

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes.

In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

May 12, 2020

Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

Company name: TAKAMIYA CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 2445 URL: <https://www.takamiya.co/>
 Representative: Representative Director, President and Chairman KAZUMASA TAKAMIYA
 Inquiries: Executive Officer, General Manager of Finance & Accounting Department TOMOYA TATSUMI TEL: 81-6-6375-3918

Scheduled date of ordinary general meeting of shareholders: June 25, 2020
 Scheduled date to file Securities Report: June 25, 2020
 Scheduled date to commence dividend payments: June 9, 2020
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (from the viewpoint of preventing wider spread of the new coronavirus infections, this meeting will be held by means of video streaming.)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(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, 2020	46,065	9.2	3,703	36.5	3,541	33.0	2,370	44.8
Year ended March 31, 2019	42,182	16.8	2,713	60.5	2,662	65.4	1,637	30.8

(Note) Comprehensive income
 Year ended March 31, 2020: 2,261 million yen (54.4%)
 Year ended March 31, 2019: 1,464 million yen (15.2%)

	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, 2020	52.74	51.28	14.7	6.2	8.0
Year ended March 31, 2019	38.22	37.06	12.0	5.0	6.4

(Reference) Equity in earnings of affiliated companies
 Year ended March 31, 2020: — million yen
 Year ended March 31, 2019: — 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, 2020	59,282	18,497	30.5	387.68
As of March 31, 2019	54,414	14,575	26.0	330.62

(Reference) Shareholders equity
 As of March 31, 2020: 18,054 million yen
 As of March 31, 2019: 14,170 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, 2020	3,771	(3,836)	1,590	6,922
Year ended March 31, 2019	3,653	(1,728)	(1,243)	5,414

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, 2019	—	4.00	—	7.00	11.00	471	28.8	3.4
Year ended March 31, 2020	—	6.00	—	8.00	14.00	651	26.5	3.9
Year ending March 31, 2021 (forecasts)	—	6.00	—	8.00	14.00		—	

Note: Interim dividend 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. In addition, dividend payout ratio (consolidated) of the year ending March 31, 2021 (forecast) is yet to be determined, because at present it is difficult to figure out rationally.

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Forecast of consolidated financial results for the year ending March 31, 2021 is yet to be determined, because at present it is difficult to correctly and rationally figure out impacts on the Company's operating results by the recent widespread of the new coronavirus infections. Such forecast will be made public promptly, when it becomes possible to figure out.

FOR TRANSLATION PURPOSE ONLY

Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2020

(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, 2020	46,577,000 shares	As of March 31, 2019	45,467,600 shares
----------------------	-------------------	----------------------	-------------------

② Number of treasury shares at the end of the period

As of March 31, 2020	7,020 shares	As of March 31, 2019	2,606,971 shares
----------------------	--------------	----------------------	------------------

③ Average number of shares during the period

Year ended March 31, 2020	44,952,624 shares	Year ended March 31, 2019	42,841,397 shares
---------------------------	-------------------	---------------------------	-------------------

(Reference) Unconsolidated financial results

1. Unconsolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(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, 2020	38,061	12.1	2,435	31.6	2,493	17.6	1,746	73.8
Year ended March 31, 2019	33,946	18.2	1,850	162.0	2,120	108.9	1,004	(74.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2020	38.85		37.78	
Year ended March 31, 2019	23.46		22.74	

(2) Unconsolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
Year ended March 31, 2020	51,763		17,155		32.6		361.80	
Year ended March 31, 2019	47,742		13,754		28.2		314.01	

(Reference) Shareholders equity As of March 31, 2020: 16,849 million yen
As of March 31, 2019: 13,458 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)

Supplementary references regarding the financial results will be posted on the Company's website (scheduled on June 5, 14:00).

(How to obtain materials for financial results briefing)

Video streaming of the financial results briefing will be provided on the Company's website (scheduled on June 5, 14:00).

○ Table of Contents: Appendix

1. Overall operating results, etc.	2
(1) Overall operating results of the current period	2
(2) Overall financial position of the current period	3
(3) Overall cash flows of the current term	3
(4) Forecasts for the future	3
2. Basic idea for the selection of accounting standards	3
3. Consolidated financial statements and principal notes	4
(1) Consolidated balance sheets	4
(2) Consolidated statements of income and statements of comprehensive income	6
Consolidated statements of income	6
Consolidated statements of comprehensive income	7
(3) Consolidated statements of changes in equity	8
(4) Consolidated statements of cash flows	10
(5) Notes on consolidated financial statements	12
(Going concern assumption)	12
(Segment information)	12
(Per share data).....	14
(Significant post-balance sheet events)	14

1. Overall operating results, etc.

(1) Overall operating results of the current period

During the current consolidated cumulative period, global economy has continuously experienced uncertain situations such as U.S.-China trade conflicts, worsening relations between Japan and Korea, and so-called "Brexit". Domestically as well, although Japanese economy has shown gradual upswing, we could not make any optimistic prediction for the future due to continued occurrence of natural disasters and other factors. Moreover, through to the end of the current consolidated cumulative period, there are concerns about worldwide recession due to the widespread new coronavirus infections.

In the construction industry in which the Group operates, viewing domestically, construction work related to the Tokyo 2020 Olympic and Paralympic Games previously planned to be held this summer, and private construction work including large-scale redevelopment work around Tokyo metropolitan area, have grown steadily. In addition, public work such as infrastructure reconstruction has also maintained steady growth. Also in the overseas markets, especially in ASEAN region where the Group has its business bases, construction demands keep steady growth, such as public infrastructure/urban development in the Philippines.

Fortunately, impacts of the widespread of the new coronavirus infections were minor, both domestically and overseas, during the current consolidated cumulative period. However, in order to prevent wider spread of infections, there are some tendencies such as temporary suspension / extension construction work, so current situations are still unpredictable and cannot be viewed optimistically.

Amid such an environment, the Group has set out its mid-term management vision as "Create new value through transformation and aim to become a corporate group that drives qualitative development of the industry", and putting its efforts to four objectives: Strengthen management foundations; Drive innovation in the earning base; Accelerate overseas business development; and Create new growth businesses.

Consequently, operating results of the current consolidated fiscal year were as follows: net sales of 46,065,498,000 yen (increase by 9.2% YoY); operating income of 3,703,166,000 yen (increase by 36.5% YoY); ordinary income of 3,541,137,000 yen (increase by 33.0% YoY); and net profit attributable to owners of parent of 2,370,937,000 yen (increase by 44.8% YoY).

Operating results of individual business segments are as follows.

(Sales business)

In the context of transition from conventional framework scaffolding to the next generation scaffolding associated with stricter safety criteria at construction sites, sales of the "Iq System" and its peripheral components maintained steady growth.

These operations resulted in net sales of 15,299,838,000 yen (increase by 13.2% YoY) and operating income of 1,934,971,000 yen (increase by 15.9% YoY).

(Rental business)

Regarding temporary equipment for private construction work, utilization rate of temporary equipment centered on the "Iq System" remained at a high level. In addition, utilization rate of temporary equipment for civil engineering and bridge construction also maintained also could remain at a high level, especially those delivered to large-scale sites such as stretching work of the Hokuriku Shinkansen (bullet train). In terms of profitability as well, efforts devoted to holding down investment in rental temporary equipment and to efficient operation resulted in substantially higher segment income.

These operations resulted in net sales of 26,118,631,000 yen (increase by 11.1% YoY) and operating income of 3,025,751,000 yen (increase by 22.8% YoY).

(Overseas business)

In the solar-related business segment, amount of sales substantially decreased. Rental business of temporary equipment largely maintain steady growth. As for sales business of temporary equipment, inter-segment sales increased because stable and efficient production systems have been put in place in HORY VIETNAM and HORY KOREA. In terms of profitability as well, segment income has gradually recovered thanks to improvement in gross profit rate.

These operations resulted in net sales of 7,306,239,000 yen (decrease by 3.0% YoY) and operating income of 410,481,000 yen (increase by 1,583.8% YoY).

(2) Overall financial position of the current period

Total assets at the end of the current consolidated fiscal year was 59,282,537,000 yen, namely increase by 4,868,278,000 yen since the end of the previous consolidated fiscal year. This is mainly due to increase in notes and accounts receivable - trade by 2,699,776,000 yen, and increase in land by 2,075,506,000 yen.

Total liabilities was 40,784,731,000 yen, namely increase by 946,168,000 yen since the end of the previous consolidated fiscal year. This is mainly due to increase in notes and accounts payable by 715,915,000 yen, increase in short-term loans payable by 779,360,000 yen, increase in bonds (including current portion) by 1,150,000,000 yen, and decrease in long-term loans payable (including current portion) by 1,719,929,000 yen.

Total net assets was 18,497,805,000 yen, namely increase by 3,922,110,000 yen since the end of the previous consolidated fiscal year. This is mainly due to increase in capital stock by 317,983,000 yen, increase in capital surplus by 682,321,000 yen, increase in retained earnings by 1,791,493,000 yen, and decrease in treasury stock by 1,229,841,000 yen.

(3) Overall cash flows of the current term

Cash and cash equivalents at the end of the current fiscal year increased by 1,508,454,000 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 6,922,638,000 yen (increase by 27.9% 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 3,771,941,000 yen (for comparison, it was 3,653,534,000 yen in the previous consolidated fiscal year). This is mainly due to, on one hand, purchase of assets for lease of 898,676,000 yen, increase in notes and accounts receivable - trade by 2,798,510,000 yen, and increase in inventories of 1,166,920,000 yen, but on the other hand, profit before income taxes of 3,640,716,000 yen, and depreciation of 4,804,902,000 yen.

(Cash flows from investing activities)

Cash flows from investing activities resulted in expenditure of 3,836,821,000 yen (for comparison, it was 1,728,256,000 yen in the previous consolidated fiscal year). This is mainly due to purchase of property, plant and equipment of 4,075,425,000 yen.

(Cash flows from financing activities)

Cash flows from financing activities resulted in revenue of 1,590,981,000 yen (as opposed to expenditure of 1,243,783,000 yen in the previous consolidated fiscal year). This is mainly due to, on one hand, repayments of long-term loans payable of 5,948,594,000 yen, but on the other hand, proceeds from long-term loans payable of 4,320,000,000 yen, proceeds from issuance of bonds of 1,285,395,000 yen, proceeds from issuance of common stocks of 619,389,000 yen, and proceeds from disposal of treasury stock of 1,594,216,000 yen.

(4) Forecasts for the future

Forecast of consolidated financial results for the year ending March 31, 2021 is yet to be determined, because at present it is difficult to correctly and rationally figure out impacts on the Company's operating results by the recent widespread of the new coronavirus infections. In the construction industry in which the Group operates, there would be various impacts such as temporary suspension of construction sites and extension of work. Forecasts will be made public promptly, when it becomes possible to figure out these impacts. Amid such an unprecedented situation, the Group will, upon ensuring safety of our employees as the highest priority in accordance with policies of the national/local governments, put our efforts to business continuity in order to carry out our responsibility for supplying our customers, as well as our social responsibility. Further, the Group will form a single unit to proceed with each measure in order to achieve the vision of "Create new value through transformation and aim to become a corporate group that drives qualitative development of the industry", as envisaged in the "2018 Mid-term Management Plan" which will complete with the Fiscal Year Ending March 2021.

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, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	5,734,184	7,242,638
Notes and accounts receivable - trade	11,401,400	14,101,176
Merchandise and finished goods	3,170,300	2,933,259
Work in process	965,979	781,907
Raw materials and supplies	1,001,093	1,002,598
Other	782,944	695,502
Allowance for doubtful accounts	(274,311)	(348,400)
Total current assets	22,781,590	26,408,683
Non-current assets		
Property, plant and equipment		
Assets for rent	39,400,960	39,486,729
Accumulated depreciation-Assets for rent	(22,974,395)	(24,579,285)
Assets for rent, net	16,426,564	14,907,443
Buildings and structures	6,536,249	7,236,727
Accumulated depreciation and impairment loss	(3,361,117)	(3,438,205)
Buildings and structures, net	3,175,131	3,798,521
Machinery, equipment and vehicles	2,326,347	2,579,935
Accumulated depreciation	(1,137,582)	(1,320,016)
Machinery, equipment and vehicles, net	1,188,764	1,259,918
Land	5,763,542	7,839,049
Leased assets	903,914	1,063,278
Accumulated depreciation	(444,153)	(512,240)
Leased assets, net	459,760	551,038
Construction in progress	305,038	132,830
Other	1,062,032	1,133,860
Accumulated depreciation	(752,478)	(823,339)
Other, net	309,554	310,521
Total property, plant and equipment	27,628,356	28,799,323
Intangible assets		
Leasehold right	327,821	327,821
Goodwill	212,741	159,124
Leased assets	11,363	7,469
Other	267,913	445,442
Total intangible assets	819,840	939,858
Investments and other assets		
Investment securities	454,484	444,763
Guarantee deposits	577,834	691,564
Membership	39,356	39,406
Net defined benefit asset	73,543	42,700
Deferred tax assets	899,404	799,903
Other	1,183,917	1,150,447
Allowance for doubtful accounts	(44,069)	(34,112)
Total investments and other assets	3,184,471	3,134,672
Total non-current assets	31,632,668	32,873,854
Total assets	54,414,258	59,282,537

(Thousand yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,711,262	6,427,178
Short-term loans payable	4,621,120	5,400,480
Current portion of bonds	160,000	421,000
Current portion of long-term loans payable	5,858,184	5,810,651
Lease obligations	247,716	359,292
Income taxes payable	763,642	766,520
Provision for bonuses	223,416	292,189
Provision for directors' bonuses	19,060	8,630
Notes payable - facilities	234,485	136,537
Asset retirement obligations	—	3,945
Other	2,464,066	2,104,018
Total current liabilities	20,302,955	21,730,443
Non-current liabilities		
Bonds payable	2,710,000	3,599,000
Long-term loans payable	13,495,882	11,823,485
Lease obligations	967,697	1,377,246
Provision for directors' retirement benefits	900,280	945,664
Asset retirement obligations	15,882	12,800
Other	1,445,865	1,296,091
Total non-current liabilities	19,535,608	19,054,288
Total liabilities	39,838,563	40,784,731
Net assets		
Shareholders' equity		
Capital stock	732,130	1,050,114
Capital surplus	1,226,217	1,908,539
Retained earnings	13,395,332	15,186,825
Treasury shares	(1,233,173)	(3,331)
Total shareholders' equity	14,120,506	18,142,147
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	48,507	16,282
Deferred gains or losses on hedges	(30,715)	(15,334)
Foreign currency translation adjustment	55,101	(23,183)
Remeasurements of defined benefit plans	(22,747)	(65,508)
Total accumulated other comprehensive income	50,145	(87,743)
Subscription rights to shares	296,346	306,115
Non-controlling interests	108,696	137,286
Total net assets	14,575,695	18,497,805
Total liabilities and net assets	54,414,258	59,282,537

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

(Thousand yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	42,182,131	46,065,498
Cost of sales	30,049,899	32,051,298
Gross profit	12,132,231	14,014,199
Selling, general and administrative expenses	9,418,344	10,311,033
Operating income	2,713,887	3,703,166
Non-operating income		
Interest income	10,439	10,809
Dividend income	21,543	15,304
Rent income	51,790	66,179
Contribution for Assets for rent	13,278	19,370
Gain on sales of Scrap	94,314	79,373
Foreign exchange gains	25,538	24,569
Other	123,045	113,211
Total non-operating income	339,950	328,819
Non-operating expenses		
Interest expenses	261,612	274,839
Commission fee	68,562	64,444
Bond issuance cost	20,638	22,367
Loss on valuation of derivatives	2,653	1,620
Bad debts expenses	—	63,206
Other	37,689	64,370
Total non-operating expenses	391,156	490,848
Ordinary income	2,662,681	3,541,137
Extraordinary income		
Gain on sales of non-current assets	7,866	156,535
Total extraordinary income	7,866	156,535
Extraordinary losses		
Loss on retirement of non-current assets	3,144	3,822
Loss on valuation of stocks of subsidiaries and affiliates	6,881	—
Impairment loss	31,054	53,134
Amortization of goodwill	48,026	—
Total extraordinary losses	89,107	56,956
Profit before income taxes	2,581,440	3,640,716
Income taxes - current	901,068	1,118,331
Income taxes - deferred	27,957	122,865
Total income taxes	929,026	1,241,196
Profit	1,652,414	2,399,519
Profit attributable to non-controlling interests	14,898	28,582
Profit attributable to owners of parent	1,637,516	2,370,937

(Consolidated statements of comprehensive income)

(Thousand yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	1,652,414	2,399,519
Other comprehensive income		
Valuation difference on available-for-sale securities	(32,141)	(32,217)
Deferred gains (losses) on hedges	7,781	15,381
Foreign currency translation adjustment	(153,999)	(78,248)
Remeasurements of defined benefit plans, net of tax	(9,285)	(42,760)
Total other comprehensive income	(187,644)	(137,845)
Comprehensive income	1,464,769	2,261,674
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,449,890	2,233,085
Comprehensive income attributable to non-controlling interests	14,879	28,589

(3) Consolidated statements of changes in equity

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 stock				(78)	(78)
Disposal of treasury stock					—
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)
Disposal of treasury stock								—
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

Fiscal year ended March 31, 2020

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	732,130	1,226,217	13,395,332	(1,233,173)	14,120,506
Changes of items during period					
Issuance of new shares - exercise of subscription rights to shares	317,983	317,983			635,967
Dividends of surplus			(579,444)		(579,444)
Profit attributable to owners of parent			2,370,937		2,370,937
Purchase of treasury stock				(36)	(36)
Disposal of treasury stock		364,338		1,229,878	1,594,216
Net changes of items other than shareholders' equity					
Total changes of items during period	317,983	682,321	1,791,493	1,229,841	4,021,640
Balance at end of current period	1,050,114	1,908,539	15,186,825	(3,331)	18,142,147

	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	48,507	(30,715)	55,101	(22,747)	50,145	296,346	108,696	14,575,695
Changes of items during period								
Issuance of new shares - exercise of subscription rights to shares								635,967
Dividends of surplus								(579,444)
Profit attributable to owners of parent								2,370,937
Purchase of treasury shares								(36)
Disposal of treasury stock								1,594,216
Net changes of items other than shareholders' equity	(32,224)	15,381	(78,285)	(42,760)	(137,888)	9,768	28,589	(99,530)
Total changes of items during period	(32,224)	15,381	(78,285)	(42,760)	(137,888)	9,768	28,589	3,922,110
Balance at end of current period	16,282	(15,334)	(23,183)	(65,508)	(87,743)	306,115	137,286	18,497,805

(4) Consolidated statements of cash flows

(Thousand yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	2,581,440	3,640,716
Depreciation	4,777,415	4,804,902
Impairment loss	31,054	53,134
Amortization of goodwill	126,573	53,616
Loss on retirement of Assets for rent	158,828	99,696
Loss on sales of Assets for rent	317,675	257,622
Purchase of assets for lease	(1,097,679)	(898,676)
Contribution for Assets for rent	(13,278)	(19,370)
Increase (decrease) in allowance for doubtful accounts	101,332	70,391
Increase (decrease) in provision for bonuses	34,512	68,773
Increase (decrease) in net defined benefit liability	18,466	51,436
Loss (gain) on valuation of derivatives	2,653	1,620
Share-based compensation expenses	28,076	26,347
Interest and dividend income	(31,982)	(26,114)
Interest expenses	261,612	274,839
Foreign exchange losses (gains)	(16,439)	(31,347)
Loss (gain) on sales of property, plant and equipment	(7,866)	(156,535)
Loss on retirement of property, plant and equipment	3,144	3,822
Loss on valuation of stocks of subsidiaries and affiliates	6,881	—
Decrease (increase) in notes and accounts receivable - trade	(1,923,787)	(2,798,510)
Decrease (increase) in inventories	(1,760,843)	(1,166,920)
Increase (decrease) in notes and accounts payable - trade	398,387	772,705
Bad debts expenses	—	63,206
Other	392,758	1,883
Subtotal	4,388,936	5,147,239
Interest and dividend income received	39,678	14,060
Interest expenses paid	(261,007)	(274,743)
Income taxes paid	(514,072)	(1,114,615)
Net cash provided by (used in) operating activities	3,653,534	3,771,941

(Thousand yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from investing activities		
Payments into time deposits	(440,000)	(460,000)
Proceeds from withdrawal of time deposits	520,000	460,000
Purchase of property, plant and equipment	(1,258,953)	(4,075,425)
Proceeds from sales of property, plant and equipment	8,950	596,401
Purchase of intangible assets	(179,635)	(226,998)
Purchase of investment securities	(18,199)	(39,650)
Proceeds from sales of investment securities	—	2,134
Purchase of memberships	—	(250)
Payments for investments in capital of subsidiaries and affiliates	(241,912)	—
Payments of loans receivable	(126,000)	(106,860)
Collection of loans receivable	7,494	13,827
Net cash provided by (used in) investing activities	(1,728,256)	(3,836,821)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,174,449)	805,750
Repayments of lease obligations	(201,356)	(345,694)
Proceeds from long-term loans payable	5,269,700	4,320,000
Repayments of long-term loans payable	(6,003,590)	(5,948,594)
Proceeds from issuance of bonds	1,427,710	1,285,395
Redemption of bonds	(92,500)	(160,000)
Proceeds from issuance of common shares	2,060	619,389
Purchase of treasury stock	(78)	(36)
Proceeds from disposal of treasury stock	—	1,594,216
Cash dividends paid	(471,279)	(579,444)
Net cash provided by (used in) financing activities	(1,243,783)	1,590,981
Effect of exchange rate change on cash and cash equivalents	(17,471)	(17,647)
Net increase (decrease) in cash and cash equivalents	664,023	1,508,454
Cash and cash equivalents at beginning of period	4,750,160	5,414,184
Cash and cash equivalents at end of period	5,414,184	6,922,638

(5) Notes on consolidated financial statements

(Going concern assumption)

Not applicable.

(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 overseas.

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, 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.

Fiscal year ended March 31, 2020

(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	15,064,653	26,073,191	4,927,653	46,065,498	—	46,065,498
Inter-segment sales or transfer	235,184	45,440	2,378,586	2,659,210	(2,659,210)	—
Total	15,299,838	26,118,631	7,306,239	48,724,709	(2,659,210)	46,065,498
Segment profit (loss)	1,934,971	3,025,751	410,481	5,371,205	(1,668,038)	3,703,166
Other items						
Depreciation	290,455	3,887,841	553,694	4,731,992	72,910	4,804,902
Amortization of goodwill	—	53,616	—	53,616	—	53,616

- Notes
- Adjusted segment loss of (1,668,038) thousand yen includes inter-segment transaction elimination of 309,555 thousand yen and corporate expenses not allocated to individual reportable segments of (1,977,594) thousand yen. Corporate expenses comprises mainly of general and administrative expenses not attributable to reportable segments.
 - Adjusted depreciation of 72,910 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, 2019	Year ended March 31, 2020
Net assets per share	330.62 yen	387.68 yen
Net income per share	38.22 yen	52.74 yen
Diluted earnings per share	37.06 yen	51.28 yen

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

	Year ended March 31, 2019	Year ended March 31, 2020
Net income per share		
Profit attributable to owners of parent (thousand yen)	1,637,516	2,370,937
Amount not attributable to common stockholders (thousand yen)	—	
Profit attributable to owners of parent applicable to common stock (thousand yen)	1,637,516	2,370,937
Average number of (thousand) shares outstanding during the period (common stock)	42,841	44,952
Diluted earnings per share		
Adjusted profit attributable to owners of parent (thousand yen)	—	
Increased number of common stock (thousand shares)	1,347	1,279
(number of (thousand) shares with subscription rights)	(1,347)	(1,279)
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, 2019	Year ended March 31, 2020
Total net assets (thousand yen)	14,575,695	18,497,805
Deduction from total net assets (thousand yen)	405,043	443,401
(with subscription rights (thousand yen))	(296,346)	(306,115)
(for non-controlling shareholders (thousand yen))	(108,696)	(137,286)
End-of-period net assets applicable to common stock (thousand yen)	14,170,651	18,054,404
End-of-period number of (thousand) shares used for calculating net assets per share	42,860	46,569

(Significant post-balance sheet events)

Not applicable.