

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)								
FY03/2025		17,503	1,622	1,498	975	70.17	32.00	1,137.85
FY03/2026		20,138	2,488	2,313	1,718	126.24	34.00	1,247.22
FY03/2027CoE		22,000	2,520	2,360	1,600	117.55	36.00	-
FY03/2026	YoY	15.1%	53.4%	54.4%	76.2%	-	-	-
FY03/2027CoE	YoY	9.2%	1.3%	2.0%	(6.9%)	-	-	-
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 FY03/2026		9,902	1,367	1,280	879	-	-	-
Q3 to Q4 FY03/2026		10,235	1,120	1,032	838	-	-	-
Q1 to Q2 FY03/2027CoE		11,430	1,390	1,318	903	-	-	-
Q3 to Q4 FY03/2027CoE		10,570	1,130	1,042	697	-	-	-
Q1 to Q2 FY03/2027CoE	YoY	15.4%	1.6%	2.9%	2.6%	-	-	-
Q3 to Q4 FY03/2027CoE	YoY	3.3%	0.8%	0.9%	(16.9%)	-	-	-

Source: Company data; calculations by WRJ

1.0 Executive Summary (9 July 2026)


Total Solutions

Shinwa, which manufactures, sells and rents temporary construction materials used at construction sites, provides installation services and manufactures and sells logistics equipment, is making progress in expanding its business foundation and improving profitability. In FY03/2026, the Company posted record-high revenue and profits at each level, driven by the expansion of installation and rental domains in Temporary Construction Materials, contributions from large-scale logistics warehouse projects in Logistics Equipment and the strengthening of the Group structure through M&A. Operating profit included temporary factors such as gain on bargain purchase associated with M&A, but earnings power on an underlying basis is also steadily improving, backed by the effects of higher revenue and profitability improvement measures. In addition, following the achievement of its medium-term management plan through FY03/2029 three years ahead of schedule, the Company has newly formulated a medium-term management plan, “Further Deepening and Challenging New Domains,” covering the period from FY03/2027 to FY03/2031. For FY03/2031, the final year of the plan, the Company has set quantitative targets of revenue of ¥35,000m, operating profit of ¥3,500m or higher and ROE of 12.0% or higher. Going forward, the Company aims to evolve into a corporate group that provides total solutions for construction and logistics sites by strengthening installation and rental functions, growing Logistics Equipment and expanding the value chain, including through M&A, while continuing to build on its traditional manufacturing and sales foundation.

IR Contact: Hiromichi Aoki, General Manager, Corporate Planning Department, Administration Division
 (+81-584-66-4436 / ir@shinwa-jp.com)

2.0 Company Profile

A Total Solutions Company Built on Temporary Construction Materials and Logistics Equipment

Company Name	Shinwa Co., Ltd. Investor Relations 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 2026)	
No. of Shares	14,103,000 shares, including 544,119 treasury shares (as of the end of March 2026)	
Main Features	<ul style="list-style-type: none"> ● Manufactures, sells and rents temporary construction materials, provides installation services, and manufactures and sells logistics equipment ● Expands the business domain of Temporary Construction Materials by strengthening installation and rental functions ● Promotes evolution into a total solutions company for construction and logistics sites by expanding the value chain, including through M&A 	
Representatives	<ul style="list-style-type: none"> ● Representative Director & Chairman: Kurio Noritake ● Representative Director & President: Kazuya Kito 	
Main Shareholders	ALINCO 5.08%, Hanwa Co., Ltd. 5.08%, Kazuya Kito 1.87%, Daiwa Securities 1.12%, Nakayama Tsusho 1.01%, BNYGCM 0.92% (as of the end of March 2026, excluding treasury shares)	
Head Office	Kaizu-city, Gifu-prefecture, JAPAN	
No. of Personnel	Consolidated: 543 (as of the end of March 2026)	

Source: Company data

3.0 Corporate Philosophy

Protecting Lives and Supporting the Future

The Company, which sets out “Protecting Lives and Supporting the Future” as its purpose, aims to contribute to society by manufacturing, selling and renting temporary construction materials used at construction sites, providing installation services, and manufacturing and selling logistics equipment. The Company operates businesses that support social infrastructure and industrial activities by helping ensure worker safety at construction sites, engaging in the maintenance and repair of social infrastructure such as bridges, and contributing to greater efficiency and safety at logistics sites.

The Company started operations as Shinwa Shoten in September 1977, and began manufacturing and selling “Jack Base” temporary construction materials in 1978. It subsequently developed “Shinwa Catcher” in 1988 and entered the system scaffolding market, before establishing Logistics Equipment in 2003. In 2018, the Company listed its shares on the Tokyo Stock Exchange and Nagoya Stock Exchange. In recent years, it has made YAGUMI Group, a major scaffolding installation company, a subsidiary in April 2024, followed by OHTORIKINZOKU KOGYO, an aluminum machining company, in May 2025 and KAIZU KENSETSU, a formwork and civil engineering company, in October 2025. While building on temporary construction materials and logistics equipment as its business foundation, the Company is expanding its business base to include installation and rental functions as well as peripheral domains. Going forward, it plans to create Group synergies through Group-wide sales activities, joint proposals for large-scale projects, technological collaboration and cross-selling of products and services.

The Company’s businesses comprise Temporary Construction Materials and Logistics Equipment. In Temporary Construction Materials, the Company manufactures and sells temporary construction materials used at construction sites, such as scaffolding, while also providing rental and installation services. It provides products and services that help improve safety and work efficiency in residential construction, condominium construction and infrastructure-related works such as bridges. Meanwhile, in Logistics Equipment, the Company proposes, designs and manufactures logistics equipment used in factories and warehouses, including pallets, racks and container cages, in line with customer applications.

In the Company’s newly formulated medium-term management plan covering FY03/2027-FY03/2031, it sets out a direction of establishing four pillars consisting of Temporary Construction Materials, Rental and Installation Services, Logistics Equipment and new domains. In its current business domains, the Company plans to expand the value chain related to temporary construction materials by strengthening rental and installation services while building on manufacturing and sales as its foundation. In Logistics Equipment, it aims to expand its business domain by capturing demand for labor-saving and greater efficiency, in addition to deepening existing fields.

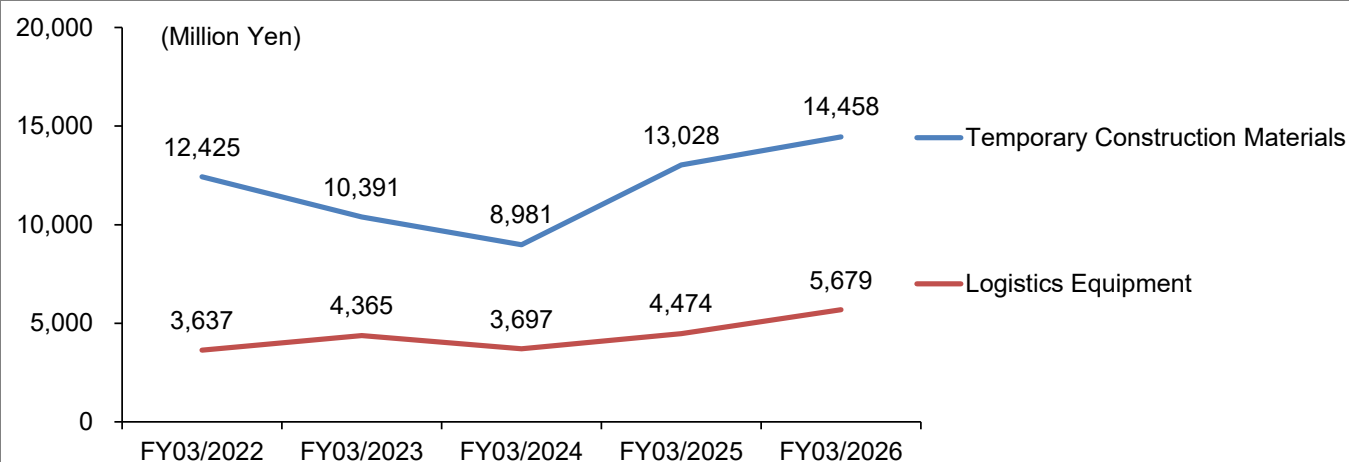
Initiatives related to the Company's purpose include Rapid Floor, a system suspended scaffold for bridges, BUDDY SYSTEM, which achieves weight reduction, enhancements to scaffolding functions, and the application of temporary construction materials technology to spectator stands. Of these, Rapid Floor, BUDDY SYSTEM and enhancements to scaffolding functions are initiatives that contribute to improving safety, ease of installation and work efficiency at construction sites. Meanwhile, the application to spectator stands is positioned as an initiative to deploy technologies cultivated in temporary construction materials into domains outside construction sites. Going forward, the Company aims to evolve into a corporate group that provides total solutions for construction and logistics sites by strengthening installation and rental functions, growing Logistics Equipment, expanding the value chain including through M&A and promoting collaboration among Group companies, including YAGUMI Group, OHTORIKINZOKU KOGYO and KAIZU KENSETSU, while continuing to build on its existing manufacturing and sales foundation.

4.0 Recent Trading and Prospects

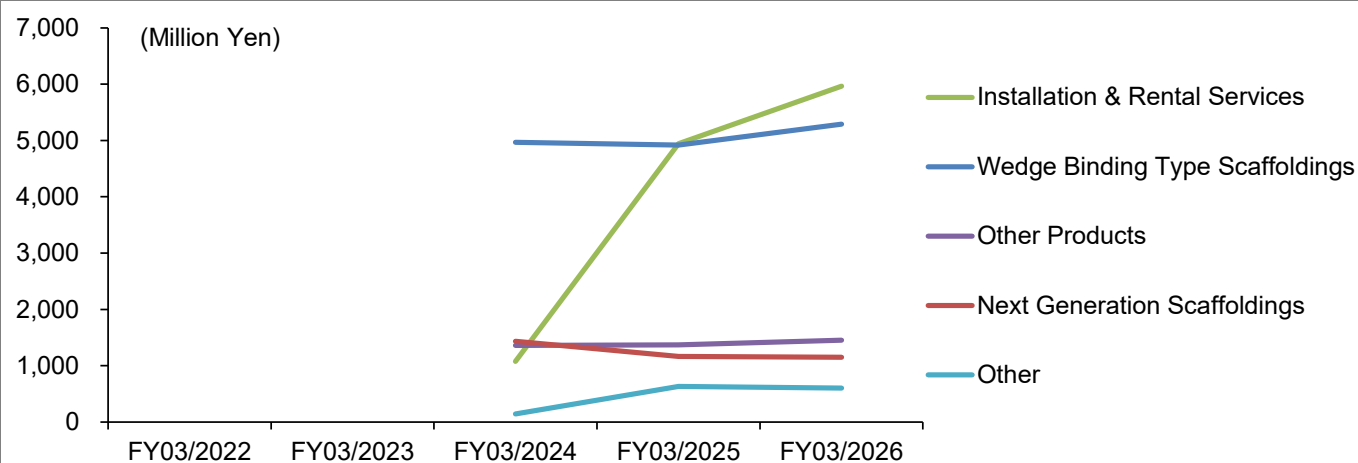
FY03/2026

In FY03/2026, revenue came in at ¥20,138m (up 15.1% YoY), operating profit ¥2,488m (up 53.4%), profit before tax ¥2,313m (up 54.4%) and profit attributable to owners of parent ¥1,718m (up 76.2%). Revenue and profits at each level all reached record highs. Compared with the initial Company forecast disclosed on 14 May 2025, performance significantly exceeded expectations, particularly on the earnings side, although this also included the impact of temporary factors in other income and expenses.

Revenue by Business Division



Revenue of Temporary Construction Materials



Source: Company data

Gross profit came in at ¥5,433m (up 23.0%) and SG&A expenses ¥3,217m (up 16.4%), with the gross profit margin at 27.0% (up 1.7% points) and the SG&A ratio at 16.0% (up 0.2% points). As a result, the operating profit margin came in at 12.4% (up 3.1% points). It should be noted that, as the Company adopts IFRS as its accounting standard, trends in “other income” and “other expenses” are reflected at the operating profit level. In FY03/2026, temporary factors such as gain on bargain purchase associated with M&A also boosted operating profit. Meanwhile, adjusted operating profit excluding this impact was ¥2,271m, representing an increase of 40.0% compared with the previous year’s operating profit. This confirms that profitability improved even on an underlying basis, excluding temporary factors.

The Company forecast for FY03/2026 was revised upward in stages during the fiscal year. The initial Company forecast disclosed on 14 May 2025 assumed revenue of ¥17,800m and operating profit of ¥1,650m. This was subsequently raised to revenue of ¥20,000m and operating profit of ¥2,000m at the time of the Q2 (April-September) results announcement on 6 November 2025, and was raised again on 30 April 2026 to revenue of ¥20,138m and operating profit of ¥2,465m. Final results were revenue of ¥20,138m and operating profit of ¥2,488m, representing upside versus the initial Company forecast of ¥2,338m, or 13.1%, in revenue and ¥838m, or 50.8%, in operating profit.

The main factors behind the upside included the expansion of installation and rental domains in Temporary Construction Materials, contributions from large-scale logistics warehouse projects in Logistics Equipment, profitability improvement measures such as optimization of the internal/external production mix and the recording of gain on bargain purchase associated with M&A. In Temporary Construction Materials, amid a continued shift in demand from sales to rentals, the Company's flexible proposal-based sales approach covering both sales and rentals, together with the accumulation of installation service results by YAGUMI Group and contributions from KAIZU KENSETSU, appears to have contributed to the revenue upside. In Logistics Equipment, revenue recognition also appears to have progressed steadily, supported by continued orders from a wide range of industries, including glass and ceramics products and automated warehouses, centered on large-scale logistics warehouse-related projects. On the profit side, in addition to the effect of higher revenue, profitability improvement measures such as optimization of the internal/external production mix, review of suppliers, greater efficiency in the logistics structure and improved productivity contributed. Furthermore, gain on bargain purchase associated with M&A recorded in other income was also a factor behind the upside in operating profit, but as noted above, substantial profit growth was achieved even on an underlying basis excluding this impact.

Temporary Construction Materials (71.8% of Revenue)

In Temporary Construction Materials, revenue came in at ¥14,458m (up 11.0% YoY). By product and service, "Installation & Rental Services" achieved substantial revenue growth, while "Wedge Binding Type Scaffoldings" also remained firm. Although the demand environment in the sales domain was not necessarily uniformly strong, the expansion of "Installation & Rental Services" contributed and the division as a whole achieved revenue growth.

In the construction industry, where the Company is deeply involved, demand for urban redevelopment and maintenance and repair of social infrastructure such as bridges has remained firm, while construction costs have continued to rise due to higher raw material prices and labor shortages. In this environment, among customers of Temporary Construction Materials, demand is increasing for the use of materials through rentals according to the required period, rather than purchasing and holding materials. The shift in demand from sales to rentals is a factor restraining growth in product sales, but for the Company, it also represents an opportunity to expand its proposal domains, including rentals and installation services.

The revenue growth in “Installation & Rental Services” was supported by the accumulation of installation service results by YAGUMI Group. YAGUMI Group has an abundant workforce as a major scaffolding installation company and is steadily capturing construction demand, even as labor shortages at construction sites become more severe. In addition, through the consolidation of YAGUMI Group as a subsidiary, the Company is strengthening proposals that combine rentals and installation services with the manufacturing and sales of temporary construction materials, where it has traditionally had strengths. It is expanding its business domain from simply providing materials themselves to offering services according to how they are used on site. In addition, KAIZU KENSETSU, which became a subsidiary in October 2025, is also contributing to the expansion of installation functions within the Group through the formwork and civil engineering works domains.

This trend is also consistent with the direction of the Company’s newly formulated medium-term management plan. Under the plan, “Installation & Rental Services,” currently included in the existing Temporary Construction Materials, will be positioned as an independent business domain under Rental and Installation Services and developed as a growth area. Toward FY03/2031, the Company plans to target revenue of ¥13,000m in Temporary Construction Materials and revenue of ¥12,000m in Rental and Installation Services. While building on its traditional manufacturing and sales foundation, the Company plans to expand the value chain related to temporary construction materials by strengthening installation and rental functions. Going forward, the Company intends to further strengthen flexible proposal-based sales combining sales and rentals, expand its business domain including installation services and enhance the value it provides to construction sites.

Logistics Equipment (28.2% of Revenue)

In Logistics Equipment, revenue came in at ¥5,679m (up 26.9% YoY). In addition to contributions from large-scale logistics warehouse-related projects, continued orders from a wide range of industries, including glass and ceramics products and automated warehouses, enabled substantial revenue growth versus the previous year. Revenue also reached a record high.

In Logistics Equipment, the Company proposes, designs and manufactures logistics equipment used in factories and warehouses, including pallets, racks and container cages, in line with customer applications. At present, against the backdrop of demand for larger logistics facilities, labor-saving and greater efficiency, the importance of product proposals tailored to each customer’s applications and on-site issues is increasing. In addition to improving the performance of existing products and expanding its lineup, the Company is also focusing on the development of new products that respond to diversifying market needs, and is working to build a structure capable of contributing to the solution of a wider range of issues.

Regarding OHTORIKINZOKU KOGYO, which became a subsidiary on 1 May 2025, its contribution to the performance of Logistics Equipment in FY03/2026 remained limited, while business structure realignment and integration of business processes are progressing toward the creation of future synergies. OHTORIKINZOKU KOGYO, an aluminum machining company, is located in Kaizu-city, Gifu-prefecture, the same city as Shinwa, and around 40 years have passed since its founding. Its strength is considered to be its advanced aluminum machining technology. Shinwa has long had expertise in steel machining, and by incorporating OHTORIKINZOKU KOGYO's aluminum machining capabilities, it plans to enhance mutual manufacturing technologies and develop new products.

Under the new medium-term management plan, the Company plans to target revenue of ¥10,000m in Logistics Equipment toward FY03/2031. Going forward, through improvements to existing products, development of new products and creation of technological synergies with OHTORIKINZOKU KOGYO, the Company plans to expand the provision of products and services that contribute to labor-saving, greater efficiency and improved safety at logistics sites.

Company Forecast for FY03/2026 and Actual Results

Cons. Fiscal Year (IFRS) (Million Yen)	Date	Event	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
FY03/2026CoE	14-May-25	Q4 Results	17,800	1,650	1,520	1,000
FY03/2026CoE	04-Aug-25	Q1 Results	17,800	1,650	1,520	1,000
FY03/2026CoE	29-Sep-25	Revision	17,800	1,650	1,520	1,000
FY03/2026CoE	06-Nov-25	Q2 Results	20,000	2,000	1,820	1,246
		Amount of Gap	2,200	350	300	246
		Rate of Gap	12.4%	21.2%	19.7%	24.6%
FY03/2026CoE	09-Feb-26	Q3 Results	20,000	2,000	1,820	1,246
FY03/2026CoE	30-Apr-26	Revision	20,138	2,465	2,291	1,701
		Amount of Gap	138	465	471	455
		Rate of Gap	0.7%	23.3%	25.9%	36.5%
FY03/2026Act	11-May-26	Q4 Results	20,138	2,488	2,313	1,718
		Amount of Gap	0	23	22	17
		Rate of Gap	0.0%	0.9%	1.0%	1.0%
FY03/2026CoE	14-May-25	Q4 Results	17,800	1,650	1,520	1,000
FY03/2026Act	11-May-26	Q4 Results	20,138	2,488	2,313	1,718
		Amount of Gap	2,338	838	793	718
		Rate of Gap	13.1%	50.8%	52.2%	71.8%
Cons. Half Year (IFRS) (Million Yen)	Date	Event	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
Q1 to Q2 FY03/2026CoE	14-May-25	Q4 Results	8,800	880	840	550
Q1 to Q2 FY03/2026CoE	04-Aug-25	Q1 Results	8,800	880	840	550
Q1 to Q2 FY03/2026CoE	29-Sep-25	Revision	9,600	1,150	1,050	730
		Amount of Gap	800	270	210	180
		Rate of Gap	9.1%	30.7%	25.0%	32.7%
Q1 to Q2 FY03/2026Act	06-Nov-25	Q2 Results	9,902	1,367	1,280	879
		Amount of Gap	302	217	230	149
		Rate of Gap	3.1%	18.9%	21.9%	20.4%
Q1 to Q2 FY03/2026CoE	14-May-25	Q4 Results	8,800	880	840	550
Q1 to Q2 FY03/2026Act	06-Nov-25	Q2 Results	9,902	1,367	1,280	879
		Amount of Gap	1,102	487	440	329
		Rate of Gap	12.5%	55.3%	52.4%	59.8%
Cons. Half Year (IFRS) (Million Yen)	Date	Event	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
Q3 to Q4 FY03/2026CoE	14-May-25	Q4 Results	9,000	770	680	450
Q3 to Q4 FY03/2026CoE	04-Aug-25	Q1 Results	9,000	770	680	450
Q3 to Q4 FY03/2026CoE	29-Sep-25	Revision	8,200	500	470	270
		Amount of Gap	(800)	(270)	(210)	(180)
		Rate of Gap	(8.9%)	(35.1%)	(30.9%)	(40.0%)
Q3 to Q4 FY03/2026CoE	06-Nov-25	Q2 Results	10,098	633	540	367
		Amount of Gap	1,898	133	70	97
		Rate of Gap	23.1%	26.6%	14.9%	35.9%
Q3 to Q4 FY03/2026CoE	09-Feb-26	Q3 Results	10,098	633	540	367
Q3 to Q4 FY03/2026CoE	30-Apr-26	Revision	10,235	1,098	1,011	822
		Amount of Gap	138	465	471	455
		Rate of Gap	1.4%	73.5%	87.2%	124.0%
Q3 to Q4 FY03/2026Act	11-May-26	Q4 Results	10,235	1,120	1,032	838
		Amount of Gap	(1)	22	21	16
		Rate of Gap	(0.0%)	2.0%	2.1%	1.9%
Q3 to Q4 FY03/2026CoE	14-May-25	Q4 Results	9,000	770	680	450
Q3 to Q4 FY03/2026Act	11-May-26	Q4 Results	10,235	1,120	1,032	838
		Amount of Gap	1,235	350	352	388
		Rate of Gap	13.7%	45.5%	51.8%	86.2%

Source: Company data; calculations by WRJ

Statement of Profit or Loss (Cumulative / Quarterly)

Statement of Profit or Loss	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY	
(Million Yen)	03/2025	03/2025	03/2025	03/2025	03/2026	03/2026	03/2026	03/2026	Net Chg.	
Revenue	4,038	8,542	12,840	17,503	4,523	9,902	15,397	20,138		+2,635
Cost of revenue	2,987	6,305	9,379	13,084	3,225	7,086	11,031	14,704		+1,619
Gross profit	1,050	2,237	3,460	4,418	1,298	2,816	4,365	5,433		+1,015
SG&A expenses	631	1,351	2,022	2,763	653	1,487	2,331	3,217		+453
Other income & expenses (on a net basis)	2	(13)	(19)	(32)	38	39	314	271		+304
Operating profit	421	871	1,418	1,622	682	1,367	2,348	2,488		+865
Financial income & costs (net)	(25)	(56)	(92)	(123)	(49)	(87)	(133)	(174)		(50)
Profit before tax	395	815	1,325	1,498	633	1,280	2,214	2,313		+815
Income tax expenses	131	285	459	525	192	403	541	597		+72
Profit	264	529	865	972	440	876	1,673	1,715		+742
Profit attributable to owners of parent	265	530	867	975	441	879	1,676	1,718		+743
Profit attributable to non-controlling interests	(0)	(0)	(1)	(2)	(1)	(3)	(3)	(2)		(0)
Profit attributable to owners of parent	265	530	867	975	441	879	1,676	1,718		+743
Revenue YoY	+38.9%	+29.0%	+32.7%	+38.1%	+12.0%	+15.9%	+19.9%	+15.1%		-
Operating profit YoY	+137.0%	+67.4%	+104.3%	+131.7%	+62.0%	+56.9%	+65.6%	+53.4%		-
Profit before tax YoY	+138.9%	+64.2%	+101.9%	+129.6%	+60.0%	+57.0%	+67.0%	+54.4%		-
Profit YoY	+142.2%	+54.7%	+96.2%	+136.7%	+66.4%	+65.5%	+93.2%	+76.4%		-
Profit attributable to owners of parent YoY	+139.6%	+56.0%	+97.5%	+138.0%	+66.4%	+66.0%	+93.3%	+76.2%		-
Gross profit margin	26.0%	26.2%	27.0%	25.2%	28.7%	28.4%	28.4%	27.0%		+1.7%
SG&A ratio	15.6%	15.8%	15.8%	15.8%	14.5%	15.0%	15.1%	16.0%		+0.2%
Operating profit margin	10.4%	10.2%	11.0%	9.3%	15.1%	13.8%	15.3%	12.4%		+3.1%
Profit before tax margin	9.8%	9.5%	10.3%	8.6%	14.0%	12.9%	14.4%	11.5%		+2.9%
Profit margin	6.6%	6.2%	6.7%	5.6%	9.7%	8.9%	10.9%	8.5%		+3.0%
Profit attributable to owners of parent margin	6.6%	6.2%	6.8%	5.6%	9.8%	8.9%	10.9%	8.5%		+3.0%
Corporate Tax Rate	33.1%	35.0%	34.7%	35.1%	30.5%	31.5%	24.4%	25.8%		(9.2%)

Statement of Profit or Loss	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY	
(Million Yen)	03/2025	03/2025	03/2025	03/2025	03/2026	03/2026	03/2026	03/2026	Net Chg.	
Revenue	4,038	4,504	4,297	4,662	4,523	5,379	5,494	4,740		+78
Cost of revenue	2,987	3,317	3,074	3,705	3,225	3,861	3,945	3,672		(32)
Gross profit	1,050	1,187	1,223	957	1,298	1,517	1,549	1,068		+110
SG&A expenses	631	720	671	740	653	833	844	885		+145
Other income & expenses (on a net basis)	2	(16)	(5)	(12)	38	0	275	(43)		(30)
Operating profit	421	450	546	204	682	685	980	139		(64)
Financial income & costs (net)	(25)	(30)	(36)	(31)	(49)	(37)	(46)	(40)		(9)
Profit before tax	395	419	510	172	633	647	934	98		(73)
Income tax expenses	131	154	174	65	192	210	137	56		(9)
Profit	264	265	336	106	440	436	796	42		(64)
Profit attributable to owners of parent	265	264	337	107	441	438	796	41		(66)
Profit attributable to non-controlling interests	(0)	0	(1)	(1)	(1)	(1)	(0)	0		+1
Profit attributable to owners of parent	265	264	337	107	441	438	796	41		(66)
Revenue YoY	+38.9%	+21.2%	+40.7%	+55.3%	+12.0%	+19.4%	+27.9%	+1.7%		-
Operating profit YoY	+137.0%	+31.4%	+215.0%	-	+62.0%	+52.1%	+79.5%	(31.5%)		-
Profit before tax YoY	+138.9%	+26.8%	+219.1%	-	+60.0%	+54.2%	+83.0%	(42.8%)		-
Profit YoY	+142.2%	+13.7%	+240.3%	-	+66.4%	+64.5%	+137.0%	(60.3%)		-
Profit attributable to owners of parent YoY	+139.6%	+15.6%	+239.3%	-	+66.4%	+65.5%	+136.4%	(61.2%)		-
Gross profit margin	26.0%	26.4%	28.5%	20.5%	28.7%	28.2%	28.2%	22.5%		+2.0%
SG&A ratio	15.6%	16.0%	15.6%	15.9%	14.5%	15.5%	15.4%	18.7%		+2.8%
Operating profit margin	10.4%	10.0%	12.7%	4.4%	15.1%	12.7%	17.9%	2.9%		(1.4%)
Profit before tax margin	9.8%	9.3%	11.9%	3.7%	14.0%	12.0%	17.0%	2.1%		(1.6%)
Profit margin	6.6%	5.9%	7.8%	2.3%	9.7%	8.1%	14.5%	0.9%		(1.4%)
Profit attributable to owners of parent margin	6.6%	5.9%	7.8%	2.3%	9.8%	8.1%	14.5%	0.9%		(1.4%)
Corporate Tax Rate	33.1%	36.8%	34.2%	38.1%	30.5%	32.6%	14.7%	57.0%		+18.9%

Source: Company data; calculations by WRJ

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	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1 to Q4	Net Chg.
	03/2025	03/2025	03/2025	03/2025	03/2026	03/2026	03/2026	03/2026	03/2026	
Wedge Binding Type Scaffoldings	1,325	2,776	3,894	4,918	1,290	2,552	4,289	5,289	5,289	+370
Next Generation Scaffoldings	398	852	1,002	1,165	433	741	982	1,151	1,151	(14)
Installation & Rental Services	1,109	2,178	3,740	4,943	1,254	2,355	4,256	5,964	5,964	+1,021
Other Products	324	708	1,078	1,368	286	742	1,130	1,452	1,452	+83
Other	183	302	465	632	158	282	451	601	601	(30)
Temporary Construction Materials	3,342	6,818	10,180	13,028	3,424	6,673	11,110	14,458	14,458	+1,429
Logistics Equipment	696	1,724	2,659	4,474	1,099	3,228	4,286	5,679	5,679	+1,205
Revenue	4,038	8,542	12,840	17,503	4,523	9,902	15,397	20,138	20,138	+2,635
Wedge Binding Type Scaffoldings	+35.6%	+12.6%	+0.4%	(1.0%)	(2.7%)	(8.1%)	+10.2%	+7.5%	+7.5%	-
Next Generation Scaffoldings	(34.3%)	(13.0%)	(22.7%)	(18.8%)	+8.9%	(13.0%)	(2.0%)	(1.2%)	(1.2%)	-
Installation & Rental Services	+235.6%	+285.7%	+346.1%	+359.8%	+13.0%	+8.1%	+13.8%	+20.7%	+20.7%	-
Other Products	(11.5%)	(5.7%)	+0.9%	+0.7%	(11.7%)	+4.7%	+4.8%	+6.1%	+6.1%	-
Other	+429.2%	+317.8%	+364.8%	+347.1%	(13.4%)	(6.7%)	(2.8%)	(4.9%)	(4.9%)	-
Temporary Construction Materials	+44.2%	+41.0%	+41.7%	+45.1%	+2.5%	(2.1%)	+9.1%	+11.0%	+11.0%	-
Logistics Equipment	+18.1%	(3.5%)	+6.7%	+21.0%	+57.9%	+87.3%	+61.2%	+26.9%	+26.9%	-
Revenue (YoY)	+38.9%	+29.0%	+32.7%	+38.1%	+12.0%	+15.9%	+19.9%	+15.1%	+15.1%	-
Wedge Binding Type Scaffoldings	32.8%	32.5%	30.3%	28.1%	28.5%	25.8%	27.9%	26.3%	26.3%	-
Next Generation Scaffoldings	9.9%	10.0%	7.8%	6.7%	9.6%	7.5%	6.4%	5.7%	5.7%	-
Installation & Rental Services	27.5%	25.5%	29.1%	28.2%	27.7%	23.8%	27.6%	29.6%	29.6%	-
Other Products	8.0%	8.3%	8.4%	7.8%	6.3%	7.5%	7.3%	7.2%	7.2%	-
Other	4.5%	3.5%	3.6%	3.6%	3.5%	2.8%	2.9%	3.0%	3.0%	-
Temporary Construction Materials	82.8%	79.8%	79.3%	74.4%	75.7%	67.4%	72.2%	71.8%	71.8%	-
Logistics Equipment	17.2%	20.2%	20.7%	25.6%	24.3%	32.6%	27.8%	28.2%	28.2%	-
Revenue (Composition Ratio)	100.0%	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	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4	Net Chg.
	03/2025	03/2025	03/2025	03/2025	03/2026	03/2026	03/2026	03/2026	03/2026	
Wedge Binding Type Scaffoldings	1,325	1,450	1,117	1,024	1,290	1,261	1,737	999	999	(25)
Next Generation Scaffoldings	398	453	149	163	433	308	240	169	169	+5
Installation & Rental Services	1,109	1,068	1,562	1,202	1,254	1,101	1,900	1,708	1,708	+505
Other Products	324	383	369	290	286	455	388	322	322	+31
Other	183	119	162	167	158	123	169	149	149	(17)
Temporary Construction Materials	3,342	3,476	3,362	2,847	3,424	3,249	4,437	3,347	3,347	+499
Logistics Equipment	696	1,028	934	1,815	1,099	2,129	1,057	1,393	1,393	(421)
Revenue	4,038	4,504	4,297	4,662	4,523	5,379	5,494	4,740	4,740	+78
Wedge Binding Type Scaffoldings	+35.6%	(2.5%)	(20.8%)	(6.3%)	(2.7%)	(13.0%)	+55.4%	(2.5%)	(2.5%)	-
Next Generation Scaffoldings	(34.3%)	+21.9%	(52.8%)	+18.8%	+8.9%	(32.1%)	+60.3%	+3.7%	+3.7%	-
Installation & Rental Services	+235.6%	+356.5%	+470.8%	+408.4%	+13.0%	+3.0%	+21.7%	+42.0%	+42.0%	-
Other Products	(11.5%)	(0.3%)	+16.6%	(0.1%)	(11.7%)	+18.6%	+5.0%	+10.9%	+10.9%	-
Other	+429.2%	+215.4%	+487.7%	+304.3%	(13.4%)	+3.6%	+4.5%	(10.7%)	(10.7%)	-
Temporary Construction Materials	+44.2%	+38.1%	+43.2%	+58.3%	+2.5%	(6.5%)	+32.0%	+17.6%	+17.6%	-
Logistics Equipment	+18.1%	(14.2%)	+32.5%	+50.7%	+57.9%	+107.1%	+13.2%	(23.2%)	(23.2%)	-
Revenue (YoY)	+38.9%	+21.2%	+40.7%	+55.3%	+12.0%	+19.4%	+27.9%	+1.7%	+1.7%	-
Wedge Binding Type Scaffoldings	32.8%	32.2%	26.0%	22.0%	28.5%	23.5%	31.6%	21.1%	21.1%	-
Next Generation Scaffoldings	9.9%	10.1%	3.5%	3.5%	9.6%	5.7%	4.4%	3.6%	3.6%	-
Installation & Rental Services	27.5%	23.7%	36.4%	25.8%	27.7%	20.5%	34.6%	36.0%	36.0%	-
Other Products	8.0%	8.5%	8.6%	6.2%	6.3%	8.5%	7.1%	6.8%	6.8%	-
Other	4.5%	2.6%	3.8%	3.6%	3.5%	2.3%	3.1%	3.1%	3.1%	-
Temporary Construction Materials	82.8%	77.2%	78.2%	61.1%	75.7%	60.4%	80.7%	70.6%	70.6%	-
Logistics Equipment	17.2%	22.8%	21.8%	38.9%	24.3%	39.6%	19.3%	29.4%	29.4%	-
Revenue (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-

Source: Company data; calculations by WRJ

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)	03/2025	03/2025	03/2025	03/2025	03/2026	03/2026	03/2026	03/2026		Net Chg.
Cash and cash equivalents	1,133	1,844	2,416	2,908	3,940	3,717	1,736	2,957		+48
Trade and other receivables	3,361	3,630	3,467	4,410	3,779	4,104	4,177	3,319		(1,090)
Inventories	3,466	2,720	3,004	2,439	3,447	2,548	2,693	3,124		+685
Other	131	79	205	118	207	146	996	323		+205
Total current assets	8,093	8,275	9,093	9,876	11,375	10,515	9,603	9,725		(151)
Property, plant and equipment	3,901	4,179	4,575	5,163	5,420	5,598	6,423	6,606		+1,443
Right-of-use assets	384	1,024	1,002	993	1,020	1,012	1,054	1,075		+81
Goodwill	12,521	12,521	12,521	12,264	12,264	12,264	12,264	12,284		+19
Intangible assets	1,344	1,341	1,351	1,438	1,429	1,418	1,415	1,404		(34)
Other	355	224	228	230	436	462	863	888		+658
Total non-current assets	18,507	19,291	19,679	20,090	20,572	20,756	22,022	22,259		+2,168
Total assets	26,600	27,566	28,772	29,967	31,947	31,272	31,626	31,984		+2,016
Trade and other payables	1,280	1,077	1,587	1,603	1,490	1,112	1,817	1,571		(31)
Borrowings	6,149	3,105	3,281	4,589	5,965	5,648	4,375	5,024		+435
Corporate bonds	-	-	-	-	-	-	-	8		+8
Other	442	570	453	500	547	843	808	998		+498
Total current liabilities	7,871	4,754	5,322	6,693	8,003	7,605	7,000	7,595		+902
Corporate bonds	-	-	-	-	46	46	41	33		+33
Borrowings	2,639	5,821	6,207	5,897	6,353	5,618	5,727	5,649		(247)
Other	726	1,373	1,509	1,530	1,816	1,795	2,036	1,828		+297
Total non-current liabilities	3,365	7,195	7,717	7,427	8,170	7,413	7,764	7,477		+50
Total liabilities	11,237	11,949	13,039	14,121	16,173	15,018	14,764	15,073		+952
Total equity attributable to owners of parent	15,350	15,609	15,726	15,841	15,769	16,251	16,861	16,910		+1,069
Other	12	7	6	5	3	1	-	-		-
Total equity	15,363	15,616	15,732	15,846	15,773	16,253	16,861	16,910		+1,064
Total liabilities and equity	26,600	27,566	28,772	29,967	31,947	31,272	31,626	31,984		+2,016
Equity attributable to owners of parent	15,350	15,609	15,726	15,841	15,769	16,251	16,861	16,910		+1,069
Interest-bearing debt	8,788	8,927	9,489	10,487	12,365	11,313	10,144	10,716		+229
Net debt	7,654	7,082	7,072	7,578	8,424	7,595	8,408	7,759		+180
Equity ratio	57.7%	56.6%	54.7%	52.9%	49.4%	52.0%	53.3%	52.9%		-
Net debt-to-equity ratio	49.9%	45.4%	45.0%	47.8%	53.4%	46.7%	49.9%	45.9%		-
ROE (12 months)	3.7%	3.9%	5.4%	6.3%	7.4%	8.3%	11.0%	10.5%		-
ROA (12 months)	3.7%	4.0%	5.3%	5.9%	5.9%	6.7%	7.9%	7.5%		-
Days for inventory turnover	106	75	89	60	98	60	62	78		-
Quick ratio	57%	115%	111%	109%	96%	103%	84%	83%		-
Current ratio	103%	174%	171%	148%	142%	138%	137%	128%		-

Source: Company data; calculations by WRJ

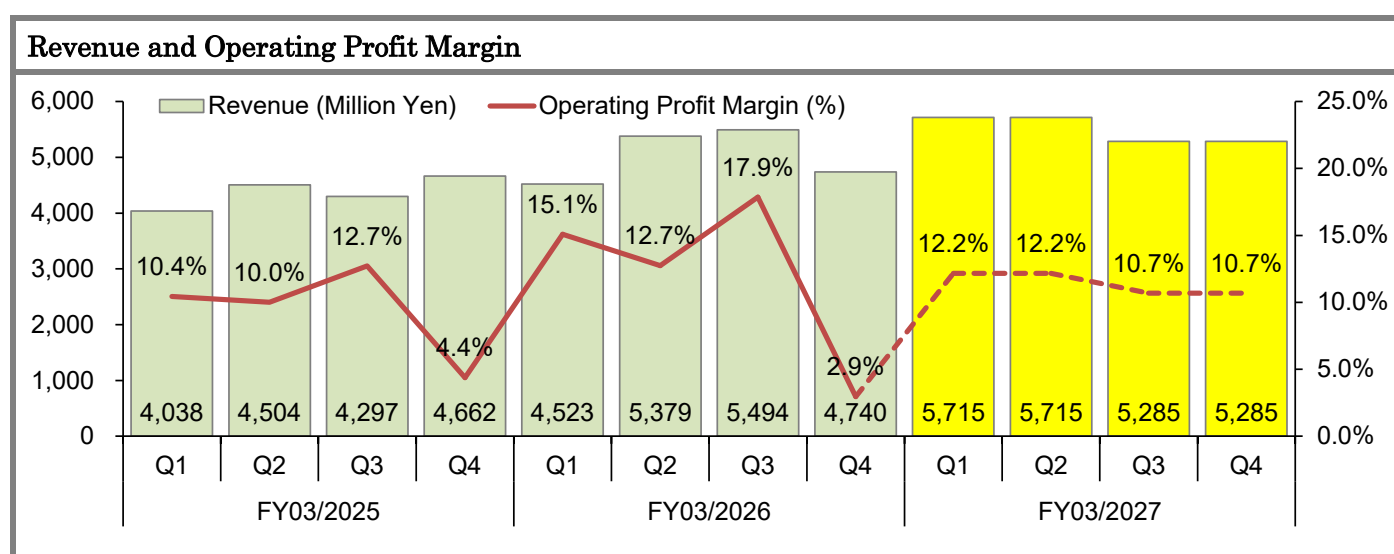
Statement of Cash Flows (Cumulative / Quarterly)

Statement of Cash Flows	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		
(Million Yen)	03/2025	03/2025	03/2025	03/2025	03/2026	03/2026	03/2026	03/2026		Net Chg.
Cash flows from operating activities	-	312	-	848	-	986	-	2,319		+1,470
Cash flows from investing activities	-	(3,605)	-	(4,318)	-	(305)	-	(1,156)		+3,162
Cash flows from operating and investing activities	-	(3,293)	-	(3,469)	-	681	-	1,162		+4,632
Cash flows from financing activities	-	(3,295)	-	4,536	-	128	-	(1,115)		(5,651)

Source: Company data; calculations by WRJ

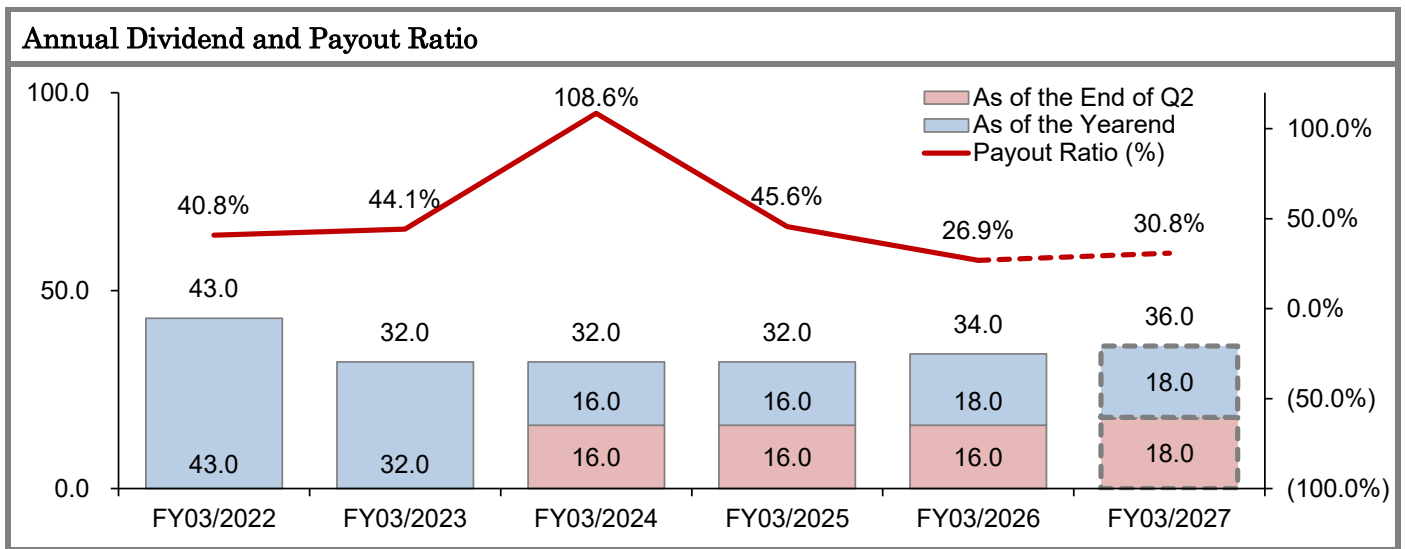
Company Forecast for FY03/2027

The Company forecast for FY03/2027, disclosed on 11 May 2026, assumes revenue of ¥22,000m (up 9.2% YoY), operating profit of ¥2,520m (up 1.3%), profit before tax of ¥2,360m (up 2.0%) and profit attributable to owners of parent of ¥1,600m (down 6.9%). The operating profit margin is expected to be 11.5% (down 0.9% points). The annual dividend is planned at ¥36.0, comprising ¥18.0 as of the end of Q2 and ¥18.0 as of the yearend, with a payout ratio of 30.8%. Compared with the annual dividend of ¥34.0 for FY03/2026, comprising ¥16.0 as of the end of Q2 and ¥18.0 as of the yearend, with a payout ratio of 26.9%, this represents a dividend increase of ¥2.0.



Source: Company data; calculations by WRJ (FY03/2027 quarters: evenly allocated based on Company forecast assumptions)

Toward FY03/2027, the Company expects steady revenue growth, while the rate of increase in operating profit is expected to remain modest. However, compared with adjusted operating profit of ¥2,271m, excluding the impact of gain on bargain purchase associated with M&A and other factors from operating profit in FY03/2026, operating profit of ¥2,520m in FY03/2027 represents an increase of ¥249m, or 11.0%. In FY03/2026, contributions from large-scale logistics warehouse-related projects in Logistics Equipment and gain on bargain purchase associated with M&A boosted operating profit, but for FY03/2027, the Company factors in the absence of temporary profit-boosting factors recorded in FY03/2026, while expecting expansion of the installation and rental domains in Temporary Construction Materials and continued orders from a wide range of industries in Logistics Equipment. In other words, the Company forecast for FY03/2027 can be positioned as a plan that assumes double-digit profit growth on an underlying basis, while factoring in the absence of temporary profit-boosting factors. In addition, profit attributable to owners of parent is expected to decline because of the absence of the lower tax burden ratio in FY03/2026, when gain on bargain purchase associated with M&A was recorded at the operating profit level.

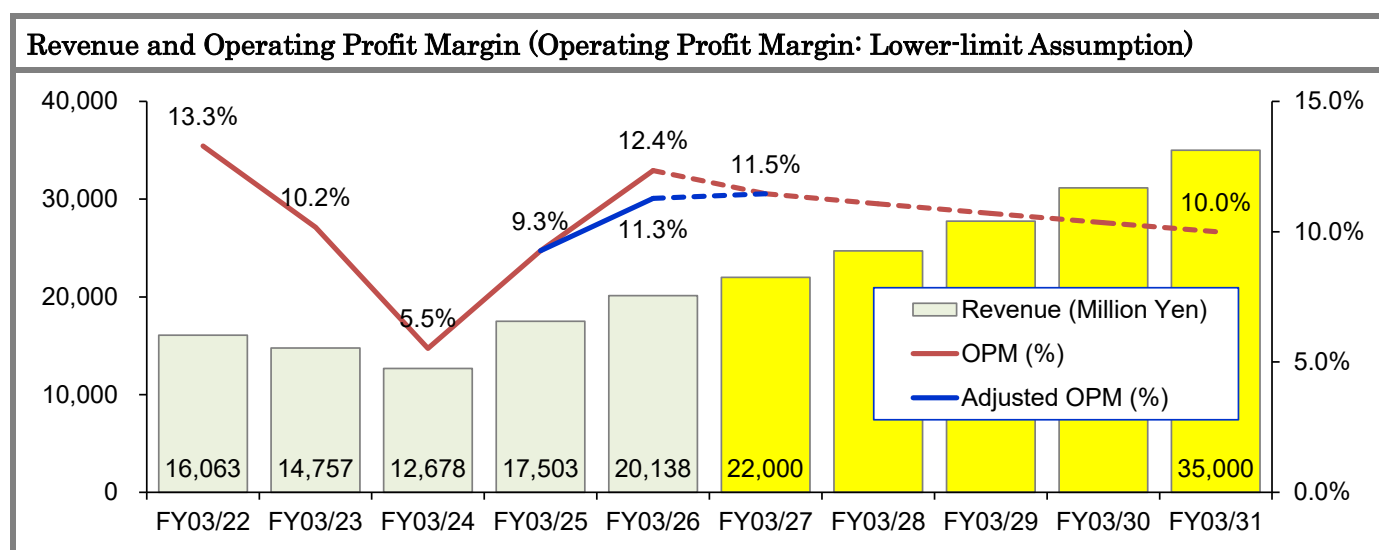


Source: Company data

On 14 May 2025, the Company disclosed a change in its dividend policy and a share buyback. Regarding the dividend policy, the Company changed from its previous policy of “targeting a payout ratio of at least 40%” to “implementing a progressive dividend with a lower limit for the annual dividend of ¥32.0.” According to the Company, this reflected a comprehensive consideration of the balance between the internal reserves needed for growth investments, including future M&A, and improvement of its financial foundation, and shareholder returns through dividends and share buybacks. Regarding the share buyback, the Company had set upper limits with the acquisition period from 15 May 2025 to 30 September 2025, the total number of shares to be acquired at 430,000 shares and the total acquisition value at ¥300m. Meanwhile, the share buyback was completed on a contract-date basis on 9 June 2025, with the total number of shares acquired at 395,600 shares and the total acquisition value at ¥299m. In addition, toward the period of the new medium-term management plan, the Company has indicated a policy of continuing a progressive dividend with an annual dividend of ¥32.0 as the lower limit. It also plans to flexibly consider share buybacks that contribute to improving capital efficiency, while taking into account the balance with growth investments.

Medium- to Long-Term Earnings Outlook

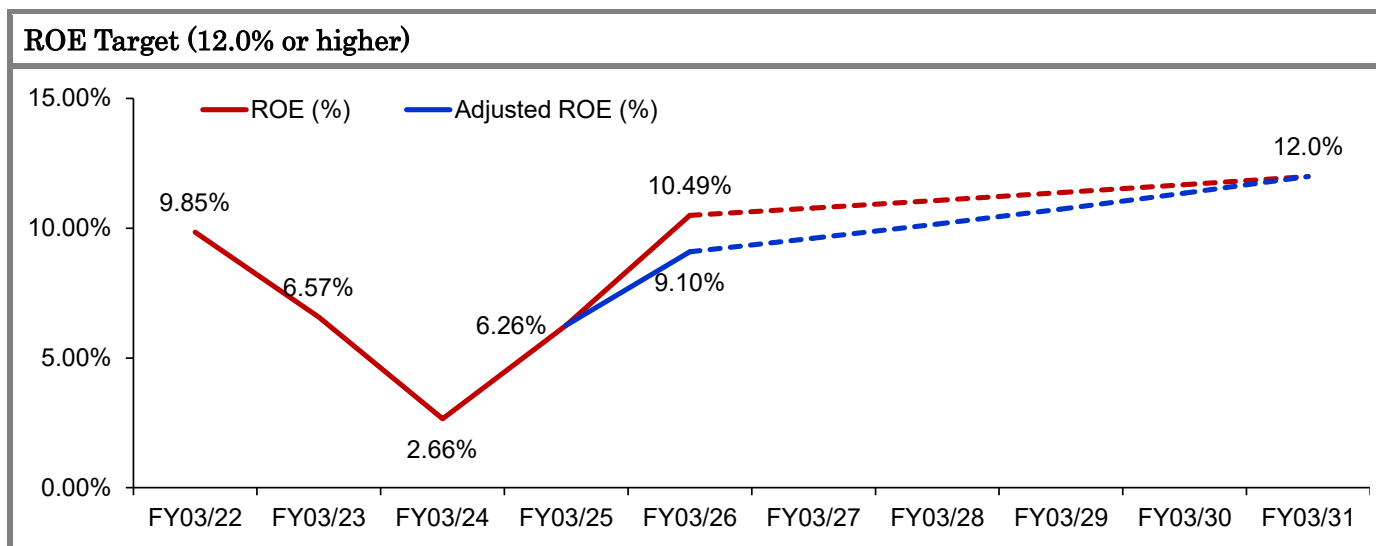
On 26 June 2026, the Company announced the formulation of a new medium-term management plan, “Further Deepening and Challenging New Domains,” covering the period from FY03/2027 to FY03/2031. As quantitative targets under the new medium-term management plan, the Company expects revenue of ¥22,000m and operating profit of ¥2,520m in FY03/2027, while aiming to achieve revenue of ¥35,000m, operating profit of ¥3,500m or higher, an operating profit margin of 10.0% or higher and ROE of 12.0% or higher toward FY03/2031, the final year of the plan. In other words, operating profit and the operating profit margin are positioned as lower-limit assumptions, indicating a policy of securing a certain level of profit and capital efficiency while expanding revenue. The background to this disclosure is that the final-year targets under the previous medium-term management plan, revenue of ¥20,000m and operating profit of ¥2,400m, were achieved in FY03/2026, three years ahead of schedule.



Source: Company data; calculations by WRJ

CAGR and Toward the Next Growth Stage

Assuming that revenue of ¥35,000m and operating profit of ¥3,500m are achieved in FY03/2031, the compound annual growth rate (CAGR) compared with FY03/2026 results is 11.7% for revenue and 7.1% for operating profit. Considering that operating profit in FY03/2026 included one-off factors such as gain on bargain purchase associated with M&A, the CAGR for operating profit is 9.0% when adjusted operating profit of ¥2,271m, excluding this impact, is used as the starting point. During the period of the new medium-term management plan, the Company plans to deepen its existing businesses and establish new earnings foundations through growth investments, including M&A. Furthermore, the Company has also indicated a direction of targeting revenue of ¥70,000m and an operating profit margin of 10.0% from FY03/2032 onward. In other words, the five years through FY03/2031 are positioned as a period for advancing the Company’s evolution into a total solutions company for construction and logistics sites, and for building the foundation toward becoming a company with revenue of ¥70,000m from FY03/2032 onward.



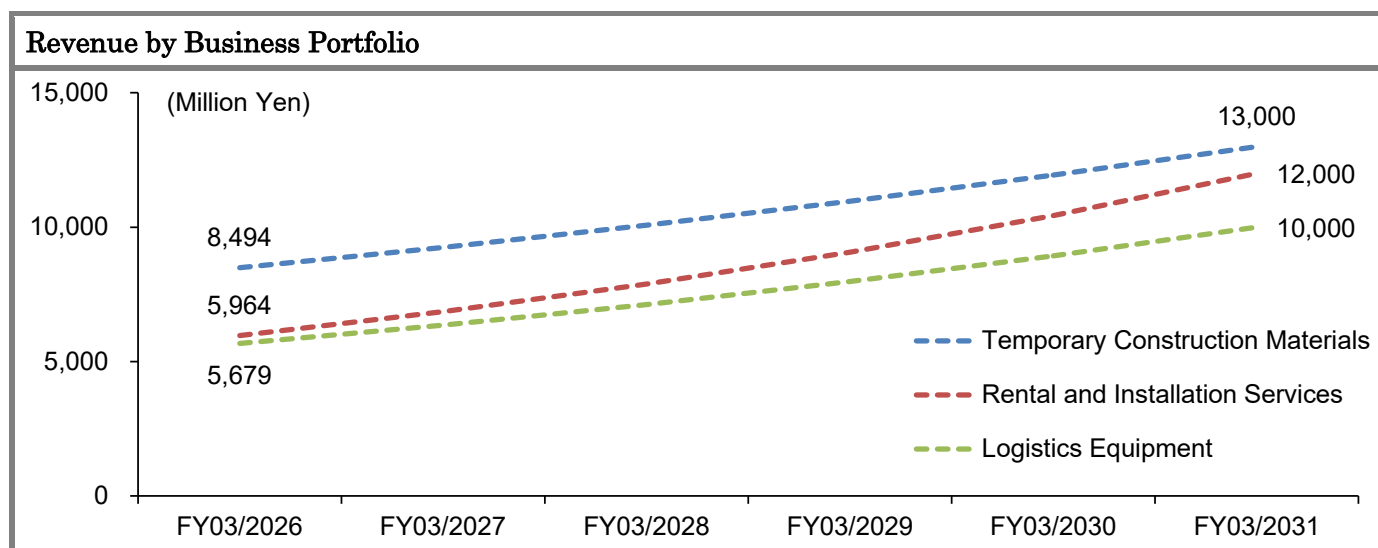
Source: Company data; calculations by WRJ

ROE Target (12.0% or Higher)

The Company positions the strengthening of its management foundation with an emphasis on capital efficiency as one of its key themes, in addition to business growth. Specifically, the Company plans to improve ROE by enhancing earnings power through steady execution of its business strategy, development and investment in growth fields and strengthening its management foundation with an emphasis on capital efficiency. The Company has also referred to the early achievement of PBR above 1.0x. To improve PBR, the Company plans to enhance earnings power through sustainable revenue and profit growth, strengthen its management foundation with an emphasis on capital efficiency and continue dialogue with investors. In other words, under the new medium-term management plan, the Company has indicated a direction of aiming to achieve ROE of 12.0% or higher through improved capital efficiency and the early achievement of PBR above 1.0x, in parallel with the expansion of revenue and profit.

Strengthening Management Foundation with an Emphasis on Capital Efficiency

To strengthen its management foundation with an emphasis on capital efficiency, the Company plans to pursue growth investments and shareholder returns in parallel, while taking into account operating cash flow and financial soundness. During the period of the new medium-term management plan, the Company plans to make growth investments of ¥6,000m-¥9,000m, consisting of ¥4,000m-¥6,000m for M&A, ¥1,200m for rental asset investment, ¥500m-¥1,000m for capital and renewal investment and ¥500m-¥1,000m for DX, R&D and human capital investment. Meanwhile, regarding shareholder returns, the Company plans to continue a progressive dividend with an annual dividend of ¥32.0 as the lower limit. It also plans to flexibly consider share buybacks when this contributes to improving capital efficiency, while taking into account the balance with growth investments. In other words, the Company plans to improve capital efficiency by combining stable dividends with flexible share buybacks, while prioritizing growth investments aimed at business expansion.



Source: Company data

Revenue by Business Portfolio

Under the new medium-term management plan, the composition of revenue toward FY03/2031 is shown by business portfolio. Revenue by business portfolio here indicates the revenue composition by business domain that the Company aims to achieve, and three categories have been set as the quantitative targets under the medium-term management plan: Temporary Construction Materials, Rental and Installation Services and Logistics Equipment. The FY03/2026 retrospective figures by business portfolio under the new medium-term management plan are ¥8,494m in Temporary Construction Materials, ¥5,964m in Rental and Installation Services and ¥5,679m in Logistics Equipment.

The main components of Temporary Construction Materials under the previous segment results are “Wedge Binding Type Scaffoldings” (revenue from product sales) and “Installation & Rental Services” (service revenue). Meanwhile, in revenue by business portfolio under the new medium-term management plan, the domain corresponding to “Installation & Rental Services” (service revenue) appears to have been carved out as Rental and Installation Services. For this reason, the FY03/2026 results by business portfolio are based on a different classification basis from the FY03/2026 segment results already mentioned.

The Company aims to evolve into a provider of total solutions for construction and logistics sites with installation and rental functions, while building on its traditional manufacturing and sales foundation, and aims to establish Temporary Construction Materials, Rental and Installation Services, Logistics Equipment and new domains as the four pillars of its business. Of these, new domains are not included in the quantitative targets of the medium-term management plan. Therefore, the revenue target of ¥35,000m toward FY03/2031 does not factor in additional contributions from new domains, and is a plan comprising the three categories of Temporary Construction Materials, Rental and Installation Services and Logistics Equipment. New domains are described as “currently under development.”

Change in Business Structure

Toward FY03/2031, the composition targeted is revenue of ¥13,000m in Temporary Construction Materials, ¥12,000m in Rental and Installation Services and ¥10,000m in Logistics Equipment. Compared with the retrospective results for FY03/2026, the increase is ¥4,506m in Temporary Construction Materials, ¥6,036m in Rental and Installation Services and ¥4,321m in Logistics Equipment, meaning that Rental and Installation Services is the largest contributor to revenue growth. In addition, the CAGR for revenue from FY03/2026 to FY03/2031 is 8.9% in Temporary Construction Materials, 15.0% in Rental and Installation Services and 12.0% in Logistics Equipment. Compared with the Company's revenue CAGR of 11.7%, the growth rates of Rental and Installation Services and Logistics Equipment are relatively high, and Rental and Installation Services, in particular, will drive the change in the business portfolio in terms of both the amount of revenue increase and the growth rate.

In other words, the new medium-term management plan indicates a direction of expanding the business domain by strengthening installation and rental functions and expanding Logistics Equipment, while building on the traditional manufacturing and sales of temporary construction materials. While Temporary Construction Materials accounts for the largest share of revenue, the expansion of Rental and Installation Services means that the Company's business domain is planned to broaden into service areas including installation support at construction sites and support for the use of materials, while continuing to build on the sale and supply of products as its foundation. Logistics Equipment is a domain that supplies products related to logistics, storage and transportation to diverse industries, and is expected to capture demand for larger logistics facilities, labor-saving and automation, and greater work efficiency. Therefore, the new medium-term management plan appears to indicate a direction of broadening target markets and earnings opportunities through the expansion of Logistics Equipment, in addition to businesses for construction sites based on temporary construction materials.

Expansion of Rental and Installation Services

Rental and Installation Services is the domain expected to have the highest growth rate under the new medium-term management plan. Toward FY03/2031, the Company plans to expand revenue from the retrospective FY03/2026 result of ¥5,964m to ¥12,000m, representing a level that is broadly a doubling over five years. As already noted, this segment appears to have been carved out from the domain corresponding to "Installation & Rental Services" (service revenue) under the previous segment results. Based on this, the expansion of this segment can be viewed as a move to position rental and installation services as an independent growth domain, in addition to the traditional manufacturing and sales of temporary construction materials.

On the customer side, there is an ongoing shift from owning temporary construction materials in-house to using the necessary materials only for the required period. The Company plans to strengthen its structure for proposing the supply of materials, rentals and installation on an integrated basis, by leveraging its strengths in having both manufacturer and rental functions. This is expected to reduce the burden on customers related to materials procurement, storage and installation arrangements, while also expanding opportunities for the Company to continuously capture service demand related to installation and rentals, in addition to product sales.

The expansion of installation functions also means broadening involvement from a business model that ends with product sales into areas closer to solving issues at construction sites. At construction sites, needs for labor-saving due to labor shortages, rising requirements for safety and demand for shorter construction periods are increasing. The Company plans to expand its in-house installation structure and broaden the areas in which it can provide installation services by utilizing Group locations, and through these initiatives, it is expected to strengthen a proposal-based business structure combining products, rentals and installation.

Positioning of Temporary Construction Materials

Temporary Construction Materials is the core domain that accounts for the largest revenue under the new medium-term management plan. Toward FY03/2031, the Company plans to expand revenue from the retrospective FY03/2026 result of ¥8,494m to ¥13,000m. Under the previous segment results, the main part of revenue in Temporary Construction Materials comprised “Wedge Binding Type Scaffoldings” (revenue from product sales) and “Installation & Rental Services” (service revenue). Meanwhile, in revenue by business portfolio under the new medium-term management plan, the domain corresponding to “Installation & Rental Services” (service revenue) appears to have been carved out as Rental and Installation Services. For this reason, Temporary Construction Materials here appears to be positioned as a business domain centered on revenue from product sales, including system scaffolding such as “Wedge Binding Type Scaffoldings.”

In Temporary Construction Materials, the Company sees the expansion of maintenance and repair demand associated with the aging of social infrastructure, labor-saving needs due to labor shortages and rising requirements for safety as business opportunities. The Company plans to provide high-quality system scaffolding with strong safety and ease of installation, strengthen proposals for the infrastructure and maintenance fields, develop lighter-weight products that are easier to install and promote the spread of high-value-added products and services. These initiatives are aimed at enhancing the competitiveness of temporary construction materials themselves, while also serving as the product foundation supporting the expansion of Rental and Installation Services.

In other words, Temporary Construction Materials is both a domain that expands revenue on a standalone basis and a core area that supports the expansion of Rental and Installation Services. Product development, quality control and supply structures accumulated through manufacturing and sales form the foundation for making proposals that combine rentals and installation. For this reason, the Company’s business structure under the new medium-term management plan is moving toward integrated strengthening of product supply and on-site services by expanding Rental and Installation Services while building on Temporary Construction Materials as its foundation.

Expansion of Logistics Equipment

In Logistics Equipment, the Company plans to expand revenue from the retrospective FY03/2026 result of ¥5,679m to ¥10,000m toward FY03/2031. The CAGR is 12.0%, slightly above the Company's revenue CAGR of 11.7%. Logistics Equipment is a domain that supplies products related to logistics, storage and transportation to diverse industries, unlike temporary construction materials and installation and rental services for construction sites. Therefore, the expansion of this segment is positioned as a move to expand the supply of products related to logistics, storage and transportation to industrial fields different from Temporary Construction Materials and Rental and Installation Services.

In Logistics Equipment, the Company plans to strengthen product development and proposal capabilities according to customer applications, against the backdrop of demand for larger logistics facilities, labor-saving and automation, and greater work efficiency. In addition to improving existing products and developing new products, the Company is expected to broaden the range of manufacturing technologies within the Group, which has centered on steel machining, by utilizing the aluminum machining technology of OHTORIKINZOKU KOGYO. Through this, the Company plans to enhance its product response capabilities according to customer needs and capture demand related to logistics, storage and transportation.

Logistics Equipment also has a role in broadening the Company's earnings opportunities, as it has different customer segments and applications from Temporary Construction Materials and Rental and Installation Services. By expanding Logistics Equipment in addition to Temporary Construction Materials and Rental and Installation Services, the Company will broaden its scope for capturing demand related to logistics, storage and transportation for diverse industries, not only construction-related domains. The expansion of Logistics Equipment under the new medium-term management plan can be positioned as indicating this broadening of target markets.

5.0 Financial Statements

Statement of Profit or Loss

Statement of Profit or Loss	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
(Million Yen)	FY	FY	FY	FY	FY	FY	YoY
	03/2022	03/2023	03/2024	03/2025	03/2026	03/2027	Net Chg.
Revenue	16,063	14,757	12,678	17,503	20,138	22,000	+1,861
Cost of revenue	11,941	11,257	9,880	13,084	14,704	-	-
Gross profit	4,122	3,499	2,797	4,418	5,433	-	-
SG&A expenses	1,978	1,959	2,078	2,763	3,217	-	-
Other income & expenses (on a net basis)	(7)	(38)	(19)	(32)	271	-	-
Operating profit	2,135	1,501	700	1,622	2,488	2,520	+31
Financial income & costs (net)	(71)	(67)	(47)	(123)	(174)	(160)	+14
Profit before tax	2,063	1,434	652	1,498	2,313	2,360	+46
Income tax expenses	651	448	241	525	597	760	+162
Profit	1,411	985	411	972	1,715	1,600	(115)
Profit attributable to owners of parent	1,452	1,007	409	975	1,718	1,600	(118)
Profit attributable to non-controlling interests	(40)	(21)	1	(2)	(2)	-	-
Profit attributable to owners of parent	1,452	1,007	409	975	1,718	1,600	(118)
Revenue YoY	+15.7%	(8.1%)	(14.1%)	+38.1%	+15.1%	+9.2%	-
Operating profit YoY	+15.3%	(29.7%)	(53.4%)	+131.7%	+53.4%	+1.3%	-
Profit before tax YoY	+15.7%	(30.5%)	(54.5%)	+129.6%	+54.4%	+2.0%	-
Profit YoY	+13.6%	(30.2%)	(58.3%)	+136.7%	+76.4%	(6.7%)	-
Profit attributable to owners of parent YoY	+17.9%	(30.6%)	(59.3%)	+138.0%	+76.2%	(6.9%)	-
Gross profit margin	25.7%	23.7%	22.1%	25.2%	27.0%	-	-
SG&A ratio	12.3%	13.3%	16.4%	15.8%	16.0%	-	-
Operating profit margin	13.3%	10.2%	5.5%	9.3%	12.4%	11.5%	(0.9%)
Profit before tax margin	12.8%	9.7%	5.1%	8.6%	11.5%	10.7%	(0.8%)
Profit margin	8.8%	6.7%	3.2%	5.6%	8.5%	7.3%	(1.2%)
Profit attributable to owners of parent margin	9.0%	6.8%	3.2%	5.6%	8.5%	7.3%	(1.3%)
Corporate Tax Rate	31.6%	31.3%	37.0%	35.1%	25.8%	32.2%	6.4%

Source: Company data; calculations by WRJ

Per Share Data

Per Share Data	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
(Before Adjustments for Split)	FY	FY	FY	FY	FY	FY	YoY
(Yen)	03/2022	03/2023	03/2024	03/2025	03/2026	03/2027	Net Chg.
No. of Shares FY End (thousand shares)	14,103	14,103	14,103	14,103	14,103	-	-
Net Profit / EPS (thousand Shares)	13,789	13,902	13,906	13,895	13,612	-	-
Treasury Shares FY End (thousand shares)	207	193	193	180	544	-	-
Basic Earnings per Share	105.36	72.49	29.46	70.17	126.24	117.55	-
Diluted Earnings per Share	105.35	72.49	-	-	-	-	-
Book Value per Share	1,088.87	1,117.56	1,100.69	1,137.85	1,247.22	-	-
Dividend per Share	43.00	32.00	32.00	32.00	34.00	36.00	-
Per Share Data	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
(After Adjustments for Split)	FY	FY	FY	FY	FY	FY	YoY
(Yen)	03/2022	03/2023	03/2024	03/2025	03/2026	03/2027	Net Chg.
Share Split Factor	1	1	1	1	1	1	-
Basic Earnings per Share	105.36	72.49	29.46	70.17	126.24	117.55	-
Book Value per Share	1,088.87	1,117.56	1,100.69	1,137.85	1,247.22	-	-
Dividend per Share	43.00	32.00	32.00	32.00	34.00	36.00	-
Payout Ratio	40.8%	44.1%	108.6%	45.6%	26.9%	30.8%	-

Source: Company data; calculations by WRJ

Revenue by Division

Revenue by Business Division	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
(Million Yen)	FY	FY	FY	FY	FY	FY	YoY
	03/2022	03/2023	03/2024	03/2025	03/2026	03/2027	Net Chg.
Wedge Binding Type Scaffoldings	7,411	5,866	4,970	4,918	5,289	-	-
Next Generation Scaffoldings	2,220	1,713	1,434	1,165	1,151	-	-
Installation & Rental Services	-	-	1,075	4,943	5,964	-	-
Other Products	-	-	1,359	1,368	1,452	-	-
Other	-	-	141	632	601	-	-
Temporary Construction Materials	12,425	10,391	8,981	13,028	14,458	-	-
Logistics Equipment	3,637	4,365	3,697	4,474	5,679	-	-
Revenue	16,063	14,757	12,678	17,503	20,138	22,000	+1,861
Wedge Binding Type Scaffoldings	+27.3%	(20.8%)	(15.3%)	(1.0%)	+7.5%	-	-
Next Generation Scaffoldings	+23.5%	(22.8%)	(16.3%)	(18.8%)	(1.2%)	-	-
Installation & Rental Services	-	-	-	+359.8%	+20.7%	-	-
Other Products	-	-	-	+0.7%	+6.1%	-	-
Other	-	-	-	+347.1%	(4.9%)	-	-
Temporary Construction Materials	+14.9%	(16.4%)	(13.6%)	+45.1%	+11.0%	-	-
Logistics Equipment	+18.6%	+20.0%	(15.3%)	+21.0%	+26.9%	-	-
Revenue (YoY)	+15.7%	(8.1%)	(14.1%)	+38.1%	+15.1%	+9.2%	-
Wedge Binding Type Scaffoldings	46.1%	39.8%	39.2%	28.1%	26.3%	-	-
Next Generation Scaffoldings	13.8%	11.6%	11.3%	6.7%	5.7%	-	-
Installation & Rental Services	0.0%	0.0%	8.5%	28.2%	29.6%	-	-
Other Products	-	-	10.7%	7.8%	7.2%	-	-
Other	-	-	1.1%	3.6%	3.0%	-	-
Temporary Construction Materials	77.4%	70.4%	70.8%	74.4%	71.8%	-	-
Logistics Equipment	22.6%	29.6%	29.2%	25.6%	28.2%	-	-
Revenue (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-

Source: Company data; calculations by WRJ

Statement of Cash Flows

Statement of Cash Flows	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
(Million Yen)	FY	FY	FY	FY	FY	FY	YoY
	03/2022	03/2023	03/2024	03/2025	03/2026	03/2027	Net Chg.
Cash flows from operating activities	835	686	1,973	848	2,319	-	-
Cash flows from investing activities	(817)	(659)	(626)	(4,318)	(1,156)	-	-
Cash flows from operating and investing activities	18	26	1,347	(3,469)	1,162	-	-
Cash flows from financing activities	(1,306)	(1,424)	(1,569)	4,536	(1,115)	-	-

Source: Company data; calculations by WRJ

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
	03/2022	03/2023	03/2024	03/2025	03/2026	03/2027	Net Chg.
Cash and cash equivalents	3,460	2,063	1,843	2,908	2,957	-	-
Trade and other receivables	2,759	2,450	2,225	4,410	3,319	-	-
Inventories	2,467	3,406	3,182	2,439	3,124	-	-
Other	393	41	39	118	323	-	-
Total current assets	9,081	7,962	7,291	9,876	9,725	-	-
Property, plant and equipment	2,450	2,403	2,488	5,163	6,606	-	-
Right-of-use assets	324	240	204	993	1,075	-	-
Goodwill	9,221	9,221	9,221	12,264	12,284	-	-
Intangible assets	1,371	1,387	1,352	1,438	1,404	-	-
Other	66	79	117	230	888	-	-
Total non-current assets	13,434	13,332	13,384	20,090	22,259	-	-
Total assets	22,515	21,294	20,675	29,967	31,984	-	-
Trade and other payables	1,192	664	1,045	1,603	1,571	-	-
Borrowings	1,622	4,242	1,490	4,589	5,024	-	-
Corporate bonds	-	-	-	-	8	-	-
Other	737	335	407	500	998	-	-
Total current liabilities	3,552	5,241	2,943	6,693	7,595	-	-
Corporate bonds	-	-	-	-	33	-	-
Borrowings	3,234	-	1,963	5,897	5,649	-	-
Other	569	501	449	1,530	1,828	-	-
Total non-current liabilities	3,804	501	2,413	7,427	7,477	-	-
Total liabilities	7,357	5,742	5,357	14,121	15,073	-	-
Total equity attributable to owners of parent	15,130	15,545	15,310	15,841	16,910	-	-
Other	27	6	8	5	-	-	-
Total equity	15,158	15,552	15,318	15,846	16,910	-	-
Total liabilities and equity	22,515	21,294	20,675	29,967	31,984	-	-
Equity attributable to owners of parent	15,130	15,545	15,310	15,841	16,910	-	-
Interest-bearing debt	4,857	4,242	3,454	10,487	10,716	-	-
Net debt	1,397	2,178	1,611	7,578	7,759	-	-
Equity ratio	67.2%	73.0%	74.0%	52.9%	52.9%	-	-
Net debt-to-equity ratio	9.2%	14.0%	10.5%	47.8%	45.9%	-	-
ROE (12 months)	9.8%	6.6%	2.7%	6.3%	10.5%	-	-
ROA (12 months)	9.2%	6.5%	3.1%	5.9%	7.5%	-	-
Days for inventory turnover	75	110	118	68	78	-	-
Quick ratio	175%	86%	138%	109%	83%	-	-
Current ratio	256%	152%	248%	148%	128%	-	-

Source: Company data; calculations by WRJ

Disclaimer

The information presented herein has been compiled in report format by Walden Research Japan, which has summarized the “IR information” disclosed by the subject company from a neutral and professional standpoint. “IR information” refers specifically to: (1) the content of one-on-one interviews conducted with the Company by us, (2) briefings for institutional investors, (3) timely disclosure materials and (4) information published on the Company’s website.

Company Name: Walden Research Japan Incorporated

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

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

Email: info@walden.co.jp

Tel: +81-3-3553-3769
