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November 8, 2024

## Summary of Consolidated Financial Results for the Second 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 Submission Date for the Semi-Annual Report November 11th  
 Scheduled Start Date for Dividend Payments: December 3rd  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to September 30, 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	%
Second quarter of the fiscal year ending March 31, 2025	21,236	2.1	802	(33.5)	640	(56.9)	498	(50.5)
Second quarter of the fiscal year ended March 31, 2024	20,792	5.0	1,205	57.9	1,485	30.6	1,006	34.7-

(Note) Comprehensive income  
 Second Quarter of Fiscal Year Ending March 31, 2025 : 939 million yen (25.3)%  
 Second Quarter of Fiscal Year Ended March 31, 2024 : 398 million yen 31.3%

	Quarterly Earnings per share	Diluted earnings per share
	Yen	Yen
Second quarter of the fiscal year ending March 31, 2025	10.70	10.29
Second quarter of the fiscal year ended March 31, 2024	21.60	20.81

#### (2) Consolidated financial condition

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Second quarter of the fiscal year ending March 31, 2025	72,609	22,530	30.1	474.17
Fiscal year ended March 31, 2024	68,945	22,157	31.1	460.95

(Reference) Shareholders' equity  
 Second Quarter of Fiscal Year Ending March 31, 2025: 21,882 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: Yes

The breakdown of the year-end dividend for the fiscal year ending March 31, 2025 is as follows: a regular dividend of ¥8.00 and a 55th anniversary commemorative dividend of 2.00 yen. For further details, please refer to the "Notice Regarding the Revision of Dividend Forecast (Commemorative Dividend)" published on November 8, 2024.

#### 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	49,500	12.2	3,600	5.7	3,220	(10.1)	2,000	5.9	42.93

(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.: 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 September 30, 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 September 30, 2024	435,380 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 September 30, 2024	46,539,379 shares	As of September 30, 2023	46,578,580 shares
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The number of treasury shares at the end of the period includes shares held by Japan Custody Bank, Ltd. (Trust E Account) (0 shares for the fiscal year ending March 2024, and 428,300 shares for the interim period of March 2025). Additionally, the shares held by Japan Custody Bank, Ltd. (Trust E Account) are included as treasury shares and excluded from the calculation of the weighted average number of shares outstanding during the period.

\* 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 4 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)

Our company plans to hold a briefing session for institutional investors and analysts on Wednesday, November 27, 2024. The supplementary materials for the financial results that will be distributed at the briefing are scheduled to be promptly published on our website after the event.

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1. Qualitative information on quarterly financial results

(1) Explanation of business results

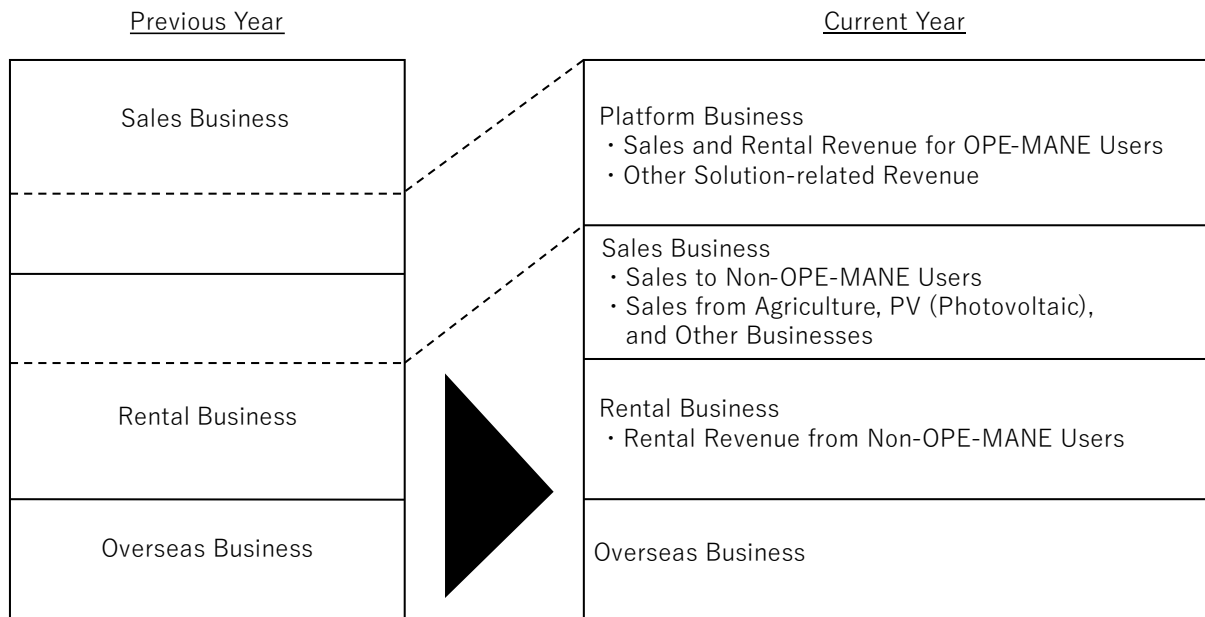
In the Second quarter of the fiscal year, the global economy showed resilience, with recovery in personal consumption; however, concerns remain due to geopolitical risks such as the prolonged Ukraine conflict and fluctuations in exchange rates, resulting in continued uncertainty for the future.

In this environment, our group announced the "Medium-term Business Plan 2024-2026" on May 10, 2024, with four key objectives: 1) Establishment of Revenue Foundation through Establishment and Solidification of Platform Business, 2) Establishment of Growth Foundation through DX and Human Capital Investment, 3) Revenue Enhancement in Overseas Business, and 4) Integration of Management Conscious of Capital Costs and Stock Prices. This plan sets forth our management vision of "Creating New Value with Takamiya Platform and DX, Transforming into the Industry's First Scaffolding Platform Company."

On September 12, 2024, the "Takamiya Lab. West" had its grand opening. The construction of the "Innovation Hub," a facility within the site where customers can experience the solutions and future vision offered by the Takamiya Platform, has been completed, providing a solid foundation for the expansion of the Platform business.

As a result of the above, the business performance for the current interim period showed net sales of 21,236 million yen (a 2.1% increase compared to the same period of the previous year). In terms of income, operating income decreased to 802 million yen (a 33.5% decrease compared to the same period of the previous year), mainly due to the progression of the yen depreciation and the revision of the retirement allowance provision for officers at a subsidiary. Ordinary income was 640 million yen (a 56.9% decrease compared to the same period of the previous year), primarily impacted by the yen depreciation, which resulted in a 404 million yen decrease in foreign exchange gains and losses compared to the same period of the previous year. As a result, Profit attributable to owners of parent was 498 million yen (a 50.5% decrease compared to the same period of the previous year).

Regarding segment profit, the following is provided. Additionally, starting from the current consolidated fiscal year, in order to better understand the direction and strategy of our group, we have newly established the "Platform Business" segment in addition to the existing segments of the sales business, rental business, and overseas business. Consequently, we are disclosing financial information under four segments.



\*Regarding the 'Platform Business,' we have extracted and disclosed revenue primarily related to 'OPE-MANE' users, separate from the traditional 'Sales Business' and 'Rental Business.'"

Platform Business

With the grand opening of "Takamiya Lab. West," customers are now able to experience the "Takamiya Platform," the new business model that Takamiya is aiming for. As a result, interest in the "Takamiya Platform" has increased significantly. However, the increase in new accounts for "OPE-MANE" was lower than expected due to delays in delivery schedules. Despite this, the utilization of the "Takamiya Platform," centered around the Iq system's operation management service "OPE-MANE," has expanded, and revenue from additional services, such as the delivery of supplementary materials, has steadily increased.

As a result, net sales were 2,191 million yen (a 173.8% increase compared to the same period of the previous year), and operating income was 388 million yen (compared to an operating loss of 19 million yen in the same period of the previous year), with both sales and operating income showing strong growth.

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### Sales Business

In the temporary equipment division, there were delays in the delivery schedules for some expected projects. While domestic construction demand remains steady, concerns about uncertain prospects continue due to factors such as labor shortages, construction delays, and economic downturn fears stemming from monetary tightening. As a result, there has been a shift toward rental solutions. In other divisions, there were no large-scale projects in the sale of solar-related products, as seen in the previous term, leading to a decrease in sales and a significant decline in profits.

As a result, net sales were 4,624 million yen (a 16.6% decrease compared to the same period of the previous year), and operating income was 297 million yen (a 49.5% decrease compared to the same period of the previous year).

### Rental Business

Due to an increase in the number of users of "OPE-MANE," the core service of the Platform Business, sales in the Platform Business increased, while sales in some rental businesses decreased. However, rental demand in both the construction and civil engineering sectors remains high, and the volume of external shipments of temporary equipment also increased compared to the previous term. Additionally, the labor company, ECO-TRY Co., Ltd which was consolidated at the end of the previous term, has been included in the consolidated group from the beginning of this term.

On the other hand, in terms of profit, increased investments in growth initiatives and the revision of retirement allowance provisions for officers at subsidiaries led to higher selling, general, and administrative (SG&A) expenses, primarily due to increased personnel and depreciation costs. This increase in SG&A could not be fully offset by the growth in sales.

As a result, net sales were 13,223 million yen (a 4.6% increase compared to the same period of the previous year), and operating income was 1,294 million yen (a 20.0% decrease compared to the same period of the previous year).

### Overseas Business

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

In the overseas sales division, Hory Korea faced concerns over economic uncertainty in South Korea and rising interest rates, which led to continued sluggish construction investments. As a result, both sales and rental revenues decreased compared to the previous term. On the income side, however, the profit margin improved due to the impact of exchange rates.

At DIMENSION-ALL INC. (Philippines), sales decreased as a result of a revision of large project plans. However, by securing orders for other sites, sales remained at the same level as the previous year.

As a result, net sales were 3,637 million yen (an 11.9% decrease compared to the same period of the previous year), and operating income was 265 million yen (a 25.5% increase compared to the same period of the previous year).

## (2) Overview of the Financial Position for the Current Interim Period

As of the end of the current interim consolidated accounting period, total assets amounted to 72,609 million yen, an increase of 3,664 million yen compared to the end of the previous consolidated fiscal year. The main factors contributing to this increase were a 542 million yen rise in Cash and deposits, a 1,865 million yen decrease in Notes and accounts receivable trade and contract assets, a 1,854 million yen increase in Assets for rent (net), and a 1,369 million yen increase in Buildings and structures (net), among others.

Total liabilities amounted to 50,078 million yen, an increase of 3,291 million yen compared to the end of the previous consolidated fiscal year. The main factors contributing to this increase were a 2,481 million yen rise in Short-term loans payable and a 2,033 million yen increase in Long-term debt (including long-term borrowings scheduled for repayment within one year), among others.

Total net assets amounted to 22,530 million yen, an increase of 373 million yen compared to the end of the previous consolidated fiscal year. The main factors contributing to this increase were a 498 million yen Profit attributable to owners of parent, a 372 million yen dividend from retained earnings, which led to an increase of 125 million yen in retained earnings, and a 485 million yen increase in the foreign currency translation adjustment account, among others.

The status of each cash flow for the current interim consolidated accounting period and the factors contributing to them are as follows:

### Cash Flow from Operating Activities

Cash flow from operating activities was an outflow of 310 million yen (compared to an outflow of 83 million yen in the same period of the previous year). The main factors contributing to this were an interim Profit before income taxes of 634 million yen, depreciation of 2,802 million yen, and an increase in inventory of 3,620 million yen, among others.

### Cash Flow from Investing Activities

Cash flow from investing activities was an outflow of 2,562 million yen (compared to an outflow of 1,101 million yen in the same period of the previous year). The main factor contributing to this was an outflow of 2,347 million yen for the Purchase of property, plant and equipment, among others.

### Cash Flow from Financing Activities

Cash flow from financing activities was an inflow of 3,327 million yen (compared to an inflow of 1,602 million yen in the same period of the previous year). The main factors contributing to this were an inflow of 4,950 million yen from Proceeds from long-term loans payable and an outflow of 2,916 million yen due to the Repayments of long-term loans payable, among others.

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(3) Explanation of Forward-Looking Information, Including Consolidated Performance Forecasts

Regarding the performance for the current interim consolidated accounting period, the consolidated performance forecast for the second quarter of the fiscal year ending March 31, 2025 (interim period) has been revised, as announced in the "Notification of Differences Between the Consolidated Performance Forecast and Actual Results for the Second Quarter of the Fiscal Year Ending March 31, 2025" published on November 8, 2024.

Furthermore, the consolidated performance forecast for the full fiscal year ending March 31, 2025 remains unchanged from the forecast figures disclosed on May 10, 2024.

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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	Second quarter of the fiscal year ending March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	7,786	8,328
Notes and accounts receivable trade and contract assets	12,033	10,168
Merchandise and finished goods	6,375	6,819
Work in process	1,244	1,449
Raw materials and supplies	1,344	1,409
Other	617	1,001
Allowance for doubtful accounts	(327)	(319)
Total current assets	29,073	28,856
Non-current assets		
Property, plant and equipment		
Assets for rent	48,227	51,281
Accumulated depreciation - Assets for rent	(29,987)	(31,187)
Assets for rent, net	18,240	20,094
Buildings and structures	10,640	12,270
Accumulated depreciation and impairment loss	(5,184)	(5,445)
Buildings and structures (net)	5,455	6,825
Machinery, equipment and vehicles	4,029	4,288
Accumulated depreciation	(2,566)	(2,797)
Machinery, equipment and vehicles (net)	1,463	1,491
Land	9,058	9,523
Lease assets	1,432	1,374
Accumulated depreciation	(1,080)	(1,047)
Lease assets, net	352	327
Construction in progress	769	445
Other	2,166	2,472
Accumulated depreciation	(1,639)	(1,757)
Other (net)	527	715
Total tangible assets	35,867	39,422
Intangible assets		
Leasehold right	327	327
Other	381	447
Total intangible fixed assets	709	775
Investments and other assets		
Investment securities	452	541
Guarantee deposits	758	770
Net defined benefit asset	154	156
Deferred tax assets	612	655
Other	1,473	1,464
Allowance for doubtful accounts	(156)	(32)
Total investments and other assets	3,294	3,554
Total non-current assets	39,871	43,753
Total assets	68,945	72,609

Million yen

	Fiscal year ended March 31, 2024	Second quarter of the fiscal year ending March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,746	7,011
Short-term loans payable	3,986	6,468
Current portion of bonds payable	785	745
Current portion of long term borrowings	5,792	5,996
Lease obligations	364	340
Income taxes payable	922	250
Provision for bonuses	564	394
Provision for share-based remuneration for directors	-	37
Notes payable - facilities	391	324
Other	2,870	2,891
Total current liabilities	22,424	24,461
Non-current liabilities		
Bonds payable	5,958	5,605
Long-term loans payable	14,742	16,571
Lease obligations	525	432
Provision for directors' retirement benefits	-	135
Provision for share-based remuneration for directors	-	16
Net defined benefit liability	1,042	1,056
Asset retirement obligations	34	34
Other	2,059	1,764
Total non-current liabilities	24,363	25,617
Total liabilities	46,787	50,078
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,052	1,052
Capital surplus	1,910	1,910
Retained earnings	17,888	18,014
Treasury stock	(3)	(195)
Total shareholders' equity	20,847	20,781
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	134	125
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustments	453	938
Remeasurements of defined benefit plans	34	37
Total accumulated other comprehensive income	622	1,101
Subscription rights to shares	485	485
Non-controlling interests	201	161
Total net assets	22,157	22,530
Total liabilities and net assets	68,945	72,609



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(2) Interim Consolidated Statement of Profit or Loss and Interim Consolidated Statement of Comprehensive Income  
(Interim Consolidated Income Statement)

Million yen

	Second quarter of the fiscal year ended March 31, 2024	Second quarter of the fiscal year ending March 31, 2025
Net sales	20,792	21,236
Cost of sales	14,172	14,401
Gross profit	6,620	6,834
Selling, general and administrative expenses	5,414	6,032
Operating income	1,205	802
Non-operating income		
Interest income	8	3
Dividend income	6	8
Rent income	48	42
Gain on sales of scrap	76	89
Foreign exchange gains	312	-
Other	42	57
Total non-operating income	495	201
Non-operating expenses		
Interest expense	124	174
Commission fee	25	50
Foreign exchange losses	-	91
Provision of allowance for doubtful accounts	43	-
Other	22	47
Total non-operating expenses	215	363
Ordinary income	1,485	640
Extraordinary income		
Gain on extinguishment of tie-in shares	-	31
Gain on sales of non-current assets	9	1
Total extraordinary income	9	32
Extraordinary loss		
Loss on support to subsidiaries and associates	-	38
Total extraordinary loss	-	38
Profit before income taxes	1,494	634
Income taxes - current	433	210
Income taxes - deferred	47	(37)
Total income taxes	480	173
Profit	1,014	460
Profit loss attributable to non controlling Interests	7	(37)
Profit attributable to owners of parent	1,006	498

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(Interim Consolidated Statement of Comprehensive Income)

Million yen

	Second quarter of the fiscal year ended March 31, 2024	Second quarter of the fiscal year ending March 31, 2025
Net income (loss)	1,014	460
Other comprehensive income		
Valuation difference on available-for-sale securities	40	(9)
Deferred gains (losses) on hedges	0	0
Foreign currency translation adjustments	199	485
Remeasurements of defined benefit plans, net of tax	3	2
Total other comprehensive income (loss)	243	478
Comprehensive income	1,257	939
(Breakdown)		
Comprehensive income attributable to owners of parent	1,250	977
Comprehensive income attributable to non controlling interests	7	(37)

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## (3) Interim Consolidated Statement of Cash Flows

Million yen

	Second quarter of the fiscal year ended March 31, 2024	Second quarter of the fiscal year ending March 31, 2025
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	1,494	634
Depreciation	2,644	2,802
Loss on retirement of assets for rent	9	6
Loss on sales of assets for rent	20	30
Purchase of assets for rent	(497)	(1,051)
Increase (decrease) in allowance for doubtful accounts	45	(138)
Increase (decrease) in provision for bonuses	(84)	(169)
Increase (decrease) in net defined benefit liability	17	13
Share-based compensation expenses	50	-
Interest and dividend income	(15)	(12)
Interest expenses	124	174
Foreign exchange losses (gains)	(348)	132
Loss (gain) on sales of property, plant and equipment	(9)	(1)
Decrease (increase) in notes and accounts receivable - trade and Contract Assets	812	1,941
Decrease (increase) in inventories	(3,559)	(3,620)
Increase (decrease) in notes and accounts payable - trade	(118)	280
Loss (gain) on extinguishment of tie-in shares	-	(31)
Other	(202)	(283)
Subtotal	384	709
Interest and dividend income received	15	12
Interest expenses paid	(124)	(168)
Income taxes paid	(358)	(863)
Cash flows from operating activities	(83)	(310)

	Second quarter of the fiscal year ended March 31, 2024	Second quarter of the fiscal year ending March 31, 2025
<b>Cash flows from investing activities</b>		
Payments into time deposits	(210)	(210)
Proceeds from withdrawal of time deposits	301	216
Purchase of property, plant and equipment	(1,170)	(2,347)
Proceeds from sales of property, plant and equipment	11	5
Purchase of intangible assets	(32)	(125)
Purchase of investment securities	(2)	(102)
Collection of loans receivable	1	1
<b>Cash flows from investing activities</b>	<b>(1,101)</b>	<b>(2,562)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(134)	2,427
Repayments of lease obligations	(183)	(174)
Proceeds from long-term loans payable	5,500	4,950
Repayments of long-term loans payable	(2,868)	(2,916)
Redemption of bonds	(333)	(392)
Purchase of treasury shares	-	(191)
Cash dividends paid	(372)	(372)
Dividends paid to non-controlling interests	(4)	(2)
<b>Cash flows from financing activities</b>	<b>1,602</b>	<b>3,327</b>
Effect of exchange rate change on cash and cash equivalents	115	67
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>534</b>	<b>521</b>
Cash and cash equivalents at beginning of period	7,768	7,460
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	26
<b>Cash and cash equivalents at end of period</b>	<b>8,302</b>	<b>8,008</b>

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### (4) Notes to quarterly consolidated financial statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Changes in Accounting Policies)

Application of the 'Accounting Standards for Corporate Tax, Inhabitant Tax, and Business Tax, etc.

We have applied the "Accounting Standards for Corporate Tax, Resident Tax, and Business Tax" (Corporate Accounting Standard No. 27, October 28, 2022, hereinafter referred to as the "2022 Revised Accounting Standard") from the beginning of the Second quarter consolidated accounting period.

Regarding the amendments related to the classification of corporate tax, etc. (taxation on other comprehensive income), we have followed the transitional treatment specified in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment specified in the proviso of Paragraph 65-2(2) of the "Application Guidance on Accounting for Income Taxes" (Application Guidance on Corporate Accounting Standards No. 28, October 28, 2022, hereinafter referred to as the "2022 Revised Application Guidance"). There is no impact on the quarterly consolidated financial statements as a result of this.

Additionally, concerning the amendments related to the treatment in the consolidated financial statements for deferred tax effects arising from the sale of subsidiary shares between consolidated companies, we have applied the 2022 Revised Application Guidance from the beginning of the second quarter consolidated accounting period. This change in accounting policy is applied retroactively, and the quarterly consolidated financial statements for the previous fiscal quarter and the consolidated financial statements for the previous fiscal year reflect the retroactive application. There is no impact on the quarterly consolidated financial statements for the previous fiscal quarter or the consolidated financial statements for the previous fiscal year due to this change.

(Notes on Significant Changes in Shareholders' Equity)

As part of the trust assets of the Stock-Based Remuneration Trust (BBT-RS), The Japan Custody Bank, Ltd. (Trust E Account) acquired 428,300 shares of the Company, totaling 191 million yen. As a result, treasury stock amounted to 195 million yen in the current interim consolidated accounting period.

(Additional Information)

(Stock-Based Compensation Trust (BBT-RS))

Our company has introduced a performance-based stock compensation system, the "Stock-Based Compensation Trust (BBT-RS)," for directors (excluding outside directors who are either audit committee members or non-executive directors) and executive officers who meet the beneficiary eligibility requirements set forth in the Officer Stock Compensation Rules (hereinafter collectively referred to as "Directors, etc."). This system aims to clearly link the compensation of Directors, etc., with the company's performance and stock value. By sharing not only the benefits of stock price appreciation but also the risks of stock price decline with shareholders, it seeks to enhance their awareness of contributing to the long-term improvement of performance and the increase of corporate value.

#### (1) Overview of the Transaction

This system is a performance-linked stock-based remuneration program where the Company's contributions are used as the basis for acquiring the Company's shares through a trust. The shares, or the equivalent monetary value calculated at market value, are provided to the Directors, etc., through the trust in accordance with the Company's executive stock remuneration rules. Under this system, shares of the Company are granted to directors, in principle, at regular intervals during their tenure, based on their position. After the performance results of the final fiscal year of the target period (fiscal year ending March 2027) are determined, the number of shares granted will depend on the achievement of management targets. For executive officers, in principle, the number of shares granted will depend on the achievement of management targets after the performance results for the final fiscal year of the target period have been confirmed.

In the event that shares of the Company are granted to Directors, etc., during their tenure, a transfer restriction agreement will be signed between the Directors, etc., and the Company prior to the granting of the shares. As a result, any shares granted to Directors, etc., during their tenure will be restricted from being transferred or disposed of until their retirement. In addition, the payment of the monetary equivalent of the Company's shares, based on their market value, will, in principle, be made at the time of the retirement of the Directors, etc.

#### (2) The Company's Shares Remaining in the Trust

The Company's shares remaining in the trust are recorded as treasury stock under the net assets section, based on the book value

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in the trust (excluding incidental costs). The book value of the treasury stock remaining in the trust as of the current interim consolidated accounting period is ¥191 million, with 428,000 shares.

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(Notes on Segment information)

I. Consolidated cumulative period for the second quarter of the previous fiscal year (from April 1, 2023 to September 30, 2023)

1. 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	497	5,481	6,522	1,456	13,957	-	13,957
Other income	303	--	6,080	451	6,835	-	6,835
Net sales to external customers	800	5,481	12,603	1,907	20,792	-	20,792
Intersegment sales and transfers Net sales or transfer amount	-	64	36	2,222	2,323	(2,323)	-
Total	800	5,545	12,639	4,130	23,116	(2,323)	20,792
Segment income	(19)	589	1,617	211	2,399	(1,193)	1,205

Notes 1. The segment profit adjustment amount of (1,193) million yen includes the elimination of inter-segment transactions of 115 million yen and company-wide expenses of (1,309) 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 second quarter of the current fiscal year (from April 1, 2024 to September 30, 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	1,397	4,470	7,164	992	14,024	-	14,024
Other income	793	-	5,938	479	7,211	-	7,211
Net sales to external customers	2,191	4,470	13,102	1,471	21,236	-	21,236
Intersegment sales and transfers							
Net sales or transfer amount	-	153	120	2,166	2,440	(2,440)	-
Total	2,191	4,624	13,223	3,637	23,676	(2,440)	21,236
Segment income	388	297	1,294	265	2,246	(1,443)	802

Notes 1. The segment profit adjustment amount of (1,443) million yen includes inter-segment transaction elimination of 21 million yen and company-wide expenses of (1,465) 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.

3. Matters Related to Changes in Reporting Segments

Our group has completed the foundational development of the "Takamiya Platform" with the "2021 Mid-term Management Plan," and as outlined in the "Mid-term Management Plan 2024-2026," we will promote the widespread adoption and expansion of the platform. As a result, we have decided to implement segment management for transactions related to the "Takamiya Platform," and have identified it as a separate business segment under the name "Platform Business."

As a consequence, starting from the current interim consolidated cumulative accounting period, we have disclosed our reporting segments as follows: "Platform Business," "Sales Business," "Rental Business," and "Overseas Business."

For reference, the segment information for the previous interim consolidated cumulative period has been disclosed based on the revised reporting segment classifications.

(Notes on the Quarterly Consolidated Statement of Cash Flows)

The relationship between the ending balance of cash and cash equivalents at the interim period-end and the amounts listed in the interim consolidated balance sheet is as follows:

	Second quarter of the fiscal year ended March 31, 2024	Second quarter of the fiscal year ending March 31, 2025
Cash and Deposits	8,750 million yen	8,328 million yen
Time deposits with a maturity of more than three months	(448) million yen	(320) million yen
Cash and Cash Equivalents	8,302 million yen	8,008 million yen