

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2015 (Based on Japanese GAAP)

August 7, 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 to file Quarterly Securities Report: August 10, 2015
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2015 (from April 1, 2015 to June 30, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2015	7,791	(1.7)	253	(41.6)	307	(33.1)	175	(30.7)
Three months ended June 30, 2014	7,925	15.2	433	9.9	459	10.8	253	19.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2015	3.90		3.79	
Three months ended June 30, 2014	5.69		5.48	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2015	44,626	11,433	25.0	247.44
As of March 31, 2015	43,520	11,762	26.3	253.95

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2015	–	7.00	–	9.00	16.00
Year ending March 31, 2016	–	–	–	–	–
Year ending March 31, 2016 (Forecast)	–	3.50	–	6.50	10.00

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		Earnings 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 three months ended June 30, 2015
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: No

(4) Number of issued shares (common shares)

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

As of June 30, 2015	45,104,000 shares	As of March 31, 2015	45,104,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2015	4,070 shares	As of March 31, 2015	4,070 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2015	45,099,930 shares	Three months ended June 30, 2014	44,620,063 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2015	As of June 30, 2015
Assets		
Current assets		
Cash and deposits	4,680,047	4,257,809
Notes and accounts receivable - trade	8,258,799	8,098,385
Merchandise and finished goods	2,822,506	3,222,017
Work in process	851,177	904,362
Raw materials and supplies	1,026,943	999,811
Deferred tax assets	206,050	202,298
Other	463,744	630,635
Allowance for doubtful accounts	(95,435)	(97,224)
Total current assets	18,213,835	18,218,095
Non-current assets		
Property, plant and equipment		
Assets For Rent	30,695,244	31,339,681
Accumulated depreciation-Assets For Rent	(17,562,996)	(17,385,333)
Assets For Rent, net	13,132,248	13,954,347
Buildings and structures	4,607,185	4,790,232
Accumulated depreciation and impairment loss	(2,442,662)	(2,498,793)
Buildings and structures, net	2,164,522	2,291,439
Machinery, equipment and vehicles	1,411,934	1,450,805
Accumulated depreciation	(511,896)	(549,517)
Machinery, equipment and vehicles, net	900,038	901,288
Land	4,264,978	4,287,022
Leased assets	940,785	1,001,192
Accumulated depreciation	(556,696)	(585,764)
Leased assets, net	384,088	415,428
Construction in progress	68,547	162,461
Other	797,119	806,093
Accumulated depreciation	(404,923)	(424,291)
Other, net	392,195	381,801
Total property, plant and equipment	21,306,620	22,393,789
Intangible assets		
Leasehold right	392,472	392,472
Goodwill	25,874	18,926
Leased assets	122,524	115,711
Other	183,738	178,996
Total intangible assets	724,610	706,106
Investments and other assets		
Investment securities	1,317,380	1,231,250
Guarantee deposits	579,350	596,337
Membership	44,079	47,729
Net defined benefit asset	117,031	130,448
Deferred tax assets	326,652	328,579
Other	973,348	1,056,275
Allowance for doubtful accounts	(82,054)	(82,551)
Total investments and other assets	3,275,787	3,308,068
Total non-current assets	25,307,018	26,407,964
Total assets	43,520,853	44,626,059

(Thousands of yen)

	As of March 31, 2015	As of June 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,934,733	6,174,663
Short-term loans payable	3,168,979	3,725,619
Current portion of bonds	302,500	252,500
Current portion of long-term loans payable	5,131,838	5,153,735
Lease obligations	237,749	251,782
Income taxes payable	812,190	132,219
Deferred tax liabilities	1,121	–
Provision for bonuses	233,905	107,198
Notes payable - facilities	244,377	298,881
Other	2,003,133	2,159,769
Total current liabilities	18,070,529	18,256,370
Non-current liabilities		
Bonds payable	757,500	726,250
Long-term loans payable	10,913,319	12,065,459
Lease obligations	374,707	383,903
Deferred tax liabilities	127,026	102,223
Provision for directors' retirement benefits	42,865	41,000
Net defined benefit liability	641,617	656,692
Asset retirement obligations	13,377	13,458
Other	817,348	947,628
Total non-current liabilities	13,687,761	14,936,616
Total liabilities	31,758,290	33,192,987
Net assets		
Shareholders' equity		
Capital stock	704,445	704,445
Capital surplus	1,189,599	1,189,599
Retained earnings	8,754,905	8,524,968
Treasury shares	(754)	(754)
Total shareholders' equity	10,648,195	10,418,258
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	527,812	470,658
Deferred gains or losses on hedges	(33,242)	(30,766)
Foreign currency translation adjustment	282,045	263,904
Remeasurements of defined benefit plans	28,419	37,620
Total accumulated other comprehensive income	805,036	741,417
Subscription rights to shares	182,378	182,378
Non-controlling interests	126,953	91,016
Total net assets	11,762,563	11,433,072
Total liabilities and net assets	43,520,853	44,626,059

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Net sales	7,925,144	7,791,633
Cost of sales	5,588,768	5,438,436
Gross profit	2,336,375	2,353,197
Selling, general and administrative expenses	1,902,395	2,099,780
Operating income	433,980	253,416
Non-operating income		
Interest income	3,729	2,122
Dividend income	1,939	17,941
Rent income	18,238	20,743
Contribution for Assets for rent	2,993	4,131
Gain on sales of Scrap	16,464	14,338
Share of profit of entities accounted for using equity method	20,843	12,801
Gain on valuation of derivatives	15,182	1,885
Other	28,518	57,890
Total non-operating income	107,909	131,854
Non-operating expenses		
Interest expenses	52,925	52,264
Commission fee	13,595	16,452
Other	15,512	9,133
Total non-operating expenses	82,033	77,850
Ordinary income	459,856	307,420
Extraordinary income		
Gain on sales of non-current assets	3,010	253
Total extraordinary income	3,010	253
Extraordinary losses		
Loss on retirement of non-current assets	322	96
Impairment loss	7,984	–
Total extraordinary losses	8,307	96
Income before income taxes and minority interests	454,559	307,577
Income taxes - current	281,743	170,014
Income taxes - deferred	(75,754)	(2,438)
Total income taxes	205,989	167,576
Profit	248,570	140,001
Loss attributable to non-controlling interests	(5,326)	(35,961)
Profit attributable to owners of parent	253,897	175,963

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Profit	248,570	140,001
Other comprehensive income		
Valuation difference on available-for-sale securities	(89,237)	(57,128)
Deferred gains or losses on hedges	(19,544)	2,475
Foreign currency translation adjustment	54,575	(18,140)
Remeasurements of defined benefit plans, net of tax	10,615	9,201
Total other comprehensive income	(43,591)	(63,592)
Comprehensive income	204,978	76,408
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	210,298	112,344
Comprehensive income attributable to non-controlling interests	(5,319)	(35,936)