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February 10, 2025

## Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2025 (Based on Japanese GAAP)

Company name: TAKAMIYA CO., LTD.  
 Stock exchange listing: Tokyo (Prime Market)  
 Stock code: 2445 URL: <https://corp.takamiya.co/en/>  
 Representative: Representative Director, President and Chairman KAZUMASA TAKAMIYA  
 Scheduled Start Date for Dividend Payments: -  
 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 Third Quarter of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to December 31, 2024)

## (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, 2025	32,335	0.5	1,316	(45.3)	1,209	(52.1)	867	(49.8)
Third quarter of the fiscal year ended March 31, 2024	32,183	4.9	2,405	49.7	2,526	46.5	1,727	46.9

(Note) Comprehensive income  
 Third Quarter of Fiscal Year Ending March 31, 2025 : 692 million yen (67.8)%  
 Third Quarter of Fiscal Year Ending March 31, 2024 : 2,147 million yen 10.2%

	Quarterly Earnings per share	Diluted earnings per share
	Yen	Yen
Third quarter of the fiscal year ending March 31, 2025	18.72	18.00
Third quarter of the fiscal year ended March 31, 2024	37.08	35.70

## (2) Consolidated financial condition

	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, 2025	73,432	21,835	28.8	462.83
Fiscal year ended March 31, 2024	68,945	22,157	31.1	460.95

(Reference) Shareholders' equity  
 Third Quarter of Fiscal Year Ending March 31, 2025: 21,179 million yen  
 Fiscal year ended March 31, 2024: 21,470 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, 2024	-	6.00	-	8.00	14.00
Fiscal year ending March 31, 2025	-	6.00	-		
Fiscal year ending March 31, 2025 (Forecast)				10.00	16.00

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

The breakdown of the year-end dividend scheduled for the fiscal year ending in March 31, 2025 consists of a regular dividend of 8 yen and a 55th anniversary commemorative dividend of 2 yen.

## 3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

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	44,500	0.8	2,200	(35.4)	1,950	(45.5)	1,350	28.5	29.23

(Note) Revisions from the most recently announced earnings forecast: Yes

(Note) For the revision of the consolidated earnings forecast, please refer to the " Notice regarding the Revision of Earnings Forecast" announced today (February 10, 2025).

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Notes

(1) Significant changes to the scope of consolidation during the current consolidated cumulative quarter: None  
 New: - companies (company name) -, Removed: - companies (company name) -

(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

(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, 2024	46,585,600 shares	As of March 31, 2024	46,585,600 shares
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② Number of treasury shares at the end of the period

As of December 31, 2024	825,480 shares	As of March 31, 2024	7,080 shares
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③ Average number of shares during the period (cumulative quarterly)

As of December 31, 2024	46,326,373 shares	As of June 30, 2023	46,578,563 shares
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(Note) The number of treasuries shares at the end of the period includes our shares held by Custody Bank of Japan Ltd. (Trust Account E) (FY2024: -- shares, FY2025 Q3: 818,400 shares). In addition, our shares held by Custody Bank of Japan Ltd. (Trust Account E) are included in the treasury shares deducted in the calculation of the average number of shares during the period.

\*Review by a certified public accountant or an auditing firm of the attached quarterly consolidated financial statements: None

\*Explanation of the appropriate use of earnings 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 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 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

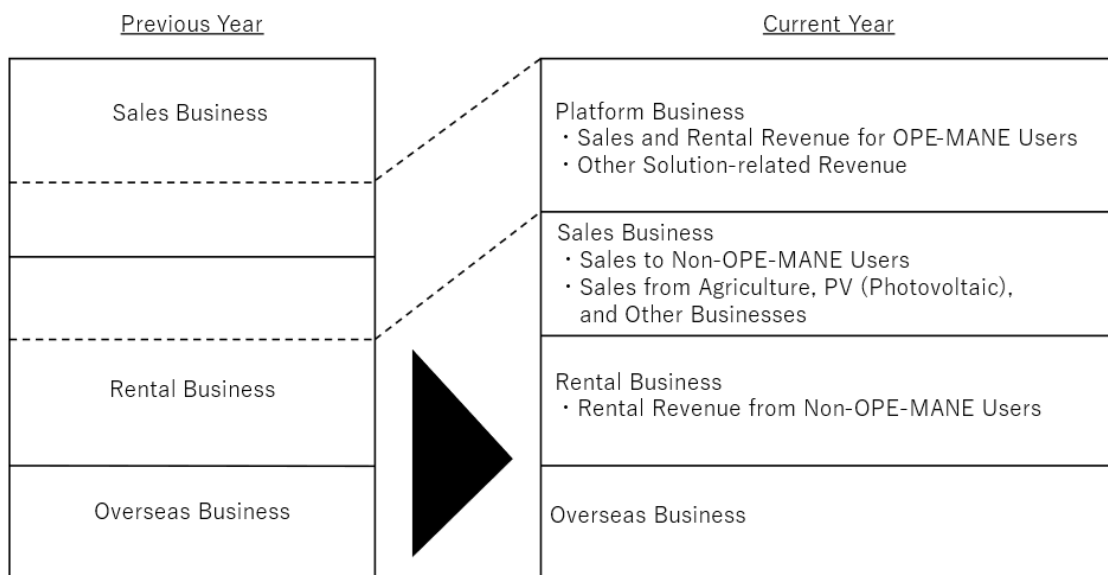
In the third quarter of the fiscal year, the global economy showed steady personal consumption and a gradual recovery in economic conditions. However, there were still many concerns, such as the prolonged Ukraine conflict, geopolitical risks, and fluctuations in exchange rates, leaving the future outlook uncertain.

In this environment, our group announced the "Medium-Term Business Plan 2024-2026" on May 10, 2024, based on four key policies: "Establishment of Revenue Foundation through Establishment and Solidification of Platform Business," " Establishment of Growth Foundation through DX and Human Capital Investment," " Revenue Enhancement in Overseas Business," and " Integration of Management Conscious of Capital Costs and Stock Prices." This mid-term management plan is guided by our management vision of "Creating New Value with Takamiya Platform and DX, Transforming into the Industry's First Scaffolding Platform Company."

On September 12, we held the grand opening of "Takamiya Lab.West," where the construction of the "Innovation Hub," a facility that allows visitors to experience the solutions and future vision provided by the Takamiya Platform, has been completed, establishing a solid foundation for the expansion of our Platform business. Additionally, the construction company, ECO-TRY Co., Ltd., which was consolidated at the end of the previous fiscal year, has been included in the consolidation from the beginning of this fiscal year.

As a result, the financial performance for the consolidated cumulative period of the third quarter showed sales of 32,335 million yen (a 0.5% increase compared to the same period last year). In terms of income, due to factors such as the continued depreciation of the yen, the revision of retirement allowance provisions for subsidiaries' executives, increased personnel expenses and depreciation from upfront investments, operating income was 1,316 million yen (a 45.3% decrease compared to the same period last year), ordinary income was 1,209 million yen (a 52.1% decrease compared to the same period last year), and net income attributable to owners of the parent was 867 million yen (a 49.8% decrease compared to the same period last year).

Regarding segment income, the details are as follows. From this consolidated fiscal year, in order to provide a clearer understanding of our group's direction and strategy, we have newly established a "Platform Business" segment in addition to the existing segments of Sales, Rental, and Overseas Business, and we are now disclosing results in four segments.



\* Regarding the "Platform Business," revenue related to "OPE-MANE" users is primarily extracted and disclosed, rather than revenue from the traditional "Sales Business" and "Rental Business."

(Platform business)

With the grand opening of "Takamiya Lab.West," the image of the "Takamiya Platform," our new business model, became more tangible, further increasing interest in the platform. On the other hand, delays in delivery times and other issues resulted in the number of new accounts for the Iq System's operation management service, "OPE-MANE," being lower than expected. However, compared to the same period last year, the utilization of the Takamiya Platform, particularly centered around "OPE-MANE," has expanded, and sales from additional services, such as the delivery of supplementary materials, have steadily increased.

As a result, sales reached 3,276 million yen (a 108.8% increase compared to the same period last year), and operating income also reached 619 million yen (a 187.5% increase compared to the same period last year), with both sales and operating profit showing growth.

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### (Sales business)

In the temporary construction department, delays in delivery of anticipated projects continue. In addition, although domestic construction demand is strong, there are still concerns about the uncertain future, such as postponement of construction due to a shortage of human resources and concerns about economic recession due to financial tightening, etc., and as a result, there has been a movement toward rental. Outside of the temporary construction sector, there were no large-scale solar-related projects like in the previous fiscal year, resulting in a decline in sales and a significant decline in incomes.

As a result, sales amounted to 6,905 million yen (a 19.2% decrease compared to the same period last year), and operating income was 287 million yen (a 71.3% decrease compared to the same period last year).

### (Rental Business)

In the rental business, demand for rentals remains high in both the construction and civil engineering sectors, and the volume of outbound shipments of temporary equipment was at a high level compared to the previous period. However, due to delays in the start of large-scale projects such as the Hokkaido Shinkansen extension, the shipment volume was lower than expected. Additionally, as the number of users for "OPE-MANE," the core service of the platform business, increased compared to the same period last year, platform business sales grew, which led to a decrease in some of the rental business sales.

As a result, sales amounted to 20,409 million yen (a 5.0% increase compared to the same period last year). In terms of profit, due to upfront investments and the revision of retirement allowance provisions for subsidiaries' executives, selling, general and administrative expenses increased, primarily due to higher personnel expenses and depreciation costs. Furthermore, the delay in the start of projects meant that the increase in sales could not fully compensate for the rise in expenses, resulting in operating income of 2,309 million yen (a 13.4% decrease compared to the same period last year).

### (Overseas Business)

In the manufacturing sector, there was no significant impact on the procurement of raw materials and components, and the shipments of construction temporary equipment to Japan remained steady both in Hory Korea (Korea) and HORY VIETNAM (Vietnam).

In Hory Korea, which is part of the overseas sales division, concerns over economic instability in South Korea and rising interest rates led to an uncertain outlook, and construction investment continued to remain sluggish. As a result, both sales and income in both the sales and rental sectors decreased compared to the previous period.

In DIMENSION-ALL INC. (Philippines), a revision of plans for large-scale projects led to a decrease in expected sales. However, due to progress in receiving orders for other projects, sales remained at the same level as the previous year.

As a result, sales amounted to 5,439 million yen (a 12.2% decrease compared to the same period last year), and operating profit was 338 million yen (a 3.0% increase compared to the same period last year).

## (2) Explanation of financial condition

As of the end of the third-quarter consolidated fiscal period, total assets amounted to 73,432 million yen, an increase of 4,487 million yen compared to the end of the previous consolidated fiscal year. The main factors contributing to this increase include a decrease of 1,721 million yen in notes receivable, accounts receivable, and contract assets, an increase of 1,020 million yen in merchandise and products, an increase of 2,591 million yen in rental assets (net), and an increase of 1,250 million yen in buildings and structures (net).

Total liabilities amounted to 51,597 million yen, an increase of 4,809 million yen compared to the end of the previous consolidated fiscal year. The main factors contributing to this increase include an increase of 1,051 million yen in short-term borrowings and an increase of 5,655 million yen in long-term borrowings (including long-term borrowings due within one year).

Total net assets amounted to 21,835 million yen, a decrease of 322 million yen compared to the end of the previous consolidated fiscal year. The main factors contributing to this decrease include an increase of 217 million yen in retained earnings due to the quarterly net profit attributable to parent company shareholders of 867 million yen and dividends of 650 million yen from surplus.

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

The consolidated earnings forecast for the fiscal year ending in March 31, 2025 has been revised from the figures announced on May 10, 2024. For more details, please refer to the "Notice regarding the Revision of Earnings Forecast" announced on February 10, 2025.

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## 2. Quarterly consolidated financial statements and major notes

## (1) Quarterly Consolidated Balance Sheet

Million yen

	Fiscal year ended March 31, 2024	Third quarter of the fiscal year ending March 31, 2025
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	7,786	8,350
Notes and accounts receivable trade and contract assets	12,033	10,312
Merchandise and finished goods	6,375	7,396
Work in process	1,244	1,211
Raw materials and supplies	1,344	1,377
Other	617	806
Allowance for doubtful accounts	(327)	(304)
<b>Total current assets</b>	<b>29,073</b>	<b>29,150</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
<b>Assets for rent</b>	<b>48,227</b>	<b>52,643</b>
Accumulated depreciation - Assets for rent	(29,987)	(31,811)
<b>Assets for rent, net</b>	<b>18,240</b>	<b>20,831</b>
<b>Buildings and structures</b>	<b>10,640</b>	<b>12,251</b>
Accumulated depreciation and impairment loss	(5,184)	(5,545)
<b>Buildings and structures, net</b>	<b>5,455</b>	<b>6,706</b>
<b>Machinery, equipment and vehicles</b>	<b>4,029</b>	<b>4,301</b>
Accumulated depreciation	(2,566)	(2,810)
<b>Machinery, equipment and vehicles, net</b>	<b>1,463</b>	<b>1,491</b>
Land	9,058	9,521
<b>Leased assets</b>	<b>1,432</b>	<b>1,388</b>
Accumulated depreciation	(1,080)	(1,050)
<b>Leased assets, net</b>	<b>352</b>	<b>337</b>
Construction in progress	769	513
<b>Other</b>	<b>2,166</b>	<b>2,535</b>
Accumulated depreciation	(1,639)	(1,825)
<b>Other, net</b>	<b>527</b>	<b>710</b>
<b>Total tangible assets</b>	<b>35,867</b>	<b>40,112</b>
<b>Intangible assets</b>		
Leasehold right	327	327
Other	381	440
<b>Total intangible fixed assets</b>	<b>709</b>	<b>768</b>
<b>Investments and other assets</b>		
Investment securities	452	561
Guarantee deposits	758	768
Retirement benefit asset	154	157
Deferred tax assets	612	547
Other	1,473	1,405
Allowance for doubtful accounts	(156)	(39)
<b>Total investments and other assets</b>	<b>3,294</b>	<b>3,401</b>
<b>Total non-current assets</b>	<b>39,871</b>	<b>44,282</b>
<b>Total assets</b>	<b>68,945</b>	<b>73,432</b>

Million yen

	Fiscal year ended March 31, 2024	Third quarter of the fiscal year ending March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,746	6,670
Short-term loans payable	3,986	5,038
Current portion of bonds	785	745
Current portion of long-term loans payable	5,792	6,574
Lease obligations	364	356
Income taxes payable	922	185
Provision for bonuses	564	329
Provision for share-based remuneration for directors	-	37
Notes payable - facilities	391	353
Other	2,870	2,832
Total current liabilities	22,424	23,124
Non-current liabilities		
Bonds payable	5,958	5,557
Long-term loans payable	14,742	19,615
Lease obligations	525	377
Reserve for directors' retirement benefits	-	136
Provision for share-based remuneration for directors	-	16
Net defined benefit liability	1,042	1,039
Asset retirement obligations	34	34
Other	2,059	1,694
Total non-current liabilities	24,363	28,472
Total liabilities	46,787	51,597
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,052	1,052
Capital surplus	1,910	1,910
Retained earnings	17,888	18,105
Treasury stock	(3)	(365)
Total shareholders' equity	20,847	20,702
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	134	145
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustments	453	294
Remeasurements of defined benefit plans	34	35
Total accumulated other comprehensive income	622	476
Subscription rights to shares	485	485
Non-controlling interests	201	170
Total net assets	22,157	21,835
Total liabilities and net assets	68,945	73,432

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

(Quarterly consolidated statements of income)

(Third quarter consolidated cumulative period)

	Million yen	
	Third quarter of the fiscal year ended March 31, 2024	Third quarter of the fiscal year ending March 31, 2025
Net sales	32,183	32,335
Cost of sales	21,627	21,912
Gross profit	10,555	10,422
Selling, general and administrative expenses	8,150	9,105
Operating income	2,405	1,316
Non-operating income		
Interest income	10	5
Dividend income	11	15
Rent income	73	60
Gain on sales of scrap	118	130
Foreign exchange gains	192	43
Other	58	82
Total non-operating income	463	338
Non-operating expenses		
Interest expenses	197	273
Commission fee	40	107
Provision of allowance for doubtful accounts	63	-
Other	40	64
Total non-operating expenses	342	446
Ordinary income	2,526	1,209
Extraordinary income		
Gain on extinguishment of tie-in shares	-	31
Gain on sales of non-current assets	20	7
Gain on sales of investment securities	-	11
Total extraordinary income	20	50
Extraordinary losses		
Loss on support to subsidiaries and associates	-	38
Loss on retirement of non-current assets	0	0
Total extraordinary loss	0	39
Profit before income taxes	2,546	1,220
Income taxes - current	740	326
Income taxes - deferred	66	55
Total income taxes	806	382
Profit	1,739	838
Profit attributable to non controlling Interests	12	(28)
Profit attributable to owners of parent	1,727	867



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(Quarterly consolidated Statements of comprehensive income)

(Third quarter consolidated cumulative period)

Million yen

	Third quarter of the fiscal year ended March 31, 2024	Third quarter of the fiscal year ending March 31, 2025
Income before minority interests	1,739	838
Other comprehensive income		
Valuation difference on available-for-sale securities	36	10
Deferred gains or losses on hedges	0	1
Foreign currency translation adjustment	366	(158)
Remeasurements of defined benefit plans, net of tax	4	1
Total other comprehensive income (loss)	407	(146)
Comprehensive income	2,147	692
(Breakdown)		
Comprehensive income attributable to owners of parent	2,134	721
Comprehensive income attributable to minority interests	12	(28)

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(3) Notes to quarterly consolidated financial statements

(Notes on Changes in Accounting Policies)

(Application of "Accounting Standards for Corporate, Resident and Business Taxes")

The "Accounting Standards for Corporate, Resident and Business Taxes" (ASBJ Statement No. 27, October 28, 2022. hereinafter referred to as the "2022 Revised Accounting Standards"), etc. have been applied from the beginning of this first quarter consolidated accounting period.

Regarding the revision of the classification of corporate tax, etc. (taxation on other comprehensive income), we follow the transitional treatment set forth in the proviso to paragraph 20-3 of the revised ASBJ Statement after 2022 and the transitional treatment set forth in the proviso to paragraph 65-2 (2) of the "Guidelines for the Implementation of Accounting Standards for Tax-Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022. hereinafter referred to as the "2022 Revised Implementation Guidance"). There is no impact on the quarterly consolidated financial statements due to this.

In addition, the revised 2022 guidelines on the treatment of gains and losses on the sale of subsidiary shares between consolidated companies that can be deferred for tax purposes have been applied from the beginning of this first quarter consolidated accounting period. This change in accounting policy has been applied retroactively to the quarterly consolidated financial statements and consolidated financial statements for the previous quarter and previous fiscal year. There is no impact on the quarterly consolidated financial statements and quarterly consolidated financial statements for the previous fiscal year.

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(Notes on Segment information)

I. Consolidated cumulative period for the Third quarter of the previous fiscal year (from April 1, 2023 to December 31, 2023)

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

(Million yen)

	Platform Business	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	1,041	8,462	10,038	2,057	21,599	-	21,599
Other income	527	-	9,329	726	10,584	-	10,584
Net sales to external customers	1,569	8,462	19,367	2,784	32,183	-	32,183
Intersegment sales and transfers Net sales or transfer amount	-	80	61	3,408	3,550	(3,550)	-
Total	1,569	8,542	19,429	6,192	35,734	(3,550)	32,183
Segment income	215	1,001	2,667	328	4,212	(1,806)	2,405

Notes 1. The adjustment of segment profit of -1,806 million yen includes inter-segment transaction elimination of 171 million yen and corporate expenses not allocated to each reportable segment of -1,978 million yen. Corporate expenses are mainly general and administrative expenses not attributable to any reportable segment.

2. Segment profit has been adjusted with operating profit on the quarterly consolidated income statement.

3. Other income includes lease income, etc. based on Accounting Standards Board of Japan 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 Third quarter of the current fiscal year (from April 1, 2024 to December 31, 2024)

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

(Million yen)

	Platform Business	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	2,099	6,632	11,058	1,409	21,200	-	21,200
Other income	1,176	-	9,171	786	11,134	-	11,134
Net sales to external customers	3,276	6,632	20,230	2,196	32,335	-	32,335
Intersegment sales and transfers	-	273	179	3,242	3,695	(3,695)	-
Net sales or transfer amount							
Total	3,276	6,905	20,409	5,439	36,030	(3,695)	32,335
Segment income	619	287	2,309	338	3,553	(2,237)	1,316

Notes1. The adjustment of segment profit of -2,237 million yen includes inter-segment transaction elimination of 42 million yen and corporate expenses not allocated to each reportable segment of -2,280 million yen. Corporate expenses are mainly general and administrative expenses not attributable to any reportable segment.

2. Segment profit has been adjusted with operating profit on the quarterly consolidated income statement.

3. Other income includes lease income, etc. based on Accounting Standards Board of Japan No. 13, "Accounting Standard for Lease Transactions."

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

Not applicable.

3. Matters Related to Changes in Reporting Segments

Our group will promote the expansion of the "Takamiya Platform," which was established under the "Medium-term management plan 2021," as outlined in the "Medium-term Business Plan 2024-2026." Accordingly, transactions related to the "Takamiya Platform" will be managed separately, and we have identified "Platform Business" as a distinct business segment.

As a result, from the first quarter of the consolidated fiscal year, we are disclosing our reporting segments as "Platform Business," "Sales Business," "Rental Business," and "Overseas Business."

Additionally, segment information for the previous third quarter of the consolidated fiscal year has been disclosed based on the revised reporting segment classifications.

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

Custody Bank of Japan Ltd. (Trust Account E) acquired 818,400 shares of the Company's stock for 362 million yen as trust assets for the Stock Benefit Trust (BBT-RS). As a result, treasury stock for the third quarter of this consolidated fiscal year was 365 million yen.

(Notes on going concern assumption)

Not applicable.

(Notes on the Quarterly Consolidated Statement of Cash Flows)

We have not prepared the Quarterly Consolidated Statement of Cash Flows for the Third quarter of the consolidated fiscal year.

However, the depreciation expenses (excluding amortization of goodwill, including amortization of intangible fixed assets) for the Third quarter of the consolidated fiscal year are as follows.

	Third quarter of the fiscal year ended March 31, 2024	Third quarter of the fiscal year ending March 31, 2025
Depreciation	4,037 million yen	4,298 million yen

(Additional Information)

(Stock Benefit Trust (BBT-RS))

The Company has introduced the "Stock Benefit Trust (BBT-RS)" as a performance-linked stock compensation plan for directors (excluding directors who are audit and supervisory committee members and other directors who are outside directors) and executive officers who meet the beneficiary requirements set forth in the Officer Stock Compensation Regulations (hereinafter collectively referred to as "Directors, etc."). The purpose of this plan is to clarify the link between the compensation of Directors, etc. and the Company's performance and stock value, and to have Directors, etc. share not only the benefits of rising stock prices but also the risks of falling stock prices with shareholders, thereby raising their awareness of contributing to improving medium- to long-term performance and increasing corporate value.

(1) Overview of the transaction

This is a performance-linked stock compensation plan in which the Company's shares are acquired through a trust using money contributed by the Company, and the Company's shares and money equivalent to the market value of the Company's shares are paid to Directors, etc. through a trust in accordance with the Officer Stock Payment Regulations established by the Company. In principle, under this plan, the Company's shares will be paid to Directors at a certain time each year according to their current position, and the number of Company's shares will be paid according to the achievement of management goals after the performance of the final business year of the target period (March 2027) is determined. In principle, the number of Company's shares will be paid to Executive Officers according to the achievement of management goals, etc. after the performance of the final business year of the target period is determined. In addition, if the Company's shares are paid to Directors, etc. during their term of office, the Directors, etc. will enter into a transfer restriction agreement with the Company prior to the payment of the Company's shares. As a result, the disposal of the Company's shares paid to Directors, etc. during their term of office will be restricted until the Directors, etc. resign. Furthermore, the cash equivalent of the Company's shares converted into market value will be paid to Directors, etc., in principle, at the time of their retirement.

(2) Company shares remaining in the trust

The Company's shares remaining in the trust are recorded as treasury stock in the net assets section at the book value in the trust (excluding the amount of associated expenses). The book value of the treasury stock for this interim consolidated fiscal period was 362 million yen, and the number of shares was 818,000.

FOR TRANSLATION PURPOSE ONLY

(Important Subsequent Event)

(Signing of a Basic Agreement on Share Acquisition)

On January 15, 2025, our company signed a basic agreement regarding the acquisition of all shares of Nikken Lease Co., Ltd. (hereinafter referred to as "Nikken Lease") and its subsequent incorporation as a subsidiary.

(1) Reason for Share Acquisition

Nikken Lease is engaged in the rental and sales of temporary equipment and machinery for construction and civil engineering, and has established a solid customer base in Hiroshima Prefecture and neighboring areas. Additionally, the company has a strategically located equipment supply base with one of the largest site areas in Hiroshima Prefecture, suitable for providing temporary equipment. As our company aims for the growth of the platform business, we believe that by acquiring Nikken Lease, we can expand the equipment base function of the platform business and leverage synergies with the company to drive business growth in the Chugoku region.

(2) Overview of the Company to be Acquired (As of December 31, 2024)

(a) Name	Nikken Lease Co., Ltd.
(b) Location	5-1 Matsubara-cho, Minami Ward, Hiroshima City, Hiroshima Prefecture.
(c) Business Description	Rental and sales of temporary construction and civil engineering equipment, as well as construction and civil engineering machinery.
(d) Capital Stock	20 million yen

(3) Number of Shares to be Acquired and Status of Shareholding Before and After Acquisition (Planned)

(a) Number of shares owned before the transfer	0 shares (Number of voting rights: 0) (Ownership ratio: 0.0%)
(b) Number of shares to be acquired	13,600 shares (Number of voting rights: 13,600) (Ownership ratio: 100.0%)
(c) Number of shares owned after the transfer	13,600 shares (Number of voting rights: 13,600) (Ownership ratio: 100.0%)

(4) Schedule

(a) Date of Board of Directors Resolution	January 15, 2025
(b) Date of signing the basic agreement:	January 15, 2025
(c) Date of signing the share transfer agreement:	Late February 2025 (estimated)
(d) Date of executing the share transfer:	Late February 2025 (estimated)