

TOW (4767)

Consolidated Fiscal Year (Million Yen)	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY06/2022	11,134	883	924	598	13.22	14.00	231.21
FY06/2023	11,774	1,150	1,178	355	8.61	14.40	208.86
FY06/2024CoE	14,000	1,370	1,400	915	22.74	14.00	-
FY06/2023	YoY	5.8%	30.2%	27.5%	(40.6%)	-	-
FY06/2024CoE	YoY	18.9%	19.1%	18.7%	157.4%	-	-
Consolidated Quarter (Million Yen)	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 FY06/2023	2,698	150	164	(328)	-	-	-
Q2 FY06/2023	3,694	513	513	344	-	-	-
Q3 FY06/2023	2,572	191	206	134	-	-	-
Q4 FY06/2023	2,809	294	295	204	-	-	-
Q1 FY06/2024	3,793	375	390	248	-	-	-
Q1 FY06/2024	YoY	40.6%	149.7%	138.0%	-	-	-

Source: Company Data, WRJ Calculation

1.0 Executive Summary (10 January 2024)


On Track

TOW, which dedicates to planning and producing of integrated promotions with a strong experiential focus, is on track to achieve a recovery in its performance after the Corona disaster. With respect to the performance for FY06/2024, the Company saw both sales and earnings substantially increased over the same period of the previous year for the actual results of Q1 (July to September), which is expected to be followed by an acceleration in sales growth rate and operating profit margin rising up to 14.4% for Q2 (October to December). The Company suggests that it is steadily capturing recovering demand on the mainstay Real-World Events side. The long-restrained socioeconomic & living activities, which had been halted in the aftermath of the Corona disaster, are now being revitalized and the same trend can be seen in real-world events such as street promotions and exhibitions. When the Company announces the results for Q1 to Q2 (July to December), scheduled for 8 February 2024, it plans to disclose its forecasts for H2 (January to June), taking into account recent trading as well as reconsidering the levels of investment budget associated with its measures to integrate existing real-world events and online promotions to have been fostered for some time, which is expected to enhance the Company's growth potential from a long-term perspective.

IR Representative: Takehito Masumori, Director / Executive Officer (211masumori@tow.co.jp)

2.0 Company Profile

Planning and Producing of Integrated Promotions with a Strong Experiential Focus

Company Name	TOW CO., Ltd. Company HP IR Information (Japanese) Share Price (Japanese) 
Established	6 July 1976
Listing	20 October 2023: Tokyo Stock Exchange Standard Market (ticker: 4767) 4 April 2022: Tokyo Stock Exchange Prime Market 25 June 2008: Tokyo Stock Exchange 1st section 25 June 2007: Tokyo Stock Exchange 2nd section 13 July 2000: JASDAQ
Capital	¥948m (as of the end of September 2023)
No. of Shares	48,969,096 shares, including 8,709,752 treasury shares (as of the end of Sep.2023)
Main Features	<ul style="list-style-type: none"> ● Major clients: the leading ad firms, i.e., Dentsu and Hakuhodo ● Producing events and contents with own planning ● Designing results on the experience horizon such as video, social media, etc.
Segment	I . “Analysis & Research”, “Planning of Strategy & Formulation of Concept”, “Proposal of Planning”, “Implementing & Producing” and “Verification of Effectiveness” for Events and Promotions, as well as other related operations
Representative	Representative Director and President: Kenichi Muratsu
Shareholders	Master Trust Bank of Japan, T. 13.20%, Katsuji Maki 9.79%, BBH Fidelity LowPriced Stock F. 5.97%, Custody Bank of Japan, T. 3.88% (as of the end of June 2023, but for treasury shares)
Head Office	Minato-ku, Tokyo, JAPAN
No. of Personnel	Consolidated: 238, Parent: 179 (as of the end of September 2023)

Source: Company Data

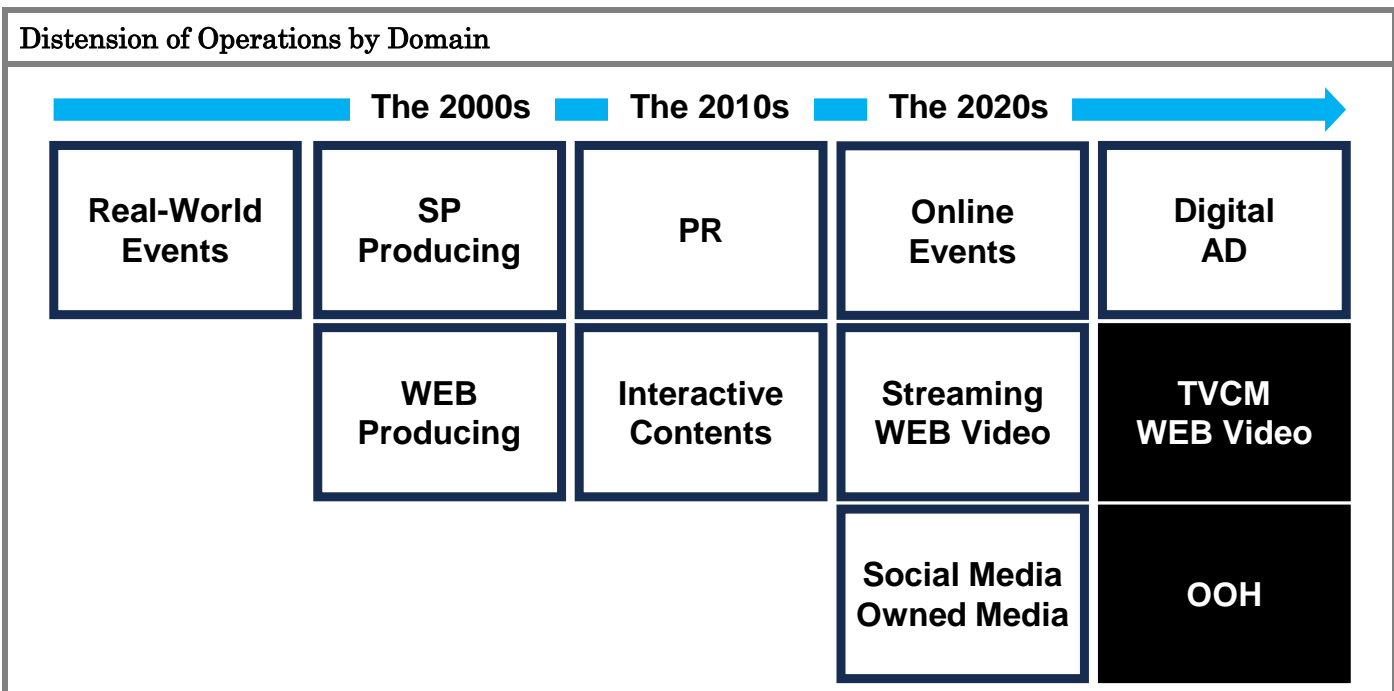
3.0 Purpose

Creating Experiences of New Era

The Company, which dedicates to planning and producing of integrated promotions with a strong experiential focus with the key objective of promoting advertisers' marketing activities, strives to maximize advertisers' satisfaction by ensuring that each project is always fully tailored to their needs as well as deliver results or "design results on the experience horizon," according to the Company. In February 2022, the Company has run up "Creating Experiences of New Era" as Purpose, going "No matter how much the times change, as long as a connection between individuals exists, *experiences* will freely change their forms and roles, accompanying people (who pursue enrichment and self-realization via consumption) as well as society, moving people's hearts and bodies. We will continue to deliver excitement, empathy and inspiration to people by creating *experiences* through a variety of real and digital means."

In order to realize Purpose, the Company has set AI and Environment as themes to be strengthened, while consistently distending the contents of operations to be integrated by means of getting domains of operations distended. As is well known, AI is a technology that will fundamentally transform society and industry, which makes it essential for the Company to actively involve with in order to see a sustainable growth in these uncertain times. In light of the growing awareness on ESG and SDGs in recent years, the same applies to Environment as well. The Company's sustainability policy is "to become a company that grows sustainably via the experiences created by each and every employee and by facing corporate and social challenges." In other words, "human resources," "compliance," "contribution to society" and "future potential of experiences" are identified as materialities (important issues to be addressed as a priority).

Meanwhile, the Company runs operations of sales activities mainly to the leading ad firms, i.e., Dentsu and Hakuhodo or the key direct clients, including their subsidiaries, where the Company's sales representatives speak to their counterparties in charge of creations of ads, materials for ads, etc. as well as those of being in charge of planning with an objective of appealing the Company's high capability of planning, while propelling the operations of residing in as outsourced personnel at the same time. In other words, the Company dispatches own personnel of planning and/or producing to the clients to reside in on a contract basis and all those personnel are directly in charge of operations to solve problems at the end clients (advertisers).



Source: Company Data

In July 1976, the Company was established for planning and producing of real-world events such as projects to promote sales and/or concerts, while having entered the domain of SP producing (producing of flyers, posters, etc. to encourage consumers to purchase specific products) as well as WEB producing in the 2000s. Then, in the 2010s, the Company has begun its involvements with online events and online promotions. With respect to online promotions, the Company has been keen on exploring and developing innovated domains such as contracted management of social media / owned media and digital AD (advertisements) in particular. In addition, the Company has entered TVCM (television commercials) / WEB video and OOH (Out of Home: a general term for advertisements placed on streets and mass transit systems) most recently.

Led by Kenichi Muratsu who has spent his entire career with the Company (born on 31 January 1977, joined in April 2000 and appointed as representative director in January 2022), the Company is dedicating itself to get at enlargement of corporate value from a long-term perspective. Meanwhile, given that it could be sometimes the case for share price and share turnover being determined by issues other than the results of the Company's efforts, it had been concluded that the Company was exposed to a risk of failing to fulfill criteria to maintain the listing on Prime Market, represented by market capitalization of tradable shares (¥12,153m as of the end of June 2023, according to the Company's estimates), which may constitute a limiting factor to the above-mentioned dedication.

Consequently, the Company made an announcement, on 15 September 2023, to apply for the listing on Standard Market as its choice ([URL of the document in Japanese](#)), which was followed by the actual listing change to Standard Market on 20 October 2023 in line with agenda. By the way, the Company suggests that the choice of the listing on Standard Market will contribute to the above-mentioned dedication in a respect that the other choice of the listing on Prime Market to continue will require itself to allocate expenses and/or resources more than now to do so.

Company History (extract)

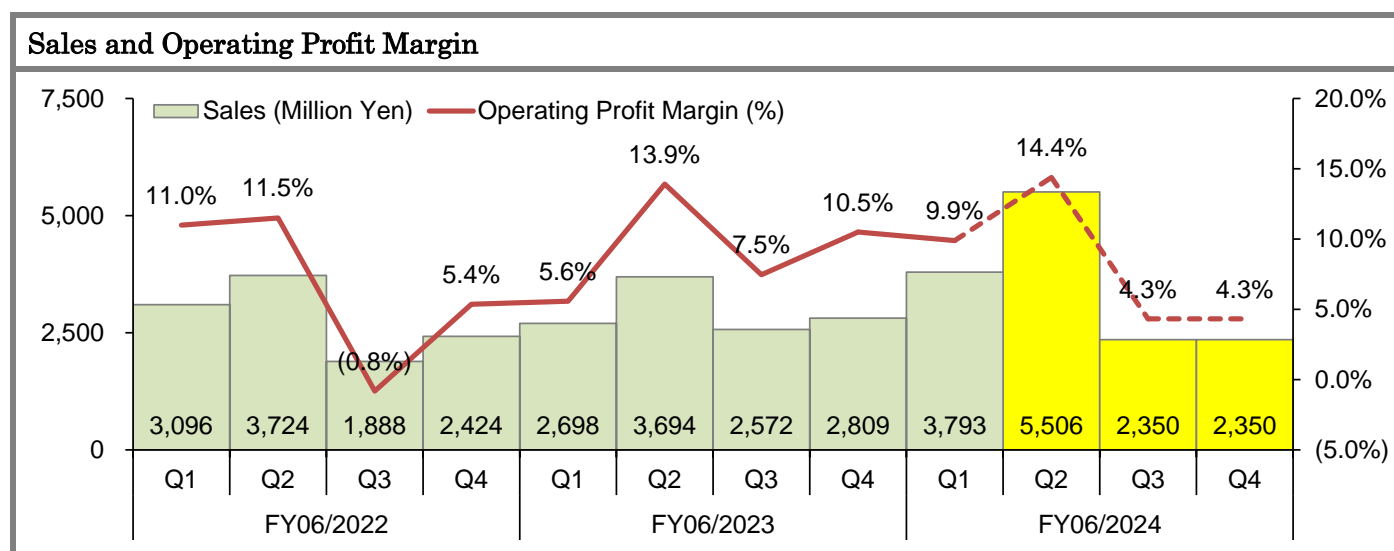
Date	Events
July 1976	TOW, established as limited private company (capital of ¥2m) in Chiyoda-ku, Tokyo with an objective of planning projects to promote sales and/or concerts, while Osamu Kawamura appointed as representative director
January 1981	Order placed from Hakuhodo on a project of campaign for the launch of Sony's WALKMAN, having resulted in the startup for ongoing business with Hakuhodo
March 1989	TOW (limited private company), reorganized as TOW CO., Ltd. (capital of ¥5m)
March 1989	Head office, relocated to Maruman Roppongi Bldg., 3-4-33 Roppongi, Minato-ku, Tokyo
June 1993	Sales activities, implemented extensively for Hakuhodo PROS, Dentsu, Tokyu Agency, Asatsu, Yomiuri Advertising, Daiko Advertising, Asahi Advertising, McCann Erickson Japan, Toppan Printing, JR East Marketing & Communications etc. on top of various departments and agencies with Hakuhodo
April 1996	Osaka branch office, opened to begin sales activities in the Kansai region in earnest
August 1996	Registered as a specified construction business (interior finishing business: registered with the Governor of Tokyo)
February 1998	Contracted to operate the torch relay for the Nagano Winter Olympics in the Kanto region and the Hakuba venue booth for official sponsor Coca-Cola Japan
August 1998	Contracted to be in charge of planning and operations of the opening ceremonies for the Summer National Athletic Meet and the Fall National Athletic Meet
July 2000	Registered as an over-the-counter company with Japan Securities Dealers Association, being the first out of event producing companies
December 2000	ISO 14001 certification, obtained
January 2001	The TOW Event Planner's School, launched
May 2001	Head office, relocated to Toranomom 17 Mori Bldg., 1-26-5 Toranomom, Minato-ku, Tokyo
January 2002	A business and capital tie-up with Korea-based Uniwan Communications, formed
March 2002	T2 Creative, established as a wholly owned consolidated subsidiary
November 2004	ISMS (Information Security Management System) certification, obtained
December 2004	Over-the-counter registration with Japan Securities Dealers Association, canceled and shares listed on JASDAQ
March 2005	Contracted to be in charge of planning, staging and operations for various pavilions at Expo 2005 Aichi, Japan
July 2005	Nagoya branch office, opened to begin sales activities in the Tokai region in earnest
August 2005	P Mark (Privacy Mark) certification, acquired
November 2005	Exclusive rights to market the new Free Format video technology at events as well as exclusive execution (producing) rights for all implementation work in Japan, acquired from viZoo
June 2007	Listed on Tokyo Stock Exchange 2nd section
June 2008	Listing on Tokyo Stock Exchange 1st section
May 2009	Head office, relocated to Kamiyacho Central Place, 4-3-13 Toranomom, Minato-ku, Tokyo (currently, Hulic Kamiyacho Bldg.)

February 2010	A business and capital alliance with J-COM Holdings (currently, LIKE), formed
November 2014	TOW Interactive Promotional School, launched
July 2015	A new project TOWAC, a buzz-worthy event in business partnership with KAYAC, launched
September 2015	Transitioned to a company with an audit committee system
February 2016	A new project PR Motions in business alliance with Material, launched
October 2016	Kansai branch office, relocated to 1-4-4 Dojimahama, Kita-ku, Osaka
July 2017	Experience Design Division, established
September 2019	TOW×T2 Creative e-Sports Unit TTe, a team specializing in e-Sports that realizes integrated producing of event staging and streaming, established
January 2020	Michihiro Akimoto, appointed as representative director and president, while Kenichi Muratsu as representative director and vice president
June 2020	Provision of TOW Online Event Package to extend the value of experiences in the age of digital platforms, began
February 2021	A business alliance with Digital Identity, a digital marketing company, formed
February 2021	A business alliance with Inclusive, a media management company, formed
May 2021	Experience Design Engine, a result analysis tool to utilize collective knowledge of data on promotion results, developed
May 2021	Provision of Promotion DX Package, a new service to pursue results by applying DX technology on customer experiences, began
July 2021	Social Media Group and Customer Experience Marketing Office, established within Experience Design Division, established to expand domains of operations
July 2021	TOW Group Kamiyacho Studio, opened
January 2022	Kenichi Muratsu, appointed as representative director and president
February 2022	PLAY LAB project, a co-creation partner program in game promotions, launched
February 2022	Purpose of Creating Experiences of New Era, established
April 2022	Transition from Tokyo Stock Exchange 1st section to Prime Market, implemented due to a change in the market segmentation by the Exchange
September 2022	Founder and executive board chairperson Osamu Kawamura as well as founder and executive board vice chairperson Michihiro Akimoto, retired due to expiration of their terms of office
October 2023	Transition to Standard Market

4.0 Recent Trading and Prospects

Q1 FY06/2024

For Q1 (July to September) results of FY06/2024, sales came in at ¥3,793m (up 40.6% YoY), operating profit ¥375m (up 149.7%), recurring profit ¥390m (up 138.0%) and profit attributable to owners of parent ¥248m (versus minus ¥327m during the same period of the previous year). The Company saw a major improvement at the extraordinary level, as the payment of special career achievement bonus of ¥647m, recorded during the same period of the previous year, did not reappear.



Source: Company Data, WRJ Calculation (Q3 and Q4 FY06/2024: H2 Company forecasts, pro rata)

On 18 December 2023, meanwhile, the Company revealed that it had revised up its Company forecasts for Q1 to Q2 (July to December) of FY06/2024 by means of making an announcement ([URL of the document in Japanese](#)). Based on the above-mentioned results of Q1 (July to September), the Company is now going for prospective sales of ¥5,506m (up 49.0% YoY), operating profit of ¥791m (up 54.1%) and operating profit margin of 14.4% (up 0.5% points) for Q2 (October to December). Still, full-year Company forecasts have remained unchanged, superficially implying a downward revision for H2 (January to June), but full-year Company forecasts are in fact “currently under detailed examination”, according to the Company, while it is suggested that a revision for full-year Company forecasts will be made, when the Company announces the results for Q1 to Q2 (July to December), scheduled for 8 February 2024. At this stage, revised forecasts for H2 (January to June) will be revealed.

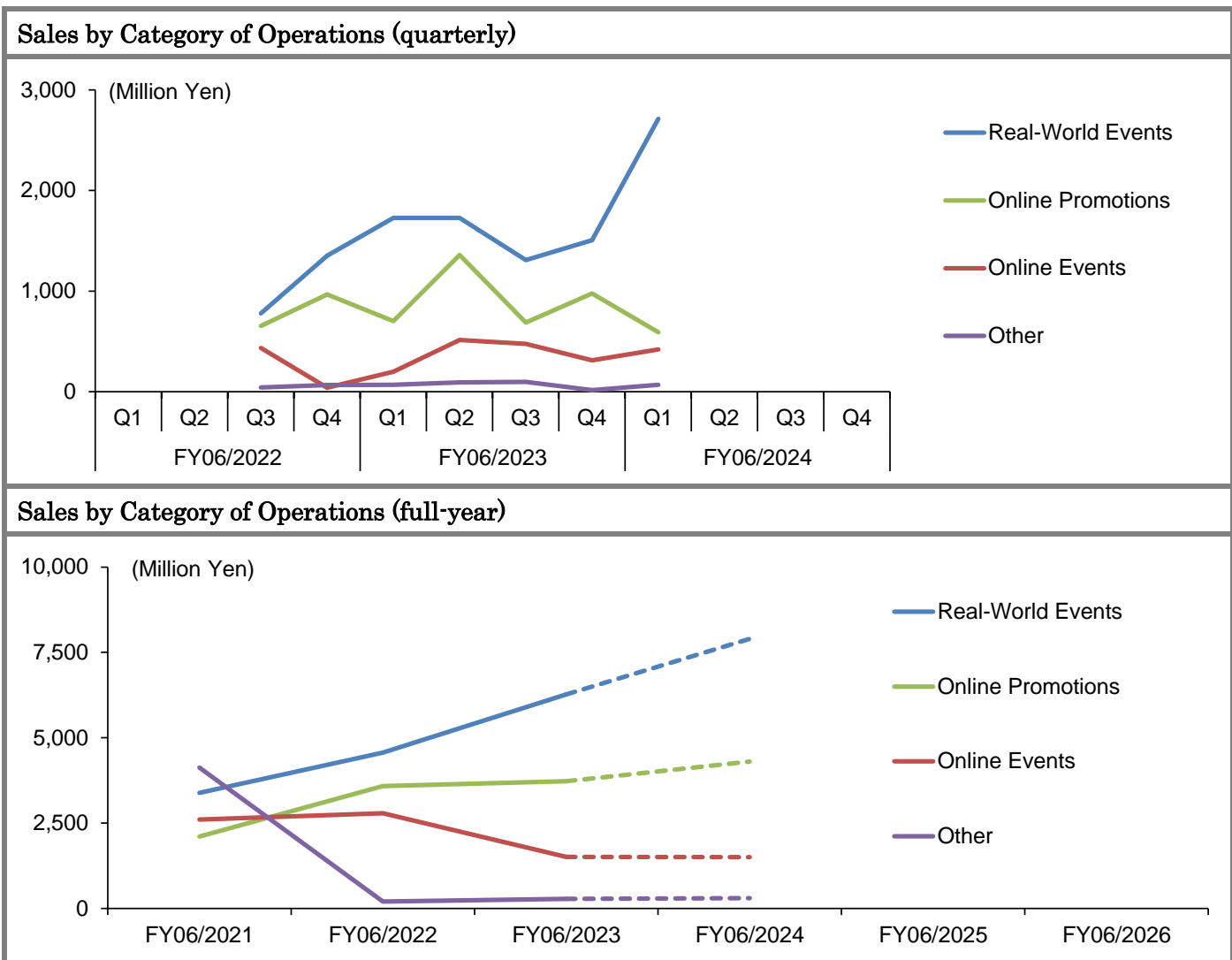
For Q1 to Q2 (July to December), Company forecasts, announced on 18 December 2023, are going for prospective sales of ¥9,300m (up 45.5% YoY), operating profit of ¥1,167m (up 75.8%) and operating profit margin of 12.5% (up 2.2% points). Compared with initial Company forecasts, announced on 9 August 2023, prospective sales have been revised up by ¥1,337m (16.8%) and operating profit ¥210m (22.1%). Sales on the mainstay Real-World Events side have been running ahead of assumptions of initial Company forecasts, which appears to have generated the bulk of the overshoots. The long-restrained socioeconomic & living activities, that had been halted in the aftermath of the Corona disaster, are now being revitalized and the same trend can be seen in real-world events such as street promotions and exhibitions, which was assumed in the first place, while the thing is the impact stemming from here is now turning out being rather larger than initially assumed.

FY06/2024 initial Company forecasts, announced on 9 August 2023, have remained unchanged, going for prospective sales of ¥14,000m (up 18.9% YoY), operating profit of ¥1,370m (up 19.1%), recurring profit of ¥1,400m (up 18.7%) and profit attributable to owners of parent of ¥915m (up 157.4%), while operating profit margin of 9.8% (up 0.0% point). Company forecasts have remained unchanged also for planned annual dividend, going for ¥14.00 per share, implying payout ratio of 61.6%.

FY06/2024 Company Forecasts

Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY06/2024CoE	9-Aug-23	Q4 Results	14,000	1,370	1,400	915
FY06/2024CoE	14-Nov-23	Q1 Results	14,000	1,370	1,400	915
FY06/2024CoE	18-Dec-23	Revision	14,000	1,370	1,400	915
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
FY06/2024CoE	9-Aug-23	Q4 Results	14,000	1,370	1,400	915
FY06/2024CoE	18-Dec-23	Revision	14,000	1,370	1,400	915
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY06/2024CoE	9-Aug-23	Q4 Results	7,962	956	970	637
Q1 to Q2 FY06/2024CoE	14-Nov-23	Q1 Results	7,962	956	970	637
Q1 to Q2 FY06/2024CoE	18-Dec-23	Revision	9,300	1,167	1,180	778
		Amount of Gap	1,337	210	209	140
		Rate of Gap	16.8%	22.1%	21.6%	22.1%
Q1 to Q2 FY06/2024CoE	9-Aug-23	Q4 Results	7,962	956	970	637
Q1 to Q2 FY06/2024CoE	18-Dec-23	Revision	9,300	1,167	1,180	778
		Amount of Gap	1,337	210	209	140
		Rate of Gap	16.8%	22.1%	21.6%	22.1%
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q3 to Q4 FY06/2024CoE	9-Aug-23	Q4 Results	6,038	414	430	278
Q3 to Q4 FY06/2024CoE	14-Nov-23	Q1 Results	6,038	414	430	278
Q3 to Q4 FY06/2024CoE	18-Dec-23	Revision	4,700	203	220	137
		Amount of Gap	(1,338)	(211)	(210)	(141)
		Rate of Gap	(22.2%)	(51.0%)	(48.8%)	(50.7%)
Q3 to Q4 FY06/2024CoE	9-Aug-23	Q4 Results	6,038	414	430	278
Q3 to Q4 FY06/2024CoE	18-Dec-23	Revision	4,700	203	220	137
		Amount of Gap	(1,338)	(211)	(210)	(141)
		Rate of Gap	(22.2%)	(51.0%)	(48.8%)	(50.7%)

Source: Company Data, WRJ Calculation



Source: Company Data

For Q1 (July to September), gross profit came in at ¥595m (up 57.6%) and SG&A expenses ¥219m (down 3.2%), implying gross profit margin of 15.7% (up 1.7% points) and SG&A ratio of 5.8% (down 2.6% points). As a result, operating profit margin came in at 9.9% (up 4.3% points). In response to surging sales, gross profit has also surged, while gross profit margin has improved due mainly to enhanced business alignment with a subsidiary in charge of producing events (lowered rate of exposure to outsourcing costs) and expanded fee-based operations to provide high added value, according to the Company.

Meanwhile, it is a temporary phenomenon that SG&A expenses have rather declined. Initial Company forecasts assume SG&A expenses of ¥885m (up 18.0%) on a full-year basis. In the actual results for Q1 (July to September), the Company noted that there was a delay in realization of investment budget (active contribution of expenses) for the Company's long-term growth. Meanwhile, it appears that there are no major changes in the trend for Q2 (October to December), but the Company is likely to put investment budget (active contribution of expenses) in execution on a full-fledged basis for H2 (January to June) in order to make progress in its measures to enhance planning and producing of integrated promotions with a strong experiential focus, mainly between real-world events and online promotions.

Real-World Events (71.5% of sales)

For FY06/2023, sales came in at ¥6,269m (up 37.4%), which was followed by sales of ¥2,712m (up 57.1%) for Q1 (July to September) of FY06/2024, having accounted for 71.5% of the Company's sales. Meanwhile, FY06/2024 initial Company forecasts are going for prospective sales of ¥7,900m (up 26.0%).

Marketing Activities on the Basis of Real-World Events



Experience-Based Promotion Events at Curbside on a National basis

REGENERATION by L'OCCITANE EN PRONENCE / SUNTORY, The Local Area Beer Ball Festival



Large-Scale Events and/or Exhibitions to be Held, The First in Four Years

TOKYO GAME SHOW / JAPAN MOBILITY SHOW



Events for Various Stakeholders to Disseminate Purpose and Strengthen Engagement

Events to disseminate purpose, awards ceremonies, events for clients, etc.

Source: Company Data

According to the Company's indications, the largest advertisers mainly comprising national brands of each industry sector, accounting for the bulk of the Company's sales, used to have a rather conservative attitude toward real-world events until recently, while the transition of COVID-19 to a category five infection (8 May 2023) has eventually led to an attitude initiative-taking enough to resume the events in earnest.

Nevertheless, for FY06/2023, the shift away from online events and back to real-world events made a progress, contingent to revitalization of socioeconomic & living activities. Meanwhile, for Q1 (July to September), when all those activities were in full swing, there were contributions from a large game-related exhibition and hands-on events, which appears to be followed by recording of sales for a large auto-related exhibition, which is being held for the first time in four years for Q2 (October to December).

Online Promotions (15.6% of sales)

For FY06/2023, sales came in at ¥3,723m (up 3.8%), which was followed by sales of ¥591m (down 15.6%) for Q1 (July to September) of FY06/2024, having accounted for 15.6% of the Company's sales. Meanwhile, FY06/2024 initial Company forecasts are going for prospective sales of ¥4,300m (up 15.5%).

Marketing Activities on the basis of Online Promotions



Campaigns to integrate Digital, Video, PR, etc.

Norton: Training by Quiz to Prevent Cyber Crime



Annual Promotions Aimed at Contribution to Corporate Activities with Digital Advertising as a Starting Point

ECOVACS: Robot Cleaner



Producing in Specialized Areas of Video and Social Media

SUNTORY: WEB CM on "Quercetin-Gold-Combined TOKUCHA" / Chupa Chups: Management of SNS / Milano Collection: SKY ART MUSEUM

Source: Company Data

For Q1 (July to September), inquiries for various online promotions such as social media, video promotions and digital advertising continued, but the slowdown in the growth of the digital advertising market had a greater impact, according to the Company. For Q2 (October to December), it appears that the trend of trading has made no significant changes.

Meanwhile, the Company suggests that the digital advertising market is undoubtedly slowing now, but its market share has remained fairly low to date and it is possible for the Company to increase its market share by strengthening its proposals to integrate with the existing real-world events, which is expected to drive sales of online promotions for the future.

Online Events (11.1% of sales)

For FY06/2023, sales came in at ¥1,504m (down 46.0%), which was followed by sales of ¥421m (up 110.4%) for Q1 (July to September) of FY06/2024, having accounted for 11.1% of the Company's sales. Meanwhile, FY06/2024 initial Company forecasts are going for prospective sales of ¥1,500m (down 0.3%).

For FY06/2023, there was a significant impact of the above-mentioned shift back to real-world events from online events, while contributions from large-scale events that generated sales in the previous year had run their course. Meanwhile, sales for Q1 (July to September) have risen sharply, attributable to a low level during the same period of the previous year and an increase in sales of hybrid events comprising those of real-world and online.

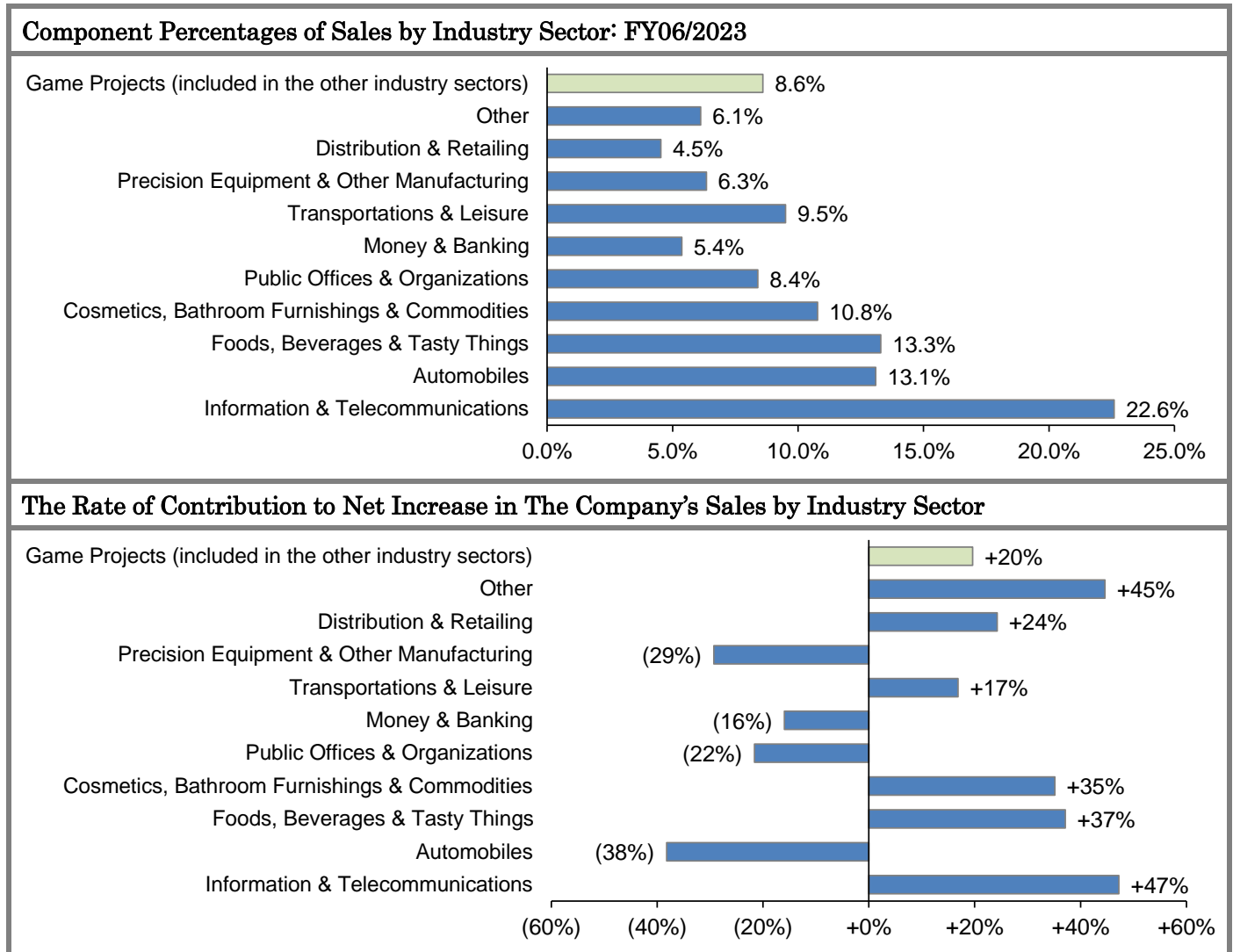
Other (1.8% of sales)

For FY06/2023, sales came in at ¥227m (up 40.3%), which was followed by sales of ¥68m (down 1.4%) for Q1 (July to September) of FY06/2024, having accounted for 1.8% of the Company's sales. Meanwhile, FY06/2024 initial Company forecasts are going for prospective sales of ¥300m (up 8.3%).

With respect to the Other side, sales are recorded for projects ordered from public offices & organizations. Meanwhile, the Company saw sales of no less than ¥4,121m for FY06/2021, which was realized by firm order intake also from public offices & organizations. As part of the emergency economic measures taken in response to the impact of the Corona disaster (the first confirmed cases of infections in Japan at the beginning of CY2020), the Ministry of Economy, Trade and Industry established the project of National Sustainability Benefits and accepted applications during the period from 1 May 2020 to 15 February 2021 at so many venues set up across Japan. The Company, which was in charge of part of setting them up as well as operations, etc., saw sales in a large amount stemming from here for FY06/2020 and FY06/2021.

Sales by Industry Sector

In terms of sales by industry sector, where the Company's sales for FY06/2023 equate ¥11,745m (up 5.9% or net increase of ¥652m) as a whole, excluding those of so-called only planning, i.e., those of projects that are passed on for producing, sales of the mainstay information & telecommunications came in at ¥2,648m (up 13.2% or net increase of ¥308m), having accounted for 22.6% of the Company's sales and seen a 47% (=308 / 652) contribution to net increase in the Company's sales.



Source: Company Data, WRJ Calculation

In other words, about half of the net increase in the Company's sales came from information & telecommunications. Sales here were driven principally by those of being related to digital platformers represented by GAFA (Google: now part of Alphabet, Apple, Facebook: renamed Meta from October 2021 and Amazon.com). In the past, sales related to major cell phone carriers (NTT DoCoMo, KDDI and SoftBank) were quite large, implying that the contents of sales in information & telecommunications have changed significantly to date.

With respect to automobiles, the mainstay in the past, sales accounted for 13.1% of total, implying a situation to maintain a certain level of sales. Against the backdrop of an insufficient supply of new vehicles as a result of the global shortage of semiconductors, the advertisers in this sector had a hard time for their advertising and sales promotion activities to aggressively expand sales. In this sector, sales have declined sharply over the previous year, equating a 38% negative contribution, which means that this is the sector to have seen the largest negative contribution out of all the sectors. Meanwhile, the JAPAN MOBILITY SHOW 2023 was held from 26 October to 5 November 2023 at the Tokyo Big Sight as the main venue to have replaced the traditional Tokyo Motor Show, suggesting that the Company's sales of automobiles are on the way to recovery for FY06/2024. The Tokyo Motor Show is held in a new format for CY2023, after being cancelled for CY2021 due to the Corona disaster (the first confirmed cases of infections in Japan at the beginning of CY2020).

It is also the case for the rest of the sectors beside the above-mentioned two that sales have been rather mixed as an overall trend, while the impact of sectors seeing a positive contribution is more than offsetting that of sectors seeing a negative contribution for the Company's sales as a whole. A major positive contribution came from foods, beverages & tasty things as well as cosmetics, bathroom furnishings & commodities, while sales of other increased due to strengths associated with self-staging, energy, materials, etc., i.e., the constituents of this sector. By the way, a positive contribution was seen also in distribution & retailing as well as transportations & leisure. Meanwhile, there was a negative contribution the largest second only to automobiles in precision equipment & other manufacturing and a negative contribution in public offices & organizations as well as money & banking. With respect to public offices & organizations, there is an aspect that large-scale projects associated with the Tokyo 2020 Olympic Games and Paralympics have run their course. Meanwhile, sales of Game Projects, accounting for 8.6% of the Company's sales, had a 20% contribution, but are included as part of some sectors out of the specified 10 sectors.

Income Statement (Cumulative / Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		Net Chg.
(Million Yen)	06/2023	06/2023	06/2023	06/2023	06/2024	06/2024	06/2024	06/2024		
Sales	2,698	6,392	8,964	11,774	3,793	-	-	-	-	+1,095
Cost of Sales	2,320	5,317	7,526	9,873	3,198	-	-	-	-	+878
Gross Profit	377	1,075	1,437	1,900	595	-	-	-	-	+217
SG&A Expenses	227	411	582	750	219	-	-	-	-	(7)
Operating Profit	150	663	855	1,150	375	-	-	-	-	+224
Non Operating Balance	13	13	28	28	15	-	-	-	-	+1
Recurring Profit	164	677	883	1,178	390	-	-	-	-	+226
Extraordinary Balance	(622)	(622)	(625)	(625)	0	-	-	-	-	+622
Profit before Income Taxes	(458)	55	258	553	390	-	-	-	-	+849
Total Income Taxes	(130)	37	107	198	142	-	-	-	-	+273
Profit Attributable to Owners of Parent	(327)	17	151	355	248	-	-	-	-	+575
Sales YoY	(12.9%)	(6.3%)	+2.9%	+5.8%	+40.6%	-	-	-	-	-
Operating Profit YoY	(55.8%)	(13.7%)	+13.6%	+30.2%	+149.7%	-	-	-	-	-
Recurring Profit YoY	(54.5%)	(14.3%)	+11.2%	+27.5%	+138.0%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	(96.7%)	(71.0%)	(40.6%)	-	-	-	-	-	-
Gross Profit Margin	14.0%	16.8%	16.0%	16.1%	15.7%	-	-	-	-	+1.7%
SG&A Ratio	8.4%	6.4%	6.5%	6.4%	5.8%	-	-	-	-	(2.6%)
Operating Profit Margin	5.6%	10.4%	9.5%	9.8%	9.9%	-	-	-	-	+4.3%
Recurring Profit Margin	6.1%	10.6%	9.9%	10.0%	10.3%	-	-	-	-	+4.2%
Profit Attributable to Owners of Parent Margin	(12.1%)	0.3%	1.7%	3.0%	6.5%	-	-	-	-	+18.7%
Total Income Taxes / Profit before Income Taxes	28.6%	68.4%	41.4%	35.8%	36.5%	-	-	-	-	+8.0%
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
(Million Yen)	06/2023	06/2023	06/2023	06/2023	06/2024	06/2024	06/2024	06/2024		
Sales	2,698	3,694	2,572	2,809	3,793	-	-	-	-	+1,095
Cost of Sales	2,320	2,996	2,209	2,346	3,198	-	-	-	-	+878
Gross Profit	377	697	362	463	595	-	-	-	-	+217
SG&A Expenses	227	183	170	168	219	-	-	-	-	(7)
Operating Profit	150	513	191	294	375	-	-	-	-	+224
Non Operating Balance	13	0	14	0	15	-	-	-	-	+1
Recurring Profit	164	513	206	295	390	-	-	-	-	+226
Extraordinary Balance	(622)	0	(2)	(0)	0	-	-	-	-	+622
Profit before Income Taxes	(458)	513	203	295	390	-	-	-	-	+849
Total Income Taxes	(130)	168	69	90	142	-	-	-	-	+273
Profit Attributable to Owners of Parent	(327)	344	134	204	248	-	-	-	-	+575
Sales YoY	(12.9%)	(0.8%)	+36.2%	+15.9%	+40.6%	-	-	-	-	-
Operating Profit YoY	(55.8%)	+19.8%	-	+126.7%	+149.7%	-	-	-	-	-
Recurring Profit YoY	(54.5%)	+19.5%	-	+127.4%	+138.0%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	+18.3%	-	+170.4%	-	-	-	-	-	-
Gross Profit Margin	14.0%	18.9%	14.1%	16.5%	15.7%	-	-	-	-	+1.7%
SG&A Ratio	8.4%	5.0%	6.6%	6.0%	5.8%	-	-	-	-	(2.6%)
Operating Profit Margin	5.6%	13.9%	7.5%	10.5%	9.9%	-	-	-	-	+4.3%
Recurring Profit Margin	6.1%	13.9%	8.0%	10.5%	10.3%	-	-	-	-	+4.2%
Profit Attributable to Owners of Parent Margin	(12.1%)	9.3%	5.2%	7.3%	6.5%	-	-	-	-	+18.7%
Total Income Taxes / Profit before Income Taxes	28.6%	32.9%	34.0%	30.8%	36.5%	-	-	-	-	+8.0%

Source: Company Data, WRJ Calculation

Sales by Category of Operations (Cumulative/Quarterly)

Sales by Category of Operations	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		Net Chg.
	06/2023	06/2023	06/2023	06/2023	06/2024	06/2024	06/2024	06/2024		
Real-World Events	1,726	3,454	4,763	6,269	2,712	-	-	-		+986
Online Events	200	714	1,191	1,504	421	-	-	-		+221
Online Promotions	701	2,060	2,747	3,723	591	-	-	-		(110)
Other	69	163	261	277	68	-	-	-		(1)
Sales	2,698	6,392	8,964	11,774	3,793	-	-	-		+1,095
Real-World Events	+4.1%	+41.9%	+48.3%	+37.4%	+57.1%	-	-	-		-
Online Events	(73.3%)	(69.1%)	(56.6%)	(46.0%)	+110.4%	-	-	-		-
Online Promotions	+8.0%	+4.9%	+4.9%	+3.8%	(15.6%)	-	-	-		-
Other	+77.6%	+85.8%	+99.5%	+40.3%	(1.4%)	-	-	-		-
Sales (YoY)	(12.9%)	(6.0%)	+2.9%	+5.8%	+40.6%	-	-	-		-
Real-World Events	64.0%	54.0%	53.1%	53.2%	71.5%	-	-	-		-
Online Events	7.4%	11.2%	13.3%	12.8%	11.1%	-	-	-		-
Online Promotions	26.0%	32.2%	30.6%	31.6%	15.6%	-	-	-		-
Other	2.6%	2.6%	2.9%	2.4%	1.8%	-	-	-		-
Sales (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-		-

Sales by Category of Operations	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		Net Chg.
	06/2023	06/2023	06/2023	06/2023	06/2024	06/2024	06/2024	06/2024		
Real-World Events	1,726	1,728	1,309	1,506	2,712	-	-	-		+986
Online Events	200	514	477	313	421	-	-	-		+221
Online Promotions	701	1,359	687	976	591	-	-	-		(110)
Other	69	94	98	16	68	-	-	-		(1)
Sales	2,698	3,694	2,572	2,810	3,793	-	-	-		+1,095
Real-World Events	+4.1%	-	+68.3%	+11.5%	+57.1%	-	-	-		-
Online Events	(73.3%)	-	+9.7%	+682.5%	+110.4%	-	-	-		-
Online Promotions	+8.0%	-	+4.9%	+0.9%	(15.6%)	-	-	-		-
Other	+77.6%	-	+127.9%	(76.1%)	(1.4%)	-	-	-		-
Sales (YoY)	(12.9%)	(0.2%)	+34.5%	+15.9%	+40.6%	-	-	-		-
Real-World Events	64.0%	46.8%	50.9%	53.6%	71.5%	-	-	-		-
Online Events	7.4%	13.9%	18.5%	11.1%	11.1%	-	-	-		-
Online Promotions	26.0%	36.8%	26.7%	34.7%	15.6%	-	-	-		-
Other	2.6%	2.5%	3.8%	0.6%	1.8%	-	-	-		-
Sales (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-		-

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 06/2023	Q2 06/2023	Q3 06/2023	Q4 06/2023	Q1 06/2024	Q2 06/2024	Q3 06/2024	Q4 06/2024		
Cash and Deposit	6,008	5,786	5,464	5,781	6,347	-	-	-	-	+339
Electronically Recorded Receivables	168	341	487	169	97	-	-	-	-	(70)
Accounts Receivables and Contract Assets	2,230	3,037	2,293	2,289	2,950	-	-	-	-	+720
Other	1,022	1,021	1,268	1,307	1,231	-	-	-	-	+208
Current Assets	9,428	10,186	9,513	9,548	10,627	-	-	-	-	+1,198
Tangible Assets	184	176	175	164	157	-	-	-	-	(27)
Intangible Assets	27	25	23	26	50	-	-	-	-	+22
Investments and Other Assets	1,749	1,670	1,631	1,454	1,412	-	-	-	-	(336)
Fixed Assets	1,961	1,872	1,831	1,645	1,620	-	-	-	-	(341)
Total Assets	11,390	12,059	11,344	11,194	12,247	-	-	-	-	+856
Electronically Recorded Debt	14	13	10	4	4	-	-	-	-	(10)
Accounts Payable	1,347	1,859	1,297	986	1,975	-	-	-	-	+628
Short Term Debt	840	840	840	840	840	-	-	-	-	0
Other	744	461	444	534	714	-	-	-	-	(30)
Current Liabilities	2,946	3,174	2,593	2,365	3,534	-	-	-	-	+587
Long Term Debt	-	-	-	-	-	-	-	-	-	-
Other	301	354	399	401	386	-	-	-	-	+84
Fixed Liabilities	301	354	399	401	386	-	-	-	-	+84
Total Liabilities	3,248	3,529	2,992	2,767	3,920	-	-	-	-	+672
Shareholders' Equity	7,398	7,820	7,617	7,821	7,779	-	-	-	-	+381
Other	744	710	735	605	546	-	-	-	-	(197)
Net Assets	8,142	8,530	8,352	8,427	8,326	-	-	-	-	+184
Total Liabilities & Net Assets	11,390	12,059	11,344	11,194	12,247	-	-	-	-	+856
Equity Capital	8,111	8,508	8,336	8,411	8,310	-	-	-	-	+199
Interest Bearing Debt	840	840	840	840	840	-	-	-	-	0
Net Debt	(5,168)	(4,946)	(4,624)	(4,941)	(5,507)	-	-	-	-	(339)
Equity Ratio	71.2%	70.6%	73.5%	73.8%	67.9%	-	-	-	-	-
Net Debt Equity Ratio	(63.7%)	(58.1%)	(55.5%)	(61.2%)	(66.3%)	-	-	-	-	-
ROE (12 months)	0.4%	1.0%	2.4%	3.8%	11.3%	-	-	-	-	-
ROA (12 months)	5.8%	6.2%	8.3%	9.4%	11.9%	-	-	-	-	-
Quick Ratio	285%	289%	318%	348%	266%	-	-	-	-	-
Current Ratio	320%	321%	367%	404%	301%	-	-	-	-	-

Source: Company Data, WRJ Calculation

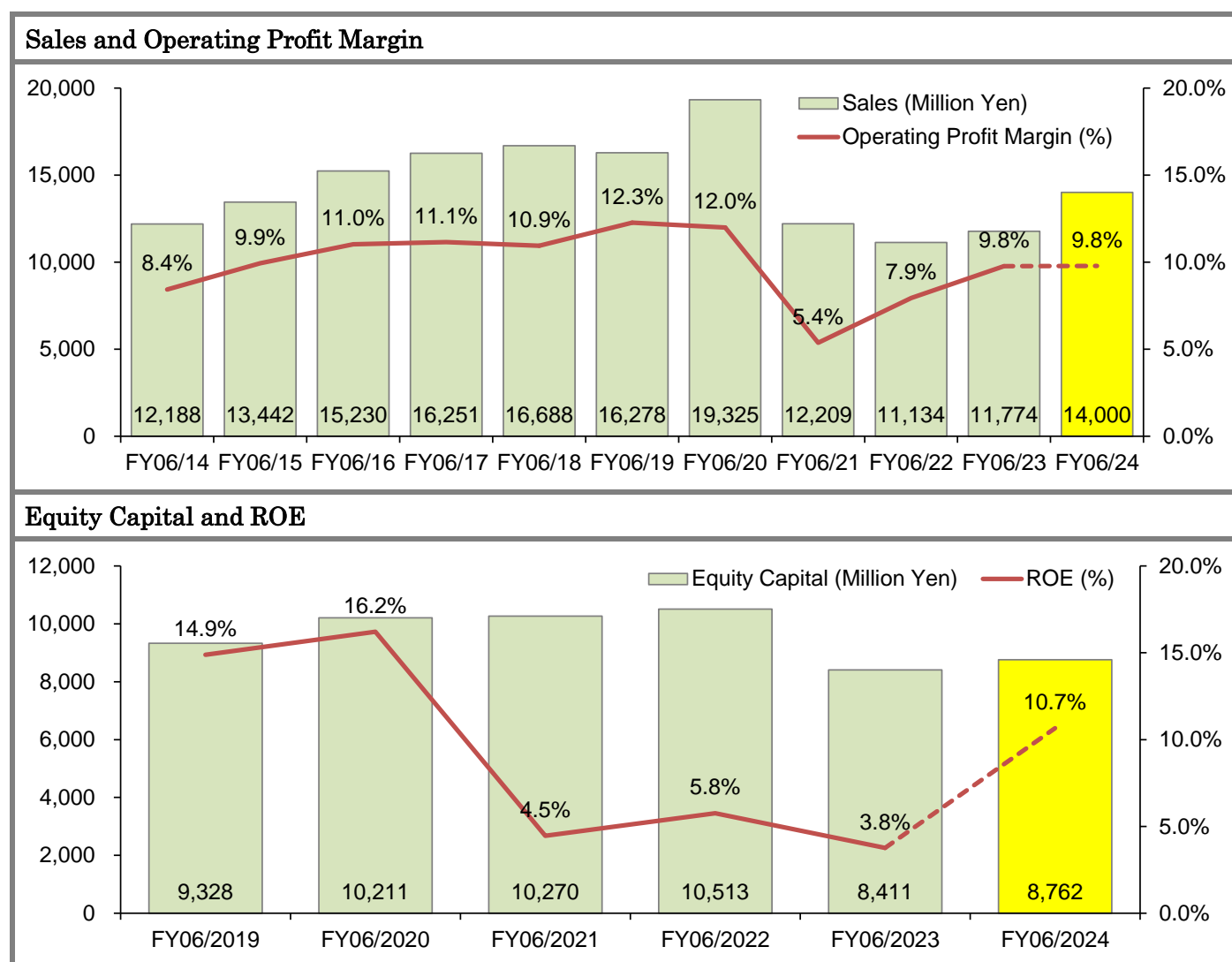
Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 06/2023	Q1 to Q2 06/2023	Q1 to Q3 06/2023	Q1 to Q4 06/2023	Q1 06/2024	Q1 to Q2 06/2024	Q1 to Q3 06/2024	Q1 to Q4 06/2024		
Operating Cash Flow	-	(999)	-	(718)	-	-	-	-	-	-
Investing Cash Flow	-	206	-	211	-	-	-	-	-	-
Operating Cash Flow and Investing Cash Flow	-	(792)	-	(506)	-	-	-	-	-	-
Financing Cash Flow	-	(2,013)	-	(2,304)	-	-	-	-	-	-

Source: Company Data, WRJ Calculation

Long-Term Prospects

According to the Company, the actual results of FY06/2019 equate its proper position, i.e., sales of ¥16,278m, operating profit of ¥1,995m and operating profit margin of 12.3%, while ROE of 14.9% at the same time. As far as we could see, the Company is now trying to get at performance beyond such levels as soon as possible, while planning to realize sustainable growth from a long-term perspective by means of steadily meeting increasing demand for integrated promotions.



Source: Company Data, WRJ Calculation

FY06/2024 initial Company forecasts, announced on 9 August 2023, are going for prospective sales of ¥14,000m (up 18.9% YoY), operating profit of ¥1,370m (up 19.1%), recurring profit of ¥1,400m (up 18.7%) and profit attributable to owners of parent of ¥915m (up 157.4%). Meanwhile, we estimate that the Company will see ROE of 10.7% for FY06/2024, when Company forecasts are met, assuming that the changes in equity capital during the relevant period are to be determined solely by addition of profit attributable to owners of parent and subtraction of dividend paid.

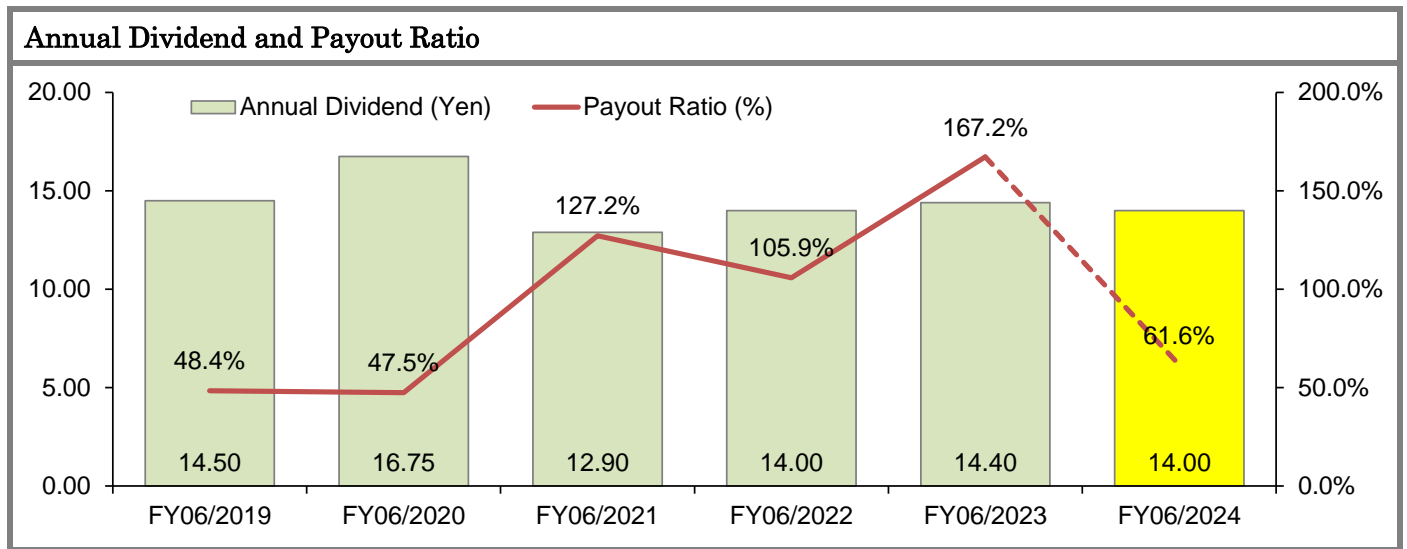
By the way, on 16 September 2022, the Company repurchased its own shares (5,500,000 common shares equating 12.1% of the number of shares outstanding but for treasury shares or ¥1,694m in the amount) through the Tokyo Stock Exchange's off-hours trading system (ToSTNeT-3) in order to respond to changes in the business environment and flexibly implement capital policies. The deal reduced equity capital by this amount, explaining a significant portion of the total reduction in equity capital for FY06/2023. Furthermore, the Company's cash flow has temporarily deteriorated due to extraordinary loss of ¥647m for special service bonus. However, it is obvious that the effects of both will run their course for FY06/2024 and the Company is on track to see a recovery trend in such a variety of aspects from FY06/2023 to FY06/2024.

The Great East Japan Earthquake, occurred on 11 March 2011, had a significant impact on the Company's performance in those days, while the same is true for the impact of the Corona disaster (the first confirmed cases of infections in Japan at the beginning of CY2020). The latter had made a certain amount of increase in sales for FY06/2020 and FY06/2021, as it generated a large-scale project of the aforementioned National Sustainability Benefits from the outset for the Company. For FY06/2020, as the impact of the Corona disaster to socioeconomic & living activities did not begin at all until H2, the Company saw full-year sales as much as ¥19,325m, given add-ons by the project of National Sustainability Benefits. Meanwhile, for FY06/2021, when the Corona disaster continued to affect socioeconomic & living activities throughout the year, the Company's sales declined significantly, despite the ongoing contribution from the project of National Sustainability Benefits. Then, for FY06/2022, the Tokyo 2020 Olympic Games (held from 23 July to 8 August 2021) and Paralympics (held from 24 August to 5 September 2021) generated large-scale projects for the Company, but the Company's sales failed to increase as the impact from here was rather offset by that of the Corona disaster on socioeconomic & living activities for the Company's sales as a whole.

Thus, the Company's performance in a single fiscal year tends to be inevitably exposed to some unforeseen circumstances and the Company is rather unhurried to disclose its detailed prospective performance target in the form of midterm management plan, although it has set up the plan inhouse for a sustainable growth from a long-term perspective as far as we could see.

Dividend Policy and Dividend

The Company sets returning earnings to shareholders as an important management issue and its basic dividend policy is to pay stable dividend on an ongoing basis. In fact, during the past five years (FY06/2019 to FY06/2023), the Company has paid an upper end of ¥16.75 per share and a lower end of ¥12.90 per share, suggesting that it has been paying dividend as advocated by the basic policy in essence. Meanwhile, FY06/2024 initial Company forecasts are going for planned annual dividend of ¥14.00 per share (¥7.00 as of the end of Q2 and ¥7.00 as of the end of Q4), implying payout ratio of 61.6%, which means that the Company's basic policy for dividend is to further persist in reality.



Source: Company Data, WRJ Calculation

During the past three years (FY06/2021 to FY06/2023), the Company has been forced to suffer from a significant swing in profit attributable to owners of parent, which is the source of dividend, due to the aforementioned backgrounds. In light of this, the Company eliminated its policy of capping payout ratio at 50% for FY06/2021, which has continued for FY06/2022 and FY06/2023 and the Company is to apply this for FY06/2024 as well. FY06/2024 initial Company forecasts are going for planned annual dividend of ¥14.00, based on policy of paying a dividend of either equating a payout ratio of 40% or a dividend yield of 4.5%, whichever is higher. Equating 61.6% for payout ratio and 4.52% ($\approx 14 \div 310$) for dividend yield based on the closing price of ¥310 on 8 August 2023, i.e., the day before FY06/2024 Company forecasts were released (9 August), the dividend will be paid as a result of applying the level equating 4.5% for dividend yield.

5.0 Financial Statements

Income Statement

Income Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 06/2019	FY 06/2020	FY 06/2021	FY 06/2022	FY 06/2023	FY 06/2024	YoY Net Chg.
Sales	16,278	19,325	12,209	11,134	11,774	14,000	+2,225
Cost of Sales	13,453	16,086	10,738	9,400	9,873	11,745	+1,871
Gross Profit	2,825	3,239	1,470	1,733	1,900	2,255	+354
SG&A Expenses	829	922	815	850	750	885	+134
Operating Profit	1,995	2,316	655	883	1,150	1,370	+219
Non Operating Balance	21	16	43	40	28	30	+1
Recurring Profit	2,017	2,332	698	924	1,178	1,400	+221
Extraordinary Balance	(3)	6	11	2	(625)	-	-
Profit before Income Taxes	2,014	2,338	710	926	553	-	-
Total Income Taxes	671	754	254	328	198	-	-
Profit Attributable to Owners of Parent	1,345	1,584	455	598	355	915	+559
Sales YoY	(2.5%)	+18.7%	(36.8%)	(8.8%)	+5.8%	+18.9%	-
Operating Profit YoY	+9.3%	+16.1%	(71.7%)	+34.7%	+30.2%	+19.1%	-
Recurring Profit YoY	+7.7%	+15.6%	(70.0%)	+32.3%	+27.5%	+18.7%	-
Profit Attributable to Owners of Parent YoY	+11.4%	+17.8%	(71.2%)	+31.3%	(40.6%)	+157.4%	-
Gross Profit Margin	17.4%	16.8%	12.0%	15.6%	16.1%	16.1%	(0.0%)
SG&A Ratio	5.1%	4.8%	6.7%	7.6%	6.4%	6.3%	(0.0%)
Operating Profit Margin	12.3%	12.0%	5.4%	7.9%	9.8%	9.8%	+0.0%
Recurring Profit Margin	12.4%	12.1%	5.7%	8.3%	10.0%	10.0%	(0.0%)
Profit Attributable to Owners of Parent Margin	8.3%	8.2%	3.7%	5.4%	3.0%	6.5%	+3.5%
Total Income Taxes / Profit before Income Taxes	33.3%	32.2%	35.9%	35.4%	35.8%	-	-

Source: Company Data, WRJ Calculation

Sales by Category of Operations

Sales by Category of Operations (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 06/2019	FY 06/2020	FY 06/2021	FY 06/2022	FY 06/2023	FY 06/2024	YoY Net Chg.
Real-World Events	-	-	3,381	4,563	6,269	7,900	+1,631
Online Events	-	-	2,601	2,786	1,504	1,500	(4)
Online Promotions	-	-	2,106	3,586	3,723	4,300	+577
Other	-	-	4,121	197	277	300	+23
Sales	16,278	19,325	12,209	11,134	11,774	14,000	+2,226
Real-World Events	-	-	-	+35.0%	+37.4%	+26.0%	
Online Events	-	-	-	+7.1%	(46.0%)	(0.3%)	
Online Promotions	-	-	-	+70.3%	+3.8%	+15.5%	
Other	-	-	-	(95.2%)	+40.3%	+8.3%	
Sales (YoY)	(2.5%)	+18.7%	(36.8%)	(8.8%)	+5.8%	+18.9%	
Real-World Events	-	-	27.7%	41.0%	53.2%	56.4%	
Online Events	-	-	21.3%	25.0%	12.8%	10.7%	
Online Promotions	-	-	17.2%	32.2%	31.6%	30.7%	
Other	-	-	33.8%	1.8%	2.4%	2.1%	
Sales (Component Percentages)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Source: Company Data, WRJ Calculation

Balance Sheet

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 06/2019	FY 06/2020	FY 06/2021	FY 06/2022	FY 06/2023	FY 06/2024	YoY Net Chg.
Cash and Deposit	4,754	5,055	7,580	8,590	5,781	-	-
Electronically Recorded Receivables	2,092	1,630	312	196	169	-	-
Accounts Receivables and Contract Assets	3,404	4,390	2,318	1,936	2,289	-	-
Other	1,849	3,362	1,113	814	1,307	-	-
Current Assets	12,100	14,439	11,325	11,537	9,548	-	-
Tangible Assets	102	188	229	192	164	-	-
Intangible Assets	16	24	28	28	26	-	-
Investments and Other Assets	1,460	1,541	1,840	2,005	1,454	-	-
Fixed Assets	1,578	1,754	2,098	2,226	1,645	-	-
Total Assets	13,679	16,194	13,423	13,764	11,194	-	-
Electronically Recorded Debt	61	-	5	6	4	-	-
Accounts Payable	1,966	3,151	1,341	1,081	986	-	-
Short Term Debt	840	840	840	840	840	-	-
Other	978	1,496	341	670	534	-	-
Current Liabilities	3,846	5,488	2,528	2,598	2,365	-	-
Long Term Debt	-	-	-	-	-	-	-
Other	416	448	570	620	401	-	-
Fixed Liabilities	416	448	570	620	401	-	-
Total Liabilities	4,263	5,937	3,099	3,219	2,767	-	-
Shareholders' Equity	8,928	9,782	9,594	9,737	7,821	-	-
Other	488	473	729	806	605	-	-
Net Assets	9,416	10,256	10,324	10,544	8,427	-	-
Total Liabilities & Net Assets	13,679	16,194	13,423	13,764	11,194	-	-
Equity Capital	9,328	10,211	10,270	10,513	8,411	-	-
Interest Bearing Debt	840	840	840	840	840	-	-
Net Debt	(3,914)	(4,215)	(6,740)	(7,750)	(4,941)	-	-
Equity Ratio	68.2%	63.1%	76.5%	76.4%	75.1%	-	-
Net Debt Equity Ratio	(42.0%)	(41.3%)	(65.6%)	(73.7%)	(58.8%)	-	-
ROE (12 months)	14.9%	16.2%	4.5%	5.8%	3.8%	-	-
ROA (12 months)	15.1%	15.6%	4.7%	6.8%	9.4%	-	-
Quick Ratio	267%	202%	404%	413%	348%	-	-
Current Ratio	315%	263%	448%	444%	404%	-	-

Source: Company Data, WRJ Calculation

Cash Flow Statement

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 06/2019	FY 06/2020	FY 06/2021	FY 06/2022	FY 06/2023	FY 06/2024	YoY Net Chg.
Operating Cash Flow	1,310	1,142	3,388	1,555	(718)	-	-
Investing Cash Flow	(35)	(111)	(207)	(25)	211	-	-
Operating Cash Flow and Investing Cash Flow	1,276	1,032	3,182	1,530	(506)	-	-
Financing Cash Flow	(621)	(732)	(658)	(521)	(2,304)	-	-

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 06/2019	FY 06/2020	FY 06/2021	FY 06/2022	FY 06/2023	FY 06/2024	YoY Net Chg.
No. of Shares FY End (thousand shares)	48,969	48,969	48,969	48,969	48,969	-	-
Net Profit / EPS (thousand shares)	44,939	44,939	44,959	45,272	41,313	-	-
Treasury Shares FY End (thousand shares)	4,032	4,032	3,992	3,497	8,697	-	-
Earnings Per Share	29.94	35.26	10.14	13.22	8.61	22.74	-
Earnings Per Share (Fully Diluted)	29.09	34.90	10.08	13.15	8.57	-	-
Book Value Per Share	207.60	227.24	228.35	231.21	208.86	-	-
Dividend Per Share	14.50	16.75	12.90	14.00	14.40	14.00	-
Per Share Data (After Adjustments for Split) (Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 06/2019	FY 06/2020	FY 06/2021	FY 06/2022	FY 06/2023	FY 06/2024	YoY Net Chg.
Share Split Factor	1	1	1	1	1	1	-
Earnings Per Share	29.94	35.26	10.14	13.22	8.61	22.74	-
Book Value Per Share	207.60	227.24	228.35	231.21	208.86	-	-
Dividend Per Share	14.50	16.75	12.90	14.00	14.40	14.00	-
Payout Ratio	48.4%	47.5%	127.2%	105.9%	167.2%	61.6%	-

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

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