

FACT BOOK

FY 2019

Leader of scaffolding materials technology



Highlights

Consolidated Statements of Income (IFRS)

【First half】

(Million JPY)

	FY 2017	FY 2018	FY 2019	FY 2020
Revenue	8,062	8,624	9,370	6,130
Operating profit	1,214	1,004	1,222	367
Profit before tax	1,180	974	1,186	331
Profit	766	627	814	215
Operating margin to revenue	15.1%	11.6%	13.0%	6.0%
Profit to revenue	9.5%	7.3%	8.7%	3.5%
EBITDA	1,415	1,264	1,551	—

【Second half】

(Million JPY)

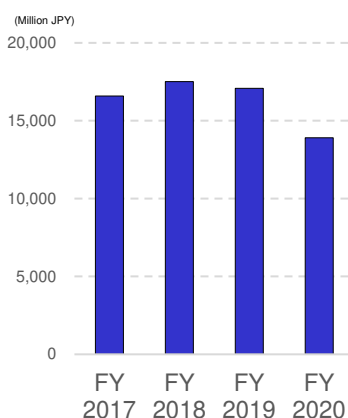
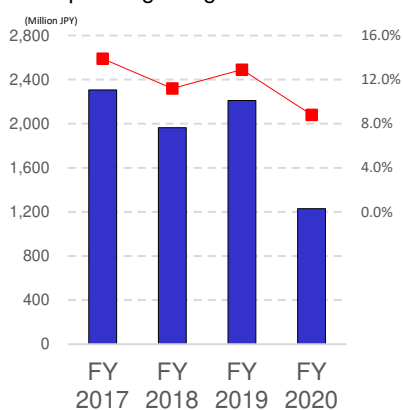
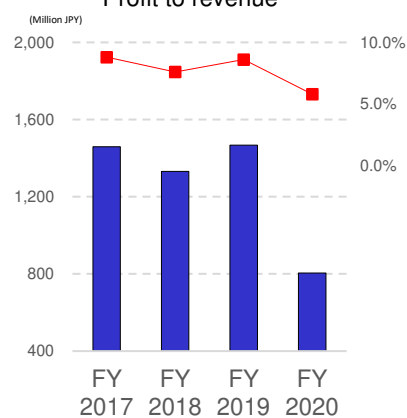
	FY 2017	FY 2018	FY 2019	FY 2020
Revenue	8,523	8,888	7,711	7,770
Operating profit	1,091	959	987	863
Profit before tax	1,058	920	952	827
Profit	693	704	652	589
Operating margin to revenue	12.8%	10.8%	12.8%	11.1%
Profit to revenue	8.1%	7.9%	8.5%	7.6%
EBITDA	1,317	1,236	1,325	—

【Full year】

(Million JPY)

	FY 2017	FY 2018	FY 2019	FY 2020
Revenue	16,586	17,512	17,081	13,900
Operating profit	2,306	1,963	2,210	1,230
Profit before tax	2,238	1,894	2,139	1,158
Profit	1,459	1,331	1,467	804
Operating margin to revenue	13.9%	11.2%	12.9%	8.8%
Profit to revenue	8.8%	7.6%	8.6%	5.8%
EBITDA	2,732	2,501	2,876	—

Revenue

Operating profit
Operating margin to revenueProfit
Profit to revenue

【First half】

	FY 2017	FY 2018	FY 2019	FY 2020
Temporary Materials Division	7,098	6,973	8,064	4,871
Wedge binding type scaffolding	3,960	3,696	5,015	—
Next generation scaffolding	1,280	1,605	1,172	—
Other temporary materials	1,858	1,672	1,876	—
Distribution Equipment Division	963	1,650	1,305	1,258

(Million JPY)

【Second half】

	FY 2017	FY 2018	FY 2019	FY 2020
Temporary Materials Division	7,567	7,301	6,480	6,146
Wedge binding type scaffolding	4,007	4,518	3,733	—
Next generation scaffolding	1,737	1,052	988	—
Other temporary materials	1,822	1,730	1,758	—
Distribution Equipment Division	955	1,586	1,230	1,623

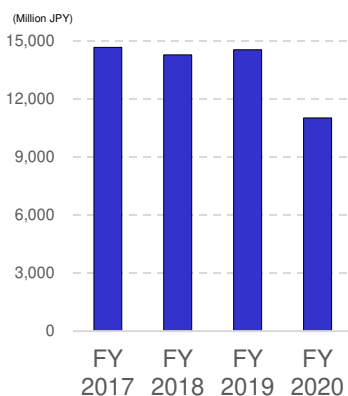
(Million JPY)

【Full year】

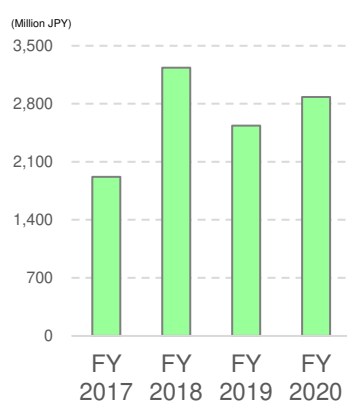
	FY 2017	FY 2018	FY 2019	FY 2020
Temporary Materials Division	14,666	14,275	14,544	11,018
Wedge binding type scaffolding	7,967	8,214	8,748	—
Next generation scaffolding	3,018	2,657	2,160	—
Other temporary materials	3,680	3,402	3,635	—
Distribution Equipment Division	1,919	3,236	2,536	2,882

(Million JPY)

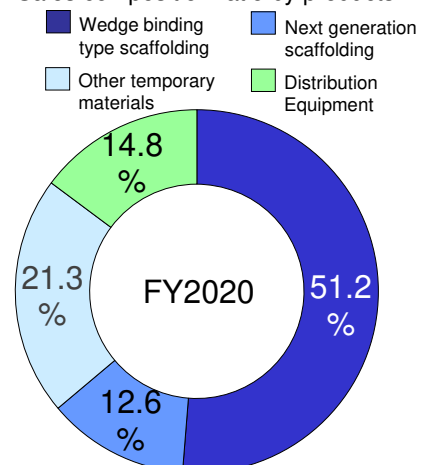
Sales of Temporary Materials Division



Sales of Distribution Equipment Division



Sales composition ratio by products



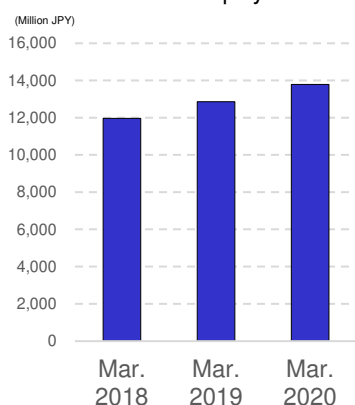
Highlights

Consolidated Statement of Financial Position (IFRS)

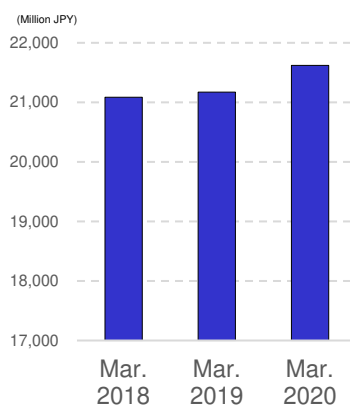
(Million JPY)

	As of Mar. 31, 2018	As of Mar. 31, 2019	As of Mar. 31, 2020
Total assets	21,084	21,172	21,620
Current assets	8,077	8,064	8,345
Cash and cash equivalents	1,507	1,742	3,120
Trade and other receivables	4,258	3,817	2,777
Inventories	2,142	2,382	2,405
Other current assets	168	121	42
Non-current assets	13,007	13,108	13,274
Property, plant and equipment	2,453	2,495	2,370
Right-of-use assets	—	—	353
Goodwill	9,221	9,221	9,221
Intangible assets	1,263	1,276	1,258
Other non-current assets	68	114	71
Total liabilities and equity	21,084	21,172	21,620
Total non-current liabilities	9,116	8,313	7,832
Current liabilities	2,852	2,177	2,018
Trade and other payables	1,468	1,180	739
Borrowings	767	494	495
Income taxes payable	306	174	432
Other current liabilities	309	327	350
Non-current liabilities	6,263	6,136	5,814
Borrowings	5,818	5,685	5,202
Provisions	40	45	45
Other non-current liabilities	404	404	565
Total equity	11,968	12,859	13,788
Share capital	100	150	150
Capital surplus	6,810	6,915	6,951
Retained earnings	5,057	5,793	6,640
Other components of equity	1	—	△ 1
Total equity attributable to owners of parent	11,968	12,859	13,740
Non-controlling interests	—	—	47

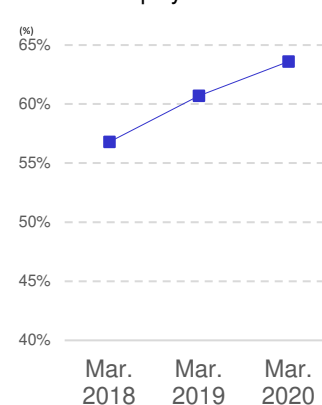
Total equity



Total assets



Equity ratio

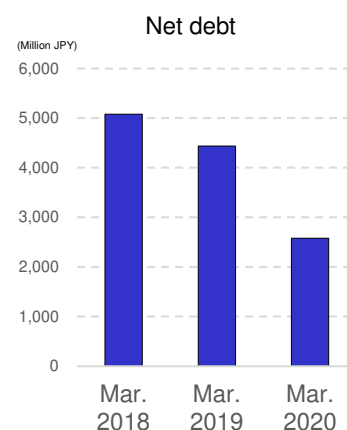
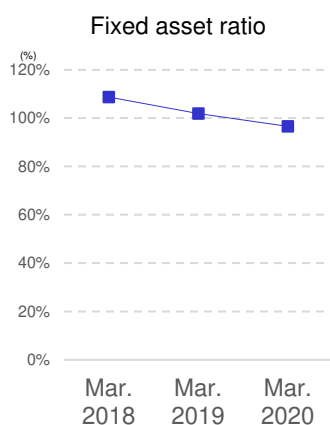
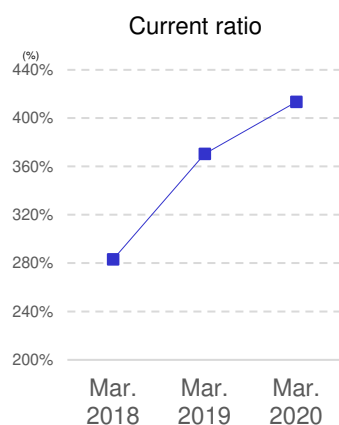


	As of Mar. 31, 2018	As of Mar. 31, 2019	As of Mar. 31, 2020
Equity ratio	56.8%	60.7%	63.6%
Current ratio	283.2%	370.4%	413.5%
Fixed asset ratio	108.7%	101.9%	96.6%
Creditors equity to total assets	76.2%	64.7%	56.8%
Net Debt (Million JPY)	5,078	4,437	2,577
Debt/Equity ratio (times)	0.76	0.65	0.57

Consolidated Statements of Cash Flow (IFRS)

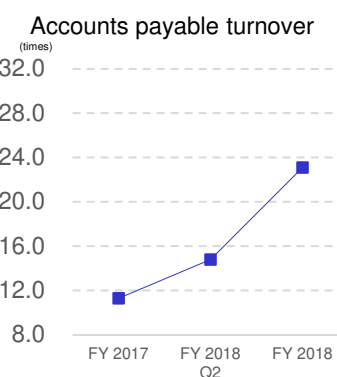
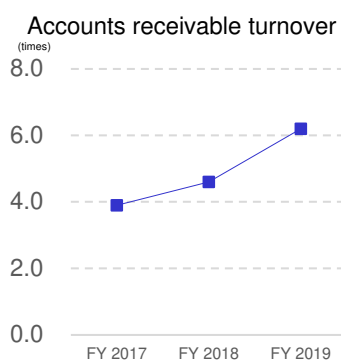
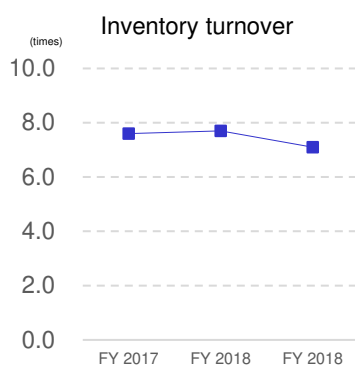
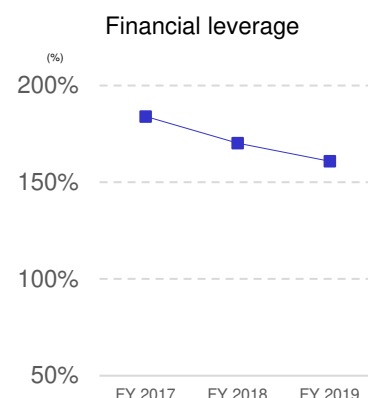
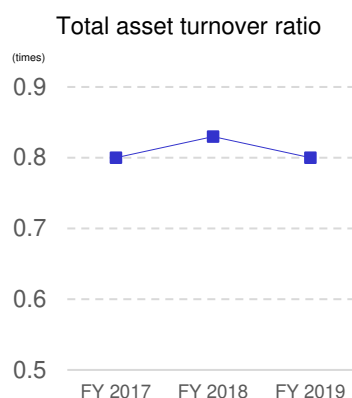
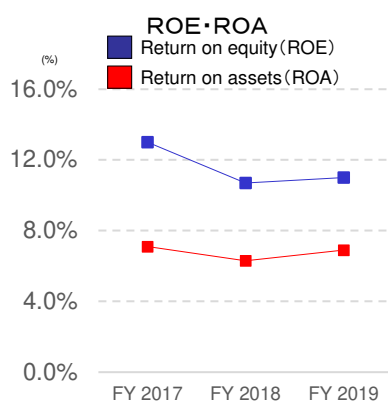
(Million JPY)

	FY 2017	FY 2018	FY 2019
C/F from operating activities	1,390	1,766	3,121
C/F from investing activities	△ 651	△ 580	△ 515
Free cash flows	738	1,186	2,606
C/F from financing activities	△ 848	△ 951	△ 1,227
Cash and cash equivalents at end of period	1,507	1,742	3,120



Financial Indicators

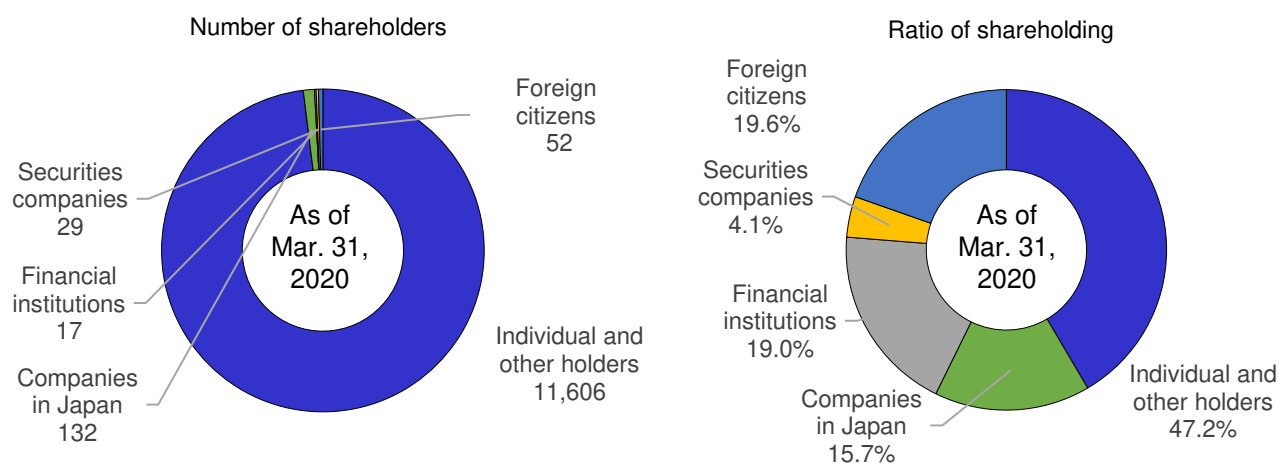
	FY 2017	FY2018	FY2019
Capital expenditures(Million JPY)	655	583	576
Depreciation(Million JPY)	429	544	674
Number of employees(Consolidated)	148	155	161
Return on equity (ROE)	13.0%	10.7%	11.0%
Return on asset (ROA)	7.1%	6.3%	6.9%
Ratio of net profit	8.8%	7.6%	8.6%
Total asset turnover ratio(times)	0.80	0.83	0.80
Financial leverage	184.0%	170.2%	160.9%
Inventory turnover(times)	7.6	7.7	7.1
Accounts receivable turnover(times)	3.9	4.6	6.2
Accounts payable turnover (times)	11.3	14.8	23.1
Inventory rotation days (days)	48.0	47.2	51.2
Accounts receivable days (days)	93.7	79.6	59.3
Accounts payable turnover (days)	32.3	24.6	15.8
Book value per share (JPY) (BPS)	868.04	919.24	975.26
Earnings per share (JPY) (EPS)	105.87	96.44	104.85
Dividend per Share (JPY)	43.00	44.00	44.00
Dividend payout ratio	40.6%	45.6%	42.0%



Shareholder Composition

Number of shareholders (people)	As of Mar. 31, 2018	As of Mar. 31, 2019	As of Mar. 31, 2020
Total	16,944	14,043	11,836
Individual and other holders	16,657	13,814	11,606
Companies in Japan	226	158	132
Financial institutions	5	6	17
Securities companies	20	26	29
National government and local public entities	—	—	—
Foreign citizens	36	39	52

Number of shares (1,000 shares)	As of Mar. 31, 2018	As of Mar. 31, 2019	As of Mar. 31, 2020
Total	13,788	13,988	14,089
Individual and other holders	8,973	6,602	5,848
Companies in Japan	2,529	2,274	2,214
Financial institutions	1,076	1,839	2,680
Securities companies	204	116	584
National government and local public entities	—	—	—
Foreign citizens	1,005	3,156	2,761



Market Information

【Construction investments】

	FY2015	FY2016	FY2017	FY2018
Quick Estimate of Construction Investment (100 million JPY)	509,608	516,897	547,213	546,057
New construction works (100 million JPY)	406,121	399,727	407,901	429,629
Maintenance/Repair works (100 million JPY)	158,015	155,757	164,163	167,882
New houses (100 million JPY)	122,900	122,898	121,120	120,442
Reformed houses (100 million JPY)	32,508	29,628	30,161	30,065

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

【Market rates of raw materials】

	FY2016	FY2017	FY2018	FY2019
Zinc (yen/kg)	305.6	386.7	353.7	313.3

Source: Mitsui Mining & Smelting Co., Ltd.

	FY2016	FY2017	FY2018	FY2019
Scrap iron (yen/kg)	22.2	30.7	33.1	24.0
Deformed steel bar (yen/kg)	52.4	62.1	72.2	69.8
H section steel (yen/kg)	71.7	79.3	88.0	86.9

Source: Japan Iron And Steel Recycling Institute

	Y2016	Y2017	Y2018	Y2019
Coking coal (1,000 yen/ton)	9.73	16.90	17.48	16.27

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, Osaka
	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
	GUANGDONGNISSHIN-CHUANGFU ADVANCED CONSTRUCTION MATERIALS CO., LTD.	No.168-5,North of Yangda Road, Lunjiao, Shunde, Foshan, Guangdong, China
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
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
Nov. 2019	GUANGDONGNISSHIN-CHUANGFU ADVANCED CONSTRUCTION MATERIALS CO., LTD. established

【Contact Information】

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