

## 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		17,300	1,920	1,950	1,267	31.30	14.00	-
FY06/2023	YoY	5.8%	30.2%	27.5%	(40.6%)	-	-	-
FY06/2024CoE	YoY	46.9%	66.9%	65.4%	256.2%	-	-	-
Consolidated Q1 to Q3 (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q3 FY06/2023		8,964	855	883	151	-	-	-
Q1 to Q3 FY06/2024		13,152	1,653	1,686	1,116	-	-	-
Q1 to Q3 FY06/2024	YoY	46.7%	93.3%	90.8%	636.3%	-	-	-

Source: Company Data, WRJ Calculation

### 1.0 Executive Summary (19 July 2024)


#### Significant Momentum

TOW, which dedicates to planning and producing of hands-on integrated promotions, aims to achieve sustainable growth from a long-term perspective by means of driving two spindles, i.e., business growth and operational aspect. There is a significant momentum in the Company's performance for FY06/2024. It is now suggested that sales for Q4 (April to June) have risen almost 50% over the same period of the previous year. According to the Company, this is largely due to strengths in sales of large-scale events associated with IP contents (e.g., popular characters) and government. Meanwhile, the Company has been aggressively increasing its expenditures for future growth, represented by investments in human capital, which appears to result in sustainable growth for FY06/2025 and thereafter. As in Purpose, the Company is to "create experiences for a new era", while it advocates "designing results with experience value as the core" for business growth, which will drive "client expansion" and "domain expansion". On the other hand, in terms of operational aspect, the Company will strengthen the foundation for "updating the environment and systems that enable its employees to work with vitality and enthusiasm".

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

## 2.0 Company Profile

### Planning and Producing of Hands-on Integrated Promotions

<b>Company Name</b>	<p>TOW CO., Ltd.</p> <p><a href="#">Company HP</a></p> <p><a href="#">IR Information (Japanese)</a></p> <p><a href="#">Share Price (Japanese)</a></p> 
<b>Established</b>	<p>6 July 1976</p>
<b>Listing</b>	<p>20 October 2023: Tokyo Stock Exchange Standard Market (ticker: 4767)</p> <p>4 April 2022: Tokyo Stock Exchange Prime Market</p> <p>25 June 2008: Tokyo Stock Exchange 1st section</p> <p>25 June 2007: Tokyo Stock Exchange 2nd section</p> <p>13 July 2000: JASDAQ</p>
<b>Capital</b>	<p>¥948m (as of the end of March 2024)</p>
<b>No. of Shares</b>	<p>48,969,096 shares, including 8,349,752 treasury shares (as of the end of Mar. 2024)</p>
<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/or contents with own planning</li> <li>● Designing results with experience value as the core, including that of video, social media and so on</li> </ul>
<b>Segment</b>	<p>I . “Analysis &amp; Research”, “Planning of Strategy &amp; Formulation of Concept”, “Proposal of Planning”, “Implementing &amp; Producing” and “Verification of Effectiveness” for Events and Promotions, as well as Other Related Operations</p>
<b>Representative</b>	<p>Representative Director and President: Kenichi Muratsu</p>
<b>Shareholders</b>	<p>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)</p>
<b>Head Office</b>	<p>Minato-ku, Tokyo, JAPAN</p>
<b>No. of Personnel</b>	<p>Consolidated: 228, Parent: 173 (as of the end of March 2024)</p>

Source: Company Data

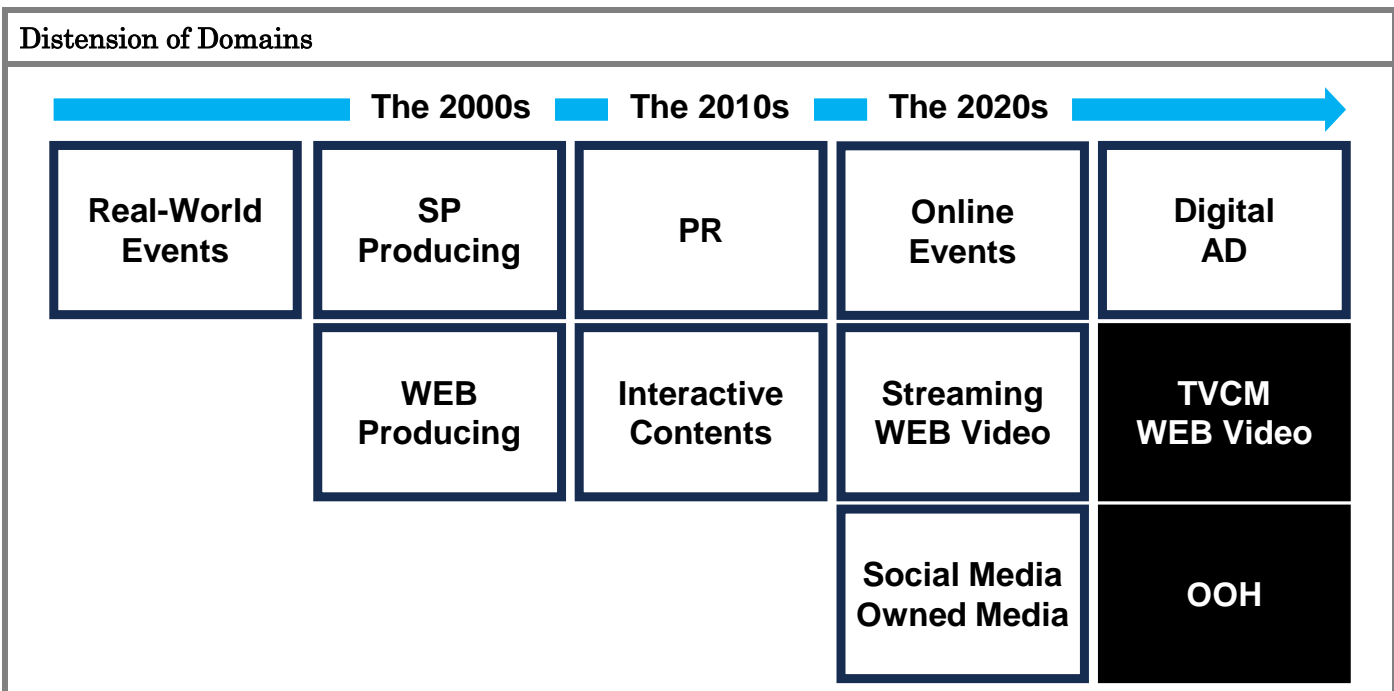
## 3.0 Purpose

### Creating Experiences of New Era

The Company, which dedicates to planning and producing of hands-on integrated promotions with the key objective to propel marketing activities of clients (advertisers), strives to maximize satisfaction of clients (advertisers) by ensuring that each project is always fully tailored to their needs as well as delivering results or "designing results with experience value as the core", 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 (critical issues to be addressed as a priority).

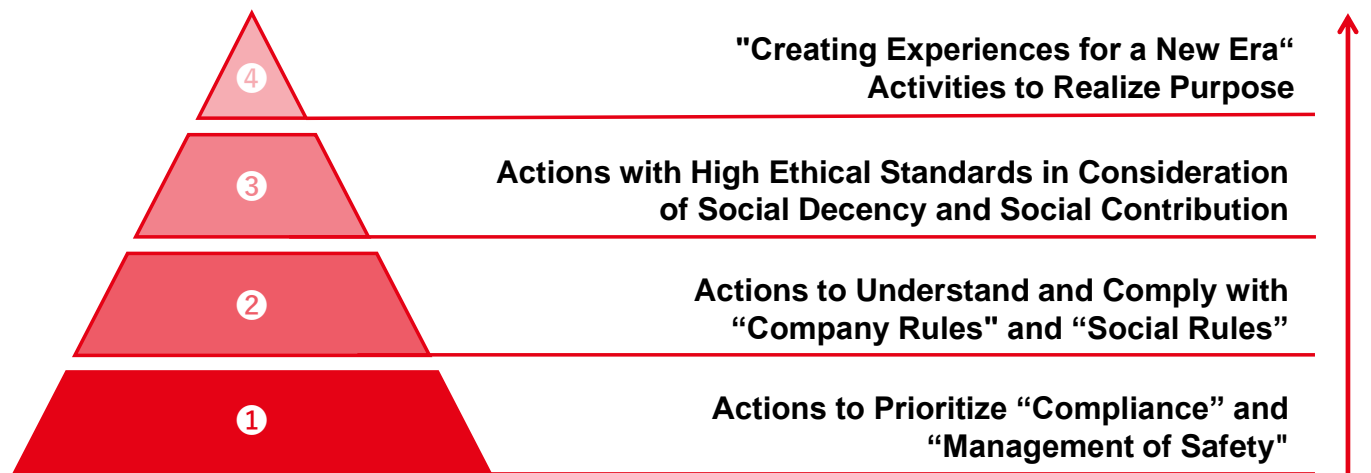


Source: Company Data

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 (sales promotions by 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 (advertising) in particular. In addition, the Company has entered TVCM (television commercial) / WEB video and OOH (Out of Home: a general term for advertising 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, going that the Company aims to steadily achieve growth via expanding “events,” regardless of attribution, i.e., online or offline, as well as further enhancing online domains, while investing in the bolstering subjects of “AI” and “Environment” at the same time.

## New TOW Group Compliance Policy



Source: Company Data

As well, Muratsu also referred to TOW Group New Group Compliance Policy, set up in January 2024 , at the above-mentioned briefing. In order to ensure stable operations of the Company and to meet 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 its 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 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.)

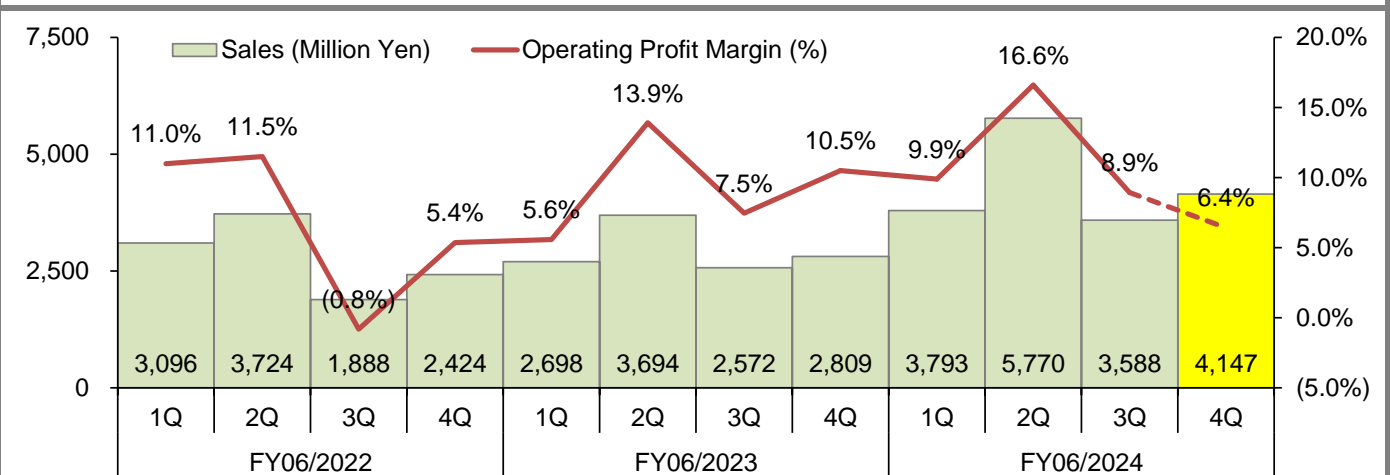
February 2010	A business and capital alliance with J-COM Holdings (currently, LIKE), formed
November 2014	TOW Interactive Promotional School, launched
July 2015	A new project TOWAC, a buzz-worthy event in business partnership with KAYAC, launched
September 2015	Transitioned to a company with an audit 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

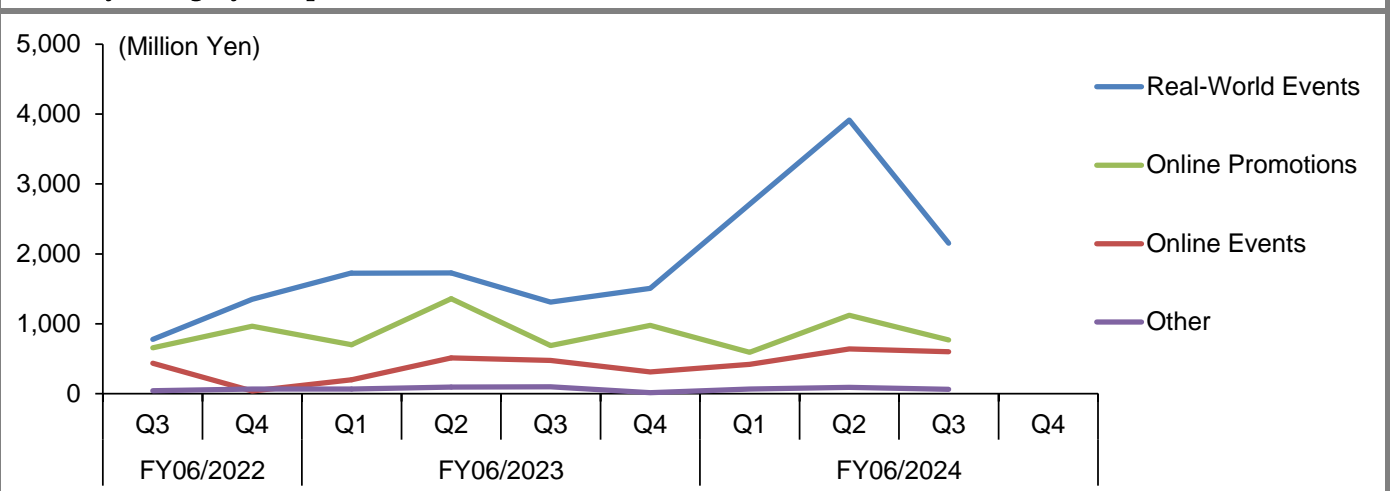
### Q1 to Q3 FY06/2024

For Q1 to Q3 FY06/2024, sales came in at ¥13,152m (up 46.7% YoY), operating profit ¥1,653m (up 93.3%), recurring profit ¥1,686m (up 90.8%) and profit attributable to owners of parent ¥1,116m (up 636.3%). The Company saw a major improvement at the extraordinary level, because the payment of special career achievement bonus of ¥647m, posted for Q1 FY06/2023, did not reappear.

#### Sales and Operating Profit Margin



#### Sales by Category of Operations



Source: Company Data, WRJ Calculation

Sales for Q1 came in at ¥3,793m (up 40.6%), ¥5,770m (up 56.2%) for Q2 and ¥3,588m (up 39.5%) for Q3, while the latest Company forecasts assume sales of ¥4,147m (up 47.6%) for Q4. In light of this, the Company has been continuously seeing a trend of significant increase in sales on a quarterly basis in terms of year-on-year changes.



For Q1 to Q3, the Company's sales continued to be strong, centering on the mainstay Real-World Events. By industry sector, the largest contributor to the Company's sales for Q1 to Q2, "Foods, Beverages & Tasty Things", appears to have continued to make a significant contribution for Q3 (January to March). In particular, sales associated with Beverages (alcoholic and non-alcoholic) may have remained firm. At the same time, for Q3 (January to March), the Company suggests a strength in sales associated with "Transportations & Leisure". The reason cited for this is that sales associated with IP contents (e.g., popular characters), which are included in this industry sector, have been strong.

#### **Real-World Events (66.8% of sales)**

Sales came in at ¥8,781m (up 84.3%). According to the Company, sales have surged as a result of increasing order intake for large-scale projects on street promotions, inner events and exhibitions in line with a move of returning back to real-world events, while those of IP contents (e.g., popular characters) are kicking in. As well, on a quarterly basis, the Company sees a concentration in sales for Q2 (October to December) due mainly to seasonal factors, while it is inevitable for the Company to see an adjustment in sales for Q3 (January to March), immediately following Q2. However, the impact stemming from here was far more than offset by that of Corona disaster for FY06/2022 and FY06/2023, as far as we could see.

#### **Online Events (12.6% of sales)**

Sales came in at ¥1,663m (up 39.6%). The Company notes that sales are driven by so-called hybrid-type events, the mainstay in this category, i.e., those of comprising real-world events and online events.

#### **Online Promotions (18.9% of sales)**

Sales came in at ¥2,483m (down 9.6%). In the market for digital advertising, a trend of deceleration in the rate of growth is now occurring, while the Company notes that it continues seeing inquiries for its online promotion measures, such as those of social media and video-leveraged ones as well as digital advertising. However, the Company suffers from a decline in unit price per project, which is a reason for a decline in sales.

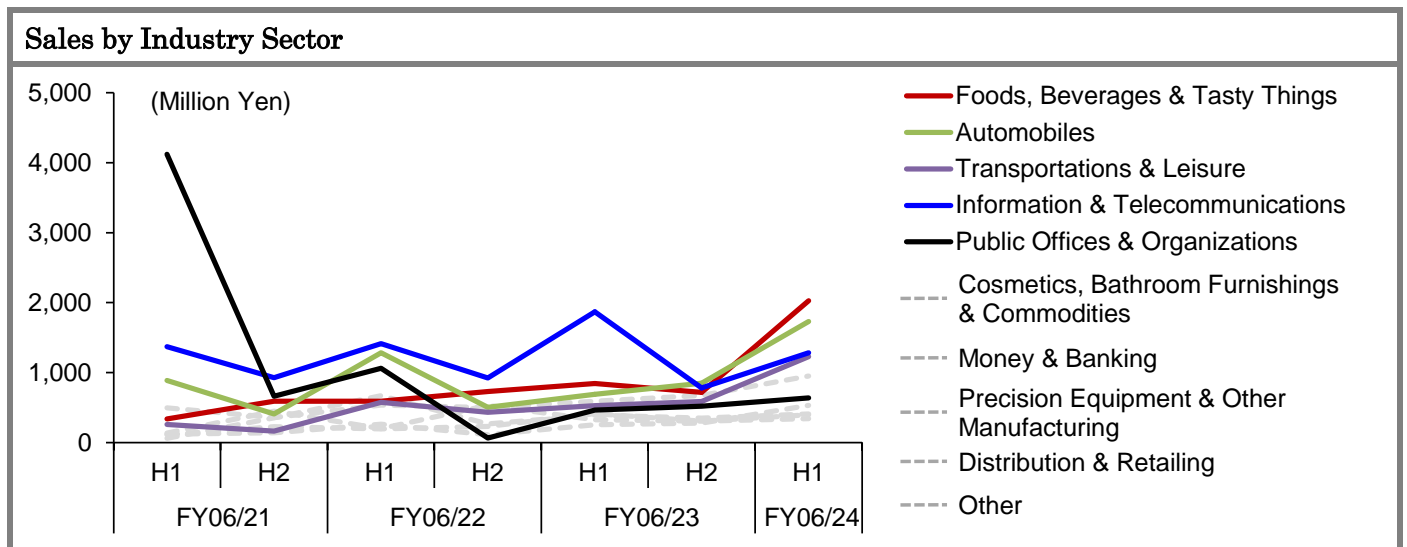
#### **Trends of Margins**

Gross profit came in at ¥2,309m (up 60.6%) and SG&A expenses ¥655m (up 12.6%), implying gross profit margin of 17.6% (up 1.5% points) and SG&A ratio of 5.0% (down 1.5% points), having resulted in operating profit margin of 12.6% (up 3.0% points).

From the beginning of Q3 (January to March), the Company has been conducting a wide variety of measures and policies in earnest, represented by strategical investments in human capital, to ensure a growth from a long-term perspective, which is implied to increase contribution of expenses to a corresponding extent. As planned, the Company has implemented across-the-board pay rise, equating to 6.7% in terms of average annual salary, while other measures and policies are also on wheels, such as investments to enhance hiring, training programs and so on as well as contribution of expenses to leverage digital technology, including "AI". At the same time, however, the Company continues benefiting from an improvement in gross profit margin due mainly to increased provisions of high value-added operations to collect fees and enhanced in-house operations to well utilize a subsidiary.

### Sales by Industry Sector

For Q1 to Q2 FY06/2024, the Company posted sales of ¥9,563m (up 49.6% YoY). By industry sector, "Foods, Beverages & Tasty Things" was the largest contributor to the Company's sales growth, which saw 37% for contribution ratio, i.e., net changes in sales proceeds in the industry sector divided by net change in the Company's sales proceeds. Secondly, "Automobiles" saw 33% for contribution ratio and then 22% for "Transportations & Leisure", resulting in contribution ratio of no less than collective 92% with the above-mentioned three industry sectors. "Game Projects", whose sales are internally embraced in those of some of the specified 10 industry sectors, saw 13% for contribution ratio, while it appears that the bulk of sales here is embraced in "Transportations & Leisure". Meanwhile, "Information & Telecommunications" saw minus 18% for contribution ratio as a result of declining sales.



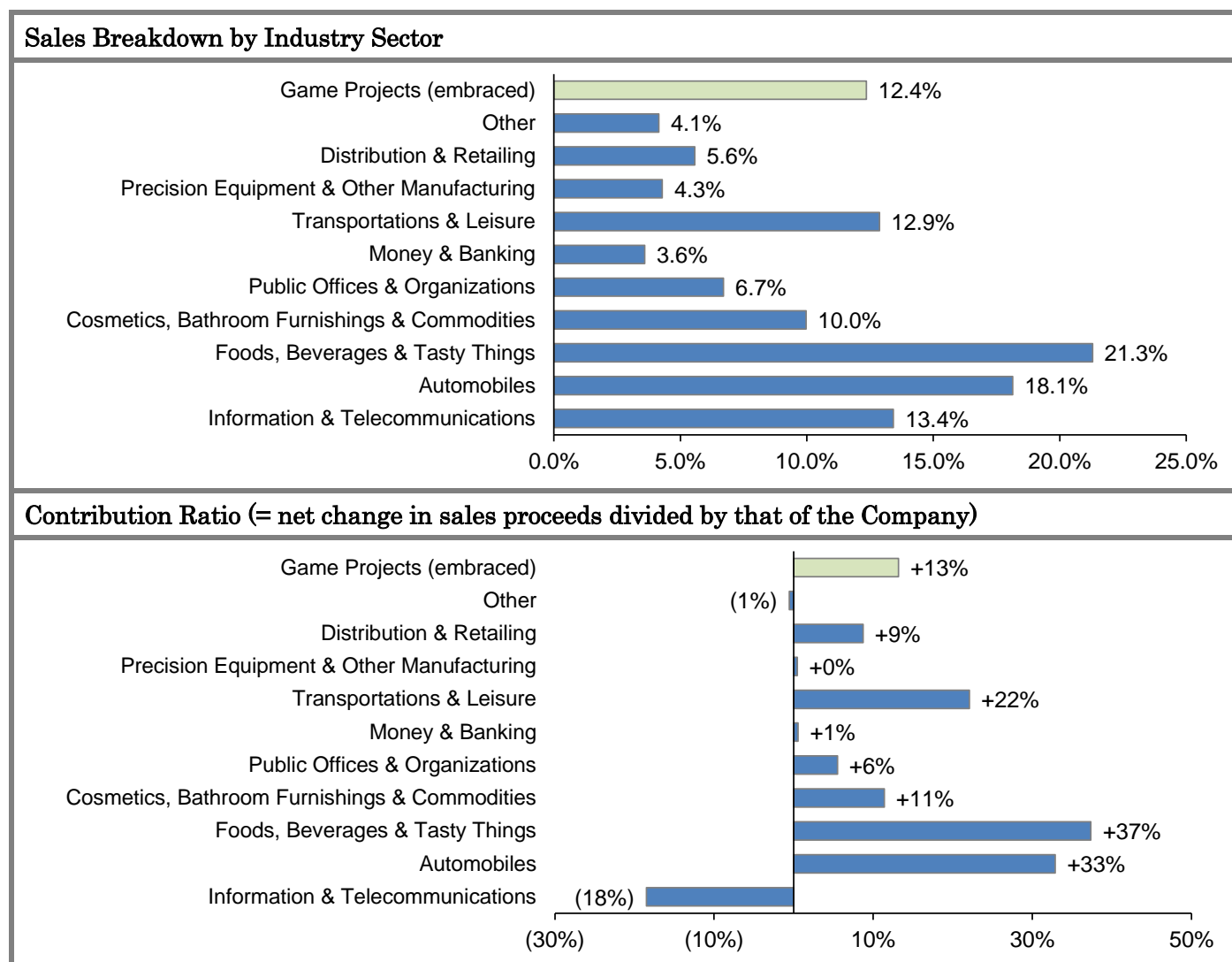
Source: Company Data, WRJ Calculation

#### Public Offices & Organizations (6.7% of sales / 6% for contribution ratio)

For Q1 to Q2, the Company's exposure is rather limited in terms of composition rate in sales and contribution ratio, while substantial sales having been posted for Q1 to Q2 FY06/2021, due to the impact of the Corona disaster (the first confirmed case of infection in Japan at the beginning of 2020). As part of the emergency economic stimulus measures, the government has introduced the National Sustaining Benefits since its inception and the Company, which was contracted to set up venues for the application, had continued to see sales related to the said scheme by Q1 to Q2 FY06/2021. During the relevant period, the impact of this had been significant for the Company's performance as a whole. Meanwhile, for trading after Q2 FY06/2024, the Company suggests that a positive impact is generated by sales posted for "a large-scale event associated with government" for Q4 (April to June). As well, this is mentioned as one of the reasons for an upward revision announced for FY06/2024 Company forecasts, made on 14 June 2024.

**Foods, Beverages & Tasty Things (21.3% of sales / 37% for contribution ratio)**

For Q1 to Q2, there are indications that the Company is experiencing the impact of the transition of COVID-19 to a category 5 infectious disease (27 April 2023). According to the Company, a major impact is generated by resurgence of street promotions in line with full-fledged revitalization of socioeconomic activities and lifestyle behaviors. The Company also suggests that the strengths have continued into the period of Q3 (January to March), while such trend appears to be outstanding in particular for Beverages (alcoholic and non-alcoholic).



Source: Company Data, WRJ Calculation

**Automobiles (18.1% of sales / 33% for contribution ratio)**

For Q1 to Q2, JAPAN MOBILITY SHOW 2023 (former Tokyo Motor Show) has taken place, which appears to have had a significant impact on sales. Given that the show was open to public from 28 October to 5 November 2023, sales should have been posted intensively during the relevant period (July to December).

### **Transportations & Leisure (12.9% of sales / 22% for contribution ratio)**

For Q1 to Q2, Tokyo Game Show 2023 has taken place from 21 September to 8 October 2023 and it appears that the bulk of impact of this was reflected in sales associated with “Transportations & Leisure”. In terms of “Game Projects”, whose sales are internally embraced in those of some of the specified 10 industry sectors, the Company saw 12.4% in composition rate in sales and 13% for contribution ratio as above-mentioned. For Q4 (April to June), the Company notes that sales associated with IP contents (e.g., popular characters) are buoyant more than assumptions, which is raised as another reason for the above-mentioned upward revision made on 14 June 2024.

### **Information & Telecommunications (13.4% of sales / minus 18% for contribution ratio)**

For Q1 to Q2, sales from large-scale events posted during the same period of the previous year did not reappear. In the past, the major cell phone carriers (NTT DoCoMo, KDDI and Softbank) formed the core of sales in those of being associated with “Information & Telecommunications”, while sales during the same period of the previous year were of large-scale projects by so-called digital platformers like GAFA (Google: now part of Alphabet, Apple, Facebook: renamed Meta from October 2021 and Amazon.com), 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.
(Million Yen)	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>13,152</b>	-	-	<b>+4,188</b>
Cost of Sales	2,320	5,317	7,526	9,873	3,198	7,803	10,843	-	-	+3,316
Gross Profit	377	1,075	1,437	1,900	595	1,760	2,309	-	-	+871
SG&A Expenses	227	411	582	750	219	426	655	-	-	+73
<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>1,653</b>	-	-	<b>+798</b>
Non Operating Balance	13	13	28	28	15	14	32	-	-	+3
<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>1,686</b>	-	-	<b>+802</b>
Extraordinary Balance	(622)	(622)	(625)	(625)	0	0	0	-	-	+625
Profit before Income Taxes	(458)	55	258	553	390	1,348	1,686	-	-	+1,427
Total Income Taxes	(130)	37	107	198	142	454	569	-	-	+462
<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>1,116</b>	-	-	<b>+964</b>
Sales YoY	(12.9%)	(6.3%)	+2.9%	+5.8%	+40.6%	+49.6%	+46.7%	-	-	-
Operating Profit YoY	(55.8%)	(13.7%)	+13.6%	+30.2%	+149.7%	+100.8%	+93.3%	-	-	-
Recurring Profit YoY	(54.5%)	(14.3%)	+11.2%	+27.5%	+138.0%	+98.9%	+90.8%	-	-	-
Profit Attributable to Owners of Parent YoY	-	(96.7%)	(71.0%)	(40.6%)	-	-	+636.3%	-	-	-
Gross Profit Margin	14.0%	16.8%	16.0%	16.1%	15.7%	18.4%	17.6%	-	-	+1.5%
SG&A Ratio	8.4%	6.4%	6.5%	6.4%	5.8%	4.5%	5.0%	-	-	(1.5%)
Operating Profit Margin	5.6%	10.4%	9.5%	9.8%	9.9%	13.9%	12.6%	-	-	+3.0%
Recurring Profit Margin	6.1%	10.6%	9.9%	10.0%	10.3%	14.1%	12.8%	-	-	+3.0%
Profit Attributable to Owners of Parent Margin	(12.1%)	0.3%	1.7%	3.0%	6.5%	9.3%	8.5%	-	-	+6.8%
Total Income Taxes / Profit before Income Taxes	28.6%	68.4%	41.4%	35.8%	36.5%	33.7%	33.8%	-	-	(7.6%)

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		
<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>3,588</b>	-	-	<b>+1,016</b>
Cost of Sales	2,320	2,996	2,209	2,346	3,198	4,605	3,039	-	-	+830
Gross Profit	377	697	362	463	595	1,165	549	-	-	+186
SG&A Expenses	227	183	170	168	219	206	228	-	-	+57
<b>Operating Profit</b>	<b>150</b>	<b>513</b>	<b>191</b>	<b>294</b>	<b>375</b>	<b>958</b>	<b>320</b>	-	-	<b>+128</b>
Non Operating Balance	13	0	14	0	15	(0)	17	-	-	+3
<b>Recurring Profit</b>	<b>164</b>	<b>513</b>	<b>206</b>	<b>295</b>	<b>390</b>	<b>957</b>	<b>337</b>	-	-	<b>+131</b>
Extraordinary Balance	(622)	0	(2)	(0)	0	(0)	0	-	-	+2
Profit before Income Taxes	(458)	513	203	295	390	957	338	-	-	+134
Total Income Taxes	(130)	168	69	90	142	311	115	-	-	+46
<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>222</b>	-	-	<b>+88</b>
Sales YoY	(12.9%)	(0.8%)	+36.2%	+15.9%	+40.6%	+56.2%	+39.5%	-	-	-
Operating Profit YoY	(55.8%)	+19.8%	-	+126.7%	+149.7%	+86.5%	+67.3%	-	-	-
Recurring Profit YoY	(54.5%)	+19.5%	-	+127.4%	+138.0%	+86.4%	+64.0%	-	-	-
Profit Attributable to Owners of Parent YoY	-	+18.3%	-	+170.4%	-	+87.3%	+66.0%	-	-	-
Gross Profit Margin	14.0%	18.9%	14.1%	16.5%	15.7%	20.2%	15.3%	-	-	+1.2%
SG&A Ratio	8.4%	5.0%	6.6%	6.0%	5.8%	3.6%	6.4%	-	-	(0.3%)
Operating Profit Margin	5.6%	13.9%	7.5%	10.5%	9.9%	16.6%	8.9%	-	-	+1.5%
Recurring Profit Margin	6.1%	13.9%	8.0%	10.5%	10.3%	16.6%	9.4%	-	-	+1.4%
Profit Attributable to Owners of Parent Margin	(12.1%)	9.3%	5.2%	7.3%	6.5%	11.2%	6.2%	-	-	+1.0%
Total Income Taxes / Profit before Income Taxes	28.6%	32.9%	34.0%	30.8%	36.5%	32.6%	34.2%	-	-	+0.2%

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	8,781	-	-	+4,018
Online Events	200	714	1,191	1,504	421	1,062	1,663	-	-	+472
Online Promotions	701	2,060	2,747	3,723	591	1,713	2,483	-	-	(264)
Other	69	163	261	277	68	159	223	-	-	(38)
<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>13,152</b>	-	-	<b>+4,188</b>
Real-World Events	+4.1%	+41.9%	+48.3%	+37.4%	+57.1%	+91.9%	+84.3%	-	-	-
Online Events	(73.3%)	(69.1%)	(56.6%)	(46.0%)	+110.4%	+48.7%	+39.6%	-	-	-
Online Promotions	+8.0%	+4.9%	+4.9%	+3.8%	(15.6%)	(16.8%)	(9.6%)	-	-	-
Other	+77.6%	+85.8%	+99.5%	+40.3%	(1.4%)	(2.3%)	(14.3%)	-	-	-
<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>	<b>+46.7%</b>	-	-	-
Real-World Events	64.0%	54.0%	53.1%	53.2%	71.5%	69.3%	66.8%	-	-	-
Online Events	7.4%	11.2%	13.3%	12.8%	11.1%	11.1%	12.6%	-	-	-
Online Promotions	26.0%	32.2%	30.6%	31.6%	15.6%	17.9%	18.9%	-	-	-
Other	2.6%	2.6%	2.9%	2.4%	1.8%	1.7%	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>	<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	2,154	-	-	+845
Online Events	200	514	477	313	421	641	601	-	-	+124
Online Promotions	701	1,359	687	976	591	1,122	770	-	-	+83
Other	69	94	98	16	68	91	64	-	-	(34)
<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>3,589</b>	-	-	<b>+1,017</b>
Real-World Events	+4.1%	-	+68.3%	+11.5%	+57.1%	+126.6%	+64.6%	-	-	-
Online Events	(73.3%)	-	+9.7%	+682.5%	+110.4%	+24.7%	+26.0%	-	-	-
Online Promotions	+8.0%	-	+4.9%	+0.9%	(15.6%)	(17.4%)	+12.1%	-	-	-
Other	+77.6%	-	+127.9%	(76.1%)	(1.4%)	(3.2%)	(34.7%)	-	-	-
<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>	<b>+39.5%</b>	-	-	-
Real-World Events	64.0%	46.8%	50.9%	53.6%	71.5%	67.9%	60.0%	-	-	-
Online Events	7.4%	13.9%	18.5%	11.1%	11.1%	11.1%	16.7%	-	-	-
Online Promotions	26.0%	36.8%	26.7%	34.7%	15.6%	19.4%	21.5%	-	-	-
Other	2.6%	2.5%	3.8%	0.6%	1.8%	1.6%	1.8%	-	-	-
<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>	<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	7,242	-	-	+1,777
Electronically Recorded Receivables	168	341	487	169	97	71	87	-	-	(400)
Accounts Receivables and Contract Assets	2,230	3,037	2,293	2,289	2,950	4,044	3,262	-	-	+969
Other	1,022	1,021	1,268	1,307	1,231	1,339	824	-	-	(443)
<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>11,417</b>	-	-	<b>+1,903</b>
Tangible Assets	184	176	175	164	157	150	143	-	-	(32)
Intangible Assets	27	25	23	26	50	52	48	-	-	+25
Investments and Other Assets	1,749	1,670	1,631	1,454	1,412	1,374	1,518	-	-	(113)
<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>1,710</b>	-	-	<b>(120)</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>13,127</b>	-	-	<b>+1,782</b>
Electronically Recorded Debt	14	13	10	4	4	25	1	-	-	(9)
Accounts Payable	1,347	1,859	1,297	986	1,975	2,939	1,814	-	-	+516
Short Term Debt	840	840	840	840	840	840	840	-	-	0
Other	744	461	444	534	714	900	976	-	-	+531
<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>3,632</b>	-	-	<b>+1,039</b>
Long Term Debt	-	-	-	-	-	-	-	-	-	-
Other	301	354	399	401	386	399	426	-	-	+27
<b>Fixed Liabilities</b>	<b>301</b>	<b>354</b>	<b>399</b>	<b>401</b>	<b>386</b>	<b>399</b>	<b>426</b>	-	-	<b>+27</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>4,058</b>	-	-	<b>+1,066</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>8,463</b>	-	-	<b>+845</b>
Other	744	710	735	605	546	514	605	-	-	(129)
<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>9,068</b>	-	-	<b>+716</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>13,127</b>	-	-	<b>+1,782</b>
Equity Capital	8,111	8,508	8,336	8,411	8,310	9,028	9,058	-	-	+722
Interest Bearing Debt	840	840	840	840	840	840	840	-	-	0
Net Debt	(5,168)	(4,946)	(4,624)	(4,941)	(5,507)	(6,271)	(6,402)	-	-	(1,777)
Equity Ratio	71.2%	70.6%	73.5%	73.8%	67.9%	63.8%	69.0%	-	-	-
Net Debt Equity Ratio	(63.7%)	(58.1%)	(55.5%)	(61.2%)	(66.3%)	(69.5%)	(70.7%)	-	-	-
ROE (12 months)	0.4%	1.0%	2.4%	3.8%	11.3%	14.1%	15.2%	-	-	-
ROA (12 months)	5.8%	6.2%	8.3%	9.4%	11.9%	14.1%	16.2%	-	-	-
Quick Ratio	285%	289%	318%	348%	266%	239%	292%	-	-	-
Current Ratio	320%	321%	367%	404%	301%	267%	314%	-	-	-

Source: Company Data, WRJ Calculation

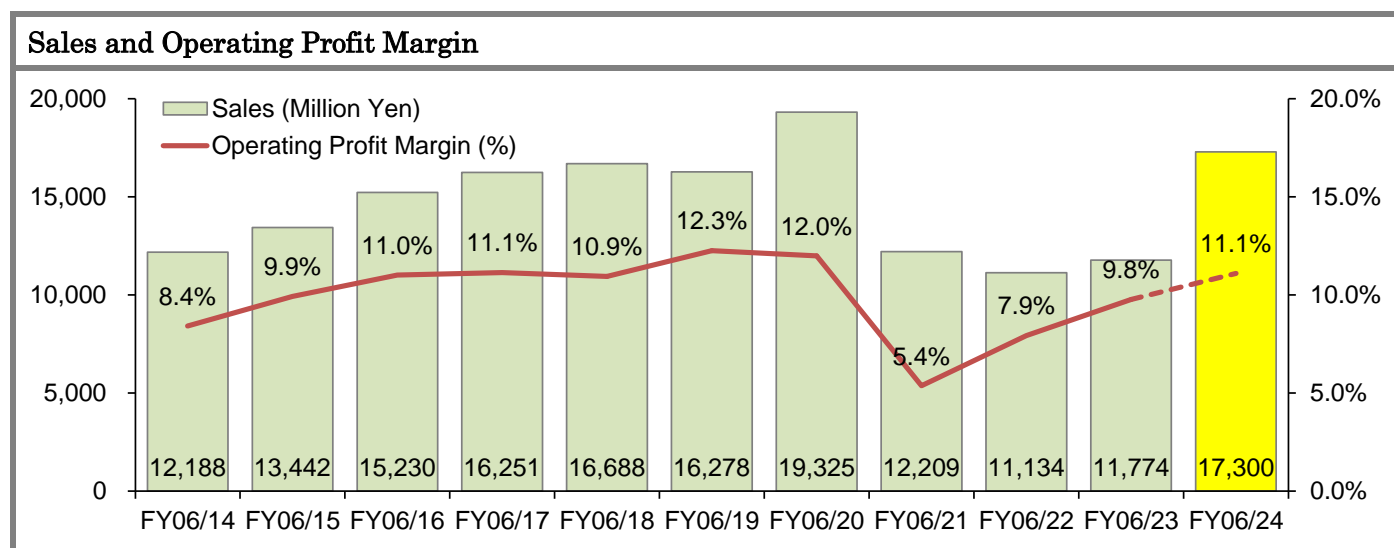
## Cash Flow Statement (Cumulative)

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	-	-	-	-
Investing Cash Flow	-	206	-	211	-	(9)	-	-	-	-
<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>-</b>
Financing Cash Flow	-	(2,013)	-	(2,304)	-	(395)	-	-	-	-

Source: Company Data, WRJ Calculation

### FY06/2024 Company Forecasts

FY06/2024 Company forecasts, announced on 14 June 2024, are going for prospective sales of ¥17,300m (up 46.9% YoY), operating profit of ¥1,920m (up 66.9%), recurring profit of ¥1,950m (up 65.4%) and profit attributable to owners of parent of ¥1,267m (up 256.2%), while operating profit margin of 11.1% (up 1.3% points). At the extraordinary level, Company forecasts assume a major improvement, because the payment of special career achievement bonus of ¥647m, posted for Q1 FY06/2023, will not reappear, as mentioned earlier.



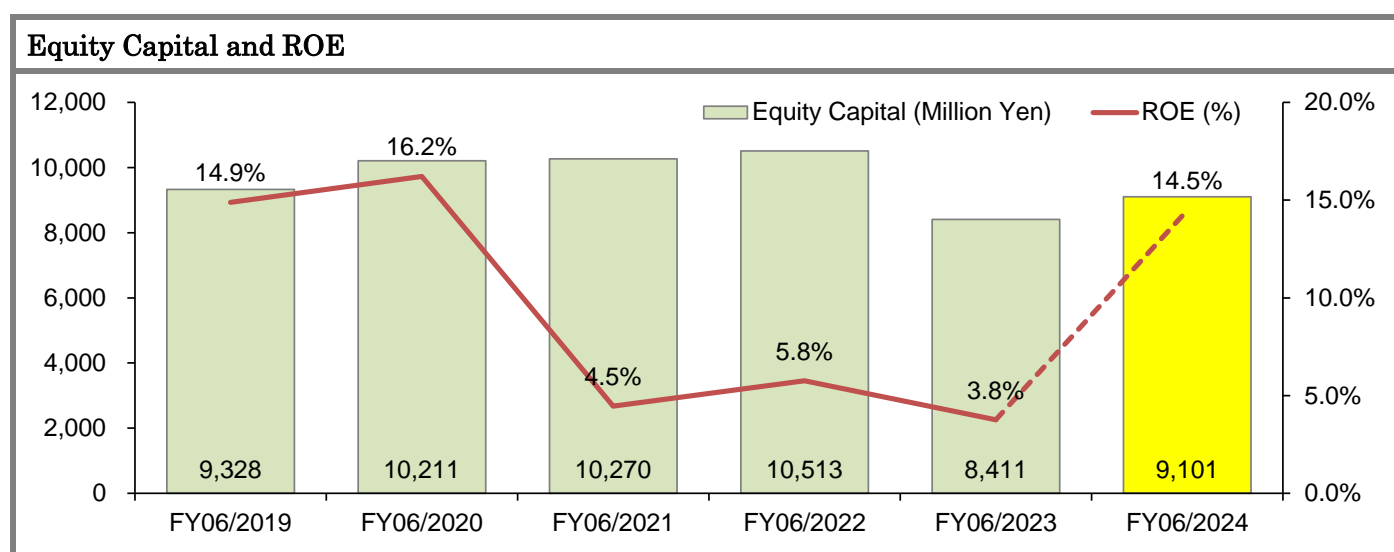
Source: Company Data, WRJ Calculation

Compared to initial Company forecasts, announced on 9 August 2023, a significantly higher performance will be achieved. To date, Company forecasts have been revised up by ¥3,300m (23.6%) in sales, ¥550m (40.1%) in operating profit, ¥550m (39.3%) in recurring profit and ¥352m (38.5%) in profit attributable to owners of parent. As it turned out, it appears that assumptions of initial Company forecasts were too conservative for the degree of revitalization of socioeconomic activities and lifestyle behaviors, stemming from the transition of COVID-19 to a category 5 infectious disease (27 April 2023).

Company forecasts have been revised up as above-mentioned via two revisions made at the release of the Q2 results (8 February 2024) and the time a while after the release of the Q3 results (14 June 2024). For the former, Company forecasts have been revised up by ¥2,000m (14.3%) in sales and ¥377m (27.5%) in operating profit and ¥1,300m (8.1%) and ¥172m (9.8%), respectively, for the latter.



Meanwhile, the Company suggests that the level of performance at sales of ¥17,300m and operating profit margin of 11.1%, currently assumed for FY06/2024, is an equivalent of a record high in substantive term. The actual results of FY06/2019, with sales of ¥16,278m and operating profit margin of 12.3%, are cited for comparison. Sales are to be exceeded by ¥1,022m (6.3%), while 1.2% points lower for operating profit margin. However, in light of an aspect that this is attributable to expenses contributed for growth from a long-term perspective now being higher than those days, represented by investments in human capital and so on, it should make sense to consider the level, equivalent of a record high, will be achieved in substantive term. As well, the actual results of FY06/2020, i.e., sales of ¥19,325m and operating profit margin of 12.0%, are inappropriate for the comparison in that the results were boosted by the impact of the Corona disaster, as referred to in depth earlier.



Source: Company Data, WRJ Calculation

Meanwhile, considering the fact that the Company is seeing contribution of expenses mounted from significant investments in human capital and so on to drive growth from a long-term perspective, it should be the case that the Company's level of performance projected for FY06/2024 is an equivalent to a record high also in terms of capital efficiency, when ROE is used as an indicator. According to our estimates, the Company is to see ROE of 14.5% for FY06/2024 versus 14.9% for the actual results of FY06/2019, the subject of comparison. Our estimates assume that the latest Company forecasts will be met and that changes in equity capital during the relevant period will be determined solely by the impact of addition due to profit attributable to owners of parent and subtraction due to payment of dividend. In terms of results, the Company is to make a favorable progress to cope with "Action to Implement Management That is Conscious of Cost of Capital and Stock Price", advocated by the Japan Exchange Group.

As well, on 16 September 2022, the Company repurchased its own shares (5,500,000 common shares equating to 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. This deal reduced equity capital by the same amount, explaining a sizable portion of total decrease in equity capital during the period of FY06/2023.

## 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	15-May-24	Q3 Results	16,000	1,748	1,777	1,172
FY06/2024CoE	14-Jun-24	Revision	17,300	1,920	1,950	1,267
		Amount of Gap	1,300	172	173	95
		Rate of Gap	8.1%	9.8%	9.7%	8.1%
FY06/2024CoE	9-Aug-23	Q4 Results	14,000	1,370	1,400	915
FY06/2024CoE	14-Jun-24	Revision	17,300	1,920	1,950	1,267
		Amount of Gap	3,300	550	550	352
		Rate of Gap	23.6%	40.1%	39.3%	38.5%
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	15-May-24	Q3 Results	6,437	415	429	279
Q3 to Q4 FY06/2024CoE	14-Jun-24	Revision	7,737	587	602	374
		Amount of Gap	1,300	172	173	95
		Rate of Gap	20.2%	41.4%	40.3%	34.1%
Q3 to Q4 FY06/2024CoE	9-Aug-23	Q4 Results	6,038	414	430	278
Q3 to Q4 FY06/2024CoE	14-Jun-24	Revision	7,737	587	602	374
		Amount of Gap	1,699	173	172	96
		Rate of Gap	28.1%	41.8%	40.0%	34.5%

Source: Company Data, WRJ Calculation

## **Long-Term Prospects**

The Company aims to achieve sustainable growth from a long-term perspective by means of driving two spindles, i.e., business growth and operational aspect. There is a significant momentum in the Company's performance for FY06/2024, which appears to be followed by sustainable growth for FY06/2025 and thereafter due to its enforcement of policy to aggressively increase expenditures for future growth, represented by investments in human capital. The Company, which now advocates to "create experiences for a new era" as Purpose, is going for "designing results with experience value as the core" for business growth, which will drive "client expansion" and "domain expansion". On the other hand, in terms of operational aspect, the Company will strengthen the foundation for "updating the environment and systems that enable its employees to work with vitality and enthusiasm".

### **Business Growth**

The Company is trying to fully erect its operations on events, those of the mainstay, as well as those of online domains, i.e., both of them, together with its strategy. Focusing on working with advertising behemoths such as DENTSU and HAKUHODO, which are its mainstay direct clients, the Company is also keen on development of own direct clients, as well as collaborating with a variety of players in the ad business, including foreign advertising and consulting firms, for the sake of driving business growth. At the same time, the Company is to enhance its exposure to online domains such as digital advertising, social media, video and so on, as well as aiming at enlargement of domains to be involved by means of strengthening group management and alliances. As a result, "planning and producing of hands-on integrated promotions", advocated by the Company, will make progress.

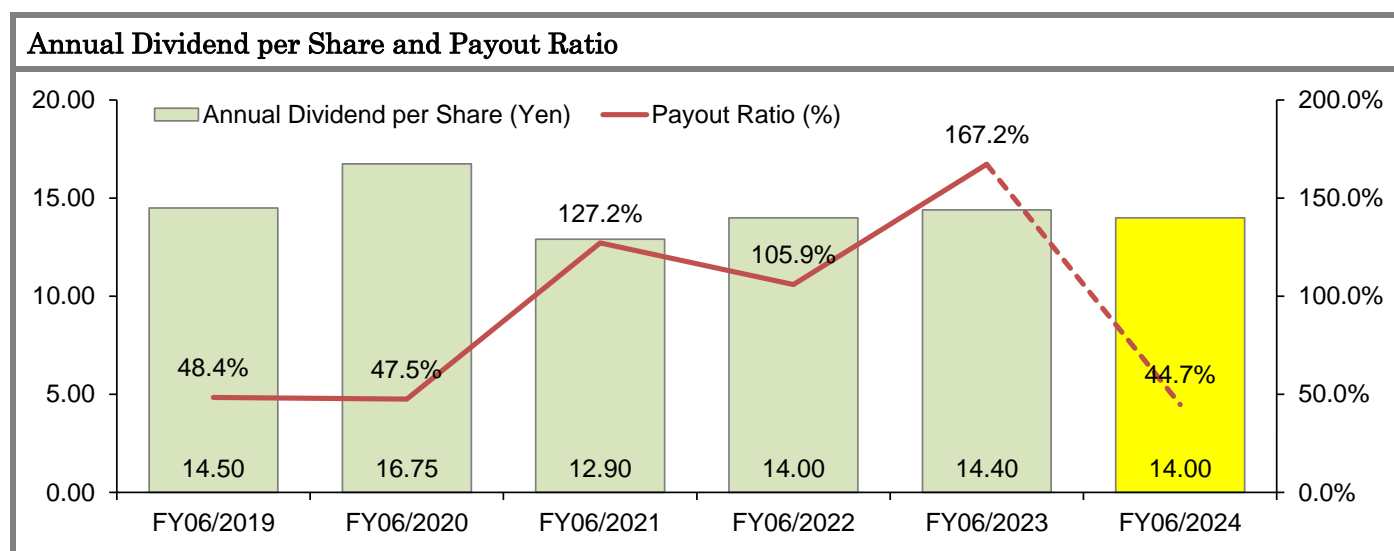
### **Operational Aspect**

So-called sustainability management is considered essential to be practiced for the Company to see an ongoing growth. The model of sustainability management advocated by the Company aims to realize a virtuous cycle of business growth and "returns & investments". The Company is to achieve business growth together with the above-mentioned strategy, while promoting a) enhancement of human capital management, b) investments in "AI" and "Environment" for the future and c) intensification of compliance as the Company's foundation, for operational aspect. In other words, it appears that the Company plans to establish a cycle in which the results of "investments" in operational aspect are to generate "returns" to drive business growth and then the said creation of new value in line with business growth is to bring forth surplus funds for further "investments".

Meanwhile, in order to strengthen human capital management, the Company will reduce working hours, promote diversity and make progress in returns and investments for its employees in various aspects with the aim of creating an environment in which a diverse workforce can play an active role in creating experiences for new era. Furthermore, as a leader in the industry, the Company will actively invest in areas that contribute to the future, such as "AI" and "Environment", in order to further strengthen its competitiveness and expand the future potential of experiences.

## 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 44.7%, which means that payment of dividend in line with the Company's basic dividend policy is to further persist in reality.



Source: Company Data, WRJ Calculation

For FY06/2021, the Company suffered from a low level of profit attributable to owners of parent, the source of dividend, due to sluggishness in socioeconomic activities and lifestyle behaviors as a result of an impact of the Corona disaster. In light of this, the Company eliminated its policy of capping payout ratio at 50%, which has continued for FY06/2022 and FY06/2023. Meanwhile, for FY06/2024, the Company has announced measure of paying dividend of either equating to “payout ratio of 40%” or “dividend yield of 4.5%”, whichever being higher, having come to planned annual dividend of ¥14.00 per share, i.e., 61.6% in payout ratio based on initial Company forecasts and 4.52% ( $\cong 14 \div 310$ ) 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. That is to say, it has been adopted to pay dividend equating to “dividend yield of 4.5%”. As well, it appears to be the case that the said measure newly hammered out is immune to changes in Company forecasts and share prices during the relevant period, judging from the state so far.

## 5.0 Financial Statements

### Income Statement

Income Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	YoY
	FY	FY	FY	FY	FY	FY	Net Chg.
	06/2019	06/2020	06/2021	06/2022	06/2023	06/2024	
<b>Sales</b>	<b>16,278</b>	<b>19,325</b>	<b>12,209</b>	<b>11,134</b>	<b>11,774</b>	<b>17,300</b>	<b>+5,525</b>
Cost of Sales	13,453	16,086	10,738	9,400	9,873	-	-
Gross Profit	2,825	3,239	1,470	1,733	1,900	-	-
SG&A Expenses	829	922	815	850	750	-	-
<b>Operating Profit</b>	<b>1,995</b>	<b>2,316</b>	<b>655</b>	<b>883</b>	<b>1,150</b>	<b>1,920</b>	<b>+769</b>
Non Operating Balance	21	16	43	40	28	30	+1
<b>Recurring Profit</b>	<b>2,017</b>	<b>2,332</b>	<b>698</b>	<b>924</b>	<b>1,178</b>	<b>1,950</b>	<b>+771</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	-	-
<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>1,267</b>	<b>+911</b>
Sales YoY	(2.5%)	+18.7%	(36.8%)	(8.8%)	+5.8%	+46.9%	-
Operating Profit YoY	+9.3%	+16.1%	(71.7%)	+34.7%	+30.2%	+66.9%	-
Recurring Profit YoY	+7.7%	+15.6%	(70.0%)	+32.3%	+27.5%	+65.4%	-
Profit Attributable to Owners of Parent YoY	+11.4%	+17.8%	(71.2%)	+31.3%	(40.6%)	+256.2%	-
Gross Profit Margin	17.4%	16.8%	12.0%	15.6%	16.1%	-	-
SG&A Ratio	5.1%	4.8%	6.7%	7.6%	6.4%	-	-
Operating Profit Margin	12.3%	12.0%	5.4%	7.9%	9.8%	11.1%	+1.3%
Recurring Profit Margin	12.4%	12.1%	5.7%	8.3%	10.0%	11.3%	+1.3%
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 (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	YoY
	FY	FY	FY	FY	FY	FY	Net Chg.
	06/2019	06/2020	06/2021	06/2022	06/2023	06/2024	
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>17,300</b>	<b>+5,526</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>+46.9%</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	31.30	-
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	31.30	-
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%	44.7%	-

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