

## Shinwa (3447)

Consolidated Fiscal Year (IFRS) (Million Yen)		Revenue	Operating income	Profit before income taxes	Profit attributable to owners of the parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY03/2018		16,586	2,306	2,238	1,459	105.9	43.0	868.0
FY03/2019		17,512	1,963	1,894	1,331	96.4	44.0	919.2
FY03/2020CoE		17,000	2,060	1,990	1,400	100.1	44.0	-
FY03/2019	YoY	5.6%	(14.9%)	(15.4%)	(8.8%)	-	-	-
FY03/2020CoE	YoY	(2.9%)	4.9%	5.0%	5.1%	-	-	-
Consolidated Half Year (IFRS) (Million Yen)		Revenue	Operating income	Profit before income taxes	Profit attributable to owners of the parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q2 FY03/2019		8,624	1,004	974	627	-	-	-
Q3 to Q4 FY03/2019		8,888	959	920	704	-	-	-
Q1 to Q2 FY03/2020CoE		8,880	1,130	1,100	770	-	-	-
Q3 to Q4 FY03/2020CoE		8,120	930	890	630	-	-	-
Q1 to Q2 FY03/2020CoE	YoY	3.0%	12.5%	12.9%	22.7%	-	-	-
Q3 to Q4 FY03/2020CoE	YoY	(8.6%)	(3.1%)	(3.3%)	(10.5%)	-	-	-

Source: Company Data, WRJ Calculation

### 1.0 Results Update (5 June 2019)


#### Conservative Assumptions

Shinwa, manufacturing/selling temporary construction materials and logistics equipment, is on the verge of seeing recovery of earnings. In FY03/2019, gross profit margin was under pressure due to price hike of steel materials accounting for the bulk of cost of revenue and also to decreased revenue in H2 for next generation scaffold carrying high added value. As a whole for the Company, sales increased but earnings came down. Meanwhile, price hike of steel materials is to be passed on to selling price on a full-year basis in FY03/2020, implying improved gross profit margin over the previous year. Next generation scaffold, having had suffered from short-term adjustments of revenue as demand associated with large-scale buildings did not reappear, is expected to consistently replace existing prefabricated scaffold (with which the Company is not involved as system manufacturer of scaffold) in a long-term view. In the first place, next generation scaffold provides construction sites with solutions together with its high efficiency for operations, its high guarantee on safety and its capability to cut back noises. Still, FY03/2020 Company forecasts appear to be based on conservative assumptions. We are to interview with management to discuss the issues more in depth so that we should be able to initiate coverage on the Company.

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## 2.0 Company Profile

### Manufacturing/Selling Temporary Construction Materials and Logistics Equipment

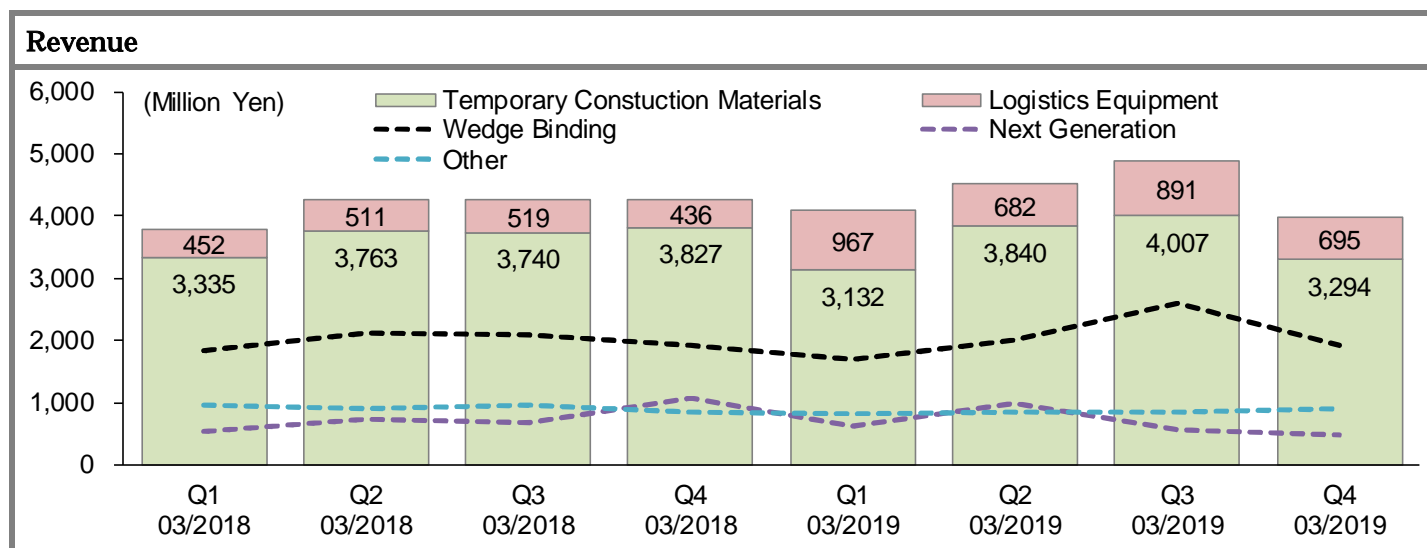
<b>Company Name</b>	Shinwa Co., Ltd. <a href="#">Website</a> <a href="#">IR Information (Japanese)</a> <a href="#">Share Price (Japanese)</a> 
<b>Established</b>	11 August 2014 (effectively set up on 1 August 1979)
<b>Listing</b>	20 March 2019: Tokyo/Nagoya Stock Exchange 1st section (ticker: 3447) 21 June 2018: Nagoya Stock Exchange 2nd section 20 March 2018: Tokyo Stock Exchange 2nd section
<b>Capital</b>	¥150m (as of the end of March 2019)
<b>No. of Shares</b>	13,988,800 shares (as of the end of March 2019)
<b>Main Features</b>	<ul style="list-style-type: none"> <li>● Leading the market for wedge binding type scaffold in Japan</li> <li>● Focus on next generation scaffold, incorporating function to lock</li> <li>● Also involved with diverse logistics equipment</li> </ul>
<b>Business Segment</b>	. Manufacture/Sale of Temporary Materials and Logistics Equipment
<b>Top Management</b>	Representative Director: Hiroshi Yamada
<b>Shareholders</b>	GOLDMAN, SACHS & CO. REG 12.9%, BNY GCM CLIENT 6.0%, Japan Master trust account 5.5% (as of the end of March 2019)
<b>Headquarters</b>	Kaizu-city, Gifu-prefecture, JAPAN
<b>No. of Employees</b>	Consolidated: 155, Parent: 132 (as of the end of March 2019)

Source: Company Data

## 3.0 Recent Trading and Prospects

### FY03/2019 Results

In FY03/2019, revenue came in at ¥17,512m (up 5.6% YoY), operating income ¥1,963m (down 14.9%), profit before income taxes ¥1,894m (down 15.4%) and profit attributable to owners of the parent ¥1,331m (down 8.8%), while operating profit margin 11.2% (down 2.7% points).



Source: Company Data, WRJ Calculation

The Company, manufacturing/selling temporary construction materials as the key operations, saw revenue of ¥14,275m (down 2.7%) on the Temporary Construction Materials side and revenue of ¥3,236m (up 68.6%) on the Logistics Equipment side. Meanwhile, revenue on the Temporary Construction Materials side comprised that of ¥8,214m (up 3.1%) on wedge binding type scaffold, that of ¥2,657m (down 11.9%) on next generation scaffold and that of ¥3,402m (down 7.6%) on other temporary materials.

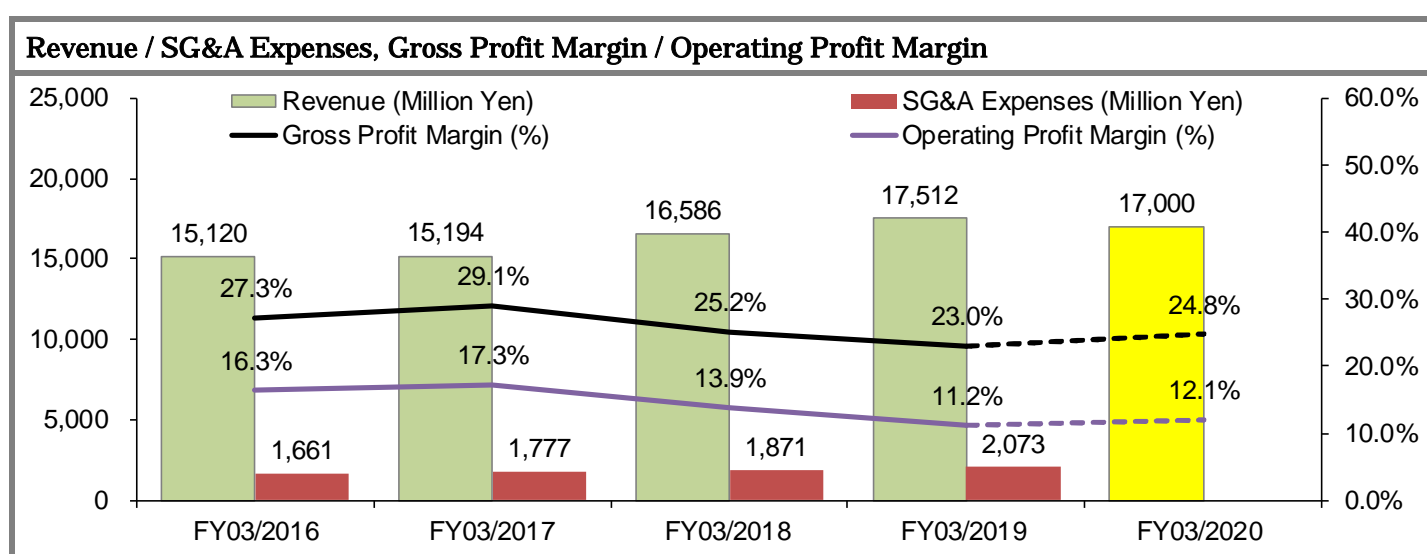
In regards to wedge binding type scaffold, adopted in construction sites for low-to-middle-layer buildings represented by detached houses, sales were supposed to come down over the previous year, negatively affected by shortage of labor force at the construction sites. However, sales here picked up at the end of the day, driven by restoration demand associated with a series of natural disasters. Meanwhile, in regards to next generation scaffold, adopted in construction sites for middle-to-high-layer large-scale buildings and/or public works, revenue came in at ¥627m (up 17.2%) in Q1, ¥977m (up 31.3%) in Q2, ¥568m (down 15.5%) in Q3 and ¥484m (down 54.5%) in Q4, suggesting a changeover from increases to decreases in H2 over H1.

Demand for next generation scaffold used to pick up nicely as product to provide construction sites with solutions together with its high efficiency for operations, its high guarantee on safety and its capability to cut back noises. However, sales in H2 came down in line with progressing completion of large-scale buildings represented by New National Stadium (Tokyo) for 2020 Tokyo Olympics/Paralympics. General contractors or the final users who used to take advantage of the Company's next generation scaffold on lease for all those large-scale buildings started to rapidly return them to leaser or material lease company to which the Company directly sells. Given the fact that they were all large-scale buildings, the said leaser suffered from inventory build up for the Company's next generation scaffold and revenue with the Company came down.

Meanwhile, revenue on the Logistics Equipment side surged. On top of having acquired large-scale repeat order on diverse items, including large-scale rack for warehouse of major Internet sales operator, LED-built-in multistage rack for artificial-light-oriented plant factory and transport equipment for automotive industry, the Company suggests demand for bulk container cage for liquid transportation has remained increasingly buoyant.

### FY03/2020 Company Forecasts

FY03/2020 Company forecasts are going for prospective revenue of ¥17,000m (down 2.9% YoY), operating income of ¥2,060m (up 4.9%), profit before income taxes of ¥1,990m (up 5.0%) and profit attributable to owners of the parent of ¥1,400m (up 5.1%), while operating profit margin of 12.1% (up 0.9% points). Company forecasts are also going for prospective annual dividend of ¥44.0 per share, implying payout ratio of 44.0%.



Source: Company Data, WRJ Calculation

Company forecasts assume prospective revenue of ¥14,363m (up 0.6%) on the Temporary Construction Materials side and that of ¥2,637m (down 18.5%) on the Logistics Equipment side, while gross profit margin of 24.8% (up 1.8% points).

In regards to the mainstay wedge binding type scaffold on the Temporary Construction Materials side, the Company is going for buoyant revenue, driven by increased demand associated with renovation and with maintenance/repair of social infrastructure. In regards to next generation scaffold, the Company is going for increased demand, driven by needs to cope with improvement of efficiency due to shortage of labor force and with safety enhancement, although negative impacts stemming from decreased large-scale buildings are a concern. On the Logistics Equipment side, the Company is going for further strengths on demand for bulk container cage for liquid transportation, while pulling out of operations carrying low profit margin. On top of this, revenue of large-scale rack for warehouse of major Internet sales operator is not to reappear.

Meanwhile, the Company is going for price of steel materials remaining high, but price hike so far is to be passed on to selling price on a full-year basis in FY03/2020, implying improved gross profit margin over the previous year.

## 4.0 Financial Statements

### Income Statement (Cumulative, Quarterly)

Income Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 03/2018	Q1 to Q2 03/2018	Q1 to Q3 03/2018	Q1 to Q4 03/2018	Q1 03/2019	Q1 to Q2 03/2019	Q1 to Q3 03/2019	Q1 to Q4 03/2019		
<b>Revenue</b>	<b>3,788</b>	<b>8,062</b>	<b>12,322</b>	<b>16,586</b>	<b>4,100</b>	<b>8,624</b>	<b>13,522</b>	<b>17,512</b>	<b>+926</b>	
Cost of revenue	2,775	5,945	9,109	12,410	3,177	6,666	10,440	13,482	+1,071	
Gross profit	1,012	2,117	3,212	4,175	923	1,957	3,081	4,030	(144)	
SG&A expenses	440	902	1,375	1,871	490	958	1,493	2,073	+201	
Other income	4	6	9	12	3	6	12	11	(1)	
Other expenses	(5)	(5)	(6)	(9)	0	(1)	(2)	(4)	+5	
<b>Operating income</b>	<b>570</b>	<b>1,214</b>	<b>1,839</b>	<b>2,306</b>	<b>436</b>	<b>1,004</b>	<b>1,598</b>	<b>1,963</b>	<b>(342)</b>	
Financial revenue / expenses	(17)	(34)	(51)	(67)	(15)	(30)	(45)	(69)	(1)	
<b>Profit before taxes</b>	<b>553</b>	<b>1,180</b>	<b>1,788</b>	<b>2,238</b>	<b>420</b>	<b>974</b>	<b>1,552</b>	<b>1,894</b>	<b>(344)</b>	
Income tax expenses	187	414	622	779	158	346	547	563	(215)	
<b>Profit for the period</b>	<b>365</b>	<b>766</b>	<b>1,166</b>	<b>1,459</b>	<b>261</b>	<b>627</b>	<b>1,005</b>	<b>1,331</b>	<b>(128)</b>	
<b>Profit attributable to owner of the parent</b>	<b>365</b>	<b>766</b>	<b>1,166</b>	<b>1,459</b>	<b>261</b>	<b>627</b>	<b>1,005</b>	<b>1,331</b>	<b>(128)</b>	
Revenue YoY	-	-	-	+9.2%	+8.2%	+7.0%	+9.7%	+5.6%	-	
Operating income YoY	-	-	-	(12.3%)	(23.6%)	(17.3%)	(13.1%)	(14.9%)	-	
Profit before taxes YoY	-	-	-	(12.5%)	(24.0%)	(17.5%)	(13.2%)	(15.4%)	-	
Profit for the period YoY	-	-	-	(13.1%)	(28.5%)	(18.1%)	(13.8%)	(8.8%)	-	
Profit attributable to owner of the parent YoY	-	-	-	(13.1%)	(28.5%)	(18.1%)	(13.8%)	(8.8%)	-	
Gross profit margin	26.7%	26.3%	26.1%	25.2%	22.5%	22.7%	22.8%	23.0%	(2.2%)	
(SG&A expenses / revenue)	11.6%	11.2%	11.2%	11.3%	12.0%	11.1%	11.0%	11.8%	+0.6%	
Operating income margin	15.1%	15.1%	14.9%	13.9%	10.6%	11.6%	11.8%	11.2%	(2.7%)	
Profit before taxes margin	14.6%	14.6%	14.5%	13.5%	10.3%	11.3%	11.5%	10.8%	(2.7%)	
Profit for the period margin	9.7%	9.5%	9.5%	8.8%	6.4%	7.3%	7.4%	7.6%	(1.2%)	
Profit attributable to owner of the parent margin	9.7%	9.5%	9.5%	8.8%	6.4%	7.3%	7.4%	7.6%	(1.2%)	
Income tax expenses / Profit before taxes	33.8%	35.1%	34.8%	34.8%	37.7%	35.6%	35.2%	29.7%	(5.1%)	

Income Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 03/2018	Q2 03/2018	Q3 03/2018	Q4 03/2018	Q1 03/2019	Q2 03/2019	Q3 03/2019	Q4 03/2019		
<b>Revenue</b>	<b>3,788</b>	<b>4,274</b>	<b>4,259</b>	<b>4,263</b>	<b>4,100</b>	<b>4,523</b>	<b>4,898</b>	<b>3,989</b>	<b>(273)</b>	
Cost of revenue	2,775	3,169	3,164	3,300	3,177	3,489	3,773	3,041	(259)	
Gross profit	1,012	1,105	1,095	962	923	1,034	1,124	948	(14)	
SG&A expenses	440	462	472	496	490	467	535	579	+83	
Other income	4	2	2	3	3	3	5	(1)	(5)	
Other expenses	(5)	0	0	(3)	0	(1)	0	(1)	+1	
<b>Operating income</b>	<b>570</b>	<b>644</b>	<b>624</b>	<b>467</b>	<b>436</b>	<b>568</b>	<b>594</b>	<b>365</b>	<b>(102)</b>	
Financial revenue / expenses	(17)	(17)	(16)	(16)	(15)	(14)	(15)	(23)	(6)	
<b>Profit before taxes</b>	<b>553</b>	<b>627</b>	<b>608</b>	<b>450</b>	<b>420</b>	<b>553</b>	<b>578</b>	<b>341</b>	<b>(108)</b>	
Income tax expenses	187	227	207	156	158	188	200	16	(140)	
<b>Profit for the period</b>	<b>365</b>	<b>400</b>	<b>400</b>	<b>293</b>	<b>261</b>	<b>365</b>	<b>378</b>	<b>325</b>	<b>+32</b>	
<b>Profit attributable to owner of the parent</b>	<b>365</b>	<b>400</b>	<b>400</b>	<b>293</b>	<b>261</b>	<b>365</b>	<b>378</b>	<b>325</b>	<b>+32</b>	
Revenue YoY	-	-	-	-	+8.2%	+5.8%	+15.0%	(6.4%)	-	
Operating income YoY	-	-	-	-	(23.6%)	(11.8%)	(4.8%)	(21.8%)	-	
Profit before taxes YoY	-	-	-	-	(24.0%)	(11.7%)	(4.8%)	(24.1%)	-	
Profit attributable to owner of the parent YoY	-	-	-	-	(28.5%)	(8.6%)	(5.5%)	+11.0%	-	
Gross profit margin	26.7%	25.9%	25.7%	22.6%	22.5%	22.9%	23.0%	23.8%	+1.2%	
(SG&A expenses / revenue)	11.6%	10.8%	11.1%	11.6%	12.0%	10.3%	10.9%	14.5%	+2.9%	
Operating income margin	15.1%	15.1%	14.7%	11.0%	10.6%	12.6%	12.1%	9.2%	(1.8%)	
Profit before taxes margin	14.6%	14.7%	14.3%	10.6%	10.3%	12.2%	11.8%	8.6%	(2.0%)	
Profit for the period margin	9.7%	9.4%	9.4%	6.9%	6.4%	8.1%	7.7%	8.2%	+1.3%	
Profit attributable to owner of the parent margin	9.7%	9.4%	9.4%	6.9%	6.4%	8.1%	7.7%	8.2%	+1.3%	
Income tax expenses / Profit before taxes	33.8%	36.2%	34.2%	34.8%	37.7%	34.0%	34.6%	4.7%	(30.1%)	

Source: Company Data, WRJ Calculation

## Revenue by Business Division (Cumulative, Quarterly)

Revenue by Business Division	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		Net Chg.
	03/2018	03/2018	03/2018	03/2018	03/2019	03/2019	03/2019	03/2019	03/2019	
Wedge Binding Type Scaffold	1,834	3,960	6,058	7,967	1,682	3,696	6,300	8,214		+247
Next Generation Scaffold	535	1,280	1,952	3,018	627	1,605	2,173	2,657		(360)
Other Temporary Construction Materials	965	1,858	2,828	3,680	822	1,672	2,507	3,402		(278)
Temporary Construction Materials	3,335	7,098	10,839	14,666	3,132	6,973	10,980	14,275		(390)
Logistics Equipment	452	963	1,483	1,919	967	1,650	2,541	3,236		+1,317
<b>Revenue</b>	<b>3,788</b>	<b>8,062</b>	<b>12,322</b>	<b>16,586</b>	<b>4,100</b>	<b>8,624</b>	<b>13,522</b>	<b>17,512</b>		<b>+926</b>
Wedge Binding Type Scaffold	-	-	-	(8.8%)	(8.3%)	(6.7%)	+4.0%	+3.1%		-
Next Generation Scaffold	-	-	-	+546.6%	+17.2%	+25.4%	+11.3%	(11.9%)		-
Other Temporary Construction Materials	-	-	-	(9.6%)	(14.8%)	(10.0%)	(11.4%)	(7.6%)		-
Temporary Construction Materials	-	-	-	+10.5%	(6.1%)	(1.8%)	+1.3%	(2.7%)		-
Logistics Equipment	-	-	-	(0.1%)	+113.9%	+71.2%	+71.4%	+68.6%		-
<b>Revenue (YoY)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>+9.2%</b>	<b>+8.2%</b>	<b>+7.0%</b>	<b>+9.7%</b>	<b>+5.6%</b>		<b>-</b>
Wedge Binding Type Scaffold	48.4%	49.1%	49.2%	48.0%	41.0%	42.9%	46.6%	46.9%		-
Next Generation Scaffold	14.1%	15.9%	15.8%	18.2%	15.3%	18.6%	16.1%	15.2%		-
Other Temporary Construction Materials	25.5%	23.0%	23.0%	22.2%	20.1%	19.4%	18.5%	19.4%		-
Temporary Construction Materials	88.1%	88.0%	88.0%	88.4%	76.4%	80.9%	81.2%	81.5%		-
Logistics Equipment	11.9%	12.0%	12.0%	11.6%	23.6%	19.1%	18.8%	18.5%		-
<b>Revenue (Composition Ratio)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		<b>-</b>
Revenue by Business Division	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
	03/2018	03/2018	03/2018	03/2018	03/2019	03/2019	03/2019	03/2019	03/2019	
Wedge Binding Type Scaffold	1,834	2,126	2,097	1,909	1,682	2,013	2,604	1,914		+5
Next Generation Scaffold	535	744	672	1,065	627	977	568	484		(580)
Other Temporary Construction Materials	965	892	969	852	822	850	834	895		+42
Temporary Construction Materials	3,335	3,763	3,740	3,827	3,132	3,840	4,007	3,294		(532)
Logistics Equipment	452	511	519	436	967	682	891	695		+258
<b>Revenue</b>	<b>3,788</b>	<b>4,274</b>	<b>4,259</b>	<b>4,263</b>	<b>4,100</b>	<b>4,523</b>	<b>4,898</b>	<b>3,989</b>		<b>(273)</b>
Wedge Binding Type Scaffold	-	-	-	-	(8.3%)	(5.3%)	+24.1%	+0.3%		-
Next Generation Scaffold	-	-	-	-	+17.2%	+31.3%	(15.5%)	(54.5%)		-
Other Temporary Construction Materials	-	-	-	-	(14.8%)	(4.8%)	(13.9%)	+5.0%		-
Temporary Construction Materials	-	-	-	-	(6.1%)	+2.1%	+7.1%	(13.9%)		-
Logistics Equipment	-	-	-	-	+113.9%	+33.5%	+71.6%	+59.2%		-
<b>Revenue (YoY)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>+8.2%</b>	<b>+5.8%</b>	<b>+15.0%</b>	<b>(6.4%)</b>		<b>-</b>
Wedge Binding Type Scaffold	48.4%	49.7%	49.3%	44.8%	41.0%	44.5%	53.2%	48.0%		-
Next Generation Scaffold	14.1%	17.4%	15.8%	25.0%	15.3%	21.6%	11.6%	12.1%		-
Other Temporary Construction Materials	25.5%	20.9%	22.8%	20.0%	20.1%	18.8%	17.0%	22.4%		-
Temporary Construction Materials	88.1%	88.0%	87.8%	89.8%	76.4%	84.9%	81.8%	82.6%		-
Logistics Equipment	11.9%	12.0%	12.2%	10.2%	23.6%	15.1%	18.2%	17.4%		-
<b>Revenue (Composition Ratio)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		<b>-</b>

Source: Company Data, WRJ Calculation

## Balance Sheet (Quarterly)

Balance Sheet	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY	Net Chg.
(Million Yen)	03/2018	03/2018	03/2018	03/2018	03/2019	03/2019	03/2019	03/2019	03/2019	Net Chg.
Cash and cash equivalents	-	-	1,973	1,507	909	983	1,237	1,742		+234
Accounts receivables, etc.	-	-	3,626	4,258	3,699	4,003	3,457	3,817		(440)
Inventory	-	-	2,202	2,142	3,107	3,041	2,683	2,382		+239
Other	-	-	105	168	138	141	85	121		(46)
<b>Current assets</b>	-	-	<b>7,907</b>	<b>8,077</b>	<b>7,854</b>	<b>8,170</b>	<b>7,465</b>	<b>8,064</b>		<b>(13)</b>
Property, plant and equipment	-	-	2,334	2,453	2,468	2,547	2,550	2,495		+42
Goodwill	-	-	9,221	9,221	9,221	9,221	9,221	9,221		0
Intangible assets	-	-	1,251	1,263	1,265	1,260	1,278	1,276		+12
Other	-	-	78	68	86	81	82	114		+46
<b>Non-current assets</b>	-	-	<b>12,885</b>	<b>13,007</b>	<b>13,041</b>	<b>13,110</b>	<b>13,133</b>	<b>13,108</b>		<b>+100</b>
<b>Total Assets</b>	-	-	<b>20,793</b>	<b>21,084</b>	<b>20,896</b>	<b>21,281</b>	<b>20,598</b>	<b>21,172</b>		<b>+87</b>
Accounts payables, etc.	-	-	1,188	1,468	1,396	998	950	1,180		(288)
Short-term loans	-	-	767	767	1,058	1,798	918	494		(273)
Other	-	-	542	615	500	563	419	502		(113)
<b>Current liabilities</b>	-	-	<b>2,497</b>	<b>2,852</b>	<b>2,956</b>	<b>3,360</b>	<b>2,288</b>	<b>2,177</b>		<b>(674)</b>
Long-term loans	-	-	6,202	5,818	5,820	5,436	5,437	5,685		(133)
Other	-	-	429	445	458	455	458	450		+5
<b>Non-current liabilities</b>	-	-	<b>6,631</b>	<b>6,263</b>	<b>6,278</b>	<b>5,891</b>	<b>5,896</b>	<b>6,136</b>		<b>(127)</b>
<b>Total liabilities</b>	-	-	<b>9,129</b>	<b>9,116</b>	<b>9,234</b>	<b>9,252</b>	<b>8,185</b>	<b>8,313</b>		<b>(802)</b>
<b>Equity attributable to owners of the parent</b>	-	-	<b>11,663</b>	<b>11,968</b>	<b>11,661</b>	<b>12,028</b>	<b>12,413</b>	<b>12,859</b>		<b>+890</b>
<b>Total equity</b>	-	-	<b>11,663</b>	<b>11,968</b>	<b>11,661</b>	<b>12,028</b>	<b>12,413</b>	<b>12,859</b>		<b>+890</b>
<b>Total liabilities and equity</b>	-	-	<b>20,793</b>	<b>21,084</b>	<b>20,896</b>	<b>21,281</b>	<b>20,598</b>	<b>21,172</b>		<b>+87</b>
Equity attributable to owners of the parent	-	-	11,663	11,968	11,661	12,028	12,413	12,859		+891
Interest bearing debt	-	-	6,970	6,586	6,878	7,234	6,356	6,180		(406)
Net debt	-	-	4,996	5,078	5,968	6,251	5,118	4,437		(641)
Equity ratio	-	-	56.1%	56.8%	55.8%	56.5%	60.3%	60.7%		+4.0%
Net debt equity ratio	-	-	42.8%	42.4%	51.2%	52.0%	41.2%	34.5%		(7.9%)
ROE (12 months)	-	-	-	13.0%	-	-	10.8%	10.7%		(2.3%)
ROA (12 months)	-	-	-	10.8%	-	-	9.7%	9.0%		(1.9%)
Days for inventory turnover	-	-	64	59	89	80	65	71		-
Quick ratio	-	-	224%	202%	156%	148%	205%	255%		-
Current ratio	-	-	317%	283%	266%	243%	326%	370%		-

Source: Company Data, WRJ Calculation

## Cash Flow Statement (Cumulative, Quarterly)

Cash Flow Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY	Net Chg.
(Million Yen)	03/2018	03/2018	03/2018	03/2018	03/2019	03/2019	03/2019	03/2019	03/2019	Net Chg.
Cash flow from operating activities	81	805	1,237	1,390	(234)	(202)	1,091	1,766		+376
Cash flow from Investing activities	(64)	(240)	(428)	(651)	(148)	(358)	(505)	(580)		+71
<b>Cash flow from operating / investeing activities</b>	<b>17</b>	<b>564</b>	<b>809</b>	<b>738</b>	<b>(383)</b>	<b>(560)</b>	<b>586</b>	<b>1,186</b>		<b>+447</b>
Cash flow from financing activities	(11)	(443)	(453)	(848)	(214)	35	(856)	(951)		(103)
Cash Flow Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY	Net Chg.
(Million Yen)	03/2018	03/2018	03/2018	03/2018	03/2019	03/2019	03/2019	03/2019	03/2019	Net Chg.
Cash flow from operating activities	81	723	432	152	(234)	32	1,293	675		+861
Cash flow from Investing activities	(64)	(176)	(187)	(223)	(148)	(209)	(146)	(75)		+40
<b>Cash flow from operating / investeing activities</b>	<b>17</b>	<b>547</b>	<b>244</b>	<b>(70)</b>	<b>(383)</b>	<b>(177)</b>	<b>1,146</b>	<b>600</b>		<b>+901</b>
Cash flow from financing activities	(11)	(431)	(10)	(394)	(214)	250	(891)	(95)		(881)

Source: Company Data, WRJ Calculation

**Disclaimer**

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Information here is a summary of “IR Information” of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. “IR Information” of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage etc.

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