



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

Takamiya Co., Ltd. (2445:Tokyo)
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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 Second Quarter Fiscal Year Ending March 31, 2023

*The progress of the medium-term management plan and future outlook will be disclosed at the financial results briefing on November 18 (Friday).



Topics

Aug. 26, 2022

Notice of Resignation of Executive Officers and Change of Commissioned Matters of Directors

Aug. 26, 2022

Notice Regarding Changes in Officers Due to Absorption-type Merger between Subsidiaries

Sep. 07, 2022

Notice Regarding Change of Subsidiary Officers

Nov. 04, 2022

Notice Concerning Revision of Earnings Forecasts

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		
Capital	1,052 million yen		
Number of employees	Consolidated : 1,284; Non-consolidated : 760 (As of the end September 2022)	Consolidated subsidiaries	<u>Domestic: 6 companies</u> IWATA Co., Ltd.; AOMORI ATOM Co., Ltd.; TOTAL TOSHISEIBI 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.
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 September 2022)

1.1 Business overview

✓ Sales Business

In the temporary construction sector, there were delays in construction and postponement of purchase due to soaring material prices, and there was a move toward rental use. However, interest in the business platform centered on the "Iq System" is high, and inquiries for new procurement, replacement, and additional purchase projects are still growing steadily. In terms of price, we have been conducting sales price negotiations to respond to soaring raw material prices, and have penetrated the market. In the previous fiscal year, there were special matters related to a large-scale project (glass house), resulting in decreased sales and income.

✓ Rental Business

The utilization rate of the Iq System has been steady, mainly for maintenance and repair work in the Tokyo metropolitan area. In the civil engineering field, construction starts are still being postponed, but equipment utilization rate exceeded the previous year's level.

✓ 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 Second quarter of the fiscal year ending March 31, 2023

			YoY
✓ Net Sales	19,799	million yen	(1.1)%
✓ Operating income	763	million yen	+0.5%
✓ Ordinary income	1,137	million yen	+26.9%
✓ Quarterly net income	746	million yen	+176.0%

Foreign exchange gain 331 million yen

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

22.40 yen depreciation

(beginning of the period: 122.41 yen per US dollar September 30: 144.81 yen per US dollar)



1. Summary of consolidated performance (April 2022 to September 2022)

1.2 Consolidated performance

Consolidated Results (Unit : million yen)	2Q FYE Mar. 31,2023 Forecast		2Q FYE Mar. 31,2023 Revised Forecast		2Q FYE Mar. 31,2023 Results		2Q FYE Mar. 31,2022 Results		% change (YoY)
		Sales ratio		Sales ratio		Sales ratio		Sales ratio	
Net sales	21,600	100.0%	19,790	100.0%	19,799	100.0%	20,023	100.0%	(1.1)%
Gross profit	—	—	—	—	5,891	29.7%	5,425	27.1%	8.5%
SG&A	—	—	—	—	5,128	25.9%	4,665	23.3%	9.9%
Operating income	650	3.0%	760	3.8%	763	3.8%	759	3.8%	0.5%
Ordinary income	600	2.7%	1,130	5.7%	1,137	5.7%	896	4.5%	26.8%
Profit attributable to owners of parent	350	1.6%	740	3.7%	746	3.7%	270	1.3%	176.2%
Earnings per share (Diluted earnings per share)	7.51yen	—	15.89yen	—	16.03yen (15.51yen)	—	5.81yen (5.64yen)	—	—
Annual dividends per share	—	—	—	—	—	—	—	—	—
Depreciation	—	—	—	—	2,517	12.7%	2,374	11.9%	6.0%
EBITDA	—	—	—	—	3,281	16.5%	3,134	15.7%	4.6%

✓ Gross profit

This was due to an increase in Net sales in the highly profitable rental business.

✓ SG&A

This is 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 (Base).

✓ Ordinary income

This is due to foreign exchange gains due to the depreciation of the yen due to loans to overseas subsidiaries denominated in US dollars.



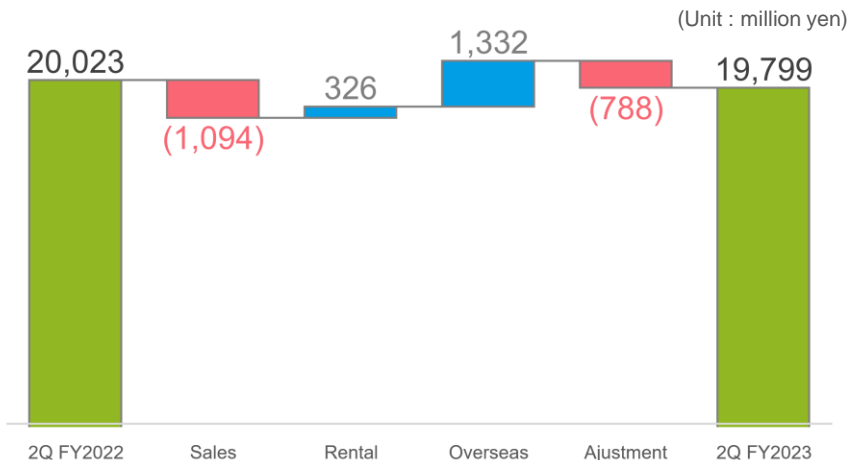
1. Summary of consolidated performance (April 2022 to September 2022)

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

Net sales

224 million yen decreased (Down 1.1% YoY)

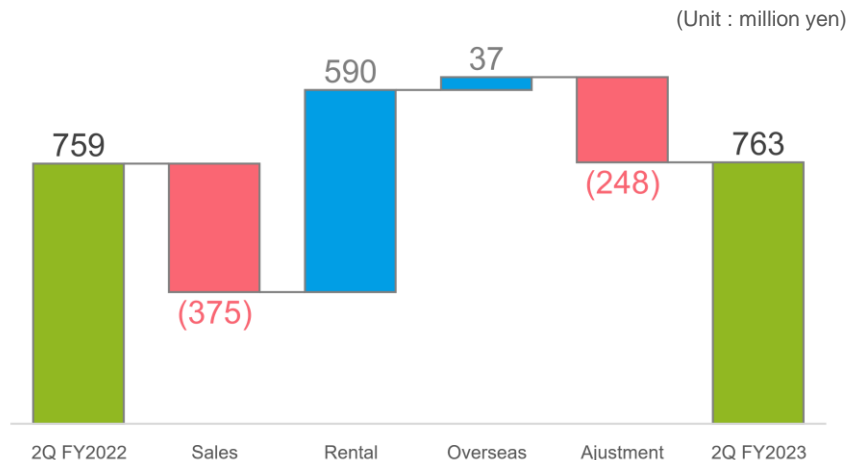
- ✓ Sales increased in Rental and Overseas businesses.
- ✓ Sales decreased in the Sales business.



Operating income

4 million yen increased (up 0.5% YoY)

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

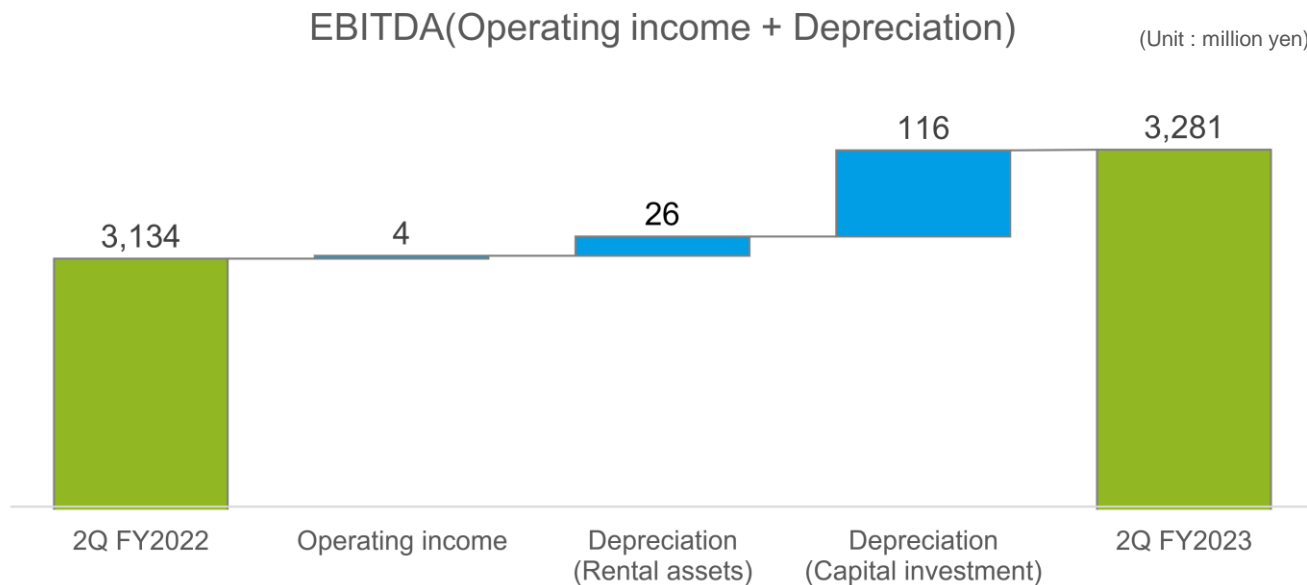


(FY ended/ending March 31)



1. Summary of consolidated performance (April 2022 to September 2022)

1.4 EBITDA (Operating income + Depreciation)



EBITDA
147 million yen increased
(up 4.6% YoY)

- ✓ Operating income increased slightly.
- ✓ As for depreciation, both rental asset depreciation and capital investment depreciation increased.

(FY ended/ending March 31)



1. Summary of consolidated performance (April 2022 to September 2022)

1.5 Performance by segment

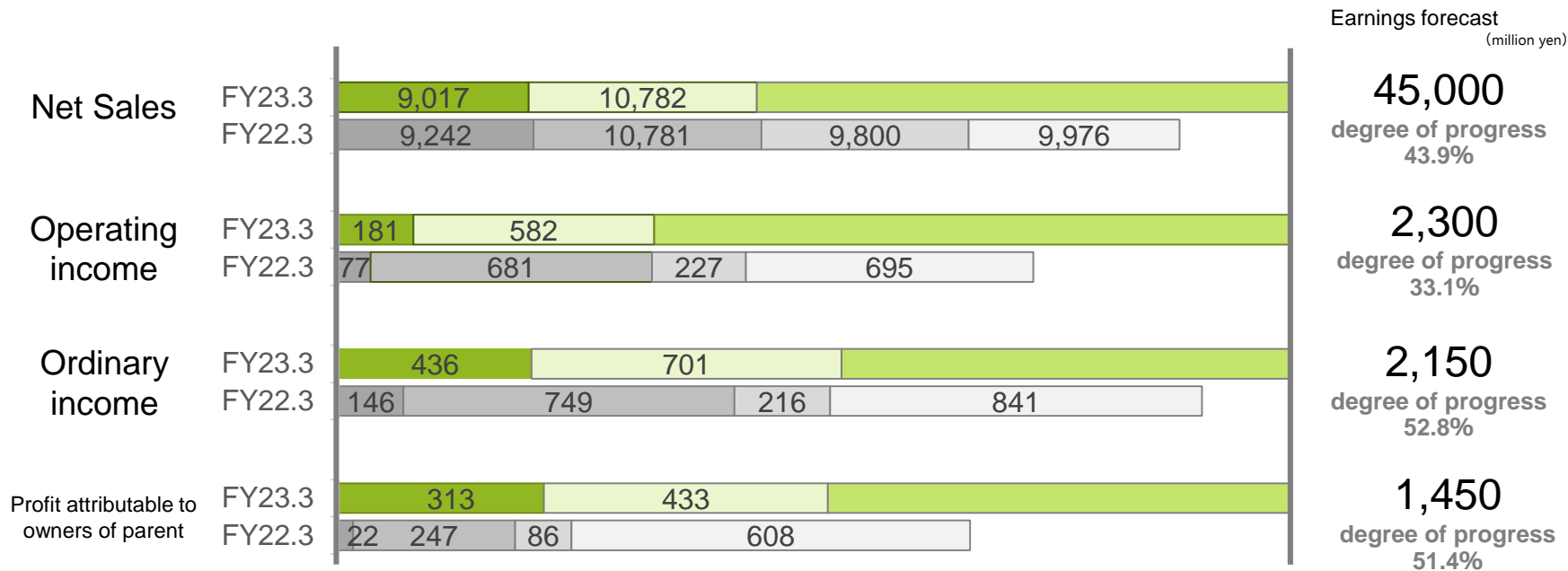
Unit : million yen	Net sales			Segment Operating income (Segment operating profit margin)		
	2Q FY2022	2Q FY2023	% change (YoY)	2Q FY2022	2Q FY2023	% change (YoY)
Sales Business	7,134	6,040	(15.3)%	871 (12.2%)	496 (8.2%)	(43.0)%
Rental Business	11,303	11,629	+2.8%	440 (3.8%)	1,030 (8.8%)	+134.0%
Overseas Business	3,130	4,462	+42.5%	181 (5.7%)	218 (4.8%)	+20.4%

(FY ended/ending March 31)



1. Summary of consolidated performance (April 2022 to September 2022)

1.6 progress status





2. Sales business

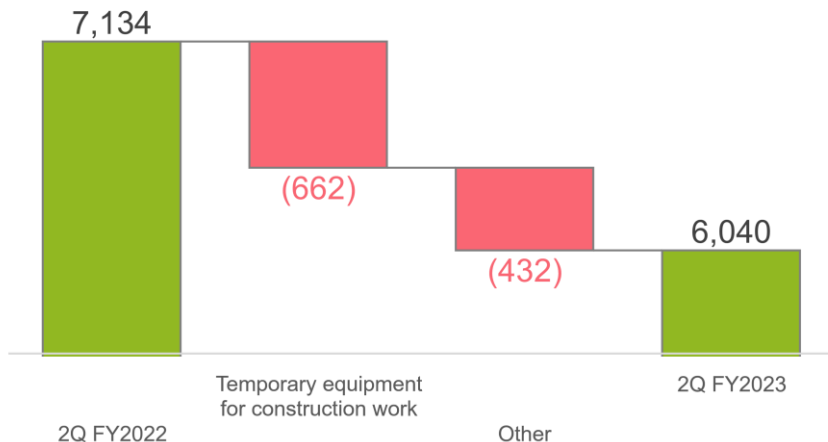
2.1 Factors of increase/decrease YoY

Net sales

1,094 million yen decreased (Down 15.3% YoY)

- ✓ Temporary equipment for construction work and sales of used equipment decreased, while sales of building materials increased.
- ✓ In environment-related business, unlike the previous term, there was no sales of high-performance glass greenhouses for large-scale agriculture, so sales decreased.

(Unit : million yen)

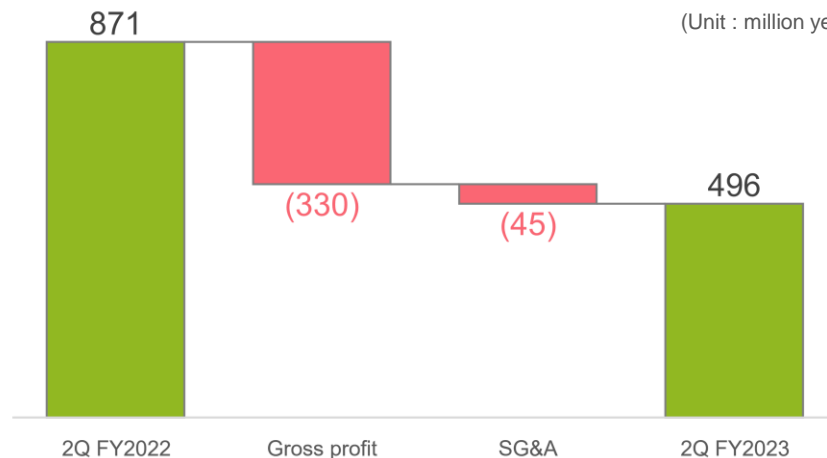


Operating income:

375 million yen decreased (Down 43.0% YoY)

- ✓ Profits decreased due to the effects of lower sales and a slight increase in SG&A expenses.
- ✓ The operating income ratio declined year on year.

(Unit : million yen)



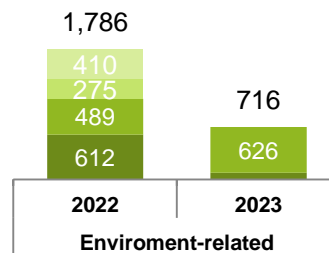
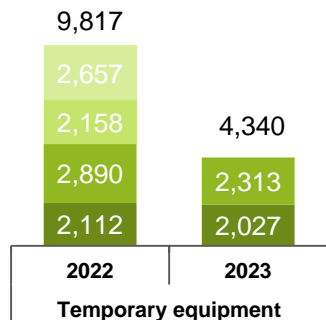
(FY ended/ending March 31)



2. Sales business

2.2 Net sales by product field

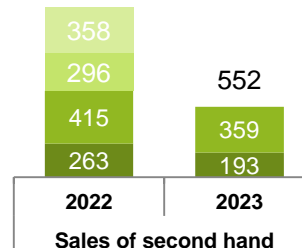
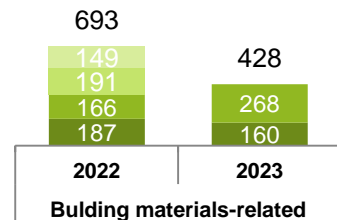
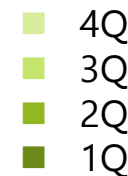
Customer has a deep interest in next-generation scaffolding, and inquiries for new procurement, replacement, and additional purchase projects are trending steadily. In environment-related products, there were large-scale sales in the previous fiscal year, but there were no large-scale sales in the current fiscal year, resulting in a decrease in sales. Second-hand sales decreased. Building materials-related increased.



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)

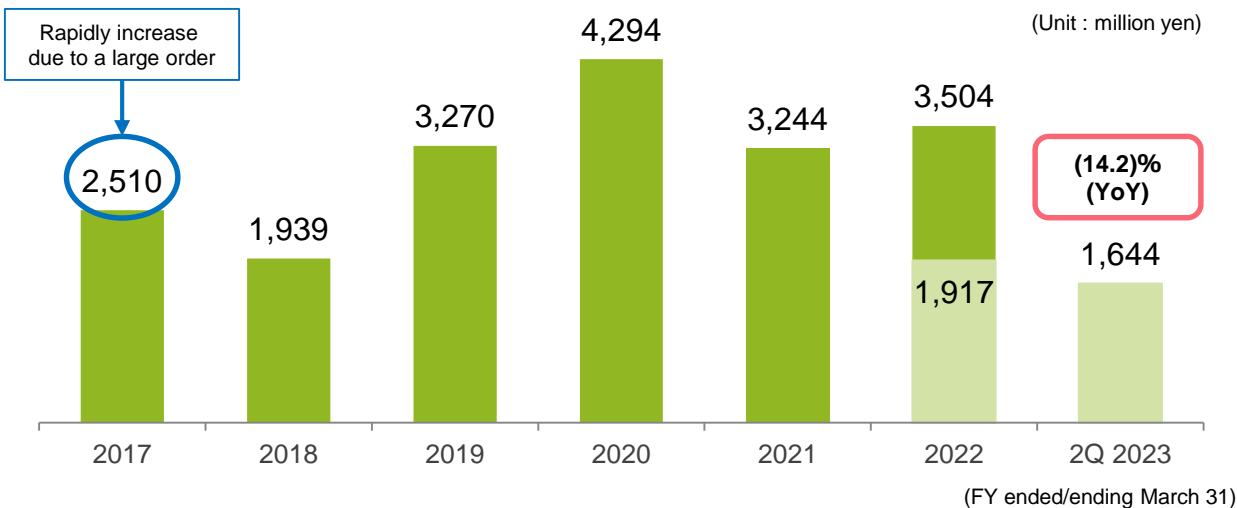


2. Sales business

2.3 Sales of Iq System

Sales of the Iq System decreased by 14.2% (Down 273 million yen) YoY. Both new and additional purchases steadily change/ Although there are many projects, it takes time to conclude contracts. The market has begun to understand the price increase, but the price increase has increased dependence on rentals, and there have been moves to postpone purchases.

Sales performance of Iq System



Iq System Cumulative sales
22.5 Billion yen

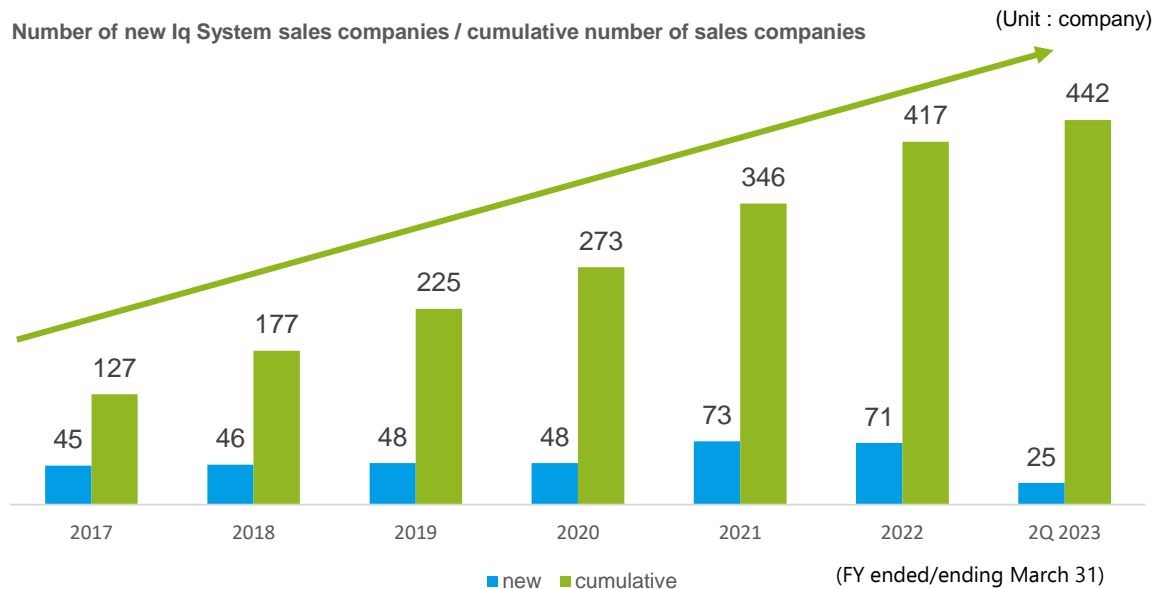
※Our sales only



2. Sales business

2.4 Number of sales destinations for Iq Systems

**The cumulative number of companies that purchased the Iq System increased steadily.
Repeat demand is expected to increase as the number of purchasing companies accumulates.**



**Cumulative number of Iq
system purchasers**

442 companies

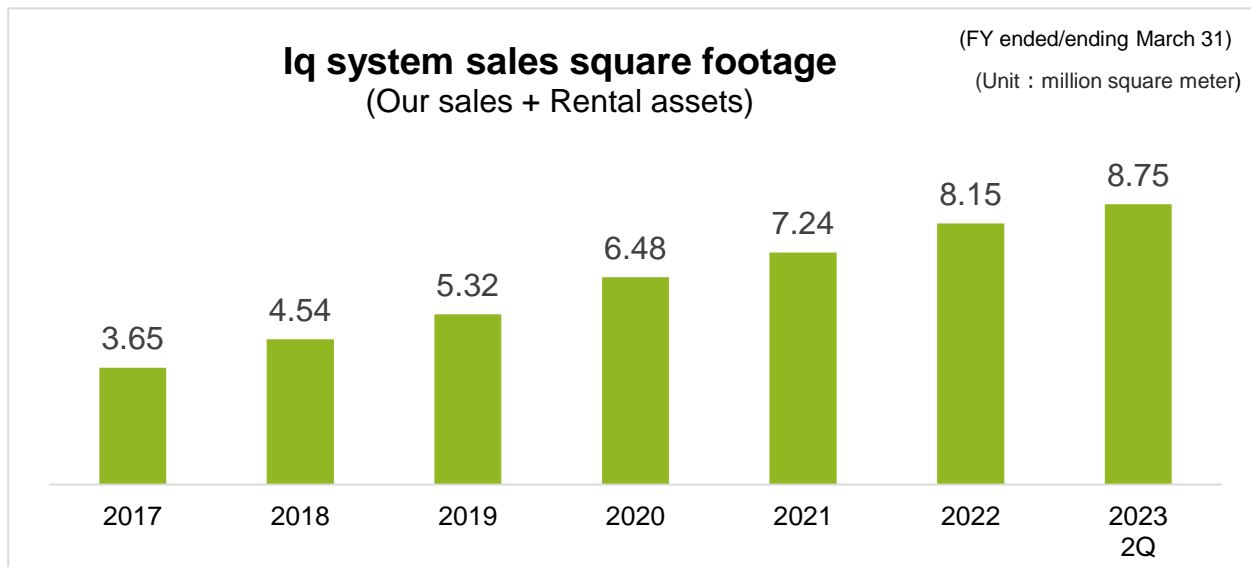
※Our sales only



2. Sales business

2.5 Prevalence of Iq System

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



Cumulative square footage of
Iq systems sold
8.75 million
square meters

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

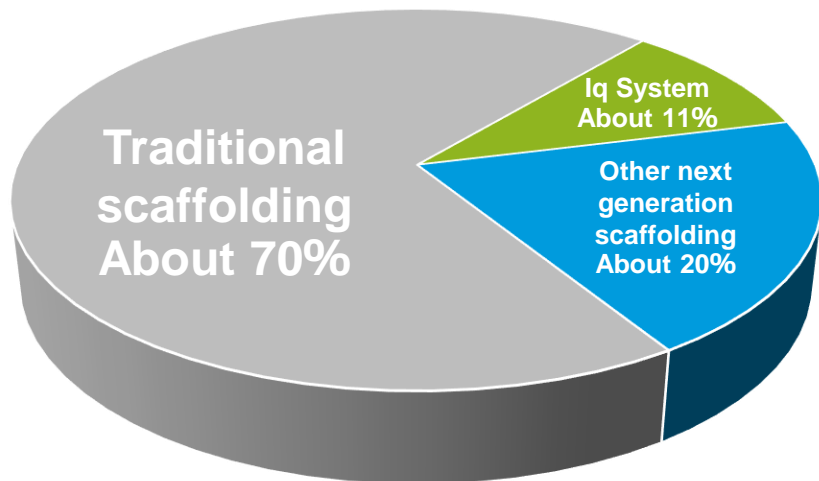


2. Sales business

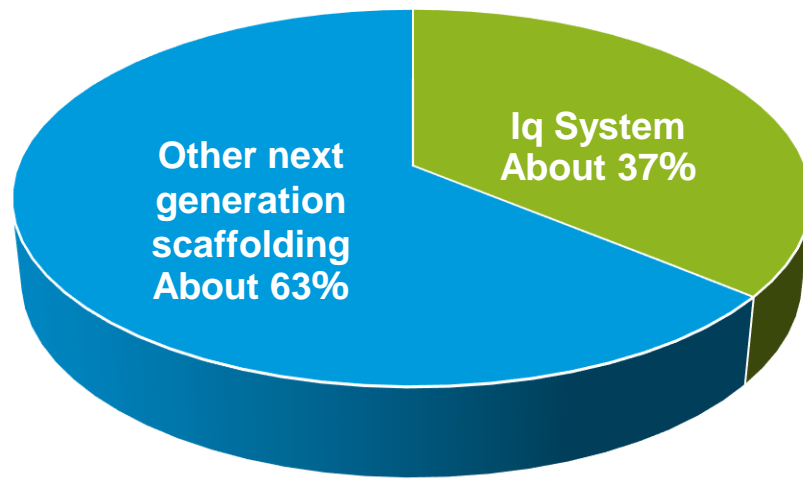
2.6 Iq System market share

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

Scaffolding market share



Market share of next-generation scaffolding



Updated at the end of the fiscal year

※Our research



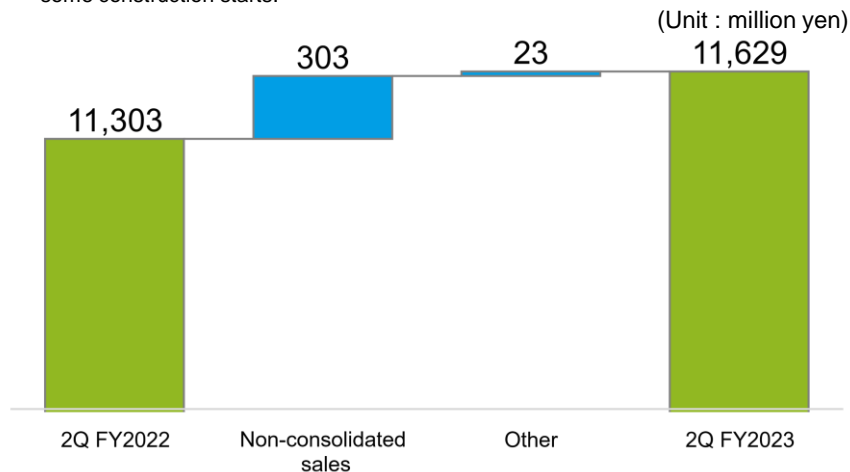
3. Rental business

3.1 Factors of increase/decrease YoY

Net sales:

326 million yen increased (Up 2.8% YoY)

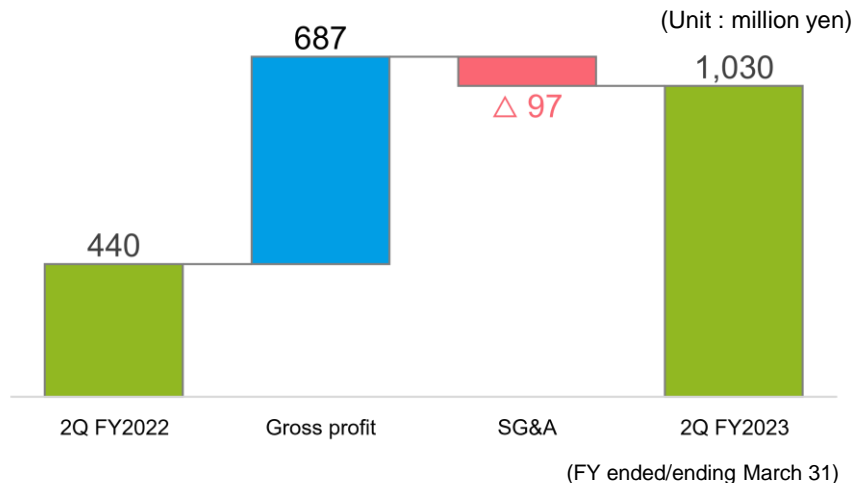
- ✓ The utilization rate (rental volume) remained high, mainly for maintenance and repair work in the Tokyo metropolitan area, including the Iq system. Sales in the civil engineering field also increased due to an increase in lending volume, despite delays in some construction starts.



Operating income:

590 million yen increased (Up 134.0% YoY)

- ✓ Operating income increased due to an increase in sales due to an increase in utilization rates.
- ✓ The main reason for the increase in SG&A was the increase in personnel expenses.





3. Rental business

3.2 Trend of average utilization rates of rental assets

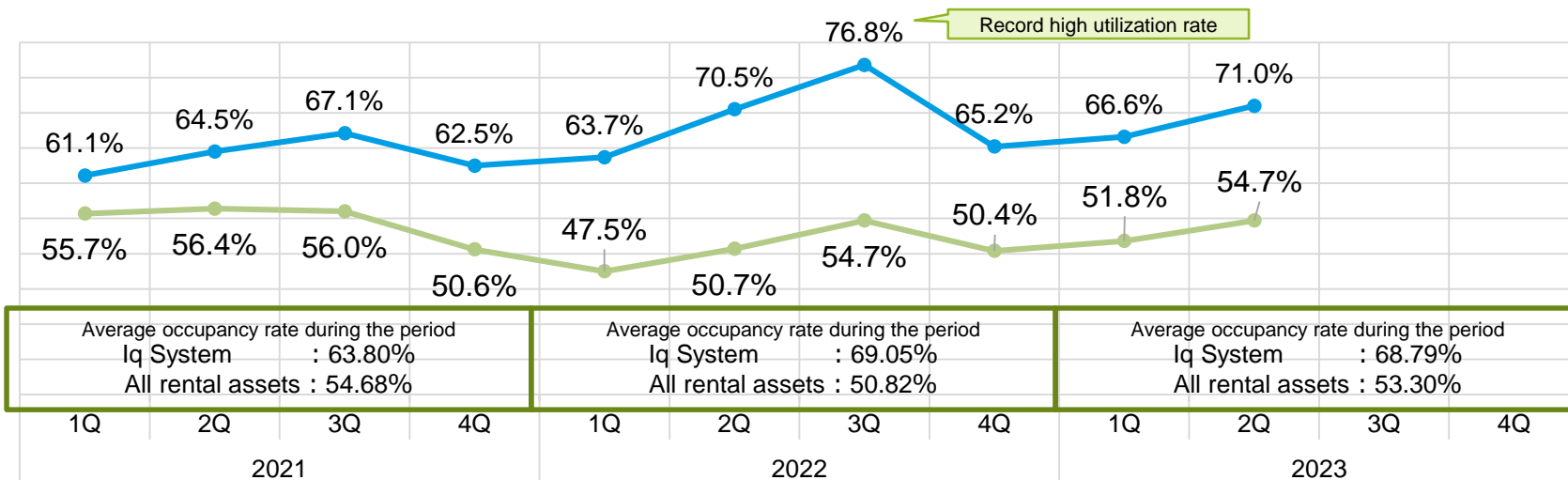
* Trend of utilization rates of rental assets looks like a mountain with its peak at the 3Q each year * Utilization rate = rented amount / overall holdings

The utilization rate of 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

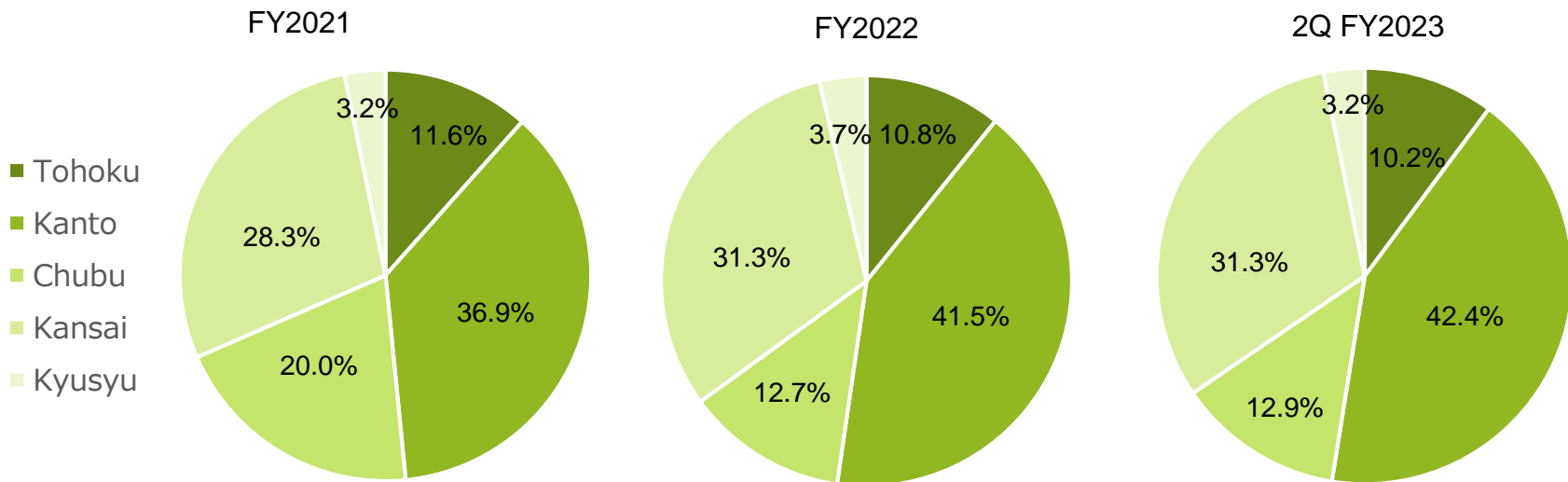




3. Rental business

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)



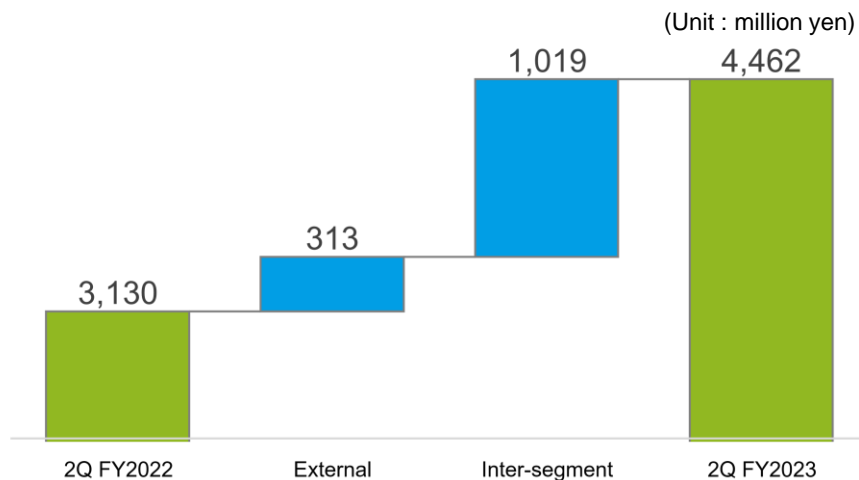
4. Overseas business

4.1 Factors of increase/decrease YoY

Net sales:

1,332 million yen increased (Up 42.5% YoY)

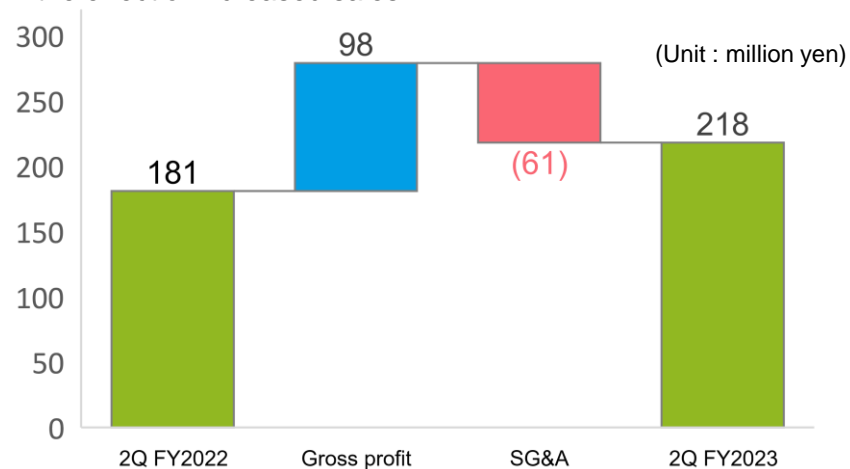
- ✓ Domestic sales and rental sales in South Korea increased.
- ✓ Vietnam's domestic sales to Japan increased.



Operating income:

37 million yen increased (Up 20.4% YoY)

- ✓ Despite an increase in SG&A, Net sales increased due to the effect of increased sales.



(FY ended/ending March 31)



5. Change in Consolidated Balance Sheet

The increase in total assets is due to the increase in inventories and rental assets as a result of stable production in anticipation of future demand. Equity ratio declined 31.6% (end of the previous term: 31.8%)

[Asset] (major subjects) (Unit : million yen)

Current assets YoY

Cash and deposits	: 7,407	(1,429)
Notes and accounts receivable – trade	: 11,719	(885)
Inventories	: 8,458	+1,876

Non-current assets

Assets for rent, net	: 12,932	+753
Buildings and structures, net	: 5,881	+221

[Liability] (major subjects)

Current liability

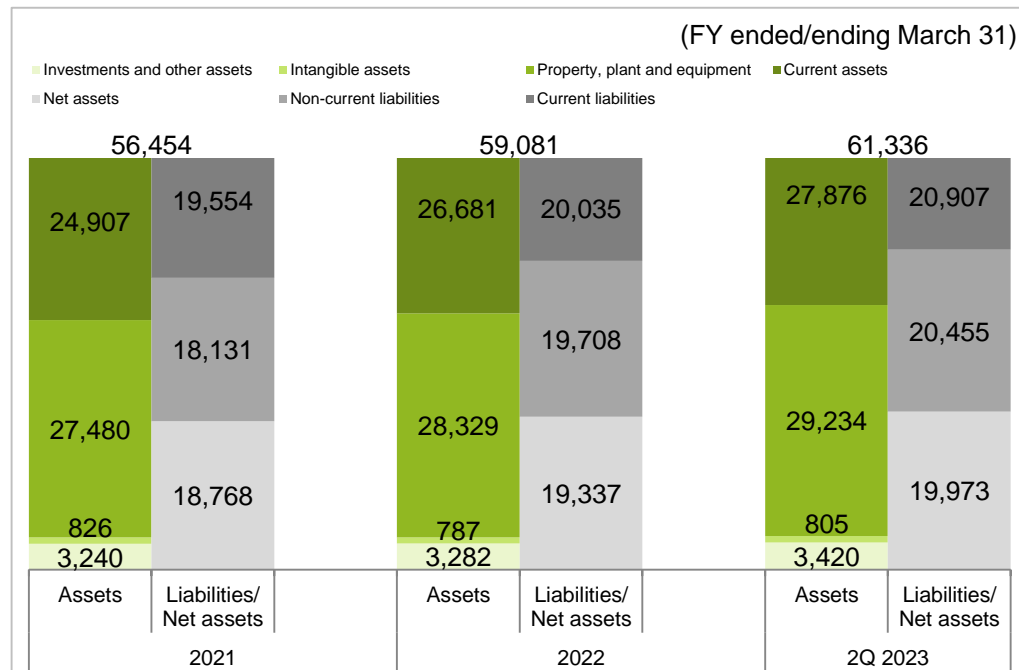
Short-term loans payable	: 3,654	+1,042
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Non-current liability

Bonds payable	: 3,957	(273)
Long-term debt	: 12,715	+772

[Net asset]

Shareholders' equity	: 19,039	+374
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(Unit : million yen)



6. Cash flow statement

As a result of continuing production in anticipation of future demand, inventories increased and operating cash flow turned into expenses.

(Unit : million yen)

[Cash flows from operating activities]

(Unit : million yen)

Profit before income taxes	:	1,130	+492
Depreciation	:	2,517	+143
Purchase of assets for rent	:	(334)	+60
Decrease (increase) in notes and accounts receivable trade and finished goods	:	(756)	(1,276)
Decrease (increase) in inventories	:	(3,447)	(2,738)
Increase (decrease) in notes and accounts payable - trade	:	74	(321)

[Cash flows from investing activities]

Purchase of property, plant and equipment	:	(419)	+552
Proceeds of Intangible assets	:	(94)	(87)

[Cash flows from financing activities]

Proceeds from long-term loans payable	:	3,430	+430
Repayments of long-term loans payable	:	(2,985)	+24
Redemption of bonds	:	(273)	+412

	2Q FYE Mar.31, 2022	2Q FYE Mar. 31,2023
Profit before income taxes	638	1,130
Net cash provided by (used in) operating activities	2,573	1,519
Net cash provided by (used in) investing activities	(1,048)	(560)
Net cash provided by (used in) financing activities	(726)	565
Effect of exchange rate change on cash and cash equivalents	18	84
Net increase (decrease) in cash and cash equivalents	816	(1,429)
Cash and cash equivalents at beginning of period	7,712	8,516
Cash and cash equivalents at end of period	8,529	7,087



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

For the cumulative second quarter, we have revised our earnings forecast. However, with regard to the full-year earnings forecast, we have left the original plan unchanged, taking into consideration future uncertainties such as soaring raw material prices and exchange rate fluctuations.

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



8. Changes in number of shareholders and shareholder composition

	FYE Mar. 31, 2020	FYE Mar. 31, 2021	FYE Mar. 31, 2022	2Q FYE Mar.31 , 2022
Shareholders at the end of the period	4,092	3,463	4,052	4,192
Shareholder composition				
Government and local public entities	0.00 %	0.00 %	0.00 %	0.00 %
Financial institutions	22.77 %	22.43 %	22.12 %	21.03 %
Financial instruments business operators	0.66 %	0.41 %	0.61 %	0.42 %
Other Japanese companies	20.78 %	23.38 %	23.88 %	24.28 %
Foreign institutions and others	6.85 %	7.67 %	6.78 %	7.60 %
Individuals and others	48.92 %	45.09 %	46.59 %	46.66 %
Treasury stock	0.02 %	0.02 %	0.02 %	0.02 %
(proportion of those including investment trust)	11.98 %	11.96 %	10.64 %	8.95 %
(proportion of those including pension trust)	0.93 %	0.81 %	0.68 %	1.00 %



9. 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)
Dividend	11 yen	14 yen	14 yen	14 yen	14 yen
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%	—



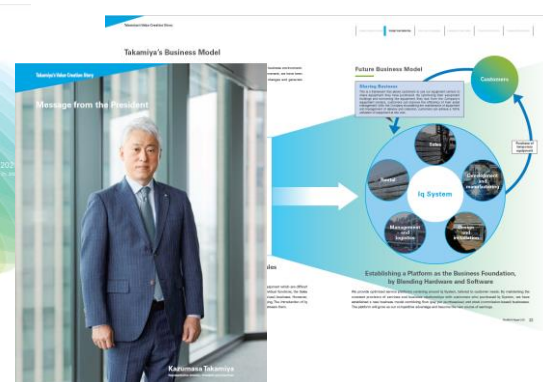
Reference Information



IR information

- 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)
- 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	2024	2023	2022	2021	2020
Revenue	1,000,000	950,000	900,000	850,000	800,000
Operating Income	150,000	140,000	130,000	120,000	110,000
Net Income	100,000	95,000	90,000	85,000	80,000
EPS	100	95	90	85	80

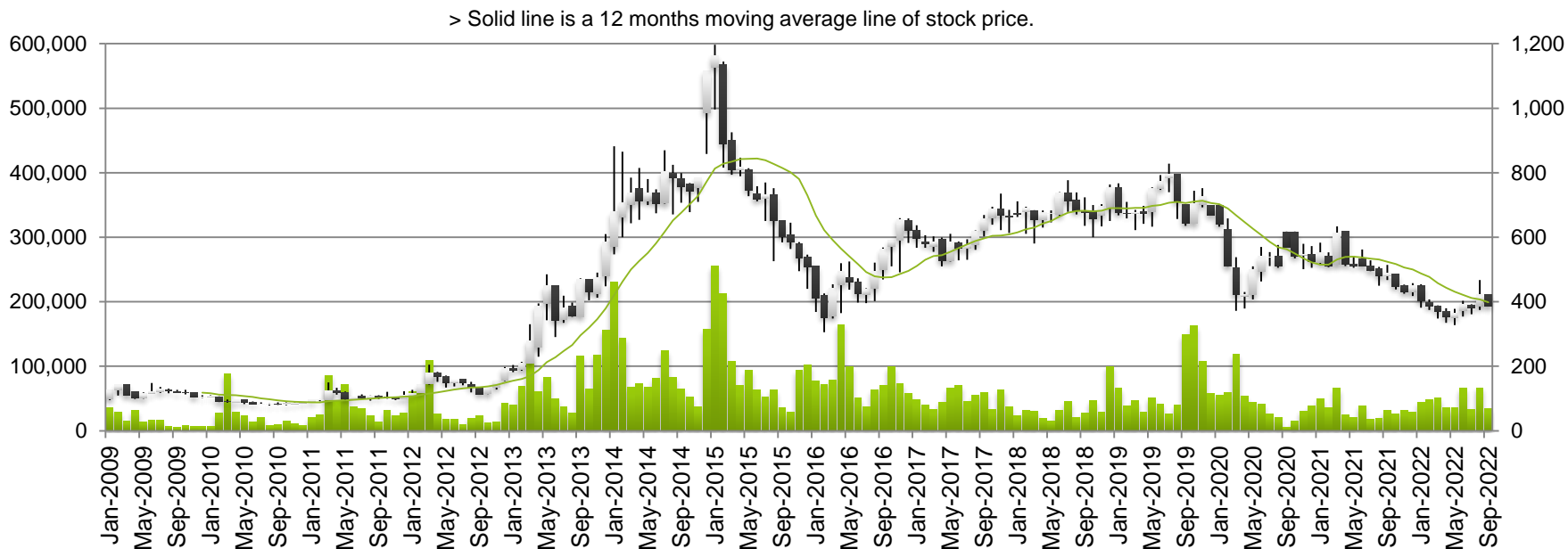




Stock Price of TAKAMIYA (2445:Tokyo)

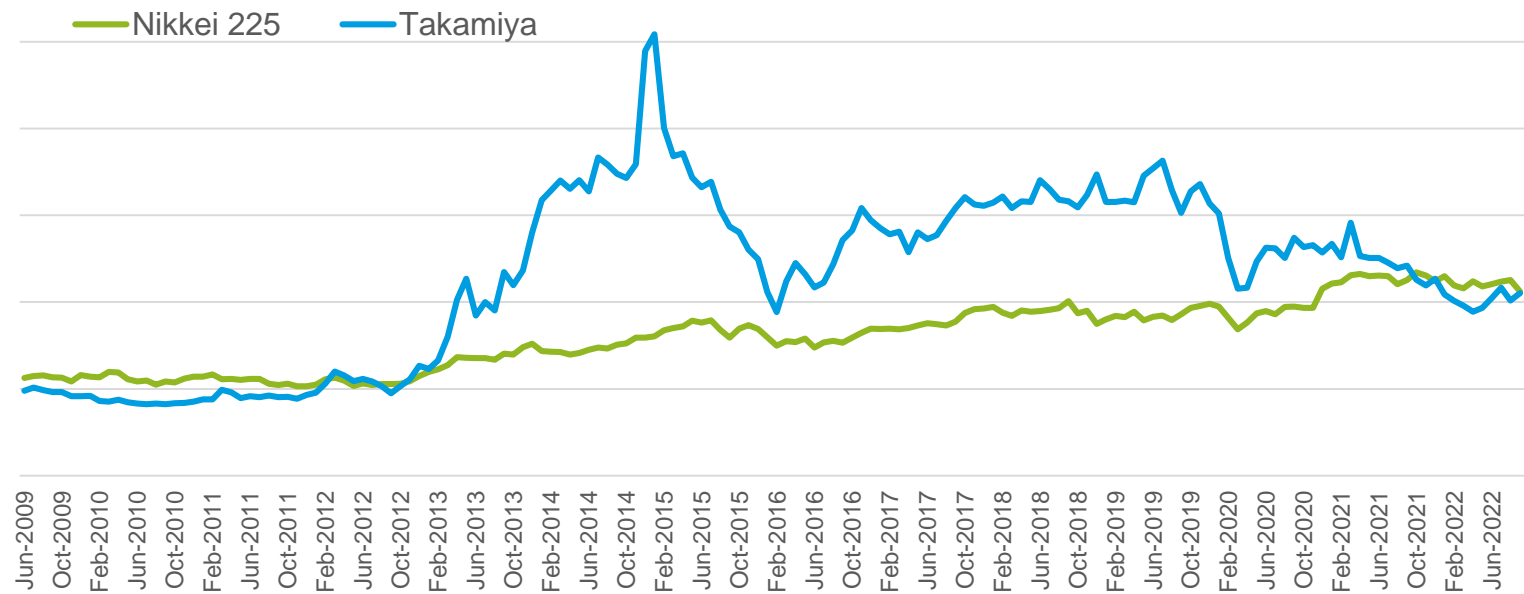
Average daily trading volume

Stock price (yen)





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





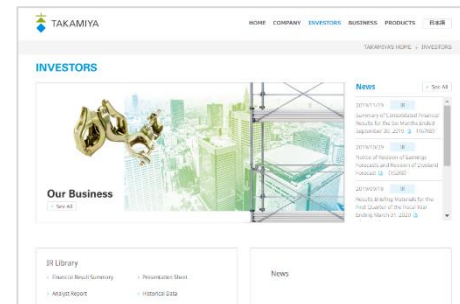
IR contact

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For Investor : <https://www.takamiya.co/en/ir/>
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Email : ir@takamiya.co

HP



For Investor



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