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May 12, 2022

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Based on Japanese GAAP)

Company name: TAKAMIYA CO., LTD.
Stock exchange listing: Tokyo (Prime Market)
Stock code: 2445 URL: https://www.takamiya.co/
Representative: Representative Director, President and Chairman KAZUMASA TAKAMIYA
Scheduled date of ordinary general meeting of shareholders: June 23, 2022
Scheduled date to commence dividend payments: June 8, 2022
Scheduled quarterly report submission date: June 23, 2022
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (from the viewpoint of preventing wider spread of the new coronavirus infections, this meeting will be held by means of video streaming.)

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021 to March 31,2022)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal Year ended March 31, 2022	39,800	2.5	1,682	6.0	1,954	24.5	965	12.6
Fiscal Year ended March 31, 2021	38,812	(15.7)	1,586	(57.2)	1,569	(55.7)	857	(63.8)

(Note) Comprehensive income Fiscal Year Ended March 31, 2022: 1,189 million yen 36.5%
Fiscal Year Ended March 31, 2021: 871 million yen (61.5%)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income total assets	Operating income margin
	Yen	Yen	%	%	%
Fiscal Year ended March 31, 2022	20.73	20.10	5.2	3.4	4.2
Fiscal Year ended March 31, 2021	18.41	17.89	4.7	2.7	4.1

(Reference) Equity in earnings of affiliates Fiscal year Ended March 31, 2022:- million yen
Fiscal year Ended March 31, 2021:- million yen

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2022	59,081	19,337	31.8	403.04
Fiscal year ended March 31, 2021	56,454	18,768	32.3	391.96

(Reference) Shareholders' equity Fiscal year Ended March 31, 2022: 18,773 million yen
Fiscal year Ended March 31, 2021: 18,253 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2022	4,294	(2,979)	(588)	8,516
Fiscal year ended March 31, 2021	5,035	(1,382)	(2,873)	7,712

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2. Cash dividends

	Annual dividends per share					Total cash dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End 1Q	End 2Q	End 3Q	End 4Q	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal Year ended March 31, 2021	-	6.00	-	8.00	14.00	651	76.0	3.6
Fiscal Year ended March 31, 2022	-	6.00	-	8.00	14.00	652	67.5	3.5
Fiscal Year ended March 31, 2023 (Forecast)	-	6.00	-	8.00	14.00		45.0	

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q	21,600	7.9	650	(14.4)	600	(33.1)	350	29.4	7.51
Full year	45,000	13.1	2,300	36.7	2,150	10.0	1,450	50.2	31.13

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Notes

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

(2) Changes in accounting policies, changes in accounting estimates, and restatements
① Changes in accounting policies due to revision of accounting standards, etc.: Yes
② Changes in accounting policies other than ① above: None
③ Changes in accounting estimates: None
④ Restatement: None
(Note) For details, please refer to "3. Quarterly Consolidated Financial Statements and Main Notes (5) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)" on page 12 of the attached materials.

(3) Number of shares issued (common stock)

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

As of March 31, 2022	46,585,600 shares	As of March 31, 2021	46,577,000 shares

② Number of treasury shares at the end of the period

As of March 31, 2022	7,020 shares	As of March 31, 2021	7,020 shares

③ Average number of shares during the period

As of March 31, 2022	46,576,577 shares	As of March 31, 2021	46,569,980 shares

(Reference) Summary of Non-Consolidated Financial Results

Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results Percentage figures represent changes from the previous fiscal year.

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal Year ended March 31, 2022	33,424	2.6	726	(22.8)	1,175	(2.6)	513	(36.2)
Fiscal Year ended March 31, 2021	32,576	(14.4)	940	(61.4)	1,207	(51.6)	805	(53.9)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal Year ended March 31, 2022	11.03	10.70
Fiscal Year ended March 31, 2021	17.30	16.81

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal Year ended March 31, 2022	51,432	17,297	32.9	363.11
Fiscal Year ended March 31, 2021	49,392	17,399	34.5	365.95

(Reference) Shareholders' equity Fiscal year ended March 31, 2022: 16,913 million yen
Fiscal year ended March 31, 2021: 17,042 million yen

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

(How to obtain supplementary explanatory materials for financial results)

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

(How to obtain information on financial results)

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

(Change in the unit of presentation of amounts)

The amounts of items and other matters presented in the Company's quarterly consolidated financial statements used to be stated in thousand yen, but from the first quarter of the current fiscal year and the first quarter of the current fiscal year, they are stated in million yen.

For ease of comparison, the figures for the previous consolidated fiscal year and the Second quarter of the previous consolidated fiscal year have also been reclassified into million yen.

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1. Summary of Business Results, etc.

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

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

The domestic construction industry, to which the Group is associated, started in a difficult situation due to the interruption or delay of construction work at some sites of private construction work and the postponement of construction work. However, the trend of recovery was seen mainly in the renovation work in the metropolitan area. Overseas, in the Philippines, where the sales subsidiary is located, business activities are restricted by the government's measures to restrict going out and moving. In Vietnam, where the manufacturing subsidiary is located, the severe situation continued, with the same restrictions as in the Philippines being temporarily set.

In such an environment, the Group has a management vision of " Create new value through transformation and aim for sustainable growth by becoming a partner to our customers." in its medium-term management plan announced on May 31, 2021. And we will work on the following four measures: Develop services that blend hardware and software, with a focus on the Iq System, Strengthen products for maintenance/repairs and infrastructure redevelopment, Nurture businesses beyond the temporary equipment sector, and Redevelop overseas business bases.

As a result, for the current fiscal year, the Company posted net sales of 39,800 million yen (up 2.5% year-on-year), operating income of 1,682 million yen (up 6.0% year-on-year), ordinary income of 1,954 million yen (up 24.5% year-on-year), and Profit attributable to owners of parent of 965 million yen (up 12.6% year-on-year).

Operating results by segment are as follows.

(Sales business)

In the temporary construction segment, Interest in the "Iq System" was still high, and inquiries for both new and continuing projects were firm. Due to the restrictions on going out and moving in Vietnam, there was a temporary decrease in production, but shipments were favorable.

In areas other than the temporary division, sales related to agriculture increased due to the construction of high-performance glass houses for agriculture.

As a result, net sales were 13,629 million yen (up 13.7% year-on-year) and operating income was 1,633 million yen (up 16.3% year-on-year).

(Rental Business)

In the private sector, the utilization of rental asset of the "Iq System" remained high, mainly for maintenance and repair work in the Tokyo metropolitan area, while severe conditions continued, such as interruptions and delays in construction work and postponement of construction work. On the other hand, the utilization rate of rental assets decreased due to delays in large-scale sites expected in the construction and civil engineering fields and postponement of construction starts. In terms of profits, the segment profit margin declined due to an increase in the fixed cost ratio such as depreciation expenses due to the decrease in the utilization rate of rental assets.

As a result, net sales were 23,283 million yen (down 3.0% year on year), and operating income was 1,221 million yen (down 31.9% year on year).

(Overseas Business)

At DIMENSION-ALL INC. (Philippines), a sales subsidiary, business activity restrictions continued due to restrictions on going out and moving in Manila, and although the situation was severe, we worked to reduce SG & A expenses and promote profit improvement. In addition, at our manufacturing subsidiary, Holly Vietnam (Vietnam), business activities were restricted due to temporary restrictions on going out and moving by the government, and the production volume of products for Japan also temporarily declined. However, there was no significant impact on the procurement of raw materials and parts, and sales were favorable and sales increased.

As a result, net sales were 6,410 million yen (up 20.9% year on year), and operating income was 277 million yen (Operating loss of 99 million yen in the same quarter of the previous year).

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

Total assets at the end of the current fiscal year were 59,081 million yen, an increase of 2,626 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in cash and deposit of 804 million yen, a decrease in Notes and accounts receivable- trade of 840 million yen, an increase in Raw materials and supplies of 614 million yen, a decrease of 1,032 million yen in rental assets (net), an increase in Buildings and structures (net) of 1,511 million yen.

Total liabilities amounted to 39,744 million yen, an increase of 2,058 million yen from the end of the previous consolidated fiscal year. This was mainly due to increase in Notes and accounts payable- trade of 1,271 million yen, a decrease of 866 million yen in short-term loans payable, an increase in bonds payable (including corporate bonds scheduled to be redeemed within one year) of 1,129 million yen.

Total net assets amounted to 19,337 million yen, an increase of 568 million yen from the end of the previous fiscal year. This was mainly due to an increase of 313 million yen in Retained earnings, an increase in Foreign currency translation adjustments of 203 million yen.

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

Cash and cash equivalents at the end of the current fiscal year increased by 804 million yen compared to the end of the previous fiscal year to 8,516 million yen (up 10.4% year on year).

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

(Cash flows from operating activities)

Cash flows from operating activities resulted in revenue of 4,294 million yen (for comparison, it was 5,035 million yen in the previous fiscal year). This is mainly due to Profit before income taxes of 1,666 million yen, depreciation of 4,784 million yen, Increase in notes and accounts payable – trade of 1,204 million yen, Increase in inventories of 2,966 million yen.

(Cash flows from investing activities)

Cash flows from investing activities resulted in expenditure of 2,979 million yen (for comparison, it was 1,382 million yen in the previous fiscal year). This is mainly due to Purchase of property, plant and equipment of 2,955 million yen.

(Cash flows from financing activities)

Cash flows from financing activities resulted in expenditure of 588 million yen (for comparison, it was 2,873million yen in the previous year). This is mainly due to proceeds from long-term loans payable of 6,610 million yen, Proceeds from issuance of bonds of 1,957 million yen, Net decrease in short-term loans payable of 910 million yen, Repayments of long-term loans payable of 6,333 million yen, Redemption of bonds of 871 million yen.

(4) Prospects for the future

Regarding the prospects for the future, as the effects of the re-expansion of the new coronavirus infection continue, there are signs of recovery due to restraint measures such as vaccination and recovery of economic activities in various countries around the world. Due to concerns about geopolitical risks caused by the situation in Russia and Ukraine, there are large uncertainties about economic growth such as rising prices due to the effects of soaring energy prices and grain prices, and the outlook remains uncertain.

Under these circumstances, the Company has set a vision of "Create new value through transformation and aim for sustainable growth by becoming a partner to our customers." in its medium-term management plan with the fiscal year ended March 31, 2022 as the first year, and will work toward its realization.

In the domestic construction industry, we can see the resilience centered on the maintenance and repair work of social infrastructure against the background of the national resilience plan. However, due to the rapid depreciation of the yen, private capital investment will be affected by soaring energy prices and construction material prices. Therefore, it is necessary to carefully assess demand trends, especially in the first half of the fiscal year ending March 2023, such as rising construction costs and delays in the start of construction. On the other hand, from the third quarter onward, we will continue to steadily receive orders for construction and civil engineering work, which is expected to start construction in the rental business. In the sales business, we will establish a system to increase production of our main product, the Iq System, which is expected to exceed the demand for the current consolidated fiscal year, and strive to provide a stable product supply that does not miss the demand period.

In the overseas business, although measures to curb economic activities due to the new coronavirus infection have been eased and are steadily recovering, we expect that the difficult business environment will continue due to soaring energy prices and steel prices. Although the impact of the restraint on economic activities is deep-rooted and we cannot expect a strong recovery in capital investment demand, we will steadily accumulate orders for formwork materials and timber support, which are expected to have strong demand. On the other hand, in the manufacturing sector, although the impact of soaring material prices cannot be ignored, Demand for the "Iq System" in Japan is expected to remain firm.

As a result of these activities, the full year consolidated financial results forecast for the fiscal year ending March 31,2023 is expected to be net sales of 45,000 million yen, operating income of 2,300 million yen, and ordinary income of 2,150 million yen, Profit attributable to owners of parent of 1,450 million yen.

2. Basic concept regarding the selection of accounting standards

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

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

3. Consolidated financial statements and major notes

(1) Consolidated Balance Sheet

(Unit: Million yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Assets		
Current assets		
Cash and deposits	8,032	8,836
Notes and accounts receivable- trade	11,675	-
Trade notes receivable	-	2,657
Trade accounts receivable	-	8,177
Merchandise and finished goods	3,184	3,748
Work in process	893	1,193
Raw materials and supplies	1,023	1,638
Other	525	725
Allowance for doubtful accounts	(427)	(295)
Total current assets	24,907	26,681
Non-current assets		
Property, plant and equipment		
Assets for rent	38,687	38,502
Accumulated depreciation- Assets for rent	(25,475)	(26,323)
Assets for rent (net)	13,212	12,179
Buildings and structures	7,904	9,738
Accumulated depreciation and impairment loss	(3,755)	(4,078)
Buildings and structures (net)	4,148	5,659
Machinery, equipment and vehicles	2,839	3,157
Accumulated depreciation	(1,608)	(1,920)
Machinery, equipment and vehicles (net)	1,231	1,237
Land	7,849	7,851
Lease assets	1,091	1,232
Accumulated depreciation	(611)	(820)
Lease assets, net	479	411
Construction in progress	195	451
Other	1,354	1,687
Accumulated depreciation	(990)	(1,148)
Other (net)	363	539
Total tangible assets	27,480	28,329
Intangible assets		
Leasehold right	327	327
Other	498	459
Total intangible assets	826	787
Investments and other assets		
Investment securities	504	432
Guarantee deposits	710	749
Net defined benefit asset	84	74
Deferred tax assets	774	766
Other	1,199	1,292
Allowance for doubtful accounts	(33)	(33)
Total investments and other assets	3,240	3,282
Total non-current assets	31,547	32,399
Total assets	56,454	59,081

(Unit: Million yen)

	Fiscal year ended March 31, 2021	Fiscal year ending March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable- trade	5,668	6,940
Short-term loans payable	3,478	2,612
Current portion of bonds	871	1,047
Current portion of long-term loans payable	6,308	6,001
Lease obligations	368	374
Income taxes payable	353	440
Provision for bonuses	296	337
Notes payable- facilities	344	147
Other	1,864	2,132
Total current liabilities	19,554	20,035
Non-current liabilities		
Bonds payable	3,278	4,230
Long-term debt	11,354	11,942
Lease obligations	1,145	905
Net defined benefit liability	1,001	1,023
Asset retirement obligations	13	19
Other	1,339	1,585
Total non-current liabilities	18,131	19,708
Total liabilities	37,685	39,744
Net assets		
Shareholders' equity		
Capital stock	1,050	1,052
Capital surplus	1,908	1,910
Retained earnings	15,392	15,705
Treasury stock	(3)	(3)
Total shareholders' equity	18,347	18,665
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	55	55
Deferred gains or losses on hedges	(6)	(6)
Foreign currency translation adjustments	(104)	98
Remeasurements of defined benefit plans	(38)	(39)
Total accumulated other comprehensive income	(94)	108
Subscription rights to shares	357	384
Non-controlling interests	157	179
Total net assets	18,768	19,337
Total liabilities and net assets	56,454	59,081

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

(Consolidated statements of income)

(Unit: Million yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	38,812	39,800
Cost of sales	27,815	28,619
Gross profit	10,996	11,181
Selling, general and administrative expenses	9,410	9,499
Operating income	1,586	1,682
Non-operating income		
Interest income	7	4
Dividend income	13	10
Rent income	75	88
Contribution for Assets for rent	14	15
Income from sale of scrap	85	150
Foreign exchange gains	47	211
Other	141	137
Total non-operating income	385	618
Non-operating expenses		
Interest expense	239	206
Commission fee	75	68
Bond issuance cost	9	38
Other	78	33
Total non-operating expenses	402	346
Ordinary income	1,569	1,954
Extraordinary income		
Gain on sales of non-current assets	11	36
Gain on sales of investment securities	-	53
Total extraordinary income	11	90
Extraordinary loss		
Loss on retirement of non-current assets	14	5
Loss on valuation of investment securities	-	329
Impairment loss	108	43
Total extraordinary loss	122	378
Profit before income taxes	1,458	1,666
Income taxes- current	582	661
Income taxes- deferred	(2)	16
Total income taxes	580	678
Profit	878	987
Profit attributable to non-controlling interests	20	22
Profit attributable to owners of parent	857	965

(Consolidated Statements of Comprehensive Income)

(Unit: Million yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net income (loss)	878	987
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	39	0
Deferred gains (losses) on hedges	8	0
Foreign currency translation adjustments	(81)	203
Remeasurements of defined benefit plans, net of tax	26	(1)
Total other comprehensive income (loss)	(6)	202
Comprehensive income	871	1,189
(Breakdown)		
Comprehensive income attributable to owners of parent	851	1,167
Comprehensive income attributable to non-controlling interests	20	22

(3) Consolidated Statement of Changes in Net Assets

Previous consolidated fiscal year (April 1, 2020 to March 31, 2021)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	1,050	1,908	15,186	(3)	18,142
Changes during the period					
Issuance of new shares (Exercise of new shares acquisition rights)					-
Dividends from Surplus			(651)		(651)
Profit attributable to owners of parent			857		857
Changes in items other than shareholders' equity (net)					-
Total changes of items during the period	-	-	205	-	205
Balance at the end of current period	1,050	1,908	15,392	(3)	18,347

	Accumulated other comprehensive income (loss)					Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)			
Balance at the beginning of current period	16	(15)	(23)	(65)	(87)	306	137	18,497
Changes during the period								
Issuance of new shares (Exercise of new shares acquisition rights)								-
Dividends from Surplus								(651)
Profit attributable to owners of parent								857
Changes in items other than shareholders' equity (net)	39	8	(81)	26	(6)	51	20	65
Total changes of items during the period	39	8	(81)	26	(6)	51	20	271
Balance at the end of current period	55	(6)	(104)	(38)	(94)	357	157	18,768

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

(Unit: Million yen)

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

	Accumulated other comprehensive income (loss)					Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans
Balance at the beginning of current period	55	(6)	(104)	(38)	(94)	357	157	18,768
Changes during the period								
Issuance of new shares (Exercise of new shares acquisition rights)								4
Dividends from Surplus								(652)
Profit attributable to owners of parent								965
Changes in items other than shareholders' equity (net)	0	0	203	(1)	202	26	22	250
Total changes of items during the period	0	0	203	(1)	202	26	22	568
Balance at the end of current period	55	(6)	98	(39)	108	384	179	19,337

(4) Consolidated Statements of Cash Flows

(Unit: Million yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	1,458	1,666
Depreciation	4,815	4,784
Impairment loss	108	43
Amortization of goodwill	53	-
Loss on retirement of Assets for rent	83	44
Loss on sales of Assets for rent	45	60
Purchase of assets for rent	(909)	(611)
Contribution for Assets for rent	(14)	(15)
Increase (decrease) in allowance for doubtful accounts	64	(146)
Increase (decrease) in provision for bonuses	3	41
Increase (decrease) in net defined benefit liability	47	17
Share-based compensation expenses	51	30
Interest and dividends income	(21)	(15)
Interest expense	239	206
Foreign exchange loss (gain)	(69)	(233)
Loss (gain) on sales of property, plant and equipment	(11)	(36)
Loss on retirement of property, plant and equipment	13	4
Loss (gain) on sales of investment securities	-	(53)
Loss (gain) on valuation of investment securities	-	329
Decrease (increase) in notes and accounts receivable- trade	2,546	936
Decrease (increase) in inventories	(1,596)	(2,966)
Increase (decrease) in notes and accounts payable- trade	(800)	1,204
Other, net	120	(217)
Subtotal	6,230	5,073
Interest and dividend income received	25	7
Interest expenses paid	(240)	(203)
Income taxes paid	(979)	(582)
Net cash provided by (used in) operating activities	5,035	4,294

(Unit: Million yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from investing activities		
Payments into time deposits	(460)	(460)
Proceeds from withdrawal of time deposits	460	460
Purchase of property, plant and equipment	(1,209)	(2,955)
Proceeds from sales of property, plant and equipment	13	149
Purchase of intangible assets	(188)	(69)
Purchase of investment securities	(3)	(275)
Proceeds from sales of investment securities	-	86
Payments of loans receivable	(110)	-
Collection of loans receivable	115	100
Other, net	-	(15)
Net cash provided by (used in) investing activities	(1,382)	(2,979)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,992)	(910)
Repayments of lease obligations	(336)	(389)
Proceeds from long-term loans payable	5,820	6,610
Repayments of long-term loans payable	(5,831)	(6,333)
Proceeds from issuance of bonds	539	1,957
Redemption of bonds	(421)	(871)
Cash dividends paid	(651)	(652)
Net cash provided by (used in) financing activities	(2,873)	(588)
Effect of exchange rate changes on cash and cash equivalents	10	77
Net increase (decrease) in cash and cash equivalents	789	804
Cash and cash equivalents at beginning of period	6,922	7,712
Cash and cash equivalents at end of period	7,712	8,516

(5) Notes to quarterly consolidated financial statements

(Going concern assumption)

Not applicable.

(Changes in accounting policies)

(Application of accounting standards for revenue recognition)

Promised goods or services by applying "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29, March 31, 2020) from the beginning of the current consolidated fiscal year. When the control of is transferred to the customer, the revenue will be recognized by the amount expected to be received in exchange for the goods or services.

The application of the Accounting Standard for Revenue Recognition, etc. follows the transitional treatment stipulated in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition and is cumulative when the new accounting policy is retroactively applied before the beginning of the current consolidated fiscal year. The amount of impact is added to or subtracted from retained earnings at the beginning of the current consolidated fiscal year, and a new accounting policy is applied from the balance at the beginning of the period. However, the new accounting policy has not been retroactively applied to contracts that apply the method stipulated in Article 86 of the Accounting Standard for Revenue Recognition and recognize almost all revenue amounts in accordance with the previous treatment before the beginning of the current consolidated fiscal year.

As a result, the impact on the consolidated financial statements will be minor.

Due to the application of Accounting Standard for Revenue Recognition, "Notes receivable and accounts receivable" displayed in "Current assets" in the consolidated balance sheet for the previous consolidated fiscal year will be included in "Trade notes receivable" and "Trade accounts receivable" from the beginning current consolidated fiscal year. In accordance with the transitional treatment stipulated in Article 89-2 of the Accounting Standard for Revenue Recognition, the previous consolidated fiscal year has not been reclassified using the new presentation method. Furthermore, in accordance with the transitional treatment stipulated in Section 89-3 of the Accounting Standard for Revenue Recognition, we do not provide information on the decomposition of revenue generated from contracts with customers for the previous consolidated fiscal year.

(Application of accounting standards for calculation of market value)

"Accounting Standard for Market Value Calculation" (Corporate Accounting Standard No. 30, July 4, 2019; hereinafter referred to as "Market Value Calculation Accounting Standard"), etc. will be applied from the beginning of the first quarter consolidated accounting period, and the market value calculation accounting standard In accordance with the transitional treatment stipulated in Paragraph 19 and "Accounting Standards for Financial Instruments" (Corporate Accounting Standard No. 10 July 4, 2019), the new accounting policies stipulated by the market value calculation accounting standards, etc. , I decided to apply it in the future. This will not affect the quarterly consolidated financial statements.

(Segment information)

1.Summary of reporting segments

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

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

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

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

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

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

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

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

Previous consolidated fiscal year (from April 1, 2020 to March 31, 2021) (Unit: Million yen)

	Sales Business	Rental Business	Overseas Business	Total	Adjustment (Note 1&2)	Amount allocated on consolidated statements of income (Note 3)
Net sales						
Net sales to external customers	11,732	23,891	3,188	38,812	-	38,812
Intersegment sales and transfers Net sales or transfer amount	258	117	2,112	2,488	(2,488)	-
Total	11,990	24,009	5,300	41,300	(2,488)	38,812
Segment income (loss)	1,404	1,793	(99)	3,098	(1,511)	1,586
Other						
Depreciation	298	3,878	519	4,695	120	4,815
Amortization of goodwill	-	53	-	53	-	53

Notes 1. Adjustments for segment profit or loss of (1,511) million yen include elimination of transactions between segments of 209 million yen and company-wide expenses of (1,721) million yen not allocated to each reporting segment. Company-wide expenses are mainly general and administrative expenses that do not belong to the reporting segment.

2. The depreciation adjustment amount of 120 million yen is depreciation expense for company-wide assets that do not belong to each reporting segment.

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

Current consolidated fiscal year (from April 1, 2021 to March 31, 2022) (Unit: Million yen)

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

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

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

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

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

4. Matters concerning changes in reporting segments, etc.

As described in "Changes in Accounting Policy," the revenue Accounting Standard for Revenue Recognition, etc. have been applied from the beginning of the current consolidated fiscal year. And because we changed the accounting method for revenue recognition, we also changed the method of calculating profit or loss for business segments. The impact of this change will be minor.

(Per share information)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net assets per share	391.96 yen	403.04 yen
Net income per share	18.41 yen	20.73 yen
Diluted earnings per share	17.89 yen	20.10 yen

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

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net income per share		
Profit attributable to owners of parent (Million yen)	857	965
Amount not attributable to common shareholders (Million yen)	-	-
Profit attributable to owners of parent applicable to common stock (Million yen)	857	965
Average number of shares of common stock during the period (Thousand shares)	46,569	46,576
Diluted earnings per share		
Adjusted profit attributable to owners of parent (Million yen)	-	-
Increase in number of common stocks (Thousand shares)	1,360	1,456
number of shares with subscription rights (Thousand shares)	1,360	1,456
Summary of residual securities not included in calculating diluted earnings per share, because of having no dilution effect	-	-

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

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Total net assets (Million yen)	18,768	19,337
Deduction from total net assets (Million yen)	515	564
With subscription rights (Million yen)	357	384
For non-controlling shareholders (Million yen)	157	179
End of period net assets applicable to common stock (Million yen)	18,253	18,773
End of period number of share used for calculating net assets per share (Thousand shares)	46,569	46,578

(Significant subsequent events)

Not applicable