



ALINCO INCORPORATED

Supplementary Materials for the Fiscal Year Ended March 20, 2025

May 2, 2025

Stock code: 5933

<https://www.alinco.co.jp/>





FY3/25 Results

FY3/25 Consolidated Results

- ✓ Net sales for the fiscal year under review reached a new record high for the first time in two years, driven by increased revenue from both sales and rentals in the core scaffolding material rental unit, as well as solid performance in the logistics-related unit, where we successfully captured demand for logistics solutions and semiconductor plant projects.
- ✓ On the profit side, operating profit rose significantly due to strong sales in both the core business and logistics-related products, along with a reduction in depreciation expenses resulting from a change in the depreciation method for rental assets introduced during the year. However, ordinary profit declined, primarily due to a decrease in foreign exchange gains amid fluctuations in the financial and currency environment. Profit attributable to owners of parent also declined, despite the recording of gains on the liquidation of overseas subsidiaries.

(Millions of yen)

	FY3/23	FY3/24	FY3/25	
	Results (% to sales)	Results (% to sales)	Results (% to sales)	YoY change (Pct. change)
Net sales	60,717 (100.0%)	57,876 (100.0%)	61,601 (100.0%)	+3,724 (+6.4%)
Operating profit	2,420 (4.0%)	1,781 (3.1%)	2,196 (3.6%)	+414 (+23.2%)
Ordinary profit	3,568 (5.9%)	2,879 (5.0%)	2,678 (4.3%)	-201 (-7.0%)
Profit attributable to owners of parent	1,546 (2.5%)	1,988 (3.4%)	1,959 (3.2%)	-28 (-1.4%)

FY3/25 Segment Information

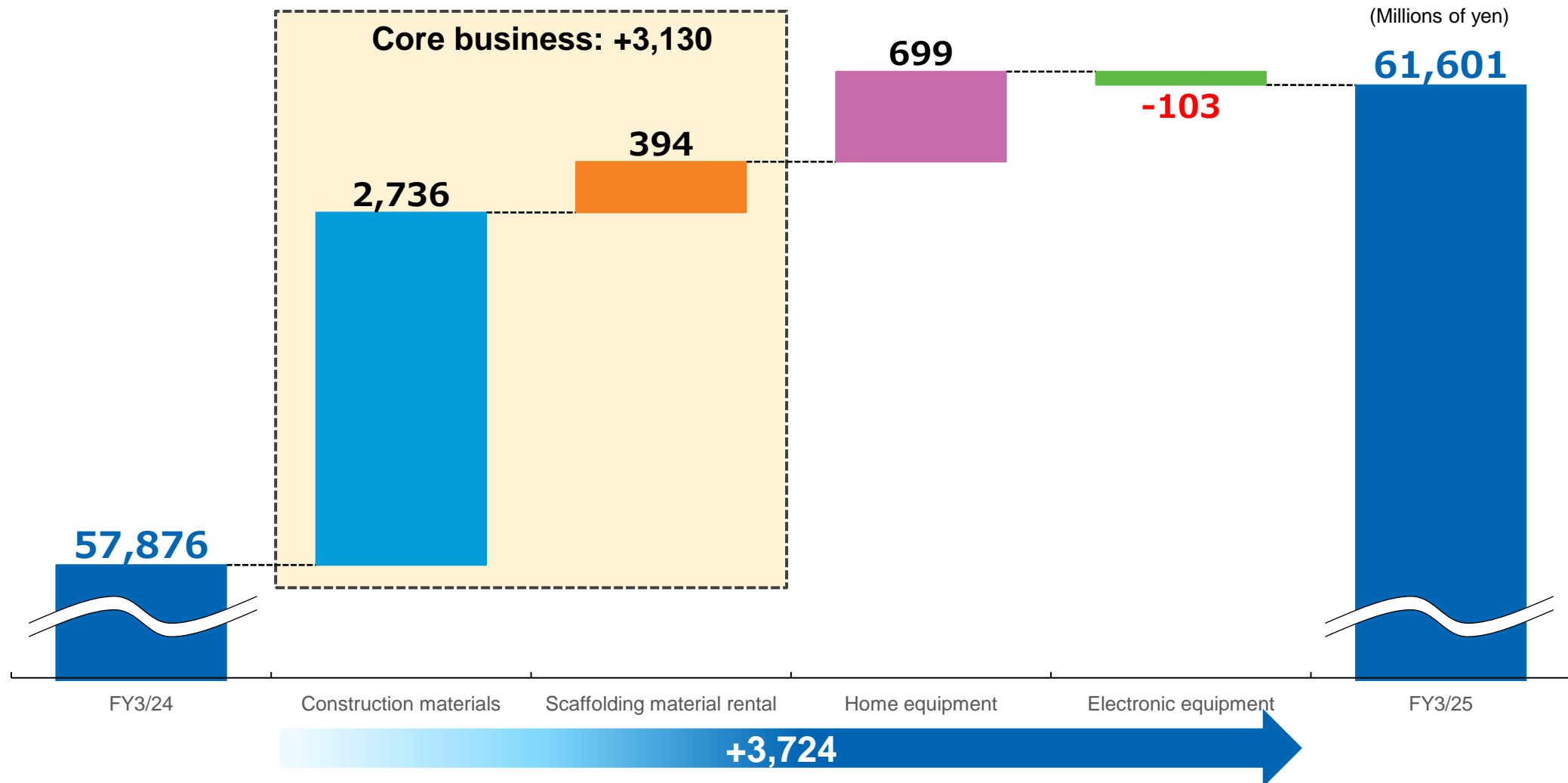
- ✓ In the Construction materials segment, net sales increased. However, segment profit declined due to higher manufacturing costs caused by the weaker yen.
- ✓ In the Scaffolding material rental segment, net sales increased as the operating rate of scaffolding materials remained high. In addition, segment profit rose significantly due to a change in the depreciation method for rental assets.
- ✓ In the Home equipment segment, sales of elevated work platforms and other products for work in high places by SIP Co., Ltd., a subsidiary that expanded its sales channels to semiconductor plants, and aluminum lifting equipment remained strong. Demand for fitness equipment also showed signs of recovery, contributing to an increase in net sales.
- ✓ In the Electronic equipment segment, sales of wireless communication devices remained firm. However, sales at HIGASHI ELECTRONICS INDUSTRY CO., LTD., a printed wiring boards manufacturing subsidiary, declined due to a slowdown in orders for amusement-related products. On the other hand, strengthened sales activities following the completion of facility upgrades in the previous fiscal year led to an increase in prototype orders, and efforts are underway to drive future sales growth.

(Millions of yen)

Upper: Sales Lower: Segment profit	FY3/23	FY3/24	FY3/25	
	Results	Results	Results	YoY change
Construction materials	24,472 2,767	21,829 2,514	24,565 2,212	+12.5% -12.0%
Scaffolding material rental	16,973 437	17,607 383	18,001 1,407	+2.2% +267.2%
Home equipment	13,780 -124	13,274 -462	13,973 -523	+5.3% —
Electronic equipment	5,491 225	5,164 -65	5,061 -534	-2.0% —
Adjustment	— 261	— 509	— 115	— —
Consolidated total	60,717 3,568	57,876 2,879	61,601 2,678	+6.4% -7.0%

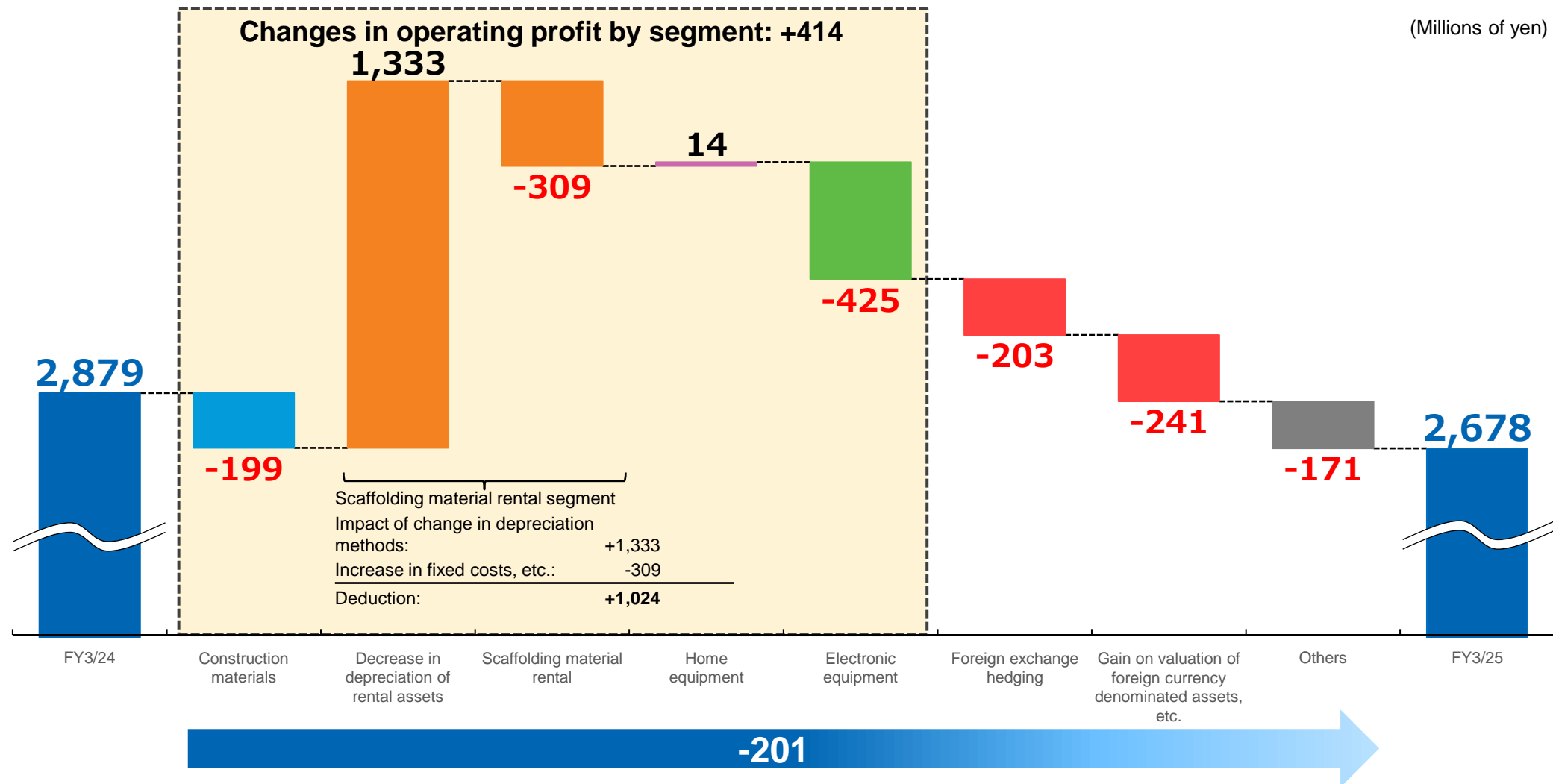
FY3/25 Factors behind Changes in Sales by Segment

- ✓ Consolidated net sales rose by 3.7 billion yen YoY, driven by an YoY increase in sales in the core businesses of 3.13 billion yen.
- ✓ In our core businesses, sales of scaffolding materials increased by 1.38 billion yen YoY, sales of logistics-related products increased by 1.35 billion yen YoY, and sales from rentals increased by 390 million yen YoY.



FY3/25 Factors behind Changes in Ordinary Profit

- ✓ Furthermore, beginning in FY3/25, we changed our depreciation method for rental assets from the declining-balance method over five years to the straight-line method over eight years. As a result, depreciation expenses decreased by 1.33 billion yen, supporting operating profit growth.
- ✓ Ordinary profit decreased by 200 million yen YoY due to a 200 million yen decrease in the effect from hedging foreign exchange contracts



FY3/25 Consolidated Balance Sheet

(Millions of yen)

	FY3/24	FY3/25	
	Results (Comp.)	Results (Comp.)	YoY change (Pct. change)
Current assets	43,894 (64.3%)	43,194 (60.9%)	-700 (-1.6%)
Non-current assets	24,420 (35.7%)	27,689 (39.1%)	+3,268 (+13.4%)
Total assets	68,315 (100.0%)	70,883 (100.0%)	+2,567 (+3.8%)
Current liabilities	19,860 (29.1%)	21,739 (30.7%)	+1,879 (+9.5%)
Non-current liabilities	17,910 (26.2%)	17,149 (24.2%)	-761 (-4.3%)
Total liabilities	37,771 (55.3%)	38,888 (54.9%)	+1,117 (+3.0%)
Net assets	30,544 (44.7%)	31,994 (45.1%)	+1,450 (+4.7%)
Total liabilities and net assets	68,315 (100.0%)	70,883 (100.0%)	+2,567 (+3.8%)
Equity ratio	44.7%	45.1%	+0.4 ppt.
Debt equity ratio	0.83x	0.81x	—

Major factors (Millions of yen)	
Current assets	
Inventories:	-715
Non-current assets	
Increase in property, plant, and equipment due to investments in rental assets, etc.:	+3,169
Liabilities	
Long-term and short-term borrowings:	+695
Net assets	
Profit attributable to owners of parent:	+1,959
Dividend payments:	-836

Note: Amounts are rounded down to the nearest million yen.

FY3/25 Consolidated Cash Flows

(Millions of yen)

	FY3/24	FY3/25	
	Results	Results	YoY change
Cash flows from operating activities	1,685	5,424	+3,738
Cash flows from investing activities	-5,332	-5,560	-228
Cash flows from financing activities	3,652	-103	-3,756
Effect of exchange rate change on cash and cash equivalents	6,622	6,783	+161
Free cash flows	-3,647	-136	+3,510

Major factors (Millions of yen)	
Operating cash flows (Increase in inflows)	
Decrease in inventories	+2,870
Depreciation	-978
Cash flows from investing activities (Increase in outflows)	
Purchase of property, plant, and equipment	-227
Cash flows from financing activities (Increase in inflows):	
Proceeds from short- and long-term borrowings	-3,422

Note: Amounts are rounded down to the nearest million yen.

- ✓ Operating cash flow increased year on year due to a decrease in inventories that had been produced as planned in the Construction materials segment during the previous fiscal year.
- ✓ Investing cash flow increased in expenditures year on year, mainly due to an increase in property, plant, and equipment resulting from active investment in rental assets, particularly the new ring lock ALBATROSS system (ALBATROSS).



FY3/26 Forecasts

FY3/26 Consolidated Business Forecasts

- ✓ For FY3/26, both sales and profits are planned to exceed the previous year's results.
- ✓ Raw material prices are expected to rise compared to the previous fiscal year, with the exchange rate being assumed at 150 yen to the U.S. dollar.

(Millions of yen)

	FY3/24 Results	FY3/25 Results			FY3/26 Forecasts		
		1H (YoY change)	2H (YoY change)	Full-year (YoY change)	1H (YoY change)	2H (YoY change)	Full-year (YoY change)
Net sales	57,876	30,822 (+5.4%)	30,778 (+7.4%)	61,601 (+6.4%)	31,170 (+1.1%)	32,330 (+5.0%)	63,500 (+3.1%)
Operating profit	1,781	1,313 (-3.9%)	882 (+112.8%)	2,196 (+23.2%)	1,320 (+0.5%)	1,780 (+101.8%)	3,100 (+41.2%)
Ordinary profit	2,879	1,474 (-29.9%)	1,203 (+55.1%)	2,678 (-7.0%)	1,500 (+1.7%)	1,800 (+49.6%)	3,300 (+23.2%)
Profit attributable to owners of parent	1,988	1,029 (-29.9%)	930 (+78.8%)	1,959 (-1.4%)	930 (-9.7%)	1,250 (+34.4%)	2,180 (+11.2%)

FY3/26 Forecast for Performance by Segment

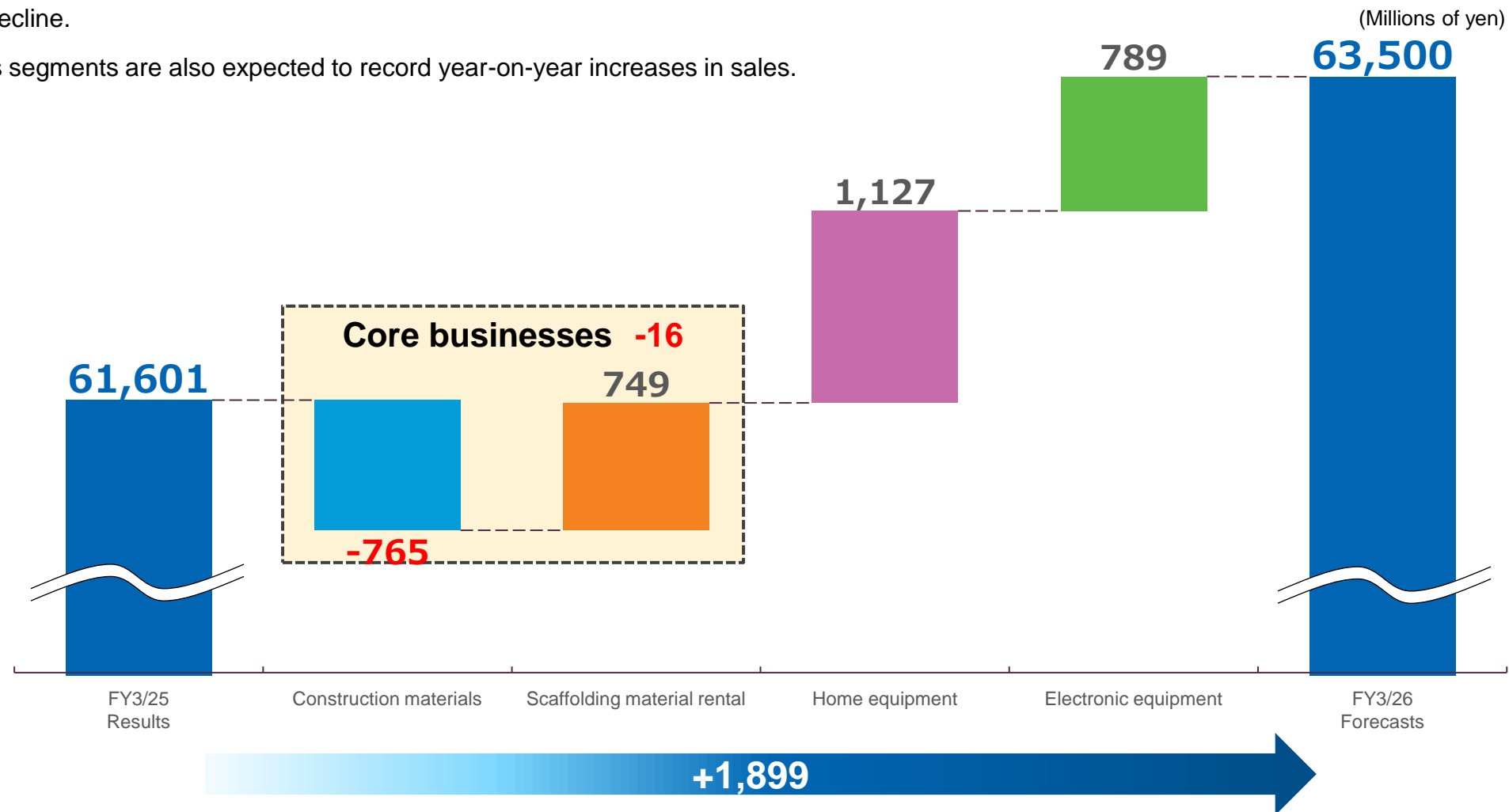
- ✓ The Construction materials segment is expected to continue experiencing a shift in customer demand from purchasing to rental, although steady demand remains for high-consumption finished-goods categories. We expect both sales and profits to decrease, due to a renewed increase in material costs and rising logistics expenses.
- ✓ In the Scaffolding material Rental segment, we plan for increased sales and profits, driven by continued price increases, the introduction of high-margin aluminum finished goods, and improved utilization rates.
- ✓ In the Home equipment segment, we aim to increase sales and reduce losses through expanded sales of machinery and tools, distribution to construction-related channels, and growth in commercial fitness equipment sales channels.
- ✓ In the Electronic equipment segment, we plan for sales growth by responding to replacement demand for core products such as specified low-power transceivers and wireless communication devices for firefighters. For printed wiring boards-related products, sales are expected to grow through customer diversification made possible by expanded production capacity.

(Millions of yen)

Upper: Net sales Lower: Segment profit	FY3/24 Results	FY3/25 Results			FY3/26 Forecasts			
		1H	2H	Full year	1H	2H	Full year	YoY change
Construction materials	21,829 2,514	12,495 1,328	12,070 884	24,565 2,212	11,750 1,075	12,050 978	23,800 2,053	-3.1% -7.2%
Scaffolding material rental	17,607 383	9,025 759	8,976 648	18,001 1,407	9,080 159	9,670 1,295	18,750 1,454	+4.2% +3.3%
Home equipment	13,274 -462	6,896 -256	7,077 -267	13,973 -523	7,480 -209	7,620 -101	15,100 -310	+8.1% —
Electronic equipment	5,164 -65	2,404 -325	2,657 -209	5,061 -534	2,860 -131	2,990 34	5,850 -97	+15.6% —
Adjustment	— 509	— -31	— 146	— 115	— 180	— 20	— 200	— —
Consolidated total	57,876 2,879	30,822 1,474	30,779 1,204	61,601 2,678	31,170 1,500	32,330 1,800	63,500 3,300	+3.1% +23.2%

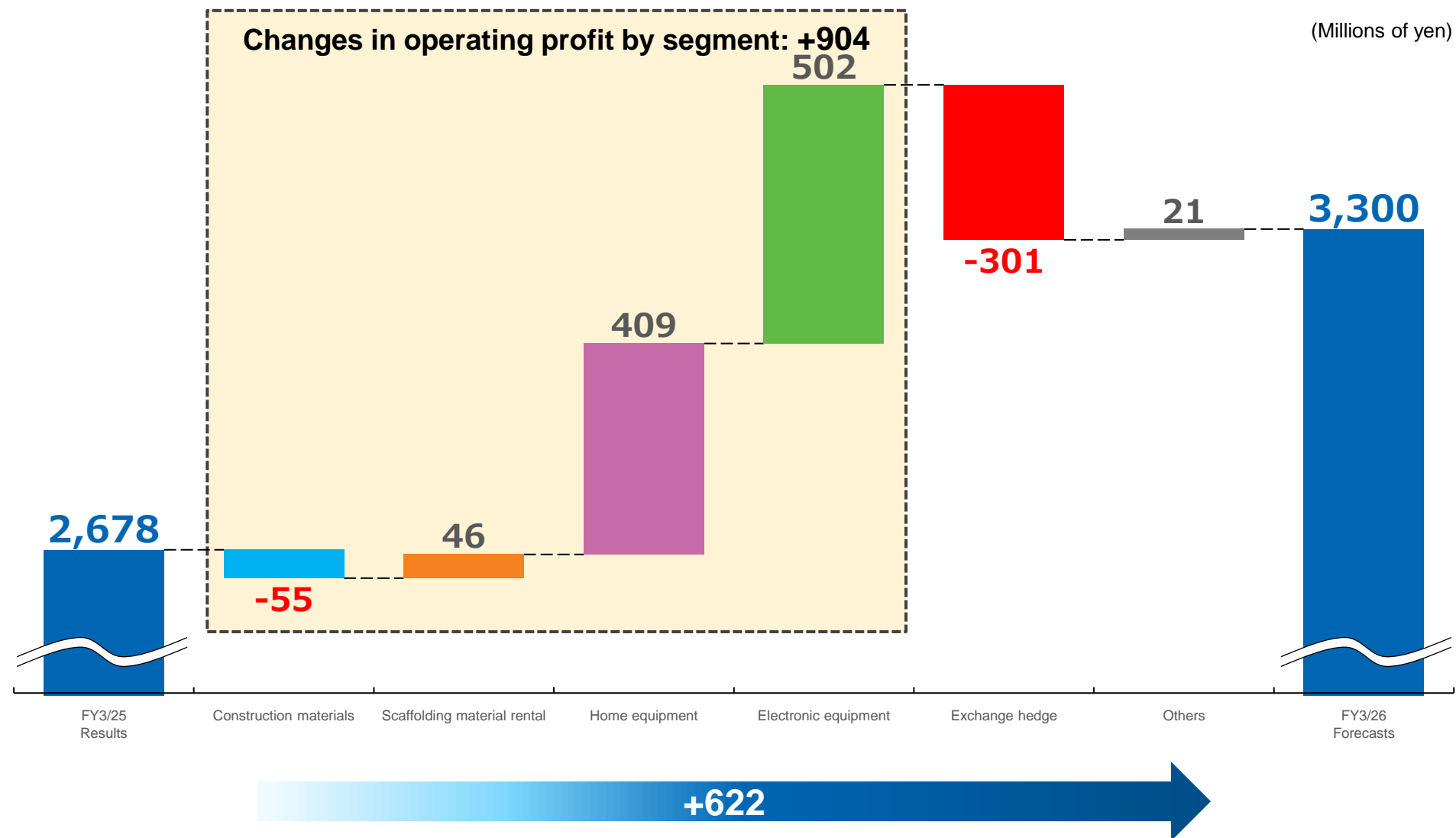
FY3/26 Sales Forecast by Segment

- ✓ Net sales are projected to increase by 1.899 billion yen year on year, reaching 63.5 billion yen.
- ✓ Within our core business, the ongoing shift in customer demand from purchasing to rental is reflected in our forecast. Sales in the Construction equipment segment are expected to decrease by 760 million yen year on year, while sales in the Scaffolding material rental segment are projected to increase by 740 million yen, effectively offsetting the decline.
- ✓ Other business segments are also expected to record year-on-year increases in sales.



FY3/26 Forecast for Changes in Ordinary Profit by Segment

- ✓ Operating profit is expected to increase by 900 million yen year on year, driven by higher sales and profit improvement across all segments.
- ✓ Ordinary profit is projected at 3.3 billion yen, representing a 622 million yen increase year on year, despite a 300 million yen decline in foreign exchange gains due to currency hedging compared to the previous year.



✓ **Basic Policy for Profit Distribution**

We regard the return of profits to shareholders as one of its most important management issues.

Our basic policy is to maintain stable dividends, targeting a consolidated dividend payout ratio of 40%.

As announced on April 3, 2024, in the Medium-Term Management Plan 2027, we have introduced a progressive dividend policy during the plan period, which, in addition to the existing policy, aims to increase the dividend per share in line with profit growth, using the previous year's dividend as the minimum level, while also taking into account past dividend performance.

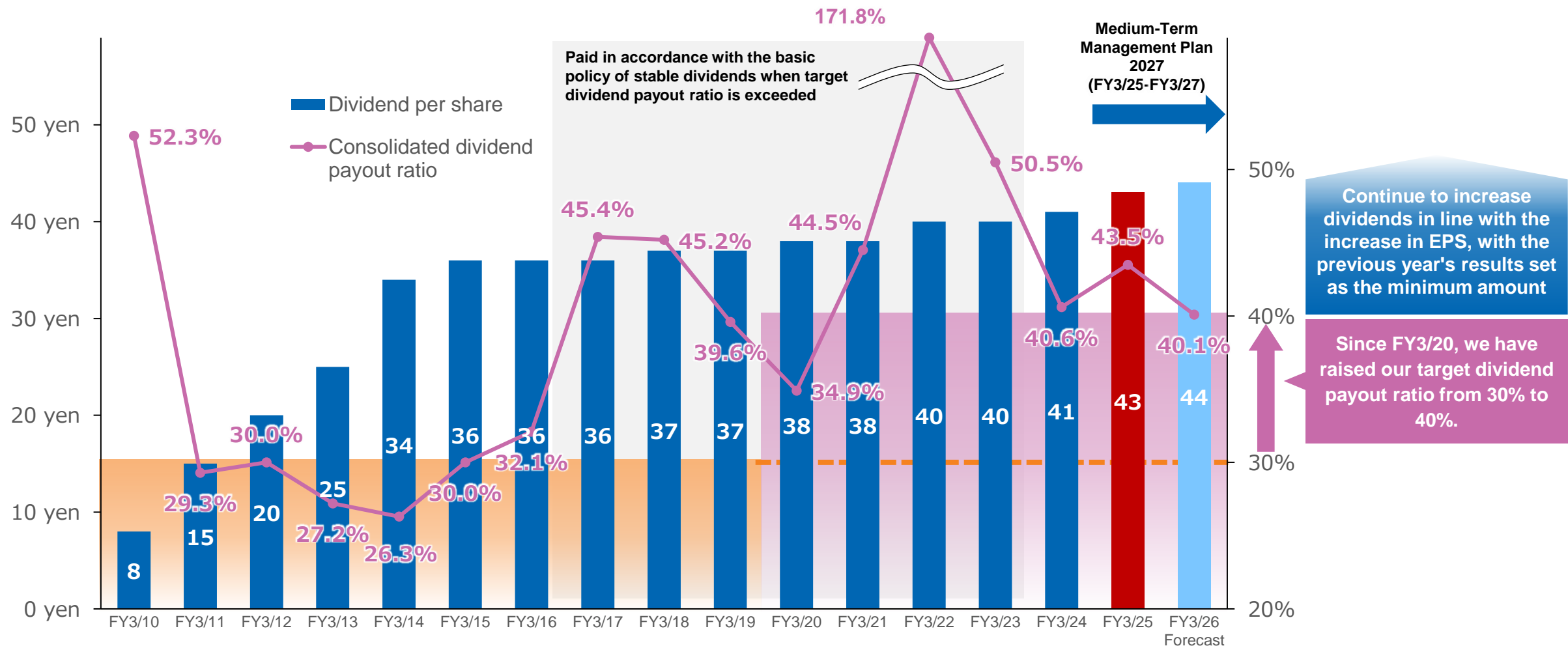
✓ **FY3/26 Dividends of Surplus**

In accordance with the basic policy on profit distribution stated above, we plan to pay an annual dividend of 44 yen per share for FY3/26, representing a 1-yen increase from the previous fiscal year. This reflects both the commitment to achieving a 40% consolidated payout ratio and the implementation of the progressive dividend policy.

		FY3/24	FY3/25	FY3/26 (Forecast)
Annual dividend (Yen)	Interim	20.00	21.00	22.00
	Year-end	21.00	22.00	22.00
	Total	41.00	43.00	44.00
Dividend payout ratio (%)		40.6	43.5	40.1

Shareholder Return and Dividend Policy

- We are committed to the basic policy of paying a stable dividend with a **consolidated payout ratio of 40%** as the target.
- We will adopt a **progressive dividend policy** during the Medium-Term Management Plan 2027 period (FY3/25 to FY3/27), ensuring that dividends per share will not fall below the previous year's level and will grow in line with profit growth.



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