

[Updated]Results Briefing Materials for the First Quarter of the Fiscal Year Ending March 31, 2022

Company name: TAKAMIYA CO., LTD.
Stock exchange listing: Tokyo (1st section)
Stock code: 2445 URL: <https://www.takamiya.co/>
Representative: Representative Director, President and Chairman KAZUMASA TAKAMIYA

The title of the disclosure document "Summary of Consolidated Financial Results for the Three Months Ended March 31, 2022" announced on August 5, 2021 was incorrect at the time of the announcement. The correct title is "Results Briefing Materials for the First Quarter of the Fiscal Year Ending March 31, 2022". In addition, there was an error in a part of the document, which has been corrected as follows. The corrected parts are underlined.

The corrected document is attached for your reference.

1. Title

(Incorrect) Summary of Consolidated Financial Results for the Three Months Ended March 31,2022

(Correct) Results Briefing Materials for the First Quarter of the Fiscal Year Ending March 31, 2022

2. Page 1 of the document

(Incorrect) Summary of Consolidated Financial Results for the Three Months Ended March 31,2022

(Correct) Results Briefing Materials for the First Quarter of the Fiscal Year Ending March 31, 2022

(end)



Results Briefing Materials for the First Quarter of the Fiscal Year Ending March 31, 2022

Takamiya Co., Ltd. (2445:Tokyo)
Grand Front Osaka Tower-B Bldg. 27F,
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Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes.
In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.



Agenda

- Topics
- Description of consolidated performance of the fiscal year ended June 30, 2021



Topics

Jun. 24, 2021

Notice of the 53th Ordinary General Meeting of Shareholders

Jun. 24, 2021

Notice Regarding the Granting of Stock Options (“Subscription rights to shares”) to Director

July. 15, 2021

Notice Regarding Decision on the Contents of Issuance of Share Remuneration-type Stock Option

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.
Incorporation	June 21, 1969
Representative	Representative director, Kazumasa Takamiya
Capital	1,050 million yen
Number of employees	Consolidated : 1,237; Non-consolidated : 724 (As of end-June, 2021)
Registered head office	Grand Front Osaka, Tower B, 27F, 3-1 Ofuka-cho, Kita-ku, Osaka, Japan
Business locations	Branches: Tohoku-Sendai, Ibaraki, Tokyo, Niigata, Nagoya, Osaka, Chushikoku, Kyushu-Fukuoka (total: 8) Business offices: Sapporo, Morioka, Fukushima, Kashima, Ichihara, Hokuriku, Fukui, Nagano, Shizuoka, Keiji, Kobe, Hiroshima, Okinawa (total: 13) Equipment centers : Aomori-Higashidori, Iwate-Morioka, Miyagi-Sendai No. 2, Fukushima-Hirono, Ibaraki-Chuo, Ibaraki-Tsukuba, Ibaraki-Dejima, Ibaraki-Kashima, Chiba-Okido, Chiba-Ichihara, Saitama-Kuki, Kanagawa-Aikawa, Niigata-Yokogoshi, Niigata-Nagaoka, Shinsyu-Ngano, Ishikawa-Kanazawa, Fukui-Sabae, Tokai-Kisosaki, Shizuoka-Yoshida, Shiga-Omihachiman, Osaka-Hirakata, Osaka-Settsu, Wakayama-Momoyama, Hyogo-Tojo, Hyogo-Kobe, Hiroshima-Shiwa, Kagawa-Sanuki , Okinawa-Naha(total: 28) Factory: Gunma, Gifu(total: 2)
Consolidated subsidiaries	[Japan total:7] IWATA Co., Ltd. ; AOMORI ATOM Co., Ltd. ; TOTAL TOSHISEIBI Co., Ltd.; NEXTECH Co., Ltd...; Nakaya Kizai Co., Ltd; HIRAMATSU Co., Ltd. ; Cadian Co Ltd. [Overseas total:3] DIMENSION-ALL INC. ; Hory Korea Co. Ltd ; HORY VIETNAM Co., Ltd. (total:10)
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





1. Summary of consolidated performance

1.1 Business overview

- ✓ In the sales business segment, sales and profits increased due to a recovery trend in sales of temporary equipment, mainly Iq systems. Although the agribusiness contributed to sales (Sales of high-performance glasshouses) , its profit margin was lower than that of the previous year.
- ✓ In the rental business segment, both sales and profits decreased due to a decrease in the utilization rate of temporary equipment compared to the previous fiscal year as a result of the completion of a large-scale civil engineering construction site in the previous fiscal year.
- ✓ In overseas business segment, both sales and profits increased due to strong sales in Vietnam, where products are mainly sold for the Japanese market, although sales of a consolidated subsidiary (DAI) decreased due to continued restrictions on going out and moving around in the Philippines.



1. Summary of consolidated performance

1.2 Cumulative period (from April 2021 to June 2021)

Consolidated Results (Unit : million yen)	1Q FY03/2022 Forecast		1Q FY03/2022 Results		1Q FY03/2021 Results		% change (y/y)
	(Non-Disclosure)	Sales ratio		Sales ratio		Sales ratio	
Net sales	—	—	9,242	100.0%	9,660	100.0%	(4.3)%
Gross profit	—	—	2,372	25.7%	2,806	29.0%	(15.5)%
SG&A	—	—	2,294	24.8%	2,330	24.1%	(1.5)%
Operating income	—	—	77	0.8%	475	4.9%	(83.6)%
Ordinary income	—	—	146	15.8%	380	3.9%	(61.5)%
Profit attributable to owners of parent	—	—	22	0.2%	237	2.5%	(90.4)%
Earnings per share (Diluted earnings per share)	—	—	0.49 yen (0.48 yen)	—	5.11 yen (4.97 yen)	—	—
Annual dividends per share	—	—	—	—	—	—	—
Depreciation and amortization	—	—	1,191	12.9%	1,200	12.4%	(0.8)%
EBITDA	—	—	1,268	13.7%	1,675	17.3%	(24.3)%



1. Summary of consolidated performance

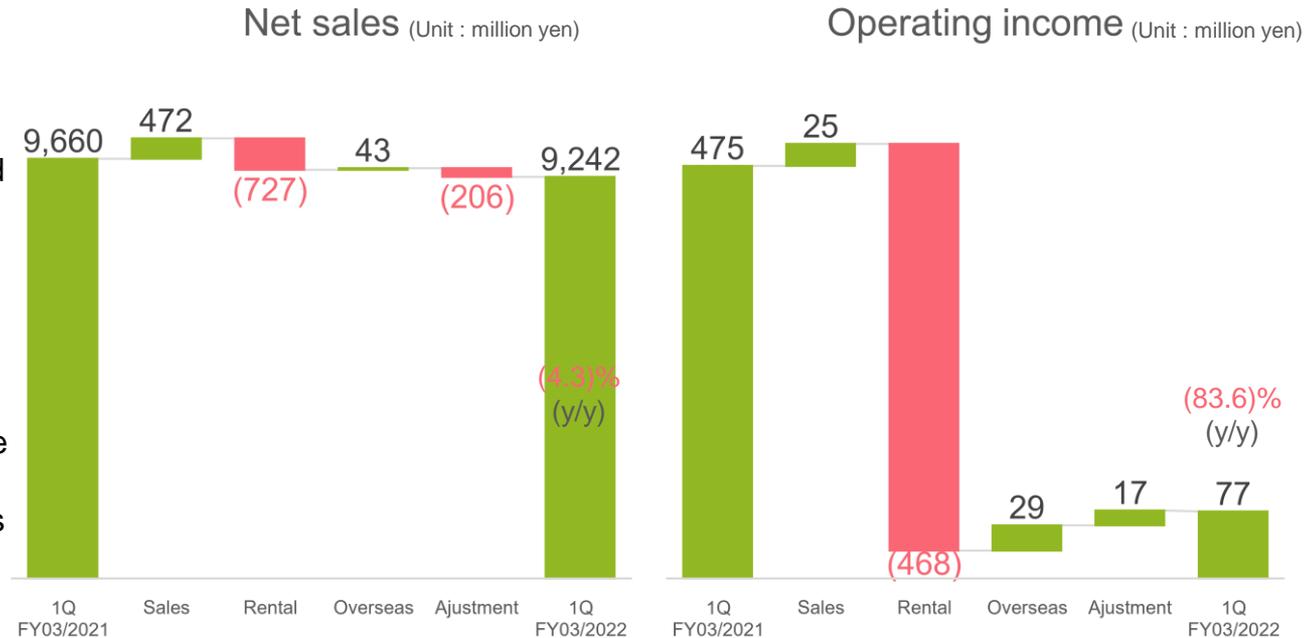
1.3 Factors of increase/decrease in net sales and operating income

Net sales decreased by 418 million yen (down 4.3% YoY)

- ✓ Sales in the rental business decreased by 11.9% compared to the same period of the previous year.

Operating income decreased by 398 million yen (down 83.6% YoY)

- ✓ Mainly due to a decrease in the rental business.
- ✓ Increase in sales and overseas business.



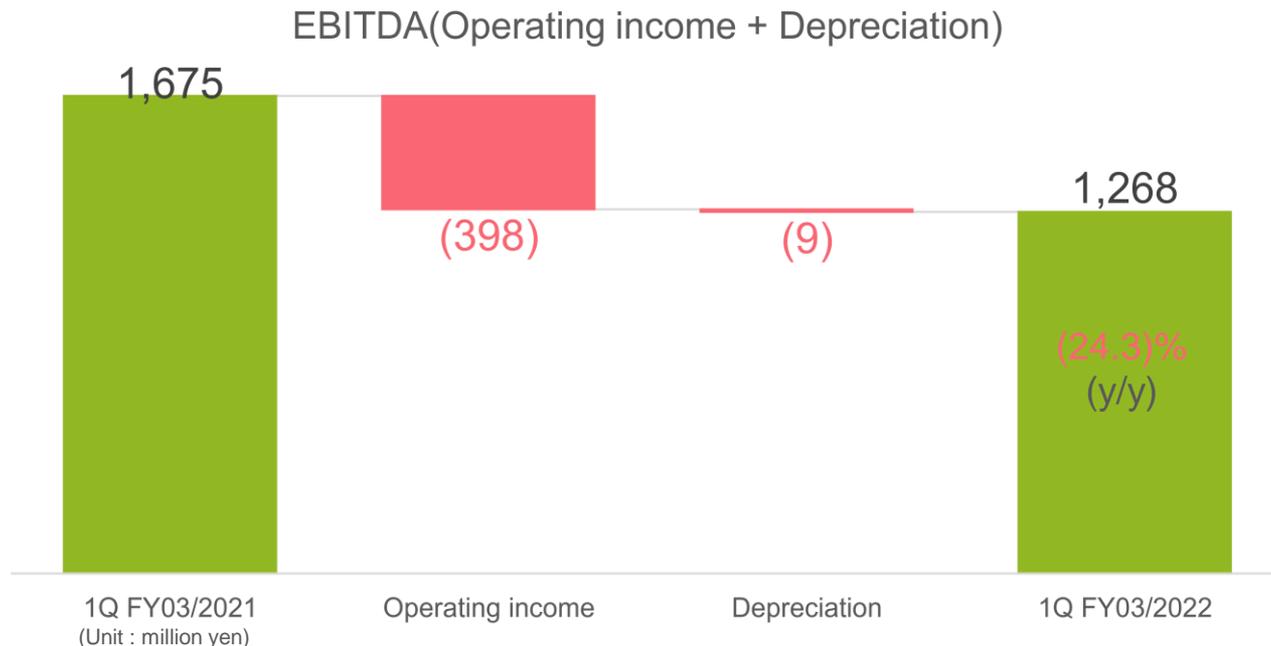


1. Summary of consolidated performance

1.4 EBITDA(Operating income + Depreciation)

**Decreased by 407 million yen
(down 24.3% YoY)**

- ✓ Mainly due to decreased operating income.
- ✓ Depreciation remained mostly level.





1. Summary of consolidated performance

1.5 Performance by segment

Unit : million yen	Net sales			Segment profit (sales ratio)		
	1Q FY03/2021	1Q FY03/2022	% change y/y	1Q FY03/2021	1Q FY03/2022	% change y/y
Sales Business	2,701	3,174	+17.5%	287 (10.6%)	312 (9.8%)	+8.7%
Rental Business	6,112	5,385	(11.9%)	530 (8.7%)	62 (1.2%)	(88.3)%
Overseas Business	1,376	1,419	+3.1%	18 (1.4%)	47 (3.4%)	+152.3%



2. Sales business

2.1 Factors of increase/decrease YoY

Net sales:

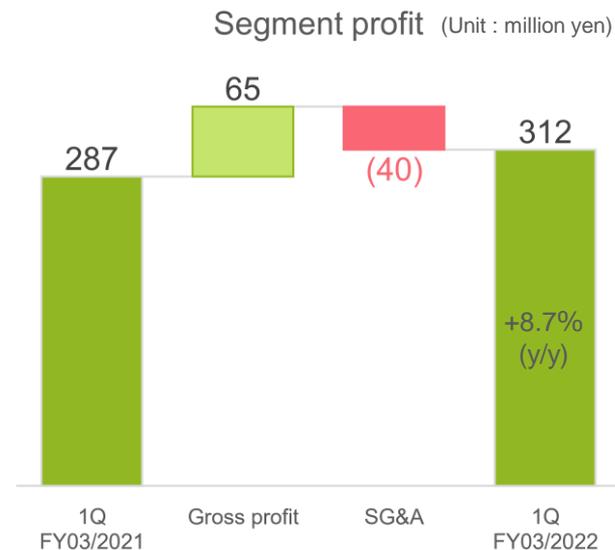
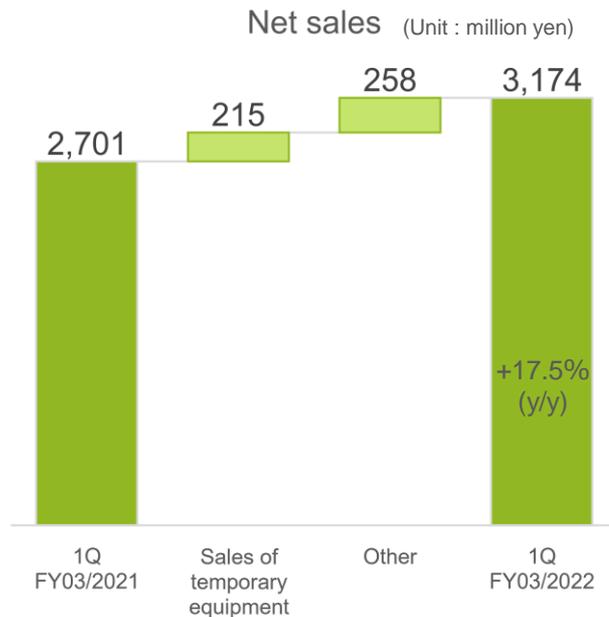
increased by 473 million yen

- ✓ Sales of temporary equipment, including the Iq system, strongsteady growth, and sales of high-performance glasshouses in the environment-related agribusiness contributed to earnings.

Operating income:

increased by 25 million yen

- ✓ Although the profit margin of the agribusiness decreased, the amount of profit increased due to the increase in sales.

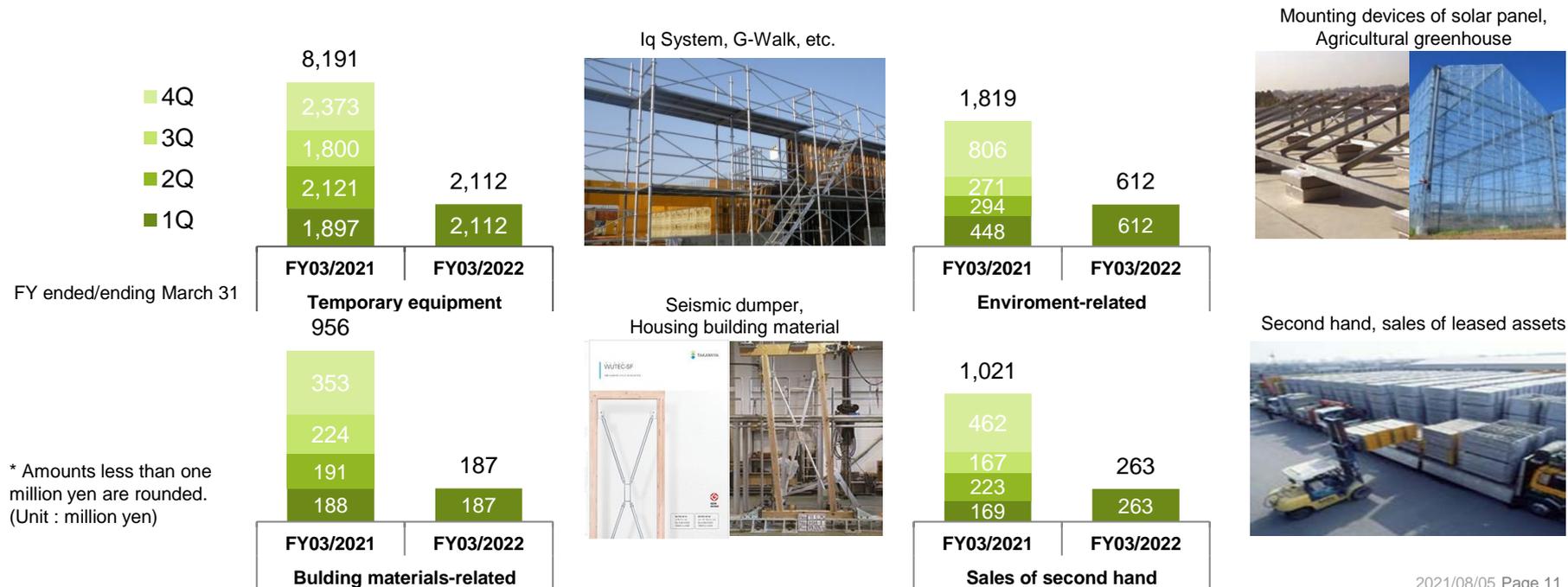




2. Sales business

2.2 Net sales by product field

Iq systems for temporary equipment and the agribusiness for environment-related products contributed to the results.



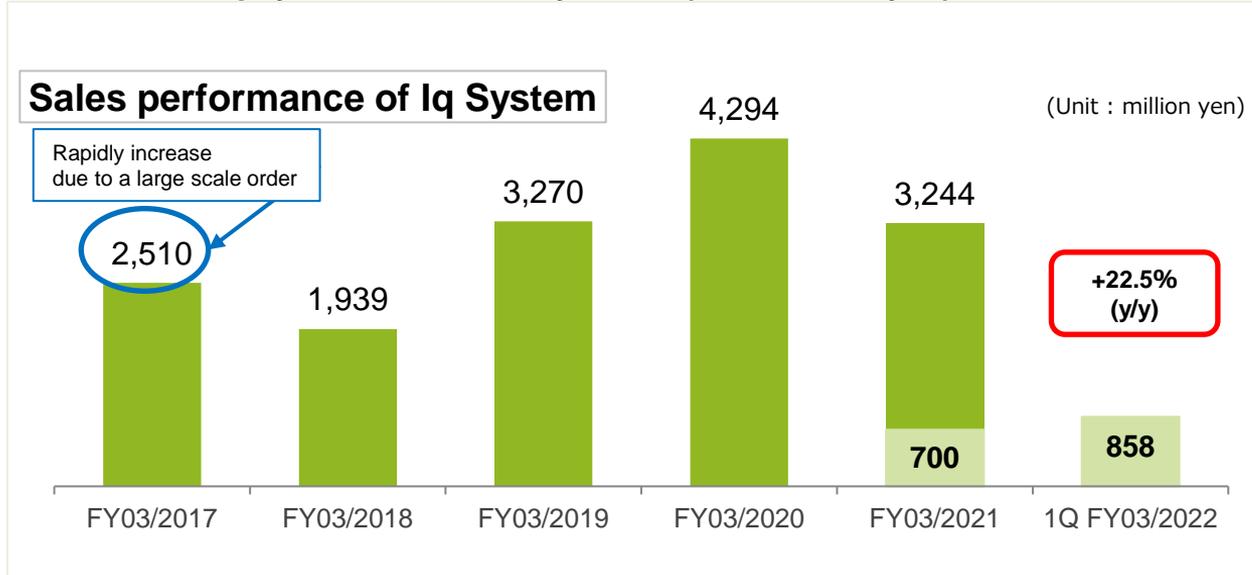
* Amounts less than one million yen are rounded.
(Unit : million yen)



2. Sales business

2.3 Sales of Iq System

Sales of the Iq System Increased by 22.5% (+158 million yen) YoY.



Iq System Cumulative sales
18.4 Billion yen

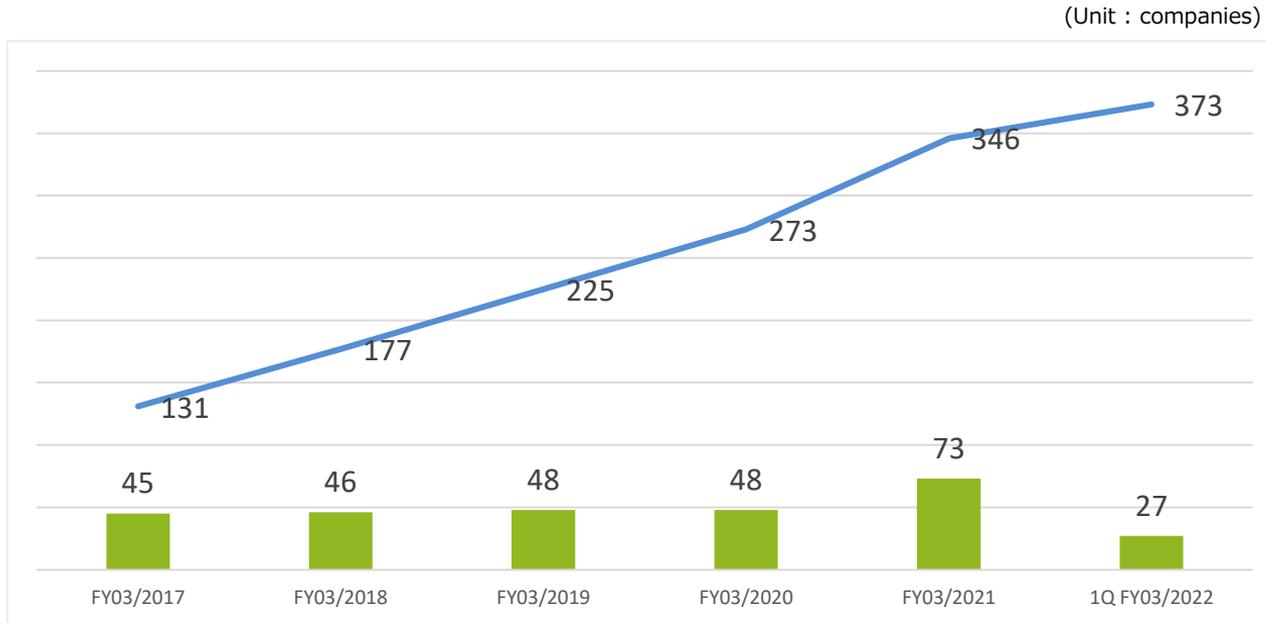
※Our sales only



2. Sales business

2.4 Number of companies selling Iq System

The number of companies to which the Iq system is sold, companies steadily increasing.



Iq System Cumulative
number of companies sold
373 companies

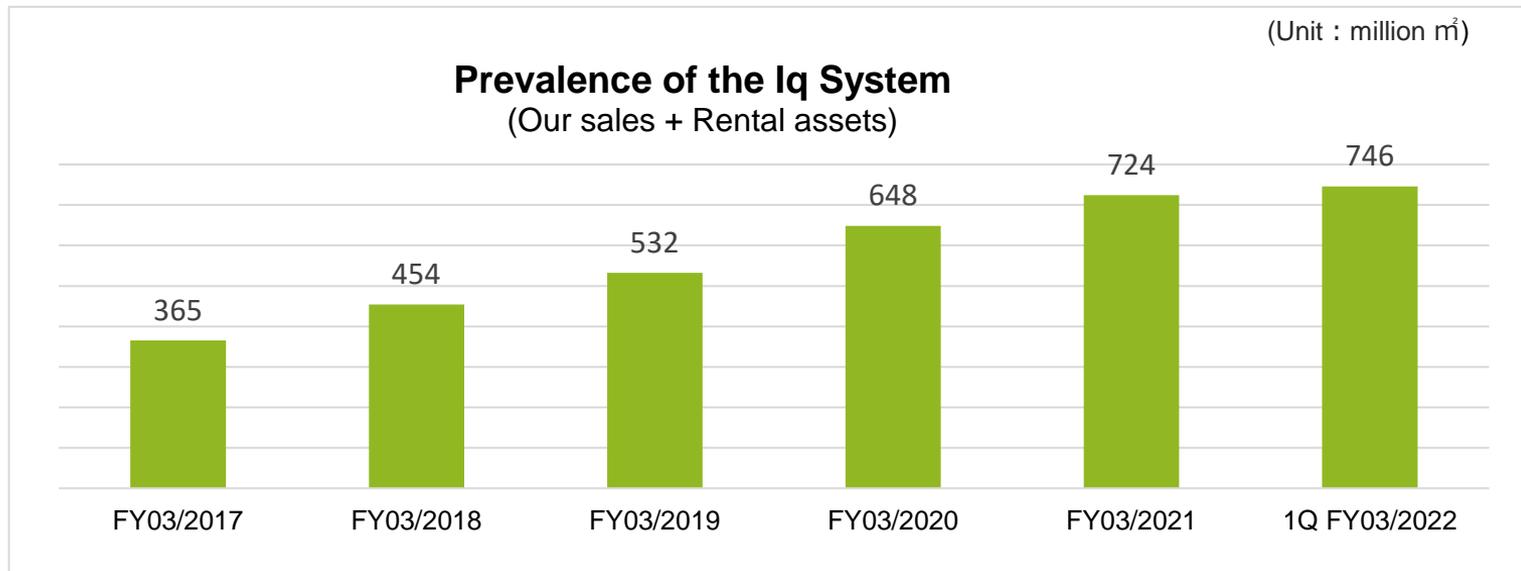
※Our sales only



2. Sales business

2.5 Prevalence of Iq System

The penetration of next-generation scaffolding into the industry is progressing steadily.



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



3. Rental business

3.1 Factors of increase/decrease YoY

Net sales:

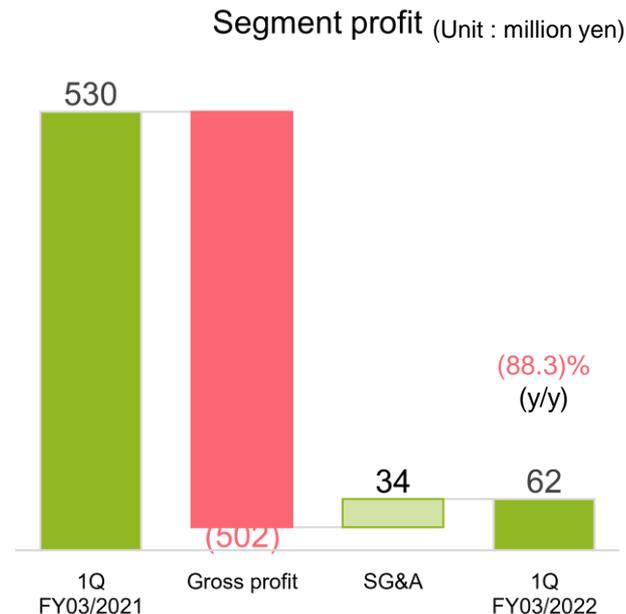
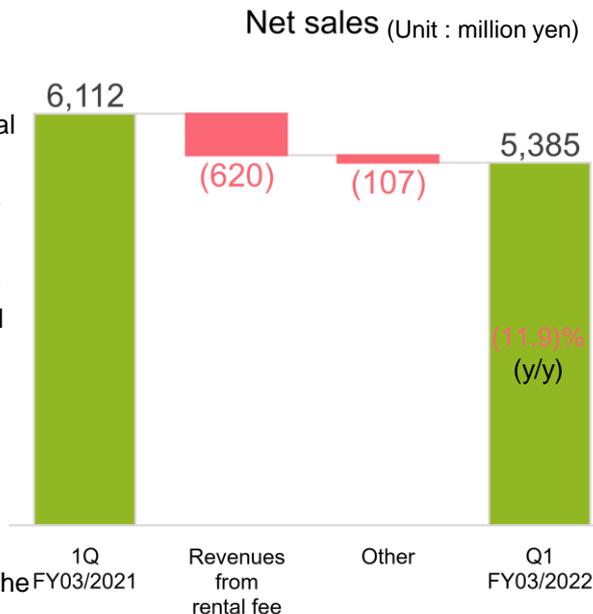
decreased by 727 million yen

- ✓ The completion of large-scale civil engineering sites in the previous fiscal year and the low rental volume (occupancy rate) of civil engineering-related equipment, rental income decreased, resulting in a decrease in sales compared to the previous fiscal year.

Operating income:

decreased by 468 million yen

- ✓ Although SG & A expenses were reduced, profits decreased due to a decrease in sales and an increase in the cost rate.





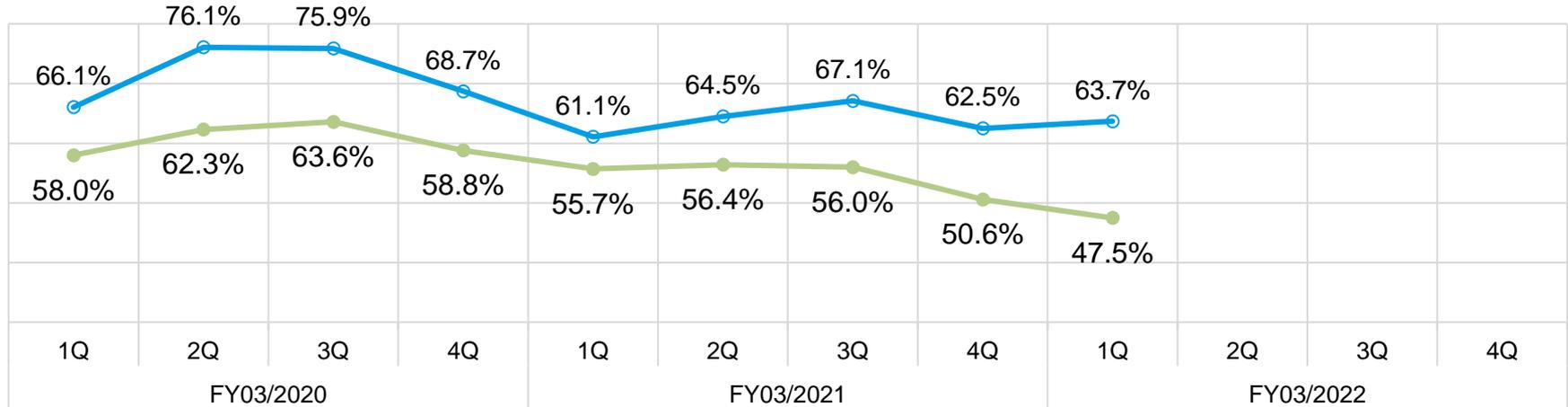
3. Rental business

- 3.2 Trend of average equipment utilization rates * Trend of utilization rates looks like a mountain with its peak at the 3Q each year
- * Utilization rate = rented amount / overall holdings

Iq system continued to operate at a high level. The overall utilization rate declined due to sluggish growth in the civil engineering field.

Utilization rates of rental assets

Iq System Assets for rent as a whole

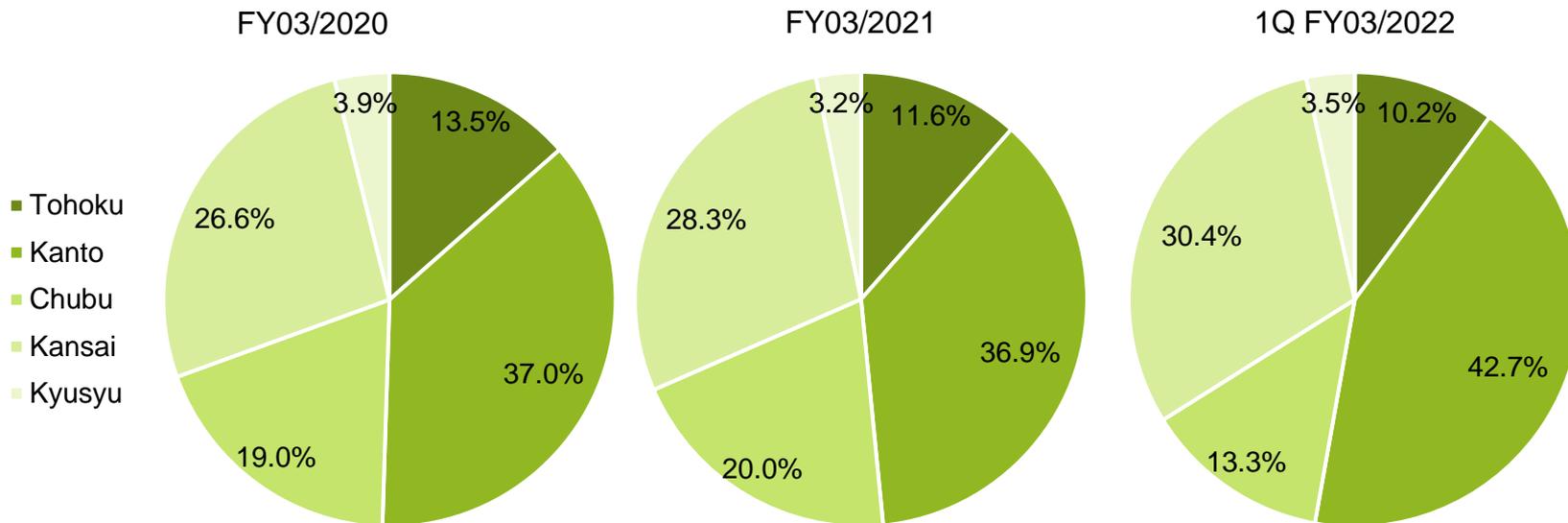




3. Rental business

3.3 Ratio of Sales by Area

**In the Chubu Area, civil engineering-related projects have run their course.
In the Kanto Area, there is a recovery trend.**



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



4. Overseas business

4.1 Factors of increase/decrease YoY

Net sales:

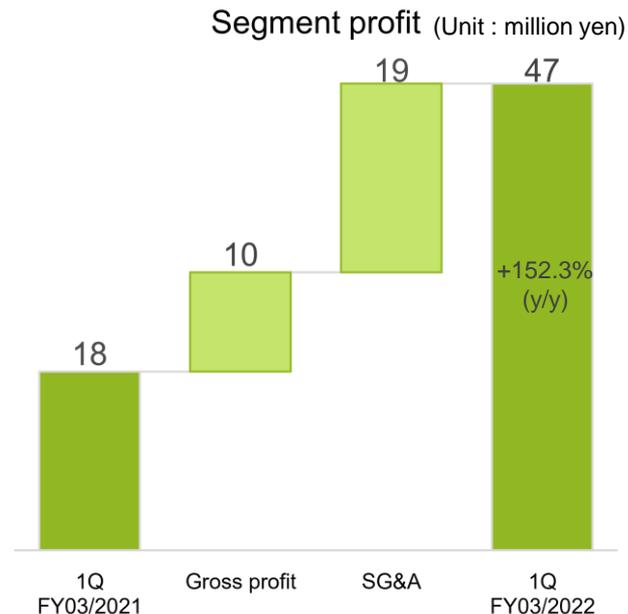
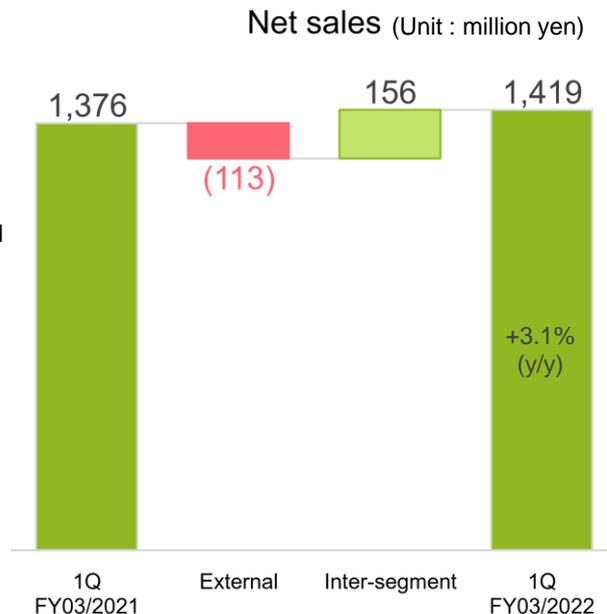
increased by 43 million yen

- ✓ Vietnam's domestic sales to Japan increase.
- ✓ In the Philippines, sales decreased compared to the same period of the previous fiscal year due to restrictions on business activities caused by curfews and movement restrictions.

Operating income:

increased by 29 million yen

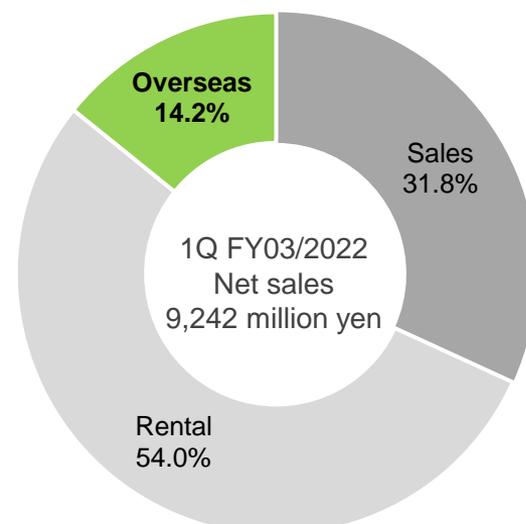
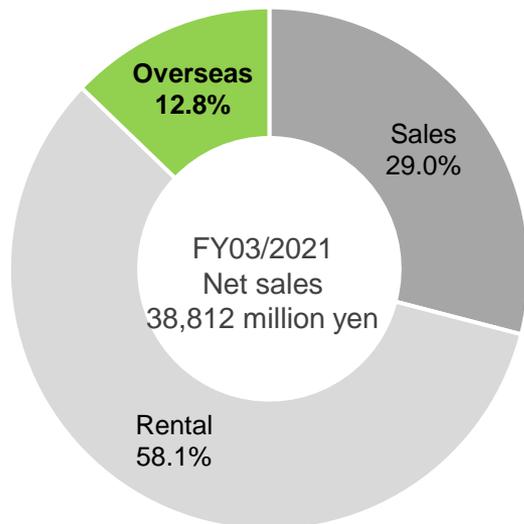
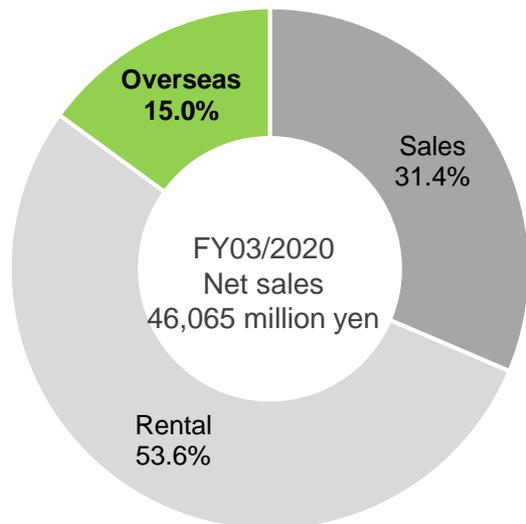
- ✓ SG & A expenses decreased due to movement restrictions and business activity restrictions.





4. Overseas business

4.2 Sales Ratio by Segment



* "Sales Ratio by Segment" is based on net sales before inter-segment elimination.



5. Change in Consolidated Balance Sheet

Total assets decreased slightly. Equity ratio remained unchanged from the end of the previous fiscal year at 32.3% (end of the previous fiscal year: 32.3%).

[Asset] (Unit : million yen)

Current assets

Notes and accounts receivable – trade : 10,805 ((869))

Non-current assets

Assets for rent, net : 12,883 ((328))

Investment securities : 747(+242)

[Liability]

Current liability

Short-term loans payable : 4,279 (+801)

Notes payable for equipment : 81 ((262))

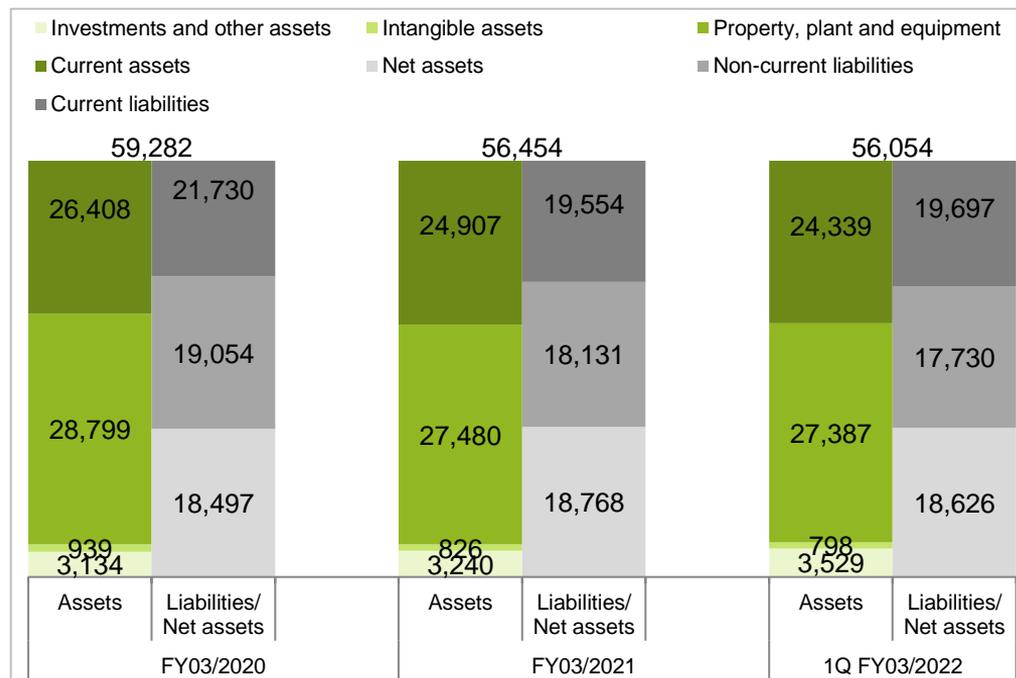
Non-current liability

Long-term loans payable : 10,989 ((364))

[Net asset]

Shareholders' equity : 18,002 ((345))

* The figures in parentheses are comparisons for the same period of the previous year



(Unit : million yen)

2021/08/05 Page 20



6. FY Ending March 31, 2022

In the first quarter, the sales business and overseas business performed steadily, and the rental business also performed generally as planned.

There is no change in the full term performance forecasts.

(Unit : million yen)	FY Ending March 31, 2022				(Reference) FY Ended March 31, 2021 Results
	2Q	% change (YoY)	4Q	% change (YoY)	
Net sales	19,700	+0.8%	42,000	+8.2%	38,812
Operating income	400	(63.5)%	1,800	+13.5%	1,586
Ordinary income	300	(69.8)%	1,580	+0.7%	1,569
Profit attributable to owners of parent	130	(78.1)%	1,000	+16.6%	857
Earnings per share	2.79yen		21.47yen		18.41yen



7. Status of shareholder return

	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022 (Forecast)
Dividend	11 yen	11 yen	14 yen	14 yen	14 yen
1Q	–	–	–	–	–
2Q	4.0 yen	4.0 yen	6.0 yen	6.0 yen	6.0 yen
3Q	–	–	–	–	–
4Q	7.0 yen	7.0 yen	8.0 yen	8.0 yen	8.0 yen
Total amount of dividends	471 million yen	471 million yen	651 million yen	651 million yen	–
Dividend payout ratio	37.6%	28.8%	26.5%	76.0%	–
Treasury shares	0 million yen	0 million yen	0 million yen	0 million yen	–
Total return ratio	37.6%	28.8%	26.5%	76.0%	–
Dividend on equity	3.7%	3.5%	3.9%	3.6%	–
ROE	9.8%	12.0%	14.7%	4.7%	–



Reference Information

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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 annual reports (Japanese/English)* 2020 version is planned to be issued in October.
- Disclosure of non-financial information (publicized on annual reports, and then on the Web)
- Proactive information disclosure based on dialogues with investors (e.g., prevalence (total area) of next generation scaffolding, equipment utilization rate)
- Briefing for private investors
- 1 on 1 meeting

If situations calm down for events such as briefings, there would be more occasions for proactive dialogs and IR activities than the previous term.





ESG information

Human resource development

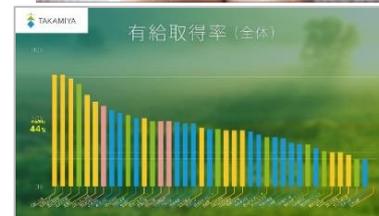
Promoting "Human centered capitalism" style management and measures centered on human resources

- 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



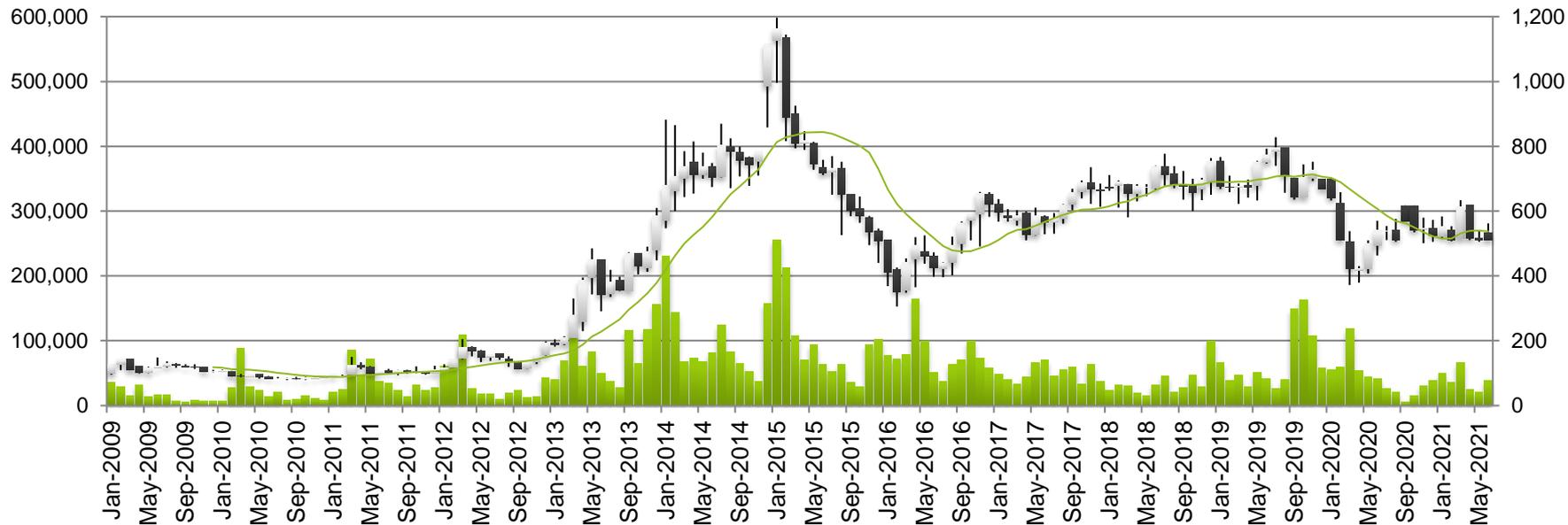


Stock Price of TAKAMIYA (2445:Tokyo)

Average daily trading volume

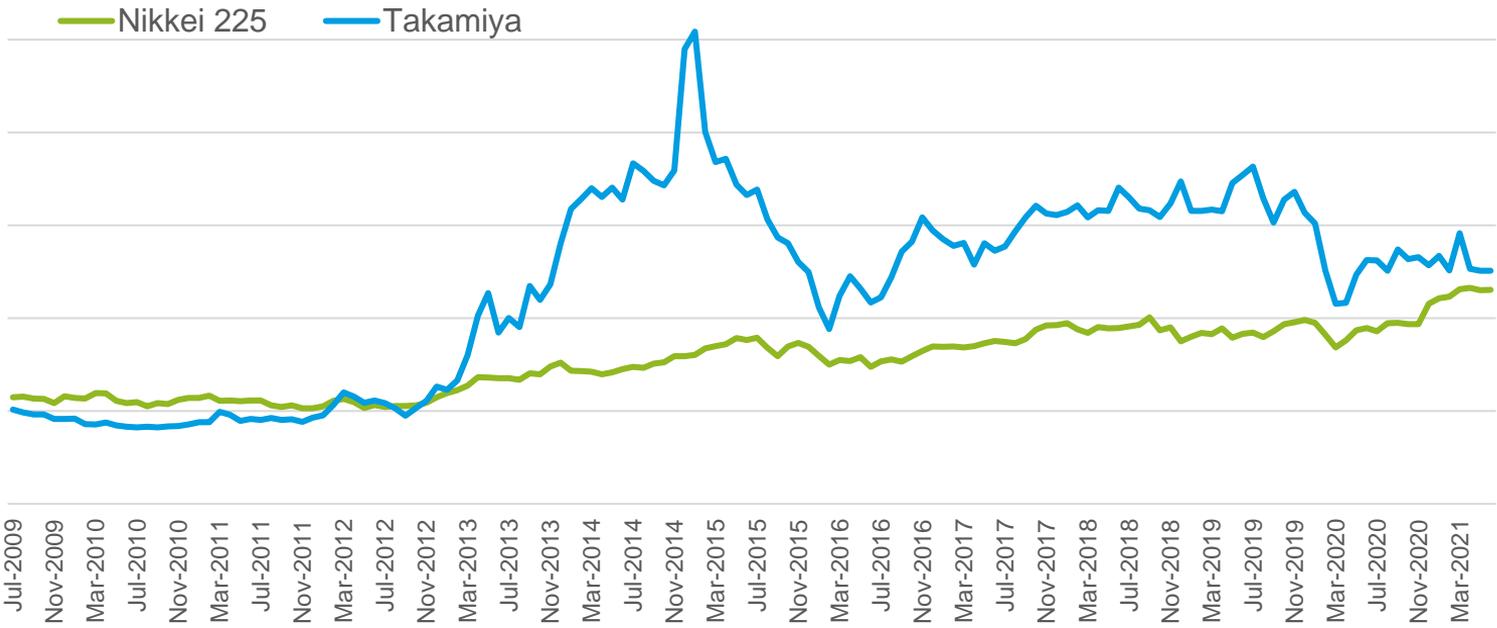
Stock price (yen)

> Solid line is a 12 months moving average line of stock price.





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





Changes in number of shareholders and shareholder composition

	FY03/2018	FY03/2019	FY03/2020	FY03/2021
Shareholders at the end of the period	3,058	2,923	4,092	3,463
Shareholder composition				
Government and local public entities	0.00 %	0.00 %	0.00 %	0.00 %
Financial institutions	19.02 %	19.89 %	22.77 %	23.43 %
Financial instruments business operators	0.56%	0.30 %	0.66 %	0.41 %
Other Japanese companies	20.58 %	20.50 %	20.78 %	23.38 %
Foreign institutions and others	3.84 %	4.55 %	6.85 %	7.67 %
Individuals and others	50.27 %	49.03 %	48.92 %	45.09 %
Treasury stock	5.74 %	5.73 %	0.02 %	0.02 %
(proportion of those including investment trust)	9.11 %	10.00 %	11.98 %	11.96 %
(proportion of those including pension trust)	0.56 %	0.45 %	0.93 %	0.81 %



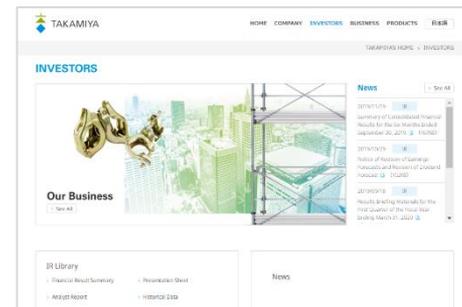
IR contact

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530-0011, Japan
HP : <https://www.takamiya.co/en/>
For Investor : <https://www.takamiya.co/en/ir/>
CONTACT : PR / IR Department
Email : ir@takamiya.co

HP



For Investor



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