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August 4, 2023

Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024 (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 quarterly report submission date: August 7, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024 (April 1, 2023 to June 30, 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	%
First quarter of the fiscal year ending March 31, 2024	9,896	9.7	409	125.5	615	41.0	417	33.0
First quarter of the fiscal year ended March 31, 2023	9,017	(2.4)	181	133.2	436	198.0	313	-

(Note) Comprehensive income First Quarter of Fiscal Year Ending March 31, 2024 : 398 million yen 27.8%
 First Quarter of Fiscal Year Ending March 31, 2023 : 311 million yen 35.5%

	Quarterly Earnings per share	Diluted earnings per share
	Yen	Yen
First quarter of the fiscal year ending March 31, 2024	8.95	8.64
First quarter of the fiscal year ended March 31, 2023	6.73	6.52

(2) Consolidated financial condition

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
First quarter of the fiscal year ending March 31, 2024	63,663	20,543	31.3	427.43
Fiscal year ended March 31, 2023	62,749	20,522	31.7	427.08

(Reference) Shareholders' equity First Quarter of Fiscal Year Ending March 31, 2024: 19,908 million yen
 Fiscal year ended March 31, 2023: 19,892 million yen

2. Cash dividends

	Annual dividends per share				
	End of the 1Q	End of the 2Q	End of the 3Q	End of term	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	6.00	-	8.00	14.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		6.00	-	8.00	14.00

(Note) Revisions from the most recently announced dividend forecast: None

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
Second quarter (cumulative)	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	65.7	51.95

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

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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) 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.: None

② Changes in accounting policies other than (1) above : None

③ Changes in accounting estimates : None

④ Restatement : None

(4) Number of shares issued (common stock)

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

As of June 30, 2023	46,585,600 shares	As of March 31, 2023	46,585,600 shares
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② Number of treasury shares at the end of the period

As of June 30, 2023	7,020 shares	As of March 31, 2023	7,020 shares
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③ Average number of shares during the period (cumulative quarterly)

As of June 30, 2023	46,578,580 shares	As of June 30, 2022	46,578,580 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 financial results (3) Explanation of consolidated financial forecasts and other forward-looking statements" on page 2 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 quarterly financial results supplementary materials)

Supplementary materials for the quarterly financial results will be posted on the Company's website.

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1. Qualitative information on quarterly financial results

(1) Explanation of business results

During the first quarter of the consolidated cumulative period under review, During the first quarter of the consolidated cumulative period under review, the global economy was on a recovery track as restrictions on economic activity due to the impact of the novel coronavirus infection were lifted. However, the outlook remained uncertain due to soaring energy prices and raw material prices, concerns about prolonged monetary tightening mainly in Europe and the United States, and exchange rate fluctuations.

In this environment, the Group has set a management vision of "Create new value through transformation and aim for sustainable growth by becoming a partner to our customers" in the medium-term management plan announced on May 31, 2021, and is proceeding with the transition to a new business model. In particular, on May 31, 2023, we announced the "Takamiya Platform," which provides high value-added services to customers who purchase the Iq system. We have expanded functions such as the interface "OPERA" that allows you to use all services provided by the platform on the web, and the digital market "Iq - Bid" that allows you to freely purchase and sell temporary construction equipment.

As a result, for the first quarter of the current fiscal year, the Company posted net sales of 9,896 million yen (up 9.7% year-on-year), operating income of 409 million yen (up 125.5% year-on-year), ordinary income of 615 million yen (up 41.0% year-on-year), and net income attributable to owners of the parent of 417 million yen (up 33.0% year-on-year).

Operating results by segment are as follows.

(Sales business)

In the Temporary Construction Division, interest in the "Takamiya Platform" was high, and inquiries for new procurement, replacement, and additional purchase projects remained strong. However, due to concerns about construction delays due to soaring material prices, a shortage of human resources, and uncertainties about the future, there continued to be a trend toward rental rather than purchase, and sales remained at the same level as the same period of the previous fiscal year. In terms of profit and loss, sales price revisions implemented in the previous consolidated fiscal year contributed to profit margins. In terms of profit and loss, sales price revisions implemented in the previous consolidated fiscal year contributed to profit margins.

Outside the temporary construction sector, large-scale mega-solar projects continued from the previous fiscal year, and sales of solar-related products increased.

As a result, sales were 2,895 million yen (up 17.1% year-on-year) and operating income was 275 million yen (up 116.0% year-on-year).

(Rental Business)

Rental demand is high, especially for maintenance and repair work in the Tokyo metropolitan area. In both the building and civil engineering fields, the rental volume of temporary construction equipment remained at a high level, surpassing that of the previous year. In addition, we have expanded our equipment lineup and worked to establish a stable supply system for "Takamiya Platform" users.

As a result, sales were 6,346 million yen (up 11.2% year-on-year) and operating income was 613 million yen (up 54.6% year-on-year).

(Overseas Business)

In the manufacturing field, the procurement of raw materials and parts has not been significantly affected, and both HORY VIETNAM (Vietnam) and Hory Korea (South Korea) are steadily shipping temporary construction materials to Japan.

Hory Korea, which has an overseas sales division, saw construction demand in South Korea, but due to concerns over the tightening of global financial conditions, there was a trend toward rental use as in Japan, resulting in a decrease in sales.

At DIMENSION-ALL INC. (Philippines), although economic activity is on a recovery trend, construction delays and postponements of construction starts have had an impact, and sales remained at the same level as the same period of the previous year.

As a result, sales were 1,824 million yen (down 10.7% year-on-year) and operating income was 40 million yen (down 61.9% year-on-year).

(2) Explanation of financial condition

Total assets at the end of the current first quarter consolidated accounting period were 63,663 million yen, an increase of 914 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 179 million yen in Cash and deposits, a decrease of 852 million yen in Notes and accounts receivable trade and contract assets, and an increase of 726 million yen in Merchandise and finished goods, and an increase of 997 million yen in Assets for rent, net.

Total liabilities amounted to 43,120 million yen, an increase of 892 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 1,586 million yen in short-term loans payable, a decrease of 319 million yen in Provision for bonuses, a decrease of 425 million yen in Long-term debt (including Current portion of long term loans payable).

Total net assets amounted to 20,543 million yen, an increase of 21 million yen from the end of the previous fiscal year. This was mainly due to a increase of 44 million yen in retained earnings resulting from 417 million yen in net income attributable to owners of the parent and 372 million yen in dividends from surplus.

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

Regarding the consolidated earnings forecast, there is no change to the consolidated earnings forecast for the second quarter consolidated cumulative period and the full year announced in the "Summary of Financial Results for the Fiscal Year Ending March 2023" dated May 11, 2023.

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2. Quarterly consolidated financial statements and major notes

(1) Quarterly Consolidated Balance Sheet

	Million yen	
	Fiscal year ended March 31, 2023	First quarter of the fiscal year ending March 31, 2024
Assets		
Current assets		
Cash and deposits	8,296	8,475
Notes and accounts receivable trade and contract assets	11,452	10,600
Merchandise and finished goods	5,423	6,150
Work in process	1,308	1,282
Raw materials and supplies	1,452	1,338
Other	819	949
Allowance for doubtful accounts	(323)	(340)
Total current assets	28,430	28,456
Non-current assets		
Property, plant and equipment		
Assets for rent	42,592	44,308
Accumulated depreciation - Assets for rent	(28,243)	(28,962)
Assets for rent, net	14,349	15,346
Buildings and structures	10,084	10,139
Accumulated depreciation and impairment loss	(4,359)	(4,485)
Buildings and structures (net)	5,725	5,653
Machinery, equipment and vehicles	3,683	3,764
Accumulated depreciation	(2,171)	(2,279)
Machinery, equipment and vehicles (net)	1,512	1,485
Land	7,766	7,774
Lease assets	1,224	1,262
Accumulated depreciation	(922)	(979)
Lease assets, net	301	282
Construction in progress	145	184
Other	1,858	1,951
Accumulated depreciation	(1,365)	(1,426)
Other (net)	492	525
Total tangible assets	30,292	31,253
Intangible assets		
Leasehold right	327	327
Other	418	401
Total intangible fixed assets	746	729
Investments and other assets		
Investment securities	379	410
Guarantee deposits	760	761
Net defined benefit asset	80	81
Deferred tax assets	745	646
Other	1,382	1,409
Allowance for doubtful accounts	(68)	(85)
Total investments and other assets	3,280	3,224
Total non-current assets	34,318	35,206
Total assets	62,749	63,663

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Million yen

	Fiscal year ended March 31, 2023	First quarter of the fiscal year ending March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,010	6,746
Short-term loans payable	3,909	5,495
Current portion of bonds	1,167	1,167
Current portion of long term loans payable	5,749	5,566
Lease obligations	311	320
Income taxes payable	392	180
Contract liability	110	—
Provision for bonuses	466	147
Notes payable - facilities	306	315
Other	2,454	3,016
Total current liabilities	21,878	22,955
Non-current liabilities		
Bonds payable	4,263	4,215
Long-term debt	12,253	12,011
Lease obligations	690	627
Provision for directors' retirement benefits	1,021	1,035
Asset retirement obligations	34	34
Other	2,085	2,240
Total non-current liabilities	20,349	20,164
Total liabilities	42,227	43,120
Net assets		
Shareholders' equity		
Capital stock	1,052	1,052
Capital surplus	1,910	1,910
Retained earnings	16,514	16,558
Treasury stock	(3)	(3)
Total shareholders' equity	19,473	19,518
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	62	82
Deferred gains or losses on hedges	(1)	(2)
Foreign currency translation adjustments	368	318
Accumulated adjustment for retirement benefits	(9)	(7)
Total accumulated other comprehensive income	419	390
Subscription rights to shares	434	434
Non-controlling interests	194	199
Total net assets	20,522	20,543
Total liabilities and net assets	62,749	63,663

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

(Quarterly consolidated statements of income)

(First quarter consolidated cumulative period)

	Million yen	
	First quarter of the fiscal year ended March 31, 2023	First quarter of the fiscal year ending March 31, 2024
Net sales	9,017	9,896
Cost of sales	6,366	6,850
Gross profit	2,650	3,046
Selling, general and administrative expenses	2,469	2,637
Operating income	181	409
Non-operating income		
Interest income	1	5
Dividend income	3	3
Rent income	27	25
Income from sale of scrap	48	38
Foreign exchange gains	227	196
Other	20	31
Total non-operating income	328	301
Non-operating expenses		
Interest expense	50	59
Payment fee	13	11
Provision of allowance for doubtful accounts	-	16
Other	9	6
Total non-operating expenses	72	94
Ordinary income	436	615
Extraordinary gains		
Gain on sales of fixed assets	0	7
Total extraordinary income	0	7
Extraordinary loss		
Loss on disposal of fixed assets	0	-
Total extraordinary loss	0	-
Profit before income taxes	436	623
Income taxes - current	123	95
Income taxes - deferred	13	101
Total income taxes	136	197
Profit	300	426
Profit loss attributable to non controlling Interests	(13)	9
Profit attributable to owners of parent	313	417

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(Quarterly consolidated Statements of comprehensive income)

(First quarter consolidated cumulative period)

Million yen

	First quarter of the fiscal year ended March 31, 2023	First quarter of the fiscal year ending March 31, 2024
Net income (loss)	300	426
Other comprehensive income		
Valuation difference on available-for-sale securities	2	20
Deferred gains (losses) on hedges	1	(0)
Foreign currency translation adjustments	6	(49)
Remeasurements of defined benefit plans, net of tax	0	1
Total other comprehensive income (loss)	11	(28)
Comprehensive income	311	398
(Breakdown)		
Comprehensive income attributable to owners of parent	324	388
Comprehensive income attributable to non controlling interests	(13)	9

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(3) Notes to quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

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

Not applicable.

(Segment information)

I. Consolidated cumulative period for the first quarter of the previous fiscal year (from April 1, 2022 to June 30, 2022)

1. 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	2,386	3,128	712	6,288	-	6,228
Other income	-	2,576	212	2,789	-	2,789
Net sales to external customers	2,386	5,705	925	9,017	-	9,017
Intersegment sales and transfers Net sales or transfer amount	85	0	1,117	1,203	(1,203)	-
Total	2,472	5,706	2,043	10,221	(1,203)	9,017
Segment income	127	396	105	630	(448)	181

Notes 1. The segment profit adjustment amount of (448) million yen includes the elimination of inter-segment transactions of 72 million yen and company-wide expenses of (521) 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 is adjusted with operating income on the quarterly consolidated income statement.

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

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

Not applicable.

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II Consolidated cumulative period for the first quarter of the current fiscal year (from April 1, 2023 to June 30, 2023)

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 (see Note 1)	Amount allocated on consolidated statements of income (see Note 2)
Net sales						
Income from contracts with customers	2,840	3,248	513	6,601	-	6,601
Other income	-	3,090	204	3,295	-	3,295
Net sales to external customers	2,840	6,338	717	9,896	-	9,896
Intersegment sales and transfers	54	8	1,106	1,169	(1,169)	-
Net sales or transfer amount						
Total	2,895	6,346	1,824	11,066	(1,169)	9,896
Segment income	275	613	40	929	(520)	409

Notes 1. The segment profit adjustment amount of (520) million yen includes inter-segment transaction elimination of 44 million yen and company-wide expenses of (565) 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. Information on impairment loss or goodwill of fixed assets by reporting segment

Not applicable.