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February 8, 2022

Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2022 (Based on Japanese GAAP)

Company name: TAKAMIYA CO., LTD.
 Stock exchange listing: Tokyo (1st section)
 Stock code: 2445 URL: <https://www.takamiya.co/en/>
 Representative: Representative Director, President and Chairman KAZUMASATAKAMIYA
 Scheduled quarterly report submission date: February 9, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: None

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2022 (April 1, 2021 to December 31, 2021)

(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	%
Third quarter of the fiscal year ending March 31, 2022	29,824	3.7	986	(37.3)	1,113	(21.9)	357	(58.3)
Third quarter of the fiscal year ended March 31, 2021	28,757	(16.1)	1,573	(43.3)	1,425	(45.5)	856	(51.1)

(Note) Comprehensive income Third Quarter of Fiscal Year Ending March 31, 2022: 542 million yen (45.9%)
 Third Quarter of Fiscal Year Ending March 31, 2021: 1,004 million yen (41.6%)

	Quarterly Earnings per share	Diluted earnings per share
	Yen	Yen
Third quarter of the fiscal year ending March 31, 2022	7.67	7.43
Third quarter of the fiscal year ended March 31, 2021	18.39	17.87

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Third quarter of the fiscal year ending March 31, 2022	57,126	18,690	31.7	389.35
Fiscal year ended March 31, 2021	56,454	18,768	32.3	391.96

(Reference) Shareholders' equity Third Quarter of Fiscal Year Ending March 31, 2022: 18,135 million yen
 Fiscal year ended March 31, 2021: 18,253 million yen

2. Cash dividends

	Annual dividends per share				
	End of the first quarter	End of the second quarter	End of the third quarter	End of term	Total
Fiscal year ended March 31, 2021	Yen -	Yen 6.00	Yen -	Yen 8.00	Yen 14.00
Fiscal year ending March 31, 2022	-	6.00	-	8.00	14.00
Fiscal year ending March 31, 2022 (Forecast)			-	8.00	14.00

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

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
Full year	42,300	9.0	2,150	35.5	2,170	38.3	1,140	32.9	24.28

(Note) Revisions to the most recently announced earnings forecast: None

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(Note)

(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) Application of special accounting methods for the preparation of quarterly consolidated financial statements: None

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

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

(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Main Notes (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)" on page 8 of the attached materials.

(4) Number of shares issued (common stock)

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

As of December 31,2021	46,585,600 shares	As of March 31,2021	46,577,000 shares
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② Number of treasury shares at the end of the period

As of December 31,2021	7,020 shares	As of March 31,2021	7,020 shares
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③ Average number of shares during the period

As of December 31,2021	46,575,921 shares	As of December 31,2020	46,569,980 shares
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* 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 results, (3) Explanation of consolidated financial forecasts and other forward-looking statements" 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 explanatory materials for financial results)

Supplementary materials for financial results are scheduled to be posted on the Company's website.

(Change in the unit of presentation of amounts)

The amounts of items and other matters presented in the Company's quarterly consolidated financial statements used to be stated in thousand yen, but from the first quarter of the current fiscal year and the first quarter of the current fiscal year, they are stated in million yen.

For ease of comparison, the figures for the previous consolidated fiscal year and the Third quarter of the previous consolidated fiscal year have also been reclassified into million yen.

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1. Qualitative information on quarterly results

(1) Explanation of business results for the current fiscal year

During the Third quarter of the current fiscal year, the global economy is picking up due to the spread of vaccination against COVID-19. However, the outlook remains uncertain due to the expansion of new mutant strains.

The domestic construction industry, in which our group is involved, began in a difficult situation at some sites of private construction work, such as interruptions and delays in construction work, and postponement of construction work. However, there was a tendency for recovery mainly in the maintenance and repair work in the metropolitan area. Overseas, in the Philippines, where our sales subsidiary is located, business activities are restricted by the government's restrictions on going out and moving. In Vietnam, where the manufacturing subsidiary is located, the situation is still severe, with temporary restrictions being imposed as in the Philippines.

In this environment, the Group has set up a management vision of "Create new value through transformation and aim for sustainable growth by becoming a partner to our customers." in the mid-term management plan announced on May 31, 2021. and we will work on the following four measures: Develop services that blend hardware and software, with a focus on the Iq System, Strengthen products for maintenance/repairs and infrastructure redevelopment, Nurture businesses beyond the temporary equipment sector, and Redevelop overseas business bases. In particular, during the Third quarter of the current fiscal year, we will promote capital investment and human investment for the purpose of maximization and optimization, centering on investment in "Takamiya Lab.West", with the aim of building a new platform business.

As a result, for the Third quarter of the current fiscal year, the Company posted net sales of 29,824 million yen (up 3.7% year-on-year), operating income of 986 million yen (down 37.3% year-on-year), ordinary income of 1,113 million yen (down 21.9% year-on-year), and net income attributable to shareholders of the parent company amounted to 357 million yen (down 58.3% year on year).

Operating results by segment are as follows.

(Sales business)

In the temporary construction segment, Interest in the "Iq system" is still high, and inquiries for both new and continuing projects have been firm. In addition, due to the recent rise in steel prices, there was a last-minute demand before the price revision, but the increase in sales was limited because the production volume temporarily decreased due to the measures to restrict going out and moving in Vietnam. In areas other than the temporary construction department, sales related to agriculture increased due to the construction of high-performance glass houses for agriculture.

As a result, net sales were 10,054 million yen (up 25.7% year-on-year) and operating income was 1,057 million yen (up 26.0% year-on-year).

(Rental Business)

In the private sector, severe conditions continued, such as interruptions and delays in construction work, and postponement of construction work. However, the utilization rate of the "Iq system" remained high, mainly for maintenance and repair work in the Tokyo metropolitan area. On the other hand, in the construction and civil engineering fields, the lending of rental assets to large-scale sites as in the previous consolidated fiscal year decreased, and the utilization rate of rental assets decreased. In terms of profits, the segment profit margin declined due to an increase in the fixed cost ratio such as depreciation expenses due to the decline in the utilization rate of rental assets.

As a result, net sales were 17,327 million yen (down 6.7% year on year), and operating income was 818 million yen (down 55.3% year on year).

(Overseas Business)

DIMENTION-ALL Inc. (Philippines), a sales subsidiary, continued to face a harsh condition due to the continued restriction of business activities caused by the measures to restrict people from going out and moving around in Metro Manila. We are working to reduce SG & A expenses and improve profitability. In addition, at our manufacturing subsidiary, Holly Vietnam (Vietnam), there was no significant impact on the procurement of raw materials and parts, and sales were favorable. However, due to temporary outing and movement restrictions, business activities were restricted, and the production volume of products for the domestic market temporarily declined.

As a result, net sales were 4,743 million yen (up 22.6% year on year), and operating income was 214 million yen (Operating loss of 43 million yen in the same quarter of the previous year).

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(2) Explanation of financial position for the current fiscal year

Total assets at the end of the Third quarter of the current fiscal year were 57,126 million yen, an increase of 671 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease in assets for rent, net of 860 million yen, an increase of 1,495 million yen in buildings and structures (net).

Total liabilities amounted to 38,435 million yen, an increase of 749 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 728 million yen in notes and accounts payable- trade, an increase in short-term loans payable of 426 million yen, a decrease in bonds payable (including Current portion of bonds) of 185 million yen, a decrease in long-term debt (including Current portion of long term loans payable) of 242 million yen.

Total net assets amounted to 18,690 million yen, a decrease of 78 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 295 million yen in retained earnings resulting from 357 million yen in net income attributable to owners of the parent and 652 million yen in dividends from surplus, and an increase of 171 million yen in foreign currency translation adjustments.

(3) Explanation of consolidated financial forecasts and other forward-looking statements

Regarding the consolidated earnings forecast, there is no change to the full-year consolidated earnings forecast announced in the "Notice of Revision of Earnings Forecast" on October 29, 2021.

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2. Quarterly consolidated financial statements and major notes

(1) Quarterly consolidated statements of income

Million yen

	Fiscal year ended March 31, 2021	Third quarter of the fiscal year ending March 31, 2022
Assets		
Current assets		
Cash and deposits	8,032	7,746
Notes and accounts receivable- trade	11,675	—
Notes and accounts receivable trade and contract assets	—	10,956
Merchandise and finished goods	3,184	3,311
Work in process	893	951
Raw materials and supplies	1,023	1,430
Other	525	877
Allowance for doubtful accounts	(427)	(309)
Total current assets	24,907	24,964
Non-current assets		
Property, plant and equipment		
Assets for rent	38,687	38,637
Accumulated depreciation- Assets for rent	(25,475)	(26,285)
Assets for rent, net	13,212	12,351
Buildings and structures	7,904	9,671
Accumulated depreciation and impairment loss	(3,755)	(4,027)
Buildings and structures (net)	4,148	5,643
Machinery, equipment and vehicles	2,839	3,067
Accumulated depreciation	(1,608)	(1,822)
Machinery, equipment and vehicles (net)	1,231	1,245
Land	7,849	7,808
Lease assets	1,091	1,229
Accumulated depreciation	(611)	(767)
Lease assets, net	479	461
Construction in progress	195	240
Other	1,354	1,535
Accumulated depreciation	(990)	(1,090)
Other (net)	363	444
Total tangible assets	27,480	28,197
Intangible assets		
Leasehold right	327	327
Other	498	452
Total intangible fixed assets	826	780
Investments and other assets		
Investment securities	504	452
Guarantee deposits	710	734
Net defined benefit asset	84	86
Deferred tax assets	774	659
Other	1,199	1,285
Allowance for doubtful accounts	(33)	(33)
Total investments and other assets	3,240	3,184
Total non-current assets	31,547	32,161
Total assets	56,454	57,126

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Million yen

	Fiscal year ended March 31, 2021	Third quarter of the fiscal year ending March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable- trade	5,668	6,396
Short-term loans payable	3,478	3,904
Current portion of bonds	871	421
Current portion of long term loans payable	6,308	6,015
Lease obligations	368	380
Income taxes payable	353	194
Provision for bonuses	296	174
Notes payable- facilities	344	199
Other	1,864	2,314
Total current liabilities	19,554	20,000
Non-current liabilities		
Bonds payable	3,278	3,542
Long-term debt	11,354	11,405
Lease obligations	1,145	995
Provision for directors' retirement benefits	1,001	1,001
Asset retirement obligations	13	19
Other	1,339	1,470
Total non-current liabilities	18,131	18,435
Total liabilities	37,685	38,435
Net assets		
Shareholders' equity		
Capital stock	1,050	1,052
Capital surplus	1,908	1,910
Retained earnings	15,392	15,097
Treasury stock	(3)	(3)
Total shareholders' equity	18,347	18,056
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	55	50
Deferred gains or losses on hedges	(6)	(1)
Foreign currency translation adjustments	(104)	67
Accumulated adjustment for retirement benefits	(38)	(37)
Total accumulated other comprehensive income	(94)	78
Subscription rights to shares	357	384
Non-controlling interests	157	170
Total net assets	18,768	18,690
Total liabilities and net assets	56,454	57,126

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(2) Quarterly consolidated Statements of comprehensive income
(Quarterly consolidated statements of income)

Million yen

	Third quarter of the fiscal year ended March 31, 2021	Third quarter of the fiscal year ending March 31, 2022
Net sales	28,757	29,824
Cost of sales	20,185	21,713
Gross profit	8,571	8,110
Selling, general and administrative expenses	6,998	7,124
Operating income	1,573	986
Non-operating income		
Interest income	5	3
Dividend income	10	10
Rent income	55	62
Contribution for Assets for rent	6	8
Income from sale of scrap	43	113
Foreign exchange gains	—	69
Other	101	111
Total non-operating income	223	379
Non-operating expenses		
Interest expense	185	156
Payment fee	51	51
Bond issuance cost	—	13
Foreign exchange losses	76	—
Other	58	32
Total non-operating expenses	371	253
Ordinary income	1,425	1,113
Extraordinary gains		
Gain on sales of fixed assets	4	8
Gain on sales of investment securities	—	53
Total extraordinary income	4	61
Extraordinary loss		
Loss on disposal of fixed assets	9	1
Loss on valuation of investment securities	—	284
Impairment loss	—	41
Total extraordinary loss	9	327
Profit before income taxes	1420	846
Income taxes- current	397	358
Income taxes- deferred	146	117
Total income taxes	543	476
Profit	877	370
Profit attributable to non-controlling interests	20	13
Profit attributable to owners of parent	856	357

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(Quarterly consolidated Statements of comprehensive income)

Million yen

	Third quarter of the fiscal year ended March 31, 2021	Third quarter of the fiscal year ending March 31, 2022
Net income (loss)	877	370
Other comprehensive income		
Valuation difference on available-for-sale securities	23	(5)
Deferred gains (losses) on hedges	6	4
Foreign currency translation adjustments	92	171
Remeasurements of defined benefit plans, net of tax	4	1
Total other comprehensive income (loss)	127	172
Comprehensive income	1,004	542
(Breakdown)		
Comprehensive income attributable to owners of parent	983	529
Comprehensive income attributable to non controlling interests	20	13

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(3) Notes to quarterly consolidated financial statements

(Going concern assumption)

Not applicable.

(Note in the event of a significant change in the amount of shareholders' equity)

Not applicable.

(Changes in accounting policies)

(Application of accounting standards for revenue recognition)

Promised goods or services by applying "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29, March 31, 2020; hereinafter referred to as "Revenue Recognition Accounting Standard") from the beginning of the first quarter consolidated accounting period. When the control of is transferred to the customer, the revenue will be recognized by the amount expected to be received in exchange for the goods or services.

The application of the Revenue Recognition Accounting Standards, etc. follows the transitional treatment stipulated in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standards, and is cumulative when the new accounting policy is retroactively applied before the beginning of the first quarter consolidated accounting period. The amount of impact is added to or subtracted from retained earnings at the beginning of the first quarter consolidated accounting period, and a new accounting policy is applied from the balance at the beginning of the period. However, the new accounting policy is retroactively applied to contracts that apply the method stipulated in Article 86 of the Revenue Recognition Accounting Standard and recognize almost all revenue amounts in accordance with the previous treatment before the beginning of the first quarter consolidated accounting period. Not applicable.

As a result, the impact on the quarterly consolidated financial statements will be minor.

Due to the application of revenue recognition accounting standards, "Notes receivable and accounts receivable" displayed in "Current assets" in the consolidated balance sheet for the previous consolidated fiscal year will be changed to "Notes receivable, accounts receivable and accounts receivable" from the first quarter consolidated accounting period. We have decided to include it in "contract assets". In accordance with the transitional treatment stipulated in Article 89-2 of the Accounting Standard for Revenue Recognition, the previous consolidated fiscal year has not been reclassified using the new presentation method. Furthermore, in accordance with the transitional treatment stipulated in "Accounting Standards for Quarterly Financial Statements" (Corporate Accounting Standard No. 12, March 31, 2020), paragraphs 28-15, contracts with customers for the previous Third quarter consolidated cumulative period It does not include information that decomposes the profits generated from.

(Application of accounting standards for calculation of market value)

"Accounting Standard for Market Value Calculation" (Corporate Accounting Standard No. 30, July 4, 2019; hereinafter referred to as "Market Value Calculation Accounting Standard"), etc. will be applied from the beginning of the first quarter consolidated accounting period, and the market value calculation accounting standard In accordance with the transitional treatment stipulated in Paragraph 19 and "Accounting Standards for Financial Instruments" (Corporate Accounting Standard No. 10 July 4, 2019), the new accounting policies stipulated by the market value calculation accounting standards, etc. , I decided to apply it in the future. This will not affect the quarterly consolidated financial statements.

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(Segment information)

I . Consolidated cumulative period for the Third quarter of the previous fiscal year (from April 1, 2020 to December 31, 2020)

1. Information on sales and profit or loss amounts by reporting segment

							Million yen
	Sales Business	Rental Business	Overseas Business	Total	Adjustment (Note 1)	Amount allocated on consolidated statements of income (Note 2)	
Net sales							
Net sales to external customers	7,892	18,549	2,315	28,757	—	28,757	
Intersegment sales and transfers	102	27	1,553	1,683	(1,683)	—	
Net sales or transfer amount							
Total	7,995	18,577	3,868	30,441	(1,683)	28,757	
Segment income or loss	839	1,832	(43)	2,627	(1,054)	1,573	

Notes 1. The segment income or loss adjustment amount of (1,054) million yen includes the elimination of inter-segment transactions of 239 million yen and company-wide expenses of (1,294) 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. Segment income or loss is adjusted with operating income on the quarterly consolidated income statement.

2. Information on impairment loss or goodwill of fixed assets by reporting segment

Not applicable.

II Consolidated cumulative period for the Third quarter of the current fiscal year (from April 1, 2021 to December 31, 2021)

1. Information on sales and profit or loss amounts by reporting segment and revenue decomposition information

							Million yen
	Sales Business	Rental Business	Overseas Business	Total	Adjustment (Note 1)	Amount allocated on consolidated statements of income (Note 2)	
Net sales							
Income from contracts with customers	9,742	9,513	2,210	21,466	—	21,466	
Other income	—	7,801	557	8,358	—	8,358	
Net sales to external customers	9,742	17,314	2,767	29,824	—	29,824	
Intersegment sales and transfers	312	13	1,976	2,301	(2,301)	—	
Net sales or transfer amount							
Total	10,054	17,327	4,743	32,126	(2,301)	29,824	
Segment income or loss	1,057	818	214	2,090	(1,103)	986	

Notes 1. The segment income or loss adjustment amount of (1,103) million yen includes inter-segment transaction elimination of 216 million yen and company-wide expenses of (1,320) 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. Segment income is adjusted with operating income on the quarterly consolidated income statement.

3. Other income includes leasing income, etc. based on Corporate Accounting Standard No. 13 "Accounting Standard for Lease Transactions".

2. Matters concerning changes in reporting segments, etc.

As described in the change in accounting policy, the accounting standard for revenue recognition was applied from the beginning of the Third quarter consolidated accounting period, and the accounting method for revenue recognition was changed. We are changing. The impact of this change will be minor.

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3. Information on impairment loss or goodwill of fixed assets by reporting segment
Impairment loss not allocated to the reporting segment was 41 million yen.