

Annual Report 2018

SRG TAKAMIYA CO., LTD.



Building on Success...

...to **Drive Transformation**

SRG TAKAYAMA announced its new medium-term management plan in May 2018 and launched new initiatives under the theme of

“Transformation.”

Rather than imagining a future as an extension of the present and the past,

we envision a future

focusing on what we hope to be and what we should be. Based on such vision, we will develop and implement a new set of strategies.

We will be reborn as a completely new corporate group by reviewing past initiatives and starting afresh.

This is what we mean by transformation.

During the three years of the Plan,
Tokyo will host the 2020 Olympic and Paralympic Games.
We see this as a

major turning point for our business.

Also, in June 2019, we will be celebrating our 50th anniversary.
To mark the occasion, in April 2019 the Company name will change to

TAKAMIYA.

As the dawn breaks on a new day for the Company,
we hope our customers also feel

the approach of this new future

as we produce concrete and visible results.

And with a company-wide effort,
we will achieve the transformation that converts the plan into reality.

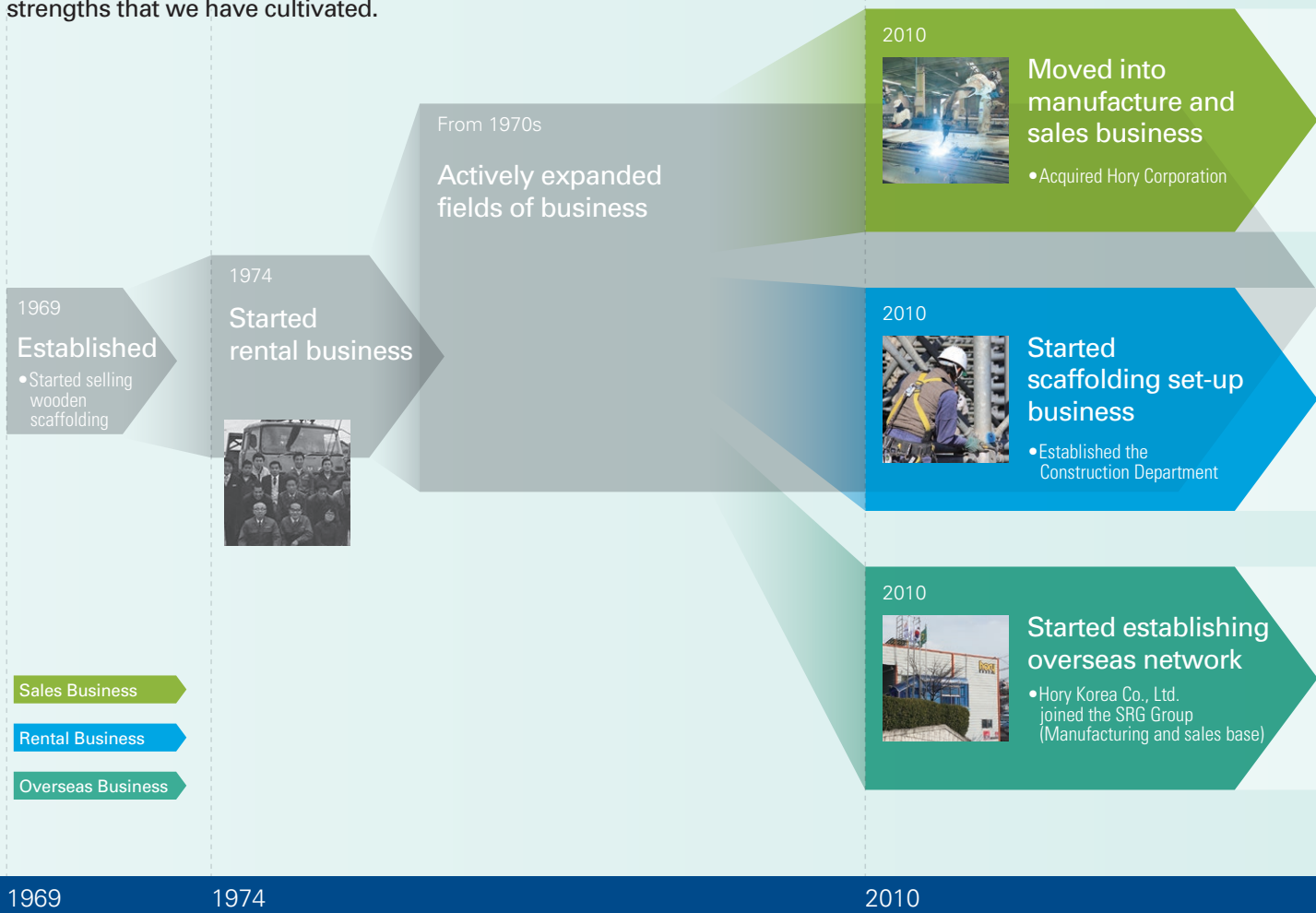
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Our History of Innovation, the Source of Corporate Values and Our Strengths

In the course of our corporate history, SRG TAKAMIYA has employed its strategic perspective to consistently stay ahead of the times and made every effort for growth.

Here, we introduce the major turning points for the Company, as well as the source of our corporate values and the key strengths that we have cultivated.



The source of our corporate values

Mission statement



Corporate culture (corporate mind)



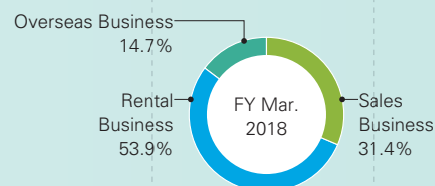
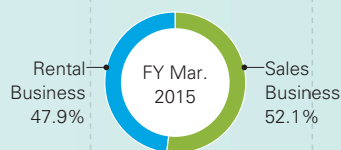
Farsightedness

The ability to anticipate changes in the business environment and customer needs from a long-term perspective



Positive attitude

Taking on challenges with courage and innovative thinking



*Graphs indicate the segment sales ratio of each fiscal year (including inter-segment sales or transfer).



2013
Started production and sales of Iq System, a next-generation scaffolding

2015
Started selling agricultural greenhouses



2016
Developed earthquake-resistant and seismic damping frameworks

2018
Developed systems to enhance manufacturing capabilities

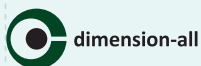
- Absorbed Hory Corporation
- Reorganized domestic production infrastructure

2014
Launched rental service for Iq System, a next-generation scaffolding

2017
Finished replacing domestic assets for lease

2013
Started development and sales of products targeting the Japanese and ASEAN markets

- Established Hory Korea Co., Ltd. (Manufacturing base)



2015
Acquired DIMENSION-ALL INC., an overseas leasing company (Sales base)



2018
Enhanced management foundation at overseas locations

- Hory Korea Co., Ltd. and HORY VIETNAM Co., Ltd., which had been sub-sub-subsidiaries, became subsidiaries

2013

2014

2015

2016

2017

2018

The key strengths we have cultivated



Expertise in scaffolding and human resources

Our strengths include our expertise in scaffolding and human resources that offer this expertise. We have developed these by operating in a wide range of business areas, including construction sites, landslide prevention work, renovation of high-rise condominiums, and bridges. Our list of products and services is also rich in variety and is the industry's finest.



Synergies from five functions

By taking advantage of our five key functions—development and manufacturing, sales, rental, construction, and creating CAD drawings—we can provide comprehensive solutions and achieve a competitive edge in terms of equipment and materials supply. In addition, by accumulating and sharing information and expertise gained at different worksites, we create new high-value-added products and services, as well as provide proposals.



High level of technical expertise

We have a team of technical experts specializing in scaffolding. Their ability to accurately respond to a broad spectrum of situations and needs at various worksites provides high value for our customers. Also, our excellent metal processing technologies and CAD drawing technology specific to scaffolding can be applied to a wide range of industrial fields, including structural equipment.

Key Groundwork between FY3/15 and FY3/18 and Tasks Ahead

The medium- to long-term changes in our business environment that we anticipate include the boom in the domestic market ahead of the Tokyo 2020 Olympic and Paralympic Games and a gradual contraction that will follow. To respond to these changes, we focused on upfront investments and improving the earnings base during the previous medium-term management plan period (FY3/15 to FY3/17) and the fiscal year ended March 2018. We steadily carried out the groundwork and organized our business tasks, with aim to achieve long-term growth.

Based on the groundwork and the tasks we have identified, we will work to maximize returns on investments and to create new frameworks for growth, which is the theme of our new medium-term management plan.

Theme of the 2014 Medium-term Management Plan (the previous medium-term management plan)

Upfront Investments + Improving the Earnings Base

Created a market for next-generation scaffolding

Taking the lead in the industry, we developed and launched the next-generation scaffolding Iq System in 2013. The Iq System is a scaffolding product whose floor height is 190 cm, which is 20 cm higher than conventional scaffolding. This provides ample room for workers to stand so that they do not need to bend over while working, improving safety even further. In addition, it has improved workability and efficiency as well as helped reduce storage space and operating costs. With the launch of this product, which is groundbreaking in every aspect, we have revolutionized the industry by creating a new market for next-generation scaffolding.

We also implemented strategic investment to renew domestic assets for lease, and we finished replacing all our conventional scaffolding with next-generation scaffolding by the year ended March 2017. This investment has enabled us to lead the industry and accelerate the widespread use of next-generation scaffolding.



Iq System: Next-generation scaffolding

Entered the agriculture business

In 2015, we entered the agriculture business and started manufacturing, selling and building agricultural racks and agricultural greenhouses. Our expertise and metal processing technologies cultivated through scaffolding can be utilized to the agriculture business. There are also great benefits for us entering this business in terms of costs and productivity, because we can leverage our procurement and product supply systems for temporary equipment and materials. Furthermore, a shortage of builders specializing in agricultural greenhouses, among other reasons, has been causing people to abandon farming. We believe that we can help address this issue by taking advantage of the construction network we have developed. We contribute to strengthen Japanese agriculture, which faces problems such as the aging population of farmers and high costs compared to other countries. We have been striving to boost this business into a stable generator of earnings.



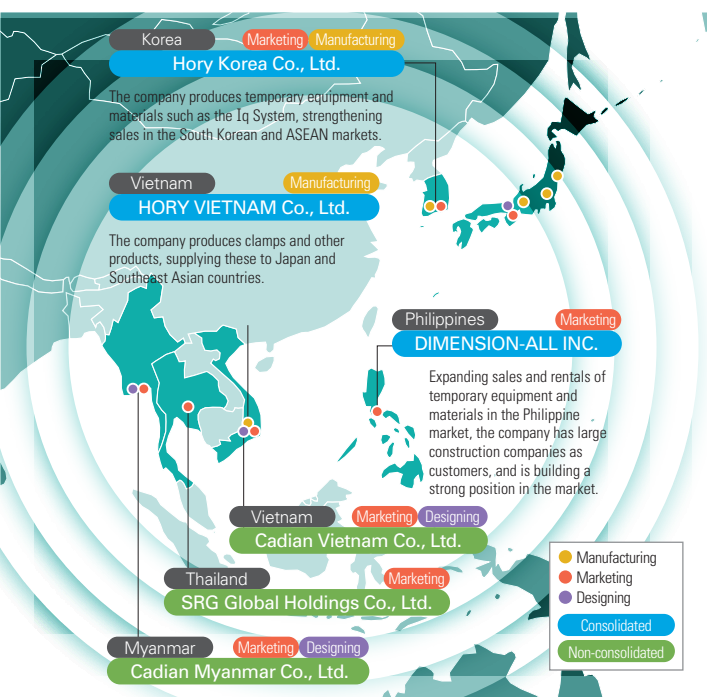
G-Castle pro2: Weather-resistant steel-framed agricultural greenhouses

Theme of the 2018
Medium-term Management Plan
(the new medium-term
management plan)

Maximize Returns on Investments + Creating New Frameworks

Improved the business foundation at overseas bases

We have actively engaged in overseas operations. For example, in 2013, we built a new plant in Vietnam and in 2015, we acquired DIMENSION-ALL INC., a scaffolding company in the Philippines. In the meantime, we have improved our business foundation, which had been an ongoing challenge for some time. We have also clarified the role of each overseas location, and been promoting organic cooperation between those locations through new initiatives. Some of those initiatives include people-to-people exchanges and providing products manufactured in Vietnam as assets for lease in the rental business in the Philippines. With these changes, we expect our overseas business to become long-term growth drivers as we expand our overseas operations on a full-scale basis.



Key Issues and Tasks toward Further Growth

Key issues

- Labor shortages
- Competitors launching next-generation scaffolding
- Responding to the increase in maintenance and repair projects
- Establishing a new stable earnings base
- Responding to the strong demand in Asia and achieving profitability in overseas operations on a full-scale basis
- Diversifying risks

Our major tasks

- Improve productivity
- Establish new frameworks including the utilizing of IT
- Escalate investments in new businesses and overseas operations
- Hire, develop and leverage human resources to achieve transformation
- Promote work-style reform and diversity
- Reinforce governance and risk control

The Transformation Begins with the New Medium-term Management Plan

In May 2018, SRG TAKAMIYA announced and launched the 2018 Medium-term Management Plan, which spans three years, with the fiscal year ending March 2021 as its final year. The slogan of the new medium-term management plan is "Transformation."

Since the early days of our business, we have continued to take on challenges with the future in mind. However, moving forward, we believe that simply extending past initiatives alone will not sufficiently improve our corporate value on a long-term, sustainable basis. In the new medium-term management plan, we will respond to the brisk domestic demand. At the same time, we will start developing new frameworks and continue other investments to achieve success, as well as proceed with preparations for the next step in attaining growth.

We will approach change by taking advantage of our accomplishments and groundwork already in place, but will not let past successes and preconceptions limit our vision. "Transformation," after all, begins now, as we seize change to be reborn as a completely new corporate group.

2018 Medium-term Management Plan

Vision

Create new value through transformation and aim to become a corporate group that drives qualitative development of the industry

Earnings targets for the fiscal year ending March 2021 (the final year of the Medium-term Management Plan)

Net sales

¥50 billion

Up 38% from FY3/18

Operating income

¥4 billion

Up 137% from FY3/18

Operating profit margin

8.0%

Up 3.3 percentage points from FY3/18

Financial policy for the fiscal year ending March 2021 (the final year of the medium-term management plan)

Equity ratio

30% or more

Up 5.0 percentage points from FY3/18

ROE

10% or more

Up 0.3 percentage points from FY3/18

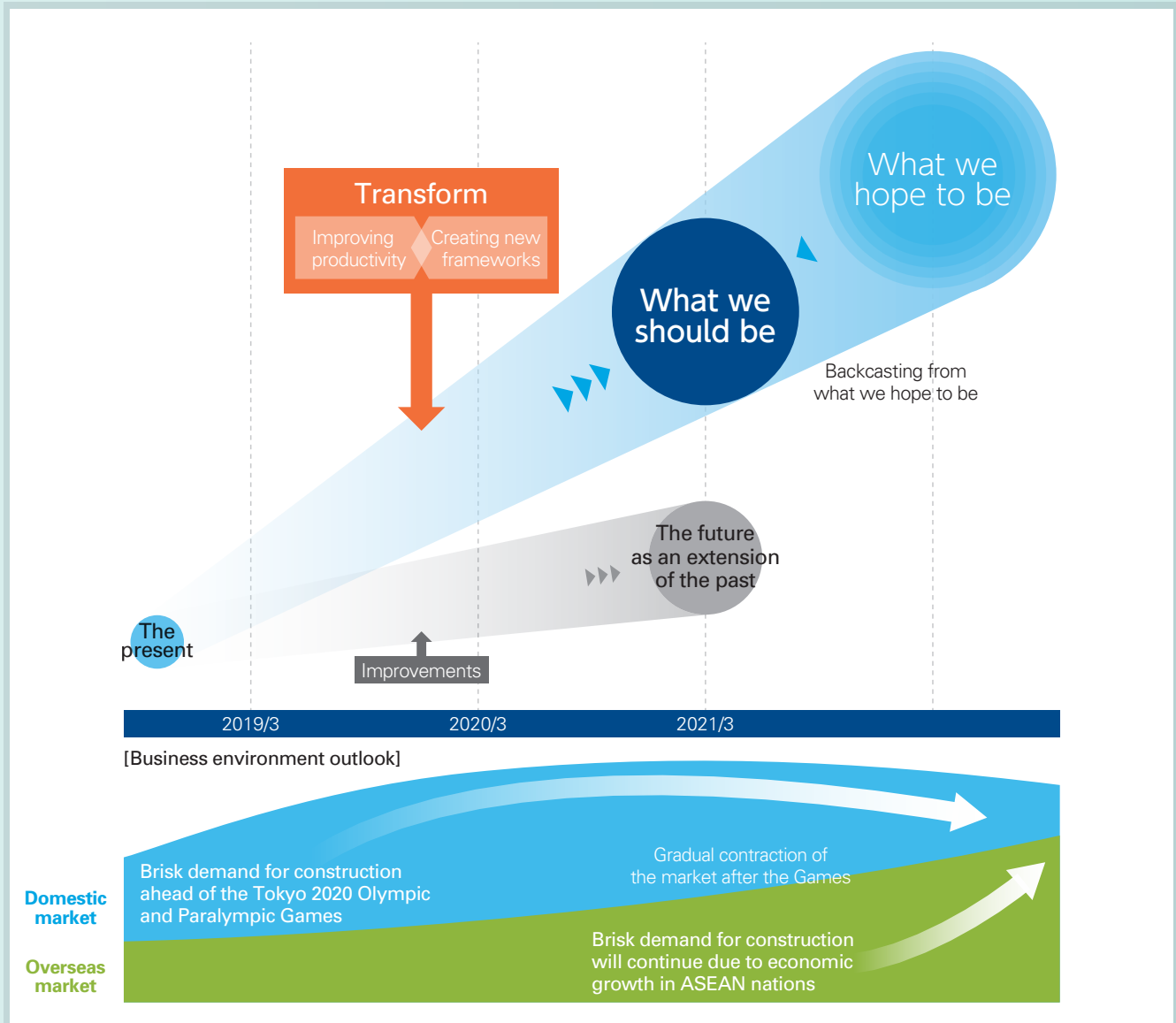
ROA*

5.0% or more

Up 2.0 or more percentage points from FY3/18

*Return on equity=ordinary income / average total assets

Vision of our future growth



Basic policies

- Strengthen the business infrastructure
- Make innovations in the earnings base
- Accelerate overseas operations
- Create new growth businesses

Investment policies

- Curb investments in domestic assets for lease and actively invest overseas
- Strengthen the overseas production bases
- Invest in increasing the efficiency of equipment and materials centers
- Invest in human resource development and work-style reform
- Invest in enhancing technological development capabilities

Our Strategy for Growth and Commitment: Message from the President and Chairman



New Challenges to “Transform”— Aiming for a Group that Can Create Long-term Value

Kazumasa Takamiya

Representative Director,
President and Chairman

“Transforming” oriented toward the future

In May 2018, we announced a new three-year medium-term management strategy. “Transform” is the slogan for the Medium-term Management Plan through the fiscal year ending March 2021. This slogan conveys our determination and will to transform to a completely new group oriented toward the future, not limited to just “change.”

Demand for construction work in the domestic market is expected to remain high until the Tokyo Olympic and Paralympic Games (Tokyo 2020); thus, the business environment is considered favorable. However, we will not be able to sustainably increase corporate value and achieve further growth simply by catering to the high demand and with conventional strategies. With such a sense of crisis, we spent one year considering what needs to be done to achieve growth and created a vision of the future.

Under the previous medium-term management plan, we had to revise our targets downward due to the deteriorating business environment and other factors. We deeply regret that we failed to achieve targets again the fiscal year under review. (For the results of the year ended March 2018, please refer to pages 16 to 17–Message from the Director and Managing Executive Officer) On the other hand, we

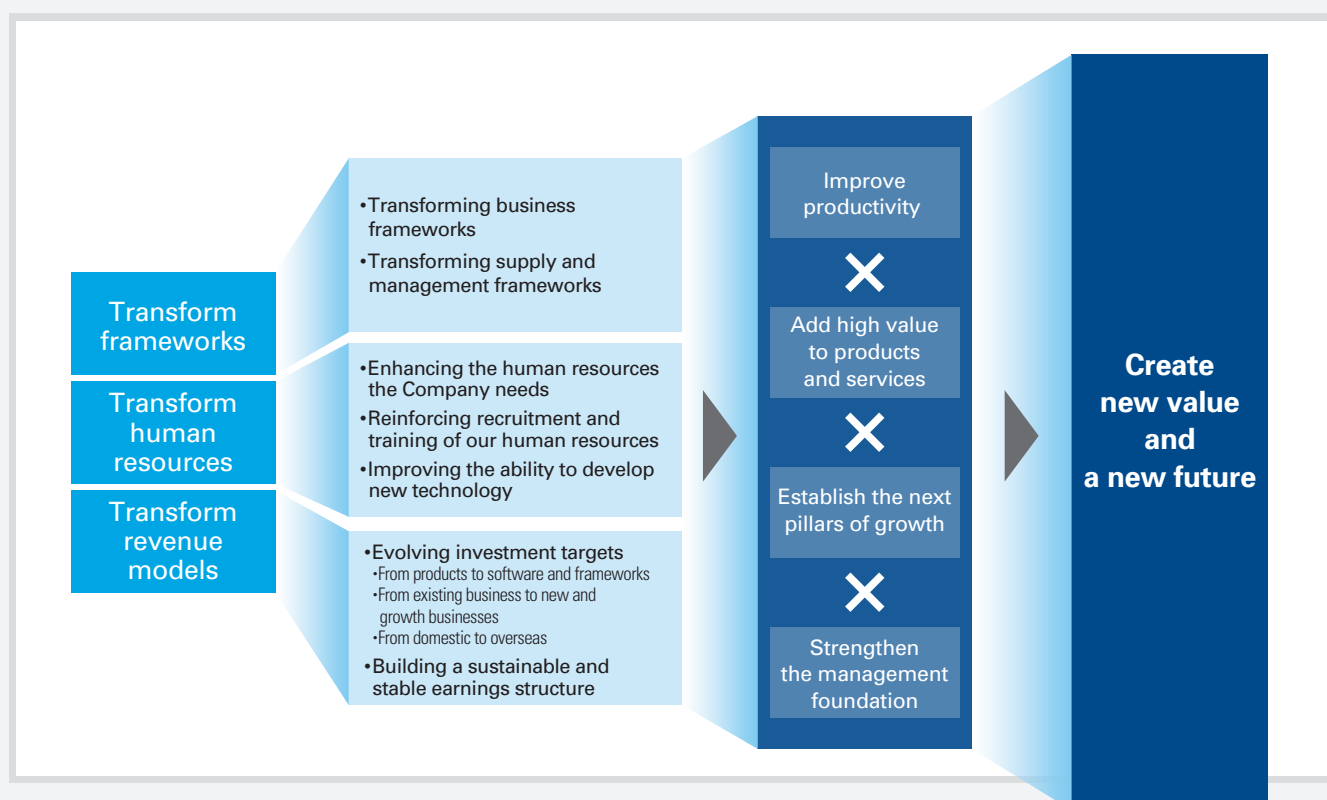
now have a clear long-term vision and a clear view of business tasks, boiling down to the detailed strategy of the new medium-term management plan as a first step.

During the fiscal year ended March 2018, we were not in a situation to make a commitment by presenting specific targets due to the uncertain business environment. However, it is starting to look more positive as seen in the steadily increasing operating rate in the rental business, indicating that demand bottomed out.

Concerning the Iq System, a next-generation scaffolding that we pioneered in the industry, the overall market was boosted by competitors’ entry, which works favorably for us. We believe that sales will steadily expand as the transition from conventional products to innovative products (meaning next-generation scaffolding) is fully in progress. In addition, to accelerate business development, in January 2018, we absorbed Hory Corporation, while conducting organizational transition by introducing a divisionalized organization system. With these initiatives, the foundation to link all functions including rental, manufacturing, construction, and others has been established.

Although the new medium-term management plan started a year later than originally planned, we believe that we can show clear achievements during the three years by full-fledged recovery of investments we have made

Create new value with “Transform”





and by capturing robust demand expected to continue until around 2020. Also, we will invest to achieve sustainable growth while thoroughly improving productivity, thereby strengthening profitability. To achieve sustainable growth, we will establish and grow an earnings model that combines a stock-type business generating stable earnings, and a flow-type business that fluctuates by demands but with prospects for growth.

Shift from investing in products to improving productivity and creating new frameworks

The domestic market is expected to enjoy strong demand towards 2020 while fundamental problems such as labor shortages, overconcentration in the Tokyo metropolitan area, and regional disparities will remain. With technology and innovation progressing, we cannot grow without striving to constantly offer products and services with high added value. To grow further and dramatically from 2020 and beyond, we need to secure stable earnings in the mature domestic market and establish the agriculture business, the overseas business, and others as next-generation growth drivers.

Over the next three years, we will intensively increase productivity in all aspects to address strong demand, and also adopt new approaches and build new businesses, implementing measures to realize our objectives. By steadily rolling out those measures, we are confident of achieving a high level of profitability and generating strong growth after 2020, as well as tapping into the next major business opportunities.

To raise productivity, we need to completely rethink all our existing frameworks, from manufacturing through to management.

The rental business can offer new added-value by changing the frameworks in particular. Essentially, we aspire to change the frameworks, lead the industry in terms

of safety and efficiency, and eventually the qualitative development of the industry as a whole.

By taking advantage of one of our key strengths in the Construction Department, we will focus on developing the market for our next-generation scaffolding to boost both our domestic rental and sales businesses. In the previous medium-term management plan, we completed replacement of conventional scaffolding with the next-generation product for domestic assets for lease. In other words, we completed the investment in products, meaning we will be able to maximize our use of the assets currently owned and at the same time build frameworks to transform our business models.

As the market matures, we cannot sustain growth over the long term with the conventional rental business model where we maintain products as inventories and recover investments in inventories by renting them to customers. For example, in the sale of products, it is important to create new frameworks that customers recognize as valuable, such as providing additional services instead of just delivering our products.

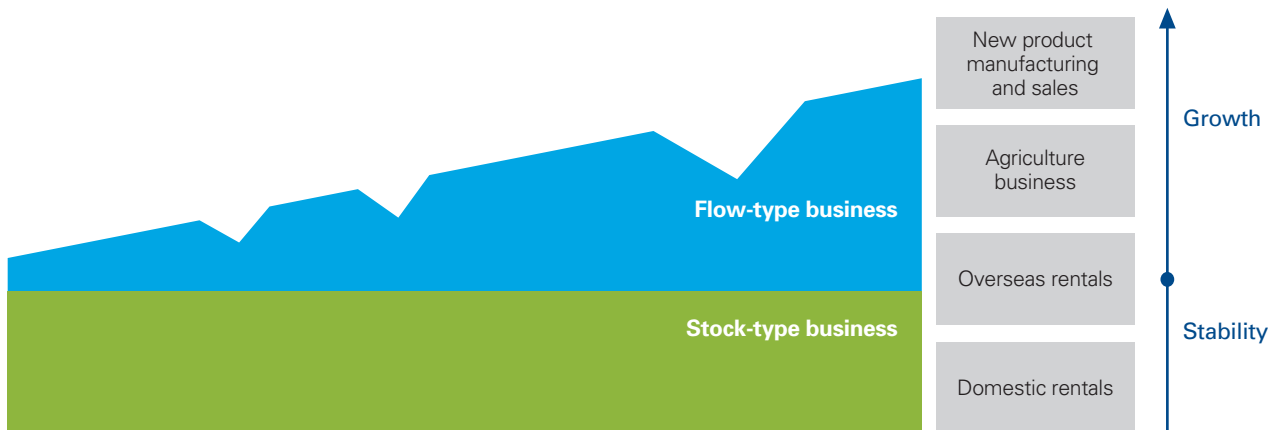
For that purpose, we plan to provide various functions to our factories and equipment and materials centers. One of the initiatives is unmanned operations. While unmanned operations enable us to improve the operational efficiency and leverage human resources, we recognize the need to adopt robot and AI technologies as well as set up initiatives to control operations after production in the manufacturing process, such as quantity control. In the new medium-term management plan, we will establish a system that takes advantage of IT to break away from labor-intensive operations.

In the sales business, we will strengthen cost management capabilities, taking into account development capacity and production costs as a manufacturer. We also need to evolve the Iq System, our next-generation scaffolding, agricultural greenhouses and structural equipment including seismic dampers to products with higher added value. We must work to improve productivity including reviewing production activities at factories to provide reasonable-priced and more competitive products. After absorbing Hory Corporation, we successfully united the corporate cultures and organized a working environment that is ideal for both work and human resources development. Under the divisionalized organization system, we will accelerate business development.

Further linking the rental business and the sales business, and transforming business models making full use of IT, will enable us to connect with customers as well as others

Basic strategy: business model combining stock and flow

SRG TAKAMIYA aims to combine a stock-type business generating stable earnings (focused on the rental business), a flow-type business that fluctuates but with prospects for growth (mainly manufacturing and sales), and the overseas business offering growth potential, in order to establish a corporate group able to generate high earnings and growth over the medium- to long-term.



within the Group. By these measures, we aim to evolve into a company that can provide superior frameworks, instead of simply providing quality products.

Full-scale expansion of the overseas business and new business as growth drivers

We have actively pursued expansion of our overseas bases, but at the same time encountered challenges such as a lack of smooth communication and collaboration among the bases. However, in the past few years we have focused on improving the management structure and supply systems at the overseas bases; each function is now connected to the others, leading to smooth communication among bases. Under the leadership of the Overseas Business Department, we have been promoting personnel exchanges among bases, and we are also establishing a framework to promote overseas business development while strengthening collaboration among bases in Korea, the Philippines, and Vietnam.

The new medium-term management plan will include making necessary investments to expand business, such as in production bases and equipment and materials centers, so that overseas business becomes an earnings pillar. As part of the initiative, we are promoting work on the third-

phase expansion for the factory in Vietnam to boost its functions as a mother factory. Over and above establishing new equipment and materials centers in Vietnam and the Philippines, we plan to expand overseas bases as necessary.

We have been receiving rapidly increasing inquiries from overseas companies that are interested in our active overseas business development. We expect that opportunities for new alliances will increase.

In the agriculture business, which we predict to be a promising market, we will take advantage of our experience in scaffolding to further advance the agricultural greenhouse business. In addition to in-house human resource development and marketing, the Company is considering another option to acquire know-how and human resources through M&A. In April 2018, we concluded a contract to transfer the agricultural greenhouse business from an agricultural-related manufacture. We will continue to aggressively develop the agriculture business while securing skilled human resources to expand it.

Human resources are the key to create a new future

We will proceed with transformation in every aspect, but there is nothing more critical than personnel to make it succeed. What we need is human resources who can



G-Castle series: Weather-resistant steel-framed agricultural greenhouses



HORY VIETNAM Co., Ltd.

design a fresh future, seize the initiative by themselves, plan, and create new frameworks. We will promote the hiring, training and leveraging human resources who will take on the future as their most important managerial task.

Our turnover rate is as low as 8.2% (in the fiscal year ended March 2018), but there are still many work-style reform needed to keep our employees motivated and meet their expectations. We are responsible for promoting diversity to make use of the spectrum of qualities our employees possess regardless of age, gender, or nationality, and to improve the work environment to reward their motivation.

In October 2017, we reformed our personnel system in which we have established a framework whereby female employees can play leading roles in the Company. Examples include setting up the Building Estimation Section that supports the sales force, recruiting female sales engineers, and a work-at-home scheme for employees while they take childcare leave.

By promoting diversity, we expect the workplace to become more comfortable by having people with diverse individuality, who accept each other, thereby improving profitability and other corporate value.

Furthermore, we will promote management reforms to improve productivity. Such reforms include an evaluation system that raises awareness of sales and earnings per capita and responds to the results, and the introduction of IT systems to improve efficiency. We are also endeavoring to improve workplace environments and institutions where all employees can work with a sense of fulfillment.

ESG as a management foundation

We recognize that corporate governance is becoming ever more crucial as we transform business models and accelerate overseas business development. We will

continue to proactively disclose information while improving the accuracy of information to convey, such as industry reports. We have steadily strengthened our corporate governance as a company with a Board of Corporate Auditors, including appointment of all Outside Directors and Outside Corporate Auditors to Independent Officers, and we will continue with these efforts into the future.

Furthermore, from the standpoint of preparing for various business risks such as a rapid deterioration in the business environment, sharp increases in materials and component costs, and tighter monetary policies, we also need to emphasize the importance of cash flows for financial health. Also on the list to promote is establishing a risk management system and training human resources engaged in such operations on a global basis to address risks such as collective risk associated with proactive investment overseas.

With the adoption of a divisionalized organization system, we are promoting delegation of authority to each business division manager. Business division managers should demonstrate the same leadership and sense of responsibility as a company president. Due to this reform, we expect to have more human resources who can manage a company as managers seeking “growth based on efficiency.”

We are also promoting initiatives such as introducing overseas training programs for local staff to be trained in Japan in order to realize management diversity at an early stage.

The scaffolding-related business, the Company’s current core business, is indispensable for building and improving social infrastructure; essentially our business activities themselves provide social value.

Recognizing that we have already offered high-value-added products and services to date, this idea now needs to extend to emphasizing added value especially from an

environmental perspective. And there will be additional social expectations to add environmental value to product development as a manufacturer.

We will continue to strive to respond to social issues and reduce our environmental impact through our business activities.

Aiming at a corporate group that strives to create new added value

The Company will celebrate its 50th anniversary in June 2019. To mark the occasion, we will change the company name to "Takamiya Co., Ltd." from April 2019. As a super rental group (SRG), SRG TAKAMIYA Group's business up to now has centered on rental of temporary equipment and materials to the construction industry. Meanwhile, with a view to long-term growth, we have strived to expand into areas other than the rental business, including manufacturing and sales business, overseas business, and agriculture business. The corporate name change is also the first step towards further advancing this initiative and transforming into a corporate group that is completely reborn in every aspect.

It is not possible to achieve sustainable growth without practicing the management vision of "aiming to be a corporate group that drives the qualitative development of the industry." Our future direction is the group which can discover the potential in new businesses, and create and establish new frameworks based on them. To that end, we must build a foundation and structure from a long-term perspective. In addition to promoting new initiatives, we will also focus on earnings.



To nurture and reinforce our foundation as a business, we will keep on making prudent investments. As for shareholder returns, the policy of paying stable dividends in line with business results will remain in place. We will also consider other profit distribution options besides dividends.

We will never stop working hard to deliver higher corporate value such as profitability and brand power by not only developing and marketing high-value-added products, but also by establishing new frameworks to support them.

I would like to thank all stakeholders for their support in taking a longer-term perspective toward our strategies.

July 2018

Kazumasa Takamiya
Representative Director, President and Chairman

Change of corporate name and logo



Left: Corporate logo for Takamiya Co., Ltd.
Right: Group logo common to group companies

Along with the new medium-term management plan, we established the vision of "Create new value by transformation and aim to become a corporate group that drives the qualitative development of the industry." We also decided to change our corporate name and logo.

The new design uses a Japanese kanji character motif and possesses the same elegance on display in a Japanese ancient coat of arms. It also has a refined simplicity, as well as a universal and sophisticated impression. In addition, its symmetrical design (line symmetry) expresses harmony with society and nature, as well as a sublime sense of balance. The logo represents the Group that aims to change itself completely, in other words, to transform, with an orientation toward the future.

Our Strategy for Growth and Commitment: Message from the Executive Vice President



Consolidating the Sales Structure and Continually Providing Added Value Unique to the Group

Further expanding market share for next-generation scaffolding

As history has demonstrated when smartphones transformed the communications market, the data shows that if a product's market share exceeds 16%, the existing product is rapidly replaced with a new product in the market. Currently, the market share of next-generation scaffolding has grown to account for about 20% of the overall scaffolding market.

In the scaffolding industry, companies tend to keep using the same products for decades while continuing to maintain them once purchased, due to their durability. We reevaluated this custom in order to respond to issues such as an increase in accidents and evolving customer needs. The result was that in 2013, we introduced a completely new next-generation scaffolding, the Iq System, that excels in safety, workability, efficiency and other aspects. From the very start, we have been earnestly expanding the next-generation scaffolding business from each aspect: rental, sales and set-up. Competitors have begun to enter the market and the foundation for full-scale expansion has now been established. The next three years will be the period where we ride the wave of this innovation that we ourselves created and recover our investment.

We have completed the replacement of our assets for lease from conventional scaffolding to the Iq System. The Company has also reorganized the manufacturing system

and is well prepared to increase market share. We will further strengthen our sales capabilities and work to expand profitability.

Rental company + Manufacturer: Unique competitive advantage

In January 2018, we absorbed Hory Corporation, a subsidiary company. We believe that this will present opportunities for new businesses by integrating a rental company and a manufacturer. In fact, we are already receiving more inquiries from customers relating to product development also in the rental business, and we are sensitive to the expectations they hold for us as a company with both rental and manufacturing functions.

One of our strengths as a manufacturer is that we work closely with construction sites. In addition to having a broad customer base in both the rental and sales businesses, we have a Construction Department involved in scaffolding set-ups, and we can collect data and requests direct from construction sites. Furthermore, our rental sales force talks with customers to assess their needs, and we can use this information to develop the next products and create new frameworks. These are our competitive advantages.

Hory, the company we absorbed, has a long history and advanced technical capabilities. Since Hory joined the Group, it has been actively hiring engineers, and we are confident that the merger will further lift our technological and development capabilities and accelerate manufacturing.

Creating frameworks to enhance efficiency

During the three-year of the 2018 Medium-term Management Plan, we will improve productivity to fully operate the assets for lease and production facilities that we have invested in, as preparation.

To this end, it is imperative that we review existing operations from all aspects and emphasize better productivity more than ever. The key to this is IT.

For example, we are promoting efforts to exceed the usual marginal operating rate* for equipment and materials centers. The goal is to minimize manual intervention by introducing IT such as AI, which can be applied to the management approach, inventory control, delivery and other tasks. Such measures will help to raise productivity and relocate our human resources, leading to the creation of new value by revitalizing our people.

*Marginal operating rate: a marginal point beyond which there will be a shortage of equipment

Cultivating businesses that generate stable earnings

The creation and development of businesses that generate stable earnings is also a pillar of the Medium-term Management Plan, and the agriculture business is at its core. Currently, the average age of farmers in Japan is 66 years old, and it is said that 30% of farmers will be out of business in ten years' time. In 2015, we launched the agriculture business with the conviction that we can help solve this social issue by applying our expertise and technological capabilities cultivated in the scaffolding business.

The motivation behind developing the agriculture business is to reinforce Japanese agriculture. There are challenges to address since we are a latecomer to the industry and hail from a different sector. However, our entry has created new trends in the industry, such as a drop in product prices. Looking ahead, we aim to develop products with higher added value than ever, further enhance profitability, and cultivate the business to be a pillar of stable earnings during the period of the new medium-term management plan.

Structural equipment, especially seismic dampers, is also a field in which we can exercise our metal processing technologies. In Japan, where earthquakes frequently occur, safety is a basic function of buildings. We aim to increase sales mainly to small and medium-sized building contractors by appealing to the superiority of our products, which can reduce vibration by about 60%, toward standardizing the vibration damping function for housing.

Strategic direction after 2020

There is a view that the market after 2020 will continue to expand as demand for infrastructure development continues. However, issues such as the labor shortage and the aging population remain, so we cannot keep implementing the same strategy as before. As for domestic business growth in particular, measures that take into account efficiency and profit margin will be crucial.

The new medium-term management plan period is also the preparation term to create frameworks for us to continue to grow beyond 2020. When considering the possibility that the domestic market may shrink, this may sound extreme, yet we think it is necessary to take the bold step of creating mechanisms and frameworks to further improve safety, even including eliminating scaffolding itself.

We will also promote initiatives to support the qualitative development of the industry in various fields, such as agriculture, seismic damping, and earthquake resistance, as well as scaffolding and construction that has been our core business to date.

Becoming a company that can create a clear vision for the future

Based on the information we have collected ourselves, we have continually pursued with conviction what we thought to be right. This attitude of "facing the future head-on" personifies our corporate culture. We are also building a future-oriented strategy in the new medium-term management plan.

It is our belief that we will transform into a corporate group that can create a clear vision for the industry's future through altering various frameworks. To create strategies unbound by convention and staying ahead of others, and by extension leading qualitative development in the industry, we need to first transform ourselves.

My responsibilities include consolidating the current sales structure during the next three years, as well as making it possible to consistently offer unique added value, such as proposal-based marketing and sales, development of high-value-added products, and establishment of the agriculture business as the next business pillar. We will continue enhancing our value to remain our customers' first choice.

July 2018



Akiyoshi Takamiya

Representative Director and Executive Vice President

Our Strategy for Growth and Commitment: Message from the Director and Managing Executive Officer



Changing Investment Policies and Management Base, Preparing to Transform

Review of the fiscal year ended March 2018

In the fiscal year ended March 2018, net sales were ¥36,114 million (down 1.8% year on year), operating income was ¥1,690 million (down 30.4%), ordinary income was ¥1,610 million (down 31.1%) and profit attributable to owners of parent was ¥1,252 million (down 17.4%).

In the rental business, while the operating rate remained high for building construction in the private sector due to strong demand, particularly for the next-generation scaffolding Iq System, sales declined due to the fall in shipments in the civil engineering and bridge construction field. In addition, the increase in depreciation and amortization due to the frequent renewal and expansion of temporary equipment and materials up until the previous fiscal year was a factor driving down profits.

In the sales business, the number of inquiries related to the Iq System has been increasing due to the proactive proposal-based marketing efforts and other efforts to meet the diverse needs of customers. However, sales were sluggish due to the stagnation in demand lasting longer than expected as a result of the delays in construction work projects and other factors. The low number of large-scale projects also contributed to the decline in sales year on year. Furthermore, inter-segment sales also declined sharply due to the merger with Hory Corporation, a consolidated subsidiary, in January 2018.

Meanwhile, in the overseas business, we completed the strengthening of the internal management systems at overseas group companies, mainly

DIMENSION-ALL INC. (Philippines) and Hory Korea Co., Ltd. (South Korea), which had been a pending issue. We identified the roles and strengths of each company, deepened collaboration and exchanges of resources such as personnel, products and equipment between them, and laid the foundation for the full-scale development of the overseas business. In the Philippines, we continue to actively develop sales activities against the backdrop of vigorous construction demand, particularly in and around Manila, and the operations rate has been higher than ever before. In South Korea, the temporary equipment rental business in that local market grew, and the production output at the factory in Vietnam also remained solid.

Developing the new medium-term management plan

In the previous medium-term management plan, we invested about ¥10 billion and completed the transition of domestic assets for lease from conventional scaffolding to the next-generation scaffolding Iq System, as originally planned. Initially, we intended to spread the use of the Iq System in the rental business and to accelerate sales at the same time, while offsetting the burden of depreciation through sales of the used conventional scaffolding. However, the business results were unsatisfactory because the next-generation scaffolding did not penetrate the market as expected.

The Iq System has revolutionized the industry by offering high safety and workability, and has gained an excellent reputation among customers through rental services. However, unlike consumer goods, scaffolding as a product is a highly durable, long-lasting asset. Because of those characteristics, customers are extremely cautious about replacing existing assets with new ones. Also, for us as a manufacturer, this Iq System was our first undertaking in developing and selling a new product. Our lack of experience meant that some parts of the project did not proceed as planned. Other external factors also contributed to disappointing business results, such as delays in civil engineering projects. However, competitors also faced the same tough business environment.

Although the Company announced its basic policy in May 2017 in the medium-term management plan, that did not include specific numerical targets and strategies because of the uncertain outlook in the business environment. However, in the second half of the year ended March 2018, construction work related to civil engineering and bridges re-started, and we began receiving an increasing number of inquiries for large orders for the Iq System. Therefore, we once again revised the medium-term management plan, which we are now advancing. The business environment is expected to improve over the next three years. I believe that we will have a broad spectrum of strategy options and will be able to steadily expand our competitive advantages as we have already completed investment in leased assets and we can start to yield full-scale returns on them.

Key management indicators and investment policy

With capital efficiency in mind, we will proceed with management reforms with an aim to restore the levels of ROE and ROA, focusing on sales, operating income, and the operating profit margin. We also believe that the

Consolidated financial highlights and targets for the Medium-term Management Plan

(¥ million)

	2018.3 (Results)	2019.3 (Forecasts)	(Medium-term Management Plan) 2021.3 (Targets)
Net sales	36,114	41,000	50,000 (Up 38% from FY3/18)
Operating income (1)	1,690	2,500	4,000 (Up 137% from FY3/18)
Operating profit margin (%)	4.7	6.1	8.0 (Up 3.3 percentage points from FY 3/18)
Ordinary income	1,610	2,230	–
Profit attributable to owners of parent	1,252	1,333	–
Depreciation (2)	4,662	4,900	–
EBITDA (1+2)	6,353	7,400	–
Earnings per share (yen)	29.26	31.11	–
Dividend per share (yen)	11.0	11.0	–
Equity ratio (%)	25.0	–	34.0 (Up 9.0 percentage points from FY3/18)
ROE (%)	9.8	–	14.0 (Up 4.3 percentage points from FY3/18)
ROA (%)	3.1	–	6.0 (Up 3.0 percentage points from FY3/18)

equity ratio can be raised to the target of 30% or more over the next three years by accumulating retained earnings.

The Company views EBITDA as an important indicator of profitability and expects an increase from about ¥6 billion to nearly ¥9 billion over the next three years. Instead of investments in domestic assets for lease, which we will significantly reduce, we plan to invest proactively in new growth businesses, such as the overseas business and the agriculture business, and make capital investments to improve productivity, among other purposes. We will change investment targets and prepare to transform the business model on the financial end as well.

For our overseas strategy, we are aiming to build a system with in-house production capabilities at overseas bases. The first step will involve expanding the factory in Vietnam as a measure to enhance the production base, shifting production from South Korea where labor costs are rising. Then, South Korea, in turn, will become a marketing base to expand the rental business in South Korea and Southeast Asia. We also plan to invest about ¥3 billion in the Philippines over the next three years, as well as seize upon prospective M&A opportunities.

Furthermore, we are looking into a common ERP system that will centralize management at domestic and overseas bases. In addition to investing in IoT and IT technologies to reduce the burden of administrative tasks and improve production efficiency, we will also invest in human resources, such as research and development personnel and engineers, mainly in the agriculture business.

Further strengthening management control functions

Based on a long-term perspective, we will work to strengthen the Group's management control functions by way of improving productivity and work-style reforms, which will take place simultaneously, as well as reinforcing our corporate governance system.

We will also advance personnel system reforms that will link incentives with performance appraisals, based on clear goal-setting. Through such reforms, we will hire and develop personnel who are future oriented and independent, regardless of age, gender, nationality, or other attributes. To move ahead with these initiatives, we have already begun to leverage more potential from our female employees and overseas personnel. We also intend to continue improving our approach to corporate governance

in anticipation of global-scale growth and to reach new heights as a corporate group.

The next three years will become a major turning point

We cannot create new value just by making changes based on the past. Transformation, which constitutes the core of our vision in the new medium-term management plan, indicates an orientation toward the future. First, we picture an ideal outcome, which we then break down into concrete strategies and goals to achieve, including promoting financial strategies, improving productivity, and implementing work-style reform. I am confident that by adopting these principles, we can transform the Company dramatically.

It may be difficult for the entire company to completely transform in the next three years in a uniform manner. However, a key signal of the transformation will be when we change our corporate name to mark the Company's 50th anniversary in 2019. Our task is clear: to make every effort so that the Group's employees understand the significance of the group-wide transformation and feel the coming of change.

In order for a company to thrive over the long term, it must navigate through and around the hazards it encounters over time that represent the need for drastic change. We will make the next three years a period of positive transformation in all the ways possible, so that when we look back at this period decades from now, we will be able to say that this was indeed a key turning point.

We would like to thank you, our shareholders and investors, for your continued support. We hope to surpass your expectations as the Company transforms to achieve sustainable growth.

July 2018



Hideki Yasuda
Director and Managing Executive Officer
Division General Manager of Business Management Division

Rental Business

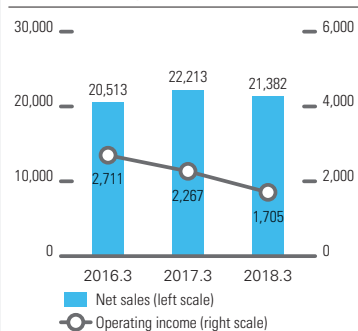


Competitive advantages

The rental business was established early in our history. Currently, the business covers a variety of construction sites, such as underground, ultra-high-rise buildings, highways, bridges, and sites implementing natural disaster countermeasures. In cooperation with the Construction Department and our Group companies, we have developed a system to provide a one-stop service, available throughout Japan, in which we do everything from planning, creating blueprints, making arrangements for equipment and materials of temporary construction projects, and through to the execution of construction projects and safety control.

Most of our leading lease equipment and materials are manufactured in-house, including scaffolding for construction sites, keeping procurement costs low. Developing products such as the Iq System, that are not only safe but also light and versatile, makes this possible. Due to these efforts, we support worksites by reducing management costs.

Net sales and operating income (¥ million)



*Net sales and operating income include inter-segment sales or transfer.

Enhancing profitability by improving operating rates and by establishing frameworks for growth

We provide rental services for light-duty temporary equipment and materials for all types of construction sites, such as building sites, bridges, ultra-high-rise building renovation, tunnels and underground construction. Our strength is the ability to accurately respond to a variety of needs by combining our rental services with our Group's capabilities, which include developing and manufacturing products, construction, and design. We also ensure quality control of equipment and materials, thereby contributing to creating safe and efficient worksites.

In order to keep up with the brisk demand for domestic construction, we are thoroughly improving efficiency and establishing measures for further growth to enhance profitability.

Results for the year ended March 31, 2018

In the rental segment, net sales decreased to ¥21,382 million (down 3.7% year on year), while operating income fell to ¥1,705 million (down 24.8%).

The number of orders received decreased in the Kansai area due to delays in large-scale projects while remaining solid in the Chubu area. The percentage of sales in the Kanto area is slowly rising, mainly due to the demand being generated by the upcoming Tokyo 2020 Olympic and Paralympic Games and restoration projects for aging infrastructure.

In temporary materials for civil engineering and bridge construction, shipments of materials for received project orders had stalled due to a slowdown in construction and delays in the start of construction projects. During the second half of the fiscal year, the shipping volume of overall temporary equipment and materials finally exceeded the previous year's level, but the increase was not large enough to compensate for the decline in shipments during the first half of the fiscal year. As a result, the overall operating rate of assets for lease dipped to a record low of 45.1%, compared to approximately 50% in the previous fiscal year. An increase in depreciation and amortization costs due to active efforts to increase temporary equipment and materials as part of the former medium-term management plan also contributed to the decline in profits.

Collaboration with the Health and Safety Partner Association, our nationwide network of scaffolding companies, successfully allowed us to leverage the safety and the workability of temporary equipment and materials and propose added value services that included setting up of scaffolding. Due to these efforts, the operating rates of the next-generation scaffolding Iq System remained high, especially in private-sector building construction.

Acquiring strong demand and accelerating the industry standardization of next-generation scaffolding

Stalled shipments on equipment and materials negatively impacted operating rates in the previous year. In the fiscal year ending March 2019, shipments for previously ordered projects in civil engineering and bridge construction-related projects have begun, and operating rates in this area are expected to improve significantly.

As investments in construction are expected to begin in earnest, especially in the Tokyo metropolitan area, we anticipate further growth in demand for the next-generation scaffolding Iq System. As an increasing number of competitors are entering the market for next-generation scaffolding, we see the trend as advantageous for us. Because we have already completed replacing our assets for lease with the Iq System ahead of our competitors, we will be able to meet the strong demand for next-generation scaffolding. As the number of projects in which customers specify next-generation scaffolding steadily increases, we plan to enhance profitability while making adjustments toward offering reasonable prices.

Message from the Officer in Charge



Driving transformation through human resource development and qualitative growth in the rental business

Tsutomu Abe

Director and Executive Officer
Division General Manager of Sales & Marketing Division
General Manager of Rental Department

The rental business recorded declines in net sales and profits for the fiscal year ended March 31, 2018. We must take heed of these disappointing results and move forward with making improvements. Lower profit margins indicate that there are still obstacles in attaining efficiency in asset management and improving productivity, the latter of which is an especially important challenge for the Group. Additionally, after the merger with our regional subsidiaries, reestablishing local operating structures required more time than we had anticipated, which also affected sales and profits. With an aim to resolve these issues, we launched the new medium-term management plan. Under the plan, we have set two major objectives for the rental business: attaining qualitative growth and contributing to the growth of the Group.

As we have completed investments for asset renewal and have entered the phase where we yield returns from investments, additional investments in assets will be limited. In order to efficiently create profits using assets we currently own, controls that reach beyond the sales and marketing domains are required. Those controls include overseeing the operation of equipment and materials,

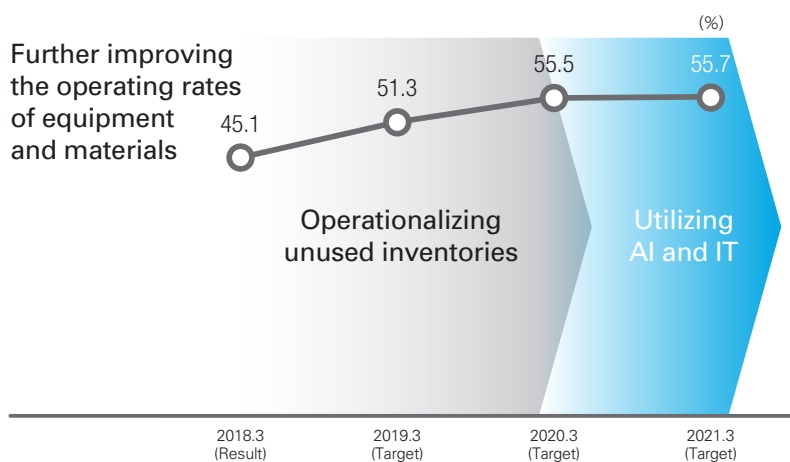
such as the reduction of the downtime between when equipment and materials are returned and the next delivery and optimizing allocation of equipment and materials according to regions or project types. In the meantime, we are leveraging technologies and product appeal from our conventional sales styles, as well as making use of those technical capabilities and improving our proposal processes to make the Company more attractive to clients. The rental business has more personnel compared with other business segments, and is therefore more responsible for making profits, which is foundational to the growth of the Group.

As I serve in a position that oversees sales activities, I am aware that my mission is to work in high-level coordination with the sales business and the Construction Department and to also work closely with other departments as a Director to achieve a high degree of growth in the rental business. We will drive transformation, which is the company's vision in the new medium-term management plan, through human resource development and achieving qualitative growth in the rental business.

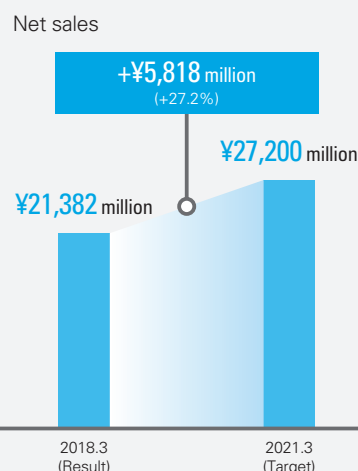
In the civil engineering and bridge construction area, the operating rates of equipment and materials are expected to improve due to the launch of previously delayed construction projects for the Hokuriku Shinkansen Line and infrastructure repair projects. Owing to those improvements, we expect to easily achieve an operating rate of 50% or higher with the assets for lease currently owned alone during the Medium-term Management Plan period. We aim to further enhance operating rates and profitability by making significant changes to frameworks through promoting the use of IT and AI technologies to improve efficiency in the medium to long term.

Additionally, we will capture the strong demand through proposal-based rental services, in which we make suggestions to customers about what equipment and materials are suitable for which worksites, choosing from our wide range of products.

Key strategies



Numerical targets under the 2018 Medium-term Management Plan



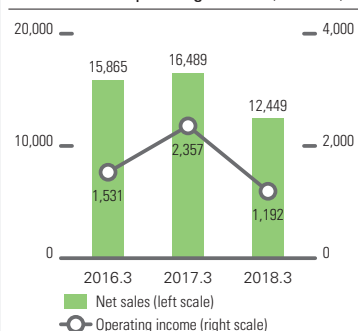


Competitive advantages

We, as a rental company with manufacturing capabilities, have unique competitive advantages in the industry in which manufacturers often provide rental services. One of our advantages is that we are able to listen to customers directly about their many different needs and make use of this information to improve or develop products. Another of our strengths is that we are able to promote our newly developed products through rental services and set-up services, contributing to the expansion of sales. Furthermore, our rental segment purchases a certain amount of those manufactured products as assets for lease. This leads to stable production, giving us a competitive edge in terms of cost as well.

In addition to developing, manufacturing and sales of original products that leverage our metal processing expertise, we sell highly profitable merchandise, including depreciated assets for lease that we own, as well as used products.

Net sales and operating income (¥ million)



*Net sales and operating income include inter-segment sales or transfer.

Honing our strengths as a manufacturer and promoting the development of high-value-added products

By utilizing the metal processing technologies and expertise in scaffolding that we have cultivated, we are able to cover a broad range of operations in our business, including the development, manufacturing and sales of original products, such as the next-generation scaffolding Iq System and other light-duty temporary equipment and materials. We also provide clamps, as well as seismic dampers, solar panel frames, and agricultural greenhouses.

Development and manufacturing capabilities are at the core of the services and strengths that our Group provides, enabling us to meet a variety of needs in worksites and create new value.

Results for the year ended March 31, 2018

Net sales in the sales segment decreased to ¥12,449 million (down 24.5% year on year). The decline was partially due to the absorption merger with Hory Corporation in January 2018. Because of the merger, inter-segment sales fell 54.9%, while sales from external customers dropped 14.9%. Along with the decline in net sales, operating income also decreased to ¥1,192 million (down 49.4%).

In the construction-related area, there were many inquiries from customers for the next-generation scaffolding Iq System and we proactively proposed solutions to meet a variety of clients' needs. Due to such efforts, the total area in which Iq System was used increased to 4.55 million m² (up 24.7%), and the market share of the Iq System is now approximately 5.5%*. However, despite an increase in the number of companies selling the system, we were unable to achieve our target due to a lack of large-scale projects and rush demand near the end of the fiscal year.

In the environment-related area, sales of solar panel frames were unexpectedly robust. On the other hand, in the agriculture business, despite increases in inquiries and orders received, we failed to achieve our target as they did not sufficiently contribute to performance. Net sales from sales of used products increased compared to the previous fiscal year, but the gross margin ratio declined due to a decrease in sales of depreciated assets.

*The ratio was determined using the total area using Iq System (4.55 million m²) against the total area of conventional scaffolding (scaffolding frames) (82.1 million m²). Calculated by SRG TAKAMIYA in accordance with the "Survey on Construction-related Businesses" (Ministry of Land, Infrastructure, Transport and Tourism, March 2018).

Strengthening our unique competitive advantages as a manufacturer

As the transition to next-generation scaffolding progresses in the industry, we will promote more detailed proposal-based marketing for temporary equipment and materials and aim to expand the sales of the Iq System. We will also continue to enhance sales of our strategic products, Spider Panel, an advanced system of hanging-type scaffolding, and Lift Climber, a mast climbing work platform.

For environment-related areas, we plan to promote product development for the agriculture business and to accelerate its growth as a stable key earnings driver, also with an eye towards partnerships and mergers and acquisitions to acquire expertise and human resources. Additionally, we will continue to develop and provide high-added-value products, such as structural equipment products, including the seismic dampers WUTEC-SF and Oct-brace.

We also plan to restructure production items at each plant in Japan and overseas and establish manufacturing and procurement systems that focus on cost reductions. We will cultivate the merged Hory Corporation's technological and development capabilities and hone our unique strength of providing both rental and sales services.

Message from the Officer in Charge



Aiming to make the Iq System the de facto standard in the next-generation scaffolding market

Hidehiko Yamashita

Executive Officer
General Manager of Sales Department
Sales & Marketing Division

The Iq System has been the growth driver for the sales business. Sales of the Iq System for the fiscal year ended March 31, 2018 totaled approximately ¥1.9 billion, which was lower than the previous fiscal year. This, however, was because of a large project that we received during the fourth quarter of the preceding fiscal year. If this factor was excluded, sales of the Iq System have been on the rise. One of the goals set in the new medium-term management plan is to achieve three-year total sales of approximately ¥11 billion, nearly twice as much as the cumulative sales for the past four years. However, the business environment is projected to be significantly different.

When we launched the Iq System into the market, our clients would ask why they have to purchase new scaffolding with new specifications when they already have depreciated assets. Under those challenging circumstances, we have continued to hold the Iq System as assets for lease, allowing our clients to experience 190-cm-tall scaffolding. As a result, next-generation scaffolding has finally been recognized and accepted in the industry and the term "next-generation scaffolding" has started to be widely used by our competitors. Although we see this as a threat to us, we also believe that we have set the stage for positive

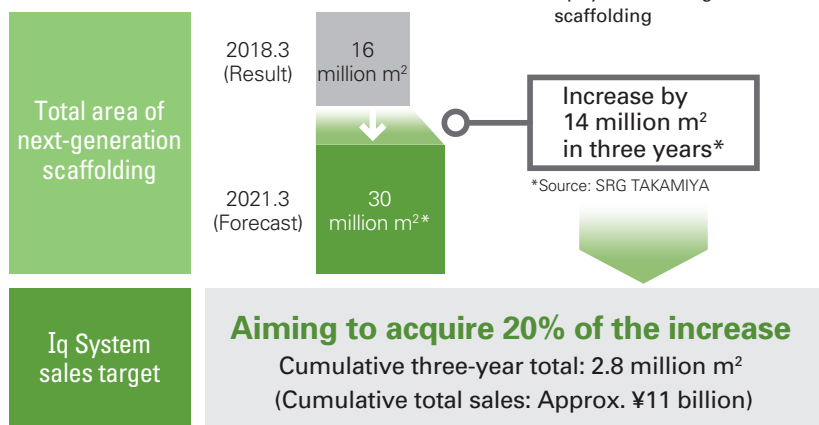
competition between next-generation scaffolding products and have created a business environment to further promote this innovation industry-wide.

We have great advantages over other companies as we have already been promoting the use of next-generation scaffolding through the rental business ahead of our competitors, as well as having over 200 clients buying the Iq System. In addition, the operating rate of the Iq System we own has significantly exceeded the operating rate of conventional scaffolding and we even recognize a shortage in the number of Iq Systems. In other words, our case serves as an example for other rental companies which will be investing in asset replacements.

Our expertise in maintenance, use and storage of scaffolding is our best sales tool, which only the leading company in the industry can attain. Through cooperation with our rental business, which includes mainstay scaffolding construction, we can choose original sales strategies unavailable to any other companies. By leveraging these advantages, we will aim to make the Iq System the de facto standard in the next-generation scaffolding market.

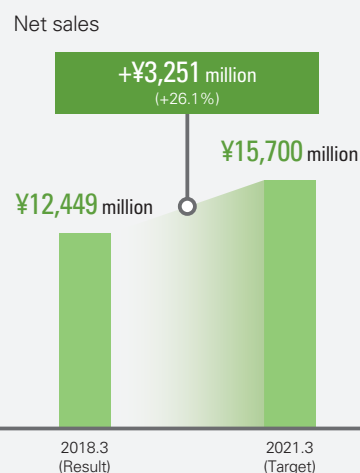
Key strategies

Gaining market share in next-generation scaffolding



Iq System: Next-generation scaffolding

Numerical targets under the 2018 Medium-term Management Plan

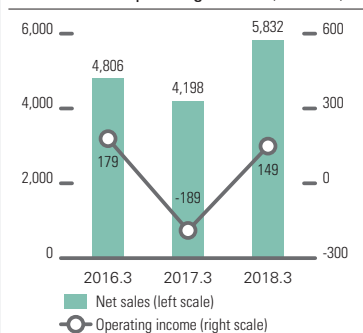




Competitive advantages

One of the features of our overseas business is that each subsidiary operates its business mainly through transactions with local construction companies. In South Korea, Hory Korea manufactures and sells temporary equipment and materials, as well as solar panel frames. In the Philippines, DIMENSION-ALL leases support system to major local construction companies for building construction and civil engineering projects. The production base in Vietnam has adopted Japan's manufacturing techniques and the latest equipment, and it is achieving price competitiveness by manufacturing products that meet local demand in order to reduce costs. We are proactively promoting overseas operations while making use of each location's strengths and also reinforcing people-to-people exchanges and cooperation between businesses.

Net sales and operating income (¥ million)



*Net sales and operating income include inter-segment sales or transfer.

Overseas business shifts into high gear as a long-term growth driver

In order to make the overseas business a next generation growth driver, we have been proactively expanding our global operations while continuing to invest in improving and expanding our facilities aiming at further growth. We are looking to strengthen the earnings structure for both the rental and sales businesses through organic cooperation between the production base in Vietnam, the marketing base for rental services in the Philippines, and the manufacturing and marketing base in South Korea.

Results for the year ended March 31, 2018

In the overseas segment, net sales increased to ¥5,832 million (up 38.9% year on year), while operating income totaled ¥149 million, recovering from the previous year's operating loss. The overseas sales ratio was 14.7%.

The Philippines subsidiary DIMENSION-ALL INC., and the South Korea subsidiary Hory Korea Co., Ltd., have completed reinforcing the foundation of internal control systems for sales and inventory management, which had been a challenge for both companies. Due to the subsequent proactive sales activities, operating rates continued to improve. Especially in the Philippines, mainly in Manila and its vicinity, the brisk demand for construction has led to an increase both in sales and rental businesses. In South Korea, demand for solar-related products remained solid, and net sales for DIMENSION-ALL increased, contributing to the growth in the rental business for temporary equipment and materials.

The performance of HORY VIETNAM Co., Ltd., which continues to be reinforced as a production base, exceeded the previous year's level due to increased shipments of aluminum products (AL-SPEEDER, aluminum stairs, aluminum step stools) and clamps.

Meeting brisk demand in the ASEAN region and aiming for high rates of growth

In order to ensure that the overseas business becomes a growth business after the Tokyo 2020 Olympic and Paralympic Games, we have been working to establish supply systems overseas, especially in ASEAN nations. Expansion projects are under way to consolidate overseas production bases in Vietnam. Additionally, we will add new equipment and materials centers in Vietnam and the Philippines, and also increase the number of overseas bases as necessary to capture the brisk demand in Southeast Asia.

In the Philippines, we have seen a constant increase in inquiries about temporary equipment and materials. DIMENSION-ALL purchases equipment and materials for lease from South Korea and civil engineering materials from Japan, steadily accumulating assets available for lease. We will continue to proactively invest in order to establish systems that can meet the brisk demand.

Under the leadership of the Overseas Business Department, we have been promoting people-to-people exchanges between overseas locations. By reinforcing cooperation between overseas bases in South Korea, the Philippines and Vietnam, we are refining systems to allow each of our overseas subsidiaries to independently operate businesses while pursuing efficiency. Additionally, we have our sights set on alliances with major local companies and will proactively pursue M&A opportunities in order to further expand into business domains surrounding our existing businesses, as well as to enhance our Group's capabilities.

Message from the Officer in Charge



Ensuring the building of a foundation for global expansion with a key turning point in sight to play a central role in the growth of the Group

Yuki Mukaiyama

Director and Executive Officer
Division General Manager of Business Development Division

The overseas business segment showed a loss for the fiscal year ended March 31, 2017. Despite these unsatisfactory results, our basic mindset calls for forward-looking management at all times. We decided that in order to play a central role in the growth of our Group in 2020 and onward, we must make reforms to the management control structure in our overseas business segment and build a solid foundation, even if this meant that we have to stall temporarily our sales activities to do so. As a result, we successfully returned to profitability for the fiscal year ended March 31, 2018.

Our overseas business operates mainly in South Korea, Vietnam, and the Philippines, where we already have subsidiaries. When we see Southeast Asia as one market, we must consider which combinations of bases will increase profitability and operational efficiency. Some of the criteria that we have taken into account include each subsidiary's features, regional characteristics and market environment, as well as how best to allocate human, material and

financial resources. I believe that we are beginning to see concrete results from those initiatives.

Furthermore, our pausing to reflect about the issue allowed us to see various events, which had been seen as individual "dots," as clearly forming connected "lines." We will work to make a "surface" with those "lines" over the next few years, an undertaking that we believe will become an important turning point for our business, enabling us to take on a central role in the growth of the Group.

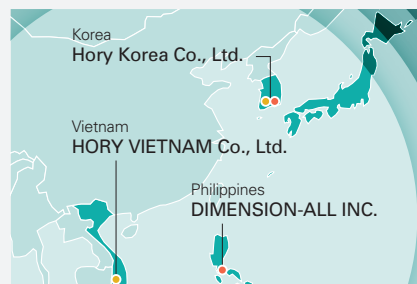
Under the new medium-term management plan, we will commit to achieving a 50.9% increase in sales in three years, which is the highest target among all the segments in the Group. The Asian economy is still strong, with specific economic policies and infrastructure investment projects on the horizon. We will seize this opportunity to establish a solid foundation for "Takamiya" to expand globally.

Roles and strategies of key locations

Hory Korea Co., Ltd.



- Expand the rental business for temporary equipment and materials
- Work toward achieving the widespread use of next-generation scaffolding
- Manufacture and sell solar panel frames



HORY VIETNAM Co., Ltd.



- Mother plant for products for Southeast Asia markets
- Shift production of aluminum products into high gear
- Increase the floor of the plant to meet increasing demand



DIMENSION-ALL INC.

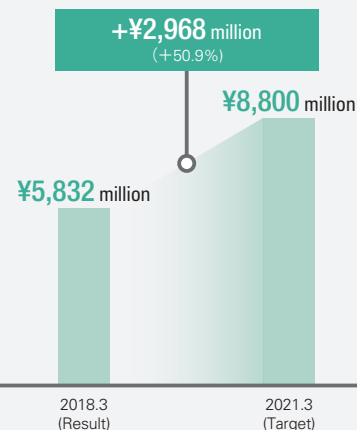


- Sell and lease framework and support system for construction for local construction companies
- Establish a new equipment and materials center



Numerical targets under the 2018 Medium-term Management Plan

Net sales



Response to ESG Issues and Value Creation

These days, the social expectations and responsibilities required of companies are increasing more than ever before. They include contributing to resolving environmental and other social issues and reinforcement of the corporate governance system to support sustainable growth.

We were introducing the theme of safety, environment, and workability to our business before corporate ESG initiatives were prioritized. It is our belief that scaffolding must not only ensure the safety of workers at construction sites and increase workability but also be designed with consideration for the surrounding environment. What lies at the basis of our business is love, as stated in our mission statement, and it serves as our driving force from the perspective of work-style reform and diversity.

We are now expanding our business domains to overseas operations and supplying agricultural materials. Through these efforts, we aim to create corporate value while living in harmony with society.





Case study 1 Reducing our environmental impact at manufacturing sites

➔ Using LED lighting in plants

We use LED lighting, which generates very little heat and contains no hazardous substances, at our plants inside and outside Japan to reduce CO₂ emissions and reduce environmental impact by lowering energy consumption. In addition, as LED lighting does not attract insects, we also expect a positive effect on hygiene control.



Plant using LED lighting (Hory Korea)

Case study 2 Promoting environmental awareness in the office

➔ Reducing paper usage



Tablets are used at Board of Directors Meetings

We have been promoting the reduction of paper usage by using electronic documents at Board of Directors Meetings and other meetings. This effort contributes to minimizing our environmental impact and reduces printing costs, as well as saving time and labor in terms of distributing and collecting documents. Furthermore, electronic documents are easy to search and access, improving the work environment.



Case study 3 Promoting work-style reform and diversity

➔ Promoting the work-at-home system

Generally, it is not unusual that qualified and experienced employees have to give up their career in a company or go on leave due to childcare, nursing care, or similar circumstances. Our management team aims to create an environment where employees can play an active role, so the Company introduced a work-at-home system targeting employees in the Building Estimation Section in April 2018. Under this system, employees can maintain their careers while working at home, meaning they can easily return to their on-site jobs. This way of working is beneficial to both employees and the Company: employees can continue their career and the Company can maintain its valuable workforce.



Working at home by taking advantage of expertise



Case study 4 Improving work environments

→ Providing address-free seating and café booths

We have a variety of address-free seating such as café-style areas and project booths in addition to desk areas. Our office environment is designed so employees can work in many different styles, such as rehearsing for presentations and attending meetings with a beverage.



Colorful office furniture is used. Layouts are changed occasionally.

Case study 5 Developing human resources / Promoting diversity

→ Training program in Japan for employees of overseas subsidiaries

We provide the employees of DIMENSION-ALL INC., a subsidiary in the Philippines, with training at our equipment and materials centers in Japan to promote the inheritance of technical know-how. At the end of three months' training, participants can acquire nearly the same level of technological capability as our Japanese employees. We gave awards to employees in the training program to raise the motivation of subsequent participants.

We plan to implement a training program which will continue for about a year starting from the fiscal year ending March 2019. The goal will be to promote personnel exchanges between group companies, develop global human resources, and improve technical skills.

Case study 6 Contributing to disaster prevention

→ Developing products to prevent disasters

In Japan, which is known as a country prone to natural disasters, landslides and flooding resulting from earthquakes and heavy rain frequently cause tremendous damage. In July 2018, heavy rains in western Japan claimed many victims. When disasters like these strike, our products play an active role in many different situations to save lives.

Tiger Dam: Water bags that can be used in place of sandbags



YT Lock System: Scaffolding system used for landslide prevention work



→ Developing highly efficient products

Japan's labor shortage due to its declining birthrate and aging population will become a major challenge for the nation's domestic industries in the future. We have contributed to productivity enhancement at worksites by developing and commercializing solutions such as robots, AI, and RPA to efficiently carry out tasks in place of humans.

Construction industry

Aging infrastructure across Japan urgently needs maintenance and rebuilding. In these circumstances, the labor shortage in the construction industry may affect everyone in the country. We have created various products, including the next-generation scaffolding Iq System, with the aim of providing a work environment where construction workers can work efficiently and safely. In addition, temporary equipment and materials, including scaffolding, are lightweight and only need a small storage area by design. As these products can be transported by fewer trucks than before, we also contribute to coping with a growing driver shortage.



Iq System: Next-generation scaffolding

Lift Climber: Mast-climbing work platform

Agricultural industry

In the agricultural sector, it is increasingly apparent that there is a shortage of farmers. Because the problem is recognized as a major challenge from the perspective of food self-sufficiency, Japan's national government and local governments have been implementing assistance policies. To address this challenge ourselves, we have started and been actively promoting a business to develop, manufacture and construct agricultural greenhouses. These greenhouses feature high ceilings and climate control to improve productivity and crop yields per unit area. In addition, while software technology is advancing rapidly, there are not enough suppliers that provide low-priced greenhouses with excellent structural designs in this sector. We will strive to help solve these problems and contribute to productivity improvements in the agricultural sector by capitalizing on our technologies and expertise, cultivated through developing and manufacturing temporary equipment and building materials.



G-Castle series: Weather-resistant steel-framed greenhouses

Setting up of an agricultural greenhouse

Management Foundation that Supports Our Value: Corporate Governance



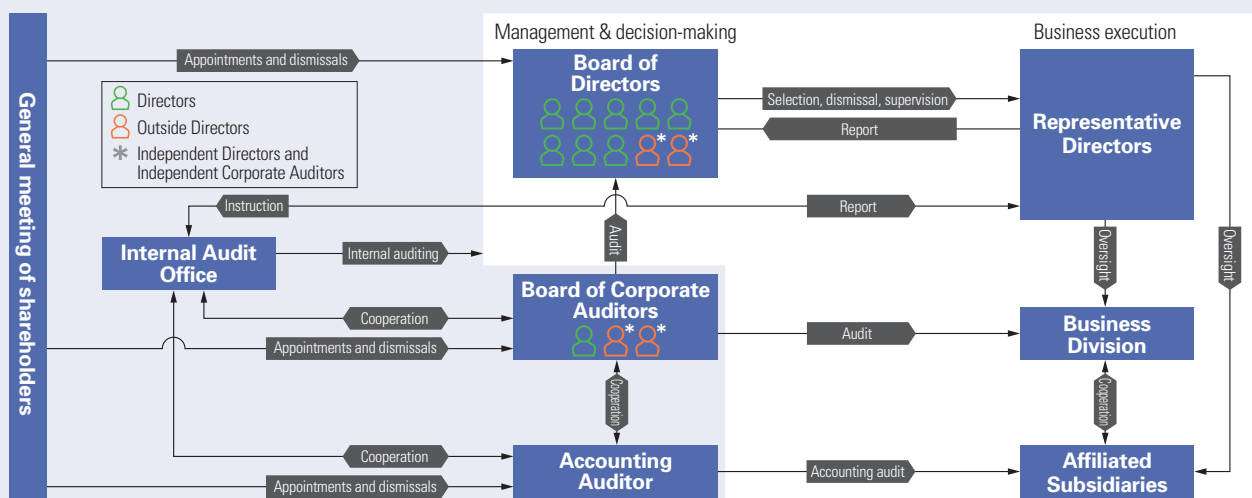
Basic policy on corporate governance

The Group believes that ensuring full compliance, guaranteeing operational transparency and efficiency, and maximizing its corporate value for shareholders and other stakeholders are all central to corporate governance.

Overview of Corporate Governance System

Organization	Company with a Board of Corporate Auditors
Chairman of the Board	President and Chairman, Kazumasa Takamiya
Number of Board Members	Ten, including two Outside Directors
Number of Corporate Auditors	Three, including two Outside Corporate Auditors
Board of Directors Meetings in the FY Mar. 2018	Held: Regularly 12 times, extraordinary five times, written resolutions three times Director attendance rate: 97.7%, Corporate Auditor attendance rate: 90.1%
Board of Corporate Auditors Meetings in the FY Mar. 2018	Held: Regularly 12 times, extraordinary once Corporate Auditor attendance rate: 94.8%
Main Meetings Attended by Corporate Auditors	Board of Directors Meetings, Management Meetings
Appointment of Independent Directors	Two Outside Directors and two Outside Corporate Auditors
Accounting auditor	Ernst & Young ShinNihon LLC

Corporate Governance System



Assessing effectiveness of the Board of Directors and the Board of Corporate Auditors

At every Board of Directors meeting, the Outside Directors and Outside Corporate Auditors supervise and assess the Board of Directors' performance of duties by expressing opinions and remarks informed by their objective positions.

Going forward, we will consider analyzing and assessing the effectiveness of the Board of Directors as well.

Succession plan

Currently, the Board of Directors does not supervise any succession planning. However, we acknowledge that succession planning is a key issue for management, and therefore we have been training candidates from among our management personnel (Directors and Executive Officers). We will prepare to appoint the most suitable successor for top positions, including the Directors and Executive Officers, through constructive discussions on management philosophy and specific management strategies at the Board of Directors meetings and other meetings.

Appointment of Outside Directors and Outside Corporate Auditors

We appoint Outside Directors and Outside Corporate Auditors. Each outside member carries out objective and neutral auditing and monitoring of Directors' business execution from their respective positions, thus ensuring satisfactory corporate governance.

We have no specific standards or policies for appointment of Outside Directors and Outside Corporate Auditors in place at the moment. However, when appointing them, we consider their careers and relationship to the Company and ensure that they can be fully independent from the executive management of the Company and effectively fulfill their roles.

We regularly receive reports from the Corporate Auditors and the manager of the Internal Audit Office and make comments as needed to strengthen cooperation with them.

Reason for appointing Outside Directors

Kouji Shimokawa (Independent Director) Representative Partner of Shimokawa & Partners Accounting Corporation Director of GLOBAL CORPORATE CONSULTING, INC.	We have appointed Mr. Shimokawa as an Outside Director in the expectation that the Company can use his knowledge and experience cultivated in management accounting as a qualified tax accountant.
Noboru Furuichi (Independent Director)	With his experience as a financial advisor at a securities firm and his excellent decision making skills in business, Mr. Furuichi is capable to fulfilling the role as an Independent Director in an adequate manner using his knowledge and experience.

Reason for appointing Outside Corporate Auditors

Yoshihiro Sakatani (Independent Corporate Auditor) President and Representative Director of Japan Management Consulting K.K.	We have appointed Mr. Sakatani as an Outside Corporate Auditor in the expectation that he will utilize his qualifications as a certified public accountant and tax accountant and his deep knowledge and understanding of corporate accounting, to perform his duties appropriately as an Outside Corporate Auditor from an objective and neutral standpoint, based on his professional insight into finance and accounting.
Teiji Joko (Independent Corporate Auditor) YODOYABASHI & YAMAGAMI Legal Professional Corporation The Outside Auditor of G-7 HOLDINGS INC. The Outside Auditor of Onamba Co., Ltd.	Mr. Joko, a licensed lawyer, has been appointed for the position of an Outside Corporate Auditor as he can implement audit activities in an objective / neutral manner with the viewpoint of compliance.

Executive remuneration

Executive remuneration = Basic remuneration + Equity-related remuneration (stock options) + Bonuses

Director remuneration is determined by their respective department's business results to reflect each Director's contribution in achieving targets set in the business plans. We aim to improve the long-term and sustainable growth potential of all of the Group, as well as our corporate value, by ensuring that those assessments are in the shareholders' best interests.

For the fiscal year ended March 31, 2018, executive remuneration for our Directors and Corporate Auditors was as follows:

Classification	Total remuneration (¥ thousand)	Total remuneration by type (¥ thousand)				Number of executives covered (persons)
		Basic remuneration	Stock options	Annual bonuses	Retirement benefits	
Directors (excluding Outside Directors)	236,358	210,828	25,530	—	—	9
Corporate Auditors (excluding Outside Corporate Auditors)	9,600	9,600	—	—	—	1
Outside Directors and Outside Corporate Auditors	12,235	12,235	—	—	—	4

Notes: 1. With regard to the remuneration of Directors who concurrently hold an executive position at a consolidated subsidiary, executive remuneration from the consolidated subsidiary is not included.

2. The above includes remuneration paid to a Director who resigned at the conclusion of the 49th ordinary general meeting of shareholders.

3. The above includes the remuneration paid to Teiji Jouko during his term as a temporary corporate auditor (from March 3, 2017 to June 28, 2017).

Accounting auditor remuneration

For the fiscal year ended March 31, 2018, remuneration paid to certified public accountants and others was as follows:

Classification	Previous fiscal year		Current fiscal year	
	Compensation paid for audit certification work (¥ thousand)	Compensation paid for non-audit certification work (¥ thousand)	Compensation paid for audit certification work (¥ thousand)	Compensation paid for non-audit certification work (¥ thousand)
The Company	32,000	—	32,000	—
Consolidated subsidiaries	—	—	—	—
Total	32,000	—	32,000	—

*Our consolidated subsidiaries of Hory Korea Co., Ltd., HORY VIETNAM Co., Ltd., and DIMENSION-ALL INC., paid a total of ¥3,896 thousand as remuneration based upon audit certification work to Ernst & Young member firms, which are members of the same network as our certified public accountants.

Communications with shareholders and investors

We endeavor to provide shareholders and investors with timely information in a transparent, fair and consistent manner. As well as striving to disclose information in accordance with appropriate disclosure regulations, we work proactively to disclose information that is effective in fostering a better understanding of the Company.

We aim to expand the numbers of shareholders and investors, and are attempting to increase their understanding of our business activities, strategies and performance through direct communications. Specifically, we hold meetings and financial results briefings with analysts and institutional investors, as well as make our financial results briefing videos and materials available to the public. We are also working on adding more contents to our meeting notices and improving briefings for individual investors.

Our main investor relations activities for the fiscal year ended March 31, 2018 were as follows:

For individual investors	For analysts and institutional investors	IR website
<p>•Presentations for individual investors: four/year (total participants: 600)</p> <p>We hold regular presentations at the Security Analysts Association of Japan as well as at branches of securities companies, with our officials as speakers. Our IR website indicates the timing of this disclosure.</p>	<p>•Financial results presentations: two/year (year-end, end of the second quarter) •One-on-one meetings: 81 times</p> <p>At our semi-annual results presentations, the President and Chairman and other executives summarize our performance and provide earnings forecasts. Materials and videos are available on our investor relations website.</p>	<p>•https://www.srg.jp/en/ir/index.html</p> <p>To ensure the timeliness and fairness of disclosure, we disclose materials on our IR website in a timely manner. This information includes analyst reports and historical data. We also provide in-depth content to assist in a further understanding of our business and strategy.</p>

Internal controls, compliance and risk management

For internal controls, we have developed a system in which internal checking operates between departments and clarifies the division of duties by establishing internal regulations and other rules. In addition, the Basic Policy for Internal Control and the Basic Policy for Financial Reporting outline systems to ensure that the Directors comply with laws and the articles of incorporation when conducting operations, and also to ensure proper operations of the Company.

For compliance, we have outlined the Compliance Standards and the Code of Conduct in the Compliance Manual. We have established the Risk and Compliance Committee, with the General Affairs Department acting as the administrative office, to discuss specific compliance initiatives to implement internally and to identify at early stages legal issues emerging in the Company. Through these efforts, we aim to further raise and promote compliance awareness, especially concerning legal issues. Additionally, we seek advice and guidance as needed from our corporate lawyers regarding our daily operations and managerial decisions.

For risk management, the Basic Rules for Risk Management stipulate the basic policy and other basic matters concerning risk management. In addition, we have established the Risk and Compliance Committee, with the General Affairs Department acting as the administrative office. The Committee discusses issues and measures regarding the promotion of Company-wide risk management in order to appropriately manage and respond to the variety of risks that surround our businesses.



Governance

Messages from the Outside Directors

The Key Challenge Is the Transformation of the Business Structure

Kouji Shimokawa

Outside Director (Independent Director)

The Company's downward revision of its forecasts and results for the former medium-term management plan period and the fiscal year ended March 31, 2018 were disappointing and not up to expected standards. According to the Company's analysis, the main contributing factors to these revisions was the unexpected significant changes in the business environment; nevertheless, the Company must take these results seriously. That said, despite the adverse conditions, the Company achieved favorable results by proactively implementing priority measures and investing with a long-term perspective, which I believe is commendable. For example, it acquired the largest market share for next-generation scaffolding and established new foundations for growth, including those for the overseas business and agriculture business. However, as the Company moves forward with the new medium-term management plan, those commendable accomplishments must lead to concrete results.

The new medium-term management plan will test the Company's true strength. Transformation, the Company's new slogan, will involve changing everything, which cannot be achieved through determination or momentum alone. We need to return to the basics and to steadily overcome the many

challenges that occur in the various execution stages, including implementing marketing strategies, developing technologies and cultivating human resources. At the same time, from the standpoint of corporate governance, it is necessary to aim for business growth while complying with laws and systems. More precautions will be required when responding to changes to the legal system, such as work-style reform, or with new initiatives, such as the development of the overseas business and the agriculture business.

In five to ten years, the declining birthrate and aging population, as well as the falling population, are expected to fully impact the economy. Coupled with the innovation of industrial technologies such as AI and robotics, social and economic structures will significantly change. Under such circumstances, in order to continue to achieve stable growth, the Company must rapidly adapt to changes in the business environment and constantly modify its business portfolio accordingly. I believe a key challenge is the transformation of the business structure. I hope the Company will achieve this transformation with appropriate risk management measures in place but without fearing change, and prove its growth potential.

ESG Investment-conscious Corporate Management

Noboru Furuichi

Outside Director (Independent Director)

The Company failed to achieve the targets in the previous medium-term management plan and for the fiscal year ended March 31, 2018. However, despite those unsatisfactory results, it is important to properly analyze the contributing factors and thoroughly discuss internally how best to apply those results to the next stage. Once the new plan is set in place, the Company should pass on that information to shareholders and investors. The Company, which has proactively worked to disclose information, needs to continue these efforts and strengthen the trust of shareholders and investors. I hope that being constantly conscious of outside stakeholders' perspectives will foster a positive alertness in the Company and increase the motivation toward achieving its goals.

Ahead of the Tokyo Olympic and Paralympic Games in 2020, demand for domestic construction is expected to remain strong. It is important that the Group capture profit-earning opportunities without fail and expand its business performance. In the meantime, with an eye towards post-Olympics opportunities, it is essential to develop a new business infrastructure to achieve sustainable growth. In the new medium-term management

plan, the Company needs to respond to the expectations of shareholders and investors by improving profit margins, which have been on a downward trend, while envisioning and achieving new growth strategies.

In the construction industry, it is likely that the domestic market will contract due to the declining population. Under such circumstances, in order to continue to grow sustainably, the Company is essential to expand its overseas business. Asian countries, in particular, have seen remarkable growth, and the Company needs to take advantage of this growth by forging alliances with local companies to pursue localization while using its advanced technologies and expertise as strong assets. Furthermore, corporate management that is attentive to ESG investment will become important for medium- to long-term growth in the future. It is important to expand the scope of business operations by further refining products and services required in Japan and overseas, such as the Company's mainstay product, the highly safe Iq System, and the environmentally friendly rental system, as well as enhance social credibility by reinforcing governance.

Directors, Corporate Auditors and Executive Officers (As of June 27, 2018)

Directors



Kazumasa Takamiya

Representative Director,
President and Chairman
Executive Manager of
Overseas Business



Akiyoshi Takamiya

Representative Director,
Executive Vice President
Executive Manager of
Sales & Marketing
In charge of Environmental
Business Marketing



Hideki Yasuda

Director and
Managing Executive Officer
Division General Manager of
Business Management Division



Tsutomu Abe

Director and Executive Officer
Division General Manager of
Sales & Marketing Division
General Manager of
Rental Department



Takashi Matsui

Director and Executive Officer
Division General Manager of
Scaffolding Management Division
General Manager of
Scaffolding Purchasing Department



Sadamitsu Shimizu

Director and Executive Officer
Division General Manager of
Procurement Division and
R&D Division



Yuki Mukaiyama

Director and Executive Officer
Division General Manager of
Business Development Division



Yasunori Nishioka

Director and Executive Officer
Division General Manager of
Manufacturing Department



Kouji Shimokawa

Outside Director

Outside Independent



Noboru Furuichi

Outside Director

Outside Independent

Corporate Auditors



Kazumasa Yamaguchi

Corporate Auditor (full-time)



Yoshihiro Sakatani

Outside Corporate Auditor

Outside Independent



Teiji Joko

Outside Corporate Auditor

Outside Independent

Note: Kouji Shimokawa and Noboru Furuichi are Outside Directors. Yoshihiro Sakatani and Teiji Joko are Outside Corporate Auditors. The Company designated these four as Independent Directors and Independent Corporate Auditors pursuant to the regulations of the Tokyo Stock Exchange and registered them as such at the stock exchange.

Executive Officers

Kazunori Kawakami

Senior Executive Officer
Deputy Division General Manager
Sales & Marketing Division
General Manager of
Scaffolding Construction Department

Shinri Ueda

Executive Officer
General Manager of
Scaffolding Quality Control Department

Takahiro Shozaki

Executive Officer
General Manager of
Sales & Marketing Planning
Department
Sales & Marketing Division

Koichi Nishihashi

Executive Officer
General Manager of
General Affairs Department
Business Management Division

Michio Ashida

Executive Officer
General Manager in charge of Vietnam

Tomoya Tatsumi

Executive Officer
General Manager of
Finance & Accounting Department
Business Management Division
Manager of Finance Section

Hidehiko Yamashita

Executive Officer
General Manager of
Sales Department
Sales & Marketing Division

Hideo Kato

Executive Officer
Tokyo Branch General Manager
Sales & Marketing Division

Takashi Masuno

Executive Officer
General Manager of
Manufacturing Division

Takashi Nagumo

Executive Officer
Deputy Division General Manager of
Product Development Division
General Manager of Planning and
Design Division

Mitsunori Yamato

Executive Officer
Division General Manager of
Scaffolding Yard Operating Department
Scaffolding Management Division

Consolidated Six-year Summary

(¥ million)

	2013.3	2014.3	2015.3	2016.3	2017.3	2018.3
For the year						
Net sales	28,113	32,443	34,261	34,350	36,763	36,114
Cost of sales	19,917	22,610	23,404	23,059	25,771	25,683
Selling, general and administrative expenses	6,590	6,781	7,758	8,307	8,561	8,740
Operating income	1,605	3,051	3,098	2,983	2,429	1,690
Ordinary income	1,553	3,006	3,325	2,731	2,337	1,610
Profit attributable to owners of parent	807	1,768	2,070	2,153	1,516	1,252
Investments in assets for lease	2,850	2,381	5,577	7,227	5,447	3,757
Depreciation	3,280	3,369	3,649	4,137	4,502	4,662
EBITDA	4,886	6,421	6,747	7,120	6,932	6,353
At year-end						
Total assets	33,987	37,245	43,520	50,091	52,760	52,813
Shareholders' equity	6,947	9,514	11,453	11,766	12,338	13,190
Interest-bearing debt	19,384	18,694	21,635	26,636	29,287	29,497
Number of employees (persons)	710	693	903	979	1,010	1,144
Cash Flows						
Cash flows from operating activities	1,575	2,839	(1,620)	(1,081)	1,163	1,714
Cash flows from investing activities	(812)	(1,239)	(1,563)	(1,736)	(1,093)	(1,909)
Cash flows from financing activities	(779)	(715)	2,927	2,844	879	(222)
Cash and cash equivalents at end of period	3,076	3,979	4,233	4,242	5,187	4,750
Free cash flows	763	1,600	(3,183)	(2,817)	70	(195)
Per share data (yen)						
Earnings (EPS)	18.83	40.17	46.17	48.12	35.14	29.26
Net assets	162.04	213.24	253.95	269.09	288.97	307.89
Dividends	20.0	13.0	16.0	10.0	10.0	11.0
Ratios (%)						
ROE	12.2	21.5	19.8	18.5	12.6	9.8
ROA	4.7	8.4	8.2	5.8	4.5	3.1
Operating profit margin	5.7	9.4	9.0	8.7	6.6	4.7
Equity ratio	20.4	25.5	26.3	23.5	23.4	25.0
D/E ratio	279.0	196.5	188.9	226.4	237.4	223.6

Notes: 1. Figures are rounded down to the nearest million yen (except per share information).

2. We conducted two-for-one stock splits on April 1, 2013 and January 1, 2015. Per-share information (excluding dividends) is calculated by deeming stock splits to have occurred at the beginning of the fiscal year ended March 31, 2012. The dividend for the fiscal year ended March 31, 2015 included a commemorative dividend of ¥2.5 to commemorate the designation of our stock on the First Section of the Tokyo Stock Exchange.

3. EBITDA = operating income + depreciation

4. Return on equity = profit attributable to owners of parent / average equity

5. Return on assets = ordinary income / average total assets

Main Products

Temporary equipment and materials



YT Lock System

This scaffolding can be set up along slopes. It can also be used as a gantry.



V-MAX

V-MAX is a hanging-type scaffolding with high workability that is used for repair work for bridges.



Safety Walk

Safety Walk is a catwalk panel with less gaps to prevent stumbling and falling of objects.



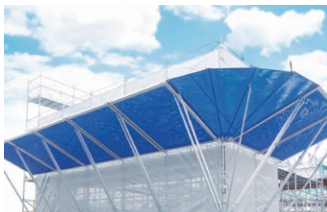
Super Light

Super Light round pipe is 25% lighter than conventional products.



Clamps

This bolted fastening-type metal fitting is an important part of temporary equipment.



Safety Screen

This sheet is placed on the side of buildings being constructed to prevent objects from falling.



Power Frame

Power Frame is a wedge-type support system that fits to the shape of a structure in a flexible manner.



AL-SPEEDER

AL-SPEEDER can be piled up. This aluminum, light-weight material has improved workability and it can be used for any types of scaffolding.

Formwork (Nextech)



STENMETAL (Steel form)

This steel form has enhanced cross-sectional performance with its rib height of 72mm, and can also be used with a wooden form.

Building materials



Cap Ten Pile Method

This method can correspond to the large-scale ground deformation due to an earthquake and reduce damages to piles.

Structural equipment



WUTEC-SF

This seismic damper reduces the range of vibration of buildings up to 80 percent.



Oct-brace

This structural part with a seismic damping function can be used for buildings of any height from high-rise buildings to low-rise structures.

Environmental equipment



ECHO BARRIER

Soundproof sheets that reduce noise by absorbing sound. This product is used to soundproof school and hospital facilities.



H2 System

This method, in which solar modules are supported with H-steel piles placed in one lane, reduces the amount of frame materials.

Agricultural materials



Pipe House

The agricultural greenhouse is highly durable against natural disasters as it uses pipes one-size bigger than usual ones.



Weather-Resistant Pipe House

This agricultural greenhouse does not deform easily under harsh conditions caused by natural disasters.

Strategic Products

Next-generation scaffolding, Iq System

Responding to the conditions at current construction worksites, Iq System, a next-generation scaffolding, has made it possible to produce a wider work space while enhancing the safety and workability. The Company has been promoting Iq System both in the rental and sales fields to make it become the de facto standard of the scaffolding industry.

1. Outstanding safety

Increasing the floor height by 20 cm, to 190 cm, lets workers work more comfortably without bending. Reducing underfoot gaps also improves safety.

2. High utilization rate

Compared to the conventional H-frame type, a strut type without a fixed width has increased versatility. This has led to a dramatic improvement in rental utilization rates.

3. Reduced operating costs

The system can be stored compactly, with a 50% reduction in storage space over conventional equipment. Another major benefit is the 30% reduction in the number of transport vehicles required.



Mast climbing work platform, Lift Climber

Lift Climber is a mast climbing work platform, necessary for renovation of high-rise buildings such as large-scale repair work to condominiums. It can handle heights up to 210 meters. The work platform moves up on two separate pillars, allowing more light on the subject building than scaffolding, while at the same time improving the level of security. Additionally, its design features ensure safety for workers, and it is easy to operate on-site. The Lift Climber is also easy to assemble, dismantle and relocate, and the reduced setup period lowers total operational costs.



Advanced hanging-type scaffolding, Spider Panel

Spider Panel has made it possible to minimize the differences in gaps and levels at an ultimate level in order to improve safety and workability. Hanging-type scaffolding can be installed by hanging scaffolding with chains, which plays an important role for infrastructure restoration including for railways and highways as this kind of work is expected to increase.



Weather-resistant agricultural greenhouse with steel frames, G-Castle Pro 2

G-Castle Pro 2, a high-grade agricultural greenhouse with low costs and high weather resistance, has been designed using our unique structural calculations. It can resist wind speed up to 50m/s and maximum snowfall of 50kg/m². It responds to various locations, agricultural products and customer needs.



Corporate Information

Corporate Outline

Name	SRG TAKAMIYA CO., LTD.
Date of establishment	June 21, 1969
Headquarters	Grand Front Osaka Tower-B Bldg. 27F, 3-1, Ofuka-cho, Kita-ku, Osaka 530-0011, Japan

Capital	¥731,090,000
Representative	Kazumasa Takamiya Representative Director, President and Chairman
Number of employees	Consolidated 1,144 Non-consolidated 646 (As of March 31, 2018)

Stock Information

Stock data (As of March 31, 2018)

Total number of issuable shares	144,000,000
Total number of issued shares	45,447,600
Number of shareholders	3,058

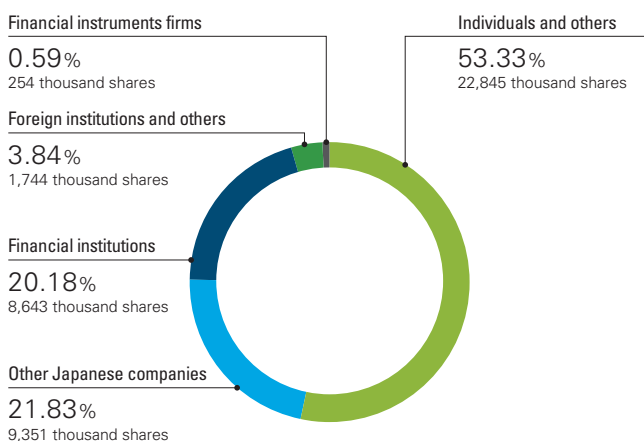
Principal Shareholders (As of March 31, 2018)

Shareholders	Number of shares held (thousand shares)	Percentage of shares held (%)
Takamiya Ltd.	6,725	15.70
Tojitsu Takamiya	5,503	12.85
Japan Trustee Services Bank Ltd. (Trust account)	3,511	8.20
Akiyoshi Takamiya	2,244	5.24
Sky Rainbow Employee Stock Ownership Community	2,197	5.13
Kazumasa Takamiya	2,109	4.92
Toyoji Takamiya	1,678	3.92
Chikako Takamiya	1,579	3.69
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	907	2.12
Kanamoto Co., Ltd.	888	2.07

Notes: 1. The Company holds 2,606 thousand shares of treasury stock. Treasury stock is excluded from the list of major shareholders and is not used in calculating percentages of shares held.
2. Percentage have been rounded to the second decimal place.

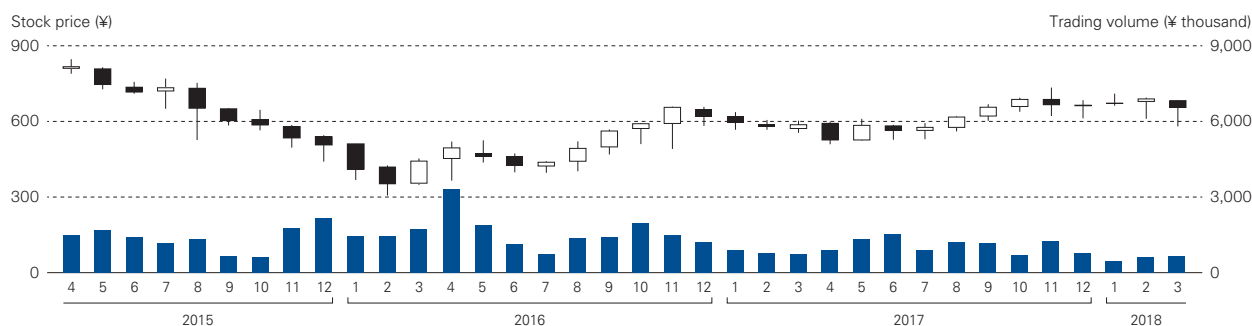
Breakdown of Shares

by Type of Shareholders (As of March 31, 2018)



Notes: 1. The Company holds 2,606 thousand shares of treasury stock. Treasury stock is excluded from the above.
2. Percentage have been rounded to the second decimal place.

Stock Prices and Trading Volume



Shareholder Information

Fiscal year	From April 1 to March 31 of the following year
Securities code	2445 (the First Section of the Tokyo Stock Exchange)
Ordinary general meeting of shareholders	June
Record date	Ordinary general meeting of shareholders: March 31 / Year-end dividend: March 31 / 2nd quarter-end dividend: September 30
Share trading unit	100 shares
Transfer Agent and Registrar for Common Stock	Mitsubishi UFJ Trust and Banking Corporation
Contact for Transfer Agent and Registrar	Osaka Securities Agent Department, Mitsubishi UFJ Trust and Banking Corporation 3-6-3, Fushimi-cho, Chuo-ku, Osaka-shi, Osaka 541-8502, Japan TEL: 0120-094-777 (toll-free)
Method of public notice	By electronic notification on SRG TAKAMIYA's website: http://www.srg.jp/ However, if electronic notification is not possible due to an accident or other unavoidable circumstances, notice will be published in the Nihon Keizai Shimbun newspaper.

Group Network

Rental Business

AOMORI ATOM Co., Ltd.

35-135 Yakiyamakawame, Odanozawa, Higashidori Village,
Shimokita-gun, Aomori Prefecture 039-4223, Japan
TEL: +81-175-45-7750 FAX: +81-175-45-7751

IWATA Co., Ltd.

523-2 Shironodan, Tsukatsuki, Momoyama-cho, Kinokawa City,
Wakayama Prefecture 649-0611, Japan
TEL: +81-736-66-3450 FAX: +81-736-66-3451

ECO-TRY Co., Ltd.

4388-1 Yatabe, Tsukuba City, Ibaragi Prefecture
305-0861, Japan
TEL: +81-29-836-7530 FAX: +81-29-838-2556

Cadian Co., Ltd.

Onward Park Build. 12F, 3-10-5, Nihonbashi,
Chuo-ku, Tokyo 103-0027, Japan
TEL: +81-3-3276-3917 FAX: +81-3-3276-3918

TOTAL TOSHISEIBI Co., Ltd.

Onward Park Build. 11F, 3-10-5, Nihonbashi,
Chuo-ku, Tokyo 103-0027, Japan
TEL: +81-3-3276-3930 FAX: +81-3-3276-3931

Nakaya Kizai Co., Ltd.

2-13 Yomeshima-cho, Matsue City,
Shimane Prefecture 690-0047, Japan
TEL: +81-852-28-8201 FAX: +81-852-28-8222

Nextech Co., Ltd.

Grand Front Osaka Tower-B Bldg. 27F, 3-1,
Ofuka-cho, Kita-ku, Osaka 530-0011, Japan
TEL: +81-6-6375-7200 FAX: +81-6-6375-7227

HIRAMATSU Co., Ltd.

4342-9 Sumiyoshi, Yoshida-cho, Haibara-gun,
Shizuoka Prefecture 421-0421, Japan
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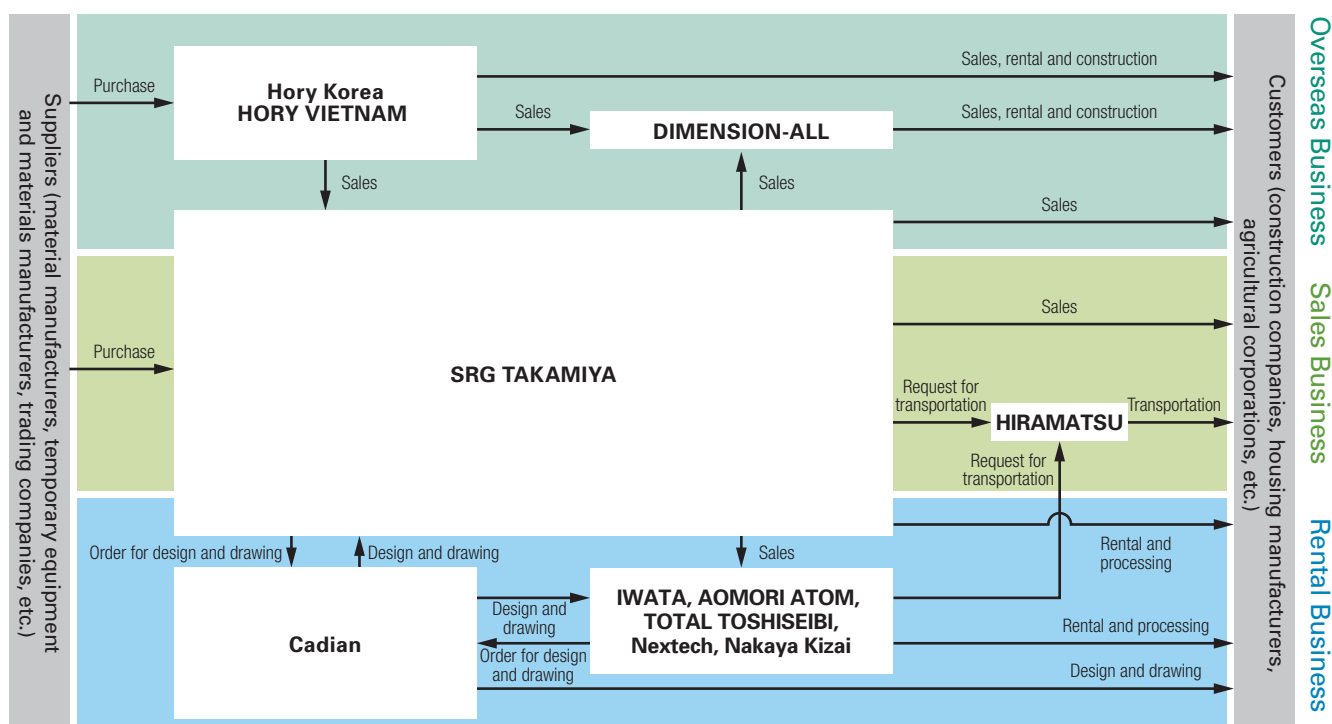
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Overview of the Group





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