



Result Briefing Materials for the Fiscal Year Ended March 31, 2021

Takamiya Co., Ltd. (2445:Tokyo)
Grand Front Osaka Tower-B Bldg. 27F,
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In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.



Agenda

- Topics
- Description of Consolidated Financial Results for the Fiscal Year Ending March 31, 2021



Topics

Mar 18, 2021

Corporate Reports by Analysts

Apr. 21, 2021

Notice Regarding Establishment of Nomination and Compensation Committee

Apr. 27, 2021

Notice of Revision of Earnings Forecast and Voluntary Return of Executive Compensation

May 12, 2021

Notice of Change of Directors

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

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



Company Overview of Takamiya Co., Ltd.

Trade name	Takamiya Co., Ltd.
Incorporation	June 21, 1969
Representative	Representative director, Kazumasa Takamiya
Capital	1,050 million yen
Number of employees	Consolidated : 1,221; Non-consolidated : 711 (As of end-March, 2021)
Registered head office	Grand Front Osaka, Tower B, 27F, 3-1 Ofuka-cho, Kita-ku, Osaka, Japan
Business locations	Branches: Tohoku-Sendai, Ibaraki,Tokyo, Niigata,Nagoya, Osaka, Chushikoku, Kyushu-Fukuoka (total: 8) Business offices: Sapporo, Morioka, Fukushima, Tsukuba, Kashima, Ichihara, Hokuriku, Fukui, Nagano, Shizuoka, Keiji, Hiroshima, Okinawa (total: 13) Equipment centers : Aomori-Higashidori, Iwate-Morioka, Miyagi-Sendai No. 2, Fukushima-Hirono, Niigata-Yokogoshi, iigata-Nagaoka, Ibaraki-Chuo, Ibaraki-Tsukuba, Ibaraki-Dejima, Ibaraki-Kashima, Chiba-Okido, Chiba-Ichihara, Saitama-Kuki, Kanagawa-Aikawa, Shinsyu-Ngano, Shizuoka-Yoshida, Ishikawa-Kanazawa, Fukui-Sabae, Tokai-Kisosaki, Shiga-Omihachiman, Osaka-Hirakata, Osaka-Settsu, Wakayama-Momoyama, Hyogo-Tojo, Hyogo-Kobe, Hiroshima-Shiwa, Kagawa-Sanuki , 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 [Overseas total:3] Hory Korea Co. Ltd ; HORY VIETNAM Co., Ltd. ; DIMENSION-ALL INC. (total:10)
Stock listing	Jun. 2005: JASDAQ Securities Exchange Note: The Company was delisted from the JASDAQ market in January 2008. Dec. 2007: Tokyo Stock Exchange Second Section Dec. 2014: Assigned on Tokyo Stock Exchange First Section





1. Summary of consolidated performance

1.1 Business overview

- ✓ In the first half of the fiscal year, amid the uncertain outlook due to the economic recession caused by the spread of COVID-19, sales of temporary equipment failed to progress in the sales business, the rental business saw sluggish growth in the utilization rate of rental assets due to the return of equipment following the completion of large job sites, and construction work did not proceed in the overseas business due to restrictions on going out and moving around. As a result, compared to the previous fiscal year, net sales decreased by 11.6% and operating income decreased by 42.7%, resulting in a decrease in both sales and income.
- ✓ The 3Q is normally a busy period for the company, but due to the declaration of a state of emergency in the first half of the year, sales activities for the second half of the year were restricted, and shipments in the second half of the year did not increase, resulting in a continued difficult situation.
- ✓ In the fourth quarter, the sales business was on a recovery track with a series of contracts signed toward the end of the fiscal year, but the rental business did not see the peak of shipments in the third quarter, and the utilization rate of rental assets declined as equipment was returned at the end of the fiscal year.



1. Summary of consolidated performance

1.2 April 27: Announcement of revision of business forecast

(unit : million yen)	Previous forecast	Revised forecast	Change		(Reference) FYE Mar. 31, 2020 Results
			Amount	Rtio	
Net sales	40,750	38,800	(1,950)	(4.8) %	46,065
Operating income	2,200	1,580	(620)	(28.2) %	3,703
Ordinary income	2,000	1,560	(440)	(22.0) %	3,541
Profit attributable to owners of parent	1,270	850	(420)	(33.1) %	2,370
Earnings per share (Diluted earnings per share)	27.27 yen	18.25 yen			52.74 yen
Annual dividends per share	14.00 yen	14.00 yen			14.00 yen



1. Summary of consolidated performance

1.2 Cumulative period (from April 2020 to March 2021)

Consolidated Results (Unit : million yen)	FY Ended Mar.31, 2021 Forecast		FY Ended Mar. 31, 2021 Results		FY Ended Mar.31, 2020 Results		% change
	(Non-Disclosure)	Sales ratio		Sales ratio		Sales ratio	(y/y)
Net sales	38,800	100.0%	38,812	100.0%	46,065	100.0%	(15.7) %
Gross profit	—	—	10,996	28.3%	14,014	30.4%	(21.5) %
SG&A	—	—	9,410	24.2%	10,311	22.4%	(8.7) %
Operating income	1,580	4.1%	1,586	4.1%	3,703	8.0%	(57.2) %
Ordinary income	1,560	4.0%	1,569	4.0%	3,541	7.7%	(55.7) %
Profit attributable to owners of parent	850	2.2%	857	2.2%	2,370	5.1%	(63.8) %
Earnings per share (Diluted earnings per share)	18.25 yen	—	18.41 yen (17.89 yen)	—	52.74yen (51.28 yen)	—	—
Annual dividends per share	14.00 yen	—	—	—	—	—	—
Depreciation and amortization	—	—	4,815	12.4%	4,804	10.4%	+0.2%
EBITDA	—	—	6,402	16.5%	8,508	18.5%	(24.7) %



1. Summary of consolidated performance

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

Net sales

**decreased by 7,253 million yen
(down 15.7% YoY)**

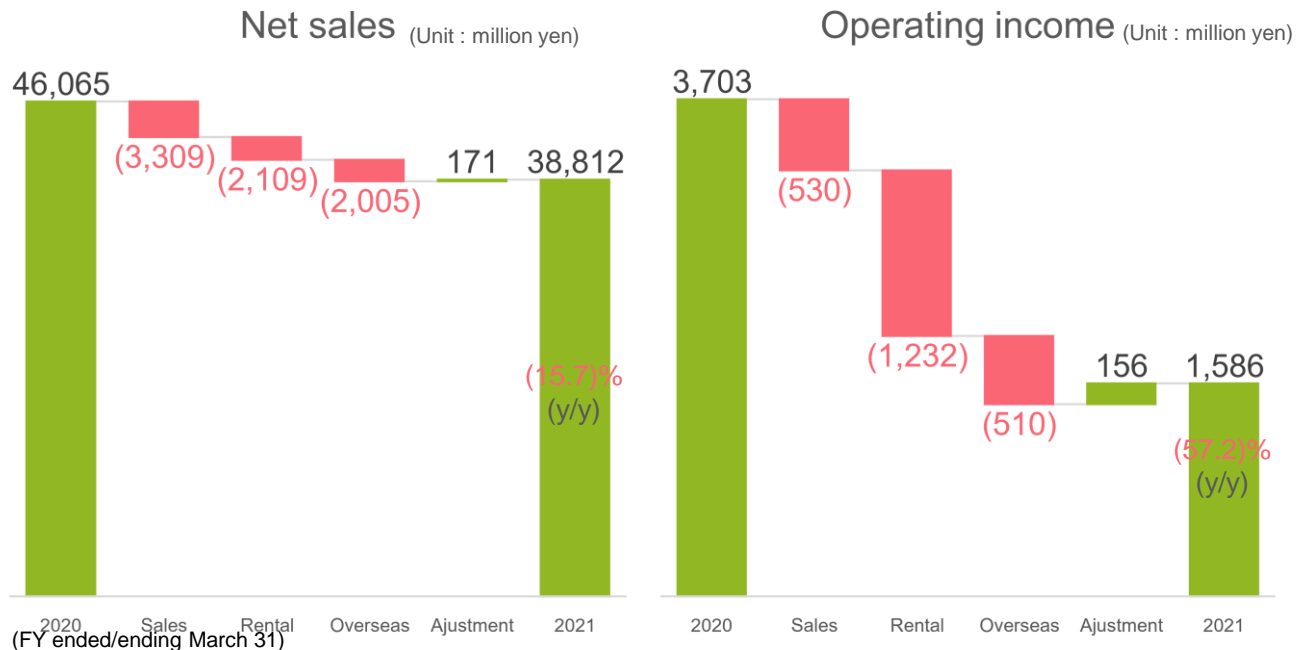
- ✓ All business segments experienced decrease in revenues.

Operating income

**decreased by 2,116 million yen
(down 57.2% 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

1.5 EBITDA(Operating income + Depreciation)

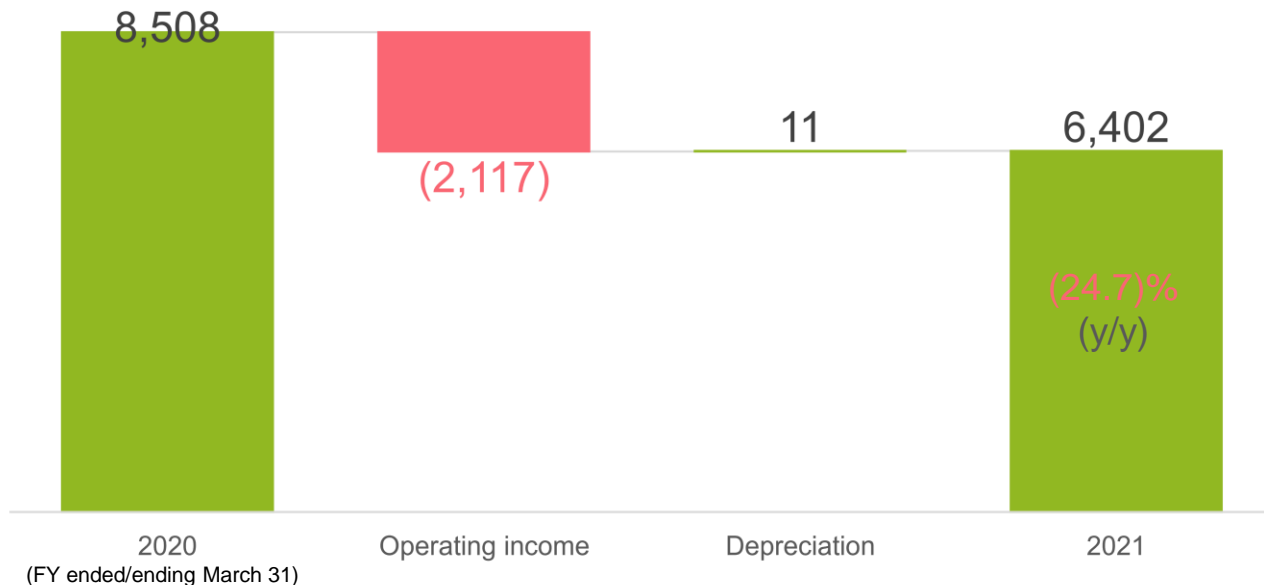
EBITDA(Operating income + Depreciation) (Unit : million yen)

Decreased by 2,106 million yen

(down 24.7% YoY)

✓ Mainly due to decreased operating income.

✓ Depreciation increased slightly.





1. Summary of consolidated performance

1.5 Performance by segment

- ✓ All the business segments experienced lower revenues and profit because of COVID-19 and economic environment deterioration.

(FY ended/ending March 31)

Unit : million yen	Net sales			Segment profit (sales ratio)		
	FYE Mar.31 2020	FYE Mar.31 2021	% change y/y	FYE Mar.31 2020	FYE Mar.31 2021	% change y/y
Sales Business	15,299	11,990	(21.6)%	1,934 (12.6%)	1,404 (11.7%)	(27.4)%
Rental Business	26,118	24,009	(8.1)%	3,025 (11.6%)	1,793 (7.5%)	(40.7)%
Overseas business	7,306	5,300	(27.5)%	410 (5.6%)	(99) (-%)	-



2. Sales business

2.1 Factors of increase/decrease YoY

Net sales:

decreased by 3,309 million yen

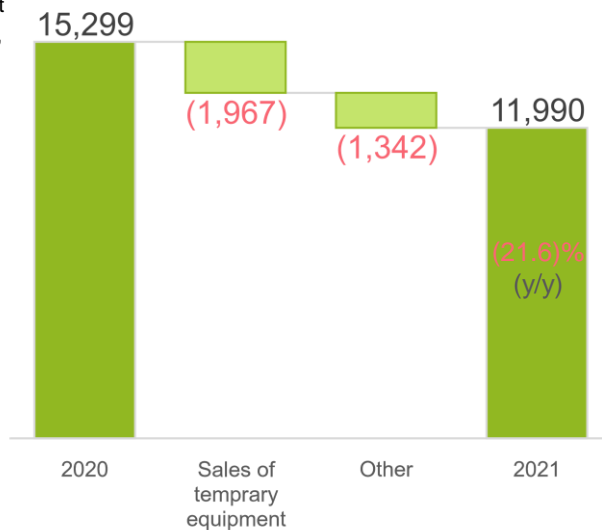
- ✓ Sales of Iq systems and peripheral equipment (temporary equipment) declined year on year, as they were not able to reach a recovery, although contracts were signed in 4Q.

Operating income:

decreased by 530 million yen

- ✓ Due to the decline in sales, profit also decreased.
- ✓ SG&A expenses decreased due to the implementation of travel restrictions for the new Corona. In the previous fiscal year, expenses for the 50th anniversary project were also recorded, resulting in a year-on-year decrease.

Net sales (Unit : million yen)



Segment profit (Unit : million yen)



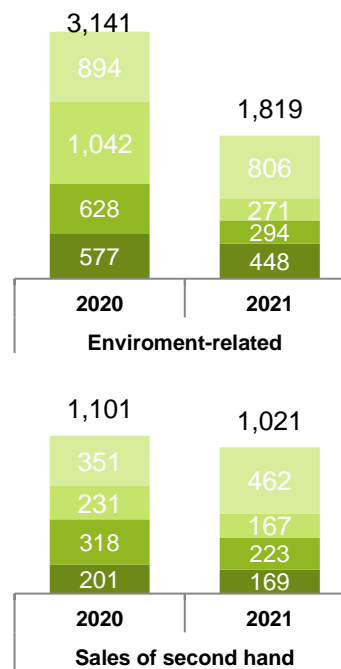
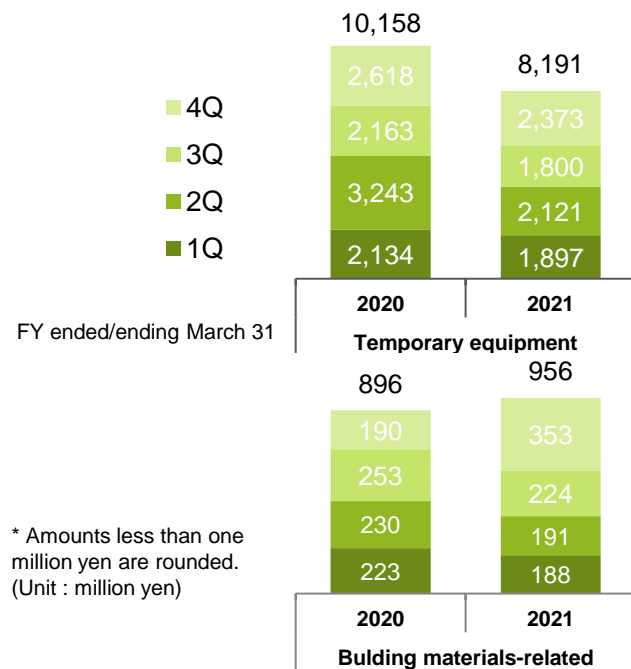
(FY ended/ending March 31)



2. Sales business

2.2 Net sales by product field

Although sales of construction materials-related structural materials increased, sales of temporary construction materials and environment-related materials decreased significantly.





2. Sales business

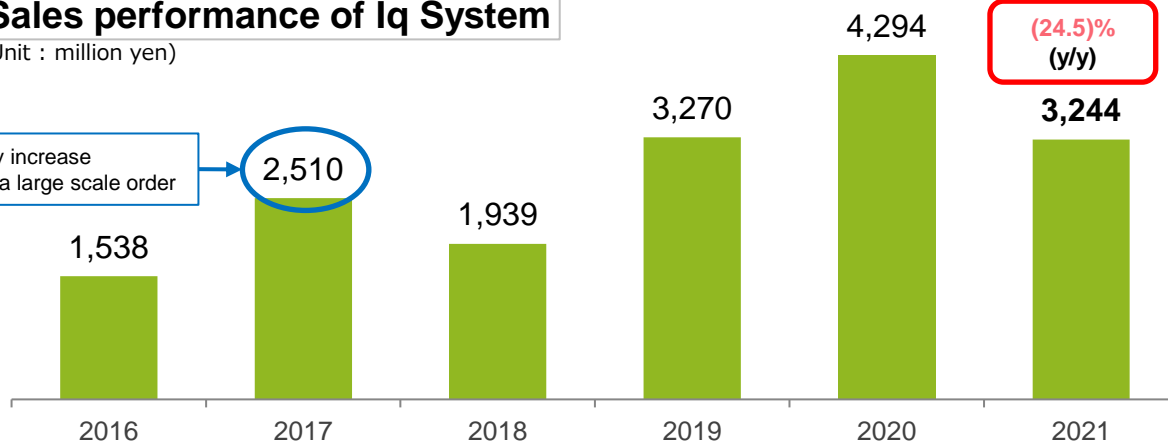
2.3 Sales of Iq System

Sales of the Iq System decreased by 24.5% ((1,050) 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
17.5 Billion yen

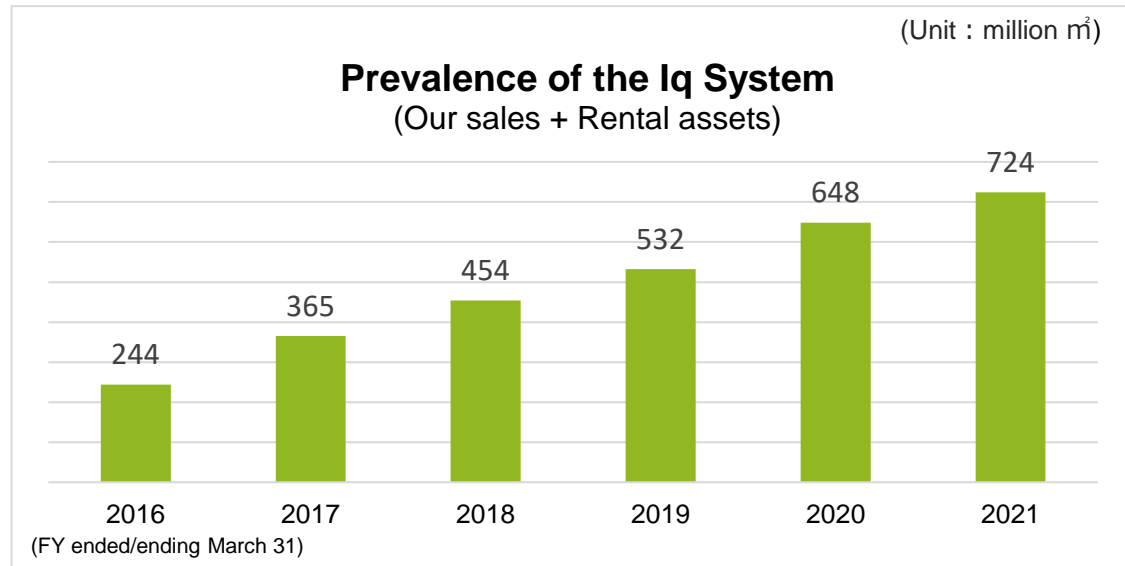
※Our sales only



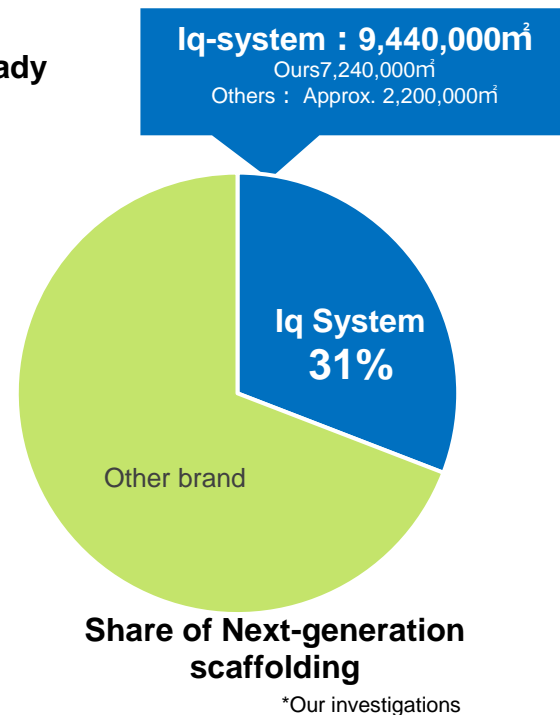
2. Sales business

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 2,109 million yen

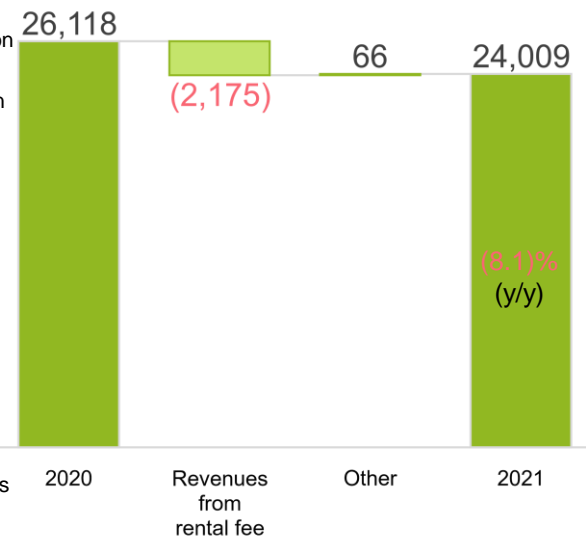
- ✓ The decline in lending volume due to the return of temporary equipment following the completion of large job sites and the postponement of the start of maintenance and repair work resulted in a decrease in revenue..

Operating income:

decreased by 1,232 million yen

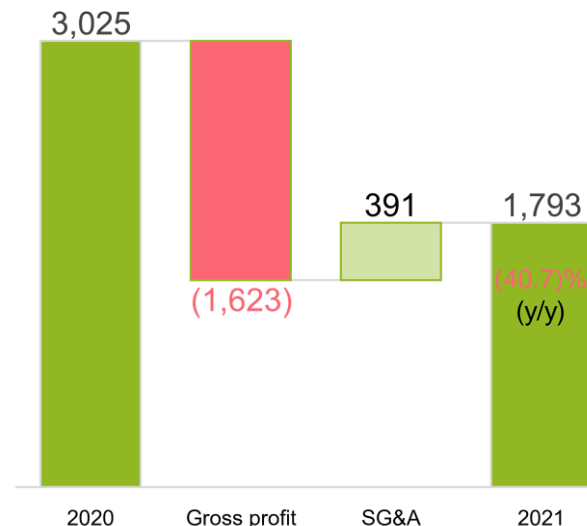
- ✓ Profits decreased due to lower sales and higher aircraft maintenance costs.
- ✓ As for SG&A expenses, related expenses decreased due to the implementation of movement restrictions and other measures for COVID-19. In addition, expenses for the 50th anniversary project were recorded in the previous fiscal year, resulting in a year-on-year decrease.

Net sales (Unit : million yen)



(FY ended/ending March 31)

Segment profit (Unit : million yen)



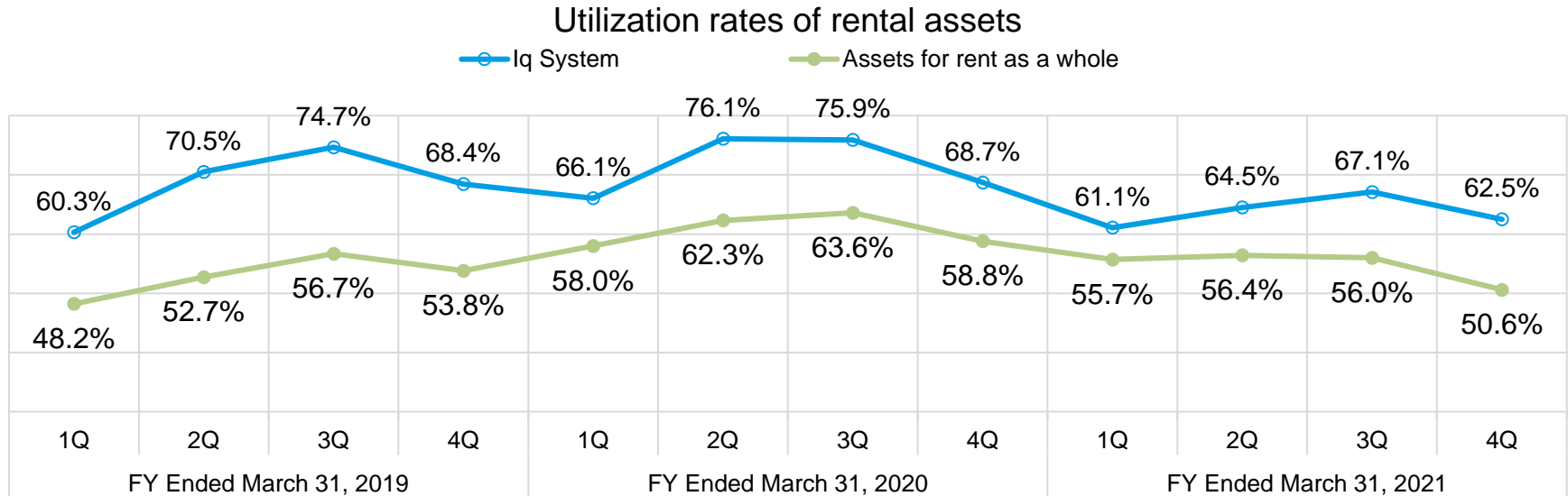


- * Trend of utilization rates looks like a mountain with its peak at the 3Q each year
- * Utilization rate = rented amount / overall holdings

3. Rental business

3.2 Trend of average equipment utilization rates

Due to the return of equipment following the completion of large construction sites and the interruption and postponement of construction projects, the utilization rates of rental assets did not follow the trend of previous years and declined due to the return of equipment at the end of the fiscal year.

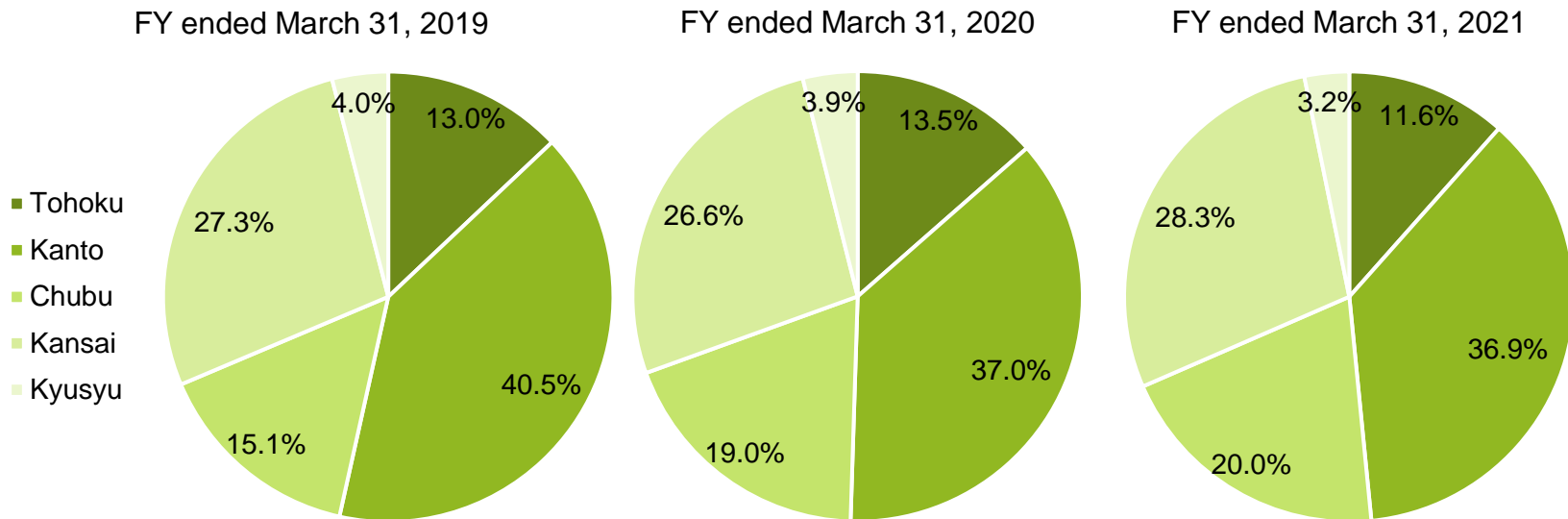




3. Rental business

3.3 Ratio of Sales by Area

In the Chubu region, sales related to civil engineering in the first half of the year contributed to the growth. Sales in the Tohoku region were sluggish as reconstruction demand ran its course.



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



4. Overseas business

4.1 Factors of increase/decrease YoY

Net sales:

decreased by 2,005 million yen

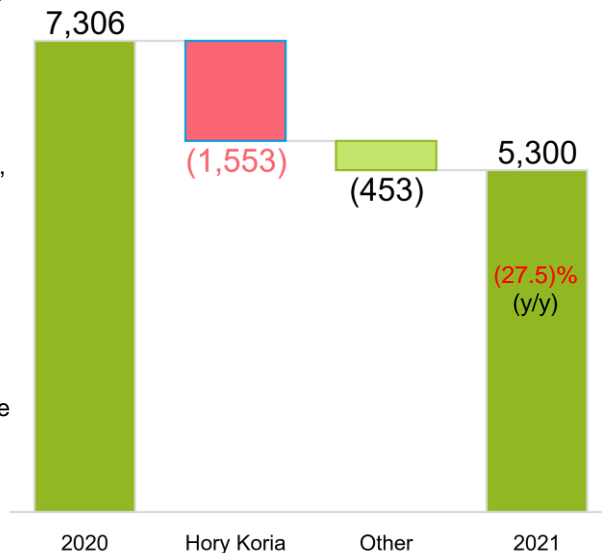
- ✓ In the Philippines, business activities were limited due to curfew and restrictions on movement in the metropolitan area, leading to substantial decrease in revenues.
- ✓ In Korea, net sales decreased because of, for example, worsened economic environment and decision to withhold supplying to customers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

Operating income:

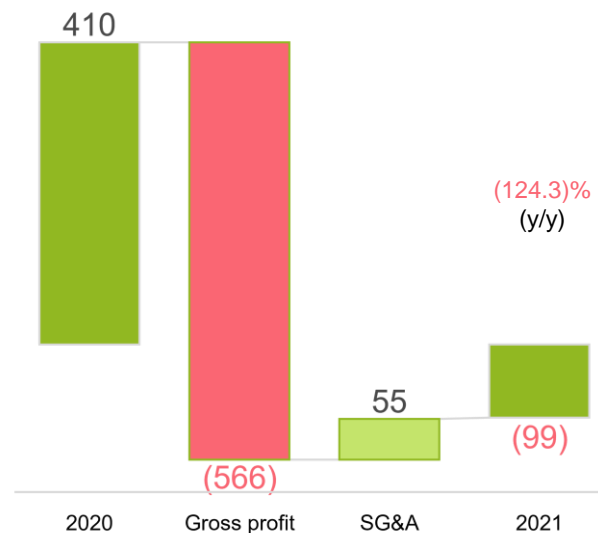
decreased by 510 million yen

- ✓ 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 COVID-19.

Net sales (Unit : million yen)



Segment profit (Unit : million yen)



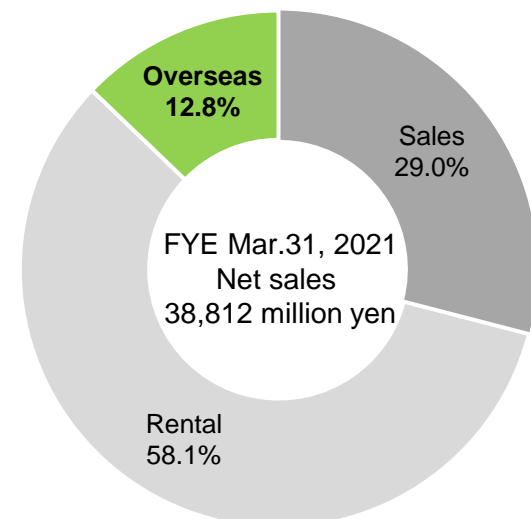
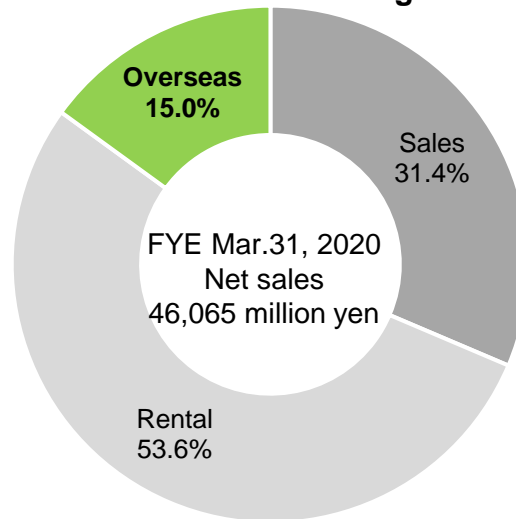
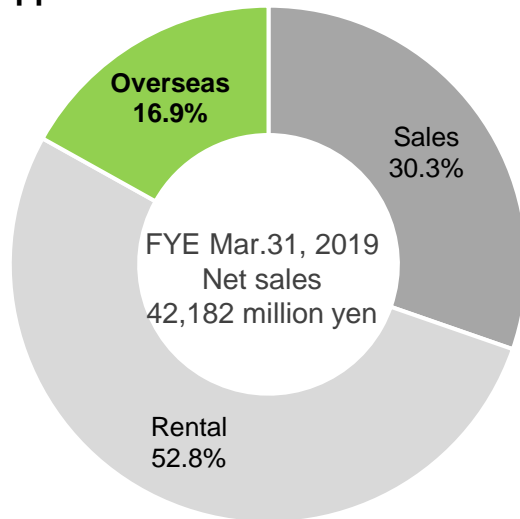
(FY ended/ending March 31)



4. Overseas business

4.2 Sales Ratio by Segment

Overseas business saw its share of consolidated net sales decline due to restrictions on business activities in the Philippines and lower sales in South Korea due to the deteriorating economic environment.



* "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. Total assets decreased and equity ratio was 32.3% (30.5% at the end of the previous term).

[Asset] (Unit : million yen)

Current assets

Cash & Deposit	: 8,032 (+789)
Notes and accounts receivable – trade	: 11,675 ((2,425))

Non-current assets

Assets for rent, net	: 13,212 ((1,695))
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[Liability]

Current liability

Notes and accounts payable – trade	: 5,668 ((758))
Short-term loans payable	: 3,478 ((1,922))

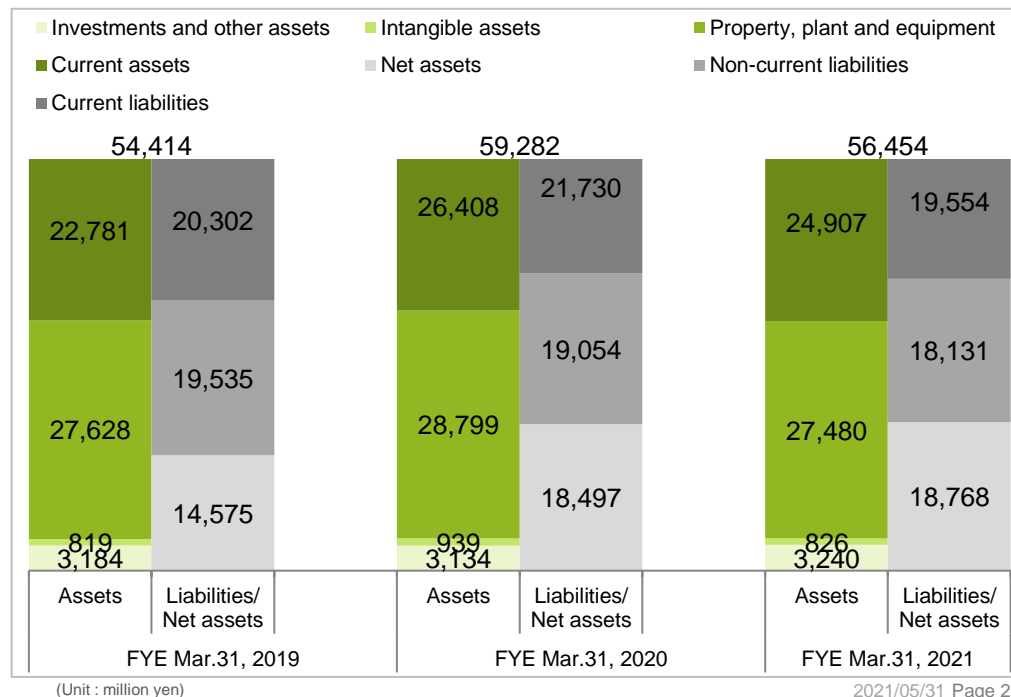
Non-current liability

Long-term loans payable	: 11,354 ((469))
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[Net asset]

Shareholders' equity	: 18,347 (+205)
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* The figures in parentheses are comparisons for the same period of the previous year





6. Cash flow statement

Cash flow from investing activities decreased due to restraint, while cash flow from financing activities was used to repay cash reserves that had been set aside to deal with the impact of COVIT-19.

(Unit : million yen)

[Cash flows from operating activities]

(Unit : million yen)

Profit before income taxes	:	1,458
Depreciation	:	4,815
Decrease (increase) in notes and accounts receivable - trade	:	2,546
Purchase of assets for rent	:	(909)
Decrease (increase) in inventories	:	(1,596)
Increase (decrease) in notes and accounts payable-trade	:	(800)

[Cash flows from investing activities]

Purchase of property, plant and equipment	:	(1,209)
Proceeds of Intangible assets	:	(188)

[Cash flows from financing activities]

Net increase (decrease) in short-term loans payable	:	(1,992)
Dividends paid	:	(651)

	FYE Mar.31. 2020	FYE Mar.31. 2021
Profit before income taxes	3,640	1,458
Net cash provided by (used in) operating activities	3,771	5,035
Net cash provided by (used in) investing activities	(3,836)	(1,382)
Net cash provided by (used in) financing activities	1,590	(2,873)
Effect of exchange rate change on cash and cash equivalents	(17)	10
Net increase (decrease) in cash and cash equivalents	1,508	789
Cash and cash equivalents at beginning of period	5,414	6,922
Cash and cash equivalents at end of period	6,922	7,712



7. Status of shareholder return

(FY ended/ending March 31)

	2017	2018	2019	2020	2021
Dividend	10 yen	11 yen	11 yen	14 yen	14 yen
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	651 million yen
Dividend payout ratio	28.5%	37.6%	28.8%	26.5%	76.0%
Treasury shares	529 million yen	0 million yen	0 million yen	0 million yen	0 million yen
Total return ratio	63.2%	37.6%	28.8%	26.5%	76.0%
Dividend on equity	3.6%	3.7%	3.5%	3.9%	3.6%
ROE	12.6%	9.8%	12.0%	14.7%	4.7%



Reference Information

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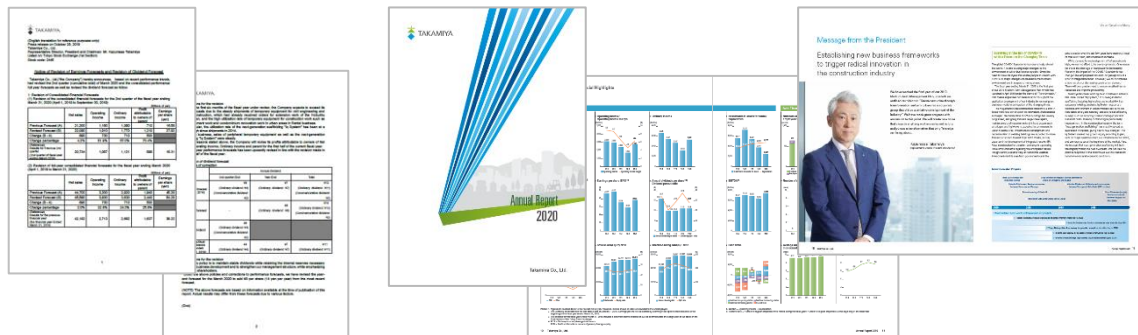


ESG information

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)
- 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
- 1 on 1 meeting

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

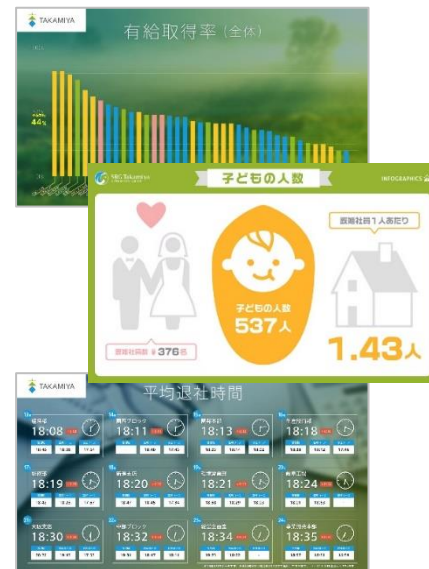
Promoting "Human centered capitalism" style management and measures centered on human resources

- 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



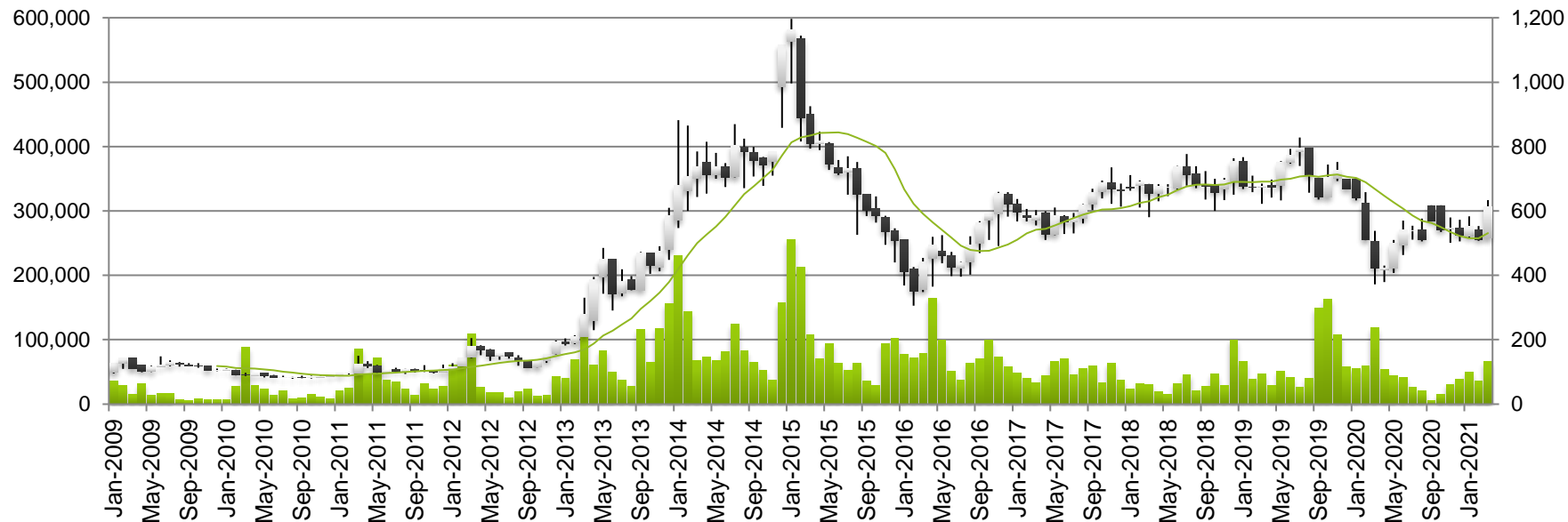


Stock Price of TAKAMIYA (2445:Tokyo)

Average daily trading volume

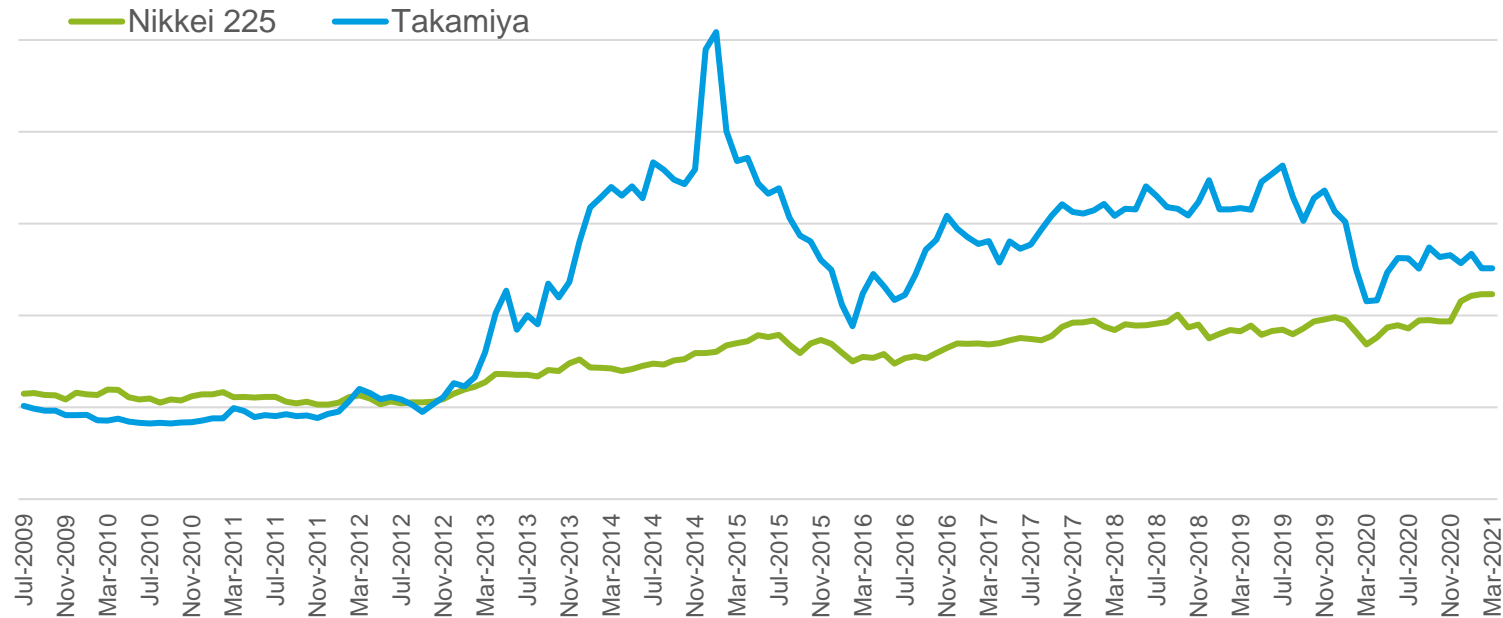
Stock price (yen)

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





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





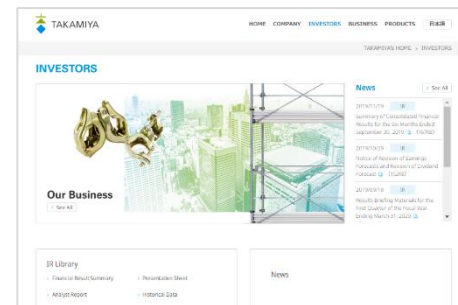
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Email : ir@takamiya.co

HP



For Investor



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