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March 6, 2026

Company name: Takashima & Co., Ltd.
Name of representative: Koichi Takashima, Representative Director and President
Securities code, Listing: 8007, TSE Prime Market
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Takashima Announces Recording of Extraordinary Losses

Takashima & Co., Ltd. (the “Company”) announces that it expects to incur extraordinary losses during the fourth quarter of the fiscal year ending March 2026 (from January 1, 2026 to March 31, 2026) as follows.

1. Details of Extraordinary Losses

As announced in the “Notice Concerning the Conclusion of a Joint Venture Agreement to Establish a Joint Venture” dated August 8, 2024, the Company established a joint venture with a subsidiary of DG Capital Group Co., Ltd. (hereinafter referred to as "DGCG"), which is a capital alliance partner in which we partially invested, and holds shares in DG Takashima, Co., Ltd. (hereinafter referred to as "DGT"). However, as DGCG commenced bankruptcy proceedings, it became necessary to record an impairment loss for its investment in DGCG.

In addition, due to the commencement of DGCG’s bankruptcy proceedings, it became difficult for DGT to continue its business. It was also confirmed that loans to DGT from the Company were illegally diverted to an affiliated company of DGCG. Therefore, it has raised the possibility that loans to DGT may not be recoverable. Furthermore, the Company had to record an impairment loss for its investment in DGT.

As a result, the Company is expected to post extraordinary losses for the fiscal year ending March 2026.

(1) Loss on valuation of investment securities (Investments in capital: DG Capital Group Co., Ltd.)	50 million yen
(2) Loss on valuation of shares of subsidiaries and associates (Investments in capital: DG Takashima Co., Ltd.)	4.9 million yen
(3) Provision of allowance for doubtful accounts (Receivables: DG Takashima Co., Ltd.)	557 million yen

2. Overview of Capital Alliance Partner

(1) Company name	DG Capital Group Co., Ltd.
(2) Address	4-8-26 Meieki, Nakamura-ku, Nagoya-shi, Aichi
(3) Representative	Rikiya Abe, Representative Director
(4) Description of business	Management of Digital Grid Technology Fund and Affiliated Companies
(5) Share capital	1,126.25 million yen
(6) Number of shares held in the Company	1,000 shares

3. Overview of the joint venture company

(1) Company name	DG Takashima Co., Ltd.
(2) Address	6-1-1 Heiwajima, Ota-ku, Tokyo
(3) Representative	Takayuki Minami, Representative Director
(4) Description of business	Manufacture and sale of digital grid routers
(5) Share capital	10 million yen
(6) Number of shares held in the Company	98 shares

4. Future Outlook

We are currently conducting an investigation into the detailed facts of this case. Based on the results of future investigations, we will promptly formulate and implement effective measures to prevent recurrence.

We are currently examining the impact of this case on our business results, and will promptly disclose any matters requiring disclosure.