

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)

February 5, 2016

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: February 12, 2016  
 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 nine months ended December 31, 2015 (from April 1, 2015 to December 31, 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	%
Nine months ended December 31, 2015	25,566	0.5	1,987	(15.8)	1,905	(26.9)	1,237	(23.0)
Nine months ended December 31, 2014	25,433	7.2	2,361	12.1	2,604	23.9	1,606	34.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2015	27.46		26.62	
Nine months ended December 31, 2014	35.86		34.64	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2015	50,136	12,173	23.6	263.49
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	–	3.50	–		
Year ending March 31, 2016 (Forecast)				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
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 nine months ended December 31, 2015  
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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 December 31, 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 December 31, 2015	154,070 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)

Nine months ended December 31, 2015	45,077,020 shares	Nine months ended December 31, 2014	44,806,999 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	4,680,047	5,103,797
Notes and accounts receivable - trade	8,258,799	8,803,295
Merchandise and finished goods	2,822,506	2,940,345
Work in process	851,177	1,136,574
Raw materials and supplies	1,026,943	941,825
Deferred tax assets	206,050	105,119
Other	463,744	868,378
Allowance for doubtful accounts	(95,435)	(161,206)
Total current assets	18,213,835	19,738,129
Non-current assets		
Property, plant and equipment		
Assets For Rent	30,695,244	34,878,715
Accumulated depreciation-Assets For Rent	(17,562,996)	(18,036,240)
Assets For Rent, net	13,132,248	16,842,475
Buildings and structures	4,607,185	5,104,777
Accumulated depreciation and impairment loss	(2,442,662)	(2,664,958)
Buildings and structures, net	2,164,522	2,439,819
Machinery, equipment and vehicles	1,411,934	1,595,654
Accumulated depreciation	(511,896)	(622,657)
Machinery, equipment and vehicles, net	900,038	972,997
Land	4,264,978	4,943,213
Leased assets	940,785	1,045,099
Accumulated depreciation	(556,696)	(621,398)
Leased assets, net	384,088	423,700
Construction in progress	68,547	368,026
Other	797,119	834,880
Accumulated depreciation	(404,923)	(464,120)
Other, net	392,195	370,759
Total property, plant and equipment	21,306,620	26,360,991
Intangible assets		
Leasehold right	392,472	327,821
Goodwill	25,874	171,341
Leased assets	122,524	96,998
Other	183,738	153,874
Total intangible assets	724,610	750,036
Investments and other assets		
Investment securities	1,317,380	1,168,160
Guarantee deposits	579,350	620,345
Membership	44,079	47,546
Net defined benefit asset	117,031	134,481
Deferred tax assets	326,652	409,661
Other	973,348	984,924
Allowance for doubtful accounts	(82,054)	(77,712)
Total investments and other assets	3,275,787	3,287,407
Total non-current assets	25,307,018	30,398,436
Total assets	43,520,853	50,136,565

(Thousands of yen)

	As of March 31, 2015	As of December 31, 2015
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	5,934,733	6,629,385
Short-term loans payable	3,168,979	5,130,427
Current portion of bonds	302,500	702,500
Current portion of long-term loans payable	5,131,838	5,421,425
Lease obligations	237,749	251,717
Income taxes payable	812,190	363,259
Deferred tax liabilities	1,121	245
Provision for bonuses	233,905	99,016
Notes payable - facilities	244,377	542,098
Other	2,003,133	2,396,808
<b>Total current liabilities</b>	<b>18,070,529</b>	<b>21,536,883</b>
<b>Non-current liabilities</b>		
Bonds payable	757,500	125,000
Long-term loans payable	10,913,319	13,237,525
Lease obligations	374,707	355,015
Deferred tax liabilities	127,026	7,539
Provision for directors' retirement benefits	42,865	42,940
Net defined benefit liability	641,617	686,425
Asset retirement obligations	13,377	12,088
Other	817,348	1,959,835
<b>Total non-current liabilities</b>	<b>13,687,761</b>	<b>16,426,369</b>
<b>Total liabilities</b>	<b>31,758,290</b>	<b>37,963,253</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	704,445	704,445
Capital surplus	1,189,599	1,189,599
Retained earnings	8,754,905	9,428,758
Treasury shares	(754)	(79,354)
<b>Total shareholders' equity</b>	<b>10,648,195</b>	<b>11,243,448</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	527,812	431,399
Deferred gains or losses on hedges	(33,242)	(50,234)
Foreign currency translation adjustment	282,045	179,112
Remeasurements of defined benefit plans	28,419	40,086
<b>Total accumulated other comprehensive income</b>	<b>805,036</b>	<b>600,362</b>
Subscription rights to shares	182,378	243,548
Non-controlling interests	126,953	85,951
<b>Total net assets</b>	<b>11,762,563</b>	<b>12,173,311</b>
<b>Total liabilities and net assets</b>	<b>43,520,853</b>	<b>50,136,565</b>

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

### Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net sales	25,433,471	25,566,573
Cost of sales	17,286,008	17,361,659
Gross profit	8,147,463	8,204,914
Selling, general and administrative expenses	5,786,097	6,217,492
Operating income	2,361,365	1,987,421
Non-operating income		
Interest income	16,460	10,031
Dividend income	36,186	34,491
Rent income	54,753	60,586
Contribution for Assets for rent	13,522	3,624
Gain on sales of Scrap	44,548	32,520
Share of profit of entities accounted for using equity method	43,377	38,810
Foreign exchange gains	140,931	–
Gain on valuation of derivatives	34,661	–
Reversal of allowance for doubtful accounts	15,854	4,545
Other	74,202	115,750
Total non-operating income	474,499	300,360
Non-operating expenses		
Interest expenses	159,262	169,571
Commission fee	44,889	53,193
Loss on valuation of derivatives	–	4,238
Foreign exchange losses	–	94,375
Other	27,078	61,378
Total non-operating expenses	231,230	382,757
Ordinary income	2,604,635	1,905,024
Extraordinary income		
Gain on sales of non-current assets	5,690	7,203
Gain on sales of investment securities	–	17,536
Settlement received	–	80,665
Total extraordinary income	5,690	105,404
Extraordinary losses		
Loss on sales of non-current assets	–	800
Loss on retirement of non-current assets	4,144	5,712
Impairment loss	7,984	101,067
Total extraordinary losses	12,128	107,580
Income before income taxes and minority interests	2,598,197	1,902,847
Income taxes - current	1,061,612	757,286
Income taxes - deferred	(68,667)	(51,029)
Total income taxes	992,944	706,256
Profit	1,605,253	1,196,591
Loss attributable to non-controlling interests	(1,584)	(41,011)
Profit attributable to owners of parent	1,606,837	1,237,602

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit	1,605,253	1,196,591
Other comprehensive income		
Valuation difference on available-for-sale securities	(105,648)	(96,403)
Deferred gains or losses on hedges	(18,303)	(16,992)
Foreign currency translation adjustment	67,314	(102,933)
Remeasurements of defined benefit plans, net of tax	35,127	11,666
Total other comprehensive income	(21,509)	(204,662)
Comprehensive income	1,583,743	991,928
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,585,300	1,032,929
Comprehensive income attributable to non-controlling interests	(1,557)	(41,001)