

**Translation**

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 of Consolidated Financial Results  
for the Year Ended March 31, 2016  
(Based on Japanese GAAP)**

May 10, 2016

Company name: SRG TAKAMIYA Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 2445 URL <http://www.srg.jp/>  
 Representative: President KAZUMASA TAKAMIYA  
 Executive Officer and General Manager,  
 Inquiries: Finance & Accounting Department TOMOYA TATSUMI TEL 06-6375-3918  
 Scheduled date of ordinary general meeting of shareholders: June 29, 2016  
 Scheduled date to file Securities Report: June 29, 2016  
 Scheduled date to commence dividend payments: June 15, 2016  
 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, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

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	%
Year ended March 31, 2016	34,350	0.3	2,983	(3.7)	2,731	(17.9)	2,153	4.0
Year ended March 31, 2015	34,261	5.6	3,098	1.5	3,325	10.6	2,070	17.1

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	48.12	46.66	18.5	5.8	8.7
Year ended March 31, 2015	46.17	44.63	19.8	8.2	9.0

(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, 2016	50,091	12,097	23.5	269.09
As of March 31, 2015	43,520	11,762	26.3	253.95

(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, 2016	(1,081)	(1,736)	2,844	4,242
Year ended March 31, 2015	(1,620)	(1,563)	2,927	4,233

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, 2015	–	7.00	–	9.00	16.00	563	27.1	5.4
Year ended March 31, 2016	–	3.50	–	6.50	10.00	442	20.8	3.8
Year ending March 31, 2017 (Forecast)	–	3.50	–	6.50	10.00		22.4	

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

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, 2016	18,000	7.1	820	(27.2)	700	(38.2)	289	(57.8)	6.61
Full year	38,800	13.0	3,380	13.3	3,100	13.5	1,950	(9.4)	44.60

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2016

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(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: 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, 2016	45,304,000 shares	As of March 31, 2015	45,104,000 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2016	1,578,070 shares	As of March 31, 2015	4,070 shares
----------------------	------------------	----------------------	--------------

Average number of shares during the period

Year ended March 31, 2016	44,750,011 shares	Year ended March 31, 2015	44,856,050 shares
---------------------------	-------------------	---------------------------	-------------------

**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	4,680,047	4,642,513
Notes and accounts receivable - trade	8,258,799	9,371,995
Merchandise and finished goods	2,822,506	2,824,914
Work in process	851,177	1,097,900
Raw materials and supplies	1,026,943	980,850
Deferred tax assets	206,050	181,154
Other	463,744	834,068
Allowance for doubtful accounts	(95,435)	(163,754)
Total current assets	18,213,835	19,769,642
Non-current assets		
Property, plant and equipment		
Assets for rent	30,695,244	35,774,153
Accumulated depreciation-Assets for rent	(17,562,996)	(18,401,079)
Assets for rent, net	13,132,248	17,373,073
Buildings and structures	4,607,185	5,310,171
Accumulated depreciation and impairment loss	(2,442,662)	(2,654,718)
Buildings and structures, net	2,164,522	2,655,453
Machinery, equipment and vehicles	1,411,934	1,740,343
Accumulated depreciation	(511,896)	(656,632)
Machinery, equipment and vehicles, net	900,038	1,083,711
Land	4,264,978	4,937,789
Leased assets	940,785	1,070,683
Accumulated depreciation	(556,696)	(655,188)
Leased assets, net	384,088	415,495
Construction in progress	68,547	188,104
Other	797,119	884,974
Accumulated depreciation	(404,923)	(487,146)
Other, net	392,195	397,828
Total property, plant and equipment	21,306,620	27,051,456
Intangible assets		
Leasehold right	392,472	327,821
Goodwill	25,874	156,604
Leased assets	122,524	88,714
Other	183,738	168,147
Total intangible assets	724,610	741,287
Investments and other assets		
Investment securities	1,317,380	295,939
Guarantee deposits	579,350	624,031
Membership	44,079	47,476
Net defined benefit asset	117,031	87,356
Deferred tax assets	326,652	519,513
Other	973,348	1,032,505
Allowance for doubtful accounts	(82,054)	(77,697)
Total investments and other assets	3,275,787	2,529,123
Total non-current assets	25,307,018	30,321,867
Total assets	43,520,853	50,091,509

(Thousands of yen)

	As of March 31, 2015	As of March 31, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	5,934,733	6,110,151
Short-term loans payable	3,168,979	4,958,800
Current portion of bonds	302,500	632,500
Current portion of long-term loans payable	5,131,838	5,639,278
Lease obligations	237,749	235,261
Income taxes payable	812,190	796,920
Deferred tax liabilities	1,121	–
Provision for bonuses	233,905	227,085
Notes payable - facilities	244,377	504,491
Asset retirement obligations	–	35,000
Other	2,003,133	2,225,882
<b>Total current liabilities</b>	<b>18,070,529</b>	<b>21,365,371</b>
<b>Non-current liabilities</b>		
Bonds payable	757,500	175,000
Long-term loans payable	10,913,319	13,304,389
Lease obligations	374,707	326,426
Deferred tax liabilities	127,026	3,053
Provision for directors' retirement benefits	42,865	43,910
Net defined benefit liability	641,617	744,248
Asset retirement obligations	13,377	12,160
Other	817,348	2,019,031
<b>Total non-current liabilities</b>	<b>13,687,761</b>	<b>16,628,220</b>
<b>Total liabilities</b>	<b>31,758,290</b>	<b>37,993,591</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	704,445	714,770
Capital surplus	1,189,599	1,208,857
Retained earnings	8,754,905	10,344,515
Treasury shares	(754)	(703,066)
<b>Total shareholders' equity</b>	<b>10,648,195</b>	<b>11,565,075</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	527,812	18,571
Deferred gains or losses on hedges	(33,242)	(78,778)
Foreign currency translation adjustment	282,045	292,320
Remeasurements of defined benefit plans	28,419	(31,081)
<b>Total accumulated other comprehensive income</b>	<b>805,036</b>	<b>201,030</b>
Subscription rights to shares	182,378	243,498
Non-controlling interests	126,953	88,312
<b>Total net assets</b>	<b>11,762,563</b>	<b>12,097,917</b>
<b>Total liabilities and net assets</b>	<b>43,520,853</b>	<b>50,091,509</b>

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

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	34,261,044	34,350,127
Cost of sales	23,404,641	23,059,012
Gross profit	10,856,403	11,291,114
Selling, general and administrative expenses	7,758,325	8,307,825
Operating income	3,098,077	2,983,289
Non-operating income		
Interest income	19,761	12,185
Dividend income	36,186	34,491
Rent income	72,818	74,918
Contribution for Assets for rent	14,891	12,092
Gain on sales of Scrap	59,202	39,835
Share of profit of entities accounted for using equity method	46,126	71,062
Foreign exchange gains	138,374	–
Gain on valuation of derivatives	37,831	–
Reversal of allowance for doubtful accounts	14,455	–
Other	107,351	167,161
Total non-operating income	546,999	411,747
Non-operating expenses		
Interest expenses	211,661	225,812
Commission fee	60,459	71,027
Loss on valuation of derivatives	–	11,622
Foreign exchange losses	–	247,093
Other	47,167	108,479
Total non-operating expenses	319,289	664,035
Ordinary income	3,325,787	2,731,001
Extraordinary income		
Gain on sales of non-current assets	6,699	7,879
Gain on sales of investment securities	3,390	500,515
Settlement received	–	80,665
Total extraordinary income	10,090	589,060
Extraordinary losses		
Loss on sales of non-current assets	635	800
Loss on retirement of non-current assets	4,750	6,584
Impairment loss	7,949	101,067
Total extraordinary losses	13,335	108,452
Profit before income taxes	3,322,542	3,211,609
Income taxes - current	1,426,324	1,200,034
Income taxes - deferred	(183,094)	(114,656)
Total income taxes	1,243,229	1,085,377
Profit	2,079,312	2,126,231
Profit (loss) attributable to non-controlling interests	8,484	(27,127)
Profit attributable to owners of parent	2,070,828	2,153,358

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	2,079,312	2,126,231
Other comprehensive income		
Valuation difference on available-for-sale securities	15,975	(509,293)
Deferred gains or losses on hedges	(22,968)	(45,536)
Foreign currency translation adjustment	144,696	10,274
Remeasurements of defined benefit plans, net of tax	21,961	(59,501)
Total other comprehensive income	159,666	(604,057)
Comprehensive income	2,238,978	1,522,174
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,230,447	1,549,353
Comprehensive income attributable to non-controlling interests	8,530	(27,179)

## Consolidated statements of changes in equity

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)
Profit attributable to owners of parent			2,070,828		2,070,828
Purchase of treasury shares				(123)	(123)
Decrease due to Increase in Consolidated Subsidiaries			(7,530)		(7,530)
Decrease due to Decrease in Consolidated Subsidiaries			(7,810)		(7,810)
Change in treasury shares of parent arising from transactions with non-controlling shareholders					
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	Non-controlling 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)
Profit attributable to owners of parent								2,070,828
Purchase of treasury shares								(123)
Decrease due to Increase in Consolidated Subsidiaries								(7,530)
Decrease due to Decrease in Consolidated Subsidiaries								(7,810)
Change in treasury shares of parent arising from transactions with non-controlling shareholders								
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

Fiscal year ended March 31, 2016

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	704,445	1,189,599	8,754,905	(754)	10,648,195
Cumulative effects of changes in accounting policies					—
Restated balance	704,445	1,189,599	8,754,905	(754)	10,648,195
Changes of items during period					
Issuance of new shares - exercise of subscription rights to shares	10,325	10,325			20,650
Dividends of surplus			(563,749)		(563,749)
Profit attributable to owners of parent			2,153,358		2,153,358
Purchase of treasury shares				(702,312)	(702,312)
Decrease due to Increase in Consolidated Subsidiaries					
Decrease due to Decrease in Consolidated Subsidiaries					
Change in treasury shares of parent arising from transactions with non-controlling shareholders		8,932			8,932
Net changes of items other than shareholders' equity					
Total changes of items during period	10,325	19,257	1,589,609	(702,312)	916,880
Balance at end of current period	714,770	1,208,857	10,344,515	(703,066)	11,565,075

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling 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	527,812	(33,242)	282,045	28,419	805,036	182,378	126,953	11,762,563
Cumulative effects of changes in accounting policies								–
Restated balance	527,812	(33,242)	282,045	28,419	805,036	182,378	126,953	11,762,563
Changes of items during period								
Issuance of new shares - exercise of subscription rights to shares								20,650
Dividends of surplus								(563,749)
Profit attributable to owners of parent								2,153,358
Purchase of treasury shares								(702,312)
Decrease due to Increase in Consolidated Subsidiaries								
Decrease due to Decrease in Consolidated Subsidiaries								
Change in treasury shares of parent arising from transactions with non-controlling shareholders								8,932
Net changes of items other than shareholders' equity	(509,241)	(45,536)	10,274	(59,501)	(604,005)	61,119	(38,640)	(581,525)
Total changes of items during period	(509,241)	(45,536)	10,274	(59,501)	(604,005)	61,119	(38,640)	335,354
Balance at end of current period	18,571	(78,778)	292,320	(31,081)	201,030	243,498	88,312	12,097,917

## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	3,322,542	3,211,609
Depreciation	3,649,902	4,137,381
Impairment loss	7,949	101,067
Amortization of goodwill	27,794	29,775
Loss on retirement of Assets for rent	148,696	134,656
Loss on sales of Assets for rent	198,781	146,328
Purchase of assets for lease	(2,608,851)	(3,149,550)
Contribution for Assets for rent	(14,891)	(12,092)
Increase (decrease) in allowance for doubtful accounts	(41,750)	21,159
Increase (decrease) in provision for bonuses	32,432	(6,819)
Increase (decrease) in provision for directors' bonuses	(30,218)	(1,000)
Increase (decrease) in net defined benefit liability	62,143	102,630
Increase (decrease) in provision for directors' retirement benefits	(210)	1,045
Loss (gain) on valuation of derivatives	(37,831)	11,622
Share-based compensation expenses	57,205	61,169
Interest and dividend income	(55,947)	(46,676)
Interest expenses	211,661	225,812
Foreign exchange losses (gains)	(290,309)	268,485
Loss (gain) on sales of property, plant and equipment	(6,699)	(7,879)
Loss on retirement of property, plant and equipment	4,649	6,295
Loss (gain) on sales of investment securities	–	(500,515)
Settlement received	–	(80,665)
Share of (profit) loss of entities accounted for using equity method	(46,126)	(71,062)
Decrease (increase) in notes and accounts receivable - trade	(240,781)	(972,446)
Decrease (increase) in inventories	(4,636,461)	(3,825,328)
Increase (decrease) in notes and accounts payable - trade	(118,668)	141,583
Other, net	442,163	316,555
Subtotal	37,177	243,141
Interest and dividend income received	55,852	42,953
Interest expenses paid	(204,351)	(220,063)
Settlement package received	–	80,665
Income taxes paid	(1,509,144)	(1,227,786)
Net cash provided by (used in) operating activities	(1,620,466)	(1,081,090)

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from investing activities		
Payments into time deposits	(597,143)	(570,348)
Proceeds from withdrawal of time deposits	591,136	617,128
Purchase of property, plant and equipment	(1,660,290)	(1,453,236)
Proceeds from sales of property, plant and equipment	28,552	38,377
Purchase of intangible assets	(52,852)	(101,812)
Proceeds from sales of intangible assets	–	800
Purchase of investment securities	(20,020)	(3,203)
Proceeds from sales of investment securities	13,615	859,442
Purchase of memberships	–	(3,650)
Proceeds from sales of investments in capital of subsidiaries and associates	50,310	25,000
Payments for investments in capital of subsidiaries and associates	(21,900)	(157,800)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(946,419)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	20,961	–
Payments of loans receivable	(1,723,900)	(217,700)
Collection of loans receivable	1,808,463	176,626
Net cash provided by (used in) investing activities	(1,563,067)	(1,736,794)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,894,099	1,867,933
Repayments of lease obligations	(230,263)	(269,291)
Proceeds from long-term loans payable	6,775,896	8,102,000
Repayments of long-term loans payable	(5,133,104)	(5,355,942)
Proceeds from issuance of bonds	248,055	49,217
Redemption of bonds	(340,000)	(302,500)
Proceeds from issuance of common shares	49,270	20,600
Purchase of treasury shares	(123)	(702,312)
Cash dividends paid	(336,532)	(562,850)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(2,528)
Net cash provided by (used in) financing activities	2,927,297	2,844,325
Effect of exchange rate change on cash and cash equivalents	96,756	(17,195)
Net increase (decrease) in cash and cash equivalents	(159,479)	9,245
Cash and cash equivalents at beginning of period	3,979,498	4,233,268
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	4,233,268	4,242,513