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May 2, 2025

Consolidated Financial Results for the Fiscal Year Ended March 20, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 5933
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Scheduled date of annual general meeting of shareholders: June 18, 2025
 Scheduled date to commence dividend payments: May 28, 2025
 Scheduled date to file annual securities report: June 17, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for securities analysts, institutional investors and individual investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 20, 2025 (from March 21, 2024 to March 20, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 20, 2025	61,601	6.4	2,196	23.2	2,678	-7.0	1,959	-1.4
March 20, 2024	57,876	-4.7	1,781	-26.4	2,879	-19.3	1,988	28.5

Note: Comprehensive income For the fiscal year ended March 20, 2025: ¥2,155 million [-21.9%]
 For the fiscal year ended March 20, 2024: ¥2,759 million [44.0%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales	EBITDA	
	Yen	Yen	%	%	%	Millions of yen	%
March 20, 2025	98.91	-	6.3	3.8	3.6	5,173	-19.7
March 20, 2024	101.06	-	6.7	4.4	3.1	6,439	-8.6

Note: EBITDA = Ordinary profit + Depreciation + Amortization of goodwill

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 20, 2025	70,883	31,994	45.1	1,608.77
March 20, 2024	68,315	30,544	44.7	1,546.27

Reference: Equity

As of March 20, 2025: ¥31,994 million
 As of March 20, 2024: ¥30,532 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 20, 2025	5,424	-5,560	-103	6,783
March 20, 2024	1,685	-5,332	3,652	6,622

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 20, 2024	-	20.00	-	21.00	41.00	816	40.6	2.7
Fiscal year ended March 20, 2025	-	21.00	-	22.00	43.00	857	43.5	2.7
Fiscal year ending March 20, 2026 (Forecast)	-	22.00	-	22.00	44.00		40.1	

3. Forecast of consolidated financial results for the year ending March 20, 2026 (from March 21, 2025 to March 20, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months	31,170	1.1	1,320	0.5	1,500	1.7	930	-9.7	46.76
Full year	63,500	3.1	3,100	41.2	3,300	23.2	2,180	11.2	109.62

Reference: EBITDA forecast for the fiscal year ending March 20, 2026: 6,124 million yen (18.4%)

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Excluded: 1 company (ALINCO SCAFFOLDING RENTAL SERVICE CO.,LTD.)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: Yes

(iii) Changes in accounting estimates: Yes

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 20, 2025	21,039,326 shares
As of March 20, 2024	21,039,326 shares

(ii) Number of treasury shares at the end of the period

As of March 20, 2025	1,151,651 shares
As of March 20, 2024	1,293,405 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 20, 2025	19,815,878 shares
Fiscal year ended March 20, 2024	19,676,852 shares

Note: Shares held in the exclusive trust account of the ALINCO Employee Stock Ownership Plan under the Trust-type Employee Stock Ownership Incentive Plan (E-Ship®) are included in the number of treasury shares deducted from the total number of shares outstanding at the end of the period for the calculation of net assets per share (160,100 shares at the end of the previous fiscal year; 45,000 shares at the end of the fiscal year under review). These shares are also included in the number of treasury shares deducted from the average number of shares outstanding during the period for the calculation of earnings per share (218,092 shares in the previous fiscal year; 106,531 shares in the fiscal year under review).

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 20, 2025 (from March 21, 2024 to March 20, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 20, 2025	47,658	4.1	1,623	16.4	2,591	-12.7	1,015	-57.0
March 20, 2024	45,792	-4.0	1,395	-33.8	2,969	-14.3	2,363	39.3

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 20, 2025	51.26	-
March 20, 2024	120.14	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 20, 2025	61,994	30,326	48.9	1,524.88
March 20, 2024	60,977	29,968	49.1	1,517.69

Reference: Equity

As of March 20, 2025: ¥30,326 million

As of March 20, 2024: ¥29,968 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. Therefore, the Company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors. Please refer to “1. Overview of Results of Operations (5) Outlook” on page 4 for forecast assumptions and notes of caution for usage.

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1. Overview of Results of Operations

(1) Results of Operations

During the fiscal year under review, the Japanese economy has shown a moderate recovery, supported by improvements in employment and income conditions as well as increased inbound tourism demand. However, continued inflation, along with downside risks in overseas economies and uncertainty surrounding U.S. policy trends, have contributed to a persistently unclear economic outlook.

In the construction and housing-related industries, which are our group's main business industries, construction investment remained strong due to capital spending by the private sector and government measures to accelerate national land resilience. On the other hand, due to labor shortages, prolonged construction periods due to strengthening labor regulations in the construction industry and soaring material prices have become key factors restraining the growth trajectory, customers who are considering purchasing scaffolding material opt for renting instead. Against this backdrop, we worked to expand our market share of the new ring lock ALBATROSS system (ALBATROSS) and high-value-added products by strengthening linkage between scaffolding materials sales and rentals, our core business. At the same time, we worked to implement “the Medium-Term Management Plan 2027” from the fiscal year ended March 20, 2025 (the 55th fiscal period) to the fiscal year ending March 20, 2027 (the 57th fiscal period), which was announced on April 3, 2024.

As a result, consolidated net sales for the fiscal year under review reached 61,601 million yen, a 6.4% increase year-on-year, marking a new record high for the first time in two years. This was driven by increased sales in the core rental scaffolding materials business, both in sales and rentals, as well as solid performance in the logistics-related sector, where the Company effectively captured demand for logistics solutions and semiconductor plant-related needs. In terms of profit, operating profit increased by 23.2% year-on-year to 2,196 million yen. This was driven by strong sales in core businesses and logistics-related unit, as well as a decrease in depreciation expenses following a review of the depreciation method for rental assets, which was implemented in conjunction with the formulation of the Medium-Term Management Plan 2027. However, ordinary profit decreased to 2,678 million yen, a decline of 201 million yen (a decrease of 7.0%) year-on-year, due to a 444 million yen decrease in foreign exchange gains resulting from financial and currency market conditions. As a result, profit attributable to owners of parent was 1,959 million yen, representing a 1.4% decrease compared to the previous fiscal year.

The performance for each business segment was as follows. Segment sales do not include inter-segment sales.

Segment	Consolidated net sales		Segment profit (loss)	
	Amount (Millions of yen)	YoY (%)	Amount (Millions of yen)	YoY (%)
Construction materials	24,565	12.5	2,212	-12.0
Scaffolding material rental	18,001	2.2	1,407	267.2
Home equipment	13,973	5.3	-523	-
Electronic equipment	5,061	-2.0	-534	-
Total for reportable segments	61,601	6.4	2,562	8.1
Adjustment	-	-	115	-
Amounts shown on consolidated statement of income	61,601	6.4	2,678	-7.0

Notes: 1. Segment profit (loss) is adjusted to be consistent with ordinary profit in the consolidated statement of income.

2. The adjustment to segment profit (loss) is primarily non-operating income and expenses, such as foreign exchange gains and losses, and interest expenses that cannot be allocated to a reportable segment.

Construction materials segment

Sales increased 12.5% year-on-year to 24,565 million yen. There were no significant changes in the investment trends of rental scaffolding materials companies, which are our main customers. While the shift from “purchasing to rental” continues, we successfully captured individual site-specific needs, resulting in increased sales. In the logistics-related unit, sales remained strong from the beginning of the fiscal year, not only in next-generation logistics warehouses but across a wide range of areas. Additionally, we expanded our sales channels to semiconductor manufacturing facilities. As a result, sales in this segment increased significantly by 20.9% year-on-year, reaching a record high.

On the profit side, the increase in sales in the logistics-related unit, accompanied by improved order profitability, contributed positively. However, rising manufacturing costs in the rental scaffolding materials segment, due in part to the weaker yen, led to a 12.0% year-on-year decline in segment profit, resulting in 2,212 million yen.

Scaffolding material rental segment

Sales increased 2.2% year-on-year to 18,001 million yen. In the rental business for medium to high-rise buildings, sales were strong as the need for rental equipment from customers who are considering purchasing scaffolding materials boosted the utilization rate of ALBATROSS and other major products. Sales from low-rise building rental were also favorable due to the stabilization of construction personnel and the leveling out of construction volume.

In terms of profit and loss, from the first quarter of the current fiscal year, the method of depreciation of rental assets was changed from the conventional declining-balance method (five years) to the straight-line method (eight years). With this, since the depreciation of rental assets decreased by 1,216 million yen year-on-year, segment profit increased by 267.2% year-on-year to 1,407 million yen.

Home equipment segment

Sales increased 5.3% year-on-year to 13,973 million yen. Sales remained strong for aluminum lifting equipment, particularly through expanded sales channels for subsidiary SIP Co., Ltd.'s elevated work platforms and other products for work in high places for semiconductor plants and construction material rentals. In addition, fitness equipment saw a positive response to new items such as waist guard belts, and even existing categories like electric treadmills, which had been affected by a post-pandemic decline in stay-at-home demand, began to show signs of recovery. As a result, sales in this segment increased by 6.7% year-on-year.

On the profit side, although we worked to revise selling prices and reduce procurement costs in response to the yen's depreciation—which affects import costs in this segment—the scale and speed of exchange rate fluctuations exceeded expectations. Consequently, segment profit decreased by 61 million yen year-on-year, resulting in a segment loss of 523 million yen.

Electronic equipment segment

Sales decreased 2.0% year-on-year to 5,061 million yen. Sales of specified low-power wireless communication devices and wireless communication devices for business applications remained strong, but sales declined due to the completion of orders for amusement-related products at printed wiring boards manufacturing subsidiary HIGASHI ELECTRONICS INDUSTRY CO., LTD. At HIGASHI ELECTRONICS INDUSTRY CO., LTD., orders for prototypes are increasing as a result of strengthened sales through the facility expansion completed in the previous fiscal year, and efforts are underway to increase sales in the future.

The segment profit decreased by 469 million yen year-on-year to a loss of 534 million yen due to a decrease in net sales and an increase in depreciation resulting from investing in a new plant of HIGASHI ELECTRONICS INDUSTRY CO., LTD.

(2) Financial Position

Assets

Total assets at the end of the fiscal year under review were 70,883 million yen, an increase of 2,567 million yen year-on-year. The breakdown of total assets shows current assets at 43,194 million yen, a decrease of 700 million yen from the end of the previous fiscal year, and non-current assets at 27,689 million yen, an increase of 3,268 million yen year-on-year. The main factors contributing to the increase in total assets were a 1,555 million yen rise in rental assets and an 1,187 million yen increase in construction in progress compared to the previous fiscal year-end.

Liabilities

Total liabilities increased 1,117 million yen from the end of the previous fiscal year to 38,888 million yen. The breakdown of total liabilities shows current liabilities at 21,739 million yen, an increase of 1,879 million yen from the end of the previous fiscal year, and non-current liabilities at 17,149 million yen, a decrease of 761 million yen year-on-year. The main reason for the increase in liabilities was an increase in short-term borrowings (up 1,266 million yen year-on-year).

Net assets

Net assets amounted to 31,994 million yen (up 1,450 million yen year-on-year), mainly due to profit attributable to owners of parent of 1,959 million yen and dividends from surplus of 836 million yen.

(3) Cash Flows

Cash and cash equivalents at the end of the fiscal year under review increased 161 million yen year-on-year to 6,783 million yen.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 5,424 million yen (up 3,738 million yen year-on-year). This was mainly due to a reduction in inventories in the Construction materials business, which had been produced as planned in the previous fiscal year.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 5,560 million yen (up 228 million yen year-on-year). This was mainly due to an increase in property, plant, and equipment resulting from the active investment in rental assets.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 103 million yen (3,652 million yen was provided in the previous fiscal year), mainly due to an outflows from repayment of long-term borrowings.

(4) Basic Policy for Profit Distribution and Dividends for the Current and Next Fiscal Years

(i) Basic Policy for Profit Distribution

The Company regards the return of profits to shareholders as one of its most important management issues.

Its basic policy is to maintain stable dividends, targeting a consolidated dividend payout ratio of 40%. It will also consider share buy-backs from time to time as a flexible response to changes in share prices and the business environment, as well as a capital policy and a method of returning profits to shareholders. With regard to retained earnings, the Company will further increase corporate value by making investments to expand our market share of new scaffolds and in aggressive new product development and M&A in business fields with future growth potential, while also taking into consideration the stability of our financial base, which is necessary to maintain our competitive advantage.

As for dividends of surplus, in the Medium-Term Management Plan 2027 (from the fiscal year ended March 20, 2025 (the 55th fiscal period) to the fiscal year ending March 20, 2027 (the 57th fiscal period)) announced on April 3, 2024, the Company decided to pay a progressive dividend by increasing the amount of dividends per share in line with earnings growth with the results of the previous fiscal year as the lower limit during the period, in addition to our previous policy, based on past dividend results.

(ii) Dividends of Surplus for the Current Fiscal Year

The year-dividend for the fiscal year under review is 22 yen per share, taking into account consolidated results and the dividend payout ratio. Combined with the interim dividend of 21 yen per share already paid on November 21, 2024, the annual dividend will be 43 yen per share, an increase of 2 yen from the previous fiscal year, and the consolidated dividend payout ratio will be 43.5%.

(iii) Dividends of Surplus for the Next Fiscal Year

As for the dividend for the next fiscal year, in line with the basic policy on profit distribution stated in (i) Basic Policy for Profit Distribution—taking into account the goal of achieving a consolidated dividend payout ratio of 40% and the implementation of a progressive dividend policy—the Company plans to increase the annual dividend by 1 yen from the current fiscal year, resulting in a dividend of 44 yen per share.

(5) Outlook

As for the future outlook, while domestic demand is expected to remain firm and support a continued recovery in the economy, there are concerns over downside risks, such as a potential sharp global economic slowdown triggered by U.S. policy developments and a decline in consumer spending due to rising inflation. As such, the business environment is expected to remain highly uncertain.

In the construction and housing-related industries, which are key sectors for our Group, labor shortages are likely to constrain supply, acting as a brake on private capital investment. However, public investment is expected to remain steady, supported by strong societal demand for national resilience initiatives. Accordingly, the overall upward trend in construction investment is projected to continue.

Under these circumstances, on April 3, 2024, our Group announced the Medium-Term Management Plan 2027, which has a three-year execution period from the fiscal year ended March 20, 2025 (the 55th fiscal period) to the fiscal year ending March 20, 2027 (the 57th fiscal period). The Group will strengthen the initiatives aimed at achieving a management plan with the key points of “evolution of the core business and reconstruction of the business portfolio,” “realization of management that is aware of capital costs and stock prices,” and “achievement of a dividend payout ratio target of 40% plus progressive payout.”

The earnings forecast for the next fiscal year, which marks the second year of the Medium-Term Management Plan 2027, is as follows.

(Millions of yen)

	FY3/26 H1 Forecast	YoY change (%)	FY3/26 Full-year Forecast	YoY change (%)
Net sales	31,170	1.1	63,500	3.1
Operating profit	1,320	0.5	3,100	41.2
Ordinary profit	1,500	1.7	3,300	23.2
Profit attributable to owners of parent	930	-9.7	2,180	11.2

2. Basic Approach to the Selection of Accounting Standards

The Group believes that financial statements prepared in accordance with Japanese GAAP standard are appropriate for presenting the Group's operating results, financial position, and cash flows, and for the time being the Group intends to prepare its consolidated financial statements in accordance with Japanese GAAP.

With regard to the application of the International Financial Reporting Standards (IFRS), the Group will take appropriate actions, taking into account various domestic and overseas conditions.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	Previous fiscal year (March 20, 2024)	Fiscal year under review (March 20, 2025)
Assets		
Current assets		
Cash and deposits	6,922,386	6,936,327
Notes and accounts receivable-trade	15,350,923	15,425,965
Merchandise and finished goods	13,246,441	12,265,446
Work in process	2,809,164	2,250,754
Raw materials	4,478,058	5,302,259
Other	1,111,297	1,031,107
Allowance for doubtful accounts	-23,490	-17,809
Total current assets	43,894,781	43,194,051
Non-current assets		
Property, plant, and equipment		
Rental assets	28,348,694	29,539,502
Accumulated depreciation	-23,251,360	-22,666,979
Accumulated impairment	-1,341,718	-1,561,302
Rental assets, net	3,755,614	5,311,219
Buildings and structures	14,496,856	15,593,395
Accumulated depreciation	-8,810,613	-9,424,765
Accumulated impairment	-551	-581
Buildings and structures, net	5,685,691	6,168,047
Machinery, equipment and vehicles	7,452,702	7,828,946
Accumulated depreciation	-5,794,786	-6,334,604
Accumulated impairment	-1,073	-1,131
Machinery, equipment and vehicles, net	1,656,842	1,493,210
Land	6,032,877	6,134,026
Construction in progress	627,984	1,815,410
Other	4,458,578	4,716,364
Accumulated depreciation	-3,991,688	-4,243,885
Accumulated impairment	-20,097	-19,144
Other, net	446,791	453,334
Total property, plant, and equipment	18,205,803	21,375,249
Intangible assets		
Goodwill	302,416	78,131
Other	180,275	179,274
Total intangible assets	482,692	257,405
Investments and other assets		
Investment securities	1,550,061	1,654,079
Long-term loans receivable	10,875	7,527
Distressed receivables	147,756	152,671
Retirement benefit asset	3,033,318	3,045,773
Deferred tax assets	36,717	52,178
Other	1,104,626	1,300,388
Allowance for doubtful accounts	-150,926	-155,721
Total investments and other assets	5,732,429	6,056,896
Total non-current assets	24,420,925	27,689,551
Total assets	68,315,706	70,883,603

(Thousands of yen)

	Previous fiscal year (March 20, 2024)	Fiscal year under review (March 20, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	7,989,756	7,429,115
Short-term borrowings	1,413,250	2,680,000
Current portion of long-term borrowings	7,392,127	7,522,758
Income taxes payable	288,148	805,208
Provision for bonuses	750,243	782,276
Other	2,027,197	2,520,497
Total current liabilities	19,860,722	21,739,856
Non-current liabilities		
Long-term borrowings	16,446,295	15,744,662
Retirement benefit liability	264,982	294,934
Provision for retirement benefits for directors (and other officers)	172,420	182,564
Deferred tax liabilities	647,875	520,414
Other	378,839	406,555
Total non-current liabilities	17,910,413	17,149,130
Total liabilities	37,771,135	38,888,987
Net assets		
Shareholders' equity		
Share capital	6,361,596	6,361,596
Capital surplus	4,952,555	4,960,949
Retained earnings	18,666,335	19,786,769
Treasury shares	-1,043,805	-910,165
Total shareholders' equity	28,936,682	30,199,149
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	167,522	236,717
Deferred gains or losses on hedges	56,907	24,653
Foreign currency translation adjustment	889,723	1,191,845
Remeasurements of defined benefit plans	481,654	342,249
Total accumulated other comprehensive income	1,595,808	1,795,465
Non-controlling interests	12,080	-
Total net assets	30,544,570	31,994,615
Total liabilities and net assets	68,315,706	70,883,603

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	Previous fiscal year (March 21, 2023 - March 20, 2024)	Fiscal year under review (March 21, 2024 - March 20, 2025)
Net sales		
Net sales of merchandise and finished goods	40,604,695	43,810,187
Rental revenue	17,272,030	17,790,930
Total net sales	57,876,725	61,601,118
Cost of sales		
Cost of merchandise and finished goods sold	30,349,852	33,138,119
Rental cost price	13,069,883	12,426,358
Total cost of sales	43,419,735	45,564,477
Gross profit	14,456,990	16,036,640
Selling, general and administrative expenses	12,675,072	13,840,569
Operating profit	1,781,917	2,196,071
Non-operating income		
Interest income	20,687	19,470
Dividend income	77,922	56,214
Rental income from land and buildings	23,408	22,800
Foreign exchange gains	689,713	245,392
Gain on sales of scrap and waste	352,449	213,534
Other	117,013	163,830
Total non-operating income	1,281,192	721,242
Non-operating expenses		
Interest expenses	96,135	159,656
Paying rents	37,946	26,955
Other	49,300	52,673
Total non-operating expenses	183,382	239,286
Ordinary profit	2,879,727	2,678,027
Extraordinary income		
Gain on sale of property, plant, and equipment	3,611	3,003
Gain on sale of investment securities	142,531	64,600
Gain on liquidation of subsidiaries	-	199,932
Settlement income	-	145,454
Total extraordinary income	146,143	412,990
Extraordinary losses		
Loss on retirement of property, plant, and equipment	3,369	21,251
Extra retirement payments	-	67,228
Total extraordinary losses	3,369	88,479
Profit before income taxes	3,022,502	3,002,538
Income taxes-current	1,039,740	1,191,733
Income taxes for prior periods	-	-59,250
Income taxes-deferred	-5,256	-84,402
Total income taxes	1,034,483	1,048,081
Profit	1,988,018	1,954,456
Profit (loss) attributable to non-controlling interests	-566	-5,531
Profit attributable to owners of parent	1,988,584	1,959,988

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Previous fiscal year (March 21, 2023 - March 20, 2024)	Fiscal year under review (March 21, 2024 - March 20, 2025)
Profit	1,988,018	1,954,456
Other comprehensive income		
Valuation difference on available-for-sale securities	135,469	69,195
Deferred gains or losses on hedges	89,569	-32,254
Foreign currency translation adjustment	29,536	303,643
Remeasurements of defined benefit plans, net of tax	517,069	-139,405
Total other comprehensive income	771,643	201,179
Comprehensive income	2,759,661	2,155,635
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,759,466	2,159,646
Comprehensive income attributable to non-controlling interests	195	-4,010

(3) Consolidated Statement of Changes in Equity

Previous fiscal year (March 21, 2023 - March 20, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,361,596	4,946,293	17,473,415	-1,174,731	27,606,574
Changes during period					
Dividends of surplus			-795,664		-795,664
Profit attributable to owners of parent			1,988,584		1,988,584
Disposal of treasury shares		6,261		130,926	137,188
Net changes in items other than shareholders' equity					
Total changes during period	-	6,261	1,192,920	130,926	1,330,108
Balance at end of period	6,361,596	4,952,555	18,666,335	-1,043,805	28,936,682

	Accumulated other comprehensive income					Non-controlling interests Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	32,053	-32,661	860,949	-35,414	824,926	11,885	28,443,385
Changes during period							
Dividends of surplus							-795,664
Profit attributable to owners of parent							1,988,584
Disposal of treasury shares							137,188
Net changes in items other than shareholders' equity	135,469	89,569	28,774	517,069	770,881	195	771,076
Total changes during period	135,469	89,569	28,774	517,069	770,881	195	2,101,184
Balance at end of period	167,522	56,907	889,723	481,654	1,595,808	12,080	30,544,570

Fiscal year under review (March 21, 2024 - March 20, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,361,596	4,952,555	18,666,335	-1,043,805	28,936,682
Changes during period					
Dividends of surplus			-836,612		-836,612
Profit attributable to owners of parent			1,959,988		1,959,988
Change in scope of consolidation			-2,942		-2,942
Purchase of treasury shares				-54	-54
Disposal of treasury shares		8,394		133,694	142,088
Net changes in items other than shareholders' equity					
Total changes during period	-	8,394	1,120,433	133,639	1,262,467
Balance at end of period	6,361,596	4,960,949	19,786,769	-910,165	30,199,149

	Accumulated other comprehensive income					Non-controlling interests Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	167,522	56,907	889,723	481,654	1,595,808	12,080	30,544,570
Changes during period							
Dividends of surplus							-836,612
Profit attributable to owners of parent							1,959,988
Change in scope of consolidation							-2,942
Purchase of treasury shares							-54
Disposal of treasury shares							142,088
Net changes in items other than shareholders' equity	69,195	-32,254	302,121	-139,405	199,657	-12,080	187,576
Total changes during period	69,195	-32,254	302,121	-139,405	199,657	-12,080	1,450,044
Balance at end of period	236,717	24,653	1,191,845	342,249	1,795,465	-	31,994,615

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Previous fiscal year (March 21, 2023 - March 20, 2024)	Fiscal year under review (March 21, 2024 - March 20, 2025)
Cash flows from operating activities		
Profit before income taxes	3,022,502	3,002,538
Depreciation	3,263,466	2,284,623
Amortization of goodwill	295,814	236,580
Increase (decrease) in allowance for doubtful accounts	-59,235	1,089
Increase (decrease) in provision for bonuses	-11,781	27,413
Increase (decrease) in retirement benefit liability	-5,464	-228,410
Interest and dividend income	-98,609	-75,684
Interest expenses	96,135	159,656
Extra retirement payments	-	67,228
Foreign exchange losses (gains)	80,547	26,844
Loss (gain) on sale and retirement of property, plant, and equipment	-242	18,248
Loss (gain) on sale of investment securities	-142,531	-64,600
Loss (gain) on liquidation of subsidiaries	-	-199,932
Settlement income	-	-145,454
Decrease (increase) in trade receivables	603,966	58,757
Decrease (increase) in distressed receivables	-14,162	3,114
Decrease (increase) in inventories	-2,046,300	824,053
Increase (decrease) in trade payables	-1,677,777	-492,562
Increase (decrease) in accrued consumption taxes	22,796	486,135
Other	233,737	-1,696
Subtotal	3,562,861	5,987,941
Interest and dividends received	98,570	75,643
Interest paid	-90,551	-159,528
Settlement received	-	145,454
Income taxes paid	-1,885,508	-625,267
Net cash provided by (used in) operating activities	1,685,371	5,424,243
Cash flows from investing activities		
Payments into time deposits	-239,790	-330
Proceeds from withdrawal of time deposits	85,212	159,520
Purchase of property, plant, and equipment	-5,353,766	-5,580,856
Proceeds from sale of property, plant, and equipment	15,761	12,813
Purchase of intangible assets	-44,422	-51,553
Purchase of investment securities	-17,529	-8,433
Proceeds from sale of investment securities	268,911	68,400
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	-10,289
Loan advances	-28,570	-16,046
Proceeds from collection of loans receivable	15,265	12,028
Payments of leasehold and guarantee deposits	-47,299	-132,651
Proceeds from refund of leasehold and guarantee deposits	4,605	11,434
Payments of construction assistance fund receivables	-	-31,900
Other	9,057	7,176
Net cash provided by (used in) investing activities	-5,332,563	-5,560,687

(Thousands of yen)

	Previous fiscal year (March 21, 2023 - March 20, 2024)	Fiscal year under review (March 21, 2024 - March 20, 2025)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-777,470	1,254,750
Proceeds from long-term borrowings	13,635,000	8,180,000
Repayments of long-term borrowings	-8,486,417	-8,786,002
Proceeds from disposal of treasury shares	108,388	112,743
Dividends paid	-796,346	-836,410
Other	-30,967	-29,078
Net cash provided by (used in) financing activities	3,652,187	-103,998
Effect of exchange rate change on cash and cash equivalents	-10,975	401,462
Net increase (decrease) in cash and cash equivalents	-5,979	161,020
Cash and cash equivalents at beginning of period	6,628,756	6,622,776
Cash and cash equivalents at end of period	6,622,776	6,783,797

(5) Notes to Consolidated Financial Statements Going Concern Assumption

(Going Concern Assumption)

Not applicable.

(Changes in Scope of Consolidation or Application of the Equity Method)

(Significant Changes in Scope of Consolidation)

ALINCO SCAFFOLDING RENTAL SERVICE CO.,LTD. was excluded from the scope of consolidation as its liquidation was completed on March 7, 2025.

(Changes in Accounting Policies that Are Difficult to Distinguish from Changes in Accounting Estimates and Changes in Accounting Estimates)

(Change in depreciation method and useful life of rental assets)

The depreciation method for rental assets, which are the tangible fixed assets of our group, used to be the declining-balance method for ALINCO INCORPORATED and our domestic consolidated subsidiaries, and the straight-line method for our overseas consolidated subsidiaries. From the fiscal year under review, we and our domestic consolidated subsidiaries have also changed to the straight-line method.

About scaffolding materials, which are our rental property, ALBATROSS is being adopted by major construction companies and is penetrating the domestic market. As a result, the number of customers is expanding and diversifying. In addition, we are enhancing our equipment maintenance system by expanding our equipment centers in order to supply high-quality equipment to our customers' rental needs in a timely manner. In light of this situation, our group reviewed the depreciation method for rental assets in the wake of the formulation of its Medium-Term Management Plan beginning in the fiscal year ending March 20, 2025. Since the stable operation of equipment was anticipated based on plans for the introduction of rental assets in the future, our group determined that an equal allocation of expenses by the straight-line method could more appropriately reflect the actual use of rental assets.

In addition, triggered by a change in the depreciation method of rental assets, we surveyed the actual usage of rental assets. As a result, we have revised the useful life of rental assets from the beginning of the fiscal year under review based on the economically usable predictable periods more closely suited to actual conditions. This review was determined based on a comprehensive consideration of the physical useful lives and actual usage of the rental assets.

As a result, compared to the previous method, operating profit, ordinary profit, and profit before income taxes for the fiscal year under review each increased by 1,333,495 thousand yen.

(Notes on Segment Information, etc.)

1. Overview of reportable segments

Segments used for financial reporting are the ALINCO Group's constituent units for which separate financial information is available and for which Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The ALINCO Group consists of business segments that are based on categories of products and services. There are four reportable segments: construction materials, scaffolding material rental, home equipment and electronic equipment.

Products and services in these reportable segments are as follows:

Construction materials segment: scaffolding materials, logistics storage equipment

Scaffolding material rental segment: rental of scaffolding materials for low-rise and medium to high-rise buildings, and temporary bleachers

Home equipment segment: ladders, stepladders, aluminum and plastic moldings, stationary elevating workbenches, surveying and laser equipment, aluminum bridge, various types of carts and folding handcarts, fitness equipment

Electronic equipment segment: wireless communication devices, printed wiring boards

2. Calculation method for net sales, profit or loss, assets, and other items for reportable segments

The accounting treatment methods for reportable segments comply with accounting policies used for the preparation of the consolidated financial statements.

Segment profit is affected by changes in foreign exchange rates. Foreign exchange gains and losses resulting from forward exchange contracts and other foreign exchange rate instruments used for business purposes for import transactions are reflected in operating profit, and this adjusted operating profit is used for segment profit.

3. Information related to revisions for reportable segments

(Change in depreciation method and useful life of rental assets)

The depreciation method for rental assets, which are the tangible fixed assets of our group, used to be the declining-balance method for ALINCO INCORPORATED and our domestic consolidated subsidiaries, and the straight-line method for our overseas consolidated subsidiaries. From the fiscal year under review, we and our domestic consolidated subsidiaries have also changed to the straight-line method.

About scaffolding materials, which are our rental property, ALBATROSS is being adopted by major construction companies and is penetrating the domestic market. As a result, the number of customers is expanding and diversifying. In addition, we are enhancing our equipment maintenance system by expanding our equipment centers in order to supply high-quality equipment to our customers' rental needs in a timely manner. In light of this situation, our group reviewed the depreciation method for rental assets in the wake of the formulation of its Medium-Term Management Plan beginning in the fiscal year ending March 20, 2025. Since the stable operation of equipment was anticipated based on plans for the introduction of rental assets in the future, our group determined that an equal allocation of expenses by the straight-line method could more appropriately reflect the actual use of rental assets.

In addition, triggered by a change in the depreciation method of rental assets, we surveyed the actual usage of rental assets. As a result, we have revised the useful life of rental assets from the beginning of the fiscal year under review based on the economically usable predictable periods more closely suited to actual conditions. This review was determined based on a comprehensive consideration of the physical useful lives and actual usage of the rental assets.

As a result, compared to the previous method, operating profit, ordinary profit, and profit before income taxes for the fiscal year under review each increased by 1,333,495 thousand yen.

4. Information related to net sales, profit or loss, assets and other items for reportable segments for reportable segments and breakdown of revenue

Previous fiscal year (March 21, 2023 - March 20, 2024)

(Thousands of yen)

	Reportable segment					Adjustment	Amounts shown on consolidated financial statements
	Construction materials	Scaffolding material rental	Home equipment	Electronic equipment	Total		
Net sales							
Revenue from contracts with customers	21,829,696	13,650,856	13,274,397	5,164,645	53,919,596	-	53,919,596
Other revenue	-	3,957,129	-	-	3,957,129	-	3,957,129
External sales	21,829,696	17,607,986	13,274,397	5,164,645	57,876,725	-	57,876,725
Inter-segment sales and transfers	2,352,859	12,346	497,255	20,558	2,883,019	-2,883,019	-
Total	24,182,556	17,620,332	13,771,652	5,185,204	60,759,745	-2,883,019	57,876,725
Segment profit (loss)	2,514,096	383,321	-462,478	-65,201	2,369,737	509,990	2,879,727
Segment assets	28,552,839	12,154,619	12,697,379	7,969,167	61,374,006	6,941,700	68,315,706
Other items							
Depreciation	657,907	2,146,861	228,258	176,692	3,209,719	53,746	3,263,466
Increase in property, plant, and equipment and intangible assets	540,309	2,872,215	124,671	1,481,215	5,018,411	396,353	5,414,764

Notes: 1. Segment profit (loss) is adjusted to be consistent with ordinary profit in the consolidated statement of income.

2. Adjustment of segment profit (loss) of 509,990 thousand yen is corporate-wide profit (loss). Corporate-wide profit (loss) is mainly non-operating income and non-operating expenses, such as foreign exchange gains (losses) and interest expense not attributable to reportable segments.

3. Other revenue includes lease revenue, etc. in accordance with Accounting Standards for Lease Transactions (ASBJ Statement No. 13).

Fiscal year under review (March 21, 2024 - March 20, 2025)

(Thousands of yen)

	Reportable segment					Adjustment	Amounts shown on consolidated financial statements
	Construction materials	Scaffolding material rental	Home equipment	Electronic equipment	Total		
Net sales							
Revenue from contracts with customers	24,565,141	13,838,037	13,973,316	5,061,319	57,437,814	-	57,437,814
Other revenue	-	4,163,303	-	-	4,163,303	-	4,163,303
External sales	24,565,141	18,001,341	13,973,316	5,061,319	61,601,118	-	61,601,118
Inter-segment sales and transfers	2,160,341	77,228	519,995	13,394	2,770,959	-2,770,959	-
Total	26,725,483	18,078,569	14,493,311	5,074,713	64,372,077	-2,770,959	61,601,118
Segment profit (loss)	2,212,762	1,407,671	-523,756	-534,448	2,562,228	115,799	2,678,027
Segment assets	29,079,369	13,624,035	13,283,742	7,535,005	63,522,153	7,361,449	70,883,603
Other items							
Depreciation	706,634	940,305	199,695	386,016	2,232,650	51,972	2,284,623
Increase in property, plant, and equipment and intangible assets	2,255,792	2,868,555	213,470	162,189	5,500,007	91,347	5,591,355

Notes: 1. Segment profit (loss) is adjusted to be consistent with ordinary profit in the consolidated statement of income.

2. Adjustment of segment profit (loss) of 115,799 thousand yen is corporate-wide profit (loss). Corporate-wide profit (loss) is mainly non-operating income and non-operating expenses, such as foreign exchange gains (losses) and interest expense not attributable to reportable segments.

3. Other revenue includes lease revenue, etc. in accordance with Accounting Standards for Lease Transactions (ASBJ Statement No. 13).

5. Information related to net sales, profit or loss, assets and other items for reportable segments for reportable segments and breakdown of revenue (Variance reconciliation items)

(Thousands of yen)

Net sales	Previous fiscal year	Fiscal year under review
Total for reportable segments	60,759,745	64,372,077
Elimination of inter-segment transactions	-2,883,019	-2,770,959
Consolidated net sales	57,876,725	61,601,118

(Thousands of yen)

Assets	Previous fiscal year	Fiscal year under review
Total for reportable segments	61,374,006	63,522,153
Corporate assets (Note)	6,941,700	7,361,449
Total consolidated assets	68,315,706	70,883,603

(Note) Corporate assets mainly consist of surplus operating assets (cash and deposits and investment securities) of the parent company and assets related to administrative division.

(Thousands of yen)

Other items	Total for reportable segments		Adjustment		Amounts shown on consolidated financial statements	
	Previous fiscal year	Fiscal year under review	Previous fiscal year	Fiscal year under review	Previous fiscal year	Fiscal year under review
Depreciation	3,209,719	2,232,650	53,746	51,972	3,263,466	2,284,623
Increase in property, plant, and equipment and intangible assets	5,018,411	5,500,007	396,353	91,347	5,414,764	5,591,355

(Note) Adjustments to depreciation as well as increases in property, plant, and equipment, and intangible assets primarily relate to corporate assets not attributable to reportable segments.

[Information related to impairment losses on non-current assets for reportable segments]

(Significant impairment losses on non-current assets)

Previous fiscal year (March 21, 2023 - March 20, 2024)

Not applicable.

Fiscal year under review (March 21, 2024 - March 20, 2025)

Not applicable.

(Significant change in goodwill)

Previous fiscal year (March 21, 2023 - March 20, 2024)

Not applicable.

Fiscal year under review (March 21, 2024 - March 20, 2025)

Not applicable.

(Per Share Information)

Items	Previous fiscal year (March 21, 2023 - March 20, 2024)	Fiscal year under review (March 21, 2024 - March 20, 2025)
Net assets per share	1,546.27 yen	1,608.77 yen
Profit per share	101.06 yen	98.91 yen

(Note) Basis of calculation

1. Profit per share

Items	Previous fiscal year (March 21, 2023 - March 20, 2024)	Fiscal year under review (March 21, 2024 - March 20, 2025)
Profit per share		
Profit attributable to owners of parent (thousand yen)	1,988,584	1,959,988
Profit attributable to owners of parent related to common stock (thousand yen)	1,988,584	1,959,988
Average number of shares of common stock during the period (shares)	19,676,852	19,815,878

(Note) Diluted net income per share is not shown since there are no latent shares.

2. Net assets per share

Items	Previous fiscal year (March 20, 2024)	Fiscal year under review (March 20, 2025)
Total net assets (thousand yen)	30,544,570	31,994,615
Deduction on total net assets (thousand yen)	12,080	-
[of which non-controlling interests (thousand yen)]	(12,080)	(-)
Net assets related to common stock at the end of the period (thousand yen)	30,532,490	31,994,615
Number of shares of common stock used in the calculation of net assets per share (shares)	19,745,921	19,887,675

(Note) Shares held in the exclusive trust account of the ALINCO Employee Stock Ownership Plan under the Trust-type Employee Stock Ownership Incentive Plan (E-Ship®) are included in the number of treasury shares deducted from the total number of shares outstanding at the end of the period for the calculation of net assets per share (160,100 shares at the end of the previous fiscal year; 45,000 shares at the end of the fiscal year under review). These shares are also included in the number of treasury shares deducted from the average number of shares outstanding during the period for the calculation of earnings per share (218,092 shares in the previous fiscal year; 106,531 shares in the fiscal year under review).

(Subsequent Events)

Not applicable.