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July 9, 2026

Consolidated Financial Results for the Fiscal Year Ended May 31, 2026 (Under Japanese GAAP)

Company name: Sankyo Tateyama, Inc.
Listing: Tokyo Stock Exchange
Securities code: 5932
URL: https://www.st-grp.co.jp/
Representative: Shozo Hirano President, Chief Executive Officer
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Scheduled date of annual general meeting of shareholders: August 27, 2026
Scheduled date to commence dividend payments: August 28, 2026
Scheduled date to file annual securities report: August 26, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for securities analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	357,533	(0.5)	1,546	0.1	882	(6.6)	(13,498)	-
May 31, 2025	359,424	1.8	1,545	(59.4)	944	(75.7)	(2,336)	-

Note: Comprehensive income For the fiscal year ended May 31, 2026: ¥ (29) million [-%]
For the fiscal year ended May 31, 2025: ¥ (3,955) million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
May 31, 2026	(430.74)	-	(14.9)	0.3	0.4
May 31, 2025	(74.54)	-	(2.5)	0.3	0.4

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended May 31, 2026: ¥ 365 million
For the fiscal year ended May 31, 2025: ¥ 254 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 31, 2026	305,992	94,241	29.6	2,888.11
May 31, 2025	300,454	94,804	30.4	2,911.36

Reference: Equity
As of May 31, 2026: ¥ 90,498 million
As of May 31, 2025: ¥ 91,240 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
May 31, 2026	5,404	(6,042)	7,462	27,937
May 31, 2025	3,216	(14,334)	7,470	20,221

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended May 31, 2025	-	12.50	-	12.50	25.00	786	-	0.8
Fiscal year ended May 31, 2026	-	12.50	-	12.50	25.00	786	-	0.9
Fiscal year ending May 31, 2027 (Forecast)	-	12.50	-	12.50	25.00		78.3	

3. Consolidated financial result forecasts for the fiscal year ending May 31, 2027 (from June 1, 2026 to May 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	390,000	9.1	4,000	158.7	1,500	70.0	1,000	-	31.91

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 companies(Sankyo Ta Tung Aluminium Co., Ltd.)

Excluded: 1 companies(SKC, Inc.)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: Yes

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2026	31,554,629 shares
As of May 31, 2025	31,554,629 shares

(ii) Number of treasury shares at the end of the period

As of May 31, 2026	219,907 shares
As of May 31, 2025	215,132 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended May 31, 2026	31,337,258 shares
Fiscal Year ended May 31, 2025	31,341,932 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended May 31, 2026 (from June 1, 2025 to May 31, 2026)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	236,444	(2.4)	1,785	113.9	1,561	127.2	(19,712)	-
May 31, 2025	242,183	1.8	834	(75.7)	687	(82.7)	412	(75.4)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
May 31, 2026	(626.95)	-
May 31, 2025	13.11	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 31, 2026	222,708	49,786	22.4	1,583.55
May 31, 2025	232,630	68,305	29.4	2,172.25

Reference: Equity

As of May 31, 2026: ¥ 49,786 million

As of May 31, 2025: ¥ 68,305 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The operating results forecasts and other forward-looking statements contained in this report are based on information currently available to Sankyo Tateyama, Inc. (the "Company"), as well as certain assumptions that the Company has judged to be reasonable. As such, they do not constitute an assurance that the Company promises to achieve these projected results. Therefore, readers are advised to note that the actual results may vary materially from the forecasts due to a variety of factors. For the assumptions about consolidated earnings forecast, please refer to "(4) Future Outlook" under "1. Overview of Operating Results" on page 6.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Current Fiscal Year

The external environment surrounding Sankyo Tateyama Group (the "Group") during the current consolidated fiscal year was characterized by a moderate recovery trend in the domestic economy, while uncertainty regarding the future and downside risks persisted. While the employment and income environment improved, current consumer sentiment weakened due to factors such as rising prices. Although corporate earnings showed signs of stagnation at times due to the impact of U.S. trade policy, they were generally on an upward trend. In the construction industry, the number of new housing starts fell sharply due to a decline following a surge in demand ahead of revisions to the Building Standards Act, as well as soaring construction costs. In addition, the yen continued to weaken. Furthermore, in the fourth quarter, concerns over the supply of crude oil and aluminum ingots, as well as soaring price increases resulting from escalating tensions in the Middle East, led to the emergence of procurement risks for various materials and a rise in logistics costs and other expenses.

Overseas, the German economy saw only modest growth as its manufacturing sector struggled due to factors such as U.S. tariff policies and high energy costs. The Thai economy maintained a moderate recovery trend, supported by domestic demand and government spending, but exports slowed.

The outlook is expected to remain uncertain regarding the impact of supply concerns stemming from geopolitical risks – such as various countries' trade policies and the situation in the Middle East – as well as rising costs.

Under these circumstances, our financial results for the current consolidated fiscal year were as follows: net sales of 357,533 million yen (down 0.5% year-on-year), operating profit of 1,546 million yen (up 0.1% year-on-year), and ordinary profit of 882 million yen (down 6.6% year-on-year). In addition, due to the recognition of extraordinary income of 8,708 million yen from the sale of non-current assets, among other items, and extraordinary losses of 16,219 million yen resulting from impairment losses on non-current assets related to the Construction Materials Business caused by soaring aluminum ingot prices influenced by the situation in the Middle East, the loss attributable to owners of parent for the current fiscal year was 13,498 million yen (compared to a loss attributable to owners of parent of 2,336 million yen in the previous consolidated fiscal year).

The results for each segment are as follows.

(Millions of yen)

Segment	Net sales				Operating profit			
	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026	Change	Change (%)	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026	Change	Change (%)
Construction Materials Business	178,652	167,537	(11,115)	(6.2)	236	1,069	832	352.2
Materials Business	59,781	67,729	7,947	13.3	2,602	2,353	(248)	(9.6)
Commercial Facilities Business	44,522	42,599	(1,923)	(4.3)	1,460	718	(741)	(50.8)
Global Business	76,145	79,221	3,076	4.0	(2,598)	(2,433)	164	-
Others	322	446	123	38.2	(63)	(76)	(12)	-
Total	359,424	357,533	(1,891)	(0.5)	1,545	1,546	0	0.1

Construction Materials Business

In the Construction Materials Business, although we focused on expanding sales of “STINA,” our new flagship high-insulation slim window, and capturing steady demand for home renovations, the construction market was affected by a post-rush decline following the revision of the Building Standards Act and delays in construction starts due to soaring material costs. As a result, net sales decreased year-on-year. On the other hand, operating profit increased as a result of cost reductions achieved through revenue structure reform and efforts to optimize sales prices, including price revisions.

Materials Business

In the Materials Business, to meet long-term growth and demand, including the growing demand for automotive lightweight solutions, we have added a new extrusion line for large-sized profiles at the Shinminato Higashi Plant. At the same time, we are working to optimize our profile extrusion lines in line with production volumes. Net sales increased year-on-year. This was driven by higher sales volumes in the transportation sector, especially in the automotive sector, one of our key focus areas, as well as higher selling prices linked to aluminum ingot prices. However, operating profit decreased due to sharp increases in aluminum ingot prices and other material costs resulting from the escalating tensions in the Middle East.

Commercial Facilities Business

In the Commercial Facilities Business, retailers are actively investing to accelerate digital transformation through labor- and resource-saving measures and to respond to diversifying consumer needs. In this environment, we focused on securing demand for new store openings and store renovations. However, due to factors such as the postponement, cancellation, or downsizing of projects for major clients, which were affected by industry consolidation and soaring material and construction costs, net sales decreased year-on-year compared to the previous consolidated fiscal year. Furthermore, although we implemented measures to revenue improvement, such as price adjustments, controlling procurement costs, and reducing selling, general, and administrative expenses, operating profit decreased year-on-year compared to the previous consolidated fiscal year due to a decline in sales volume and increases in logistics costs.

Global Business

In the Global Business, net sales increased year-on-year despite a market characterized by continued slow growth, driven by our efforts to secure volume and expand sales of value-added products, as well as higher selling prices resulting from foreign exchange effects and fluctuations in metal prices. However, although we pushed forward with cost reductions, such as in manufacturing expenses, the operating loss remained at the previous year's level due to the change in sales composition resulting from a decline in volume in the transportation sector, including automotive, rail, and aerospace, at our European subsidiary.

Furthermore, the revenue structure reform for our European subsidiary, which has been experiencing continued business performance shortfalls, is proceeding as planned, and we expect it to begin contributing to earnings in the fiscal year ending May 31, 2027.

Under the basic policy of "Resolutely Implementing Revenue Structure Reforms to Achieve an Early Recovery in Earnings," the Group is promoting fundamental "revenue structure reforms," including reductions in fixed and indirect costs, improvements in operational efficiency, structural reforms in the Construction Materials Business and Global Business, and the optimization of our manufacturing structure. Furthermore, while prioritizing investment in revenue structure reforms, we are optimizing cash allocation by executing growth and strategic investments while carefully assessing market conditions. As these measures were implemented, the results for the current consolidated fiscal year were as follows:

Plan announced on April 7, 2026: Net sales of 355.5 billion yen, operating profit of 1.0 billion yen, operating margin of 0.3%;
Actual results: Net sales of 357.5 billion yen, operating profit of 1.5 billion yen, operating margin of 0.4%

(2) Overview of Financial Position
Total assets at the end of the current consolidated fiscal year increased by 5,538 million yen compared to the end of the previous consolidated fiscal year, reaching 305,992 million yen. Current assets included a decrease of 3,342 million yen in other current assets, such as accounts receivable - other, a decrease of 3,212 million yen in notes and accounts receivable - trade, and contract assets; however, cash and deposits increased by 8,223 million yen, and inventory, such as raw materials and supplies, increased by 1,114 million yen. As a result, current assets totaled 151,254 million yen, an increase of 3,543 million yen compared to the end of the previous consolidated fiscal year. Non-current assets increased by 1,994 million yen compared to the end of the previous consolidated fiscal year to 154,738 million yen. This was due to increases of 11,927 million yen in retirement benefit asset and 1,582 million yen in investment securities, despite a decrease of 11,005 million yen in property, plant and equipment.

Liabilities at the end of the current consolidated fiscal year increased by 6,101 million yen compared to the end of the previous consolidated fiscal year, totaling 211,750 million yen. Current liabilities decreased by 8,441 million yen compared to the end of the previous consolidated fiscal year to 113,568 million yen. This decrease was due to a reduction of 10,028 million yen in electronically recorded obligations - operating and a decrease of 6,854 million yen in other current liabilities, such as accounts payable - other, despite increases of 6,618 million yen in notes and accounts payable - trade and 3,214 million yen in the current portion of long-term borrowings. Non-current liabilities increased by 14,542 million yen from the end of the previous consolidated fiscal year to 98,182 million yen, primarily due to increases of 8,481 million yen in long-term borrowings and 6,304 million yen in deferred tax liabilities.

Net assets at the end of the current consolidated fiscal year decreased by 563 million yen compared to the end of the previous consolidated fiscal year, totaling 94,241 million yen. This was primarily due to a decrease of 12,478 million yen in retained earnings, despite increases of 7,971 million yen in remeasurements of defined benefit plans, 3,330 million yen in foreign currency translation adjustment, and 1,913 million yen in valuation difference on available-for-sale securities. The equity-to-asset ratio stood at 29.6% (compared to 30.4% at the end of the previous consolidated fiscal year).

(3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents at the end of the current consolidated fiscal year increased by 7,715 million yen from the end of the previous consolidated fiscal year, totaling 27,937 million yen.

The cash flow situation for the current consolidated fiscal year is as follows.

Cash flows from operating activities resulted in a net inflow of 5,404 million yen. This was due to the recognition of non-cash items − impairment losses of 16,761 million yen − offset by a loss before income taxes of 11,113 million yen.

Cash flows from investing activities resulted in a net outflow of 6,042 million yen. This was primarily due to proceeds from sale of property, plant and equipment of 9,628 million yen, offset by the purchase of property, plant and equipment for 16,252 million yen.

Cash flows from financing activities resulted in a net inflow of 7,462 million yen. This was primarily due to proceeds from long-term borrowings of 33,400 million yen, offsetting repayments of long-term borrowings of 22,118 million yen and a net increase (decrease) in short-term borrowings of 2,211 million yen.

The trends of key indicators regarding financial conditions are as follows.

	Fiscal year ended May 31, 2022	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024	Fiscal year ended May 31, 2025	Fiscal year ended May 31, 2026
Equity-to-asset ratio (%)	30.8	31.6	33.2	30.4	29.6
Market value-based equity-to-asset ratio (%)	6.8	7.0	9.1	6.4	6.5
Repayment years of interest-bearing debt (years)	29.7	-	4.7	27.8	18.4
Interest coverage ratio (times)	3.9	-	13.3	2.0	2.7

Notes: Equity-to-asset ratio: Equity-to-asset/Total assets

Market value-based equity-to-asset ratio: Total market capitalization/Total assets

Repayment years of interest-bearing debt: Interest-bearing liabilities/Operating cash flows

Interest coverage ratio: Operating cash flows/Interest expenses

* Each indicator is calculated based on consolidated financial figures.

* Market capitalization is calculated by multiplying the closing share price at the end of the period by the total number of issued shares (net of treasury stocks) at the end of the period.

* Operating cash flows are derived from the “Cash flows from operating activities” section of the consolidated statement of cash flows. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheet on which interest is paid. Interest payments are derived from the “Interest paid” figure in the consolidated statement of cash flows.

* Repayment years of interest-bearing debt and interest coverage ratio for the fiscal year ended May 31, 2023, are not shown due to negative operating cash flows.

(4) Future Outlook

In the domestic economy, the economy is expected to continue its gradual recovery, supported by improving income conditions and investments in labor-saving measures and digital technology to address labor shortages. In the global economy, supply chain disruptions and rising costs caused by the situation in the Middle East, as well as the development of trade policies in various countries and uncertainties surrounding international conflicts in other regions, remain a concern, and it is necessary to continue monitoring economic trends closely.

Given the current economic conditions, the environment surrounding the Group is as follows: In the domestic construction market, although consumer sentiment has weakened due to soaring housing prices, the number of new housing starts in fiscal year 2026 is expected to rebound from the decline seen in the previous fiscal year. The renovation market is expected to remain robust, driven by initiatives such as the “Housing Energy Conservation Campaign 2026.”

In the domestic market for aluminum extrusions, moderate growth is expected due to a recovery in the construction materials market and increased demand from the transportation sector, including the automotive industry.

In the commercial facility market, store renovations and digitalization within the retail sector, as well as investments in labor- and resource-saving measures, are expected to continue.

In overseas markets, while a moderate recovery is expected for the German economy, supported in part by fiscal policy, the outlook remains uncertain due to factors such as persistently high energy prices. Automotive and EV production volumes are expected to remain at the previous year’s levels. In Thailand, while a recovery in exports and investment is anticipated, growth is expected to be moderate due to concerns over U.S. trade policy and household debt issues. Automotive production is expected to remain at the previous year’s level, while EV production is projected to increase.

Under the basic policy of our Group’s Medium-Term Management Plan (fiscal years ending May 31, 2025 through May 31, 2027) − “Resolutely Implementing Revenue Structure Reforms to Achieve an Early Recovery in Performance” −we will work as one company to achieve an early recovery in performance and establish a solid earnings foundation by steadily implementing the following five measures: (1) reducing indirect costs, (2) streamlining operations and organizational structures, (3) restructuring the Construction Materials Business, (4) optimizing our manufacturing structure, and (5) restructuring our European subsidiaries. By steadily implementing these five measures, we will strive for an early recovery in business performance and the establishment of a solid earnings foundation, working as one company to enhance corporate value. However, we anticipate that the business environment will remain challenging due to supply chain disruptions caused by the escalating tensions in the Middle East, soaring raw material prices, and, in particular, the continued high aluminum ingot price, our primary raw material.

Based on current conditions, our consolidated earnings forecast for the fiscal year ending May 31, 2027 is as follows: net sales of 390 billion yen, operating profit of 4 billion yen, ordinary profit of 1.5 billion yen, and profit attributable to owners of parent of 1 billion yen.

(5) Basic Policy on Profit Distribution and Dividends for the Current Fiscal Year and the Next Fiscal Year

The Company aims to enhance the Group's overall business foundation and profitability to achieve sustained growth in corporate value and meet the expectations of our shareholders.

Regarding dividends, we have established a basic policy to continue paying stable dividends, taking into account factors such as business performance and the adequacy of retained earnings.

Furthermore, in the Medium-Term Management Plan (for the period from FYE2025 to FYE2027), we have set a stable and continuous dividend of no less than 25 per share as a measure to enhance shareholder returns, and we have paid an interim dividend of 12.5 per share. With the payment of a year-end dividend of 12.5 per share, we plan to pay an annual dividend of 25 per share.

The annual dividends per share for the next fiscal year, based on dividend policy and commitment to enhancing shareholder returns, we plan to pay an interim dividend of 12.5 yen per share and a year-end dividend of 12.5 yen per share (annual dividend of 25 yen per share).

2. Basic Approach to Selection of Accounting Standards

Taking into consideration reliable year-on-year and company-to-company comparisons in the consolidated financial statements, the Group's policy for the time being is to prepare its consolidated financial statements according to Japanese accounting standards. As for the application of international accounting standards, the Group plans to appropriately respond after considering the circumstances in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of May 31, 2025	As of May 31, 2026
Assets		
Current assets		
Cash and deposits	21,509	29,732
Notes and accounts receivable - trade, and contract assets	49,262	46,049
Electronically recorded monetary claims - operating	8,342	9,000
Securities	23	46
Merchandise and finished goods	20,069	19,606
Work in process	16,764	15,706
Raw materials and supplies	20,244	22,879
Other	11,965	8,623
Allowance for doubtful accounts	(472)	(392)
Total current assets	147,710	151,254
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,078	23,553
Machinery, equipment and vehicles, net	19,508	21,341
Land	57,840	50,097
Leased assets, net	1,439	1,285
Construction in progress	7,372	2,181
Other, net	4,520	4,295
Total property, plant and equipment	113,760	102,754
Intangible assets		
Leased assets	14	4
Other	2,782	2,552
Total intangible assets	2,796	2,556
Investments and other assets		
Investment securities	15,447	17,030
Long-term loans receivable	141	144
Retirement benefit asset	16,669	28,596
Deferred tax assets	338	343
Other	3,797	3,538
Allowance for doubtful accounts	(206)	(227)
Total investments and other assets	36,187	49,427
Total non-current assets	152,744	154,738
Total assets	300,454	305,992

(Millions of yen)

	As of May 31, 2025	As of May 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	40,274	46,892
Electronically recorded obligations - operating	16,464	6,436
Short-term borrowings	7,365	5,791
Current portion of long-term borrowings	20,156	23,371
Lease liabilities	642	697
Income taxes payable	1,043	1,307
Provision for bonuses	416	402
Provision for loss on construction contracts	6	7
Provision for loss on disaster	476	355
Other	35,161	28,307
Total current liabilities	122,009	113,568
Non-current liabilities		
Long-term borrowings	59,697	68,179
Lease liabilities	1,510	1,578
Deferred tax liabilities	4,927	11,232
Deferred tax liabilities for land revaluation	4,736	3,048
A product repair reserve fund	802	795
Retirement benefit liability	9,617	10,341
Asset retirement obligations	547	1,415
Other	1,800	1,591
Total non-current liabilities	83,639	98,182
Total liabilities	205,649	211,750
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	31,932	31,938
Retained earnings	22,706	10,227
Treasury shares	(263)	(266)
Total shareholders' equity	69,375	56,899
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,825	4,739
Deferred gains or losses on hedges	(124)	(21)
Revaluation reserve for land	3,651	2,065
Foreign currency translation adjustment	5,039	8,369
Remeasurements of defined benefit plans	10,473	18,445
Total accumulated other comprehensive income	21,865	33,598
Non-controlling interests	3,564	3,743
Total net assets	94,804	94,241
Total liabilities and net assets	300,454	305,992

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended May 31, 2025	For the fiscal year ended May 31, 2026
Net sales	359,424	357,533
Cost of sales	289,660	287,020
Gross profit	69,764	70,512
Selling, general and administrative expenses	68,219	68,966
Operating profit	1,545	1,546
Non-operating income		
Interest income	147	112
Dividend income	419	300
Insurance dividend income	187	155
Share of profit of entities accounted for using equity method	254	365
Foreign exchange gains	-	227
Subsidy income	41	209
Other	621	614
Total non-operating income	1,671	1,985
Non-operating expenses		
Interest expenses	1,610	1,998
Other	661	651
Total non-operating expenses	2,272	2,649
Ordinary profit	944	882
Extraordinary income		
Gain on sale of non-current assets	250	7,320
Gain on sale of investment securities	535	1,387
Other	0	0
Total extraordinary income	785	8,708
Extraordinary losses		
Loss on sale of non-current assets	2	49
Loss on retirement of non-current assets	642	412
Loss on tax purpose reduction entry of non-current assets	66	12
Loss on sale of investment securities	1	79
Loss on valuation of investment securities	2	0
Impairment losses	1,077	16,761
Business restructuring expenses	-	3,342
Provision for loss on disaster	-	45
Environmental expenses	414	-
Other	0	-
Total extraordinary losses	2,208	20,704
Loss before income taxes	(477)	(11,113)
Income taxes - current	1,464	1,662
Income taxes - deferred	197	584
Total income taxes	1,661	2,246
Loss	(2,139)	(13,360)
Profit attributable to non-controlling interests	196	137
Loss attributable to owners of parent	(2,336)	(13,498)

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended May 31, 2025	For the fiscal year ended May 31, 2026
Loss	(2,139)	(13,360)
Other comprehensive income		
Valuation difference on available-for-sale securities	188	1,910
Deferred gains or losses on hedges	(665)	102
Revaluation reserve for land	(133)	-
Foreign currency translation adjustment	1,281	3,309
Remeasurements of defined benefit plans, net of tax	(2,493)	7,968
Share of other comprehensive income of entities accounted for using equity method	6	40
Total other comprehensive income	(1,815)	13,331
Comprehensive income	(3,955)	(29)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,176)	(240)
Comprehensive income attributable to non-controlling interests	221	210

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended May 31, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income							
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of period	15,000	31,932	25,766	(259)	72,439	2,625	541	3,776	3,784	12,970	23,698	3,345	99,483
Changes during period													
Dividends of surplus			(707)		(707)								(707)
Loss attributable to owners of parent			(2,336)		(2,336)								(2,336)
Purchase of treasury shares				(3)	(3)								(3)
Change in scope of consolidation			(9)		(9)								(9)
Change in scope of equity method					-								-
Reversal of revaluation reserve for land			(7)		(7)								(7)
Change in ownership interest of parent due to transactions with non-controlling interests					-								-
Net changes in items other than shareholders' equity						200	(665)	(125)	1,254	(2,496)	(1,833)	219	(1,613)
Total changes during period	-	-	(3,060)	(3)	(3,064)	200	(665)	(125)	1,254	(2,496)	(1,833)	219	(4,678)
Balance at end of period	15,000	31,932	22,706	(263)	69,375	2,825	(124)	3,651	5,039	10,473	21,865	3,564	94,804

For the fiscal year ended May 31, 2026

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income							
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of period	15,000	31,932	22,706	(263)	69,375	2,825	(124)	3,651	5,039	10,473	21,865	3,564	94,804
Changes during period													
Dividends of surplus			(786)		(786)								(786)
Loss attributable to owners of parent			(13,498)		(13,498)								(13,498)
Purchase of treasury shares				(3)	(3)								(3)
Change in scope of consolidation					-								-
Change in scope of equity method			219		219								219
Reversal of revaluation reserve for land			1,585		1,585								1,585
Change in ownership interest of parent due to transactions with non-controlling interests		5			5								5
Net changes in items other than shareholders' equity						1,913	102	(1,585)	3,330	7,971	11,733	179	11,912
Total changes during period	-	5	(12,478)	(3)	(12,475)	1,913	102	(1,585)	3,330	7,971	11,733	179	(563)
Balance at end of period	15,000	31,938	10,227	(266)	56,899	4,739	(21)	2,065	8,369	18,445	33,598	3,743	94,241

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended May 31, 2025	For the fiscal year ended May 31, 2026
Cash flows from operating activities		
Loss before income taxes	(477)	(11,113)
Depreciation	8,271	9,333
Impairment losses	1,077	16,761
Amortization of goodwill	633	-
Increase (decrease) in allowance for doubtful accounts	(269)	(62)
Increase (decrease) in provision for bonuses	(57)	(41)
Increase (decrease) in provision for loss on disaster	(572)	(121)
Increase (decrease) in provision for product repair	39	(7)
Increase (decrease) in retirement benefits asset liability	(2,744)	(1,899)
Interest and dividend income	(567)	(413)
Interest expenses	1,610	1,998
Business restructuring expenses	-	3,342
Environmental expenses	414	-
Share of loss (profit) of entities accounted for using equity method	(254)	(365)
Loss (gain) on sale of investment securities	(534)	(1,307)
Loss (gain) on valuation of investment securities	2	0
Loss (gain) on sale of non-current assets	(247)	(7,270)
Loss on retirement of non-current assets	642	412
Loss on tax purpose reduction entry of non-current assets	66	12
Decrease (increase) in trade receivables	(627)	4,060
Decrease (increase) in inventories	(259)	1,098
Increase (decrease) in trade payables	(2,321)	(4,197)
Increase (decrease) in other liabilities	5,519	(6,668)
Other, net	(3,589)	5,692
Subtotal	5,755	9,243
Interest and dividends received	654	543
Interest paid	(1,601)	(2,000)
Income taxes paid	(1,591)	(1,393)
Payments for business restructuring expenses	-	(988)
Net cash provided by (used in) operating activities	3,216	5,404
Cash flows from investing activities		
Payments into time deposits	(1,970)	(2,542)
Proceeds from withdrawal of time deposits	1,988	2,439
Purchase of securities	(55)	(10)
Purchase of property, plant and equipment	(13,277)	(16,252)
Proceeds from sale of property, plant and equipment	102	9,628
Purchase of investment securities	(700)	(426)
Proceeds from sale of investment securities	533	1,877
Loan advances	(14)	(3)
Proceeds from collection of loans receivable	65	4
Other payments	(1,006)	(778)
Other proceeds	0	20
Net cash provided by (used in) investing activities	(14,334)	(6,042)

(Millions of yen)

	For the fiscal year ended May 31, 2025	For the fiscal year ended May 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(6,522)	(2,211)
Repayments of finance lease liabilities	(728)	(799)
Proceeds from long-term borrowings	35,200	33,400
Repayments of long-term borrowings	(19,770)	(22,118)
Purchase of treasury shares	(3)	(3)
Dividends paid	(701)	(779)
Dividends paid to non-controlling interests	(1)	(3)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(21)
Net cash provided by (used in) financing activities	7,470	7,462
Effect of exchange rate change on cash and cash equivalents	504	891
Net increase (decrease) in cash and cash equivalents	(3,144)	7,715
Cash and cash equivalents at beginning of period	23,312	20,221
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	53	-
Cash and cash equivalents at end of period	20,221	27,937

(5) Key Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)
Not applicable.

(Notes on Significant Changes in Scope of Consolidation)
From the current consolidated fiscal year, Sankyo Ta Tung Aluminium Co., Ltd., a non-consolidated subsidiary, has been included in the scope of consolidation due to its increase in materiality.
Sankyo Tech, Inc.,a consolidated subsidiary, conducted an absorption-type merger with SKC, Inc., also a consolidated subsidiary, on April 1, 2026.

(Changes in Accounting Policies)
(Changes in Estimate of an Asset Retirement Obligation)
During the current consolidated fiscal year, regarding the restoration costs under real estate lease contracts, the Company revised its estimates based on new information such as recent actual restoration costs. An increase of 837 million yen resulting from this change in estimate has been added to the balance of asset retirement obligations prior to the change.

(Notes on Segment Information, etc.)
[Segment Information]
1. Summary of reportable segments
The Reportable segments of the Company are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic review to determine distribution of management resources and evaluate their business results.
The Company adopts the in-house company system. Each in-house company develops comprehensive strategies for its product lines, etc. to conduct business activities.
Meanwhile, the Company is promoting expansion in global businesses, including the development of its aluminum extrusions business centered on Europe and the ASEAN region.
Accordingly, the Group sets up the “Construction Materials Business,” “Materials Business,” and “Commercial Facilities Business,” which are based on in-house companies, and the “Global Business” as our four reporting segments.
The “Construction Materials Business” conducts manufacture and sales, etc., of building construction products, housing construction products, and exterior products. The “Materials Business” conducts casting, extrusions, processing, and sales, etc. of aluminum and magnesium. The “Commercial Facilities Business” conducts manufacture and sales of storefront display fixtures and signboards, and stores and related facilities maintenance, etc. The “Global Business” conducts casting, extrusions, and processing of aluminum and sales, etc. overseas.

2. Methods of measurement for the amounts of net sales, income or loss, assets and other items by reportable segments
The accounting treatment methods regarding the reportable segments are the same as the methods for the preparation of consolidated financial statements.
The income or loss of business segments is based on operating profit. Intersegment sales and transfers are based on prevailing market prices.

Previous fiscal year (from June 1, 2024, to May 31, 2025)

1. Net sales and income or loss by reportable segments

(Millions of yen)

	Reportable segments					Others (*1)	Total	Adjustments (*2)	Amounts in consolidated financial statements (*3)
	Construction Materials Business	Materials Business	Commercial Facilities Business	Global Business	Total				
Net sales									
Net sales to external customers	178,652	59,781	44,522	76,145	359,102	322	359,424	-	359,424
Intersegment sales or transfers	4,569	39,831	79	1,961	46,443	-	46,443	(46,443)	-
Total	183,222	99,613	44,601	78,107	405,545	322	405,868	(46,443)	359,424
Segment income (loss)	236	2,602	1,460	(2,598)	1,701	(63)	1,637	(92)	1,545
Segment assets	136,423	64,706	26,088	66,248	293,467	2,511	295,978	4,475	300,454
Other items									
Depreciation	2,787	2,327	400	2,706	8,221	29	8,250	21	8,271
Amortization of goodwill	-	-	-	633	633	-	633	-	633
Investment amounts to equity-method companies	3,841	-	-	-	3,841	-	3,841	-	3,841
Increase in property, plant and equipment and intangible assets	2,556	4,282	329	4,995	12,164	1	12,166	1	12,167

Notes: 1. The “Others” category is a business segment which is not included in the reportable segments and includes leasing business and plant factory business, etc.

2. (1) Adjustment of segment income (loss) of (92) million yen includes corporate expenses of (90) million yen not allocated to each reportable segment. Corporate expenses are primarily selling, general and administrative expenses not attributable to each reportable segment.

(2) Adjustment of segment assets of 4,475 million yen is for corporate assets not allocated to each reportable segment. They are mainly surplus funds and assets related to the administrative division of the Company.

(3) Adjustment of increase in property, plant and equipment and intangible assets of 1 million yen is mainly increase in property, plant and equipment of the administrative division of the Company.

3. Segment income (loss) is adjusted with operating profit in the consolidated statement of income.

Current fiscal year (from June 1, 2025, to May 31, 2026)

1. Net sales and income or loss by reportable segments

(Millions of yen)

	Reportable segments					Others (*1)	Total	Adjustments (*2)	Amounts in consolidated financial statements (*3)
	Construction Materials Business	Materials Business	Commercial Facilities Business	Global Business	Total				
Net sales									
Net sales to external customers	167,537	67,729	42,599	79,221	357,087	446	357,533	-	357,533
Intersegment sales or transfers	4,566	36,762	56	1,459	42,844	-	42,844	(42,844)	-
Total	172,104	104,491	42,655	80,680	399,931	446	400,377	(42,844)	357,533
Segment income (loss)	1,069	2,353	718	(2,433)	1,708	(76)	1,632	(86)	1,546
Segment assets	123,314	79,338	28,745	67,130	298,528	2,378	300,906	5.085	305,992
Other items									
Depreciation	2,955	3,181	423	2,740	9,301	31	9,332	0	9,333
Amortization of goodwill	-	-	-	-	-	-	-	-	-
Investment amounts to equity-method companies	4,502	-	-	-	4,502	-	4,502	-	4,502
Increase in property, plant and equipment and intangible assets	3,506	11,918	273	2,778	18,476	0	18,476	0	18,477

Notes: 1. The "Others" category is a business segment which is not included in the reportable segments and includes leasing business and plant factory business, etc.

2. (1) Adjustment of segment income (loss) of (86) million yen includes corporate expenses of (87) million yen not allocated to each reportable segment. Corporate expenses are primarily selling, general and administrative expenses not attributable to each reportable segment.

(2) Adjustment of segment assets of 5,085 million yen is for corporate assets not allocated to each reportable segment. They are mainly surplus funds and assets related to the administrative division of the Company.

(3) Adjustment of increase in property, plant and equipment and intangible assets of 0 million yen is mainly increase in intangible assets of the administrative division of the Company.

3. Segment income (loss) is adjusted with operating profit in the consolidated statement of income.

(Per Share Information)

	For the fiscal year ended May 31, 2025	For the fiscal year ended May 31, 2026
Net assets per share (Yen)	2,911.36	2,888.11
(Loss) per share (Yen)	(74.54)	(430.74)

Notes: 1. Diluted earnings per share is not presented for the previous fiscal year or the current fiscal year as a loss per share was recorded and there are no potentially dilutive shares.

2. The basis for calculation of net assets per share is as follows:

	As of May 31, 2025	As of May 31, 2026
Net assets (Millions of yen)	94,804	94,241
Amounts deducted from total net assets (Millions of yen)	3,564	3,743
(incl. Non-controlling Interests)	(3,564)	(3,743)
Net assets attributable to common stock at the end of the fiscal year (Millions of yen)	91,240	90,498
Number of shares of common stock at the end of the fiscal year used to determine net assets per share (Thousand shares)	31,339	31,334

3. The basis for calculation of loss per share is as follows:

	For the fiscal year ended May 31, 2025	For the fiscal year ended May 31, 2026
(Loss) per share		
Loss attributable to owners of parent (Millions of yen)	(2,336)	(13,498)
Amount not attributable to common shareholders (Millions of yen)	-	-
Loss attributable to common shareholders of owners of the parent (Millions of yen)	(2,336)	(13,498)
Weighted average number of shares of common stock (Thousands of shares)	31,341	31,337

(Significant Subsequent Events)

Not applicable.