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TOW (4767)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY06/2024		17,503	2,006	2,058	1,405	34.71	14.00	228.76
FY06/2025		17,782	2,152	2,194	1,132	27.72	15.00	241.07
FY06/2026CoE		18,800	2,208	2,250	1,500	36.59	18.30	-
FY06/2025	YoY	1.6%	7.3%	6.6%	(19.5%)	-	-	-
FY06/2026CoE	YoY	5.7%	2.6%	2.5%	32.5%	-	-	-
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 FY06/2025		8,808	1,091	1,109	740	-	-	-
Q3 to Q4 FY06/2025		8,974	1,061	1,084	392	-	-	-
Q1 to Q2 FY06/2026CoE		10,255	1,229	1,250	830	-	-	-
Q3 to Q4 FY06/2026CoE		8,545	979	1,000	670	-	-	-
Q1 to Q2 FY06/2026CoE	YoY	16.4%	12.7%	12.7%	12.1%	-	-	-
Q3 to Q4 FY06/2026CoE	YoY	(4.8%)	(7.8%)	(7.8%)	70.9%	-	-	-

Source: Company Data, WRJ Calculation

1.0 NEWS RELEASE (18 August 2025)

Record High

On 7 August 2025, TOW, focusing on the development of advanced planning & production for integrated promotions, released its results for FY06/2025 and held the results briefing (live stream). It has been revealed that the Company achieved record high in both sales and recurring profit, excluding addons from specific BPO operations during the COVID-19 pandemic. The Company's initiatives to drive its business through a "twin spindles" approach, i.e., client base expansion and domain expansion, appear to be bearing fruit. On 15 January 2025, the Company established a new group structure by making Qetic, a digital production company with strengths in entertainment and cultural content domain, a subsidiary. The Company is accelerating collaboration with its subsidiaries highly specialized in areas such as events, video production and digital, aiming to enhance both the quality and profitability of operations. By placing experiential value at the core, the Company seeks to generate synergy with integrated promotions and event planning & production, focusing on expanding its business across three categories of operations: real-world events, integrated promotions and hybrid events. Through those efforts, the Company aims to achieve sustainable growth.

Key timely disclosures etc.:

- Summary of Consolidated Financial Results for FY06/2025 (7 August 2025) in Japanese
- Explanatory Material of the Results for FY06/2025 (7 August 2025) in Japanese

IR Representative: Takehito Masumori (211masumori@tow.co.jp)
Director, Executive Officer, CFO and Head of Corporate Administration Division

2.0 Company Profile

Advanced Planning & Production for 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 June 2025)
No. of Shares	48,969,096 shares, including 7,978,812 treasury shares (as of the end of June 2025)
Main Features	● Major ad companies accounting for 59% of sales and 20% for direct clients ● Planning & production for events and content ● A measure to promote business growth: Design Results with Hands-on Value
Representative	Representative Director and President: Kenichi Muratsu Representative Director, Executive Vice President, Chief Governance Officer and Group CHRO (Chief Human Resources Officer): Junpei Amemiya
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: 285, Parent: 199 (as of the end of March 2025)

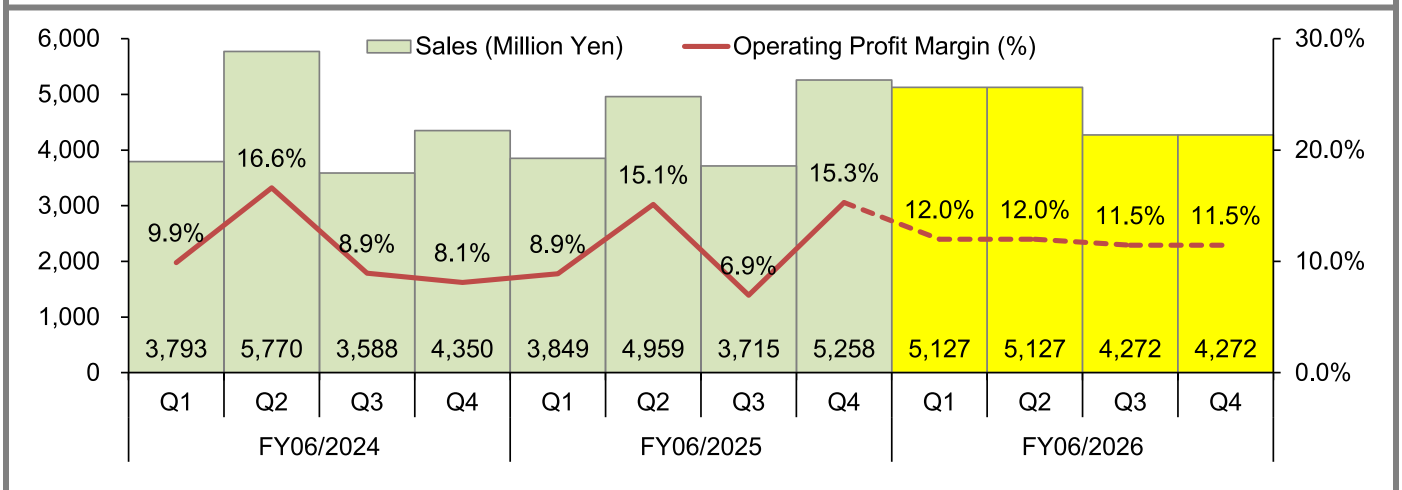
Source: Company Data

3.0 Recent Trading and Prospects

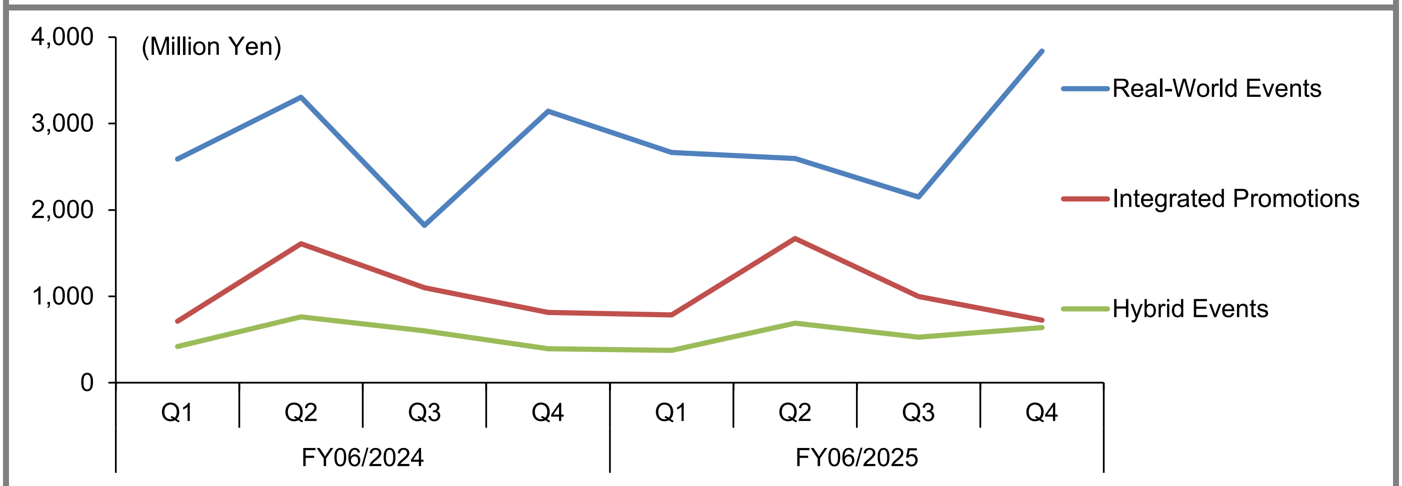
FY06/2025

For FY06/2025, sales came in at ¥17,782m (up 1.6% YoY), operating profit ¥2,152m (up 7.3%), recurring profit ¥2,194m (up 6.6%) and profit attributable to owners of parent ¥1,132m (down 19.5%). Meanwhile, gross profit came in at ¥3,183m (up 8.3%) and SG&A expenses ¥1,030m (up 10.5%), implying gross profit margin of 17.9% (up 1.1% points) and SG&A ratio of 5.8% (up 0.5% points), having resulted in operating profit margin of 12.1% (up 0.6% points).

Sales and Operating Profit Margin



Sales by Category of Operations



Source: Company Data, WRJ Calculation (quarters for FY06/2026: half-year Company forecasts, pro rata)

Real-World Events (63.3% of sales)

Sales came in at ¥11,247m (up 3.6%). The increase in sales is attributed to continued demand for live experiences, including street promotions for beverages and non-essential goods, as well as large-scale projects such as business conferences and initiatives from public offices and organizations. Meanwhile, sales for Q4 (April to June) were significantly boosted by work related to the Osaka-Kansai Expo.

Integrated Promotions (23.5% of sales)

Sales came in at ¥4,179m (down 1.3%). While video production operations through group collaboration have increased, sales as a whole remained roughly flat year on year, due to the concentration of resources on work related to the Osaka-Kansai Expo, belonging to the category of real-world events. Meanwhile, the Company is accelerating efforts to maximize event value by leveraging digital and video content as a unique strength on a group basis. The Company's initiatives in the digital and video domains are steadily expanding not only in integrated promotions but also in both real-world events and hybrid events, and thus the overall trend in this respect remains rather solid.

Hybrid Events (12.6% of sales)

Sales came in at ¥2,232m (up 2.3%). The increase in sales is attributed not only to growing demand in the information and telecommunications sector, but also to the expansion of projects related to games and IP content. According to the Company, hybrid events, which combine deep face-to-face communication with broad reach to target audiences, are becoming increasingly standardized.

Earnings Trends

The increase in gross profit and improvement in gross profit margin have been driven by the expansion of fee-based operations that deliver high added value, as well as progress in internal production on a group basis. Toward sustainable growth, the Company continues to invest actively in human capital and allocate expenses to key strategic areas such as AI-related initiatives for business growth. As a result, personnel expenses as a proportion of SG&A and cost of sales have increased. However, those increases have been more than offset by the above-mentioned two initiatives, leading to an improvement in operating profit margin.

On the other hand, the Company posted a ¥580m extraordinary loss following the discovery of deficiencies in labor system operations. In the course of addressing the issue, the Company has demonstrated a proactive stance toward preventing recurrence. The Company views the associated expenditures as "strategic investments to strengthen its foundation" and has assumed a ¥290m allocation for FY06/2026. Furthermore, the Company plans to continue making similar investments for FY06/2027 and thereafter.

FY06/2026 Company Forecasts

FY06/2026 Company forecasts, announced on 7 August 2025, are going for prospective sales of ¥18,000m (up 5.7% YoY), operating profit of ¥2,208m (up 2.6%), recurring profit of ¥2,250m (up 2.5%) and profit attributable to owners of parent of ¥1,500m (up 32.5%), while operating profit margin of 11.7% (down 0.4% points). At the same time, Company forecasts are going for planned annual dividend of ¥18.30 (¥9.15 as of the end of Q2 and ¥9.15 as of the end of year) per share for FY06/2026, implying payout ratio of 50.0%.

The Company has revised its dividend policy with the aim of enhancing shareholder returns more proactively than before and now plans to increase the dividend by ¥3.30 compared with the ¥15.00 for FY06/2025, implying payout ratio of 54.1%. Meanwhile, for Q1 to Q2 (July to December), sales are expected to continue benefiting from work related to the Osaka-Kansai Expo, as well as contributions from a major automobile exhibition. However, for H2 (January to June), Company forecasts assume that contributions from both sources will have run their course.

4.0 Financial Statements

Income Statement (Cumulative / Quarterly)

Income Statement (Million Yen)	Cons.Act Q1 06/2024	Cons.Act Q1 to Q2 06/2024	Cons.Act Q1 to Q3 06/2024	Cons.Act Q1 to Q4 06/2024	Cons.Act Q1 06/2025	Cons.Act Q1 to Q2 06/2025	Cons.Act Q1 to Q3 06/2025	Cons.Act Q1 to Q4 06/2025	YoY Net Chg.
Sales	**3,793**	**9,563**	**13,152**	**17,503**	**3,849**	**8,808**	**12,524**	**17,782**	**+279**
Cost of Sales	3,198	7,803	10,843	14,564	3,242	7,215	10,423	14,599	+34
Gross Profit	595	1,760	2,309	2,939	606	1,593	2,101	3,183	+244
SG&A Expenses	219	426	655	932	264	502	751	1,030	+98
Operating Profit	**375**	**1,333**	**1,653**	**2,006**	**342**	**1,091**	**1,349**	**2,152**	**+146**
Non Operating Balance	15	14	32	51	10	18	33	41	(10)
Recurring Profit	**390**	**1,348**	**1,686**	**2,058**	**352**	**1,109**	**1,382**	**2,194**	**+135**
Extraordinary Balance	0	0	0	(2)	-	0	0	(582)	(579)
Profit before Income Taxes	390	1,348	1,686	2,055	352	1,109	1,383	1,611	(443)
Total Income Taxes	142	454	569	649	124	369	466	479	(170)
Profit Attributable to Owners of Parent	**248**	**893**	**1,116**	**1,405**	**227**	**740**	**916**	**1,132**	**(273)**
Sales YoY	+40.6%	+49.6%	+46.7%	+48.7%	+1.5%	(7.9%)	(4.8%)	+1.6%	-
Operating Profit YoY	+149.7%	+100.8%	+93.3%	+74.4%	(8.9%)	(18.2%)	(18.4%)	+7.3%	-
Recurring Profit YoY	+138.0%	+98.9%	+90.8%	+74.6%	(9.8%)	(17.7%)	(18.0%)	+6.6%	-
Profit Attributable to Owners of Parent YoY	-	-	+636.3%	+295.3%	(8.2%)	(17.2%)	(17.9%)	(19.5%)	-
Gross Profit Margin	15.7%	18.4%	17.6%	16.8%	15.8%	18.1%	16.8%	17.9%	+1.1%
SG&A Ratio	5.8%	4.5%	5.0%	5.3%	6.9%	5.7%	6.0%	5.8%	+0.5%
Operating Profit Margin	9.9%	13.9%	12.6%	11.5%	8.9%	12.4%	10.8%	12.1%	+0.6%
Recurring Profit Margin	10.3%	14.1%	12.8%	11.8%	9.2%	12.6%	11.0%	12.3%	+0.6%
Profit Attributable to Owners of Parent Margin	6.5%	9.3%	8.5%	8.0%	5.9%	8.4%	7.3%	6.4%	(1.7%)
Total Income Taxes / Profit before Income Taxes	36.5%	33.7%	33.8%	31.6%	35.4%	33.3%	33.7%	29.7%	(1.9%)

Income Statement (Million Yen)	Cons.Act Q1 06/2024	Cons.Act Q2 06/2024	Cons.Act Q3 06/2024	Cons.Act Q4 06/2024	Cons.Act Q1 06/2025	Cons.Act Q2 06/2025	Cons.Act Q3 06/2025	Cons.Act Q4 06/2025	YoY Net Chg.
Sales	**3,793**	**5,770**	**3,588**	**4,350**	**3,849**	**4,959**	**3,715**	**5,258**	**+907**
Cost of Sales	3,198	4,605	3,039	3,720	3,242	3,972	3,208	4,175	+455
Gross Profit	595	1,165	549	629	606	986	507	1,082	+452
SG&A Expenses	219	206	228	277	264	237	249	278	+1
Operating Profit	**375**	**958**	**320**	**352**	**342**	**749**	**258**	**803**	**+450**
Non Operating Balance	15	(0)	17	19	10	7	15	7	(11)
Recurring Profit	**390**	**957**	**337**	**372**	**352**	**756**	**273**	**811**	**+439**
Extraordinary Balance	0	(0)	0	(3)	-	0	0	(583)	(579)
Profit before Income Taxes	390	957	338	368	352	757	273	228	(140)
Total Income Taxes	142	311	115	79	124	244	97	12	(66)
Profit Attributable to Owners of Parent	**248**	**645**	**222**	**289**	**227**	**512**	**176**	**215**	**(73)**
Sales YoY	+40.6%	+56.2%	+39.5%	+54.8%	+1.5%	(14.1%)	+3.5%	+20.9%	-
Operating Profit YoY	+149.7%	+86.5%	+67.3%	+19.6%	(8.9%)	(21.8%)	(19.5%)	+127.8%	-
Recurring Profit YoY	+138.0%	+86.4%	+64.0%	+26.2%	(9.8%)	(21.0%)	(19.1%)	+118.0%	-
Profit Attributable to Owners of Parent YoY	-	+87.3%	+66.0%	+41.9%	(8.2%)	(20.7%)	(20.7%)	(25.5%)	-
Gross Profit Margin	15.7%	20.2%	15.3%	14.5%	15.8%	19.9%	13.7%	20.6%	+6.1%
SG&A Ratio	5.8%	3.6%	6.4%	6.4%	6.9%	4.8%	6.7%	5.3%	(1.1%)
Operating Profit Margin	9.9%	16.6%	8.9%	8.1%	8.9%	15.1%	6.9%	15.3%	+7.2%
Recurring Profit Margin	10.3%	16.6%	9.4%	8.6%	9.2%	15.3%	7.4%	15.4%	+6.9%
Profit Attributable to Owners of Parent Margin	6.5%	11.2%	6.2%	6.7%	5.9%	10.3%	4.7%	4.1%	(2.6%)
Total Income Taxes / Profit before Income Taxes	36.5%	32.6%	34.2%	21.5%	35.4%	32.3%	35.5%	5.6%	(16.0%)

Source: Company Data, WRJ Calculation

Sales by Category of Operations (Cumulative / Quarterly)

Sales by Category of Operations (Million Yen)	Cons.Act Q1 06/2024	Cons.Act Q1 to Q2 06/2024	Cons.Act Q1 to Q3 06/2024	Cons.Act Q1 to Q4 06/2024	Cons.Act Q1 06/2025	Cons.Act Q1 to Q2 06/2025	Cons.Act Q1 to Q3 06/2025	Cons.Act Q1 to Q4 06/2025	YoY Net Chg.
Real-World Events	2,590	5,896	7,717	10,860	2,666	5,260	7,409	11,247	+387
Hybrid Events	420	1,185	1,786	2,182	374	1,064	1,592	2,232	+50
Integrated Promotions	712	2,322	3,422	4,237	786	2,454	3,453	4,179	(58)
Other	68	160	222	224	21	28	69	123	(101)
Sales	**3,793**	**9,563**	**13,152**	**17,503**	**3,849**	**8,808**	**12,523**	**17,782**	**+279**
Real-World Events	-	-	-	-	+2.9%	(10.8%)	(4.0%)	+3.6%	-
Hybrid Events	-	-	-	-	(11.0%)	(10.2%)	(10.9%)	+2.3%	-
Integrated Promotions	-	-	-	-	+10.3%	+5.7%	+0.9%	(1.3%)	-
Other	-	-	-	-	(69.3%)	(82.5%)	(69.0%)	(45.3%)	-
Sales (YoY)	**+40.6%**	**+49.6%**	**+46.7%**	**+48.7%**	**+1.5%**	**(7.9%)**	**(4.8%)**	**+1.6%**	**-**
Real-World Events	68.3%	61.7%	58.7%	62.0%	69.3%	59.7%	59.2%	63.3%	-
Hybrid Events	11.1%	12.4%	13.6%	12.5%	9.7%	12.1%	12.7%	12.6%	-
Integrated Promotions	18.8%	24.3%	26.0%	24.2%	20.4%	27.9%	27.6%	23.5%	-
Other	1.8%	1.7%	1.7%	1.3%	0.5%	0.3%	0.6%	0.7%	-
Sales (Composition Ratio)	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**-**
Sales by Category of Operations (Million Yen)	**Cons.Act Q1 06/2024**	**Cons.Act Q2 06/2024**	**Cons.Act Q3 06/2024**	**Cons.Act Q4 06/2024**	**Cons.Act Q1 06/2025**	**Cons.Act Q2 06/2025**	**Cons.Act Q3 06/2025**	**Cons.Act Q4 06/2025**	**YoY Net Chg.**
Real-World Events	2,590	3,305	1,821	3,142	2,666	2,594	2,149	3,838	+695
Hybrid Events	420	764	601	395	374	690	528	640	+244
Integrated Promotions	712	1,609	1,100	814	786	1,668	999	726	(88)
Other	68	91	62	2	21	7	41	54	+51
Sales	**3,793**	**5,770**	**3,588**	**4,350**	**3,849**	**4,959**	**3,715**	**5,259**	**+909**
Real-World Events	-	-	-	-	+2.9%	(21.5%)	+18.0%	+22.1%	-
Hybrid Events	-	-	-	-	(11.0%)	(9.8%)	(12.3%)	+61.9%	-
Integrated Promotions	-	-	-	-	+10.3%	+3.6%	(9.2%)	(10.9%)	-
Other	-	-	-	-	(69.3%)	(92.4%)	(34.5%)	-	-
Sales (YoY)	**+40.6%**	**+56.2%**	**+39.5%**	**+54.8%**	**+1.5%**	**(14.1%)**	**+3.5%**	**+20.9%**	**-**
Real-World Events	68.3%	57.3%	50.8%	72.2%	69.3%	52.3%	57.8%	73.0%	-
Hybrid Events	11.1%	13.3%	16.8%	9.1%	9.7%	13.9%	14.2%	12.2%	-
Integrated Promotions	18.8%	27.9%	30.7%	18.7%	20.4%	33.6%	26.9%	13.8%	-
Other	1.8%	1.6%	1.7%	0.1%	0.5%	0.1%	1.1%	1.0%	-
Sales (Composition Ratio)	**100.0%**	**100.0%**	**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 Q1 06/2024	Cons.Act Q2 06/2024	Cons.Act Q3 06/2024	Cons.Act Q4 06/2024	Cons.Act Q1 06/2025	Cons.Act Q2 06/2025	Cons.Act Q3 06/2025	Cons.Act Q4 06/2025	YoY Net Chg.
Cash and Deposit	6,347	7,111	7,242	8,452	7,567	7,352	7,292	8,128	(324)
Electronically Recorded Receivables	97	71	87	86	500	222	78	57	(29)
Accounts Receivables and Contract Assets	2,950	4,044	3,262	3,455	2,678	3,755	3,718	3,654	+199
Other	1,231	1,339	824	331	447	571	467	414	+83
Current Assets	**10,627**	**12,567**	**11,417**	**12,326**	**11,194**	**11,901**	**11,556**	**12,255**	**(70)**
Tangible Assets	157	150	143	216	206	207	198	214	(2)
Intangible Assets	50	52	48	44	41	38	150	145	+100
Investments and Other Assets	1,412	1,374	1,518	1,497	1,406	1,403	1,423	1,604	+107
Fixed Assets	**1,620**	**1,578**	**1,710**	**1,759**	**1,655**	**1,649**	**1,772**	**1,964**	**+205**
Total Assets	**12,247**	**14,145**	**13,127**	**14,085**	**12,849**	**13,551**	**13,329**	**14,219**	**+134**
Electronically Recorded Debt	4	25	1	11	-	-	-	-	(11)
Accounts Payable	1,975	2,939	1,814	2,034	1,838	2,001	2,088	1,595	(438)
Short-Term Debt	840	840	840	840	840	525	532	541	(298)
Other	714	900	976	1,536	562	777	499	1,742	+206
Current Liabilities	**3,534**	**4,706**	**3,632**	**4,422**	**3,241**	**3,303**	**3,120**	**3,880**	**(542)**
Long-Term Debt	-	-	-	-	-	-	81	71	+71
Other	386	399	426	360	400	413	405	375	+15
Fixed Liabilities	**386**	**399**	**426**	**360**	**400**	**413**	**486**	**447**	**+86**
Total Liabilities	**3,920**	**5,106**	**4,058**	**4,782**	**3,641**	**3,716**	**3,606**	**4,327**	**(455)**
Shareholders' Equity	**7,779**	**8,524**	**8,463**	**8,752**	**8,696**	**9,334**	**9,203**	**9,418**	**+665**
Other	546	514	605	549	511	501	519	473	(76)
Net Assets	**8,326**	**9,039**	**9,068**	**9,302**	**9,207**	**9,835**	**9,722**	**9,892**	**+589**
Total Liabilities and Net Assets	**12,247**	**14,145**	**13,127**	**14,085**	**12,849**	**13,551**	**13,329**	**14,219**	**+134**
Equity Capital	8,310	9,028	9,058	9,291	9,197	9,824	9,711	9,881	+590
Interest-Bearing Debt	840	840	840	840	840	525	613	613	(226)
Net Debt	(5,507)	(6,271)	(6,402)	(7,612)	(6,727)	(6,827)	(6,679)	(7,514)	+98
Equity Ratio	67.9%	63.8%	69.0%	66.0%	71.6%	72.5%	72.9%	69.5%	-
Net Debt-to-Equity Ratio	(66.3%)	(69.5%)	(70.7%)	(81.9%)	(73.1%)	(69.5%)	(68.8%)	(76.1%)	-
ROE (12 months)	11.3%	14.1%	15.2%	15.9%	15.8%	13.3%	12.9%	11.8%	-
ROA (12 months)	11.9%	14.1%	16.2%	16.3%	16.1%	13.1%	13.3%	15.5%	-
Quick Ratio	266%	239%	292%	271%	332%	343%	355%	305%	-
Current Ratio	301%	267%	314%	279%	345%	360%	370%	316%	-

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Cons.Act Q1 06/2024	Cons.Act Q1 to Q2 06/2024	Cons.Act Q1 to Q3 06/2024	Cons.Act Q1 to Q4 06/2024	Cons.Act Q1 06/2025	Cons.Act Q1 to Q2 06/2025	Cons.Act Q1 to Q3 06/2025	Cons.Act Q1 to Q4 06/2025	YoY Net Chg.
Operating Cash Flow	-	1,732	-	3,395	-	(416)	-	733	(2,663)
Investing Cash Flow	-	(9)	-	(45)	-	(86)	-	(92)	(47)
Operating Cash Flow and Investing Cash Flow	**-**	**1,724**	**-**	**3,350**	**-**	**(502)**	**-**	**641**	**(2,709)**
Financing Cash Flow	-	(395)	-	(679)	-	(600)	-	(967)	(288)

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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