Consolidated Financial Results
for the Three Months Ended June 30, 2026
[IFRS]

August 10, 2026

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
Representative: Kazuya Kito, President and Representative Director
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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, 2026
(April 1, 2026 to June 30, 2026)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Revenue		Operating profit		Profit before tax		Profit	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2026	4,941	9.2	722	5.9	672	6.3	560	27.3
June 30, 2025	4,523	12.0	682	62.0	633	60.0	440	66.4

	Profit attributable to owners of parent		Comprehensive income		Basic earnings per share	Diluted earnings per share
Three months ended	Million yen	%	Million yen	%	Yen	Yen
June 30, 2026	560	26.9	587	30.7	41.33	–
June 30, 2025	441	66.4	449	70.1	32.07	–

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets
As of	Million yen	Million yen	Million yen	%
June 30, 2026	32,608	17,254	17,254	52.9
March 31, 2026	31,984	16,910	16,910	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, 2026	–	16.00	–	18.00	34.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (Forecast)		18.00	–	18.00	36.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027
(April 1, 2026 to March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Revenue		Operating profit		Profit before tax		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First half	11,430	15.4	1,390	1.6	1,318	2.9	903	3.0
Full year	22,000	9.2	2,520	1.3	2,360	2.0	1,600	(6.7)

	Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Yen
First half	903	2.6	66.34
Full year	1,600	(6.9)	117.55

Notes: 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, 2026: 14,103,000 shares
March 31, 2026: 14,103,000 shares

2) Total number of treasury shares at the end of the period:
June 30, 2026: 544,119 shares
March 31, 2026: 544,119 shares

3) Average number of shares outstanding during the period:
Three months ended June 30, 2026: 13,558,881 shares
Three months ended June 30, 2025: 13,773,843 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, the Japanese economy remained on a gradual recovery trend, with personal consumption showing signs of recovery on the back of improved employment and income conditions, and equipment investment remaining resilient backed by stronger corporate earnings. Meanwhile, due to factors such as the impact of continuously rising prices on consumption, volatility in financial and capital markets, and concerns over a slowdown in overseas economies as well as heightened geopolitical risks including the situation in the Middle East, the economic outlook still remains uncertain.

In the construction-related sector, in which the Shinwa Group (the "Group") operates, public investment and private-sector construction investment remained resilient driven by demand for urban redevelopment and infrastructure renewal. Meanwhile, in the housing sector, as new housing starts trended lower against a backdrop of persistently high construction material prices, and labor shortages in the construction industry, among other factors, the market environment must continue to be closely monitored.

Furthermore, in the logistics sector, equipment investment demand for logistics efficiency improvement, labor saving, and automation remained at a high level, against the backdrop of responses to chronic labor shortages in the logistics industry and the so-called "2024 problem in logistics" in addition to the expanding e-commerce market.

In this business climate, the Group launched efforts to achieve the goal of becoming a "total solution provider for construction and logistics sites," as the first year of the new Medium-Term Management Plan "Further deepening and venturing into new domains," which was released in June 2026.

In addition to its manufacturing and sales capabilities cultivated to date, the Group has further enhanced its operations for wide-ranging offerings, including rental and installation services, strengthening proposal capabilities to resolve issues of customers. At the same time, by leveraging comprehensive capabilities through integrating technological expertise, selling power and service skills of each group company, the Group has promoted the expansion of higher value-added businesses.

In the Scaffolding Equipment Division, for wedge binding type scaffolding, our main product, while responding to demand for improving safety and installation efficiency at construction sites, we accurately grasped the shift in demand "from ownership to use" against the backdrop of reduction in the burden associated with holding materials, and diversifying on-site needs, and strengthened proposals for both sales and rentals.

Moreover, by leveraging the Group's strength in delivering manufacturing, sales, rental, and installation services in an integrated manner, we worked to enhance our operations for providing optimal services tailored to customers' uses and on-site environment.

In the Logistics Equipment Division, we tapped into equipment investment demand driven by expansion of the e-commerce market, the increasing scale of logistics facilities, and demand for labor saving, and sales of projects related to large-scale logistics facilities and made-to-order projects such as special-purpose transportation pallets remained steady.

We improved the performance of existing products and expanded our product lineup by leveraging design and proposal capabilities to respond to each customer's issues, which are the Group's strength, while also striving to win repeat orders and develop new customers. Going forward, we will continue to work on the improvement of our development and proposal capabilities to further expand the logistics equipment business, a growth area.

Additionally, to further enhance our earnings capacity, we have steadily promoted multifaceted cost reduction activities including reviewing the distinction between in-house and outsourced production, optimizing suppliers, increasing logistics efficiency, and improving productivity, and worked on the strengthening of our business foundation, which leads to improvement in profit margins and stable profit generation.

In addition to these initiatives, an increase in high-value-added projects in the Logistics Equipment Division, expansion of the rental and installation service business, continued promotion of cost reduction activities, among other factors, contributed to our business performance, resulting in steady progress in the first year of the Medium-Term Management Plan.

As a result, revenue for the first three months amounted to ¥4,941 million (up 9.2% year on year). Operating profit was ¥722 million (up 5.9% year on year). Profit before tax amounted to ¥672 million (up 6.3% year on year), and profit attributable to owners of parent amounted to ¥560 million (up 26.9% year on year). Revenue and profit achieved a record high for the first quarter for the second consecutive year, following the same period of the previous year.

With the purpose of "Protecting Lives and Supporting the Future," the Group has been working to address social issues through improving safety and productivity at construction and logistics sites.

Going forward, we will promote the provision of high-value-added products and services and work to enhance the corporate value toward achieving the goal of becoming a "total solution provider for construction and logistics sites" as set forth in the Medium-Term Management Plan.

As 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 shown below:

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 at a wide range of work sites, from detached housing to high-rise construction, and infrastructure-related construction sites, and provides scaffolding installation services.

During the first three months of the current fiscal year, the shift in demand from purchase to rental continued, against the backdrop of construction material prices remaining high, and the increased burden associated with holding materials.

In light of this market environment, the Scaffolding Equipment Division promoted sales proposals leveraging the strengths in both sales and rentals, while also strengthening sales activities in key areas and striving to meet diversifying customer needs. In addition, we worked to improve value proposition to customers by deepening coordination with installation services.

As a result, revenue for the first three months in the Scaffolding Equipment Division amounted to ¥3,760 million (up 9.8% 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 sectors, including large-scale logistics warehouses, the automobile-related sector, and various manufacturing industries.

During the first three months of the current fiscal year, on top of the projects related to large-scale logistics facilities, sales of made-to-order projects such as special-purpose transportation pallets remained strong.

Furthermore, our capabilities for design and proposals optimized for each customer's operations were highly valued, leading to steady progress in securing repeat orders as well as developing new projects.

As a result, revenue for the first three months in the Logistics Equipment Division amounted to ¥1,180 million (up 7.4% year on year).

(Thousand yen)

Name of product and service		For the three months ended June 30, 2025	For the three months ended June 30, 2026
Scaffolding equipment	Wedge binding type scaffolding	1,290,311	1,548,417
	Next generation scaffolding	433,846	252,184
	Installation and rental	1,254,285	1,460,750
	Other sales	286,841	465,478
	Other	158,805	33,672
	Subtotal	3,424,090	3,760,503
Logistics equipment	Pallets	1,099,111	1,180,982
	Subtotal	1,099,111	1,180,982
Total		4,523,202	4,941,485

Note: Revenue stated in "Other" under "Scaffolding equipment" and "Pallets" includes revenue arising from leases under IFRS 16 of ¥278,455 thousand for the three months ended June 30, 2025, and ¥191,364 thousand for the three months ended June 30, 2026.

(2) Explanation of Financial Position

(Assets)

Current assets at the end of the first quarter of the current fiscal year increased by ¥128 million from the end of the previous fiscal year to ¥9,854 million. This was mainly due to an increase in inventories of ¥354 million and an increase in trade and other receivables of ¥503 million, partially offset by a decrease in cash and cash equivalents of ¥747 million. Non-current assets increased by ¥495 million from the end of the previous fiscal year to ¥22,754 million. This was mainly due to an increase in property, plant and equipment of ¥494 million. As a result, total assets increased by ¥623 million from the end of the previous fiscal year to ¥32,608 million.

(Liabilities)

Current liabilities at the end of the first quarter of the current fiscal year increased by ¥750 million from the end of the previous fiscal year to ¥8,345 million. This was mainly due to an increase in borrowings of ¥728 million. Non-current liabilities decreased by ¥469 million from the end of the previous fiscal year to ¥7,008 million. This was mainly due to a decrease in borrowings of ¥448 million. As a result, total liabilities increased by ¥280 million from the end of the previous fiscal year to ¥15,353 million.

(Equity)

Total equity at the end of the first quarter of the current fiscal year increased by ¥343 million from the end of the previous fiscal year to ¥17,254 million. This was mainly due to the posting of profit attributable to owners of parent of ¥560 million, partially offset by a decrease in retained earnings resulting from dividends paid of ¥244 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 11, 2026.

2. Condensed Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Thousand yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and cash equivalents	2,957,164	2,209,637
Trade and other receivables	3,319,564	3,823,015
Inventories	3,124,741	3,478,822
Other financial assets	132,553	133,054
Other current assets	191,262	209,628
Total current assets	9,725,286	9,854,159
Non-current assets		
Property, plant and equipment	6,606,634	7,101,273
Right-of-use assets	1,075,277	1,048,545
Goodwill	12,284,217	12,284,217
Intangible assets	1,404,526	1,397,374
Other financial assets	774,302	814,827
Deferred tax assets	82,805	73,708
Other non-current assets	31,439	34,344
Total non-current assets	22,259,203	22,754,292
Total assets	31,984,489	32,608,451

(Thousand yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	1,571,841	1,758,219
Borrowings	5,024,946	5,752,969
Bonds payable	8,364	8,380
Income taxes payable	412,225	209,071
Other financial liabilities	179,570	184,743
Other current liabilities	398,667	432,477
Total current liabilities	7,595,616	8,345,861
Non-current liabilities		
Bonds payable	33,602	29,342
Borrowings	5,649,607	5,200,719
Provisions	118,976	119,656
Other financial liabilities	913,778	888,078
Deferred tax liabilities	648,122	656,515
Other non-current liabilities	113,845	113,726
Total non-current liabilities	7,477,932	7,008,039
Total liabilities	15,073,548	15,353,900
Equity		
Share capital	153,576	153,576
Capital surplus	6,929,957	6,929,957
Retained earnings	10,175,678	10,492,048
Treasury shares	(412,127)	(412,127)
Other components of equity	63,856	91,095
Total equity attributable to owners of parent	16,910,940	17,254,551
Total equity	16,910,940	17,254,551
Total liabilities and equity	31,984,489	32,608,451

(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, 2025	For the three months ended June 30, 2026
Revenue	4,523,202	4,941,485
Cost of sales	(3,225,049)	(3,552,508)
Gross profit	1,298,153	1,388,976
Selling, general and administrative expenses	(653,862)	(686,519)
Other income	39,977	28,356
Other expenses	(1,874)	(8,342)
Operating profit	682,393	722,471
Finance income	2,277	12,455
Finance costs	(51,346)	(61,972)
Profit before tax	633,325	672,953
Income tax expense	(192,916)	(112,523)
Profit	440,408	560,430
Profit attributable to:		
Owners of parent	441,660	560,430
Non-controlling interests	(1,252)	–
Profit	440,408	560,430
Earnings per share:		
Basic earnings per share (yen)	32.07	41.33

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

(Thousand yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	440,408	560,430
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	9,362	27,239
Total of items that will not be reclassified to profit or loss	9,362	27,239
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(220)	–
Total of items that may be reclassified to profit or loss	(220)	–
Other comprehensive income, net of tax	9,142	27,239
Comprehensive income	449,551	587,670
Comprehensive income attributable to:		
Owners of parent	450,911	587,670
Non-controlling interests	(1,359)	–
Comprehensive income	449,551	587,670

(3) Notes to Condensed Quarterly Consolidated Financial Statements

(Going concern assumption)

There is no relevant information.

(Significant changes in shareholders' equity)

There is no relevant information.

(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, 2025	For the three months ended June 30, 2026
Scaffolding equipment	Wedge binding type scaffolding	1,290,311	1,548,417
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(Notes to consolidated statement of cash flows)

Condensed quarterly consolidated statement of cash flows for the three months ended June 30, 2026 is not prepared. Depreciation and amortization for the three months ended June 30, 2025 and 2026 are as follows.

(Thousand yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Depreciation and amortization	182,862	225,778