

INTERLIFE HOLDINGS (1418)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY02/2023		11,460	168	177	179	11.33	5.00	211.77
FY02/2024		12,626	270	245	384	24.82	8.00	234.45
FY02/2025CoE		15,500	600	580	400	25.78	10.00	-
	YoY	10.2%	60.4%	38.6%	114.6%	-	-	-
	YoY	22.8%	121.8%	136.0%	3.9%	-	-	-
Consolidated Half Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q2 FY02/2024		5,916	138	141	113	-	-	-
Q3 to Q4 FY02/2024		6,709	132	104	271	-	-	-
Q1 to Q2 FY02/2025		8,160	448	451	384	-	-	-
Q3 to Q4 FY02/2025CoE		7,339	151	128	15	-	-	-
	YoY	37.9%	224.0%	218.4%	239.7%	-	-	-
	YoY	9.4%	14.8%	23.7%	(94.5%)	-	-	-

Source: Company Data, WRJ Calculation

1.0 Executive Summary (10 December 2024)


Equity Spread

INTERLIFE HOLDINGS, running operations of interior finish work as well as design and construction of sound & lighting facilities, is seeing a surging performance. The Company has successfully executed restructuring over the past several years, which has improved its profitability, while currently seeing a significant momentum in sales and thus a dominantly significant momentum in operating profit to benefit from higher sales, steadily capturing the uptick in construction-related demand. Consequently, the Company is now virtually seeing a changeover from negative value to positive value in its equity spread. Meanwhile, it appears that FY02/2025 Company forecasts, once already revised up, have a potential to be exceeded. The Company's priority issues for FY02/2025 are to "promote management with an awareness of the cost of capital and share price," "strengthen profitability" and "develop new business, including one via M&A." Currently, the Company is well making progress with all of those priority issues, which is to be followed by further focus on them for FY02/2026 and thereafter. On top of this, the Company is to focus also on investment in human capital, aiming to move to a new stage of growth.

IR Representative: Masanari Kato, Managing Director (81-(0)3-3547-3227 / kato-masanari@n-interlife.co.jp)

2.0 Company Profile

Business to Support Towns and People

Company Name	<p>INTERLIFE HOLDINGS CO., LTD.</p> <p>Company Website</p> <p>IR Information</p> <p>Share Price (Japanese)</p> 
Established	5 October 2010
Listing	<p>4 April 2022: Tokyo Stock Exchange Standard Market (ticker: 1418)</p> <p>16 July 2013: Tokyo Stock Exchange JASDAQ (Standard)</p> <p>5 October 2010: Osaka Stock Exchange (JASDAQ Standard)</p>
Capital	¥2,979m (as of the end of August 2024)
No. of Shares	17,010,529 shares, including 717,290 treasury shares (as of the end of Aug. 2024)
Main Features	<ul style="list-style-type: none"> ● Design & construction of commercial facilities and public facilities ● Provision of comprehensive services, including management and maintenance ● Business administration as a holding company for own subsidiaries
Segments	<p>I . Interior Construction</p> <p>II . Sound & Lighting Facilities</p> <p>III . Equipment & Maintenance</p>
Representatives	<p>Representative Director, Chairperson and CEO: Masahide Shoji</p> <p>Representative Director, President : Koji Kida</p>
Shareholders	Tatsumi 42.76%, Custody Bank of Japan, T. 4.72% (BBT: Board Benefit Trust in line with adoption of PSU: Performance Share Unit), NOMURA Co., Ltd. 2.73%, ESOP 2.68%, Client Share Ownership Plan 2.65% (as of the end of August 2024, but for treasury shares)
Head Office	Chuo-ku, Tokyo, JAPAN
No. of Personnel	Consolidated: 306, Parent: 15 (as of the end of August 2024)

Source: Company Data

3.0 Group Corporate Philosophy

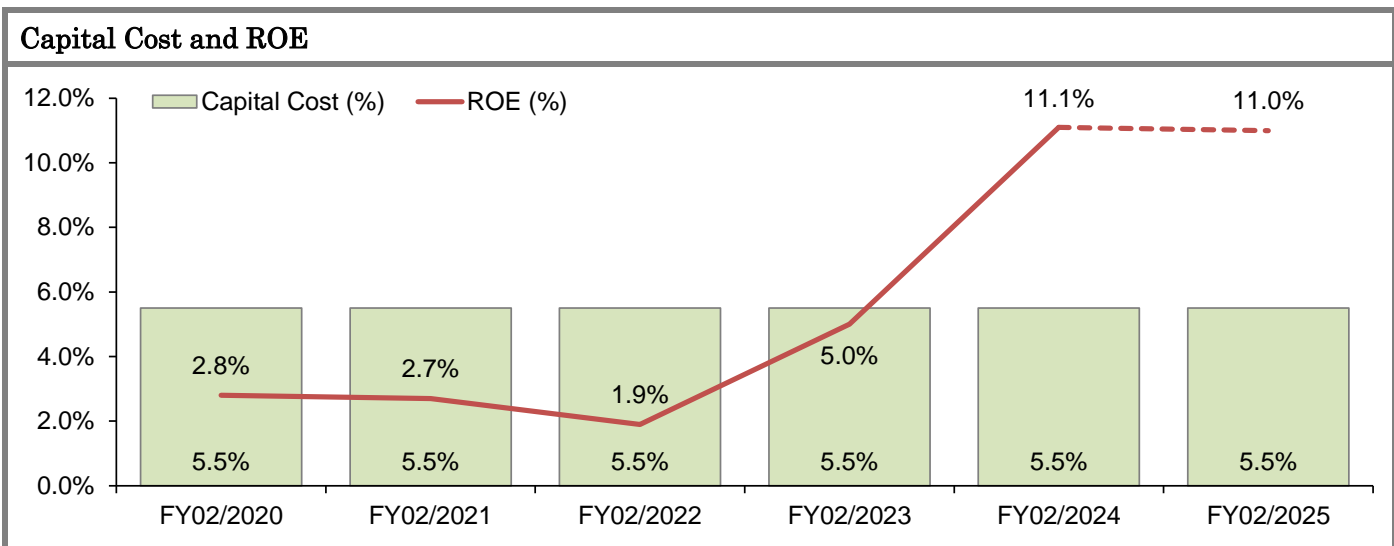
Ex Position

The Company, being responsible for business administration as a holding company in company-owned subsidiaries which run operations of interior finish work as well as design and construction of sound & lighting facilities, has adopted group corporate philosophy that goes “we will contribute to society by providing comfortable spaces full of excitement and joy to people everywhere.” Meanwhile, as basic policy of its fourth midterm management plan (FY02/2023 to FY02/2025), the Company goes “we will evolve and renew business model via innovations with an objective of acquiring a position to pursue growth in the next phase”, while advocating the impellent title of Ex Position for this basic policy, where the Company goes for three priority challenges, i.e., realizing new growth, improving productivity on a group basis and responding to social needs.

In the current new stage of economic growth after overcoming a tumble caused by the spread of COVID-19 infection, the Company is aiming to acquire a position to pursue growth in the next phase. The impellent title of Ex Position refers to the Company's desire to aggressively acquire construction projects related to large-scale “expositions,” such as EXPO 2025 OSAKA/KANSAI, crossing to another desire to obtain “ex” (excellent or extra) position to pursue growth in the next phase, without settling for the current position.

As for slogan, the Company goes “business to support towns and people; we would like to operate as a company to bring people together in their living spaces”. The Company states that it is demonstrating strong competitiveness and high growth potential through the provision of “total services to realize attractive locations and facilities.” NISSHO, the origin of the Company, was founded in 1975 and for about half a century since then, the Company has been providing interior finish work for locations with commercial facilities as the mainstay, striving to create unparalleled and prosperous locations. The Company's current name, INTERLIFE, reflects its desire to be “a company to bring people together in their living spaces.” The Company also states that it will “never forget this spirit as it strives to further strengthen the group's collective strengths, improving quality of services and customer satisfaction.”

Masahide Shoji, Chairperson and CEO, states that the Japanese economy has overcome the Corona disaster and is now entering a new growth stage, with the Nikkei 225 reaching a new all-time high, while also stating that the Company will keep up with such trends and steadily capture construction projects associated with EXPO 2025 OSAKA/KANSAI (to be held during 13 April to 13 October in 2025) as well as explore new business opportunities through further business developments for FY02/2025, the final year of the fourth midterm management plan with Ex Position as the impellent title. As well, the Company also intends to actively capture an expansion in demand for construction work associated with Osaka Integrated Resor, which Osaka Prefecture plans to open in the fall of 2030, by means of enhancement for sales activities in its Osaka Business Office based in the local area. Thus, the Company is now trying to accelerate the rate of growth, while intending to meet expectations of its stakeholders by increasing the business valuation through management practices that are conscious of capital cost and share price.



Source: Company Data, WRJ Calculation

The Company estimates that its capital cost equates to 5.5%. When such a level is simply taken as an equivalent for cost of shareholder's equity, the Company had continued to see negative value in equity spread compared with the level of ROE though FY02/2020 to FY02/2023, which was followed by ROE of 11.1% for FY02/2024, when the Company posted the gain of ¥213m from sale of shares in a subsidiary at the extraordinary level versus recurring profit of ¥245m, having resulted in positive value in equity spread. Meanwhile, in light of the latest Company forecasts, announced on 27 August 2024, the Company is to see ROE of 11.0% for FY02/2025 in our rough estimates, i.e., profit attributable to owners of parent of ¥400m, divided by equity capital of ¥3,637m as of the end of FY02/2024. In other words, the Company had continued to see negative value in equity spread over the past five years in a row, excluding FY02/2024, when the impact of extraordinary gain was significant, while the Company is to achieve positive value in equity spread for FY02/2025 and likely entering a phase to maintain and/or enhance the levels of positive value in equity spread thereafter.

As for the Basic Policy of Sustainability Management, the Company states that it will focus on dialogues with all stakeholders, including respective customers, business acquaintances, shareholders, investors, employees and local communities for the sake of actively promoting the building of a sustainable society, based on the Group Corporate Philosophy, the Group CSR Charter and the Group Code of Conduct. While continuing business activities based on all those policies, the Company plans to continuously disclose the details of specific cases in which it has collaborated with stakeholders at all levels.

One of the developments mentioned since the beginning of FY02/2025, for example, is that the Company is stepping up its efforts to limit the number of overtime hours worked by its employees. The Company also reports that it has achieved a certain level of success to date as a result of those efforts. Furthermore, in addition to persistent monitoring of greenhouse gas emissions, the Company has developed and begun using next-generation architectural materials. Specifically, NISSHO INTERLIFE (wholly owned subsidiary), which is heavily involved with roughing-in work or interior finish work contracted by general contractors on the Interior Construction side, has developed ATRUSS BOARD, hybrid ceiling materials made of ultra-lightweight recycled cardboard and aluminum, having begun installing it as an architectural material.

In light of frequent accidents of falling ceilings due to earthquakes and/or age-related deterioration, NISSHO INTERLIFE (wholly owned subsidiary) has been working on the developments of ultra-lightweight materials to minimize the possibility of human casualties resulting from such accidents, while having begun installing ATRUSS BOARD to date, which is an alternative for conventional gypsum board together with its distinguished features of being safer and more secure as well as eliminating the need for heavy labor to install.

Gypsum board, conventionally used as ceiling and/or wall materials, is quite heavy, requiring heavy labor to install and the possibility of human casualties inevitably being high in the event of the above-mentioned accidents. Meanwhile, ATRUSS BOARD, hybrid ceiling materials made of ultra-lightweight recycled cardboard and aluminum, developed by NISSHO INTERLIFE (wholly owned subsidiary), is literally made of ultra-lightweight recycled cardboard and aluminum, the latter being characterized by its strength despite its light weight, which has made it possible to cut back on weight, roughly speaking, down to only one seventh gypsum board with strength retaining. In conclusion, it works to deter occurrences of falling ceilings in the first place and reduce frequency of human casualties and/or extent of human damages even if such accidents do occur.

Meanwhile, the fact that it uses recycled cardboard generates an aspect of promoting environmental conservation. Furthermore, another aspect referred to is that it provides the social issue of a shortage of craftspeople with a solution in that it is easy to install with its light weight. Meanwhile, the Company also believes that the ease of processing curved surfaces allows for advanced design through the use of plastering (a method in which craftspeople use trowels to apply finishing materials to walls, floors and ceilings to add design, texture, functionality and other features). According to the Company, while a patent application is pending, it has already been used in the kids' rooms of a well-known hotel and in the renovation of a certain university. If the cost disparity with existing gypsum board is reduced, eliminated and eventually reversed in the future, it should have a significant impact on the Company's performance.

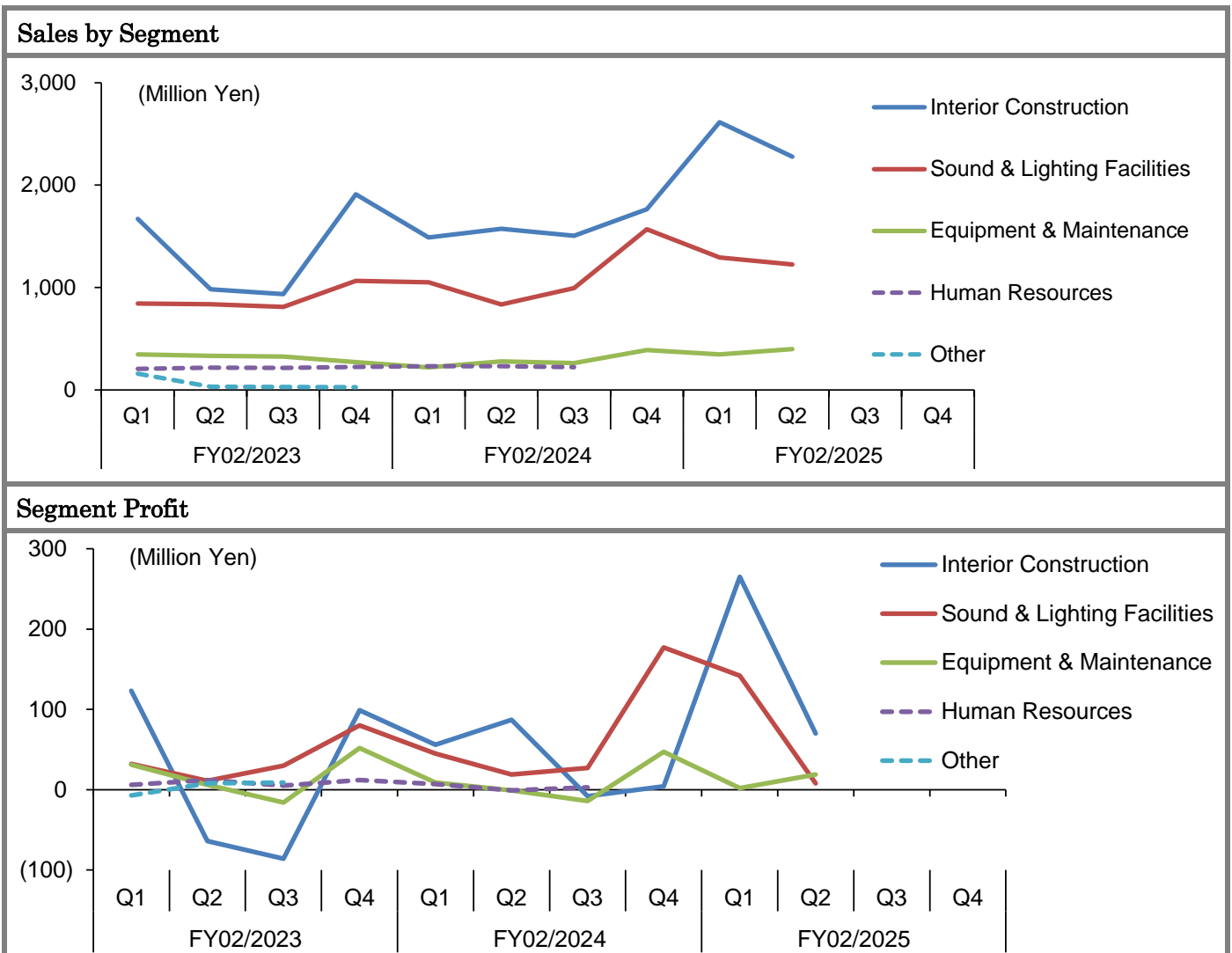
Company History (extract)

Date	Events
February 1975	NISSHO, established in Arakawa-ku, Tokyo, with the main business of flooring construction for the display industry
June 1988	Company name, changed from NISSHO to NISSHO INTERLIFE
August 1988	Head office, relocated to Kita-ku, Tokyo
August 1990	Shares, registered with Japan Securities Dealers Association for over-the-counter trading
December 2004	Over-the-counter registration with Japan Securities Dealers Association, cancelled; shares, listed on JASDAQ Stock Exchange
April 2010	Shares, listed on Osaka Stock Exchange (JASDAQ market), following the merger of JASDAQ Stock Exchange and Osaka Stock Exchange
October 2010	INTERLIFE HOLDINGS CO., LTD., established by NISSHO INTERLIFE through a sole-share transfer; NISSHO INTERLIFE, made into wholly owned subsidiary.
October 2010	Shares, listed on Osaka Stock Exchange (JASDAQ Standard)
November 2011	Fiscal yearend, changed from 20 March to the end of February at an extraordinary shareholders' meeting
July 2013	Shares, listed on Tokyo Stock Exchange JASDAQ (Standard), following the merger of the cash market of the Osaka Stock Exchange with the Tokyo Stock Exchange
May 2014	Head office, relocated to Chuo-ku, Tokyo
May 2017	Changed to a company with Audit & Supervisory Committee with a partial amendment for articles of incorporation
April 2022	Listing change from Tokyo Stock Exchange JASDAQ (Standard) to Tokyo Stock Exchange Standard Market

4.0 Recent Trading and Prospects

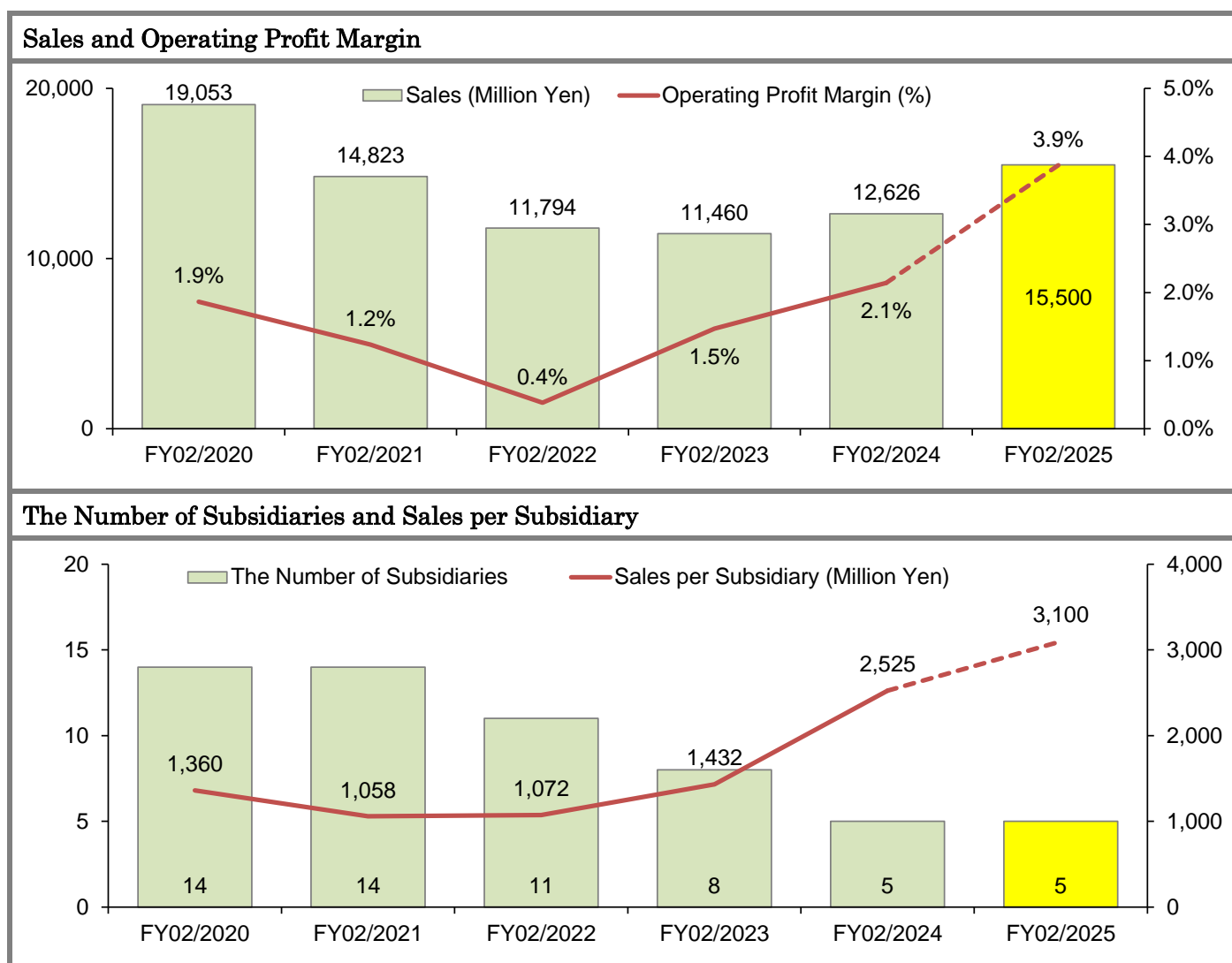
Q1 to Q2 FY02/2025

For Q1 to Q2 FY02/2025, sales came in at ¥8,160m (up 37.9% YoY), operating profit ¥448m (up 224.0%), recurring profit ¥451m (up 218.4%) and profit attributable to owners of parent ¥384m (up 239.7%). Over the same period of the previous year, there has been a net decrease in sales due to withdrawal from the operations on the Human Resources side, but the Company's sales have surged. Meanwhile, we estimate that the Company saw ROE of 18.1% (up 10.7% points) over the past 12 months. This was partly due to the extraordinary gain of ¥213m posted for Q3 FY02/2024, on sale of equity in a subsidiary which was responsible for the operations on the Human Resources side in line with the said withdrawal. Nevertheless, there is no change for an underlying trend of improvement in the Company's capital efficiency.



Source: Company Data, WRJ Calculation (withdrawn from the Human Resources side and the Other side to date)

For the Company, being responsible for business administration as a holding company in company-owned subsidiaries which run operations of interior finish work as well as design and construction of sound & lighting facilities, the Q1 to Q2 results equated to collective results of the three segments or five wholly owned subsidiaries, comprising the Interior Construction side developed by NISSHO INTERLIFE (wholly owned subsidiary), the Sound & Lighting Facilities side developed by SYSTEM ENGINEERING (wholly owned subsidiary) and SANKEN SYSTEM (wholly owned subsidiary since the end of Q3 FY02/2024) and the Equipment & Maintenance side developed by FACILITY MANAGEMENT (wholly owned subsidiary) and TAMAHIRO KOGYO (wholly owned subsidiary).



Source: Company Data, WRJ Calculation

One of the reasons for the above-mentioned significant improvement in profitability and capital efficiency for Q1 to Q2 FY02/2025 is the success of the reorganization of the group structure. As of the end of FY02/2020, the Company was responsible for business administration as a holding company for company-owned subsidiaries, no less than 14 in the number, which was cut back down to five as of the end of FY02/2024. Meanwhile, sales per subsidiary had risen from ¥1,360m to ¥2,525m through FY02/2020 to FY02/2024. Also, the current FY02/2025 Company forecasts, announced on 27 August 2024, assume a further increase in sales per subsidiary up to ¥3,100m. With respect to operating profit margin, a recovery is continuing after having hit bottom at 0.4% for FY02/2022, i.e., up to 2.1% for FY02/2024, while FY02/2025 Company forecasts assume 3.9%. The Company suggests that it has succeeded in its policy, implemented over the past few years, to concentrate on business administration for company-owned subsidiaries principally involved with construction-related operations, which are relatively larger in sales and carry operating profit margin relatively higher. For FY02/2025, the Company suggests that it will steadily capture increasing construction-related demand during the period of H2 as in Q1 to Q2.

For FY02/2025, the final year of the fourth midterm management plan (FY02/2023 to FY02/2025), the Company addresses the priority issues to “promote management with an awareness of the cost of capital and share price,” “strengthen profitability” and “develop new business, including one via M&A,” for the sake of achieving sustainable growth and increase business valuation with the impellent title of Action for The Future.

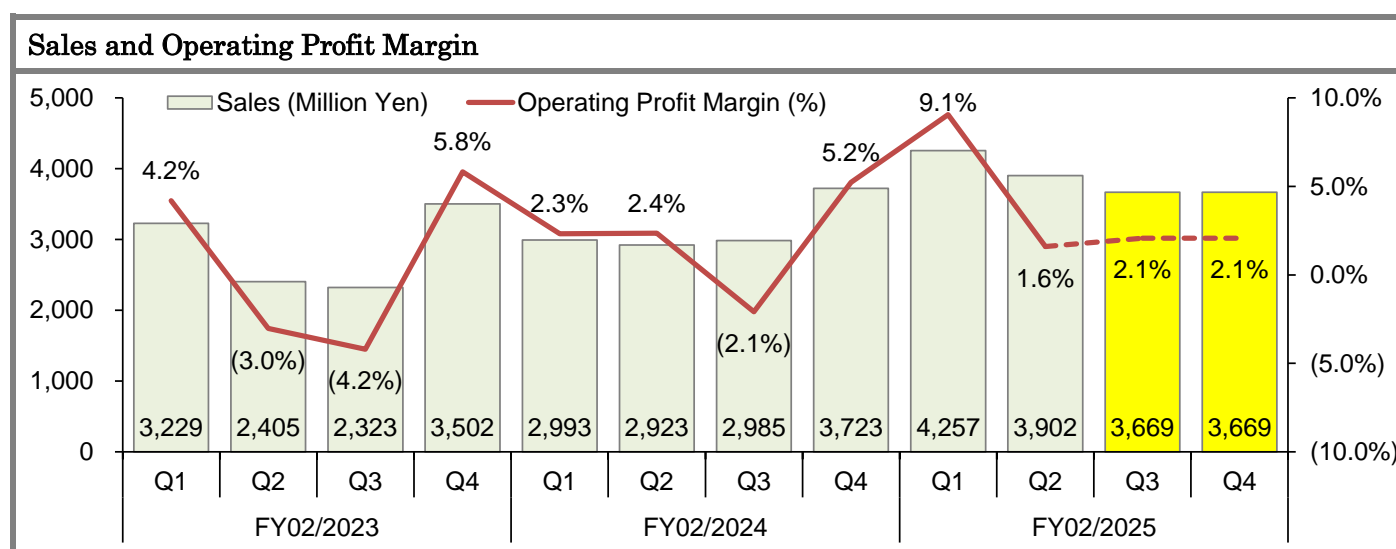
With respect to the priority issue to “promote management with an awareness of the cost of capital and share price,” the Company has set the minimal goals of achieving ROE of 8.0%, PBR of 1.00x and annual dividend of ¥8.00 per share, while promoting cancellation of treasury shares and IR activities. As stated in this report, the Company is on track to achieve all of the goals as of 15 October 2024, the date of announcement for the Q1 to Q2 results. For information, the closing price of the shares on 15 October 2024, the day of the announcement, was ¥290 on the Tokyo Stock Exchange Standard Market, while the net assets per share as of the end of FY02/2024 stood at ¥234.45, implying PBR of 1.24x, as is taken for granted.

With respect to the priority issue to “strengthen profitability,” the Company's goal is to achieve operating profit margin of 3.0% or higher by improving gross profit margin and enhancing cost controls. This is also on track of being achieved as stated in this report. The Company has been experiencing the effects of higher raw material prices since the beginning of FY02/2025, but there is an aspect that this has been compensated for by the success of cost-cutting measures, such as reinforcement of transportation operations in-house, reuse of construction materials and so on, according to the Company.

With respect to the priority issue to “develop new business, including one via M&A,” the Company newly set up Osaka Business Office and sales have surged to date for those belonging to the Interior Construction side and Sound & Lighting Facilities side. Meanwhile, the Company is making reference to the trend of SANKEN SYSTEM (wholly owned subsidiary since the end of Q3 FY02/2024), whose shares are being acquired as of 30 November 2023.

SANKEN SYSTEM (wholly owned subsidiary), which provides comprehensive support associated with AVC (Audio Visual & Control) equipment, comprising sale, system formation, planning, design and maintenance services, has ever cooperated in the operations with SYSTEM ENGINEERING (wholly owned subsidiary) on the Sound & Lighting Facilities side prior to the stage of the acquisition by the Company, implying that the implemented deal of acquisition is to create synergy in a variety of aspects, according to the Company. For example, the Company is looking to synergy, such as expansion of sales channels on the Sound & Lighting Facilities side as a whole by means of mutually utilizing those of each, improvement in developments of new merchandises and services driven by the enhanced collaboration between the two companies, reduction in costs through joint procurement of materials and an improvement of efficiency in line with a review of the construction procedures. For Q1 to Q2, it is said that there has been some progress with respect to developments of new merchandises and services as well as reduction in costs through joint procurement of materials.

With respect to earnings for Q1 to Q2 FY02/2025, while sales came in at ¥8,160m (up 37.9% YoY), gross profit ¥1,593m (up 29.9%) and SG&A expenses ¥1,145m (up 5.2%), implying gross profit margin of 19.5% (down 1.2% points) and SG&A ratio of 14.0% (down 4.4% points), having resulted in operating profit margin of 5.5% (up 3.2% points). Sales have risen sharply as large-sized projects whose order placements have been done for some time made progress in posting sales and the same for favorably increasing order intake associated with redevelopment projects in Osaka and other urban areas. Meanwhile, the Company saw gross profit margin being under pressure due mainly to rising raw material prices. More importantly, however, this has been more than compensated for by the Company's ability to control the increase in SG&A expenses, having resulted in a surge at the level of operating profit margin.



Source: Company Data, WRJ Calculation (Q3 & Q4 FY02/2025: H2 Company forecasts, pro rata)

FY02/2025 Company forecasts, announced on 27 August 2024, have remained unchanged, going for prospective sales of ¥15,500m (up 22.8% YoY), operating profit of ¥600m (up 121.8%), recurring profit of ¥580m (up 136.0%) and profit attributable to owners of parent of ¥400m (up 3.9%), while operating profit margin of 3.9% (up 1.7% points). The Company is to see a limited increase in profit attributable to owners of parent, as the impact is to be peeled off in terms of year-on-year changes that it posted gain of ¥213m from sale of shares in a subsidiary for Q3 FY02/2024.

Against the above-mentioned full-year Company forecasts, the actual results for Q1 to Q2 suggest progress rate of 52.6% in sales and 74.7% in operating profit, implying a great deal of progress in earnings. Meanwhile, Company forecasts have been revised up for planned annual dividend from ¥8.00 per share to ¥10.00 per share, implying payout ratio of 38.8%, at the stage of the announcement of the Q1 to Q2 results on 15 October 2024.

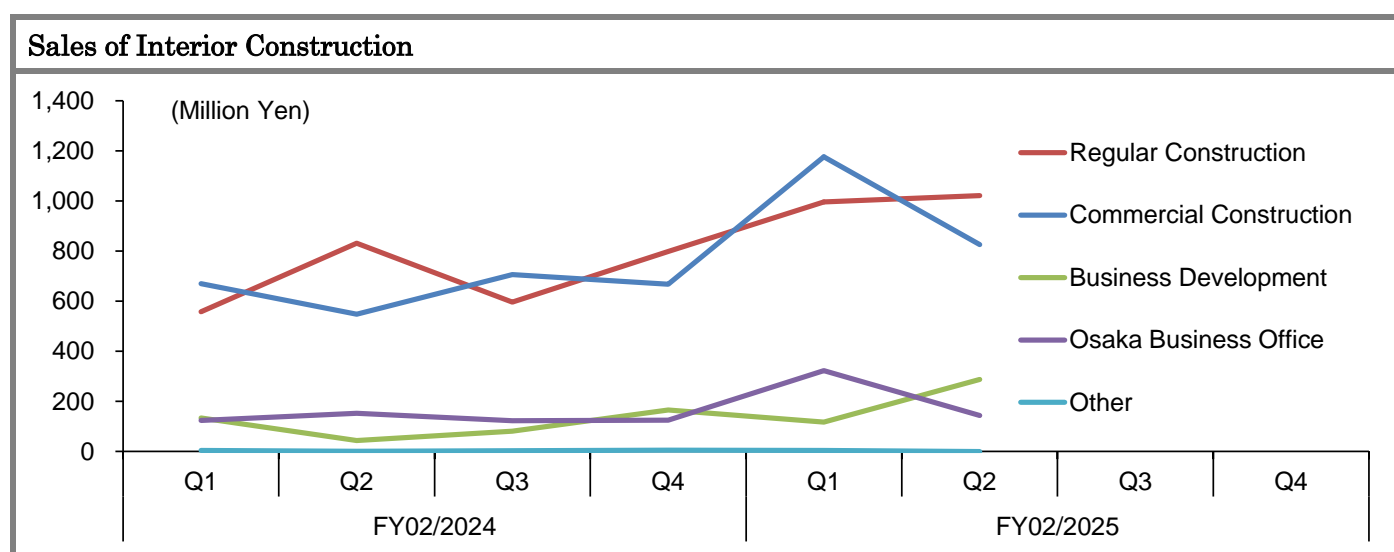
FY02/2025 Company Forecasts and Actual Results

Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY02/2025CoE	12-Apr-24	Q4 Results	13,500	400	390	300
FY02/2025CoE	12-Jul-24	Q1 Results	13,500	400	390	300
FY02/2025CoE	27-Aug-24	Revision	15,500	600	580	400
		Amount of Gap	2,000	200	190	100
		Rate of Gap	14.8%	50.0%	48.7%	33.3%
FY02/2025CoE	15-Oct-24	Q2 Results	15,500	600	580	400
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
FY02/2025CoE	12-Apr-24	Q4 Results	13,500	400	390	300
FY02/2025CoE	15-Oct-24	Q2 Results	15,500	600	580	400
		Amount of Gap	2,000	200	190	100
		Rate of Gap	14.8%	50.0%	48.7%	33.3%
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY02/2025CoE	12-Apr-24	Q4 Results	-	-	-	-
Q1 to Q2 FY02/2025CoE	12-Jul-24	Q1 Results	-	-	-	-
Q1 to Q2 FY02/2025CoE	27-Aug-24	Revision	-	-	-	-
Q1 to Q2 FY02/2025Act	15-Oct-24	Q2 Results	8,160	448	451	384
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Q1 to Q2 FY02/2025CoE	12-Apr-24	Q4 Results	-	-	-	-
Q1 to Q2 FY02/2025Act	15-Oct-24	Q2 Results	8,160	448	451	384
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q3 to Q4 FY02/2025CoE	12-Apr-24	Q4 Results	-	-	-	-
Q3 to Q4 FY02/2025CoE	12-Jul-24	Q1 Results	-	-	-	-
Q3 to Q4 FY02/2025CoE	27-Aug-24	Revision	-	-	-	-
Q3 to Q4 FY02/2025CoE	15-Oct-24	Q2 Results	7,340	152	129	16
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-
Q3 to Q4 FY02/2025CoE	12-Apr-24	Q4 Results	-	-	-	-
Q3 to Q4 FY02/2025CoE	15-Oct-24	Q2 Results	7,340	152	129	16
		Amount of Gap	-	-	-	-
		Rate of Gap	-	-	-	-

Source: Company Data, WRJ Calculation

Interior Construction (60.0% of sales and 65.9% of segment profit)

For Q1 to Q2 FY02/2025, sales came in at ¥4,894m (up 59.7%), segment profit ¥335m (up 133.8%) and segment profit margin 6.8% (up 2.2% points). The operations on the Interior Construction side, for which NISSHO INTERLIFE (wholly owned subsidiary) is responsible, mainly comprise those of commercial construction (design and construction for commercial facilities) and regular construction (roughing-in work for inner decorating). The Company's greatest strengths are its construction capabilities and mobile power, which are provided by a group of some 250 dedicated craftspeople (external personnel). For Q1 to Q2, sales on the Interior Construction side increased by ¥1,829m, having accounted for 82% of the increase in the Company's sales of ¥2,243m, implying a significant contribution to the Company's sales and thus also to effect on higher sales in earnings as is taken for granted.



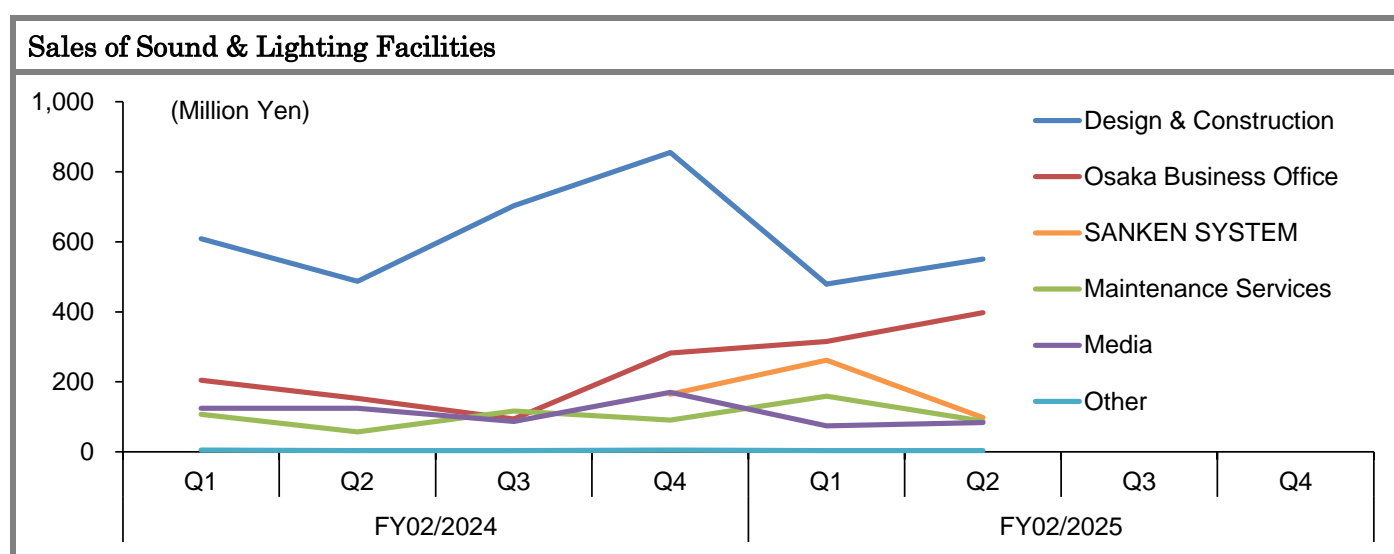
Source: Company Data, WRJ Calculation

In the operations of commercial construction (design and construction for commercial facilities) to mainly deal with original contract projects for restaurants and so on, order intake is increasing fast, whose impact appears to have accounted for more than 40% of the increase in sales of this segment. Meanwhile, in the operations of regular construction (roughing-in work for inner decorating) to deal with service contract projects from general contractors, the Company benefits from an enlargement in the size of projects, whose impact appears to have accounted for more than 30% of the increase in sales of this segment. On top of this, when the Company sees sales of the above-mentioned two subsegments via Osaka Business Office, it posts collective sales as sales of Osaka Business Office. Prior to the holding of EXPO 2025 OSAKA/KANSAI (to be held during 13 April to 13 October in 2025), the Company has seen a substantial increase in the number of order placements associated with redevelopments in the ambient area, whose impact appears to have accounted for some 10% of the increase in sales of this segment.

The other thing is that there is a tendency for sales on the Interior Construction side to be posted rather intensively in line with completion of each project. As the Company sees projects completed intensively for Q1 (March to May) and Q4 (December to February) every year, sales are inevitably posted in the same manner on a quarterly basis. In both of the quarters to see a concentration of sales, the Company benefits from an effect of higher sales in earnings and vice versa for Q2 (June to August) and Q3 (September to November), when sales are adjusted.

Sound & Lighting Facilities (30.9% of sales and 29.6% of segment profit)

For Q1 to Q2 FY02/2025, sales came in at ¥2,519m (up 33.5%), segment profit ¥150m (up 133.4%) and segment profit margin 6.0% (up 2.6% points). The operations on the Sound & Lighting Facilities side, for which SYSTEM ENGINEERING (wholly owned subsidiary) and SANKEN SYSTEM (wholly owned subsidiary since the end of Q3 FY02/2024), comprise those of the former with design & construction as the mainstay and sales of the latter to have been posted since Q4 FY02/2024. For Q1 to Q2, the latter has generated a net add-on in sales, whose impact appears to have accounted for some 50% of the increase in sales of this segment.



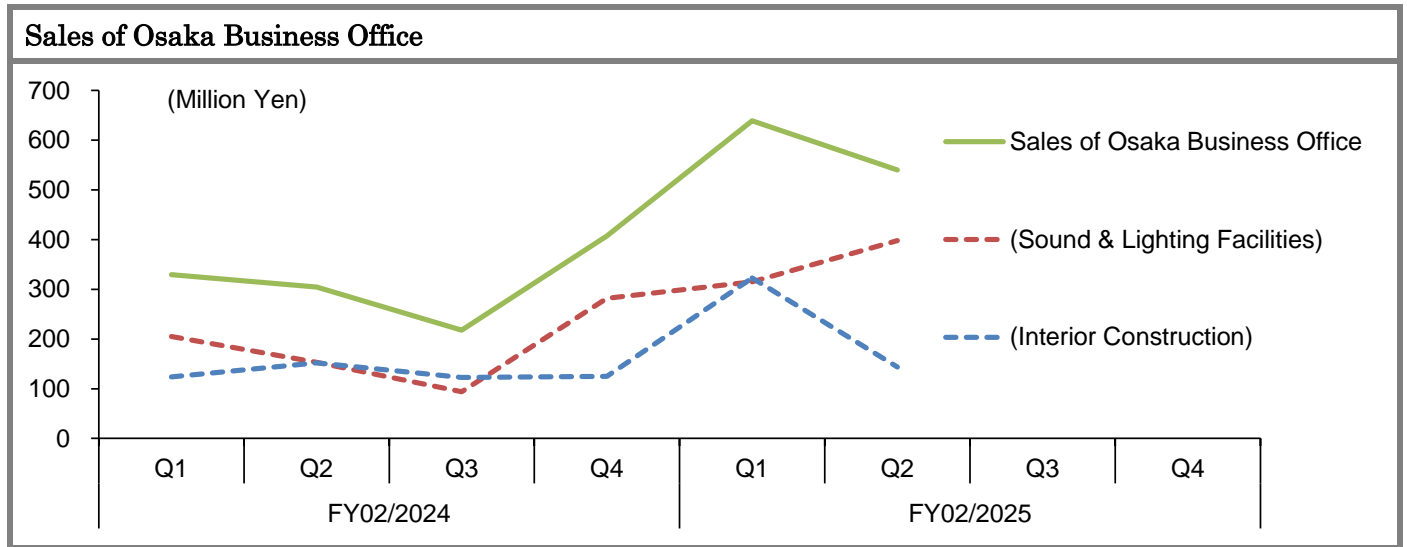
Source: Company Data, WRJ Calculation

SYSTEM ENGINEERING (wholly owned subsidiary) provides comprehensive production services, from planning, design, construction and maintenance, for special equipment used in the staging of audio, video, lighting and hanging objects in hotels and other venues, as the mainstay operations. For Q1 to Q2, sales of Osaka Business Office, defined in the same manner as mentioned earlier on the Interior Construction side, have surged, while sales were also driven by progress with large-sized projects and order intake of new contract to provide maintenance services. Further, the Company suggests that it has already benefited from some synergy created with SANKEN SYSTEM (wholly owned subsidiary since the end of Q3 FY02/2024), which provides comprehensive support associated with AVC (Audio Visual & Control) equipment, comprising sale, system formation, planning, design and maintenance services.

For information, there is a tendency for sales on the Sound & Lighting Facilities side to be posted rather intensively in line with completion of each project as on the Interior Construction side, while the timing of concentration is the same as well. Meanwhile, the Company suggests a trend for large-sized projects to intensively post sales in line with completion during the period of H2 with respect to FY02/2025, likely to result in a fair bit concentration of sales for H2 out of full-year sales.

Sales of Osaka Business Office (14.4% of sales / sales included in the segments)

For Q1 to Q2 FY02/2025, sales came in at ¥1,179m (up 86.0%). The Company's measure of opening new business office in anticipation of growth in construction-related demand in the local area appears to be paying off. As mentioned earlier, sales of Osaka Business Office make up part of sales on the Interior Construction side and those of SYSTEM ENGINEERING (wholly owned subsidiary) on the Sound & Lighting Facilities side.

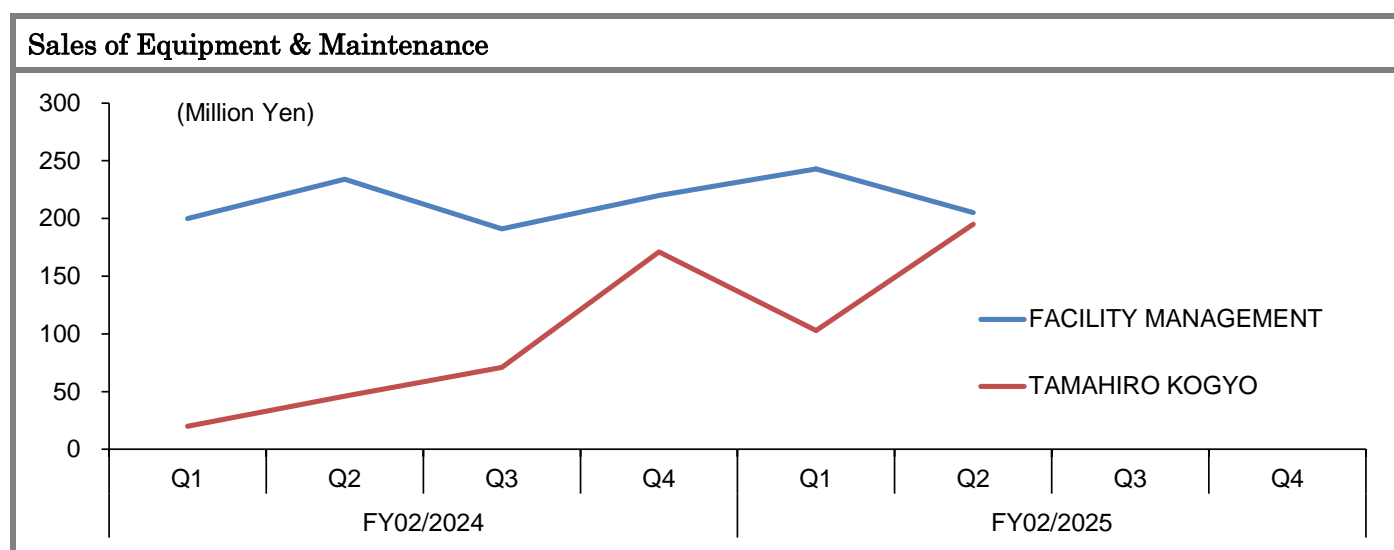


Source: Company Data, WRJ Calculation

For Q1 to Q2, sales of Osaka Business Office have risen sharply driven by strengths of both component elements. In particular, sales associated with the Sound & Lighting Facilities side have roughly doubled over the same period of the previous year, whose impact appears to have accounted for more than 60% of the increase in sales of Osaka Business Office.

Equipment & Maintenance (9.2% of sales and 4.5% of segment profit)

For Q1 to Q2 FY02/2025, sales came in at ¥746m (up 49.0%), segment profit ¥22m (up 185.5%) and segment profit margin 3.1% (up 1.5% points). Sales have risen sharply also on the Equipment & Maintenance side, for which FACILITY MANAGEMENT (wholly owned subsidiary) and TAMAHIRO KOGYO (wholly owned subsidiary) are responsible.



Source: Company Data, WRJ Calculation

The increase in sales on the Equipment & Maintenance side for Q1 to Q2 is attributable to surging sales of operations to construct and manage equipment of air conditioning, electric, water supply, drainage and sanitation, for which TAMAHIRO KOGYO (wholly owned subsidiary) is responsible. According to the Company, this is driven by firmness associated with air conditioning renovation work at elementary and junior high schools as well as metropolitan high schools in Adachi-ku, Tokyo. Meanwhile, at FACILITY MANAGEMENT (wholly owned subsidiary), which is mainly engaged in cleaning, management, repair and maintenance of buildings, is seeing an expansion of new operations of cleaning, while there is a trend of expansion in the operations of air conditioning CFC inspection for school facilities through collaboration with TAMAHIRO KOGYO (wholly owned subsidiary).

Income Statement (Cumulative / Quarterly)

Income 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	Q1 to Q4	Net Chg.
	02/2024	02/2024	02/2024	02/2024	02/2025	02/2025	02/2025	02/2025	02/2025	
Sales	2,993	5,916	8,902	12,626	4,257	8,160	-	-	-	+2,243
Cost of Sales	2,385	4,689	7,137	10,107	3,306	6,566	-	-	-	+1,876
Gross Profit	608	1,227	1,764	2,518	950	1,593	-	-	-	+366
SG&A Expenses	538	1,088	1,689	2,247	564	1,145	-	-	-	+56
Operating Profit	69	138	75	270	385	448	-	-	-	+309
Non-Operating Balance	5	3	(27)	(24)	3	2	-	-	-	(0)
Recurring Profit	74	141	48	245	389	451	-	-	-	+309
Extraordinary Balance	-	23	237	236	-	-	-	-	-	(23)
Profit before Income Taxes	74	165	285	482	389	451	-	-	-	+285
Total Income Taxes	23	52	73	97	75	66	-	-	-	+14
Profit Attributable to Owners of Parent	51	113	212	384	314	384	-	-	-	+271
Sales YoY	(7.3%)	+5.0%	+11.9%	+10.2%	+42.2%	+37.9%	-	-	-	-
Operating Profit YoY	(48.6%)	+122.5%	-	+60.4%	+455.3%	+224.0%	-	-	-	-
Recurring Profit YoY	(47.2%)	+101.0%	-	+38.6%	+419.1%	+218.4%	-	-	-	-
Profit Attributable to Owners of Parent YoY	(57.0%)	+133.9%	-	+114.6%	+515.1%	+239.7%	-	-	-	-
Gross Profit Margin	20.3%	20.7%	19.8%	19.9%	22.3%	19.5%	-	-	-	(1.2%)
SG&A Ratio	18.0%	18.4%	19.0%	17.8%	13.3%	14.0%	-	-	-	(4.4%)
Operating Profit Margin	2.3%	2.3%	0.9%	2.1%	9.1%	5.5%	-	-	-	+3.2%
Recurring Profit Margin	2.5%	2.4%	0.5%	1.9%	9.1%	5.5%	-	-	-	+3.1%
Profit Attributable to Owners of Parent Margin	1.7%	1.9%	2.4%	3.0%	7.4%	4.7%	-	-	-	+2.8%
Total Income Taxes / Profit before Income Taxes	31.9%	31.5%	25.6%	20.2%	19.3%	14.7%	-	-	-	(16.8%)
Income 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	Q4	Net Chg.
	02/2024	02/2024	02/2024	02/2024	02/2025	02/2025	02/2025	02/2025	02/2025	
Sales	2,993	2,923	2,985	3,723	4,257	3,902	-	-	-	+979
Cost of Sales	2,385	2,304	2,447	2,970	3,306	3,259	-	-	-	+954
Gross Profit	608	618	537	753	950	643	-	-	-	+24
SG&A Expenses	538	549	600	558	564	581	-	-	-	+31
Operating Profit	69	68	(62)	194	385	62	-	-	-	(6)
Non-Operating Balance	5	(2)	(30)	2	3	(0)	-	-	-	+1
Recurring Profit	74	66	(92)	197	389	62	-	-	-	(4)
Extraordinary Balance	-	23	213	(0)	-	-	-	-	-	(23)
Profit before Income Taxes	74	90	120	196	389	62	-	-	-	(28)
Total Income Taxes	23	28	21	23	75	(8)	-	-	-	(36)
Profit Attributable to Owners of Parent	51	62	99	172	314	70	-	-	-	+8
Sales YoY	(7.3%)	+21.5%	+28.5%	+6.3%	+42.2%	+33.5%	-	-	-	-
Operating Profit YoY	(48.6%)	-	-	(4.7%)	+455.3%	(9.3%)	-	-	-	-
Recurring Profit YoY	(47.2%)	-	-	(3.9%)	+419.1%	(6.9%)	-	-	-	-
Profit Attributable to Owners of Parent YoY	(57.0%)	-	-	(23.0%)	+515.1%	+13.8%	-	-	-	-
Gross Profit Margin	20.3%	21.2%	18.0%	20.2%	22.3%	16.5%	-	-	-	(4.7%)
SG&A Ratio	18.0%	18.8%	20.1%	15.0%	13.3%	14.9%	-	-	-	(3.9%)
Operating Profit Margin	2.3%	2.4%	(2.1%)	5.2%	9.1%	1.6%	-	-	-	(0.8%)
Recurring Profit Margin	2.5%	2.3%	(3.1%)	5.3%	9.1%	1.6%	-	-	-	(0.7%)
Profit Attributable to Owners of Parent Margin	1.7%	2.1%	3.3%	4.6%	7.4%	1.8%	-	-	-	(0.3%)
Total Income Taxes / Profit before Income Taxes	31.9%	31.2%	17.6%	12.2%	19.3%	-	-	-	-	-

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative / Quarterly)

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		
	02/2024	02/2024	02/2024	02/2024	02/2025	02/2025	02/2025	02/2025		
Interior Construction	1,489	3,064	4,570	6,334	2,615	4,894	-	-	-	+1,829
Sound & Lighting Facilities	1,051	1,886	2,882	4,451	1,294	2,519	-	-	-	+632
Equipment & Maintenance	220	501	763	1,153	347	746	-	-	-	+245
Human Resources	231	464	686	686	-	-	-	-	-	(464)
Sales	2,993	5,916	8,902	12,626	4,257	8,160	-	-	-	+2,243
Interior Construction	56	143	135	139	265	335	-	-	-	+191
Sound & Lighting Facilities	45	64	91	269	142	150	-	-	-	+85
Equipment & Maintenance	9	7	(6)	41	2	22	-	-	-	+14
Human Resources	7	6	10	10	-	-	-	-	-	(6)
Segment Profit	117	222	230	460	410	508	-	-	-	+286
Adjustments	(48)	(84)	(154)	(189)	(24)	(60)	-	-	-	+23
Operating Profit	69	138	75	270	385	448	-	-	-	+309
Interior Construction	3.8%	4.7%	3.0%	2.2%	10.1%	6.8%	-	-	-	+2.2%
Sound & Lighting Facilities	4.3%	3.4%	3.2%	6.0%	11.0%	6.0%	-	-	-	+2.6%
Equipment & Maintenance	4.1%	1.6%	(0.8%)	3.6%	0.8%	3.1%	-	-	-	+1.5%
Human Resources	3.3%	1.4%	1.5%	1.5%	-	-	-	-	-	-
Segment Profit Margin	3.9%	3.8%	2.6%	3.6%	9.6%	6.2%	-	-	-	+2.5%
Adjustments	(1.6%)	(1.4%)	(1.7%)	(1.5%)	(0.6%)	(0.7%)	-	-	-	+0.7%
Operating Profit Margin	2.3%	2.3%	0.9%	2.1%	9.1%	5.5%	-	-	-	+3.2%
Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
02/2024	02/2024	02/2024	02/2024	02/2025	02/2025	02/2025	02/2025			
Interior Construction	1,489	1,574	1,505	1,764	2,615	2,278	-	-	-	+703
Sound & Lighting Facilities	1,051	834	995	1,568	1,294	1,225	-	-	-	+390
Equipment & Maintenance	220	280	262	390	347	399	-	-	-	+118
Human Resources	231	233	222	-	-	-	-	-	-	(233)
Sales	2,993	2,923	2,985	3,723	4,257	3,902	-	-	-	+979
Interior Construction	56	87	(8)	4	265	70	-	-	-	(17)
Sound & Lighting Facilities	45	19	27	177	142	8	-	-	-	(11)
Equipment & Maintenance	9	(1)	(14)	47	2	19	-	-	-	+21
Human Resources	7	(1)	3	-	-	-	-	-	-	+1
Segment Profit	117	104	8	229	410	98	-	-	-	(6)
Adjustments	(48)	(35)	(70)	(35)	(24)	(35)	-	-	-	(0)
Operating Profit	69	68	(63)	194	385	62	-	-	-	(6)
Interior Construction	3.8%	5.5%	(0.5%)	0.3%	10.1%	3.1%	-	-	-	(2.5%)
Sound & Lighting Facilities	4.3%	2.3%	2.7%	11.3%	11.0%	0.7%	-	-	-	(1.7%)
Equipment & Maintenance	4.1%	(0.4%)	(5.4%)	12.2%	0.8%	5.0%	-	-	-	+5.4%
Human Resources	3.3%	(0.5%)	1.6%	-	-	-	-	-	-	-
Segment Profit Margin	3.9%	3.6%	0.3%	6.2%	9.6%	2.5%	-	-	-	(1.1%)
Adjustments	(1.6%)	(1.2%)	(2.4%)	(0.9%)	(0.6%)	(0.9%)	-	-	-	+0.3%
Operating Profit Margin	2.3%	2.4%	(2.1%)	5.2%	9.1%	1.6%	-	-	-	(0.8%)

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
	02/2024	02/2024	02/2024	02/2024	02/2025	02/2025	02/2025	02/2025		
Cash and Deposit	2,323	2,503	2,121	1,419	2,471	2,296	-	-	-	(206)
Notes Receivable -Trade	2,080	1,817	2,249	3,363	2,759	3,205	-	-	-	+1,388
Inventory	4	4	13	14	13	9	-	-	-	+5
Costs on Construction Contracts in Progress	560	579	955	833	656	660	-	-	-	+81
Other	140	114	140	176	162	91	-	-	-	(22)
Current Assets	5,109	5,018	5,482	5,808	6,063	6,264	-	-	-	+1,245
Tangible Assets	1,149	1,120	1,139	1,111	1,114	1,142	-	-	-	+21
Intangible Assets	278	270	553	543	543	538	-	-	-	+268
Investments and Other Assets	643	644	678	672	695	710	-	-	-	+65
Fixed Assets	2,072	2,035	2,371	2,326	2,353	2,391	-	-	-	+355
Total Assets	7,181	7,054	7,853	8,135	8,417	8,655	-	-	-	+1,601
Accounts Payables	1,467	1,411	1,481	1,653	1,364	1,616	-	-	-	+205
Short-Term Debt	529	489	450	450	580	515	-	-	-	+25
Current Portion of Long-term Debt	353	361	459	472	433	396	-	-	-	+34
Other	858	658	665	714	971	1,025	-	-	-	+367
Current Liabilities	3,208	2,921	3,056	3,290	3,349	3,553	-	-	-	+632
Long-Term Debt	423	511	1,013	867	901	828	-	-	-	+316
Other	271	277	329	340	343	380	-	-	-	+103
Fixed Liabilities	694	788	1,343	1,207	1,244	1,209	-	-	-	+420
Total Liabilities	3,902	3,710	4,399	4,497	4,593	4,762	-	-	-	+1,052
Shareholders' Equity	3,313	3,375	3,477	3,652	3,835	3,907	-	-	-	+532
Other	(35)	(32)	(24)	(15)	(13)	(16)	-	-	-	+16
Net Assets	3,278	3,344	3,453	3,637	3,823	3,892	-	-	-	+548
Total Liabilities & Net Assets	7,181	7,054	7,853	8,135	8,417	8,655	-	-	-	+1,601
Equity Capital	3,278	3,344	3,453	3,637	3,823	3,892	-	-	-	+548
Interest Bearing Debt	1,305	1,363	1,923	1,789	1,914	1,739	-	-	-	+376
Net Debt	(1,018)	(1,140)	(199)	370	(557)	(557)	-	-	-	+583
Equity Ratio	45.7%	47.4%	44.0%	44.7%	45.4%	45.0%	-	-	-	-
Net Debt Equity Ratio	(31.1%)	(34.1%)	(5.7%)	10.2%	(14.6%)	(14.3%)	-	-	-	-
ROE (12 months)	3.4%	7.5%	13.3%	11.1%	18.2%	18.1%	-	-	-	-
ROA (12 months)	1.5%	3.5%	3.5%	3.2%	7.2%	7.1%	-	-	-	-
Days for Inventory Turnover	21	23	36	26	18	18	-	-	-	-
Quick Ratio	137%	148%	143%	145%	156%	155%	-	-	-	-
Current Ratio	159%	172%	179%	177%	181%	176%	-	-	-	-

Source: Company Data, WRJ Calculation

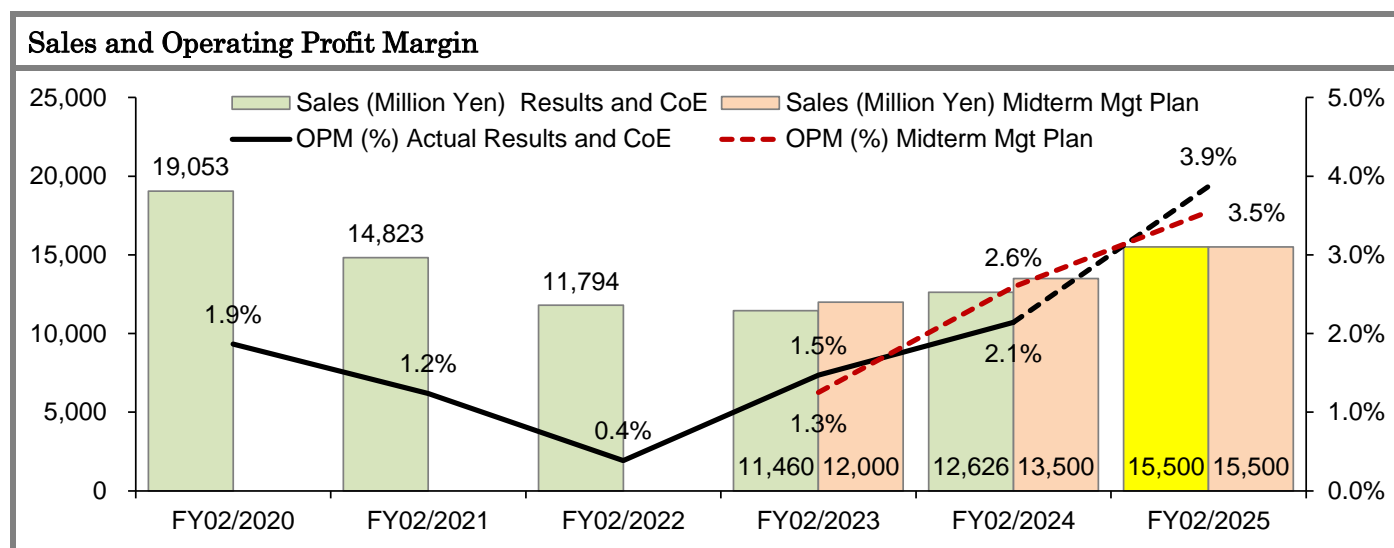
Cash Flow Statement (Cumulative)

Cash Flow 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	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		
	02/2024	02/2024	02/2024	02/2024	02/2025	02/2025	02/2025	02/2025		
Operating Cash Flow	-	791	-	(623)	-	1,149	-	-	-	+357
Investing Cash Flow	-	(28)	-	(58)	-	(48)	-	-	-	(20)
Operating Cash Flow and Investing Cash Flow	-	764	-	(681)	-	1,102	-	-	-	+337
Financing Cash Flow	-	(51)	-	261	-	(191)	-	-	-	(141)

Source: Company Data, WRJ Calculation

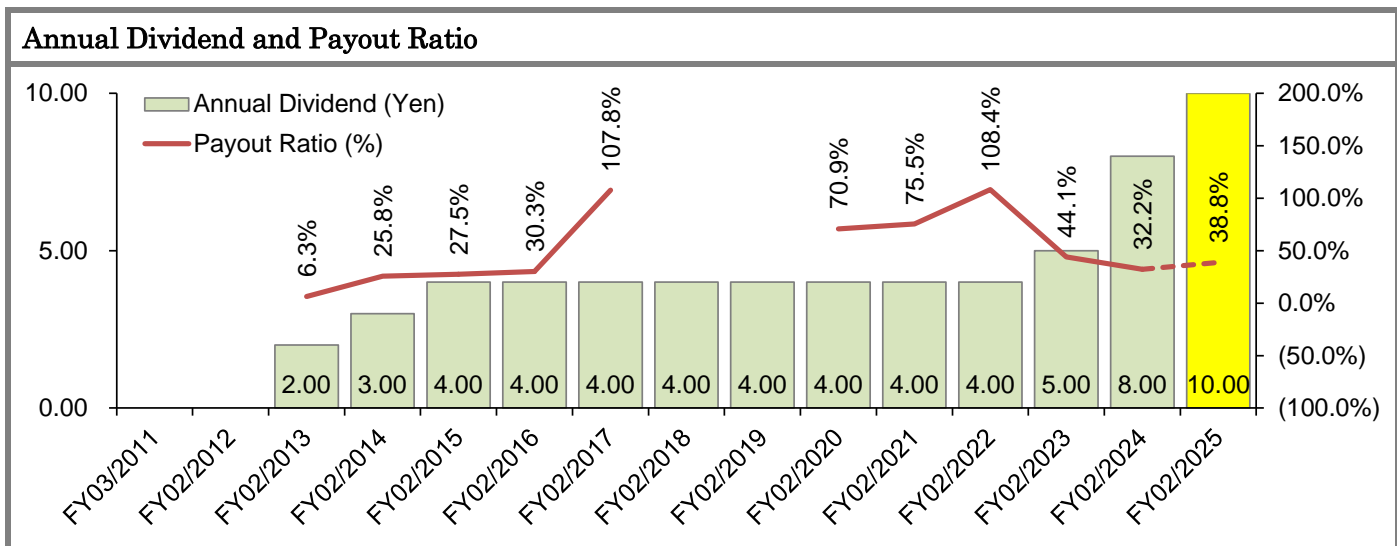
Long-Term Prospects

The Company has disclosed the details of its fourth midterm management plan (FY02/2023 to FY02/2025) in the explanatory material for FY02/2022 results briefing, dated on 15 April 2022, with the impellent title of Ex Position, while advocating the basic policy to “evolve and renew business model via innovations with an objective of acquiring a position to pursue growth in the next phase”. At the same time, the Company has set performance target of achieving sales of ¥15,500m, operating profit of ¥550m and operating profit margin of 3.5% for FY02/2025, the final year of the plan.



Source: Company Data, WRJ Calculation

On the other hand, as mentioned earlier, the latest FY02/2025 Company forecasts, announced on 27 August 2024, are going for prospective sales of ¥15,500m (up 22.8% YoY), operating profit of ¥600m (up 121.8%) and operating profit margin of 3.9% (up 1.7% points). Now, the Company is supposed to see sales in line with the performance target of the midterm management plan, while operating profit higher by ¥50m (9.1%). As well, for FY02/2026 and thereafter, the Company is currently formulating new midterm management plan to be announced, in which it will further focus on the above-mentioned basic policy of the existing midterm management plan, as well as aggressively investing in human capital and so on, in order to realize a changeover to the new phase of growth.



Source: Company Data, WRJ Calculation

The Company has taken a proactive approach to shareholder returns. In light of the situation so far, it can be said that a dividend policy equivalent to so-called progressive dividend has been virtually adopted. On 5 October 2010, the Company had an IPO on the Osaka Stock Exchange (JASDAQ Standard). In those early days of the new listing, the Company did not pay dividend for some time, while having begun paying for FY02/2013. Since then, the Company has never reduced dividend, consistently renewing the record of stability in dividend payment. For FY02/2018 and FY02/2019, the Company suffered from loss at the level of profit attributable to owners of parent, i.e., the source of dividend payment, but dividend payment was not suspended and stability persisted.

Meanwhile, for FY02/2023, when the V-shaped recovery began at the level of profit attributable to owners of parent, which is the source of dividend, an increase in dividend was implemented and for FY02/2024, a further increase in dividend was implemented. Meanwhile, FY02/2025 initial Company forecasts, announced on 12 April 2024, were going for planned annual dividend of ¥8.00 per share, having indicated a suspension of dividend increase from the actual results for FY02/2024, but this was followed by the upgrade from ¥8.00 to ¥10.00 per share, implying payout ratio of 38.8%, made in line with the release of the Q1 to Q2 results on 15 October 2024. According to the Company, this was decided after considering prospect that it was likely to continue seeing performance to exceed assumptions of the initial Company forecasts, going forward. Also, on 31 July 2024, the Company cancelled its treasury shares as planned (ordinary shares of 3,000,000 in the number, equating to 14.99% of the total number of shares outstanding prior to cancellation). According to the Company, this was being conducted as part of the measures to “promote management with an awareness of the cost of capital and share price,” which is mentioned earlier.

5.0 Financial Statements

Income Statement

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
(Million Yen)	FY	FY	FY	FY	FY	FY	YoY
	02/2020	02/2021	02/2022	02/2023	02/2024	02/2025	Net Chg.
Sales	19,053	14,823	11,794	11,460	12,626	15,500	+2,873
Cost of Sales	15,034	11,305	9,098	9,094	10,107	-	-
Gross Profit	4,019	3,518	2,695	2,366	2,518	-	-
SG&A Expenses	3,663	3,334	2,650	2,197	2,247	-	-
Operating Profit	355	183	45	168	270	600	+329
Non-Operating Balance	(15)	102	3	8	(24)	(20)	+4
Recurring Profit	340	286	48	177	245	580	+334
Extraordinary Balance	(69)	(17)	78	63	236	-	-
Profit before Income Taxes	271	268	127	240	482	-	-
Total Income Taxes	162	167	55	61	97	-	-
Profit Attributable to Owners of Parent	108	101	71	179	384	400	+15
Sales YoY	(1.7%)	(22.2%)	(20.4%)	(2.8%)	+10.2%	+22.8%	-
Operating Profit YoY	+91.8%	(48.4%)	(75.3%)	+272.7%	+60.4%	+121.8%	-
Recurring Profit YoY	+124.4%	(15.9%)	(83.0%)	+265.2%	+38.6%	+136.0%	-
Profit Attributable to Owners of Parent YoY	-	(6.1%)	(29.5%)	+150.3%	+114.6%	+3.9%	-
Gross Profit Margin	21.1%	23.7%	22.9%	20.6%	19.9%	-	-
SG&A Ratio	19.2%	22.5%	22.5%	19.2%	17.8%	-	-
Operating Profit Margin	1.9%	1.2%	0.4%	1.5%	2.1%	3.9%	+1.7%
Recurring Profit Margin	1.8%	1.9%	0.4%	1.5%	1.9%	3.7%	+1.8%
Profit Attributable to Owners of Parent Margin	0.6%	0.7%	0.6%	1.6%	3.0%	2.6%	(0.5%)
Total Income Taxes / Profit before Income Taxes	60.1%	62.2%	43.7%	25.5%	20.2%	-	-

Source: Company Data, WRJ Calculation

Segmented Information

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
(Million Yen)	FY	FY	FY	FY	FY	FY	YoY
	02/2020	02/2021	02/2022	02/2023	02/2024	02/2025	Net Chg.
Interior Construction	-	-	5,244	5,500	6,334	-	-
Sound & Lighting Facilities	-	-	2,584	3,560	4,451	-	-
Equipment & Maintenance	-	-	1,376	1,282	1,153	-	-
Human Resources	-	-	1,000	866	686	-	-
Other	-	-	1,589	250	-	-	-
Sales	19,053	14,823	11,794	11,460	12,626	15,500	+2,873
Interior Construction	-	-	89	71	139	-	-
Sound & Lighting Facilities	-	-	22	154	269	-	-
Equipment & Maintenance	-	-	68	73	41	-	-
Human Resources	-	-	39	37	10	-	-
Other	-	-	31	10	-	-	-
Segment Profit	-	-	251	348	460	-	-
Adjustments	-	-	(205)	(179)	(189)	-	-
Operating Profit	355	183	45	168	270	600	+329
Interior Construction	-	-	1.7%	1.3%	2.2%	-	-
Sound & Lighting Facilities	-	-	0.9%	4.4%	6.0%	-	-
Equipment & Maintenance	-	-	5.0%	5.7%	3.6%	-	-
Human Resources	-	-	3.9%	4.3%	1.5%	-	-
Other	-	-	2.0%	4.1%	-	-	-
Segment Profit Margin	-	-	2.1%	3.0%	3.6%	-	-
Adjustments	-	-	(1.7%)	(1.6%)	(1.5%)	-	-
Operating Profit Margin	1.9%	1.2%	0.4%	1.5%	2.1%	3.9%	+1.7%

Source: Company Data, WRJ Calculation

Balance Sheet

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 02/2020	FY 02/2021	FY 02/2022	FY 02/2023	FY 02/2024	FY 02/2025	YoY Net Chg.
Cash and Deposit	3,144	3,184	2,233	1,787	1,419	-	-
Notes Receivable -Trade	2,725	1,530	2,349	2,661	3,363	-	-
Inventory	108	68	59	4	14	-	-
Costs on Construction Contracts in Progress	1,197	594	419	671	833	-	-
Other	215	172	239	90	176	-	-
Current Assets	7,392	5,551	5,300	5,215	5,808	-	-
Tangible Assets	1,685	1,615	1,207	1,151	1,111	-	-
Intangible Assets	569	468	391	297	543	-	-
Investments and Other Assets	757	691	664	634	672	-	-
Fixed Assets	3,012	2,776	2,263	2,083	2,326	-	-
Total Assets	10,404	8,327	7,564	7,298	8,135	-	-
Accounts Payables	2,680	1,203	1,691	1,854	1,653	-	-
Short-Term Debt	800	650	450	450	450	-	-
Current Portion of Long-term Debt	548	404	330	376	472	-	-
Other	1,171	1,139	416	574	714	-	-
Current Liabilities	5,305	3,502	2,887	3,256	3,290	-	-
Long-Term Debt	760	571	472	499	867	-	-
Other	370	345	286	261	340	-	-
Fixed Liabilities	1,299	979	759	761	1,207	-	-
Total Liabilities	6,605	4,482	3,647	4,017	4,497	-	-
Shareholders' Equity	3,844	3,922	3,964	3,338	3,652	-	-
Other	(46)	(78)	(48)	(59)	(15)	-	-
Net Assets	3,799	3,845	3,917	3,280	3,637	-	-
Total Liabilities & Net Assets	10,404	8,327	7,564	7,298	8,135	-	-
Equity Capital	3,799	3,845	3,917	3,280	3,637	-	-
Interest Bearing Debt	2,383	1,794	1,252	1,326	1,789	-	-
Net Debt	(762)	(1,391)	(981)	(462)	370	-	-
Equity Ratio	36.5%	46.2%	51.8%	45.0%	44.7%	-	-
Net Debt Equity Ratio	(20.0%)	(36.2%)	(25.0%)	(14.1%)	10.2%	-	-
ROE (12 months)	2.8%	2.7%	1.8%	5.0%	11.1%	-	-
ROA (12 months)	3.2%	3.1%	0.6%	2.4%	3.2%	-	-
Days for Inventory Turnover	31	21	19	27	30	-	-
Quick Ratio	111%	135%	159%	137%	145%	-	-
Current Ratio	139%	158%	184%	160%	177%	-	-

Source: Company Data, WRJ Calculation

Cash Flow Statement

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 02/2020	FY 02/2021	FY 02/2022	FY 02/2023	FY 02/2024	FY 02/2025	YoY Net Chg.
Operating Cash Flow	614	633	(795)	161	(623)	-	-
Investing Cash Flow	(125)	41	439	119	(58)	-	-
Operating Cash Flow and Investing Cash Flow	490	674	(355)	281	(681)	-	-
Financing Cash Flow	(403)	(637)	(589)	(729)	261	-	-

Source: Company Data, WRJ Calculation

Per Share Data

Per Share Data (Before Adjustments for Split) (Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
	02/2020	02/2021	02/2022	02/2023	02/2024	02/2025	Net Chg.
No. of Shares FY End (thousand shares)	20,011	20,011	20,011	20,011	20,011	-	-
Net Profit / EPS (thousand shares)	19,203	19,181	19,421	15,831	15,507	-	-
Treasury Shares FY End (thousand shares)	957	751	570	4,519	4,495	-	-
Earnings Per Share	5.64	5.30	3.69	11.33	24.82	25.78	-
Earnings Per Share (Fully Diluted)	-	-	-	-	-	-	-
Book Value Per Share	199.39	199.67	201.49	211.77	234.45	-	-
Dividend Per Share	4.00	4.00	4.00	5.00	8.00	10.00	-
Per Share Data (After Adjustments for Split) (Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
	02/2020	02/2021	02/2022	02/2023	02/2024	02/2025	Net Chg.
Share Split Factor	1	1	1	1	1	1	-
Earnings Per Share	5.64	5.30	3.69	11.33	24.82	25.78	-
Book Value Per Share	199.39	199.67	201.49	211.77	234.45	-	-
Dividend Per Share	4.00	4.00	4.00	5.00	8.00	10.00	-
Payout Ratio	70.9%	75.5%	108.4%	44.1%	32.2%	38.8%	-

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.

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