







ALINCO INCORPORATED
Results of Operations

October 2023

ALINCO Now

Stock code: 5933
Tokyo Stock Exchange, Prime
<https://www.alinco.co.jp/>

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Notice on the Acquisition (Purchase) of Land for the Expansion of the Fukuchiyama Distribution Center

We hereby announce that we plan to expand the Fukuchiyama Distribution Center (hereinafter referred to as “DC”) to meet the strong demand for scaffolding material. Therefore, we have acquired additional land opposite this distribution center.

1. Background and future plan of acquisition In response to growing demand for internal scaffolds, such as our mainstay Albatross, the new ring lock ALBATROSS system, and Air Base, a portable work platform manufactured by new aluminum alloys, we expect that there will be a shortage of product storage space. Accordingly, we acquired additional land near the Fukuchiyama Distribution Center, which started operation in August 2021, and will expand this distribution center. As the additional land is located across the street from the existing DC, it will allow for integrated management and centralized use with the DC, as well as operational efficiencies and cost reductions by consolidating product warehouses currently under consignment warehouses. In the future, we plan to construct a building of approx. approx. 6,611 m² as a product warehouse.
2. Outline of land for acquisition
 - (1) Location: 13, Miwa Koaza Ekotopia, Miwa-cho, Fukuchiyama, Kyoto ("Annex Kyoto Miwa of Osadano Industrial Park" Section I)
 - (2) Site area: 14,668.37 m²
 - (3) Effective area: 13,551.26 m²
 - (4) Acquisition value: 174,672,000 yen
 - (5) Acquisition date: April 21, 2023
 - (6) Acquired from: Kyoto Prefecture Land Development Corporation



Current Fukuchiyama Distribution Center

Site area: 23,917.12m²
Effective area: 17,779.43m²
Total floor area: 9,091.21m²

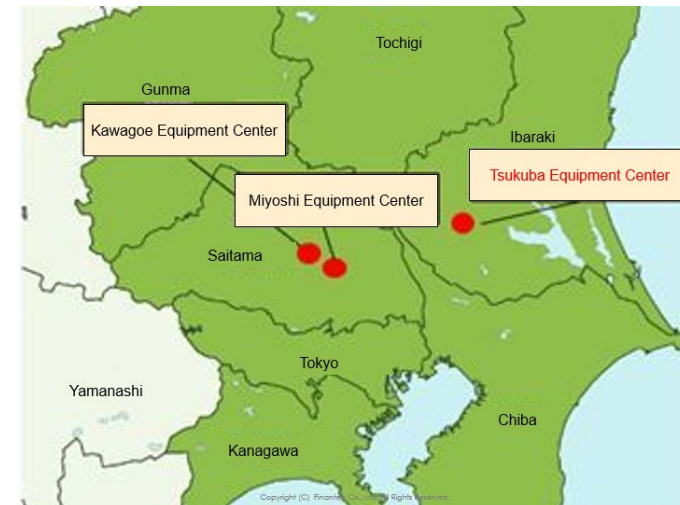
* Excerpts from the information on our website

Topics② Opening of Tsukuba Equipment Center

In light of recent strong demand, we opened the Tsukuba Equipment Center in Tsukuba City, Ibaraki Prefecture, in the Tokyo metropolitan area on September 21 of this year, following the opening of the Izumiotsu Equipment Center in the Kansai area last September, to increase efficiency and convenience of equipment supply in the Tokyo metropolitan area and Kansai area.

For the supply of rental scaffolding materials in the Tokyo metropolitan area, we currently have two centers, Kawagoe Equipment Center and Miyoshi Equipment Center, both located in Saitama Prefecture. With the opening of the Tsukuba Equipment Center, we will further strengthen our customer support system and improve our services.

In addition to the new wedge-tensioned new ring lock ALBATROSS system, the Tsukuba Equipment Center will offer a variety of products that are in high demand, such as aluminum protective shelf, aluminum work platforms, and aluminum retractable fabric panels, aiming to become an equipment center that meets the expectations of our customers.



Outline of Tsukuba Equipment Center

Name	Tsukuba Equipment Center, Temporary Leasing Division
Location	17-4 Midori-Minami, Tsukuba, Ibaraki 305-0884, Japan TEL 0298-44-9148, FAX 0298-44-9467
Site area	17,011 m2 (Approx. 5100 tsubo)
Main product handled	New ring lock ALBATROSS system, steel fabric plates, aluminum protective shelf, aluminum retractable fabric panels, aluminum work platforms, elevated work platforms for work in high places, aluminum carts

Topics③ Construction of New Plant of HIGASHI ELECTRONICS INDUSTRY CO., LTD. Completed on Schedule in October

HIGASHI ELECTRONICS INDUSTRY CO., LTD., a manufacturer of printed wiring boards, has been constructing a new plant to increase its manufacturing capacity in order to meet the diverse demand for printed wiring boards for amusement equipment and automobile-related applications. The construction of the new plant will be completed at the end of October as originally planned, following construction using the new ALBATROSS system.

The manufacturing line will be installed by the end of 2023, and full-scale operations will begin at the beginning of 2024.



Image of the new plant of HIGASHI ELECTRONICS INDUSTRY CO., LTD.

Site Area: 2,222 m2, Total floor area: 2,941 m2

Topics④ Certified as "Excellent Health Management Corporation 2023 (Large-Scale Corporation Category)"

In March 2023, we were certified as one of the "Excellent Health Management Corporations 2023 (Large Corporation Category)" by the Ministry of Economy, Trade and Industry and the Japan Health Council.

Our group will continue to promote health management.



ALINCO Group Health Management Declaration



Since its establishment, the ALINCO Group has strived to realize the "safety and security" of society. To achieve this, the first step is to ensure that our employees can work in a safe and secure environment.

We believe that a "safe and secure" work environment will help our employees become healthy in mind and body and maximize their capabilities, which in turn will enhance our corporate value and generate sustainable growth.

The ALINCO Group is committed to creating a healthy and vibrant work environment and will continue to support the improvement of each employee's health awareness.

Topics⑤ Sponsorship of Expo 2025 in Osaka, Kansai Region

Our company is participating as a co-sponsor in the Japan World Exposition 2025 "Expo 2025 Osaka, Kansai, Japan" under the theme of "Designing Future Society for Our Lives". As a Bronze Partner of this event, we will lend transceivers for use by the staff members free of charge.

The transceivers we lend are equipped with special secret settings and technology that prevents them from being intercepted by third parties. We will contribute to the smooth operation of the Expo as a local company in Osaka by leveraging the wireless technology we have cultivated.

In the future, we will continue to engage in activities that contribute to local communities in many areas.

Name	2025 Japan World Exposition "Expo 2025 Osaka, Kansai, Japan"
Holding period	Sunday, April 13, 2025 to Monday, October 13, 2025
Location	Yumeshima, Konohana Ward, Osaka City
Theme	Designing Future Society for Our Lives
Operated by	The Japan Association for the 2025 World Exposition



■ Expo 2025



Provided by the Japan Association for the 2025 World Exposition

Investment in "Social Bonds" issued by Japan Student Services Organization (JASSO)

We are pleased to announce that we have decided to invest in the 72nd Japan Student Services Bond (the "Bond") issued by the Japan Student Services Organization (the "Organization").

"Social Bonds" are bonds issued to raise funds for projects that contribute to solving social issues (social projects), and are eligible for ESG(1) investment along with Green Bonds. The Bonds have received a second party opinion from Moody's Japan, a global ESG rating agency, stating that the Bonds conform to the Social Bond Principles as defined by the International Capital Market Association (ICMA). The bonds will be issued as "Social Bonds".

The proceeds from the issuance of the bonds will be used to finance the scholarship loan program of the Foundation. The scholarship program contributes to the achievement of "equal opportunity in education" as stipulated in Article 26 of the Constitution of Japan and Article 4 of the Fundamental Law of Education, as well as Goal 4 of the United Nations Sustainable Development Goals (SDGs) (2), "Provide inclusive, equitable, and quality education for all and promote lifelong learning opportunities. (SDGs)(2), and contribute to the resolution of Japan's education issues".

Through this investment in Social Bonds, the Company will contribute to the resolution of social issues.

* Excerpts from the information on our website

FY3/24 Q2 Results

■ Operating profit, ordinary profit, and profit attributable to owners of parent increased YoY

- ✓ Rental sales increased while sales of scaffolding materials decreased YoY due to users choosing to rent equipment instead of buying it.
- ✓ Operating profit increased significantly by 36.4% YoY due to the realization of sales price revisions. Profitability improved against cost increases due to soaring raw material prices and yen depreciation
- ✓ Ordinary profit growth was limited due to a decrease in the hedging effect of forward exchange contracts as a result of continued yen depreciation, offsetting the effect of improved profit margins.
- ✓ Profit attributable to owners of parent increased (+20.1% YoY) because of contribution from overseas subsidiary in Indonesia, which has been profitable since the beginning of the period. The strong performance since the beginning of the period was the result of company capability to meet the demand of rental needs for resource plant construction.

		YoY
Net sales	29,230 million yen	Down 2.1%
Operating profit	1,367 million yen	Up 36.4%
Ordinary profit	2,103 million yen	Up 3.8%
Profit attributable to owners of parent	1,468 million yen	Up 20.1%

■ **Total assets increased due to active investments. Equity ratio increased from the end of the previous fiscal year to 45.1%.**

- ✓ Active investment in rental assets in the Scaffolding material rental business, which has been strong since the beginning of the period. Investment in rental assets amounted to 1.78 billion yen, compared to the initial plan of 2.25 billion yen.
- ✓ The subsidiary HIGASHI ELECTRONICS INDUSTRY CO., LTD. proceeded with construction of a new plant to increase manufacturing capacity. The construction of the new plant is expected to be completed on schedule, and the line will be in full-scale operation from the beginning of 2024.

		Vs. end-FY3/23
Total assets	66,267 million yen	Up 2,585 million yen
Net assets	29,916 million yen	Up 1,473 million yen
Capital adequacy ratio	45.1%	Up 0.5ppt.
PBR	0.65x	

■ **Our policy in response to the TSE notice dated March 31, 2023, "Actions to Achieve Management Conscious of Cost of Capital and Stock Price"**

- ✓ While changes in the external environment have had an impact, the Company's operating results have been affected by declining profitability in several businesses, resulting in a P/B ratio of less than 1x, one of the stock market valuations.
- ✓ In FY3/24, we plan to focus on achieving our "Mid-term Management Plan 2024" and announce our next new mid-term management plan, which will consider initiatives to improve capital efficiency

Announced revisions to its consolidated business forecasts for FY3/24 Q2 on July 20

1. Revisions to Cumulative Second Quarter Consolidated Financial Results Forecasts for the Current Fiscal Year (March 21, 2023 to September 20, 2023)

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent	Consolidated earnings per share
Previously announced forecasts (A)	¥ million 29,900	¥ million 1,080	¥ million 1,200	¥ million 840	¥ 42.84
Revised forecasts (B)	29,900	1,450	1,800	1,250	63.73
Change (B-A)	-	370	600	410	
Change (%)	-	34.3	50.0	48.8	
(Reference) Actual consolidated results for the second quarter of previous fiscal year (FY2023/2Q)	29,852	1,002	2,026	1,222	62.71

2. Reason for the Revision

In the construction and housing industries, the demand for construction remains at a high level. As a result, our Group has kept a higher utilization rate of rental assets compared to the initial forecast, which led to the strong sales in the scaffolding material rental business. In addition, the revision to the selling prices, which was conducted in the previous fiscal year, contributed to the growth of profit, and we posted foreign exchange gains in the foreign currency-denominated assets. Based on these, we made an upward revision to the profits in the consolidated business forecast for the first half of the fiscal year ending March 20, 2024, which was announced on May 2, 2023.

In the forecast, we predict that ordinary profit will be lower than previous fiscal year of the same period due to decrease in foreign exchange gains from foreign exchange hedge compared to previous fiscal year of the same period.

We will gather various kinds of information on the market and the exchange rate trend to be used for making a full-year consolidated business forecast for the fiscal year ending March 20, 2024. If there emerge any changes in the forecast, we will announce them promptly.

* Excerpts from "Notice Concerning Revisions to Cumulative Second Quarter Financial Results Forecast" released on July 20, 2023.

FY3/24 Q2 Achievement Status Against Revised Business Forecasts

- ✓ Net sales decreased slightly to 97.8% of the revised forecast due to a delay in purchasing from temporary scaffolding materials rental companies, which was expected to start in earnest after the summer at the time of the revision of the Q2 earnings forecast, because of the prolonged delay in the start of construction work.
- ✓ However, ordinary income exceeded the revised forecast at 116.8% and profit attributable to owners of the parent at 117.4% due to a greater-than-expected contribution from the hedging effect of foreign exchange forward contracts.

(Millions of yen)

	FY3/22 Q2 Results (YoY)	FY3/23 Q2 Results (YoY)	FY3/24 Q2		
			Results (YoY)	Revised Q2 Forecasts (YoY)	Vs. Q2 Forecasts
Net sales	26,714(+6.0 %)	29,852 (+11.7%)	29,230 (-2.1%)	29,900 (+0.2%)	97.8%
Operating profit	922 (-5.5%)	1,002 (+8.7%)	1,367 (+36.4%)	1,450 (+44.7%)	94.3%
Ordinary profit	1,164 (+3.6%)	2,026 (+74.1%)	2,103 (+3.8%)	1,800 (-11.2%)	116.8%
Profit attributable to owners of parent	747 (+24.1%)	1,222 (+63.4%)	1,468 (+20.1%)	1,250 (+2.3%)	117.4%

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

FY3/24 Q2 Consolidated Results

- ✓ While scaffolding materials rental companies continued to be eager to purchase, purchases by scaffolding materials rental companies, which were expected to get into full swing after the summer, were delayed due to prolonged delays in the start of construction. Sales remained strong as sales and rentals complemented each other, as the need for rentals as an alternative to purchases remained strong.
- ✓ In terms of profit, operating profit increased 36.4% YoY due to the contribution of the sales price revision implemented in the previous period from the beginning of the period, despite continued upward pressure on costs due to the continuing weak yen environment and high raw material prices. Ordinary profit increased 3.8% YoY, despite a decrease in foreign exchange gains.
- ✓ Progress against the full-year forecast was 46.8% for net sales, 54.7% for operating profit, 77.9% for recurring profit, and 86.4% for net income.

(Millions of yen)

	FY3/22 Q2	FY3/23 Q2	FY3/24 Q2		FY3/24 Full-year	
	Results (% to sales)	Results (% to sales)	Results (% to sales)	YoY change	Forecasts (% to sales)	Q2 Progress rate
Net sales	26,714(100.0%)	29,852(100.0%)	29,230 (100.0%)	-622 (-2.1%)	62,400 (100%)	46.8%
Operating profit	922 (3.5%)	1,002 (3.4%)	1,367 (4.7%)	+364 (+36.4%)	2,500 (4.0%)	54.7%
Ordinary profit	1,164 (4.4%)	2,026 (6.8%)	2,103 (7.2%)	+77 (+3.8%)	2,700 (4.3%)	77.9%
Profit attributable to owners of parent	747 (2.8%)	1,222 (4.1%)	1,468 (5.0%)	+246 (+20.1%)	1,700 (2.7%)	86.4%

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

FY3/24 Q2 Segment Information

- ✓ In the Construction materials segment, there was no significant change in customers' purchasing intentions, but sales declined YoY due to the postponement of purchases. The postponement of purchases of scaffolding materials led to an increase in rental needs, resulting in an increase in the utilization ratio of rental assets. The consolidation of an overseas rental subsidiary also contributed to higher sales, supporting the overall performance of the rental segment.
- ✓ In the Other segment, profit margins for fitness-related products improved significantly, but this could not compensate for the decline in the hedging effect of forward exchange contracts

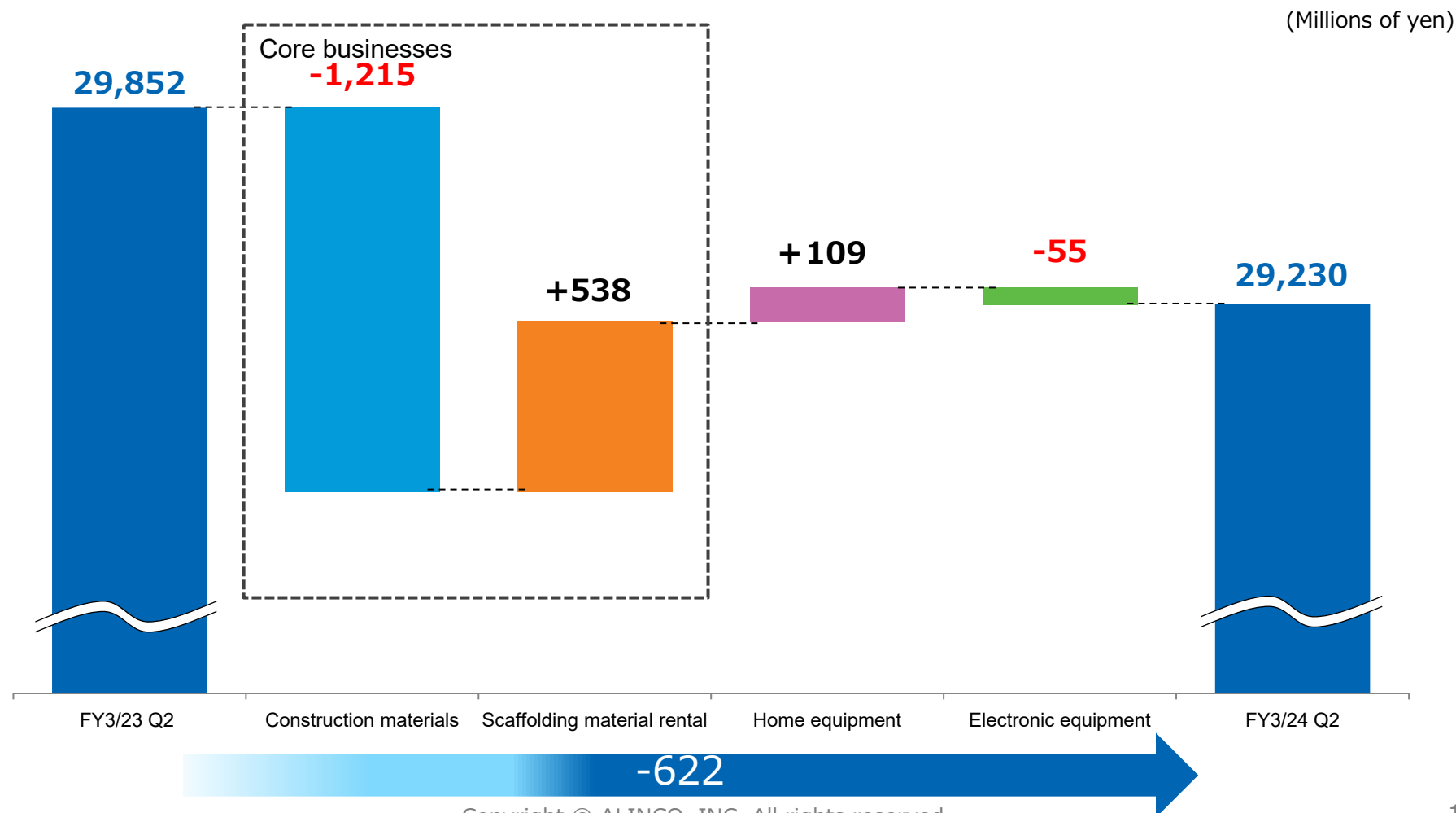
(Millions of yen)

Upper: Net sales Lower: Segment profit	FY3/22 Q2	FY3/23 Q2	FY3/24 Q2		FY3/24 Full-year	
	Results	Results	Results	YoY change	Forecasts	Q2 Progress rate
Construction materials	9,809 863	12,068 1,334	10,853 1,323	-10.1% -0.8%	24,800 2,400	43.8% 55.1%
Scaffolding material rental	7,781 150	8,228 212	8,766 449	+6.5% +111.9%	17,200 210	51.0% 213.8%
Home equipment	7,382 -25	6,829 -156	6,939 -196	+1.6% -	14,500 -120	47.9% -
Electronic equipment	1,740 47	2,725 156	2,670 0	-2.0% -99.4%	5,900 130	45.3% 0.7%
Adjustment	- 127	- 479	- 525	- -	- 80	- -
Consolidated total	26,714 1,164	29,852 2,026	29,230 2,103	-2.1% +3.8%	62,400 2,700	46.8% 77.9%

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

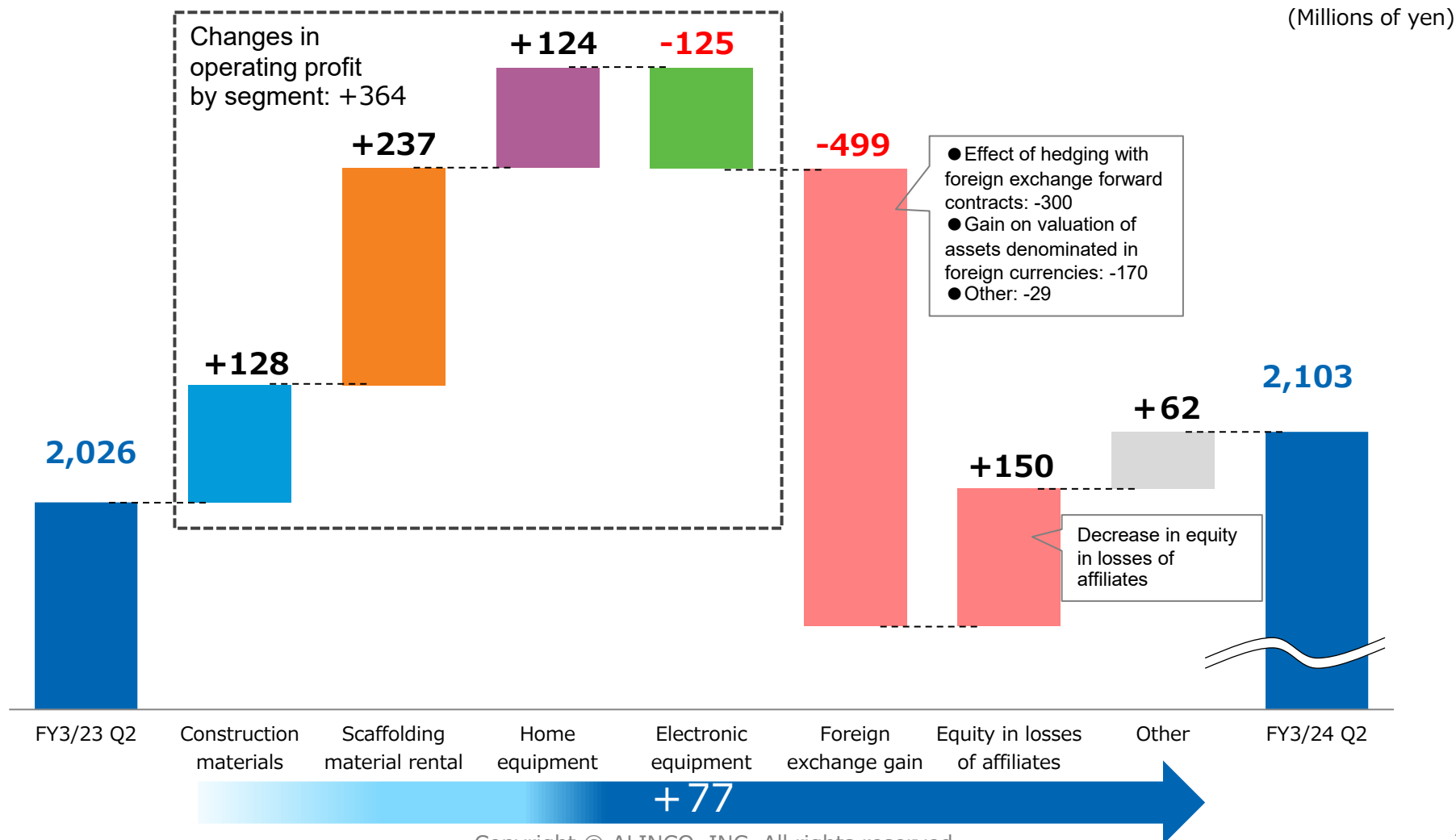
FY3/24 Q2 Factors behind Changes in Net Sales by Segment

- ✓ Sales declined 622 million yen YoY to 29,230 million yen.
- ✓ In the Construction materials segment, sales of scaffolding materials declined 630 million yen YoY, while sales of racks and other equipment for distribution warehouses fell 590 million yen YoY.
- ✓ The Scaffolding material rental segment benefited from a shift in purchasing needs for scaffolding materials to rentals, as well as a recovery in sales to event customers and overseas rental subsidiaries.
- ✓ Sales of Fitness-related products and Electronic equipment and components segment remained strong due to the launch of new products.



FY3/24 Q2 Factors behind Changes in Ordinary Profit

- ✓ Operating profit exceeded that of the same period of the previous year in all segments except the Electronic equipment segment.
- ✓ Ordinary profit decreased due to foreign exchange gains from foreign currency hedging compared to the same period of the previous year. Equity in losses of affiliates decreased due to the conversion of an Indonesian equity-method affiliate into a consolidated subsidiary in the previous fiscal year
- ✓ Ordinary profit increased 77 million yen YoY to 2,103 million yen

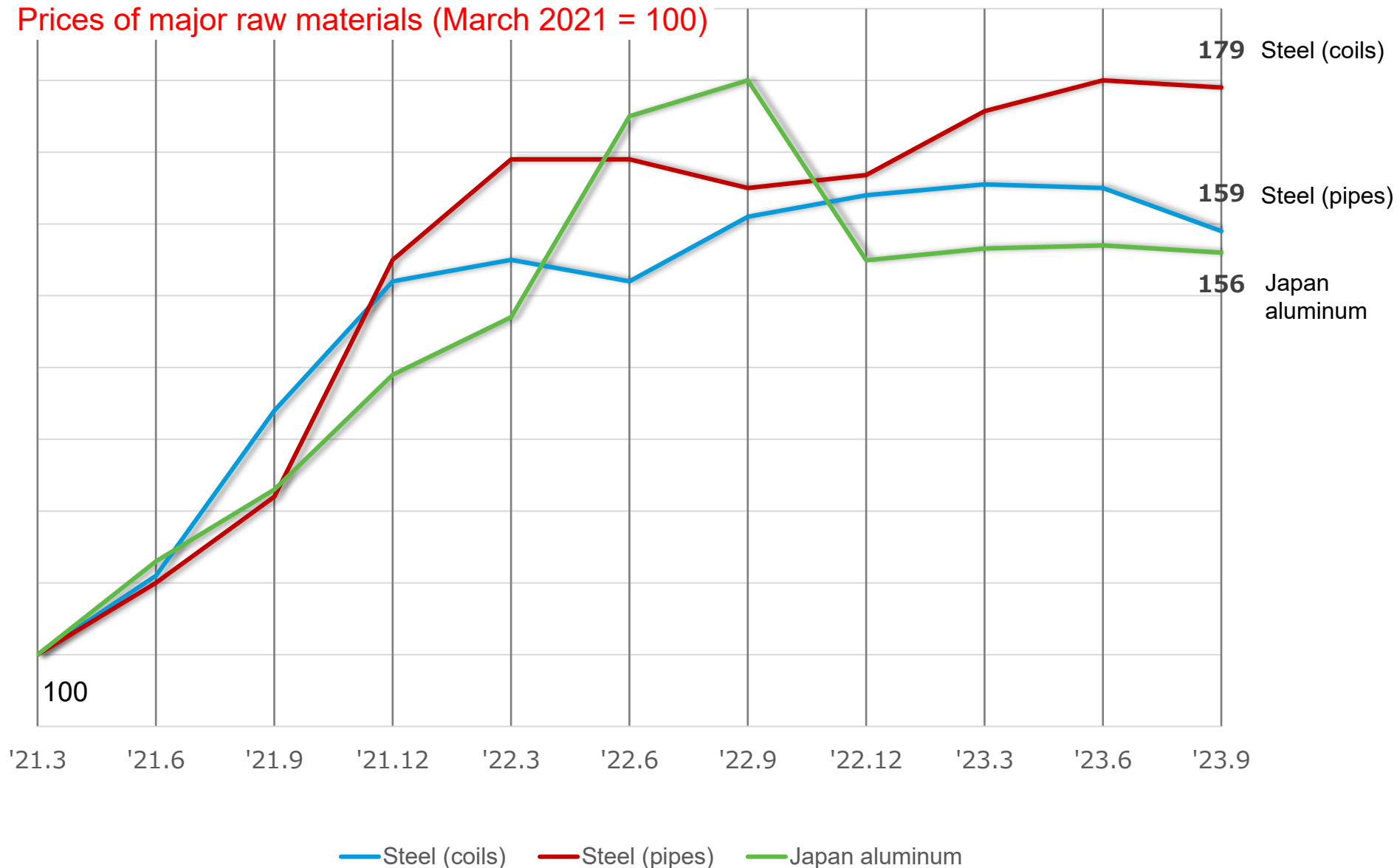


FY3/24 Q2 Results by Segment

Construction materials	<ul style="list-style-type: none"> ✓ Due to the delay in the start of construction work, customers considering the purchase of the new ring lock ALBATROSS system postponed their purchases and continued to use rental equipment from the beginning of the period. ✓ Although sales of ALBATROSS-related products declined YoY, sales of aluminum work platforms were strong from the beginning of the period in anticipation of increased needs for indoor plumbing and electrical work. ✓ Sales of racks for distribution warehouses declined on a volume basis due to smaller orders. ✓ Although sales declined, profits remained at the same level as the same period of the previous year due to the sales price revision implemented in the previous fiscal year. 	Home equipment	<ul style="list-style-type: none"> ✓ Sales of aluminum lifting equipment and other products, such as work platforms, expanded due to a full-fledged recovery in the holding of exhibitions, which had declined due to the COVID-19 disaster ✓ Demand for special ladders increased due to the expansion of the scope of application of the truck lifting equipment mandate from October 2023. ✓ Sales of fitness equipment remained strong thanks to the active launch of new products with a "price-performance" feel, for which preparations were made in the previous fiscal year. ✓ In the fitness equipment business, preparations for the launch of new products continued in the second quarter and beyond. ✓ Although the sales price revision implemented in the previous fiscal year contributed to sales, the yen's depreciation further strengthened the upward pressure on costs.
Scaffolding material rental	<ul style="list-style-type: none"> ✓ Scaffolding materials rental companies have been renting equipment instead of purchasing it, resulting in higher occupancy rates for rentals for medium to high-rise buildings. ✓ Active investment in rental assets in response to increased order opportunities. ✓ Rentals for low-rise buildings also performed well as the introduction of overseas trainees, which had been stagnant due to the COVID-19 disaster, recovered and the construction system stabilized. ✓ Sales of rentals for events recovered as the recovery from the COVID-19 disaster gained momentum. ✓ Overseas subsidiary in Indonesia posted higher sales on brisk construction of resource plants. 	Electronic equipment	<ul style="list-style-type: none"> ✓ New digital receivers were well received by advanced users and sold well ✓ Products related to new fields such as IP radio were launched as expected. Sales were expanded for the second quarter and beyond. ✓ Sales of specified low-power radios were strong, but sales of commercial radios declined due to users holding off on purchases in anticipation of bandwidth expansion (frequency increase) for digital simplex radio stations. ✓ The completion of the new plant at HIGASHI ELECTRONICS INDUSTRY is on schedule for October. Full-scale operation of the new line is scheduled to start at the beginning of 2024.

Prices of Major Raw Materials

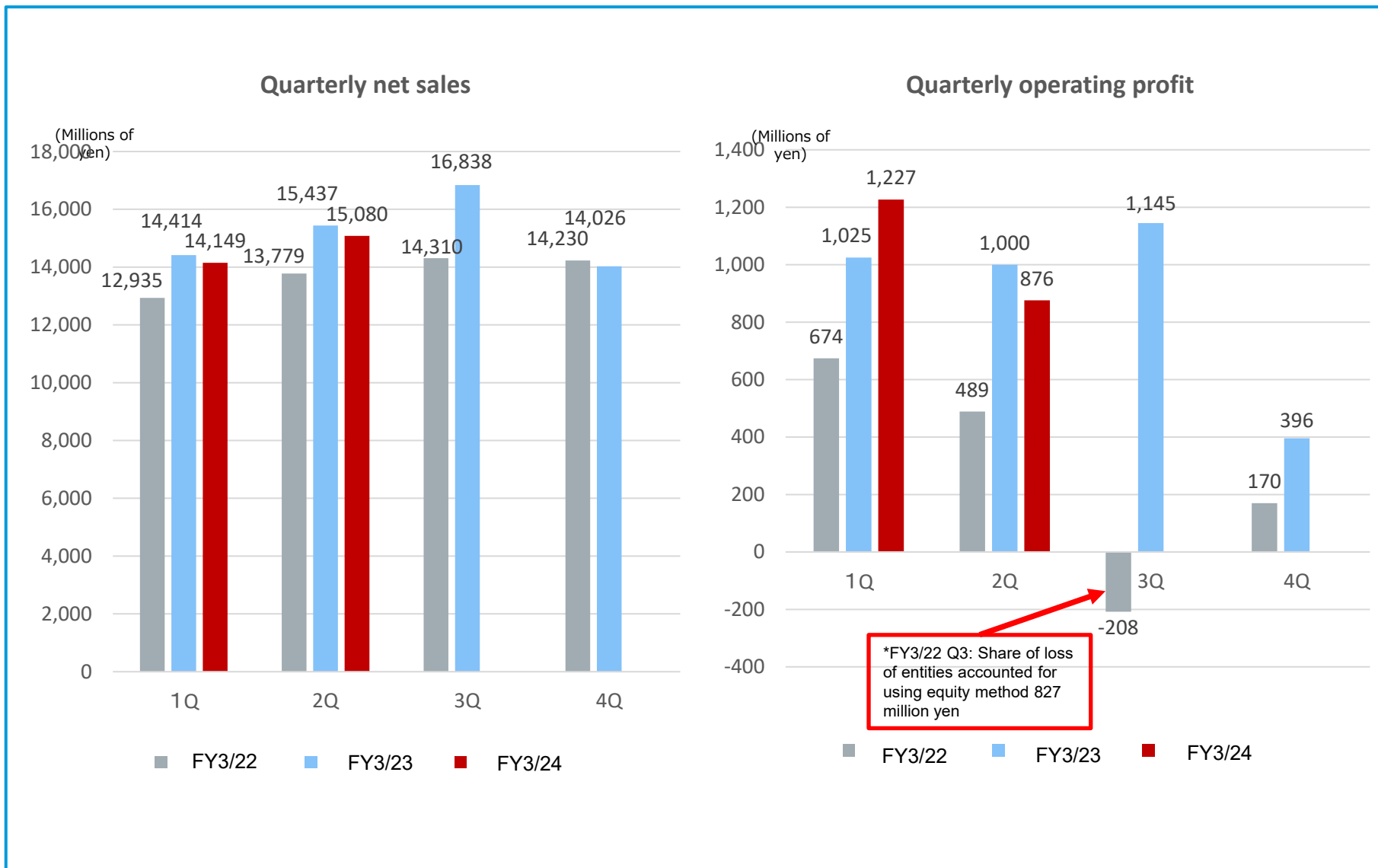
Prices of major raw materials (March 2021 = 100)



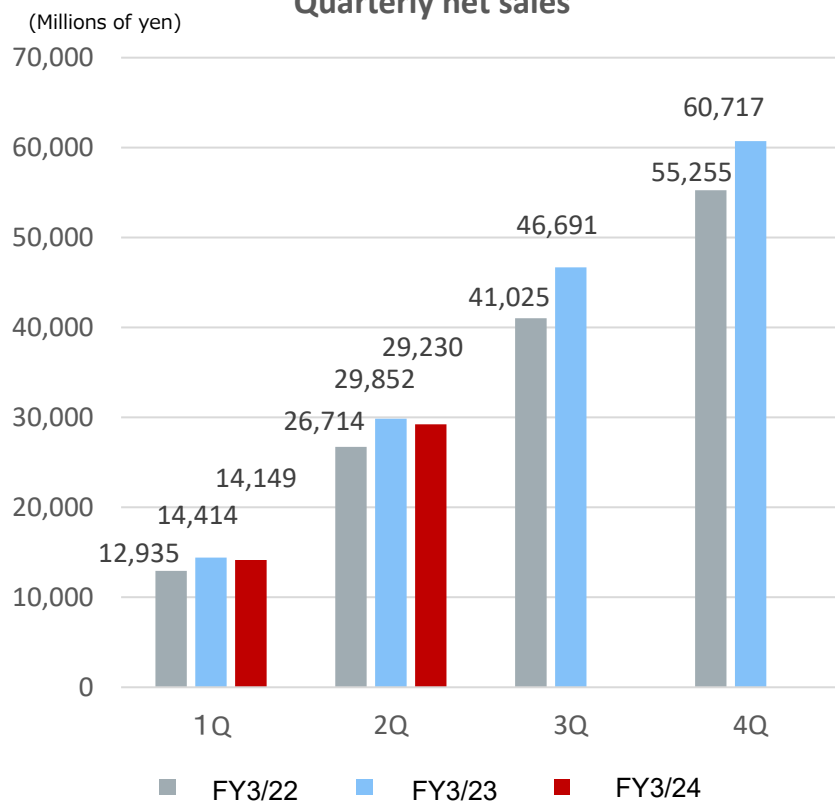
Yen-Dollar Exchange Rate



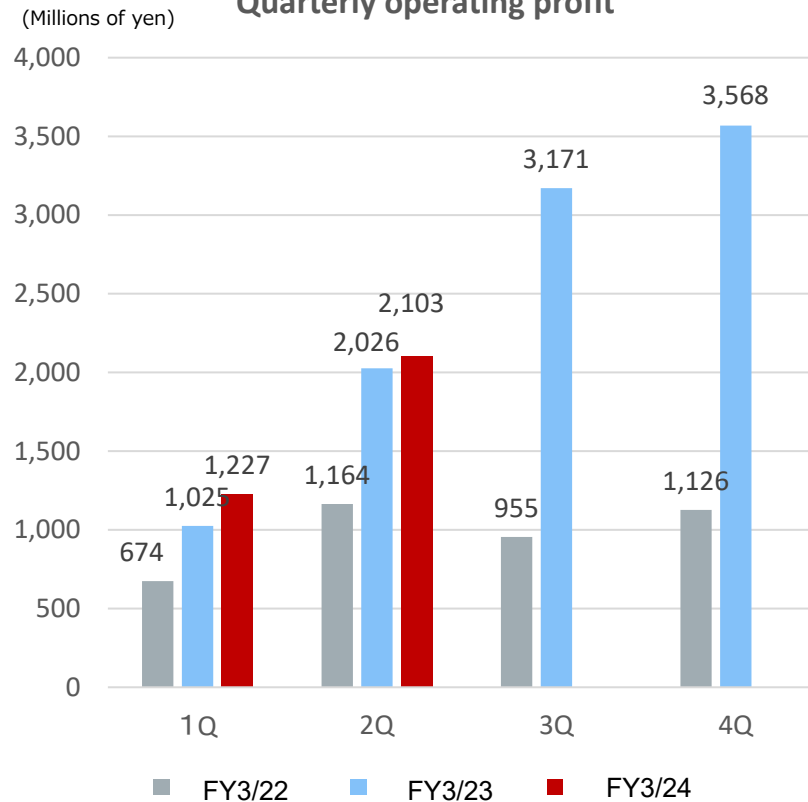
FY3/24 Quarterly Trends



Quarterly net sales

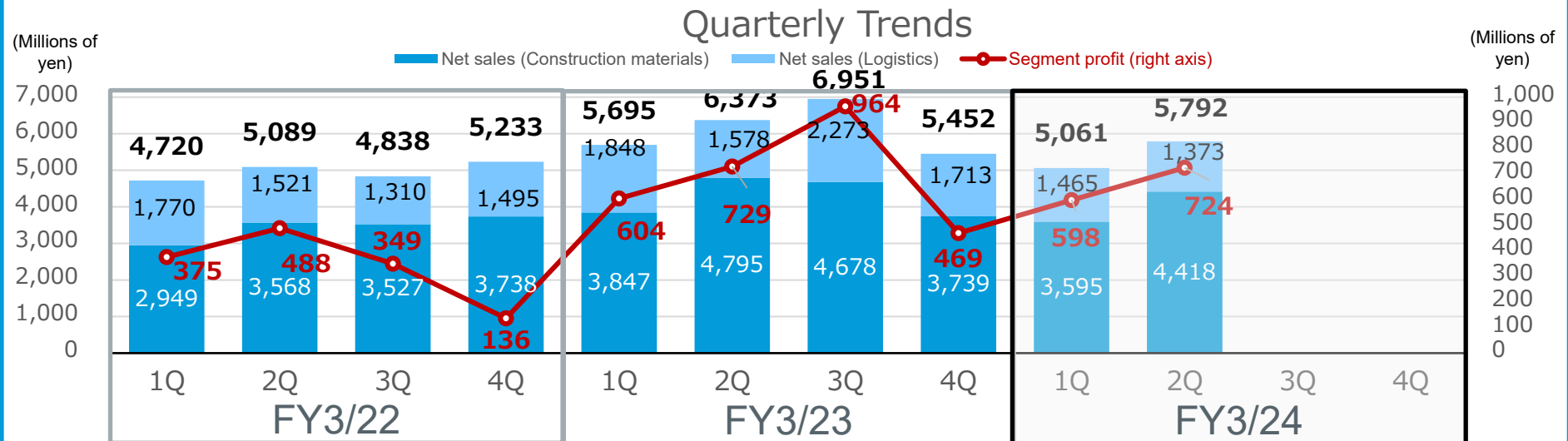


Quarterly operating profit

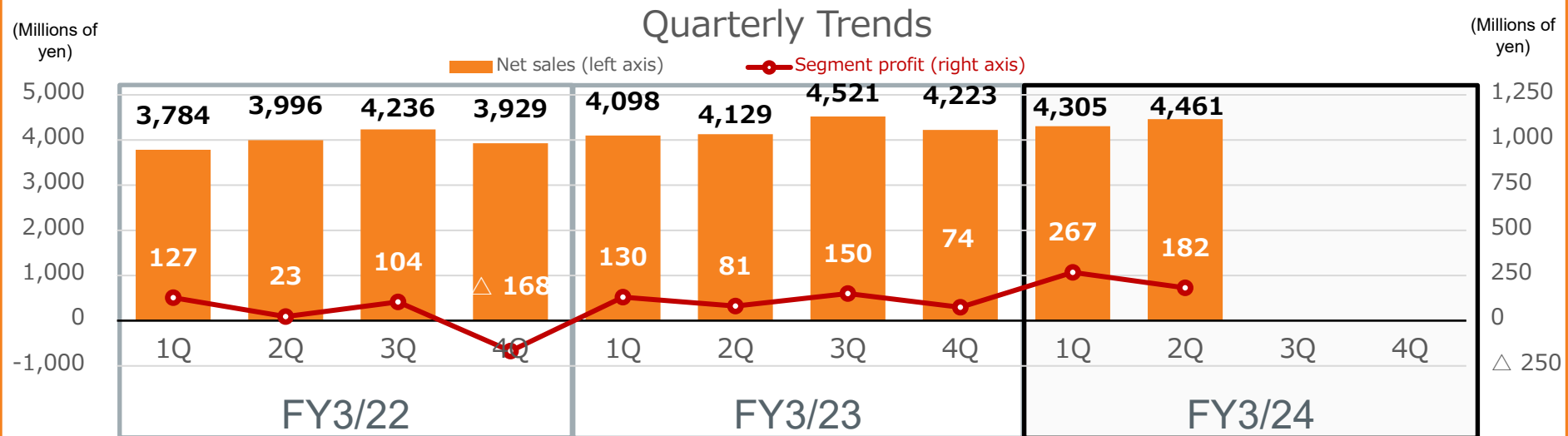


FY3/24 Quarterly Trends by Segment

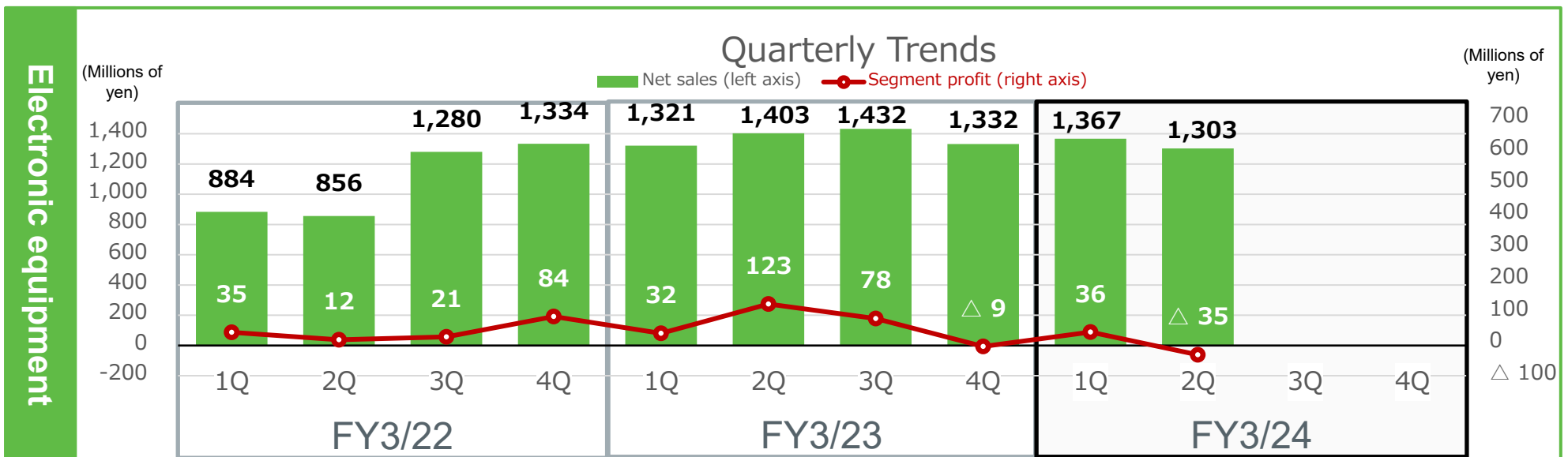
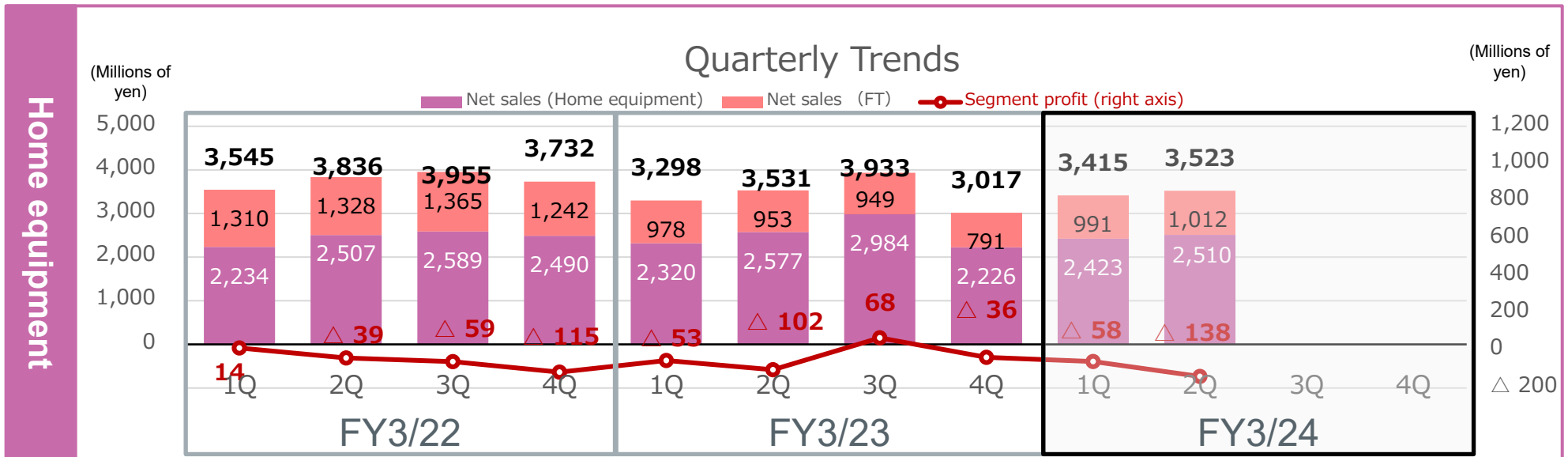
Construction materials



Scaffolding material rental



FY3/24 Quarterly Trends by Segment



FY3/24 Q2 Consolidated Balance Sheet

(Millions of yen)

	FY3/23	FY3/24 Q2	
	Results (Comp.)	Results (Comp.)	YoY change
Current assets	41,942(65.9%)	42,818(64.6%)	+875 (+2.1%)
Non-current assets	21,739(34.1%)	23,449(35.4%)	+1,710 (+7.9%)
Total assets	63,681 (100.0%)	66,267(100.0%)	+2,585(+4.1%)
Current liabilities	22,595 (35.5%)	21,721(32.8%)	-874 (-3.9%)
Non-current liabilities	12,642 (19.9%)	14,629(22.1%)	+1,986 (+15.7%)
Total liabilities	35,238 (55.3%)	36,351(54.9%)	+ 1,112(+3.2%)
Net assets	28,443 (44.7%)	29,916(45.1%)	+1,473 (+5.2%)
Total liabilities and net assets	63,681 (100.0%)	66,267(100.0%)	+2,585 (+4.1%)
Equity ratio	44.6%	45.1%	+0.5ppt.
Debt equity ratio	0.73x	0.77x	+0.04ppt.

Major factors (Millions of yen)
<p>Current assets Increase in inventories resulting from planned production due to the outlook for higher demand: +1,088</p>
<p>Non-current assets Increase in tangible fixed assets due to active investment in rental assets and construction of a new plant at HIGASHI ELECTRONICS INDUSTRY CO., LTD.: +1,723</p>
<p>Liabilities Increase in long-term and short-term borrowings: +2,283 Decrease in notes payable: -861</p>
<p>Net assets Profit attributable to owners of parent: +1,468 Dividend payments: -397</p>

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

FY3/24 Forecasts

FY3/24 Progress against Full-year Business Forecasts



(Millions of yen)

	FY3/23 Results (YoY change)	FY3/24				
		Q2 Results (YoY change)	Revised Q2 Forecasts (YoY change)	Vs. Revised Q2 Forecasts	Full-year forecasts (YoY change)	Q2 Progress vs. Full-year Forecasts
Net sales	60,717 (+9.9%)	29,230 (-2.1%)	29,900 (+0.2%)	97.8%	62,400 (+2.8%)	46.8%
Operating profit	2,420 (+116.3%)	1,367 (+36.4%)	1,450 (+44.7%)	94.3%	2,500 (+3.3%)	54.7%
Ordinary profit	3,568 (+216.9%)	2,103 (+3.8%)	1,800 (-11.2%)	116.8%	2,700 (-24.3%)	77.9%
Profit attributable to owners of parent	1,546 (+242.8%)	1,468 (+20.1%)	1,250 (+2.3%)	117.4%	1,700 (+9.9%)	86.4%

Construction materials	Net sales Segment profit	24,472 2,767	10,853 1,323	11,800 1,180	92.0% 112.1%	24,800 2,400	43.8% 55.1%
Scaffolding material rental	Net sales Segment profit	16,973 437	8,766 449	8,300 380	105.6% 118.2%	17,200 210	51.0% 213.8%
Home equipment	Net sales Segment profit	13,780 -124	6,939 -196	6,990 -300	99.3% -	14,500 -120	47.9% -
Electronic equipment	Net sales Segment profit	5,491 225	2,670 0	2,810 140	95.0% 0.7%	5,900 130	45.3% 0.7%
Adjustment		- 261	- 525	- 400	- -	- 80	- -
Consolidated total	Net sales Segment profit	60,717 3,568	29,230 2,103	29,900 1,800	97.8% 116.8%	62,400 2,700	46.8% 77.9%

Explanation of Consolidated Forecast and Other Forward-looking Statements

For the six-month period, ordinary profit, profit attributable to owners of parent exceeded the forecasts stated in the “Notice Concerning Revisions to Cumulative Second Quarter Financial Results Forecasts” released on July 20, 2023, due to ordinary profit improvement factors such as foreign exchange gains from the valuation of foreign currency-denominated assets.

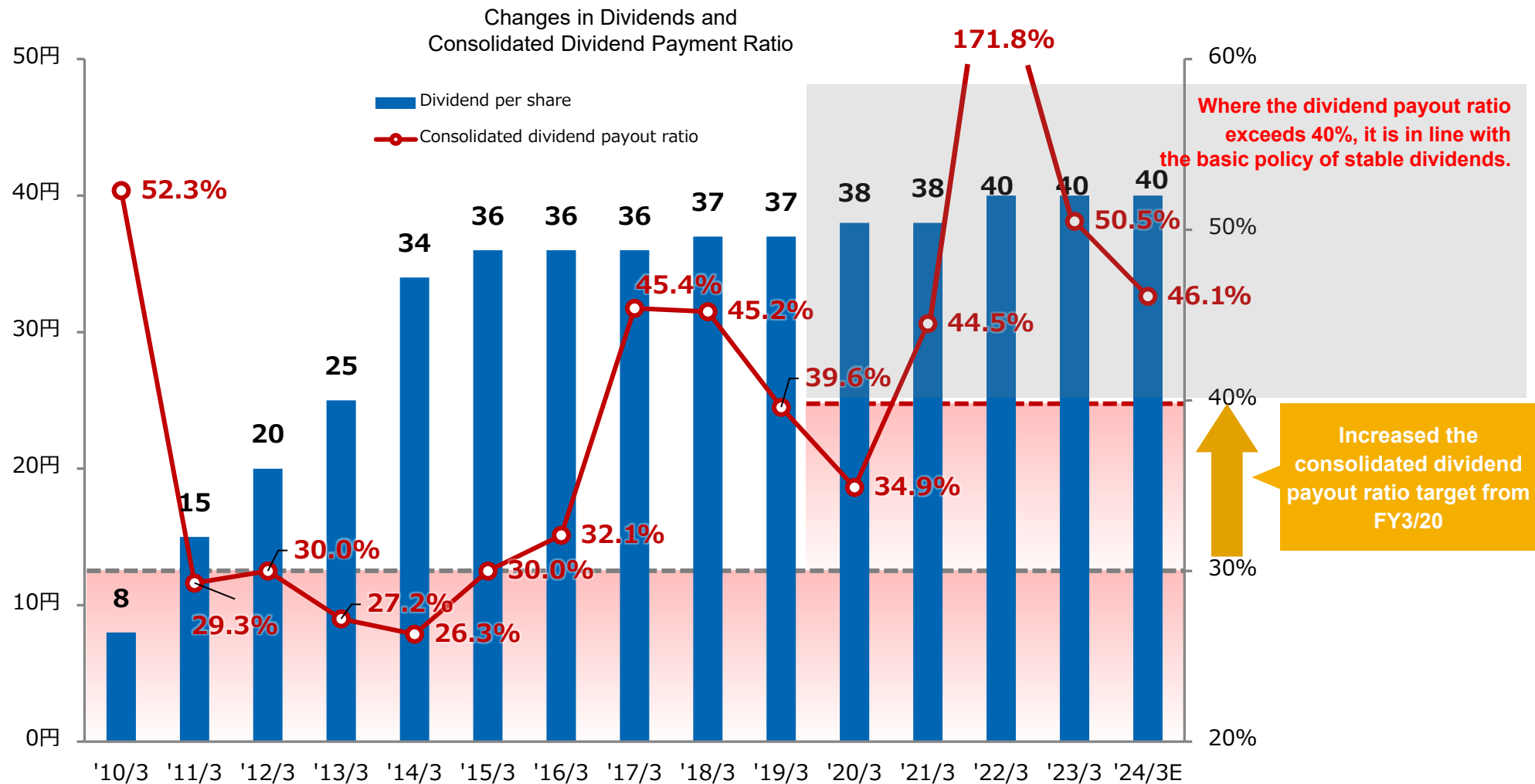
The full-year forecast of consolidated financial results for the year ending March 20, 2024, remains unchanged from the initial forecasts announced on May 2, 2023, as ALINCO is currently scrutinizing future market trends and performance trends. If we determine that revisions are necessary, we will promptly make a public announcement.

* Excerpts reprinted from "Consolidated Financial Results for the Six Months Ended September 20, 2023" released on October 20, 2023

Shareholder Returns

Basic Policy for Dividends

- ✓ Basic policy = "We are committed to the basic policy of paying a stable dividend with a consolidated payout ratio of 40% as the target."
- ✓ Dividend per share has remained unchanged for 13 consecutive fiscal years since FY3/10



*Dividend for FY3/15 includes a commemorative dividend of ¥2 for listing on the First Section of the Tokyo Stock Exchange

Changes in Share Price and Trading Volume

Closing share price: ¥957

(as of October 27, 2023)



Dividend yield (actual)

4.2%

Price book-value ratio (PBR)

0.63 times

Price earnings ratio (PER)

11.0 times

Shareholders of record on March 20 receive VJA gift cards as follows.

	Holding period of less than three years	Holding period of at least three years
Shareholders who own 500 shares or more	Value of ¥1,000	Value of ¥2,000
Shareholders who own 1,000 shares or more	Value of ¥2,000	Value of ¥3,000
Shareholders who own 5,000 shares or more	Value of ¥4,000	Value of ¥5,000
Shareholders who own 10,000 shares or more	Value of ¥6,000	Value of ¥8,000

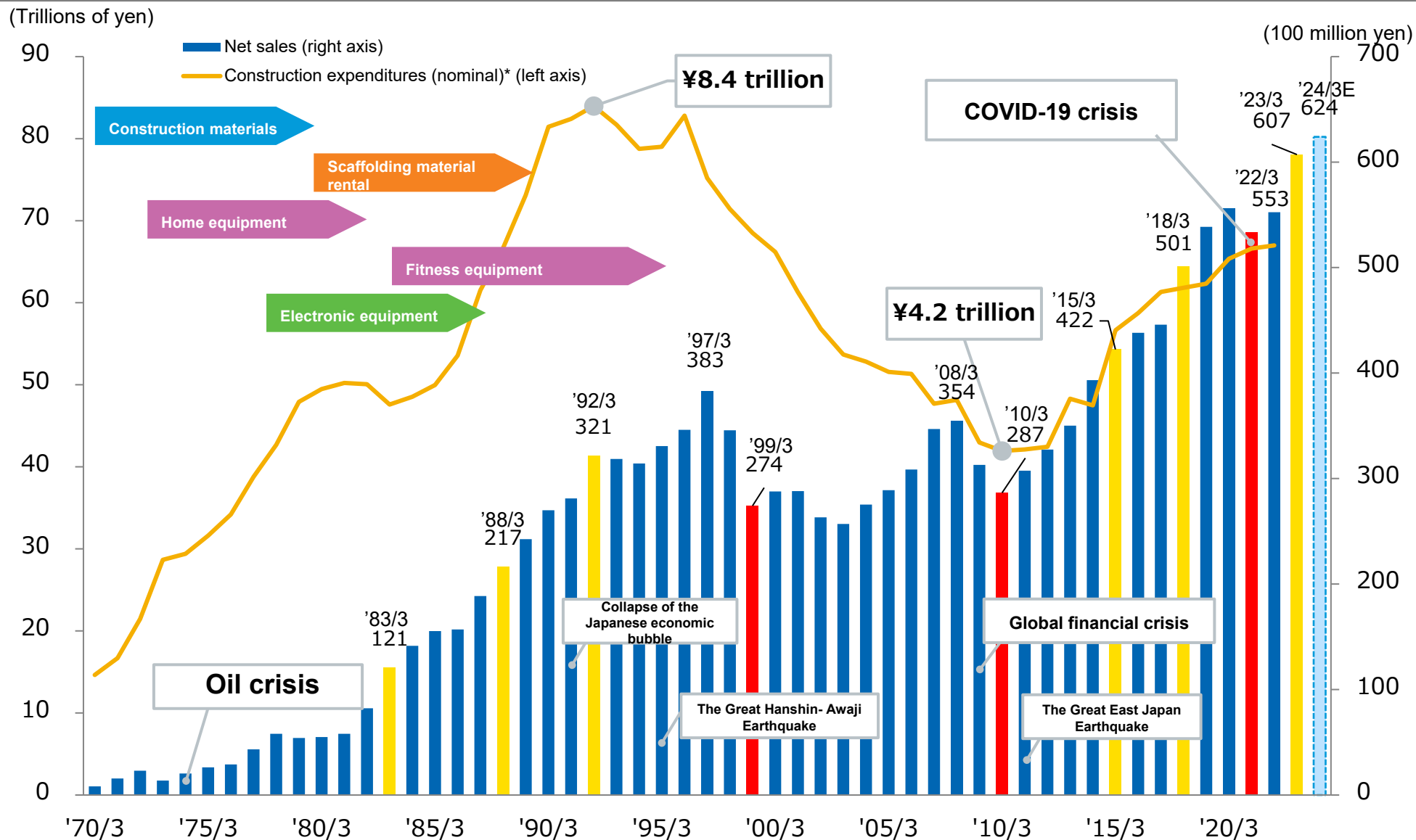
* A holding period of at least three years is defined as a continuous shareholder registration spanning at least seven consecutive interim and fiscal year-end record dates.

Company Overview

Company name	ALINCO INCORPORATED
Listed exchange	Tokyo Stock Exchange, Prime (From April 4, 2022)
Foundation	1938
Establishment	July 4, 1970
Number of employees	Consolidated: 1,481; Non-consolidated: 759 (as of March 20, 2023)
Capital	¥6,361 million
Number of shares outstanding	21,039,326 shares
Total assets	¥663,681 million (as of March 20, 2023)
Number of subsidiaries	20 (Japan: 10; China: 4; Thailand: 3; Vietnam: 1; Indonesia: 2)
Fiscal period	March 21 to March 20 of the following year
Accounting standards	Japanese GAAP

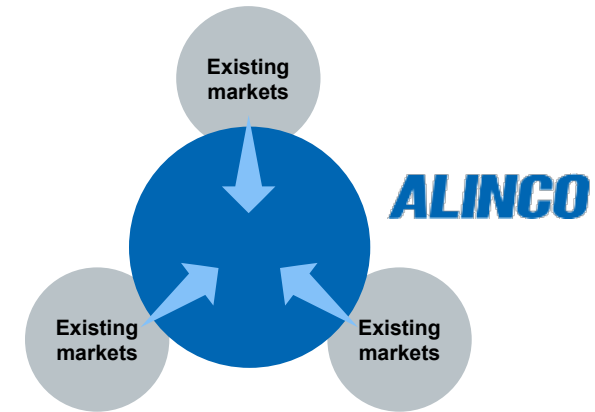
1938	Inoue Tekkousho started operating in Osaka as a manufacturer of bicycle parts and other products
1970	Established Inoue Tekkou Co., Ltd.
1983	Changed company name to ALINCO INCORPORATED
1993	Listed on the Osaka Securities Exchange, Second Section
2003	Established a subsidiary in China for the production of aluminum products
2006	Listed on the Tokyo Stock Exchange, Second Section
2012	Established a subsidiary in Thailand for the production and rental of scaffolding
2014	Established a subsidiary in Indonesia Listed on the Tokyo Stock Exchange, First Section
2015	Opened the Tokyo Head Office, creating a dual head office structure Expanded the Hyogo No. 2 Factory to increase production capacity
2017	Acquired Sofuku Koki Co., Ltd. (51% of equity), a manufacturer of logistics products
2018	Acquired Showa Bridge Sales Incorporated, a manufacturer of aluminum bridges
2020	Made Sofuku Koki a wholly owned subsidiary
2021	Acquired Higashi Electronics Industry Co., Ltd., a manufacturer of printed circuit boards
2021	Acquired Uekin Co., Ltd., an integrated manufacturer covering processes from metal die fabrication to stamping processes
2022	Stock listing was moved to the Prime Market due to the reorganization of the markets of the Tokyo Stock Exchange

Trends in Sales since Establishment



To be the Leading Company in Niche Markets

Expand business to new markets and become the leading company in every business segment



Segment Information

Electronic equipment

An infrastructure for reliable communications



Low-power wireless communication devices



Land mobile radio for business-use



Wireless devices for fire trucks/ambulances



Public-sector disaster prevention wireless devices



Data communication wireless devices

Home equipment

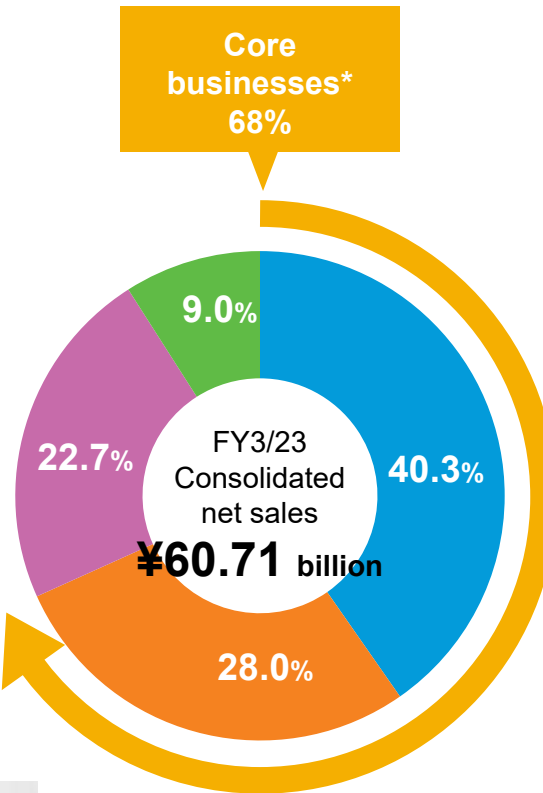
Providing safety and convenience to your home



Home equipment



Fitness equipment



*The core businesses are the construction materials business and scaffolding material rental business.

Construction materials

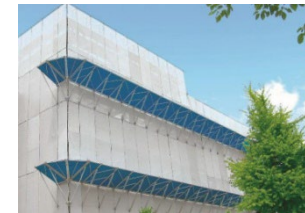
Advanced technologies for construction site safety



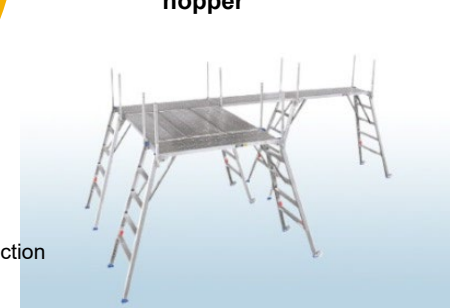
The new ring lock ALBATROSS system ("ALBATROSS")



SK panel platform



Aluminum fall proofing hopper

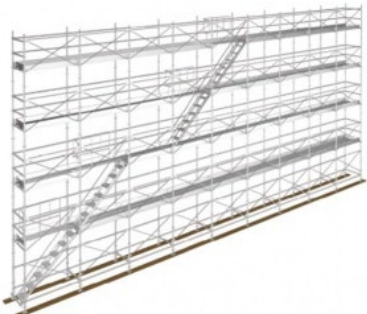


Scaffolding material rental

Cooperate with the construction materials segment

Sales and rentals of scaffolding and other temporarily used construction materials

Major products



New ring lock ALBATROSS system

No. 1 share in medium/high-rise market



Aluminum fall proofing hopper

No. 1 market share



SK panel platform

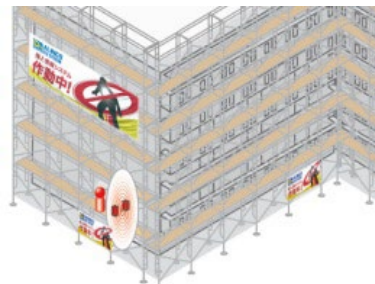
No. 1 market share



Aluminum platform



Hoisting platform



Scaffolding intrusion warning system



Scaffolding at this 80-meter condominium project begins at the B2 level and has a total height of 90 meters

Progress with replacing conventional frame scaffolding with the new ALINCO scaffolding system

Current issues at construction sites

- Due to higher safety standards for scaffolding, construction companies were forced to choose between two choices, add materials to improve the security of traditional frame scaffolding or make a shift to new type of scaffolding
- The mandate to use scaffolding with high safety standard in public-sector project has also gradually spread to private-sector project too
- Construction companies were faced with difficult decision to choose one from many scaffolding companies because scaffolding from different companies is incompatible with each other



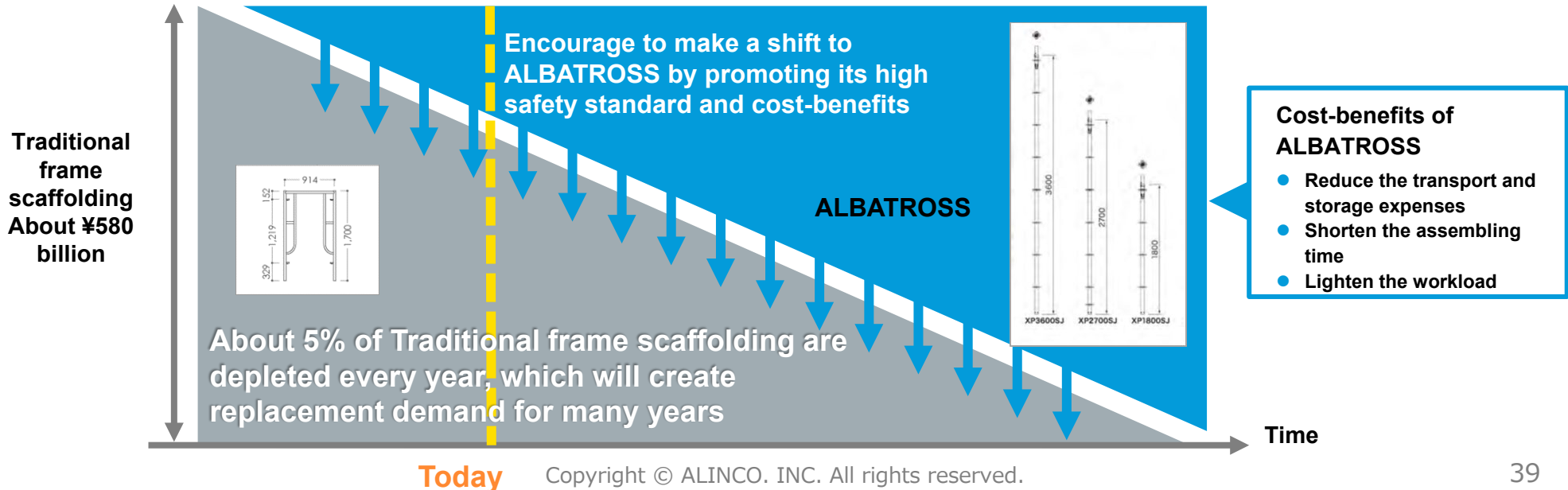
Key points when selecting scaffolding

- High safety standard of scaffolding
- Reliable supply over many years



Favorable trends for ALINCO

The Traditional Frame Scaffolding Market



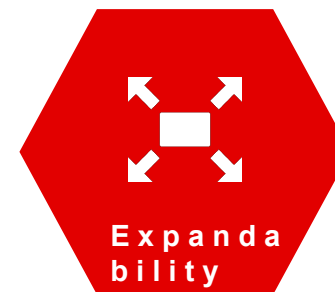
ALBATROSS –A new generation of scaffolding

The innovative ALBATROSS scaffolding was developed to meet construction site needs involving safety, expandability and ease of work, which are all characteristics where conventional frame scaffolding falls short.



Brackets with outstanding strength and reliability
Rugged design for many years of use with confidence
Assembly by placing handrail first is a standard feature and the standard installation method (complies with the revised Industrial Safety and Health Regulations)

Multi-purpose
Simple moveable stage with a large surface area
Three-dimensional assembly
Easy to secure a large open work space underneath ALBATROSS



Compact and light scaffolding components
Simplicity of frame scaffolding with the flexibility of pipe scaffolding
A large and comfortable space for performing tasks
Easy to make a wide stage with no protrusions or gaps
Big improvement in ease of work lowers the cost of construction processes
Big reduction in the number of steel pipes and clamps

Major Logistics Products

The shortage of manpower at the logistics operations of factories, warehouses and stores is creating demand for automatic incoming/outgoing shipment, sorting and picking tasks. There are also need for more efficient and sophisticated storage methods, earthquake resistance, and other improvements.

Power Rack

An **angular pipe structure** using our original manufacturing method ensures outstanding resistance to earthquakes.



Power Runner

A moveable rack that doubles storage capacity



Products that match sales channels and market needs

Major products

Aluminum products



Fitness equipment



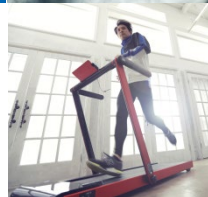
Ladders



Work platforms



Agriculture/
transport products



Treadmill/Exercise bike

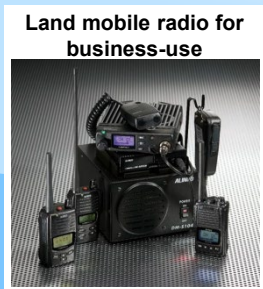


Massager



MIVOS Brand

Business activities that leverage the core strength of compact wireless technology expertise

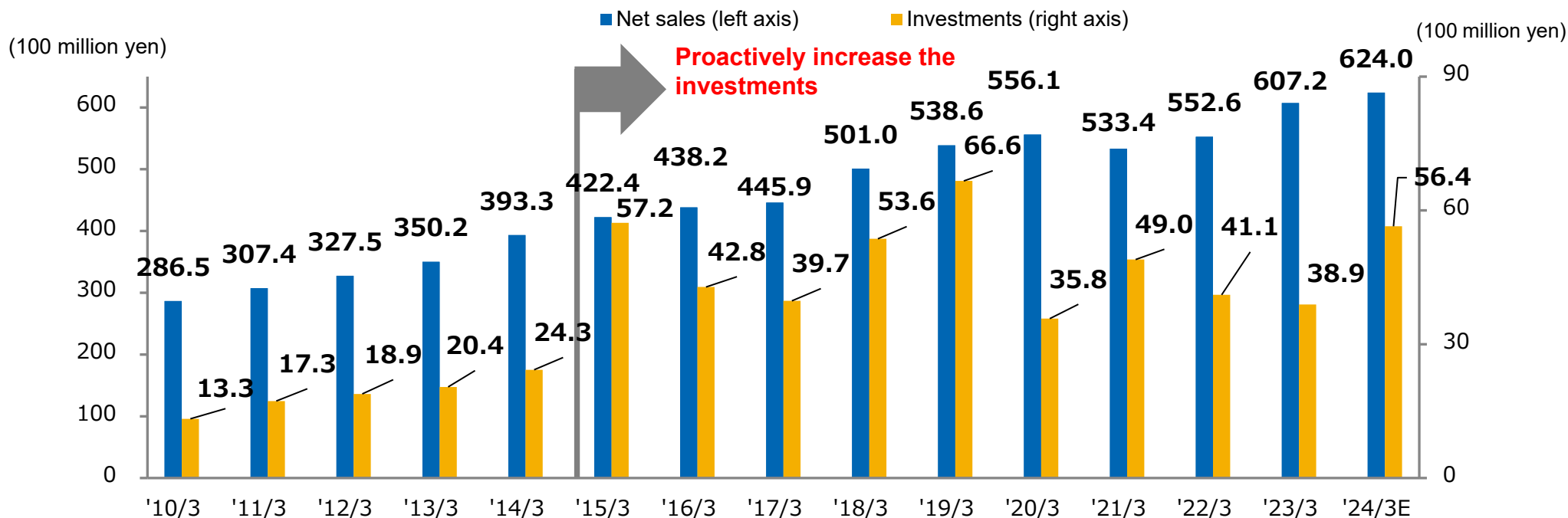


Goals

- Develop intercom for low-power wireless communication devices
- Business-use intercom Disaster prevention sector Business-use wireless communications
- Increase the share of the business-use wireless communication device market
- Develop communication devices that use the mobile phone infrastructure
- Develop wireless modules for IoT devices

Transition of Sales and Investments

Expand business performance by proactive investments

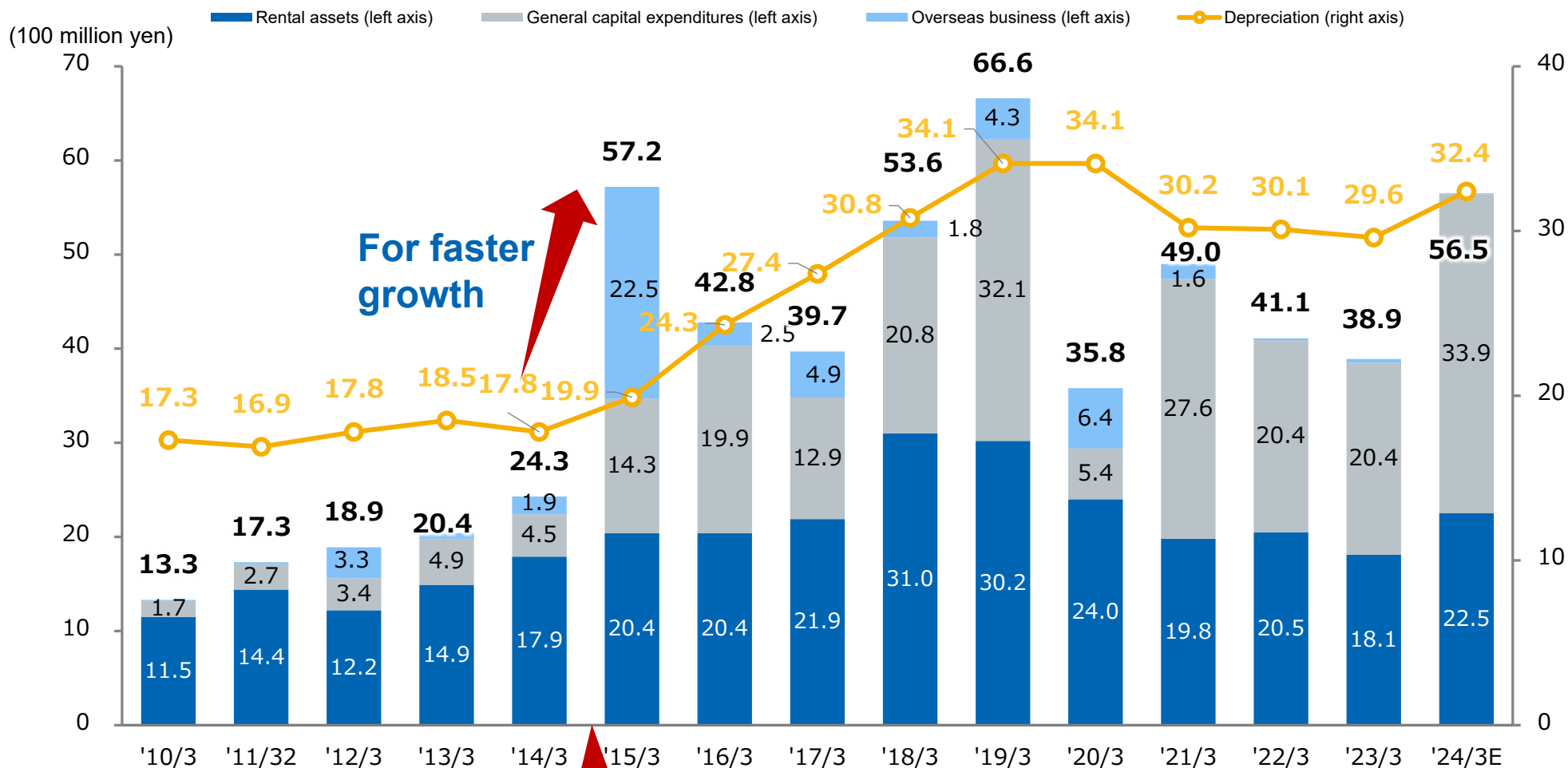


Major Investments

1. Investment in rental assets	2. Expansion to overseas market	3. Investment in M&A	4. Increase in production capacity
<ul style="list-style-type: none"> Invested in equipment that is safe and efficient Made a shift from traditional frame scaffolding to ALBATROSS (Expand the share of ALBATROSS by encouraging the reform of the scaffolding market) 	<ul style="list-style-type: none"> Started scaffolding rental business in China, Thailand and Indonesia Began business by dealing with overseas Japanese general contractors Set company apart from local competitors by providing Japanese quality services 	<ul style="list-style-type: none"> Sofuku Koki: Racks for automated distribution centers Showa Bridge: Aluminum bridges STS Corp.: Laser instruments for surveying SIP: Elevating work platforms Higashi Electronics Industry : Printed circuit boards Uekin: Metal die fabrication 	<ul style="list-style-type: none"> Expanded the Suzhou Factory Constructed a factory in Thailand Updated and improved efficiency of a scaffold panel production line Introduced ALBATROSS manufacturing facilities

Transition of Investments

Capital Expenditures and Other Investments and Depreciation



For faster growth

Listed on TSE first section (December 2014)

Progress of Medium-term Investment Plan

Investment under the Medium-term Management Plan 2024 is planned at 15.3 billion yen over 3 years to achieve further growth.

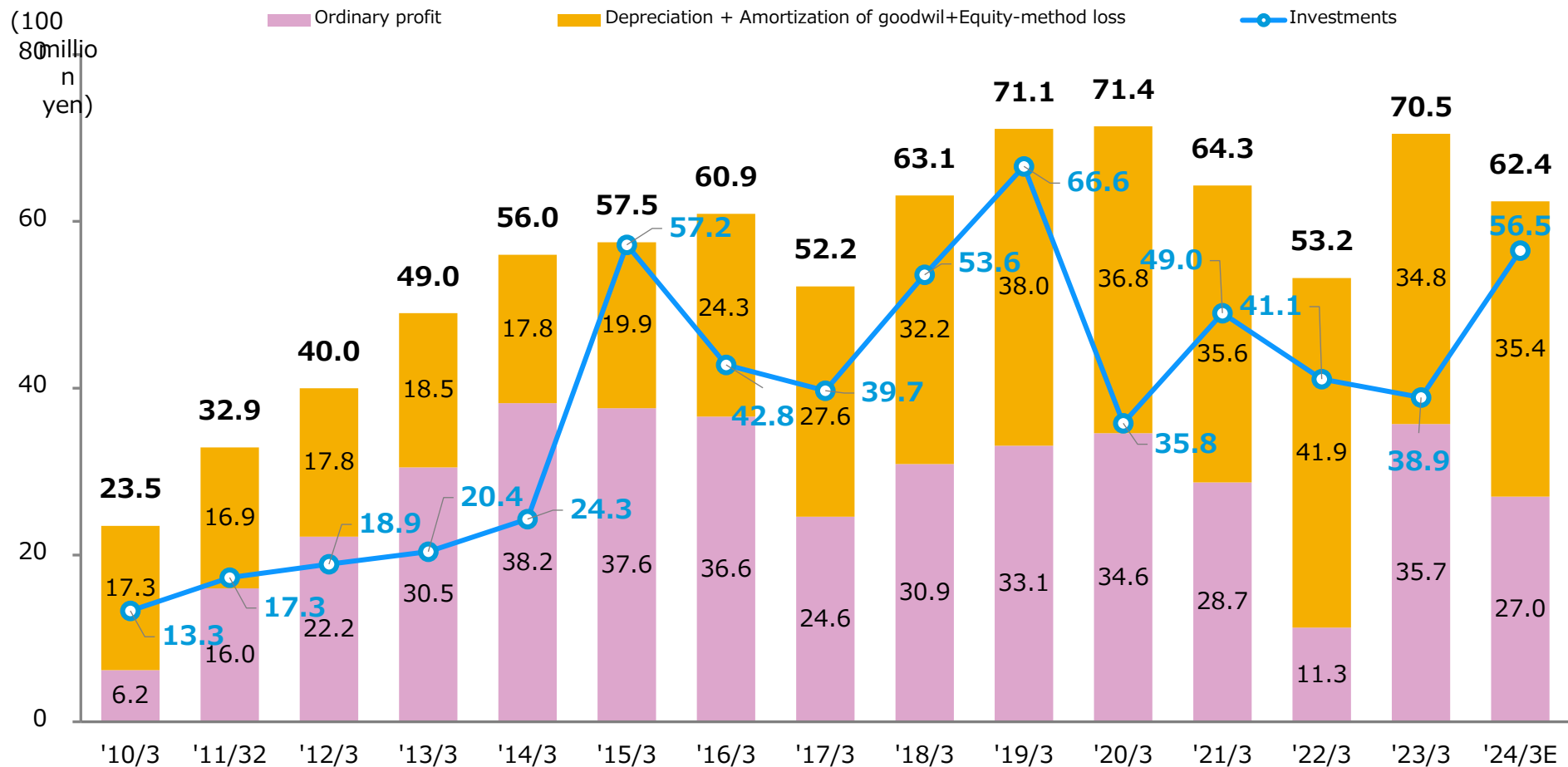
Category	Amount (FY3/23-FY3/24)				
	Plan	Results (Until FY3/24 Q2)	Forecast	Already implemented + Planned (vs. plan)	
Rental assets	¥6.1 billion	¥5.64 billion	¥0.47 billion	¥6.11 billion (100%)	<ul style="list-style-type: none"> Expand the market share of ALBATROSS Increase the percentage of high value-added assets
Productivity and capacity	¥3.0 billion	¥2.69 billion	¥1.83 billion	¥4.52 billion (98%)	<ul style="list-style-type: none"> Maintain and streamline distribution bases Automate the manufacturing processes
Development of new products	¥1.6 billion				<ul style="list-style-type: none"> Increase the applicability of new ALBATROSS scaffolding Improve the capability of dealing custom order Increase IoT related products
M&A activities	¥4.5 billion	※ ¥2.19 billion	※ ¥0.83 billion	¥3.02 billion (67%)	<ul style="list-style-type: none"> Perform M&A with companies which have influence in niche markets to create synergies with our business
Human resource development	¥0.1 billion	¥0.07 billion	¥0.04 billion	¥0.11 billion (110%)	<ul style="list-style-type: none"> Recruit individuals with advanced professional skills
Three-year total	¥15.3 billion	¥10.59 billion	¥3.17 billion	¥13.7 billion (90%)	

* The "already implemented" and "planned" columns for M&A-related investments include the investment in the construction of a new factory executed in the PMI of HIGASHI ELECTRONICS INDUSTRY CO., LTD.

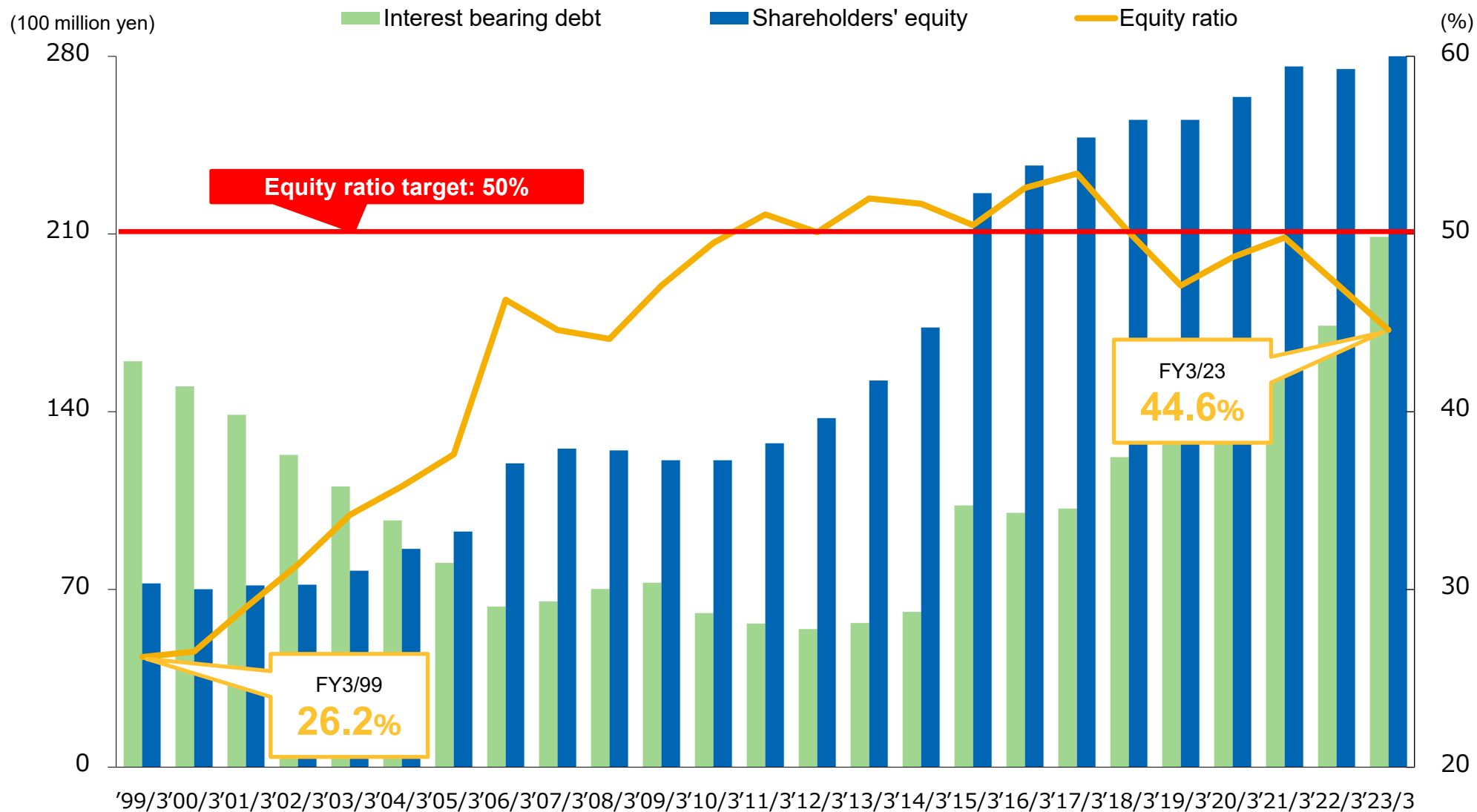
Transition of EBITDA, Investments, etc.

Steady EBITDA growth despite the increase in depreciation due to proactive investments

EBITDA and Investments



A Consistently Strong Financial Position



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