ending March 31, 2023. Accordingly, new accounting policies provided for in the Implementation Guidance will continue to be applied, in accordance with the transitional treatment provided for in paragraph 27-2 of the Implementation Guidance. The application of these standards does not affect the quarterly consolidated financial statements.

(Additional Information)

(Application of the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System)

Effective from the first quarter of the fiscal year ending March 31, 2023, the Company and its domestic consolidated subsidiaries have shifted from a consolidated taxation system to a group tax sharing system. In accordance with this change, the accounting treatment and disclosure of income taxes and local income taxes and tax effect accounting are based on the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42, August 12, 2021; hereinafter referred to as "PITF No. 42"). In accordance with Paragraph 32 (1) of PITF No. 42, the Company has deemed that there is no impact from the change in accounting policy upon the application of PITF No. 42.

(Segment Information, etc.)

I. Nine Months Ended December 31, 2021 (From April 1, 2021 to December 31, 2021)

1. Net sales and income or loss by reportable segment

(Millions of yen)

	Reportable segment					Adjustments (Note 1)	Quarterly consolidated statements of income (Note 2)
	Japan	North America	Europe	Asia	Total		
Net sales							
Sales to customers	160,700	98,773	62,676	4,976	327,126	46	327,173
Intersegment sales or transfers	174	48	42	0	265	(265)	—
Total	160,874	98,821	62,718	4,976	327,392	(218)	327,173
Segment income	12,815	4,070	3,297	137	20,321	(1,176)	19,145

Notes: 1. Adjustments are as follows:

(1) Net sales

- Other net sales ¥46 million
- Elimination of intersegment transactions ¥(265) million

(2) Segment income

- Other income ¥46 million
- Corporate expenses ¥(1,784) million
- Amortization of goodwill ¥(1,550) million
- Other adjustments ¥(329) million
- Elimination of intersegment transactions ¥2,441 million

Items marked as "Other" involve incidental activities associated with management operations.

Corporate expenses primarily consist of general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment income is reconciled to the operating profit of the quarterly consolidated statements of income.

3. The major countries and regions in each reportable segment are as follows:

North America: USA, Canada, etc.

Europe: Germany, France, Italy, Netherlands, England, etc.

Asia: China, Hong Kong, Taiwan, and Vietnam

2. Impairment losses on non-current assets or goodwill, etc. by reportable segment

Not applicable.

II. Nine Months Ended December 31, 2022 (From April 1, 2021 to December 31, 2022)

1. Net sales and income or loss by reportable segment

(Millions of yen)

	Reportable segment					Adjustments (Note 1)	Quarterly consolidated statements of income (Note 2)
	Japan	North America	Europe	Asia	Total		
Net sales							
Sales to customers	171,370	160,381	77,814	7,312	416,879	47	416,926
Intersegment sales or transfers	104	149	58	1	314	(314)	—
Total	171,474	160,530	77,873	7,314	417,193	(266)	416,926
Segment income	12,234	21,332	3,261	196	37,025	(1,599)	35,425

Notes: 1. Adjustments are as follows:

(1) Net sales

- Other net sales ¥47 million
- Elimination of intersegment transactions ¥(314) million

(2) Segment income

- Other income ¥47 million
- Corporate expenses ¥(1,678) million
- Amortization of goodwill ¥(2,051) million
- Other adjustments ¥(335) million
- Elimination of intersegment transactions ¥2,417 million

Items marked as “Other” involve incidental activities associated with management operations.

Corporate expenses primarily consist of general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment income is reconciled to the operating profit of the quarterly consolidated statements of income.

3. The major countries and regions in each reportable segment are as follows:

North America: USA, Canada, etc.

Europe: Germany, France, Italy, Netherlands, England, etc.

Asia: China, Hong Kong, Taiwan, and Vietnam

2. Matters related to changes in reportable segments, etc.

(Change in the method of calculating profit or loss by reportable segment)

Effective from the three months ended June 30, 2022, the Company has changed the basis for the adjustment method for intersegment transactions has been reviewed in order to better evaluate and manage the performance of each reportable segment. The segment information for the nine months ended December 31, 2021 has also been prepared in accordance with the new method.

3. Impairment losses on non-current assets or goodwill, etc. by reportable segment

Not applicable.