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December 14, 2023

To whom it may concern,

Company name: Takashima & Co., Ltd.
Name of representative: Koichi Takashima, President and Representative Director
(Securities code: 8007; Prime Market)
Inquiries: Investor Relations & Public Relations Unit
(Telephone: +81-3-5217-7248)

Notice Concerning the Establishment of a New Company (Subsidiary) in the Industrial Materials Business and the Transfer of Business to the Subsidiary

Takashima & Co., Ltd.(the “Company”) hereby announce that our Board of Directors has resolved at a meeting held today to establish a new company (our wholly owned subsidiary) in the industrial materials business and to transfer the business to this new company as follows.

1. Establishment of Subsidiary

(1) Purpose of establishing the subsidiary

Our Industrial Materials segment handles a wide variety of commercial products in the fields of textile-related materials and plastic-related materials, and in recent years the Company have adopted a policy of aiming for sustainable growth by improving our manufacturing, processing, and other functions.

Under this policy, in order to respond to the rapidly changing business environment, the Company have decided to establish a new company (our wholly owned subsidiary) that will take over our industrial materials business, with the aim of improving our competitiveness by establishing a new governance structure, enhancing organic collaboration among group companies in the Industrial Materials segment, accelerating decision-making, and flexibly investing in human resources to focus on our core businesses. The new company will be a wholly owned subsidiary of the Company and will take over the industrial materials business of the Company.

The new company is scheduled to begin operations on April 1, 2024. The Company plans to terminate the business upon completion of fulfillment of claims and obligations under the contract by the end of March 2024. The Company has considered the smoothest possible method to avoid as much confusion as possible in the current business operations due to the transition, and to achieve greater flexibility in the selection and concentration of business operations. As a result, the Company decided not to reorganize the company through a "corporate split" as stipulated in the Companies Act. Instead, the Company have adopted the scheme of establishing a new company and transferring the business to the new subsidiary.

(2) Profile of subsidiaries

(1) Company name	Takashima Industries Co., Ltd.
(2) Location	4, 3cho-me, Kandasurugadai, Chiyoda-ku, Tokyo
(3) Title and name of representative	President and Representative Director, Tsutomu Nishida (Senior Executive Officer, Division Chief of Industrial Material Division)
(4) Business	Design, processing and sales of industrial fibers and textiles, plastic materials and molded products, parts of rolling stocks, environment-related products, etc.
(5) Capital	¥350,000,000
(6) Date of establishment	January 19, 2024 (scheduled)
(7) Fiscal year end	March 31
(8) Major shareholders	100% held by Takashima & Co., Ltd.

(3) Schedule

(1) Date of resolution by Board of director	December 14, 2023
(2)Date of New Company's Establishment	January 19, 2024 (Scheduled)
(3)Date of Business Start	April 1, 2024 (Scheduled)

2. Composition of Industrial Materials Segment

The current composition of the group companies in the Industrial Materials segment and the composition after the start of operations of the new company are as follows

Industrial Materials segment			
Current		Since the start of the new company business	
Company Name	Business Field		Company Name
	Plastic-related field	Textile-related field	
Takashima & Co., Ltd.	○	○	Takashima Industries Co., Ltd.
Hi-Land Inc.	○	○	Hi-Land Inc.
CLS Corporation		○	CLS Corporation
TAKCEL Co., Ltd.	○		TAKCEL Co., Ltd
Takashima Robot Marketing Co., Ltd.	○		Takashima Robot Marketing Co., Ltd.
Sinbou Edix Co., Ltd.		○	Sinbou Edix Co., Ltd.

3. Outlook for the Industrial Materials Segment

As stated in the "Notice Concerning Revisions to Consolidated Full-Year Financial Results Forecasts and Dividend Forecast for the Fiscal Year Ending March 31, 2024." dated December 14, 2023, the Company has revised its full-year consolidated earnings forecast for the fiscal year ending March 31, 2024, to net sales of 94,000 million yen, operating profit of 2,300 million yen, ordinary profit of 2,400 million yen, and profit attributable to owners of parent is projected to be 4,800 million yen. The Industrial Materials segment is expected to segment net sales of 19,000 million yen and segment profit of 420 million yen.

4. Future Outlook

The establishment of this subsidiary is expected to incur one-time expenses, but the impact on the Company's consolidated financial results for the fiscal year ending March 31, 2024 and thereafter is expected to be insignificant.

Please refer to the "Notice Concerning Revision to Consolidated Full-Year Financial Results Forecasts and Dividend Forecasts for the Fiscal Year Ending March 31, 2024" separately disclosed today for the consolidated earnings forecasts for the fiscal year ending March 31, 2024, which incorporate other factors.