

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

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.

[Summary]

- ✓ Takamiya Co., Ltd. (hereinafter "Takamiya") was mainly engaged in the rental of light temporary construction equipment for construction, but in the past few years it has also focused on manufacturing and Sales business, and now its production and sales are approaching rental sales.
- ✓ Against the backdrop of recovering domestic construction spending, the Company's results reached a new Operating income in FY03/2015, but after that, the results slumped due to sluggish performance in the solar power-related business, sluggish growth in the next-generation scaffolding, and delays in civil engineering-related work.
- ✓ The ongoing FY03/2020 is expected to be Net sales 455.9 billion (increase by 8.1% YoY) and Operating income 39.3 billion (increase by 44.8% YoY); however, by the third quarter, Currently, the medium-term management plan targets Net sales of 50 billion yen and Operating income of 4 billion yen in FY03/2021, which are already in range.
- ✓ The next medium-term management plan to be announced around spring 2021 is therefore attracting attention. While details have not yet been disclosed, the company said that the goal of the next plan is to focus on qualitative rather than quantitative expansion. That is to say, it aims to improve profits by keeping the balance sheet expanding as much as possible, and the content of this is noteworthy.
- ✓ From the next fiscal year onward, construction related to the Tokyo Olympics and the Hokuriku Shinkansen (bullet train) has passed its peak, but the Company is aiming to increase profits by actively accepting orders for maintenance and repair-related work and aiming for qualitative improvement internally. In addition, the Company is positive about its stance on information disclosure (IR), shareholder returns, ESG initiatives, and other matters, and it is highly likely that share valuation will

<Consolidated Results Trend>

Fiscal year end	Net sales	Operating income	Ordinary income	Net income	Dividends
FY16 (A)	34,350	2,983	2,731	2,153	10.0
FY17 (A)	36,763	2,429	2,337	1,516	10.0
FY18 (A)	36,114	1,690	1,610	1,252	11.0
FY19 (A)	42,182	2,713	2,662	1,637	11.0
FY20 (E)	45,590	3,930	3,630	2,440	14.0
*Forecasts are company forecasts					

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

【Contents】

Summary	01
□ History	03
□ Business Overview	07
Temporary Equipment and Its Domain	07
Group companies and business systems	12
About the Iq System	13
□ Characteristics and Strengths.....	14
Strategic manufacturing and construction divisions.	14
□ Business Trends.....	15
Profit and Loss for the Third Quarter of FY03/2020	15
Analysis of Changes: Year-on-year Comparison and Results by Segment.....	16
Iq System Popularization	17
Average Utilization Rate.....	18
Forecast for the Fiscal Year Ending March 31, 2020	21
□ Future Outlook: Toward the Next Steps	22
The Medium-Term Management Plan: Outlook for FY03/2021	20
The Next Medium-term Management Plan: From FY03/2022 onwards	22
Key Measures: Promoting Efficiency	22
ESG Information: Qualitative Improvement as a Company	23
□ Shareholder Returns	24

We provide this report solely for the purpose of information and to support the promotion of understanding, not to induce, recommend, or advise on investment. The information and views presented in this report are based on information that was published by the company. However, the contents of this report are all as of the time of preparation and may be changed without notice in the future. G-CUBE Co., Ltd (the "G-CUBE") disclaims any warranty, and disclaims any liability with respect to the accuracy, completeness or appropriateness of the information and views expressed herein. We ask that investors make their own final decisions when making an investment. All rights to this report are reserved by G-CUBE. Any reproduction, transfer, quotation, etc. without permission is prohibited. Copyright(C) G - CUBE Co., Ltd. All Rights Reserved.

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)**(History)**

In 1969, Shin-Kansai Co., Ltd., the predecessor of Takamiya Co., Ltd., was established in Higashiyodogawa Ward, Osaka City, Osaka Prefecture. While focusing on the trading of wooden scaffolds, Takamiya quickly focused on the steelmaking scaffolds, which had been attracting attention overseas at that time, and introduced them to the construction and civil engineering fields. During the construction of the Osaka Expo (1970), many construction companies procured huge amounts of equipment in Osaka and then sold them in Osaka. In response to this trend, the Company focused on the future potential of equipment rentals, purchased a large amount of temporary equipment, shifted its business focus from equipment sales to rental, and built the foundation for the current Takamiya business. In the 1980s, the company aggressively embraced cutting-edge technologies ahead of its competitors. In order to meet the needs of drawing design, a new technical office was established, and a computer center was also established to further reduce labor and streamline the work. The consolidation of the corporate constitution was attempted from both sides of technology and management. In 1988, the CAD system was introduced to the Engineering Department. This technical office later became independent, and became the predecessor of Cadian (temporary equipment drawing design) of the group companies.

In the latter half of the 1980s, Japan's economy as a whole was in a "bubble," but domestic construction investment increase to ¥85trillion (real value: Ministry of Land, Infrastructure, Transport and Tourism), and the temporary equipment rental market expanded. Under these circumstances, the industry as a whole decided to cut rental rates for temporary equipment without thinking about the future, and each company was experiencing price competition. During this period, however, the company continued its efforts based on the conviction that raising the quality of services itself, rather than simply competing for lower prices, would truly win the trust of customers.

In the 1990s, the bubble economy collapsed, and Japan's construction investment fell to ¥53 trillion (same). Major general contractors sold a large amount of temporary equipment they owned to improve their financial position. As competitors refrained from making new investments in equipment, the company aggressively purchased these temporary equipment and expanded its market. As a result, the trade area expanded to the whole country, and investment in equipment was continued even in headwinds, increasing equipment inventory. This aggressive strategy during this period became an important turning point for the Company's next leap forward.

After the collapse of the bubble economy, major general contractors that sold many of their temporary equipment shifted to outsourcing scaffolding construction work. As a result, the share of

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

rental equipment in the temporary equipment market increase sharply to 90%. Meanwhile, as the construction industry began to recover steadily, steel prices increase due to soaring crude oil prices and other factors, and a shortage of temporary equipment spread to the market. In this environment, the Company established an overwhelmingly superior position by aggressively owning aircraft in the 1990s.

Subsequently, the Company continued to grow steadily as a specialist rental company for temporary equipment. However, with the aim of improving its position in the rental industry, which continues to create new value, and becoming a company that can contribute not only to the construction industry but also to society at large, it listed its shares on the JASDAQ Stock Exchange in 2005, and then in December 2014, it listed its shares on the First Section of the Tokyo Stock Exchange.

Since 2010, demand for landslide prevention work, which had been one of the forerunners in the face of frequent sediment-related disasters, has increased sharply. In response to the time required for the repair of super-high-rise condominiums built in the 1990s, the company has been aggressively cultivating new markets with great potential by adopting mobile elevation scaffolds for super-high-rise buildings. As a result of aggressive investment in protecting the safety of site workers and the surrounding environment, the company has succeeded in maintaining a high-demand temporary equipment portfolio.

In recent years, the safety awareness of the workplace has increased, such as the prevention of falling accidents and dropping accidents, and revisions have been made to the Ministry of Health, Labor and Welfare's Ordinance on Industrial Safety and Health and legislative JIS standards. Amid the need to further improve safety and maintain and manage quality, it has become difficult for temporary equipment rental companies to respond as usual way. However, the company has been making efforts to improve the workplace environment, to develop products and improve quality, and to construct safe and highly efficient workplaces with this trend as a tailwind.

In 2010, Hory Co., Ltd., which develops and productions temporary construction equipment and building materials for construction work , became a fully affiliated company, and subsequently absorbed Holly Co., Ltd. in January 2018. As a result, the company has transformed itself from a mere temporary equipment rental company to a company with a manufacturing division and a sales division. Furthermore, ahead of the industry, the company has developed and aggressively introduced a "next-generation scaffolding" that can reduce the burden on workers in a wide space and respond to Ordinance on Industrial Safety and Health, with a high floor-to-ceiling floor level. In

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

In addition to the booming construction market, the company's focus on these upfront investments is now beginning to blossom, and future results are likely to be in the spotlight.

In terms of performance, the company announced a medium-term management plan 2018 with the final year of FY03/2021, and the quantitative target for this plan was ¥4 billion Operating income. This target may be achieved in the current fiscal year (FY03/2020), and we will be paying attention to the next medium term management plan that is currently being formulated. As for the next management plan, the company says that it is aiming not only for quantitative expansion but also for qualitative changes, and it is also looking forward to what kind of plan content it will achieve.

<History>

- Jun. 1969 Founded Shinkansai Co., Ltd., the predecessor of the company.
- Jun. 1973 Relocated the registered head office to Settsu City, Osaka Prefecture.
- Jun. 1974 Changed the line of business to the “leasing and rental of temporary equipment and materials.”
- May. 1979 Established a computation center and started doing rental estimates on computer.
- Nov. 1984 Established SRG TAKAMIYA Co., Ltd. as a subsidiary of temporary equipment and materials in Chuo-ku, Tokyo.
- Dec. 1987 Absorbed the subsidiary into SRG TAKAMIYA Co., Ltd. and, at the same time, renamed the company SRG TAKAMIYA Co., Ltd. made the former SRG TAKAMIYA Co., Ltd. the Tokyo Branch.
- Apr. 1988 Relocated Head Office to Shibata-cho, Kita-ku, Osaka City.
- Mar. 1990 Established IWATA Co.,Ltd. to rent temporary equipment and materials for construction in Wakayama City, Wakayama Prefecture (currently consolidated subsidiary IWATA Co., Ltd. in Kinokawa City)
- Mar. 1998 Established Techno Kobo Ltd. for temporary drawing design in Chuo-ku, Osaka City (currently consolidated subsidiary Cadian Co., Ltd. in Kita-ku, Osaka City).
- Dec. 2002 Relocated the head office to Shibata-cho, Kita-ku, Osaka City
- 2004 Established HIRAMATSU Co., Ltd. in Haibara-cho, Haibara-gun, Shizuoka Prefecture (currently consolidated subsidiary, general cargo transportation company, Makinohara City, Shizuoka Prefecture).
- Feb. 2005 Established SN Builtech Co., Ltd. (currently consolidated subsidiary, now TOTAL TOSHISEIBI Co., Ltd., Chuo-ku, Tokyo) in Shinjuku-ku, Tokyo.
- Jun. 2005 The company listed on the JASDAQ Stock Exchange (Securities code: 2445).
- Aug. 2006 Relocated Head Office and Osaka Branch to Chaya-machi, Kita-ku, Osaka, and changed.

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

The registration of the head office.

- Dec. 2007 Listed on the Second Section of the Tokyo Stock Exchange (delisted from the Jasdaq Stock Exchange in January 2008).
- Oct. 2008 Established AOMORI ATOM (consolidated subsidiary) to rent temporary construction equipment and materials in Higashitoori-mura, Shimokita-gun, Aomori Prefecture.
- Dec. 2008 Introduced mast climbing work platforms the Lift Climber series.
- Aug. 2009 Acquired 100% stock in ISHIJIMA KIZAI SEISAKUSHO Co., Ltd. (Nagoya City, Aichi Prefecture, currently TOTAL TOSHISEIBI Co., Ltd.) and made it a consolidated subsidiary.
- Feb. 2010 Launch of Scaffolding Construction Department for constructing scaffolding and building frames.
- Sep. 2010 Acquired 100% stock in Hory Corporation (Koto-ku, Tokyo), which develops, manufactures, and sells temporary construction materials and housing materials for construction, and made it become a consolidated subsidiary.
- Apr. 2012 Changed the name of ISHIJUIMA KIZAI SEISAKUSHO Co., Ltd. to TOTAL TOSHISEIBI Co., Ltd. (consolidated subsidiary, Nakagawa-ku, Nagoya City)
Sales segment established in FY03/2013.
- Dec. 2013 Introduced the next-generation scaffolding "Iq System"
- Apr. 2014 Acquired 100% stock in Asahi Kogyo Co., Ltd. (currently Nextech Co., Ltd.) and made it a consolidated subsidiary.
- Jul. 2014 Established HORY VIETNAM Co., Ltd. (currently consolidated subsidiary) in Dong Nai Province, Vietnam.
- Dec. 2014 Listed on first section of the Tokyo Stock Exchange.
- Jul. 2015 Acquired 100% stock in DIMENSION-ALL INC. (Philippines) and made it a consolidated subsidiary
- Apr. 2016 Asahi Kogyo Co., Ltd. merged the sales divisions of SN Builtech Co., Ltd. Osaka Branch and changed its name to Nextech Co., Ltd. (currently consolidated subsidiary, Kita-ku, Osaka).
Established overseas segment from FY03/2017
- Jan. 2018 Absorbed Hory Corporation (consolidated subsidiary)
- Feb. 2018 Acquired 100% stock in Nakaya Kizai Co., Ltd. (Matsue City, Shimane Prefecture) and made it a consolidated subsidiary
- Apr. 2018 SN Builtech Co., Ltd. (consolidated subsidiary) became the surviving company, absorbed and merged with TOTAL TOSHISEIBI Co., Ltd., and changed its name to TOTAL TOSHISEIBI Co., Ltd.

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

Acquired the agricultural green house business from Sunterra Co., Ltd. (Chuo-ku, Tokyo) and entered the agricultural materials field in earnest.

Apr. 2019 Company name changed to Takamiya Co., Ltd., and the symbol mark was renewed along with this change.

Business Overview

The company's main business is to manufacture, sales and rental of temporary construction equipment. In particular, it is one of the top listed companies in the light temporary equipment rental market. In recent years, however, the manufacturer's color of temporary equipment for construction and frames for photovoltaic power generation has been strengthened, mainly in the manufacturing division of Hory Co., Ltd (the absorbed). The Company's current business segments are divided into three business segments: the sales-related business, including manufacturing, the rental-related business, and the overseas-related business. (Details)

<Temporary equipment and the Company's business domain>

Construction machinery (heavy machinery such as cranes and bulldozers) as well as temporary equipment such as scaffolding are indispensable at construction sites. As shown in the figure below, this temporary equipment is divided into three main categories: heavy temporary equipment, light temporary equipment, and housing temporary equipment. The company specializes in the manufacture, sale, and rental of light temporary equipment.



(Source: Company briefing materials)

The main construction sites covered are roughly divided into the following 11.

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

Buildings:

High-rise buildings, high-rise condominiums, warehouses, schools, hospitals, commercial facilities, etc.

Bridge girder construction:

Bridge girders, etc. of elevated bridges such as highways, railways, etc.

Bridge pier construction:

Bridge piers for elevated railways, expressways, etc.

Underground Construction:

Shield construction of subways, pipelines for gas and LNG, common ditches, etc.

Plant:

Construction and maintenance of treatment plants, incinerators, and plants, etc.

Repair:

Construction, maintenance and maintenance of super high-rise buildings, etc.

Bridge repair work:

Maintenance, repair, and maintenance of railway bridges and road bridges.

Demolition work:

Dismantling of buildings, etc. due to demolition work, rebuilding, and repairs.

Landslide Disaster Prevention Work:

Disaster prevention work to prevent landslides and sediment disasters.

Soil Improvement Work:

Soil Improvement Work, etc. for Soil Contaminated by Waste, etc.

Construction of port facilities:

Tide embankment construction in coastal areas, etc.

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

The main types of temporary equipment are as follows

(Construction frame)

Work scaffolding used for construction work (buildings, condominiums, etc.).



(Next-generation scaffolding / wedge-tie system scaffold with slip-out prevention function)

The Iq system, which was launched in 2014, uses 190 centimeters, which is 20 centimeters higher than the conventional Iq system, and has a wider workspace than conventional frames, particularly the height from the floor to the ceiling. so it can be operated without worrying about the harm of waist. And, compact storage is possible, while it is excellent in safety, and it attracts attention from construction business. The company advocated the next-generation scaffolding and promoted its diffusion. (described later in detail)



(Falsework)

Solid temporary equipment and materials that support heavy structures until works are completed at construction sites of bridges, expressways, etc. and civil engineering works.



(Work gantry)

It can be installed efficiently along irregular slopes to prevent landslides, etc. Large construction machinery and tractor can be operated on it.



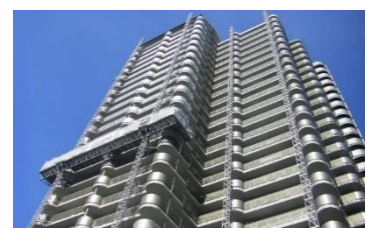
(Temporary equipment and materials for the shield tunneling method)

Special temporary equipment and materials for various shield tunneling methods used for stormwater drainage ditches, utility tunnels, etc.



(Mast climbing work platforms platforms)

New generation scaffolding, which electrically moves a working floor up and down, is built for safety and efficiency, and surpasses conventional scaffolding in any application such as condominium



TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

repair work, construction works of warehouses, plants, etc.

(Panel-type hanging scaffolding)

Scaffolding to be installed by hanging with a chain. Minimize gaps and steps to improve safety and workability. Equipment that plays an important role in maintenance and repair of infrastructure such as railways and highways that will increase in the future.



(Membrane structure dome)

Space rental service that is utilized for soil improvement work, indoor facilities (sports facilities, event sites, etc.) and as disaster prevention shelters.



Since the acquisition of Holly Co., Ltd., the company has been actively manufacturing and Sales business temporary equipment. The sales-related business handles the following products.

(clamps)

General-purpose equipment used at all construction sites.



(Next-generation scaffolding)

Scaffolding that is highly safe and easy to work in place of Conventional prefabricated scaffolding.



(Safety Components)

Preceding handrails, baseboards, handrail, dimple posts, handrail parts, etc.



(Temporary Equipment)

Procurement and sales of new and used equipment and materials



We provide this report solely for the purpose of information and to support the promotion of understanding, not to induce, recommend, or advise on investment. The information and views presented in this report are based on information that was published by the company. However, the contents of this report are all as of the time of preparation and may be changed without notice in the future. G-CUBE Co., Ltd (the "G-CUBE") disclaims any warranty, and disclaims any liability with respect to the accuracy, completeness or appropriateness of the information and views expressed herein. We ask that investors make their own final decisions when making an investment. All rights to this report are reserved by G-CUBE. Any reproduction, transfer, quotation, etc. without permission is prohibited. Copyright(C) G - CUBE Co., Ltd. All Rights Reserved.

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

(Seismic motion mitigation equipment for wooden housing)

The company's proprietary damping equipment (both new and existing).



(metal parts for wooden houses)

Various metal parts, building materials, etc.



(Solar panel installation frame for housing)

Mounting frames and brackets for installation on house roofs.



(Solar panel installation frame for Industry)

Mounting frames for photovoltaic power plants.



(Agricultural Materials)

Greenhouse, high-performance steel-frame greenhouses.



(Materials for Disaster Prevention)

Water bag type water immersion prevention system.



(Structural Equipment)

Buckling-constrained brace with anti-seismic



TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

<Group companies and Operation Chart>

The Takamiya Group consists of 11 companies, including the Company and the 10 consolidated subsidiaries listed below. The main operations of each subsidiary are as follows.

(IWATA Co., Ltd.)

Rental of temporary construction equipment and materials

(HIRAMATSU Co., Ltd.)

General Motor Truck Transportation Business

(Aomori Atom Co., Ltd.)

Rental of temporary construction equipment and materials

(Nakaya Kizai Co., Ltd.)

Rental of temporary construction equipment and materials

(TOTAL TOSHISEIBI Co., Ltd.)

Rental of temporary construction equipment and materials (shoring, shielding)

(CADIAN CO., LTD.)

Construction CAD drafting on consignment and CAD drafting of work planning drawings and temporary planning

(NEXTEC Co., Ltd.)

Specializing in sales and rental of formworks centering on stainless molds, with extensive construction records in the fields of substructure (piers), marine civil engineering, and port construction. It has a large track record in the fields of subordinate construction (bridge pier), offshore civil engineering, and ports and harbors.

(Hory Korea Co., Ltd.)

Manufacturing, sales, and rental of temporary construction equipment and solar panels, etc.

(Holly Vietnam Co., Ltd.)

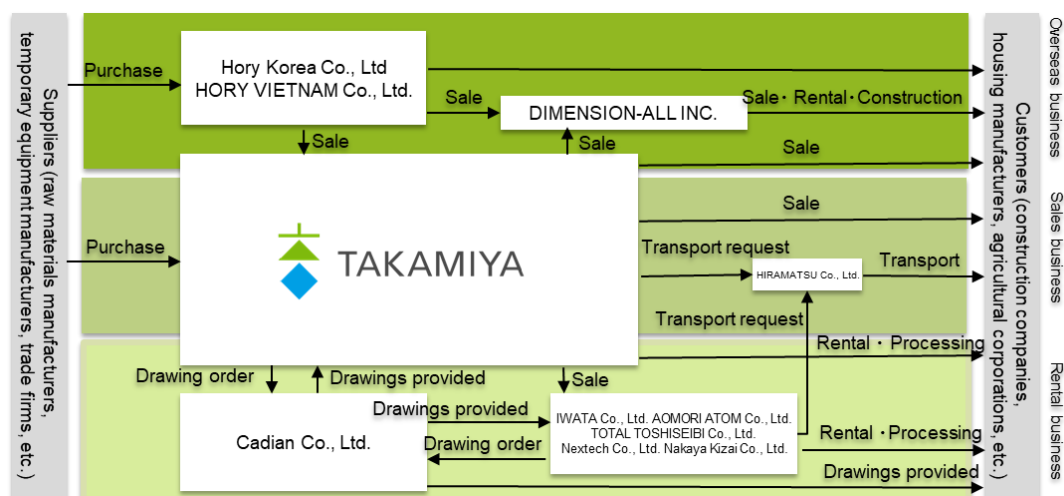
Manufacture and sale of temporary construction equipment (clamps and tie-fittings for construction scaffolding) and housing materials.

(DIMENSION-ALL INC)

Sale and rental of temporary construction equipment such as shoring, formworks, and scaffolding for construction, civil engineering, and infrastructure in the Philippines.

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

The following chart shows the businesses and categories of the subsidiaries.



(Source: Company briefing materials)

<About the Iq System>

As noted above, in 2014 the Company launched Iq System, a revolutionary next-generation scaffold. This next-generation scaffolding was expected to increase the competitiveness of the company's rental business and contribute significantly to sales performance, but its penetration into the industry was behind initial expectations. However, from the beginning of this fiscal year, its superiority and recognition are rapidly increasing, and this is a tailwind for the Company, which is supposed to be the top market share.

(speedy assembly and dismantling)

Work proceeds rapidly and contributes to shortening of construction period by simplification of assembly and simplification of procedure without using single pipe or clamp.

(Spacious work space and high safety performance)

The standard pre-empted railing is 1,010mm, which exceeds the standard set by the Occupational Safety and Health Regulations. In addition, the floor height is 1,900mm, and it is possible to put on safety shoes and pass without fail whether the helmet is attached. By this, it realizes wide workspace, high safety, and work-ability.

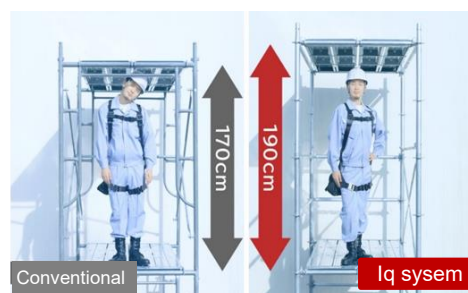
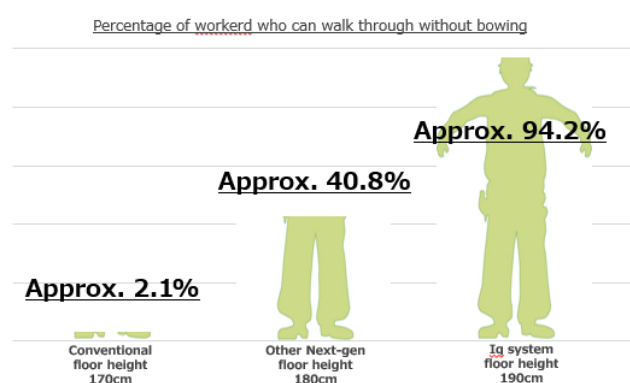
(Working easily with light weight columns)

Using light-weight, high-tension steel pipes, the weight is 2kg lighter than the conventional backbone (3,800mm comparison) of the Kusabi-tied scaffolding, and the work is greatly eased.

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

(Significantly increased efficiencies for transportation and storage)

Since it is possible to divide the parts, the volume is greatly reduced. In the conventional prefabricated scaffolding (equivalent to 1,000 sets), the storage area was 52.62 m², but in the Iq system, it is only 21.06 m². This greatly improves the efficiency of the stock yard. In addition, transport efficiency will be greatly improved by enabling the transportation of two trucks, which previously required three trucks for transportation.



By raising floor height by 20 cm, worker injuries such as backpain and neck pain are prevented, as well as safe and comfortable working environment is provided as a measure against shortage of workers. Accidents caused by tools and materials falling from interspaces are prevented.

(Source: Company briefing materials)

Characteristics and strengths

<Strategic Manufacturing Division>

As described above, the Company's main business is the manufacture, sales, and rental of temporary construction equipment. The Company's unique feature is that it has a manufacturing division, and its strengths are that it is able to reflect customer needs in its products, and it is able to capture surplus inventories in rentals, so it can be said to be able to realize stable production.

Currently, the Company has manufacturing bases in Gunma prefecture, Gifu prefecture, South Korea, and Vietnam, but its main products are mainly manufactured in Gunma and South Korea Factory, in Gifu Factory it mainly manufactures Iq system, and in Vietnam Factory it manufactures products for Southeast Asia. In this way, each Factory is strategically utilized, which is one of the characteristic of the Company.

<Scaffolding Construction Division>

In 2010, the company launched a Scaffolding Construction Department to not only rent but also perform scaffolding construction. The initial purpose was to resolution the shortage of scaffolding construction workers due to the declining birthrate and aging population, but at the same time, to improve the efficiency of temporary construction equipment operation, which was a problem at that time. When the company receives orders not only for scaffolding rental but also for scaffolding

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

construction itself, it is basically able to choose the equipment it uses, which makes it possible to ship mainly low-utilization equipment and improve operating efficiency.

In addition, since demand for the Iq system did not grow as expected at the time of sales, the Company received orders for construction and rented it out at the same time, thereby popularizing the Iq system. In this way, the strategy of linking rental to sales through the construction division has succeeded, leading to an increase in sales of the current Iq system as described below.

In addition, by actually conducting scaffolding construction, it is possible to evaluate rental products from the user's perspective, and by feeding this back to the manufacturing division, it is possible to lead to the development of better products. One of the Company's strengths is that it possesses Scaffolding Construction Department with marketing functions such as these. Currently, more than 60 partners and more than 1,000 walkers are involved in scaffolding construction managed by Scaffolding Construction Department.

Business Trends

<Profit and Loss for the Third Quarter of FY03/2020>

(Millions yen.%)	3Q FY Ended March 31 2019Results		3Q FY Ended March 31 2020Results		
	Actual result	Composition ratio	Actual result	Composition ratio	Year / Year
Net sales	31,869	100.0	34,291	100	7.6
Gross profit	8,968	28.1	10,475	30.5	16.8
SG&A expenses	6,961	21.8	7,702	22.5	10.6
Operating income	2,006	6.3	2,772	8.1	38.2
Ordinary income	1,963	6.2	2,614	7.6	33.2
Net income	1,181	3.7	1,750	5.1	48.1
Net income per share (yen)		27.6		39.4	-
Dividend per share (yen)		-		-	-
Allowance for Depreciation	3,565	11.2	3,562	10.4	-0.1
EBITDA	5,571	17.5	6,335	18.5	13.7
Depreciation and amortization		EBITDA (Operating income + Allowance for Depreciation)			

In Q3 FY03/2020, while sales increase 7.6% as shown in the table above, Gross profit margin improved and the growth in SG&A expenses was restrained. As a result, Operating income achieved a significant increase in profits.

In Net sales, sales business and rental business grew steadily. Overseas business, sales declined

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

due to the completion of large-scale projects related to solar power generation, but profitability improved as unprofitable projects end. The overall Gross profit rate improved as Net sales ratio declined in the relatively low-margin Overseas business. As a result, Gross profit increased 16.8% YoY to 10,475 million yen.

SG&A expenses increase 10.6% YoY to ¥7,702million due to efforts to curb Other, net expenses, despite sudden expenses, such as expenses for the business related to the 50th anniversary. As a result, Operating income increased significantly to ¥2,772million (increase by 38.2% YoY), while Ordinary income and net income also increased.

<Analysis of Changes: Year-on-year Comparison and Results by Segment>

The factors behind the increase and decrease in Net sales and Operating income in the third quarter of FY03/2019 were as follows.

(Net sales)

Sales Business increased by ¥1,165million, rental business increased by ¥1,990million, overseas business decreased by ¥558million, and decreased ¥174million due to inter-segment offsetting. Overseas business, sales declined due to the completion of large-scale projects. However, the profit margin improved as shown below, and as a whole, each segment performed well.

(Operating income)

In Operating income, Sales business sales increased by ¥91million, Rental business products increased by ¥609million, Overseas business products increased by ¥255million, and segment offsets decreased by ¥190million. Overall, sales increased by ¥766million.

<Segment Information>

(Millions yen.%)	3Q FY Ended March 31 2019Results		3Q FY Ended March 31 2020Results		
	Actual result	Composition ratio	Actual result	Composition ratio	Year / Year Composition
Net sales	31,869	100	34,291	100	7.6
Sales-related business	9,944	31.2	11,053	32.2	11.2
Rental- related business	17,376	54.5	19,451	56.7	11.9
Overseas business	4,548	14.3	3,786	11	- 16.8
Operating income	2,006	6.3	2,772	8.1	38.2
Sales-related business	1,323	-	1,414	-	6.9
Rental- related business	1,691	-	2,301	-	36.1
Overseas business	45	-	300	-	566.7
(Intersegment eliminations)	-1,053.00	-	-1,243.00	-	-

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

(Sales Business)

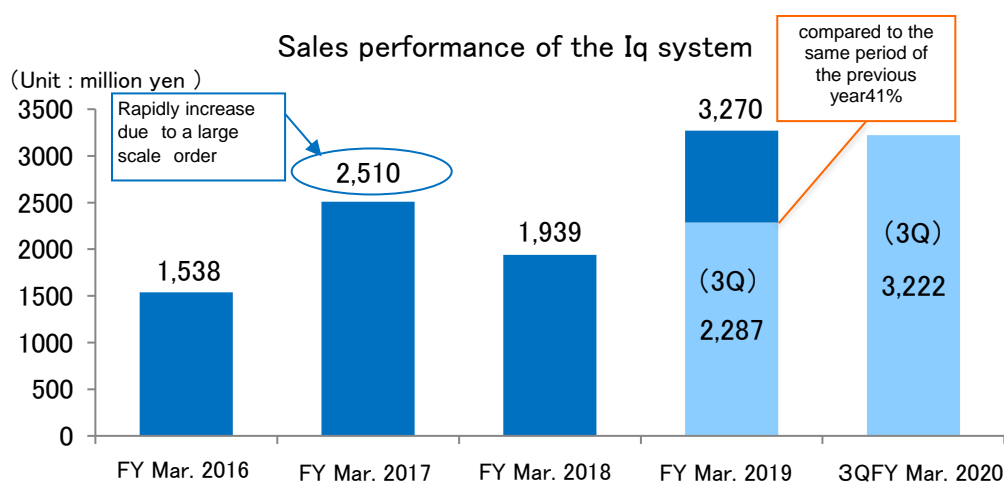
Sales of the Iq System and peripheral equipment (temporary equipment) maintained steady growth. Although sales of used equipment has been at a low level due to decreased demand for conventional scaffolding and other factors, mostly it is carried out on a purchase-and-sales basis and therefore does not have much impact on overall profit. In terms of profits, gross profit increased ¥264 million due to the effect of increased sales. However, SG & A expenses exceeded the same period of the previous year, resulting in a negative factor of ¥172 million due to the 50th anniversary business and the return to employees (bonuses). Was. As a result, Operating income rate dropped year-on-year, stopping at ¥91million in the entire segment.

<Net Sales by Business Segment>

Construction-related products (external Net sales) reached ¥7,540 million (¥6,425 million in the same year), construction-related services reached ¥706 million (¥622 million in the same year), environment-related services reached ¥2,247million (¥2,179million in the same year), and used sales reached ¥749million (¥850million in the same year). Sales were generally robust except for the sale of used equipment.

<Iq System Popularization>

Demand for Iq systems, one of the company's next-generation scaffolds, which it has been focusing on for several years, is expanding further. Sales in this third quarter amounted to ¥847million (¥628million in the same period of the previous year), and cumulative sales also reached ¥13,200 million at the end of the third quarter of FY03/2020. (see chart below and chart below)



(Millions yen)	FY Mar. 2015	FY Mar. 2016	FY Mar. 2017	FY Mar. 2018	FY Mar. 2019	3 QFY Mar. 2020
Cumulative sales	777	21,316	4,826	6,765	10,011	13,200

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

According to the company's estimates (estimates), the area of Iq systems owned by the company is 6.1million square meters, accounting for approximately 30% of the total market (27.0million square meters), and it is the leading manufacturer. According to the company, the investment in the Iq system as a rental asset (replacement of the Iq system as the basic construction scaffolding material owned by the company) has been completed. Looking ahead, the rental occupancy rate will rise, while other companies in the same industry have finally begun to invest more in the Iq system, so the Company's policy is to focus on sales, and at last it can be said that the Iq system is at the stage where it will make a full-fledged contribution to profits.。

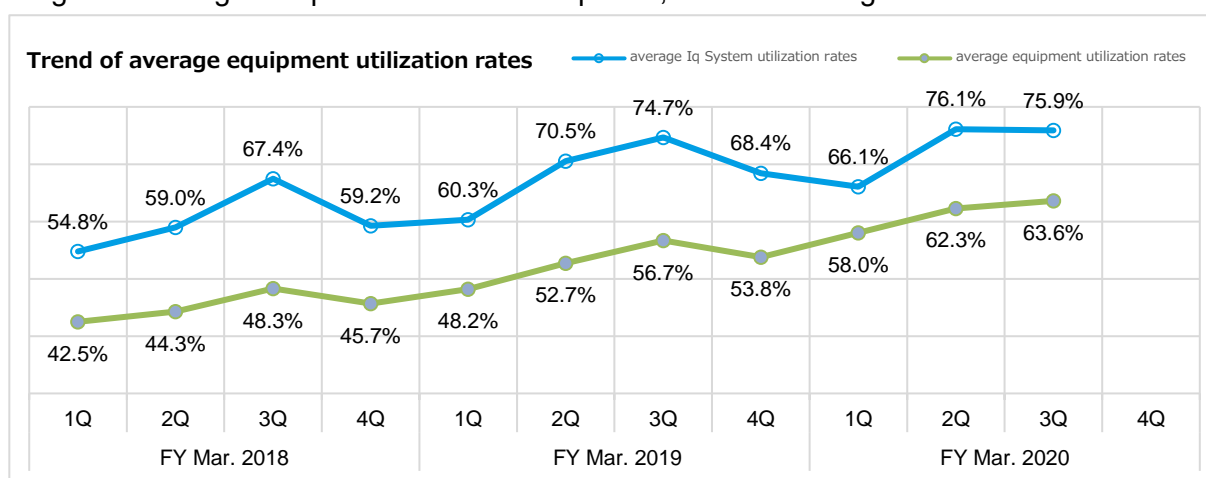
(Rental Business)

In the rental-related business, Net sales, shipments of equipment to extend the Hokuriku Shinkansen contributed, and rental income from the parent company, Takamiya, increased ¥1,149million. Other than this, Other, net and Net sales, including construction Net sales and transportation costs, also increased by ¥841million. As a result, Net sales in the Rental-Related Business as a whole increased ¥1,990million YoY.

In terms of profits, Gross profit increased ¥1,013 million due to the effects of higher sales, but SG&A expenses increased ¥403 million (a factor behind the decline in profits) for the same reasons as in the sales-related business. As a result, segment profit increased by ¥609 million from the same period of the previous fiscal year to ¥2,301 million.

<Average Utilization Rate>

In Q3, the utilization rate declined slightly due to an increase in Iq system holdings, but the high utilization rate was maintained. The overall capacity utilization rate has remained at a high level, reaching a record high compared with the third quarter, which is the highest in the season.



(Source: Company briefing materials)

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

(Overseas Business)

In Net sales, sales in South Korean Net sales declined ¥1,143 million due to the completion of a large-scale project in Holly Korea to sell solar panels installations. However, sales in other, net, including the Philippines and Vietnam, increase ¥584 million, resulting in a ¥558 million YoY decrease in segment Net sales to ¥5,532 million.

In terms of profits, gross profit increased ¥180million due to the end of unprofitable projects in addition to the increase in sales, and selling, general and administrative expenses decreased ¥75 million (increase factor). Segment profit increased ¥255 million to ¥300 million.

(financial status)

(Millions yen)	FY Mar.2019	3 Q FY Mar. 2020
Current assets	22,781	27,052
Cash & Deposit	5,734	7,617
Notes and accounts receivable-trade	11,401	13,330
Inventory assets	5,136	5,439
Non-current assets	31,632	30,663
Property, plant and equipment	27,628	26,523
Assets for rent, net	16,426	15,021
Intangible assets	819	954
Investments and other assets	3,184	3,185
Total assets	54,414	57,715
Current liabilities	20,302	21,486
Short-term loans payable	4,621	5,287
Non-current liabilities	19,535	18,275
Bonds payable	2,710	2,590
Long-term loans payable	13,495	12,177
Total liabilities	39,838	39,761
Total net assets	14,575	17,954

The financial situation (balance sheet) in the third quarter of FY03/2019 was as shown above. Current assets increase ¥4,270 million YoY due to increases in cash and deposits and notes and accounts receivable from strong results. Non-current assets sales declined by ¥969 million to

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

¥30,663 million due to a decline in Property, plant and equipment as investments in Assets for rent, such as Iq Systems, ran their course and Depreciation increased, despite an increase in Intangible assets due to investments in systems and other factors. As a result, Total assets increased ¥3,301 million Yen to ¥57,715 million.

On the other hand, liabilities declined ¥77million to ¥39,761million, mainly due to a decline in Long-term loans payable. As a result, Equity ratio at the end of the third quarter of FY03/2020 was 30.3% (26.0% at the end of the previous period).

<Forecast for the Fiscal Year Ending March 31, 2020>

(Millions yen)	FY Mar.2019		FY Mar. 2020 (Forecast)		
	Change Amount	Change %	Change Amount	Change %	YoY
Net sales	42,182	100.0	45,590	100.0	8.1
Operating income	2,713	6.4	3,930	8.6	44.8
Ordinary income	2,662	6.3	3,630	8.0	36.3
Net income	1,637	3.9	2,440	5.4	49.00

At the present time, the company anticipates that its linked performance in FY03/2020 will increase by ¥45,590 million (Increase by 8.1% YoY), Operating income ¥3,930 million (Increase by 44.8% YoY), Ordinary income ¥3,630 million (Increase 36.3% YoY), and Net income ¥2,440 million (increase 49.0% YoY), which has been revised upward from the initial projection (Operating income ¥3,200 million).

As described above, in addition to the strong performance up to Q3, there is no reason to expect a significant decline in Q4 results, so it is almost certain that this forecast profit will be achieved.

Therefore, the focus of the stock market (investors) is likely to shift to trends from the next fiscal year, when large-scale projects such as the Tokyo Olympics and the Hokuriku Shinkansen(bullet train) are coming to a halt, as described below.

Future Outlook: Toward the Next Steps

<Medium-Term Management Plan: Outlook for FY03/2021>

The company has announced the Middle Business Plan, with FY03/2019 as the first year and FY03/2021 as the last year. Its basic policy is to "create new corporate value through transformation and aim to become a corporate group that drives the qualitative development of industries." The company has set quantitative targets of ¥50 billion in Net sales and ¥4 billion in Operating income

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

for FY03/2021.

Taking into account the fact that it is highly likely that the Company will achieve its Operating income forecast of ¥3,930million for FY03/2020, which is currently underway, and that in addition, in FY03/2020, temporary increases in expenses, such as expenses related to the 50th anniversary of its founding and extraordinary bonuses, are approximately ¥400-500million, it can be said that it is virtually certain that it will achieve the numerical targets of this medium-term management plan.

<Next Medium-Term Management Plan: From FY03/2022 onward>

If the current medium-term management plan is highly likely to be achieved, the direction and content of the next medium-term management plan will be worthy of attention. The company also said that it is currently in the process of formulating its next medium-term management plan and plans to announce it around the spring of 2021. The content of this is attracting considerable attention, but the outline (outline) seems to be as follows.

(Basic Policy: From "Quantitative Expansion" to "Qualitative Improvement")

The Company secures profits by increasing efficiency (productivity, occupancy rate, inventory management, etc.) from increasing profits by increasing assets.

<Key Measures: Promoting Efficiency>

We will improve the efficiency of management capital and improve the quality (profitability) of each field.

(Sales business)

- Increase production efficiency and increase production yields with the same capacity. As a result, the cost of the product per unit is lowered and the profit margin is raised.
- We will grow the agribusiness and structural equipment business to secure profits. We will also actively create other new products and new businesses.
- Reduce manufacturing costs by globalizing the procurement of raw materials that had been reliant on domestic trading companies.

(Rental business)

- With the completion of investments in the Iq system, the Company will not increase Assets for rent quantitatively but will improve the efficiency (increase the utilization rate) in the future.
- In particular, we will actively utilize AI and IoT to improve the efficiency of rental equipment.

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

- On the sales front, we will further enhance our response to maintenance, repair, and renovation work in response to the end of the Olympic Games and demand for the Hokuriku Shinkansen (bullet train). Strengthen construction for landslide disaster countermeasures and strengthen disaster prevention-related products. Repair work on private structures (buildings, condominiums, etc.).
- In order to meet demand for development and infrastructure development in the bay area around Yume-shima, an artificial island in Osaka Bay, which is scheduled to be held at the Osaka and Kansai Expo 2025, as well as in the Kansai area, the company acquired A-1 block (57,851.08m²) of land for the Phoenix Business in the Osaka Bay area, which is owned by Hyogo Prefecture. This is upfront investments to promote more efficient sales and Rental business in the future.

(Overseas business)

- Vietnamese Factory as a production base for products for the Southeast Asian market. From now on, we will strengthen sales and rentals in ASEAN region using this as the mother Factory.
- Invest in rental assets, open equipment center and expand sales channels.
- Expand and popularize temporary equipment Rental business.

<ESG Information: Quality Improvement as a Company>

In order to improve the quality of the company, the company intends to actively engage in ESG activities.

(Information disclosure)

- Distribution of videos of financial results briefings
- Disclosure of financial results, results briefing materials, and timely disclosure release in English.
- The annual report is published in Japanese and English and published on our website.
- Proactively disclose information based on dialogue with investors (number of square meters for disseminating next-generation scaffolding, aircraft utilization rate, etc.)
- Disclosure of Non-financial Information (→ of Annual Report will be posted on our website)

(Initiatives for Human Resource Activity and Development)

- The most important management resource is human resources, and we are promoting measures that enable human resources to play active roles.
- Promote internal projects focused on mid-level and young employees
- Incentive remuneration based on the achievement level of KPI set by each department
- Promote active workstyle reforms by disclosing information to employees (right chart)
- Conduct training according to the stage, such as for new employees, mid-career employees, and

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

managers.

- Mentor system (new employees and mid-career employees)
- Mental health check (Web service)
- Wedding commemorative holidays and refresh holidays to encourage employees to take paid holidays, etc.

(Social, Disaster Prevention and Environmental Contribution through Business)

- From the perspective of effectively utilizing limited resources, the Company's Rental business has started, but these domains are spreading to products and services.

(Social Contribution through Products and Services)

- Strong agricultural production (products: G-Castle)
- Infrastructure Maintenance and Repair (AOS method)
- Earthquake countermeasures and disaster mitigation (Octbrace)
- Flood damage countermeasures (Tiger dam)

Shareholder Returns

In the past, the Company was somewhat reluctant to disclose information (IR). In recent years, however, the Company's IR stance has greatly improved and its reputation among institutional investors has risen.

In addition, the Company is proactive in returning profits to shareholders, and it conducted two stock splits (1:2) in April 2013 and January 2015. At the same time, the overall distribution increases continuously, as shown in the figure below, and it is expected that the total distribution will increase to ¥14 for the year in March 2020 as well.

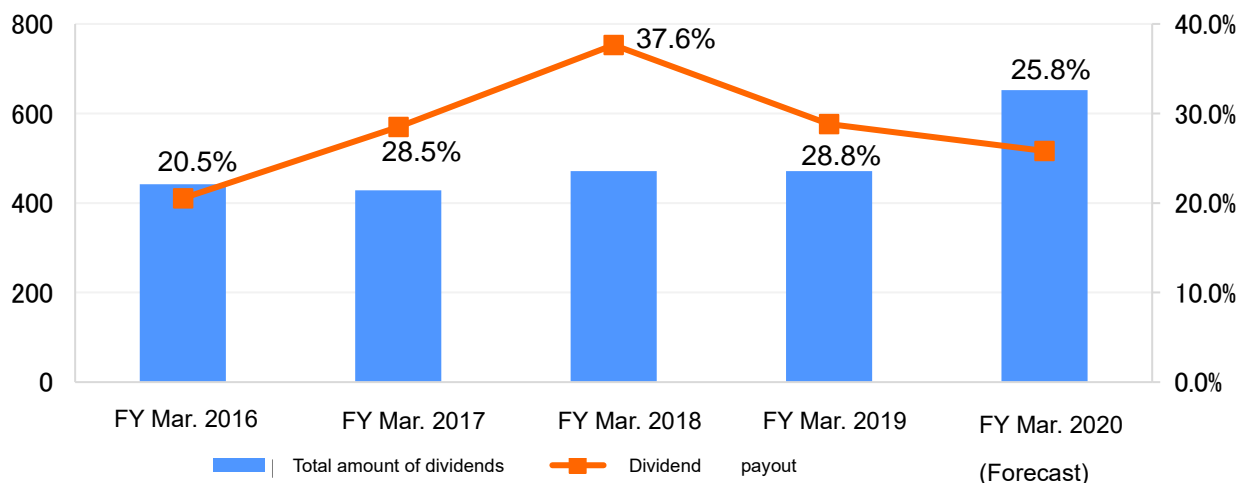
As a result, the payout ratio increased from 20.8% in FY2016 to 28.8% in FY2019. The current forecast for FY20 is 25.8%.

The company has not made a clear commitment to the dividend payout ratio, but it is likely that it will continue to pay at least 30% or more. As a result, it is likely that the Company will be able to raise its dividend further depending on future earnings trends. The company also said it is "actively working to improve ROE." The current forecast ROE (FY20) is 13.6%. However, as mentioned above, the Company's medium-term management plan calls for increasing profits without expanding assets (balance sheet). Therefore, if this plan is implemented, ROE will increase even further.

TAKAMIYA Co., Ltd. (Tokyo Stock Exchange First Section)

Trend of average total amount of dividends and dividend payout ratio

(Unit: million yen)



(commemorative dividend of 2 yen + 1 yen that takes achievements into account)

(End)