



# Results Briefing Materials for the First Quarter Fiscal Year Ending March 31, 2023

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# Agenda

- Topics
- Description of consolidated performance of the First Quarter Fiscal Year Ending March 31, 2023
- Prospects for the future



# Topics

**Jun. 17, 2022**

- Notice of Change of Directors

**Jun. 23, 2022**

- The 54th Ordinary General Meeting of Shareholders held
- Notice of Grant of Stock Options (Stock Acquisition Rights) to Directors
- Notice Regarding Partial Revision of “Internal Control Basic Policy”

**Jul. 14, 2022**

- Notice Regarding Finalization of Issuance Details of Stock Compensation-Type Stock Options (Stock Acquisition Rights)

**Jul. 22, 2022**

- Notice regarding absorption-type merger between wholly owned subsidiaries

In addition to the above, various releases and IR information can be viewed on our website.

<https://www.takamiya.co/en/>



# Company Overview of Takamiya Co., Ltd.

Trade name	Takamiya Co., Ltd.	Registered head office	Grand Front Osaka, Tower B, 27F, 3-1 Ofuka-cho, Kita-ku, Osaka, Japan
Incorporation	June 21, 1969	Business locations	[Branches] 8 locations [Business offices] 12 locations [Equipment supply location] 29 locations [Factory] 2 locations
Representative	Representative director, Kazumasa Takamiya	Consolidated subsidiaries	<u>Domestic: 7 companies</u> IWATA Co., Ltd.; AOMORI ATOM Co., Ltd.; TOTAL TOSHISEIBI Co., Ltd.; NEXTECH Co., Ltd.; Nakaya Kizai Co., Ltd.; HIRAMATSU Co., Ltd.; Cadian Co., Ltd. <u>Overseas: 3 companies</u> DIMENSION-ALL INC. ; Hory Korea Co. Ltd ; HORY VIETNAM Co., Ltd.
Capital	1,052 million yen		
Number of employees	Consolidated : 1,268; Non-consolidated : 760 (As of the end June 2022)		
Stock listing	Jun. 2005: JASDAQ Securities Exchange (Note: The Company was delisted from the JASDAQ market in January 2008). Dec. 2007: Tokyo Stock Exchange Second Section Dec. 2014: Assigned on Tokyo Stock Exchange First Section Apr. 2022: Transferred to the Tokyo Stock Exchange Prime Market		



# 1. Summary of consolidated performance (April 2022 to June 2022)

## 1.1 Business overview

### ✓ Sales Business

New and repeat orders for the Iq System are growing steadily, but no contracts have been concluded. Although there were large-scale sales of glass greenhouses in the previous term, there were no large-scale sales in the current term, resulting in decreased sales and profits.

### ✓ Rental Business

In addition to the Iq System, the lending volume of rental assets to construction and civil engineering construction sites increased (the rental asset occupancy rate also increased), leading to increases in sales and profits.

### ✓ Overseas Business

Restrictions on going out and movement were lifted in the Philippines, inquiries related to infrastructure construction increased, domestic sales and rentals in South Korea grew, and sales in Vietnam for the Japanese domestic market performed well, resulting in higher sales and profits.

### Consolidated results for the first quarter of the fiscal year ending March 31, 2023

			YoY
✓ Net Sales	<b>9,017</b>	million yen	(2.4)%
✓ Operating income	<b>181</b>	million yen	+133.2%
✓ Ordinary income	<b>436</b>	million yen	+198.0%
✓ Quaterly net income	<b>313</b>	million yen	+1272.6%

### Foreign exchange gain 227 million yen

Generated from group loans to overseas subsidiaries (dollar-denominated)

14.28 yen depreciation

(beginning of the period: 122.41 yen per US dollar June 30: 136.69 yen per US dollar)



# 1. Summary of consolidated performance (April 2022 to June 2022)

## 1.2 Consolidated performance

Consolidated Results (Unit : million yen)	1Q FYE Mar. 31,2023 Forecast		1Q FYE Mar. 31,2023 Results		1Q FYE Mar. 31,2022 Results		% change (YoY)
		Sales ratio		Sales ratio		Sales ratio	
Net sales	—	—	9,017	100.0%	9,242	100.0%	(2.4)%
Gross profit	—	—	2,650	29.4%	2,372	25.7%	11.7%
SG&A	—	—	2,469	27.4%	2,294	24.8%	7.6%
Operating income	—	—	181	2.0%	77	0.8%	133.2%
Ordinary income	—	—	436	4.8%	146	15.8%	198.0%
Profit attributable to owners of parent	—	—	313	3.5%	22	0.2%	1,272.6%
Earnings per share (Diluted earnings per share)	—	—	6.73 yen (6.52 yen)	—	0.49 yen (0.48 yen)	—	—
Annual dividends per share	—	—	—	—	—	—	—
Depreciation	—	—	1,240	13.8%	1,191	12.9%	4.1%
EBITDA	—	—	1,422	15.8%	1,268	13.7%	12.1%

- ✓ Gross profit was due to increased sales in the highly profitable rental business.
- ✓ SG&A expenses are due to an increase in personnel expenses due to an increase in personnel and an increase in depreciation expenses for investments such as Takamiya Lab. West.
- ✓ Ordinary income is due to foreign exchange gains due to the depreciation of the yen due to dollar-denominated loans to overseas subsidiaries.



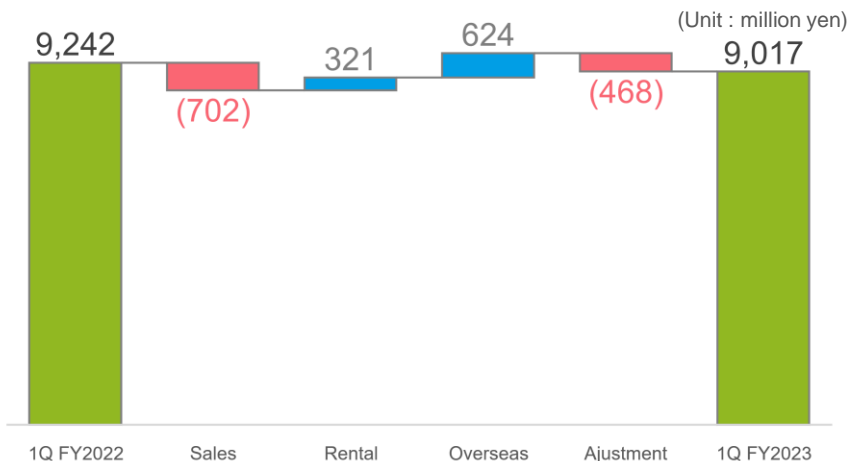
# 1. Summary of consolidated performance (April 2022 to June 2022)

## 1.3 Factors of increase/decrease in net sales and operating income

### Net sales

**225 million yen decreased (Down 2.4% YoY)**

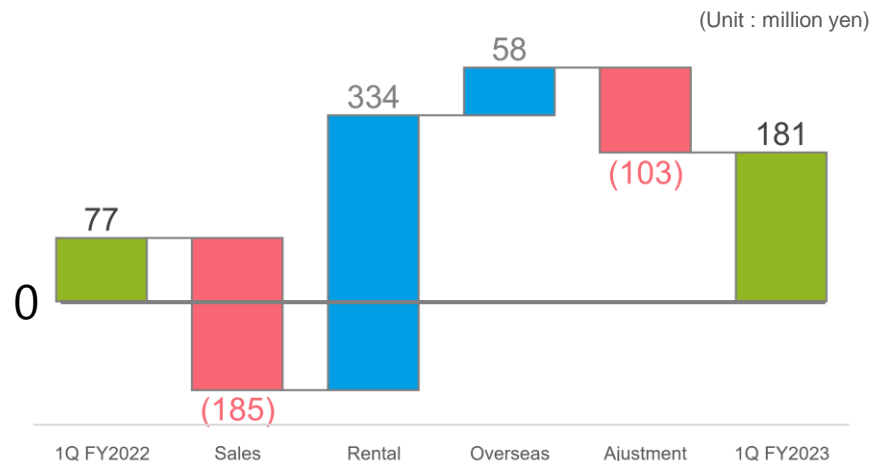
- ✓ Sales increased in Rental and Overseas businesses.
- ✓ Sales decreased in the Sales business.



### Operating income

**104 million yen increased (up 133.2% YoY)**

- ✓ Income increased in Rental and Overseas businesses.
- ✓ Income decreased in Sales business.

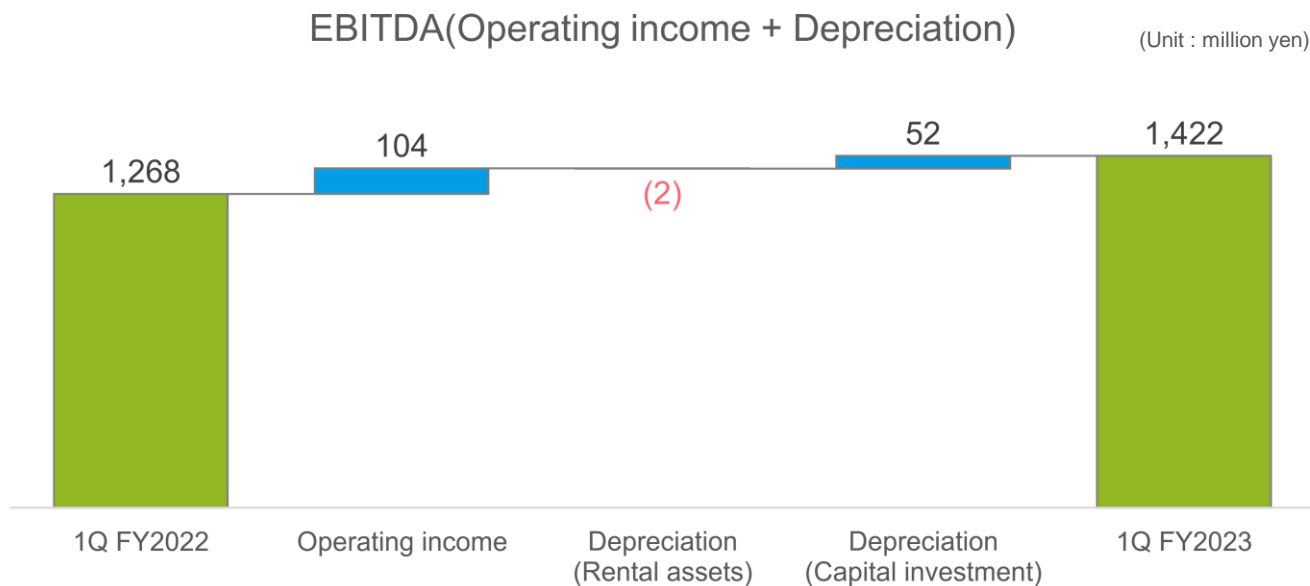


(FY ended/ending March 31)



# 1. Summary of consolidated performance (April 2022 to June 2022)

## 1.4 EBITDA (Operating income + Depreciation)



**EBITDA**  
**154 million yen increased**  
**(up 12.1% YoY)**

- ✓ The main factor is an increase in operating income.
- ✓ As for depreciation, rental asset depreciation remains flat, and capital investment depreciation increased.

(FY ended/ending March 31)





# 1. Summary of consolidated performance (April 2022 to June 2022)

## 1.5 Performance by segment

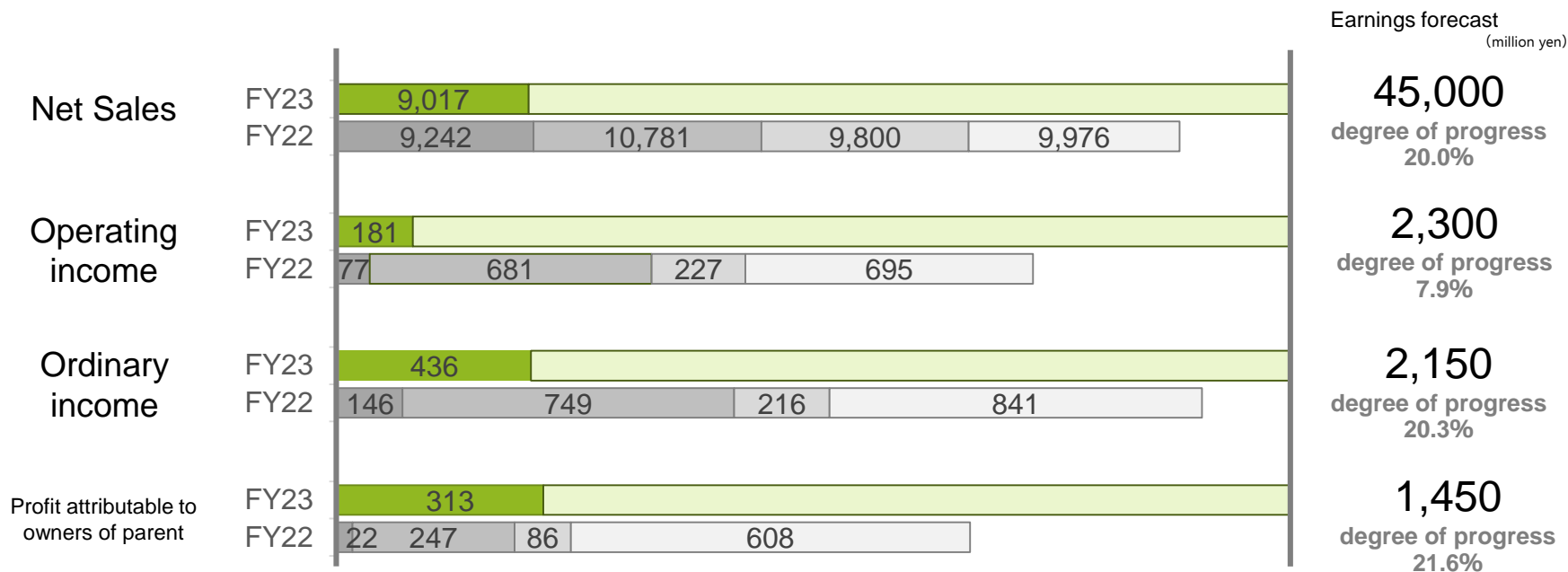
Unit : million yen	Net sales			Segment Operating income (Segment operating profit margin)		
	1Q FY2022	1Q FY2023	% change (YoY)	1Q FY2022	1Q FY2023	% change (YoY)
<b>Sales Business</b>	3,174	2,472	(22.1)%	312 (9.8%)	127 (5.2%)	(59.1)%
<b>Rental Business</b>	5,385	5,706	+6.0%	62 (1.2%)	396 (7.0%)	+534.4%
<b>Overseas Business</b>	1,419	2,043	+43.9%	47 (3.4%)	105 (5.2%)	+122.0%

(FY ended/ending March 31)



# 1. Summary of consolidated performance (April 2022 to June 2022)

## 1.6 progress status





## 2. Sales business

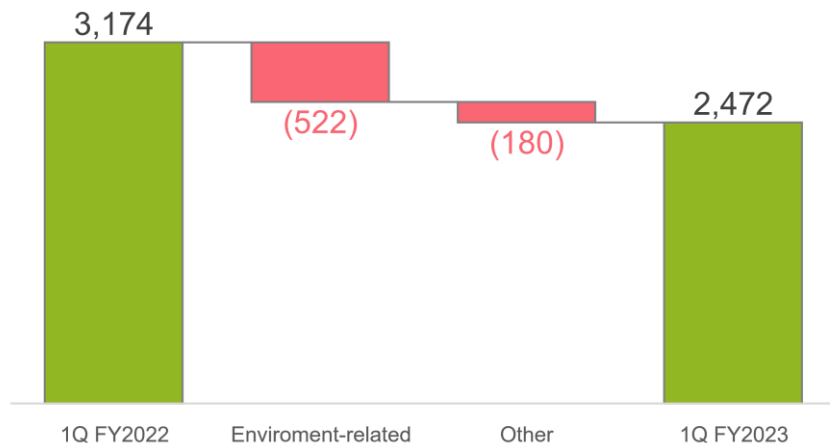
### 2.1 Factors of increase/decrease YoY

#### Net sales

**702 million yen decreased (Down 22.1% YoY)**

- ✓ Temporary equipment sales, building material-related business sales, and Second hand sales decreased slightly.
- ✓ Unlike the previous fiscal year, environment-related sales decreased due to the absence of sales of high-performance glass greenhouses for large-scale agriculture.

(Unit : million yen)



#### Operating income:

**185 million yen decreased (Down 59.1% YoY)**

- ✓ Profits decreased due to the effects of lower sales in all fields and a slight increase in SG&A expenses.
- ✓ Operating income margin decreased year on year.

(Unit : million yen)



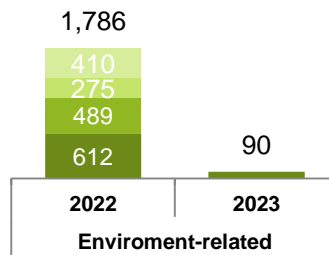
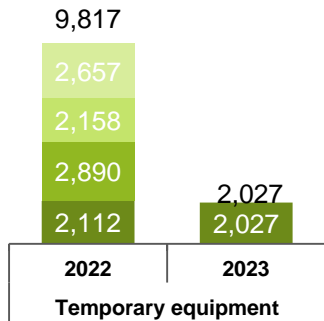
(FY ended/ending March 31)



## 2. Sales business

### 2.2 Net sales by product field

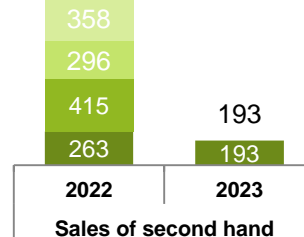
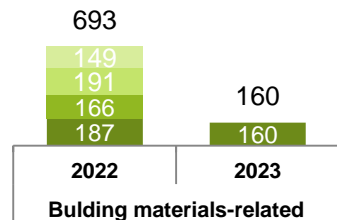
Customers' interest in the Iq System continues to be strong, and inquiries for new procurement, replacement, and additional purchase projects are trending steadily. In environment-related areas, the impact of large-scale properties in the previous fiscal year. Second-hand sales and building material-related sales also decreased.



Solar-related products, greenhouses for agriculture



FY ended/ending March 31



Second hand, sales of leased assets



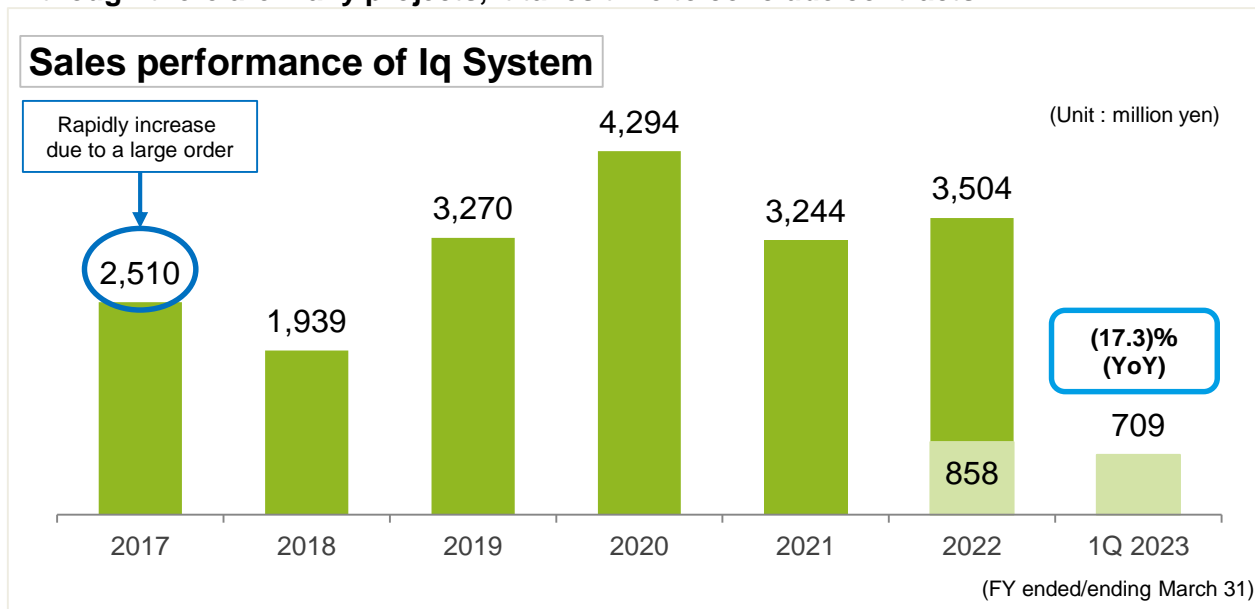
\* Amounts less than one million yen are rounded.  
(Unit : million yen)



## 2. Sales business

### 2.3 Sales of Iq System

**Sales of the Iq System decreased by 17.3% (Down 149 million yen) YoY.**  
**Although there are many projects, it takes time to conclude contracts.**



Iq System Cumulative sales  
**21.6 Billion yen**

※Our sales only

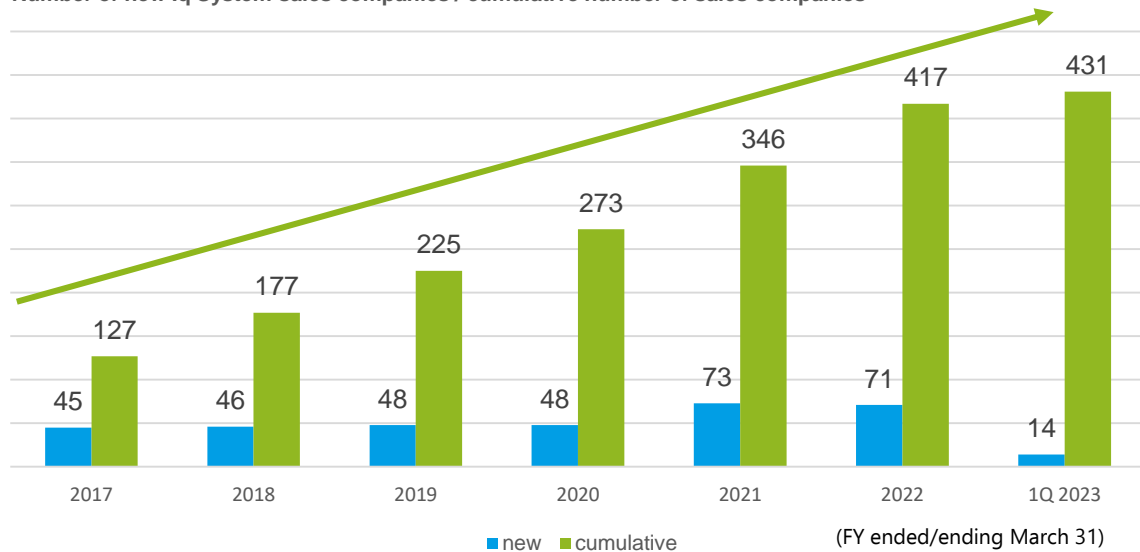


## 2. Sales business

### 2.4 Number of sales destinations for Iq Systems

**The number of sales destinations for Iq Systems has steadily increased.  
As the number of customers increases, repeat demand is expected to increase.**

Number of new Iq System sales companies / cumulative number of sales companies (Unit : company)



Cumulative number of  
Iq System sales destinations

**431**  
**companies**

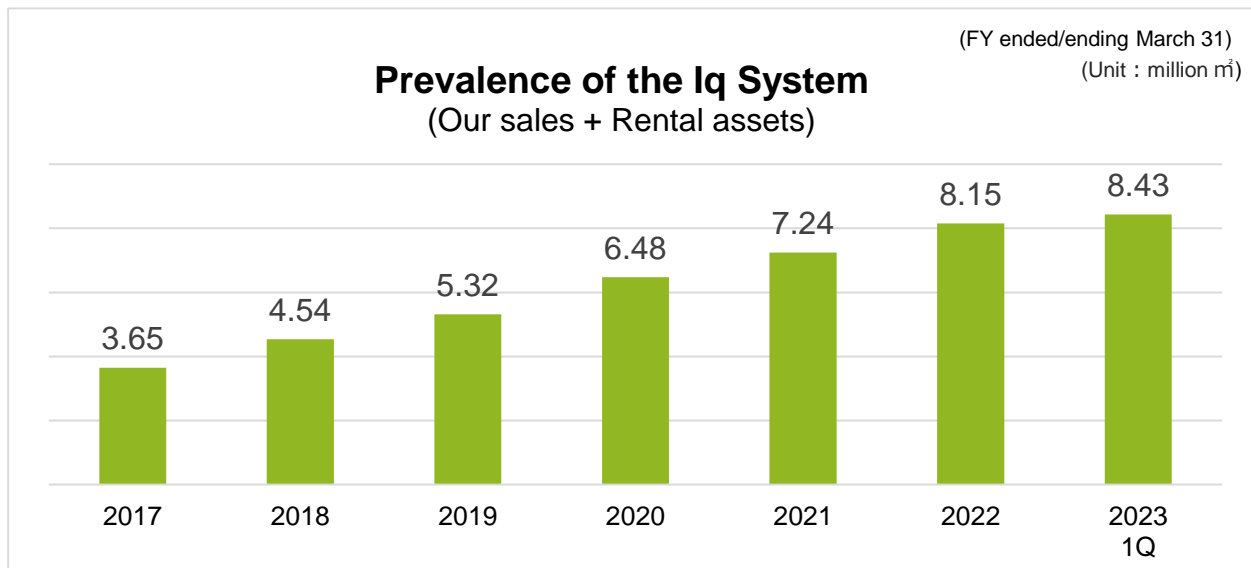
※Our sales only



## 2. Sales business

### 2.5 Prevalence of Iq System

The spread of next-generation scaffolding in the industry is firm



Cumulative number of square meters spread by the Iq System  
**8.43 million square meters**

NOTE : This graph is made with own calculation methods, that calculated from selling and assets.

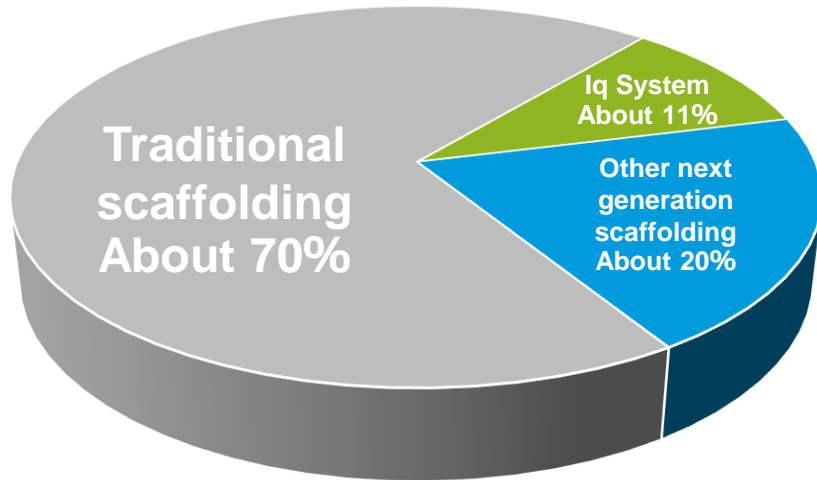


## 2. Sales business

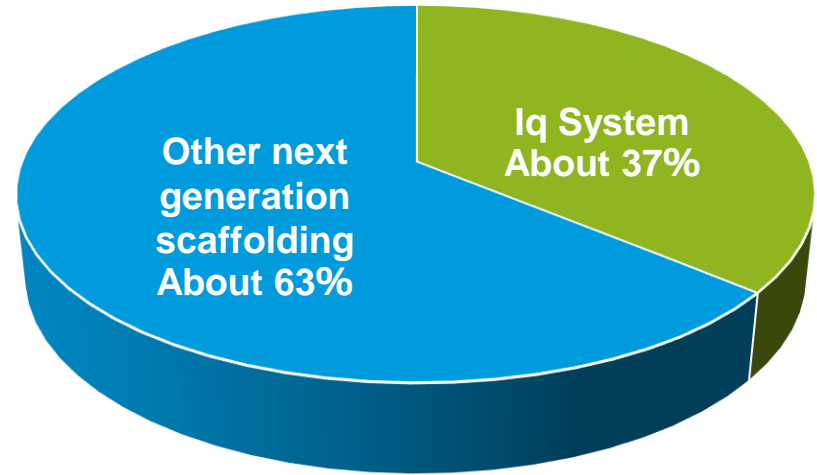
### 2.6 Iq System market share

**Next-generation scaffolding and Iq System penetration in the industry is going well**

Scaffolding market share



Market share of next-generation scaffolding



※Our research





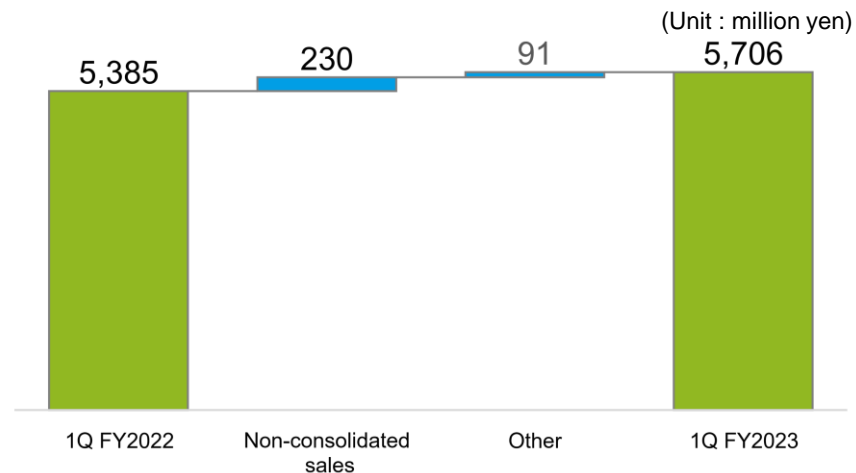
## 3. Rental business

### 3.1 Factors of increase/decrease YoY

#### Net sales:

#### 321 million yen increased (Up 6.0% YoY)

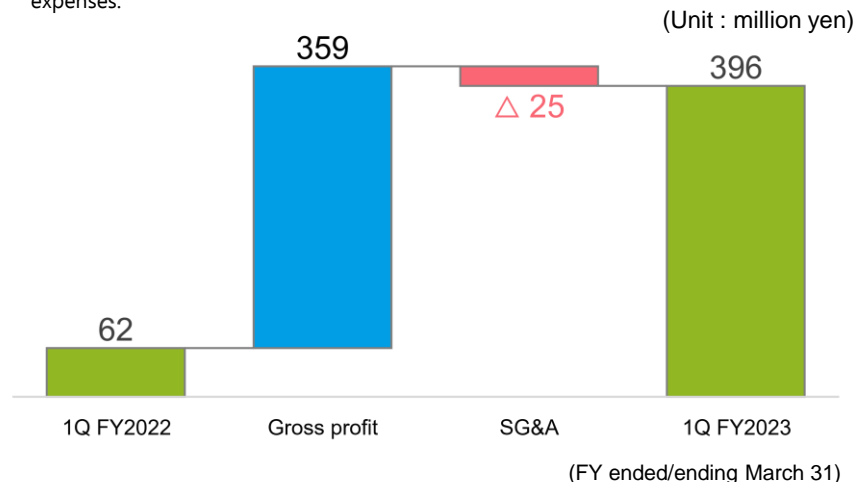
- ✓ The occupancy rate (rental volume) of rental assets, including the Iq System, remained high, centering on maintenance and repair work in the Tokyo metropolitan area. Sales increased due to an increase in rental volume of other temporary equipment.



#### Operating income:

#### 334 million yen increased (Up 534.4% YoY)

- ✓ Profits increased due to an increase in sales and a decrease in the ratio of fixed costs such as depreciation.
- ✓ The main reason for the increase in SG&A expenses was the increase in personnel expenses.





### 3. Rental business

#### 3.2 Trend of average utilization rates of rental assets

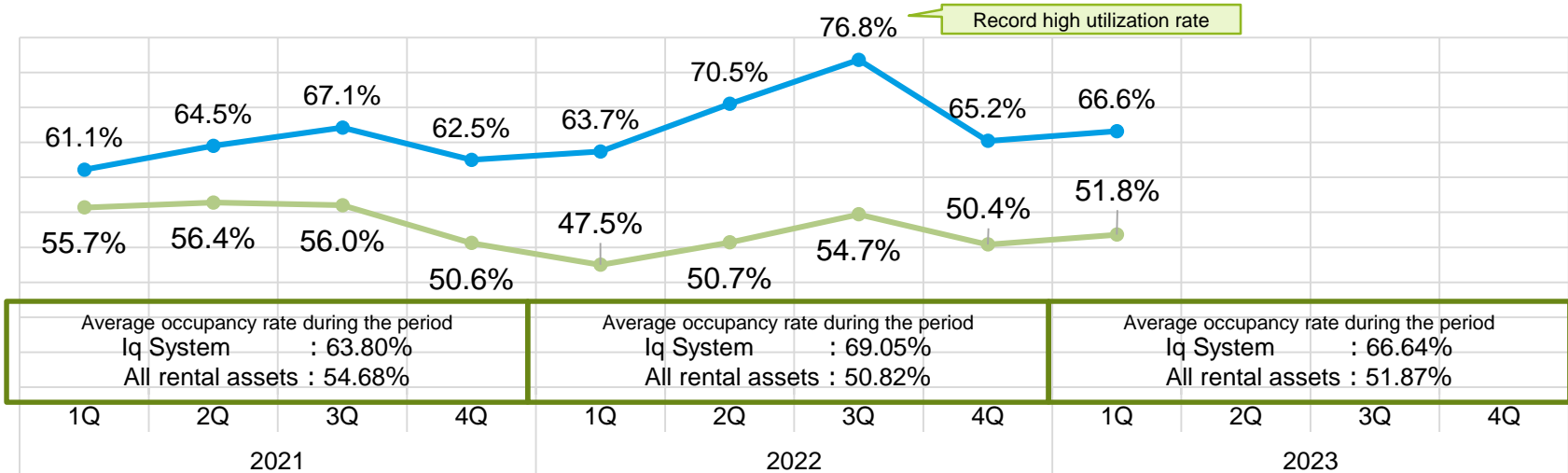
\* Trend of utilization rates of rental assets looks like a mountain with its peak at the 3Q each year \* Utilization rate = rented amount / overall holdings

**The Iq System remained at a high level, and the overall utilization rate, including civil engineering-related equipment, exceeded that of the same period of the previous year.** (FY ended/ending March 31)

**Utilization rates of rental assets**

Iq System

Assets for rent as a whole

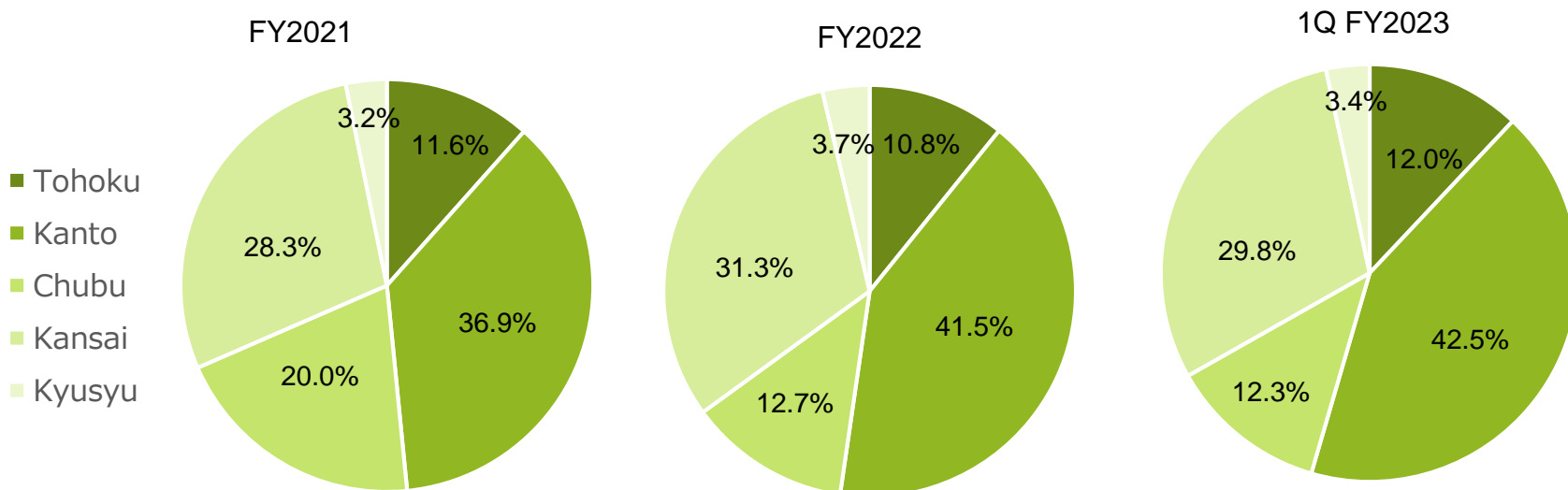




## 3. Rental business

### 3.3 Ratio of Sales by Area

**The Kanto block is performing well, partly due to the impact of maintenance and repair work in the Tokyo metropolitan area.**



NOTE: Chugoku/Shikoku block is included in Kansai block.

(FY ended/ending March 31)



## 4. Overseas business

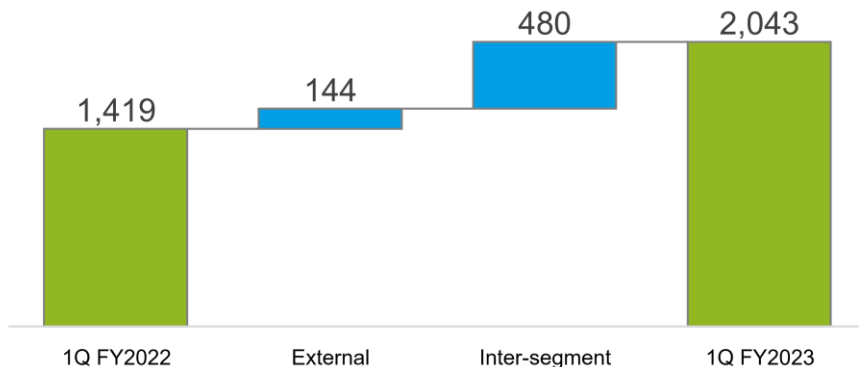
### 4.1 Factors of increase/decrease YoY

#### Net sales:

**624 million yen increased (Up 43.9% YoY)**

- ✓ Rental and sales sales in South Korea increased.
- ✓ Vietnam's domestic sales to Japan increased.
- ✓ In the Philippines, restrictions on going out and movement have been lifted, and inquiries related to infrastructure construction have increased.

(Unit : million yen)

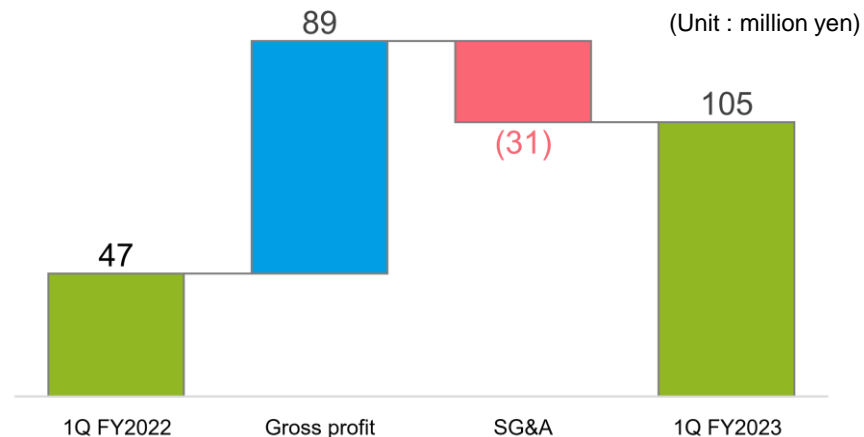


#### Operating income:

**58 million yen increased (Up 122.0% YoY)**

- ✓ SG&A expenses increased, but Sales increased due to the effect of increased sales.

(Unit : million yen)



(FY ended/ending March 31)

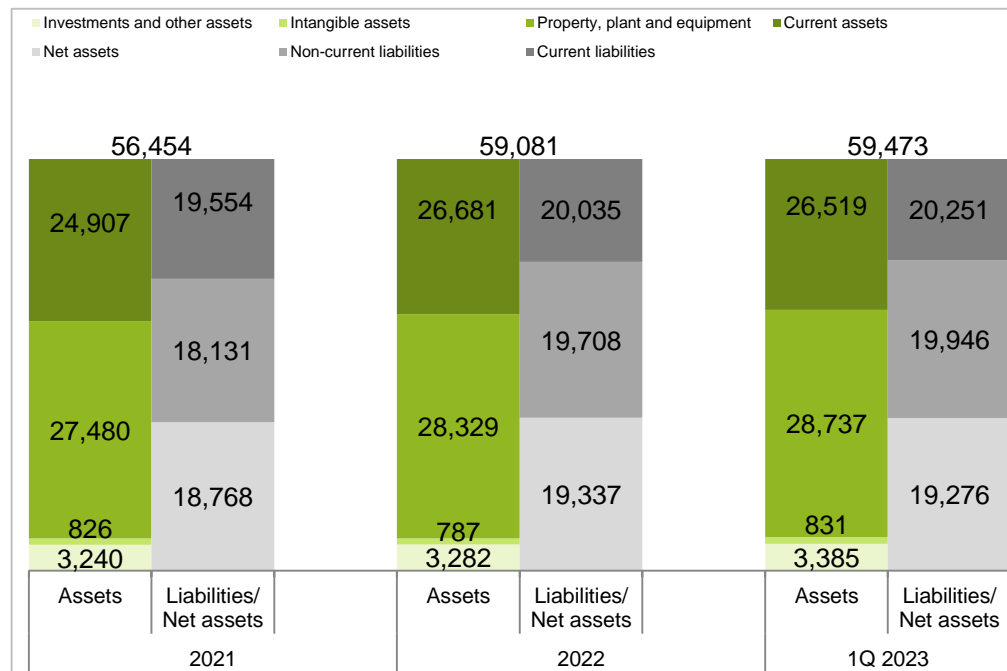


## 5. Change in Consolidated Balance Sheet

**Total assets increased, Equity ratio declined 31.5% (end of the previous term: 31.8%)**

(FY ended/ending March 31)

[Asset]	(Unit : million yen)	
Current assets	YoY	
Cash and deposits	: 7,719	(1,117)
Notes and accounts receivable – trade	: 10,503	(331)
Inventories	: 7,727	+1,145
<b>Non-current assets</b>		
Assets for rent, net	: 12,465	+286
Buildings and structures, net	: 5,850	+190
[Liability]		
<b>Current liability</b>		
Short-term loans payable	: 3,176	+564
<b>Non-current liability</b>		
Bonds payable	: 4,182	(48)
Long-term debt	: 12,021	+78
<b>[Net asset]</b>		
Shareholders' equity	: 18,606	(59)



(Unit : million yen)



## 6. Earnings Forecast for the Fiscal Year Ending March 31, 2023

In the sales business, we will prepare a system to increase production of the Iq System to meet the demand for next-generation scaffolding. In the rental business, we will steadily work to receive orders for construction and civil engineering work that are expected to start. In the overseas business, we expect economic recovery from COVID-19 and the resumption of economic activities, and as expected at the beginning of the fiscal year, the business is performing well. There is no revision to the full-year earnings forecast.

(Unit : million yen)	Fiscal Year Ending March 31, 2023				(reference) Fiscal year Ended March 31, 2022
	2Q Forecast	YoY	Full-year forecast	YoY	
Net Sales	21,600	+7.9%	45,000	+13.1%	39,800
Operating income	650	(14.4)%	2,300	+36.7%	1,682
Ordinary income	600	(33.1)%	2,150	+10.0%	1,954
Profit attributable to owners of parent	350	+29.4%	1,450	+50.2%	965
Earnings per share (Diluted earnings per share)	7.51 yen		31.13 yen		20.73 yen



## 7. Changes in number of shareholders and shareholder composition

	FYE Mar. 31, 2019	FYE Mar. 31, 2020	FYE Mar. 31, 2021	FYE Mar.31 , 2022
Shareholders at the end of the period	2,923	4,092	3,463	4,052
Shareholder composition				
Government and local public entities	0.00 %	0.00 %	0.00 %	0.00 %
Financial institutions	19.89 %	22.77 %	23.43 %	22.12 %
Financial instruments business operators	0.30 %	0.66 %	0.41 %	0.61 %
Other Japanese companies	20.50 %	20.78 %	23.38 %	23.88 %
Foreign institutions and others	4.55 %	6.85 %	7.67 %	6.78 %
Individuals and others	49.03 %	48.92 %	45.09 %	46.59 %
Treasury stock	5.73 %	0.02 %	0.02 %	0.02 %
(proportion of those including investment trust)	10.00 %	11.98 %	11.96 %	10.64 %
(proportion of those including pension trust)	0.45 %	0.93 %	0.81 %	0.68 %



## 8. Status of shareholder return

	FYE Mar. 31, 2019	FYE Mar. 31, 2020	FYE Mar. 31, 2021	FYE Mar. 31, 2022	FYE Mar. 31, 2023 (Forecast)
<b>Dividend</b>	<b>11 yen</b>	<b>14 yen</b>	<b>14 yen</b>	<b>14 yen</b>	<b>14 yen</b>
1Q	–	–	–	–	–
2Q	4.0 yen	6.0 yen	6.0 yen	6.0 yen	6.0 yen
3Q	–	–	–	–	–
4Q	7.0 yen	8.0 yen	8.0 yen	8.0 yen	8.0 yen
Total amount of dividends	471 million yen	651 million yen	651 million yen	652 million yen	–
Dividend payout ratio	28.8%	26.5%	76.0%	67.4%	–
Treasury shares	0 million yen	0 million yen	0 million yen	0 million yen	–
Total return ratio	28.8%	26.5%	76.0%	67.4%	–
Dividend on equity	3.5%	3.9%	3.6%	3.5%	–
ROE	12.0%	14.7%	4.7%	5.2%	–





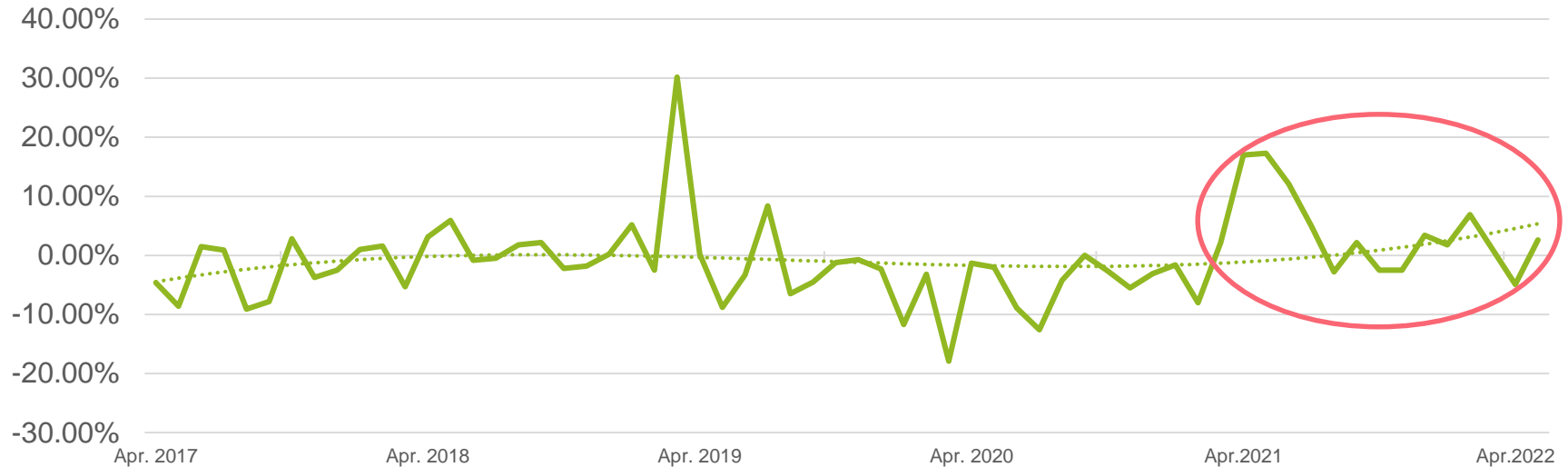
## Prospects for the future



## Prospects for the future / Status of orders for construction work

Orders from construction companies, our clients, are on the rise.

Construction work orders received year-on-year





# Prospects for the future | Domestic construction investment is strong

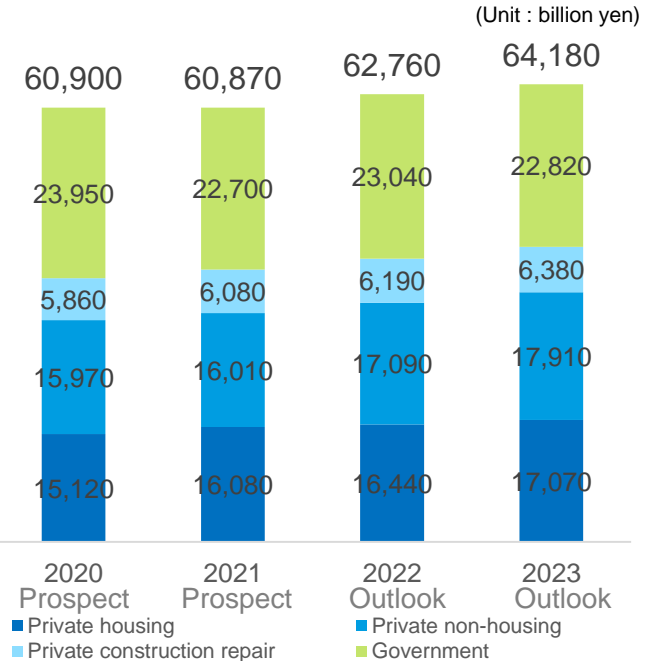
Source: Created from "Construction Investment Outlook" announced in April 2022 by the Ministry of Land, Infrastructure, Transport and Tourism

Construction investment is on the rise, government investment is expected to decrease, and private sector investment is expected to increase.

(Unit : billion yen)

	2022 (prospects)		2023 (prospects)	
		YoY growth rate		YoY growth rate
Nominal construction investment	62,760	3.1%	64,180	2.3%
Government	23,040	1.5%	22,820	(1.0)%
Private housing	16,440	2.2%	17,070	3.8%
Private non-housing	17,090	6.7%	17,910	4.8%
Private construction repair (refit/renovation)	6,190	1.8%	6,380	3.1%

NOTE: Government investment includes construction repair (refit/renovation) investment



(FY ended/ending March 31)



## Prospects for the future | Industry related projects

Large-scale projects in Japan tend to be delayed, and infrastructure maintenance and repairs such as transportation infrastructure are progressing in various places.



### Infrastructure renovation projects

- ◆ Tokaido-Shinkansen: large renovation (~2023)
- ◆ Hokuriku-Shinkansen: fully in operation (~2031)
- ◆ Metropolitan Expressway: large renewal (~2028)
- ◆ Hanshin Expressway: large renewal (~2029)
- ◆ Honshu-Shikoku Expressway large renewal (~2029)

Private investment may be curtailed by the effects of COVID.  
From 2021, public investment for economic recovery and orders for projects related to the Osaka / Kansai Expo are expected.



# Prospects for the future | Assumptions at the beginning of the fiscal year and current situation

The occupancy rate of rental assets exceeded expectations, in line with initial forecasts

Outlook for the current fiscal year as of May 2022	
Sales	<ul style="list-style-type: none"><li>✓ Due to the rapid appreciation of the yen in the first half of the year, private sector capital investment will be impacted by soaring energy and construction material prices.</li><li>✓ We will prepare a system to increase production of the main product "Iq System", which is expected to exceed the demand for the fiscal year ending March 2022, and strive to provide a stable product supply that does not miss the demand period.</li></ul>
Rental	<ul style="list-style-type: none"><li>✓ Due to the rapid appreciation of the yen in the first half of the year, private-sector capital investment will be impacted by soaring prices of energy and construction materials.</li><li>✓ From the 3rd quarter onwards, steadily promote activities for receiving orders for construction and civil engineering work that are expected to start</li></ul>
Overseas	<ul style="list-style-type: none"><li>✓ Although measures to curb economic activity due to COVID-19 have been eased and the economy is steadily recovering, the business environment continues to be severe due to soaring energy and steel prices.</li><li>✓ Steady accumulation of orders for formwork materials and shoring materials, for which steady demand is expected</li><li>✓ Demand for the "Iq System" in Japan remained firm.</li></ul>

current situation
<ul style="list-style-type: none"><li>✓ Interest in the "Iq System" is high, and inquiries are steady.</li><li>✓ Increased demand for infrastructure renovation products.</li><li>✓ Establishment of a system that enables stable product supply.</li></ul>
<ul style="list-style-type: none"><li>✓ The utilization rate of the "Iq System" is high, especially in the Tokyo metropolitan area, and the rental volume of other equipment, such as civil engineering-related equipment, is increasing, so the overall utilization rate is rising.</li></ul>
<ul style="list-style-type: none"><li>✓ Restrictions on going out in urban areas of the Philippines have been lifted, sales activities have resumed, and inquiries have increased.</li><li>✓ The economy in South Korea is recovering, and both rental and sales are strong.</li><li>✓ Although the prices of raw materials, parts, etc. are rising, sales of products for the Japanese domestic market are firm.</li></ul>



## Progress of specific initiatives in the plan to meet the criteria for maintaining the Prime market

### Strengthening IR and capital measures

① Strengthening IR	22.3 2Q	22.3 3Q	22.3 4Q	23.3 1st half	23.3 2nd half	24.3 1st half	24.3 2nd half	25.3 1st half	25.3 2nd half	Implementation status
Enhancement of information disclosure										
Accelerating the disclosure and provision of information in English to overseas investors, etc.										○
Dialogue with investors										
Holding briefings for individual investors										○
Holding corporate briefings and strategy briefings for institutional investors										○
Request for IR cooperation from securities companies										Not implemented
Approaching New Investors, Existing Investors and Old Shareholders										○
Disclosure of ESG and SDGs										
TCFD Disclosure										Not implemented
Website renewal										Not implemented
Strengthening internal IR										
In-house newsletter on the web, use of owned media										○



## Progress of specific initiatives in the plan to meet the criteria for maintaining the Prime market

### Strengthening IR and capital measures

① Strengthening IR		22.3 2Q	22.3 3Q	22.3 4Q	23.3 1st half	23.3 2nd half	24.3 1st half	24.3 2nd half	25.3 1st half	25.3 2nd half	Implementation status			
Improve corporate recognition														
	Publication of news releases on TDnet										○			
	Report to Bloomberg (in English)													Not implemented
	Adding and brushing up website content											○		
	Conducted facility tours for investors (Takamiya Lab, Hanyu City Farm)													○
② Capital measures		22.3 2Q	22.3 3Q	22.3 4Q	23.3 1st half	23.3 2nd half	24.3 1st half	24.3 2nd half	25.3 1st half	25.3 2nd half	Implementation status			
Increase in tradable shares														
	Strategic shareholdings (4.7% of issued shares), cancellation of cross-shareholdings, etc.											○		



## Reference Information





# ESG information

## IR

- Video streaming of Financial Results Briefing
- Disclosure of English versions of Summary of Financial Results, Results Briefing Materials, and Timely Disclosure Release (partly)
- Issuance and Web release of Integrated Report (Japanese/English) \* 2021 version is available in Japanese and English
- Disclosure of non-financial information (publicized on Integrated Report, and then on the Web)
- Proactive information disclosure based on dialogues with investors (e.g., prevalence (total area) of next generation scaffolding, rental asset utilization rate)
- Briefing for private investors
- 1 on 1 meeting

Item	FY2021		FY2020	
	Actual	Revised	Actual	Revised
Revenue	1,000,000	1,000,000	950,000	950,000
Operating Income	150,000	150,000	140,000	140,000
Net Income	100,000	100,000	90,000	90,000
EPS	100	100	90	90





# ESG information

## Human resource development

### Promoting "Human centered capitalism" style management and measures centered on human resources

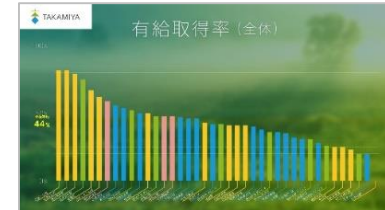
- Promoting in-house projects centered on mid-level/young employees
- Incentive reward according to the degree of KPI attainment set by each division
- Promoting active Work Style Reform by information disclosure to employees (e.g., screenshots on the right)
- Training according to individual stages such as new employee, mid-career employee, and pre-manager candidate
- Mentor scheme (new employee / mid-career employee)
- Mental health check (Web service)
- Wedding anniversary holiday, refresh holiday and others to encourage taking paid leaves
- Telework (Work from home)

\* We have attempted earlier than the present National Declaration of State of Emergency

### To improve corporate value and shareholder value permanently, development of Key human resources is one critical issue (Human centered capitalism).

Human centered capitalism: The Company's management philosophy advocating that "Human resource is the essence of corporate power".

Such information is publicized to visitors on a large signage





# Stock Price of TAKAMIYA (2445:Tokyo)

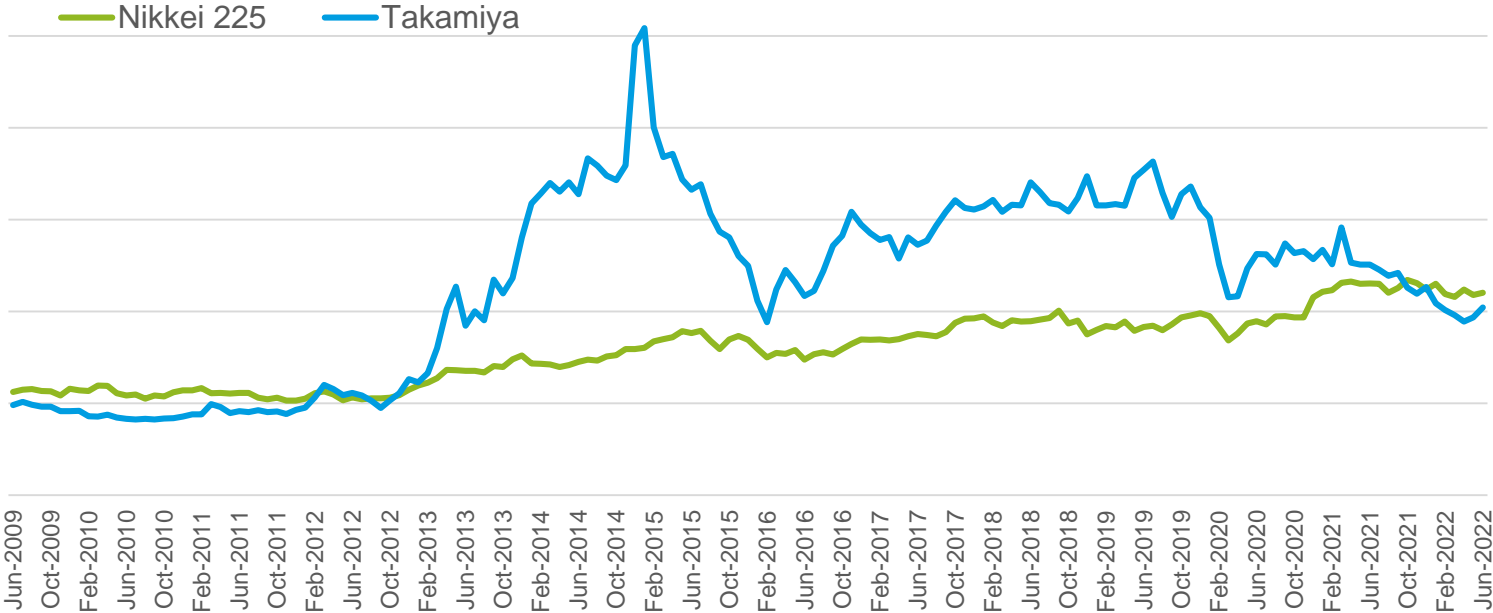
Average daily trading volume

Stock price (yen)





# Comparison of Share Price and Nikkei 225 (based on January 2009)





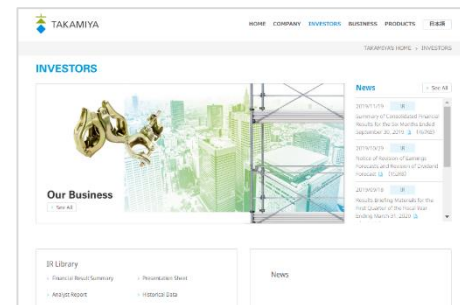
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HP



For Investor



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