

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2015  
(Based on Japanese GAAP)**

May 8, 2015

Company name: SRG TAKAMIYA Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 2445 URL <http://www.srg.jp/>  
 Representative: President KAZUMASA TAKAMIYA  
 Inquiries: General Manager, Accounting Department TOMOYA TATSUMI TEL 06-6375-3918  
 Scheduled date of ordinary general meeting of shareholders: June 26, 2015  
 Scheduled date to file Securities Report: June 26, 2015  
 Scheduled date to commence dividend payments: June 12, 2015  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2015	34,261	5.6	3,098	1.5	3,325	10.6	2,070	17.1
Year ended March 31, 2014	32,443	15.4	3,051	90.1	3,006	93.5	1,768	119.1

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2015	46.17	44.63	19.8	8.2	9.0
Year ended March 31, 2014	40.17	38.81	21.5	8.4	9.4

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2015	43,520	11,762	26.3	253.95
As of March 31, 2014	37,245	9,758	25.5	213.24

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2015	(1,620)	(1,563)	2,927	4,233
Year ended March 31, 2014	2,839	(1,239)	(715)	3,979

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2014	–	5.00	–	8.00	13.00	290	16.2	3.5
Year ended March 31, 2015	–	7.00	–	9.00	16.00	563	27.1	5.4
Year ending March 31, 2016 (Forecast)	–	3.50	–	6.50	10.00		19.4	

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	18,210	11.3	1,455	(6.5)	1,410	(13.2)	815	(17.5)	18.07
Full year	39,000	13.8	3,800	22.7	3,700	11.3	2,330	12.5	51.66

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2015

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements after error corrections: No

(3) Number of issued shares (common shares)

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

As of March 31, 2015	45,104,000 shares	As of March 31, 2014	44,624,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2015	4,070 shares	As of March 31, 2014	3,908 shares
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Average number of shares during the period

Year ended March 31, 2015	44,856,050 shares	Year ended March 31, 2014	44,029,953 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	4,420,271	4,680,047
Notes and accounts receivable - trade	7,862,006	8,258,799
Merchandise and finished goods	1,522,813	2,822,506
Work in process	799,379	851,177
Raw materials and supplies	746,100	1,026,943
Deferred tax assets	211,967	206,050
Other	441,719	463,744
Allowance for doubtful accounts	(112,179)	(95,435)
Total current assets	15,892,077	18,213,835
Non-current assets		
Property, plant and equipment		
Assets for rent	27,250,383	30,695,244
Accumulated depreciation-Assets for rent	(16,489,449)	(17,562,996)
Assets for rent, net	10,760,933	13,132,248
Buildings and structures	3,869,655	4,607,185
Accumulated depreciation and impairment loss	(2,217,558)	(2,442,662)
Buildings and structures, net	1,652,096	2,164,522
Machinery, equipment and vehicles	647,182	1,411,934
Accumulated depreciation	(405,304)	(511,896)
Machinery, equipment and vehicles, net	241,878	900,038
Land	3,921,717	4,264,978
Leased assets	1,095,377	940,785
Accumulated depreciation	(611,566)	(556,696)
Leased assets, net	483,811	384,088
Construction in progress	24,071	68,547
Other	543,482	797,119
Accumulated depreciation	(414,202)	(404,923)
Other, net	129,279	392,195
Total property, plant and equipment	17,213,789	21,306,620
Intangible assets		
Leasehold right	392,472	392,472
Goodwill	27,258	25,874
Leased assets	118,365	122,524
Other	192,813	183,738
Total intangible assets	730,910	724,610
Investments and other assets		
Investment securities	1,309,527	1,317,380
Guarantee deposits	496,660	579,350
Membership	43,879	44,079
Net defined benefit asset	62,056	117,031
Deferred tax assets	138,380	326,652
Other	1,457,524	973,348
Allowance for doubtful accounts	(99,692)	(82,054)
Total investments and other assets	3,408,335	3,275,787
Total non-current assets	21,353,036	25,307,018
Total assets	37,245,114	43,520,853

(Thousands of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	5,975,072	5,934,733
Short-term loans payable	1,200,785	3,168,979
Current portion of bonds	340,000	302,500
Current portion of long-term loans payable	4,877,924	5,131,838
Lease obligations	210,463	237,749
Income taxes payable	892,264	812,190
Deferred tax liabilities	786	1,121
Provision for bonuses	201,472	233,905
Notes payable - facilities	112,136	244,377
Other	1,545,393	2,003,133
<b>Total current liabilities</b>	<b>15,356,299</b>	<b>18,070,529</b>
<b>Non-current liabilities</b>		
Bonds payable	810,000	757,500
Long-term loans payable	9,376,941	10,913,319
Lease obligations	472,388	374,707
Deferred tax liabilities	138,220	127,026
Provision for directors' retirement benefits	40,335	42,865
Net defined benefit liability	579,473	641,617
Asset retirement obligations	13,058	13,377
Other	699,835	817,348
<b>Total non-current liabilities</b>	<b>12,130,252</b>	<b>13,687,761</b>
<b>Total liabilities</b>	<b>27,486,552</b>	<b>31,758,290</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	679,750	704,445
Capital surplus	1,164,904	1,189,599
Retained earnings	7,025,405	8,754,905
Treasury shares	(630)	(754)
<b>Total shareholders' equity</b>	<b>8,869,429</b>	<b>10,648,195</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	511,883	527,812
Deferred gains or losses on hedges	(10,274)	(33,242)
Foreign currency translation adjustment	137,349	282,045
Remeasurements of defined benefit plans	6,457	28,419
<b>Total accumulated other comprehensive income</b>	<b>645,416</b>	<b>805,036</b>
Subscription rights to shares	125,293	182,378
Minority interests	118,422	126,953
<b>Total net assets</b>	<b>9,758,561</b>	<b>11,762,563</b>
<b>Total liabilities and net assets</b>	<b>37,245,114</b>	<b>43,520,853</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	32,443,214	34,261,044
Cost of sales	22,610,319	23,404,641
Gross profit	9,832,895	10,856,403
Selling, general and administrative expenses	6,781,046	7,758,325
Operating income	3,051,848	3,098,077
Non-operating income		
Interest income	9,280	19,761
Dividend income	23,446	36,186
Rent income	73,301	72,818
Contribution for Assets for rent	34,085	14,891
Gain on sales of Scrap	94,934	59,202
Share of profit of entities accounted for using equity method	13,357	46,126
Foreign exchange gains	–	138,374
Gain on valuation of derivatives	45,872	37,831
Reversal of allowance for doubtful accounts	4,000	14,455
Other	90,231	107,351
Total non-operating income	388,509	546,999
Non-operating expenses		
Interest expenses	234,993	211,661
Commission fee	50,537	60,459
Share issuance cost	40,645	–
Other	107,792	47,167
Total non-operating expenses	433,968	319,289
Ordinary income	3,006,389	3,325,787
Extraordinary income		
Gain on sales of non-current assets	41,118	6,699
Gain on sales of investment securities	3,220	3,390
Total extraordinary income	44,338	10,090
Extraordinary losses		
Loss on sales of non-current assets	5,826	635
Loss on retirement of non-current assets	5,195	4,750
Impairment loss	36,376	7,949
Total extraordinary losses	47,398	13,335
Income before income taxes and minority interests	3,003,329	3,322,542
Income taxes - current	1,296,325	1,426,324
Income taxes - deferred	(79,054)	(183,094)
Total income taxes	1,217,271	1,243,229
Income before minority interests	1,786,058	2,079,312
Minority interests in income	17,563	8,484
Net income	1,768,494	2,070,828

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	1,786,058	2,079,312
Other comprehensive income		
Valuation difference on available-for-sale securities	368,748	15,975
Deferred gains or losses on hedges	5,422	(22,968)
Foreign currency translation adjustment	73,871	144,696
Remeasurements of defined benefit plans, net of tax	–	21,961
Total other comprehensive income	448,042	159,666
Comprehensive income	2,234,100	2,238,978
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,216,558	2,230,447
Comprehensive income attributable to minority interests	17,542	8,530

## Consolidated statements of changes in net assets

Fiscal year ended March 31, 2014

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	679,750	717,750	5,582,829	(224,080)	6,756,248
Cumulative effects of changes in accounting policies					–
Restated balance	679,750	717,750	5,582,829	(224,080)	6,756,248
Changes of items during period					
Issuance of new shares - exercise of subscription rights to shares					
Dividends of surplus			(325,918)		(325,918)
Net income			1,768,494		1,768,494
Purchase of treasury shares				(166)	(166)
Disposal of treasury shares		447,154		223,616	670,771
Decrease due to Increase in Consolidated Subsidiaries					
Decrease due to Decrease in Consolidated Subsidiaries					
Net changes of items other than shareholders' equity					
Total changes of items during period	–	447,154	1,442,575	223,450	2,113,180
Balance at end of current period	679,750	1,164,904	7,025,405	(630)	8,869,429

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	143,113	(15,697)	63,478	–	190,894	62,061	100,880	7,110,085
Cumulative effects of changes in accounting policies								–
Restated balance	143,113	(15,697)	63,478	–	190,894	62,061	100,880	7,110,085
Changes of items during period								
Issuance of new shares - exercise of subscription rights to shares								
Dividends of surplus								(325,918)
Net income								1,768,494
Purchase of treasury shares								(166)
Disposal of treasury shares								670,771
Decrease due to Increase in Consolidated Subsidiaries								
Decrease due to Decrease in Consolidated Subsidiaries								
Net changes of items other than shareholders' equity	368,769	5,422	73,871	6,457	454,521	63,232	17,542	535,296
Total changes of items during period	368,769	5,422	73,871	6,457	454,521	63,232	17,542	2,648,476
Balance at end of current period	511,883	(10,274)	137,349	6,457	645,416	125,293	118,422	9,758,561

Fiscal year ended March 31, 2015

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	679,750	1,164,904	7,025,405	(630)	8,869,429
Cumulative effects of changes in accounting policies			9,852		9,852
Restated balance	679,750	1,164,904	7,035,258	(630)	8,879,281
Changes of items during period					
Issuance of new shares - exercise of subscription rights to shares	24,695	24,695			49,390
Dividends of surplus			(335,840)		(335,840)
Net income			2,070,828		2,070,828
Purchase of treasury shares				(123)	(123)
Disposal of treasury shares					
Decrease due to Increase in Consolidated Subsidiaries			(7,530)		(7,530)
Decrease due to Decrease in Consolidated Subsidiaries			(7,810)		(7,810)
Net changes of items other than shareholders' equity					
Total changes of items during period	24,695	24,695	1,719,647	(123)	1,768,913
Balance at end of current period	704,445	1,189,599	8,754,905	(754)	10,648,195

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	511,883	(10,274)	137,349	6,457	645,416	125,293	118,422	9,758,561
Cumulative effects of changes in accounting policies								9,852
Restated balance	511,883	(10,274)	137,349	6,457	645,416	125,293	118,422	9,768,414
Changes of items during period								
Issuance of new shares - exercise of subscription rights to shares								49,390
Dividends of surplus								(335,840)
Net income								2,070,828
Purchase of treasury shares								(123)
Disposal of treasury shares								
Decrease due to Increase in Consolidated Subsidiaries								(7,530)
Decrease due to Decrease in Consolidated Subsidiaries								(7,810)
Net changes of items other than shareholders' equity	15,929	(22,968)	144,696	21,961	159,619	57,085	8,530	225,235
Total changes of items during period	15,929	(22,968)	144,696	21,961	159,619	57,085	8,530	1,994,148
Balance at end of current period	527,812	(33,242)	282,045	28,419	805,036	182,378	126,953	11,762,563

## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	3,003,329	3,322,542
Depreciation	3,369,432	3,649,902
Impairment loss	36,376	7,949
Amortization of goodwill	22,512	27,794
Loss on retirement of Assets for rent	212,988	148,696
Loss on sales of Assets for rent	87,920	198,781
Purchase of assets for lease	(1,487,132)	(2,608,851)
Contribution for Assets for rent	(34,085)	(14,891)
Increase (decrease) in allowance for doubtful accounts	(148,841)	(41,750)
Increase (decrease) in provision for bonuses	31,644	32,432
Increase (decrease) in provision for directors' bonuses	20,982	(30,218)
Increase (decrease) in provision for retirement benefits	(537,258)	–
Increase (decrease) in net defined benefit liability	578,729	62,143
Increase (decrease) in provision for directors' retirement benefits	6,980	(210)
Loss (gain) on valuation of derivatives	(45,872)	(37,831)
Share-based compensation expenses	63,232	57,205
Interest and dividend income	(32,726)	(55,947)
Interest expenses	234,993	211,661
Loss (gain) on sales of property, plant and equipment	(41,118)	(6,699)
Loss on retirement of property, plant and equipment	5,192	4,649
Share of (profit) loss of entities accounted for using equity method	(13,357)	(46,126)
Decrease (increase) in notes and accounts receivable - trade	(117,895)	(240,781)
Decrease (increase) in inventories	(1,974,818)	(4,636,461)
Increase (decrease) in notes and accounts payable - trade	877,169	(118,668)
Other, net	(84,261)	151,854
Subtotal	4,034,114	37,177
Interest and dividend income received	31,715	55,852
Interest expenses paid	(240,272)	(204,351)
Income taxes paid	(985,633)	(1,509,144)
Net cash provided by (used in) operating activities	2,839,923	(1,620,466)

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from investing activities		
Payments into time deposits	(548,529)	(597,143)
Proceeds from withdrawal of time deposits	552,918	591,136
Purchase of property, plant and equipment	(431,011)	(1,660,290)
Proceeds from sales of property, plant and equipment	66,423	28,552
Purchase of intangible assets	(22,031)	(52,852)
Purchase of investment securities	(3,846)	(20,020)
Proceeds from sales of investment securities	48,300	13,615
Proceeds from sales of investments in capital of subsidiaries and associates	–	50,310
Payments for investments in capital of subsidiaries and associates	(343,794)	(21,900)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	20,961
Payments of loans receivable	(1,294,850)	(1,723,900)
Collection of loans receivable	736,797	1,808,463
Net cash provided by (used in) investing activities	(1,239,624)	(1,563,067)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	759,438	1,894,099
Repayments of lease obligations	(191,415)	(230,263)
Proceeds from long-term loans payable	4,800,000	6,775,896
Repayments of long-term loans payable	(5,775,059)	(5,133,104)
Proceeds from issuance of bonds	–	248,055
Redemption of bonds	(611,600)	(340,000)
Proceeds from issuance of common shares	–	49,270
Cash dividends paid	(327,130)	(336,532)
Purchase of treasury shares	(166)	(123)
Proceeds from disposal of treasury shares	630,125	–
Net cash provided by (used in) financing activities	(715,808)	2,927,297
Effect of exchange rate change on cash and cash equivalents	18,236	96,756
Net increase (decrease) in cash and cash equivalents	902,727	(159,479)
Cash and cash equivalents at beginning of period	3,076,771	3,979,498
Increase in cash and cash equivalents from newly consolidated subsidiary	–	431,135
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	–	(17,886)
Cash and cash equivalents at end of period	3,979,498	4,233,268