

Shinwa (3447)

| Consolidated Fiscal Year (IFRS) | | Revenue | Operating profit | Profit before tax | Profit attributable to owners of parent | EPS (Yen) | DPS (Yen) | BPS (Yen) |
|---------------------------------|-----|---------|------------------|-------------------|---|-----------|-----------|-----------|
| (Million Yen) | | | | | | | | |
| FY03/2019 | | 17,512 | 1,963 | 1,894 | 1,331 | 96.44 | 44.00 | 919.24 |
| FY03/2020 | | 17,081 | 2,210 | 2,139 | 1,467 | 104.85 | 44.00 | 975.26 |
| FY03/2021CoE | | 13,900 | 1,230 | 1,158 | 797 | 56.57 | 23.00 | - |
| FY03/2020 | YoY | (2.5%) | 12.5% | 12.9% | 10.2% | - | - | - |
| FY03/2021CoE | YoY | (18.6%) | (44.3%) | (45.9%) | (45.7%) | - | - | - |
| Consolidated Half Year (IFRS) | | Revenue | Operating profit | Profit before tax | Profit attributable to owners of parent | EPS (Yen) | DPS (Yen) | BPS (Yen) |
| (Million Yen) | | | | | | | | |
| Q1 to Q2 FY03/2020 | | 9,370 | 1,222 | 1,186 | 814 | - | - | - |
| Q3 to Q4 FY03/2020 | | 7,711 | 987 | 952 | 652 | - | - | - |
| Q1 to Q2 FY03/2021CoE | | 6,130 | 367 | 331 | 215 | - | - | - |
| Q3 to Q4 FY03/2021CoE | | 7,770 | 863 | 827 | 582 | - | - | - |
| Q1 to Q2 FY03/2021CoE | YoY | (34.6%) | (70.0%) | (72.1%) | (73.6%) | - | - | - |
| Q3 to Q4 FY03/2021CoE | YoY | 0.8% | (12.6%) | (13.2%) | (10.8%) | - | - | - |

Source: Company Data, WRJ Calculation

1.0 Results Update (18 May 2020)


Double-digit Earnings Growth

On 15 May 2020, Shinwa, mainly manufacturing and selling system scaffolding, released its FY03/2020 results. It has been revealed that the results are better than initial Company forecasts. Operating profit, implying the underlying trend of earnings, steadily increased by double digit, i.e., up 12.5%, over the previous year. Still, FY03/2021 Company forecasts are going for major adjustments in prospective revenue and earnings, assuming that “impacts from new coronavirus infection disease” will reduce demand for the Company’s system scaffolding, etc. from construction industry by the end of September 2020 (the said disease to converge by the end of June). On a full-year basis, Company forecasts are going for prospective revenue of ¥11,018m (down 24.2% YoY) for the mainstay Temporary Materials in charge of manufacturing and selling of system scaffolding. On a quarterly basis, Company forecasts are going for down some 50% over the same period of the previous year in Q1, down some 40% in Q2 and down some 10% in Q3. That is to say, Company forecasts assume that construction demand, stemming from renovation work and maintenance & repair work for social infrastructure, is to gradually recover, starting in Q3, while going for roughly flat revenue over the same period of the previous year in Q4. We are to interview with management through web-conferencing service to discuss the issues more in depths, so that we should be able to update [Shinwa \(3447\) The Provinces and Overseas \(20 January 2020\)](#) and release anew.

IR Representative: Hiromichi Aoki , Corporate Planning Department (+81 584 66 4436/ir@shinwa-jp.com)

2.0 Company Profile

The Leader of Temporary Materials Technology

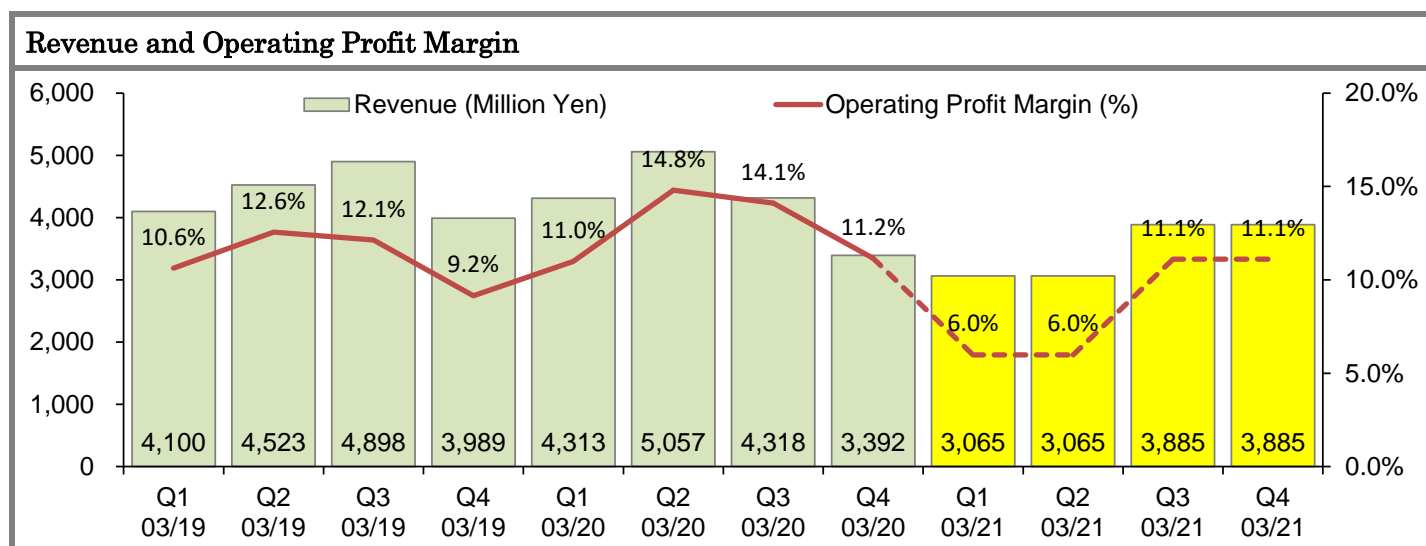
| | | |
|-------------------------|---|--|
| Company Name | Shinwa Co., Ltd. Website IR Information Share Price (Japanese) |  |
| Established | 11 August 2014 | |
| Listing | 20 March 2019: Tokyo and Nagoya Stock Exchange 1st section (ticker: 3447) 21 June 2018: Nagoya Stock Exchange 2nd section 20 March 2018: Tokyo Stock Exchange 2nd section | |
| Capital | ¥150m (as of the end of March 2020) | |
| No. of Shares | 14,089,200 shares (as of the end of March 2020) | |
| Main Features | <ul style="list-style-type: none"> ● Advocating the No. 1 share in the market of Japan for system scaffolding ● System scaffolding accounting for almost 80% of revenue in the mainstay Temporary Materials ● High flexibility and quality owing to first-class production capacity in Japan | |
| Business Segment | I . Manufacture and Sale of Temporary Materials and Distribution Equipment | |
| Top Management | Representative Director: Hiroshi Yamada | |
| Shareholders | Goldman Sachs International 11.3%, Master Trust Bank of Japan, T. 7.8%, Japan Trustee Services, T. 5.5%, Alinco Inc. 4.8% (as of the end of March 2020) | |
| Headquarters | Kaizu-city, Gifu-prefecture, JAPAN | |
| No. of Employees | Consolidated: 161 (as of the end of March 2020) | |

Source: Company Data

3.0 Recent Trading and Prospects

FY03/2020

In FY03/2020, revenue came in at ¥17,081m (down 2.5% YoY), operating profit ¥2,210m (up 12.5%), profit before tax ¥2,139m (up 12.9%) and profit attributable to owners of parent ¥1,467m (up 10.2%), while operating profit margin 12.9% (up 1.7% points). In Q4, “impacts from new coronavirus infection disease” did appear, but initial Company forecasts have been exceeded, i.e., by ¥81m (0.5%) in revenue, by ¥150m (7.3%) in operating profit, by ¥149m (7.5%) in profit before tax and by ¥67m (4.8%) in profit attributable to owners of parent.



Source: Company Data, WRJ Calculation (quarters in FY03/2021: half-year Company forecasts, pro rata)

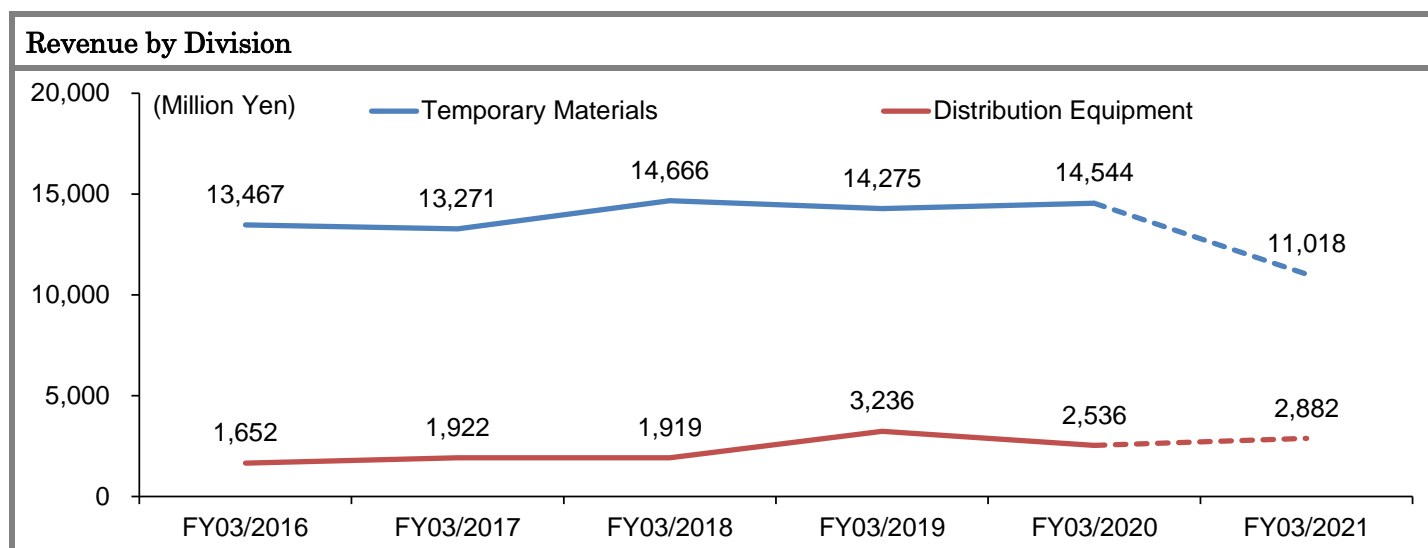
Revenue on the Temporary Materials side came in at ¥14,544m (up 1.9%) and revenue on the Distribution Equipment side ¥2,536m (down 21.6%). Meanwhile, gross profit came in at ¥4,329m (up 7.4%) and SG&A expenses ¥2,127m (up 2.6%), implying gross profit margin of 25.3% (up 2.3% points) and revenue to SG&A expenses ratio of 12.5% (up 0.6% points).

On the Temporary Materials side, revenue on a full-year basis increased over the previous year, despite a major decline in Q4. Trend of revenue here basically hinges on demand for system scaffolding, accounting for almost 80% of revenue as a whole. By the end of Q3, construction demand had remained firm in both the public and private sectors as restoration and reconstruction activities as a result of natural disasters continued, while infrastructure development and redevelopment projects were active in regions other than the Tokyo metropolitan area, given convergence of construction related to the Tokyo Olympic and Paralympic Games. On top of this, demand for safety-measure materials to prevent crashes and falls increased further with an objective to improve the safety in construction sites. Still, the customers' appetite for purchasing came down in Q4, negatively affected by “impacts from new coronavirus infection disease”. Meanwhile, on the Distribution Equipment side, revenue came down due to a decline in large-scale projects associated with logistics centers, but in line with initial expectations.

In FY03/2020, revenue as a whole for the Company came down, albeit not much, while operating profit margin improved, having resulted in steady increases of earnings. Revisions on selling prices are consistently successful, driving gross profit margin upwards. Although prices of raw materials, such as steel, remained at high levels, the Company worked well to restrain rising procurement prices by utilizing a wide range of raw materials procurement routes and by negotiating with suppliers, having seen procurement prices within the range of expectations. It appears this also contributes to improved gross profit margin. In line with increased personnel costs, etc., SG&A expenses did increase but not much.

FY03/2021 Company Forecasts

FY03/2021 Company forecasts are going for prospective revenue of ¥13,900m (down 18.6% YoY), operating profit of ¥1,230m (down 44.3%), profit before tax of ¥1,158m (down 45.9%) and profit attributable to owners of parent of ¥797m (down 45.7%), while operating profit margin of 8.8% (down 4.1% points). At the same time, Company forecasts are going for prospective annual dividend of ¥23.0 per share, implying payout ratio of 40.7%. Meanwhile, Company forecasts hinge on whether the timing of convergence for new coronavirus infection disease comes as expected or not as well as on prospective economic circumstances, etc.



Source: Company Data, WRJ Calculation

Company forecasts assume prospective revenue of ¥11,018m (down 24.2%) on the Temporary Construction Materials side and revenue of ¥2,882m (up 13.6%) on the Distribution Equipment side. “Impacts from new coronavirus infection disease” are appearing also on the Distribution Equipment side and thus Company forecasts are going for down some 10% for revenue over the same period of the previous year in Q1 and Q2, but up some 30% in H2. Company forecasts assume that investment demand for distribution equipment becomes normalized, while revenue on large-scale projects associated with logistics centers is scheduled to be booked.

4.0 Financial Statements

Statement of Profit or Loss (Cumulative/Quarterly)

| Statement of Profit or Loss | 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. |
| | 03/2019 | 03/2019 | 03/2019 | 03/2019 | 03/2020 | 03/2020 | 03/2020 | 03/2020 | 03/2020 | |
| Revenue | 4,100 | 8,624 | 13,522 | 17,512 | 4,313 | 9,370 | 13,688 | 17,081 | | (430) |
| Cost of sales | 3,177 | 6,666 | 10,440 | 13,482 | 3,283 | 7,063 | 10,238 | 12,751 | | (730) |
| Gross profit | 923 | 1,957 | 3,081 | 4,030 | 1,030 | 2,307 | 3,450 | 4,329 | | +299 |
| SG&A expenses | 490 | 958 | 1,493 | 2,073 | 555 | 1,084 | 1,619 | 2,127 | | +54 |
| Other income and expenses (net) | 3 | 5 | 10 | 7 | (0) | 0 | 0 | 8 | | +1 |
| Operating profit | 436 | 1,004 | 1,598 | 1,963 | 474 | 1,222 | 1,831 | 2,210 | | +246 |
| Financial income and costs (net) | (15) | (30) | (45) | (69) | (17) | (35) | (53) | (70) | | (1) |
| Profit before tax | 420 | 974 | 1,552 | 1,894 | 456 | 1,186 | 1,778 | 2,139 | | +244 |
| Income tax expenses | 158 | 346 | 547 | 563 | 156 | 371 | 557 | 671 | | +108 |
| Profit | 261 | 627 | 1,005 | 1,331 | 299 | 814 | 1,220 | 1,467 | | +136 |
| Profit attributable to owners of parent | 261 | 627 | 1,005 | 1,331 | 299 | 814 | 1,220 | 1,467 | | +135 |
| Profit attributable to non-con. interests | - | - | - | - | - | - | - | 0 | | +0 |
| Profit attributable to owners of parent | 261 | 627 | 1,005 | 1,331 | 299 | 814 | 1,220 | 1,467 | | +135 |
| Revenue YoY | +8.2% | +7.0% | +9.7% | +5.6% | +5.2% | +8.7% | +1.2% | (2.5%) | | - |
| Operating profit YoY | (23.6%) | (17.3%) | (13.1%) | (14.9%) | +8.7% | +21.7% | +14.6% | +12.5% | | - |
| Profit before tax YoY | (24.0%) | (17.5%) | (13.2%) | (15.4%) | +8.5% | +21.8% | +14.5% | +12.9% | | - |
| Profit YoY | (28.5%) | (18.1%) | (13.8%) | (8.8%) | +14.6% | +29.9% | +21.4% | +10.2% | | - |
| Profit attributable to owners of parent YoY | (28.5%) | (18.1%) | (13.8%) | (8.8%) | +14.6% | +29.9% | +21.4% | +10.2% | | - |
| Gross profit margin | 22.5% | 22.7% | 22.8% | 23.0% | 23.9% | 24.6% | 25.2% | 25.3% | | +2.3% |
| Revenue to SG&A expenses ratio | 12.0% | 11.1% | 11.0% | 11.8% | 12.9% | 11.6% | 11.8% | 12.5% | | +0.6% |
| Operating profit margin | 10.6% | 11.6% | 11.8% | 11.2% | 11.0% | 13.0% | 13.4% | 12.9% | | +1.7% |
| Profit before tax margin | 10.3% | 11.3% | 11.5% | 10.8% | 10.6% | 12.7% | 13.0% | 12.5% | | +1.7% |
| Profit margin | 6.4% | 7.3% | 7.4% | 7.6% | 7.0% | 8.7% | 8.9% | 8.6% | | +1.0% |
| Profit attributable to owners of parent margin | 6.4% | 7.3% | 7.4% | 7.6% | 7.0% | 8.7% | 8.9% | 8.6% | | +1.0% |
| Income tax expenses/Profit before tax | 37.7% | 35.6% | 35.2% | 29.7% | 34.3% | 31.3% | 31.3% | 31.4% | | +1.7% |

| Statement of Profit or Loss | 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. |
| | 03/2019 | 03/2019 | 03/2019 | 03/2019 | 03/2020 | 03/2020 | 03/2020 | 03/2020 | 03/2020 | |
| Revenue | 4,100 | 4,523 | 4,898 | 3,989 | 4,313 | 5,057 | 4,318 | 3,392 | | (597) |
| Cost of sales | 3,177 | 3,489 | 3,773 | 3,041 | 3,283 | 3,780 | 3,174 | 2,513 | | (527) |
| Gross profit | 923 | 1,034 | 1,124 | 948 | 1,030 | 1,277 | 1,143 | 879 | | (69) |
| SG&A expenses | 490 | 467 | 535 | 579 | 555 | 529 | 534 | 508 | | (71) |
| Other income and expenses (net) | 3 | 1 | 5 | (3) | (0) | 0 | 0 | 7 | | +11 |
| Operating profit | 436 | 568 | 594 | 365 | 474 | 748 | 609 | 378 | | +13 |
| Financial income and costs (net) | (15) | (14) | (15) | (23) | (17) | (18) | (17) | (17) | | +5 |
| Profit before tax | 420 | 553 | 578 | 341 | 456 | 730 | 591 | 360 | | +19 |
| Income tax expenses | 158 | 188 | 200 | 16 | 156 | 215 | 185 | 114 | | +98 |
| Profit | 261 | 365 | 378 | 325 | 299 | 514 | 406 | 246 | | (79) |
| Profit attributable to owners of parent | 261 | 365 | 378 | 325 | 299 | 514 | 406 | 246 | | (79) |
| Profit attributable to non-con. interests | - | - | - | - | - | - | - | 0 | | +0 |
| Profit attributable to owners of parent | 261 | 365 | 378 | 325 | 299 | 514 | 406 | 246 | | (79) |
| Revenue YoY | +8.2% | +5.8% | +15.0% | (6.4%) | +5.2% | +11.8% | (11.8%) | (15.0%) | | - |
| Operating profit YoY | (23.6%) | (11.8%) | (4.8%) | (21.8%) | +8.7% | +31.7% | +2.5% | +3.6% | | - |
| Profit before tax YoY | (24.0%) | (11.7%) | (4.8%) | (24.1%) | +8.5% | +31.9% | +2.3% | +5.6% | | - |
| Profit YoY | (28.5%) | (8.6%) | (5.5%) | +11.0% | +14.6% | +40.8% | +7.4% | (24.3%) | | - |
| Profit attributable to owners of parent YoY | (28.5%) | (8.6%) | (5.5%) | +11.0% | +14.6% | +40.8% | +7.4% | (24.4%) | | - |
| Gross profit margin | 22.5% | 22.9% | 23.0% | 23.8% | 23.9% | 25.3% | 26.5% | 25.9% | | +2.1% |
| Revenue to SG&A expenses ratio | 12.0% | 10.3% | 10.9% | 14.5% | 12.9% | 10.5% | 12.4% | 15.0% | | +0.5% |
| Operating profit margin | 10.6% | 12.6% | 12.1% | 9.2% | 11.0% | 14.8% | 14.1% | 11.2% | | +2.0% |
| Profit before tax margin | 10.3% | 12.2% | 11.8% | 8.6% | 10.6% | 14.4% | 13.7% | 10.6% | | +2.1% |
| Profit margin | 6.4% | 8.1% | 7.7% | 8.2% | 7.0% | 10.2% | 9.4% | 7.3% | | (0.9%) |
| Profit attributable to owners of parent margin | 6.4% | 8.1% | 7.7% | 8.2% | 7.0% | 10.2% | 9.4% | 7.3% | | (0.9%) |
| Income tax expenses/Profit before tax | 37.7% | 34.0% | 34.6% | 4.7% | 34.3% | 29.5% | 31.4% | 31.6% | | +26.9% |

Source: Company Data, WRJ Calculation

Revenue by Division (Cumulative/Quarterly)

| Revenue by 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 | Q1 to Q4 | Net Chg. |
| | 03/2019 | 03/2019 | 03/2019 | 03/2019 | 03/2020 | 03/2020 | 03/2020 | 03/2020 | 03/2020 | |
| Wedge binding type scaffolding | 1,682 | 3,696 | 6,300 | 8,214 | 2,230 | 5,015 | 7,386 | 8,748 | | +533 |
| Next generation scaffolding | 627 | 1,605 | 2,173 | 2,657 | 575 | 1,172 | 1,616 | 2,160 | | (497) |
| Other temporary materials | 822 | 1,672 | 2,507 | 3,402 | 924 | 1,876 | 2,731 | 3,635 | | +232 |
| Temporary Materials | 3,132 | 6,973 | 10,980 | 14,275 | 3,730 | 8,064 | 11,734 | 14,544 | | +269 |
| Distribution Equipment | 967 | 1,650 | 2,541 | 3,236 | 583 | 1,305 | 1,954 | 2,536 | | (700) |
| Revenue | 4,100 | 8,624 | 13,522 | 17,512 | 4,313 | 9,370 | 13,688 | 17,081 | | (430) |
| Wedge binding type scaffolding | (8.3%) | (6.7%) | +4.0% | +3.1% | +32.6% | +35.7% | +17.2% | +6.5% | | - |
| Next generation scaffolding | +17.2% | +25.4% | +11.3% | (11.9%) | (8.4%) | (27.0%) | (25.6%) | (18.7%) | | - |
| Other temporary materials | (14.8%) | (10.0%) | (11.4%) | (7.6%) | +12.4% | +12.2% | +8.9% | +6.8% | | - |
| Temporary Materials | (6.1%) | (1.8%) | +1.3% | (2.7%) | +19.1% | +15.6% | +6.9% | +1.9% | | - |
| Distribution Equipment | +113.9% | +71.2% | +71.4% | +68.6% | (39.7%) | (20.9%) | (23.1%) | (21.6%) | | - |
| Revenue (YoY) | +8.2% | +7.0% | +9.7% | +5.6% | +5.2% | +8.7% | +1.2% | (2.5%) | | - |
| Wedge binding type scaffolding | 41.0% | 42.9% | 46.6% | 46.9% | 51.7% | 53.5% | 54.0% | 51.2% | | - |
| Next generation scaffolding | 15.3% | 18.6% | 16.1% | 15.2% | 13.3% | 12.5% | 11.8% | 12.6% | | - |
| Other temporary materials | 20.1% | 19.4% | 18.5% | 19.4% | 21.4% | 20.0% | 20.0% | 21.3% | | - |
| Temporary Materials | 76.4% | 80.9% | 81.2% | 81.5% | 86.5% | 86.1% | 85.7% | 85.2% | | - |
| Distribution Equipment | 23.6% | 19.1% | 18.8% | 18.5% | 13.5% | 13.9% | 14.3% | 14.8% | | - |
| Revenue (Composition Ratio) | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | | - |

| Revenue by 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 | Q4 | Net Chg. |
| | 03/2019 | 03/2019 | 03/2019 | 03/2019 | 03/2020 | 03/2020 | 03/2020 | 03/2020 | 03/2020 | |
| Wedge binding type scaffolding | 1,682 | 2,013 | 2,604 | 1,914 | 2,230 | 2,784 | 2,371 | 1,362 | | (552) |
| Next generation scaffolding | 627 | 977 | 568 | 484 | 575 | 596 | 444 | 543 | | +59 |
| Other temporary materials | 822 | 850 | 834 | 895 | 924 | 952 | 854 | 904 | | +8 |
| Temporary Materials | 3,132 | 3,840 | 4,007 | 3,294 | 3,730 | 4,334 | 3,669 | 2,810 | | (484) |
| Distribution Equipment | 967 | 682 | 891 | 695 | 583 | 722 | 648 | 582 | | (112) |
| Revenue | 4,100 | 4,523 | 4,898 | 3,989 | 4,313 | 5,057 | 4,318 | 3,392 | | (597) |
| Wedge binding type scaffolding | (8.3%) | (5.3%) | +24.1% | +0.3% | +32.6% | +38.3% | (9.0%) | (28.8%) | | - |
| Next generation scaffolding | +17.2% | +31.3% | (15.5%) | (54.5%) | (8.4%) | (38.9%) | (21.8%) | +12.2% | | - |
| Other temporary materials | (14.8%) | (4.8%) | (13.9%) | +5.0% | +12.4% | +12.1% | +2.4% | +1.0% | | - |
| Temporary Materials | (6.1%) | +2.1% | +7.1% | (13.9%) | +19.1% | +12.8% | (8.4%) | (14.7%) | | - |
| Distribution Equipment | +113.9% | +33.5% | +71.6% | +59.2% | (39.7%) | +5.8% | (27.2%) | (16.2%) | | - |
| Revenue (YoY) | +8.2% | +5.8% | +15.0% | (6.4%) | +5.2% | +11.8% | (11.8%) | (15.0%) | | - |
| Wedge binding type scaffolding | 41.0% | 44.5% | 53.2% | 48.0% | 51.7% | 55.1% | 54.9% | 40.1% | | - |
| Next generation scaffolding | 15.3% | 21.6% | 11.6% | 12.1% | 13.3% | 11.8% | 10.3% | 16.0% | | - |
| Other temporary materials | 20.1% | 18.8% | 17.0% | 22.4% | 21.4% | 18.8% | 19.8% | 26.7% | | - |
| Temporary Materials | 76.4% | 84.9% | 81.8% | 82.6% | 86.5% | 85.7% | 85.0% | 82.8% | | - |
| Distribution Equipment | 23.6% | 15.1% | 18.2% | 17.4% | 13.5% | 14.3% | 15.0% | 17.2% | | - |
| Revenue (Composition Ratio) | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | | - |

Source: Company Data, WRJ Calculation

Statement of Financial Position (Quarterly)

| Statement of Financial Position | 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 | |
| (Million Yen) | 03/2019 | 03/2019 | 03/2019 | 03/2019 | 03/2020 | 03/2020 | 03/2020 | 03/2020 | 03/2020 | Net Chg. |
| Cash and cash equivalents | 909 | 983 | 1,237 | 1,742 | 1,619 | 1,863 | 2,255 | 3,120 | 3,120 | +1,377 |
| Trade and other receivables | 3,699 | 4,003 | 3,457 | 3,817 | 3,634 | 4,000 | 3,279 | 2,777 | 2,777 | (1,040) |
| Inventories | 3,107 | 3,041 | 2,683 | 2,382 | 2,675 | 2,429 | 2,854 | 2,405 | 2,405 | +23 |
| Other | 138 | 141 | 85 | 121 | 75 | 24 | 20 | 42 | 42 | (79) |
| Total current assets | 7,854 | 8,170 | 7,465 | 8,064 | 8,004 | 8,318 | 8,410 | 8,345 | 8,345 | +281 |
| Property, plant and equipment | 2,468 | 2,547 | 2,550 | 2,495 | 2,331 | 2,338 | 2,346 | 2,370 | 2,370 | (125) |
| Right-of-use assets | - | - | - | - | 371 | 369 | 344 | 353 | 353 | +353 |
| Goodwill | 9,221 | 9,221 | 9,221 | 9,221 | 9,221 | 9,221 | 9,221 | 9,221 | 9,221 | - |
| Intangible assets | 1,265 | 1,260 | 1,278 | 1,276 | 1,270 | 1,267 | 1,261 | 1,258 | 1,258 | (17) |
| Other | 86 | 81 | 82 | 114 | 121 | 109 | 79 | 71 | 71 | (43) |
| Total non-current assets | 13,041 | 13,110 | 13,133 | 13,108 | 13,315 | 13,306 | 13,253 | 13,274 | 13,274 | +166 |
| Total assets | 20,896 | 21,281 | 20,598 | 21,172 | 21,320 | 21,625 | 21,664 | 21,620 | 21,620 | +448 |
| Trade and other payables | 1,396 | 998 | 950 | 1,180 | 1,370 | 1,178 | 953 | 739 | 739 | (440) |
| Borrowings | 1,058 | 1,798 | 918 | 494 | 494 | 494 | 495 | 495 | 495 | +1 |
| Other | 500 | 563 | 419 | 502 | 543 | 794 | 639 | 783 | 783 | +280 |
| Total current liabilities | 2,956 | 3,360 | 2,288 | 2,177 | 2,409 | 2,468 | 2,088 | 2,018 | 2,018 | (158) |
| Borrowings | 5,820 | 5,436 | 5,437 | 5,685 | 5,689 | 5,444 | 5,448 | 5,202 | 5,202 | (483) |
| Other | 458 | 455 | 458 | 450 | 663 | 640 | 634 | 611 | 611 | +161 |
| Total non-current liabilities | 6,278 | 5,891 | 5,896 | 6,136 | 6,353 | 6,085 | 6,082 | 5,814 | 5,814 | (322) |
| Total liabilities | 9,234 | 9,252 | 8,185 | 8,313 | 8,762 | 8,553 | 8,170 | 7,832 | 7,832 | (480) |
| Total equity attributable to owners of parent | 11,661 | 12,028 | 12,413 | 12,859 | 12,557 | 13,071 | 13,493 | 13,740 | 13,740 | +881 |
| Other | - | - | - | - | - | - | - | 47 | 47 | +47 |
| Total equity | 11,661 | 12,028 | 12,413 | 12,859 | 12,557 | 13,071 | 13,493 | 13,788 | 13,788 | +929 |
| Total liabilities and equity | 20,896 | 21,281 | 20,598 | 21,172 | 21,320 | 21,625 | 21,664 | 21,620 | 21,620 | +448 |
| Equity attributable to owners of parent | 11,661 | 12,028 | 12,413 | 12,859 | 12,557 | 13,071 | 13,493 | 13,740 | 13,740 | +881 |
| Interest bearing debt | 6,878 | 7,234 | 6,356 | 6,180 | 6,184 | 5,939 | 5,943 | 5,698 | 5,698 | (482) |
| Net debt | 5,968 | 6,251 | 5,118 | 4,437 | 4,565 | 4,075 | 3,688 | 2,577 | 2,577 | (1,859) |
| Equity ratio | 55.8% | 56.5% | 60.3% | 60.7% | 58.9% | 60.4% | 62.3% | 63.6% | 63.6% | - |
| Net debt equity ratio | 51.2% | 52.0% | 41.2% | 34.5% | 36.4% | 31.2% | 27.3% | 18.8% | 18.8% | - |
| ROE (12 months) | - | - | 10.8% | 10.7% | 11.3% | 12.1% | 11.9% | 11.0% | 11.0% | - |
| ROA (12 months) | - | - | 9.7% | 9.0% | 9.1% | 9.8% | 10.0% | 10.0% | 10.0% | - |
| Days for inventory turnover | 89 | 80 | 65 | 71 | 74 | 59 | 82 | 87 | 87 | - |
| Quick ratio | 156% | 148% | 205% | 255% | 218% | 238% | 265% | 292% | 292% | - |
| Current ratio | 266% | 243% | 326% | 370% | 332% | 337% | 403% | 413% | 413% | - |

Source: Company Data, WRJ Calculation

Statement of Cash Flows (Cumulative/Quarterly)

| Statement of Cash Flows | 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 | |
| (Million Yen) | 03/2019 | 03/2019 | 03/2019 | 03/2019 | 03/2020 | 03/2020 | 03/2020 | 03/2020 | 03/2020 | Net Chg. |
| Cashflows from operating activities | (234) | (202) | 1,091 | 1,766 | 587 | 1,228 | 1,791 | 3,121 | 3,121 | +1,354 |
| Cashflows from Investing activities | (148) | (358) | (505) | (580) | (90) | (185) | (327) | (515) | (515) | +64 |
| Cashflows from operating and investing activities | (383) | (560) | 586 | 1,186 | 497 | 1,042 | 1,463 | 2,606 | 2,606 | +1,419 |
| Cashflows from financing activities | (214) | 35 | (856) | (951) | (621) | (921) | (951) | (1,227) | (1,227) | (276) |
| Statement of Cash Flows | 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 | Q4 | Net Chg. |
| (Million Yen) | 03/2019 | 03/2019 | 03/2019 | 03/2019 | 03/2020 | 03/2020 | 03/2020 | 03/2020 | 03/2020 | Net Chg. |
| Cashflows from operating activities | (234) | 32 | 1,293 | 675 | 587 | 640 | 562 | 1,330 | 1,330 | +655 |
| Cashflows from Investing activities | (148) | (209) | (146) | (75) | (90) | (95) | (141) | (188) | (188) | (113) |
| Cashflows from operating and investing activities | (383) | (177) | 1,146 | 600 | 497 | 545 | 421 | 1,142 | 1,142 | +542 |
| Cashflows from financing activities | (214) | 250 | (891) | (95) | (621) | (300) | (29) | (276) | (276) | (181) |

Source: Company Data, WRJ Calculation

Disclaimer

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.

Company name: Walden Research Japan Incorporated

Head office: 4F Hulic Ginza 1-chome Building, 1-13-1 Ginza, Chuo-ku, Tokyo 104-0061 JAPAN

URL: www.walden.co.jp

E-mail: info@walden.co.jp

Phone : +81 3 3553 3769
