



# Result Briefing Materials for the Second Quarter of the Fiscal Year Ending March 31, 2021

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In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.



## Company Overview of Takamiya Co., Ltd.

|                           |  |
|---------------------------|--|
| Trade name                | Takamiya Co., Ltd.   |
| Incorporation             | June 21, 1969  |
| Representative            | Representative director, Kazumasa Takamiya   |
| Capital                   | 1,050 million yen  |
| Number of employees       | Consolidated : 1,338; Non-consolidated : 724 (As of end-September, 2020)   |
| Registered head office    | Grand Front Osaka, Tower B, 27F, 3-1 Ofuka-cho, Kita-ku, Osaka, Japan  |
| Business locations        | Branches: Tohoku-Sendai, Ibaraki, Tokyo, Niigata, Nagoya, Osaka, Chushikoku, Kyushu-Fukuoka (total: 8) Business offices: Sapporo, Morioka, Fukushima, Tsukuba, Kashima, Ichihara, Hokuriku, Fukui, Nagano, Shizuoka, Keiji, Hiroshima, Okinawa (total: 13)<br>Equipment centers : Aomori-Higashidori, Iwate-Morioka, Miyagi-Sendai No. 2, Fukushima-Hirono, Niigata-Yokogoshi, iigata-Nagaoka, Ibaraki-Chuo, Ibaraki-Tsukuba, Ibaraki-Dejima, Ibaraki-Kashima, Chiba-Okido, Chiba-Ichihara, Saitama-Kuki, Kanagawa-Aikawa, Shinsyu-Ngano, Shizuoka-Yoshida, Ishikawa-Kanazawa, Fukui-Sabae, Tokai-Kisosaki, Shiga-Omihachiman, Osaka-Hirakata, Osaka-Settsu, Wakayama-Momoyama, Hyogo-Tojo, Hyogo-Kobe, Hiroshima-Shiwa, Kagawa-Sanuki , Okinawa-Naha(total: 28) |
| Consolidated subsidiaries | [Japan total:7] IWATA Co., Ltd. ; HIRAMATSU Co., Ltd. ; AOMORI ATOM Co., Ltd. ; TOTAL TOSHISEIBI Co., Ltd. ; NEXTECH Co., Ltd. ; Cadian Co., Ltd. ; Nakaya Kizai Co., Ltd<br>[Overseas total:3] Hory Korea Co. Ltd ; HORY VIETNAM Co., Ltd. ; DIMENSION-ALL INC. (total:10)  |
| Stock listing             | Jun. 2005: JASDAQ Securities Exchange<br>Note: The Company was delisted from the JASDAQ market in January 2008.<br>Dec. 2007: Tokyo Stock Exchange Second Section<br>Dec. 2014: Assigned on Tokyo Stock Exchange First Section   |





## Agenda

- Topics
- Description of consolidated performance of the fiscal year ended June 30, 2020
- Prospects and strategies for the future



## Topics

October 1, 2020

Notice of Opening Okinawa-Naha Center \*in Japanese

October 14, 2020

Received an order for constructing a Dutch-light type glasshouse characterized by high light-intaking properties.

The order is worth about 970 million yen from Kitaibaraki Farm, to be completed in 2021. \*in Japanese

October 20, 2020

Jointly developed a solar carport (photovoltaic unit placed on a garage roof). \*in Japanese

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

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



# 1. Summary of consolidated performance

## 1.1 Business overview

- ✓ In the sales business segment, recent situations of uncertainty for the future pushed down many companies' mindset, and there was a tendency that some customers withhold their final decisions to purchase temporary equipment.
- ✓ Rental business segment experienced lower growth of utilization of assets for rent due to, for example, returning equipment following completion of large-scale construction sites, and lower amount of shipment of equipment to customers as compared to the previous year because of interrupted or delayed construction work and postponed commencement of work.
- ✓ In the overseas business segment, DAI (consolidated subsidiary in the Philippines) faced limitation on its business activities due to curfew and restrictions on movement in the metropolitan area, leading to substantial decrease in revenues.



# 1. Summary of consolidated performance

## 1.2 Cumulative period (from April 2020 to June 2020)

| Consolidated Results<br>(Unit : million yen)       | 2Q of FYE Mar.31, 2021<br>Forecast |             | 2Q of FYE Mar. 31, 2021<br>Results |             | 2Q of FYE Mar.31, 2020<br>Results |             | % change<br>(y/y) |
|--|------------------------------------|-------------|------------------------------------|-------------|-----------------------------------|-------------|-------------------|
|  | (Non-Disclosure)                   | Sales ratio |                                    | Sales ratio |                                   | Sales ratio |                   |
| Net sales  | —                                  | —           | 19,539                             | 100.0%      | 22,097                            | 100.0%      | (11.6)%           |
| Gross profit                                       | —                                  | —           | 5,805                              | 29.7%       | 6,850                             | 31.0%       | (15.3)%           |
| SG&A   | —                                  | —           | 4,707                              | 24.1%       | 4,936                             | 22.3%       | (4.6)%            |
| Operating income                                   | —                                  | —           | 1,097                              | 5.6%        | 1,913                             | 8.7%        | (42.7)%           |
| Ordinary income                                    | —                                  | —           | 994                                | 5.1%        | 1,773                             | 8.0%        | (43.9)%           |
| Profit attributable to owners of parent            | —                                  | —           | 593                                | 3.0%        | 1,217                             | 5.5%        | (51.2)%           |
| Earnings per share<br>(Diluted earnings per share) | —                                  | —           | 12.75 yen<br>(12.40yen)            | —           | 28.10 yen<br>(27.29 yen)          | —           | —                 |
| Annual dividends per share                         | —                                  | —           | —                                  | —           | —                                 | —           | —                 |
| Depreciation and amortization                      | —                                  | —           | 2,401                              | 12.3%       | 2,366                             | 10.7%       | +1.5%             |
| EBITDA   | —                                  | —           | 3,498                              | 17.9%       | 4,279                             | 19.4%       | (18.3)%           |



# 1. Summary of consolidated performance

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

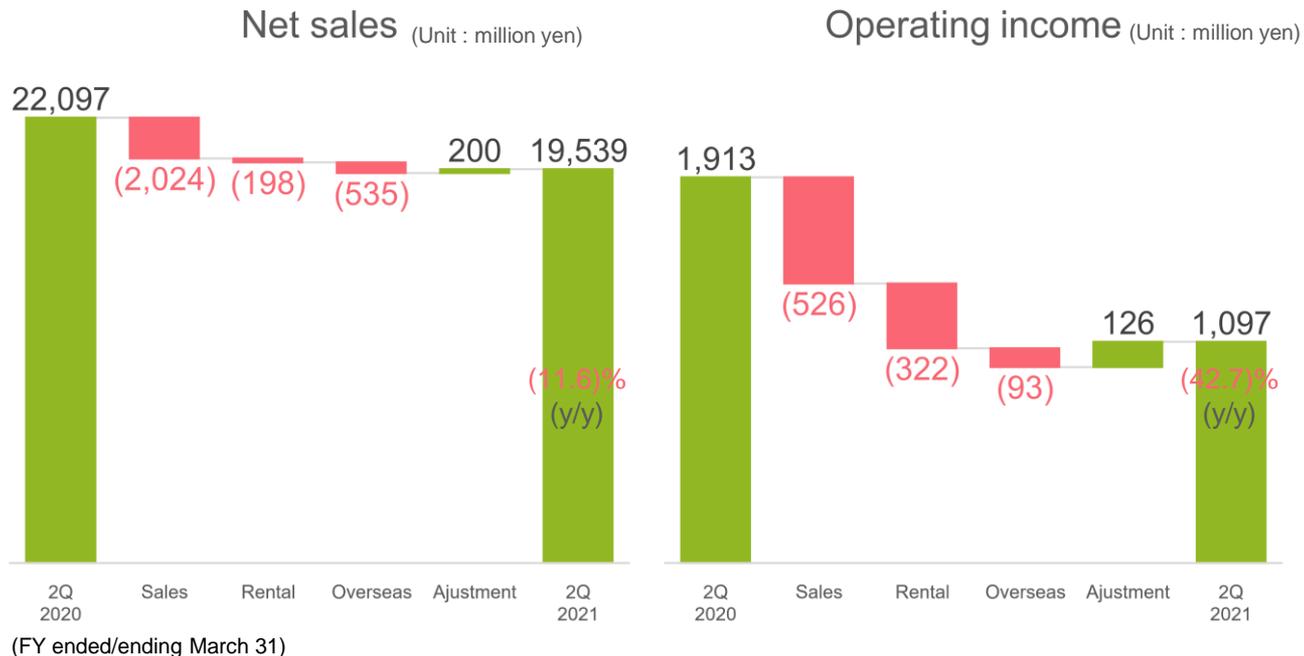
### Net sales decreased by 2,557 million yen (down 11.6% YoY)

- ✓ All business segments experienced decrease in revenues.

### Operating income decreased by 816 million yen (down 42.7% YoY)

- ✓ All business segments experienced decrease in profit.

\* Increased inter-segment offset is due to decreased transactions within our Group.





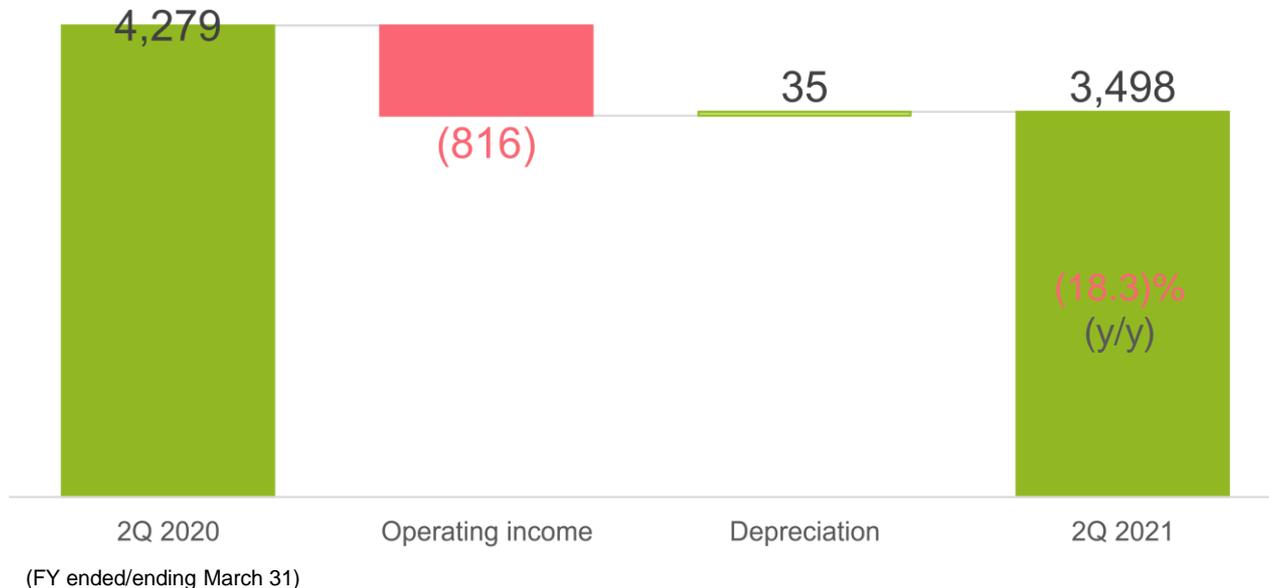
# 1. Summary of consolidated performance

## 1.4 EBITDA(Operating income + Depreciation)

EBITDA(Operating income + Depreciation) (Unit : million yen)

**Decreased by 781 million yen  
(down 18.3% YoY)**

- ✓ Mainly due to decreased operating income.
- ✓ Depreciation remained mostly level.





# 1. Summary of consolidated performance

## 1.5 Performance by segment

(FY ended/ending March 31)

- ✓ All the business segments experienced lower revenues and profit because of the new coronavirus and economic environment deterioration.

| Unit : million yen       | Net sales     |               |                 | Segment profit<br>(sales ratio) |                          |                 |
|--------------------------|---------------|---------------|-----------------|---------------------------------|--------------------------|-----------------|
|                          | 2Q 2020       | 2Q 2021       | % change<br>y/y | 2Q 2020                         | 2Q 2021                  | % change<br>y/y |
| <b>Sales Business</b>    | <b>7,556</b>  | <b>5,532</b>  | (26.8)%         | <b>1,104<br/>(14.6%)</b>        | <b>577<br/>(10.4%)</b>   | (47.7)%         |
| <b>Rental Business</b>   | <b>12,692</b> | <b>12,494</b> | (1.6)%          | <b>1,628<br/>(12.8%)</b>        | <b>1,305<br/>(10.4%)</b> | (19.8)%         |
| <b>Overseas business</b> | <b>3,187</b>  | <b>2,651</b>  | (16.8)%         | <b>48<br/>(1.5%)</b>            | <b>(44)<br/>(-%)</b>     | (191.3)%        |



## 2. Sales business

### 2.1 Factors of increase/decrease YoY

#### Net sales:

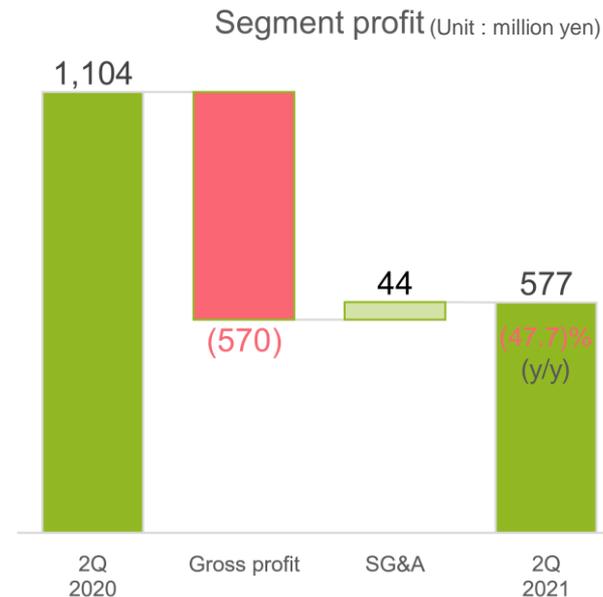
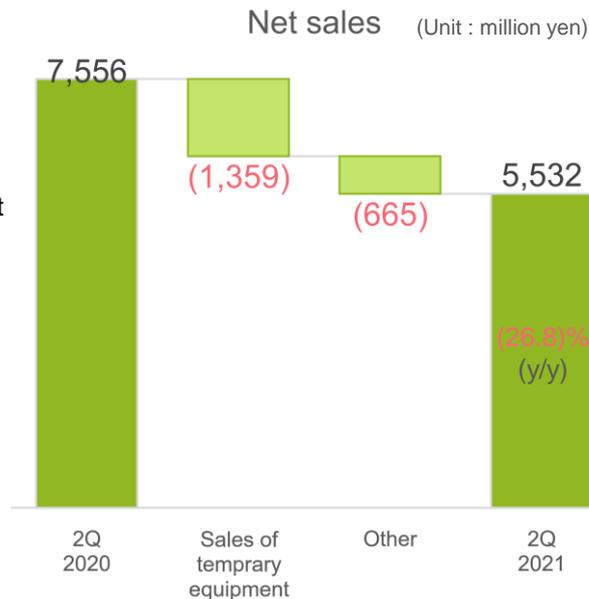
**decreased by 2,024 million yen**

- ✓ Although there are still many inquiries as before, recent economic situations have not led to successful business deals, resulting in lower net sales.

#### Operating income:

**decreased by 526 million yen**

- ✓ SG&A expenses decreased YoY because of, for example, movement restrictions due to the new coronavirus, but such decrease was not enough to cover lower profit caused by lower net sales.



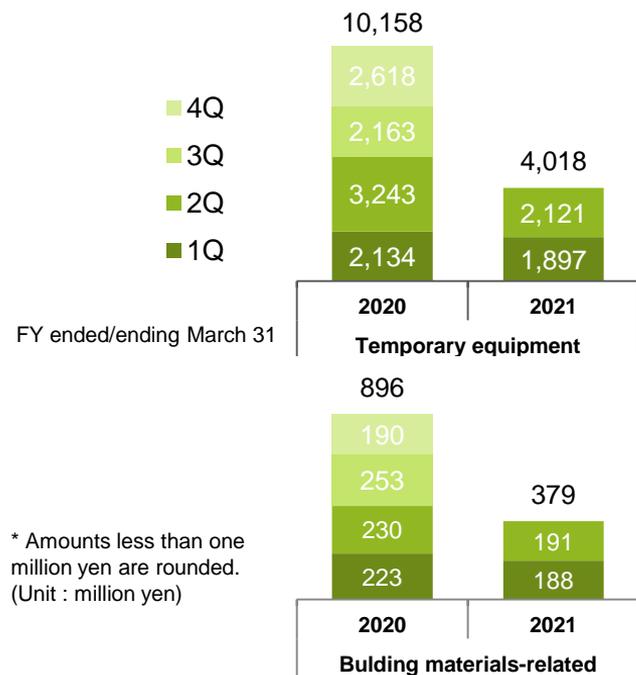
(FY ended/ending March 31)



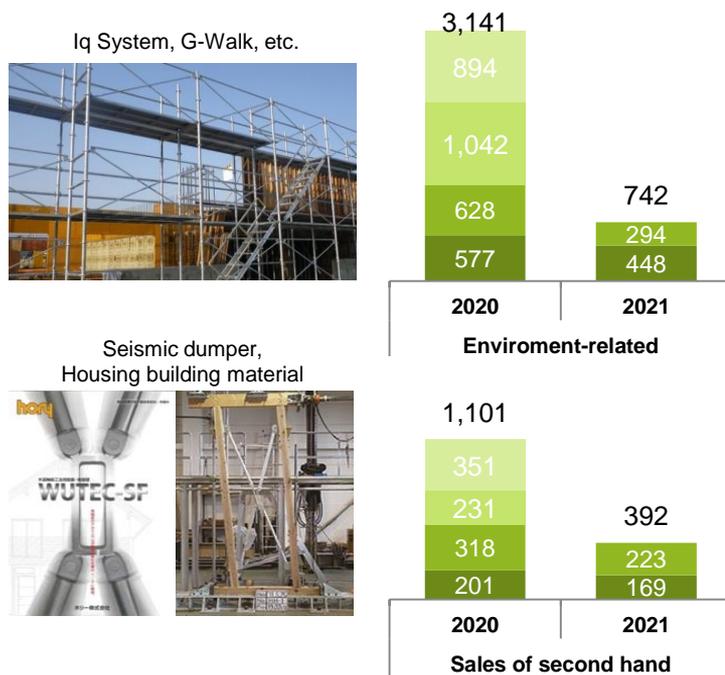
## 2. Sales business

### 2.2 Net sales by product field

Although our customers showed continuously strong demands for the next-generation scaffolding, there was a tendency that some of them withhold their decision to purchase because of recent situations of uncertainty for the future.



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





## 2. Sales business

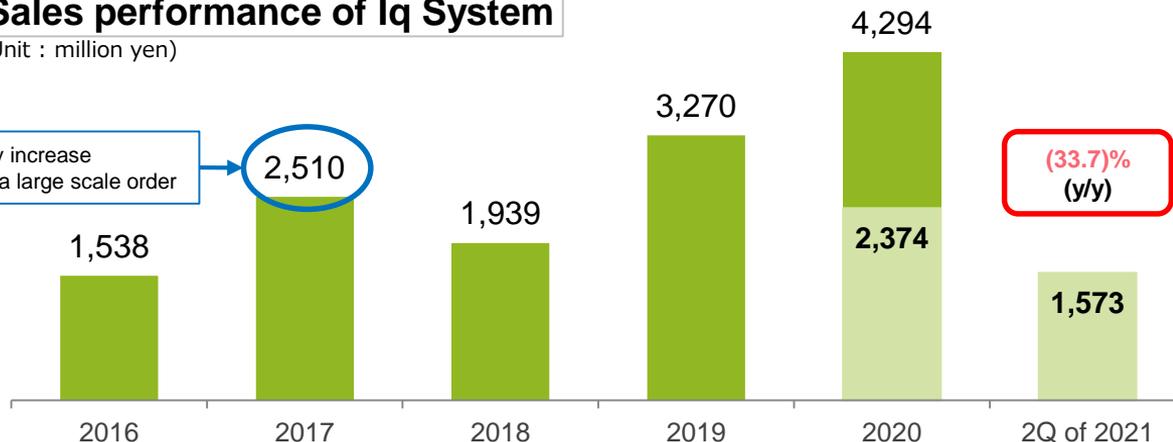
### 2.3 Sales of Iq System

**Sales of the Iq System decreased by 33.7% ((801) million yen) YoY. Despite receiving many inquiries, it takes longer time than before to enter into contracts.**

#### Sales performance of Iq System

(Unit : million yen)

Rapidly increase  
due to a large scale order



(FY ended/ending March 31)

Iq System Cumulative sales  
**15.9 Billion yen**

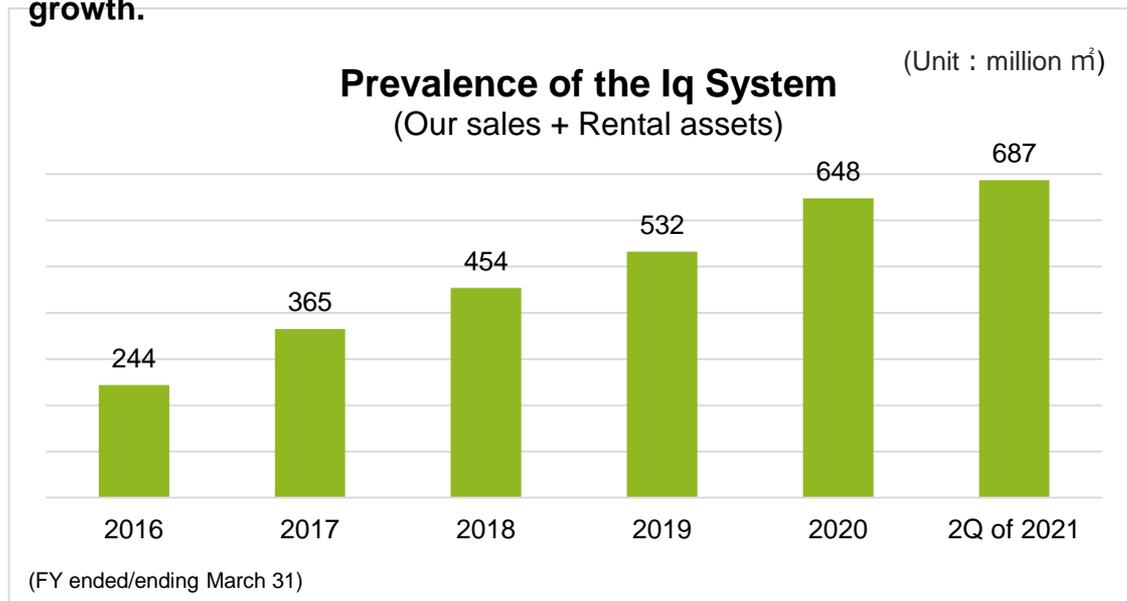
※Our sales only



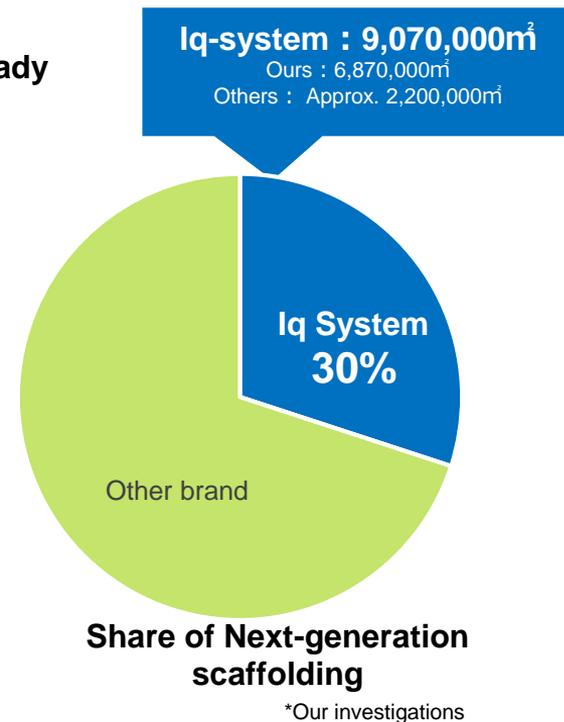
## 2. Sales business

### 2.4 Prevalence of Iq System

**Popularization of the new-generation scaffolding in the industry maintains steady growth.**



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





## 3. Rental business

### 3.1 Factors of increase/decrease YoY

#### Net sales:

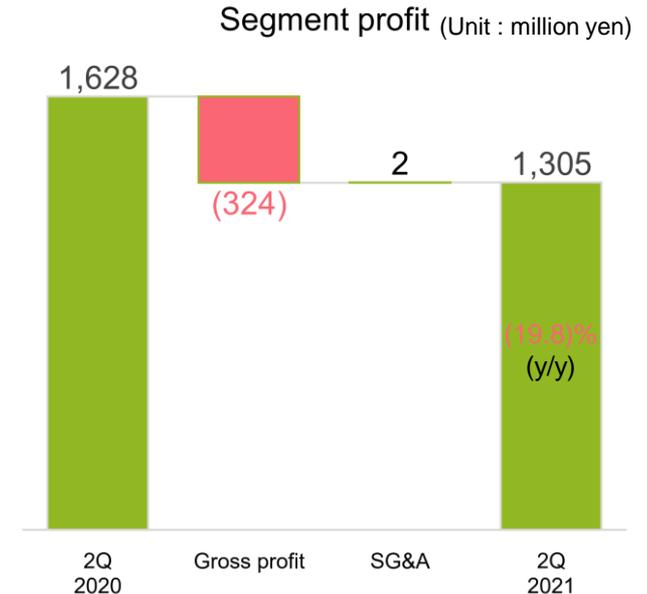
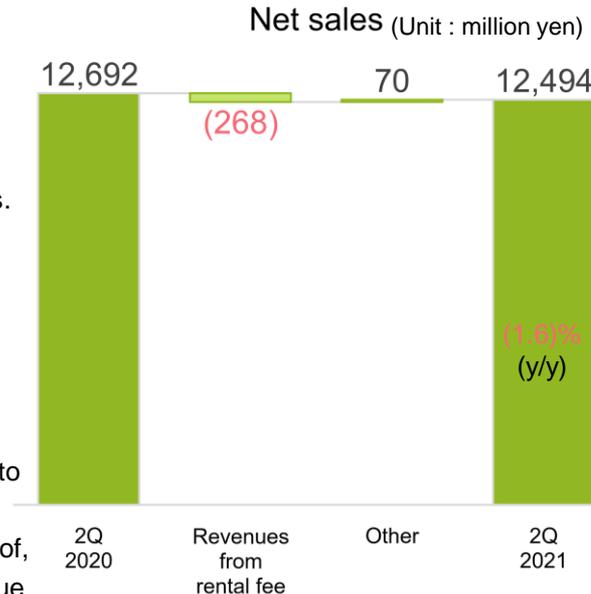
##### decreased by 198 million yen

- ✓ Rented amount (utilization rate) of equipment to customers was lower than the previous year, resulting in decreased revenues from rental fees.

#### Operating income:

##### decreased by 322 million yen

- ✓ Factors such as decreased net sales, increased cost for equipment maintenance, and increased cost for equipment transportation contributed to decrease in operating income.
- ✓ SG&A expenses decreased because of, for example, movement restrictions due to the new coronavirus.



(FY ended/ending March 31)



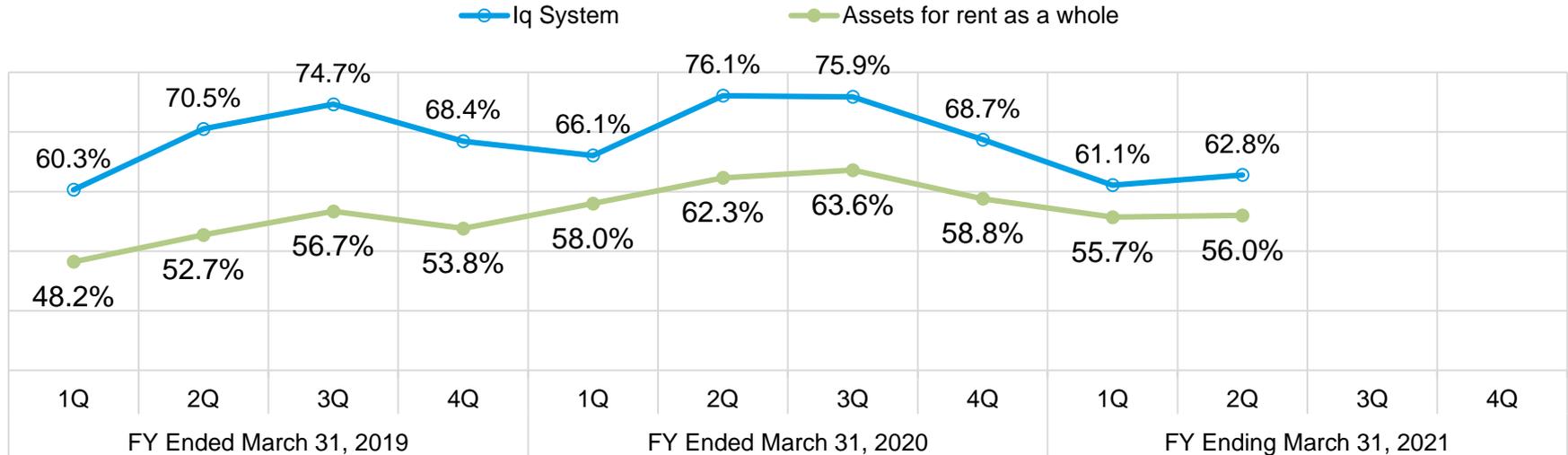
\* Trend of utilization rates looks like a mountain with its peak at the 3Q each year  
\* Utilization rate = rented amount / overall holdings

## 3. Rental business

### 3.2 Trend of average equipment utilization rates

Utilization of assets for rent showed lower growth due to, for example, returning equipment following completion of large-scale construction sites, and lower amount of shipment of equipment to customers as compared to the previous year because of interrupted or delayed construction work. Similar curve of utilization as usual could not be drawn, which remained mostly level.

Utilization rates of rental assets

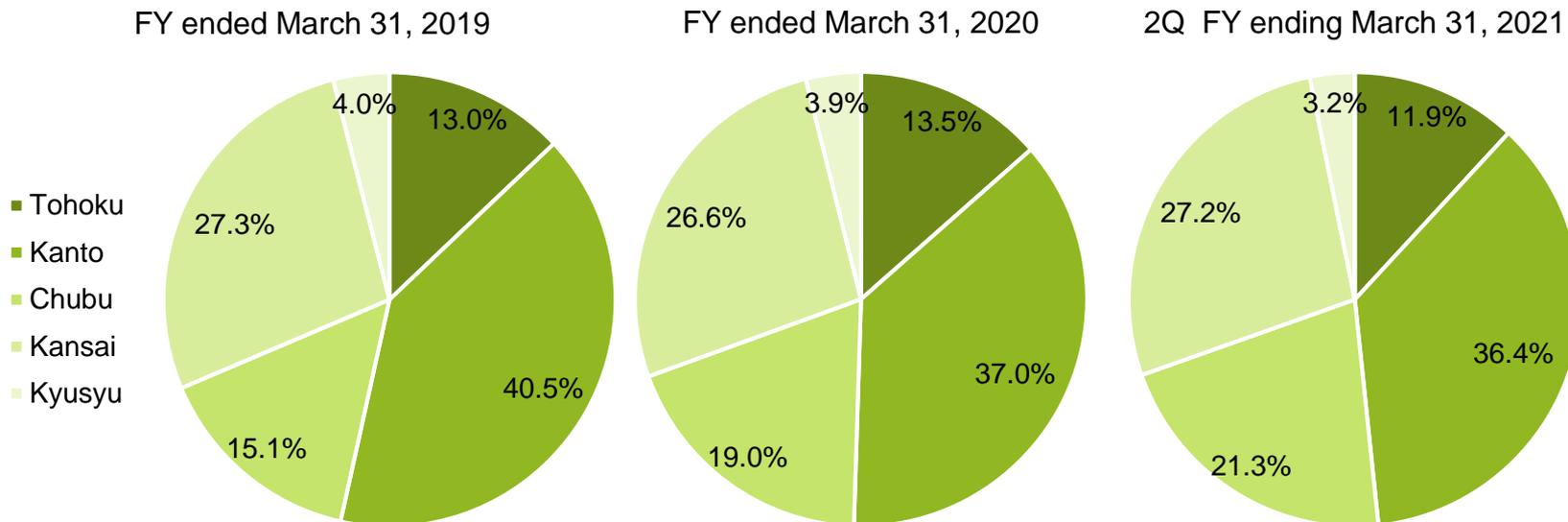




## 3. Rental business

### 3.3 Ratio of Sales by Area

**Chubu block maintained steady growth of sales relating to civil engineering works. Tohoku and Kanto blocks experienced slowdown affected by suspension/postponement of construction works.**



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



## 4. Overseas business

### 4.1 Factors of increase/decrease YoY

#### Net sales:

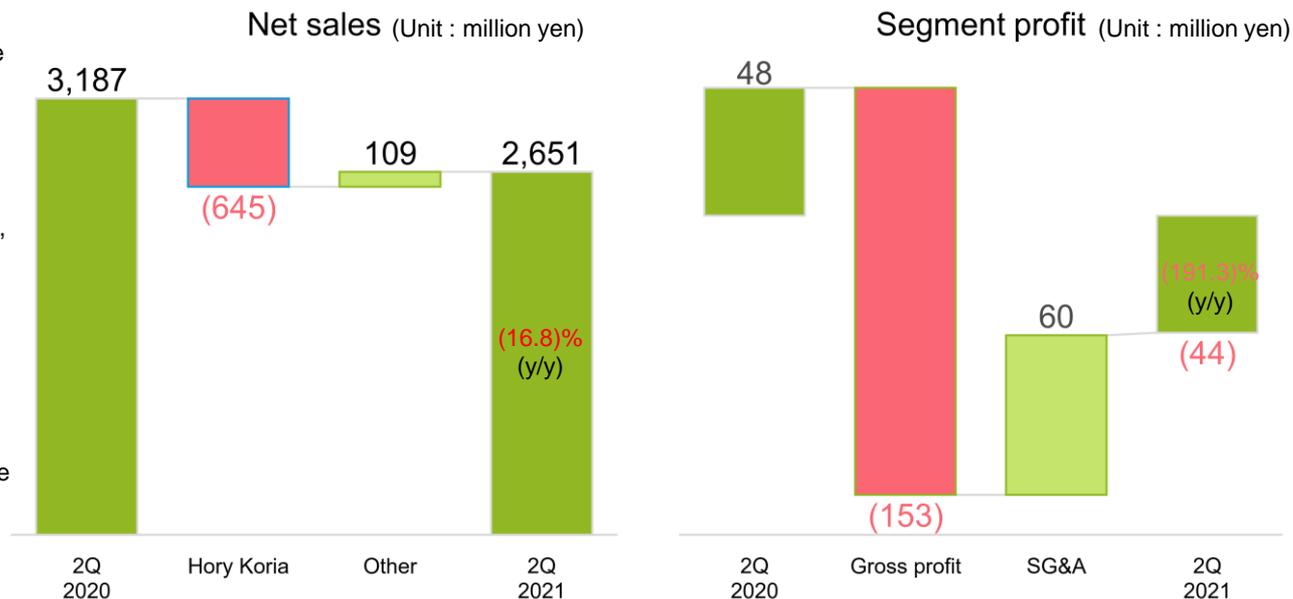
##### decreased by 535 million yen

- ✓ In the Philippines, business activities were limited due to curfew and restrictions on movement in the metropolitan area, leading to substantial decrease in revenues.
- ✓ In Korea, net sales decreased because of, for example, worsened economic environment and decision to withhold supplying to customers having credit uncertainty.

#### Operating income:

##### decreased by 93 million yen

- ✓ Decreased net sales in the Philippines due to limitation on business activities had much influence.
- ✓ SG&A expenses were lower than the previous year due to, for example, restrictions on movement and business activities because of the new coronavirus.



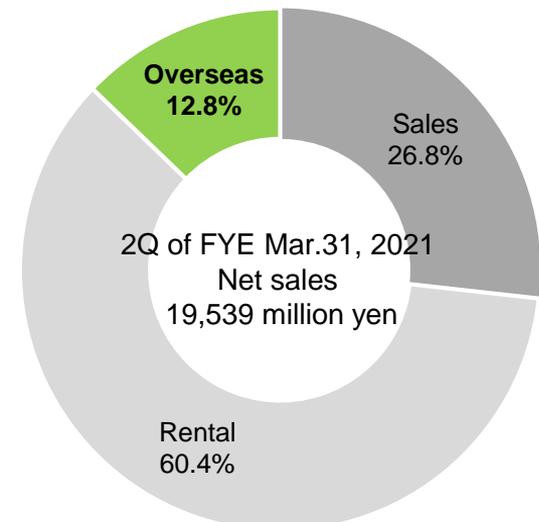
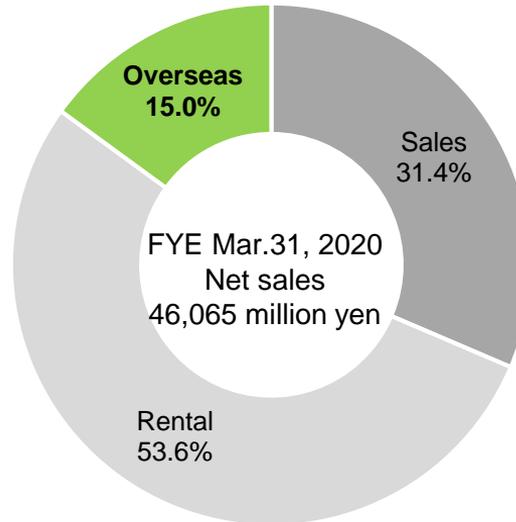
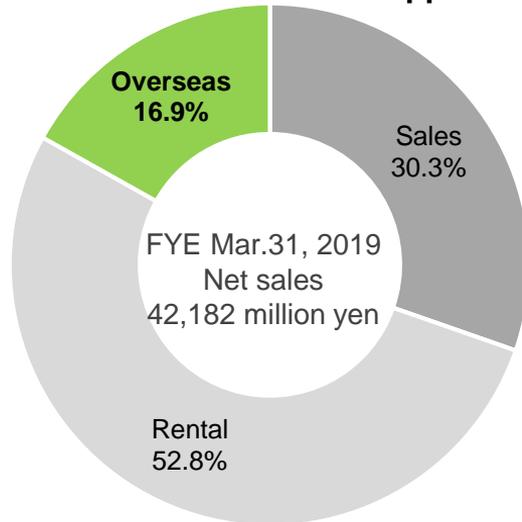
(FY ended/ending March 31)



## 4. Overseas business

### 4.2 Sales Ratio by Segment

**Overseas business segment dropped its share of the Group's consolidated net sales due to restrictions on business activities in the Philippines and economic environment deterioration in Korea.**



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

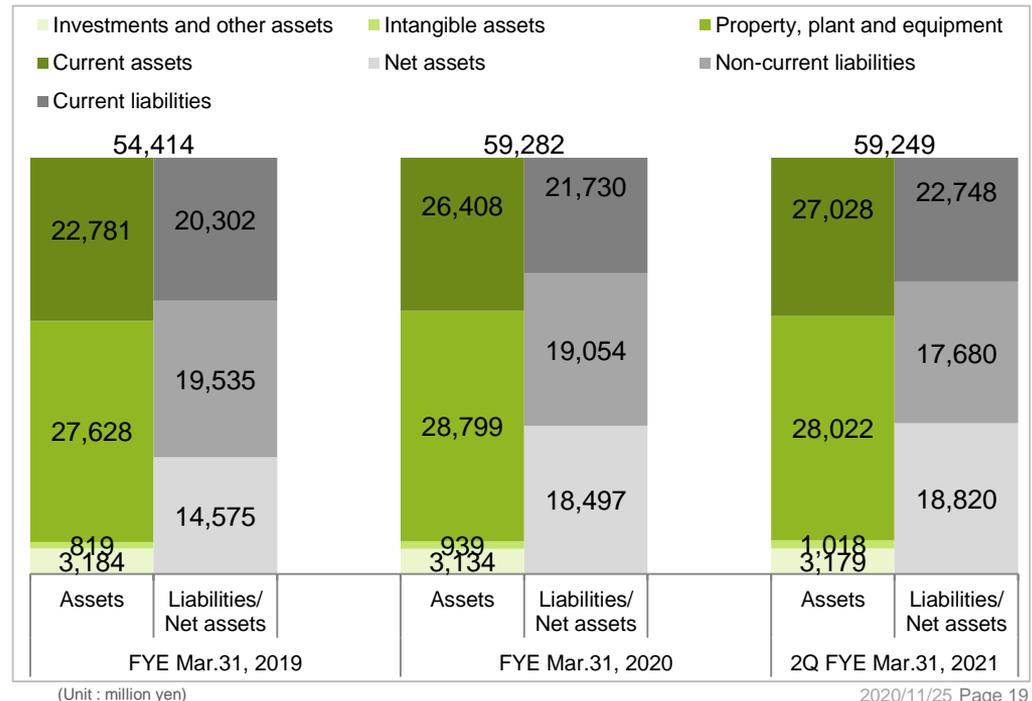


## 5. Change in Consolidated Balance Sheet

**Lower net sales caused lower accounts receivable - trade, so visible funds should be secured for the future.**

|                                       |                      |
|---------------------------------------|----------------------|
| <b>[Asset]</b>                        | (Unit : million yen) |
| <b>Current assets</b>                 |                      |
| Cash & Deposit                        | : 9,262 (+2,020)     |
| Notes and accounts receivable – trade | : 12,294 ((1,807))   |
| <b>Non-current assets</b>             |                      |
| Assets for rent, net                  | : 13,978 ((929))     |
| <b>[Liability]</b>                    |                      |
| <b>Current liability</b>              |                      |
| Notes and accounts payable – trade    | : 5,276 ((1,150))    |
| Short-term loans payable              | : 7,586 (+2,185)     |
| <b>Non-current liability</b>          |                      |
| Long-term loans payable               | : 11,269 ((554))     |
| <b>[Net asset]</b>                    |                      |
| Shareholders' equity                  | : 18,363 (+221)      |

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





## 6. Statements of cash flows

As for operating CF, despite lower profit, revenues increased thanks to such as decrease in depreciation and in notes and accounts receivable – trade. As for financial CF, short-term loans payable increased in order to secure cash reserves.

(FY ended/ending March 31)

### 【Cash flows from operating activities】 unit : million yen

|   |   |                   |
|---|---|-------------------|
| Profit before income taxes                        | : | 989 ((908))       |
| Depreciation                                      | : | 2,401 (+35)       |
| Purchase of assets for rent                       | : | (837) ((251))     |
| Decrease in notes and accounts receivable – trade | : | 1,833 (+3,674)    |
| Decrease in notes and accounts payable – trade    | : | (1,155) ((1,729)) |

### 【Cash flows from investing activities】

|   |   |              |
|---|---|--------------|
| Purchase of property, plant and equipment | : | (598) (+396) |
| Purchase of intangible assets             | : | (158) ((68)) |

### 【Cash flows from financing activities】

|  |   |                |
|--|---|----------------|
| Net increase in short-term loans payable | : | 2,169 (+1,483) |
| Proceeds from long-term loans payable    | : | 2,170 (+40)    |
| Repayments of long-term loans payable    | : | (2,941) (+94)  |

※ ( ) Change from the previous year

| Unit : million yen  | 2Q 2020 | 2Q 2021 |
|---|---------|---------|
| Profit before income taxes                                  | 1,897   | 989     |
| Cash flows from operating activities Subtotal               | 930     | 2,242   |
| Cash flows from investing activities Subtotal               | △599    | (861)   |
| Cash flows from financing activities Subtotal               | 1,480   | 649     |
| Effect of exchange rate change on cash and cash equivalents | (14)    | (11)    |
| Net increase (decrease) in cash and cash equivalents        | 1,797   | 2,020   |
| Cash and cash equivalents at beginning of period            | 5,414   | 6,922   |
| Cash and cash equivalents at end of period                  | 7,211   | 8,942   |



## 7. Transition of number/composition of shareholders

|  | End of March 2018 | End of March 2019 | End of March 2020 | End of September 2020 |
|--|-------------------|-------------------|-------------------|-----------------------|
| Shareholders at the end of the period            | 3,058             | 2,923             | 4,092             | 3,851                 |
| Shareholder composition                          |                   |                   |                   |                       |
| Government and local public entities             | 0.00 %            | 0.00 %            | 0.00 %            | 0.00 %                |
| Financial institutions                           | 19.02 %           | 19.89 %           | 22.77 %           | 23.31 %               |
| Financial instruments business operators         | 0.56 %            | 0.30 %            | 0.66 %            | 0.28 %                |
| Other Japanese companies                         | 20.58 %           | 20.50 %           | 20.78 %           | 21.23 %               |
| Foreign institutions and others                  | 3.84 %            | 4.55 %            | 6.85 %            | 6.94 %                |
| Individuals and others                           | 50.27 %           | 49.03 %           | 48.92 %           | 48.23 %               |
| Treasury stock                                   | 5.74 %            | 5.73 %            | 0.02 %            | 0.02 %                |
| (proportion of those including investment trust) | 9.11 %            | 10.00 %           | 11.98 %           | 12.00 %               |
| (proportion of those including pension trust)    | 0.56 %            | 0.45 %            | 0.93 %            | 0.87 %                |



## 8. Full-term performance forecasts

### Consolidated performance forecasts for the full-term of FY ending March 31, 2021

| (Unit : million yen)                              | FY Ending March. 31, 2021<br>Forecasts | FY Ended March. 31, 2020<br>Results | YoY           |          |
|---|--|-------------------------------------|---------------|----------|
|   |  |                                     | Change amount | Change % |
| Net sales   | <b>40,750</b>                          | 46,065                              | (5,315)       | (11.5)%  |
| Operating income                                  | <b>2,200</b>                           | 3,703                               | (1,503)       | (40.6)%  |
| Ordinary income                                   | <b>2,000</b>                           | 3,541                               | (1,541)       | (43.5)%  |
| Profit (loss) attributable<br>to owners of parent | <b>1,270</b>                           | 2,370                               | (1,100)       | (46.4)%  |
| Earnings per share                                | <b>27.27 yen</b>                       | 52.74 yen                           |               |          |



## 9. Concepts of full-term performance

Year-on-Year comparison of the second half (Oct. 2020 to Mar. 2021)

| (Unit : million yen)                       | 2 <sup>nd</sup> half of<br>FYE Mar. 31, 2020 | 2 <sup>nd</sup> half of<br>FYE Mar. 31, 2021 | YoY              |          |
|--|--|--|------------------|----------|
|  |  |  | Change<br>amount | Change % |
| Net sales                                  | 23,967                                       | <b>21,210</b>                                | (2,757)          | (11.5)%  |
| Operating income                           | 1,789  | <b>1,102</b>                                 | (687)            | (38.4)%  |
| Sales ratio                                | 7.5%   | <b>5.2%</b>                                  |                  |          |
| Ordinary income                            | 1,767  | <b>1,005</b>                                 | (762)            | (43.1)%  |
| Sales ratio                                | 7.4%   | <b>4.7%</b>                                  |                  |          |
| Profit attributable to<br>owners of parent | 1,153  | <b>677</b>                                   | (476)            | (41.3)%  |
| Sales ratio                                | 4.8%   | <b>3.2%</b>                                  |                  |          |

### Prospects of net sales

- ✓ Net sales of all group companies would be lower than the previous year.
- ✓ Subsidiary in the Philippines would show decrease by 60%.

### Prospects of operating income

- ✓ Decreased revenues from rental fees directly relating to profit (especially in overseas)
- ✓ Increased depreciation due to starting operation of ERP and opening of Okinawa-Naha Equipment Center
- ✓ Expenses for anniversary business activities during the first half had positive effects but meanwhile had adverse influences of decreased revenues



## 10. Status of shareholder return

(FY ended/ending March 31)

|                           | 2017            | 2018            | 2019            | 2020            | 2021<br>(Forecast) |
|---------------------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| <b>Dividend</b>           | <b>10 yen</b>   | <b>11 yen</b>   | <b>11 yen</b>   | <b>14 yen</b>   | <b>14 yen</b>      |
| 1Q                        | –               | –               | –               | –               | –                  |
| 2Q                        | 3.5 yen         | 4.0 yen         | 4.0 yen         | 6.0 yen         | 6.0 yen            |
| 3Q                        | –               | –               | –               | –               | –                  |
| 4Q                        | 6.5 yen         | 7.0 yen         | 7.0 yen         | 8.0 yen         | 8.0 yen            |
| Total amount of dividends | 428 million yen | 471 million yen | 471 million yen | 651 million yen | –                  |
| Dividend payout ratio     | 28.5%           | 37.6%           | 28.8%           | 26.5%           | –                  |
| Treasury shares           | 529 million yen | 0 million yen   | 0 million yen   | 0 million yen   | –                  |
| Total return ratio        | 63.2%           | 37.6%           | 28.8%           | 26.5%           | –                  |
| Dividend on equity        | 3.6%            | 3.7%            | 3.5%            | 3.9%            | –                  |
| ROE                       | 12.6%           | 9.8%            | 12.0%           | 14.7%           | –                  |



## Prospects and strategies for the future

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# Prospects for the current term

## Assumptions at the beginning of the period and current situations

Influences of the new coronavirus still remain both domestically and globally.

|                   | Prospects at the time of announcing the financial results  | Current situation and response  |
|-------------------|--|---|
| Sales Business    | <ul style="list-style-type: none"><li>✓ Next generation scaffolding is going to prevail in full swing, and would achieve good performance thanks to, for example, demands for renewal and additional orders from existing purchasers. Meanwhile, with respect to new transactions, there exist unknown consequences such as suspension/postponement of construction work, and investors' mindset cooling down.</li><li>✓ Even though agri-business segment anticipates steady uptake of post-quake reconstruction demands, inquiries concerning new projects are stagnant.</li></ul> | <ul style="list-style-type: none"><li>✓ Even though having a tough time due to postponement and abandonment of purchase because of uncertainty for the future, the Company has received orders steadily.</li><li>✓ Demands for products that support infrastructure renovation increased.</li><li>✓ Agri-business segment received orders for large-scale projects.</li></ul>   |
| Rental Business   | <ul style="list-style-type: none"><li>✓ Shipment of equipment for construction sites which have already commenced is going well, but given the actual suspension of some construction work and possible prolongation of such situation, impacts on our business might be enlarged.</li><li>✓ Construction works relating to maintenance/repair of aged infrastructure are in upward trend, and expected as alternatives to construction projects of Hokuriku-Shinkansen.</li></ul>   | <ul style="list-style-type: none"><li>✓ Utilization rate of assets for rent has maintained high levels considering its transition over the past three years, but was lower than the previous year due to, for example, returning equipment following completion of large-scale civil engineering projects, delay/postponement because of suspension of construction works, and postponement of projects for renovating multifamily housing.</li></ul> |
| Overseas business | <ul style="list-style-type: none"><li>✓ Lockdown in the Philippines would be lifted in a phased manner, but there is no clear idea about when to resume economic activities.</li><li>✓ Even though there is no major impact on our overseas production bases, domestic/overseas demands may possibly decline and we are in an unpredictable situation.</li></ul>   | <ul style="list-style-type: none"><li>✓ In the Philippines, lockdown has been relaxed and construction works have resumed, but influence of stagnation of business activities is still large.</li><li>✓ There is no impact on manufacturing department, and procurement of raw materials, parts and others is going well.</li></ul>   |



## Prospects for the future | Environment analyses

### Year-on-Year comparison graph of order-taking for construction works (monthly)



- ✓ Construction companies, namely our customers, are also facing decrease in order-taking.
- ✓ Demands relating to the Olympic Games have shaken down and are lower than the previous year.
- ✓ Private capital investment is cooling down due to impact of the new coronavirus infections.



# Prospects for the future | Environment analyses

## Transition of monetary amount of domestic construction investment

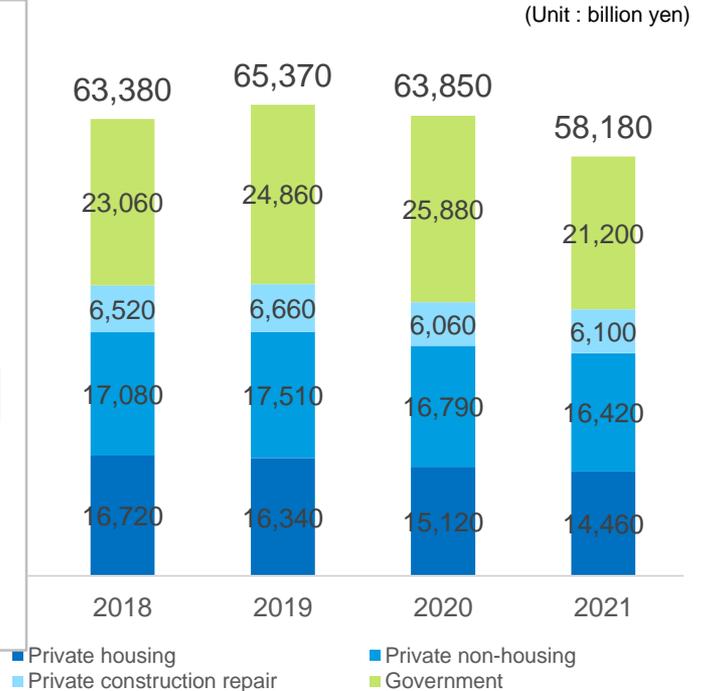
Source: “Prospects of construction investment based on construction economic model”, Research Institute of Construction and Economy, Oct. 2020

Construction investment tends to decrease and is greatly affected by decrease in government investment, but pace of decrease in private investment is expected to slow down in FY2021.

(Unit : billion yen)

|  | FY2020 (prospects) |                 | FY2021 (prospects) |                 |
|--|--------------------|-----------------|--------------------|-----------------|
|  |                    | YoY growth rate |                    | YoY growth rate |
| Nominal construction investment                | 638,500            | -2.3%           | 581,800            | -8.9%           |
| Government                                     | 258,800            | 4.1%            | 212,000            | -18.1%          |
| Private housing                                | 151,200            | -7.5%           | 144,600            | -4.4%           |
| Private non-housing                            | 167,900            | -4.1%           | 164,200            | -2.2%           |
| Private construction repair (refit/renovation) | 60,600             | -9.0%           | 61,000             | 0.7%            |

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





# Prospects for the future | Environment analyses

## Projects relating to our industry

Domestic large-scale projects tend to be delayed/postponed, but meanwhile maintenance/repair of infrastructure (e.g. traffic infrastructure) are proceeding in many places.



### Infrastructure renovation projects

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

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



## About the future | Management strategies and priority areas

### Management strategies

To improve our corporate value by sustained growth

#### “Optimization”

“Optimization” means TAKAMIYA Group’s own concept that makes maximum use of higher capital efficiency and tangible/intangible management resources, in order to realize its basic policies identified in the mid-term management plan as “Drive innovation in the earning base”, “Create new growth businesses”, “Accelerate overseas business development”, “Strengthen management foundations”, and to improve its corporate value by sustained growth.

[Focus areas for the 3Q and 4Q]

#### **Sales/Rental Businesses (domestic)**

- ✓ Strengthening products/services that support demands for infrastructure redevelopment, disaster control measures, and highly efficient construction works
- ✓ Development of new technologies, new products, new services, and new businesses
- ✓ Investment in highly efficient business operation (automation/laborsaving) to improve productivity and profitability

#### Overseas business

- ✓ Considering influence of the new coronavirus infections, business strategies of each segment of manufacture and sales should be re-checked.

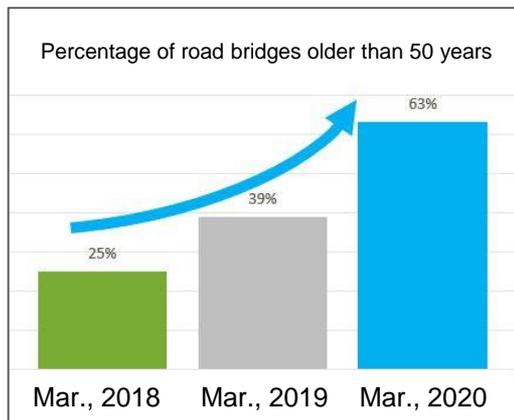


# About the future | Focus areas for the 3Q and 4Q

## Focus area | Products that support demands for infrastructure development

Rental/Sales Businesses: Support for aged infrastructure

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



Percentage of social capitals older than 50 years

|                             | 2018年3月 | 2023年3月 | 2033年3月 |
|-----------------------------|---------|---------|---------|
| Tunnels                     | 約 2.0%  | 約 2.7%  | 約 4.2%  |
| River management facilities | 約 3.2%  | 約 4.2%  | 約 6.2%  |
| Sewerage pipes              | 約 4%    | 約 8%    | 約 2.1%  |
| Port piers                  | 約 1.7%  | 約 3.2%  | 約 5.8%  |

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

Other product relating to maintenance/repair of bridges

Announced on March 19, 2020

Jointly developed with construction companies

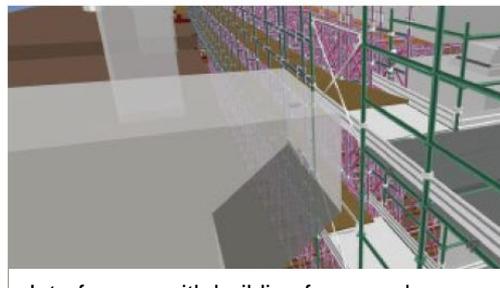
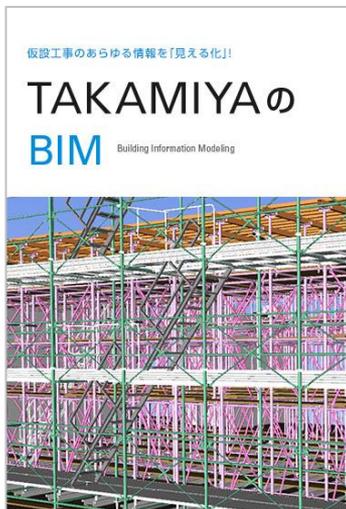
**"Cross Link Stage": work scaffolding for floor slab replacement**



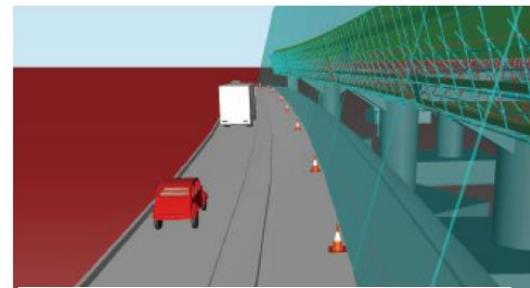
## About the future | Focus areas for the 3Q and 4Q

New technologies | BIM services – Supporting the “i-Construction·DX” promoted by the government

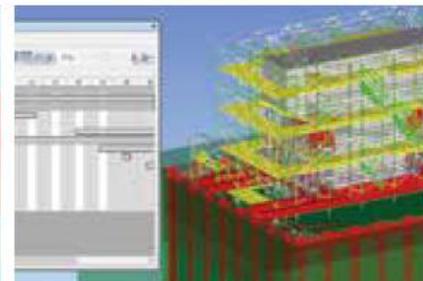
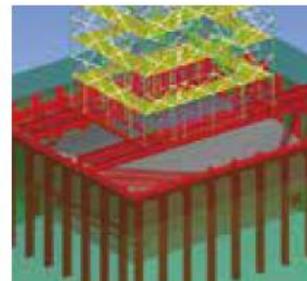
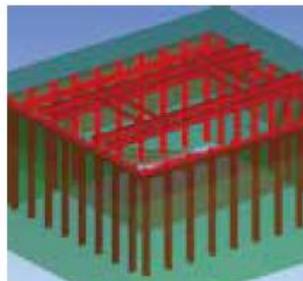
Proactively working on higher efficiency for customers (construction works)



Interference with building frameworks can be discovered.



Dangerous points can be confirmed.



Construction progress can be confirmed with model data hourly, daily and weekly.

TAKAMIYA's BIM means technologies for “visualizing” information relating to such as “fitting”, “component quantities” and “process control” which is critical in temporary works, by means of 3D models and various data.



# About the future | Focus areas for the 3Q and 4Q

New services / higher efficiency in business operation | Development of bases for equipment management and logistics

Bases for equipment management and logistics

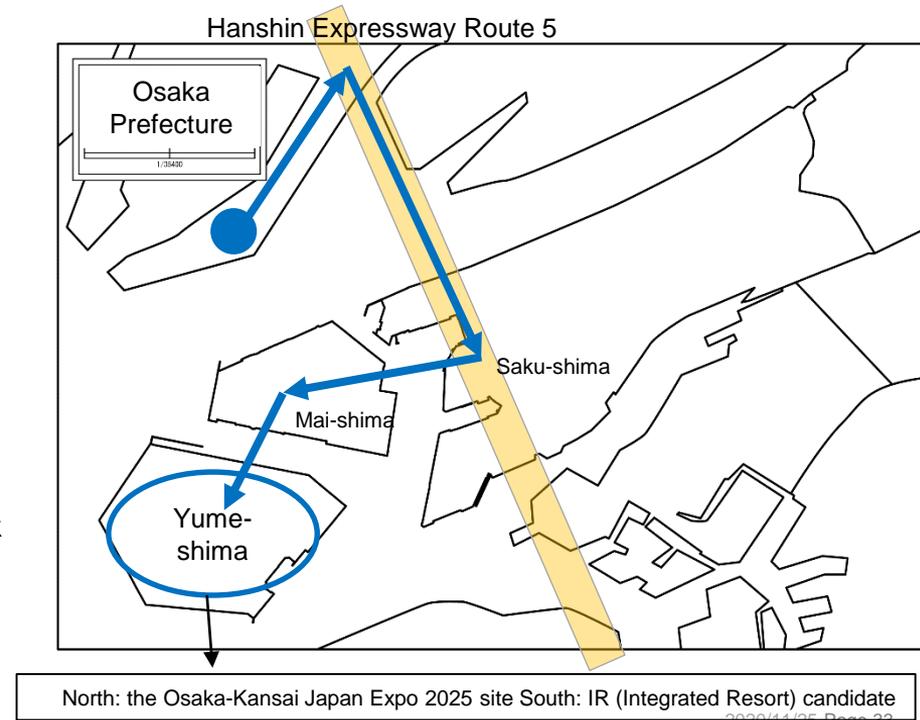
## Issues solving from customers' perspectives, and establishment of bases nearby where demands occur

A base for equipment management and logistics for sales/rental business is planned in an urban area, others of which has used be located in suburban areas. Such location nearby where demands occur leads to differentiation by holding down transportation cost tending to rise, time shortening, and higher efficiency / enhanced services in management and logistics.

## Examples of enhanced services

Supplying products and rental equipment from favorable location  
Faster incoming/outgoing movement of rental equipment.

- ✓ Despite a situation where it is difficult to arrange delivery by truck due to driver shortage, number of rotations is improved.
- ✓ Drivers' waiting time can be shortened, leading to reduction in cost burden.





## About the future | Focus areas for the 3Q and 4Q

### New businesses | Agri-business steadily building up its results

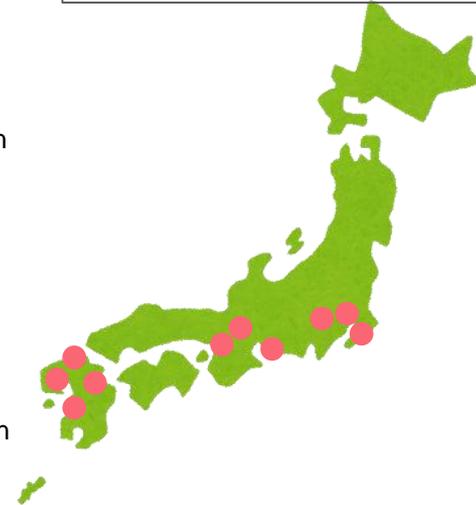
**An order for constructing a Dutch-light type glasshouse (1.8 ha) was received from Kitaibaraki Farm, which is worth about 970 million yen, to be completed in 2021.**



“Yume-Farm SAGA” completed last year  
Surface area: about 1 ha  
Dutch-light type, high-eave, steel-frame house  
(eave height: 5.0 m)

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

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





## About the future | Focus areas for the 3Q and 4Q

### Overseas business

Philippines: DAI (rental/sales of temporary equipment for construction)

\* Settlement month: December

- ✓ Although lockdown due to influence of the new coronavirus infections has been relaxed and construction works have resumed, business recovery during the current term would be difficult.

Korea: HORY KOREA (manufacture/sales of temporary equipment for construction)

\* Settlement month: March

- ✓ Business activities have resumed as usual but there remains a tough economic environment, so order-taking activities are continued inside/outside Korea.

Vietnam: HORY VIETNAM (manufacture for Japanese market)

\* Settlement month: December

- ✓ Maintaining stable operations by manufacturing general-purpose products for Japanese market.

Review overseas business fully, expand sales areas, establish alliance with local companies, put efforts to human resource development, and change upwind to chances.



# About the future | Change upwind to chances

## Response to economic fluctuations

Every time an incident greatly shook Japanese economy and our industry, TAKAMIYA has made a progress thereafter.

### 1991: Burst of bubble economy

⇒ Business areas expanded to all over Japan.

### 2005: Issue of disguising structural calculation sheets (so-called “Aneha Issue”)

⇒ Business fields expanded to urban civil engineering, disaster control measures, and maintenance/repair.

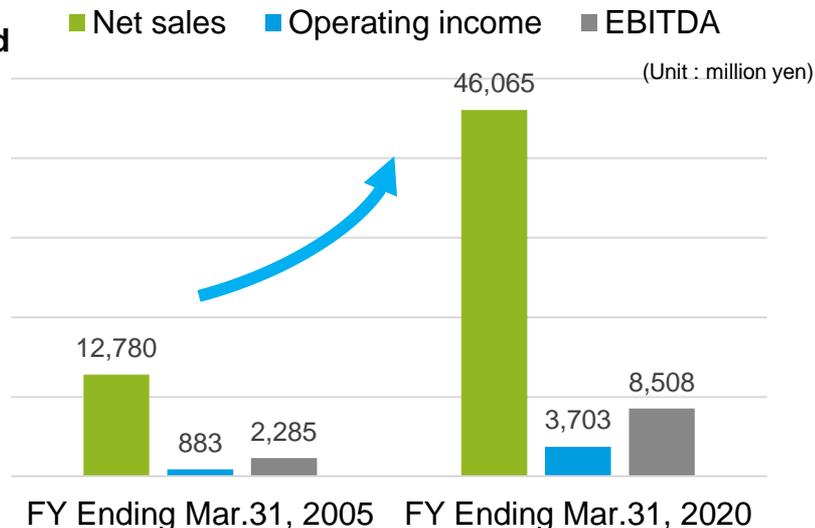
### 2008: Lehman's collapse

⇒ Acquired a maker and started sales business.  
Developed overseas business (manufacture/sales/design).

### 2011: Great East Japan Earthquake

⇒ Released the next-generation scaffolding “Iq System”.  
Started to take orders for scaffolding materials and installation works simultaneously.

After getting listed, both net sales and operating income became 4 times larger.





# About the future | TAKAMIYA's management abilities

## To improve corporate value

### To improve corporate value by means of value creation process

Under any environment, in order to realize sustained growth, we proactively carry out investment and measures for the future, then recover such investment and at the same time invest into the next stage.

⇒ **“Recovery and up-front investment”**

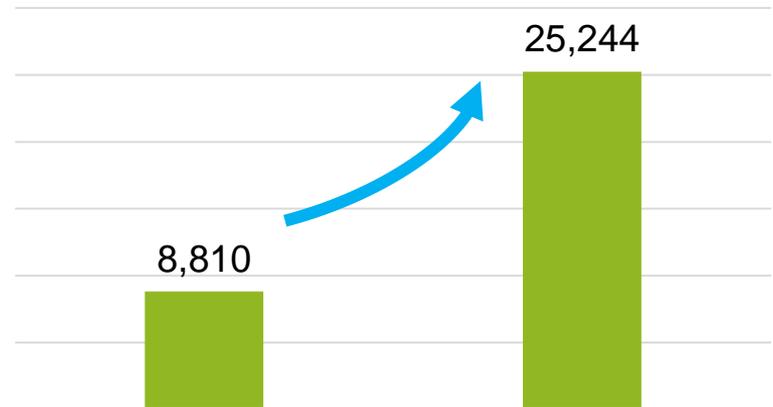
⇒ **“Recovery and up-front investment”**

We repeat this value creation process in the long run, and put our efforts to improving our corporate value by sustained growth and by transformation of profit structure.

Market capitalization became about 3 times larger.

■ Market capitalization

(Unit : million yen)



End of March 2006

End of October 2020

\*May 2005: Going public



## About the future | TAKAMIYA's management abilities

- ✓ We make maximum use of higher capital efficiency and tangible/intangible management resources.
- ✓ Even under an unpredictable environment, we continue “measures” and “investment” in order to realize sustained growth.
- ✓ We realize sustained improvement in corporate value and shareholder value.

Mid-term management plan for FY ending March 31, 2022 and onwards (3 years plan) is in preparation, in order to realize sustained improvement in corporate value and shareholder

\* To be announced around May, 2021



# ESG information

## IR

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

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





# ESG information

Human resource development

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

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

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

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

Such information is publicized to visitors on a large signage



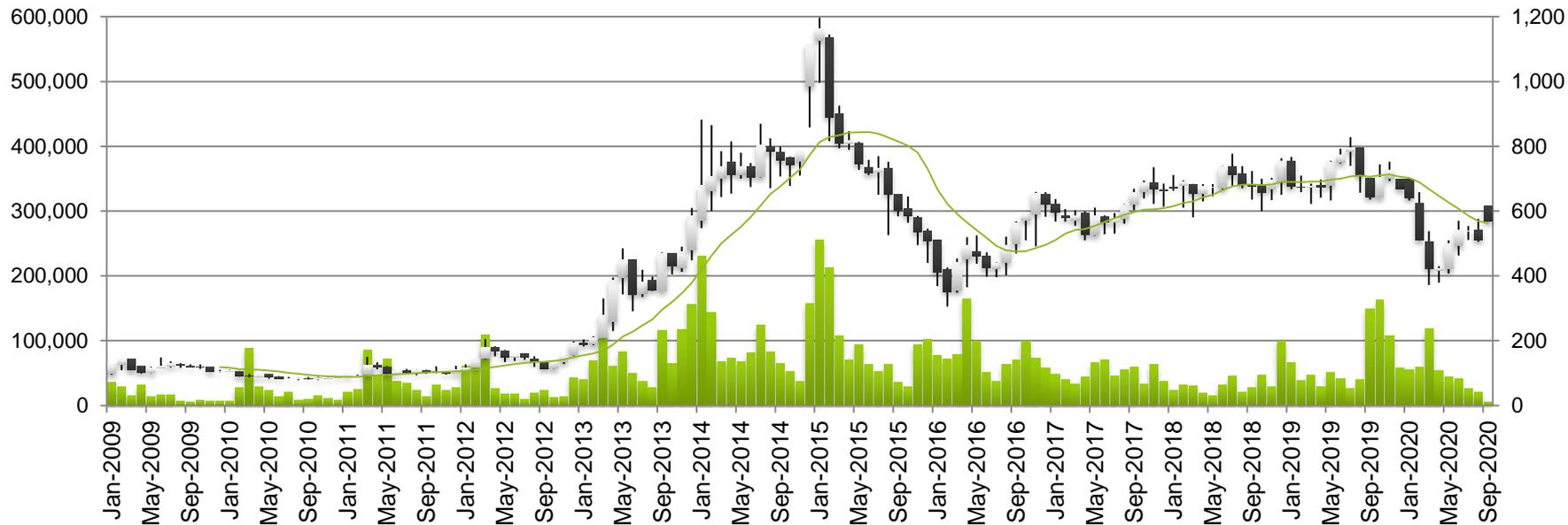


# Stock Price of TAKAMIYA (2445:Tokyo)

Average daily trading volume

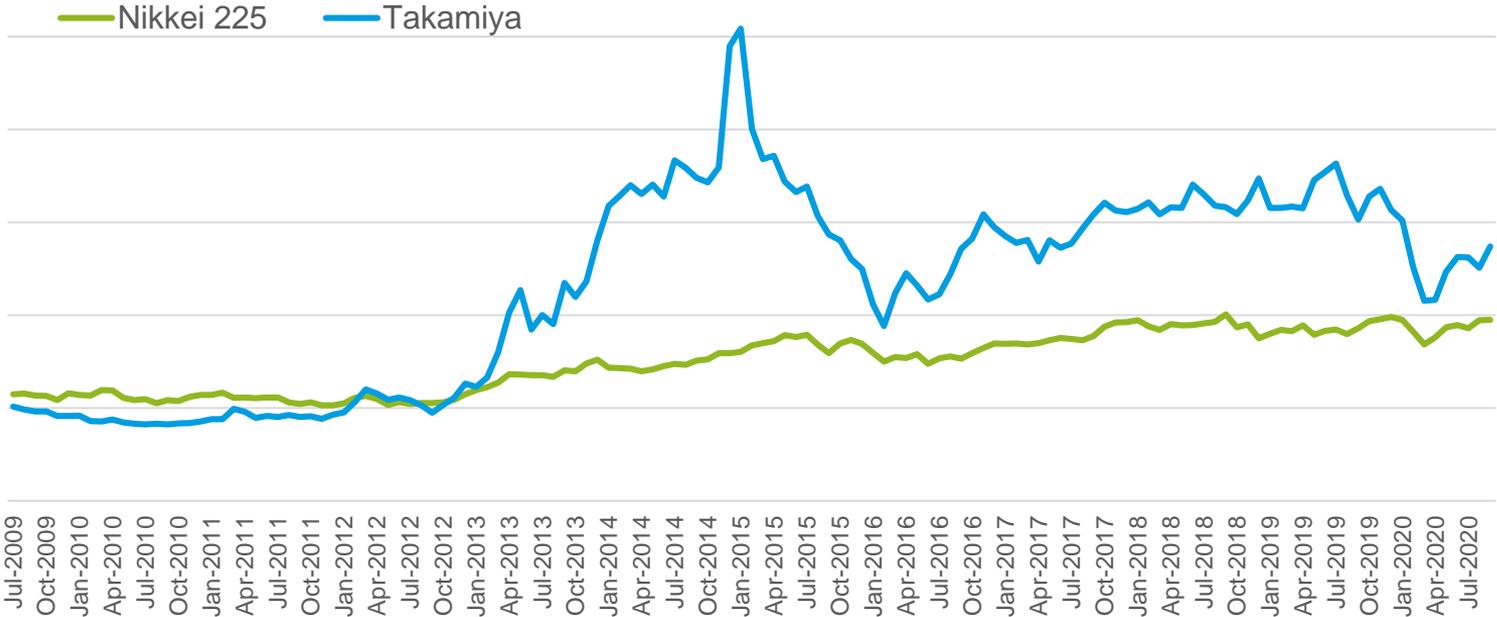
Stock price (yen)

> Solid line is a 12 months moving average line of stock price.





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





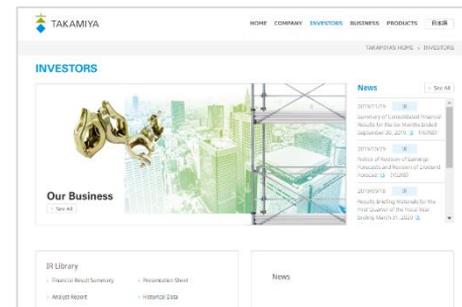
## IR contact

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HP



For Investor



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