

# SRG TAKAMIYA Co., Ltd.

Results Briefing Materials for the 2nd Quarter of the Fiscal Year Ending March 31, 2017

November 17, 2016



**SRG Takamiya**  
SUPER RENTAL GROUP

# Company Overview of SRG TAKAMIYA Co., Ltd.

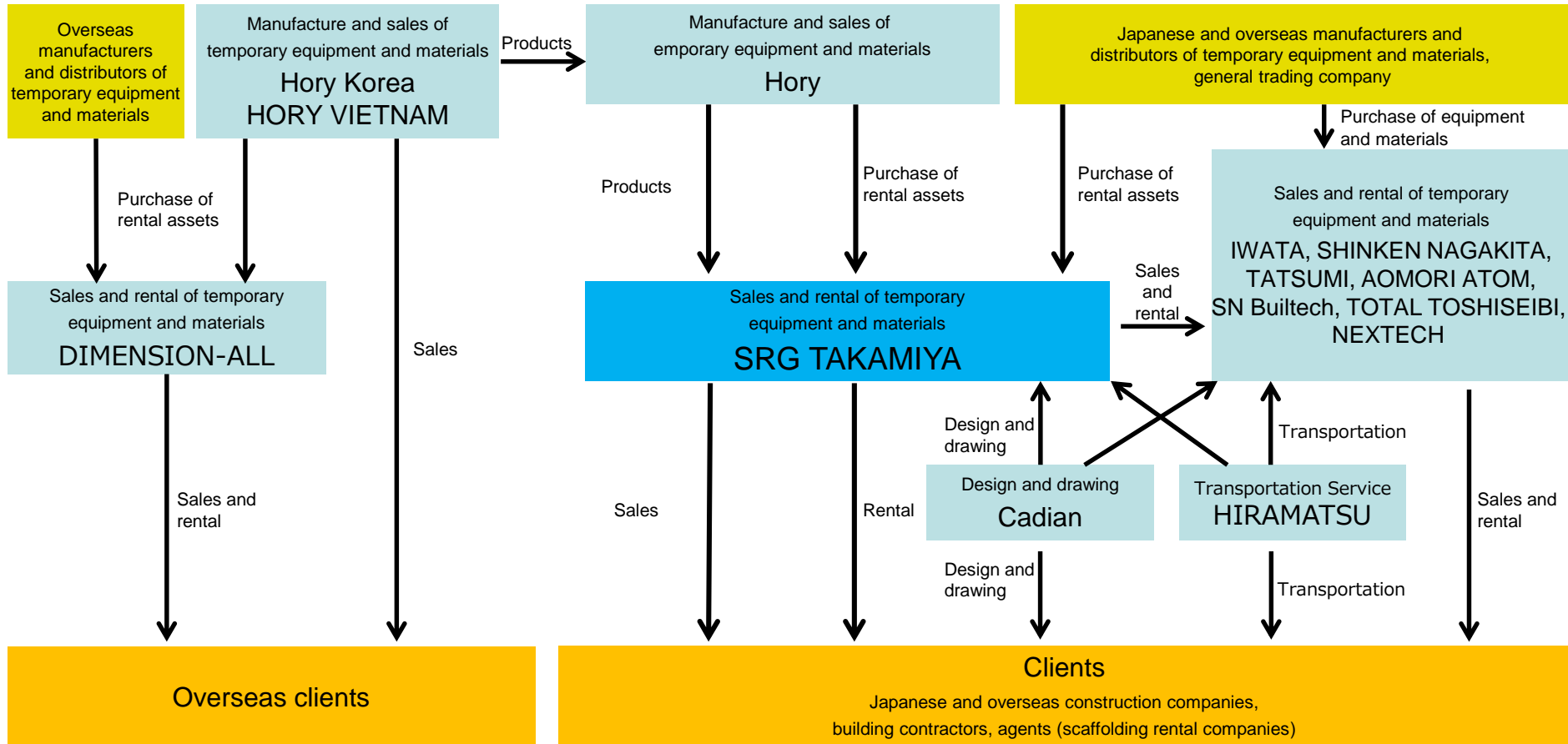
Trade name	SRG TAKAMIYA Co., Ltd.
Incorporation	June 21, 1969
Representative	President and representative director, Kazumasa Takamiya
Capital	714,770,000 yen
Number of employees	Consolidated: 1,154 ; Non-consolidated: 403 (As of end-September 2016)
Registered head office	Grand Front Osaka, Tower B, 27F, 3-1 Ofuka-cho, Kita-ku, Osaka, Japan
Business locations	Branches: Tohoku-Sendai, Tokyo, Nagoya, Osaka, Kyushu-Fukuoka (total: 5) Business offices: Sapporo, Morioka, Fukushima, Kashima, Ichihara, Shizuoka, Hokuriku, Keiji, Shikoku, Hiroshima, Okinawa (total: 11) Equipment and materials centers: Aomori-Higashidori, Iwate-Morioka, Miyagi-Sendai, Miyagi-Sendai No. 2, Fukushima-Sukagawa, Niigata-Yokogoshi, Ibaraki-Chuo, Ibaraki-Tsukuba, Ibaraki-Dejima, Ibaraki-Kashima, Chiba-Okido, Chiba-Ichihara, Saitama-Kuki, Kanagawa-Aikawa, Shizuoka-Yoshida, Ishikawa-Kanazawa, Tokai-Kisosaki, Shiga-Omihachiman, Osaka-Hirakata, Osaka-Settsu, Osaka-Kishiwada, Wakayama-Momoyama, Hyogo-Tojo, Kagawa-Sanuki (total: 24)
Consolidated subsidiaries	Hory Corporation; Hory Korea Co., Ltd.; HORY VIETNAM Co., Ltd.; Cadian Co., Ltd.; IWATA Co., Ltd.; TATSUMI Co., Ltd.; SHINKEN NAGAKITA Co., Ltd.; HIRAMATSU Co., Ltd.; SN Builtech Co., Ltd.; AOMORI ATOM Co., Ltd.; TOTAL TOSHISEIBI Co., Ltd.; NEXTECH Co., Ltd. ; DIMENSION-ALL Inc. (total: 13)
Stock listing	June 2005: JASDAQ Securities Exchange Note: The Company was delisted from the JASDAQ market in January 2008. December 2007: Tokyo Stock Exchange Second Section December 2014: Assigned on Tokyo Stock Exchange First Section



# History

- 1969 Jun. Founded as Shin Kansai Co., Ltd., existing SRG TAKAMIYA Co., Ltd. in Osaka City
- 1984 Nov. SRG TAKAMIYA Co., Ltd., then a subsidiary, was established in Tokyo Metropolitan
- 1987 Dec. Merged the subsidiary, reestablished as SRG TAKAMIYA Co., Ltd.
- 1990 Mar. Iwata Ltd., existing IWATA Co., Ltd., a consolidated subsidiary, was established in Wakayama Prefecture
- 1994 Jul. Rental Nagakita Ltd., existing SHINKEN NAGAKITA Co., Ltd., a consolidated subsidiary, was established in Niigata Prefecture
- 1994 Aug. Tatsumi Ltd., existing TATSUMI Co., Ltd., a consolidated subsidiary, was established in Ibaraki Prefecture
- 1998 Apr. Techno Kobo Ltd., existing Cadian Co., Ltd., a consolidated subsidiary, was established in Osaka City
- 2004 Oct. HIRAMATSU Co., Ltd., a consolidated subsidiary, was established in Shizuoka Prefecture
- 2005 Feb. Business was succeeded from Shin Nichimen Kizai Co., Ltd. and SN Builtech Co., Ltd., consolidated subsidiary, was established in Tokyo Metropolitan
- 2005 Jun. Listed its stock on JASDAQ Securities Exchange (Ticker Symbol: 2445)
- 2007 Dec. Listed its stock on Tokyo Stock Exchange the second section (JASDAQ Securities Exchange delisting in January 2008)
- 2008 Oct. AOMORI ATOM Co., Ltd., a consolidated subsidiary, was established in Aomori Prefecture
- 2009 Aug. Ishijima Kizai Seisakusho Co., Ltd., existing TOTAL TOSHISEIBI Co., Ltd., became a consolidated subsidiary
- 2010 Sep. Hory Corporation became a consolidated subsidiary
- 2011 Sep. Hory Korea Co., Ltd., a subsidiary of Hory Corporation became a consolidated subsidiary
- 2014 Mar. ASAHU KOUYOU Co., Ltd. in Osaka City became a consolidated subsidiary
- 2014 Jul. HORY VIETNAM Co., Ltd., a consolidated subsidiary, was established in Dong Nai province of Vietnam
- 2014 Dec. Assigned on Tokyo Stock Exchange First Section
- 2015 Jul. DIMENSION-ALL Inc. became a consolidated subsidiary

# Business Diagram



# TOPICS

- **August 5, 2016 “Notice of Acquisition of Treasury shares”**

《Summary》

Class of shares	: Shares of the Company common stock.	Result
Number of shares to be acquired	: 750,000 shares at maximum.	⇒ 672,800 shares
Number of shares to be acquired	: 330,000,000 yen at maximum.	⇒ 329,904,000 yen

- **September 21, 2016 “Notice of Acquisition of Treasury shares”**

《Summary》

Class of shares	: Shares of the Company common stock.	Result
Number of shares to be acquired	400,000 shares at maximum	⇒ 355,700 shares
Number of shares to be acquired	200,000,000 yen at maximum	⇒ 199,953,500 yen

- **September 21, 2016 “Notice Regarding Absorption-type Merger (Simplified / Short-Form Merger) of Consolidated Subsidiary”**

SHINKEN NAGAKITA Co., Ltd. is a wholly owned subsidiary of SRG Takamiya. It has been carrying out rentals of temporary equipment centering on Niigata Prefecture as a subsidiary of SRG Takamiya since 1994. We have decided to implement an absorption-type merger of this company on this occasion in order to further increase the efficiency of our group as a whole, and strengthen our operations in the Hokushinetsu Region. The merger date will be January 21, 2017 (planned).

※SHINKEN NAGAKITA Co., Ltd. FY2015(A) Net sales:1,454million yen／OP:(44)million yen.

# TOPICS

## ● Nov 8, 2016 “Notification of a Revision to the Business Results of FY2016/2Q”

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Earnings per Share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous Forecast (A)	18,000	820	700	289	6.61
Revised Forecast (B)	<b>17,520</b>	<b>966</b>	<b>740</b>	<b>420</b>	<b>9.64</b>
Change (B - A)	<b>△479</b>	<b>146</b>	<b>40</b>	<b>131</b>	
Change percentage (%)	<b>△2.7%</b>	<b>+17.8%</b>	<b>+5.8%</b>	<b>+45.4%</b>	
(Reference) Results for the previous financial year (the financial year Ended March 31, 2015)	16,802	1,125	1,133	684	15.19

### 【Reason for Revision】

Quarterly net income attributable to owners of the parent company rose above the initially forecasted values. This was partly due to the fact that corporate tax, municipal tax, and business tax decreased since—based on tax exemption measures—tax deductions were applied to investments in buildings, structures, and so on accompanying the new construction of the Equipment Center (Higashi-Ibaraki-gun, Ibaraki Prefecture), and the fact that adjustment amounts related to corporate tax and so on fluctuated more than initially expected accompanying an increase in unrealized profits in parent company-subsidary transactions.

As for the forecast regarding the full-year business results in the year ending March 2017, the revisions on this occasion will not be taken into consideration, and the forecast announced on May 10, 2016 will be left as it stands. If expectations change due to economic trends in the future, this will be disclosed in a timely manner.

# Consolidated Financial Results (Cumulative Period)

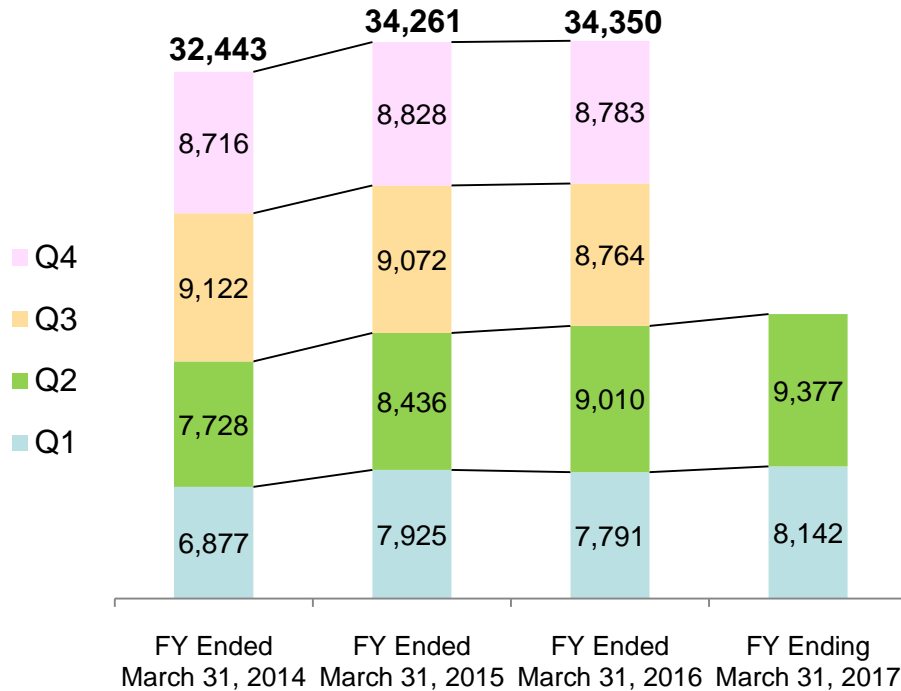
Consolidated Results (Unit: million yen)	Q2 FY Ending March 31, 2017 Forecast		Q2 FY Ending March 31, 2017 Results		Results for Q2 of previous fiscal year (Q2 FY Ended March 31, 2016)		% change (YoY)
		Sales ratio		Sales ratio		Sales ratio	
Net sales	18,000	—	17,520	—	16,802	—	+4.3%
Gross profit	—	—	5,219	29.8%	5,238	31.7%	(2.1)%
SG&A	—	—	4,252	24.3%	4,203	25.0%	+1.2%
Operating income	820	4.5%	966	5.5%	1,125	6.7%	(14.2)%
Ordinary income	700	3.8%	740	4.2%	1,133	6.7%	(34.6)%
Net income	289	1.6%	420	2.4%	684	4.1%	(38.7)%
Net income per share <small>[Diluted net income per share]</small>	¥6.61	—	¥9.64	—	¥15.19 (¥14.73)	—	—
Dividend per Share	¥3.50	—	¥3.50	—	¥3.50	—	—
Depreciation and amortization	—	—	2,210	12.6%	1,966	11.7%	+12.4%
EBITDA	—	—	3,177	18.1%	3,092	18.4%	+2.8%

Note: "EBITDA" is calculated simply as "operating income + depreciation and amortization."

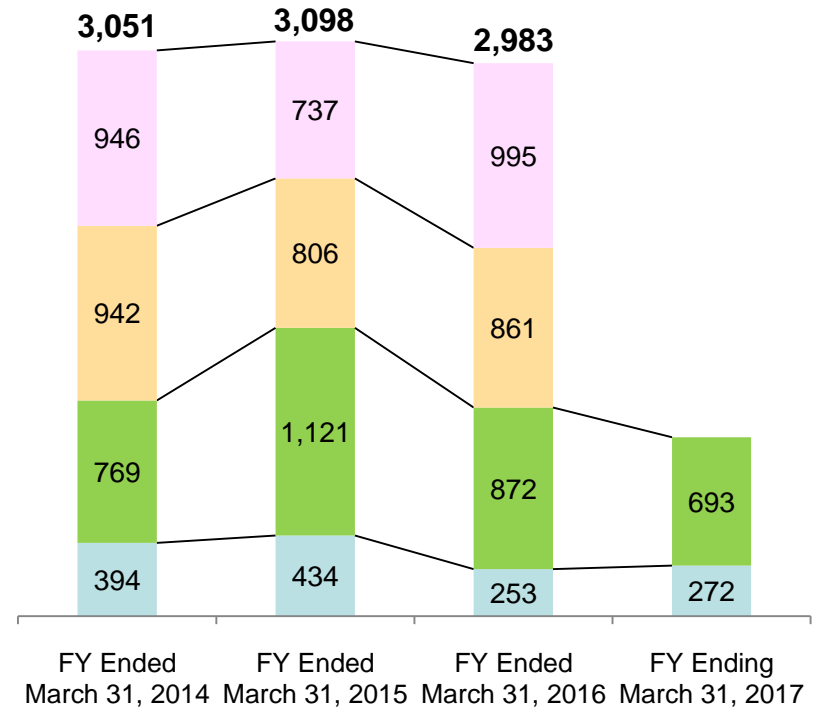
# Change in Financial Results

(Unit: million yen)

## Net sales



## Operating income

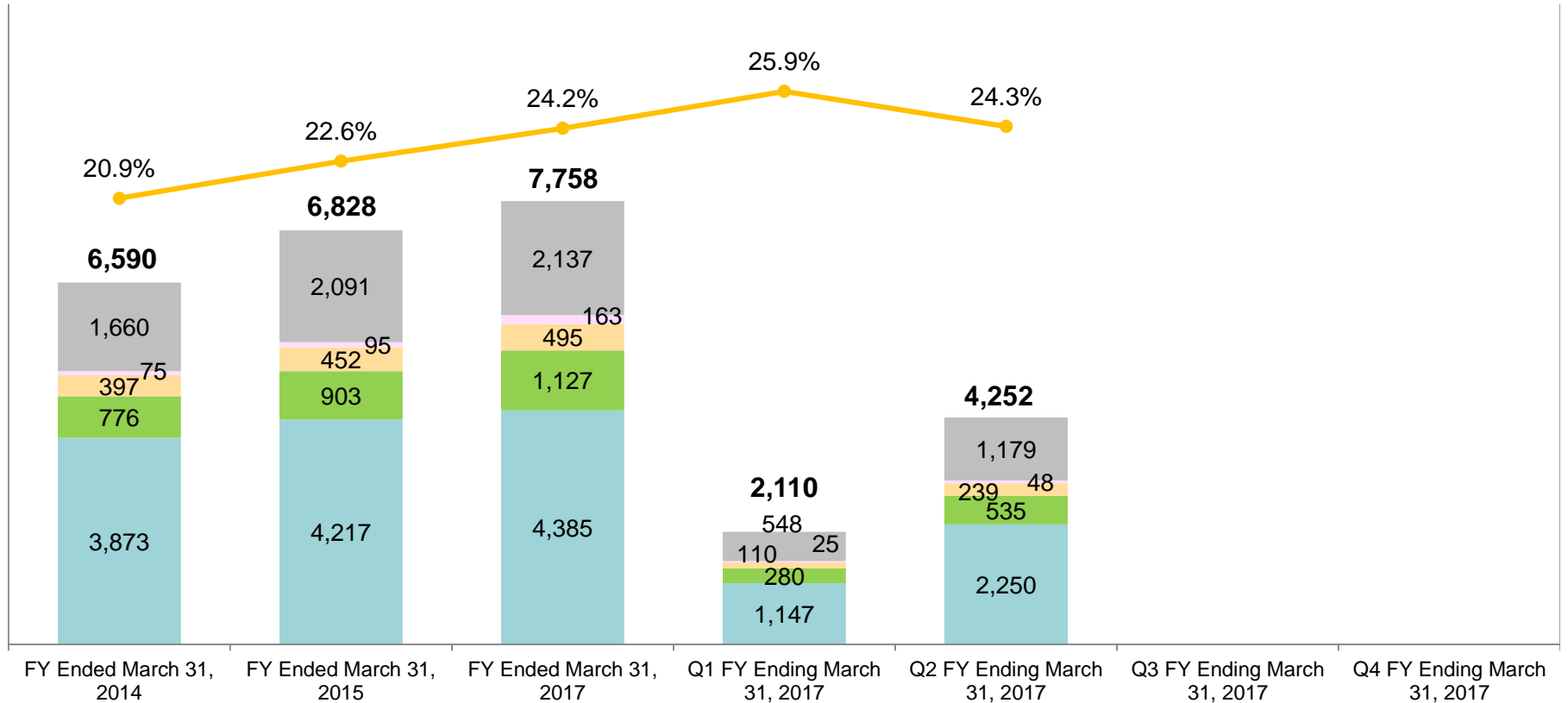




# Change in SG&A

(Unit: million yen)

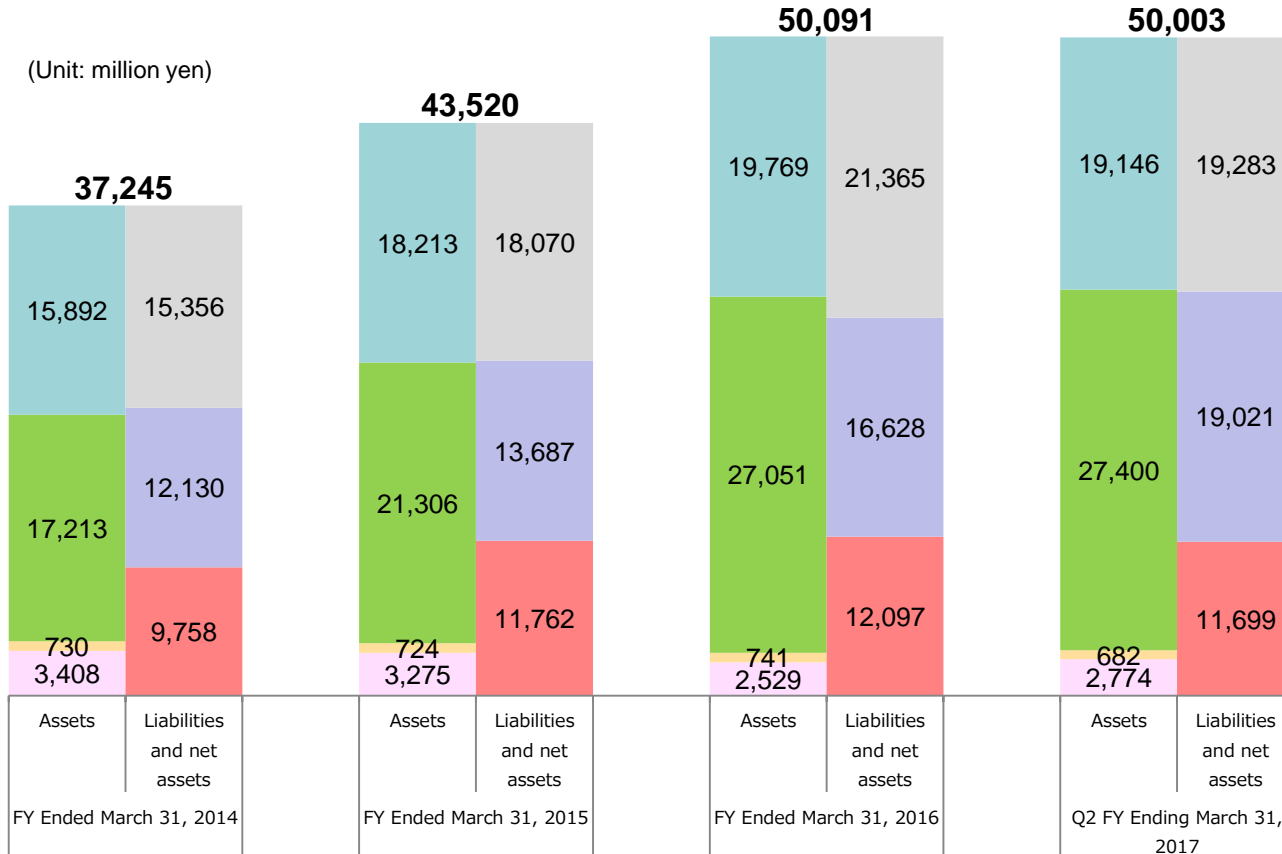
Personal Expenses Rents Depreciation Advertising expenses Others SG&A expenses ratio



# Change in Consolidated Balance Sheet

■ Investments and other assets   
 ■ Intangible assets   
 ■ Property, plant and equipment   
 ■ Current assets  
■ Net assets   
 ■ Non-current liabilities   
 ■ Current liabilities

(Unit: million yen)



## 【Assets】

### Current assets

Decrease in notes and accounts receivable - trade : 159 million yen

Decrease in work in process : 231 million yen

### Non-current assets

Increase in assets for lease, net : 477 million yen

Increase in buildings and structures, net : 98 million yen (Ibaraki Chuo Center)

Decrease in construction in progress : 149 million yen (Ibaraki Chuo Center)

### Intangible assets

Decrease in goodwill : 37 million yen (DIMENSION-ALL INC.)

## 【Liabilities】

Decrease in Notes and accounts payable—trade : 359 million yen

Decrease in portion of long-term loans payable : 207 million yen

Increase in long-term loans payable : 1,804 million yen

## 【Net assets】

Increase in Treasury shares: (329) million yen

Increase in retained earnings: 135 million yen

# Revised business segment

## Before revision

### Rental business

- SRG TAKAMIYA Rental division
- SHINKEN NAGAKITA
- SN Builtech
- AOMORI ATOM
- Cadian
- IWATA
- TATSUMI
- TOTAL TOSHISEIBI
- NEXTECH

### Sales business

- SRG TAKAMIYA Sales division
- Hory Korea
- DIMENSION-ALL
- Hory
- HORY VIETNAM



## After revision

### Rental business

- SRG TAKAMIYA Rental division
- SHINKEN NAGAKITA\*
- SN Builtech
- AOMORI ATOM
- Cadian
- IWATA
- TATSUMI
- TOTAL TOSHISEIBI
- NEXTECH

\*Absorption-type merger scheduled on Jun 2017

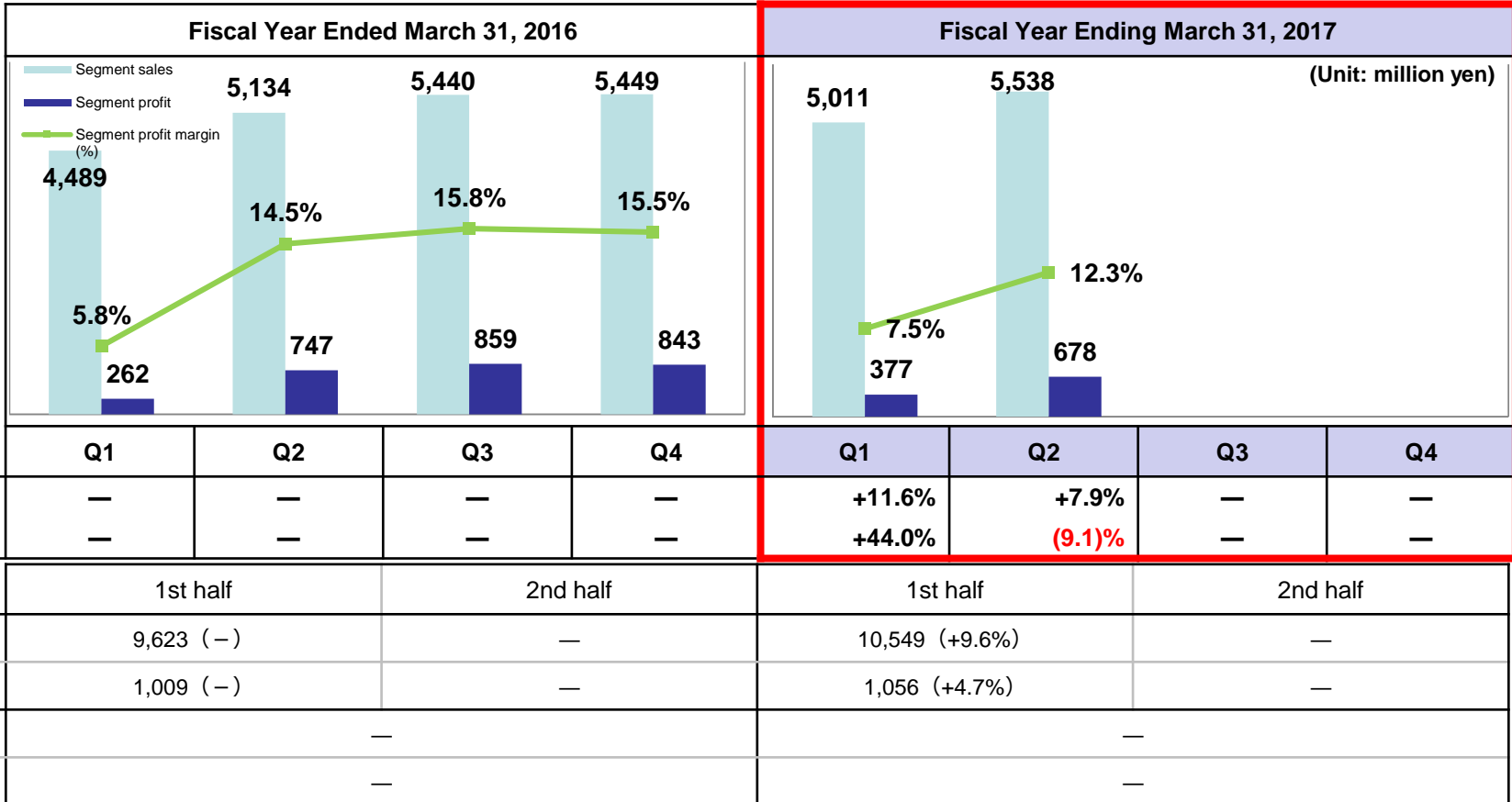
### Sales business

- SRG TAKAMIYA Sales division
- Hory

### Overseas business

- Hory Korea
- DIMENSION-ALL
- HORY VIETNAM

# Rental Business (Per Quarter)

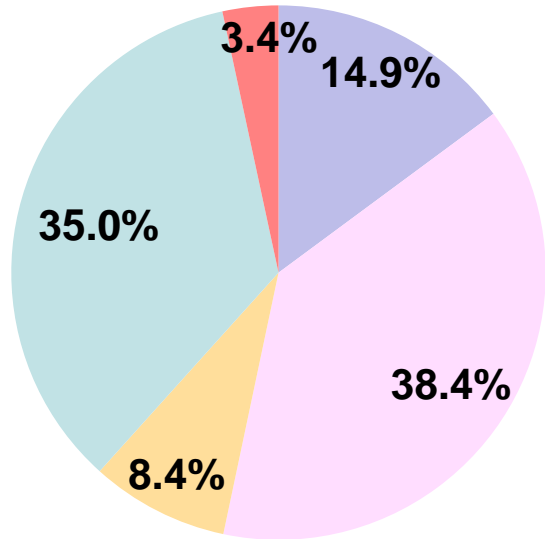


(Unit: million yen)

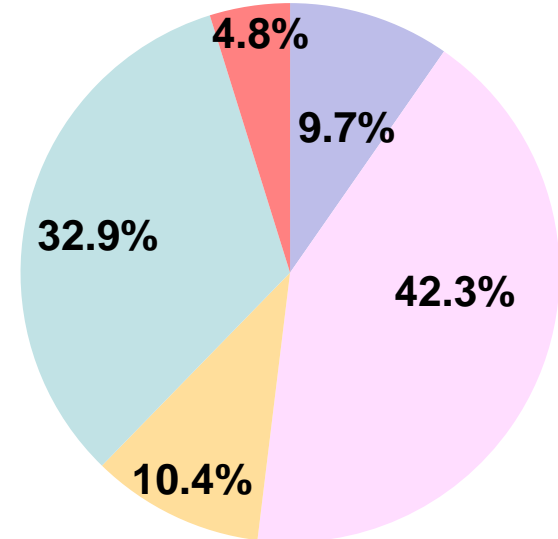
\* Segment sales and profit include those from internal transactions.

# Rental Business: Ratio of Sales by Block

FY Ended March 31, 2016



Q2 FY Ending March 31, 2017

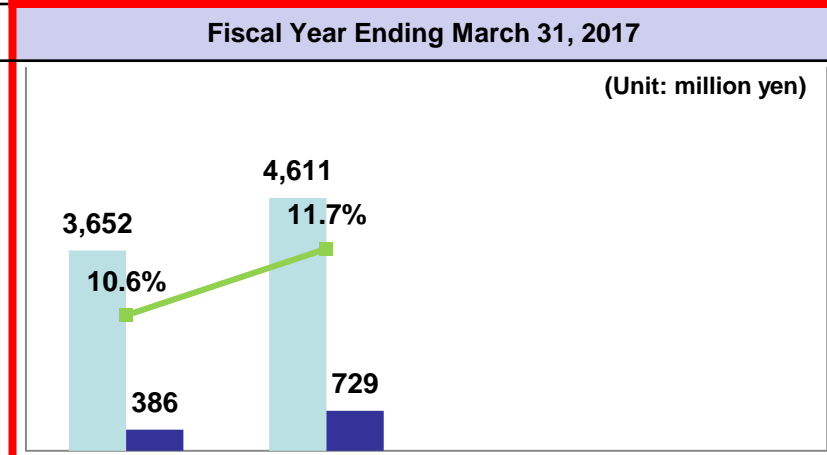
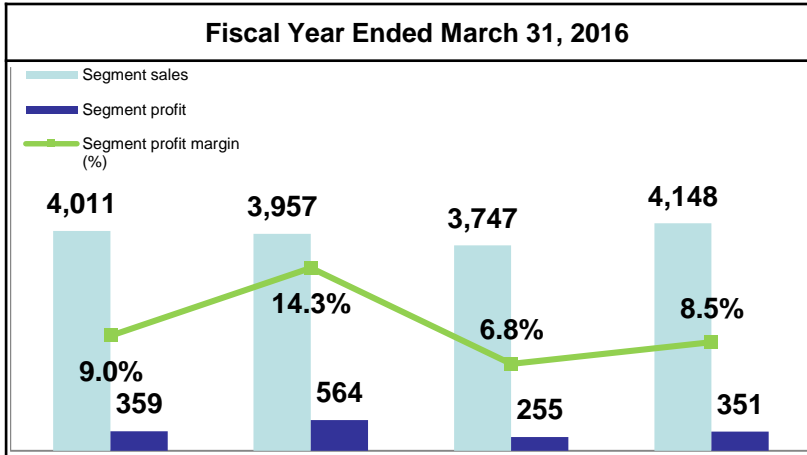


■ Tohoku  
■ Kanto  
■ Chubu  
■ Kansai  
■ Kyushu

**[Example of sites with orders received]**

- Repair of the Power plant
- Renovation of public housing
- Renovation of a high-rise condominium
- Renovation of a hotel building
- New construction of the Hokuriku Shinkansen
- New construction of the Shin-Meishin Expressway
- Repair of the Expressway and Bridges
- Slope protection work

# Sales Business (Per Quarter)



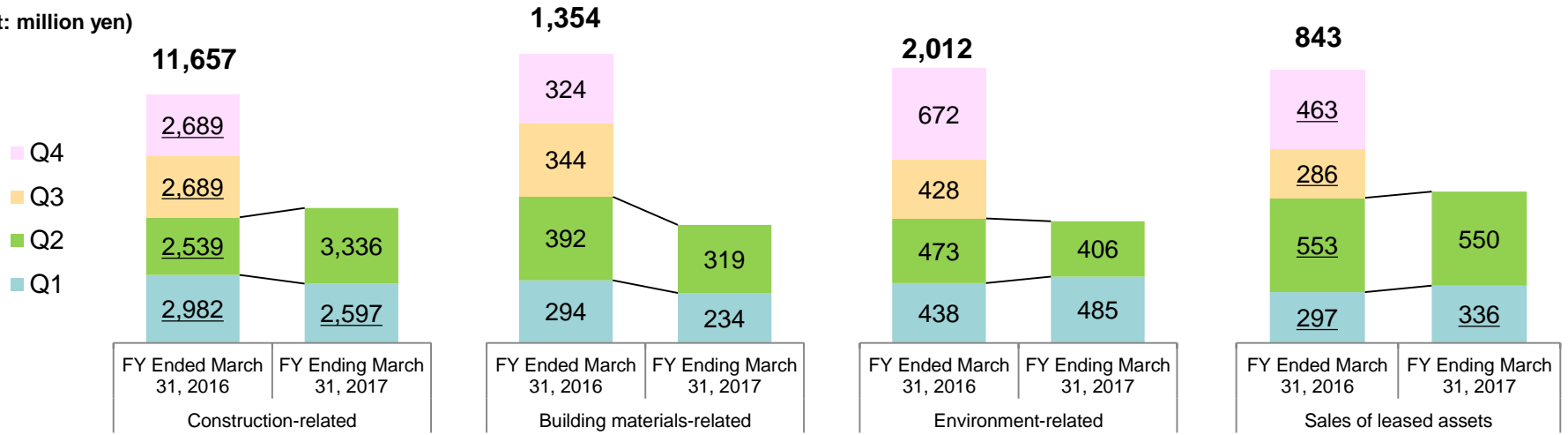
% change (YoY)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Segment sales	—	—	—	—	(9.0)%	+16.5%	—	—
Segment profit	—	—	—	—	+7.5%	+29.2%	—	—

	1st half	2nd half	1st half	2nd half
Net sales	7,969 (—)	—	8,263 (+3.7)	—
Segment profit	924 (—)	—	1,115 (+20.7%)	—
Net sales	—	—	—	—
Segment profit	—	—	—	—

\* Segment sales and profit include those from internal transactions.

# Net Sales by Field

(Unit: million yen)

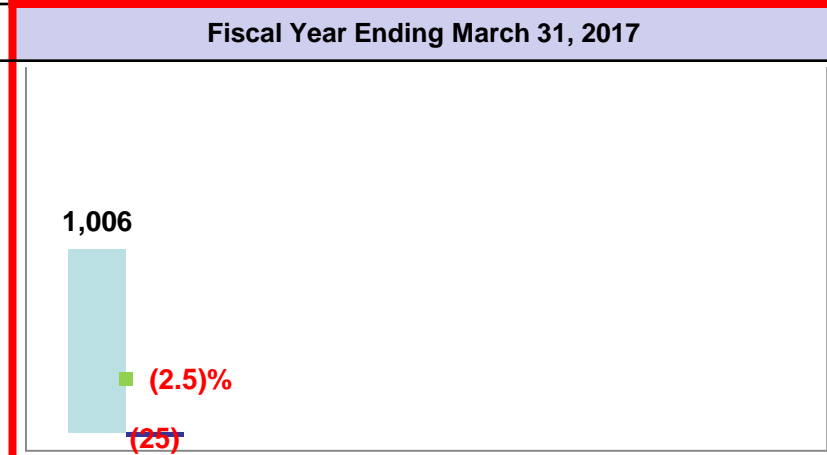
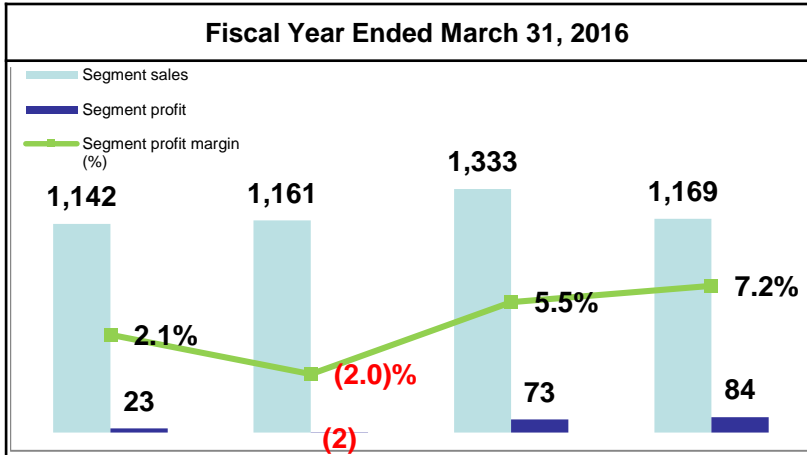


(Unit: million yen)		Fiscal Year Ended March 31, 2016			
		Q1	Q2	Q3	Q4
Construction-related	Sales (outside Group)	<u>1,567</u>	<u>1,634</u>	<u>1,332</u>	<u>1,355</u>
	Sales (within Group)	1,415	905	1,357	1,334
Building materials-related		294	392	344	324
Environment-related		438	473	428	672
Sales of Secondhans		<u>297</u>	<u>553</u>	<u>286</u>	<u>463</u>

Fiscal Year Ending March 31, 2017				
	Q1	Q2	Q3	Q4
	<u>1,506</u>	2,217	—	—
	1,091	1,119	—	—
	234	319	—	—
	485	406	—	—
	<u>336</u>	550	—	—

\*The underlined letters and numbers have been revised from material of FY2016 1Q . fiscal year. / Sales (within Group) indicate intragroup transfer to leased assets. / Please refer to the reference materials at the end of this material for products of each field.

# Overseas Business (Per Quarter)



% change (YoY)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Segment sales	—	—	—	—	(11.9)%	(19.9)%	—	—
Segment profit	—	—	—	—	—	—	—	—

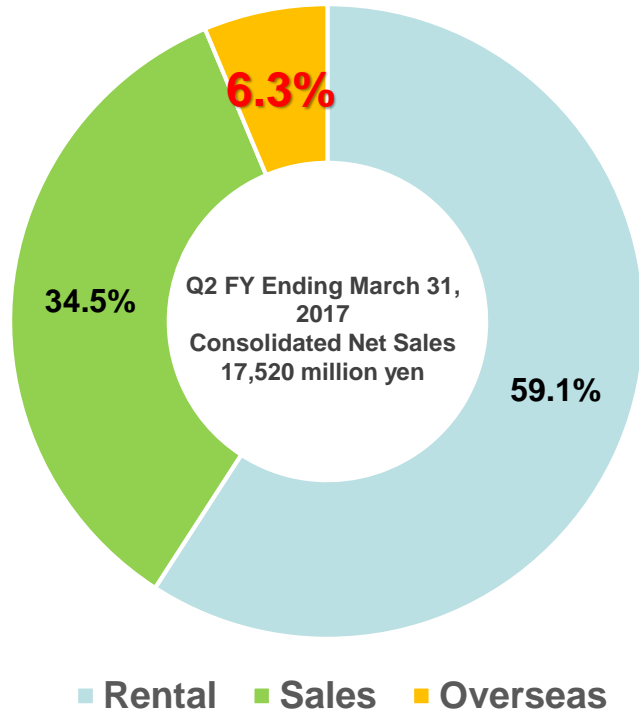
	1st half	2nd half	1st half	2nd half
Net sales	2,303 (—)	—	1,937 ((15.9)%)	—
Segment profit	21 (—)	—	(101) ((571.3)%)	—
Net sales	—	—	—	—
Segment profit	—	—	—	—

\* Segment sales and profit include those from internal transactions.



# Overseas Business

## Sales Ratio by Segment



### Hory Korea Co., Ltd.

- Focused on expanding domestic sales in South Korea
- Promoted the introduction of the Iq System
- Developed a system for receiving orders for set-up services

### HORY VIETNAM Co., Ltd.

- Commenced manufacture of clamps for Southeast Asia

### DIMENSION-ALL Inc.

- Expanded equipment yard and reinforced rental business
- Transferred leased assets such as falsework members from Japan

## FY Ending March 31, 2017 Consolidated Financial Results Forecast (Cumulative Period)

(Unit: million yen)

	Full Year	
		Sales Ratio
Net sales	<b>38,800</b>	—
Operating income	<b>3,380</b>	<b>8.7%</b>
Ordinary income	<b>3,100</b>	<b>8.0%</b>
Net income	<b>1,950</b>	<b>5.0%</b>
Net income per share	<b>¥44.60</b>	

# Image of Business Strategy

## Sales x Domestic

Develop high-value-added temporary equipment and materials

Advance into new fields

## Rental x Domestic

Advance into surrounding fields

M&A

Focus on renovation fields

## Sales x Overseas

Sales expansion focusing on pipes and clamps

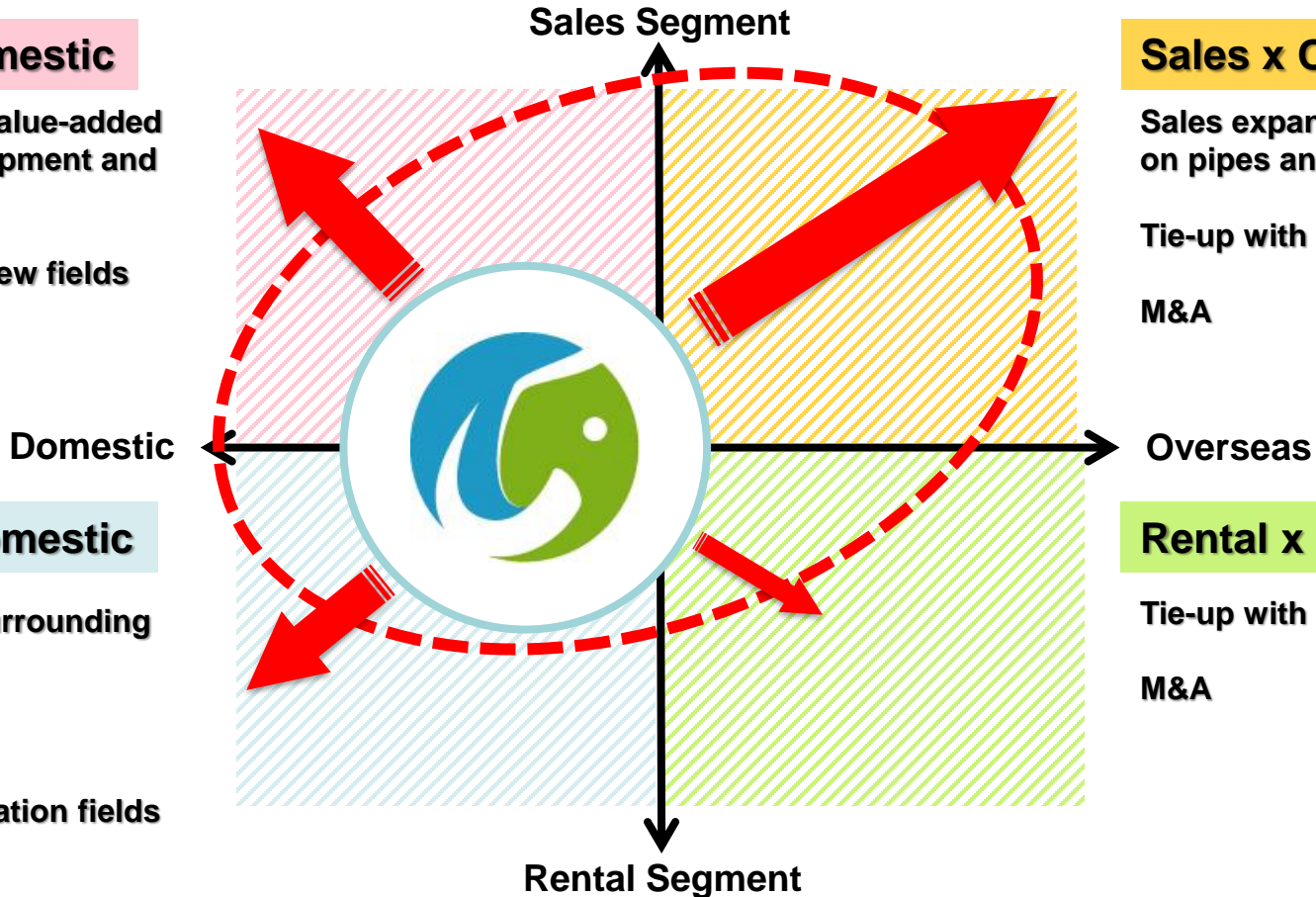
Tie-up with local companies

M&A

## Rental x Overseas

Tie-up with local companies

M&A

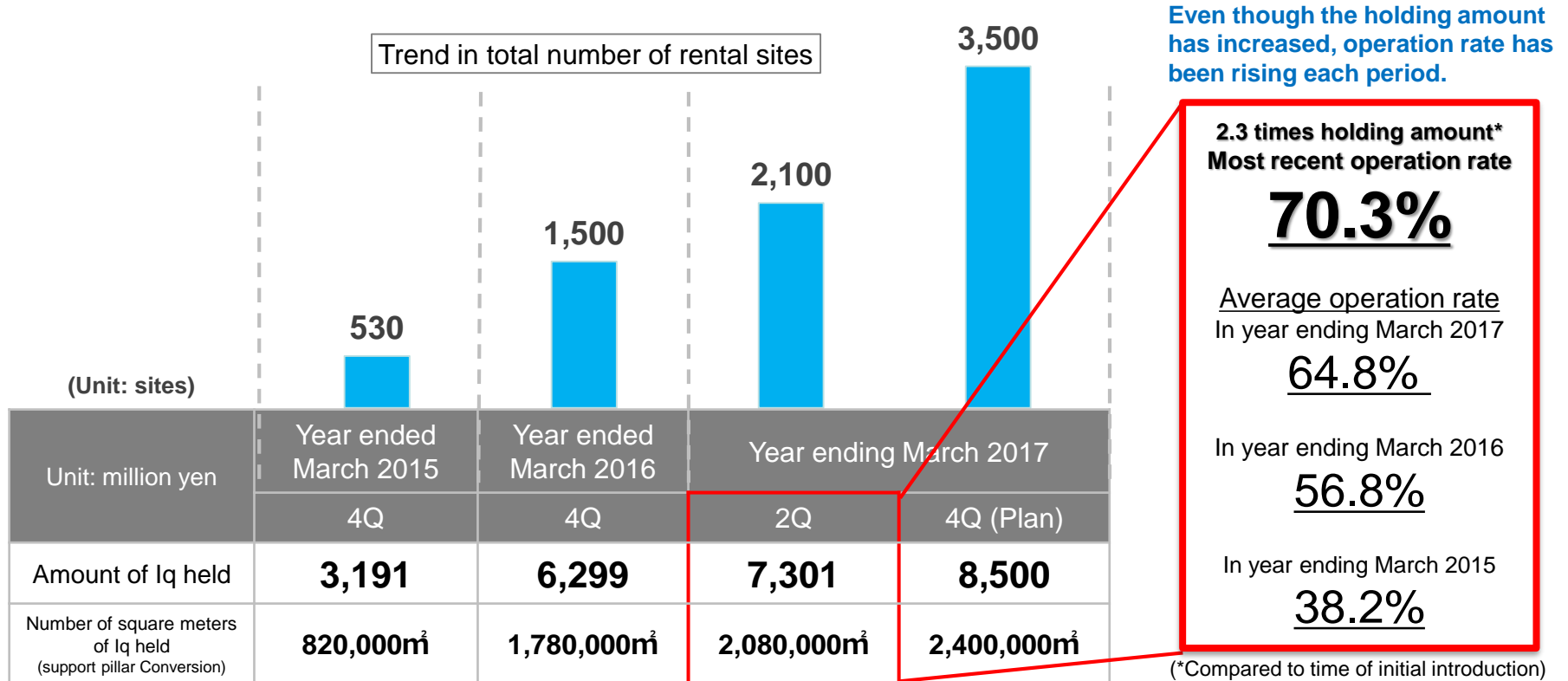


# Progress with Business Strategy

	Domestic	Overseas
Sales	<p>[Scaffolding]</p> <ul style="list-style-type: none"> <li>• Promoted replacement of existing products with the Iq System.</li> <li>• Expanded sales of products for bridge repair work such as spider panels.</li> </ul> <p>[Other]</p> <ul style="list-style-type: none"> <li>• Developed building materials such as vibration-damping devices.</li> <li>• Developed metalwork products for agricultural fields. (High weatherproof pipe house, G-Castle)</li> </ul>	<p>[Scaffolding]</p> <ul style="list-style-type: none"> <li>• Established Overseas Business Department.</li> <li>• Promoted sales activities in each country by overseas subsidiaries.</li> </ul> <p>[Other]</p> <ul style="list-style-type: none"> <li>• Sold steel formworks. (DIMENSION-ALL Inc.)</li> </ul>
Rental	<p>[Scaffolding]</p> <ul style="list-style-type: none"> <li>• Promoted implementation of Iq System at construction sites.</li> <li>• Building repair work using Lift Climber and spider panels.</li> <li>• Sales activities leveraging group synergies.</li> <li>• <b>Order expansion by the construction department</b></li> </ul> <p>[Other]</p> <ul style="list-style-type: none"> <li>• Reinforced sales activities for tunnel construction. (TOTAL TOSHISEIBI Co., Ltd.)</li> <li>• Stainless formworks rental business. (NEXTECH Co., Ltd.)</li> </ul>	<p>[Scaffolding]</p> <ul style="list-style-type: none"> <li>• Temporary equipment and materials rental business in the Philippines.</li> <li>• Temporary equipment and materials rental business for civil engineering in the Philippines. (DIMENSION-ALL Inc.)</li> </ul> <p>[Other]</p> <ul style="list-style-type: none"> <li>• Steel formworks rental business in the Philippines. (DIMENSION-ALL Inc.)</li> </ul>

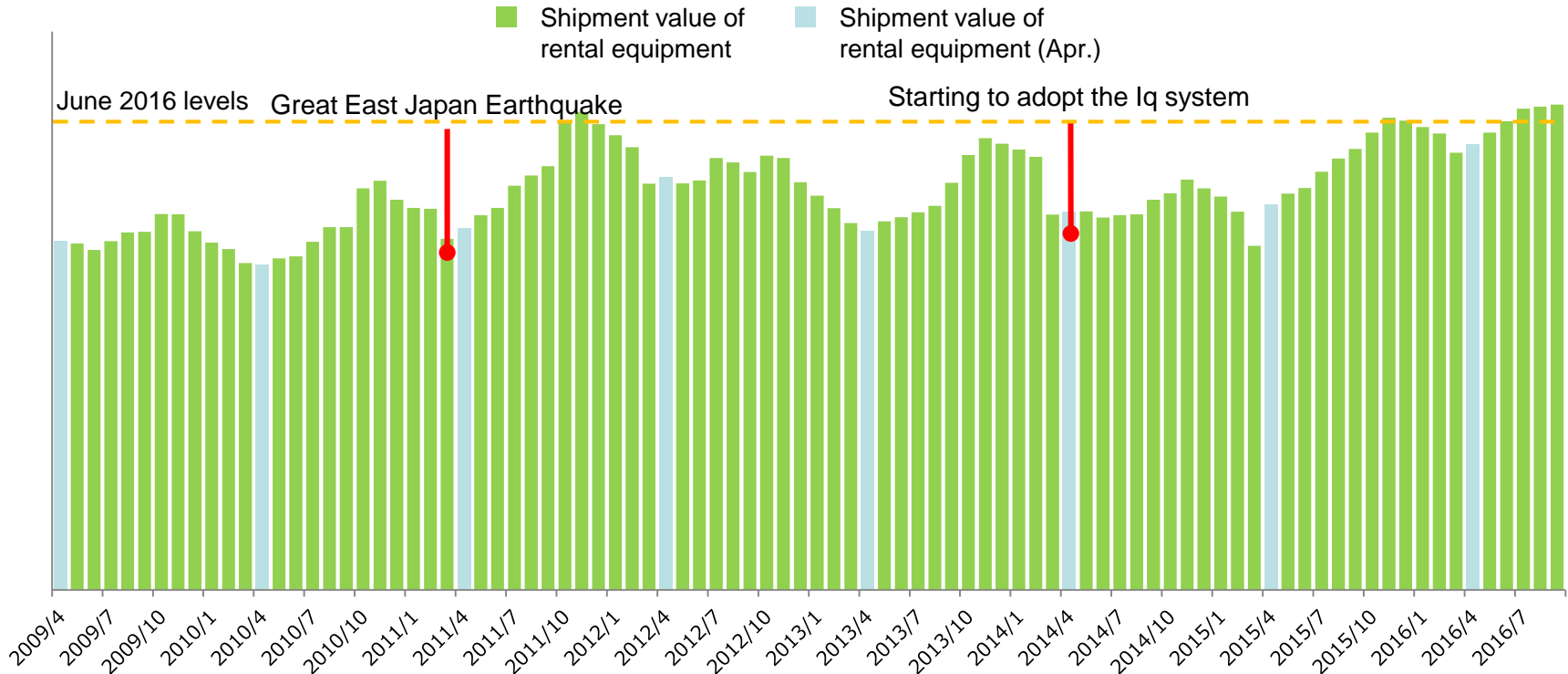
## Rental business: Iq System, trend in number of rental sites and holding amounts

Rental asset investment proceeded according to plan, rental business results steadily increased, and level of recognition increased.



# Rental Business : Change in Shipment Value of Rental Equipment

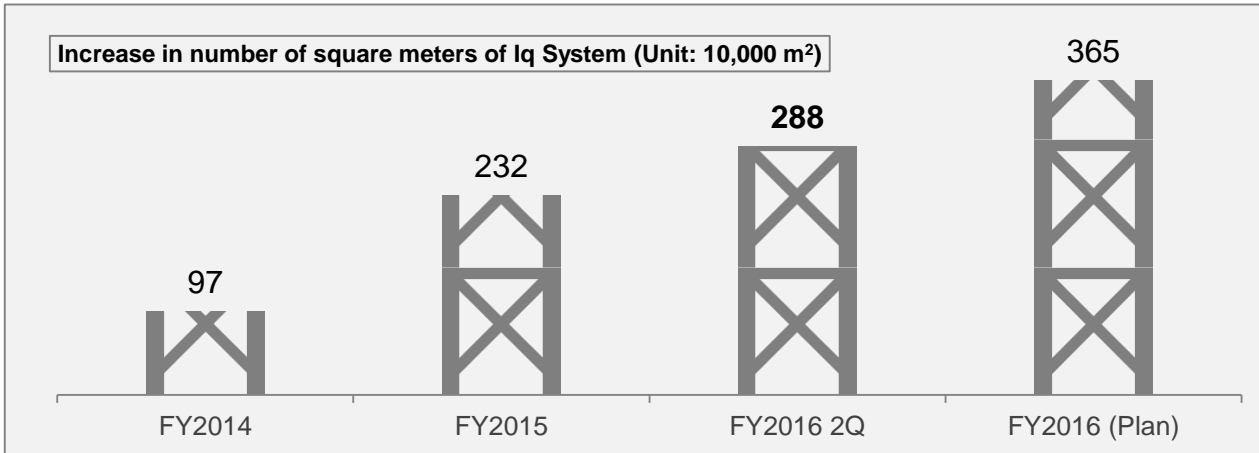
**Iq system pulls it, and the shipment maintains a high level. A rental for engineering works is expected to contribute to achievements for the second half year.**



\* Shipment value of rental equipment represents the volume of leased assets (converted into purchase price of new items) shipped as rental. / The Company does not disclose figures of shipment value of rental equipment.

# Sales business: status of spread of Iq System

The external sales amount was slightly below the planned level, but the amount of rental assets held increased, and the spread of Iq System progressed.



\*As for the number of square meters of increase, SRG Takamiya performed a provisional calculation regarding the totals of "rental assets held" and "sales results."

**Iq System ratio relative to conventional construction scaffolding (prefabricated scaffolding): approx. 3.6%\***

\*Provisional calculation by SRG Takamiya based on following values as of 9/2016.

## Construction scaffolding

**80,540,000m<sup>2</sup>**

Provisional calculation by SRG Takamiya based on construction scaffolding holding amount of 26,320,000 sheets\* × 1.7 m × 1.8 m.

\*From Ministry of Land, Infrastructure and Transport "9/2016 Survey on Trends in Businesses related to Construction, etc."

## Iq System

**2,880,000 m<sup>2</sup>**

(Rental assets held: 2,880,000 m<sup>2</sup>  
+ sales results: 800,000 m<sup>2</sup>)

Provisional calculation by SRG Takamiya, with Iq System support pillar length\* ÷ 2 × 1.8 m.

\*Calculated based on SRG Takamiya assets held + sales results

## Trend in Iq System net sales

(Unit : million yen)	FY2014	FY2015	FY2016	
			2Q	Full-year plan
Sales results in each period	<b>528</b>	<b>1,344</b>	<b>925</b>	<b>2,500</b>

## Proactive development related to social infrastructure redevelopment (maintenance and repair)

In an economic forecast regarding construction, it is expected that investment in maintenance and repair will steadily increase in both the public and private sectors until 2030. As such, temporary equipment for maintenance and repair will be increased in order to respond to demand.

### [Forecast for maintenance and repair] (Unit : trillion yen)

	2020	2025	2030
Government	5.4~5.7	5.6~6.4	5.7~7.2
Private housing	3.1	3.3	3.5
Private non-residential building	4.7	5.0	5.3
Private civil engineering	2.0	2.4	2.7
<b>Total</b>	<b>15.3~15.6</b>	<b>16.3~17.1</b>	<b>17.2~18.6</b>

(Source) For the chart above, in the forecasts regarding maintenance and repair shown in the Research Institute of Construction and Economy "Construction Economy Report," the Japanese economic revival case in the "Economic and Fiscal Projections for Medium to Long Term Analysis" by the Cabinet Office was adopted.



Equipment for handling apartment buildings and skyscraper buildings : **Iq System, Lift Climber**  
 Equipment for handling road bridges, highways, and railways : **Iq System, Spider Panel (bridge girder and floorboard repair)**



# Foundation strengthened in both agribusiness (sales related business) and overseas business

In agribusiness, the business scale grew in terms of temporary construction networks and the receipt of material orders.

Agricultural house builders, which have been decreasing, were developed.

**Agribusiness**



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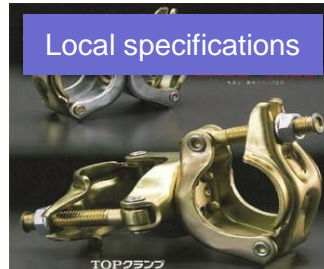


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- Increased receipt of orders for agricultural materials.
- Responding to reduction in construction demand.

- Starting the development and sale of products responding to local demand.
- After decreases in construction demand, transferring temporary equipment with low operating rates overseas, and once again obtaining revenues.

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+



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**Overseas business**

- Starting the development and sale of products responding to local demand.
- After decreases in construction demand, transferring temporary equipment with low operating rates overseas, and once again obtaining revenues.

# Future Outlook

- Shipments of rental equipment for construction work will remain brisk, while shipments of rental equipment for civil engineering work will be on an improvement trend.
- We will maintain high utilization of the Iq System, while increasing leased assets.
- The Iq system sale expects that the demand for permutation increases by improvement of the safe consciousness.
- High utilization of Lift Climbers will continue due to an increase in renovation work projects.
- An expressway, a bridge, repair work of the public infrastructure increase, and shipment of equipment for civil engineering is steady.
- Metropolitan area demand including Olympics demand is increasing. On the other hand, shows a slight stagnation about other districts.
- Agribusiness: robust receipt of orders for pipe house and greenhouse materials.
- In the Philippines, opening of new yards, and increased receipt of orders accompanying shift to domestic assets with low operation rates.
- Development of products for overseas, full-fledged start of sales expansion, expectation of sales expansion in the future.

# Payment of Dividends

2-for-1 stock-split, April 2013



2-for-1 stock-split, January 2015



	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014	Fiscal Year Ended March 31, 2015	Fiscal Year Ended March 31, 2016	Fiscal Year Ending March 31, 2017 (Forecast)
<b>Dividend</b>	<b>¥20</b>	<b>¥13</b>	<b>¥16</b>	<b>¥10</b>	<b>¥10</b>
Breakdown: Q1	-	-	-	-	-
Q2	-	¥5	¥7	¥3.5	¥3.5
Q3	-	-	-	-	-
Q4	¥20	¥8	¥9 <small>* Ordinary dividend ¥6.5 Commemorative dividend ¥2.5</small>	¥6.5	¥6.5
<b>Total amount of dividends</b>	<b>214 million yen</b>	<b>290 million yen</b>	<b>563 million yen</b>	<b>442 million yen</b>	-
<b>Dividend payout ratio</b>	<b>26.6%</b>	<b>16.2%</b>	<b>27.1%</b>	<b>20.8%</b>	-
<b>ROE</b>	<b>12.2%</b>	<b>21.5%</b>	<b>19.8%</b>	<b>18.5%</b>	-
<b>DOE</b>	<b>6.5%</b>	<b>3.5%</b>	<b>5.4%</b>	<b>3.8%</b>	-

\* We carried out a stock-split at a ratio of two shares for every one on April 1, 2013. We carried out a stock-split at a ratio of two shares for every one on January 1, 2015.

\* We paid a commemorative dividend of 2.5 yen to commemorate the assignment of our stock on the first section of the Tokyo Stock Exchange with the year-end dividend in the fiscal year ending in March 2015.

# Reference materials

# Rental business



## Architecture

High-rise buildings, high-rise condominiums, warehouses, commercial facilities, etc.



## Bridge

Expressways, railroads, elevated highways, bridges, etc.



## Underground work

Shield tunneling construction such as subways, pipe lines, and utility tunnels



## Plant

Construction and maintenance of treatment plants, incineration facilities, plants, etc.



## Repair work

Repair works including repair, maintenance, etc. of buildings, bridges, and ultra-high-rise buildings



## Demolition work

Demolition works of structures accompanied by reconstruction, repair, etc.



## Disaster prevention work of Slope

Disaster prevention works of slopes, disaster prevention works against landslides, etc.



## Ports (Breakwaters, etc.)

Construction of breakwaters to prevent damage from high waves, high tide water and tsunamis

# Sales business



**Joint(clamp)**  
General-purpose equipment used in any work sites



**Next generation scaffolding**  
(Iq system)  
New scaffolding with high safety performance, an alternative to the conventional building frames



**Hanging type scaffolding**  
(Spider Panel)  
Walking panel hung with chains, mainly used in bridge repair work



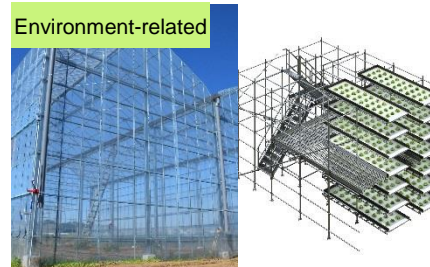
**Safety member**  
Preceding handrails, baseboards, handrail members, etc.



**Seismic motion mitigation equipment for wooden Housing**  
Original product of Hory (supporting new and existing housing)



**Solar-power generation panel installation frame**  
Sales of residential and industrial panel mounting frames



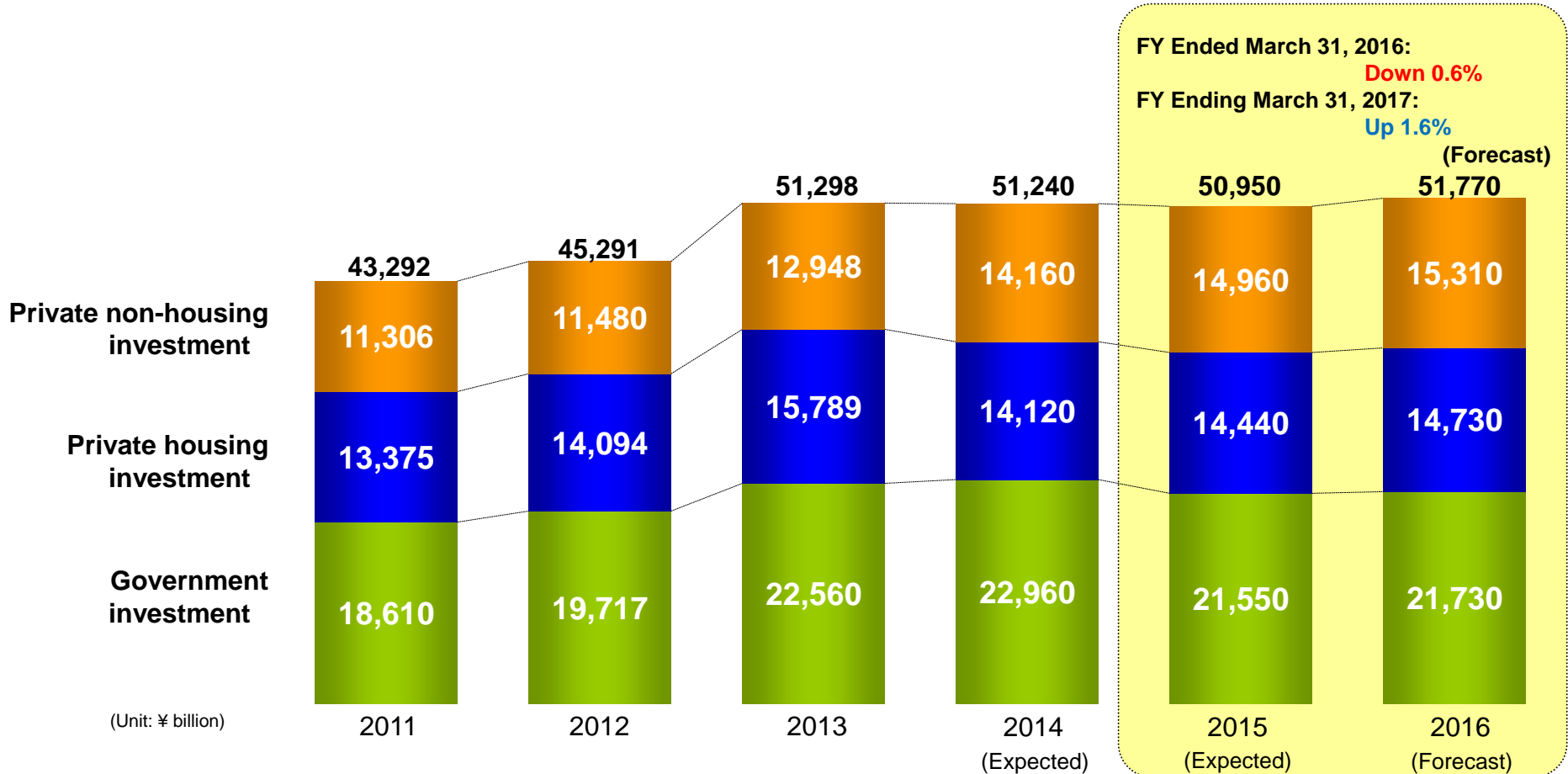
**Agricultural greenhouses, cultivation shelves**  
Agricultural greenhouses and multi-level hydroponic cultivation shelves based on scaffolding



**Temporary equipment and materials**  
Procurement and sales of new and used equipment and materials  
Sales of leased assets

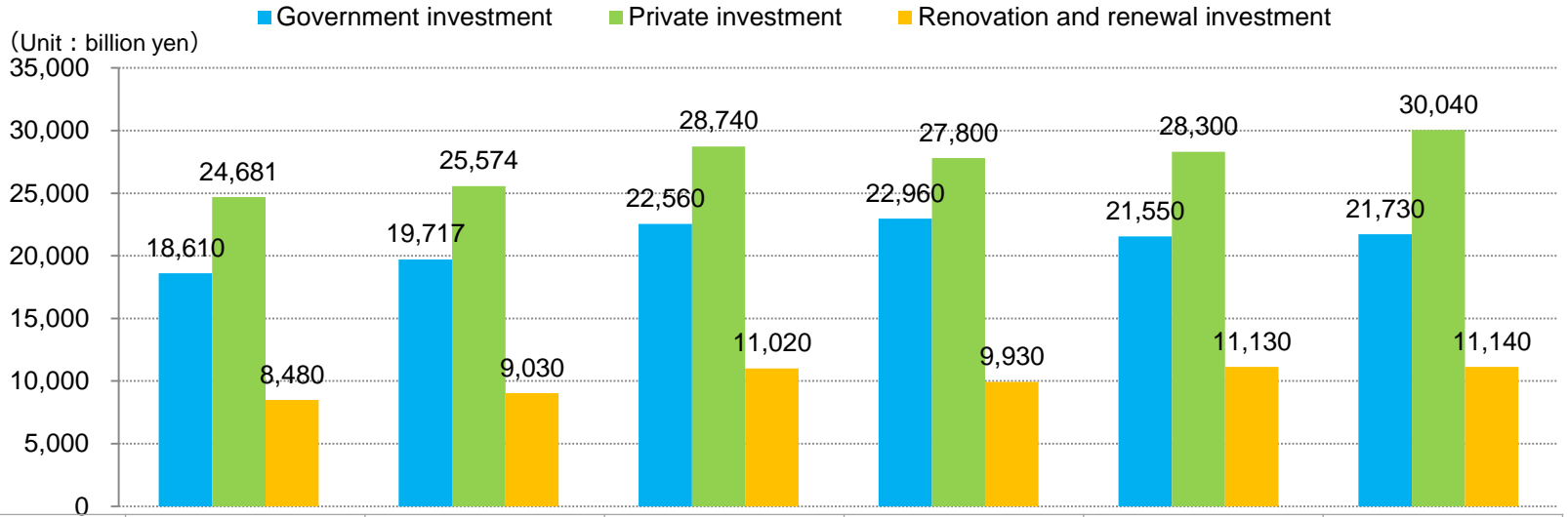
# Change in Domestic Construction Investment

Source : The Ministry of Land, Infrastructure, Transport and Tourism Data release : July 2016



# Change in Domestic Construction Investment

Focusing on the metropolitan area, private construction that is frequently used for scaffolding, renovation and renovation are expected to lead the way



Rates year on year	2011	2012	2013	2014 (forecast)	2015 (forecast)	2016 (forecast)
Government investment	3.5%	5.9%	14.4%	1.8%	(6.0)%	0.8%
Private investment	3.1%	3.6%	12.4%	-1.6%	4.0%	2.2%
Renovation and renewal investment	1.6%	6.5%	22.0%	-9.9%	12.1%	0.1%

※Created based on "construction investment prospects of MLIT"

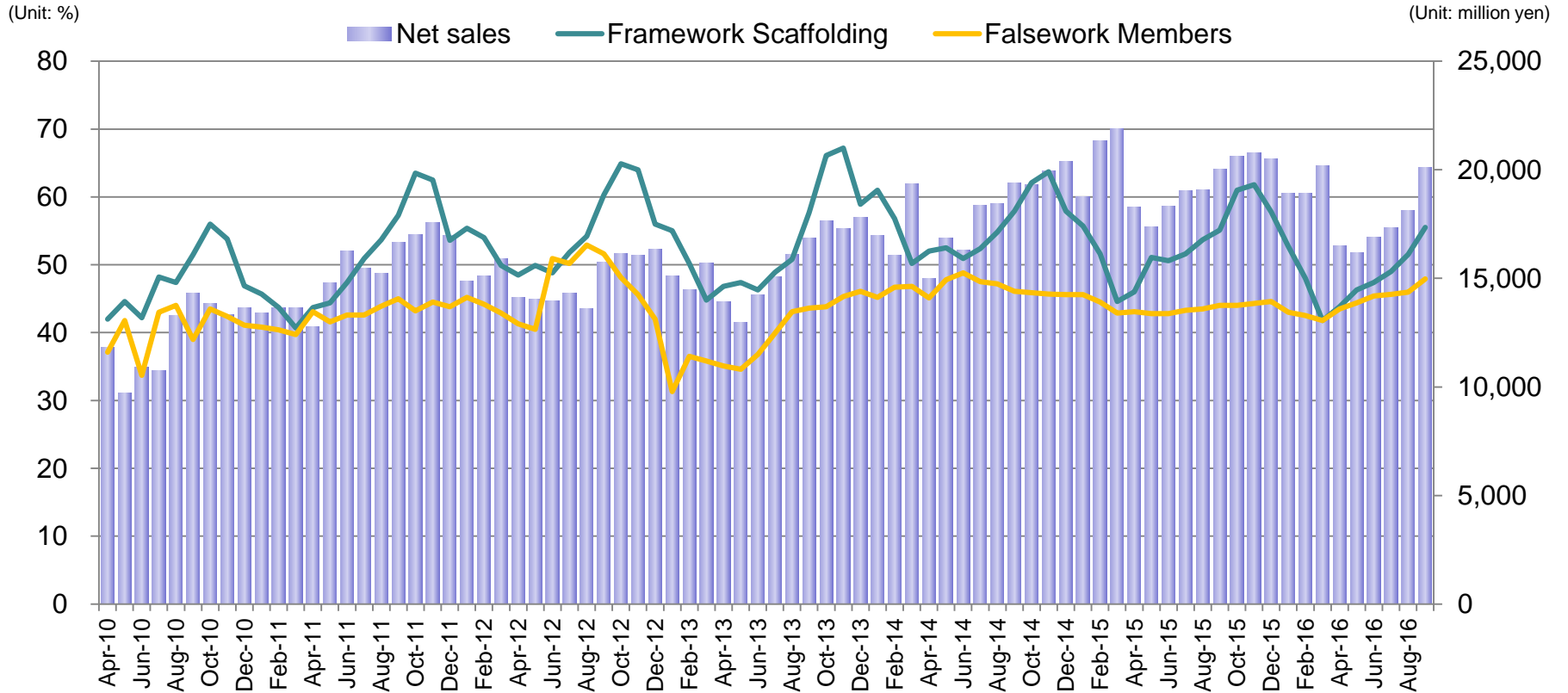


# Change in Overseas Market

	(Billion dollars) (Million people)	2010	2011	2012	2013	2014	2015	2016
South Korea	Actual GDP	1,094	1,202	1,223	1,306	1,410	1,376	1,321
	Population	49	50	50	50	50	51	51
Thailand	Actual GDP	341	371	397	420	404	395	410
	Population	67	68	68	68	69	69	69
Vietnam	Actual GDP	113	135	156	171	186	191	201
	Population	87	88	89	90	91	92	93
Philippines	Actual GDP	200	224	250	272	285	292	310
	Population	93	95	97	98	100	102	104
Singapore	Actual GDP	236	275	290	302	306	293	295
	Population	5	5	5	5	5	6	6
Malaysia	Actual GDP	255	298	314	323	338	296	309
	Population	29	29	30	30	31	31	32
Myanmar	Actual GDP	50	60	60	60	61	67	74
	Population	50	50	51	51	51	52	52
Indonesia	Actual GDP	755	893	919	915	890	859	937
	Population	238	242	245	249	252	255	259

\* The table above was prepared based on the IMF "World Economic Outlook Database." / Figures in highlighted cells are forecasted.

# Change in utilization rate of construction materials and equipment and in net sales of 50 companies in the scaffolding and construction materials leasing business



Source: This data has been processed from the Ministry of Land, Infrastructure, Transport and Tourism's "Builder's Equipment Leasing Business Dynamics Survey Time Series."

# Change in Consolidated Balance Sheet

(Unit: million yen)	FY Ended March 31, 2011	FY Ended March 31, 2012	FY Ended March 31, 2013	FY Ended March 31, 2014	FY Ended March 31, 2015	FY Ended March 31, 2016
<b>Current assets</b>	<b>10,396</b>	<b>12,202</b>	<b>13,725</b>	<b>15,892</b>	<b>18,213</b>	<b>19,769</b>
<b>Non-current assets</b>	<b>19,198</b>	<b>20,269</b>	<b>20,262</b>	<b>21,353</b>	<b>25,307</b>	<b>30,321</b>
<b>Current liabilities</b>	<b>10,745</b>	<b>12,351</b>	<b>14,117</b>	<b>15,356</b>	<b>18,070</b>	<b>21,365</b>
<b>Short-term loans payable</b>	<b>971</b>	<b>417</b>	<b>416</b>	<b>1,200</b>	<b>3,168</b>	<b>4,958</b>
<b>Non-current liabilities</b>	<b>13,110</b>	<b>13,740</b>	<b>12,760</b>	<b>12,130</b>	<b>13,687</b>	<b>16,628</b>
<b>Long-term loans payable</b>	<b>9,862</b>	<b>10,036</b>	<b>9,637</b>	<b>9,376</b>	<b>10,913</b>	<b>13,304</b>
<b>Net assets (Equity)</b>	<b>5,738</b>	<b>6,380</b>	<b>7,110</b>	<b>9,758</b>	<b>11,762</b>	<b>12,097</b>
<b>Total assets</b>	<b>29,594</b>	<b>32,472</b>	<b>33,987</b>	<b>37,245</b>	<b>43,520</b>	<b>50,091</b>
	FY Ended March 31, 2011	FY Ended March 31, 2012	FY Ended March 31, 2013	FY Ended March 31, 2014	FY Ended March 31, 2015	FY Ended March 31, 2016
<b>Current ratio</b>	<b>96.8%</b>	<b>98.8%</b>	<b>97.2%</b>	<b>103.5%</b>	<b>100.8%</b>	<b>92.5%</b>
<b>Non-current assets to equity ratio</b>	<b>339.9%</b>	<b>323.2%</b>	<b>291.7%</b>	<b>224.4%</b>	<b>221.0%</b>	<b>257.7%</b>
<b>Equity ratio</b>	<b>19.1%</b>	<b>19.3%</b>	<b>20.4%</b>	<b>25.5%</b>	<b>26.3%</b>	<b>23.5%</b>
<b>D/E ratio</b>	<b>306.1%</b>	<b>283.6%</b>	<b>250.5%</b>	<b>174.5%</b>	<b>177.0%</b>	<b>210.0%</b>

# Change in Consolidated Financial Results

(Unit: million yen)	FY Ended March 31, 2011	FY Ended March 31, 2012	FY Ended March 31, 2013	FY Ended March 31, 2014	FY Ended March 31, 2015	FY Ended March 31, 2016
<b>Net sales</b>	17,490	23,201	28,113	32,443	34,261	34,350
<b>Gross Profit</b>	5,981	7,202	8,196	9,832	10,356	11,291
<b>SG&amp;A</b>	5,258	6,165	6,590	6,781	7,758	8,307
<b>Operating income (1)</b>	722	1,037	1,605	3,051	3,098	2,983
<b>Ordinary income</b>	621	1,080	1,553	3,006	3,325	2,731
<b>Net income</b>	302	755	807	1,768	2,070	2,153
<b>Depreciation and amortization (CF) (2)</b>	2,745	3,088	3,280	3,369	3,649	4,137
<b>EBITDA (① + ②)</b>	3,468	4,126	4,886	6,421	6,747	7,120
	FY Ended March 31, 2011	FY Ended March 31, 2012	FY Ended March 31, 2013	FY Ended March 31, 2014	FY Ended March 31, 2015	FY Ended March 31, 2016
<b>ROE (Return on equity)</b>	5.4%	12.7%	12.2%	21.5%	19.8%	18.7%
<b>Return on sales (3)</b>	1.7%	3.3%	2.9%	5.5%	6.0%	6.3%
<b>Total asset turnover (4)</b>	0.58	0.71	0.83	0.87	0.79	0.69
<b>ROA ((3) × (4)) (Return on assets)</b>	1.0%	2.3%	2.4%	4.7%	4.8%	4.3%

\* When calculating ROE, the average shareholders' equity at the start of the fiscal year and the end of the fiscal year is used.

# Quarterly Change in Results by Segment (Cumulative Period)

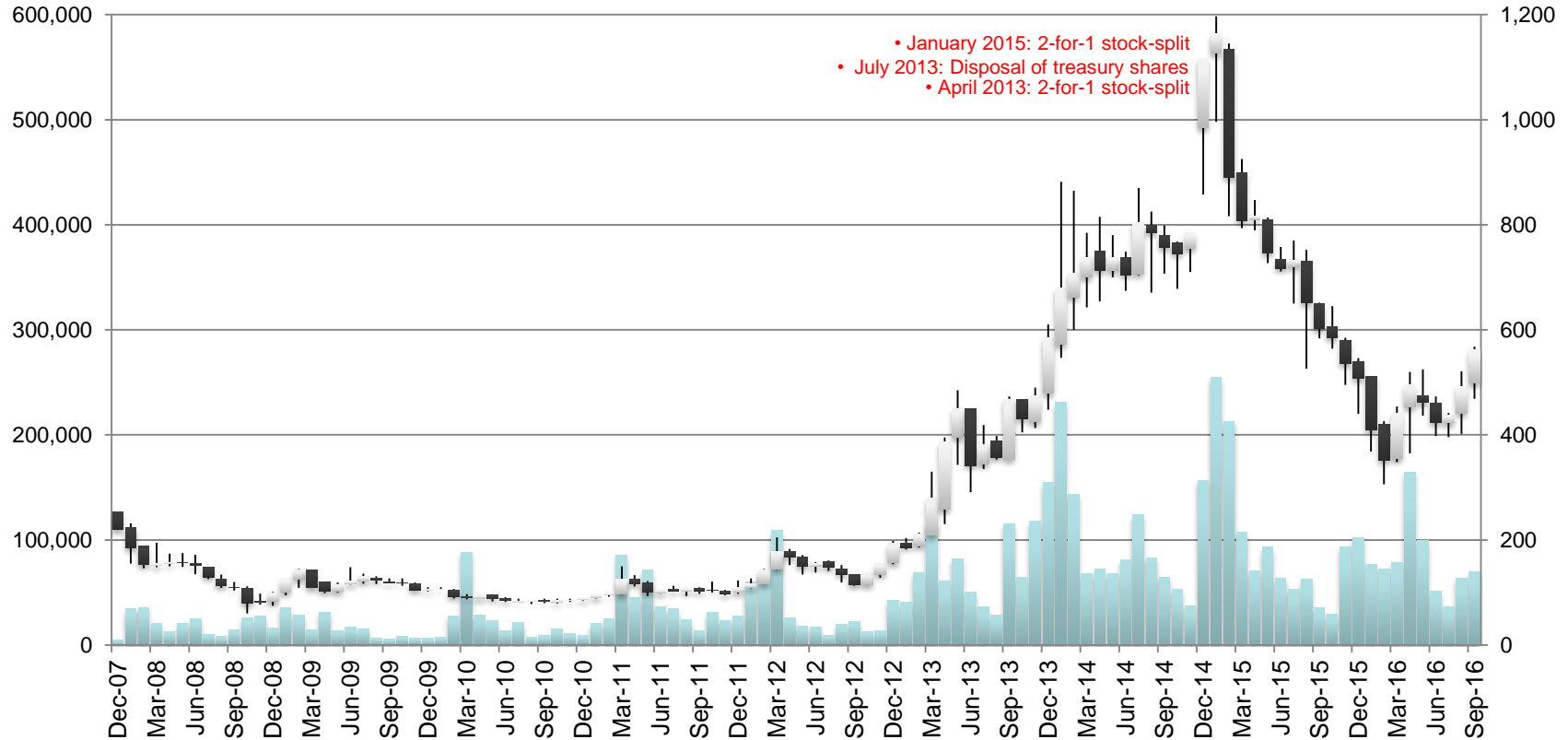
(Unit: million yen)		Fiscal Year Ended March 31, 2016				Fiscal Year Ending March 31, 2017			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	4Q
<b>Rental business</b>	Segment sales	4,489	9,623	15,064	20,513	5,011	10,549	—	—
	(Of which) Inter-segment sales	22	56	88	109	59	188	—	—
	Segment profit	262	1,009	1,868	2,711	377	1,056	—	—
	Segment margin (%)	5.8%	10.5%	12.4%	13.2%	7.5%	10.0%	—	—
(YoY % change)	Segment sales	—	—	—	—	+11.6%	+9.6%	—	—
	Segment profit	—	—	—	—	+44.0%	+4.7%	—	—
<b>Sales business</b>	Segment sales	4,011	7,969	11,716	15,865	3,652	8,263	—	—
	(Of which) Inter-segment sales	1,415	2,319	3,676	5,010	1,091	2,210	—	—
	Segment profit	359	924	1,179	1,531	386	1,115	—	—
	Segment margin (%)	9.0%	11.6%	10.1%	9.7%	10.6%	13.5%	—	—
(YoY % change)	Segment sales	—	—	—	—	(9.0)%	+3.7%	—	—
	Segment profit	—	—	—	—	+7.5%	+20.7%	—	—
<b>Overseas business</b>	Segment sales	1,142	2,303	3,636	4,806	1,006	1,937	—	—
	(Of which) Inter-segment sales	414	718	1,085	1,715	376	832	—	—
	Segment profit	23	21	95	179	(25)	(101)	—	—
	Segment margin (%)	2.1%	0.9%	2.6%	3.7%	(2.5)%	(5.2)%	—	—
(YoY % change)	Segment sales	—	—	—	—	(11.9)%	(15.9)%	—	—
	Segment profit	—	—	—	—	(204.5)%	(571.3)%	—	—
Total net sales		9,643	19,897	30,417	41,184	9,670	20,751	—	—
(Of which) Inter-segment sales		1,851	3,095	4,850	6,834	1,527	3,231	—	—

## Quarterly Change in Results by Segment (Per Quarter)

(Unit: million yen)		Fiscal Year Ended March 31, 2016				Fiscal Year Ending March 31, 2017			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	4Q
<b>Rental business</b>	Segment sales	4,489	5,134	5,440	5,449	5,011	5,538	—	—
	(Of which) Inter-segment sales	22	34	31	20	59	128	—	—
	Segment profit	262	747	859	843	377	678	—	—
	Segment margin (%)	5.8%	14.5%	15.8%	15.5%	7.5%	12.3%	—	—
(YoY % change)	Segment sales	—	—	—	—	+11.6%	+7.9%	—	—
	Segment profit	—	—	—	—	+44.0%	(9.1)%	—	—
<b>Sales business</b>	Segment sales	4,011	3,957	3,747	4,148	3,652	4,611	—	—
	(Of which) Inter-segment sales	1,415	904	1,356	1,333	1,091	1,119	—	—
	Segment profit	359	564	255	351	386	729	—	—
	Segment margin (%)	9.0%	14.3%	6.8%	8.5%	10.6%	15.8%	—	—
(YoY % change)	Segment sales	—	—	—	—	△9.0%	+16.5%	—	—
	Segment profit	—	—	—	—	+7.5%	+29.2%	—	—
<b>Overseas business</b>	Segment sales	1,142	1,161	1,333	1,169	1,006	930	—	—
	(Of which) Inter-segment sales	414	304	367	629	376	455	—	—
	Segment profit	23	△2	73	84	(25)	(76)	—	—
	Segment margin (%)	2.1%	△2.0%	5.5%	7.2%	(2.5)%	(8.2)%	—	—
(YoY % change)	Segment sales	—	—	—	—	(11.9)%	(19.9)%	—	—
	Segment profit	—	—	—	—	(204.5)%	—	—	—
Total net sales		9,643	10,253	10,520	10,767	9,670	11,081	—	—
(Of which) Inter-segment sales		1,851	1,243	1,755	1,983	1,527	1,703	—	—

# Stock Price of SRG TAKAMIYA (2445:Tokyo)

Average daily trading volume

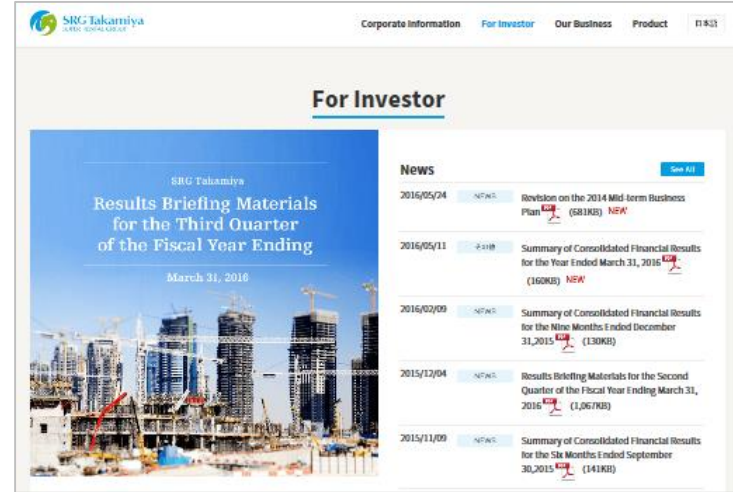
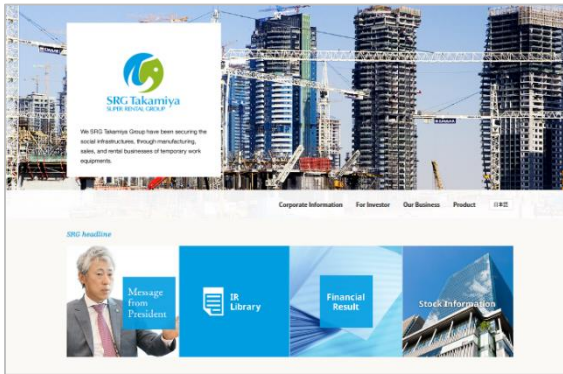


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<https://www.srg.jp/en/ir/index.html> (English)

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