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July 18, 2025

Consolidated Financial Results for the Three Months Ended June 20, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 5933
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the three months ended June 20, 2025 (from March 21, 2025 to June 20, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 20, 2025	15,415	6.1	643	16.9	614	-20.5	399	-40.4
June 20, 2024	14,529	2.7	550	-27.7	773	-37.0	670	-24.1

Note: Comprehensive income For the three months ended June 20, 2025: ¥27 million [-96.5%]
 For the three months ended June 20, 2024: ¥781 million [-12.7%]

	Basic earnings per share	Diluted earnings per share	EBITDA	
Three months ended	Yen	Yen	Millions of yen	%
June 20, 2025	20.07	-	1,202	-11.3
June 20, 2024	33.93	-	1,356	-31.2

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

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 20, 2025	70,527	31,596	44.8	1,587.70
March 20, 2025	70,883	31,994	45.1	1,608.77

Reference: Equity
 As of June 20, 2025: ¥31,596 million
 As of March 20, 2025: ¥31,994 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 20, 2025	-	21.00	-	22.00	43.00
Fiscal year ending March 20, 2026	-				
Fiscal year ending March 20, 2026 (Forecast)		22.00	-	22.00	44.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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 (18.4%)

Note: Revisions to the forecast of financial results most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

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

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

As of June 20, 2025	1,138,251 shares
As of March 20, 2025	1,151,651 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 20, 2025	19,896,125 shares
Three months ended June 20, 2024	19,752,811 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 (31,600 shares as of June 20, 2025, 45,000 shares as of March 20, 2025). 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 (36,550 shares as of June 20, 2025, 153,175 shares as of June 20, 2024).

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

- * 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 “Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 3 for forecast assumptions and notes of caution for usage.

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1. Overview of Results of Operations

(1) Overview of Quarterly Results of Operations

During the first three months of FY3/26, the Japanese economy maintained a moderate recovery trend, supported by sustained wage growth and improved corporate earnings. However, the outlook remains uncertain due to factors such as developments in U.S. tariff policies and the prolonged instability in Ukraine and the Middle East countries.

In the construction and housing-related industries, which are our group's main business industries, construction demand remained firm, backed by urban redevelopment projects and efforts to address aging domestic infrastructure. On the other hand, rising construction material costs and labor shortages continue to affect the entire industry, leading to a sustained shift from purchasing to renting scaffolding materials. Against this backdrop, our group has been working to expand 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 are making efforts in “evolve core businesses and restructure the business portfolio” as stated 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).

As a result, net sales for the first three months of FY3/26 increased 6.1% year on year to 15,415 million yen. Operating profit rose by 16.9% to 643 million yen, supported by steady performance across all segments, including the core business. However, ordinary profit decreased by 158 million yen (down 20.5% year on year) to 614 million yen, mainly due to a 265 million yen decline in foreign exchange gains caused by a reduction in hedging effectiveness from forward exchange contracts and the valuation impact on foreign currency-denominated assets. Profit attributable to owners of parent also declined by 40.4% year on year to 399 million yen, due primarily to a 195 million yen decrease in extraordinary gains.

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

Performance by segment for the first three months of FY3/26

Segment	Net sales		Segment profit (loss)	
	Amount (Millions of yen)	YoY (%)	Amount (Millions of yen)	YoY (%)
Construction Materials	6,056	8.8	479	-19.4
Scaffolding Material Rental	4,242	-4.0	247	-32.0
Home Equipment	3,772	12.1	12	—
Electronic Equipment	1,344	14.3	-102	—
Total for reportable segments	15,415	6.1	636	-3.5
Adjustment	—	—	-22	—
Amounts shown on consolidated statement of income	15,415	6.1	614	-20.5

Notes: 1. Segment profit (loss) is adjusted to be consistent with ordinary profit in the quarterly 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 business

Sales in this segment increased by 8.8% year on year to 6,056 million yen. There was no significant change in the investment trend among rental scaffolding materials companies, and the shift from purchasing to rental continues. However, amid sustained high levels of construction demand, some large-scale construction sites have shown a growing need to purchase heavily used equipment. In response, the Company swiftly addressed this demand by systematically building up inventory and reorganizing production lines, resulting in an increase in sales.

On the profit front, although sales rose, changes in the product sales mix led to a decline in the profit margin. As a result, segment profit decreased 19.4% year on year to 479 million yen.

Scaffolding material rental

Sales in this segment decreased by 4.0% year on year to 4,242 million yen. As for the construction materials for low-rise buildings, the Company was able to steadily fulfill orders as the availability of construction personnel stabilized. As for the construction materials for medium to high-rise buildings, utilization rates of key products such as the ALBATROSS remained solid, particularly in the Tokyo metropolitan area, reflecting the continued shift from purchasing to rental. However, in the Kansai region, a major project was completed, resulting in a lull in new orders and a sense of stagnation.

On the profit side, due to a decline in sales and ongoing proactive investments in rental assets to respond to the trend of shifting from purchasing to rental, depreciation expenses increased. As a result, segment profit declined by 32.0% year on year to 247 million yen.

Home equipment

Sales in this segment increased by 12.1% year on year to 3,772 million yen. Sales of brown rice storage refrigerators performed strongly from the beginning of the period, driven by rising demand for home rice stockpiling amid a domestic rice shortage. In addition, sales of elevated work platforms and other products for work in high places manufactured by our subsidiary SIP Co., Ltd. remained firm, particularly through channels such as construction equipment rental. Fitness equipment also saw steady sales, including a recovery in demand for relatively high-priced items such as treadmill.

On the profit side, the continuation of the yen's appreciation compared to the previous year contributed to lower procurement costs, and coupled with higher sales, this led to improved profit performance. Segment profit increased by 130 million yen year on year, resulting in a profit of 12 million yen.

Electronic equipment

Sales in this segment increased by 14.3% year on year to 1,344 million yen. The transition to digital fire radio systems, which had a deadline of May 2016 triggered a full-scale wave of replacement demand. Wireless communication devices developed specifically to meet this demand recorded strong sales. In addition, in the printed wiring board business, our subsidiary, HIGASHI ELECTRONICS INDUSTRY CO., LTD., steadily implemented initiatives to convert prototype orders into stable business, resulting in increased sales.

On the profit side, due to the increase in sales, the segment loss improved by 78 million yen year on year, resulting in a loss of 102 million yen.

(2) Overview of Quarterly Financial Position

As of the end of the first quarter of FY3/26, total assets decreased by 356 million yen year on year to 70,527 million yen. Total assets consisted of current assets of 42,967 million yen (a decrease of 226 million yen year on year) and non-current assets of 27,559 million yen (a decrease of 129 million yen). The main factor behind the decrease in total assets was a decline in accounts receivable.

Total liabilities increased by 41 million yen year on year to 38,930 million yen. Liabilities consisted of current liabilities of 20,988 million yen (a decrease of 751 million yen year on year) and non-current liabilities of 17,942 million yen (an increase of 793 million yen).

Net assets amounted to 31,596 million yen (a decrease of 397 million yen from the end of the previous fiscal year), due to factors such as the recording of 399 million yen in profit attributable to owners of parent, and the payment of 438 million yen in dividends.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

Forecast of consolidated financial results for FY3/26 is unchanged from the announcement on May 2, 2025.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	Previous fiscal year (March 20, 2025)	First quarter of FY3/26 (June 20, 2025)
Assets		
Current assets		
Cash and deposits	6,936,327	6,384,633
Notes and accounts receivable-trade	12,323,854	12,456,809
Electronically recorded monetary claims - operating	3,102,111	3,070,990
Merchandise and finished goods	12,265,446	12,773,253
Work in process	2,250,754	2,249,407
Raw materials	5,302,259	5,265,560
Other	1,031,107	787,418
Allowance for doubtful accounts	-17,809	-20,218
Total current assets	43,194,051	42,967,855
Non-current assets		
Property, plant, and equipment		
Rental assets	29,539,502	29,402,107
Accumulated depreciation	-22,666,979	-22,714,516
Accumulated impairment	-1,561,302	-1,455,743
Rental assets, net	5,311,219	5,231,847
Buildings and structures	15,593,395	16,805,923
Accumulated depreciation	-9,424,765	-9,445,035
Accumulated impairment	-581	-539
Buildings and structures, net	6,168,047	7,360,348
Machinery, equipment and vehicles	7,828,946	7,881,072
Accumulated depreciation	-6,334,604	-6,430,585
Accumulated impairment	-1,131	-1,050
Machinery, equipment and vehicles, net	1,493,210	1,449,437
Land	6,134,026	6,070,056
Construction in progress	1,815,410	770,448
Other	4,716,364	4,750,157
Accumulated depreciation	-4,243,885	-4,263,280
Accumulated impairment	-19,144	-18,749
Other, net	453,334	468,126
Total property, plant, and equipment	21,375,249	21,350,265
Intangible assets		
Goodwill	78,131	49,136
Other	179,274	185,063
Total intangible assets	257,405	234,200
Investments and other assets		
Investment securities	1,654,079	1,569,346
Long-term loans receivable	7,527	6,149
Distressed receivables	152,671	140,258
Retirement benefit asset	3,045,773	3,064,776
Deferred tax assets	52,178	46,210
Other	1,300,388	1,291,736
Allowance for doubtful accounts	-155,721	-143,308
Total investments and other assets	6,056,896	5,975,169
Total non-current assets	27,689,551	27,559,635
Total assets	70,883,603	70,527,490

(Thousands of yen)

	Previous fiscal year (March 20, 2025)	First quarter of FY3/26 (June 20, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	7,429,115	8,153,694
Short-term borrowings	2,680,000	1,470,000
Current portion of long-term borrowings	7,522,758	7,807,201
Income taxes payable	805,208	461,702
Provision for bonuses	782,276	443,838
Other	2,520,497	2,651,954
Total current liabilities	21,739,856	20,988,390
Non-current liabilities		
Long-term borrowings	15,744,662	16,597,491
Retirement benefit liability	294,934	292,803
Provision for retirement benefits for directors (and other officers)	182,564	182,564
Deferred tax liabilities	520,414	479,980
Other	406,555	389,422
Total non-current liabilities	17,149,130	17,942,261
Total liabilities	38,888,987	38,930,651
Net assets		
Shareholders' equity		
Share capital	6,361,596	6,361,596
Capital surplus	4,960,949	4,960,949
Retained earnings	19,786,769	19,747,580
Treasury shares	-910,165	-897,033
Total shareholders' equity	30,199,149	30,173,093
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	236,717	184,523
Deferred gains or losses on hedges	24,653	10,232
Foreign currency translation adjustment	1,191,845	929,304
Remeasurements of defined benefit plans	342,249	299,685
Total accumulated other comprehensive income	1,795,465	1,423,745
Total net assets	31,994,615	31,596,838
Total liabilities and net assets	70,883,603	70,527,490

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statement of Income
For the Three-month Period

(Thousands of yen)

	First three months of FY3/25 (March 21, 2024 - June 20, 2024)	First three months of FY3/26 (March 21, 2025 - June 20, 2025)
Net sales	14,529,914	15,415,192
Cost of sales	10,469,252	11,140,258
Gross profit	4,060,661	4,274,934
Selling, general and administrative expenses	3,509,879	3,631,220
Operating profit	550,782	643,713
Non-operating income		
Interest income	1,687	5,132
Dividend income	16,913	38,679
Rental income from land and buildings	5,862	5,970
Foreign exchange gains	174,044	-
Gain on sales of scrap and waste	38,544	40,307
Other	34,453	45,339
Total non-operating income	271,506	135,428
Non-operating expenses		
Interest expenses	32,841	44,178
Paying rents	9,486	2,641
Foreign exchange losses	-	91,574
Other	6,743	26,283
Total non-operating expenses	49,071	164,678
Ordinary profit	773,217	614,463
Extraordinary income		
Gain on sale of property, plant, and equipment	850	-
Gain on sale of investment securities	64,600	29,754
Settlement received	160,000	-
Total extraordinary income	225,450	29,754
Extraordinary losses		
Loss on retirement of property, plant, and equipment	453	230
Total extraordinary losses	453	230
Profit before income taxes	998,213	643,987
Income taxes-current	483,707	286,220
Income taxes for prior periods	-59,261	-44,532
Income taxes-deferred	-97,011	2,970
Total income taxes	327,433	244,657
Profit	670,779	399,329
Profit attributable to non-controlling interests	583	-
Profit attributable to owners of parent	670,196	399,329

Quarterly Consolidated Statement of Comprehensive Income
For the Three-month Period

(Thousands of yen)

	First three months of FY3/25 (March 21, 2024 - June 20, 2024)	First three months of FY3/26 (March 21, 2025 - June 20, 2025)
Profit	670,779	399,329
Other comprehensive income		
Valuation difference on available-for-sale securities	6,145	-52,194
Deferred gains or losses on hedges	77,288	-14,421
Foreign currency translation adjustment	50,281	-262,540
Remeasurements of defined benefit plans, net of tax	-23,494	-42,563
Total other comprehensive income	110,221	-371,719
Comprehensive income	781,001	27,609
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	779,626	27,609
Comprehensive income attributable to non-controlling interests	1,374	-

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Notes on Changes in Accounting Policies)

(Application of Accounting Standard for Income Taxes, Inhabitant Taxes, and Enterprise Taxes, etc.)

The "Accounting Standard for Income Taxes, Inhabitant Taxes, and Enterprise Taxes" (ASBJ Statement No. 27, issued on October 28, 2022), etc., has been applied from the beginning of the first quarter of the current fiscal year.

There is no effect of the application of these standards on the quarterly consolidated financial statements.

(Notes on Segment Information, etc.)

Segment Information

I. First three months of FY3/25 (Mar. 21, 2024 – Jun. 20, 2024)

1. Information related to net sales, profit or loss for reportable segments and breakdown of revenue

(Thousands of yen)

	Reportable segment					Adjustment	Amounts shown on quarterly consolidated statement of income
	Construction Materials	Scaffolding Material Rental	Home Equipment	Electronic Equipment	Total		
Net sales							
Revenue from contracts with customers	5,568,632	3,445,546	3,365,605	1,175,646	13,555,430	—	13,555,430
Other revenue	—	974,483	—	—	974,483	—	974,483
External sales	5,568,632	4,420,029	3,365,605	1,175,646	14,529,914	—	14,529,914
Inter-segment sales and transfers	870,057	7,667	213,146	4,658	1,095,530	-1,095,530	—
Total	6,438,690	4,427,697	3,578,752	1,180,304	15,625,444	-1,095,530	14,529,914
Segment profit (loss)	594,260	364,575	-118,263	-181,121	659,451	113,766	773,217

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

2. Adjustment of segment profit (loss) of 113,766 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).

2. Information related to impairment losses on non-current assets or goodwill, etc. for reportable segments

Not applicable.

II. First three months of FY3/26 (Mar. 21, 2025 – Jun. 20, 2025)

1. Information related to net sales, profit or loss for reportable segments and breakdown of revenue

(Thousands of yen)

	Reportable segment					Adjustment	Amounts shown on quarterly consolidated statement of income
	Construction Materials	Scaffolding Material Rental	Home Equipment	Electronic Equipment	Total		
Net sales							
Revenue from contracts with customers	6,056,106	3,250,236	3,772,661	1,344,104	14,423,108	—	14,423,108
Other revenue	—	992,084	—	—	992,084	—	992,084
External sales	6,056,106	4,242,320	3,772,661	1,344,104	15,415,192	—	15,415,192
Inter-segment sales and transfers	219,127	87,920	234,345	3,430	544,823	-544,823	—
Total	6,275,233	4,330,241	4,007,006	1,347,535	15,960,016	-544,823	15,415,192
Segment profit (loss)	479,239	247,813	12,428	-102,867	636,614	-22,150	614,463

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

2. Adjustment of segment profit (loss) of 22,150 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).

2. Information related to impairment losses on non-current assets or goodwill, etc. for reportable segments

Not applicable.

(Notes to Quarterly Consolidated Statement of Cash Flows)

The quarterly consolidated statement of cash flows for the first three months of FY3/26 has not been prepared. However, depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the first three months of FY3/26 are as follows.

	First three months of FY3/25 (March 21, 2024 – June 20, 2024)	First three months of FY3/26 (March 21, 2025 – June 20, 2025)
Depreciation (thousand yen)	514,526	558,762
Amortization of goodwill (thousand yen)	68,366	28,994