

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)								
FY03/2023		14,757	1,501	1,434	1,007	72.49	32.00	1,117.56
FY03/2024		12,678	700	652	409	29.46	32.00	1,100.69
FY03/2025CoE		16,000	1,600	1,494	1,000	71.91	32.00	-
FY03/2024	YoY	(14.1%)	(53.4%)	(54.5%)	(59.3%)	-	-	-
FY03/2025CoE	YoY	26.2%	128.5%	129.0%	144.1%	-	-	-
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 FY03/2024		6,621	520	496	339	-	-	-
Q3 to Q4 FY03/2024		6,056	179	155	69	-	-	-
Q1 to Q2 FY03/2025CoE		6,647	495	441	296	-	-	-
Q3 to Q4 FY03/2025CoE		9,353	1,105	1,053	704	-	-	-
Q1 to Q2 FY03/2025CoE	YoY	0.4%	(4.9%)	(11.2%)	(12.9%)	-	-	-
Q3 to Q4 FY03/2025CoE	YoY	54.4%	515.8%	575.8%	907.1%	-	-	-

Source: Company Data, WRJ Calculation

1.0 Executive Summary (19 July 2024)

Vertical Integration


Shinwa, which mainly manufactures and sells scaffoldings used at fields of construction work, has consolidated its sale destination of scaffoldings, YAGUMI Group, as wholly owned subsidiary following the acquisition of the shares, which is in charge of constructing scaffoldings as one of the largest in Japan and the largest class in the Tokai region, for the sake of achieving growth from a long-term perspective. The Company's midterm management plan (FY03/2025 to FY03/2029) is implying CAGR of 9.5% in revenue and 27.9% for operating profit. The Company saw a sluggishness in its organic growth or self-directive growth via utilization of resources accrued internally for the FY03/2024 actual results, due to construction material prices having remained high and construction operations having been delayed stemming from a labor scarcity in the construction industry, while the Company is now looking to a sustainable growth for the future together with the above-mentioned policy implemented. As well, for FY03/2025, the Company suggests that it will be able to regain growth on an organic basis. The Company is currently in the process of eagerly pursuing synergy attendant on the said deal, i.e., forging a solid value chain "from manufacture to construction" for scaffoldings, by means of making progress with integration of management, operations and consciousness between itself and YAGUMI Group.

- [Shinwa Co., Ltd. Mid-term Corporate Plan FY2025/3-FY2029/3](#)

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2.0 Company Profile

Leader of Scaffoldings

Company Name	Shinwa Co., Ltd. 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 March 2024)
No. of Shares	14,103,000 shares, including 198,484 treasury shares (as of the end of March 2024)
Main Features	<ul style="list-style-type: none"> ● Boosting up security of footing for construction industry ● Advocating to rank first in the market for scaffoldings in Japan ● The first-class production capability with high readiness and quality
Segment	I . Manufacture and Sale of Scaffolding Equipment and Logistics Equipment
Representative	President and Representative Director: Kurio Noritake
Shareholders	Master Trust Bank of Japan, T. 6.6%, Alinco Inc. 4.9%, Hanwa Co., Ltd. 4.9%, Custody Bank of Japan, T. 1.7% (as of the end of March 2024, but for treasury shares)
Head Office	Kaizu-city, Gifu-prefecture, JAPAN
No. of Personnel	Consolidated: 144 (as of the end of March 2024)

Source: Company Data

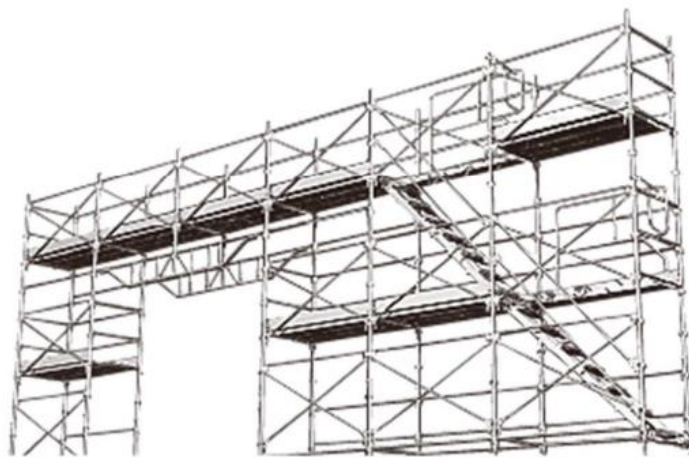
3.0 Management Philosophy

Protecting Lives and Supporting the Future

The Company, based in Kaizu-city, Gifu-prefecture, mainly manufactures and sells scaffoldings used at fields of construction. For the actual results of FY03/2024, revenue on the Scaffolding Equipment side accounted for 70.8% of the Company's revenue and the remaining 29.2% on the Logistics Equipment side. Essentially, the Company is running operations to process metals on the both sides and it appears that it is exposed to cost of metals, etc. externally procured a whole lot out of cost of sales, implying that the Company's cost rate or gross profit margin hinges on changes in procurement cost on metals and so on not a little.

On the Scaffolding Equipment side, the mainstay products are wedge binding type scaffoldings. In the first place, the Japanese equivalent term for scaffolding, "ashiba (足場)", commonly represents "place where people can stand to be there", "basis of doing something", "platform", "foundation" or the like in any case, while representing floor, walkway and so on, installed at fields of construction to facilitate work by so-called steeplejacks at high elevations, for the context of the Company's operations. All those materials, such as floors and walkways, are called "makeshift materials (仮設資材)" in Japanese, as they are all supposed to be removed when the steeplejacks have completed their work.

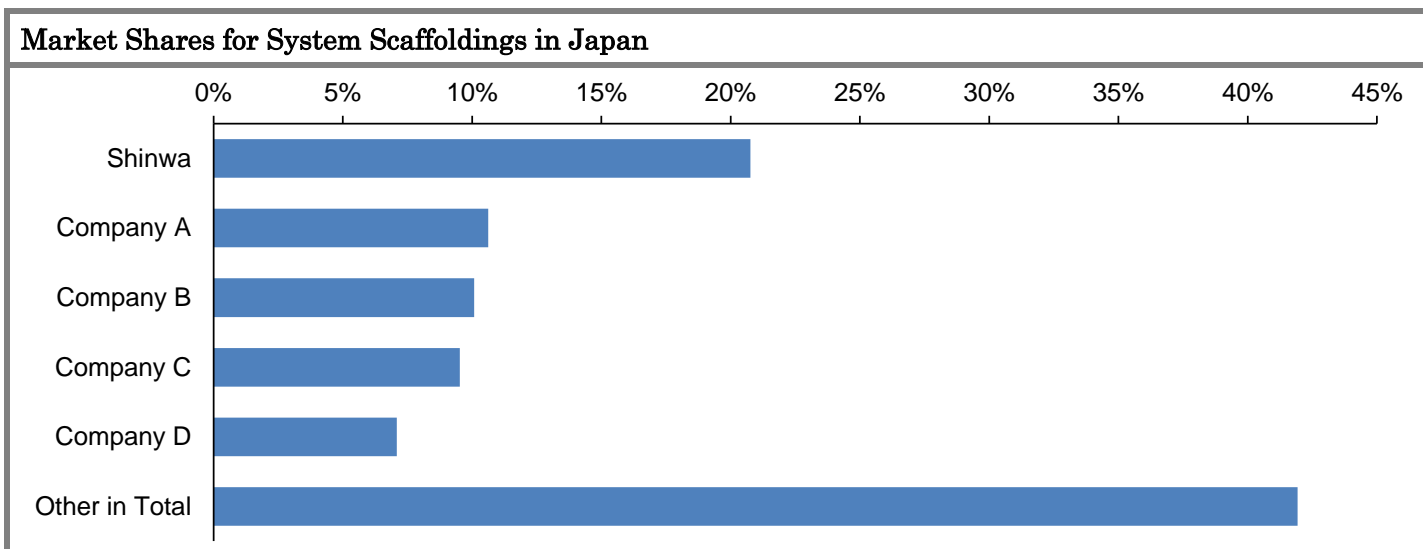
An Image of Scaffoldings



Source: Company Data

The purpose of installing scaffoldings is to facilitate work by steeplejacks as above-mentioned as well as assure security of steeplejacks and the scene. The Company, aware of the fact that steeplejacks sometimes fall to their deaths while working, has adopted the slogan "protecting lives and supporting the future" as its PURPOSE. There is an aspect in scaffoldings and related services provided by the Company being directly linked to lives and livelihoods of all users. Thus, the Company firmly believes that its significance of existence is to provide the value of offering "a reliable product and/or service", for the sake of protecting lives and livelihoods of all users. In fact, the Company's vision for the future is to contribute to sustainable development of society through the provision of such values.

According to the Company’s survey on a shipment value basis, the market for system scaffoldings (wedge binding type scaffoldings plus next-generation scaffoldings) in Japan is rather fragmented, but the Company ranks first in the market share, which is outstandingly higher than the rest of the four companies included as component elements of the top five, implying the first-class production capability in Japan. This is true of the mainstay wedge binding type scaffoldings in particular. Meanwhile, the Company is one of the largest manufacturers with respect to next-generation scaffoldings. As well, wedge binding type scaffoldings are used in the construction of detached houses and other low-rise or mid-rise construction products, while mid-rise or high-rise construction products and public work projects for next-generation scaffoldings.



Source: Company Data (system scaffoldings = wedge binding type scaffoldings + next-generation scaffoldings)

In September 1977, the Company began its operations as Shinwa Shoten, having taken off after a while together with the manufacture of “jack base”, a scaffolding. Then, in January 1988, the Company developed and launched “Shinwa Catcher”, a wedge binding type scaffolding, having subsequently become the de facto standard for wedge binding type scaffoldings and thus driven the Company’s growth to a great extent. Meanwhile, the Company set up the division of Logistics Equipment in May 2003. To date, the Company has manufactured and sold tailor-made logistics-related equipment not only for the construction industry but also a wide range of industries, including that of automobiles and distribution warehouses, providing solutions that improve the efficiency of transportation and storage as well as upgrading security.

The Company has become a public company with the listing of its shares on Tokyo Stock Exchange 2nd section on 20 March 2018. Following the 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, as a result of changes in market segmentations by Tokyo Stock Exchange and Nagoya Stock Exchange on 4 April 2022, the Company's shares had another listing change to Standard Market on Tokyo Stock Exchange and Premier Market on Nagoya Stock Exchange. As well, the Company has concluded its consolidation of YAGUMI Group as wholly owned subsidiary on 1 April 2024, which is to bring some accompanying add-on in the Company's sales and earnings on a full-year basis from FY03/2025.

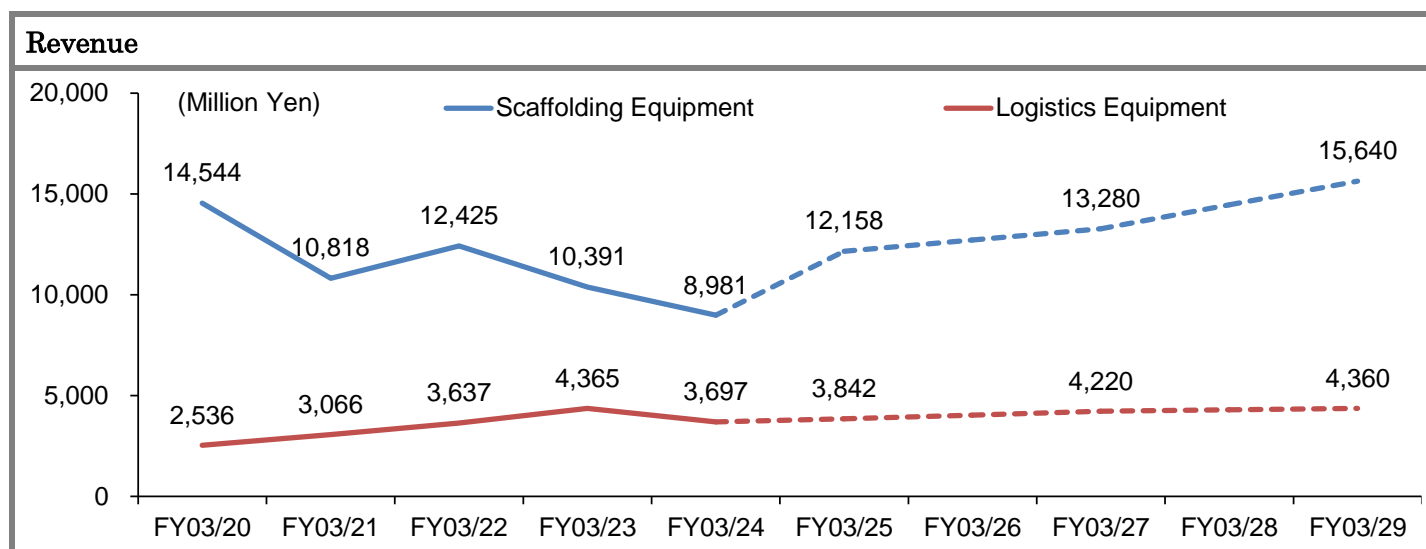
Company History (extract)

Date	Events
September 1977	Began operations as Shinwa Shoten
1978	Began manufacture and sale of "jack base", a scaffolding
January 1988	Developed "Shinwa Catcher" and entered the market for system scaffoldings
May 2003	Established Logistics Equipment Division
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
April 2022	Listing change to Tokyo Stock Exchange Standard Market and Nagoya Stock Exchange Premier Market
April 2024	Consolidated YAGUMI Group (Ichinomiya-city, Aichi-prefecture) as wholly owned subsidiary

4.0 Recent Trading and Prospects

FY03/2024

For FY03/2024, revenue came in at ¥12,678m (down 14.1% YoY), operating profit ¥700m (down 53.4%), profit before tax ¥652m (down 54.5%) and profit attributable to owners of parent ¥409m (down 59.3%). At the same time, gross profit came in at ¥2,797m (down 20.1%) and SG&A expenses ¥2,078m (up 6.1%), implying gross profit margin of 22.1% (down 1.6% points) and SG&A ratio of 16.4% (up 3.1% points), having resulted in operating profit margin of 5.5% (down 4.7% points). As well, the amount of other income and expenses came in at negative ¥19m on a net basis.



Source: Company Data, WRJ Calculation

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The decline in revenue was largely due to that of the mainstay wedge binding type scaffoldings on the Scaffolding Equipment side. The Company suggests that sales volume was sluggish as a result of construction material prices having remained high and construction operations having been delayed stemming from a labor scarcity in the construction industry.

Meanwhile, as construction material prices have been on the rise, including the Company's wedge binding type scaffoldings, some of the operators in charge of constructing scaffoldings, who have been procuring wedge binding type scaffoldings from the Company, are now making a changeover from procurement to rental services to secure the products and such a trend is now accelerating, according to the Company. This is also raised as a background for the above-mentioned sluggish sales volume. The Company's procurement cost has been on the rise since the beginning of FY03/2022 and it passed that on to selling prices on a full-fledged basis for FY03/2023. Prior to this revision on selling prices to pass that on, there was a phase to have seen a rush of demand. As a result, the Company mentions that this is another factor of the sluggishness in sales volume in that the impact did not reaper for the actual results of FY03/2024.

On the Logistics Equipment side, the Company also saw a decline in revenue. According to the Company, order intake is now slowing for pallets associated with automotive parts, which used to benefit from demand piled up for some time, while the timing for one-shot projects to take place was delayed, represented by those of electric equipment. That is to say, there is an aspect that the Company suffered from a decline in revenue due to some one-time factors. With respect to repeat projects, those of large-sized distribution warehouses have maintained strengths, but it was not enough to fully compensate for the sluggishness elsewhere for revenue on the Logistics Equipment side as a whole.

The Company's operating profit margin was under pressure by much, as gross profit has declined in line with that of revenue and expenses have risen. With respect to the latter, the Company refers to examples of a) higher procurement cost having persisted, b) sincerely responding to requests from subcontractors for price revision, c) investing in human capital to motivate employees, d) introducing a shareholder special benefit plan and e) paying advisory fees related to the acquisition of YAGUMI Group as wholly owned subsidiary. The Company has been particularly aggressive in investing in human capital. In spite of being forced to see a decline in revenue and earnings, the Company has maintained the levels of employee bonus and promoted salary increases. On top of this, the Company is working to motivate employees in all aspects with its measures, i.e., promoting young talent more than before, encouraging internal communications at the Company's expense, strengthening education and training and more.

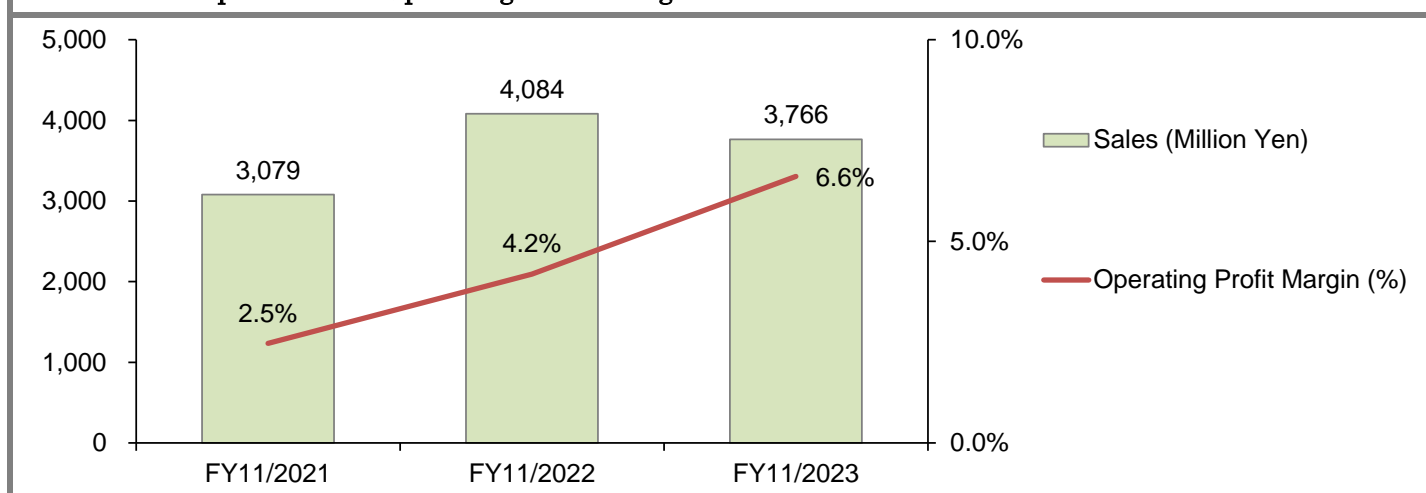
Meanwhile, the midterm management plan (FY03/2025 to FY03/2029) is calling for prospective revenue of ¥20,000m, operating profit of ¥2,400m and operating profit margin of 12.0% for FY03/2029, the final year of the plan. When setting the actual results of FY03/2024 as the point of origin, the plan suggests CAGR of 9.5% in revenue and 27.9% in operating profit, while operating profit margin will rise by 6.5% to 12.0% from 5.5%. The midterm management plan assumes a fairly large contribution from the Scaffolding Equipment side to the Company's performance, which is to be driven by consolidation of YAGUMI group as wholly owned subsidiary. At the same time, the Company is also calling for an organic growth to more than a certain extent during the relevant period.

Scaffolding Equipment (70.8% of revenue)

For FY03/2024, revenue came in at ¥8,981m (down 13.6%), while FY03/2025 Company forecasts are going for prospective revenue of ¥12,158m (up 35.4%). At the same time, the midterm management plan assumes revenue of ¥13,280m for FY03/2027 and ¥15,640m for FY03/2029. When setting the actual results of FY03/2024 as the point of origin, the Company is to see CAGR of 11.7% toward FY03/2029, the final year of the plan, while 6.5% when setting the FY03/2025 Company forecasts as the point of origin. That is to say, the Company suggests a surge in revenue for FY03/2025, while a deceleration in the rate of growth thereafter, which is attributable to the fact that consolidation of YAGUMI Group as wholly owned subsidiary is to make a net add-on in revenue for FY03/2025 on a full-year basis.

According to the Labor Force Survey conducted by the Ministry of Internal Affairs and Communications, the number of construction workers has been declining steadily every year without exception over the past several years, while the decline has been pronounced for the number of construction technicians. As well, the number of construction workers is equal to the sum of the number of construction technicians (skilled workers who directly perform construction work) and the number of sales, office, design, management and engineering workers in the construction industry. For the actual results of CY2022, the construction industry saw the number of workers of 4.79m (down 1.2% YoY) versus the number of construction technicians of 3.05m (down 2.9% YoY) and thus the latter accounted for 64% of the former. Meanwhile, for the actual results of CY2018, they were 5.05m and 3.31m, respectively. When setting this as the point of origin, the former saw CAGR of minus 1.3% toward the actual results of CY2022 and minus 2.0% for the latter, implying a decline rather larger for construction technicians and this is attributed to the impact of the Corona disaster. Thus, the general trend in the construction industry is a continuing decline in the workforce and it is inevitable that the Company's mainstay customers to construct scaffoldings are also experiencing a labor scarcity and a resulting reduction in workload. In conclusion, there is an aspect that it is also inevitable for the Company's sale of scaffoldings to suffer from this.

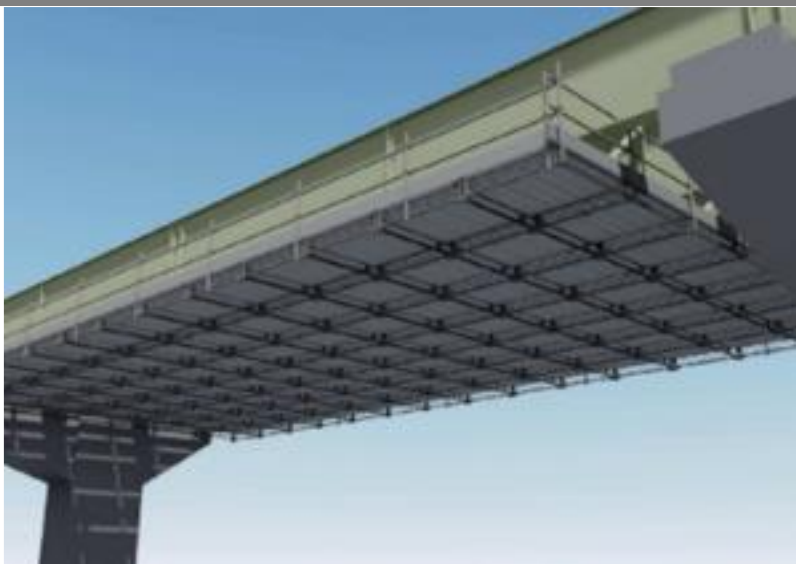
YAGUMI Group: Sales and Operating Profit Margin



Source: Company Data, WRJ Calculation

On 14 March 2024, the Company announced that it would consolidate YAGUMI Group as wholly owned subsidiary and it did as of 1 April 2024. At present, YAGUMI Group is a group of companies led by [YAGUMI Corporation](#) (Ichinomiya-city, Aichi-prefecture, i.e., a part of the Tokai region), which is in charge of constructing scaffoldings as one of the largest in Japan and the largest class in the Tokai region. Consolidation as wholly owned subsidiary by the Company that ranks first in the market for scaffoldings used at fields of construction work in Japan is expected to generate significant synergy in line with progress to be made for business integration. YAGUMI Group not only undertakes construction of scaffoldings, but also provides civil engineering work, cargo transportation services and so on, which implies an enhanced opportunity for synergy to be generated. In other words, the Company is trying to develop new services associated with scaffoldings and/or construction in the near future. As well, when simply adding up the actual results of each of the group companies, YAGUMI Group saw sales of ¥3,766m (down 7.8% YoY), operating profit of ¥249m (up 45.6%) and operating profit margin of 6.6% (up 2.4% points) for FY11/2023, according to the Company.

An Image of RAPID FLOOR Constructed



Source: Company Data

The Company is now in the process of entering a new domain of infrastructure on the Scaffolding Equipment side. On 2 October 2023, the Company made an announcement on the joint development of RAPID FLOOR, whose title was “Epoch-Making Suspension-Scaffolding to Realize Construction and Maintenance of Social Infrastructure in an Era of Declining Labor Force”, while the Company is looking to revenue to begin posted by the end of FY03/2025 and a substantial impact on the Company’s performance from a long-term perspective.

RAPID FLOOR was jointly developed by three companies, comprising the Company, IHI Infrastructure Systems Co., Ltd. (a major bridge maintenance company) and Nikken Lease Kogyo Co., Ltd. (the largest rental company of scaffoldings) , which is a scaffolding used for repair work on road bridges, for example, being constructed to cover the lower part of an overpass bridge on an expressway. The inside of the structure, which is sealed off from the outside, provides a large space for workers to work, allowing them to conduct their repair work there.

As is well known, a sizable portion of the numerous road bridges and other structures that support the daily lives and economic activities of people throughout Japan are deteriorating and the BUILDING NATIONAL RESILIENCE is being promoted as a government policy to encourage maintenance and repair work. In fact, some 55% of the road bridges above-mentioned will be 50 years old or more by CY2030, making inspections and maintenance/repair work an urgent necessity. As mentioned earlier, a major issue here is the shortage of labor in the construction industry. This problem is even more serious in infrastructure-related fields, where a certain level of expertise is required.

RAPID FLOOR offers a solution to this problem, with its feature of being a system that allows for safe and easy assembly as well as disassembly, which saves labor, shortens construction periods and reduces costs. In light of this, the expertise required here appears to be rather limited.

Logistics Equipment (29.2% of revenue)

For FY03/2024, revenue came in at ¥3,697m (down 15.3%), while FY03/2025 Company forecasts are going for prospective revenue of ¥3,842m (up 3.9%). At the same time, the midterm management plan assumes revenue of ¥4,220m for FY03/2027 and ¥4,360m for FY03/2029. When setting the actual results of FY03/2024 as the point of origin, the Company is to see CAGR of 3.4% toward FY03/2029, the final year of the plan. In other words, it should be the case that the plan assumes a rather limited contribution from here. When setting the actual results of FY03/2024 as the point of origin, the Company is calling for net increase in revenue of ¥7,321m during the period of the midterm management plan, comprising ¥6,659m on the Scaffolding Equipment side and ¥662m on the Logistics Equipment side, implying that the former accounts for more than 90% of total.

In the Company's annual securities report, the Results of Sale section indicates that the Company has posted revenue of ¥801m for FY03/2023 from Amazon Japan G.K. and ¥1,367m for FY03/2024. A simple comparison with the size of revenue on the Logistics Equipment side and the trend of revenue suggests that the Company on the Logistics Equipment side has an aspect of being exposed to new construction of large-sized distribution warehouses, driven by ongoing expansion in the market for electronic commerce to a large extent. According to the Company, it saw a stability in order intake placed such as that of repeat projects associated with large-sized distribution warehouses for FY03/2024. Meanwhile, the trend is still persisting for the repeat projects associated with larger-sized distribution warehouses and the Company has an intention to aggressively capture such demand for the foreseeable future.

FY03/2024 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
FY03/2024CoE	12-May-23	Q4 Results	15,100	1,371	1,317	907
FY03/2024CoE	10-Aug-23	Q1 Results	15,100	1,371	1,317	907
FY03/2024CoE	10-Nov-23	Q2 Results	15,100	1,371	1,317	907
FY03/2024CoE	14-Feb-24	Q3 Results	15,100	1,371	1,317	907
FY03/2024Act	10-May-24	Q4 Results	12,678	700	652	409
		Amount of Gap	(2,422)	(671)	(665)	(498)
		Rate of Gap	(16.0%)	(48.9%)	(50.5%)	(54.9%)
FY03/2024CoE	12-May-23	Q4 Results	15,100	1,371	1,317	907
FY03/2024Act	10-May-24	Q4 Results	12,678	700	652	409
		Amount of Gap	(2,422)	(671)	(665)	(498)
		Rate of Gap	(16.0%)	(48.9%)	(50.5%)	(54.9%)
Cons. Half Year (IFRS) (Million Yen)	Date	Event	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
Q1 to Q2 FY03/2024CoE	12-May-23	Q4 Results	7,332	695	668	460
Q1 to Q2 FY03/2024CoE	10-Aug-23	Q1 Results	7,332	695	668	460
Q1 to Q2 FY03/2024Act	10-Nov-23	Q2 Results	6,621	520	496	339
		Amount of Gap	(711)	(175)	(172)	(121)
		Rate of Gap	(9.7%)	(25.2%)	(25.7%)	(26.3%)
Q1 to Q2 FY03/2024CoE	12-May-23	Q4 Results	7,332	695	668	460
Q1 to Q2 FY03/2024Act	10-Nov-23	Q2 Results	6,621	520	496	339
		Amount of Gap	(711)	(175)	(172)	(121)
		Rate of Gap	(9.7%)	(25.2%)	(25.7%)	(26.3%)
Cons. Half Year (IFRS)	Date	Event	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
Q3 to Q4 FY03/2024CoE	12-May-23	Q4 Results	7,768	676	649	447
Q3 to Q4 FY03/2024CoE	10-Aug-23	Q1 Results	7,768	676	649	447
Q3 to Q4 FY03/2024CoE	10-Nov-23	Q2 Results	8,479	851	821	568
		Amount of Gap	711	175	172	121
		Rate of Gap	9.2%	25.9%	26.5%	27.1%
Q3 to Q4 FY03/2024CoE	14-Feb-24	Q3 Results	8,479	851	821	568
Q3 to Q4 FY03/2024Act	10-May-24	Q4 Results	6,057	180	156	70
		Amount of Gap	(2,422)	(671)	(665)	(498)
		Rate of Gap	(28.6%)	(78.8%)	(81.0%)	(87.7%)
Q3 to Q4 FY03/2024CoE	12-May-23	Q4 Results	7,768	676	649	447
Q3 to Q4 FY03/2024Act	10-May-24	Q4 Results	6,057	180	156	70
		Amount of Gap	(1,711)	(496)	(493)	(377)
		Rate of Gap	(22.0%)	(73.4%)	(76.0%)	(84.3%)

Source: Company Data, WRJ Calculation

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		
	03/2023	03/2023	03/2023	03/2023	03/2024	03/2024	03/2024	03/2024		
Revenue	4,368	8,909	12,130	14,757	2,906	6,621	9,675	12,678	(2,078)	
Cost of revenue	3,316	6,758	9,211	11,257	2,224	5,154	7,507	9,880	(1,376)	
Gross profit	1,052	2,150	2,919	3,499	681	1,467	2,168	2,797	(701)	
SG&A expenses	508	1,026	1,499	1,959	503	944	1,465	2,078	+119	
Other income and expenses (net)	2	(10)	(31)	(38)	(0)	(1)	(8)	(19)	+19	
Operating profit	546	1,113	1,389	1,501	177	520	694	700	(801)	
Financial income and costs (net)	(16)	(35)	(51)	(67)	(12)	(23)	(37)	(47)	+19	
Profit before tax	529	1,077	1,338	1,434	165	496	656	652	(782)	
Income tax expenses	161	325	415	448	56	154	215	241	(207)	
Profit	368	752	923	985	109	342	441	411	(574)	
Profit attributable to owners of parent	361	744	932	1,007	110	339	439	409	(598)	
Profit attributable to non-controlling interests	6	8	(9)	(21)	(1)	2	2	1	+23	
Profit attributable to owners of parent	361	744	932	1,007	110	339	439	409	(598)	
Revenue YoY	+12.5%	+8.2%	(4.0%)	(8.1%)	(33.5%)	(25.7%)	(20.2%)	(14.1%)	-	
Operating profit YoY	+15.7%	(11.2%)	(26.8%)	(29.7%)	(67.5%)	(53.2%)	(50.0%)	(53.4%)	-	
Profit before tax YoY	+16.6%	(11.5%)	(27.4%)	(30.5%)	(68.7%)	(53.9%)	(50.9%)	(54.5%)	-	
Profit YoY	+18.1%	(10.7%)	(27.0%)	(30.2%)	(70.3%)	(54.5%)	(52.2%)	(58.3%)	-	
Profit attributable to owners of parent YoY	+15.5%	(12.1%)	(27.8%)	(30.6%)	(69.4%)	(54.3%)	(52.9%)	(59.3%)	-	
Gross profit margin	24.1%	24.1%	24.1%	23.7%	23.4%	22.2%	22.4%	22.1%	(1.6%)	
SG&A ratio	11.6%	11.5%	12.4%	13.3%	17.3%	14.3%	15.1%	16.4%	+3.1%	
Operating profit margin	12.5%	12.5%	11.5%	10.2%	6.1%	7.9%	7.2%	5.5%	(4.7%)	
Profit before tax margin	12.1%	12.1%	11.0%	9.7%	5.7%	7.5%	6.8%	5.1%	(4.6%)	
Profit margin	8.4%	8.4%	7.6%	6.7%	3.8%	5.2%	4.6%	3.2%	(3.4%)	
Profit attributable to owners of parent margin	8.3%	8.4%	7.7%	6.8%	3.8%	5.1%	4.5%	3.2%	(3.6%)	
Income tax expenses / Profit before tax	30.4%	30.2%	31.0%	31.3%	34.0%	31.0%	32.8%	37.0%	+5.7%	

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		
	03/2024	03/2024	03/2024	03/2024	03/2024	03/2024	03/2024	03/2024		
Revenue	4,368	4,540	3,221	2,626	2,906	3,715	3,053	3,003	+376	
Cost of revenue	3,316	3,442	2,452	2,046	2,224	2,929	2,352	2,373	+327	
Gross profit	1,052	1,097	769	579	681	785	701	629	+49	
SG&A expenses	508	517	472	459	503	441	520	613	+153	
Other income and expenses (net)	2	(13)	(20)	(7)	(0)	(1)	(7)	(10)	(2)	
Operating profit	546	566	276	112	177	342	173	5	(106)	
Financial income and costs (net)	(16)	(18)	(15)	(15)	(12)	(11)	(13)	(10)	+5	
Profit before tax	529	547	260	96	165	331	159	(4)	(100)	
Income tax expenses	161	163	90	33	56	97	61	26	(7)	
Profit	368	383	170	62	109	233	98	(30)	(93)	
Profit attributable to owners of parent	361	382	188	75	110	229	99	(29)	(105)	
Profit attributable to non-controlling interests	6	1	(17)	(12)	(1)	4	(0)	(0)	+11	
Profit attributable to owners of parent	361	382	188	75	110	229	99	(29)	(105)	
Revenue YoY	+12.5%	+4.4%	(26.8%)	(23.5%)	(33.5%)	(18.2%)	(5.2%)	+14.4%	-	
Operating profit YoY	+15.7%	(27.4%)	(57.2%)	(52.5%)	(67.5%)	(39.5%)	(37.2%)	(94.7%)	-	
Profit before tax YoY	+16.6%	(28.3%)	(58.2%)	(56.5%)	(68.7%)	(39.6%)	(38.7%)	-	-	
Profit YoY	+18.1%	(27.7%)	(59.5%)	(57.6%)	(70.3%)	(39.2%)	(42.2%)	-	-	
Profit attributable to owners of parent YoY	+15.5%	(28.3%)	(57.7%)	(53.3%)	(69.4%)	(40.1%)	(47.2%)	-	-	
Gross profit margin	24.1%	24.2%	23.9%	22.1%	23.4%	21.1%	23.0%	21.0%	(1.1%)	
SG&A ratio	11.6%	11.4%	14.7%	17.5%	17.3%	11.9%	17.0%	20.4%	+2.9%	
Operating profit margin	12.5%	12.5%	8.6%	4.3%	6.1%	9.2%	5.7%	0.2%	(4.1%)	
Profit before tax margin	12.1%	12.1%	8.1%	3.7%	5.7%	8.9%	5.2%	(0.1%)	(3.8%)	
Profit margin	8.4%	8.5%	5.3%	2.4%	3.8%	6.3%	3.2%	(1.0%)	(3.4%)	
Profit attributable to owners of parent margin	8.3%	8.4%	5.8%	2.9%	3.8%	6.2%	3.3%	(1.0%)	(3.9%)	
Income tax expenses / Profit before tax	30.4%	29.9%	34.5%	34.8%	34.0%	29.5%	38.3%	-	-	

Source: Company Data, WRJ Calculation

Revenue by Business Division (Cumulative / Quarterly)

Revenue by Business Division		Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)		Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Net Chg.
		03/2023	03/2023	03/2023	03/2023	03/2024	03/2024	03/2024	03/2024	
Wedge binding type scaffoldings		1,886	3,883	5,155	5,866	977	2,465	3,877	4,970	(895)
Next generation scaffoldings		491	880	1,278	1,713	607	974	1,297	1,434	(279)
Other temporary materials		720	1,401	2,048	2,811	732	1,394	2,007	2,576	(235)
Scaffolding Equipment		3,098	6,165	8,482	10,391	2,317	4,834	7,182	8,981	(1,410)
Logistics Equipment		1,270	2,743	3,648	4,365	589	1,787	2,493	3,697	(667)
Revenue		4,368	8,909	12,130	14,757	2,906	6,621	9,675	12,678	(2,078)
Wedge binding type scaffoldings		+5.2%	(1.1%)	(14.8%)	(20.8%)	(48.2%)	(36.5%)	(24.8%)	(15.3%)	-
Next generation scaffoldings		(5.5%)	(13.0%)	(20.7%)	(22.8%)	+23.6%	+10.6%	+1.5%	(16.3%)	-
Other temporary materials		(0.4%)	(5.5%)	(5.5%)	+0.6%	+1.6%	(0.5%)	(2.0%)	(8.4%)	-
Scaffolding Equipment		+2.0%	(4.0%)	(13.7%)	(16.4%)	(25.2%)	(21.6%)	(15.3%)	(13.6%)	-
Logistics Equipment		+50.0%	+51.7%	+30.4%	+20.0%	(53.6%)	(34.8%)	(31.7%)	(15.3%)	-
Revenue (YoY)		+12.5%	+8.2%	(4.0%)	(8.1%)	(33.5%)	(25.7%)	(20.2%)	(14.1%)	-
Wedge binding type scaffoldings		43.2%	43.6%	42.5%	39.8%	33.6%	37.2%	40.1%	39.2%	-
Next generation scaffoldings		11.2%	9.9%	10.5%	11.6%	20.9%	14.7%	13.4%	11.3%	-
Other temporary materials		16.5%	15.7%	16.9%	19.1%	25.2%	21.1%	20.8%	20.3%	-
Scaffolding Equipment		70.9%	69.2%	69.9%	70.4%	79.7%	73.0%	74.2%	70.8%	-
Logistics Equipment		29.1%	30.8%	30.1%	29.6%	20.3%	27.0%	25.8%	29.2%	-
Revenue (Composition Ratio)		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-
Revenue by Business Division		Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Net Chg.
		03/2024	03/2023	03/2023	03/2023	03/2024	03/2024	03/2024	03/2024	
Wedge binding type scaffoldings		1,886	1,996	1,271	710	977	1,487	1,411	1,093	+382
Next generation scaffoldings		491	389	398	435	607	367	323	137	(298)
Other temporary materials		720	680	647	763	732	662	613	568	(194)
Scaffolding Equipment		3,098	3,067	2,317	1,909	2,317	2,517	2,348	1,798	(110)
Logistics Equipment		1,270	1,473	904	717	589	1,198	705	1,204	+487
Revenue		4,368	4,540	3,221	2,626	2,906	3,715	3,053	3,003	+376
Wedge binding type scaffoldings		+5.2%	(6.5%)	(40.1%)	(47.7%)	(48.2%)	(25.5%)	+11.0%	+53.8%	-
Next generation scaffoldings		(5.5%)	(20.9%)	(33.8%)	(28.4%)	+23.6%	(5.8%)	(18.8%)	(68.5%)	-
Other temporary materials		(0.4%)	(10.3%)	(5.5%)	+21.8%	+1.6%	(2.7%)	(5.3%)	(25.5%)	-
Scaffolding Equipment		+2.0%	(9.4%)	(32.0%)	(26.4%)	(25.2%)	(17.9%)	+1.3%	(5.8%)	-
Logistics Equipment		+50.0%	+53.2%	(8.5%)	(14.6%)	(53.6%)	(18.7%)	(22.0%)	+68.0%	-
Revenue (YoY)		+12.5%	+4.4%	(26.8%)	(23.5%)	(33.5%)	(18.2%)	(5.2%)	+14.4%	-
Wedge binding type scaffoldings		43.2%	44.0%	39.5%	27.1%	33.6%	40.0%	46.2%	36.4%	-
Next generation scaffoldings		11.2%	8.6%	12.4%	16.6%	20.9%	9.9%	10.6%	4.6%	-
Other temporary materials		16.5%	15.0%	20.1%	29.1%	25.2%	17.8%	20.1%	18.9%	-
Scaffolding Equipment		70.9%	67.5%	71.9%	72.7%	79.7%	67.7%	76.9%	59.9%	-
Logistics Equipment		29.1%	32.5%	28.1%	27.3%	20.3%	32.3%	23.1%	40.1%	-
Revenue (Composition Ratio)		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-

Source: Company Data, WRJ Calculation

Statement of Financial Position (Quarterly)

Statement of Financial Position	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
(Million Yen)	03/2023	03/2023	03/2023	03/2023	03/2024	03/2024	03/2024	03/2024	03/2024	Net Chg.
Cash and cash equivalents	2,103	1,877	1,938	2,063	1,798	2,409	1,654	1,843		(220)
Trade and other receivables	3,636	3,924	2,595	2,450	2,553	3,213	2,718	2,225		(224)
Inventory	2,999	3,063	3,456	3,406	3,637	2,368	3,103	3,182		(223)
Other	440	121	115	41	33	30	107	39		(2)
Total current assets	9,179	8,987	8,104	7,962	8,022	8,023	7,583	7,291		(670)
Property, plant and equipment	2,510	2,485	2,454	2,403	2,254	2,360	2,394	2,488		+84
Right-of-use assets	309	294	252	240	222	226	210	204		(35)
Goodwill	9,221	9,221	9,221	9,221	9,221	9,221	9,221	9,221		0
Intangible assets	1,375	1,375	1,389	1,387	1,378	1,370	1,362	1,352		(35)
Other	70	74	79	79	91	96	99	117		+37
Total non-current assets	13,487	13,451	13,396	13,332	13,168	13,275	13,287	13,384		+51
Total assets	22,667	22,439	21,501	21,294	21,191	21,298	20,871	20,675		(619)
Trade and other payables	1,434	1,002	648	664	833	799	1,278	1,045		+381
Borrowings	1,885	1,933	1,498	4,242	4,244	3,996	1,490	1,490		(2,751)
Other	629	665	337	335	434	566	309	407		+72
Total current liabilities	3,949	3,602	2,485	5,241	5,511	5,362	3,078	2,943		(2,297)
Borrowings	3,237	2,989	2,991	-	-	-	1,960	1,963		+1,963
Other	547	521	541	501	452	473	493	449		(51)
Total non-current liabilities	3,784	3,510	3,532	501	452	473	2,453	2,413		+1,912
Total liabilities	7,734	7,113	6,017	5,742	5,964	5,836	5,532	5,357		(385)
Total equity attributable to owners of parent	14,896	15,287	15,465	15,545	15,221	15,452	15,330	15,310		(235)
Other	36	37	18	6	5	9	8	8		+1
Total equity	14,932	15,325	15,483	15,552	15,227	15,462	15,339	15,318		(233)
Total liabilities and equity	22,667	22,439	21,501	21,294	21,191	21,298	20,871	20,675		(619)
Equity attributable to owners of parent	14,896	15,287	15,465	15,545	15,221	15,452	15,330	15,310		(235)
Interest-bearing debt	5,122	4,923	4,489	4,242	4,244	3,996	3,450	3,454		(787)
Net debt	3,019	3,046	2,551	2,178	2,445	1,586	1,795	1,611		(567)
Equity ratio	65.7%	68.1%	71.9%	73.0%	71.8%	72.5%	73.5%	74.0%		-
Net debt-to-equity ratio	20.3%	19.9%	16.5%	14.0%	16.1%	10.3%	11.7%	10.5%		-
ROE (12 months)	10.4%	9.1%	7.2%	6.6%	5.0%	3.9%	3.3%	2.7%		-
ROA (12 months)	9.7%	8.6%	7.3%	6.5%	4.9%	3.9%	3.6%	3.1%		-
Days for inventory turnover	83	81	129	152	149	74	120	122		-
Quick ratio	145%	161%	182%	86%	79%	105%	142%	138%		-
Current ratio	232%	249%	326%	152%	146%	150%	246%	248%		-

Source: Company Data, WRJ Calculation

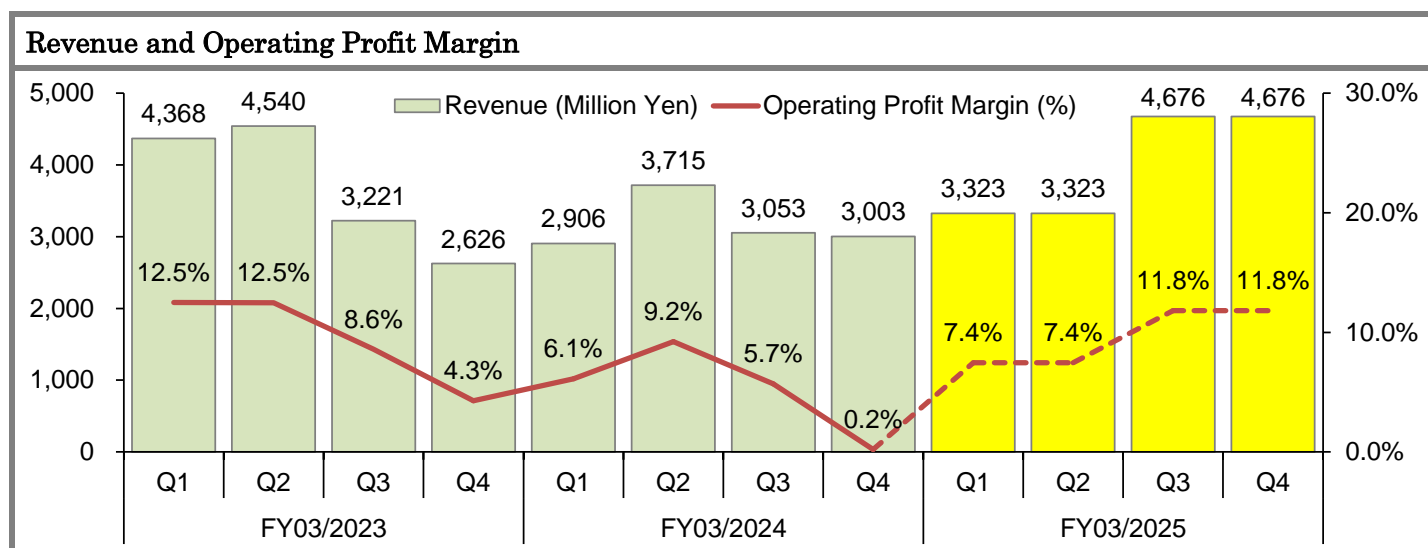
Statement of Cashflows (Cumulative / Quarterly)

Statement of Cashflows	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		
(Million Yen)	03/2023	03/2023	03/2023	03/2023	03/2024	03/2024	03/2024	03/2024	03/2024	Net Chg.
Cashflows from operating activities	(617)	(473)	163	686	217	1,316	1,529	1,973		+1,287
Cashflows from Investing activities	(371)	(491)	(594)	(659)	(21)	(226)	(396)	(626)		+33
Cashflows from operating and investing activities	(988)	(965)	(431)	26	195	1,090	1,133	1,347		+1,321
Cashflows from financing activities	(372)	(625)	(1,089)	(1,424)	(461)	(745)	(1,543)	(1,569)		(145)
Total cashflows	(1,360)	(1,681)	(1,457)	(1,457)	(266)	(399)	(506)	(548)		(1,329)
Statement of Cashflows	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
(Million Yen)	03/2023	03/2023	03/2023	03/2023	03/2024	03/2024	03/2024	03/2024	03/2024	Net Chg.
Cashflows from operating activities	(617)	143	637	522	217	1,098	213	443		(79)
Cashflows from Investing activities	(371)	(119)	(103)	(64)	(21)	(204)	(170)	(229)		(165)
Cashflows from operating and investing activities	(988)	23	533	458	195	894	43	213		(244)
Cashflows from financing activities	(372)	(253)	(463)	(334)	(461)	(283)	(798)	(26)		+308

Source: Company Data, WRJ Calculation

FY03/2025 Company Forecasts

FY03/2025 Company forecasts, announced on 10 May 2024, are going for prospective revenue of ¥16,000m (up 26.2% YoY), operating profit of ¥1,600m (up 128.5%), profit before tax of ¥1,494m (up 129.0%) and profit attributable to owners of parent of ¥1,000m (up 144.1%), while operating profit margin of 10.0% (up 4.5% points). For Q1 to Q2, Company forecasts assume revenue of ¥6,647m (up 0.4%), operating profit of ¥495m (down 4.9%) and operating profit margin of 7.4% (down 0.4% points), while revenue of ¥9,353m (up 54.4%), operating profit of ¥1,105m (up 518.8%) and operating profit margin of 11.8% (up 8.9% points) for H2.



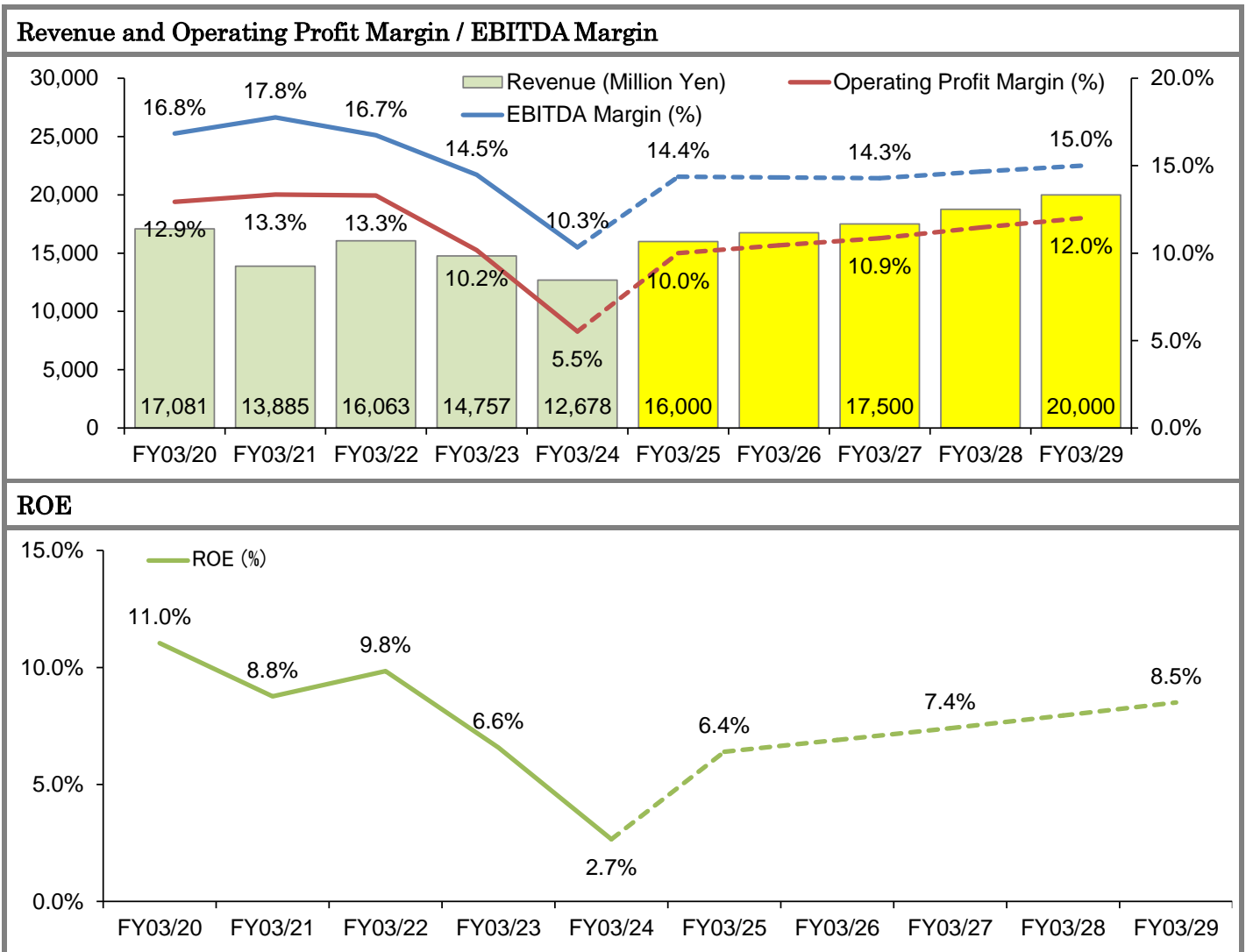
Source: Company Data, WRJ Calculation (quarters in FY03/2025: half-year Company forecasts, pro rata)

According to the Company, the business environment will remain challenging for Q1 to Q2, but even so is it going to prepare for near future growth, while looking to reap the fruits of its efforts for H2. With respect to an impact from the acquisition of YAGUMI Group as wholly owned subsidiary, the Company is looking to a simple net add-on as well as a further add-on to be gradually generated by developments of new customers and new services from the first year, i.e., FY03/2025, in line with enhanced alignment of operations. Thus, the Company is going for an improvement in its performance for H2 from Q1 to Q2.

From a perspective of year-on-year changes, the Company is to see a magnitude of improvement even larger for H2 from Q1 to Q2. For the period under comparison, i.e., FY03/2024, the Company saw sales and earnings heavily weighted during the period of Q1 to Q2 at the expense of H2, which is mentioned as a reason. According to the Company, its performance for Q1 to Q2 FY03/2024 was roughly on par with that of the equivalent period in the time of the Corona disaster, while having plunged down to a level lower than that for H2. Thus, the Company saw a concentration of revenue and earnings for Q1 to Q2 during the period of FY03/2024, while going for a concentration during the period of H2 for FY03/2025. In conclusion, the Company is going for outstandingly positive changes on a year-on-year basis for H2 FY03/2025.

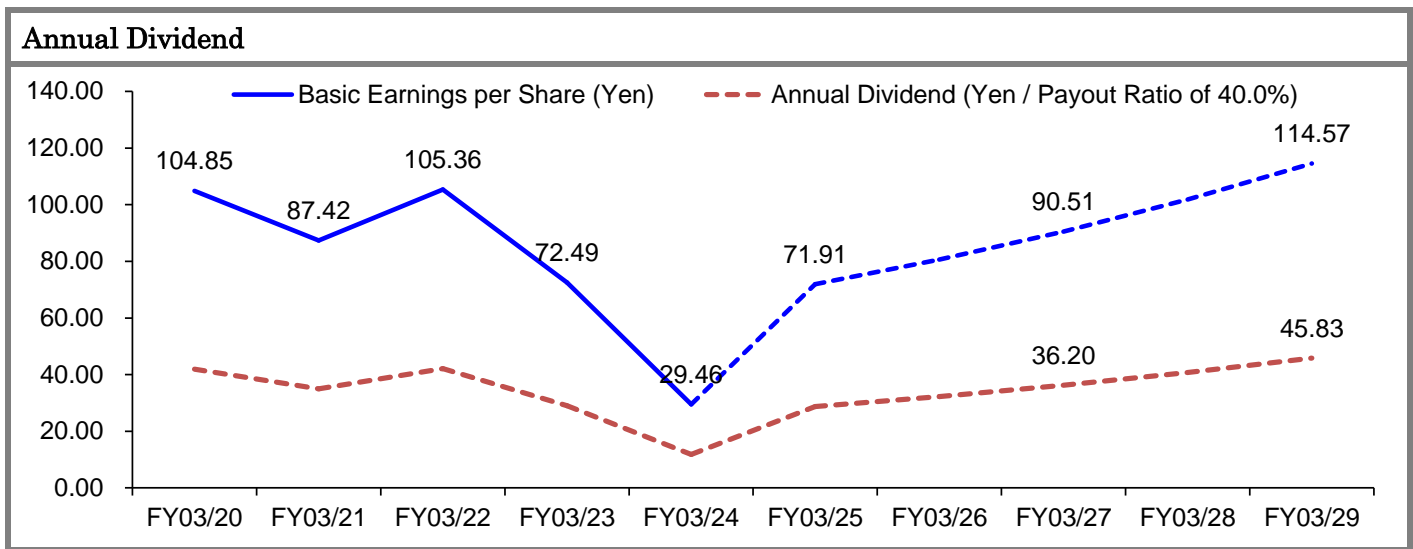
Long-Term Prospects

On 9 May 2024, the Company announced that it had formulated midterm management plan (FY03/2025 to FY03/2029), calling for performance target to achieve revenue of ¥20,000m, operating profit of ¥2,400m and EBITDA of ¥3,000m for FY03/2029, the final year of the plan.



Source: Company Data, WRJ Calculation

When setting the FY03/2024 actual results as the point of origin, the midterm management plan is calling for CAGR of 9.5% in revenue, 27.9% in operating profit and 18.0% in EBITDA. During the relevant period, operating profit margin is to rise by 6.5% points to 12.0% from 5.5% and by 4.7% points to 15.0% from 10.3% for EBITDA margin. At the same time, the midterm management plan is also calling for ROE of 8.5% (versus 2.7% in the FY03/2024 actual results) for FY03/2029, the final year of the plan.

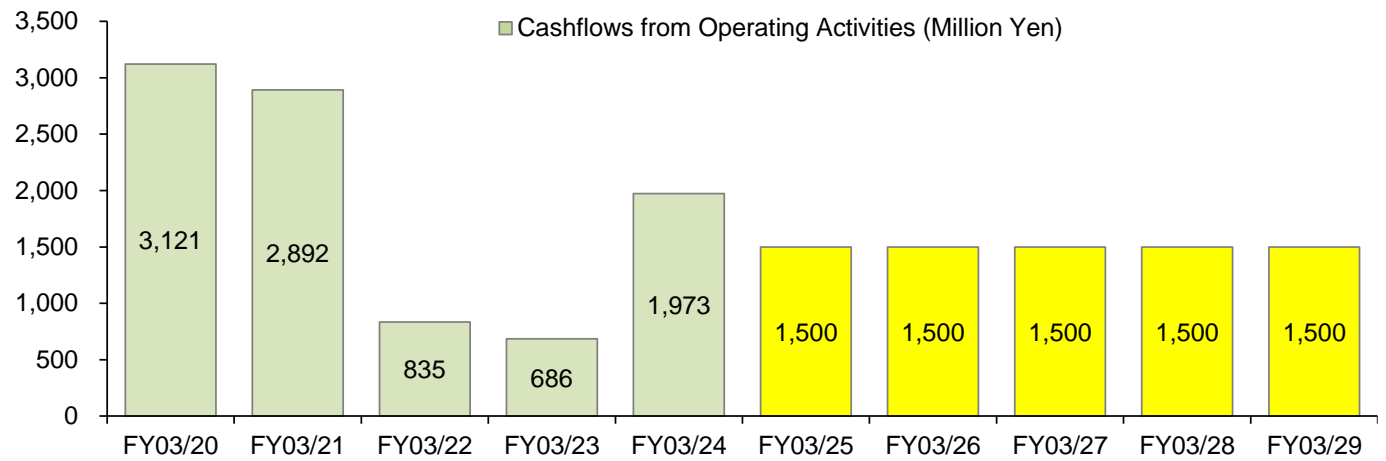


Source: Company Data, WRJ Calculation

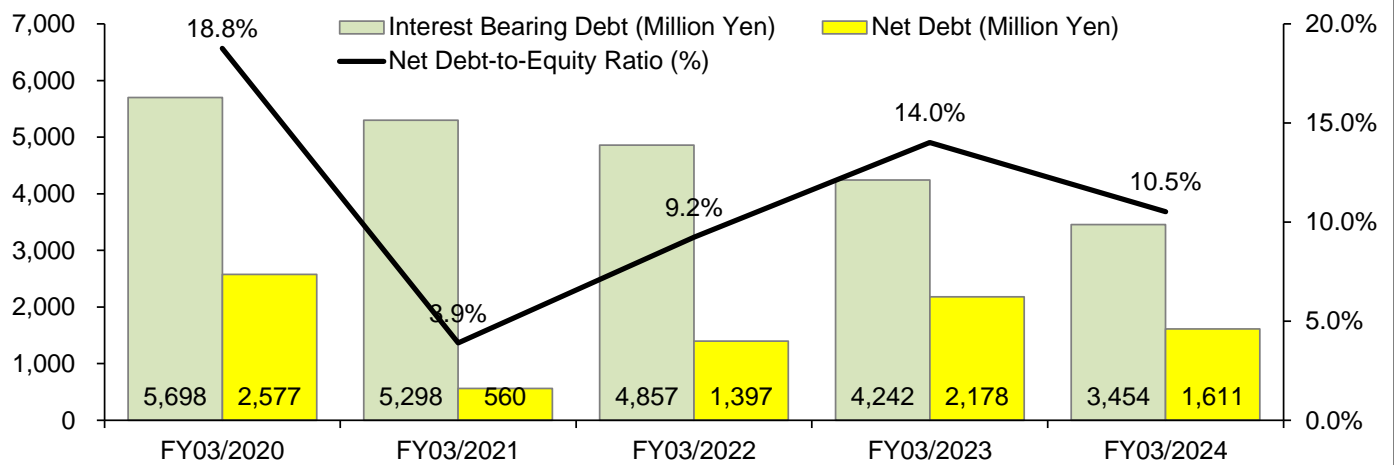
Meanwhile, all through the relevant period, the Company is to pay dividend equivalent to 40% or more in terms of payout ratio. The Company is going for planned annual dividend of ¥32.00 (¥16.00 as of the end of Q2 and ¥16.00 as of the end of year) per share for FY03/2025, implying payout ratio of 44.5%. Meanwhile, the Company is to pay annual dividend of ¥45.83 or more per share for FY03/2029, the final year of the plan, based on assumptions of the midterm management plan with the policy to pay dividend equivalent to 40% or more in terms of payout ratio. As well, the Company paid annual dividend of ¥32.00 (¥32.00 as of the end of year) per share, implying payout ratio of 44.1%, for FY03/2023, which was followed by ¥32.00 (¥16.00 as of the end of Q2 and ¥16.00 as of the end of year) per share, implying payout ratio of 108.6%, for FY03/2024. In other words, it appears that the Company has a policy to maintain a stable dividend amount even in the event of a short-term decline in earnings. Furthermore, the Company has begun a split of dividend payment, i.e., one being as of the end of Q2 and another as of the end of year, implying that the Company has laid out a policy to increase the frequency for shareholders to gain proceeds.

The previous midterm management plan (FY03/2022 to FY03/2026), announced on 14 December 2021, was calling for prospective revenue of ¥18,500m, operating profit of ¥2,270m and ROE of 10.0% for FY03/2024, while the Company was compelled to see the actual results far below, i.e., revenue of ¥12,678m, operating profit of ¥700m and ROE of 2.7%. The reason cited for this is that the external environment has worsened. The Company, running operations to process metals on the Scaffolding Equipment side as well as on the Logistics Equipment side, passed on a hike in procurement cost of raw materials, i.e., metals and so on, to selling prices, which was negatively affecting demand for the Company's products. On top of this, the Company saw a delay in construction operations due to a labor scarcity in the construction industry as well as having suffered from a sluggishness of real estate market in China and so on, according to the Company. Given such a stagnation in growth on an organic basis, the Company has begun reviewing its business strategy to cope with this since some time ago. To date, the Company has acquired YAGUMI Group on 1 April 2024 as wholly owned subsidiary, being a part of the said strategy, while revealing its intention to pursue synergy attendant on the said deal by means of forging a solid value chain "from manufacture to construction" for scaffoldings.

Cashflows from Operating Activities



Interest-Bearing Debt



Source: Company Data, WRJ Calculation

Over the past five years (FY03/2020 to FY03/2024), the Company saw collective cashflows from operating activities of ¥9,507m, while the midterm management plan assumes ¥7,000m to ¥8,000m during the relevant period, implying ¥1,500m per year on average based on an estimate of ¥7,500m with respect to the said amount for the sake of practical simplicity. In light of that dividend paid for FY03/2024 equated to ¥445m, the Company is to appropriate at least ¥2,225m (¥445m for five years) to dividend paid, while the Company suggests that it will appropriate at least ¥2,000m to investments and the remainder at most of ¥3,775m (¥8,000m, deducted by ¥2,225m and ¥2,000m) to repay interest-bearing debt. In case of coming across another opportunity to acquire a fair business to be preceded by YAGUMI Group, the Company would implement such deal with funding via interest-bearing debt rather than cutting it back on.

For investments, the Company mentions renewal of existing facilities and expansion of sales offices as the key objects as well as building up its rental assets to strengthen own rental services on the Scaffolding Equipment side, perhaps in response to market trends. Meanwhile, with net debt-to-equity ratio of 10.5% as of the end of FY03/2024, the Company's dependence on interest-bearing debt can be considered limited. Given this situation, what the Company should be doing as an operator of business in general terms is not repaying interest-bearing debt, but rather aggressively investing in its business, including M&As, as above-mentioned by the Company.

JAPAN EXCHANGE GROUPO advocates "Action to Implement Management that is Conscious of Cost of Capital and Stock Price", while the Company puts the utmost emphasis to steadily meet FY03/2025 Company forecasts and continue achieving performance in line with assumptions of the midterm management plan, because this will realize the said action for the Company. As far as assuming the goals to be met, the levels of ROE or an important indicator for efficiency in cost of capital are to rise as expected and a consistent soaring in dividend will increasingly benefit shareholders. Thus, the Company is looking to a soaring also for valuations of the shares, represented by PER and PBR, for the foreseeable future. Furthermore, the Company is keen on solidifying its business foundation in consideration of ESG issues in preparation for further growth in the future subsequent to the period of the midterm management plan. The Company believes that steadily achieving performance in line with its midterm management plan while simultaneously implementing a growth strategy for the future that is highly feasible will lead to increased confidence in the Company and, in turn, increase the attractiveness of the Company's shares as an object of investments.

The Company, whose business is highly relevant to the sustainable growth of society, places importance on ESG perspectives in its management with the aim of achieving sustainable growth based on the concept of sustainability and is addressing the issues of Environment, Society and Corporate Governance.

With respect to Environment, the Company raises the theme of "contribution to a sustainable society", focusing on the development of products with reduced environmental impact and the efficient supply of products to the carbon-neutral business fields, while emphasizing initiatives aimed at reducing CO2 emissions (electrification of vehicles and monitoring of emission) as well as promoting waste reductions (improvement in yield and promotions of paperless). With respect to Social, the Company raises the theme of "promotion of work styles and diversity," making progress in projects aimed at solving social issues, while enhancing the development of human resources and the improvement of the workplace environment to make a move for diversity and inclusion as well as strengthening support for local revitalization at the same time. With respect to Corporate Governance, the Company raises the theme of "sound corporate management with an awareness of transparency," establishing highly effective governance through the appointment of external board directors as well as promoting constructive dialogues with investors to enhance investor relations at the same time.

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)	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	Net Chg.
Revenue	17,081	13,885	16,063	14,757	12,678	16,000	+3,321
Cost of revenue	12,751	10,263	11,941	11,257	9,880	-	-
Gross profit	4,329	3,621	4,122	3,499	2,797	-	-
SG&A expenses	2,127	1,809	1,978	1,959	2,078	-	-
Other income and expenses (net)	8	40	(7)	(38)	(19)	-	-
Operating profit	2,210	1,853	2,135	1,501	700	1,600	+899
Financial income and costs (net)	(70)	(68)	(71)	(67)	(47)	(106)	(58)
Profit before tax	2,139	1,784	2,063	1,434	652	1,494	+841
Income tax expenses	671	541	651	448	241	494	+252
Profit	1,467	1,242	1,411	985	411	1,000	+588
Profit attributable to owners of parent	1,467	1,231	1,452	1,007	409	1,000	+590
Profit attributable to non-controlling interests	0	11	(40)	(21)	1	0	(1)
Profit attributable to owners of parent	1,467	1,231	1,452	1,007	409	1,000	+590
Revenue YoY	(2.5%)	(18.7%)	+15.7%	(8.1%)	(14.1%)	+26.2%	-
Operating profit YoY	+12.5%	(16.2%)	+15.3%	(29.7%)	(53.4%)	+128.5%	-
Profit before tax YoY	+12.9%	(16.6%)	+15.7%	(30.5%)	(54.5%)	+129.0%	-
Profit YoY	+10.2%	(15.3%)	+13.6%	(30.2%)	(58.3%)	+143.3%	-
Profit attributable to owners of parent YoY	+10.2%	(16.0%)	+17.9%	(30.6%)	(59.3%)	+144.1%	-
Gross profit margin	25.3%	26.1%	25.7%	23.7%	22.1%	-	-
SG&A ratio	12.5%	13.0%	12.3%	13.3%	16.4%	-	-
Operating profit margin	12.9%	13.3%	13.3%	10.2%	5.5%	10.0%	+4.5%
Profit before tax margin	12.5%	12.8%	12.8%	9.7%	5.1%	9.3%	+4.2%
Profit margin	8.6%	9.0%	8.8%	6.7%	3.2%	6.3%	+3.0%
Profit attributable to owners of parent margin	8.6%	8.9%	9.0%	6.8%	3.2%	6.3%	+3.0%
Income tax expenses / Profit before tax	31.4%	30.3%	31.6%	31.3%	37.0%	-	-

Source: Company Data, WRJ Calculation

Revenue by Division

Revenue by Business Division	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.CoE FY	YoY
(Million Yen)	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	Net Chg.
Wedge binding type scaffoldings	8,748	5,821	7,411	5,866	4,970	-	-
Next generation scaffoldings	2,160	1,798	2,220	1,713	1,434	-	-
Other temporary materials	3,635	3,199	2,793	2,811	2,576	-	-
Scaffolding Equipment	14,544	10,818	12,425	10,391	8,981	12,158	+3,176
Logistics Equipment	2,536	3,066	3,637	4,365	3,697	3,842	+144
Revenue	17,081	13,885	16,063	14,757	12,678	16,000	+3,321
Wedge binding type scaffoldings	+6.5%	(33.5%)	+27.3%	(20.8%)	(15.3%)	-	-
Next generation scaffoldings	(18.7%)	(16.8%)	+23.5%	(22.8%)	(16.3%)	-	-
Other temporary materials	+6.8%	(12.0%)	(12.7%)	+0.6%	(8.4%)	-	-
Scaffolding Equipment	+1.9%	(25.6%)	+14.9%	(16.4%)	(13.6%)	+35.4%	-
Logistics Equipment	(21.6%)	+20.9%	+18.6%	+20.0%	(15.3%)	+3.9%	-
Revenue (YoY)	(2.5%)	(18.7%)	+15.7%	(8.1%)	(14.1%)	+26.2%	-
Wedge binding type scaffoldings	51.2%	41.9%	46.1%	39.8%	39.2%	-	-
Next generation scaffoldings	12.6%	13.0%	13.8%	11.6%	11.3%	-	-
Other temporary materials	21.3%	23.0%	17.4%	19.1%	20.3%	-	-
Scaffolding Equipment	85.2%	77.9%	77.4%	70.4%	70.8%	76.0%	-
Logistics Equipment	14.8%	22.1%	22.6%	29.6%	29.2%	24.0%	-
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
	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	Net Chg.
Cash and cash equivalents	3,120	4,738	3,460	2,063	1,843	-	-
Trade and other receivables	2,777	3,006	2,759	2,450	2,225	-	-
Inventory	2,405	1,483	2,467	3,406	3,182	-	-
Other	42	62	393	41	39	-	-
Total current assets	8,345	9,290	9,081	7,962	7,291	-	-
Property, plant and equipment	2,370	2,054	2,450	2,403	2,488	-	-
Right-of-use assets	353	380	324	240	204	-	-
Goodwill	9,221	9,221	9,221	9,221	9,221	-	-
Intangible assets	1,258	1,237	1,371	1,387	1,352	-	-
Other	71	51	66	79	117	-	-
Total non-current assets	13,274	12,945	13,434	13,332	13,384	-	-
Total assets	21,620	22,236	22,515	21,294	20,675	-	-
Trade and other payables	739	803	1,192	664	1,045	-	-
Borrowings	495	581	1,622	4,242	1,490	-	-
Other	783	1,044	737	335	407	-	-
Total current liabilities	2,018	2,428	3,552	5,241	2,943	-	-
Borrowings	5,202	4,717	3,234	-	1,963	-	-
Other	611	647	569	501	449	-	-
Total non-current liabilities	5,814	5,364	3,804	501	2,413	-	-
Total liabilities	7,832	7,793	7,357	5,742	5,357	-	-
Total equity attributable to owners of parent	13,740	14,379	15,130	15,545	15,310	-	-
Other	47	63	27	6	8	-	-
Total equity	13,788	14,443	15,158	15,552	15,318	-	-
abilities and equity	21,620	22,236	22,515	21,294	20,675	-	-
attributable to owners of parent	13,740	14,379	15,130	15,545	15,310	-	-
Interest-bearing debt	5,698	5,298	4,857	4,242	3,454	-	-
Net debt	2,577	560	1,397	2,178	1,611	-	-
Equity ratio	63.6%	64.7%	67.2%	73.0%	74.0%	-	-
Net debt-to-equity ratio	18.8%	3.9%	9.2%	14.0%	10.5%	-	-
ROE (12 months)	11.0%	8.8%	9.8%	6.6%	2.7%	6.4%	-
ROA (12 months)	10.0%	8.1%	9.2%	6.5%	3.1%	-	-
Days for inventory turnover	69	53	75	110	118	-	-
Quick ratio	292%	319%	175%	86%	138%	-	-
Current ratio	413%	382%	256%	152%	248%	-	-

Source: Company Data, WRJ Calculation

Statement of Cashflows

Statement of Cashflows	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
(Million Yen)	FY	FY	FY	FY	FY	FY	YoY
	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	Net Chg.
Cashflows from operating activities	3,121	2,892	835	686	1,973	-	-
Cashflows from Investing activities	(515)	(181)	(817)	(659)	(626)	-	-
Cashflows from operating and investing activities	2,606	2,711	18	26	1,347	-	-
Cashflows from financing activities	(1,227)	(1,104)	(1,306)	(1,424)	(1,569)	-	-

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 03/2020	FY 03/2021	FY 03/2022	FY 03/2023	FY 03/2024	FY 03/2025	YoY Net Chg.
No. of Shares FY End (thousand shares)	14,089	14,103	14,103	14,103	14,103	-	-
Net Profit / EPS (thousand Shares)	13,994	14,091	13,789	13,902	13,906	-	-
Treasury Shares FY End (thousand shares)	0	0	207	193	193	-	-
Basic Earnings per Share	104.85	87.42	105.36	72.49	29.46	71.91	-
Diluted Earnings per Share	104.21	87.09	105.35	72.49	-	-	-
Book Value per Share	975.26	1,019.59	1,088.87	1,117.56	1,100.69	-	-
Dividend per Share	44.00	35.00	43.00	32.00	32.00	32.00	-
Per Share Data (After Adjustments for Split) (Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
FY 03/2020	FY 03/2021	FY 03/2022	FY 03/2023	FY 03/2024	FY 03/2025	YoY Net Chg.	
Share Split Factor	1	1	1	1	1	1	-
Basic Earnings per Share	104.85	87.42	105.36	72.49	29.46	71.91	-
Book Value per Share	975.26	1,019.59	1,088.87	1,117.56	1,100.69	-	-
Dividend per Share	44.00	35.00	43.00	32.00	32.00	32.00	-
Payout Ratio	42.0%	40.0%	40.8%	44.1%	108.6%	44.5%	-

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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