



November 8, 2021

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 Stock exchange listing: First Section of Tokyo Stock Exchange and
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Notice Regarding Revisions to Financial Results Forecasts (IFRS) and Dividend Forecasts

Shinwa Co., Ltd. (the "Company") announced today that, in light of its recent business performance and other factors, it has revised its consolidated financial results forecasts and dividend forecasts that were announced on May 13, 2021.

1. Revisions to consolidated financial results forecasts for the first six months of the fiscal year ending March 31, 2022 (April 1, 2021 to September 30, 2021)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	7,182	799	763	521	36.94
Revised forecast (B)	8,231	1,252	1,217	846	61.19
Increase/decrease (B-A)	1,049	453	454	325	
% change (%)	14.6	56.7	59.5	62.4	
(Reference) Results for the first six months of the previous fiscal year (The first six months of the year ended March 31, 2021)	6,381	745	711	483	34.33

2. Revisions to consolidated financial results forecasts for the fiscal year ending March 31, 2022 (April 1, 2021 to March 31, 2022)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	15,000	1,700	1,629	1,128	80.00
Revised forecast (B)	16,000	2,050	1,977	1,372	100.00
Increase/decrease (B-A)	1,000	350	348	244	
% change (%)	6.7	20.6	21.4	21.6	
(Reference) Results for the previous fiscal year (Fiscal year ended March 31, 2021)	13,885	1,853	1,784	1,231	87.42

3. Reasons for the revision

During the first six months of the fiscal year ending March 31, 2022, revenue in the Scaffolding Equipment Division was firm primarily for the Company's mainstay wedge binding type scaffolding and next generation scaffolding, backed by a largely private sector-driven recovery in the construction industry, to which the Company supplies the majority of its products. Meanwhile, in the Logistics Equipment Division, demand for transportation equipment and large warehousing-related products increased in line with the recovery trend in the economy and business activities. Reflecting these circumstances, the Company's Logistics Equipment business remained solid, with repeated projects growing and new projects acquired, resulting in a significant increase in revenue.

In terms of profit, demand for high value-added products such as safety measure equipment continued and sales of scaffolding equipment recovered, while in the Logistics Equipment Division large warehousing-related projects for major e-commerce companies contributed significantly to the improvement in profitability. At the same time, the Company has taken measures to revise sales prices, reduce costs and curb expenditures in light of the fact that the price of steel, one of the major raw materials for our products, has been rising by a greater margin than expected.

In light of the above, the Company now expects revenue, operating profit, profit before tax, and profit attributable to owners of parent to outperform the forecasts for the first six months of the fiscal year announced on May 13, 2021.

With regard to consolidated financial results for the fiscal year ending March 31, 2022, although revenue is expected to remain steady from the third quarter onward, the Company has revised its full-year financial results forecasts as described in 2. above, taking into account factors such as the higher-than-initially-expected price of steel, one of the major raw materials for our products.

4. Revision to dividend forecasts

Based on its basic policy to make returns to our shareholders in accordance with operating results while at the same time retaining internal reserves that may be necessary to achieve stable business growth and respond to changes in the business environment in the future, the Company aims for a consolidated dividend payout ratio of 40% or higher.

Given these revisions to the financial results forecasts, the Company has decided to increase its annual dividend by 8 yen per share (25%) from the previous dividend forecasts to make it 40.0 yen per share.

	Annual dividends (yen)		
	2nd quarter-end	Year-end	Total
Previous forecast	0.0	32.0	32.0
Revised forecast	0.0	40.0	40.0
Results for the current fiscal year	—		
Results for the previous fiscal year (Fiscal year ended March 31, 2021)	0.0	35.0 円	35.0

Note: The above financial results forecasts and dividends forecasts were prepared based on information available at the time of the announcement of this document. The actual results, therefore, may differ from these forecasts due to a variety of future factors.