

# FACT BOOK

FY 2019 Q2

**Leader** of scaffolding materials technology



## Highlights

### Consolidated Statements of Income (IFRS)

#### 【First half】

(Million JPY)

	FY 2016	FY 2017	FY 2018	FY 2019
Revenue	8,082	8,062	8,624	9,370
Operating profit	1,473	1,214	1,004	1,222
Profit before tax	1,436	1,180	974	1,186
Profit	932	766	627	814
Operating margin to revenue	18.2%	15.1%	11.6%	13.0%
Profit to revenue	11.5%	9.5%	7.3%	8.7%
EBITDA	1,684	1,415	1,264	1,551

#### 【Second half】

(Million JPY)

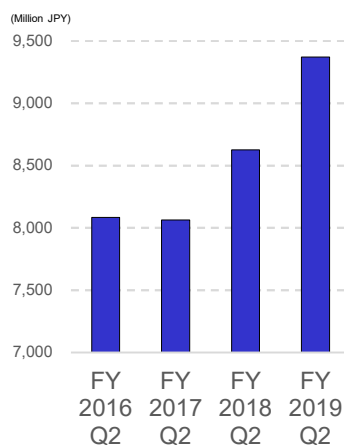
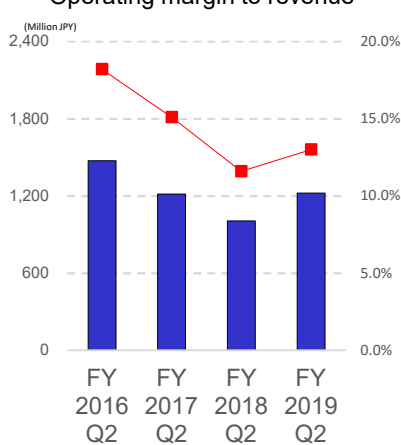
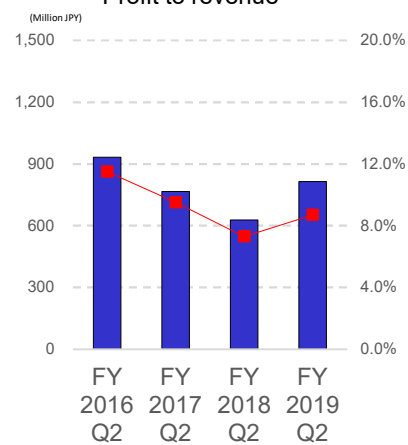
	FY 2016	FY 2017	FY 2018	FY 2019
Revenue	7,111	8,523	8,888	—
Operating profit	1,157	1,091	959	—
Profit before tax	1,122	1,058	920	—
Profit	747	693	704	—
Operating margin to revenue	16.3%	12.8%	10.8%	—
Profit to revenue	10.5%	8.1%	7.9%	—
EBITDA	1,376	1,317	1,236	—

#### 【Full year】

(Million JPY)

	FY 2016	FY 2017	FY 2018	FY 2019
Revenue	15,194	16,586	17,512	17,000
Operating profit	2,631	2,306	1,963	2,060
Profit before tax	2,559	2,238	1,894	1,990
Profit	1,680	1,459	1,331	1,400
Operating margin to revenue	17.3%	13.9%	11.2%	12.1%
Profit to revenue	11.1%	8.8%	7.6%	8.2%
EBITDA	3,061	2,732	2,501	2,659

Revenue

Operating profit  
Operating margin to revenueProfit  
Profit to revenue

【First half】

	FY 2016	FY 2017	FY 2018	(Million JPY) FY 2019
Temporary Materials Division	6,998	7,098	6,973	8,064
Wedge binding type scaffolding	4,690	3,960	3,696	5,015
Next generation scaffolding	255	1,280	1,605	1,172
Other temporary materials	2,052	1,858	1,672	1,876
Distribution Equipment Division	1,084	963	1,650	1,305

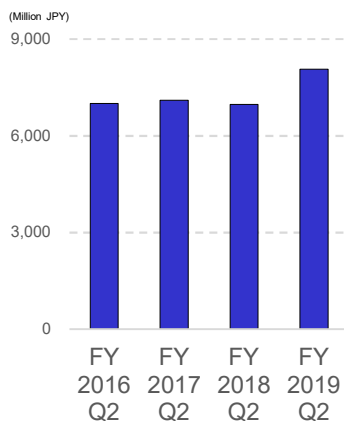
【Second half】

	FY 2016	FY 2017	FY 2018	(Million JPY) FY 2019
Temporary Materials Division	6,273	7,567	7,301	—
Wedge binding type scaffolding	4,041	4,007	4,518	—
Next generation scaffolding	211	1,737	1,052	—
Other temporary materials	2,021	1,822	1,730	—
Distribution Equipment Division	838	955	1,586	—

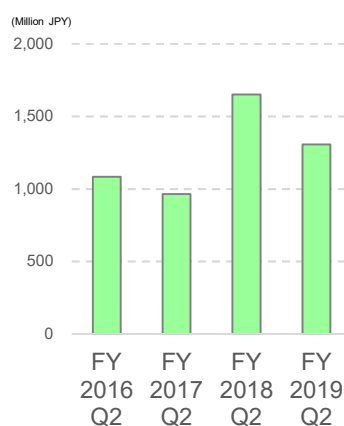
【Full year】

	FY 2016	FY 2017	FY 2018	(Million JPY) FY 2019
Temporary Materials Division	13,271	14,666	14,275	14,363
Wedge binding type scaffolding	8,731	7,967	8,214	—
Next generation scaffolding	466	3,018	2,657	—
Other temporary materials	4,073	3,680	3,402	—
Distribution Equipment Division	1,922	1,919	3,236	2,637

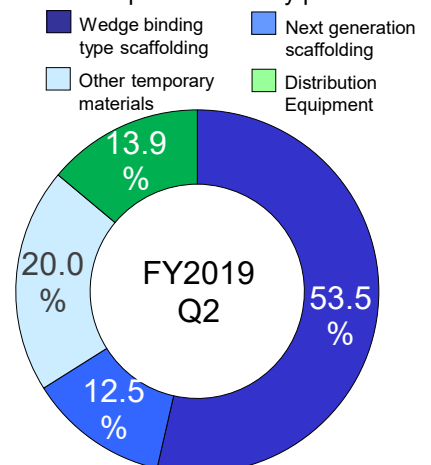
Sales of Temporary Materials Division



Sales of Distribution Equipment Division



Sales composition ratio by products



## Highlights

### Consolidated Statement of Financial Position (IFRS)

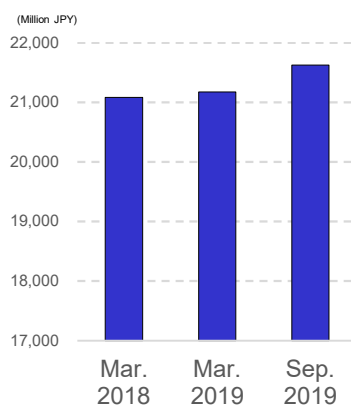
(Million JPY)

	As of Mar. 31, 2018	As of Mar. 31, 2019	As of Sep. 30, 2019
Total assets	21,084	21,172	21,625
Current assets	8,077	8,064	8,318
Cash and cash equivalents	1,507	1,742	1,863
Trade and other receivables	4,258	3,817	4,000
Inventories	2,142	2,382	2,429
Other current assets	168	121	24
Non-current assets	13,007	13,108	13,306
Property, plant and equipment	2,453	2,495	2,338
Right-of-use assets	—	—	369
Goodwill	9,221	9,221	9,221
Intangible assets	1,263	1,276	1,267
Other non-current assets	68	114	109
Total liabilities and equity	21,084	21,172	21,625
Total non-current liabilities	9,116	8,313	8,553
Current liabilities	2,852	2,177	2,468
Trade and other payables	1,468	1,180	1,178
Borrowings	767	494	494
Income taxes payable	306	174	417
Other current liabilities	309	327	376
Non-current liabilities	6,263	6,136	6,085
Borrowings	5,818	5,685	5,444
Provisions	40	45	45
Other non-current liabilities	404	404	595
Total equity	11,968	12,859	13,071
share capital	100	150	150
Capital surplus	6,810	6,915	6,934
Retained earnings	5,057	5,793	5,987
Other components of equity	1	—	—
Total equity attributable to owners of parent	11,968	12,859	13,071

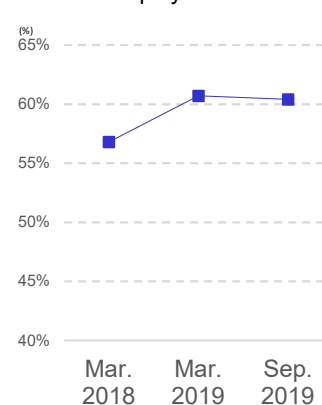
Total equity



Total assets



Equity ratio

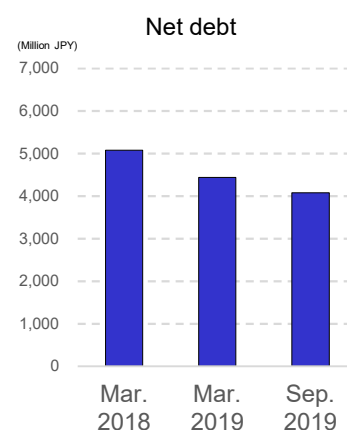
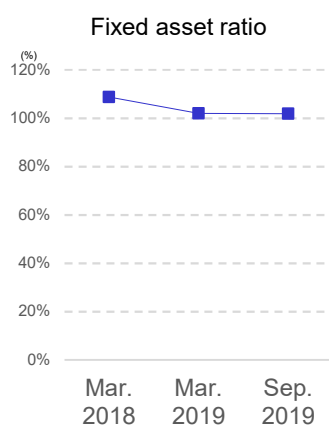
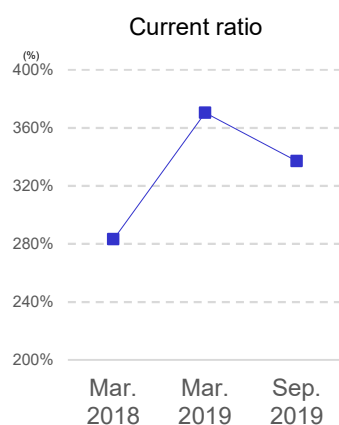


	As of Mar. 31, 2018	As of Mar. 31, 2019	As of Sep. 30, 2019
Equity ratio	56.8%	60.7%	60.4%
Current ratio	283.2%	370.4%	337.1%
Fixed asset ratio	108.7%	101.9%	101.8%
Creditors equity to total assets	76.2%	64.7%	65.4%
Net Debt (Million JPY)	5,078	4,437	4,075
Debt/Equity ratio (times)	0.76	0.65	0.65

## Consolidated Statements of Cash Flow (IFRS)

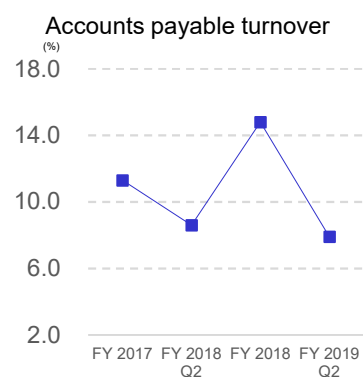
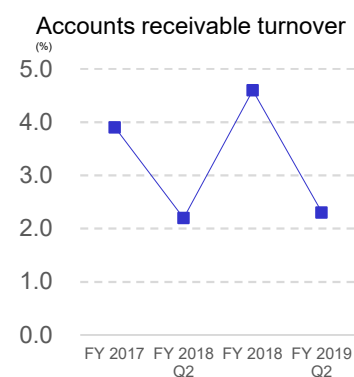
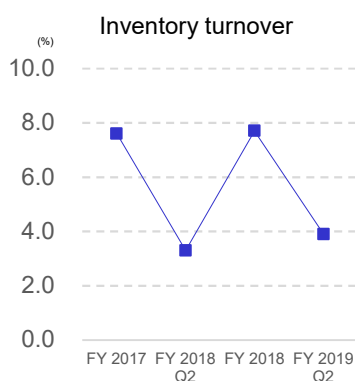
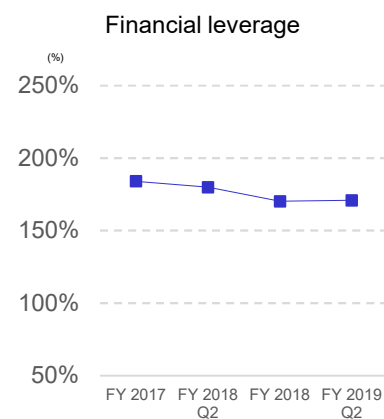
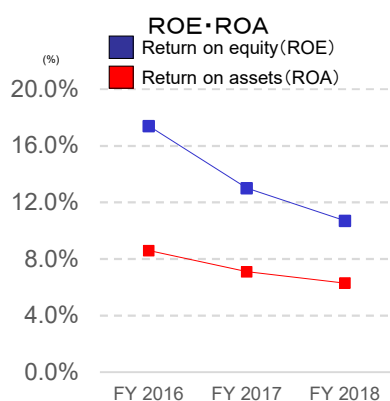
(Million JPY)

	FY2018 Q2	FY 2018	FY2019 Q2
C/F from operating activities	△ 202	1,766	1,228
C/F from investing activities	△ 358	△ 580	△ 185
Free cash flows	△ 560	1,186	1,042
C/F from financing activities	35	△ 951	△ 921
Cash and cash equivalents at end of period	983	1,742	1,863



## Financial Indicators

	FY 2017	FY2018 Q2	FY2018	FY2019 Q2
Capital expenditures(Million JPY)	655	362	583	238
Depreciation(Million JPY)	429	265	544	328
Number of employees(Consolidated)	148	157	155	157
Return on equity (ROE)	13.0%	—	10.7%	—
Return on asset (ROA)	7.1%	—	6.3%	—
Ratio of net profit	8.8%	—	7.6%	—
Total asset turnover ratio(times)	0.80	—	0.83	—
Financial leverage	184.0%	179.9%	170.2%	170.9%
Inventory turnover(times)	7.6	3.3	7.7	3.9
Accounts receivable turnover(times)	3.9	2.2	4.6	2.3
Accounts payable turnover (times)	11.3	8.6	14.8	7.9
Inventory rotation days (days)	48.0	55.0	47.2	47.0
Accounts receivable days (days)	93.7	85.0	79.6	78.1
Accounts payable turnover (days)	32.3	21.2	24.6	23.0
Book value per share (JPY) (BPS)	868.04	872.38	919.24	934.46
Earnings per share(JPY) (EPS)	105.87	45.50	96.44	58.25
Dividend per Share (JPY)	43.00	—	44.00	—
Dividend payout ratio	40.6%	—	45.6%	—

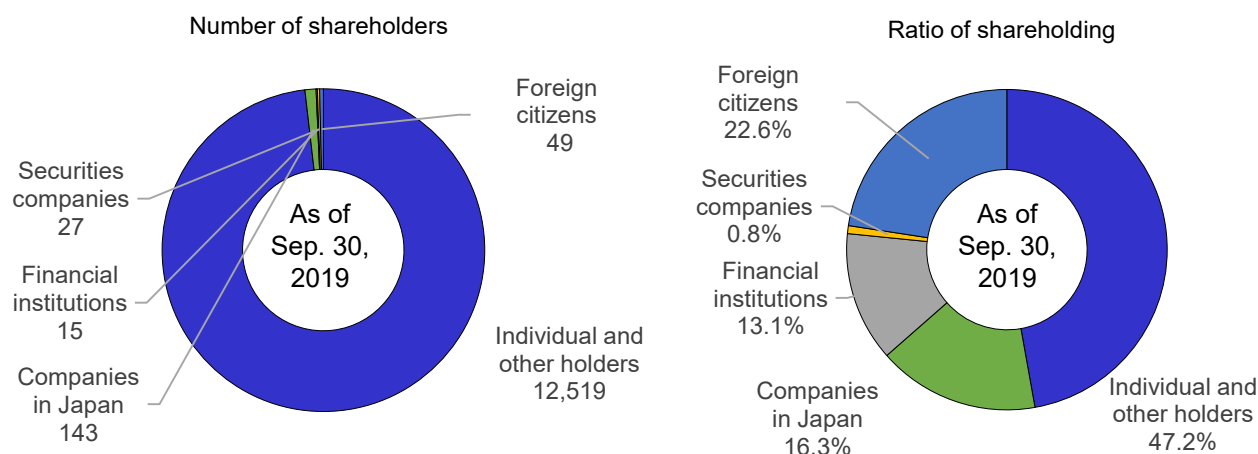


## Shareholder Composition

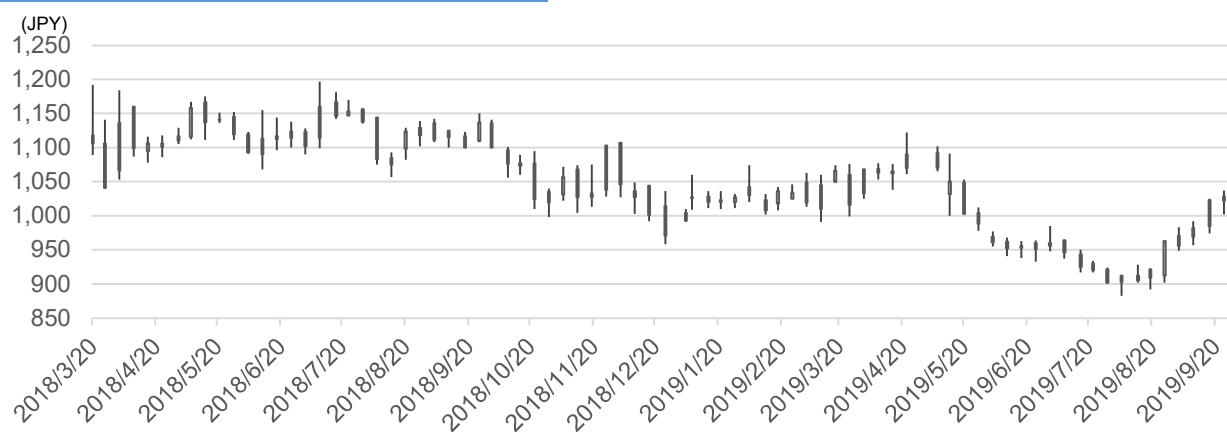
Number of shareholders (people)	As of Mar. 31, 2018	As of Mar. 31, 2019	As of Sep. 30, 2019
Total	16,944	14,043	12,753
Individual and other holders	16,657	13,814	12,519
Companies in Japan	226	158	143
Financial institutions	5	6	15
Securities companies	20	26	27
National government and local public entities	-	-	-
Foreign citizens	36	39	49

Number of shares (1,000 shares)	As of Mar. 31, 2018	As of Mar. 31, 2019	As of Sep. 30, 2019
Total	13,788	13,988	13,988
Individual and other holders	8,973	6,602	5,961
Companies in Japan	2,529	2,274	2,264
Financial institutions	1,076	1,839	2,623
Securities companies	204	116	199
National government and local public entities	-	-	-
Foreign citizens	1,005	3,156	2,939



## Trend of Stock Price



## Market Information

### 【Construction investments】

	FY2014	FY2015	FY2016	FY2017
Quick Estimate of Construction Investment (100 million yen)	503,973	509,608	516,897	547,213
New construction works (100 million yen)	396,255	406,121	399,727	407,901
Maintenance/Repair works (100 million yen)	153,000	158,015	155,757	164,163
New houses (100 million yen)	125,247	122,900	122,898	121,120
Reformed houses (100 million yen)	32,553	32,508	29,628	30,161

Source: Ministry of Land, Infrastructure, Transport and Tourism "Quick Estimate of Construction Investment", "Statistics on Construction Undertaken"

### 【Market rates of raw materials】

	FY2015	FY2016	FY2017	FY2018
Zinc (yen/kg)	269.4	305.6	386.7	353.7

Source: Mitsui Mining & Smelting Co., Ltd.

	FY2015	FY2016	FY2017	FY2018
Scrap iron (yen/kg)	18.6	22.2	30.7	33.1
Deformed steel bar (yen/kg)	53.7	52.4	62.1	72.2
H section steel (yen/kg)	74.9	71.7	79.3	88.0

Source: Japan Iron And Steel Recycling Institute

	Y2015	Y2016	Y2017	Y2018
Coking coal (1,000 yen/ton)	11.34	9.73	16.90	17.48

Source: Trade Statistics of Japan

#### <Formula>

- Operating margin to revenue (%) = Operating profit / Revenue
- Profit to revenue (%) = Profit / Revenue
- EBITDA (Million JPY) = Operating profit + Other expense - Other income + Depreciation and amortization
- Equity ratio (%) = Total equity / Total liabilities and equity
- Current ratio (%) = Current asset / Current liabilities
- Fixed asset ratio (%) = Non-current liabilities / Total equity
- Creditors equity to total assets (%) = Total liabilities / Total equity
- Net Debt (Million JPY) = Borrowings - Cash and cash equivalents
- Debt / Equity ratio (times) = Total liabilities / Total equity
- Return on equity = Profit / Average of total equity at the beginning and end of fiscal year
- Return on assets = Profit / Average of total assets at the beginning and end of fiscal year
- Ratio of net profit (%) = Profit / Revenue
- Total asset turnover ratio (times) = Revenue / Average of total assets at the beginning and end of fiscal year
- Financial leverage (%) = Average of total assets at beginning and end of fiscal year / Average of total equity at beginning and end of fiscal year
- Inventory turnover (times) = Revenue / Average of inventory at the beginning and end of fiscal year
- Accounts receivable turnover (times) = Revenue / Trade and other receivables
- Accounts payable turnover (times) = Revenue / Trade and other payables
- Inventory rotation days (days) = Average of inventory at the beginning and end of fiscal year / Revenue
- Accounts receivable days (days) = Average of trade and other receivables at the beginning and end of fiscal year / Revenue
- Accounts payable turnover (days) = Average of trade and other payables at the beginning and end of fiscal year / Revenue
- Book value per share (JPY) = Total equity / Weighted average shares
- Earnings per share (JPY) = Profit / Weighted average shares
- Dividend payout ratio (%) = Cash dividends / Profit



## Company Profile

### Company outline

Name	Shinwa Co., Ltd.	
Establishment	August 2014 (Founded in August 1979)	
Capital	150 million yen	
Address	30-7 Hiratacho Bushigawa, Kaizu-shi, Gifu 503-0311 Japan	
Stock exchange listing	The first section of Tokyo stock exchange and Nagoya stock exchange	
Code number	3447	
Sales offices		
【Domestic】	Tokyo Branch	1-11, Sakuma-cho, Kanda, Chiyoda-ku, Tokyo
	Osaka Branch	1-23-101, Esaka-cho, Suita-shi, Osaka1
	Nagoya Office	2-2-24, Nishiki, Naka-ku, Nagoya-shi, Aichi
	Satte Office	4-5-8, Higashi, Satte-shi, Saitama
	Fukuoka Branch	228-3, Ino, Umi-machi, Kasuya-gun, Fukuoka
	Nagasaki Branch	1910-12, Kuyama-machi, Isahaya-shi, Nagasaki
【Overseas】	Representative office, the Philippines	24/F,BGC CORPORATE,30TH STREET CORNER 11TH AVENUE, BONIFACIO GLOBAL CITY, PHILIPPINES
Equipment Center	Tsuchikura Equipment Center	478, Aza Ehigashi, Tsuchikura, Hirata-cho, Kaizu-shi, Gifu
	Sugito Equipment Center	39, Hirotonuma, Sugito-cho, Kitakatsushika-gun, Saitama
	Yokohama Equipment Center	2120, Kozukue-cho, Kohoku-ku, Yokohama, Kanagawa
	Kansai Equipment Center	157-1, Nakagawara- cho, Ikeda-shi, Osaka
	Kumamoto Equipment Center	1519-1, Aza Higashita, Kikko, Ueki-machi, Kita-ku, Kumamoto-shi, Kumamoto
Plant	Tsuchikura Plant	478, Aza Ehigashi, Tsuchikura, Hirata-cho, Kaizu-shi, Gifu

### History of Legal Personhood

Sep. 1977	Shinwa Shoten opened in Hashima-shi, Gifu, to manufacture and sell temporary materials
Aug. 1979	Shinwa Shoten incorporated to establish Shinwa Co., Ltd.
Feb. 2004	SBI Partners Co., Ltd. absorbs and merges with Shinwa Co., Ltd. through the acquisition of all shares that the founder of Shinwa holds in his company. SBI Partners Co., Ltd. then changes its name to Shinwa Co., Ltd.
Aug. 2006	Cosmetics Global Holdings Japan Co., Ltd. absorbs and merges with Shinwa Co., Ltd. and then changes its name to Shinwa Co., Ltd.
Apr. 2015	River Holdings Co., Ltd. absorbs and merges with its subsidiary ex-Shinwa Co., Ltd. and then changes its name to Shinwa Co., Ltd.

### History of Business

Sep. 1977	Shinwa Shoten opened in Hashima-shi, Gifu, to manufacture and sell temporary materials
Jan. 1988	Wedge binding-type scaffolding business launched to commence manufacture and sale of "Shinwa Catcher"
Dec. 2003	Sale of logistics equipment to auto manufacturers begun to enter into the logistics equipment business
Aug. 2007	Shinwa Service Co., Ltd. (Umi-machi, Kasuya-gun, Fukuoka) made a wholly owned subsidiary through stock transfer
May 2016	Manufacture and sale of next-generation scaffolding "SPS (Silent Power System)" begun
Mar. 2018	Listed on the Second Section of the Tokyo Stock Exchange
Jun. 2018	Listed on the Second Section of the Nagoya Stock Exchange
Mar. 2019	Listed on the First Section of the Tokyo Stock Exchange and Nagoya Stock Exchange
Oct. 2019	Shinwa Service Co., Ltd. (a wholly owned subsidiary) absorbed and merged with

**【Contact Information】**

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