

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



December 23, 2024

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: Takahisa Tokumoto, General Manager of Strategic Planning & Management Department  
(Telephone: +81-3-5217-7248)

### Notice of Reorganization of Industrial Materials Business (Merger Between Wholly Owned Subsidiaries)

We hereby announce that, as part of the reorganization of our Industrial Materials Division, the Board of Directors of the companies concerned resolved today to implement an absorption-type merger between wholly owned subsidiaries of the Company (hereinafter referred to as the “Merger”), as described below.

Since this Merger is a merger between consolidated subsidiaries of the Company, some disclosure items and details are omitted.

#### Note

#### 1. Outline of the Merger

TAKASHIMA INDUSTRIES CO., LTD. (TAKASHIMA INDUSTRIES), a group company of the Company and a core company in the Industrial Materials business, will merge with CLS Corporation effective April 1, 2025, with Takashima Industries as the surviving company and CLS Corporation as the absorbed company.

#### 2. Purpose of Merger

TAKASHIMA INDUSTRIES was established this year as the first step in a reorganization aimed at promoting selection and concentration of the Industrial Materials business and integrated management of business divisions in order to achieve sustainable growth of the Industrial Materials business.

As announced today in the “Notice of Reorganization of Industrial Materials Business (Share Exchange between Wholly Owned Subsidiaries),” TAKASHIMA INDUSTRIES will become the wholly owning parent company in the Industrial Materials Division, and at the same time, the two companies will integrate their management in order to integrate the trading company functions within the Industrial Materials Division. TAKASHIMA INDUSTRIES will become the wholly owning parent company of the Industrial Material Division.

This will allow us to expand sales in the markets of the textile business where we should focus and integrate indirect functions in order to improve competitiveness and increase earnings.

#### 3. Summary of Merger

##### (1) Schedule of Merger

Date of resolution	December 23, 2024
Date of merger agreement	December 23, 2024
Resolution of general meeting of shareholders (Relevant companies)	January 31, 2025(scheduled)
Scheduled implementation date (effective date)	April 1, 2025 (scheduled)

##### (2) Method of Merger

An absorption-type merger, with TAKASHIMA INDUSTRIES as the surviving company and CLS as the absorbed company.

(3) Allotment of shares related to the Merger

Since the Merger is a merger between wholly owned subsidiaries of the Company, no consideration will be paid for the Merger and there will be no increase or decrease in the amount of capital.

(4) Notice concerning stock acquisition rights and bonds with stock acquisition rights in connection with the merger  
Not applicable.

4. Outline of the parties to the Merger

	Surviving company	Absorbed company
(1) Name	TAKASHIMA INDUSTRIES CO., LTD.	CLS Corporation
(2) Location	3-4 Kanda-surugadai, Chiyoda-ku, Tokyo	Keihanshin Kawaramachi Bldg. 2F, 4-2-14, Kawaramachi, Chuo-ku, Osaka-shi, Osaka
(3) Title and name of representative	President and Representative Director, Tsutomu Nishida	President and Representative Director, Tsutomu Nishida
(4) Business	Engineering, processing, and sales of industrial textiles, plastic materials and plastic molded products, rolling stock parts for train, and environment-related products, etc.	Sale of artificial and synthetic leathers, and various other materials and products
(5) Capital stock	¥350 millions	¥50 millions
(6) Establishment date	January 19, 2024	March 31, 2015
(7) Number of shares issued	35,000	1,000
(8) Accounting period	The end of March	The end of March
(9) Major Shareholders and Shareholding Ratio	Takashima & Co., Ltd. :100%	Takashima & Co., Ltd. :100%
(10) Financial position and operating results for the most recent fiscal year		
Net assets	¥343,149 thousand	¥614,633 thousand
Total assets	¥361,533 thousand	¥2,947,506 thousand
Net assets per share	¥9,804.27	¥614,633.62
Sales	-	¥3,913,740 thousand
Operating profit	¥ (6,378) thousand	¥28,027 thousand
Ordinary profit	¥ (6,378) thousand	¥50,736 thousand
Profit attributable to owners of parent	¥ (6,850)	¥63,848 thousand
Net profit per share	¥ (195.73)	¥63,848.05

5. Situation after the Merger

There will be no change in the name, location, name and title of representative, capital stock, or accounting period of TAKASHIMA INDUSTRIES CO., LTD. after the Merger.

6. Future outlook

Since this Merger is a merger between wholly owned subsidiaries of the Company, the impact of the Merger on the Company's consolidated financial results is negligible.

End.