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May 11, 2023

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Based on Japanese GAAP)

Company name: TAKAMIYA CO., LTD.
 Stock exchange listing: Tokyo (Prime Market)
 Stock code: 2445 URL: <https://www.takamiya.co/>
 Representative: Representative Director, President and Chairman KAZUMASA TAKAMIYA
 Scheduled date of ordinary general meeting of shareholders: June 28, 2023
 Scheduled date to commence dividend payments: June 13, 2023
 Scheduled quarterly report submission date: June 28, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (Scheduled to distribute financial results briefing video)

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal Year ended March 31, 2023	41,894	5.3	2,253	33.9	2,400	22.9	<u>1,460</u>	<u>51.3</u>
Fiscal Year ended March 31, 2022	39,800	2.5	1,682	6.0	1,954	24.5	965	12.6

(Note) Comprehensive income Fiscal Year Ended March 31, 2023: 1,786 million yen 50.1%(YoY)
 Fiscal Year Ended March 31, 2022: 1,189 million yen 36.5% (YoY)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit margin on total assets	Operating income margin
	Yen	Yen	%	%	%
Fiscal Year ended March 31, 2023	<u>31.36</u>	<u>30.28</u>	<u>7.6</u>	3.9	5.4
Fiscal Year ended March 31, 2022	20.73	20.10	5.2	3.4	4.2

(Reference) Equity in earnings of affiliates Fiscal Year Ended March 31, 2023: - million yen
 Fiscal Year Ended March 31, 2022: - million yen

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2023	62,749	<u>20,522</u>	<u>31.7</u>	<u>427.08</u>
Fiscal year ended March 31, 2022	59,081	19,337	31.8	403.04

(Reference) Shareholders' equity Fiscal year ended March 31, 2023: 19,892 million yen
 Fiscal year ended March 31, 2022: 18,773 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2023	(14)	(1,205)	398	7,768
Fiscal year ended March 31, 2022	4,294	(2,979)	(588)	8,516

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2. Cash dividends

	Annual dividends per share					Total cash dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End 1Q	End 2Q	End 3Q	End 4Q	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal Year ended March 31, 2022	-	6.00	-	8.00	14.00	652	67.5	3.5
Fiscal Year ended March 31, 2023	-	6.00	-	8.00	14.00	652	<u>44.6</u>	3.4
Fiscal Year ended March 31, 2024 (Forecast)	-	6.00	-	8.00	14.00		27.0	

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q	22,400	13.1	1,300	70.3	1,220	7.3	770	3.1	16.53
Full year	48,000	14.6	3,800	68.7	3,580	49.1	2,420	<u>65.7</u>	51.95

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Notes

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

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

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

(3) Number of shares issued (common stock)

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

As of March 31, 2023	46,585,600 shares	As of March 31, 2022	46,585,600 shares
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② Number of treasury shares at the end of the period

As of March 31, 2023	7,020 shares	As of March 31, 2022	7,020 shares
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③ Average number of shares during the period

As of March 31, 2023	46,578,580 shares	As of March 31, 2022	46,576,577 shares
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(Reference) Summary of Non-Consolidated Financial Results

Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

Percentage figures represent changes from the previous fiscal year.

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal Year ended March 31, 2023	34,177	2.3	850	17.1	1,195	1.7	494	(3.8)
Fiscal Year ended March 31, 2022	33,424	2.6	726	(22.8)	1,175	(2.6)	513	(36.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal Year ended March 31, 2023	<u>10.61</u>		<u>10.25</u>	
Fiscal Year ended March 31, 2022	11.03		10.70	

(2) Non-consolidated financial position

	Total assets		Net assets		Capital adequacy ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
Fiscal Year ended March 31, 2023	54,964		<u>17,202</u>		<u>30.5</u>		<u>359.98</u>	
Fiscal Year ended March 31, 2022	51,432		17,297		32.9		363.11	

(Reference) Shareholders' equity

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

Fiscal year ended March 31, 2022: 16,913 million yen

*Summary of financial results is not subject to audit by a certified public accountant or auditing firm.

*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 Attachment P.3 "1. Summary of Business Results, etc. (4) Prospects for the future" for the conditions that are the premise of the business forecast and precautions when using the business forecast.

(How to obtain supplementary explanatory materials for financial results)

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

(How to obtain information on financial results)

We are planning to distribute a video presentation of our financial results on our website.

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1. Summary of Business Results, etc.

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

During the current fiscal year, the global economy has been picking up as economic activity has been repeatedly restricted and eased because of the new coronavirus infection. However, the outlook remains uncertain due to soaring raw material prices, the prolonged situation in Russia and Ukraine, and exchange rate fluctuations.

In the domestic construction industry, in which the Group is involved, there were some delays in the start of construction related to civil engineering, but private sector construction continued to perform well, centered on renovation work in the Tokyo metropolitan area.

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. We have designated the current consolidated fiscal year as the first year of the platform. We provide a business platform that allows customers to use our business foundation, including sales and rental, as if they were their own business foundation. In addition, we will work on four measures, Strengthen products for maintenance/repairs and infrastructure redevelopment, Nurture businesses beyond the temporary equipment sector, and Redevelop overseas business bases.

As a result, for the current fiscal year, the Company posted net sales of 41,894 million yen (up 5.3% year-on-year), operating income of 2,253 million yen (up 33.9% year-on-year), ordinary income of 2,400 million yen (up 22.9% year-on-year), and Profit attributable to owners of parent of 1,460 million yen (up 51.3% year-on-year).

Operating results by segment are as follows.

(Sales business)

In the temporary construction sector, there were concerns about delays in construction due to soaring material prices and a shortage of human resources, as well as uncertainties about the future. However, interest in the business platform centered on our product "Iq System" was high, and the number of inquiries for new procurement, replacement and additional purchase projects remained strong. Towards the end of the fiscal year under review, orders for the "Iq System" increased partly due to increased demand for construction work. On the price front, we have continued to negotiate sales prices in response to the surge in raw material prices. Outside of the temporary construction division, construction work for large-scale high-performance glass greenhouses for agriculture came to an end in the first half of the previous consolidated fiscal year, and sales decreased compared to the same period of the previous year.

As a result, net sales were 13,157 million yen (down 3.5% year-on-year) and operating income was 1,189 million yen (down 27.2% year-on-year).

(Rental Business)

In the private sector construction work, the difficult situation has continued since the previous consolidated fiscal year, with construction being interrupted, delayed, and the start of construction being postponed. However, rental demand was high, mainly for maintenance and repair work in the Tokyo metropolitan area, and the rental volume of temporary construction equipment such as the "Iq System" remained strong. In the civil engineering sector, although there were some delays in construction starts, the lending volume increased compared to the same period of the previous year.

As a result, net sales were 24,714 million yen (up 6.1% year on year), and operating income was 2,610 million yen (up 113.6% year on year).

(Overseas Business)

At HORY VIETNAM (Vietnam) and Hory Korea (Korea), there was no major impact on the procurement of raw materials and parts, and shipments of temporary construction materials to Japan remained steady. Hory Korea's domestic sales and rental business also performed well. At DIMENSION-ALL INC. (Philippines) as well, the government's restrictions on going out and movement have been lifted, and inquiries related to infrastructure construction are increasing.

As a result, net sales were 8,896 million yen (up 40.2% year on year), and operating income was 404 million yen (up 45.8% year on year).

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

Total assets at the end of the current fiscal year were 62,749 million yen, an increase of 3,668 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease in cash and deposit of 540 million yen, an increase in Accounts receivable - trade of 844 million yen, an increase in Raw materials and supplies of 1,675 million yen, an increase of 2,170 million yen in rental assets (net).

Total liabilities amounted to 42,227 million yen, an increase of 2,483 million yen from the end of the previous consolidated fiscal year. This was mainly due to increase in short-term loans payable of 1,296 million yen, an increase in Notes payable - facilities of 158 million yen.

Total net assets amounted to 20,522 million yen, an increase of 1,184 million yen from the end of the previous fiscal year. This was mainly due to an increase of 808 million yen in Retained earnings, an increase in Foreign currency translation adjustments of 269 million yen.

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

Cash and cash equivalents at the end of the current fiscal year decreased by 747 million yen compared to the end of the previous fiscal year to 7,768 million yen (down 8.8% year on year).

The status of each cash flow and their factors during the current consolidated fiscal year are as follows.

(Cash flows from operating activities)

Cash flows from operating activities resulted in an expenditure of 14 million yen (Income of 4,294 million yen in the previous consolidated fiscal year). This is mainly due to Profit before income taxes of 2,136 million yen, depreciation of 5,140 million yen, Purchase of assets for rent of 922 million yen, Decrease (increase) in notes and accounts receivable – trade of 525 million yen. Decrease (increase) in inventories of 5,688 million yen.

(Cash flows from investing activities)

Cash flows from investing activities resulted in expenditure of 1,205 million yen (Expenditure of 2,979 million yen in the previous consolidated fiscal year). This is mainly due to Purchase of property, plant and equipment of 938 million yen.

(Cash flows from financing activities)

Cash flow from financing activities was an income of 398 million yen. (Expenditure of 588 million yen in the previous consolidated fiscal year). This is mainly due to Net increase (decrease) in short-term loans payable of 1,234 million yen, Proceeds from long-term loans payable of 6,060 million yen, Proceeds from issuance of bonds of 1,177 million yen, Repayments of long-term loans payable of 6,006 million yen, Redemption of bonds of 1,047 million yen.

(4) Prospects for the future

Regarding the future outlook, as the situation in Russia and Ukraine continues, rising crude oil prices and energy prices may affect price increases. In addition, credit concerns in the United States and Europe triggered by the failure of U.S. financial institutions and worldwide economic recession concerns are expected to affect economic growth as uncertain factors. As a result, the outlook is expected to remain uncertain.

As for domestic construction investment, the outlook remains unstable due to delays and postponements in construction due to crude oil prices, soaring construction material prices, and a shortage of human resources. However, there are signs of resilience, such as renovation work on social infrastructure nationwide against the backdrop of national land resilience plans and other factors. In addition to warehousing and logistics facilities, which had been robust due to the expansion of demand in the Corona crash, we can expect a pick-up in private-sector capital investment, including planned luxury accommodations that anticipate inbound demand. Construction volume in the Tokyo metropolitan area, where redevelopment is continuing, is expected to remain firm. In the Kansai area, following the Osaka Kansai Expo, which is scheduled to be held in the Osaka Gulf area, we expect demand for domestic construction to remain stable, thanks in part to the government's approval of a comprehensive resort development plan by Osaka Prefecture and Osaka City, which had been in progress in this area.

Against this backdrop, we are moving forward with initiatives to realize our medium-term management plan announced on May 31, 2021, with the management vision of [Create new value through transformation and aim for sustainable growth by becoming a partner to our customers.]. In Japan (rental business and sales business), the business base optimized for [Iq system] was referred to as the platform, and the services of the platform were provided mainly to customers who purchased [Iq system] for the business know-how centered on temporary equipment rental, such as the assets we possess and the logistics network and maintenance know-how we have cultivated, as well as design technology and construction management utilizing BIM/CIM3D. Going forward, the Group will work to increase the number of users and increase earnings by expanding facilities and services to improve the benefits of this platform, and by promoting DX that actively utilizes digital technologies with the aim of improving management efficiency. In the overseas business, we saw some success in restructuring the management foundation, including an increase in segment operating income. We will continue to strive to improve our system for business expansion.

As a result of these activities, the full year consolidated financial results forecast for the fiscal year ending March 31, 2024 is expected to be net sales of 48,000 million yen, operating income of 3,800 million yen, and ordinary income of 3,400 million yen, Profit attributable to owners of parent of 2,420 million yen.

2. Basic concept regarding the selection of accounting standards

The Group will prepare consolidated financial statements based on Japanese standards for the time being, taking into consideration the comparability of consolidated financial statements over the period and the comparability between companies.

Regarding the application of international accounting standards, we will take appropriate measures in consideration of domestic and overseas situations.

3. Consolidated financial statements and major notes

(1) Consolidated Balance Sheet

(Unit: Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Assets		
Current assets		
Cash and deposits	8,836	8,296
Notes receivable – trade	2,657	2,430
Accounts receivable – trade	8,177	9,022
Merchandise and finished goods	3,748	5,423
Work in process	1,193	1,308
Raw materials and supplies	1,638	1,452
Other	725	819
Allowance for doubtful accounts	(295)	(323)
Total current assets	26,681	28,430
Non-current assets		
Property, plant and equipment		
Assets for rent	38,502	42,592
Accumulated depreciation-assets for rent	(26,323)	(28,243)
Assets for rent.net	12,179	14,349
Buildings and structures	9,738	10,084
Accumulated depreciation and impairment loss	(4,078)	(4,359)
Buildings and structures, net	5,659	5,725
Machinery, equipment and vehicles	3,157	3,683
Accumulated depreciation	(1,920)	(2,171)
Machinery, equipment and vehicles, net	1,237	1,512
Land	7,851	7,766
Leased assets	1,232	1,224
Accumulated depreciation	(820)	(922)
Leased assets, net	411	301
Construction in progress	451	145
Other	1,687	1,858
Accumulated depreciation	(1,148)	(1,365)
Other, net	539	492
Total property, plant and equipment	28,329	30,292
Intangible assets		
Leasehold right	327	327
Other	459	418
Total intangible assets	787	746
Investments and other assets		
Investment securities	432	379
Guarantee deposits	749	760
Net defined benefit asset	74	80
Deferred tax assets	766	745
Other	1,292	1,382
Allowance for doubtful accounts	(33)	(68)
Total investments and other assets	3,282	3,280
Total non-current assets	32,399	34,318
Total assets	59,081	62,749

(Unit: Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ending March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,940	7,010
Short-term loans payable	2,612	3,909
Current portion of bonds	1,047	1,167
Current portion of long-term loans payable	6,001	5,749
Lease obligations	374	311
Income taxes payable	440	392
Contractual liabilities	-	110
Provision for bonuses	337	466
Notes payable - facilities	147	306
Other	2,132	2,454
Total current liabilities	20,035	21,878
Non-current liabilities		
Bonds payable	4,230	4,263
Long-term loans payable	11,942	12,253
Lease obligations	905	690
Net defined benefit liability	1,023	1,021
Asset retirement obligations	19	34
Other	1,585	2,085
Total non-current liabilities	19,708	20,349
Total liabilities	39,744	42,227
Net assets		
Shareholders' equity		
Capital stock	1,052	1,052
Capital surplus	1,910	1,910
Retained earnings	15,705	16,514
Treasury shares	(3)	(3)
Total shareholders' equity	18,665	19,473
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	55	62
Deferred gains or losses on hedges	(6)	(1)
Foreign currency translation adjustment	98	368
Remeasurements of defined benefit plans	(39)	(9)
Total accumulated other comprehensive income	108	419
Subscription rights to shares	384	434
Non-controlling interests	179	194
Total net assets	19,337	20,522
Total liabilities and net assets	59,081	62,749

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(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated statements of income)

(Unit: Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	39,800	41,894
Cost of sales	28,619	29,307
Gross profit	11,181	12,587
Selling, general and administrative expenses	9,499	10,334
Operating income	1,682	2,253
Non-operating income		
Interest income	4	4
Dividend income	10	9
Rent income	88	101
Contribution for assets for rent	15	-
Gain on sales of scrap	150	186
Foreign exchange gains	211	130
Other	137	69
Total non-operating income	618	503
Non-operating expenses		
Interest expenses	206	211
Commission fee	68	59
Bond issuance cost	38	20
Other	33	63
Total non-operating expenses	346	355
Ordinary income	1,954	2,400
Extraordinary income		
Gain on sales of non-current assets	36	45
Gain on sales of investment securities	53	1
Total extraordinary income	90	46
Extraordinary losses		
Loss on retirement of non-current assets	5	39
Loss on valuation of investment securities	329	-
Provision of allowance for doubtful accounts of subsidiaries and associates	-	36
Loss on valuation of stocks of subsidiaries and affiliates	-	91
Loss on valuation of investments in capital of subsidiaries and associates	-	99
Impairment loss	43	-
System failure response costs	-	43
Total extraordinary losses	378	310
Profit before income taxes	1,666	2,136
Income taxes - current	661	642
Income taxes - deferred	16	18
Total income taxes	678	661
Profit	987	1,475
Profit attributable to non-controlling interests	22	14
Profit attributable to owners of parent	965	1,460

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(Consolidated Statements of Comprehensive Income)

(Unit: Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net income (loss)	987	<u>1,475</u>
Other comprehensive income		
Valuation difference on available-for-sale securities	0	6
Deferred gains or losses on hedges	0	4
Foreign currency translation adjustment	203	269
Remeasurements of defined benefit plans, net of tax	(1)	30
Total other comprehensive income	<u>202</u>	<u>311</u>
Comprehensive income	<u>1,189</u>	<u>1,786</u>
(Breakdown)		
Comprehensive income attributable to owners of parent	1,167	<u>1,771</u>
Comprehensive income attributable to minority interests	22	14

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(3) Consolidated Statement of Changes in Net Assets

Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	1,050	1,908	15,392	(3)	18,347
Changes during the period					
Issuance of new shares (Exercise of new shares acquisition rights)	2	2			4
Dividends from Surplus			(652)		(652)
Profit attributable to owners of parent			965		965
Changes in items other than shareholders' equity (net)					-
Total changes of items during the period	2	2	313	-	317
Balance at the end of current period	1,052	1,910	15,705	(3)	18,665

	Accumulated other comprehensive income (loss)					Stock acquisition rights	Non- controlling interests	Total net assets
	Valuation difference on available-for- sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasuremen ts of defined benefit plans	Total accumulated other comprehensive income (loss)			
Balance at the beginning of current period	55	(6)	(104)	(38)	(94)	357	157	18,768
Changes during the period								
Issuance of new shares (Exercise of new shares acquisition rights)								4
Dividends from Surplus								(652)
Profit attributable to owners of parent								965
Changes in items other than shareholders' equity (net)	0	0	203	(1)	202	26	22	250
Total changes of items during the period	0	0	203	(1)	202	26	22	568
Balance at the end of current period	55	(6)	98	(39)	108	384	179	19,37

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

(Unit: Million yen)

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

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

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(4) Consolidated Statements of Cash Flows

(Unit: Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Income before income taxes and minority interests	1,666	2,136
Depreciation	4,784	5,140
Impairment loss	43	-
Loss on retirement of assets for rent	44	22
Loss on sales of assets for rent	60	50
Purchase of assets for rent	(611)	(922)
Contribution for assets for rent	(15)	-
Increase (decrease) in allowance for doubtful accounts	(146)	53
Increase (decrease) in provision for bonuses	41	128
Increase (decrease) in net defined benefit liability	17	(6)
Share-based compensation expenses	30	50
Interest and dividend income	(15)	(14)
Interest expenses	206	211
Foreign exchange gains (losses)	(233)	(134)
Loss (gain) on sales of property, plant and equipment	(36)	(45)
Loss on retirement of property, plant and equipment	4	39
Loss (gain) on sales of investments securities	(53)	(1)
Loss (gain) on valuation of investments securities	329	-
Loss on valuation of stocks of subsidiaries and affiliates	-	91
Loss on valuation of investments in capital of subsidiaries and associates	-	99
Decrease (increase) in notes and accounts receivable - trade	936	(525)
Decrease (increase) in inventories	(2,966)	(5,688)
Increase (decrease) in notes and accounts payable - trade	1,204	143
Other	(217)	49
Subtotal	5,073	880
Interest and dividend income received	7	14
Interest expenses paid	(203)	(212)
Income taxes paid	(582)	(696)
Net cash provided by (used in) operating activities	4,294	(14)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from investing activities		
Payments into time deposits	(460)	(667)
Proceeds from withdrawal of time deposits	460	460
Purchase of property, plant and equipment	(2,955)	(938)
Proceeds from sales of property, plant and equipment	149	183
Purchase of intangible assets	(69)	(113)
Purchase of investment securities	(275)	(46)
Proceeds from sales of investment securities	86	17
Payments of loans receivable	-	(103)
Collection of loans receivable	100	1
Other	(15)	-
Net cash provided by (used in) investing activities	(2,979)	(1,205)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(910)	1,234
Repayments of lease obligations	(389)	(368)
Proceeds from long-term loans payable	6,610	6,060
Repayments of long-term loans payable	(6,333)	(6,006)
Proceeds from issuance of bonds	1,957	1,177
Redemption of bonds	(871)	(1,047)
Cash dividends paid	(652)	(652)
Net cash provided by (used in) financing activities	(588)	398
Effect of exchange rate change on cash and cash equivalents	77	74
Net increase (decrease) in cash and cash equivalents	804	(747)
Cash and cash equivalents at beginning of period	7,712	8,516
Cash and cash equivalents at end of period	8,516	7,768

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(5) Notes to quarterly consolidated financial statements

(Going concern assumption)

Not applicable.

(Changes in significant subsidiaries)

Not applicable.

Although this does not apply to changes in specific subsidiaries, In the consolidated fiscal year under review, our consolidated subsidiary NEXTECH Co., Ltd. was extinguished through an absorption-type merger with another consolidated subsidiary, TOTAL TOSHISEIBI Co., Ltd., as the surviving company, so it has been excluded from the scope of consolidation.

(Segment information)

1. Summary of reporting segments

The Group's reporting segments have separate financial information available from the Group's constituent units and are subject to regular review by the Board of Directors to determine resource allocation decisions and assess performance.

The Group has three reporting segments that are "Sales business" centered on the manufacture and sale of temporary construction equipment, "Rental business" centered on rental of temporary construction equipment and "Overseas business" centered on sales and rental of temporary construction equipment overseas.

2. How to calculate the amount of sales, profit or loss for each reporting segment

The method of accounting for the reported business segments is in line with the accounting policies adopted to prepare the consolidated financial statements.

The method of accounting for the reported business segments is in line with the accounting policies adopted to prepare the consolidated financial statements.

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

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

3. Information on the amount of sales, profit or loss for each reporting segment and revenue decomposition information

Previous consolidated fiscal year (from April 1, 2021 to March 31, 2022)

(Unit: Million yen)

	Sales Business	Rental Business	Overseas Business	Total	Adjustment (Note 1&2)	Amount allocated on consolidated statements of income (Note 3)
Net sales						
Income from contracts with customers	13,193	12,998	2,580	28,773	-	28,773
Other income	-	10,266	760	11,027	-	11,027
Net sales to external customers	13,193	23,265	3,341	39,800	-	39,800
Intersegment sales and transfers Net sales or transfer amount	435	17	3,069	3,522	(3,522)	-
Total	13,629	23,283	6,410	43,323	(3,522)	39,800
Segment income (loss)	1,633	1,221	277	3,133	(1,451)	1,682
Other						
Depreciation	317	3,759	553	4,630	153	4,784

Notes 1. Adjustments for segment profit or loss of (1,451) million yen include elimination of transactions between segments of 289 million yen and company-wide expenses of (1,740) million yen not allocated to each reporting segment. Company-wide expenses are mainly general and administrative expenses that do not belong to the reporting segment.

2. The depreciation adjustment amount of 153 million yen is depreciation expense for company-wide assets that do not belong to each reporting segment.

3. Segment profit or loss is adjusted with operating profit on the consolidated income statement.

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

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Current consolidated fiscal year (from April 1, 2022 to March 31, 2023)

(Unit: Million yen)

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

Notes 1. Adjustments for segment profit of (1,951) million yen include elimination of transactions between segments of 244 million yen and company-wide expenses of (2,195) million yen not allocated to each reporting segment. Company-wide expenses are mainly general and administrative expenses that do not belong to the reporting segment.

2. The depreciation adjustment amount of 318 million yen is depreciation expense for company-wide assets that do not belong to each reporting segment.

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

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

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(Per share information)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net assets per share	403.04 yen	<u>427.08</u> yen
Net income per share	20.73 yen	<u>31.36</u> yen
Diluted earnings per share	20.10 yen	<u>30.28</u> yen

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

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net income per share		
Profit attributable to owners of parent (Million yen)	965	<u>1,460</u>
Amount not attributable to common shareholders (Million yen)	-	-
Profit attributable to owners of parent applicable to common stock (Million yen)	965	<u>1,460</u>
Average number of shares of common stock during the period (Thousand shares)	46,576	46,578
Diluted earnings per share		
Adjusted profit attributable to owners of parent (Million yen)	-	-
Increase in number of common stocks (Thousand shares)	1,456	1,650
number of shares with subscription rights (Thousand shares)	1,456	1,650
Summary of residual securities not included in calculating diluted earnings per share, because of having no dilution effect	-	-

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

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Total net assets (Million yen)	19,337	<u>20,522</u>
Deduction from total net assets (Million yen)	564	629
With subscription rights (Million yen)	384	434
For non-controlling shareholders (Million yen)	179	194
End of period net assets applicable to common stock (Million yen)	18,773	<u>19,892</u>
End of period number of share used for calculating net assets per share (Thousand shares)	46,578	46,578

(Significant subsequent events)

Not applicable