

SRG TAKAMIYA Co., Ltd.

Results Briefing Materials for the Second Quarter of the Fiscal Year Ending March 31, 2018



SRG Takamiya
SUPER RENTAL GROUP

Topics

- **Sep. 1, 2017: Announced "Notice of Short Form Merger".**



Effective from January 1, 2018, the Company will take over its wholly-owned subsidiary, Hory Corporation (head office: 3-10-5, Nihonbashi, Chuo-ku, TOKYO).

Inter-segment sales and reason for take over will be as described later in this document.



Consolidated Financial Results (Cumulative Period)

Consolidated Results (Unit : million yen)	2Q FY Ending March 31, 2018 Forecast (Non-disclosure)		2Q FY Ending March 31, 2018 Results		2Q FY Ended March 31, 2017 Results		% change (YoY)
		Sales ratio		Sales ratio		Sales ratio	
Net sales	18,280	–	17,875	–	17,520	–	+2.0%
Gross profit	5,551	30.4%	5,153	28.8%	5,219	29.8%	(1.3)%
SG&A	4,651	25.4%	4,348	24.3%	4,252	24.3%	+2.2%
Operating income	900	4.9%	804	4.5%	966	5.5%	(16.7)%
Ordinary income	770	4.2%	840	4.7%	740	4.2%	+13.5%
Profit attributable to owners of parent	490	2.7%	608	3.4%	420	2.4%	+44.7%
Earnings per share (Diluted earnings per share)	11.48yen	–	14.22yen [13.79yen]	–	9.64円 [9.36yen]	–	–
Annual dividends per share	–	–	4.00yen	–	3.50円	–	–
Depreciation and amortization	–	–	2,318	13.0%	2,210	12.6%	4.9%
EBITDA	–	–	3,122	17.5%	3,176	18.1%	(1.7)%

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

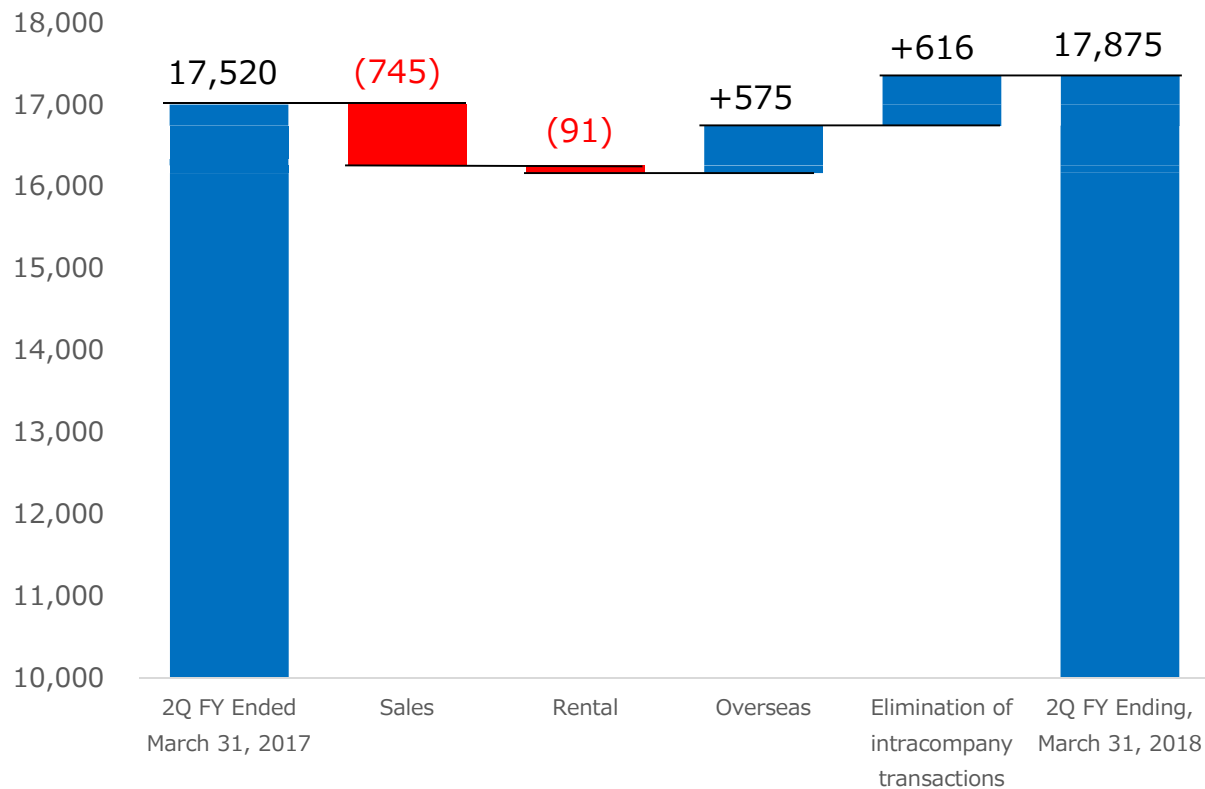
2Q FY Ending March 31, 2018: General Review

Actual result of both sales and rental businesses was lower than the plan, whereas overseas subsidiaries marked surpluses.

Sales/Rental businesses	Overseas business
	
<p>Although slightly lower than as planned, steady growth was maintained around the Iq System. Rental business has faced a problem of being unable to dispatch equipment-for-rent because of nationwide delay in commencement of work.</p>	<p>All overseas subsidiaries marked surplus. Such situations have been brought by the strengthened their internal control schemes.</p>

Factors which caused net sales being less than as planned at the beginning of the period

(単位：百万円)



【Sales business】

- Although sales of the Iq System has maintained steady growth, other construction-related sales decreased.
- Sales of used equipment decreased, whereas agriculture business has grown.

【Rental business】

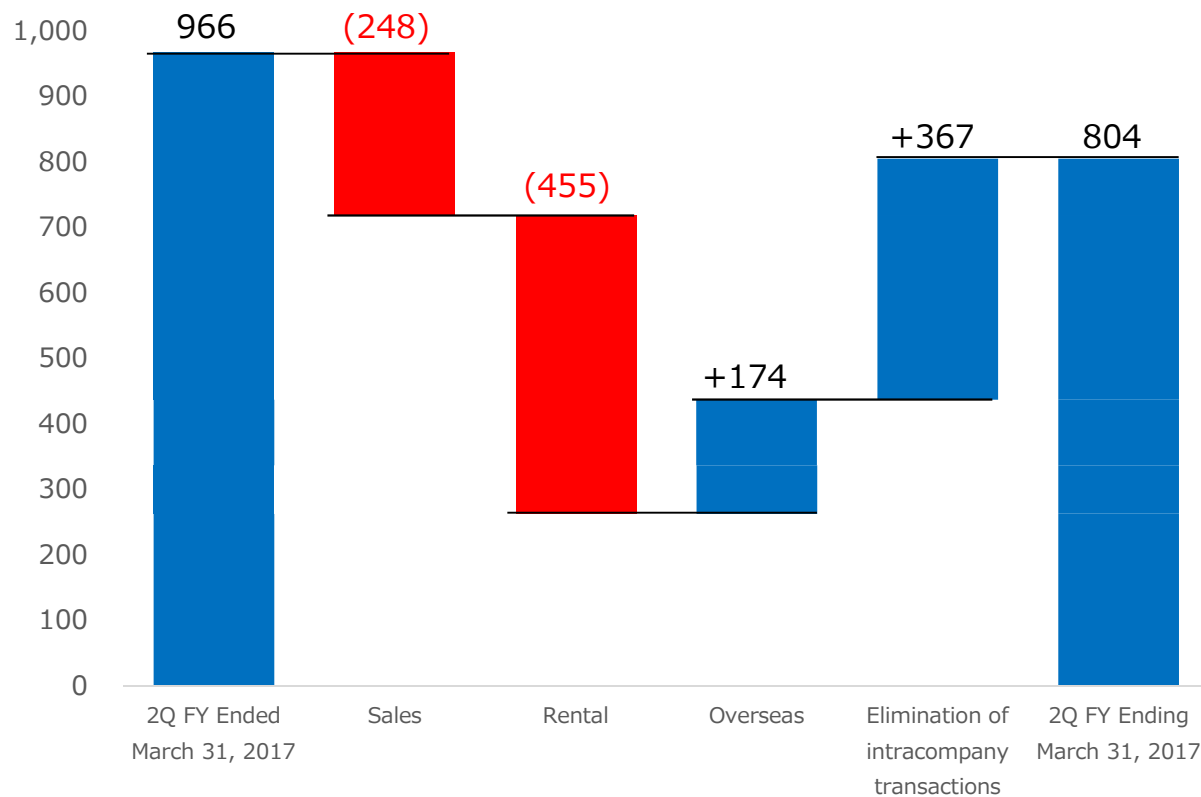
- As well as the Iq System, other construction equipment maintained steady growth.
- Due to the delay in commencement of public works such as civil-engineering, the Company has faced a problem of being unable to dispatch rental equipment despite of having already received orders.

【 Overseas business 】

- Internal control schemes has been strengthened, including operational management and inventory control.
- Especially in the Philippines, aggressive sales activities started in the context of construction demands rising vigorously.

Factors which caused operating income being less than as planned at the beginning of the period

(単位：百万円)



【Sales business】

- Although the Iq System has shown steady growth, decrease in net sales caused lower profit.
- Affected by decreased sales of used equipment had some influence.
- The Company almost achieved its quarterly plan.

【Rental business】

- Similarly to the 1Q, depreciation due to the proactive investment in assets for rent continued increasing and this caused lower performance compared to the previous FY.
- Noteworthy delay in commencement of work has contributed to low level of utilization.

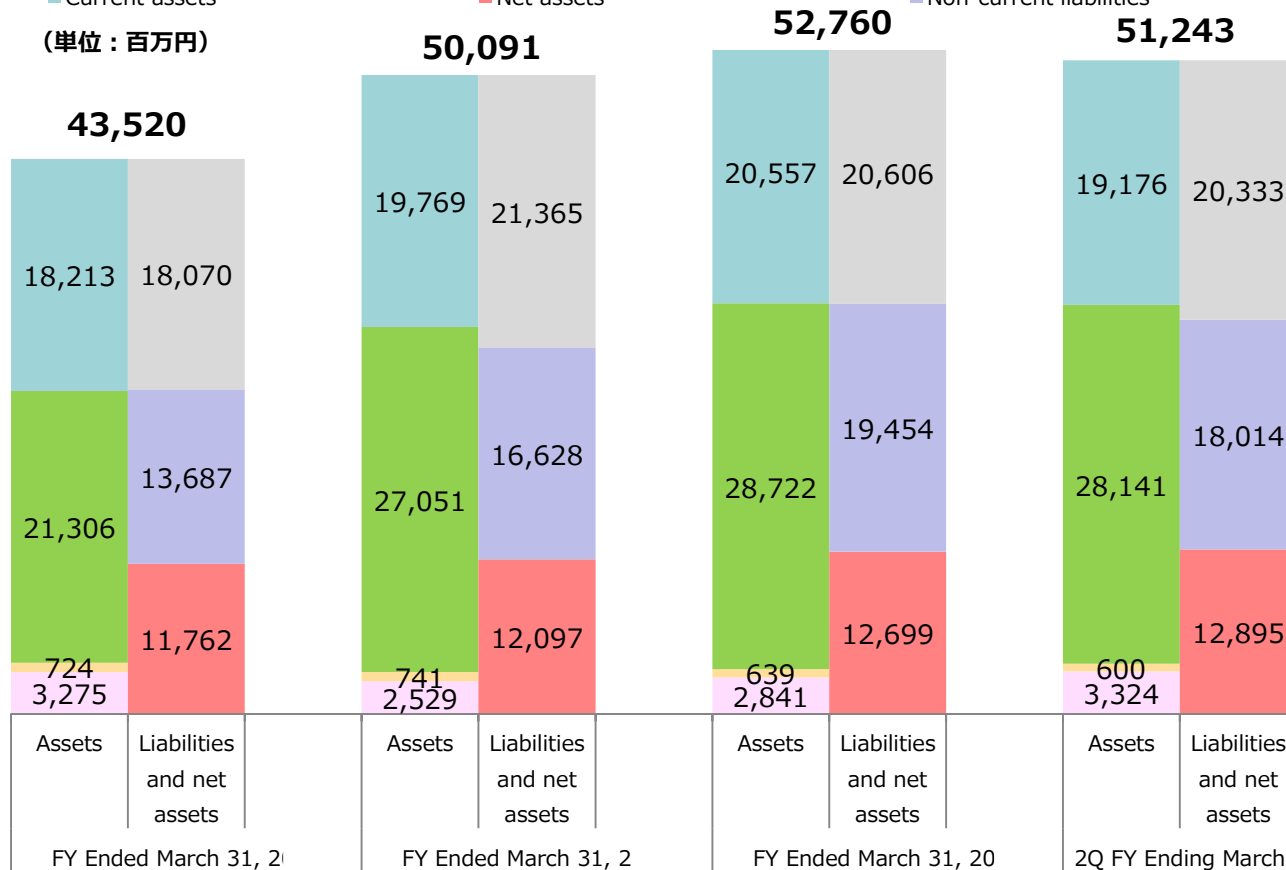
【Overseas business】

- Internal control schemes, including operational management and inventory control have been strengthened.

Change in Consolidated Balance Sheet

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

(単位：百万円)



【Assets】

Current assets

Decrease in Cash & Deposit : 1,172million yen

Decrease in Notes and accounts receivable-trade : 1,019million yen

Non-current assets

Decrease in Assets for rent, net : 443million yen

Decrease in leased assets, net : 67million yen

Intangible assets

Decreases in Goodwill : 23million yen
(DIMENSION-ALL INC.)

Investments and other assets

Increase in Investment securities : 37million yen

【Net Assets】

Increase in Short-term loans payable : 952million yen

Decrease in Income taxes payable : 533million yen

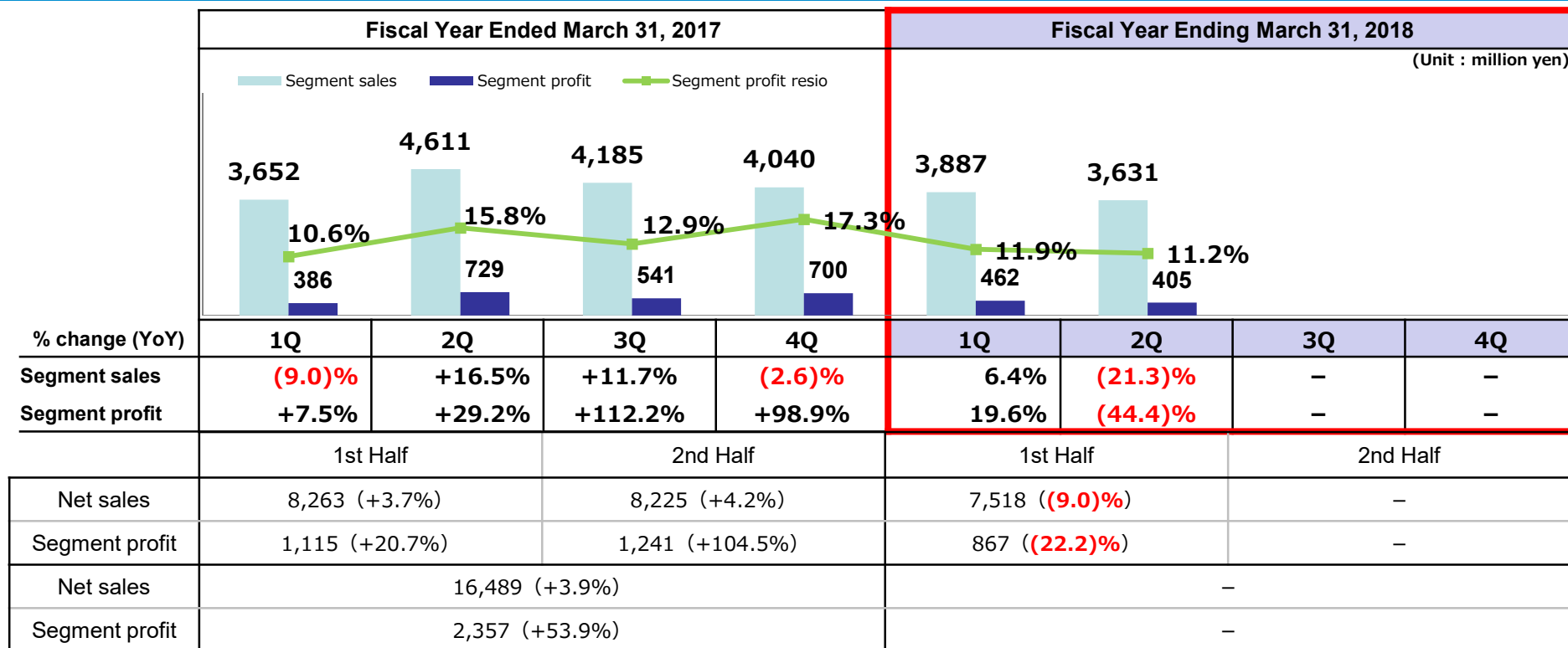
Decrease in Long-term loans payable : 1,197million yen

【純資産の部】

Increase in Retained earnings : 330million yen

Decrease in Foreign currency translation adjustment : 201million yen

Sales business (Per Quarter)

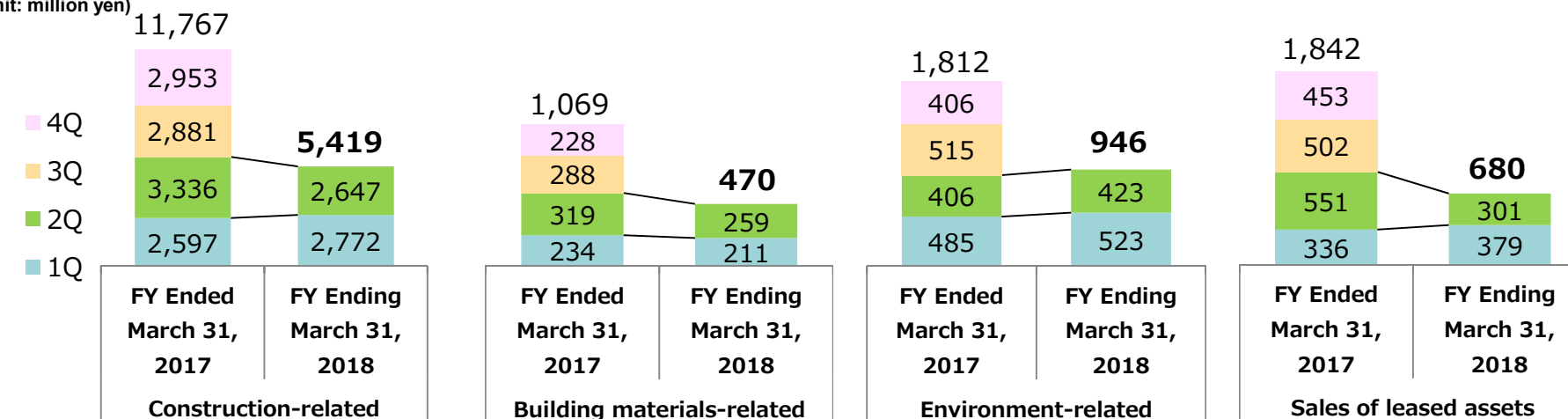


*Segment sales and profit include those from internal transactions.

- Although sales of the Iq System has maintained steady growth, sales of other scaffolding/used equipment decreased.
- Almost achieved its plan, but the Company will still put its efforts to continue reducing the manufacturing cost, leading to improved operating income rate.

Sales business : Net Sales by Field

(Unit: million yen)

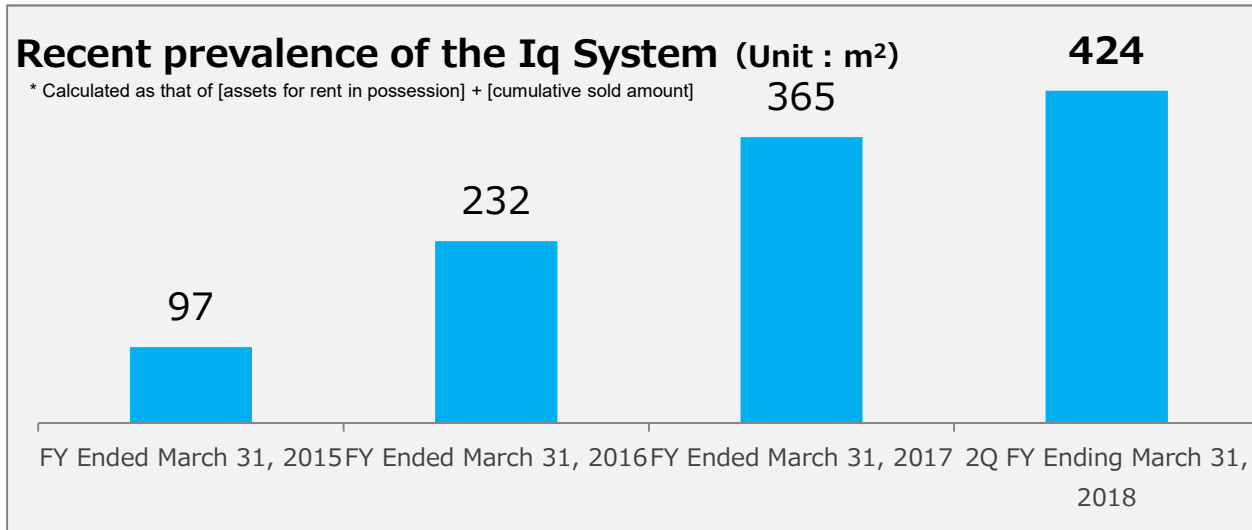


(Unit: million yen)		Fiscal Year Ended March 31, 2017				Fiscal Year Ending March 31, 2018			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Construction-related	Sales (outside Group)	1,506	2,217	1,621	2,471	1,690	1,918	—	—
	Sales (within Group)	1,091	1,119	1,260	482	1,082	728	—	—
Building materials-related		234	319	288	228	211	259	—	—
Environment-related		485	406	515	406	523	423	—	—
Sales of leased assets		336	551	502	453	379	301	—	—

- Sales of the Iq System has maintained steady growth, and those related to construction materials are also steady in the context of raised awareness of disaster prevention. Sales of used equipment decreased, whereas agriculture business has grown.

Sales business : Recent prevalence of the Iq System

Sales of the Iq System maintained steady growth.
 Further growth in the future would be expected in the context of raised awareness of safety due to increased number of accidents.

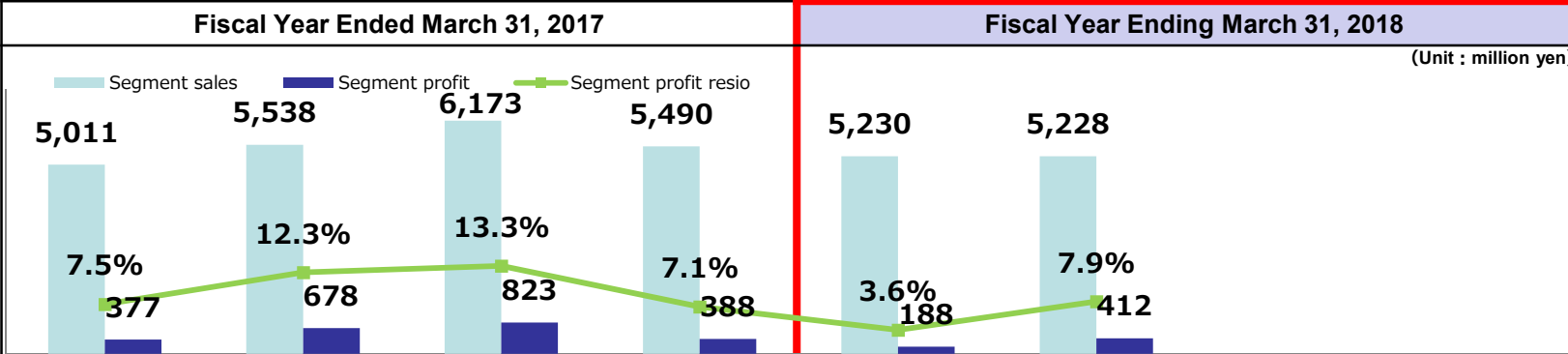


Iq System : 4,240,000m²
 (2,520,000m² [assets for rent in possession]+1,720,000m² [cumulative sold amount])
 Estimated by the Company as (total length* of the support pillar of Iq System)/2 × 1.8 m
 * Calculated as that of [assets for rent in possession] + [cumulative sold amount]

Trend in Iq System net sales

(Unit : million yen)	FY Ended March 31, 2015	FY Ended March 31, 2016	FY Ended March 31, 2017	2Q FY Ending March 31, 2018
Sales results in each period	569	1,344	2,529	1,590
Cumulative sales amount	569	1,913	4,442	6,033

Rental Business (Per Quarter)

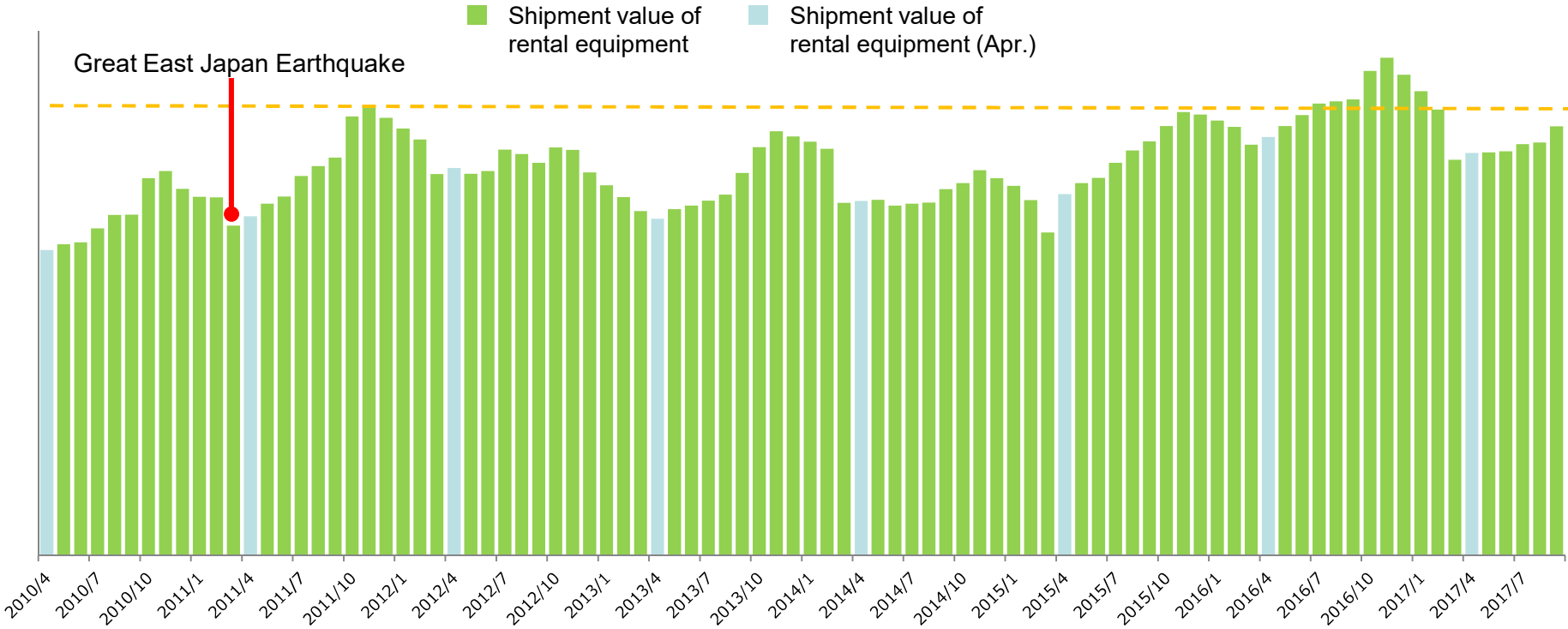
	Fiscal Year Ended March 31, 2017				Fiscal Year Ending March 31, 2018			
	(Unit : million yen)							
								
% change (YoY)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Segment sales	+11.6%	+7.9%	+13.5%	+0.8%	+4.4%	(5.5)%	–	–
Segment profit	+44.0%	(9.1)%	(4.2)%	(54.0)%	(50.1)%	(39.2)%	–	–
	1st Half		2nd Half		1st Half		2nd Half	
Net sales	10,549 (+9.6%)		11,663 (+7.1%)		10,458 ((0.9)%)		–	
Segment profit	1,056 (+4.7%)		1,211 ((28.9)%)		600 ((43.1)%)		–	
Net sales	22,213 (+8.3%)				–			
Segment profit	2,267 ((16.4)%)				–			

* Segment sales and profit include those from internal transactions.

- Similarly to the 1Q, large-scale investment in rental equipment prior to the current term had some impact on cost. Lower profit rate due to sub-rent also had some impact on decreased profit as compared to the previous year.
- Although order-taking of renovation projects showed good performance in both building and civil engineering works, the Company has faced a problem of being unable to dispatch rental equipment because of nationwide delay in commencement of work.

Rental Business : Change in Shipment Value of Rental Equipment

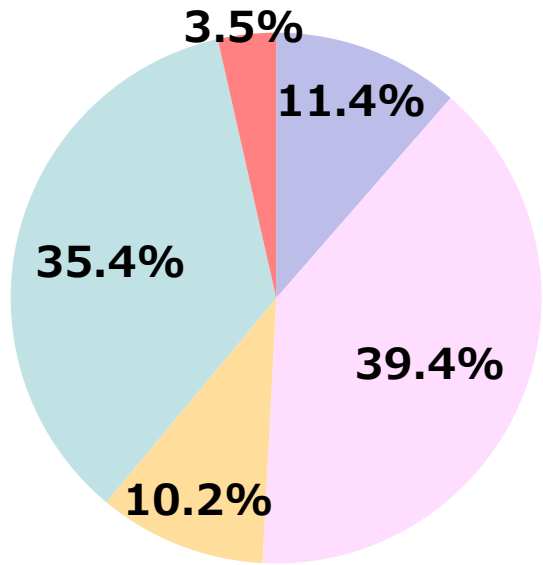
Amount of equipment on-site was substantially lower than the previous year, whereas delivery is increasing towards busy season.



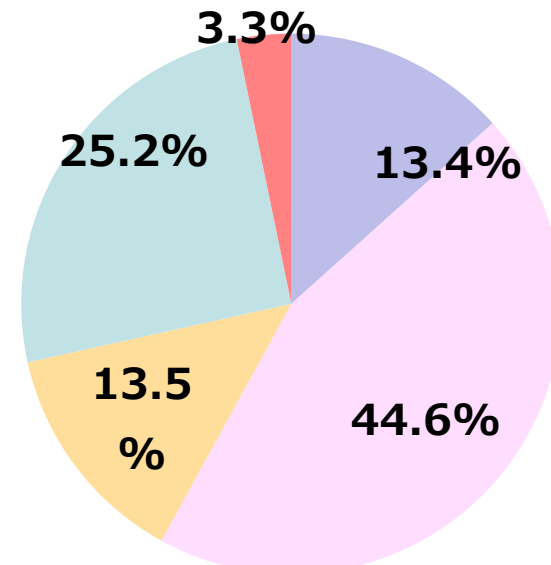
* Delivered value of rental equipment represents the volume of leased assets (converted into purchase price of new items) delivered as rental. The Company does not disclose figures of delivered value of rental equipment.

Rental Business: Ratio of Sales by Area

2Q FY Ended March 31, 2017



2Q FY Ending March 31, 2018



- Tohoku
- Kanto
- Chubu
- Kansai
- Kyusyu

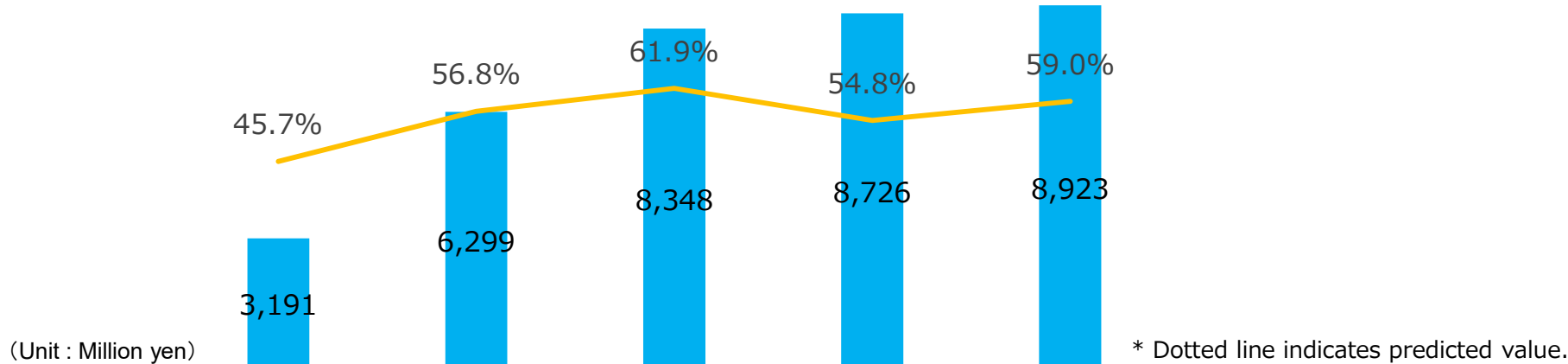
[Example of sites with orders received]			
•Renovation of a power plant	•Renovation of a public housing	•Renovation of a high-rise condominium	•Renovation of a hotel
•The Hokuriku Shinkansen (bullet train)	•The Shin-Meishin Expressway	•Renovation of expressways and bridges	•Countermeasures against sediment disasters

- Demands around Tokyo metropolitan area maintains steady growth due to the upcoming Olympic Games. Although there are not much building projects in the countryside, increase in civil engineering (renovation/repair of bridges) projects could be anticipated

Rental business : Iq system, Change in value of holdings

Both value of holdings and utilization rate are increasing, and higher utilization rate is expected also during the current term.

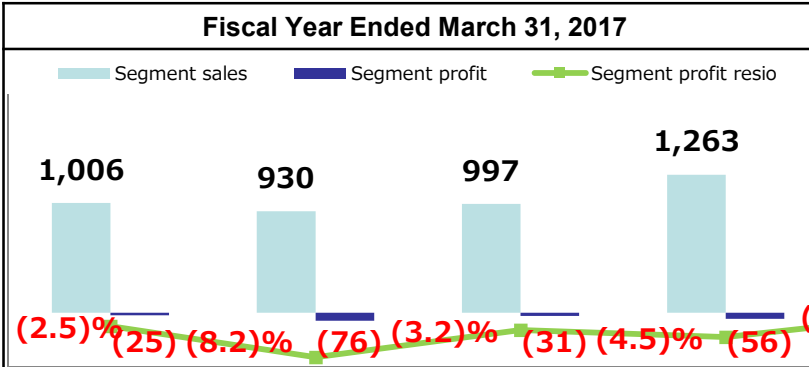
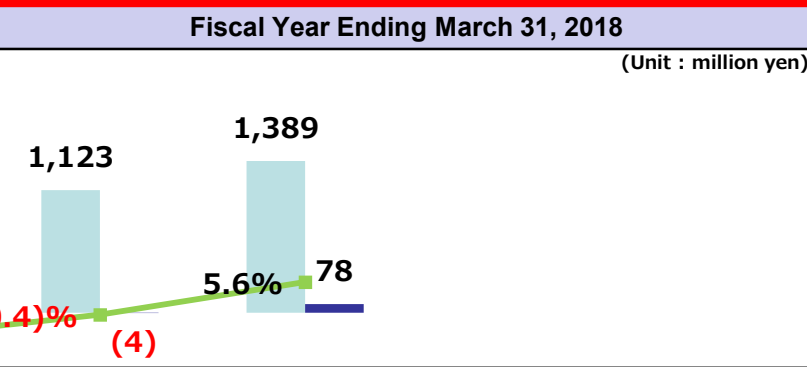
Amount held by Iq operation rate



	FY Ended March 31, 2015	FY Ended March 31, 2016	FY Ended March 31, 2017	FY Ending March 31, 2018			
	4Q	4Q	4Q	1Q	2Q	3Q	4Q
Amount held by Iq (Unit : Million yen)	3,191	6,299	8,348	8,726	8,923	—	—
Number of square meters of Iq held (support pillar Conversion)	810,000㎡	1,780,000㎡	2,390,000㎡	2,480,000㎡	2,520,000㎡	—	—

* Dotted line indicates predicted value.

Overseas business (Per Quarter)

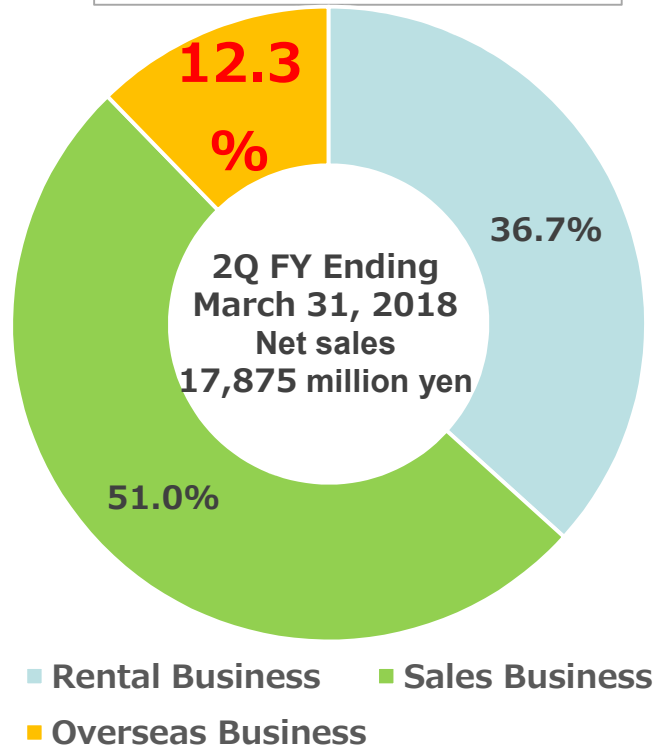
	Fiscal Year Ended March 31, 2017				Fiscal Year Ending March 31, 2018			
								
	(Unit : million yen)							
% change (YoY)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Segment sales	(11.9)%	(19.9)%	(25.1)%	+8.0%	+11.6%	+49.2%	—	—
Segment profit	—	—	—	—	+80.5%	+202.4%	—	—
	1st Half		2nd Half		1st Half		2nd Half	
Net sales	1,937 ((15.9)%)		2,260 ((9.6)%)		2,512 (+29.6%)		—	
Segment profit	(101) ((571.3)%)		(88) (—)		73 (—)		—	
Net sales	4,198 ((4.5)%)				—			
Segment profit	(189) (—)				—			

*Segment sales and profit include those from internal transactions.

- All overseas businesses in Korea, the Philippines and Vietnam registered surpluses.
- Especially in the Philippines, proactive sales activities started in the context of construction demands rising vigorously.

Overseas business

Sales Ratio by Segment



Hory Korea Co., Ltd.

- Enhanced management control regime contributed to the black figure.
- External sales has steadily increased, mainly due to solar-related demand.

HORY VIETNAM Co., Ltd.

- Products for Japanese markets (clamp, etc.) maintained steady growth.

DIMENSION-ALL INC. (Philippines)

- Enhanced management control regime helped improvement in credit administration and increased its order-taking.
- Aggressive sales activities started in the context of high construction demands rising vigorously.
- Six times greater figure of net sales compared to the previous year.

* "Sales Ratio by Segment" is based on net sales before inter-segment elimination.

Financial effect of merging Hory

Inter-segment sales of Sales business decreases significantly.

II Current second quarter consolidated cumulative period (from April 1, 2017 to September 30, 2017)

1. Information on amount of net sales and of income/loss for each reportable segment.

	Sales business	Rental business	Overseas business	Total	Adjustment (Note 1)	(Thousand yen) Amount allocated to the quarterly consolidated P/L statement (Note 2)
Net sales						
Sales to external customers	5,707,326	10,355,773	1,812,234	17,875,334	-	17,875,334
Inter-segment sales or transfer	1,810,925	103,044	700,429	2,614,400	(2,614,400)	-
Total	7,518,252	10,458,818	2,512,663	20,489,734	(2,614,400)	17,875,334
Segment income (loss)	867,475	600,787	73,229	1,541,492	(736,865)	804,627

Notes: 1. Adjusted segment profit (loss) of (736,865) thousand yen includes inter-segment transaction elimination of (3,314) thousand yen and corporate expenses not allocated to individual reportable segments of (733,551) thousand yen. Corporate expenses comprises mainly of general and administrative expenses not attributable to reportable segments.

2. Segment income (loss) is in agreement with the operating income (loss) presented on the Quarterly consolidated statements of income.

2. Information on impairment loss of non-current assets or goodwill, etc. for each reportable segment.

Not applicable.

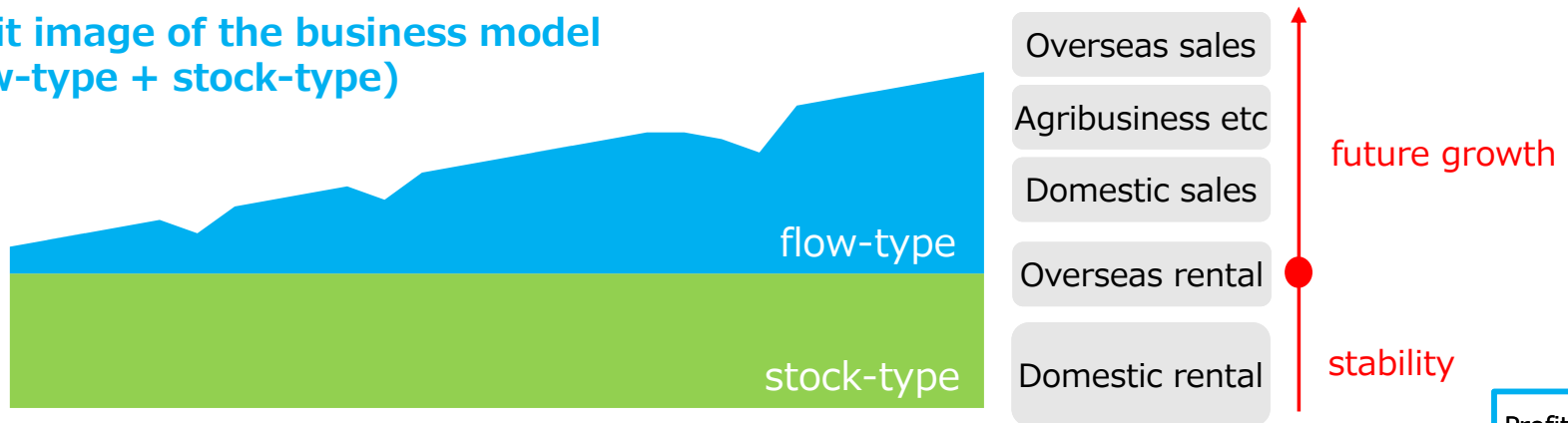
* Source : Summary of Consolidated Financial Results for the Six Months Ended September 30, 2017

Forecasts

SRG Takamiya Group has both stock & flow

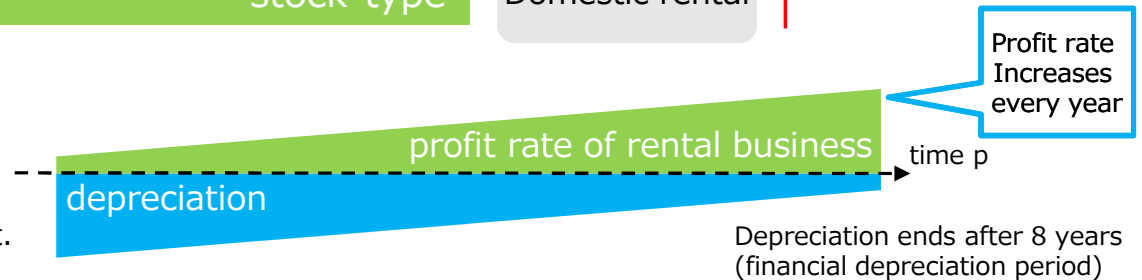
By combining stock-type business (rental business) which has already provided stable profitability with flow-type business (sales business) having prospect of future growth in spite of variability and with overseas business having potential of growth, the Group aims at becoming the one that is able to realize higher profitability and further growth in the mid to long term.

Profit image of the business model (flow-type + stock-type)



Depreciation and profit rate

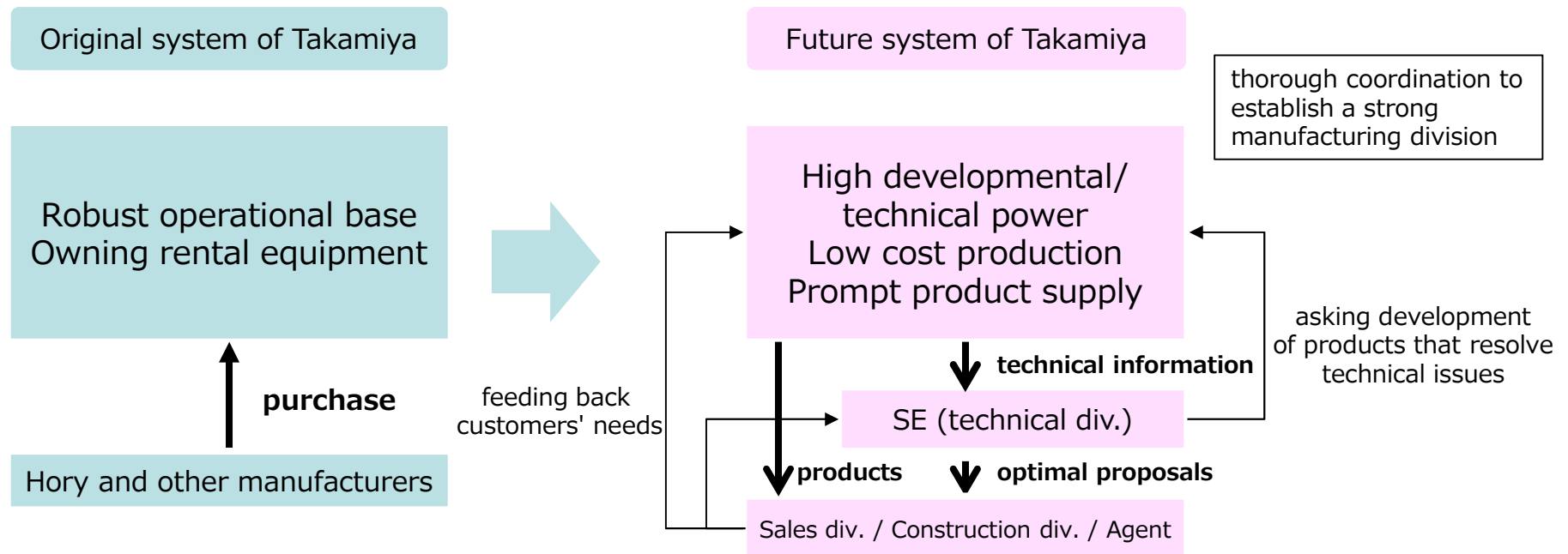
Since depreciation expenses decrease every year, meaning decrease in cost, profit rate of rental business improves in line with depreciation of assets for rent.



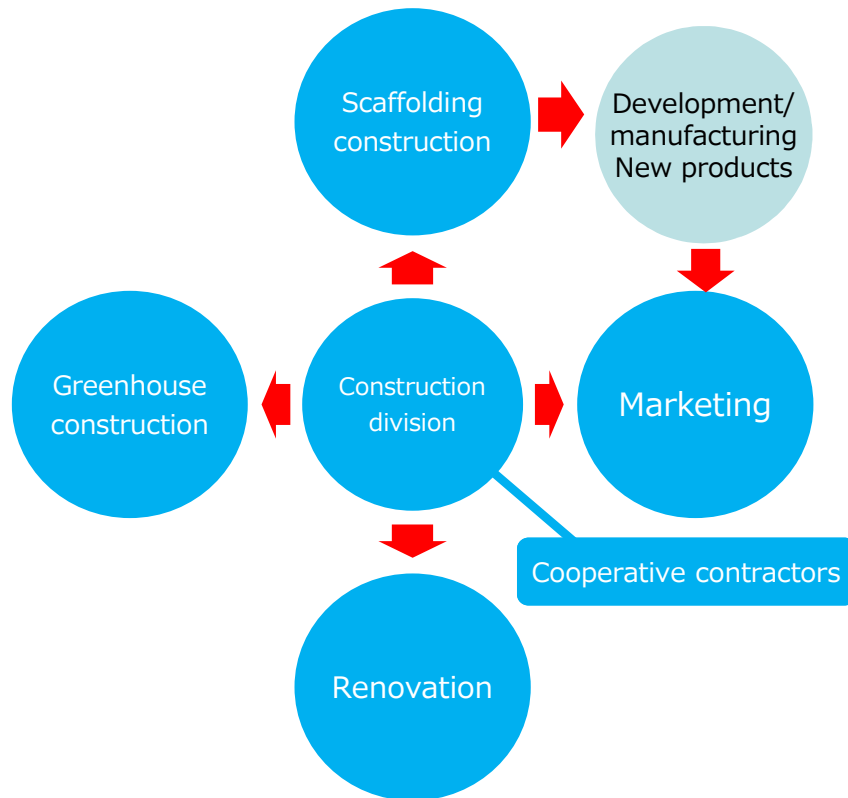
Purpose of merging Hory (restructuring to expand/enhance flow-type business)

Realizing the basic management policy, "Strengthening developmental power that is essential for 'Creation of high-value-added products and growing business'".

By combining stock-type business which accelerates shift to a manufacturer and provides stable profit over the long term with flow-type business which provides short-term profit, well-balanced business model can be built up.



Importance of various roles of Construction division (demand/synergy arising from the division)



【Scaffolding construction】

- Construction is managed by the Company, while equipment and construction work are provided by our cooperative contractors with construction capabilities.

【Greenhouse construction】

- Coherent system is in place ranging from house design, through materials supply to construction. Cooperative contractors are encouraged to aim becoming cross-trained in view of demand for temporary works possibly decreasing in the future.

【New building frame / Renovation】

- Expand the business to other than scaffolding are sought, such as bridge substructure, exterior wall repair and painting.

【Marketing】

- Opinions are fed back to development division, and at the same time products refinement, new commodities development, and PR activities for completed products are also carried out.

Advantages of expending overseas business



- Increasing number of overseas bases, and chance transactions with ASEAN countries.
- Sales/rental of temporary equipment including formwork materials with low utilization in Japan.

Forecasts and objectives for the future

Sales

More repeated order for the Iq System, a next-generation scaffolding. Enhance sales activities targeting new customers.

Increase number of Greenhouses, named "G-Castle".

Rental

Delay in public investment and large civil engineering projects. Increased shipment would be estimated to increase in the 3Q and 4Q.

Tran equipment poorly utilized in Japan should be transferred to overseas markets to maximize profitability.

Greater demands around Tokyo metropolitan area in view of the Olympic Games in 2020.

Overseas

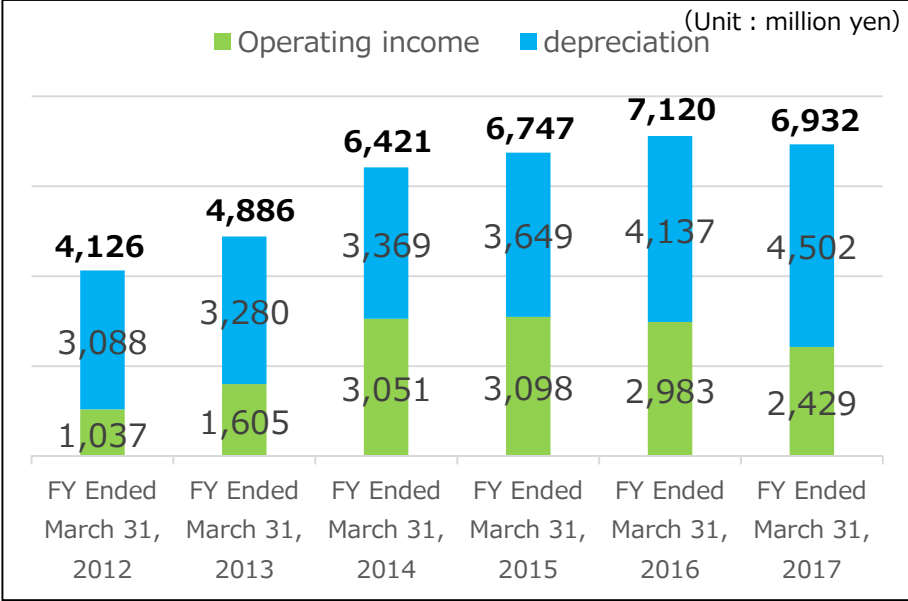
Business evolution and investment are proactively facilitated by returning to profitability.

Enhanced sales activities of temporary equipment in ASEAN countries.

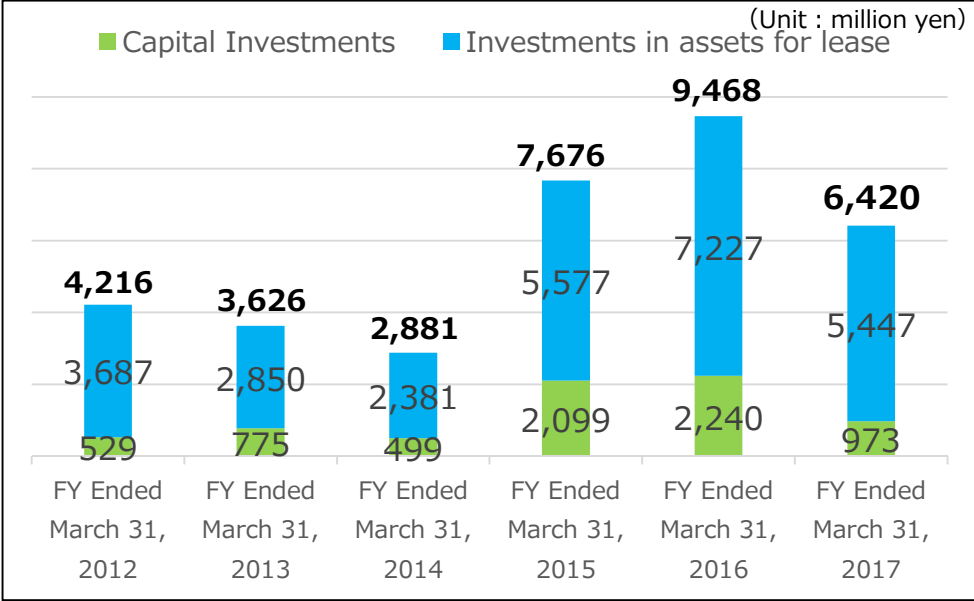
Changes in EBITDA and Investment Performance

It would be the time to have the return for the investment of rental equipment.

EBITDA



Investment Performance



- Investment reached its first peak in 2012.3, and depreciation is expected to sharply decline from 2020.3.
- One billion yen of the Iq System were sold during the 4Q of FY2017, so the current term is the peak of purchasing rental equipment.

FY Ending March 31, 2018 Consolidated performance forecast (Cumulative period)

(Unit : million yen)

	FY Ended March 31, 2018 Forecast		FY Ended March 31, 2017 Results	
		% change (YoY)		% change (YoY)
Net sales	38,300	4.2%	36,763	7.0%
Operating income	2,850	17.3%	2,429	(18.6)%
Ordinary income	2,600	11.3%	2,337	(14.4)%
Profit attributable to owners of parent	1,700	12.1%	1,516	(29.6)%
Earnings per share	39.82yen		35.14円	

Status of shareholder return

	FY Ended March 31, 2014	FY Ended March 31, 2015	FY Ended March 31, 2016	FY Ended March 31, 2017	FY Ending March 31, 2018 (Forecast)
Dividend	¥13	¥16	¥10	¥10	¥11
1Q	–	–	–	–	–
2Q	¥5	¥7	¥3.5	¥3.5	¥4.0
3Q	–	–	–	–	–
4Q	¥8	¥9 * Ordinary dividend ¥6.5 Commemorative dividend ¥2.5	¥6.5	¥6.5	¥7.0
Total amount of dividends	290 million yen	563 million yen	442 million yen	428 million yen	–
Dividend payout ratio	16.2%	27.1%	20.8%	28.5%	27.6%
Treasury shares	–	–	702 million yen	529 million yen	–
Total return ratio	16.2%	27.1%	53.1%	63.2%	–
ROE	18.3%	17.8%	17.9%	12.0%	–

* The Company carried out share splitting to split one share to two shares on April 1, 2013. / The Company carried out share splitting to split one share to two shares on January 1, 2015.

* The Company paid out commemorative dividend of 2.5 yen associated with listing on TSE 1st section, as year-end dividend of the fiscal year ended March 31, 2015.

Reference materials

Company Overview of SRG TAKAMIYA CO., LTD.

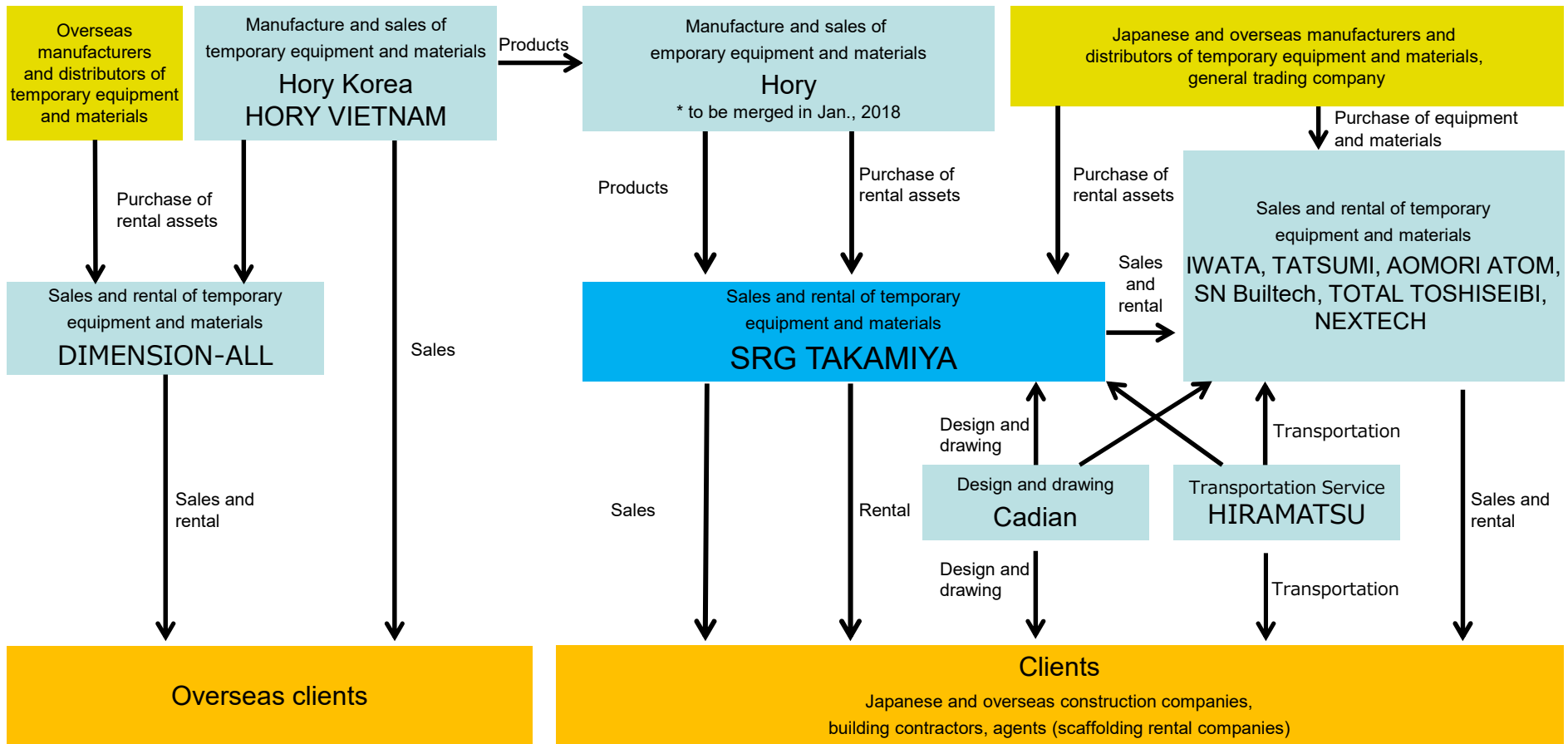
Trade name	SRG TAKAMIYA CO., LTD.
Incorporation	June 21, 1969
Representative	President and representative director, Kazumasa Takamiya
Capital	729,030,000 yen
Number of employees	Consolidated : 1,177; Non-consolidated : 507 (As of end-September, 2017)
Registered head office	Grand Front Osaka, Tower B, 27F, 3-1 Ofuka-cho, Kita-ku, Osaka, Japan
Business locations	<p>Branches: Tohoku-Sendai, Ibaraki,Tokyo, Niigata,Nagoya, Osaka, Chushikoku, Kyushu-Fukuoka (total: 8)</p> <p>Business offices: Sapporo, Morioka, Fukushima, Tsukuba, Kashima, Ichihara, Hokuriku, Fukui, Nagano, Shizuoka, Keiji, Hiroshima, Okinawa (total: 13)</p> <p>Equipment and materials centers: Aomori-Higashidori, Iwate-Morioka, Miyagi-Sendai, Miyagi-Sendai No. 2, Fukushima-Sukagawa, Niigata-Yokogoshi, Niigata-Higashiminato, Niigata-Kenoh, Ibaraki-Chuo, Ibaraki-Tsukuba, Ibaraki-Dejima, Ibaraki-Kashima, Chiba-Okido, Chiba-Ichihara, Saitama-Kuki, Kanagawa-Aikawa, Nagano-Ngano, Shizuoka-Yoshida, Ishikawa-Kanazawa, Fukui-Sabae, Tokai-Kisosaki, Shiga-Omihachiman, Osaka-Hirakata, Osaka-Settsu, Osaka-Kishiwada, Wakayama-Momoyama, Hyogo-Tojo, Hiroshima-Siwa, Kagawa-Sanuki (total: 29)</p>
Consolidated subsidiaries	<p>Hory Corporation; Hory Korea Co., Ltd.; HORY VIETNAM Co., Ltd.; Cadian Co., Ltd.; IWATA Co., Ltd.;HIRAMATSU Co., Ltd.; SN Builtech Co., Ltd.; AOMORI ATOM Co., Ltd.; TOTAL TOSHISEIBI Co., Ltd.; NEXTECH Co., Ltd. ; DIMENSION-ALL Inc. (total: 11)</p> <p>* Hory, to be merged in Jan., 2018</p>
Stock listing	<p>June 2005: JASDAQ Securities Exchange Note: The Company was delisted from the JASDAQ market in January 2008.</p> <p>December 2007: Tokyo Stock Exchange Second Section</p> <p>December 2014: Assigned on Tokyo Stock Exchange First Section</p>



History

- 1969 Jun. Founded as Shin Kansai Co., Ltd., currently SRG TAKAMIYA CO., LTD., in Osaka City.
- 1990 Mar. Established Iwata Ltd. (currently IWATA Co., Ltd., a consolidated subsidiary) in Wakayama Prefecture.
- 1994 Jul. Established Rental Nagakita Ltd. (currently SHINKEN NAGAKITA Co., Ltd., a consolidated subsidiary) in Niigata Prefecture.
- 1994 Aug. Established Tatsumi Ltd., (currently TATSUMI Co., Ltd., a consolidated subsidiary) in Ibaraki Prefecture.
- 1998 Apr. Established Techno Kobo Ltd. (currently Cadian Co., Ltd., a consolidated subsidiary) in Osaka City.
- 2004 Oct. Established HIRAMATSU Co., Ltd. (currently a consolidated subsidiary) in Shizuoka Prefecture.
- 2005 Feb. Succeeded business from Shin Nichimen Kizai Co., Ltd., and established SN Builtech Co., Ltd. (currently a consolidated subsidiary) in Tokyo Metropolis.
- 2005 Jun. Listed its stock on JASDAQ Securities Exchange (Stock Code: 2445)
- 2007 Dec. Listed its stock on Tokyo Stock Exchange Second Section (delisted from JASDAQ in Jan., 2008).
- 2008 Oct. Established AOMORI ATOM Co., Ltd. (currently a consolidated subsidiary) in Aomori Prefecture.
- 2009 Aug. Ishijima Kizai Seisakusho Co., Ltd. (currently TOTAL TOSHISEIBI Co., Ltd. (Nagoya City)) became a consolidated subsidiary.
- 2010 Sep. Hory Corporation (Tokyo Metropolis) became a consolidated subsidiary.
- 2011 Sep. Hory Korea Co., Ltd., a subsidiary of Hory Corporation, became a consolidated subsidiary.
- 2014 Mar. ASAHI KOUGYOU Co., Ltd. (Osaka City) became a consolidated subsidiary.
- 2014 Jul. Established HORY VIETNAM Co., Ltd. (currently a consolidated subsidiary) in Dong Nai province of Vietnam.
- 2014 Dec. Assigned on Tokyo Stock Exchange First Section.
- 2015 Jul. DIMENSION-ALL Inc. became a consolidated subsidiary.
- 2017 Jan. Merged SHINKEN NAGAKITA Co., Ltd.
- 2017 Apr. Merged TATSUMI Co., Ltd.

Business Diagram



Sales business



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



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



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



Construction-related
Safety member
 Preceding handrails, baseboards, handrail members, etc.



Building materials-related
Seismic motion mitigation equipment for wooden Housing
 Original product of Hory (supporting new and existing housing)



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



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



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

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.)

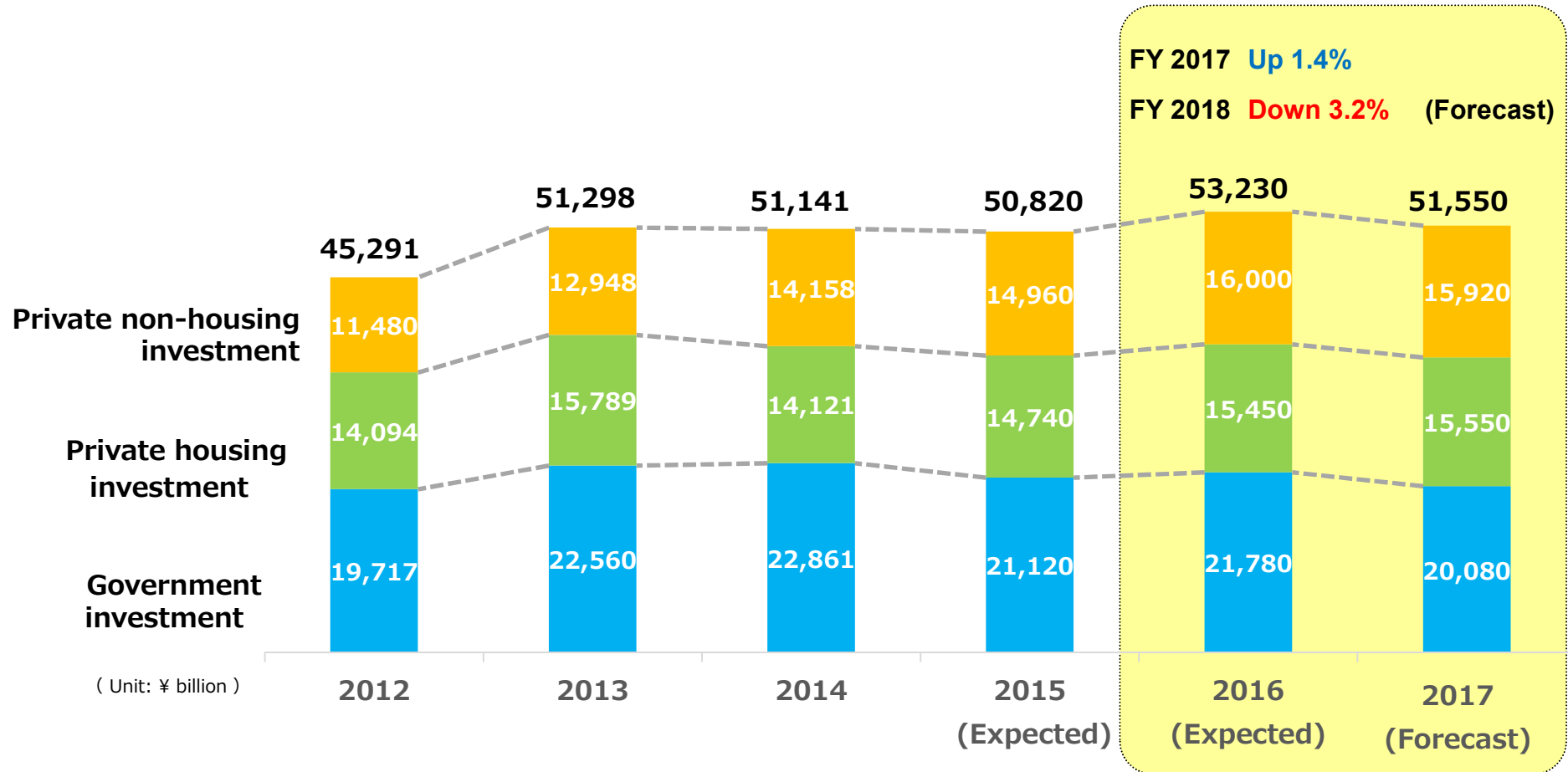
Construction of breakwaters to prevent damage from high waves, high tide water and tsunamis

Overseas bases and business activities

Hory Korea Co.,Ltd	HORY VIETNAM Co.,Ltd	DIMENSION-ALL INC. <small>※The Philippines</small>
		
<p> Manufacture and sales of temporary equipment for construction work; Manufacture and sales of solar panel mounting frames </p>	<p> Manufacture of clamps for Japanese markets; Manufacture of clamps and temporary equipment for Southeast Asian markets </p>	<p> Sales/rental of formwork and falsework for construction work to local construction companies </p>

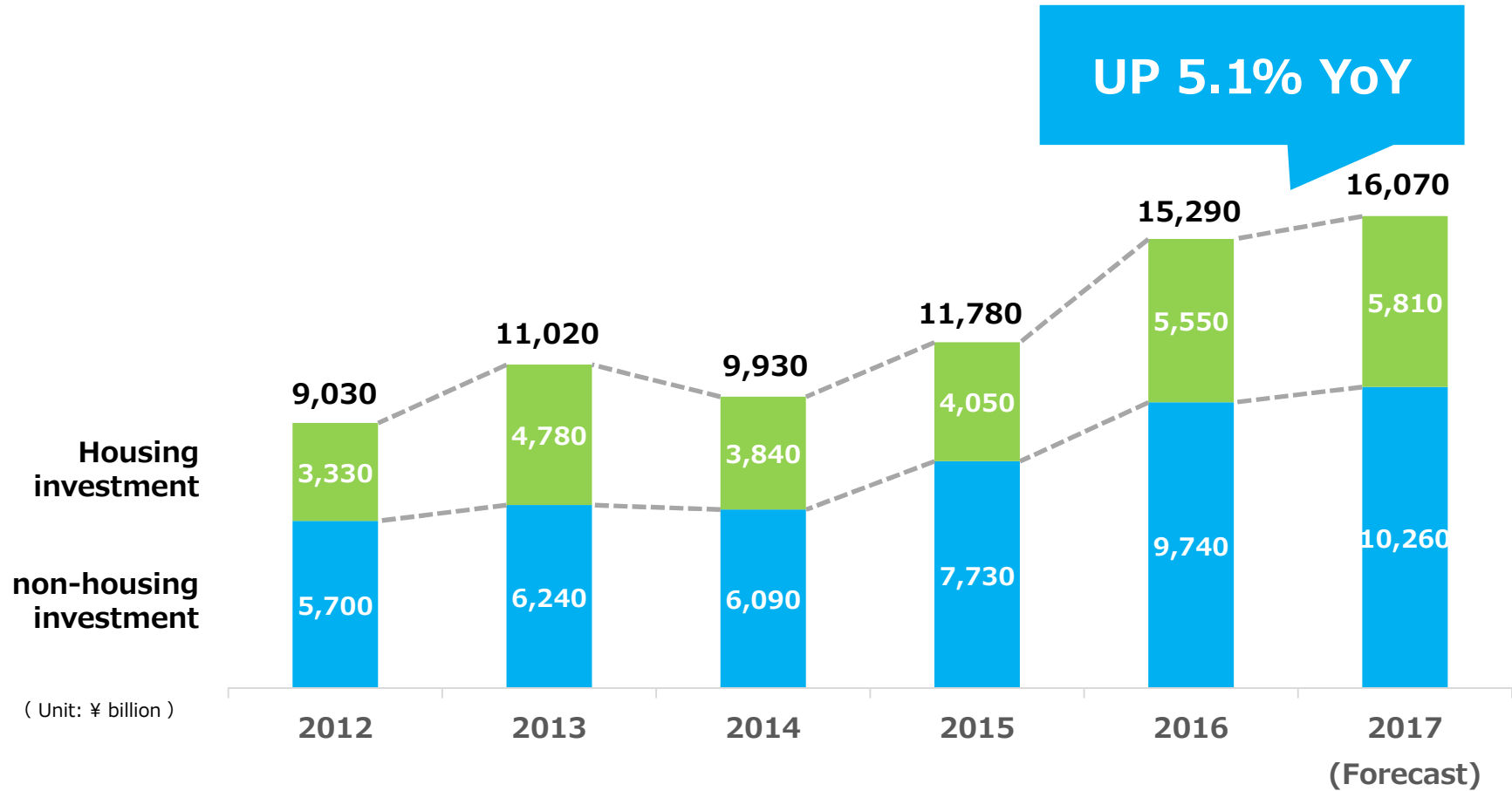
Change in Domestic Construction Investment

Source: Research Institute of Construction and Economy, "Quarterly Outlook of Construction and Macro Economy", October 2017

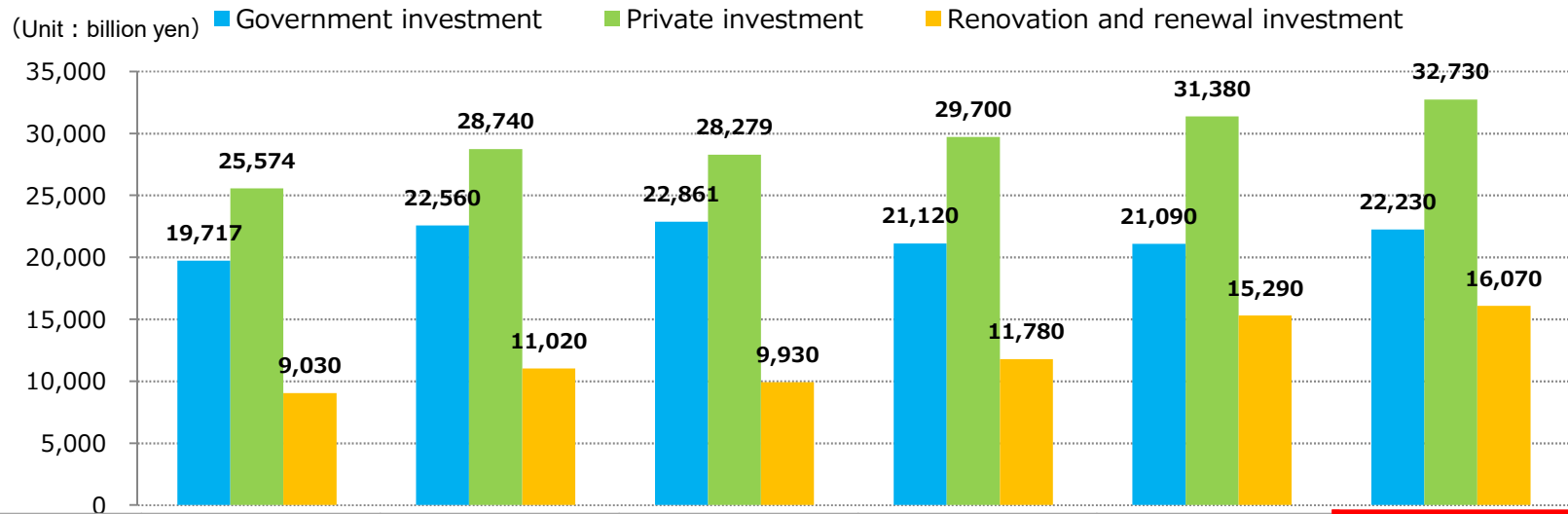


Changes in invested amount for domestic building reform/renewal

Source: Ministry of Land, Infrastructure Transport and Tourism, "Estimate of Construction Investment, FY2017", June 2017



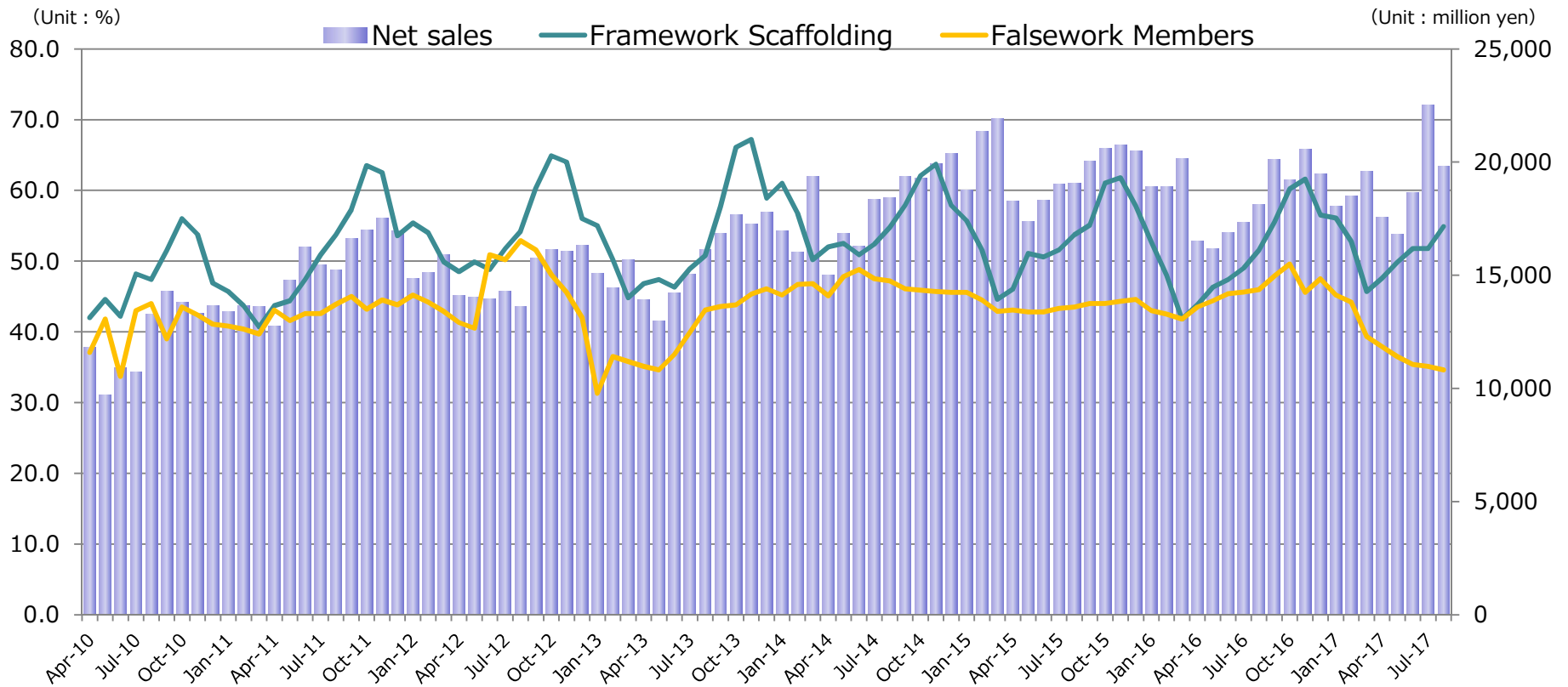
Change in Domestic Construction Investment



Rates year on year	2012	2013	2014	2015 (Expected)	2016 (Expected)	2017 (forecast)
Government investment	5.9%	14.4%	1.3%	(7.6)%	(0.1)%	5.4%
Private investment	3.6%	12.4%	(1.6)%	5.0%	5.7%	4.3%
Renovation and renewal investment	6.5%	22.0%	(9.9)%	18.6%	29.8%	5.1%

※Created based on "construction investment prospects of MLIT"

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

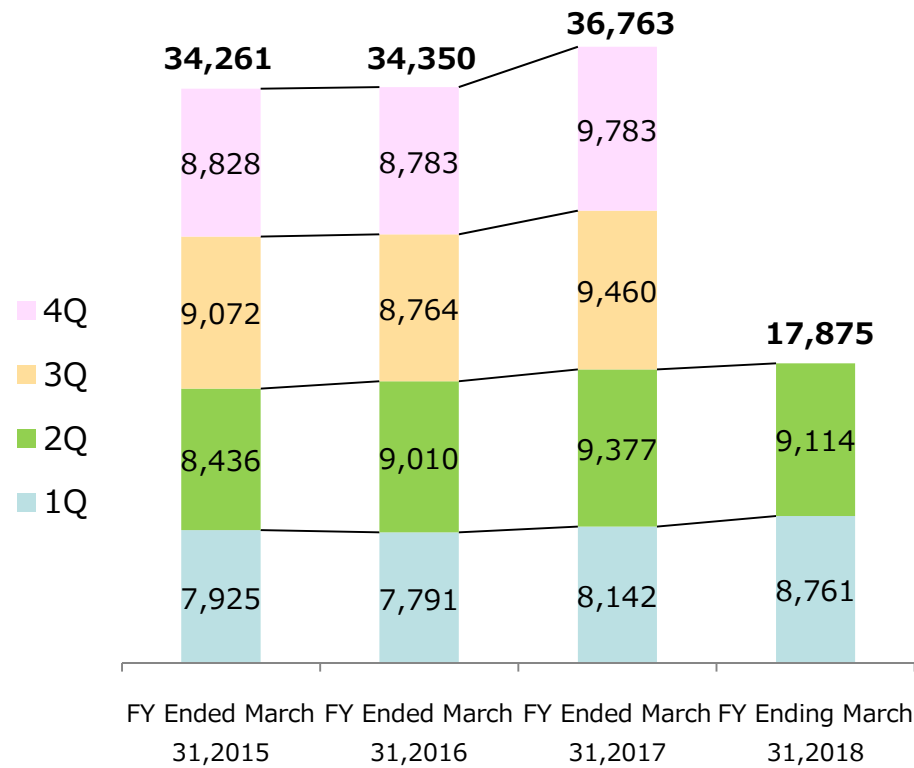


Source: This data has been processed from the Ministry of Land, Infrastructure, Transport and Tourism's "Builder's Equipment Leasing Business Dynamics Survey Time Series."

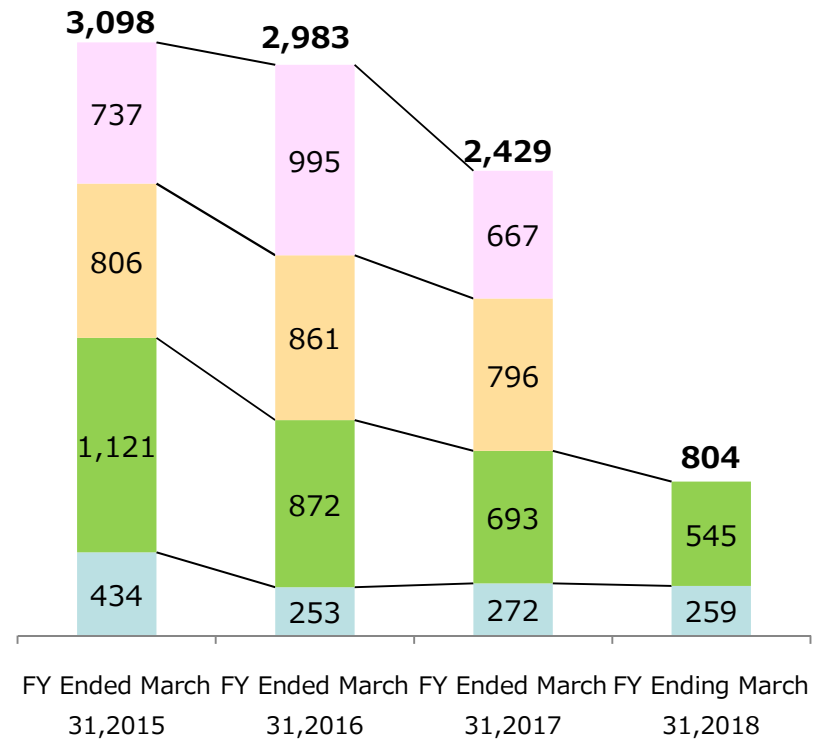
Change in Financial Results

(Unit : million yen)

Net sales



Operating income



Change in Overseas Market

Country	(Billion dollars) (Million people)	2011	2012	2013	2014	2015	2016	2017
Japan	Nominal GDP	6,157	6,203	5,155	4,849	4,382	4,939	4,841
	Population	128	128	127	127	127	127	126
South Korea	Nominal GDP	1,202	1,223	1,306	1,411	1,383	1,411	1,498
	Population	50	50	50	51	51	51	51
Thailand	Nominal GDP	371	398	421	407	399	407	433
	Population	68	68	68	69	69	69	69
Vietnam	Nominal GDP	135	155	170	186	191	201	216
	Population	88	89	90	91	92	93	94
Philippines	Nominal GDP	224	250	272	285	292	305	330
	Population	95	97	98	100	102	104	106
Singapore	Nominal GDP	276	289	303	308	297	297	291
	Population	5	5	5	5	6	6	6
Malaysia	Nominal GDP	298	314	323	338	296	296	310
	Population	29	30	30	31	31	32	32
Myanmar	Nominal GDP	60	60	60	66	60	66	72
	Population	50	51	51	51	52	52	52
Indonesia	Nominal GDP	893	919	917	891	864	932	1021
	Population	242	245	249	252	255	259	262

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

Change in Consolidated Financial Results

(Unit: million yen)	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	FY Ended March 31, 2017
Net sales	23,201	28,113	32,443	34,261	34,350	36,763
Gross Profit	7,202	8,196	9,832	10,356	11,291	10,991
SG&A	6,165	6,590	6,781	7,758	8,307	8,561
Operating income (1)	1,037	1,605	3,051	3,098	2,983	2,429
Ordinary income	1,080	1,553	3,006	3,325	2,731	2,337
Net income	755	807	1,768	2,070	2,153	1,516
Depreciation and amortization (CF) (2)	3,088	3,280	3,369	3,649	4,137	4,502
EBITDA((1) + (2))	4,126	4,886	6,421	6,747	7,120	6,932
	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	FY Ended March 31, 2017
ROE (Return on equity)	12.7%	12.2%	21.5%	19.8%	18.7%	12.6%
Return on sales (3)	3.3%	2.9%	5.5%	6.0%	6.3%	4.1%
Total asset turnover (4)	0.7	0.8	0.9	0.8	0.7	0.7
ROA ((3) × (4)) (Return on assets)	3.5%	4.7%	8.4%	8.2%	5.8%	4.5%

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

Change in Consolidated Balance Sheet

(Unit: million yen)	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	FY Ended March 31, 2017
Current assets	12,202	13,725	15,892	18,213	19,769	20,557
Non-current assets	20,269	20,262	21,353	25,307	30,321	32,203
Current liabilities	12,351	14,117	15,356	18,070	21,365	20,606
Short-term loans payable	417	416	1,200	3,168	4,958	5,163
Non-current liabilities	13,740	12,760	12,130	13,687	16,628	19,454
Long-term loans payable	10,036	9,637	9,376	10,913	13,304	15,403
Net assets (Equity)	6,380	7,110	9,758	11,762	12,097	12,699
Total assets	32,472	33,987	37,245	43,520	50,091	52,760
	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	FY Ended March 31, 2017
Current ratio	98.8%	97.2%	103.5%	100.8%	92.5%	99.8%
Non-current assets to equity ratio	323.2%	291.7%	224.4%	221.0%	257.7%	261.0%
Equity ratio	19.3%	20.4%	25.5%	26.3%	23.5%	23.4%
D/E ratio	283.6%	250.5%	174.5%	188.9%	226.4%	237.4%

Quarterly Change in Results by Segment (Per Quarter)

(Unit: million yen)		Fiscal Year Ended March 31, 2017				Fiscal Year Ending March 31, 2018			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales business	Segment sales	3,652	4,611	4,185	4,040	3,887	3,631	–	–
	(Of which) Inter-segment sales	2,561	3,491	2,924	3,558	2,804	2,902	–	–
	Segment profit	386	729	541	700	509	404	–	–
	Segment margin (%)	10.6%	15.8%	12.9%	17.3%	13.1%	11.1%	–	–
(YoY % change)	Segment sales	(9.0)%	+16.5%	+11.7%	(2.0)%	+6.4%	(21.3)%	–	–
	Segment profit	+7.5%	+29.2%	+112.2%	+98.9%	+31.7%	(44.5)%	–	–
Rental business	Segment sales	5,011	5,538	6,173	5,490	5,181	5,228	–	–
	(Of which) Inter-segment sales	4,951	5,409	6,124	5,411	5,177	5,178	–	–
	Segment profit	377	678	823	388	115	412	–	–
	Segment margin (%)	7.5%	12.3%	12.9%	7.1%	2.2%	7.9%	–	–
(YoY % change)	Segment sales	+11.6%	+7.9%	+13.5%	+0.8%	+3.4%	(5.6)%	–	–
	Segment profit	+44.0%	(9.1)%	(4.2)%	(54.0)%	(69.4)%	(39.2)%	–	–
Overseas business	Segment sales	1,006	930	997	1,263	1,123	1,388	–	–
	(Of which) Inter-segment sales	629	475	411	813	778	1,033	–	–
	Segment profit	(25)	(76)	(31)	(56)	(10)	78	–	–
	Segment margin (%)	(2.5)%	(8.2)	(3.2)%	(4.5)%	(0.9)%	5.6%	–	–
(YoY % change)	Segment sales	(11.9)%	(19.9)%	(25.1)%	(11.9)%	+11.6%	+49.2%	–	–
	Segment profit	(204.5)%	–	(142.9)%	(167.0)%	(58.3)%	–	–	–
Total net sales		9,670	11,081	11,356	10,793	10,192	10,248	–	–
(Of which) Inter-segment sales		8,142	9,377	9,460	9,783	8,761	9,113	–	–

Quarterly Change in Results by Segment (Cumulative Period)

(Unit: million yen)		Fiscal Year Ended March 31, 2017				Fiscal Year Ending March 31, 2018			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales business	Segment sales	3,652	8,263	12,448	16,489	3,887	7,518	—	—
	(Of which) Inter-segment sales	2,561	6,052	8,977	12,535	2,804	5,707	—	—
	Segment profit	386	1,115	1,657	2,357	462	867	—	—
	Segment margin (%)	10.6%	13.5%	13.3%	14.3%	11.9%	11.5%	—	—
(YoY % change)	Segment sales	(9.0)%	+3.7%	+6.3%	+3.9%	+6.4%	(9.0)%	—	—
	Segment profit	+7.5%	+20.7%	+40.5%	+53.9%	+19.6%	(22.3)%	—	—
Rental business	Segment sales	5,011	10,549	16,723	22,213	5,181	10,458	—	—
	(Of which) Inter-segment sales	4,951	10,361	16,486	21,897	5,177	10,355	—	—
	Segment profit	377	1,056	1,879	2,267	188	600	—	—
	Segment margin (%)	7.5%	10.0%	13.3%	10.2%	3.6%	5.7%	—	—
(YoY % change)	Segment sales	+11.6%	+9.6%	+11.0%	+8.3%	+4.4%	(0.9)%	—	—
	Segment profit	+44.0%	+4.7%	+0.6%	(16.4)%	(50.1)%	(43.1)%	—	—
Overseas business	Segment sales	1,006	1,937	2,935	4,198	1,123	2,512	—	—
	(Of which) Inter-segment sales	629	1,105	1,516	2,329	778	1,812	—	—
	Segment profit	(25)	(101)	(132)	(189)	(4)	73	—	—
	Segment margin (%)	(2.5)%	(5.2)%	(4.5)%	(12.6)%	(0.4)%	2.9%	—	—
(YoY % change)	Segment sales	(11.9)%	(15.9)%	(19.3)%	(12.6)%	+11.6%	+29.7%	—	—
	Segment profit	(204.5)%	(571.3)%	(239.3)%	(205.4)%	+80.5%	—	—	—
Total net sales		9,670	20,751	32,107	42,901	10,192	20,489	—	—
(Of which) Inter-segment sales		8,142	17,520	26,980	36,763	8,761	17,875	—	—

Stock Price of SRG TAKAMIYA (2445:Tokyo)



IRコンタクト

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The purpose of this material is to provide information pertaining to the Second Quarter of the fiscal year ended March 31, 2018. It is not intended to solicit investment in securities issued by the Company.

These materials were prepared based on data available as of September 30, 2017, with some exceptions.

The opinions, estimates, etc. described in these materials are the Company's assessments as of the date of preparation of the materials. The Company does not guarantee or make any promises regarding the accuracy or safety of the information. Furthermore, in the future, the Company may change the information without prior notice.