

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)								
FY03/2021		13,885	1,853	1,784	1,231	87.42	35.00	1,019.59
FY03/2022		16,063	2,135	2,063	1,452	105.36	43.00	1,088.87
FY03/2023CoE		17,000	2,200	2,120	1,465	105.43	43.00	-
FY03/2022	YoY	15.7%	15.3%	15.7%	17.9%	-	-	-
FY03/2023CoE	YoY	5.8%	3.0%	2.7%	0.8%	-	-	-
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 FY03/2022		8,231	1,252	1,217	846	-	-	-
Q3 to Q4 FY03/2022		7,831	882	846	606	-	-	-
Q1 to Q2 FY03/2023		8,909	1,113	1,077	744	-	-	-
Q3 to Q4 FY03/2023CoE		8,090	1,086	1,042	720	-	-	-
Q1 to Q2 FY03/2023	YoY	8.2%	(11.2%)	(11.5%)	(12.1%)	-	-	-
Q3 to Q4 FY03/2023CoE	YoY	3.3%	23.1%	23.2%	18.8%	-	-	-

Source: Company Data, WRJ Calculation

1.0 Executive Summary (5 January 2023)


Proactively

Shinwa, which mainly manufactures and sells system scaffoldings, has announced that it is proactively working on initiatives to achieve the performance target of its midterm management plan (FY03/2022 to FY03/2026 / announced on 14 December 2021) at its online financial results briefing for Q1 to Q2 FY03/2023 (held on 1 December 2022). For example, the Company is steadily entering the market for skyscrapers on the Scaffolding Equipment side, mainly comprising system scaffoldings, while favorably cultivating new industry domains through collaboration with its alliance partners on the Logistics Equipment side. For short-term performance, the Company suffers from unexpectedly sharp rise in raw material prices, but there is an aspect that this is largely compensated for by the Company's measures to make a revision on product selling prices, having resulted in the Company's idea that it does not have to change the performance target of its midterm management plan at this point. In fact, the Company saw actual results for Q1 to Q2, slightly better than assumptions of initial Company forecasts (announced on 13 May 2022). By the way, the midterm management plan is calling for prospective revenue of ¥25,000m and operating profit of ¥3,500m for FY03/2026, the final year of the plan, implying CAGR of 12.5% for revenue and 13.6% for operating profit, when setting the actual results of FY03/2021 as the point of origin.

IR Representative: Hiromichi Aoki, Corporate Planning Dept. (81-(0)584-66-4436 / ir@shinwa-jp.com)

2.0 Company Profile

The Leader of Scaffolding Technology

Company Name	Shinwa Co., Ltd. Company Website IR Information Share price (Japanese)	
Established	11 August 2014	
Listing	4 April 2022: TSE Standard Market and NSE Premier Market (ticker: 3447) 20 March 2019: TSE 1st section and NSE 1st section 21 June 2018: Nagoya Stock Exchange (NSE) 2nd section 20 March 2018: Tokyo Stock Exchange (TSE) 2nd section	
Capital	¥153m (as of the end of September 2022)	
No. of Shares	14,103,000 shares, including 197,118 treasury shares (as of the end of Sep. 2022)	
Main Features	<ul style="list-style-type: none"> ● Boosting up security of footing for construction industry in Japan and overseas ● Advocating ranks first in the market for system scaffoldings in Japan ● First-class production capability in Japan with high readiness and quality 	
Segment	I . Manufacture and Sale of Scaffolding Equipment and Logistics Equipment	
Representatives	Chairperson and Representative Director: Hiroshi Yamada President and Representative Director : Kurio Noritake	
Shareholders	Master Trust Bank of Japan, T. 10.59%, Custody Bank of Japan, T. 5.64%, Alinco Inc. 4.95%, Hanwa Co., Ltd. 4.95%, RE FUND 107-CLIENT AC 1.97% (as of the end of September, but for treasury shares)	
Head Office	Kaizu-city, Gifu-prefecture, JAPAN	
No. of Personnel	Consolidated: 141 (as of the end of September 2022, but for part-timers, etc.)	

Source: Company Data

3.0 Management Philosophy and Business Model

PURPOSE of Protecting Lives and Supporting the Future

The Company, based in Kaizu-city, Gifu-prefecture, is running its operations as metallic-processing-related manufacturer. In terms of the actual results of FY03/2022, revenue on the Scaffolding Equipment side accounted for 77.4% of total and 22.6% on the Logistics Equipment side. With respect to the mainstay Scaffolding Equipment side, the Company was exposed to system scaffoldings (wedge binding type scaffoldings and next generation scaffoldings) by almost 80% in terms of revenue. Meanwhile, on the Logistics Equipment side, the Company saw revenue derived from manufacture / sale of pallets, racks and other products all used to store / transport goods at factories, warehouses, construction sites, etc.

Revenue by Division

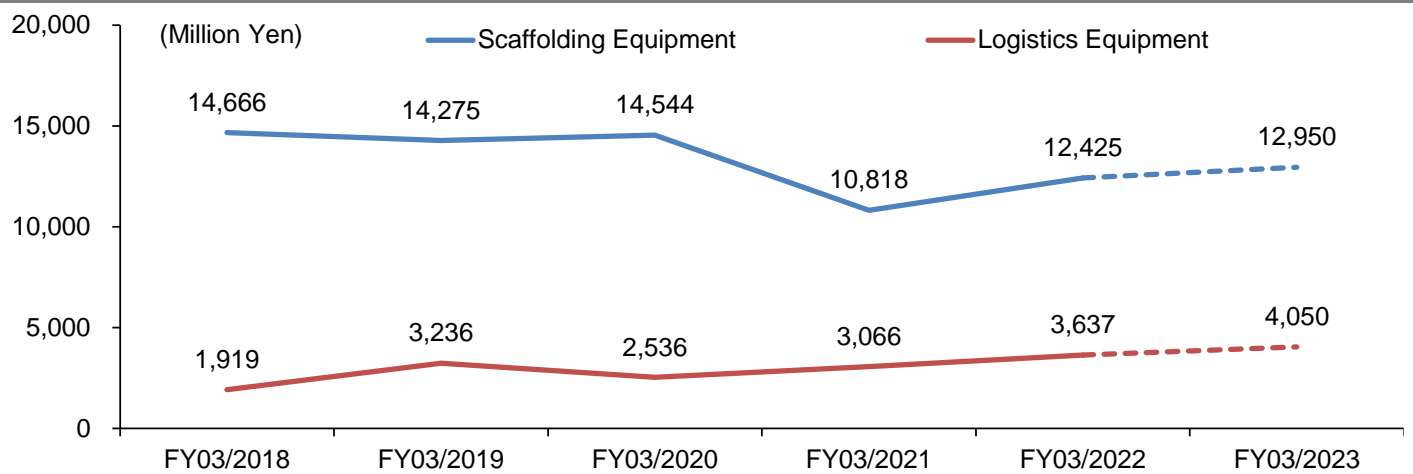
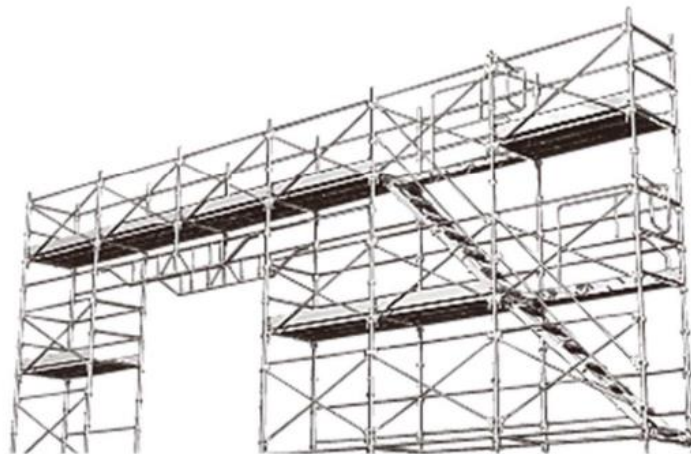


Image of Scaffoldings

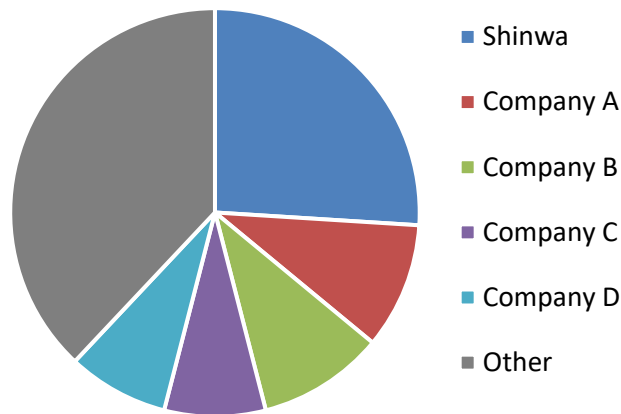


Source: Company Data

Meanwhile, the Company advocates “protecting lives and support the future” as PURPOSE. At the same time, the Company also advocates “we protect precious *lives* through the supply of our products and services” and “we offer our wholehearted support for our personnel to realize their dreams and future visions” as OUR MISSION, while “we strive to become a company that wins the trust of customers” and “we keep growing hand in hand with our customers” as OUR VISION.

In the first place, the term “ashiba” or scaffolding in Japanese is commonly used as that of representing “place where people can stand to be there”, “place that forms the basis for doing things”, “standpoint”, “foundation”, etc., while representing a simple object to secure footing temporarily constructed at construction sites for so-called “tobishoku” or artisans (workers) specialized in high-altitude operations of construction to carry out their work to achieve the original purpose of constructing architecture as far as the Company’s business is concerned. Meanwhile, the Company leads the market for scaffolding equipment, represented by system scaffoldings, with its first-class production capability in Japan as well as with high readiness and quality, consistently contributing to society.

Market Share in Japan for System Scaffoldings (wedge binding type and next generation)



Source: Company Data

According to a go-it-alone survey in terms of shipment value by the Company, the Company ranks first in the market of Japan for system scaffoldings (wedge binding type scaffoldings and next generation scaffoldings). The Company suggests that it is by far the largest as far as wedge binding type scaffoldings are concerned and being one of the largest for next generation scaffoldings. Meanwhile, the Company says that a replacement of conventional framed scaffoldings by next generation scaffoldings is going on at the moment, which is creating an opportunity for itself to enhance market share for own next-generation scaffoldings. Further, the Company is looking to its strategy to geographically expand the area of its sales activities to drive market share for own wedge binding type scaffoldings.

In the first place, next generation scaffoldings, which are responsible literally for the next generation work, have been developed for the sake of solving problems of conventional framed scaffoldings, actually resulting in an ongoing switchover from conventional framed scaffoldings to next generation scaffoldings, according to the Company. It is bespoken that framed scaffoldings have a difficulty to cope with “reinforcement of preventive measures for scaffolding-related falls and fall hazards” emphasized by the Occupational Health and Safety Regulations and that they inevitably incur transportation costs relatively higher at the same time. Assuming the required storage space of framed scaffoldings, which are relatively less packable, being 100, the required storage space of next generation scaffoldings, which are relatively more packable, being equated to some 40, implying a gap in transportation costs to a corresponding extent. On top of this, framed scaffoldings require a skilled technical work, when assembling components at the construction sites, while a simple work with the degree of skill not affecting for next generation scaffoldings.

In Japan, having accounted for the bulk of revenue on the Scaffolding Equipment side to date, there is a strong need for robust urban development because of high frequency of natural disasters such as earthquakes, typhoons and heavy rains, according to the Company, while scaffolding equipment boost up security of footing for construction industry to deploy the robust urban development. In other words, the Company suggests that scaffolding equipment is regarded as one of the essential resources for enhancing the sustainability of Japan's future. Meanwhile, the Company also suggests that there is a major problem remaining here to be solved, i.e., that of so-called “tobishoku” or artisans (workers) specialized in high-altitude operations of construction being continually injured and/or killed from falls from scaffoldings. The Company intends to support the development of society by continuing honest efforts for manufacturing of products, including safety measures equipment (presetting handrails and toe boards) to cope with this problem.

Company History

Date	Events
September 1977	Began operations as Shinwa Shoten
January 1988	Entered the market for system scaffoldings
May 2003	Established Logistics Equipment Division
May 2016	Started manufacture and sale of next generation scaffoldings Silent Power System (SPS)
October 2017	Began manufacture and sale overseas
March 2018	Listed on Tokyo Stock Exchange 2nd section
June 2018	Listed on Nagoya Stock Exchange 2nd section
March 2019	Listing change to Tokyo Stock Exchange 1st section and Nagoya Stock Exchange 1st section
November 2019	Established Guangdong Nisshin-Chuangfu Advanced Construction Materials Co., Ltd. in China
April 2022	Listing change to Tokyo Stock Exchange Standard Market and Nagoya Stock Exchange Premier Market

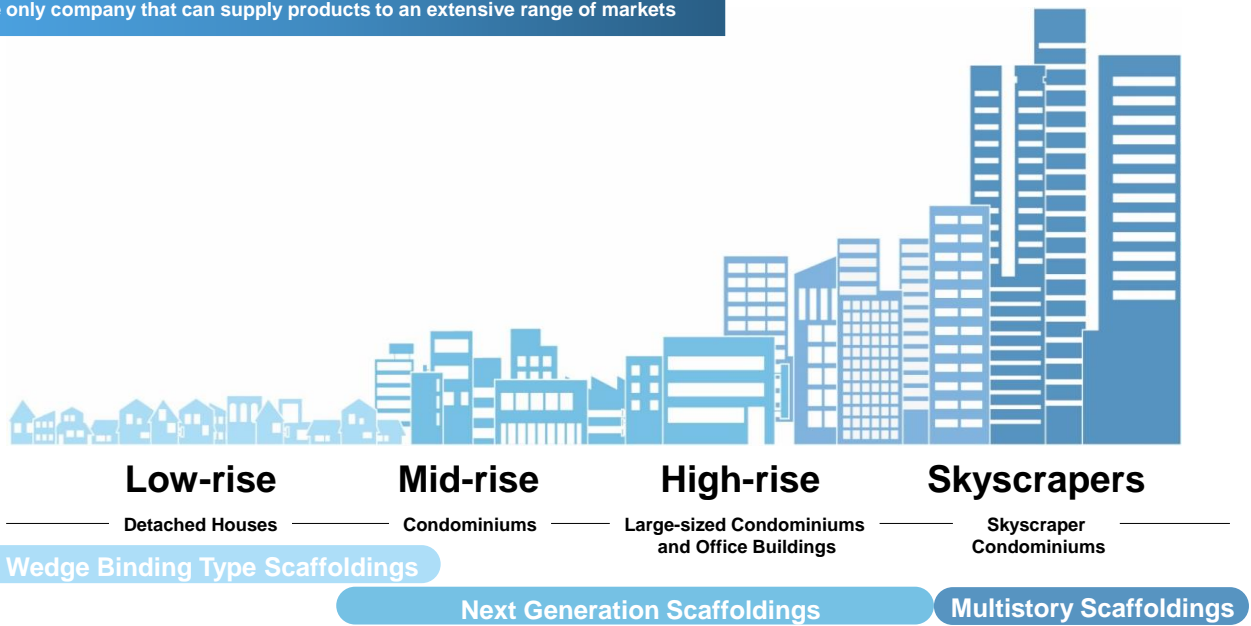
In September 1977, the Company started up its operations as Shinwa Shoten (45 years passed since the startup), together with the manufacture of scaffolding equipment “jack base”. Meanwhile, the Company has entered the market for system scaffoldings with self-developed wedge binding type scaffoldings Shinwa Catcher in January 1988. According to the Company, Shinwa Catcher has subsequently become the de facto standard for system scaffoldings and has greatly encouraged growth for the Company as a whole. Meanwhile, the Company set up Logistics Equipment Division in May 2003, which was followed by the startup of manufacture and sale of next generation scaffoldings Silent Power System (SPS) in May 2016. At the moment, the term "system scaffoldings" refer to wedge binding type scaffoldings and next generation scaffoldings. Then, in June 2017, the Company began manufacture and sale overseas in Vietnam and it was November 2019 that it established a joint company (Nisshin-Chuangfu Advanced Construction Materials Co., Ltd.) in China and began local manufacture and sale of system scaffoldings.

On the other hand, the Company has become a public company with its listing on Tokyo Stock Exchange 2nd section on 20 March 2018. Following its listing on Nagoya Stock Exchange 2nd section on 21 June 2018, the Company's shares had a listing change to Tokyo Stock Exchange 1st section and Nagoya Stock Exchange 1st section on 20 March 2019. Then, occurring in connection with reorganization of market segments by Tokyo Stock Exchange and Nagoya Stock Exchange on 4 April 2022, the Company's shares had a listing change to Standard Market and Premier Market, respectively. In view of the fact that it did not satisfy Prime Market listing standards in terms of “tradable” market capitalization, the Company had made decision to go for Standard Market where all the listing standards were satisfied, arguing that the it believes this is the most appropriate choice for the sake of persistently enhance its shareholder value. In fact, the Company says that this is a result of pondering the size of itself and its growth strategy, paying respect to the concept of the new market. That is to say, listing on Prime Market using so-called "transitional measures" was avoided intentionally and boldly.

Unique Positioning

From Low-rise to Skyscrapers

The only company that can supply products to an extensive range of markets



Source: Company Data

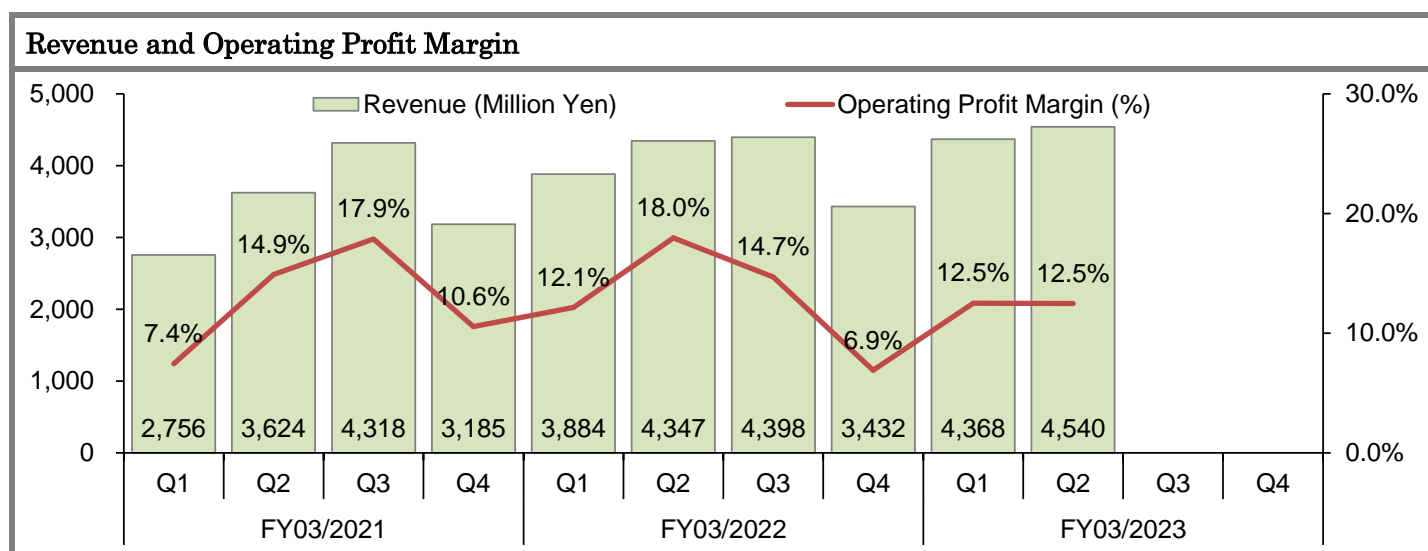
By the way, the Company has recently entered multistory scaffoldings in addition to system scaffoldings (wedge binding type scaffoldings and next generation scaffoldings), which has enabled it to establish a structure to supply own products to a wide range of markets, comprising low-rise market (detached houses), mid-rise market (condominiums), high-rise market (large-sized condominiums and buildings) and skyscraper market (skyscraper condominiums). This is a feature not recognized in any other peers and the Company is said to have a unique positioning in this respect.

The Company launched multistory scaffoldings for FY03/2022, having had seen revenue of ¥114m during the same period. Meanwhile, the Company saw revenue of ¥134m for Q1 to Q2 FY03/2023, implying a steady takeoff for multistory scaffoldings. The Company suggests that there is an aspect of technology of the Company's system scaffoldings (wedge binding type scaffoldings and next generation scaffoldings) being applied for multistory scaffoldings, while the Company says that it could potentially generate revenue of no less than some ¥20,000m during the period of the midterm management plan (FY03/2022 to FY03/2026). Thus, the Company is so eager to pursue this opportunity. As far as multistory scaffoldings are concerned, the Company is nothing but a latecomer not a little, but there is a plenty of room for the Company's market share to rise substantially for the future, with the characteristics of a high workability, etc. to cut back on the period of construction, according to the Company.

4.0 Recent Trading and Prospects

Q1 to Q2 FY03/2023

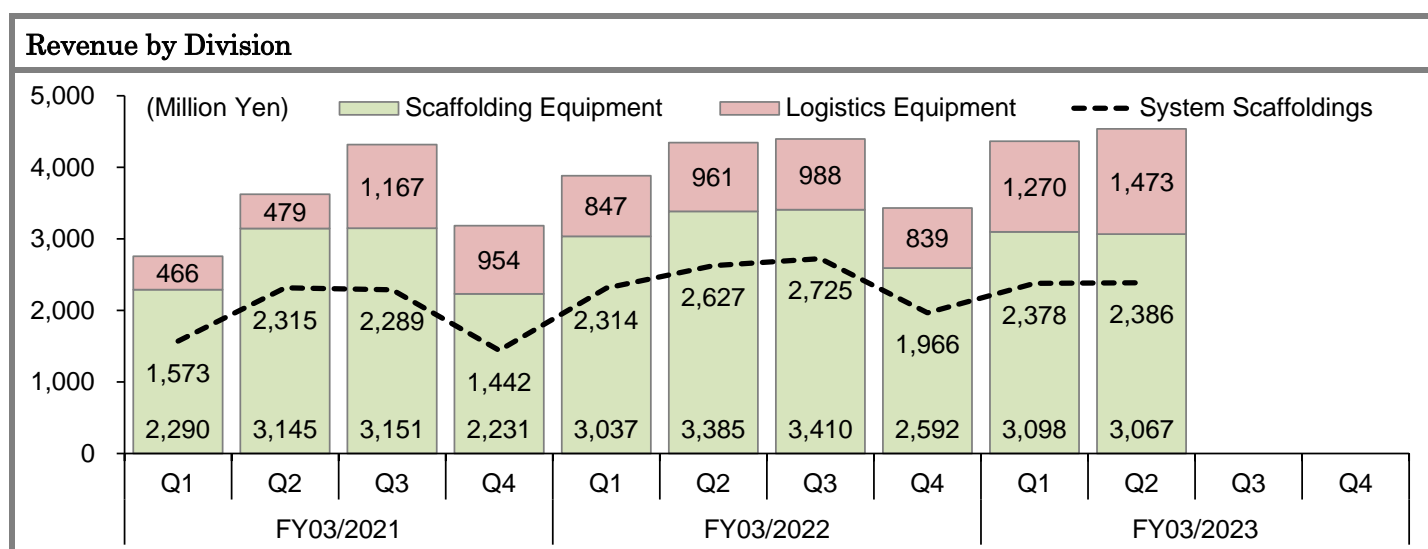
For Q1 to Q2 FY03/2023, revenue came in at ¥8,909m (up 8.2% YoY), operating profit ¥1,113m (down 11.2%), profit before tax ¥1,077m (down 11.5%) and profit attributable to owners of parent ¥744m (down 12.1%), while operating profit margin 12.5% (down 2.7% points). At the same time, gross profit came in at ¥2,150m (down 1.6%) and SG&A expenses ¥1,026m (up 9.1%), implying gross profit margin of 24.1% (down 2.4% points) and SG&A ratio of 11.5% (up 0.1% point).



Source: Company Data, WRJ Calculation

Assumptions of initial Company forecasts (announced on 13 May 2022) were slightly exceeded, i.e., by ¥309m (3.6%) in revenue and ¥23m (2.1%) in operating profit. In other words, the Company saw the actual results for Q1 to Q2 basically in line with assumptions, while full-year Company forecasts having remained unchanged presumably because of no major changes arising with respect to prospects for H2. By the way, according to the Company, “earnings did decline” over the same period of the previous year for the Q1 to Q2 actual results, but “this is commensurable enough in light of the past trends”. That is to say, the Company's logic is that it is rather noteworthy to have seen operating profit higher than that of the actual results for Q1 to Q2 FY03/2021 (¥745m), when the impacts stemming from COVID-19 were substantial.

For Q1 to Q2 FY03/2023, revenue for the Company as a whole was driven by outstanding strengths on the Logistics Equipment side to have been brought forth by its steadiness to capture rising demand for transportation equipment and other products due to a recovery in business activities by customers. This was substantial enough to more than compensate for the lack of revenue growth on the Scaffolding Equipment side. Thus, the Company has benefited from effect on increased revenue, but operating profit margin has come down. This is the results of lowered gross profit margin and marginally increased SG&A ratio. With respect to the former, the Company suggests that the key negative factor was that it suffered from rising costs of raw materials. The prices of steel, the key raw materials for the Company's products, have risen considerably and the Company's procurement costs have continued to rise accordingly. In order to cope with this, the Company has made a revision on product selling prices, but the impacts stemming from here are said to have not been substantial enough to be fully compensating for the Q1 to Q2 actual results. Meanwhile, with respect the latter, the Company suggests that personnel expenses are on the rise, which has made a major impact, while this was in line with its measures to deliberately improve the treatment of its employees with the aim of raising motivation.



Source: Company Data, WRJ Calculation

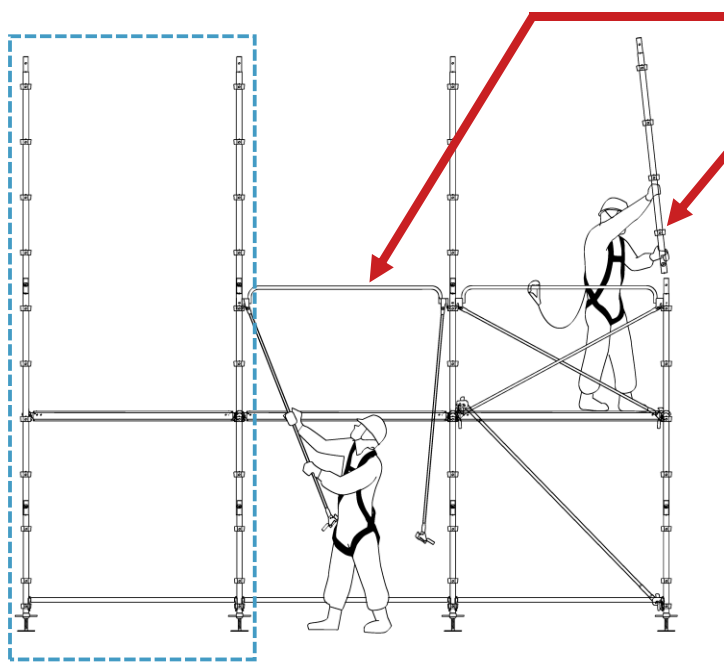
Scaffolding Equipment

On the Scaffolding Equipment side, revenue came in at ¥6,165m (down 4.0%). For the mainstay system scaffoldings (wedge binding type scaffoldings and next generation scaffoldings), revenue came in at ¥4,764m (down 3.6%), having accounted for 77.3% of total on the Scaffolding Equipment side. By the way, the Company suggests that revenue from “rental companies” came in at ¥1,301m (up 27.4%) on the Scaffolding Equipment side and revenue from "other" ¥4,864m (down 9.9%), having accounted for 21.1% (up 5.2% points) and 78.9% (down 5.2% points), respectively, in terms of ratio to total.

According to the Company, demand for system scaffoldings (wedge binding type scaffoldings and next generation scaffoldings) is continuing due to the firmness of construction projects. However, as prices of construction supplies, including scaffolding equipment mainly system scaffoldings, are on the rise across the board, the construction industry is becoming increasingly inclined to rent scaffolding equipment, having resulted in substantially increased revenue from “rental companies.” However, revenue from companies holding own scaffoldings (revenue from “other”) was stagnating. The Company envisions a future for itself to run operations as one of the major “rental companies” to provide operators to put up scaffoldings with scaffoldings on a rental basis with the midterm management plan (FY03/2022 to FY03/2026). In fact, the Company did start it up, but it appears that the progress made so far has remained insignificant.

As is taken for granted, meanwhile, there remains a persistent trend to emphasize safety at construction sites and the Company's wedge binding type scaffoldings continued to see an increased adoption rate for safety measures equipment (“presetting handrails” / “toe boards”) for Handrail Presetting Scaffolding Work. In the case of “Shinwa Catcher A”, the Company's mainstay wedge binding type scaffoldings, revenue of “presetting handrails” has accounted for no less than up to some 30% of total to date, while the Company suggests that it commands 40% of the market in Japan for “presetting handrails”.

Presetting Handrails for Handrail Presetting Scaffolding Work



1. Install Handrails **first, from the bottom**

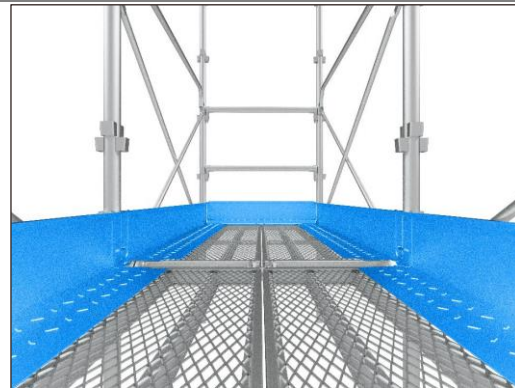
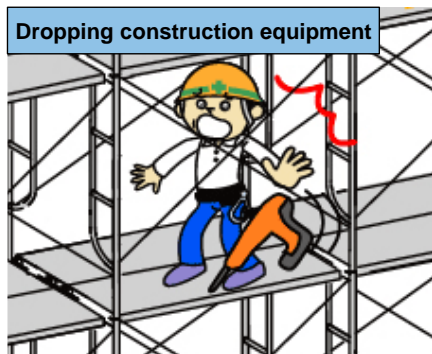
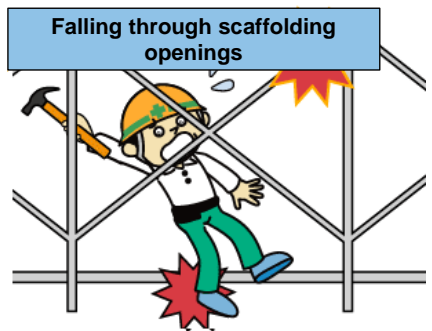


2. After climbing up, **there are already Handrails**



- A safety harness (fall prevention equipment) can be attached
- Strength of the upper levels is increased, and stability is improved
- Noticeably higher sense of security in the mentality of the workers

Toe Boards for Handrail Presetting Scaffolding Work



Benefits to Install Toe Boards

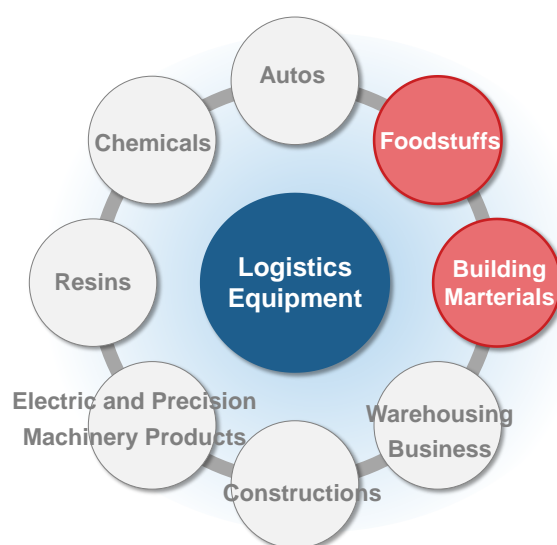
- ✓ Prevents Workers from Falling
- ✓ Prevents Equipment from Accidentally Being Dropped
- ✓ Reduces Workers' Psychological Worries

Source: Company Data (Japan Construction Occupational Safety and Health Association)

Logistics Equipment

On the Logistics Equipment side, revenue came in at ¥2,743m (up 51.7%). The reason for the large increase in revenue is that the Company is experiencing a strong demand for repeat orders for bulk containers for fluid material transportation and racks for distribution warehouses as a result of the revitalization of production activities in various industries and an increase in distribution volume. In addition, the Company has received orders on pallets for transporting materials used in electrical equipment and those of building materials, a new industry domain, which has accelerated the rate of increase in revenue. By the way, the Company notes that orders on construction of warehouses and logistics facilities in Japan have remained strong as the scale of the e-commerce market has continued to expand. The Company believes that there is an aspect that this is driving demand for logistics equipment it manufactures and sells, having stated that it intends to aggressively capitalize on this increased demand going forward.

New Industry Domains



Source: Company Data

As above-mentioned, the Company saw accelerated growth in revenue for the actual results of Q1 to Q2, partly due to an event to supply a new industry domain of building materials, while having also begun supplying another new industry domain of foodstuffs at the same time. In the first place, the Company, on the Logistics Equipment side, is committed to developing new products that meet customer needs from the scratch based on its experiences in a variety of industries, while still being in the process of horizontal expansion most recently. In other words, the Company intends to focus on further expanding into new industry domains for the future, rather than remaining wedded to existing ones, for the sake of using this as a foundation for long-term growth.

The Company manufactures and sells logistics equipment, while the product portfolio comprises custom-made products and other general-purpose products. Custom-made products are of leveraging proprietary technology, while the mainstay products are bulk containers for fluid material transportation, warehouse racks for e-commerce operators and transportation pallets specialized in automotive parts (such as engines, transmissions, etc.), while nesting racks, mesh pallets and vanning slopes for other general-purpose products. All those products respond to demand for "transportation and storage" in a variety of industries, coping with various shapes.

Logistics Equipment / Product Portfolio of Custom-Made Products Leveraging Proprietary Technology		
Bulk Containers for Fluid Material Transportation	Warehouse Racks (for e-commerce operators)	
		
Trans. Pallets Specialized in Automotive Parts (a)	Trans. Pallets Specialized in Automotive Parts (b)	
		
Logistics Equipment / Other General-Purpose Products		
Nesting Racks	Mesh Pallets	Vanning Slopes
		

Source: Company Data

Statement of Profit or Loss (Cumulative / Quarterly)

Statement of Profit or Loss (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		
	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023		
Revenue	3,884	8,231	12,630	16,063	4,368	8,909	-	-	-	+677
Cost of revenue	2,947	6,047	9,279	11,941	3,316	6,758	-	-	-	+711
Gross profit	936	2,184	3,351	4,122	1,052	2,150	-	-	-	(34)
SG&A expenses	467	941	1,434	1,978	508	1,026	-	-	-	+85
Other income and expenses (net)	3	9	(17)	(7)	2	(10)	-	-	-	(20)
Operating profit	471	1,252	1,899	2,135	546	1,113	-	-	-	(139)
Financial income and costs (net)	(18)	(35)	(56)	(71)	(16)	(35)	-	-	-	(0)
Profit before tax	453	1,217	1,842	2,063	529	1,077	-	-	-	(140)
Income tax expenses	142	375	578	651	161	325	-	-	-	(49)
Profit	311	842	1,263	1,411	368	752	-	-	-	(90)
Profit attributable to owners of parent	313	846	1,291	1,452	361	744	-	-	-	(102)
Profit attributable to non-controlling interests	(1)	(3)	(27)	(40)	6	8	-	-	-	+11
Profit attributable to owners of parent	313	846	1,291	1,452	361	744	-	-	-	(102)
Revenue YoY	+40.9%	+29.0%	+18.0%	+15.7%	+12.5%	+8.2%	-	-	-	-
Operating profit YoY	+130.1%	+68.1%	+25.2%	+15.3%	+15.7%	(11.2%)	-	-	-	-
Profit before tax YoY	+141.0%	+71.1%	+25.7%	+15.7%	+16.6%	(11.5%)	-	-	-	-
Profit YoY	+157.0%	+71.8%	+24.4%	+13.6%	+18.1%	(10.7%)	-	-	-	-
Profit attributable to owners of parent YoY	+158.6%	+74.9%	+28.6%	+17.9%	+15.5%	(12.1%)	-	-	-	-
Gross profit margin	24.1%	26.5%	26.5%	25.7%	24.1%	24.1%	-	-	-	(2.4%)
SG&A ratio	12.0%	11.4%	11.4%	12.3%	11.6%	11.5%	-	-	-	+0.1%
Operating profit margin	12.1%	15.2%	15.0%	13.3%	12.5%	12.5%	-	-	-	(2.7%)
Profit before tax margin	11.7%	14.8%	14.6%	12.8%	12.1%	12.1%	-	-	-	(2.7%)
Profit margin	8.0%	10.2%	10.0%	8.8%	8.4%	8.4%	-	-	-	(1.8%)
Profit attributable to owners of parent margin	8.1%	10.3%	10.2%	9.0%	8.3%	8.4%	-	-	-	(1.9%)
Income tax expenses / Profit before tax	31.3%	30.8%	31.4%	31.6%	30.4%	30.2%	-	-	-	(0.6%)

Statement of Profit or Loss (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		
	03/2023	03/2023	03/2023	03/2023	03/2023	03/2023	03/2023	03/2023		
Revenue	3,884	4,347	4,398	3,432	4,368	4,540	-	-	-	+192
Cost of revenue	2,947	3,100	3,231	2,662	3,316	3,442	-	-	-	+342
Gross profit	936	1,247	1,167	770	1,052	1,097	-	-	-	(149)
SG&A expenses	467	473	493	543	508	517	-	-	-	+44
Other income and expenses (net)	3	6	(27)	9	2	(13)	-	-	-	(20)
Operating profit	471	780	646	236	546	566	-	-	-	(214)
Financial income and costs (net)	(18)	(17)	(21)	(15)	(16)	(18)	-	-	-	(1)
Profit before tax	453	763	624	221	529	547	-	-	-	(215)
Income tax expenses	142	232	203	73	161	163	-	-	-	(68)
Profit	311	530	421	148	368	383	-	-	-	(146)
Profit attributable to owners of parent	313	532	445	161	361	382	-	-	-	(150)
Profit attributable to non-controlling interests	(1)	(1)	(23)	(13)	6	1	-	-	-	+3
Profit attributable to owners of parent	313	532	445	161	361	382	-	-	-	(150)
Revenue YoY	+40.9%	+20.0%	+1.9%	+7.7%	+12.5%	+4.4%	-	-	-	-
Operating profit YoY	+130.1%	+44.6%	(16.2%)	(29.6%)	+15.7%	(27.4%)	-	-	-	-
Profit before tax YoY	+141.0%	+45.9%	(17.2%)	(30.4%)	+16.6%	(28.3%)	-	-	-	-
Profit YoY	+157.0%	+43.8%	(19.9%)	(34.8%)	+18.1%	(27.7%)	-	-	-	-
Profit attributable to owners of parent YoY	+158.6%	+46.9%	(14.4%)	(29.1%)	+15.5%	(28.3%)	-	-	-	-
Gross profit margin	24.1%	28.7%	26.5%	22.4%	24.1%	24.2%	-	-	-	(4.5%)
SG&A ratio	12.0%	10.9%	11.2%	15.8%	11.6%	11.4%	-	-	-	+0.5%
Operating profit margin	12.1%	18.0%	14.7%	6.9%	12.5%	12.5%	-	-	-	(5.5%)
Profit before tax margin	11.7%	17.6%	14.2%	6.4%	12.1%	12.1%	-	-	-	(5.5%)
Profit margin	8.0%	12.2%	9.6%	4.3%	8.4%	8.5%	-	-	-	(3.8%)
Profit attributable to owners of parent margin	8.1%	12.3%	10.1%	4.7%	8.3%	8.4%	-	-	-	(3.8%)
Income tax expenses / Profit before tax	31.3%	30.5%	32.6%	33.1%	30.4%	29.9%	-	-	-	(0.6%)

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.
	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023	03/2023	
Wedge binding type scaffoldings	1,794	3,928	6,052	7,411	1,886	3,883	-	-	-	(45)
Next generation scaffoldings	519	1,012	1,613	2,220	491	880	-	-	-	(131)
Other temporary materials	723	1,482	2,167	2,793	720	1,401	-	-	-	(80)
Scaffolding Equipment	3,037	6,422	9,833	12,425	3,098	6,165	-	-	-	(257)
Logistics Equipment	847	1,808	2,797	3,637	1,270	2,743	-	-	-	+934
Revenue	3,884	8,231	12,630	16,063	4,368	8,909	-	-	-	+677
Wedge binding type scaffoldings	+51.9%	+34.8%	+26.9%	+27.3%	+5.2%	(1.1%)	-	-	-	-
Next generation scaffoldings	+32.7%	+3.9%	+14.6%	+23.5%	(5.5%)	(13.0%)	-	-	-	-
Other temporary materials	+0.7%	(4.3%)	(10.1%)	(12.7%)	(0.4%)	(5.5%)	-	-	-	-
Scaffolding Equipment	+32.6%	+18.2%	+14.5%	+14.9%	+2.0%	(4.0%)	-	-	-	-
Logistics Equipment	+81.7%	+91.4%	+32.4%	+18.6%	+50.0%	+51.7%	-	-	-	-
Revenue (YoY)	+40.9%	+29.0%	+18.0%	+15.7%	+12.5%	+8.2%	-	-	-	-
Wedge binding type scaffoldings	46.2%	47.7%	47.9%	46.1%	43.2%	43.6%	-	-	-	-
Next generation scaffoldings	13.4%	12.3%	12.8%	13.8%	11.2%	9.9%	-	-	-	-
Other temporary materials	18.6%	18.0%	17.2%	17.4%	16.5%	15.7%	-	-	-	-
Scaffolding Equipment	78.2%	78.0%	77.8%	77.4%	70.9%	69.2%	-	-	-	-
Logistics Equipment	21.8%	22.0%	22.2%	22.6%	29.1%	30.8%	-	-	-	-
Revenue (Composition Ratio)	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.
	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023	03/2023	
Wedge binding type scaffoldings	1,794	2,134	2,123	1,358	1,886	1,996	-	-	-	(137)
Next generation scaffoldings	519	492	601	607	491	389	-	-	-	(103)
Other temporary materials	723	758	685	626	720	680	-	-	-	(77)
Scaffolding Equipment	3,037	3,385	3,410	2,592	3,098	3,067	-	-	-	(318)
Logistics Equipment	847	961	988	839	1,270	1,473	-	-	-	+511
Revenue	3,884	4,347	4,398	3,432	4,368	4,540	-	-	-	+192
Wedge binding type scaffoldings	+51.9%	+23.2%	+14.4%	+29.2%	+5.2%	(6.5%)	-	-	-	-
Next generation scaffoldings	+32.7%	(15.4%)	+38.6%	+55.6%	(5.5%)	(20.9%)	-	-	-	-
Other temporary materials	+0.7%	(8.6%)	(20.5%)	(20.6%)	(0.4%)	(10.3%)	-	-	-	-
Scaffolding Equipment	+32.6%	+7.6%	+8.2%	+16.2%	+2.0%	(9.4%)	-	-	-	-
Logistics Equipment	+81.7%	+100.8%	(15.3%)	(12.0%)	+50.0%	+53.2%	-	-	-	-
Revenue (YoY)	+40.9%	+20.0%	+1.9%	+7.7%	+12.5%	+4.4%	-	-	-	-
Wedge binding type scaffoldings	46.2%	49.1%	48.3%	39.6%	43.2%	44.0%	-	-	-	-
Next generation scaffoldings	13.4%	11.3%	13.7%	17.7%	11.2%	8.6%	-	-	-	-
Other temporary materials	18.6%	17.5%	15.6%	18.2%	16.5%	15.0%	-	-	-	-
Scaffolding Equipment	78.2%	77.9%	77.5%	75.5%	70.9%	67.5%	-	-	-	-
Logistics Equipment	21.8%	22.1%	22.5%	24.5%	29.1%	32.5%	-	-	-	-
Revenue (Composition Ratio)	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)	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023	03/2023	Net Chg.
Cash and cash equivalents	3,739	3,505	2,654	3,460	2,103	1,877	-	-	-	(1,628)
Trade and other receivables	3,037	3,596	3,055	2,759	3,636	3,924	-	-	-	+328
Inventories	1,553	1,852	2,297	2,467	2,999	3,063	-	-	-	+1,211
Other	69	40	123	393	440	121	-	-	-	+81
Total current assets	8,400	8,995	8,130	9,081	9,179	8,987	-	-	-	(7)
Property, plant and equipment	2,241	2,171	2,202	2,450	2,510	2,485	-	-	-	+314
Right-of-use assets	354	370	322	324	309	294	-	-	-	(75)
Goodwill	9,221	9,221	9,221	9,221	9,221	9,221	-	-	-	0
Intangible assets	1,235	1,300	1,354	1,371	1,375	1,375	-	-	-	+74
Other	51	52	55	66	70	74	-	-	-	+22
Total non-current assets	13,105	13,115	13,155	13,434	13,487	13,451	-	-	-	+335
Total assets	21,505	22,111	21,286	22,515	22,667	22,439	-	-	-	+327
Trade and other payables	1,107	1,348	1,195	1,192	1,434	1,002	-	-	-	(345)
Borrowings	525	496	497	1,622	1,885	1,933	-	-	-	+1,436
Other	579	686	582	737	629	665	-	-	-	(20)
Total current liabilities	2,212	2,531	2,275	3,552	3,949	3,602	-	-	-	+1,071
Borrowings	4,720	4,474	3,482	3,234	3,237	2,989	-	-	-	(1,484)
Other	608	609	607	569	547	521	-	-	-	(88)
Total non-current liabilities	5,329	5,083	4,090	3,804	3,784	3,510	-	-	-	(1,572)
Total liabilities	7,541	7,614	6,365	7,357	7,734	7,113	-	-	-	(501)
Total equity attributable to owners of parent	13,900	14,434	14,880	15,130	14,896	15,287	-	-	-	+853
Other	63	62	39	27	36	37	-	-	-	(24)
Total equity	13,964	14,496	14,920	15,158	14,932	15,325	-	-	-	+829
Total liabilities and equity	21,505	22,111	21,286	22,515	22,667	22,439	-	-	-	+327
Equity attributable to owners of parent	13,900	14,434	14,880	15,130	14,896	15,287	-	-	-	+853
Interest bearing debt	5,245	4,971	3,979	4,857	5,122	4,923	-	-	-	(47)
Net debt	1,506	1,465	1,325	1,397	3,019	3,046	-	-	-	+1,580
Equity ratio	64.6%	65.3%	69.9%	67.2%	65.7%	68.1%	-	-	-	-
Net debt equity ratio	10.8%	10.2%	8.9%	9.2%	20.3%	19.9%	-	-	-	-
ROE (12 months)	10.5%	11.4%	10.5%	9.8%	10.4%	9.1%	-	-	-	-
ROA (12 months)	9.7%	10.5%	9.9%	9.2%	9.7%	8.6%	-	-	-	-
Days for inventory turnover	48	54	65	85	83	81	-	-	-	-
Quick ratio	306%	281%	251%	175%	145%	161%	-	-	-	-
Current ratio	380%	355%	357%	256%	232%	249%	-	-	-	-

Source: Company Data, WRJ Calculation

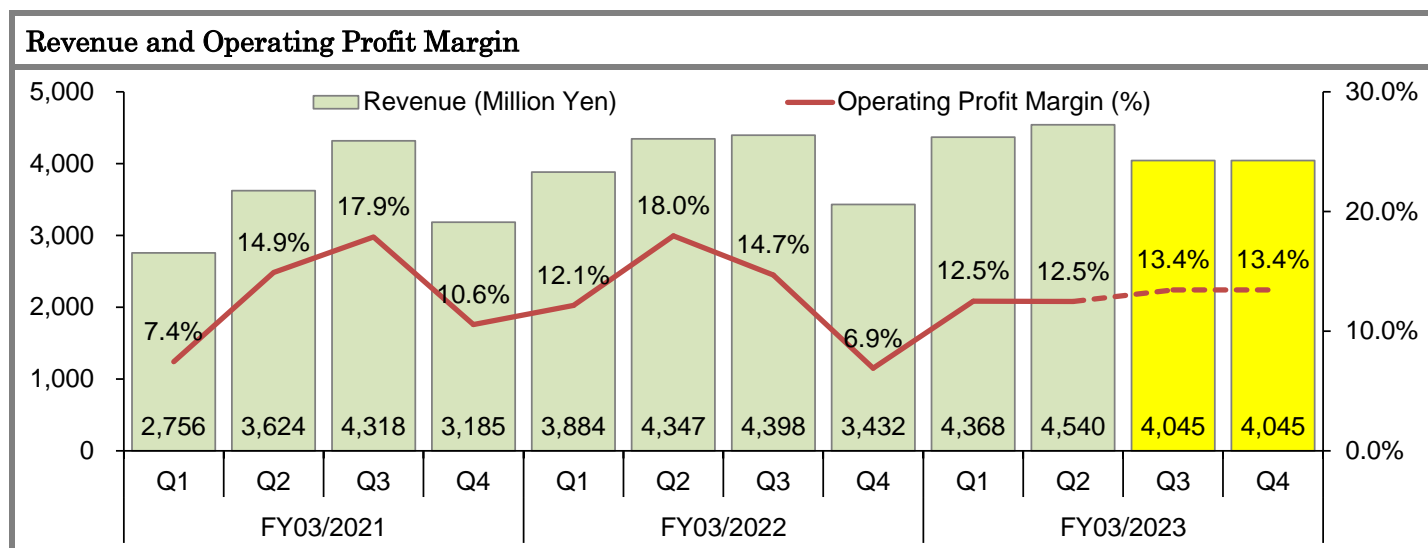
Statement of Cash Flows (Cumulative / Quarterly)

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)	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023	03/2023	Net Chg.
Cashflows from operating activities	144	293	699	835	(617)	(473)	-	-	-	(767)
Cashflows from Investing activities	(282)	(342)	(571)	(817)	(371)	(491)	-	-	-	(148)
Cashflows from operating and investing activities	(137)	(49)	127	18	(988)	(965)	-	-	-	(915)
Cashflows from financing activities	(864)	(1,185)	(2,220)	(1,306)	(372)	(625)	-	-	-	+559
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)	03/2022	03/2022	03/2022	03/2022	03/2023	03/2023	03/2023	03/2023	03/2023	Net Chg.
Cashflows from operating activities	144	148	406	136	(617)	143	-	-	-	(5)
Cashflows from Investing activities	(282)	(60)	(228)	(246)	(371)	(119)	-	-	-	(58)
Cashflows from operating and investing activities	(137)	87	177	(109)	(988)	23	-	-	-	(63)
Cashflows from financing activities	(864)	(321)	(1,034)	913	(372)	(253)	-	-	-	+68

Source: Company Data, WRJ Calculation

FY03/2023 Company Forecasts

FY03/2023 initial Company forecasts (announced on 13 May 2022) have remained unchanged, going for prospective revenue of ¥17,000m (up 5.8% YoY), operating profit of ¥2,200m (up 3.0%), profit before tax of ¥2,120m (up 2.7%) and profit attributable to owners of parent of ¥1,465m (up 0.8%), while operating profit margin of 12.9% (down 0.4% points). At the same time, Company forecasts have remained unchanged also for planned annual dividend, going for ¥43.00 per share, implying payout ratio of 40.8%, for FY03/2023.



Source: Company Data, WRJ Calculation (Q3 and Q4 FY03/2023: H2 Company forecasts, pro rata)

Company forecasts on a full-year basis assume prospective revenue of ¥12,950m (up 4.2%) on the Scaffolding Equipment side and ¥4,050m (up 11.3%) on the Logistics Equipment side. According to the Company, demand is expected to be buoyant on both of the Scaffolding Equipment side and Logistics Equipment side. Nevertheless, the Company cites Russia's invasion of Ukraine and the negative impacts stemming from COVID-19 on economy as concerns. The same is also true of the rising prices of commodities due to further depreciation of yen. By the way, on the Scaffolding Equipment side, the Company will place emphasis on expanding revenue from “rental companies” as well as recovering revenue from companies holding own scaffoldings (revenue from “other”) at the same time. Meanwhile, Company forecasts assume further increases in prices of raw materials, which is planned to be compensated for by the Company’s measures to continue running an efficient production system by means of diversifying procurement sources, etc. With respect to the Logistic Equipment side, the Company is looking to further strengths on bulk containers for fluid material transportation and racks for distribution warehouses. On top of this, the Company will further enhance revenue associated with new industry domains, having just done so in the actual results of Q1 to Q2.

FY03/2023 Company Forecasts and Actual Results

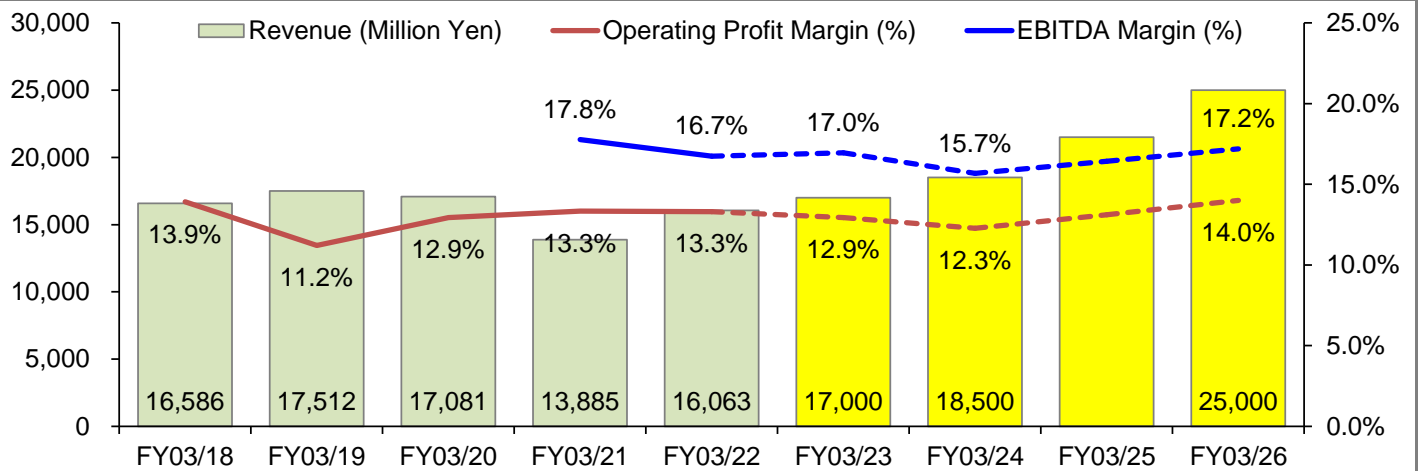
Cons. Fiscal Year (IFRS) (Million Yen)	Date	Event	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
FY03/2023CoE	13-May-22	Q4 Results	17,000	2,200	2,120	1,465
FY03/2023CoE	10-Aug-22	Q1 Results	17,000	2,200	2,120	1,465
FY03/2023CoE	11-Nov-22	Q2 Results	17,000	2,200	2,120	1,465
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
FY03/2023CoE	13-May-22	Q4 Results	17,000	2,200	2,120	1,465
FY03/2023CoE	11-Nov-22	Q2 Results	17,000	2,200	2,120	1,465
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Cons. Half Year (IFRS) (Million Yen)	Date	Event	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
Q1 to Q2 FY03/2023CoE	13-May-22	Q4 Results	8,600	1,090	1,048	730
Q1 to Q2 FY03/2023CoE	10-Aug-22	Q1 Results	8,600	1,090	1,048	730
Q1 to Q2 FY03/2023Act	11-Nov-22	Q2 Results	8,909	1,113	1,077	744
		Amount of Gap	309	23	29	14
		Rate of Gap	3.6%	2.1%	2.8%	1.9%
Q1 to Q2 FY03/2023CoE	13-May-22	Q4 Results	8,600	1,090	1,048	730
Q1 to Q2 FY03/2023Act	11-Nov-22	Q2 Results	8,909	1,113	1,077	744
		Amount of Gap	309	23	29	14
		Rate of Gap	3.6%	2.1%	2.8%	1.9%
Cons. Half Year (IFRS)	Date	Event	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
Q3 to Q4 FY03/2023CoE	13-May-22	Q4 Results	8,400	1,110	1,072	735
Q3 to Q4 FY03/2023CoE	10-Aug-22	Q1 Results	8,400	1,110	1,072	735
Q3 to Q4 FY03/2023CoE	11-Nov-22	Q2 Results	8,091	1,087	1,043	721
		Amount of Gap	(309)	(23)	(29)	(14)
		Rate of Gap	(3.7%)	(2.1%)	(2.7%)	(1.9%)
Q3 to Q4 FY03/2023CoE	13-May-22	Q4 Results	8,400	1,110	1,072	735
Q3 to Q4 FY03/2023CoE	11-Nov-22	Q2 Results	8,091	1,087	1,043	721
		Amount of Gap	(309)	(23)	(29)	(14)
		Rate of Gap	(3.7%)	(2.1%)	(2.7%)	(1.9%)

Source: Company Data, WRJ Calculation

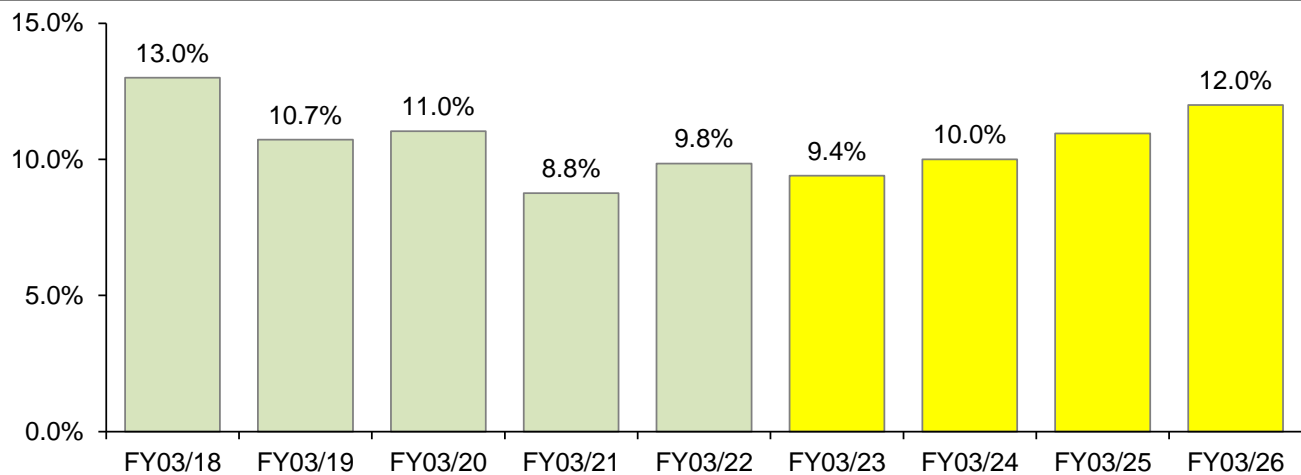
Long-Term Prospects

On 14 December 2021, the Company announced its midterm management plan (FY03/2022 to FY03/2026), calling for prospective revenue of ¥25,000m and operating profit of ¥3,500m as performance target for FY03/2026, the final year of the plan. When setting the FY03/2021 actual results as the point of origin, the Company is calling for CAGR of 12.5% for revenue and 13.6% for operating profit. Meanwhile, the Company saw EBITDA of ¥2,467m for the FY03/2021 actual results and is calling for prospective EBITDA of ¥4,300m as performance target for FY03/2026, the final year of the plan, implying CAGR of 11.8% during the relevant period. Accordingly, the Company is expected to see ROE to continue edging up for the future.

Midterm Management Plan (FY03/2022 to FY03/2026) / Revenue, OPM and EBITDA Margin

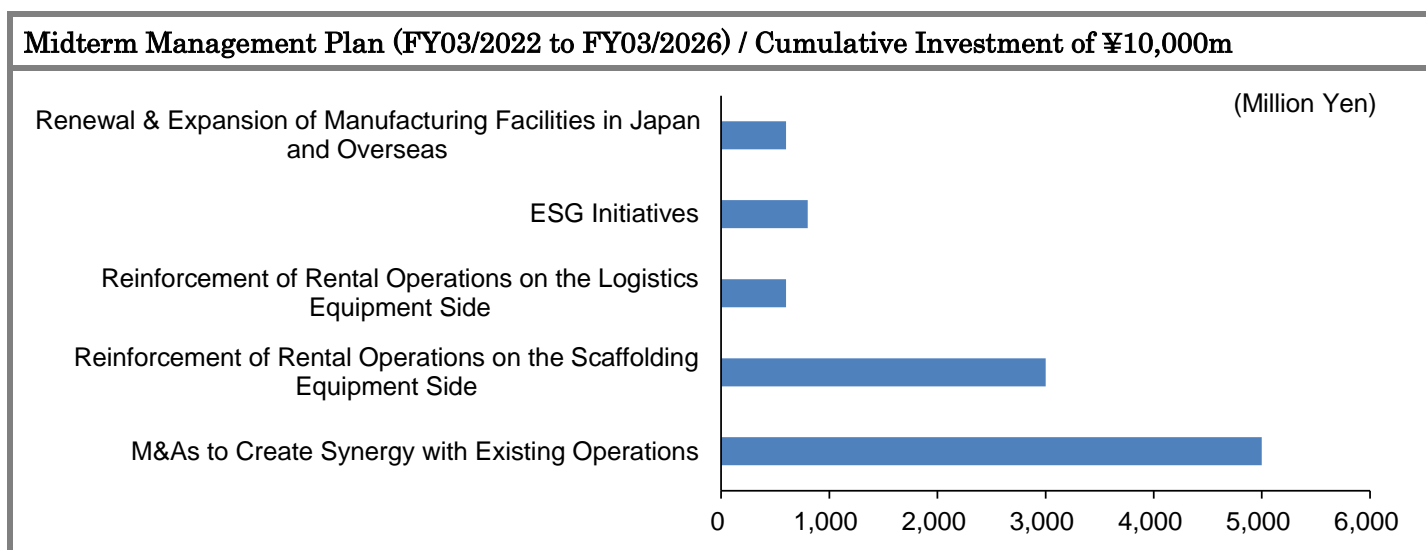


Midterm Management Plan (FY03/2022 to FY03/2026) / ROE



Source: Company Data, WRJ Calculation

The Company says that it saw the actual results for FY03/2022, the first year of the plan, in line with assumptions of the midterm management plan, while having announced that it is proactively working on initiatives to achieve the performance target of the midterm management plan (FY03/2022 to FY03/2026 / announced on 14 December 2021) at its online financial results briefing for Q1 to Q2 FY03/2023 (held on 1 December 2022). For example, the Company is steadily entering the market for skyscrapers on the Scaffolding Equipment side, mainly comprising system scaffoldings, while favorably cultivating new industry domains through collaboration with its alliance partners on the Logistics Equipment side. For short-term performance, the Company suffers from unexpectedly sharp rise in raw material prices, but there is an aspect that this is largely compensated for by the Company's measures to make a revision on product selling prices, having resulted in the Company's idea that it does not have to change the performance target of the midterm management plan at this point.



Source: Company Data

In order to achieve the above-mentioned performance target of the midterm management plan, the Company is to actively enforce growth investment as the measures and policies. According to the Company, the cumulative investment during the four-year period by FY03/2021 equates some ¥2,000m versus prospective cumulative investment up to no less than ¥10,000m planned for the period of the midterm management plan (FY03/2022 to FY03/2026). So, this is expected to realize a sustained growth and thus consistent improvement in corporate value. For example, the Company is to provide M&As to create synergy with existing operations with investment of ¥5,000m, while calling for prospective revenue of ¥5,650m with respect to “breakthrough business” for FY03/2026, the final year of the plan. It appears that the bulk of the latter is expected to be brought forth by implementing the former. With respect to the remaining ¥5,000m, the Company is planning to invest in reinforcement of rental operations, ESG initiatives and renewal & expansion of manufacturing facilities in Japan and overseas.

On the Scaffolding Equipment side, the Company is promoting a switchover from framed scaffoldings to next generation scaffoldings, while strengthening own rental operations at the same time. For the latter, the scale of operations has remained insignificant, but the Company is now so keen on strengthening the operations as demand for rental services is on the rise. That is to say, the Company has indicated its stance of actively responding to demand in the market with the twin pillars, i.e., sale and rental services with respect to scaffolding equipment. Currently, customers are facing a situation that they tend to suffer from increased burden associated with inventory and that they are making progress in diversification for the ways of procuring scaffolding equipment, continuously driving demand for rental services. According to the Company, customers are seeing increased number of materials indispensable in line with amendments of regulations, while seeing an increased seasonal volatility for the volume of scaffolding equipment to use, resulting in increased burden associated with inventory. With respect to progress in diversification for the ways of procuring scaffolding equipment, meanwhile, the Company suggests that this has something to do with increased demand for trial use prior to buying in for new products and increased procurement prices, driving demand for rental services.

The Company is highly cost-competitive for rental operations, developing those of providing services for scaffolding equipment manufactured in-house being rented to customers as business model here. In other words, the Company creates added value both as a manufacturer and an operator of rental services. By the way, the Company suggests that it will implement cumulative investment of some ¥3,000m here during the period of the midterm management plan. This means that it will newly hold scaffolding equipment manufactured in-house as assets for rental operations as much as some ¥3,000m, planning to beef up revenue of rental operations to a corresponding extent.

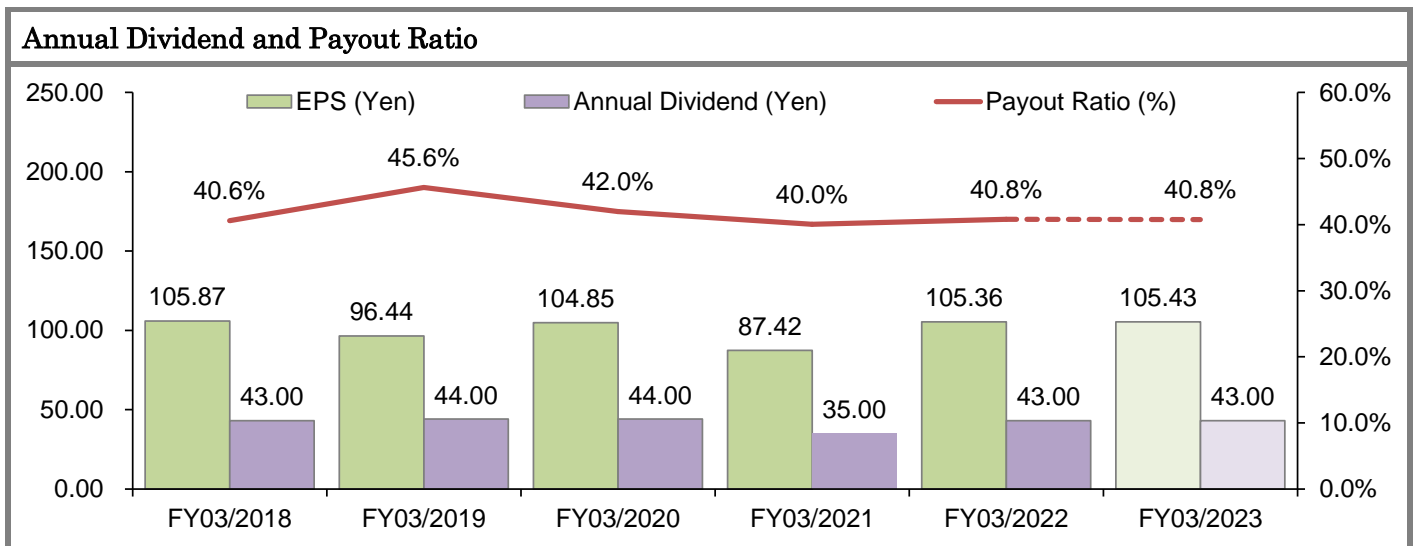
On the Logistics Equipment side, the Company intends to increase revenue by expanding its rental operations, while strengthening cooperation with its alliance partners at the same time. With respect to rental operations, the Company is to develop them for general-purpose pallets based on the same business model as that of scaffolding equipment, for which it plans to implement cumulative investment of some ¥600m. Meanwhile, the Company's collaboration with its alliance partners is contributing greatly to its expansion into new industry domains, which was mentioned earlier. Further, the Company is also focusing on strengthening its “e-commerce function (web selling)”, where it has also made steady progress up to the present.

By the way, the Company is to develop management that gives a consideration to Environment, Social and Governance, respectively, aiming to achieve sustainable growth from a long-term perspective. Thus, it is assumed in the midterm management plan that the Company will implement investment to develop such management with contribution of expenses to more than a certain extent.

With respect to Environment, the Company goes for “efforts for carbon neutrality”, “protection of forest resources and use of non-forest resources” and “promotion of waste material reductions”. For the sake of propelling “efforts for carbon neutrality”, for example, the Company will actively use green power and introduce photovoltaic power systems, cutting back on CO2 emissions associated with the Company. Meanwhile, the Company will also promote electrification of company-owned vehicles, forklifts, etc., which is also expected to be contributing.

With respect to Social, the Company goes for "promotion of solutions for social issues as a business", "reinforcement of talent development", "development of workplace environment", "improvement of diversity and inclusion" and "revitalization support for communities", out of which it appears that the Company is keen on "promotion of solutions for social issues as a business" in particular, given that there is a direct connection to PURPOSE set forth by the Company, i.e., “to protect lives and support the future”. For scaffolding equipment, the Company will develop new products with a view to reducing environmental impacts, while reinforcing safety assurance and accelerating efforts to further improve efficiency by means of providing construction sites with all those products and services. For logistics equipment, meanwhile, the Company will develop new products also with a view to reducing environmental impacts, while intending to improve efficiency in transportation and storage amongst a variety of industries. On top of this, the Company, advocating “we protect precious *lives* through the supply of our products and services” and “we offer our wholehearted support for our personnel to realize their dreams and future visions” as OUR MISSION, appears to be particularly keen also on "reinforcement of talent development" at the same time.

With respect to Governance, the Company goes for "execution of highly effective corporate governance", "constructive dialogues with investors (enhancement of IR)" and "consideration of introducing share-based compensation". For example, the Company will keep on hiring outside directors with diverse backgrounds and skills in order to achieve “execution of highly effective corporate governance”. Meanwhile, the Company will also revitalize the board of directors with a proper way of administration and develop fast and shrewd decision-making as well as aiming to ensure management that is thoroughly conscious of legal compliance.



Source: Company Data, WRJ Calculation

On 20 March 2018, the Company went public, with the shares being listed on Tokyo Stock Exchange 2nd section, having targeted at consistently keeping payout ratio of 40% or more as dividend policy, while having achieved this target through FY03/2018 to FY03/2022 with no exceptions. For FY03/2023, Company forecasts are going for another achievement of this target, while the Company suggests that it is to get at shareholder returns based on this dividend policy throughout the period of the midterm management plan (FY03/2022 to FY03/2026). On top of this, the Company, which adopts a proactive stance on shareholder returns, is considering an acquisition of own shares as found in the case of FY03/2022, in response to the situation of capital position. On 31 May 2021, the Company announced that it had completed an acquisition of own shares (380,000 in the number and/or ¥299m in value). In other words, the Company saw total return ratio of 61.7% = “(acquisition of own shares of ¥299m + total amount of dividends of ¥597m) ÷ profit attributable to owner of parent of ¥1,452m” for FY03/2022.

5.0 Financial Statements

Statement of Profit or Loss

Statement of Profit or Loss	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.CoE FY	YoY
(Million Yen)	03/2018	03/2019	03/2020	03/2021	03/2022	03/2023	Net Chg.
Revenue	16,586	17,512	17,081	13,885	16,063	17,000	+936
Cost of revenue	12,410	13,482	12,751	10,263	11,941	-	-
Gross profit	4,175	4,030	4,329	3,621	4,122	-	-
SG&A expenses	1,871	2,073	2,127	1,809	1,978	-	-
Other income and expenses (net)	3	7	8	40	(7)	-	-
Operating profit	2,306	1,963	2,210	1,853	2,135	2,200	+64
Financial income and costs (net)	(67)	(69)	(70)	(68)	(71)	(80)	(8)
Profit before tax	2,238	1,894	2,139	1,784	2,063	2,120	+56
Income tax expenses	779	563	671	541	651	541	(110)
Profit	1,459	1,331	1,467	1,242	1,411	1,465	+53
Profit attributable to owners of parent	1,459	1,331	1,467	1,231	1,452	1,465	+12
Profit attributable to non-controlling interests	-	-	0	11	(40)	0	+40
Profit attributable to owners of parent	1,459	1,331	1,467	1,231	1,452	1,465	+12
Revenue YoY	+9.2%	+5.6%	(2.5%)	(18.7%)	+15.7%	+5.8%	-
Operating profit YoY	(12.3%)	(14.9%)	+12.5%	(16.2%)	+15.3%	+3.0%	-
Profit before tax YoY	(12.5%)	(15.4%)	+12.9%	(16.6%)	+15.7%	+2.7%	-
Profit YoY	(13.1%)	(8.8%)	+10.2%	(15.3%)	+13.6%	+3.8%	-
Profit attributable to owners of parent YoY	(13.1%)	(8.8%)	+10.2%	(16.0%)	+17.9%	+0.8%	-
Gross profit margin	25.2%	23.0%	25.3%	26.1%	25.7%	-	-
SG&A ratio	11.3%	11.8%	12.5%	13.0%	12.3%	-	-
Operating profit margin	13.9%	11.2%	12.9%	13.3%	13.3%	12.9%	(0.4%)
Profit before tax margin	13.5%	10.8%	12.5%	12.8%	12.8%	12.5%	(0.4%)
Profit margin	8.8%	7.6%	8.6%	9.0%	8.8%	8.6%	(0.2%)
Profit attributable to owners of parent margin	8.8%	7.6%	8.6%	8.9%	9.0%	8.6%	(0.4%)
Income tax expenses / Profit before tax	34.8%	29.7%	31.4%	30.3%	31.6%	-	-

Source: Company Data, WRJ Calculation

Revenue by Division

Revenue by Division	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.CoE FY	YoY
(Million Yen)	03/2018	03/2019	03/2020	03/2021	03/2022	03/2023	Net Chg.
Wedge binding type scaffoldings	7,967	8,214	8,748	5,821	7,411	-	-
Next generation scaffoldings	3,018	2,657	2,160	1,798	2,220	-	-
Other temporary materials	3,680	3,402	3,635	3,199	2,793	-	-
Scaffolding Equipment	14,666	14,275	14,544	10,818	12,425	12,950	+524
Logistics Equipment	1,919	3,236	2,536	3,066	3,637	4,050	+412
Revenue	16,586	17,512	17,081	13,885	16,063	17,000	+936
Wedge binding type scaffoldings	(8.8%)	+3.1%	+6.5%	(33.5%)	+27.3%	-	-
Next generation scaffoldings	+546.6%	(11.9%)	(18.7%)	(16.8%)	+23.5%	-	-
Other temporary materials	(9.6%)	(7.6%)	+6.8%	(12.0%)	(12.7%)	-	-
Scaffolding Equipment	+10.5%	(2.7%)	+1.9%	(25.6%)	+14.9%	+4.2%	-
Logistics Equipment	(0.1%)	+68.6%	(21.6%)	+20.9%	+18.6%	+11.3%	-
Revenue (YoY)	+9.2%	+5.6%	(2.5%)	(18.7%)	+15.7%	+5.8%	-
Wedge binding type scaffoldings	48.0%	46.9%	51.2%	41.9%	46.1%	-	-
Next generation scaffoldings	18.2%	15.2%	12.6%	13.0%	13.8%	-	-
Other temporary materials	22.2%	19.4%	21.3%	23.0%	17.4%	-	-
Scaffolding Equipment	88.4%	81.5%	85.2%	77.9%	77.4%	76.2%	-
Logistics Equipment	11.6%	18.5%	14.8%	22.1%	22.6%	23.8%	-
Revenue (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-

Source: Company Data, WRJ Calculation

Statement of Financial Position

Statement of Financial Position	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
(Million Yen)	FY	FY	FY	FY	FY	FY	YoY
	03/2018	03/2019	03/2020	03/2021	03/2022	03/2023	Net Chg.
Cash and cash equivalents	1,507	1,742	3,120	4,738	3,460	-	-
Trade and other receivables	4,258	3,817	2,777	3,006	2,759	-	-
Inventories	2,142	2,382	2,405	1,483	2,467	-	-
Other	168	121	42	62	393	-	-
Total current assets	8,077	8,064	8,345	9,290	9,081	-	-
Property, plant and equipment	2,453	2,495	2,370	2,054	2,450	-	-
Right-of-use assets	-	-	353	380	324	-	-
Goodwill	9,221	9,221	9,221	9,221	9,221	-	-
Intangible assets	1,263	1,276	1,258	1,237	1,371	-	-
Other	68	114	71	51	66	-	-
Total non-current assets	13,007	13,108	13,274	12,945	13,434	-	-
Total assets	21,084	21,172	21,620	22,236	22,515	-	-
Trade and other payables	1,468	1,180	739	803	1,192	-	-
Borrowings	767	494	495	581	1,622	-	-
Other	615	502	783	1,044	737	-	-
Total current liabilities	2,852	2,177	2,018	2,428	3,552	-	-
Borrowings	5,818	5,685	5,202	4,717	3,234	-	-
Other	445	450	611	647	569	-	-
Total non-current liabilities	6,263	6,136	5,814	5,364	3,804	-	-
Total liabilities	9,116	8,313	7,832	7,793	7,357	-	-
Total equity attributable to owners of parent	11,968	12,859	13,740	14,379	15,130	-	-
Other	-	-	47	63	27	-	-
Total equity	11,968	12,859	13,788	14,443	15,158	-	-
Total liabilities and equity	21,084	21,172	21,620	22,236	22,515	-	-
Equity attributable to owners of parent	11,968	12,859	13,740	14,379	15,130	-	-
Interest bearing debt	6,586	6,180	5,698	5,298	4,857	-	-
Net debt	5,078	4,437	2,577	560	1,397	-	-
Equity ratio	56.8%	60.7%	63.6%	64.7%	67.2%	-	-
Net debt equity ratio	42.4%	34.5%	18.8%	3.9%	9.2%	-	-
ROE (12 months)	13.0%	10.7%	11.0%	8.8%	9.8%	9.4%	-
ROA (12 months)	10.8%	9.0%	10.0%	8.1%	9.2%	-	-
Days for inventory turnover	63	64	69	53	75	-	-
Quick ratio	202%	255%	292%	319%	175%	-	-
Current ratio	283%	370%	413%	382%	256%	-	-

Source: Company Data, WRJ Calculation

Statement of Cashflows

Statement of Cash Flows	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
(Million Yen)	FY	FY	FY	FY	FY	FY	YoY
	03/2018	03/2019	03/2020	03/2021	03/2022	03/2023	Net Chg.
Cashflows from operating activities	1,390	1,766	3,121	2,892	835	-	-
Cashflows from Investing activities	(651)	(580)	(515)	(181)	(817)	-	-
Cashflows from operating and investing activities	738	1,186	2,606	2,711	18	-	-
Cashflows from financing activities	(848)	(951)	(1,227)	(1,104)	(1,306)	-	-

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 03/2018	FY 03/2019	FY 03/2020	FY 03/2021	FY 03/2022	FY 03/2023	YoY Net Chg.
No. of Shares FY End (thousand shares)	13,788	13,989	14,089	14,103	14,103	-	-
Net Profit / EPS (thousand Shares)	13,788	13,806	13,994	14,091	13,789	-	-
Treasury Shares FY End (thousand shares)	0	0	0	0	207	-	-
Basic Earnings per Share	105.87	96.44	104.85	87.42	105.36	105.43	-
Diluted Earnings per Share	105.24	95.81	104.21	87.09	105.35	-	-
Book Value per Share	868.04	919.24	975.26	1,019.59	1,088.87	-	-
Dividend per Share	43.00	44.00	44.00	35.00	43.00	43.00	-
Per Share Data (After Adjustments for Split) (Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
FY 03/2018	FY 03/2019	FY 03/2020	FY 03/2021	FY 03/2022	FY 03/2023	YoY Net Chg.	
Share Split Factor	1	1	1	1	1	1	-
Basic Earnings per Share	105.87	96.44	104.85	87.42	105.36	105.43	-
Book Value per Share	868.04	919.24	975.26	1,019.59	1,088.87	-	-
Dividend per Share	43.00	44.00	44.00	35.00	43.00	43.00	-
Payout Ratio	40.6%	45.6%	42.0%	40.0%	40.8%	40.8%	-

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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