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

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Takashima Group's Value Creation

At a Glance

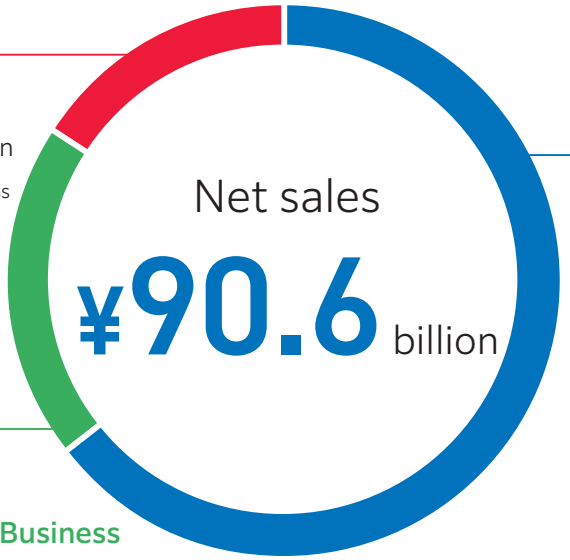
Supporting Takashima's present

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

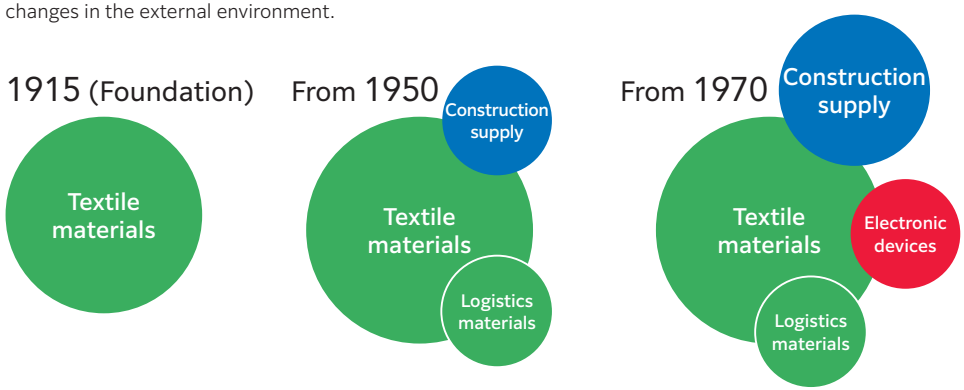
Employees with construction-related national qualifications
148

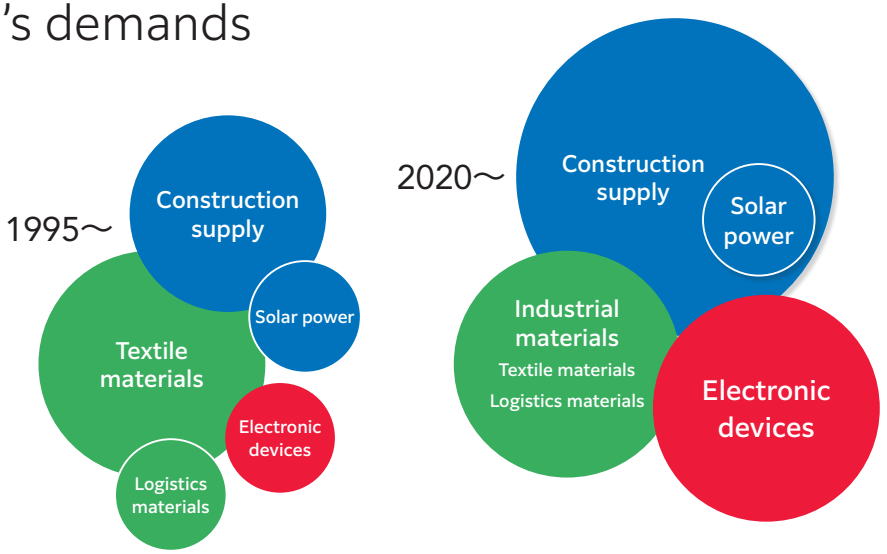
Takashima Group's Value Creation

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.



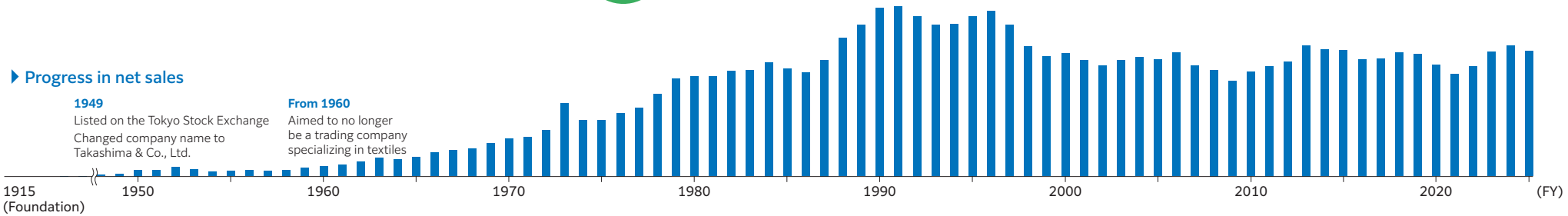


From 1993
Launched overseas business through TAK (HONG KONG)

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.

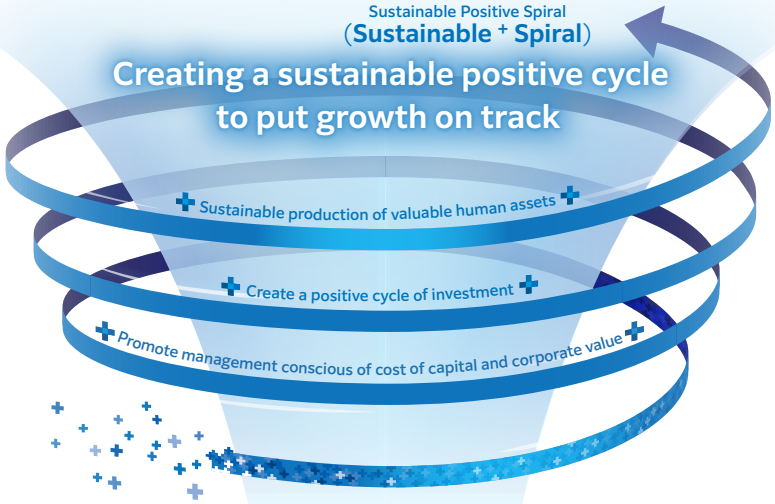
Although the four companies that joined the Group through M&A each have their own unique attributes and have achieved some level of results, goodwill amortization expenses are putting pressure on our profit from an accounting perspective, and it cannot yet be said that they have delivered significant 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

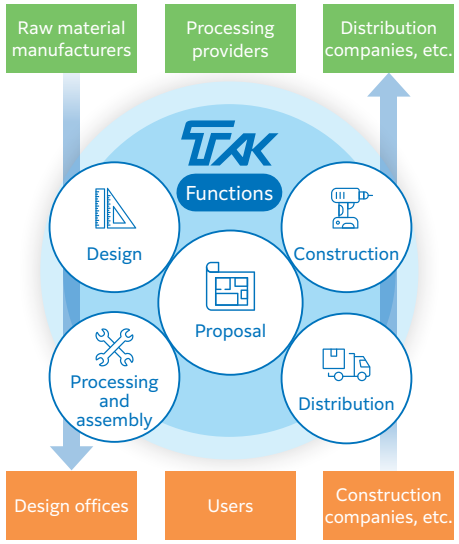
- Financial capital
- Manufacturing capital
- Intellectual capital
- Human capital
- Social capital
- Natural capital

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



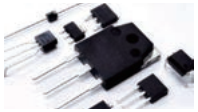
- Construction materials
- Housing materials
- Renewable energy materials

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"**

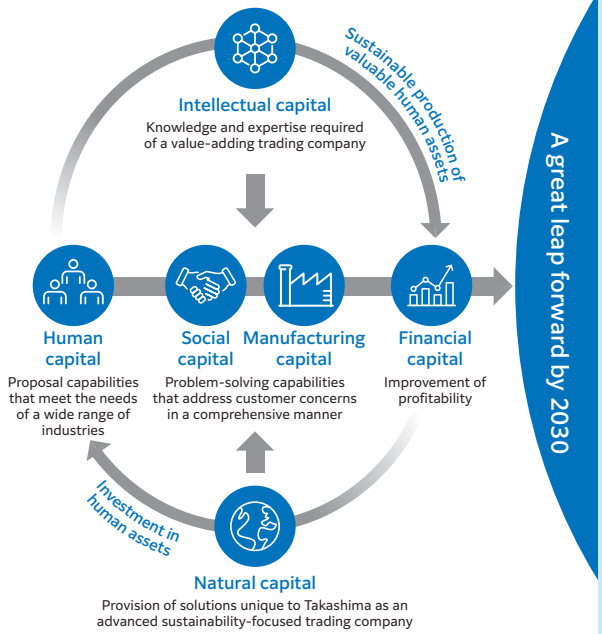
Takashima Group's Value Creation

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

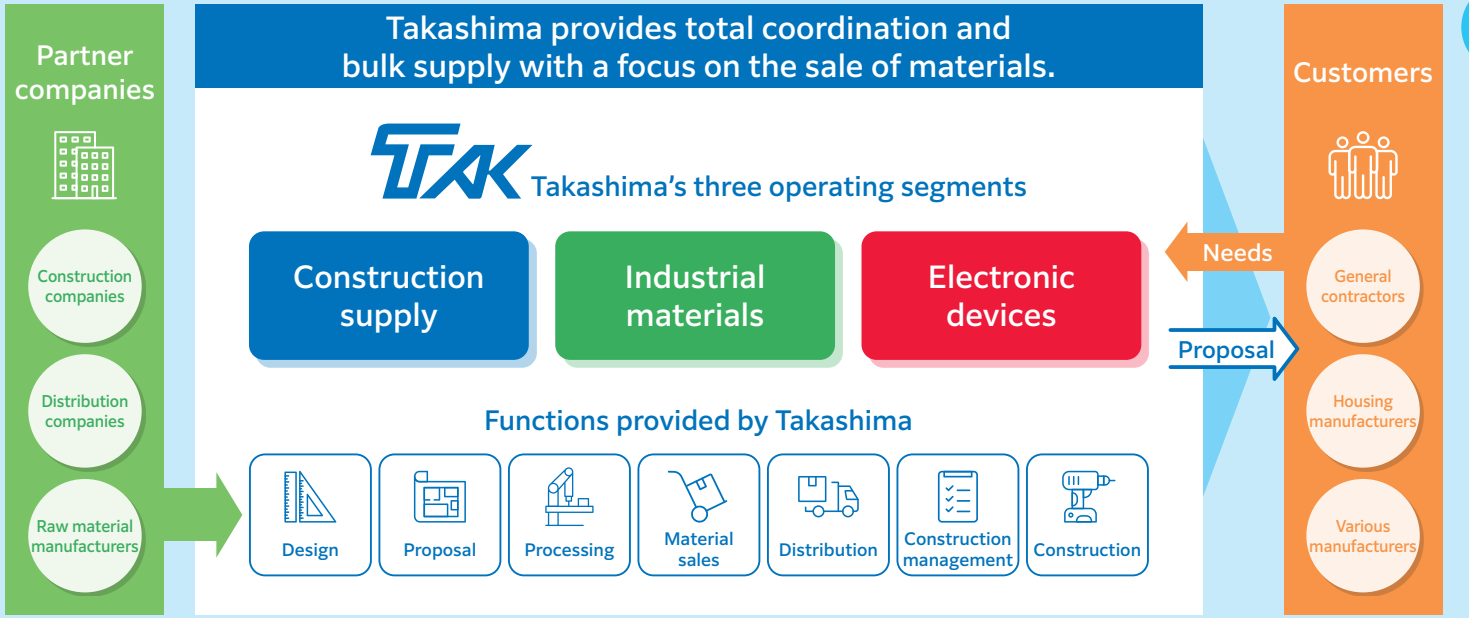
Response measures: Switch to power-saving electronic devices, reduce unnecessary electronic devices, and encourage power savings on an ongoing basis

* 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.



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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.