



# Results Briefing Materials for the Fiscal Year Ended March 31, 2020

Takamiya Co., Ltd.  
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## Agenda

- Topics
- Description of consolidated performance of the fiscal year ended March 31, 2020
- Progress of "2018 Medium-term Management Plan
- Consolidated performance forecasts for the year ending March 31, 2021 / Prospects and strategies for the future



## Company Overview of Takamiya Co., Ltd.

Trade name	Takamiya Co., Ltd.
Incorporation	June 21, 1969
Representative	Representative director, Kazumasa Takamiya
Capital	1,050,114,385 yen
Number of employees	Consolidated : 1,489; Non-consolidated : 776 (As of end-March, 2020)
Registered head office	Grand Front Osaka, Tower B, 27F, 3-1 Ofuka-cho, Kita-ku, Osaka, Japan



Business locations	Branches: Tohoku-Sendai, Ibaraki, Tokyo, Niigata, Nagoya, Osaka, Chushikoku, Kyushu-Fukuoka (total: 8) Business offices: Sapporo, Morioka, Fukushima, Tsukuba, Kashima, Ichihara, Hokuriku, Fukui, Nagano, Shizuoka, Keiji, Hiroshima, Okinawa (total: 13) Equipment centers : Aomori-Higashidori, Iwate-Morioka, Miyagi-Sendai No. 2, Fukushima-Hirono, Niigata-Yokogoshi, iigata-Nagaoka, Ibaraki-Chuo, Ibaraki-Tsukuba, Ibaraki-Dejima, Ibaraki-Kashima, Chiba-Okido, Chiba-Ichihara, Saitama-Kuki, Kanagawa-Aikawa, Shinsyu-Ngano, Shizuoka-Yoshida, Ishikawa-Kanazawa, Fukui-Sabae, Tokai-Kisosaki, Shiga-Omihachiman, Osaka-Hirakata, Osaka-Settsu, Wakayama-Momoyama, Hyogo-Tojo, Hyogo-Kobe, Hiroshima-Shiwa, Kagawa-Sanuki (total: 27)
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Consolidated subsidiaries	[Japan total:7] IWATA Co., Ltd. ; HIRAMATSU Co., Ltd. ; AOMORI ATOM Co., Ltd. ; TOTAL TOSHISEBI Co., Ltd. ; NEXTECH Co., Ltd. ; Cadian Co., Ltd. ; Nakaya Kizai Co., Ltd [Overseas total:3] Hory Korea Co. Ltd ; HORY VIETNAM Co., Ltd. ; DIMENSION-ALL INC. (total:10)
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Stock listing	Jun. 2005: JASDAQ Securities Exchange Note: The Company was delisted from the JASDAQ market in January 2008. Dec. 2007: Tokyo Stock Exchange Second Section Dec. 2014: Assigned on Tokyo Stock Exchange First Section
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# 1. Summary of consolidated performance

## 1.1 Business overview

- ✓ During the first half, in addition to good sales results thanks to full-swing popularization of the Iq System, steady growth of shipment of equipment for construction work of Hokuriku Shinkansen (bullet train) having continued since the previous term and improvement in profitability of overseas business segment have led to increase in both revenues and earnings, as net sales and operating income increased by 6.6% and 76.0% respectively YoY.
- ✓ In the 3Q, rental business segment exerted a pull, and other segments also achieved good performance. Net sales increased by 7.6% YoY, and despite increase in SG&A expenses associated with anniversary events and profit return to employees (incentive bonus), operating income increased by 38.2% YoY, thus increase in both revenues and earnings could be maintained.
- ✓ In the 4Q, impacts of the recent widespread of the new coronavirus infections were minor, and even though rental business segment had some equipment returned from large-scale sites, the Iq System continued to exert a pull of business performance in both sales and rental segments, eventually exceeded the previous highest level.



# 1. Summary of consolidated performance

1.2 Oct. 28: Revised performance forecasts were announced

(Unit : million yen)	Previous Forecast	Revised Forecast	Change (y/y)		the fiscal year ended March 31, 2019 Results
			Change Amount	Sales ratio	
Net sales	44,700	<b>45,590</b>	3,407	+8.1%	42,182
Operating income	3,200	<b>3,930</b>	1,216	+44.8%	2,713
Ordinary income	2,920	<b>3,630</b>	967	+36.3%	2,662
Profit attributable to owners of parent	1,940	<b>2,440</b>	802	+49.0%	1,637
Earnings per share (Diluted earnings per share)	45.26 yen	<b>54.28 yen</b>			38.22 yen
Annual dividends per share	13.00 yen	<b>14.00 yen</b>			11.00 yen



# 1. Summary of consolidated performance

## 1.3 Full-year consolidated results

**Every step income increased by double-digit and exceeded the previous highest level (FY Ended March 31, 2015)**

Consolidated Results (Unit : million yen)	FY03/2020 Forecast		FY03/2020 Results		FY03/2019 Results		% change (y/y)
	(Revised)	Sales ratio		Sales ratio		Sales ratio	
Net sales	45,590	100.0%	46,065	100.0%	42,182	100.0%	+9.2%
Gross profit	—	—	14,014	30.4%	12,132	28.8%	+15.5%
SG&A	—	—	10,311	22.4%	9,418	22.3%	+9.5%
Operating income	3,930	8.6%	3,703	8.0%	2,713	6.4%	+36.5%
Ordinary income	3,630	8.0%	3,541	7.7%	2,662	6.3%	+33.0%
Profit attributable to owners of parent	2,440	5.4%	2,370	5.1%	1,637	3.9%	+44.8%
Earnings per share (Diluted earnings per share)	54.28 yen	—	52.74 yen (51.28 yen)	—	38.22 yen (37.06 yen)	—	—
Annual dividends per share	13.00 yen	—	14.00 yen	—	11.00 yen	—	—
Depreciation and amortization	—	—	4,804	10.4%	4,777	11.3%	+0.6%
EBITDA	—	—	8,508	18.5%	7,491	17.8%	+13.6%



# 1. Summary of consolidated performance

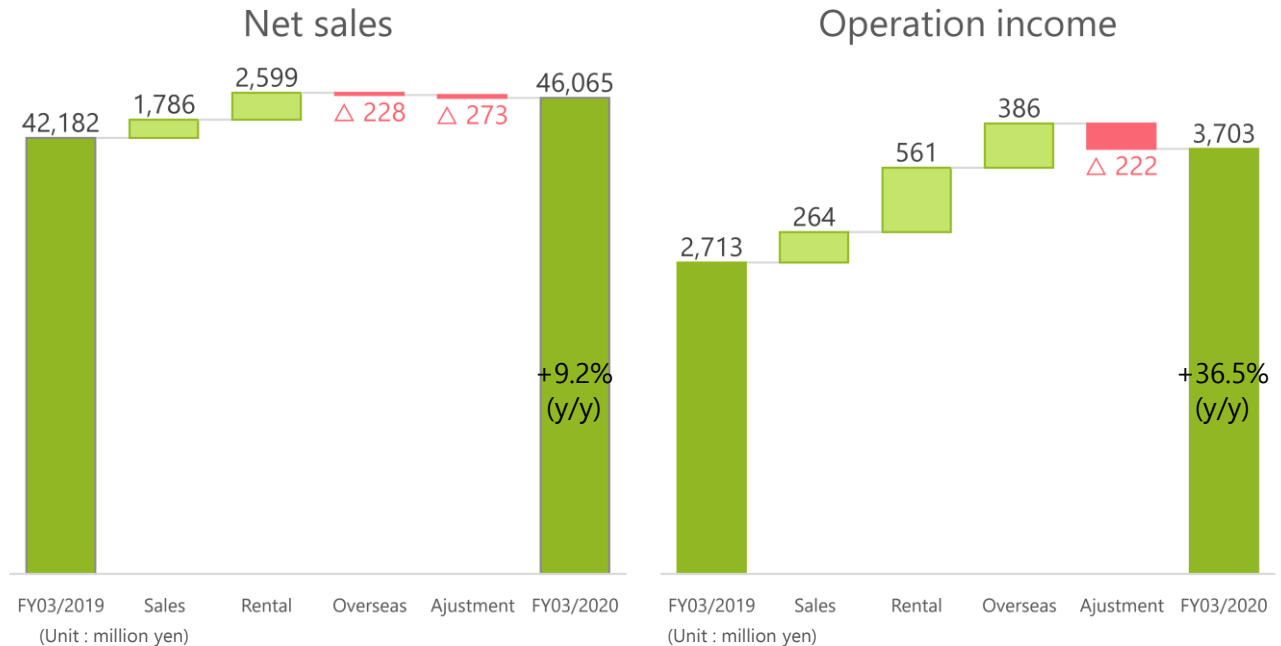
## 1.4 Factors of increase/decrease in net sales and operating income

### Net sales

- ✓ Increased by 3,883 million yen (+9.2% YoY): Both Rental business and Sales business contributed, whereas overseas large-scale projects passed a peak.

### Operating income

- ✓ Increased by 989 million yen (+36.5% YoY): Rental/Sales business segments achieved good performance, and Overseas segment income turned to positive figure thanks to unprofitable projects having passed a peak.



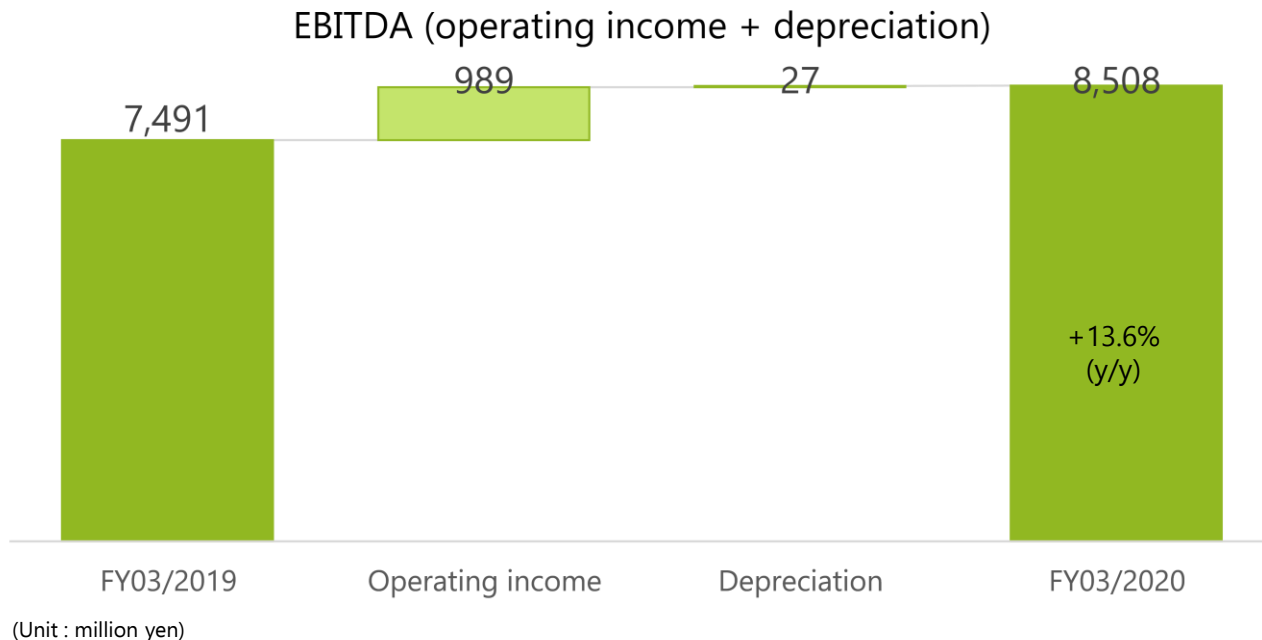




# 1. Summary of consolidated performance

## 1.5 EBITDA (operating income + depreciation)

- ✓ Main cause of increase by 1,016 million yen YoY is increase in operating income.
- ✓ Depreciation remained mostly level because investment in assets for rent passed its peak (as planned).





# 1. Summary of consolidated performance

## 1.6 Performance by segment

- ✓ Rental/Sales segments both achieved good performance as double-digit increase in revenues, and Overseas segment maintained steady growth by staying at a level only slightly lower despite large-scale projects having passed a peak during the first half.
- ✓ Double-digit increase in every segmental operating income. Improved operating income ratios in Rental and Overseas business segments.

Unit : million yen	Net sales			Segment profit (sales ratio)		
	FY03/2019	FY03/2020	% change y/y	FY03/2019	FY03/2020	% change y/y
<b>Sales Business</b>	13,512	<b>15,299</b>	+13.2%	1,670 (12.4%)	<b>1,934 (12.6%)</b>	+15.8%
<b>Rental Business</b>	23,519	<b>26,118</b>	+11.1%	2,464 (10.5%)	<b>3,025 (11.6%)</b>	+22.8%
<b>Overseas business</b>	7,535	<b>7,306</b>	△3.0%	24 (0.3%)	<b>410 (5.6%)</b>	+1583.8%



## 2. Sales business

### 2.1 Factors of increase/decrease YoY

#### Net sales:

**+1,787 million yen (increased)**

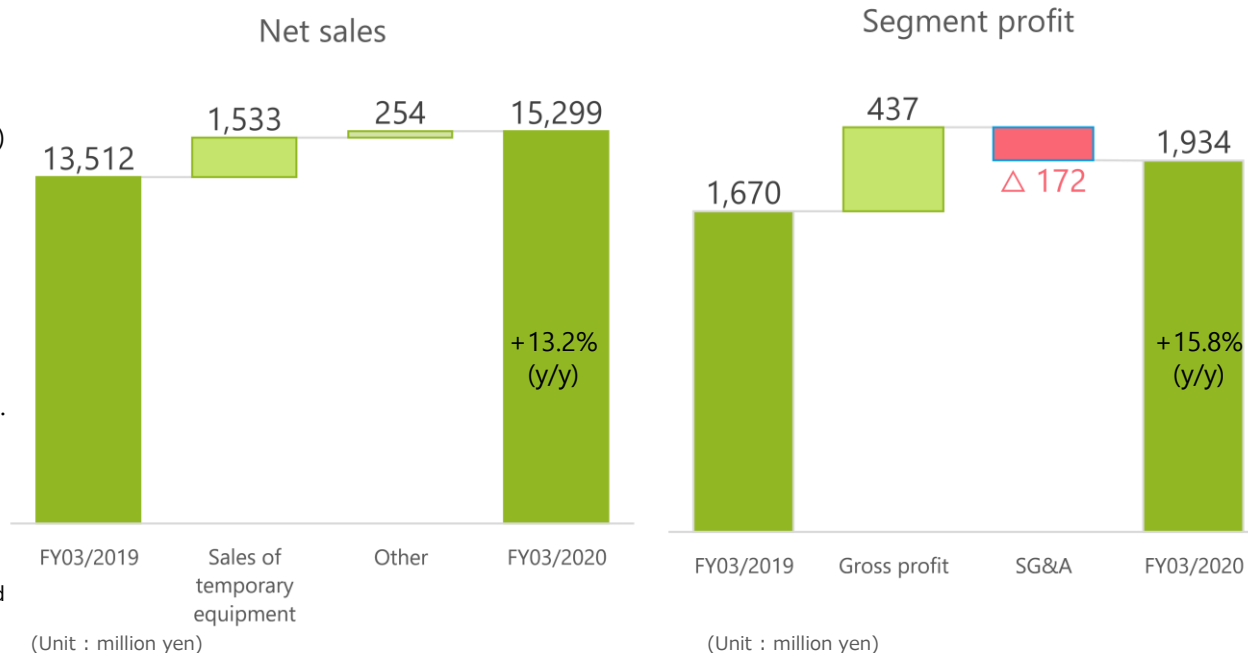
- ✓ The Iq System and its peripheral components (stainless-steel footplate) achieved good performance, greatly contributing to increase in revenues.

#### Operating income:

**+264 million yen (increased)**

- ✓ Effects of higher revenues resulted in increased earnings. SG&A expenses have shown results largely as planned. Part of increase is due to anniversary events organized during the 3Q and profit return to employees (bonus).

NOTE: Costs of the anniversary events are allocated on a pro-rata basis according to the number of employees belonging to each segment.

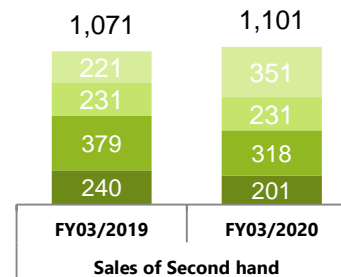
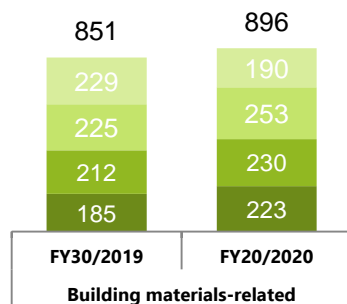
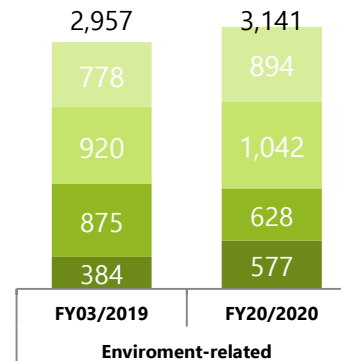
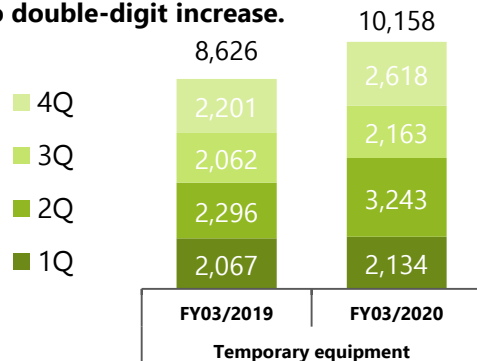




## 2. Sales business

### 2.2 Net sales by product field

Figures of the previous year were exceeded in every field. As for temporary equipment, components related to the Iq System exerted a pull leading to double-digit increase.



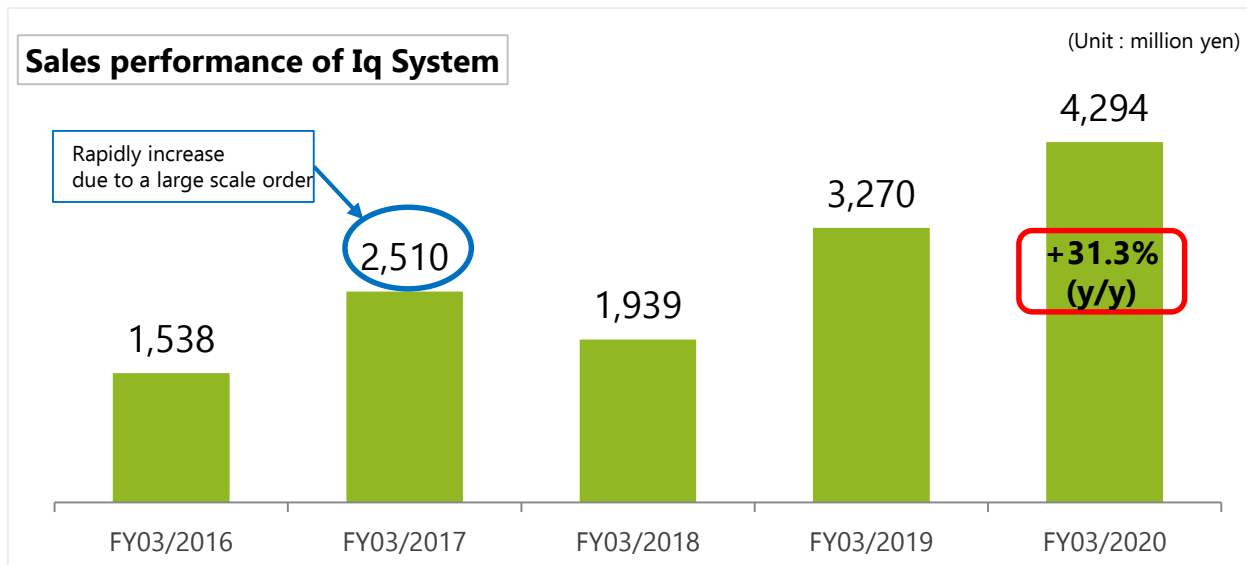
(Unit : million yen)



## 2. Sales business

### 2.3 Prevalence of the Iq System

**Sales of the Iq System increased by 31.3% (1,024 million yen) YoY, greatly contributing to increase in revenues.**



**Iq System : 6,480,000m<sup>2</sup>**  
[assets for rent] 2,250,000m<sup>2</sup>  
[cumulative sold amount] 3,580,000m<sup>2</sup>

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]

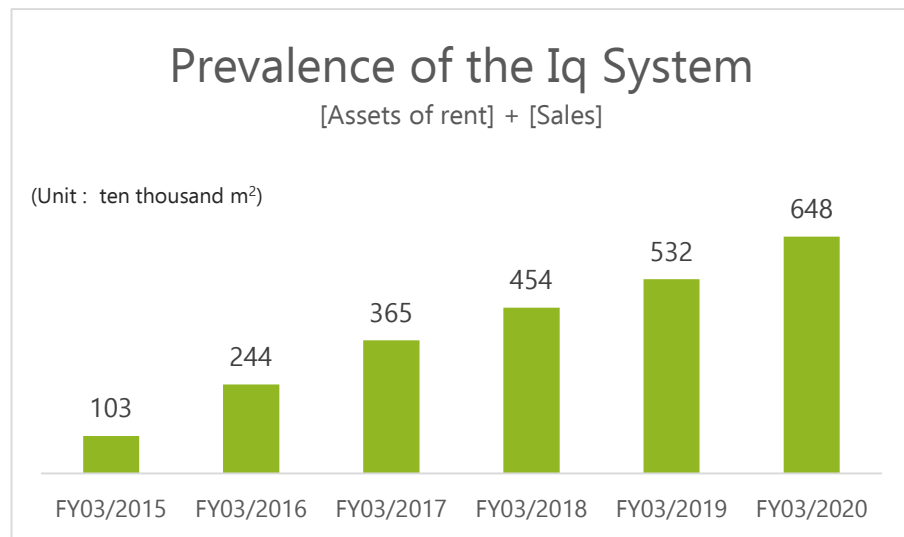
**Iq System Cumulative sales**  
**143 Billion yen**



## 2. Sales business

### 2.4 Prevalence of the Iq System

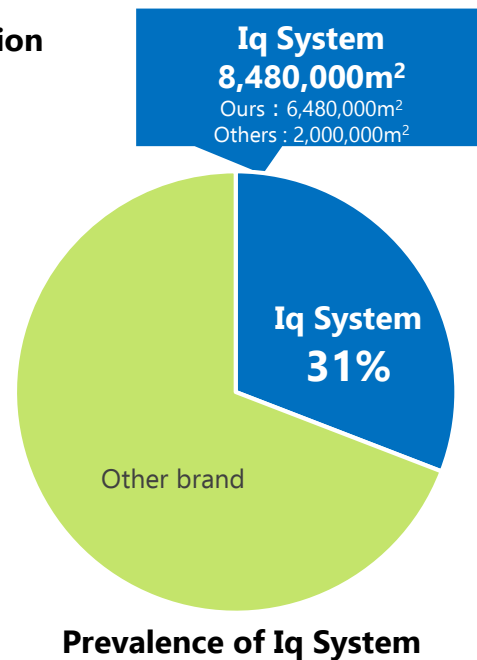
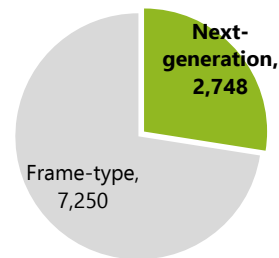
**Competitors also have shifted to the next-generation scaffolding, and its popularization became faster in the industry.**



NOTE : This graph is made with own calculation methods, that calculated from selling and assets.

### Prevalence of Next-generation scaffolding

Unit : Ten thousand m<sup>2</sup>



### Prevalence of Iq System

※Our investigations



## 3. Rental business

### 3.1 Factors of increase/decrease YoY

#### Net sales :

**+2,599 million yen (increased)**

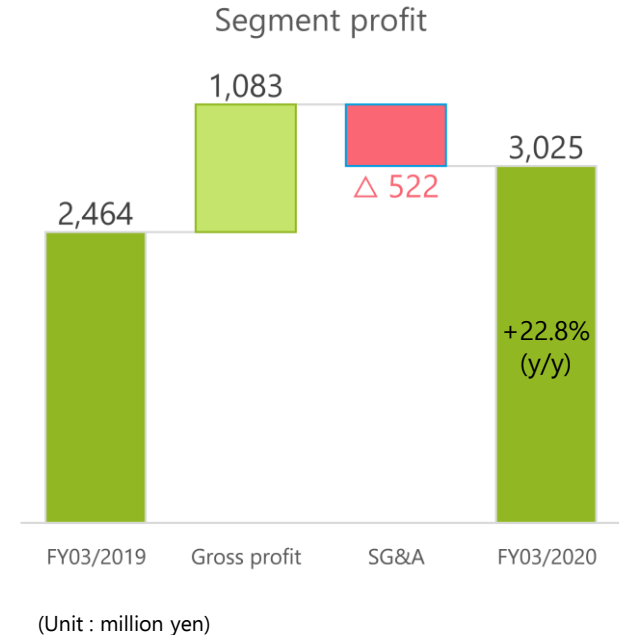
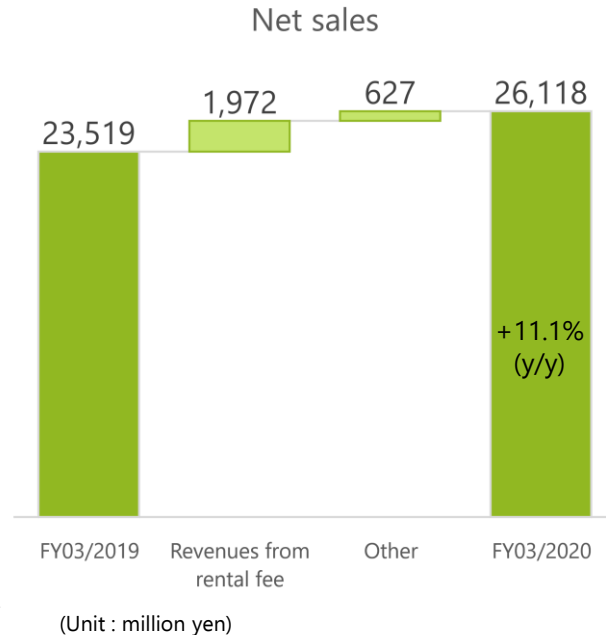
- ✓ Construction work to extend Hokuriku Shinkansen (bullet train) contributed to increased revenues from rental fees of the Company alone. Besides, construction-related sales, transport cost, etc. increased.

#### Operating income :

**+561 million yen (increased)**

- ✓ Increased revenues from rental fees helped substantial growth of gross profit. Meanwhile, SG&A expenses increased due to change in the company name, anniversary events, profit return to employees (bonus) and others.

NOTE: Costs of the anniversary events are allocated on a pro-rata basis according to the number of employees belonging to each segment.

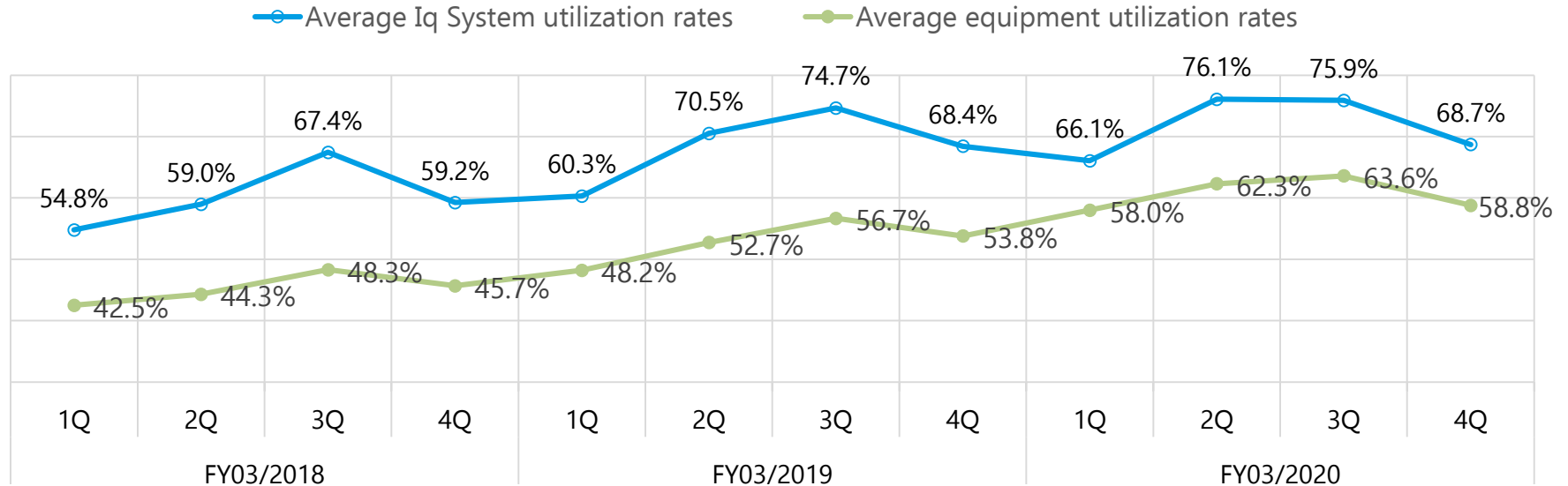




### 3. Rental business

3.2 Trend of average equipment utilization rates \* Trend of utilization rates looks like a mountain with its peak at the 3Q each year  
\* Utilization rate = rented amount / overall holdings

**As per the trend typically seen every year, even though there has been some decline around each year-end due to returning, utilization rate could remain at high level.**



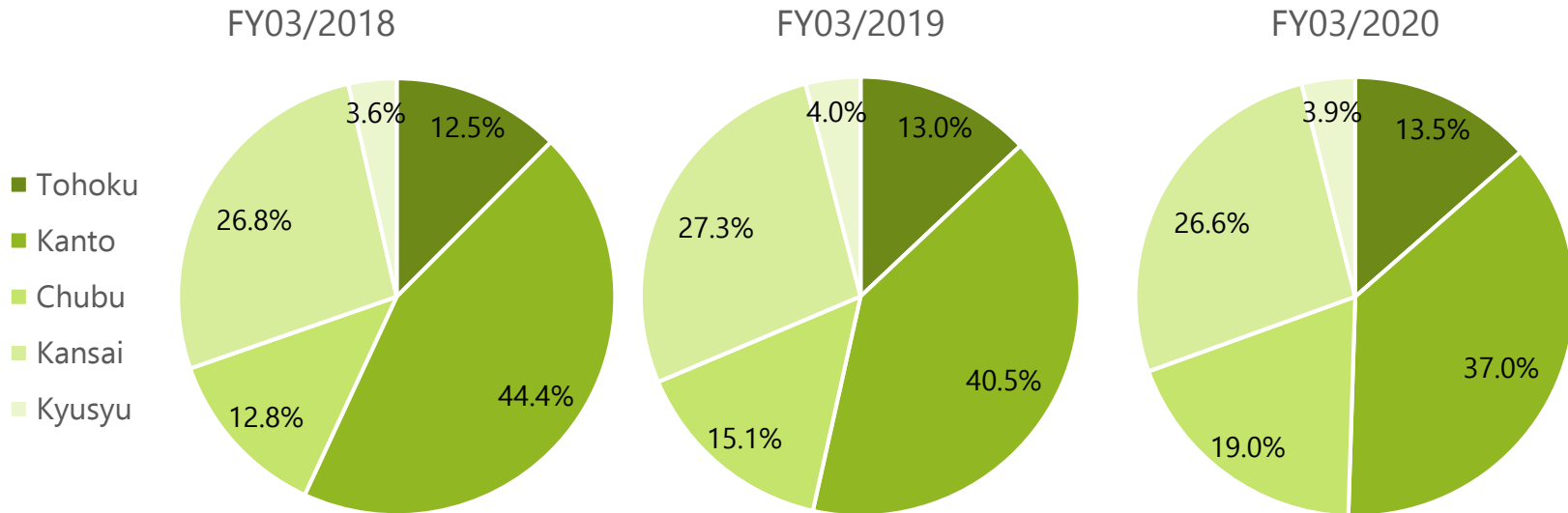




## 3. Rental business

### 3.3 Ratio of Sales by Area

**Kanto block showed smooth progress; Sales relating to civil-engineering contributed in Chubu block; Tohoku block showed good performance; and other blocks maintained steady growth as well.**



NOTE: Chugoku/Shikoku block is included in Kansai block.



## 4. Overseas business

### 4.1 Factors of increase/decrease YoY

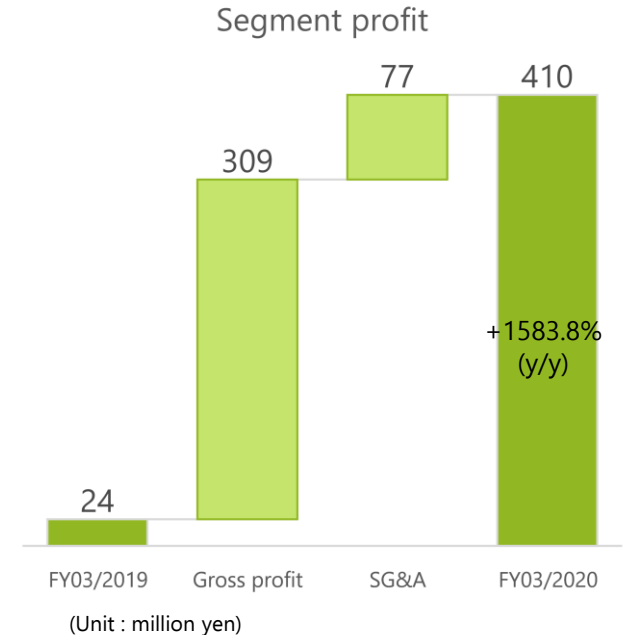
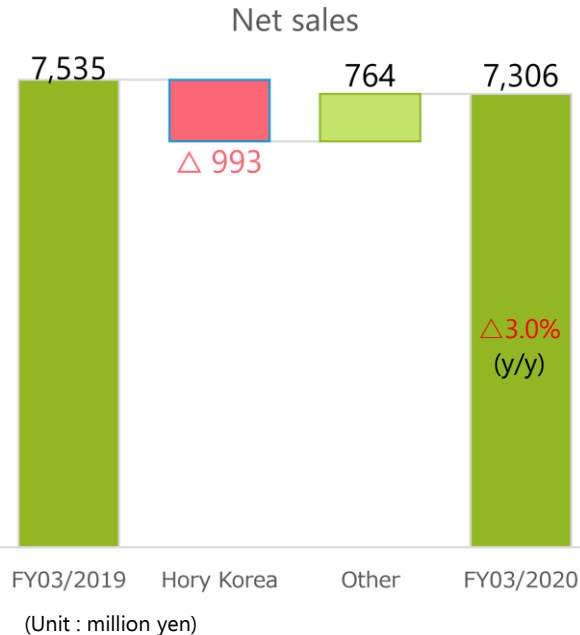
#### Net sales: $\Delta 228$ million

- ✓ Although large-scale photovoltaic station projects in Korea passed a peak and resulted in lower sales than the previous year, business in the Philippines and Vietnam maintained steady growth, which helped overall performance remain mostly level.

#### Operating income: +386 million yen

- ✓ Unprofitable projects having passed a peak leading to increase in gross profit, reduced SG&A expenses, and other factors contributed to higher earnings.

NOTE: Costs of the anniversary events are allocated on a pro-rata basis according to the number of employees belonging to each segment.

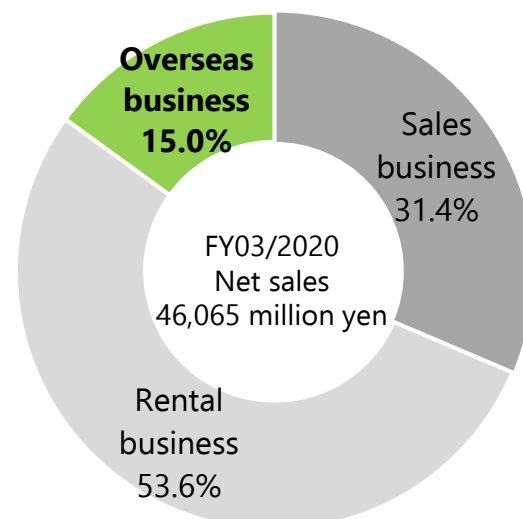
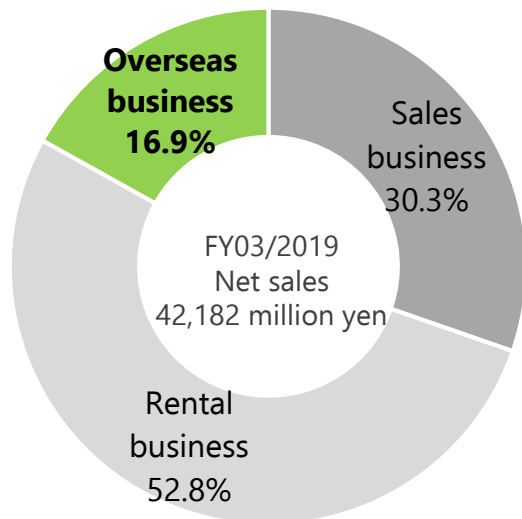
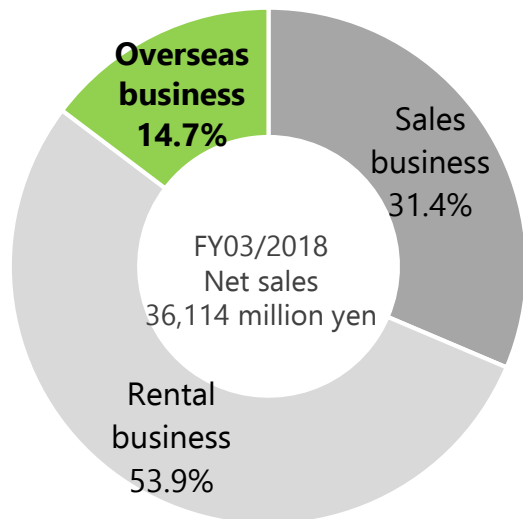




## 4. Overseas business

### 4.2 Sales Ratio by Segment

**Sales ratio of Overseas segment appeared to recover since the 3Q, but eventually failed to exceed the previous year's figure.**



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



## 5. Change in Consolidated Balance Sheet

**Fund-raising carried out in the 2Q and increase in retained earnings have contributed to increase in shareholders' equity by 4,021 million yen and equity ratio of 30.5% (it was 26.0% at the end of the previous term).**

**[Assets]** Unit : million yen

### Current assets

Cash & Deposit : 7,242 (+1,508)

Notes and accounts receivable – trade : 14,101 (+2,699)

### Non-current assets

Assets for rent, net : 14,907 ( $\Delta$ 1,519)

Land : 7,839 (+2,075)

### [Liabilities]

#### Current liabilities

Short-term loans payable : 5,400 (+779)

#### Non-current liabilities

Long-term loans payable : 11,823 ( $\Delta$ 1,672)

### [Net assets]

Shareholders' equity : 18,142 (+4,021)

\* The figures in parentheses are comparisons for the same period of the previous year



Unit : million yen

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## 6. Cash flow statement

**Fund-raising carried out in the 2Q and increase in retained earnings have contributed to increase in shareholders' equity by 4,021 million yen and equity ratio of 30.5% (it was 26.0% at the end of the previous term).**

(Unit : million yen)

**[Cash flows from operating activities]** (Unit : million yen)

Profit before income taxes	:	3,640 (+1,059)
Depreciation	:	4,804 (+27)
Decrease (increase) in notes and accounts receivable - trade	:	$\Delta 2,798$ ( $\Delta 874$ )
Purchase of assets for rent	:	898 (+199)

**[Cash flows from investing activities]**

Purchase of property, plant and equipment	:	$\Delta 4,075$ ( $\Delta 2,816$ )
Proceeds from sales of property, plant and equipment	:	596 (+587)

**[Cash flows from financing activities]**

Net increase (decrease) in short-term loans payable	:	805 (+1,980)
Proceeds from long-term loans payable	:	4,320 ( $\Delta 949$ )
Proceeds from issuance of common shares	:	619 (+6179)
Purchase of treasury stock	:	1,594 (+1,594)

	FY03/2019	FY03/2020
<b>Profit before income taxes</b>	<b>2,581</b>	<b>3,640</b>
<b>Net cash provided by (used in) operating activities</b>	<b>3,653</b>	<b>3,771</b>
<b>Net cash provided by (used in) investing activities</b>	$\Delta 1,728$	$\Delta 3,836$
<b>Net cash provided by (used in) financing activities</b>	$\Delta 1,243$	1,590
<b>Effect of exchange rate change on cash and cash equivalents</b>	$\Delta 17$	$\Delta 17$
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>664</b>	<b>1,508</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4,750</b>	<b>5,414</b>
<b>Cash and cash equivalents at end of period</b>	<b>5,414</b>	<b>6,922</b>

\* The figures in parentheses are comparisons for the same period of the previous year



## 7. Status of shareholder return

Forecasted dividend for the second half is revised from "7 yen" to "8 yen", so it is forecasted as "14 yen" for the full term, namely increase by 3 yen YoY (commemorative dividend of 2 yen + 1 yen that takes achievements into account).

	FY03/2017	FY03/2018	FY03/2019	FY03/2020
<b>Dividend</b>	<b>10 yen</b>	<b>11 yen</b>	<b>11 yen</b>	<b>14 yen</b>
1Q	–	–	–	–
2Q	3.5 yen	4.0 yen	4.0 yen	6.0 yen
3Q	–	–	–	–
4Q	6.5 yen	7.0 yen	7.0 yen	8.0 yen*
<b>Total amount of dividends</b>	<b>428 million yen</b>	<b>471 million yen</b>	<b>471 million yen</b>	<b>651 million yen</b>
<b>Dividend payout ratio</b>	<b>28.5%</b>	<b>37.6%</b>	<b>28.8%</b>	<b>26.5%</b>
<b>Treasury shares</b>	<b>529 million yen</b>	<b>0 million yen</b>	<b>0 million yen</b>	<b>0 million yen</b>
<b>Total return ratio</b>	<b>63.2%</b>	<b>37.6%</b>	<b>28.8%</b>	<b>26.5%</b>
<b>Equity dividend rate</b>	<b>3.6%</b>	<b>3.7%</b>	<b>3.5%</b>	<b>3.9%</b>
<b>ROE</b>	<b>12.6%</b>	<b>9.8%</b>	<b>12.0%</b>	<b>14.7%</b>

\*Decided by the Board.



## **2018 Progress of Medium-term Management Plan**

<Medium-Term Management Plan Vision>

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



## 8. Progress of Medium-term Management Plan

### 8.1 Performance transition

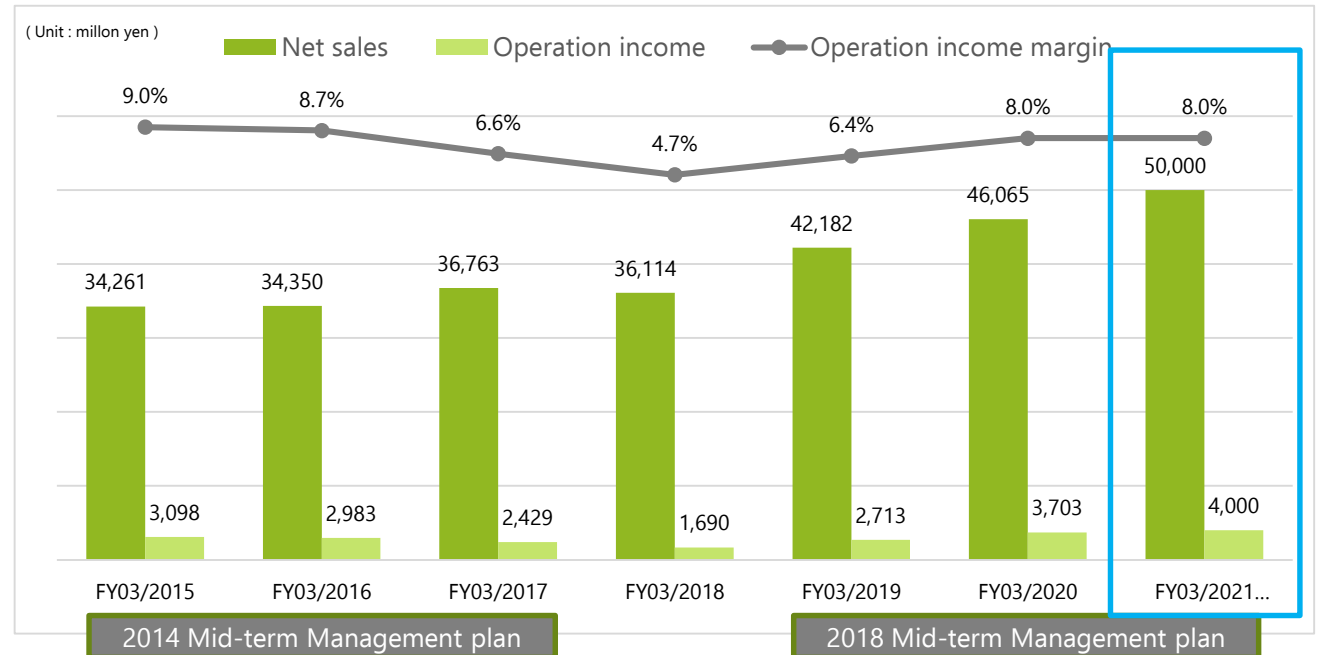
#### Vision

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

#### Performance Target

- FY03/2021
  - Net sales: 50 billion yen
  - Operation income: 4 billion yen
  - Operating income margin: 8.0%

- ✓ **Considering the impacts of the new coronavirus, performance forecasts have not yet been disclosed.**
- ✓ **Such forecasts will be disclosed promptly, when it becomes possible to figure out.**







## 8. Progress of Medium-term Management Plan

### 8.2 Progress of priority measures

**Utilization rate of assets for rent significantly improved. Overseas investment in assets for rent was partly reconsidered. Other measures have made progress largely as planned.**

	“2018 Mid-Term Management Plan” policy	FY03/2020 Results and outcomes
Basic Policy	<ul style="list-style-type: none"> <li>Strengthen management base</li> <li>Innovate earnings base</li> <li>Accelerate overseas development</li> <li>Create a new growth business</li> </ul>	<ul style="list-style-type: none"> <li>Work style reform; Measures for higher productivity; Stronger governance; Preparation for enhanced IT infrastructure by adopting ERP</li> <li>Business structure centered on sales activities; Global procurement; Optimized production; Cost reduction by shifting to overseas</li> <li>Profitability improvement in the Philippines and Korea</li> <li>Growth of agri-business and promotion of structural foundational business</li> </ul>
Investment Policy	<ul style="list-style-type: none"> <li>Restrain investment in rental assets in Japan and actively invest in overseas rental assets</li> <li>Expand overseas production bases</li> <li>Invest to raise the efficiency of the equipment center</li> <li>Invest to foster human resources and reform the work style</li> <li>Invest to strengthen technology development capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Only for Korea, investment in assets for rent was adjusted taking economic situation into account, whereas domestic investment was as planned.</li> <li>Expansion of Vietnam factory (phase 3 construction work completed).</li> <li>Concept of a future-oriented equipment center was launched, and investment was made for shortening equipment residence period.</li> <li>A project was initiated and now in progress for training young personnel.</li> <li>An incentive scheme linked to higher productivity was newly introduced.</li> <li>Enhanced IT infrastructure (conversion to work from home in the context of coronavirus was smoothly realized)</li> </ul>
Financial Policy	<ul style="list-style-type: none"> <li>Capital adequacy ratio : More than 30%</li> <li>ROE : More than 10%</li> <li>ROA* :More than 5%</li> </ul> <p><small>*Ordinary income/Total assets</small></p>	<ul style="list-style-type: none"> <li>Capital adequacy ratio : 30.5%</li> <li>ROE : 14.7%</li> <li>ROA : 6.2%</li> </ul>

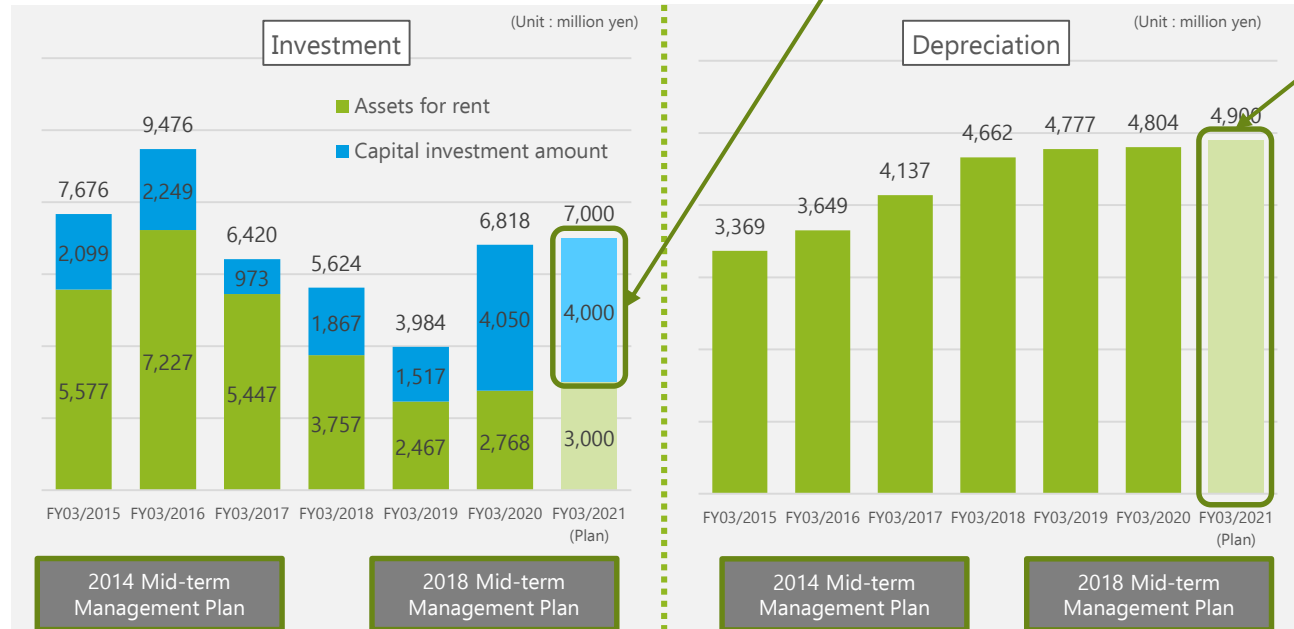


## 8. Progress of Medium-term Management Plan

### 8.3 Investment policy: Transition of capital investment and depreciation

Initial plan) Investment  
 FY03/2021 : 1.2 billion yen  
 3 years' cumulative investment: 14.8 billion yen

Initial plan ) Depreciation  
 FY03/2021 : 4.7 billion yen



#### Investment

- ✓ Forecast of actual 3 years' capital investment has been revised as 17.8 billion yen, namely increase by 3 billion yen from the initial plan.
- ✓ Ahead of the next medium-term management plan, a portion of cost of land acquisition and development has been additionally incorporated in the current plan, with respect to the land in Amagasaki city located in Osaka Bay area, in view of Osaka-Kansai Japan Expo 2025.

#### Depreciation

- ✓ Since investment during FY03/2021 increased from 1.2 to 3 billion yen, depreciation would be 4.9 billion yen, namely increase by 0.2 billion yen from the initial plan.



## 8. Progress of Medium-term Management Plan

### 8.4 Financial Policy

#### [Target]

- Capital adequacy ratio : More than 30%
- ROE : More than 10%
- ROA\* :More than 5%

#### [Result]

- ✓ Target was exceeded in every entry.

#### Capital adequacy ratio

- ✓ Equity increased by means of capital increase and disposal of treasury stock carried out in the 3Q.

#### ROA

- ✓ Although total assets increased, productivity improved, notably management efficiency of assets for rent.

#### ROE

- ✓ Profit rate improved and equity increased.

	2018 Midium-term Management Plan		
	FY03/2018	FY03/2019	<b>FY03/2020</b>
<b>Capital adequacy ratio</b>	25.0%	26.0%	<b>30.5%</b>
<b>ROA</b>	3.1%	5.0%	<b>6.2%</b>
<b>ROE</b>	9.8%	12.0%	<b>14.7%</b>
Net income ratio	3.5%	3.9%	5.1%
Total assets turnover	0.7	0.8	0.8
Financial leverage	4.1	3.9	3.3

※ ROE = Net income ÷ Equity (averaged over from the beginning to the end of the period) x 100  
 = Net income ratio x Total assets turnover x Financial leverage

$$= \frac{\text{Net income}}{\text{Net sales}} \times \frac{\text{Net sales}}{\text{Total assets}} \times \frac{\text{Total assets}}{\text{Equity}}$$



# Forecast of consolidated financial results for FY03/2021

## Prospects and strategies for the future



## 9. Forecast of consolidated financial results for FY03/2021

### 9.1 About disclosing forecast of financial results

#### **Forecast of consolidated financial results for FY03/2021 will be disclosed promptly when it becomes possible to figure out.**

Forecast of consolidated financial results for the year ending March 31, 2021 is yet to be determined, because at present it is difficult to correctly and rationally figure out impacts on the Company's operating results by the recent widespread of the new coronavirus infections. In the construction industry in which the Group operates, there would be various impacts such as temporary suspension of construction sites and extension of work. Forecasts will be made public promptly, when it becomes possible to figure out these impacts.

#### **Major reasons**

- "Domestic" While some construction companies announced suspension/postponement of construction work, and others reportedly resumed, such that situations have significantly varied and we have unknown consequences. In addition, it is expected that private investment would cool down, and it is hard to forecast demands such as change in buying motivation of customers, so at present it is difficult to figure out impacts on our business performance concretely.
- "Overseas" In the Philippines, one of the countries where our consolidated subsidiaries are located, lockdown is still ongoing and for now there is no clear idea about when to resume economic activities, thus at present it is difficult to figure out performance forecasts.



## 9. Forecast of consolidated financial results for FY03/2021

### 9.2 Shareholder return

- ✓ Dividend would be the same level as the previous term.

#### Concepts of shareholder return

- ✓ To improve corporate value and shareholder value
- ✓ To continue stable dividend
- ✓ To carry out measures for return commensurate with revenues

\* Includes commemorative dividend of 2 yen

	FY03/2018	FY03/2019	FY03/2020	FY03/2021 (Forecast)
<b>Dividend</b>	<b>11.0 yen</b>	<b>11.0 yen</b>	<b>14.0 yen</b>	<b>14.0 yen</b>
1Q	–	–	–	–
2Q	4.0 yen	4.0 yen	6.0 yen	<b>6.0 yen</b>
3Q	–	–	–	–
4Q	7.0 yen	7.0 yen	8.0 yen	<b>8.0 yen</b>
<b>Total amount of dividends</b>	471 million yen	471 million yen	651 million yen	–
Dividend payout ratio	37.6%	28.8%	26.5%	–
<b>Treasury shares</b>	0 million yen	0 million yen	0 million yen	–
<b>Total return ratio</b>	37.6%	28.8%	26.5%	–
Capital adequacy Dividend payout ratio (Dividend payout ratio × ROE)	3.7%	3.5%	3.9%	–
<b>ROE</b>	9.8%	12.0%	14.7%	–



# 10. Prospects and strategies for the future

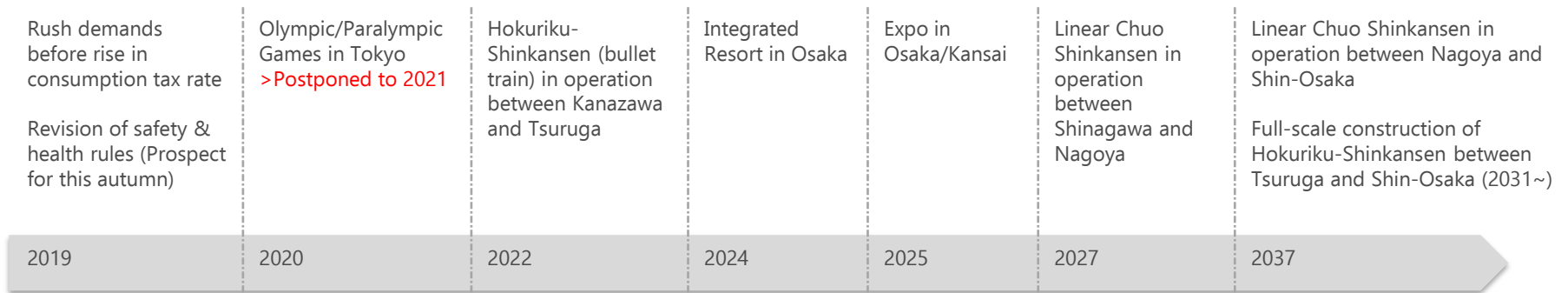
## 10.1 Impacts of the new coronavirus

	Prospects at the time of announcing the financial results	Current situation and response
Sales	<ul style="list-style-type: none"><li>✓ Next generation scaffolding is going to prevail in full swing, and would achieve good performance thanks to, for example, demands for renewal and additional orders from existing purchasers. Meanwhile, with respect to new transactions, there exist unknown consequences such as suspension/postponement of construction work, and investors' mindset cooling down.</li><li>✓ Even though agri-business segment anticipates steady uptake of post-quake reconstruction demands, inquiries concerning new projects are stagnant.</li></ul>	<ul style="list-style-type: none"><li>✓ Situation calmed down once after rush demands occurred at the end of the period, but both new/repeat customers stay at steady level.</li><li>✓ Additional services are enhanced, customer support scheme is established, and sales activities which boost up sales staff's motivation are carried on.</li></ul>
Rental	<ul style="list-style-type: none"><li>✓ Shipment of equipment for construction sites which have already commenced is going well, but given the actual suspension of some construction work and possible prolongation of such situation, impacts on our business might be enlarged.</li><li>✓ Construction works relating to maintenance/repair of aged infrastructure are in upward trend, and expected as alternatives to construction projects of Hokuriku-Shinkansen (bullet train).</li></ul>	<ul style="list-style-type: none"><li>✓ Suspended construction sites returned to operation, not prolonged, and new sites show good progress.</li><li>✓ For both private and public works, sales activities are carried on paying close attention to movement of order placements.</li></ul>
Overseas	<ul style="list-style-type: none"><li>✓ Lockdown in the Philippines would be lifted in a phased manner, but there is no clear idea about when to resume economic activities.</li><li>✓ Even though there is no major impact on our overseas production bases, domestic/overseas demands may possibly decline and we are in an unpredictable situation.</li></ul>	<ul style="list-style-type: none"><li>✓ At present there is no impact on manufacturing department, and procurement of raw materials, parts and others is going well.</li><li>✓ Both domestically and overseas, location of production bases is optimized for each product, in order to respond to increasing/decreasing demands.</li></ul>



# 10. Prospects and strategies for the future

## 10.2 Projects relating to our industry



### Infrastructure renovation projects

- ◆ Tokaido-Shinkansen: major renovation (~2023)
- ◆ Hokuriku-Shinkansen: fully in operation (~2031)
- ◆ Metropolitan Expressway: major renewal (~2028)
- ◆ Hanshin Expressway: major renewal (~2029)
- ◆ Honshu-Shikoku Expressway: major renewal (~2029)

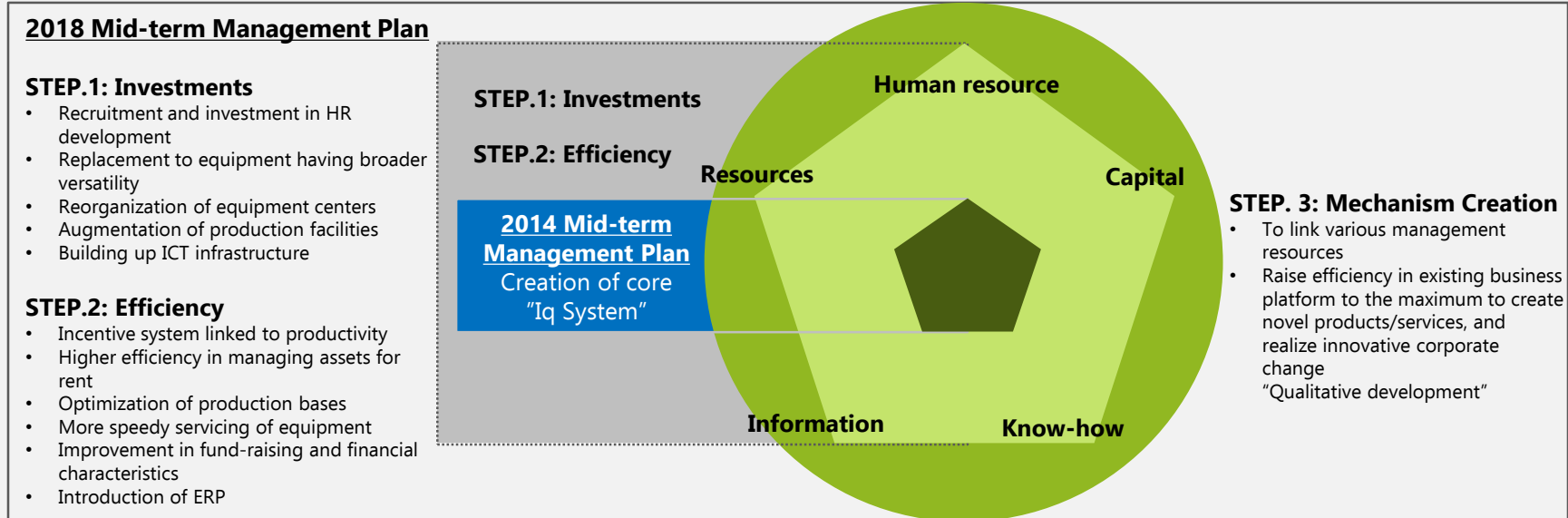
Due to the new coronavirus, private investment may possibly be suppressed.  
After 2021, public investment for economic reconstruction and orders for projects relating to the Osaka-Kansai Japan Expo 2025 are anticipated.





# 10. Prospects and strategies for the future

10.3 Theme of the year ending March 31, 2021: Promotion of Maximum Optimization



## Promotion of Maximum Optimization → Transformation

Maximum Optimization: To optimize various management resources to the maximum by combining them



# 10. Prospects and strategies for the future

## 10.4 Sales business

### Measures/Challenges

✓ Service development with "something extra" for differentiation and customers' merit

✓ Higher productivity on the field and fully field-oriented development/refinement of products

✓ "Products" plus "AI" and "IoT" to realize novel services

✓ Higher productivity by improvement activities in the production sector

✓ Cost reduction by re-examination of supply chain and by offshoring production sector

### Strength

- Having led the next-generation scaffolding market, more customers than any others
- Rental business platform
- One-stop management from development, manufacture, to design/construction
- Ability to expand metalworking techniques to other fields
- Low-cost production at overseas production bases

### Weakness

- Room for improving productivity
- High-mix low-volume production
- Wide variety of product categories cause scattered management resources
- Linkage of domestic/overseas production bases
- Creation of novel products / big hits

### Opportunity

- Ability to create novel business
- Increasing demands for safety/efficiency at construction sites due to shortage of construction workers
- Frequent occurrence of disasters
- Shortage of workers in agriculture sector due to aging and other factors
- Increase in public works for economic reconstruction
- Restructuring existing supply chain

### Threat

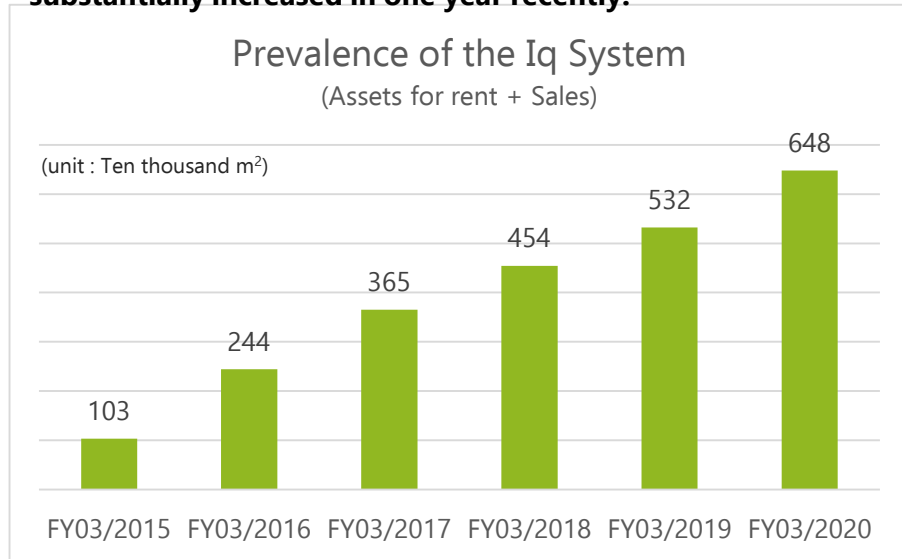
- Economic environment which would still be tough
- Investors' mindset cooling down due to the new coronavirus
- Aggressive sales approach by competitors at low-price
- Securing employees at production lines



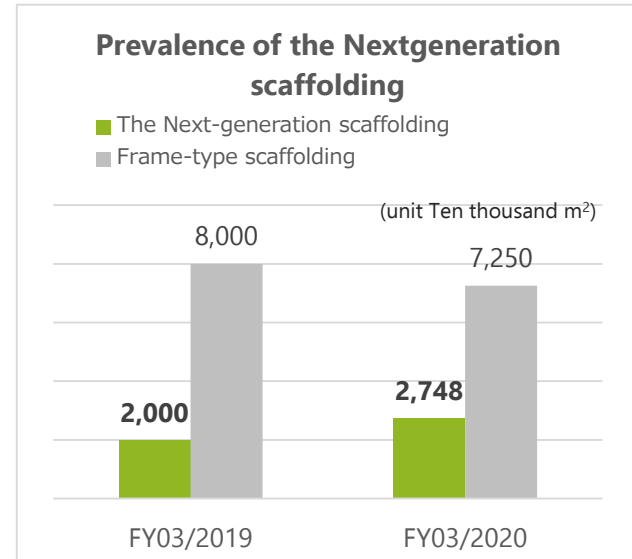
# 10. Prospects and strategies for the future

## 10.5 Prevalence of the Iq System

**Prevalence of the Iq System (m2) has shown double-digit increase every year. Prevalence of the next-generation scaffolding substantially increased in one year recently.**



NOTE : This graph is made with own calculation methods, that calculated from selling and assets.



※ Our investigation



## 10. Prospects and strategies for the future

### 10.6 Agri-business

**JA Zennoh's "Yume-Farm SAGA" project (Saga city, Saga pref.):  
Construction work of a cultivation facility with environmental control was ordered and completed.**



Surface area: about 1 ha  
Dutch-light type, high-eave, steel-frame house  
(eave height: 5.0 m)

- ✓ Entire process from supplying house materials, construction, through to environmentally-controlled internal design of the house, was carried out with a one-stop scheme.
- ✓ It features metalworking techniques and know-how of structural calculation fostered by manufacturing temporary equipment including the next generation scaffolding; stability of materials supply scheme that takes cost into account; and toughness of products.
- ✓ In agriculture sector as well, our Scaffolding Construction Department provided the entire project from design to construction in an integrated manner.

Areas where our houses are constructed  
(major sites including pipe house)





# 10. Prospects and strategies for the future

## 10.7 Rental business

### Measures/Challenges

- ✓ Construction plus provision of high-quality services using highly safe and easy to set up
- ✓ Customers' needs are promptly connected to development

- ✓ Proposal to develop products and construction methods which respond to redevelopment of aged infrastructure

- ✓ Development of novel services utilizing locational conditions at our urban-type equipment centers

- ✓ "Products" plus "AI" and "IoT" to build up an innovative management system which would be deployed for providing our customers with even higher quality services

### Strength

- Iq System
- Scaffolding Construction Department and network of cooperative contractors
- Product variety and technical capabilities to respond to every field such as building, civil engineering and plant
- Early completion of investment in renewal of assets for rent
- Holding equipment centers around urban locations
- Joint development of construction methods and products with construction companies
- Creditworthiness as a listed company

### Weakness

- Share in Kanto area, the largest market
- Electronic order-taking platform not yet put in place
- Time lag inherent in getting grip on status of utilization/inventory
- Urban-type equipment centers representing the majority
- Many servicing procedures rely on manual works
- Drivers have to wait too long when shipping equipment

### Opportunity

- Increasing demands for safety/efficiency at construction sites due to shortage of construction workers
- Increase in large-scale projects near urban centers
- Aged infrastructure requiring urgent redevelopment
- Rise in logistics costs, shortage of drivers
- Paradigm shift of our industry caused by ICT diffusion

### Threat

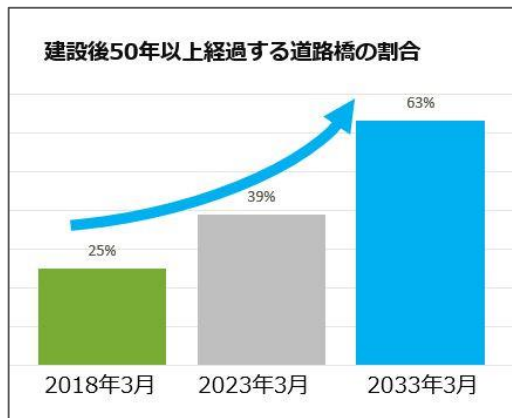
- Economic environment which would still be tough
- Mindset for private capital investment cooling down due to the new coronavirus
- Postponement of projects relating to the Osaka-Kansai Japan Expo 2025
- Price competition by competitors in an environment of reduced demands
- Securing equipment servicing staff



# 10. Prospects and strategies for the future

## 10.8 Response to aged infrastructure

### Panel-type hanging shelf scaffolding "Spider Panel" (see photo below) / System-type hanging shelf scaffolding "V-MAX"



〈建設後50年以上経過する社会資本の割合〉

	2018年3月	2023年3月	2033年3月
トンネル 【約1万1千本注2】	約2.0%	約2.7%	約4.2%
河川管理施設（水門等） 【約1万施設注3】	約3.2%	約4.2%	約6.2%
下水道管 【総延長：約4.7万km注4】	約4%	約8%	約2.1%
港湾岸壁 【約5千施設注5】 【水深-4.5m以深】	約1.7%	約3.2%	約5.8%

\* Left and right figures are adapted and shown graphically based on materials published by MLIT.

Other product relating to maintenance/repair of bridges

Announced on March 19, 2020

Jointly developed with construction companies

**"Cross Link Stage": work scaffolding for floor slab replacement**



# 10. Prospects and strategies for the future

## 10.9 Overseas business

### Measures/Challenges

✓ Philippines: Proactive sales deployment targeting at project concentrated areas

✓ Sales area expansion among ASEAN countries, and alliance with local businesses

✓ Korea: Functions as a base for supplying products to Japan should be strengthened, to prepare for decreasing local demands

✓ Domestic/overseas human resources mobilization and development

### Strength

- Adoption/deployment of domestic know-how and business models
- Interaction among overseas group companies
- Transaction history with local major construction companies
- Employment of local staff
- Factory expansion to improve production capacity

### Weakness

- Business management scheme
- Different governance awareness (e.g. customs, conventions)
- Sales activities to attract new customers

### Opportunity

- Economic development, demographic bonus period
- Active investment in infrastructure development (infrastructure)
- Diverse and excellent human resources

### Threat

- Impacts of the new coronavirus, 2nd wave, 3rd wave
- Even if lockdown is lifted in a phased manner, there is no clear idea about when to resume economic activities
- Prolonged travel restrictions
- Local laws (tax law, accounting law)
- Public security, political climate



# 11. ESG information

## 11.1 IR

- Video streaming of Financial Results Briefing (4 ~ 7 days after the Briefing)
- Disclosure of English versions of Summary of Financial Results, Results Briefing Materials, and Timely Disclosure Release (partly) (7 ~ 10 days after disclosing Japanese version/TDnet)
- Issuance and Web release of annual reports (Japanese/English)\* 2020 version is planned to be issued in October.
- Disclosure of non-financial information (publicized on annual reports, and then on the Web)
- Proactive information disclosure based on dialogues with investors (e.g., prevalence (total area) of next generation scaffolding, equipment utilization rate)
- Briefing for private investors (6 times)
- 1 on 1 meeting (more than 90 times)

**If situations calm down for events such as briefings, there would be more occasions for proactive dialogs and IR activities than the previous term.**







# 11. ESG information

## 11.2 Human resource development

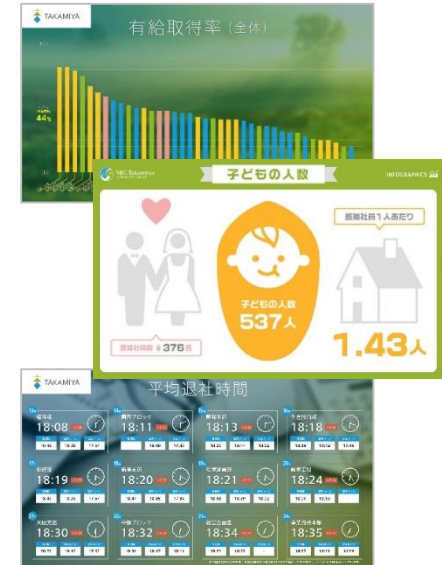
### Promoting "Human centered capitalism" style management and measures centered on human resources

- Promoting in-house projects centered on mid-level/young employees
- Incentive reward according to the degree of KPI attainment set by each division
- Promoting active Work Style Reform by information disclosure to employees (e.g., screenshots on the right)
- Training according to individual stages such as new employee, mid-career employee, and pre-manager candidate
- Mentor scheme (new employee / mid-career employee)
- Mental health check (Web service)
- Wedding anniversary holiday, refresh holiday and others to encourage taking paid leaves
- Telework (Work from home) \* We have attempted earlier than the present National Declaration of State of Emergency

### To improve corporate value and shareholder value permanently, development of Key human resources is one critical issue (Human centered capitalism).

Human centered capitalism: The Company's management philosophy advocating that "Human resource is the essence of corporate power".

Such information is publicized to visitors on a large signage

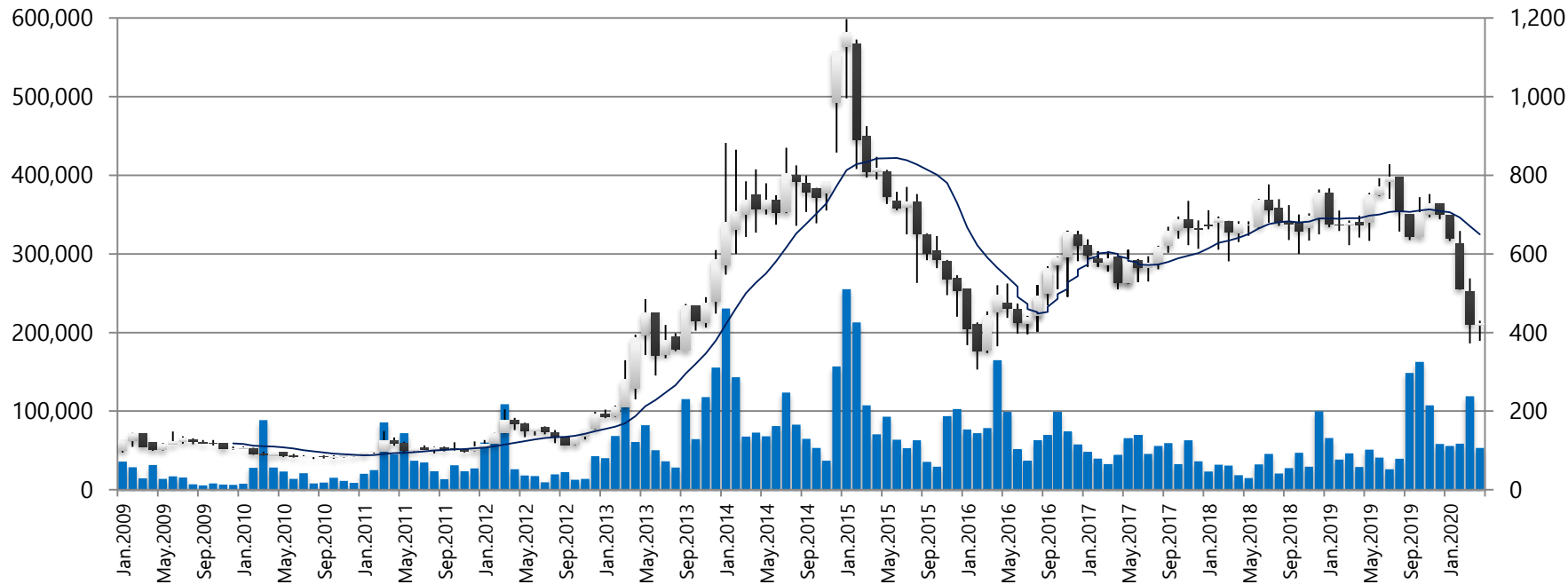




# Stock Price of TAKAMIYA (2445:Tokyo)

Average daily trading volume

Stock price (yen)





## Changes in number of shareholders and shareholder composition

	FY03/2017	FY03/2018	FY03/2019	FY03/2020
Shareholders at the end of the period	3,395名	3,058 名	2,923 名	4,092 名
Shareholder composition				
Government and local public entities	0.00 %	0.00 %	0.00 %	0.00 %
Financial institutions	15.32 %	19.02 %	19.89 %	22.77 %
Financial instruments business operators	0.95 %	0.56% %	0.30 %	0.66 %
Other Japanese companies	20.26 %	20.58 %	20.50 %	20.78 %
Foreign institutions and others	4.16 %	3.84 %	4.55 %	6.85 %
Individuals and others	53.56 %	50.27 %	49.03 %	48.92 %
Treasury stock	5.75 %	5.74 %	5.73 %	0.02 %
(proportion of those including investment trust)	5.47 %	9.11 %	10.00 %	11.98 %
(proportion of those including pension trust)	0.55 %	0.56 %	0.45 %	0.93 %



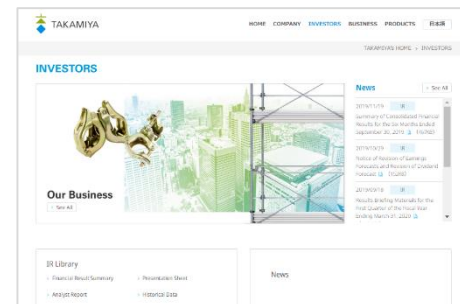
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CONTACT : Takashi Kawabata, PR / IR Department

HP



For Investor



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