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May 9, 2019

## Summary of Consolidated Financial Results for the Year Ended March 31, 2019 (Based on Japanese GAAP)

Company name: TAKAMIYA CO., LTD. (formerly SRG TAKAMIYA CO., LTD.)  
 Stock exchange listing: Tokyo  
 Stock code: 2445 URL: <https://www.takamiya.co/>  
 Representative: President and Representative Director KAZUMASA TAKAMIYA  
 Inquiries: Executive Officer and General Manager,  
 Finance & Accounting Department TOMOYA TATSUMI TEL: 81-6-6375-3918  
 Scheduled date of ordinary general meeting of shareholders: June 26, 2019  
 Scheduled date to file Securities Report: June 26, 2019  
 Scheduled date to commence dividend payments: June 11, 2019  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

## (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	%
Year ended March 31, 2019	42,182	16.8	2,713	60.5	2,662	65.4	1,637	30.8
Year ended March 31, 2018	36,114	(1.8)	1,690	(30.4)	1,610	(31.1)	1,252	(17.4)

(Note) Comprehensive income Year ended March 31, 2019: 1,464 million yen (15.2%)  
 Year ended March 31, 2018: 1,271 million yen ((17.4)%)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	yen	yen	%	%	%
Year ended March 31, 2019	38.22	37.06	12.0	5.0	6.4
Year ended March 31, 2018	29.26	28.38	9.8	3.1	4.7

(Reference) Equity in earnings of affiliated companies Year ended March 31, 2019: — million yen  
 Year ended March 31, 2018: 109 million yen

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2019	54,414	14,575	26.0	330.62
As of March 31, 2018	52,813	13,552	25.0	307.89

(Reference) Shareholders equity As of March 31, 2019: 14,170 million yen  
 As of March 31, 2018: 13,190 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
Year ended March 31, 2019	3,653	(1,728)	(1,243)	5,414
Year ended March 31, 2018	1,714	(1,909)	(222)	4,750

## 2. Cash dividends

	Annual dividends per share					Total cash dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2018	—	4.00	—	7.00	11.00	471	37.6	3.7
Year ended March 31, 2019	—	4.00	—	7.00	11.00	471	28.8	3.4
Year ending March 31, 2020 (forecasts)	—	6.00	—	7.00	13.00		28.7	

Note: Interim dividend (forecast) at the 2Q-end of the Year ending March 31, 2020 (6.00 yen) comprises ordinary dividend of 4.00 yen and 50th anniversary commemorative dividend of 2.00 yen. For detail, please refer to "Notices concerning 50th Anniversary Commemorative Dividend" as announced today.

## 3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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
Six months ending September 30, 2019	21,200	2.2	1,180	8.5	1,060	(5.4)	710	1.6	16.56
Full year	44,700	6.0	3,200	17.9	2,920	9.7	1,940	18.5	45.26

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Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2019

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2019	45,467,600 shares	As of March 31, 2018	45,447,600 shares
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② Number of treasury shares at the end of the period

As of March 31, 2019	2,606,971 shares	As of March 31, 2018	2,606,863 shares
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③ Average number of shares during the period

Year ended March 31, 2019	42,841,397 shares	Year ended March 31, 2018	42,794,451 shares
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(Reference) Unconsolidated financial results

1. Unconsolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Unconsolidated operating results

Percentages indicate year-on-year changes

	Net Sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2019	33,946	18.2	1,850	162.0	2,120	108.9	1,004	(74.2)
Year ended March 31, 2018	28,723	(4.1)	706	(64.8)	1,014	(55.0)	3,894	133.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2019	23.46		22.74	
Year ended March 31, 2018	90.99		88.27	

(2) Unconsolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
Year ended March 31, 2019	47,742		13,754		28.2		314.01	
Year ended March 31, 2018	47,808		13,212		27.1		302.15	

(Reference) Shareholders equity As of March 31, 2019: 13,458 million yen  
As of March 31, 2018: 12,944 million yen

\* Summary of financial results is not covered by audit by a certified public accountant or an auditing firm.

\* Explanation regarding appropriate use of the earnings forecast and other special notes

(notes on descriptions about the future, etc.)

Descriptions about the future such as performance forecasts contained in this document are based on information currently available to the Company and certain presumptions considered as reasonable, and those are not intended to indicate the Company should assure that it would realize such forecasts. Meanwhile, actual performance in the future may differ substantially, influenced by a wide variety of factors. For preconditions for performance forecasts and precaution statements in using such forecasts, please see the appendix, page 3, "1. Overall operating results, etc., (4) Forecasts for the future".

(how to obtain supplementary references regarding financial results and materials for financial results briefing)

The Company will hold its financial results briefing for institutional investors and analysts on May 28, 2019 (Tue.). Supplementary references regarding financial results provided at the time of this briefing will be posted on our website immediately thereafter.

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## 1. Overall operating results, etc.

## (1) Overall operating results of the current period

During the current consolidated cumulative period, global economy has shown gradual upswing thanks to improvement in overall corporate profit and employment environment mainly in Japan and the U.S.A. However, domestically on one hand, natural disasters hit many places, and on the other hand, global prospects have still been under unpredictable and unclear situation, especially concerns about consequences of the recent U.S.-China trade conflicts.

In the domestic construction industry in which the Group operates, our environment for receiving orders has largely been steadily growing, including large-scale redevelopment work around Tokyo metropolitan area and those related to the upcoming Olympic/Paralympic Games in Tokyo, and additionally, investment in public projects such as infrastructure improvement. At the same time, however, shortage of construction workers and stricter safety criteria have become significant issues for our industry. In these circumstances, needs have increased for temporary equipment that is safer and easier to set up, and there is increasingly much momentum for expanding the market of next generation scaffolding.

Also in the overseas construction industry, notably in ASEAN region where the Group has its business bases, demands for temporary equipment in connection with both manufacture and sales have gradually increased in the context of, for example, vigorous investment in construction in the Philippines such as public infrastructure/urban development, and promotion of inviting foreign capital into Vietnam.

In such an environment, the Group has, since January 2018 when it merged Hory Corp., a manufacturing subsidiary, put its efforts to business reconstruction in order to carry out one-stop management ranging from development to production and sales.

Consequently, operating results of the current consolidated fiscal year period were as follows: net sales of 42,182,131,000 yen (increase by 16.8% YoY); operating income of 2,713,887,000 yen (increase by 60.5% YoY); ordinary income of 2,662,681,000 yen (increase by 65.4% YoY); and net profit attributable to owners of parent of 1,637,516,000 yen (increase by 30.8% YoY).

Operating results of individual business segments are as follows.

## (Sales business)

In terms of sales to external customers, proactive sales activities recommending various solutions have been rolled out in the context of construction demands rising vigorously and stricter safety criteria. This has led to successful performance of sales business not only attracting new customers but also additional sales to existing customers, especially the next generation scaffolding, "Iq System" and other related materials (net sales to external customers increased by 25.6% YoY).

Meanwhile, inter-segment sales considerably decreased due to merger of Hory Corp., a manufacturing subsidiary (inter-segment sales decreased by 93.3% YoY).

As for profitability, effects of cost reduction have gradually appeared thanks to integration of the manufacturing subsidiary.

These operations resulted in net sales of 13,512,942,000 yen (increase by 8.5% YoY) and operating income of 1,670,133,000 yen (increase by 40.1% YoY).

## (Rental business)

Regarding private construction work, the Group has, in an environment where demands rise vigorously, proposed various services together with scaffolding set-up, in addition to providing temporary equipment that is easier and safer to set up, centered on the "Iq System". Moreover, shipment has been going smoothly in the field of civil engineering and bridge construction where prominent delay in commencement of work had been observed. As a result, during the current consolidated fiscal year, overall rental quantities of temporary equipment including those for private construction work, civil engineering and bridge construction remained at high level. In addition, investment in temporary equipment for rent passed a peak and therefore depreciation that had been on an upward trend returned to almost the same level as the previous consolidated fiscal year.

These operations resulted in net sales of 23,519,599,000 yen (increase by 10.0% YoY) and operating income of 2,464,426,000 yen (increase by 44.5% YoY).

## (Overseas business)

Sales and rental business of temporary equipment has maintained steady growth in the context of construction demands rising vigorously. In addition, order-taking of some large-scale solar-related projects in Korea contributed to substantial increase in net sales. However, in terms of profitability, operating income decreased because of relatively low profit in the above-mentioned solar-related projects, as well as increase in depreciation of temporary equipment, land rent, labor cost and other various SG&A expenses in conjunction with proactive business development such as investment in temporary equipment and establishing new equipment centers.

These operations resulted in net sales of 7,535,061,000 yen (increase by 29.2% YoY) and operating income of 24,378,000 yen (decrease by 83.7% YoY).

## (2) Overall financial position of the current period

Total assets at the end of the current consolidated fiscal year was 54,414,258,000 yen, namely increase by 1,600,669,000 yen since the end of the previous consolidated fiscal year. This is mainly due to increase in cash and deposits by 584,023,000 yen, increase in notes and accounts receivable - trade by 1,853,539,000 yen, and decrease in assets for rent by 584,023,000 yen.

Total liabilities was 39,838,563,000 yen, namely increase by 577,088,000 yen since the end of the previous consolidated fiscal year. This is mainly due to decrease in short-term loans payable by 2,024,068,000 yen, increase in bonds (including current portion) by 1,357,500,000 yen, increase in lease obligations (sum of current and non-current liabilities) by 707,730,000 yen, and increase in income taxes payable by 408,312,000 yen.

Total net assets was 14,575,695,000 yen, namely increase by 1,023,580,000 yen as compared to the end of the previous consolidated fiscal year. This is mainly due to increase in retained earnings by 1,166,268,000 yen.

## (3) Overall cash flows of the current term

Cash and cash equivalents at the end of the current fiscal year increased by 664,023,000 yen as compared to the end of the previous fiscal year due mainly to increase in profit before income taxes, resulting in the balance at the end of the current fiscal year of 5,414,184,000 yen (increase by 14.9% YoY).

Each cash flow status and factors thereof in the current consolidated fiscal year are as follows.

## (Cash flows from operating activities)

Cash flows from operating activities resulted in revenue of 3,653,534,000 yen (for comparison, it was 1,714,341,000 yen in the previous consolidated fiscal year). This is mainly due to, on one hand, purchase of assets for lease of 1,097,679,000 yen, increase in notes and accounts receivable - trade by 1,923,787,000 yen, and increase in inventories of 1,760,843,000 yen, but on the other hand, profit before income taxes of 2,581,440,000 yen, and depreciation of 4,777,415,000 yen.

## (Cash flows from investing activities)

Cash flows from investing activities resulted in expenditure of 1,728,256,000 yen (for comparison, it was 1,909,924,000 yen in the previous consolidated fiscal year). This is mainly due to purchase of property, plant and equipment of 1,258,953,000 yen.

## (Cash flows from financing activities)

Cash flows from financing activities resulted in expenditure of 1,243,783,000 yen (for comparison, it was 222,181,000 yen in the previous consolidated fiscal year). This is mainly due to, on one hand, proceeds from long-term loans payable of 5,269,700,000 yen, but on the other hand, net decrease in short-term loans payable by 1,174,449,000 yen and repayments of long-term loans payable of 6,003,590,000 yen.

## (4) Forecasts for the future

Our industry expects continuously steady growth of investment in construction thanks to large-scale redevelopment work around Tokyo metropolitan area and those related to the Olympic/Paralympic Games soon to be held next year in Tokyo. In addition, big projects including stretching work of the Hokuriku Shinkansen (bullet train) passed their peaks, and further, public investment such as rehabilitation projects of aging infrastructure are expected to be facilitated, so business environment surrounding the Group would show steady growth.

Under such circumstances, the Group expects for its rental business high utilization of the next generation scaffolding, "Iq System" that is the main equipment for building work from the beginning of the next term, and it has seen constant shipment of equipment for civil engineering and bridge construction for which it had already taken orders, expecting high utilization in every business category throughout the year.

In the sales business segment related to temporary equipment, the whole industry would likely to move forward further to the next-generation scaffolding, and amid tough competition, the Group is in anticipation of capturing new customers and wider shares by means of sales activities recommending various solutions, along with repetitive sales to existing customers. Newly established agri-business segment will roll out efficiently upon completion of its preparedness for sales and supply activities targeting at some regions where demands are rising vigorously. With respect to production activities as a manufacturer, the Group will proceed with further offshoring and build up its production system focusing on mass-production and cost reduction.

In the overseas business segment especially in the Philippines, the Group will invest in rental equipment to respond to construction work relating to the governmental campaign for investment in infrastructure construction and in urban development, aiming at wider shares of rental business in areas where many projects are intensively brought in. In Korea, while keeping close watch over domestic economic situation, sales activities will be reinforced to attract domestic demands in the business segments of photovoltaic installations and rental/sales of temporary equipment. Moreover, the Group will continue to develop its business in view of sale activities for rental/sales of temporary equipment in ASEAN region, establishment of supply structure, and creation of alliance with local powerful companies.

With these activities, consolidated performance forecasts for the fiscal year ending March 31, 2020 would be as follows: net sales of 44,770,000,000 yen; operating income of 3,200,000,000 yen; ordinary income of 2,920,000,000 yen; and profit attributable to owners of parent of 1,940,000,000 yen.

## 2. Basic idea for the selection of accounting standards

The Group has decided to produce its consolidated financial statements in accordance with Japanese standards for the time being, considering year-on-year comparability of consolidated financial statements and comparability with other companies.

Meanwhile, the Group also considers the possibility of applying International Financial Reporting Standards as appropriate, taking various domestic/international situations into account.

## 3. Consolidated financial statements and principal notes

## (1) Consolidated balance sheets

	(Thousand yen)	
	As of March 31, 2018	As of March 31, 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	5,150,160	5,734,184
Notes and accounts receivable - trade	9,547,860	11,401,400
Merchandise and finished goods	3,050,797	3,170,300
Work in process	805,016	965,979
Raw materials and supplies	848,357	1,001,093
Other	747,353	782,944
Allowance for doubtful accounts	(178,162)	(274,311)
<b>Total current assets</b>	<b>19,971,384</b>	<b>22,781,590</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Assets for rent	39,645,483	39,400,960
Accumulated depreciation-Assets for rent	(21,383,108)	(22,974,395)
Assets for rent, net	18,262,374	16,426,564
Buildings and structures	6,102,671	6,536,249
Accumulated depreciation and impairment loss	(3,093,236)	(3,361,117)
Buildings and structures, net	3,009,435	3,175,131
Machinery, equipment and vehicles	2,057,439	2,326,347
Accumulated depreciation	(931,122)	(1,137,582)
Machinery, equipment and vehicles, net	1,126,316	1,188,764
Land	5,680,348	5,763,542
Leased assets	926,609	903,914
Accumulated depreciation	(471,143)	(444,153)
Leased assets, net	455,465	459,760
Construction in progress	122,917	305,038
Other	967,774	1,062,032
Accumulated depreciation	(657,917)	(752,478)
Other, net	309,856	309,554
<b>Total property, plant and equipment</b>	<b>28,966,714</b>	<b>27,628,356</b>
<b>Intangible assets</b>		
Leasehold right	327,821	327,821
Goodwill	344,792	212,741
Leased assets	22,515	11,363
Other	158,943	267,913
<b>Total intangible assets</b>	<b>854,073</b>	<b>819,840</b>
<b>Investments and other assets</b>		
Investment securities	489,662	454,484
Guarantee deposits	589,381	577,834
Membership	39,356	39,356
Net defined benefit asset	85,768	73,543
Deferred tax assets	919,951	899,404
Other	942,141	1,183,917
Allowance for doubtful accounts	(44,844)	(44,069)
<b>Total investments and other assets</b>	<b>3,021,417</b>	<b>3,184,471</b>
<b>Total non-current assets</b>	<b>32,842,205</b>	<b>31,632,668</b>
<b>Total assets</b>	<b>52,813,589</b>	<b>54,414,258</b>

(Thousand yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,349,587	5,711,262
Short-term loans payable	6,645,188	4,621,120
Current portion of bonds	62,500	160,000
Current portion of long-term loans payable	5,651,675	5,858,184
Lease obligations	170,624	247,716
Income taxes payable	355,330	763,642
Provision for bonuses	188,904	223,416
Provision for directors' bonuses	—	19,060
Notes payable - facilities	246,061	234,485
Other	2,322,007	2,464,066
Total current liabilities	20,991,878	20,302,955
Non-current liabilities		
Bonds payable	1,450,000	2,710,000
Long-term loans payable	13,653,216	13,495,882
Lease obligations	337,059	967,697
Provision for directors' retirement benefits	883,169	900,280
Asset retirement obligations	15,504	15,882
Other	1,930,646	1,445,865
Total non-current liabilities	18,269,595	19,535,608
Total liabilities	39,261,474	39,838,563
<b>Net assets</b>		
Shareholders' equity		
Capital stock	731,097	732,130
Capital surplus	1,225,185	1,226,217
Retained earnings	12,229,063	13,395,332
Treasury shares	(1,233,095)	(1,233,173)
Total shareholders' equity	12,952,251	14,120,506
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	80,629	48,507
Deferred gains or losses on hedges	(38,496)	(30,715)
Foreign currency translation adjustment	209,100	55,101
Remeasurements of defined benefit plans	(13,462)	(22,747)
Total accumulated other comprehensive income	237,770	50,145
Subscription rights to shares	268,274	296,346
Non-controlling interests	93,817	108,696
Total net assets	13,552,115	14,575,695
Total liabilities and net assets	52,813,589	54,414,258

(2) Consolidated statements of income and consolidated statements of comprehensive income  
(Consolidated statements of income)

(Thousand yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	36,114,817	42,182,131
Cost of sales	25,683,352	30,049,899
Gross profit	10,431,465	12,132,231
Selling, general and administrative expenses	8,740,475	9,418,344
Operating income	1,690,989	2,713,887
Non-operating income		
Interest income	11,465	10,439
Dividend income	25,517	21,543
Rent income	51,974	51,790
Contribution for Assets for rent	22,824	13,278
Gain on sales of Scrap	77,653	94,314
Share of profit of entities accounted for using equity method	109,544	—
Foreign exchange gains	—	25,538
Gain on valuation of derivatives	3,335	—
Other	131,635	123,045
Total non-operating income	433,951	339,950
Non-operating expenses		
Interest expenses	217,574	261,612
Commission fee	89,858	68,562
Bond issuance cost	16,502	20,638
Foreign exchange losses	136,020	—
Loss on valuation of derivatives	—	2,653
Other	54,783	37,689
Total non-operating expenses	514,740	391,156
Ordinary income	1,610,200	2,662,681
Extraordinary income		
Gain on sales of non-current assets	5,739	7,866
Gain on sales of investment securities	26,759	—
Surrender value of insurance	169,960	—
Total extraordinary income	202,459	7,866
Extraordinary losses		
Loss on retirement of non-current assets	18,002	3,144
Loss on valuation of stocks of subsidiaries and affiliates	—	6,881
Impairment loss	12,492	31,054
Amortization of goodwill	—	48,026
Total extraordinary losses	30,495	89,107
Profit before income taxes	1,782,164	2,581,440
Income taxes - current	527,391	901,068
Income taxes - deferred	(1,040)	27,957
Total income taxes	526,351	929,026
Profit	1,255,813	1,652,414
Profit attributable to non-controlling interests	3,644	14,898
Profit attributable to owners of parent	1,252,168	1,637,516



(Consolidated statements of comprehensive income)

(Thousand yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	1,255,813	1,652,414
Other comprehensive income		
Valuation difference on available-for-sale securities	33,753	Δ32,141
Deferred gains (losses) on hedges	9,858	7,781
Foreign currency translation adjustment	(32,286)	(153,999)
Remeasurements of defined benefit plans, net of tax	4,379	(9,285)
Total other comprehensive income	15,705	(187,644)
Comprehensive income	1,271,518	1,464,769
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,267,876	1,449,890
Comprehensive income attributable to non-controlling interests	3,641	14,879

## (3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2018

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	714,770	1,208,857	11,425,631	(1,232,951)	12,116,307
Changes of items during period					
Issuance of new shares - exercise of subscription rights to shares	16,327	16,327			32,655
Dividends of surplus			(448,736)		(448,736)
Profit attributable to owners of parent			1,252,168		1,252,168
Purchase of treasury shares				(144)	(144)
Net changes of items other than shareholders' equity					
Total changes of items during period	16,327	16,327	803,432	(144)	835,943
Balance at end of current period	731,097	1,225,185	12,229,063	(1,233,095)	12,952,251

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	46,873	(48,354)	241,387	(17,842)	222,063	271,176	90,157	12,699,704
Changes of items during period								
Issuance of new shares - exercise of subscription rights to shares								32,655
Dividends of surplus								(448,736)
Profit attributable to owners of parent								1,252,168
Purchase of treasury shares								(144)
Net changes of items other than shareholders' equity	33,756	9,858	(32,286)	4,379	15,707	(2,901)	3,660	16,466
Total changes of items during period	33,756	9,858	(32,286)	4,379	15,707	(2,901)	3,660	852,410
Balance at end of current period	80,629	(38,496)	209,100	Δ13,462	237,770	268,274	93,817	13,552,115

Fiscal year ended March 31, 2019

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	731,097	1,225,185	12,229,063	(1,233,095)	12,952,251
Changes of items during period					
Issuance of new shares - exercise of subscription rights to shares	1,032	1,032			2,065
Dividends of surplus			(471,247)		(471,247)
Profit attributable to owners of parent			1,637,516		1,637,516
Purchase of treasury shares				(78)	(78)
Net changes of items other than shareholders' equity					
Total changes of items during period	1,032	1,032	1,166,268	(78)	1,168,255
Balance at end of current period	732,130	1,226,217	13,395,332	(1,233,173)	14,120,506

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	80,629	(38,496)	209,100	(13,462)	237,770	268,274	93,817	13,552,115
Changes of items during period								
Issuance of new shares - exercise of subscription rights to shares								2,065
Dividends of surplus								(471,247)
Profit attributable to owners of parent								1,637,516
Purchase of treasury shares								(78)
Net changes of items other than shareholders' equity	(32,122)	7,781	(153,999)	(9,285)	(187,625)	28,071	14,879	(144,674)
Total changes of items during period	(32,122)	7,781	(153,999)	(9,285)	(187,625)	28,071	14,879	1,023,580
Balance at end of current period	48,507	(30,715)	55,101	(22,747)	50,145	296,346	108,696	14,575,695

## (4) Consolidated statements of cash flows

(Thousand yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,782,164	2,581,440
Depreciation	4,662,948	4,777,415
Impairment loss	12,492	31,054
Amortization of goodwill	32,928	126,573
Loss on retirement of Assets for rent	125,288	158,828
Loss on sales of Assets for rent	276,946	317,675
Purchase of assets for lease	(1,628,879)	(1,097,679)
Contribution for Assets for rent	(22,824)	(13,278)
Increase (decrease) in allowance for doubtful accounts	6,542	101,332
Increase (decrease) in provision for bonuses	(43,510)	34,512
Increase (decrease) in net defined benefit liability	26,457	18,466
Increase (decrease) in provision for directors' retirement benefits	(47,365)	—
Loss (gain) on valuation of derivatives	(3,335)	2,653
Share-based compensation expenses	25,530	28,076
Interest and dividend income	(36,983)	(31,982)
Interest expenses	217,574	261,612
Foreign exchange losses (gains)	(2,173)	(16,439)
Loss (gain) on sales of property, plant and equipment	(5,739)	(7,866)
Loss on retirement of property, plant and equipment	16,902	3,144
Loss (gain) on sales of investment securities	(26,759)	—
Loss on valuation of stocks of subsidiaries and affiliates	—	6,881
Share of (profit) loss of entities accounted for using equity method	(109,544)	—
Decrease (increase) in notes and accounts receivable - trade	716,735	(1,923,787)
Decrease (increase) in inventories	(2,862,972)	(1,760,843)
Increase (decrease) in notes and accounts payable - trade	(644,534)	398,387
Other	387,412	392,758
Subtotal	2,855,301	4,388,936
Interest and dividend income received	10,114	39,678
Interest expenses paid	(209,375)	(261,007)
Income taxes paid	(941,699)	(514,072)
Net cash provided by (used in) operating activities	1,714,341	3,653,534

(Thousand yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
<b>Cash flows from investing activities</b>		
Payments into time deposits	(540,000)	(440,000)
Proceeds from withdrawal of time deposits	540,000	520,000
Purchase of property, plant and equipment	(1,382,022)	(1,258,953)
Proceeds from sales of property, plant and equipment	20,367	8,950
Purchase of intangible assets	(38,127)	(179,635)
Proceeds from sales of intangible assets	1,844	—
Purchase of investment securities	(2,744)	(18,199)
Proceeds from sales of investment securities	219	—
Purchase of memberships	(3,144)	—
Proceeds from sales of membership	13,000	—
Payments for investments in capital of subsidiaries and affiliates	—	(241,912)
Proceeds from sales of investments in capital of subsidiaries and associates	200,159	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(395,466)	—
Payments of loans receivable	(17,300)	(126,000)
Collection of loans receivable	64,589	7,494
Purchase of long-term prepaid expenses	(371,299)	—
Net cash provided by (used in) investing activities	(1,909,924)	(1,728,256)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	1,529,726	(1,174,449)
Repayments of lease obligations	△218,280	(201,356)
Proceeds from long-term loans payable	3,873,000	5,269,700
Repayments of long-term loans payable	(5,781,998)	(6,003,590)
Proceeds from issuance of bonds	882,177	1,427,710
Redemption of bonds	(62,500)	(92,500)
Proceeds from issuance of common shares	4,223	2,060
Purchase of treasury shares	(144)	(78)
Cash dividends paid	(448,385)	(471,279)
Net cash provided by (used in) financing activities	(222,181)	(1,243,783)
Effect of exchange rate change on cash and cash equivalents	(19,984)	(17,471)
Net increase (decrease) in cash and cash equivalents	(437,748)	664,023
Cash and cash equivalents at beginning of period	5,187,909	4,750,160
Cash and cash equivalents at end of period	4,750,160	5,414,184

- (5) Notes on consolidated financial statements  
(Going concern assumption)  
Not applicable.

(Additional information)

(Application of "Partial amendment of 'Accounting Standards for Tax Effect Accounting'" and others)  
"Partial amendment of 'Accounting Standards for Tax Effect Accounting'" (Accounting Standards for Business Enterprises, No. 28, February 16, 2018) and others have been applied since the beginning of the current consolidated fiscal period. Accordingly, deferred tax assets falls under investment and other assets; and deferred tax liabilities falls under non-current liabilities.

(Segment information)

1. Overview of reportable segments

The Group's reportable segments are those being its constituent units for which separated financial information is available and are subject to periodic review by the board of directors for determining allocation of management resources and for evaluating business performance.

The Group has established three reportable segments: "Sales business" that centers on manufacturing and selling temporary equipment for construction work; "Rental business" that centers on renting temporary equipment for construction work; and "Overseas business" that centers on selling and renting temporary equipment for construction work to overseas customers.

2. How to calculate amount of net sales and profit/loss for each reportable segment

Accounting treatment methods for the business segments as reported herein are basically identical to those employed for producing the consolidated financial statements.

Figures of segment income of individual reportable segments are based on their operating income.

Inter-segment revenue and transfer are based on actual market prices.

It should be noted that while assets are not allocated to the business segments, depreciation values are allocated.

3. Information on amount of net sales and profit/loss for each reportable segment

Fiscal year ended March 31, 2018

	Sales business	Rental business	Overseas business	Total	Adjustment (see Notes 1&2)	Amount allocated on consolidated statements of income (see Note 3)
Net sales						
Sales from external customers	10,667,459	21,226,845	4,220,511	36,114,817	—	36,114,817
Inter-segment sales or transfer	1,782,516	155,196	1,611,738	3,549,451	(3,549,451)	—
Total	12,449,975	21,382,042	5,832,250	39,664,269	(3,549,451)	36,114,817
Segment profit	1,192,210	1,705,934	149,805	3,047,949	(1,356,960)	1,690,989
Other items						
Depreciation	254,609	3,963,339	391,533	4,609,482	53,465	4,662,948
Amortization of goodwill	—	5,110	27,818	32,928	—	32,928

- Notes
- Adjusted segment profit (loss) of (1,356,960) thousand yen includes inter-segment transaction elimination of 118,174 thousand yen and corporate expenses not allocated to individual reportable segments of (1,475,135) thousand yen. Corporate expenses comprises mainly of general and administrative expenses not attributable to reportable segments.
  - Adjusted depreciation of 53,465 thousand yen refers to depreciation of corporate assets not attributable to individual reportable segments.
  - Segment profit corresponds to operating income as shown in the consolidated statements of income.

Fiscal year ended March 31, 2019

(Thousand yen)

	Sales business	Rental business	Overseas business	Total	Adjustment (see Notes 1&2)	Amount allocated on consolidated statements of income (see Note 3)
Net sales						
Sales from external customers	13,393,416	23,384,515	5,404,200	42,182,131	—	42,182,131
Inter-segment sales or transfer	119,526	135,084	2,130,861	2,385,471	(2,385,471)	—
Total	13,512,942	23,519,599	7,535,061	44,567,603	(2,385,471)	42,182,131
Segment profit (loss)	1,670,133	2,464,426	24,378	4,158,939	(1,445,051)	2,713,887
Other items						
Depreciation	281,226	3,938,856	478,417	4,698,500	78,914	4,777,415
Amortization of goodwill	—	58,898	67,674	126,573	—	126,573

- Notes
- Adjusted segment profit (loss) of (1,445,051) thousand yen includes inter-segment transaction elimination of 252,415 thousand yen and corporate expenses not allocated to individual reportable segments of (1,697,467) thousand yen. Corporate expenses comprises mainly of general and administrative expenses not attributable to reportable segments.
  - Adjusted depreciation of 78,914 thousand yen refers to depreciation of corporate assets not attributable to individual reportable segments.
  - Segment profit corresponds to operating income as shown in the consolidated statements of income.

(Per share data)

	Year ended March 31, 2018	Year ended March 31, 2019
Net assets per share	307.89 yen	330.62 yen
Net income per share	29.26 yen	38.22 yen
Diluted earnings per share	28.38 yen	37.06 yen

Notes: 1. Calculation bases of net income per share and diluted earnings per share are as follows.

	Year ended March 31, 2018	Year ended March 31, 2019
Net income per share		
Profit attributable to owners of parent (thousand yen)	1,252,168	1,637,516
Amount not attributable to common stockholders (thousand yen)	—	—
Profit attributable to owners of parent applicable to common stock (thousand yen)	1,252,168	1,637,516
Average number of (thousand) shares outstanding during the period (common stock)	42,794	42,841
Diluted earnings per share		
Adjusted profit attributable to owners of parent (thousand yen)	—	—
Increased number of common stock (thousand shares)	1,320	1,347
(number of (thousand) shares with subscription rights)	(1,320)	(1,347)
Summary of residual securities not included in calculating diluted earnings per share, because of having no dilution effect	—	—

2. Calculation bases of net assets per share are as follows.

	Year ended March 31, 2018	Year ended March 31, 2019
Total net assets (thousand yen)	13,552,115	14,575,695
Deduction from total net assets (thousand yen)	362,092	405,043
(with subscription rights (thousand yen))	(268,274)	(296,346)
(for non-controlling shareholders (thousand yen))	(93,817)	(108,696)
End-of-period net assets applicable to common stock (thousand yen)	13,190,022	14,170,651
End-of-period number of (thousand) shares used for calculating net assets per share	42,840	42,860

(Significant post-balance sheet events)

Not applicable.