

## 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		16,000	1,748	1,777	1,172	28.95	14.00	-
FY06/2023	YoY	5.8%	30.2%	27.5%	(40.6%)	-	-	-
FY06/2024CoE	YoY	35.9%	51.9%	50.8%	229.6%	-	-	-
Consolidated Half Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q2 FY06/2023		6,392	663	677	17	-	-	-
Q3 to Q4 FY06/2023		5,381	486	501	338	-	-	-
Q1 to Q2 FY06/2024		9,563	1,333	1,348	893	-	-	-
Q3 to Q4 FY06/2024CoE		6,436	414	428	278	-	-	-
Q1 to Q2 FY06/2024	YoY	49.6%	100.8%	98.9%	-	-	-	-
Q3 to Q4 FY06/2024CoE	YoY	19.6%	(14.8%)	(14.4%)	(17.8%)	-	-	-

Source: Company Data, WRJ Calculation

### 1.0 Executive Summary (8 April 2024)


#### Human Capital

TOW, which dedicates to planning and producing of integrated promotions with a strong experiential (hands-on) focus, is seeing a remarkable recovery in its business performance, having had gone through the impact of Corona disaster. Sales and earnings have risen sharply, due mainly to a benefit on the Real-World Events side, the mainstay by category of operations, stemming from large-scale exhibitions, represented by the JAPAN MOBILITY SHOW 2023 (open to the public from 28 October to 5 November 2023 / formerly the Tokyo Motor Show) being held in conjunction with full-scale revitalization of socioeconomic activities and lifestyle behaviors. The Company suggests that it saw a recovery of its business performance up to almost as high as a level prior to the impact of Corona disaster for the actual results of Q1 to Q2 (July to December) FY06/2024. Meanwhile, it appears that the current assumptions of Company forecasts for H2 (January to June) are to be exceeded, in light of the latest trends of order intake. At the same time, the Company has revealed its policy to make aggressive investments for long-term growth. Principally, the Company is to strategically implement across-the-board pay increase, equating 6.7% in terms of average annual salary, from H2, with an objective of amplifying its human capital, which has a strong aspect as assets (sources to create value) with the Company, in line with its sustainability policy. On top of this, the Company is to aggressively invest in recruitment and training programs as well as propelling investments associated with its bolstering subjects, i.e., AI and Environment.

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

## 2.0 Company Profile

### Planning and Producing of Integrated Promotions with a Strong Experiential (hands-on) Focus

<b>Company Name</b>	TOW CO., Ltd. <a href="#">Company HP</a> <a href="#">IR Information (Japanese)</a> <a href="#">Share Price (Japanese)</a> 
<b>Established</b>	6 July 1976
<b>Listing</b>	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
<b>Capital</b>	¥948m (as of the end of December 2023)
<b>No. of Shares</b>	48,969,096 shares, including 8,349,752 treasury shares (as of the end of Dec.2023)
<b>Main Features</b>	<ul style="list-style-type: none"> <li>● Major clients: the leading ad firms, i.e., Dentsu and Hakuhodo</li> <li>● Producing events and contents with own planning</li> <li>● Designing results on the experiential (hands-on) horizon, including video, social media, etc.</li> </ul>
<b>Segment</b>	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
<b>Representative</b>	Representative Director and President: Kenichi Muratsu
<b>Shareholders</b>	Master Trust Bank of Japan, T. 14.35%, Katsuji Maki 9.71%, Custody Bank of Japan, T. 4.56%, LIKE, Inc. 2.56%, Employee Stock Ownership Plan 1.92% (as of the end of December 2023, but for treasury shares)
<b>Head Office</b>	Minato-ku, Tokyo, JAPAN
<b>No. of Personnel</b>	Consolidated: 234, Parent: 176 (as of the end of December 2023)

Source: Company Data

## 3.0 Purpose

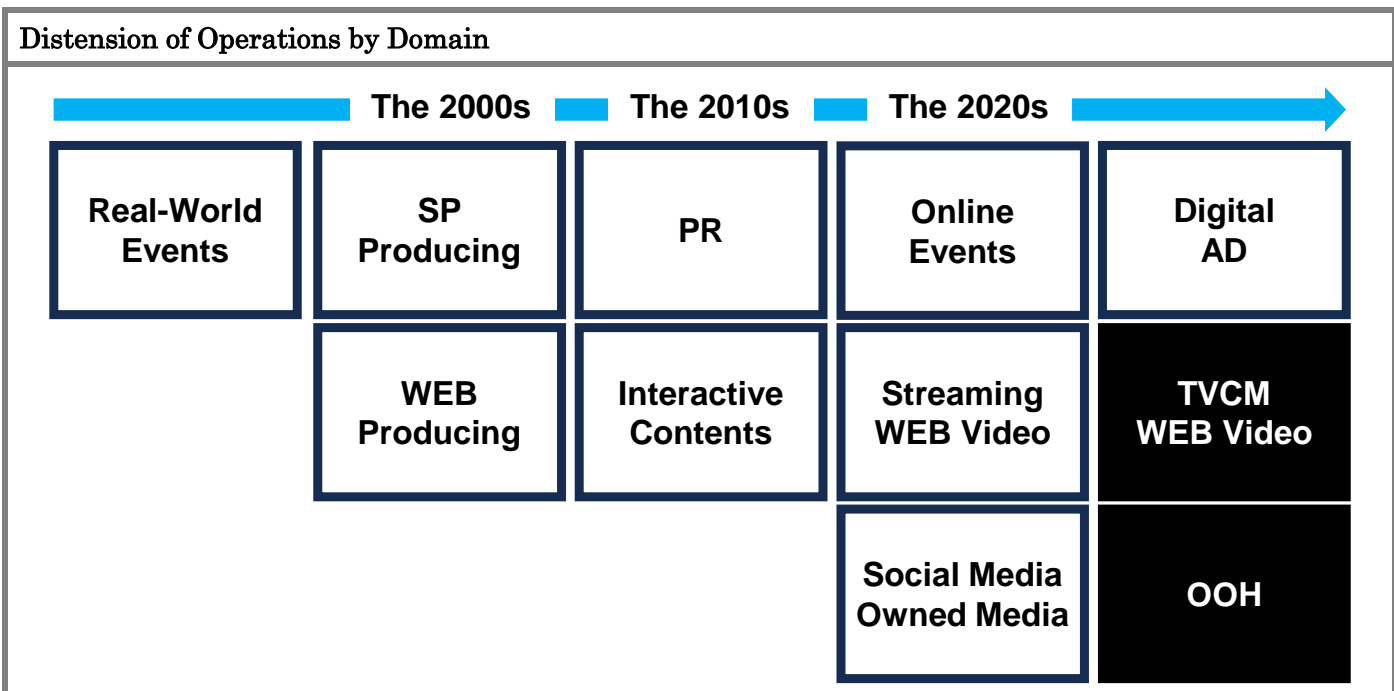
### Creating Experiences of New Era

The Company, which dedicates to planning and producing of integrated promotions with a strong experiential (hands-on) focus with the key objective of propelling advertisers' marketing activities, strives to maximize advertisers' satisfaction by ensuring that each project is always fully tailored to their needs as well as delivering results or "designing results on the experiential (hands-on) 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 people exists, *experiences* will freely change their forms and roles, cuddling up to those who pursue enrichment and self-realization via consumptions as well as society, moving human 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 the bolstering subjects, 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, 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 own high planning ability, 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 and/or owned media as well as digital AD (advertisement) in particular. In addition, the Company has entered TVCM (television commercial) / WEB video and OOH (Out of Home: a general term for advertisements placed on streets and mass transit systems) most recently.

Kenichi Muratsu (born on 31 January 1977, joined in April 2000 and appointed as representative director and president in January 2022), who is currently in charge of the Company's management, reiterated his business policy for FY06/2024 at the Q2 FY06/2024 results briefing held on the web on 9 February 2024. The Company aims to achieve growth based on the two pillars, comprising that of expanding “events,” regardless of attribution, i.e., online or offline, and that of further enhancing online domains, while investing in the bolstering subjects of AI and Environment at the same time for the sake of steadily achieving growth from a long-term perspective.

By the way, Muratsu also referred to TOW Group New Compliance Policy, set up in January 2024, at the above-mentioned briefing. In order to ensure stable operations of the Company and to meet the expectations of stakeholders, the policy has been revised with a basic idea that "when there is a conflict between profit and compliance, we will not hesitate to give priority to compliance" in all business actions and decisions. At the same time, the Company is to continue educating and training employees on this basic policy and promote the formulation of rules.

## Company History (extract)

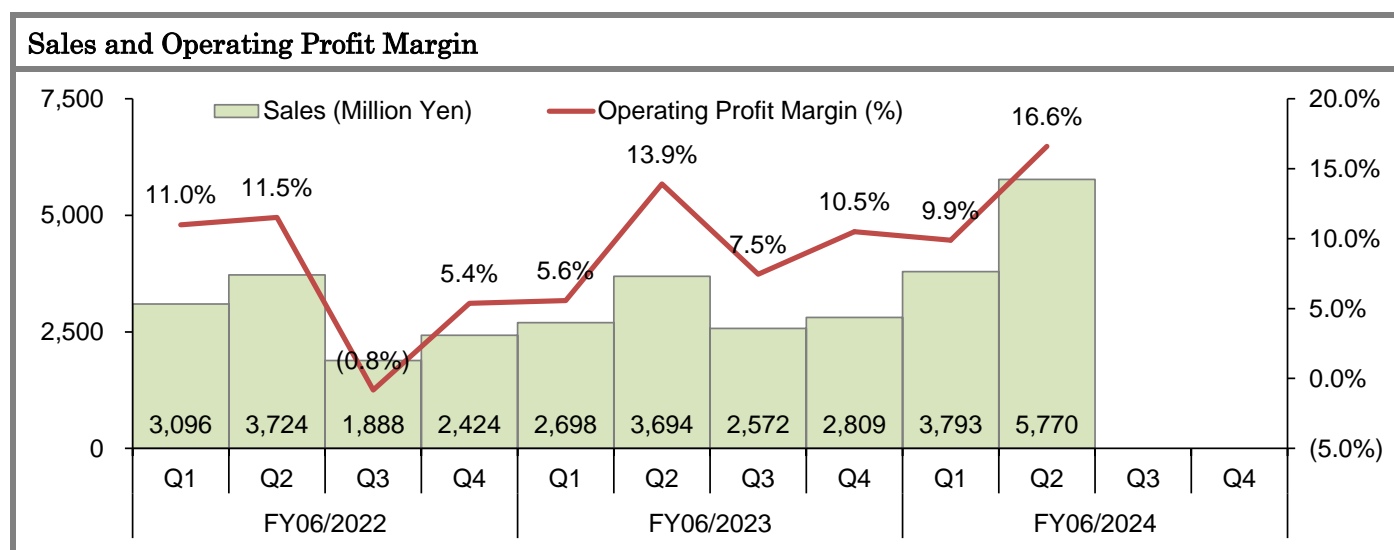
Date	Events
July 1976	TOW, established as limited private company (capital of ¥2m) in Chiyoda-ku, Tokyo with an objective of planning projects to promote sales and/or concerts, while Osamu Kawamura appointed as representative director
January 1981	Order placed from Hakuhodo on a project of campaign for 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 works 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 to Q2 FY06/2024

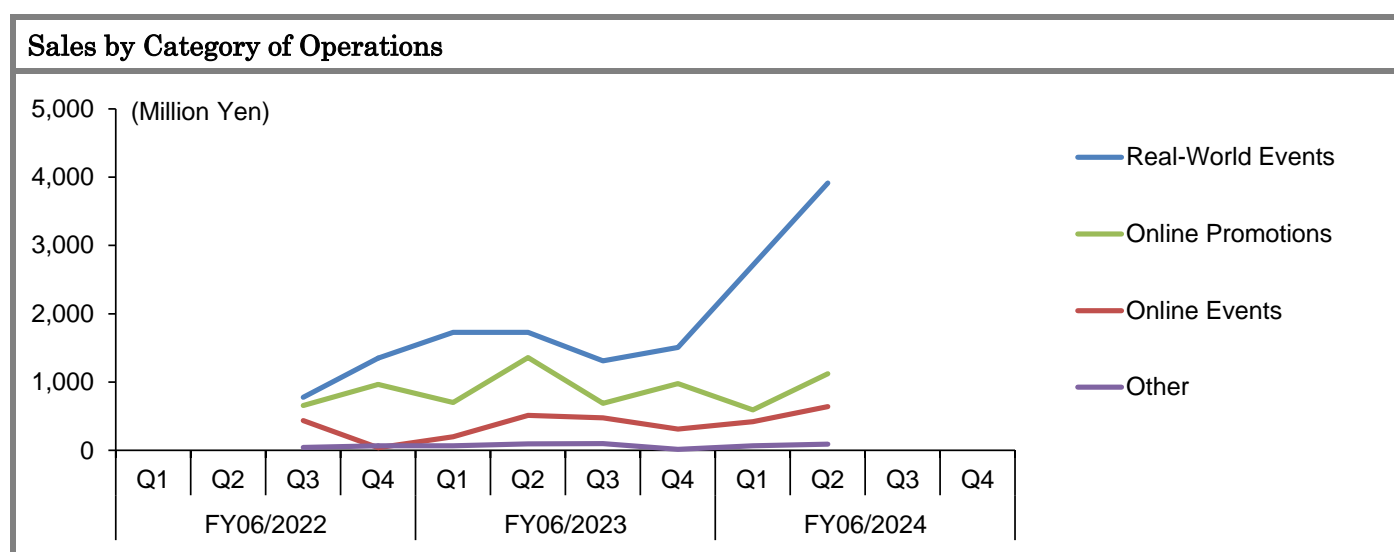
For Q1 to Q2 FY06/2024, sales came in at ¥9,563m (up 49.6% YoY), operating profit ¥1,333m (up 100.8%), recurring profit ¥1,348m (up 98.9%) and profit attributable to owners of parent ¥893m (versus ¥17m during the same period of the previous year). The Company saw a major improvement at the extraordinary level, as the payment of special career achievement bonus of ¥647m, recorded during the same period of the previous year, did not reappear. Meanwhile, gross profit came in at ¥1,760m (up 63.7%) and SG&A expenses ¥426m (up 3.8%), implying gross profit margin of 18.4% (up 1.6% points) and SG&A ratio of 4.5% (down 2.0% points). Consequently, operating profit margin came in at 13.9% (up 3.6% points).



Source: Company Data, WRJ Calculation

Sales have increased significantly due to strengths on the Real-World Events side, the mainstay by category of operations, in line with full-fledged revitalization of socioeconomic activities and lifestyle behaviors after the impact of Corona disaster. For example, it appears that the Company has benefited a lot from large-scale exhibitions, represented by the JAPAN MOBILITY SHOW 2023 (open to the public from 28 October to 5 November 2023 / formerly the Tokyo Motor Show) and the Tokyo Game Show 2023 (held during 21 to 24 September 2023). Meanwhile, gross profit has also risen sharply as a result of significant increase in sales, having led to a recovery in levels of sales, operating profit and recurring profit up to almost as high as those prior to the impact of Corona disaster, according to the Company.

The Company states that it has been able to "maintain a high level of profitability by providing high value-added operations to collect fees and by running operations in-house within the group," which appears to be a factor for gross profit margin to have rather improved too. That is to say, in addition to the existing emphasis on planning and producing of integrated promotions with a strong experiential (hands-on) focus, the Company has succeeded in generation and expansion for a new source of earnings (charging for planning personnel costs in the way similar to consulting fees) by providing knowhow it has cultivated in the said operations of the emphasis, while strengthening operations of subsidiary to actually conduct real events, etc. at the same time. With respect to the latter, the Company utilizes the said subsidiary and/or outsourcing, while it appears to be the case now that the Company is increasingly keen on utilizing the said subsidiary to make progress in accumulation of knowhow, etc.



Source: Company Data, WRJ Calculation


By category of operations, sales on the Real-World Events side came in at ¥6,627m (up 91.9%) for Q1 to Q2, having accounted for 69.3% of total, while sales on the Online Promotions side came in at ¥1,713m (down 16.8%), having accounted for 17.9%. Sales on the Online Events side came in at ¥1,062m (up 48.7%), having accounted for 11.1%. In addition, sales on the Other side came in at ¥159m (down 2.3%), having accounted for 1.7%.

For Q1 to Q2, sales of the Company comprised those of 871 projects (up 21.0%) with the average unit price per project of ¥10.9m (up 23.9%), implying that sales have risen sharply by significant increase in both the number and price for the projects, according to the Company. The number of projects with unit prices exceeding ¥100m came in at 16 versus 4 during the same period of the previous year, which does imply that sales have been driven basically by large-scale exhibitions as mentioned earlier.

On the other hand, the Company is actually putting emphasis on its dedication to planning and producing of integrated promotions with a strong experiential (hands-on) focus, attempting to do so in each of the above-mentioned projects. For example, in some of the above-mentioned projects, the Company is involved with each of real-world events, online promotions and online events, where the Company has literally realized "integrated" promotions. However, even in those cases, the Company classifies sales of the projects to one of the existing categories of operations based on relative importance and/or exposure to each category.



Sales on the Real-World Events side, i.e., a category comprising sales of projects mainly associated with real-world events, have almost doubled over the same period of the previous year. On top of contributions from the aforementioned large-scale exhibitions, there has been a resurgence in a variety of projects, e.g., of street promotions, mainly for beverage manufacturers. In fact, on top of Christmas season promotions such as illuminations and pop-up stores, the resurgence is going on also for so-called promotions for fangirling and/or fanboying associated with anime and game idols.

Engagement with Real-World Events	
<p style="text-align: center;"><b>Large-scale Exhibitions</b></p>  <p style="text-align: center;">JMS2023, held for the first time in four years</p>	<p style="text-align: center;"><b>Inner Activations</b></p>  <p style="text-align: center;">Inner prize-giving event</p>
<p style="text-align: center;"><b>Street Promotions</b></p>  <p style="text-align: center;">Asahi DRY CRYSTAL Hands-on Event</p>	<p style="text-align: center;"><b>Promotions for Fangirling / Fanboying</b></p>  <p style="text-align: center;">DMM TV AnimeJapan</p>
<p style="text-align: center;"><b>Christmas Season Promotions</b></p>  <p style="text-align: center;">L'OCCITANE JOY WONDERLAND</p>	<p style="text-align: center;"><b>Events, Staged by Autonomy</b></p>  <p style="text-align: center;">TOKYO LIGHTS 2023</p>

Source: Company Data

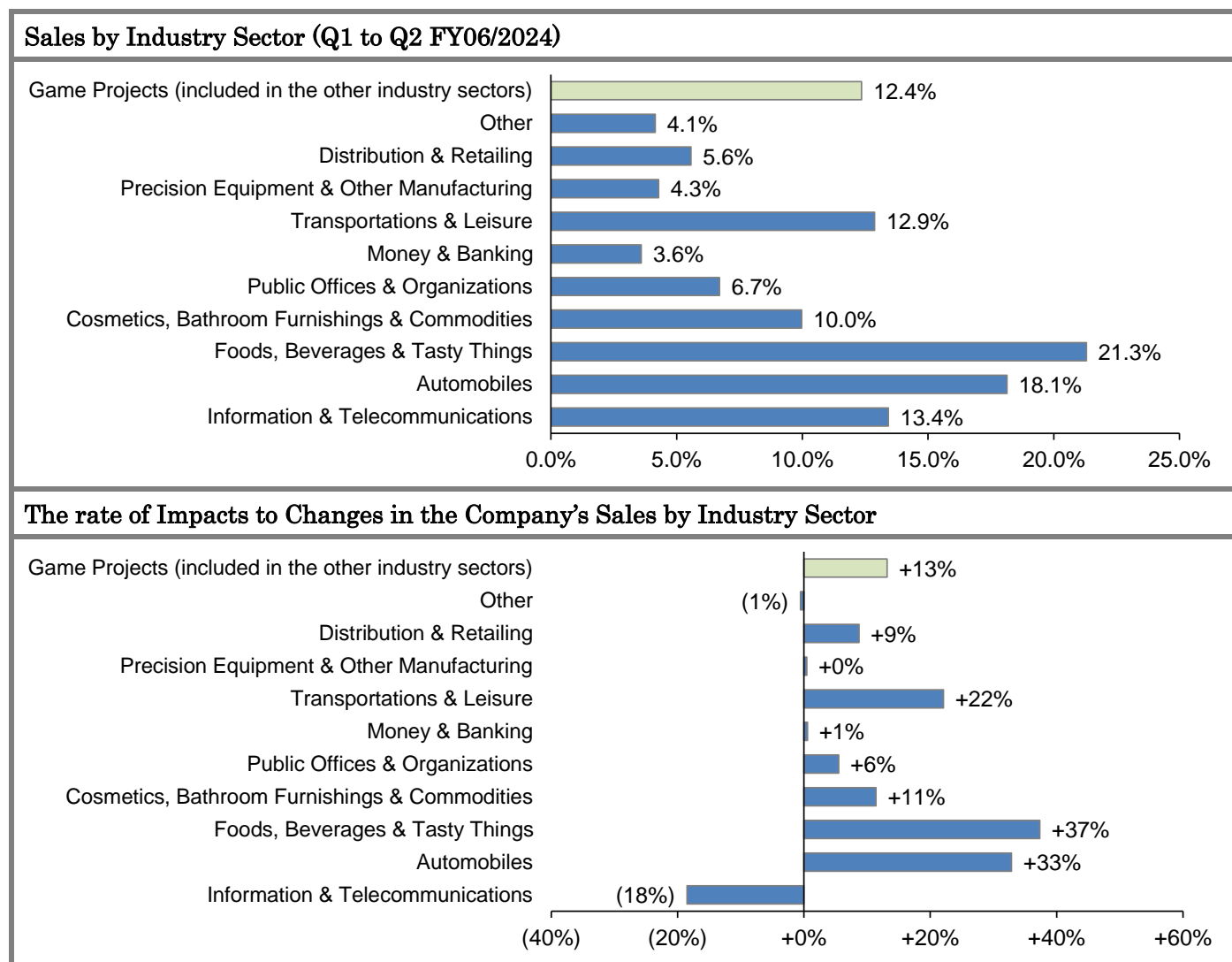
Sales on the Online Events side, i.e., a category comprising sales of projects mainly associated with online events, have increased almost 50% over the same period of the previous year. The Company suggests that this is attributable to a resurgence of hybrid-type online events to be conducted in conjunction with real-world events, which are said to account for most of sales on this side. With respect to online events, new schemes have been introduced to allow fans to interact with game idols online, etc., while various methods continue to emerge in the digital domains, including creation of interactive digital contents and creation of owned media to continuously communicate the appeal of brand. By the way, sales are stagnating on the Online Promotions side, a category comprising sales of projects mainly associated with online promotions. According to the Company, this is due to a trend of declining unit price per project. The Company states that it is seeing continued inquiries for social media, video-based digital ads, etc. and thus it also states that the number of project is trending with a stability.

Engagement with Digital-based Integrated Promotions	
<p style="text-align: center;"><b>Online Event</b></p>  <p style="text-align: center;">POKÉCA ALL-STAR BATTLE 2023</p>	<p style="text-align: center;"><b>Social Media Promotion</b></p>  <p style="text-align: center;">Operations of X (ex-Twitter) for Chupa Chups</p>
<p style="text-align: center;"><b>Digital Content Creation</b></p>  <p style="text-align: center;">Lake Retro Chidori GAME</p>	<p style="text-align: center;"><b>Video Promotion</b></p>  <p style="text-align: center;">STARBUCKS donation program</p>
<p style="text-align: center;"><b>Programmatic Owned Media</b></p>  <p style="text-align: center;">EPSPM #dreamio for day-to-day life</p>	<p style="text-align: center;"><b>Hands-on OOH (Digital Signage)</b></p>  <p style="text-align: center;">Kanebo Milano Collection SKY ART MUSEUM</p>

Source: Company Data

### Sales by Industry Sector

For Q1 to Q2 FY06/2024, sales of the Company were driven mainly by those of the sector of Foods, Beverages & Tasty Things, the sector of Automobiles and the sector of Transportations & Leisure. Meanwhile, the internal sector of Game Projects, whose sales are included in those of the 10 industry sectors classified here, have also seen a significant increase in sales. On the other hand, sales have declined for the sector of Information & Telecommunications.



Source: Company Data, WRJ Calculation

With respect to the sector of Foods, Beverages & Tasty Things, the Company states that sales were driven by a resurgence of street promotions in conjunction with full-scale revitalization of socioeconomic activities and lifestyle behaviors. With respect to the sector of Automobiles, it appears to be the case that sales were driven by holding of the JAPAN MOBILITY SHOW 2023 as suggested earlier. With respect to the sector of Transportations & Leisure, the Company suggests that the bulk of sales associated with Game Projects are included in this sector and thus the impact of the Tokyo Game Show 2023 as well.

On the other hand, the reason cited for the decline of sales in the sector of Information & Telecommunications is the absence of sales from large-scale events that recorded sales during the same period of the previous year. In the past, the major cell phone carriers (NTT DoCoMo, KDDI, Softbank) formed the core of sales in the sector of Information & Telecommunications, while large-scale projects of so-called digital platformers like GAFA (Google: now part of Alphabet, Apple, Facebook: renamed Meta from October 2021 and Amazon.com) during the same period of the previous year. Meanwhile, the latter now has a tendency to cut back on budgets for advertisements, according to the Company.

### 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.
	06/2023	06/2023	06/2023	06/2023	06/2024	06/2024	06/2024	06/2024		
<b>Sales</b>	<b>2,698</b>	<b>6,392</b>	<b>8,964</b>	<b>11,774</b>	<b>3,793</b>	<b>9,563</b>	-	-	-	<b>+3,171</b>
Cost of Sales	2,320	5,317	7,526	9,873	3,198	7,803	-	-	-	+2,486
Gross Profit	377	1,075	1,437	1,900	595	1,760	-	-	-	+685
SG&A Expenses	227	411	582	750	219	426	-	-	-	+15
<b>Operating Profit</b>	<b>150</b>	<b>663</b>	<b>855</b>	<b>1,150</b>	<b>375</b>	<b>1,333</b>	-	-	-	<b>+669</b>
Non Operating Balance	13	13	28	28	15	14	-	-	-	+0
<b>Recurring Profit</b>	<b>164</b>	<b>677</b>	<b>883</b>	<b>1,178</b>	<b>390</b>	<b>1,348</b>	-	-	-	<b>+670</b>
Extraordinary Balance	(622)	(622)	(625)	(625)	0	0	-	-	-	+622
Profit before Income Taxes	(458)	55	258	553	390	1,348	-	-	-	+1,292
Total Income Taxes	(130)	37	107	198	142	454	-	-	-	+416
<b>Profit Attributable to Owners of Parent</b>	<b>(327)</b>	<b>17</b>	<b>151</b>	<b>355</b>	<b>248</b>	<b>893</b>	-	-	-	<b>+876</b>
Sales YoY	(12.9%)	(6.3%)	+2.9%	+5.8%	+40.6%	+49.6%	-	-	-	-
Operating Profit YoY	(55.8%)	(13.7%)	+13.6%	+30.2%	+149.7%	+100.8%	-	-	-	-
Recurring Profit YoY	(54.5%)	(14.3%)	+11.2%	+27.5%	+138.0%	+98.9%	-	-	-	-
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%	18.4%	-	-	-	+1.6%
SG&A Ratio	8.4%	6.4%	6.5%	6.4%	5.8%	4.5%	-	-	-	(2.0%)
Operating Profit Margin	5.6%	10.4%	9.5%	9.8%	9.9%	13.9%	-	-	-	+3.6%
Recurring Profit Margin	6.1%	10.6%	9.9%	10.0%	10.3%	14.1%	-	-	-	+3.5%
Profit Attributable to Owners of Parent Margin	(12.1%)	0.3%	1.7%	3.0%	6.5%	9.3%	-	-	-	+9.1%
Total Income Taxes / Profit before Income Taxes	28.6%	68.4%	41.4%	35.8%	36.5%	33.7%	-	-	-	(34.7%)
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.
	06/2023	06/2023	06/2023	06/2023	06/2024	06/2024	06/2024	06/2024		
<b>Sales</b>	<b>2,698</b>	<b>3,694</b>	<b>2,572</b>	<b>2,809</b>	<b>3,793</b>	<b>5,770</b>	-	-	-	<b>+2,075</b>
Cost of Sales	2,320	2,996	2,209	2,346	3,198	4,605	-	-	-	+1,608
Gross Profit	377	697	362	463	595	1,165	-	-	-	+467
SG&A Expenses	227	183	170	168	219	206	-	-	-	+23
<b>Operating Profit</b>	<b>150</b>	<b>513</b>	<b>191</b>	<b>294</b>	<b>375</b>	<b>958</b>	-	-	-	<b>+444</b>
Non Operating Balance	13	0	14	0	15	(0)	-	-	-	(0)
<b>Recurring Profit</b>	<b>164</b>	<b>513</b>	<b>206</b>	<b>295</b>	<b>390</b>	<b>957</b>	-	-	-	<b>+443</b>
Extraordinary Balance	(622)	0	(2)	(0)	0	(0)	-	-	-	(0)
Profit before Income Taxes	(458)	513	203	295	390	957	-	-	-	+443
Total Income Taxes	(130)	168	69	90	142	311	-	-	-	+142
<b>Profit Attributable to Owners of Parent</b>	<b>(327)</b>	<b>344</b>	<b>134</b>	<b>204</b>	<b>248</b>	<b>645</b>	-	-	-	<b>+300</b>
Sales YoY	(12.9%)	(0.8%)	+36.2%	+15.9%	+40.6%	+56.2%	-	-	-	-
Operating Profit YoY	(55.8%)	+19.8%	-	+126.7%	+149.7%	+86.5%	-	-	-	-
Recurring Profit YoY	(54.5%)	+19.5%	-	+127.4%	+138.0%	+86.4%	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	+18.3%	-	+170.4%	-	+87.3%	-	-	-	-
Gross Profit Margin	14.0%	18.9%	14.1%	16.5%	15.7%	20.2%	-	-	-	+1.3%
SG&A Ratio	8.4%	5.0%	6.6%	6.0%	5.8%	3.6%	-	-	-	(1.4%)
Operating Profit Margin	5.6%	13.9%	7.5%	10.5%	9.9%	16.6%	-	-	-	+2.7%
Recurring Profit Margin	6.1%	13.9%	8.0%	10.5%	10.3%	16.6%	-	-	-	+2.7%
Profit Attributable to Owners of Parent Margin	(12.1%)	9.3%	5.2%	7.3%	6.5%	11.2%	-	-	-	+1.9%
Total Income Taxes / Profit before Income Taxes	28.6%	32.9%	34.0%	30.8%	36.5%	32.6%	-	-	-	(0.3%)

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	6,627	-	-	-	+3,173
Online Events	200	714	1,191	1,504	421	1,062	-	-	-	+348
Online Promotions	701	2,060	2,747	3,723	591	1,713	-	-	-	(347)
Other	69	163	261	277	68	159	-	-	-	(4)
<b>Sales</b>	<b>2,698</b>	<b>6,392</b>	<b>8,964</b>	<b>11,774</b>	<b>3,793</b>	<b>9,563</b>	-	-	-	<b>+3,171</b>
Real-World Events	+4.1%	+41.9%	+48.3%	+37.4%	+57.1%	+91.9%	-	-	-	-
Online Events	(73.3%)	(69.1%)	(56.6%)	(46.0%)	+110.4%	+48.7%	-	-	-	-
Online Promotions	+8.0%	+4.9%	+4.9%	+3.8%	(15.6%)	(16.8%)	-	-	-	-
Other	+77.6%	+85.8%	+99.5%	+40.3%	(1.4%)	(2.3%)	-	-	-	-
<b>Sales (YoY)</b>	<b>(12.9%)</b>	<b>(6.0%)</b>	<b>+2.9%</b>	<b>+5.8%</b>	<b>+40.6%</b>	<b>+49.6%</b>	-	-	-	-
Real-World Events	64.0%	54.0%	53.1%	53.2%	71.5%	69.3%	-	-	-	-
Online Events	7.4%	11.2%	13.3%	12.8%	11.1%	11.1%	-	-	-	-
Online Promotions	26.0%	32.2%	30.6%	31.6%	15.6%	17.9%	-	-	-	-
Other	2.6%	2.6%	2.9%	2.4%	1.8%	1.7%	-	-	-	-
<b>Sales (Composition Ratio)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	-	-	-	-

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	3,915	-	-	-	+2,187
Online Events	200	514	477	313	421	641	-	-	-	+127
Online Promotions	701	1,359	687	976	591	1,122	-	-	-	(237)
Other	69	94	98	16	68	91	-	-	-	(3)
<b>Sales</b>	<b>2,698</b>	<b>3,694</b>	<b>2,572</b>	<b>2,810</b>	<b>3,793</b>	<b>5,770</b>	-	-	-	<b>+2,076</b>
Real-World Events	+4.1%	-	+68.3%	+11.5%	+57.1%	+126.6%	-	-	-	-
Online Events	(73.3%)	-	+9.7%	+682.5%	+110.4%	+24.7%	-	-	-	-
Online Promotions	+8.0%	-	+4.9%	+0.9%	(15.6%)	(17.4%)	-	-	-	-
Other	+77.6%	-	+127.9%	(76.1%)	(1.4%)	(3.2%)	-	-	-	-
<b>Sales (YoY)</b>	<b>(12.9%)</b>	<b>(0.2%)</b>	<b>+34.5%</b>	<b>+15.9%</b>	<b>+40.6%</b>	<b>+56.2%</b>	-	-	-	-
Real-World Events	64.0%	46.8%	50.9%	53.6%	71.5%	67.9%	-	-	-	-
Online Events	7.4%	13.9%	18.5%	11.1%	11.1%	11.1%	-	-	-	-
Online Promotions	26.0%	36.8%	26.7%	34.7%	15.6%	19.4%	-	-	-	-
Other	2.6%	2.5%	3.8%	0.6%	1.8%	1.6%	-	-	-	-
<b>Sales (Composition Ratio)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	-	-	-	-

Source: Company Data, WRJ Calculation

## 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	7,111	-	-	-	+1,325
Electronically Recorded Receivables	168	341	487	169	97	71	-	-	-	(269)
Accounts Receivables and Contract Assets	2,230	3,037	2,293	2,289	2,950	4,044	-	-	-	+1,007
Other	1,022	1,021	1,268	1,307	1,231	1,339	-	-	-	+318
<b>Current Assets</b>	<b>9,428</b>	<b>10,186</b>	<b>9,513</b>	<b>9,548</b>	<b>10,627</b>	<b>12,567</b>	-	-	-	<b>+2,380</b>
Tangible Assets	184	176	175	164	157	150	-	-	-	(25)
Intangible Assets	27	25	23	26	50	52	-	-	-	+26
Investments and Other Assets	1,749	1,670	1,631	1,454	1,412	1,374	-	-	-	(295)
<b>Fixed Assets</b>	<b>1,961</b>	<b>1,872</b>	<b>1,831</b>	<b>1,645</b>	<b>1,620</b>	<b>1,578</b>	-	-	-	<b>(294)</b>
<b>Total Assets</b>	<b>11,390</b>	<b>12,059</b>	<b>11,344</b>	<b>11,194</b>	<b>12,247</b>	<b>14,145</b>	-	-	-	<b>+2,085</b>
Electronically Recorded Debt	14	13	10	4	4	25	-	-	-	+11
Accounts Payable	1,347	1,859	1,297	986	1,975	2,939	-	-	-	+1,080
Short Term Debt	840	840	840	840	840	840	-	-	-	0
Other	744	461	444	534	714	900	-	-	-	+439
<b>Current Liabilities</b>	<b>2,946</b>	<b>3,174</b>	<b>2,593</b>	<b>2,365</b>	<b>3,534</b>	<b>4,706</b>	-	-	-	<b>+1,531</b>
Long Term Debt	-	-	-	-	-	-	-	-	-	-
Other	301	354	399	401	386	399	-	-	-	+44
<b>Fixed Liabilities</b>	<b>301</b>	<b>354</b>	<b>399</b>	<b>401</b>	<b>386</b>	<b>399</b>	-	-	-	<b>+44</b>
<b>Total Liabilities</b>	<b>3,248</b>	<b>3,529</b>	<b>2,992</b>	<b>2,767</b>	<b>3,920</b>	<b>5,106</b>	-	-	-	<b>+1,576</b>
<b>Shareholders' Equity</b>	<b>7,398</b>	<b>7,820</b>	<b>7,617</b>	<b>7,821</b>	<b>7,779</b>	<b>8,524</b>	-	-	-	<b>+704</b>
Other	744	710	735	605	546	514	-	-	-	(195)
<b>Net Assets</b>	<b>8,142</b>	<b>8,530</b>	<b>8,352</b>	<b>8,427</b>	<b>8,326</b>	<b>9,039</b>	-	-	-	<b>+509</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>11,390</b>	<b>12,059</b>	<b>11,344</b>	<b>11,194</b>	<b>12,247</b>	<b>14,145</b>	-	-	-	<b>+2,085</b>
Equity Capital	8,111	8,508	8,336	8,411	8,310	9,028	-	-	-	+520
Interest Bearing Debt	840	840	840	840	840	840	-	-	-	0
Net Debt	(5,168)	(4,946)	(4,624)	(4,941)	(5,507)	(6,271)	-	-	-	(1,325)
Equity Ratio	71.2%	70.6%	73.5%	73.8%	67.9%	63.8%	-	-	-	-
Net Debt Equity Ratio	(63.7%)	(58.1%)	(55.5%)	(61.2%)	(66.3%)	(69.5%)	-	-	-	-
ROE (12 months)	0.4%	1.0%	2.4%	3.8%	11.3%	14.1%	-	-	-	-
ROA (12 months)	5.8%	6.2%	8.3%	9.4%	11.9%	14.1%	-	-	-	-
Quick Ratio	285%	289%	318%	348%	266%	239%	-	-	-	-
Current Ratio	320%	321%	367%	404%	301%	267%	-	-	-	-

Source: Company Data, WRJ Calculation

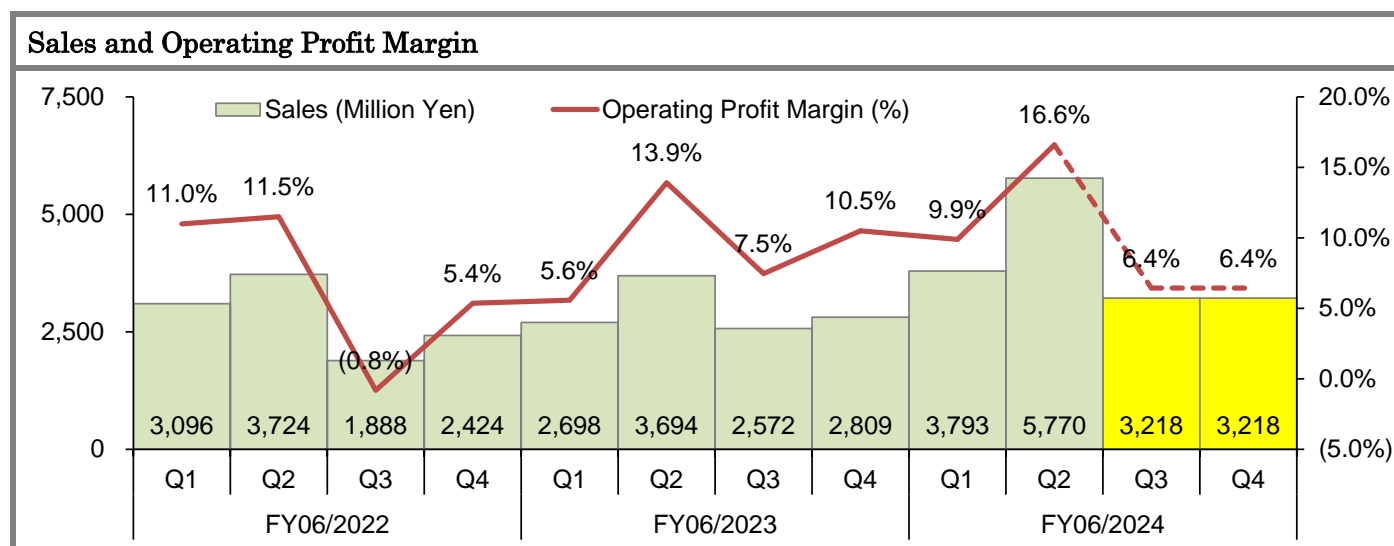
## Cash Flow Statement (Cumulative)

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)	-	1,732	-	-	-	+2,730
Investing Cash Flow	-	206	-	211	-	(9)	-	-	-	(215)
<b>Operating Cash Flow and Investing Cash Flow</b>	<b>-</b>	<b>(792)</b>	<b>-</b>	<b>(506)</b>	<b>-</b>	<b>1,724</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>+2,515</b>
Financing Cash Flow	-	(2,013)	-	(2,304)	-	(395)	-	-	-	+1,618

Source: Company Data, WRJ Calculation

### FY06/2024 Company Forecasts

FY06/2024 Company forecasts, announced on 8 February 2024, are going for prospective sales of ¥16,000m (up 35.9% YoY), operating profit of ¥1,748m (up 51.9%), recurring profit of ¥1,777m (up 50.8%) and profit attributable to owners of parent of ¥1,172m (up 229.6%). The Company also assumes gross profit of ¥2,647m (up 39.3%) and SG&A expenses of ¥899m (up 19.9%), implying gross profit margin of 16.5% (up 0.4% points) and SG&A ratio of 5.6% (down 0.8% points). Thus, Company forecasts are going for operating profit margin of 10.9% (up 1.2 %points). Meanwhile, Company forecasts are going for planned annual dividend of ¥14.00 per share for FY06/2024 (¥7.00 as of the end of Q2 and ¥7.00 as of the end of Q4), implying payout ratio of 48.4%.



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

Compared to initial Company forecasts, announced on 9 August 2023, sales have been revised up by ¥2,000m (14.3%), operating profit by ¥377m (27.5%), recurring profit by ¥377m (27.0%) and profit attributable to owners of parent by ¥256m (28.0%), while planned annual dividend remained unchanged. For Q1 to Q2, it appears that the Company benefited from full-scale revitalization of socioeconomic activities and lifestyle behaviors more than initially assumed, having brought the actual results far better. However, Company forecasts have effectively remained unchanged for H2, even after the above-mentioned upward revision. Prospective sales have been revised up by ¥399m (6.6%) for H2, from the initial to the current, while literally remained unchanged along the sides of earnings.

On a full-year basis, Company forecasts are going for prospective sales of ¥16,000m, while order backlog, comprising all the order intake since the beginning of the fiscal year, including that of having already recorded sales as defined by the Company, stood at no less than ¥14,301m as of 2 February 2024. Simply put, this would mean that after 59% of the full-year period (1 July 2023 to 30 June 2024), the Company has already received order intake equivalent to 89% of sales assumed for the relevant period. Even when considering seasonal factors and lead time required to record sales, it would be the case that the assumptions of the above-mentioned Company forecasts have an aspect of being too conservative.

With respect to expenses, on the other hand, Company forecasts assume ¥13,353m (up 35.2%) for cost of sales on a full-year basis, where the bulk of increase is to come from its policy to strategically implement across-the-board pay increase, equating 6.7% in terms of average annual salary, from H2, in line with the sustainability policy. For the Company's business model, there is a strong aspect for human capital to play the role of assets (sources to create value) and thus it appears that cost of sales has a large exposure to that of being related to human capital. Meanwhile, the assumed increase in SG&A expenses also look being mainly attributable to the Company's policy to pursue growth from a long-term perspective in that it has a lot to do with aggressive investments in recruitment and training programs as well as propelling those of being associated with the bolstering subjects, i.e., AI and Environment.

### FY06/2024 Company Forecasts and Results

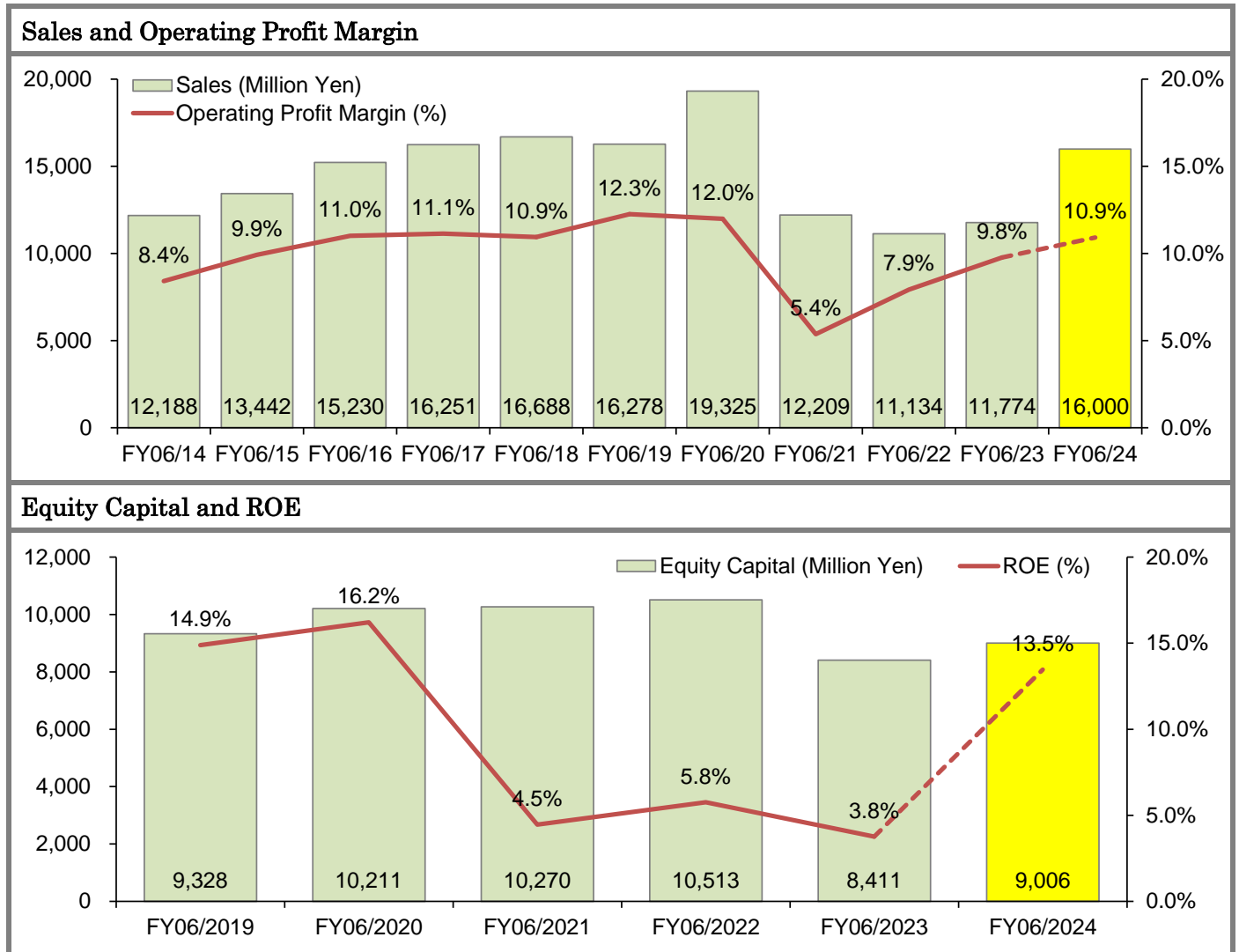
Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY06/2024CoE	9-Aug-23	Q4 Results	14,000	1,370	1,400	915
FY06/2024CoE	14-Nov-23	Q1 Results	14,000	1,370	1,400	915
FY06/2024CoE	18-Dec-23	Revision	14,000	1,370	1,400	915
FY06/2024CoE	8-Feb-24	Q2 Results	16,000	1,748	1,777	1,172
		Amount of Gap	2,000	377	377	256
		Rate of Gap	14.3%	27.5%	27.0%	28.0%
FY06/2024CoE	9-Aug-23	Q4 Results	14,000	1,370	1,400	915
FY06/2024CoE	8-Feb-24	Q2 Results	16,000	1,748	1,777	1,172
		Amount of Gap	2,000	377	377	256
		Rate of Gap	14.3%	27.5%	27.0%	28.0%
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 FY06/2024Act	8-Feb-24	Q2 Results	9,563	1,333	1,348	893
		Amount of Gap	263	166	168	115
		Rate of Gap	2.8%	14.2%	14.2%	14.8%
Q1 to Q2 FY06/2024CoE	9-Aug-23	Q4 Results	7,962	956	970	637
Q1 to Q2 FY06/2024Act	8-Feb-24	Q2 Results	9,563	1,333	1,348	893
		Amount of Gap	1,601	377	378	256
		Rate of Gap	20.1%	39.4%	39.0%	40.2%
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	8-Feb-24	Q2 Results	6,437	415	429	279
		Amount of Gap	1,737	212	209	142
		Rate of Gap	37.0%	104.4%	95.0%	103.6%
Q3 to Q4 FY06/2024CoE	9-Aug-23	Q4 Results	6,038	414	430	278
Q3 to Q4 FY06/2024CoE	8-Feb-24	Q2 Results	6,437	415	429	279
		Amount of Gap	399	1	(1)	1
		Rate of Gap	6.6%	0.2%	(0.2%)	0.4%

Source: Company Data, WRJ Calculation



## Long-Term Prospects

The Company intends to achieve growth from a long-term perspective by means of putting all its energy into planning and producing of integrated promotions with a strong experiential (hands-on) focus with the aforementioned measures. Meanwhile, the Company suggests that its performance for FY06/2019, the latest stage prior to the impact of the Corona disaster, shows the value of the Company's capabilities, 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 moment, the Company is trying to exceed such levels of performance as soon as possible. For example, when assuming the current FY06/2024 Company forecasts are just met, the levels of the said value are to be almost achieved, i.e., 98% in sales, 88% in operating profit and 91% in ROE in our estimates.



Source: Company Data, WRJ Calculation

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 of the impact of 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 National Sustainability Benefits from the outset for the Company. For FY06/2020, as the impact of Corona disaster to socioeconomic activities and lifestyle behaviors did not begin at all until H2, the Company saw full-year sales as much as ¥19,325m, given major add-ons by the project of National Sustainability Benefits.

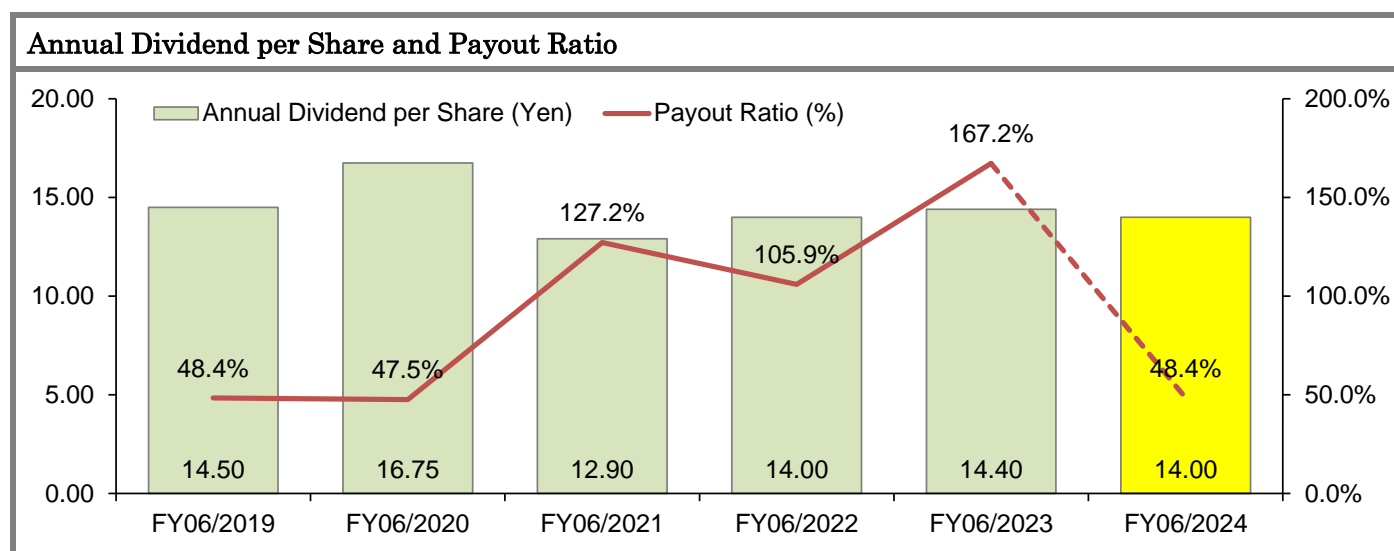
Meanwhile, for FY06/2021, when Corona disaster continued to affect socioeconomic activities and lifestyle behaviors throughout the year, the Company's sales declined significantly, despite the ongoing contribution from the project of National Sustainability Benefits. Then, for FY06/2022, the Tokyo 2020 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 Corona disaster on socioeconomic activities and lifestyle behaviors 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.

On the other hand, as already mentioned, FY06/2024 Company forecasts are going for prospective sales of ¥16,000m (up 35.9% YoY), operating profit of ¥1,748m (up 51.9%), recurring profit of ¥1,777m (up 50.8%) and profit attributable to owners of parent of ¥1,172m (up 229.6%), while operating margin of 10.9% (up 1.2% points). We estimate the Company is to see ROE of 13.5% for FY06/2024, when the Company forecasts are met, assuming the change in equity capital during the relevant period will be determined solely by add-ons by profit attributable to owners of parent and subtractions by payments of dividend.

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 during FY06/2023. Furthermore, the Company's cash flow has temporarily deteriorated due to extraordinary loss of ¥647m for special career achievement 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 trend of reversal in such a variety of aspects from FY06/2023 to FY06/2024.

## Dividend Policy and Dividend per Share

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 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 48.4%, 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 had 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, while the Company applied this for FY06/2024 as well. FY06/2024 initial Company forecasts were going for planned annual dividend of ¥14.00 per share, based on policy of paying dividend of either equating payout ratio of 40% or dividend yield of 4.5%, whichever is higher. Equating 61.6% for payout ratio based on initial Company forecast 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 initial Company forecasts were released (9 August), the dividend was to be paid as a result of having applied the level equating 4.5% for dividend yield. To date, the planned annual dividend per share has remained unchanged.

## 5.0 Financial Statements

### Income Statement

Income Statement	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.CoE FY	YoY
(Million Yen)	06/2019	06/2020	06/2021	06/2022	06/2023	06/2024	Net Chg.
<b>Sales</b>	<b>16,278</b>	<b>19,325</b>	<b>12,209</b>	<b>11,134</b>	<b>11,774</b>	<b>16,000</b>	<b>+4,225</b>
Cost of Sales	13,453	16,086	10,738	9,400	9,873	13,353	+3,479
Gross Profit	2,825	3,239	1,470	1,733	1,900	2,647	+746
SG&A Expenses	829	922	815	850	750	899	+148
<b>Operating Profit</b>	<b>1,995</b>	<b>2,316</b>	<b>655</b>	<b>883</b>	<b>1,150</b>	<b>1,748</b>	<b>+597</b>
Non Operating Balance	21	16	43	40	28	29	+0
<b>Recurring Profit</b>	<b>2,017</b>	<b>2,332</b>	<b>698</b>	<b>924</b>	<b>1,178</b>	<b>1,777</b>	<b>+598</b>
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 Non-Controlling Interests	(2)	-	-	-	-	-	-
<b>Profit Attributable to Owners of Parent</b>	<b>1,345</b>	<b>1,584</b>	<b>455</b>	<b>598</b>	<b>355</b>	<b>1,172</b>	<b>+816</b>
Sales YoY	(2.5%)	+18.7%	(36.8%)	(8.8%)	+5.8%	+35.9%	-
Operating Profit YoY	+9.3%	+16.1%	(71.7%)	+34.7%	+30.2%	+51.9%	-
Recurring Profit YoY	+7.7%	+15.6%	(70.0%)	+32.3%	+27.5%	+50.8%	-
Profit Attributable to Owners of Parent YoY	+11.4%	+17.8%	(71.2%)	+31.3%	(40.6%)	+229.6%	-
Gross Profit Margin	17.4%	16.8%	12.0%	15.6%	16.1%	16.5%	+0.4%
SG&A Ratio	5.1%	4.8%	6.7%	7.6%	6.4%	5.6%	(0.8%)
Operating Profit Margin	12.3%	12.0%	5.4%	7.9%	9.8%	10.9%	+1.2%
Recurring Profit Margin	12.4%	12.1%	5.7%	8.3%	10.0%	11.1%	+1.1%
Profit Attributable to Owners of Parent Margin	8.3%	8.2%	3.7%	5.4%	3.0%	7.3%	+4.3%
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	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.Act FY	Cons.CoE FY	YoY
(Million Yen)	06/2019	06/2020	06/2021	06/2022	06/2023	06/2024	Net Chg.
Real-World Events	-	-	3,381	4,563	6,269	-	-
Online Events	-	-	2,601	2,786	1,504	-	-
Online Promotions	-	-	2,106	3,586	3,723	-	-
Other	-	-	4,121	197	277	-	-
<b>Sales</b>	<b>16,278</b>	<b>19,325</b>	<b>12,209</b>	<b>11,134</b>	<b>11,774</b>	<b>16,000</b>	<b>+4,226</b>
Real-World Events	-	-	-	+35.0%	+37.4%	-	-
Online Events	-	-	-	+7.1%	(46.0%)	-	-
Online Promotions	-	-	-	+70.3%	+3.8%	-	-
Other	-	-	-	(95.2%)	+40.3%	-	-
<b>Sales (YoY)</b>	<b>(2.5%)</b>	<b>+18.7%</b>	<b>(36.8%)</b>	<b>(8.8%)</b>	<b>+5.8%</b>	<b>+35.9%</b>	
Real-World Events	-	-	27.7%	41.0%	53.2%	-	-
Online Events	-	-	21.3%	25.0%	12.8%	-	-
Online Promotions	-	-	17.2%	32.2%	31.6%	-	-
Other	-	-	33.8%	1.8%	2.4%	-	-
<b>Sales (Composition Ratio)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	

Source: Company Data, WRJ Calculation

## 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	-	-
<b>Current Assets</b>	<b>12,100</b>	<b>14,439</b>	<b>11,325</b>	<b>11,537</b>	<b>9,548</b>	-	-
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	-	-
<b>Fixed Assets</b>	<b>1,578</b>	<b>1,754</b>	<b>2,098</b>	<b>2,226</b>	<b>1,645</b>	-	-
<b>Total Assets</b>	<b>13,679</b>	<b>16,194</b>	<b>13,423</b>	<b>13,764</b>	<b>11,194</b>	-	-
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	-	-
<b>Current Liabilities</b>	<b>3,846</b>	<b>5,488</b>	<b>2,528</b>	<b>2,598</b>	<b>2,365</b>	-	-
Long Term Debt	-	-	-	-	-	-	-
Other	416	448	570	620	401	-	-
<b>Fixed Liabilities</b>	<b>416</b>	<b>448</b>	<b>570</b>	<b>620</b>	<b>401</b>	-	-
<b>Total Liabilities</b>	<b>4,263</b>	<b>5,937</b>	<b>3,099</b>	<b>3,219</b>	<b>2,767</b>	-	-
<b>Shareholders' Equity</b>	<b>8,928</b>	<b>9,782</b>	<b>9,594</b>	<b>9,737</b>	<b>7,821</b>	-	-
Other	488	473	729	806	605	-	-
<b>Net Assets</b>	<b>9,416</b>	<b>10,256</b>	<b>10,324</b>	<b>10,544</b>	<b>8,427</b>	-	-
<b>Total Liabilities &amp; Net Assets</b>	<b>13,679</b>	<b>16,194</b>	<b>13,423</b>	<b>13,764</b>	<b>11,194</b>	-	-
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	-	-
<b>Operating Cash Flow and Investing Cash Flow</b>	<b>1,276</b>	<b>1,032</b>	<b>3,182</b>	<b>1,530</b>	<b>(506)</b>	-	-
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	FY	FY	FY	FY	FY	YoY
	06/2019	06/2020	06/2021	06/2022	06/2023	06/2024	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	28.95	-
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	FY	FY	FY	FY	FY	YoY
	06/2019	06/2020	06/2021	06/2022	06/2023	06/2024	Net Chg.
Share Split Factor	1	1	1	1	1	1	-
Earnings Per Share	29.94	35.26	10.14	13.22	8.61	28.95	-
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%	48.4%	-

Source: Company Data, WRJ Calculation

### Disclaimer

Information here is a summary of “IR Information” of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. “IR Information” of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

Company name: Walden Research Japan Incorporated

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

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

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

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