

## Mission Statement



This world in which we live is constantly on the move, driven by the complex intertwining of national economies and the business activities of countless companies. Individual companies are made up of the untiring endeavors of their members.

What motivates people?  
 Their own ambitions. Consideration for their families. We believe these are where it all starts.

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

That is why our Mission Statement is "Love."



## Management Philosophy

### Love yourself

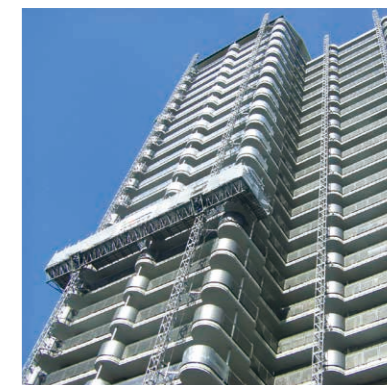
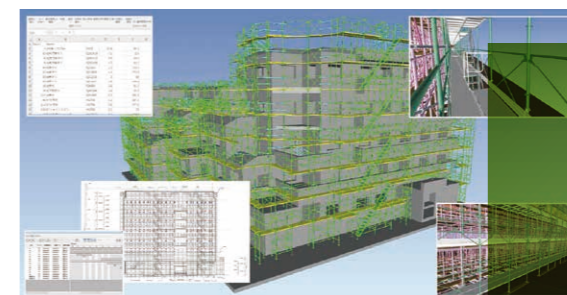
From birth, we have all been given our own life to live. It is only natural that we seek to keep on improving ourselves, to be better tomorrow than we are today. We need to be disciplined, and we need to be humble; we need to remember that even those things we regard as everyday events are in fact precious and can be experienced only once.

### Love others

Love starts with showing consideration for our family—our parents, our brothers and sisters. Loving others means showing consideration for our friends, our neighbors, and all the people of the world, and wishing for each other's happiness.

### Love the company

Companies are an innate part of the local community. We are grateful to the community, the country, and the world in which we were raised, and we do our best to give back to each of these however we can. Groups naturally form wherever people gather. The company is one such group. Through the company, we give back to the community, the country, and the world. This is what it means to love the company.



## Message from the President



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

### We will push forward to Keep Transforming to evolve into a new Takamiya as we work toward completing the Medium-Term Management Plan

#### Business Environment in the Current Fiscal Year

In the fiscal year ended March 31, 2023, the construction industry, in which the Takamiya Group is involved, continued to be impacted by the COVID-19 pandemic, as it was in the previous year. Although there were some delays in the start of construction due to the soaring raw material prices, exchange rate fluctuations, and labor shortages, business continued to perform well, centered in the Tokyo metropolitan area, partly due to private sector renovation work resulting from the need to reinforce and maintain infrastructure and buildings in preparation for increasingly severe disasters. The shortage of labor is not a new problem and is not a problem unique to the construction

industry, but this year was a year in which it really became apparent. Overseas, there are issues such as the prolonged conflict between Russia and Ukraine and financial instability. However, in the Philippines, a country in which the Group is developing its business, the prolonged lockdown was lifted and we are seeing signs of a gradual recovery such as the commencement of Japan International Cooperation Agency (JICA)-related infrastructure projects. Unfortunately, in the fiscal year ended March 31, 2023, we were unable to improve our performance as we expected. Profits were generally in line with our plans, but we failed to achieve our net sales forecast. In the sales

business, both earnings and profits declined due to the impact of customer restraint in purchasing due to price revisions implemented in response to soaring raw material prices. On the other hand, the rental business and overseas business posted increases in both earnings and profits. In the rental business, we recorded the highest utilization rate since the pandemic due to increased dependence on rental equipment resulting from customer

restraint in purchasing. In the overseas business, while there were lockdowns in the Philippines, rental sales of temporary equipment in South Korea were favorable, and manufacturing in Vietnam for Japan proceeded as planned. Over the last two years, the entire construction industry has been slowed down by the pandemic. Although the outlook remains uncertain, the business environment is steadily recovering.

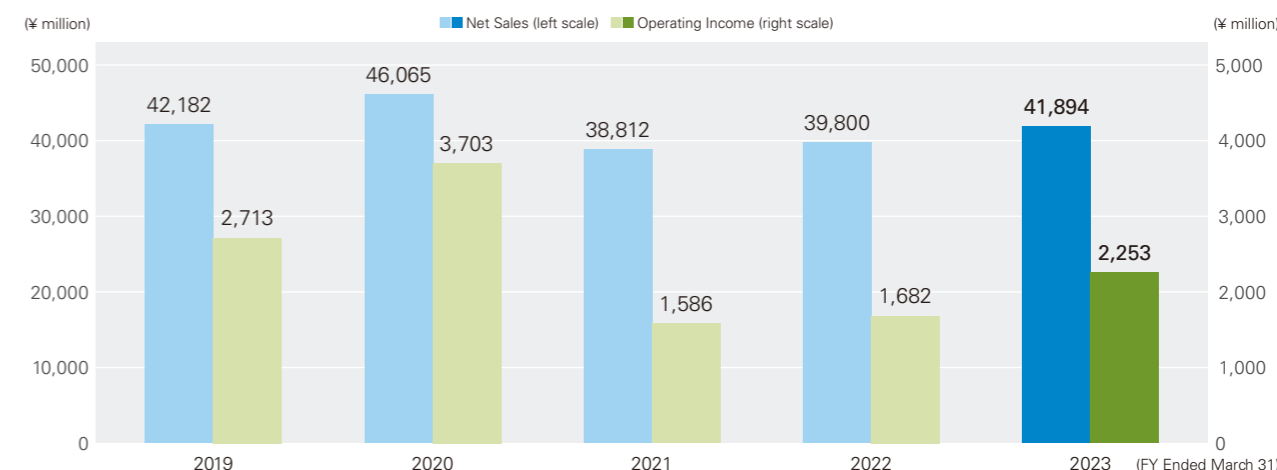
#### Takamiya Platform to Realize Business Transformation

In May 2021, the Group announced a new Medium-Term Management Plan with the management vision, "Create new value through transformation and aim for sustainable growth by becoming a partner to our customers." This Medium-Term Management Plan will be promoted by the "Takamiya Platform." The Takamiya Platform is an important initiative for the Company, as it aims to guide the Company in transforming from a conventional flow business model to a stock-type business model. We are working to build a structure that is resilient to changes in our external environment and capable of producing stable earnings. We will provide previously unheard-of added value by combining temporary equipment (hardware) focusing on Iq System, our next-generation scaffolding, with digital services (software) that use digital transformation (DX). Temporary equipment, such as our Iq System, is superior to other products in terms of hardware, and we had the belief that this superiority

would increase the spread of our products. However, we have come to realize that superiority alone is not enough to acquire a convincing share of the market, and that we will be caught up in a price competition with conventional products and next-generation scaffolding developed by other companies that followed our lead. Hardware superiority alone will not be enough to differentiate us. Therefore, we will differentiate ourselves from competitors by delivering undeniably convenient and highly safe services (software) in the form of added value. By utilizing this platform, our customers will be able to expand the area, territory, and scale of their business and improve their business revenue. For our customers, this platform will become the standard infrastructure in the temporary equipment business, and will enable Takamiya to transform itself into a stock-type business model, shifting itself away from a model as a rental company or manufacturer that conducts a flow business to a platform company.

P20-21 Feature: Source of Value Creation: TAKAMIYA Platform

#### Net Sales / Operating Income



## Responses and Challenges during the “First Year of the Platform”

The fiscal year ended March 31, 2023 was the initial year of our platform development, so we designated it as the “first year of the platform.” During the year, we made steady progress in transforming into a platform company.

The Group’s transformation initiatives to build a platform have been accepted by our customers centered on the Kansai area, have been accepted by our customers, and we are steadily moving forward with the proactive development of services. OPERA and Iq-Bid, our proprietary digital tools we have developed, can be accessed from anywhere via smartphone and other devices. We are also expanding content to maximize user friendliness, including enhancing Takamiya Lab. West functions. We have received positive feedback, indicating that our customers are well-aware that we are building the basic foundations for a platform. Many people were initially concerned about using the internet and online shopping, but these functions are now accepted as an indispensable part of our daily lives. Furthermore, the day when using platforms and their content is a natural and normal part of daily life is not far off. Platform-related sales increased from ¥600 million in the previous fiscal year to ¥1.6 billion, and the number of users is steadily increasing. We expect the speed of user increase to

accelerate in the future, but we also need to visualize various data and present it as evidence so the platform can be used with a sense of security. This will enable users to check the status of platform usage and get a feel for its convenience and profitability. Also, by visualizing our initiatives, we will provide a sense of security to our customers. In addition to using the visualized information in-house to expand the functionality of the platform, we will accelerate these initiatives in ways such as by introducing AI (Artificial Intelligence).

In July 2023, we identified Takamiya’s material issues (key issues) in order to further clarify the issues that we face in promoting our platform development. We sought the opinion of various stakeholders, including outside experts, so as to get a multi-faceted view of our initiatives, and after much internal discussion, we narrowed down the list to eight items. During the process of formulating our material issues, we received much feedback from stakeholders that will boost our platform development, as well as comments concerning their expectations for the Company. Growing as a company, Takamiya will work to deliver value to society broadly and act with more awareness of the need to train human resources that will support our growth and of environmental considerations.

P. 14-15 Identification of Material Issues (Key Issues)

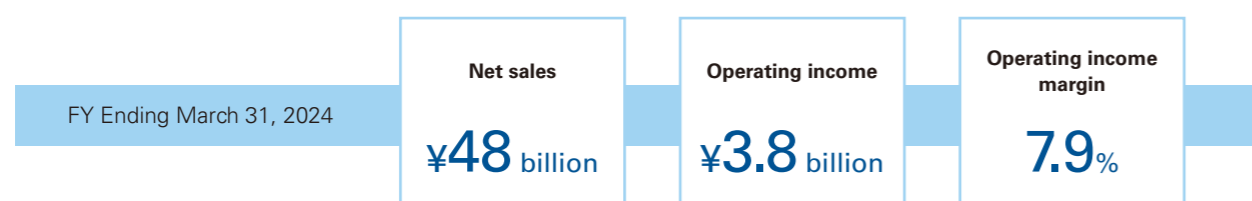
### Progress of the Medium-Term Management Plan

#### Outline of the Medium-Term Management Plan

Management  
Vision

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

Medium-Term Management Plan Targets (Reviewed in May 2023)



## Heading into the Final Year of the Current Medium-Term Management Plan

The ongoing fiscal year ending March 31, 2024 is the final year of the current Medium-Term Management Plan. Due to delays in the recovery of the business environment, we were unable to make the progress we had anticipated over the past two years. As a result, we have concluded that it will be difficult for us to achieve our initial performance goals, and we have revised our target of ¥5.0 billion in consolidated operating income down to ¥3.8 billion. Reviewing the progress made with each of the basic strategies of the Medium-Term Plan - for the first strategy, “Develop services that blend hardware and software, with a focus on the Iq System,” in other words the establishment of a platform, which is the core of our strategies, progress is on schedule, as mentioned earlier.

With regard to the second strategy, “Strengthen products for maintenance/repairs and infrastructure redevelopment,” in preparation for the full-scale maintenance and repair works of aging social infrastructure such as road bridges, tunnels, river management facilities, sewerage pipes, and port and harbor quays that were constructed during the period of rapid economic growth, we are pushing ahead with product development to meet this trend and are promoting the provision of services in pursuit of offering convenience to customers. The hanging scaffolding products, which we have developed as our core products for such maintenance, repairs, and infrastructure redevelopment, have been well received by our customers, despite the tough business environment. We are also promoting growth of the agriculture business and sales expansion of photovoltaic-related products as a way to nurture businesses beyond the temporary equipment sector. These businesses also

contribute to society from ESG aspects.

In the agriculture business, sales of greenhouses for cultivation have not gone as well as expected mainly due to the lack of subsidies due to the COVID-19 pandemic and the shortage of workers. On the other hand, preparations for the high-demand season have progressed. The Hanyu Aisai Project, which uses our products, was launched to support agricultural workers in solving the issues they are facing, by collecting data on the cultivation environment, vegetable yields, quality, etc. Our agriculture business not only provides products, but also offers cultivation know-how. In May 2022, we made Yame Kaisei Co., Ltd. our subsidiary through acquisition of its shares, thereby laying the groundwork to expand and grow our business in the Kyushu area.

In photovoltaic-related products, we aim to reduce greenhouse gas emissions through the introduction of renewable energy in order to achieve carbon neutrality. Its main product is the next-generation solar carport POGERO, sales of which are steadily increasing.

Lastly, with regard to our forth strategy, “Redevelop overseas business bases,” the impact of restrictions on movement as a result of the COVID-19 pandemic has become minimal, and we are making steady progress with our business foundation development. Business activity levels have recovered roughly as planned in the Philippines, South Korea, and Vietnam. Due to the progress we have made in the development of our internal management system, we have also improved our profitability.

Although our Medium-Term Management Plan has been reviewed since its formulation, its realization is within sight.

P. 34-39 Medium-Term Management Plan / Message from the CFO

## Completing Our Transformation by Integrating DX and Management

I believe that transformation of the Group means to reform Takamiya itself. In other words, transformation, which is the main theme as well as the ultimate goal of the current Medium-Term Management Plan, means to transform ourselves into a platformer. Our platform will be using digital networks to centrally manage not only order placing and receiving, but also warehousing at bases nationwide, inventory management, the state of production at manufacturing divisions, and product information including the Iq System.

We have revamped our Company website and business cards to change awareness within our Group, as we are transforming from a company that sells and rents scaffolding to an IT company with its own platform. This was due to our realization that the working environment had changed after the COVID-19 pandemic, and that only companies at which the newly hired digital generation in their 20s would want to keep working will survive in the future.

Our Management Philosophy views human resources as the essence of corporate strength. Therefore, we have focused on creating a working environment that can easily reflect the way of thinking of the younger generation, which will build DX that supports transformation, as well as on workstyle reform. We have installed large signage within our offices that allows employees to see, at a glance, how much overtime is being worked and the percentage of paid leave being taken. In addition to introducing new systems such as sabbatical leave, we are also promoting office reforms in line with the new era. We are transitioning from a place of work to a place of communication. We have rearranged our office layout to create open workspaces and introduced a range of ICT tools to enable each and every employee to work on his or her own initiative while considering and choosing where and when, or which facilities he or she works at, in an effort to not only make it easier for employees to work, but also to increase productivity. In addition, we have started to reform our appraisal system by introducing incentives and

targets, making it easier for the younger generation to work independently. Meanwhile, we have also realized the difficulty of making veteran managers understand DX. This has prompted us to switch to management that emphasizes diversity, which allows managers to maximize their management skills and make the most of their individual abilities. We have established a system to manage the targets that our employees have been working toward, to create a system that visualizes necessary information to achieve targets, so that everyone can share and utilize them.

I also believe that raising awareness of our customers is an important issue for us. Compared to other industries, the construction industry has been slower to adopt DX and digitalization initiatives. The industry tends to have an unwillingness to change. Therefore, in order to switch from analog to digital, customers need to understand that they can actually enjoy the benefits. By working to raise the awareness of our customers, we aim to complete the transformation of the Group.

P. 40-43  Human Resources

## Sustainability and Governance as the Foundation for Growth

The Group is seeking to achieve sustainability by eliminating wasteful construction industry practices and improving efficiency by using transformation to create a complete platform. The construction industry must also take action to deal with the "2024 Problem" that will be brought about by revisions to the Labor Standards Act. The restrictions on working hours will make it unfeasible for the construction industry to continue to operate in the same way as it has in the past. However, our next-generation scaffolding, Iq System, has a story height of 190 cm, 20 cm higher than conventional scaffolding systems. This significantly increases work efficiency while greatly reducing the burden placed on workers and the amount of work time involved. Our products and platforms are improving efficiency in various ways. Our platform is also transforming the construction industry as a whole, including customers, adopting a business system that prevents oversupply of scaffolding and reduces the amount of storage space required for equipment, etc. This platform makes it possible for us to share the use of scaffolding with our customers. This improves operation rates, reduces dead stock and inventory surplus, and helps produce more efficient construction sites. Furthermore, to combat the issue of CO<sub>2</sub> emissions, our platform has made it easy to collect large amounts of

scaffolding scrap and recycle it for use in new products as raw materials by melting it in high temperature furnaces. We have already begun expanding our Vietnam Factory and changing the layouts of our factories, promoting DX in our production management. We have prepared an inventory of the largest and most optimal equipment for stable production and set up a system that minimizes excessive raw material procurement and inventory retention. At the aforementioned Takamiya Lab. West, our reductions to truck standby times achieved through the industry's fastest delivery and collection are certain to produce CO<sub>2</sub> emissions reduction benefits. Improving the efficiency of our business operations will also contribute to our ESG initiatives, and we believe that similar initiatives will produce similar results for our agriculture business and photovoltaic-related products. This is because striving to improve our business efficiency also contributes to sustainability.

With respect to governance, in June 2022 we transitioned to a Company with an Audit and Supervisory Committee structure, and we are promoting the separation of our executive and supervisory functions. We have strengthened our middle management by positioning general manager-class personnel as part of our management team. We have also shifted the focus of members of our management



team, such as our directors, from providing executive functions to providing supervisory functions. Through these efforts, we have begun reinforcing the governance

of our Company as a whole. Furthermore, with regard to our dividend policy, a topic of high interest to our shareholders, we plan to continue to provide stable dividends.

P. 44-45  Environment / Safety / Trust of Customers

P. 46-49, P. 52-55  Dialogue between Outside Directors / Corporate Governance

## To Our Stakeholders

Our company's history extends back half a century, and we are now launching a platform and transforming into an IT company. The core of our business operations is also shifting completely to platform business, and our aim is to become part of the infrastructure of the industry of providing temporary equipment for construction work. I am sure that from the standpoints of those in the construction industry, including our customers, this may seem like an incredibly ambitious dream. Knowing that this report, which discloses some of our efforts, will be seen by these industry members fills me with pride and an even stronger dedication to achieving our targets.

Our new employees, who will be a tremendous aid in our achievement of these targets, will be all hired to create this platform. We will no longer be taking a hiring approach of bringing together scaffolding rental sales managers, construction managers, and science students to hire R&D and manufacturing department personnel. In this way, we will move away from Takamiya being a scaffolding manufacturer and rental company, instead

using DX to transform ourselves into a platformer.

As part of our Medium-Term Management Plan, we are carrying out our preparations for becoming a platformer that earns the high praise of society. That is precisely why we are able to carry out the transformations, such as reshaping our corporate image and company format, introducing DX, and reforming workstyles, working environments, and offices. We were also able to define materiality, thereby clearly defining our mission.

However, I feel profound regret that we may have not been able to effectively communicate these changes and reforms to our shareholders and investors. We will redouble our efforts to disclose more various information and actively engage in PR and IR activities than ever to accurately communicate and provide everyone with a fuller understanding of our initiatives. We will do our utmost to show how Takamiya is engaging in business activities as a full-fledged platformer in a way that is clearer and easier for anyone to understand. We will work harder than ever to meet the expectations of all of our stakeholders.