

## 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 FY03/2025		8,542	871	815	530	-	-	-
Q3 to Q4 FY03/2025CoE		7,457	728	678	469	-	-	-
Q1 to Q2 FY03/2025	YoY	29.0%	67.4%	64.2%	56.0%	-	-	-
Q3 to Q4 FY03/2025CoE	YoY	23.1%	305.8%	335.4%	572.3%	-	-	-

Source: Company Data, WRJ Calculation

### 1.0 Executive Summary (14 January 2025)


#### M&A Effect

Shinwa, which mainly manufactures, sells and constructs scaffolding equipment, used in the fields of construction work, is on track to continue achieving steady growth in both revenue and earnings. The midterm management plan (FY03/2025 to FY03/2029) suggests CAGR of 9.5% for revenue and 27.9% for operating profit. At the beginning of FY03/2025, the Company acquired YAGUMI Group (the largest operator to construct scaffolding equipment in the Tokai region and one of the foremost in Japan) as subsidiary, which made a major add-on since the initial stage, having driven an improvement in the Company's earnings for Q1 to Q2, which is to be followed by creation of synergy to gradually expand for H2 and thereafter, according to the Company. During the period of the above-mentioned midterm management plan, the Company states that it will achieve steady growth with a view to long-term growth by building a foundation for achieving further growth in the future. The Company is to pursue its strengths as a manufacturer of scaffolding equipment, while trying to create a fusion of this and the strengths as an operator to construct scaffolding equipment, newly acquired this time, which is expected to structure a solid value chain "from manufacturing to constructing" with respect to scaffolding equipment. In conclusion, this will make it possible to promote expansion in the business domains, according to the Company.

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

## 2.0 Company Profile

### Leader of Scaffolding Equipment

<b>Company Name</b>	Shinwa Co., Ltd. <a href="#">IR Information</a> <a href="#">Share price (Japanese)</a> 
<b>Established</b>	11 August 2014
<b>Listing</b>	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
<b>Capital</b>	¥153m (as of the end of September 2024)
<b>No. of Shares</b>	14,103,000 shares, including 198,484 treasury shares (as of the end of Sep. 2024)
<b>Main Features</b>	<ul style="list-style-type: none"> <li>● Boosting up safety of footing in the fields of construction work</li> <li>● The first-class production capability with high readiness and quality</li> <li>● Manufacturing and selling as well as constructing for scaffolding equipment</li> </ul>
<b>Representative</b>	Representative Director: Kurio Noritake
<b>Shareholders</b>	Alinco Inc. 4.95%, Hanwa Co., Ltd. 4.95%, Master Trust Bank of Japan, T. 4.36%, Kazuya Kito 1.71%, NAKAYAMA TRADING CO., LTD. 0.99% (as of the end of September 2024, but for treasury shares)
<b>Head Office</b>	Kaizu-city, Gifu-prefecture, JAPAN
<b>No. of Personnel</b>	Parent: 178 (as of the end of Sep. 2024, including part-time and non-regular staffs)

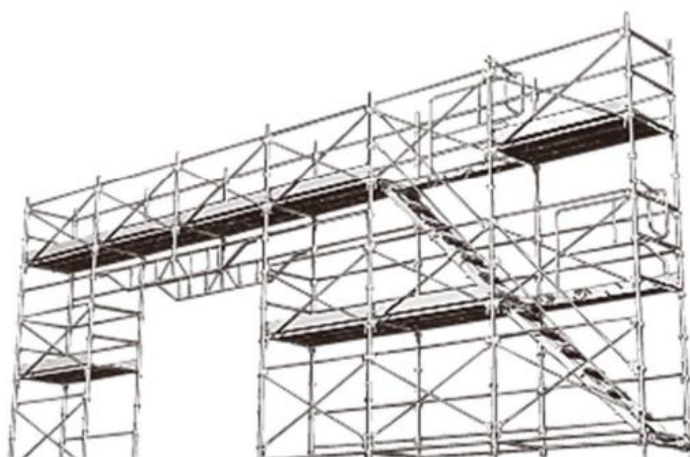
Source: Company Data

### 3.0 PURPOSE

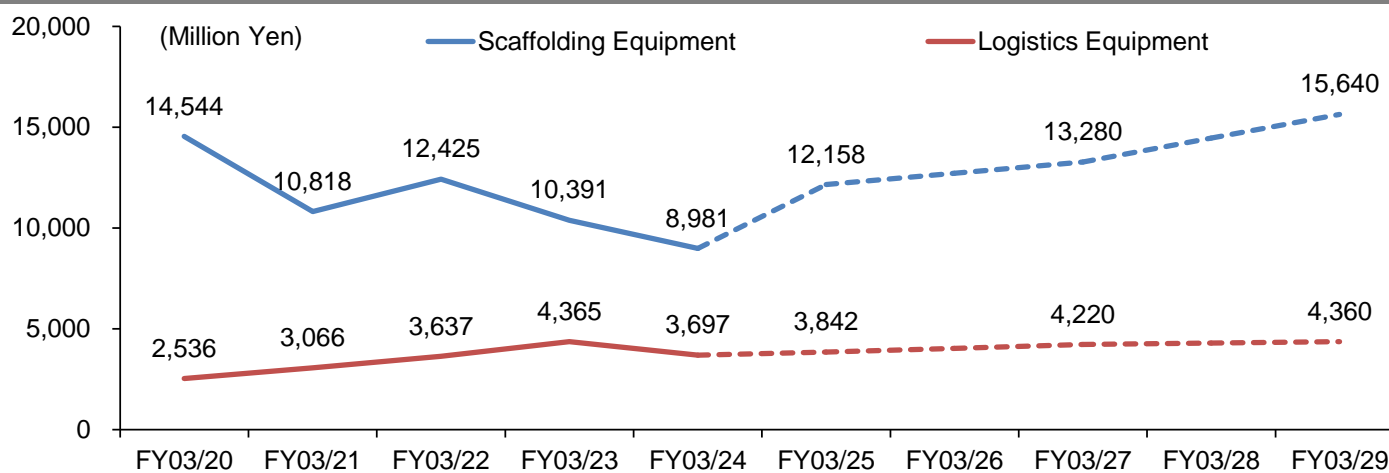
#### Protecting Lives and Supporting the Future

The Company, based in Kaizu-city, Gifu-prefecture, has heretofore manufactured and sold metal products such as scaffolding equipment and logistics equipment, with which it has contributed to society. The Company's revenue mainly comprises that of scaffolding equipment, such as wedge binding type scaffoldings and next generation scaffoldings or system scaffoldings, collectively. Wedge binding type scaffoldings and next generation scaffoldings are used as literal scaffoldings, when so-called steeplejacks perform their work at a high altitude in the fields of construction work. Meanwhile, all those scaffoldings are assembled and temporarily installed in line with needs in the fields, while being dismantled and taken away after the work for reuse.

#### An Image of Scaffoldings

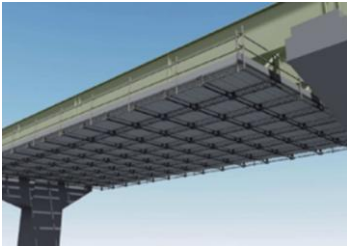

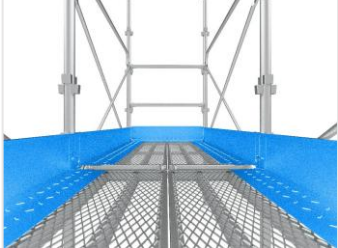


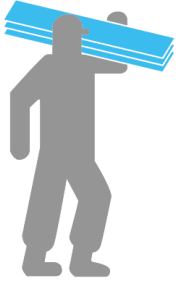


#### Revenue: Midterm Management Plan (FY03/2025 to FY03/2029)



Source: Company Data, WRJ Calculation

Meanwhile, the Company, which focuses on development, manufacture and sale of highly safe products with the aim of avoiding accidents as much as possible, such as falls that occur during the above-mentioned work at a high altitude, has set out PURPOSE of Protecting Lives and Supporting the Future. In other words, the Company recognizes its mission is to ensure safety of workers such as so-called steeplejacks performing their work in the fields of construction work, while also recognizing it as its mission to support the social foundations through all types of building structures, including infrastructures such as bridges, etc. that are constructed using the Company's products.

<b>Efforts Toward PURPOSE</b>	
<p><b>Hanging System Scaffoldings for Bridges</b></p> 	<p><b>Development of Equipment for Safety Measures</b></p> <div style="display: flex; justify-content: space-around;">   </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <p><b>Precursive Handrails</b></p> <p><b>Baseboards</b></p> </div>
<p><b>Reinforcing Functionality of Scaffoldings</b></p> 	<p><b>Weight Saving</b></p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>

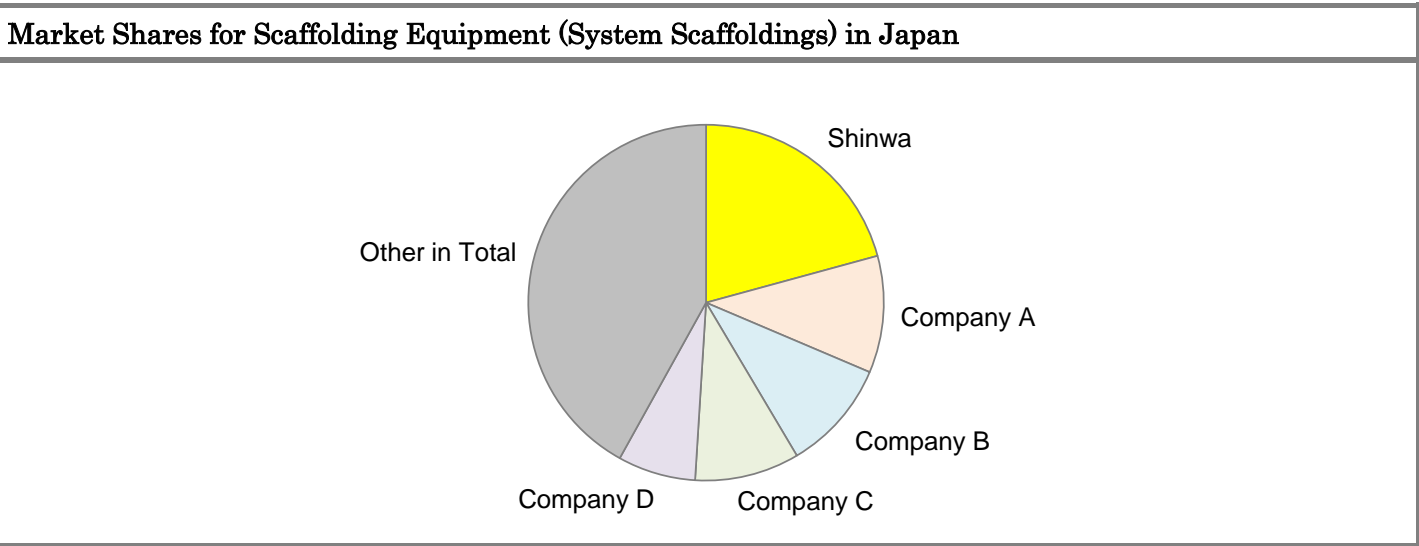
Source: Company Data

As specific examples of efforts toward PURPOSE, the Company mentions involvement with hanging system scaffoldings for bridges, reinforcing functionality of scaffoldings, development of equipment for safety measures and weight saving. Hanging system scaffoldings for bridges are a new product to correspond to the government's National Resilience Plan and are expected to meet increasing demand for inspection and/or repair work in the future as bridges continue to age at a rapid pace. They are highly regarded as being superior to conventional equivalents in terms of strengths, safety and ease of constructing.

With respect to reinforcing functionality of scaffoldings, the Company has developed a new functionality to prevent parts from falling out, which is raising safety to a higher level than before, while another one to realize low-noise work at the same time. Meanwhile, the Company develops equipment for safety measures, i.e., precursive handrails and baseboards, which are responsible for improving safety in the fields of construction work with their functionality to prevent accidents such as falls of so-called steeplejacks and/or gears of every kind. Further, the Company is keen on weight saving for its own products, which helps to reduce the workload of construction workers and improve safety and productivity as the average age of construction workers continues to rise, while trying to improve efficiency in transport with this at the same time, according to the Company.

### Ranking First in the Domestic Market for Scaffolding Equipment

One of the features of the Company as a manufacturer of scaffolding equipment is that it ranks first in the domestic market in Japan. The Company's survey on a shipment value basis suggests that the domestic market in Japan for system scaffoldings, comprising wedge binding type scaffoldings and next generation scaffoldings, is rather fragmented, while the Company ranks first in the market share, which is far higher than the rest of the top five companies, implying that the Company has the first-class production capability in Japan. This is true of the mainstay wedge binding type scaffoldings in particular, according to the Company, while being one of the largest with respect to next generation scaffoldings. The Company also suggests that wedge binding type scaffoldings are used in the construction of detached housing and other low-rise to mid-rise building structures, while mid-rise to high-rise construction building structures and/or public work projects for next generation scaffoldings. The Company is said to be the only one in Japan to be able to extensively provide high quality products to cope with building structures from low-rise to high-rise (and superhigh-rise), which is mentioned as another feature.



Source: Company Data

## Company History (extract)

Date	Events
September 1977	Began operations as Shinwa Shoten
1978	Began manufacture and sale of scaffolding equipment Jack Base
January 1988	Developed Shinwa Catcher and entered the market for system scaffoldings
May 2003	Established division of Logistics Equipment
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	Acquired shares of major operator of constructing scaffolding equipment YAGUMI Group

In September 1977, the Company began its operations as Shinwa Shoten, having taken off after a while together with the manufacture of scaffolding equipment Jack Base. Then, in January 1988, the Company developed wedge binding type scaffoldings Shinwa Catcher to launch in the market, which have 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 equipment not only for the construction industry but also a wide range of industries, including those of autos, distribution warehouses and so on, providing them with solutions that improve the efficiency of transport and storage as well as upgrading safety.

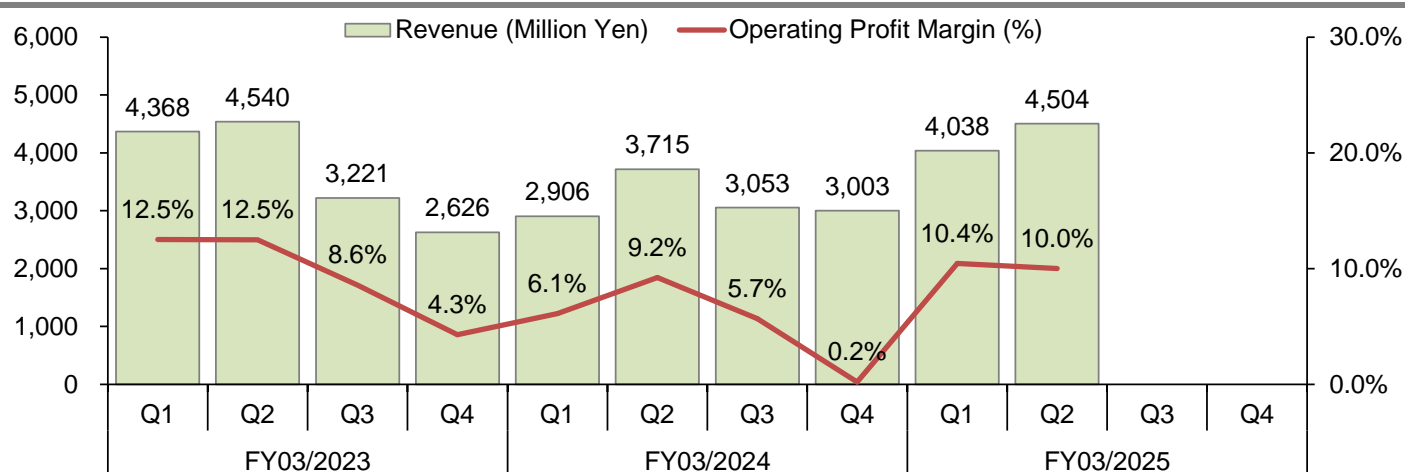
The Company has become a public company with the listing of its shares on Tokyo Stock Exchange 2nd section on 20 March 2018. Following the listing on Nagoya Stock Exchange 2nd section on 21 June 2018, the Company's shares had a listing change to Tokyo Stock Exchange 1st section and Nagoya Stock Exchange 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 revenue and earnings on a full-year basis from FY03/2025. According to the Company, this deal has made it possible to Protect Lives and Support the Future not only in terms of traditional manufacturing but also in the aspect of construction work.

## 4.0 Recent Trading and Prospects

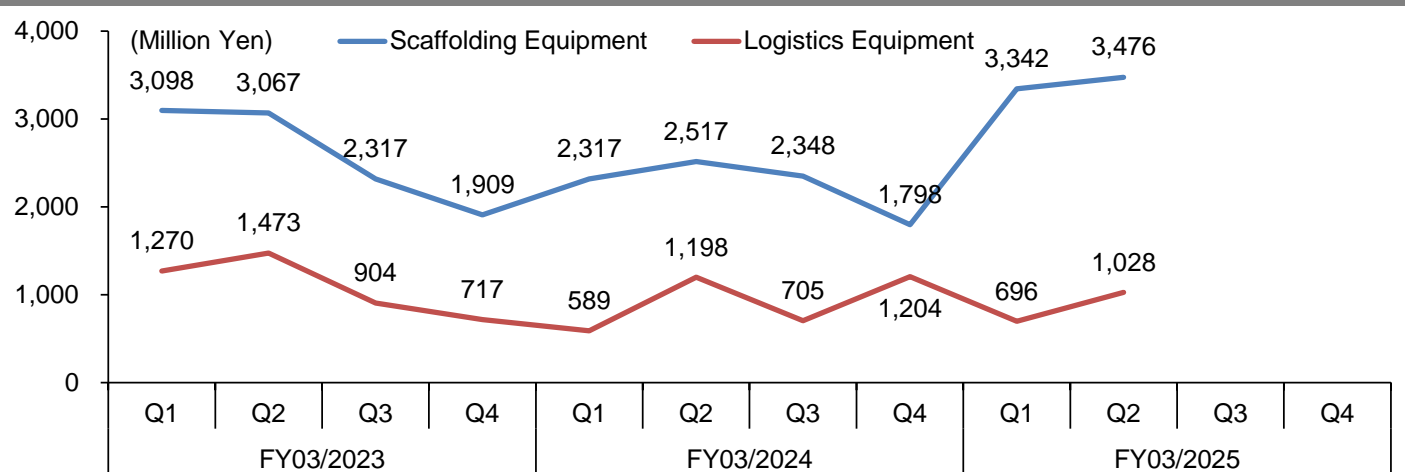
### Q1 to Q2 FY03/2025

For Q1 to Q2 FY03/2025, revenue came in at ¥8,542m (up 29.0% YoY), operating profit ¥871m (up 67.4%), profit before tax ¥815m (up 64.2%) and profit attributable to owners of parent ¥530m (up 56.0%), while operating profit margin 10.2% (up 2.3% points). The mainstay Scaffolding Equipment side has seen a significant increase in revenue, due mainly to consolidation of YAGUMI Group from the beginning of the period, which drove an improvement in the Company's operating profit margin as well, with an effect of increased revenue.

#### Revenue and Operating Profit Margin



#### Revenue by Division



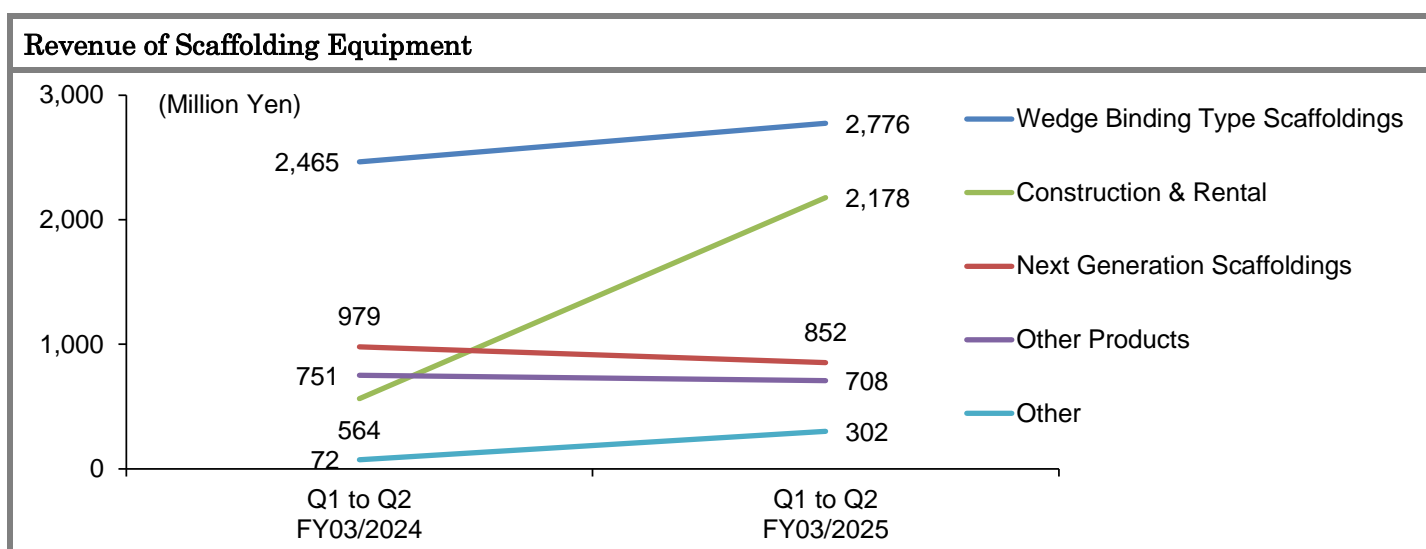
Source: Company Data, WRJ Calculation

Further, there was an impact from the change in depreciation period (which was not assumed in Company forecasts) and thus initial Company forecasts, announced on 10 May 2024, were exceeded, by ¥1,895m (28.5%) for revenue and ¥376m (76.0%) for operating profit. However, full-year Company forecasts have remained unchanged. According to the Company, it will continue to monitor trends closely and, if it determines that a revision to Company forecasts is necessary, it will promptly announce the details.

Operating profit for Q1 to Q2 increased by no less than ¥351m to ¥871m from ¥520m during the same period of the previous year. According to the Company's analysis for changes in operating profit, it saw the increase by ¥295m in operating profit due to effect of having consolidated YAGUMI Group as subsidiary, by ¥148m due to the change in depreciation period and by ¥8m due to effects of cost reduction, while the decrease in operating profit by ¥66m due to provision made for expenses to return earnings to shareholders and by ¥34m due to increase in expenses for shipping and delivery in response to the Year 2024 Problem, implying limited impacts from factors for the decrease in operating profit.

### Scaffolding Equipment (79.8% of revenue)

For Q1 to Q2 FY03/2025, revenue came in at ¥6,818m (up 41.0%), 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 prospective 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.



Source: Company Data, WRJ Calculation

Revenue for Q1 to Q2 comprised that of ¥2,776m (up 12.6%) from wedge binding type scaffoldings, ¥2,178m (up 285.7%) from construction & rental, ¥852m (down 13.0%) from next generation scaffoldings, ¥708m (down 5.7%) from other products and ¥302m (up 317.8%) from other.

The Company saw revenue steadily increased for wedge binding type scaffoldings, the traditional mainstay. Operators to construct scaffolding equipment, i.e., sale destinations, have continued to show a tendency to procure wedge binding type scaffoldings and so on via rental services rather than purchase from the Company, because of hiking costs across the board, represented by those of materials of every kind. Nevertheless, it is suggested that the Company's flexible and prompt revenue promotions were well accepted. In other words, progress has been made for its measures where the strengths of sale and rental services are fit together, having resulted in a certain level of revenue, including that of next generation scaffoldings, according to the Company.



Meanwhile, the Company saw revenue substantially increased for construction & rental, which was due mainly to some net add-on from YAGUMI Group to have been consolidated as subsidiary from the beginning of the term. The Company suggests that YAGUMI Group is steadily acquiring projects with its abundant human resources in response to firm demand for construction and thus it appears that the revenue has expanded favorably over the same period of the previous year. Furthermore, the Company also suggests that the integration of operations between the two companies has already created a certain level of synergy from the initial stage, i.e., the period of Q1 to Q2, such as an improvement in opportunities to post revenue via expansion of service transaction channels.

YAGUMI Group has an aspect of being the largest operator to construct scaffolding equipment in the Tokai region and one of the foremost in Japan as well as another aspect of running related operations of every kind with a view to an involvement with them in earnest for the future. Meanwhile, the Company is to further pursue its existing strengths as a manufacturer of scaffolding equipment, while trying to create a fusion of this and the strengths as an operator to construct scaffolding equipment, newly acquired this time, which is expected to structure a solid value chain “from manufacturing to constructing” with respect to scaffolding equipment. In conclusion, this will make it possible to promote expansion in the business domains, according to the Company.

The above-mentioned change in depreciation period refers to that of rental assets associated with wedge binding type scaffoldings and next generation scaffoldings, belonging to the Scaffolding Equipment side. Coping with the shift from purchase to procurement via rental services by customers or operators to construct scaffolding equipment has been identified as a major issue from the stage of formulating the midterm management plan and the policy of strengthening the rental services has been set out in the first place.

Presumably because of the said shift being accelerating most lately, the Company has made the change in depreciation period from three years to eight years since FY03/2025 with respect to rental assets associated with wedge binding type scaffoldings and next generation scaffoldings, for the sake of creating an environment in which the Company can more actively invest in the rental assets. According to the Company, this results in a postponement of the timing for depreciation from active investment (cutting back on short-term charges), which makes it possible to promote more active investment in the rental assets from a long-term perspective than was previously possible.

The Company, which is developing its operations in Japan, recognizes the current environment to which the Scaffolding Equipment side is facing is as follows: While the aging of building structures is progressing, there is a continuing shortage of workforce in the fields of construction work and there is also a heightened awareness of safety due to revisions to laws and health & safety regulations in related realms. In terms of the aging of building structures, it is said that over 50% of existing detached housing are more than 20 years old and that the social infrastructures built by public organizations such as the government and local governments, including roads, ports, waterworks, parks, telecommunications, airports and dams, are also aging to a large extent.

In the above-mentioned environment, the Company looks to an increase in demand for maintenance and repair work as well as for safer scaffoldings. Furthermore, the Company also looks to an increase in demand for labor-saving and easier assembly of scaffoldings. Meanwhile, the Company intends to steadily capture such demand by leveraging its strengths. According to the Company, its strengths include the ability to provide high-quality, safe and easy-to-construct system scaffoldings that meet such needs, as well as the ability to develop products that respond quickly to market and social needs and the ability to provide comprehensive operations from manufacturing to constructing. In other words, the Company is able to develop its operations by taking advantage of the aging of building structures, the shortage of workforce in the fields of construction work and the growing awareness of safety, all at once.

The overall business strategy on the Scaffolding Equipment side is to promote both vertical integration and horizontal development, based on the existing operations to manufacture and sell scaffoldings. With respect to vertical integration, the Company has focused on rental services for some time in the first place, while the acquisition of YAGUMI Group, which runs operations to construct scaffoldings as well as developing related operations, will make a significant contribution. As above-mentioned, the Company has seen a substantial increase in revenue from the operations to construct scaffoldings in short term, while the Company looks to opportunities for expansion of business domains in line with expansion of the related operations of every kind.

With respect to horizontal development, the Company will continue to focus on wedge binding type scaffoldings, the traditional mainstay, used mainly for low-rise detached housing and/or mid-rise condos, while trying to deepen its involvement with next generation scaffoldings and multi-story scaffoldings, used for high-rise (and superhigh-rise) condos, buildings and skyscraper condos. Furthermore, the Company will also actively deepen its involvement with the manufacture and sale of hanging scaffoldings and so on, which can be used to respond to the aging of infrastructures such as bridges.

Meanwhile, in October 2024, the Company opened a new equipment center in Sagami-hara-city, Kanagawa-prefecture. According to the Company, it will work in collaboration with the existing Sugito Equipment Center, which is located in a relatively nearby area, to improve convenience and further enhance services for its many customers in the Kanto region. Although the Company has not disclosed any specific information regarding the potential for revenue growth associated with this, it has stated that it will actively respond to construction demand associated with urban redevelopment and infrastructure development, centered on southern Kanto, as a base for achieving a stable and abundant supply of materials. In addition, the Sagami-hara Equipment Center has taken over the functions previously managed by the Yokohama Equipment Center and the site area is said to be roughly ten times the size of the Yokohama Equipment Center, so it can be thought that there is expansion potential for revenue equivalent to this amount.





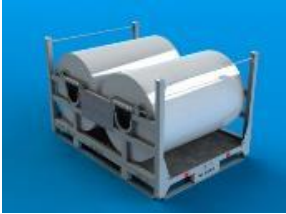



### **Logistics Equipment (20.2% of revenue)**

For Q1 to Q2 FY03/2025, revenue came in at ¥1,724m (down 3.5%), 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 prospective 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, the midterm management plan assumes a relatively small contribution to the Company's performance, partly due to a small exposure to this side in the first place. When setting the actual results of FY03/2024 as the point of origin, the midterm management plan assumes the increase in revenue of ¥7,321m for the Company during the relevant period, comprising ¥6,659m on the Scaffolding Equipment side and ¥662m on the Logistics Equipment side, implying the increase on the Scaffolding Equipment side accounts for more than 90% of the increase for the Company as a whole.

The Company saw revenue stagnated for Q1 to Q2, which was due mainly to a major decline in revenue from large-scale distribution warehouse project. However, the decline in revenue on the Logistics Equipment side was rather limited, as the Company was able to win a number of order placement from a wide range of realms such as pallets for automated warehouses and government projects. On top of this, the Company has succeeded in obtaining repeat order placement with stability for liquid transport bulk container cages, pallets for transporting automotive components (engines, transmissions, etc.) and so on.

Meanwhile, 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. It is suggested that the Company benefits considerably from the construction of large-scale distribution warehouses in line with the expansion of the electronic commerce (EC) market. When compared simply with the scale of revenue on the Logistics Equipment side, the revenue from this large-scale distribution warehouse project is a major component of revenue on this side and its trends have a significant impact on the revenue on this side as a whole. According to the Company's indications, a temporary adjustment phase is occurring in this realm for FY03/2025.

<b>Products of Logistics Equipment</b>	
<p><b>Transportation Equipment</b></p>  <p><b>Mesh Pallets</b></p>	<p><b>Logistics / Warehousing</b></p>   <p><b>Racks for Large-scale Warehouses</b>      <b>Pallet for Automated Warehouses</b></p>
<p><b>Chemicals</b></p>  <p><b>Liquid Transport Bulk Container Cages</b></p>	<p><b>Electricals / Precision</b></p>   <p><b>Functional Film Pallets</b>      <b>Pallets for Transporting Glass</b></p>
<p><b>Agriculture / Fishery</b></p>  <p><b>Multi-stage Shelves for Artificial Light Type Vegetable Factories</b></p>	<p><b>Automotive Components</b></p>  <p><b>Pallets for Transporting Engines, Transmissions, etc.</b></p>

Source: Company Data

On the Logistics Equipment side, the Company has a track record of introducing its products in a wide range of realms, including transportation equipment, logistics / warehousing, chemicals, electricals / precision, agriculture / fishery and automotive components. On top of further cultivating all those traditional customer groups, the Company aims to increase revenue over the long term by expanding into a wider range of realms. Logistics equipment is used in all realms and the needs of those realms are quite diverse. The Company will use its capability of development, sale and manufacturing, as well as the know-how it has accumulated to date, to tackle new realms by addressing the specific issues of each customer. The Company aims to focus on the realms of labor-saving, overseas expansion and actively taking on new challenges in realms where it has no experience.

## 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 03/2024	Q1 to Q2 03/2024	Q1 to Q3 03/2024	Q1 to Q4 03/2024	Q1 03/2025	Q1 to Q2 03/2025	Q1 to Q3 03/2025	Q1 to Q4 03/2025		
<b>Revenue</b>	<b>2,906</b>	<b>6,621</b>	<b>9,675</b>	<b>12,678</b>	<b>4,038</b>	<b>8,542</b>	-	-	-	<b>+1,920</b>
Cost of revenue	2,224	5,154	7,507	9,880	2,987	6,305	-	-	-	+1,150
Gross profit	681	1,467	2,168	2,797	1,050	2,237	-	-	-	+770
SG&A expenses	503	944	1,465	2,078	631	1,351	-	-	-	+407
Other income and expenses (net)	(0)	(1)	(8)	(19)	2	(13)	-	-	-	(12)
<b>Operating profit</b>	<b>177</b>	<b>520</b>	<b>694</b>	<b>700</b>	<b>421</b>	<b>871</b>	-	-	-	<b>+351</b>
Financial income and costs (net)	(12)	(23)	(37)	(47)	(25)	(56)	-	-	-	(32)
<b>Profit before tax</b>	<b>165</b>	<b>496</b>	<b>656</b>	<b>652</b>	<b>395</b>	<b>815</b>	-	-	-	<b>+318</b>
Income tax expenses	56	154	215	241	131	285	-	-	-	+131
<b>Profit</b>	<b>109</b>	<b>342</b>	<b>441</b>	<b>411</b>	<b>264</b>	<b>529</b>	-	-	-	<b>+187</b>
Profit attributable to owners of parent	110	339	439	409	265	530	-	-	-	+190
Profit attributable to non-controlling interests	(1)	2	2	1	(0)	(0)	-	-	-	(3)
<b>Profit attributable to owners of parent</b>	<b>110</b>	<b>339</b>	<b>439</b>	<b>409</b>	<b>265</b>	<b>530</b>	-	-	-	<b>+190</b>
Revenue YoY	(33.5%)	(25.7%)	(20.2%)	(14.1%)	+38.9%	+29.0%	-	-	-	-
Operating profit YoY	(67.5%)	(53.2%)	(50.0%)	(53.4%)	+137.0%	+67.4%	-	-	-	-
Profit before tax YoY	(68.7%)	(53.9%)	(50.9%)	(54.5%)	+138.9%	+64.2%	-	-	-	-
Profit YoY	(70.3%)	(54.5%)	(52.2%)	(58.3%)	+142.2%	+54.7%	-	-	-	-
Profit attributable to owners of parent YoY	(69.4%)	(54.3%)	(52.9%)	(59.3%)	+139.6%	+56.0%	-	-	-	-
Gross profit margin	23.4%	22.2%	22.4%	22.1%	26.0%	26.2%	-	-	-	+4.0%
SG&A ratio	17.3%	14.3%	15.1%	16.4%	15.6%	15.8%	-	-	-	+1.6%
Operating profit margin	6.1%	7.9%	7.2%	5.5%	10.4%	10.2%	-	-	-	+2.3%
Profit before tax margin	5.7%	7.5%	6.8%	5.1%	9.8%	9.5%	-	-	-	+2.0%
Profit margin	3.8%	5.2%	4.6%	3.2%	6.6%	6.2%	-	-	-	+1.0%
Profit attributable to owners of parent margin	3.8%	5.1%	4.5%	3.2%	6.6%	6.2%	-	-	-	+1.1%
Income tax expenses / Profit before tax	34.0%	31.0%	32.8%	37.0%	33.1%	35.0%	-	-	-	+4.0%

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 03/2024	Q2 03/2024	Q3 03/2024	Q4 03/2024	Q1 03/2025	Q2 03/2025	Q3 03/2025	Q4 03/2025		
<b>Revenue</b>	<b>2,906</b>	<b>3,715</b>	<b>3,053</b>	<b>3,003</b>	<b>4,038</b>	<b>4,504</b>	-	-	-	<b>+789</b>
Cost of revenue	2,224	2,929	2,352	2,373	2,987	3,317	-	-	-	+387
Gross profit	681	785	701	629	1,050	1,187	-	-	-	+401
SG&A expenses	503	441	520	613	631	720	-	-	-	+278
Other income and expenses (net)	(0)	(1)	(7)	(10)	2	(16)	-	-	-	(15)
<b>Operating profit</b>	<b>177</b>	<b>342</b>	<b>173</b>	<b>5</b>	<b>421</b>	<b>450</b>	-	-	-	<b>+107</b>
Financial income and costs (net)	(12)	(11)	(13)	(10)	(25)	(30)	-	-	-	(18)
<b>Profit before tax</b>	<b>165</b>	<b>331</b>	<b>159</b>	<b>(4)</b>	<b>395</b>	<b>419</b>	-	-	-	<b>+88</b>
Income tax expenses	56	97	61	26	131	154	-	-	-	+56
<b>Profit</b>	<b>109</b>	<b>233</b>	<b>98</b>	<b>(30)</b>	<b>264</b>	<b>265</b>	-	-	-	<b>+31</b>
Profit attributable to owners of parent	110	229	99	(29)	265	264	-	-	-	+35
Profit attributable to non-controlling interests	(1)	4	(0)	(0)	(0)	0	-	-	-	(3)
<b>Profit attributable to owners of parent</b>	<b>110</b>	<b>229</b>	<b>99</b>	<b>(29)</b>	<b>265</b>	<b>264</b>	-	-	-	<b>+35</b>
Revenue YoY	(33.5%)	(18.2%)	(5.2%)	+14.4%	+38.9%	+21.2%	-	-	-	-
Operating profit YoY	(67.5%)	(39.5%)	(37.2%)	(94.7%)	+137.0%	+31.4%	-	-	-	-
Profit before tax YoY	(68.7%)	(39.6%)	(38.7%)	-	+138.9%	+26.8%	-	-	-	-
Profit YoY	(70.3%)	(39.2%)	(42.2%)	-	+142.2%	+13.7%	-	-	-	-
Profit attributable to owners of parent YoY	(69.4%)	(40.1%)	(47.2%)	-	+139.6%	+15.6%	-	-	-	-
Gross profit margin	23.4%	21.1%	23.0%	21.0%	26.0%	26.4%	-	-	-	+5.2%
SG&A ratio	17.3%	11.9%	17.0%	20.4%	15.6%	16.0%	-	-	-	+4.1%
Operating profit margin	6.1%	9.2%	5.7%	0.2%	10.4%	10.0%	-	-	-	+0.8%
Profit before tax margin	5.7%	8.9%	5.2%	(0.1%)	9.8%	9.3%	-	-	-	+0.4%
Profit margin	3.8%	6.3%	3.2%	(1.0%)	6.6%	5.9%	-	-	-	(0.4%)
Profit attributable to owners of parent margin	3.8%	6.2%	3.3%	(1.0%)	6.6%	5.9%	-	-	-	(0.3%)
Income tax expenses / Profit before tax	34.0%	29.5%	38.3%	-	33.1%	36.8%	-	-	-	+7.3%

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	
		Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)		03/2024	03/2024	03/2024	03/2024	03/2025	03/2025	03/2025	03/2025	Net Chg.
Wedge Binding Type Scaffoldings		977	2,465	3,877	4,970	1,325	2,776	-	-	+310
Next Generation Scaffoldings		607	979	1,297	1,434	398	852	-	-	(127)
Construction & Rental		330	564	-	-	1,109	2,178	-	-	+1,613
Other Products		366	751	-	-	324	708	-	-	(43)
Other		34	72	-	-	183	302	-	-	+230
Other Temporary Materials		-	-	2,007	2,576	-	-	-	-	-
Scaffolding Equipment		2,317	4,834	7,182	8,981	3,342	6,818	-	-	+1,984
Logistics Equipment		589	1,787	2,493	3,697	696	1,724	-	-	(63)
<b>Revenue</b>		<b>2,906</b>	<b>6,621</b>	<b>9,675</b>	<b>12,678</b>	<b>4,038</b>	<b>8,542</b>	-	-	<b>+1,920</b>
Wedge Binding Type Scaffoldings		(48.2%)	(36.5%)	(24.8%)	(15.3%)	+35.6%	+12.6%	-	-	-
Next Generation Scaffoldings		+23.6%	+11.2%	+1.5%	(16.3%)	(34.3%)	(13.0%)	-	-	-
Construction & Rental		-	-	-	-	+235.6%	+285.7%	-	-	-
Other Products		-	-	-	-	(11.5%)	(5.7%)	-	-	-
Other		-	-	-	-	+429.2%	+317.8%	-	-	-
Other Temporary Materials		-	-	(2.0%)	(8.4%)	-	-	-	-	-
Scaffolding Equipment		(25.2%)	(21.6%)	(15.3%)	(13.6%)	+44.2%	+41.0%	-	-	-
Logistics Equipment		(53.6%)	(34.8%)	(31.7%)	(15.3%)	+18.1%	(3.5%)	-	-	-
<b>Revenue (YoY)</b>		<b>(33.5%)</b>	<b>(25.7%)</b>	<b>(20.2%)</b>	<b>(14.1%)</b>	<b>+38.9%</b>	<b>+29.0%</b>	-	-	-
Wedge Binding Type Scaffoldings		33.6%	37.2%	40.1%	39.2%	32.8%	32.5%	-	-	-
Next Generation Scaffoldings		20.9%	14.8%	13.4%	11.3%	9.9%	10.0%	-	-	-
Construction & Rental		11.4%	8.5%	-	-	27.5%	25.5%	-	-	-
Other Products		12.6%	11.4%	-	-	8.0%	8.3%	-	-	-
Other		1.2%	1.1%	-	-	4.5%	3.5%	-	-	-
Other Temporary Materials		-	-	20.8%	20.3%	-	-	-	-	-
Scaffolding Equipment		79.7%	73.0%	74.2%	70.8%	82.8%	79.8%	-	-	-
Logistics Equipment		20.3%	27.0%	25.8%	29.2%	17.2%	20.2%	-	-	-
<b>Revenue (Composition Ratio)</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	-	-	-
Revenue by Business Division		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	Net Chg.
(Million Yen)		03/2024	03/2024	03/2024	03/2024	03/2025	03/2025	03/2025	03/2025	Net Chg.
Wedge Binding Type Scaffoldings		977	1,487	1,411	1,093	1,325	1,450	-	-	(37)
Next Generation Scaffoldings		607	372	317	137	398	453	-	-	+81
Construction & Rental		330	234	-	-	1,109	1,068	-	-	+834
Other Products		366	384	-	-	324	383	-	-	(1)
Other		34	37	-	-	183	119	-	-	+81
Other Temporary Materials		-	-	618	568	-	-	-	-	-
Scaffolding Equipment		2,317	2,517	2,348	1,798	3,342	3,476	-	-	+959
Logistics Equipment		589	1,198	705	1,204	696	1,028	-	-	(170)
<b>Revenue</b>		<b>2,906</b>	<b>3,715</b>	<b>3,053</b>	<b>3,003</b>	<b>4,038</b>	<b>4,504</b>	-	-	<b>+789</b>
Wedge Binding Type Scaffoldings		(48.2%)	(25.5%)	+11.0%	+53.8%	+35.6%	(2.5%)	-	-	-
Next Generation Scaffoldings		+23.6%	(4.4%)	(20.2%)	(68.5%)	(34.3%)	+21.9%	-	-	-
Construction & Rental		-	-	-	-	+235.6%	+356.5%	-	-	-
Other Products		-	-	-	-	(11.5%)	(0.3%)	-	-	-
Other		-	-	-	-	+429.2%	+215.4%	-	-	-
Other Temporary Materials		-	-	(4.4%)	(25.5%)	-	-	-	-	-
Scaffolding Equipment		(25.2%)	(17.9%)	+1.3%	(5.8%)	+44.2%	+38.1%	-	-	-
Logistics Equipment		(53.6%)	(18.7%)	(22.0%)	+68.0%	+18.1%	(14.2%)	-	-	-
<b>Revenue (YoY)</b>		<b>(33.5%)</b>	<b>(18.2%)</b>	<b>(5.2%)</b>	<b>+14.4%</b>	<b>+38.9%</b>	<b>+21.2%</b>	-	-	-
Wedge Binding Type Scaffoldings		33.6%	40.0%	46.2%	36.4%	32.8%	32.2%	-	-	-
Next Generation Scaffoldings		20.9%	10.0%	10.4%	4.6%	9.9%	10.1%	-	-	-
Construction & Rental		11.4%	6.3%	-	-	27.5%	23.7%	-	-	-
Other Products		12.6%	10.4%	-	-	8.0%	8.5%	-	-	-
Other		1.2%	1.0%	-	-	4.5%	2.6%	-	-	-
Other Temporary Materials		-	-	20.3%	18.9%	-	-	-	-	-
Scaffolding Equipment		79.7%	67.7%	76.9%	59.9%	82.8%	77.2%	-	-	-
Logistics Equipment		20.3%	32.3%	23.1%	40.1%	17.2%	22.8%	-	-	-
<b>Revenue (Composition Ratio)</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	-	-	-

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)	03/2024	03/2024	03/2024	03/2024	03/2025	03/2025	03/2025	03/2025		Net Chg.
Cash and cash equivalents	1,798	2,409	1,654	1,843	1,133	1,844	-	-		(565)
Trade and other receivables	2,553	3,213	2,718	2,225	3,361	3,630	-	-		+416
Inventory	3,637	2,368	3,103	3,182	3,466	2,720	-	-		+351
Other	33	30	107	39	131	79	-	-		+49
<b>Total current assets</b>	<b>8,022</b>	<b>8,023</b>	<b>7,583</b>	<b>7,291</b>	<b>8,093</b>	<b>8,275</b>	-	-		<b>+252</b>
Property, plant and equipment	2,254	2,360	2,394	2,488	3,901	4,179	-	-		+1,818
Right-of-use assets	222	226	210	204	384	1,024	-	-		+797
Goodwill	9,221	9,221	9,221	9,221	12,521	12,521	-	-		+3,299
Intangible assets	1,378	1,370	1,362	1,352	1,344	1,341	-	-		(28)
Other	91	96	99	117	355	224	-	-		+128
<b>Total non-current assets</b>	<b>13,168</b>	<b>13,275</b>	<b>13,287</b>	<b>13,384</b>	<b>18,507</b>	<b>19,291</b>	-	-		<b>+6,015</b>
<b>Total assets</b>	<b>21,191</b>	<b>21,298</b>	<b>20,871</b>	<b>20,675</b>	<b>26,600</b>	<b>27,566</b>	-	-		<b>+6,267</b>
Trade and other payables	833	799	1,278	1,045	1,280	1,077	-	-		+278
Borrowings	4,244	3,996	1,490	1,490	6,149	3,105	-	-		(890)
Other	434	566	309	407	442	570	-	-		+3
<b>Total current liabilities</b>	<b>5,511</b>	<b>5,362</b>	<b>3,078</b>	<b>2,943</b>	<b>7,871</b>	<b>4,754</b>	-	-		<b>(608)</b>
Borrowings	-	-	1,960	1,963	2,639	5,821	-	-		+5,821
Other	452	473	493	449	726	1,373	-	-		+899
<b>Total non-current liabilities</b>	<b>452</b>	<b>473</b>	<b>2,453</b>	<b>2,413</b>	<b>3,365</b>	<b>7,195</b>	-	-		<b>+6,721</b>
<b>Total liabilities</b>	<b>5,964</b>	<b>5,836</b>	<b>5,532</b>	<b>5,357</b>	<b>11,237</b>	<b>11,949</b>	-	-		<b>+6,112</b>
<b>Total equity attributable to owners of parent</b>	<b>15,221</b>	<b>15,452</b>	<b>15,330</b>	<b>15,310</b>	<b>15,350</b>	<b>15,609</b>	-	-		<b>+157</b>
Other	5	9	8	8	12	7	-	-		(2)
<b>Total equity</b>	<b>15,227</b>	<b>15,462</b>	<b>15,339</b>	<b>15,318</b>	<b>15,363</b>	<b>15,616</b>	-	-		<b>+154</b>
<b>Total liabilities and equity</b>	<b>21,191</b>	<b>21,298</b>	<b>20,871</b>	<b>20,675</b>	<b>26,600</b>	<b>27,566</b>	-	-		<b>+6,267</b>
Equity attributable to owners of parent	15,221	15,452	15,330	15,310	15,350	15,609	-	-		+157
Interest-bearing debt	4,244	3,996	3,450	3,454	8,788	8,927	-	-		+4,931
Net debt	2,445	1,586	1,795	1,611	7,654	7,082	-	-		+5,496
Equity ratio	71.8%	72.5%	73.5%	74.0%	57.7%	56.6%	-	-		-
Net debt-to-equity ratio	16.1%	10.3%	11.7%	10.5%	49.9%	45.4%	-	-		-
ROE (12 months)	5.0%	3.9%	3.3%	2.7%	3.7%	3.9%	-	-		-
ROA (12 months)	4.9%	3.9%	3.6%	3.1%	3.7%	4.0%	-	-		-
Days for inventory turnover	149	74	120	122	106	75	-	-		-
Quick ratio	79%	105%	142%	138%	57%	115%	-	-		-
Current ratio	146%	150%	246%	248%	103%	174%	-	-		-

Source: Company Data, WRJ Calculation

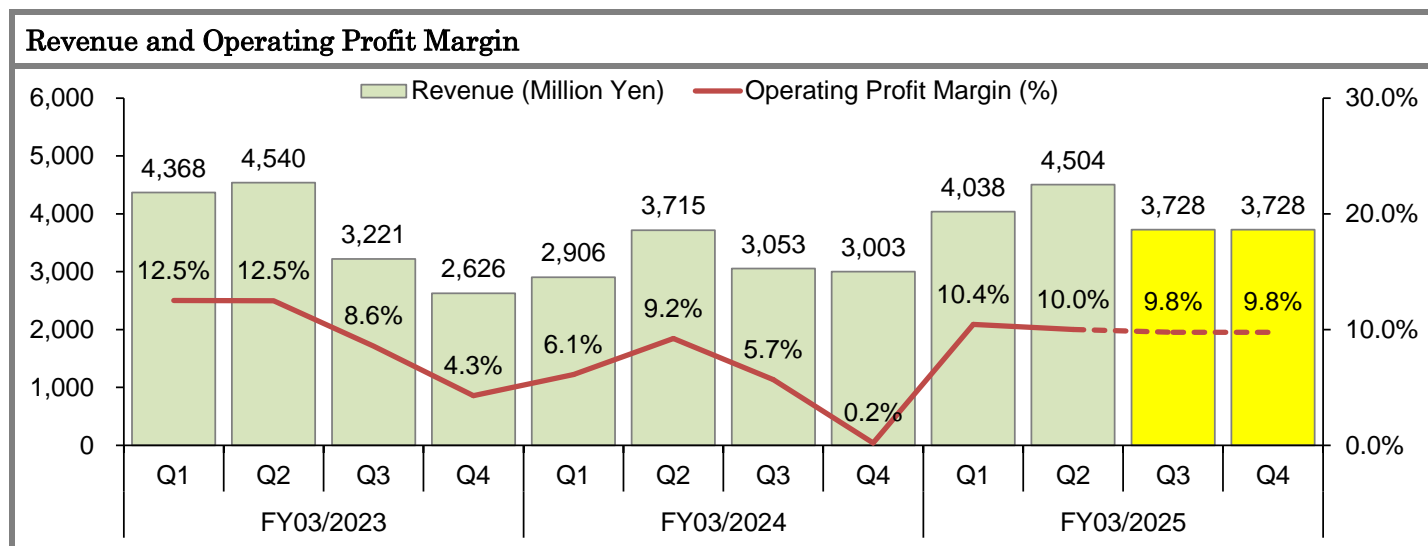
## Statement of Cash Flows (Cumulative / Quarterly)

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)	03/2024	03/2024	03/2024	03/2024	03/2025	03/2025	03/2025	03/2025		Net Chg.
Cashflows from operating activities	217	1,316	1,529	1,973	-	312	-	-		(1,003)
Cashflows from Investing activities	(21)	(226)	(396)	(626)	-	(3,605)	-	-		(3,379)
<b>Cashflows from operating and investing activities</b>	<b>195</b>	<b>1,090</b>	<b>1,133</b>	<b>1,347</b>	<b>-</b>	<b>(3,293)</b>	<b>-</b>	<b>-</b>		<b>(4,383)</b>
Cashflows from financing activities	(461)	(745)	(1,543)	(1,569)	-	(3,295)	-	-		(2,550)
<b>Statement of Cashflows</b>	<b>Cons.Act</b>	<b>Cons.Act</b>	<b>Cons.Act</b>	<b>Cons.Act</b>	<b>Cons.Act</b>	<b>Cons.Act</b>	<b>Cons.Act</b>	<b>Cons.Act</b>	<b>Cons.Act</b>	<b>YoY</b>
<b>(Million Yen)</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q4</b>	<b>Net Chg.</b>
	03/2024	03/2024	03/2024	03/2024	03/2025	03/2025	03/2025	03/2025	03/2025	
Cashflows from operating activities	217	1,098	213	443	-	-	-	-	-	-
Cashflows from Investing activities	(21)	(204)	(170)	(229)	-	-	-	-	-	-
<b>Cashflows from operating and investing activities</b>	<b>195</b>	<b>894</b>	<b>43</b>	<b>213</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cashflows from financing activities	(461)	(283)	(798)	(26)	-	-	-	-	-	-

Source: Company Data, WRJ Calculation

### FY03/2025 Company Forecasts

FY03/2025 initial Company forecasts, announced on 10 May 2024, have remained unchanged, 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). At the same time, Company forecasts have remained unchanged also for planned annual dividend, going for ¥32.00 per share (¥16.00 as of the end of Q2 and ¥16.00 as of the end of year) , implying payout ratio of 44.5%, for FY03/2025.



Source: Company Data, WRJ Calculation (Q3 and Q4 for FY03/2025: H2 Company forecasts, pro rata)

As mentioned earlier, Company forecasts were exceeded for Q1 to Q2, by ¥1,895m (28.5%) for revenue and ¥376m (76.0%) for operating profit. In terms of the progress rate against full-year Company forecasts, the Company saw 53.4% for revenue and 54.4% for operating profit. Simply on the surface, it could look the progress rate being rather marginally higher than initially assumed, but initial Company forecasts have assumed a concentration of revenue and earnings for H2 as in the past years, i.e., the progress rate of 41.5% for revenue and 30.9% for operating profit with respect to the period of Q1 to Q2.

The Company saw operating profit for Q1 to Q2, unexpectedly higher by ¥148m due to the change in depreciation period that was not assumed in Company forecasts. Still, given the fact that Company forecasts were exceeded by ¥376m in operating profit during the relevant period, it is the case that Company forecasts were exceeded, even when the said impact is deleted.

In any given year, there was a concentration of construction work toward the end of the term, according to the Company, while it felt an uncertainty regarding the said concentration as of the time of announcement for the Q1 to Q2 results. Further, the Company also refers to trends in the prices of materials and supplies, changes in exchange rates and so on as uncertain factors to have an impact on its own performance. Thus, the Company has reached conclusion that it was too early to revise its full-year Company forecasts as of the stage of announcement for the Q1 to Q2 results.



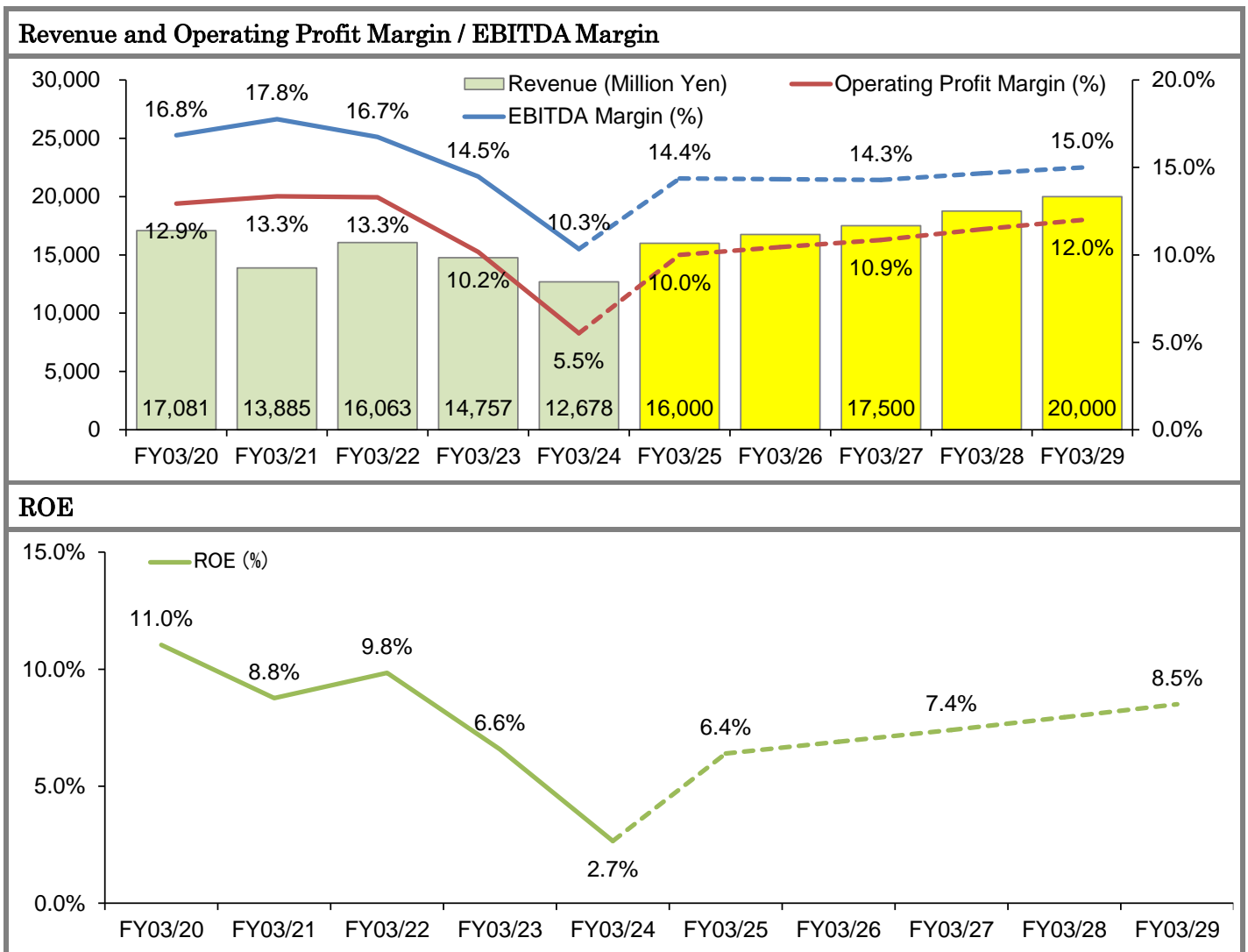
## FY03/2025 Company Forecasts and Actual Results

Cons. Fiscal Year (IFRS) (Million Yen)	Date	Event	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
FY03/2025CoE	10-May-24	Q4 Results	16,000	1,600	1,494	1,000
FY03/2025CoE	09-Aug-24	Q1 Results	16,000	1,600	1,494	1,000
FY03/2025CoE	11-Nov-24	Revision	16,000	1,600	1,494	1,000
FY03/2025CoE	14-Nov-24	Q2 Results	16,000	1,600	1,494	1,000
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
FY03/2025CoE	10-May-24	Q4 Results	16,000	1,600	1,494	1,000
FY03/2025CoE	14-Nov-24	Q2 Results	16,000	1,600	1,494	1,000
		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 FY03/2025CoE	10-May-24	Q4 Results	6,647	495	441	296
Q1 to Q2 FY03/2025CoE	09-Aug-24	Q1 Results	6,647	495	441	296
Q1 to Q2 FY03/2025CoE	11-Nov-24	Revision	8,542	871	815	530
		Amount of Gap	1,895	376	374	234
		Rate of Gap	28.5%	76.0%	84.8%	79.1%
Q1 to Q2 FY03/2025Act	14-Nov-24	Q2 Results	8,542	871	815	530
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Q1 to Q2 FY03/2025CoE	10-May-24	Q4 Results	6,647	495	441	296
Q1 to Q2 FY03/2025Act	14-Nov-24	Q2 Results	8,542	871	815	530
		Amount of Gap	1,895	376	374	234
		Rate of Gap	28.5%	76.0%	84.8%	79.1%
Cons. Half Year (IFRS)	Date	Event	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
Q3 to Q4 FY03/2025CoE	10-May-24	Q4 Results	9,353	1,105	1,053	704
Q3 to Q4 FY03/2025CoE	09-Aug-24	Q1 Results	9,353	1,105	1,053	704
Q3 to Q4 FY03/2025CoE	11-Nov-24	Revision	7,458	729	679	470
		Amount of Gap	(1,895)	(376)	(374)	(234)
		Rate of Gap	(20.3%)	(34.0%)	(35.5%)	(33.2%)
Q3 to Q4 FY03/2025CoE	14-Nov-24	Q2 Results	7,458	729	679	470
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Q3 to Q4 FY03/2025CoE	10-May-24	Q4 Results	9,353	1,105	1,053	704
Q3 to Q4 FY03/2025CoE	14-Nov-24	Q2 Results	7,458	729	679	470
		Amount of Gap	(1,895)	(376)	(374)	(234)
		Rate of Gap	(20.3%)	(34.0%)	(35.5%)	(33.2%)

Source: Company Data, WRJ Calculation

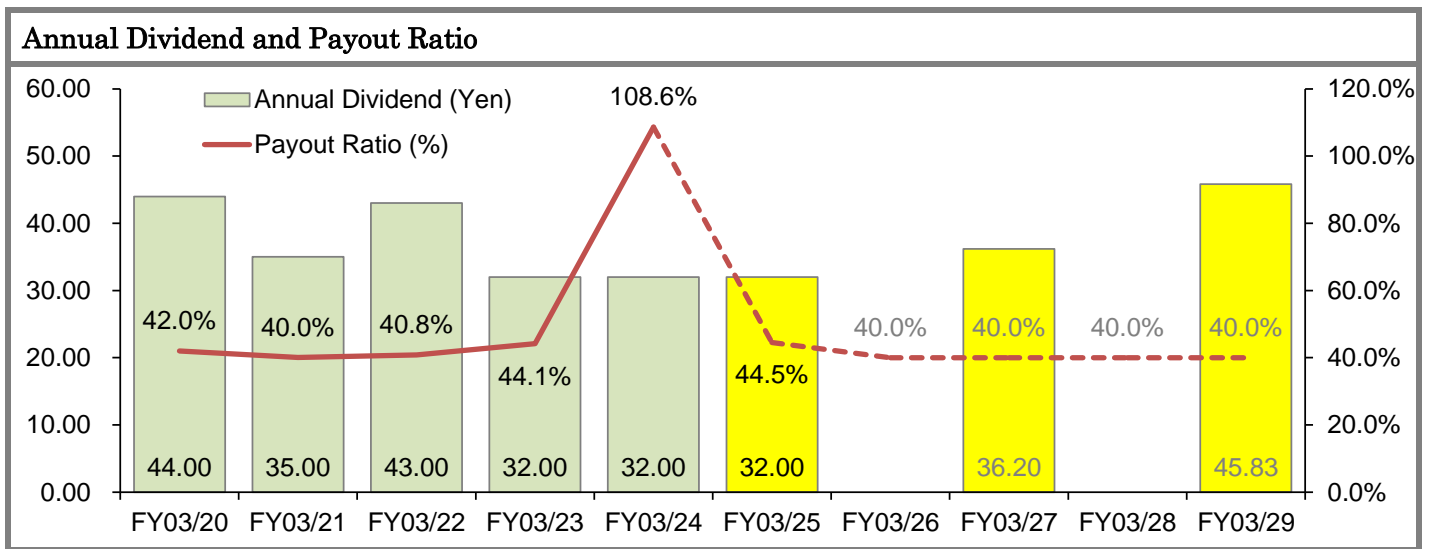
### Midterm Management Plan

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



Source: Company Data, WRJ Calculation

When setting the FY03/2024 results as the point of origin, the midterm management plan is calling for CAGR of 9.5% for revenue, 27.9% for operating profit and 18.0% for 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% for the FY03/2024 results) for FY03/2029, the final year of the plan.

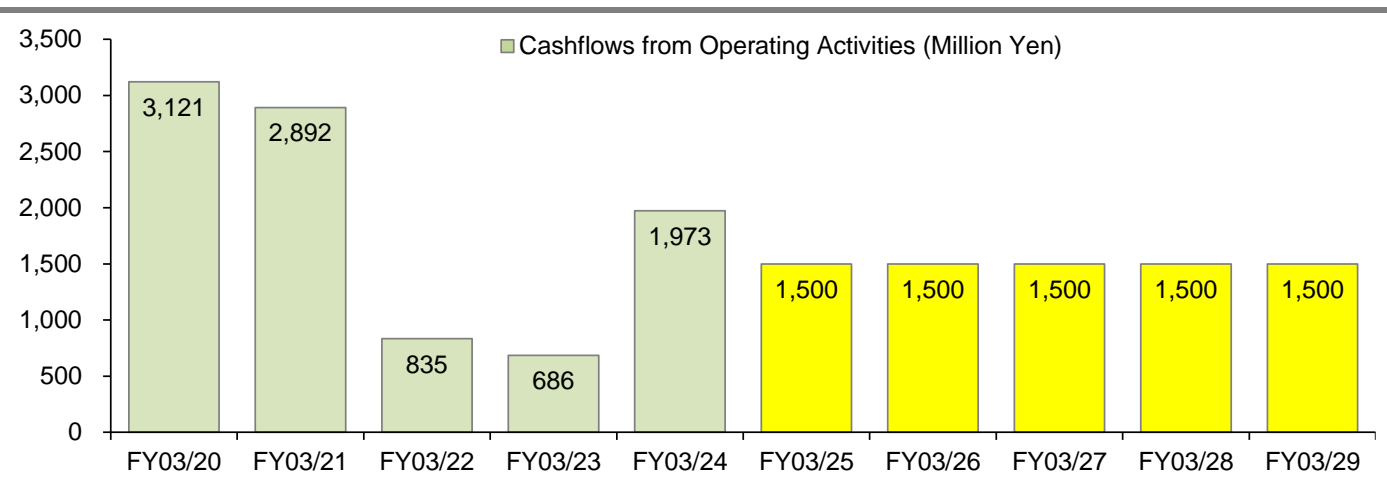


Source: Company Data, WRJ Calculation

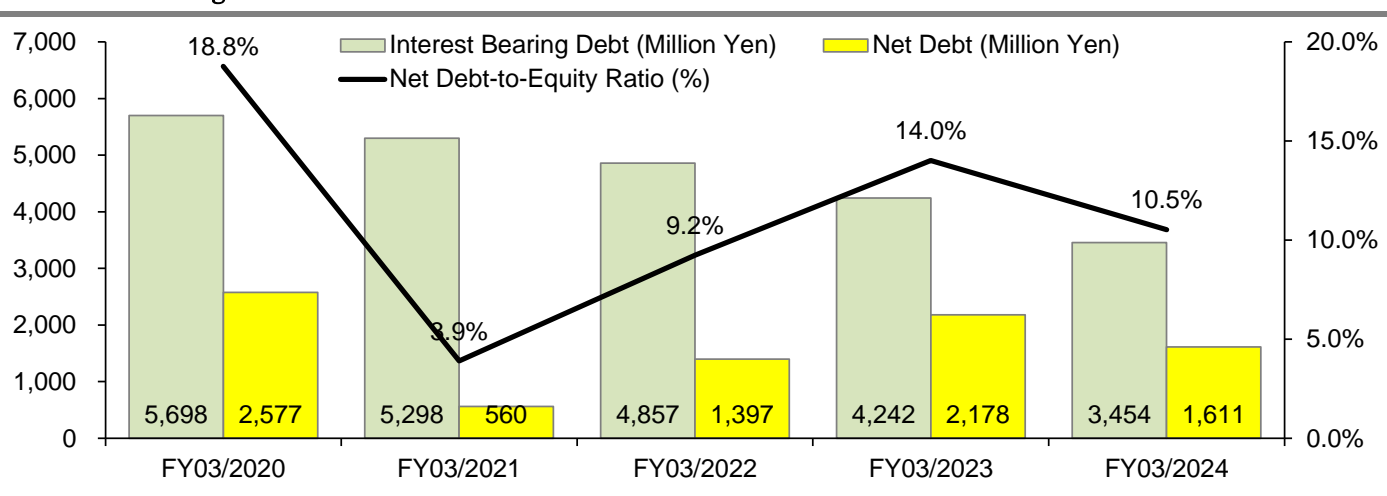
During the period of the midterm management plan, the Company is to pay dividend equivalent to 40% or more in terms of payout ratio. As mentioned earlier, the Company is going for planned annual dividend of ¥32.00 per share (¥16.00 as of the end of Q2 and ¥16.00 as of the end of year) for FY03/2025, the first year of the plan, implying payout ratio of 44.5%. Meanwhile, the Company is to pay annual dividend of ¥36.20 (EPS of ¥90.51, multiplied by 40%) or more per share for FY03/2027 and ¥45.83 (EPS of ¥114.57, multiplied by 40%) or more per share for FY03/2029, the final year of the plan, when based on assumptions of the midterm management plan.

Looking back on the past, meanwhile, the Company paid annual dividend of ¥32.00 per share (¥32.00 as of the end of year), implying payout ratio of 44.1%, for FY03/2023, which was followed by ¥32.00 per share (¥16.00 as of the end of Q2 and ¥16.00 as of the end of year) for FY03/2024, implying payout ratio of 108.6%, i.e., annual dividend having had unchanged from FY03/2023 in spite of a short-term decline in earnings. 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. Further, 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.

### 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. On a simple average basis, the said amount equates to ¥7,500m or ¥1,500m per year. 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 investment and the remainder of at most ¥3,775m (¥8,000m, deducted by ¥2,225m and ¥2,000m) to repay interest-bearing debt. However, in case of coming across another opportunity to acquire a fair business like that of YAGUMI Group, the Company would implement such deal by raising funds via interest-bearing debt rather than cutting it back on.

For investment, 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 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 to repay interest-bearing debt, but rather aggressively investing in business, including M&As, as mentioned above by the Company.

JAPAN EXCHANGE GROUP sets up Future Initiatives Regarding “Action to Implement Management that is Conscious of Cost of Capital and Stock Price”, while the Company puts the utmost emphasis to most surely meet FY03/2025 Company forecasts and continue achieving performance in line with assumptions of the midterm management plan for FY03/2026 and thereafter, because this will realize the said action for the Company. As far as assuming such goals to be all met, the levels of ROE (to be compared with cost of capital and/or cost of shareholder’s equity) are to rise as expected and a consistent increase in dividend will increasingly benefit shareholders. Thus, the Company is looking to a rise also for valuations of the shares, represented by PER and PBR, for the foreseeable future.

Meanwhile, in preparation for further growth in the future subsequent to the period of the midterm management plan, the Company is keen on solidifying its business foundation in consideration of ESG issues. The Company believes that steadily achieving performance in line with the midterm management plan, while simultaneously implementing growth strategy that is highly feasible for the future, will lead to an increased in the Company’s credibility and enhance the attractiveness of the Company's shares as an object of investment in turn.

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 realms, while emphasizing initiatives aimed at reducing CO2 emissions (electrification of vehicles and monitoring of emissions) as well as promoting waste reductions (improving yield and going 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.
<b>Revenue</b>	<b>17,081</b>	<b>13,885</b>	<b>16,063</b>	<b>14,757</b>	<b>12,678</b>	<b>16,000</b>	<b>+3,321</b>
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)	-	-
<b>Operating profit</b>	<b>2,210</b>	<b>1,853</b>	<b>2,135</b>	<b>1,501</b>	<b>700</b>	<b>1,600</b>	<b>+899</b>
Financial income and costs (net)	(70)	(68)	(71)	(67)	(47)	(106)	(58)
<b>Profit before tax</b>	<b>2,139</b>	<b>1,784</b>	<b>2,063</b>	<b>1,434</b>	<b>652</b>	<b>1,494</b>	<b>+841</b>
Income tax expenses	671	541	651	448	241	494	+252
<b>Profit</b>	<b>1,467</b>	<b>1,242</b>	<b>1,411</b>	<b>985</b>	<b>411</b>	<b>1,000</b>	<b>+588</b>
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)
<b>Profit attributable to owners of parent</b>	<b>1,467</b>	<b>1,231</b>	<b>1,452</b>	<b>1,007</b>	<b>409</b>	<b>1,000</b>	<b>+590</b>
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.
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
<b>Revenue</b>	<b>17,081</b>	<b>13,885</b>	<b>16,063</b>	<b>14,757</b>	<b>12,678</b>	<b>16,000</b>	<b>+3,321</b>
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%	-
<b>Revenue (YoY)</b>	<b>(2.5%)</b>	<b>(18.7%)</b>	<b>+15.7%</b>	<b>(8.1%)</b>	<b>(14.1%)</b>	<b>+26.2%</b>	<b>-</b>
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%	-
<b>Revenue (Composition Ratio)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>

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	-	-
<b>Total current assets</b>	<b>8,345</b>	<b>9,290</b>	<b>9,081</b>	<b>7,962</b>	<b>7,291</b>	-	-
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	-	-
<b>Total non-current assets</b>	<b>13,274</b>	<b>12,945</b>	<b>13,434</b>	<b>13,332</b>	<b>13,384</b>	-	-
<b>Total assets</b>	<b>21,620</b>	<b>22,236</b>	<b>22,515</b>	<b>21,294</b>	<b>20,675</b>	-	-
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	-	-
<b>Total current liabilities</b>	<b>2,018</b>	<b>2,428</b>	<b>3,552</b>	<b>5,241</b>	<b>2,943</b>	-	-
Borrowings	5,202	4,717	3,234	-	1,963	-	-
Other	611	647	569	501	449	-	-
<b>Total non-current liabilities</b>	<b>5,814</b>	<b>5,364</b>	<b>3,804</b>	<b>501</b>	<b>2,413</b>	-	-
<b>Total liabilities</b>	<b>7,832</b>	<b>7,793</b>	<b>7,357</b>	<b>5,742</b>	<b>5,357</b>	-	-
<b>Total equity attributable to owners of parent</b>	<b>13,740</b>	<b>14,379</b>	<b>15,130</b>	<b>15,545</b>	<b>15,310</b>	-	-
Other	47	63	27	6	8	-	-
<b>Total equity</b>	<b>13,788</b>	<b>14,443</b>	<b>15,158</b>	<b>15,552</b>	<b>15,318</b>	-	-
<b>Total liabilities and equity</b>	<b>21,620</b>	<b>22,236</b>	<b>22,515</b>	<b>21,294</b>	<b>20,675</b>	-	-
Equity 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)	-	-
<b>Cashflows from operating and investing activities</b>	<b>2,606</b>	<b>2,711</b>	<b>18</b>	<b>26</b>	<b>1,347</b>	-	-
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.

Company name: Walden Research Japan Incorporated

Head office: Level 4 Ginza Ishii Building, 6-14-8 Ginza Chuo-ku Tokyo 104-0061, JAPAN

URL: <https://walden.co.jp/>

E-mail: [info@walden.co.jp](mailto:info@walden.co.jp)

Tel: 81-(0)3-3553-3769