

Consolidated Financial Results for the Three Months Ended June 30, 2025 [IFRS]



August 4, 2025

Company name: Shinwa Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange and Nagoya Stock Exchange

Code number: 3447

URL: <https://www.shinwa-jp.com/en/relation/index.html>

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Scheduled date of commencing dividend payments: –

Availability of supplementary briefing material on financial results: Yes

Schedule of financial results briefing session: None

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Revenue		Operating profit		Profit before tax		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2025	4,523	12.0	682	62.0	633	60.0	440	66.4
June 30, 2024	4,038	38.9	421	137.0	395	138.9	264	142.2

	Profit attributable to owners of parent		Comprehensive income		Basic earnings per share	Diluted earnings per share
	Million yen	%	Million yen	%	Yen	Yen
Three months ended June 30, 2025	441	66.4	449	70.1	32.07	–
June 30, 2024	265	139.6	264	139.8	19.17	–

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets
	Million yen	Million yen	Million yen	%
As of June 30, 2025	31,947	15,773	15,769	49.4
March 31, 2025	29,967	15,846	15,841	52.9

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	–	16.00	–	16.00	32.00
Fiscal year ending March 31, 2026	–				
Fiscal year ending March 31, 2026 (Forecast)		16.00	–	16.00	32.00

Note: Revision to the dividends forecast announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026
(April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Revenue		Operating profit		Profit before tax		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First half	8,800	3.0	880	0.9	840	3.0	550	3.8
Full year	17,800	1.7	1,650	1.7	1,520	1.4	1,000	2.8

	Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Yen
First half	550	3.8	39.58
Full year	1000	2.6	71.96

Note: Revision to the financial results forecast announced most recently: None

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: –

Excluded: –

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

1) Changes in accounting policies required by IFRS: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

(3) Total number of issued shares (common shares)

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

June 30, 2025: 14,103,000 shares

March 31, 2025: 14,103,000 shares

2) Total number of treasury shares at the end of the period:

June 30, 2025: 576,850 shares

March 31, 2025: 180,434 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025: 13,773,843 shares

Three months ended June 30, 2024: 13,845,870 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an auditing firm: None

* Proper use of financial results forecast and other notes

Financial results forecasts were prepared based on information available at the time of the announcement of this document, and actual results may differ from the forecasts owing to a wide range of factors. For the conditions that form the assumptions for the financial results forecasts, please refer to (3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information in 1. Qualitative Information on Quarterly Financial Results on page 4 of the attachments.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the first three months of the current fiscal year, although the Japanese economy continued to recover gradually, many uncertainties, including sluggish consumer spending, persistently high raw material costs, and tensions in the international situation kept surrounding the business environment.

In the construction industry, which is the main source of demand for our products, the business environment remains challenging. According to “Comprehensive Construction Statistics” published by Ministry of Land, Infrastructure, Transport and Tourism, construction investments increased to approximately ¥8.7 trillion between April 2025 and May 2025, up 5.3% from one year earlier due to rising unit prices caused by soaring material prices and other factors. On the other hand, according to “Building Starts Statistics” by the said ministry, the rising prices of construction materials have become a factor inhibiting new construction starts in addition to the shortage and aging of skilled workers. The number of construction starts decreased 1.4% from one year earlier to 778,950, and the total floor area of construction starts was down 6.2% from one year earlier to 87,547 thousand square meters, showing a downward trend.

In this business climate, the Shinwa Group (the “Group”) has accurately grasped the shift in demand from “ownership” to “use” of wedge binding type scaffolding, our main product in the Scaffolding Equipment Division, and has strengthened our flexible proposals in both sales and rental in accordance with customer needs. In addition, the Yagumi Group, which became our subsidiary in April 2024, complements our business foundation through scaffolding installation works, contributing to the improvement of the Group’s overall responsiveness and value proposition. In the Logistics Equipment Division, in addition to improving the performance of existing products and expanding our lineup, we are also focusing on developing new products that meet diversifying market needs, thereby contributing to the resolution of a wider range of issues. Furthermore, although the contribution to the operating results by OHTORIKINZOKU KOGYO CO., LTD., which became a subsidiary in May 2025, was limited in the first quarter of the current fiscal year, we are proceeding with the reorganization of the business structure and integration of operational processes to create synergies within the Group in the future.

Furthermore, in order to reduce manufacturing costs, we have implemented multifaceted measures, including reviewing the distinction between in-house and outsourced production, reviewing suppliers in response to persistently high raw material cost, optimizing logistics, and improving production efficiency. Through these measures, we have worked on maintaining a stable supply system while strengthening our cost competitiveness.

As a result of these efforts, revenue for the first three months amounted to ¥4,523 million (up 12.0% year on year). Operating profit was ¥682 million (up 62.0% year on year). Profit before tax amounted to ¥633 million (up 60.0% year on year), and profit attributable to owners of parent amounted to ¥441 million (up 66.4% year on year). Both sales and profit achieved a record high since listing.

The Company’s business activities are based on the purpose of “Protecting Lives and Supporting the Future.”

We prioritize the safety of those working at construction sites, and have begun developing and promoting scaffolding with our proprietary anti-slippage guardrail fittings and providing suspended scaffolding for special construction work such as bridges. We also pursue both reduced workload and improved safety and productivity at work sites by reducing product weight. The construction industry, which supports social infrastructure, is becoming increasingly important. The Company will continue to respond sincerely to market needs and social demands, working together with our customers to solve issues and contribute to achieving a sustainable future.

As the Shinwa Group (the “Group”) is comprised of a single business segment of manufacturing and sale of scaffolding equipment and logistics equipment, information by segment is not provided. Instead, the

performance of each business division is provided as follows:

1) Scaffolding Equipment Division

The Scaffolding Equipment Division, under an integrated system that handles everything “from manufacturing to installation,” manufactures, sells, and rents wedge binding type scaffolding and next-generation scaffolding that can be used for a wide range of applications, from detached housing to high-rise construction, and provides scaffolding installation services.

During the first three months of the current fiscal year, market demand for scaffolding equipment remained strong. However, raw material prices have remained high, and the trend toward renting rather than purchasing has continued due to soaring product prices.

In light of this situation, the Scaffolding Equipment Division has been promoting flexible sales proposals that leverage both sales and rentals, while also implementing focused sales activities in key areas and working to respond to diverse customer needs.

In addition, Yagumi Group, our Group company, is steadily securing projects, even amid a worsening labor shortage, by accurately identifying firm construction demand, backed by its abundant human resources.

As a result, revenue for the first three months in the Scaffolding Equipment Division amounted to ¥3,424 million (up 2.5% year on year).

2) Logistics Equipment Division

The Logistics Equipment Division offers solutions that improve transportation and storage efficiency and safety through providing made-to-order products to a wide range of industries, including large-scale logistics warehouses and automobiles.

During the first three months of the current fiscal year, on top of the projects related to large-scale logistics warehouses, we received continuous orders from a wide range of industries including glass, stone, and clay products, and automated warehouses.

Especially, demand for caged bulk containers for shipping liquids stayed steady and contributed to the Division’s revenue.

As a result, revenue for the first three months in the Logistics Equipment Division amounted to ¥1,099 million (up 57.9% year on year).

(Thousand yen)

Name of product and service		For the three months ended June 30, 2024	For the three months ended June 30, 2025
Scaffolding equipment	Wedge binding type scaffolding	1,325,557	1,290,311
	Next generation scaffolding	398,531	433,846
	Installation and rental	1,109,869	1,254,285
	Other sales	324,700	286,841
	Other	183,383	158,805
	Subtotal	3,342,040	3,424,090
Logistics equipment	Pallets	696,088	1,099,111
	Subtotal	696,088	1,099,111
Total		4,038,129	4,523,202

Note: Revenue stated in “Installation and rental” and “Pallets” includes revenue arising from leases under IFRS 16 of ¥109,525 thousand for the three months ended June 30, 2024, and ¥278,455 thousand for the three months ended June 30, 2025.

(2) Explanation of Financial Position

(Assets)

Current assets at the end of the first quarter of the current fiscal year increased by ¥1,498 million from the end of the previous fiscal year to ¥11,375 million. This was mainly due to an increase in cash and cash equivalents of ¥1,031 million and an increase in inventories of ¥1,008 million, partially offset by a decrease in trade and other receivables of ¥631 million. Non-current assets increased by ¥481 million from the end of the previous fiscal year to ¥20,572 million. This was primarily due to an increase in property, plant and equipment of ¥257 million. As a result, total assets increased by ¥1,979 million from the end of the previous fiscal year to ¥31,947 million.

(Liabilities)

Current liabilities at the end of the first quarter of the current fiscal year increased by ¥1,309 million from the end of the previous fiscal year to ¥8,003 million. This was primarily due to an increase in borrowings of ¥1,375 million. Non-current liabilities increased by ¥742 million from the end of the previous fiscal year to ¥8,170 million. This was also primarily due to an increase in borrowings of ¥456 million. As a result, total liabilities increased by ¥2,052 million from the end of the previous fiscal year to ¥16,173 million.

(Equity)

Total equity at the end of the first quarter of the current fiscal year decreased by ¥73 million from the end of the previous fiscal year to ¥15,773 million. This was mainly due to the posting of profit attributable to owners of parent of ¥441 million, partially offset by dividends paid of ¥222 million and the repurchase of treasury shares of ¥299 million.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

There are no revisions to the first half and full year consolidated financial results forecasts announced in the consolidated financial results on May 14, 2025.

2. Condensed Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Thousand yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and cash equivalents	2,908,656	3,940,537
Trade and other receivables	4,410,414	3,779,381
Inventories	2,439,383	3,447,925
Other financial assets	21,000	47,550
Other current assets	97,520	159,849
Total current assets	9,876,975	11,375,244
Non-current assets		
Property, plant and equipment	5,163,007	5,420,781
Right-of-use assets	993,946	1,020,479
Goodwill	12,264,652	12,264,652
Intangible assets	1,438,909	1,429,206
Other financial assets	199,623	283,962
Deferred tax assets	12,405	134,971
Other non-current assets	18,383	17,964
Total non-current assets	20,090,928	20,572,019
Total assets	29,967,904	31,947,264

(Thousand yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	1,603,024	1,490,498
Borrowings	4,589,755	5,965,471
Income taxes payable	127,790	98,571
Other financial liabilities	123,950	133,880
Other current liabilities	248,781	314,843
Total current liabilities	6,693,303	8,003,264
Non-current liabilities		
Bonds payable	—	46,041
Borrowings	5,897,270	6,353,978
Provisions	101,892	147,982
Other financial liabilities	882,894	902,131
Deferred tax liabilities	484,080	584,914
Other non-current liabilities	61,650	135,318
Total non-current liabilities	7,427,787	8,170,366
Total liabilities	14,121,090	16,173,631
Equity		
Share capital	153,576	153,576
Capital surplus	6,930,092	6,930,092
Retained earnings	8,885,060	9,103,959
Treasury shares	(137,618)	(437,590)
Other components of equity	10,697	19,948
Total equity attributable to owners of parent	15,841,808	15,769,986
Non-controlling interests	5,005	3,645
Total equity	15,846,814	15,773,632
Total liabilities and equity	29,967,904	31,947,264

(2) Condensed Quarterly Consolidated Statements of Profit or Loss and Comprehensive Income

Condensed Quarterly Consolidated Statement of Profit or Loss For the Three-Month Period

(Thousand yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Revenue	4,038,129	4,523,202
Cost of sales	(2,987,823)	(3,225,049)
Gross profit	1,050,305	1,298,153
Selling, general and administrative expenses	(631,576)	(653,862)
Other income	9,279	39,977
Other expenses	(6,650)	(1,874)
Operating profit	421,358	682,393
Finance income	2,914	2,277
Finance costs	(28,513)	(51,346)
Profit before tax	395,759	633,325
Income tax expense	(131,131)	(192,916)
Profit	264,628	440,408
Profit attributable to:		
Owners of parent	265,390	441,660
Non-controlling interests	(761)	(1,252)
Profit	264,628	440,408
Earnings per share:		
Basic earnings per share (yen)	19.17	32.07

Condensed Quarterly Consolidated Statement of Comprehensive Income
For the Three-Month Period

(Thousand yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	264,628	440,408
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(1,251)	9,362
Total of items that will not be reclassified to profit or loss	(1,251)	9,362
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	936	(220)
Total of items that may be reclassified to profit or loss	936	(220)
Other comprehensive income, net of tax	(315)	9,142
Comprehensive income	264,313	449,551
Comprehensive income attributable to:		
Owners of parent	264,616	450,911
Non-controlling interests	(302)	(1,359)
Comprehensive income	264,313	449,551

(3) Notes to Condensed Quarterly Consolidated Financial Statements

(Going concern assumption)

There is no relevant information.

(Significant changes in shareholders' equity)

Based on the resolution of the Board of Directors meeting held on May 14, 2025, the Company repurchased 395,600 treasury shares. This led to an increase in treasury shares of ¥299,971 thousand.

(Significant subsequent events)

There is no relevant information.

(Segment information)

The Group mainly engages in the business of manufacturing and sale of scaffolding equipment and logistics equipment. There is a single reportable segment of the manufacturing and sale of scaffolding equipment and logistics equipment.

Revenue from external customers for each product and service is as follows.

(Thousand yen)

Name of product and service		For the three months ended June 30, 2024	For the three months ended June 30, 2025
Scaffolding equipment	Wedge binding type scaffolding	1,325,557	1,290,311
	Next generation scaffolding	398,531	433,846
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Note: Revenue stated in "Installation and rental" and "Pallets" includes revenue arising from leases under IFRS 16 of ¥109,525 thousand for the three months ended June 30, 2024, and ¥278,455 thousand for the three months ended June 30, 2025.

(Notes to consolidated statement of cash flows)

Condensed quarterly consolidated statement of cash flows for the three months ended June 30, 2025 is not prepared. Depreciation and amortization for the three months ended June 30, 2024 and 2025 are as follows.

(Thousand yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation and amortization	182,166	182,862