



TAKAMIYA Report 2022

Fiscal Year Ended March 31, 2022

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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. We hope this report will help you deepen your understanding of the Takamiya Group, which is transforming into a new corporate group, with "Love" set as the Mission Statement. We will continue to disclose information in an easy-to-understand manner, reflecting 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.

### Scope and Period Covered

This report is a collection of information that is highly relevant to the Takamiya Group. It covers the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022) unless specified otherwise, and also includes information on subsequent periods (on and after April 1, 2022) for latest updates.

## Introduction

In today's rapidly changing society, flexible corporate management is necessary in order to respond to changes in our external environment. The COVID-19 pandemic continues to have an impact, and international relations are changing, so Takamiya Co., Ltd. (the "Company") and its subsidiaries (the "Takamiya Group" or the "Group") has continued to grow by responding to this ever-changing environment. In the ongoing 2021 Medium-Term Management Plan, in order to maintain sustainable corporate growth we are promoting the development of a new business model that is not affected by the external environment, a "platform business" that defies common sense in our industry of providing temporary equipment for construction work. We will transform all aspects of our business, earnings structure, workstyles, and organizational structure in order to complete the transformation of the Group. 2022 is the year of the beginning of our platform business, the "first year of the platform." I hope that through this TAKAMIYA Report, we will be able to share with our many stakeholders how the Takamiya Group is transforming and what future we envision beyond that.

### Kazumasa Takamiya

Representative Director, President and Chairman



### Map of Disclosure Tools



## Mission Statement



This world in which we live is constantly on the move, driven by the complex intertwining of national economies and the business activities of countless companies.

Individual companies are made up of the untiring endeavors of their members.

What motivates people?

Their own ambitions. Consideration for their families.

We believe these are where it all starts.

We want to make these things the driving force behind our corporate growth.

That is why our Mission Statement is "Love."

## 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.

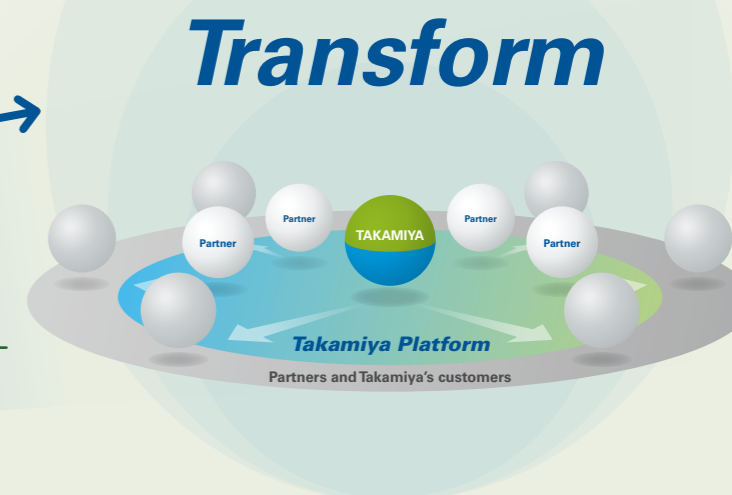
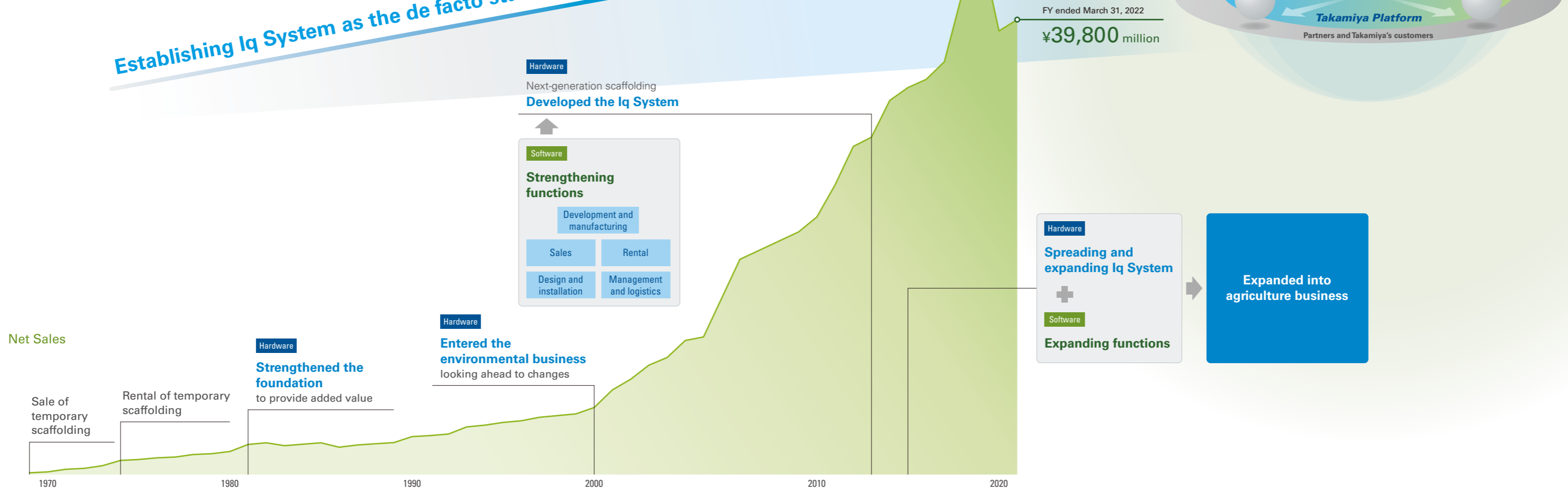
The company is one such group. Through the company, we give back to the community, the country, and the world. This is what it means to love the company.

# Takamiya's History

Using foresight—staying ahead of the issues facing society and coming changes of the times—Takamiya has been providing value to society by innovating its businesses and creating frameworks whenever necessary. Here, we showcase our history of transformation.

## Transformation of Business Model

**Establishing Iq System as the de facto standard**



<p><b>1974–</b></p> <p><b>Established the scaffolding rental business</b></p> <p>Having started its business in 1969 as a scaffolding seller, 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 have become a standard in the industry today, such as a security deposit system for products and minimum rental periods. From the 1980s, aiming to expand its business scale, the Company developed operations in Tokyo and across the country. Furthermore, in a bid to strengthen its business foundation ahead of others, the Company worked on establishing the Scaffolding System Engineering Office, automating its equipment supply locations, and introducing a CAD system. In the 1990s, the Company established its own quality control standard to improve safety.</p>	<p><b>2000–</b></p> <p><b>Entered environmental business in pursuit of safety, environment, and workability</b></p> <p>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 disaster prevention works 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.</p>	<p><b>2010–</b></p> <p><b>Iq System revolutionized the industry and created a business structure</b></p> <p>In 2010, we acquired a company that manufactures temporary equipment for construction with the intention of revolutionizing scaffolding, which had not changed in 50 years. We developed the next generation of scaffolding in-house and launched it in 2013. Iq System next-generation scaffolding increased the story 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. We also established the Scaffolding Construction Department to handle scaffolding installation in-house, and have built a system in which each of our functions creates synergy with the others, such as responding to the labor shortage at construction sites while promoting our next-generation scaffolding.</p>	<p><b>2015–</b></p> <p><b>Ventured into new business domains leveraging our business structure</b></p> <p>We have advanced into various fields based on our core business in scaffolding. In 2015, we entered the agriculture business. Agriculture, which is a 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.</p>	<p><b>2021–</b></p> <p><b>Accelerating transformation by creating new structures</b></p> <p>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.</p>
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<p><b>Japan World Exposition, Osaka</b></p> <p>Anticipated the era of the rental business for temporary equipment for construction work</p>	<p><b>Japan's economic boom</b></p> <p>Rival companies engaged in price competition</p>	<p><b>Construction investment shifted</b></p> <p>From new construction to disaster prevention, maintenance, and repair</p>	<p><b>Labor shortage</b></p> <ul style="list-style-type: none"> <li>• Labor shortage at construction sites</li> <li>• Securing excellent human resources and improving productivity became challenging</li> </ul>	<p><b>Growing need for productivity improvement</b></p> <p>Advent of the era of productivity improvement, required not only at construction sites but also in various industries including agriculture</p>
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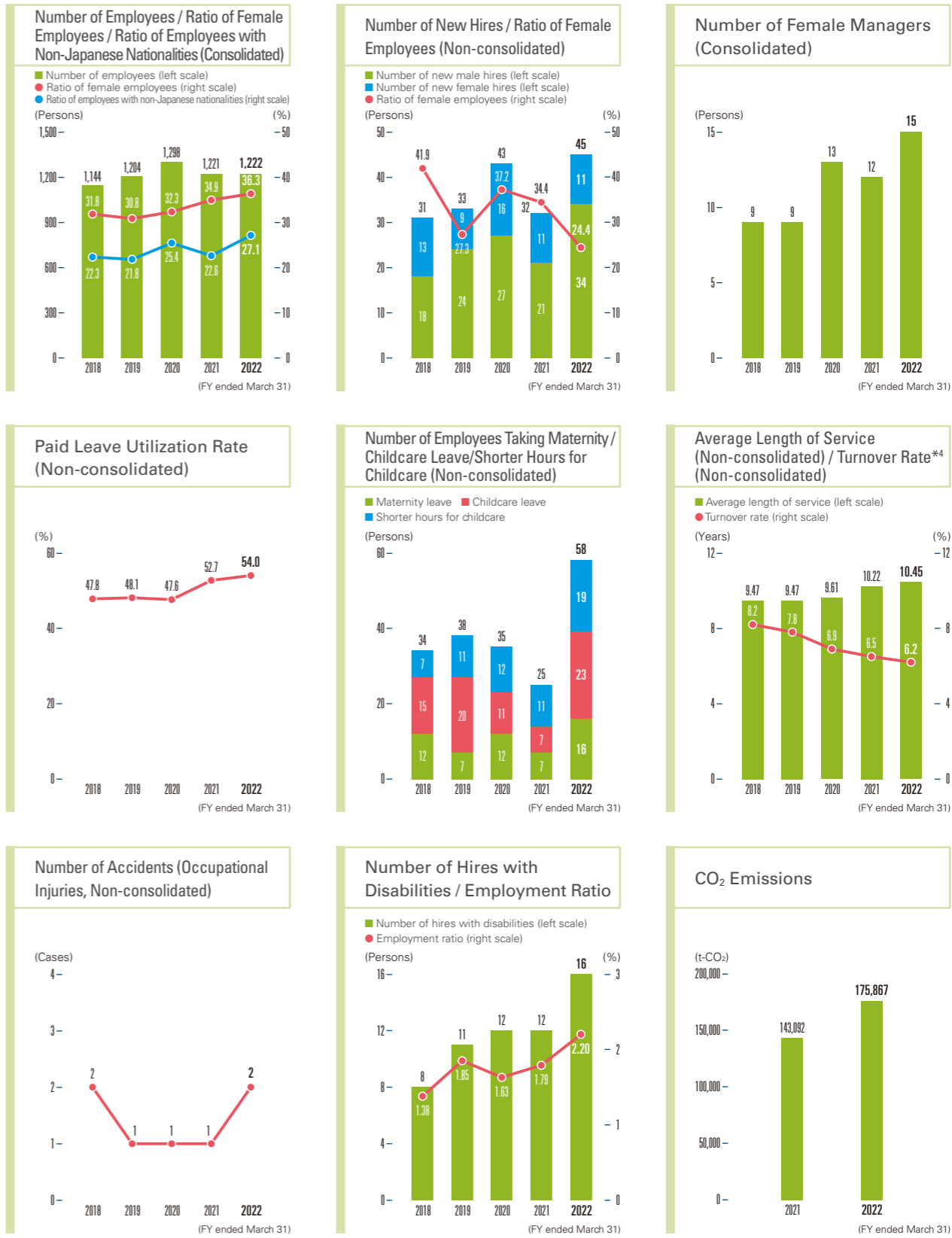
# Financial and Non-Financial Highlights

## Financial Highlights\*1



Notes: 1. Figures below millions of yen are truncated. 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

## Non-Financial Highlights



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

# Message from the President



We will keep transforming toward the next stage to achieve new growth.

**Kazumasa Takamiya**  
Representative Director, President and Chairman

## Business Environment and Initiatives in the Current Fiscal Year

Our domestic business has been impacted by suspensions and delays in some construction work. However, interest from the market in our next-generation scaffolding, Iq System, remains high, as reflected in the strong performance of both sales and rentals. In rentals, we recorded the highest utilization rate ever in the previous fiscal year, and in sales, we achieved solid growth driven by new purchases, additional purchases, and replacements of conventional scaffolding. We are currently preparing to expand production capacity for the Iq System by 1.6 times, with plans to eventually double it. Construction work on our high-performance agricultural greenhouses was affected by customer restraint in purchasing, partly because of a shortage of foreign workers due to the COVID-19 pandemic. We think a recovery in demand will take time—roughly six months to one year—but we are making preparations to be ready when demand does recover, including continued collection of cultivation data through demo cultivation using the actual products.

In our overseas business, we have started to see a recovery trend in market conditions in each country where

we do business. In Vietnam, the lockdown was lifted and we were able to conduct manufacturing activities as planned. In the Philippines, railway infrastructure improvement projects are underway, and construction is in full swing. In Korea, the new government is helping to increase safety awareness in construction, especially for scaffolding. We have a firm budget for safety, as in Japan, and we expect to see increasing demand for the Iq System, which offers a high level of safety. Thus, the environment for conducting our business activities in these countries has steadily been improving. On the other hand, there is the exchange rate issue. For our overseas business, risks and opportunities are not always two sides of the same coin, but we will take measures for each of them to ensure that we can maximize opportunities for business expansion. We recognize that we have made progress in our respective efforts to maintain and expand our top market share in next-generation scaffolding; respond to the market shift to maintenance and repair construction; nurture businesses beyond the temporary equipment sector; and grow revenue at overseas business bases.

P.22 Medium-Term Management Plan • Message from the Division General Manager of the Corporate Strategy Division • Takamiya's Businesses Reference

## The Changing External Environment and the Risks We Should Focus on

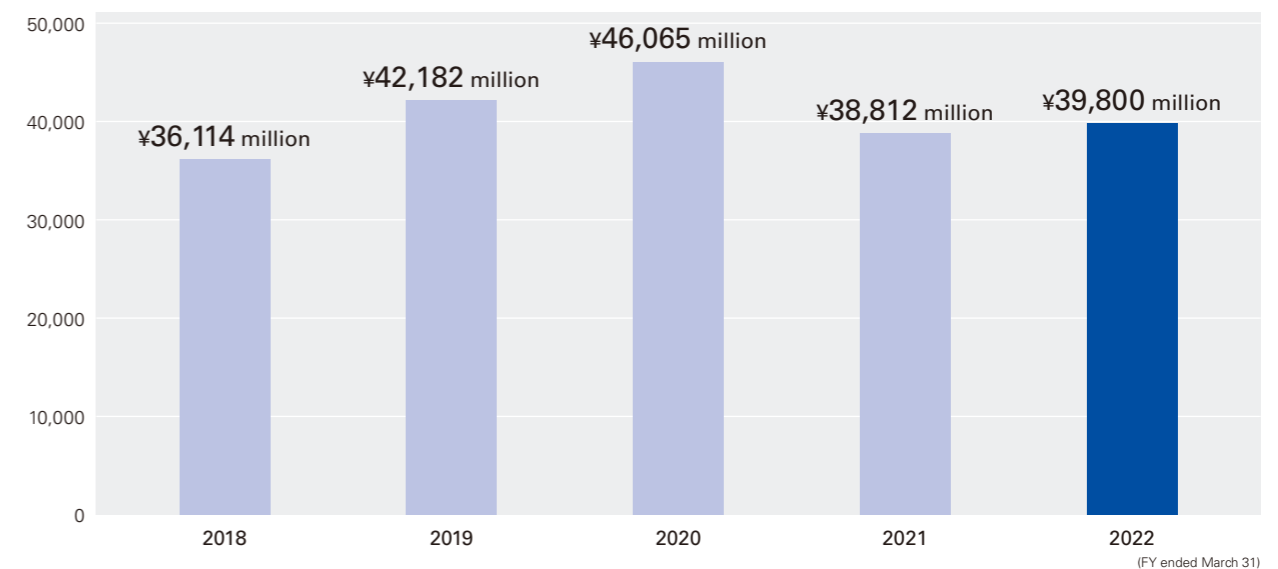
The fiscal year ended March 31, 2022 was like the previous fiscal year in that Takamiya's performance was impacted to an extent by the COVID-19 pandemic. Although the spread of infections has shown signs of settling down, and there was some resumption of construction work and activity related to infrastructure improvement, we were unable to achieve results as planned.

The construction industry is in a period of great change. In Japan, civil engineering work has been more active than building construction in recent years. In particular, maintenance and repair work on expressways and railroads, especially as public works projects, is beginning to pick up. Initiatives for maintenance and repair to enable continued use of the nationwide transportation network, which has long supported Japan, is a job that also has great significance for society. The challenge of reinforcing

and maintaining infrastructure and buildings in preparation for increasingly severe disasters is also all around us. Economically, although inflation and the unpredictable international situation pose challenges, we recognize that we have built a solid position in the market, and will strengthen our position to expand our business growth as well as the social value we provide.

On the other hand, there are also risks to be concerned about. We are avoiding and mitigating risks related to the soaring price of steel, a raw material, in ways such as passing along price increases. In the supply chain, the situation overseas is hard to predict in some respects, so we are duplicating and optimizing production and procurement as much as possible and taking action to ensure that supply chain issues do not slow down our business expansion, which is now gaining momentum.

### Net Sales



## The Meaning of Transformation in the Medium-Term Management Plan

The Medium-Term Management Plan that started in 2021 is an aggressive plan. As a precondition for achieving this plan, we must change and transform our company itself. This past year, we were unable to increase earnings as we were in the process of transformation, and we also continued to be greatly impacted by the external environment, as I mentioned earlier. Given the performance goals in the final year of the plan, it may be fair to say that our target figures for the fiscal year ending March 31, 2023 are rather conservative. However, I am confident that we can steadily achieve our performance targets in the second and third years by carrying out this transformation.

The transformation we are pursuing is about transforming our business foundation, which we have been enhancing into a new “platform” that can create demand on its own, independent of the external environment, and generate stable earnings. Until now, the temporary equipment for construction work industry has been in a situation where macro and market conditions were driven by major construction companies, and our own business figures depended on how high or low construction investment was within that environment.

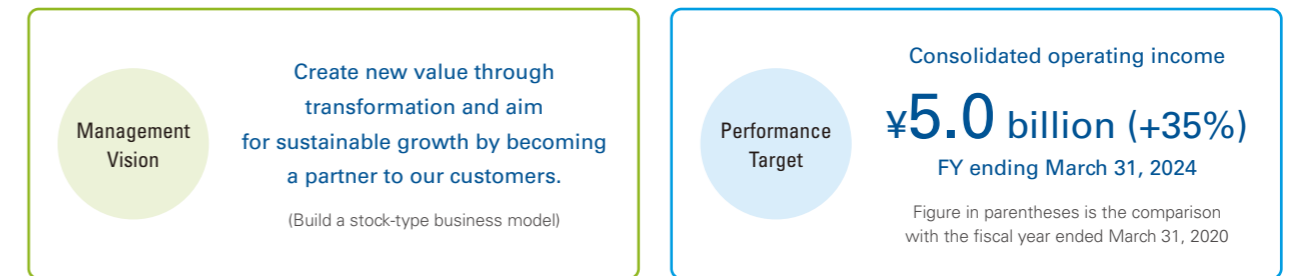
For similar reasons, when I look at our stock price, which represents the valuation of our company by the capital markets, I find it hard to believe that our true value is being fairly assessed, and I feel that our future is not being looked at enough. Because of that, in our pursuit of sustainable growth, we need to break away from continued dependence on the external environment. We concluded that one requirement for that was to build a “platform” that would allow us to create demand on our own. The transformation we are pursuing is a switch to a business model that produces stable earnings that are not overly impacted by changes in the external environment.

The platform we will provide is the very business foundation we have continually improved up to now. It includes the functions of development and manufacturing, sales, rental, design and installation, and management and logistics, and these functions will not only be used by Takamiya, but will also be open to customers. Customers will be able to use the infrastructure of Takamiya’s temporary equipment for construction work business as if it were part of their own business. For example, customers beyond the Kansai area will be able to participate in projects related to the expected future development of the Osaka Bay area by using Takamiya’s equipment supply locations, logistics networks, and installation network. In other words, customers will be able to expand the scale, area and range of their traditional businesses. An attractive platform that enables our business foundation and Takamiya itself to provide high added value for customers is the kind of platform we are aiming for.

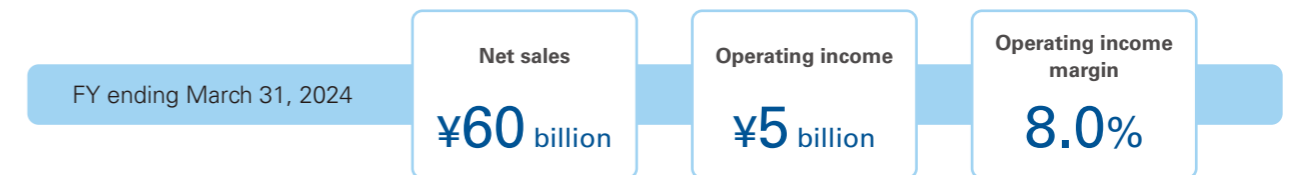
The key to achieving this transformation is digital transformation, or DX. In essence, DX is the use of digital technology to streamline and raise the efficiency of operations and tasks. The construction industry that we are in is making more progress than before in digitalization and DX, but it still has many analog aspects. This situation, where much work is still being done with analog technology, is one reason why the capital markets view this business as being out of step with the current times and environment. The fact is that DX-related companies are capturing attention in the capital markets, especially in

## Progress of the Medium-Term Management Plan

### Outline of the Medium-Term Management Plan



### Medium-Term Management Plan Targets (as announced on May 31, 2021)



growth stocks. By advancing DX, we will not only improve efficiency in our business operations, but will enhance the convenience of the services we offer to customers and accelerate our transformation.

Our success in building the platform and achieving transformation will hinge on how much we can increase the number of stakeholders—customers, partners, and

shareholders willing to support us. To do that, we need to keep our customers and partners informed about what we are currently doing, and have them empathize with us. Without that empathy, expansion of our platform will not be possible. Sharing our platform with many partners is the future I envision for Takamiya, and for the construction industry.

P.16 >>> Takamiya’s Business Model Reference

## The Drivers of Our Transformation: People and DX

The most important requirement for realizing this transformation is to attract and develop people who have goals and a vision, and will carry out that vision. We cannot afford to hire people blindly. Even if they choose to join us, it is meaningless if they leave soon after that. Therefore, since 2018, we have lowered our rate of investment in rental assets and made investments in training and creating a system for people in their third and

fourth years. This continues today, and we are leveraging the power of DX to “visualize” workstyles and office environments. After all, we cannot increase the value we provide to customers unless we improve our own work productivity. By raising our own efficiency, we will increase the added value we deliver to customers. This is the only way that we can enhance profitability. We will produce scaffolding more efficiently and have customers



use it more efficiently. DX is also necessary to boost our operating rate. That in turn will further raise the efficiency of our workers. The first year of the Medium-Term Management Plan was the year for building the foundation. I feel the response has been quite positive. The numbers should start to steadily show up in the second and third years as a result.

I have long been telling our people to “raise efficiency, raise productivity, and if you want to rest, rest. If you want to earn more, do more,” and then keep transforming. We will reward people appropriately for a certain level of results. DX will not be realized unless employees feel that there is a solid return in it for them, too. The Company’s profit and the profits that employees receive must be aligned with each other. DX is necessary for realizing each of these objectives, but is not the objective in itself. This line of thinking was boosted by the acceleration of remote work due to the COVID-19 pandemic. Work where you want to work. Get a return on the hard work you put in. At times like that, I want the Company to be a “place of

relaxation.” Remote work inevitably leads to feelings of isolation and alienation. I believe the Company will play a part in resolving the lack of communication, and in supporting mental and physical health. We now have digital signage in several locations in the company. Information from each operating base is now in a form that can be monitored from anywhere in the country. Work freely, of your own volition, by choice—this is very important. The turnover rate of new graduate hires was dramatically lower this year and last year. I believe this demonstrates that our company, which is in the middle of a transformation, is seen as attractive by today’s digital native generation, both for its environment and as a job.

Some people were saying that we should go after sales in the rental business, which had been performing well, and focus more on investing in rental assets. But I did not think that was the way forward, and have instead been promoting human resource investment. We now have the foundation in place for the future we want to bring about.

P.38 Human Resources Reference



## Sustainability and Governance Support Takamiya’s Growth

Takamiya moved to the Prime Market of the Tokyo Stock Exchange in April 2022, and I believe that is where we must be. To realize transformation and achieve sustainable business growth, we will need to raise funds from a wide range of investors, including overseas institutional investors. And to do that, we have to give due consideration and attention to environmental, social, and governance (ESG) initiatives. We will carefully address whatever is necessary for growth, one by one. This year, we changed our governance structure to a “Company with an Audit and Supervisory Committee,” and added three independent outside members—Yoshihiro Sakatani, Teiji Joko, and Sachie Kato—to the Committee. I believe we have enlisted the participation of people who will give us

the most candid opinions possible. I view external requests, such as the Corporate Governance Code, as positive guidance for determining what Takamiya should do, and how we can continue to grow in the future. The same is true for environmental issues and initiatives for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and for promoting the empowerment of women in the workplace. If there are companies (not just ours) that have not kept up with changes in the world and are finding it difficult to do so, I believe that means they have not sufficiently adapted to the times and environment, and are not keeping pace with current trends. I would like to take a positive approach with the view that what are often called challenges are really opportunities for growth.

P.44 Corporate Governance Reference

## To Our Stakeholders

First, a message to employees. I would like each one of you to think about how working in this day and age is about being happy while having many options, increasing profit for yourself, and ultimately, how you contribute to the Company and society. And most importantly, to enjoy doing so. I hope to realize this major change and transformation together with all of you.

To our partners: Takamiya is attempting a major transformation. We will develop a “platform” that goes against the conventional wisdom of the industry and serves as a new kind of infrastructure for the temporary equipment business. This platform will provide previously unheard-of high-value-added services that our partners will want to use, as it will improve their business revenue and will be the key to broadening the potential of their businesses. Some of you may feel it will be difficult to

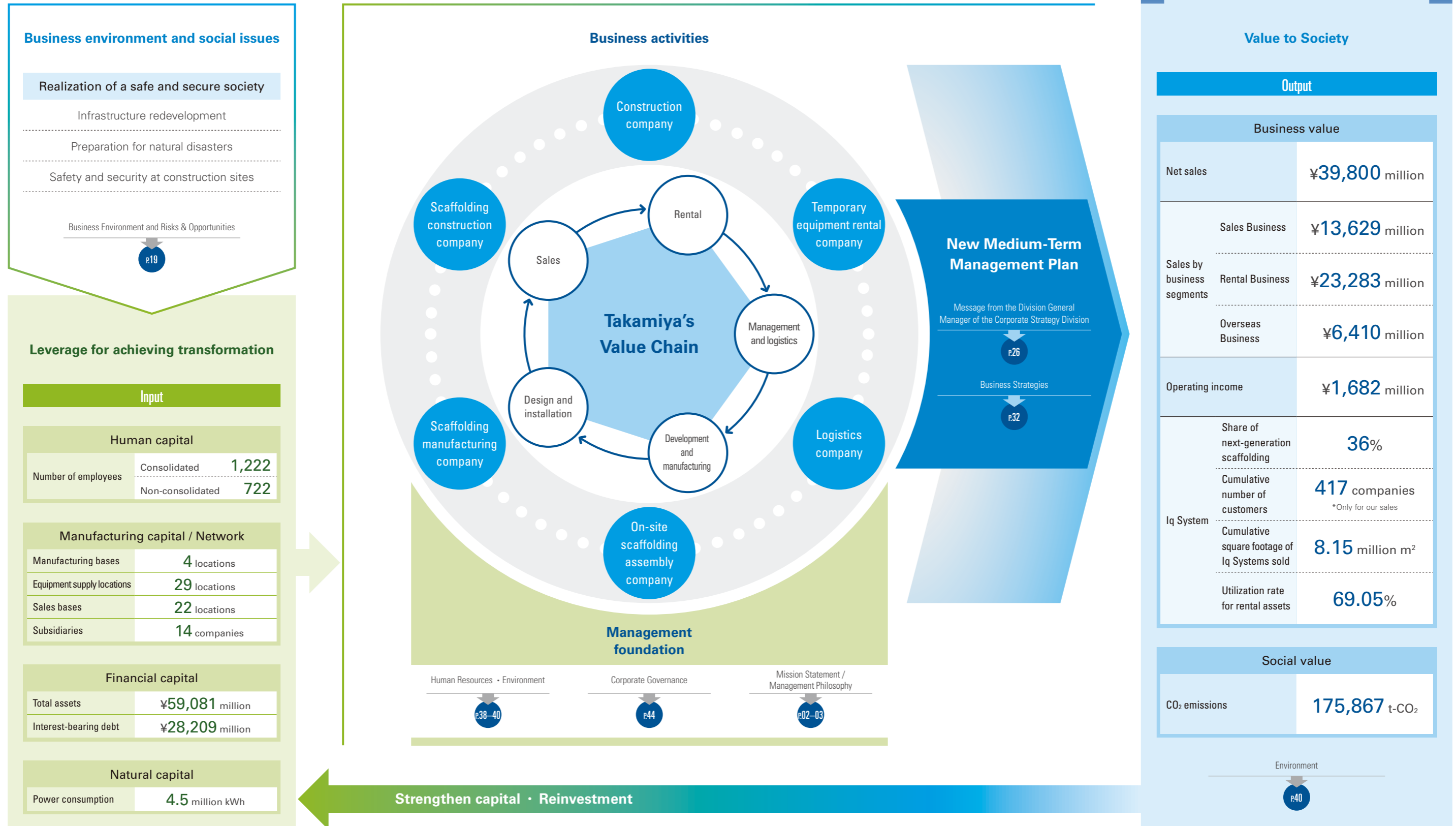
respond to the dramatic changes at our company. However, this transformation will eventually change not just our company but the whole industry. Since we cannot complete this transformation alone, I hope to expand the platform together with as many partners as possible.

For our shareholders, I would like to apologize for the times that we caused concern about our financial performance. At present, we are still thought of as a scaffolding company. However, we are making steady progress in solidifying the foundation for our transformation. The platform business will fundamentally change our earnings structure, and we will release new information about this platform from time to time. I sincerely hope you will look forward to the expansion of our new businesses and platform business, and continue to support Takamiya with a long-term perspective.



# Takamiya's Value Creation Process

Takamiya has created new business models through foresight—staying ahead of the changes of the times and innovating its business portfolio and frameworks. We will repeat this process and provide products and services that resolve social issues, so as to continuously improve our corporate value.



## Takamiya's Business Model

# Takamiya Platform

### Making Our Customers Partners in Our Platform

Takamiya has used its business foundation, built mainly around rental and sales, to provide services to customers while enhancing each function to make them more convenient. Now, we are ready to open up this enhanced business foundation as a platform for customers. In doing so, our customers will become partners who share the platform, enabling them to use Takamiya's business foundation (temporary equipment business infrastructure) as part of their own, and facilitating the expansion of their business scale, geographical area, and domain. Takamiya will increase profit by continuing to conduct its traditional business with customers while encouraging them to participate in the platform, expand it, and make use of the platform functions.

Transforming into a Platformer, Takamiya Will Become Part of the Infrastructure of the Temporary Equipment for Construction Work Industry



### Takamiya Lab. – Driving Business Model Transformation

Takamiya Lab. is our R&D base for promoting evolution of the platform and developing and supplying (verifying) new technologies and services that enhance user convenience and competitiveness. Visitors to the Lab. can not only experience the functions provided by the platform, but also actually use and try out the high-value-added functions of the products on display. The Lab. will accelerate customer participation as a symbol of the platform.



### Takamiya's Business Foundation

Development and manufacturing	Sales	Rental	Design and installation	Management and logistics
Development capabilities for temporary equipment, building materials and agricultural products Metal processing technology Four plants in Japan and overseas	Sales network in Japan and overseas Used temporary equipment market	Diverse temporary equipment for ultra-high-rise to underground construction	Temporary equipment design technology BIM/CIM Domestic installation network	29 equipment supply locations nationwide

## Takamiya's Key Issues

The Takamiya Group has identified risks and opportunities in the fiscal year ended March 31, 2022 that are issues that have significant management impact and are important to our stakeholders. We will continue to take long-term initiatives to resolve social issues and meet stakeholder expectations through our future business activities, leading to sustainable enhancement of corporate value.



## Business Environment and Risks & Opportunities

	Primary Factors	Risks & Opportunities
<b>Changes in the economic environment</b>	Domestic economic trends	<ul style="list-style-type: none"> <li><b>Risk</b> Capital investment trends of private companies</li> <li><b>Opportunity</b> Increase and decrease in domestic construction investment amount</li> </ul>
	Exchange rate fluctuations	<ul style="list-style-type: none"> <li><b>Risk</b> Rapid depreciation of the yen</li> </ul>
<b>Changes in the social environment</b>	Transition from new construction to maintenance and repairs	<ul style="list-style-type: none"> <li><b>Risk</b> Decrease in demand for new construction of transportation infrastructure</li> <li><b>Opportunity</b> Increase in demand for infrastructure maintenance and repair</li> </ul>
	Productivity improvements at construction sites	<ul style="list-style-type: none"> <li><b>Opportunity</b> Accelerated spread of next-generation scaffolding</li> <li><b>Risk</b> Obsolescence of temporary equipment held</li> </ul>
	Digital transformation (DX)	<ul style="list-style-type: none"> <li><b>Risk</b> Delays in promotion of DX due to the shortage of IT professionals</li> <li><b>Opportunity</b> New demand</li> </ul>
	Diversification of agricultural workers	<ul style="list-style-type: none"> <li><b>Opportunity</b> Increasing number of new companies entering the agricultural sector</li> </ul>
	Response to climate change	<ul style="list-style-type: none"> <li><b>Risk</b> Surge in raw materials, fuel costs, and transportation costs</li> <li><b>Opportunity</b> Demand for new construction and renewal of plants</li> </ul>
	Natural disasters	<ul style="list-style-type: none"> <li><b>Risk</b> Slowdown in business and economic activities</li> <li><b>Opportunity</b> Response to recovery and reconstruction from disaster</li> </ul>
<b>Changes in laws and rules</b>	Domestic demographic trends	<ul style="list-style-type: none"> <li><b>Risk</b> Shortage of personnel and manpower</li> </ul>
	Amendment of Ordinance on Industry Safety and Health (related to scaffolding)	<ul style="list-style-type: none"> <li><b>Opportunity</b> Increased demand for new and existing products</li> </ul>

## Business Environment and Risks & Opportunities

Risks & Opportunities		Reasons	Long-Term Responses and This Year's Initiatives
<b>Risk</b>	Capital investment trends of private companies	<ul style="list-style-type: none"> <li>•Capital investment of private companies is affected by economic trends</li> </ul>	<ul style="list-style-type: none"> <li>•Hold versatile temporary equipment and technologies which can be applied to a wide range of works including public infrastructure construction works, because government investment (mainly civil engineering works) tend to increase amid economic downturns</li> </ul>
<b>Risk</b>	Increase and decrease in domestic construction investment amount	<ul style="list-style-type: none"> <li>•Construction investment amounts have an impact on us, because our main business is related to temporary equipment for construction works</li> </ul>	<ul style="list-style-type: none"> <li>•Enhancement of highly versatile temporary equipment and supply system</li> <li>•Nurture businesses beyond the temporary equipment for construction work sector</li> <li>•Expand business overseas (ASEAN) which is not directly affected by construction demand in Japan</li> </ul>
<b>Risk</b>	Rapid depreciation of the yen	<ul style="list-style-type: none"> <li>•Manufacturing and transportation costs will increase due to soaring energy and raw material prices</li> </ul>	<ul style="list-style-type: none"> <li>•Pass on higher raw material prices to selling prices as appropriate</li> </ul>
<b>Risk</b>	Decrease in demand for new construction of transportation infrastructure	<ul style="list-style-type: none"> <li>•Demand for new construction of infrastructure is shrinking, resulting in oversupply of large-scale falsework equipments for bridge construction in highways and railroads</li> </ul>	<ul style="list-style-type: none"> <li>•Sell to ASEAN countries where demand for construction of infrastructure is expected</li> </ul>
<b>Opportunity</b>	Increase in demand for infrastructure maintenance and repair	<ul style="list-style-type: none"> <li>•More than 50 years have passed since the construction of domestic transport infrastructure such as highways, and demand for maintenance and repair is increasing</li> <li>•Longer construction periods at rental customers' sites result in better profitability on a site-by-site basis</li> </ul>	<ul style="list-style-type: none"> <li>•Expand the lineup of temporary equipment required for maintenance and repair work of infrastructure, and renew temporary equipment to more versatile types</li> </ul>
<b>Opportunity</b>	Accelerated spread of next-generation scaffolding	<ul style="list-style-type: none"> <li>•Demand for Iq System next-generation scaffolding, which enables safe and easy work without bending forward, will increase</li> <li>•Demand for lighter scaffold will also increase because it enables not only to save space in material storage areas, but also to improve transportation efficiency and reduce the work burden for scaffold installation</li> </ul>	<ul style="list-style-type: none"> <li>•Replace all tube pipes held with high-tension steel pipes to make them lighter</li> <li>•Completed replacing equipment with next-generation scaffold Iq System with superior workability and safety</li> <li>•Make equipment lighter by switching material from steel to aluminum</li> <li>•Increase production capacity of Iq System</li> </ul>
<b>Risk</b>	Obsolescence of temporary equipment held	<ul style="list-style-type: none"> <li>•Development of innovative method of construction may eliminate the demand for temporary equipment including scaffold</li> </ul>	<ul style="list-style-type: none"> <li>•Nurture businesses beyond the temporary equipment sector (agriculture business, etc.)</li> <li>•Shift to business models which do not rely on hardware (platform business)</li> </ul>
<b>Risk</b>	Delays in promotion of DX due to the shortage of IT professionals	<ul style="list-style-type: none"> <li>•We may lose our market share if we cannot secure IT professionals and cannot provide DX-related services in a timely manner</li> </ul>	<ul style="list-style-type: none"> <li>•Promote the hiring of IT professionals and the training of employees</li> <li>•Digitize factory forms and store documents electronically</li> <li>•Adopt incentives for employees for DX initiatives</li> </ul>
<b>Opportunity</b>	New demand	<ul style="list-style-type: none"> <li>•Online transactions will become the norm, and being well-prepared may increase the number of new customers and the amount of transactions with them</li> </ul>	<ul style="list-style-type: none"> <li>•The Group has been working on building/construction information modeling (BIM/CIM) which are essential for DX in construction, and opportunities for receiving orders will increase due to the expansion in demand</li> <li>•We introduced the online ordering system "OPERA" in order to diversify order channels and increase opportunities</li> </ul>
<b>Opportunity</b>	Increasing number of new companies entering the agricultural sector	<ul style="list-style-type: none"> <li>•There is demand for facilities with high yield potential for a relatively large investment</li> <li>•Many new farmers are starting out, requiring automatic control and cultivation know-how</li> <li>•Demand of facility and equipment for productivity improvement increases, necessitating increase in yield per acreage</li> </ul>	<ul style="list-style-type: none"> <li>•Develop pipe houses for agriculture and products for agriculture, utilizing our metal processing technology and steel pipes for scaffolding</li> <li>•Release of G-Castle Pro I and G-Castle Neo48 high-performance agricultural greenhouses</li> <li>•Implement demo cultivation with our products, and collect know-how and data to leverage them (Hanyu Aisai Project)</li> </ul>
<b>Risk</b>	Surge in raw materials, fuel costs, and transportation costs	<ul style="list-style-type: none"> <li>•Raw material prices and transportation costs may surge due to the rise in the prices of fossil fuels driven by the reduction of CO<sub>2</sub> emissions</li> </ul>	<ul style="list-style-type: none"> <li>•Make components smaller and lighter through the systemization of scaffold, thereby reducing the number of vehicles and round trips required to transport materials</li> <li>•Shift from suburban to urban equipment supply locations (<i>Takamiya Lab. West</i>)</li> </ul>
<b>Opportunity</b>	Demand for new construction and renewal of plants	<ul style="list-style-type: none"> <li>•Demand for construction including renewal and new opening of facilities increases due to the usage restriction of fossil fuels and energy efficiency as well as increase in usage of alternative energy including hydrogen and electricity</li> <li>E.g., power plants, hydrogen production plants, supply bases (gas stations), net zero energy buildings (ZEBs) and net zero energy houses (ZEHs)</li> </ul>	<ul style="list-style-type: none"> <li>•Develop and sell a solar carport, POGERO</li> <li>•Develop scaffolding supply bases for new construction and maintenance of electric power plants</li> </ul>
<b>Risk</b>	Slowdown in business and economic activities	<ul style="list-style-type: none"> <li>•We may be forced to shut down our operations due to natural disasters such as earthquakes and typhoons, and the spread of infectious diseases such as viruses</li> </ul>	<ul style="list-style-type: none"> <li>•Diversify risk by operating 29 equipment supply locations across the country</li> <li>•Distribute production bases in 4 locations: 2 in Japan and 2 overseas</li> <li>•Promote remote work</li> </ul>
<b>Opportunity</b>	Response to recovery and reconstruction from disaster	<ul style="list-style-type: none"> <li>•Demand for temporary equipment necessary for construction works rises to quickly recover damages in transportation infrastructure due to natural disasters</li> </ul>	<ul style="list-style-type: none"> <li>•Position equipment supply locations across the country and establish the system to supply temporary equipment necessary for recovery and reconstruction works</li> </ul>
<b>Risk</b>	Shortage of personnel and manpower	<ul style="list-style-type: none"> <li>•New hiring becomes difficult due to the advancement of the declining birthrate</li> <li>•Securing talents with skills and qualifications such as scaffolding installation becomes difficult</li> </ul>	<ul style="list-style-type: none"> <li>•Enhance employee benefit programs as well as improve working conditions and environments mainly through workstyle reform</li> <li>•Develop human resources through various training programs</li> </ul>
<b>Opportunity</b>	Increased demand for new and existing products	<ul style="list-style-type: none"> <li>•Amendment of laws and guidelines to secure the safety of workers in construction sites generates demand for new products</li> <li>•Introduction of five-day week is promoted and overtime work is capped in the construction industry</li> </ul>	<ul style="list-style-type: none"> <li>•Promote development, manufacturing, and sales expansion of products with high safety and workability, such as Iq System next-generation scaffolding and SPIDER PANEL panel-type hanging scaffolding system</li> <li>•Develop products with lighter weight and aluminum materials</li> </ul>

# Medium-Term Management Plan

In the 2021 Medium-Term Management Plan, which has been in progress since last year, we set forth our Management Vision of "Create new value through transformation and aim for sustainable growth by becoming a partner to our customers." We will enhance each of the Takamiya Group's businesses from the perspective of customers to sustainably create new value, create a system and structure that will permanently enhance corporate value, and aim to complete our transformation. We are executing measures in accordance with the four basic strategies for achieving the plan.

## Progress of the Medium-Term Management Plan

### Overview of the Medium-Term Management Plan

**Management Vision**

Create new value through transformation and aim for sustainable growth by becoming a partner to our customers.

(Build a stock-based business model)

**Performance Target**

FY ending March 31, 2024 Operating income

¥5.0 billion (+35%)

Figure in parentheses is comparison with the fiscal year ended March 31, 2020

### Basic Strategies

1

Develop Services that Blend Hardware and Software, with a Focus on the Iq System

2

Strengthen Products for Maintenance/Repairs and Infrastructure Redevelopment

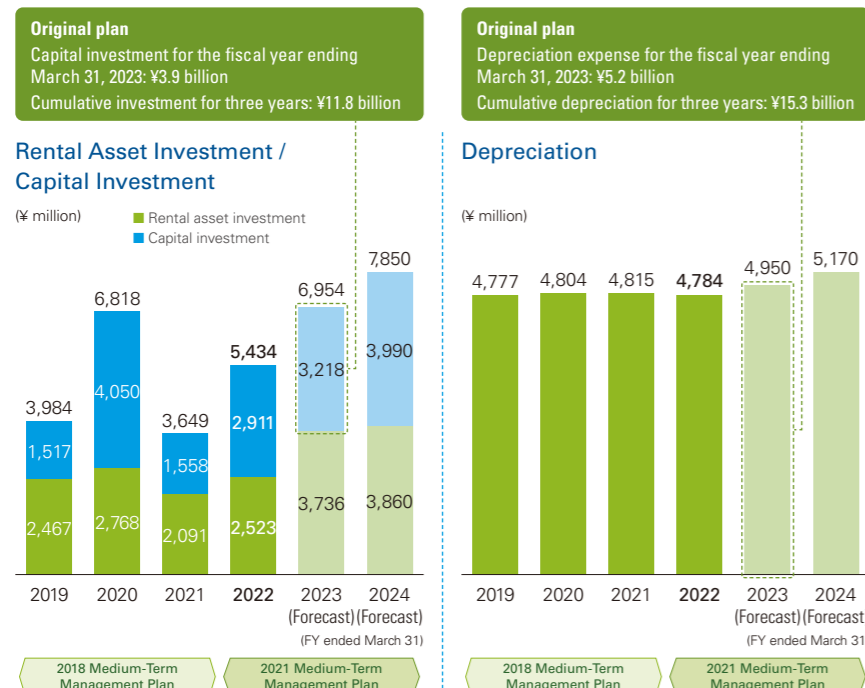
3

Nurture Businesses beyond the Temporary Equipment Sector

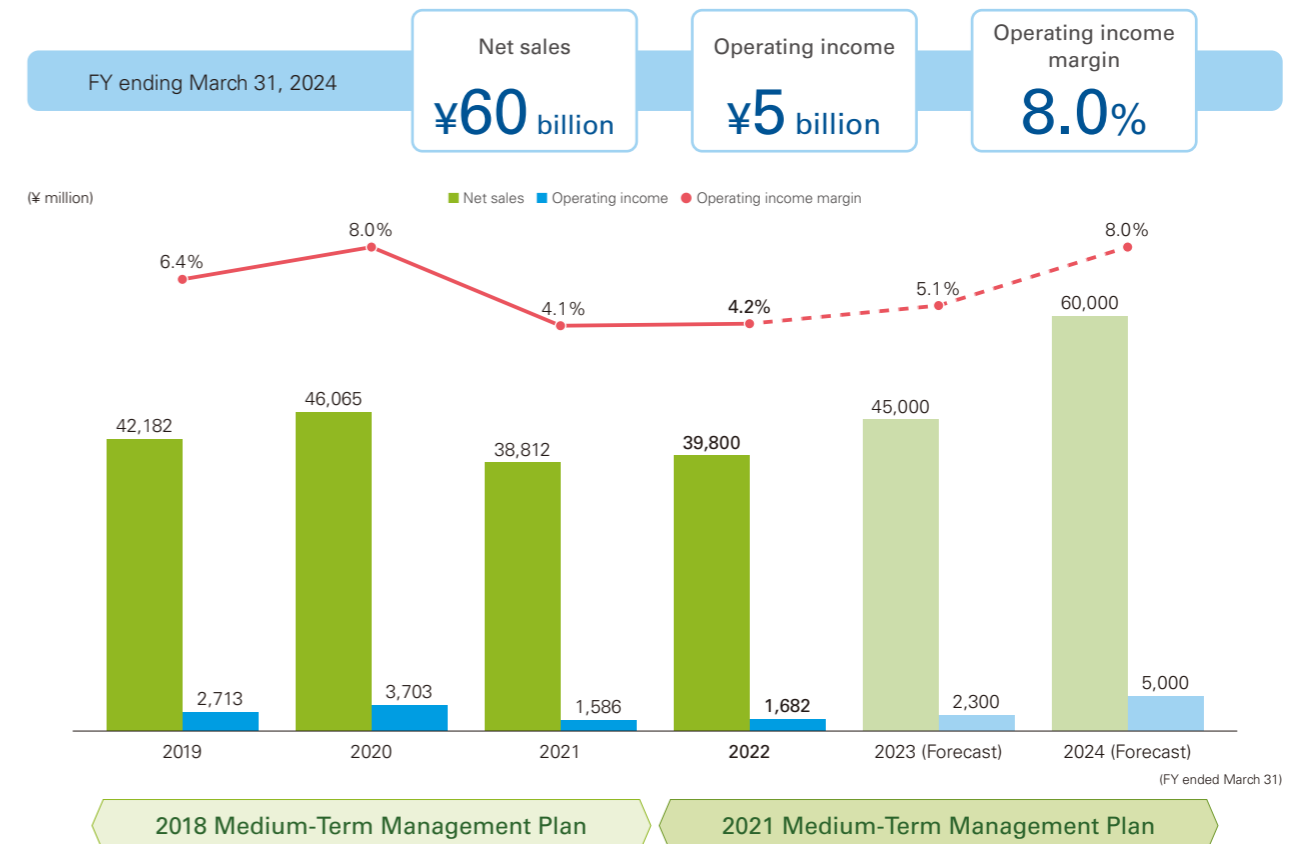
4

Redevelop Overseas Business Bases

### Investment Policy: Changes in Capital Investment and Depreciation



### Medium-Term Management Plan Targets (as announced on May 31, 2021)



### Develop Services That Blend Hardware and Software, with a Focus on the Iq System

In developing services that blend hardware and software, with a focus on the Iq System, we are expanding business with a platform for developing and providing services that integrate high-value-added temporary equipment such as the Iq System ("hardware") with the five functions of Development/Manufacturing, Sales, Rental, Design and Installation, and Management/Logistics ("software"). By using the platform to provide management, operation, and consulting for temporary equipment purchased by our customers, we will enable customers to use our temporary equipment business infrastructure as if it were their own. Customers will be able to develop their businesses using functions including our diverse product development capabilities that encompass temporary equipment, building materials, and agricultural products; our manufacturing system of four factories in Japan and abroad; our domestic and overseas sales networks and second-hand market; temporary equipment suitable for a variety of worksites design technology, BIM/CIM, and an installation network; and 29 temporary equipment centers nationwide.

With Iq Sharing, a service available with the platform, we provide management (maintenance, delivery and

collection, quality maintenance, etc.) of Iq Systems owned by customers. Equipment purchased by customers that is being held by Takamiya can be stored and shipped out from one of our equipment supply locations throughout Japan, and insufficient or peripheral parts can be rented on the spot. In addition, we offer a sales brokerage service and other services to help customers optimize the amount of temporary equipment they own. These services are managed by OPERA, a new online ordering system we developed. Currently, receiving orders for rental products is the main function, but in the future OPERA will be able to centrally manage a variety of services.

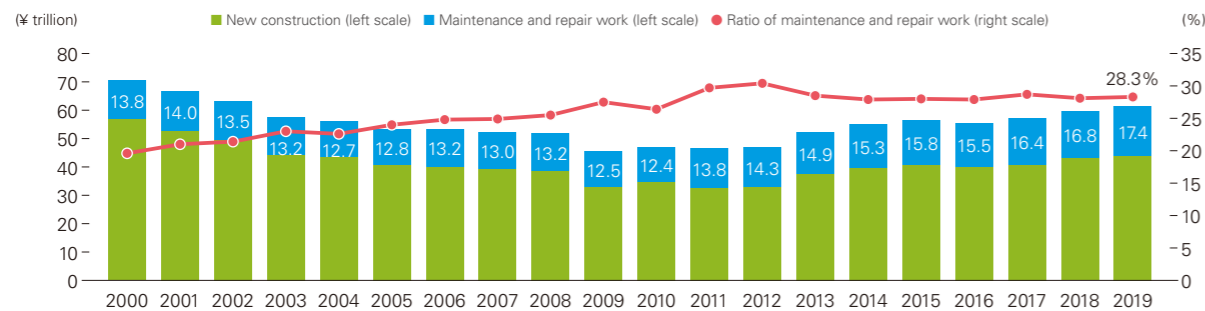
We have also conducted a pre-opening of *Takamiya Lab. West*, an urban equipment supply location in Amagasaki, Hyogo Prefecture that plays a central role in our platform. This facility will provide a variety of services related to our temporary equipment business, in addition to the services provided by our conventional equipment supply locations. It is a new R&D center that will provide functions unavailable at our conventional equipment supply bases, including the industry's fastest delivery and collection, accurate equipment inspection and counts, product exhibitions and joint development, and education and training.

### Strengthen Products for Maintenance/Repairs and Infrastructure Redevelopment

The proportion of maintenance and repair work in original-contractor construction revenue is trending upward in the Japanese construction market. Approximately 50 years have passed since the construction of transportation infrastructure during Japan's period of rapid economic growth, and maintenance and repair is necessary so that it can continue to be used. We are establishing a production system for compatible products to ensure that we can supply products without missing out on the increase in demand for construction work. Sales of SPIDER PANEL, a panel-type hanging scaffolding system that is usable in work on concrete floor slabs of expressways, and VMAX, a hanging scaffolding system, doubled in one year. Because of

the risk of future inventory shortages and supply disruptions, we are systematically increasing production and incorporating these temporary equipment into sales and rental assets. In addition, we will be able to handle maintenance and repair work at various worksites with a full line of products including the YT Lock System, a working platform that is necessary in construction work on dams, power facilities, and other projects in mountainous areas, and the Lift Climber, a mast-climbing work platform that can be used on high-rise buildings in both the construction and civil engineering sectors. We expect high demand to continue, and will maintain an optimal manufacturing system and further strengthen our product supply capabilities.

#### Transition of Maintenance and Repair Work



\* Compiled from "Construction Industry Handbook for 2021" by Japan Federation of Construction Contractors

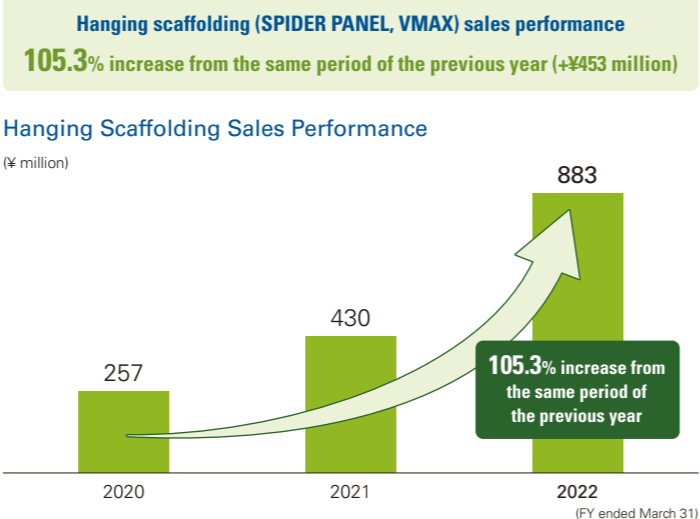
#### Strengthen Products for, Maintenance/Repairs and Infrastructure Redevelopment

**SPIDER PANEL**  
Panel-type hanging scaffolding system

**VMAX**  
Hanging scaffolding system

**Lift Climber**  
Mast-climbing work platform for large-scale maintenance and repair work

**YT Lock System**  
Can be erected along slopes and also used as a gantry



### Nurture Businesses beyond the Temporary Equipment Sector

In business areas beyond the temporary equipment sector, we will continue to focus on growing our agriculture business. In this business, we manufacture,

sell, and install high-performance agricultural greenhouses, applying the metalworking techniques honed in our temporary equipment business. This is a rapidly growing

business, with sales increasing every year. To drive further business expansion and growth, we made Yame Kaisei Co., Ltd. a Group company in May 2022. Yame Kaisei is engaged in construction of agricultural buildings and sales of agricultural materials, and has built a customer base in the Kyushu area. The company will create synergy and expand business in the Kitakyushu area by providing our G-Castle series of high-performance greenhouses.

In addition, we are conducting demo cultivation for product performance evaluation in Hanyu City, Saitama Prefecture, to promote sales of greenhouse products. Under the title of the "Hanyu Aisai Project," we have constructed the high-performance greenhouses G-Castle Neo48 and G-Castle Pro I, and will cultivate vegetables in them. We will promote sales of the products by providing

them along with cultivation know-how, such as installation of environmental control equipment and verification of the optimal cultivation method. The performance of the greenhouse-grown products has received high praise, as evaluation of the harvested crops has been very positive and the number of wholesale customers is increasing.

We are also focusing on nurturing the photovoltaic business, and have developed and sell POGERO, a next-generation solar carport that combines solar panels and a carport in one. The cumulative delivered capacity has surpassed 1,000 kWh, and since demand is expected to grow in a society that is accelerating its decarbonization efforts, we will strengthen our supply system and promote the development of this business.

#### M&A to Expand the agriculture business

Company name	Yame Kaisei Co., Ltd.
Established	Established in December 1962, in operation since July 1961
Capital stock	¥60 million
Head office	1024 Ota, Hirokawa-cho, Yame-gun, Fukuoka
Business	Agricultural building work, sales of agricultural materials
Purpose	To strengthen and expand the Agriculture Business in the Kitakyushu area

Yame Kaisei Co., Ltd. is engaged in the agricultural greenhouse business and is building a customer base in Fukuoka and neighboring prefectures. We provide our original agricultural greenhouse G-Castle series to Yame Kaisei Co., Ltd., and determined that business synergies with the company will enable us to expand and grow our business in the Kyushu area.

#### Agriculture Business

**Hanyu Aisai Project**

Inside "Hanyu Challenge Farm," Hanyu City, Saitama Prefecture  
Approx. 3 hectares (leased land)

#### G-Castle Neo48



#### G-Castle Pro I



#### Sales Performance of the Agriculture Business



#### Redevelop Overseas Business Bases

Improvement of our overseas business bases is proceeding smoothly. South Korea, Vietnam, and the Philippines, like Japan, were impacted by the COVID-19 pandemic, but we have strengthened our internal control systems and are now able to resume business. Given the disruption of manufacturing activities in Vietnam and South Korea due to the pandemic, and the fragmentation of the supply chain, we reviewed our optimal manufacturing structure in Japan and overseas. In Vietnam,

manufacturing and sales for the Japanese market are proceeding as planned, while in South Korea, there is increasing emphasis on safety in construction work, so we can expect expansion of demand for our temporary equipment, which features excellent safety. In the Philippines, many infrastructure projects are underway, including railroads. Redevelopment of our business base there is complete, and we are transitioning to the monetization phase.

## Message from the Division General Manager of the Corporate Strategy Division



**Hideki Yasuda**

Director and Managing Executive Officer  
Division General Manager of Corporate Strategy Division,  
Division General Manager of Overseas Business Division,  
Deputy Division General Manager of Takamiya Lab. Division,  
Supervisor of Logistics Department Preparation Office

### My Mission as Division General Manager of the Corporate Strategy Division

The Corporate Strategy Division's most important mission is to take the lead in establishing strategies and guiding the Company. It is comprised of five departments—the Corporate Planning Department, PR & IR Department, Information Systems Department, Legal & Compliance Department, and Real Estate Management Department—which coordinate with one another to execute management strategy. The specific activities of the division are drafting of the medium-term management plans, confirming progress toward achieving the targets of the plans, internal and external communications, and coordination between the divisions.

### Review of the Fiscal Year Ended March 31, 2022

In the fiscal year ended March 31, 2022, net sales were ¥39,800 million (up 2.5% year on year), operating income was ¥1,682 million (up 6.0%), and profit attributable to owners of parent was ¥965 million (up 12.6%).

It was an extremely challenging year for management. Amid recurring rounds of restrictions and relaxations in economic activity due to the impacts of COVID-19, some movements toward recovery were observed; however, the deterioration of the situation in Ukraine exacerbated the high prices of resources and energy.

In the rental business, although there have been issues such as delays in private-sector construction projects, the utilization rate of our next-generation Iq System scaffolding reached a historic high, and maintained a higher full-year average than the previous fiscal year. On the other hand, the utilization rate of civil engineering rental assets remained low throughout the year, leading to a year-on-year decrease in the overall average utilization rate for rental assets for the year.

In the sales business, some production activities were obstructed by lockdowns at overseas plants. However, through the second half of the year, we prepared a structure that enabled us to respond to strong demand from new and repeat customers, mainly for sales of the Iq System, with strong sales outperforming the initial plan as a result.

In the overseas business, the Philippines saw continued adverse conditions, and has yet to see a recovery in

economic activity despite the easing of restrictions on movement within the country. On the other hand, HORY VIETNAM Co., Ltd.'s sales of temporary equipment to customers inside Japan and Hory Korea Co., Ltd.'s rental and sales of temporary equipment performed steadily, with overall performance bottoming out and showing signs of a trend reversal.

### Investment Policy and Progress on Basic Strategies in the Medium-Term Management Plan

The fiscal year ended March 31, 2022 was the first year of the Medium-Term Management Plan ("Medium-Term Plan"). Although growth in operating results slowed, we did execute all the measures based on the initial investment policy.

In particular, in the first of the basic strategies of the Medium-Term Plan, "Develop services that blend hardware and software, with a focus on the Iq System," we positioned this as a year for moving to execution of the transformation vision for the platform business that we have prepared. To this end, we developed services for generating new value and executed investments to prepare a foundation for them. Specifically, we pre-opened *Takamiya Lab. West* (Amagasaki, Hyogo Prefecture). The facility is not yet fully functional, but as the foundation of the platform business that we are preparing to develop, it enhanced the five functions that form our business foundation—development and manufacturing, sales, rental, design and installation, and management and logistics—bringing them up to an industry-leading level. It also created new added value through DX, and prepared for the provision of services that will lead to convenience for customers. Finally, we developed and introduced the OPERA online ordering system as an interface with our customers. Currently, the main function of the system is to handle orders for rental of temporary equipment, but we have started work on further functional expansion to develop a system that can supply the following five functions online in the near future.

With regard to the second basic strategy of the Medium-Term Plan, "Strengthen products for maintenance/repairs and infrastructure redevelopment," we prepared a structure for increasing production of hanging scaffolding such as our specialist SPIDER PANEL and VMAX equipment and established a structure for expanding our rental assets in preparation for an expected continued increase in infrastructure rebuilding, particularly repair and construction of expressways.

In other areas, under the third basic strategy of the Medium-Term Plan, "Nurture businesses beyond the temporary equipment sector," we worked to develop new businesses. To develop the agriculture business, we made

a subsidiary of Yame Kaisei Co., Ltd., which conducts agricultural construction work and sells agricultural materials. We will work to generate business synergies and expand and grow our business area. We will also focus on growing the solar power-related business, mainly through the next-generation solar carport POGERO.

For the fourth basic strategy of the Medium-Term Plan, "Redevelop overseas business bases," we were unable to conduct proactive investment in our Group companies in the Philippines, Vietnam, or South Korea due to the impact of COVID-19. On the other hand, by strengthening our internal control systems, we have established a system that will enable us to move at speed to restart economic activities, and we are now looking for investment opportunities.

### Future Business Model and Business Portfolio

Our future business model is not only to simply rent and sell temporary equipment, but to transition to a platform business providing industry-leading services that solve customers' issues and lead to increased convenience, safety, and profit.

As a result, from the final year of the Medium-Term Plan onward, our business portfolio will center on business revenue generated from the platform. By transitioning from our existing flow (pay per purchase/use) business, which generates revenue from the rental and sales businesses, to a stock (commission-based) business, we will increase the proportion of revenue from rental and sales businesses via the platform business.

### Performance Forecast for the Fiscal Year Ending March 31, 2023 and Achieving Medium-Term Plan Profit Targets

In our performance forecast for the fiscal year ending March 31, 2023, despite a slow start in the sales business, demand for the Iq System is as strong as ever, and the rental business is performing steadily. In the overseas business, economic activity is restarting and there are signs that planned construction investments will be executed, and at this stage, the business is expected to perform in line with the plan.

Toward achieving our profit target for the final year of the Medium-Term Plan, we will focus on executing the measures for building our platform in order to achieve our profit target and gain further momentum in the current fiscal year, which marks the halfway point of the plan.

## Message from the Division General Manager of the Business Management Division



**Tomoya Tatsumi**  
 Director and Executive Officer  
 Division General Manager of Business Management Division and  
 Deputy Division General Manager of Takamiya Lab. Division

### My Mission as Division General Manager of the Business Management Division

The Business Management Division's broad role is to maintain a stable, unbeatable management structure. It acts as the lynchpin for the Company. As the manager and controller of management resources, namely, people, equipment, and money, the Business Management Division is made up of four departments—the HR Department, General Affairs Department, Accounting Department, and Safety Management Department—which coordinate with one another as they conduct their operations. Naturally, however, Takamiya's Business Management Division has to take more than a purely defensive role in order to realize the Medium-Term Management Plan ("Medium-Term Plan") objective of "transforming," and I therefore recognize that it has an important mission in planning and promoting as a strategic partner for other divisions, sometimes working alongside them and sometimes pushing them forward from behind.

### HR Investments and Initiatives

Takamiya has always been a people-centered company. To realize transformation, it is not enough to simply change the business model. It is essential to develop an organizational culture and reform workstyles so that individual employees can act autonomously, recognizing the need to increase their productivity. To this end, we have reviewed HR systems such as the one-on-one meeting system and the flextime system. Also, while improving employee productivity, we have also designated the office as a "relaxation space" by shifting the main focus of the office from a conventional workspace to a communication and refreshment space. We have also conducted various initiatives on both hard and soft aspects of management with the aim of completely transforming office functions. As a first step, we have refurbished and relocated the Nagoya Branch office.

Furthermore, all of our measures for realizing transformation require implementation by promoting DX.

### Financial Policy

**(Targets)** Operating income margin: 8%  
 EBITDA: ¥10.0 billion  
 Equity ratio: 35%  
 ROA: 6%  
 ROE: 12%

**(Results)** All items improved

**Equity ratio**  
 Decrease due to increase in total assets

**ROA**  
 Increase in productivity, in particular an increase in the utilization rate of rental assets, despite the increase in total assets

**ROE**  
 Improvement in profit margin improvement and increase in equity

**EBITDA**  
 Increase in operating income and decrease in depreciation and amortization

	2021 Medium-Term Management Plan		
	FY ended March 31, 2021	FY ended March 31, 2022	FY ending March 31, 2024
Operating income margin	4.1%	4.2%	8.0% or more
EBITDA	¥6,402 million	¥6,466 million	¥10 billion or higher
Equity ratio	32.3%	31.8%	35% or more
ROA	2.7%	3.4%	6% or more
ROE	4.7%	5.2%	12% or more
Ratio of profit to net sales	2.2%	2.4%	4.8%
Total asset turnover	0.7 times	0.7 times	0.9 times
Financial leverage	3.1 times	3.1 times	2.8 times

\* ROE = Net income ÷ Equity (average at the beginning and end of the period) × 100  
 = Net profit margin × Total asset turnover × Financial leverage  
 = Profit/Net Sales × Net Sales /Total assets × Total assets /Equity capital

Therefore, in the second half of the fiscal year ended March 31, 2022, the Company set DX targets separately from individual employee mission and targets, and introduced the DX Incentive Plan, which pays an incentive in order to return profits captured through adoption of DX, depending on employees' achievement and degree of realization of the target. Under this system, the entire Company is working on adopting DX, and DX is generating new innovation, having become part of our corporate culture. Our aim is to see human resources also develop as a result.

### Financial Policy

Our financial policy is to achieve an operating income margin of at least 8%, EBITDA of at least ¥10 billion, ROA of at least 6%, ROE of at least 12%, and an equity ratio of at least 35%. Looking at our results for the fiscal year ended March 31, 2022, the first year of the Medium-Term Plan, the operating income margin was 4.2% (up 0.1 point year on year), EBITDA was ¥6,466.0 million (up ¥65.0 million), ROA was 3.4% (up 0.7 pt), ROE was 5.2% (up 0.5 pt), and the equity ratio was 31.8% (down 0.5 pt). Some indicators deteriorated, and at this stage we have not yet reached out numerical targets, but overall, our indicators improved, and we expect to achieve our targets in the final year of the Medium-Term Plan, the fiscal year ending March 31, 2024.

In addition, to ensure that investments are translated into higher earnings profits, we will work to inculcate within the Company the ideas of return on investment (ROI) and return on invested capital (ROIC). We will thereby shift to a management style that is conscious of how much profit is being generated from investments.

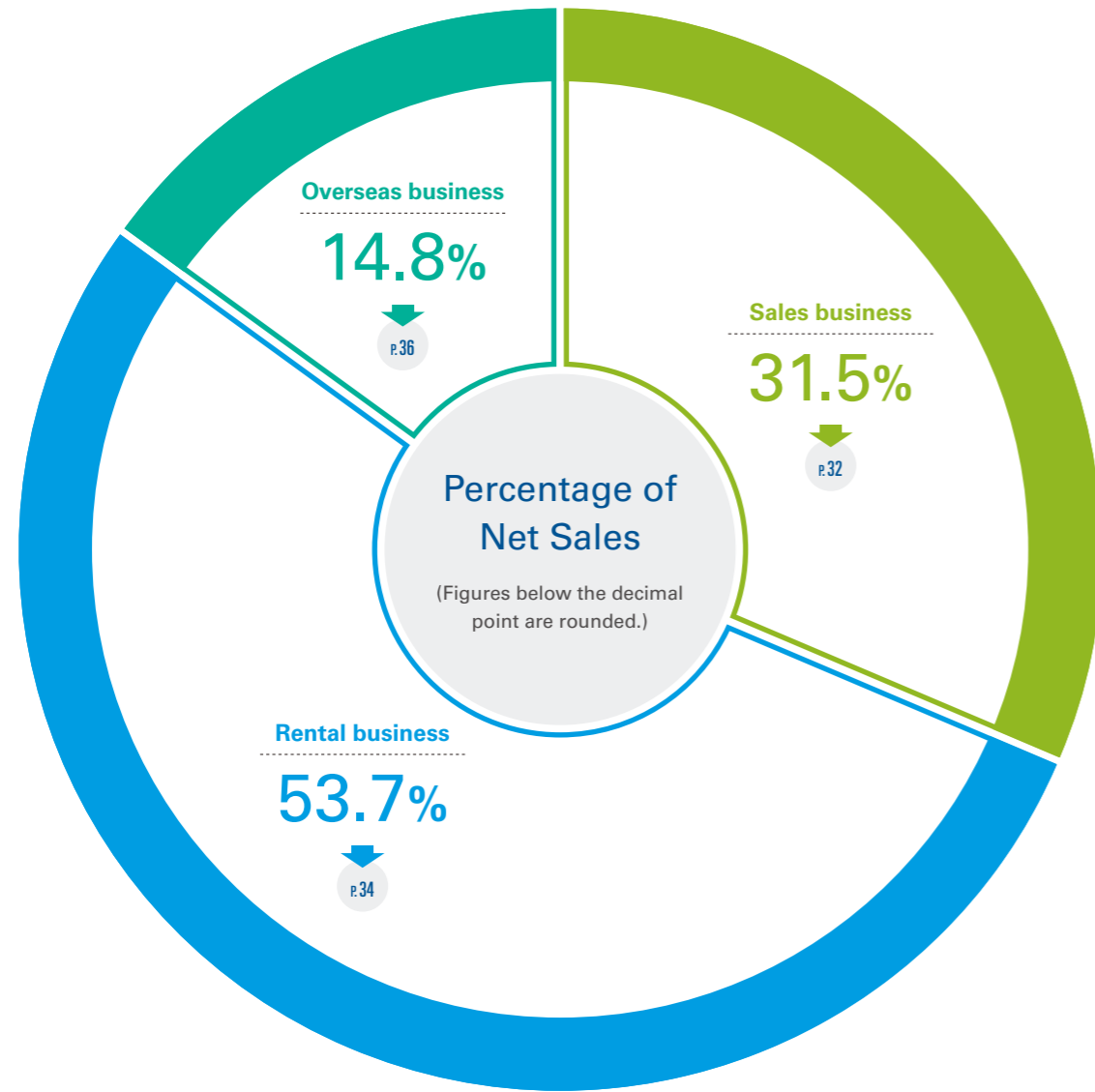
### Shareholder Return Policy

As always, we intend to return value to shareholders by maintaining stable dividends while increasing our corporate value through proactive investment and ensuring that the market's assessment of us is reflected in our stock price. To that end, we will be engaging in communication with shareholders and other investors so that they can feel our growth potential firsthand. We appreciate your understanding of Takamiya's consistent approach and hope you will support us over the medium to long term.

The current Medium-Term Plan is positioned as a milestone to indicate how we will build our transformation from the conventional flow business model to a stock business model. Moreover, as we enter the second year of the Medium-Term Plan, I believe it is important to consider how to connect our initiatives to date to the final year of the plan. We appreciate your support and expectation as we work toward achieving the targets in the final year and transforming to create new value.



# Takamiya's Businesses



"Percentage of net sales" is calculated based on net sales before intersegment eliminations.

## Takamiya Products That Provide Value to Society

### Iq System



Using lightweight pipes and featuring a locking function, the Iq System achieved higher workability and safety compared to conventional wedge-type scaffolding systems as well as economic efficiency equivalent to them. Adopting a story height of 190 cm reduces the burden on workers as they can work and pass through without bending down. In addition, this next-generation scaffolding system comes with preset handrails that are 101 cm in height, providing a level of safety that is one step ahead.

### YT Lock System



The YT Lock System has been developed to provide a safe and efficient working platform with the same high quality at all times regardless of the skill level of the workers. The unitization of components makes it easy and economical to assemble, remove, reinstall, and divert components. The system is used for bridge construction sites as components for piers are available, and also as a scaffolding and falsework system in urban civil engineering works.

### SPIDER PANEL



SPIDER PANEL is a panel-type hanging scaffolding used for maintenance and repair work on aged highways and other transportation infrastructure. The panel is used to repair bridges and highway floor slabs. It features a retractable platform to create a flat work surface with no gaps or unevenness, and other functions to ensure safety and workability in every detail. This is an advanced panel-type hanging scaffolding that allows all work to be performed on the temporary panels.

### VMAX



Its floors are unified and very clean, making it easy to work on, and the systemization of beams, etc., makes it possible to visually check the safety of the site. With the same ease of use and wide range of applicability as conventional scaffolding systems, VMAX is applicable to all types of construction work, lifting light to heavy loads, not to mention work on the footings, railings, and floorboards of bridges, using the three installation methods of partial assembly method, unitization method, and panel method.

### POGERO



This next-generation solar carport is aimed at the realization of a sustainable society. Using our know-how in designing and developing solar panel installation frames and various structural parts, we have made it a high-strength, low-cost steel structure. It supports customers' renewable energy introduction plans, aimed at realizing a low-carbon society or implementing business continuity plans (BCPs). We will also make effective use of the premises of customers who could not install solar power generation systems on the roof of their existing building.

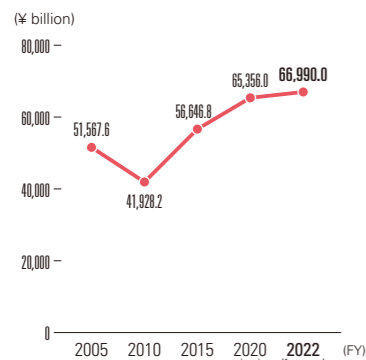
### G-Castle



Offering wide spaces, excellent natural lighting, and durability, this proprietary greenhouse is ideal for controlling the environment for growing crops and for year-round cultivation. We have an extensive lineup of steel-framed, high-eaves greenhouses and pipe greenhouses according to the produce for cultivation and design standards. This reliable and high-performance greenhouse is offered by structural design professionals who manufacture temporary equipment for construction, building materials for housing and solar panel installation frames.

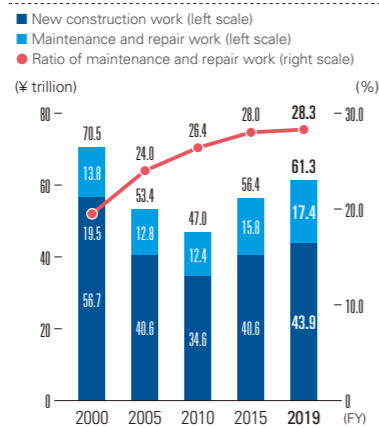
### Market Environment

#### Construction Investment



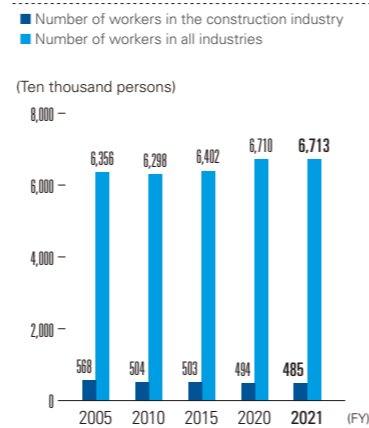
Reference: "Construction Investment Forecast for FY2021" by Construction Research and Statistics Office, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

#### Maintenance and Repair Work



Reference: "Construction Industry Handbook for 2021" by Japan Federation of Construction Contractors

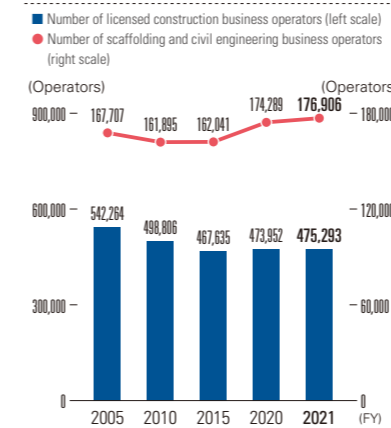
#### Number of Workers in the Construction Industry



Reference: "Labour Force Survey" by Statistics Bureau, Ministry of Internal Affairs and Communications

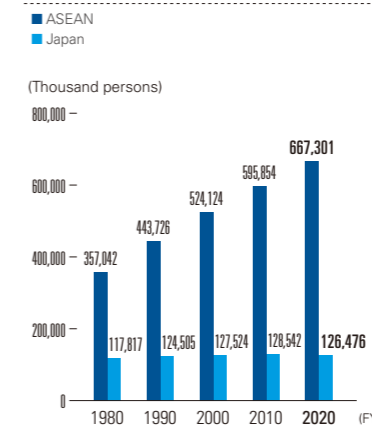
### Market Environment

#### Number of Licensed Construction Business Operators



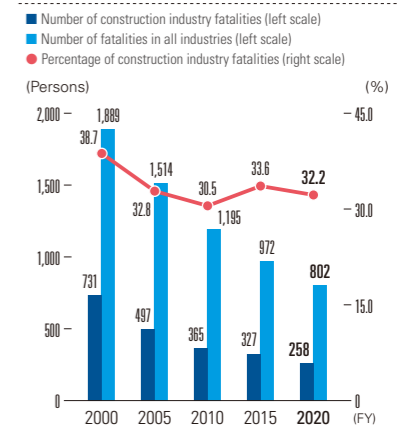
Reference: "Results of the Survey on the Number of Licensed Construction Business Operators - Current Status of Licensed Construction Business Operators (as of the end of March 2022)" by MLIT

#### Population of ASEAN



Reference: World Population Prospects 2019

#### Number of Construction Industry Fatalities



Reference: "Statistics of Industrial Accidents in the Construction Industry" by Japan Construction Occupational Safety and Health Association

# Sales Business

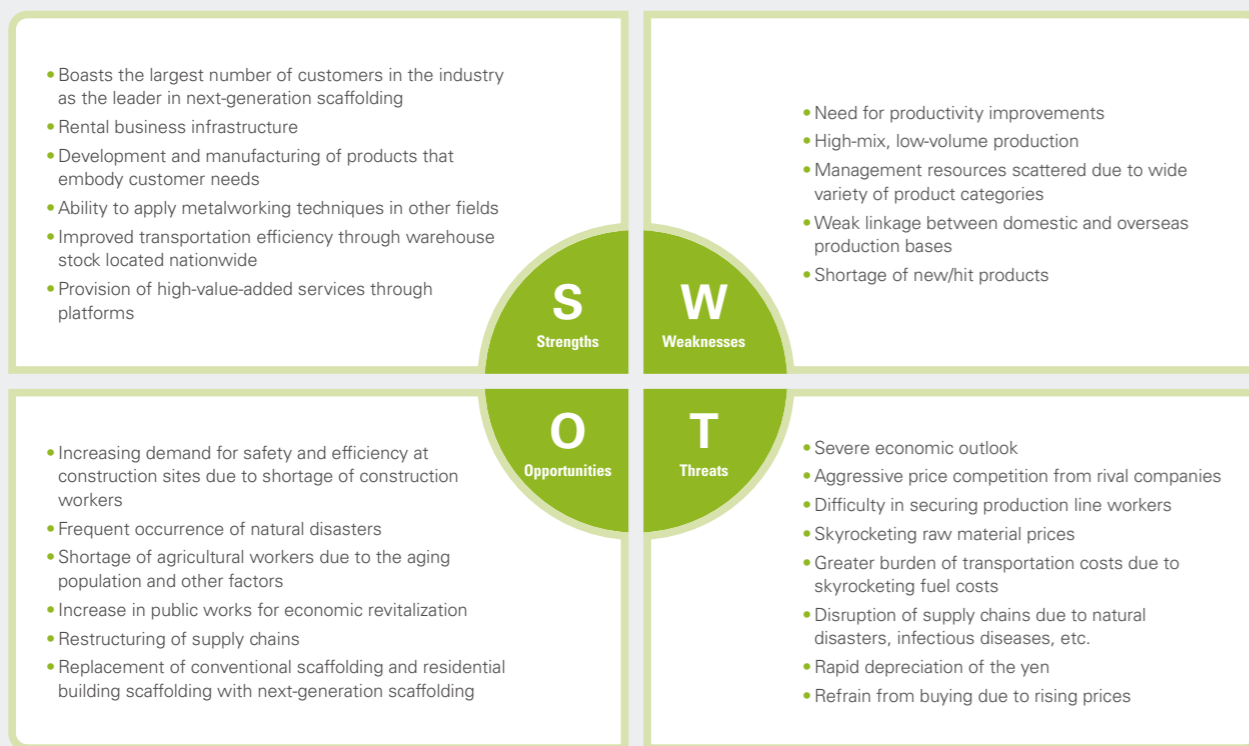


As domestic construction investment recovers and the amount of construction work increases, there is some movement of investment toward temporary equipment, which had been held back by the COVID-19 pandemic. We are gradually revising selling prices in response to rising raw materials and fuel costs, as well as the impact of exchange rates. We are making smooth progress with the expansion of Iq System next-generation scaffolding, and by developing the platform business, we aim to establish a de facto standard.

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

## What We Do

We carry out a wide range of businesses that develop, manufacture, and sell proprietary products that leverage our metalworking technologies, including light-duty temporary equipment such as Iq System next-generation scaffolding and clamps. These also include SPIDER PANEL and VMAX, two types of hanging scaffolding for maintenance and repair work on expressways and viaducts, as well as agricultural greenhouses and solar carports. One of Takamiya's strengths is the ability to materialize what is needed at worksites by developing and manufacturing products.



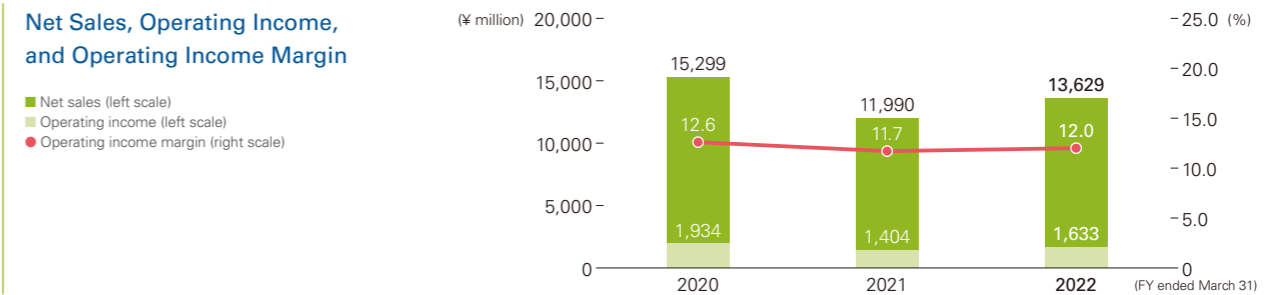
## Results for the Fiscal Year Ended March 31, 2022

Net sales were up 13.7% year on year at ¥13,629 million, and operating income was up 16.3% year on year at ¥1,633 million.

In the temporary equipment sector, interest in the Iq System remained high, and the number of inquiries for both new and ongoing projects remained strong. There was also recovery in domestic construction investment, as well as last-minute demand due to price revisions

implemented in response to soaring raw material prices. There was a temporary drop in production volume due to restrictions on going out and moving in Vietnam, but shipments were steady. In areas other than the temporary equipment sector, agricultural-related sales increased mainly due to the construction of high-performance glass houses for agriculture.

### Net Sales, Operating Income, and Operating Income Margin



## Business Strategies in the Medium-Term Management Plan

Fully leveraging our competitive edge in the development and manufacturing fields, we aim to achieve sales target of ¥20 billion (of which, ¥10 billion from sales of the Iq System) by establishing the platform business, formulating a product strategy in line with customer needs, and expanding our sales and marketing network.

### Deployment of the platform business

We provide the Group's temporary equipment infrastructure to customers who have purchased the Iq System and support optimal operation of temporary equipment. We can expand our business field, area, and scale, creating new business opportunities.

We propose the effective use of temporary equipment through our platform, which enables customers to reduce their equipment management costs, labor costs, and other expenses. After purchasing the Iq System, customers can entrust us with management of the system, so we can do shipping as our own equipment from our equipment supply locations nationwide. We maintain high asset value through thorough quality control. In order to realize the optimal amount of equipment in stock for customers, we will deploy services that maximize convenience for customers, such as services that mediate transactions between holders and purchasers.

### Response to the changing external environment

Due to the prolonged suspension of operations at overseas factories caused by the COVID-19 pandemic, our Manufacturing Division revised the optimal product manufacturing system for each factory. We will clearly state the role of each factory, improve production efficiency, and make a thorough response to risks such as disruption of the supply chain.

We will also steadily pass on rising raw material prices to selling prices. We will expand our warehouse stock in Hokkaido, Tohoku, the Kanto coastal area, Kansai, and Kyushu. We will also establish a direct delivery system from our factories in Gunma Prefecture and Gifu Prefecture in Japan and overseas factories in Vietnam and South Korea, to each of those warehouses, aiming to create an optimal manufacturing and supply system.

## Topics

### "Kaizen Activities" to Strengthen Manufacturing Bases with DX

With the purpose of reducing costs and improving motivation, the four factories in our Manufacturing Division are working together to promote *kaizen* (improvement) and digital transformation (DX) in manufacturing operations, such as by reviewing the layout of factories and reviewing production lines and processes through factory automation (FA). Amid changes in market needs, production volumes of products, and variations thereof, we thoroughly manage hourly rate transitions and improvement activity results, and share these with the Manufacturing Division, in order to improve manufacturing efficiency and reduce costs while still maintaining high quality. We also share excellent examples from each factory at kaizen presentations held once a year, and have introduced a unique incentive system for achievements. By updating manufacturing equipment and introducing AI, we aim to promote DX, reduce product defects and malfunctions, further improve quality, and reduce costs. Kaizen activities help us strengthen our manufacturing base and accelerate the platform business.



# Rental Business



In the construction scaffolding market, condominium renovation work centered on the Iq System, and in civil engineering, products centered on maintenance and repair, such as SPIDER PANEL and VMAX, which are suitable for floor slab replacement work, maintained high operations.

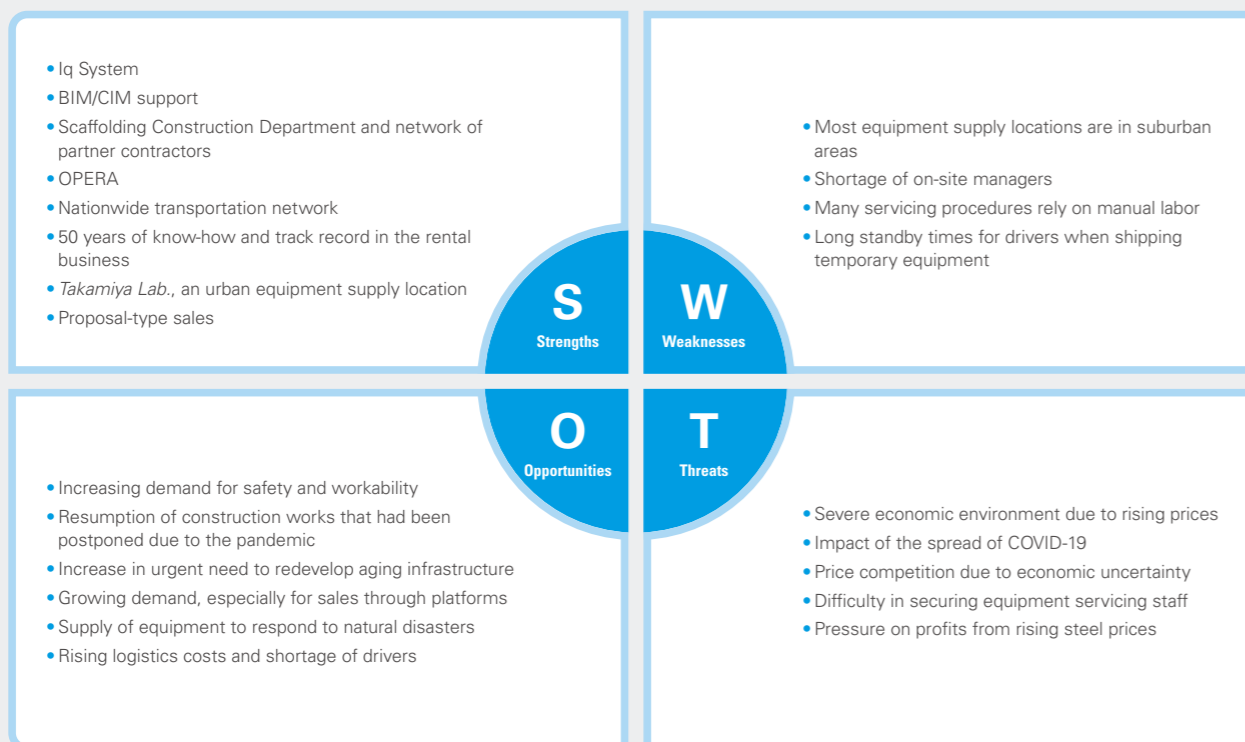
This fiscal year, we are also developing a business model centered on the platform business. We intend to increase customer satisfaction with the goal of improving capital efficiency and business profitability for our customers.

**Kazunori Kawakami**

Director and Executive Officer  
Division General Manager of Sales & Marketing Division and  
Deputy Division General Manager of Takamiya Lab. Division

## What We Do

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



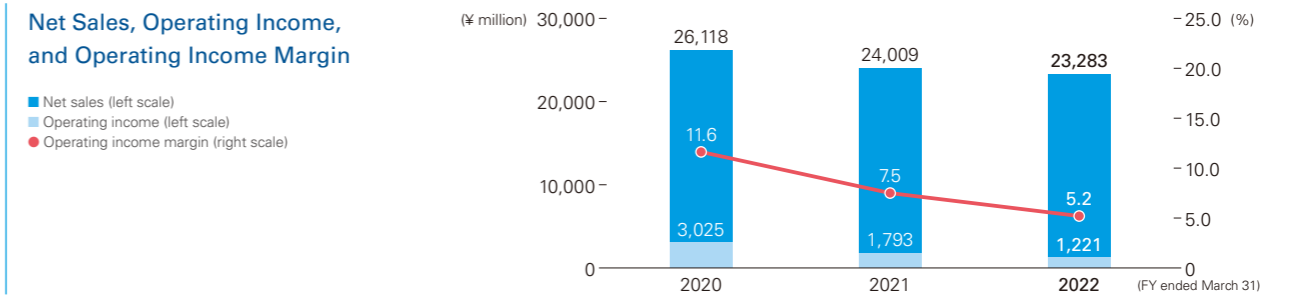
## Results for the Fiscal Year Ended March 31, 2022

Net sales were down 3.0% year on year at ¥23,283 million, and operating income was down 31.9% year on year at ¥1,221 million.

In the fiscal year ended March 31, 2022, while public works orders remained steady, sales were sluggish due to delays in the start of construction. Although private projects were affected by a review of capital investment and construction delays due to the uncertain economic

outlook, Scaffolding Construction Department projects, mainly condominium renovation projects, remained steady, and shipments of the Iq System maintained high utilization throughout the year, mainly in the Kanto region. However, low utilization of civil engineering materials, which are expected to be relatively profitable, also affected earnings.

### Net Sales, Operating Income, and Operating Income Margin



## Business Strategies in the Medium-Term Management Plan

We will implement the following measures in the Medium-Term Management Plan in order to respond to changes in demand for construction work, supply temporary equipment in a safe and efficient manner, and make the most of the Company's competitive edge.

### Promotion of the platform business

We will promote business models that support efficient rationalization of the use of temporary equipment to improve capital efficiency and business profitability for our customers, including the sharing business of the next-generation scaffolding Iq System.

### Promotion of OPERA

We will improve services to customers based on the online ordering system. In addition, by reviewing internal operations, we will speed up operations, reduce human error, and promote workstyle reform among employees.

### 3D design and digital construction management by introducing BIM/CIM

We will build an efficient and high-quality building production and management system by sharing information at each stage of planning,

research, design, construction, and management in the building production system using the latest ICT.

### Expansion of works and construction systems

To meet the increasing demand for maintenance and repair works, we will focus on securing and training construction managers. We will also secure partner contractors and workers to ensure a safer construction management system.

### DX for managing sales organizations

Customer relationship management (CRM) and salesforce automation (SFA) will be introduced to improve operational efficiency and labor productivity. We aim to improve earnings and reform the way sales employees work by visualizing their know-how and quantifying customer information.

## Topics

### Initiatives for Human Resource Development in the Construction Industry

We provide safety training related to scaffolding as part of the education for new employees and other employees who have started working in the construction industry. Many of them are new to scaffolding in working on construction sites, and we hope to contribute to construction site safety in any way we can by explaining the basics in an easy-to-understand manner. In addition, in an industry where the introduction of BIM/CIM is becoming more and more urgent, we aim to achieve coexistence and co-prosperity by sharing our BIM/CIM know-how with other companies in the industry, such as small- and medium-sized rental companies and construction companies.



# Overseas Business



In the overseas business, the outlook remains uncertain due to the impact of COVID-19 and the situation in Ukraine. During the past two years, we have been working to develop a foundation that will enable us to contribute to the Group's earnings once COVID-19 is contained.

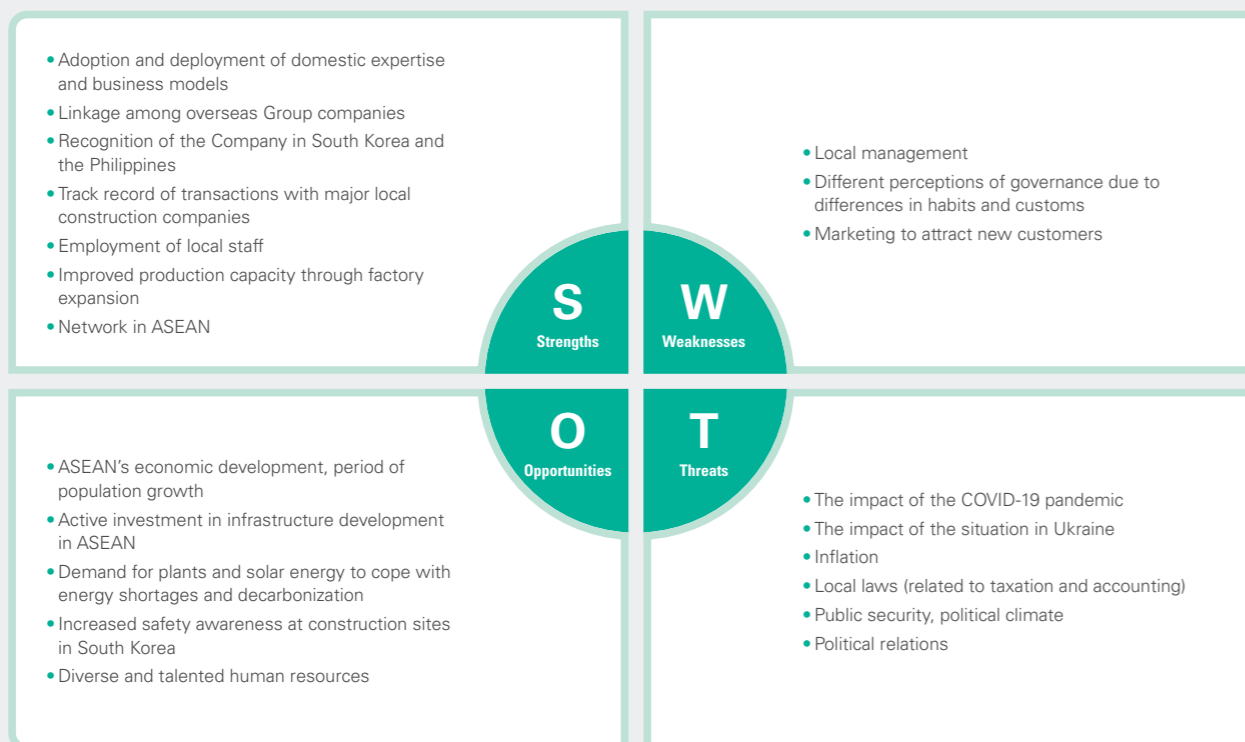
Going forward, we also intend to actively build a network in Asia to develop products tailored to the local market.

**Hideki Yasudai**

Director and Managing Executive Officer  
 Division General Manager of Corporate Strategy Division,  
 Division General Manager of Overseas Business Division, and  
 Deputy Division General Manager of Takamiya Lab. Division  
 Supervisor of Logistics Department Preparation Office

## What We Do

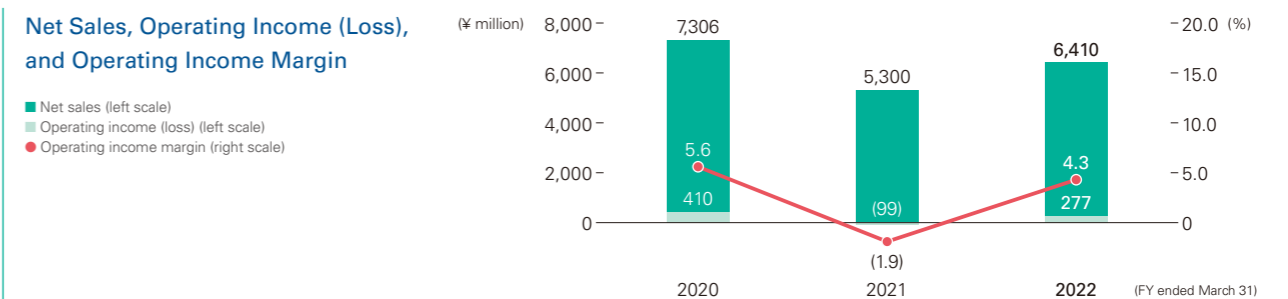
The overseas business primarily operates in three countries in the ASEAN region: the Philippines, Vietnam, and South Korea. We will continue to strengthen our earnings base as a pillar for sustained growth through the organic coordination of our production base in Vietnam, our rental sales base in the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



## Results for the Fiscal Year Ended March 31, 2022

In the overseas business, net sales were ¥6,410 million, up 20.9% year on year, and an operating income of ¥277 million was recorded, moving into the black. Hory Korea Co., Ltd.'s leveraging of its management foundation has created a positive cycle and employee motivation has increased. As a result, profitability has improved and the improvement of the company's financial standing is making progress. We believe that we will be able to bring the company back to the growth stage during this Medium-Term Management Plan period by making further

improvements on the financial front. In the Philippines, after more than two years of lockdown due to COVID-19, we have been able to resume business activities since April. Over the past two years, we have worked to strengthen our financial position by thoroughly visualizing management figures and increasing the speed at which we identify issues and implement improvement measures. When management activities resume in earnest, we hope to make a significant contribution to Group earnings.



## Business Strategies in the Medium-Term Management Plan

### Three-year policy

First, we will secure our foothold. Specifically, we will create a system to collect correct management information, strengthen our financial base, and build an alliance network in the Asian region. Based on the network, we intend to actively develop and manufacture products for the Asian market.

### Securing our foothold → Contributing to earnings

**Hory Korea** From securing a foothold to entering the growth stage, Hory Korea has been reforming its corporate structure over the past three years. Through educating and raising awareness of employees on the basic concepts of what is a company, what is corporate management, and what is cash flow management, we feel that the company is beginning to revitalize itself and a positive cycle is starting to emerge. As a result, the company has made significant progress in improving its profitability and financial position, which allows it to consider many options for the growth stage. Over the next three years, we plan to establish businesses that will drive new growth, and expect the company to grow into one that can contribute to the Group in many ways.

**DAI** The Philippines was in a lockdown for more than two years due to the COVID-19 crisis, and its economic activity remained extremely severe. However, as seen in other countries, all the investments that are currently suspended may resume at once after COVID-19 is contained. In order to enhance its comprehensive capabilities as a company by then, DIMENSION-ALL Inc. (DAI) has been visualizing management as much as possible, identifying problems, considering improvement measures, and implementing them through cooperation between the local team and Japan HQ. As some companies are withdrawing from the market, with its growing presence in the Philippines, we expect it to become a company that achieves a high ROI after the COVID-19 pandemic ends.

### Network building and product development in Asia

Over the next three years, we will build a full-fledged network of alliance partners in areas other than those where we operate to aggressively develop and market products for the Asian market.

Although it has been difficult to operate due to COVID-19, we intend to actively resume our activities in the future.

## Topics

### Initiatives in the Philippines, a Strategic Base for the Business

In the Philippines, during the world's longest quarantine caused by COVID-19, the market environment remained difficult for a long time as DAI had to compete with competitors for the few inquiries it received due to the shutdown and stagnation of worksites. Fortunately, the economy has recovered with the easing of quarantine since the second half of this fiscal year, and the Philippines is returning to its previous strong, bright, and energetic state.

Under these circumstances, DAI focused on actively recruiting and training Philippine employees in the core departments of its temporary equipment business, namely the sales and engineering and equipment supply locations, as well as improving its internal management system, in preparation for the rapid recovery of the construction market and its own business expansion in the next fiscal year and beyond. DAI also focused on winning orders for large-scale projects from major local general contractors and infrastructure projects such as the Metro Rail Transit (MRT) Line 7.

Now that the exchange of human resources within the Group, which had been suspended due to COVID-19, can resume, the DAI family will play a central role in driving the Group's overseas business as a strategic base for the Takamiya Group in the Philippines and Asia from the next fiscal year onward.

# Human Resources

## Basic Approach to Human Resources

Based on our Mission Statement of “Love,” 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 asset and a source of realizing the sustainable improvement of corporate value. Keeping individual employees highly motivated and challenging higher goals ambitiously will enable a corporation to grow sustainably. We believe that the basis for achieving sustainable growth is for a corporation to provide opportunities for the development of skills and careers of individual employees and support them in achieving self-actualization so they can deliver their full potential, as well as develop a fair and convincing personnel system and pay.

## Initiatives for Promoting Diversity

Hiring diverse resources will broaden choices for management, and drive growth and innovation. In modern society where the management environment changes drastically, we believe that respecting diversity, accepting diverse perspectives and personalities, and flexible thinking thus enabled will be the path to the sustainable improvement of corporate value.

## Achieving Diverse Workstyles

With our DX policy, our employees are realizing diverse ways of working, partly because we are improving our IT environment. As for remote working, not only administrative staff and the technology integration team, but also employees who are going through life stages such as child-rearing are practicing it. In addition, we are encouraging employees in sales positions to return directly home after work and implementing flexible working hours on a trial basis to allow employees to choose a workstyle that suits them best. However, there are some issues that we have found in realizing diverse workstyles. Going forward, we will further promote DX and business process innovation. We will also introduce

communication tools and platforms through which we can share our vision and measure results, regardless of where and when employees work.

As for the way employees are evaluated, to encourage employees who want to work, we are shifting to a system that emphasizes results such as improving efficiency or productivity rather than focusing on hours worked or how earnestly tasks are executed. The current situation where workstyle reform is progressing rapidly presents the optimum opportunity to defy conventional thinking. Through trial and error, the Company will promote workstyle reform that enables employees to choose workstyles and produce the best results.

Topics

Office Reform

### Renewal of the Nagoya Branch Office

### Reforming workstyles and making the office a place for communication in state-of-the-art offices

Remote working has rapidly become familiar in our society since the spread of the COVID-19 pandemic. We have introduced paperless operations, developed workflows, and reviewed our operation flows and business processes, in addition to remote working. However, while remote working is free from burdens related to commuting and allows one to work flexibly, we have identified increased occasions for employees to feel stressed, such as insufficient consultation and communication on work, difficulty in switching between work and private life, and lack of change in the scenery because one stays at home for a significantly longer period of time. This has led to the opportunity to review the value of offices.

Consequently, we believe that the office needs the function of a communication platform more than ever.

We have renewed our Nagoya Branch office under the concept of “a place to rest.” In order to activate communication among employees, which is lacking with remote working, we have eliminated the factors

that fix where and when employees work by setting open space at 80% and limiting office space to 20% and introducing a flexible working hours system in addition to a free-address system. Furthermore, we have introduced a cloud system and installed multiple monitors to remotely connect with our offices across the country to enable close communication without being restricted by distance. We have also created an environment in which individual achievements can be visualized and evaluated fairly, even if workstyles change. Open spaces and a small, modern Japanese-style room have been set up for casual exchanges of ideas, creating an office where flexible ideas can emerge without being restricted by conventional thinking.



Nagoya Branch office

## Initiatives for Improving Employee Engagement

In order to achieve corporate goals and implement management strategies, it is ideal that a corporation shares management vision with employees, based on which employees voluntarily act toward the goals while identifying and solving issues. On the other hand, if employees only deal with immediate tasks, it is difficult for them to sustain their motivation in the long run. Instead of a mere give-and-take relationship, we aim to establish a high-level relationship (engagement) where both management and employees can understand each other and benefit from a win-win situation. In addition to the intranet, digital signage, and paper in-house newsletters, a “web in-house newsletter” was launched last fiscal year to enable employees to deepen their understanding of management conditions, Company policies, and other in-house information in real time. In addition, each department holds in-house seminars to disseminate information to other departments. We are laying the groundwork for individual employees to formulate tasks to tackle and independently work toward the accomplishment of the tasks.

## Capability Development and Development of Autonomous Employees

Development of autonomous employees requires an improved environment. We are working on such matters as providing information to facilitate logical thinking, creating a corporate culture that encourages taking on challenges, establishing an appraisal system with tangible results, developing measures to assist in creating ideas, and creating a mechanism to assist in self-improvement.

We believe that these initiatives, coupled with the individual values of employees, will generate diverse ideas and lead to a respect for diversity that we promote.

## One-on-One Meeting

We have introduced a one-on-one meeting system starting from the fiscal year ending March 31, 2022. By providing regular meetings between supervisors and subordinates, we aim to support the setting and achieving of individual objectives, manage productivity through regular monitoring of progress, and increase the involvement of managers in workplace management and human resource development. We are developing a fair and convincing personnel system and pay by providing occasions to think about and discuss careers in the future, setting objectives and monitoring progress, providing support for achieving objectives, and giving feedback on evaluation results. Discussions may also include any other topic of choice, issues and concerns, as well as career aspirations.

## Visualization of Management Information

We are promoting disclosure of information such as materials for timely disclosure, in order for employees to know what we are doing to realize our management vision which we disclose to society. In order for employees to gain live corporate information, we will disclose how our strategies are carried out and the progress of projects to solve management issues. Sharing the process of realizing our management vision helps convey the management approach, brings out questions and opinions, triggering employees to consider it as their own affair. This will help raise personnel who voluntarily participates in management.

## Star Career System

The job rotation system is designed to promote self-motivated and autonomous career development. The program is intended for dedicated administrative positions that do not involve transfers, and assuming that the employee returns to work in the experienced department during busy periods, the employee can be transferred to the department of their choice if adjustments are made, and if their skills are recognized after a certain period of time at the new department, an allowance will be provided. Female employees who have been in dedicated administrative positions can expand their field of activity if they wish to do so. Employees can now freely choose the form, location, and occupational course of their work in accordance with their own career and life plans, which encourages them to take on new challenges.

## Development of Global Personnel

Human resource development is key for expanding the overseas business. To communicate with local businesses, in addition to linguistic abilities, a great amount of expertise is necessary ranging from an understanding of the business to overall management. Furthermore, as M&As and alliances with major overseas enterprises are integral to accelerating overseas business development, it is essential to ensure management skills in communicating with local staff and refining the administration system post-acquisition. To that end, we strive to improve the practical skills of employees through on-the-job training from the beginning of their careers. We also provide plenty of occasions for employees to obtain various skills and take on challenges independently without fear of failure.

## Incentive System for Employee Stock Ownership Plan

Since April 2021, we have raised the incentive amount for stock purchase through the employee stock ownership plan from 5% to 10%. We support the asset formation of employees through the employee stock ownership plan, and at the same time, we aim to enhance the engagement of employees through holding Company stock.

We believe it is vital that employees and a corporation are aligned in the same direction for the sake of respecting individual values and improving corporate value. We are promoting initiatives so that the accomplishment of the Company translates into the happiness of employees.

## Environment

### Basic Approach

When we founded the business, the majority of scaffolding used at construction sites in Japan was made of wood. The idea of a rental business came about from our thoughts on how we can save on wooden scaffolding, which is normally disposed after several times of use. We started our rental business triggered by the import of steel scaffolding from abroad. The Group's underlying ideal is to use limited resources effectively and help realize a sustainable society.

### Contribution to the Environment through Business Iq System

#### Next-generation scaffolding with high load-carrying efficiency and reduced greenhouse gas emissions

Compared to conventional scaffolds, the height of one level is 20 cm higher, which reduces the number of components required. Lightweight high-tension steel pipe is used as the material for the support columns, enabling a weight reduction of up to 2 kg per column. It also saves space by 50% of the storage area, significantly increasing the loading capacity of trucks. The number of transport vehicles can be reduced by approximately 30%, which contributes to the reduction of greenhouse gas emissions.

### POGERO

#### A solar carport to create a sustainable future

With the increasing introduction of renewable energy, many corporations have started to introduce solar power systems on their premises and on the roofs of their buildings, in order to utilize electricity for self-consumption. On the other hand, the size of the site premises and the structure of existing buildings sometimes make it difficult to install solar power systems. POGERO is our solar carport which has a solar power generating function and enables the effective use of parking spaces on premises. With the adoption of hot-dip zinc-coated steel sheets and design with a durable structure to withstand a windspeed of 38 m/s and snow accumulation of 99 cm, POGERO has deliveries exceeding 1,000 kW and supports introduction plans of renewable energy by corporations toward the realization of a low-carbon society and the implementation of BCPs.

### Tiger Dam

#### Minimizing damage caused by typhoons and torrential rains

In recent years, sudden torrential downpours caused by the occurrence of linear rainbands in addition to large typhoons have become more frequent. The resulting landslides and flooding have caused tremendous damage, and it has become difficult to take measures against flooding with conventional sandbags. Tiger Dam, our dam system with easily fillable water bags to replace conventional sand bags, only fills a tube with water and then enables a small number of people to erect a portable dam 45 cm high and 15 m long in a short time. With length and height flexibly adjusted by connecting and piling up products, it can protect vast areas from flooding. Removal is also easy, involving draining water from each unit and folding. The product is reusable, making it environmentally friendly.



### Environment-Friendly Business Activities

#### Reducing waste and gradual use of renewable energy

The Gunma Factory attempts to recycle and reduce leftover materials and grinding sludge generated in the production process. The factory is working to utilize renewable energy by adopting solar power systems for self-consumption.

#### Utilizing solar power systems for electricity storage and electric forklifts

Some of our factories and equipment supply locations have introduced electric forklifts that do not rely on fossil fuels. While it is difficult to make all of our forklifts powered by electricity due to the frequent transportation of heavy

loads, we are making efforts to reduce CO<sub>2</sub> emissions. In the future, we will work on the utilization of stored electricity by solar power generation for electric forklifts.

#### Paperless workflow

In addition to promoting DX, we are also moving forward with a paperless workflow. By reviewing our workflow and converting documents used to data, we are reducing environmental impact and printing costs as well as increasing the speed of information sharing. In the fiscal year ended March 31, 2022, the amount of paper used was reduced by 600,000 sheets compared to the fiscal year ended March 31, 2021.

## Product Safety

### Basic Approach

Quality First is a fundamental idea at manufacturing sites. Our main product, scaffolding for construction, supports important works that are foundations of social life, such as construction, maintenance, and repair of buildings, apartments, and transportation infrastructure. We are constantly striving to improve the quality of our products with the belief that maintaining the quality of our products contributes to safe construction and, in turn, supports the foundations of social life.

### Initiatives for the Improvement of Safety

#### Our own quality control standard

A certain quality control standard formulated by the industry applies to temporary equipment provided in the rental business.

In addition to following the quality control standard of the industry, we adopt and operate our own quality control standard that is a level higher than the industry standard. We also regularly conduct performance tests by a third-party organization and strive to control the quality of our temporary equipment with the goal of preventing product-related problems before they occur, thereby always providing our customers with safe and reliable equipment.

#### Thoroughly implement safe installation

We consider on-site safety as an important element of quality just like product quality. At scaffolding installation sites we manage, we set our safety control indicators, and provide high-quality construction with the goal of zero accidents based on thorough safety control.



In addition, to improve safety awareness, we conduct various training programs for our employees and customers, including classroom safety training, safety simulation training, and hands-on construction training. *Takamiya Lab. West* offers a combination of VR and augmented reality training with actual products.

## Trust of Customers

### Basic Approach

Staying worthy of the trust of customers is the most important theme of the Company. Customer needs are becoming sophisticated day by day in such aspects as safety, efficiency, and response to DX in construction. In order to satisfy these needs, we provide services from our platform, which is the foundation of our business. We continue to brush up our platform and aim to be a company that is always chosen by our customers based on the relationships of trust gained through these efforts.

### Initiatives to Earn the Trust of Customers

#### Develop products with customers

We receive inquiries on products and services every day. Feedback received through the Sales & Marketing Division are shared with related departments in the Company, and reflected in the process of brushing up our products and services. Some customers bring us requests and consultation related to the development and improvement of products. In order to materialize customer requests, the Sales & Marketing Division implements interviews in detail including the background of requesting development, key attributes required for the products, and preferred prices, and shares them with the Product Development Division to reflect in product design. We pursue the commercialization of products through repeated dialogue with customers attended by the Product Development Division. In the process, we also make

parallel proposals to our customers regarding easy-to-stow or easy-to-handle features, packing style in transportation, and mass production for supply as rental products.

#### Monitoring of temporary equipment management

*Takamiya Lab. West* has installed truck scales to manage shipment return data as they enter and exit the facility to reduce loading errors. In addition, significantly more cameras have been installed than at a typical equipment supply location to accumulate evidence of management, acceptance inspection, and maintenance, and to analyze issues and data to prevent human error and increase reliability.



## Messages from the Outside Directors



**Yoshihiro Sakatani**

Director (Audit and Supervisory Committee Member)

### Developing both offensive and defensive governance

Under the leadership of the president, we are working to achieve sustainable growth of the Company and improve our corporate value over the medium to long term, by proactively undertaking business management based on an enterprising spirit, such as development of a “platform business” centered on *Takamiya Lab. West*, and active investment for DX.

In such an environment, I recognize the importance of building a firm “offensive governance” system. To that end, I intend to fulfill my responsibilities as an outside director by fully understanding new businesses, creating a system to ensure transparency and fairness in decision-making, and proactively making remarks from an outside perspective. In terms of “defensive governance,” I believe that the proper development and operation of an internal control system is of the utmost importance, and I intend to conduct pre-monitoring audits as much as possible.



**Teiji Joko**

Director (Audit and Supervisory Committee Member)

### Corporate governance demanded of companies

I believe that the term corporate governance is an extremely broad concept. A long time has passed since corporate governance was demanded of companies and came to be considered an important element of corporate management. However, it can be said that all companies are still in the dark as to how to deal with this. Furthermore, corporate scandals are being reported on a daily basis, so it cannot be said that corporate governance has been inculcated in all companies. Takamiya has also strengthened governance by transitioning to a Company with an Audit and Supervisory Committee. Although we do aim to increase corporate value, we recognize that the challenge is not only the formal organizational theory, but also the construction of a system with true substance. As members of the Audit and Supervisory Committee, we intend to work toward building a system that is substantial.



**Sachie Kato**

Director (Audit and Supervisory Committee Member)

### Contributing to the sustainable growth of Takamiya from the perspective of an Audit and Supervisory Committee member

In recent years, outside officers have been expected to do audits rationally, appropriately, and effectively, befitting their status as outsiders to the company. The Audit and Supervisory Committee’s audit of the execution of duties by directors is done based on the premise that an internal control system is in place. First, I would like to examine our organization from the perspective of just what our internal control system is and whether it is functioning adequately. The COVID-19 pandemic has forced companies to change in many ways, and audits are no exception. Previously, the auditing was conducted mainly on-site, but now remote auditing is often used instead. However, I believe it is important to directly observe worksites, exchange opinions with employees in charge, and directly check the materials when doing auditing work. In order to help the Company achieve sustainable growth, I intend to perform my duties as an Audit and Supervisory Committee member by auditing to check whether the directors are appropriately executing their duties, based on their awareness of their responsibilities.

## Directors, Audit and Supervisory Committee Members, and Executive Officers

(As of October 1, 2022)

### Director



**Kazumasa Takamiya**

Representative Director, President and Chairman  
Supervisor of Scaffolding Management Division, Overseas Business Division, Product Development Division



**Akiyoshi Takamiya**

Representative Director, Executive Vice President  
Division General Manager of *Takamiya Lab.* Division  
Supervisor of Scaffolding Management Division, Overseas Business Division, Product Development Division



**Tsutomu Abe**

Director and Senior Managing Executive Officer



**Hideki Yasuda**

Director and Managing Executive Officer  
Division General Manager of Corporate Strategy Division, Division General Manager of Overseas Business Division, and Deputy Division General Manager of *Takamiya Lab.* Division  
Supervisor of Logistics Department Preparation Office



**Yuki Mukaiyama**

Director and Executive Officer  
Division General Manager of Manufacturing Division, Division General Manager of Global Procurement Division and Deputy Division General Manager of *Takamiya Lab.* Division



**Tomoya Tatsumi**

Director and Executive Officer  
Division General Manager of Business Management Division and Deputy Division General Manager of *Takamiya Lab.* Division



**Kazunori Kawakami**

Director and Executive Officer  
Division General Manager of Sales & Marketing Division and Deputy Division General Manager of *Takamiya Lab.* Division



**Kouji Shimokawa**

Director Outside Independent  
Important concurrent position:  
Representative Partner of Shimokawa & Partners Accounting Corporation



**Noboru Furuichi**

Director Outside Independent

### Audit and Supervisory Committee Members



**Yasushi Shimizu**

Director (Full-Time Audit and Supervisory Committee Member)



**Yoshihiro Sakatani**

Director (Audit and Supervisory Committee Member) Outside Independent  
Important concurrent position:  
President and Representative Director of Japan Management Consulting K.K.



**Teiji Joko**

Director (Audit and Supervisory Committee Member) Outside Independent  
Important concurrent position:  
Representative Partner of Yodoyabashi & Yamagami LPC



**Sachie Kato**

Director (Audit and Supervisory Committee Member) Outside Independent  
Important concurrent position:  
Representative Partner of Professional Corporation, Chuo Sogo Law Office

Note: Kouji Shimokawa and Noboru Furuichi are outside directors. Yoshihiro Sakatani, Teiji Joko, and Sachie Kato are outside directors (Audit and Supervisory Committee members). The Company designated these five as Independent Directors pursuant to the regulations of the Tokyo Stock Exchange and registered them as such at the stock exchange.

### Executive Officers

#### Takahiro Shozaki

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

#### Mitsunori Yamato

Executive Officer  
Division General Manager of Scaffolding Management Division, Deputy General Manager of *Takamiya Lab.* Division and General Manager of Scaffolding Yard Operating Department and Scaffolding Purchasing Department

#### Takashi Kawabata

Executive Officer  
General Manager of Corporate Planning Department, Corporate Strategy Division and General Manager of PR & IR Department

#### Takashi Masuno

Senior Executive Officer  
General Manager of Global Production Engineering Department, Manufacturing Division

#### Tetsuya Aoki

Executive Officer, Regional Manager of Sales & Marketing Division and Osaka Branch General Manager  
Supervisor of Business Development Division

#### Eizo Aihara

Executive Officer  
General Manager of HR Department, Business Management Division

#### Hidehiko Yamashita

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

#### Hiroshi Koda

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

#### Takashi Nagumo

Executive Officer  
Division General Manager of Product Development Division, Deputy Division General Manager of *Takamiya Lab.* Division, General Manager of Technology Development Center Preparation Office

#### Shinri Ueda

Executive Officer  
General Manager of Global Quality Assurance Department, Manufacturing Division

# Corporate Governance

**Basic Approach**

The Takamiya Group believes that the basic foundation for sound corporate governance consists of thoroughly enforcing compliance, ensuring the transparency and efficiency of management, and working to maximize corporate value for all stakeholders, including shareholders and investors. With the stable supply of safe, high-value-added temporary equipment as our base axis, we will conduct high-quality corporate activities, and focus on efforts to improve the status of the industry, not just for the development of our own group, but for the benefit of users and the industry as a whole. We will build a temporary equipment industry that is clearly recognized for its excellence by both the general public and investors, and aim for sustainable development in a highly transparent business environment.

## Takamiya's Corporate Governance System

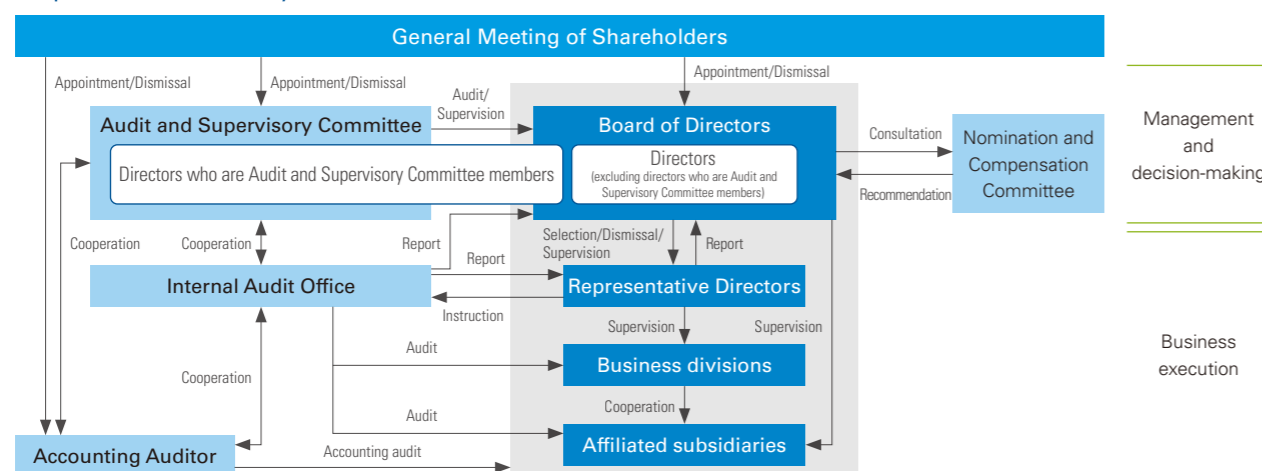
To strengthen the supervisory function of the Board of Directors and realize highly transparent management, thereby building a system that can better meet the expectations of domestic and overseas stakeholders, the Company, with the approval of the 54th Ordinary General Meeting of Shareholders held on June 23, 2022, made the necessary changes to its Articles of Incorporation and transitioned to a Company with an Audit and Supervisory Committee. The Company has in place a system under which the Board of Directors provides strategic guidance and management supervision and the Audit and Supervisory Committee audits directors' execution of duties by attending and giving their opinions at various important meetings, such as those of the Board of Directors. The Board of Directors makes decisions on important managerial matters and supervises the execution of duties by directors. In addition, by appointing outside directors, we have created a system that enables important

decisions to be made with incorporating diverse viewpoints, as well as appropriate supervision over the Company's management from the outside directors' objective positions.

The Company has also introduced an executive officer system, under which executive officers are appointed separately from directors who are elected in accordance with the Companies Act. The Company believes that this will enable business operations determined by the Board of Directors to be executed in a prompt and efficient manner.

The Company's Board of Directors consists of 13 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 diverse backgrounds and experience, were taken into consideration when selecting members of the Board of Directors. We recognize that securing human resources with an emphasis on diversity, such as appointing female directors, is our ongoing task.

## Corporate Governance System (As of June 23, 2022)



## Board of Directors

\*1 Independent Directors \*2 The Company transitioned to a Company with an Audit and Supervisory Committee on June 23, 2022.

**Number of members: 13 [of which, outside directors: 5]**

Number of meetings: Ordinary: 17 Extraordinary: 5

Attendance rate: Directors 98% Corporate auditors 95%

The Board of Directors is comprised of Representative Director, President and Chairman Kazumasa Takamiya, six inside directors, two outside directors, and four directors who are Audit and Supervisory Committee members for a total of 13 members, with terms of office of one year for directors who are not Audit and Supervisory Committee members 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. Furthermore, when making decisions on matters specified by laws and regulations and important matters involving management, the Board of Directors constantly monitors the execution of management duties.

## Audit and Supervisory Committee \*1 Independent directors \*2 The Company transitioned to a Company with an Audit and Supervisory Committee on June 23, 2022.

Number of members: 4 (of which, outside directors who are Audit and Supervisory Committee members: 3)



Number of meetings	Attendance rate Audit and Supervisory Committee members
Ordinary: 14 Extraordinary: 1	97%

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

## Nomination and Compensation Committee

In order to strengthen the independence, objectivity, and accountability of the functions of the Board of Directors, the Company established the Nomination and Compensation Committee on April 21, 2021 as an advisory body to the Board of Directors, which makes recommendations on matters related to the nomination and compensation of the Company's senior management and directors. The Committee consists of six members: two outside directors, two outside directors

who are Audit and Supervisory Committee members, and two inside directors, and is chaired by an outside director. Outside directors and outside directors who are Audit and Supervisory Committee members provide unreserved opinions, advice, and comments from an independent and objective perspective regarding matters not limited to the nomination and remuneration of the Company's senior management and directors. As such, we believe the transparency and objectivity of the Company's Board of Directors are ensured.

## Status of Directors and Audit and Supervisory Committee Members

(As of June 23, 2022. Figures on the meeting attendance and attendance rate are for the fiscal year ended March 31, 2022)

### Structure of the Board of Directors

Name	Board of Directors meeting attendance/attendance rate	Expertise
Kazumasa Takamiya	17 times/100%	Management
Akiyoshi Takamiya	17 times/100%	Management and sales and marketing
Tsutomu Abe	17 times/100%	Sales and marketing
Hideki Yasuda	17 times/100%	Finance and accounting
Yuki Mukaiyama	17 times/100%	Overseas operations, management and new business
Tomoya Tatsumi	11 times/85%	Finance and accounting
Kouji Shimokawa	17 times/100%	Taxes and accounting
Noboru Furuichi	17 times/100%	Financing, finance and management
Kazunori Kawakami	Note: Appointed in June 2022	Sales and marketing

### Structure of the Audit and Supervisory Committee

Name	Board of Directors meeting attendance/attendance rate	Board of Corporate Auditors meeting attendance rate
Yasushi Shimizu	17 times/100%	14 times/100%
Yoshihiro Sakatani	17 times/100%	14 times/100%
Teiji Joko	13 times/76%	12 times/86%
Sachie Kato	Note: Appointed in June 2022	Note: Appointed in June 2022

## Criteria for the Appointment of Directors and Audit and Supervisory Committee Members

The appointment and dismissal of candidates for directors and directors who are Audit and Supervisory Committee members are determined by a meeting of the Board of Directors after consulting with and receiving recommendations from the Nomination and Compensation Committee, based on relevant regulations including the Regulations for Professional Organization of Officers and the Nomination and Compensation Committee Regulations. Comprehensive consideration is given to the career history, track record, knowledge, experience, and capabilities of each candidate. Furthermore, the consent of the Audit and Supervisory Committee is obtained in advance for the appointment of candidates for directors who are Audit and Supervisory Committee members.

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. Audit and Supervisory Committee Members

The basic requirements for Audit and Supervisory Committee member candidates are having high ethical standards and objective, fair, and impartial judgment capabilities. The candidates must also have the appropriate experience and capabilities as directors who are Audit and Supervisory Committee members and a high level of expertise in a field such as taxation, accounting, law, or management. In addition to the above requirements, candidates for outside directors are required to have no conflicts regarding their independence.

## Selection Criteria

### 1. Directors (excluding directors who are Audit and Supervisory Committee members)

The basic requirements for director candidates are having outstanding character and insight, as well as being such individuals that will contribute to the growth and improvement in the corporate value of the

For the dismissal of officers, if an officer has deviated from the above appointment criteria and it is deemed reasonable to dismiss them from an objective viewpoint, a resolution shall be made at a meeting of the Board of Directors after the Board has sufficient discussions, and consults with and receives recommendations from the Nomination and Compensation Committee.



### Succession Plan

The Company does not currently have a specific plan for successors for positions such as 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 meetings of the Board of Directors and its advisory body, the Nomination and Compensation Committee, which was established on April 21, 2021.

### Evaluations of the Effectiveness of the Board of Directors

The Company has conducted questionnaires with directors regarding the effectiveness of the Board of Directors in the fiscal year ended March 31, 2022. We analyze and evaluate the structure and operations of the Board of Directors as well as the role of the Board of Directors in management strategy decisions and the supervisory function.

In the fiscal year ended March 31, 2022, while there was room for improvement, such as discussions on the successor development plan and the opinion that it is necessary to further enhance the training of directors, it was deemed that the Board largely maintains its effectiveness. Going forward, we will further improve the effectiveness of the Board of Directors based on these analyses and evaluations.

### Remuneration for Directors and Audit and Supervisory Committee Members

#### Remuneration System for directors and Audit and Supervisory Committee members

The Company has established a policy regarding the determination of the amount of remuneration for officers or its calculation method, which states that the officer remuneration consists of fixed 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. Through thorough evaluation based on the interests of shareholders, we are working to ensure the long-term sustainable growth of the entire Group and enhance corporate value. Meanwhile, the remuneration of outside officers consists only of basic remuneration from the perspective of their roles and independence.

Bonuses, which are short-term, performance-linked remuneration, are paid within the limit of the total amount of remuneration for directors resolved at the General Meeting of Shareholders when the consolidated operating income target for a single year is achieved. Stock-based remuneration stock options, which are a medium- to long-term incentive, are granted based on the position factor set in the Company's regulations within the limit of the total amount of stock options provided for in a resolution by the General Meeting of Shareholders. The respective proposals for bonus payment and granting stock options are submitted to the Board of Directors, which determines and grants the bonuses and stock options after consulting with and receiving recommendations from the Nomination and Compensation Committee.

For the fiscal year ended March 31, 2022, remuneration for directors and corporate auditors was as follows.

Category	Total remuneration (¥ million)	Total remuneration by type (¥ million)			Number of eligible individuals (Persons)
		Fixed remuneration	Performance-based remuneration	Medium- to long-term incentive (stock options)	
Directors (excluding outside directors)	272	241	—	30	7
Corporate auditors (excluding outside corporate auditors)	9	9	—	—	1
Outside officers	14	14	—	—	4

Notes:  
 1. The total remuneration for directors who concurrently serve as officers of consolidated subsidiaries does not include the officer remuneration from the consolidated subsidiaries.  
 2. It was resolved that the limit on directors' remuneration shall be up to an annual amount of ¥500 million (not including employee salaries 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 53rd Ordinary General Meeting of Shareholders held on June 24, 2021 (number of officers in relation to the said resolution: 6).  
 3. 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 (number of officers in relation to the said resolution: 3).  
 4. The above includes the remuneration for one director who retired on June 24, 2021.

### Details of Audit Fees

For the fiscal year ended March 31, 2022, audit fees paid to certified public accountants and others were as follows:

Category	Fiscal Year Ended March 31, 2021		Fiscal Year Ended March 31, 2022	
	Fees paid for audit certification work (¥ million)	Fees paid for non-audit certification work (¥ million)	Fees paid for audit certification work (¥ million)	Fees paid for non-audit certification work (¥ million)
The Company	35	—	32	—
Consolidated subsidiaries	—	—	—	—
Total	35	—	32	—

For the fiscal year ended March 31, 2022, fees paid to Ernst & Young member firms, which are members of the same EY network of the Company's certified public accountants, was as follows:

Category	Fiscal Year Ended March 31, 2021		Fiscal Year Ended March 31, 2022	
	Fees paid for audit certification work (¥ million)	Fees paid for non-audit certification work (¥million)	Fees paid for audit certification work (¥million)	Fees paid for non-audit certification work (¥million)
The Company	—	0	—	0
Consolidated subsidiaries	5	1	5	1
Total	5	1	5	1

Non-audit certification work paid for by the Company is tax consultation. Non-audit certification work paid for by consolidated subsidiaries is preparation of corporate tax returns, tax consultation, and others.

### Communications with Shareholders and Investors

The Company has designated the PR & IR Department as the department in charge of investor relations (IR) and the Division General Manager of the Corporate Strategy Division, who is responsible for IR affairs, as the contact person. In addition, the PR & IR Department works together with the General Affairs Department, Accounting Department, Legal & Compliance Department, and other related departments to share information and prepare

disclosure materials. As opportunities for dialogue with our shareholders and investors, we hold General Meetings of Shareholders, Company information meetings, financial results briefings, etc., as needed, and enhance our website to facilitate their understanding of our business. 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 are enhancing the content of briefing sessions for individual investors.

For individual investors	For analysts and institutional investors	IR website
<b>Briefings for individual investors</b> <ul style="list-style-type: none"> <li>February 3, 2021, online (hosted by Japan Investor Relations and Investor Support, Inc.)</li> <li>March 12, 2022, online (hosted by NIKKEI RADIO BROADCASTING CORPORATION &amp; PRONEXUS Inc.)</li> </ul>	<ul style="list-style-type: none"> <li>Video distribution of financial results briefings: Twice a year (year-end and the second quarter)</li> <li>Individual meetings: Conducted online</li> </ul>	<b>Our website for investors in Japanese</b> <a href="https://www.takamiya.co/ir/">https://www.takamiya.co/ir/</a>  <b>Our website for investors in English</b> <a href="https://www.takamiya.co/en/ir/">https://www.takamiya.co/en/ir/</a>
We hold briefing sessions both online and offline with speakers such as the Company's officers. The date and time of each event are announced on our website.	We distribute a video presentation of our financial results twice a year. The president and chairman and other Company officers provides briefings on our performance and earnings forecasts. Materials and videos are available on our IR website.	We have set up a page for investors on our website to provide timely disclosure information such as the financial results summary and other information for investors such as financial results briefing materials, the annual report, and historical data.

### Risk Management, Internal Control, and Compliance

The Group has established the basic policy and other matters concerning risk management in the Basic Rules for Risk Management. In addition, we have established the Risk and Compliance Committee, with the Legal & Compliance 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 properness of other operations of the Company.

For the compliance system, 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 Legal & Compliance Department acting as the administrative office, to discuss specific compliance initiatives to be implemented 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. Additionally, we seek advice and guidance as needed from our corporate lawyers regarding our daily operations and managerial decisions.

## 11-Year Financial Summary

Fiscal years ended March 31	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fiscal year (¥ million)											
Net sales	23,201	28,113	32,443	34,261	34,350	36,763	36,114	42,182	46,065	38,812	39,800
Operating income	1,037	1,605	3,051	3,098	2,983	2,429	1,690	2,713	3,703	1,586	1,682
Operating income margin (%)	4.5	5.7	9.4	9.0	8.7	6.6	4.7	6.4	8.0	4.1	4.2
Ordinary income	1,080	1,553	3,006	3,325	2,731	2,337	1,610	2,662	3,541	1,569	1,954
Profit attributable to owners of parent	755	807	1,768	2,070	2,153	1,516	1,252	1,637	2,370	857	965
Investments in rental assets	3,687	2,850	2,381	5,577	7,227	5,447	3,757	2,467	2,768	2,091	2,523
Depreciation	3,088	3,280	3,369	3,649	4,137	4,502	4,662	4,777	4,804	4,815	4,784
Research and development expenses	47	50	45	88	74	81	64	62	88	84	97
EBITDA	4,126	4,886	6,421	6,747	7,120	6,932	6,353	7,491	8,508	6,402	6,466
Cash flows from operating activities	669	1,575	2,839	(1,620)	(1,081)	1,163	1,714	3,653	3,771	5,035	4,294
Cash flows from investing activities	(539)	(812)	(1,239)	(1,563)	(1,736)	(1,093)	(1,909)	(1,728)	(3,836)	(1,382)	(2,979)
Cash flows from financing activities	(39)	(779)	(715)	2,927	2,844	879	(222)	(1,243)	1,590	(2,873)	(588)
Cash and cash equivalents at end of period	3,100	3,076	3,979	4,233	4,242	5,187	4,750	5,414	6,922	7,712	8,516
Total assets	32,472	33,987	37,245	43,520	50,091	52,760	52,813	54,414	59,282	56,454	59,081
Equity	6,271	6,947	9,514	11,453	11,766	12,338	13,190	14,170	18,054	18,253	18,773
Interest-bearing debt	19,534	19,384	18,694	21,635	26,636	29,287	29,497	29,124	29,633	27,620	28,209
Net interest-bearing debt	16,434	16,308	14,715	17,402	22,394	24,100	24,747	23,710	22,711	19,908	19,693
ROA (%) <sup>*1</sup>	3.5	4.7	8.4	8.2	5.8	4.5	3.1	5.0	6.2	2.7	3.4
ROE (%) <sup>*2</sup>	12.7	12.2	21.5	19.8	18.5	12.6	9.8	12.0	14.7	4.7	5.2
Ratio of profit to net sales (%)	3.3	2.9	5.4	6.0	6.3	4.1	3.5	3.9	5.1	2.2	2.4
Total asset turnover (times)	0.7	0.8	0.9	0.8	0.7	0.7	0.7	0.8	0.8	0.7	0.7
Financial leverage (times)	5.2	4.9	3.9	3.8	4.3	4.3	4.0	3.8	3.5	3.2	3.1

Notes: 1. ROA = (Ordinary income ÷ Average of total assets at beginning and end of fiscal year) × 100

2. ROE = (Profit attributable to owners of parent ÷ Average of shareholders' equity at beginning and end of fiscal year) × 100

Notes: Numerical values in parentheses mean negative values.

# Corporate Information

## Corporate Outline (As of March 31, 2022)

<b>Name</b>	Takamiya Co., Ltd.	<b>Capital</b>	¥1,052.14 million
<b>Date of establishment</b>	June 21, 1969	<b>Representative</b>	Kazumasa Takamiya Representative Director, President and Chairman
<b>Head Office</b>	Grand Front Osaka Tower B Bldg., 27F, 3-1 Ofuka-cho, Kita-ku, Osaka 530-0011, Japan	<b>Number of employees</b>	Consolidated 1,222 Non-consolidated 722

# Share Information (As of March 31, 2022)

## Share Data

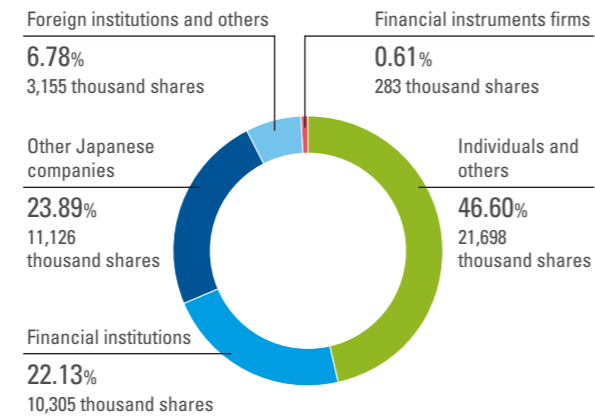
<b>Total number of authorized shares</b>	144,000,000
<b>Total number of issued shares</b>	46,585,600
<b>Number of shareholders</b>	4,052

## Principal Shareholders

Shareholders	Number of shares held (Thousand shares)	Percentage of shares held (%)
Takamiya Ltd	7,443	15.98
Tojitsu Takamiya	5,356	11.50
Custody Bank of Japan, Ltd. (Trust account)	3,859	8.29
The Master Trust Bank of Japan, Ltd. (Trust account)	3,061	6.57
Takamiya Employee Stock Ownership Plan	1,705	3.66
Toyoji Takamiya	1,678	3.60
Chikako Takamiya	1,579	3.39
Kazumasa Takamiya	1,350	2.90
Akiyoshi Takamiya	1,288	2.77
Quattro Co., Ltd.	1,000	2.15

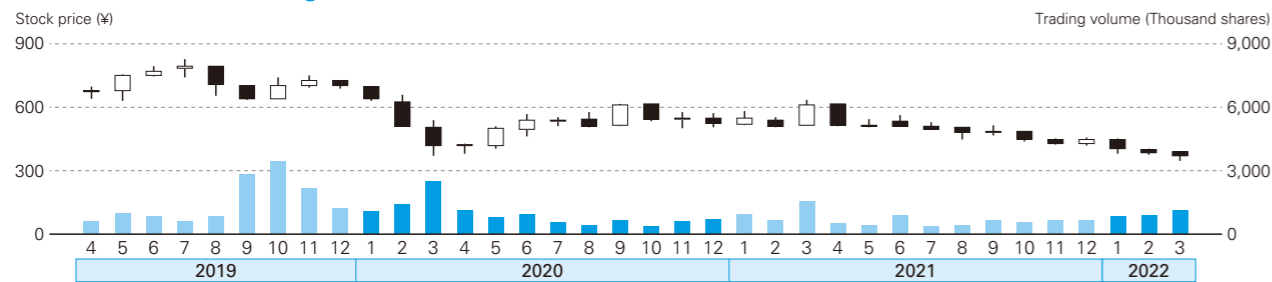
Notes: 1. The Company holds 7,020 shares of treasury stock. Treasury stock is excluded from the list of principal shareholders and is not used in calculating percentages of shares held.  
 2. Numbers of shares held below thousands have been truncated, and percentages have been rounded to the second decimal place.  
 3. Among the above numbers of shares held, shares related to trust services are as follows:  
 Custody Bank of Japan, Ltd. (Trust account) 3,857 thousand shares  
 The Master Trust Bank of Japan, Ltd. (Trust account) 3,061 thousand shares

## Breakdown of Shares by Type of Shareholder



Notes: 1. The Company holds 7,020 shares of treasury stock. Treasury stock is excluded from the above.  
 2. Numbers of shares held below thousands have been truncated, and percentages have been rounded to the second decimal place.

## Stock Prices and Trading Volume



## Shareholder Information

<b>Fiscal year</b>	From April 1 to March 31 of the following year	<b>Record date</b>	Ordinary General Meeting of Shareholders: March 31 Year-end dividend: March 31 Interim dividend: September 30
<b>Securities code</b>	2445 (Prime Market of the Tokyo Stock Exchange)	<b>Share trading unit</b>	100 shares
<b>Ordinary General Meeting of Shareholders</b>	June		
<b>Transfer agent and registrar for common stock</b>	Mitsubishi UFJ Trust and Banking Corporation		
<b>Contact for transfer agent and registrar</b>	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)		
<b>Method of public notice</b>	By electronic notification on Takamiya's website: <a href="https://www.takamiya.co/">https://www.takamiya.co/</a> (in Japanese only) 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.		

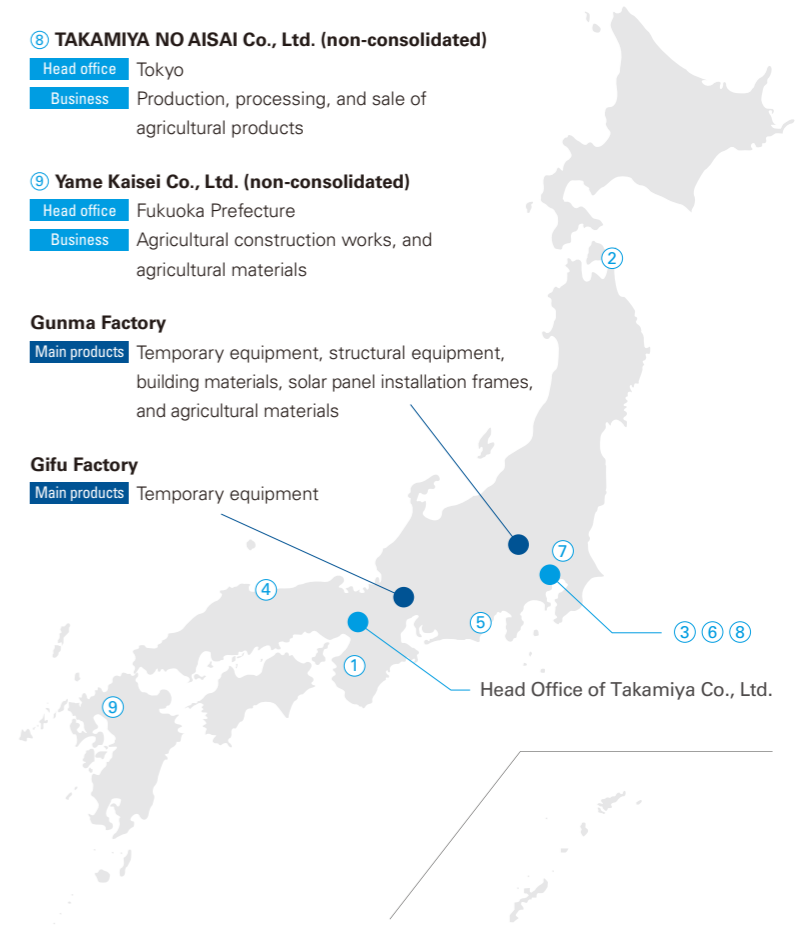
# Domestic and International Network

## Group Companies in Japan

- IWATA Co., Ltd.**  
Head office: Wakayama Prefecture  
Business: Rental of temporary equipment for construction, planning, design, and installation of temporary works
- AOMORI ATOM Co., Ltd.**  
Head office: Aomori Prefecture  
Business: Sale and rental of temporary equipment for construction
- TOTAL TOSHISEIBI Co., Ltd.\***  
Head office: Tokyo  
Business: Rental of temporary equipment for civil engineering works, sale and rental of temporary equipment for shield works
- Nakaya Kizai Co., Ltd.**  
Head office: Shimane Prefecture  
Business: Rental of temporary equipment for construction
- HIRAMATSU Co., Ltd.**  
Head office: Shizuoka Prefecture  
Business: Transportation of temporary equipment for construction
- Cadian Co., Ltd.**  
Head office: Tokyo  
Business: Preparation of temporary equipment planning sheets, calculation sheets, and construction facility drawings as well as surveys and various designs (BIM/CIM modeling and spatial measurement)

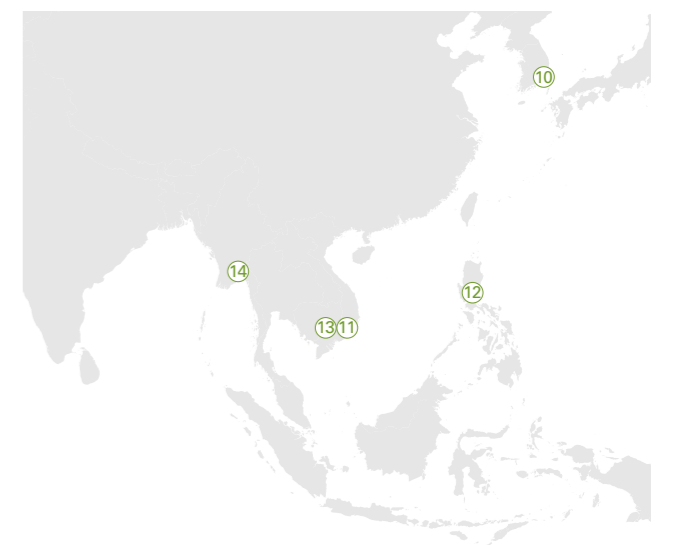
- ECO-TRY Co., Ltd. (non-consolidated)**  
Head office: Ibaraki Prefecture  
Business: Contract construction and scaffolding installation works
- TAKAMIYA NO AISAI Co., Ltd. (non-consolidated)**  
Head office: Tokyo  
Business: Production, processing, and sale of agricultural products
- Yame Kaisei Co., Ltd. (non-consolidated)**  
Head office: Fukuoka Prefecture  
Business: Agricultural construction works, and agricultural materials

- Gunma Factory**  
Main products: Temporary equipment, structural equipment, building materials, solar panel installation frames, and agricultural materials
- Gifu Factory**  
Main products: Temporary equipment



## Group Companies Overseas

- Hory Korea Co., Ltd.**  
Head office: South Korea  
Business: Manufacture, sale, and rental of temporary equipment for construction
- HORY VIETNAM Co., Ltd.**  
Head office: Vietnam  
Business: Manufacture and sale of temporary equipment for construction
- DIMENSION-ALL Inc.**  
Head office: The Philippines  
Business: Sale and rental of temporary equipment for construction
- Cadian Vietnam Co., Ltd. (non-consolidated)**  
Head office: Vietnam  
Business: Preparation of temporary equipment planning sheets, calculation sheets, and construction facility drawings
- Cadian Myanmar Co., Ltd. (non-consolidated)**  
Head office: Myanmar  
Business: Preparation of temporary equipment planning sheets, calculation sheets, and construction facility drawings



\* On October 1, 2022, an absorption-type merger was conducted with NEXTECH Co., Ltd. as the dissolved company.



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