

Notice: This document is 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.

Medium-Term Management Plan Sustainability **V**(Value) Updated Version

Nov. 14, 2023

Takashima & Co., Ltd.
(securities code:8007)

Takashima & Co., Ltd.



Purpose of Medium-term Management Plan Update

Reflecting M&A performance: Increasing Strategic Investment Limitations

- ✓ Including the effect of making Gansui Corporation a consolidated subsidiary in June 2023.
- ✓ Accelerating the transformation into a sustainable growth company by further expanding investment quota

Booming outlook for building materials segment

- ✓ Increased the construction supply segment plan by taking into account the current and future market conditions in the construction materials and renewable energy materials fields.

Organizing responses to achieve cost of capital and stock price conscious management

- ✓ Since the disclosure of the “a plan to meet continued-listing criteria for TSE’s the New Market Classification,” the company has been working on management with a strong awareness of cost of capital and stock price, and has organized specific efforts to improve P/B ratios along with past results.

◆ Key Performance Indicators and Target Values

(Consolidated financial results for the full year ending March 31, 2026)

	Sustainability V(Value)	Sustainability V(Value) Updated
Net sales	¥100Bn	¥110Bn
Construction Supply	¥60Bn	¥70Bn
Industrial Materials	¥20Bn	¥20Bn
Electronic Devices	¥20Bn	¥20Bn
Operating profit	¥2.3Bn	¥2.6Bn
Profit attributable to owners of parent	¥1.7Bn	¥1.9Bn
ROE	Over 8%	Over 8%
ROIC	Over 6%	Over 6%
Total return ratio	50%	50%
Investment quota	¥10Bn or more	¥15Bn

Outline

1. Former medium-term management plan
“Sustainability X(Cross)”
(Fiscal year ended March 31, 2021(FY20) to fiscal year ended March 31, 2023)
2. Summary of “a plan to meet the criteria” and direction of medium-term management plan
3. Current medium-term management plan
“Sustainability V(Value)”
(Fiscal year ending March 31, 2024(FY23) to fiscal year ending March 31, 2026)
4. Actions to achieve cost of capital and stock price conscious management

1. Previous Medium-term Management Plan “Sustainability X(Cross)”

(Fiscal Year Ended March 31, 2021 (FY20) to Fiscal Year Ended March 31,2023(FY22))

1. Previous Medium-Term Management Plan “Sustainability X”



1-1 Basic Strategy of “Sustainability X”

- To contribute to the creation of a sustainable society, we would specialize, concentrate and improve on providing solutions in the areas of energy-saving, weight-saving, and labor-saving.

《Strategic Field》

Energy-Saving Solution

We offer total solutions that support the effective use of energy in homes and buildings by linking together energy creation, energy saving and energy storage.



Weight-Saving Solution

We offer lightweight components and materials to help reduce environmental impacts to respond to changing social environments and needs, making use of a wide range of processes, from design to manufacturing, processing, and delivery.



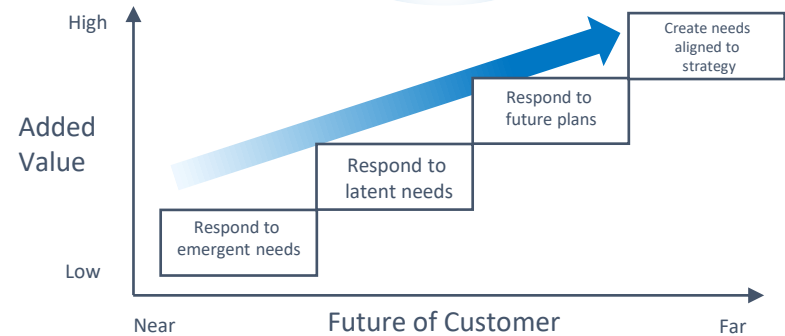
Labor-Saving Solution

We offer solutions to meet the needs of a declining population and the demands for increased efficiency through adding the concept of “labor-saving” to construction methods and applying unitization to manufacturing and processing.

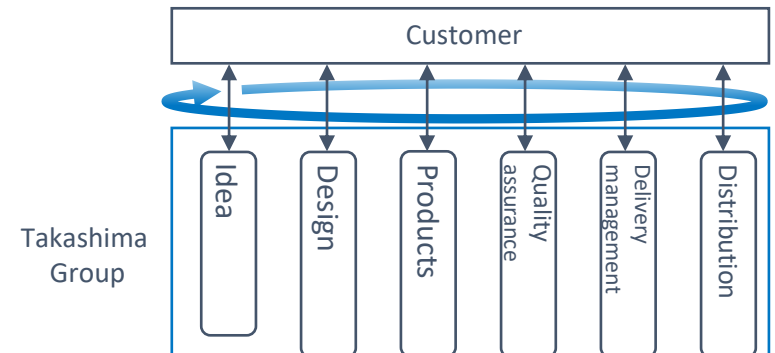


《Expertise》

Development Proposal Capabilities



Multiple Completion Capabilities



1. Previous Medium-Term Management Plan “Sustainability X”



1-2 Recognition of the Current Circumstances Around Us

- Due to energy-related issues, renewable energy and zero-emission related technologies are becoming increasingly popular in various sectors.

Megatrends Around Us

Energy Security

- Expansion of world energy use.
- Fuel price rise
- Rising geopolitical tensions throughout the world

Climate Change and carbon neutral trend

- CO2 emission reduction
- Business, policy, and finance are changing to achieve a zero carbon society

Semiconductor & Power Electronics

- Semiconductor market, centered on ICs, is expanding, making it difficult to secure stable supply.
- Expanding the Power Electronics Market for Energy Utilization

Current Change

Expansion of energy-saving technologies

Energy-related field

- Movement for expansion usage coal-free, renewable energy and nuclear power.
- Energy savings through usage of electricity consumption data

Transportation field

- Use of zero-emission energy sources through electrification
- Changing car design and usage of lightweight materials.

Industrial field

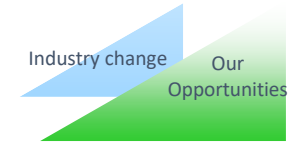
- Reduction of energy consumption through data sharing and utilization of robots and AI
- Conversion to biofuels

Consumer field

- Change in the use of heat in residences and businesses
- Use of highly efficient equipment
- Reduce energy consumption through the evolution and spread of ZEB and ZEH

1. Previous Medium-Term Management Plan “Sustainability X”

1-3. Market Opportunities & Growth Topics



- Accelerate approach to markets with long-term growth potential

Spreading ZEB and ZEH

Market Opportunities

- Passive solution)
- Thermal insulation
- Heat shielding
- Active solution)
- High-efficiency air conditioning and lighting
- Energy creation)
- Solar energy
- Energy storage)
- Storage system

- Energy creation
- Energy savings
- Energy storage

Growth Potential

- Popularization of residential photovoltaic power generation systems
- Expand storage battery sales
- Expand sales and installation of heat insulating materials, mainly for residential houses

EV

Market Opportunities

- Materials & Components)
- Parts, automotive equipment, logistics materials
- Peripheral equipment)
- EV chargers, V2H, solar carports

- EV chargers, V2H (Vehicle to home)
- Automotive parts and logistics materials

Growth Potential

- Increase in V2H sales through existing sales channels. Start supply of equipment through tie-ups with used car sales companies.
- Expand sales of logistics materials suitable for EV parts

Semiconductor Power electronics

Market Opportunities

- Products)
- Capacitors, Relays, Inverters, Transformers, etc.

- Procurement from ASEAN, PCB mounting

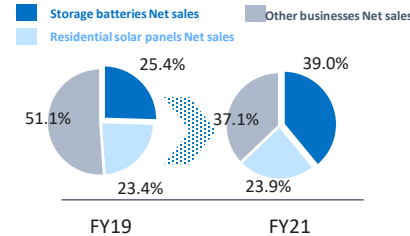
Growth Potential

- Business expansion following China plus one strategy
- Growth investment in own factories (Thailand, Vietnam)

- Applications)
- AV equipment, white goods, office equipment, automobiles

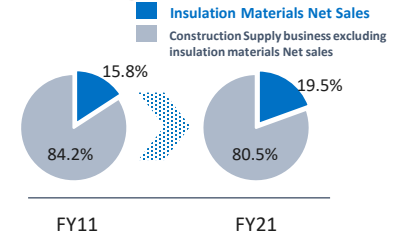
Energy Solution

Growth in Storage Battery Sales



Insulation

Growth in processing and installation of insulation materials



V2H

V2H(Vehicle to Home)



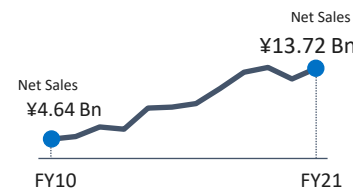
Logistics Materials

Example of molding of logistics materials for EV parts

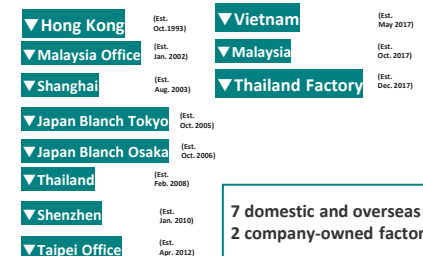


Electronics Devices

Growth in Electronics Devices Segment



Sales bases of Electronics Devices



7 domestic and overseas offices
2 company-owned factories

1. Previous Medium-Term Management Plan “Sustainability X”

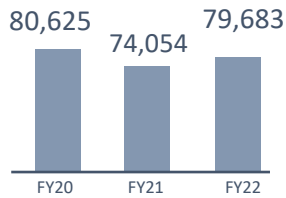
1-4. Progress of Sustainability X

- Record net profit was recorded for the fiscal year ended March 31, 2023, the final year of Sustainability X.
- Each business is promoting business development with an awareness of growth drivers.

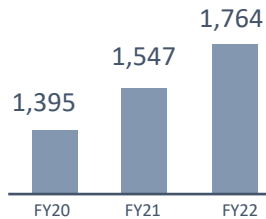
Consolidated

(¥ Millions)

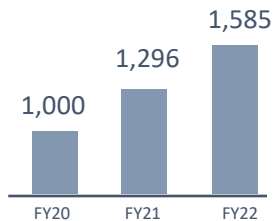
Net sales



Operating profit



Net profit

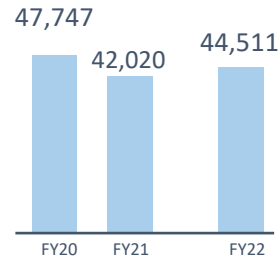


By business segment

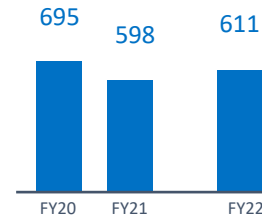
(¥ Millions)

Construction Supply

Net Sales

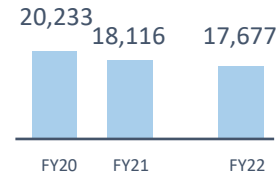


Operating Profit

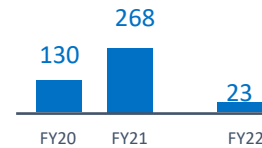


Industrial Materials

Net Sales

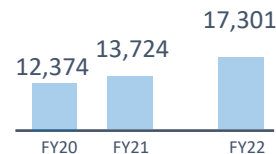


Operating Profit

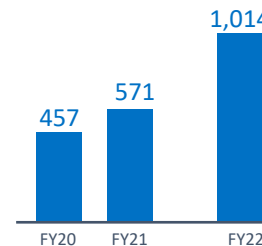


Electronic Devices

Net Sales



Operating Profit



Growth drivers

Have captured demand for large logistics warehouses.

- Ground improvement work, fireproof covering work.

Have expanded by capturing demand for labor-savings

- Sales of residential heat insulation panels

Have promoted the textile and plastic domain as a manufacturer

- Group companies and utilize their functions

Have selected and focused on existing businesses

- Using group assets

Have expanded sales in global markets

- Sales of parts

Have expanded contract manufacturing (EMS) at our own factory

- PCB Mounting

2. Summary of “a Plan to Meet the Criteria” and Direction of Medium-Term Management Plan.

2-1. Status of “a plan to meet the criteria”

- The Company has set the end of March 2026 as the plan period to fulfill the criteria to continued-listing on the prime market, and the medium-term management plan was formulated based on the assumption of that plan period.
- Given that the end of the transitional period for continued-listing criteria has been set for the end of March 2025, we aim to achieve the criteria by the end of March 2025.

Management Index	Management Index	FY2020	FY2021	FY2025
	Net profit attributable to owners of parent	¥1Bn	¥1.585Bn	¥1.9Bn <small>(initial plan is ¥1.58Bn, in the plan to meet the criteria)</small>
	ROE	5.9%	8.3%	Over 8.0%
	ROIC	5.1%	5.0%	Over 6.0%
	Total return ratio	27.1%	54.3%	50%

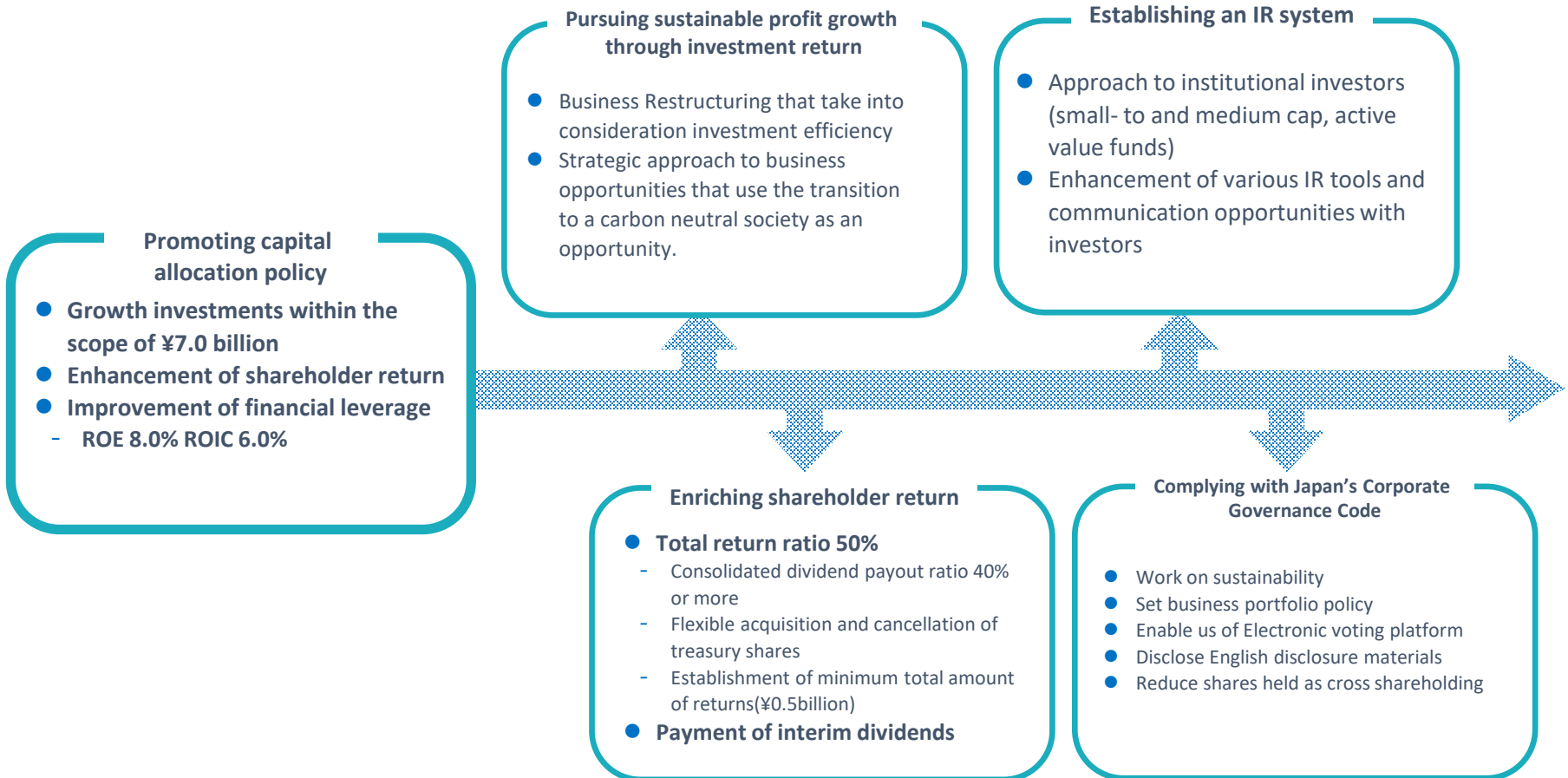
Requirement	The criteria for continued-listing	As of end of Jun. 2021	As of end of Mar. 2023	At the end of Mar. 2025	At the end of Mar. 2026
	Number of tradable shares	27,185 units	28,236 単位	More than 20,000 units	More than 20,000 units
	Tradable share market capitalization	¥4.79Bn	¥8.24Bn	More than ¥10Bn	More than ¥10Bn
	Tradable share ratio	59.7%	63.2%	More than 35%	More than 35%
	Average daily trading value	¥6.83M	¥32.66M ^{*1}	More than ¥20M/day	More than ¥20M/day

*1 当社が2023年1月～3月の当社の株券等の分布状況をもとに算出を行ったものです。

2-2. Basic Initiative Policy at “a Plan to Meet the Criteria”.

- The next medium-term management plan will be based on the five basic policies agreed to in “the Plan to Meet the Continued Listing Criteria of Tokyo Stock Exchange (TSE) Prime Market”, and will clearly define growth strategies, including growth investment targets.

Basic Initiative policy for increase “Tradable share market capitalization” and “Average daily trading value”



2-3. Actions to be Taken in Consideration of the Decision on the Expiration Date of the Transitional Measures for the Continued-listing Criteria

- In light of the decision to terminate the transitional measures for the listing maintenance standards by the end of March 2025, the Company aims to achieve the "market capitalization of tradable shares" standard by the end of March 2025 ahead of schedule by implementing a stock split and various other measures in a timely and appropriate manner.

Actions to be taken considering the decision on the expiration date of the transitional measures for the continued-listing criteria

Share split

- Increase the liquidity of our stock and further expand the number of people who become investors
- ◆ Method of share split
 - A 4-for-1 stock split of the Company's common stock with a record date of September 30, 2023 and an effective date of October 1, 2023.

Additional implementation of various measures to achieve sustainable growth and increase traded market capitalization

We will take appropriate measures in a timely manner to "execute strategic investments," "review our business portfolio with an awareness of capital productivity," "enhance shareholder returns," "increase recognition in the capital markets," and "improve the liquidity of our stock."

Aiming to achieve "Tradable Market Capitalization" by the end of March 2025, ahead of schedule.

3. Medium-term Management Plan

“Sustainability V(Value)

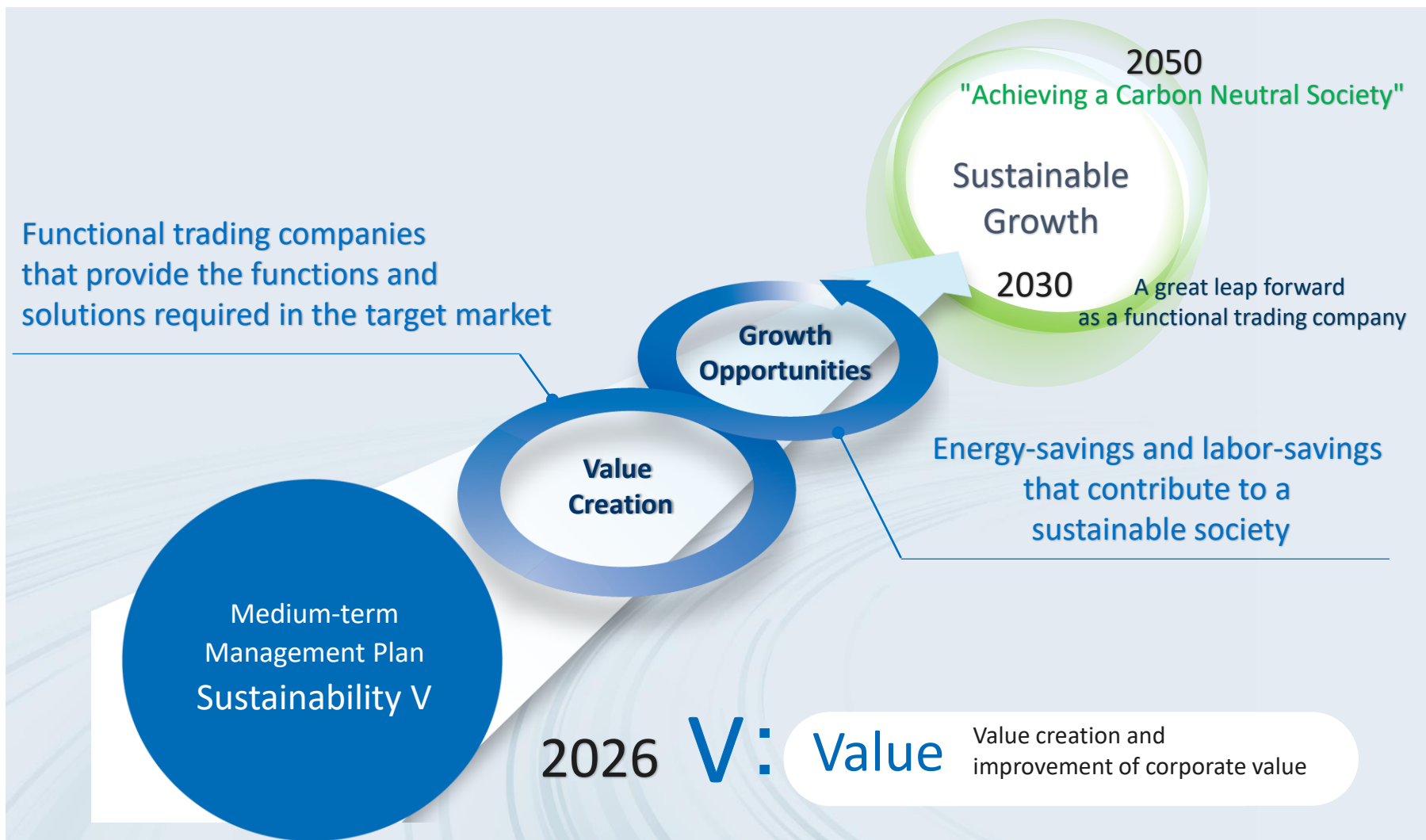
(Fiscal year ending March 31, 2024 to Fiscal year ending March 31, 2026)

3. Medium-term Management Plan “Sustainability V”



3-1. Basic Policy

- “Sustainability V” will simultaneously achieve adaptation to a sustainable society and sustainable growth through value creation strategies that capture growth opportunities in a changing market toward “Achieving a Carbon Neutral Society (2050)”.



3-2. Our Continuous Growth Story

New value creation for the needs of energy-savings and labor-savings



Our Function

[Construction Supply]

Nationwide domestic procurement and sales network

-8 domestic sales offices

-Domestic and foreign manufacturer procurement

Planning, Design, and Construction Function

-Network of design companies

-Renewable energy business

Acquisition of construction companies

[Electronic devices]

Overseas Device Sales Development

- 11 domestic and overseas sales offices

In-house production in ASEAN

- Opened factories in Thailand and Vietnam

[Industrial Materials]

Design of cushioning materials for automobiles and electronics, product and mold forming functions

- Two Group companies (Plastics field)

Strategic Domain

Energy-savings and Labor-savings

Expand renewable energy-related businesses

Solar power generation systems, storage battery systems, V2H, quick chargers for EVs

Expand energy-saving businesses

Insulation, energy savings devices, modules, assemblies

Adapting to a New Business Environment

Logistics materials for EVs and precision equipment

Expand labor-saving related businesses

Building materials and construction methods that meet fire, heat, and earthquake resistance standards and enable labor-savings.

Growth



Respond the energy savings needs against the environment of issues related to energy.



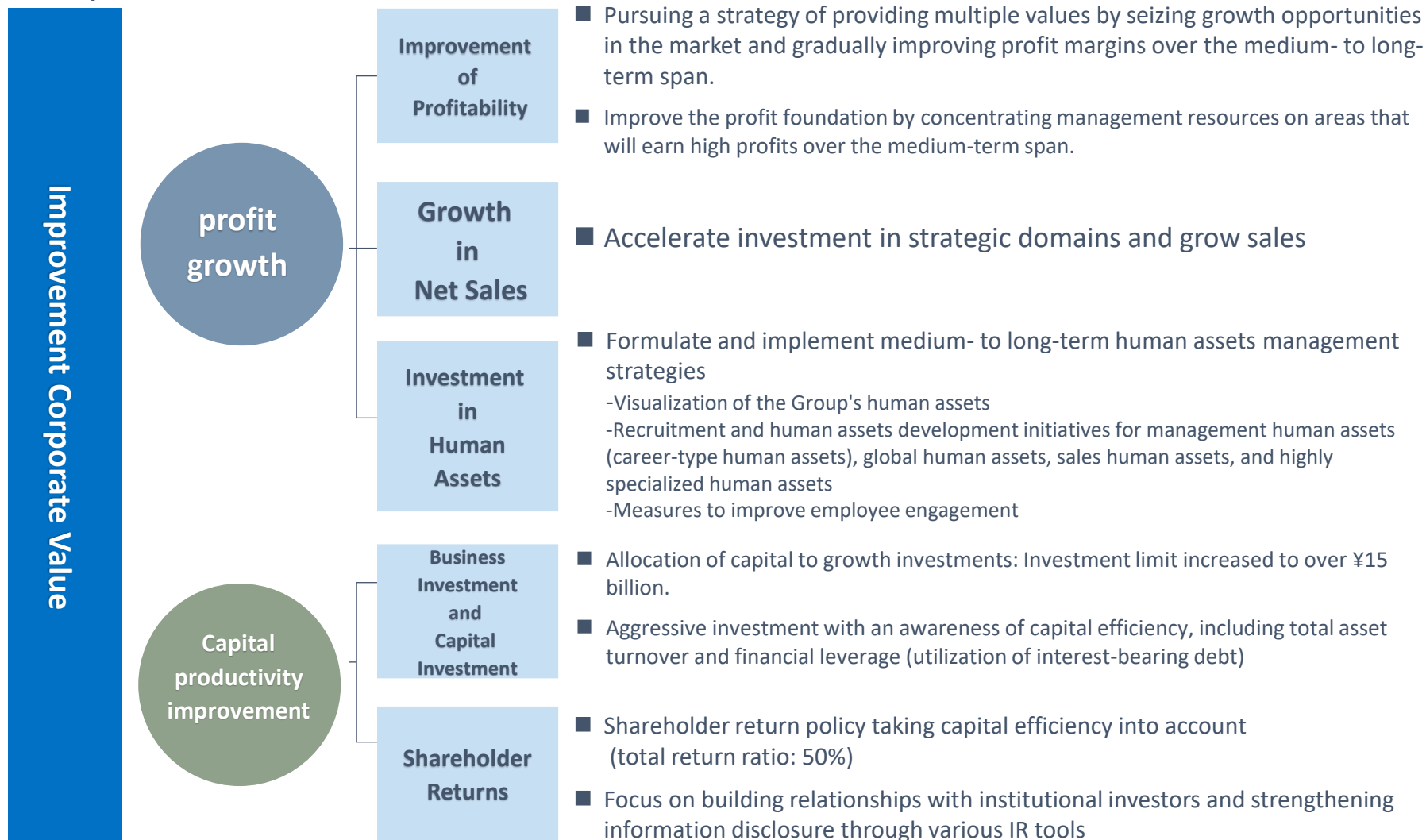
Responds an emerging market need for labor savings

3. Medium-term Management Plan “Sustainability V”



3-3. Basic Policy

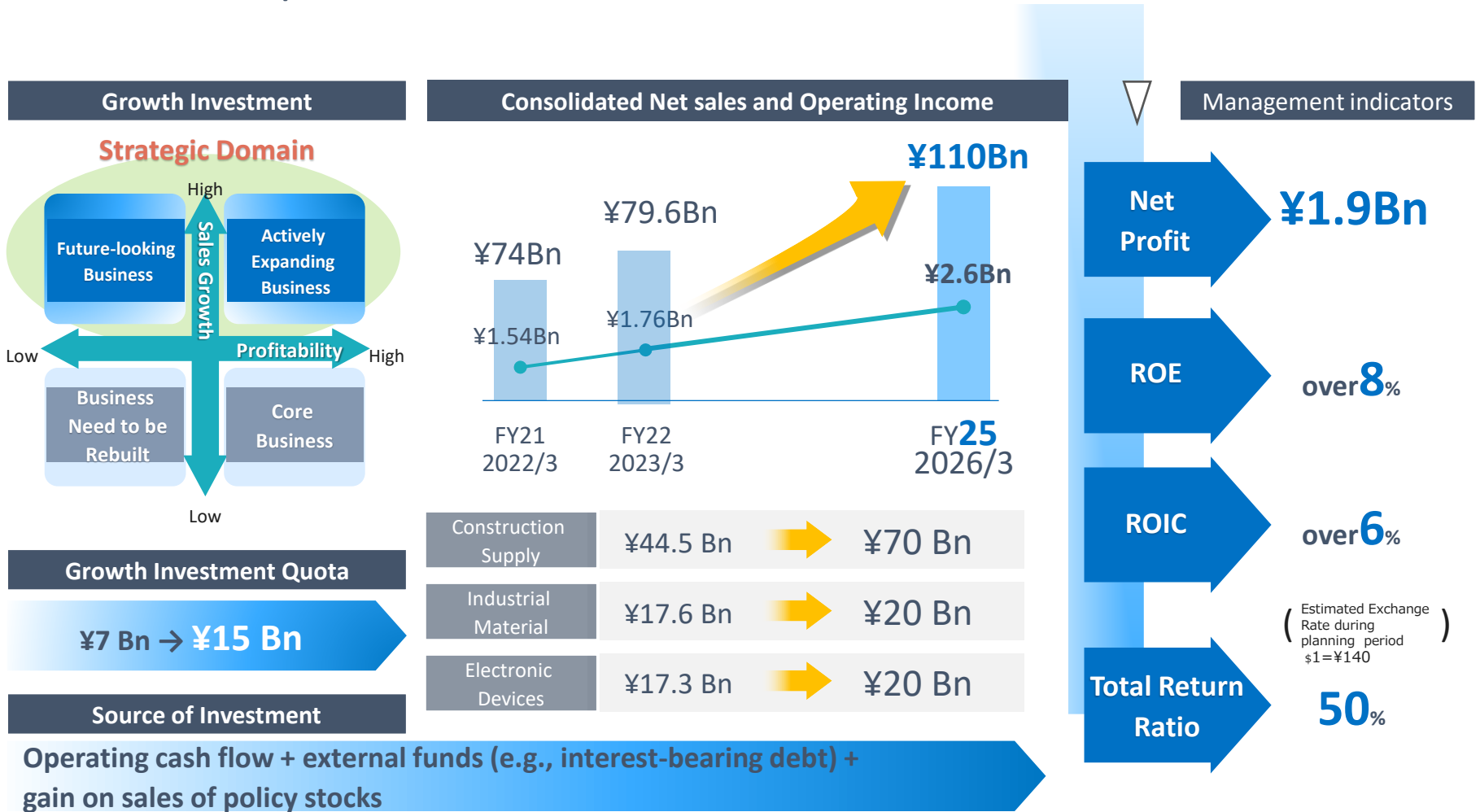
- We aim to increase corporate value by achieving profit growth and capital productivity improvement



3. Medium-term Management Plan “Sustainability V”

3-4. Management Indicators and Financial Policies

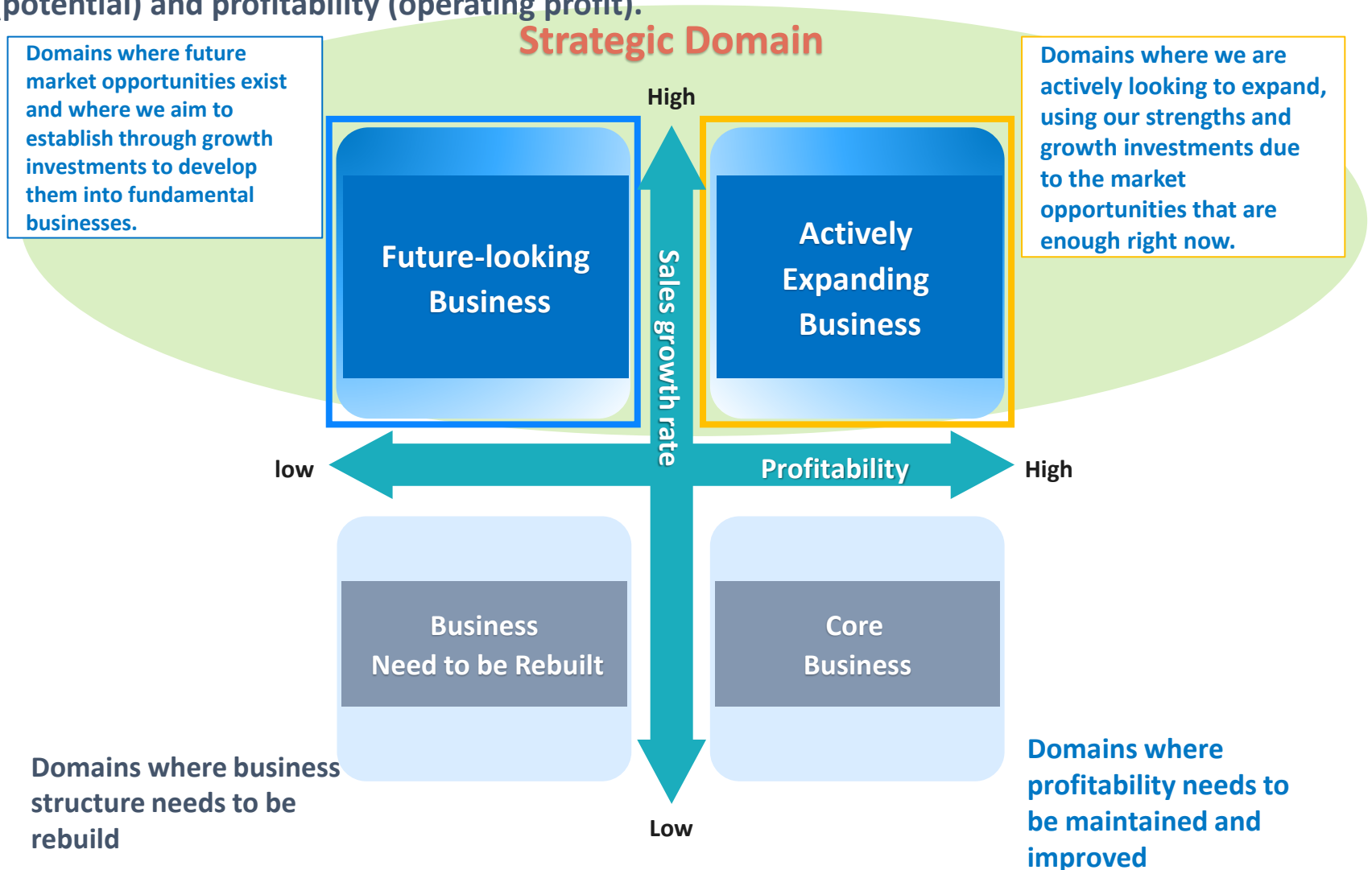
- We set management indicators and financial policies that focus on growth.
- We aim to achieve net income of ¥1.9 billion in the final year of the plan (fiscal year ending March 31, 2026).



3. Medium-term Management Plan “Sustainability V”

3-5. Strategic Domain (Business Portfolio Management)

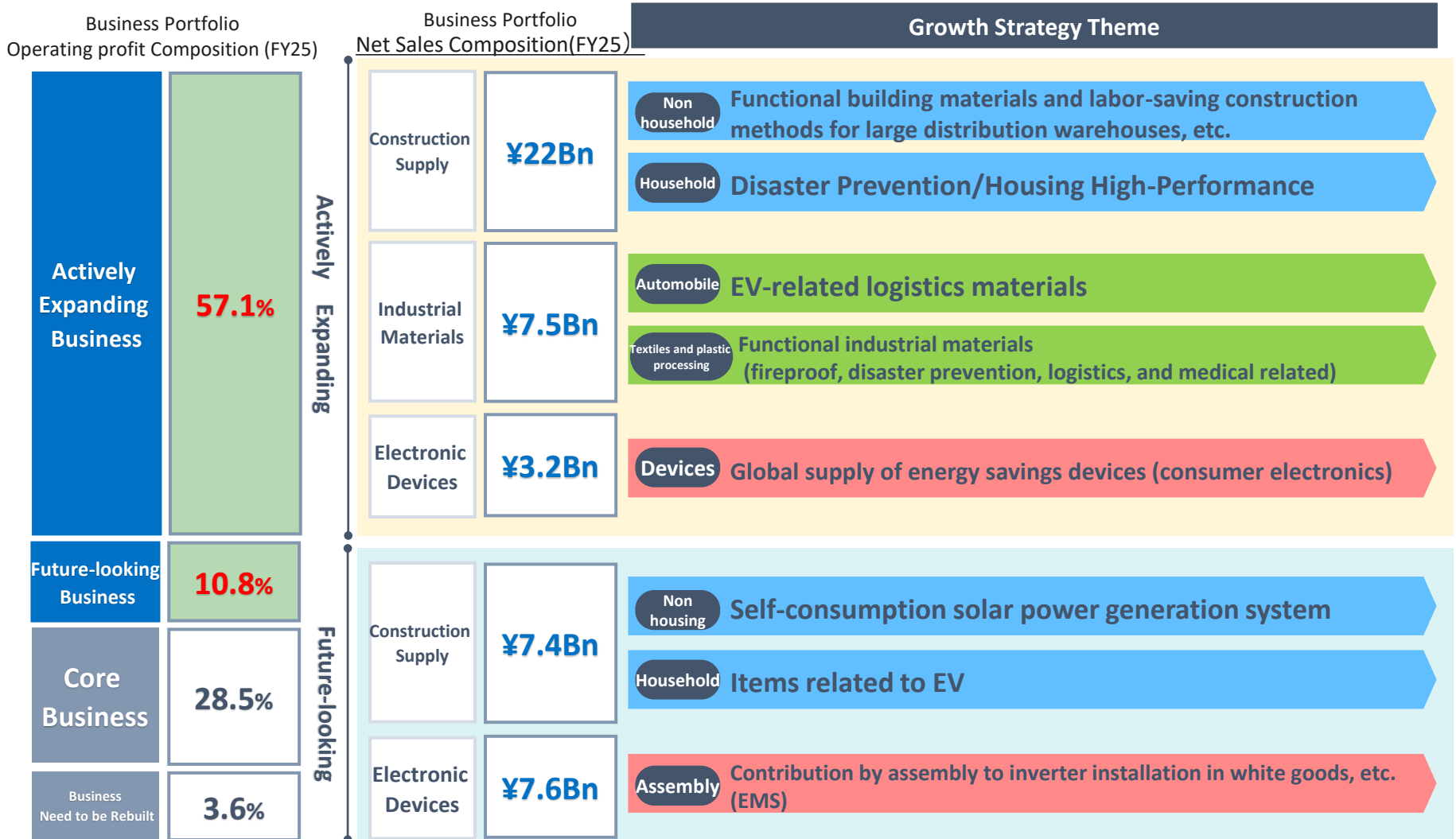
- We will seek to increase profitability by providing growth and added value based on market growth opportunities. To this end, we have established strategic areas based on sales growth rate (potential) and profitability (operating profit).



3. Medium-term Management Plan “Sustainability V”

3-6. Strategic Domain (Business and Target Indicator)

- Achieve high profit growth by steadily promoting growth strategies in strategic areas
- Promote business portfolio management and monitoring to improve ROIC indicators



3. Medium-term Management Plan “Sustainability V”



3-7. Growth Strategy –Construction Supply Segment- 1/2

Segment Net sales	FY22 Result	FY25 Plan
	¥44.5Bn	→ ¥70Bn

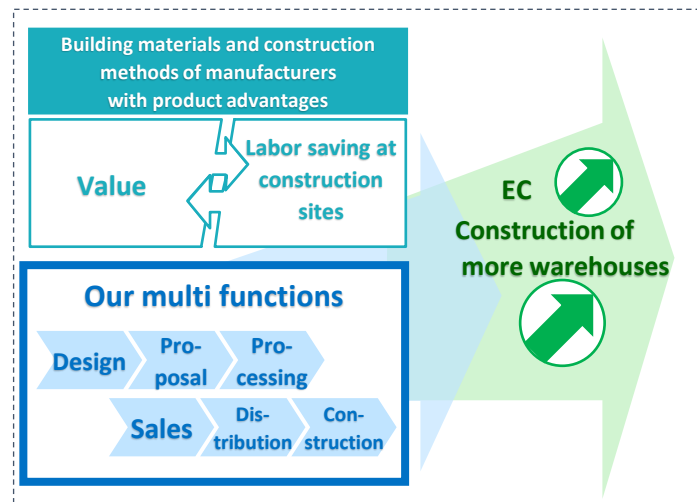
Actively Expanding Business

Non-Household Functional building materials and labor-saving construction methods for large distribution warehouses, etc.

Functional building materials for fire, heat insulation, and earthquake resistance
Expansion of labor-saving construction methods at construction sites

+

Capturing the growing demand for large logistics warehouses in the context of the growth of the EC market

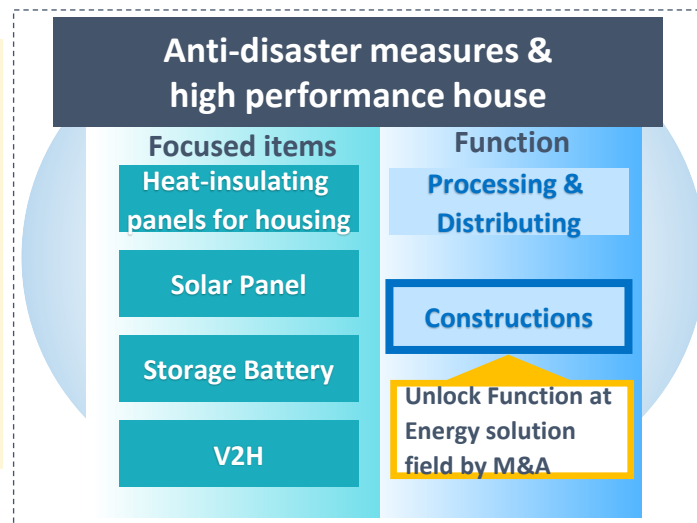


Household Anti-disaster measures & high performance house

Expand sales of solar energy creation and storage systems and home insulation panels

+

Capturing demand for ZEH and countermeasures against power outages in the event of disasters



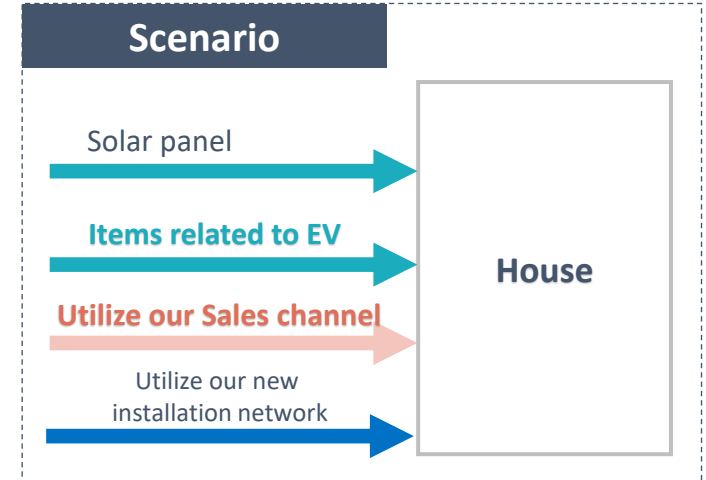
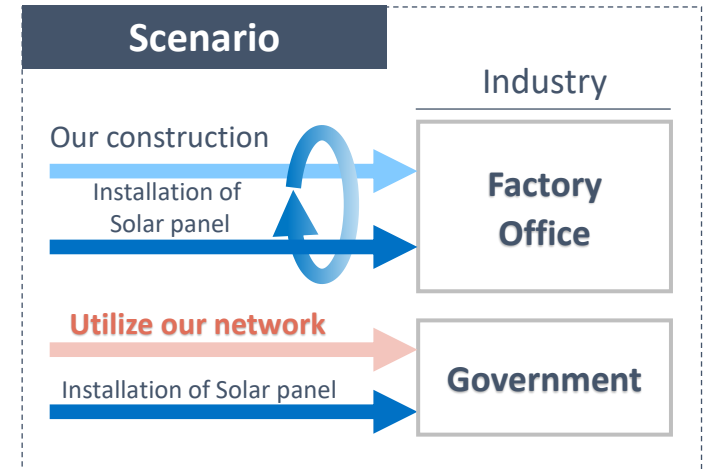
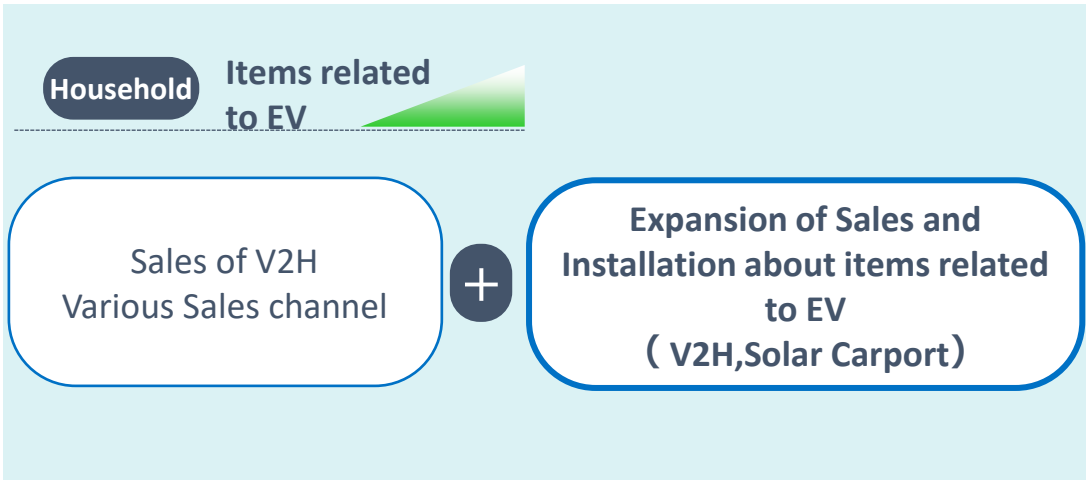
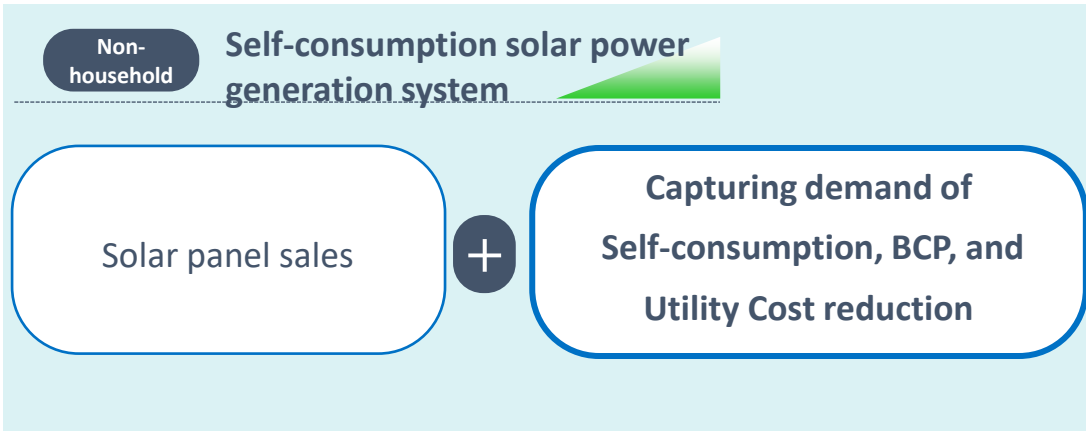
3. Medium-term Management Plan “Sustainability V”



3-7. Growth Strategy -Construction Supply Segment- 2/2

Segment Net sales	FY22 Result ¥44.5Bn	➔	FY25 Plan ¥70Bn
-----------------------------	------------------------	---	--------------------

Future-looking Business



3. Medium-term Management Plan “Sustainability V”

3-7. Growth Strategy -Industrial Material Segment-

Segment Net sales	FY22 Result	FY25 Plan
	¥17.6Bn	¥20Bn

Actively Expanding Business

Mobility

EV-related logistic items

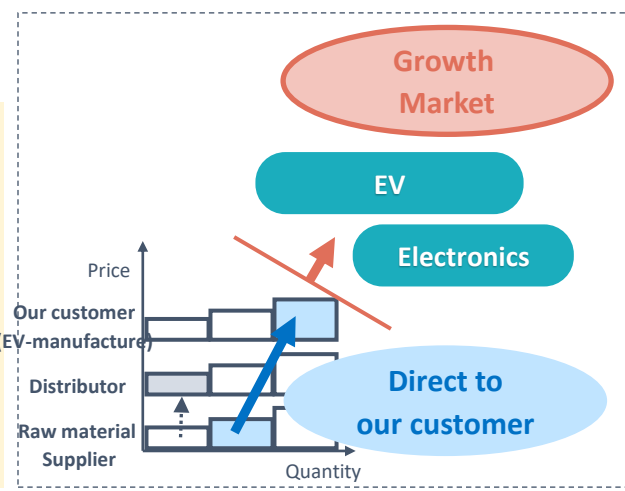
Expand sales of EV-related logistics materials through sales offices in Nagoya



Expand end-direct to our customer, by utilizing processing and design functions



Capital investment, such as in processing facilities and M&A, to meet growing demand for EV-related logistics materials



Plastics and textiles products

Functionary Industrial Material (E.g. Fireproofing, Prevention of disaster, logistics, medical)

Promoting the shift to manufacturers in the textile and resin area (Utilize and improve our group company)



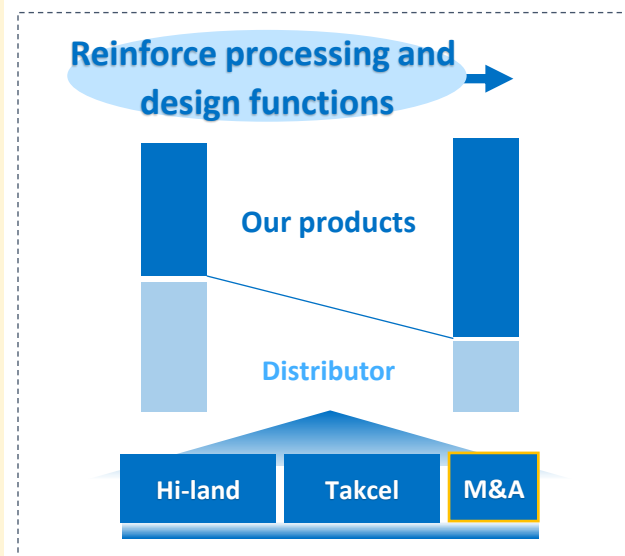
Expansion of our product’s market share and development of new products (increase high-margin product)



Expansion of production and sales around areas of market presence (fireproofing, logistics, medical, etc.)



M&A (disaster prevention-related) synergy creation



3. Next medium-term Management plan “Sustainability V”

3-7. Growth Strategy Electronic Devices Segment

Segment Net sales	FY22 Result	FY25 Plan	Estimated Exchange Rate during planning period (\$1=¥140)
	¥17.3Bn	¥20Bn	

Actively Expanding Business

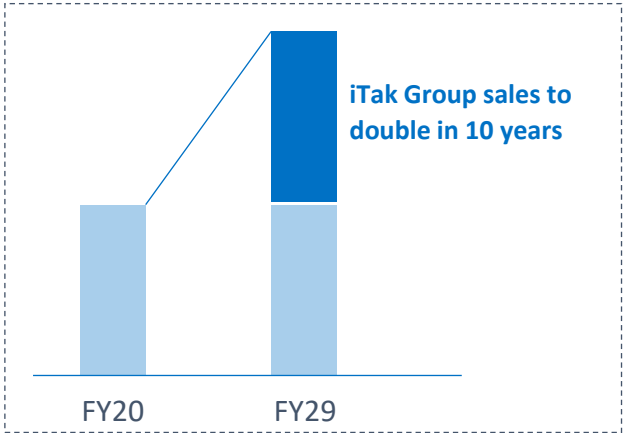
Sales Global parts supply (consumer electronics)

Handling of electronic components made by overseas manufacturers with price advantage and sales to global markets

Expanding the customer base of non-Japanese and Japanese manufacturers through function-based sales development

Expansion into in-vehicle and industrial equipment

Long-term



Future-looking Business

PCB Mounting Inverterization of white goods in ASEAN (Thailand, Vietnam)

Contract production at our own factories in Thailand and Vietnam

Investment in a new factory in Thailand and a factory line in Vietnam to establish a production system and expand sales

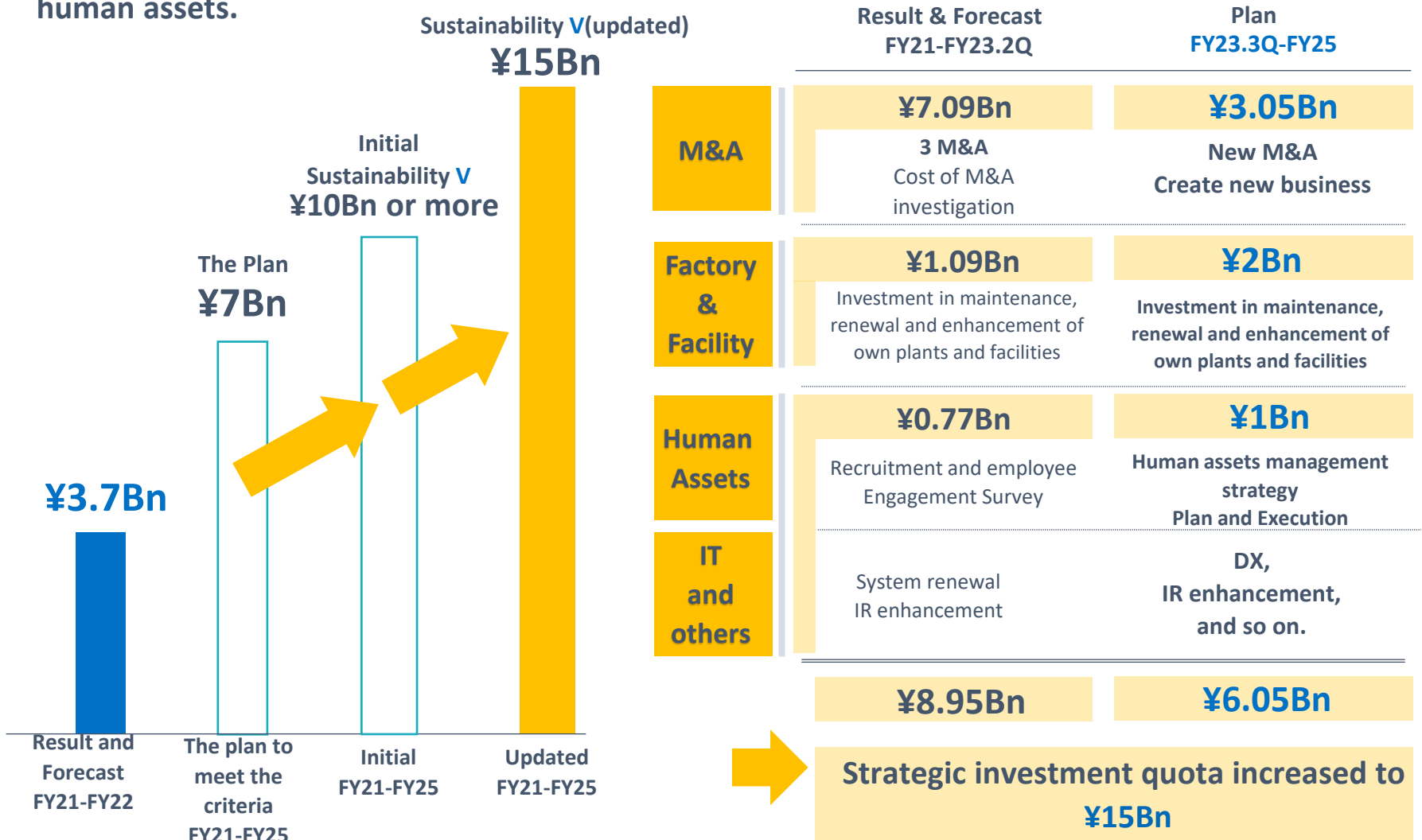
Integration of latest equipment and advanced technology



3. Medium-term Management Plan “Sustainability V”

3-8. Investment Strategy

- In light of the progress of the strategic investment line set forth in the plan to meet the criteria, we will expand the investment quota to a total of 15 billion yen to invest in strategic areas and in human assets.



3. Medium-term Management Plan “Sustainability V”

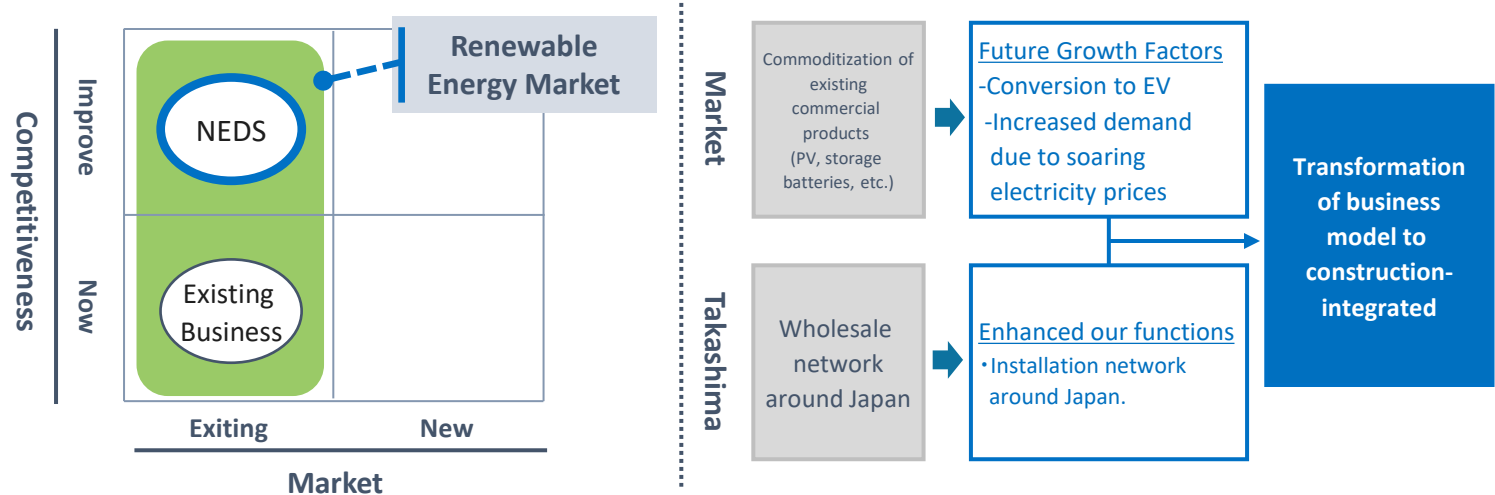
3-9. M&A Strategy

- Our basic policy on M&A is to strengthen the functions of existing businesses and develop peripheral businesses, and we will continue to proactively reach out for M&A opportunities as we pursue our growth strategy (strategic areas).

Aim of consolidation (NEDS: New Energy Distribution Systems Inc.)

Aim of Making it a Subsidiary

- Enhancement of functions offered to the growing renewable energy market
- Establish a competitive advantage by transforming our business model from traditional wholesale to construction-integrated.



Strength

- High quality of workmanship and ability to obtain inquiries for 1,000 renewable energy-related construction projects per month
- With 13 branches, NEDS cover construction projects throughout Japan

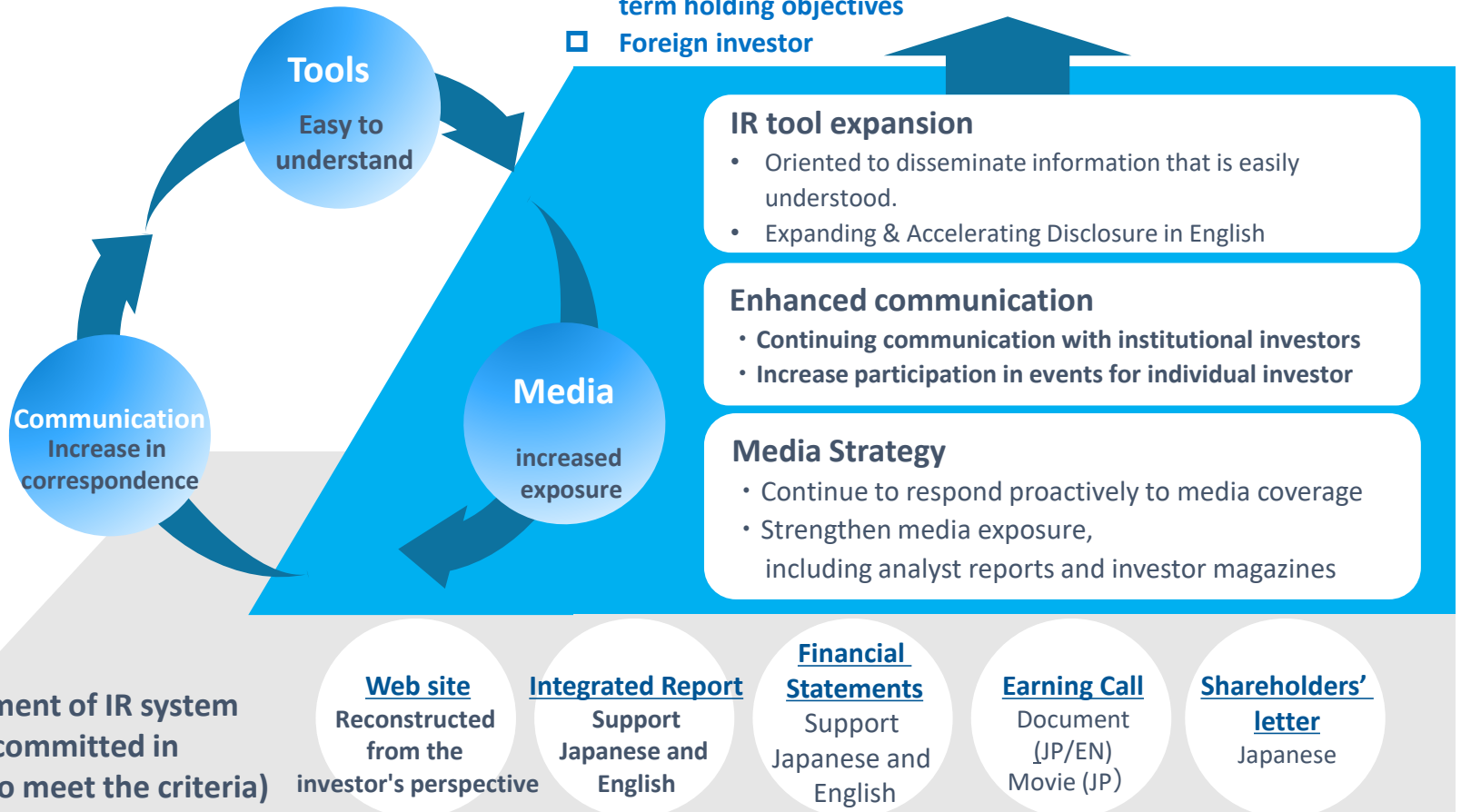
3. Medium-term Management Plan “Sustainability V”

3-10 IR Strategy

- Progress has been made in establishing an IR system, including the development of various IR tools in Japanese and English.
- Going forward, we will strengthen communication with individual investors and brush up our IR system.

Main IR Targets

- ❑ Institutional investors and analysts, especially active funds for small and mid-cap and value investments
- ❑ Individual Investor, especially individuals with medium-to long-term holding objectives
- ❑ Foreign investor



3. Medium-term Management Plan “Sustainability V”



3-11 Sustainability

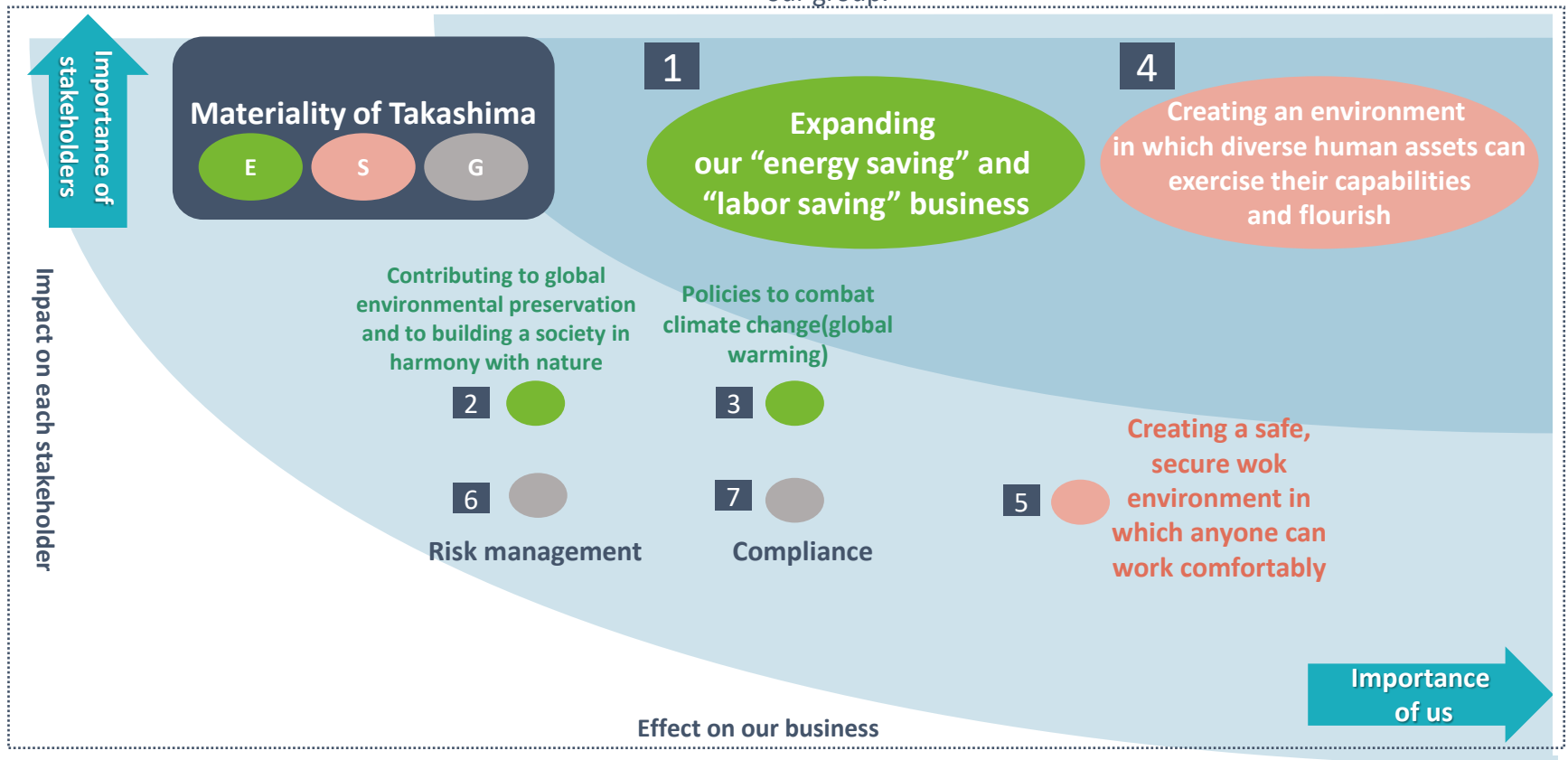
- Contribute to a sustainable society through business management based on the seven materialities.

Contribute to a sustainable society through value creation in strategic domain **1**

Investment in "people" who support the root of the Group's business **4**

Contribute to a sustainable society by focusing on "energy savings" and "labor saving" solutions in our growth strategy (strategic areas) and expanding sales of related products.

Focused investment in human resources for growth strategies that drive the growth of each business and career-oriented human resources development that supports the sustainable growth of our group.



3. Medium-term Management Plan “Sustainability V”



3-11 Sustainability

- Accelerate efforts to address materiality and simultaneously achieve adaptation to a sustainable society and sustainable growth.

Development and preparation of approaches

Establishment of Sustainability Committee / Disclosure of Integrated Report / Endorsement of TCFD / Disclosure of information based on TCFD recommendations, etc.

simultaneously achieve adaptation to a sustainable society and sustainable growth.

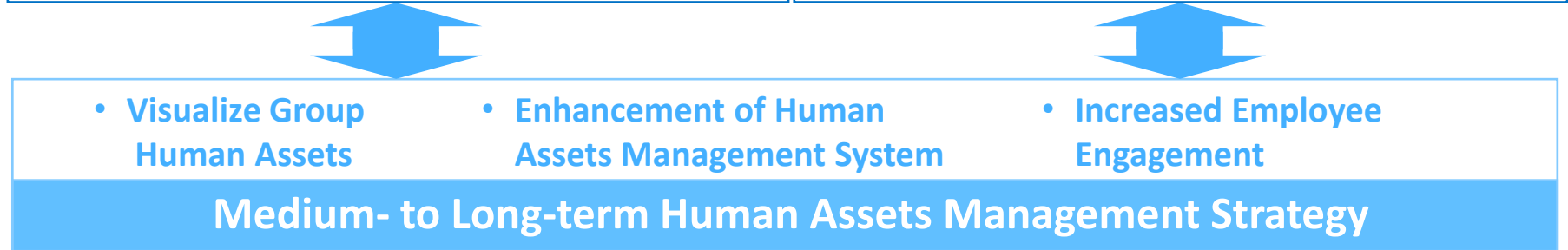
Initiatives Visualization and Brush-up

	Materiality	Effort
Environment	1 Energy-saving and labor saving business	<input type="checkbox"/> Disclose market opportunities and results of "energy savings" and "labor saving" related products.
	2 Harmony with nature	<input type="checkbox"/> Compliance with ISO 14001, disclosure of hazardous waste emissions and treatment costs. <input type="checkbox"/> Responsible sourcing of raw materials (e.g., assessments of suppliers)
	3 Combat climate change	<input type="checkbox"/> Endorsement of TCFD and TCFD disclosure <input type="checkbox"/> Measuring CO2 emissions and setting emission reduction targets
Social	4 Diverse human assets can exercise their capabilities.	【Human Resource Development】 <input type="checkbox"/> Formulate and implement medium-term human assets management strategies <input type="checkbox"/> Disclosure of human assets investment results, human productivity, etc. 【Diversity and Inclusion】 <input type="checkbox"/> Comply with legal disclosure requirements, such as ratio of female managers, ratio of non-Japanese managers, etc.
	5 Creating a safe, secure work environment.	<input type="checkbox"/> Set targets for maternity leave utilization rate, nursing care leave, etc., and concretize efforts to achieve these targets. <input type="checkbox"/> Maintain and improve occupational health and safety management
Governance	6 Risk Management	<input type="checkbox"/> Maintain and improve compliance and risk management
	7 Compliance	

3. Medium-term Management Plan “Sustainability V”

3-12. Human Assets Strategy

- Actively invest in the development of human assets to drive growth strategies and career-type human assets to drive the growth of each business.



3. Medium-term Management Plan “Sustainability V”



3-13. Shareholder return policy

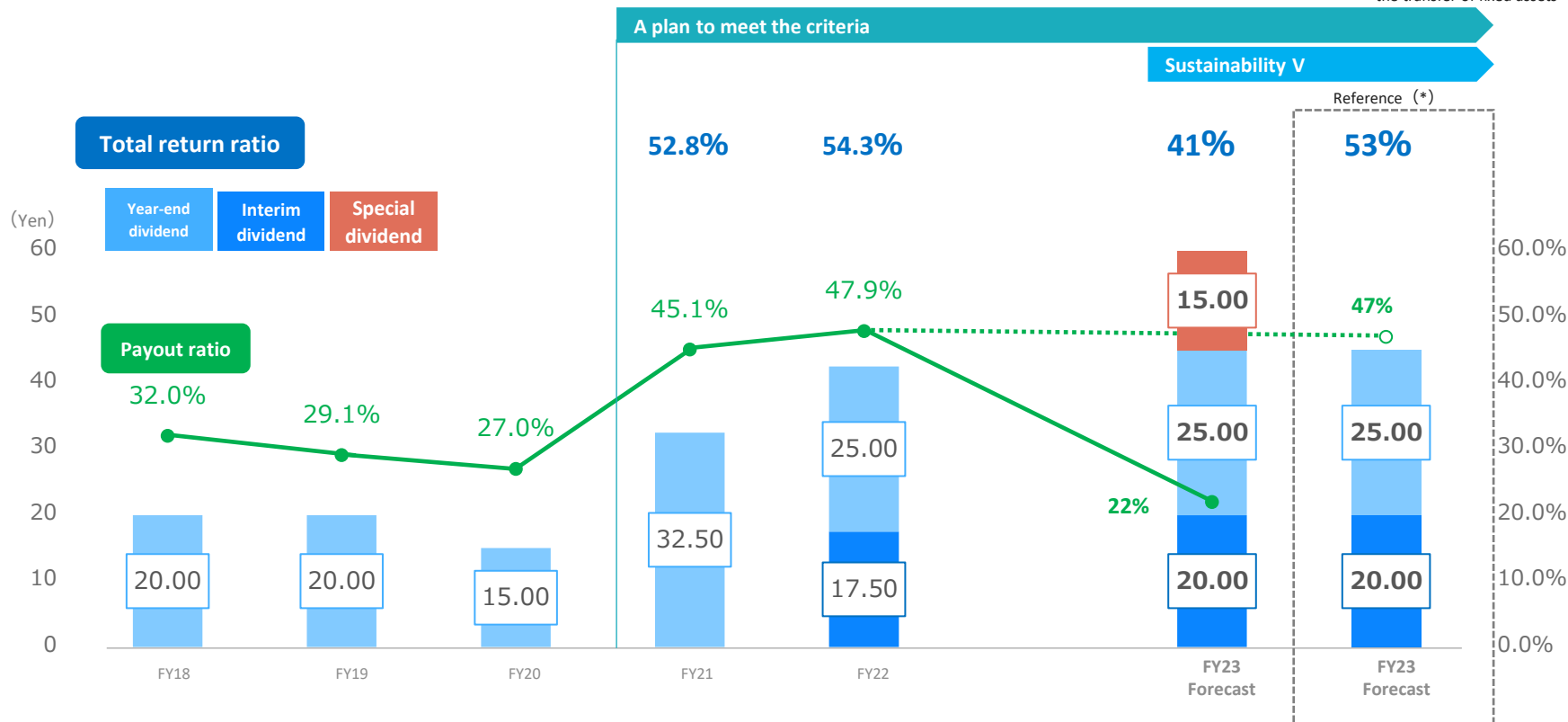
- Proactive shareholder returns in FY2024-FY2026 in accordance with the basic policy of the plan to meet the criteria
- Although the forecast of fiscal year ending March 31, 2024 is lower than the basic policy due to the impact of extraordinary profit from the transfer of fixed assets, if this impact is excluded (*), shareholder returns will be provided in accordance with the basic policy,

Basic Policy

Payout ratio 40% or more Total return ratio 50%
Minimum total return set at ¥500M

Transition of dividend per share, consolidated dividend payout ratio, and total return ratio

*Excluding the impact of extraordinary profit from the transfer of fixed assets



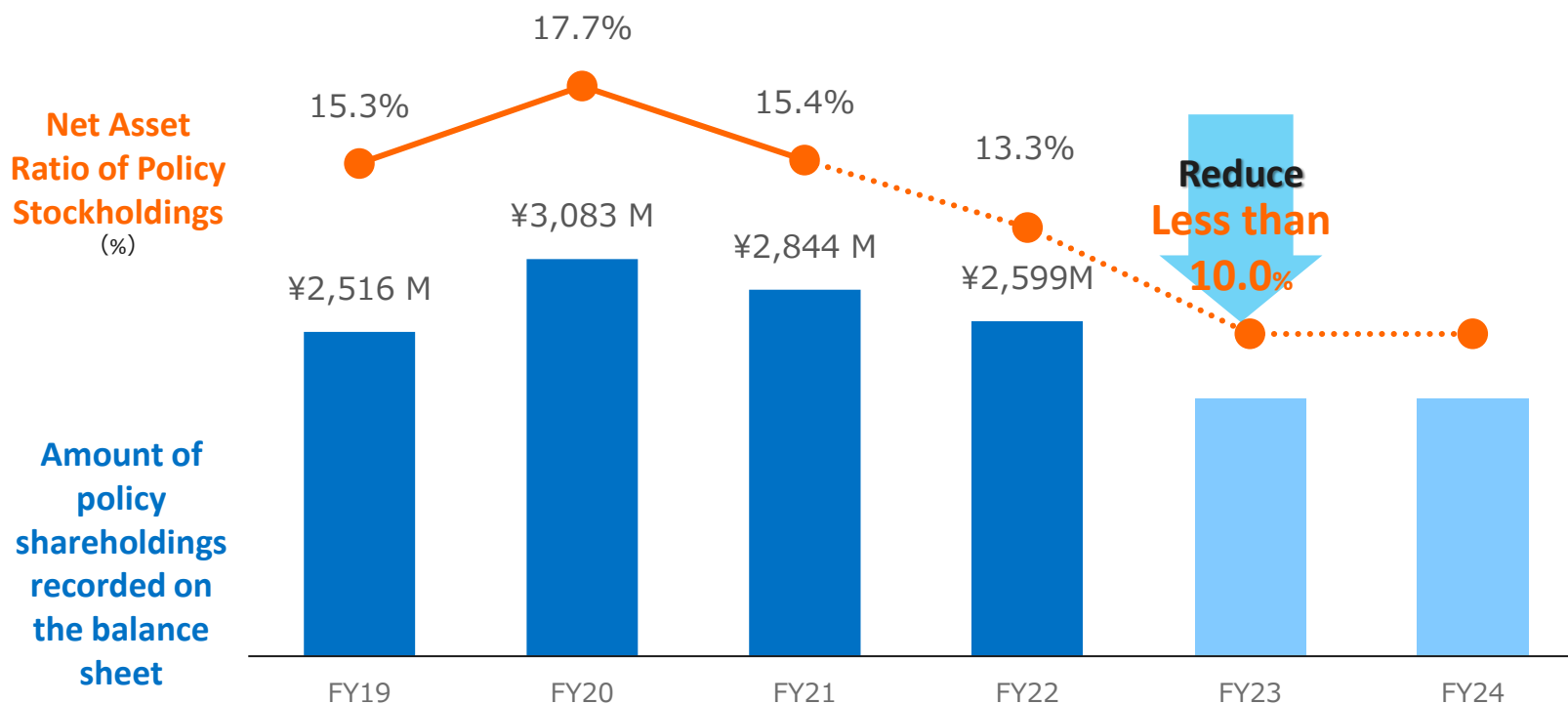
3. Medium-term Management Plan “Sustainability V”



3-14. Goal to reduce policy shareholdings

- By the fiscal year ending March 31, 2024, the Company aims to reduce the ratio of stocks held as policy holdings to less than 10.0% of net assets.

Target reduction of policy shareholdings

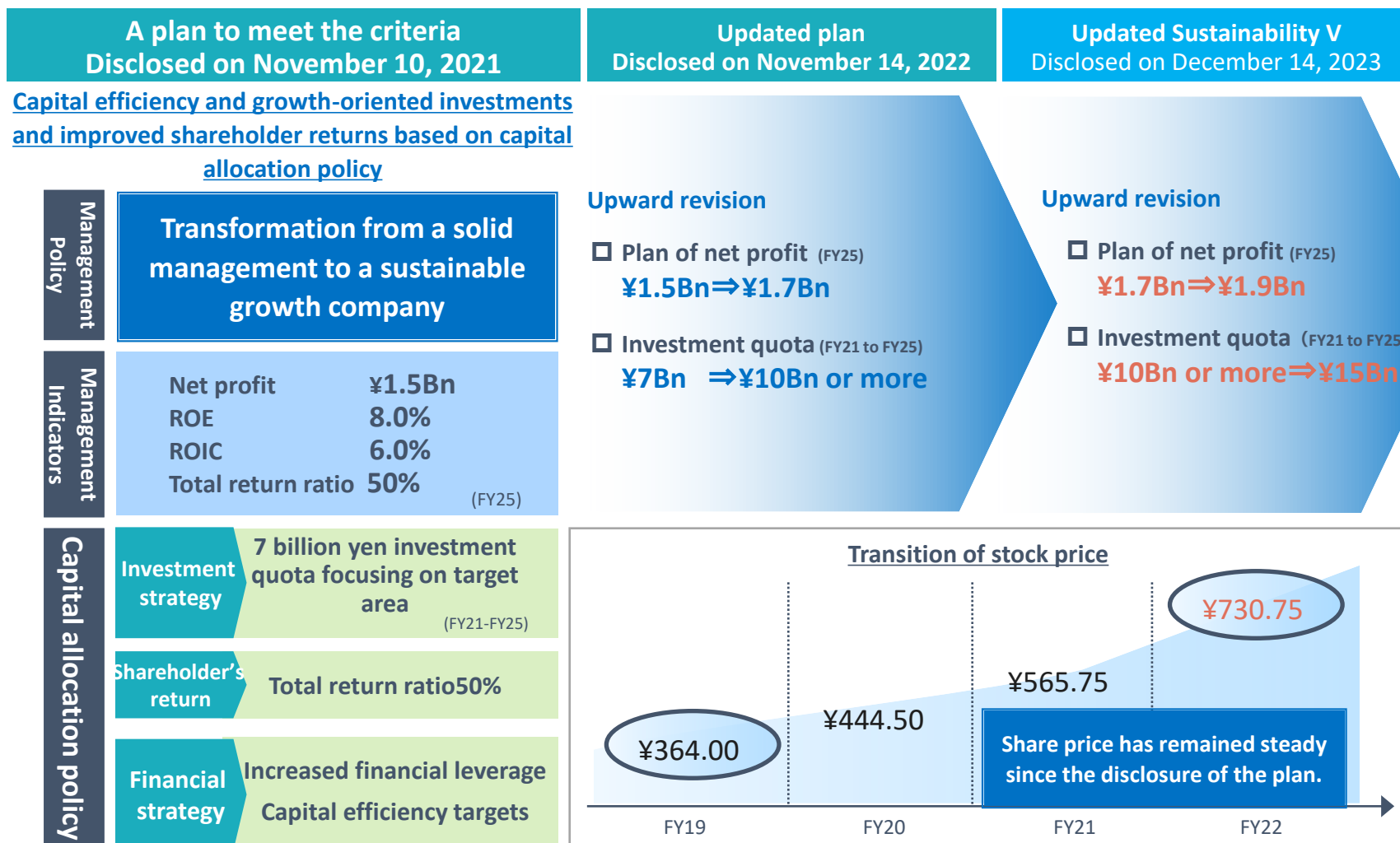


4. Measures to Achieve Management Conscious of Cost of Capital and Stock Price

4. Measures to Achieve Management Conscious of Cost of Capital and Stock Price

4-1. Introduction

- In a plan to meet the criteria, we have set capital efficiency targets for the fiscal year ending March 31, 2026, and has also indicated its policy for capital efficiency and growth-oriented investments based on its capital allocation policy, as well as its policy for increasing shareholder returns. We engage in management with a strong awareness of the cost of capital and stock price.



4. Measures to Achieve Management Conscious of Cost of Capital and Stock Price



4-2. Current assessment

- Although the company has achieved return on capital in excess of cost of capital, P/B ratio is below the 1x level. Therefore, not only sustainable improvement of ROE, but also future earnings growth, i.e., improvement of P/E ratio, is an issue.

(Status of capital efficiency)

	FY20	FY21	FY22
Net profit	¥1,000M	¥1,296M	¥1,585M
ROE	5.9%	7.2%	8.3%
ROIC	5.1%	5.2%	5.0%
Cost of equity	5.9%	6.2%	6.3%
WACC	4.4%	4.0%	3.9%

(Status of P/B ratio)

	FY20	FY21	FY22
P/B ratio	0.46	0.55	0.67
ROE	5.9%	7.2%	8.3%
P/E ratio	8.0	7.8	8.2

- ROE at the end of the fiscal year ended March 31, 2023 is 8.3%, 2.0 percentage points above the cost of equity, which is assumed to be 6.3%.
- ROIC at the end of fiscal year ended March, 2023 is 5.0%, 1.1 percentage points higher than the WACC, which is assumed to be 3.9%, indicating that the company has achieved a return on capital that exceeds its cost of capital.

- P/B ratio is 0.67. P/B ratio is on the rise, but this is due to higher ROE and limited increase in P/E ratio
- The challenge is not only to continue to achieve return on capital in excess of cost of capital, but also to improve ROE on a sustainable basis and to improve expectations of future earnings growth through sustainable growth, i.e., P/E ratio, in order to reach a P/B ratio of 1x.

4. Measures to Achieve Management Conscious of Cost of Capital and Stock Price



4-2. Current assessment

◆ Major achievements based on the policies of the medium-term management plan

Achievement	Purpose	Implementation period												
New Energy Distribution System and Sinbou Edix become consolidated subsidiaries	Investment in strategic area	FY22												
Gansui Corporation become consolidated subsidiaries	Investment in strategic area	FY23												
Transfer of fixed assets	Concentration of management resources in strategic areas	FY23												
Shareholder returns based on a policy of 50% total return ratio (including repurchase and cancellation of treasury stock)	Achieving both growth and shareholder returns	FY21 ~												
<table border="1"> <thead> <tr> <th></th> <th><u>FY20</u></th> <th><u>FY21</u></th> <th><u>FY22</u></th> </tr> </thead> <tbody> <tr> <td>Total return ratio</td> <td>27.0%</td> <td>52.8%</td> <td>54.3%</td> </tr> <tr> <td>Payout ratio</td> <td>27.0%</td> <td>45.1%</td> <td>47.9%</td> </tr> </tbody> </table>				<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	Total return ratio	27.0%	52.8%	54.3%	Payout ratio	27.0%	45.1%	47.9%
	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>											
Total return ratio	27.0%	52.8%	54.3%											
Payout ratio	27.0%	45.1%	47.9%											
Special shareholder returns resulting from profit on sales of fixed assets	Achieving both growth and shareholder returns	FY23												
Enhancement of various IR tools /Strengthen information disclosure to foreign investors and individual investors, and dialogue with shareholders	Achieving both growth and shareholder returns	FY21 ~												
Reduction of policy shareholdings	Concentration of management resources in strategic areas Compliance with Corporate Governance Code	FY21 ~												

4. Measures to Achieve Management Conscious of Cost of Capital and Stock Price



4-3(1) Policies and goals for improvement (2) Specific measures for improvement

(1) Policies and goals for improvement

- Achieve ROE target of 8.0% or more and ROIC target of 6.0% or more in the final year of the medium-term management plan (fiscal year ending March 31, 2026)
- Steadily implement initiatives based on the basic policies of the medium-term management plan to improve P/B ratio, and strive to increase corporate value through profit growth and capital productivity improvement

(2) Specific measures for improvement

PMI execution and monitoring

-Accelerate the return on investment and raise Group profits through early implementation and appropriate monitoring of PMI measures for the three M&As implemented.

New investment in strategic areas (M&A, new businesses, plant and equipment investment, etc.)

-Expand investment quota and make new investments emphasizing capital efficiency and growth potential based on capital allocation policy

Restructuring of Industrial Materials Segment

-Improve the growth potential and capital profitability of the Industrial Materials business through consolidation of the Industrial Materials business as a subsidiary and reorganization of group companies.

Achieving both growth and shareholder returns

Shareholder returns based on a policy of 50% total return ratio (including repurchase and cancellation of treasury stock)

Enhancement of various IR tools /Strengthen information disclosure to foreign investors and individual investors, and dialogue with shareholders

-Expand opportunities for investor communication through participation in investor events and efforts to increase awareness through the use of mass media for investors

Reduction of policy shareholdings

-Reduction toward a net asset ratio of less than 10.0% as of the fiscal year ending March 31, 2024

Inquiries on this document

IR and PR Unit, Takashima & Co., Ltd. ir@ta.tak.co.jp

URL <https://www.tak.co.jp/en/ir/contact1.html>

■ Handling of this document

[Precautions regarding forecasts]

The data and predictions for the future disclosed in this document are based on judgments as of the release date of the document and obtainable information, and may change due to various reasons such as the economic situation, changes in market trends, etc. Therefore, there are no guarantees that the targets and predictions noted in this document will be reached, nor on future business performance.