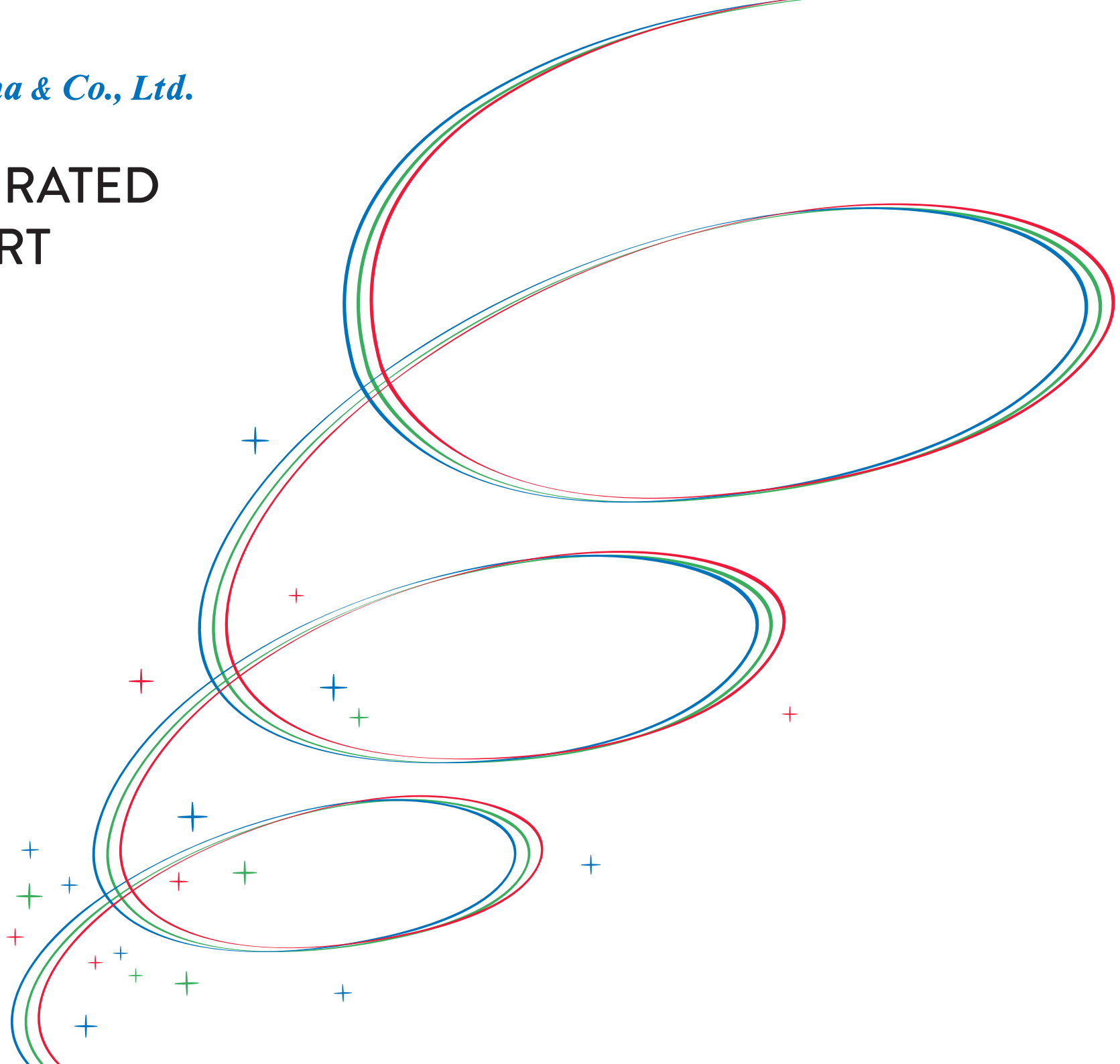
Takashima & Co., Ltd.

INTEGRATED REPORT 2026



Corporate Philosophy

Vision

We will contribute to building a sustainable society through a deep understanding of the market environment and businesses as the "Solution Partner" for each of our customers, and continuously provide X(cross)-function and one-stop coordination unique to Takashima.

Code of Conduct: "Autonomous, Innovative and Responsible X Collaborative"

All employees of the Takashima Group follow "Autonomous, Innovative and Responsible" as the Code of Conduct.
We ceaselessly develop ourselves to be creative for further advancement and act responsibly with a challenging spirit, positive ideas and forward-looking attitude.

Autonomous: We are the ones who will play a central role

Innovative: We take initiative and make every effort to overcome difficulties

Responsible: We handle issues as if they were our own and adapt ourselves to solve them under all circumstances without blaming others

Collaborative: We combine the strengths both within and outside the Group in order to achieve shared goals

Corporate Philosophy

Corporate Mission

"Contribute to Society through Our Business Activities"

We, the Takashima Group of Companies, contribute to society's well-being by actively providing unique value-added solutions to our customers based on our original ideas and means. In doing so, we intend to grow and prosper together.

Corporate Value

Integrity

All employees of the Takashima Group always sincerely keep their promises and work positively with a humble and grateful attitude. Our employees also work to build up trust and credibility through compliance with laws and regulations, a disciplined approach and respectful manners.



"Those who are true entrepreneurs will never forget the philosophy of service to society and will act without straying from the bright and right path"

Kotakichi Takashima Founder

Table of Contents

Takashima Group's Value Creation
Corporate Philosophy ····· 1
At a Glance ····· 2
History ····· 3
Message from the Representative Director, Chairperson and CEO ····· 4
Message from the Representative Director, President and COO ····· 6
Value Creation Process ····· 9
Capital We Utilize ····· 10
Business Model (Value-Adding Trading Company) ····· 11

Medium- to Long-Term Strategy, Financial Strategy, and Capital Strategy
Message from the Division Chief of Business Integration Division ····· 12
Review of the Previous Medium-Term Management Plan ····· 14
Overview of the Medium-Term Management Plan 2028 "Sustainable + Spiral" ····· 15
Positioning and Quantitative Targets of the New Medium-Term Management Plan ····· 16
Perception of the External Environment ····· 17
Transforming the Business Portfolio by Capturing Social Issues and Growth Potential ····· 18
Improving Returns by Expanding Group Synergies ····· 19
Digital Transformation Strategy ····· 21
Establishment of a Foundation for Producing Valuable Human Assets ····· 22

Initiatives for Value Creation
Business Overview ····· 24
Construction Supply Division ····· 25
Industrial Materials Division ····· 26
Electronic Devices Division ····· 27
Takashima in the Distribution Warehouse ····· 28
Takashima in Homes ····· 29

Initiatives That Support Value Creation
The Takashima Group's Sustainability Roadmap ····· 30
Sustainability ····· 31
Materiality ····· 32
Measures Aimed at Achieving a Carbon-Neutral Society ····· 34
TCFD ····· 35
Initiatives for Human Capital-Oriented Management ····· 36
Outside Directors' Messages ····· 37
Corporate Governance ····· 39
Directors ····· 43
Skills Matrix ····· 45

Data Section
Financial and Non-financial Highlights ····· 46
Financial Highlights for the Last 11 Years ····· 47
Human Assets-Related Data (Non-consolidated) ····· 48
Shares ····· 49
Company Profile ····· 50

Takashima Group's Value Creation

At a Glance

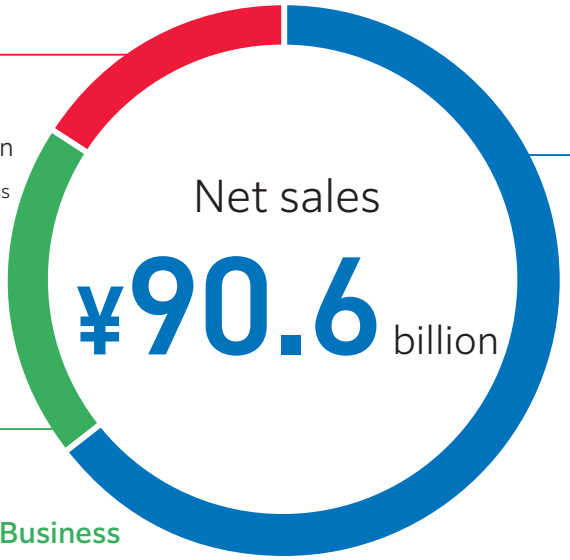
Supporting Takashima's present

Number of employees
1,200

Sales offices
64

Equity ratio
40.6%

Financial data



Electronic Devices Business

¥14.2 billion

The electronic devices business operates the devices field, which procures and supplies electronic components, as well as the assembly field, which provides contracted manufacturing services involving PCB mounting for home appliances at our own plants, etc.

Industrial Materials Business

¥17.9 billion

The industrial materials business handles a diverse range of products, including the textile materials that were the founding business of the Company, plastic materials, and functional materials.

Construction Supply Business

¥58.4 billion

The construction supply business handles a variety of products related to construction and building. These include wall materials, piles, thermal insulation materials, solar panel-related products, and interior materials for residential and large/non-residential buildings.

Overseas net sales ratio	Operating profit	Profit	ROE	Payout ratio
13.9%	¥2.10 billion	¥1.22 billion	5.2%	125.4%

Note: Figures represent results for FY2025, unless otherwise noted.

Challenging the future

Strategic investment limit
¥10.0 billion
Total amount for three years from FY2026 to FY2028

Group companies in Japan and overseas
27

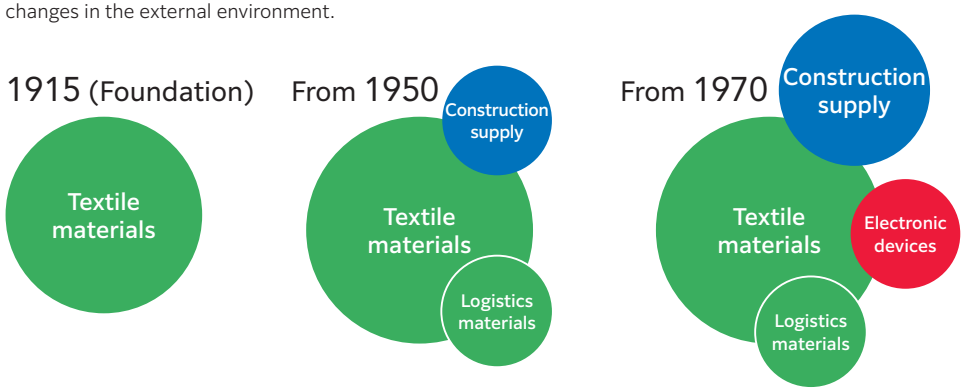
Employees with construction-related national qualifications
148

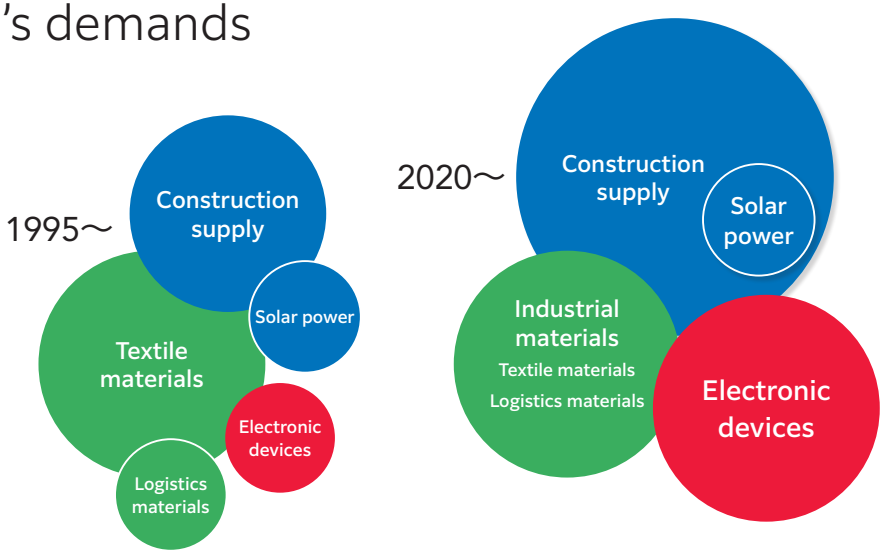
Takashima Group's Value Creation

History

Reform business fields while responding to society's demands with the way of *progress* × *fit*

The Company has evolved with the times into a non-textile, multifaceted specialized trading company and an advanced sustainability-focused trading company from its original form as a trading company specializing in textiles at the time of its establishment. Adapting our own behavior to "fit" the "progress" throughout the world. This is *progress* × *fit*, which is the Group's strength. Going forward, we will aim to achieve further growth by leveraging our business foundation, which has been developed through the Group's long history, as well as our diverse human assets and the ability to respond to changes in the external environment.



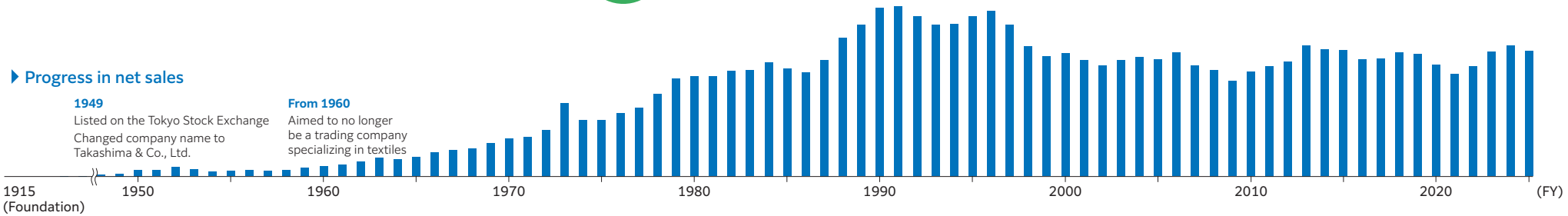


From 1993
Launched overseas business through TAK (HONG KONG)

From 1995
Established the Solar Energy Sales and Promotion Office

From 2009
Started a medium-term management plan that set sustainability as the basic policy

Progress in net sales



Takashima's course

Trading company specializing in textiles → Non-textile, multifaceted specialized trading company → Advanced sustainability-focused trading company

Social context and society's needs

Period of modernization and postwar reconstruction → Period of high economic growth → Bubble boom and burst → IT bubble boom and burst → Increasing interest in environmental issues

Takashima Group's Value Creation

Message from the Representative Director, Chairperson and CEO



Accelerating our transition to a sustainably growing company under a new management structure led by a CEO and a COO

Koichi Takashima
Representative Director, Chairperson and CEO

Launch of a new management structure that harnesses centripetal and centrifugal forces

Following the General Meeting of Shareholders and Board of Directors meeting in June 2026, the Company transitioned to a new management structure led by President Yamamoto and me. As preparations for our goal of changing direction from sound management to a sustainably growing company are in place, we have put our transition to a sustainably growing company firmly on track under a management structure led by a CEO and a COO, with the two sharing responsibilities, with the aim of further accelerating the transition.

The shift from sound management to a sustainably growing company is a major turning point in the history of the Company, which just celebrated its 110th anniversary in 2025, and there are several key factors for our growth up to this point. We have achieved *progress* × *fit* by always keeping pace with the changing times and continuously renewing ourselves while remaining true to our corporate mission of "Contributing to Society through Our Business Activities" and our DNA of "Integrity," and at the same time, our business has grown by evolving with the times.

However, when I was appointed President in 2004, the Company was in a challenging situation with no clear path to sustainable growth. Ensuring the Company can grow over the next 50 or 100 years became our top priority, so we promoted the concepts of sustainability and sustainable growth, which were still not ubiquitous at the time, within the Company and set the goal of becoming an advanced trading company. This is because we wanted to clarify the value of our existence—"Contributing to society through our business activities by drawing on original ideas and approaching society through Takashima Group's unique means"—which underpinned our corporate mission.

To that end, for example, we presented three frameworks: the "Solution Framework," "Risk Control Framework," and "Development Framework." The "Solution Framework" entails the creation of functions and solutions unique to the Company. The "Risk Control Framework" seeks to eliminate reliance on individual operational expertise and ensure continuity of the organization. By establishing mechanisms for joint management and operation within each department, we made progress in standardizing and streamlining operations. The "Development Framework" involves instilling the mindset that developing one's successor, from frontline units all the way up to the top management of each business unit, is a task of paramount importance.

While we have sought to become an advanced trading company in the area of sustainability through these various initiatives, the turning point that accelerated our growth was taking on the challenge to meet the continued-listing criteria for the Tokyo Stock Exchange's Prime Market. We set this as our top management priority and advocated a shift from sound management to sustainable growth in our previous medium-term management plan, "Sustainability V (Value)," and proactively implemented strategic initiatives to that end.

Among these initiatives, we placed particular emphasis on business investment, including M&A, and investment in human assets. In terms of business investment, we have executed M&A deals that allow our business to take giant strides forward through expeditious decision-making while focusing on the growth of existing businesses. We also recognize that recruiting and developing human assets that support growth as well as developing employees into valuable human assets are the key management challenges for achieving sustainable growth, and we are thus making aggressive strategic investments in our human assets.

Takashima Group's Value Creation

Message from the Representative Director, Chairperson and CEO

As a result of these initiatives, the number of employees across the entire Group, including those from companies that have joined the Group through M&A, has increased rapidly. It is important that we harness the "centripetal force" to instill the DNA cultivated by the Company among our new Group companies and human assets. Furthermore, we must also harness the "centrifugal force" to expand our growth. The new management structure that we have introduced will propel the Company forward by making use of both these centripetal and centrifugal forces.

As a member of the founding family, I understand better than anyone else the DNA that is integral to the Company based on my 22 years of management experience. When it comes to harnessing the centripetal force such as our corporate philosophy and corporate mission, my role is to take the lead and proactively work to instill the Company's philosophy. I also take seriously my role as the "face" of the Company to the outside world, and I intend to take the lead in IR and other activities as well.

As for harnessing the centrifugal force, I am looking forward to the work of our new President, Yamamoto. How can we harness the centrifugal force across the entire Group? We need to swiftly implement measures such as developing new businesses and acquiring new customers. Future changes start with the frontline. It is imperative to bridge frontline issues and possibilities with the centrifugal force, and by having someone who was closer to the frontline than I am serve as COO, I hope to see rapid progress in business restructuring, organizational reforms, and human assets development.



There is also another way in which the new management structure is significant. If we aim to be a company that continues for 50, 100 years, and beyond, we need a system that can sustainably produce successors. The Nominating Committee has spent nearly ten years thoroughly discussing a successor program, and with that system gradually taking shape under this new management structure, I see it as a major achievement that we could show we have taken a step forward. Given that I served as President, I hope that employees who wondered if someone outside the founding family could really become President will now realize that it is indeed possible, and that even more employees will aspire to take on management roles.

Taking a leap forward to become a sustainably growing company through our unwavering philosophy of sustainability

Since I was appointed President in 2004, the Takashima Group has placed sustainability at the core of its management and business growth, developing businesses that meet social needs and continuing to demonstrate the value of its existence through these efforts. While there are certainly environmental aspects to sustainability, I think of it as a philosophy that is central to the continued existence of both companies and individuals. When I reflected on what sustainable growth means for a sustainable company and for individuals 22 years ago, I was struck by the idea of becoming an advanced sustainability-focused trading company. If we develop businesses in sustainable domains, those businesses themselves will become sustainable. Demonstrating the value of our existence through such efforts will be consistent with our corporate mission. We are unwavering in embracing this philosophy going forward, and the Group will continue to forge ahead on the path to becoming a sustainably growing company as an advanced sustainability-focused trading company.

Through a wide range of strategic initiatives aimed at changing direction from sound management to a sustainably growing company, the Company's earning power is growing steadily. EBITDA has grown for five consecutive years, while gross profit and gross profit margin continue to improve. In terms of our human assets strategy, the concept of "career-type human assets," where each employee plans his/her own career by being his/her own manager and continues to provide high value to society, is starting to take root. As this concept takes root across the entire Group and the number of employees putting it into practice increases, we can look forward to producing leaders that drive our business forward and successors for managers in a sustainable manner.

As these seeds of growth begin to sprout, we have formulated the Medium-Term Management Plan 2028 "Sustainable $^{+}$ Spiral (Sustainable Positive Spiral)," designating the next three years as a period for putting growth on track. We will continue to advance our ongoing strategic initiatives to contribute to profits and create a "sustainable positive cycle (Sustainable $^{+}$ Spiral)," where returns on investment fund further investment. We have established three basic policies for creating a sustainable positive cycle: (i) promote management conscious of cost of capital and corporate value; (ii) create a positive cycle of investment; and (iii) sustainable production of valuable human assets. By focusing on the three strategic themes of "labor-saving," "resource-saving," and "renewable-energy," we will expeditiously invest resources to achieve a sustainable positive cycle.

Creating a sustainable positive cycle and contributing to society through our business activities

Our founder Kotakichi Takashima had a strong conviction that becoming a listed company should form the foundation of our credibility, and the Company has been listed since the Tokyo Stock Exchange was established in 1949. This is a key feature of the Company's corporate value, and we have always considered it the Group's mission to engage with our stakeholders, meet their expectations, and contribute to the sustainable growth of society through our business activities.

As an advanced sustainability-focused trading company that contributes to a sustainable society, the Group will take a leap forward to become a sustainably growing company. Going forward, we would like to ask for the continued support and understanding of our stakeholders, including our shareholders.

Takashima Group's Value Creation

Message from the Representative Director, President and COO

Putting growth on track through a sustainable positive cycle while launching our new medium-term management plan "Sustainable + Spiral (Sustainable Positive Spiral)": Transforming investment into a positive cycle to set the Company on a steady trajectory of growth

Akira Yamamoto
Representative Director, President and COO



Carrying on the management approach we have adopted to date to take a great leap forward as a value-adding trading company

I am Akira Yamamoto, and I was appointed President following the General Meeting of Shareholders and Board of Directors meeting held on June 23, 2026. I was previously extensively involved in the Company's construction supply business as Division Chief of the Construction Supply Division. With stricter enforcement of the Construction Business Act in the construction supply business sparked by the pile fraud scandal in 2015, many construction supply distributors withdrew from construction work, and the Company made a full-scale change in direction toward the contracting of construction work. I believe the crux of our strategy is to strive to create high added value for customers by providing functions that our business partners deem necessary but find challenging to implement on their own. We strengthened the Construction Supply Division by placing substantive construction functions at the core of the Division and regarding related processing and logistics operations as functions provided by the Company. I believe this strengthening of functions has led to M&A deals in recent years and is helping to establish a revenue base for the Construction Supply Division.

I have now been appointed President after serving as Division Chief of the Construction Supply Division, and I believe that my role in the top management position of the entire Group comes down to maximizing synergies through Group management, optimizing management resources, and driving the sustainable growth of our businesses. This means building reproducible earning power, which I believe entails fully transforming the Company into a value-adding trading company. A value-adding trading company refers to Takashima's unique business model in which we are not merely a player in the intermediate distribution market but where we also provide functions and solutions needed by customers in target markets, which allows us to provide high added value and ultimately secure high profitability.

Ever since my time as head of the Construction Supply Division, I have worked as a Director together with Chairperson Takashima to advance initiatives, including sustainable management, strengthening of functions, and production of valuable human assets. As the new President, I will carry on the management approach that we have adopted to date, create a sustainable positive cycle, and lead the Takashima Group to the stage where it takes a great leap forward as a value-adding trading company.

Earning power has improved despite the Company falling short of "Sustainability V" targets

With regard to our performance for FY2025, both sales and profit declined due to the impact of factors such as the recognition of losses related to DG Takashima Co., Ltd. EBITDA has grown for five consecutive years, reaching ¥4.0 billion, or a 7.2% increase year on year, demonstrating continued

Takashima Group's Value Creation

Message from the Representative Director, President and COO

improvement in the earning power of our primary businesses. As for our performance by segment, while the construction supply and electronic devices segments posted disappointing results with a decline in both sales and profit, the industrial materials segment saw an increase in profit due to improvements in profit margins and other factors. FY2025 also marked the final year of our previous medium-term management plan, "Sustainability V (Value)" (hereinafter the "previous medium-term management plan"), which covered a period we positioned as one for sowing the seeds for the Company's transition to sustainable growth. Even though we had set targets for net sales of ¥110.0 billion, operating profit of ¥2.6 billion, profit of ¥1.9 billion, ROE of 8% or more, and ROIC of 6% or more, we ultimately fell short of these targets. We recognize that the main reasons for this were sluggish growth in the profit of our primary businesses and returns that failed to keep pace with our investments.

Under the previous medium-term management plan, we rapidly advanced initiatives such as executing M&A deals nearly every year to strengthen our functions, making the Industrial Materials Division independent with Takashima Industries Co., Ltd. as its headquarters, and realigning the Construction Supply Division. As a result, we were unable to keep up with the development of internal systems and the establishment of investment monitoring mechanisms, which led to our vulnerabilities being exposed. However, we cannot achieve growth if we hesitate in the face of such challenges. We intend to continue taking on these challenges while overcoming the issues stemming from rapid execution.

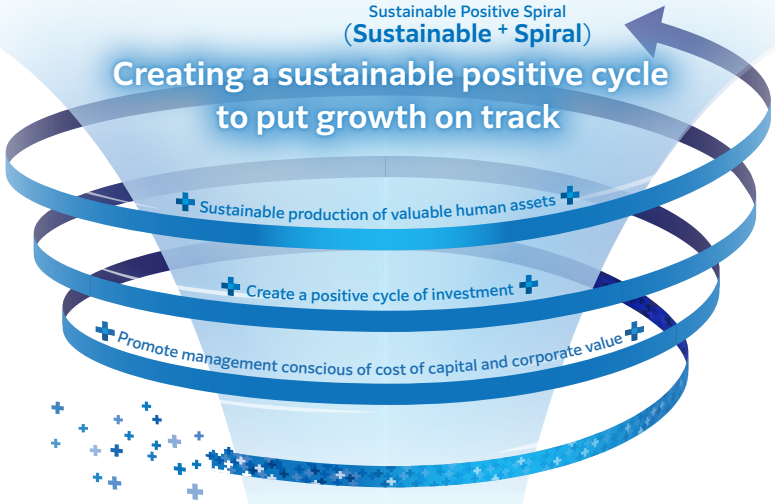
Although the four companies that joined the Group through M&A each have their own unique attributes and have achieved some level of results, goodwill amortization expenses are putting pressure on our profit from an accounting perspective, and it cannot yet be said that they have delivered significant results in terms of their contribution to the Group's consolidated profits. The issue at hand is how Takashima's core business divisions will integrate and develop the respective functions of the four companies acquired through M&A over the past three years with those of HI-LAND Co., Ltd., TAKCEL Co., Ltd., and Rest Corporation, which had joined the Group earlier. Nevertheless, since there are capacity limits to the functions provided by each company, I believe it is essential to extend these functions while carefully evaluating those limits.

Creating a positive cycle by harnessing centripetal and centrifugal forces under the new Medium-Term Management Plan 2028

We formulated the new three-year Medium-Term Management Plan 2028 "Sustainable + Spiral (Sustainable Positive Spiral)" (hereinafter the "new medium-term management plan"), which begins in FY2026, to put our growth on track and take a great leap forward as a value-adding trading company by continuing to advance our ongoing strategic initiatives to contribute to profits and by creating a "sustainable positive cycle (Sustainable + Spiral)," where returns on investment fund further investment. The centripetal force instills the Company's DNA throughout all Group companies, the number of which has grown. The centrifugal force nurtures the seeds that have begun to sprout from our business investment. By combining the centripetal and centrifugal forces of the positive spiral, we will further reinforce our ability to "Contribute to Society through Our Business Activities" and will contribute to building a sustainable society as the "Solution Partner" for each of our customers.

Furthermore, we are working to fundamentally transform the quality of the Company's business, which constitutes the premise of our medium-term management plans to date, including the previous plan, as we believe that a traditional business model based on the pursuit of quantity is no longer viable. We have become convinced once again that the business model of a value-adding trading company, which generates profit without relying on quantity, is one that will give rise to businesses that contribute to building a sustainable society, which we have consistently pursued, and we are moving forward with this transformation in the quality of our business. This transformation in the quality of our business is a theme that the Company has always pursued, and it has become one of the key elements that constitute the basis of our strategies, starting with medium-term management plans.

In the new medium-term management plan, we have established three basic policies for creating a sustainable positive cycle: (i) promote management conscious of cost of capital and corporate value; (ii) create a positive cycle of investment; and (iii) sustainable production of valuable human assets. The key to promoting management conscious of cost of capital and corporate value in the Company is shifting the focus of business promotion from products to the market. We will transform our business portfolio in a flexible manner by addressing the social issues confronting markets. We believe that shifting from our traditional business approach of structuring our portfolio and developing strategies around products to one that is focused on the market while keeping end users in mind will ultimately increase cost of capital and corporate value.



Creating a positive cycle of investment is a matter of strengthening functions and a battle against capacity constraints. For a business that sells finished products by focusing on volume, there is little difference between the effort required to sell 10 units and that required to sell 100 units. However, functions that integrate processes such as planning, design, processing, construction, and distribution in creating products and services grapple with the issue of capacity. To achieve a positive cycle of investment, it is essential to increase this capacity. Through the expansion of group synergies and the continuation of strategic investments on the scale of ¥10.0 billion, including M&A, we will increase the capacity of our functions, extend their target domains, and expand their service areas.

Takashima Group's Value Creation

Message from the Representative Director, President and COO

The sustainable production of valuable human assets is of paramount importance to a trading company. For a trading company, people are both its greatest asset and its greatest cost. The structure of a trading company is such that improving the productivity of each individual has a direct impact on business performance. The crux is not merely the development of "super salespeople," but the sustainable production of human assets that can generate profit. Under a strategy and an organization capable of generating profit, we will establish a system that sustainably produces human assets capable of generating profit in line with our winning formulas. On that basis, each individual must fully assimilate and internalize the strategic themes necessary for our success. We believe that ensuring employees can work to deliver results will lead to the sustainable production of valuable human assets.

In the new medium-term management plan, we defined three strategic themes that would allow such valuable human assets to succeed in business. We have evolved the strategic themes of labor-saving and energy-saving defined in our previous medium-term management plan into the three strategic themes of labor-saving, resource-saving, and renewable-energy. By combining these themes with enhanced on-site capabilities through the improvement of functions, we will further accelerate our response to social issues and the creation of a sustainable society. We will focus on and aim to commercialize fire-resistant/seismic-resistant high-performance building materials, labor-saving construction methods, custom logistics materials, and electronic board mounting/assembly under "labor-saving"; insulation materials, recycled materials, and energy-saving devices under "resource-saving"; and solar panels, storage battery systems, and EV-related products under "renewable-energy."

Honing our flexibility to improve corporate value

I am sometimes asked what I think are Takashima's unique position and strengths. Since our three Divisions operate in different industries, it is difficult to describe our strengths in aggregate. However, I believe that we possess the flexibility of a value-adding trading company in each Division, and our speed in decision-making and execution can be considered one of Takashima's strengths. While the Company is backed by strengths such as its network and credibility established over its long history, this history can sometimes hinder flexibility. In that regard, although we boast a long history, we are confident in our ability to move quickly, and we often hear people asking how we can make decisions so quickly for such a long-established trading company. This is attributable to the speed of response from the business frontlines to management decision-making, and our flexibility is also the very quality that has allowed us to execute M&A deals nearly every year over the past few years. As exemplified by our swift M&A deals, we view the speed with which we channel energy into our growth engines as our greatest strength in responding quickly to change. On the other hand, we recognize that this flexibility also involves "thinking on the move" and naturally entails risk. While we will not change our stance of prioritizing growth opportunities and possibilities, we will continue to enhance the accuracy of investment monitoring and hone our flexibility going forward.

As for improving corporate value, our financial challenges include improving operating margin, enhancing capital efficiency and ROE, and ensuring stable and flexible shareholder returns. On the non-financial front, our challenges include investing in human capital, such as establishing a system to produce valuable human assets and strengthening engagement, as well as enhancing our brand, and streamlining operations through AI and digital transformation. While we have seen some results from our past initiatives, we will redouble our efforts to improve corporate value.

Since corporate value is determined by stakeholders and the market, the functions we offer have no meaning unless their value is appreciated by end users and the market. Moreover, this value is not universal in nature but is constantly evolving. Instead of a "product-out" approach, we will adopt a "market-in" approach in order to align our perspective with that of the market and hone the sensitivity needed to understand the value the market seeks, from the frontline all the way up to management.

Steadily executing the recovery and reinvestment of capital to put sustainable growth on track

The period covered by our previous medium-term management plan, which advocated a shift from sound management to sustainable growth, was a phase for sowing and nurturing the seeds of growth. The period covered by the new medium-term management plan is a phase for creating a sustainable positive cycle in which we recover our past investments and channel the resulting capital into further reinvestment. As the new President, I have been handed the baton to steadily advance this recovery and reinvestment of capital. We can put sustainable growth on track by expanding the capacity of the businesses we have invested in and their functions, achieving sufficient returns to allow for reinvestment, and then reinvesting those returns.

The Company emerged from the challenging circumstances around 2004, when then-President Takashima took over management and we were recording losses for consecutive years, moved into a phase of stable profitability in the 2010s, and subsequently entered a phase in which we could invest for growth. We have currently entered a phase aimed at achieving sustainable growth through the recovery and reinvestment of capital, and we are confident that by steadily achieving the goals of the new medium-term management plan, we will be able to take a great leap forward as a value-adding trading company by 2030.

The Takashima Group will continue to refine its role as a value-adding trading company and contribute to the realization of a sustainable society through its business activities. Going forward, we would like to ask for the continued support and understanding of our stakeholders, including our shareholders.



Takashima Group's Value Creation

Value Creation Process

In line with its way of *progress* × *fit*, the Takashima Group develops its business in collaboration with customers to consistently create value as a trading company that provides functions and solutions that customers truly need. Based on the Medium-Term Management Plan 2028 "Sustainable ⁺ Spiral," we will pursue the creation of new value through materiality-oriented management.

Vision

Contribute to building a sustainable society as the "Solution Partner" for each of our customers

Social Issues

- The need for sustainability management
- Achieving carbon neutrality
- Strengthening energy security
- Worsening labor shortages
- Climate change
- Rising resource and fuel prices
- GX trends

Input

P.10

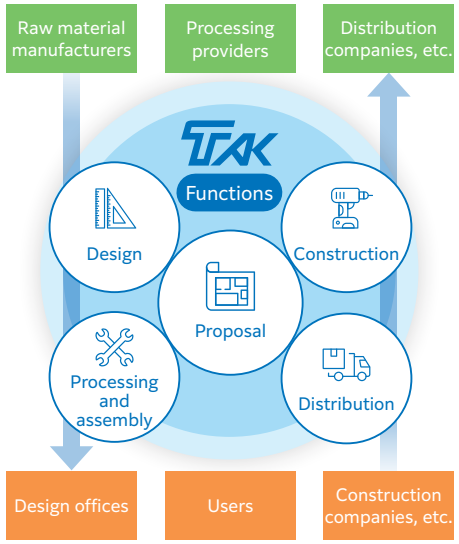
- Financial capital
- Manufacturing capital
- Intellectual capital
- Human capital
- Social capital
- Natural capital

Business Model

P.11

Value-Adding Trading Company Business Model

Business model that creates high added-value by picking up on customer requirements and providing functions that they truly need



Medium-Term Management Plan

P.15

Materiality

P.32

Output

Construction supply



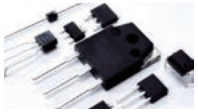
- Construction materials
- Housing materials
- Renewable energy materials

Industrial materials



- Plastics-related materials
- Textiles-related materials

Electronic devices



- Devices
- Assembly

Outcome

Economic value (FY2028 targets)

- Net sales ···· ¥110.0 billion
- Operating profit ··· ¥3.0 billion
- Profit ····· ¥2.0 billion
- ROE ····· 8% or more

Social/customer value

- Provision of holistic solutions for housing and building energy use in preparation for the realization of a sustainable society
- Optimization of the supply chain through the provision of new functions and solutions

Environmental value

Achieving carbon neutrality by 2050

Corporate Governance

Corporate Philosophy
Corporate Mission **"Contribute to Society through Our Business Activities"**
Corporate Value **"Integrity"**

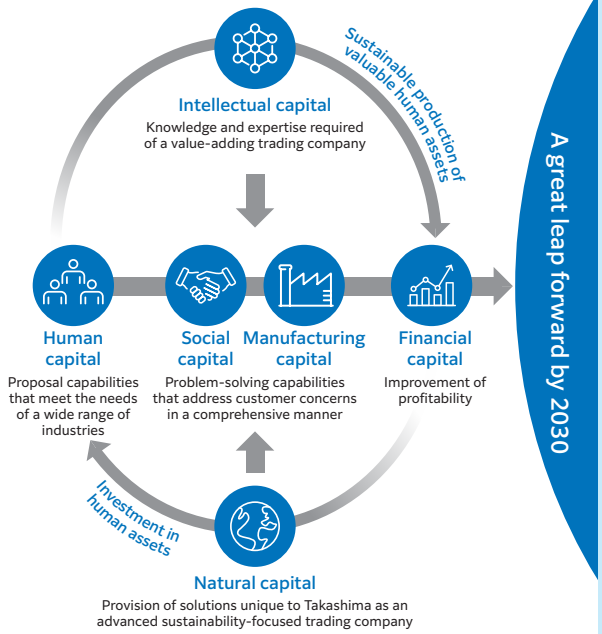
Takashima Group's Value Creation

Capital We Utilize

In the spirit of *progress* × *fit* based on its corporate mission of "Contributing to Society through Our Business Activities," the Takashima Group has captured changes in society and in demand, and achieved growth by continually evolving in order to provide unique value based on its original ideas and by contributing to the resolution of social issues.

Over the course of the more than 100 years of history that have passed since its foundation, the Group as it is today has accumulated various types of capital, which constitute the source of its strengths. By promoting integrated management that blends the strengths derived from these various types of capital, we develop the business strategically from a long-term perspective with the aim of creating further value and achieving sustainable growth.

Relationships between various forms of capital



Financial capital

Net sales

FY2022	FY2025
79,683 million	90,642 million

Net assets

FY2022	FY2025
19,539 million	23,169 million

Issue: Achieve ROE of 8% or more as set forth in the medium-term management plan, while taking the cost of capital into account

Response measures: Improve profitability through strategic investments such as implementation of M&As and reviews of business portfolio

Manufacturing capital

Group companies in Japan

FY2022	FY2025
11	21

Overseas Group companies

FY2022	FY2025
7	6

* Includes consolidated subsidiaries and entities accounted for using the equity method.

Intellectual capital

No. of employees with construction-related national qualifications

FY2025: 148

* The total number of managing engineers, operation and management engineers, architects, electricians, and chief electricity engineers

As a value-adding trading company, the Company offers construction functions. In order to ensure the provision of a high level of quality and security at construction sites, there are employees who possess a wide range of construction-related qualifications, including those of architects, various types of operation and management engineers, and electricians. The Company makes use of valuable human capital that consists of the qualified individuals that it has nurtured and retained.

Issue: Adapt to the cap on overtime work for the construction industry effective from April 2024 (the 2024 problem)

Response measures: Strengthen the Company's systems, including personnel relocating within the Company, in addition to mid-career hires

Human capital

No. of employees

FY2022	FY2025
249	220

No. of employees (consolidated)

FY2022	FY2025
1,010	1,200

Issue: Strengthen the recruitment of human assets who support corporate growth and create a conducive environment for them to demonstrate their abilities

Response measures: Provide opportunities for growth by identifying the kind of human resources the Company seeks and creating the right environment

Social capital

No. of sales offices

FY2022	FY2025
46	64

The Group operates sales offices throughout Asia, including Japan.
At the Group's sales offices, we support the development of regional industry and help to invigorate local communities by working with suppliers and business partners in each region.

Natural capital

Energy used

FY2022	FY2025
247,632 kWh	3,858,435 kWh

The Group considers its energy usage to be a form of natural capital and is pursuing sustainability management. In order to minimize the impact on the environment, the Group is gradually implementing initiatives to measure the amount of energy it uses and accelerating initiatives to reduce that usage.

Issue: Electricity consumption is growing due to the increase in electronic devices being used and the increase in sales activities

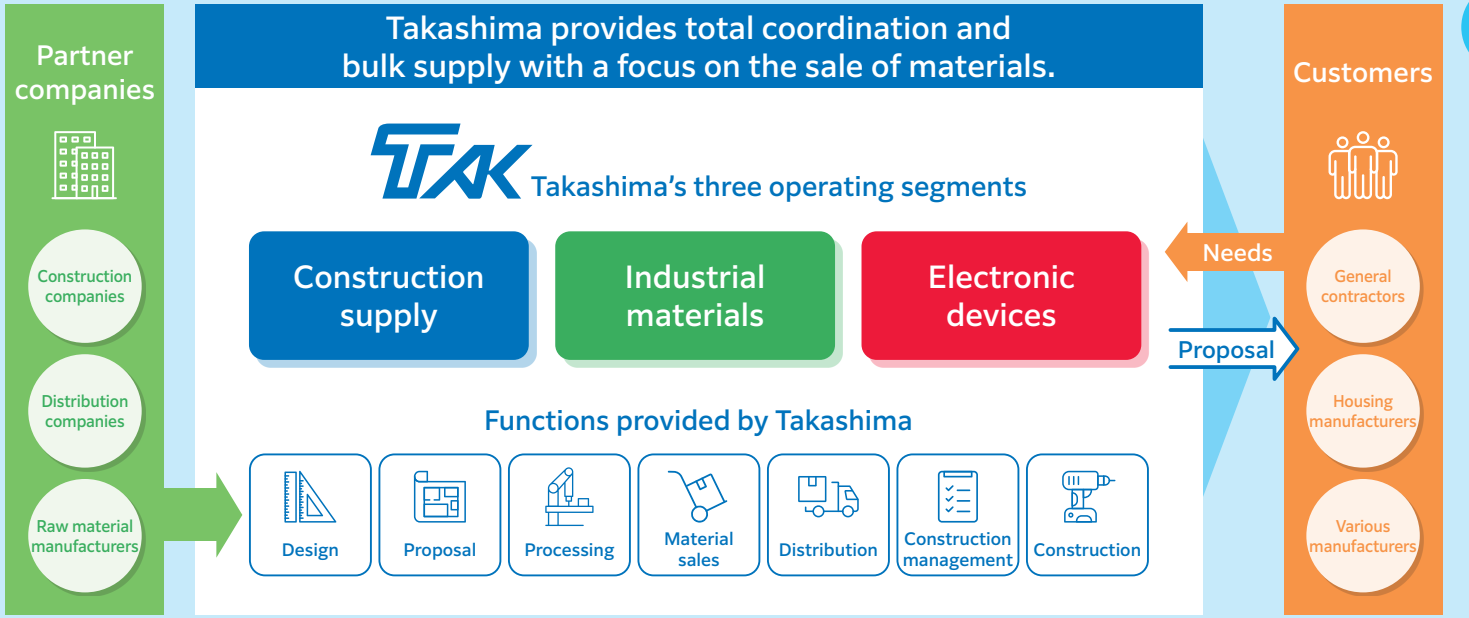
Response measures: Switch to power-saving electronic devices, reduce unnecessary electronic devices, and encourage power savings on an ongoing basis

* Comparisons are made with FY2022 because FY2022 was the final fiscal year of the medium-term management plan "Sustainability X (Cross)," the plan preceding the previous medium-term management plan "Sustainability V (Value)," which began in FY2023, and was the fiscal year prior to transforming into a sustainably growing company accompanied by strategic investments under the previous medium-term management plan "Sustainability V (Value)."

Takashima Group's Value Creation

Business Model (Value-Adding Trading Company)

The Group's "value-adding trading company" business model focuses on pursuing customer value in target markets instead of pursuing excessive wide-market expansion.
We are a trading company that picks up on customer needs and provides customers with the functions and solutions that they truly need, thereby creating high added value and achieving high profitability as a result.



column

Types of trading company business model

Business investment trading companies

A common business model among general trading companies

Invest management resources such as capital, human assets, and expertise into portfolio companies and carry out business reorganization and so forth to increase their corporate value, in order to receive a return on investment.

Trading companies that pursue transaction scale

A common business model among specialized trading companies with a limited field of products

Leverage extensive nationwide sales network and sales capabilities in pursuit of expanding the products handled and the scale of transactions, thereby retaining price superiority and securing profits.

Value-adding trading companies

Trading companies with a focus on providing added value

This corresponds to the Group's business model. We are a trading company that provides customers with the functions and solutions that they truly need, thereby creating high added value and achieving high profitability as a result.

Strengths Supporting the Business Model

Strength 01 Solution proposal capabilities combining diverse functions

The Group's business fields are diverse, extending beyond simple material sales to cover a wide range of functions from upstream to downstream, including design, construction, processing, and distribution. By leveraging alliances with Group companies and collaborating companies responsible for these fields, the Group freely combines various functions to provide them on a one-stop basis. In addressing the complex business challenges faced by customers, the Group creates optimal solutions and high added value unique to Takashima.

Strength 02 Solid reputation and presence backed by a strong history

For over 100 years since its founding, the Company has successively developed its businesses in response to the needs of the times, starting with the industrial materials business as its founding business, followed by about 50 years in the construction supply business and about 30 years in the electronic devices business. Ahead of changes in times and markets, the Company has transformed itself, accumulating deep insights and expertise across each of its specialized fields. With these strengths, the Company has established a unique presence, proudly supporting the growth of diverse industries. These strong relationships of trust built with business partners over many years constitute the solid foundation of the Group's business.

Strength 03 *Progress* × *fit* in response to the changing times and a shift in strategy

Under the spirit of *progress* × *fit* to flexibly respond to changes in the market environment and social structure, the Group is promoting a shift from a traditional business model focused on "quantity" to one that emphasizes "quality."

The Group is concentrating management resources on strategic domains aligned with the demands of the changing times, such as proposing fire-resistant/seismic-resistant high-performance building materials under the theme of "labor-saving," as well as solar panels, storage battery systems, and related solutions under the theme of "renewable-energy." The Group is achieving both the realization of a sustainable society and the creation of high-value-added businesses.

Medium- to Long-Term Strategy, Financial Strategy, and Capital Strategy

Message from the Division Chief of Business Integration Division



Meeting expectations through management conscious of cost of capital and proactive shareholder returns

Kenichi Yamada
Division Chief of Business Integration Division

Review of the previous medium-term management plan and policy for the new medium-term management plan

During the period of the previous medium-term management plan "Sustainability V (Value)" (hereinafter the "previous medium-term management plan"), the Company achieved results such as growing its market capitalization by 3.5 times or more and reaching a level of PBR exceeding 1.0 through the proactive execution of strategic investments. On the other hand, an increase in invested capital and higher goodwill amortization expenses associated with proactive M&A and other initiatives put pressure on profits, with ROE constrained to 5.2% and ROIC to 4.0% in the final fiscal year, leaving challenges in improving profitability and capital efficiency.

Under the new Medium-Term Management Plan 2028 "Sustainable $^{+}$ Spiral (Sustainable Positive Spiral)" (hereinafter the "new medium-term management plan"), the Company positions these three years as a period to "put our growth on track," aiming to advance the strategic initiatives executed to date to contribute to profits and create a "sustainable positive cycle" where returns on investment fund further investment.

Management that takes the cost of capital and share prices into account and initiatives to improve corporate value

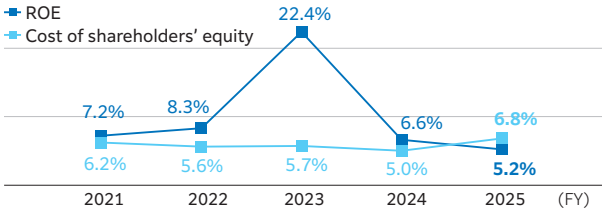
In FY2025, the final year of the previous medium-term management plan, the cost of shareholders' equity and WACC (weighted average cost of capital) increased to 6.8% and 5.0%, respectively, due to an increase in the risk-free rate and other factors. Consequently, ROE (5.2%) fell below the cost of shareholders' equity and ROIC (4.0%) below WACC, resulting in an equity spread of -1.6% and an EVA spread of -1.0%.

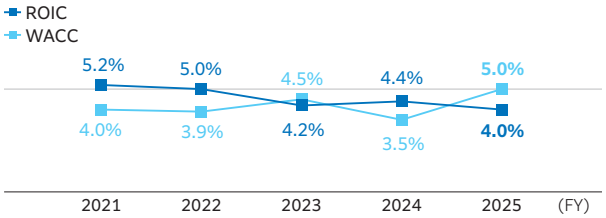
In response to these results, the new medium-term management plan sets forth "promote management conscious of cost of capital and corporate value" as its primary basic policy.

Specifically, we will advance the transformation of our business portfolio. By introducing a four-quadrant framework that evaluates each business on the two axes of growth (net sales CAGR) and profitability (ROIC), we will optimally and selectively focus our management resources, thereby enhancing the capital efficiency of the Group as a whole. In addition, through the reorganization of the Business Management Division into the "Business Integration Division," we will accelerate strategy formulation from a company-wide perspective as well as integrated value creation.

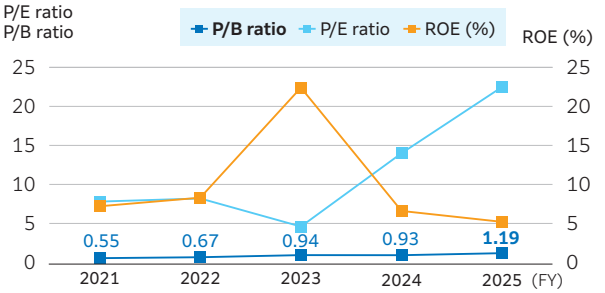
Moreover, by further deepening collaboration between the three business divisions and Group companies and integrating functions such as construction, processing, and mounting into the traditional trading company functions, we will maximize Group-wide synergies and reliably increase returns on M&A and capital investments. Through these initiatives, we will pursue the achievement of our consolidated performance target of an ROE of 8% or higher for FY2028.

Status of capital efficiency





P/B ratio P/B ratio = ROE × P/E ratio



Although we have achieved steady progress in reducing shares held as cross-shareholdings by lowering the ratio to 2.9% of net assets as of the end of FY2025 against our target of less than 10%, we will continue these reductions and utilize the proceeds generated to improve capital efficiency.

Regarding our share price, while our PBR has exceeded 1.0, we recognize that a gap still remains between our returns and the market's expected return. We will further strengthen our IR

Medium- to Long-Term Strategy, Financial Strategy, and Capital Strategy

Message from the Division Chief of Business Integration Division

activities by expanding English disclosures of financial materials and creating dialogue opportunities with institutional, international, and individual investors, among other measures. Through these efforts, we will thoroughly explain the Company's growth strategy and the pathway to capital productivity improvement in an effort to earn an appropriate valuation from the market.

Cash allocation and investment strategy

To achieve sustainable improvement of corporate value, it is essential to have a solid financial foundation that simultaneously pursues appropriate growth investments and shareholder returns, as well as disciplined cash allocation. During the three-year period of the new medium-term management plan, we will secure growth capital by using approximately ¥8.5 billion in operating cash flow generated from core operations as a base, while flexibly utilizing external borrowings in accordance with financial discipline. In terms of financial soundness indicators, we will manage toward benchmarks of a debt-to-equity ratio of 1.0 or less and an interest coverage ratio of around ten times, pursuing an optimal balance between capital efficiency and financial stability.

Under this allocation policy, we have established a strategic investment framework on the scale of ¥10.0 billion over the three-year period of the new medium-term management plan. This is comparable to the actual results (¥11.3 billion) over the past three years under the previous medium-term management plan, reflecting a commitment to continue proactive investments without losing growth momentum.

The two pillars of the investment strategy are "acquiring and strengthening capabilities in existing businesses" and "expanding businesses in strategic domains/adjacent areas." Past examples include the M&A of Sanwa System Co., Ltd., through which construction functions for industrial solar power generation systems were acquired. Going forward, capital will be allocated to rigorously selected projects that align with the strategic themes of "labor-saving," "resource-saving," and "renewable-energy," and that are expected to generate strong synergies with the trading company functions of the Company. As Division Chief of the Business Integration Division, I will establish a positive cycle of investment that reliably contributes to profits by setting hurdle rates upon investment execution and ensuring strict return management based on ROIC post-investment.

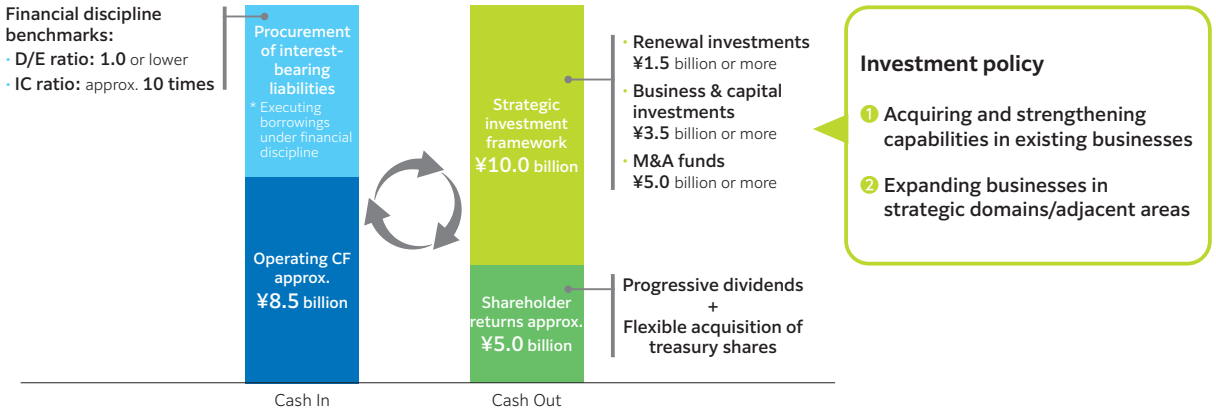
Shareholder returns policy

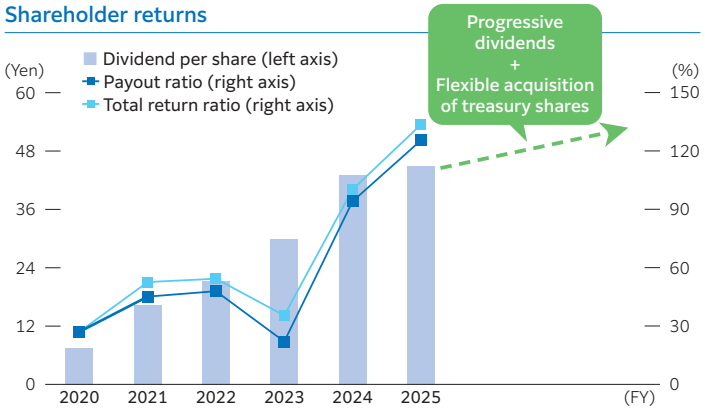
With respect to shareholder returns, the Company positions it as a key management objective to reward shareholders from a medium- to long-term perspective, being conscious of capital efficiency.

Under the previous medium-term management plan, as a limited-time measure to achieve an ROE of 8% or higher, the Company provided shareholder returns at remarkably high levels, including a payout ratio of 80% or higher and a total return ratio of 100%. With the new Medium-Term Management Plan, based on our track record to date, the Company will adopt a new shareholder returns policy of "progressive dividends + flexible acquisition of treasury shares."

This policy is to maintaining or increasing dividends in line with profit growth without reducing dividends, aiming to enable shareholders to hold the Company's shares with confidence over the medium to long term. Furthermore, by taking into account share price levels, cash flow conditions, and investment opportunities in a comprehensive manner, and by flexibly implementing the acquisition of treasury shares, the Company intends to continue proactive shareholder returns that are equal to or greater than those of the past.

By advancing both pillars of sustainable growth in earnings per share (EPS) through growth investments and substantial shareholder returns, the Company will strive to further improve corporate value.





Medium- to Long-Term Strategy, Financial Strategy, and Capital Strategy

Review of the Previous Medium-Term Management Plan

The market segment restructuring of the Tokyo Stock Exchange and positioning of Sustainability V

Following the market segment restructuring of the Tokyo Stock Exchange in April 2022, the Company selected the Prime Market. We made a significant shift in our management policy from our traditional approach of sound management to one focused on sustainable growth through strategic investment, and formulated and implemented our previous Medium-Term Management Plan "Sustainability V (Value)," as a concrete initiative to achieve this objective.

Under our previous Medium-Term Management Plan, we worked to improve corporate value by executing ¥14.7 billion in strategic investments over five years to drive M&A and business transformation, while also improving capital efficiency through initiatives such as reducing cross-shareholdings. We also pursued proactive shareholder returns through measures such as raising our payout ratio and acquisition of treasury shares, while establishing a sound foundation for the shift towards sustainable growth and enhancing corporate value.

Previous Medium-Term Management Plan targets and results

For FY2025, the final year of the previous Medium-Term Management Plan, consolidated net sales amounted to ¥90.6 billion, operating profit to ¥2.10 billion, profit attributable to owners of the parent to ¥1.22 billion, ROE was 5.2%, and ROIC was 4.0% leaving room for improvement in terms of the plan's quantitative targets.

The main reasons for not achieving the targets where changes in the customer environment in major markets, together with higher material costs and construction delays, which resulted in overall sales growth falling short of expectations.

In addition, the Company undertook strategic investments on the largest scale in its history, including multiple M&A transactions, as part of its efforts to achieve sustainable growth, which also had an impact on results. Although these initiatives helped strengthen the Company's business foundation, fixed costs such as depreciation and goodwill amortization were incurred ahead of the expected returns, placing downward pressure on short-term profits.

Despite the previous Medium-Term Management Plan falling short of its quantitative targets, it enabled the Company to establish a stronger business foundation for future growth and enhance its earning power. Through the new Medium-Term Management Plan 2028 "Sustainable $^{+}$ Spiral (Sustainable Positive Spiral)," the Company aims to convert the benefits from these prior investments into profit growth and continuously enhance corporate value.

	[Net sales]	[Operating profit]	[Profit]	[ROE]	[ROIC]
Sustainability V targets for FY2025	¥110.0 billion	¥2.6 billion	¥1.9 billion	8% or more	6% or more
▼	▼	▼	▼	▼	▼
FY2025 results	**¥90.6 billion**	**¥2.10 billion**	**¥1.22 billion**	**5.2%**	**4.0%**

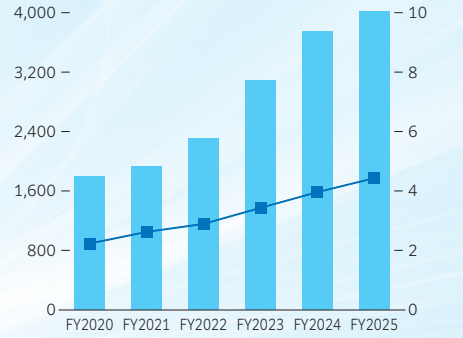
Results and challenges of the previous Medium-Term Management Plan

Through proactive strategic investment and M&A, we improved our gross profit margin to 14.9%, and EBITDA increased to ¥4.0 billion, demonstrating steady gains in the business value added and profitability, which are the key drivers of our earning power. On the other hand, higher depreciation and amortization expenses have constrained profit growth, making further earnings growth and improved capital efficiency through higher investment returns key priorities for the future.

Changes in gross profit and gross profit margin



Changes in EBITDA and EBITDA margin



Review of the previous Medium-Term Management Plan

Achievements

Business restructuring through strategic investment steadily improved the added value and profitability of the core business.

Improvements in capital efficiency through the sale of real estate and cross-shareholdings, together with a high level of shareholder returns, contributed to a more than 3.5 fold increase in market capitalization. As a result, the Company satisfied the continued-listing criteria for the Prime Market and achieved a PBR of more than 1.0X.

Issue

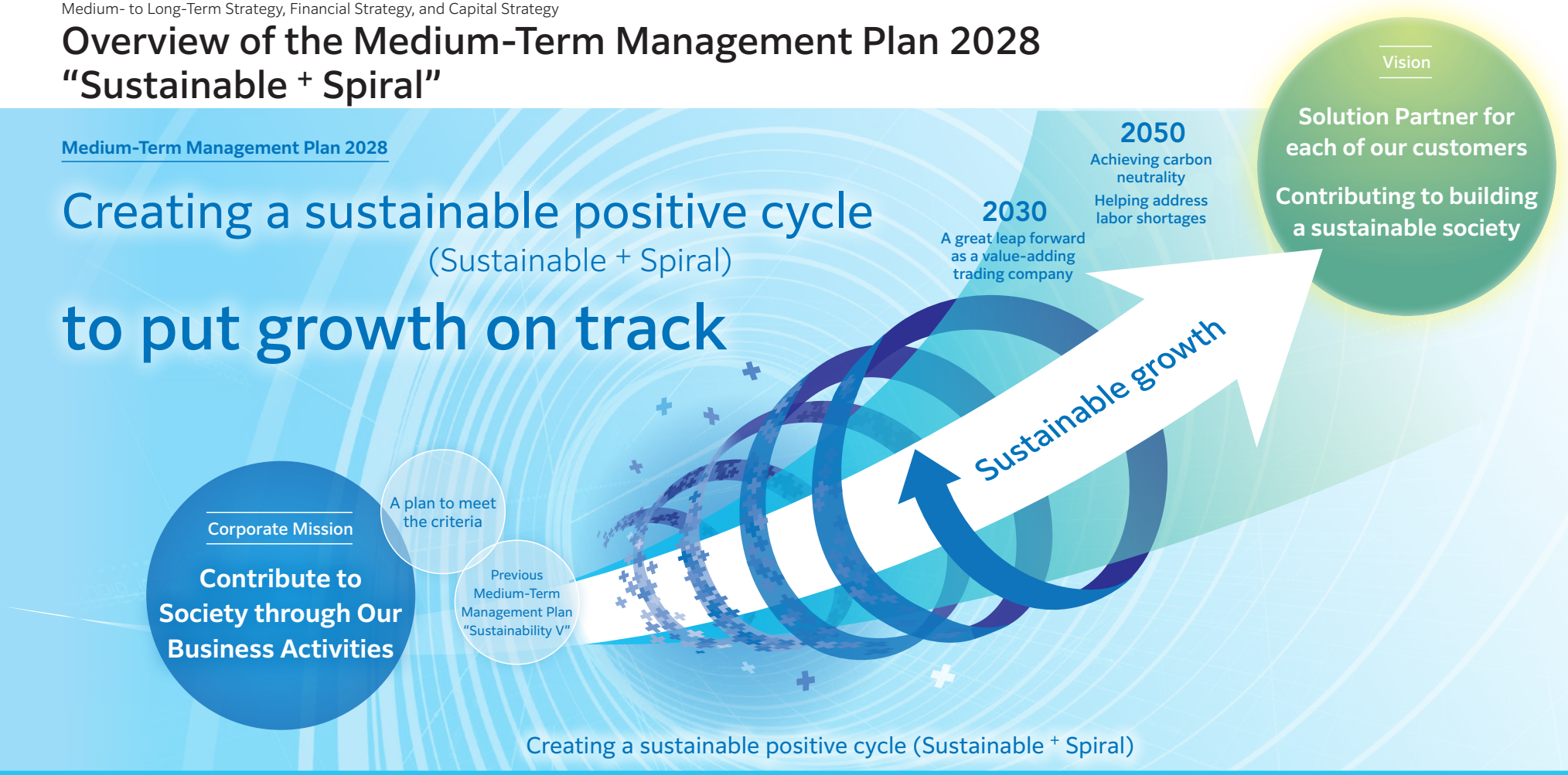
Accelerate the realization of synergies from investments and M&A already executed, while driving earnings growth and improving capital efficiency through higher investment returns.

Medium- to Long-Term Strategy, Financial Strategy, and Capital Strategy

Overview of the Medium-Term Management Plan 2028 “Sustainable + Spiral”

Medium-Term Management Plan 2028

Creating a sustainable positive cycle (Sustainable + Spiral) to put growth on track



Basic policies of Medium-Term Management Plan 2028

1 Promote management conscious of cost of capital and corporate value

- Transform the business portfolio by capturing social issues and growth potential P.18
- Continue proactive shareholder returns through progressive dividends P.13

2 Create a positive cycle of investment

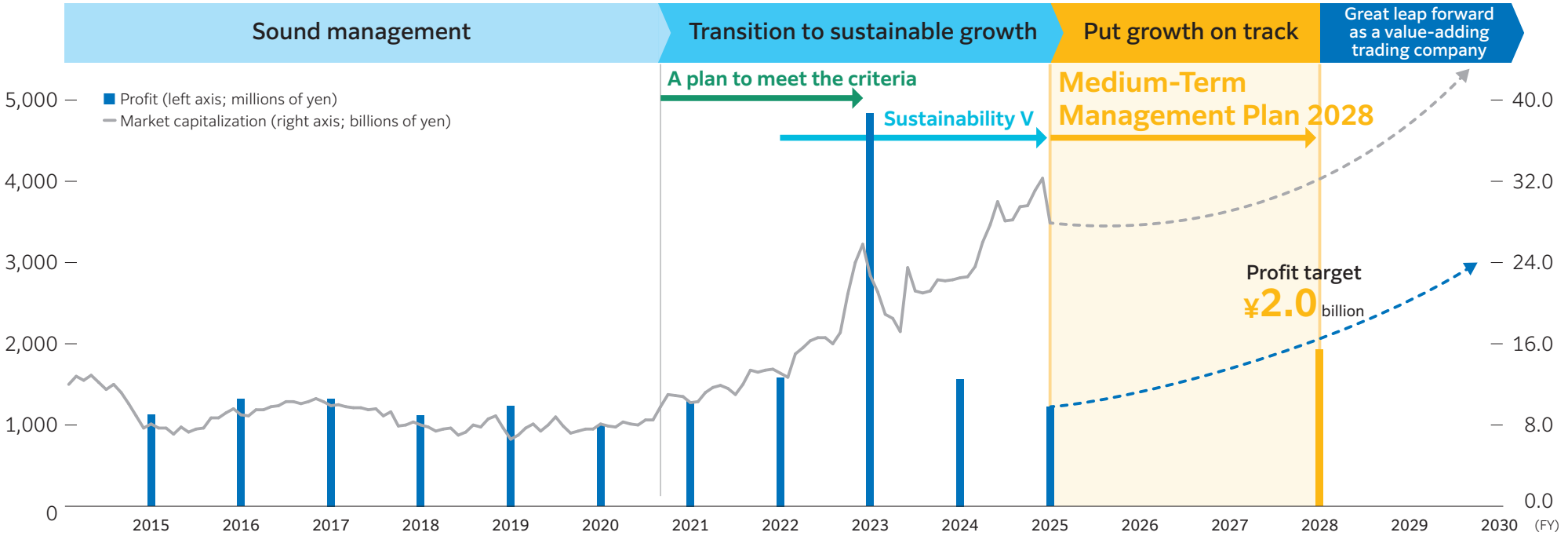
- Improve returns by expanding group synergies P.19
- Continue strategic investments on the scale of ¥10.0 billion P.13

3 Sustainable production of valuable human assets

- Establish a foundation for producing valuable human assets through diverse career-type human assets P.22
- Implement growth support systems and execute investments P.23

Medium- to Long-Term Strategy, Financial Strategy, and Capital Strategy

Positioning and Quantitative Targets of the New Medium-Term Management Plan



Quantitative targets

Financial targets (FY2028)

Net sales
¥110.0 billion

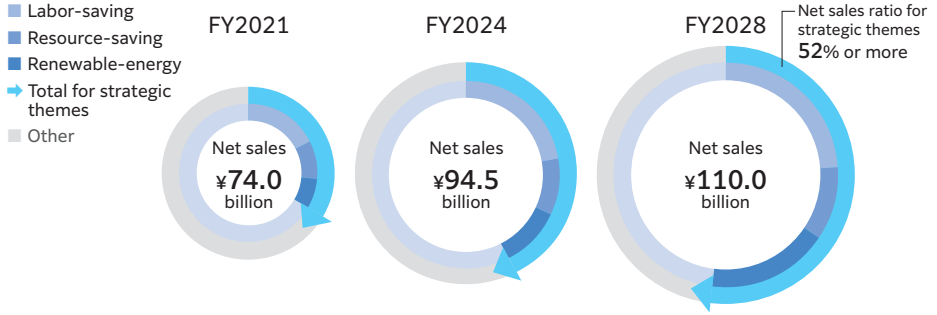
Operating profit
¥3.0 billion

Profit
¥2.0 billion

ROE
8% or more

Business portfolio

Contributing to solving social issues by expanding our businesses in line with our strategic themes



Selected non-financial targets

FY2030
Percentage increase in sales of "renewable-energy" and "labor-saving" products and services
130% increase
(Compared to FY2022)

FY2035
Rate of reduction of greenhouse gas (GHG) emissions (Scope 1+2)
46% reduction
(Compared to FY2024)

FY2030
Ratio of female officers
30% or more

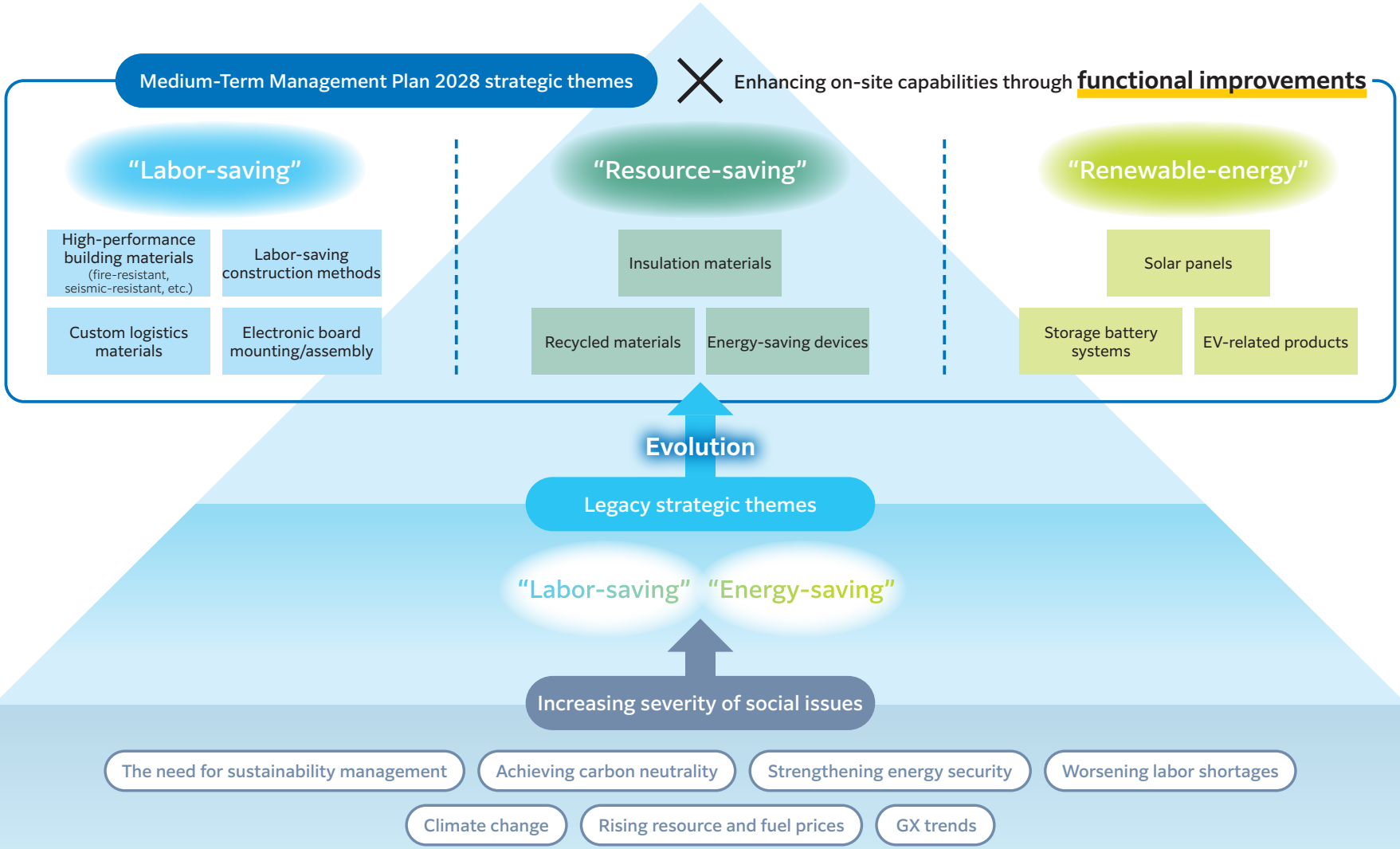
Please refer to "Materiality KPIs" (P.33) for details.

Medium- to Long-Term Strategy, Financial Strategy, and Capital Strategy

Perception of the External Environment

1 Promote management conscious of cost of capital and corporate value
2 Create a positive cycle of investment
3 Sustainable production of valuable human assets

Social issues such as worsening labor shortages, climate change, and soaring prices for resources and fuel are becoming increasingly severe. In response to these environmental changes, the Company has evolved its conventional strategic themes of labor-saving and energy-saving into three themes in the Medium-Term Management Plan 2028: labor-saving, resource-saving, and renewable-energy. By combining these themes with enhanced on-site capabilities through the improvement of functions, we will provide optimal solutions such as high-performance building materials, thermal insulation materials, and solar panels, thereby further accelerating our response to social issues and the creation of a sustainable society.



Medium- to Long-Term Strategy, Financial Strategy, and Capital Strategy

Transforming the Business Portfolio by Capturing Social Issues and Growth Potential

1 Promote management conscious of cost of capital and corporate value
2 Create a positive cycle of investment
3 Sustainable production of valuable human assets

To select strategic domains, we utilize a four-quadrant framework to properly evaluate the various businesses within the Group on the two axes of growth (net sales CAGR) and profitability (ROIC). In addition to businesses under the three strategic themes of labor-saving, resource-saving, and renewable-energy, we have clearly defined businesses in high-growth areas such as future-looking businesses and actively expanding businesses as "strategic domains." By further proactively and selectively focusing our management resources and optimally allocating resources toward business structure reforms and strategic domains, we aim to powerfully accelerate business portfolio transformation and further improve capital efficiency.

Initiatives to achieve our goals

Construction Supply Business

We will focus on the growing fields of solar power generation, insulation materials, and construction materials to drive net sales growth. We will also seek to improve capital efficiency by expanding the construction capabilities and service areas of Group companies through M&A and other means, and by enhancing synergies with the functions of a trading company of Takashima, which has a nationwide network.

Industrial Materials Business

We will selectively focus our management resources on growth businesses such as recycling and healthcare over businesses needing to be rebuilt. We will also seek to increase profit margins through proposals that leverage the production capabilities of Group companies, while improving capital efficiency by increasing the utilization rates at our plants.

Electronic Devices Business

We aim to build a more resilient business portfolio by opening offices and plants in the growing ASEAN region and focusing on new domains such as industrial equipment, healthcare, and automotive applications, as well as on expanding sales to non-Japanese companies. We will also seek to further enhance added value by strengthening our quality control departments.

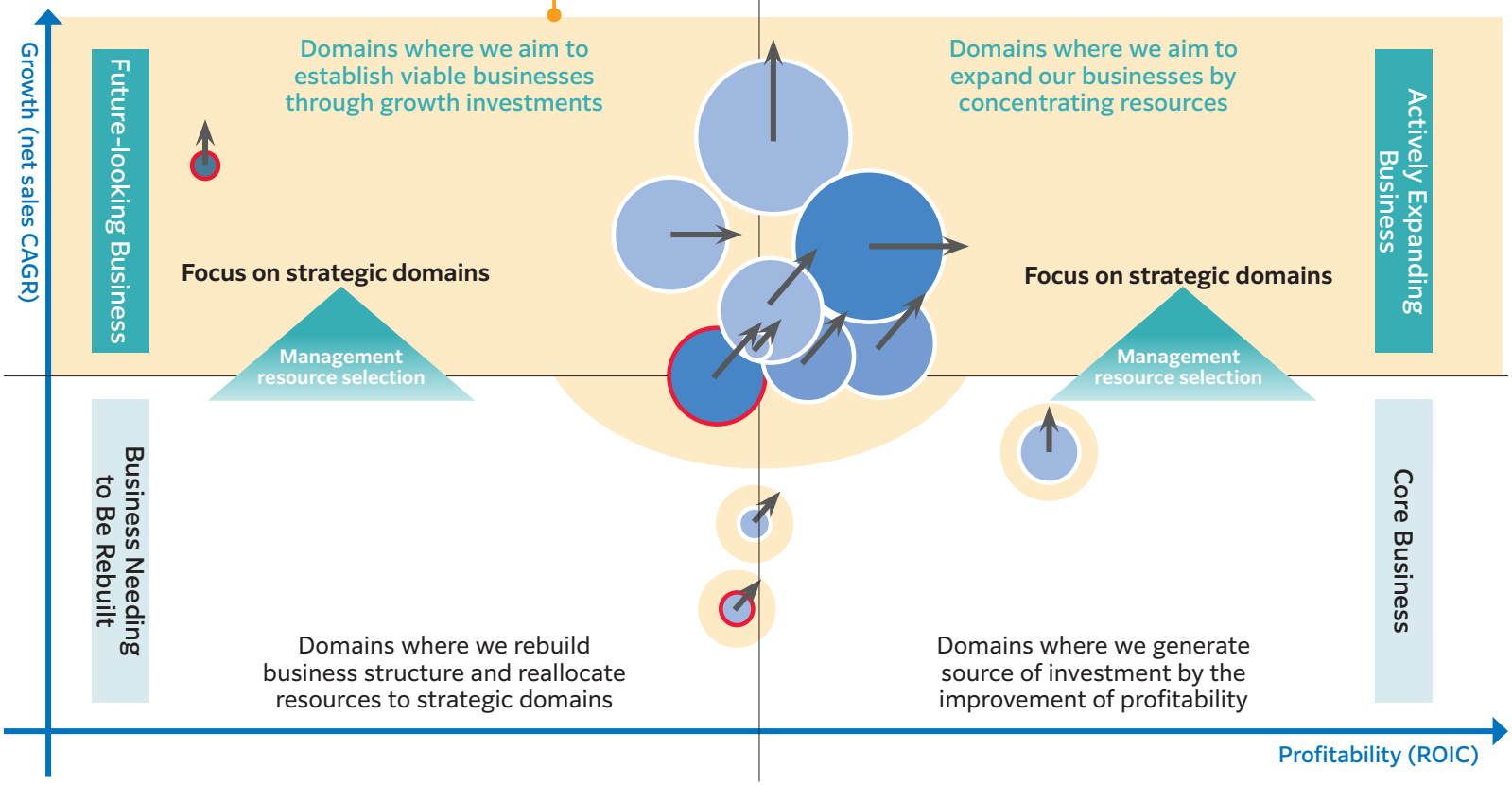
Four-Quadrant Framework (Illustration)

- Labor-saving business
- Resource-saving business
- Renewable-energy business

Strategic domain framework

1 Businesses within the strategic themes
- Labor-saving business
- Resource-saving business
- Renewable-energy business

2 Businesses in high-growth areas
- Future-looking business
- Actively expanding business



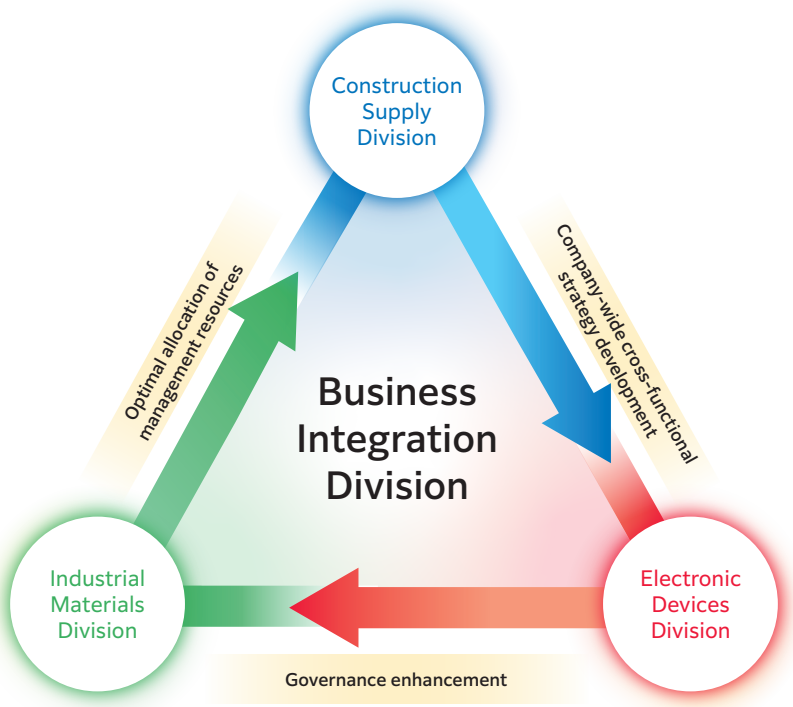
Medium- to Long-Term Strategy, Financial Strategy, and Capital Strategy

Improving Returns by Expanding Group Synergies

1 Promote management conscious of cost of capital and corporate value
2 Create a positive cycle of investment
3 Sustainable production of valuable human assets

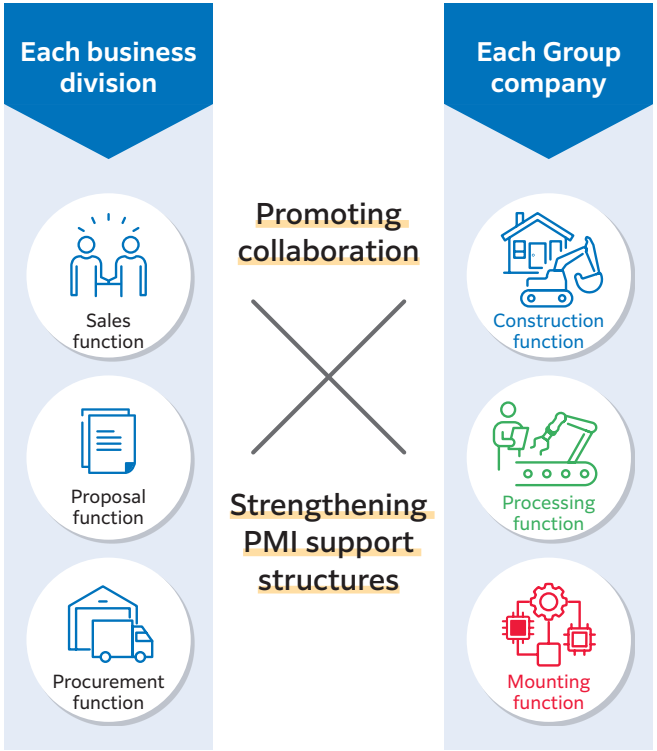
Promoting integrated management of the Group

We have realigned the former Business Management Division into the "Business Integration Division," and are accelerating strategy formulation from a company-wide perspective as well as integrated value creation. Through strengthening governance and optimally allocating management resources, we will powerfully promote integrated Group management and achieve sustainable corporate value improvement.



Promoting collaboration between each business division and Group companies

By combining the sales, proposal, and procurement functions of each business division with the construction, processing, mounting, and other functions of Group companies, we will powerfully promote collaboration. Furthermore, by strengthening PMI support structures, we will expand Group synergies and aim to improve returns on M&A and capital investments.



M&A positioning and policy

M&A plays a crucial role in our strategy to achieve sustainable growth and take a great leap forward as a value-adding trading company. The companies that have joined the Takashima Group through past M&As possess construction and processing functions in strategic domains and play an indispensable role in providing solutions to our customers through Takashima's unique means.
Going forward, we will continue to pursue M&A in line with our two-pronged investment policy of "acquiring and strengthening capabilities in existing businesses" and "expanding businesses in strategic domains/adjacent areas."

Medium- to Long-Term Strategy, Financial Strategy, and Capital Strategy

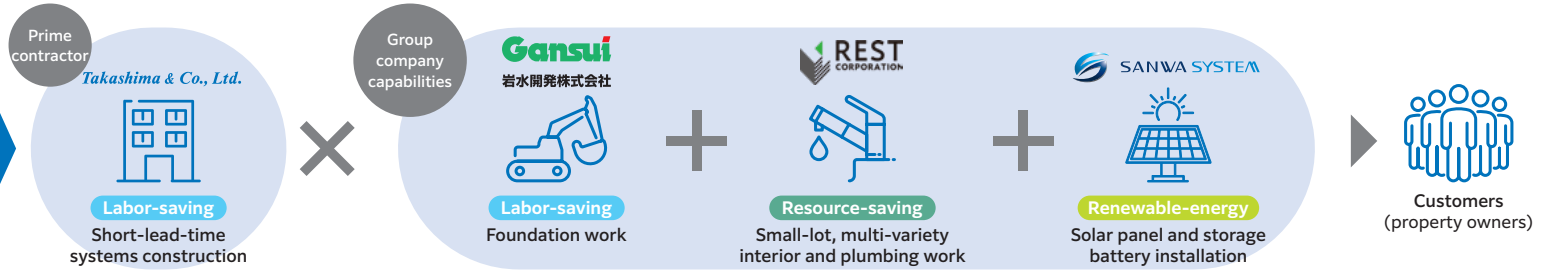
Improving Returns by Expanding Group Synergies (Business Strategy by Segment)

1 Promote management conscious of cost of capital and corporate value
2 Create a positive cycle of investment
3 Sustainable production of valuable human assets

Construction Supply Division

We are expanding our sales territory and strengthening our construction contracting capabilities to drive our prime-contractor business and ensure high profitability.
In addition to enhancing and strengthening our existing processing, logistics, and construction functions, we are promoting collaboration with Group companies to provide multi-functional solutions.

Future-looking Business
Providing integrated solutions by leveraging Group company capabilities



Industrial Materials Division

We aim to improve profit margins by strengthening the production capabilities of Group companies and promoting end-user business.
We aim to enhance our business portfolio by implementing structural reforms and focusing on growth areas such as recycling and healthcare, with the goal of improving capital efficiency.

Actively Expanding Business
Providing custom logistics materials made from recycled resources



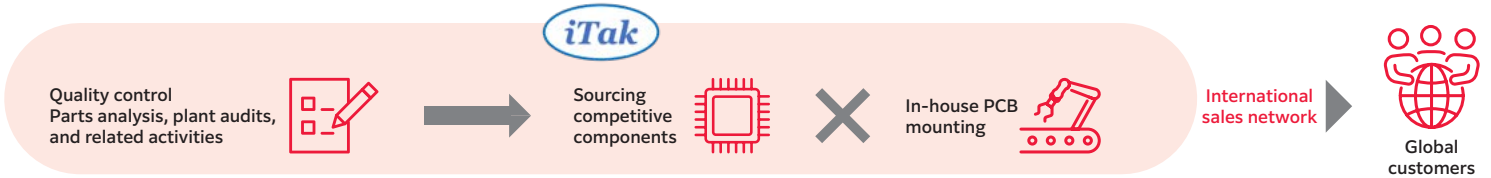
Future-looking Business
Healthcare field



Electronic Devices Division

Strengthening our quality control departments will enable reliable electronic component supply. Combined with PCB mounting, this will drive further added-value enhancement.
Through new office openings and capital investment in plants, we will strengthen sales expansion to foreign-owned companies in the growing ASEAN region.

Actively Expanding Business
In-house PCB mounting and expanded sales to foreign-owned companies



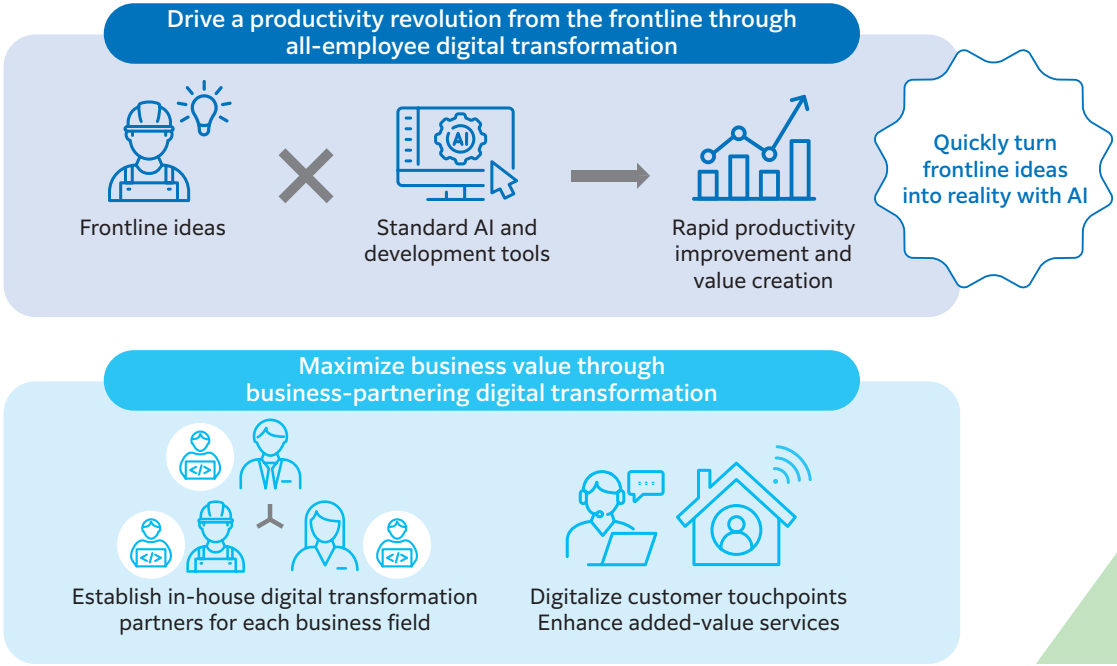
Medium- to Long-Term Strategy, Financial Strategy, and Capital Strategy

Digital Transformation Strategy

1 Promote management conscious of cost of capital and corporate value
2 Create a positive cycle of investment
3 Sustainable production of valuable human assets

Regarding the digital transformation strategy, we are promoting digital transformation involving all employees by encouraging the use of AI and offering extensive learning opportunities, such as level-specific workshops. By immediately realizing frontline ideas through standard-equipped AI and development execution tools, we will achieve swift productivity improvements and create new value. Along with this, by promoting business-partnering digital transformation through the assignment of in-house digital transformation partners for each business field, we aim to digitalize customer touchpoints and enhance added-value services. Furthermore, by developing outstanding digital transformation leaders through a nine-month specialized training program and an internal certification program, we will further reinforce our execution framework for company-wide IT measures.

Strategy execution



Digital human assets development



Framework and initiatives for executing IT strategy

With regard to leveraging AI, we provide learning opportunities such as workshops and study sessions tailored to different skill levels. We have also made development environments for AI agents and business apps available to everyone, thereby creating an environment where all employees can drive digital transformation.

In addition, employees selected from each business field who have completed a nine-month digital transformation promoter training program will be designated on-site digital transformation experts. These experts work alongside in-house digital transformation partners for each business field, independently of the IT departments' collaborative functions, thereby establishing a framework for the swift implementation of IT measures aligned with our business strategy.

Medium- to Long-Term Strategy, Financial Strategy, and Capital Strategy

Establishment of a Foundation for Producing Valuable Human Assets

1 Promote management conscious of cost of capital and corporate value
2 Create a positive cycle of investment
3 Sustainable production of valuable human assets

Regarding our human assets strategy, we aim to establish a foundation for producing "valuable human assets" by recruiting diverse human assets with varied backgrounds and supporting their growth toward the "career-type human assets" model sought by the Company. The "career-type human assets" model refers to a profile of employees characterized by career ownership that promotes autonomous career development, as well as work-life integration that harmonizes work with personal life to deliver unique and high value. By combining the promotion of diversity with the development of career-type human assets, we will strongly drive organizational revitalization and the creation of innovation through diverse perspectives.

Promotion of diversity

Recruitment of diverse human assets

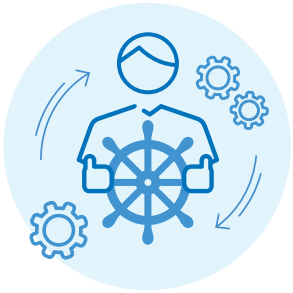


Human assets with diverse backgrounds (experience, gender, nationality)

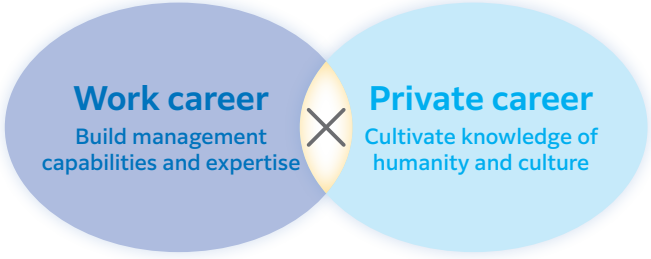


Career-type human assets

The talent profile we seek: individuals who contribute to increasing corporate value



Self-directed career development through career ownership*1



Deliver unique, high value through work-life integration*2

Establishment of a foundation for producing valuable human assets



Organizational revitalization



Cultivating a human assets pool with diverse career perspectives



Creating new value through diverse perspectives
Driving innovation

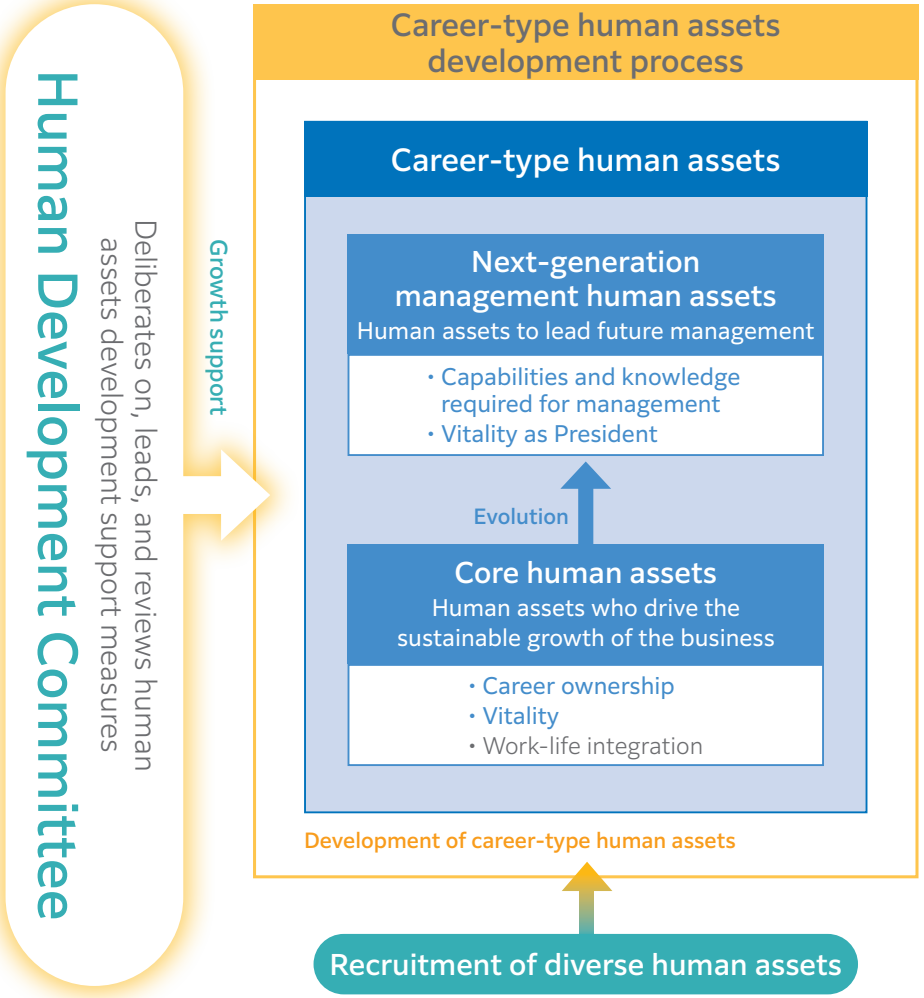
*1: The mindset for employees to take ownership of their career by being their own manager
*2: Integrating the work career developed through professional experience with the private career cultivated in personal life to enhance both

Medium- to Long-Term Strategy, Financial Strategy, and Capital Strategy

Establishment of a Foundation for Producing Valuable Human Assets

1 Promote management conscious of cost of capital and corporate value
2 Create a positive cycle of investment
3 Sustainable production of valuable human assets

We launched the "Human Development Committee" as the operational body responsible for implementing the framework to support employees' growth into career-type human assets and are vigorously promoting a development process that takes employees from recruitment through their development into foundational human assets and then into next-generation management human assets. Regarding investment in supporting employee growth, we will introduce indicators to evaluate both the "quantity" and "quality" of our investments and increase these investments while remaining mindful of efficiency. With FY2028 targets such as an investment unit cost of ¥50,000 and investment efficiency of 30 times or higher, we will establish a solid foundation for producing "valuable human assets" that support sustainable increases in corporate value by making effective human capital investments in these areas: human assets acquisition, skill and capability development, and the creation of a supportive environment.



Growth support investment*1: FY2028 targets

Investment unit cost*2	Investment time*3	Reinvestment rate*4	Investment efficiency*5
¥50,000	20 hours or more	1.0 % or more	30 times or more

*1: See the table below for the main components of growth support investment.
*2: Growth support investment amount / number of employees. *3: Training and development hours per employee.
*4: Growth support investment amount / operating profit. *5: Operating profit / growth support investment amount.

Human capital investment details

	Investment category	Aim	Investment details
Hiring	Human assets acquisition	Expansion of human capital ・Timely and appropriate staffing for growth areas ・Preventing hiring mismatches and accelerating time-to-productivity	・Recruitment advertising ・Recruitment branding ・Mid-career hiring, referral hiring ・Onboarding
Growth support	Skill and capability development	Accumulation of intellectual capital ・Productivity improvement ・Creation of high-value-added services ・New business creation	・Expansion of training content ・Management human assets development support (graduate school) ・Digital transformation promotion/AI utilization ・Reskilling
Retention	Environmental readiness & engagement	Maximizing organizational capability ・Reducing losses from employee turnover ・Building a foundation for innovation	・Promoting health-conscious management ・Transforming work environments (remote and office) ・Promoting diversity ・Engagement survey

Initiatives for Value Creation

Business Overview

FY2025 Results

Construction Supply Division

Net sales ¥58.4 billion

Operating profit ¥1.7 billion

Construction materials

For high-performance non-residential construction materials (wall materials, fire-resistant coverings, etc.) used primarily in large logistics facilities and plants, as well as pile-related and civil engineering materials (piles, foundation improvement methods, EDO-EPS methods, and transparent plastic underground retaining blocks, etc.), we are involved in everything from design considerations to construction, and provide goods and services to customers via a nationwide sales and construction network.

In addition, we will contribute to the energy savings by providing insulation panels used to create refrigerated spaces in non-residential facilities, such as food factories and distribution warehouses, and a wide range of other high-performance insulation materials and techniques.

Housing materials

As well as addressing the increasing diversification of residential buildings, including ZEH, by providing materials that are essential for enhancing the safety, comfort, and energy-saving characteristics of the living environment (exterior wall materials, roofing materials, "all electrification" materials, and thermal insulation materials), we process and install a variety of counters (synthetic marble for kitchen counters and bathroom vanity units) and provide various other interior materials.

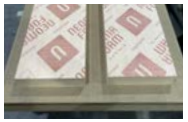
For residential buildings, by offering fully pre-cut thermal insulation materials to housebuilders and taking responsibility for layout, processing, and distribution functions, we help to save labor associated with measuring, cutting, and disposal work at construction sites.

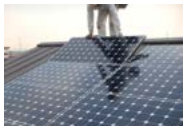
Renewable energy materials

We have an industry-leading track record in the market for residential solar power generation systems and offer a lineup of products for use in industrial/residential solar power generation systems and storage batteries, as well as internally developed support structures. In terms of new initiatives aimed at the coming era of the electric vehicle (EV), we are focused on sales of our Vehicle-to-Home (V2H) and solar carport products, and can provide solutions on a national scale.







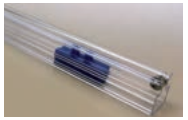
Industrial Materials Division

Net sales ¥17.9 billion

Operating profit ¥1.2 billion

Plastics-related materials

We handle a broad range of materials and products from synthetic resin to environmentally friendly resin. We offer optimal proposals for transportation and shipment materials tailored to process lines and applications for electronic components, automotive and electrical components, and precision equipment. We also offer design, assembly, and compound processing functions for internal and external materials used in rolling stock based on the keywords of energy savings and labor savings. We help tailor manufacturing to the needs of customers by procuring and processing materials and products from Japan and overseas with high-performance characteristics, such as heat resistance and superior strength. Our Group company, TAKCEL Co., Ltd., manufactures and sells plastic molded products, focusing on general industrial products such as automotive and electronic components, while also having been investing in the medical products field in recent years.






Textiles-related materials

We offer a wide range of textile materials, including the heavy fabrics (industrial textiles such as synthetic canvas, ornamental tents, truck canopies, etc.), that were the founding business of the Company. We also develop sustainable products such as lightweight logistics materials, sheets made from recycled materials, and energy-saving tent fabrics. In addition, we sell container bags and textile products for the Ministry of Defense, and propose OEM production of apparel products to major retailers in Japan. We also handle domestic sales, exports and imports of various materials for bags, satchels, shoes, gloves and other items using artificial leather, synthetic leather, etc.

Our Group company, HI-LAND Co., Ltd., is equipped with sewing and welding facilities and offers optimal proposals from design to processing.





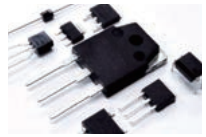

Electronic Devices Division

Net sales ¥14.2 billion

Operating profit ¥0.4 billion

Devices

We provide LCDs for a broad range of applications, from consumer products to automotive and industrial equipment, as well as audio products (microphones, speakers, receivers, etc.), and power electronics-related parts such as semiconductors, capacitors, and relays. We operate a business that leverages our customer support capabilities by capturing their needs, undertaking procurement primarily from Asian manufacturers, and systematically implementing delivery control, inventory management, and quality management for parts.




Assembly

Utilizing our own plant in Thailand, our electronics manufacturing services (EMS) business provides total support for PCB mounting in white goods and a wide range of other products, from design stages to mass production. With its background as an electronic components trading company and its capabilities as a manufacturer, the iTak Group has created a structure that enables it to supply competitive products as a "trading company + manufacturer." Its assembly services contribute to energy savings and the shift to inverter usage by white goods and other products through production at its Thai plant.



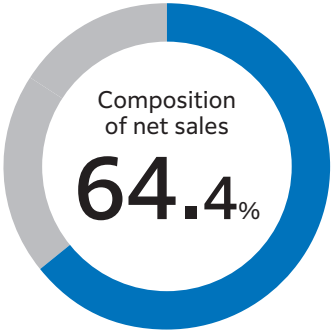

■ Chonburi Plant, Thailand

The Chonburi Plant was established in November 2017. As a company certified by Thailand's Board of Investment (BOI), it provides mounted circuit boards to Japanese companies and other customers that manufacture home appliances for export to countries around the world. It also handles specialized processing, such as urethane potting, and manufactures circuit boards that require waterproofing, such as those used in washing machines. It is equipped with mounting machines for SMT, radial, and axial components, thereby allowing for integrated production in conjunction with its automatic solder pot line.

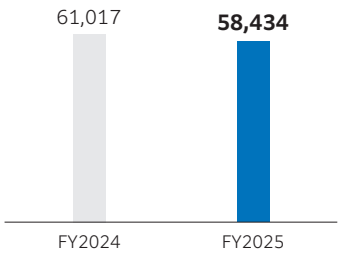
It also offers value engineering (VE) proposals for parts replacement, leveraging its strong relationships with parts manufacturers and our Group-wide network. In addition, it manufactures transformers and choke coils, and through the in-house production of key parts for power supply boards, it is able to shorten delivery times and reduce costs.

Initiatives for Value Creation

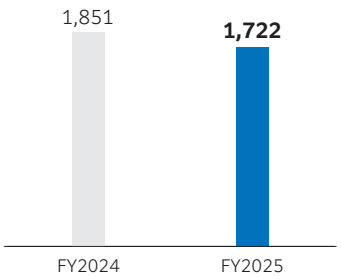
Construction Supply Division



Net sales (Millions of yen)



Operating profit (Millions of yen)



Description of business

The Construction Supply Division, which comprises the Company and Group companies*, handles a variety of products related to construction and building. These include wall materials, piles, thermal insulation materials, solar panel related products, and interior materials for residential and large/non-residential buildings. For these products we have established a nationwide sales and construction network, and offer a wide range of solutions to customers, from planning and design to construction.

* Rest Corporation, Gansui Corporation, Naruto-SP Industries Co., Ltd., Ando Co., Ltd., New Energy Distribution System Inc., Sanwa System Co., Ltd. (and seven other companies), Doryoku Co., Ltd., and HIT Engineering Co., Ltd.

Amid the tightening of regulations on the construction industry with the revised Building Standards Act established in 2006 and a contraction in construction services across the board among construction supply trading companies affiliated with major trading companies handling construction supplies, the Company has prepared a construction management system and strengthened its construction functions as a construction supply trading company. Since then, as a "value-adding trading company," we have strengthened our functions, such as processing, distribution, and system provision, and enhanced our functions that assist customers.

Strategy going forward

Gansui Corporation, which joined the Group in June 2023, boasts a large market share for ground improvement work in the Chugoku and Shikoku regions, and by providing one-stop services for proposals, processing, distribution, construction, and other functions, it has contributed to enhancing our presence in the industry. In addition, New Energy Distribution System Inc. joined the Group in December 2022, strengthening our construction functions for residential solar power generation systems. Furthermore, in February 2025, we made Sanwa Holdings Co., Ltd., which handles the sale and construction of solar power generation systems, a consolidated subsidiary. This has enabled us to cover the entire spectrum of the solar power generation market, from the wholesale of materials to construction.

As a further step in these initiatives to acquire new functions, Gansui Corporation acquired the ground-tech business and made Ando Co., Ltd. a subsidiary in June 2026. This will expand our construction coverage nationwide and strengthen our structure in the non-residential field, with the aim of securing more non-residential projects and sustainably enhancing corporate value by integrating locally cultivated technical capabilities with a nationwide construction structure. We will continue to advance the "delivery of multifunctional solutions" that combine the strengths of the entire Group by enhancing our traditional processing, logistics, and construction functions and strengthening our construction contracting structure. By advancing the two pillars of deepening these core businesses and making strategic investments, the Company will strive to accelerate growth in the construction supply segment and enhance corporate value as set forth in the Medium-Term Management Plan 2028.

TOPICS

Gansui Corporation's Acquisition of the Ground-Tech Business and Conversion of a Company into a Subsidiary

In June 2026, Gansui Corporation acquired the ground-tech business of JFD Engineering Co., Ltd. and made Ando Co., Ltd. a subsidiary through share acquisition. By combining the specialized technologies and nationwide networks of both companies, the Group has established an overwhelming business foundation in the ground improvement and pile foundation fields within the non-residential market.

Overview of M&A and business acquisition

Executed on June 1, 2026

❶ **Acquisition of the ground-tech business from JFD Engineering Co., Ltd.** (ground improvement and foundation work; net sales of the acquired business: ¥4.70 billion)

❷ **Acquisition of shares in Ando Co., Ltd.** (making it a subsidiary; 100% of the voting rights; RC pile manufacturing; net sales of the acquired company: ¥150 million)

Strategic significance and Group synergies generated by this transaction

❶ **Nationwide expansion of construction coverage**

Gansui Corporation, whose operations had centered on the Chugoku and Shikoku regions, acquired the target business, which is capable of performing ground improvement and foundation work nationwide, thereby expanding the Group's construction coverage across Japan.

❷ **Establishment of an overwhelming business foundation in the non-residential market**

By integrating Gansui Corporation's locally rooted expertise and advanced technology with the newly acquired nationwide network and robust construction capabilities, the Group established a competitive advantage in the non-residential market.

Accelerating growth in the construction supply segment

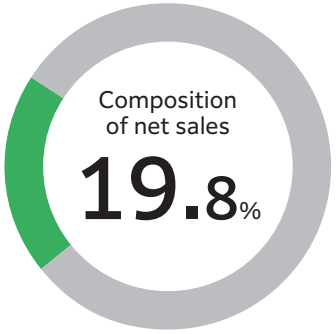
Establishing an overwhelming business foundation in the non-residential market by promoting these initiatives. Contributing to the enhancement of corporate value across the Group by implementing strategic investments under the Medium-Term Management Plan 2028.



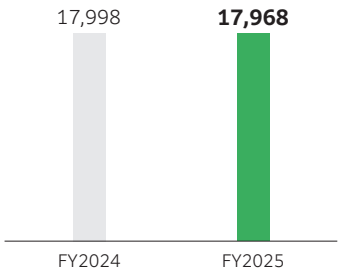


Initiatives for Value Creation

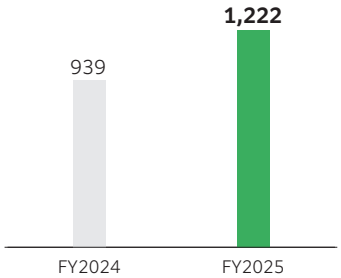
Industrial Materials Division



Net sales (Millions of yen)



Operating profit (Millions of yen)



Description of business

The Industrial Materials Division comprises Group companies*, with Takashima Industries Co., Ltd. at its core. The Division handles a diverse range of products, including the textile materials that were the founding business of the Group, plastic parts, and functional materials. We also have factories with HI-LAND Co., Ltd. and TAKCEL Co., Ltd., and we aim to become the manufacturing and sales partner of choice for our business partners by leveraging our network of processing partner companies. The Industrial Materials Division organically collaborates in design, manufacturing, processing, and sales to provide multiple layers of value to customers.

* Takashima Industries Co., Ltd., HI-LAND Co., Ltd., TAKCEL Co., Ltd., Sinbou Edix Co., Ltd., and Green Cycle Corporation

The capabilities offered to customers by the Industrial Materials Division vary widely according to the field in question, and in addition to providing logistics materials (plastic trays for transportation of parts, etc.) designed by the Group for their shock absorption characteristics to automotive and electrical manufacturers, it provides textile products to public agencies, and conducts OEM production of apparel and functional textiles for clothing.

Strategy going forward

The Industrial Materials Division has accelerated operational decision-making and promoted integrated management through a reorganization of Group businesses centered on Takashima Industries Co., Ltd. By integrating trading and manufacturing functions at a high level, the Division has established a structure to deliver multifunctional solutions to diverse sectors such as automobiles, electric machines, logistics, medical care, and public agencies.

Under the Medium-Term Management Plan 2028, we aim to improve profit margins on products and services by further strengthening the production capabilities of Group companies and strongly promoting end-user business. In addition, we will advance business structure reforms and prioritize the allocation of management resources to high-growth areas, such as providing customized logistics materials made from recycled resources and expanding solutions in the healthcare field.

Through the continued, steady execution of these strategies, the Company will further strengthen its earnings base, enhance its business portfolio, improve capital efficiency, and strive to sustainably increase corporate value.

TOPICS

Focusing on the Medical and Micro-Molding Sectors and Strengthening the Business Structure at TAKCEL Co., Ltd.

TAKCEL Co., Ltd., which has uniquely refined its plastic molding technologies over a history spanning more than a century, is accelerating its shift toward the medical and micro-molding fields as part of a key initiative under the Medium-Term Management Plan to focus on growth areas.

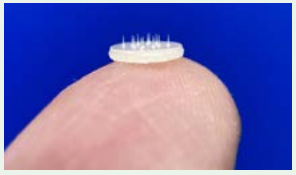
The Company has obtained ISO 13485 certification and operates a dedicated medical device manufacturing facility equipped with cleanrooms, with plans to expand its molding machine capacity to 22 units. It has also established a stringent traceability framework through digitalization.

Leveraging the heat-and-cool molding technology it cultivated, as well as ultra-precision processing technologies, the company designs, develops, and mass-produces technically demanding medical and scientific components, including blood test plates, nucleic acid chromatography test kits, microneedles, and lab-on-a-chip devices.

By promoting the consolidation of intellectual property, joint development with startups, and global expansion through participation in overseas exhibitions, the Company is strongly driving the Industrial Materials Business's focus on high-growth areas and shift toward higher value-added products and services.

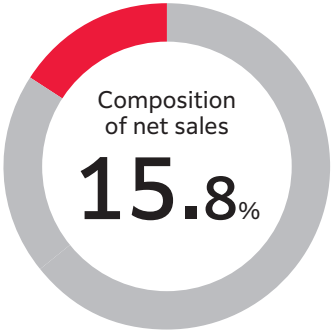




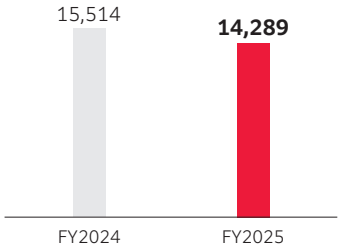


Initiatives for Value Creation

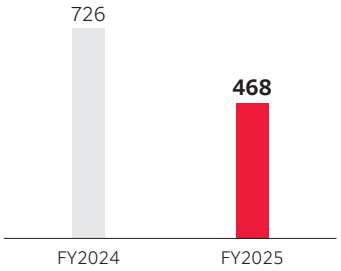
Electronic Devices Division



Net sales (Millions of yen)



Operating profit (Millions of yen)



Description of business

The Electronic Devices Division is a multinational corporate group headquartered in Hong Kong and conducts business mainly overseas as the iTak Group. The iTak Group has 11 locations in total, including seven business sites in Japan and overseas* and two plants located in Thailand and Vietnam.

* iTak (International) Limited, iTak International (Thailand) Limited, iTak International (Vietnam) Co., Ltd., iTak International (Shanghai) Limited, iTak International (Shenzhen) Limited, iTak International (Malaysia) Sdn. Bhd., and iTak International (Japan) Co., Ltd.

The iTak Group works actively as a single business unit through strong cooperation among its sites to cover all of the main countries in Asia. The ability to offer global manufacturing support for customers' development, production, and purchasing from an office near to their site is one of the characteristics of the iTak Group.

Strategy going forward

Utilizing the iTak Group's multinational network of seven major business locations in Asia and two in-house factories, the Division will further refine its strength in providing integrated services, from proposals for rigorously selected, price-competitive electronic components to international procurement, in-house PCB assembly, and custom component manufacturing.

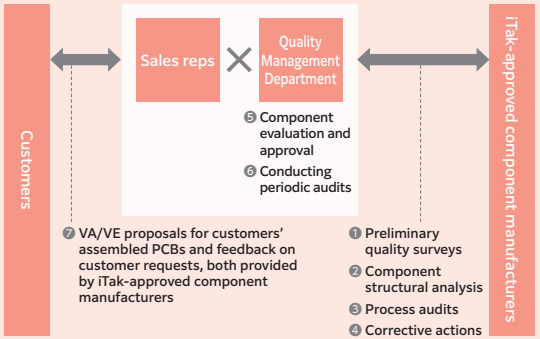
To ensure it meets customers' increasingly stringent quality, cost, and delivery (QCD) requirements, the Division will strengthen its quality control department (through thorough component analysis, factory audits, etc.) and expand and enhance its development and technical support systems, striving to provide high-value-added, multifunctional solutions by combining component sales with PCB assembly.

Under the Medium-Term Management Plan 2028, in addition to further developing business with Japanese manufacturers, as it has done to date, the Division will significantly strengthen its business activities in the rapidly growing ASEAN region by opening new locations, investing in its own factories, and pursuing other initiatives. By globally deploying competitive component procurement capabilities through our international sales network and high-precision mounting technology, we will strongly promote sales expansion to new customer segments, including foreign-affiliated companies, and work toward further growth and the enhancement of corporate value.

TOPICS

Cost Optimization + Technology × Quality Control

Proposing new components that customers can use with confidence



To pursue a quality-first approach based on a customer-centric philosophy, we continuously implement initiatives

(1) Auditing component manufacturers

Proactively conducting preliminary quality surveys and process audits prior to component approval, as well as periodic audits after approval



Meeting during process audits



Process audit in progress

(2) Examples of component analysis

① **X-ray inspection of an aluminum electrolytic capacitor**



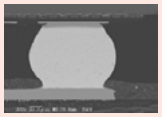
[Inspection Items]
• **Internal defects** (foreign particles, foil irregularities, etc.)

② **Magnified cross-sectional image of a multilayer ceramic capacitor**



[Inspection Items]
• **Internal defects** (internal electrode stacking condition, etc.)

③ **SEM image of a cross section of a BGA solder joint**



[Inspection Items]
• **Solder joint integrity** (intermetallic compound formation)

* VA: Value Analysis; VE: Value Engineering

* BGA: Ball Grid Array; SEM: Scanning Electron Microscope

Initiatives for Value Creation

Takashima in the Distribution Warehouse

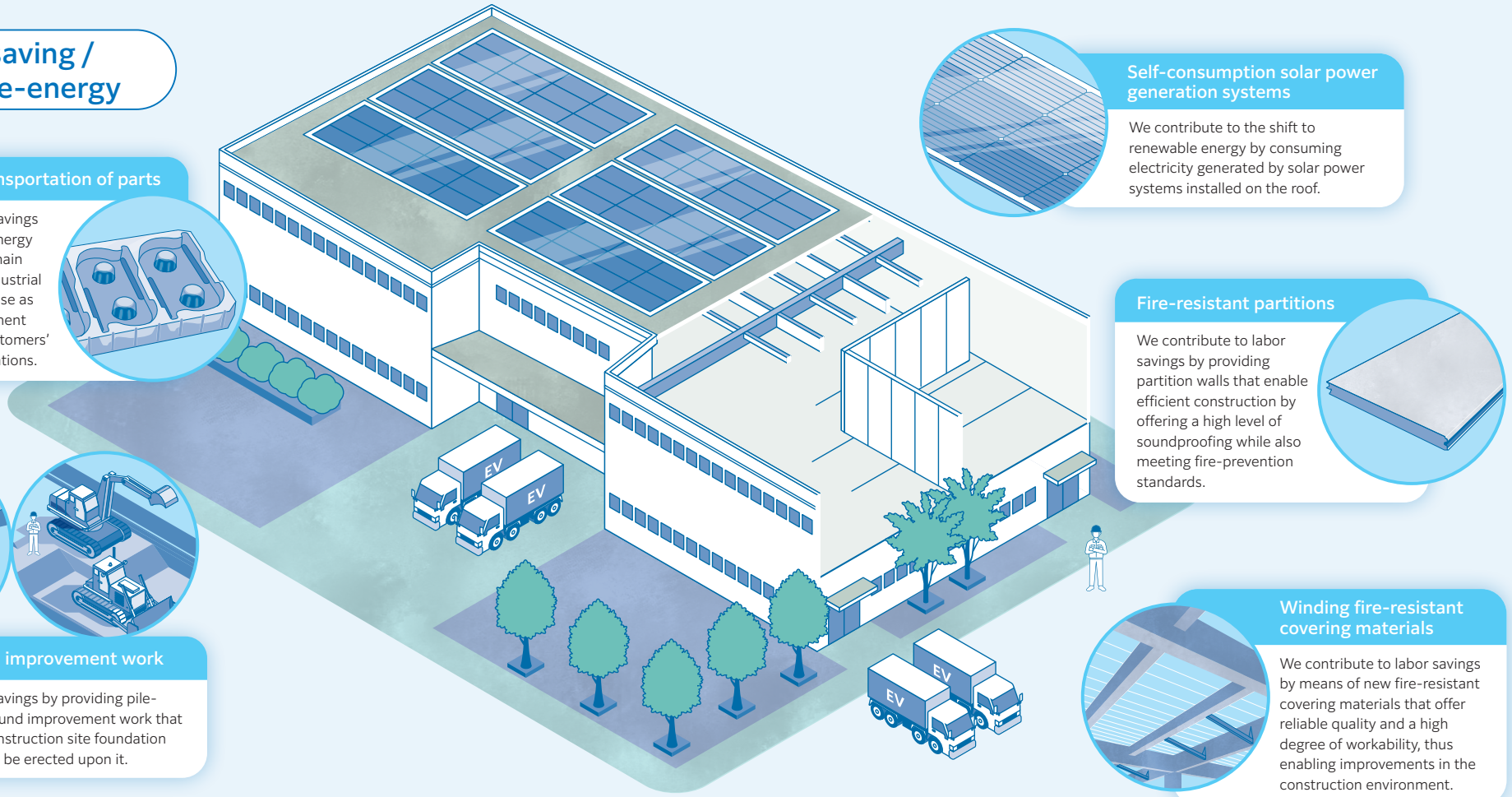
Creating social value through our business

In recent years a variety of social issues have become apparent, including climate change and energy problems. Takashima is creating social value through business activities that target labor savings and the shift to renewable energy, particularly following the COVID-19 pandemic, which resulted in a surge in e-commerce driving an expansion of the distribution market and an increase in the size of logistics facilities from 2020 onward.

Social value we wish to create

Resolution of social and environmental issues through the optimization of the supply chain

Labor-saving / renewable-energy



Plastic trays for transportation of parts

We contribute to labor savings and shift to renewable energy throughout the supply chain by proposing optimal industrial packaging products for use as transportation and shipment materials, tailored to customers' process lines and applications.

Self-consumption solar power generation systems

We contribute to the shift to renewable energy by consuming electricity generated by solar power systems installed on the roof.

Fire-resistant partitions

We contribute to labor savings by providing partition walls that enable efficient construction by offering a high level of soundproofing while also meeting fire-prevention standards.

Pile-driving/ground improvement work

We contribute to labor savings by providing pile-driving methods and ground improvement work that are best suited to the construction site foundation and the building that will be erected upon it.

Winding fire-resistant covering materials

We contribute to labor savings by means of new fire-resistant covering materials that offer reliable quality and a high degree of workability, thus enabling improvements in the construction environment.

Initiatives for Value Creation

Takashima in Homes

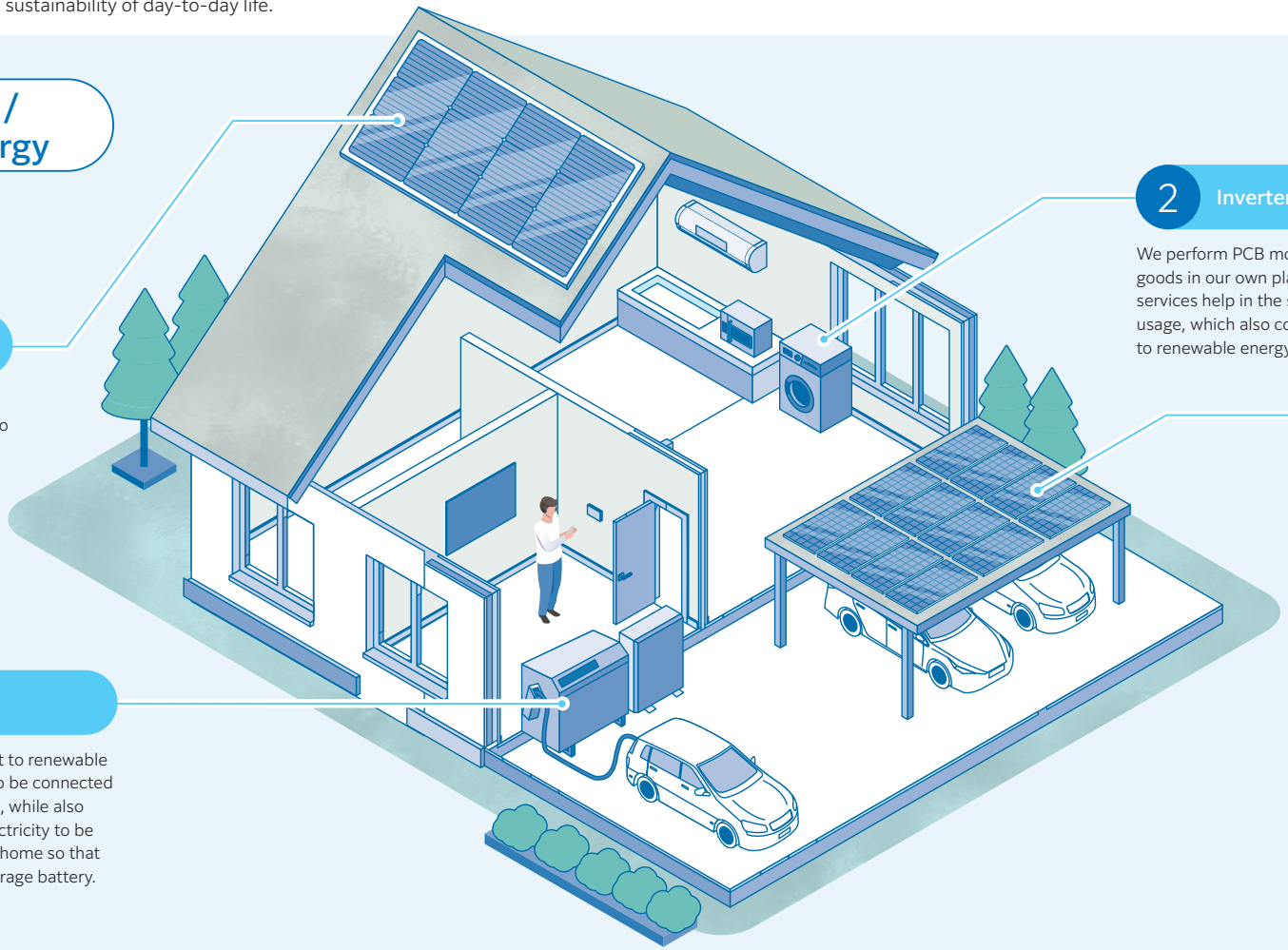
Creating social value through our business

Houses are the foundation of our social activities and an important element in supporting the stability of day-to-day life. Homes are also our most familiar places where we provide solutions to environmental problems. As an advanced sustainability-focused trading company, the Takashima Group offers a variety of services that lead to higher performance and an increase in the functions provided by homes, as well as to reductions in their energy consumption. In addition, with electric vehicles becoming capable of acting as a substitute storage battery, we are also proposing new approaches to utilizing energy, such as our V2H residential disaster mitigation initiative. The Group generates social value by taking the environment into account and contributing to improvements in the sustainability of day-to-day life.

Social value we wish to create

Creation of a foundation for safe and comfortable everyday life that takes the environment into account

Labor-saving / renewable-energy



1 Solar power generation systems

The use of electricity generated by solar power generation systems contributes to the shift to renewable energy.

2 Inverters

We perform PCB mounting for white goods in our own plants. Our assembly services help in the shift to inverter usage, which also contributes to the shift to renewable energy.

3 V2H

We contribute to the shift to renewable energy by enabling EVs to be connected to the home and charged, while also making it possible for electricity to be supplied from EVs to the home so that they can be used as a storage battery.

4 Carports

We contribute to the shift to renewable energy by broadening the use of renewable energy while making effective use of land through the installation of solar power generation systems on the roof of carports.

Initiatives That Support Value Creation

The Takashima Group's Sustainability Roadmap

Based on our Sustainability Basic Policy and Materiality, we have prepared a "Sustainability Roadmap" that contains quantitative KPI targets and initiatives to achieve these targets as part of efforts to promote our sustainability initiatives.
We will promote various sustainability initiatives to ensure that we achieve our targets.

2050

Achieving carbon neutrality

Rate of reduction of GHG emissions (Scope 1+2)
Compared to FY2024
46% reduction

2035

Percentage increase in sales of labor-saving, resource-saving, and renewable-energy-related products and services
Compared to FY2022
130% increase

Ratio of female officers
30% or more

Ratio of foreign managers
30%

Ratio of female managers
20%

Ratio of employees taking childcare leave
Female **100**%
Male **85**% or more

Engagement survey score
60 or higher

2030

Ratio of foreign managers
23.1%

Ratio of female managers
19.0%

Ratio of employees taking childcare leave
Female **100**%
Male **100**%

Engagement survey score
52.8

2025 Results

2024 ・Formulation of Sustainability Roadmap

2022 ・Formulation of Sustainability Basic Policy ・Identification of the Group's Materiality

2021 (FY) ・Establishment of Sustainability Committee

Initiatives That Support Value Creation

Sustainability

Sustainability Basic Policy

The Takashima Group aims to achieve sustainable growth by generating a virtuous cycle of creating sustainable value and enhancing corporate value, based on its corporate mission of "Contributing to Society through Our Business Activities."

We engage in business activities that help give rise to a sustainable society.

We develop and sell products that help give rise to a sustainable society, while also aiming to contribute to environmental preservation in part by reducing greenhouse gas emissions and efficiently using natural resources.

We enhance corporate sustainability by addressing social challenges.

We strive to secure and strengthen human assets that are essential for achieving sustainable growth by improving employee job satisfaction and boosting employee engagement.

We seek to strengthen our corporate governance while also engaging in sound risk management and compliance practices.

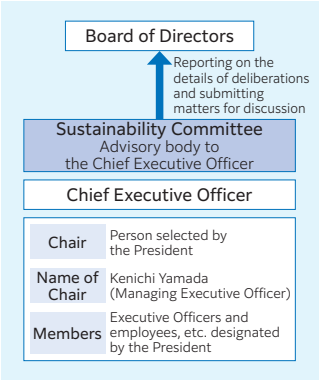
We seek to strengthen our corporate governance by engaging in transparent information disclosure and communications, while aiming to collaborate with our stakeholders to create new value together.

Sustainability framework

Purpose

Since its establishment, the Group has advanced "Contributing to Society through Our Business Activities" as our corporate mission. For many years, we have conducted our business activities to contribute to society's well-being by actively providing unique value-added solutions to our customers based on our original ideas and means, and with a desire to use those results to grow and prosper together.

With our corporate mission in mind, we established the Sustainability Committee on January 1, 2022, to promote sustainability initiatives.



Roles

To promote sustainability at the Group, the Sustainability Committee deliberates on issues for consideration including basic policy and targets pertaining to sustainability.

Major themes of discussion

The Sustainability Committee actively discusses a wide range of topics, including climate change, human capital, TCFD, GHG emissions, the determination of materiality, and the formulation of the Sustainability Roadmap.

Materiality identification process

STEP 1 Listing relevant issues

STEP 2 Evaluation of importance

STEP 3 Identification of materiality

STEP 4 Continuous review based on our business strategy

We have listed relevant issues in consideration of the Group's business environment with reference to international frameworks and standards.

1) A long list was created based on the GRI Standards, SASB Standards, and key issues identified by international rating agencies.
2) From the long list, each item was scored in terms of "risks" and "opportunities" based on its level of importance as a business, its level of impact on the Company, and its level of importance to society and stakeholders.
3) As a result of the scoring, we regrouped 14 items with high scores that were identified as important issues for the Company and set them as the Company's seven materialities.

For the relevant issues identified, the Sustainability Committee has discussed and evaluated their importance with regard to the level of importance to society and stakeholders and the level of impact on the Company's business.

Items evaluated as having high importance are identified as materiality, and a plan for initiatives is formulated while the issues are identified and assigned priority levels.



We conduct continuous review in the event that materiality requires review while considering our business strategy.

Initiatives That Support Value Creation

Materiality

Since the founding of the Company, the Group has worked under the corporate mission of "Contributing to Society through Our Business Activities," engaging in activities aimed at both achieving sustainable growth and helping to achieve a sustainable society.

Through the activities of the Sustainability Committee, which was established to enhance the Company's sustainability initiatives, seven materialities (important issues) to be addressed by the Company were identified, based on assessments of their level of importance to society and their level of impact on the business. By addressing the seven materialities, we will continue to fulfill our corporate mission and work to enhance corporate value.

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

Basic approach to materiality

Materiality		Basic approach	KPI
Environment	Expanding our labor-saving, resource-saving, and renewable-energy-related businesses	Since the early 2000s, the Group has considered itself an advanced sustainability-focused trading company and has positioned energy savings and labor savings as important fields, and these fields remain among the Group's strengths. In formulating the Medium-Term Management Plan 2028, in view of the growing severity of social issues such as climate change, soaring resource prices, and worsening labor shortages, we decided to evolve our existing strategic themes (energy savings and labor savings) and establish three strategic themes: labor-saving, resource-saving, and renewable-energy. Under our corporate mission of "Contributing to Society through Our Business Activities," we will combine these three themes with enhanced on-site capabilities achieved through strengthened functions, and promote the expansion of sales for optimal products and services toward building a sustainable society.	■ Percentage increase in sales of labor-saving, resource-saving, and renewable-energy-related products and services
	Contributing to global environmental preservation and to building a society in harmony with nature	In addition to complying with relevant environmental laws and regulations and ISO 14001, we are actively promoting activities to reduce resource use in our business activities, mainly at our offices. By reducing electric power usage and the amount of industrial waste generated, and by shifting to paperless operations, we contribute to the conservation of the environment. Furthermore, we deem the possibility of the Group being excluded from the supply chain due to delays in our response to environmental issues as a risk and are working to improve the status of our environmental management by evaluating and conducting a sequential response.	-
	Policies to combat climate change (global warming)	The Company treats the impact of climate change on humankind with the utmost seriousness, has endorsed the recommendations of the TCFD (an international framework for disclosure related to climate change), and is undertaking a variety of initiatives primarily under the leadership of the Sustainability Committee. We calculate greenhouse gas emissions generated by the Group's business operations.	■ Rate of reduction of greenhouse gas (GHG) emissions (Scope 1+2)
Society	Creating an environment in which diverse human assets can exercise their capabilities and flourish	It is the power of people that supports the core of the Group's business. The Company positions the development of career human assets with management capabilities and expertise as an important issue, and in 2021 we fundamentally reformed our personnel system. A medium- to long-term human assets management strategy was formulated as part of the medium-term management plan "Sustainability V," in accordance with which we are taking steps to highlight the Group's human capital, expand human assets who promote growth strategies, and nurture next-generation management-level human assets. Additionally, we are accelerating initiatives to create a work environment in which diverse human assets including women, foreigners, and mid-career hires can flourish even more.	■ Participation rate in training ■ Ratio of foreign managers ■ Ratio of female managers
	Creating a safe, secure work environment in which anyone can work comfortably	Because the Group's most important resource is "people," we believe that creating and maintaining a work environment in which anyone can comfortably work is an essential element in the Company's growth. We have been moving forward with the formulation of necessary policies to encourage workers to take various types of leave, which is one of their rights, to promote the good health of our employees (reducing overtime and offering mental healthcare), and to operate a "Takashima General Council of Safety and Health" particularly in business divisions that contract construction work. Furthermore, by conducting regular surveys with our employees, the Company measures employee engagement and carries out policies to increase engagement.	■ Ratio of employees on childcare leave returning to work ■ Paid leave utilization rate ■ Engagement survey score
Corporate governance	Compliance	Takashima is committed to "Integrity" at all times. The credibility that we have cultivated over many years is the foundation for the Group's sustainable development thus far. To realize the Group's corporate mission of "Contributing to Society through Our Business Activities," all our employees constantly approach their business activities with our corporate value of "Integrity" as their basic premise, which has allowed us to build up irreplaceable credibility. That said, improprieties such as compliance violations which do not align with our corporate value of "Integrity" greatly damage the credibility of the Company. Damage to the credibility of the Group in the eyes of society, our business partners, and our employees means that the most important thing to the Group has been lost, not only in terms of short-term losses but also large losses in the medium to long term. Legal and regulatory compliance is our highest priority in fostering credibility and trust, the core of our business. The Group has shared compliance messages and our "Anti-Monopoly Act Compliance Pledge" internally. In addition to stipulating and creating awareness about our "Basic Compliance Rules" and "Compliance Code of Conduct" as our behavioral guidelines, we have established the Compliance Committee as a promotional body as we work to strengthen our compliance system.	■ Participation rate in compliance training
	Risk management	The Group has formulated rules for the appropriate management of risks that could have a serious impact on the Group's business. Based on these rules, all departments are responsible for managing related risks in their respective division of duties, and all persons responsible for organizations including business groups are responsible for performing risk management in their respective organizations. Furthermore, the Risk Management Committee performs comprehensive evaluations and deliberations on risks. As a result of the evaluations, risks for which more focused policies are required are considered "important risk management items," and both those policies and the status of initiatives are reported to the Board of Directors.	-

Initiatives That Support Value Creation

Materiality

Materiality KPIs

We will promote specific initiatives for each materiality and seek to achieve our KPI targets.

Materiality		Key initiatives	Main KPI and target year of achievement		Results (FY2022)	Results (FY2023)	Results (FY2024)	Results (FY2025)
Environment	Expanding our labor-saving and renewable-energy-related businesses	■ Growth in renewable energy-related businesses ・Expand sales of solar panels, storage batteries, etc., to resolve energy-related issues ■ Expansion of labor-saving businesses ・Expand sales of dry-type, pre-cut, and other functional products catering to the emerging labor-saving needs	Percentage increase in sales of labor-saving and renewable-energy-related products and services*1 [Takashima & Co., Ltd.]	130% increase (FY2030)	[Reference year]	14.1% increase	21.7% increase	30.2% increase
	Contributing to global environmental preservation and to building a society in harmony with nature	■ Compliance with ISO 14001 and disclosure of hazardous waste emissions, treatment costs, etc. ■ Promotion of responsible procurement of raw materials (e.g., supplier assessments, etc.)	-		-	-	-	-
	Policies to combat climate change (global warming)	■ Promotion of reduction of greenhouse gas emissions through energy savings and renewable energy ・Carry out further energy-saving activities ・Promote introduction of renewable energy sources with a focus on solar power generation	Rate of reduction of greenhouse gas (GHG) emissions (Scope 1+2)*2 [consolidated*3]	46% reduction compared to FY2024 (FY2035)	2,778.7 (t-CO_2)	3,264.0 (t-CO_2)	[Reference year] 8,224.4 (t-CO_2)	9.6% increase 9,013.3 (t-CO_2)
Society	Creating an environment in which diverse human assets can exercise their capabilities and flourish	■ Development of human capital ・Formulate and implement a medium- to long-term human assets management strategy ・Further disclose results of investment in human assets, human productivity, etc. ・Strengthen employee training (enhance training content, provide thorough training information, monitor training participation, and remind employees to participate in training)	Participation rate in training*4 [Takashima & Co., Ltd.]	100% (every year)	83.5%	93.6%	94.3%	96.9%
		■ Promotion of diversity & inclusion ・Promote recruitment and training of diverse human assets regardless of nationality and gender ・Promote appointment of foreign managers ・Promote sustainable career support for women ・Establish a work environment and systems that allow women to work comfortably	Ratio of foreign managers [consolidated]	30% (FY2030)	22.0%	22.6%	21.7%	23.1%
			Ratio of female officers [Takashima & Co., Ltd.]	30% or more (FY2030)	12.5%	12.5%	12.5%	22.2%
			Ratio of female managers [consolidated]	20% (FY2030)	15.8%	17.2%	17.7%	19.0%
	Creating a safe, secure work environment in which anyone can work comfortably	■ Promotion of taking of childcare leave ・Raise awareness of the childcare leave system and conduct further awareness-raising activities to encourage employees to take childcare leave ・Establish a work environment and systems that allow employees to return to work easily	Ratio of employees taking childcare leave [Takashima & Co., Ltd.]	Male: 85% or more Female: 100% (FY2030)	Male: 14.3% Female: 100%	Male: 57.1% Female: 100%	Male: 40.0% Female: 100%	Male: 100% Female: 100%
			Ratio of employees on childcare leave returning to work*5 [Takashima & Co., Ltd.]	Male: 100% Female: 100% (every year)	Male: 100% Female: 100%	Male: 100% Female: 100%	Male: 100% Female: 100%	Male: 100% Female: 100%
		■ Promotion of paid leave uptake ・Promote various activities to encourage employees to take paid leave	Paid leave utilization rate [Takashima & Co., Ltd.]	70% or more (every year)	64.9%	75.5%	73.2%	72.1%
		■ Improvement of employee engagement ・Work to instill the Company's philosophy, strengthen coaching skills of managers, etc.	Engagement survey score FY2022 [Takashima & Co., Ltd.] FY2023 and after [entire Group in Japan, including Takashima & Co., Ltd.]	60 or higher (FY2030)	45.3	46.5	50.8	52.8
		■ Maintenance and improvement of occupational health and safety management, occupational health services, etc.	-		-	-	-	-
Corporate governance	Compliance and risk management framework	■ Maintenance and improvement of compliance and risk management ・Strengthen compliance training (enhance training content, provide thorough training information, monitor training participation, and remind employees to participate in training)	Participation rate in compliance training*6 [Takashima & Co., Ltd.]	100% (every year)	25.4%	93.1%	100%	100%

*1: Percentage increase in sales based on actual sales in FY2022. *2: Rate of reduction of emissions based on greenhouse gas (GHG) emissions in FY2024.
*3: The results for FY2022 and FY2023 are the total for Takashima & Co., Ltd., and its seven domestic subsidiaries (Rest Corporation, New Energy Distribution System Inc., Takashima Robot Marketing Co., Ltd., HI-LAND Co., Ltd., TAKCEL Co., Ltd., CLS Corporation, and iTak International (Japan) Co., Ltd.). The result for FY2024 is the total for Takashima & Co., Ltd., its ten domestic subsidiaries (Rest Corporation, Gansui Corporation, Naruto-SP Industries Co., Ltd., New Energy Distribution System Inc., Takashima Industries Co., Ltd., HI-LAND Co., Ltd., TAKCEL Co., Ltd., CLS Corporation, Sinbou Edix Co., Ltd., and iTak International (Japan) Co., Ltd.), and six overseas subsidiaries of the iTak Group. The result for FY2025 is the total for Takashima & Co., Ltd., its 17 domestic subsidiaries (Rest Corporation, Gansui Corporation, Naruto-SP Industries Co., Ltd., New Energy Distribution System Inc., Sanwa System Co., Ltd., (and seven other Sanwa System group companies), Takashima Industries Co., Ltd., HI-LAND Co., Ltd., TAKCEL Co., Ltd., Sinbou Edix Co., Ltd., and iTak International (Japan) Co., Ltd.), and six overseas subsidiaries of the iTak Group.
*4: The percentage of employees who completed mandatory training required of all employees (security training, harassment training, job class-specific training, etc.).
*5: The percentage of employees who remained with the Company at the end of the current fiscal year among those scheduled to return to work after completing childcare leave in the previous fiscal year.
*6: Participation in compliance training has been mandatory since FY2023.

Initiatives That Support Value Creation

Measures Aimed at Achieving a Carbon-Neutral Society

Environmental policy

Philosophy

With "Contributing to Society through Our Business Activities" as our Corporate Mission, the Company positions "global environmental preservation" as part of that mission and as an important management issue. Furthermore, the Company conducts sound business activities that proactively take global environmental preservation into account with an awareness among all our employees that society and the economy cannot be sustainable without protecting the global environment.

Action Guidelines

1. We strive to be an eco-friendly company, and promote energy and resource savings through our business operations.
2. We work to prevent environmental pollution through continuous improvement while complying with environmental laws and regulations and other requirements.
3. We proactively promote carrying product groups that are environmentally friendly and product groups that contribute to mitigating environmental pollution.
4. To improve understanding of our environmental policy and awareness of environmental preservation, we create awareness among and educate all employees.
5. We make our environmental policy available to the public through our corporate website and company brochures.

Topics

Acquisition of additional shares in Green Cycle Corporation

The Company acquired additional shares in Green Cycle Corporation, making it an entity accounted for using the equity method. As a manufacturer-affiliated recycling company backed by investment from a major manufacturer, Green Cycle Corporation recycles used home appliances (the four categories specified under the Home Appliance Recycling Act) and boasts a stable collection network and industry-leading profitability.

This acquisition of additional shares is one of the key deals aimed at realizing our resource-saving strategy, which is a pillar of the new Medium-Term Management Plan 2028. Through this deal, we aim to expand the recycling business of the Industrial Materials Division.

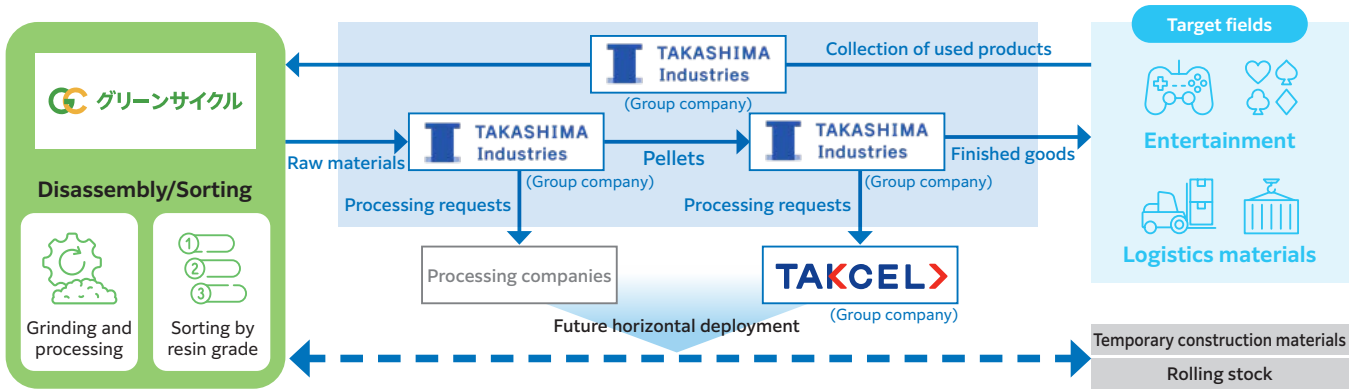
With Green Cycle Corporation serving as a base for the procurement, disassembly, and sorting of recycled materials in the plastics business, we will establish an end-to-end recycling scheme that covers everything from the collection of used products to their conversion into recycled materials and, ultimately, into finished goods. This will ensure a stable supply of raw materials and the provision of high-value-added finished goods, while also establishing a circular business model. Our primary targets are the amusement, logistics and temporary construction materials sectors, where collection schemes can be established. We will also explore opportunities to expand into the railway rolling stock and automotive sectors, where future demand is expected to grow.

To ensure the future sustainability of the plastics business by accurately responding to changing business environment, we will further enhance our recycling capabilities and seek to expand our business fields and achieve sustainable growth.

グリーンサイクル

Company name	Green Cycle Corporation
Head office/Plant	Minato-ku, Nagoya-shi, Aichi
Site area	Approx. 22,526 m²
Description of business	Recycling of four categories of used home appliances

Recycling scheme for the plastics business



Initiatives That Support Value Creation

TCFD

Governance

For key issues related to sustainability including our response to climate change, the Sustainability Committee, chaired by an Executive Officer, prepares guidelines and plans and promotes initiatives to achieve our targets. We have created an appropriate oversight structure through the Board of Directors in which content reviewed by the Sustainability Committee is deliberated and reported as necessary at Board of Directors meetings.

In the Construction Supply Division, which is the covered business, we have a system in place that appoints persons responsible for promoting sustainability (including addressing climate change) to reflect climate change-related perspectives in our business strategies and business promotion.

Strategy

Under the Medium-Term Management Plan 2028 "Sustainable $^{+}$ Spiral," we aim to simultaneously achieve sustainable growth and contribute to a sustainable society as we work toward realizing carbon neutrality. Through labor-saving, resource-saving, and renewable-energy initiatives that contribute to a sustainable society, we will provide the functions and solutions required in our target markets and contribute to building a society capable of sustainable development.

Risk management

To address risks and opportunities associated with climate change, the Takashima Group has established a working group, which enlists the involvement of Sustainability Committee members. The working group has been performing scenario analysis based on the TCFD recommendations, identifying key risks and opportunities, and evaluating the degree of impact of such risks and opportunities. Going forward, the Sustainability Committee will persist with initiatives that involve analyzing risks, formulating countermeasures, and conducting progress management.

Metrics and targets

The Company believes in the importance of reducing greenhouse gas (GHG) emissions, and we have been calculating and disclosing our Scope 1 and 2 emissions since FY2022. With respect to Scope 3 emissions, the Company recognizes that its social responsibility entails promoting carbon neutrality throughout the supply chain as a value-adding trading company that builds overall systems associated with the supply chain and provides necessary functions and solutions. We have set a target of reducing GHG emissions by 46% by FY2035, using the actual GHG emissions (Scope 1+2) in FY2024 as reference.

Evaluation targets and assumed timeframes of climate change-related risks in FY2025

Risk category		Evaluation targets of risks	Assumed timeframes	Impact
Transition risks	Policy and regulatory risk	Increased costs from the introduction and strengthening of systems related to regulations on GHG emissions reduction	Medium term	Large
		Risk of slower growth in market scale due to reduced prices of feed-in tariffs for electricity and subsidies	Medium term	Medium
	Technological risk	Reduced competitiveness of existing products with the popularization of low-carbon technology with stronger regulations	Long term	Medium
	Market risk	Lower margins from price pass-through by suppliers	Long term	Large
	Reputation risk	Risk that investors and financial institutions will judge that information disclosure is insufficient, causing negative effects on financing	Medium term	Large
Physical risks	Acute risk	Supply cutoffs by suppliers due to disaster-related damage caused by abnormal weather becoming the new normal	Medium term	Large
	Chronic risk	Deteriorating work environments and productivity and delays in construction completion at construction sites caused by rising temperatures	Long term	Medium

Evaluation targets and assumed timeframes of climate change-related opportunities in FY2025

Opportunity category	Evaluation targets of opportunities	Assumed timeframes	Impact
Opportunities related to resource efficiency	Increasing needs for lighter, alternative materials as steel prices rise	Medium term	Large
Opportunities related to energy sources	Expansion of the renewable energy market by setting long-term CO_2 reduction targets	Medium term	Medium
Opportunities related to products and services	Providing new solutions by developing and partnering with new business partners (installation and processing)	Medium term	Small
	New business development through development and partnerships with new suppliers	Medium term	Medium
	Creation of new businesses with expanded products and services that contribute to adaptation to climate change	Long term	Large
Market-related opportunities	Business expansion through portfolio shifts	Medium term	Large
	Increased demand for highly sustainable products and services	Medium term	Large

GHG emissions of the Takashima Group (FY2025)

	Scope 1 and 2	Scope 3
Takashima (non-consolidated)	97.3 (t-CO_2)	-
Group companies in Japan	7,103.7 (t-CO_2)	-
Overseas Group companies	1,812.3 (t-CO_2)	-

*1: The above figures are market-based figures.
*2: The result for the Group companies in Japan is the total for 17 domestic consolidated subsidiaries (Rest Corporation, Gansui Corporation, Naruto-SP Industries Co., Ltd., New Energy Distribution System Inc., Sanwa System Co., Ltd., (and seven other Sanwa System group companies), Takashima Industries Co., Ltd., HI-LAND Co., Ltd., TAKCEL Co., Ltd., Sinbou Edix Co., Ltd., and iTak International (Japan) Co., Ltd.).
*3: The result for the overseas Group companies is the total for six overseas consolidated subsidiaries (iTak (International) Limited, iTak International (Shenzhen) Limited, iTak International (Shanghai) Limited, iTak International (Vietnam) Co.,Ltd., iTak International (Thailand) Limited, and iTak International (Malaysia) Sdn. Bhd.).

For details of information disclosure based on the TCFD recommendations, please refer to our website.
https://www.tak.co.jp/en/sustainability/environment/tcfd.html

Initiatives That Support Value Creation

Initiatives for Human Capital-Oriented Management

Human Development Committee

The Human Development Committee established in 2025 aims to establish a framework that systematically supports employee growth, contributes to boosting motivation and engagement, and improves overall organizational performance and efficiency, and contributes to organizational growth and the retention of talent that the Company seeks.

Human Development Committee undertakes a range of activities including organizing various training programs, compiling and reviewing employee feedback on training, and establishing internal certification programs. It also publishes the quarterly "Human Development Committee newsletter" which provides employees with information on its activities and training opportunities.

Human Development Committee ensures and verifies that training and other various measures are implemented in accordance with the human assets strategy and contribute to the development of human assets, and will support the systematic and standardized maintenance of the sustainability of training, etc., and the reproducible development of human assets.

Health and Productivity Management Declaration

The Takashima Group declared its commitment to health and productivity management in April 2026. To realize our key material issues—"creating an environment in which diverse human assets can exercise their capabilities and flourish" and "creating a safe, secure work environment in which anyone can work comfortably," the physical and mental health of each employee is essential. We are confident that only when employees are healthy can they maximize their individuality and abilities and continue to create new value in response to changing social challenges. We will strategically support the maintenance and promotion of the health of our employees and their families from a management perspective, and strive to create a vibrant organization.

[Key Initiatives]

1. Establishing a Health Foundation for Diverse Talent to Thrive
Identifying and Addressing Health Issues

We will thoroughly implement regular health checkups (maintaining a 100% participation rate) and strengthen measures to prevent serious illness and lifestyle-related diseases based on the results. We will flexibly address health challenges tailored to each individual's life stage and characteristics, establishing a health foundation that enables everyone to live a long and healthy life.

2. Creating a Safe, Secure, and Comfortable Working Environment
Promoting of Work-Life Balance and Mental Healthcare

We will promote work-life balance by maintaining appropriate working hours and encouraging the use of paid leave. Furthermore, we will promote mental health by maintaining a 100% stress check participation rate and improving the workplace environment.

3. Implementing Effective Health Measures Based on Data
Promotion of Collaborative Health

By collaborating with health insurance society (Collaborative Health) and implementing health promotion measures based on health and medical data, we will enhance organizational health literacy and foster a culture where employees autonomously engage in maintaining their health.

Enhancement of training programs

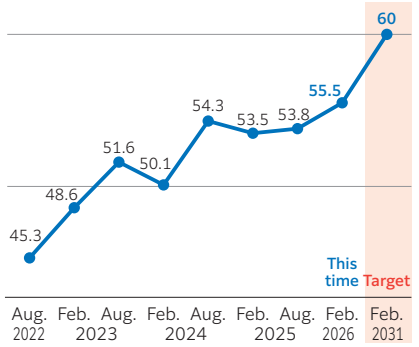
We promote development of "career-type human assets" as employees who are "human assets that take ownership of their career by being their own manager," plan their own careers, and continue to provide great value to society, thereby contributing to the enhancement of corporate value. To help employees achieve this, we provide an environment that supports the planned growth of each and every employee, through initiatives such as periodic training at key career milestones and career consulting when they formulate their career plans.

In addition to designing a progressive training and development framework that enables employees to build the capabilities required at each grade level, we provide a comprehensive range of training content featuring diverse learning methods and themes. Furthermore, in November 2025, we upgraded our e-learning system to encourage employees to take proactive ownership of their learning and development. In addition to significantly expanding the number of available courses, we have created a more accessible learning environment by offering content in various formats such as lecture-based content and short videos of around five minutes.

We will continue to fully support employees who take ownership of their learning, act proactively, and pursue their own growth.

Improvement of employee engagement

People are the most important form of capital for the Group. We believe that fostering a workplace where every employee finds their work rewarding and feels secure in carrying out their duties it is essential for corporate growth. To that end, we conduct an employee engagement survey twice a year as part of our efforts to deepen mutual understanding with employees and enhance the value of our human capital. The score, which stood at 45.3 when the survey was introduced in 2022, improved to 55.5 by February 2026. We will continue to focus not on raising the score for its own sake but on sharing the results across the organization, identifying improvement priorities together with employees, and implementing specific action plans that contribute to employee development and greater fulfilment at work.



For details of our approach to health and productivity management, please refer to our website.
https://www.tak.co.jp/en/sustainability/society/Health_Management.html

Initiatives That Support Value Creation

Outside Directors' Messages

Akifumi Ujita
Outside Director
(Audit and Supervisory Committee Member)

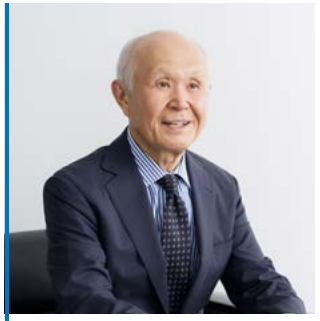
Ren Shino
Outside Director
(Audit and Supervisory Committee Member)

Junko Kawai
Outside Director

Shuichi Sakamoto
Outside Director
(Audit and Supervisory Committee Member)

Yasushi Aoki
Outside Director
(Audit and Supervisory Committee Member)





Akifumi Ujita

Outside Director
(Audit and Supervisory Committee Member)

Overseeing and supporting the effective execution of the new medium-term management plan

Amid growing uncertainty in economic conditions both in Japan and overseas, the Company reached the final year of the previous Medium-Term Management Plan; however, the plan ended with the regrettable outcome of failing to achieve its performance targets. In addition, as an Outside Director, I sincerely apologize to our shareholders and all other stakeholders for our failure to prevent fraudulent outflows of funds at an investee, leading to the recording of a loss.

The Audit and Supervisory Committee also takes this matter very seriously and has engaged in continual discussions aimed at resolving the issues. We will strive to further strengthen our governance system, including post-investment monitoring, and oversee the steady implementation of measures to prevent recurrence.

This fiscal year marks the start of our new medium-term management plan, "Sustainable Positive Spiral." After thoroughly reviewing the Group's challenges, we will oversee and support the management team to ensure they practice management conscious of cost of capital and corporate value in order to "put growth on track and create a sustainable positive cycle," and that they work to appropriately produce "valuable human assets" to realize a virtuous investment cycle.

We will make efforts in our auditing activities so that Takashima, in its ongoing pursuit of transformation, can earn the trust of all stakeholders and achieve sustainable growth. We sincerely ask for your continued support.



Ren Shino

Outside Director
(Audit and Supervisory Committee Member)

Future roles of the Board of Directors

In preparing for its selection for the Prime Market, Takashima has pursued proactive management with the aim of improving corporate value more than ever before. Our M&A activities in recent years are a sign of this. While post-merger integration (PMI) is the most vital issue in M&A, it is also one of our top priorities, particularly in terms of developing and securing human assets, so as to ensure that we share the values of Takashima's philosophy of "Integrity" and achieve synergistic effects with companies that have become part of the Takashima Group.

I believe a role of the Board of Directors is to have all Directors exchange frank opinions on various M&A issues, including developing and securing human assets. Outside Directors should also draw on their external experience to offer perspectives from an objective standpoint to identify the root causes of these issues and propose improvement measures. In particular, it is imperative to recognize common underlying problems by investigating the root causes of issues that have arisen.

Under the new President's framework, I intend to do my best in devoting myself to this role more than ever before as an outside Director of the Company.

Initiatives That Support Value Creation

Outside Directors' Messages



Shuichi Sakamoto

Outside Director
(Audit and Supervisory Committee Member)

Becoming a value-adding trading company that contributes to society, guided by "Integrity"

Through the implementation of the previous medium-term management plan, we were able to reaffirm the various challenges facing the Takashima Group. These include restructuring the Group's governance system, ensuring compliance, and developing human assets. I believe that the foundation for all of these is the Company's cherished value of "Integrity." This fiscal year marks the start of our new medium-term management plan, "Sustainable Positive Spiral." I look forward to engaging in robust discussions at Board of Directors meetings on how to execute investments and manage the Company to realize our mission of "Contributing to Society through Our Business Activities" and further improve our corporate value, and on the kind of action we need to take to achieve our vision of becoming a value-adding trading company that provides customers with the functions and solutions they truly need.



Yasushi Aoki

Outside Director
(Audit and Supervisory Committee Member)

Strengthening governance, enhancing organizational capabilities, and promoting human asset development

Active discussions take place at every meeting of the Company's Board of Directors and various committees. Over the past year, we have conducted a summary of the Medium-Term Management Plan "Sustainability V" and held extensive discussions on the formulation of a new medium-term management plan based on that summary. During these discussions, we reaffirmed our commitment to continuing proactive growth investments and shareholder returns going forward, while also sharing the recognition that, in order to further drive business transformation and support taking on frontline challenges, we must redouble our efforts to strengthen the Group's management capabilities and risk management.

Furthermore, following discussions over several years within the Nominating Committee, we have decided to transition to a new management structure led by a CEO and a COO from this fiscal year onward. The key to business growth lies in the development of our organization and human assets. Under this new structure, I expect the Company, with its 100-year history, to once again modernize its corporate philosophy of "Integrity" and accelerate the improvement of organizational capabilities and the development of next-generation human assets.

We will continue to engage in active and multifaceted discussions within the management team going forward with the aim of growing into a corporate group with an even stronger presence in the market.

Message from newly elected Outside Director



Norie Jinno

Outside Director
(Audit and Supervisory Committee Member)

New election

Leveraging accounting expertise to support appropriate information disclosure and corporate growth

It has been over 35 years since I entered the world of certified public accountants. During that time, I gradually expanded my scope of activities, including engaging in audit work, becoming registered as a tax accountant, and being appointed as an auditor for a national research institute. Even though my jobs may appear at first glance to be quite different—ranging from auditing and taxation to serving as an officer at a research institute—in each case I was able to approach my work with the aim of contributing to the decision-making of organizations and individuals through my accounting knowledge and perspective. I am truly delighted to have been given this opportunity to serve as an outside officer of a company listed on the Prime Market. Among other things, I intend to draw on the knowledge and experience that I have gained thus far to ensure that information is disclosed to all stakeholders in a timely and appropriate manner. I also look forward to working together with the Company to concurrently realize both its goals of adapting to a sustainable society and achieving sustainable growth.



Junko Kawai

Outside Director

Integrating human asset strategy with management strategy to produce "valuable human assets"

As outlined in its medium-term management plan, the Company aims to produce valuable human assets as its unique human assets strategy. We seek to promote human assets from diverse backgrounds and encourage each and every employee to improve himself/herself based on a high-level awareness of being his/her own manager, thereby achieving organizational revitalization, which in turn creates new value and fosters innovation through diverse perspectives. Based on this approach, we have established the Human Development Committee, which not only oversees the career-type human assets development process but also provides support for and investment in personal growth. The Board of Directors recognizes these activities as important initiatives, and not only engages in discussions but also works to ensure that our management strategy and human assets strategy are organically integrated. I also believe that putting such human capital-oriented management into practice will lead to an improvement in corporate value, and I look forward to engaging in even more productive discussions based on our corporate philosophy of "Integrity."

Initiatives That Support Value Creation

Corporate Governance

Basic approach and organizational structure

The Company regards maintaining appropriate relationships with shareholders and various other stakeholders and conducting business activities while fulfilling its social responsibilities as its top priority to achieve its targets for improvements in long-term corporate performance and sustainable growth. Meanwhile, enhancing functions of corporate governance and establishing highly transparent and fair management practices serve as important fundamental responsibilities of the Company.

To such ends, the Company has established a corporate governance system for the sake of strengthening its management supervision and monitoring functions centered on the Board of Directors and Audit and Supervisory Committee, and addressing issues such as those involving internal controls and risk management.

Characteristics of our governance system

We are working to further enhance our governance system to support sustainable growth (Sustainable $^{+}$ Spiral) while simultaneously enhancing management transparency and accelerating decision-making. We are promoting a clear separation between management and supervision, pursuing an optimal board composition capable of responding swiftly to change, and strengthening a highly effective, multifaceted audit framework. We seek a balanced approach to growth and risk management, and are working to sustainably enhance corporate value while maintain the trust of society.

Point 01 Separation of execution and supervision

To clarify the separation between business execution and management supervision and further reinforce the oversight function of the Board of Directors, the Company transitioned to a Company with an Audit and Supervisory Committee structure.

We are enhancing the supervisory function of the Board of Directors and strengthening its governance structure, while also promoting faster decision making and more efficient business execution to establish a governance system with greater objectivity and transparency.

Point 02 A board composition aligned with *Progress* × *fit*

To adapt and evolve in response to the rapidly changing business environment (*Progress* × *fit*) and achieve long-term enhancement of corporate value, the Board of Directors comprises members with diverse knowledge, experience and expertise across areas such as finance, law, accounting, and management, ensuring an appropriate balance of skills. Through lively discussions from diverse viewpoints, the Company improves the quality of strategic management decisions and enhances the effectiveness of risk management.

Point 03 Audit effectiveness

To enhance the soundness and transparency of management, all members of the Audit and Supervisory Committee are Outside Directors, ensuing a high degree of independence and objectivity.

Furthermore, the Company has established a tripartite audit framework under which the Audit and Supervisory Committee, the accounting auditor, and the division in charge of internal audit cooperate closely, enabling highly effective audits through broad-based information sharing and monitoring.

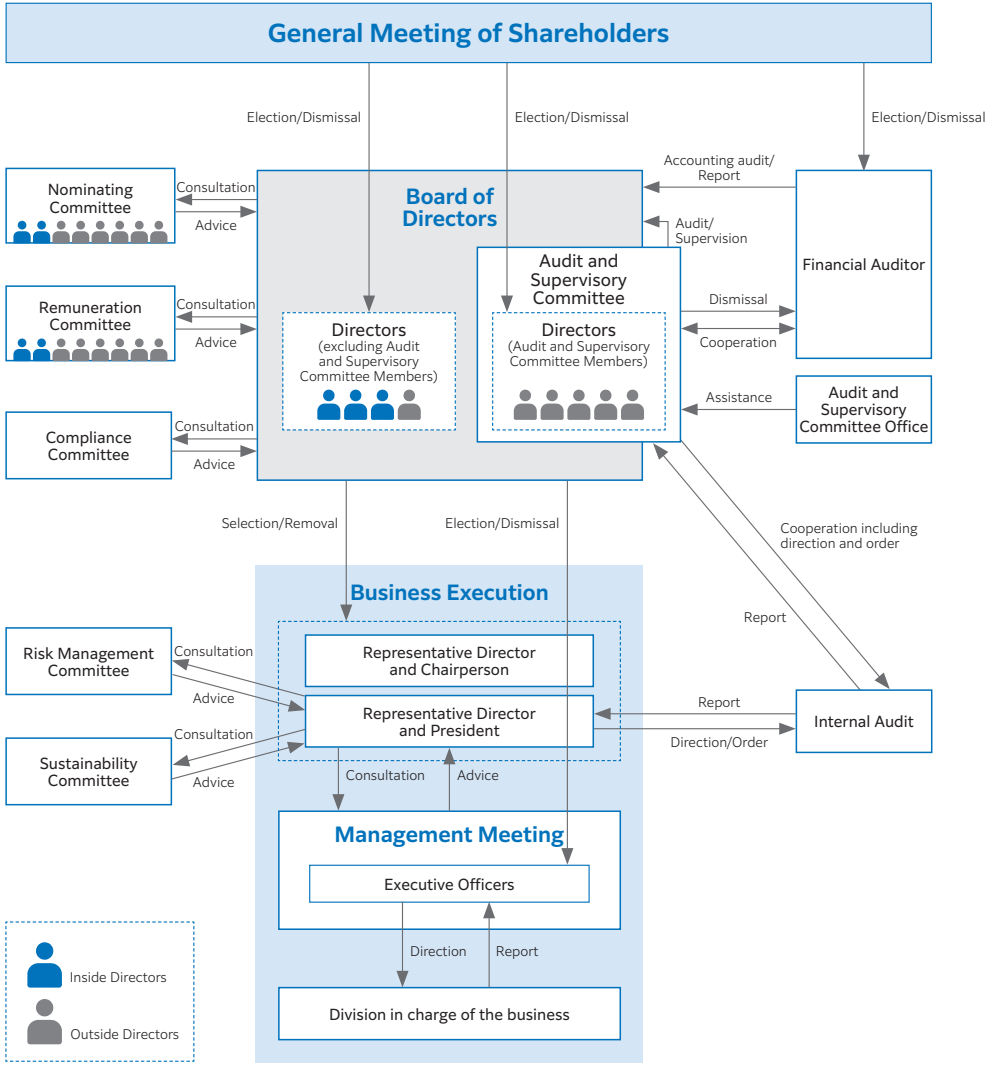
Governance enhancement

FY	Major topics	Number of Directors	Number of female Directors	Number of Outside Directors
2015	■ Establishment of Japan's Corporate Governance Code	9		3
2016	■ Introduction of an executive officer system ■ Transition to a Company with an Audit and Supervisory Committee ■ Establishment of a Nominating Committee and a Remuneration Committee ■ Implementation of evaluations of the effectiveness of the Board of Directors ■ Introduction of a performance-linked remuneration system	8		4
2018	■ Election of female Directors	11	1	4
2020	We appointed the first female Director as part of efforts to promote greater gender diversity.	10		4
2021	■ Establishment of the Sustainability Committee	9		4
2022	Established as an advisory body to the President. In principle, held twice a year. * For further information on the Committee, please refer to page 41			4
2023		8		4
2024		**9**		5
2025	The Company has gradually increased the number of female directors, reaching three in 2026, or 33.3% of the Board of Directors.		2	**6** 66.7%
2026			**3** 33.3%	

Initiatives That Support Value Creation

Corporate Governance

Corporate Governance System (as of June 23, 2026)



Board activities (As of June 23, 2026. Number of meetings held represents FY2025 actuals)

Meeting body	Number of meetings held	Total number of members	Inside Directors	Outside Directors	Chair
Board of Directors	16	9 (male: 6, female: 3)	3	6	Chairperson

Overview

The Board of Directors meets every month and has the authority to make decisions on matters stipulated by laws and regulations and on important matters related to management. The Board of Directors is comprised of four Directors (excluding Directors who are Audit and Supervisory Committee Members) and five Directors who are Audit and Supervisory Committee Members (including five Outside Directors), receives reports on issues and results related to business execution, and deliberates on all important matters, such as decisions on execution policies.

Key matters discussed and reported

1. Management Strategy and Growth Investment

In preparation for the formulation of the medium-term management plan, the Board of Directors engaged in intensive discussions throughout the year on its assessment of the business environment and the business portfolio strategy required to achieve sustainable growth. The Board of Directors also deliberated on and approved investment proposals aimed at strengthening businesses identified as key areas for actively expanding business.

2. Risk Management, Internal Controls, and Compliance

To rebuild a sound management foundation, the Board of Directors discussed root cause analyses of past issues and measures to prevent their recurrence. In addition, through reports from the Risk Management Committee, the division in charge of internal audit, and other relevant divisions, the Board of Directors continuously monitored and supervised Group-wide compliance and the status of responses to various risks.

3. Capital Policy, Financial Strategy, and Shareholder Returns

With the aim of improving capital efficiency and enhancing shareholder returns, the Board of Directors approved flexible acquisition of treasury shares and cancellations as well as a share split. The Board of Directors also conducted periodic reviews of the Company's cross-shareholdings and, as part of efforts to improve asset efficiency, decided to sell certain investment securities.

4. Governance, Nominations, and Remuneration for Directors and Other Officers

To further strengthen the management structure, the Board of Directors resolved to appoint a Representative Director and Chairman and a Representative Director and President, establishing a two representative director structure, and also approved the executive officer structure for the next term. In addition, the Board of Directors approved the disposal of treasury shares associated with the allotment of restricted shares, as well as revisions to rules governing remuneration for Directors and other officers.

5. Sustainability and Human Capital-Oriented Management

With the aim of enhancing corporate value over the medium- to long-term, the Board of Directors reviewed progress on initiatives to strengthen human capital-oriented management, drawing on reports from the Human Development Committee and findings from the employee engagement surveys. In addition, the Board of Directors received reports on the progress of various sustainability initiatives, including the expansion of environmentally conscious businesses.

Initiatives That Support Value Creation

Corporate Governance

Activities of individual committees

Meeting body	Number of meetings held	Total number of members	Inside Directors	Outside Directors	Chair
Audit and Supervisory Committee	14	5 (male: 3, female: 2)	0	5	Outside Director

Overview: The Audit and Supervisory Committee meets once a month in principle to report on the results of regular audits and to receive reports from the Internal Auditing Department regarding the status of internal audits and internal controls as one branch of a dual reporting structure.

Meeting body	Number of meetings held	Total number of members	Inside Directors	Outside Directors	Chair
Nominating Committee	4	8 (male: 5, female: 3)	2	6	Outside Director

Overview: The Nominating Committee comprises six outside Directors and two inside Directors, and is chaired by a full-time outside Director, thereby ensuring a structure that allows for fair and objective deliberations. The committee assesses the suitability of election/dismissal of Directors and Executive Officers through written evaluations and interviews, and reports its findings to the Board of Directors.

Meeting body	Number of meetings held	Total number of members	Inside Directors	Outside Directors	Chair
Remuneration Committee	5	8 (male: 5, female: 3)	2	6	Outside Director

Overview: The Remuneration Committee comprises six outside Directors and two inside Directors, and is chaired by a full-time outside Director, thereby facilitating fair and objective deliberations. The committee discusses the officer remuneration system and determines the amount of performance-linked remuneration based on the achievement of performance targets and the extent of each officer's contribution, and reports its findings to the Board of Directors.

Meeting body	Number of meetings held	Total number of members	Inside Directors	Outside Directors	Chair
Compliance Committee	2	10 (male: 7, female: 3)	3	6	President

Overview: The Compliance Committee, as the central body responsible for promoting compliance, is chaired by the Chief Executive Officer, with the Division Chief of the Business Integration Division serving as the vice chair, and comprises officers appointed by the Chief Executive Officer. The committee meets once a year in principle to deliberate on overall compliance and determine the basic policy.

Meeting body	Number of meetings held	Total number of members	Inside Directors	Outside Directors	Chair
Risk Management Committee	1	6 (male: 6)	-	-	Division Chief of Business Integration Division

Overview: The Risk Management Committee, as an organization for making recommendations to the Chief Executive Officer regarding significant risks related to the Company's management, is chaired by the Division Chief of the Business Integration Division, who selects the committee members. The committee meets at least twice a year to conduct risk identification and investigation in accordance with the regulations, and to consider measures to prevent risks from materializing and measures to address risks that have materialized.

Meeting body	Number of meetings held	Total number of members	Inside Directors	Outside Directors	Chair
Sustainability Committee	2	9 (male: 9)	2	-	Person selected by the Chief Executive Officer

Overview: The Sustainability Committee, as an organization for promoting sustainability, comprises the Chief Executive Officer as well as members nominated by the Chief Executive Officer. The committee meets at least twice a year in principle to deliberate on sustainability-related issues subject to consideration as specified by the Chief Executive Officer, and to make recommendations to the Chief Executive Officer.

Meeting body	Overview
Management Meeting	Management Meetings are held at least once a month to raise awareness of and implement decisions made by the Board of Directors and to discuss key issues related to business execution. The meetings comprise all Executive Officers, while relevant parties are invited to attend and speak on matters under deliberation as necessary. In addition, Audit and Supervisory Committee Members attend and speak out at Management Meetings as necessary.

Actions for enhancing effectiveness of Board of Directors

For the FY2025 evaluation of the effectiveness of the Board of Directors, self-evaluations were implemented based on the results of the FY2024 evaluation conducted using a third-party organization as well as the issues and measures going forward discussed at subsequent Board of Directors meetings.

Analysis and evaluation performed for this fiscal year have led to the conclusion that the Board of Directors largely maintains effectiveness in that it actively engages in discussions aimed at ensuring adequate oversight of business execution.

Evaluation process

Step 1	Step 2	Step 3	Step 4
Conducts an evaluation using a third-party organization	Discusses the survey results at a Board of Directors meeting	Identifies issues going forward and develops measures	Conducts a self-evaluation based on the issues and measures

Issues identified in FY2025 and measures

We have identified the following key issues as a result of this effectiveness evaluation. We will continue to work toward enhancing effectiveness of the Board of Directors by implementing measures to address such issues.

- Supervision of initiatives aimed at realizing strategies for leveraging digital technology (operation of the Board of Directors)
- Supervision and monitoring of Group-wide internal control systems (operation of the Board of Directors)
- Enhancement of training for Directors (need to improve the knowledge of officers)

Succession planning

Recognizing that the selection of the Chief Executive Officer, the top management position, constitutes one of its most important decision-making matters, the Company has the Nominating Committee exchange opinions on an ongoing basis regarding prospective candidates for President and future management personnel. The Company has accordingly established the following four criteria for managers, with a view to developing the next generation of management.

Ability to realize the corporate mission (Vision)	Integrity
Progress × *fit* (Design)	Ability to align the direction for the whole organization (Communication)

The Company applies the four criteria listed above to its Executive Officers and those in positions at or above Unit Manager, a position in charge of a unit, the Company's smallest organizational entity. The Company accordingly calls on them to manage these entities under their leadership as if they were corporations. Meanwhile, those in positions at or above General Manager undergo 360-degree feedback once a year, which includes objective evaluation and feedback on the four criteria, with the aim of helping them improve their abilities in each criterion.

Initiatives That Support Value Creation

Corporate Governance

Remuneration for Directors and other officers

The remuneration for Directors and other officers of the Company comprises basic remuneration (fixed remuneration), performance-linked monetary remuneration (variable remuneration), and share-based remuneration. With an emphasis on medium- to long-term business performance and objectivity, the Company has set the target remuneration mix at 60% basic remuneration, 30% performance-linked monetary remuneration, and 10% share-based remuneration.

Basic remuneration is set at a predetermined annual amount for each position, and is paid in 12 equal monthly installments.

Performance-linked monetary remuneration is paid to the Company's executive directors and is appropriately determined and paid based on standards established for each position, taking into account the level of achievement of the Group's consolidated performance targets and each director's individual contribution, after deliberation and recommendation by the Remuneration Committee. To ensure objectivity, performance-linked monetary remuneration is not paid to outside Directors. Performance-linked cash is also not paid to directors who are Audit and Supervisory Committee Members, given their role in supervising management from an independent position. The total annual remuneration for the Company's directors (excluding directors who are Audit and Supervisory Committee Members), comprising basic remuneration and performance-linked monetary remuneration, is limited to ¥320 million per year.

Regarding share-based remuneration, the Company has introduced a restricted share-based remuneration plan for the Company's eligible Directors (excluding Directors who are Audit and Supervisory Committee Members) to incentivize them to continuously enhance the corporate value of the Company and to promote further sharing of value with shareholders. Under this plan, eligibility is conditional upon continuously holding a position designated by the Board of Directors, and the specific amount and timing of grants to executive directors are determined by the Board of Directors. Separate from the above remuneration for Directors of ¥320 million or less per year, the total amount to be paid is ¥60 million or less per year (of which no more than ¥10 million may be allocated to outside Directors) and the total number of common shares of the Company to be issued or disposed of is 192,000 shares or less per year (of which no more than 32,000 shares may be allocated to outside Directors). The Company has also introduced a restricted share-based remuneration plan for Directors who are Audit and Supervisory Committee members. Separate from the basic remuneration (¥80 million or less per year), the total amount to be paid is ¥10 million or less per year and the total number of common shares of the Company to be newly issued or disposed of is 32,000 shares or less per year.

To further enhance objectivity and accountability in determining director remuneration, the Company has established a Remuneration Committee as an advisory body to the Board of Directors. The Remuneration Committee comprises the representative directors and all non-executive directors with a non-executive director serving as chair.

1 Formulation and Consultation on Remuneration Proposals

At the request of the Board of Directors, the representative director and president formulates the draft remuneration proposals for each individual based on performance again targets and pre-established evaluation criteria, and presents them to the Remuneration Committee.

Formulation based on the prescribed evaluation framework

2 Deliberation by the Remuneration Committee

Membership comprises the Representative Directors and all non-executive Directors. Conducts a rigorous review of the proposed remuneration and the appropriateness of the underlying evaluations from an independent and objective perspective.

Chaired by a non-executive Director

3 Recommendations to the Board of Directors

The results of the Remuneration Committee's deliberations are incorporated into a fair and transparent remuneration proposal which is then recommended to the Board of Directors.

Ensuring accountability

4 Final approval by the Board of Directors

The Board of Directors gives due consideration to the recommendations of the Remuneration Committee and makes the final resolution on the individual remuneration amounts and related matters for each Director.

Ensuring an effective supervisory function

Thorough risk management

To maintain a high level of trust from stakeholders, the Group has built an effective internal management system and has formulated the Takashima Group Risk Management Basic Policy to appropriately respond to various risks facing the Group.

In addition, the Company has established the Risk Management Committee as an organization for making recommendations to the President regarding significant risks related to the Company's management. The Risk Management Committee is chaired by the Division Chief of the Business Integration Division, who selects the committee members. The committee conducts risk identification and investigation in accordance with the rules, and considers measures for risk avoidance and for crisis planning when risks materialize.

Business Continuity Plan (BCP)

The Company has formulated the "Basic Regulations for Business Continuity Plans." In the event of a serious incident, such as an earthquake, flood, other natural disaster, fire or accident, that could give rise to significant losses, the Company prioritizes the protection of human lives and the prompt recovery of business operations. It also seeks to fulfill its social responsibilities and respond appropriately and in good faith, with due consideration to the impact on the Group's performance and financial position.

Information security

The Company promotes Group-wide protection of information assets and risk management under the system overseen by the Division Chief of the Business Integration Division. In addition to technical measures such as multi-factor authentication, EDR (Endpoint Detection and Response), and access controls, the Company has also established initial response procedures centered on its CSIRT (Computer Security Incident Response Team). The Company also works to embed these practices throughout the organization through ongoing education and training for all employees, while maintaining and enhancing its security standards.

Actions for compliance

The Company has established the Compliance Committee as an overall organization for promoting compliance. The Compliance Committee, which is chaired by the President with the Division Chief of the Business Integration Division serving as the vice chair and comprises officers appointed by the President, deliberates on overall compliance and determines the basic policy. In addition, the Company conducts systematic education and awareness-raising activities based on its Compliance Program and carries out an annual compliance survey to assess the extent to which compliance awareness has taken root, identify issues, and implement improvement initiatives.

Compliance education

In addition to ongoing awareness-raising through the "Compliance Handbook" posted on the internal portal and the monthly "Compliance Newsletter," the Company conducts mandatory e-learning and interactive briefing sessions during "Compliance Promotion Month." The Company works to reinforce compliance awareness through a diverse range of education and training initiatives.





Initiatives That Support Value Creation

Directors



Koichi Takashima

Position	Representative Director and Chairperson, and Chief Executive Officer
Number of years in office	24
Number of shares owned	Approx. 545 thousand
Board of Directors	● (Chair)
Number of meetings attended (FY2025)	16/16
Nominating Committee	●
Remuneration Committee	●

Career summary

- Feb. 1978 Joined Procter & Gamble Japan
- July 2000 External Relations Director of Procter & Gamble Far East Inc.
- June 2002 Joined the Company Director and Vice President
- June 2003 Representative Director and Vice President
- June 2004 Representative Director and President
- Apr. 2016 Representative Director and President, and Division Chief of Industrial Solutions Division
- June 2016 Representative Director and President, Chief Executive Officer, and Division Chief of Industrial Solutions Division
- Apr. 2018 Representative Director and President, and Chief Executive Officer
- June 2026 Representative Director and Chairperson, and Chief Executive Officer (current position)



Akira Yamamoto

Position	Representative Director and President, and Chief Operating Officer
Number of years in office	8
Number of shares owned	Approx. 74 thousand
Board of Directors	●
Number of meetings attended (FY2025)	16/16
Nominating Committee	●
Remuneration Committee	●

Career summary

- Apr. 1987 Joined Osaka Totsu Co., Ltd. (currently Kansai Totsu Co., Ltd.)
- Oct. 1991 Joined Marubeni Synthetic Resin Products Co., Ltd. (currently Marubeni Innovexis Corporation)
- Feb. 2010 Joined the Company Special Sales Promotion Osaka Business Unit Manager of Construction Supply Division
- Apr. 2011 Manager of Chugoku Office, Construction Supply Division
- Apr. 2013 Deputy General Manager of West Japan Business Development Department, Construction Supply Division
- Apr. 2014 General Manager of East Japan Business Development Department, Construction Supply Division
- June 2016 Audit & Supervisory Board Member of TOHKEN inc.
- Apr. 2017 Executive Officer and General Manager of East Japan Business Development Department, Construction Supply Solutions Division of the Company
- Apr. 2018 Executive Officer, Deputy Division Chief of Construction Supply Solutions Division, and General Manager of East Japan Business Development Department
- June 2018 Director, Executive Officer, Deputy Division Chief of Construction Supply Solutions Division, and General Manager of East Japan Business Development Department
- Apr. 2020 Director, Executive Officer, and Division Chief of Construction Supply Solutions Division
- Apr. 2021 Director, Managing Executive Officer, and Division Chief of Construction Supply Division
- Apr. 2024 Director, Senior Managing Executive Officer, and Division Chief of Construction Supply Division
- June 2026 Representative Director and President, and Chief Operating Officer (current position)



Toshio Goto

Position	Director, Senior Managing Executive Officer, and Division Chief of Electronic Devices Division of the Company; President of iTak (International) Limited
Number of years in office	14
Number of shares owned	Approx. 244 thousand
Board of Directors	●
Number of meetings attended (FY2025)	16/16
Nominating Committee	
Remuneration Committee	

Career summary

- Apr. 1983 Joined the Company
- Oct. 1997 Manager Attached to Strategic Planning & Management Office of the Company; President of iTak (International) Limited
- Apr. 2003 General Manager of Electronic Devices of the Company; President of iTak (International) Limited
- June 2012 Director of the Company; President of iTak (International) Limited
- June 2016 Director and Group Executive Officer of the Company; President of iTak (International) Limited
- Apr. 2018 Director and Group Managing Executive Officer of the Company; President of iTak (International) Limited
- Apr. 2021 Director, Managing Executive Officer, and Division Chief of Electronic Devices Division of the Company; President of iTak (International) Limited
- Apr. 2023 Director, Senior Managing Executive Officer, and Division Chief of Electronic Devices Division of the Company; President of iTak (International) Limited
- Apr. 2024 Director, Senior Managing Executive Officer, and Division Chief of Electronic Devices Division of the Company; President of iTak (International) Limited; Director of Takashima Industries Co., Ltd.
- May 2026 Director, Senior Managing Executive Officer, and Division Chief of Electronic Devices Division of the Company; President of iTak (International) Limited (current position)



Junko Kawai

Position	Outside Director (Independent Director)
Number of years in office	1
Number of shares owned	Approx. 0.9 thousand
Board of Directors	●
Number of meetings attended (FY2025)	11/11
Nominating Committee	●
Remuneration Committee	●

Career summary

- Nov. 2002 Passed the national bar examination
- Oct. 2004 Registered as attorney (Osaka Bar Association)
- Oct. 2004 Joined Umegae-Chuo Law Firm (currently Umegae-Chuo Legal Profession Corporation)
- Mar. 2008 Partner Attorney of Umegae-Chuo Legal Profession Corporation (current position)
- May 2010 Finished master's program at Duke University School of Law (LL.M)
- Aug. 2010 Worked at Masuda, Funai, Eifert & Mitchell, Ltd. (Chicago)
- July 2011 Registered as attorney in New York State, U.S.
- Dec. 2011 Worked at JunHe LLP (Beijing)
- June 2013 Finished master's program at Peking University Law School
- Apr. 2016 Outside Director (Audit and Supervisory Committee Member) of Kamakura Shinsho Ltd. (current position)
- Oct. 2021 Outside Director of MatsukiyoCocokara & Co. (current position)
- Apr. 2023 Outside Auditor of MIC Co., Ltd. (current position)
- June 2025 Outside Director of the Company (current position)

Initiatives That Support Value Creation

Directors



Akifumi Ujita



Ren Shino



Yasushi Aoki



Shuichi Sakamoto



Norie Jinno

	Akifumi Ujita	Ren Shino	Yasushi Aoki	Shuichi Sakamoto	Norie Jinno
Position	Outside Director (Audit and Supervisory Committee Member) (Independent Director)	Outside Director (Audit and Supervisory Committee Member) (Independent Director)	Outside Director (Audit and Supervisory Committee Member) (Independent Director)	Outside Director (Audit and Supervisory Committee Member)	Outside Director (Audit and Supervisory Committee Member) (Independent Director)
Number of years in office	4	8	6	2	New election
Number of shares owned	Approx. 10 thousand	Approx. 2 thousand	Approx. 18 thousand	Approx. 4 thousand	—
Board of Directors	●	●	●	●	●
Number of meetings attended (FY2025)	16/16	16/16	16/16	16/16	-/-
Nominating Committee	● (Chair)	●	●	●	●
Remuneration Committee	● (Chair)	●	●	●	●
Audit and Supervisory Committee	● (Chair)	●	●	●	●
Career summary	Apr. 1980 Joined The Dai-Ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.) Jan. 1999 Deputy General Manager of New York Branch Apr. 2002 General Manager of Americas Department No. 1 of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.), retired in Mar. 2010 May 2009 Joined SAKATA SEED CORPORATION June 2009 Executive Officer and General Manager of Accounting Dept. Aug. 2011 Director, Executive Officer and Senior General Manager of General Administration Div. June 2017 Director, Senior Executive Officer and Senior General Manager of General Administration Div. June 2021 Director, Managing Executive Officer in charge of General Administration Div. Aug. 2021 Retired as Director, Managing Executive Officer in charge of General Administration Div. Aug. 2021 Corporate Governance Advisor (Advisor) June 2022 Outside Director (Full-time Audit and Supervisory Committee Member) of the Company (current position)	Oct. 1986 Passed the national bar examination Apr. 1989 Registered as attorney (Dai-Ichi Tokyo Bar Association) Jan. 1990 Participated in establishment of KOHWA SOHGOH LAW OFFICES Partner Attorney of KOHWA SOHGOH LAW OFFICES (current position) June 2016 Outside Director (Audit/ Supervisory Committee Member) of SINANEN HOLDINGS CO., LTD. June 2018 Outside Director (Audit and Supervisory Committee Member) of the Company (current position) June 2019 Outside Audit & Supervisory Board Member of MAEDA CORPORATION	Apr. 1979 Joined Kao Sekken Co., Ltd. (currently Kao Corporation) Feb. 2000 General Manager of Organization & Planning Group Department, Personnel Division Mar. 2004 Supervising Personnel Development Division June 2006 Executive Officer Mar. 2011 Director, Managing Executive Officer, and Supervising Personnel and General Affairs Division of Kanebo Cosmetics Inc. Mar. 2014 Supervising Human Resources Development Division of Kao Corporation Representative Director and Chair of Board of Directors of Kanebo Cosmetics Inc. Mar. 2015 Managing Executive Officer of Kao Corporation June 2020 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)	Apr. 1981 Joined Asahi Chemical Industry Co., Ltd. (currently Asahi Kasei Corp.) Dec. 2003 General Manager of Acrylonitrile Global Marketing, Acrylonitrile Division of Asahi Kasei Chemicals Corp. Apr. 2011 Executive Officer, General Manager of Performance Plastics Division Apr. 2014 Director, Senior Executive Officer, General Manager, Acrylonitrile Division Nov. 2014 Lead Executive Officer, General Manager, Corporate Strategy of Asahi Kasei Corp. Apr. 2016 Senior Executive Officer (responsible for Strategy, Accounting & Finance, IT, IR), CFO June 2016 Director, Senior Executive Officer (responsible for Strategy, Accounting & Finance, IT, IR), CFO Apr. 2019 Director, Primary Executive Officer (responsible for Health Care) Mar. 2023 Outside Director of NICCA CHEMICAL CO., LTD. (current position) Apr. 2023 Director of Asahi Kasei Corp. June 2023 Advisor June 2024 Outside Director of Mitsubishi Chemical Group Corporation (current position) June 2024 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)	Oct. 1990 Joined Tohmatsu & Co. Mar. 1994 Registered as certified public accountant May 2001 Established Jinno Certified Public Accountant Office (current position) Sept. 2001 Registered as tax accountant Apr. 2015 Appointed Auditor of the National Research Institute for Earth Science and Disaster Resilience (part-time) June 2026 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)

Initiatives That Support Value Creation

Skills Matrix

		Corporate Management	Sales/Business Development	Finance/M&A	Marketing/ Planning/IR	IT/Digital	Human Assets/ Labor Management/ Organization Development	Legal/Risk Management/Audit	International Experience	Manufacturing/ Technology/R&D
Koichi Takashima	Male	●	●		●				●	
Akira Yamamoto	Male	●	●							
Toshio Goto	Male	●	●						●	●
Junko Kawai	Female							●	●	
Akifumi Ujita	Male	●		●				●	●	
Ren Shino	Female							●		
Yasushi Aoki	Male	●			●		●	●		
Shuichi Sakamoto	Male	●	●	●	●	●	●		●	
Norie Jinno	Female			●				●		

Intent behind the selection of skills matrix

Corporate Management
As a trading company, the Company operates in a wide variety of fields. When discussing management plans and strategies, we believe that it is important to have a bird's eye view of matters and to be equipped with critical knowledge for improving corporate value.

Sales/Business Development
Sales and business development are essential for generating revenue. We believe that these skills are vital for presenting society with the original ideas that only Takashima can offer, maintaining our competitiveness as a company, and expanding our market share.

Finance/M&A
Finance and M&A are crucial for implementing strategies for maximizing corporate value. They constitute the foundation that supports our sustainable growth and competitiveness.

Marketing/Planning/IR
We believe that communication with others is of paramount importance. Marketing, planning, and IR are key sources that help us maintain our competitiveness and achieve growth through constant communication with others.

IT/Digital
IT and digital technologies are tremendously important for businesses in the modern era. We believe that by leveraging IT and promoting digital transformation (DX), we can transform our business model and processes through the use of digital technologies and improve our competitiveness.

Human Assets/Labor Management/Organization Development
For a trading company like us, human assets are our greatest assets and are vital to our growth and sustainable success as a company. The foundation for our sustainable growth is our ability to improve corporate value through the development of our unique career-type human assets.

Legal/Risk Management/Audit
Legal, risk management, and audit skills are essential to our ability to defend ourselves against external risks and malpractice. As a company whose motto is "Integrity," we believe that these aspects are important for building relationships of trust with investors, business partners, and society.

International Experience
Experiencing different cultures and environments can generate new ideas and perspectives that enhance a company's competitiveness. Likewise, we believe that such experiences will enhance our ability to handle risks associated with different markets and cultures, thereby allowing us to evaluate these risks more accurately and address them more appropriately.

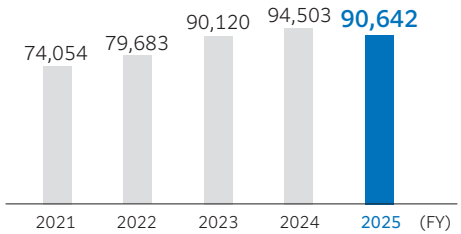
Manufacturing/Technology/R&D
As a value-adding trading company that provides a variety of functions, improving our product quality and efficiency is essential to maintaining our competitiveness. The elements of manufacturing, technology, and R&D are indispensable as we seek to establish our position in markets and achieve sustainable growth.

Data Section

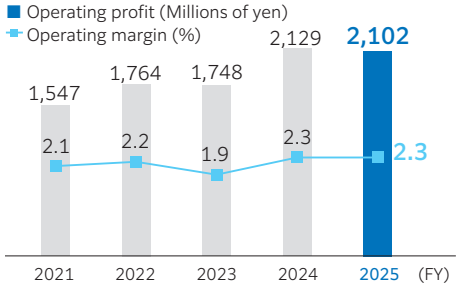
Financial and Non-financial Highlights

Net sales

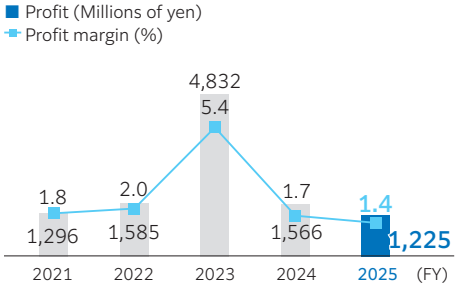
(Millions of yen)



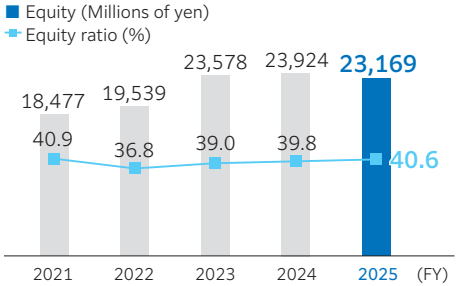
Operating profit/Operating margin



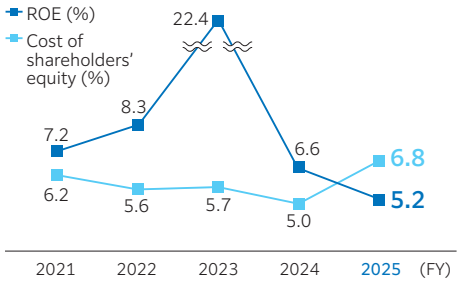
Profit/Profit margin



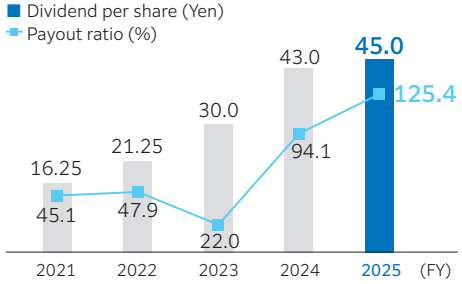
Equity/Equity ratio



ROE/Cost of shareholders' equity



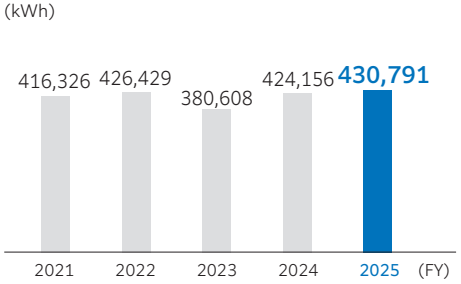
Dividend per share*/Payout ratio



* The Company conducted a 4-for-1 share split of common shares, effective October 1, 2023.
* The Company conducted a 2-for-1 share split of common shares, effective October 1, 2025. Figures for dividend per share for FY2025 and before are after adjustments to account for these share splits.

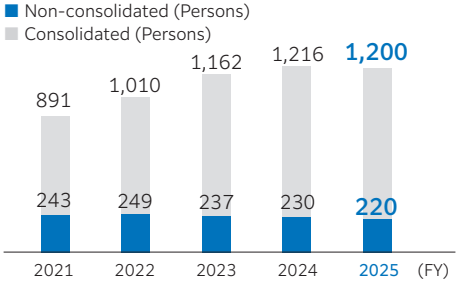
Electric power used

(kWh)



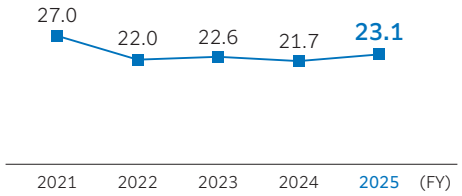
Included offices: Offices of the Company and the Group (excluding TAKCEL Co., Ltd. and Gansui Corporation) that have acquired ISO 14001 certification

Number of employees



Ratio of foreign managers (consolidated)

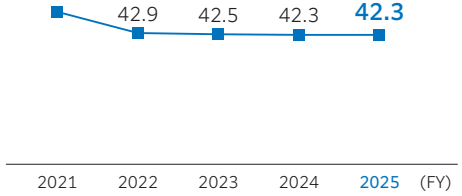
(%)



FY2030 target **30.0%**

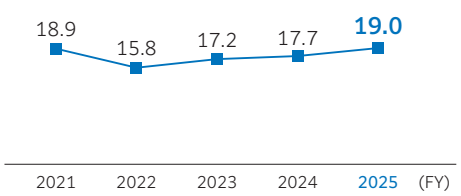
Ratio of female employees (consolidated)

(%)



Ratio of female managers (consolidated)

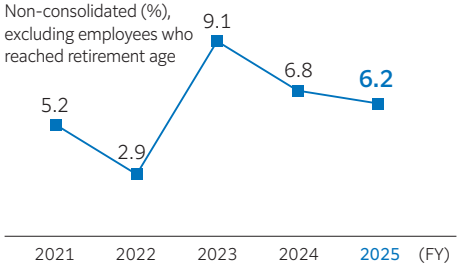
(%)



FY2030 target **20.0%**

Employee turnover

Non-consolidated (%), excluding employees who reached retirement age



Data Section

Financial Highlights for the Last 11 Years

Financial data

		FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Net sales	(Millions of yen)	91,230	84,775	85,310	89,557	88,799	80,625	74,054	79,683	90,120	94,503	**90,642**
Construction Supply Business	(Millions of yen)	–	–	–	–	–	47,747	42,020	44,511	58,180	61,017	**58,434**
Industrial Materials Business	(Millions of yen)	–	–	–	–	–	20,233	18,116	17,677	17,188	17,998	**17,968**
Electronic Devices Business	(Millions of yen)	–	–	–	–	–	12,374	13,724	17,301	14,795	15,514	**14,289**
Gross profit	(Millions of yen)	8,245	7,797	8,012	8,256	8,507	7,838	8,328	9,434	12,291	13,032	**13,591**
Operating profit	(Millions of yen)	1,687	1,584	1,638	1,682	1,713	1,395	1,547	1,764	1,748	2,129	**2,102**
Construction Supply Business	(Millions of yen)	–	–	–	–	–	695	598	611	866	1,671	**1,722**
Industrial Materials Business	(Millions of yen)	–	–	–	–	–	130	268	23	399	1,054	**1,222**
Electronic Devices Business	(Millions of yen)	–	–	–	–	–	457	571	1,014	400	727	**468**
Profit attributable to owners of parent	(Millions of yen)	1,122	1,316	1,325	1,122	1,237	1,000	1,296	1,585	4,832	1,566	**1,225**
Operating margin	(%)	1.9	1.9	1.9	1.9	1.9	1.7	2.1	2.2	1.9	2.3	**2.3**
Profit attributable to owners of parent to net sales ratio	(%)	1.2	1.6	1.6	1.3	1.4	1.2	1.8	2.0	5.4	1.7	**1.4**
Equity ratio	(%)	30.4	34.4	36.3	36.0	37.5	41.4	40.9	36.8	39.0	39.8	**40.6**
Interest-bearing liabilities	(Millions of yen)	5,070	2,856	3,483	3,532	2,967	1,476	4,286	7,103	7,285	12,962	**12,670**
Cash flows from operating activities	(Millions of yen)	1,464	1,640	(279)	384	3,018	3,563	(389)	700	6,057	(2,740)	**2,814**
Cash flows from investing activities	(Millions of yen)	(1,248)	331	(304)	504	(594)	(98)	(654)	(1,448)	2,519	(1,282)	**711**
Cash flows from financing activities	(Millions of yen)	(712)	(2,541)	265	(289)	(1,108)	(1,947)	2,305	1,059	(4,128)	419	**(2,114)**
ROE	(%)	8.5	9.4	8.7	7.0	7.6	5.9	7.2	8.3	22.4	6.6	**5.2**
Total return ratio	(%)	28.2	24.0	27.1	32.0	29.1	27.0	52.8	54.3	40.4	100.2	**133.5**

Per share data

		FY2015	FY2016	FY2017*1	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023*2	FY2024	FY2025*3
Profit per share	(Yen)	31.06	36.50	36.85	31.21	34.41	27.77	36.02	44.36	136.49	45.70	**35.88**
Net assets per share	(Yen)	372.81	407.38	440.46	447.65	456.27	484.02	516.20	549.06	681.38	701.07	**680.02**
Dividend per share	(Yen)	8.75	8.75	10.00	10.00	10.00	7.50	16.25	21.25	30.00	43.00	**45.00**

*1: The Company conducted a 1-for-10 share consolidation of common shares, effective October 1, 2017.
*2: The Company conducted a 4-for-1 share split of common shares, effective October 1, 2023.
*3: The Company conducted a 2-for-1 share split of common shares, effective October 1, 2025.
*4: Figures for per share data are after adjustments to account for the above share consolidation and share splits.

Data Section

Human Assets-Related Data (Non-consolidated)

Item		FY2021	FY2022	FY2023	FY2024	FY2025
Number of employees (consolidated) (Persons)		891	1,010	1,162	1,216	**1,200**
Ratio of female managers (consolidated)		18.9%	15.8%	17.2%	17.7%	**19.0%**
Ratio of female employees (consolidated)		49.8%	42.9%	42.5%	42.3%	**42.3%**
Number of regular/seconded employees (non-consolidated) (Persons)		243	249	237	230	**220**
Number of employees (Persons)		306	308	302	324	**324**
Gender ratio	Regular employees (Persons)	267	275	267	288	**280**
	Male	190	197	188	202	**194**
	Female	77	78	79	86	**86**
	Percentage of women among regular employees	28.8%	28.4%	29.6%	29.9%	**30.7%**
	Generalist-track employees (Persons)	191	192	179	198	**195**
	Male	183	184	172	184	**176**
	Female	8	8	7	14	**19**
	Percentage of women among generalist-track employees	4.2%	4.2%	3.9%	7.1%	**9.7%**
	Administrative-track employees (Persons)	71	72	74	76	**74**
	Other job types (Persons)	5	11	14	14	**11**
	Ratio of female managers	0.0%	1.7%	3.6%	6.7%	**7.1%**
Average age	Regular employees	43.0	42.7	42.7	41.9	**41.4**
	Generalist-track employees	43.7	43.4	43.2	41.9	**41.0**
	Administrative-track employees	40.6	40.6	41.2	42.0	**42.8**
	Other job types	54.1	44.4	44.4	41.4	**38.7**
Average years of service	Regular employees	15.3	14.9	15.1	13.9	**13.6**
	Generalist-track employees	15.2	15.1	15.2	13.4	**12.9**
	Administrative-track employees	16.0	15.6	16.2	16.3	**16.9**
	Other job types	7.8	5.2	7.3	7.0	**4.8**
Ratio of employees with disabilities		1.4%	1.8%	2.2%	1.7%	**1.8%**
Gender wage gap*1		–	62.1%	61.1%	59.2%	**65.3%**
Paid leave	Utilization rate	59.9%	64.9%	75.5%	73.2%	**72.1%**
	Number of days taken	11.9	12.8	14.4	13.8	**13.7**
Working hours	Average total working hours (per month)	151.97	161.80	154.32	153.18	**154.47**
	Average overtime hours*2 (per month)	4.93	12.75	5.85	5.40	**6.07**

Item		FY2021	FY2022	FY2023	FY2024	FY2025
Recruitment	Regular employees (Persons)	14	19	18	41	**18**
	New graduates	4	6	4	10	**10**
	Mid-career hires	10	13	14	31	**8**
	Ratio of mid-career hires	71%	68%	78%	76%	**44%**
	Generalist-track employees (Persons)	14	13	15	35	**16**
	New graduates	4	4	3	9	**9**
	Female	0	1	1	3	**3**
	Mid-career hires	10	9	12	26	**7**
	Female	0	0	0	4	**2**
	Administrative-track employees (Persons)	0	2	1	3	**2**
	Other job types (Persons)	0	4	2	3	**0**
Employee turnover	Number of employees departed (for personal reasons) (Persons)	14	8	25	19	**18**
	Employee turnover (for personal reasons)	5.2%	2.9%	9.1%	6.8%	**6.2%**
Leave of absence	Number of employees on leave of absence (excluding childcare leave) (Persons)	4	6	6	4	**6**
	Ratio of employees on leave of absence (excluding childcare leave)	1.3%	2.0%	1.9%	1.4%	**2.1%**
Childcare	Ratio of employees taking childcare leave					
	Female	100.0%	100.0%	100.0%	100.0%	**100.0%**
	Male	57.1%	14.3%	57.1%	40.0%	**100.0%**
	Ratio of employees on childcare leave returning to work					
	Female	100.0%	100.0%	100.0%	100.0%	**100.0%**
	Male	100.0%	100.0%	100.0%	100.0%	**100.0%**
Ratio of employees undergoing health checkups		95.3%	98.7%	99.3%	98.2%	**98.7%**
Ratio of employees undergoing stress checks		99.0%	99.0%	100.0%	100.0%	**100.0%**
Ratio of high-stress employees (stress check)		12.4%	18.0%	14.6%	13.8%	**13.6%**
Engagement score (August/February)*3		–	45.3/48.6	51.6/46.5	51.1/50.8	**51.7/52.8**

*1: Calculated following the revision of the Ministry Order on the Act on the Promotion of Women's Active Engagement in Professional Life in FY2022. Female wage as % of male wage.
*2: Prescribed hours per day of the Company is seven hours, but hours in excess of the statutory working hours of eight hours per day are counted.
*3: Scores are for Takashima & Co., Ltd., on a non-consolidated basis until August 2023 and for the entire Group from February 2024 onward.

Data Section

Shares

Shares

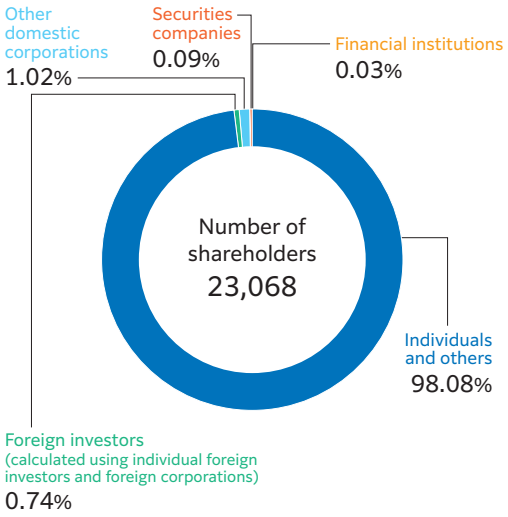
Total number of authorized shares	112,000,000
Total number of outstanding shares	34,071,534 (excluding 306,450 treasury shares)
Number of shareholders	23,068

Major shareholders (Top 10 shareholders)

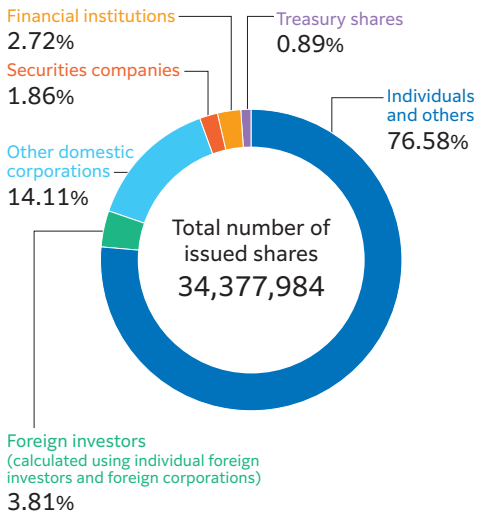
Name of shareholder	Number of shares held (Thousands of shares)	Shareholding ratio (%)
Takashima Trading-Partner Shareholding Association	4,678	13.73
Heiwa Corporation	1,520	4.46
Tokio Marine & Nichido Fire Insurance Co., Ltd.	825	2.42
Takashima Employees' Shareholding Association	580	1.70
Koichi Takashima	545	1.59
Seishoku Co., Ltd.	266	0.78
Yoshiharu Takashima	248	0.73
Kokichi Yamada	191	0.56
KYOWA CO., LTD.	178	0.52
Takashima Officers' Shareholding Association	172	0.50

Notes: 1. Shares have been rounded down to the nearest thousand shares.
2. Shareholding ratio was calculated using the total number of outstanding shares after excluding treasury shares and rounded down to two decimals.
3. The Company holds 306,450 treasury shares but is excluded from the above list of major shareholders.

Breakdown of the number of shareholders by investor type

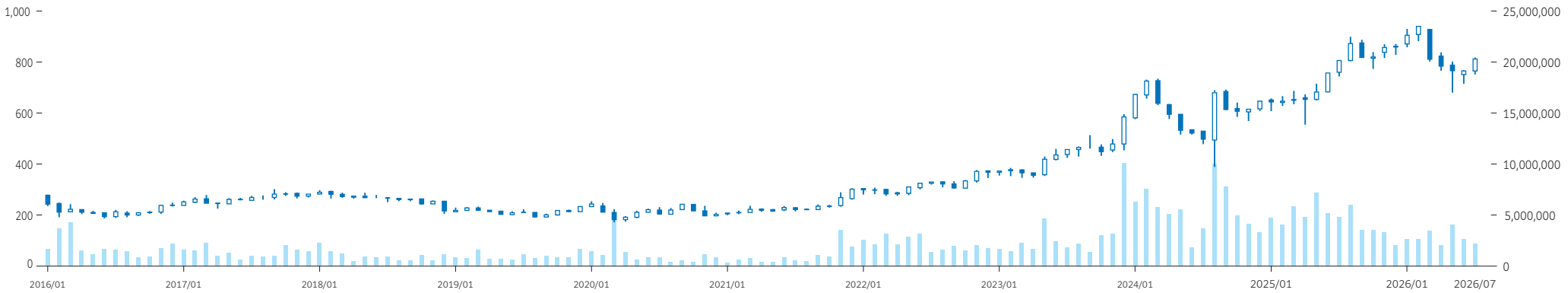


Breakdown of the number of shares by investor type



Changes in share price and trading volume

Left axis: Share price (Yen) Right axis: Trading volume (Shares)



Data Section

Company Profile

Basic information

Company name	Takashima & Co., Ltd.
Established	October 1, 1915
Share capital	¥3,801,274,262
Number of employees (consolidated)	1,200

Location of head office	2-2 Kandasurugadai, Chiyoda-ku, Tokyo, 101-8118, Japan
Fiscal year end	Once a year, March 31
Securities code	8007
Stock listing	Prime Market of Tokyo Stock Exchange
Financial Auditor	KPMG AZSA LLC

Group companies

* As of June 30, 2026

Consolidated subsidiaries

Name	Division	Description of major business	Location
Rest Corporation	Construction supply	Production and construction of toilet booths	Shizuoka-shi, Shizuoka
Gansui Corporation	Construction supply	Building foundation work, civil engineering work, ground surveys, design, and franchise business	Okayama-shi, Okayama
Naruto-SP Industries Co., Ltd.	Construction supply	Ground improvement work business	Osaka-shi, Osaka
Ando Co., Ltd.	Construction supply	Manufacturing and sales of reinforced concrete piles	Sakae-machi, Inba-gun, Chiba
New Energy Distribution System Inc.	Construction supply	Electrical design and installation work, fully-electric products and solar power generation systems, and installation work, electrical work, and sales of storage batteries	Onojo-shi, Fukuoka
Sanwa System Co., Ltd.	Construction supply	Sales, installation, and maintenance of solar power generation systems	Shinagawa-ku, Tokyo
Takashima Industries Co., Ltd.	Industrial materials	Design, processing, and sales of industrial textiles, plastic materials and plastic molded products, parts for rolling stock, environment-related products, etc.	Chiyoda-ku, Tokyo
TAKCEL Co., Ltd.	Industrial materials	Manufacturing and sales of plastic molded products	Tochigi-shi, Tochigi
HI-LAND Co., Ltd.	Industrial materials	Development, manufacturing, and sales of sewn products, design and processing of membranes, and sales of logistics materials for industrial and medical applications	Chiyoda-ku, Tokyo
Sinbou Edix Co., Ltd.	Industrial materials	Wholesale of environmental sanitation materials, disaster prevention supplies, etc.	Nagano-shi, Nagano
iTak International (Japan) Co., Ltd.	Electronic devices	Sales of electronic components and devices, and support for production technologies and quality control	Shinjuku-ku, Tokyo
iTak (International) Limited	Electronic devices	Sales of electronic components and devices, and support for production technologies and quality control	Hong Kong, People's Republic of China
iTak International (Shenzhen) Limited	Electronic devices	Sales support for electronic components and devices	Shenzhen, People's Republic of China
iTak International (Shanghai) Limited	Electronic devices	Sales of electronic components and devices	Shanghai, People's Republic of China
iTak International (Vietnam) Co., Ltd.	Electronic devices	Manufacturing and sales of electronic components	Dong Nai, Socialist Republic of Vietnam
iTak International (Thailand) Limited	Electronic devices	Manufacturing and sales of electronic components and devices	Bangkok, Kingdom of Thailand
iTak International (Malaysia) Sdn. Bhd.	Electronic devices	Sales of electronic components and devices	Penang, Malaysia

Entities accounted for using equity method

Name	Division	Description of major business	Location
Doryoku Co., Ltd.	Construction supply	Development of installation support structures for solar power generation systems	Anjo-shi, Aichi
HIT Engineering Co., Ltd.	Construction supply	Housing electrical construction business and smart house business	Chuo-ku, Tokyo
Green Cycle Corporation	Industrial materials	Recycling of used home appliances (four categories) and collection of metals (iron, copper, aluminum), plastics, glass, CFCs, etc.	Nagoya-shi, Aichi

Editorial policy

This Integrated Report contains information regarding the Group's sustainable growth. Through this report, the Company aims to convey information on not only its financial position but also its sustainability activities, approach toward value creation and other initiatives, and hopes that it will be used by stakeholders to deepen their understanding of the Group. This report has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated version and the Japanese original, the original shall prevail.

Applicable period

April 1, 2025 to March 31, 2026
Note: Some information pertains to events outside of this period.

Notes regarding forward-looking statements

The information presented in this report contains forward-looking statements, which include risks and uncertainties. Consequently, actual results may differ from the forward-looking statements due to a variety of factors.

Takashima corporate website

https://www.tak.co.jp/en/index.html

Video on Takashima

This video presents a concise overview of the Company, including its history and lines of business. Please watch it if you are interested in taking a few minutes to learn more about the Company.

