

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Press release on June 5, 2024

Takamiya Co., Ltd.

Representative Director, President and Chairman: Kazumasa Takamiya

Listed on: Tokyo Stock Exchange Prime Market

Stock code: 2445

Correction: Regarding Partial Corrections to "Medium-Term Business Plan 2024-2026"

We would like to announce that there are corrections to be made in certain parts of the "Medium-Term Business Plan 2024-2026" which was released on May 10, 2024. Please refer to the attached document for details.

1. Correction Reason

Regarding the "Medium-Term Business Plan 2024-2026", there were errors in the following sections, which we have corrected.

2. Correction Points

- (1) Page 20: Segment Sales Plan

Please refer to the attached document. The correction points are enclosed in red boxes.

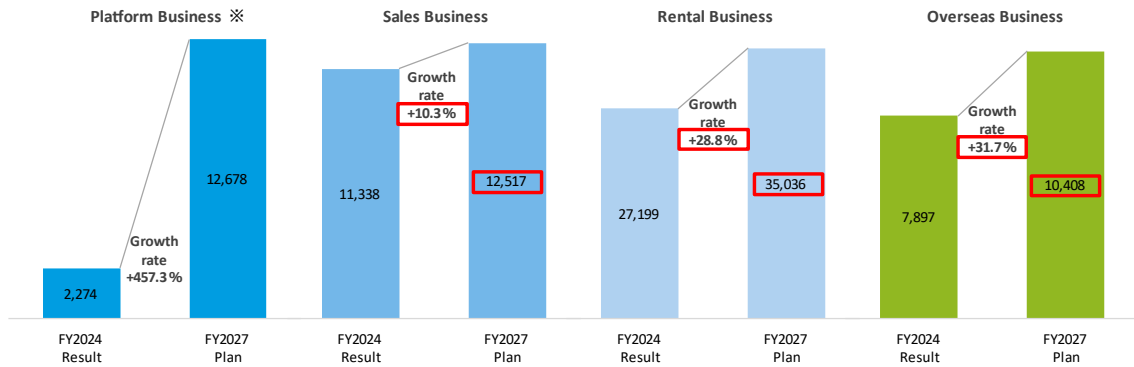
(End)

Before Correction



Segment Sales Plan

The platform business has grown significantly and become the centerpiece of our business portfolio.



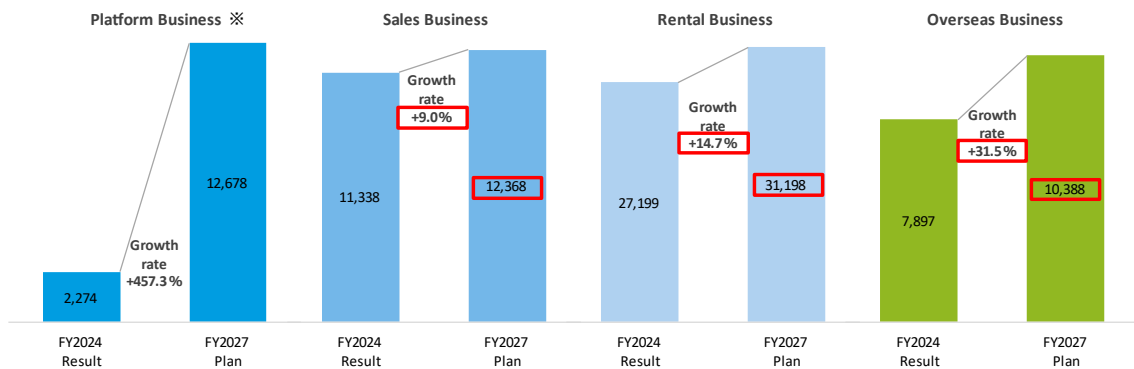
*FY ended/ending March 31 *Unit: million yen
After the FY2025, there will be differences in the numbers compared to past disclosed materials due to new segmentation standards. Additionally, the segment sales figures for the FY2024 are based on our company's estimates and are not finalized values.

After Correction



Segment Sales Plan

The platform business has grown significantly and become the centerpiece of our business portfolio.



*FY ended/ending March 31 *Unit: million yen
After the FY2025, there will be differences in the numbers compared to past disclosed materials due to new segmentation standards. Additionally, the segment sales figures for the FY2024 are based on our company's estimates and are not finalized values.

Medium-term Business Plan 2024-2026

Basic Management Policy

Our group aims to provide high-quality services to a wide range of customers through the provision of construction temporary equipment and other offerings, contributing to society through our business activities. Furthermore, we strive to meet customer needs by continuously developing new products, improving services, and providing ongoing value, thus seeking further development of our group. We aim to meet the trust and expectations of society, shareholders, and employees, working towards the sustainable enhancement of corporate value.

Basic Management Policy

Transforming from our conventional business model to become a 'platform' in the temporary equipment industry.

Reasons for Aspiring to Transform into a Platform Company

The construction industry, which is our main client base, is heavily influenced by fluctuations in domestic construction investment, which in turn is greatly affected by the domestic economic climate. In such a business environment, there is a prevailing trend in the construction industry where aggressively securing projects through active bidding activities is paramount, and our group has also found itself in a similar situation. However, from a managerial perspective, there have been challenges such as international conflicts, supply chain disruptions, soaring crude oil energy prices, and a decades-low weakening of the Japanese yen, leading to a rapid surge in prices. Additionally, within the industry, there have been increases in construction material procurement costs, a decrease in the working-age population, government policies encouraging wage hikes as part of inflation management, and difficulties in securing talent due to rising labor costs. This has resulted in increased allocation of management resources for operational companies compared to before. Furthermore, our main business of renting temporary construction equipment can expand by increasing the volume of rental assets. However, continuously seeking revenue and investing funds to acquire rental assets can not only compromise financial stability but also hinder corporate growth and jeopardize business continuity. Additionally, in the construction industry, which constitutes our primary client base, depletion of management resources has become a significant challenge.

Our Proposed Platform Business in the Temporary Equipment Industry

Our group has been working on transforming from the conventional one-time-fee business model business, which is susceptible to fluctuations in economic trends and construction investment, into a recurring revenue business model that can steadily and reliably secure profits since the fiscal year 2021. We propose an innovative business model that prevents mutual depletion of management resources by sharing the infrastructure of our core rental business with our clients. With the increase in revenue, we will construct a new revenue structure that enables profit growth while maintaining financial stability, moving away from a business model where increased revenue leads to deteriorating financial health.

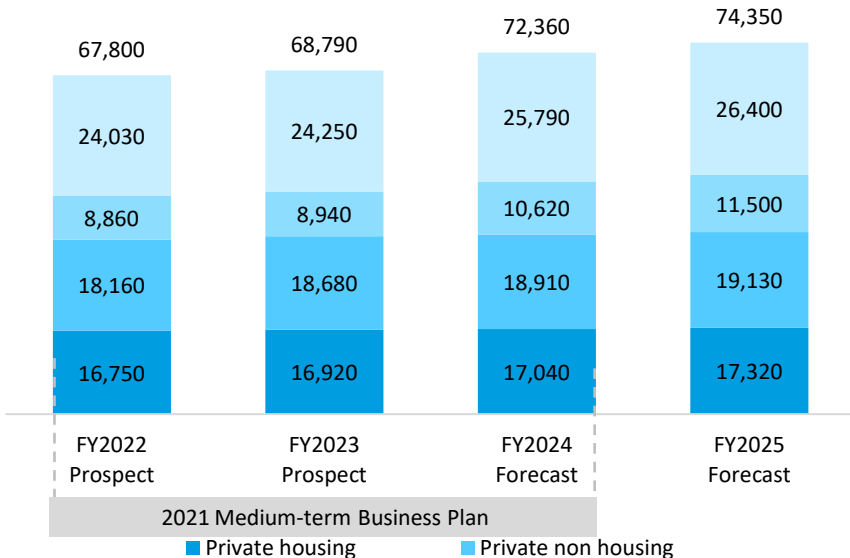
Business Environment

Market Environment Undergoes Dramatic Changes Due to the “2024 Problem”, Industry Enters a Phase of Transformation

Trends in Domestic Construction Investment

Construction Economic Research Institute, April 2024

[Prospects for Construction Investment Based on the Construction Economic Model]



*FY ended/ending March 31 *Unit: Billion yen

Economic Environment

The Japanese economy has shown signs of a gradual recovery, with the Nikkei Stock Average reaching its all-time high. However, amidst concerns of downward risks such as prolonged tensions in Ukraine, instability in the Middle East, leading to soaring prices of raw materials and energy, as well as inflationary pressure from rising import costs due to a weaker yen, and market volatility including the Bank of Japan's zero interest rate policy reversal, the economic environment remains uncertain for the future.

Industry Environment

In the construction industry, which is the main client base of our group, there are strong economic impacts such as labor restrictions related to working hours, the high prices of resources like crude oil and energy due to the '2024 Problem,' and interest rate increases due to the Bank of Japan's monetary policy review. These factors may strongly manifest in the rising construction costs. Domestic construction investment is facing uncertainties due to high oil prices, inflation in construction materials, delays or postponements in construction projects due to a shortage of skilled labor, and ongoing revisions in the economic policy landscape. However, there is resilience observed, especially in nationwide social infrastructure renovation projects backed by plans like the National Resilience Plan. Demand remains robust for warehouse and logistics facilities, and there are expectations for solid private facility investment, including the construction of new high-speed railway lines, semiconductor factories, and data centers driven by AI adoption.

Business Environment

Market Environment Undergoes Dramatic Changes Due to the “2024 Problem”, Industry Enters a Phase of Transformation

Business Risk

- Construction cost increases and labor shortages due to the 2024 Problem leading to construction delays or postponements.
- Transportation industry facing supply shortages due to the 2024 Problem affecting transport trucks.
- Decrease in private facility investment due to deteriorating economic conditions.
- Phasing out of current power plants due to decarbonization policies, resulting in loss of regular maintenance demand.
- Decreased demand for large-scale bridge supports due to the promotion of precast concrete bridges.
- Difficulty in securing maintenance personnel for our equipment due to labor shortages.
- Rising prices of raw materials and components due to excessive weakening of the yen.
- Increase in interest rates and higher interest payments following changes in the Bank of Japan's monetary policy.
- Increased interest-bearing debt and higher interest payment burdens due to investments in platforms.

Business Opportunity

- Expansion of demand for our platform due to shortages in management resources such as labor.
- Increased demand for next-generation scaffolding due to revisions in labor safety and health regulations.
- Emergence of infrastructure redevelopment projects related to large-scale disasters.
- Regaining the opening date of the Linear Central Shinkansen.
- Increase in investments related to the rapid adoption of AI leading to increased demand for semiconductors and energy.
- Order placement for Hokkaido Shinkansen-related construction projects.
- Promotion of apartment reconstruction due to the implementation of revised Housing Reconstruction Act.
- Increased attention to our group due to management focusing on capital costs and stock prices.
- Expansion of AI and DX utilization in our business area due to technological advancements.

Review of the 2021 Medium-term Business Plan

The consolidated performance for the fiscal year ended in March 31, 2024 fell short of the planned figures.

		Initial Plan announced in May 2021	Revised Plan announced in May 2023	Result of the 2021 Medium-term Business Plan
Net sales		60,000 million yen	48,000 million yen	44,127 million yen
Segment Sales	Sales Business	25,000 million yen	16,200 million yen	12,597 million yen
	Rental Business	31,000 million yen	27,200 million yen	28,214 million yen
	Overseas Business	9,000 million yen	8,900 million yen	7,897 million yen
Operating income		5,000 million yen	3,800 million yen	3,404 million yen
Operating income margin		8.3 %	7.9 %	7.7 %
EBITDA		10,000 million yen	9,100 million yen	8,835 million yen
ROA		6.0 %	5.4 %	5.4 %
ROE		12.0 %	11.4 %	9.1 %
Equity Ratio		35.0 %	31.0 %	31.1 %

Review of the 2021 Medium-term Business Plan

Focusing on building the platform, implementing various measures in line with the core strategy.

Basic Strategy(1) Develop Services that Blend Hardware and Software, with a Focus on the Iq System

- ▶ We have developed services such as "OPERA," "OPE-MANE," and "Iq-Bid," and launched them on the Takamiya platform.
We are promoting platform usage and progressing towards recurring revenue structure.

Basic Strategy(2) Strengthen Products for Maintenance/Repairs and Infrastructure Redevelopment

- ▶ We have expanded our range of products to include various maintenance and repair works, such as the panel-type hanging scaffold "Spider Panel," the system hanging scaffold "VMAX," the mobile lifting scaffold "Lift Climber," and the system scaffold "YT Lock System."

Basic Strategy(3) Nurture Business beyond the Temporary Equipment Sector

- ▶ We are focusing on fostering our agribusiness. Through efforts such as demonstration cultivation using our house products, sales of crops harvested from demonstration cultivation, and business expansion through M&A, we are not only selling our house products but also able to provide cultivation, transportation, and sales expertise.

Basic Strategy(4) Redevelop Overseas Business Bases

- ▶ Amid the impact of the novel coronavirus infection, we are not only promoting the establishment of management control systems but also strengthening production facilities and expanding business areas.

Advancement of the Medium-term Business Plan 2024-2026

In the 2021 Medium-term Business Plan, the foundation construction of the Takamiya Platform has been completed, and we are now entering the phase of widespread adoption.



*FY ended/ending March 31

Management Vision

Management Vision

“Creating New Value with Takamiya Platform and DX, Transforming into the Industry’s First Scaffolding Platform Company”

Our Takamiya Platform provided by our group is refined into a service that is "profitable," "helpful," and "appreciated." It is chosen by many and mutually expands revenue, bringing about developmental growth. The Takamiya Platform aims to become an essential "ecosystem" in the industry, chosen by employees, related partners, and even shareholders and investors due to the new business style incorporating DX that fundamentally changes our group's way of working, allowing us to develop together.

Key Performance Indicators

Targeting Achievement of Key Performance Indicators in FYE March 31, 2027 as part of the Medium-term Business Plan 2024-2026

Consolidated Performance Indicators

Operating income 6,100 million yen (3-Year Growth Rate +79.2%)

Financial Indicators

Operating Income Margin 10.0% or more

ROE 10.0% or more

ROIC 4.3% or more

Platform Indicators

Cumulative OPE-MANE Account Number 500 Account or more

3-Year OPE-MANE Contract Order Amount 14 billion yen or more

Basic Policy

In accordance with the four basic policies, we will implement various measures aimed at achieving the objectives of the medium-term business plan and reaching the numerical targets.

- **Establishment of Revenue Foundation through Establishment and Solidification of Platform Business**

The revenue of the platform business is built on user retention and recurring revenue. By analyzing user insights and refining services to be more attractive, we aim to increase and solidify our cumulative customer base, ensuring stable revenue through recurring transactions.

- **Establishment of Growth Foundation through DX and Human Capital Investment**

We will actively invest in DX to improve the convenience of platform users and the productivity of our group. We will focus on human capital investment to support the growth foundation of our group, aiming to enhance the value-added of the platform and build a solid growth foundation.

- **Revenue Enhancement in Overseas Business**

Our overseas subsidiary businesses will transition to a phase of revenue recovery and expansion, with a well-established management foundation. We will establish a system capable of meeting global demand in addition to our existing subsidiaries in the Philippines, Vietnam, and Korea, aiming for increased revenue.

- **Integration of Management Conscious of Capital Costs and Stock Prices**

As growth investments in business take precedence, an increase in interest-bearing debt is anticipated. By promoting efficient capital utilization across our group, not limited to interest-bearing debt, we aim to raise the return on invested capital and strive to be an attractive company for shareholders and investors, leading to stock price appreciation.

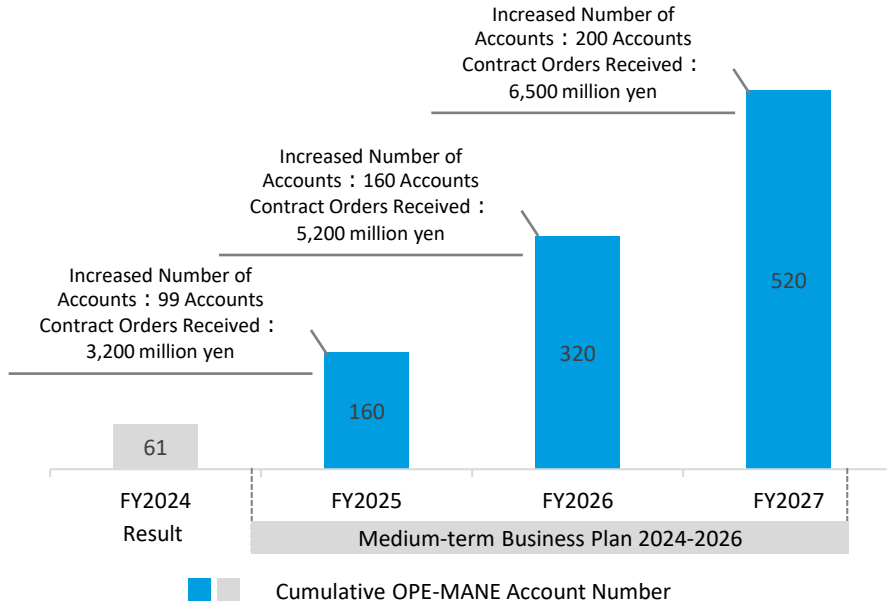
Key Measures

Executing Various Investments to Promote the Expansion of the Platform Business, Aiming for Growth in Overseas and Agri Businesses, and Promoting Management Awareness of Capital Costs.

- Increase in the Number of OPE-MANE Accounts
- Development and Enhancement of Core Logistics Management Functions for Customer Service
- Visualizing Safety and Secure for Gaining Customer Trust
- Provision of Value-Added Services at Fair Prices
- Improving the profitability of overseas subsidiaries (Philippines, South Korea, Vietnam) and responding to other demand countries
- Establishing a Revenue Base through Fundamental Transformation of the Agribusiness
- Active Investment in Human Capital and DX to Enhance Added Value
- Introducing KPIs to Achieve ROIC Above WACC

Key Measures

Transition of OPE-MANE Account Numbers and Contract Orders



Increase in the Number of OPE-MANE Accounts

The main service of our platform, "OPE-MANE," plays a crucial role in securing the customer base that forms the foundation of our platform. As the use of other services is promoted around these users, acquiring a substantial number of OPE-MANE users is recognized as a key challenge. We will actively work to expand our user base.

- Cumulative OPE-MANE Account Increase Plan 520 Accounts
- 3-year OPE-MANE Contract Order Plan 14,900 million yen

*FY ended/ending March 31

Key Measures

Investment Plan

Investment Portfolio	3-year Total Investment Amount
Rental Assets	17,200 million yen
Takamiya Lab./Base	14,650 million yen
DX/Human Capital etc.	3,900 million yen
Total	35,750 million yen

Development and Enhancement of Core Logistics Management Functions for Customer Service

In ensuring the convenience of OPE-MANE users, the management and operation of custody assets are crucial to the service. As the number of OPE-MANE accounts increases, so does the amount of custody assets. Consequently, our company needs to increase rental assets to supplement any shortages. To accommodate the increase in custody and rental assets, it is necessary to establish an efficient operational system and open bases in locations with high convenience. We recognize that these initiatives are essential for enhancing the overall convenience of the Takamiya Platform.

Visualizing Safety and Secure for Gaining Customer Trust

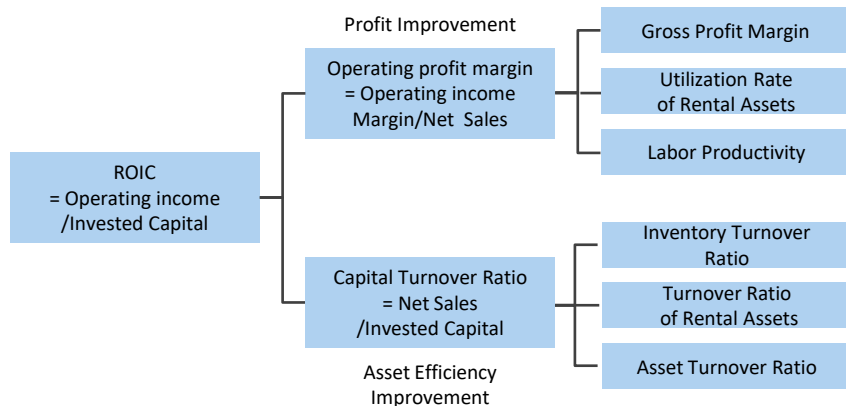
Depreciation and wear and tear of custody assets not only result in losses for customers but also lead to a loss of trust in our company group. Therefore, making the management of custody assets transparent and striving for visualization to ensure that owners can always understand the condition contributes to preserving and gaining trust in customer assets on the platform. Furthermore, these efforts will lead to increased productivity within our company group.

Active Investment in Human Capital and DX to Enhance Added Value

Our company group is actively pursuing the enhancement of our platform's value through DX. We invest proactively in DX and IT talent to generate this added value. By revising starting salaries, introducing flexible working hours and gradually revising overtime hours, and making active investments in education and training, we aim to increase engagement with our employees. Additionally, through DX investments, we aim to achieve business process improvements and enhance the value of customer services.

Key Measures

ROIC



Introducing KPIs to Achieve ROIC Above WACC

Our group's ROIC in previous years has been below WACC. Recognizing the importance of improving capital efficiency and meeting expectations of shareholders and investors, we acknowledge that enhancing ROIC is a critical task. To improve ROIC, we are evaluating measures to enhance operating profit margins and capital turnover rates across all companies and departments within our group. We will set Key Performance Indicators for each measure to promote the adoption of ROIC management and aim for numerical improvements.

Key Measures

Provision of Value-Added Services at Fair Prices

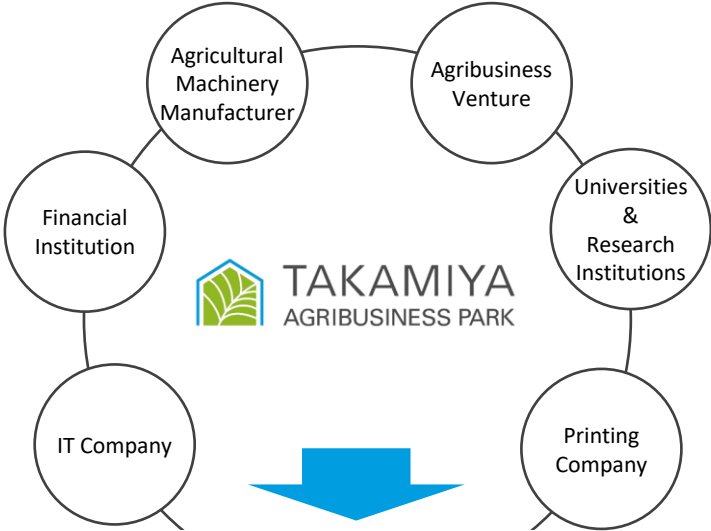
In the temporary equipment industry, there has been a tendency to prioritize free services and price competition over safety and quality. Our group, however, provides scaffolding that allows for safe and efficient work by increasing the height of scaffold floors, and we supply equipment with quality standards exceeding those of the Temporary Equipment Industry Association certification. Furthermore, by offering high-value-added services such as automated generation of 3D drawings, which are partially mandatory, we aim to provide satisfactory services to our customers at appropriate prices. We recognize that this contributes to the qualitative development of the industry. Providing services at appropriate prices also contributes to the development of customer satisfaction, and we will continue to work on service development while gaining customer understanding.

Improving the profitability of overseas subsidiaries (Philippines, South Korea, Vietnam) and responding to other demand countries

The domestic construction industry market in Japan is experiencing a trend where construction companies are selectively accepting orders due to labor shortages, resulting in a stabilization of construction volumes. Our group is proceeding with business under the policy of obtaining stable revenue through platforms in this situation. Additionally, we are also advancing efforts to expand revenue overseas. In various foreign countries, there are untapped markets for our group, such as unstable social situations, large-scale disasters, and development in emerging countries. We recognize the need to establish a system to monetize these demands and enhance our revenue.

Key Measures

TAKAMIYA AGRIBUSINESS PARK



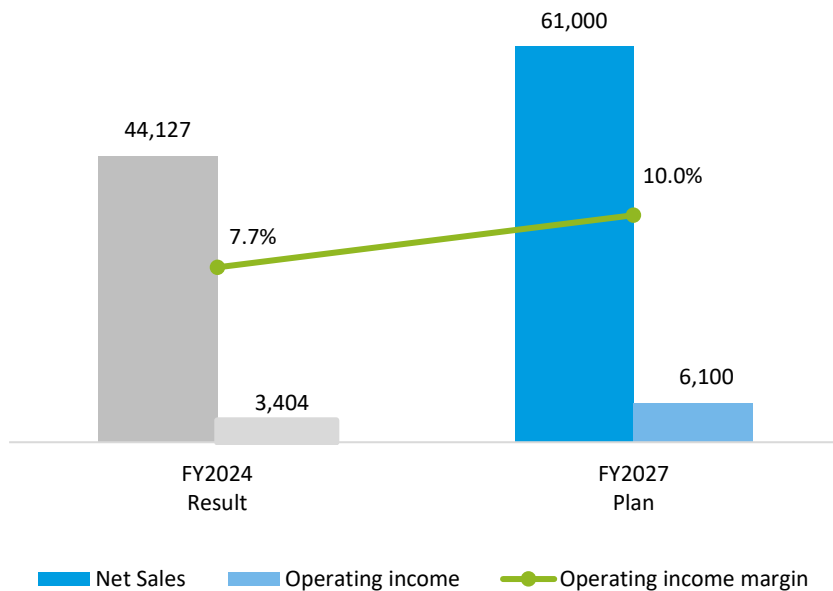
Solving Agricultural Challenges

Establishing a Revenue Base through Fundamental Transformation of the Agribusiness

As part of our efforts to develop business divisions beyond temporary facilities, we have entered the agribusiness sector. The agricultural industry, facing labor shortages due to factors such as the spread of the novel coronavirus, is in a challenging environment. However, government policies aimed at increasing food self-sufficiency and the emergence of agribusiness ventures are leading to the expansion of high-value-added agriculture with high productivity. Our group aims to expand our business through collaboration with these venture companies and others. To this end, we have established TAKAMIYA AGURIBUSINESS PARK (hereafter referred to as "TAP") in Hanyu City, Saitama Prefecture. By inviting numerous companies and showcasing cutting-edge agricultural initiatives at TAP, we aim to promote awareness and sales of our brand's products as well as those of participating companies.

Consolidated Performance

Transitioning to a recurring revenue business centered around the platform has improved the operating profit margin



FY2027 Consolidated Performance Plan

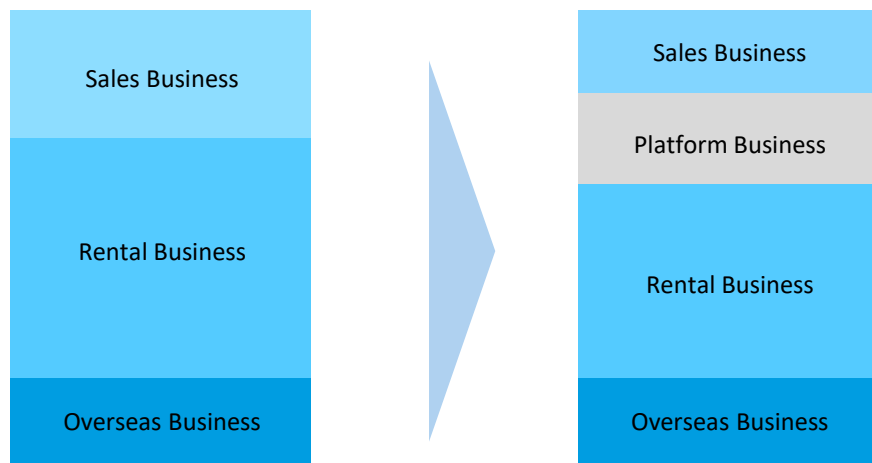
- Net Sales 61,000 million yen
→ 3-year growth rate +38.2%
- Operating income 6,100 million yen
→ 3-year growth rate +79.2%
- Operating Income Margin 10.0%
→ 3-year improvement rate +2.3 points

*FY ended/ending March 31 *Unit: million yen

Platform Segment Disclosure

Disclose Revenue from Both Sales and Rental Businesses as Platform Services

The Concept of Business Segments



FY2024

After FY2025

Purpose of Establishing a Business Segment

Starting from the first year of our new medium-term business plan, our company will enhance the transparency of Takamiya Platform and visualize business growth. To achieve this, we will disclose the platform business as a segment and change our reporting segments. Additionally, we will clearly transition from a business portfolio centered around rental operations to one centered around platform businesses.

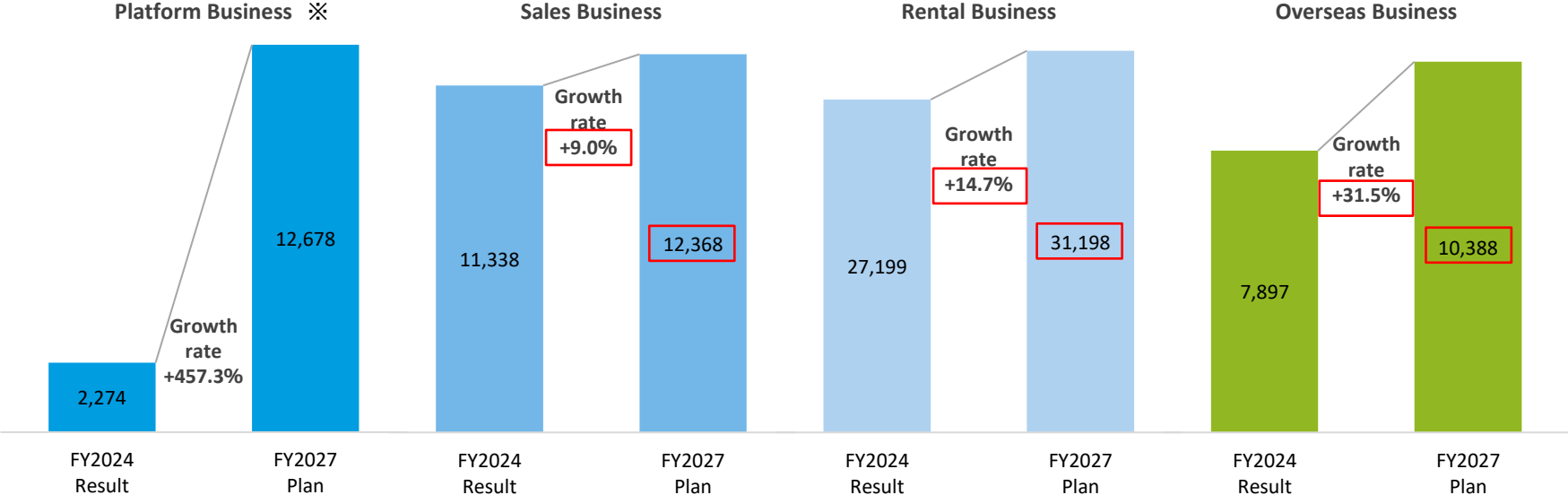
Example of Revenue Extraction

- Revenue related to rental sales and management expenses incurred with the purchase of temporary equipment for OPE-MANE usage purposes.
- Revenue from Iq-Bid transaction fees generated at the time of Iq-Bid transactions.
- Revenue related to jointly developed products with customers.
- Revenue related to BIMCIM/space measurement, etc.

*FY ended/ending March 31

Segment Sales Plan

The platform business has grown significantly and become the centerpiece of our business portfolio.

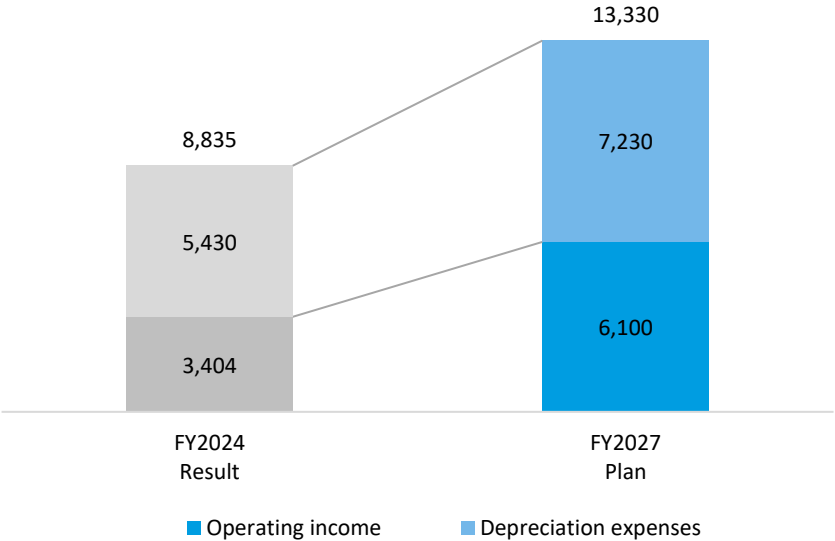


*FY ended/ending March 31 *Unit: million yen
 After the FY2025, there will be differences in the numbers compared to past disclosed materials due to new segmentation standards. Additionally, the segment sales figures for the FY2024 are based on our company's estimates and are not finalized values.

EBITDA

Various growth investments towards expanding platform capabilities have led to increased depreciation expenses alongside improved profitability.

EBITDA



FY2027 Index Plan

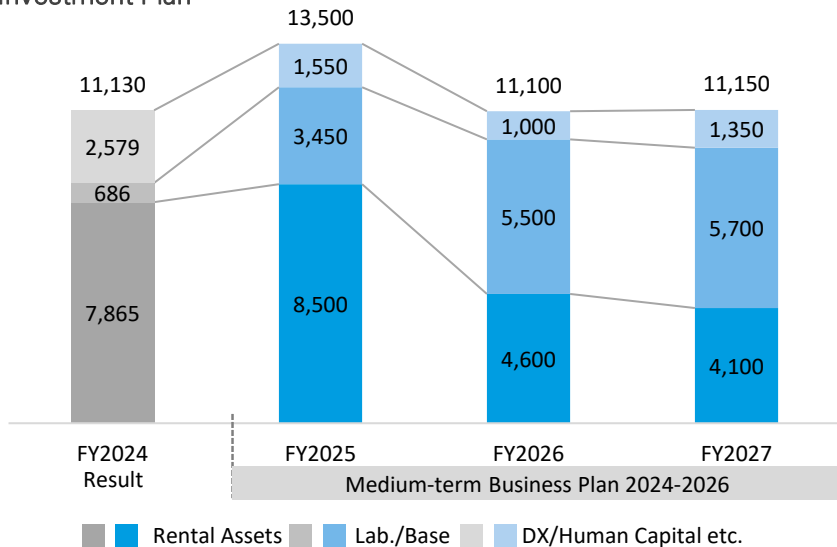
- Operating income 6,100 million yen
→ 3-year growth rate +79.2%
- Depreciation expenses 7,230 million yen
→ 3-year growth rate +33.1%

*FY ended/ending March 31 *Unit: million yen

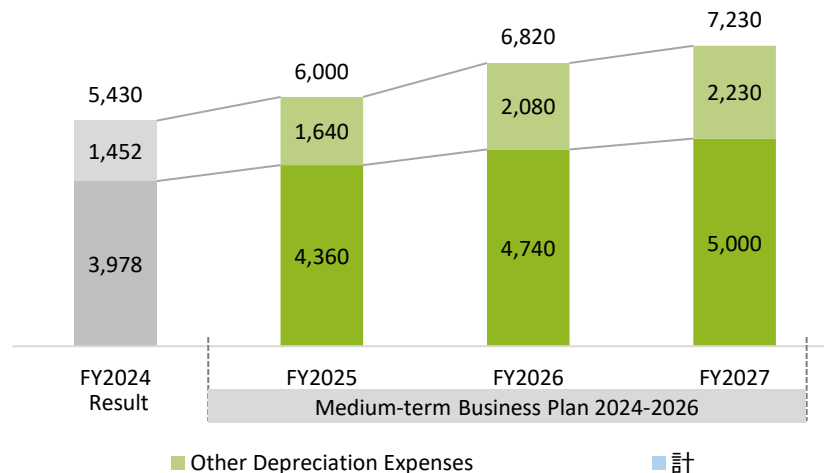
Investment Plan and Depreciation Expenses

We are focusing on expanding our platform business and transitioning from rental asset investments to investments in Base, DX, and human capital. We anticipate a temporary increase in depreciation expenses as well.

Investment Plan



Depreciation Expense

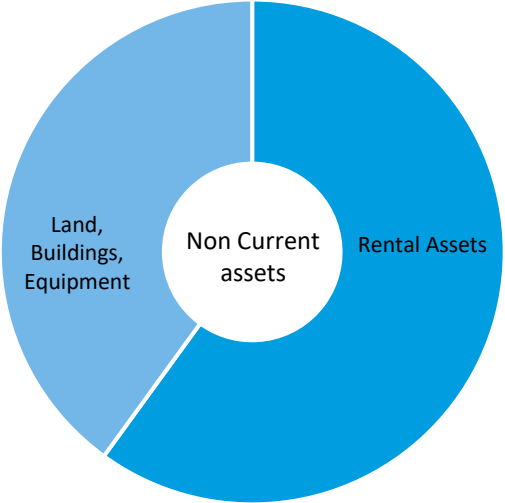


計
*FY ended/ending March 31 *Unit: million yen

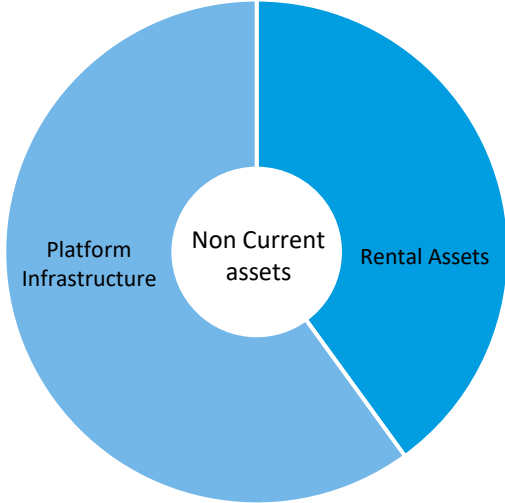
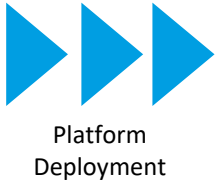
Portfolio Transformation

Transition from a rental asset-centered portfolio to an infrastructure-focused portfolio for platform expansion.

Before



After

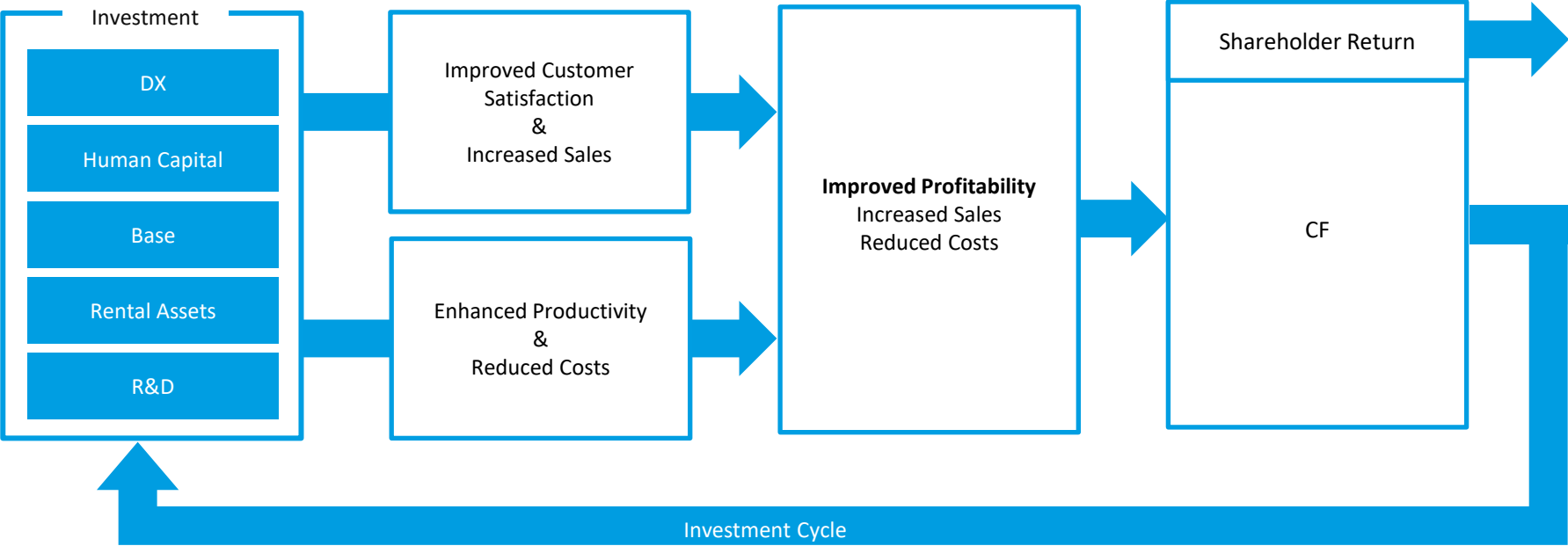


To expand the rental business, we are primarily investing in rental assets. However, increased depreciation expenses for rental assets may lead to decreased profitability during periods of low demand.

We operate the platform and build infrastructure to ensure that user-owned equipment maximizes its benefits. Investments in rental assets are made for stable supply.

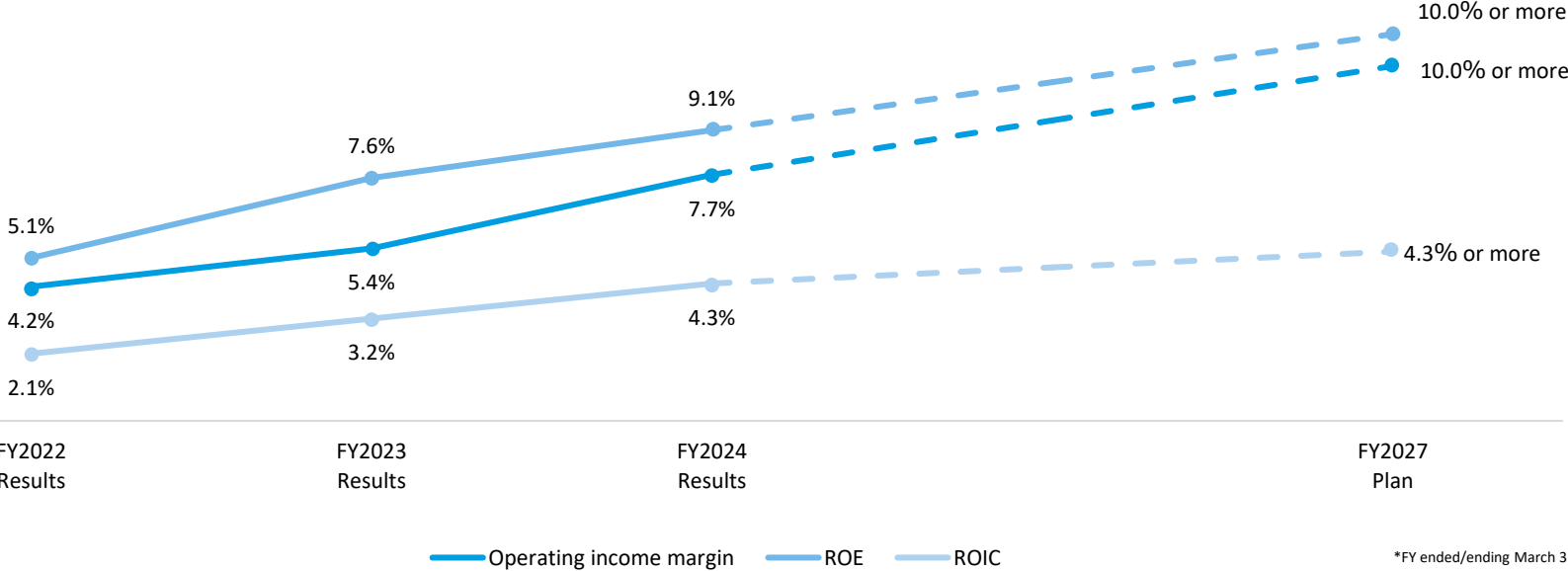
Cash Conversion Cycle

We are actively investing in expanding platform functionalities, and the revenue generated is reinvested into further investments.



Financial Indicators

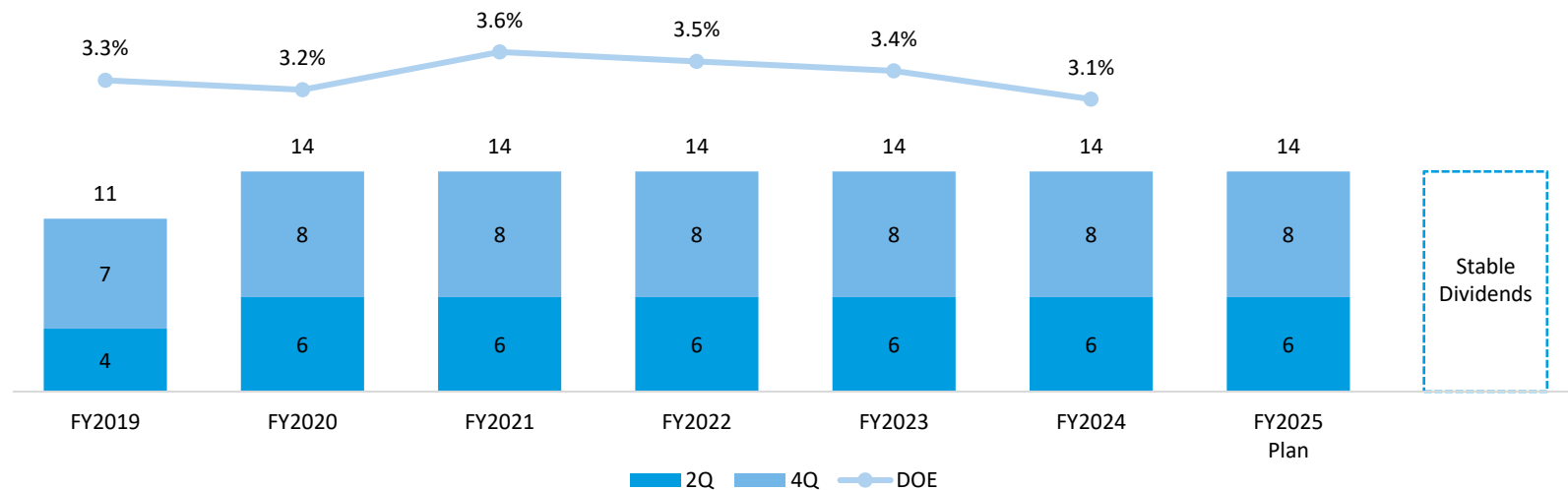
We aim to promote management with a focus on the cost of capital and improve each indicator.



Shareholder Return Policy

While conducting growth investments, we prioritize stable dividends and implement shareholder returns based on performance.

Dividend Performance



*FY ended/ending March 31

IR Contact

Company name	:	Takamiya Co., Ltd.
Address	:	〒530-0011 3-1, Ofukamachi, Kita-ku, Osaka Grand Front Osaka Tower B 27F
HP	:	https://corp.takamiya.co/en/
IR website	:	https://corp.takamiya.co/en/ir/
TEL	:	06-6375-3918 (PR & IR Department)
FAX	:	06-6375-8827
Mail	:	ir@takamiya.co



This material is intended to provide information about our group and is not intended to solicit investments in securities issued by us. Opinions and forecasts contained in these materials are based on our judgment at the time the materials were prepared. We do not guarantee or promise the accuracy or safety of the information. The information is subject to change without notice.