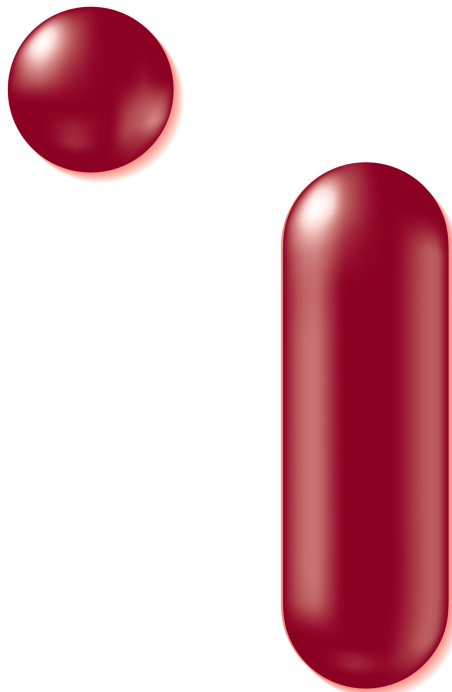




TOWCO., LTD.

Report for the 49th Business Term

(July 1, 2024 to June 30, 2025)

English Translation – Reference Purpose Only

This is an unofficial translation of the Japanese original version prepared solely for convenience.
No representation or warranty is made with respect to its accuracy, and it has no legally binding effect.
If there is any discrepancy between the Japanese original and this translation, the Japanese original will always prevail.

Securities Code: 4767

| To Our Shareholders

Overview of Business Results for the 49th Business Term

We would like to extend our sincere gratitude to all shareholders for your continued support for TOW Co., Ltd.

On June 30, 2025, the Company concluded its 49th business term (from July 1, 2024 to June 30, 2025) and it is our pleasure to present you with the report for the term.

The values and behavioral patterns of general consumers are becoming increasingly diverse against a background of the digitalization of society and daily life and growing health consciousness. Moreover, given the various social issues that abound, such as environmental problems, declining birthrate and aging population, and regional revitalization, it is expected that the social environment and corporate activities will continue to undergo change in the future.

For us to achieve sustainable growth as a company amid this continually changing social environment, under the banner of “creating experiences for a new era,” all companies in the Group will unite as one in our aim to contribute to clients, general consumers, and society as “experience professionals.”

For the realization of this purpose, we are working on business growth and the strengthening of foundations in our aim for sustainable growth.

In the area of business growth in the year ended June 30, 2025, in addition to growth in real-world and hybrid events in the telecommunications and food and beverages sectors and large-scale events for public offices and organizations, Expo Osaka, Kansai also contributed, resulting in a steady performance compared to the previous year. In collaboration with Group companies, our structures for provision of services in the video and digital sectors were strengthened and we made progress in the diversification of our business portfolio. Through a wide range of approaches, including real-world and digital methods, we will continue to create experiences and deliver inspiration, empathy, and excitement to people.

In the strengthening of foundations, we are advancing initiatives centered on human capital management based on our sustainability policy of “Through experiences created by individual employees, we will address corporate and social issues and become a company that achieves sustainable growth.” However, following labor system compliance issues that came to light in the year ended June 30, 2025, we took the opportunity to re-examine the implementation structures and corporate culture of our entire organization. To strengthen our governance framework and embed corporate ethics, we established a new position of Vice President and Chief Governance Officer/Group CHRO and, through revisions to our labor systems, enhancement of our structures, and efforts to update awareness and organizational culture, we are strengthening our foundation for sustainable growth.

Going forward, as a company that creates experiences for a new era, the TOW Group will stay close to society and general consumers and continue to offer experience value that delivers inspiration and empathy. In addition, alongside all our stakeholders, we will aim for sustainable growth and the enhancement of corporate value. We would appreciate the unwavering support of our shareholders.

September 2025

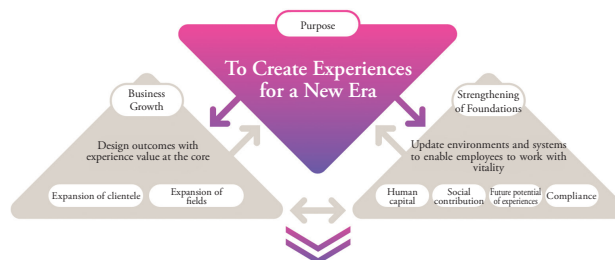
Kenichi Muratsu President



To Create Experiences for a New Era

No matter how much the times may change, as long as there are connections between people, “experiences” will remain close to general consumers and society, inspiring people body and soul, even as they continue to transform in shape and role freely.

Through a wide range of approaches, including real-world and digital methods, we will continue to create experiences and deliver inspiration, empathy, and excitement to people.



To be a company that grows sustainably by solving corporate and social issues with the power of experience value created by each and every one of our employees.

Business Summary

Results of the 49th Term (Consolidated)

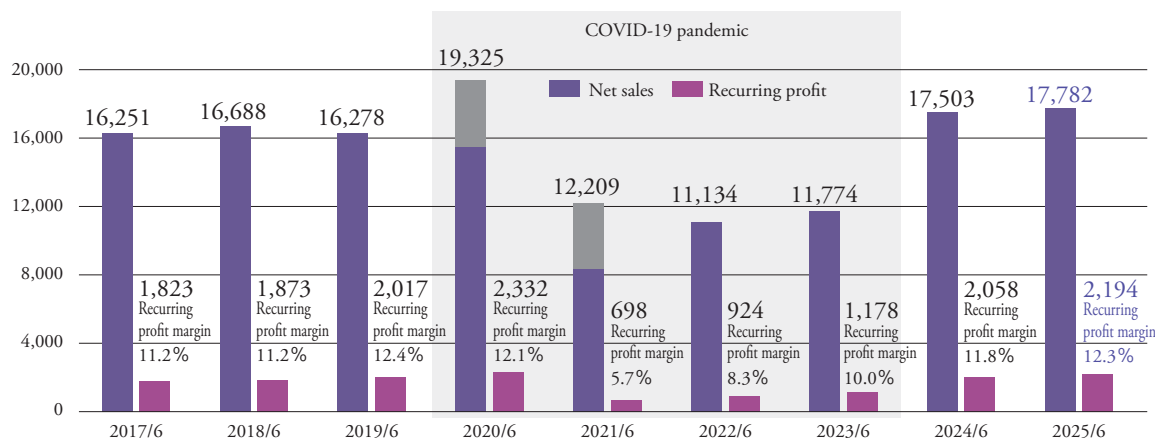
- Performed steadily compared to the previous year, due to contribution of Expo Osaka, Kansai, in addition to growth in real-world and hybrid events in the telecommunications and food and beverages sectors and large-scale events for public offices and organizations.
- In pursuit of sustainable growth, continued to invest actively in human capital and allocate spending to key themes such as AI to drive business growth, leading to increases in personnel expenses as a proportion of SG&A expenses and cost of sales.
- Maintained our earnings capacity due to expansion of fee-based operations through the provision of high value-added services and conversion to in-Group operations, resulting in year-on-year growth in recurring profit.
- Recorded an extraordinary loss of 580 million yen due to corrective actions in response to labor system compliance issues announced on July 15, 2025.

	Fiscal year ended June 30, 2024		Fiscal year ended June 30, 2025		Year-on-year change
Net sales	17,503	-	17,782	-	+1.6%
Gross profit	2,939	16.8%	3,183	17.9%	+8.3%
SG&A expenses	932	-	1,030	-	+10.5%
Operating income	2,006	11.5%	2,152	12.1%	+7.3%
Recurring profit	2,058	11.8%	2,194	12.3%	+6.6%
Extraordinary losses	3	-	583	-	-
Profit attributable to owners of parent	1,405	8.0%	1,132	6.4%	-19.5%

(Monetary amounts: millions of yen)

Trends in Net Sales and Recurring Profit (Consolidated)

- In the year ended June 30, 2025, net sales and recurring profit reached record high levels, excluding the impact of specified BPO operations during the pandemic



*Grey sections on FY2020 and FY2021 bars indicate specified BPO operations related to COVID-19

(Monetary amounts: millions of yen)

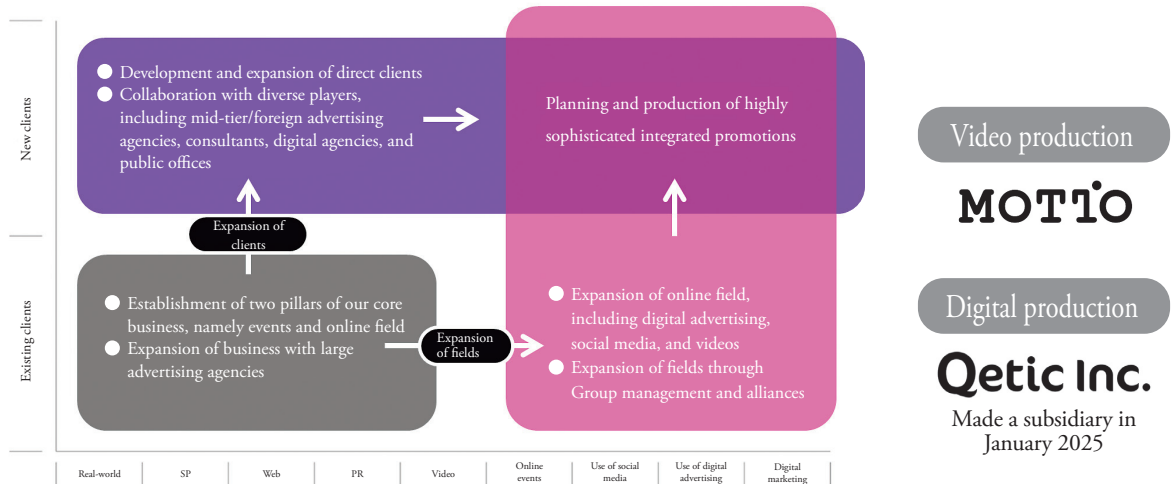
Business Summary

Business Strategy

The Company is promoting a business strategy of two-pronged expansion, namely expansion of clientele and expansion of fields.

In FY2025, we welcomed Qetic into our Group structure. Together with our commercial and video production company, MOTTO, which joined us in 2023, this new subsidiary will help strengthen our Group structure and aim for the realization of our business strategy.

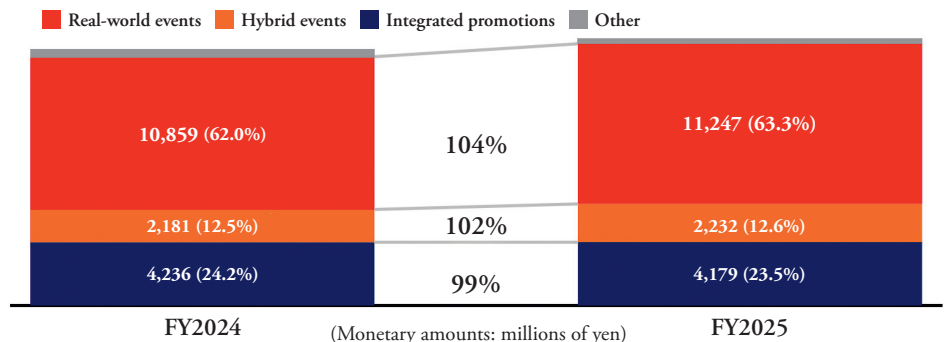
Business Growth Based on Two-Pronged Expansion: Expansion of Clients and Expansion of Fields



Net sales by category

Under this business strategy, dividing our offerings into the three categories of “real-world events,” “hybrid events,” and “integrated promotions,” we will offer clients promotions that make full use of real-world and digital approaches in each category, with the aim of contributing to our clients’ businesses.

In FY2025, although integrated promotions were on a par with the previous year due to the impact of concentrating resources on Expo Osaka, Kansai, real-world and hybrid events both performed steadily. The increase in video and digital work resulting from the strengthening of our Group structure was also a positive indicator for the future.



Real-World Events

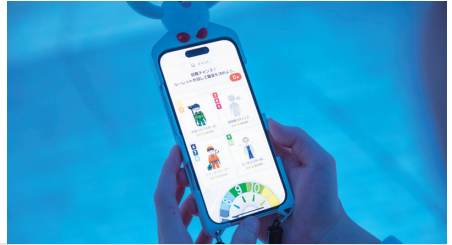
These are events that take place in the “real” physical world, such as projection mapping, pop-up shops, exhibitions, and presentations. This category performed well due to the Expo and government-hosted events, in addition to our mainstay clients such as beverage and cosmetics companies. There was also an increase in events that leveraged digital and video elements with the aim of maximizing experience value.



Tachikawa Twinkle Garden

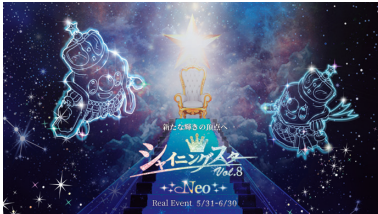


The Game of Life: REBORN in 2050 at Expo 2025 Osaka, Kansai, Japan for Nippon Life Insurance Company



Hybrid Events

These are events that people can enjoy and participate in on online platforms. They include events that take place either online only or in a combination of real-world and online spaces. In recent years, hybrid events that balance real-world experiences with broad reach have become the norm for fan-oriented events related to IP content.



17LIVE Shining Star Vol. 8 -Neo -



Integrated Promotions

Integrated promotions involve the combination of various real-world and digital approaches, including real-world events, digital content, TV commercials and other videos, social media, digital advertising, and PR. In FY2025, as well as an increase in video promotions, we saw more integrated promotions that begin with digital and video content and incorporate real-world events.



Aeon Mall Kawaguchi Maekawa 2025 renewal project

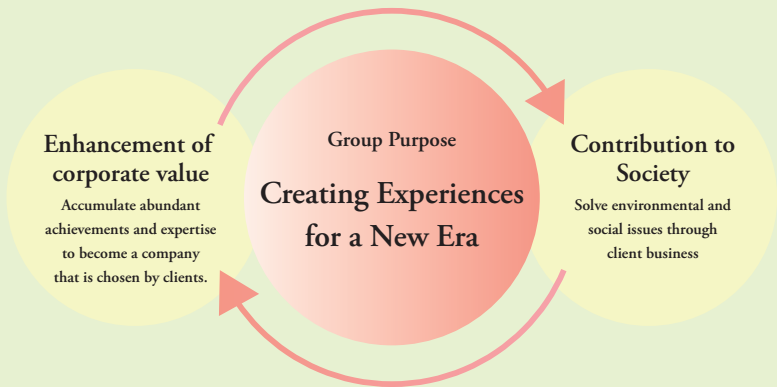


Adidas Originals
THE ORIGINAL LIVE TOUR TOKYO 2025

Sustainability

Through experiences created by individual employees, we will address corporate and social issues and become a company that achieves sustainable growth.

By contributing to a sustainable society through client business, we will accumulate achievements and expertise and grow into a company that is chosen by society.
Under our sustainability policy, we will work on four materiality issues in our aim for sustainable growth.



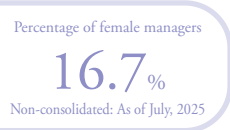
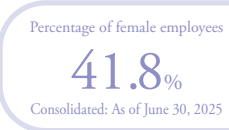
Materiality 1: Diverse personnel who will create experiences for a new era

Realize comfortable working environments

In the belief that the active participation and growth of diverse personnel, as well as their retention and increase in number, are essential, we are updating our environments and systems to support our employees' energetic participation. In FY2025, we implemented initiatives such as reduction of working hours and a lunch service for employees, and strengthened employee survey-based monitoring and staff interviews. Through such efforts, we succeeded in reducing staff turnover.

Support for fulfillment and growth

At TOW, we are strengthening the active participation of diverse personnel through means such as strengthening staff development and revision of evaluation systems. Against the background of the SDGs and the expansion of markets targeting women and young people, active participation by young people and women is increasing in our organization. Further, in recent years, we have also advanced ongoing improvements to employment terms and conditions in our efforts to create an environment in which each individual employee can work with a sense of reward.



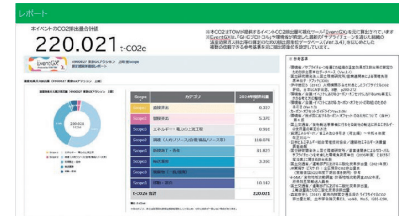
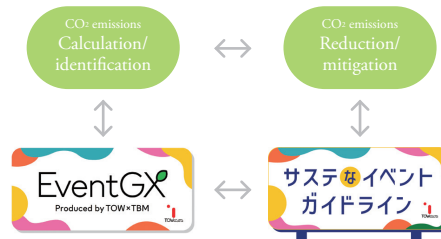
AnimeJapan2025 DMM TV Booth



SHISEIDO 'Bloom, the Hidden Power of Beauty, BELIEVE IN BEAUTY'

Materiality 2: Social contribution and global environmental protection

We are aiming to reduce CO₂ emissions from events with initiatives such as the sustainable event guidelines that we produced in 2023 and “EventGX,” a tool for calculating events’ CO₂ emissions that we began offering in 2024.



Materiality 3: Future potential of experiences

Responding to the increasing sophistication, complexity, and speed of promotions operations, we are accelerating the use of AI and other digital technologies in events and promotions, taking the lead in the further evolution of the experience domain. We are also advancing the incorporation of AI and technology in employees’ work with the aim of enhancing the sophistication and efficiency of operations and improving productivity. In FY2025, with the introduction of training in the use of AI targeting all employees and the adoption of various AI tools, we have established a foundation and culture for the use of AI. As a result, 80% of our employees now use AI on a daily basis in their work.



AI utilization training targeting all employees



Proposal image generated by employee with AI



CTC Forum 2024 Creating
“Your Future Name Card” with AI

Materiality 4: Upholding compliance

To realize our aim of “creating experiences for a new era,” we have reviewed our organization’s operational structures and are working on the rebuilding of our governance structure.

Structural investments that we are advancing for the strengthening of our foundations include the establishment of a Chief Governance Officer, training and mindset reform for the executive management and leadership levels, audits and system redesigns in collaboration with external experts, optimization of labor systems, and strengthening of practical capabilities through the recruitment of external talent and employee training.

Consolidated Balance Sheets

As of June 30, 2024 and 2025

Thousands of yen

	2024	2025		2024	2025
Assets			Liabilities		
Current assets:	12,326,014	12,255,082	Current liabilities:	4,422,371	3,880,050
Cash and deposits	8,452,900	8,128,004	Electronically recorded obligations – operating	11,379	-
Electronically recorded monetary claims – operating	86,586	57,428	Accounts payable - trade	2,034,816	1,595,965
Notes and accounts receivable – trade, and contract assets	3,455,249	3,654,751	Short-term loans	840,000	525,000
Prepaid expenses for ongoing projects	79,259	114,009	Current portion of long-term borrowings	-	16,706
Accounts receivable - other	40,792	19,499	Income taxes payable	611,511	352,456
Prepaid expenses	199,694	270,114	Reserve for employees' bonuses	31,171	31,475
Other	11,531	11,323	Labor-related provisions	-	580,000
Allowance for doubtful accounts	-	(48)	Other	893,491	778,446
Noncurrent assets:	1,759,236	1,964,430	Long-term liabilities:	360,525	447,457
Tangible fixed assets:	216,479	214,015	Long-term borrowings	-	71,483
Building, net	101,174	111,249	Net defined benefit liability	290,088	308,854
Tools, furniture and fixtures, net	115,304	102,766	Reserve for directors' retirement allowances	35,100	44,560
Leased assets, net	-	-	Deferred tax liabilities	12,777	-
Intangible assets:	44,974	145,465	Other	22,560	22,560
Investment and others:	1,497,783	1,604,948	Total liabilities	4,782,897	4,327,507
Investments in securities	1,161,604	1,072,597	Net assets		
Refundable insurance premium	19,655	19,765	Shareholders' equity:	8,752,724	9,418,711
Deferred tax assets	94,082	290,672	Capital stock	948,994	948,994
Leasehold deposits	194,307	193,123	Capital surplus	1,247,422	1,286,974
Other	28,133	28,789	Retained earnings	8,432,833	8,973,272
			Treasury stock	(1,876,526)	(1,790,530)
			Accumulated other comprehensive income:	539,161	462,826
			Net unrealized gains (losses) on other securities	539,161	462,826
			Subscription rights to shares:	10,467	10,467
			Total net assets	9,302,353	9,892,005
Total assets	14,085,251	14,219,513	Total liabilities and net assets	14,085,251	14,219,513

Note: The amounts listed above are rounded down to the nearest thousand yen.

Consolidated Statements of Income

Years ended June 30, 2024 and 2025

Thousands of yen

	2024	2025
Net sales	17,503,626	17,782,855
Cost of sales	14,564,431	14,599,161
Gross profit	2,939,194	3,183,694
Selling, general and administrative expenses	932,443	1,030,773
Operating income	2,006,751	2,152,920
Non-operating income	60,157	48,058
Non-operating expenses	8,606	6,760
Recurring profit	2,058,303	2,194,218
Extraordinary income	536	540
Extraordinary losses	3,443	583,283
Income before income taxes	2,055,396	1,611,475
Income taxes - current	727,069	664,285
Income taxes - deferred	(77,653)	(185,012)
Income before minority interests	1,405,980	1,132,201
Profit attributable to owners of parent	1,405,980	1,132,201

Note: The amounts listed above are rounded down to the nearest thousand yen.

Consolidated Statements of Cash Flows

Years ended June 30, 2024 and 2025

Thousands of yen

	2024	2025
Cash flows from operating activities	3,395,211	733,134
Cash flows from investing activities	(44,898)	(91,441)
Cash flows from financing activities	(678,936)	(966,589)
Net increase (decrease) in cash and cash equivalents	2,671,377	(324,895)
Cash and cash equivalents at beginning of year	5,781,523	8,452,900
Cash and cash equivalents at end of year	8,452,900	8,128,004

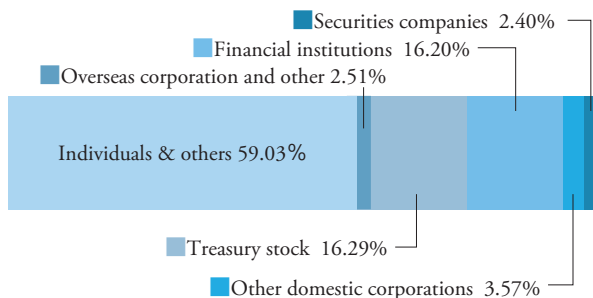
Note: The amounts listed above are rounded down to the nearest thousand yen.

Stock Information

As of June 30, 2025

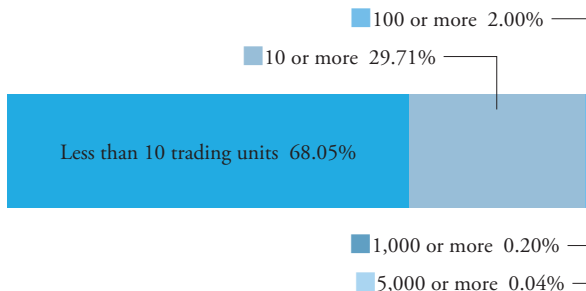
1. Number of shares authorized to be issued 120,000,000 shares | 2. Number of shares issued 48,969,096 shares | 3. Number of shareholders 18,233

Shareholders by Type



Shareholders by Number of Shares Held

(Breakdown of shareholders by number of shares held.)



Dividend Policy

Dividend policy and dividend for FY2026

Basic Policy

Under our two-pronged growth strategy of expanding clients and fields, we will expand our human capital and promote M&A. At the same time, considering the nature of our contract-based business model, which requires relatively low reinvestment and allows for steady accumulation of capital, we have re-acknowledged the stable return of profits as a key issue. Accordingly, we have adopted a policy of ongoing proactive returns to shareholders. As such, we will amend our dividend policy from FY2026 onward.

FY2026 Dividend

Until now, we have determined our minimum dividend based on (1) a consolidated dividend payout ratio, or (2) per-share dividend calculated by multiplying the closing share price on the day prior to the fiscal year-end financial results announcement by a dividend yield of 4.5%, whichever is higher; with (3) an upper limit of a consolidated dividend payout ratio of 50%, based on a fundamental policy of securing internal reserves. In FY2026 and beyond, while retaining these three indicators, we will review their respective numerical values to increase the minimum dividend and actively provide returns to shareholders.

	Before and until FY2025	FY2026 and beyond
Payout ratio	40%	50%
Dividend yield	4.5%	5.5%
Payout ratio equivalent upper limit	50%	60%

	Closing price on day before results announcement	Interim	Year-end	Total
FY2025	314 yen	7.5 yen	7.5 yen	15.0 yen
FY2026	323 yen	(Forecast) 9.15 yen	(Forecast) 9.15 yen	(Forecast) 18.30 yen

Corporate Profile

As of June 30, 2025

Name: TOW Co., Ltd.

Head Office: Hulic Kamiyacho Bldg. 3F, 4-3-13
Toranomon, Minato-ku, Tokyo 105-0001 Japan

Establishment: July 6, 1976

Paid-in Capital: ¥948,994 thousand

Number of Employees: 263 (Consolidated)

Main Business Lines: 1. Planning, production, construction, creation and management of events and seminars
2. Construction of buildings and erection of other structures, interior decoration, and electrical installation work performed under contract for promotional and other events
3. Planning and production of advertising and public relations events
4. Planning, production and management of media and media content, and performance thereof under contract
5. Planning, production, acquisition, administration and sales of video and audio software
6. Planning and production of sales promotion campaigns, and planning and publishing of exhibitions and interior decoration
7. Planning, production, sales and import/export of advertisements, promotional goods and premiums related to sales promotion
8. Planning, production and publishing of various printed matters
9. Planning and production related to integrated promotion that combines 1 to 8 above (i.e., experience design)

Shareholder Information

Business year: From July 1 to June 30 of the following year

Regular general meeting of shareholders: September every year

Administrator of stockholders' register and Mitsubishi UFJ Trust and Banking Corporation special account management institution: 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Contact: Corporate Agency Div., Mitsubishi UFJ Trust and Banking Corporation
7-10-11, Higashisuna, Koto-ku, Tokyo 137-8081, Japan

Tel (toll free number): 0120-232-711

Mailing address: Corporate Agency Div., Mitsubishi UFJ Trust and Banking Corporation
P.O. Box No. 29, Shin-Tokyo Post Office, 137-8081, Japan

One trading unit: 100 shares

Method of public notices: <https://tow.co.jp/>

(When electronic public notices are not possible due to accidents or other unavoidable reasons, they will be made available in the newspaper, the Nihon Keizai Shimbun.)

Directors and Corporate Auditors (As of September 25, 2025)

President	Kenichi Muratsu
Executive Vice President (CGO/Group CHRO)	Junpei Amemiya
Managing Director/Executive Officer	Kimihiko Ichikawa
Director/Executive Officer	Takehito Masumori
Executive Officer	Hiroki Takeshita
Executive Officer	Goichi Kawamura
Executive Officer	Shunichi Ebine

Executive Officer	Koji Eguchi
Executive Officer	Jun Sato
Chief Digital Officer (CDO)	Shinya Kanamori
Outside Director	Daisuke Yanasawa
Outside Director, Audit and Supervisory Committee Member	Tomosada Yoshikawa
Outside Director, Audit and Supervisory Committee Member	Shintaro Hagiwara
Outside Director, Audit and Supervisory Committee Member	Yuka Imanishi



TOW CO., LTD.
Hulic Kamiyacho Bldg. 3F, 4-3-13
Toranomom, Minato-ku, Tokyo 105-0001 Japan
Tel: +81-3-5777-1888

<https://tow.co.jp/>