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May 10, 2024

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Based on Japanese GAAP)

Company name: TAKAMIYA CO., LTD.
 Stock exchange listing: Tokyo (Prime Market)
 Stock code: 2445 URL: <https://corp.takamiya.co/>
 Representative: Representative Director, President and Chairman KAZUMASA TAKAMIYA
 Scheduled Date for Ordinary Shareholders' Meeting: June 26, 2024
 Scheduled date to commence dividend payments: June 11, 2024
 Scheduled quarterly report submission date: June 26, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (Scheduled to distribute financial results briefing video)

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	44,127	5.3	3,404	51.1	3,580	49.1	1,887	29.3
Fiscal year ended March 31, 2023	41,894	5.3	2,253	33.9	2,400	22.9	1,460	51.3

(Note) Comprehensive income Fiscal Year Ended March 31, 2024 : 2,101 million yen 17.7%
 Fiscal Year Ended March 31, 2023 : 1,786 million yen 50.1%

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income margin on total assets	Operating income margin
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	40.53	39.00	9.1	5.4	7.7
Fiscal year ended March 31, 2023	31.36	30.28	7.6	3.9	5.4

(2) Consolidated financial condition

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2024	68,945	22,157	31.1	460.95
Fiscal year ended March 31, 2023	62,749	20,522	31.7	427.08

(Reference) Shareholders' equity Fiscal Year Ended March 31, 2024 : 21,470 million yen
 Fiscal year Ended March 31, 2023 : 19,892 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2024	(180)	(3,187)	2,798	7,460
Fiscal year ended March 31, 2023	(14)	(1,205)	398	7,768

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2. Cash dividends

	Annual dividends per share					Total cash dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End 1Q	End 2Q	End 3Q	End 4Q	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal Year ended March 31, 2023	-	6.00	-	8.00	14.00	652	44.6	3.4
Fiscal Year ended March 31, 2024	-	6.00	-	8.00	14.00	652	34.5	3.2
Fiscal Year ended March 31, 2025 (Forecast)	-	6.00	-	8.00	14.00		32.6	

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q	22,600	8.7	1,150	(4.6)	930	(37.4)	500	(50.3)	10.73
Full year	49,500	12.2	3,600	5.7	3,220	(10.1)	2,000	5.9	42.93

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Notes

(1) Changes in significant subsidiaries during the current quarter consolidated cumulative period (changes in specified subsidiaries resulting in changes in the scope of consolidation) : None

(2) Changes in accounting policies, changes in accounting estimates, and restatements

- ① Changes in accounting policies due to revision of accounting standards, etc.: None
- ② Changes in accounting policies other than (1) above : None
- ③ Changes in accounting estimates : None
- ④ Restatement : None

(3) Number of shares issued (common stock)

① Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	46,585,600 shares	As of March 31, 2023	46,585,600 shares
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② Number of treasury shares at the end of the period

As of March 31, 2024	7,080 shares	As of March 31, 2023	7,020 shares
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③ Average number of shares during the period (cumulative quarterly)

As of March 31, 2024	46,578,553 shares	As of March 31, 2023	46,578,580 shares
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(Reference) Summary of Non-Consolidated Financial Results

Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

Percentage figures represent changes from the previous fiscal year.

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal Year ended March 31, 2024	36,297	6.2	2,183	156.7	2,525	111.3	1,096	121.8
Fiscal Year ended March 31, 2023	34,177	2.3	850	17.1	1,195	1.7	494	(3.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal Year ended March 31, 2024	23.54		22.65	
Fiscal Year ended March 31, 2023	10.61		10.25	

(2) Non-consolidated financial position

	Total assets		Net assets		Capital adequacy ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
Fiscal Year ended March 31, 2024	60,677		17,761		28.5		370.90	
Fiscal Year ended March 31, 2023	54,964		17,202		30.5		359.98	

(Reference) Shareholders' equity

Fiscal year ended March 31, 2024: 17,276 million yen

Fiscal year ended March 31, 2023: 16,767 million yen

* The quarterly financial statements are not subject to audit by certified public accountants or auditing firms.

*Explanation of the appropriate use of financial forecasts and other special notes

(Cautionary Note Regarding Forward-Looking Statements, etc.)

The forward-looking statements, including business forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ materially due to a variety of factors. Please refer to "1. Qualitative information on quarterly financial results (4) Outlook for the Future" on page 3 of the attached materials for the conditions that form the assumptions for the forecast of financial results and cautions concerning the use of the forecast of financial results.

(How to obtain supplementary financial statement explanations)

The supplementary financial statement explanations will be posted on our company's website.

(How to obtain information on financial results)

We plan to stream the financial statement explanations through video on our company's website.

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Table of contents of attached documents

1. Summary of Business Performance.....	2
(1) Overview of Current Period's Business Performance.....	2
(2) Summary of the Current Fiscal Period's Financial Condition.....	2
(3) Summary of cash flows for the current fiscal year.....	3
(4) Outlook for the Future.....	3
2. Fundamental Principles for Selecting Accounting Standards.....	3
3. Consolidated financial statements and major notes.....	4
(1) Consolidated balance sheets	4
(2) Consolidated Income Statement and Consolidated Statement of Comprehensive Income	6
Consolidated Income Statement	6
Consolidated Statement of Comprehensive Income	7
(3) Consolidated Statement of Changes in Shareholders' Equity.....	8
(4) Consolidated Statements of Cash Flows.....	10
(5) Notes to the Consolidated Financial Statements Flows.....	12
(Notes on going concern assumption)	12
(Change in the Scope of Consolidation or Application of Equity Method)	12
(Segment information)	12
(Per share information)	14
(Significant subsequent events)	14

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1. Summary of Business Performance

(1) Overview of Current Period's Business Performance

In the current consolidated fiscal year, the global economy has been transitioning with a recovery trend as the restrictions on economic activities due to the impact of the COVID-19 pandemic have eased. However, uncertainties persist in the economic outlook due to ongoing geopolitical risks such as the prolonged Russia-Ukraine issue and escalating tensions in the Middle East.

In such an environment, our group announced in the Medium-term management plan on May 31, 2021, the management vision of 'Creating new value through transformation and aiming for sustainable growth by becoming a partner company for our customers. We have been progressing in the transition to a new business model, particularly by promoting the 'Takamiya Platform' to provide high-value-added services to Iq System purchasing customers announced on May 31, 2023.

We have been expanding functionalities such as the web-based interface 'OPERA' for all services provided on the 'Takamiya Platform' and the digital marketplace 'Iq-Bid' that allows free purchase and sale of construction temporary equipment. Additionally, the user account base for the operation management service 'OPE-MANE' of the main service, Iq System, has also increased.

As a result, the business performance for the current consolidated fiscal year amounted to Net sales of 44,127 million yen (an increase of 5.3% compared to the previous year), Operating income of 3,404 million yen (an increase of 51.1% compared to the previous year), Ordinary income of 3,580 million yen (an increase of 49.1% compared to the previous year), and Profit attributable to owners of parent of 1,887 million yen (an increase of 29.3% compared to the previous year).

The business performance by segment is as follows.

(Sales business)

In the temporary equipment division, there was considerable interest in the 'Takamiya Platform,' and while there were inquiries for new procurement, replacements, and additional purchase projects, concerns over soaring material prices, labor shortages, and uncertainties such as construction delays due to the postponement of purchase timing were raised, including the Bank of Japan's reduction in monetary easing. As a result, sales remained sluggish. On the other hand, with the proliferation of the 'Takamiya Platform,' high-value-added services such as 'OPE-MANE' were well-received, leading to an increase in transaction prices for construction temporary equipment on the 'Takamiya Platform,' contributing to an improvement in profit margins.

Outside of the temporary equipment division, sales in solar-related materials saw a decrease as large-scale solar projects that had been ongoing since the previous period reached completion.

As a result of these factors, Net sales amounted to 12,597 million yen (a decrease of 4.3% compared to the previous year) and Operating income reached 1,701 million yen (an increase of 43.0% compared to the previous year)."

(Rental Business)

In the construction sector, rental demand remained high, particularly in the maintenance and repair works in the Greater Tokyo Area, while rental demand also increased in the civil engineering sector due to a recent uptick in site activities. As a result, the rental volume of construction temporary equipment continued at a high level surpassing the previous period. Additionally, we expanded our equipment lineup and worked on further efficiency improvements in the operation of construction temporary equipment at equipment bases such as Takamiya Lab.West, as well as ensuring a stable supply system for 'Takamiya Platform' users.

These efforts led to sales of 28,214 million yen (an increase of 14.2% compared to the previous year) and operating income of 3,691 million yen (an increase of 41.4% compared to the previous year)."

(Overseas Business)

In the manufacturing sector, there were no significant impacts on the procurement of raw materials and parts, and shipments of construction temporary equipment to Japan from HORY VIETNAM (Vietnam) and Hory Korea (South Korea) remained strong.

In Hory Korea, which has an overseas sales department, concerns about the global economic downturn led to a similar trend in rental usage as seen in Japan within the temporary facilities division. Additionally, sales of solar-related materials decreased outside of the temporary facilities division, resulting in a decrease in sales revenue.

At DIMENSION-ALL INC. (Philippines), although economic activities showed signs of recovery, changes in project timelines due to reassessments of large-scale projects resulted in lower sales compared to the previous period.

As a result of these factors, sales amounted to 7,897 million yen (a decrease of 12.1% compared to the previous year) and operating income reached 320 million yen (a decrease of 20.7% compared to the previous year)."

(2) Summary of the Current Fiscal Period's Financial Condition

At the end of the current consolidated fiscal year, total assets amounted to 68,945 million yen, representing an increase of 6,195 million yen compared to the end of the previous consolidated fiscal year. The main factors contributing to this increase were a decrease in cash and deposits of 510 million yen, an increase in notes receivable of 946 million yen, an increase in merchandise and finished goods of 951 million yen, an increase in leased assets (net amount) of 3,890 million yen, and an increase in land of 1,292 million yen, among others.

Total liabilities amounted to 46,787 million yen, representing an increase of 4,560 million yen compared to the end of the previous consolidated fiscal year. The main factors contributing to this increase were an increase in bonds (including current portion of bonds) of 1,312 million yen and an increase in long-term loans payable (including current portion of long-term loans payable) of 2,531 million yen, among others.

Total net assets amounted to 22,157 million yen, representing an increase of 1,635 million yen compared to the end of the previous consolidated fiscal year. The main factors contributing to this increase were an increase in retained earnings of 1,374 million yen, among others.

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(3) Summary of cash flows for the current fiscal year

The cash and cash equivalents at the end of the current consolidated fiscal year decreased by 308 million yen compared to the end of the previous consolidated fiscal year, amounting to 7,460 million yen (a decrease of 4.0% compared to the previous year).

The status and factors of each cash flow are as follows.

(Cash flows from operating activities)

The cash flow from operating activities resulted in an expenditure of 180 million yen (compared to an expenditure of 14 million yen in the previous consolidated fiscal year). This is mainly due to Profit before income taxes of 3,186 million yen, depreciation of 5,430 million yen, Purchase of assets for rent of 1,634 million yen, Decrease (increase) in inventories of 6,398 million yen.

(Cash flows from investing activities)

The cash flow from investment activities resulted in an expenditure of 3,187 million yen (compared to an expenditure of 1,205 million yen in the previous consolidated fiscal year). This is mainly due to Purchase of property, plant and equipment of 3,416 million yen.

(Cash flows from financing activities)

The cash flow from financing activities resulted in an income of 2,798 million yen (compared to an income of 398 million yen in the previous consolidated fiscal year). This is mainly due to Proceeds from long-term loans payable of 8,500 million yen, Repayments of long-term loans payable of 5,971 million yen.

(4) Outlook for the Future

In the future outlook, our group's major trading partner, the construction industry, may face challenges such as the 2024 labor hour restriction issue, rising construction costs due to increased resource prices, high crude oil prices, and energy price hikes, as well as potential impacts from the Bank of Japan's policy review leading to higher interest rates. Concerns such as global inflation and economic slowdown could pose uncertainties and continue to create an opaque economic environment.

Domestically, the construction investment sector is experiencing delays and postponements in projects due to high oil prices, increased construction material costs, and a shortage of skilled labor. However, there is stability seen in nationwide infrastructure improvement projects driven by initiatives like the National Resilience Plan. There's also a steady demand for warehouses and logistics facilities, coupled with plans for new semiconductor factories and data center construction due to the proliferation of AI, indicating robust movement in private-sector facility investments.

Considering these conditions, our company has developed a new medium-term management plan starting from the fiscal year ending March 2025, focusing on the platform business to address challenges in the construction and temporary facilities industries and reform our revenue base. Going forward, we will actively enhance the convenience of the platform through equipment base (logistics hub) and service reinforcement, alongside promoting digital transformation (DX) for improved management efficiency, aiming for increased users and revenue. Additionally, we will invest in human capital by revising starting salaries and personnel systems to promote DX and value-added creation, thus strengthening our management foundation.

In our overseas business, we anticipate a continued challenging environment due to local subsidiary dynamics. However, we have seen some improvement in segment business profitability trends, indicating progress in rebuilding our management foundation. Going forward, we will continue to focus on enhancing and expanding our business infrastructure to steadily improve profitability.

As a result, our group anticipates increased investment for Takamiya Platform development and expanded human capital investment, leading to increased depreciation and cost burdens, making significant profit improvement challenging. As part of our commitment to strengthening our management approach focusing on capital costs and share prices, each department and affiliated company within our group will set KPIs and implement specific actions toward achieving targets, balancing both business income and asset efficiency to achieve future revenue while transitioning to a resilient corporate structure capable of consistently generating profits.

Through these activities, we expect our consolidated performance for the fiscal year ending March 31, 2025 to achieve net sales of 49,500 million yen, operating income of 3,600 million yen, ordinary income of 3,220 million yen, and Profit attributable to owners of parent of 2,000 million yen.

2. Fundamental Principles for Selecting Accounting Standards

Our group policy is to prepare consolidated financial statements using Japanese standards, taking into account the comparability of financial statements over periods and comparability between companies.

Regarding the application of international accounting standards, we intend to appropriately respond after considering domestic and international circumstances.

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3. Consolidated financial statements and major notes
(1) Consolidated Balance Sheet

Million yen

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Assets		
Current assets		
Cash and deposits	8,296	7,786
Notes receivable - trade	2,430	3,377
Accounts receivable - trade	9,022	8,649
Contract assets	-	6
Merchandise and finished goods	5,423	6,375
Work in process	1,308	1,244
Raw materials and supplies	1,452	1,344
Other	819	617
Allowance for doubtful accounts	(323)	(327)
Total current assets	28,430	29,073
Non-current assets		
Property, plant and equipment		
Assets for rent	42,592	48,227
Accumulated depreciation - Assets for rent	(28,243)	(29,987)
Assets for rent, net	14,349	18,240
Buildings and structures	10,084	10,640
Accumulated depreciation and impairment loss	(4,359)	(5,184)
Buildings and structures, net	5,725	5,455
Machinery, equipment and vehicles	3,683	4,029
Accumulated depreciation	(2,171)	(2,566)
Machinery, equipment and vehicles, net	1,512	1,463
Land	7,766	9,058
Leased assets	1,224	1,432
Accumulated depreciation	(922)	(1,080)
Leased assets, net	301	352
Construction in progress	145	769
Other	1,858	2,166
Accumulated depreciation	(1,365)	(1,639)
Other, net	492	527
Total tangible assets	30,292	35,867
Intangible assets		
Leasehold right	327	327
Other	418	381
Total intangible fixed assets	746	709
Investments and other assets		
Investment securities	379	452
Guarantee deposits	760	758
Net defined benefit asset	80	154
Deferred tax assets	745	612
Other	1,382	1,473
Allowance for doubtful accounts	(68)	(156)
Total investments and other assets	3,280	3,294
Total non-current assets	34,318	39,871
Total assets	62,749	68,945

Million yen

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,010	6,746
Short-term loans payable	3,909	3,986
Current portion of bonds	1,167	785
Current portion of long-term loans payable	5,749	5,792
Lease obligations	311	364
Income taxes payable	392	922
Contract liability	110	-
Provision for bonuses	466	564
Notes payable - facilities	306	391
Other	2,454	2,870
Total current liabilities	21,878	22,424
Non-current liabilities		
Bonds payable	4,263	5,958
Long-term loans payable	12,253	14,742
Lease obligations	690	525
Net defined benefit liability	1,021	1,042
Asset retirement obligations	34	34
Other	2,085	2,059
Total non-current liabilities	20,349	24,363
Total liabilities	42,227	46,787
Net assets		
Shareholders' equity		
Capital stock	1,052	1,052
Capital surplus	1,910	1,910
Retained earnings	16,514	17,888
Treasury shares	(3)	(3)
Total shareholders' equity	19,473	20,847
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	62	134
Deferred gains or losses on hedges	(1)	(0)
Foreign currency translation adjustment	368	453
Remeasurements of defined benefit plans	(9)	34
Total accumulated other comprehensive income	419	622
Subscription rights to shares	434	485
Non-controlling interest	194	201
Total net assets	20,522	22,157
Total liabilities and net assets	62,749	68,945

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(2) Consolidated Income Statement and Consolidated Statement of Comprehensive Income

Consolidated Income Statement

Million yen

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	41,894	44,127
Cost of sales	29,307	29,699
Gross profit	12,587	14,428
Selling, general and administrative expenses	10,334	11,023
Operating income	2,253	3,404
Non-operating income		
Interest income	4	12
Dividend income	9	11
Rent income	101	97
Gain on sales of scrap	186	156
Foreign exchange gains	130	290
Other	69	100
Total non-operating income	503	668
Non-operating expenses		
Interest expenses	211	269
Commission fee	59	119
Bond issuance costs	20	41
Other	63	61
Total non-operating expenses	355	492
Ordinary income	2,400	3,580
Extraordinary income		
Gain on sales of non-current assets	45	55
Gain on sales of investment securities	1	-
Total extraordinary income	46	55
Extraordinary losses		
Loss on retirement of non-current assets	39	1
Provision of allowance for doubtful accounts for subsidiaries and associates	36	88
Loss on valuation of stocks of subsidiaries and affiliates	91	-
Loss on valuation of investments in capital of subsidiaries and associates	99	-
Loss on liquidation of subsidiaries and associates	-	16
Impairment loss	-	343
System Failure Handling Costs	43	-
Total extraordinary loss	310	449
Profit before income taxes	2,136	3,186
Income taxes - current	642	1,187
Income taxes - deferred	18	100
Total income taxes	661	1,287
Profit	1,475	1,898
Profit attributable to non-controlling interests	14	10
Profit attributable to owners of parent	1,460	1,887

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Consolidated Statement of Comprehensive Income

Million yen

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,475	1,898
Other comprehensive income		
Valuation difference on available-for-sale securities	6	72
Deferred gains or losses on hedges	4	1
Foreign currency translation adjustment	269	85
Remeasurements of defined benefit plans, net of tax	30	43
Total other comprehensive income (loss)	311	203
Comprehensive income	1,786	2,101
(Breakdown)		
Comprehensive income attributable to owners of parent	1,771	2,091
Comprehensive income attributable to minority interests	14	10

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(3) Consolidated Statement of Changes in Shareholders' Equity

Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	1,052	1,910	15,705	(3)	18,665
Changes during the period					
Issuance of new shares (Exercise of new shares acquisition rights)					-
Dividends from Surplus			(652)		(652)
Profit attributable to owners of parent			1,460		1,460
Purchase of Treasury Stock					-
Changes in the Scope of Consolidation					-
Changes in items other than shareholders' equity (net)					-
Total changes of items during the period	-	-	808	-	808
Balance at the end of current period	1,052	1,910	16,514	(3)	19,473

	Accumulated other comprehensive income (loss)					Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)			
Balance at the beginning of current period	55	(6)	98	(39)	108	384	179	19,337
Changes during the period								
Issuance of new shares (Exercise of new shares acquisition rights)								-
Dividends from Surplus								(652)
Profit attributable to owners of parent								1,460
Purchase of Treasury Stock								-
Changes in the Scope of Consolidation								-
Changes in items other than shareholders' equity (net)	6	4	269	30	311	50	14	376
Total changes of items during the period	6	4	269	30	311	50	14	1,184
Balance at the end of current period	62	(1)	368	(9)	419	434	194	20,522

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Current consolidated fiscal year (From April 1, 2023 to March 31, 2024)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	1,052	1,910	16,514	(3)	19,473
Changes during the period					
Issuance of new shares (Exercise of new shares acquisition rights)					-
Dividends from Surplus			(652)		(652)
Profit attributable to owners of parent			1,887		1,887
Purchase of Treasury Stock				(0)	(0)
Changes in the Scope of Consolidation			138		138
Changes in items other than shareholders' equity (net)					-
Total changes of items during the period	-	-	1,374	(0)	1,374
Balance at the end of current period	1,052	1,910	17,888	(3)	20,847

	Accumulated other comprehensive income (loss)					Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)			
Balance at the beginning of current period	62	(1)	368	(9)	419	434	194	20,522
Changes during the period								
Issuance of new shares (Exercise of new shares acquisition rights)								-
Dividends from Surplus								(652)
Profit attributable to owners of parent								1,887
Purchase of Treasury Stock								(0)
Changes in the Scope of Consolidation								138
Changes in items other than shareholders' equity (net)	72	1	85	43	203	50	6	260
Total changes of items during the period	72	1	85	43	203	50	6	1,635
Balance at the end of current period	134	(0)	453	34	622	485	201	22,157

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(4) Consolidated Statements of Cash Flows

(Unit: Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,136	3,186
Depreciation	5,140	5,430
Impairment loss	-	343
Loss on retirement of assets for rent	22	7
Loss on sales of assets for rent	50	81
Purchase of assets for rent	(922)	(1,634)
Increase (decrease) in allowance for doubtful accounts	53	65
Increase (decrease) in provision for bonuses	128	96
Increase (decrease) in net defined benefit liability	(6)	5
Share-based compensation expenses	50	50
Interest and dividend income	(14)	(23)
Interest expenses	211	269
Foreign exchange gains (losses)	(134)	(296)
Loss (gain) on sales of property, plant and equipment	(45)	(55)
Loss on retirement of property, plant and equipment	39	1
Loss (gain) on sales of investments securities	(1)	-
Loss on valuation of shares of subsidiaries and associates	91	-
Loss on valuation of investments in capital of subsidiaries and associates	99	-
Loss (gain) on liquidation of subsidiaries and associates	-	16
Decrease (increase) in notes and accounts receivable - trade	(525)	(306)
Decrease (increase) in inventories	(5,688)	(6,398)
Increase (decrease) in notes and accounts payable - trade	143	(583)
Other	49	484
Subtotal	880	740
Interest and dividend income received	14	23
Interest expenses paid	(212)	(259)
Income taxes paid	(696)	(686)
Net cash provided by (used in) operating activities	(14)	(180)

(Unit: Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Payments into time deposits	(667)	(654)
Proceeds from withdrawal of time deposits	460	867
Purchase of property, plant and equipment	(938)	(3,416)
Proceeds from sales of property, plant and equipment	183	119
Purchase of intangible assets	(113)	(100)
Purchase of investment securities	(46)	(4)
Proceeds from sales of investment securities	17	-
Payments of loans receivable	(103)	-
Collection of loans receivable	1	2
Net cash provided by (used in) investing activities	(1,205)	(3,187)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,234	15
Repayments of lease obligations	(368)	(356)
Proceeds from long-term loans payable	6,060	8,500
Repayments of long-term loans payable	(6,006)	(5,971)
Proceeds from issuance of bonds	1,177	2,434
Redemption of bonds	(1,047)	(1,167)
Purchase of treasury shares	-	(0)
Cash dividends paid	(652)	(652)
Dividends paid to non-controlling interests	-	(4)
Net cash provided by (used in) financing activities	398	2,798
Effect of exchange rate change on cash and cash equivalents	74	75
Net increase (decrease) in cash and cash equivalents	(747)	(495)
Cash and cash equivalents at beginning of period	8,516	7,768
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	186
Cash and cash equivalents at end of period	7,768	7,460

FOR TRANSLATION PURPOSE ONLY

(5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Change in the Scope of Consolidation or Application of Equity Method)

From the current consolidated fiscal year, ECO-TRY Co., Ltd., which was previously a non-consolidated subsidiary, has been included in the scope of consolidation due to increased significance.

(Segment information)

1. Overview of Reporting Segments

Our group's reporting segments are units for which separate financial information is available, and they are regularly reviewed by the Board of Directors to determine resource allocation and assess performance. Our group consists of three reporting segments: the Sales Business, which focuses on the manufacture and sale of construction temporary equipment, the Rental Business, which focuses on renting construction temporary equipment, and the Overseas Business, which focuses on the sale and rental of construction temporary equipment overseas.

2. Calculation Method for Revenue, Profit, or Loss by Reporting Segment

The accounting treatment of the reported business segments follows the accounting policies adopted to prepare the consolidated financial statements.

The profit of the reporting segments is based on operating profit.

Internal revenues and transfers between segments are based on market prices.

Assets are not allocated to business segments, but depreciation expenses are allocated.

3. Information on Revenue, Profit or Loss for Each Reporting Segment and Revenue Breakdown Information

Previous Consolidated Fiscal Year (From April 1, 2022, to March 31, 2023)

(Million yen)

	Sales Business	Rental Business	Overseas Business	Total	Adjustment (Note 1&2)	Amount allocated on consolidated statements of income (Note 3)
Net sales						
Income from contracts with customers	12,924	13,246	3,426	29,596	-	29,596
Other income	-	11,430	867	12,297	-	12,297
Net sales to external customers	12,924	24,676	4,293	41,894	-	41,894
Intersegment sales and transfers Net sales or transfer amount	232	38	4,693	4,963	(4,963)	-
Total	13,157	24,714	8,986	46,858	(4,963)	41,894
Segment income	1,189	2,610	404	4,204	(1,951)	2,253
Other Items						
Depreciation and Amortization Expense	344	3,940	537	4,822	318	5,140

Notes 1. The segment profit adjustment amount of (1,951) million yen includes the elimination of inter-segment transactions of 244 million yen and company-wide expenses of (2,195) million yen that are not allocated to each reporting segment. Company-wide expenses are mainly general and administrative expenses that do not belong to the reporting segment.

2. The adjustment amount of 318 million yen for depreciation and amortization expense pertains to depreciation and amortization expenses related to company-wide assets that do not belong to any specific reporting segment.

3. Segment income is adjusted with operating income on the quarterly consolidated income statement.

4. Other income includes lease income based on ASBJ Statement No. 13, "Accounting Standard for Lease Transactions."

FOR TRANSLATION PURPOSE ONLY

The current consolidated fiscal year (from April 1, 2023, to March 31, 2024)

(Million yen)

	Sales Business	Rental Business	Overseas Business	Total	Adjustment (Note 1&2)	Amount allocated on consolidated statements of income (Note 3)
Net sales						
Income from contracts with customers	12,487	15,029	3,092	30,608	-	30,608
Other income	-	13,123	395	13,519	-	13,519
Net sales to external customers	12,487	28,152	3,488	44,127	-	44,127
Intersegment sales and transfers	110	61	4,409	4,581	(4,581)	-
Net sales or transfer amount						
Total	12,597	28,214	7,897	48,709	(4,581)	44,127
Segment income	1,701	3,691	320	5,713	(2,308)	3,404
Other Items						
Depreciation and Amortization Expense	376	4,226	525	5,128	302	5,430

- Notes
1. The segment profit adjustment amount of (2,308) million yen includes inter-segment transaction elimination of 155 million yen and company-wide expenses of (2,464) million yen not allocated to each reporting segment. Company-wide expenses are mainly general and administrative expenses that do not belong to the reporting segment.
 2. The adjustment amount of 302 million yen for depreciation and amortization expense pertains to depreciation and amortization expenses related to company-wide assets that do not belong to any specific reporting segment.
 3. Segment income is adjusted with operating income on the quarterly consolidated income statement.
 4. Other income includes leasing income, etc. based on Corporate Accounting Standard No. 13 "Accounting Standard for Lease Transactions".

FOR TRANSLATION PURPOSE ONLY

(Per share information)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	427.08 yen	460.95 yen
Net income per share	31.36 yen	40.53 yen
Diluted earnings per share	30.28 yen	39.00 yen

Notes: 1. The basis for calculation of net income per share and diluted net income per share is as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net income per share		
Profit attributable to owners of parent (Million yen)	1,460	1,887
Amount not attributable to common shareholders (Million yen)	-	-
Profit attributable to owners of parent applicable to common stock (Million yen)	1,460	1,887
Average number of shares of common stock during the period (Thousand shares)	46,578	46,578
Diluted earnings per share		
Adjusted profit attributable to owners of parent (Million yen)	-	-
Increase in number of common stocks (Thousand shares)	1,650	1,824
number of shares with subscription rights (Thousand shares)	1,650	1,824
Summary of residual securities not included in calculating diluted earnings per share, because of having no dilution effect	-	-

2. The basis for the calculation of net assets per share is as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Total net assets (Million yen)	20,522	22,157
Deduction from total net assets (Million yen)	629	686
With subscription rights (Million yen)	434	485
For non-controlling shareholders (Million yen)	194	201
End of period net assets applicable to common stock (Million yen)	19,892	21,470
End of period number of share used for calculating net assets per share (Thousand shares)	46,578	46,578

(Significant subsequent events)

Not applicable