



Annual Report 2020



Takamiya Co., Ltd.

Head Office Grand Front Osaka Tower-B Bldg. 27F, 3-1, Ofuka-cho, Kita-ku, Osaka 530-0011, Japan



www.takamiya.co/en/

Takamiya Co., Ltd.



Introduction

First, please allow me to offer my sincerest condolences to the families of all who have lost loved ones due to the current COVID-19 pandemic, and my sympathies to those who have contracted the disease. Also, I would like to express my deep gratitude and respect for the medical professionals who are on the front lines fighting to contain this pandemic.

As we move toward an era of coexisting with COVID-19, major changes are required of corporate management. The Company will continue to take on challenges in its business activities with agility and flexibility while taking precautions against infection to the maximum extent possible.

Even in the face of a severe situation such as a pandemic, we cannot stop evolving. We will not limit ourselves to conventional business or earnings structures. Rather, we will transform our business model with the aim of becoming a corporate group that drives the qualitative development of the construction industry.

The fiscal year ending March 31, 2021 is the final year of our 2018 Medium-Term Management Plan. In this report, we present our results and outlook for “Transformation,” which is the central theme of the plan.

Kazumasa Takamiya

Representative Director, President and Chairman

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Editorial Policy

The content of this report ranges from the Takamiya Group’s history to its strategy for medium- to long-term value creation, the path to achieving its mission and vision, and financial and non-financial information. Our aim is to provide all stakeholders, in particular shareholders and investors, with a better understanding of the Takamiya Group.

On June 20, 2019, we marked our 50th year as a corporate group. With “Love” set as our Mission Statement, we began moving step by step through our transformation into a corporate group unlike any that has ever existed. We hope your expectations for the Takamiya Group will grow as we progress toward this goal. We will continue to create new value and pursue a transformation unique to Takamiya, while working to disclose information in an easy to understand manner that reflects the opinions and requests of various stakeholders.

Note regarding Forward-Looking Statements

The performance forecasts and other forward-looking statements in this report are assumptions made by the Company based on information available at the time of publication, and involve inherent risks, uncertainties, and various other factors that could cause actual results to differ materially from forecasts herein.

Value Creation Story

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Management Philosophy



Love yourself

From birth, we have all been given our own life to live. It is only natural that we seek to keep on improving ourselves, to be better tomorrow than we are today. We need to be disciplined, and we need to be humble; we need to remember that even those things we regard as everyday events are in fact precious and can be experienced only once.

Love others

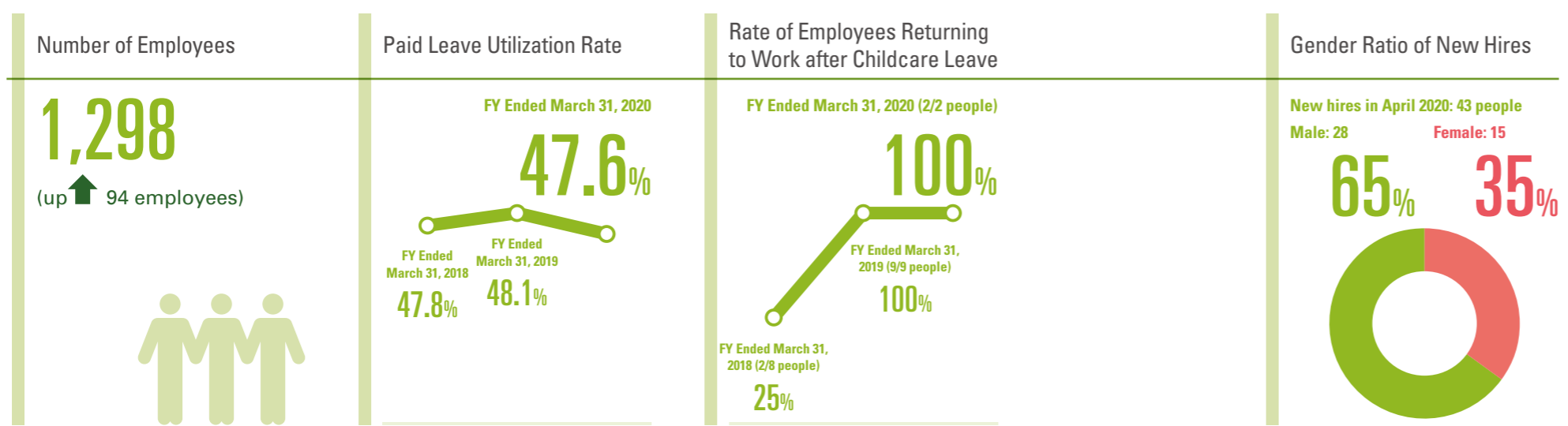
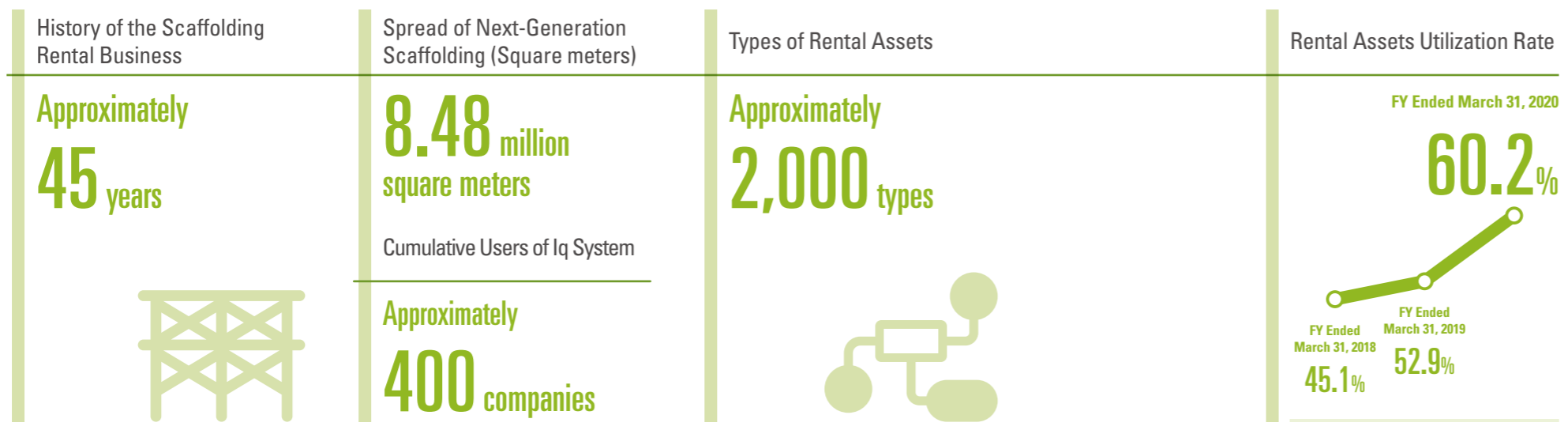
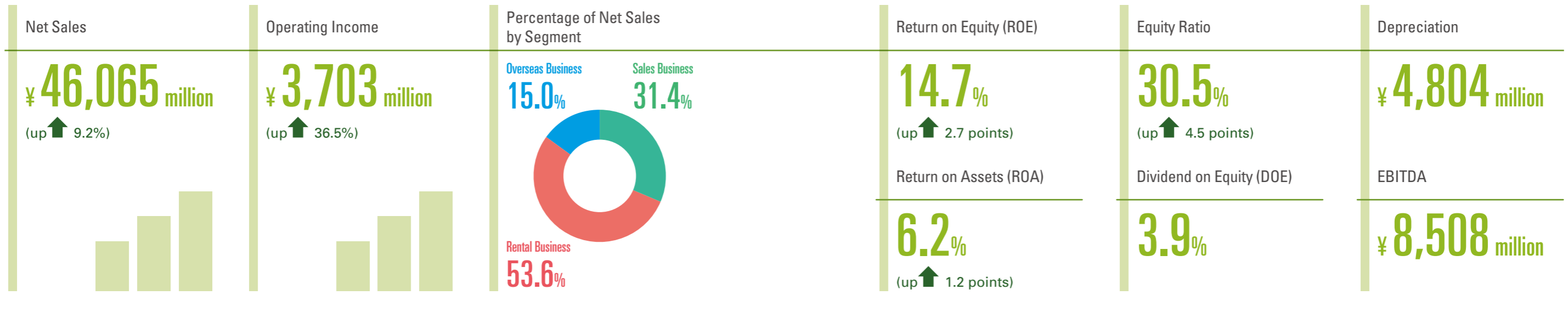
Love starts with showing consideration for our family—our parents, our brothers and sisters. Loving others means showing consideration for our friends, our neighbors, and all the people of the world, and wishing for each other’s happiness.

Love the company

Companies are an innate part of the local community. We are grateful to the community, the country, and the world in which we were raised, and we do our best to give back to each of these however we can. Groups naturally form wherever people gather. The company is one such group. Through the company, we give back to the community, the country, and the world. This is what it means to love the company.



At a Glance



History of Value Creation

Providing Value to Society

1974—

Established Scaffolding Rental Business



2000—

Entered Environmental Business



2010—

Revolutionary Changes in the Industry



2015—

Providing Added Value beyond Scaffolding



Creating New Frameworks

In addition to revising our business model to stay ahead of the times, we are carrying out a transformation to continuously increase our corporate value through the development of high-value-added products and services. We will continue to take on the challenge of creating new value, and aim to become a corporate group that drives qualitative development of the industry.

Strategy Transition

Launched in 1969 as a seller of scaffolding, the Company quickly shifted to the Rental Business. During construction for the Japan World Exposition, Osaka in 1970, many construction companies procured large amounts of equipment in Osaka, and sold it off immediately after use. Anticipating the era of the temporary equipment rental business, we decided to change our business structure. We went on to establish frameworks and systems that are standard in the industry today, such as a security deposit system for products and minimum rental periods. During Japan's economic boom, as rival companies engaged in price competition we made efforts to strengthen our foundation by staying ahead of the times in ways such as automating servicing of temporary equipment. Through these initiatives, our business expanded nationwide.

In the 2000s, construction investment shifted from highways and new infrastructure to disaster prevention, repair, maintenance and improvement. Anticipating further changes, we entered the Environmental Business. Since then, we have positioned the Environmental Business as an important part of our growth plan and introduced several strategic products, such as the YT Lock System, designed for scaffolding installation on mountain slopes, where accidents can easily happen, and the Lift Climber, which targets large-scale maintenance and repair projects for high-rise condominiums and office buildings. Currently, we are broadening the concept of the Environmental Business to include the provision of equipment for maintenance and repairs of public infrastructure, as well as the resolution of the labor shortage in industry and measures to address the aging population of workers, and the establishment of "Safety," "Environment" and "Workability" as themes for all our projects.

In 2010, we acquired manufacturing functions for the purpose of revolutionizing scaffolding, which had not changed in 50 years. We developed and launched the next generation of scaffolding in-house. Iq System next-generation scaffolding increased the floor height from the conventional 170 cm to 190 cm while providing excellent workability. It is steadily solidifying its position as the de facto standard for scaffolding. In addition to establishing scaffolding product development and manufacturing departments through the acquisition of Hory Korea Co., Ltd., we established the Scaffolding Construction Department. In this way, we have created a system in which each of our functions generates synergies with the others, enabling us, for example, to address labor shortages at construction sites while conducting promotions for our next-generation scaffolding.

We have advanced into various fields based on our core business in scaffolding. In 2015, we entered the Agriculture Business. This primary industry faces many issues, such as the aging population of agricultural workers and the abandonment of farming for economic reasons. In light of these issues, we used the metalworking technologies we have cultivated through the development of temporary equipment to create and sell agricultural greenhouses that are highly weather resistant. Also, we have worked to strengthen our role as a manufacturer and offer value in new domains, such as through the development and sale of anti-seismic damping frames to protect homes from earthquakes.

1969—

1981 Established the Scaffolding System Engineering Office

1988 Introduced a CAD system

1982 Commenced automation of the equipment centers

2000 Entered disaster prevention market

Established

Rental Business

Created many "industry first" systems and new frameworks

30-Day Guarantee System

Established a 30-day minimum borrowing period for temporary equipment

Cost of Equipment Loss

Introduced a reimbursement system to cover damage to rental equipment

Computerization

Introduced a computerized system for issuing invoices

Change

Evolution

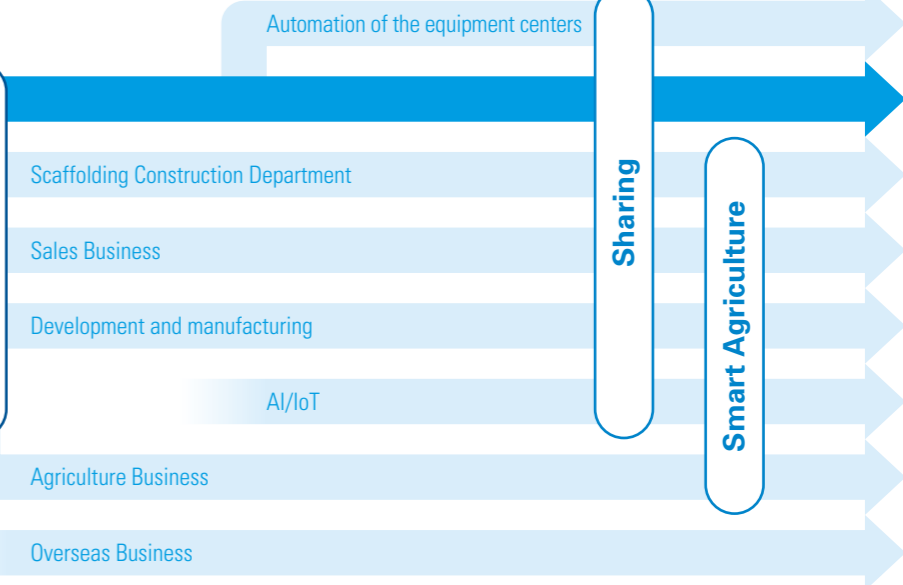
Transform

Iq System

Agriculture Business

Sharing

Smart Agriculture



Takamiya's Value Creation Process

Takamiya's value creation is defined by its ability to look ahead—to anticipate change and innovate its business portfolio and frameworks to create new business models. By repeating this process, we will continuously improve our corporate value, while taking on the challenge of resolving more social issues.

Business Environment and Social Issues

Japan

- Expo 2025 Osaka, Kansai* leading to a boom in demand for construction and a subsequent slowdown
- Aging of domestic housing stock and public infrastructure
- Declining birthrate and aging population
- Decreasing and aging population of agricultural workers

*2025 Japan World Exposition

Asia

- Growth of Asian economies

Global

- Frequent occurrence and growing magnitude of natural disasters
- Climate change and the depletion of natural resources
- Diversification of and fluctuations in risks
- Technological innovation
- Increasingly borderless society

Input

	Opportunities for Takamiya	Risks for Takamiya
Japan	<ul style="list-style-type: none"> • Increase in construction and other projects • Maintenance and repair needs for housing and infrastructure • Needs for productivity improvements at construction sites, etc. • More stringent safety standards at worksites • Needs for quality and productivity improvements in agriculture • Needs for disaster prevention, disaster mitigation and weatherproofing 	<ul style="list-style-type: none"> • Intensifying competition • Delay in development of distinctive products and services • Competitors establishing de facto standards • Changes in rules, standards, etc. • High material and labor costs • Long-term slowdown in construction demand • Labor shortage
Asia	<ul style="list-style-type: none"> • Increase in construction and other projects 	<ul style="list-style-type: none"> • High material and labor costs • Accidents at worksites, etc. • Changes in government policies
Both in Japan and Overseas	<ul style="list-style-type: none"> • Partnerships • Needs for high-value-added products and services • Needs for productivity improvements that use AI and IoT, etc. 	<ul style="list-style-type: none"> • Environmental pollution and greenhouse gas emissions

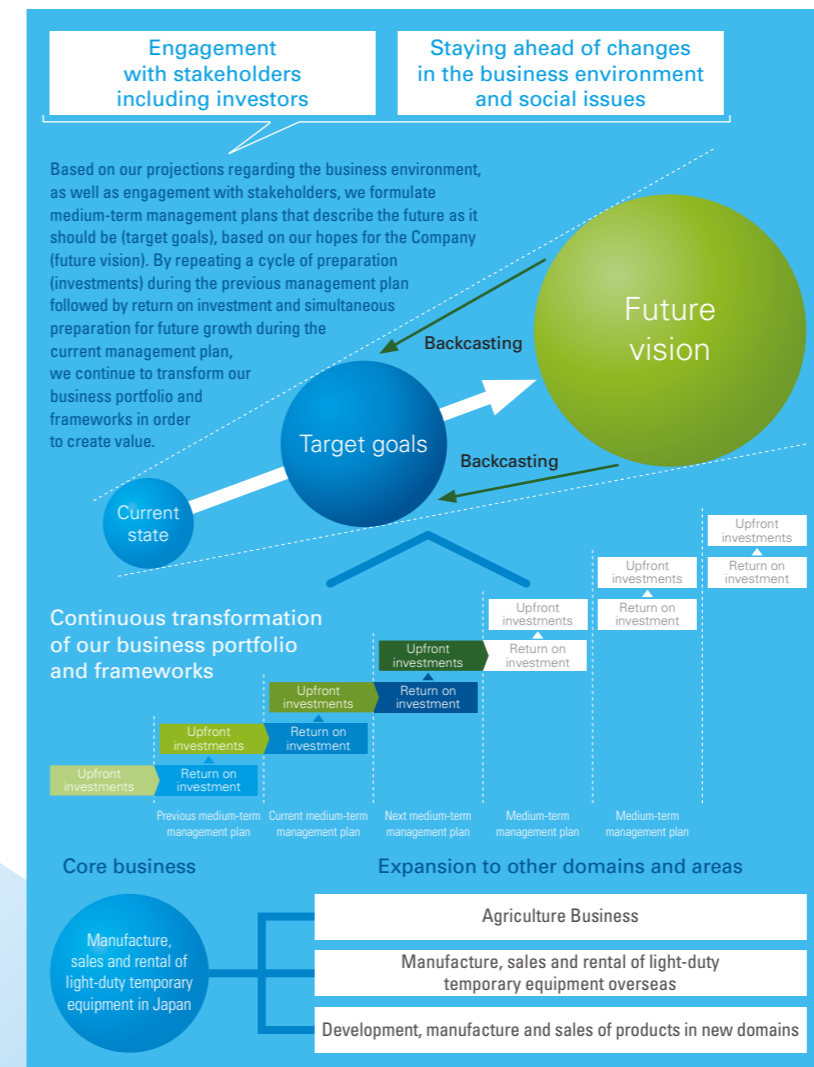
Human Resource Capabilities
Number of employees 1,298
Technological Capabilities
Expertise in scaffolding
Metalworking technologies
CAD drafting technology
Five Functions
Network
Branches 8 locations
Sales offices 13 locations
Equipment centers 28 locations

Achievement of Our Mission and Vision

Outcomes

Value for Society	
<ul style="list-style-type: none"> • Improved quality in the construction industry • Safe and efficient worksites • Effective use of resources 	<ul style="list-style-type: none"> • Lower costs and improved productivity in agriculture • Disaster prevention and mitigation • Contributions to economic development in areas such as ASEAN

Business Model



Output

Provision of Advanced Products and Services
Iq System coverage (Square meters)
8.48 million m²
Share of next-generation scaffolding
31%*
<small>*Company survey, as of March 31, 2020</small>
Timely Provision of Products Using Our Network
Rental assets utilization rate
60.2%
Create New Frameworks beyond Conventional Thinking

Corporate Governance

Compliance

Message from the President

Establishing new business frameworks to trigger radical innovation in the construction industry

We have reached the final year of our 2018 Medium-Term Management Plan, in which we outlined our vision to “Create new value through transformation and aim to become a corporate group that drives qualitative development of the industry.” We have made great progress with our results to this point. We will create new value that exceeds anything we have achieved before, and pursue a transformation that only Takamiya can bring about.

Kazumasa Takamiya

Representative Director, President and Chairman

Surviving in the Era of COVID-19 with a Focus on the Changing Times

The global COVID-19 pandemic has dramatically altered the world. It is also causing major changes to the environment in which businesses operate. Given the need for new lifestyles that enable people to coexist with COVID-19, major changes are needed in the business environment and in corporate management.

The fiscal year ending March 31, 2021 is the final year of our 2018 Medium-Term Management Plan, which was launched in April 2018 under the theme of “Transformation.” This theme expresses our determination to support the qualitative development of our industry by renewing our business model in anticipation of the changing times.

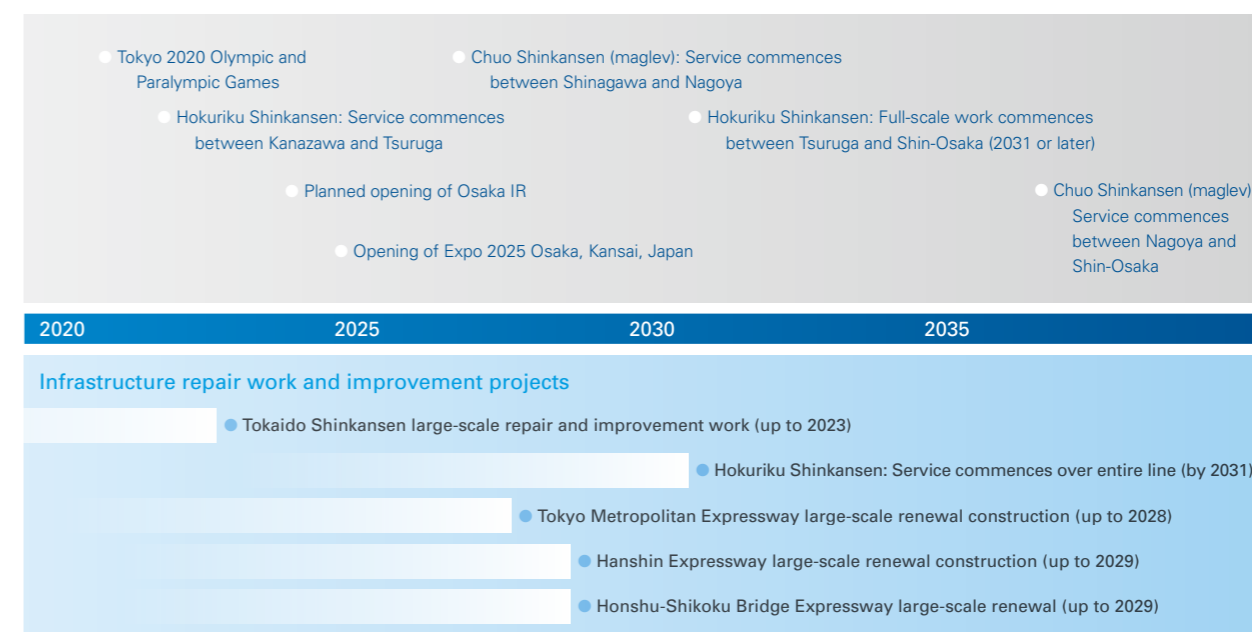
The megatrend in the construction industry is a shift in focus from new construction to renovation, maintenance and repair. Reconstruction of office buildings has already progressed, and going forward, large-scale repairs, maintenance and improvements of infrastructure such as bridges and highways is expected to commence. In Japan’s Kansai area, infrastructure development and reconstruction of existing buildings are expected to move forward in tandem toward Expo 2025 Osaka, Kansai, Japan and the development of integrated resorts (IR). Also, construction for disaster resistance is a pressing issue amid concerns regarding the anticipated Nankai Trough Earthquake and frequent abnormal weather. Investments in this area from governments and the

private sector over the last few years have reached a total of over ¥60 trillion, and continue to increase.

While demand for redevelopment of infrastructure is high, we cannot afford to be overly optimistic. One reason for this is the shortage of manpower in the industry. Recently, the impact of the COVID-19 pandemic has changed the employment situation, so perceptions of a labor shortage have faded. However, we do not foresee a labor surplus or decreasing construction demand. There will be a greater need to secure excellent human resources and improve productivity.

Takamiya has been working on an initiative to address this issue. Called “Iq System,” it is next-generation scaffolding featuring high safety and workability that surpasses existing products. Iq System supports a worksite environment in which workers can carry out installation safely and securely, and also raises efficiency in ways such as reducing product management and transport costs, thereby contributing to productivity improvement. In the construction industry, the term “next-generation scaffolding” has steadily spread as awareness increases, giving rise to new changes. The Iq System market has grown largely according to plan, with no major deviations from our initial forecast for 2020, and we have secured the top share of the market. Also, we forecast that next-generation scaffolding will be in the majority within the next five years. We can see the positive response to the first moves we took based on industry trends and economic conditions.

Industry-related Projects



However, we are focusing on even larger changes. We are aware that further forward-looking transformation will be necessary, following on the added value of labor-saving and improved safety in installation that we have provided in supplying scaffolding to construction sites.

Creating New Business Models by Combining Enhanced Functions

Currently, the Company is focusing on the transformation of the very nature of its business. This entails the provision of frameworks that provide exceptional convenience for our customers. If we define the value the Company has offered to this point as “providing safety at construction sites,” then our next transformation could be defined as “providing a one-stop source of all services related to the construction business.”

Let me explain in more detail. The Company started with temporary equipment rentals. We have slowly expanded our resources and now operate under five functions: development and manufacturing, design and installation, rental, sales, and management and logistics. Specifically, (1) product development that revolutionizes construction sites and development and manufacturing functions for stable supplies, (2) sales functions, (3) rental functions that optimize product distribution, (4) design and installation functions that calculate the necessary amount of equipment at worksites with the aim of facilitating customer utilization while thoroughly reducing workload in ways such as undertaking operations until assembly, and (5) management and logistics functions handled by sales offices and equipment centers in every part of the country. Because we have now achieved a high level of functionality in these areas, we are well-placed to combine them to provide the “framework business.”

We have already started to provide frameworks with Iq System. In our “Iq Sharing” service, after customers install Iq System, they can manage equipment using our equipment centers and share equipment with other customers. (For more information, please see pages 20–21.) Our conventional Iq System has become the de facto standard in the industry through in-house development and manufacturing, promotional activities during the provision of installation contracting services, and growth of rental and sales. By combining these functions with our management and logistics functions, we can design “efficient use of the customer’s equipment.” Making best use of the Company’s frameworks will lower costs for the customer and become essential for business continuity.

The framework business has the advantage of being applicable to all purposes—it is not limited to specific

products or fields. It is possible to use frameworks for equipment other than Iq System equipment. In the Agriculture Business, for example, we have already structured and applied a framework including our development and manufacturing, sales, and design and installation functions, but we believe there is room for progress. Going forward, the Company will need to consider what could increase customer convenience and how to use our frameworks accordingly. Of course, our policy of raising the efficiency of each individual function remains unchanged. We will continue working to establish equipment centers in urban areas to increase the ease of transporting equipment, as well as to reduce costs and increase productivity at manufacturing worksites, among other efforts. Going forward, however, we will not raise the efficiency of single functions in isolation. We will think from the point of view of what investments and initiatives will maximize the value of our framework business and give it optimal form. Therefore, our theme for the fiscal year ending March 31, 2021 is “Optimization.”

With our transformation, customers will be able to conduct their businesses very efficiently by making use of the frameworks we provide. Also, we will shift away from businesses that generate profits through upfront investments and management of tangible assets (amortized rental assets). We will avoid price competition when tangible assets are largely amortized, and instead focus on investments such as human resource development that will lead to the next innovation. Beyond these initiatives, I am confident that we will truly achieve the “qualitative development of the industry” as set forth in the Company’s current Medium-Term Management Plan.

Preparations for Our Transformation Are Steadily Progressing according to Plan

Looking at our performance for the fiscal year ended March 31, 2020, Iq System became a driving force in both the Sales and Rental businesses and drove our results to record highs, in line with our 2018 Medium-Term Management Plan targets. In key measures involving investments in rental assets, we made a partial revision regarding overseas investments. Our other policies are generally progressing according to plan, and the utilization rate for rental assets has improved substantially.

In the current Medium-Term Management Plan, we are continuing to strategically invest management resources in the plan’s four basic policies—strengthen management foundations, drive innovation in the earnings base, accelerate overseas business development and create new growth

businesses—and are focusing our efforts on transforming the Takamiya Group. In the fiscal year ended March 31, 2020, we had a particular focus on improving productivity. This is because productivity is key to strengthening capacity in the manufacturing field. Specifically, in addition to raising the manufacturing capacity of our four operating factories, we expanded the Vietnam factory (completed the third phase of expansion) in pursuit of optimization. At the same time, progress in turning the Vietnam factory into the main manufacturing base for products sold in Southeast Asia advanced our efforts to raise efficiency.

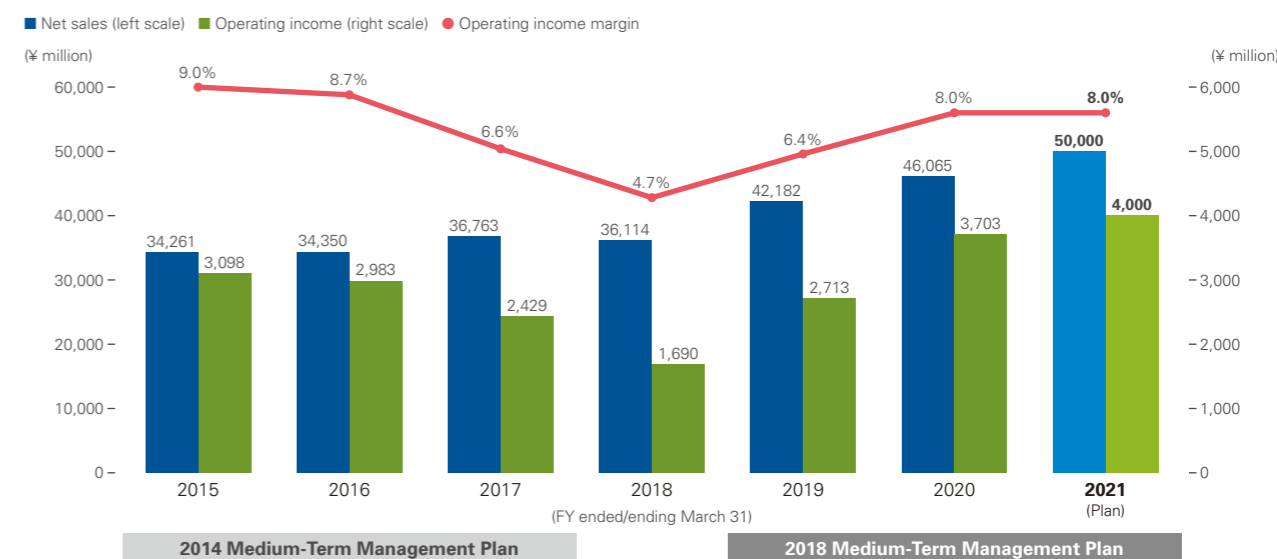
As mentioned previously, the fiscal year ending March 31, 2021 is the last year of the current Medium-Term Management Plan, so we are preparing for the next Medium-Term Management Plan. In the next plan, we aim to generate innovation by creating new frameworks. As one of our initiatives to achieve this, we are conducting the Project Leader Conference, with the participation of our new generation of leaders. The Conference involves, for example, simulations of automation for loading operations at new equipment centers. By thoroughly verifying matters such as the extent to which computerization (use of IT and AI) raises efficiency and the issues that may arise from computerization, it is possible to consider the projects that we should invest in going forward. In order to make computerization a reality, we also need to strengthen our IT personnel. The training and strengthening of human resources is a management issue for achieving our transformation, and we are moving forward with related initiatives.

In the Sales Business, by deploying a strategy of selling to small enterprises in order to increase the uptake of Iq System as the industry standard we succeeded in achieving double-digit growth in both income and profit. The shift to next-generation scaffolding by our competitors and the acceleration of next-generation scaffolding use in the industry have raised the possibility that new customer acquisition could decline in the future. On the other hand, we expect growth in demand from existing customers in the form of repeat orders for renewals or for extra services. We have expanded our sales targets from large corporations to include small enterprises, resulting in an overwhelming increase in the number of customers. This should lead to stable repeat order demand in the future.

We have also focused efforts on developing new products and further strengthening our manufacturing capacity. Going forward, we will refine our capabilities as a manufacturer through joint development with customers of products needed at worksites, the development of highly versatile products, and by strengthening our information gathering capability and establishing a global procurement system that quickly addresses customer needs.

In October 2014, we started our sales and installation business for agricultural greenhouses (the Agriculture Business). We will work to expand the market by highlighting the merits of our products—low cost, high weather resistance and fast installation—through in-house cooperation between construction departments, in addition to leveraging our strengths in metalworking.

Business Results



Note: Performance targets for the fiscal year ending March 31, 2021 are from the 2018 Medium-Term Management Plan announced on May 30, 2018.

We expect the Rental Business to produce the most stable earnings among all of the Company's businesses. This business has achieved double-digit growth in both income and profit, as well as two consecutive fiscal years of earnings growth while restraining capital expenditures. Behind this was the high utilization rate for rental assets due to strict operations management, in addition to an increase in new customers for Iq System, and firm repeat rental demand. Specifically, we succeeded in expanding earnings by conducting operations while managing product component proportions from the design stage of scaffolding, as well as strengthening preparation capabilities to shorten the time from equipment return to the next shipment.

Going forward, we will work to further expand our earning capabilities by responding to growing demand through initiatives, including AI and IoT, for even higher productivity and quality, as well as by introducing new frameworks.

In the Overseas Business, we are largely at the upfront investment stage. However, in the fiscal year ended March 31, 2020, we were finally able to secure earnings throughout the period. In the ASEAN region, demand for manufacturing, sales and rental of temporary equipment is growing due to factors including investment in the Philippines in areas such as construction of public infrastructure and urban development, and Vietnam's moves to attract foreign corporations. In this environment, focusing on sales activities to build local corporate and personal networks has made it possible for us to obtain information at the initial stage of projects.

Given the global impact of the COVID-19 pandemic and other factors, we expect difficult conditions to continue for the Overseas Business in the fiscal year ending March 31, 2021. However, we plan to strengthen sales and marketing at our sales base in the Philippines.

ESG Initiatives Consistent with Our Management Philosophy

Our Mission Statement is "Love," and our Management Philosophy is comprised of "Love yourself," "Love others," and "Love the company." Companies are an innate part of the local community and country, and through our company, we give back to them however we can. That is what "Love the company" means. Also, people seek to improve themselves and show consideration for their families, friends and neighbors. This is what "Love yourself" and "Love others" mean. The Company's stance toward ESG is rooted in this Management Philosophy. For the Company, work itself is social contribution. For example, since our foundation as a company based on the Rental Business,

we have declared our intent to aim for "the rationalization of asset-holding" throughout society. Also, by constantly offering products with outstanding workability and safety, the Company tackles social issues head-on, such as the labor shortage caused by Japan's declining birthrate and an aging population. Also, consideration for the environment is an inseparable part of our business. We contribute in ways such as providing products for the repair and maintenance of infrastructure as well as for use in storm and flood damage countermeasures and to prevent building collapse due to earthquakes.

For human resources, based on our Management Philosophy we regard the creation of an environment in which our employees can work with independence as the most important issue. We are also conducting various measures to cultivate our human resources, as it is critical to develop employees who can independently generate new ideas and make and carry out proposals, as well as personnel who have a high degree of expertise. The aforementioned Project Leader Conference, which focuses on our young leaders, is one such measure. Obtaining information from a position close to management enables our young leaders to act independently, which leads to their development. In addition, we are moving forward with initiatives such as the introduction of an incentive system for individuals, and allowing employees to dress casually when doing office work, which is a rarity in the construction industry.

Work-style reform is also necessary, as increasing productivity is a characteristic of the Company's business. While we had already been conducting such initiatives, current trends in work-style reform will lend impetus to our efforts. Going forward, we will advance unique initiatives that are not limited by conventional thinking. We will continue to strengthen our management with a focus on human resources.

The enhancement of corporate governance is also critical for reinforcing the management foundation. Given the growing importance of governance, the Company has in place a system under which the Board of Directors, which includes Outside Directors, provides strategic guidance and management supervision and a Board of Corporate Auditors, whose members, including Outside Auditors, audit Directors' execution of duties. We strive to strengthen cooperation in audits between the Corporate Auditors and the Internal Audit Office. In June 2020, a new auditor was appointed. I anticipate that he will be able to apply the knowledge he has gained serving as General Manager of the IT System Department in strengthening governance. We are also making efforts for speedy disclosure of information. In addition to increasing the accuracy of information, we want to conduct more proactive disclosure.



While considering the rejuvenation of our management team, we are making progress with delegating authority to Division General Managers so as to avoid concentrating power in top management. Division General Managers responsibly take part in corporate governance by sharing information as they conduct business management. Interdepartmental management has also been strengthened and management policies are being strictly enforced. Increasing the number of individuals with knowledge related to management has also facilitated developments toward the next Medium-Term Management Plan. Given the substantial progress of management training, we anticipate that the number of management personnel able to oversee the Company will increase.

Creating Products and Services That Have Never Existed Before— That Is the Essence of Takamiya

We are often asked what our main business is. Is it scaffolding rental? Scaffolding development? Scaffolding installation? Sales and marketing? As I mentioned previously, our transformation is aimed at having all our businesses generate synergies while growing and advancing as individual businesses, and to create new products and services that have never existed before.

Because we are developing our business with a focus on the future, it may be difficult to understand or assess the Company in one-year increments. If stakeholders observe our business over a three- to five-year time span, I believe they will be able to more clearly discern our growth trajectory.

The Company is transforming its business model with an eye to long-term growth. However, we will hold fast to the fundamental policies that have served us well to this day, and will not deviate from our course. Maintaining our course, we will drive qualitative development of the entire construction industry by creating products and services that have never existed before, and aim to actively develop business so as to be of service to society. In the fiscal year ending March 31, 2021, the final year of our current Medium-Term Management Plan, we will work to formulate the next Medium-Term Management Plan.

Going forward, Takamiya will continue taking on challenges to increase its corporate value, such as its earnings power and brand power, by offering new frameworks in addition to developing and providing high value-added products that are useful to society. I sincerely ask all of our stakeholders for their continued support as we move forward to meet and exceed their expectations.

Kazumasa Takamiya

Representative Director, President and Chairman

2018 Medium-Term Management Plan

(FY Ended March 31, 2019 to FY Ending March 31, 2021)

Vision

Create new value through transformation and aim to become a corporate group that drives 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 rental assets in Japan
- Invest to raise the efficiency of the equipment centers
- Invest to strengthen technology development capabilities
- Actively invest in the Overseas Business
- Expand overseas production bases
- Invest to foster human resources and work-style reform

Performance Targets (Targets for the FY Ending March 31, 2021)

• Net sales	¥50 billion
• Operating income	¥4 billion
• Operating income margin	8.0%
• Equity ratio	30% or higher
• ROE	10% or higher
• ROA	5.0% 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	➤➤➤	Development of Asian markets
• Human resources	Following instructions	➤➤➤	Acting autonomously
			Cooperation

Key ESG Issues

<ul style="list-style-type: none"> • Co-creation of value for society <p>➔ Pages 36-37</p>	<p>Related SDGs</p>	<ul style="list-style-type: none"> • Maintaining and strengthening our management foundations to support continuous value creation <p>➔ Pages 32-25</p>	<p>Related SDGs</p>
<ul style="list-style-type: none"> • Contributing to a reduction in environmental impact 	<p>Related SDGs</p>	<ul style="list-style-type: none"> • Governance that enhances trust from society <p>➔ Pages 38-43</p>	

Progress of the 2018 Medium-Term Management Plan

2014 Medium-Term Management Plan
Core creation: Iq System

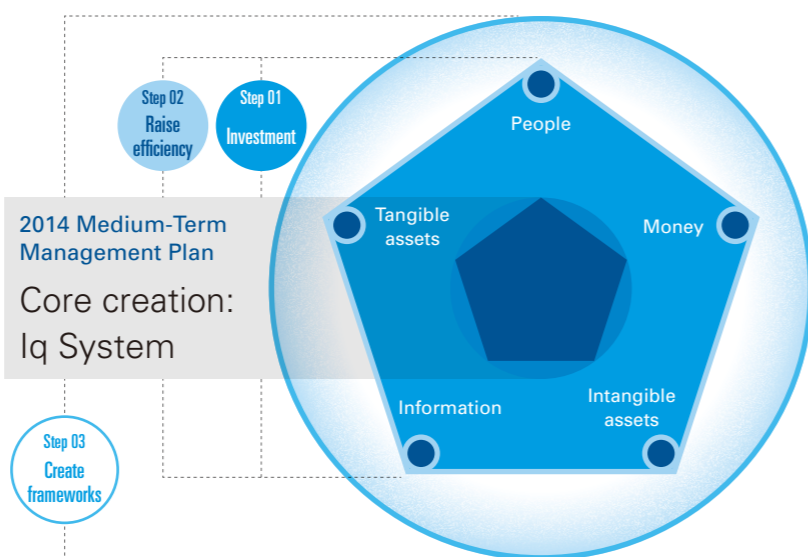
Policy
Upfront investment + Establish revenue base



Results
Complete conversion to next-generation scaffolding
Enter the Agriculture Business
Develop infrastructure of overseas business locations

2018 Medium-Term Management Plan

Step 01 Investment ➔ Step 02 Raise efficiency ➔ Step 03 Create frameworks through optimization
Theme for FY Ending March 31, 2021



Results up to March 31, 2020

- | | |
|--|--|
| <p>Step 01 Investment</p> <ul style="list-style-type: none"> • Investment in human resource development, including projects for hiring and for training young employees • Switch to highly versatile equipment • Investment in cutting-edge equipment centers | <ul style="list-style-type: none"> • Increase in scale of production facilities, including expansion of the Vietnam factory (third phase of construction completed) • Building of ICT infrastructure |
| <p>Step 02 Raise efficiency</p> <ul style="list-style-type: none"> • Switch to business system centered on sales • Introduction of incentive system linked to higher productivity • Improvement in operational efficiency of rental assets • Optimization of global procurement and production bases, and decrease in costs by shifting overseas | <ul style="list-style-type: none"> • Increase in speed of equipment servicing • Improvement of fund procurement and financial position • Preparations to reinforce the IT foundation by introducing an ERP (key integration) system |

Theme for FY Ending March 31, 2021

Combine the management resources we have been investing in and raise efficiency

- Step 03 Create frameworks Fully raise the efficiency of the functions of established businesses to create new products and services that bring innovative changes to our business

Message from the Chief Financial Officer

Evolving our growth strategy to achieve our transformation



My duty as CFO is to provide the thrust needed to achieve top management's vision. As the Company formulates growth strategies to reform its business model, I arrange the necessary management resources and steadily play a leading role in promoting the implementation of those strategies across all departments.

Hideki Yasuda

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

Review of Results for the Fiscal Year Ended March 31, 2020

Takamiya set records for performance in the fiscal year ended March 31, 2020. Net sales were ¥46,000 million (up 9.2% year on year), and profit attributable to owners of parent was ¥2,370 million (up 44.8% year on year). This performance was driven by work on civil engineering projects related to construction to extend the Hokuriku Shinkansen, as well as the widespread popularization of next-generation scaffolding. Sales and rentals of Iq System have been favorable, and the utilization rate for rental assets reached a record high. With customers who have purchased from us procuring items they are short of through rental, and an increase in multiple purchases by new customers, it is clear that Takamiya is close to its goal of making Iq System the de facto standard for next-generation scaffolding.

Investment Policy and Efforts in the Final Year of the Current Medium-Term Management Plan

The COVID-19 pandemic is having a major effect on society and the global economy. It is causing uncertainty regarding corporate growth strategies and investment policies. Under the current Medium-Term Management Plan, we had already decided on our next growth investments having restrained domestic investment in anticipation of a decline in demand following the Tokyo 2020 Olympic and Paralympic games. This has enabled us to keep our policies in the final year of the plan unchanged, despite the difficult operating environment. Also, our plan to strengthen our financial position is progressing smoothly. In September 2019, we conducted a public stock offering and disposed of treasury stock. This increased shareholders' equity to ¥18,100 million (up approximately ¥4,000 million year on year), and our

equity ratio rose to 30.5% (up 4.5 points year on year) for the fiscal year ended March 31, 2020. As the increase in equity capital has greatly improved our financial position, we have established conditions in which we can properly balance cash flows while implementing our investment plan, without being overly concerned about the current financial climate.

The Company aims to transform its business model with a focus on added value. We will move from the phase in which growth was driven by upfront investment in rental assets to a phase of investment for providing services to customers and for maximizing capital efficiency. Therefore, while the ratio of investment in rental assets has been high, we will gradually increase the ratio of capital investment. Our efforts during the fiscal year ended March 31, 2020 established the foundation for the next Medium-Term Management Plan, and we aim to evolve toward a lean and responsive business model.

Renewing the earnings foundation

As for our financial policy, we have set the equity ratio, ROE and ROA as our key performance indicators. All three exceeded the targets of the current Medium-Term Management Plan in the fiscal year ended March 31, 2020, one year ahead of schedule. In particular, we have been emphasizing ROA from the perspective of efficient use of management resources.

Financial Policy

	2018 Medium-Term Management Plan Targets	FY ended March 31, 2019	FY ended March 31, 2020
Equity ratio	30% or more	26.0%	30.5%
ROE	10% or more	12.0%	14.7%
ROA	5% or more	5.0%	6.2%

As a result, we have raised the marginal utilization rate for rental assets. We achieved a record high average equipment utilization rate by replacing our portfolio of rental assets with high-utilization alternatives such as the Iq System. We will continue to allocate investments for greater efficiency, such as the automatization of our equipment centers. The cutting-edge equipment center that we plan to establish in Amagasaki, Hyogo Prefecture in the fiscal year ending March 31, 2021 will be fundamental to our efforts. It will incorporate AI and automation to shorten time until shipping, among other improvements.

An issue we must tackle going forward is strengthening our manufacturing function. There is room for improvement in areas such as cost reductions and the stable operation of plants. Therefore, we will make investments in visualization of manufacturing operation status and the incorporation of IoT. It has been 10 years since we entered the market as a manufacturer, and I feel we have built the foundation for full-fledged initiatives in this area.

Accelerating overseas business development

Accelerating overseas business development will play an important part in optimizing the manufacturing system. The third phase of expansion at the Vietnam factory has been completed. As a manufacturing base, it will maintain low costs by focusing on mass production of mainstay products. At the same time, we are now able to create a manufacturing and procurement system that is optimized from a global point of view and includes high-added-value manufacturing involving R&D concentrated in Japan. We will continue to conduct investments in overseas manufacturing facilities while monitoring the risks involved.

From the perspective of sales and marketing, growth in the Philippines market, where there is strong demand for construction, is important. Going forward, it is essential that we establish a successful model in the Philippines that can be used widely in other Asian markets. We will therefore concentrate management resources on the development of products that will be a hit in Southeast Asia.

Creating new growth businesses

The Business Development Division is leading the search for potential business opportunities, including

opportunities from overseas, under concepts such as "raising efficiency," "labor-saving" and "greater safety at construction sites." To do so, we must create a stronger system that includes the collection of diverse ideas from within the Company. Also, given the frequent occurrence of natural disasters, it is important to firmly establish the Agriculture Business, which is gaining attention from the market, as a pillar of earnings.

Strengthening the management foundations

Going forward, we will step up investment in IT infrastructure. In the fiscal year ended March 31, 2020, we introduced an ERP system. We will use it for database integration, analysis, and the visualization of management information, enabling fast, detailed management decisions and improving the current level of management literacy. In addition, amid the COVID-19 pandemic, we have identified order receipt procedures that have not yet been computerized, so we must invest in improvements.

Investing in human resources is another extremely important matter. We have driven growth by emphasizing employee autonomy and creating an environment in which it is rewarding to work. However, the COVID-19 pandemic has made it difficult to share experiences in person. Society is awash in work-style reform measures, but we must not chase trends. Rather, our work-style reforms should, in a manner unique to Takamiya, enable employees to achieve self-actualization and feel that their contributions to society are meaningful, based on the Company's Mission Statement of "Love." We will take measures to clearly define this concept and to connect it to personnel evaluations.

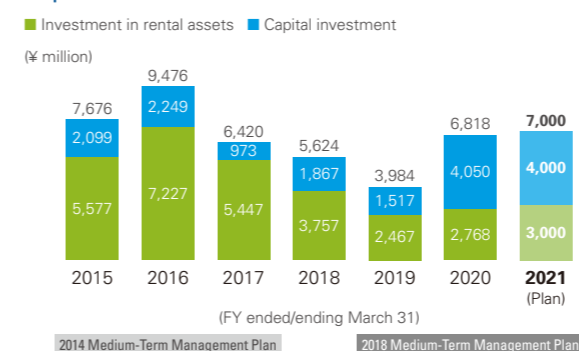
Maintain a Sound Financial Position and Aim to Increase Corporate Value

The Company's high investment capacity is due entirely to the support of businesses that are producing earnings. One strength, a strength that is a notable feature of the Rental Business, is our ability to generate steady profits while recording a certain amount of depreciation. EBITDA is an important profitability indicator that we use to measure the stability of the Company's cash flows. We have achieved record high EBITDA of ¥8,500 million. Of course, we are continuing to pay attention to securing adequate funding to maintain our liquidity. Working with financial institutions, we have prepared a system that allows for flexible, efficient procurement of funds that addresses the era of COVID-19. By maintaining the current equity ratio level while procuring funds at appropriate times, we will maintain a sound financial position.

Currently, the Company emphasizes raising corporate value. As such, while making returns to shareholders through stable dividend payments is our top priority, we will continue to make investments for growth.

We humbly ask for your continued support from a long-range perspective as we move forward with the Company's transformation.

Capital Investment and Investment in Rental Assets



Pursuing a New Business Model through Sharing



Innovation in the Temporary Equipment Industry with the Convenience of Sharing

Currently, results are in line with the targets of the 2018 Medium-Term Management Plan. However, the key to accelerating the transformation of the Company and creating a new business model will be the sharing business. To achieve the theme of "Optimization" for the fiscal year ending March 31, 2021, we plan to grow the sharing business as the fourth pillar of our business model in addition to sales, rental and installation.

The market for the rental of temporary equipment is already mature. Rental scaffolding has become mainstream, but an increasing number of customers own some equipment in order to reduce costs. For that reason, we must evolve into a total service business that offers not only products, but that also adds intangibles such as frameworks and ideas.

For temporary equipment, tasks such as securing storage space, controlling inventory, and maintaining equipment require a great deal of labor. The concept of the sharing business—Iq Sharing—is that Iq System equipment purchased by customers is collectively maintained and managed by Takamiya. We deliver the necessary equipment when it is needed, and support customers with various other services.

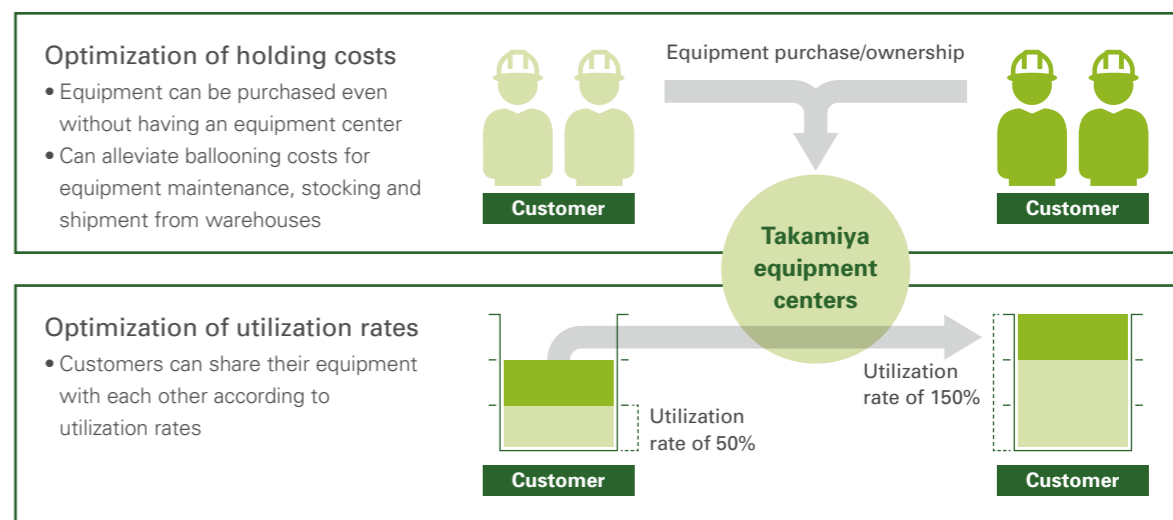
By transforming the centers where we store and rent out equipment into a business foundation that generates new value, we are confident that we can heighten Iq System's position as the de facto standard of the next-generation scaffolding industry. We will continue creating new businesses and business models that lead to the qualitative development of the industry.



Akiyoshi Takamiya

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

Structure of the Sharing Business



Optimization of Management Resources, and Building a New Service System

As a manufacturer, the Company has created Iq System, an innovative product that has grown to become the de facto standard. Also, as a scaffolding rental company, we have worked to maintain high utilization rates such as by investing in the automation of equipment centers, and shortening turnaround time for equipment shipping. Our sharing service pursues further value for customers by combining our existing management resources.

Iq Sharing is a framework that allows customers to use our equipment centers to share equipment they have purchased. In recent years, an increasing number of customers have purchased equipment for their own use. However, once they do, their equipment utilization rates are subject to fluctuations in their in-house construction volumes. This makes it difficult to achieve a 100% utilization rate. By optimizing their equipment holdings and renting the equipment they lack from the Company's equipment centers, customers can improve the efficiency of their asset management.

Also, many of our customers, including companies involved in construction work that requires scaffolding, do not have their own equipment centers. By using the

Company's equipment centers, our customers can stock and ship equipment at their convenience, as if our centers were their own. Furthermore, at our equipment centers we conduct acceptance inspections (for number of items, maintenance and repairs). Customers can achieve a 100% utilization rate without being concerned with lead time for product reconditioning. Using our centers also reduces the need for inspection personnel as well as costs and labor for managing the acceptance inspection process.

In addition, we are planning a system by which customers can monitor the shipped amount of shareable equipment for management and storage, as well as the amount of rental equipment being used at worksites. This visualization of processes helps customers keep track of equipment utilization rates while efficiently procuring the components that they tend to run out of. Going forward, we will accelerate the improvement of our equipment centers and evolve them into a service that is indispensable to the industry by setting new standards from the customer's perspective in ways such as improving equipment turnaround times.

Innovative Value for Customers Created by Takamiya

Achievement of a paradigm shift in which simply purchasing Iq System makes it possible to commence a scaffolding rental business.

Ability to generate earnings beyond those gained from operating the equipment in-house by investing surplus funds in Iq System.

Better reflection of worksite needs in our product development through closer contact with customers.

Building a Solid Development and Production System



Pushing forward with Automation and Computerization, and Strengthening Manufacturing Functions

The Company's manufacturing functions enable it to directly develop proprietary products that customers require and launch them in the market. The shift in our focus from rental to manufacturing has progressed to the point where our proprietary products have become de facto standards. In our current Medium-Term Management Plan, we aim to transform to a business model in which we offer "frameworks" to our customers. The key to achieving that is to construct a system for the efficient, low-cost manufacture of outstanding products developed from the customer's perspective. I think that achieving high-level development and production capacity will further solidify the Company's "frameworks" business.

To this end, it is important to strengthen cooperation between the Product Development Division and Manufacturing Division, and move quickly from development to manufacture. In the fiscal year ended March 31, 2020, we started work on achieving cost reductions and productivity improvements through factory automation that incorporates IoT and AI, and will work to continuously improve labor productivity. Automation and computerization will be ongoing themes for the Company.

On another note, the establishment of overseas production bases is progressing. The third phase of expansion at the Vietnam factory has been completed. We will optimize production lines at our four factories, one each in Vietnam and South Korea, and two in Japan, in Gunma and Gifu. Progress in overseas manufacturing will be expedited by the cultivation of new suppliers in Japan and overseas and the building of an optimum global procurement network by a dedicated department that we established last year.

The Manufacturing Division will continue to play a role in Takamiya's transformation through the development and manufacture of outstanding products.

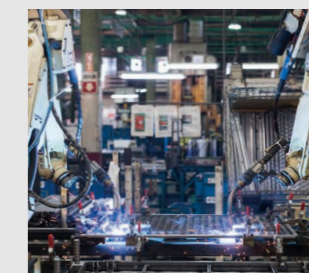


Yasunori Nishioka

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

Optimization and IT Use at Manufacturing Sites

As a specific initiative, we are using IoT in the picking, inspection and packaging processes in each factory to lower costs. We are also making progress with factory automation. We plan to install SCADA (an operations surveillance system) in the manufacturing equipment of all domestic plants by the end of the fiscal year ending March 31, 2021. The visualization of data on operating conditions for each machine will contribute to continuous improvement of operating rates. SCADA will also enable even non-specialists to prevent equipment deterioration and conduct predictive maintenance. This will give us a real-time grasp of production and prevent the occurrence of defects while reducing unnecessary investments. Furthermore, we are making progress with automating some processes at our dedicated Iq System factory in Gifu.



Establishment of Overseas Manufacturing Bases

The Vietnam factory's mass production system is now fully operational. The third phase of expansion was completed in September 2019, and the factory has been operating at full capacity since March 2020. Depending on growth in demand going forward, fourth and fifth phases of expansion are possible. Previously, more than 90% of the products manufactured at the Vietnam factory were for Japan. However, the factory will shift to a system of local production for local consumption, enabling us to strengthen our capacity to supply products to the AESAN region. The factory will also start manufacturing high-value-added products in addition to the general-purpose items it has been producing up until now. Meanwhile, efforts are underway to reduce takt time and workload, thereby shortening lead time to commercialization and lower costs. The plan is to double labor productivity in the near future.

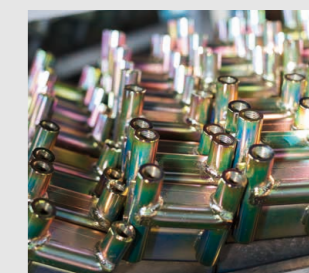


Strengthening the Development System

The products and technologies supplied by the Product Development Division span various fields, such as building materials, environment, temporary construction, intellectual property management and product information provision. In the fiscal year ended March 31, 2020, in the Agriculture Business we determined product specifications for a high-eave, steel-frame Dutch light greenhouse and standardized the use of square pipes in our arch pipe greenhouses. In building materials, we raised the efficiency of preparations for seismic damping component deployment proposals. In intellectual property, we are seeing results such as an increase in the number of applications filed.

Product development departments are also working on productivity improvements such as factory automation and the implementation of CAD/CAM, which are essential in product manufacturing. Awareness of product Q (Quality), C (Cost), D (Delivery) and S (Safety) is indispensable. Going forward, we will proceed under the basic policies of strict compliance with development project schedules and the quantification of effectiveness to improve business efficiency. We will also proactively take measures to improve our technological capabilities, including switching to 3-D printers equipped with new features, starting the planning of a new research and testing facility equipped with numerically controlled examination equipment and employing data analysis methods such as AI and IoT, which enable visualization of data. In addition, we will improve the skills of our technicians and increase our mass production capabilities.

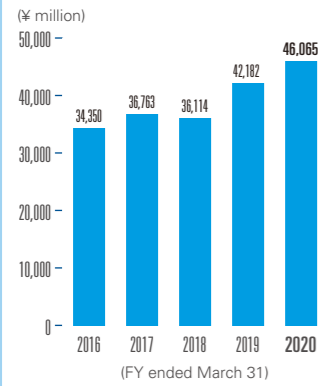
Going forward, broadening our knowledge will be a cornerstone for the Company. In addition to the technologies we have developed in the temporary construction field, such as metalworking and construction technologies, we plan to acquire knowledge in other fields, and to construct a system that will enable us to lead the industry in an era of accelerating change.



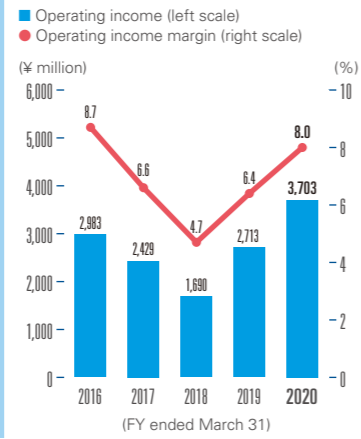
Financial and Non-Financial Highlights

Financial Highlights

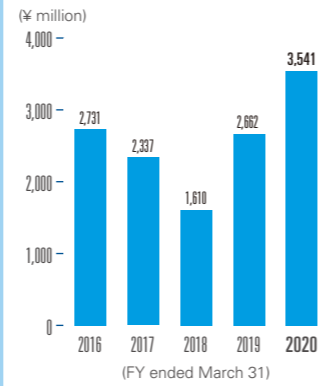
Net Sales



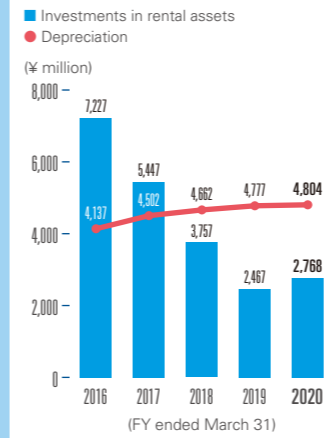
Operating Income/ Operating Income Margin



Ordinary Income



Investments in Rental Assets/ Depreciation

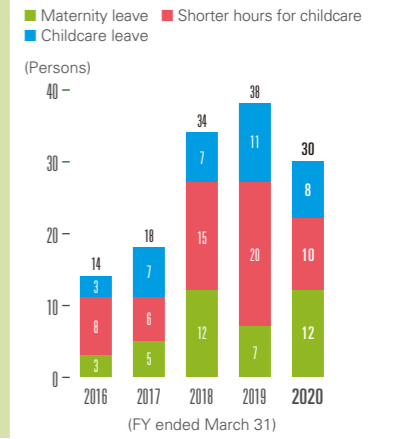


Non-Financial Highlights

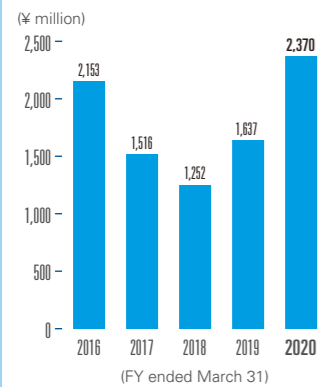
Numbers of Employees/Employees with Non-Japanese Nationalities



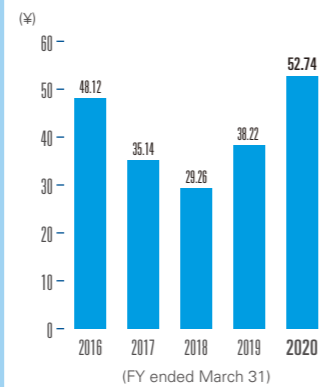
Number of Employees Taking Maternity or Childcare Leave, or Shorter Hours for Childcare



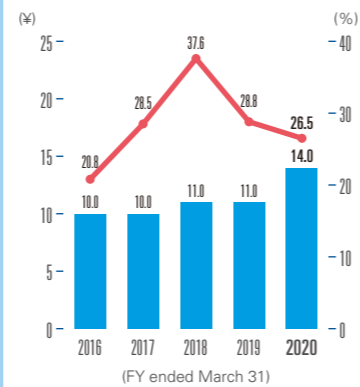
Profit Attributable to Owners of Parent



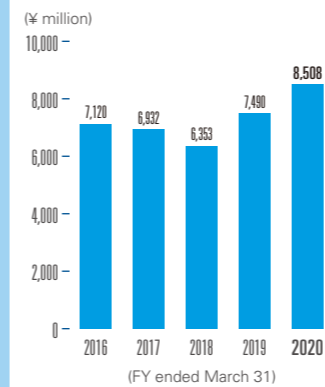
Earnings per Share (EPS)



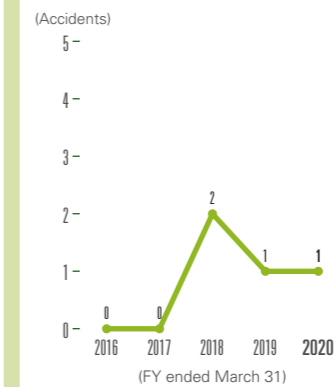
Annual Dividends per Share/ Dividend Payout Ratio



EBITDA³



Number of Accidents (Non-consolidated)



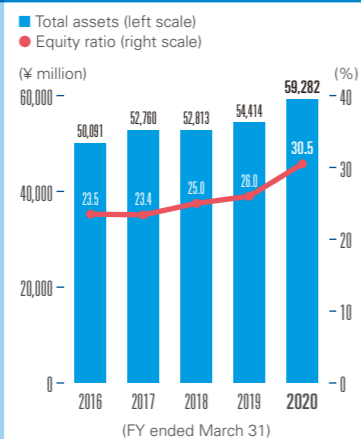
Number of Outside Directors/ Ratio of Outside Directors to All Directors



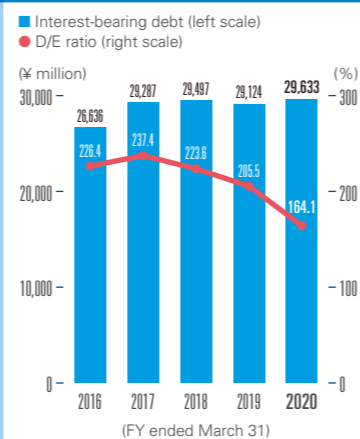
ROE/ROA²



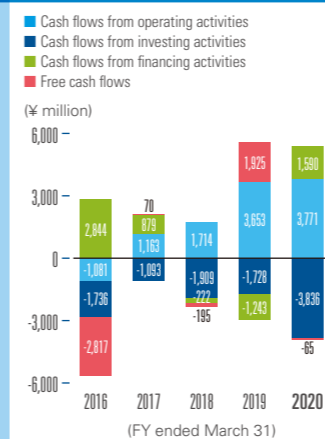
Total Assets/ Equity Ratio



Interest-Bearing Debt/ D/E Ratio



Cash Flows



Average Length of Service (Non-consolidated)



Turnover Rate (Non-consolidated)⁴



Notes: 1. Figures are rounded down to the nearest million yen. However, indices shown in ratios are rounded to the unit displayed.

2. ROE = Profit attributable to owners of parent ÷ Average equity
ROA = Ordinary income ÷ Average total assets

3. EBITDA = Operating income + Depreciation

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



Sales Business



The construction market is shifting from new construction to repair and maintenance work. In addition to establishing Iq System as the de facto standard for next-generation scaffolding, we are developing our next mainstay products.

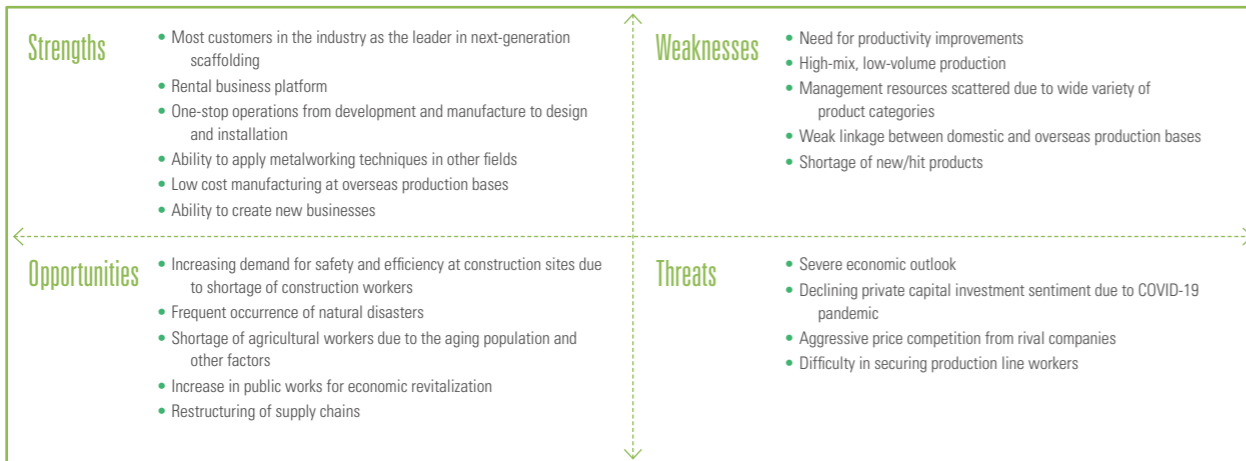
As the Group's most important growth driver, the Sales Business plays a central role in promoting cooperation among all Company divisions, Group companies and between operations inside and outside Japan.

Hidehiko Yamashita

Executive Officer
General Manager of Sales Department
Sales and Marketing Division

What We Do

We leverage our metalworking technologies and expertise in scaffolding to carry out a wide range of businesses that develop, manufacture and sell proprietary products including light-duty temporary equipment such as Iq System next-generation scaffolding, clamps, agricultural greenhouses, and damping devices. One of Takamiya's strengths is the ability to develop and manufacture products that meet the needs of worksites.



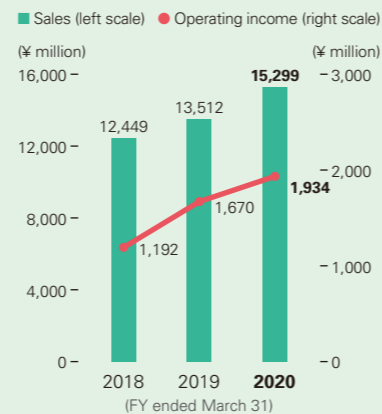
Results for the Fiscal Year Ended March 31, 2020

Sales were up 13.2% year on year to a record ¥15,299 million. Operating income was up 15.8% to ¥1,934 million.

In temporary equipment, Iq System next-generation scaffolding was the main driver, making a strong contribution to growth in sales and earnings. While there were regional differences, demand for next-generation scaffolding is escalating, and we forecast that competition with rival companies will intensify. Because inquiries are increasing for suspended scaffolding systems, which are necessary for repairs and improvement work on public works, we believe that we should continue to focus on these products.

In environment-related (solar panel installation frames, agricultural greenhouses) and construction material-related products, performance surpassed that of the previous fiscal year.

Sales and Operating Income



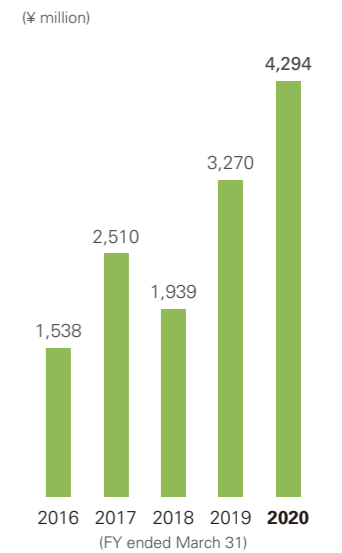
Future Strategy

Iq System next-generation scaffolding is the growth driver for the Sales Business. In the fiscal year ended March 31, 2020, Iq System sales were approximately ¥4,300 million, up 31.3% year on year. We have over 30% of the market share in next-generation scaffolding, and are approaching a total of 400 customers. In the current Medium-Term Management Plan, the three-year sales target for this system is ¥11,000 million. Sales for the first two years of the plan totaled over ¥7,500 million, putting us in good position to achieve our target. The popularity of next-generation scaffolding is growing—manufacturers and rental companies that have competitive products are carrying out full-fledged replacements with next-generation products. However, Iq System appears to be well on its way to becoming the de facto standard.

Our next task is to further improve convenience for our customers. Going forward, demand is forecast to increase in bridge repair and highway repair work. We are jointly developing construction methods and products with construction company customers, applying their opinions directly to product development. In March 2020, we announced the launch of a product that we developed with Obayashi Corporation. Also, we have prioritized the development of peripheral components and materials for Iq System. We are also making progress rolling out A-walk ultra-light-weight aluminum scaffolding boards, and AL-SPEEDER aluminum skirting boards. In addition, we are stepping up expansion of peripheral services that target Iq System users. We will create frameworks for reducing customer workloads by introducing Iq System. An example of this is the July 2020 announcement of a BIM service in conjunction with Iq System. With this service, customers can easily calculate the necessary amount of Iq System using a 3-D design model, and also verify safety. In this way, we can further solidify Iq System's top share of the market. Also, we will grow the Structural Products Division, the main product of which is Oct-brace, with an eye on market trends such as the increasing demand for earthquake-proofing.

In the Agriculture Business, we have entered a phase of full-fledged business expansion. Although we have made substantial improvements in profitability from projects that had issues up until now, we still need to establish an area strategy and a product supply system. Going forward, we will contribute to more resilient agriculture in Japan by launching new structural and other products that make use of our metalworking technologies, in addition to steadily increasing the number of orders for pipe houses.

Iq System Sales



Iq System

Close-Up

Completion of Cultivation Facilities Incorporating Environmental Control Functions

Yume Farm ZEN-NOH SAGA is a large-scale high-yield cultivation demonstration test facility located in Saga City, Saga Prefecture, Japan. Established by the National Federation of Agricultural Cooperative Associations, it is the third farming demonstration project for high-yield technology and management. In the Agriculture Business, we received an order for and completed construction of a high-eave, steel-frame Dutch light greenhouse incorporating environmental control functions. We supplied an integrated system in an agricultural setting from design to construction that makes maximum use of our strengths—the metalworking technology that we have cultivated through manufacturing temporary equipment, in particular Iq System next-generation scaffolding, as well as our expertise in structural calculation, the stability of a material supply system that takes costs into consideration, and our product durability.

Going forward, in addition to developing greenhouse structures that provide an ideal cultivation environment, we will work to lower the costs of our existing products and frameworks. Also, as we work to further increase Takamiya's presence in agriculture, we will participate in the creation of frameworks for Smart Agriculture and the development of more diverse and sophisticated enterprises that encompass downstream sectors including processing, distribution and sales.



Yume Farm ZEN-NOH SAGA



Rental Business



In the construction scaffolding market, the full-fledged transition from prefabricated scaffolding to next-generation scaffolding is underway. High evaluations of Iq System's performance and proactive promotion activities have secured the top share in the next-generation scaffolding market. We will continue our role in sharpening the Company's competitive edge by capturing market trends and increasing added value through the provision of new types of equipment and scaffolding installation services and proposal-based sales and marketing (a new service), which help improve productivity at construction sites.

Tsutomu Abe

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

What We Do

Through rental services, we provide light-duty temporary equipment for all kinds of worksites, including buildings, bridges, ultra-high-rise buildings, tunnels and underground worksites. Our in-house functions for contract scaffolding installation work and scaffold plan drafting are strengths that enable us to provide comprehensive customer-oriented services.

<p>Strengths</p> <ul style="list-style-type: none"> Iq System Scaffolding Construction Department and network of partner contractors Product lineup and technological capabilities applicable in any field, including building, civil engineering and plant Early completion of investment in renewal of assets for rent Equipment centers near urban areas Joint development of construction methods and products with construction companies Creditworthiness as a listed company 	<p>Weaknesses</p> <ul style="list-style-type: none"> Low share in the Kanto region, Japan's largest market Electronic order platform not yet in place Time lag in ascertaining status of utilization and inventory Most equipment centers are located in suburban areas Many servicing procedures rely on manual labor Long standby times for drivers when shipping equipment
<p>Opportunities</p> <ul style="list-style-type: none"> Increasing demand for safety and efficiency at construction sites due to shortage of construction workers Increase in large-scale projects near urban areas Urgent need to redevelop aging infrastructure Rising logistics costs and shortage of drivers Paradigm shift in the industry due to the spread of ICT 	<p>Threats</p> <ul style="list-style-type: none"> Severe economic outlook Declining private capital investment sentiment due to COVID-19 pandemic Postponement of projects relating to Expo 2025 (Osaka/Kansai) Price competition among rival companies amid reduced demand Difficulty in securing equipment servicing staff

Future Strategy

In the Rental Business, we achieved a record high equipment utilization rate in the fiscal year ended March 31, 2020. Our mainstay product Iq System has received positive evaluations from many workers on construction sites, and repeat orders are increasing. Rental volume and utilization rate continue to reach record highs every year. For other equipment and the civil engineering field, the large Hokuriku Shinkansen-related project contributed to the record-high annual average utilization rate.

Initiatives that were identified as being important in the current Medium-Term Management Plan made a significant contribution. These initiatives included shortening the turnaround time (from return to next shipment) of equipment and optimizing distribution of equipment by region and in accordance with the type of construction. Favorable conditions in the operating environment, such as orders for large-scale construction sites, also had a positive effect on our performance. Under the theme of "Optimization" set forth for the fiscal year ending March 31, 2021, we will continue to pursue total efficiency in tangible and intangible aspects in ways such as digitalizing the ordering process, in addition to transitioning to IoT and AI and computerizing operations that have relied on human resources until now.

The Company's strength is in providing comprehensive customer-oriented services. We have the advantage of being a one-stop service provider, with in-house functions for development and manufacturing, sales, rental, design and installation, and management and logistics for light-duty temporary equipment. In particular, the Rental Business can quickly cover material shortages by supplying items from equipment centers located throughout the country to sales outlets that handle our products. Customers who have been renting our equipment for a specified period can also consider purchasing it. In addition, customers benefit by contracting us to carry out installation of the equipment they rent from us, firstly because of the reduction in workload that our new products provide, and secondly because the process alleviates labor shortages at their construction sites.

To further increase value for customers, we have established readily accessible equipment centers close to urban areas. In the Kansai region of Japan, we made upfront investments to purchase land in the coastal area near Yumeshima, an artificial island where Expo 2025 (Osaka/Kansai) is scheduled to be held, and in the Osaka Bay area. Also, we have established equipment centers near Naha Airport in Okinawa Prefecture and Nagaoka City in Niigata Prefecture to provide ready access to high local construction demand.

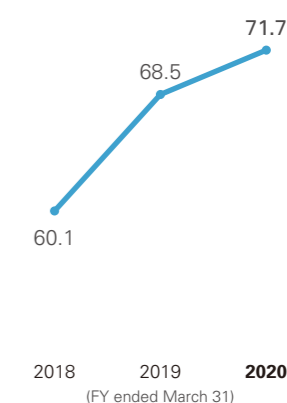
Going forward, we will leverage our ability to apply the opinions of customers who use our products onsite to product development and improvement, further increase synergies with the Sales Business, and help the Company maintain its competitive edge.



Iq System

Iq System Average Utilization Rate

(%)

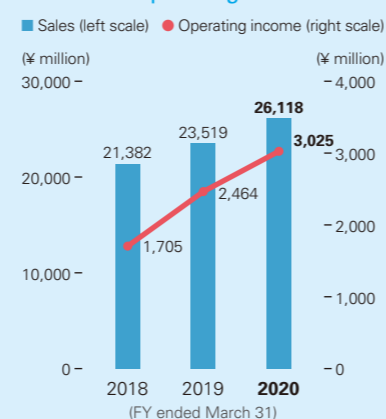


Results for the Fiscal Year Ended March 31, 2020

Sales were ¥26,118 million (up 11.1% year on year), and operating income was ¥3,025 million (up 22.8%).

The increase in sales was driven by a rise in the number of construction sites requesting Iq System next-generation scaffolding, in addition to the high utilization rate for assets for rent, particularly for Iq System, due to shipments to large-scale construction projects such as the extension of the Hokuriku Shinkansen. Segment income increased substantially as we refrained from investing in rental assets and took steps to raise the efficiency of operations. Overall, the efforts we focused on under the current Medium-Term Management Plan steadily yielded results.

Sales and Operating Income



Close-Up



SPIDER PANEL

Initiatives to Support Demand for Hanging Scaffolding Systems

With the trend in construction investment shifting from new construction projects to maintenance and repair work, and an increase in demand for repair work for transport infrastructure, we have been receiving an increasing number of inquiries regarding VMAX and SPIDER PANEL hanging scaffolding systems. Transportation infrastructure projects are usually very long term, so demand is high and expected to remain so for several decades. Hanging scaffolding systems are often used in high places. In order to work safely, it is important to check points for attention beforehand, and carry out installation work carefully. As an initiative to spread safe work practices, the Company launched the Hanging Scaffolding System Association in March 2020. We are also providing support through information and other services to make scaffolding construction safer and more efficient.



Overseas Business



The fiscal year ending March 31, 2021 is the final year of the current 2018 Medium-Term Management Plan, and the impact of the COVID-19 pandemic has made the outlook uncertain.

Even so, the future of the Overseas Business is promising, given the progress we are making in establishing a foundation in ways such as network building.

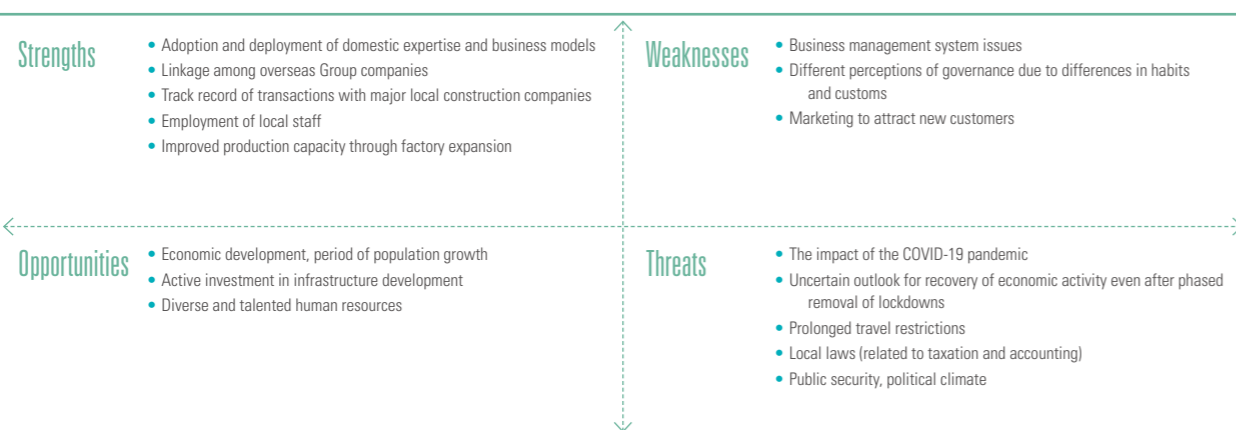
Going forward, we are considering developing products for the ASEAN region, as well as new businesses. In addition to raising our presence in Asia, we will work to turn the Overseas Business into a growth driver for the Group under the next Medium-Term Management Plan.

Ryuji Arai

Senior Executive Officer
Division General Manager of Overseas Business Division and
Division General Manager of Global Procurement Division

What We Do

The Overseas Business primarily operates in three countries in the ASEAN region: the Philippines, Vietnam and South Korea. We will continue to expand our sales businesses as a pillar for sustained growth, a key element of which will be working to strengthen our earnings base through the organic coordination of our production base in Vietnam, our rental sales base in the Philippines, and our operations in South Korea, which provide both manufacturing and sales functions.



Future Strategy

In the ASEAN region, where economic development is extremely robust, we forecast an increase in demand for public infrastructure improvements and anticipate further market expansion. Under the current Medium-Term Management Plan, we have made progress in establishing a foundation for ensuring steady earnings while improving our presence in the ASEAN region through efforts including setting up a system for stable supply with the aim of making the Overseas Business a globally competitive driver of growth in the coming era. In the manufacturing division, we completed the third phase of expansion at the Vietnam factory in the fiscal year ended March 31, 2020, which dramatically increased production capacity. This expansion made it possible to optimize production lines in Japan, South Korea and all other Group manufacturing bases, enabling us to address demand in regions where the bases of our overseas subsidiaries are located. In procurement, we will establish a system for offering competitive products that includes procedures such as promoting cooperation with suppliers in and outside Japan to reduce costs. We will also continue to conduct personnel exchanges among overseas bases to strengthen collaboration.

To continue growing, it is important to steadily roll out the core system employed in Japan at overseas bases as well. Human resource development is equally critical. In order to hire and cultivate the local human resources needed for management positions, we will strengthen the human resource foundation by establishing a global human resource development system that goes beyond the framework of the existing Takamiya Group personnel system, as well as by devising new salary models and incentives.

In the Philippines, DIMENSION-ALL, which the Company acquired in 2015, has steadily expanded its market share. We forecast active investment in public infrastructure and urban development in the Philippines, so we believe that the country will become a driver for the Overseas Business. In South Korea, in light of recent economic conditions we opted for caution in our investment decisions, including forgoing investment in rental assets. Going forward, we will continue to monitor the local economic situation and strengthen our sales and marketing structure to capture demand in South Korea by building alliances with major regional companies and deploying new temporary equipment that incorporates the Takamiya Group's expertise through the rental and sales businesses.

We forecast a challenging business environment in the fiscal year ending March 31, 2021 due to the impact of the COVID-19 pandemic. Nonetheless, we will steadily promote all possible measures. In the long term, we plan to grow the Overseas Business by actively entering alliances and M&As with local enterprises to expand the business foundation and extend the scope of our operations outside of the ASEAN region. Our ultimate aim is build a business that provides the majority of the Takamiya Group's sales and earnings.



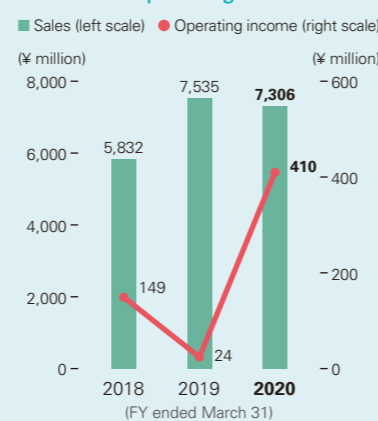
DIMENSION-ALL in use in projects

Results for the Fiscal Year Ended March 31, 2020

In the Overseas Business, net sales were ¥7,306 million, down 3.0% year on year, and operating income was ¥410 million, up 1,583.8%.

In the solar-related business of Hory Korea Co., Ltd., overall profit margins recovered substantially while sales declined due to the end of large-scale projects with low profit margins. In the temporary equipment rental business in South Korea, we decided to forgo the investment in rental assets that we had initially planned, due to the impact of the political and economic situation. In the Philippines, where construction investment is brisk, we worked to strengthen the foundations of the sales business by increasing the amount of rental assets held, establishing a system for stable supply, and strengthening relationships with customers. In the temporary equipment sales business, intersegment sales have increased and the gross profit margin has improved due to the establishment of stable, efficient production systems at HORY VIETNAM Co., Ltd. and Hory Korea.

Sales and Operating Income



Close-Up



San Juan Project

Increasing Our Presence in the Philippines

In the Philippines, DIMENSION-ALL gained considerable trust by completing the San Juan Project, the longest and most challenging bridge civil engineering project in the country's history. The project was the first order received by the company following its acquisition by Takamiya. Since then, DIMENSION-ALL has become a market leader in the Philippines in many civil engineering works and infrastructure projects, and consistently receives orders in connection with construction work related to government investment in infrastructure construction and urban development.

In order to respond to this demand, we are solidifying our rental foundation while working to expand our sales business to meet demand for temporary equipment in areas where projects are concentrated. Also, in order to fortify the business management system, we will actively invest to expand the scope of business in ways such as strengthening administration and introducing computer systems.

Foundations for Value Creation

Human Resources

Basic Approach

At Takamiya, we conduct people-centered management under a Management Philosophy that views human resources as the essence of corporate strength. We recognize human resources as an exceedingly important management resource. Based on our Mission Statement of "Love," we share this approach to human resources with the employees of all Group companies.

One of the basic policies of the current Medium-Term Management Plan is to strengthen management foundations. We will improve corporate value through proactive investment in human resource development and work-style reform.

Mission Statement

"Love"

The Company's Mission Statement is "Love." It was conceived in 1975, six years after the establishment of the Takamiya Group's predecessor Shinkansai Co., Ltd. We have continued to uphold our Mission Statement for 45 years.

Our Mission Statement is the foundation of the Company's approach to human resources. It involves three aspects: "Love yourself" means taking on challenges motivated by dreams and ambition, and seeking to improve ourselves. "Love others" involves showing consideration for those around us and giving back to them through our own growth. Finally, "Love the company" means thinking about how to contribute to society through the Company's business. In other words, each employee's independence is linked in a chain of social contributions.

We share this approach with all Group employees, and incorporate it into the Company's corporate culture. We will build an organization that continues to grow by nurturing our Mission Statement of "Love."

Human Resource Development

Promoting internal management personnel development projects focused on mid-level and young employees

To survive in an era of accelerating change, a corporation must become an indispensable presence by fitting into the social environment and meeting needs. Our determination to take a lead in society through the anticipation of change is incorporated in the theme of "Transformation" in the 2018 Medium-Term Management Plan.

As the Group transforms its line of business and the nature of its business itself, its operations are becoming more diverse, and tasks are changing. An example would be the incorporation of AI and robotic process automation (RPA).

In making a transformation that exceeds the bounds of conventional change, it becomes important to develop forward-looking human resources who can think beyond conventional concepts and accepted ideas. To achieve the vision of the Medium-Term Management Plan, everyone from those in top management ranks and administrative personnel to mid-level and young employees must take a forward-looking approach to transformation.

Therefore, in addition to regular position-based training, in the fiscal year ended March 31, 2020, the Group launched the Project Leader Conference to promote learning of management concepts and a forward-looking approach to a cross-departmental selection of mid-level and young employees who will be the leaders of the next era. Under the President's direction, two to three people were selected from each division for a total of 20 mid-level and young employees. They proposed projects for pursuing what they perceived to be issues of concern. We have just determined which projects to promote from among short-listed proposals and proposals from the President.

These projects involve learning management concepts while engaging fellow employees from other departments in face-to-face talks with the President and project members. Projects are extremely beneficial as opportunities for human resource development and for increasing the motivation of participants.

Project Leader Conference

Sharing Economy Business Development Project

Working to increase the market penetration of the new sharing economy business through study meetings for customers

New Product Development Project

Conducting development, prototype test builds, and marketing tool development for hit products to follow Iq System

Human Resource Development and Work-Style Reform Project

Formulating position-based human resource development plans, promoting various measures for work-style reform, and conducting checks and improvements of personnel systems in general

Business Efficiency and Productivity Improvement Project

Verifying work flows and implementing individual policies for raising business efficiency through inter-departmental cooperation

Developing Human Resources Capable of Working Overseas

Human resource development is key for growing the Overseas Business. To communicate with local businesses, in addition to foreign language ability, a great amount of specialized knowledge is necessary, from an understanding of the business to overall management. Furthermore, due to the fact that M&As and alliances with major overseas enterprises are necessary for speeding up overseas business development, management skills are essential to achieving mutual understanding with local staff and refining the administration system after companies have been acquired. For that reason, we conduct practical on-the-job training from the new employee stage.

At many overseas companies, a results-oriented approach and diversity are well-established. Takamiya's Overseas Business Division also proactively conducts mid-career hiring with an emphasis on skills, without regard for gender, age, or nationality. Meanwhile, to promote loyalty to the Company, we provide a full range of education programs that match each individual so that employees can cultivate a variety of skills over time. Also, we believe that it is important for employees to take on challenges independently and without fear of failure. We create many opportunities for them to take on such challenges. In particular, the Overseas Business Division employees can build their own businesses, providing them with a sense of accomplishment. Through these training programs and the feeling of accomplishment that comes from building one's own business, we will establish a framework that raises employees' sense of belonging to the Company.

Promoting Diversity Diversity Plan

The Group has launched a diversity plan that actively utilizes diverse human resources. Our aim is to identify promising human resources and new approaches that will improve our ability to address various social needs. In promoting this plan, it is important to maintain an environment that provides equal opportunities for diverse individuals. By creating a framework for sharing in achievements, we will form a self-perpetuating organization that creates a competitive advantage for the Company.

The ratio of male to female Group employees is 7:3, and the ratio of domestic to overseas employees is 7:3. In order to offer further opportunities for active involvement by diverse human resources, it is imperative that we revise our personnel systems to enable employees to evaluate their own achievements against goals they have set for themselves. We have been using a system that includes career enhancement through job rotation and assignment of positions to match aptitude. This system increases employee motivation by allowing employees to choose work that suits them. Also, we are broadening opportunities for female employees by revising the system so that female employees who conventionally did clerical work can request to change to planning positions. We established full-time positions for employees who want to use their expertise in technical or development positions, and amended the system in which employees can request a change to an occupational field where they can develop their career without aiming for a managerial position.

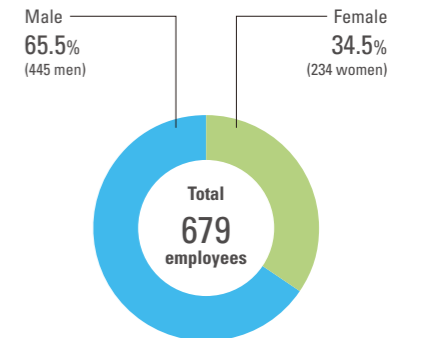
Appointment of Overseas Employees

Because we have been stepping up business expansion overseas, the number of overseas employees has been increasing year by year. In the fiscal year ended March 31, 2019, we increased the number of staff members in manufacturing departments in conjunction with the expansion of the factory in Vietnam. Regarding the rental business in the Philippines, we have increased the number of staff members at equipment centers in addition to increasing the volume of rental assets held locally, in order to capture opportunities for business expansion provided by local economic policies and aggressive infrastructure improvement projects. We will continue striving to expand our management level human resources in the ASEAN region.

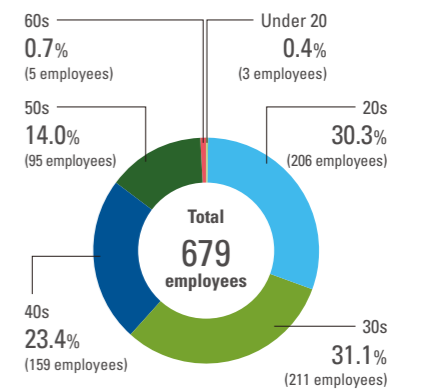
Takamiya's Diversity in Numbers

(As of March 31, 2020)

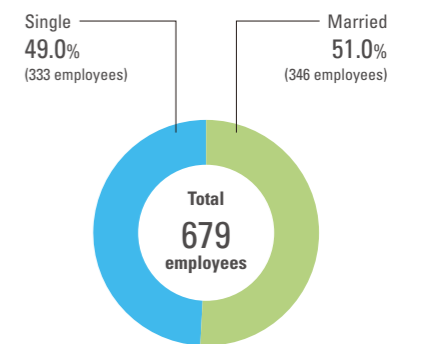
Proportion of Male and Female Employees



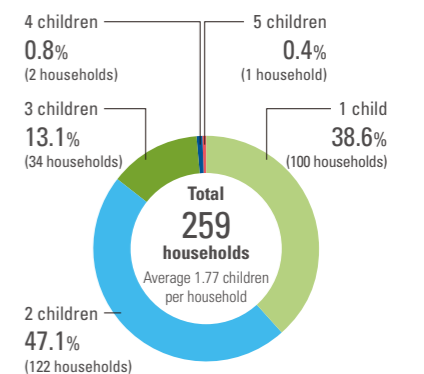
Employee Age Distribution



Marital Status



Number of Children per Employee Household



Note: Excludes single-employee and other households with no children

Work-Style Reform

Information Disclosure That Encourages Independence

In encouraging the independence of our employees, it is important to have a shared vision. To achieve this, employees need to understand the situation inside and outside the Company as well as their own position within the Company, and to be in synch with the Company's direction and vision.

Even if the vision is in place, it has no meaning if it has not been inculcated in employees. Also, there are limits to what people can convey, so it is important to maintain employees' attention. The Company does this through proactive disclosure that encourages employees to take notice of the situation and act autonomously. Specifically, we disclose information in various ways, including the Company newsletter and digital signage, and make use of the Company intranet and website.

The Company newsletter has taken root as a tool to explain the way top management thinks, the Company's direction, and the vision of the Medium-Term Management Plan, as well as the circumstances that led to the plan's establishment. From an external perspective, using digital signage for disclosure has been favorably received by customers. Internally, the screen savers of employees' personal computers constantly display relevant Company information.

Information disclosed includes clocking-off times and overtime for each department, average wage by age group, average age for management appointments, and birth rates. Employees are becoming increasingly aware of the status of their own department or section and their own positions by getting to understand various circumstances in the Company and relevant data. We will continue to proactively disclose internal information and plan to implement policies for increasing employee engagement.

Providing Diverse Work Styles

We changed our personnel systems in 2017, introducing a Career Path Selection/ Job Change System to allow employees to determine their own career paths and promote personal growth. Career path changes are carried out once every two years, and the number of applicants is increasing.

Regarding the paid leave system, we have established various systems to increase the usage rate for annual paid vacation days. In 2011, we introduced "Refresh 10," in which employees are eligible to take an extended vacation when the final digit of their age is "0." In 2014, we introduced "Refresh 5," in which employees are eligible to take a week-long vacation when the final digit of their age is "5."

Moreover, we have been promoting working at home for the child-rearing generation and the technology integration team. We have also been encouraging employees, particularly those in sales positions, to return directly home after work, and have experimented with flexible working hours. However, due to the impact of the COVID-19 pandemic, we are now implementing these measures for all employees as a form of emergency response. Although we have been able to continue business relatively smoothly due to our established IT environment, we have identified some issues needing attention in terms of our business continuity plan (BCP). Going forward, we will further promote digital transformation (DX) and business process innovation. In addition, we plan to study and move forward with measures such as working from home, flexible working hours and the establishment of satellite offices. We will also introduce communication tools through which we can share our vision and measure results, regardless of where employees work. As for the way employees are evaluated, we must shift to a system that emphasizes results such as improving efficiency or productivity rather than focusing on hours worked or how earnestly tasks are executed.

Amid the COVID-19 pandemic, work-style reform is progressing rapidly in the corporate world. Strange as it may seem, these trouble times present the best chance so far to defy conventional thinking. Through trial and error, the Company will promote work-style reform in which employees choose work styles that enable them to get the best results.



Digital signboard disclosing Company information internally

Average Age for Management Appointments

Position	Average age for appointment
Section manager	39.7
Deputy general manager	46.6
General manager	45.7
Executive officer	46.8
Director	51.1
Average for all management appointments	42.4

Average Overtime Worked (Hours per day)

For the fiscal year ended March 31, 2020

1 hour 27 minutes

Career Path Selection/ Job Change System

Generalist Career Path

Aims to provide experience in a wide range of positions and work locations and management training at an early stage

Specialist Career Path

Aims to increase proficiency and specialized business experience in a specific field, or high-quality service closely related to a specific region

Specialist Career Path (Administrative)

Aims to increase proficiency and specialized business experience in a specific field

Comments from Employees Who Have Used the Systems

Participation in In-House Project

I participated in the Human Resource Development and Work-Style Reform Project, one of the in-house Project Leader Conference projects that promote learning of management concepts and taking a forward-looking approach. I played a part in the November 2019 introduction of "casual day," on which employees can wear casual clothing instead of business suits at the office

Under the theme of "women's active participation in the workplace," I am currently working with my talented team members to conduct a survey aimed at understanding women's perception of their current status and identifying issues that they face.

Yuki Sakauchi

Team Leader
Counting Section, Scaffolding System
Engineering Department



Achieving Diverse Work Styles

I gained experience in equipment center work, doing order receipt and placement in the Customer Service and Operating Support Section, and sales administration. I now work in the Counting Section. At the start of the Job Change System, I changed to a Generalist Career Path from a Specialist Career Path in administration on the recommendation of those around me. Since then, opportunities to discuss various ideas and proposals for team improvement have increased. That made me think about whether there was anything more I could do, and what would be necessary to give my ideas concrete form. Also, since my commuting time is just under two hours and because I am considering the possibility of providing nursing care while continuing my career in the future, I am making use of the work-at-home system. During ordinary times, I use the system one or twice a week, selecting days when I have a lot of work to do. I feel that working at home is efficient for tasks that require concentration. Employees working at home exclusively and those working reduced hours account for 40% of employees in the Counting Section. To avoid a large imbalance in duties between employees who commute and those who do not, the Company has set up a system for members nationwide that can be adjusted to provide employees working at home with support. Working at home is expected to increase. We aim to leverage our system from many angles to achieve a balance with producing results.

Achieving Diverse Work Styles

I resigned from my duties as a specialist in administration, and reentered the Company on a Generalist Career Path. Changing my career path helped me to understand the difficulty of being forward-looking in one's work. However, when I succeed, I am very happy. More women are changing jobs in the Company, and I feel there are more opportunities for women to actively participate in the workplace.

Use of the Paid Leave System

When I turned 30, I used the "Refresh 10" system to take a trip overseas. I used to think that taking an extended vacation would cause trouble for one's coworkers, so going on an overseas vacation was not easy for company employees. However, Takamiya's corporate culture places importance on a fulfilling personal life, and my seniors at the workplace were understanding and wished me well. Because I was able to rest fully, I was motivated to get back to work and put in my best effort.

Using the Idea Proposal System

Takamiya employees from management on down are required to present three business efficiency improvement ideas every month. Employees from around the country compete over a one-year period, and rankings are announced at the beginning of the next year. Those with superior ideas receive rewards in the form of travel vouchers and paid leave. When people use my idea and the benefits manifest as numerical results, it's a great feeling. At the same time, the knowledge we gain about other departments' work through this system is useful in our own work, and I don't hesitate to apply it.

Akiko Tamura

PR & IR Department

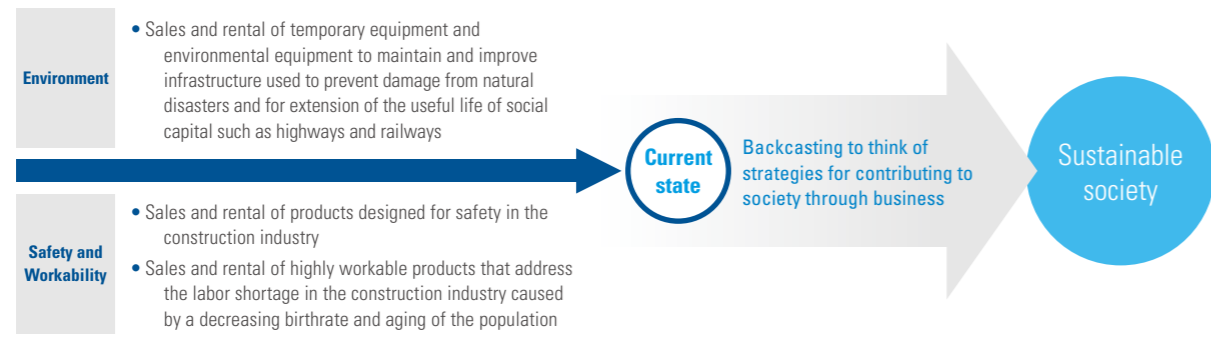


Environment and Society

Basic Approach

Through its business activities, Takamiya contributes to society and the environment under the themes of “Safety,” “Environment,” and “Workability.” Our products are used for environmental conservation in ways such as measures that minimize the impact of natural disasters and infrastructure maintenance and improvement that extends the useful life of social capital. In addition to the high level of safety of our products, their outstanding workability helps alleviate labor shortages at construction sites. We will continue to address social issues through our business.

Takamiya’s Contributions to Society and the Environment through Its Business



Products That Contribute to Addressing Social Issues

Improvement of Safety and Workability

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

For approximately half a century, the height of scaffolding floors in Japan was 170 cm, in line with the average height of an adult male 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 Iq System next-generation scaffolding, we have secured a larger space that allows for working without crouching. We have also improved safety by eliminating gaps at the feet. In addition, Iq System is designed to be light-weight and compact when stored. This also contributes to easing the severe shortage of drivers as transport requires fewer trucks than in the past.



SPIDER PANEL: Addressing the maintenance and repair needs of infrastructure

SPIDER PANEL is a panel-type hanging scaffolding that minimizes gaps and unevenness and improves safety and workability. Hanging scaffolding is installed through suspension with chains, and plays an important role in the growing volume of maintenance and repair work on infrastructure including railways and highways. With maintenance and repair needs rising, and a shortage of workers in the construction industry, supply cannot keep up with demand.

Takamiya will provide a working environment that helps construction workers to perform their duties efficiently and safely and contribute to improvements in worksite productivity and safety.



Lift Climber: A mast climbing work platform that provides peace of mind

This mast climbing work platform is essential for repairs on high floors, such as during large-scale repair work on apartments. Lift Climber can be used at heights up to 210 m, and because the work platform moves along two pillars, it ensures that sunlight reaches the building and helps to prevent crime. Designed with worker safety in mind, Lift Climber is also easy to use at the worksite. Furthermore, it can be readily erected, disassembled and transported, which lowers total costs by shortening construction time.



Addressing Environmental Issues

G-Castle Series: Agricultural greenhouses with outstanding weather resistance

The 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 greenhouses being destroyed by disasters such as typhoons, with farmers abandoning reconstruction work and quitting agriculture.

We are actively pursuing the development, manufacturing, design and construction of agricultural greenhouses to address these issues. In the field of agriculture, although progress has been made in intangible aspects such as technological improvements, in tangible aspects, there is a shortage of suppliers that provide low-priced greenhouses with outstanding structural design. We are addressing this issue by taking advantage of the technologies and expertise fostered through the development and manufacturing of construction-use temporary equipment to provide one-stop services ranging from the supply to the assembly of products with outstanding weather resistance. We will continue contributing to the field of agriculture in various ways, including productivity improvements that incorporate intangible measures such as environmental control.



Tiger Dam: Minimizing damage caused by storm surges and floods

In recent years, Japan has experienced substantial damage from frequent landslides and floods, particularly those caused by heavy rains and typhoons. To prevent such disasters, our Tiger Dam system replaces sandbags with easily fillable water bags, significantly shortening the time required to take measures against flooding. A strong dam can be erected simply by filling a tube with water. Dam length and height can be adjusted by connecting to multiple 15-meter units horizontally and vertically. Set-up is simple, enabling a small number of people to take flood control measures in a short time. Removal is also easy, involving draining water from each unit and folding. The product is reusable, making it environmentally friendly.



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

There has been growing demand for urban development and high-rise apartments in Japan, due in part to plans to host many large-scale events in the near future. In addition, the frequent occurrence of earthquakes has focused attention on damping and anti-seismic measures for buildings.

Oct-brace, our buckling constraint (damping) brace is a piece of structural equipment that can be used as a brace that does not yield as well as for seismic reinforcement for buildings such as logistics warehouses with large floor areas and medium-, low- and high-rise buildings. Made of lightweight aluminum, Oct-brace does not require maintenance. In addition, because there are few bolts, it can be installed quickly, lowering construction costs while contributing to the establishment of safe urban development by resolving issues related to seismic reinforcement.



Corporate Governance

Basic Approach

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

We will establish a temporary equipment 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 on the stable supply of safe and high-added-value temporary equipment. 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.

Takamiya's Corporate Governance System

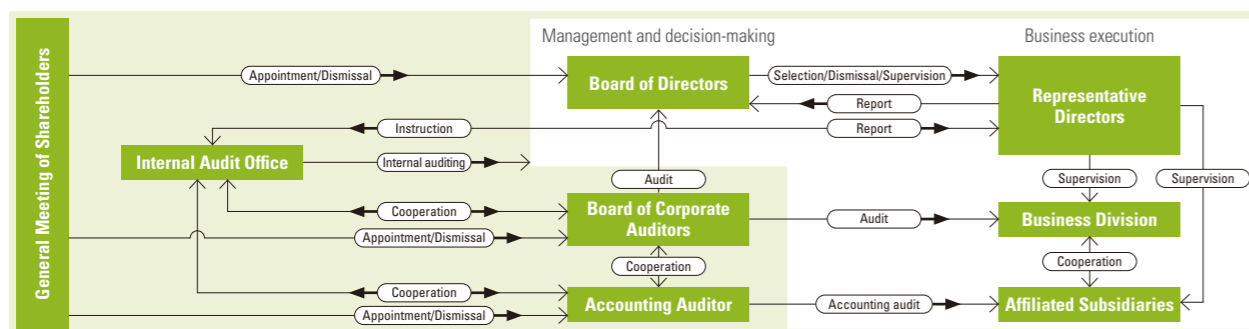
The Company has in place a system under which the Board of Directors, which includes Outside Directors, provides strategic guidance and management supervision and a Board of Corporate Auditors, whose members, including Outside Auditors, audit Directors' execution of duties by attending and giving their opinions at various important meetings, such as those of the Board of Directors and the Board of Executive Officers. The Company has also introduced an Executive Officer system under which Executive Officers are appointed separately from Directors, who are elected in accordance with Japan's Companies Act. While the Board of Directors makes decisions on important managerial matters and supervises Directors' execution of duties, having Outside Directors enables the inclusion of diverse points of view in decision-making.

The Company's Board of Directors consists of eight Directors of outstanding character, possessing insight, 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.

Corporate Governance System (As of March 31, 2020)



Board of Directors

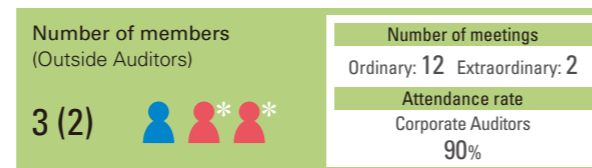
* Independent Directors



The Board of Directors is comprised of Representative Director, President and Chairman Kazumasa Takamiya, five Inside Directors and two Outside Directors, for a total of eight members, with terms of office of one year in order to ensure flexible, responsive corporate management. In addition to the monthly regular meeting of the Board of Directors, extraordinary meetings are held when necessary. In addition to making decisions on matters specified by laws and regulations and important matters involving management, the Board of Directors monitors the execution of management duties on an unscheduled basis.

Board of Corporate Auditors

* Independent Corporate Auditors



The Board of Corporate Auditors is comprised of one full-time Corporate Auditor and two part-time Corporate Auditors for a total of three members, and meets once a month, in principle. In accordance with the policies determined by the Board of Corporate Auditors, the Corporate Auditors audit the Directors' execution of business duties by attending various important meetings such as those of the Board of Directors, inspecting important documents and investigating business affairs and asset conditions.

Status of Members of the Board and Corporate Auditors

(As of June 25, 2020. Figures on the meeting attendance and attendance rate are for the fiscal year ended March 31, 2020.)

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	17 times/100%	Management and sales and 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	17 times/100%	Finance and accounting	Has abundant experience and extensive knowledge in administration, particularly in finance and accounting
Tsutomu Abe	Director and Executive Officer Division General Manager of Sales & Marketing Division	17 times/100%	Sales and marketing	Has abundant experience in the construction-use temporary equipment industry and extensive knowledge related to sales and marketing in general
Yuki Mukaiyama	Director Supervisor of Overseas Business Division, Business Development Division, Global Procurement Division	15 times/88%	Overseas operations, 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 operations, 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 departments
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 were deemed to be useful in the Company's management
Noboru Furuichi	Director Outside Independent	16 times/94%	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 were deemed to be useful in the Company's management

Structure of the Board of Corporate Auditors

Name	Current Position	Board of Directors Meeting Attendance/Attendance Rate	Board of Corporate Auditors Meeting Attendance/Attendance Rate	Expertise	Reason for Appointment
Yasushi Shimizu	Director	—	—	Information systems	Served as a member of the Finance & Accounting Department of the Company from April 1989 to March 2006. Has supervised information management systems of the entire Group, such as the establishment of the Group's core system, improvement of business operations and IT control from April 2006 up to the present as a General Manager of IT System Department, is well versed in the Group's overall business operations, and has sufficient qualifications as a Corporate Auditor in the present day when information systems account for a significant part of internal control. Accordingly, the Company has appointed him as a Corporate Auditor.
Yoshihiro Sakatani	Corporate Auditor Outside Independent	16 times/94%	13 times/93%	Finance and accounting	Is qualified as a certified public accountant, has considerable knowledge of corporate finance and accounting, and can provide advice on the Company's management from the perspective of finance and accounting, as appropriate, which will contribute to the soundness of the Company's accounting.
Teiji Joko	Corporate Auditor Outside Independent	15 times/88%	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

1. 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 taxation, accounting, law or management. They must be able to actively state opinions from an objective and external viewpoint, reflecting a diverse background.

2. 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 taxation, 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 his or her dismissal has been objectively deemed appropriate, 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.

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 we 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 Board of Directors meetings.

Evaluations of the Effectiveness of the Board of Directors

Since the fiscal year ended March 31, 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. In the fiscal year ended March 31, 2020, the Board of Directors raised points for improvement, such as the necessity to further enhance discussions between departments, but it was judged that the Board has largely maintained its effectiveness. We will further improve the effectiveness of the Board of Directors based on these analyses and evaluations going forward.

Remuneration 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, 2020, remuneration for Directors and Corporate Auditors was as follows:

Category	Total Remuneration (¥ thousand)	Total Remuneration by Type (¥ thousand)			Number of Eligible Individuals (Persons)
		Fixed Remuneration	Performance-Based Remuneration	Medium- to Long-Term Incentive (Stock Options)	
Directors (excluding Outside Directors)	232,693	202,596	3,750	26,347	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 million (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 million 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 million 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).
- The above includes the remuneration for two Directors who retired on June 26, 2019.

Details of Audit Fees, etc.

For the fiscal year ended March 31, 2020, audit fees paid to certified public accountants and others were as follows:

Category	Fiscal Year Ended March 31, 2019		Fiscal Year Ended March 31, 2020	
	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	1,700
Consolidated subsidiaries	—	—	—	—
Total	32,000	—	32,000	1,700

For the fiscal year ended March 31, 2020, fees paid to Ernst & Young member firms, which are members of the same network of the Company's certified public accountants, was as follows:

Category	Fiscal Year Ended March 31, 2019		Fiscal Year Ended March 31, 2020	
	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	—	612
Consolidated subsidiaries	4,771	1,092	4,935	4,027
Total	4,771	1,806	4,935	4,639

The audit certification work for which the Company paid fees entailed tax consultation. 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 number 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. Moreover, we release the videos and materials of our financial results briefing to the public in Japanese and English. We also publish our convocation notices in Japanese and English on the Internet, and hold thorough briefing sessions for individual investors. Our main investor relations activities in the fiscal year ended March 31, 2020 were as follows.

For Individual Investors	For Analysts and Institutional	IR Website
Briefings for individual investors: Six times (Total participants: Approximately 300)	Financial results briefings: Two times (Year-end video streaming and end of the second quarter) One-on-one meetings: 90	https://www.takamiya.co/en/ir/
We hold regular briefings at the Security Analysts Association of Japan as well as at branches of securities companies, with our Officers as speakers. Our IR website indicates the timing of this disclosure.	At our semi-annual results briefings, the President and Chairman and other Company Officers summarize our performance and provide earnings forecasts. Materials and videos are available on our IR 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 help further understanding of our business and strategy.

Risk Management, Internal Control and Compliance

The Basic Rules for Risk Management stipulate the basic policy and other 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 control, 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

Kouji Shimokawa Outside Director (Independent)

Refining Management Judgment to Increase the Speed of Growth

The theme of the Company's current Medium-Term Management Plan is "Transformation." The aim of transformation is to create resilient business foundations that can readily respond to changes in customer needs that go hand in hand with changes in society. Strong management foundations are indispensable for continuing corporate growth in all situations. Although achieving such a system is difficult, the Company is making steady progress.

Given that the impetus of change is growing rapidly, it is necessary to further increase the speed of management's response to this change. Also, bold and quick decision making is needed in every area, and I believe that the current management team is capable of such action. However, while it has the capacity to promote important policies and deliver results, I believe there is room for improvement in management

and verification through quantitative evaluation from a detailed financial perspective.

The Company's Directors conduct supervision and execute duties concurrently. In the present situation where the Company is undergoing a major transformation, the Directors' effectiveness is clear, but as a consequence, Directors tend to slightly overemphasize the execution of duties. Having supervised the Company for many years from an objective standpoint, I will continue to encourage vigorous discussions among members of the Board of Directors based on detailed management verification, while performing the duties of cultivating the top managers who will be responsible for the next era, and creating a system for doing so. I hope that top management will continue to carry out high-level management that is forceful yet flexible and constantly work to improve both corporate and shareholder value.

Noboru Furuichi Outside Director (Independent)

Energizing the Board of Directors to Respond to Change

Currently, there is no end in sight to the COVID-19 pandemic. In such an environment, people's values are changing drastically. Work-style reform is one example. More important, however, is the clarification of what is truly necessary to society.

The fiscal year ending March 31, 2021 is the final year of the current Medium-Term Management Plan. In order to achieve its goals, the Company is working on several measures. The vision set forth in the plan is "Create new value through transformation and aim to become a corporate group that drives qualitative development of the industry." Amid major changes in society's values, we must transform to survive.

I will use all available networks to strengthen the Company's sales force through new marketing strategies and channel development. I will also work to increase the effectiveness and improve the dynamics of the Board of Directors by energizing Board meetings and clearly expressing the various opinions of stakeholders. Furthermore, I will endeavor to contribute to the Company's evolution into a corporation that society deems even more necessary.

To achieve these things, I aim to be an Outside Director that honestly and sincerely conveys advice and opinions to top management.

Directors, Corporate Auditors and Executive Officers (As of June 25, 2020)

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
Supervisor of Overseas Business Division, Business Development Division, Global Procurement 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.



Noboru Furuichi
Director Outside Independent

Corporate Auditors



Yasushi Shimizu
Corporate Auditor



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

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

Takashi Masuno

Senior Executive Officer
Division General Manager of Scaffolding Quality Assurance Division

Ryuji Arai

Senior Executive Officer
Division General Manager of Overseas Business Division and Division General Manager of Global Procurement Division

Hidehiko Yamashita

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

Hideo Kato

Executive Officer
Tokyo Branch General Manager, Sales & Marketing Division

Tetsuya Aoki

Executive Officer
Division General Manager of Business Development Division

Mitsunori Yamato

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

Takashi Nagumo

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

Hiroshi Koda

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

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

Our Main Products

Temporary Equipment



YT Lock System

Can be erected along slopes and also used as a gantry.

VMAX

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

G Walk

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

Dimple Post X

Protects 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 that are important parts 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

Equipment made from light-weight aluminum, which improves workability, so it can be used for any type of scaffolding and can be piled up.

Formwork



BENKEI (Stainless steel column formwork)

Column formwork using stainless steel face plates. Improves diversion rate, and enables fast assembly and formwork removal, as well as construction with a small number of people.

Building Materials



Cap Ring Pile Method

Method that enables correspondence to large-scale ground deformation due to earthquakes and reduces 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.

Environmental Equipment



ECHO BARRIER

Soundproof sheets that reduce noise by absorbing sound. They are used to soundproof school and hospital facilities.

H2 System

This method, in which solar modules are supported by a single line of H-steel piles, reduces the amount of frame materials.

Agricultural Materials



Steel Frame House Pro II

A high-eave, steel-frame Dutch light greenhouse 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, 2020)

Name	Takamiya Co., Ltd.
Date of establishment	June 21, 1969
Head Office	Grand Front Osaka Tower-B Bldg. 27F, 3-1, Ofuka-cho, Kita-ku, Osaka 530-0011, Japan

Capital	¥1,050,110,000
Representative	Kazumasa Takamiya, Representative Director, President and Chairman
Number of employees	Consolidated 1,298 Non-consolidated 679

Share Information (As of March 31, 2020)

Share Data

Total number of issuable shares	144,000,000
Total number of issued shares	46,577,000
Number of shareholders	4,092

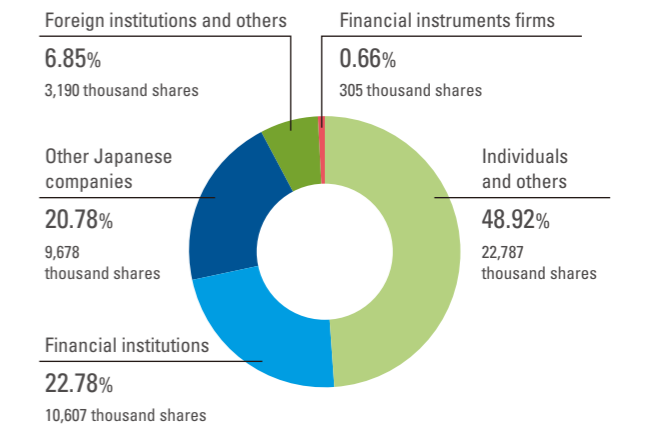
Principal Shareholders

Shareholders	Number of shares held (Thousand shares)	Percentage of shares held (%)
Takamiya Ltd	6,945	14.91
Tojitsu Takamiya	5,356	11.50
Japan Trustee Services Bank Ltd. (Trust account)	4,638	9.96
Akiyoshi Takamiya	2,288	4.91
Takamiya Employee Stock Ownership Plan	2,111	4.53
Toyoji Takamiya	1,678	3.60
Chikako Takamiya	1,579	3.39
Kazumasa Takamiya	1,350	2.90
The Master Trust Bank of Japan, Ltd. (Trust account)	1,345	2.89
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	907	1.95

Notes:

- The Company holds 7,020 shares of treasury stock. Treasury stock is excluded from the list of major shareholders and is not used in calculating percentages of shares held.
- Percentages have been rounded to the second decimal place.
- Among above numbers of shares held, shares related to trust services are as follows:
Japan Trustee Services Bank, Ltd. (Trust Account) 4,619,100 shares
The Master Trust Bank of Japan, Ltd. (Trust account) 1,334,200 shares

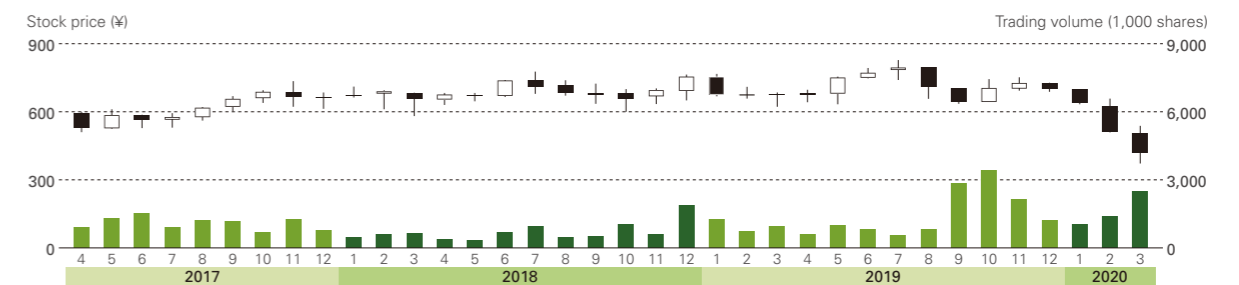
Breakdown of Shares by Type of Shareholder



Notes:

- The Company holds 7,020 shares of treasury stock. Treasury stock is excluded from the above.
- Percentages 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 in Japan)
Method of Public Notice	By electronic notification on Takamiya's website: https://www.takamiya.co/ However, if electronic notification is not possible due to an accident or other unavoidable circumstances, notice will be published in the <i>Nihon Keizai Shimbun</i> newspaper.