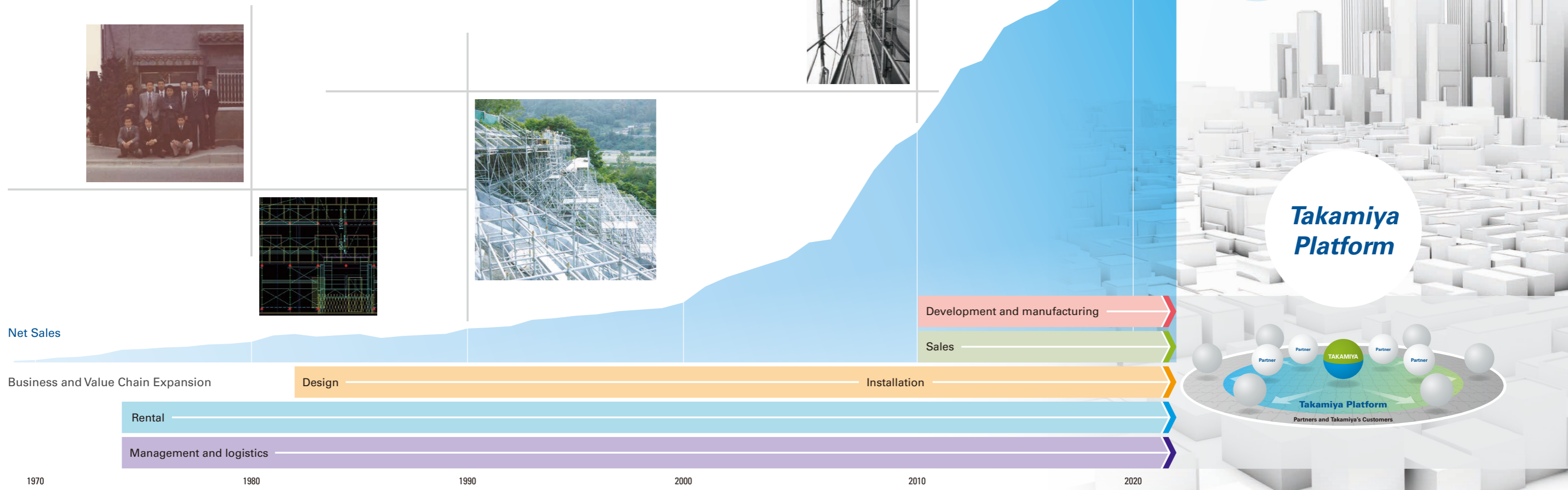


Takamiya's History

Using foresight—staying ahead of the issues facing society and the coming changes of the times—Takamiya has been providing value to society by innovating its businesses and creating frameworks whenever necessary. Here, we showcase our history of transformation.



FY ended
March 31, 2023
¥41,894 million

1970 1980 1990 2000 2010 2020

1974–

Established the scaffolding rental business

Having started its business in 1969 as a scaffolding seller, the Company quickly shifted to the rental business. During construction for the Japan World Exposition, Osaka in 1970, many construction companies procured large amounts of equipment in Osaka, and sold it off immediately after use. Anticipating the era of the temporary equipment rental business, we decided to change our business structure. We went on to establish frameworks and systems that have become a standard in the industry today, such as a security deposit system for products and minimum rental periods. From the 1980s, aiming to expand its business scale, the Company developed operations in Tokyo and across the country. Furthermore, in a bid to strengthen its business foundation ahead of others, the Company worked on establishing the Scaffolding System Engineering Office, automating its equipment supply locations, and introducing a CAD system. In the 1990s, the Company established its own quality control standard to improve safety.

2000–

Entered environmental business in pursuit of safety, environment, and workability

In the 2000s, construction investment shifted from highways and new infrastructure to disaster prevention, repair, maintenance, and improvement. Anticipating further changes, we entered the environmental business. Since then, we have positioned the environmental business as an important part of our growth plan and introduced several strategic products, such as the YT Lock System, designed for disaster prevention works on mountain slopes, where accidents can easily happen, and the Lift Climber, which targets large-scale maintenance and repair projects for high-rise condominiums and office buildings.

2010–

Iq System revolutionized the industry and created a business structure

In 2010, we acquired a company that manufactures temporary equipment for construction with the intention of revolutionizing scaffolding, which had not changed in 50 years. We developed the next generation of scaffolding in-house and launched it in 2013. Iq System next-generation scaffolding increased the story height from the conventional 170 cm to 190 cm while providing excellent workability. It is steadily solidifying its position as the de facto standard for scaffolding. We also established the Scaffolding Construction Department to handle scaffolding installation in-house, and have built a system in which each of our functions creates synergy with the others, such as responding to the labor shortage at construction sites while promoting our next-generation scaffolding.

2015–

Ventured into new business domains leveraging our business structure

We have advanced into various fields based on our core business in scaffolding. In 2015, we entered the agriculture business. Agriculture, which is a primary industry, faces many issues, such as the aging of agricultural workers and the abandonment of farming for economic reasons. In light of these issues, we used the metalworking technologies we have cultivated through the development of temporary equipment to create and sell agricultural greenhouses that are highly weather resistant. Also, we have worked to strengthen our role as a manufacturer and offer value in new domains, such as through the development and sale of anti-seismic damping frames to protect homes from earthquakes.

2021–

Accelerating transformation by creating new structures

In addition to revising our business model to stay ahead of the times, we are carrying out a transformation to continuously increase our corporate value through the development of high-value-added products and services. We will continue to take on the challenge of creating new value, and aim to become a corporate group that drives qualitative development of the industry.

Japan World Exposition, Osaka

Anticipated the era of the rental business for temporary equipment for construction work

Japan's economic boom

Rival companies engaged in price competition

Construction investment shifted

From new construction to disaster prevention, maintenance, and repair

Labor shortage

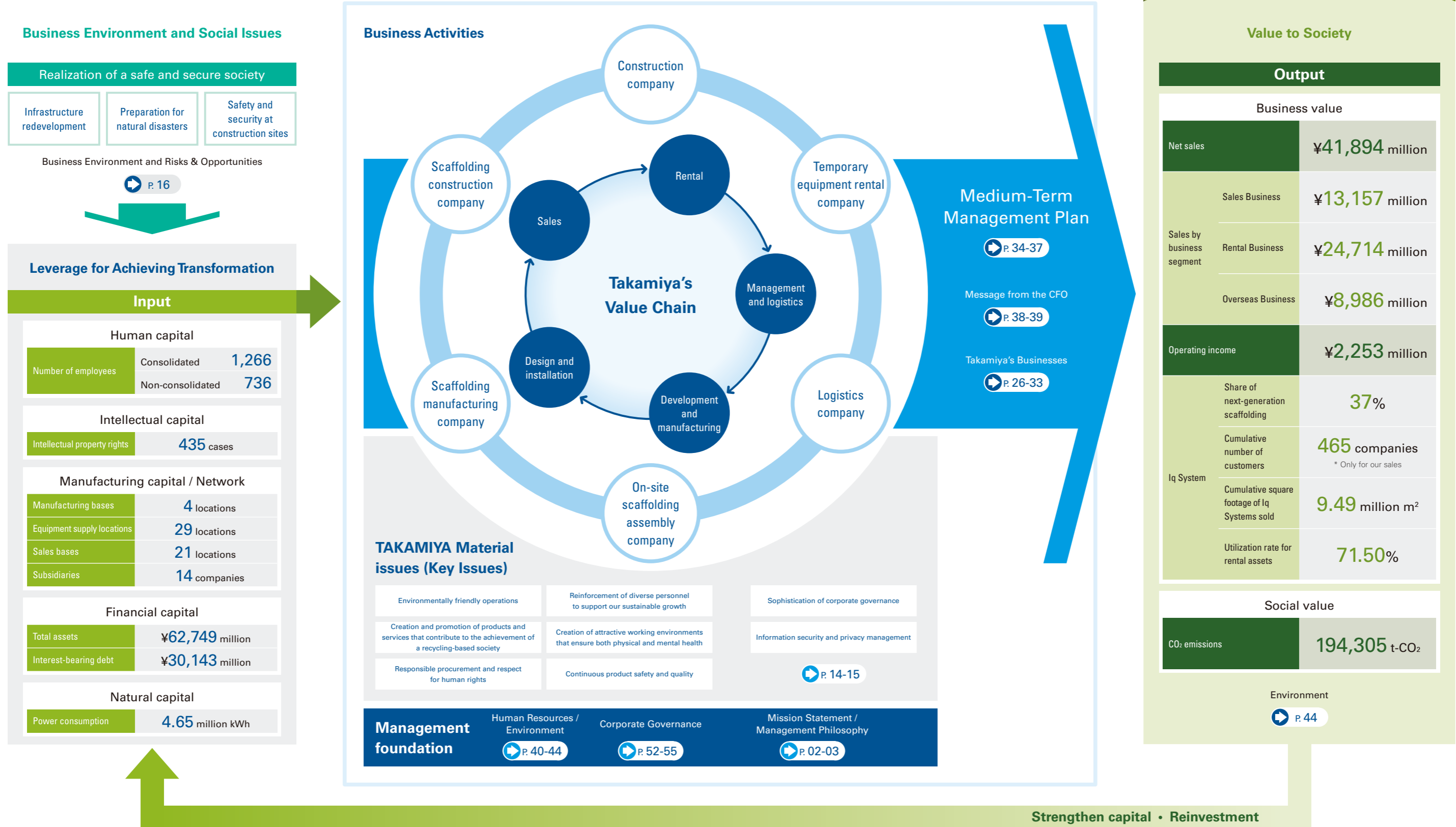
- Labor shortage at construction sites
- Securing excellent human resources and improving productivity became challenging

Growing need for productivity improvement

Advent of the era of productivity improvement, required not only at construction sites but also in various industries including agriculture

Takamiya's Value Creation Process

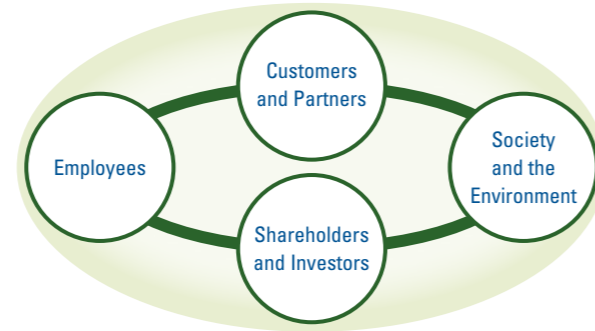
Takamiya has created new business models through foresight—staying ahead of the changes of the times and innovating its business portfolio and frameworks. We will repeat this process and provide products and services that resolve social issues, so as to continuously improve our corporate value.



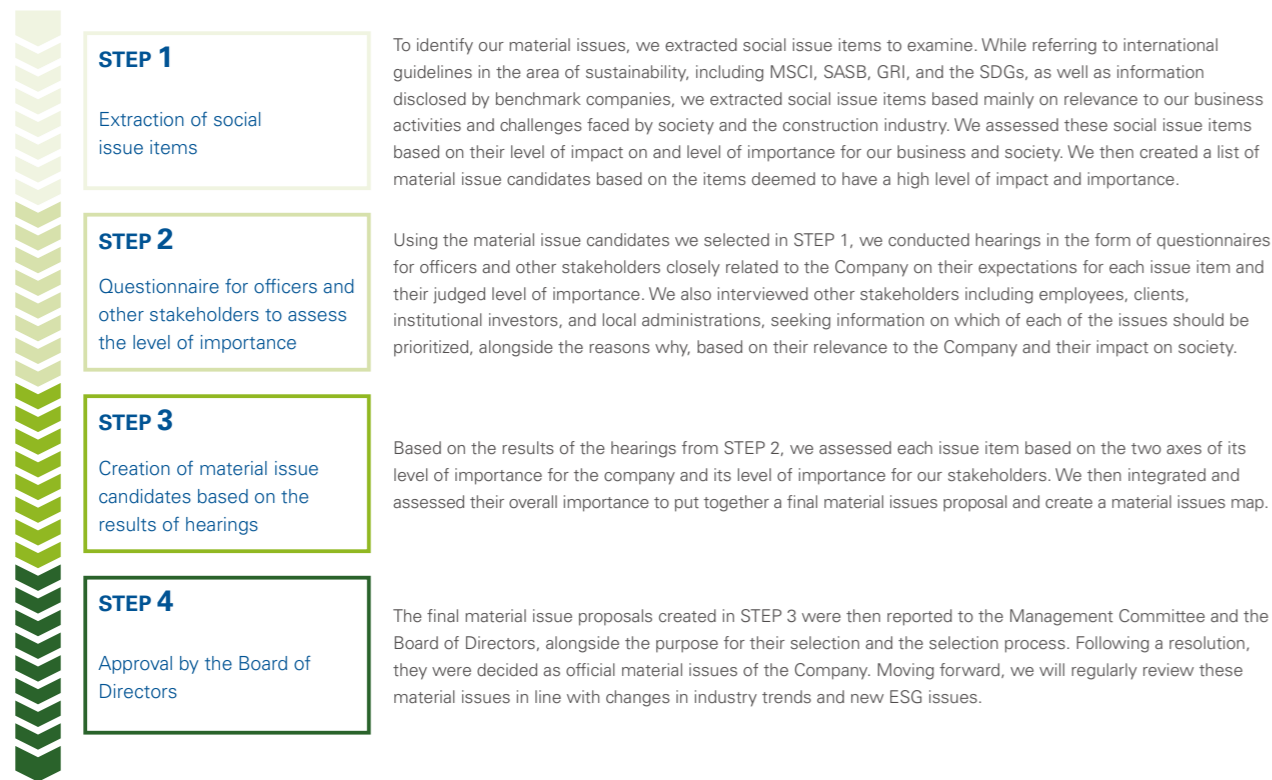
Identifying Material Issues (Key Issues)

In addition to the risks and opportunities that could have a significant impact on its medium- to long-term management strategies, in August 2023 the Company identified eight material issues that are important for its stakeholders and that could have a major impact on its management and business activities. We will continue to implement long-term initiatives to resolve social issues and meet stakeholder expectations through our future business activities, leading to sustainable enhancement of corporate value.

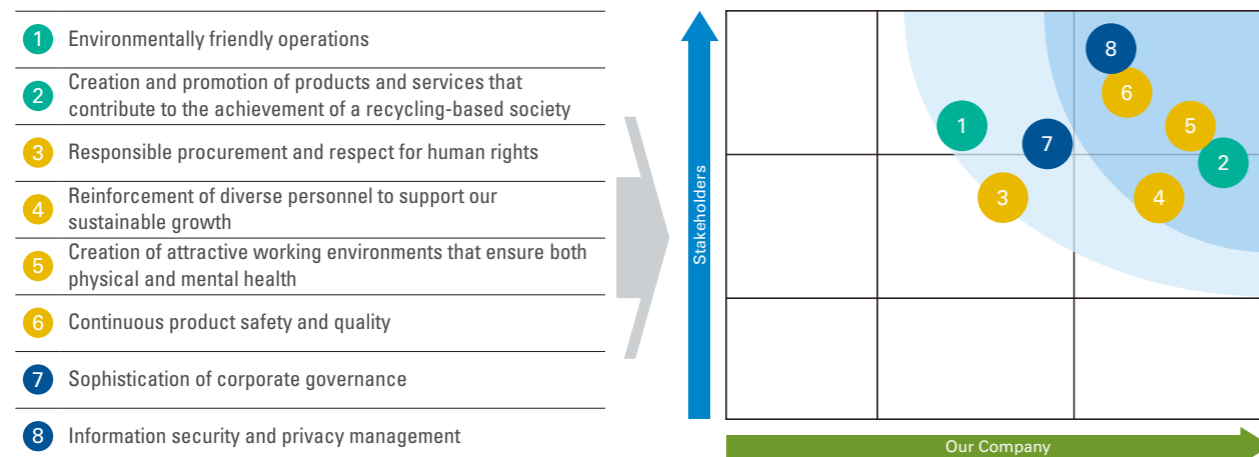
Takamiya Stakeholders



Identification Process



Finalized Material Issues Map



Identified Materiality

Item	Category	Details	Why We Consider These Important
1	E	Environmentally friendly operations	Within our Company and throughout our value chain, we are engaging in initiatives to reduce GHG emissions and mitigate environmental impact relating to water stress, air pollution, biodiversity, and land use.
2	E	Creation and promotion of products and services that contribute to the achievement of a recycling-based society	Ensure efficient utilization of limited resources (natural capital, human capital, social capital), and introduce and promote products and services that contribute to the achievement of a recycling-based society.
3	S	Responsible procurement and respect for human rights	Engage in initiatives to track and manage the societal and environmental impacts of the raw materials used in our products, and protect the rights of those associated with raw materials.
4	S	Reinforcement of diverse personnel to support our sustainable growth	Engage in initiatives to attract, nurture and retain diverse employees who possess advanced skills.
5	S	Creation of attractive working environments that ensure both physical and mental health	Minimize safety and health risks for everyone involved in our business, and create an attractive working environment that promotes both physical and mental well-being. (Note: We provide various safety training programs, including scaffolding safety education for users and operators of our products, with the goal of reducing fatal industrial accidents.)
6	S	Continuous product safety and quality	In addition to enhancing the safety of products, engage in initiatives to ensure sustained safety and thorough quality control throughout procurement, manufacturing, and development processes.
7	G	Sophistication of corporate governance	Engage in initiatives aimed at highly transparent corporate governance, thorough adherence to corporate ethics, and compliance with laws and regulations, as well as initiatives to maintain internal systems for monitoring, management, and prevention to support these efforts.
8	S/G	Information security and privacy management	Engage in initiatives to establish information systems that balance versatility with confidentiality, and to prevent information leakage and manage privacy.

Business Environment and Risks & Opportunities

	Primary Factors	Risks & Opportunities	Reasons	Long-Term Responses and This Fiscal Year's Initiatives
Changes in the economic environment	Domestic economic trends	Risk Capital investment trends of private companies	• Capital investment of private companies is affected by economic trends	• Hold versatile temporary equipment and technologies that can be applied to a wide range of works including public infrastructure construction works, because government investment (mainly civil engineering works) tend to increase amid economic downturns
		Opportunity Increase and decrease in domestic construction investment amount	• Construction investment amounts have an impact on us, because our main business is related to temporary equipment for construction works	• Enhancement of highly versatile temporary equipment and supply system • Nurture businesses beyond the temporary equipment for construction work sector • Expand business overseas (ASEAN countries) which is not directly affected by construction demand in Japan
	Exchange rate fluctuations	Risk Rapid depreciation of the yen	• Manufacturing and transportation costs will increase due to soaring energy and raw material prices	• Pass on higher raw material prices to selling prices as appropriate
Changes in the social environment	Transition from new construction to maintenance and repairs	Risk Decrease in demand for new construction of transportation infrastructure	• Demand for new construction of infrastructure is shrinking, resulting in oversupply of large-scale falsework equipment for bridge construction in highways and railroads	• Sell to ASEAN countries where demand for construction of infrastructure is expected
		Opportunity Increase in demand for infrastructure maintenance and repair	• More than 50 years have passed since the construction of domestic transport infrastructure such as highways, and demand for maintenance and repair is increasing • Longer construction periods at rental customers' sites result in better profitability on a site-by-site basis	• Expand the lineup of temporary equipment required for maintenance and repair work of infrastructure, and renew temporary equipment to more versatile types
	Productivity improvements at construction sites	Opportunity Accelerated spread of next-generation scaffolding	• Demand for Iq System next-generation scaffolding, which enables safe and easy work without bending forward, will increase • Demand for lighter scaffolding will also increase because it enables not only space savings in equipment storage areas, but also improves transportation efficiency and reduces the work burden for scaffolding installation	• Replace all tube pipes held with high-tension steel pipes to make them lighter • Completed replacing equipment with next-generation scaffolding Iq System with superior workability and safety • Make equipment lighter by switching material from steel to aluminum • Increase production capacity of Iq System
		Risk Obsolescence of temporary equipment held	• Development of innovative construction methods may eliminate the demand for temporary equipment including scaffold	• Nurture businesses beyond the temporary equipment sector (agriculture business, etc.) • Shift to business models that do not rely on hardware (platform business)
	Digital transformation (DX)	Risk Delays in promotion of DX due to the shortage of IT professionals	• We may lose our market share if we cannot secure IT professionals and cannot provide DX-related services in a timely manner	• Promote the hiring of IT professionals and the training of employees • Digitize factory forms and store documents electronically • Adopt incentives for employees for DX initiatives
		Opportunity New demand	• Online transactions will become the norm, and being well-prepared may increase the number of new customers and the amount of transactions with them	• The Group has been working on building/construction information modeling (BIM/CIM), which is essential for DX in construction, and opportunities for receiving orders will increase due to the expansion in demand • We introduced the online system "OPERA," which diversified order channels and increased opportunities
	Diversification of agricultural workers	Opportunity Increasing number of new companies entering the agricultural sector	• There is demand for facilities with high yield potential for a relatively large investment • Many new farmers are starting out, requiring automatic control and cultivation know-how • Demand of facilities and equipment for productivity improvement increases, necessitating increase in yield per acreage	• Develop pipe houses for agriculture and products for agriculture, utilizing our metalworking technologies and steel pipes for scaffolding • Release of G-Castle Pro and G-Castle Neo48 high-performance agricultural greenhouses • Implement demo cultivation with our products, and collect know-how and data to leverage them ("Hanyu Aisai Project") • Collaborate with other companies on smart agriculture
	Response to climate change	Risk Surge in raw materials, fuel costs, and transportation costs	• Raw material/fuel prices and transportation costs may surge due to the rise in the prices of fossil fuels driven by the reduction of CO ₂ emissions	• Make components smaller and lighter through the systemization of scaffolding, thereby reducing the number of vehicles and round trips required to transport equipment • Shift from suburban to urban equipment supply locations (Takamiya Lab. West)
		Opportunity Demand for new construction and renewal of plants	• Demand for construction including renewal and new opening of facilities increases due to the usage restriction of fossil fuels and energy efficiency as well as increase in usage of alternative energy including hydrogen and electricity E.g., Power plants, hydrogen production plants, supply bases (gas stations), net zero energy buildings (ZEBs) and net zero energy houses (ZEHs)	• Develop and sell next-generation solar carport, POGERO • Develop scaffolding supply bases for new construction and maintenance of electric power plants
	Natural disasters	Risk Slowdown in business and economic activities	• We may be forced to shut down our operations due to natural disasters such as earthquakes and typhoons, and the spread of infectious diseases such as viruses	• Diversify risk by operating 29 equipment supply locations across the country • Distribute manufacturing bases in 4 locations: 2 in Japan and 2 overseas • Promote remote work
Opportunity Response to recovery and reconstruction from disaster		• Demand for temporary equipment necessary for construction works rises to quickly recover from damage to transportation infrastructure due to natural disasters	• Position equipment supply locations across the country and establish the system to supply temporary equipment necessary for recovery and reconstruction works	
Domestic demographic trends	Risk Shortage of personnel and manpower	• New hiring becomes difficult due to the advancement of the declining birthrate • Securing talents with skills and qualifications such as scaffolding installation becomes difficult	• Enhance employee benefit programs as well as improve working conditions and environments mainly through workstyle reform • Implement various training, scaffolding safety courses, etc.	
Changes in laws and rules	Amendment of Ordinance on Industry Safety and Health (related to scaffolding)	Opportunity Increased demand for new and existing products	• Amendement of laws and guidelines to secure the safety of workers in construction sites generates demand for new products • Introduction of five-day week is promoted and overtime work is capped in the construction industry	• Promote development, manufacturing, and sales expansion of products with high safety and workability, such as Iq System next-generation scaffolding and SPIDER PANEL panel-type hanging scaffolding system • Develop products with lighter weight and aluminum materials

Takamiya Platform

Making Our Customers Partners in Our Platform

Transforming from a Flow Business to Stock-Type Business

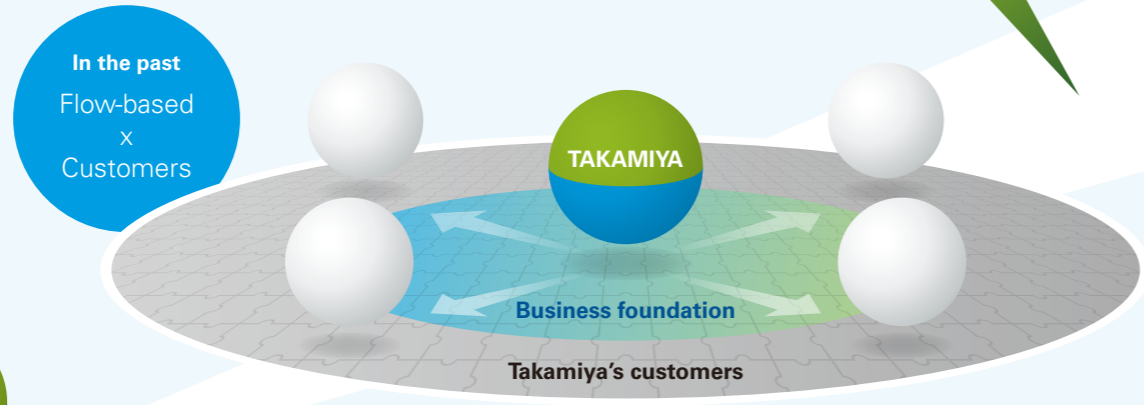
Takamiya has used its business foundation to provide services to customers while enhancing each function to make them more convenient. Now, we are ready to open up this enhanced business foundation as a platform for customers. In doing so, our customers will become partners who share the platform, enabling them to use Takamiya's business foundation (temporary equipment business infrastructure) as part of their own, and facilitating the expansion of their business scale, geographical area, and domain.

The high-value-added services offered on our platform enhance profitability for Takamiya and for our partners. By encouraging customers to use our platform and our services, we will transform into a highly profitable and stable stock-type business.

Takamiya's Business Foundation

A business foundation developed based on customer needs and backed by 50 years of experience in construction sites

An Evolving Business Model
By being a true partner for our customers, we are achieving both the evolution of our customer's business and the transformation into a stock-type business model.



Providing a One-Stop Service for Temporary Equipment

Takamiya grew its business around the rental of temporary equipment, and we have expanded the various functions of our rental service to make it even more convenient. Covering the entire process of temporary equipment use, including new product development, manufacturing and sales, preparation of assembly blueprints, and product assembly, we offer a one-stop service from downstream to upstream.

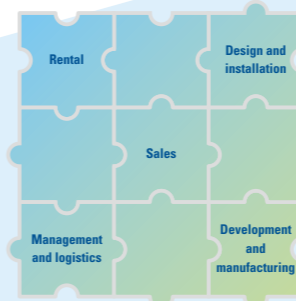
Responding to Changing Connections with an Evolution in the Value We Provide

Combining the features that each of our customers need to provide tailored solutions

Going forward
Stock-based x Partners
Utilizing the features of Takamiya as their business foundation



Takamiya Platform

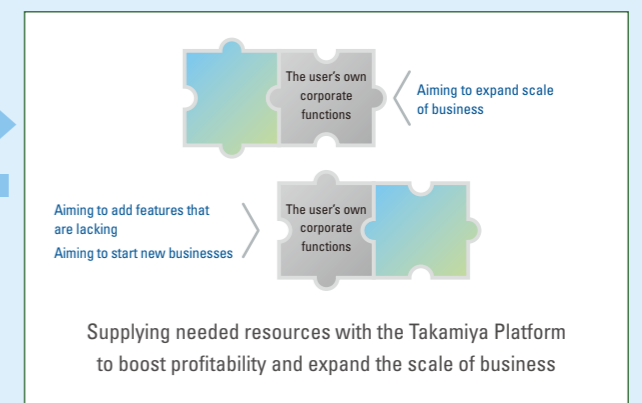


At Takamiya, we are using DX to improve the convenience of our platform solutions and promoting increased usage.

Providing solutions to address challenges of customers

Platform usage fees

The User's Business



The Takamiya Platform Business Model

We will create further added value by using digital transformation (DX) for each function that we have enhanced so far. The added value our platform offers with its safety and convenience will encourage partners to continue using it, thereby sustaining stable earnings for our business. In addition, the services provided by the platform will enhance efficiency for both our partners and for Takamiya, enabling us to develop a highly profitable business.

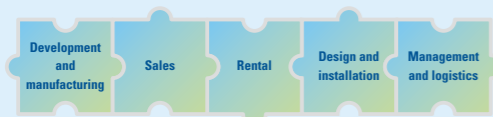
Providing Value Created through Building Platform

Providing a Range of Solutions with DX

We will utilize DX to enhance each of the functions that we have established to date in our business—development and manufacturing, sales, rental, design, installation, management, and logistics. As well as improving the safety and convenience of these functions, we will integrate them to create new services, in order to provide services with unprecedented high added value. The industries of construction and providing temporary equipment face a host of challenges, including labor shortages, long working hours, and delays in DX and digitalization. We will solve these challenges through productivity improvement using the solutions we provide through the Takamiya Platform.

Key Services

Platform Portal “OPERA”



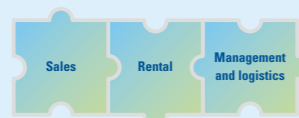
OPERA is a portal that integrates our platform services. All high value-added services that we add to our platform in the future will be available through OPERA. In addition to the scaffolding digital marketplace Iq-Bid, the platform’s main features include support for ordering rental items and booking delivery vehicles. Conventionally, rental items were ordered via telephone or fax. Digitalizing these processes will contribute to eliminating human errors while boosting efficiency in

terms of labor hours. Customers can now access our platform services from a digital device like a smartphone or computer 24 hours a day, 365 days a year. OPERA strengthens the integration of our platform services, bringing increased benefits to our customers. By taking tasks that have conventionally been done in analog methods and transforming them into digital processes and improving task efficiency, we will contribute to solving problems such as the labor shortages faced by the construction industry and providing temporary equipment. In this manner, the platform portal OPERA serves as infrastructure for our temporary equipment business.



Expanding Our Business Areas

Iq System Storage Service



This service manages Iq System equipment purchased by customers at our Equipment Bases. Our temporary equipment is mainly used either on a rental basis or as purchased equipment. Using purchased equipment introduces the need for storage space and personnel to manage the equipment. In addition, equipment maintenance requires certification by a specialized organization, which not only involves management costs, but also requires advanced technology. With this service, we provide all such necessary elements for using our materials. Customers can store the Iq System

equipment they have purchased at our Equipment Base. In addition, once a customer has stored their Iq System with us, they can use an equivalent equipment system from any one of our Equipment Bases across Japan. We charge fees for shipping and maintenance arising from the use of equipment. Due to transportation costs and other factors, companies that own their own temporary equipment must typically confine their operations to an area near their equipment storage area. This makes it difficult to substantially grow business and earnings when taking on a larger number or greater scale of construction projects. Using the Iq System Storage Service eliminates the need for customers to manage equipment at their own equipment storage sites. By taking out equipment as they need it from our Equipment Bases located nationwide, they can not only curb fixed costs but also expand their area of operations. In this manner, customers can boost earnings and build optimal profit structures.

System for Realizing Optimal Storage Amount of Temporary Equipment

“Iq-Bid”



This digital market system allows customers to freely buy and sell Iq System equipment after they have bought it and left it in storage. This makes it easy to buy required materials or sell surplus materials, and sellers can set listing prices. Temporary equipment that has been purchased and used deteriorates in value as an asset by nature. However, by forming a secondary market, we provide companies visibility over daily buy and sell prices, with those prices giving them an

indication of the value of their assets. By buying and using equipment based on the expected selling price, customers can reduce costs compared to rental equipment. During periods of high demand, equipment can even be sold for an amount close to the purchase price. In addition, the quality of the equipment is ensured through our thorough maintenance. Furthermore, customers can use the system to check the operating status of owned equipment, enabling them to identify surplus or required materials. By buying and selling equipment accordingly, they can then adjust their equipment holdings as necessary. Companies planning a business shift can easily replace equipment, thereby building an optimal portfolio of temporary equipment.



Visualization of All Temporary Construction Information

“BIM/CIM 3D Laser Scanner”



This product utilizes DX to enhance the design process for temporary construction. The use of a 3D laser scanner enables the creation of a 3D data model of the frame for temporary construction. This enables accurate measurement for frame information that would be either missing or difficult to understand in a 2D representation. BIM/CIM allows 3D drawings to be shared, updated, and used to visualize conceptual construction images, so that various potential problems can be flagged ahead of construction by

identifying frame interference points or hazardous areas. With the proprietary functions of our system, customers can calculate the quantity of parts that will be required simply by selecting a range on the blueprint. This quantitative data can be linked to OPERA for direct placement of a rental order. Design information that had previously been updated on paper blueprints can now be updated in real time through the sharing of data. The optimized plan thus curbs costs and reduces unnecessary labor-hours arising from rework. We are also developing an automatic drafting tool. By utilizing this tool, blueprints can be created easily regardless of whether or not the user has drafting experience.



Expanding Our Business Areas

Joint Product Development



We make it easy for customers to develop products that are suitable for special sites and that improve safety, convenience, and workability by enabling them to utilize our metalworking technologies. Customers can use products that meet their needs, whether by modifying existing products or developing new ones. This allows them to expand the business areas that they can address.

Takamiya Lab. West

Accelerating Platform Transformation Takamiya Lab.

Takamiya Lab. conducts research and development with a view to improving the safety and convenience of the services and products that we offer on our platform. It enhances our platform in various ways including through the development of products and testing services.



Features of Takamiya Lab.

As a R&D base, Takamiya Lab. has a variety of facilities for different purposes. The Theater Hall has a large screen that can be used for various types of training. The Innovation Hub, construction of which is still at the planning stage, will use DX and IT to provide and develop new services. Together with our customers, we will use these facilities to enhance our products and services and explore new possibilities in the temporary equipment business.

In our Equipment Base at Takamiya Lab., we have introduced equipment aimed at improving customer convenience on a trial basis ahead of other Equipment Bases. The data we gather by introducing equipment is circulated to other Equipment Bases. This enables us to enhance the functionality of our Equipment Bases, which span 29 locations across the country. At the time of shipment and of return, a truck scale and multiple cameras record equipment weight and packaging as data. This eliminates human errors that might otherwise arise during loading or unloading of the equipment. This in turn prevents potential misunderstandings with customers

regarding whether equipment has been loaded or not loaded, or returned or not returned. We have also introduced a fast lane that prioritizes platform users in the loading and unloading of equipment. During busy periods, the time required to load equipment after returning it can be up to 150 minutes. However, by using the fast lane, the loading and unloading work can be completed in just 50 minutes, about one third of the time. This greatly improves time efficiency, an important advantage given the constraints on working hours stemming from the 2024 Problem. It leads to a higher number of truck round trips, which increases the turnover rate. Fixed-point cameras enable monitoring of the maintenance processes taking place on-site, which fosters trust in the products and services we provide.

We will use the data obtained at Takamiya Lab. to enhance the platform services we offer to our customers. This truly novel facility offers a world of new possibilities in the temporary equipment business.

Takamiya Lab.

Theater Hall

Reception

Theater Hall Office

The reception area and offices for lab employees are situated here. Various types of training can be conducted in the video viewing space.



Spider Deck

The spider panel will be on permanent display.

Collaboration Studio

Meetings can be held here at any time.

Gateway

A corridor linking the Theater Hall and Innovation Hub.

Iq Square

Innovation Hub

The Innovation Hub can be adapted to suit the customer's needs, serving as an R&D area or as an exhibition area.

R&D Area

Concept: Joint development, test assembly/verification, test installment

- ▶ We will collaborate with our customers on everything from product development to the unveiling of new products. (e.g. joint development with general contractors, provision as test installment site, display of new additions to product lineup)
- ▶ We will distribute and share information to strengthen our sales and marketing capabilities.

Exhibition Area

Concept: For exhibiting our own products, exhibiting products of other companies, and for rental exhibition space

- ▶ We will use video content and physical displays to promote Group products through hands-on experience.
- ▶ We will hold special exhibitions that showcase products of other companies, with the aim of forming matches between companies in different industries.
- ▶ By taking advantage of the facility's location, we are also considering offering it as a rental space.

* Applications for each building and area are still in the conceptual stage and are subject to change.

Safety Initiatives

At this facility, we are engaged in various efforts to enhance safety so that customers can use our products and services with peace of mind. Various products are on display that can actually be put together by visitors, including temporary equipment such as the Iq System. Through hands-on experience with the product, visitors can directly appreciate the superiority of our products over those of competitors in terms of ease of installment and workability, as well as its safety and convenience. We also plan to introduce equipment for testing product quality and strength during product development. This will enable our own products to act as a reference during the product development process.

In addition, we are conducting various types of training and education related to scaffolding using (actual) assembled products and large-scale screens. At the Scaffolding and Health and Safety Workshop, we aim to

raise safety awareness among new and young employees of construction companies. The workshop covers a range of areas from basic knowledge of scaffolding to specific safety measures. Furthermore, we offer statutory training (special training), which is mandatory for businesses whose workers are engaged in hazardous or potentially harmful work. The content includes special training for scaffolding assembly, etc.; special training on full harness-type fall prevention equipment; special education for workers handling asbestos; special training on oxygen deficient/hydrogen sulfide hazardous work; training to improve the ability of work chiefs for scaffolding assembly; training for foremen and health and safety managers; and training to improve the ability of foremen and health and safety managers, etc. We will promote our rigorous safety approach to other companies, as only few companies in the industry provide training and education of this kind.

Message from the Company Officer in Charge of the Platform Business

We aim to expand our platform and provide safety and security to society

Akiyoshi Takamiya

Representative Director,
Executive Vice President
Division General Manager
of Takamiya Lab. Division



Significance of Business Model Transformation

Safety is one of the most important aspects of the construction industry in which we operate. Many people get injured or die in accidents at construction and civil engineering sites every year. As a company that prides itself on supporting the infrastructure that underpins Japanese society, we must provide products and services that pursue safety for the people working at these sites. The Iq System, which was created based on our desire for safety, has now acquired a leading share of the next-generation scaffolding market. Over the course of ten years, Takamiya constantly worked to develop this system and continued to pursue the true needs of our customers. This led us to focusing our operations on the manufacturing, rental, and logistics management functions.

Now, we are working to transform ourselves into a platform company that leverages these core functions. We at Takamiya are aiming for a future in which customers participate in our platform and achieve safer and smarter construction and civil engineering sites.

Takamiya Lab.'s Role within Our Platform

Our platform solves a variety of issues for users, greatly improving safety, convenience, and profitability. The role of Takamiya Lab. (hereinafter the "Lab.") is to ensure the platform's safety and improve its convenience. As the name "Lab." suggests, we seek to provide benefits for our users as an R&D base. Our platform provides safety and security by opening up our initiatives and accumulated data to external parties. We also leverage information disclosed internally to enhance the safety and convenience of the platform. At the forefront of these efforts is the Lab. Accumulating and utilizing data, such as on equipment management and maintenance, delivery and collection, and product development, helps improve the benefits of platform users. That is not all there is to the Lab. The construction industry has endured labor shortages for some time. However, with tighter labor regulations that are scheduled to come into effect from April 2024, specifically caps on overtime for the construction and transportation businesses, the industry may well face further labor shortages. One answer to this issue is efficiency improvement. The Lab. is equipped with a mechanism that improves user productivity by making full use of digital transformation (DX) and IT.

Becoming a Company That Delivers Security to Society

The platform has no completed form. This is because we aim to continue working to gain an understanding of users' needs and expand its functions. At present, we are also using the Lab. as a venue to gradually expand our initiatives, such as introducing existing products and holding safety seminars. These initiatives are borne from the users' needs. Going forward, we will expand the functions of "OPERA," our online ordering system, to evolve it into a portal for our platform. We plan to enhance the attractiveness of the platform as a centralized system that enables the digital management of platform services. We have also

launched "Iq-Bid," a service that enables temporary equipment to be traded as an asset. This service will completely change how temporary equipment is used. Our wide-ranging initiatives and services will deliver safety and convenience to the construction industry.

To me, these efforts are simply starting points. Takamiya will strive to change the construction and civil engineering industries for the better and ultimately make the world a better place. We will continue to expand the scope of our operations and provide added value to society by transforming our business model. Please look forward to seeing Takamiya continue to make leaps forward.

Topics

Improved convenience, dissemination, and promotion of our platform business through 14 subcommittees

As part of efforts to develop our platform business, we are enhancing our platform through 14 subcommittees, aiming to improve its convenience and safety. Each subcommittee is supervised by the Division General Manager of the related business division, with projects being led by leaders who carry out the work.

Subcommittees are composed not only of many young employees, but also of employees from different departments, enabling us to generate ideas from various perspectives. In order to achieve the goals set by each subcommittee, we will collaborate with other

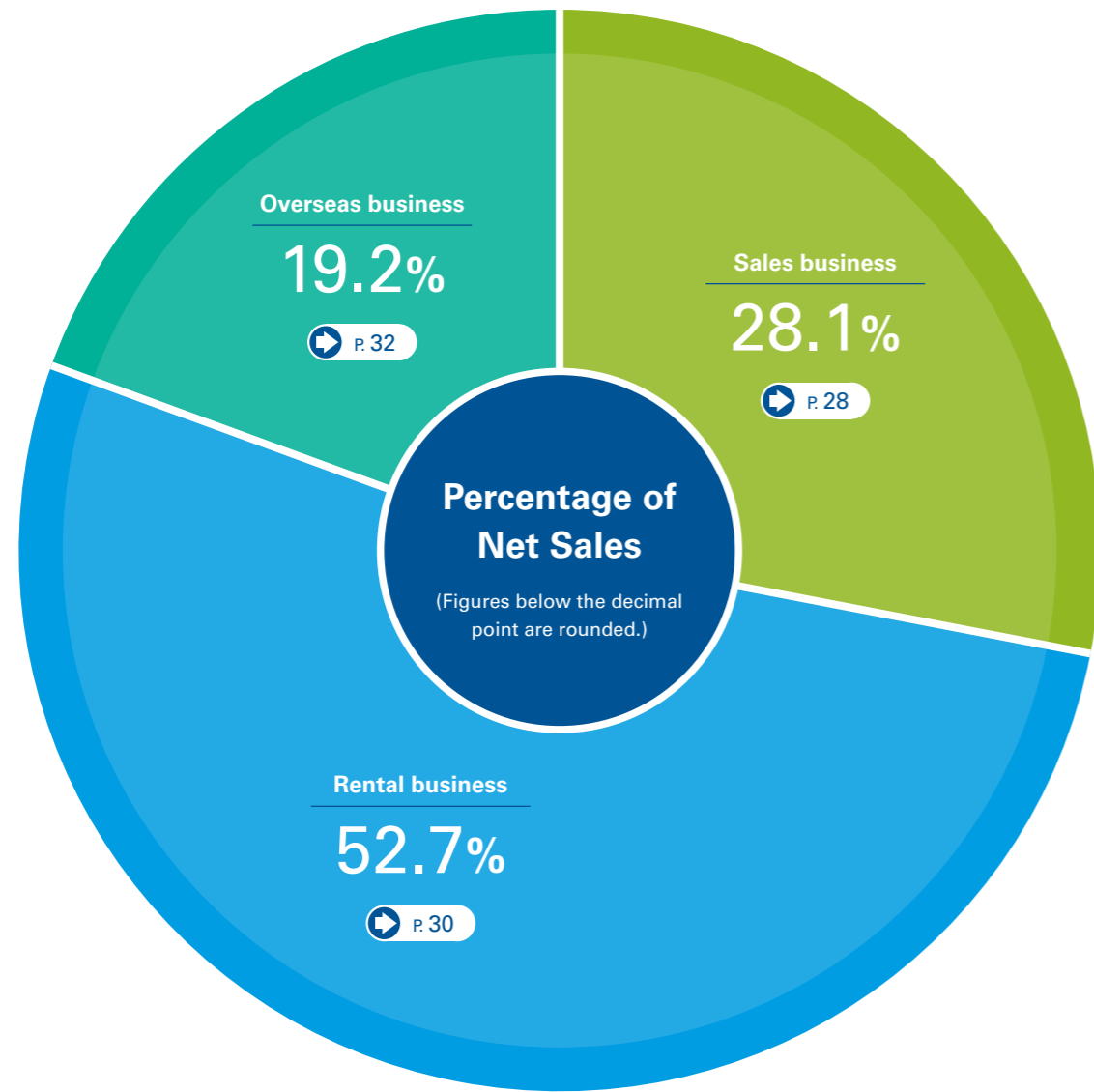
subcommittees and recruit additional members as necessary. The project's progress will also be disclosed as necessary to solicit participation from within the Company. Employees can participate in subcommittees of their own volition, and this fosters more active exchanges of opinions.

We are promoting projects from various perspectives, such as enhancing existing services and systems, developing new services, utilizing Takamiya Lab. West, and increasing uptake of the platform business.

List of Subcommittees*	Testing Machine Utilization Subcommittee	Fastest service	Visualization through the promotion of DX and mechanization	Innovation Hub Construction Subcommittee
	Innovation Hub Internal Exhibition Subcommittee	Platform (Iq-Bid) Subcommittee	"OPERA Rental" (Including Reward Points) Subcommittee	Regional Strategy Subcommittee
	Media Strategy Subcommittee	Safety Education and Training Subcommittee	Logistics Reform Subcommittee	"OPERA" Development Subcommittee

* Confidential subcommittees are not included.

Takamiya's Businesses



"Percentage of net sales" is calculated based on net sales before intersegment eliminations.

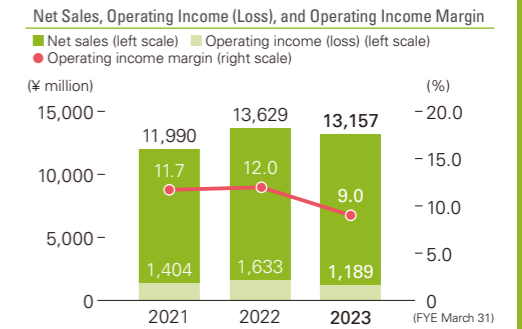
Results for the Fiscal Year Ended March 31, 2023

Sales Business

Net sales were down 3.5% year on year at ¥13,157 million, and operating income was down 27.2% year on year at ¥1,189 million.

In the temporary equipment sector, there were some postponements in purchasing and a shift toward rental usage resulting from concerns regarding price revisions due to soaring material prices, construction delays due to labor shortages, and uncertainty in future prospects. However, interest in the Company's business platforms centered on next-generation scaffolding product Iq System remained high, and the number of inquiries for new procurement, replacements, and additional purchases remained strong.

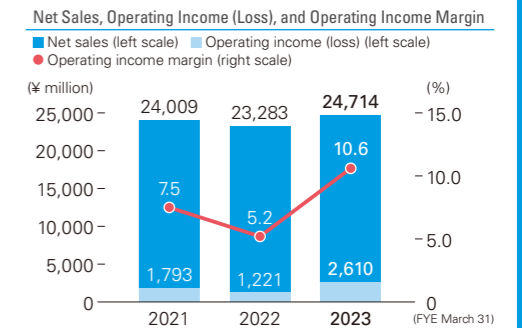
In areas other than the temporary equipment sector, while the construction projects of large-scale high-performance glass houses for agriculture ran their course in the first half of the previous fiscal year, sales of solar power-related products and building materials remained strong.



Rental Business

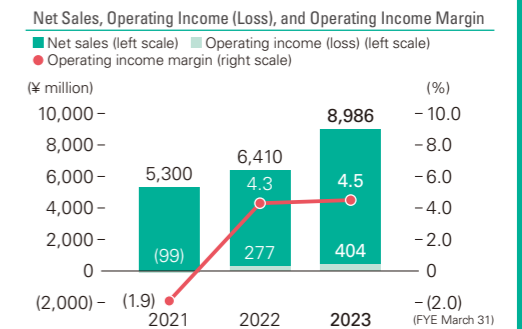
Net sales were up 6.1% year on year at ¥24,714 million, and operating income was up 113.6% year on year at ¥2,610 million.

According to our analysis, one of the reasons for the favorable performance of the rental business was a temporary shift to rentals in response to increased sales prices due to the soaring prices of raw materials for products. In addition, the growing recognition of the Iq System led to the high utilization of rental assets, including the Iq System. In terms of products for civil engineering, shipments for large bridge construction projects started mainly in the Chubu region, which drove rental sales.



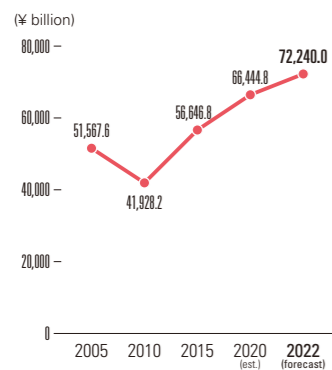
Overseas Business

In the overseas business, net sales were ¥8,986 million, up 40.2% year on year, and operating income was ¥404 million, up 45.8% year on year. Hory Korea Co., Ltd.'s leveraging of its management foundation has created a positive cycle and employee motivation has increased. As a result, profitability has improved and the improvement of the Company's financial standing is making progress, and we believe that we will be able to bring the Company back to the growth stage. In the Philippines, the construction sector has been revitalized with the containment of COVID-19, and employees are correspondingly more motivated. Over the past two years, we have worked to strengthen our financial position by thoroughly visualizing management figures and increasing the speed at which we identify issues and implement improvement measures, and our profitability has improved as a result.



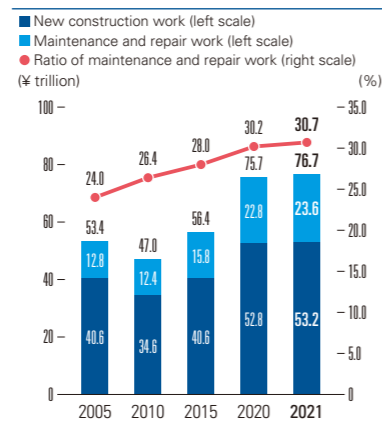
Market Environment

Construction Investment



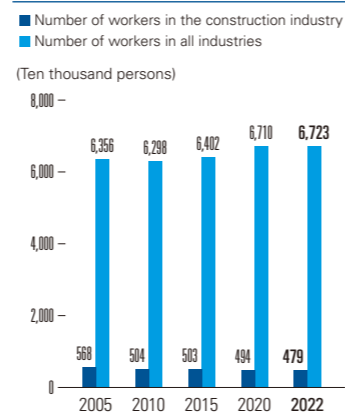
Reference: "Construction Investment Outlook by Construction Economic Model," announced in October 2023, Research Institute of Construction and Economy

Maintenance and Repair Work



Reference: "Statistical Survey of Construction Works," Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

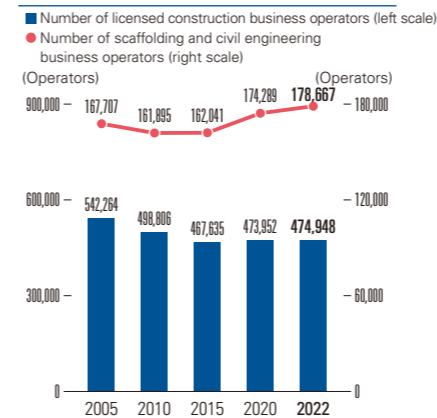
Number of Workers in the Construction Industry



Reference: "Labour Force Survey" by Statistics Bureau, Ministry of Internal Affairs and Communications

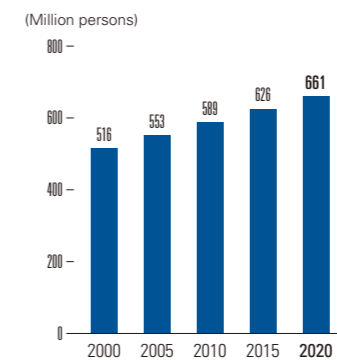
Market Environment

Number of Licensed Construction Business Operators



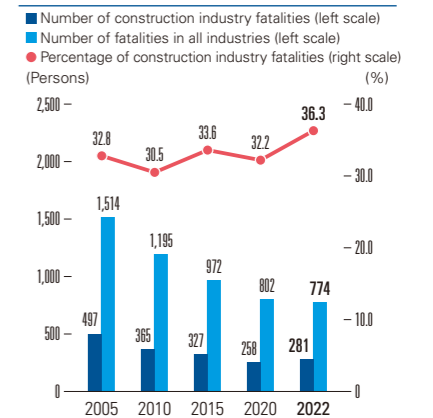
Reference: "Results of the Survey on the Number of Licensed Construction Business Operators - Current Status of Licensed Construction Business Operators (as of the end of March 2022)" by MLIT

Population of ASEAN



Reference: Includes estimates from IMF "World Economic Outlook Database, October 2023"

Number of Construction Industry Fatalities



Reference: "Statistics of Industrial Accidents in the Construction Industry" by Japan Construction Occupational Safety and Health Association

Sales Business



As a result of sales price revisions in response to the soaring prices of raw materials such as steel and aluminum, a trend toward rental use has been observed. With the full-scale start of construction work, a tightening in the rental supply is expected across the industry, necessitating preparedness for a switch to investment through purchases. In addition, the expansion of sales of the next-generation scaffolding Iq System, which serves as a core to our platform, is progressing smoothly, and we are preparing the product supply system for the further development of our platform business.

Hidehiko Yamashita

Executive Officer
General Manager of Sales Department
Sales & Marketing Division

What We Do

We conduct a wide range of businesses that develop, manufacture, and sell proprietary products that leverage our metalworking technologies, including light-duty temporary equipment such as Iq System next-generation scaffolding and clamps. These products also include SPIDER PANEL and V-MAX, two types of hanging scaffolding for maintenance and repair work on expressways and viaducts, as well as agricultural greenhouses and solar carports.

Business Strategies in the Medium-Term Management Plan

Consulting Sales

We continue to expand high-value-added services that promote the use of our platform business to customers, aiming for the expansion of our platform business. To encourage the use of our storage service, we provide customers with a comparison of income and expenses when using rental services and using the storage service after purchase. We encourage customers to purchase the Iq System by presenting an operational image after purchase. In addition, we are developing a system to visualize the utilization status of owned equipment. There were challenges with customers purchasing more temporary equipment than needed, not knowing the optimal amount to own for their own use. However, with the utilization status visualized and purchase and sale of owned equipment enabled on Iq-Bid, customers can optimize the amount of equipment, enhancing profitability without incurring excess costs.

Responding to the Changing External Environment and Further Expanding Platform Services

Due to changes in social conditions, the prices of aluminum and steel, which are raw materials for our products, have soared since around 2021, recently reaching near record-high levels. In response to the soaring raw material prices, we have revised sales prices to maintain a profit margin on product sales. For customers who are reluctant to buy due to price surges, we are working to expand sales by introducing convenient platform services. Although our current platform services are focused mainly on the Iq System, we are considering expanding the services to other products as well. We are expanding services on a trial basis so that high-value-added services can be used for all products.

TOPICS

Strengthening Manufacturing Base and Supply Structure through DX

Each plant is promoting DX in the manufacturing process. This not only improves production capacity and efficiency but also enhances the safety of products and the added value for users.

Conventionally, the appearance inspection of manufactured products was performed visually by inspectors. For this reason, inspections took a long time, imposed a heavy burden on inspectors, and therefore was one of the hinderances to improving production capacity. In addition, because it was impossible to always secure evidence for inspections, there was always a risk of having to reinspect from scratch. In order to address this issue, we have switched to AI-based appearance inspections. By training AI on the features and shapes of products, we can automate appearance inspections, which not only

eliminates human error, but also improves the accuracy and speed of inspections and secures evidence. As AI continues to learn, the accuracy of inspections improves, and it becomes possible to perform appearance inspections on a wide variety of products.

Additionally, we have introduced "smart glasses" in the process of doing inspections to check quality standards of raw materials of products and materials upon arrival (receiving inspections). We are standardizing the receiving inspections conducted at each of our four domestic and overseas factories by having inspection supervisors from remote locations check and provide guidance on whether measuring instruments and jigs are being used correctly during the inspection process.

Future Outlook

The soaring prices of raw materials such as steel and aluminum are settling down. While procurement prices in Japan remain high, overseas procurement prices are gradually declining. In addition, construction investment is increasing, and many projects postponed due to the COVID-19 pandemic are now beginning construction. Amidst growing demand for temporary equipment, a shift to purchasing is expected as a method of procurement, as the supply of rentals is limited.

Rental Business



The Iq System has been operating at a high utilization rate since the beginning of the fiscal year. In civil engineering, large-scale falsework in the Chubu region and a major project for the Hokkaido Shinkansen are progressing smoothly.

In addition, we are developing a business model centered on the platform business, aiming to increase customer satisfaction with the goal of improving their business efficiency and profitability.

Kazunori Kawakami

Director and Executive Officer
Division General Manager of Sales & Marketing Division and
Deputy Division General Manager of Takamiya Lab. Division

What We Do

Through rental services, we provide light-duty temporary equipment for all kinds of worksites, including buildings, bridges, ultra-high-rise building renovations, tunnels and underground worksites, as well as scaffolding and falsework in times of disaster. Our in-house functions for contract scaffolding installation work and scaffolding plan drafting are strengths that enable us to provide comprehensive customer-oriented services.

Business Strategies in the Medium-Term Management Plan

Expanding Sales of the Platform Business

Starting with the storage service of the next-generation scaffolding Iq System, which is also part of our platform services, we will be dedicated to temporary construction-related consulting sales that can accommodate the parameters of our customers' asset value and asset management. From there, we would like to have our customers use all of Takamiya's services and aim to increase customer satisfaction.

Expansion of OPERA

The core system, OPERA, an online ordering system, contributes to improved service for customers, as well as speeding up internal and external operations and reducing human error, thus contributing to workstyle reforms of employees.

BIM/CIM

We support customers through the introduction of BIM/CIM. From client proposals and construction planning to calculating delivery quantities, we contribute to our customers' DX promotion and workstyle reforms by utilizing our proprietary know-how in temporary construction.

Expansion of Scaffolding Construction Department Partner Contractors (Scaffolding Construction Workers)

The chronic shortage of workers (craftsmen) continues to be a serious issue. In addition, with tighter labor regulations that are scheduled to come into effect due to the 2024 Problem, securing more personnel is becoming even more difficult. As for Takamiya, we aim to further collaborate with our nationwide Scaffolding Construction Department partner contractors and expand our nationwide scaffolding construction worker network. Our goal for the final year of the Medium-Term Management Plan is to have 200 official members.

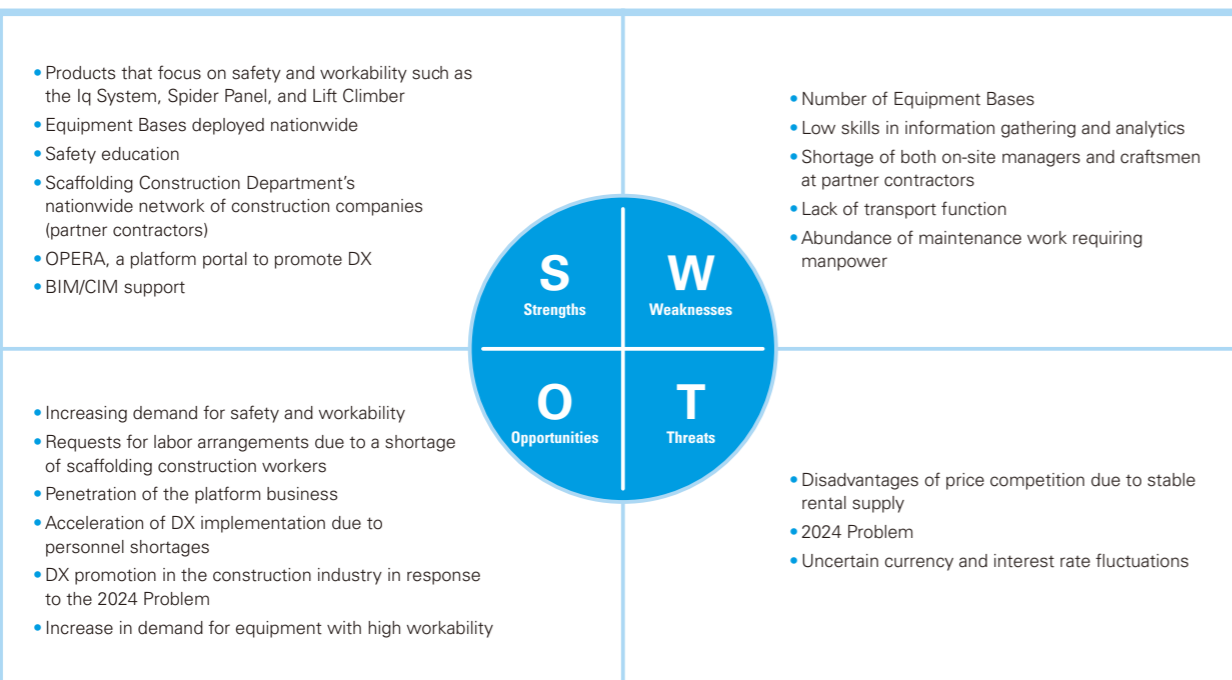
DX for Managing Sales Organizations

We introduced CRM/SFA* to improve operational efficiency and labor productivity. By visualizing know-how that sales staff possess and quantifying customer information, we will improve earnings and implement workstyle reforms for sales employees.

* CRM = Customer relationship management
SFA = Sales force automation

What We Do

Through rental services, we provide light-duty temporary equipment for all kinds of worksites, including buildings, bridges, ultra-high-rise building renovations, tunnels and underground worksites, as well as scaffolding and falsework in times of disaster. Our in-house functions for contract scaffolding installation work and scaffolding plan drafting are strengths that enable us to provide comprehensive customer-oriented services.



Future Outlook

We expect construction investment to be flat or to slightly increase from the previous fiscal year. However, due to the impact of personnel shortages and the 2024 Problem, we anticipate an extension of construction periods by up to 20%, resulting in a lower turnover rate but a longer usage period. We also expect that the rise in prices will continue and labor costs will also increase. Against this backdrop, we expect continued demand for rentals, and for high utilization to continue. With regard to the issue of prices, we believe that the expansion of our platform business will enable us to break free from unnecessary price competition.

TOPICS

Toward Sales Utilizing Digital Data

We aim to accelerate our business transformation to the platform business and become an IT company in scaffolding.

The construction industry has been slow to employ digitalization and DX, and a great deal of operations are still performed to date using analog approaches. Even in our case, we took rental orders via telephone and fax until we introduced OPERA.

To actively promote DX, we will respond to changing

customer needs and implement customer marketing using digital tools such as Salesforce, OPERA, and Tobee. By digitizing data, we can visualize figures and develop sales activities using a strategic approach. We will establish a new sales style for the construction industry by utilizing data and enhancing the level of marketing, such as through demand forecasting and the improvement of our product supply system.

Overseas Business



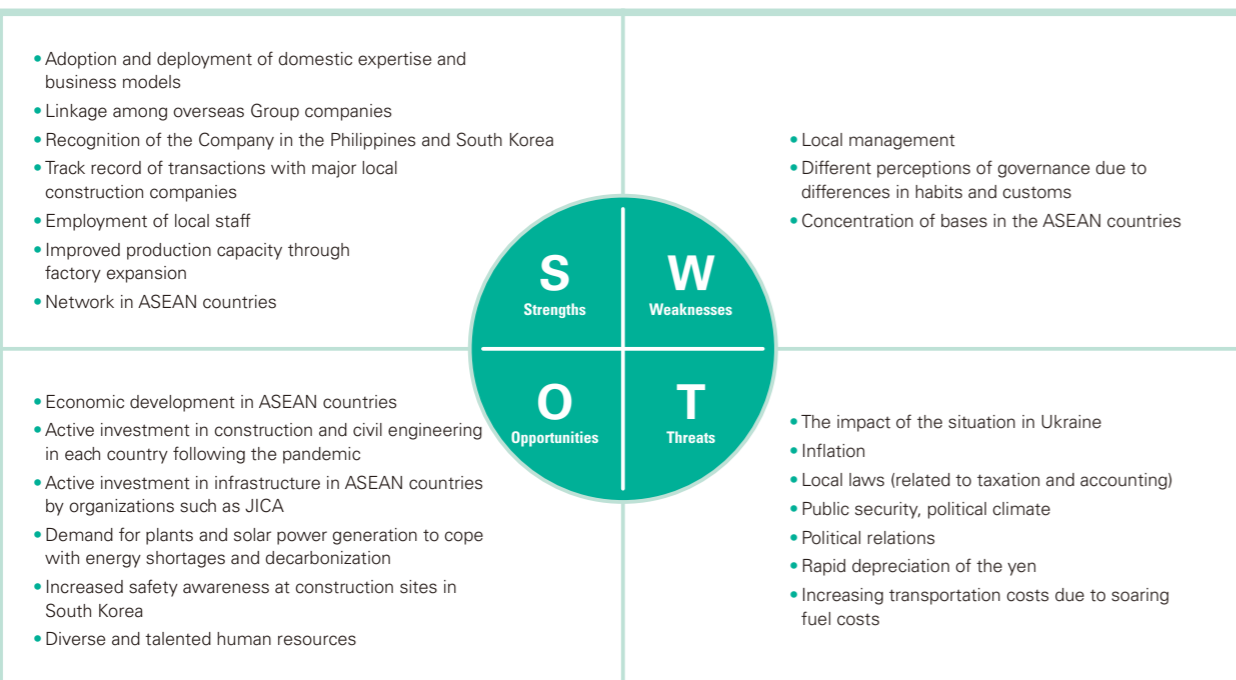
In the overseas business, a sudden upsurge in activity has been observed with the global containment of COVID-19. In order not to miss out on this business opportunity, we have developed a foundation in the Philippines, South Korea, and Vietnam over the past two years or so, which we will now fully leverage to contribute to the Group's earnings, with the aim to expand our business not only in Asia but also into Africa and Europe.

Hiroyuki Okamoto

Senior Executive Officer,
Division General Manager of Overseas Business Division and
Deputy Division General Manager of Takamiya Lab. Division,
General Manager of Agribusiness Development Department,
Corporate Strategy Division

What We Do

The overseas business primarily operates in three ASEAN countries: the Philippines, South Korea, and Vietnam. We will continue to strengthen our earnings base as a pillar for sustained growth through the organic coordination of our manufacturing base in Vietnam, our rental sales base in the Philippines, and our operations in South Korea, which provide both manufacturing and sales functions. In addition, this fiscal year marks the first step in exploring new sales channels.



Future Outlook

In the ever-changing international situation impacted by disasters and conflicts, we expect that a large amount of temporary equipment will be required at the time of reconstruction. Moreover, with the development of emerging countries around the world, especially in the ASEAN region and Africa, the temporary equipment business has become a very large market. First, in the Philippines, where the Company has a base, delayed construction projects are expected to start, leading to increased demand in various regions.

Business Strategies in the Medium-Term Management Plan

Three-Year Policy

For the fiscal year ending March 31, 2024, we will utilize the foundational strength accumulated up to the previous fiscal year to establish a firm base in Asia while starting a full-scale entry into Africa. For the fiscal year ending March 31, 2026, we will begin the introduction of the platform business in South Korea and the full-scale development of the Africa business along with the introduction of the platform business in Europe. As for the fiscal year ending March 31, 2027, we will view this year as a harvesting stage for these initiatives and develop business operations that will become a source of earnings for the Company.

Securing a Foothold That Contributes to Earnings HORY KOREA

We have reformed our corporate structure over the past three years from laying the foundation to the growth stage, and from the growth stage to the harvesting stage. We feel that the Company has been revitalized and a virtuous cycle is beginning. As a result, significant progress has been made in improving profitability and financial position, and we have moved from the growth stage to the harvesting stage. With the launch of new business expansion utilizing South Korea's IT infrastructure for platform business, entry into e-commerce, and

utilization of other DX initiatives, we expect to become a business entity that will lead overseas business in the next three years and grow into a company that can contribute to the Group in various ways.

DIMENSION-ALL (DAI)

Although economic activity stagnated for over two years under very challenging conditions due to the pandemic, with the containment of COVID-19, previously halted investments have rapidly resumed. During the pandemic, DAI enhanced its comprehensive corporate strength by visualizing as much of its management as possible, identifying issues, considering improvement measures, and implementing them, through teamwork between local and Japanese teams.

We expect DAI to leap forward as a gateway to ASEAN countries and Africa.

Network Building and Product Development in Asia

In regions beyond our current operations, we plan to fully establish and develop our alliance network over the next three years, and actively pursue product development and sales for Asia and other regions.

Although it has been difficult to operate due to COVID-19, we intend to actively resume our activities from now on.

TOPICS

DAI's Initiatives in the Philippines

In the Philippines, during the world's longest quarantine caused by COVID-19, the market environment remained difficult as DAI had to compete for the few inquiries it received due to the shutdown and stagnation of worksites. With the pandemic under control, the economy has recovered, and the Philippines is returning to its previous strong, bright, and energetic state.

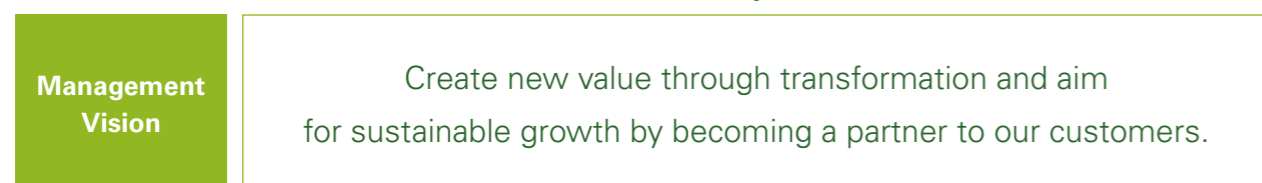
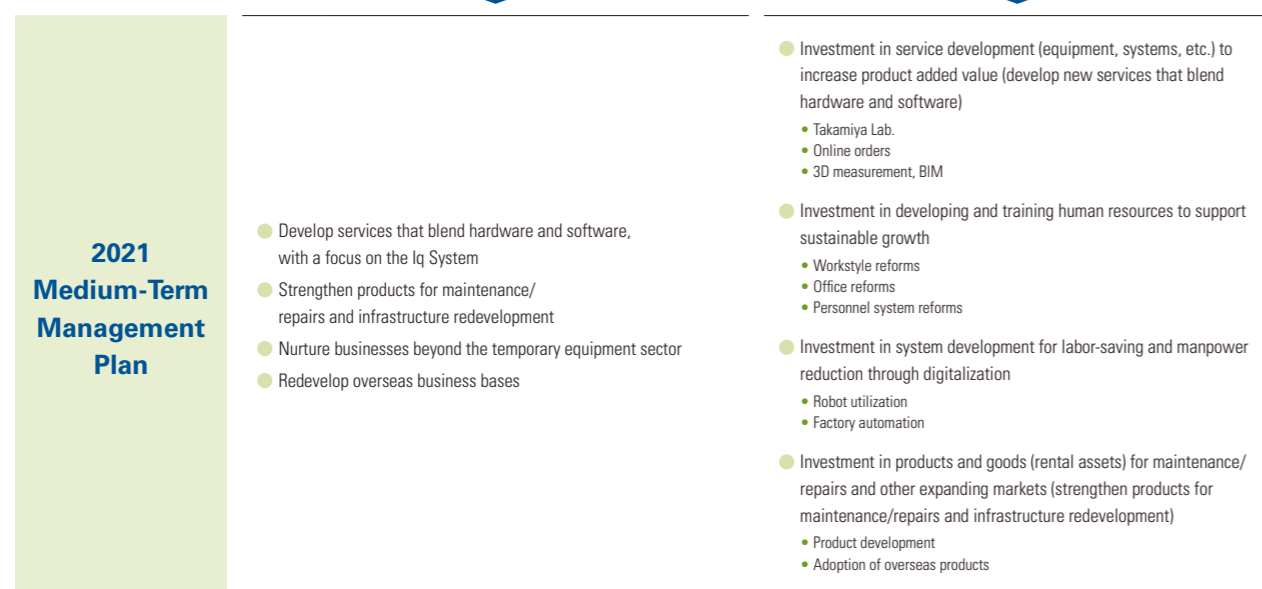
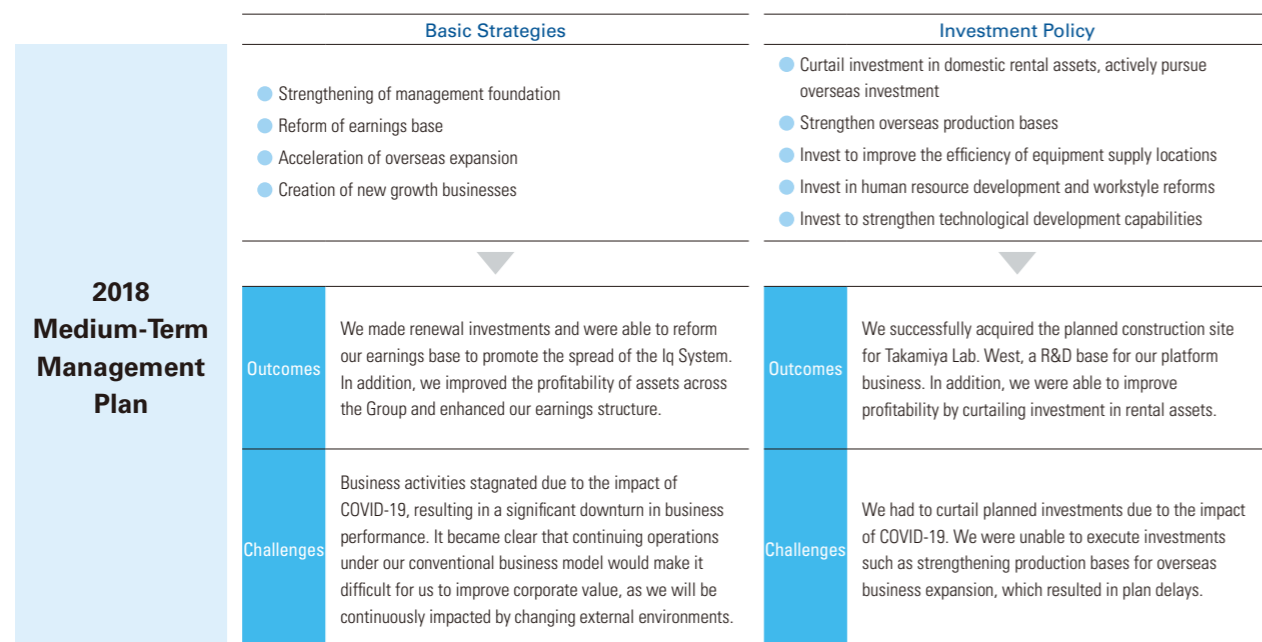
Under these circumstances, DAI focused on actively recruiting and training Philippine employees in the core departments of its temporary equipment business, namely the sales and engineering and equipment supply locations, as well as improving its internal

management system, in preparation for the rapid recovery of the construction market and its own business expansion in the current fiscal year and beyond. DAI also focused on winning orders for large-scale projects from major local general contractors such as Megawide and EEI and infrastructure projects such as the MRT Line 7.

Now that the exchange of human resources within the Group, which had been suspended due to the COVID-19 pandemic, can resume, the DAI family will play a central role in driving the Group's overseas business as a strategic base for the Group in the Philippines and Asia from the next fiscal year onward.

Medium-Term Management Plan

The fiscal year ending March 31, 2024 is the final year of the 2021 Medium-Term Management Plan. The Management Vision in the Plan is “Create new value through transformation and aim for sustainable growth by becoming a partner to our customers.” We will enhance each of the Takamiya Group’s businesses from the perspective of customers to sustainably create new value, create a system and structure that will permanently enhance corporate value, and aim to complete our transformation. We are executing measures in accordance with the four basic strategies for achieving the plan.



Revision of Performance Targets

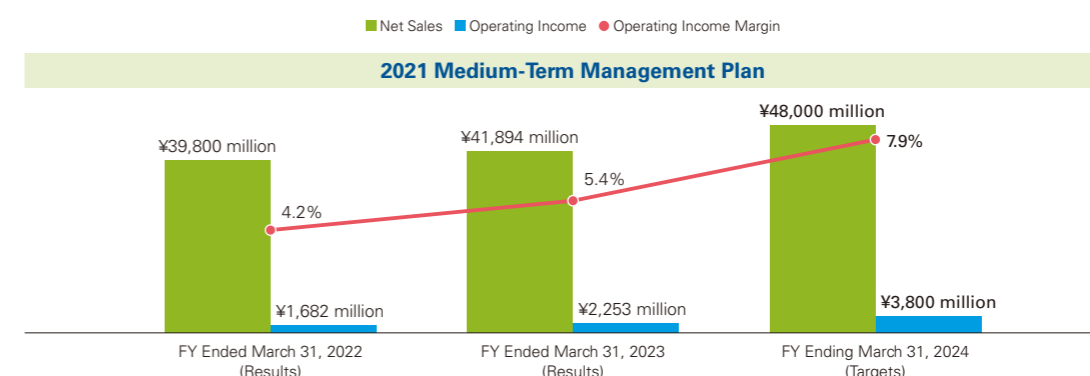
As described in the Revision of Performance Forecasts in the Medium-Term Management Plan, we have revised the performance targets for the final year of the Medium-Term Management Plan. The policies to prevent the spread of COVID-19 have become prolonged, causing global supply and demand changes, operational halts at production bases, transportation constraints, rapid depreciation of the yen due to U.S. interest rate policies, while the situation in Ukraine led to soaring crude oil and raw material prices. In the construction industry, delays and postponements in construction starts have occurred due to soaring material

prices and a shortage of human resources. In this environment, while our performance has been firm due to the promotion of our platform to our customers and active development and release of services, we have come to the conclusion that achieving the original performance targets for the fiscal year ending 31, March 2024, the final year of the 2021 Medium-Term Management Plan, is challenging, and have therefore conducted revisions accordingly. However, there are no changes to the Management Vision and basic strategies outlined in the 2021 Medium-Term Management Plan.

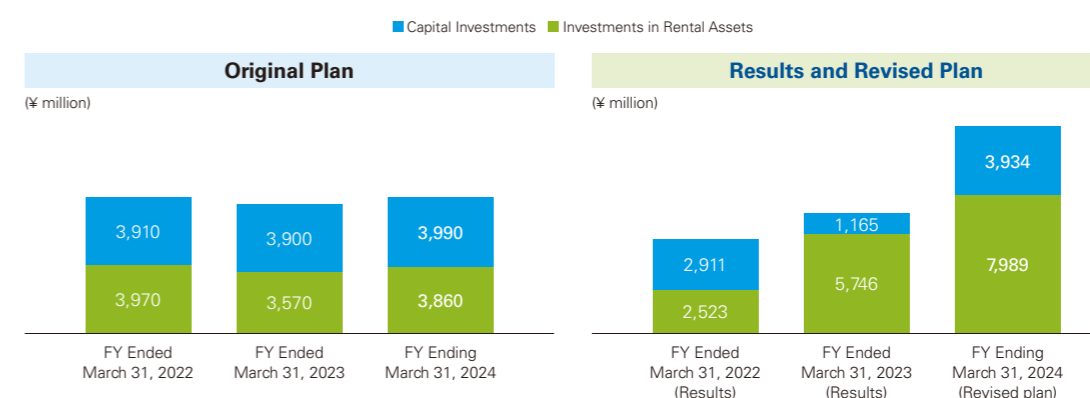
Review of Performance Targets

	FY Ending March 31, 2024		Results for FY Ended March 31, 2023
	Initial targets	Revised targets (performance targets)	
Net sales	¥60,000 million	¥48,000 million	¥41,894 million
Operating income	¥5,000 million	¥3,800 million	¥2,253 million
Operating income margin	8.3%	7.9%	5.4%
EBITDA	¥10.0 billion	¥9.1 billion	¥7.3 billion
ROA	6.0%	5.4%	3.9%
ROE	12.0%	11.4%	7.6%
Equity ratio	35.0%	31.0%	31.7%

Performance Trends



Results and Plans for Capital Investments and Investments in Rental Assets



Develop Services That Blend Hardware and Software, with a Focus on the Iq System

We will shift our business through the Takamiya Platform, which reduces the impact of the external environment and stabilizes and increases revenue. The Takamiya Platform is an initiative to eliminate various inefficiencies for both customers and the Company and to improve profitability

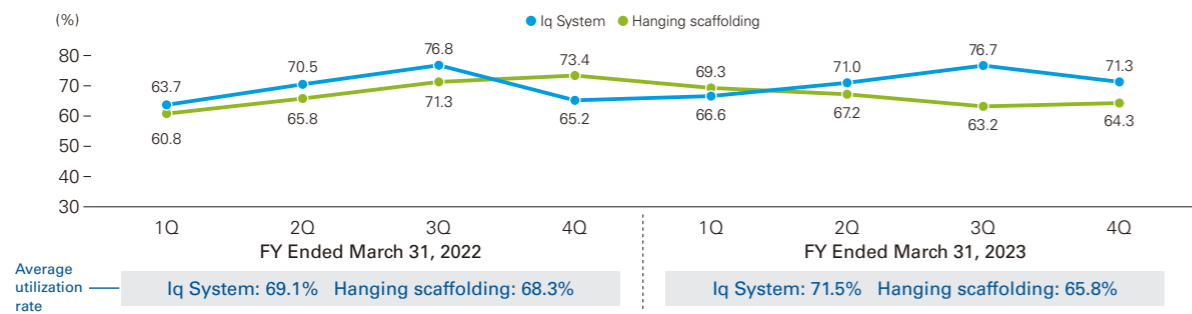
by providing high-value-added services utilizing DX when using our products. As the number of users grows, we will be able to raise earnings steadily and efficiently, and transition to a stock-type business.

Strengthen Products for Maintenance/Repairs and Infrastructure Redevelopment

The proportion of maintenance and repair work in original contractor construction revenue is trending upward in the Japanese construction market. Approximately 50 years have passed since the construction of transportation infrastructure during Japan's period of rapid economic growth, and maintenance and repair work is necessary so that it can continue to be used safely. We are establishing a production system for compatible products to ensure that we can supply products without missing out on the increase in demand for construction work. The SPIDERPANEL, a panel-type hanging scaffolding system that can be used in work on concrete floor slabs of expressways, and VMAX, a hanging scaffolding system,

are continuing to operate at high capacity, and we are continually manufacturing and investing in these systems as rental assets to avoid supply shortages. In addition, we will be able to handle maintenance and repair work at various worksites with a full line of products including the YT Lock System, a working platform that is necessary in construction work on dams, power facilities, and other projects in mountainous areas, and the Lift Climber, a mast-climbing work platform that can be used on high-rise buildings in both the construction and civil engineering sectors. We expect high demand to continue, and will maintain an optimal manufacturing system and further strengthen our product supply capabilities.

Utilization Rate of the Iq System and Hanging Scaffolding



Strengthen Products for Maintenance/Repairs and Infrastructure Redevelopment

SPIDER PANEL
Panel-type hanging scaffolding system

VMAX
Hanging scaffolding system

Lift Climber
Mast-climbing work platform for large-scale maintenance and repair work

YT Lock System
Can be erected along slopes and also used as a gantry

Transition of Maintenance and Repair Work



* Compiled from Construction Industry Handbook by Ministry of Land, Infrastructure, Transport and Tourism

Nurture Businesses beyond the Temporary Equipment Sector

In developing businesses other than the temporary equipment sector, we will continue to focus on developing our agriculture business. The background of our entry into the agriculture business lies in the challenges faced by agriculture. In Japan, the continuity of Japanese agriculture is being threatened by issues such as declining food self-sufficiency, the decreasing number and aging of agricultural workers, the increasing amount of abandoned cultivation land, decreasing farmland area, and the abandonment of farming due to disasters. We are working to establish a sustainable and strong agriculture industry that resolves these issues.

We provide a cultivation environment and know-how that enables stable harvesting, and thus leads to an increase in new entrants into farming. Our product, the G-Castle series of high-performance agricultural greenhouses, is a highly robust greenhouse utilizing metalworking technologies and structural calculation know-how cultivated through the development of our temporary equipment. We thoroughly conduct strength

tests, load tests, and tensile tests, enabling the realization of stable cultivation with excellent snow and wind resistance, and without risk of collapse.

In addition, we conduct demonstration cultivation using our greenhouse products in Hanyu City, Saitama Prefecture, to provide cultivation know-how. We gather data at each stage of the process from planting, environmental control to harvesting in the greenhouse, harvest actual fruit and vegetable crops, and offer know-how and greenhouse products as a package. The harvest is sold through Group companies and has been well received by consumers.

In addition, we pursue new forms of agriculture in collaboration with companies, governments, and research institutions. We are advancing initiatives to facilitate new entrants into farming, such as smart agriculture through the introduction of robots and AI, moving away from farming based on experience and intuition, and conducting seminars. We will establish a model case for future agriculture and implement measures to realize sustainable and profitable agriculture.

G-Castle Neo48



G-Castle ProI



Redevelop Overseas Business Bases

Improvement of our overseas business bases is proceeding smoothly. The Philippines, South Korea, Vietnam, like Japan, were impacted by the COVID-19 pandemic, but we have strengthened our internal control systems and are now able to resume business. In Vietnam, we are strategically manufacturing temporary equipment, focusing on the manufacture of the Iq System, which continues to operate at high capacity in response to domestic demand in Japan. We are expanding plant facilities and preparing for further demand. In South Korea, demand for our safety-oriented products has increased due to the growing awareness of safety at construction sites. Both rentals and sales have been strong. In the Philippines, although it was very difficult to resume business activities due to the continued lockdown, by the end of the year, the lockdown was lifted and we were able to resume operations. Construction demand is showing signs of increasing, centered on



JICA-related infrastructure projects.

For the fiscal year ending March 31, 2024, we have completed the development of our business foundation for the full-scale resumption of business activities, and are transitioning to the phase of monetization.

Message from the CFO



We plan to proactively invest in human resources and DX to transform our company

Tomoya Tatsumi

Director and Executive Officer
Division General Manager of Business Management Division
Deputy Division General Manager of Takamiya Lab. Division

Revising the Targets in the 2021 Medium-Term Management Plan due to Changes in the External Environment

Looking at recent performance first of all, our results for the fiscal year ended March 31, 2023 were in line with the plan. This is thanks to diminished impact from the COVID-19 pandemic and the steady recovery in construction demand. Meanwhile, we have revised our performance targets for the fiscal year ending March 31, 2024, the final year of the Medium-Term Management Plan. This is to reflect changes in the global supply and demand balance due to the fact that the pandemic lasted longer than expected. In the construction industry, deterioration in the business environment, due to such issues as soaring material prices and labor shortages, led to delays in construction work and caused a slowdown for the industry as a whole. However, construction demand is currently on the rise. From a long-term perspective, there are many large-scale projects ahead, such as Expo 2025 Osaka, Kansai, Japan and the opening of an IR (integrated resort) in Osaka, as well as repair work for the projected Shinkansen lines and expressways. For this reason, we set our revised targets to include record-high profits for the fiscal year ending March 31, 2024. As a direction we should take, our management vision of “Create new value through transformation and aim for sustainable growth by becoming a partner to our customers” and our goal of transforming into a platform company remain unchanged.

Financial Initiatives

In order to achieve our vision of transforming into a platform company, we need to refine the functions of our platform as necessary. As CFO, I consider raising funds for these activities to be of utmost importance. Instead of capital investments and rental asset investments aimed at expanding the rental business carried out thus far, going forward, we will focus our investments on expanding the functions of our platform and on DX. In other words, we will implement investments geared toward transformation, an essential move for us. The main source of these investment funds will be financial institutions. We have been meeting with financial institutions, mainly banks, as often as possible to reiterate our initiatives. Doing so has enabled all financial institutions with whom we do business to understand our goals. Having said that, financial indicators may appear to deteriorate temporarily due to these fund-raising and investment activities. Therefore, we feel that it is necessary to formulate an effective financing plan for the Group and be prepared to execute it at any time, while considering a wide range of financing methods, including equity financing. We will continue to make efforts to explain our vision to our stakeholders.

As for financial indicators for the fiscal year ended March 31, 2023, the operating income margin was 5.4% (up 1.2 points year on year), EBITDA was ¥7,393.0 million (up ¥927.0 million), ROA was 3.9% (up 0.5 pt), ROE was 7.6% (up 2.4 pt), and the equity ratio was 31.7% (down 0.1

Financial Policy

(Targets) Operating income margin: 7.9%
EBITDA: ¥9.1 billion
Equity ratio: 31%
ROA: 5.4%
ROE: 11.4%

(Results) All items improved

Equity ratio

Decrease due to increase in total assets

ROA

Increase in productivity, in particular an increase in the utilization rate of rental assets, despite the increase in total assets

ROE

Improvement in profit margin and increase in equity

EBITDA

Increase in operating income and decrease in depreciation and amortization

	2021 Medium-Term Management Plan		
	FY ended March 31, 2022 (Results)	FY ended March 31, 2023 (Results)	FY ending March 31, 2024
Operating income margin	4.2%	5.4%	7.9%
EBITDA	¥6,466 million	¥7,393 million	¥9.1 billion
Equity ratio	31.8%	31.7%	31.0%
ROA	3.4%	3.9%	5.4%
ROE	5.2%	7.6%	11.4%
Ratio of profit to net sales	2.4%	3.5% (March 31, 2023)	5.0% (March 31, 2024)
Total asset turnover	0.7 times	0.7 times	0.7 times
Financial leverage	3.1 times	3.1 times	3.2 times

* ROE = Net income ÷ Equity (average at the beginning and end of the period) × 100
= Net profit margin × Total asset turnover × Financial leverage
= Profit/Net Sales × Net Sales / Total assets × Total assets / Equity capital

pt). While each indicator showed improvement, the equity ratio declined due to an increase in total assets as a result of fund-raising aimed at platform business expansion. We expect each indicator to reach the targets for the fiscal year ending March 31, 2024, the final year of the Medium-Term Management Plan.

Investments and Initiatives in Human Resources and DX We are Focusing On

Takamiya has always been a people-oriented company. It goes without saying that the most essential element in transforming our company is the employees who are carrying out the transformation. We conduct people-oriented management under the idea that views people as the driving force that supports the company, and have actively carried out human capital investments. Each employee changing the way he or she thinks and acts and taking initiative will bring about change in the company. I am confident that if we can achieve this, we will be able to become a company that can grow in the VUCA* era even 100 years from now. I believe that DX provides opportunities for employees to transform themselves and for the company to transform itself. We have already several measures geared toward this. For example, we set incentives with the aim of promoting DX so that employees can start carrying out reforms where possible. This is a system that encourages people who want to and can put in their best efforts to work even harder, and is also a measure to further accelerate DX initiatives that are underway within the Company. It is essential to invest in DX to improve the convenience of our platform. We also introduced a system that allows employees to choose

from a variety of workstyles that make it easier for them to put in their best efforts. We enable employees to select their place of work, such as the office or working remotely, and their working hours, such as a flextime schedule, according to their stages in life. In addition to this, we also help them achieve a healthy work-life balance by promoting childcare leave for both men and women and supporting the continuation of their work after maternity/paternity leave. We believe that creating a workplace and work environment in which all employees can enjoy opportunities fairly, and fostering a culture in which all employees are highly motivated to play an active role based on our Mission Statement of “Love,” will bring Takamiya closer to promoting diversity, achieving sustainable growth, and transforming our business.

* VUCA: Volatility, Uncertainty, Complexity, Ambiguity

Shareholder Returns

While the PBR (price book-value ratio) has been attracting attention in recent years, Takamiya’s shares are currently trading a little above book value. We intend to return profits to shareholders by continuing to engage in careful dialogue with market participants and ensuring that the market’s assessment of us is reflected in our stock price. While continuing to pay stable dividends, we will endeavor to increase our corporate value by actively investing in our transformation into a platform company.

We are currently in the midst of transforming from a flow business model to a stock-type business model. Please look forward to the value Takamiya creates as we work to transform our company.