



(English translation for reference purposes only)

Press release on May 31, 2021

Takamiya Co., Ltd.

Representative Director, President and Chairman: Kazumasa Takamiya

Listed: Tokyo Stock Exchange (1st Section)

Stock code: 2445

Announcement of Medium-Term Management Plan

(hereinafter referred to as "the Company") announces that it has formulated a medium-term management plan covering the period from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024.

For details, please refer to the attached document.

1. Management Vision and Profit Targets

(1) Management Vision

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

(2) Profit Targets

Consolidated operating income of ¥5.0 billion for the year ending March 31, 2024

2. Basic Policy

(1) Basic strategies

- Develop services that blend hardware and software, with a focus on the Iq System
- Strengthen products for maintenance/repairs and infrastructure redevelopment
- Nurture businesses beyond the temporary equipment sector
- Redevelop overseas business bases

(2) Basic policy

- Diversification of earnings base
- Establishment of manufacturer functions
- Innovation of management system
- Establishment of overseas business bases

(3) Investment Policy

- Investment in service development (equipment, systems, etc.) to raise the added value of products (development of new services that blend hardware and software)
- Investment in development and cultivation of human resources to support sustainable growth
- Investment in systems development for labor-saving and smaller number of workers through digitalization
- Investment in products for growing markets such as maintenance and repair market (strengthen products for maintenance/repairs and infrastructure redevelopment)

(4) Financial Policy

- Operating income margin 8% or more
- EBITDA* ¥10.0 billion *Operating income + depreciation
- ROA 6%
- ROE 12%
- Equity ratio 35%

(5) Shareholder Return Policy

Enhancement of corporate value through business growth

Pay dividends in accordance with earnings while maintaining the current level of dividends

3. Consolidated revenue target

(Unit: million yen)	FY ended March 31, 2021 (Results)	FY ended March 31, 2024 (Target)	Change % (3 years)	Reference FY ended March 31, 2020
Net sales	38,812	60,000	+54%	46,065
Operating income	1,586	5,000	+215%	3,703
Operating income ratio	4.1 %	8.3 %		8.0 %

(NOTE) The above forecasts are based on information available as of the date of publication of this document. Actual results may differ from these forecasts due to a variety of factors.

(End)



2021 Medium-Term Management Plan

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2021 Medium-Term Management Plan

Current Situation and Recognition of Challenges

It is clear from the track record that the Takamiya Group's business performance is greatly affected by the external environment. In particular, business results tend to fluctuate markedly under circumstances of declining economic activity, such as during the current COVID-19 pandemic.

Based on this recognition of the challenges, in the previous Medium-Term Management Plan, which began in the year ended March 31, 2015, we set goals that included “the establishment of a stable earnings base” and engaged in the transformation into a more profitable structure and the creation of new profit-generating businesses. To ensure sustainable corporate growth and stable earnings into the future, maintain flexibility for various potential future changes in the external environment, and become a company of customers' choice from among competitors, we recognize that our priority issue is the establishment of management frameworks along with the building of systems and structures that will allow us to permanently enhance our corporate value. To this end, we need to carefully refine each and every business of the Group from the customer's perspective and create new value in a sustained manner. Based on this recognition, we formulated basic policies for identifying individual challenges and responding to them under the new Medium-Term Management Plan that finalizes in the fiscal year ending March 31, 2014, whereby implementing a variety of measures to build a business model that is capable of responding to changes in the environment.



2021 Medium-Term Management Plan

Management Vision and Profit Targets

Management Vision

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

Profit Targets

Consolidated operating income of ¥5.0 billion for the year ending March 31, 2024



2021 Medium-Term Management Plan

Basic Strategies

Basic Strategies

1. Develop services that blend hardware and software, with a focus on the Iq System
2. Strengthen products for maintenance/repairs and infrastructure redevelopment
3. Nurture businesses beyond the temporary equipment sector
4. Redevelop overseas business bases



2021 Medium-Term Management Plan

Basic Strategy (1)

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

Not limited to our next-generation scaffolding Iq System's tangible aspects, which is the competitive edge of its product features, we will also provide intangible aspects such as scaffolding management, operation, and consulting. Through such blending of hardware and software, we will create new services and establish a competitive edge to make Iq System the de facto standard of next-generation scaffolding.

We have newly established Takamiya Lab. West in Amagasaki City of Hyogo Prefecture to take on the central role in this strategy, and we will aim to build a commission-based business model, seeking for a new possibility in the temporary equipment business.



2021 Medium-Term Management Plan

Basic Strategy (2)

Strengthen products for maintenance/repairs and infrastructure redevelopment

The proportion of maintenance and repair (renovation/renewal) work in the original-contractor construction revenue is on an increasing trend in the Japanese construction market.

Development of major infrastructure including the Shinkansen , expressways, and railways progressed during Japan's period of rapid economic growth. Some 50 years have passed since then, and their maintenance and repair works are being carried out in various part of Japan.

As products targeting these works, we will strive to expand sales mainly for the panel-type hanging scaffolding SPIDER PANEL, and hanging scaffolding systems VMAX, which offer superior workability and safety for expressway maintenance and repair works, and our YT Lock System, which realizes the tool-less assembly of platforms for large cranes and other heavy equipment in maintenance and repair works for dams and electricity transmission facilities particularly in hilly and mountainous areas. In addition, in the rental business, the use of Lift Climber, our mast climbing work platform that we have primarily supplied for high-rise condominium buildings, is expanding into the civil engineering sector. We will strive to expand sales in both the construction and civil engineering sectors.



2021 Medium-Term Management Plan

Basic Strategy (3)

Nurture businesses beyond the temporary equipment sector

Regarding business areas other than the temporary equipment sector, we will promote the full-scale growth of our agriculture business. In Hanyu City of Saitama Prefecture, we have built a demonstration farm to evaluate the performance of G-Castle NEO48 and G-Castle Pro1, agricultural greenhouses manufactured and sold by Takamiya, through actual cultivation of fruit and vegetables by using them. At the demonstration farm, along with the performance evaluation of Takamiya's greenhouses, verification tests for environmental control devices as well as exploration of ideal cultivation methods are conducted inside the greenhouses to make use of the results for sales promotion. In addition, customers are invited to the farm for taking a tour of the facility. We have introduced sensing technology to collect a variety of data related to cultivation, whereby promoting the secondary use of such data, including providing to customers, in our efforts to expand this business.



2021 Medium-Term Management Plan

Basic Strategy (4)

Redevelop overseas business bases

In the redevelopment of overseas business bases, the impact of COVID-19 has been significant, particularly at our subsidiary in the Philippines, causing us to wait the recovery from the impact. Nevertheless, the Philippines remains a promising market with a high economic growth rate, and we anticipate that construction investment will return to pre-COVID-19 levels. For this reason, we will pursue the development of business management systems and business bases and strengthen the overseas business to achieve further growth.



2021 Medium-Term Management Plan

Basic Policy

Diversification of earnings base

- Build a stock-type business model
- Expand earnings in the agriculture business
- Create new businesses using business resources (five arrows)

Establishment of manufacturer functions

- Establish manufacturing frameworks
- Strengthen product planning and development frameworks

Innovation of management system

- Raise productivity of all management resources
- Realize greater productivity through AI/ICT (promotion of digital transformation)
- Realize a win-win relationship between management and employees
- Promote work style reform

Establishment of overseas business bases

- Strengthen subsidiary management system
- Rebuild business strategies
- Build earnings base



2021 Medium-Term Management Plan

Investment Policy

We will make proactive investments as follows:

Investment in service development (equipment, systems, etc.) to raise the added value of products (development of new services that blend hardware and software)

- Takamiya Lab.
- Online order receipt
- 3D measurement, BIM

Investment in development and cultivation of human resources to support sustainable growth

- Work style reform
- Office reform
- HR systems reform

Investment in systems development for labor-saving and smaller number of workers through digitalization

- Use of robots
- Factory automation

Investment in products for growing markets such as maintenance and repair market (strengthen products for maintenance/repairs and infrastructure redevelopment)

- Product development
- Adoption of overseas products

Three-Year
Cumulative
Investment

¥11.8 billion

of which, related to
Equipment centers
¥6.6 billion

of which, related to
systems
¥1.4 billion

¥11.4 billion



2021 Medium-Term Management Plan

Financial Policy / Shareholder Return Policy

Financial Policy

Operating income margin 8% or more

EBITDA* ¥10.0 billion *Operating income + depreciation

ROA 6%

ROE 12%

Equity ratio 35%

Shareholder Return Policy

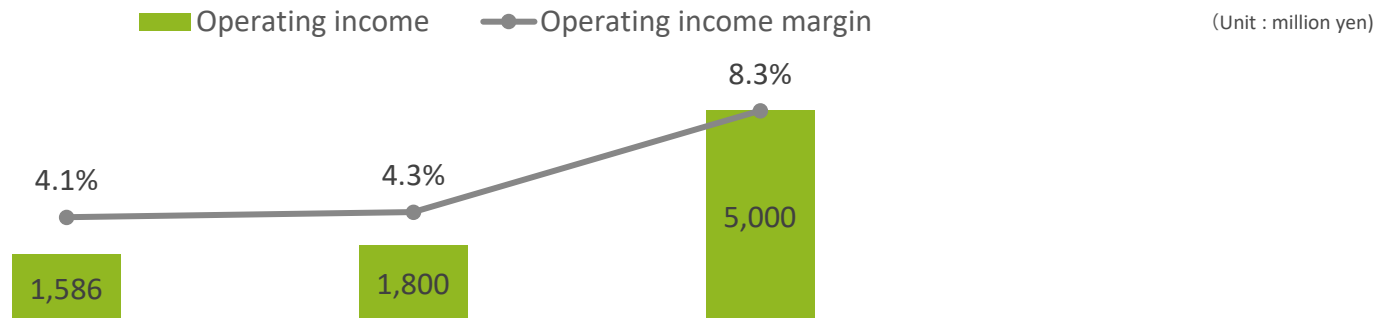
Enhancement of corporate value through business growth

Pay dividends in accordance with earnings while maintaining the current level of dividends



2021 Medium-Term Management Plan (Numerical targets)

Consolidated revenue target



	FY ended March 31, 2021 Results	FY ended March 31, 2022 Target	FY ended March 31, 2024 Target	3 years growth	Reference FY ended March 31, 2020
Net sales	38,812	42,000	60,000	+ 54%	46,065
Operating income	1,586	1,800	5,000	+ 215%	3,703
Operating income margin	4.1%	4.3%	8.3%	—	8.0%



2021 Medium-Term Management Plan (Numerical targets)

Performance by segment

(Unit : million yen)

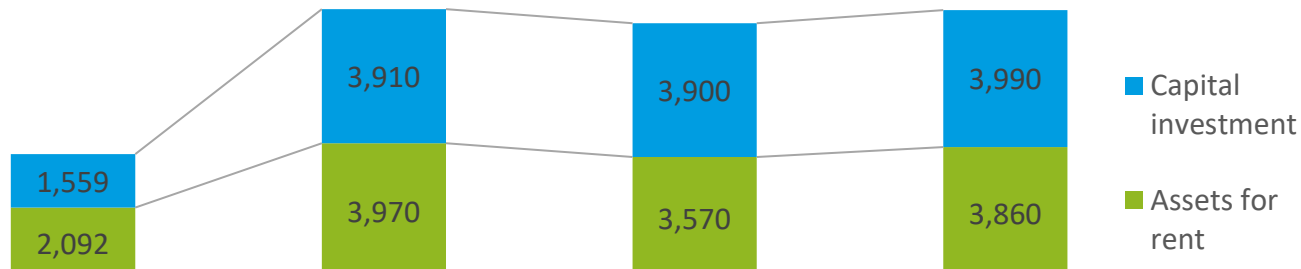
Segment	FY ended March 31, 2021 Results	FY ended March 31, 2024 Target	Change amount (3 years)	Change % (3 years)
Sales Business	11,990	25,000	+ 13,010	+ 109%
Rental Business	24,009	31,000	+ 6,991	+ 29%
Overseas Business	5,300	9,000	+ 3,700	+ 70%
Adjustment amount	△2,488	△5,000	—	—



2021 Medium-Term Management Plan (Numerical targets)

Capital investment + Assets for rent investment

(Unit : million yen)



	FY ended March 31, 2021 Results	FY ended March 31, 2022 Target	FY ended March 31, 2023 Target	FY ended March 31, 2024 Target	3 years cumulative
Capital investment	1,559	3,910	3,900	3,990	11,800
Equipment centers (Takamiya Lab.)	755	2,090	1,550	2,970	6,610
System related	185	420	840	190	1,450
Other	619	1,400	1,510	830	3,740
Assets for rent	2,092	3,970	3,570	3,860	11,400
Total	3,651	7,880	7,470	7,850	23,200



2021 Medium-Term Management Plan (Numerical targets)

Depreciation

(Unit : million yen)



■ Capital investment
■ Assets for rent

	FY ended March 31, 2021 Results	FY ended March 31, 2022 Target	FY ended March 31, 2023 Target	FY ended March 31, 2024 Target	Change amount (3 years)	Change % (3 years)
Capital investment	1,123	1,210	1,600	1,930	807	172%
Assets for rent	3,693	3,680	3,650	3,240	△453	88%
Total	4,816	4,890	5,250	5,170	354	107%