



ALINCO INCORPORATED

Supplementary Materials for the First Quarter of the Fiscal Year Ending March 20, 2025

July 19, 2024

Stock code: 5933

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

FY3/25 Q1 Consolidated Results

- ✓ Due to labor shortages, construction delays caused by stricter labor regulations in the construction industry, and soaring material prices, there was a continuing trend among customers who had been considering purchasing temporary equipment to choose rentals instead. We have expanded the market share of our new ring lock ALBATROSS system (ALBATROSS) and other high value-added products by strengthening the linkage between our sales and rental business for core scaffolding material products.
- ✓ In terms of profits, ordinary profit declined year-on-year. This was because the further depreciation of the yen and persistently high raw material prices put pressure on operating profit, and foreign exchange gains from the valuation of foreign currency-denominated assets decreased, although depreciation expenses of rental assets decreased due to a change in the depreciation method. The decline in profit attributable to owners of parent has narrowed owing to the recording of extraordinary profit and other factors.

(Millions of yen)

	FY3/23 Q1	FY3/24 Q1	FY3/25 Q1		FY3/25 Full-year	
	Results (% to sales)	Results (% to sales)	Results (% to sales)	YoY change (Pct. change)	Forecast (% to sales)	Q1 Progress rate
Net sales	14,414 (100.0%)	14,149 (100.0%)	14,529 (100.0%)	+380 (+2.7%)	61,000 (100.0%)	23.8%
Operating profit	476 (3.3%)	762 (5.4%)	550 (3.8%)	-211 (-27.7%)	3,200 (5.2%)	17.2%
Ordinary profit	1,025 (7.1%)	1,227 (8.7%)	773 (5.3%)	-454 (-37.0%)	3,300 (5.4%)	23.4%
Profit attributable to owners of parent	604 (4.2%)	882 (6.2%)	670 (4.6%)	-212 (-24.1%)	2,100 (3.4%)	31.9%

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

FY3/25 Q1 Segment Information

- ✓ In the Construction materials segment, amid the increasing trend of customers shifting from purchasing to renting the main lineup of scaffolding materials, sales of equipment and materials designed to reduce workloads at construction sites increased. Sales of racks for logistics warehouses increased owing to a steady accumulation of orders from the beginning of the fiscal year.
- ✓ The performance of the Home equipment segment and the Electronic equipment segment was subdued due to the slow growth in fitness equipment sales, further depreciation of the yen, and the depreciation expenses for HIGASHI ELECTRONICS INDUSTRY CO., LTD., where a new plant has started operation.

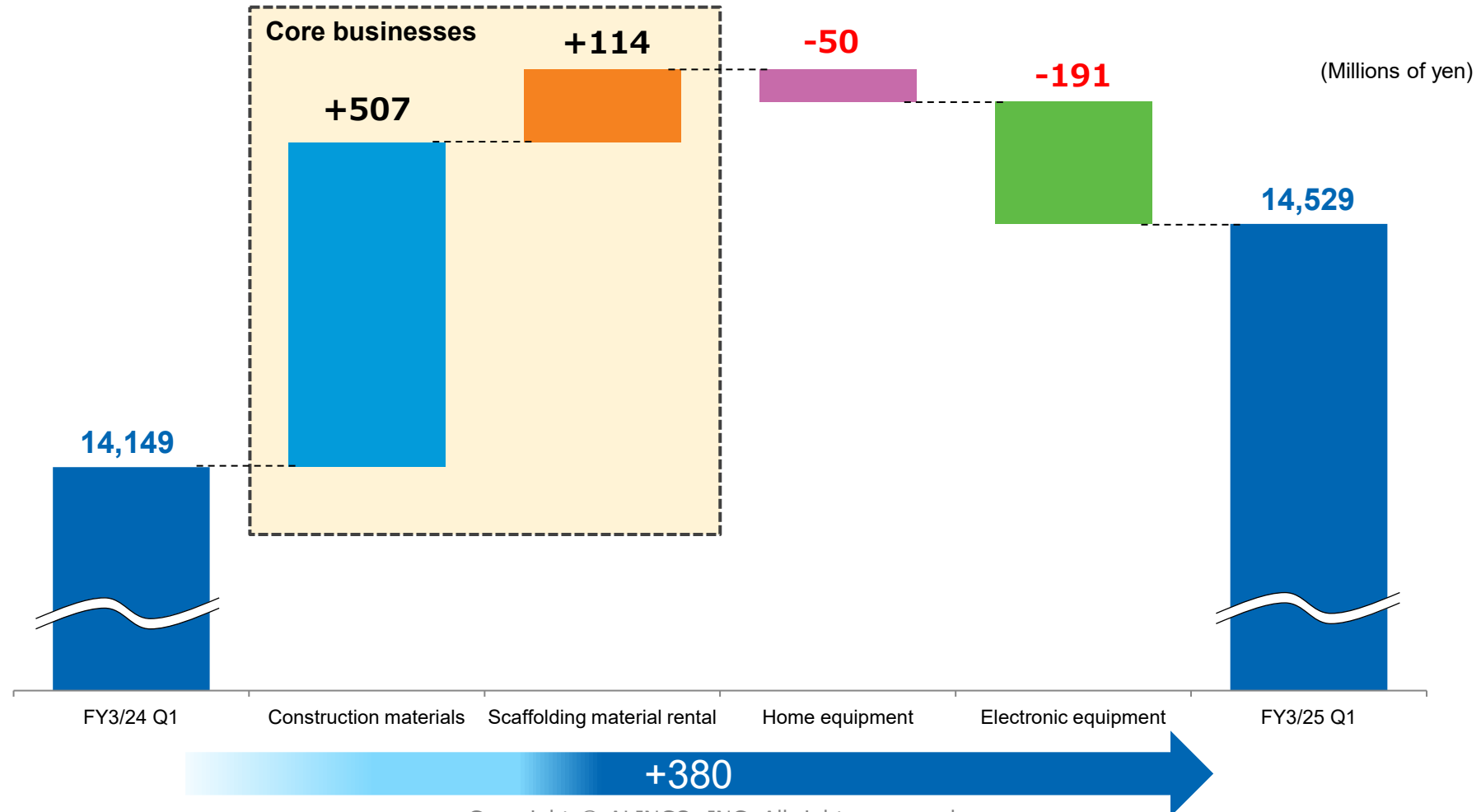
(Millions of yen)

Upper: Sales Lower: Segment profit	FY3/23 Q1	FY3/24 Q1	FY3/25 Q1		FY3/25 Full-year	
	Results	Results	Results	YoY change	Forecasts	Q1 Progress rate
Construction materials	5,695 604	5,061 598	5,568 594	+10.0% -0.7%	23,080 2,220	24.1% 26.8%
Scaffolding material rental	4,098 130	4,305 267	4,420 364	+2.7% +36.3%	17,830 1,250	24.8% 29.2%
Home equipment	3,298 -53	3,415 -58	3,365 -118	-1.5% -	14,240 -170	23.6% -
Electronic equipment	1,321 32	1,367 36	1,175 -181	-14.0% -	5,850 -100	20.1% -
Adjustment	- 311	- 383	- 113	- -	- 100	- -
Consolidated total	14,414 1,025	14,149 1,227	14,529 773	+2.7% -37.0%	61,000 3,300	23.8% 23.4%

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

FY3/25 Q1 Factors behind Changes in Sales by Segment

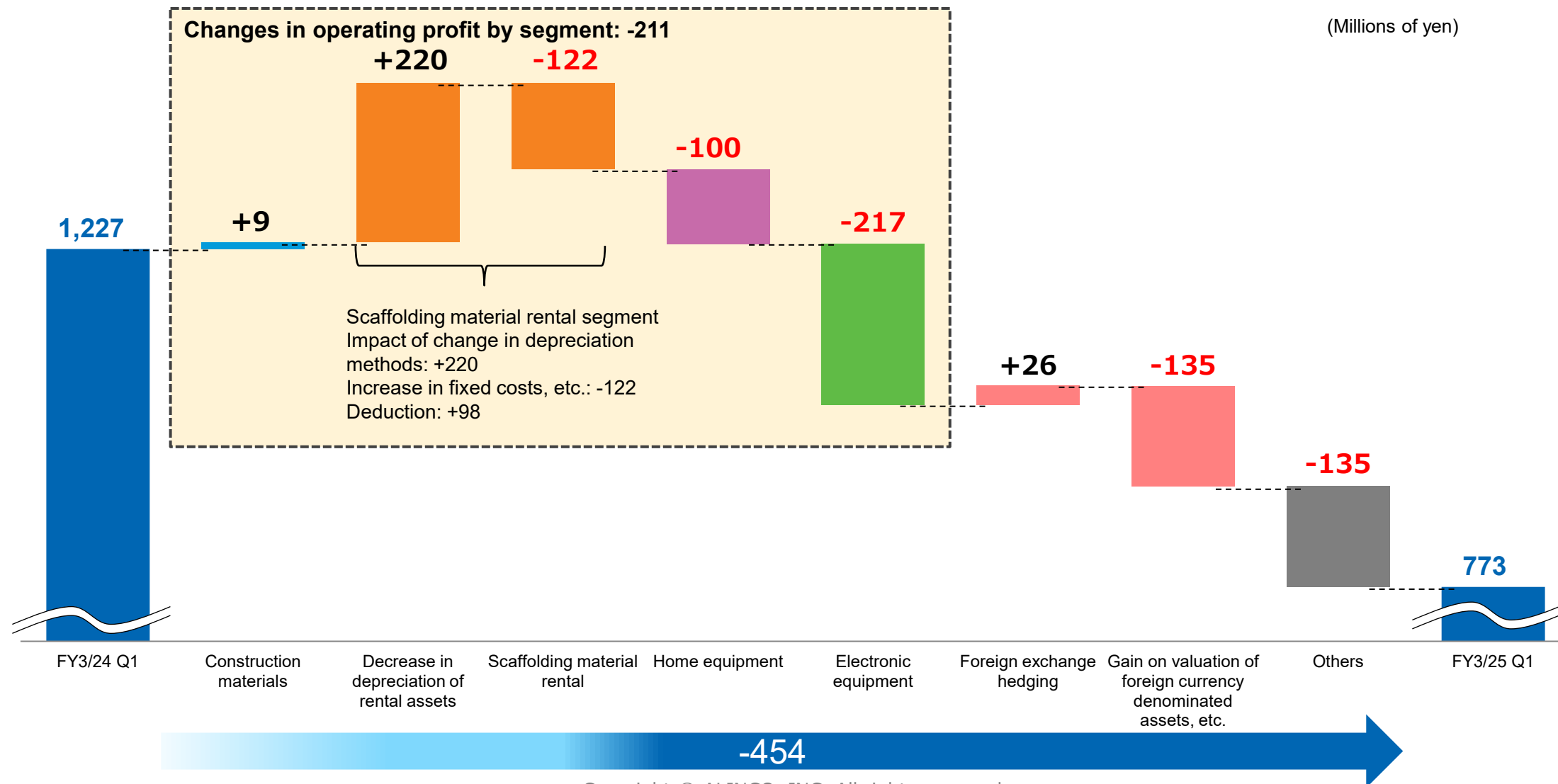
- ✓ In the Construction materials segment, sales of scaffolding materials increased by 210 million yen year-on-year, and sales of racks for logistics warehouses increased by 290 million yen.
- ✓ In the Scaffolding material rental segment, strong sales from scaffolding material rentals for medium to high-rise buildings continued as the need to purchase these materials shifted to rentals, and rental sales of scaffolding materials for low-rise buildings also remained strong due to stable construction workforce and leveling construction volume.
- ✓ In the Home equipment segment, sales of fitness equipment declined. In the Electronic equipment segment, sales at HIGASHI ELECTRONICS INDUSTRY CO., LTD. declined due to an off-season period for orders.



FY3/25 Q1 Factors behind Changes in Ordinary Profit

Operating profit declined year-on-year as positive factors such as a change in the depreciation method for rental assets were offset by negative factors such as yen depreciation and other cost increases.

Ordinary profit also fell year-on-year due to a decrease in foreign exchange gains from the valuation of foreign currency denominated assets.



FY3/25 Q1 Consolidated Balance Sheet

(Millions of yen)

	FY3/24	FY3/25 Q1	
	Results (Comp.)	Results (Comp.)	YoY change (Pct. change)
Current assets	43,894 (64.3%)	45,788 (64.5%)	+1,894 (+4.3%)
Non-current assets	24,420 (35.7%)	25,252 (35.5%)	+831 (+3.4%)
Total assets	68,315 (100.0%)	71,041 (100.0%)	+2,725 (+4.0%)
Current liabilities	19,860 (29.1%)	21,294 (30.0%)	+1,434 (+7.2%)
Non-current liabilities	17,910 (26.2%)	18,827 (26.5%)	+917 (+5.1%)
Total liabilities	37,771 (55.3%)	40,122 (56.5%)	+2,351 (+6.2%)
Net assets	30,544 (44.7%)	30,918 (43.5%)	+373 (+1.2%)
Total liabilities and net assets	68,315 (100.0%)	71,041 (100.0%)	+2,725 (+4.0%)
Equity ratio	44.7%	43.5%	-1.2 ppt.
Debt equity ratio	0.83x	0.87x	—

Major factors (Millions of yen)
Current assets Increase in inventories: +929
Non-current assets Increase in property, plant, and equipment due to investments in rental assets, etc.: +728
Liabilities Increase in long-term and short-term borrowings: +1,490
Net assets Profit attributable to owners of parent: +670 Dividend payments: -418

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

Progress against Forecasts for FY3/25

(Millions of yen)

		FY3/24 Result (YoY Change)	FY3/25				
			Q1 Result (YoY Change)	1H Forecast (YoY Change)	Q1 Progress rate to 1H forecast	Full-year Forecast (YoY Change)	Q1 Progress rate to full-year forecast
Net sales		57,876 (-4.7%)	14,529 (+2.7%)	30,500 (+4.3%)	47.6%	61,000 (+5.4%)	23.8%
Operating profit		1,781 (-26.4%)	550 (-27.7%)	1,550 (+13.4%)	35.5%	3,200 (+79.7%)	17.2%
Ordinary profit		2,879 (-19.3%)	773 (-37.0%)	1,600 (-24.0%)	48.3%	3,300 (+14.6%)	23.4%
Profit attributable to owners of parent		1,988 (+28.5%)	670 (-24.1%)	1,000 (-31.9%)	67.0%	2,100 (+5.6%)	31.9%
Construction materials	Sales	21,829	5,568	11,800	47.2%	23,080	24.1%
	Segment profit	2,514	594	1,310	45.4%	2,220	26.8%
Scaffolding material rental	Sales	17,607	4,420	8,800	50.2%	17,830	24.8%
	Segment profit	383	364	560	65.1%	1,250	29.2%
Home equipment	Sales	13,274	3,365	7,100	47.4%	14,240	23.6%
	Segment profit	-462	-118	-200	—	-170	—
Electronic equipment	Sales	5,164	1,175	2,800	42.0%	5,850	20.1%
	Segment profit	-65	-118	-120	—	-100	—
Adjustment		— 509	— 113	— 50	— —	— 100	— —
Consolidated total	Sales	57,876	14,529	30,500	47.6%	61,000	23.8%
	Segment profit	2,879	773	1,600	48.3%	3,300	23.4%

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