



Results Briefing Materials for the Fiscal Year Ended March 31, 2022

Takamiya Co., Ltd. (2445:Tokyo)
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Agenda

- Topics
- Description of consolidated performance of the Fiscal Year Ended March 31, 2022
- Progress of “2021 Medium-Term Management Plan”
- Prospects for the future



Topics

Mar. 18, 2022

Notice of Change of Directors

Apr. 22, 2022

Notice regarding transition to a Company with Audit and Supervisory Committee and Change of directors

May. 20, 2022

Notice regarding partial changes to the articles of incorporation

May. 23, 2022 (Voluntary disclosure)

Notice regarding acquisition of shares of YameKaisei Co., Ltd.

In addition to the above, various releases and IR information can be viewed on our website.

<https://www.takamiya.co/en/>



Company Overview of Takamiya Co., Ltd.

Trade name	Takamiya Co., Ltd.
Incorporation	June 21, 1969
Representative	Representative director, Kazumasa Takamiya
Capital	1,052 million yen
Number of employees	Consolidated : 1,222; Non-consolidated : 722 (As of the end March 2022)
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, Kashima, Ichihara, Hokuriku, Fukui, Nagano, Shizuoka, Keiji, Kobe, Hiroshima, Okinawa (total: 13) Equipment centers : Aomori-Higashidori, Iwate-Morioka, Miyagi-Sendai No. 2, Fukushima-Hirono, Ibaraki-Chuo, Ibaraki-Tsukuba, Ibaraki-Dejima, Ibaraki-Kashima, Chiba-Okido, Chiba-Ichihara, Saitama-Kuki, Kanagawa-Aikawa, Niigata-Yokogoshi, Niigata-Nagaoka, Shinsyu-Nagano, Nagano-Iida, Ishikawa-Kanazawa, Fukui-Sabae, Tokai-Kisosaki, Shizuoka-Yoshida, Shiga-Omihachiman, Osaka-Hirakata, Osaka-Settsu, Wakayama-Momoyama, Hyogo-Tojo, Hyogo-Kobe, Hiroshima-Shiwa, Kagawa-Sanuki , Okinawa-Naha(total: 29) Factory: Gunma, Gifu(total: 2)
Consolidated subsidiaries	[Japan total:7] IWATA Co., Ltd. ; AOMORI ATOM Co., Ltd. ; TOTAL TOSHISEIBI Co., Ltd.; NEXTECH Co., Ltd.; Nakaya Kizai Co., Ltd; HIRAMATSU Co., Ltd. ; Cadian Co Ltd. [Overseas total:3] DIMENSION-ALL INC. ; Hory Korea Co. Ltd ; HORY VIETNAM Co., Ltd. (total:10)
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





1. Summary of consolidated performance

1.1 Business overview

- ✓ In the first half of the year, new orders and repeat orders for the Iq System were strong in the sales business, and there was demand for price revisions in consideration of rising steel prices. In the overseas business, the economic recovery in South Korea and sales in Vietnam to Japan were favorable. In the rental business, the utilization of rental asset of equipment for civil engineering work, which has a high rate of return, was lower than expected. As a result, sales increased by 2.5% and operating income decreased by 30.8% compared to the previous fiscal year, resulting in higher sales and lower profits, but the results exceeded the initial plan.
- ✓ In the second half, sales of temporary equipment such as Iq System increased in the sales business, and sales in Vietnam to Japan were favorable in the overseas business. As a result, sales and profits increased in the sales business and overseas business. In the rental business, the utilization rate of rental assets declined due to the delay in the start of construction work at the civil engineering site and the return of equipment at the end of the fiscal year. As a result, sales increased by 2.6% and operating income increased by 88.6% compared to the previous fiscal year, resulting in higher sales and profits.



1. Summary of consolidated performance

1.2 Cumulative period (from April 1 to March 31,2022)

Consolidated Results (Unit : million yen)	FYE Mar. 31,2022 Forecast before correction		FYE Mar. 31,2022 Forecast		FYE Mar. 31,2022 Results		FYE Mar. 31,2021 Results		% change (YoY)
		Sales ratio		Sales ratio		Sales ratio		Sales ratio	
Net sales	42,000	100.0%	42,300	100.0%	39,800	100.0%	38,812	100.0%	+2.5%
Gross profit	—	—	—	—	11,181	28.1%	10,996	28.3%	+1.7%
SG&A	—	—	—	—	9,499	23.9%	9,410	24.2%	+0.9%
Operating income	1,800	4.2%	2,150	5.1%	1,682	4.2%	1,586	4.1%	+6.0%
Ordinary income	1,580	3.7%	2,170	5.1%	1,954	4.9%	1,569	4.0%	+24.5%
Profit attributable to owners of parent	1,000	2.3%	1,140	2.6%	965	2.4%	857	2.2%	+12.6%
Earnings per share (Diluted earnings per share)	21.47 yen	—	24.28 yen	—	20.73 yen (20.10 yen)	—	18.41 yen (17.89 yen)	—	—
Annual dividends per share	14.00 yen	—	14.00 yen	—	—	—	—	—	—
Depreciation	—	—	—	—	4,784	12.0%	4,815	12.4%	△0.7%
EBITDA	—	—	—	—	6,466	16.2%	6,402	16.5%	+1.0%



1. Summary of consolidated performance (April 1 – March 31, 2022)

1.3 Factors of increase/decrease in net sales and operating income

(FY ended/ending March 31)

Net sales

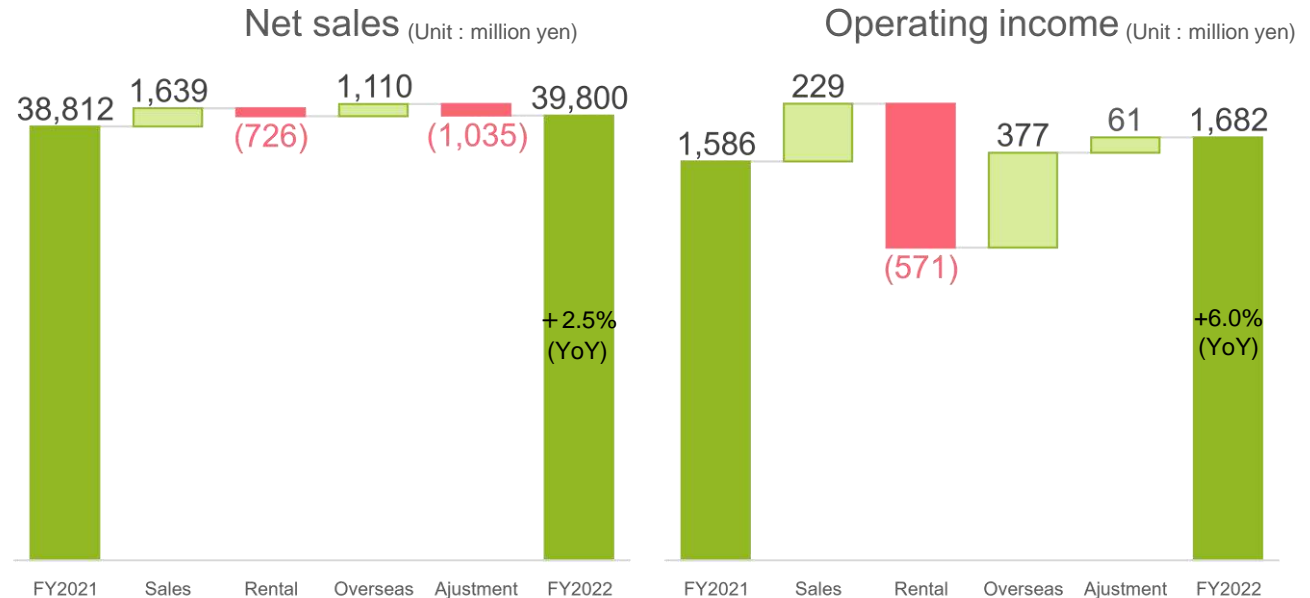
**988 million yen increased
(up 2.5% YoY)**

- ✓ Sales increased in sales and overseas businesses.
- ✓ Sales decreased in the rental business.

Operating income

**95 million yen increased
(up 6.0% YoY)**

- ✓ Income increased in sales and overseas businesses.
- ✓ Income decreased in rental business.





1. Summary of consolidated performance (April 1 – March 31, 2022)

1.4 EBITDA (Operating income + Depreciation)

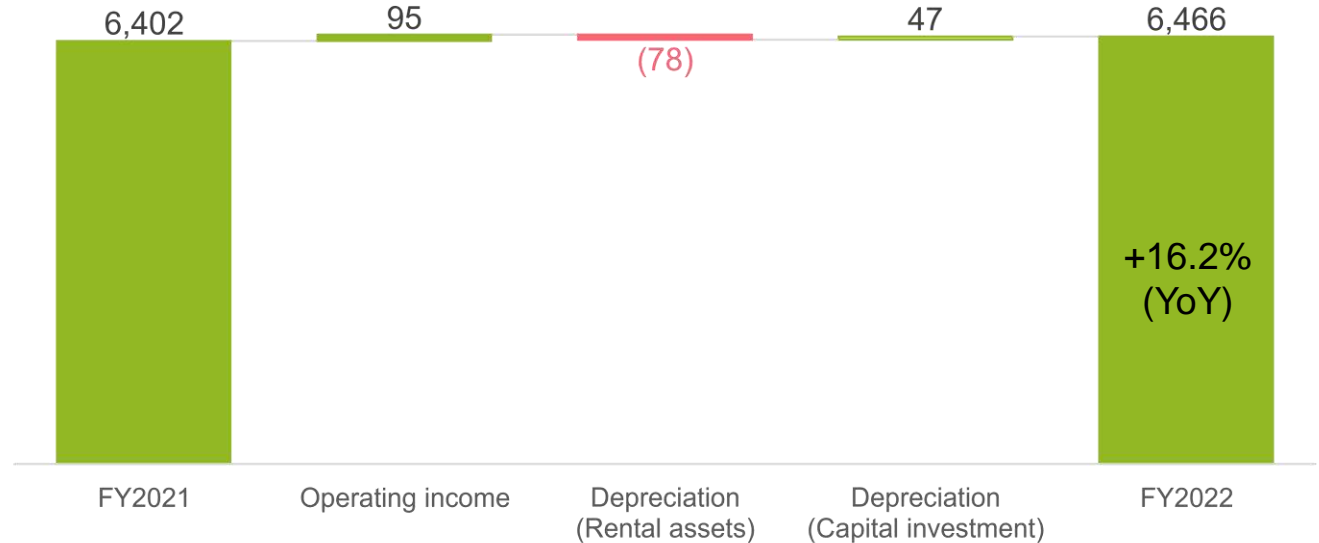
(FY ended/ending March 31)

EBITDA(Operating income + Depreciation)

(Unit : million yen)

EBITDA
64 million yen increased
(up 16.2% YoY)

- ✓ The main factor is an increase in operating income.
- ✓ As for depreciation, rental asset depreciation decreased and capital investment depreciation increased.



+16.2%
(YoY)



1. Summary of consolidated performance (April 1 – March 31, 2022)

1.5 Performance by segment

(FY ended/ending March 31)

Unit : million yen	Net sales			Segment Operating income (Segment operating profit margin)		
	FY2021	FY2022	% change (YoY)	FY2021	FY2022	% change (YoY)
Sales Business	11,990	13,629	+13.7%	1,404 (11.7%)	1,633 (12.0%)	+16.3%
Rental Business	24,009	23,283	(3.0)%	1,793 (7.5%)	1,221 (5.2%)	(31.9)%
Overseas Business	5,300	6,410	+20.9%	(99) (-)	277 (4.3%)	-%



2. Sales business

2.1 Factors of increase/decrease YoY

Net sales:

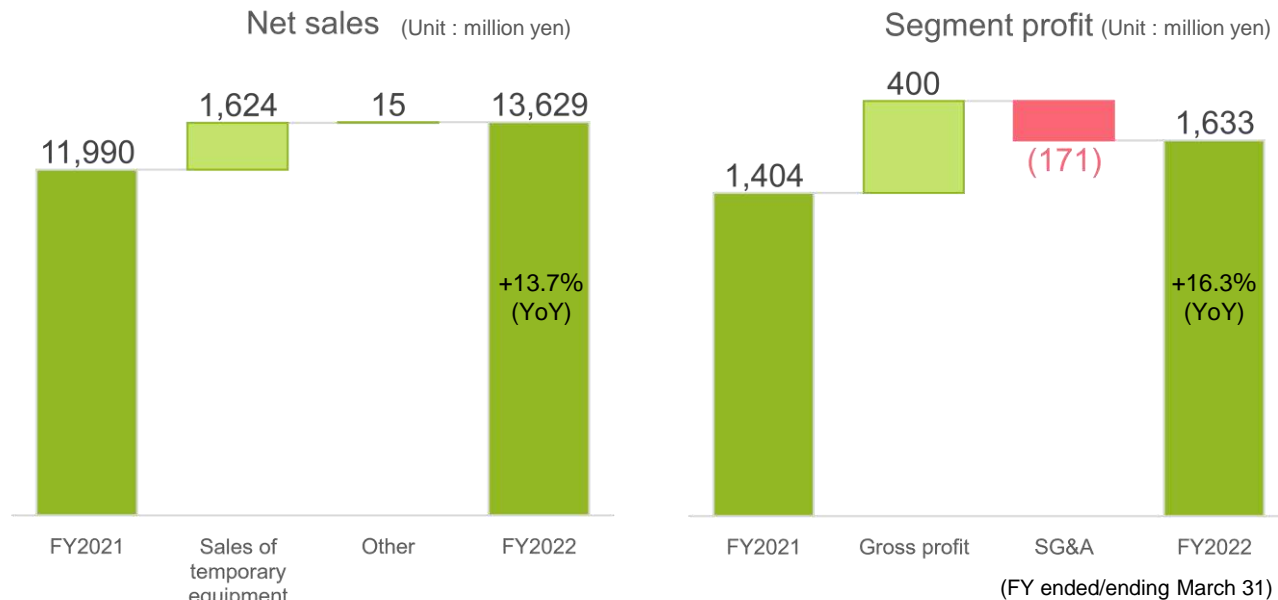
1,639 million yen increased

- ✓ Sales of temporary equipment such as the Iq System were firm.
- ✓ In the environment-related field, sales of high-performance green houses for agriculture have been weak as a result of the completion of sales in the first half of the year.
- ✓ Sales of second-hand goods increased due to increased sales in Japan and overseas.

Operating income:

228 million yen increased

- ✓ The effect of increased sales of temporary equipment exceeded the increase in SG & A expenses, resulting in an increase in profits.
- ✓ Due to the increase in personnel, SG & A expenses increased.
- ✓ The operating profit margin is at the same level as the previous year..

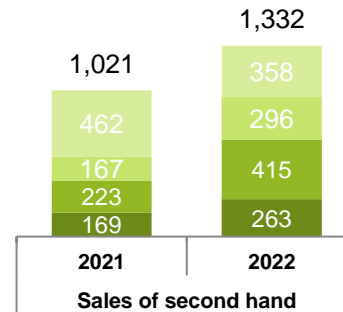
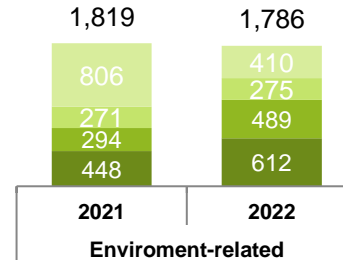
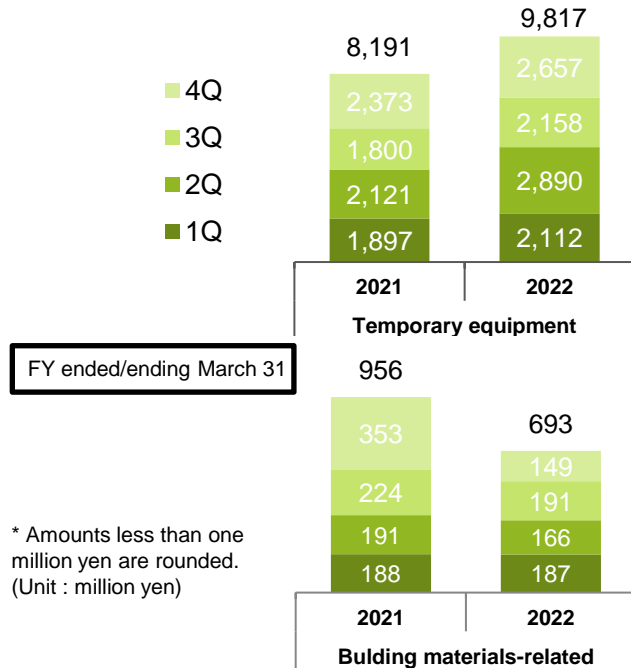




2. Sales business

2.2 Net sales by product field

Sales of Iq Systems were strong for temporary equipment, and second-hand sales also contributed. In the environment-related field, sales of high-performance green houses were weak. Sales related to building materials decreased.



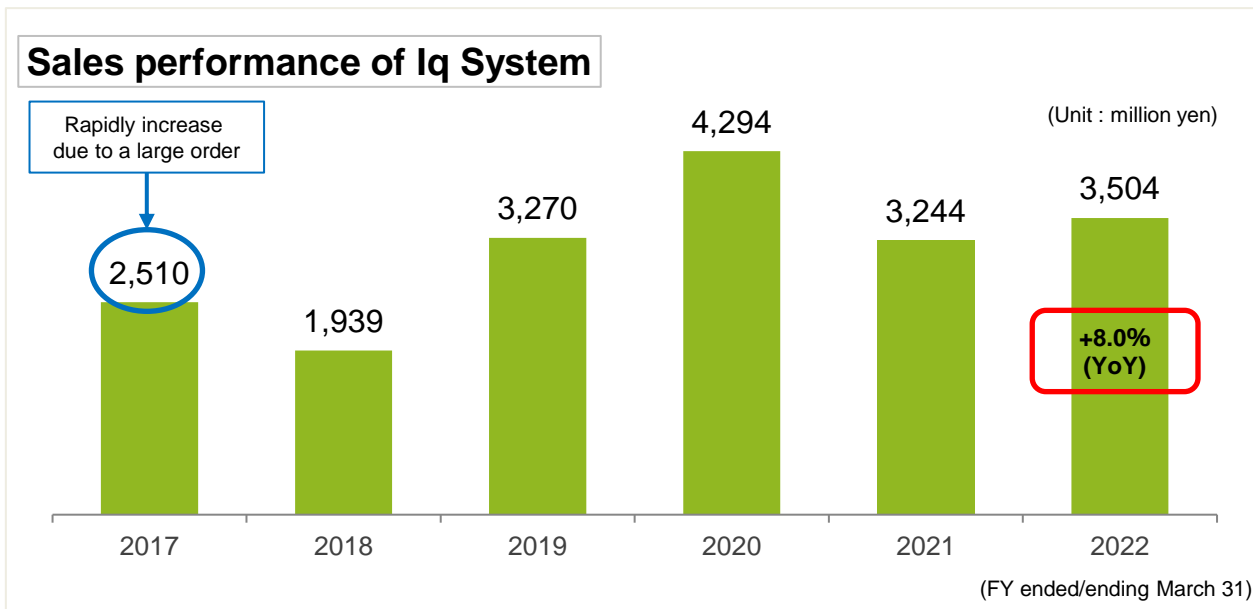
* Amounts less than one million yen are rounded.
(Unit : million yen)



2. Sales business

2.3 Sales of Iq System

Sales of the Iq System Increased by 8.0% (up 259 million yen) YoY.



Iq System Cumulative sales
20.9 Billion yen

※Our sales only

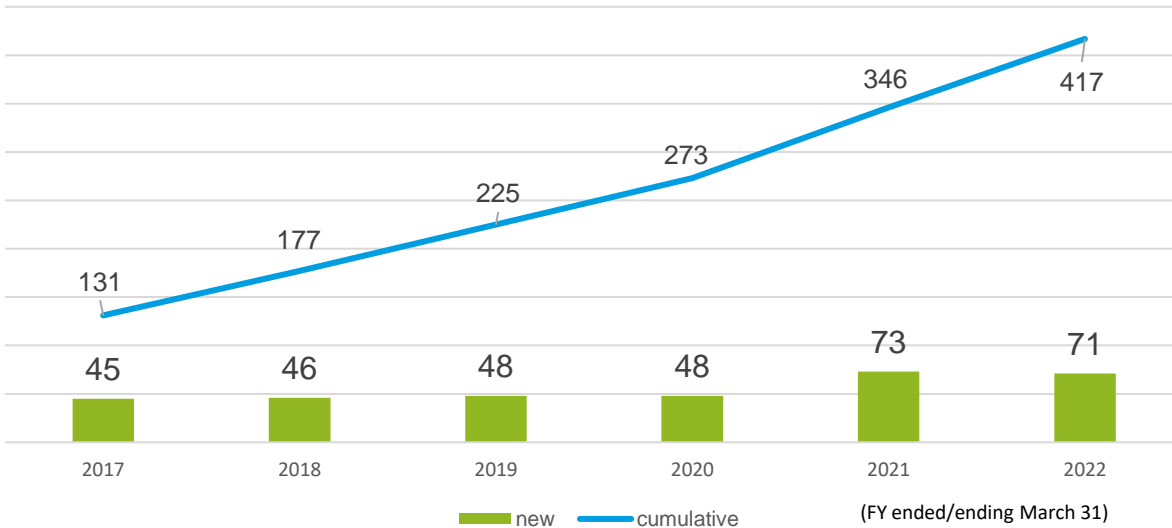


2. Sales business

2.4 Number of sales destinations for Iq Systems

**The number of sales destinations for Iq Systems has steadily increased.
As the number of customers increases, repeat demand is expected to increase.**

Number of new Iq System sales companies / cumulative number of sales companies (Unit : companies)



**Cumulative number of
Iq System sales destinations**

417 companies

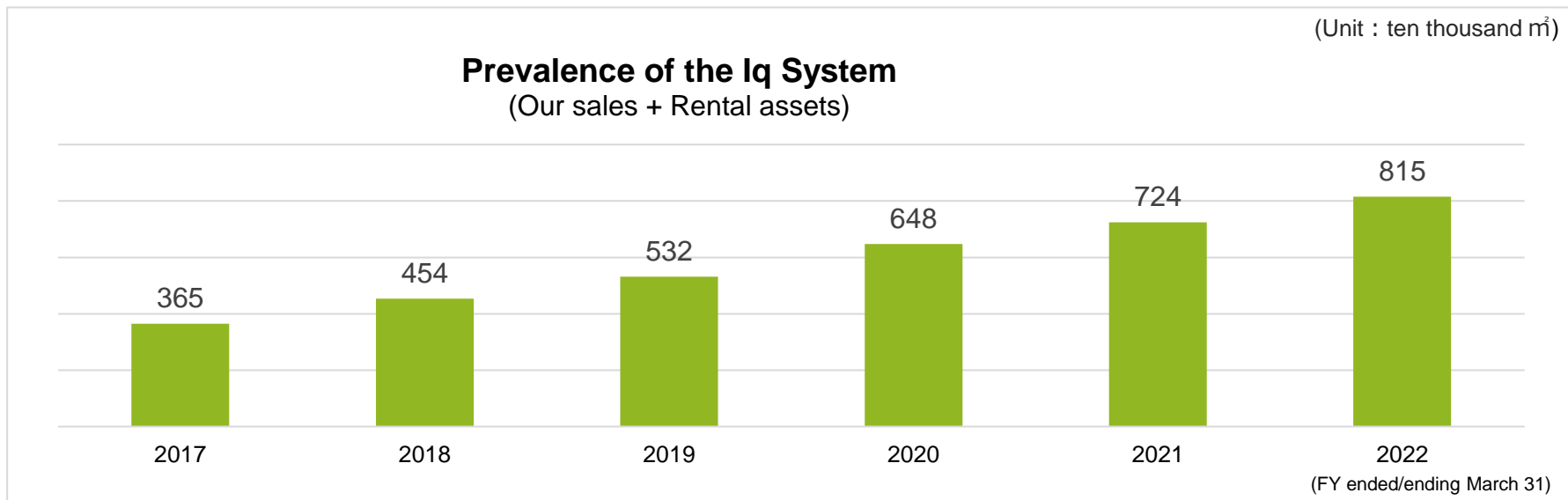
※Our sales only



2. Sales business

2.5 Prevalence of Iq System

The spread of next-generation scaffolding in the industry is firm



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

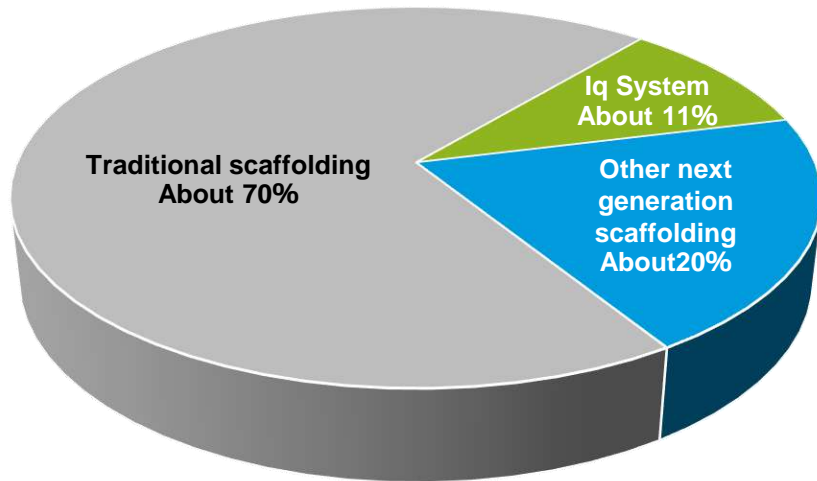


2. Sales business

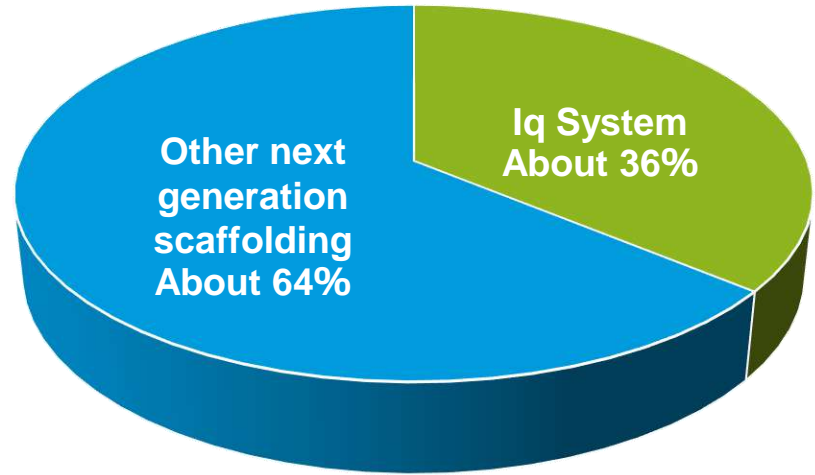
2.6 Iq System market share

Next-generation scaffolding and Iq System penetration in the industry is going well

Scaffolding market share



Market share of next-generation scaffolding



※Our research



3. Rental business

3.1 Factors of increase/decrease YoY

Net sales:

725 million yen decreased

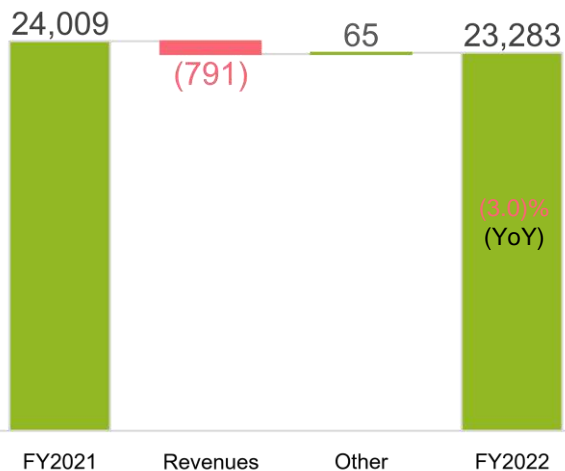
- ✓ The utilization rate of rental asset remained high mainly for maintenance and repair work in the Tokyo metropolitan area, including the Iq System. However, after the completion of the large-scale civil engineering work in the previous fiscal year, the utilization rate of civil engineering-related rental assets was sluggish due to the impact of delays at the site. As a result, rental income decreased, resulting in a year-on-year decrease.

Operating income:

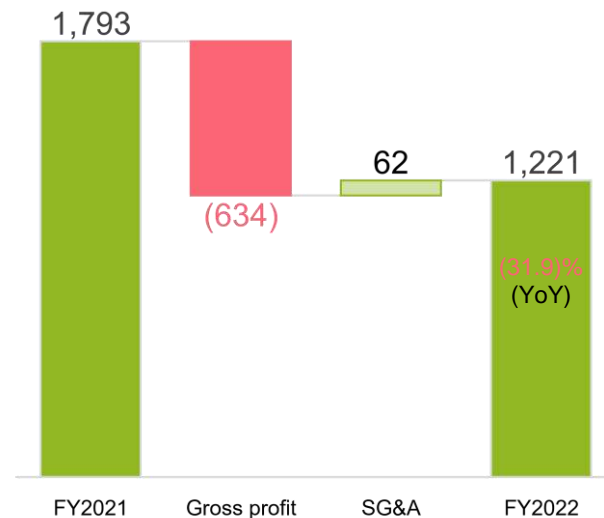
571 million yen decreased

- ✓ Although SG & A expenses were reduced, profits decreased due to a decrease in sales and an increase in the fixed cost ratio such as depreciation. The reason for the decrease in SG & A expenses was the treatment of goodwill impairment of a consolidated subsidiary in the previous fiscal year.

Net sales (Unit : million yen)



Segment profit (Unit : million yen)



(FY ended/ending March 31)



3. Rental business

3.2 Trend of average utilization rates of rental assets

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

While the Iq System remained at the highest utilization rate ever, the utilization rate of civil engineering-related equipment was sluggish. The utilization rate of all rental assets will increase slightly, but the result will be lower than the same period of the previous year.

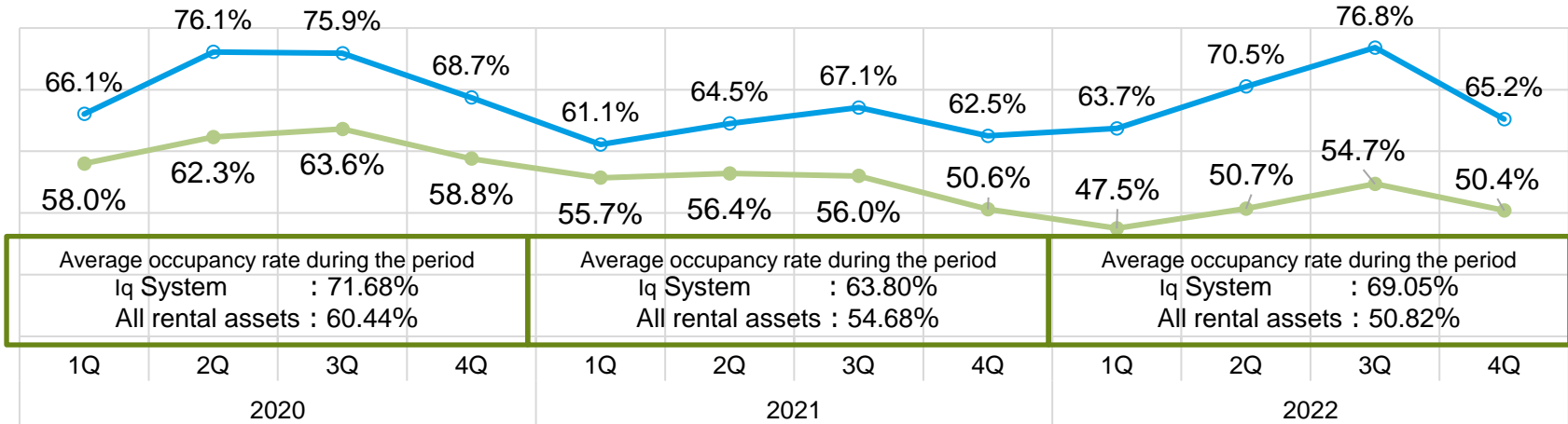
(FY ended/ending March 31)

Utilization rates of rental assets

Iq System

Assets for rent as a whole

Record high utilization rate

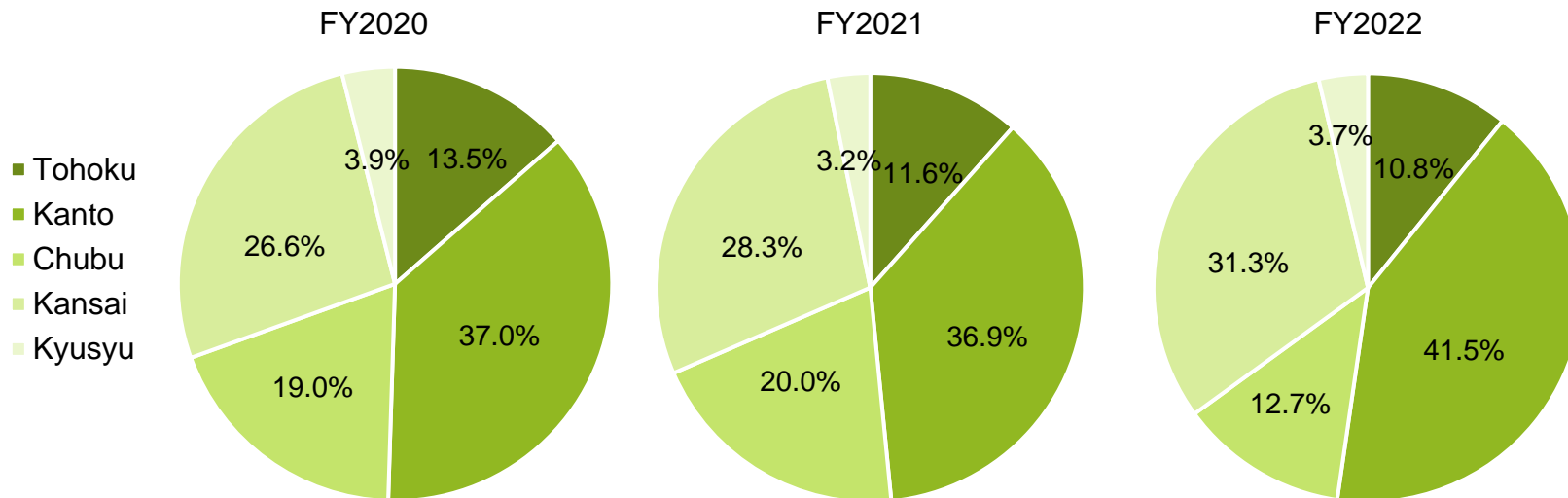




3. Rental business

3.3 Ratio of Sales by Area

The Kanto block is doing well, including maintenance and repair work in the Tokyo metropolitan area. Civil engineering-related work has been completed in the Chubu block.



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

(FY ended/ending March 31)



4. Overseas business

4.1 Factors of increase/decrease YoY

Net sales:

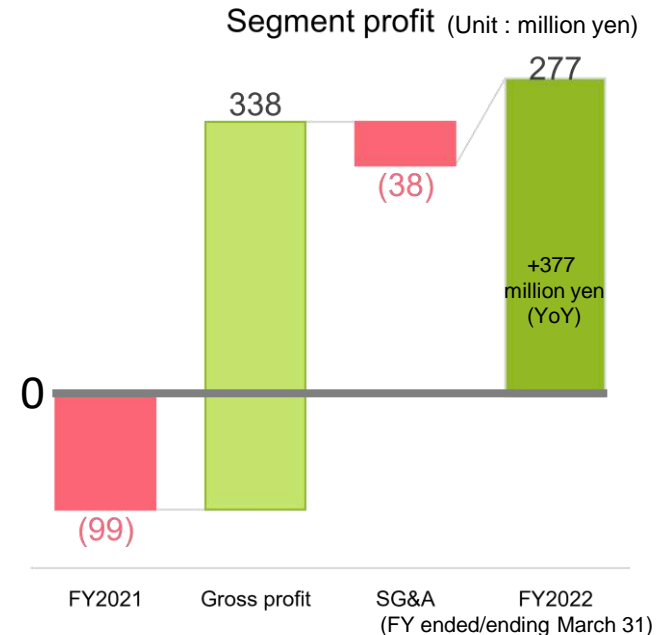
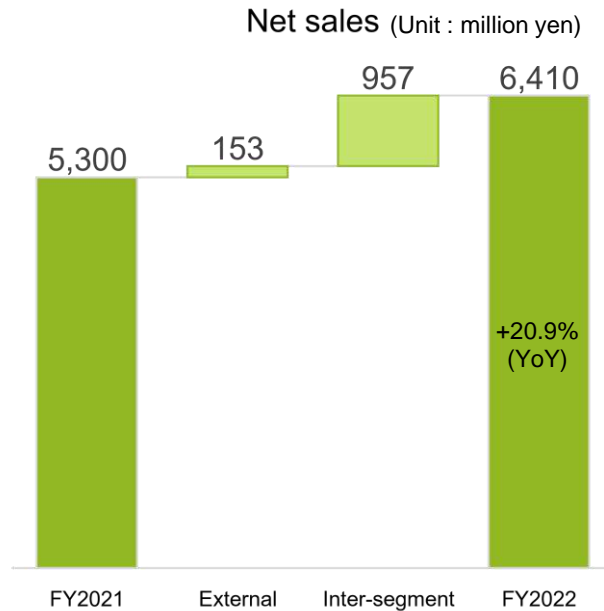
1,110 million yen increased

- ✓ Sales in South Korea increased.
- ✓ Sales of Vietnam to Japan increased.
- ✓ In the Philippines, outing and movement restrictions were being continued, but we were able to increase sales performance during the period when the movement restrictions were lifted. However, the situation is still severe.

Operating income:

377 million yen increased

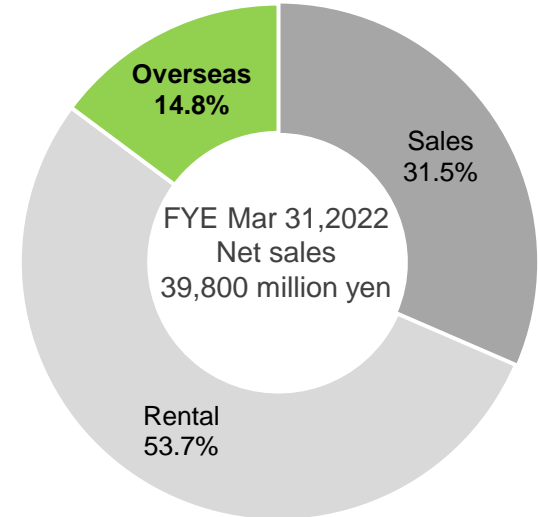
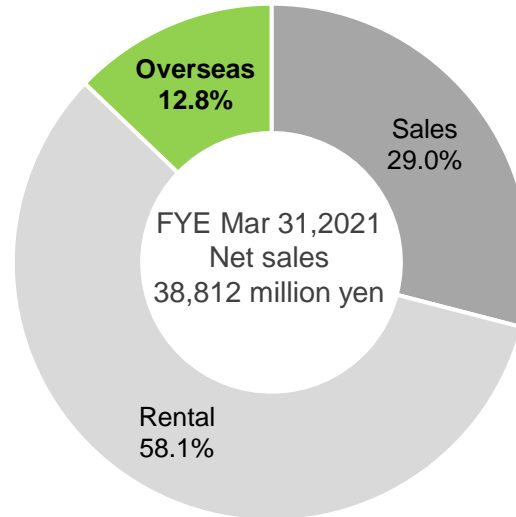
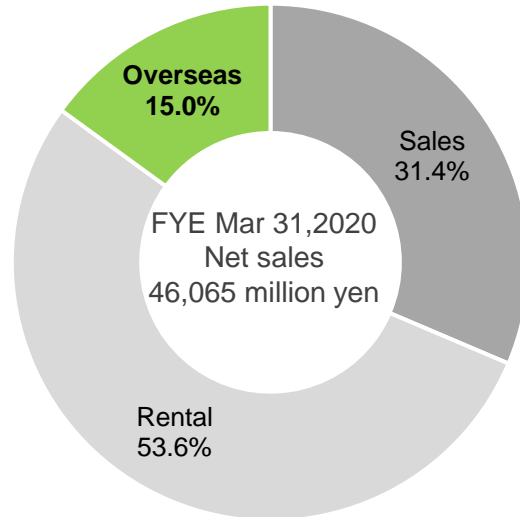
- ✓ The main factor is the effect of increased sales.





4. Overseas business

4.2 Sales Ratio by Segment



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

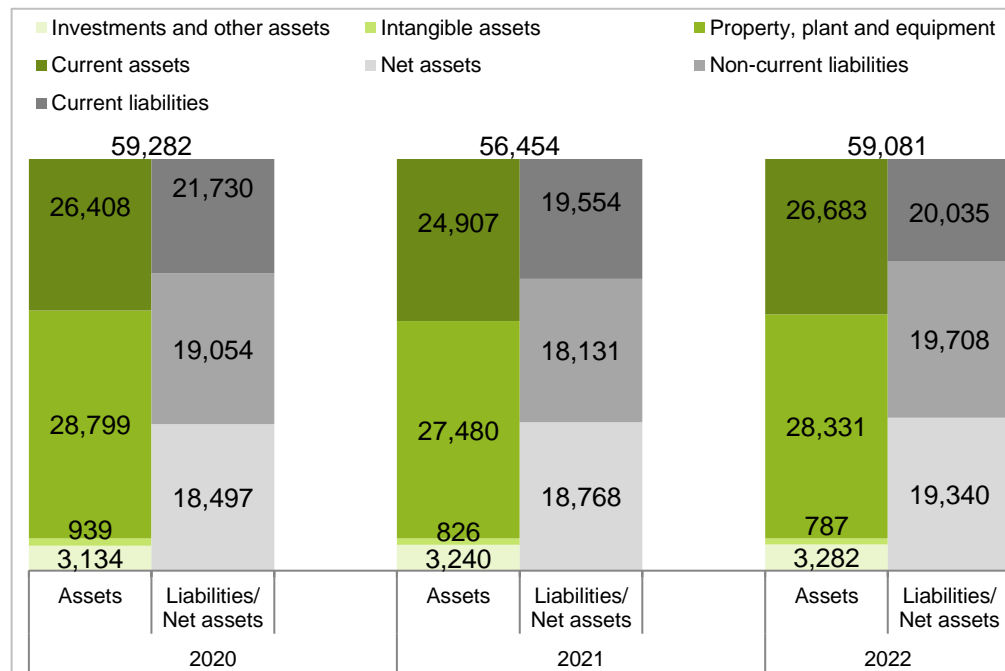


5. Change in Consolidated Balance Sheet

Equity ratio declined 31.8% (end of the previous term: 32.3%)

(FY ended/ending March 31)

[Asset]	(Unit : million yen)	
Current assets		
Cash and deposits	: 8,836	+804
Notes and accounts receivable – trade	: 10,836	(841)
Inventories	: 6,580	+1,476
Non-current assets		
Assets for rent, net	: 12,179	(1,032)
Buildings and structures, net	: 5,659	+1,511
[Liability]		
Current liability		
Notes and accounts payable - trade	: 6,940	+1,271
Short-term loans payable	: 2,612	(866)
Non-current liability		
Bonds payable	: 4,230	+952
Long-term debt	: 11,942	+588
[Net asset]		
Shareholders' equity	: 18,666	+319



(Unit : million yen)

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



6. Cash flow statement

Expenditure increased due to an increase in investment CF, but the cash balance increased due to a decrease in financial CF expenditure.

(Unit : million yen)

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

Profit before income taxes	:	1,666	+207
Depreciation	:	4,784	(31)
Purchase of assets for rent	:	(611)	+297
Decrease (increase) in notes and accounts receivable - trade	:	934	(1,611)
Decrease (increase) in inventories	:	(2,966)	(1,370)
Increase (decrease) in notes and accounts payable - trade	:	1,204	+2,004

[Cash flows from investing activities]

Purchase of property, plant and equipment	:	(2,955)	(1,746)
Proceeds of Intangible assets	:	(69)	+119

[Cash flows from financing activities]

Proceeds from long-term loans payable	:	6,610	+790
Repayments of long-term loans payable	:	(6,333)	(501)
Redemption of bonds	:	(871)	(450)

	FYE Mar.31, 2021	FYE Mar. 31,2022
Profit before income taxes	1,458	1,666
Net cash provided by (used in) operating activities	5,035	4,294
Net cash provided by (used in) investing activities	(1,328)	(2,979)
Net cash provided by (used in) financing activities	(2,873)	(588)
Effect of exchange rate change on cash and cash equivalents	10	77
Net increase (decrease) in cash and cash equivalents	789	804
Cash and cash equivalents at beginning of period	6,922	7,712
Cash and cash equivalents at end of period	7,712	8,516



7. Changes in number of shareholders and shareholder composition

	FYE Mar. 31, 2019	FYE Mar. 31, 2020	FYE Mar. 31, 2021	FYE Mar.31 , 2022
Shareholders at the end of the period	2,923	4,092	3,463	4,052
Shareholder composition				
Government and local public entities	0.00 %	0.00 %	0.00 %	0.00 %
Financial institutions	19.89 %	22.77 %	23.43 %	22.12 %
Financial instruments business operators	0.30 %	0.66 %	0.41 %	0.61 %
Other Japanese companies	20.50 %	20.78 %	23.38 %	23.88 %
Foreign institutions and others	4.55 %	6.85 %	7.67 %	6.78 %
Individuals and others	49.03 %	48.92 %	45.09 %	46.59 %
Treasury stock	5.73 %	0.02 %	0.02 %	0.02 %
(proportion of those including investment trust)	10.00 %	11.98 %	11.96 %	10.64 %
(proportion of those including pension trust)	0.45 %	0.93 %	0.81 %	0.68 %



8. Status of shareholder return

	FYE Mar. 31, 2018	FYE Mar. 31, 2019	FYE Mar. 31, 2020	FYE Mar. 31, 2021	FYE Mar. 31, 2022
Dividend	11 yen	11 yen	14 yen	14 yen	14 yen
1Q	–	–	–	–	–
2Q	4.0 yen	4.0 yen	6.0 yen	6.0 yen	6.0 yen
3Q	–	–	–	–	–
4Q	7.0 yen	7.0 yen	8.0 yen	8.0 yen	8.0 yen
Total amount of dividends	471 million yen	471 million yen	651 million yen	651 million yen	652 million yen
Dividend payout ratio	37.6%	28.8%	26.5%	76.0%	67.4%
Treasury shares	0 million yen	0 million yen	0 million yen	0 million yen	0 million yen
Total return ratio	37.6%	28.8%	26.5%	76.0%	67.4%
Dividend on equity	3.7%	3.5%	3.9%	3.6%	3.5%
ROE	9.8%	12.0%	14.7%	4.7%	5.2%



Progress of “2021 Medium-Term Management Plan”



9. Progress of Medium-Term Management Plan

9.1 Outline of Medium-Term Management Plan

Management Vision

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

“Build a Stock-type business model (commission-based) .”

Profit Targets

**Consolidated operating income of ¥5.0 billion for the year ending March 31, 2024
(35% increase compared to the fiscal year ended March 31, 2020)**



9. Progress of Medium-Term Management Plan

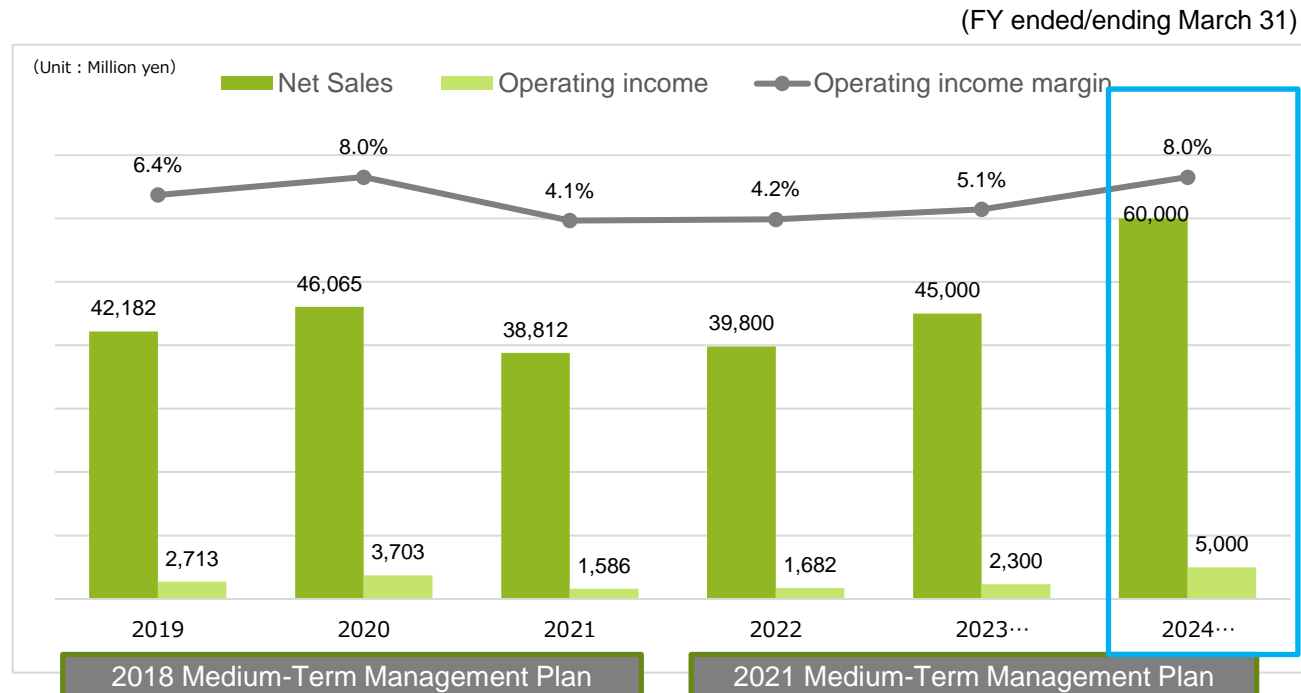
9.2 Performance trends

Management Vision

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

Profit Targets

- FYE Mar.31, 2024
 - Net sales : 60 billion yen
 - Operating income : 5 billion yen
 - Operating income margin : 8.0%





9. Progress of Medium-Term Management Plan

9.3 Investment policy: Changes in capital investment and depreciation

Original plan Capital investment for the fiscal year ending March 2023: 3.9 billion yen Cumulative investment for three years: 11.8 billion yen





9. Progress of Medium-Term Management Plan

9.4 Financial Policy

【Target】

- Equity ratio : 35%
- ROA : 6%
- ROE : 12%

【achievement】

- ✓ All financial policy goals have not been met.

Equity ratio

- ✓ Decrease due to increase in total assets

ROA

- ✓ Although total assets have increased, productivity has improved, especially rental asset management efficiency.

ROE

- ✓ Improved profitability and increased equity capital

		2021 Medium-Term Management Plan		
		2021	2022	2024
Equity ratio		32.3%	31.8%	35.0%
ROA		2.7%	3.4%	6.0%
ROE		4.7%	5.2%	12.0%
	Profit margin	2.2%	2.4%	4.8%
	Total asset turnover	0.7	0.7	0.9
	Financial leverage	3.1	3.1	2.8

※ ROE = Net income ÷ Equity (average at the beginning and end of the period) x 100

= Net profit margin x Total asset turnover x Financial leverage

$$= \frac{\text{Profit}}{\text{Net Sales}} \times \frac{\text{Net Sales}}{\text{Total assets}} \times \frac{\text{Total assets}}{\text{Equity capital}}$$



9. Progress of Medium-Term Management Plan

① Develop services that blend hardware and software, with a focus on the Iq System

◆ Hardware : Product strength

Providing high-value-added temporary equipment that improves safety, workability, and workability at construction sites, centered on the "Iq System"

◆ Software : Ability to solve problems

Providing functions to build the management foundation of the Group, "Development / Manufacturing", "Sales", "Rental", "Design / Installation", and "Management / Logistics"

In order to be selected by customers, it is necessary to provide not only product strength (hardware) but also Ability to solve problem (software) that responds to problems in the customer business.

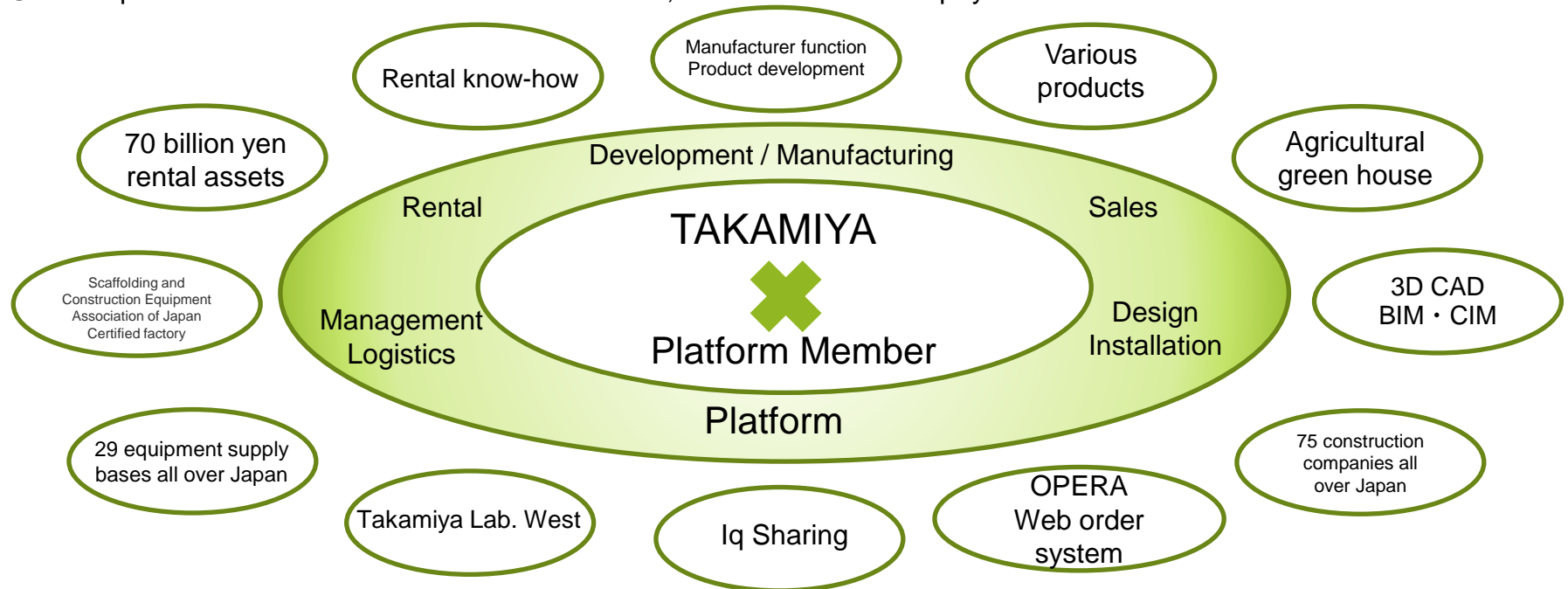
Hardware  Software

The platform provides services that combine hardware and software.



9. Progress of Medium-Term Management Plan

① Develop services that blend hardware and software, with a focus on the Iq System



Platform members can use Takamiya's business foundation as if it were their own



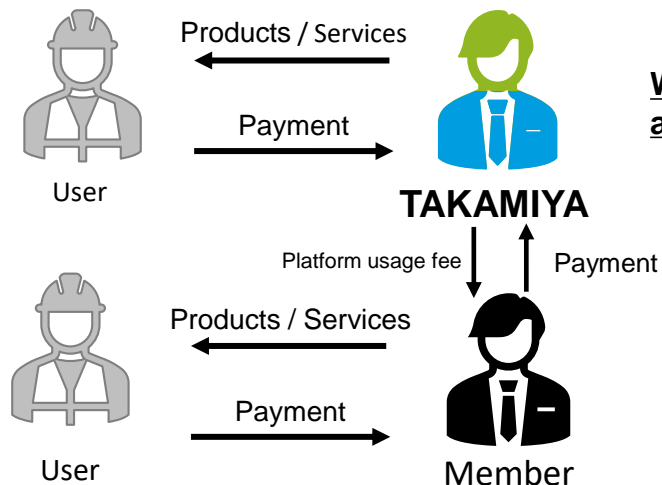
9. Progress of Medium-Term Management Plan

① Develop services that blend hardware and software, with a focus on the Iq System

Share the Takamiya Group's business foundation with customers and other providers

Takamiya's platform (business foundation)

“Development / Manufacturing”, “Sales”, “Rental”, “Design / Installation”, and “Management / Logistics”



We will brush up the platform, raise it to an overwhelming level, and evolve it into a service that is attractive to users.



Developing business with highly convenient high value-added services as our own platform



9. Progress of Medium-Term Management Plan

① Develop services that blend hardware and software, with a focus on the Iq System

◆ Expand business areas

Iq Sharing

If you deposit the purchased Iq System with Takamiya,

◆ **Managed by Takamiya's 29 equipment supply bases throughout Japan**

⇒ No operating costs or labor costs for equipment management bases

⇒ Available anywhere in Japan, regardless of where you purchased it

⇒ Shortages can be rented or purchased on the spot



Business area expanded all over Japan

◆ **Equipment maintenance**

by Scaffolding and Construction Equipment Association of Japan

⇒ You can use the equipment with confidence





9. Progress of Medium-Term Management Plan

① Develop services that blend hardware and software, with a focus on the Iq System

◆ Expansion of business scale

(Before) Selection of construction site according to the amount of equipment owned.

⇒ **By renting the shortage and necessary amount from Takamiya in addition to the equipment you own, you can receive orders regardless of the amount you own.**

(From now on) It is now possible to provide equipment to large-scale construction sites and multiple construction sites where it was difficult to enter the market.

For example, if you need 200 tons of scaffolding to build a condominium, and you have 300 tons of scaffolding.

- Build an apartment building using 200 tons. 100 tons are left over.
- All 300 tons will be used, 100 tons will be rented from Takamiya, and 2 apartments will be built.



The scale of the business will expand, leading to profits.



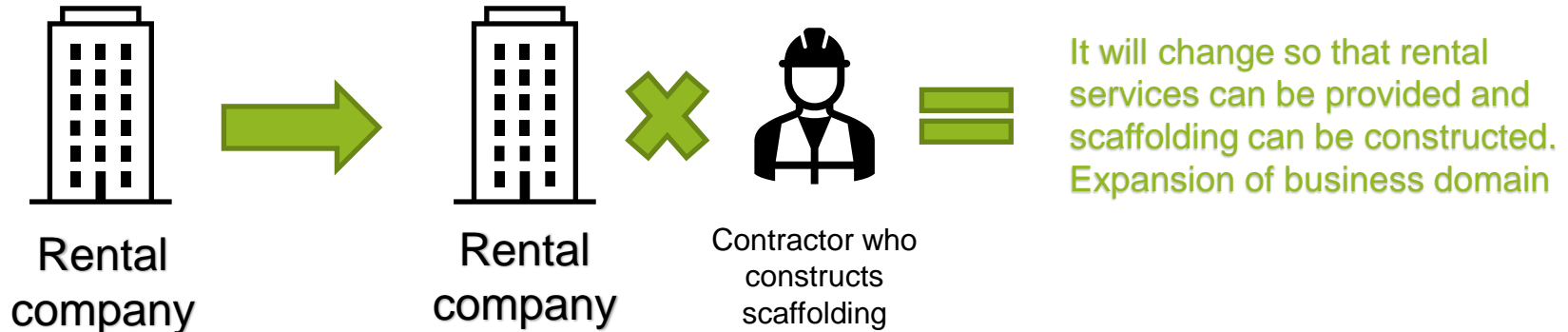
9. Progress of Medium-Term Management Plan

① Develop services that blend hardware and software, with a focus on the Iq System

◆ Expansion of business domain

(Before) The rental company provides rental services with the rental assets it owns.

(From now on) Rental company turns into a lumber industry using the construction service provided by Takamiya.
The range of work that can be undertaken will expand, and the amount of orders will increase.





9. Progress of Medium-Term Management Plan

① Develop services that blend hardware and software, with a focus on the Iq System

◆ Urban temporary equipment supply base

A research and development base that develops and provides new technologies and services to evolve the platform and enhance user convenience and competitiveness.

“Takamiya Lab. West ”



In addition to the function of the conventional temporary equipment supply base

- Excellent access to major cities in Kansai.
- 30 minutes to Osaka city
- By using a truck scale and fast lane, the time required for loading and unloading equipment is shortened. The number of round trips also increases.
- Monitor using cameras to improve the quality and efficiency of equipment acceptance and maintenance.
- Safety education and various training
- Product display / scaffolding construction experience
- Automated warehouse, automated cleaning machine
- Solar power generation for private consumption
- Electric forklift

Amagasaki City, Hyogo Prefecture



9. Progress of Medium-Term Management Plan

① Develop services that blend hardware and software, with a focus on the Iq System
Takamiya Lab. West

◆ Significant reduction in travel time and waiting time

● before

1 hour to the equipment
supply base

Truck waiting time is
1 hour

1 hour to the
construction site

Transportation time for
temporary equipment

3hours



● From now on

30 minutes to
Takamiya Lab. West

Truck waiting time
30 minutes

30 minutes to the
construction site

1 hour 30 minutes

**Increased number
of round trips**





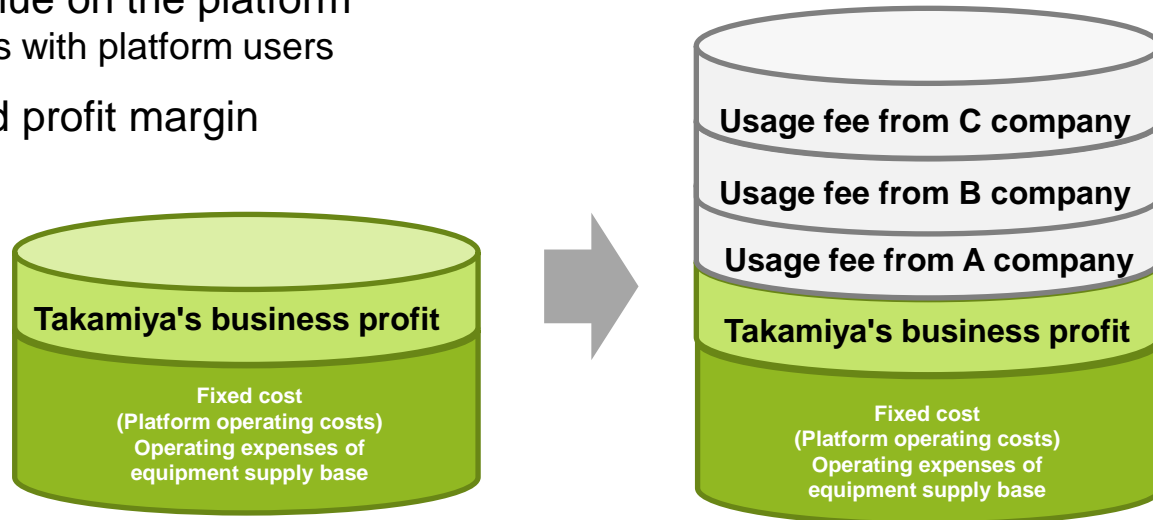
9. Progress of Medium-Term Management Plan

① Develop services that blend hardware and software, with a focus on the Iq System

Increase revenue on the platform

Share fixed costs with platform users

⇒ Increased profit margin



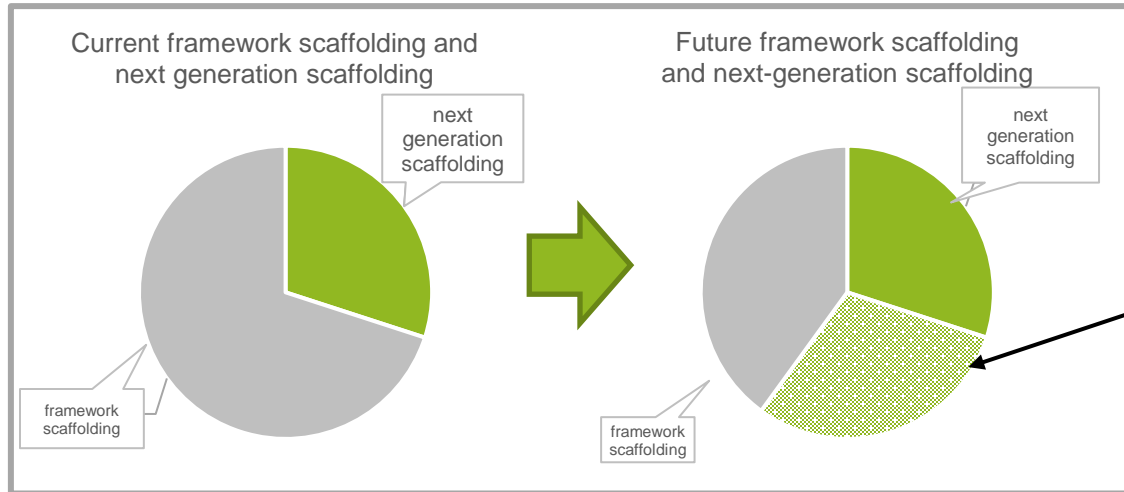
By sharing the platform used in the Takamiya Group's sales and rental businesses with platform users, the burden of fixed costs will be reduced. By increasing the number of platform users, it is expected that profits and profit margins will increase due to usage fees.



9. Progress of Medium-Term Management Plan

① Develop services that blend hardware and software, with a focus on the Iq System

- **As the number of platform users increases, the distribution volume of Iq System will increase, and the Iq System and Takamiya platform will become the de facto standard in the temporary industry.**



Expected market size
150 billion yen

+ Cloth board, baseboard, etc.

Expected to replace next-generation scaffolding in the future

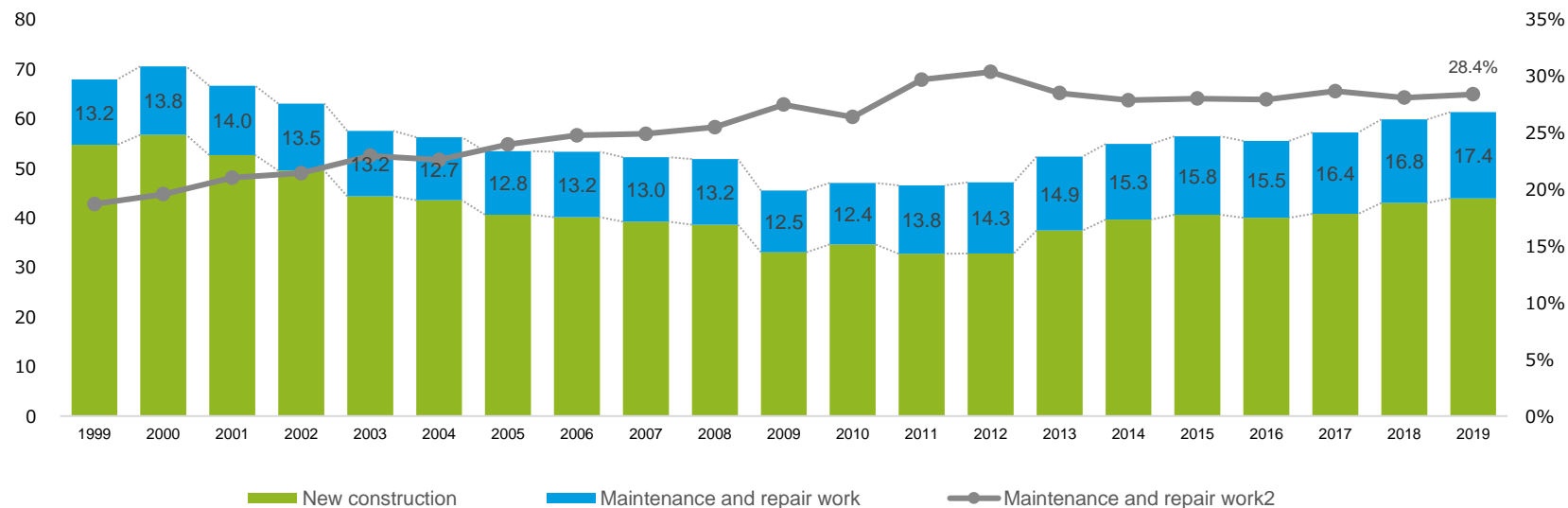


9. Progress of Medium-Term Management Plan

② Strengthen products for, maintenance / repairs and infrastructure redevelopment

Transition of maintenance and repair work

(Unit : Trillion yen)



※Created from JAPAN FEDERATION OF CONSTRUCTION CONTRACTORS "Construction industry handbook2021"



9. Progress of Medium-Term Management Plan

② Strengthen products for, maintenance / repairs and infrastructure redevelopment



SPIDER PANEL

Panel-type hanging scaffolding



V - MAX

System type hanging scaffolding



Lift Climber

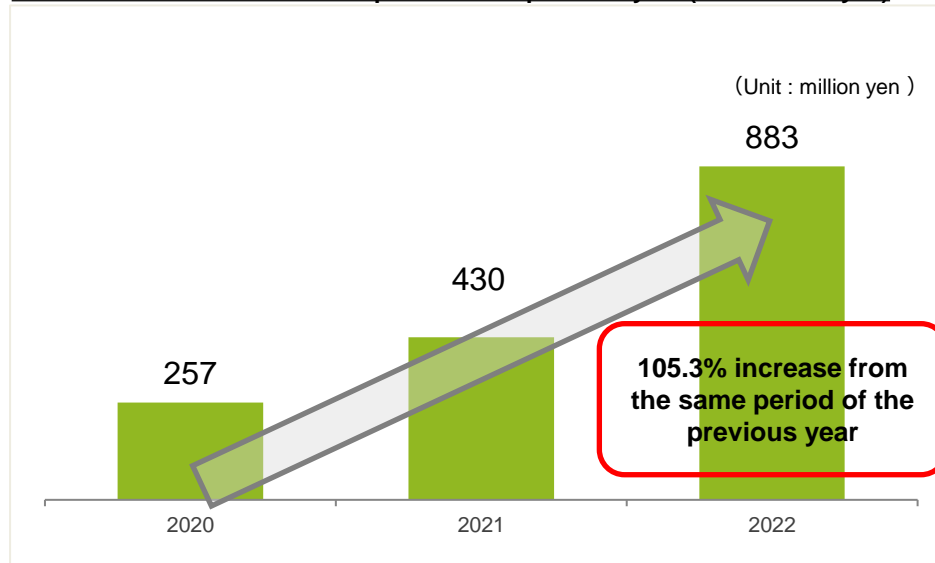
Epoch-making mechanical scaffold available for skyscrapers.



YT Lock System

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

◆ hanging scaffolding (SPIDER PANEL, V-MAX) Sales performance
105.3% increase from the same period of the previous year (+453 million yen)



(FY ended/ending March 31)



9. Progress of Medium-Term Management Plan

③ Nurture businesses beyond the temporary equipment sector

Agri business

Hanyu Aisai Project

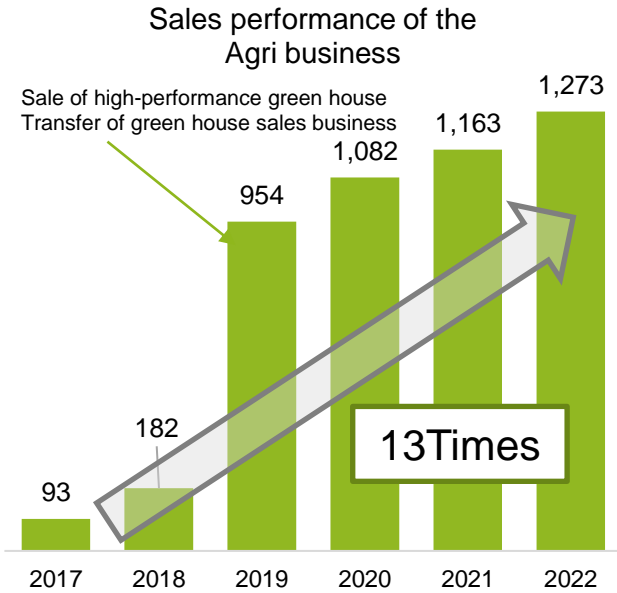


Inside "Hanyu Challenge Farm",
Hanyu City, Saitama Prefecture
Approximately 3 hectares (leased land)

G-Castle Neo48



G-Castle Pro I



(Unit : million yen)



9. Progress of Medium-Term Management Plan

③Nurture businesses beyond the temporary equipment sector

M&A to expand the Agri business

company name	Yame kaisei Co., Ltd.
Established	Established in 1962, in operation since 1961
Capital Stock	60 million yen
Head office	1024 Ota, Hirokawa-cho, Yame-gun, Fukuoka
Business Details	Agricultural building work, sales of agricultural materials
Purpose	To strengthen and expand the Agri business in the Kitakyushu area

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



9. Progress of Medium-Term Management Plan

④ Redevelop overseas business bases

Philippines : DIMENSION-ALL INC. (Rental and sales of temporary equipment for construction)

※End of the fiscal year : December

- ✓ Although the severe situation continued in the current fiscal year due to the continued restrictions on going out and moving in urban areas as a countermeasure against COVID 19, efforts were made to curb SG & A expenses and profits improved.

South Korea : HORY KOREA (Manufacturing and sales of temporary equipment for construction)

※ End of the fiscal year : March

- ✓ The economy in South Korea is on a recovery trend, and we continue to receive orders from South Korea and neighboring countries.

Vietnam : HORY VIETNAM (Manufacture of products for Japan) ※End of the fiscal year : December

- ✓ Due to the blockade of the city, production has temporarily decreased. However, the production of general-purpose products for Japan is also stable. Procurement of raw materials and parts has not been significantly affected and is proceeding smoothly.

We will turn headwinds into opportunities by conducting a comprehensive inspection of our overseas business, expanding our sales area, forming alliances with local companies, and developing human resources.



Prospects for the future



Prospects for the future / Forecast for the fiscal year ending March 2023

In the sales business, we will prepare a system to increase production of Iq System to meet the demand for next-generation scaffolding. The rental business is expected to steadily receive orders for construction and civil engineering work, which is expected to start construction, and the overseas business is expected to recover from the new coronavirus infection and resume economic activities, and is expected to remain firm.

(Unit : million yen)	Fiscal Year Ending March 31, 2023				(Reference) FYE Mar 31,2022
	2Q Forecast	YoY	Ful year Forecast	YoY	
Net sales	21,600	+7.9%	45,000	+13.1%	39,800
Operating income	650	(14.4)%	2,300	+36.7%	1,682
Ordinary income	600	(33.1)%	2,150	+10.0%	1,954
Profit attributable to owners of parent	350	+29.4%	1,450	+50.2%	965
Earnings per share	7.51 yen		31.13 yen		20.73 yen



Prospects for the future / Return to shareholders for the Fiscal Year Ending March 31, 2023

- ✓ Expected dividend amount similar to the previous term

Concept of shareholder return

- ✓ Improvement of corporate value and shareholder value
- ✓ Continuation of stable dividends
- ✓ Implementation of return measures according to profits

note)

- ✓ The dividend for the fiscal year ended March 2020 includes a commemorative dividend of 2 yen.

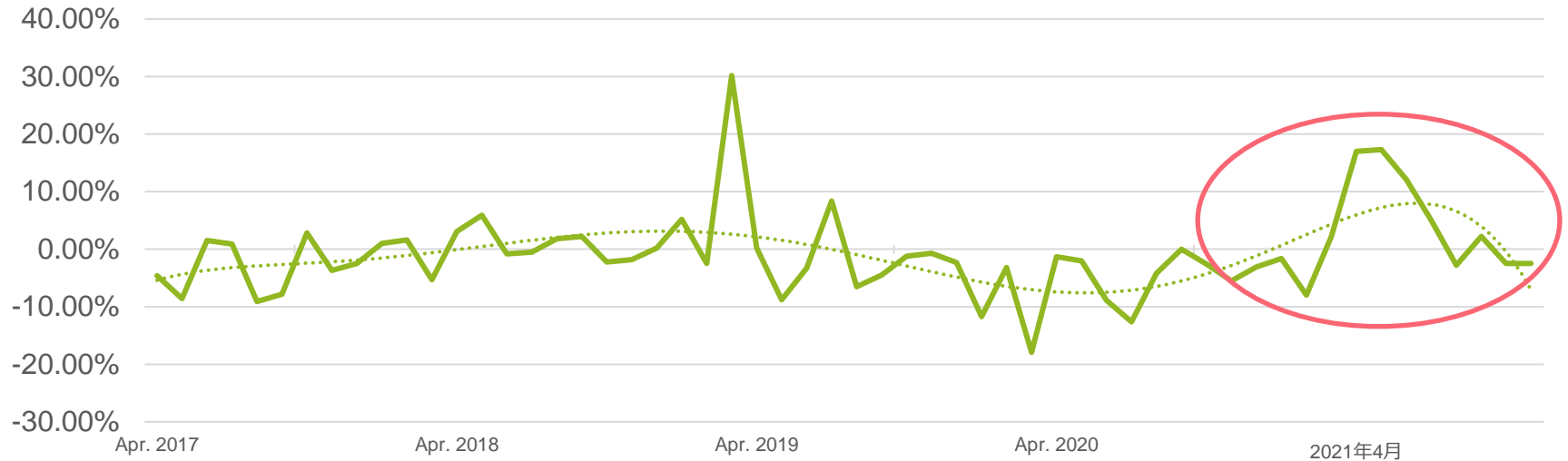
	2020年	2021	2022	2023 Forecast
Dividend	14.0 yen	14.0 yen	14.0 yen	14.0 yen
1Q	–	–	–	–
2Q	6.0 yen	6.0 yen	6.0 yen	6.0 yen
3Q	–	–	–	–
4Q	8.0 yen	8.0 yen	8.0 yen	8.0 yen
Total dividend amount	651 million yen	651 million yen	652 million yen	–
Dividend payout ratio	26.5%	76.0%	67.4%	–
stock repurchase	0 million yen	0 million yen	0 million yen	–
Total Payout Ratio	26.5%	76.0%	67.4%	–
DOE	3.9%	3.6%	3.5%	–
ROE	14.7%	4.7%	5.2%	–



Prospects for the future / Status of orders for construction work

Orders from construction companies, which are customers, are on the decline

Construction work orders received year-on-year





Prospects for the future | Domestic construction investment is strong

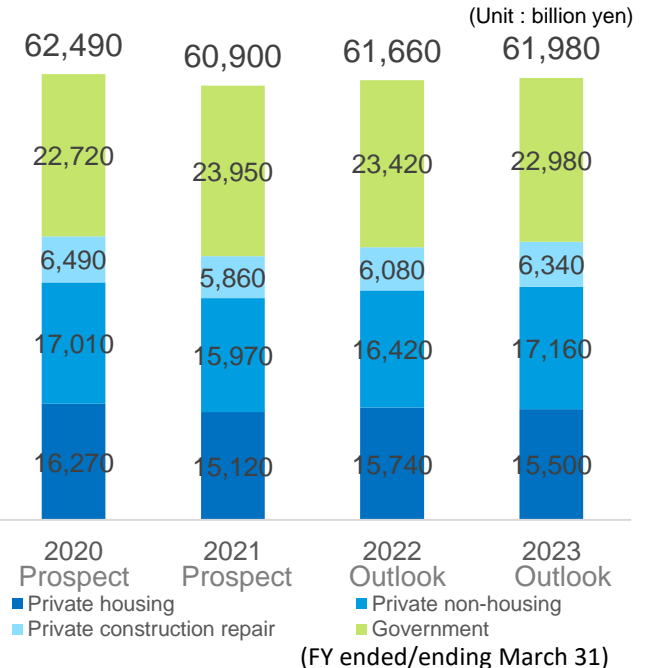
Source: Created from "Construction Investment Outlook" announced in April 2022 by the Ministry of Land, Infrastructure, Transport and Tourism

Construction investment is on a downward trend, government investment is expected to decrease, and private investment is expected to increase.

(Unit : billion yen)

	FY2021 (prospects)		FY2022 (prospects)	
		YoY growth rate		YoY growth rate
Nominal construction investment	61,660	1.2%	61,980	0.5%
Government	23,420	(2.2)%	22,980	(1.9)%
Private housing	15,740	4.1%	15,500	(1.5)%
Private non-housing	16,420	2.8%	17,160	4.5%
Private construction repair (refit/renovation)	6,080	3.8%	6,340	4.3%

NOTE: Government investment includes construction repair (refit/renovation) investment





Prospects for the future | Industry related projects

Large-scale projects in Japan tend to be delayed, and infrastructure maintenance and repairs such as transportation infrastructure are progressing in various places.



Infrastructure renovation projects

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

Private investment may be curtailed by the effects of COVID.
From 2021, public investment for economic recovery and orders for projects related to the Osaka / Kansai Expo are expected.



Reference Information



ESG information

IR

- Video streaming of Financial Results Briefing
- Disclosure of English versions of Summary of Financial Results, Results Briefing Materials, and Timely Disclosure Release (partly)
- Issuance and Web release of Integrated Report (Japanese/English) * 2021 version is available in Japanese and English
- Disclosure of non-financial information (publicized on Integrated Report, and then on the Web)
- Proactive information disclosure based on dialogues with investors (e.g., prevalence (total area) of next generation scaffolding, rental asset utilization rate)
- Briefing for private investors
- 1 on 1 meeting

Item	2021	2020	2019
Revenue	1,000,000	950,000	900,000
Operating Profit	150,000	140,000	130,000
Net Profit	100,000	95,000	90,000
EPS	100	95	90





ESG information

Human resource development

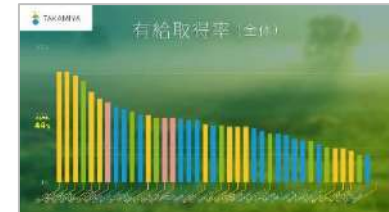
Promoting "Human centered capitalism" style management and measures centered on human resources

- 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

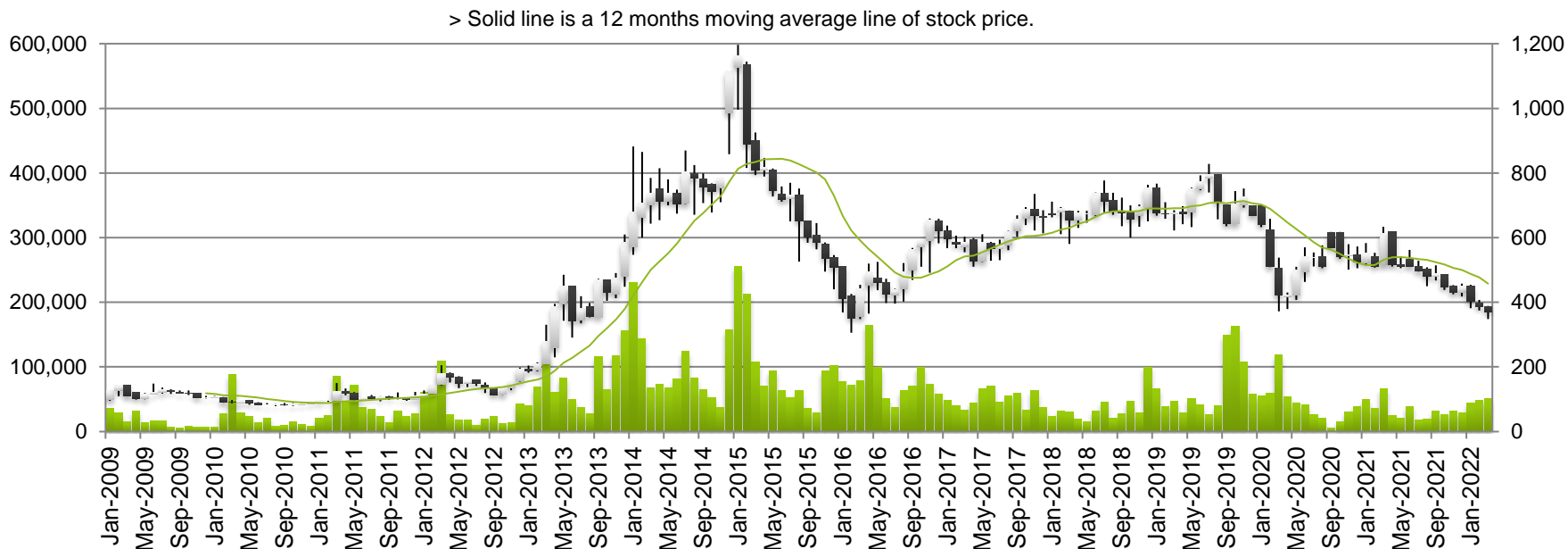




Stock Price of TAKAMIYA (2445:Tokyo)

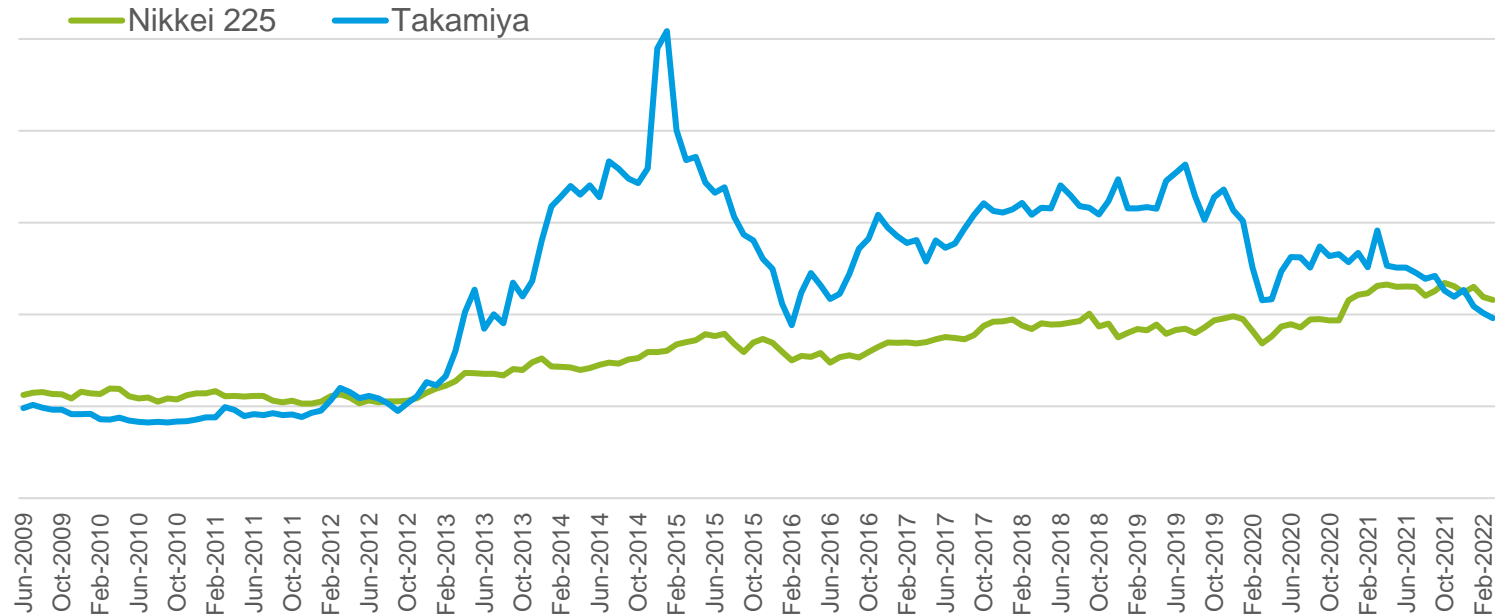
Average daily trading volume

Stock price (yen)





Comparison of Share Price and Nikkei 225 (based on January 2009)





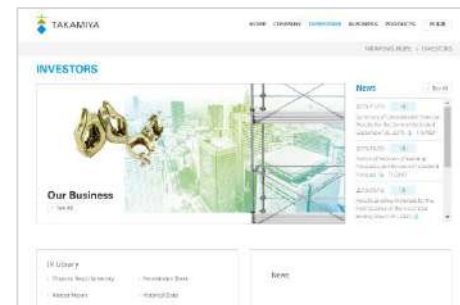
IR contact

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530-0011, Japan
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CONTACT : PR / IR Department
Email : ir@takamiya.co

HP



For Investor



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