

TOW (4767)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY06/2023		11,774	1,150	1,178	355	8.61	14.40	208.86
FY06/2024		17,503	2,006	2,058	1,405	34.71	14.00	228.76
FY06/2025CoE		18,000	2,120	2,150	1,428	35.17	15.00	-
FY06/2024		YoY	48.7%	74.4%	74.6%	295.3%	-	-
FY06/2025CoE		YoY	2.8%	5.7%	4.5%	1.6%	-	-
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 FY06/2024		9,563	1,333	1,348	893	-	-	-
Q3 to Q4 FY06/2024		7,939	673	710	512	-	-	-
Q1 to Q2 FY06/2025		8,808	1,091	1,109	740	-	-	-
Q3 to Q4 FY06/2025CoE		9,191	1,028	1,040	687	-	-	-
Q1 to Q2 FY06/2025		YoY	(7.9%)	(18.2%)	(17.7%)	(17.2%)	-	-
Q3 to Q4 FY06/2025CoE		YoY	15.8%	52.8%	46.5%	34.3%	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (19 February 2025)

The Expo Assignments

On 13 February 2025, TOW, focusing on the development of planning & producing for integrated promotions, released its Q1 to Q2 (July to December) FY06/2025 results. It has been revealed that performance is in line with assumptions of initial Company forecasts. The Company was forced to accept a decrease in sales and earnings due to the absence of contribution from a large-scale automotive exhibition that took place during the same period of the previous year, but going for a substantial year-on-year increase in sales and earnings for H2 (January to June) as it will intensively post sales associated with the Expo assignments. More importantly, the former will be more than compensated for by the latter, bringing in a steady increase in sales and earnings on a full-year basis. Meanwhile, for the sake of sustainable growth, the Company continues strengthening human capital management as well as implementing intensive investments in the domains of AI and environment, generating an aspect to see increased expenses. Still, there is another aspect for the Company's measures to improve profitability working well, having resulted in nothing but a marginal decline in gross profit margin for Q1 to Q2 (July to December) in spite of a decline in sales. According to the Company, it has maintained high profitability due to its measures of focusing on fee-based operations that provide high added value and internal producing within the group. We are to interview with the management to obtain further details, so that we should be able to update and release our Company Report afresh.

Our latest Company Report: [TOW \(4767\) Leveling and Leaping \(10 January 2025\)](#)

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

2.0 Company Profile

Planning & Producing Integrated Promotions

Company Name	TOW CO., Ltd. Company HP IR Information (Japanese) Share Price (Japanese) 
Established	6 July 1976
Listing	20 October 2023: Tokyo Stock Exchange Standard Market (ticker: 4767) 4 April 2022: Tokyo Stock Exchange Prime Market 25 June 2008: Tokyo Stock Exchange 1st section 25 June 2007: Tokyo Stock Exchange 2nd section 13 July 2000: JASDAQ
Capital	¥948m (as of the end of December 2024)
No. of Shares	48,969,096 shares, including 7,978,812 treasury shares (as of the end of Dec. 2024)
Main Features	<ul style="list-style-type: none"> ● Major ad firms account for 57% of sales and 20% for direct clients ● Producing events and/or content with own planning ● Measures to promote business growth: Design Results with Hands-on Value
Representative	Representative Director and President: Kenichi Muratsu
Shareholders	Master Trust Bank of Japan, T. 17.11%, Katsuji Maki 9.62%, Custody Bank of Japan, T. 5.99%, LIKE, Inc. 2.54%, Hide Imazu 1.32% (as of the end of December 2024, but for treasury shares)
Head Office	Minato-ku, Tokyo, JAPAN
No. of Personnel	Consolidated: 263, Parent: 200 (as of the end of June 2024)

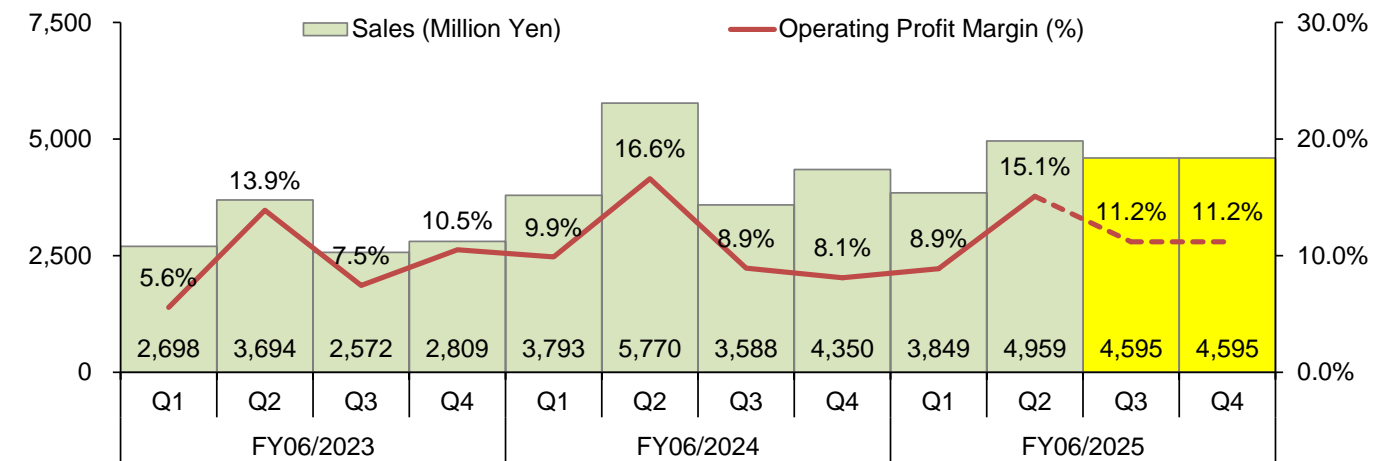
Source: Company Data

3.0 Recent Trading and Prospects

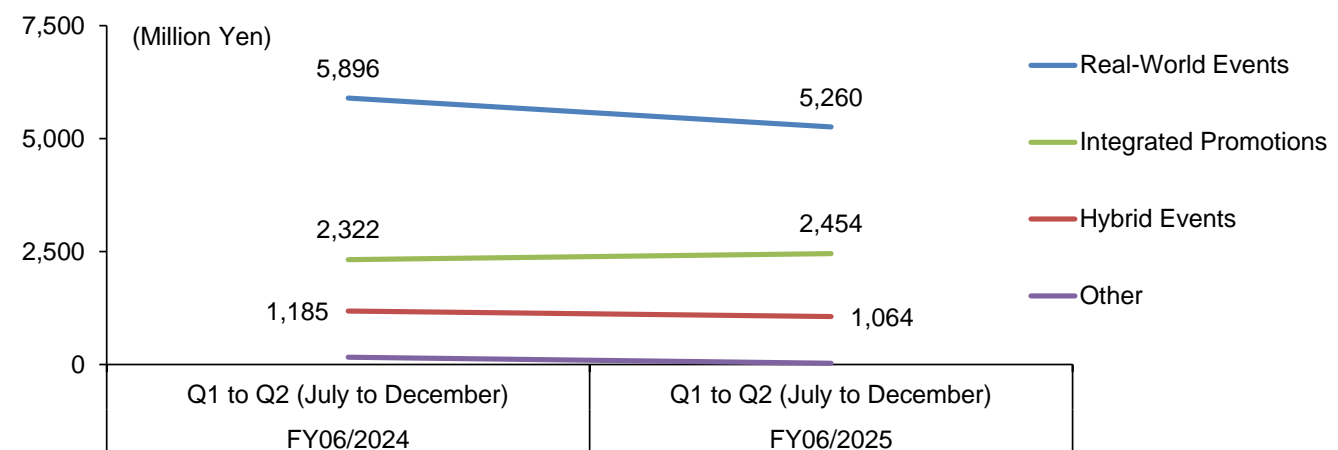
Q1 to Q2 (July to December) FY06/2025

For Q1 to Q2 (July to December) FY06/2025, sales came in at ¥8,808m (down 7.9% YoY), operating profit ¥1,091m (down 18.2%), recurring profit ¥1,109m (down 17.7%) and profit attributable to owners of parent ¥740m (down 17.2%). Meanwhile, gross profit came in at ¥1,593m (down 9.5%) and SG&A expenses ¥502m (up 17.8%), implying gross profit margin of 18.1% (down 0.3% points) and SG&A ratio of 5.7% (up 1.2% points), having resulted in operating profit margin of 12.4% (down 1.6% points).

Sales and Operating Profit Margin



Sales by Category of Operations



Source: Company Data, WRJ Calculation (Q3 and Q4 FY06/2025: H2 Company forecasts, pro rata)

Real-World Events (59.7% of sales)

Sales came in at ¥5,260m (down 10.8%). The Company was forced to accept the decrease in sales due to the absence of contribution from a large-scale automotive exhibition that took place during the same period of the previous year. However, the Company suggests that demand is continuing for real-world experiences, driving sales of large-scale projects associated with conferences and government & municipal offices in addition to street promotions for beverages and foods. For information, the Company suggests that sales on the Real-World Events side for Q1 to Q2 (July to December) comprised those of street events by 44%, conferences by 25%, exhibitions by 19% and so on in terms of subcategory. It appears that the Company's exposure to exhibitions has declined over the same period of the previous year.

Integrated Promotions (27.9% of sales)

Sales came in at ¥2,454m (up 5.7%). The Company suggests that sales were driven by an increased number of projects to utilize integrate means comprising those of digital, real-world, social media and so on, in addition to an impact stemming from having consolidated MOTTO to develop video production as subsidiary for FY06/2024, i.e., increased video-related assignments, including TV commercials. The Company has laid out a policy to further strengthen its group alignment for the sake of providing clients with marketing more efficient than ever before going forward, including alignment with Qetic which has been consolidated as subsidiary since 15 January 2025, having had gone through a long track record of collaboration with the Company.

Hybrid Events (12.1% of sales)

Sales came in at ¥1,064m (down 10.2%). On the Hybrid Events side, where the Company joins together offline means and online means, it sees strength on projects associated with information technology. However, sales on this side have declined for Q1 to Q2 (July to December), as the impact did not reappear, stemming from a large-scale project that occurred during the same period of the previous year.

FY06/2025 Company Forecasts

FY06/2025 initial Company forecasts, announced on 8 August 2024, have remained unchanged, going for prospective sales of ¥18,000m (up 2.8% YoY), operating profit of ¥2,120m (up 5.7%), recurring profit of ¥2,150m (up 4.5%) and profit attributable to owners of parent of ¥1,428m (up 1.6%). At the same time, Company forecasts have remained unchanged also for planned annual dividend, going for ¥15.00 per share for FY06/2025, implying payout ratio of 42.6%.

FY06/2025 Company Forecasts and Actual Results

Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY06/2025CoE	8-Aug-24	Q4 Results	18,000	2,120	2,150	1,428
FY06/2025CoE	14-Nov-24	Q1 Results	18,000	2,120	2,150	1,428
FY06/2025CoE	13-Feb-25	Q2 Results	18,000	2,120	2,150	1,428
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
FY06/2025CoE	8-Aug-24	Q4 Results	18,000	2,120	2,150	1,428
FY06/2025CoE	13-Feb-25	Q2 Results	18,000	2,120	2,150	1,428
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY06/2025CoE	8-Aug-24	Q4 Results	9,000	1,089	1,100	732
Q1 to Q2 FY06/2025CoE	14-Nov-24	Q1 Results	9,000	1,089	1,100	732
Q1 to Q2 FY06/2025Act	13-Feb-25	Q2 Results	8,808	1,091	1,109	740
		Amount of Gap	(192)	2	9	8
		Rate of Gap	(2.1%)	0.2%	0.8%	1.1%
Q1 to Q2 FY06/2025CoE	8-Aug-24	Q4 Results	9,000	1,089	1,100	732
Q1 to Q2 FY06/2025Act	13-Feb-25	Q2 Results	8,808	1,091	1,109	740
		Amount of Gap	(192)	2	9	8
		Rate of Gap	(2.1%)	0.2%	0.8%	1.1%
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q3 to Q4 FY06/2025CoE	8-Aug-24	Q4 Results	9,000	1,031	1,050	696
Q3 to Q4 FY06/2025CoE	14-Nov-24	Q1 Results	9,000	1,031	1,050	696
Q3 to Q4 FY06/2025CoE	13-Feb-25	Q2 Results	9,192	1,029	1,041	688
		Amount of Gap	192	(2)	(9)	(8)
		Rate of Gap	2.1%	(0.2%)	(0.9%)	(1.1%)
Q3 to Q4 FY06/2025CoE	8-Aug-24	Q4 Results	9,000	1,031	1,050	696
Q3 to Q4 FY06/2025CoE	13-Feb-25	Q2 Results	9,192	1,029	1,041	688
		Amount of Gap	192	(2)	(9)	(8)
		Rate of Gap	2.1%	(0.2%)	(0.9%)	(1.1%)

Source: Company Data, WRJ Calculation

4.0 Financial Statements

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	Q1 to Q4	Net Chg.
	06/2024	06/2024	06/2024	06/2024	06/2025	06/2025	06/2025	06/2025	06/2025	
Sales	3,793	9,563	13,152	17,503	3,849	8,808	-	-	-	(755)
Cost of Sales	3,198	7,803	10,843	14,564	3,242	7,215	-	-	-	(588)
Gross Profit	595	1,760	2,309	2,939	606	1,593	-	-	-	(166)
SG&A Expenses	219	426	655	932	264	502	-	-	-	+75
Operating Profit	375	1,333	1,653	2,006	342	1,091	-	-	-	(242)
Non Operating Balance	15	14	32	51	10	18	-	-	-	+3
Recurring Profit	390	1,348	1,686	2,058	352	1,109	-	-	-	(238)
Extraordinary Balance	0	0	0	(2)	-	0	-	-	-	+0
Profit before Income Taxes	390	1,348	1,686	2,055	352	1,109	-	-	-	(238)
Total Income Taxes	142	454	569	649	124	369	-	-	-	(85)
Profit Attributable to Owners of Parent	248	893	1,116	1,405	227	740	-	-	-	(153)
Sales YoY	+40.6%	+49.6%	+46.7%	+48.7%	+1.5%	(7.9%)	-	-	-	-
Operating Profit YoY	+149.7%	+100.8%	+93.3%	+74.4%	(8.9%)	(18.2%)	-	-	-	-
Recurring Profit YoY	+138.0%	+98.9%	+90.8%	+74.6%	(9.8%)	(17.7%)	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	+636.3%	+295.3%	(8.2%)	(17.2%)	-	-	-	-
Gross Profit Margin	15.7%	18.4%	17.6%	16.8%	15.8%	18.1%	-	-	-	(0.3%)
SG&A Ratio	5.8%	4.5%	5.0%	5.3%	6.9%	5.7%	-	-	-	+1.2%
Operating Profit Margin	9.9%	13.9%	12.6%	11.5%	8.9%	12.4%	-	-	-	(1.6%)
Recurring Profit Margin	10.3%	14.1%	12.8%	11.8%	9.2%	12.6%	-	-	-	(1.5%)
Profit Attributable to Owners of Parent Margin	6.5%	9.3%	8.5%	8.0%	5.9%	8.4%	-	-	-	(0.9%)
Total Income Taxes / Profit before Income Taxes	36.5%	33.7%	33.8%	31.6%	35.4%	33.3%	-	-	-	(0.4%)
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	Q4	Net Chg.
	06/2024	06/2024	06/2024	06/2024	06/2025	06/2025	06/2025	06/2025	06/2025	
Sales	3,793	5,770	3,588	4,350	3,849	4,959	-	-	-	(810)
Cost of Sales	3,198	4,605	3,039	3,720	3,242	3,972	-	-	-	(632)
Gross Profit	595	1,165	549	629	606	986	-	-	-	(178)
SG&A Expenses	219	206	228	277	264	237	-	-	-	+30
Operating Profit	375	958	320	352	342	749	-	-	-	(209)
Non Operating Balance	15	(0)	17	19	10	7	-	-	-	+8
Recurring Profit	390	957	337	372	352	756	-	-	-	(200)
Extraordinary Balance	0	(0)	0	(3)	-	0	-	-	-	+0
Profit before Income Taxes	390	957	338	368	352	757	-	-	-	(200)
Total Income Taxes	142	311	115	79	124	244	-	-	-	(66)
Profit Attributable to Owners of Parent	248	645	222	289	227	512	-	-	-	(133)
Sales YoY	+40.6%	+56.2%	+39.5%	+54.8%	+1.5%	(14.1%)	-	-	-	-
Operating Profit YoY	+149.7%	+86.5%	+67.3%	+19.6%	(8.9%)	(21.8%)	-	-	-	-
Recurring Profit YoY	+138.0%	+86.4%	+64.0%	+26.2%	(9.8%)	(21.0%)	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	+87.3%	+66.0%	+41.9%	(8.2%)	(20.7%)	-	-	-	-
Gross Profit Margin	15.7%	20.2%	15.3%	14.5%	15.8%	19.9%	-	-	-	(0.3%)
SG&A Ratio	5.8%	3.6%	6.4%	6.4%	6.9%	4.8%	-	-	-	+1.2%
Operating Profit Margin	9.9%	16.6%	8.9%	8.1%	8.9%	15.1%	-	-	-	(1.5%)
Recurring Profit Margin	10.3%	16.6%	9.4%	8.6%	9.2%	15.3%	-	-	-	(1.3%)
Profit Attributable to Owners of Parent Margin	6.5%	11.2%	6.2%	6.7%	5.9%	10.3%	-	-	-	(0.9%)
Total Income Taxes / Profit before Income Taxes	36.5%	32.6%	34.2%	21.5%	35.4%	32.3%	-	-	-	(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.
	06/2024	06/2024	06/2024	06/2024	06/2025	06/2025	06/2025	06/2025	06/2025	
Real-World Events	2,590	5,896	-	-	2,666	5,260	-	-	-	(636)
Hybrid Events	420	1,185	-	-	374	1,064	-	-	-	(121)
Integrated Promotions	712	2,322	-	-	786	2,454	-	-	-	+132
Other	68	160	-	-	21	28	-	-	-	(132)
Sales	3,793	9,563	13,152	17,503	3,849	8,808	-	-	-	(755)
Real-World Events	-	-	-	-	+2.9%	(10.8%)	-	-	-	-
Hybrid Events	-	-	-	-	(11.0%)	(10.2%)	-	-	-	-
Integrated Promotions	-	-	-	-	+10.3%	+5.7%	-	-	-	-
Other	-	-	-	-	(69.3%)	(82.5%)	-	-	-	-
Sales (YoY)	+40.6%	+49.6%	+46.7%	+48.7%	+1.5%	(7.9%)	-	-	-	-
Real-World Events	68.3%	61.7%	-	-	69.3%	59.7%	-	-	-	-
Hybrid Events	11.1%	12.4%	-	-	9.7%	12.1%	-	-	-	-
Integrated Promotions	18.8%	24.3%	-	-	20.4%	27.9%	-	-	-	-
Other	1.8%	1.7%	-	-	0.5%	0.3%	-	-	-	-
Sales (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-
Sales by Category of Operations	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
	06/2024	06/2024	06/2024	06/2024	06/2025	06/2025	06/2025	06/2025	06/2025	
Real-World Events	2,590	3,305	-	-	2,666	2,594	-	-	-	(711)
Hybrid Events	420	764	-	-	374	690	-	-	-	(74)
Integrated Promotions	712	1,609	-	-	786	1,668	-	-	-	+58
Other	68	91	-	-	21	7	-	-	-	(84)
Sales	3,793	5,770	3,588	4,350	3,849	4,959	-	-	-	(811)
Real-World Events	-	-	-	-	+2.9%	(21.5%)	-	-	-	-
Hybrid Events	-	-	-	-	(11.0%)	(9.8%)	-	-	-	-
Integrated Promotions	-	-	-	-	+10.3%	+3.6%	-	-	-	-
Other	-	-	-	-	(69.3%)	(92.4%)	-	-	-	-
Sales (YoY)	+40.6%	+56.2%	+39.5%	+54.8%	+1.5%	(14.1%)	-	-	-	-
Real-World Events	68.3%	57.3%	-	-	69.3%	52.3%	-	-	-	-
Hybrid Events	11.1%	13.3%	-	-	9.7%	13.9%	-	-	-	-
Integrated Promotions	18.8%	27.9%	-	-	20.4%	33.6%	-	-	-	-
Other	1.8%	1.6%	-	-	0.5%	0.1%	-	-	-	-
Sales (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
	06/2024	06/2024	06/2024	06/2024	06/2025	06/2025	06/2025	06/2025	06/2025	Net Chg.
Cash and Deposit	6,347	7,111	7,242	8,452	7,567	7,352	-	-	-	+240
Electronically Recorded Receivables	97	71	87	86	500	222	-	-	-	+150
Accounts Receivables and Contract Assets	2,950	4,044	3,262	3,455	2,678	3,755	-	-	-	(288)
Other	1,231	1,339	824	331	447	571	-	-	-	(767)
Current Assets	10,627	12,567	11,417	12,326	11,194	11,901	-	-	-	(665)
Tangible Assets	157	150	143	216	206	207	-	-	-	+57
Intangible Assets	50	52	48	44	41	38	-	-	-	(14)
Investments and Other Assets	1,412	1,374	1,518	1,497	1,406	1,403	-	-	-	+29
Fixed Assets	1,620	1,578	1,710	1,759	1,655	1,649	-	-	-	+71
Total Assets	12,247	14,145	13,127	14,085	12,849	13,551	-	-	-	(593)
Electronically Recorded Debt	4	25	1	11	-	-	-	-	-	(25)
Accounts Payable	1,975	2,939	1,814	2,034	1,838	2,001	-	-	-	(938)
Short-Term Debt	840	840	840	840	840	525	-	-	-	(315)
Other	714	900	976	1,536	562	777	-	-	-	(123)
Current Liabilities	3,534	4,706	3,632	4,422	3,241	3,303	-	-	-	(1,403)
Long-Term Debt	-	-	-	-	-	-	-	-	-	-
Other	386	399	426	360	400	413	-	-	-	+13
Fixed Liabilities	386	399	426	360	400	413	-	-	-	+13
Total Liabilities	3,920	5,106	4,058	4,782	3,641	3,716	-	-	-	(1,389)
Shareholders' Equity	7,779	8,524	8,463	8,752	8,696	9,334	-	-	-	+809
Other	546	514	605	549	511	501	-	-	-	(13)
Net Assets	8,326	9,039	9,068	9,302	9,207	9,835	-	-	-	+795
Total Liabilities and Net Assets	12,247	14,145	13,127	14,085	12,849	13,551	-	-	-	(593)
Equity Capital	8,310	9,028	9,058	9,291	9,197	9,824	-	-	-	+796
Interest-Bearing Debt	840	840	840	840	840	525	-	-	-	(315)
Net Debt	(5,507)	(6,271)	(6,402)	(7,612)	(6,727)	(6,827)	-	-	-	(555)
Equity Ratio	67.9%	63.8%	69.0%	66.0%	71.6%	72.5%	-	-	-	-
Net Debt-to-Equity Ratio	(66.3%)	(69.5%)	(70.7%)	(81.9%)	(73.1%)	(69.5%)	-	-	-	-
ROE (12 months)	11.3%	14.1%	15.2%	15.9%	15.8%	13.3%	-	-	-	-
ROA (12 months)	11.9%	14.1%	16.2%	16.3%	16.1%	13.1%	-	-	-	-
Quick Ratio	266%	239%	292%	271%	332%	343%	-	-	-	-
Current Ratio	301%	267%	314%	279%	345%	360%	-	-	-	-

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
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		
	06/2024	06/2024	06/2024	06/2024	06/2025	06/2025	06/2025	06/2025	06/2025	Net Chg.
Operating Cash Flow	-	1,732	-	3,395	-	(416)	-	-	-	(2,148)
Investing Cash Flow	-	(9)	-	(45)	-	(86)	-	-	-	(78)
Operating Cash Flow and Investing Cash Flow	-	1,724	-	3,350	-	(502)	-	-	-	(2,226)
Financing Cash Flow	-	(395)	-	(679)	-	(600)	-	-	-	(205)

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.

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