ALINCO INCORPORATED

Financial Results for the Fiscal Year Ended March 20, 2025

May 28, 2025

Stock code: 5933

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

Contents

◆ Completion of Fukuchiyama No. 2 Distribution Center

The Fukuchiyama No. 2 Distribution Center, which had been under construction within the "Annex Kyoto Sanwa" area of the Osadano Industrial Park in Fukuchiyama City, Kyoto Prefecture, was completed on March 31, 2025.

This new center will be jointly managed and integrated with the existing Fukuchiyama Distribution Center (completed in 2021) located across the street. It will enable greater operational efficiency and cost reduction through centralized management of outsourced product storage warehouses.

	Fukuchiyama Distribution Center	Fukuchiyama No. 2 Distribution Center
Site Area	23,917.12㎡	14,668.37㎡
Total Floor Area	9,091.21㎡	6,621.60㎡
Completion Date	June 22, 2021	March 31, 2025

Fukuchiyama No. 2 Distribution Center

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Topics

◆ Free Provision of Transceivers for Expo 2025 Osaka, Kansai, Japan

As a Bronze Partner participating in the operation of Expo 2025 Osaka, Kansai, Japan, our company is providing transceivers free of charge for use by on-site staff. These transceivers have been in use at the venue since October of last year, during the preparation phase.

The transceivers are equipped with proprietary special settings designed to prevent eavesdropping by third parties. Leveraging our advanced radio communication technologies, we will continue to contribute to the smooth operation of the Expo as a company based in Osaka.

Provided by: Japan Association for the 2025 World Exposition ©Expo 2025

◆ Sponsorship of the Film “TAROMAN: Expo Explosion – The Grand Movie”

We sponsor the upcoming film “TAROMAN: Expo Explosion – The Grand Movie”, scheduled for nationwide release on August 22, 2025.

The movie is inspired by the 2022 NHK E-Television program “TAROMAN Okamoto Taro Style Special Effects Action Drama” and incorporates the artworks and words of renowned artist Taro Okamoto.

The story recreates a vision of the year 2025 as imagined during the Showa era, and our products appear in several scenes—be sure to keep an eye out for them。

Topics

ALINCO

◆ Certified as “Eruboshi” (Level 2) Company, which Promotes Women's Participation and Advancement

As of March 4, 2025, our company was certified as an “Eruboshi” (Level 2) company, in recognition of its efforts to promote the active participation of women in the workplace. The “Eruboshi” certification is granted by the Ministry of Health, Labour and Welfare to companies that are exemplary in promoting gender diversity.

◆ Certified as "Excellent Health Management Corporation 2025 (Large-Scale Corporation Category)"

Following 2024, we were certified as one of the "Excellent Health Management Corporations 2025 (Large Corporation Category)" by the Ministry of Economy, Trade and Industry and the Japan Health Council. Our group will continue to promote health management.

ALINCO Group Health Management Declaration

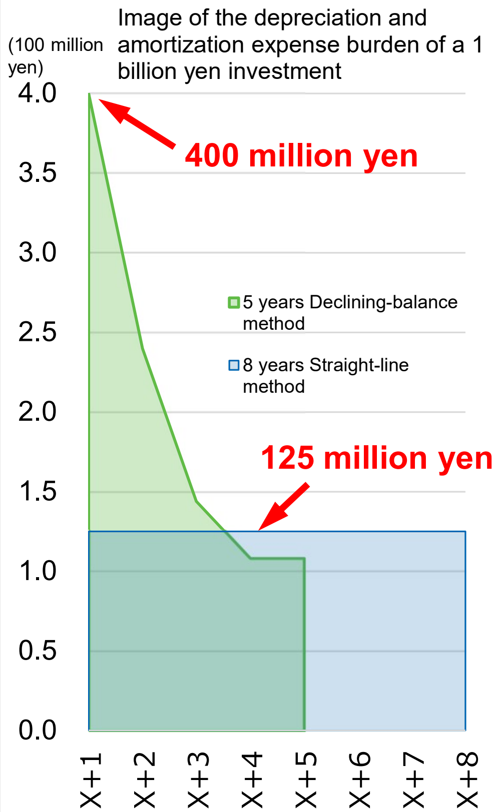
Since its establishment, the ALINCO Group has strived to realize the "safety and security" of society. To achieve this, the first step is to ensure that our employees can work in a safe and secure environment. We believe that a "safe and secure" work environment will help our employees become healthy in mind and body and maximize their capabilities, which in turn will enhance our corporate value and generate sustainable growth. The ALINCO Group is committed to creating a healthy and vibrant work environment and will continue to support the improvement of each employee's health awareness.

Topics

◆ Change in Depreciation Method and Period for Rental Assets

Aligned with the formulation of the "Medium-Term Management Plan 2027," we revised the depreciation method and period for its rental assets starting from FY3/25.

	Until FY3/24	Change in environment	From FY3/25
Positioning of Business	To ensure clear differentiation from the sales business of scaffolding materials, our company is managing the scale of its rental operations.	**Change in environment** ● **Strong construction demand** ● Customers changing to **"asset-light management"**	**Accelerate business development by proactively offering rental options** to meet the wide range of replacement needs from framework scaffolds to the new ring lock ALBATROSS system (ALBATROSS)
Status of Investment in Rental Assets	• Investment fluctuates depending on short-term changes in utilization rates • Focus on short-term profit restrains the scale of investment		• Continued investment is needed to ensure stable response to rental needs as the scale of investment increases due to market share expansion
Depreciation Method	**5 years Declining-balance method**		**8 years Straight-line method**
Approach to Depreciation	• **Select a depreciation method that is shorter than the useful life of the asset,** based on short-term changes in the asset's utilization rate • Difficult to see the effect of investment from accounting profits		• **Select a depreciation method that more closely approximates the useful life of the asset** with the expectation of a stable utilization rate • Effect of investments are better reflected in accounting profits



As a result of the change in depreciation method, depreciation expenses for rental assets in FY3/25 decreased by approximately 1.33 billion yen. However, due to continued capital investment, the impact is expected to gradually decline over the next four years, eventually reaching around 60% of the previous annual depreciation levels.

FY3/25 Results

FY3/25 Revision of Full-Year Business Forecasts

✓ On April 3, 2025, our company announced a revision to its consolidated business forecasts for FY3/25 (from March 21, 2024 to March 20, 2025), as follows.

	Net sales (Million yen)	**Operating profit** (Million yen)	**Ordinary profit** (Million yen)	**Profit attributable to owners of parent** (Million yen)	**Basic earnings per share** (Yen)
Previous Forecasts (A)	61,000	3,200	3,300	2,100	106.35
Revised Forecasts (B)	61,200	2,200	2,700	2,000	101.02
Change (B–A)	200	-1,000	-600	-100	
Pct. Change (%)	0.3	-31.3	-18.2	-4.8	

✓ **Reason for Revision**

While net sales are expected to be in line with the initial forecasts due to steady performance in the core businesses, namely Construction Materials and Scaffolding Material Rental segments, profits are projected to fall below the initial plan. This is due to factors including increased procurement costs caused by the persistently weak yen throughout the year, and a rise in depreciation expenses resulting from capital investments made to enhance production capacity in the Electronic Equipment segment.

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 sales from both sales and rentals in the core scaffolding material 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%)

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

FY3/25 Segment Information

- ✓ In the Construction Materials segment, sales increased. However, segment profit declined due to higher manufacturing costs caused by the weaker yen.
- ✓ In the Scaffolding Material Rental segment, 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 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.

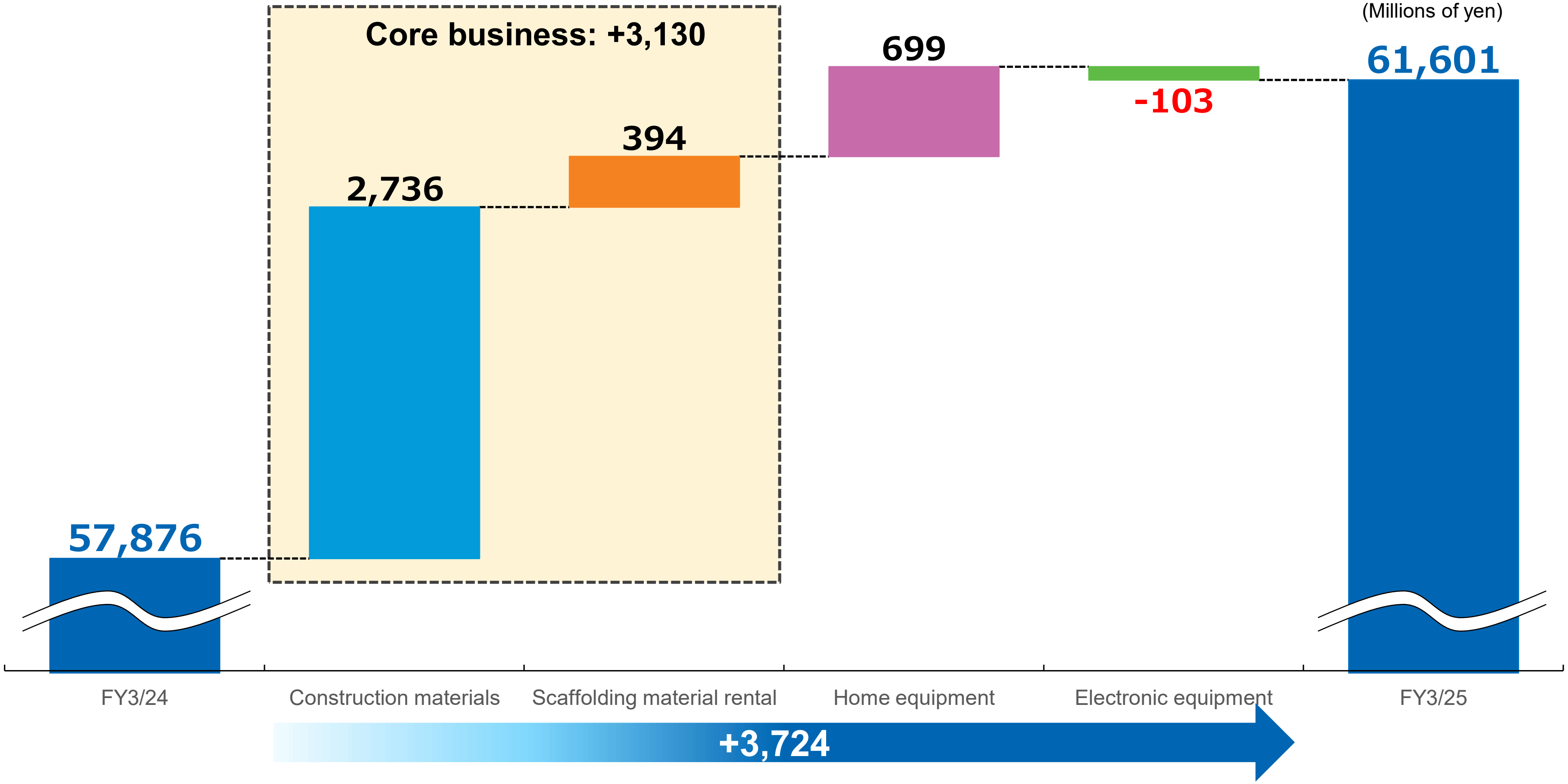
(Millions of yen)

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%

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

FY3/25 Factors behind Changes in Sales by Segment

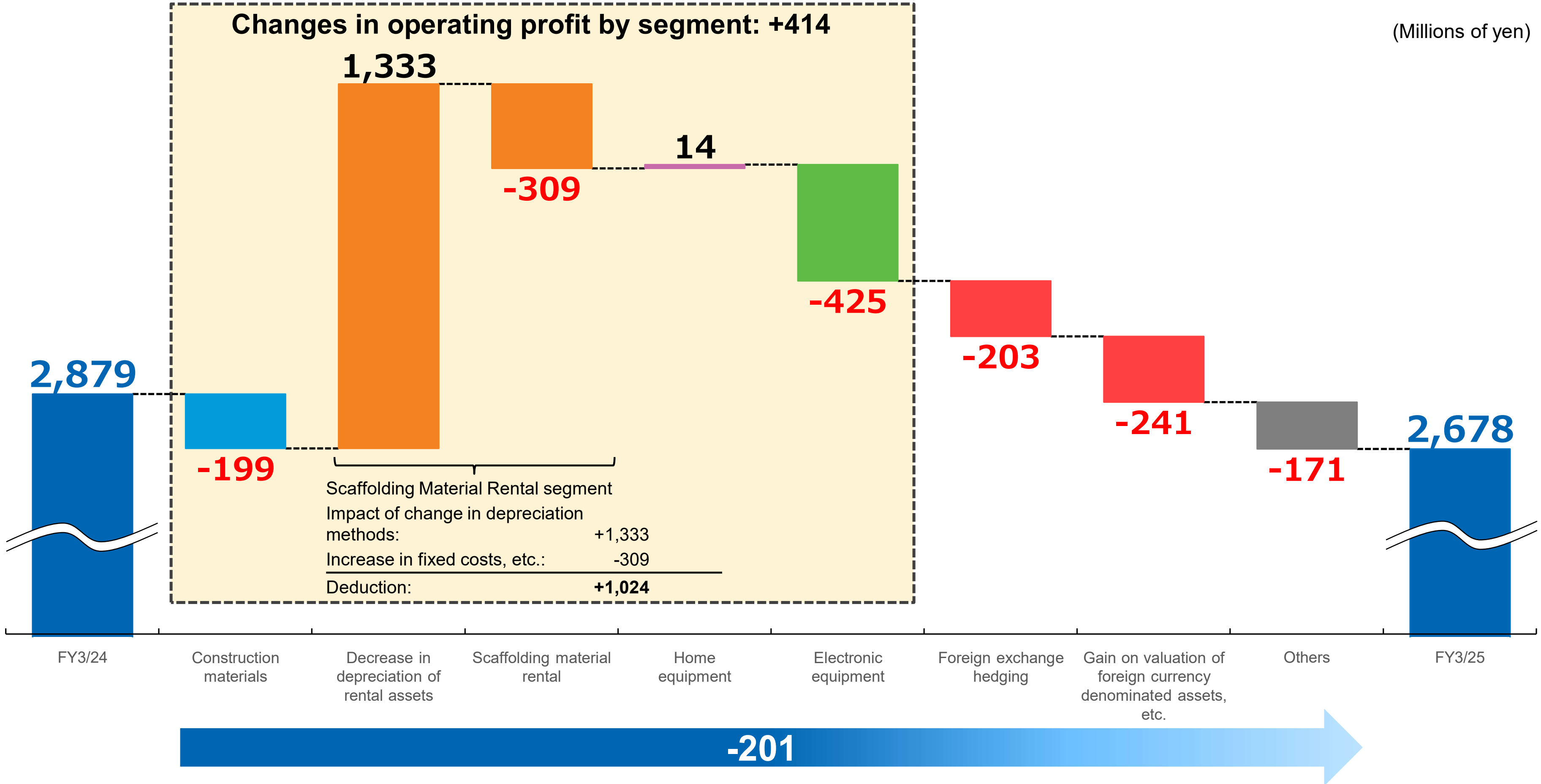
- ✓ Consolidated net sales rose by 3.7 billion yen YoY, driven by an YoY increase in sales in the core businesses of 3.13 billion yen.
- ✓ In our core businesses, sales of scaffolding materials increased by 1.38 billion yen YoY, sales of logistics-related products increased by 1.35 billion yen YoY, and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



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

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.



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

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

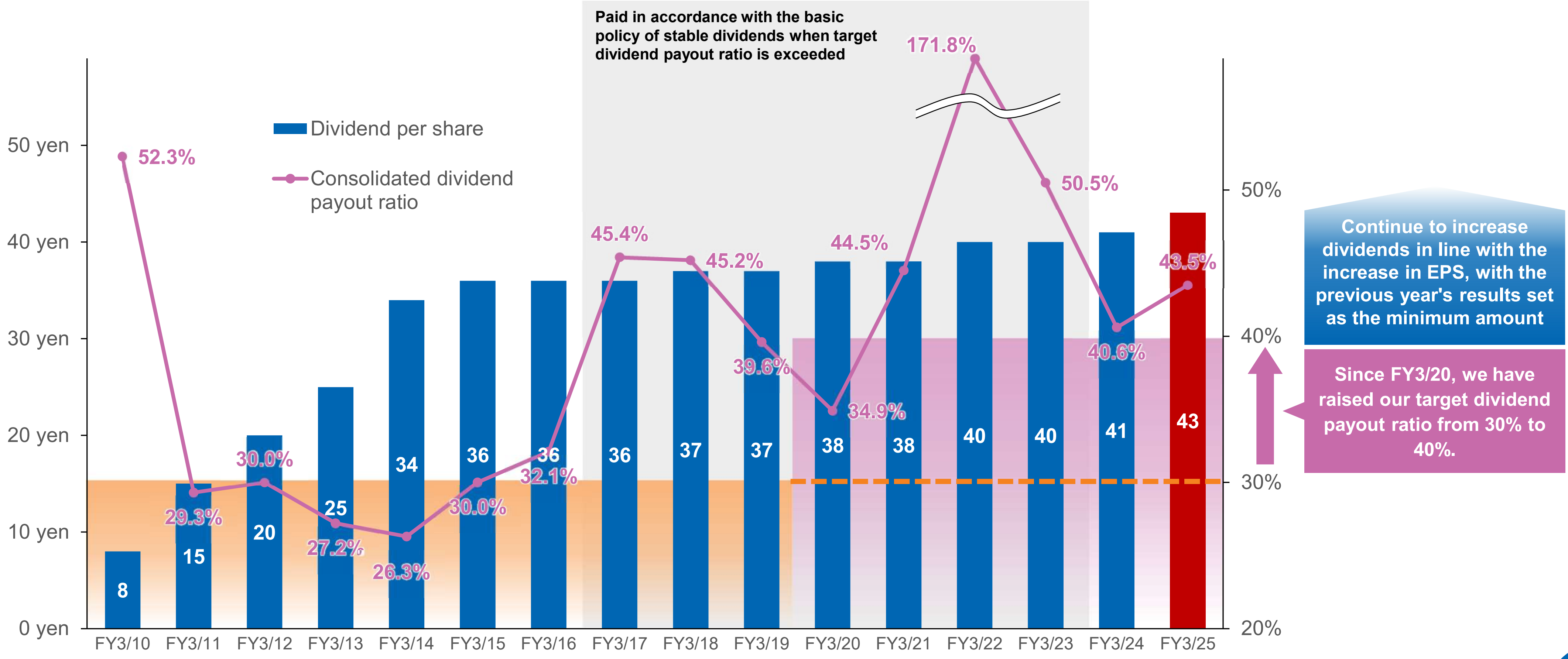
Net assets

Profit attributable to owners of parent:	+1,959
Dividend payments:	-836

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

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.
- ✓ Under the above policy, the dividend for FY3/25 has been set at 43 yen per share, an increase of 2 yen from the previous fiscal year.



FY3/26 Forecasts

FY3/26 Consolidated Business Forecasts

ALINCO

✓ 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%)

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

FY3/26 Forecast for Performance by Segment

ALINCO

- ✓ 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.

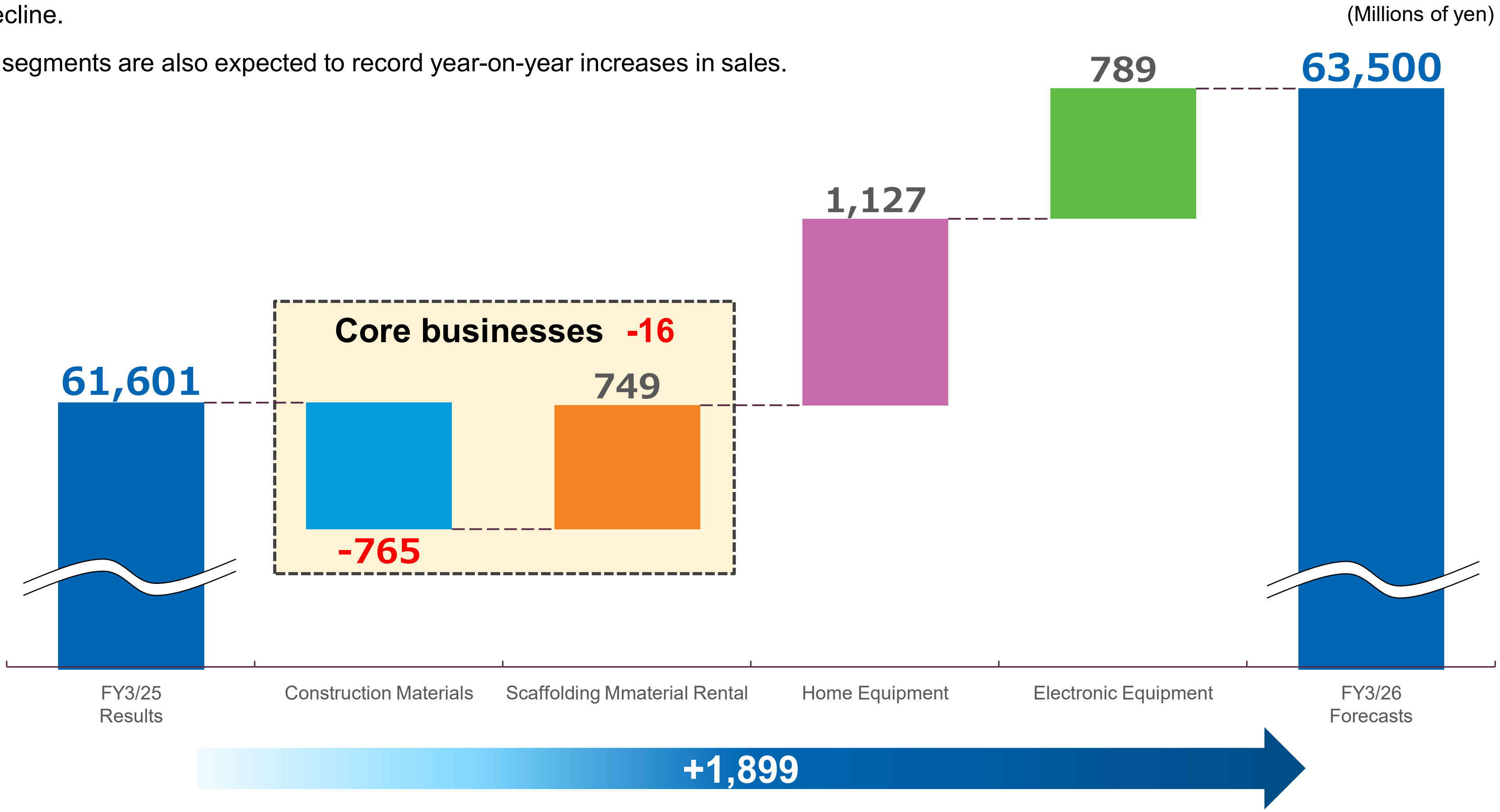
(Millions of yen)

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%

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

FY3/26 Changes in 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.

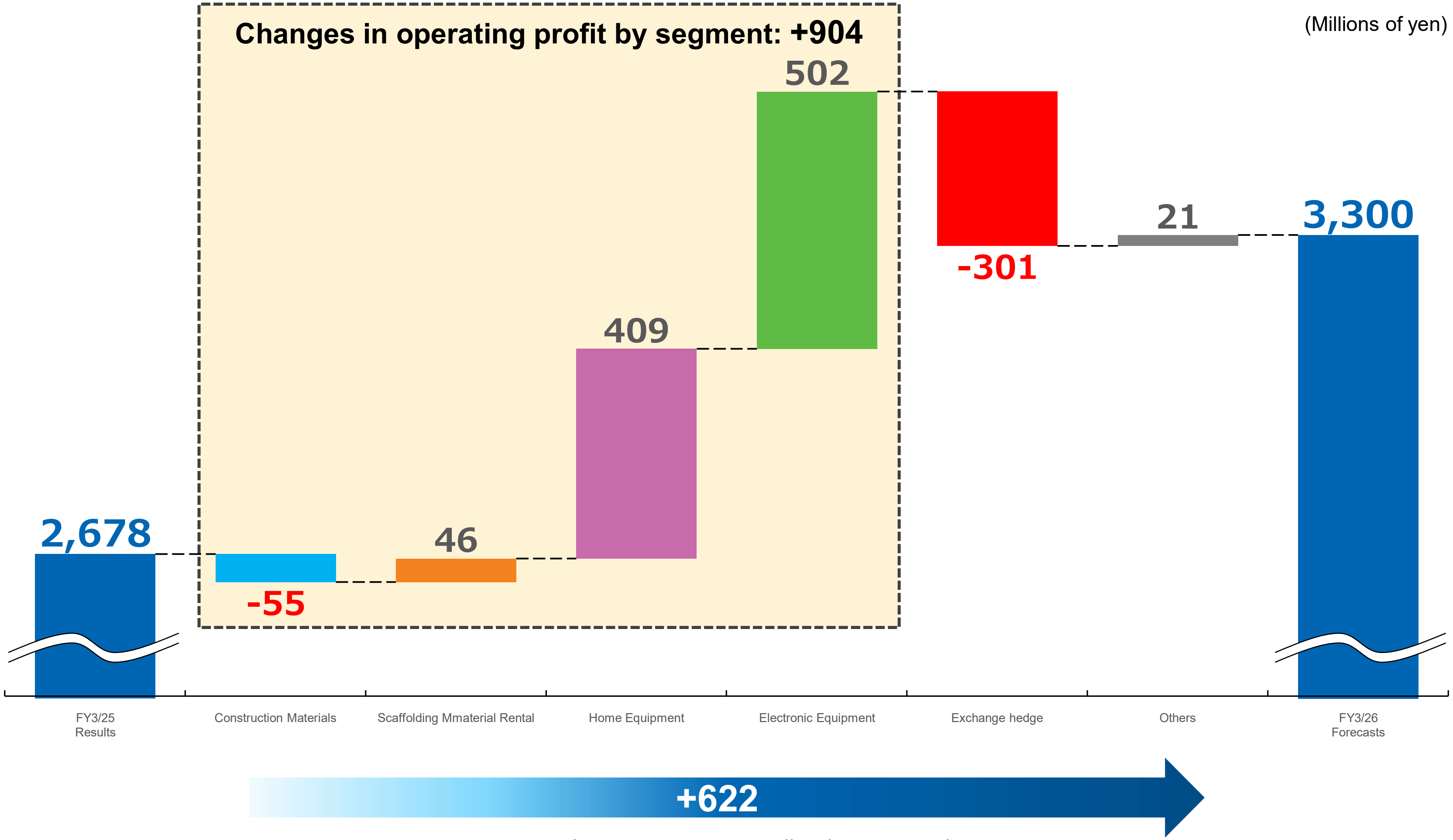


Note: Amounts are rounded down to the nearest million yen.

FY3/26 Changes in Ordinary Profit Forecast by Segment

ALINCO

- ✓ 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.



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

FY3/26 Annual Dividend Forecast

✓ **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.

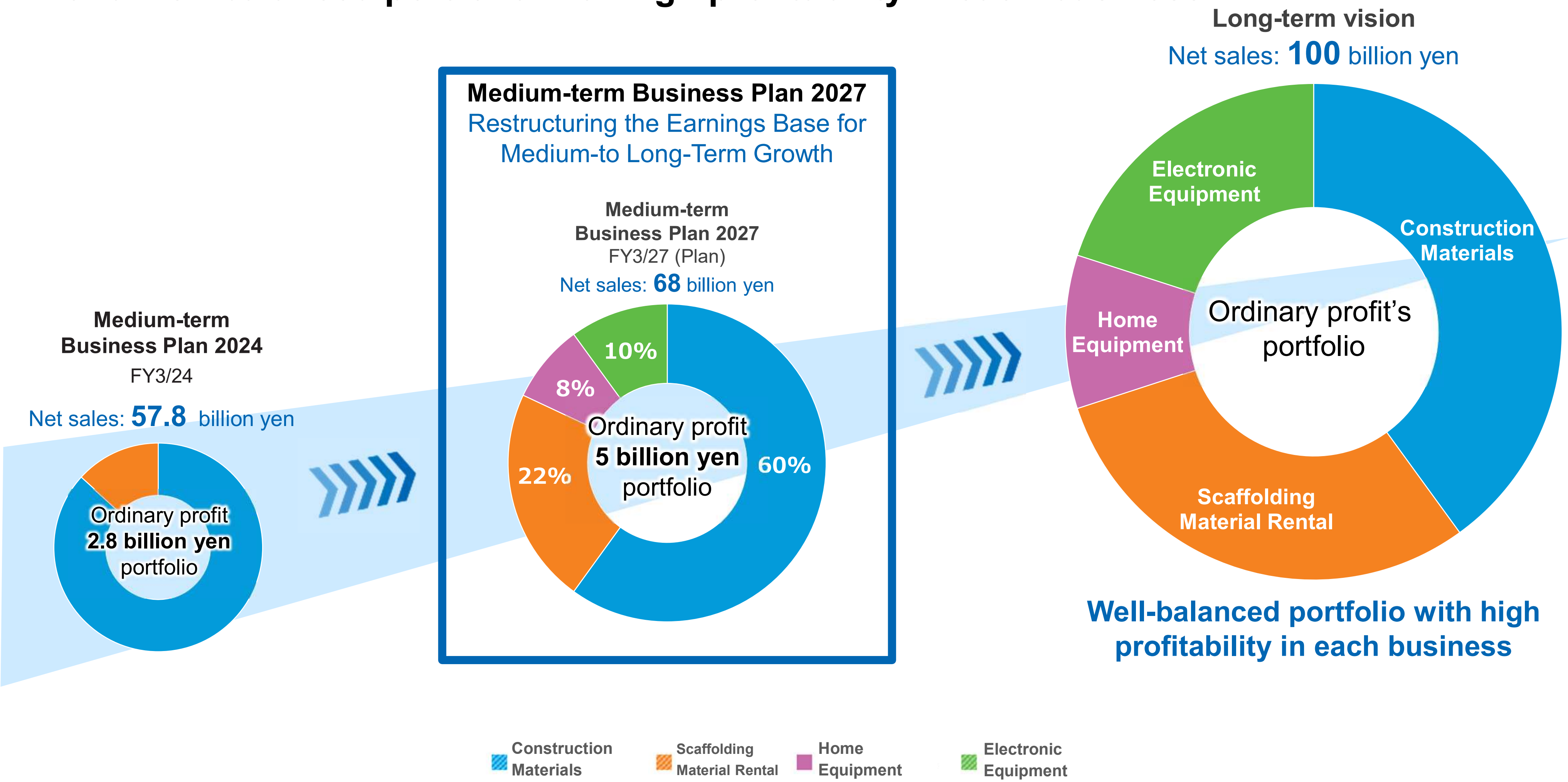
		FY3/24	FY3/25	**FY3/26 (Forecast)**
Annual dividend (Yen)	Interim	20.00	21.00	22.00
	Year-end	21.00	22.00	22.00
	Total	41.00	43.00	44.00
Dividend payout ratio (%)		40.6	43.5	40.1

Summary of
“Medium-term Business Plan 2027”

Long-Term Vision and Growth Outlook

ALINCO

Aim for a well-balanced portfolio with high profitability in each business



Well-balanced portfolio with high profitability in each business

Medium-term Business Plan 2027

ALINCO

Point 01 Evolve core businesses and restructure the business portfolio

Core Business

Construction Materials
Strengthening new product development and leveraging the advantage of ALBATROSS for sustainable growth

Scaffolding Material Rental
Establishment of business foundation for the phase of expansion and diffusion of ALBATROSS

Evolution of the business model

Home Equipment
Reshoring of aluminum elevating production
Restructuring of fitness equipment portfolio

Structural reforms

Electronic Equipment
Development of new fields through wireless communication technologies
Expansion of printed wiring boards business

Accelerating growth

Point 02 Realize management that is conscious of cost of capital and stock price

Efforts to Achieve 1x P/B Ratio

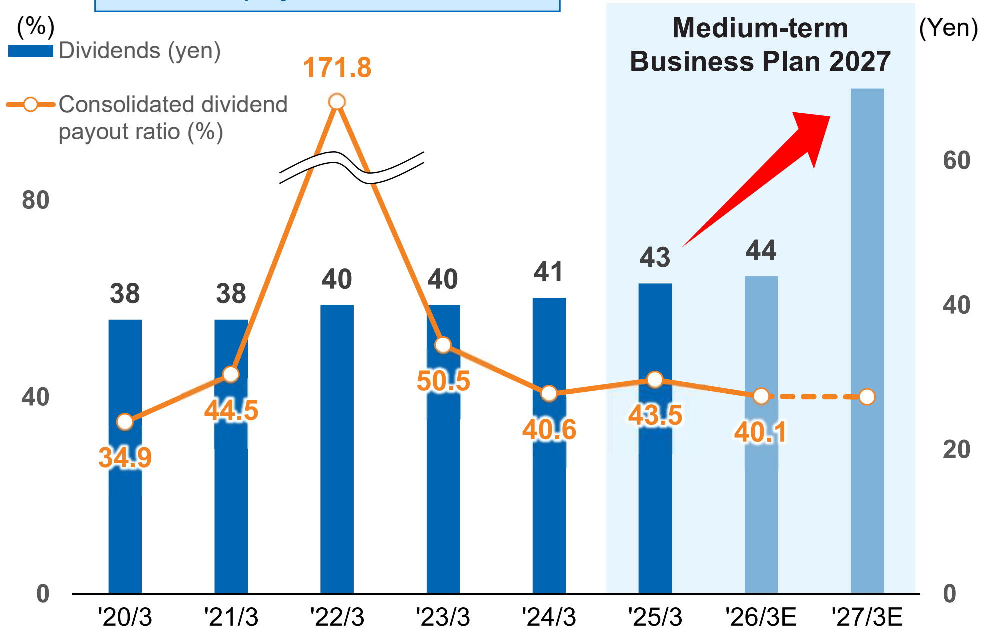
P/B Ratio (Price to Book Ratio)	=	ROE (Return on Equity)	×	P/E Ratio (Price Earnings Ratio)
0.66x		6.3%		10.67x*
Target: **1.0** times or more		**9**% or more		**17** times or more

*As of March 20, 2025

Point 03 Target payout ratio of 40% plus progressive dividends

Shareholder Return and Dividend Policy

Targeting a consolidated dividend payout ratio of 40% + Progressive dividend



Performance Targets

✓ In the first year of the Medium-Term Management Plan (FY3/25), while net sales have remained firm toward achieving the target, progress on the profit front has fallen behind the initial plan due to factors such as a weaker yen than expected, which drove up procurement costs, and increased depreciation expenses related to the electronics business.

✓ To achieve the targets set out in Medium-Term Management Plan 2027, we will focus on reducing procurement costs, expanding sales channels, and developing new products to improve profit margins. The figures in the business forecasts will serve as a minimum commitment, and we will aim to steadily build both sales and profits.

(Millions of yen)

	FY3/25 **Results** (FY3/27 Target Achievement Rate)	FY3/26 **Forecasts** (FY3/27 Target Achievement Rate)	**Medium-Term Management Plan 2027 Target for FY3/27**	**Difference between forecasts and targets for FY3/26**
Net sales	61,601 (90.6%)	63,500 (93.4%)	**68,000**	**-4,500**
Ordinary profit	2,678 (53.6%)	3,300 (66.0%)	**5,000**	**-1,700**
Ordinary profit margin	4.3%	5.2%	**7.4%**	**-2.2 ppt.**
ROE	6.3%	6.8%	**9.0%**	**-2.2 ppt.**
Equity ratio	45.1%	47.0%	**45.0%**	**+2.0 ppt.**

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

Performance Targets by Segment

ALINCO

- ✓ In our core businesses, while the Construction Materials segment is expected to experience a slight slowdown due to a market shift from purchasing to rental services, this will be offset by performance in the rental segment.
- ✓ In the Home Equipment segment, we plan for both sales and profit growth by expanding sales of highly profitable commercial fitness equipment and launching a wide range of new small-item products.
- ✓ In the Electronic Equipment segment, we aim to achieve higher sales and profits through the launch of new models of our mainstay low-power transceivers, expanded sales channels, and continued replacement demand for fire and emergency radio systems. Additionally, our printed wiring board manufacturing subsidiary, HIGASHI ELECTRONICS INDUSTRY CO., LTD., plans to increase sales by diversifying its client base through strengthened production capacity.

(Millions of yen)

Core Business

Construction Materials	FY3/25 Results (FY3/27 Target Achievement Rate)	FY3/26 Forecasts (FY3/27 Target Achievement Rate)	FY3/27 Medium-Term Management Plan Target
Sales	24,565 (98.7%)	23,800 (95.6%)	**24,900**
Segment profit	2,212 (73.7%)	2,053 (68.4%)	**3,000**
Profit margin (%)	9.0%	8.6%	**12.0%**

Scaffolding Material Rental	FY3/25 Results (FY3/27 Target Achievement Rate)	FY3/26 Forecasts (FY3/27 Target Achievement Rate)	FY3/27 Medium-Term Management Plan Target
Sales	18,001 (94.7%)	18,750 (98.7%)	**19,000**
Segment profit	1,407 (127.9%)	1,454 (132.2%)	**1,100**
Profit margin (%)	7.8%	7.8%	**5.8%**

Home Equipment	FY3/25 Results (FY3/27 Target Achievement Rate)	FY3/26 Forecasts (FY3/27 Target Achievement Rate)	FY3/27 Medium-Term Management Plan Target
Sales	13,973 (83.2%)	15,100 (89.9%)	**16,800**
Segment profit	-523 (−)	-310 (−)	**400**
Profit margin (%)	−	−	**2.4%**

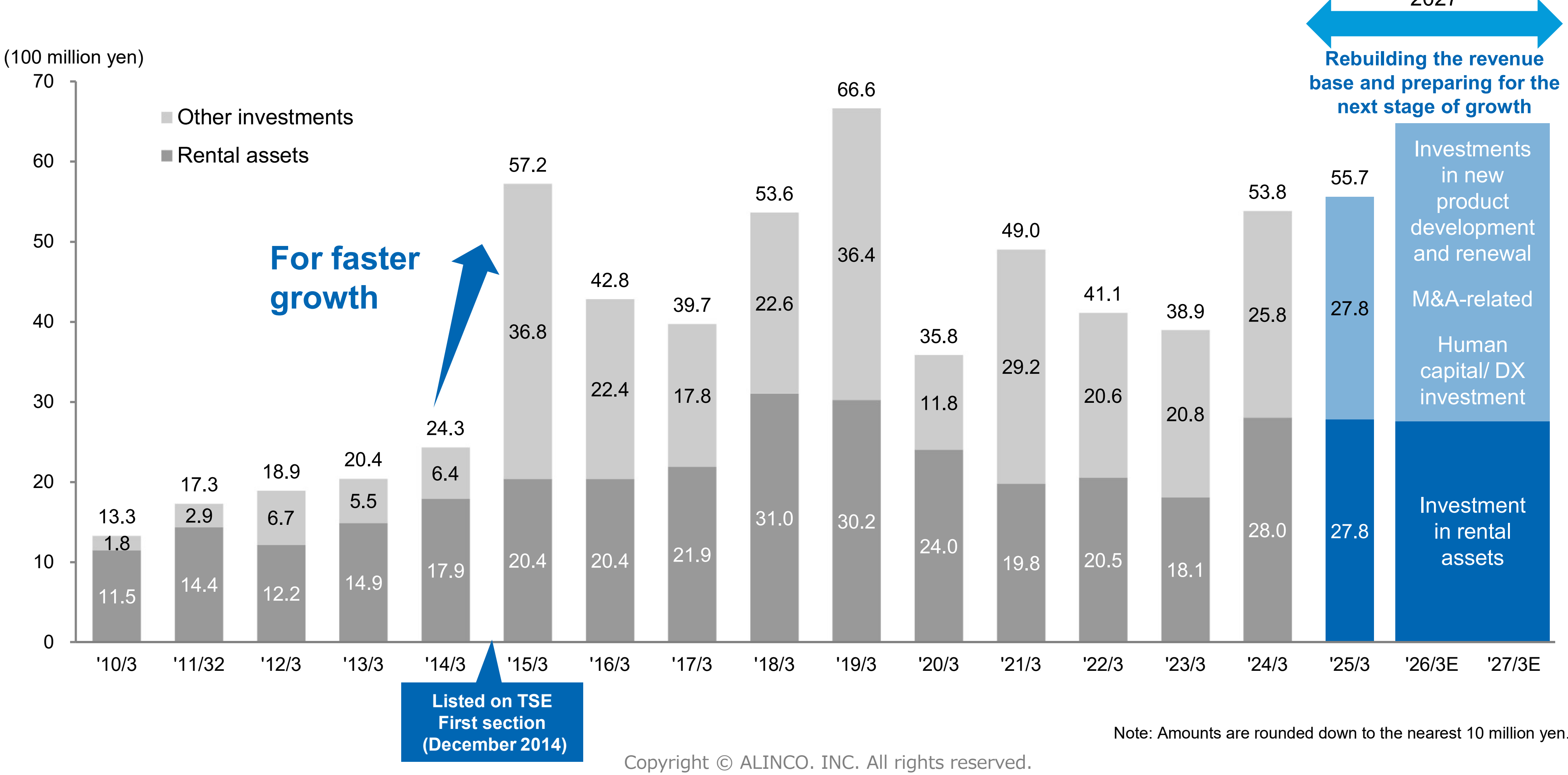
Electronic Equipment	FY3/25 Results (FY3/27 Target Achievement Rate)	FY3/26 Forecasts (FY3/27 Target Achievement Rate)	FY3/27 Medium-Term Management Plan Target
Sales	5,061 (69.3%)	5,850 (80.1%)	**7,300**
Segment profit	-534 (−)	-97 (−)	**500**
Profit margin (%)	−	−	**6.8%**

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

Status of Investments by Year

ALINCO

- ✓ Continue active investment in rental assets to evolve the business model of our core businesses
- ✓ Strengthen M&A research and investment in new product development for the next growth



Note: Amounts are rounded down to the nearest 10 million yen.

Planned Investments in Medium-term Business Plan

ALINCO

- ✓ Continue to strengthen investment in new product development
- ✓ Significant increase in investments for human capital and digital transformation (DX)

	Medium-term Business Plan 2027 (FY3/25-FY3/27)	FY3/25 Results	Progress rate to the plan	
Rental assets	**¥7.0 billion**	**¥2.78 billion**	39.7%	● Active investment to expand the market share of ALBATROSS
Development of new products Productivity and Capacity	**¥5.5 billion**	**¥2.47 billion**	44.9%	● Investment in development to increase the added value of products ● Investment to improve equipment center maintenance capabilities ● Investment to automate the manufacturing processes
M&A activities	**¥3.0 billion**	**¥0.08 billion**	2.7%	● Perform M&A and form alliances with companies which have influence in niche markets to create synergies with our business
Human capital/ DX investment	**¥1.0 billion**	**¥0.23 billion**	23.0%	● Recruit individuals with advanced professional skills ● Streamlining of internal systems, development of data platforms, automation and labor saving of operations
Total	**¥16.5 billion**	**¥5.57 billion**	33.8%	

Note: Amounts are rounded down to the nearest 10 million yen.

Toward Realization of Management that is Conscious of Cost of Capital

Initiatives to Achieve P/B Ratio of 1.0x Under Medium-Term Management Plan 2027

ALINCO

- ✓ Efforts to increase ROE and P/E Ratio to achieve P/B ratio of above 1.0x as a top priority
- ✓ Improve P/E ratio and P/B ratio by enhancing the growth potential of each segment through our unique business model

	P/B ratio **(Price to Book Ratio)**		**ROE** (Return on Equity)		**P/E Ratio** (Price Earnings Ratio)
	$\frac{\text{Stock price}}{\text{Net assets per share}}$	=	$\frac{\text{Profit}}{\text{Shareholders' equity}}$ **[Company's Earning Power]**	×	$\frac{\text{Stock price}}{\text{Earnings per share}}$ **[Investor Expectations]**
Current status	0.66 (times)		6.3 (%) (FY3/25 Results)		10.67 (times) (As of March 20, 2025)
Target	**1.00** (times) or more		**9.0** (%) or more		**17** (times) or more

(1) Improving ROE

- Improve profitability and expand business scope by implementing "Medium-term Business Plan 2027"
- Sustained growth of core businesses and improved profitability of diversified businesses
- Increase profit by capturing external growth potential through M&A
- Investing in business growth, human resources, and DX
- Balance growth and stability with a target equity ratio of 45%, and implement a shareholder return policy

(2) Enhancing growth expectations

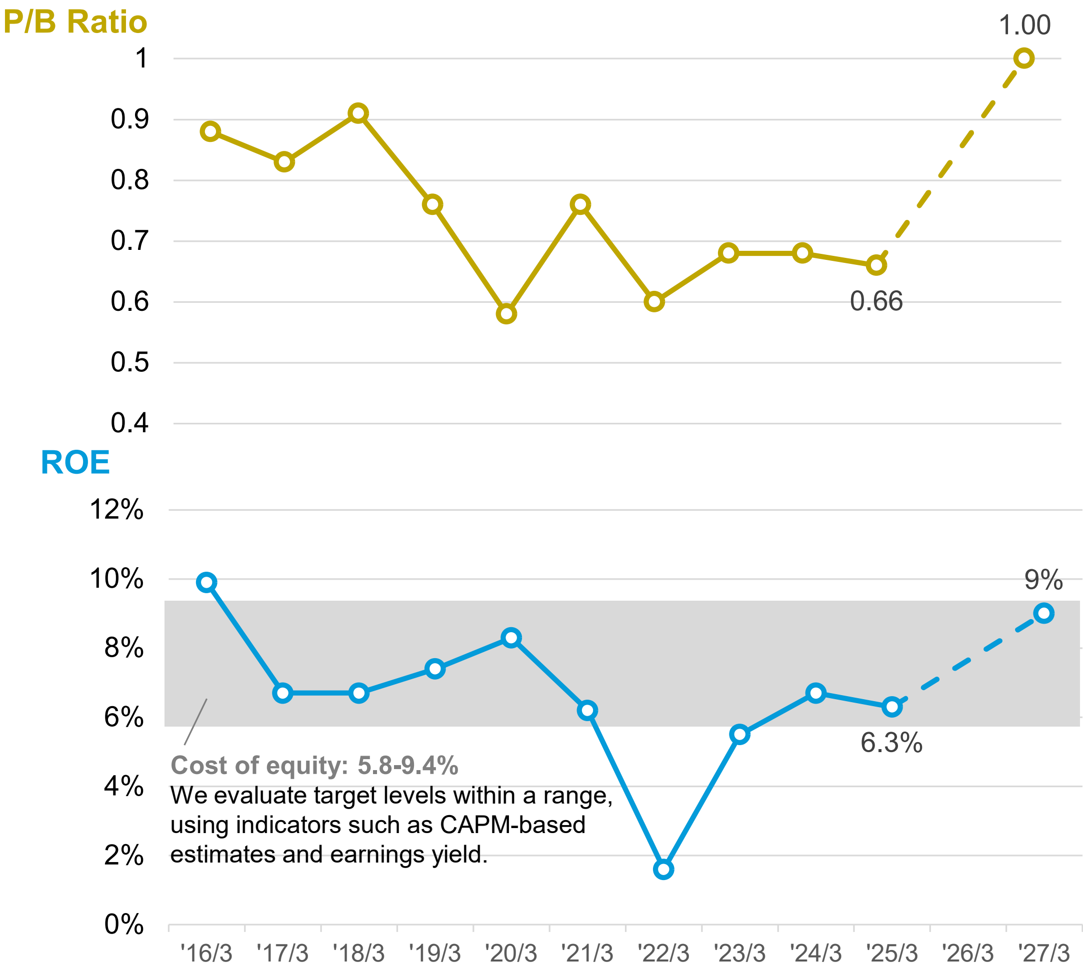
- Timely disclosure of information on the status of implementation of each business strategy
- Strengthen information dissemination on growth/focus areas

(3) Eliminating discount factors

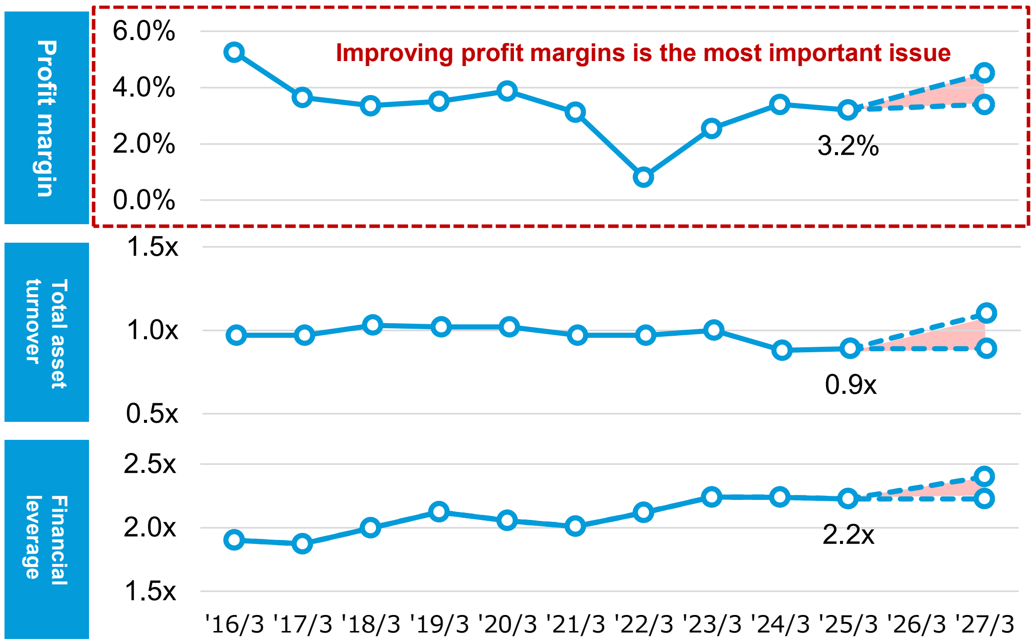
- Stabilize profit structure of diversified businesses, which are less susceptible to the external environment
- Consideration of shareholder composition through equal opportunities for information disclosure
- Expand interactions with shareholders and investors by strengthening IR activities

Current Analysis of ROE and P/B Ratio

The main factor behind the current P/B ratio below 1.0x is the decline in ROE, primarily due to profit margin deterioration in non-core business segments.



- Profitability of the home equipment business, which has a large share of overseas purchases, decreased due to higher purchasing costs due to the weaker yen.
- Depreciation burden due to investment in scaffolding material rental business and goodwill amortization burden due to aggressive M&A put pressure on accounting profit.

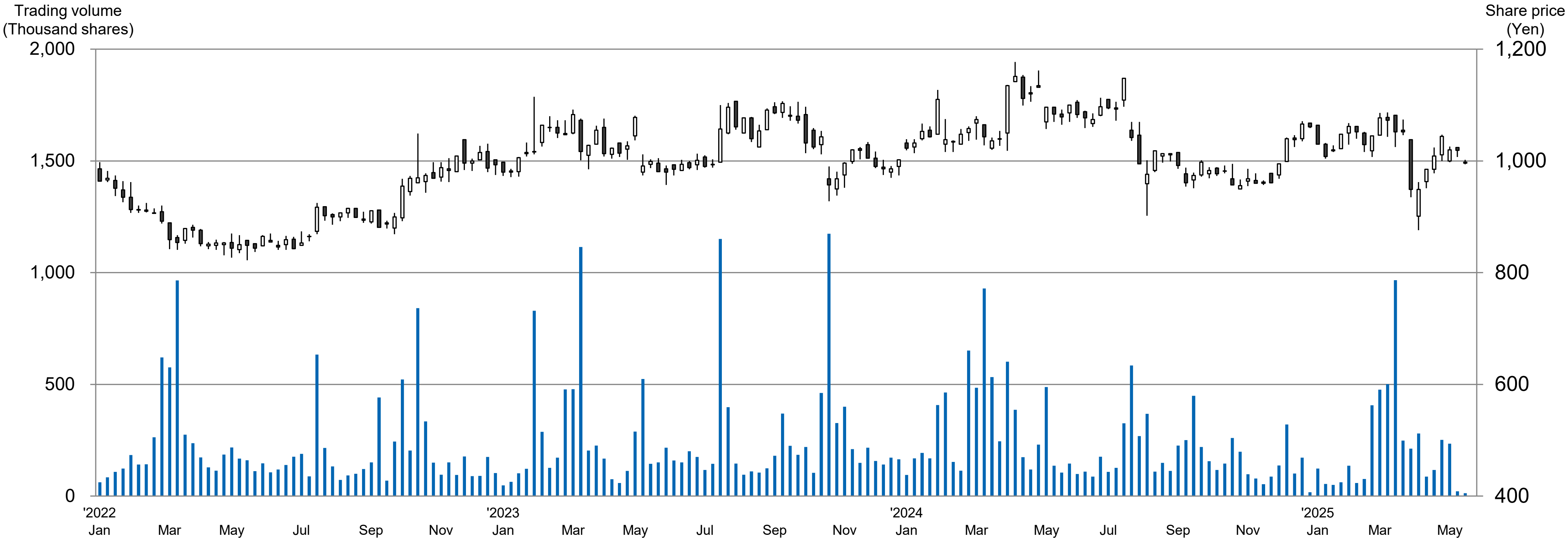


$$\underset{\text{ROE}}{\frac{\text{Profit}}{\text{Equity}}} = \underset{\text{Profit Margin}}{\frac{\text{Profit}}{\text{Net sales}}} \times \underset{\text{Total Asset Turnover Rate}}{\frac{\text{Net sales}}{\text{Total assets}}} \times \underset{\text{Financial Leverage}}{\frac{\text{Total assets}}{\text{Equity}}}$$

Changes in Share Price and Trading Volume

ALINCO

Closing share price: ¥991 (as of May 23, 2025)



Dividend yield (actual)	Price book-value ratio (P/B Ratio)	Price earnings ratio (P/E Ratio)
4.44%	0.62 times	9.03 times

Appendix

Company Overview

Basic Information

Company name	ALINCO INCORPORATED
Listed exchange	Tokyo Stock Exchange, Prime (From April 4, 2022)
Foundation	1938
Establishment	July 4, 1970
Number of employees	Consolidated: 1,425; Non-consolidated: 770
Capital	¥6,361 million
Number of shares outstanding	21,039,326 shares
Total assets	¥71,259 million
Group companies	20 (Japan: 11; China: 3; Thailand: 3; Vietnam: 1; Indonesia: 2)
Fiscal period	From March 21 to March 20 of the following year
Accounting standards	Japanese GAAP

(as of March 20, 2025)

History

1938	Inoue Tekkousho started operating in Osaka as a manufacturer of bicycle parts and Other products
1970	Established Inoue Tekkou Co., Ltd.
1983	Changed company name to ALINCO INCORPORATED
1993	**Listed on the Osaka Securities Exchange, Second Section**
2003	**Established a subsidiary in China for the production of aluminum products**
2006	**Listed on the Tokyo Stock Exchange, Second Section**
2012	**Established a subsidiary in Thailand for the production and rental of scaffolding**
2014	**Established a subsidiary in Indonesia** **Listed on the Tokyo Stock Exchange, First Section**
2015	Opened the Tokyo Head Office, creating a dual head office structure Expanded the Hyogo No. 2 Factory to increase production capacity **Acquired SIP Co., Ltd.** a manufacturer of mobile elevating scaffolding
2016	**Acquired STS Co., Ltd.**, a manufacturer of surveying and laser equipment **Established a local subsidiary in the Socialist Republic of Vietnam**
2017	**Acquired Sofuku Koki Co., Ltd. (51% of equity),** a manufacturer of logistics products
2018	**Acquired Showa Bridge Sales Incorporated,** a manufacturer of aluminum bridges
2020	**Made Sofuku Koki a wholly owned subsidiary**
2021	**Acquired Higashi Electronics Industry Co., Ltd.,** a manufacturer of printed circuit boards **Acquired Uekin Co., Ltd.,** an integrated manufacturer covering processes from metal die fabrication to stamping processes
2022	**Stock listing was moved to the Prime Market** due to the reorganization of the markets of the Tokyo Stock Exchange

Management Policy and Business Segments

ALINCO

Management Policies

To be the Leading Company in Niche Markets

Core businesses

Construction Materials

New ring lock ALBATROSS system

Share in the medium/ high-rise building market	No.1
Adoption rate among major general contractors	No.1
Number of items handled	No.1

Aluminum protective shelf/hanging scaffold

Market share	No.1

Scaffolding Material Rental

Business development in collaboration with the construction materials business

Electronic Equipment

Specified low-power wireless communication devices
Wireless communication devices option

Number of items	No.1

Digital fire alarm receiver
In-vehicle digital simplified wireless communication devices

Market share	No.1

Home Equipment

Aluminum elevating equipment

Share in the mass retailer	No.1

Elevated work platforms and other products for work in high places

Home fitness equipment

Market share	No.1

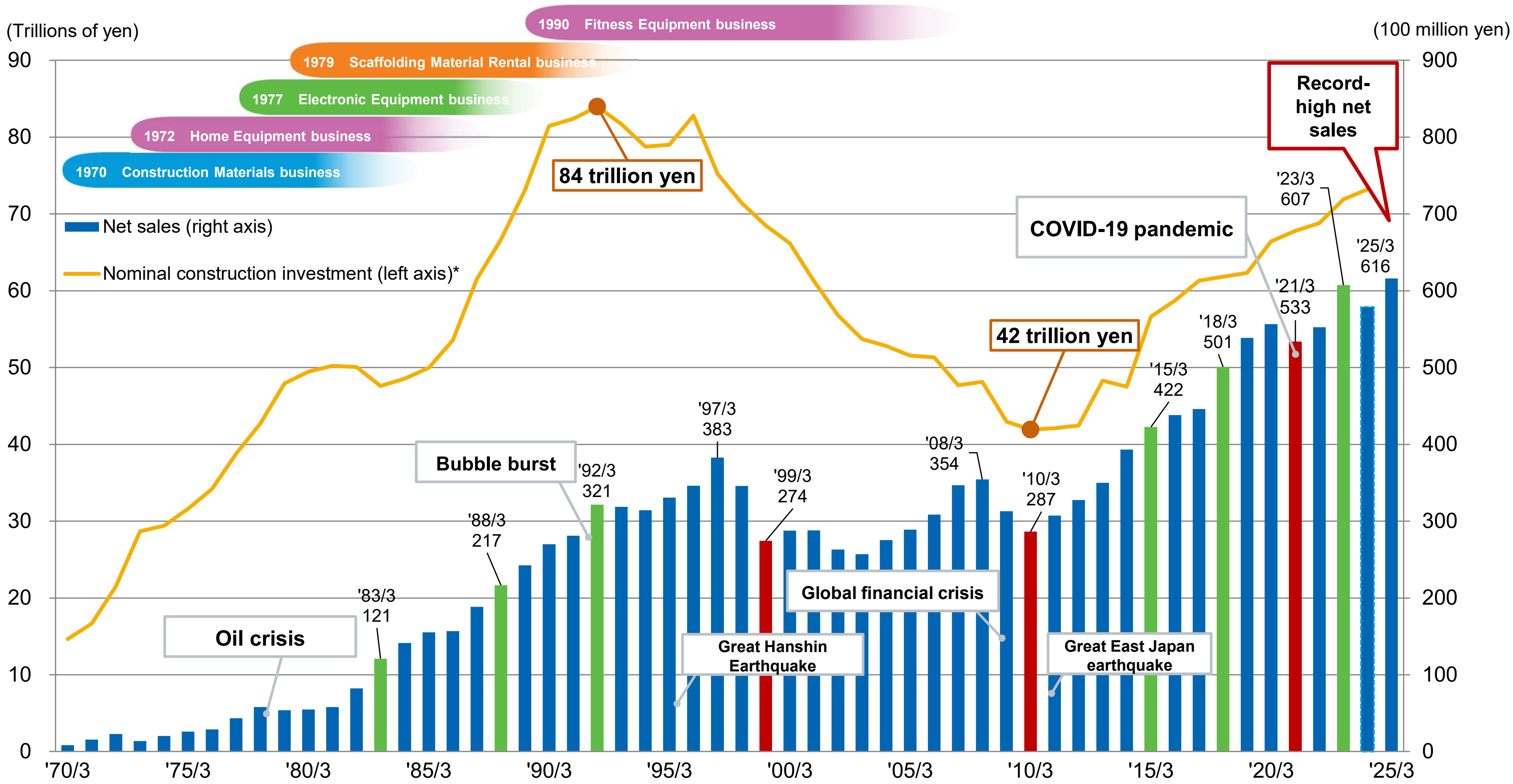
Agricultural equipment

Fitness supplies

Commercial fitness equipment

Trends in Sales Since Establishment

ALINCO



*Source: "Fiscal 2024 Construction Investment Outlook", Ministry of Land, Infrastructure, Transport and Tourism

Our Approaches to Social Issues

Identification of Materialities

We will achieve sustainable growth and increase corporate value over the medium to long term, while contributing to the realization of a sustainable society through our products and services.

Very high

Social importance

●6 Key Issues

E (Environment)

●Climate Change
●Resource circulation

- Reduce CO2
- 3R of scaffolding materials
  (Reduce, Reuse, Recycle)

G (Governance)

●Corporate governance

- Establishment and maintenance of a sound governance system
- Thorough implementation of compliance

S (Society)

●Work Style Reform
●Human Resource Development
●Social Contribution Activities

- Safety and security of products and construction
- Achieving job satisfaction for diverse employees
- Fostering Employees who Continue to Work

Importance of the ALINCO Group

Very high

ALINCO Group's basic management philosophy: "Contribution to Society", "Development of the Company", and "Growth of Employees"

Our Specific Approaches to Realize a Sustainable Society

ALINCO

E (Environment)

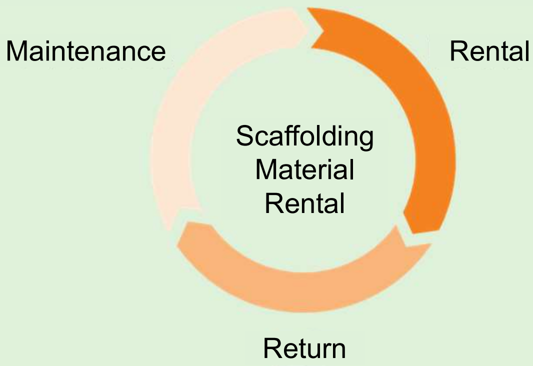
Key management issues

Climate Change and Resource Circulation

Major approaches

Reducing CO2 emissions through business activities
- ✓ Calculating group-wide CO2 emissions
- ✓ Promote the introduction of renewable energy at major business sites

Contributing to resource circulation through scaffolding materials sales and rental businesses
- ✓ Contributing to the reduction of environmental impact by effectively utilizing limited resources



S (Society)

Key management issues

Work Style Reform and Human Resource Development
Social Contribution Activities

Major approaches

Contributing to occupational health and safety through improved safety of rental scaffolding materials

"Work Style Reform"
- ✓ Flexible operation of working hours
- ✓ Enhancement of support system for balancing work and family care
- ✓ Recruiting diverse human resources to pass on technologies and strengthen competitiveness
- ✓ Expansion of education and training
- ✓ Promotion of health management

Supporting social activities for the next generation
- ✓ Support for youth development through sports and other activities
- ✓ Promotion of community-based sports activities

G (Governance)

Key management issues

Corporate Governance

Major approaches

Thorough implementation of compliance
- ✓ Disseminating awareness through regular training and questionnaires

Enhancing whistleblower system
- ✓ Establishment and operation of an external contact point that ensures anonymity and includes business partners

Internal management system
- ✓ 3 organizations under the direct control of the president collaborate organically to achieve both sustainable growth and contributions to a sustainable society
  - **Executive Officers' Meeting:** Execution of business in accordance with the business policies of the Board of Directors
  - **Risk Management Committee:** Management and supervision of risk inspection, evaluation, countermeasures, etc.
  - **Sustainability Committee:** Identify important issues and promote initiatives

Social Contribution Activities

Local-community Contribution

©Expo 2025

Sponsoring the 2025 World Expo in Japan named Expo 2025 Osaka, Kansai
As an “Operational Participation Bronze Partner”, we will lend transceivers free of charge to the Expo.

Youth development support activities

Japan Little League Baseball Federation

Osaka Evessa in the B-League

GAMBAssist

Children's invited performance "Kokoro no Gekijo"

Promotion and development of local sports

Japan Professional Football League
V. Varen Nagasaki

Activities to support the independence of people with

Paralym Art ®, the Organization for the Promotion of Self-reliance of People with Disabilities

Donations to various organizations

- Japan Shogi Association
  Construction of kansai shogi hall (Takatsuki city, Osaka prefecture)
- The Japanese Red Cross Society
  Funding Healthcare for COVID-19 Infections

Hometown tax donation program

Offering Takatsuki City's hometown tax return gifts

Disclaimer

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