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Fiscal Year Ending March 31, 2025(FY24) First Quarter Financial Briefing

Takashima & Co., Ltd. Securities Code 8007

August 22, 2024



Takashima & Co., Ltd.

- 1 | FY24 1Q Financial Highlights**
- 2 | FY24 Consolidated Financial Forecast**
- 3 | Shareholder Return**

➤ Consolidated Financial Results for the 1Q of FY24: Increased Sales and Decreased Profits

Net Sales ¥24,220M YoY +22.5%	Operating Profit ¥385M YoY -11.7%	Ordinary Profit ¥359M YoY -39.1%	Profit attributable to owners of parent ¥185M YoY -55.3%
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➤ FY24 Consolidated Financial Forecast

Net Sales ¥94,000M YoY +4.3%	Operating Profit ¥2,000M YoY +14.4%	Ordinary profit ¥2,000M YoY -0.2%	Profit attributable to owners of parent ¥1,600M YoY -66.9%
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➤ Forecast of Dividend Per Share

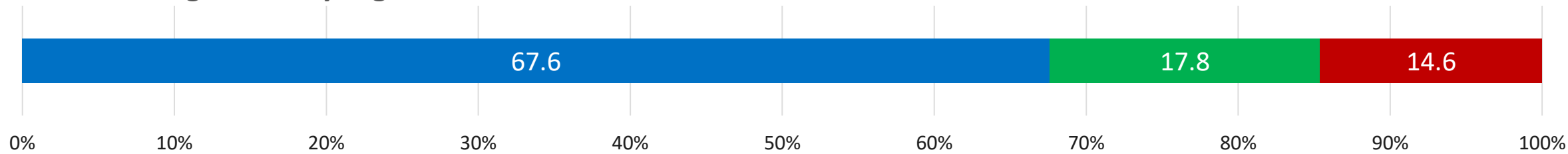
Dividend:¥45.00 Interim:¥20.00 Year-end:¥25.00	Payout Ratio:49.8% Total Return Ratio:50%	Revision ➡	Dividend:¥80.00 Interim:¥40.00 Year-end:¥40.00	Payout Ratio:85.8% Total Return Ratio:100%
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- ✓ Net sales increased 22.5% YoY to 24,220 million yen due to strong sales in the Construction Supply and Industrial Materials segments
- ✓ Operating profit decreased 11.7% YoY to 385 million yen due to higher SG&A expenses and deteriorating performance of the Electronics Devices segment.
- ✓ Ordinary profit decreased 39.1% YoY to 359 million yen due to an increase in foreign exchange losses.
- ✓ Profit attributable to the owner of the parent decreased 55.3% to 185 million yen due to the absence of gain on sales of cross-holding securities.
- ✓ EBITDA was 781 million yen (+26.8% YoY)

(Unit: Millions of yen)

	FY23 1Q	FY24 1Q	Amount of change	Ratio of change
Net sales	19,775	24,220	4,444	22.5%
Cost of Sales	17,041	21,111	4,070	23.9%
Gross Profit	2,734	3,108	374	13.7%
Selling, general and administrative expense	2,298	2,723	425	18.5%
Operating profit	436	385	-51	-11.7%
Operating profit margin	2.2%	1.6%	-0.6pt	-
Ordinary Profit	591	359	-231	-39.1%
Profit attributable to owners of parent	415	185	-230	-55.3%
EBITDA	616	781	164	26.8%

Net sales configuration by segment



Construction Supply Segment

The company handles a variety of commercial products related to construction and building construction, including wall materials, foundation piling methods, insulation materials, solar panel-related materials, and interiors for large, non-residential buildings and residential buildings. We have established a sales and construction network to provide a wide range of solutions from planning and design to construction.



Industrial Materials segment

We handle a wide variety of commercial materials, including textile materials, plastic materials, and functional materials. We and our group companies collaborate in design, manufacturing, processing, and sales to provide combined value to our customers.



Electronic Devices Segment

In devices, we are engaged in the electronic component sales business, procuring and supplying electronic components from manufacturers, mainly in Asia, in response to customer needs. Assembly is engaged in the contract manufacturing business, utilizing its own factory in Thailand to perform board mounting (EMS) for white goods and a wide range of other products.



Information About Segments

<Segment Sales>

(Unit: Millions of yen)

Segment	FY23 1Q	FY24 1Q	Amount of change	Ratio of change
Construction Supply	12,005	16,374	4,369	36.4%
Industrial Materials	4,097	4,316	218	5.3%
Electronic Devices	3,634	3,531	-103	-2.8%
Real Estate Leasing	44	—	-44	-100.0%
Total	19,782	24,222	4,439	22.4%
Adjustment Amount	-6	-1	4	—
Amount recorded in consolidated financial statements	19,775	24,220	4,444	22.5%

*Adjustments represent elimination of intersegment transactions.

<Segment Profit>

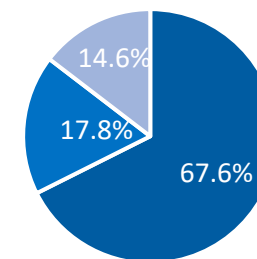
(Unit: Millions of yen)

Segment	FY23 1Q	FY24 1Q	Amount of change	Ratio of change
Construction Supply	372	410	38	10.3%
Industrial Materials	135	148	13	9.6%
Electronic Devices	186	155	-30	-16.4%
Real Estate Leasing	25	—	-25	-100.0%
Total	719	714	-5	-0.7%
Adjustment Amount	-283	-329	-45	—
Amount recorded in consolidated financial statements	436	385	-51	-11.7%

*Adjustments are elimination of intersegment transactions and corporate expenses not allocated to each reportable segment.

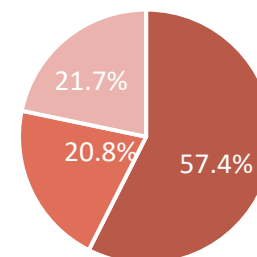
FY24 1Q

Segment Sales Composition



■ Construction Supply ■ Industrial Materials
■ Electronica Devices

Segment Profit Composition



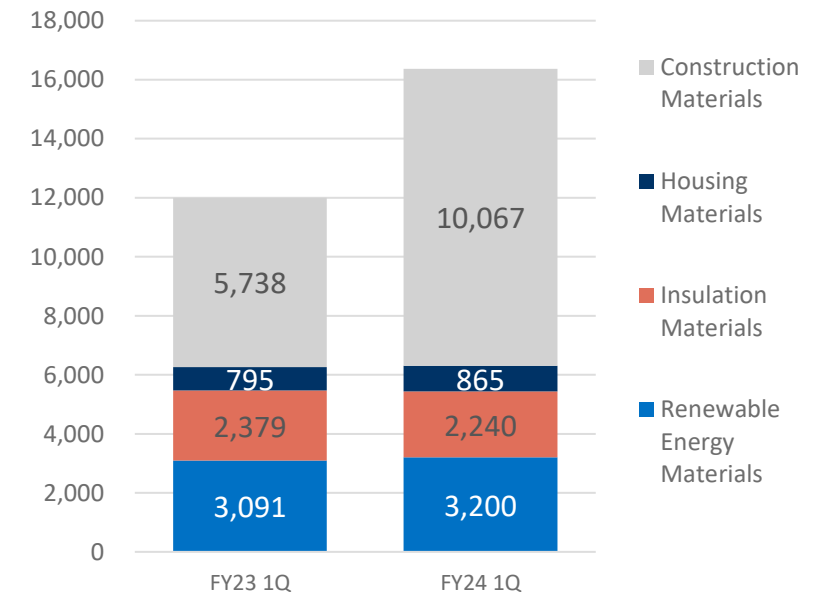
■ Construction Supply ■ Industrial Materials
■ Electronic Devices

- ✓ In the construction materials field, the number of construction projects acquired for logistics facilities and factories remained strong, and the performance of Gansui Corporation contributed to the increase in net sales.
- ✓ In the renewable energy materials field, sales increased due to higher energy costs and an increase in the installation rate of energy-related equipment to achieve a zero-carbon society, despite the impact of a decline in the number of housing constructions.
- ✓ In the insulation materials field, the decrease in materials sales due to the decline in housing starts was not offset by the acquisition of construction projects, resulting in a decline in sales.
- ✓ Overall segment sales and profit increased due to strengthening of construction, processing, logistics, and other functions

(Unit: Millions of yen)

	FY23 1Q	FY24 1Q	Amount of change	Ratio of change
Construction Materials	5,738	10,067	4,329	75.4%
Housing Materials	795	865	70	8.8%
Insulation Materials	2,379	2,240	-139	-5.8%
Renewable Energy Materials	3,091	3,200	108	3.5%

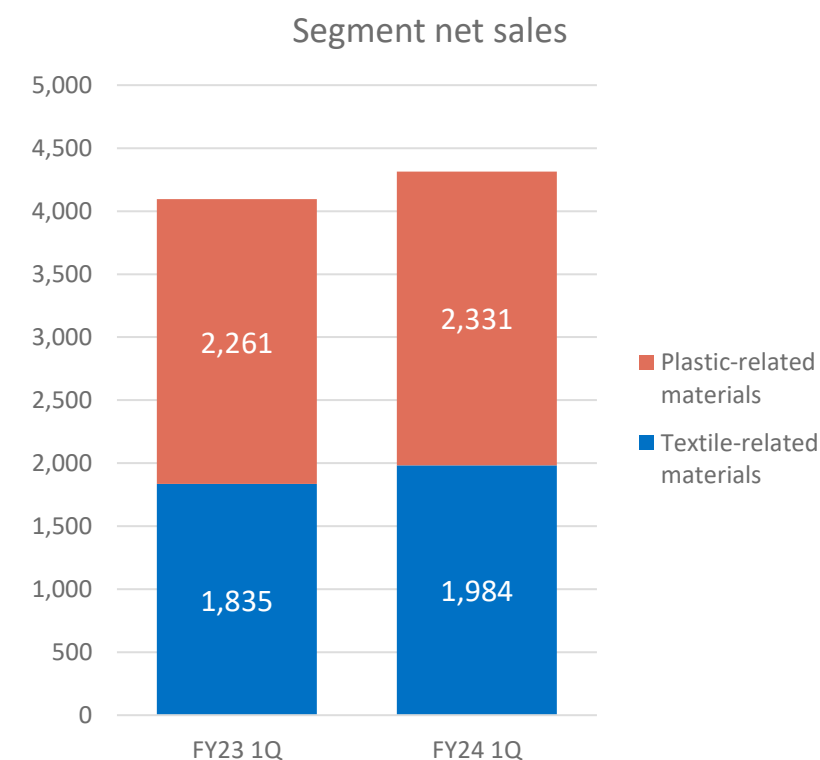
Segment Net Sales



- ✓ In the plastic-related field, sales increased due to an increase in orders for logistics materials for automobile parts and electronic device parts.
In addition, sales of molded and processed products in our target area, medical-related products, also remained strong.
- ✓ In the textile-related field, demand expanded mainly for functional textile materials, and sales increased due to a recovery in apparel-related products.
- ✓ Overall segment sales and profit increased

(Unit: Millions of yen)

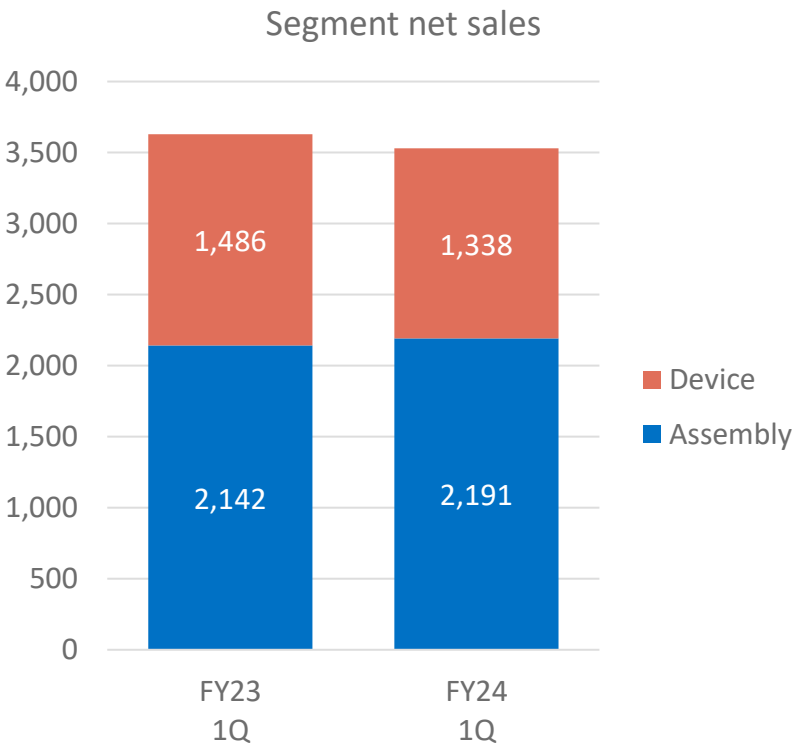
	FY23 1Q	FY24 1Q	Amount of change	Ratio of change
Plastic-related materials	2,261	2,331	69	3.1%
Textile-related materials	1,835	1,984	148	8.1%



- ✓ Global slowdown in the consumer electronics market due to changing consumption trends post-Corona, resulting in a market-wide accumulation of product inventories.
- ✓ Overall segment sales and profit decreased due to the impact of significant adjustments in orders placed by major customers as parts inventories accumulated in response to the supply shortage of electronic components that had continued until the middle of the previous year.

(Unit: Millions of yen)

	FY23 1Q	FY24 1Q	Amount of change	Ratio of change
Device	1,486	1,338	-147	-9.9%
Assembly	2,142	2,191	48	2.3%



The end of FY23
(March 31, 2024)

Total assets:¥60,409M

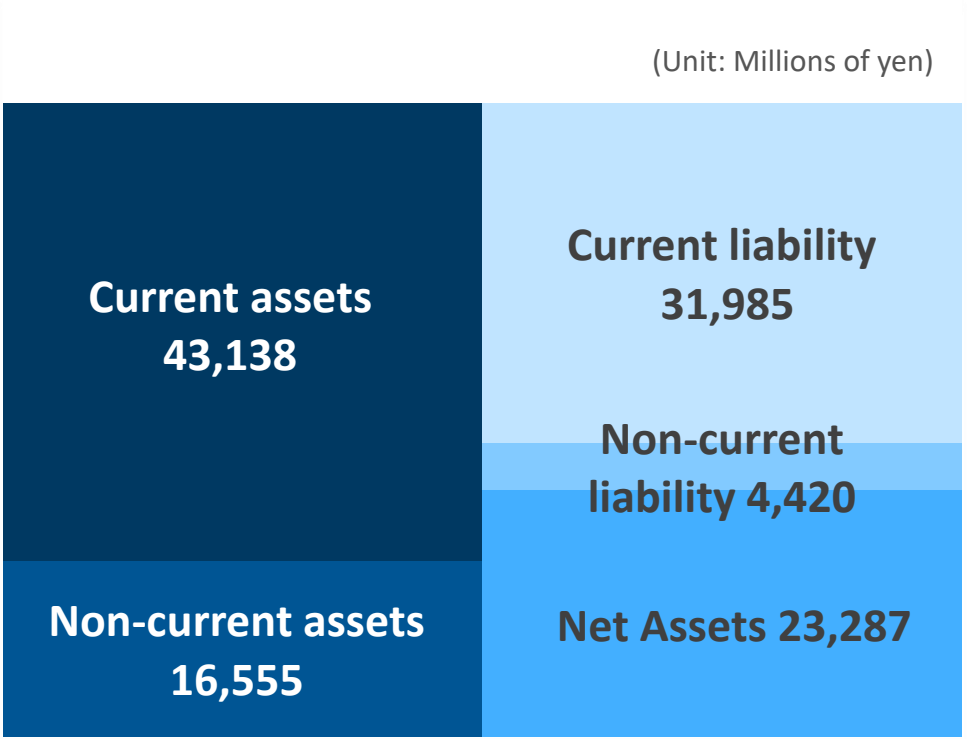
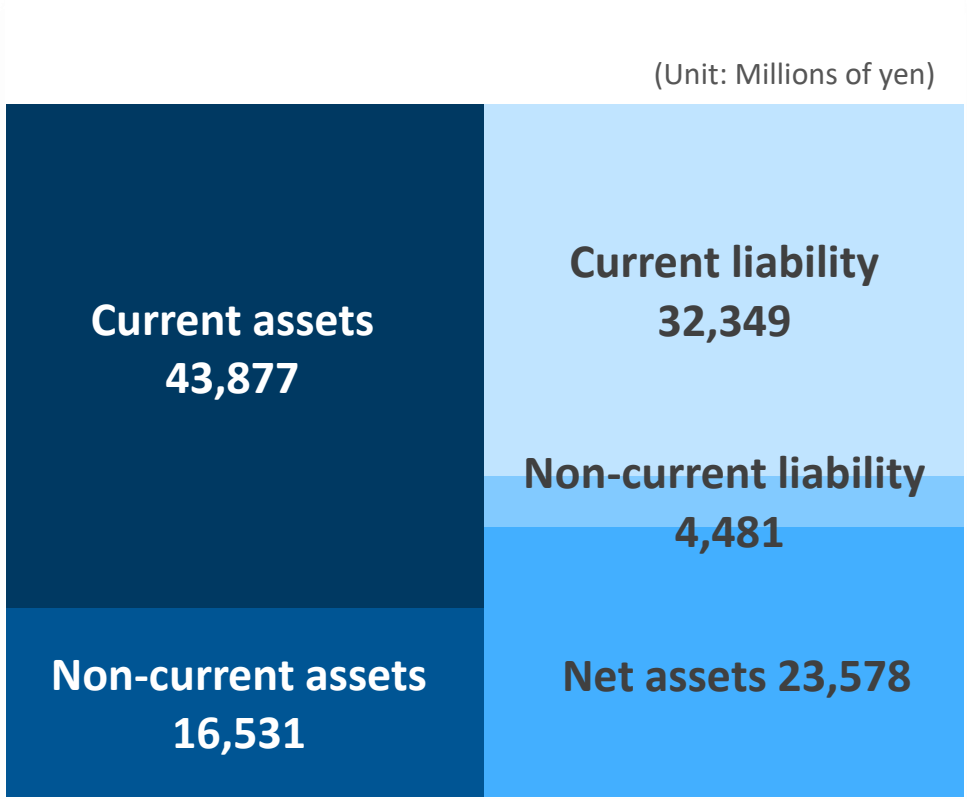
Equity ratio:39.0%

¥ -715M

The end of FY24 1Q
(June 30, 2024)

Total assets: ¥59,693M

Equity ratio: 39.0%



(Unit: Millions of yen)

		FY23	FY24 1Q	Amount of change	Ratio of change
	Assets				
	Current assets				
★	Cash and deposits	12,371	7,775	-4,595	-37.1%
	Notes and accounts receivable - trade, and Electronically recorded monetary claims - operating	23,438	27,254	3,815	16.3%
	Total current assets	43,877	43,138	-739	-1.7%
	Non-current Assets				
	Property, plant and equipment	4,762	4,761	-1	-0.0%
	Intangible assets				
	Goodwill	5,611	5,458	-152	-2.7%
	Total intangible assets	6,609	6,419	-190	-2.9%
	Investment and other assets				
★	Investment securities	2,862	3,131	269	9.4%
	Total investments and other assets	5,159	5,374	215	4.2%
	Non-current assets	16,531	16,555	23	0.1%
	Total assets	60,409	59,693	-715	-1.2%

Main factors of change

Consolidated Performance B/S



(Unit: Millions of yen)

Main factors of change

		FY23	FY24 1Q	Amount of change	Ratio of change
	Liabilities				
	Current liabilities				
	Notes and accounts payable trade	16,647	17,095	448	2.7%
	Electronically recorded obligations – operating	5,585	5,877	291	5.2%
	Short-term borrowings	4,807	5,767	959	20.0%
	Total current liabilities	32,349	31,985	-363	-1.1%
	Non-current liabilities				
★	Long-term borrowings	2,095	2,004	-90	-4.3%
	Total non-current liabilities	4,481	4,420	-60	-1.4%
	Total liabilities	36,830	36,406	-424	-1.2%
	Net assets				
	Shareholders' equity				
	Share capital	3,801	3,801	—	0.0%
★	Retained earnings	16,898	16,392	-506	-3.0%
	Total shareholders' equity	21,649	20,901	-747	-3.5%
	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	931	1,216	285	30.6%
	Foreign currency translation adjustment	1,929	2,385	456	23.7%
	Total accumulated other comprehensive income	23,578	23,287	-291	-1.2%
	Total net assets	60,409	59,693	-715	-1.2%

2. FY24 Consolidated Performance Forecast

FY24 Consolidated Performance Forecast



(Unit: Millions of yen)

	FY23	FY24 Forecast	Amount of change	YoY
Net sales	90,120	94,000	3,879	4.3%
Operating profit	1,748	2,000	251	14.4%
Operating profit margin	1.9%	2.1%	0.2pt	-
Ordinary profit	2,004	2,000	-4	-0.2%
Profit attributable to owners of parent	4,832	1,600	-3,232	-66.9%

FY24 Consolidated Forecasts by Segment

Net sales

(Unit: Millions of yen)

	FY23 (reference) Results after new segment reclassification	FY24 Forecast	Amount of change	YoY
Construction Supply	58,180	59,700	1,519	2.6%
Industrial Materials	17,195	17,600	404	2.4%
Electronic Devices	14,795	16,700	1,904	12.9%
Real Estate Leasing	143	-	-	-
Amount recorded in consolidated financial statements	90,120	94,000	3,879	4.3%

Segment Operating Profit

(Unit: Millions of yen)

	FY23 (reference) Results after new segment reclassification	FY24 Forecast	Amount of change	YoY
Construction Supply	1,987	2,050	62	3.2%
Industrial Materials	716	750	33	4.7%
Electronic Devices	434	500	65	15.0%
Real Estate Leasing	82	-	-	-
Total	3,220	3,300	79	2.5%
Adjustment*	-1,472	-1,300	-172	-11.7%
Amount recorded in consolidated financial statements	1,748	2,000	251	14.4%

*Adjustments to segment operating profit mainly include corporate expenses not allocated to reportable segments and intersegment eliminations. Corporate expenses mainly consist of selling, general and administrative expenses that do not belong to any reportable segment.

3. Shareholder Return

- During the period of the medium-term management plan, we will provide more proactive shareholder returns than ever before.

Basic Policy

Consolidated payout ratio: 80% ore more

Total return ratio: 100%

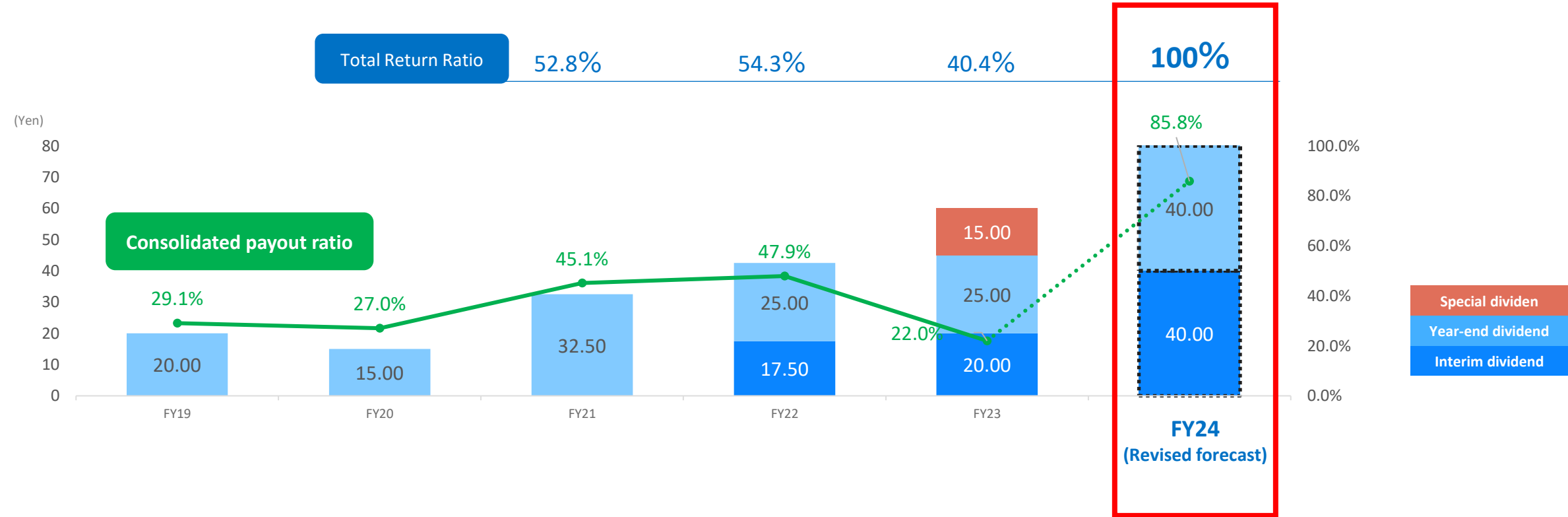
Lower limit of total return amount: ¥500M

← FY23

Consolidated payout ratio: 40% or more

Total return ratio: 50%

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



Excluding the impact of extraordinary gains from the transfer of fixed assets, the dividend payout ratio and total return ratio for FY23 are in line with this policy.

• 4-for-1 stock split of common stock effective October 1, 2023. Dividend per share before the stock split is based on the assumption that the stock split was conducted in the fiscal year ended March 31, 2020.

Inquiries on this document

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■ Handling of this document

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