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Contents

Takahiro Suzuki : My name is Suzuki, Director, Managing Executive Officer and Division Chief of the Business Administration Division. I will now present the financial results for the first quarter of the fiscal year ending March 31, 2025 of Takashima Corporation. I would like to provide an overview of the financial results for the first quarter of the fiscal year ending March 31, 2025, the consolidated earnings forecast for the fiscal year ending March 31, 2025, and shareholder returns.

Executive Summary

Executive Summary

TAK

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

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

➢ **FY24 Consolidated Financial Forecast**

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

➢ **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%

This is an overview of the first quarter financial results for the fiscal year ending March 31, 2025. Executive Summary.

Net sales increased 22.5 percent year-on-year to 24,220 million yen, and operating profit declined 11.7 percent to 385 million yen.

Ordinary profit decreased 39.1% to 359 million yen.

Profit attributable to owners of the parent decreased 55.3 percent to 185 million yen.

The forecast for the current fiscal year has not been revised from that announced on May 9, as shown.

The dividend forecast has been revised upward to a dividend payout ratio of at least 80 percent and a total return ratio of 100 percent as a limited measure through the fiscal year ending March 31, 2026, the final year of the current medium-term management plan, Sustainability V (Value). For the fiscal year ending March 31, 2025, we plan to pay an annual dividend of ¥80 per share.

P/L Consolidated Performance: P/L

Consolidated Performance: P/L

- ✓ 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%

I will now explain the consolidated statements of profit/loss statements.

Net sales increased 22.5 percent year-on-year to 24,220 million yen, due to strong sales in the construction supply and industrial materials segments.

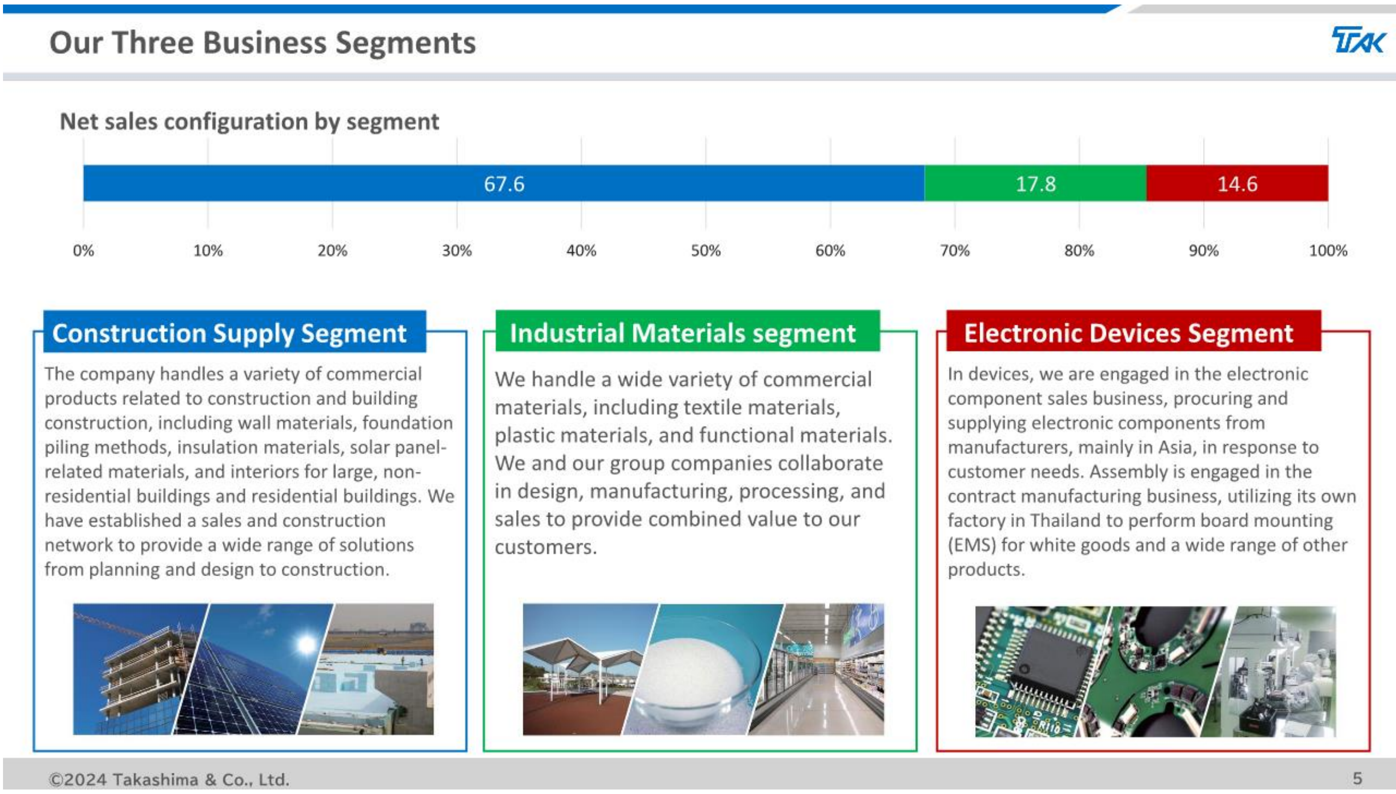
Operating profit decreased 11.7 percent year-on-year to 385 million yen due to an increase in SG&A expenses, including amortization of goodwill, as well as the deteriorating performance of the electronics devices segment.

Ordinary profit decreased 39.1% year-on-year to 359 million yen, mainly due to an increase in foreign exchange losses from the depreciation of local currencies at overseas subsidiaries.

Profit attributable to owners of the parent company was 185 million yen, down 55.3 percent from the same period last year, due to the absence of sales of investment securities in the current period, while a gain on sales of investment securities was recorded in the same period last year.

EBITDA increased 26.8 percent to 781 million yen.

Our Three Business Segments



Our business is divided into three segments: construction supply, industrial materials, and electronics devices. We are reviewing our asset allocation in the fiscal year ended March 31, 2024, and have restructured our industrial materials segment and sold off major fixed assets. As a result, the real estate leasing segment was abolished and some properties previously classified in the real estate leasing segment were changed to construction supply and industrial materials.

The construction supply segment handles commercial products related to construction and erection, such as wall materials, foundation piling methods, heat insulating materials, and solar panel-related materials for residential buildings.

The industrial materials segment handles commercial products such as textile materials, plastic components, and functional materials.

In the electronic devices segment, the devices business procures and supplies electronic components from manufacturers, while the assemblies business handles contract manufacturing of circuit board mounting at its own factories.

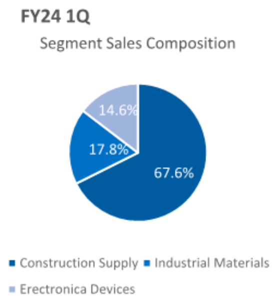
Information About Segments

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%

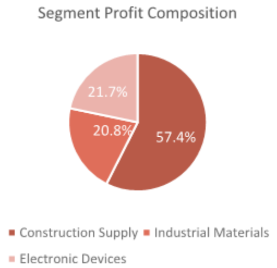
*Adjustments represent elimination of intersegment transactions.



<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.



Overall sales in the construction supply segment increased 36.4 percent to 16,374 million yen, and segment profit rose 10.3 percent to 410 million yen.

Overall sales in the industrial materials segment increased 5.3 percent to 4,316 million yen, and segment profit increased 9.6 percent to 148 million yen.

Overall sales in the electronics and devices segment declined 2.8 percent to 3,531 million yen, and segment profit fell 16.4 percent to 155 million yen.

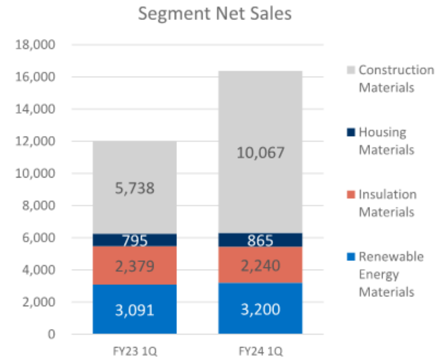
Briefing by Segment: Construction Supply

Briefing by Segment: Construction Supply

- ✓ 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%



The following is an explanation of the main reasons for the change in the construction supply segment.

The construction supply segment includes four field: construction materials, housing materials, insulation materials, and renewable energy materials.

In the construction materials field, the number of orders received for construction projects such as those for logistics facilities and factories remained strong. In addition, the performance of Gansui Corporation, which became a consolidated subsidiary, contributed to the increase in sales.

The renewable energy materials segment was affected by a decline in detached housing starts. However, sales increased due to higher energy costs and the expanding installation rate of energy-related equipment to achieve a zero-carbon society.

In the insulation materials field, the decline in sales of materials due to a decrease in detached housing starts was not offset by the acquisition of construction projects, resulting in a decline in sales.

The segment as a whole saw increased sales and profits due to the strengthening of construction, processing, logistics, and other functions.

Briefing by Segment: Industrial Materials

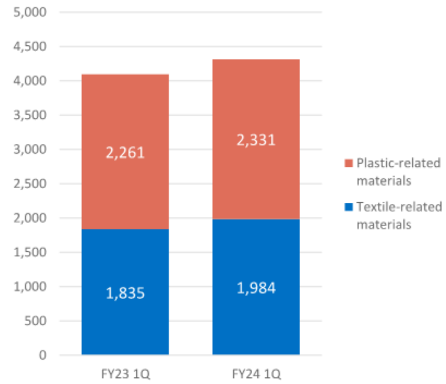
Briefing by Segment: Industrial Materials

- 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%

Segment net sales



Next, I will explain the main reasons for the change in the industrial materials segment. The industrial materials segment includes two fields: plastic-related materials and textile-related materials.

In the plastic-related field, orders for logistics materials for automotive components and electronic device components expanded, resulting in an increase in sales. In addition, sales of molded and processed products related to medical care, a target area, also remained strong.

In the textile-related sector, demand expanded mainly for functional textile materials, while sales of apparel-related products also recovered, resulting in an increase in sales. Overall segment sales and profit increased.

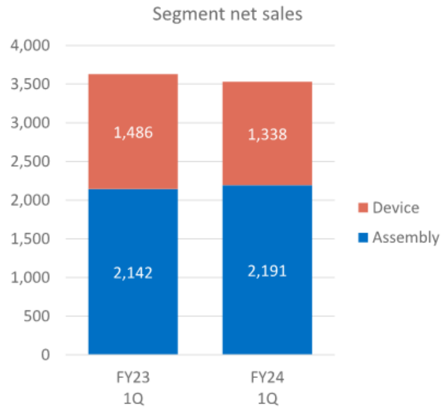
Briefing by Segment: Electronic Devices

Briefing by Segment: Electronic Devices

- ✓ 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%

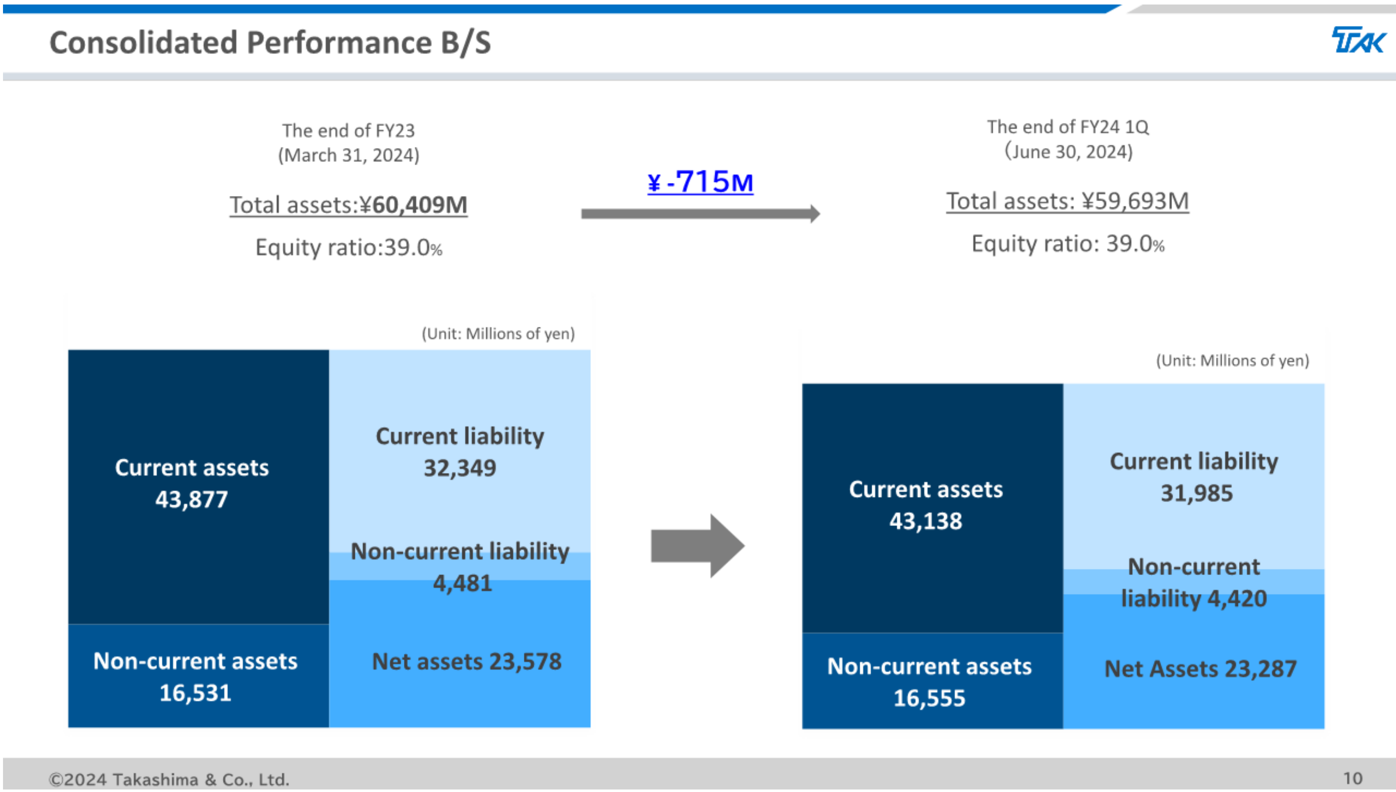


Finally, I will explain the main factors affecting the electronics devices segment. The Electronics and Devices segment includes two areas: devices and assemblies.

In the period under review, product inventories built up across the market as a result of the global slowdown in the consumer electronics market due to the change in consumption trends after covid-19 infestation.

In addition, parts inventories built up at major customers as a reaction to the supply shortage of electronic components that had persisted until the middle of the previous year. Overall segment sales and profits declined due to the impact of significant adjustments in orders.

Consolidated Performance B/S



I will explain about the balance sheet. Compared to the end of the previous period, total assets decreased by 715 million yen to 59,693 million yen. The main factors are explained on the next page. The equity ratio was 39.0 percent.

Consolidated Performance B/S

Consolidated Performance B/S

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Main factors of change

(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%

Assets, the main factors compared to the end of the previous period are as shown below. The main factor was a decrease in cash and deposits.

Fixed assets increased 0.1 percent to 16,555 million yen. The main factor was an increase in investment securities.

Consolidated Performance B/S

Consolidated Performance B/S

TAK

(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%

The following table shows the main factors of liabilities and net assets compared to the end of the previous fiscal year. Current liabilities decreased 1.1 percent to 31,985 million yen. The main factor was a decrease in income taxes payable.

Long-term liabilities decreased 1.4 percent to 4,420 million yen. The main factor was a decrease in long-term debt.

Total net assets decreased 1.2 percent to 23,287 million yen. The main factor was a decrease in retained earnings.

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%

I would like to explain our full-year consolidated earnings forecast for the fiscal year ending March 31, 2025. There are no revisions to the full-year consolidated earnings forecast for the fiscal year ending March 31, 2025.

FY24 Consolidated Forecasts by Segment

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%**

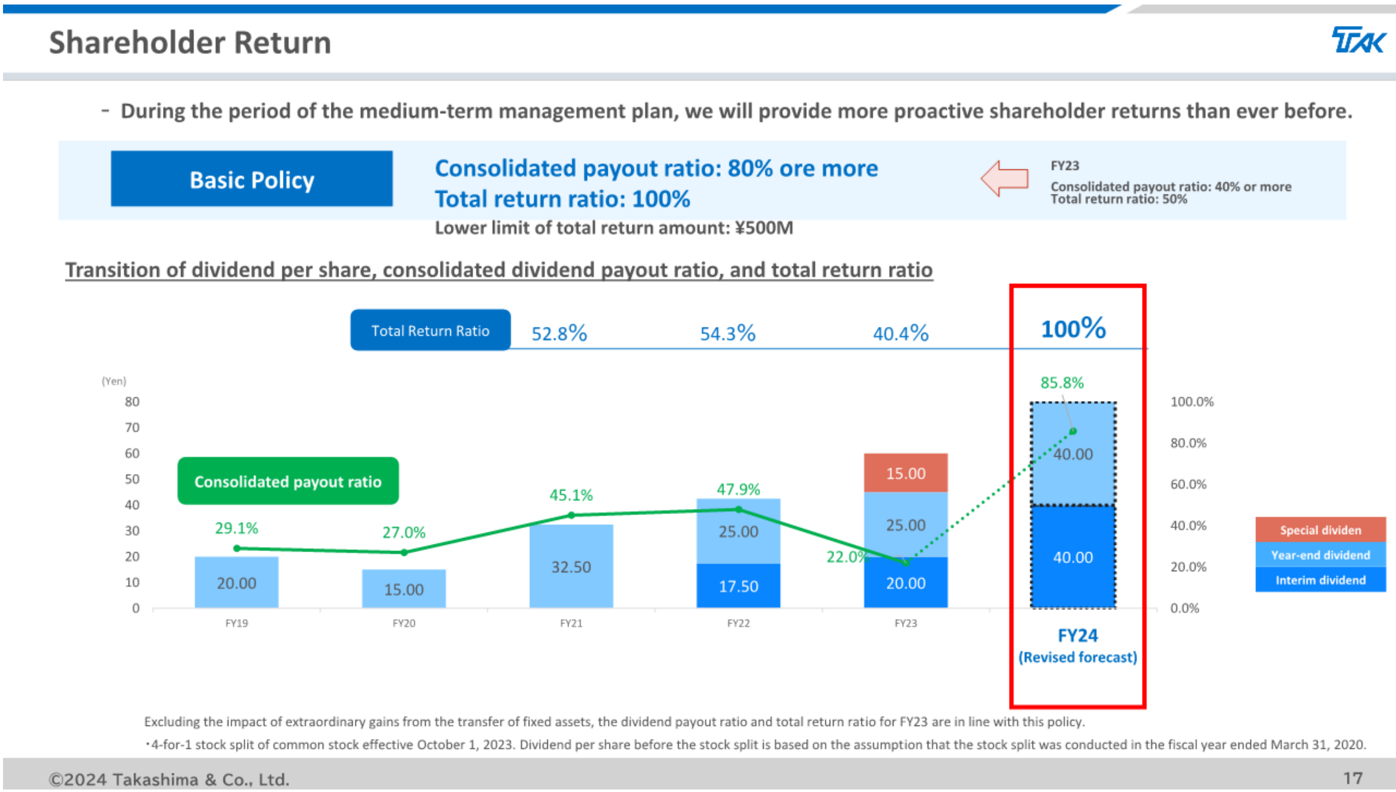
Segment Operating Profit (Unit: Millions of yen)

	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.

There are no revisions to the forecast of consolidated results by segment.

Shareholder Return



I would like to explain our shareholder return policy. Our basic policy on shareholder returns is to expand growth investments with the aim of becoming a “sustainable growth company with strategic investments,” while at the same time implementing shareholder returns with an awareness of capital efficiency. Specifically, we aimed to pay a consolidated dividend payout ratio of 40% or more each fiscal year and a total return ratio of 50%.

This time, the target has been changed in recognition of the need to further improve capital efficiency in order to achieve a ROE of 8 percent or more. As a limited measure for the two years until the final year of Sustainability V (Value), we have changed the dividend payout ratio to a minimum of 80 percent and the total return ratio to 100 percent. The Company will consider and announce its further shareholder return policy at the time of formulating the next medium-term management plan. For the current fiscal year, we plan to pay an annual dividend of ¥80 per share, which will result in a consolidated dividend payout ratio of 85.8% based on our earnings forecast.