

# Annual Report 2019

Takamiya Co., Ltd.



KEEP  
TRANSFORMING

50th  
Anniversary





# TAKAMIYA

In April 2019, the Company changed its trade name to Takamiya Co., Ltd. In addition, in June 2019, we celebrated the 50th Anniversary of our establishment, thanks to the kind support of our stakeholders. We would like to express our sincere gratitude to our investors and stakeholders for their kind support in making this possible.

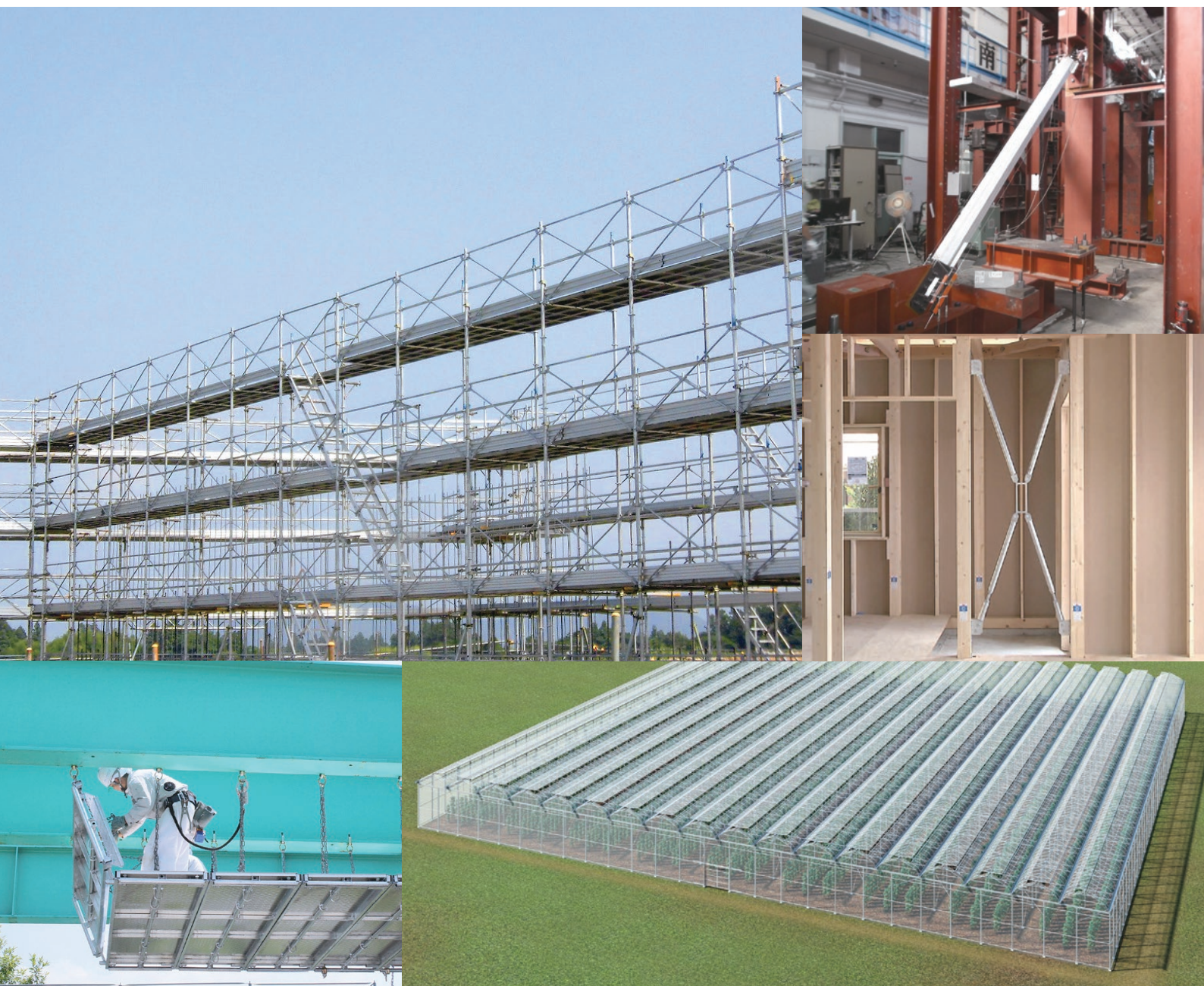
We are currently addressing various challenges under the theme of “transformation,” based on our Medium-Term Management Plan. This Annual Report provides a description of our initiatives aimed at becoming a corporate group that achieves new value, along with messages from our executives and employees.

We hope that you read this report and gain an improved understanding and expectations regarding the progress of the “transformation” of the Company.



Weatherproof pipe houses	"Iq System" next-generation scaffolding	Oct-brace
H2 System		WUTEC
VMAX	SPIDER PANEL	G-Castle series





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### Disclaimer

Forward-looking statements concerning business forecasts, etc. contained in this report are based on information available at the time the forecasts were made, as well as certain assumptions that were deemed reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual business results, etc. may differ significantly from the forecasts, due to a variety of factors.

# History of Taking on New Challenges

Up to now, Takamiya has remained ahead of the changing times by adopting a long-term perspective, and continued to take on a variety of challenges. In this section, we introduce our strategic shifts in anticipation of changes in the business environment as well as major turning points in our business.

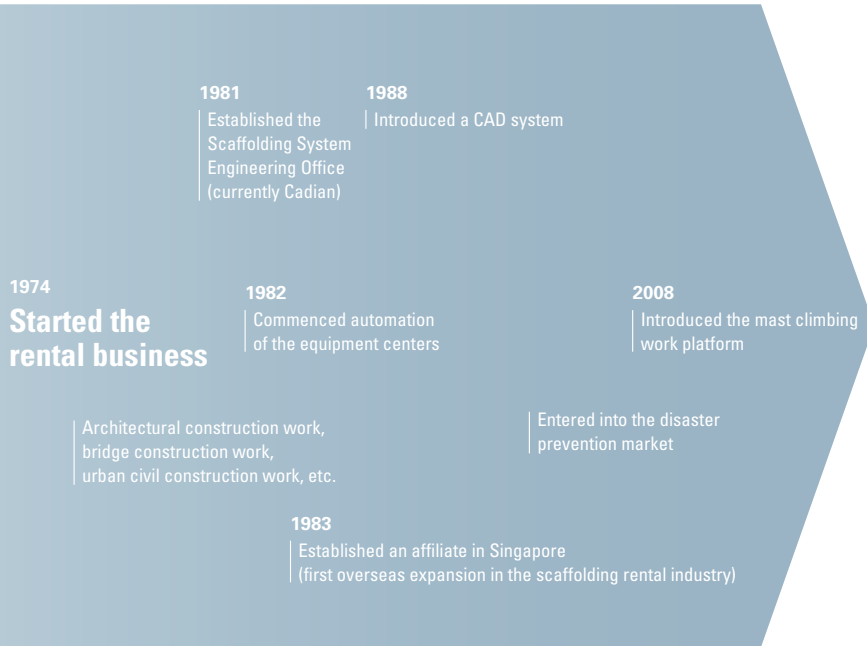
## Company-wide



- 1974** | Start of initial computerization of accounting work
- 1976** | Introduction of various proprietary systems, including collection of the basic fee at the time of product delivery
- 1987** | Company name changed to SRG TAKAMIYA
- 2002** | Kazumasa Takamiya appointed as President
- 2005** | Listed on the JASDAQ Stock Exchange
- 2007** | Listed on the Second Section of the Tokyo Stock Exchange

## Business

1969  
**Established**



**Sales Business** | 2010 | Expanded into the manufacturing and sales business  
| Converted Hory into a subsidiary

**Rental Business** | 2010 | Started the scaffolding construction business  
| Established the Scaffolding Construction Department

**Overseas Business** | 2010 | Started full-scale expansion of our overseas network  
| Converted Hory Korea into a subsidiary

## Strategic shifts in anticipation of changes in the business environment

Sales → Rental

Highways → Disaster prevention

Rental → Rental + Manufacturing and sales

New construction → Maintenance and repairs

Domestic focus → Global

**Foundation stage**

**Diversification stage**

**Management foundation development stage**

**Business model transformation stage**

The Company was founded by several persons, including the founder, for the purpose of purchasing and sales of temporary scaffolding.

The Company shifted from a sales business to a rental business, in anticipation of the approaching "rental era." We also expanded into business domains outside of the rental business. In addition to various "industry-first" systems and frameworks, we also started initiatives to strengthen our management foundations, including setting our Mission Statement of "Love," issuing a rental manual, and starting employee training.

In 2002, Kazumasa Takamiya was appointed as President (currently President and Chairman). In 2005, the Company began offering its shares publicly. We entered into forward-looking businesses, including disaster prevention as well as repairs and maintenance, while developing our management foundations through initiatives such as the promotion of information disclosure.

In 2010, the Company incorporated the Hory Group into our group of subsidiaries, and acquired manufacturing functions and overseas offices.





**2019**  
**50th Anniversary of our establishment**  
**Company name changed to Takamiya**



**2014**  
 Headquarters moved to its current location (Grand Front Osaka)  
 Assigned to the First Section of the Tokyo Stock Exchange

**2014 Medium-Term Management Plan**  
 (FY March 2015 to FY March 2017)

**2018 Medium-Term Management Plan**  
 (FY March 2019 to FY March 2021)

**2013**  
 Started manufacturing and sales of the Iq System, our next-generation scaffolding

Development and sales of construction materials for housing  
 Development and sales of solar panel installation frame



**2014**  
 Started rentals of the Iq System, our next-generation scaffolding

**2015**  
 Started sales of agricultural greenhouses



**2016**  
 Development of an anti-seismic and damping frame

**2018**  
 Structure organized for the shift into operations as a manufacture  
 Merged with Hory via absorption  
 Improvements to domestic production bases



**2017**  
 Completed replacement of our domestic conventional scaffoldings to the Iq System, our next-generation scaffolding

**2013**  
 Establishment of HORY VIETNAM  
 Started development and sales of products for Japan and ASEAN

**2015**  
 Converted the overseas rental company, DIMENSION-ALL into a subsidiary



Old generation scaffolding → Next generation scaffolding

Focus on scaffolding → New domains (ex. agriculture business)

Things → Things + Frameworks

**Preparation stage in anticipation of after Tokyo 2020**

**Transformation promotion stage**

With the aim of revolutionizing the industry with scaffolding, we internally developed a next-generation scaffolding and introduced it into the market. We established the Scaffolding Construction Department. By carrying out scaffolding construction in-house, we simultaneously responded to a manpower shortage and promoted our next-generation scaffolding.

We also created the foundations for overseas business expansion, including the acquisition of DIMENSION-ALL (a scaffolding company in the Philippines) in 2015.

The Company conducted strategic upfront investments in anticipation of changes in our business environment after the Tokyo 2020 Olympic and Paralympic Games, including the replacement of domestic conventional scaffoldings to next-generation scaffoldings, creation of a next-generation scaffolding market, improvements to our management foundations, and entry into new domains (such as the agriculture business).

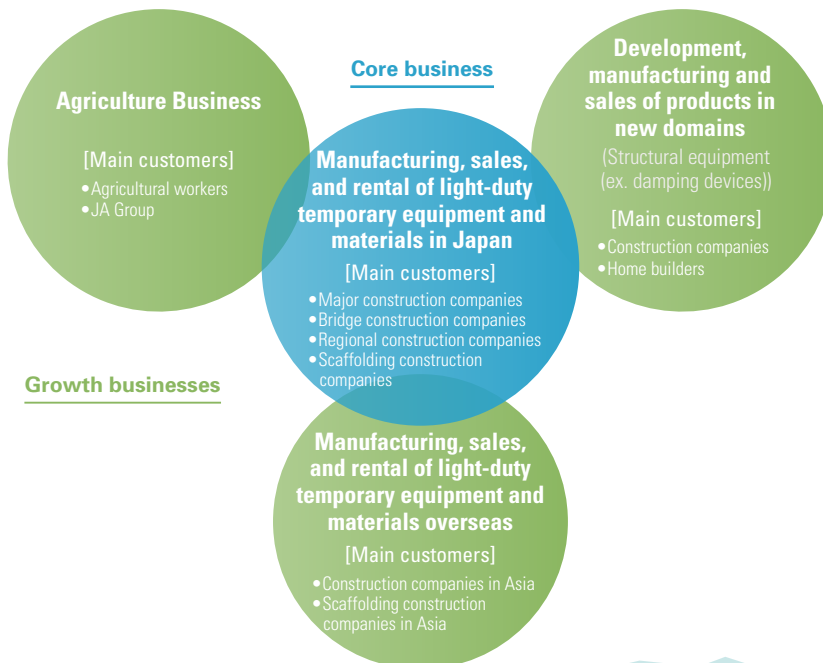
We will gain returns on the investments made in the previous Medium-Term Management Plan, and continue with investments for growth such as the creation of new frameworks, the development of high value-added products and services, and the full-scale deployment of our overseas business. In addition, we will efficiently use our management resources (human resources, assets, funds and information) to promote transformation in all areas for the sustainable improvement of our corporate value.

# Takamiya Now

Takamiya supports a variety of worksites by providing total support ranging from development and manufacturing to sales, rental, and construction, as a specialist in light-duty temporary equipment and materials. Furthermore, through technological innovation, we contribute to the development of the industry by improving safety and workability with our high value-added products and services.

## Business Characteristics

- Business development with a long-term view
- Expanding strengths fostered through the temporary equipment business into other domains and areas



### Growth businesses

### Global network

#### Japan

- Consolidated subsidiaries: 7 companies
- Branches and sales offices: 20 locations
- Factories: 2 locations
- Equipment centers: 29 locations

#### Overseas

- DIMENSION-ALL (Philippines: sales and rental)
- Hory Korea (South Korea: manufacturing and sales)
- HORY VIETNAM (Vietnam: manufacturing and sales)
- Cadian Vietnam (non-consolidated) (CAD drafting, sales and rental)

(As of March 31, 2019)

## Takamiya in Numbers

(FY March 2019)  
\*Figures in the parentheses are year-on-year changes.

### Net sales

¥ **42.1** billion  
(up↑ 16.8%)

### Operating income

¥ **2.7** billion  
(up↑ 60.5%)

### Equity ratio

**26.0**%  
(up↑ 1.0 point)

### Number of employees

**1,204**  
(up↑ 60 employees)

(As of March 31, 2019)

## Light-duty Temporary Equipment and Materials

Much of the equipment and materials used at construction sites is rented. Among these, the Takamiya Group specializes in providing light-duty temporary equipment and materials, including scaffolding erected for use by workers during construction.



### Work Scaffolding

Scaffolding primarily set up around the exterior walls of buildings



### Falsework

Used to support heavy loads in buildings and civil engineering works such as bridges



### Suspended Scaffolding

Scaffolding suspended for use in inspections, repairs and other work for road bridges

In addition, we will deploy the strengths we have fostered thus far into new businesses such as the agriculture business, and in overseas business in locations such as Southeast Asia, as we develop the businesses that will drive our future growth.

### ▶ 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


### ▶ Strengths We Have Fostered



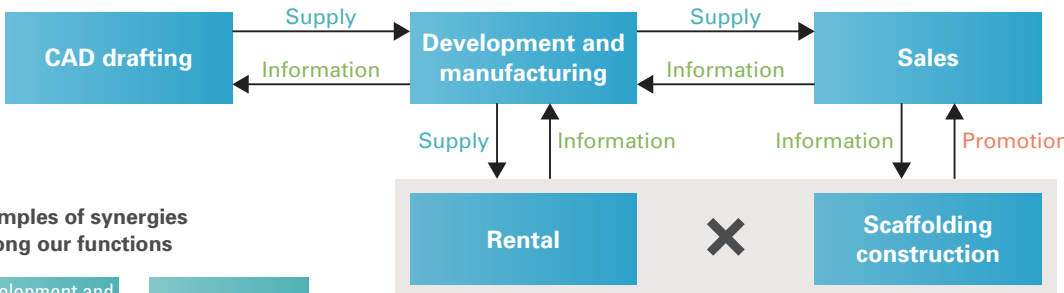
**Expertise in scaffolding and human resources**  
Our strengths include expertise in scaffolding, along with personnel who offer this expertise. We have developed these strengths by operating in a wide range of business areas, including construction sites, landslide prevention work, renovation of high-rise condominiums, and bridges. Our list of products and services is also rich in variety and stands as the finest in the industry.



**High level of technological capabilities**  
The Company has a technical team of scaffolding professionals that is highly regarded by our customers for its ability to accurately respond to the situation and needs of each worksite. In addition, because we possess outstanding metal processing technologies and CAD drafting technologies related to scaffolding, we are capable of applying this expertise to a broad range of areas, including structural equipment.



**Synergies of our five functions**  
We have established a structure that is capable of one-stop support, ranging from temporary equipment work planning, to drafting, making arrangements for equipment and materials, scaffolding construction, and safety management throughout Japan, by leveraging our five functions related to temporary equipment and materials. We are able to cover various construction worksites ranging from underground construction to ultra-high-rise buildings, highways, bridges and natural disaster countermeasures.



**Examples of synergies among our functions**

Development and manufacturing × Sales

×

Rental

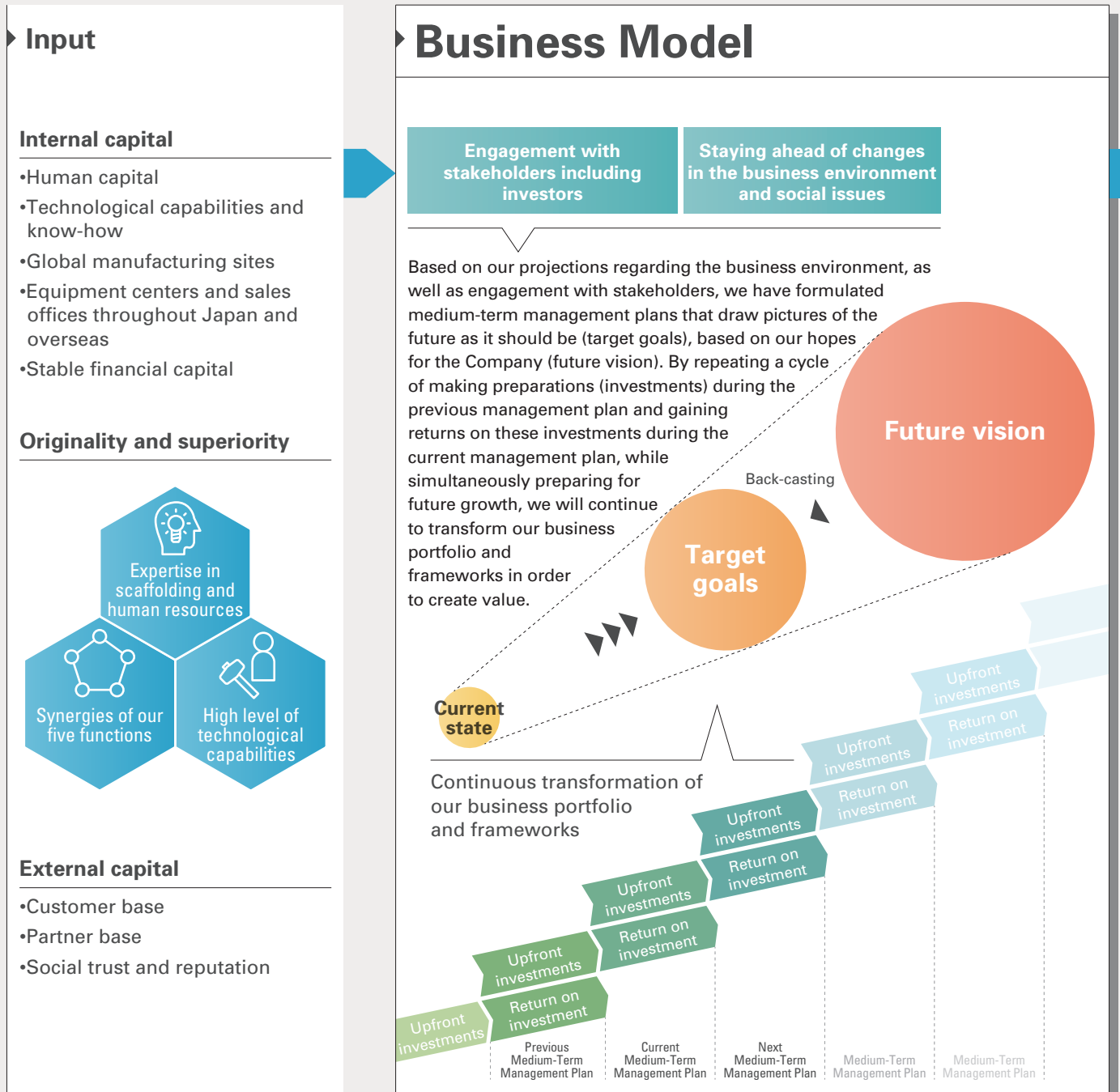
Development and manufacturing × Scaffolding construction × Sales

We produce most major equipment and materials in-house, while our rental business purchases a certain amount of assets for rental. We secure stable production and offer cost advantages through such initiatives. In addition, information from customers and partner companies in both sales and rental businesses is shared with development and manufacturing, and utilized in product development and business strategies.

By preferentially introducing our own new products, such as the Iq System, at construction worksites, we are able to promote new products, which leads to sales. In addition, this enables us to incorporate feedback from these worksites into the development of future products.

# Takamiya's Value Creation Process

Takamiya has remained ahead of the changing times, and transformed its business portfolio and frameworks. By creating products and services through a future-oriented business model, we aim to contribute to the creation of a better society, and achieve our mission and vision.



Incorporating outcomes into our strengths



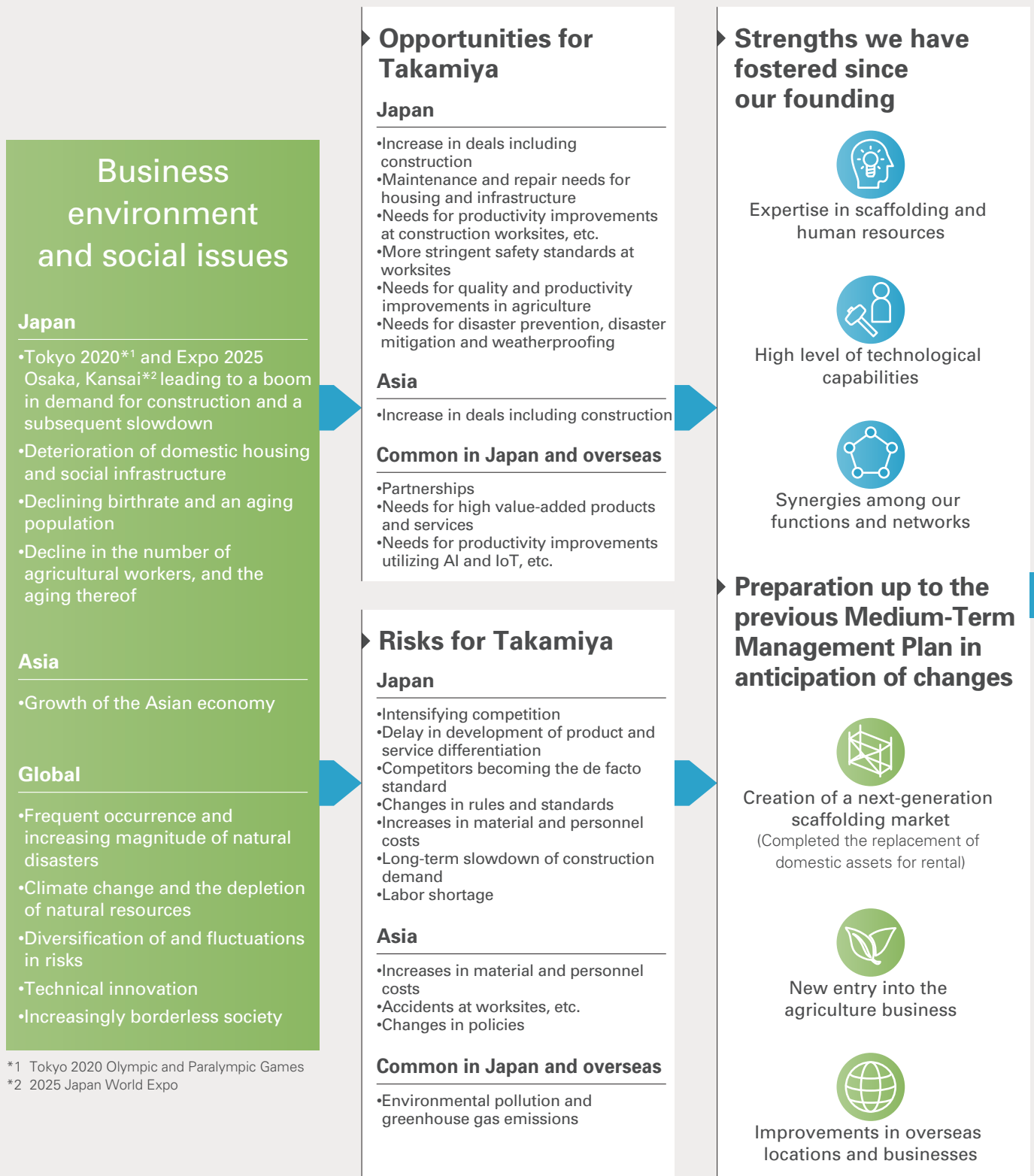
By repeating this process, we will further refine our advantages and achieve the sustainable improvement of our corporate value, while taking on the challenge of resolving more social issues.



and continuously improving corporate value

# Business Environment and Takamiya's Strategy

Based on our understanding of the medium-term business environment in Japan and overseas, as well as the opportunities and risks present for Takamiya, we are leveraging the strengths we have fostered since our founding and the achievements from preparations made in the previous Medium-Term Management Plan, as we implement the 2018 Medium-Term Management Plan.



\*1 Tokyo 2020 Olympic and Paralympic Games

\*2 2025 Japan World Expo

By pursuing measures in accordance with our basic policies and investment policies, while also responding to key ESG issues, we aim to achieve our performance targets and realize a transformation of our business foundations.

## 2018 Medium-Term Management Plan (FY March 2019 – FY March 2021)

### Vision

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

#### Basic policy

- Drive innovation in the earnings base
- Create new growth businesses
- Accelerate overseas business development
- Strengthen management foundations

#### Investment policy

- Restrain investment in assets for rental in Japan
- Invest to raise the efficiency of the equipment center
- Invest to strengthen technology development capabilities
- Actively invest in overseas business
- Expand overseas production bases
- Invest to foster human resources and the work-style reform

### Achievements of performance targets

(Targets for the FY March 2021)

Net sales	¥ <b>50</b> billion
Operating income	¥ <b>4</b> billion
Operating income margin	<b>8.0</b> %
Equity ratio	<b>30</b> % or higher
ROE	<b>10</b> % or higher
ROA	<b>5.0</b> % or higher

### Transformation of our business foundations

- Business model
  - Focus on rental → Shift to becoming a manufacturer
  - Provision of frameworks
- Business area
  - Focus on the Japanese market → Developing the Asian market
- Human resources
  - Fulfilling instructions → Taking actions on their own
  - Cooperation

### Key ESG issues

Related SDGs 

#### •Co-creation of social value

→ See "Helping to Tackle Social Issues through Our Business" on pp. 40-41.



#### •Maintaining and strengthening our management foundations to support sustainable value creation

→ See "Human Resources Strategy" on pp. 36-39.



#### •Contributing to a reduction in environmental impact



#### •Governance that enhances trust from society

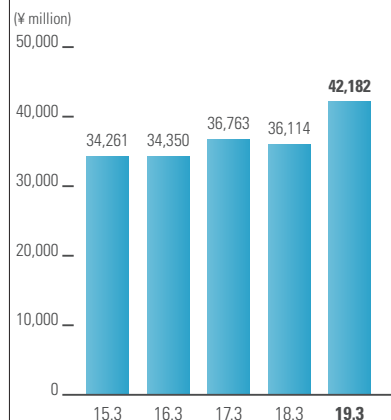
→ See "Corporate Governance" on pp. 30-34.



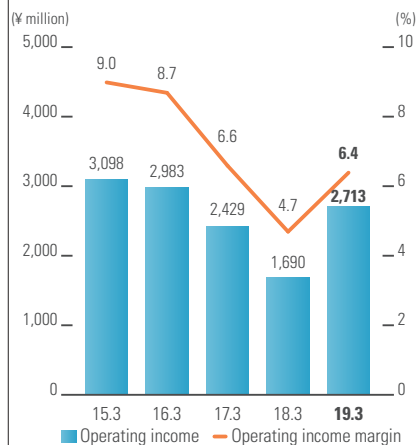
# Financial and Non-Financial Highlights

## Financial Highlights

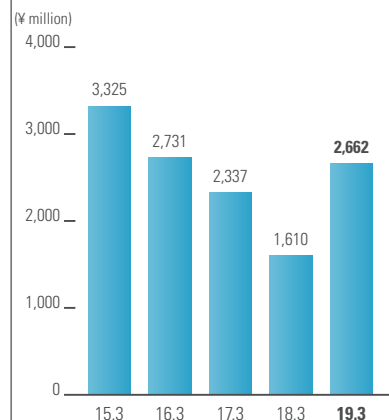
### Net sales



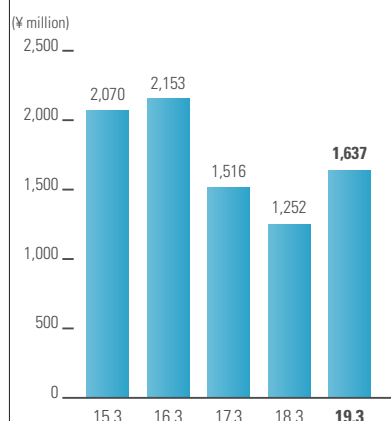
### Operating income/ Operating income margin



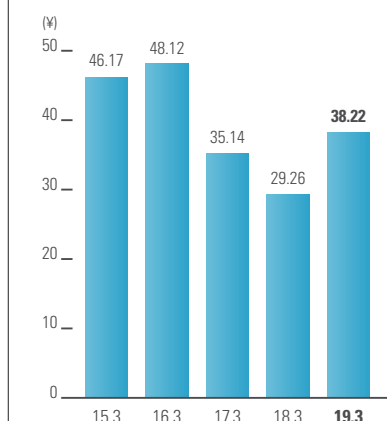
### Ordinary income



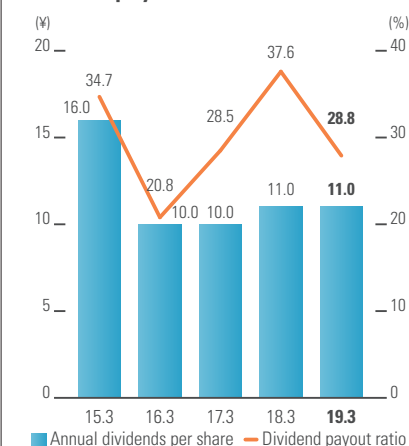
### Profit attributable to owners of parent



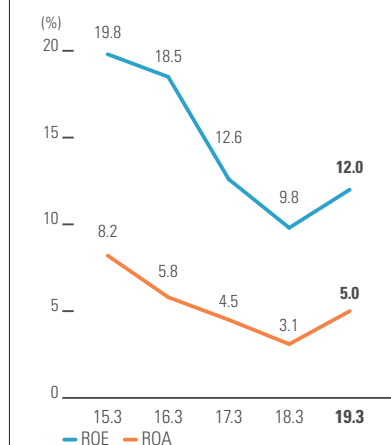
### Earnings per share (EPS)\*2



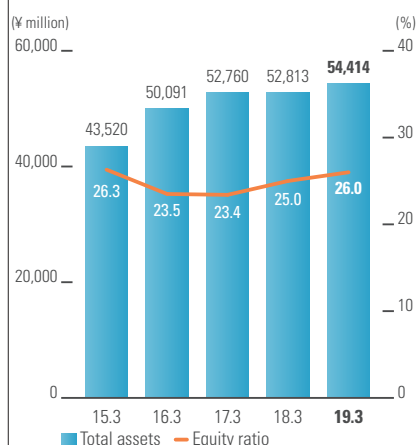
### Annual dividends per share\*3/ Dividend payout ratio



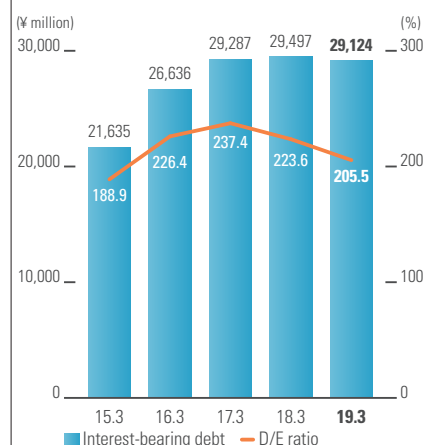
### ROE/ROA\*4



### Total assets/Equity ratio



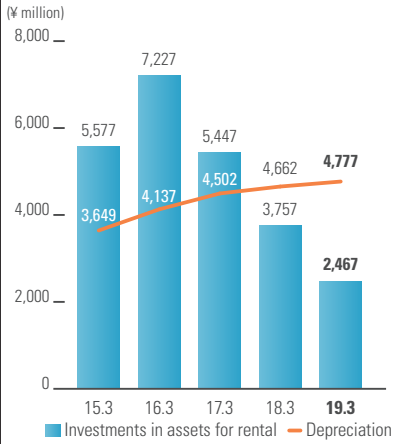
### Interest-bearing debt/D/E ratio



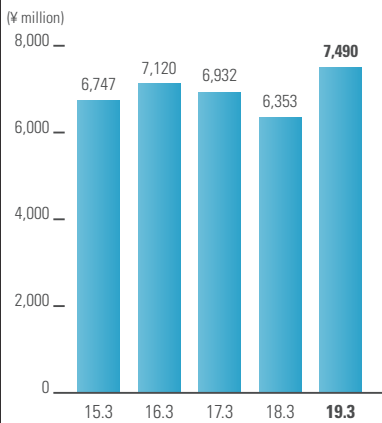
- (Notes) 1. Figures are rounded down to the nearest million yen. However, indices shown in ratios are rounded to the unit displayed.  
 2. The Company conducted two-for-one stock splits on January 1, 2015. Earnings per share is calculated by deeming stock splits to have occurred at the beginning of the fiscal year ended March 31, 2015.  
 3. 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.  
 4. ROA = Ordinary income / Average total assets  
 ROE = Profit attributable to owners of parent / Average equity

## Non-Financial Highlights

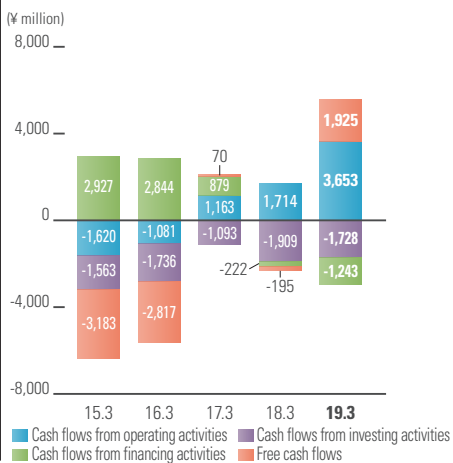
### Investments in assets for rental/ Depreciation



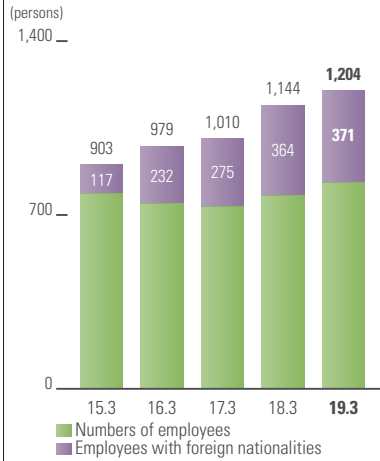
### EBITDA\*5



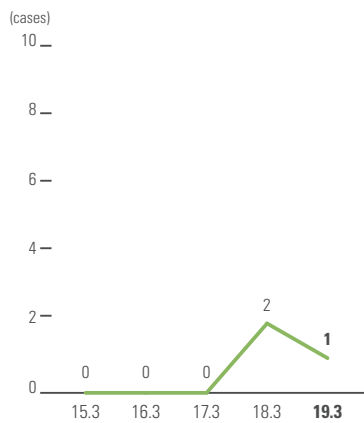
### Cash flows



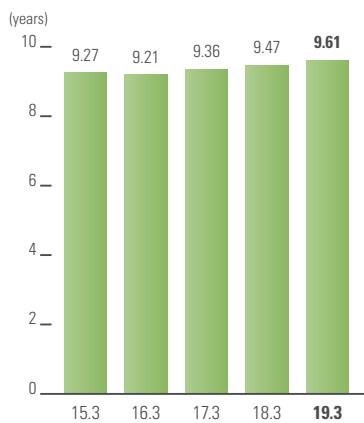
### Numbers of employees/ Employees with foreign nationalities



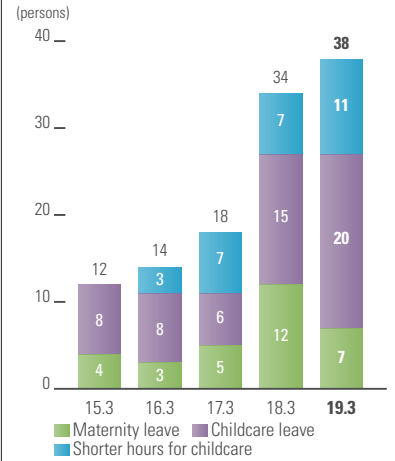
### Number of accidents (non-consolidated)



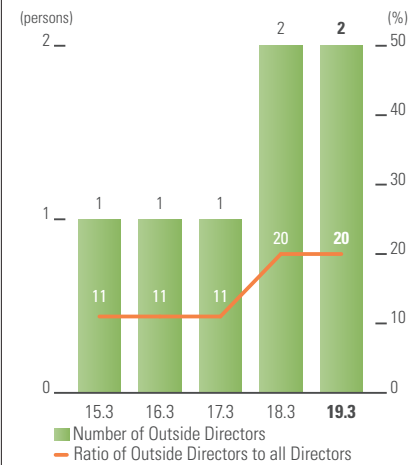
### Average length of service (non-consolidated)



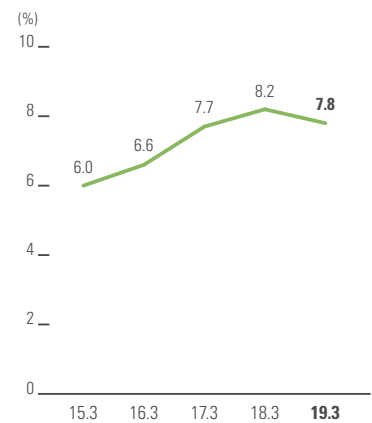
### Number of employees taking maternity or childcare leave, or shorter hours for childcare



### Number of Outside Directors/ Ratio of Outside Directors to all Directors



### Turnover rate (non-consolidated)\*6



5. EBITDA = Operating income + Depreciation

6. Turnover rate = Number of regular employees who retired during the fiscal year / Number of regular employees at the beginning of the fiscal year



# Continuing to **Transform** the Group to Realize Our Vision

**Kazumasa Takamiya**

Representative Director, President and Chairman

## **Steadily transforming our business with a firm focus on the future**

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Our operating environment is undergoing rapid and dynamic changes, almost unprecedented in scope. Drastic changes lie ahead, such as the emergence of new industries that nobody could have predicted. To respond to those developments and continue creating value, we have to transform every aspect of our business in a way that accurately anticipates the future operating environment.

“Transform” is the central theme of our 2018 Medium-Term Management Plan, which was launched in April 2018. The theme expresses our determination to support the qualitative development of our industry by constantly renewing our business model in order to align the Takamiya Group with the changing times, without relying on existing

business approaches and earnings structures.

To mark the Company’s 50th anniversary, we have also changed our company name to Takamiya Co., Ltd., as the first step in transforming Takamiya into a completely new corporate group.

The domestic market is firm at the moment, with construction demand likely to remain at a high level until the Tokyo 2020 Olympic and Paralympic Games (Tokyo 2020). However, we expect the temporary equipment market to soften slightly beginning in 2020. Osaka has been selected to host the World Expo in 2025 (Expo 2025 Osaka, Kansai, Japan), but the economic impact is expected to be limited. While demand related to public infrastructure improvements is high, especially for expressway projects, securing sufficient public funding is an obstacle to some projects. The economy is healthy at the moment, but the outlook is not that bright.



Japan also faces challenges as it transitions to a mature society. As a growth society, Japan's main focus was on staying ahead of competitors, but it now needs to generate added value and its industries have to move higher up the value chain.

At Takamiya, we have a track record of proactively overhauling our businesses and adopting new approaches with a firm focus on the future. Over the years, we have carefully monitored trends in the operating environment and constantly adapted our business, while also looking at the bigger picture and seeking ways to drive change in our conservative industry. Takamiya also has a reputation of trying and persevering with approaches that nobody has attempted before. That has been driven by a sense of urgency, reflecting our concern that the industry will gradually die out if steps are not taken to strengthen its position and raise standards. I believe we have to create globally competitive conditions in the industry by driving its transformation and by leading the adoption of advanced technologies. It is vitally important that we transform our whole industry with the best technologies, services and people.

The Iq System of next-generation scaffolding is one example of the lead we are taking. We have actively introduced the Iq System, which has been well-received by customers, prompting other companies to launch their own next-generation scaffolding. That has helped create a market for safer, more efficient scaffolding. In April 2019 we also adjusted Iq System pricing. As the price leader in the industry, we are aiming to set prices at a fairer level. Our goal is to create a more stable profit structure for the industry, as well as encourage other companies to develop and provide their own next-generation scaffolding in order to grow broader the market.

A major turning point in Takamiya's 50-year history was its acquisition of manufacturing capabilities (manufacturing

and sales functions) in 2010. Takamiya's strength is its ability to make high value-added products from the standpoint of customers, drawing on feedback from customers about their needs in the rental business. As the leading company in the industry, we will continue to supply high value-added products and services that shake up the market in order to drive far-reaching changes across the whole industry. We also plan to reinforce our manufacturing capabilities and shift our focus away from the rental business to transform Takamiya into a corporate group that provides innovative new value and solutions.

→See the Special Feature on pp. 20-23 for more details.

### Strong business performance and laying the foundations for the future

In the fiscal year ended March 2019, the first year of our 2018 Medium-Term Management Plan, sales and profits increased year on year, exceeding the plan's targets.

That strong performance was supported by growth in both the sale and rental of the Iq System, as well as reductions in manufacturing costs and progress with creating a reliable supply system for temporary equipment rentals during peak demand periods. Healthy sales of the Iq System to external customers and record-high utilization rates in the rental business made significant contributions to earnings. Also, sales in the agriculture business more than doubled year on year thanks to growing awareness of our track record in the agriculture market. Meanwhile, we took active steps to develop our temporary equipment manufacturing, sales and rental operations overseas, targeting strong construction demand in the ASEAN region. Hory Korea Co., Ltd. reported steady growth in sales, supported by a major new order in the solar panel market. We also invested aggressively



"Iq System"  
next-generation scaffolding



## Growth Strategy: Message from the President and Chairman



in assets for rental and in new equipment centers to drive overseas business expansion.

→For more details, see **Strategies by Business** on pp. 24-29.

Based on current trends, we are on track to achieve the final-year targets of our Medium-Term Management Plan – consolidated net sales of ¥50.0 billion and operating income of ¥4.0 billion (operating income margin 8%) in the fiscal year ending March 2021.

However, we still have two more fiscal years to go. Going forward, we will continue to strategically target management resources on the plan's four basic policies – strengthen management foundations, drive innovation in the earnings base, accelerate overseas business development and create new growth businesses – to continue transforming the Takamiya Group.

→See pp. 18-19 for details about our capital policy.

We have positioned the current Medium-Term Management Plan as a period to increase productivity in all business fields and to lay the foundations for future systems and businesses. Two key elements of that process will be the use of AI and IoT to reduce manufacturing costs, and the development of new products that are easier for inventory management.

To ensure Takamiya keeps growing, we are targeting a major transformation in our operations, including reducing manufacturing costs by 80%. But making cheap products is not the whole picture. We want to create products that have real value for users. To respond flexibly to changing needs, all of our factories will have to be capable of manufacturing various types of products. Transforming existing frameworks will be vital to achieving that objective.

As a manufacturer, we will continue to pursue ways of adding more value to our Iq System, agricultural greenhouses and structural equipment such as damping devices. We will also create innovative new products and devices that

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To ensure Takamiya keeps growing, transforming existing frameworks will be vital.

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incorporate cutting-edge technologies, reinforce product development capabilities and tighten cost control.

In addition, we have started work on improving the operational efficiency of financial and logistics IT systems, including upgrading backbone computing systems and introducing RPA and ERP software. We have also identified specific areas for introducing IT and AI tools in all divisions and departments and started implementation. For example, in the rental business, we are introducing a new smartphone-based system that allows staff to check inventories in real time and automatically load equipment based on scaffolding weight. The system is also scalable, so in the future we will be able to visualize equipment inventories at customers.

Realizing those projects by the end of the current Medium-Term Management Plan will be an important step in transforming Takamiya into a company that can provide advanced systems to users.

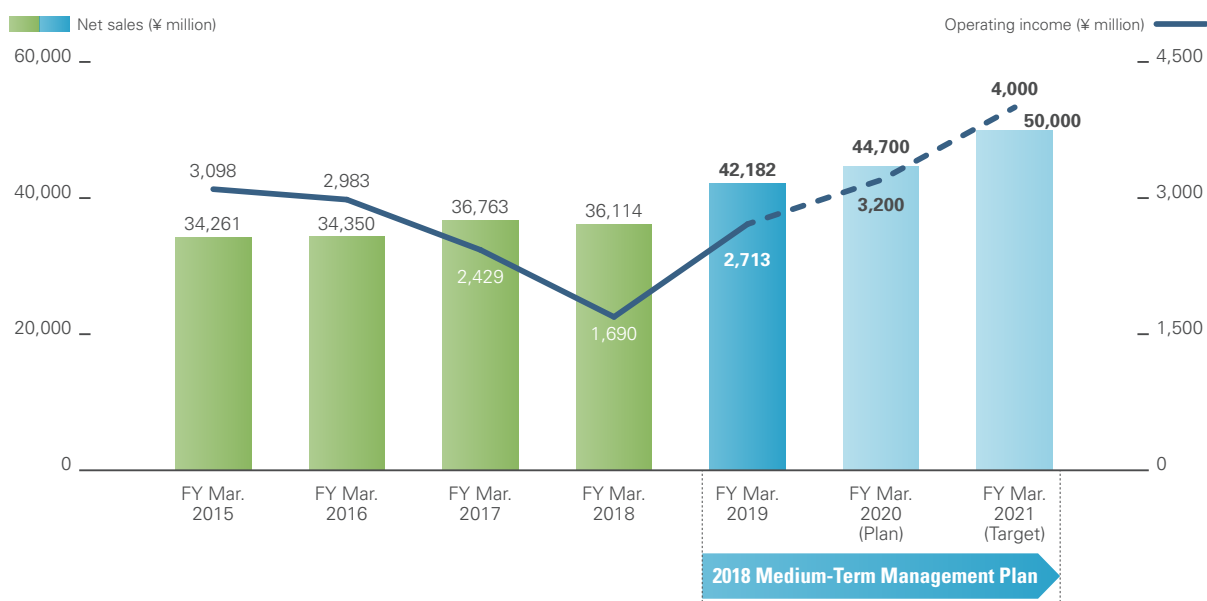
### **Future growth drivers: Overseas business and new businesses**

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We have to expand our overseas business to ensure Takamiya continues to grow after 2020. At the moment, we are focusing on Southeast Asia, where construction demand remains strong. Sales are rising on the back of major new infrastructure construction and upgrade projects, but we are unlikely to achieve sustained growth overseas without putting in place the necessary systems to ensure and maintain profitability. Initially, we aim to grow the temporary equipment rental business, increase local production and reinforce sales.

To support that, we will continue to invest in human resources and other areas of our overseas operations. We will step up investment in assets for rental and open

## Business Results



## Results and Outcomes of 1st Year of the 2018 Medium-Term Management Plan

	2018 Medium-Term Management Plan policy	Results and outcomes of FY Mar. 2019		
Basic policy	•Strengthen management foundations	•Shift to long-term, low interest funding		
	•Drive innovation in the earnings base	•Improvement in utilization rates of assets for rental •Shorter lead time of products		
	•Accelerate overseas business development	•On-going investment in the Philippines and Vietnam		
	•Create new growth businesses	•Growth of agriculture business (various projects completed, and sales allocated)		
Investment policy	•Restrain investment in assets for rental in Japan and actively invest in overseas assets for rental	•Only for Korea, investment in assets for rental was adjusted taking economic situation into account, whereas domestic investment was as planned		
	•Expand overseas production bases	•Expansion work started at the Vietnam factory (Third phase of expansion)		
	•Invest to raise the efficiency of equipment centers	•Investment for higher production efficiency (ex. Automation, AI tools)		
	•Invest to foster human resources and the work-style reform	•Project initiated for training young employees		
Financial policy	•Invest to strengthen technology development capabilities	•Newly introduced incentive scheme linked to telework and higher productivity		
	•Equity ratio	More than 30%	•Equity ratio	26%
	•ROE	More than 10%	•ROE	12%
	•ROA*	More than 5%	•ROA*	5%

\*ROE=Ordinary income/Average total assets

### Issues to be addressed from FY Mar. 2020

- Improve rental prices
- Expand synergy of rental and sales businesses
- Expand sales of structured equipment
- Reduce cost of products for sale
- Expand profitability of overseas subsidiaries
- Higher operational efficiency and improved operational flow linked to ERP introduction
- Reinforce technological development capabilities
- Higher profit ratio and asset efficiency



## Growth Strategy: Message from the President and Chairman

new equipment centers to expand our sales channels. We also plan to reinforce our local manufacturing capabilities to raise Takamiya's presence in the region. Specifically, we are upgrading our Vietnam factory to "mother factory" status to make it our main manufacturing base for products sold in Southeast Asia. In the medium term, we are targeting sales in the overseas business of ¥10.0 billion, equating to roughly 20% of our consolidated net sales target for the fiscal year ending March 2021. Based on that level of sales, we will work out how far we can increase profit margins.

Once we have decided the way we want to develop and approach our business overseas, we plan to strengthen ties with local operations. In particular, we need to implement our strategy quickly while also forming business alliances and tie-ups with local firms.

We are receiving more inquiries from overseas companies, which have noticed our aggressive overseas expansion. When choosing partners, we have to identify potential synergies, rather than mindlessly targeting growth. We will also actively explore alliances that are beneficial to both sides.

We have identified the agriculture business as a promising area, because it is a market where we can leverage our metal processing technologies – one of our strengths – and our extensive knowledge of safe structural standards from the construction sector. We aim to foster close links with food producers by supplying agricultural greenhouses that can withstand natural disasters and increase productivity. In future, we hope to help the agriculture sector overcome labor shortages and other issues by becoming more directly involved in food production. AI and IoT technologies will play a crucial role in tackling those issues.

### Creating the right environment for human resources to envision a new future

Takamiya has a diverse workforce, including employees overseas. It is now more important than ever to create frameworks that foster personnel who can take the initiative and envision a new future for the Group, while also making the most of their individual talents.

Amid Japan's current labor shortage, we need to transform Takamiya into an outstanding company that offers rewarding work in order to attract the best people. To boost the motivation of younger employees, we have to offer clear career paths with prospects for higher pay, as well as work practices in tune with their lifestyles. Takamiya has to be a company where change is welcomed and where our employees can pursue their roles independently while also looking forward to future prospects. To realize that vision, we are enhancing employee training programs and upgrading personnel systems to create dynamic work environments for all our people.

We are also implementing work practice reforms from the perspective of making work more satisfying for everybody, in order to open up opportunities for all types of people. In the Counting Section, which supports sales teams, we have started introducing teleworking, allowing staff to continue their careers even while working from home and return to the workplace more easily after taking long-term leave. We have also launched a diversity plan to actively utilize diverse human resources. Under the plan, we aim to uncover potential human resources, identify new approaches and improve our ability to address diverse needs.

→ For more details, see Human Resources Strategy on pp. 36-39.

In order to motivate our younger employees in their first seven years, I myself give talks where I communicate to them our management strategy and corporate DNA, and encourage them to actively take on new challenges. We have also launched a new project to train younger employees, with a focus on candidates for future management roles. In the future, I expect that managers will support the next generation of leaders to understand the fundamental management approach to roll it out across the Group, including overseas.

### Strengthening management foundations to support transformation

Enhancing corporate governance is a vital part of our efforts to transform the Takamiya Group. We have made steady improvements to our corporate governance model (company with a Board of Corporate Auditors structure), such as selecting fully independent candidates for all Outside Director and Outside Corporate Auditor positions. → For more details, see Corporate Governance on pp.30-34. We face rising risks in our business in Japan and overseas. We need to be ready to respond to those risks, which include rapid deterioration in the operating environment, surging prices for materials and components, tighter credit conditions and difficulties recovering investments overseas. We will continue to ensure a healthy financial position that emphasizes cash flow, as well as maintain our risk management structures and train the necessary people to support them.

As part of efforts to revitalize management, we are also transferring more authority to each business division manager. Additionally, we are appointing senior managers to run overseas businesses in South Korea and Vietnam and increasing the number of executive officers at our factories. And we continue to train and foster global management personnel who can pursue efficiency, tackle any issues that arise and oversee all aspects of running a business.

Providing value from an environmental perspective is a core

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The current Medium-Term Management Plan marks a major turning point for our business. We aim to achieve the plan's final-year profit targets and other objectives by steadily executing our strategy.

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element of our future vision for the Group. We need to explore ways of adding environmental value to our existing high value-added products and services. For example, we can harness our technologies as a manufacturer to provide environmental value in the agricultural and disaster prevention fields.

Also, it is safe to say that our scaffolding-related business provides value to society simply through its vital role supporting the construction and upgrade of public infrastructure. There are still plenty of areas where Takamiya can make a real difference – preventing wind and water damage to agricultural produce and other products, earthquake-proofing buildings, providing products that protect and maintain buildings, roads and other public infrastructure, and using studies and data based on the latest technologies to mitigate the impact of natural disasters.

Going forward, we will continue to help tackle issues faced by society and reduce environmental impact through our business activities.

→ For more details, see **Helping to Tackle Social Issues Through Our Business** on pp. 40-41.

We are also actively stepping up disclosures while also enhancing the accuracy of information we provide, such as industry data.

### **Transforming Takamiya into a corporate group that uses exciting new approaches to generate value**

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Since the first days of the Company, we have always looked ahead and adapted our business model by investing in the future and working to make those investments a success.

→ For more details, see **History of Taking on New Challenges** on pp. 2-3 and **Takamiya's Value Creation Process** on pp. 6-7.



If stakeholders look at our business based on a three- to five-year timeframe, I am confident they will see strong evidence of growth.

The current Medium-Term Management Plan marks a major turning point for our business. We aim to achieve the plan's final-year profit targets and other objectives by steadily executing our strategy. To reach our goals, we will develop and provide high value-added products, as well as drive the Group's transformation to create new approaches and accelerate business expansion overseas. We will also upgrade our management structure with stronger governance and diversity, aiming to increase corporate value by reinforcing earnings and our brand.

With respect to shareholder returns, we will continue to pay a stable dividend in line with earnings. I believe it is important for Takamiya to become a company that can raise its dividend by reliably generating profits, while also continuing to invest in sustaining growth and reinforcing its management foundation. We will also look into ways of increasing shareholder returns in addition to dividends.

For the fiscal year ending March 2020, we plan to pay an annual dividend of ¥13 per share, which includes a commemorative dividend of ¥2 per share to mark Takamiya's 50th anniversary.

Going forward, we plan to provide more information about the exciting changes ahead. I hope our shareholders and all our other shareholders will continue to support us on our journey.

July 2019

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Kazumasa Takamiya  
Representative Director, President and Chairman



# Making **Strategic Investments** and Reinforcing the **Group's Financial Base**

## Hideki Yasuda

Director and Managing Executive Officer  
Division General Manager of  
Business Management Division  
General Manager of Corporate Planning Department

### Review of the fiscal year ended March 2019

In the fiscal year ended March 31, 2019, net sales increased 16.8% year on year to ¥42,182 million, driven by rental demand, as well as firm sales. Despite downward pressure on profits in the overseas business, Takamiya reported operating income of ¥2,713 million (up 60.5%), ordinary income of ¥2,662 million (up 65.4%) and profit attributable to owners of parent of ¥1,637 million (up 30.8%), with sales and profits both increasing year on year. We took a prudent approach to accounting at overseas subsidiaries, such as booking impairment losses on inventories and increasing provisions for bad debt. Despite those steps, consolidated results exceeded our initial forecasts and there was a smooth start to the first fiscal year under our new Medium-Term Management Plan. [For more details, see Strategies by Business on pp. 24-29.](#)

The main challenge we face right now is ensuring the overseas business generates profits. We expect Group businesses in the Philippines and Vietnam to trend in line with our forecasts, but we have adjusted our strategy in South Korea to take a more cautious, profit-focused approach.

### Medium-Term Management Plan: basic policy and investment strategy

Takamiya is still a growing company. However, we will not be able to

continue delivering growth that meets the expectations of investors and other stakeholders based on existing approaches. To transform the entire business, we plan to allocate cash generated from our current Medium-Term Management Plan to priority areas.

We will also curb growth in assets for rental and streamline the balance sheet further to increase capital turnover. We plan to utilize leverage, while also raising the equity ratio to over 30%, aiming to stabilize and reinforce the Group's financial position.

#### •Driving innovation in the earnings base

During our previous Medium-Term Management Plan, we completed the transition from conventional scaffolding (scaffolding frames) to next-generation scaffolding in Japan. We have now moved into the investment recovery phase and are limiting investment in domestic assets for rental as planned. That approach has been thoroughly communicated within the Group, so there has been no need for urgent investment in assets for rental. Tighter control on investment means we have had to use limited scaffolding resources in innovative ways, which has also steadily lifted utilization rates, as we envisaged.

As part of efforts to drive innovation in the earnings base, we need to make equipment centers more efficient. To achieve that, we are investing in efficiency improvements to further lift marginal operating rates and improve asset efficiency at our centers. We keep a wide range of different equipment in stock, from next-generation scaffolding to temporary equipment and materials for civil engineering projects, which has made it harder to manage assets at equipment centers. To further improve utilization rates across the Group, we have been adjusting our asset portfolio to narrow down the types of equipment in stock. Also, in order to raise marginal operating rates, we plan to use automation and AI tools to reduce the turnaround time for equipment from return to shipment. We are already using AI tools on a trial basis and we are now working on hardware and systems to support implementation at equipment centers.

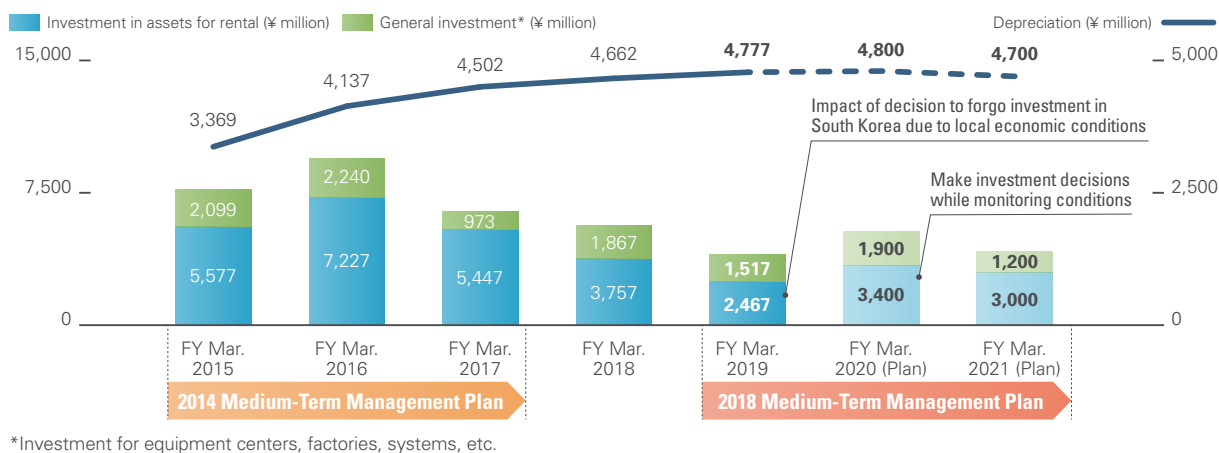
Meanwhile, we are reinforcing our development capabilities as a manufacturer, with investment being channeled into training development personnel and improving R&D facilities and factories. For example, at our Gunma factory, initial investment has been focused on optimization, but going forward we plan to invest in upgrading its functions as a research center for advanced products and technologies. [See the Special Feature on pp.20-23 for more details.](#)

During the current Medium-Term Management Plan, we will make preparations and increase investment to strengthen the Group's capabilities as a manufacturer. That will involve carefully studying the next steps we need to take and full-scale investment in factory automation and other areas.

#### •Accelerating overseas business development

We are steadily implementing investment to shift production overseas, including the start of construction on the third phase of expansion at our factory in Vietnam (scheduled for completion in autumn 2019). Looking further ahead, we intend to implement the fourth and subsequent phases of expansion during the next Medium-Term Management Plan, depending on demand trends and progress with expanding overseas sales channels. We are gradually expanding sales channels in the Philippines and other countries where we have marketing offices, and we eventually plan to add information gathering capabilities to our operations in Vietnam, which is currently our regional production base.

## Investment and Depreciation



### •Creating new growth businesses

We are constantly on the lookout for new business opportunities using information from sources worldwide, led by the Business Development Division and the Product Development Division. Our main approach in this field is investment in personnel. We are also actively developing alliances with venture companies and other partners. The maintenance and repair business is one area we are focusing on with alliances. Our aim is to create a steady stream of win-win relationships, where we team up with companies that have advanced technologies and other useful assets and they use our sales network to expand their businesses. We will also continue to focus on the agriculture business.

### •Strengthening management foundations

Investing in human resources and IT systems is vital to reinforcing the Group's management foundations. We are reforming work practices with the aim of improving employee productivity within fixed working hours, while also maintaining motivation. That does not mean we are forcing the Group to blindly adopt IT systems and adhere to a top-down approach from head office. Instead, we are canvassing our employees for ideas about ways to improve efficiency and then providing the necessary investment to realize original ideas. That investment is also aimed at creating motivating work environments by fostering a corporate culture where employees are encouraged to take the initiative.

### Key management indicators

We are monitoring ROE and ROA, while also continuing to focus on operating income and the operating income margin. Improving marginal operating rates for the Group's ¥70 billion in assets (acquisition cost basis), helps to lift ROA. In the rental business, we can increase utilization rates by reducing the asset base, but we plan to tackle that issue further down the line, because as a manufacturer, we are currently focusing on capital utilization and profit margins at production facilities. We will also continue to emphasize EBITDA as a profitability benchmark.

As a company focused on capital utilization, we know that we have to ensure internal benchmarks are compatible with those used by investors and other stakeholders. We will also create frameworks to ensure the

whole Group understands the importance of cost of capital and cash flow.

In the fiscal year ending March 31, 2020, we plan to introduce enterprise resource planning (ERP) into all head office departments. The goal is to integrate all functions such as manufacturing and accounting, but also to create a dashboard that collects information from all parts of the Group on a daily basis. By visualizing our operations, we will be able to set meaningful KPIs that help to increase capital utilization in each business division.

### Aiming for the next phase of growth

After celebrating Takamiya's 50th year in business, we are now turning our attention to the next phase of growth. The new company name has been chosen to highlight the founder's role in driving the development of Takamiya and to emphasize our underlying strengths as a company. To support our transition to the new company name, we plan to step up PR and IR activities to actively promote the Takamiya brand.

The current Medium-Term Management Plan has been positioned as a period to prepare for the next phase of growth. The areas we need to work on are becoming clearer and our targets look increasingly within reach. I am personally looking forward to the plan's outcomes.

Going forward, we first need to effectively address challenges faced by the Group and meet the expectations of shareholders and investors. I am confident shareholders will understand our approach of investing in growth while ensuring stable dividends. We look forward to your continued support as we aim for the next phase of growth.

July 2019

Hideki Yasuda

Director and Managing Executive Officer  
Division General Manager of Business Management Division  
General Manager of Corporate Planning Department





## Enhancing **Product Development** and Reinforcing **Manufacturing**

**Takamiya is working to transform all aspects of its operations to become a corporate group that consistently creates value. Our goal is to shift the Group's focus away from the rental business to manufacturing, aiming to provide solution-based services, as well as standalone products. Enhancing our product development and manufacturing capabilities holds the key to realizing that goal. In this section, I'd like to talk about the steps we are taking in those areas.**

### Akiyoshi Takamiya

Representative Director and Executive Vice President  
Supervisor of Product Development Division  
Sales & Marketing Division

### **Strengths in Product Development and Manufacturing**

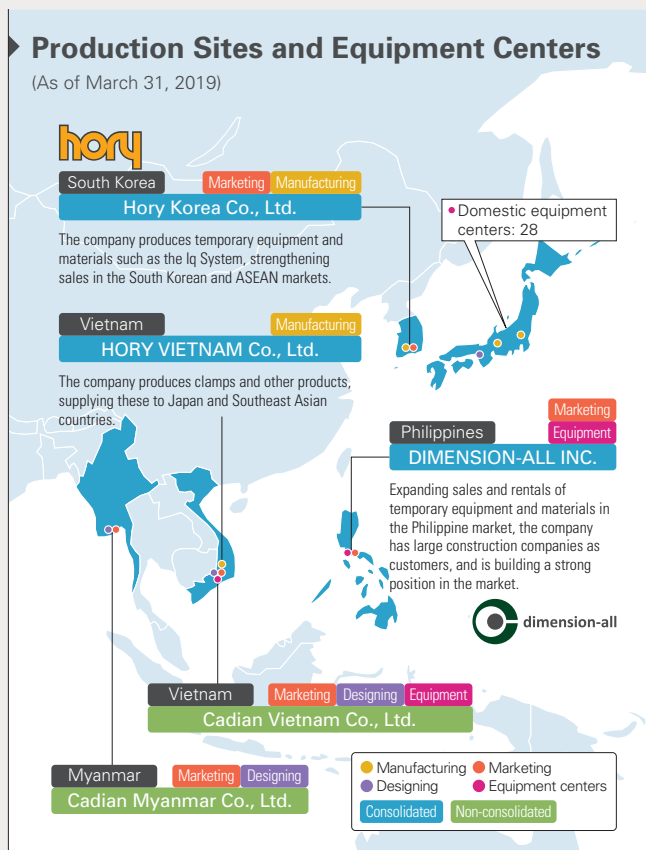
#### **•Substantial production capacity**

To drive Takamiya's transformation, we have identified the Group's strengths and highlighted issues that need to be tackled. Based on that, we are currently working on a range of measures to support the Group's transformation, such as optimizing manufacturing facilities.

One of Takamiya's strengths in manufacturing is its substantial production capacity and the scope it has to further

increase capacity. We have domestic production sites in Gunma and Gifu Prefectures, as well as factories overseas in South Korea and Vietnam. At our "domestic mother factory" in Gunma, which makes roughly 60% of Takamiya products, we have launched an optimization program to reduce costs, improve productivity and raise quality. We have also started construction on the third phase of expansion at our factory in Vietnam.

At the Gunma factory, we are using IT to gather data and visualize productivity. We are also looking into the advantages of introducing the latest technologies and AI tools. We plan



to initially introduce advanced technologies on production lines for our Oct-brace structural equipment and other new products and then gradually optimize the entire factory and adjust our frontline manufacturing approaches. We have already installed 3D printers, laser processing machines and other equipment, which is already starting to reap benefits in the form of shorter lead times.

Meanwhile, we plan to convert our Vietnam factory into the Group's "overseas mother factory" to supply products across Southeast Asia. Looking further ahead, we will prepare for fourth and fifth phases of expansion at the site, while cultivating demand in the region. We will also continue to upgrade the factory's capabilities so that it can handle high value-added products, as well as existing general-purpose products. Market conditions have changed since we opened the Vietnam factory five years ago, so we will also use the site to gather local information about raw materials, components and materials and product demand trends. To prepare the site for that role, we are currently hiring personnel with proficiency in Chinese, English and other languages. We are also recruiting local skilled product development staff and personnel with a background in science with a view to using Vietnam as a base to develop and supply products for Asia.

#### •Customer-focused approach

Another strength is that we can apply our customer-focused approach in the rental business to product development

and manufacturing. In addition to Product Development and Manufacturing divisions, we have a number of well-staffed teams responsible for activities that bring Takamiya closer to customers, such as the Scaffolding System Engineering Department, which creates scaffolding plans, the Scaffolding Construction Department, which carries out scaffolding construction work, and the Sales & Marketing Division, which identifies and taps into customer needs. The large amount of information received by those divisions from customers and partners helps give us ideas for new products that are focused on the customer.

In April 2019, we set up a new Product Research Planning (PRP) Department in the Business Development Division. We also upgraded the Procurement Division to the Global Procurement Division. The PRP Department is a specialist team responsible for gathering information about products, components and equipment from sources worldwide. Based on that information, the office makes objective decisions on whether Takamiya should make certain products or import them off the shelf from overseas suppliers. Our goal is to respond more accurately and rapidly to product development requests from customers.

The Global Procurement Division is partly responsible for implementing our proactive business strategy, anchored by partnerships with suppliers. In procurement, we are currently negotiating a number of win-win relationships with potential suppliers. We want to open the door to procurement sources worldwide to identify optimum suppliers that we can collaborate with.

### Developing human resources and changing our corporate culture

To continue developing high value-added products and services by combining the capabilities of our rental and sales businesses and product development and manufacturing, we have to make our workforce more flexible. A more flexible workforce will help to spur changes in our corporate culture that lead to greater innovation. To support that, we urgently need to cultivate product development personnel. Drawing on the extensive experience of senior employees, we are currently fostering a new generation of human resources.

From a human resources perspective, we have plenty of room for growth as a manufacturer, and we are confident that current measures will yield results as we continue to push ahead with them. We are already forging deeper links between marketing and product development teams, which are now more aware that they can create better products if they work together. One major sign that our new approach is working is that customers are starting to change the way they work with us. A growing number of customers are contacting us to seek our involvement from the project planning stage, illustrating how they now rely on our input as a manufacturer. We are stepping up efforts, including cultivating product development personnel, to meet those expectations as soon as possible.

## Product Development Division – Vision and Initiatives

### Combining and utilizing Group resources to develop innovative new products



**Takashi Nagumo**  
Executive Officer  
Division General Manager of  
Product Development Division

One of our strengths in the temporary structure sector is the technologies we have accumulated as a metal stamping company. Today, those technologies also underpin our new agriculture business and our structural product business. Supported by Takamiya's can-do corporate culture, we will continue to drive innovation, building on existing technology assets to create the Group's future technologies.

The creation of new products does not happen in isolation. We need to build relationships to leverage all the Group's resources. Each division has to play its part.

The Sales & Marketing Division needs to gather feedback from customers about the kind of products they want, the Manufacturing Division needs manufacturing processes focused on safety, quality, cost and delivery, and the Product Development Division needs the technological capabilities to flexibly and rapidly utilize those resources to develop and launch new products.

To improve productivity and efficiency, the Product Development Division is introducing new technologies from product planning right through to manufacturing. We are using existing 3D computer-aided design (CAD) systems for finite element method (FEM) analysis and to transfer data to 3D printing systems, while in production, we are introducing 3D CAD design into CNC processes using computer-aided manufacturing (CAM). The new tools will allow us to check and adjust product data at an early stage, which was something we could only do at the test production stage previously.

We have to introduce new digital technologies to create automated and autonomously controlled production lines. The Product Development Division is prioritizing the development of products that can utilize AI or IoT. It is also constructing a Groupwide platform that will facilitate the smooth flow of data when those new technologies are deployed.

#### Training personnel to support product development

Personnel training is also the top issue for Takamiya in product development. Engineers in the Product Development Division will need the skills to apply new digital technologies to actual operations, as well as existing technologies, so we are sending them to attend specialist seminars about digital tool and other technologies and forging partnerships with other companies.

In addition, we are actively promoting personnel exchanges between different divisions, harnessing Takamiya's unique ability to provide one-stop services to customers – from product development and planning to sales, rental and construction. That approach should also increase contact points with customers and facilitate the development of appealing products. New perspectives gained from personnel exchanges will also lead to changes in product development logic and stimulate new ways of thinking.

#### Basic approach to product development

Our basic approach is to develop products that help users save time and labor and improve safety. Going forward, we will need to acquire new capabilities to introduce advanced technologies and make products lighter.

Safety is an important common theme for all our products, so we will work to further improve safety and provide easy-to-understand data to users.

#### New business development

Maintaining infrastructure, which is vital for industry and daily life, is a pressing issue. Users need to select the best temporary structures for the right locations to carry out maintenance work. Our extensive lineup of products means we can help users mix and match products to overcome any project issue.

In the agriculture business, a new field for Takamiya, we are using evidence-based product development to supply structural construction materials that increase customer satisfaction.

## Initiatives at production sites to support product development

### Reducing costs through productivity improvements and seamless cooperation between product development and production teams



**Yasunori Nishioka**  
Director and  
Executive Officer  
Division General Manager of  
Manufacturing Division

#### Increasing cooperation to cut lead times

It takes time to develop and launch new products. Product design is handled by the Product Development Division, the Manufacturing Technology Department is responsible for selecting the necessary equipment and setting up production lines for new products, and final production is carried out at our factories. We are working to cut product launch lead times by stepping up cooperation between those teams. We are also aiming to cut costs after product development is completed by reducing takt times and the number of production processes.

system to centrally control the operation of production equipment and all manufacturing processes. The system allows us to monitor equipment and collect operational data.

Our factories use various types of equipment. With continuous use, jigs become worn and the equipment itself also becomes degraded. Although historical data can help us decide the best time for preventative maintenance, we introduced the SCADA system to allow even inexperienced engineers to predict wear and tear and carry out maintenance. The system prevents issues before they occur, helping to reduce unnecessary investment.

#### Progress with factory automation

We plan to build production lines that require less human input to address work-style reform, as well as an expected decline in Japan's working-age population.

Specifically, we are looking into using AI tools, industrial robots and driverless vehicles that transport products inside our facilities and materials between different production processes.

#### Centralized management and control of production equipment

We have introduced a supervisory control and data acquisition (SCADA)

## Long-term goals in product development and manufacturing

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### •Future direction of manufacturing

Setting up new businesses spurs innovation in peripheral areas around existing business models. That type of horizontal business development is the basic approach used by companies today. At Takamiya, we want to use our manufacturing skills to address customer needs by reducing time and effort for frontline users. Specifically, we will move beyond our existing focus on rental products to develop and manufacture products that spur new approaches in engineering and construction, that can be used for complex buildings, and that increase safety.

One of our strengths is metal processing technologies, but we are always on the lookout for new materials. We continue to improve our Iq System of next-generation scaffolding by making materials lighter. The system also incorporates a number of technologies and innovations to make it easier for our customers to handle. Applying the same technology to our agricultural greenhouses has the potential to create stronger, lighter products. We also see a need to improve our lineup of motorized products, such as Lift Climber, a mast climbing work platform.

We are also exploring the potential of robotics, but we have no plans to make major investments. Our efforts in manufacturing need to be firmly grounded in reality, so we will focus on making products that accurately address customer needs, while also ensuring the right balance between investment and returns. We will continue to push ahead with development, exploring ways to ensure our products remain relevant 50 or 100 years in the future.

### •New product development themes

Our mission in manufacturing is to provide value to society. In line with that aim, our near-term focus is on developing new products that help protect public infrastructure.

As infrastructure ages in Japan, we forecast rising demand for maintenance and repair work and reconstruction projects, which will also incorporate the latest earthquake-proofing technologies. We therefore plan to prioritize products and services for maintaining and repairing roads, buildings and other public infrastructure.

We will also target demand in Asia, where each country is actively developing national infrastructure assets, but particularly countries in Southeast Asia, which have large, young populations. Political risk is something we need to monitor, but we will explore business opportunities in growing countries and regions to ensure Takamiya is not left behind in the Asian market.

We will also continue to focus on the agriculture business. At the moment, we are supplying products that mitigate the impact of natural disasters, such as agricultural greenhouses that can withstand winds, floods and snow. Challenges remain, but orders are growing steadily, and we hope to help Japanese farmers tackle some of the issues they face by flexibly supplying products they want and need.

### •IT and other new technologies

As you might expect, we are also putting priority on AI, IoT and other new technologies.

The ultimate aim of deploying new technologies in manufacturing settings is to reduce costs and cut the number of production processes. Time and effort saved by introducing cutting-edge technologies could lead to time savings in other areas, such as product distribution, helping to accelerate the development of products that address customer needs and drive improvements in service quality.

According to some predictions, IoT will lead to the closure of half of all businesses in operation today. We have to harness IoT to overhaul our business by using it to spur new approaches and creativity among our workforce and to drive small incremental steps in innovation, instead of being a slave to the technology. Creating workplaces where technology supports new approaches and creativity is the key to transforming Takamiya's existing ways of doing business.

## Taking on bold challenges to spur the next phase of growth

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Under our current Medium-Term Management Plan, we are making careful preparations and improvements and carrying out appropriate investments. The outcomes of those efforts will be used to full effect in the next Medium-Term Management Plan, but we will need more time over the medium term to really grow our business as a manufacturer. For example, our domestic factories have continued to make products for many years now with carefully maintained older equipment and facilities. We also recognize there is considerable room for improvement at our overseas factories.

However, Takamiya has consistently grown earnings since it listed on the stock market, albeit with some minor fluctuations. That growth, despite facing numerous challenges, underscores the Group's substantial growth potential. Growth has also been driven by our never-say-die attitude and a corporate culture that is not afraid of failure.

Takamiya is now launching new efforts in areas where it can support public safety and security, such as agriculture and damping devices. It will not all be smooth sailing, but we are confident we can take the Group into a new phase of growth by continuing to boldly take on new challenges.

By seeking out challenges and creating products that support local communities and society as a whole, we aim to increase Takamiya's value as a global company.

July 2019



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Akiyoshi Takamiya  
Representative Director and  
Executive Vice President



Sales Business



Strengths

- Price competitiveness through in-house production
- Fulfillment of the sales promotion function by the Rental Business Division and Scaffolding Construction Department
- Number of companies owning the Iq System, established by sales prior to other companies (approximately 300 companies) (As of March 31, 2019)



Opportunities

- Rental companies that are our customers making investments to update prefabricated scaffolding to next-generation scaffolding
- Revision of the Ordinance on Industrial Safety and Health
- Expo 2025 Osaka, Kansai\* accounced

\*2025 Japan World Expo

Providing new added value by leveraging our strengths as a rental and manufacturing company

**We are leveraging our metal processing technologies and know-how regarding scaffolding to expand the scope of our business beyond light-duty temporary equipment and materials to include the development, manufacturing and sales of new products. In addition to the Iq System, our next-generation scaffolding and clamps, we are also providing products such as agricultural greenhouses, damping devices and solar panel installation frames.**

**One of our strengths is our development and manufacturing capabilities, through which we are able to realize concrete products by incorporating various needs and information from worksites, gathered through both our rental and sales businesses.**

Results for the FY March 2019

In the sales segment, net sales were ¥13,512 million (up 8.5% year on year), while operating income was ¥1,670 million (up 40.1%).

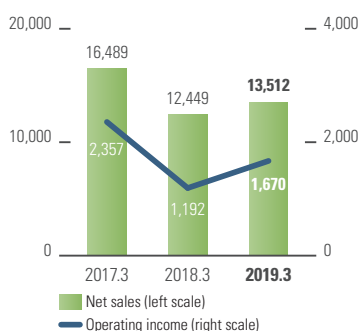
Although inter-segment sales decreased by 93.3% year on year due to the absorption of the manufacturing subsidiary, Hory Corporation through a merger, sales to external customers grew significantly by 25.6%. Regarding profitability, the cost reduction brought about by the merger has proven to be effective.

In the construction field (temporary equipment and materials), proactive sales and marketing activities of recommending various solutions have been rolled out in response to vigorously rising construction demands and stricter safety criteria. In addition, as a result of full-scale demand for next-generation scaffolding, underpinned by the successive entry of competitors, there have been additional sales to existing customers in addition to new customers at the Company, and sales of the Iq System, our next-generation scaffolding, and other related materials have also been strong. Sales of the Iq System totaled ¥3,245 million (up 67%), and the Iq System now covers 5.32 million m<sup>2</sup> (up 16.9%), which represents 6.6%\* of the market share for prefabricated scaffolding.

In the environmental business field, sales were strong due to factors such as the successive completion of agricultural greenhouses in the agriculture business. In secondhand sales, sales decreased along with the subsiding of sales of depreciated assets.

\*Ratio of the Iq System (5.32 million m<sup>2</sup>) to conventional vertical frames (prefabricated scaffolding) (80.73 million m<sup>2</sup>). Estimates by the Company are based on the "Survey on Construction-Related Businesses" from the Ministry of Land, Infrastructure, Transport and Tourism in March 2019.

▶ Net Sales and Operating Income (¥ million)



(Notes)  
 1. Figures are rounded down to the nearest million yen.  
 2. Figures include inter-segment sales or transfer.

## Message from the Officer in Charge



**Hidehiko Yamashita**  
Executive Officer  
General Manager of  
Sales Department  
Sales & Marketing Division

The Iq System, our next-generation scaffolding, has continued from the previous fiscal year to be a growth driver for the sales business. Although we have a significant advantage over other companies, with over 300 companies holding the Iq System, competition for next-generation scaffolding is expected to intensify, as an environment for its expansion is now in place. Demand will move strongly, as seen in its high utilization in the rental business. We expect rental companies and general contractors that have put off replacement investments from prefabricated scaffolding until now to begin considering the purchase of next-generation scaffolding. The Company has a track record of renting the Iq System in its rental business. By taking advantage of our know-how, ranging from scaffolding installation and storage methods to operations, we will respond sincerely to the insecurities and doubts of customers who are considering purchases of next-generation scaffolding. In addition, in case of a shortage of equipment and materials after purchase, the advantage of being able to rent a product with the same standards from us will contribute to peace of mind for our customers. We will strive to solidify the Iq System's top share in the next-generation scaffolding market.

Going forward, the construction market will shift from new construction to renovation and repair work. For the SPIDER PANEL, a panel-type hanging scaffolding that is our flagship product in this market, we are making improvements by incorporating feedback from customers in manufacturing, in order to develop it into a product that better matches market needs.

In addition, drawing on our accumulated know-how and rapidly growing sales in the environment-related and agriculture businesses, we will continue to rapidly develop manufacturing, sales and scaffolding construction systems in order to improve profitability.

We will further refine our development and manufacturing technological capabilities, improve synergies between the rental and sales functions and leverage the Company's unique services that go beyond sales, in order to contribute to an expansion in market share.

## Future strategy: Strengthening our development and manufacturing capabilities and promoting efficiency improvements

In the temporary equipment and materials market, the spread of next-generation scaffolding is expected to make further progress. With regard to the Iq System, the Company will continue to capture new customers, increase its market share, and sell to repeat customers while leveraging synergies through its rental business.

In the agriculture business, we will target areas with robust demand, while improving our systems for manufacturing, sales, and scaffolding construction and working to improve the level of profitability. In structural equipment, we will work to improve our level of recognition and expand sales of high value-added products such as the WUTEC damping device and the Oct-brace.

We will also focus on the further strengthening of our development and manufacturing capabilities. We will clarify the role of each factory, while improving efficiency through the introduction of AI and IoT, and other tools. Furthermore, we will work to strengthen our information gathering capabilities and establish a global procurement structure in order to respond quickly to customer needs as we further refine our capabilities as a manufacturer.



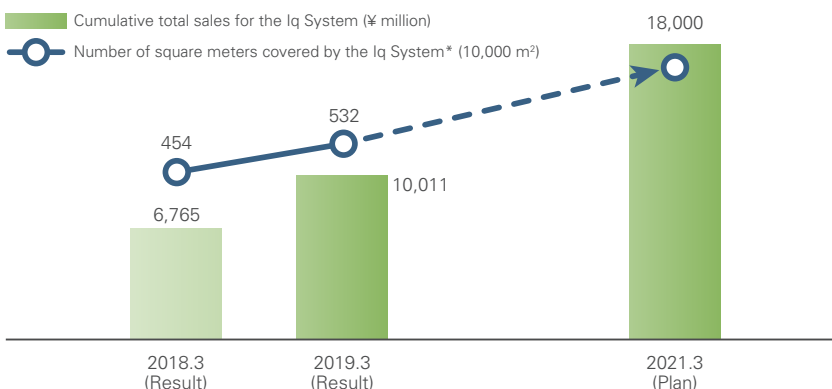
WUTEC, residential vibration control device



Oct-brace, buckling constraint (damping) brace

### Key strategies

## Increasing the Market Share for Next-generation Scaffolding



\*Calculated by the Company by adding assets for rental held to cumulative sales results.



## Rental Business



### Strengths

- Support from construction worksites (workers)
- High share in the next-generation scaffolding industry (established through entry into the market ahead of other companies)
- Has a scaffolding construction service (the Scaffolding Construction Department) within the Company
- Approximately 300 companies owning the Iq System (rental demand for the shortage) (As of March 31, 2019)

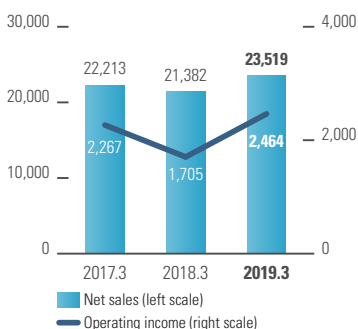


### Opportunities

- Revision of the Ordinance on Industrial Safety and Health
- Aging of, and decrease in the number of construction industry workers
- Efforts to improve productivity at construction worksites
- Development projects in transport infrastructures spurred by the announcement to hold the Expo 2025 Osaka, Kansai\*

\*2025 Japan World Expo

#### ▶ Net Sales and Operating Income (¥ million)



(Notes)

1. Figures are rounded down to the nearest million yen.
2. Figures include inter-segment sales or transfer.

## Further solidify our earnings base through productivity improvements and framework transformations

**We provide rental services of light-duty temporary equipment and materials for all kinds of worksites, including buildings, bridges, repairs of ultra-high-rise buildings, tunnels and underground construction. Our strength is our ability to accurately respond to a variety of needs by combining the Group's functions, including development, manufacturing, scaffolding construction and design, with these rental services. We will enhance our earning capabilities by responding to growing demand through further improvements in productivity and quality, with efforts that include AI and IoT as well as the introduction of new frameworks.**

### Results for the FY March 2019

In the rental segment, net sales were ¥23,519 million (up10.0% year on year), while operating income was ¥2,464 million (up 44.5%). The main reasons for this significant increase included an increase in rental earnings due to a growth in rental volume, along with a leveling off of depreciation, which had been on an upward trend, to nearly the same level as in the previous fiscal year, due to investment in temporary equipment and materials for rent having passed its peak.

During the fiscal year under review, in an environment with robust demand, the Group has provided temporary equipment and materials that are easier and safer to set up, centered on the Iq System, our next-generation scaffolding. In addition, we have made proposals for high added-value services that combine scaffolding construction. There have been tailwinds from the full-scale market adoption of next-generation scaffolding, and the average utilization rate for the Iq System was strong at 68.3% (up 8 points), which was a record high. Moreover, in the field of civil engineering and bridge construction, in which prominent delays in the commencement of work had been observed, overall rental volume of equipment and materials remained at a high level, significantly exceeding that of the previous fiscal year, as shipments proceeded smoothly for transport infrastructure and urban civil engineering projects.

By region, performance continued to be strong for the Kanto area, and sales for civil engineering-related work also grew in other regions.



## Message from the Officer in Charge



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

While there are regional differences in the market, there has been a steady shift from prefabricated scaffolding to next-generation scaffolding. We have completed a switch of domestic assets for rental to the Iq System ahead of other companies, and have been well received due to its five-year track record since introduction. The Iq System is now having increased opportunities to be selected at the planning stage. In addition, repeat orders from customers that have previously adopted the system have also increased. Because demand is strong and the next-generation scaffolding market is expected to continue to grow, we will pursue adjustments aimed at fair pricing, and drive the next-generation scaffolding market, while also taking profitability into consideration.

We believe that the high level of equipment utilization that was maintained during the fiscal year under review was due to improvements in equipment management, through efforts including a shortening of the period from equipment return to reshipment, as well as optimal allocation of equipment according to region and type of work. However, we also believe that room still remains for improvements in both tangible and intangible aspects, including the adoption of AI and mechanization, and we regard this as an issue to focus on.

In addition, the flow of construction investment is expected to shift from new construction to maintenance and renovation work. We expect demand to grow for the VMAX, hanging scaffolding system and the SPIDER PANEL, panel-type of hanging scaffolding, in bridge repair and renovation work for dilapidated bridges and highways.

We aim to grasp this market situation and proactively make proposals in order to capture demand, by improving added-value for new equipment, scaffolding construction, and proposal-based marketing (new services) that support productivity improvements at worksites, so that we can accurately meet the needs of customers from amongst the many available items.

## Future strategy: Improving productivity and utilization rates and increasing our earning capabilities

Despite we are pursuing price improvements for the Iq System, a high utilization rate has been achieved for the system since the beginning of the fiscal year ending March 2020. We expect to achieve high utilization throughout the year in terms of equipment and materials for civil engineering and bridge construction, for which orders have been received, and we will respond appropriately to this high demand.

To this end, we will work to reduce lead times from equipment return to preparation and reshipment, improve quality control, and increase the utilization rate through means such as the adoption of AI and IoT at our equipment centers, and will also work to expand these centers.

We will optimize our portfolio of assets for rental, in line with changes in the business environment, including an expanded lineup of equipment to meet the demand for maintenance, repair, and renewal of social infrastructure, which is expected to increase in the future. Also, we will offer high added-value services, including proposal-based sales combined with scaffolding construction. Furthermore, we will work to establish new business models including the introduction of new frameworks for the management and operation of equipment.



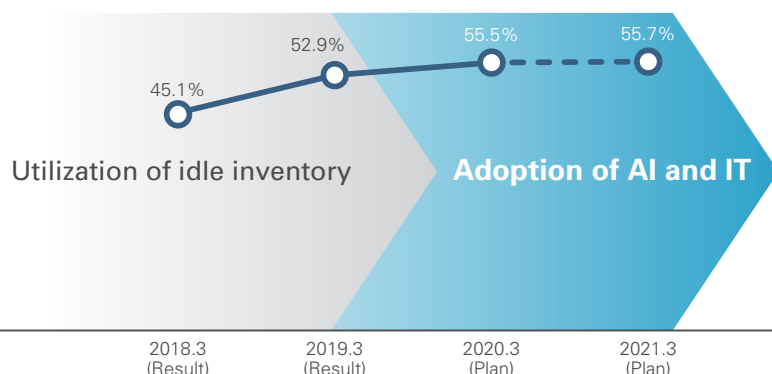
VMAX, hanging scaffolding system



SPIDER PANEL, panel-type hanging scaffolding

### Key strategies

## Further improvements in the utilization rate of equipment and materials





## Overseas Business



### Strengths

- Local companies (in South Korea and the Philippines) that have been acquired and their networks
- Production bases (in Vietnam) capable of supplying to ASEAN countries
- Japanese-originated product-development capabilities as well as advanced service-provision capabilities
- Previous track record (of transferring of service to acquired companies and localization of business models)



### Opportunities

- Population and economic growths in the ASEAN region

## Strengthening the earnings base as a driver for the next growth

**We are continuing our investment for growth, including the establishment and expansion of overseas bases, so that the overseas business can serve as the pillars for next-generation growth as we actively expand our business abroad. We will continue to expand both our rental and sales businesses and work to strengthen our earnings base, through the organic coordination of Vietnam, our production base, the Philippines, our rental sales base, and South Korea, which serves both manufacturing and sales functions.**

### Results for the FY March 2019

In the overseas segment, net sales were ¥7,535 million (up 29.2% year on year), operating income was ¥24 million (down 83.7%), and the overseas sales ratio was 16.9%.

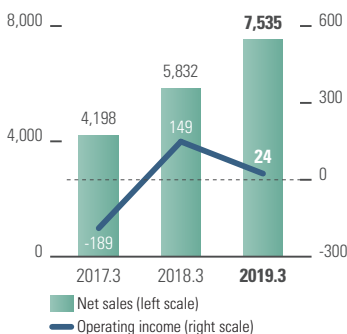
Sales and rentals of temporary equipment and materials maintained steady growth in the context of robust construction demand. In addition, orders received for large-scale, solar-related projects at Hory Korea Co., Ltd. further contributed to a substantial increase in the net sales. However, in terms of profitability, operating income decreased. That mainly reflected relatively low profit in the above-mentioned solar projects and an increase in SG&A expenses such as allowance for doubtful accounts and labor cost. In addition, proactive investments in asset for rental to expand our business in the Philippines, expenses for third phase of expansion in the Vietnam factory, and the establishment of an equipment center in the Philippines affected the decrease.

### Future strategy: Establishing foundation for growth in the ASEAN region

In the ASEAN region, demand for temporary equipment and materials is beginning to grow in the manufacturing, sales, and rental areas due to factors including robust investment in construction for public infrastructure and urban development in the Philippines and the promotion of attracting foreign corporations in Vietnam. In order to build up a driver of our next growth with global competitive strength, we are establishing a foundation for ensuring stable profits by efforts including setting up a stable supply structure, while improving our presence in the ASEAN region.

We have had to make some prudent investment decisions in light of recent economic conditions in the fiscal year ended March 2019, including forgoing investments in assets for rental in South Korea. Even so, we will continue to monitor the domestic economic situation and strengthen our sales force to capture demand in South Korea. To this end, we will continue building alliances with local major companies and deploying the rental and sales businesses of new temporary equipment and materials that incorporate the Takamiya Group's know-how.

### Net Sales and Operating Income (¥ million)



(Notes)  
 1. Figures are rounded down to the nearest million yen.  
 2. Figures include inter-segment sales or transfer.

## Message from the Officer in Charge



**Yuki Mukaiyama**  
 Director and Executive Officer  
 Division General Manager of  
 Overseas Business Division  
 Supervisor of Global Procurement  
 Division  
 Business Development Division

In just the three countries where the Takamiya Group has overseas business locations, there is a market with a combined population of approximately 250 million people and an economic growth rate of roughly 5% (compared to 1% in Japan). We are engaging in this market with a population double that of Japan and an economic growth rate five times higher as a platform to actively promote sales and marketing. In particular, in light of a current construction boom in the Philippines under the construction investment policy of President Duterte, we believe that the expansion into the target markets through capital and business partnerships with local companies and M&As, which we have pursued as part of our overseas sales and marketing strategy, has been the correct path thus far.

Our overseas business in general is in a phase of upfront investments. We are currently deploying the business model fostered in Japan while localizing when necessary to acquire the markets. Human resources are the key to localizing appropriately. It will take time to nurture managers who can take charge of corporate management with the knowledge and know-how of the rentals and sales that are our strengths and the ability to train local staff. We have continuously assigned highly qualified personnel to the Overseas Business Division. We are pursuing development through a mix of OJT and other training in cooperation with various business locations and departments within the Group, to equip employees with not only the language skills required overseas, but also the business skills needed for the mission and position assigned at overseas postings going forward.

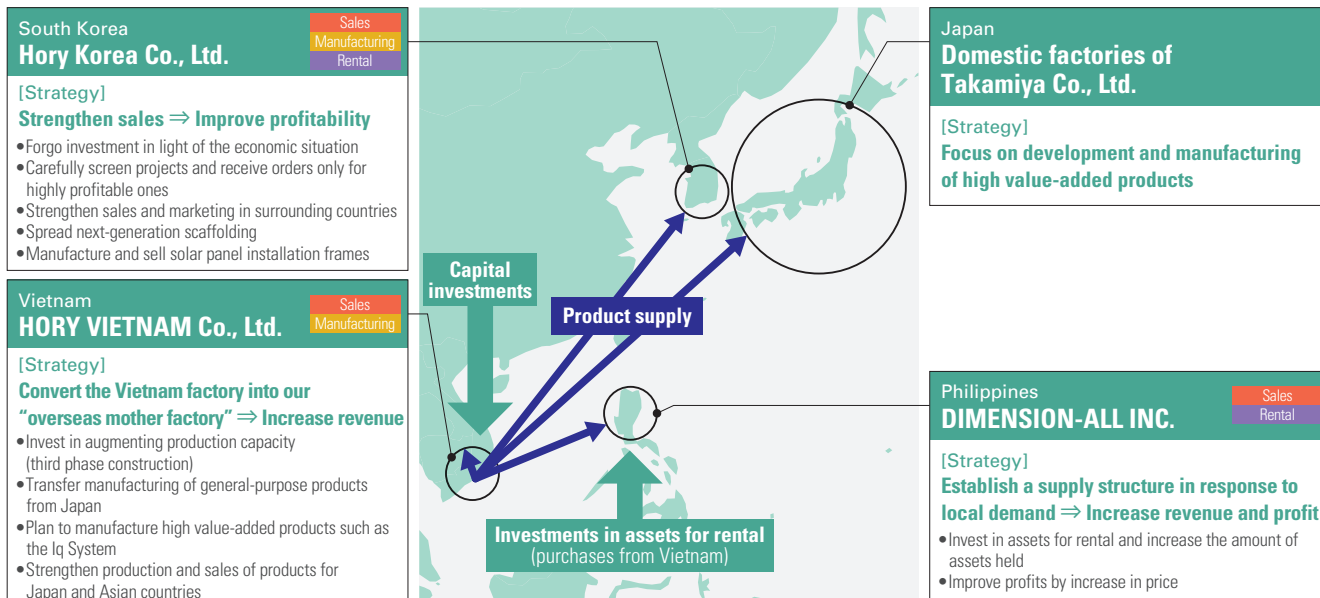
We have clarified our management policy and implemented our previous Medium-Term Management Plan from May 2014, based on the recognition that the overseas market is where the growth of the Takamiya Group lies. This policy is carried over and further strengthened in the current Medium-Term Management Plan. The Overseas Business Division will drive the transformation of the Takamiya Group into a global company with an aim to acquire market share and a de facto standard position in the overseas market over a short period of time and benefit from the earnings expansion stage over the long term.

We are beginning to see the effects of investments in assets for rental in the Philippines and Vietnam. In the Philippines, we aim to increase the rental market share in areas where projects are concentrated by continuously investing in assets for rental to support work related to infrastructure construction and urban-development investments being promoted by the government. In Vietnam, we are focusing on manufacturing general-purpose equipment and materials for the time being. However, we will work to strengthen our business structures, including enhancing our production foundation, through the conversion of the Vietnam factory into the Group's "overseas mother factory" in anticipation of the fourth and fifth phases of expansion.

In addition, we will work to strengthen the cooperation among our overseas locations by continuing to promote personnel exchanges between them. We will also strengthen our human resources foundation by nurturing locally-hired personnel into the next generation of managers.

### Key strategies

#### Strengthening the earnings base through cooperation among overseas locations



# Strengthening the Management Foundations: Corporate Governance



## Characteristics of the Takamiya's corporate governance

Takamiya Group believes that the basic foundation for corporate governance involves thoroughly enforcing compliance, ensuring the transparency and efficiency of management, and working to maximize our corporate value for all stakeholders, including shareholders and investors.

We will establish a temporary equipment and materials industry that is clearly recognized as sound by the general public and investors and achieve perpetual development within a highly transparent business environment by pursuing high-quality corporate activities centered around the stable supply of safe and high added-value temporary equipment and materials. We will also implement efforts to improve the position of our industry for the interests of our users and the entire industry, in addition to the Group's development.

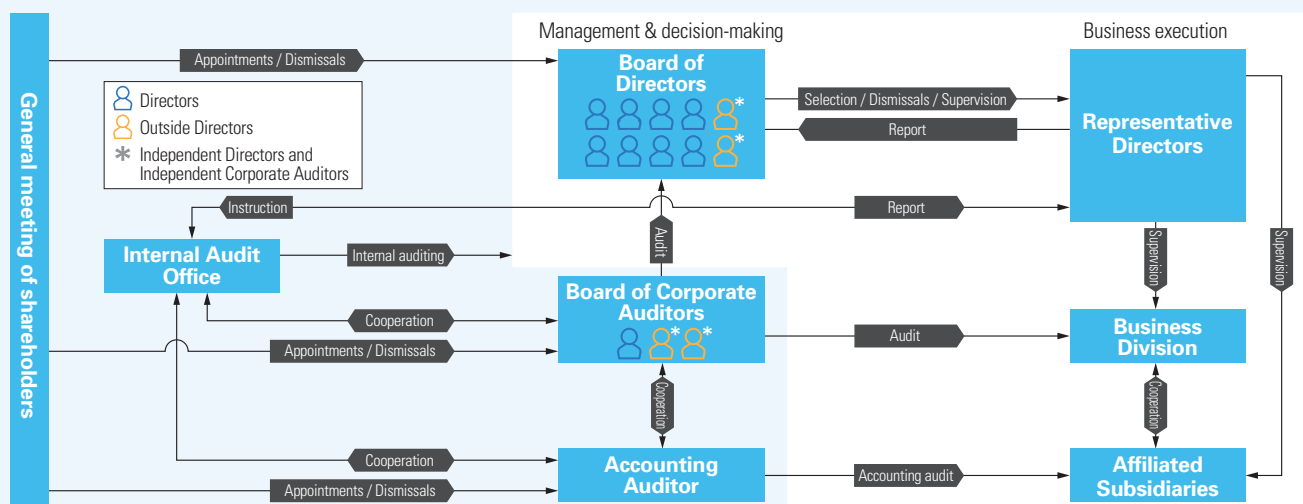
The Company's Board of Directors consists of eight Directors (all of whom are Japanese men; as of June 26, 2019) of outstanding character, possessing insights, capabilities, abundant experience and high ethical standards. Factors such as expertise in management, sales and marketing, technology, overseas business, finance and accounting, and law, as well as differing backgrounds and experience, were taken into consideration when selecting the Board of Directors' members.

In addition, two Independent Outside Directors and two Independent Outside Corporate Auditors are always in attendance at meetings of the Board of Directors. A structure is in place that allows for honest opinions, advice, and comments from an independent and objective perspective regarding management matters, in addition to important matters related to nomination and remuneration. As such, the transparency and objectivity of the Company's Board of Directors are ensured. However, gender diversity is insufficient. We recognize finding and selecting the appropriate individuals for positions is an issue for us. We will consider an effective governance structure from all aspects to further strengthen transparency and objectivity going forward.

### •Overview of Corporate Governance System (FY March 2019)

Organization	Company with a Board of Corporate Auditors
Chairman of the Board	Representative Director, 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 March 2019	Frequency: Regular 12 times; Extraordinary 5 times; Resolution in writing 3 times Director attendance rate: 98%; Corporate Auditor attendance rate: 94%
Board of Corporate Auditors Meetings in the FY March 2019	Frequency: Regular 12 times; Extraordinary 2 times Corporate Auditor attendance rate: 93%
Main Meetings Attended by Corporate Auditors	Board of Directors Meetings, Management Meetings
Appointment of Independent Directors and Corporate Auditors	Two Outside Directors and two Outside Corporate Auditors
Accounting Auditor	Ernst & Young ShinNihon LLC

### •Corporate Governance System (As of March 31, 2019)



**Status of Members of the Board and Corporate Auditors** (As of June 26, 2019. Figures on the meeting attendance and attendance rate are for the fiscal year ended March 2019.)

**•Structure of the Board of Directors**

Name	Current positions	Board of Directors Meeting attendance/ Attendance rate	Expertise	Reason for appointment
Kazumasa Takamiya	Representative Director, President and Chairman	17 times/100%	Management	Has led the Group with experience and a high level of knowledge related to corporate management and strong leadership
Akiyoshi Takamiya	Representative Director, Executive Vice President Supervisor of Product Development Division Sales & Marketing Division	15 times/88%	Management and sales & marketing	Is well acquainted with the Group's overall business operations and management, particularly in the sales & marketing division
Hideki Yasuda	Director and Managing Executive Officer Division General Manager of Business Management Division	16 times/94%	Finance and accounting	Has abundant experience and extensive knowledge in the administrative division, particularly in finance and accounting
Tsutomu Abe	Director and Executive Officer Division General Manager of Sales & Marketing Division	17 times/100%	Sales & marketing	Has abundant experience in the construction-use temporary equipment and materials industry and extensive knowledge related to sales & marketing in general
Yuki Mukaiyama	Director and Executive Officer Division General Manager of Overseas Business Division Supervisor of Global Procurement Division Business Development Division	17 times/100%	Overseas, management and new business	Has abundant overseas management experience including serving as the representative of an overseas subsidiary, and is well acquainted with new business development
Yasunori Nishioka	Director and Executive Officer Division General Manager of Manufacturing Division Supervisor of Scaffolding Quality Assurance Division	17 times/100%	Management, finance, overseas, manufacturing and quality control	Has abundant management experience at financial institutions, experience in international business, and management experience at a manufacturing subsidiary, and is well acquainted with the Company's manufacturing division
Kouji Shimokawa	Director Outside Independent	17 times/100%	Taxes and accounting	Is qualified as a tax accountant and has abundant experience and extensive knowledge from many years of involvement in managerial accounting that would be useful in the Company's management
Noboru Furuichi	Director Outside Independent	17 times/100%	Financing, finance and management	Has been responsible for a wide range of financial advisory operations at securities firms for many years, and has advanced management decision-making capabilities, and abundant experience and knowledge that would be useful in the Company's management

**•Structure of the Board of Corporate Auditors**

Name	Current positions	Board of Directors Meeting attendance/ Attendance rate	Board of Corporate Auditors Meeting attendance/ Attendance rate	Expertise	Reason for appointment
Kazumasa Yamaguchi	Corporate Auditor (full-time)	17 times/100%	14 times/100%	Finance and accounting	Has engaged in work including settlement procedures and preparation of financial statements in the Company's financial division for a total of 20 years, has served as a Corporate Auditor of the Company and the Managing Director and General Manager of Finance & Accounting Department of the consolidated subsidiary Hory Corporation, and accordingly has considerable knowledge of finance and accounting
Yoshihiro Sakatani	Corporate Auditor Outside Independent	17 times/100%	14 times/100%	Finance and accounting	Is qualified as a certified public accountant, has considerable knowledge of corporate finance and accounting, and his advice on the Company's management from the perspective of finance and accounting as appropriate will contribute to the soundness of accounting for the Company
Teiji Joko	Corporate Auditor Outside Independent	14 times/82%	11 times/79%	Law	Is qualified as a lawyer and can be expected to perform objective and neutral audits from the perspective of compliance. It was deemed he would appropriately fulfill his duties as an Independent Corporate Auditor

**Criteria for the appointment of Directors and Corporate Auditors**

The appointment and dismissal of candidates for Directors and Corporate Auditors are determined by a meeting of the Board of Directors with Independent Outside Directors and Independent Outside Corporate Auditors in attendance, based on relevant regulations including the Regulations for Professional Organization of Officers. Comprehensive consideration is given to the career history, track record, knowledge, experience and capabilities of each candidate. Furthermore, the opinions of Outside Officers are requested in advance when necessary, and the Board of Corporate Auditors' consent is obtained in advance for the appointment of Corporate Auditor candidates.

[Selection criteria]

- Directors: The basic requirements for Director candidates are having outstanding character and insight, as well as being such individuals as will contribute to the growth and improvement in the corporate value of the Company and the Group. The candidates must have high levels of knowledge and judgment capabilities in each business field. Outside Director candidates are required to have a high level of expertise in a field such as taxes, accounting, law, or management. They must be able to actively state opinions from an objective and external viewpoint, reflecting a diverse background.
- Corporate Auditors: The basic requirements for Corporate Auditor candidates are having high ethical standards and objective, fair and impartial judgment capabilities. The candidates must also have the appropriate experience and capabilities as Corporate Auditors and a high level of expertise in a field such as taxes, accounting, law, or management. In addition to the above requirements, Outside Corporate Auditors are required to have no conflicts regarding their independence.

For the dismissal of Officers, if an Officer has deviated from the above appointment criteria and it has been objectively deemed appropriate to dismiss him or her, a resolution shall be made at a meeting of the Board of Directors with Independent Outside Directors and Independent Outside Corporate Auditors in attendance, after sufficient discussions have been held.



# Strengthening the Management Foundations: Corporate Governance

## •Appointment and dismissal of the Chief Executive Officer

The Company has not established voluntary advisory committees or set any uniform standards on the appointment and evaluation regarding the appointment and dismissal of the President, who is the Chief Executive Officer. However, if it has been objectively deemed that dismissal would be appropriate in the case of a violation of laws, regulations, or the articles of incorporation, or a significant degradation of the Company's corporate value, a resolution shall be made at a meeting of the Board of Directors with Independent Outside Officers in attendance, after sufficient discussions have been held.

## •Succession plan

The Company does not currently have a specific plan for successors for positions such as the Chief Executive Officer. However, we recognize succession planning as an important management issue and are nurturing candidates from the management team (Directors and Executive Officers). We will continue to engage in constructive discussions on the approach to the appropriate implementation and supervision of succession planning at the Board of Directors.

### Evaluations of the effectiveness of the Board of Directors

Since the fiscal year ended March 2018, the Company has conducted questionnaires with Directors and Corporate Auditors regarding the effectiveness of the Board of Directors. Analyses and evaluations on the structure and operations of the Board of Directors and the role of Board of Directors were also conducted to determine management strategy and supervisory function.

It was deemed that the effectiveness of the Board of Directors has been ensured in general. However, there is room for improvement, including the opinions that it is necessary to enhance successor development, incorporation in the evaluation of Directors, and training.

We will further improve the effectiveness of the Board of Directors based on these analyses and evaluations going forward.

## Remuneration, etc. for Directors and Corporate Auditors

### •Remuneration system for Directors and Corporate Auditors

The remuneration of Directors consists of basic remuneration according to their position, performance-linked remuneration (bonuses) as a short-term incentive linked to single-year performance, and stock-based remuneration stock options positioned as a medium- to long-term incentive. The remuneration of Outside Officers consists only of basic remuneration from the perspective of their roles and independence.

The fixed remuneration of Directors is determined by the Board of Directors within the limit of total remuneration provided for in a resolution by the general meeting of shareholders. The remuneration is based on the presentation of a payment proposal by the Representative Director and President to the Board of Directors. He or she prepares the proposal by extensively considering factors including each Director's position, the evaluation on the performance of duties, and the performance of the Company. He or she also seeks advice from Independent Outside Directors.

For bonuses that are short-term, performance-linked remuneration, a proposal on the total payment amount is submitted to the general meeting of shareholders if the single-year consolidated operating income target is achieved. Bonuses are determined and paid within the total payment amount provided for in the resolution. The remuneration amount for each Director is at the discretion of the Representative Director and President.

For stock-based remuneration stock options, which are a medium- to long-term incentive, within the limit of total stock options provided for in a resolution by the general meeting of shareholders, a proposal for granting stock options based on the position factor set in the Company's regulations is submitted to the Board of Directors, which determines and grants the stock options.

For the fiscal year ended March 31, 2019, remuneration for our Directors and Corporate Auditors was as follows:

Category	Total remuneration (¥ thousand)	Total remuneration by type (¥ thousand)			Number of eligible individuals (person)
		Fixed remuneration	Performance-based remuneration	Medium- to long-term incentive (stock options)	
Directors (excluding Outside Directors)	263,084	218,028	16,980	28,076	8
Corporate Auditors (excluding Outside Corporate Auditors)	10,000	9,600	400	0	1
Outside Officers	13,560	13,560	0	0	4

(Notes)

- 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.
- It was resolved that the limit on Directors' remuneration shall be up to an annual amount of ¥500,000 thousand (though not including the employee salary for Directors) at the 49th Ordinary General Meeting of Shareholders held on June 28, 2017 (number of Officers in relation to the said resolution: 10). In addition, it was resolved that the limit on separate remuneration as stock options shall be up to an annual amount of ¥150,000 thousand at the 43rd Ordinary General Meeting of Shareholders held on June 29, 2011 (number of Officers in relation to the said resolution: 5).
- It was resolved that the limit on Corporate Auditors' remuneration shall be up to an annual amount of ¥50,000 thousand at the 25th Ordinary General Meeting of Shareholders held on May 18, 1994. The remuneration amount for each Corporate Auditor is determined through discussions by the Corporate Auditors (number of Officers in relation to the said resolution: 3).

## Details of audit fees, etc.

For the fiscal year ended March 31, 2019, audit fees paid to certified public accountants and others was as follows:

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

For the fiscal year ended March 31, 2019, fees paid to Ernst & Young members firms, which are members of the same network of the Company's certified public accountants, was as follows:

Category	Previous fiscal year		Current fiscal year	
	Fees paid for audit certification work (¥ thousand)	Fees paid for non-audit certification work (¥ thousand)	Fees paid for audit certification work (¥ thousand)	Fees paid for non-audit certification work (¥ thousand)
The Company	—	—	—	714
Consolidated subsidiaries	3,839	9,471	4,771	1,092
Total	3,839	9,471	4,771	1,806

The audit certification work for which the Company paid fees entailed tax consultation. And the non-audit certification work for which the consolidated subsidiaries paid fees entailed preparation of corporate tax returns and consultation and others.

## 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, 2019 were as follows:

For individual investors	For analysts and institutional investors	IR website
Briefings for individual investors: twice/year (total participants: 100 persons)	Financial results briefings: twice/year (year-end, end of the second quarter) One-on-one meetings: 72 times	<a href="https://www.takamiya.co/en/ir/">https://www.takamiya.co/en/ir/</a>
We hold regular briefings 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.	At our semi-annual results briefings, the President and Chairman and other executives summarize our performance and provide earnings forecasts. Materials and videos are available on our investor relations website.	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.

## Risk management, internal controls and compliance

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.

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.

## Messages from the Outside Directors

### ▶ **Activating the Board of Directors to improve our corporate value**

Kouji Shimokawa, Outside Director (Independent)

#### •**Role that should be fulfilled to improve our corporate value**

The fiscal year ended March 2019 concluded with results that slightly exceeded the plan. While the industry environment is expected to remain strong, we need to stay cautious. I endeavor to objectively verify whether various measures are being taken to respond to changes while always taking into consideration the impact of changes in the external environment on business results, from the perspective of an external third party who can reference other companies as a benchmark. In addition, I strive to deepen the discussions at the Board of Directors by requesting explanations on the objectives and background of measures, while actively making my own statements.

#### •**Contributions that utilize experience and knowledge**

It is not easy to achieve the same growth that has been logged thus far by only engaging in business in Japan, whose market could contract over the long term. As such, the Company is improving the efficiency of its operations process and establishing new business foundations. In particular, the overseas business is positioned as a growth business over

the medium term, and making this business profitable is an issue. I draw on the experience and know-how I have gained through negotiations on business partnerships and M&As with overseas companies as a consultant to state opinions and ask questions at the Board of Directors, with the aim of contributing to the achievement of profitability for the Group's overseas business.

#### •**Recognizing and responding to current issues**

The Company has achieved results through the "transformation" set forth in the new Medium-Term Management Plan. I believe there is a clear awareness of issues and that the measures and decisions thereof have been appropriate. However, it is important to continue to aim for further improvements in order to survive amid harsh competition. Accordingly, I will work to spur discussions at the Board of Directors by deliberately expressing my doubts, even toward measures seemed to be appropriate, and by ensuring the careful selection of measures beneficial to improving our corporate value from various perspectives including accounting, law and society.

### ▶ **Aiming for a governance structure that allows taking appropriate risks**

Noboru Furuichi, Outside Director (Independent)

#### •**Role that should be fulfilled to improve our corporate value**

The Company's new Medium-Term Management Plan is forward-looking, based on the slogan of "transformation." Japan is becoming a society with a declining population to an extent never experienced before, and the Company must change as the times change going forward.

The environment that the Company operates in will change significantly after the Tokyo 2020 Olympic and Paralympic Games. It will be important for the entire company to have the strong determination to achieve the Plan without fail. In order to do this, the management team must demonstrate strong leadership and respond promptly to changes in the external environment.

As an Outside Director, I will participate in discussions at the Board of Directors and thoroughly supervise management, with the aim of contributing to the achievement of medium- to long-term profits for shareholders.

#### •**Contributions that utilize experience and knowledge**

Although the Company has been listed on the First Section of

the Tokyo Stock Exchange for five years, it still does not have a high level of recognition among investors. I intend to draw on my experience in the securities industry to contribute to the strengthening and enhancement of PR and IR operations in particular for connecting the Company with shareholders and other investors.

#### •**Recognizing and responding to current issues**

The construction industry will see a contraction in the domestic market going forward. The courage to actively take on risks, including M&As and overseas business expansion, will be necessary for companies to grow under such circumstances. Accordingly, I recognize that the establishment and ongoing enhancement of a corporate governance structure capable of appropriate risk-taking is an issue.

Another issue is nurturing managers capable of leading the next generation, while building up their experience based on a solid plan.

As an Outside Director, I will do my best to resolve these issues in order to achieve the Company's sustainable growth.

# Strengthening the Management Foundations: Directors, Corporate Auditors and Executive Officers

(As of June 26, 2019)

## Directors



**Kazumasa Takamiya**

Representative Director,  
President and Chairman  
Supervisor of Scaffolding  
Management Division



**Akiyoshi Takamiya**

Representative Director,  
Executive Vice President  
Supervisor of Product Development Division  
Sales & Marketing Division



**Hideki Yasuda**

Director and Managing Executive Officer  
Division General Manager of  
Business Management Division  
General Manager of Corporate Planning Department



**Tsutomu Abe**

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



**Yuki Mukaiyama**

Director and Executive Officer  
Division General Manager of  
Overseas Business Division  
Supervisor of Global Procurement Division  
Business Development Division



**Yasunori Nishioka**

Director and Executive Officer  
Division General Manager of  
Manufacturing Division  
Supervisor of Scaffolding  
Quality Assurance Division



**Kouji Shimokawa**

Director

Outside Independent

<Important concurrent positions>  
Representative Partner of Shimokawa &  
Partners Accounting Corporation  
Chairman of the Board of  
GLOBAL CORPORATE CONSULTING, INC.  
Director of Mitsubishi Co., Ltd. (Audit Committee Member)



**Noboru Furuichi**

Director

Outside Independent

## Corporate Auditors



**Kazumasa Yamaguchi**

Corporate Auditor (full-time)



**Yoshihiro Sakatani**

Corporate Auditor

Outside Independent

<Important concurrent positions>  
President and Representative Director of  
Japan Management Consulting K.K.  
Director of Pressance Corporation Co., Ltd.  
(Audit Committee Member)  
Director of Watts Co., Ltd. (Audit Committee Member)  
Director of SHO-BI Corporation (Audit Committee Member)



**Teiji Joko**

Corporate Auditor

Outside Independent

<Important concurrent positions>  
Corporate Auditor of G-7 HOLDINGS INC.  
Corporate Auditor of Onamba Co., Ltd.

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

**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

**Tomoya Tatsumi**

Executive Officer  
General Manager of  
Finance & Accounting Department  
Business Management Division and  
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  
Division General Manager of  
Scaffolding Quality Assurance Division

**Takashi Nagumo**

Executive Officer  
Division General Manager of  
Product Development Division and  
Manager of Building Material Design Section

**Mitsunori Yamato**

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

**Tetsuya Aoki**

Executive Officer  
Division General Manager of  
Business Development Division and  
General Manager of Product Research  
Planning Department

**Ryuji Arai**

Executive Officer  
Division General Manager of  
Global Procurement Division and  
Deputy General Manager of  
Overseas Business Department  
Overseas Business Division

**Hiroshi Koda**

Executive Officer  
General Manager of  
Manufacturing Division and  
Vietnam Factory General Manager





# Sustainably improving our corporate value through the promotion of diversity and work-style reform

**Business strategies and personnel strategies are the two sides of the same coin. Strengthening the management foundation is one of the basic policies of the Company’s current Medium-Term Management Plan, and human resources development is essential to its achievement. In addition, we are focusing on investments in human resources development and work-style reform as part of our investment policy. In this section, we will describe our approach to the Company’s human resources strategy and its initiatives.**

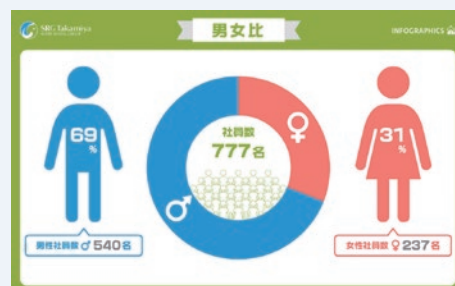
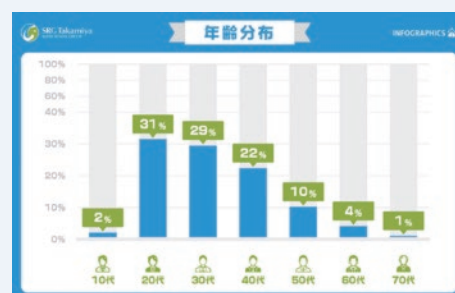
**“Set a management vision and work out a strategy.” In doing so, we must have not only outstanding strategies and tactics, but also assign appropriate personnel to appropriate departments in order to improve corporate value and produce results.**

Takamiya has set “transformation” as our slogan in the current Medium-Term Management Plan. We are implementing growth strategies under a variety of themes in order to achieve sustainable growth, including productivity improvements by way of harnessing AI and IoT, strengthening the overseas business, the development of new businesses that produce earnings, and shifting our focus to manufacturing business and strengthening development capabilities for producing outstanding and high value-added products.

As the Group transforms the nature of its business and business category, the nature of its business is becoming more diverse, with its operations changing as well. For example, the Company is introducing AI and RPA (robotic process automation), and in the future, operations that have been dependent on manpower thus far will be replaced by robots that fully utilize AI technologies. We believe this will allow human resources to be active in a broader range of new operations, increase the mobility of personnel, and provide advantages in securing labor power in the face of declining birthrates and an aging population.

In order to gain advantages in securing human resources, a pressing issue is the enhancement of personnel systems including education, training and career development that enable the Group’s human resources to be active in various fields. Furthermore, the introduction of “same job, same pay” policy issued

by the Ministry of Health, Labor and Welfare that aims to reduce disparities in treatment between regular employees and non-regular employees could encourage liquidity in the entire labor market. If we are able to appropriately incorporate this system and others into our personnel systems, we would have advantages in the hiring of personnel that have become more fluid and in securing a labor force.



Visualization of information using infographics  
(Note) The images represent information from the time when the infographics were created and may differ from current figures.



## Expansion of our personnel activities to the global stage

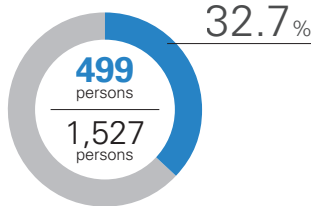
(As of March 31, 2019; the number of persons and the ratio include non-consolidated subsidiaries)

### Number of business locations in Japan and overseas

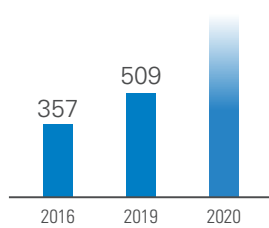
99

Japan: 92  
Overseas: 7

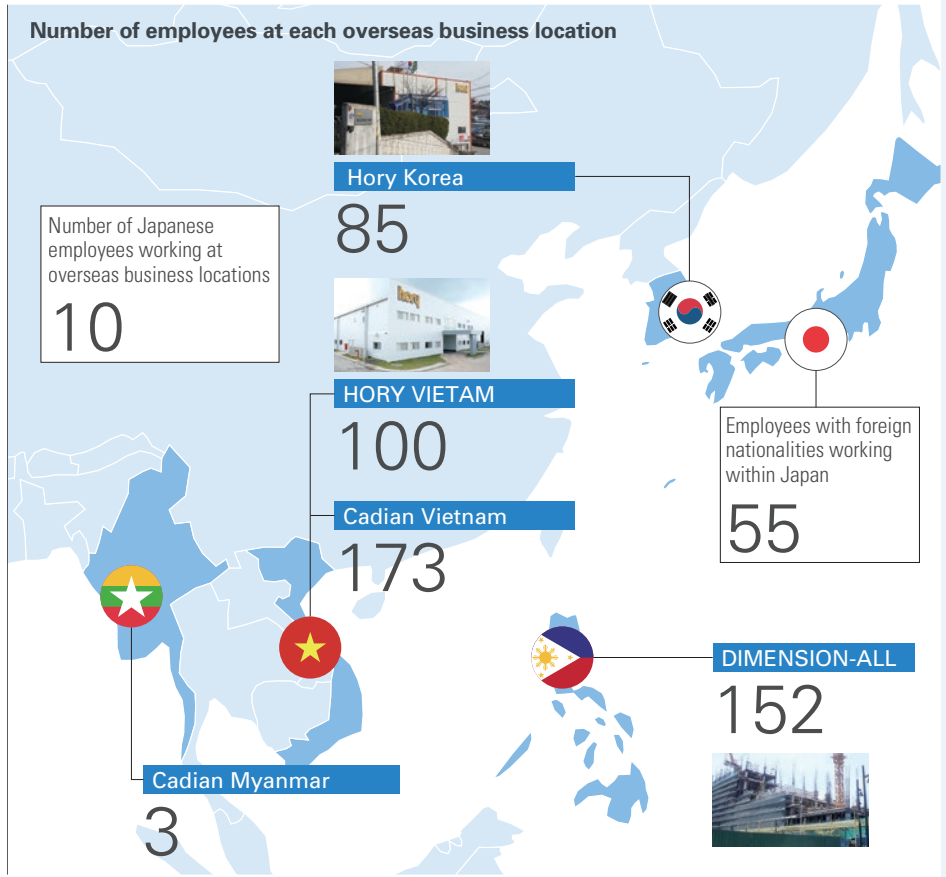
### Ratio of overseas employees to all employees



### Number of employees at overseas business locations



### Number of employees at each overseas business location



**Diversity in human resources means that we can take advantage of diverse ideas and ways of thinking in management and business operations. In order to diversify, we enhance working environments and promote diverse working styles. As a result, ideas that lead to increased productivity will be born.**

In the construction industry, which comprises the Company's main customers, the participation of women has become noticeable in areas such as the field supervision and design department. We are also working to develop an environment that allows for the active participation of women as an important human resources initiative.

Until recently, female employees had been assigned to clerical positions to conduct work under male employees in regular positions who managed the flow of overall work and individual tasks at Takamiya. As a result, the female managers ratio at the Company is almost zero. On the other hand, female employees have been placed in management positions for some time now at Group companies, some of which now have female Directors.

Going forward, we will improve work environments by eliminating outdated biases related to gender and job types, and by creating frameworks to ensure that tasks are not reliant on particular individuals. The aim is to establish a structure that allows qualified individuals to take on work regardless of gender and other factors. By identifying the nature of the work and giving chances for everyone to take on, we are able to create a workplace in which



## Female employees succeeding under the diversity plan

### Ensuring worksite safety from a perspective that is distinctly female

Kaori Kimi, Scaffolding Safety Control Department, Sales & Marketing Division



A job for the scaffolding-safety management at the construction site became available to female employees, who would be expected to actively participate in the field as part of the Diversity plan. Until then, I had provided support for sales and scaffolding construction management in rentals and construction as a clerical worker. So being able to go out in the field to directly support safety seemed very attractive to me.

As included in the aims of the Diversity plan, I believed that female employees could make proposal from a unique perspective. So I applied for this job offer to be a pioneer in

realizing the ideas. Although there were some issues that I struggled with at the beginning, I have now gained the trust of our customers. Our primary contractors and others have told me, "It really helps having various things pointed out from a perspective that is distinctly female."

I have been on the job for more than one year now. I plan to further learn about the laws and regulations related to scaffolding going forward, so that I can work with even more confidence to improve safety. I myself would also like to significantly increase the opportunities for the active participation of female employees.

individual can succeed regardless of gender or nationality. The foundation of the Company's human resources strategies involves fostering an environment in which individuals from various environments who have diverse values can succeed and establishing a free and open corporate culture that encourages the exchange of opinions.

### Implementing work-style reform to achieve diverse work styles and improving productivity as a result. That is the true meaning of work-style reform.

There is a tendency to define work-style reform as something for improving a company's productivity. However, doing so limits the reform measures to those that are directly linked to productivity improvements.

Diverse ideas and ways of thinking can give birth to breakthrough ideas in ways that are not based on preconceived notions or past successes. To ensure that this potential is not neglected, we believe that the purpose of work-style





reform must be to create a work environment that enables diverse personnel to achieve diverse work styles.

The idea that work is a means for enriching life is becoming instilled as a common way of thinking recently. To put it the other way around, if there is a clear sense of purpose to enrich lives, we believe it will improve the motivation toward work and encourage employees to work as efficiently as possible and improve productivity as a result.

Management must also have flexible ideas to create an environment that allows employees to think of and achieve new work styles on their own. In this direction, the management have to present the minimum results and requirements, rather than common measures covering all executives and employees needs. By extending this approach, the foundations for productivity improvements based on diverse ideas as well as development of future management and executive human resources will be built.



**We promote visualization of the company’s information. Knowing about the current situation can generate food for thought. Presenting a career plan can set in motion the voluntary thrust toward self-realization.**



With regard to career planning, if many options are offered and systems and frameworks for achieving career goals are provided, then voluntary actions to achieve the career goals will be naturally encouraged. The systems and frameworks that encourage autonomy are needed here as well. Throughout the Company, we are working to create an environment for career

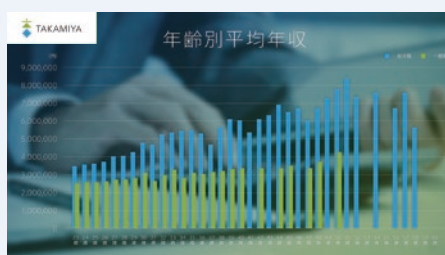
development that allows employees to think of methods that fit them by disclosing a variety of information and providing opportunities for learning.

While encouraging autonomy, management also must provide information on what must be done, what should be aimed for, and the current situation. Moreover, it is important to clearly indicate what skills and knowledge should be obtained to put our strategies in practice and achieve our targets.

It is important to synchronize the ideal personnel sought by the Company and career development. If the capabilities required are challenging, various incentives should be provided to encourage executives and employees to take on the challenge. In addition, because it will not be easy to acquire the personnels who have the capabilities required for achieving the management goals, we are focusing on training and nurturing employees in addition to hiring. We believe this will lead not only to the achievement of the management strategies and reaching performance targets in the current Medium-Term Management Plan, but also to the Group’s sustainable growth.



Communicating information internally and externally through signage installed in reception rooms and hallways



Disclosure of various information related to career development





Social



Environment

# Providing social value through our business based on the themes of safety, the environment and workability

**The issues facing society have become more diverse and their impact has continued to expand. Companies must respond to these issues through their businesses and strengths and provide value to society in order to contribute to a sustainable society and achieve growth.**

**Takamiya has engaged in business based on the themes of safety, the environment and workability, even before ESG efforts came into focus. In this section, we will introduce some examples of our response to social issues through our products and businesses.**

### Contributing to improvements in safety and efficiency in the construction industry: Iq System

For approximately half a century, the height of scaffolding in Japan was 170 cm, in line with the average height of an adult male of 50 to 60 years ago. Because the average height has since grown to 172 cm, many workers must crouch down while working with safety shoes and helmets on, leading to work-related injuries and accidents.

By making the floor height 190 cm for the Iq System, our next-generation scaffolding, we have secured a large space that allows for working without crouching. We have also improved safety by eliminating gaps at the feet. In addition, it is designed to be lightweight and compact when stored. This also contributes to easing a severe shortage of drivers by enabling transport with fewer trucks than in the past.



Iq System

### Damping device that protects housing from earthquakes: WUTEC

Japan has frequent earthquakes, and the safety of housing cannot be discussed without mentioning earthquake resistance. In light of the frequent damage from large-scale earthquakes in the past, it has been recognized that the former earthquake-resistance strength standards are insufficient, and that anti-seismic reinforcement to comply with the new standards is a pressing issue.

Our WUTEC is a residential damping device that can reduce the swinging width of buildings by 80%. There is no deterioration in performance from degradation over time or temperature change, and the device functions under any environment. In addition, because it is possible to simply replace the load-bearing walls of existing houses with WUTEC, quick and simple seismic reinforcement is possible. We protect lives from unexpected major earthquakes and contribute to not only the safety of residents, but also the creation of a safe society.



WUTEC

### Damping that supports ultra-high-rise buildings to low-level buildings: Oct-brace

There has been growing demand for urban development and high-rise apartments, due in part to the recently announced plans to hold many large-scale events. In addition, much attention has been focused on damping and anti-seismic measures for buildings underpinned by the frequent occurrence of earthquakes.



Oct-brace

Oct-brace, our buckling constraint (damping) brace, can be handled as a brace that does not yield. It is also a piece of structural equipment that can be used as seismic reinforcement for buildings such as logistics warehouses with large floor areas and medium-, low-, and high-rise buildings. Because it is made of aluminum, it is lightweight and does not require maintenance. In addition, a fewer number of bolts means it can be installed efficiently. With this product, we contribute to the establishment of safe urban development by resolving issues related to seismic reinforcement and a reduction of construction costs.

### Contributing to the maintenance and repair of small bridges: AOS Construction Method

Bridges and transportation infrastructure constructed nationwide during Japan's era of high economic growth are aging. Maintenance and repairs to ensure their safety are urgently needed.

Our AOS Construction Method integrates joint replacement work for small bridges and road floor slab waterproofing work, which shorten the work period by 50% and reduce the cost by a little over 15% compared to conventional methods. The method is expected to be used in small-scale bridge maintenance because it can easily be implemented at room temperature and no large-scale work is required. We will contribute to establishing the safe living of local residents through this method.



AOS Construction Method

### Agricultural houses with outstanding weather resistance: G-Castle Series

A shortage of farmers is becoming a serious issue, and the national and local governments are implementing assistance measures in response to the serious challenge of food self-sufficiency. In addition, there have been many cases of agricultural houses being destroyed by disasters such as typhoons, with farmers abandoning reconstruction work and quitting agriculture.

We are actively pursuing the development, manufacturing, and construction of agricultural houses in response to these issues. In the field of agriculture, progress has been made in technological improvements in intangible aspects. As for the tangible aspects, there is the issue of insufficiency for suppliers that provide greenhouses at low price with outstanding structural design. We are responding to this issue by taking advantage of the technologies and know-how fostered through the development and manufacturing of construction-use temporary equipment and materials, and provides a one-stop service ranging from the supply of products to construction with outstanding weather resistance. Furthermore, we will continue contributing to the field of agriculture going forward through such means as improving the production efficiency by combining intangible measures such as environmental control.



G-Castle series

### Responding to the maintenance and repair needs of infrastructure: SPIDER PANEL

SPIDER PANEL is a panel-type hanging scaffolding that minimizes gaps and unevenness and improves safety and workability. Hanging scaffolding is a type of scaffolding that is installed through suspension with chains, and it is a piece of equipment that plays an important role in maintenance and repair work on infrastructures, including railways and highways, which is expected to increase in the future. With maintenance and repair needs growing, there is a shortage of workers in the construction industry, with supply not able to keep up with demand.

Takamiya will provide a working environment that enables construction workers to perform efficiently and safely and contribute to improvements in productivity and safety in the field.



SPIDER PANEL



# Our Main Products

## Temporary equipment and materials



### YT Lock System

Enables setting up along slopes. It can also be used as a gantry.



### VMAX

Hanging-type scaffolding with high workability that is used for repair work for bridges.



### G Walk

A catwalk panel with fewer gaps to prevent stumbling and falling objects.



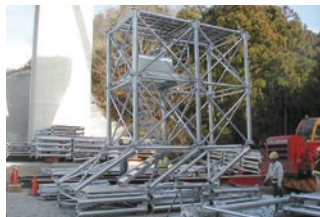
### Dimple Post X

Supports the safety and lives of workers while they are under the beams for work including steel construction and ridge beam operations. It is lightweight and easy to carry.



### Clamps

Bolted fastening-type metal fittings, important part of temporary equipment



### Standing Bear

Enables safe assembly and disassembly and significant labor-saving, with structures that include lifting equipment, baseboards, and handrails as one unit.



### Power Frame

Wedge-type support system that fits to the shape of a structure in a flexible manner



### AL-SPEEDER

Light-weight equipment made by Aluminum, which can be used for any types of scaffolding, improves workability. It also can be piled up.

## Formwork



### STENMETAL (Steel form)

Steel form enhancing cross-sectional performance with its rib height of 72mm. It can also be used with a wooden form.



### Cap Ten Pile Method

Method enabling correspondence to the large-scale ground deformation due to an earthquake and reduce damages to piles.



### WUTEC

Seismic damper enabling reduction of vibration range of buildings up to 80%.



### Oct-brace

Structural device with a seismic damping function that can be used for buildings of any height from high-rise buildings to low-rise structures.

## Building materials

## Environmental equipment



### ECHO BARRIER

Soundproof sheets reducing noise by absorbing sound. It 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



### Steel Frame House Pro II

Called a Dutch Light-type high-steel frame house, it is suitable for high-wire method crops and perfect for large-scale cultivation.



### Weather-Resistant Pipe House

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

# Corporate Information

## Corporate Outline (As of March 31, 2019)

Name	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	¥732,130,000
Representative	Kazumasa Takamiya Representative Director, President and Chairman
Number of employees	Consolidated 1,204 Non-consolidated 668

## Share Information (As of March 31, 2019)

### Share data

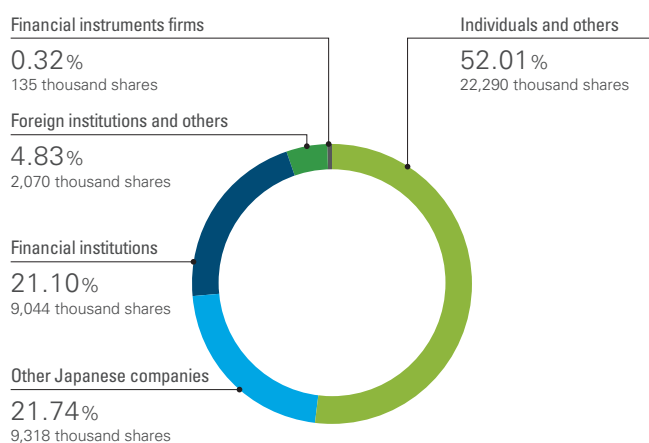
Total number of issuable shares	144,000,000
Total number of issued shares	45,467,600
Number of shareholders	2,923

### Principal Shareholders

Shareholders	Number of shares held (thousand shares)	Percentage of shares held (%)
Takamiya Ltd.	6,725	15.69
Tojitsu Takamiya	5,356	12.50
Japan Trustee Services Bank Ltd. (Trust account)	3,770	8.80
Akiyoshi Takamiya	2,246	5.24
Kazumasa Takamiya	2,109	4.92
Sky Rainbow Employee Stock Ownership Community	2,104	4.91
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

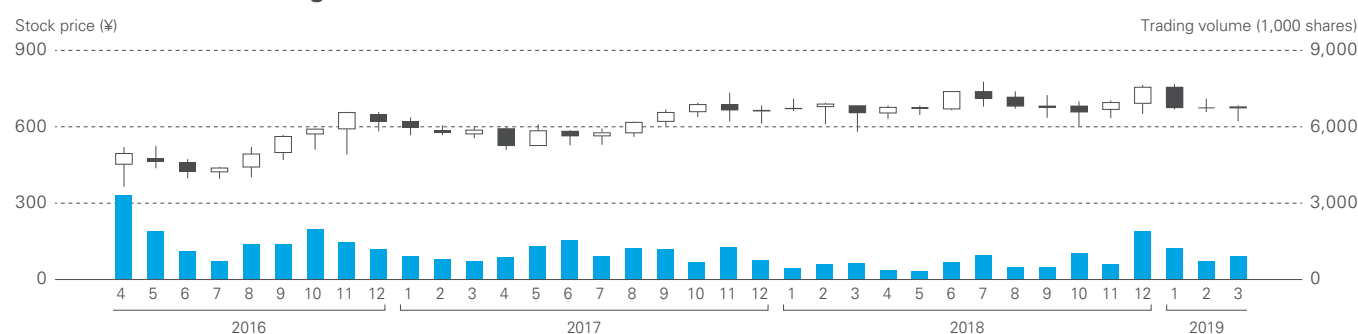
Notes: 1. The Company holds 2,606 thousand shares of treasury share. Treasury share is excluded from the list of major shareholders and is not used in calculating percentages of shares held.  
2. Percentage have been rounded to the second decimal place.  
3. Among above number of shares held, shares related to trust services is as follows.  
Japan Trustee Services Bank, Ltd. (Trust Account) 3,768 thousand shares

### Breakdown of Shares by Type of Shareholders



Notes: 1. The Company holds 2,606 thousand shares of treasury share. Treasury share 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 TAKAMIYA's website: <a href="https://www.takamiya.co/en/">https://www.takamiya.co/en/</a> 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.





Takamiya Co., Ltd.

Grand Front Osaka Tower-B Bldg. 27F, 3-1, Ofuka-cho, Kita-ku, Osaka 530-0011, Japan T +81-6-6375-3900



[www.takamiya.co/en/](http://www.takamiya.co/en/)