

A large, abstract graphic on the right side of the page, composed of many overlapping, semi-transparent, teardrop-shaped elements in various shades of green and blue, creating a sense of depth and movement.

TAKAMIYA Report 2021

Fiscal Year Ended March 31, 2021

03

Knowing Takamiya First-Hand

The Mission Statement “Love” is our driving force. We introduce the history we have walked through and businesses we have developed guided by “Love.”

Knowing Takamiya First-Hand

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Takamiya's Value Creation Story

We explain our strategy on how we will provide value to society over the medium to long term, and initiatives to lay the groundwork for sustainable growth.

Takamiya's Value Creation Story

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Business Strategies

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Foundations for Value Creation

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Foundations for Value Creation

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Introduction

My heart goes out to the victims of COVID-19 and their loved ones. I also pray for the earliest recovery and relief of those who are suffering or facing adversity due to the disease, and would like to express my deep gratitude and respect for the medical professionals who are on the front lines fighting to contain this pandemic.

Since the outbreak of COVID-19, our lifestyles have changed dramatically. Corporations need their management to respond flexibly to changes in the external environment. To date, Takamiya Co., Ltd. (the “Company”) and its subsidiaries (the “Takamiya Group” or the “Group”) has weathered many storms in the form of major changes in the business environment by transforming itself. We recently announced the 2021 Medium-Term Management Plan, which is the epitome of change, including basic policies not only to build a stock-type (commission-based) business model that is unaffected by the external environment and to create new profit-generating businesses, but also to institute reform in every aspect, such as organizational structure and workstyles. These policies will complete the transformation of the corporate group.

I hope that through this TAKAMIYA Report, we will be able to share the direction that the Group will be moving in and the future that it has envisaged.

Kazumasa Takamiya

Representative Director, President and Chairman

Editorial Policy

The content of this report ranges from the Takamiya Group's history to its strategy for medium- to long-term value creation, the path to achieving its mission and vision, and financial and non-financial information. Our aim is to provide all stakeholders, in particular shareholders and investors, with a better understanding of the Takamiya Group.

We hope this report will help you deepen your understanding of the Takamiya Group, which is transforming into a new corporate group, with “Love” set as the Mission Statement.

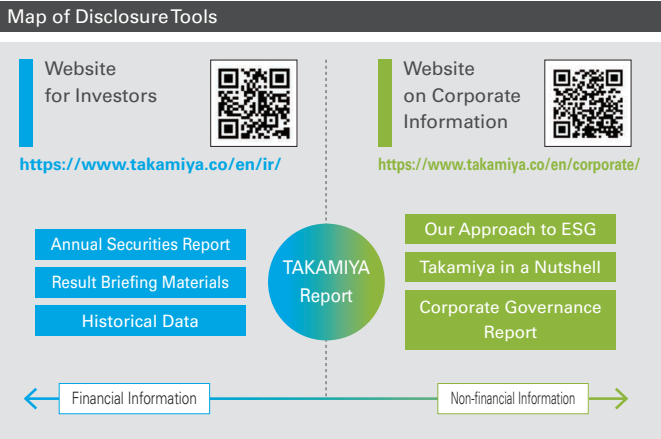
We will continue to disclose information in an easy-to-understand manner, reflecting the opinions and requests of various stakeholders.

Note regarding Forward-Looking Statements

The performance forecasts and other forward-looking statements in this report are assumptions made by the Company based on information available at the time of publication, and involve inherent risks, uncertainties, and various other factors that could cause actual results to differ materially from forecasts herein.

Scope and Period Covered

This report is a collection of information that is highly relevant to the Takamiya Group. It covers the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021) unless specified otherwise, and also includes information on subsequent periods (on and after April 1, 2021) for latest updates.



Mission Statement



This world in which we live is constantly on the move, driven by the complex intertwining of national economies and the business activities of countless companies.

Individual companies are made up of the untiring endeavors of their members. What motivates people?

Their own ambitions. Consideration for their families.

We believe these are where it all starts.

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

That is why our Mission Statement is “Love”.

Management Philosophy

Love yourself

From birth, we have all been given our own life to live.

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

Love others

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

Love the company

Companies are an innate part of the local community. We are grateful to the community, the country, and the world in which we were raised, and we do our best to give back to each of these however we can.

Groups naturally form wherever people gather.

The company is one such group. Through the company, we give back to the community, the country, and the world. This is what it means to love the company.

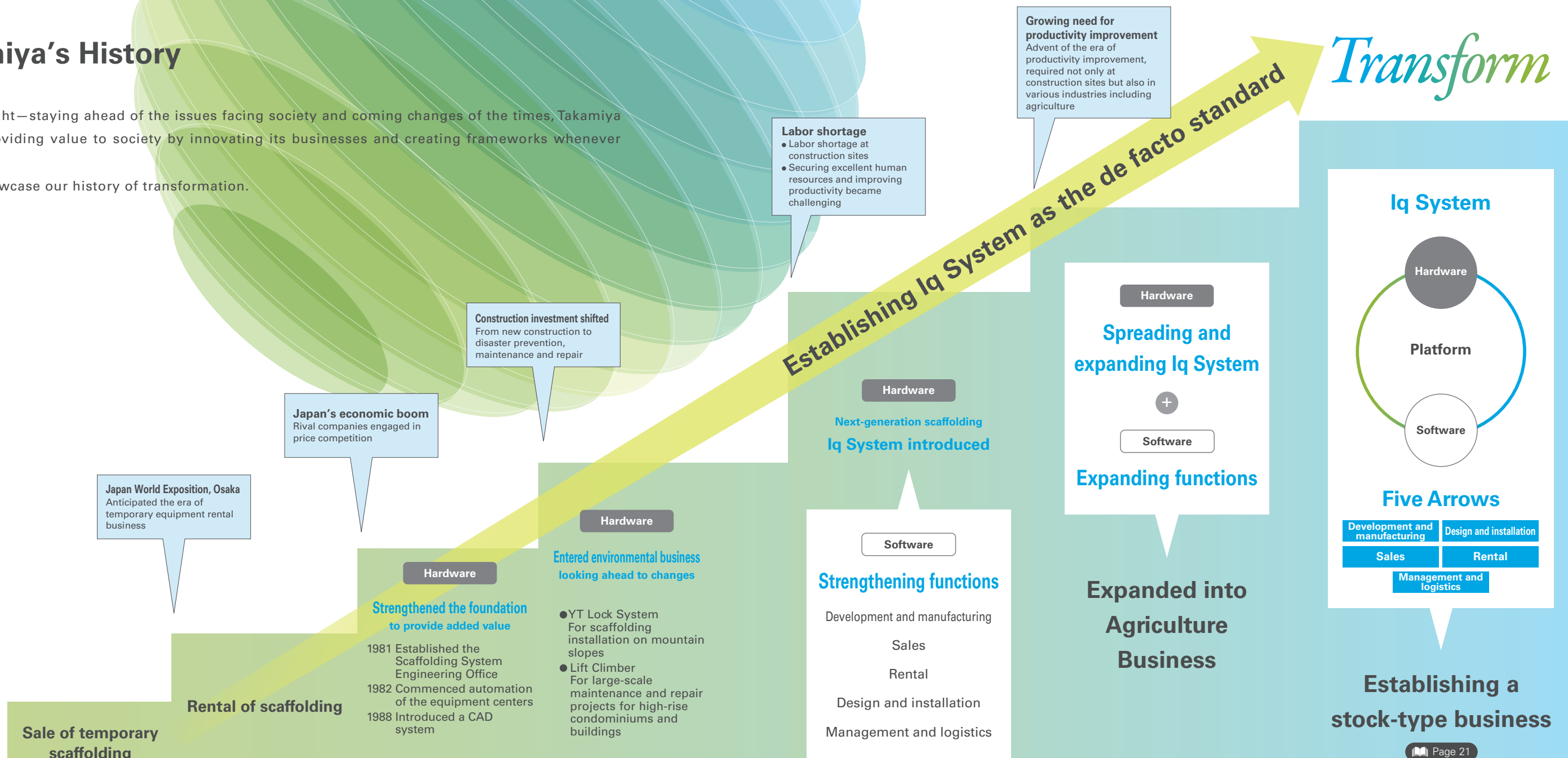
Takamiya's History

Using foresight—staying ahead of the issues facing society and 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.

External environment

Transformation of business model



Page 21

1974-

Established 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 mechanizing equipment maintenance. 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 scaffolding installation 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 framework

In 2010, we acquired manufacturing functions for the purpose of revolutionizing scaffolding, which had not changed in 50 years. We developed and launched the next generation of scaffolding in-house. 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. In addition to establishing scaffolding product development and manufacturing departments through the acquisition of Hory Korea Co., Ltd., we established the Scaffolding Construction Department. In this way, we have created a system in which each of our functions generates synergies with the others, enabling us, for example, to address labor shortages at construction sites while conducting promotions for our next-generation scaffolding.

2015-

Ventured into new business domains leveraging our business frameworks

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 population 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 frameworks

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.

Businesses Developed

Overseas Business Page 39

12.8%

Sales Business Page 35

29.0%

Percentage of net sales
(figures below the decimal point are rounded)

Takamiya products that provide value to society

Iq System

Using lightweight pipes and featuring a locking function, Iq System achieved higher workability and safety compared to conventional wedge type scaffolding systems as well as economic efficiency equivalent to them. Adopting a story height of 190 cm reduces the burden on workers as they can work and pass through without bending down. In addition, this next generation scaffolding system comes with preset handrails that are 101 cm in height, providing a level of safety that is one step ahead.

SPIDER PANEL

SPIDER PANEL is a panel-type hanging scaffolding used for maintenance and repair work on aged highways and other transportation infrastructure. The panel is used to repair bridges and highway floor slabs. It features a retractable platform to create a flat work surface with no gaps or unevenness, and other functions to ensure safety and workability in every detail. This is an advanced panel-type hanging scaffolding that allows all work to be performed on the temporary panels.

BENKEI

The use of stainless steel faceplates reduces the deterioration of the product and increases diversion rate. It enables fast assembly and formwork removal, and thus immediate installation at the next construction area. Carrying out four cycles (formwork erection, pouring concrete, curing, formwork removal, and rearrangement) enables process control and shortens the construction period. It also enables construction with a small number of people without relying on skilled workers.

YT Lock System

The YT Lock System has been developed to provide a safe and efficient working platform with the same high quality at all times regardless of the skill level of the workers. The unitization of components makes it easy and economical to assemble, remove, reinstall and divert components. The system is used for bridge construction sites as components for piers are available, and also as a scaffolding and falsework system in urban civil engineering works.

V-MAX

Its floors are unified, making it easy to work on, and the systemization of beams, etc. makes it possible to visually check the safety of the site. With the same ease of use and wide range of applicability as conventional scaffolding systems, V-MAX is applicable to all types of construction work, lifting light to heavy loads, not to mention work on the footings, railings, and floorboards of bridges, using the three installation methods of partial assembly method, unitization method, and panel method.

MUSASABI

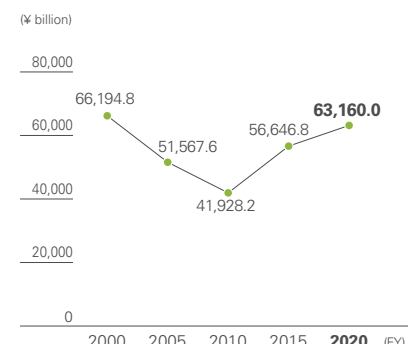
This half-size quake-resistant and vibration-damping wall allows free house planning for people who want to live safely in an open space even on a narrow lot, or who want a large-opening room with few walls. The compact, narrow bearing wall enables both the design and safety of open spaces such as large opening windows and built-in garages. This is a new type of quake-resistant and vibration-damping wall that expands the possibilities of home design while offering strength and security.

G-Castle

Adding spacious room, excellent natural lighting and durability, this proprietary greenhouse is ideal for controlling the environment for growing crops and for year-round cultivation. We have an extensive lineup of steel framed, high eaves greenhouses and pipe greenhouses according to the produce for cultivation and design standards. This reliable and highly functional greenhouse is offered by structural design professionals who manufacture temporary equipment for construction, building materials for housing and solar panel installation frames.

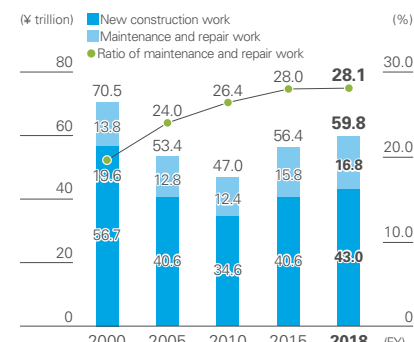
Market environment

Construction investment



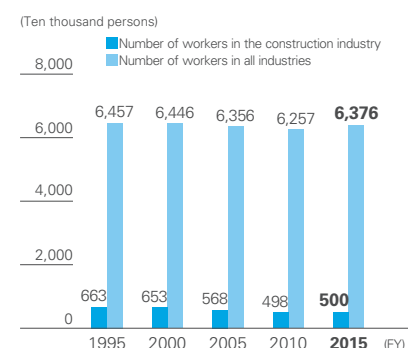
Source: "Construction Investment Forecast for FY2020" by Construction Research and Statistics Office, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

Maintenance and repair work



Source: "Construction Industry Handbook for 2000-2020" by Japan Federation of Construction Contractors

Number of workers in the construction industry



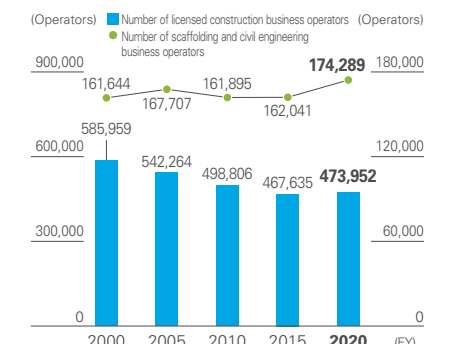
Source: "Construction Labour Statistics" by Ministry of Health, Labour and Welfare

Rental Business Page 37

58.1%

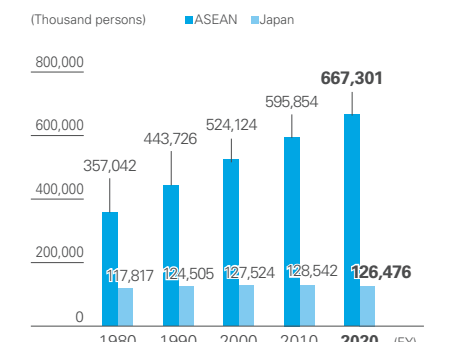
Market environment

Number of licensed construction business operators



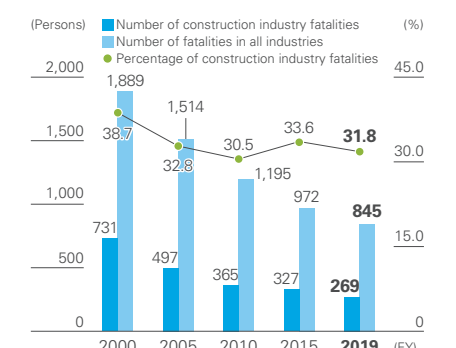
Source: "Results of the Survey on the Number of Licensed Construction Business Operators - Current Status of Licensed Construction Business Operators (as of the end of March 2021)" by MLIT

Population of ASEAN



Source: World Population Prospects 2019

Number of construction industry fatalities



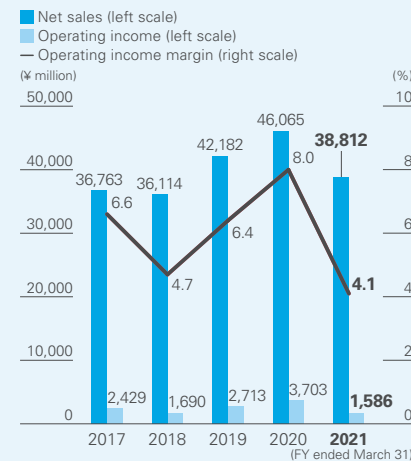
Source: "Statistics of Industrial Accidents in the Construction Industry" by Japan Construction Occupational Safety and Health Association

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

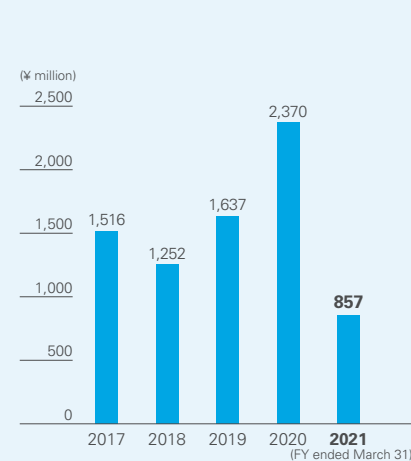
Financial and Non-Financial Highlights

Financial Highlights*1

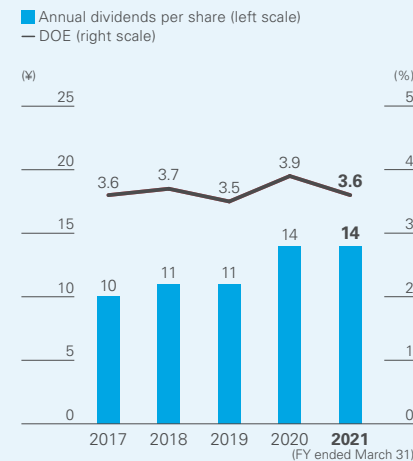
Net Sales/Operating Income/Operating Income Margin



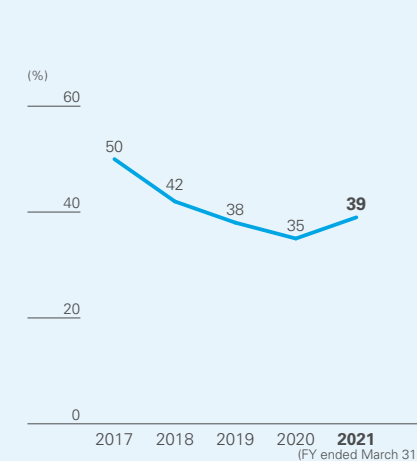
Profit Attributable to Owners of Parent



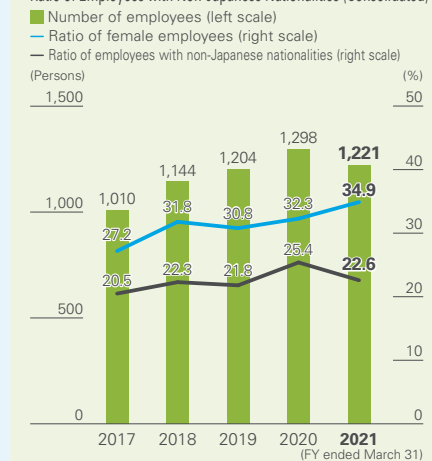
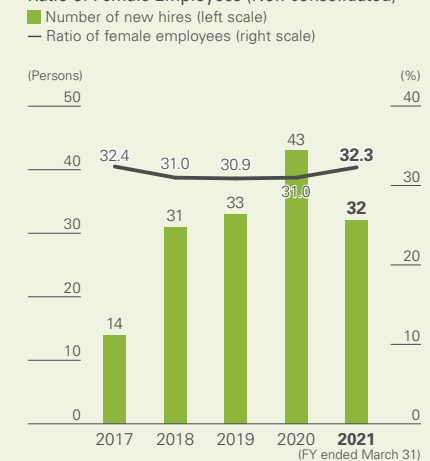
Annual Dividends per Share/Dividend on Equity (DOE)



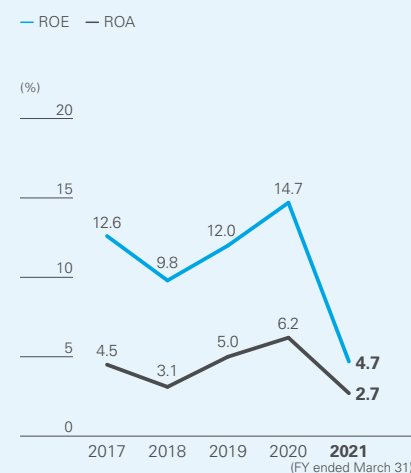
Ratio of Iq System repeat customers



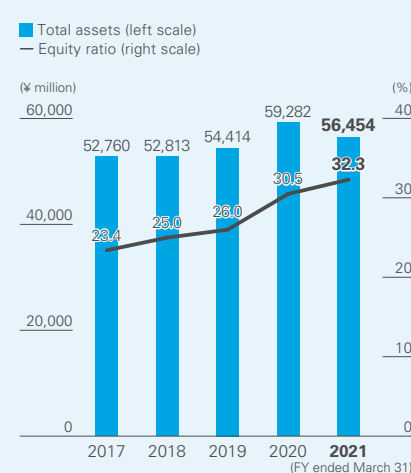
Non-Financial Highlights

Number of Employees/Ratio of Female Employees/
Ratio of Employees with Non-Japanese Nationalities (Consolidated)Number of New Hires/
Ratio of Female Employees (Non-consolidated)

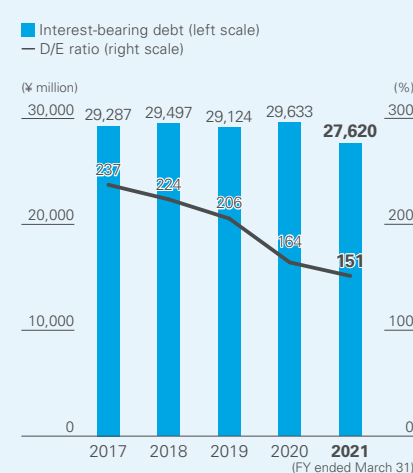
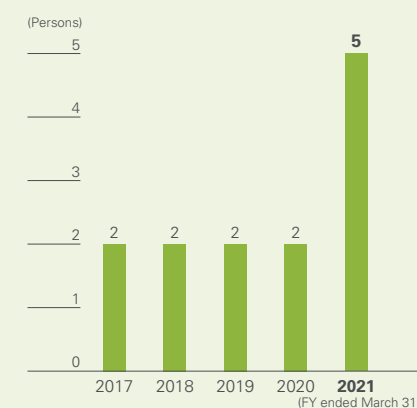
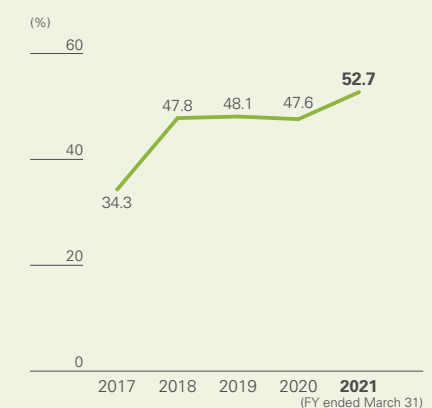
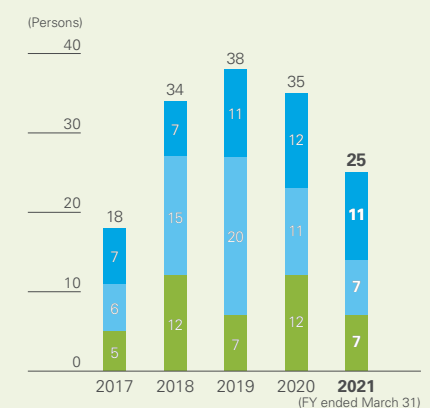
ROE/ROA*2



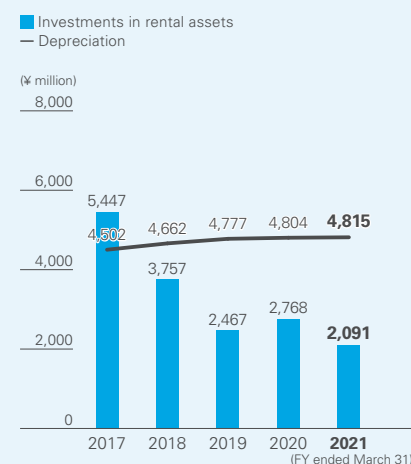
Total Assets/ Equity Ratio



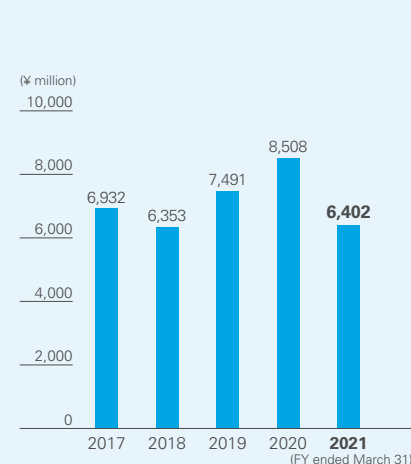
Interest-Bearing Debt/D/E Ratio

Number of Female Managers
(Consolidated)Paid Leave Utilization Rate
(Non-consolidated)Number of Employees Taking Maternity/
Childcare Leave/Shorter Hours for Childcare (Non-consolidated)

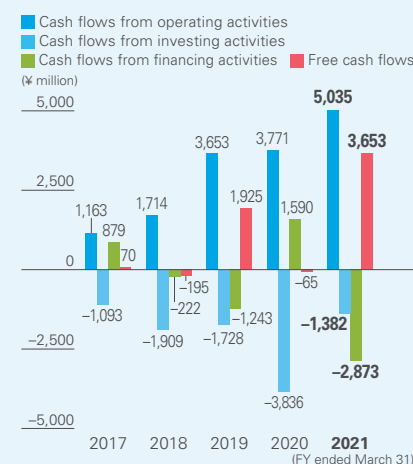
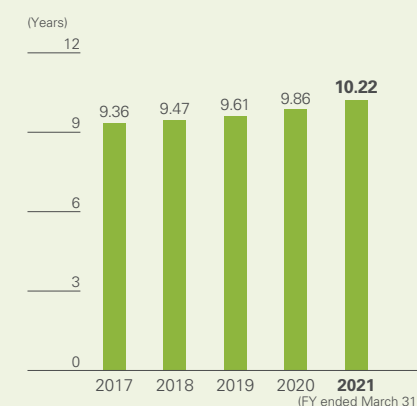
Investments in Rental Assets/Depreciation



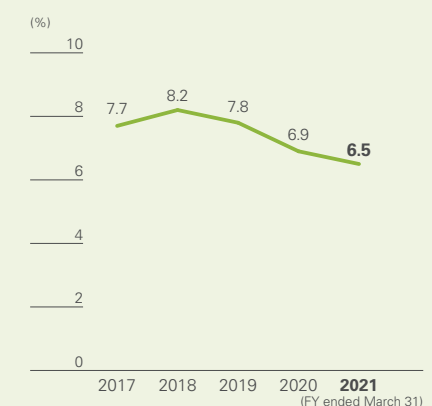
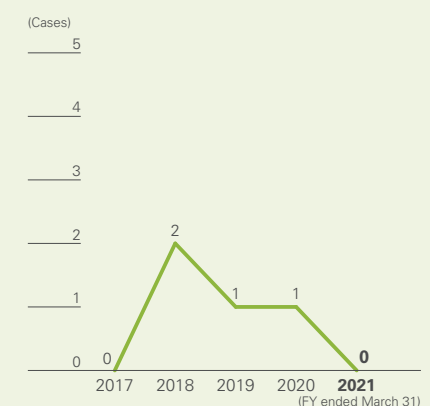
EBITDA*3



Cash Flows

Average Length of Service
(Non-consolidated)

Turnover Rate*4 (Non-consolidated)

Number of Accidents
(Occupational Injuries, Non-consolidated)

Notes: 1. Figures below millions of yen are discarded. However, indices shown in ratios are rounded to the unit displayed.

2. ROE = Profit attributable to owners of parent ÷ Average equity ROA = Ordinary income ÷ Average total assets

3. EBITDA = Operating income + Depreciation

4. Turnover rate = Number of regular employees who retired during the fiscal year ÷ Number of regular employees at the beginning of the fiscal year

Message from the President



Kazumasa Takamiya
Representative Director, President and Chairman

Achieve sustainable growth over the long term by staying ahead of changes in the construction industry and establishing a new foundation for stable earnings

We always strive to be the early bird in the construction industry to spot major changes, and pursue value creation as a longstanding pioneer of the times. This fiscal year, we have formulated the new 2021 Medium-Term Management Plan, and have embarked on a three-year period for completing the transformation that we have been pursuing to date. We will revamp our business structure and enhance our performance to steadily meet the expectations of all our stakeholders.

Driving the shift in our business model with the proliferation of our next-generation scaffolding, Iq System

In the fiscal year ended March 31, 2021, the construction sector was riddled with problems caused by the impact of COVID-19, such as project cancellations and postponements, delays in delivery of equipments, and a shortage of workers. At the same time, it was also a year that saw rapid progress in the introduction of i-Construction and other forms of ICT and workstyle reforms such as teleworking. However, changes like these are just part of the undulations that the construction industry constantly experiences. Right now, the construction sector is entering an era of huge change that is only seen once every 50 or 100 years.

The Company was founded in 1969, when the Japanese economy was right in the middle of its period of rapid economic growth. The 1960s-70s was a period in which great strides were made with the construction of roads, bridges, tunnels, and other forms of social infrastructure as well as a construction boom of high-rise buildings. Thus, the construction industry made an immense contribution to the post-war rebuilding of Japan. During this period, we contributed to society and constantly grew by responding accurately to demand within the industry by selling or renting out temporary equipment, i.e. scaffolding.

Now, more than half a century later, the construction sector is assigned a new mission, which is the maintenance and management of aging social infrastructure. Tackling the aging of infrastructure through maintenance and repairs aimed at extending its life is an urgent task. In particular, the momentum for infrastructure reconstruction has instantly accelerated since 2013, when the Basic Act for National Resilience was formulated in the wake of the Great East Japan Earthquake. Preventative maintenance, i.e. systematic maintenance performed before problems occur, is also on the rise. Furthermore, greater emphasis is being placed on measures to prevent or mitigate disasters in line with climate change seen in recent years. The amount of investment in the government and private

sector is ranging at ¥60 trillion to address this set of societal issues.

While demand for social infrastructure reconstruction is robust, the construction sector is facing a serious labor shortage as a result of the low birthrate and aging population. A big challenge for the industry is how to raise productivity with limited manpower, while ensuring work safety.

With the current environment surrounding the construction industry changing substantially, we are looking ahead to the next era and taking on the issues of the sector head on. The goals of the 2018 Medium-Term Management Plan, which reached the final year in the fiscal year ended March 31, 2021, were to secure stable earnings through our conventional business model of renting out scaffolding, while also revamping our earnings structure by 2020. By pursuing these goals, we have been aiming to establish a competitive advantage over rival companies, while remaining unaffected by the level of construction demand, which is subject to frequent changes. We have also been striving to engineer a *transformation* to a business structure that will enable us to enjoy sustained growth over a long term.

The foundation for delivering change to our earnings structure is the Iq System, our next-generation scaffolding, which offers higher levels of safety, workability, and lower costs than conventional products. Until 2018, we focused on investment in the Iq System, and pushed ahead with the replacement of conventional scaffolding with the Iq System. Just as we intended, next-generation scaffolding is spreading in the market, and we have expanded our market share to roughly 30%, the top share in this segment. We predict that most scaffolding will be replaced by next-generation scaffolding within the next five years.

As a result of this major shift in our business model, we achieved our best financial performance ever in the fiscal year ended March 31, 2020.

Message from the President

In the fiscal year ended March 31, 2021, the impact of the COVID-19 pandemic caused our performance to dip compared with the previous year, but we still made steady progress with our business restructuring.

This fiscal year, we have formulated the 2021 Medium-Term Management Plan, and are focusing on

making ourselves more profitable and on creating new businesses that generate earnings. Through these efforts, we will establish a new yet stable earnings foundation, aim for operations that are resilient to changes in the external environment, and pursue sustainable growth over the long term.

Aiming to make a new contribution to the construction industry and achieve our sustainable growth

The switch from conventional scaffolding to the next-generation Iq System of scaffolding, which has been taking place over the last few years, is no more than the first chapter in our transformation. The proliferation of scaffolding with higher added value than before, which is the hardware, will form the foundation for our transition. By adding software to the mix, we will build a completely new business model, and thus aim to overhaul our business portfolio itself as a next step. This will prevent rival companies from imitating our hardware, and establish a business model that is unique to us. This transformation is the centerpiece of the strategy we are aiming to pursue.

The new 2021 Medium-Term Management Plan states our management vision, "create new value through transformation and aim for sustainable growth by becoming a partner to our customers." The Plan is a roadmap for the sustainable growth of the Company while endeavoring to make a new contribution to the changing construction industry.

The first of the four basic strategies in the 2021 Medium-Term Management Plan is "develop services that blend hardware and software, with a focus on the Iq System." This is a strategy for increasing software value and developing a structured business through the five arrows of development and manufacturing, sales, rental, design and installation, and management and

logistics to augment Iq System, that is the hardware. Our main focus here is on bringing together the knowhow that we have accumulated over many years of selling and renting out temporary equipment to provide services that offer value from the standpoint of the customer.

For some time, we have been working to provide services through Iq Sharing, our sharing business. With this business, customers that have purchased the Iq System can store their purchases at our equipment centers operating throughout the country, and share equipments such as scaffolding with other customers. This allows customers to minimize the quantity they hold, and to borrow when they are short of equipments. This boosts the utilization rate for rental assets and makes customers more profitable.

With an eye to further expanding use of Iq Sharing, we have established *Takamiya Lab. West* in the City of Amagasaki in Hyogo Prefecture. It will serve as a hub for the development of services that blend hardware with software. We plan to utilize this hub to explore new possibilities in the temporary-structure business and ultimately develop a stock-type (commission-based) business model that is resilient to the external environment and capable of generating earnings on an ongoing basis.

Our unique structured service for building a new foundation for stable earnings

The most important task in operating the Iq Sharing service is to put together a structure that enables customers to share temporary equipment by being able to deliver and collect them anywhere in the country. To that end, we need to establish a quality management structure for always maintaining temporary equipment in the best possible condition and build a system for accurately identifying the number of temporary equipment we are storing on behalf of customers and allowing equipment centers to mutually exchange temporary equipment to meet customer demand for delivery or collection.

We plan to install webcams in the equipment centers so that customers can see their temporary equipment live. We also intend to establish a structure that enables them to identify in real time, via a computer system, the quantity of temporary equipment currently being rented

out to construction sites and the number currently in stock at equipment centers. By offering a system that allows the quantity and cost of temporary equipment required for the structure of the building on the construction site, equipments can be arranged quickly and easily in line with work progress. The automatic calculation of required equipments employs 3D technology, and we also use the 3D laser scanner to introduce a back-to-back service covering from measuring buildings and facilities to producing blueprints. I believe that these offerings will make a substantial contribution to improving customers' business efficiency and profitability, and financial stability. Furthermore, we are considering leveraging our development and manufacturing functions to jointly develop new products with customers based on their needs.

Going forward, we will not only strengthen our IT systems, but will also push ahead with the development of a smartphone app. The app will make it easier for customers to obtain information about the temporary equipment they possess. We are also going to put together a mechanism for enabling equipment to be traded freely. The structured services that we are aiming to offer not only encompass the Iq System and its equipment, but also have the potential of enabling the trading of various temporary equipments.

What we are focusing on at the moment to expand structured services, is investment in digital transformation (DX). The virtual laboratory installed inside the *Takamiya Lab. West* research hub will be employing cutting-edge technologies such as augmented reality (AR) and virtual reality (VR) to create a system that enables construction sites to be experienced virtually from any location. Equipment are permanently on display at showrooms where customers can directly touch the equipment they tried out virtually for a deeper understanding.

One of the most noteworthy features of *Takamiya Lab. West* is its location. In the past, equipment centers were normally located far from the centers of large cities so as to keep costs down. In contrast, the location of the facility is in Amagasaki, a city close to the center of the Kyoto-Osaka-Kobe conurbation, so transporting equipment to construction sites in the center of the



conurbation, where many large-scale projects are situated, takes much less time. In addition, warehouse automation will also significantly cut equipment loading times, enabling equipment to be shipped out at the fastest possible speed. Looking ahead, we will be establishing facilities similar to *Takamiya Lab. West* in other regions, and will also consider gradually moving our equipment centers, counting 30 or so nationwide, to more accessible locations.

Strengthening business for contributing to the maintenance/repair of aging infrastructure

The second of the basic strategies set forth in the 2021 Medium-Term Management Plan is to "strengthen products for maintenance/repairs and infrastructure redevelopment." As I mentioned at the beginning, with work to maintain and repair aged infrastructure set to increase more and more, we are striving to develop products that ensure safety onsite and improve workability.

For example, our SPIDER PANEL panel-type hanging scaffolding is scaffolding in the form of a panel combined with a hanging shelf, joists, and work platforms. It is used frequently in works, inspection and paintwork on expressways and bridges. Unlike conventional hanging scaffolding, it provides a workspace with no gaps, thus enhancing safety and workability. The Lift Climber, meanwhile, is a mast-climbing work platform used for large-scale maintenance and repair works such as on high-rise condominiums. Workers can board the work yard, which is in the form of an elevator, to put the finishing touches to the exterior walls. Because scaffolding doesn't need to be erected around the entire building, no harm is done to its appearance even when maintenance work is being performed. We also offer a type of scaffolding called the YT Lock System, which can be simply and safely assembled even at unusual construction sites such as mountain slopes.

On the other hand, given the increase of natural disasters, we are also focusing on products for disaster prevention and mitigation. Oct-brace (buckling-constraint brace) is a structural device with a seismic damping function that can be used for logistics warehouses with large floor areas and for buildings of any height, from high-rise buildings to low-rise structures. It is super easy to install, and can help reduce costs, and as a result is being increasingly adopted at large logistics warehouses. Furthermore, our Tiger Dam water inundation prevention system, which can be used in place of sandbags, is not only highly effective in blocking water, but can also be installed rapidly. It uses water bags that do not generate any industrial waste. As an indispensable disaster prevention product to tackle the frequent occurrence of sudden torrential downpours caused by global warming, the system has been adopted by the Tokyo Fire Department and the Metropolitan Police Department.

By expanding our lineup of products for maintenance/repairs and infrastructure redevelopment as well as products for disaster prevention/mitigation, we hope to establish such products as a growth domain to follow in the footsteps of the Iq System. By also employing the Iq Sharing system for these products, we will position them within the sharing business, and highlight the advantage that they can be managed efficiently by customers.

Message from the President

Further expanding our business portfolio

The third basic strategy in the 2021 Medium-Term Management Plan is to “nurture businesses beyond the temporary equipment sector.” By creating new businesses to supplement our core business of temporary equipment, we intend to expand our business portfolio to further stabilize our earnings foundation.

At the heart of this strategy is the development of the Agriculture Business. In recent years, while the number of farmers is progressively declining, more young people are adopting farming. To cement this as a permanent trend, it is crucial that we enhance the productivity of agriculture and turn it into a profitable business. To that end, we have developed our proprietary greenhouse. Leveraging the production technology we have developed through the manufacture of temporary equipment, the lineup features pipe houses, which are simple and easy to handle, and steel-frame houses, which offer sophisticated functionality.

We are engaged in agriculture ourselves to develop and manufacture greenhouses that are suited to actual farming conditions. Recently, we launched the Hanyu Aisai Project in Hanyu City, Saitama Prefecture to test cultivation. As a demo cultivation facility, we have constructed the G-Castle Neo48, one of our original products. This project takes advantage of IoT to test

cultivation methods for boosting cucumber yields and cultivation systems for growing high-quality strawberries and cherry tomatoes. Inside the greenhouse, we use sensors to monitor temperature and humidity, and strive to accumulate and visualize the data obtained. By employing the data in the control of various types of equipment, it is possible to engage in commercial agriculture without relying on years of experience. It also helps raise farming productivity.

As for the fourth basic strategy, which is to “redevelop overseas business bases,” we are targeting the Southeast Asian market which provides abundant business opportunities in large-scale infrastructure projects, and intend to supply equipment for these projects. The market of particular focus is the Philippines. Recently, the country has been dealing with the COVID-19 pandemic, and progress has come to a standstill, but there are plenty of big projects in the pipeline, which present us with huge opportunities. In the meantime, we will work with companies in the country to roll out our traditional business model of renting out or selling equipment in order to achieve market penetration. In the future, we will horizontally deploy the knowhow we pick up in the Philippines to countries such as Indonesia and India so as to expand the markets we operate in.

Tackling ESG-oriented management issues and further strengthening our corporate foundation

While we step up offensive management by steadily implementing our basic strategies as I have explained, I believe that it is important also to maintain defensive management in order to mitigate risks associated with

business expansion. In this regard, we are working to strengthen our corporate foundation in both the offensive and defensive realms by further promoting ESG-oriented management.

In the environmental sphere, the stock-type business model that we are aiming for will naturally lead to a reduction in environmental impact. The amount of scaffolding nationwide in Japan has now reached approximately 100 million m², and around 60% is actually in use at any given time. In other words, 40% is sitting idle as surplus equipment. With more switchovers to next-generation scaffolding, i.e. the Iq System, the utilization rate will increase. This will reduce the space required for equipment and curb the relocation of surplus equipment, which will, in turn, naturally reduce energy usage.

We also operate solar-power businesses to help ease the burden on the environment. In particular, we are currently promoting the solar carport business, which installs solar panels on rooves covering car parking,

targeting facilities such as golf courses. In the future, when electric vehicles (EVs) have become widespread, we intend to equip the solar carports with power storage functions, and expect this will boost demand not just from owners of home parking spaces, but also from operators of commercial parking lots.

In the social arena, on the other hand, the most important task for successfully implementing our basic strategies is to reinforce our human-resource foundation. Our Mission Statement is “Love,” and our Management Philosophy is to Love yourself, Love others, and Love the company. When it comes to human resource development, while we emphasize relationships of trust between people, we are also focused on creating an environment where each and every employee can work autonomously. By promoting teleworking amid the COVID-19 pandemic, encouraging communication in the office taking thorough infection-prevention measures, improving personnel-related systems, and changing employee attitudes, we aim to develop people who can come up with new ideas, organize and perform them, as well as highly-specialized personnel.

In particular, managers play a large role in promoting free thinking in the workplace, so we view the creation of mechanisms for developing and evaluating managers as an important task. Specifically, we have established the Project Leader Conference, composed of young leaders, to develop the managers of the future. I also take part in meetings of the Conference, communicate

the view of the management and share my thoughts on strategy. This is one of our efforts to develop leaders who can think and act independently.

We are addressing overtime hours at branches as a HR issue. Right now we are taking measures to visualize the quantity of overtime hours and improving the situation. The overtime issue is an urgent task from a health and productivity management perspective, and we are taking steps to rectify the problem.

We also intend to further step up efforts to strengthen governance. We will promote transparency in management and proactively disclose information in line with Japan's Corporate Governance Code. Having recently established the Nomination and Compensation Committee, we will further enhance transparency in the processes of selecting directors and corporate auditors and determining the compensation to directors and executive officers. Internal control over overseas subsidiaries will inevitably be another governance issue as we further expand overseas. We will tackle this issue as we execute the 2021 Medium-Term Management Plan.

The general meeting of shareholders for the fiscal year ended March 31, 2021 was held in an open space at the Osaka Head Office. In the past, we have held the meeting at hotels, but this year we decided that we wanted shareholders and investors to see our employees at work in the office, so that they could deepen their understanding of Takamiya as a company.

Striving to establish a new earnings structure by steadily implementing the Medium-Term Management Plan

As explained so far, the environment surrounding the construction industry is changing dramatically. We are determined to tackle and resolve the issues the sector is facing with a strategy that looks ahead beyond this era. One of our foremost missions is to ensure the safety of the people who work at construction sites and make it easier for them to carry out their work. By fulfilling this mission, we will achieve sustainable growth over the medium to long term while gaining both social value and economic value.

We more or less reached the numerical targets in the second year of the 2018 Medium-Term Management Plan, but ultimately failed to achieve them in the final fiscal year. I apologize for failing to meet the expectations of stakeholders. We are firmly resolved to achieve the target operating income of ¥5.0 billion in the fiscal year ending March 31, 2024 under the 2021 Medium-Term Management Plan. As we push forward to improve our performance, the key to success is the

development of new services through the blend of the hardware and software revolving around the Iq System, the core. By bringing the ongoing transformation since the 2018 Medium-Term Management Plan to fruition, we will firmly establish the stock-type business model alongside a new earnings structure.

Traditionally, we held a B to B business model, serving the construction industry. Maybe it was difficult to understand, especially for individual investors. However, through the implementation of the 2021 Medium-Term Management Plan, I believe that our business model will change into one that is easier to understand. For example, we will transition to a stock-type business, expand the Agriculture Business, and make inroads into overseas markets. We will also meet your expectations by improving our performance. I sincerely appreciate the support of all our stakeholders given from a long-term perspective.



Takamiya's Value Creation Process

Takamiya has created new business models through foresight—staying ahead of the changes of the times and innovate 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.

Business environment and social issues

Realization of a safe and secure society

- Infrastructure redevelopment
- Preparation for natural disasters
- Safety and security at construction sites

Business Environment and Risks & Opportunities

Page 19

Leverage for achieving transformation

Input



Human capital

Number of employees

Consolidated

1,221
711

Non-consolidated

*FY ended March 31, 2021



Manufacturing capital

Manufacturing bases

4 locations

(Gunma Factory, Gifu Factory, South Korea Factory, Vietnam Factory)

Equipment centers

29 locations



Financial capital

Total assets

¥56,454 million

Interest-bearing debt

¥27,620 million

*FY ended March 31, 2021



Network

Sales bases

22 locations

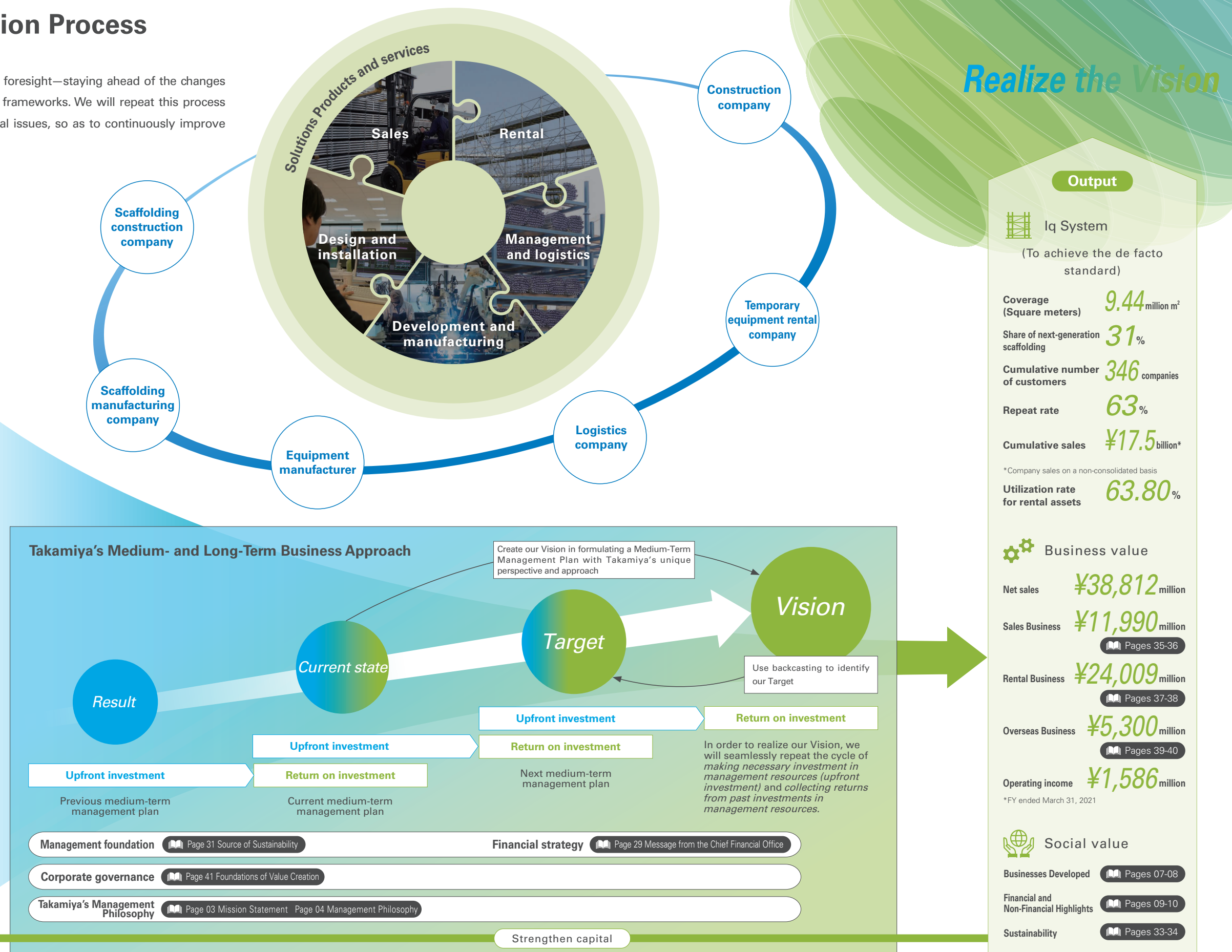
(Branches: 8 locations, sales offices: 14 locations)

Subsidiaries

14 companies*

(Japan: 9 companies, overseas: 5 companies)

*Including non-consolidated subsidiaries



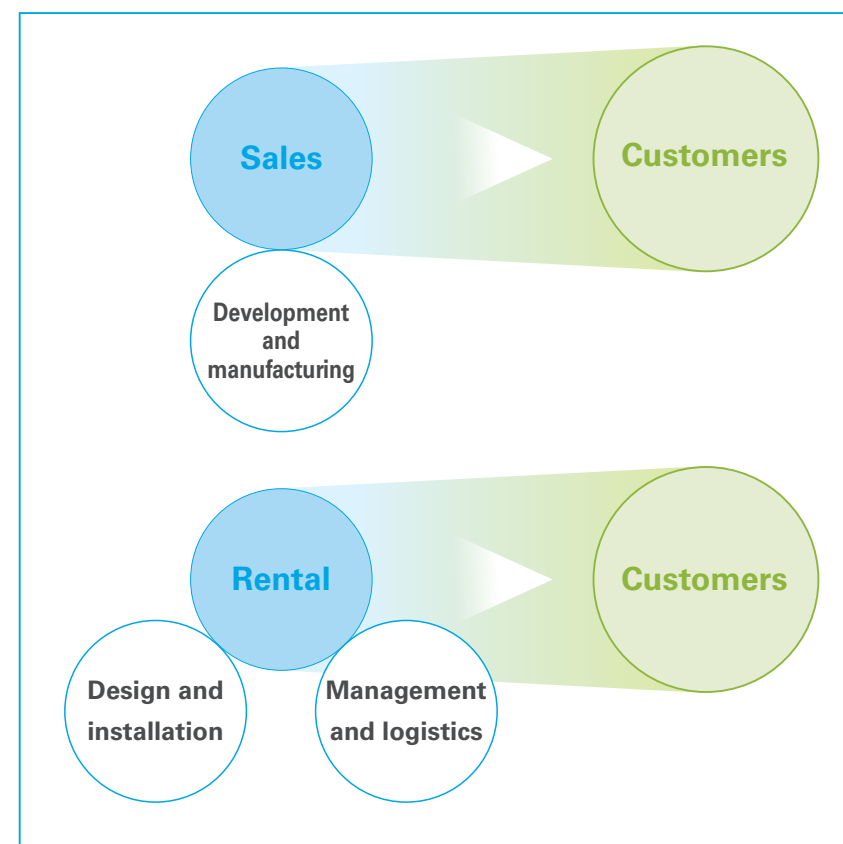
Business Environment and Risks & Opportunities

Risks & Opportunities			Reasons	Response
Changes in the economic environment	Domestic economic trends	Risk Capital investment trends of private companies	•Capital investment of private companies decreases amid economic downturns	•Hold versatile equipment and technologies which 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
	Trends in domestic construction investment amount	Risk 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	•Nurture businesses beyond the temporary equipment sector •Expand business overseas (ASEAN) which is not directly affected by construction demand in Japan
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 equipments for bridge construction in highways and railroads	•Sell to ASEAN countries where demand for construction of infrastructure is expected
		Opportunity Increase in demand for maintenance and repair of infrastructure	•More than 50 years have passed since the construction of domestic transport infrastructure such as highways, and demand for maintenance and repair is increasing	•Expand the lineup of temporary equipment required for maintenance and repair work of infrastructure, and renew equipment to more versatile types
	Productivity improvements at construction sites	Opportunity Accelerated spread of next-generation scaffolding	•Demand for scaffold which enables safe and easy work without bending forward will increase. Demand for lighter scaffold will also increase in order to improve transportation efficiency and decrease work burden for installation.	•Replace all tube pipes held with high-tension steel pipes to make them lighter •Completed replacing equipment with next-generation scaffold Iq System with superior workability and safety •Make equipment lighter by switching material from steel to aluminum
		Risk Obsolescence of temporary equipment held	•Development of innovative method of construction may eliminate the demand for temporary equipment including scaffold	•Nurture businesses beyond the temporary equipment sector •Shift to business models which do not rely on hardware
	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
		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 are essential for DX in construction, and opportunities for receiving orders will increase due to the expansion in demand
	Problems faced by the agricultural sector	Opportunity Decreasing agricultural population	•Facilities that are easy to adopt, automatic control, and know-how of cultivation are required to facilitate new hiring •Demand of facility and equipment for productivity improvement increases, necessitating increase in yield per acreage	•Develop pipe houses for agriculture and products for agriculture, utilizing our metal processing technology and steel pipes for scaffolding •Implement demo cultivation with our products, and collect know-how and data to leverage them
	Response to climate change	Risk Surge in raw materials and fuel costs	•Raw materials costs 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 scaffold, thereby reducing the number of shipments (the number of trucks) •Shift from suburban equipment centers to urban equipment centers (new openings/ relocation)
		Risk Surge in transportation costs		
		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 (ZEB) and net zero energy houses (ZEH)	
	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 risks by locating equipment centers across the country, and establish the system to supply temporary equipment necessary for recovery and reconstruction works
		Opportunity Response to recovery and reconstruction from disaster	•Demand for temporary equipment necessary for construction works rises to quickly recover damages in transportation infrastructure due to natural disasters	
	Domestic demographic trends	Risk Shortage of personnel and manpower	•New hiring becomes difficult due to the advancement of the declining birth rate •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 •Train and develop personnel by running projects for problem solving in the Company
Changes in laws and rules	Amendment of Ordinance on Industry Safety and Health (related to scaffolding)	Opportunity Demand for new products	•Amendment of laws and guidelines to secure the safety of workers in construction sites can be an opportunity to generate demand for new products	•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

Takamiya's Business Model

Earnings under our conventional business model have been greatly affected by changes in the business environment. By establishing foundations and business models that generate stable earnings under any environment, we have been steadily transforming into a corporate group capable of flexibly coping with environmental changes and generate earnings.

Conventional Business Model



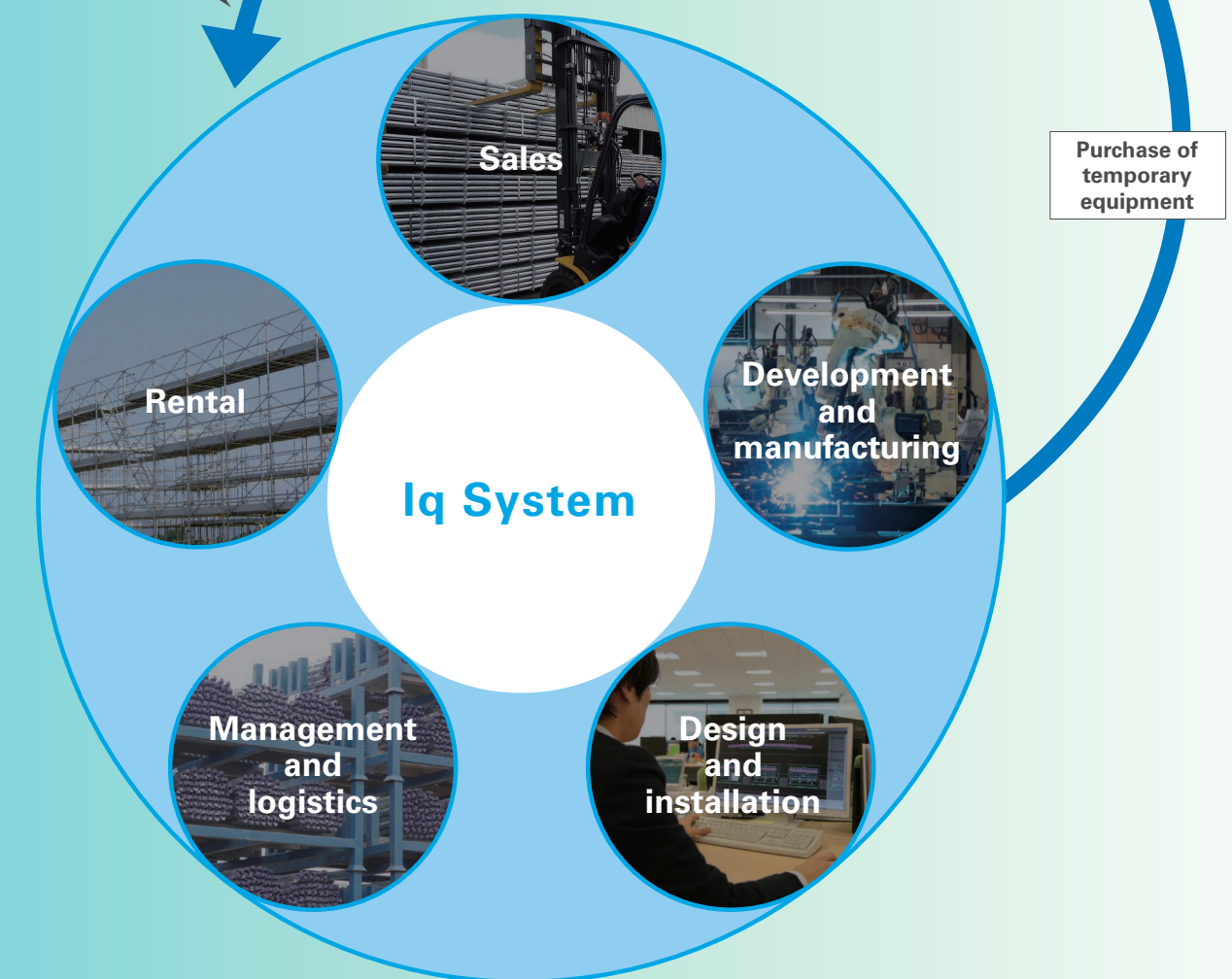
Enforcement and Expansion of the Sales Business and the Rental Business

In order to improve the competitive advantage of the Sales and the Rental of temporary equipment which are difficult to differentiate, we have added and expanded various services. With the enforcement of individual functions, the Sales Business and the Rental Business have greatly expanded as a flow (pay per purchase/use) business. However, coordination between them as well as monetization of other services have been challenging. The introduction of Iq System has enabled the establishment of a new business model through the coordination between them.

Future Business Model

Sharing Business

This is a framework that allows customers to use our equipment centers to share equipment they have purchased. By optimizing their equipment holdings and borrowing the equipment they lack from the Company's equipment centers, customers can improve the efficiency of their asset management. With the Company shouldering the maintenance of equipment and management of delivery and collection, customers can achieve a 100% utilization of equipment at low cost.



Establishing a Platform as the Business Foundation, by Blending Hardware and Software

We provide optimized service platforms centering around Iq System, tailored to customer needs. By maintaining the constant provision of services and business relationships with customers who purchased Iq System, we have established a new business model combining flow (pay per purchase/use) and stock (commission-based) businesses. The platform will grow as our competitive advantage and become the new source of earnings.

New Medium-Term Management Plan

Under the new 2021 Medium-Term Management Plan, we will carefully refine each of the Group's businesses from the customer's perspective and create new value in a sustained manner to complete our *transformation* which aims to build systems and structures that permanently enhance our corporate value.

Review of the 2018 Medium-Term Management Plan

Summary of consolidated performance

In the 2018 Medium-Term Management Plan, we set the management vision, "Create new value through transformation and aim to become a corporate group that drives qualitative development of the industry," and have tackled the four policies: strengthen management foundations; drive innovation in the earnings base; accelerate overseas business development; and create new growth businesses.

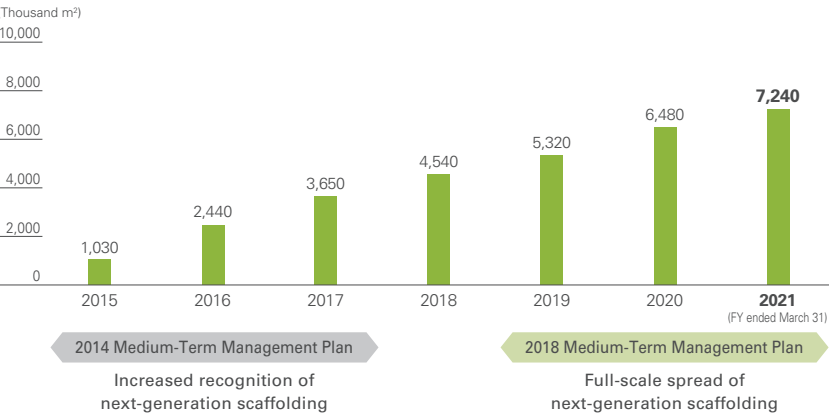
2018 Medium-Term Management Plan (FY ended March 31, 2019 to FY ended March 31, 2021)

Consolidated results	Results for the FY ended March 31, 2018		Results for the FY ended March 31, 2019		Results for the FY ended March 31, 2020		Results for the FY ended March 31, 2021	
		Percentage of net sales (%)		Percentage of net sales (%)		Percentage of net sales (%)		Percentage of net sales (%)
Net sales	36,114	100.0	42,182	100.0	46,065	100.0	38,812	100.0
Gross profit	10,431	28.8	12,132	28.8	14,014	30.4	10,996	28.3
SG&A	8,740	24.2	9,418	22.3	10,311	22.4	9,410	24.2
Operating income	1,690	4.7	2,713	6.4	3,703	8.0	1,586	4.1
Ordinary income	1,610	4.5	2,662	6.3	3,541	7.7	1,569	4.0
Profit attributable to owners of parent	1,252	3.5	1,637	3.9	2,370	5.1	857	2.2
Earnings per share [Diluted earnings per share] (¥)	29.26 [28.38]	—	38.22 [37.06]	—	52.74 [51.28]	—	18.41 [17.89]	—
Annual dividends per share (¥)	11.00	—	11.00	—	14.00	—	14.00	—
Depreciation and amortization (Based on the statements of cash flows)	4,662	12.9	4,777	11.3	4,804	10.4	4,815	12.4
EBITDA (Earnings before interest, taxes and depreciation)	6,353	17.6	7,491	17.8	8,508	18.5	6,402	16.5

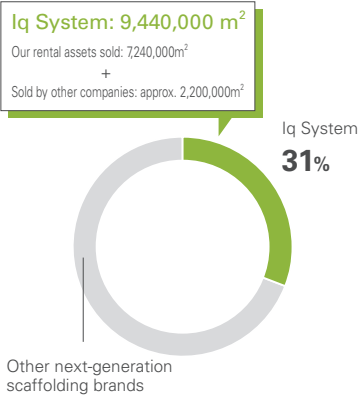
Achieving the de facto standard – Iq System

In the 2014 Medium-term Management Plan, we strove to increase the recognition of next-generation scaffolding, and succeeded in spreading the knowledge of its benefits in the industry. In the previous Medium-Term Management Plan started in 2018, we started the full-scale promotion of next-generation scaffolding, and Iq System maintained the leading share in the industry (based on our own research), making steady progress toward the achievement of the de facto standard.

Prevalence of the Iq System (our sales + rental assets)



Share of next-generation scaffolding
*Based on our own research



2021 Medium-Term Management Plan

Management Vision

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

Profit Targets

Consolidated operating income

¥5.0

billion (FY ending March 31, 2024)

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

New Medium-Term Management Plan



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 hardware functions, which is the competitive edge of its product features, we will also provide software features 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.

Pages 21-22 Takamiya's Business Model

We have 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 stock-type business model, seeking for a new possibility in the temporary equipment business.

Takamiya Lab.

New potential of the temporary equipment business

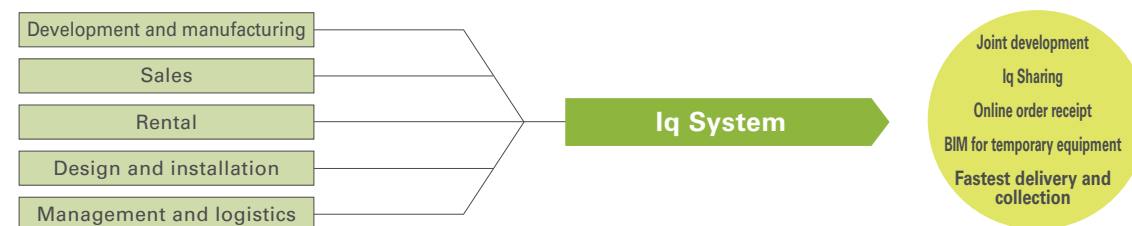
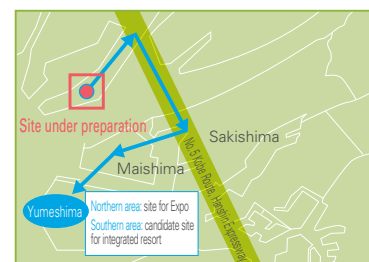
Equipment centers of scaffolding rental companies are generally located in suburban areas remote from urban areas, because the centers require a large plot of land for the storage of scaffolding. Customers have had to visit equipment centers in the suburbs to pick up scaffolding and return to construction sites in urban areas.

Opening equipment centers in urban areas instead of suburbs, which was regarded as a matter of course in temporary equipment business, will generate significant benefits for customers, as it reduces burdens for the transportation of equipment, and not only saves transportation expenses, but also shortens time required, allowing higher frequency of pickup and delivery using trucks. The Company can also benefit from urban locations as it facilitates the securing of personnel amid the decrease in the labor population due to a declining birthrate and an aging population. We will proactively adopt other services that may benefit customers.

Takamiya Lab. West, a new type of equipment center is to be opened in Amagasaki City, which offers good access to urban areas in Osaka and Hyogo Prefecture and newly developed areas in the Osaka Bay area. Actual products will be on display at the Lab. where customers can easily drop by from their offices. Customers do not need to go all the way to the suburbs for the verification of product samples under development and trial installation.



Takamiya Lab. West



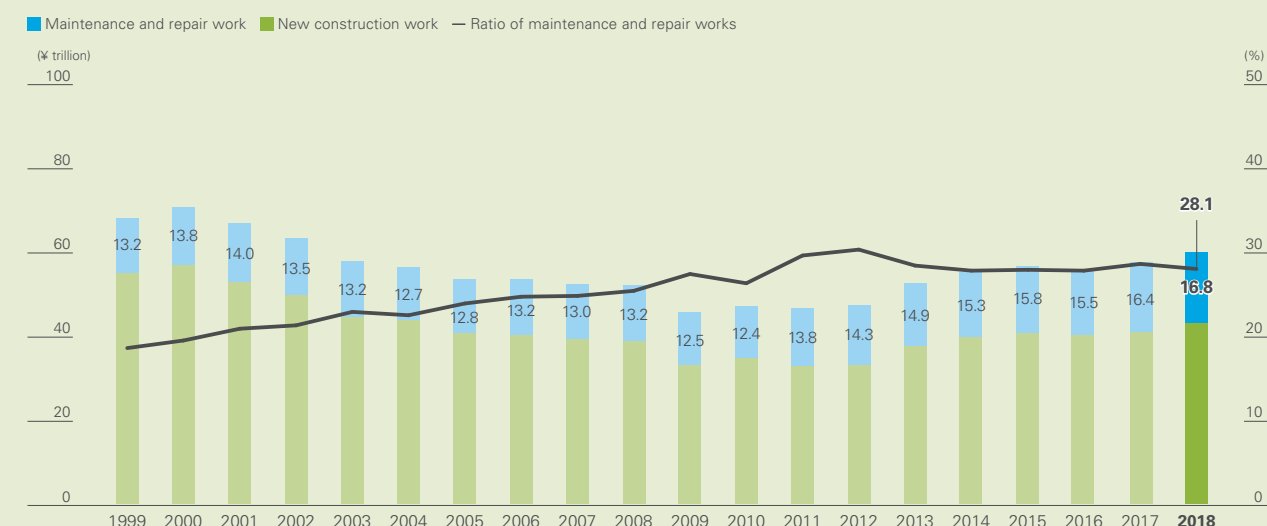
Create new services from Takamiya Lab.

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, highways, and railways progressed during Japan's economic boom. Some 50 years have passed since then, and their maintenance and repair works are being carried out in various parts 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 V-MAX, which offer superior workability and safety for highway maintenance and repair works. In addition, our YT Lock System 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 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.

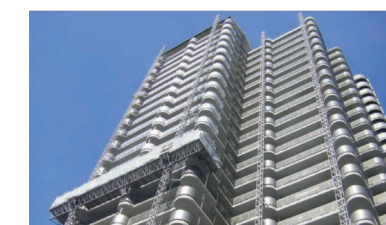
Maintenance and repair works



Strategic products for maintenance/repairs and infrastructure redevelopment



Panel-type hanging scaffolding system
SPIDER PANEL



Mast climbing work platform for large-scale repair works mainly on high-rise condominiums
Lift Climber



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

New Medium-Term Management Plan

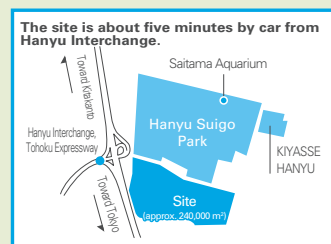
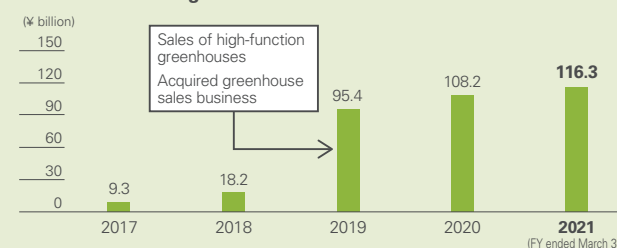


3

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 featuring G-Castle Neo48 and G-Castle Pro1, agricultural greenhouses manufactured and sold by Takamiya, where we tried out the actual cultivation of fruit and vegetables to evaluate their performance. At the demo farm, along with the performance evaluation of Takamiya's greenhouses, customers are invited for taking a tour of the facility. We verify environmental control devices and ideal cultivation methods inside the greenhouses to incorporate the results in sales promotion. We have introduced sensing technology to collect a variety of data related to cultivation. Data collected are subjected to secondary use, including providing to customers, as part of our efforts to expand this business.

Net Sales of the Agriculture Business

Approx. 30,000 m² (leased land) located in Hanyu Challenge Farm, Hanyu-City, Saitama Prefecture

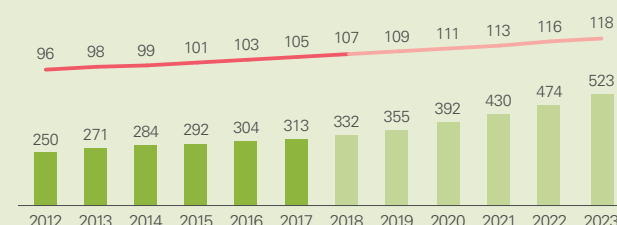
4

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, and recovery is yet to be seen. Nevertheless, the Philippines remains a promising market with a high economic growth rate, and we anticipate that construction investment will eventually return to pre-COVID-19 levels. By then, we will pursue the development of management systems and business bases and strengthen the overseas business to achieve further growth.

Nominal GDP and Population in the Republic of the Philippines

Nominal GDP (US\$ billion) — Population (Million persons)



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

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)

- 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 (rental assets) 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

Financial Policy

Operating income margin
8% or more

EBITDA*
¥10.0 billion
*Operating income + Depreciation

ROA
6% or more

ROE
12% or more

Equity ratio
35% or more

Shareholder Return Policy

- ▶ Enhancement of corporate value through business growth
- ▶ Pay dividends in accordance with earnings while maintaining the current level of dividends

Message from the Chief Financial Officer



Hideki Yasuda

Director and Managing Executive Officer
Division General Manager of Corporate Strategy Division

Accelerating investment in transformation to revamp our earnings structure

Under the 2021 Medium-Term Management Plan we will be propagating the determination to recoup past investments in the form of profits among the work force, and by bringing the targets we have declared to fruition, we will materialize the vision expressed in the Medium-term Management Plan.

Review of Results for the Fiscal Year Ended March 31, 2021

In the fiscal year ended March 31, 2021, net sales were ¥38.8 billion (down 15.7% year on year), and profit attributable to owners of parent was ¥0.86 billion (down 63.8% year on year). Due to the spread of COVID-19, our sales and marketing activities stalled at the beginning of the fiscal year as personnel started working from home, and as a result, we were unable to win enough orders to cover the absence of the large-scale projects for the extension of the Hokuriku Shinkansen (bullet train), which were recorded in the fiscal year ended March 31, 2020. In the Rental Business, large-scale repair and maintenance work of condominiums, in particular, were frequently halted or postponed, and the fiscal year came to a close without seeing a peak in the third quarter onward, normally our busiest period. As for the Sales Business, with concerns about the future outlook, many customers held off from making purchase decisions from the beginning of the fiscal year. In the Overseas Business, business activities were limited in the Philippines, where we have a sales subsidiary, due to a lockdown. We strived to make it a fiscal year that outperforms the fiscal year ended March 31, 2020, when we recorded historical highs, and gain even more momentum, but unfortunately the spread of COVID-19 hindered those plans.

Review of the 2018 Medium-Term Management Plan

The fiscal year ended March 31, 2021 was the final year of our 2018 Medium-Term Management Plan. Under previous Medium-term Management Plans, we invested a great amount of money in rental assets in order to promote a large-scale switchover to next-generation scaffolding, and we positioned the 2018 Medium-Term Management Plan as the phase to recoup that investment. Our aim was on target, and in the fiscal year ended March 31, 2020 we achieved our highest earnings ever. As for our financial policy, we hit our targets for all our key performance indicators (KPIs), namely equity ratio, ROE, and ROA, a year earlier than planned.

Although the fiscal year ended March 31, 2021 saw lower revenues and profits, which meant that we failed to hit the KPI targets in the final fiscal year of the plan, I feel that in terms of investment, we made solid preparations for executing the 2021 Medium-Term Management Plan. For example, we purchased land in Amagasaki City, Hyogo Prefecture for the *Takamiya Lab. West*. One factor did not turn out as planned: in the Overseas Business, there was a delay in investment to boost rental assets in the Philippines. We intend to resume investment while closely monitoring the situation.

Investment Policy in the 2021 Medium-Term Management Plan

In our new 2021 Medium-Term Management Plan, we expect economic recovery in the first fiscal year of the plan, i.e. the fiscal year ending March 31, 2022, to be moderate in the wake of the resurgence of the COVID-19 pandemic. However, for the final fiscal year of the plan, namely the fiscal year ending March 31, 2024, we are targeting operating income of ¥5.0 billion, as investments aimed at establishing the stock-type (commission-based) business model will start bearing fruit by then. This means that we are eyeing operating income that is 35% higher than that for the fiscal year ended March 31, 2020, when we achieved our highest earnings ever.

The current Medium-term Management Plan states our management vision “create new value through transformation and aim for sustainable growth by becoming a partner to our customers.” To that end, we will aggressively invest in the development of services that blend hardware (the tangible) and software (the intangible), with the main focus being the Iq System next-generation scaffolding.

Of the total investment amount of ¥23.2 billion stated in the current Medium-term Management Plan, a little under half (¥11.0 billion) is investment in rental assets. Investment in *Takamiya Lab. West* and in factories accounts for just under ¥7.0 billion. We have earmarked the remaining amount for IT systems investment. Among these investment targets, at *Takamiya Lab. West*, which drives the current Medium-term Management Plan, the first phase of construction is set to be completed during 2021, with operations ready to commence at the beginning of 2022. During the second phase of construction, we will be investing in automation and IT systems for the administrative and logistics functions. Through this investment, we will substantially shorten inbound and outbound turnaround at warehouses. It will also fund a virtual exhibition and training facility, where customers will be able to experience our services and learn how to use them safely, which will help speed up our establishment of the stock-type business model. We will also invest in factory automation (FA) to enhance the Iq System production capacity.

To boost productivity, it is essential to improve our office environment. Although remote working gained traction during the COVID-19 pandemic, we also value the importance of teamwork. In addition to putting in place a structure for remote working, we are also emphasizing the role that offices play as locations for taking a breather or recharging one's batteries, as we believe that such relaxation can bring about enhanced productivity. So we have made the Nagoya Branch, which will be relocated during this fiscal year, a model office for experimenting Takamiya's workstyle reforms. If the reforms prove to be effective, we plan to roll them out to the Osaka and Tokyo offices later.

Getting the Frontlines on Board with ROI-Oriented Management

Our financial policy requires an equity ratio of at least 35%, an ROE of at least 12%, and an ROA of at least 6%. In particular, the equity ratio target has been revised upward from that in the previous Medium-term Management Plan of at least 30%. So we are now setting our sights even higher than that. We also emphasize ROA as an indicator of how efficiently we have been deploying our corporate resources. With the completion of *Takamiya Lab. West*, we will further increase the marginal utilization rate for rental assets to achieve this.

For the current Medium-term Management Plan, we have set target of ¥5.0 billion in operating income in the final fiscal year. Our stance is to always set lofty goals and then make investments to achieve them, and I believe investors have shown a high evaluation of this approach. In particular, by establishing the stock-type business model, which is one of the objectives of the current Medium-term Management Plan, we will bring about a major transformation of Takamiya's earnings structure. To steadily harvest and recoup past investments and translate them into higher earnings, I believe it is vital to inculcate within the Company the ideas return on investment (ROI) and return on invested capital (ROIC). We will thereby shift to a management style that is conscious of how much profit is being generated from investments made by each business division.

Further Raising Corporate Value through Transformation

We intend to return value to our shareholders by maintaining stable dividends while increasing our corporate value through proactive investment and ensuring that the market's assessment of us is reflected in our stock price. To that end, we will be engaging in communication with shareholders and other investors so that they can feel our growth potential first hand. We appreciate your understanding of Takamiya's approach and hope you will support us over the medium to long term.

We are positioning the period of the current Medium-term Management Plan as a critical three-year period in which the Company will shift from its conventional business model and show how we build our stock-type business model. I believe that steadily performing what has to be done during these three years and achieving our targets will enable us to demonstrate massive growth in the three years that follows. We appreciate your support and expectation in our transformation to create new value.

Source of Sustainability

Environment

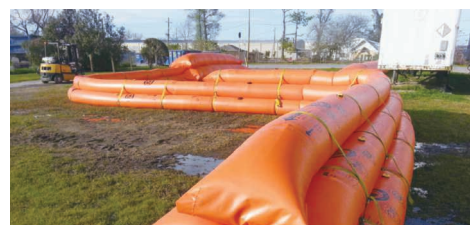
Basic Approach

When we founded the business, the majority of scaffolding used at construction sites in Japan was made of wood. The idea of rental business came up from our thoughts on how we can save on wooden scaffolding which would be disposed after several times of use. We started our rental business triggered by the import of steel scaffolding from abroad. The Group's underlying ideal is to use limited resources effectively and help realize a sustainable society.

Contribution to the Environment through Business

POGERO: A solar carport to create a sustainable future

As members of the community that aims for a decarbonated society, corporations are expanding the introduction of renewable energy. Some corporations have started to introduce solar power systems on their premises and on the roofs of their buildings, in order to utilize electricity for self-consumption. On the other hand, the size of the site premises and the structure of existing buildings sometimes make it difficult to install solar power systems. POGERO, our solar carport is a solar power system which enables the effective use of parking spaces on premises. With the adoption of hot-dip zinc-coated steel sheets and design with a durable structure to withstand a windspeed of 38 m/s and snow accumulation of 99 cm, POGERO supports introduction plans of renewable energy by corporations toward the realization of a low-carbon society and the implementation of BCP.



Tiger Dam: Minimizing damage caused by typhoons and torrential rains

In recent years, Japan has experienced substantial damage from frequent landslides and floods, particularly those caused by linear rainbands, in addition to heavy rains and typhoons. In case of linear rainbands that start off with an intense downpour right from the beginning, it is especially difficult to take measures against flooding with conventional sand bags. Featuring the simple structure of filling a tube with water, Tiger Dam, our dam system with easily fillable water bags to replace conventional sand bags, enables a small number of people to erect a portable dam 45 cm high and 15 m long in a short time. With length and height flexibly adjusted by connecting and piling up products, it can protect vast areas from flooding. Removal is also easy, involving draining water from each unit and folding. The product is reusable, making it environmentally friendly.

Environment-Friendly Business Activities

Reducing waste and gradual use of renewable energy

Gunma Factory, our mother factory, attempts to recycle and reduce left-over materials and grinding sludge generated in the production process and waste generated in factory operation. The factory is tackling the utilization of renewable energy step by step and striving to reduce CO₂ emissions by adopting a solar power system for self-consumption.



Utilizing solar power systems for electricity storage and electric forklifts

While it is difficult to make all of our forklifts powered by electricity because we have to lift heavy loads frequently, we have made efforts to reduce CO₂ emissions by introducing electric forklifts that do not rely on fossil fuels for transportation in the factory and for the transportation of equipment. In the future, we will work on the utilization of stored electricity by solar power generation for electric forklifts.



Product Safety

Basic Approach

Quality First is a fundamental idea at manufacturing sites. Our main product, scaffolding for construction, supports important works that are foundations of social life, such as buildings and apartments, construction of transportation infrastructure, and maintenance and repair. We strive to improve quality every day, with the notion that maintaining our product quality contributes to safe construction, which in turn leads to supporting the foundations of social life.

Initiatives for the Improvement of Safety

Our own quality control standard

A certain quality control standard formulated by the industry applies to temporary equipment provided in the Rental Business.

In addition to following the quality control standard of the industry, we adopt and operate our own quality control standard that is a level higher than the industry standard. We strive to manage the quality of our rental assets aiming to prevent problems related to products before they happen, with the help of regular performance tests by a third-party organization. Thus, we always strive to provide safe and reliable equipment to customers.



Thoroughly implement safe installation

We consider onsite safety as an important element of quality just like product quality. At scaffolding installation sites we manage, we set our safety control indicators, and provide high-quality installation, aiming for zero accidents based on thorough safety control.

Trust of Customers

Basic Approach

Staying worthy of the trust of customers is the most important theme of the Company. Customer needs are becoming sophisticated day by day in such aspects as safety, efficiency, and response to digital transformation (DX) in construction. In order to satisfy the needs, we provide services using the five arrows: development and manufacturing; sales; rental; design and installation; and management and logistics. We aim to become the company of choice by brushing up the five arrows and responding to the trust of customers.

Initiatives to Earn the Trust of Customers

Develop products with customers

We receive inquiries on products and services everyday. Feedback received through the Sales and Marketing Division are shared with related departments in the Company, and reflected in the process of brushing up our products and services. Some customers bring us requests and consultation related to the development and improvement of products. In order to materialize customer requests, the Sales and Marketing Division implements interviews in detail including the background of requesting development, key attributes required for the products, and preferred prices, and shares them with the Product Development Division to reflect in product design. We pursue the commercialization of products through repeated dialogue with customers attended by the Product Development Division. Fully engaging the five arrows, we also make proposals to customers in the process, such as easy-to-stow or easy-to-handle features, packing style in transportation, mass production for supply as rental products.

Source of Sustainability

Human Resources

Basic Approach to Human Resources

Based on our Mission Statement of “Love,” we conduct people-centered management under a Management Philosophy that views human resources as the essence of corporate strength. We recognize human resources as an exceedingly important asset and a source of realizing the sustainable improvement of corporate value. Keeping individual employees highly motivated and challenging higher goals ambitiously will enable a corporation to grow sustainably. We believe that the basis for achieving sustainable growth is for a corporation to provide opportunities for the development of skills and careers of individual employees and support them in achieving self-actualization so they can deliver their full potential, as well as develop a fair and convincing personnel system and pay.

Initiatives for Promoting Diversity

Hiring and deploying diverse resources will broaden choices for management, and drive growth and innovation. We believe that respecting diversity, accepting diverse perspectives and personalities, and flexible thinking thus enabled will be the path to the sustainable improvement of corporate value.

Achieving Diverse Workstyles

We have been promoting working at home for the child-rearing generation and the technology integration team. We have also been encouraging employees, particularly those in sales positions, to return directly home after work, and have experimented with flexible working hours. However, due to the current impact of the COVID-19 pandemic, we are now implementing these measures for all employees as a form of emergency response. Although we have been able to continue business relatively smoothly due to our established IT environment, we have identified some issues needing attention in terms of our business continuity plan (BCP). Going forward, we will further promote digital transformation (DX) and business process innovation. We will also introduce communication tools and platforms through which we can share our vision and measure results, regardless of where employees work.

We changed our personnel system in 2017, introducing a Career Path Selection/Job Change System to allow employees to determine their own career paths and promote personal growth. Career path changes are carried out once every two years, and more employees are applying each year.

As for the way employees are evaluated, we are shifting to a system that emphasizes results such as improving efficiency or productivity rather than focusing on hours worked or how earnestly tasks are executed. The current situation where workstyle reform is progressing rapidly presents the optimum opportunity to defy conventional thinking. Through trial and error, the Company will promote workstyle reform that enables employees to choose workstyles and produce the best results.

Topics

Office Reform

Working from home has rapidly become familiar in our society since the spread of the COVID-19 pandemic. We had introduced working from home for employees with difficulty in commuting to offices due to child care or nursing care. Triggered by the COVID-19 pandemic, we have reviewed our business processes including the introduction of paperless operations, the development of workflows, and the revision of operation flows, and succeeded to promote working from home also for those with no such specific necessity.

However, while working at home is free from burdens related to commuting and allows one to work flexibly, we have identified increased occasions for employees to feel stressed, such as insufficient consultation and communication on work, difficulty in switching between work and private life, and lack of change in the scenery because one stays at home for a significantly longer period of time.

Taking this opportunity, we have reviewed the value of offices and positioned them as places to rest and heal from a reversed perspective. We believe that proactively solving insufficient communication or stress will lead to health and productivity management, creation of new ideas, and in turn, improve productivity.

With the concept of creating offices where our employees want to go, we will renew our business sites one by one from April 2021, aiming to create spaces designed for communication, such as bar counters for eating and drinking, space for recreation including yoga and games, space for online communication to connect with employees across the country anytime, and open laboratory space for flexible interaction with business partners.



Our current Head Office

Initiatives for Improving Employee Engagement

In order to achieve corporate goals and implement management strategies, it is ideal that a corporation shares management vision with employees, based on which employees voluntarily act toward the goals while identifying and solving issues. On the other hand, if employees only deal with immediate tasks, it is difficult for them to sustain their motivation in the long run. Instead of a mere give-and-take relationship, we aim to establish a high-level relationship (engagement) where both management and employees can understand each other and benefit from in a win-win situation. We are laying the groundwork for individual employees to formulate tasks to tackle and independently work toward the accomplishment of the tasks.

Capability Development and Development of Autonomous Employees

Development of autonomous employees requires an improved environment. We are working on such matters as providing information to facilitate logical thinking, creating a corporate culture that encourages taking on challenges, establishing an appraisal system with tangible results, developing measures to assist in creating ideas, and creating a mechanism to assist in self-improvement. Recently, we introduced a system to enable autonomous career development and workstyle selection by providing a certain allowance (incentive) for those employees who transferred to a new workplace of their choice and gained new skills. We believe that these initiatives, coupled with the individual values of employees, will generate diverse ideas and lead to a respect for diversity that we promote.

One-on-One Meeting

We have introduced a one-on-one meeting system starting from the fiscal year ending March 31, 2022. By providing regular meetings between supervisors and subordinates, we aim to support the setting and achieving of individual objectives, manage productivity through regular monitoring of progress, and increase the involvement of managers in workplace management and human resource development. We are developing a fair and convincing personnel system and pay by providing occasions to think about and discuss careers in the future, setting objectives and monitoring progress, providing support for achieving objectives, and giving feedback on evaluation results. Discussions may also include any other topic of choice, issues and concerns, as well as career aspirations.

Visualization of Management Information

We are promoting disclosure of information such as materials for timely disclosure, in order for employees to know what we are doing in order to realize our management vision which we disclose to society. In order for employees to gain live corporate information, we will disclose how our strategies are carried out and the progress of projects to solve management issues. Sharing the process of realizing our management vision helps convey the management approach, brings out questions and opinions, triggering employees to consider it as their own affair. This will help raise personnel who voluntarily participates in management.

Participation in In-house Projects

In addition to regular position-based training, the Group organizes the Project Leader Conference to promote management thinking and a forward-looking approach among a cross-departmental selection of mid-level and young employees who will be the leaders of the next era. A number of projects are ongoing with selected members taking up internal management issues. Members learn management thinking through direct dialogue with the President while engaging fellow employees from other departments in the project. These projects have proven to be extremely beneficial as opportunities for human resource development and are increasing the motivation of participants.

Development of Global Personnel

Human resource development is key for expanding the Overseas Business. To communicate with local businesses, in addition to linguistic abilities, a great amount of expertise is necessary ranging from an understanding of the business to overall management. Furthermore, as M&As and alliances with major overseas enterprises are integral to accelerating overseas business development, it is essential to ensure management skills in communicating with local staff and refining the administration system post-acquisition. To that end, we strive to improve the practical skills of employees through on-the-job training from the beginning of their careers. We also provide plenty of occasions for employees to obtain various skills and take on challenges independently without fear of failure.

Incentive System for Employee Stock Ownership Plan

Since April 2021, we have raised the incentive amount for stock purchase through the employee stock ownership plan from 5% to 10%. We support the asset formation of employees through the employee stock ownership plan, and at the same time, we aim to enhance the engagement of employees through holding Company stock.

We believe it is vital that employees and a corporation are aligned in the same direction for the sake of respecting individual values and improving corporate value. We are promoting initiatives so that the accomplishment of the Company translates into the happiness of employees.

Sales Business

The construction market is experiencing increasing demand for repair and maintenance work. In addition to our efforts to establish the Iq System as the de facto standard for next generation scaffolding, we will strengthen sales of SPIDER PANEL, a panel-type hanging scaffolding, and V-MAX, a hanging scaffolding system, as our next mainstay products for the renovation of expressways and viaducts. At the same time, we will focus on proposal-based sales in anticipation of the expanded demand for YT Lock System as a falsework system.

Hidehiko Yamashita
Executive Officer
General Manager of Sales Department
Sales and Marketing Division



What We Do

We leverage our metalworking technologies and expertise in scaffolding to carry out a wide range of businesses that develop, manufacture and sell proprietary products including light-duty temporary equipment such as Iq System next- generation scaffolding, clamps, agricultural greenhouses, and damping devices. One of Takamiya's strengths is the ability to materialize what is needed at worksites by developing and manufacturing products.

- Boasts the largest number of customers in the industry as the leader in next-generation scaffolding
- Rental business platform
- One-stop operation from development and manufacture to design and installation
- Ability to apply metalworking techniques in other fields
- Low cost manufacturing at overseas production bases
- Ability to create new businesses
- Improved transportation efficiency through warehouse stock located nationwide

S
Strengths

- Need for productivity improvements
- High-mix, low-volume production
- Management resources scattered due to wide variety of product categories
- Weak linkage between domestic and overseas production bases
- Shortage of new/hit products

W
Weaknesses

- Increasing demand for safety and efficiency at construction sites due to shortage of construction workers
- Frequent occurrence of natural disasters
- Shortage of agricultural workers due to the aging population and other factors
- Increase in public works for economic revitalization
- Restructuring of supply chains

O
Opportunities

- Severe economic outlook
- Declining private capital investment sentiment due to COVID-19 pandemic
- Aggressive price competition from rival companies
- Difficulty in securing production line workers

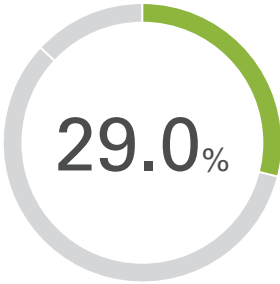
T
Threats

Results for the Fiscal Year Ended March 31, 2021

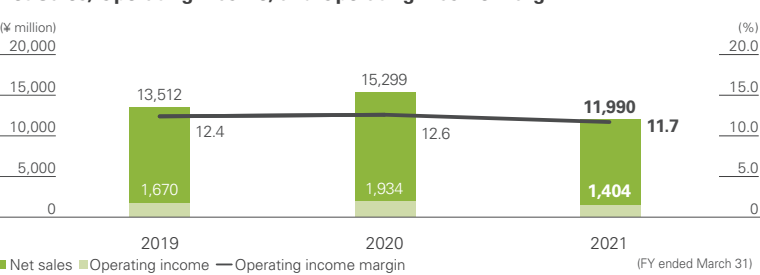
Net sales were down 21.6% year on year at ¥11,990 million, and operating income was down 27.4% year on year at ¥1,404 million, reflecting the impact of restrained purchasing due to COVID-19 in the first half of the fiscal year.

Even under such an environment, the cumulative number of new Iq System users exceeded 400 companies. We will continue to develop peripheral components and equipment to establish the Iq System as the de facto standard and sell the aluminum alloy board A-walk to break the mold of the industry, while taking care to fully absorb the robust demand for hanging scaffolding in the maintenance and repair market.

Percentage of Net Sales



Net Sales, Operating Income, and Operating Income Margin



Business Strategies in the Medium-Term Management Plan

Fully leveraging our competitive edge in the development and manufacturing fields, we aim to achieve sales target of ¥20.0 billion (of which, ¥10.0 billion from sales of the Iq System) by establishing the Iq Sharing business, formulating a product strategy in line with customer needs and expanding our sales and marketing network.

Establishment of the sharing business

We propose the effective use of temporary equipment through the Iq Sharing System, which enables customers to reduce their equipment management costs, labor costs, and other expenses.

We will establish a system to ship our equipment from our equipment centers throughout Japan, which are facilities certified by the Scaffolding and Construction Equipment Association of Japan, as well as maintenance services for the Iq System and other aluminum-made products through thorough quality control, thereby maintaining high asset value.

Expansion of warehouse stock

We plan to expand our inventory of products for sale by utilizing *Takamiya Lab. West* to be opened in Amagasaki City, Hyogo Prefecture. In addition, we will expand our warehouse stock in the Kanto coastal area, Tohoku, Kyushu, and Hokkaido, and establish a direct delivery system from overseas factories in Vietnam and South Korea to the warehouses in Japan, aiming to improve transportation efficiency.

Making palletizing the norm in the industry by developing various pallets

We will develop various types of pallets for our products, build an inventory management model using those pallets at our equipment centers, and standardize pallet transportation for transporting temporary equipment. We will also conduct proposal-based sales of these pallets to peer companies.

Establishment of platform business

By fully leveraging our temporary equipment infrastructure, we provide consulting services on temporary equipment to identify customer needs.

Topics

Hanyu Aisai Project: Conducting Cultivation Demonstrations in Agricultural Greenhouses

We have launched the Hanyu Aisai Project in Hanyu City, Saitama Prefecture. In the first phase of the project, we built an agricultural house, G-Castle Neo48, a new product, as our demo cultivation facility to test how it improves the yield and quality of crops.

The Hanyu Aisai Project incorporates IT and IoT technologies to demonstrate cultivation methods that improve the yield of crops and cultivation systems that help grow high-quality crops. We will also work on the development of highly functional cultivation facilities for farm producers, which enables labor-saving in farm work, kaizen activities, and the introduction of labor management systems. Data on the environment inside the greenhouse is obtained using sensors to be accumulated and visualized. By controlling various facilities using the data obtained, we aim to achieve agriculture that does not need to rely on years of knowledge.



Rental Business

In the construction scaffolding market, amid the widespread popularization of next-generation scaffolding, the Company's Iq System maintains its top share. As an increasing number of peer companies adopt the Iq System as next-generation scaffolding, we will propose to them the panel-type hanging scaffolding SPIDER PANEL with superior safety features to build on our track record.

Seeing a synergistic effect in proposal-based sales that leverage our strengths in development, manufacturing, sales, rental, and construction, we will further capitalize on our competitive edge in the industry.



Tsutomu Abe
Director and Executive Officer
Division General Manager of Sales & Marketing 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 falseworks in times of disaster. Our in-house functions for contract scaffolding installation work and scaffold plan drafting are strengths that enable us to provide comprehensive customer-oriented services.

- Iq System
- Scaffolding Construction Department and network of partner contractors
- Product lineup and technological capabilities applicable in any field, including buildings, civil engineering and plants
- Early completion of investment in renewal of assets for rent
- Equipment centers near urban areas
- Joint development of construction methods and products with construction companies
- Creditworthiness as a listed company
- Coordination among Group companies
- Credibility to customers

S
Strengths

- Low share in the Kanto region, Japan's largest market
- Electronic order platform not yet in place
- Understanding the operating status and inventory status of rental assets that involve a time lag
- Most equipment centers are located in suburban areas
- Many servicing procedures rely on manual labor
- Long standby times for drivers when shipping equipment

W
Weaknesses

- Increasing demand for safety and workability at construction sites due to shortage of construction workers
- Increase in large-scale projects near urban areas
- Urgent need to redevelop aging infrastructure
- Construction to increase the number of lanes for expressways
- Rising logistics costs and shortage of drivers
- Paradigm shift in the industry due to the spread of ICT
- Increase in demand for capital investment post-COVID-19
- Supply of equipment to respond to natural disasters

O
Opportunities

- Severe economic outlook
- Declining private capital investment sentiment due to COVID-19 pandemic
- Postponement of projects relating to Expo 2025 (Osaka/Kansai)
- Price competition among rival companies amid reduced demand
- Difficulty in securing equipment servicing staff
- Pressure on profits from rising steel prices

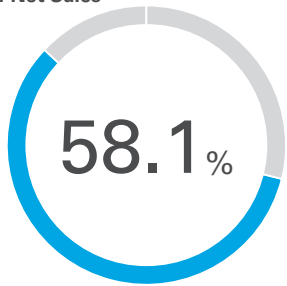
T
Threats

Results for the Fiscal Year Ended March 31, 2021

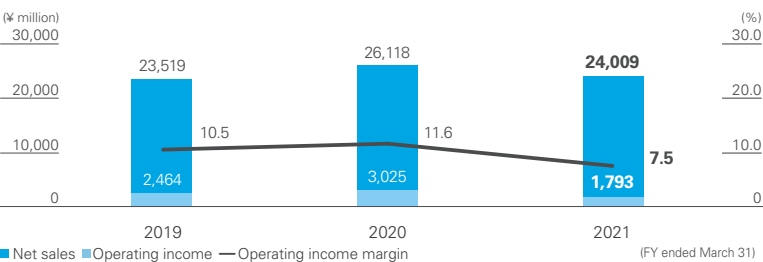
Net sales were down 8.1% year on year at ¥24,009 million, and operating income was down 40.7% year on year at ¥1,793 million.

In the fiscal year ended March 31, 2021, while public works projects remained strong, some private projects experienced decreases in shipments of temporary equipment at the construction sites due to interruptions and delays in construction as well as postponement of construction starts caused by the spread of COVID-19. On the earnings front, the operating income margin declined due to an increase in equipment maintenance fees as a result of the return of temporary equipment following the completion of the Hokuriku Shinkansen extension work, and an increase in costs for transporting temporary equipment following the relocation of equipment centers.

Percentage of Net Sales



Net Sales, Operating Income, and Operating Income Margin



Business Strategies in the Medium-Term Management Plan

We will implement the following measures in the Medium-Term Management Plan in order to respond to changes in demand for construction work, supply temporary equipment in a safe and efficient manner, and make the most of the Company's competitive edge.

Establishment and expansion of sharing centers

To make the Iq System the de facto standard for next-generation scaffolding, we will establish a temporary equipment sharing business. We will create a new business model for streamlining the use of temporary equipment by establishing a sharing center in Amagasaki City, Hyogo Prefecture. We are also planning to establish one in the Tokyo metropolitan area in the near future.

Introduction of web-based ordering system

We will launch a web-based rental order system. The system processes information in real time from order receipt to shipment, leading to labor saving and operational efficiency, thereby responding quickly to customer needs.

Response to Linear Shinkansen-related work

In preparation for the full-scale Linear Shinkansen-related work, we opened an equipment center near the railroad line to be constructed in Iida City, Nagano Prefecture. We will support the overall construction work by making the most of our know-how, through the timely supply of temporary equipment according to the progress of the construction plan, as well as technical support and labor.

Expansion of works and construction systems

To meet the increasing demand for maintenance and repair works, we will focus on securing and training construction managers. We will also secure partner contractors and workers to ensure a safer construction management system.

3D design and digital construction management by introducing building/construction information modeling (BIM/CIM)

We will build an efficient and high-quality building production and management system by sharing information at each stage of planning, research, design, construction, and management in the building production system using the latest ICT.

Digital transformation (DX) for managing sales organizations

Customer relationship management (CRM) and salesforce automation (SFA) will be introduced to improve operational efficiency and labor productivity. We aim to improve earnings and reform the way sales employees work by visualizing their know-how and quantifying customer information.

Topics

Initiatives to Improve Safety and Workability of Hanging Scaffolding Systems

In order to respond to the expected increase in demand for repair works on transportation infrastructure such as highway viaducts and bridges, we are focusing on expanding the adoption of the hanging scaffolding system V-MAX and the panel-type hanging scaffolding SPIDER PANEL. The Hanging Scaffolding System Association, which was established last fiscal year, is making daily efforts to improve the products and installation methods for hanging scaffolding, as well as to improve the safety, health, and rationalization of construction work and the construction environment. With major general contractors, we will jointly develop additional components to improve safety and workability, and build a system that can provide support both in tangible and intangible aspects.



Overseas Business

In the fiscal year ending March 31, 2022, the outlook remains uncertain due to the impact of the COVID-19 pandemic. In particular, the Philippines continues to face a difficult situation as a countrywide lockdown has been in place for more than a year, but we are working to establish a foundation that will contribute to the Group's earnings once COVID-19 is contained.

We also intend to actively build a network in Asia to develop products tailored to the local market.

Ryuji Arai

Senior Executive Officer
Division General Manager of Overseas Business Division and
Division General Manager of Global Procurement Division



What We Do

The Overseas Business primarily operates in three countries in the ASEAN region: the Philippines, Vietnam and South Korea. We will continue to strengthen our earnings base as a pillar for sustained growth through the organic coordination of our production base in Vietnam, our rental sales base in the Philippines, and our operations in South Korea, which provide both manufacturing and sales functions.

- Adoption and deployment of domestic expertise and business models
- Linkage among overseas Group companies
- Recognition of the Company in South Korea and the Philippines
- Track record of transactions with major local construction companies
- Employment of local staff
- Improved production capacity through factory expansion
- Network in ASEAN

S
Strengths

- Business management system issues
- Local management
- Different perceptions of governance due to differences in habits and customs
- Marketing to attract new customers

W
Weaknesses

- ASEAN's economic development, period of population growth
- Active investment in infrastructure development in ASEAN
- Demand for plants and solar energy to cope with energy shortages and decarbonization
- Increased safety awareness at construction sites in South Korea
- Diverse and talented human resources

O
Opportunities

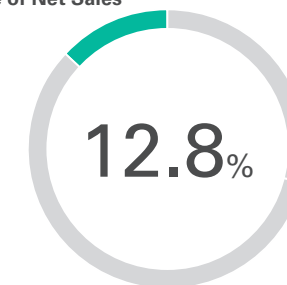
T
Threats

- The impact of the COVID-19 pandemic
- Uncertain outlook for recovery of economic activity even after phased removal of lockdowns
- Prolonged travel restrictions
- Local laws (related to taxation and accounting)
- Public security, political climate
- Political relations

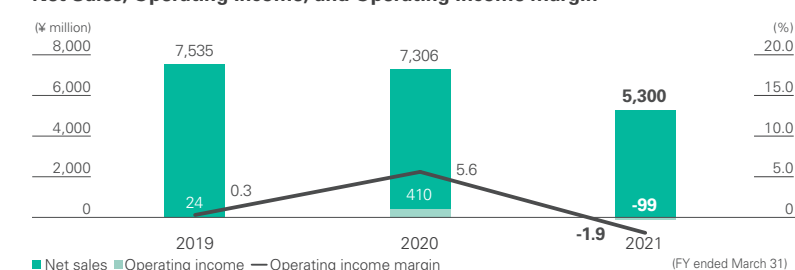
Results for the Fiscal Year Ended March 31, 2021

In the Overseas Business, net sales were ¥5,300 million, down 27.0% year on year, and an operating loss of ¥99 million was recorded. Hory Korea Co., Ltd. is making progress in improving its financial position in line with improved profitability in its rental business. We believe that we will be able to bring the company back on the growth stage during this Medium-Term Management Plan period by making further improvements on the financial front. In the Philippines, its economic activity has been hampered by the COVID-19 lockdown that has continued for more than a year. The situation continues to be severe with many construction sites having suspended their operations. In the past year, we have worked to strengthen our financial position so that it will lead to an improvement in earnings after COVID-19 is contained.

Percentage of Net Sales



Net Sales, Operating Income, and Operating Income Margin



Business Strategies in the Medium-Term Management Plan

Three-year policy

First, we will secure our foothold. Specifically, we will create a system to collect correct management information, strengthen our financial base, and build an alliance network in the Asian region. Based on the network, we intend to actively develop and manufacture products for the Asian market.

Securing our foothold

Hory Korea From securing a foothold to entering the growth stage—Hory Korea has been reforming its corporate structure over the past two years. Through educating and raising awareness of employees on the basic concepts of what is a company, what is corporate management, and what is cash flow management, we expect to see improvements in our profitability and financial position, achieving a financial position with substantially enhanced soundness in the current fiscal year. Over the next three years, we plan to establish businesses that will drive new growth, bringing the company into the growth stage.

DAI The Philippines has been in a lockdown for more than a year due to the COVID-19 crisis, leaving its economic activity stagnant. However, as seen in other countries, all the investments that are currently suspended may resume at once after COVID-19 is contained. In order to enhance its comprehensive capabilities as a company by then, DAI has been visualizing management as much as possible, identifying problems, considering improvement measures, and implementing them through cooperation between the local team and Japan HQ. With its growing market share and presence in the Philippines, we expect it to become a company that achieves a high ROI after the COVID-19 pandemic ends.

Network building and product development in Asia

Over the next three years, we will build a full-fledged network of alliance partners in areas other than those where we operate.

We also plan to aggressively develop and sell products in Asia with our alliance partners who have strong relationships with customers in the region.

Topics

Increasing Our Presence in South Korea

Currently, there is a growing international movement to achieve carbon neutrality by 2050.

Hory Korea has been engaged in the solar panel installation business in South Korea since 2014, and has completed the installation of solar panels at 54 locations in the country with a total power generation capacity of 174.1 MW. In particular, the 65 MW solar panel project ordered by Hyundai Engineering & Construction and Hyundai Heavy Industries (HHI) Green Energy, developed on the former site of Hyundai Livestock Farm in Seosan City, South Korea, was the first large-scale solar panel power plant in South Korea. Developing and installing a mounting system that can be kept horizontal on soft ground in this project has greatly improved the Company's profile in the industry. Renewable energy facilities are being installed on the slopes of dams and on the premises of thermal power stations, which used to serve as power plants. It is expected that corporate initiatives will accelerate toward carbon neutrality with an aim to reduce CO₂ emissions. We will continue our efforts to increase orders to support the international community in that regard.



Project name: Seosan Solar Capacity: 65,000 kW
Ordered by: Hyundai Engineering & Construction, Hyundai Heavy Industries (HHI) Green Energy



Project name: Yecheon Pumped Storage Power Plant (dam) and Solar Power Plant Capacity: 2,000 kW
Ordered by: Kyungwon, Taihan Techren



Project name: Yongdong Thermal Power Plant and Solar Power Plant Capacity: 1,064 kW
Order by: Taihan Techren

Corporate Governance

Basic Approach

Takamiya Group believes that the basic foundation for sound corporate governance involves thoroughly enforcing compliance, ensuring the transparency and efficiency of management, and working to maximize corporate value for all stakeholders, including shareholders. We will contribute to the development of users and the industry as a whole through the stable supply of safe, high value-added products, build an industry that is clearly recognized for its excellence by the general public and investors, and aim for sustainable development in a highly transparent business environment.

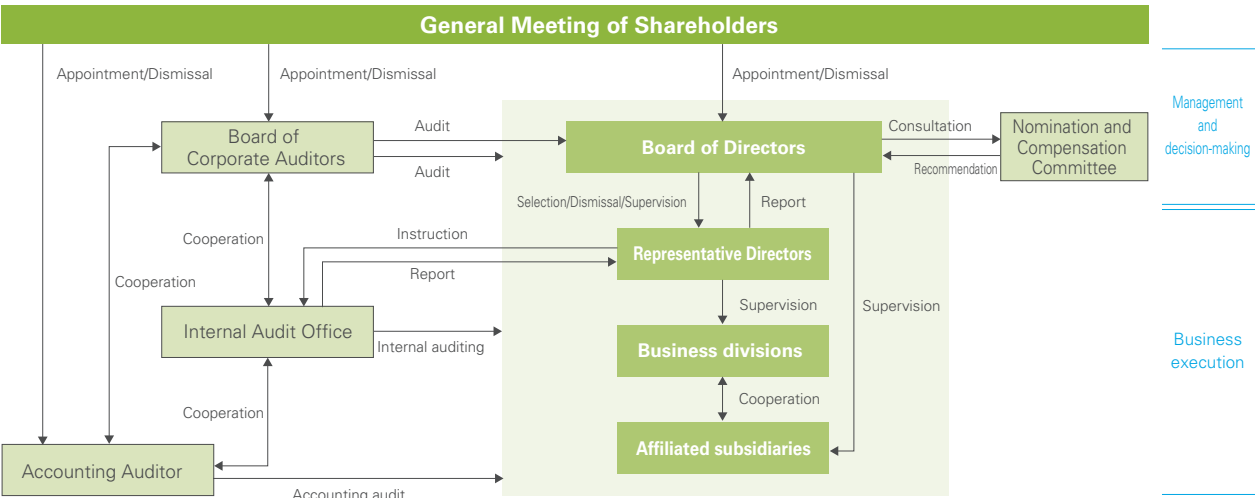
Takamiya’s Corporate Governance System

The Company adopts a company with a Board of Corporate Auditors system, consisting of the Board of Directors, which includes Outside Directors, and the Board of Corporate Auditors, which includes Outside Auditors. The Board of Directors provides strategic guidance and management supervision, and the Board of Corporate Auditors audit Directors’ execution of duties by attending and giving their opinions at various important meetings, such as those of the Board of Directors. The Board of Directors makes decisions on important managerial matters and supervises the execution of duties by Directors. Having Outside Directors enables the inclusion of diverse points of view in important decision-making as well as effective supervision of the Company’s management from their objective standpoint.

The Company has also introduced an Executive Officer system under which Executive Officers are appointed separately from Directors, who are elected in accordance with Japan’s Companies Act. The Company believes that this will enable business operations determined by the Board of Directors to be executed in a prompt and efficient manner.

The Company’s Board of Directors consists of eight Directors of outstanding character, possessing insight, capabilities, abundant experience and high ethical standards. Factors such as expertise in management, sales and marketing, technology, overseas business, finance and accounting, and law, as well as diverse backgrounds and experience, were taken into consideration when selecting members of the Board of Directors. We recognize that securing human resources with an emphasis on diversity, such as appointing female directors, are our ongoing tasks.

Corporate Governance System (As of March 31, 2021)



Board of Directors

Number of members: 8 [of which, Outside Directors: 2]

Number of meetings

Ordinary: 16 Extraordinary: 5

Attendance rate

Directors 99% Corporate Auditors 94%

The Board of Directors is comprised of Representative Director, President and Chairman Kazumasa Takamiya, five inside Directors and two Outside Directors, for a total of eight members, with terms of office of one year in order to ensure flexible, responsive corporate management. In addition to the monthly regular meeting of the Board of Directors, extraordinary meetings are held when necessary. In addition to making decisions on matters specified by laws and regulations and important matters involving management, the Board of Directors constantly monitors the execution of management duties.

Board of Corporate Auditors

*Independent Corporate Auditors

Number of members: 3 [of which, Outside Corporate Auditors: 2]

Number of meetings

Ordinary: 10 Extraordinary: 1

Attendance rate

Corporate Auditors 97%

The Board of Corporate Auditors is comprised of one full-time Corporate Auditor and two part-time Corporate Auditors for a total of three members, and meets once a month, in principle. In accordance with the policies determined by the Board of Corporate Auditors, the Corporate Auditors audit the Directors’ execution of business by attending various important meetings such as those of the Board of Directors, inspecting important documents and investigating business affairs and asset conditions.

Nomination and Compensation Committee

In order to strengthen the independence, objectivity and accountability of the functions of the Board of Directors, the Company established a Nomination and Compensation Committee on April 21, 2021 as an advisory body to the Board of Directors, which makes recommendations on matters related to the nomination and compensation of the Company’s senior management and Directors. The Committee consists of six members: two Outside Directors, two Outside Corporate Auditors, and two inside Directors, and is chaired by an Outside Director. Outside Directors and Outside Corporate Auditors provide unreserved opinions, advice, and comments from an independent and objective perspective regarding matters not limited to the nomination and remuneration of the Company’s senior management and Directors. As such, we believe the transparency and objectivity of the Company’s Board of Directors are ensured.

Status of Directors and Corporate Auditors (As of June 24, 2021. Figures on the meeting attendance and attendance rate are for the fiscal year ended March 31, 2021)

Structure of the Board of Directors

Name	Board of Directors meeting attendance/ attendance rate	Expertise
Kazumasa Takamiya	16 times/100%	Management
Akiyoshi Takamiya	16 times/100%	Management and sales and marketing
Hideki Yasuda	16 times/100%	Finance and accounting
Tsutomu Abe	16 times/100%	Sales and marketing
Yuki Mukaiyama	16 times/100%	Overseas operations, management and new business
Tomoya Tatsumi	Note: Appointed in June 2021	Finance and accounting
Kouji Shimokawa	16 times/100%	Taxes and accounting
Noboru Furuichi	15 times/94%	Financing, finance and management

Structure of the Board of Corporate Auditors

Name	Board of Directors meeting attendance/ attendance rate	Board of Corporate Auditors meeting attendance/ attendance rate
Yasushi Shimizu	16 times/100%	9 times/100% Note: Appointed in June 2020
Yoshihiro Sakatani	16 times/100%	11 times/100%
Teiji Joko	13 times/81%	10 times/91%

Criteria for the Appointment of Directors and Corporate Auditors

The appointment and dismissal of candidates for Directors and Corporate Auditors are determined by a meeting of the Board of Directors after consulting with and receiving recommendations from the Nomination and Compensation Committee, based on relevant regulations including the Regulations for Professional Organization of Officers and the Nomination and Compensation Committee Regulations. Comprehensive consideration is given to the career history, track record, knowledge, experience and capabilities of each candidate.

Furthermore, the Board of Corporate Auditors’ consent is obtained in advance for the appointment of Corporate Auditor candidates.

Selection Criteria

1. Directors

The basic requirements for Director candidates are having outstanding character and insight, as well as being such individuals as will contribute to the growth and improvement in the corporate value of the Company and the Group. The candidates must have high levels of knowledge and judgment capabilities in each business field. Outside Director candidates are required to have a high level of expertise in a field such as taxation, accounting, law or management. They must be able to actively state opinions from an objective and external viewpoint, reflecting a diverse background.

2. Corporate Auditors

The basic requirements for Corporate Auditor candidates are having high ethical standards and objective, fair and impartial judgment capabilities. The candidates must also have the adequate experience and capabilities as Corporate Auditors and a high level of expertise in a field such as taxation, accounting, law or management. In addition to the above requirements, Outside Corporate Auditors are required to have no conflicts regarding their independence.

For the dismissal of Officers, if an Officer has deviated from the above appointment criteria and it is deemed reasonable to dismiss him/her from an objective viewpoint, a resolution shall be made at a meeting of the Board of Directors after having sufficient discussions while consulting with and receiving recommendations from the Nomination and Compensation Committee attended by Independent Outside Directors and Independent Outside Corporate Auditors.

Corporate Governance

Succession Plan

The Company does not currently have a specific plan for successors for positions such as the Chief Executive Officer. However, we recognize succession planning as an important management issue and we are nurturing candidates from the management team (Directors and Executive Officers). We will continue to engage in constructive discussions on the approach to the appropriate implementation and supervision of succession planning at meetings of the Board of Directors and its advisory body, the Nomination and Compensation Committee, which was established on April 21, 2021.

Evaluations of the Effectiveness of the Board of Directors

The Company has conducted questionnaires with Directors and Corporate Auditors regarding the effectiveness of the Board of Directors. We analyze and evaluate the structure and operations of the Board of Directors as well as the role of Board of Directors in management strategy decisions and the supervisory function.

In the fiscal year ended March 31, 2021, while there is room for improvement as pointed out in opinions about securing diversity in the Board of Directors and developing successors for the Chief Executive Officer, it was deemed that the Board largely maintains its effectiveness. Going forward, we will further improve the effectiveness of the Board of Directors based on these analyses and evaluations.

Remuneration for Directors and Corporate Auditors

Remuneration System for Directors and Corporate Auditors

The Company has established a policy regarding the determination of the amount of remuneration for Officers or its calculation method, which states that the officer remuneration consists of fixed remuneration according to their position, performance-linked remuneration (bonuses) as a short-term incentive linked to single-year performance, and stock-based remuneration stock options positioned as a medium- to long-term incentive. Through thorough evaluation based on the interests of shareholders, we are working to ensure the long-term sustainable growth of the entire Group and enhance corporate value. Meanwhile, the remuneration of Outside Officers consists only of basic remuneration from the perspective of their roles and independence.

Bonuses, which are short-term, performance-linked remuneration, are paid within the limit of the total amount of remuneration for Directors resolved at the General Meeting of Shareholders when the consolidated operating income target for a single year is achieved. Stock-based remuneration stock options, which are a medium- to long-term incentive, are granted based on the position factor set in the Company's regulations within the limit of the total amount of stock options provided for in a resolution by the General Meeting of Shareholders. The respective proposals for bonus payment and granting stock options are submitted to the Board of Directors, which determines and grants the bonuses and stock options after consulting with and receiving recommendations from the Nomination and Compensation Committee.

For the fiscal year ended March 31, 2021, remuneration for Directors and Corporate Auditors was as follows:

Category	Total remuneration (¥ thousand)	Total remuneration by type (¥ thousand)			Number of eligible individuals (Persons)
		Fixed remuneration	Performance-based remuneration	Medium- to l ong-term incentive (stock options)	
Directors (excluding Outside Directors)	284,758	233,412	—	51,346	6
Corporate Auditors (excluding Outside Corporate Auditors)	9,600	9,600	—	—	2
Outside Officers	13,560	13,560	—	—	4

Notes:

1. The total amount of remuneration for Directors does not include the employee salary portion for those who concurrently serve as an employee.
2. It was resolved that the limit on Directors' remuneration shall be up to an annual amount of ¥500 million (not including employee salaries for Directors) at the 49th Ordinary General Meeting of Shareholders held on June 28, 2017 (number of Officers in relation to the said resolution: 6).
In addition, it was resolved that the limit on separate remuneration as stock options shall be up to an annual amount of ¥150 million at the 53rd Ordinary General Meeting of Shareholders held on June 24, 2021 (number of Officers in relation to the said resolution: 6).
3. It was resolved that the limit on Corporate Auditors' remuneration shall be up to an annual amount of ¥50 million at the 25th Ordinary General Meeting of Shareholders held on May 18, 1994 (number of Officers in relation to the said resolution: 3).
4. The above includes the remuneration for one Corporate Auditor who retired on June 25, 2020.

Details of Audit Fees, etc.

For the fiscal year ended March 31, 2021, audit fees paid to certified public accountants and others were as follows:

Category	Fiscal Year Ended March 31, 2020		Fiscal Year Ended March 31, 2021	
	Fees paid for audit certification work (¥ thousand)	Fees paid for non-audit certification work (¥ thousand)	Fees paid for audit certification work (¥ thousand)	Fees paid for non-audit certification work (¥ thousand)
The Company	32,000	1,700	35,800	—
Consolidated subsidiaries	—	—	—	—
Total	32,000	1,700	35,800	—

Non-audit certification work paid for by the Company is the preparation of comfort letters, which is work other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-auditing services).

For the fiscal year ended March 31, 2021, fees paid to Ernst & Young member firms, which are members of the same EY network of the Company's certified public accountants, was as follows:

Category	Fiscal Year Ended March 31, 2020		Fiscal Year Ended March 31, 2021	
	Fees paid for audit certification work (¥ thousand)	Fees paid for non-audit certification work (¥ thousand)	Fees paid for audit certification work (¥ thousand)	Fees paid for non-audit certification work (¥ thousand)
The Company	—	612	—	480
Consolidated subsidiaries	4,935	4,027	5,103	1,308
Total	4,935	4,639	5,103	1,788

Non-audit certification work paid for by the Company is tax consultation. Non-audit certification work paid for by consolidated subsidiaries is preparation of corporate tax returns, tax consultation and others.

Communications with Shareholders and Investors

The Company has designated the PR & IR Department as the department in charge of investor relations and the Division General Manager of the Corporate Strategy Division, who is responsible for IR affairs, as the contact person. In addition, the PR & IR Department works together with the General Affairs Department, Accounting Department, Legal & Compliance Department and other related departments to share information and prepare disclosure materials. As opportunities for dialogue with our shareholders and investors, we hold general meetings of shareholders, company information meetings, financial results briefings, etc. as needed, and enhance our website to facilitate their understanding of our business. Moreover, we release the videos and materials of our financial results briefing to the public in Japanese and English. We also publish our convocation notices in Japanese and English on the Internet, and are enhancing the content of briefing sessions for individual investors.

For individual investors	For analysts and institutional investors	IR website
Briefings for individual investors <ul style="list-style-type: none">January 30, 2020, Tokyo (hosted by Japan Investor Relations and Investor Support, Inc.)December 12, 2020, online (hosted by NIKKEI RADIO BROADCASTING CORPORATION)February 3, 2021, online (hosted by Japan Investor Relations and Investor Support, Inc.)		
<ul style="list-style-type: none">Video distribution of financial results briefings: twice a year (year-end and the second quarter)Individual meetings: conducted online		Our website for investors in Japanese https://www.takamiya.co/ir/ Our website for investors in English https://www.takamiya.co/en/ir/
We hold briefing sessions both online and offline with speakers such as the Company's Officers. The date and time of each event are announced on our website.	We distribute a video presentation of our financial results twice a year. The President and Chairman and other Company Officers provides briefings on our performance and earnings forecasts. Materials and videos are available on our IR website.	We have set up a page for Investors on our website to provide timely disclosure information such as the Financial Result Summary and other information for investors such as Presentation Sheets, the Annual Report, and Historical Data.

Risk Management, Internal Control and Compliance

The Group has established the basic policy and other matters concerning risk management in the Basic Rules for Risk Management. In addition, we have established the Risk and Compliance Committee, with the Legal & Compliance Department acting as the administrative office. The Committee discusses issues and measures regarding the promotion of Company-wide risk management in order to appropriately manage and respond to the variety of risks that surround our businesses.

For internal control, we have developed a system in which internal checking operates between departments and clarifies the division of duties by establishing internal regulations and other rules. In addition, the Basic Policy for Internal Control and the Basic Policy for Financial Reporting outline systems to ensure that the Directors comply with laws and the articles of incorporation when conducting operations, and also to ensure proper operations of the Company.

For the compliance system, we have outlined the Compliance Standards and the Code of Conduct in the Compliance Manual. We have established the Risk and Compliance Committee, with the Legal & Compliance Department acting as the administrative office, to discuss specific compliance initiatives to be implemented internally and to identify at early stages legal issues emerging in the Company. Through these efforts, we aim to further raise and promote compliance awareness. Additionally, we seek advice and guidance as needed from our corporate lawyers regarding our daily operations and managerial decisions.

Messages from the Outside Directors



Kouji Shimokawa
Director

Monitoring the progress in the four basic policies of the new Medium-term Plan

The four basic policies are “Diversification of earnings base,” “Establishment of manufacturer functions,” “Innovation of management system,” and “Establishment of overseas business bases.” Corporate value will be increased through the synergistic effects of achieving these four policies, and merely achieving one or some of them will be insufficient. To that end, I am interested in whether the Company can promote all four of these policies in the current Medium-term Management Plan. The current Medium-term Management Plan also has ambitious plans, such as investment in *Takamiya Lab. West*. My concern is whether these bold investment plans are conducive to enhancing corporate value, including capital efficiency.

Drawing on my experience in corporate finance & accounting and domestic/overseas taxation, I will confirm how the Medium-term Management Plan is proceeding from a financial viewpoint as well to help achieve the goals of the plan. In particular, I will pay attention to the steps Check and Act of the PDCA cycle, so as to ensure that decisions are made and measures are taken that will lead to improvement while pursuing lively discussions at the Board of Directors meetings.

Being mindful of intangible value that is difficult to quantify

Corporate value may be enhanced through two types of initiatives; those that directly translate into financials, and those that do not, such as efforts in human resources, diversity and climate change. While the Company’s human resource measures show that workstyle reform is effectively promoted, there is still room for improvement in diversity and inclusion. A new requirement is applied for disclosure on our response to climate change, but the Company’s disclosure operation needs some catching up to do. The Company’s challenges are to put its ideals into practice and to be able to communicate this both internally and externally, and I would like to offer advice in that regard. I will push the Company to improve its governance to be mindful of intangible value that does not appear in financials, in addition to, needless to say, value that can be measured financially.



Noboru Furuichi
Director

Aiming to realize the management vision by supporting risk taking

The basic policy, “Build a stock-type (commission-based) business model” in the new Medium-term Management Plan, is the core business strategy for realizing the management vision “Create new value through transformation and aim for sustainable growth by becoming a partner to our customers.” To achieve this, many issues need to be resolved going forward, and the Board of Directors must fulfill its role and responsibilities as part of that process. Personally, as an outside director, I will put my knowledge and experience to use and keep raising issues so that the Board of Directors can make bold decisions following vigorous discussions, while properly controlling risks.

Calling for diversity and inclusion

Recent revisions to Japan’s Corporate Governance Code not only call for the familiar issue of strengthening functions of the Board of Directors, but also strongly demand that actions be taken to tackle sustainability issues and secure diversity. Despite this backdrop, there is much work to be done by the Company in securing diversity. Transformation requires letting go of old concepts in the industry, and to that end, we must deploy personnel with diverse values, regardless of gender of nationality, so we can diversify our viewpoint in management. Based on an updated understanding of trends at other companies and developments in society, I will continue to emphasize the importance of securing the Company’s diversity at Board of Directors meetings so we can grow sustainably.

Directors, Corporate Auditors and Executive Officers (As of June 24, 2021)

Directors



Kazumasa Takamiya
Representative Director, President and Chairman
Supervisor of Scaffolding Management Division, Overseas Business Division, Product Development Division



Akiyoshi Takamiya
Representative Director, Executive Vice President
Supervisor of Scaffolding Management Division, Overseas Business Division, Product Development Division



Hideki Yasuda
Director and Managing Executive Officer
Division General Manager of Corporate Strategy Division



Tsutomu Abe
Director and Executive Officer
Division General Manager of Sales & Marketing Division



Yuki Mukaiyama
Director and Executive Officer
Division General Manager of Manufacturing Division
Supervisor of Global Procurement Division



Tomoya Tatsumi
Director and Executive Officer
Division General Manager of Business Management Division



Kouji Shimokawa
Director Outside Independent
Important concurrent positions:
Representative Partner of Shimokawa & Partners Accounting Corporation



Noboru Furuichi
Director Outside Independent

Corporate Auditors



Yasushi Shimizu
Corporate Auditor (Full-Time)



Yoshihiro Sakatani
Corporate Auditor Outside Independent
Important concurrent positions:
President and Representative Director of Japan Management Consulting K.K.



Teiji Joko
Corporate Auditor Outside Independent
Important concurrent positions:
Representative Partner, Yodoyabashi & Yamagami LPC

Note: Kouji Shimokawa and Noboru Furuichi are Outside Directors. Yoshihiro Sakatani and Teiji Joko are Outside Corporate Auditors. The Company designated these four as Independent Directors and Independent Corporate Auditors pursuant to the regulations of the Tokyo Stock Exchange and registered them as such at the stock exchange.

Executive Officers

Kazunori Kawakami
Senior Executive Officer, Regional Manager of Sales & Marketing Division, General Manager of Scaffolding Construction Department, Tokyo Branch General Manager and Supervisor of Agribusiness Development Department

Takahiro Shozaki
Senior Executive Officer
General Manager of Sales & Marketing Planning Department, Sales & Marketing Division

Takashi Masuno
Senior Executive Officer
General Manager of Global Production Engineering Department, Manufacturing Division

Ryuji Arai
Senior Executive Officer
Division General Manager of Overseas Business Division and Division General Manager of Global Procurement Division

Hidehiko Yamashita
Executive Officer
General Manager of Sales Department, Sales & Marketing Division

Takashi Nagumo
Executive Officer
Division General Manager of Product Development Division

Mitsunori Yamato
Executive Officer
Division General Manager of Scaffolding Management Division and General Manager of Scaffolding Yard Operating Department and Scaffolding Purchasing Department

Tetsuya Aoki
Executive Officer, Regional Manager of Sales & Marketing Division and Osaka Branch General Manager
Supervisor of Business Development Division

Hiroshi Koda
Executive Officer
General Manager of Manufacturing Division and Vietnam Factory General Manager

Shinri Ueda
Executive Officer
General Manager of Global Quality Assurance Department, Manufacturing Division

Takashi Kawabata
Executive Officer
General Manager of Corporate Planning Department, Corporate Strategy Division and General Manager of PR & IR Department

Eizo Aihara
Executive Officer
General Manager of HR Department, Business Management Division

11-Year Financial Summary

Fiscal years ended March 31	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fiscal year (¥ million)											
Net sales	17,490	23,201	28,113	32,443	34,261	34,350	36,763	36,114	42,182	46,065	38,812
Operating income	722	1,037	1,605	3,051	3,098	2,983	2,429	1,690	2,713	3,703	1,586
Operating income margin (%)	4.1	4.5	5.7	9.4	9.0	8.7	6.6	4.7	6.4	8.0	4.1
Ordinary income	621	1,080	1,553	3,006	3,325	2,731	2,337	1,610	2,662	3,541	1,569
Profit	302	755	807	1,768	2,070	2,153	1,516	1,252	1,637	2,370	857
Investments in rental assets	1,663	3,687	2,850	2,381	5,577	7,227	5,447	3,757	2,467	2,768	2,091
Depreciation	2,745	3,088	3,280	3,369	3,649	4,137	4,502	4,662	4,777	4,804	4,815
Research and development expenses	17	47	50	45	88	74	81	64	62	88	84
EBITDA	3,468	4,126	4,886	6,421	6,747	7,120	6,932	6,353	7,491	8,508	6,402
Cash flows from operating activities	2,483	669	1,575	2,839	(1,620)	(1,081)	1,163	1,714	3,653	3,771	5,035
Cash flows from investing activities	(692)	(539)	(812)	(1,239)	(1,563)	(1,736)	(1,093)	(1,909)	(1,728)	(3,836)	(1,382)
Cash flows from financing activities	(477)	(39)	(779)	(715)	2,927	2,844	879	(222)	(1,243)	1,590	(2,873)
Cash and cash equivalents at end of period	3,039	3,100	3,076	3,979	4,233	4,242	5,187	4,750	5,414	6,922	7,712
Total assets	29,594	32,472	33,987	37,245	43,520	50,091	52,760	52,813	54,414	59,282	56,454
Equity	5,648	6,271	6,947	9,514	11,453	11,766	12,338	13,190	14,170	18,054	18,253
Interest-bearing debt	18,799	19,534	19,384	18,694	21,635	26,636	29,287	29,497	29,124	29,633	27,620
Net interest-bearing debt	15,760	16,434	16,308	14,715	17,402	22,394	24,100	24,747	23,710	22,711	19,908
ROA (%) ^{*1}	2.3	3.5	4.7	8.4	8.2	5.8	4.5	3.1	5.0	6.2	2.7
ROE (%) ^{*2}	5.4	12.7	12.2	21.5	19.8	18.5	12.6	9.8	12.0	14.7	4.7
Ratio of profit to net sales (%)	1.7	3.3	2.9	5.4	6.0	6.3	4.1	3.5	3.9	5.1	2.2
Total asset turnover (times)	0.6	0.7	0.8	0.9	0.8	0.7	0.7	0.7	0.8	0.8	0.7
Financial leverage (times)	5.2	5.2	4.9	3.9	3.8	4.3	4.3	4.0	3.8	3.3	3.1

Notes: 1. ROA = (Ordinary income÷Average of total assets at beginning and end of fiscal year)×100
2. ROE = (Profit÷Average of shareholders' equity at beginning and end of fiscal year)×100

Corporate Information

Corporate Outline (As of March 31, 2021)

Name	Takamiya Co., Ltd.
Date of establishment	June 21, 1969
Head Office	Grand Front Osaka Tower-B Bldg. 27F, 3-1, Ofuka-cho, Kita-ku, Osaka 530-0011, Japan

Capital	¥1,050.11 million
Representative	Kazumasa Takamiya Representative Director, President and Chairman
Number of employees	Consolidated 1,221 Non-consolidated 711

Share Information (As of March 31, 2021)

Share Data

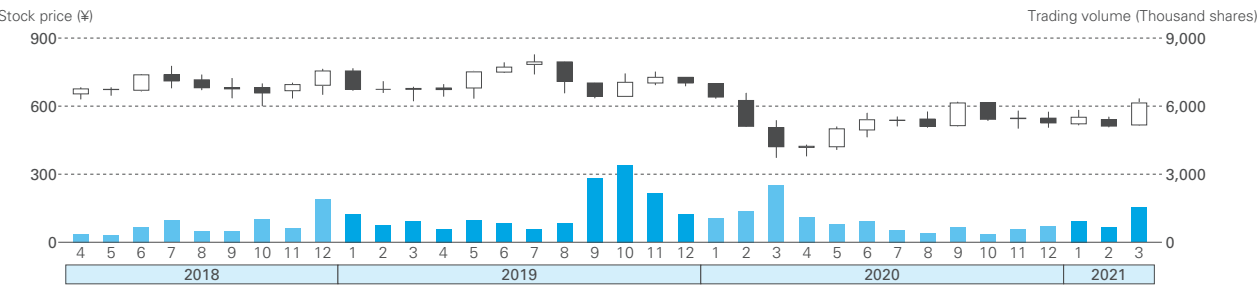
Total number of authorized shares	144,000,000
Total number of issued shares	46,577,000
Number of shareholders	3,463

Principal Shareholders

Shareholders	Number of shares held (Thousand shares)	Percentage of shares held (%)
Takamiya Ltd	7,114	15.28
Tojitsu Takamiya	5,356	11.50
Custody Bank of Japan, Ltd. (Trust account)	4,540	9.75
Takamiya Employee Stock Ownership Plan	2,045	4.39
The MasterTrust Bank of Japan, Ltd. (Trust account)	1,708	3.67
Toyoji Takamiya	1,678	3.60
Chikako Takamiya	1,579	3.39
Kazumasa Takamiya	1,350	2.90
Akiyoshi Takamiya	1,288	2.77
Quattro Co., Ltd.	1,000	2.15

Notes:
1. The Company holds 7020 shares of treasury stock. Treasury stock is excluded from the list of principal shareholders and is not used in calculating percentages of shares held.
2. Numbers of shares held below thousands have been discarded, and percentages have been rounded to the second decimal place.
3. Among the above numbers of shares held, shares related to trust services are as follows.
Japan Trustee Services Bank, Ltd. (Trust account) 4,540,300 shares
The Master Trust Bank of Japan, Ltd. (Trust account) 1,708,900 shares

Stock Prices and Trading Volume



Shareholder Information

Fiscal year	From April 1 to March 31 of the following year
Securities code	2445 (the First Section of the Tokyo Stock Exchange)
Ordinary general meeting of shareholders	June
Record date	Ordinary general meeting of shareholders: March 31 Year-end dividend: March 31 / Interim dividend: September 30
Share trading unit	100 shares
Transfer agent and registrar for common stock	Mitsubishi UFJ Trust and Banking Corporation
Contact for transfer agent and registrar	Osaka Securities Agent Department, Mitsubishi UFJ Trust and Banking Corporation 3-6-3, Fushimi-cho, Chuo-ku, Osaka-shi, Osaka 541-8502, Japan TEL: 0120-094-777 (toll-free in Japan)
Method of public notice	By electronic notification on Takamiya's website: https://www.takamiya.co/ However, if electronic notification is not possible due to an accident or other unavoidable circumstances, notice will be published in the <i>Nihon Keizai Shimbun</i> newspaper.

Domestic and International Network (as of September 2021)

Group companies in Japan

- ① IWATA Co., Ltd.

Head officeWakayama Prefecture

BusinessRental of temporary equipment for construction, planning, design, and installation of temporary works
- ② AOMORI ATOM Co., Ltd.

Head officeAomori Prefecture

BusinessSale and rental of temporary equipment for construction
- ③ TOTAL TOSHISEIBI Co., Ltd.

Head officeTokyo

Businessrental of temporary equipment for civil engineering works, sale and rental of temporary equipment for shield works
- ④ Nextech Co., Ltd.

Head officeOsaka

BusinessRental of stainless molding flask and temporary equipment for civil engineering works
- ⑤ Nakaya Kizai Co., Ltd.

Head officeShimane Prefecture

BusinessRental of temporary equipment for construction
- ⑥ HIRAMATSU Co., Ltd.

Head officeShizuoka Prefecture

BusinessTransportation of temporary equipment for construction

- ⑦ Cadian Co., Ltd.

Head officeTokyo

BusinessPreparation of temporary equipment planning sheets, calculation sheets, and construction facility drawings as well as surveys
- ⑧ ECO-TRY Co., Ltd. (non-consolidated)

Head officeIbaraki Prefecture

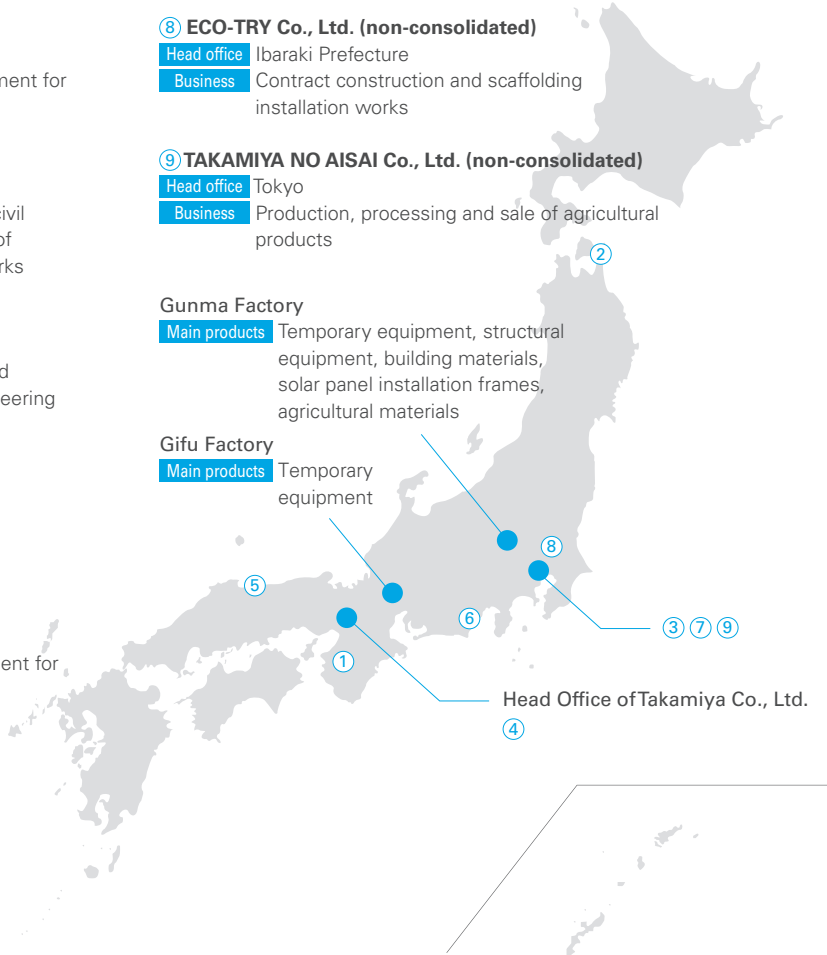
BusinessContract construction and scaffolding installation works
- ⑨ TAKAMIYA NO AISAI Co., Ltd. (non-consolidated)

Head officeTokyo

BusinessProduction, processing and sale of agricultural products

Gunma Factory
Main productsTemporary equipment, structural equipment, building materials, solar panel installation frames, agricultural materials

Gifu Factory
Main productsTemporary equipment



Group companies overseas

- ⑩ Hory Korea Co., Ltd.

Head officeSouth Korea

BusinessManufacture, sale and rental of temporary equipment for construction
- ⑪ HORY VIETNAM Co., Ltd.

Head officeVietnam

BusinessManufacture and sale of temporary equipment for construction
- ⑫ DIMENSION-ALL Inc.

Head officeThe Philippines

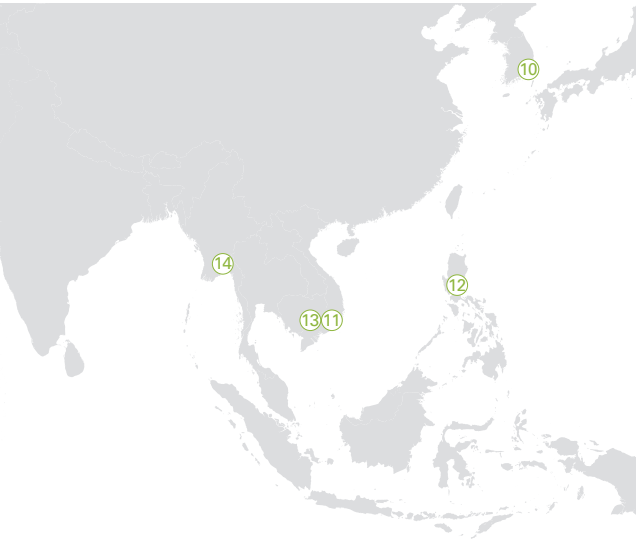
BusinessSale and rental of temporary equipment for construction
- ⑬ Cadian Vietnam Co., Ltd. (non-consolidated)

Head officeVietnam

BusinessPreparation of temporary equipment planning sheets, calculation sheets, and construction facility drawings
- ⑭ Cadian Myanmar Co., Ltd. (non-consolidated)

Head officeMyanmar

BusinessPreparation of temporary equipment planning sheets, calculation sheets, and construction facility drawings





Takamiya Co., Ltd.

Head Office Grand Front Osaka Tower-B Bldg. 27F, 3-1, Ofuka-cho, Kita-ku, Osaka 530-0011, Japan T 06. 6375 3918



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

