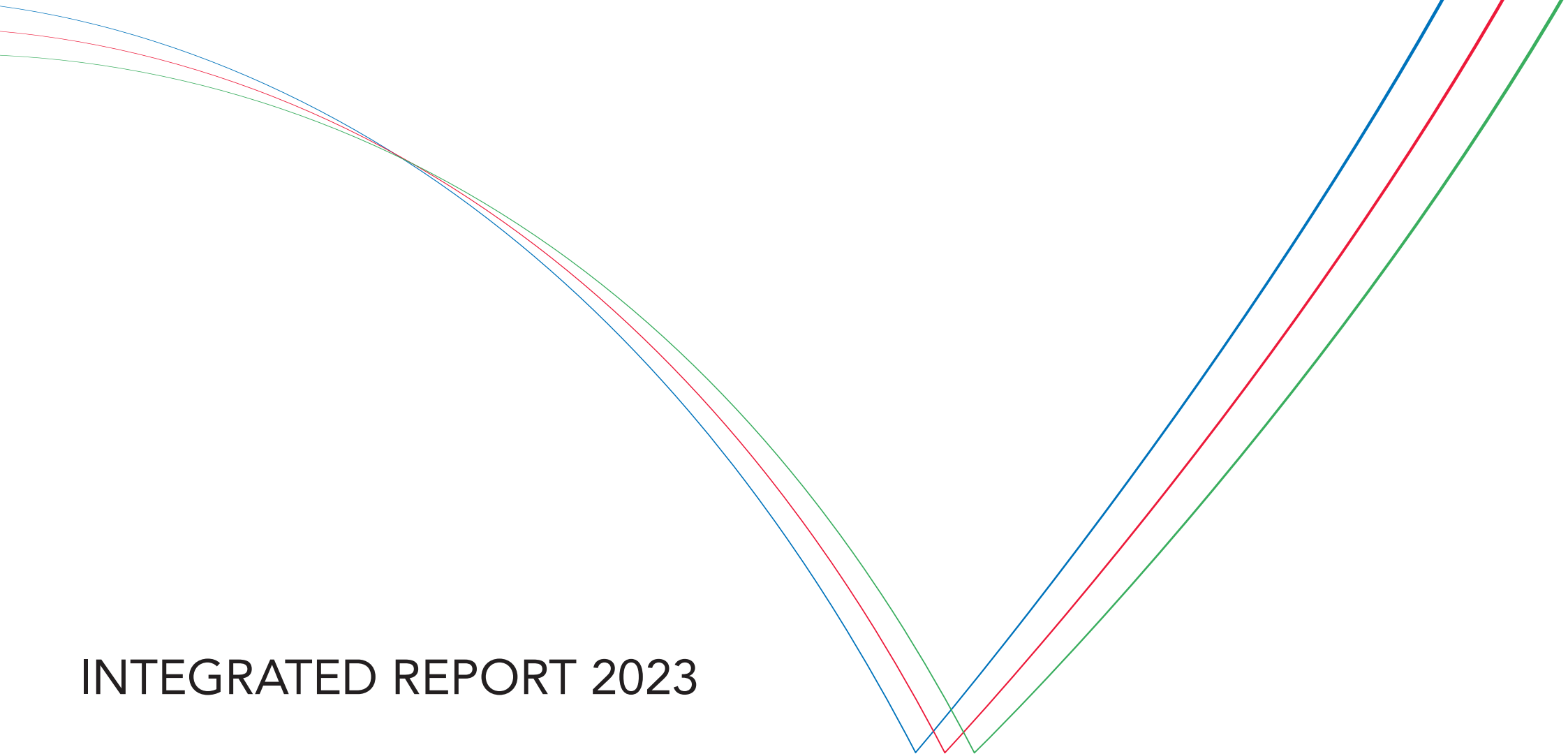


INTEGRATED REPORT 2023



Introduction



Our Company's DNA has been passed down for over 100 years since our founding

“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

Corporate Mission

Contribute to Society through Our Business Activities

Corporate Value

Integrity

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Corporate Philosophy

Contributing to society with original ideas and the Takashima Group's unique means

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.

To build up social trust and credibility, we must be honest in all aspects of our business.

Having each and every employee embody "Integrity" will lead to the achievement of our Corporate Mission.

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

History

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

The Company has evolved with the times into “non-textile,” a “multifaceted specialized trading company,” and an “advanced sustainability-focused trading company” from its 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 for further growth by utilizing our management foundation, which has come to its current state through the Group's long history, diverse human assets, and the ability to respond to changes to the external environment and crises in the internal environment.

Takashima's business

1915 (Foundation)

- Heavy fabrics (industrial textiles)



From 1950

- Industrial materials (plastic products, etc.)
- Construction supply
- Insulation

From 1970

- Electronic components
- Solar energy

Trading company specializing in textiles

Multifaceted specialized trading company

Takashima's course

1915

Established Takashimaya Shoten

1949

Listed on the Tokyo Stock Exchange
Changed company name to Takashima & Co., Ltd.

1960

With the aim of no longer being a trading company specializing in textiles, aimed to increase non-textile sales ratio to more than 50% of total sales

1966

Transitioned to the Second Section of the Tokyo Stock Exchange

1970

Returned to the First Section of the Tokyo Stock Exchange

Events in society

Period of modernization and postwar reconstruction

Period of high economic growth

1914

Outbreak of World War I

1923

Great Kanto Earthquake

1939

Outbreak of World War II

1964

Holding of Tokyo Olympics

1970

Holding of Japan World Exposition in Osaka

1974

First oil crisis

1979

Second oil crisis

Fiscal year

1915

1950

1960

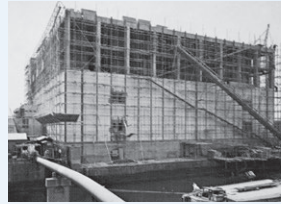
1970

History

Takashima's business

From 1999

- Construction supply
- Construction equipment
- ICS
- Solar energy
- Industrial materials
- Heavy fabrics
- Special procurement
- Facilities
- Electronics and devices
- Lifestyle goods



From 2005

- Sustainable system construction supply
- Customization
- i-Solutions
- Brands & fashion

Present

- Construction supply
- Industrial materials
- Electronic devices

Multifaceted specialized trading company

Advanced sustainability-focused trading company

Takashima's course

1985

Announced a Code of Conduct, "Autonomous, Innovative and Responsible"

1993

Established TAK (HONG KONG) Limited (currently iTak (International) Limited). Accelerated expansion in Asia.

1995

Established the Solar Energy Sales and Promotion Office

2008

Established iTak International (Thailand) Limited

2009

Started the medium-term management plan "Sustainability 11," which set sustainability as the basic policy

2022

Transitioned to the Prime Market of the Tokyo Stock Exchange

Events in society

Bubble boom and burst

IT bubble boom and burst

Increasing interest in environmental issues

1995

Occurrence of the Great Hanshin-Awaji Earthquake

2008

Global expansion of financial crisis due to bankruptcy of Lehman Brothers

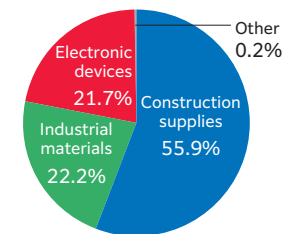
2011

Occurrence of the Great East Japan Earthquake

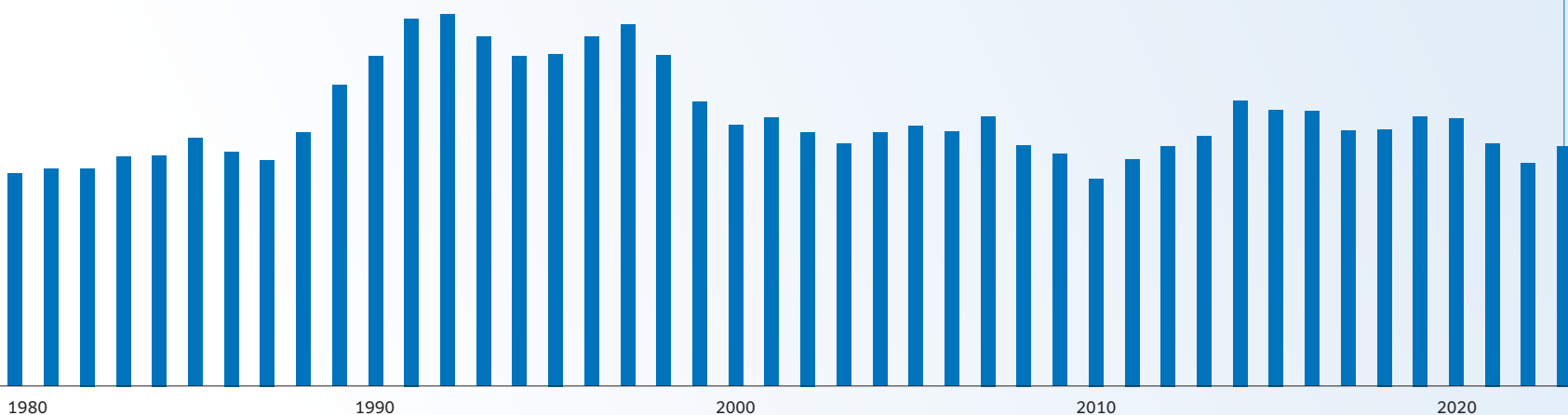
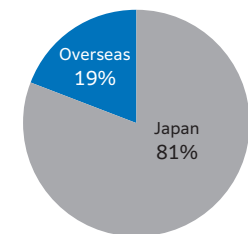
Fiscal year ended March 31, 2023

¥79,683 million

Composition of net sales by division



Composition of net sales overseas



Performance Highlights

FY2022
Net sales

¥ **79.68** billion

Up 7.6% YoY

FY2022
Profit attributable to
owners of parent

¥ **1.58** billion

Record high achieved

FY2022
ROE

8.3%

Up 1.1 points YoY

FY2022
ROIC

5.0%

Down 0.2 points YoY

FY2022
Composition of
net sales overseas

19%

Up 2.3 points YoY

FY2022
Total return ratio

54.3%

Achieved 50% target set in the plan for
meeting continued-listing criteria

FY2022
Cost of
shareholder's equity

6.3%

Up 0.1 points YoY

FY2022
WACC

3.9%

Down 0.1 points YoY

FY2021–FY2022
Investments

¥ **3.39** billion

Committed to more than ¥10.0 billion
under "Sustainability V"

FY2022
Equity ratio

36.8%

Down 4.1 points

As of March 31, 2023
Number of employees

1,010

Up 119 from the end of the previous
fiscal year due in part to M&A

As of March 31, 2023
Ratio of foreign managers

22%

Target of 30% by FY2025

Takashima's Value Creation

President's Message



It is the personal development of employees that is the driving force of improving corporate value.

Through the value-creation measures in the new medium-term management plan, we will guide the Takashima Group onto a growth trajectory.

▶ Recap of FY2022, perceptions of the business environment and state of management

Despite the highly uncertain business environment, we grew both sales and profits, achieving a record high for the latter.

FY2022 was the year in which a significant change in direction for the Takashima Group took place.

The business environment has been plunged into an era in which previous values and business approaches are no longer valid, as shown by the continuing impact from the COVID-19 pandemic and the shadow it has cast over society, division around the world as represented by the outbreak of the crisis in Ukraine, supply chain disruptions, and unprecedentedly sharp increases in raw material prices. For the Group, FY2022 was the final year of the three-year medium-term management plan "Sustainability X (Cross)." It was also a year in which we rapidly implemented a variety of measures in accordance with the plan for meeting the continued-listing criteria for new market segments, following the Company's use of transitional measures to select listing on the Prime Market of the Tokyo Stock Exchange following the stock exchange's market segment restructuring in April 2022.

Looking back at the past year, the issues that had the biggest impact were supply chain disruption and soaring raw material prices. This had an unprecedented effect on the business activities

of the Group. The Group, which is engaged in intermediate distribution, is exposed to rapidly changing gaps between supply and demand. Accordingly, it was a year that tried our nerves as we had no option but to take such steps as passing on the increases in purchasing costs to selling prices.

As a result of implementing these measures, we recorded increases in investments in human assets, M&A costs, expenses incurred by the resumption of operating activities after the COVID-19 pandemic, and costs associated with the renewal of core operations systems, but these were absorbed by increases in net sales and gross profit and we succeeded in achieving year-on-year growth in operating profit. We also sold investment securities with the aim of reducing shares held as cross-shareholdings, leading to a record high in profit attributable to owners of parent.

▶ Summary of "Sustainability X (Cross)" and progress in initiatives based on the plan for meeting the continued-listing criteria

We achieved solid results in every item of the medium-term management plan.

We also began initiatives oriented towards enhancing capital productivity.

First I will summarize "Sustainability X (Cross)." This medium-term management plan was an attempt to mix Group's diverse

Koichi Takashima

President and Representative Director

Takashima's Value Creation

President's Message

human assets and capabilities in the three mainstay businesses of construction supplies, industrial materials, and electronic devices, with the aim of realizing changes in the business structure and portfolio to enable sustainable growth. In FY2022, we also implemented two M&A deals in the form of the acquisitions of New Energy Distribution System Inc., which performs electrical design and installation work, and of Sinbou Edix Co., Ltd., which is a wholesaler of environmental hygiene materials, disaster mitigation goods, and other products. I believe that these two M&A deals represent a major step forward that will steadily contribute to the sustainable growth of the Group.

During the "Sustainability X" plan we executed three key strategies, which were the "DANTOTSU Strategy [Becoming our customers' best of the best]," "Developing unshakable cost competitiveness through improvements in productivity," and "Strengthening corporate governance."

Under the "DANTOTSU Strategy [Becoming our customers' best of the best]" we sought to become the best in the three fields of energy saving solutions, weight saving solutions, and labor saving solutions, while expanding the business scale and enhancing capabilities.

Under the "Developing unshakable cost competitiveness through improvements in productivity" strategy, we deployed new core systems. This is a SaaS-type system using cloud services, and

via the Core Operations Renewal Project that we started when we began the deployment, we have begun fundamental reforms of our operational processes. As we have only just begun this initiative, we have a mountain of issues, and we will continue to move forward with this within the framework provided by the new medium-term management plan "Sustainability V (Value)" that started in FY2023. However, this will provide a foundation for promoting the DX strategy going forward, and we will make every effort to provide a bird's eye view and visualizations of all our businesses with the aim of further improving productivity.

In terms of "Strengthening corporate governance," we made steady progress in complying with Japan's Corporate Governance Code. In addition to tackling sustainability management under the guidance of the Sustainability Committee established in January 2022, we have also made progress in improving the effectiveness of the Board of Directors, strengthening IR activities, such as by enhancing disclosure in English, and reducing shares held as cross-shareholdings.

By business, initiatives such as those to strengthen our construction functions bore fruit in construction supplies, leading to a rise in orders and steady net sales and gross profit and we succeeded in growing both sales and profit. We have seen signs of a recovery in the solar power generation systems-related business, and expect solid growth from this core business going forward. The greatest driver of growth has been electronic devices. Our strategy of acquiring new customers and increasing share has generated results and led to record high profit, and I expect further growth to come from global expansion. For industrial materials, on the other hand, which recorded lower sales and profit, we are at the beginning stages of the transformation, and will further intensify our approach of concentration and selection, and reconfirm in which areas the Takashima Group should enhance and exert its capabilities going forward.

We set a numerical target of ¥1.3 billion in profit attributable to owners of parent for "Sustainability X (Cross)," but since we nearly achieved this in just the second year of the plan period, we revised this upward to ¥1.4 billion for the final fiscal year. We actually

achieved ¥1.58 billion in profit attributable to owners of parent in FY2022, which was a record high.

Next, I will discuss our measures based on the plan for meeting the continued-listing criteria and the progress we have made thus far.

We are working to improve "tradable share market capital" and "trading value," which were non-compliant, by switching away from the previous approach of "sound management" to one of "sustainably growing company." This is based on implementing the five basic initiative policies of "promoting capital allocation policy," "pursuing sustainable profit growth through investment returns," "enriching shareholder returns," "establishing IR system," and "complying with Japan's Corporate Governance Code." The target level for trading value was already achieved. Although tradable share market capital remains non-compliant as of March 31, 2023, we have made investments in the strategic areas of future-looking businesses and actively expanding businesses, while retaining an awareness of capital efficiency. I expect that steadily promoting the M&A and Post Merger Integration (PMI) we have conducted will create new value and in turn enhance corporate value, contributing to an increase in tradable share market capital. As for shareholder returns, we are aiming to achieve a total return ratio of 50% by implementing a consolidated dividend payout ratio of at least 40%, and by taking a flexible approach to acquiring and canceling treasury shares. In the fiscal year ended March 31, 2023, we paid a dividend of 170 yen per share, resulting in a dividend payout ratio of 47.9% and a total return ratio of 54.3%.

I believe that those initiatives have been reflected in the share price, but going forward I feel that it is extremely important to devise concrete measures to achieve the switch from "sound management" to "sustainably growing company" while continuing to convey an easily understood message to investors, and actively creating opportunities for dialogue. Although we succeeded in stabilizing our financial position over the past 10 years, one point that requires reflection is that the decline in capital productivity led to the capital markets being unable to award an appropriate assessment to the Company. By working to enhance earning power and capital productivity in accordance with the plan for meeting the continued-listing criteria, I intend for the Company to meet the expectations of shareholders and investors going forward.



Takashima's Value Creation

President's Message

▶ Key points and sustainability management of the new medium-term management plan

Through the new medium-term plan, we will guide the Takashima Group onto a steady trajectory of sustainable growth.

The new medium-term management plan "Sustainability V (Value)" running to the fiscal year ending March 31, 2026, which was announced in March 2023. With our eyes on the goal of realizing a carbon-neutral society by 2050, our aims under the plan are understanding changes in market growth opportunities and providing the necessary service functions and solutions to target markets, and helping to achieve a sustainable society while simultaneously achieving sustainable growth. During the period of the previous medium-term management plan "Sustainability X (Cross)," we focused on the strategic reconfiguration of the business portfolio and on building a variety of foundations for growth in finance, organization, human assets, governance, and other areas. However, in the new medium-term management plan "Sustainability V (Value)," the new theme is how well we are able to shift the Group on to a growth path. In formulating the plan, we engaged in profound internal discussions on the areas in which the Group could generate future growth, and on which areas the Group could contribute to realizing a sustainable society. In addition, as the COVID-19 pandemic nears its resolution, our focus on preparing for the transition to a carbon-neutral society by 2050 has led to a gradual clarification of which areas will see rising demand. Consequently, as a value-adding trading company that provides the necessary functions and solutions to target markets, the Group will make a significant shift in the direction of promoting "energy saving" and "labor saving" initiatives that will contribute to the building of a sustainable society going forward. By targeting the promising future markets that lead to the saving of energy and labor, we will discover new needs and issues, and become a value-adding trading company, or to put it another way, a provider of solutions. Furthermore, we will also drive the evolution of the organization in response to ongoing market changes. We will continue this virtuous cycle. Despite the theme of promoting

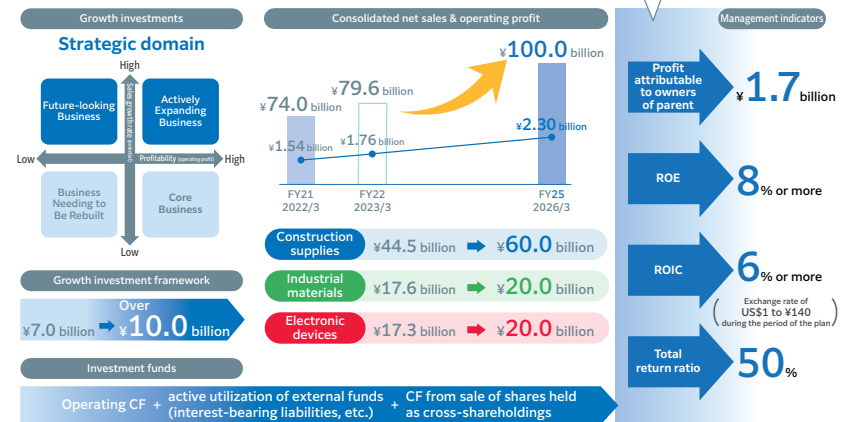
energy savings to achieve self-sufficiency in energy in Japan, there have been some situations in which it has not been easy to make progress in implementing such measures, but the priority they have been assigned is rising sharply due to the current rampant increases in energy costs.

The recent intensified labor shortages and the increased attention being paid to establishing appropriate working environments has led to an acceleration of the need for labor-saving measures. I believe that focusing on and providing solutions for these two areas of needs is an important mission of the Group.

For example, in terms of "energy saving," the Company has a business track record of over 60 years in insulation, and nearly 30 years of experience in the area of solar power generation systems, which is a form of renewable energy. Our solutions capabilities, which are based on this experience of changes in markets and industries, and related achievements, are now starting to bear fruit. There are many other such examples, and business opportunities based around the keywords of "energy saving" and "labor saving" are growing in niches unique to Takashima in each of our businesses, including such areas as construction supplies, industrial materials, and electronic devices.

We have set numerical targets for the new medium-term management plan of ¥100.0 billion in consolidated net sales, ¥2.3 billion in operating profit, and ¥1.7 billion in profit attributable to owners of parent, as well as ROE of at least 8%, ROIC of at least 6%, and a total return ratio of 50% in the final year of the plan. This means utilizing cash flows from each business and external funds to raise profit attributable to owners of parent and ROE. I perceive these to be transitional objectives that the Group must necessarily achieve as it focuses on its future. Having said that, our approach is not to achieve the targets focused solely on increasing net sales. Rather, it is important to achieve genuine and sustained growth in profits, backed by a sustainable competitive advantage.

Management indicators and financial policy



The energy solutions business has experienced an unavoidable slump due to the inability to provide the products and services we had intended, which in turn was caused by the difficulties arising from the supply chain disruption of the past few years. With these supply problems now moving towards resolution and market needs intensifying further, the business is now on a recovery trend. Moreover, we expect the synergy generated through our acquisition of New Energy Distribution System Inc. to enable significant evolution in this area. By combining that company's nationwide installation network for solar power generation equipment and storage batteries for residential use, with the nationwide sales network that the Group has developed throughout the whole of Japan, we believe that we can further enhance the capabilities of the Takashima Group. With regard to Sinbou Edix Co., Ltd., we take a proactive approach to PMI going forward, in order to raise the probability of enhancements in corporate value.

In addition, we have set a framework for growth investment of more than ¥10.0 billion, and will execute investments in strategic areas where we expect a high rate of growth, and in human

Takashima's Value Creation

President's Message

assets. This growth investment framework should by no means be taken as an upper limit, and we will engage in intensive internal discussions on what the Group should do, and respond flexibly to circumstances. What is important is to continue to invest, and I feel it is crucial that we drive a cycle of value creation to enable growth over the medium to long term. There may be considerable changes in the business environment ahead, and we will respond promptly to these while maintaining our momentum at all times. We will also take a more active approach to investments in human assets. The Group has grown by always developing capabilities from a point close to the front line, and there are always business opportunities on the front line. We will continue to invest in human assets and in establishing appropriate working environments so that employees working on the front line are able to discover as many business opportunities as possible.

It is the second year of our efforts to strengthen our IR activities, and I have increasingly come to appreciate its importance. We are making steady progress in establishing an IR system, which includes enhanced information disclosure, but no matter how convincing the language we use, if it is not accompanied by results then investors will not rate us any more highly. This is a point that I have taken to heart, and we are focused on improving communication with individual investors, and further brushing up our IR system.

Sustainability is an important issue that we have been engaged in for more than 20 years, based on our belief in ourselves as an advanced sustainability-focused trading company. However, thinking on sustainability is changing rapidly along with the approaches and initiatives being required of companies. The Group has been listening carefully to the demands of society, and its response includes endorsing the recommendations of the TCFD, disclosing TCFD information, and implementing measures for SDGs. As we go forward, I will ensure that we pursue sustainability initiatives that are suitable for the Group, and carry out them properly.

▶ Enhancing corporate value by supporting the personal development of human assets

Providing support to all employees' growth based on "career-type human assets" Personal development of employees raises corporate value.

I believe that the most important resource for the Group, as it seeks to achieve sustainable growth, is its human assets. And my view is that the growth of the Group is an extension of the growth trajectory of all of those human assets. During the previous medium-term management plan, the Company implemented reforms of its personnel system. With regard to the personnel system, although the argument is generally about whether to transition from a "membership-type" to a "job-type" approach, the Group has introduced a "career-type" approach that belongs to neither category. This is a system that blends management capabilities and expertise, so that the employee becomes the manager of their own career. The essence of this approach is that "everybody is the president of themselves," and each and every employee are in a starring role. The Company's role is to provide support for this.

This approach also provides the basis for succession planning for the management team.

With regard to enhancing management capabilities, we have defined the four requirements for managers (the president), and candidates for the next management executives are evaluated based on their suitability with respect to these definitions. The first is the ability to realize the corporate mission (Vision). For their various areas of responsibility, candidates are required to explain the *raison d'être* and social mission, and clearly express an exciting vision and aspirations for the future, as well as hammer out a course of action. The second is *progress × fit* (Design). This is the ability to create a value-creation story based on an appropriate timeline, and to generate results while enlisting the participation of those around them. The third is "Integrity." This is the ability to

display unwavering values, beliefs, and trustworthiness both inside and outside the Company. The fourth is the ability to align the direction for the whole company (Communication). While using tools that have been updated to suit the organization, candidates must align the direction for the organization, and foster a culture that enables *progress × fit*.

With regard to the development of human assets, a unified approach of honing management and expertise capabilities in one's role in order to build one's own career has been instilled in everybody from employees to candidates for management executive.

I believe that the development of our human assets, who are our most important resource, is what creates business that contributes to the realization of a sustainable society, and that this is what will lead to ongoing improvements in the corporate value of the Takashima Group.

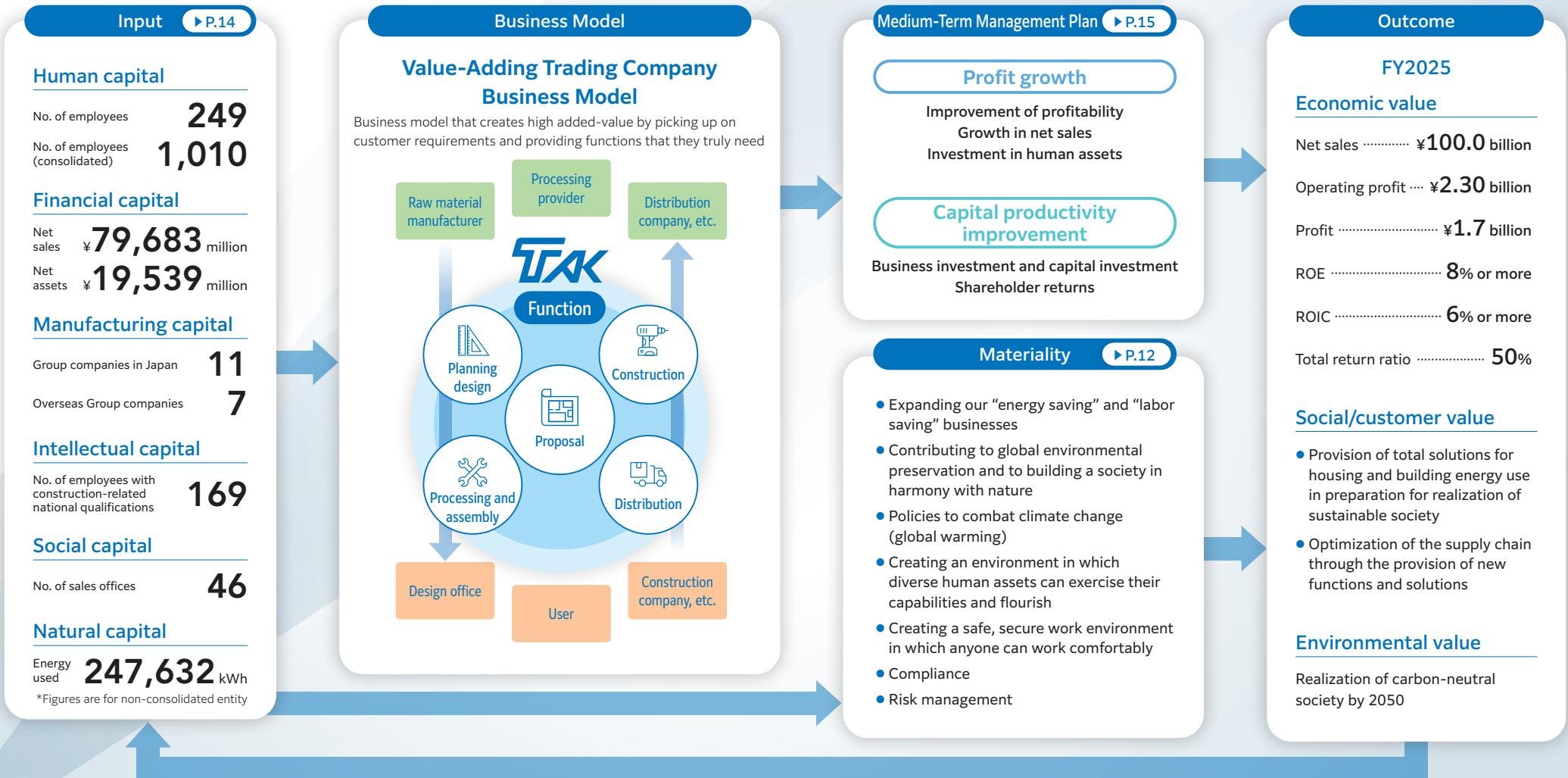
There is a great deal to look forward to with regard to the growth of both the people and the business of the Takashima Group.



Takashima's Value Creation

Value Creation Process

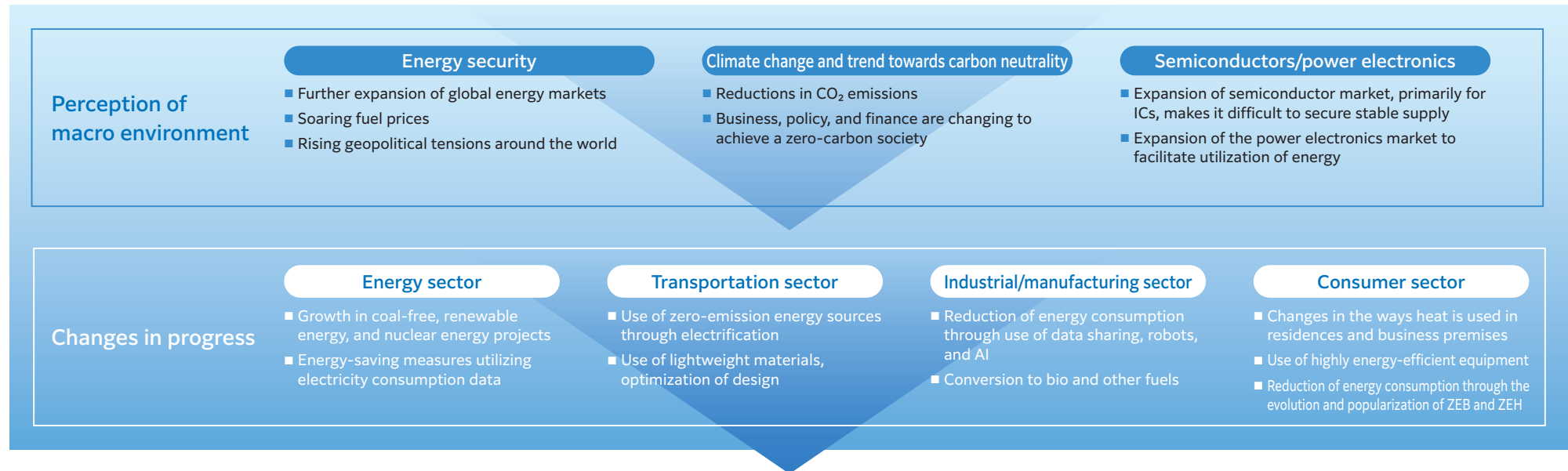
In the spirit of *progress × fit*, the Takashima Group has developed its business by creating value in collaboration with customers, pursuing customer value without fear of change. We have consistently created value as a trading company that picks up on customer requirements, allocates management resources appropriately, and uses original ideas to provide functions and solutions that customers truly need. With materiality-oriented management, we will pursue the creation of new value we set in the goal of the medium-term management plan "Sustainability V (Value)" through the formulation of strategies that take advantage of market growth opportunities.



Takashima's Value Creation

Perception of the Business Environment

The global megatrends of measures to address climate change as part of preparations for a carbon-neutral society, and labor shortages caused by declining populations, and lower birth rates and aging society, have become important social issues. In addition, the spread of COVID-19 has resulted in society as a whole changing in significant and complex ways. The business environment in which the Company operates is changing at an accelerating rate in tandem with these social changes. In particular, against the background of issues associated with energy usage, we are currently seeing increasingly rapid growth in demand for the energy saving and labor saving functions that we have cultivated as an advanced sustainability-focused trading company.



Provide value in the form of energy saving/labor saving functions

Strategic field

Growth in renewable energy-related businesses

Solar panels, electricity storage systems, V2H, rapid chargers for EVs

Growth in energy saving businesses

Insulation material, energy-saving devices, modularization and assemblies

Adapting to environment

Logistics materials for EVs and precision equipment

Growth in labor-saving businesses

Building materials and labor-saving construction methods that meet fireproofing, insulation, and earthquake resistance standards

Takashima's 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.

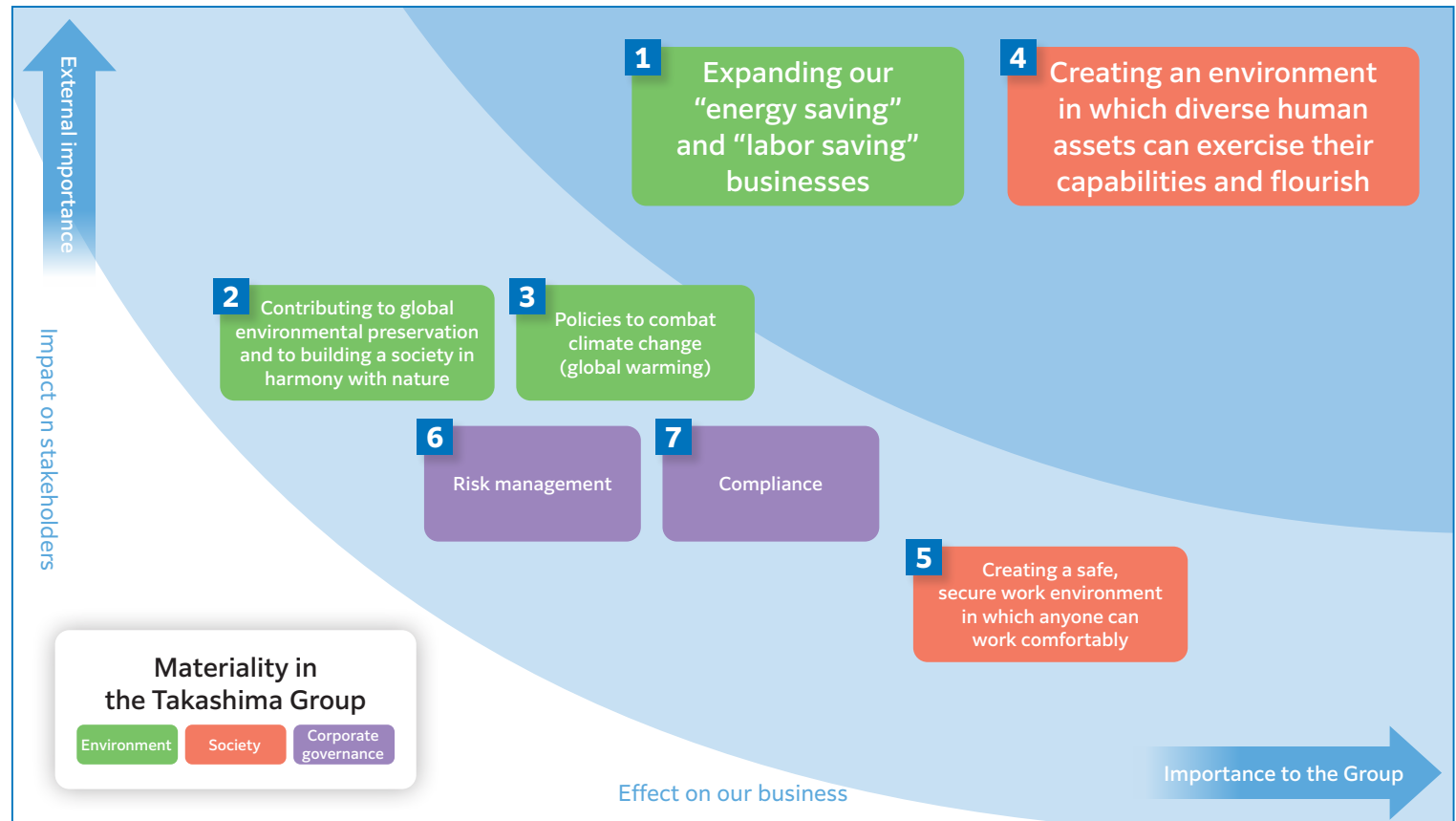
Contribute to a sustainable society through business management based on the **seven** materialities

1 Contribute to a sustainable society through value creation in strategic fields

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

4 Investment in the people who are the bedrock of the Group's business

Focused investment in human resources who will promote growth strategies that drive the growth of each business, and career-oriented human resources development that supports the sustainable growth of the Group.

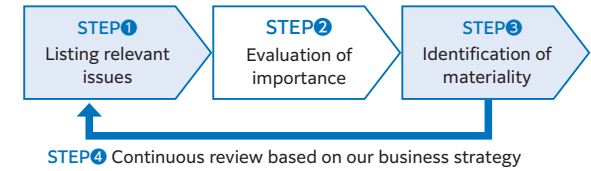


Takashima's Value Creation

Materiality

► Materiality identification process

- 1 We have listed relevant issues that consider the Group's business environment and that refer to international frameworks and standards.
- 2 Of the relevant issues identified, the Sustainability Committee has discussed and evaluated the importance for the "level of importance" to our stakeholders and society and the "level of effect" on the Company's business.
- 3 Items evaluated as having high importance are identified as materiality, and a plan for initiatives is being formulated while organizing and assigning priorities to the issues.
- 4 We conduct continuous evaluations in the event that materiality requires review while considering our business strategy.



► Basic approach to materiality

Environment

Expanding our "energy saving" and "labor saving" businesses

Since the start of 2000, the Group has considered ourselves an advanced sustainability-focused trading company and positioned "energy saving," "weight saving," and "labor saving" as important fields, and these fields are now becoming the Company's strengths.

During the formulation of the medium-term management plan "Sustainability V," we considered the sectors on which we should place even greater emphasis, and took the decision to specialize in energy saving and labor saving areas. In order to fulfill the corporate mission of "Contributing to Society through Our Business Activities," we have designated the saving of energy and the saving of labor as two supporting pillars of the business. Going forward, we will respond to market needs by expanding sales of energy saving products that address the goal of realizing a carbon-neutral society, and by expanding sales of labor saving products that address market needs in an aging society with a declining birthrate.



Contributing to global environmental preservation and building a society in harmony with nature

In addition to complying with relevant environmental laws and regulations and ISO14001, 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 believe that there is a risk 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 on humankind of climate change 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. The Company has begun to calculate the amount of greenhouse gases emitted in the course of its business activities, and will gradually increase the number of business locations included in these calculations.



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 HR management strategy was formulated as part of the medium-term management plan "Sustainability V," in accordance with which we will take steps to visualize the human capital of the Group, expand the number of people able to promote the growth strategy, and nurture the managers of the next generation.

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.



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 are moving forward with the formulation of necessary policies to promote workers taking various leave, 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.



Corporate governance

Compliance

Takashima is committed to "Integrity" at all times.

The credit that we have accumulated 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 irreplaceable credit.

That said, impropriety such as compliance violations which do not align with our corporate value of "Integrity" greatly damage credit in the Company. Damage to the credit in the Group from society, our business partners, and our employees means that the most important thing to the Group has been lost, not only short-term losses, but also large losses in the medium- to long-term. In creating "credit and trust," the core of our business, legal and regulatory compliance is our highest priority. 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.



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.



Takashima's Value Creation

The Six Types of Capital

In the spirit of *progress × fit*, the Takashima Group has fulfilled its corporate mission of “Contributing to Society through Our Business Activities,” capturing changes in society and in demand, and achieving growth by continually changing in order to provide unique value based on its original thinking, while resolving 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.

Financial capital

Net sales

Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023
¥74,054 million	▶	¥79,683 million

Net assets

Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023
¥18,477 million	▶	¥19,539 million

Manufacturing capital

Group companies in Japan

Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023
9	▶	11

Overseas Group companies

Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023
7	▶	7

Intellectual capital

No. of employees with
construction-related national qualifications

Fiscal year ended March 31, 2023

169 (Non-consolidated)

As a value-adding trading company, the Company offers installation capabilities. 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.

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

Human capital

No. of employees

Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023
243	▶	249

No. of employees (consolidated)

Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023
891	▶	1,010

Social capital

No. of sales offices

Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023
33	▶	46

The Group operates at 46 offices throughout Asia, including Japan. At the Company's 46 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

Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023
236,304 kWh (Non-consolidated)	▶	247,632 kWh (Non-consolidated)

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.

Growth Strategy

Medium-Term Management Plan “Sustainability V (Value)”

► Goals

The aim of “Sustainability V (Value)” is for the Group to adapt to a sustainable society while simultaneously achieving sustainable growth, which it will accomplish by creating value through the formulation of a strategy to take advantage of growth opportunities in markets as they change in response to the Japanese government’s goal of realizing carbon neutrality by 2050.

► Recap of the previous medium-term management plan “Sustainability X (Cross)”

Under “Sustainability X (Cross),” we expected the creation of significant value as a result of diverse human assets independently blending (“cross”-ing) their functions in accordance with the three priority measures set out in the plan, which were “DANTOTSU Strategy [Becoming our customers’ best of the best],” improvements in productivity, and strengthening corporate governance. We promoted a policy of shaping and expanding the functions of the Company, and strove to bring about shifts in the portfolio and in the structure of the business with the aim of establishing a foundation for growth.

We designated energy saving, weight saving, and labor saving as strategic areas to which in the Company will provide its services and solutions, and presented a variety of offerings in these areas.

By building and strengthening solutions and services for each segment, we more or less achieved the initial target for profit attributable to owners of parent of ¥1.3 billion in the second year of the plan, and recorded a new record of ¥1.585 billion in profit for the fiscal year ended March 31, 2023, which was the final year of the plan.

Moreover, following the restructuring of the Tokyo Stock Exchange’s market segments during the period of the medium-term management plan, the Group made a sharp change of direction away from “sound management” and towards “sustainable growth management” in the plan for meeting the continued-listing criteria for the Prime Market that we formulated in November 2021. An investment limit of ¥7.0 billion was also set as a means to facilitate active investments, and we implemented two M&A deals.

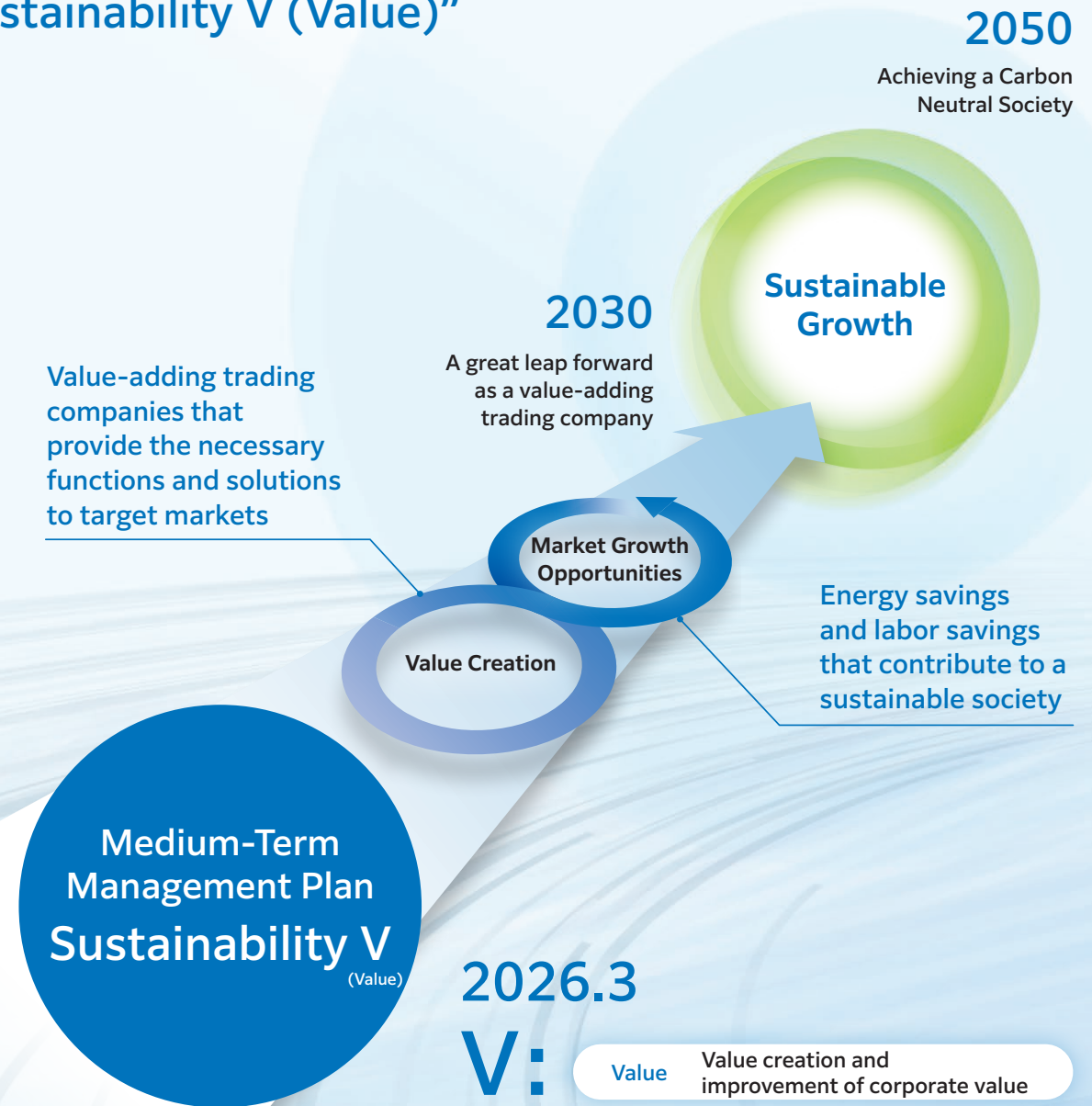
► Positioning of “Sustainability V (Value)”

The medium-term management plan “Sustainability V” that began in April 2023 is based on the five basic policies to which we committed in the plan for meeting the continued-listing criteria, while also clarifying growth investment and other strategies.

“Sustainability V” further refines the strategic areas set out in “Sustainability X” to which we will provide services, with the aim of creating new value for the shift to energy savings and labor savings.

Our goal is to achieve sustainable growth by formulating strategies that take advantage of the growth opportunities that arise from energy-saving needs against the background of issues associated with energy consumption, and from emerging market needs for labor savings.

Under “Sustainability V,” we seek to enhance margins through business portfolio management that takes the growth potential and profitability of markets into account, and thus achieve profit growth. At the same time, we have increased the investment limit to more than ¥10.0 billion, and by taking an active approach to investments and implementing shareholder returns that take capital efficiency into consideration, we aim to improve capital productivity and enhance corporate value.



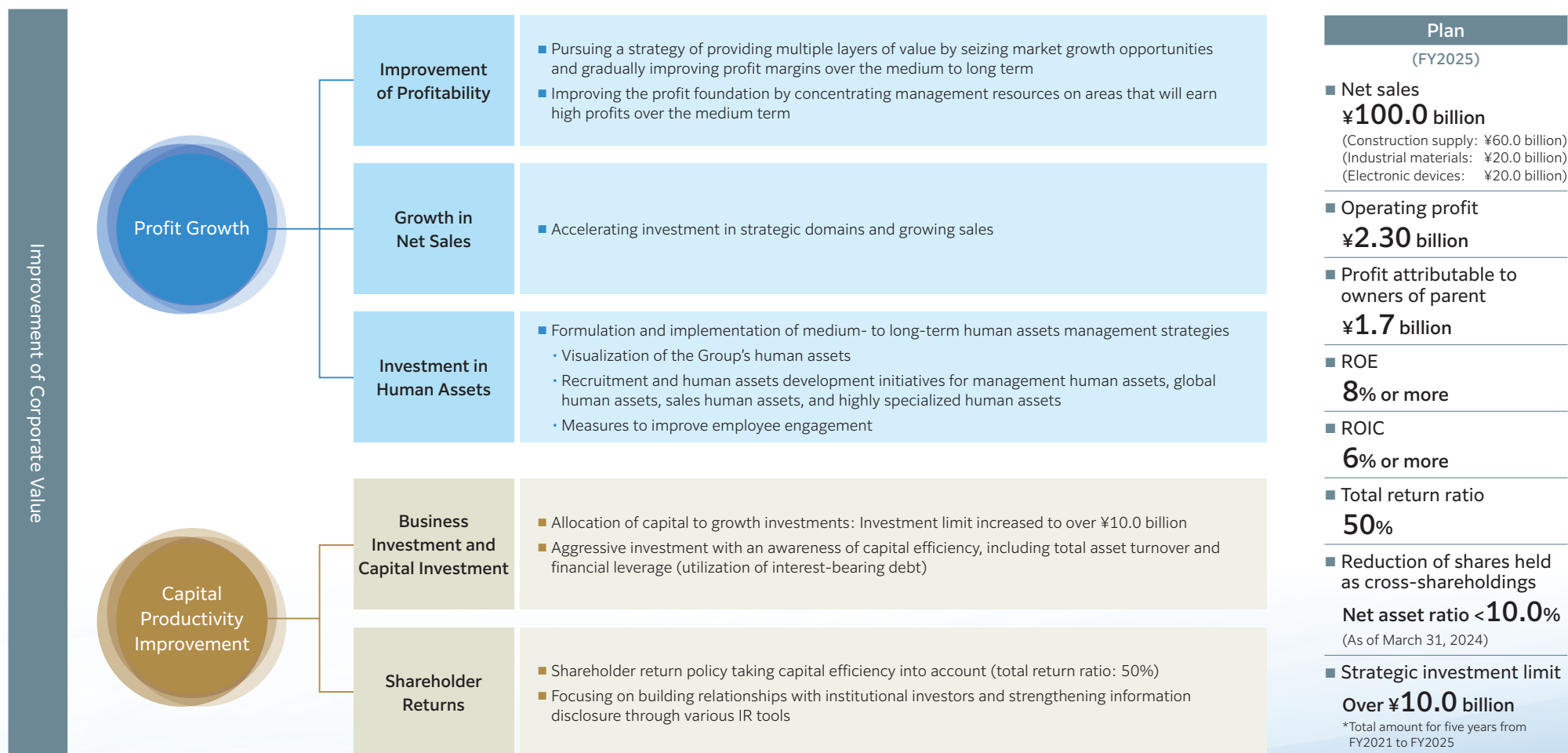
Growth Strategy

Medium-Term Management Plan "Sustainability V (Value)"

► Basic policy

Under "Sustainability V (Value)," our basic policy is to achieve profit growth and improvements in capital productivity, which lead in turn to enhancements in our corporate value.

In accordance with this basic policy, we will strive for steady progress in the medium-term management plan, and consistently create value unique to the Takashima Group. By continuing to contribute to the building of a sustainable society, we aim to generate a virtuous cycle of sustainable enhancements in corporate value, and put the Group on a sustainable growth trajectory.

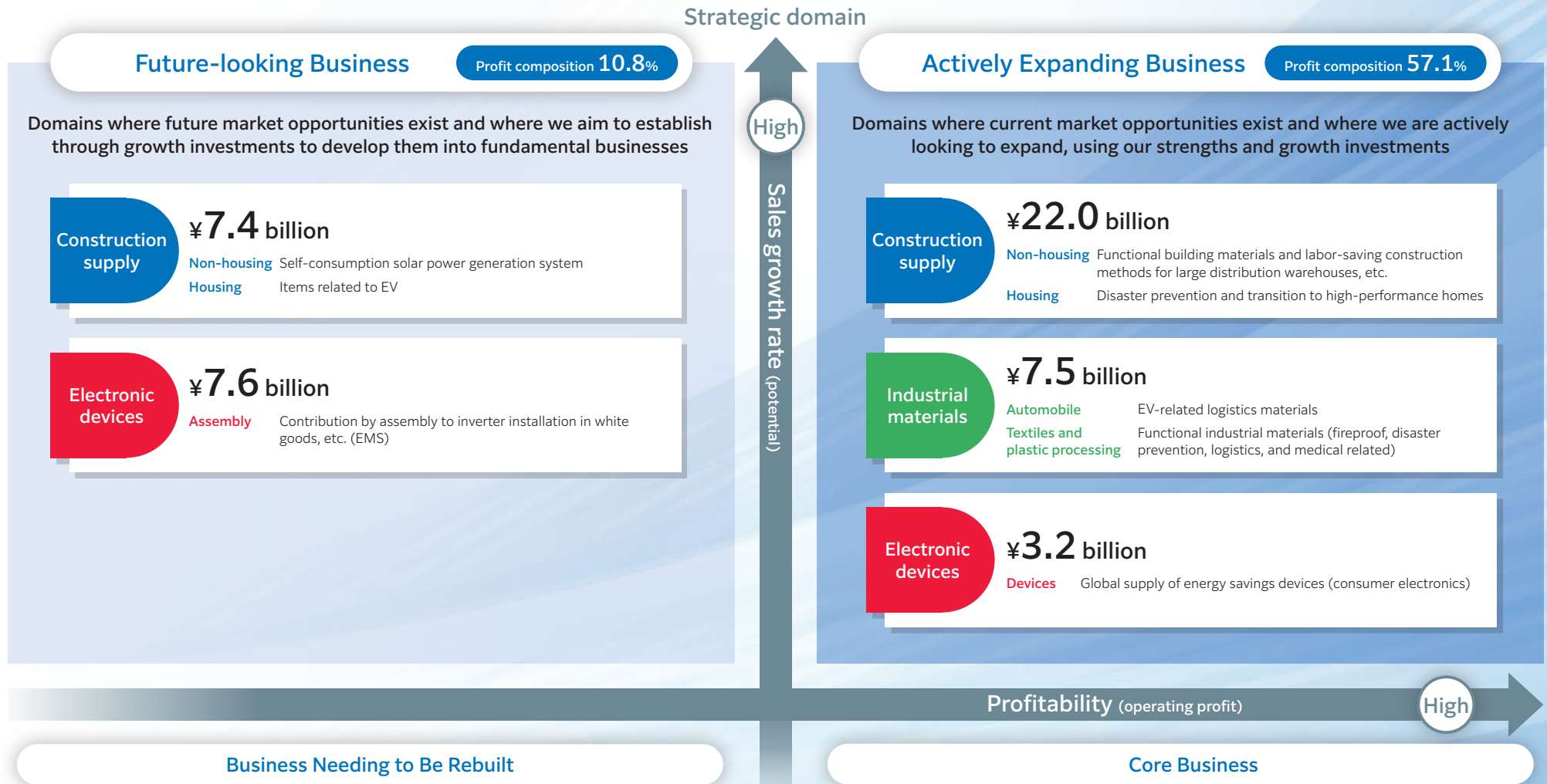


Growth Strategy

Medium-Term Management Plan "Sustainability V (Value)"

► Strategic domain

For the business portfolio we have arranged net sales growth rate/growth potential on the vertical axis and profitability/operating profit on the horizontal axis, with the focus on improving both growth and profit potential. The strategic areas in which the Company will focus going forward have been designated as the actively expanding businesses in the top-right quadrant and the future-looking businesses in the top-left quadrant.

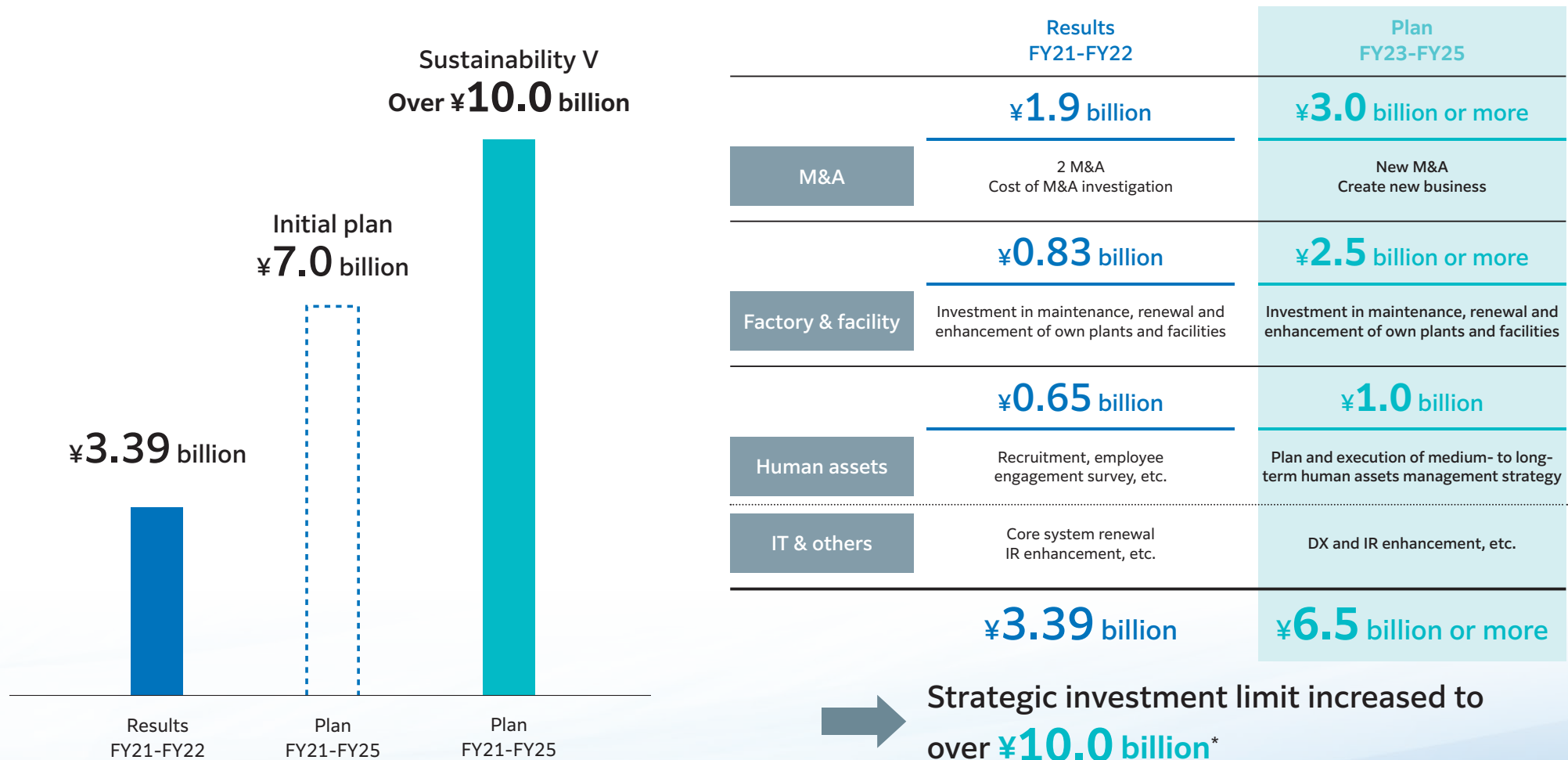


Growth Strategy

Medium-Term Management Plan "Sustainability V (Value)"

► Investment strategy

Taking into account the progress toward the strategic investment limit that was set out in the plan for meeting the continued-listing criteria for new market segments, for "Sustainability V" we have expanded the amount from the initial ¥7.0 billion to total of more than ¥10.0 billion, in order to invest in strategic areas and human assets.



* Revisions disclosed on November 14, 2022 (Notification of updates to "Plan for Meeting the Continued-Listing Criteria for New Market Segments" and "Progress Report Based on A Plan to Meet the Continued-Listing Criteria of Tokyo Stock Exchange (TSE) Prime Market")

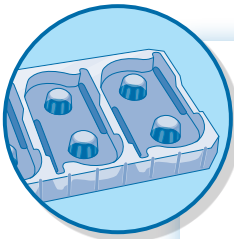
Overview of Takashima's Business

Takashima in the Distribution Warehouse

► Creating social value through our business

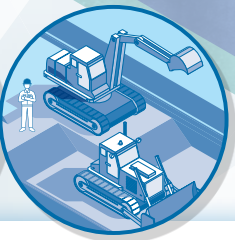
In recent years a variety of social issues have become apparent, including climate change and energy problems. Takashima is contributing to the resolution of these social issues through business activities that target energy savings and labor savings, particularly following the COVID-19 pandemic, which 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 onwards.

Energy savings / labor savings



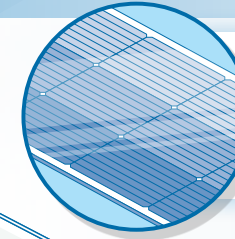
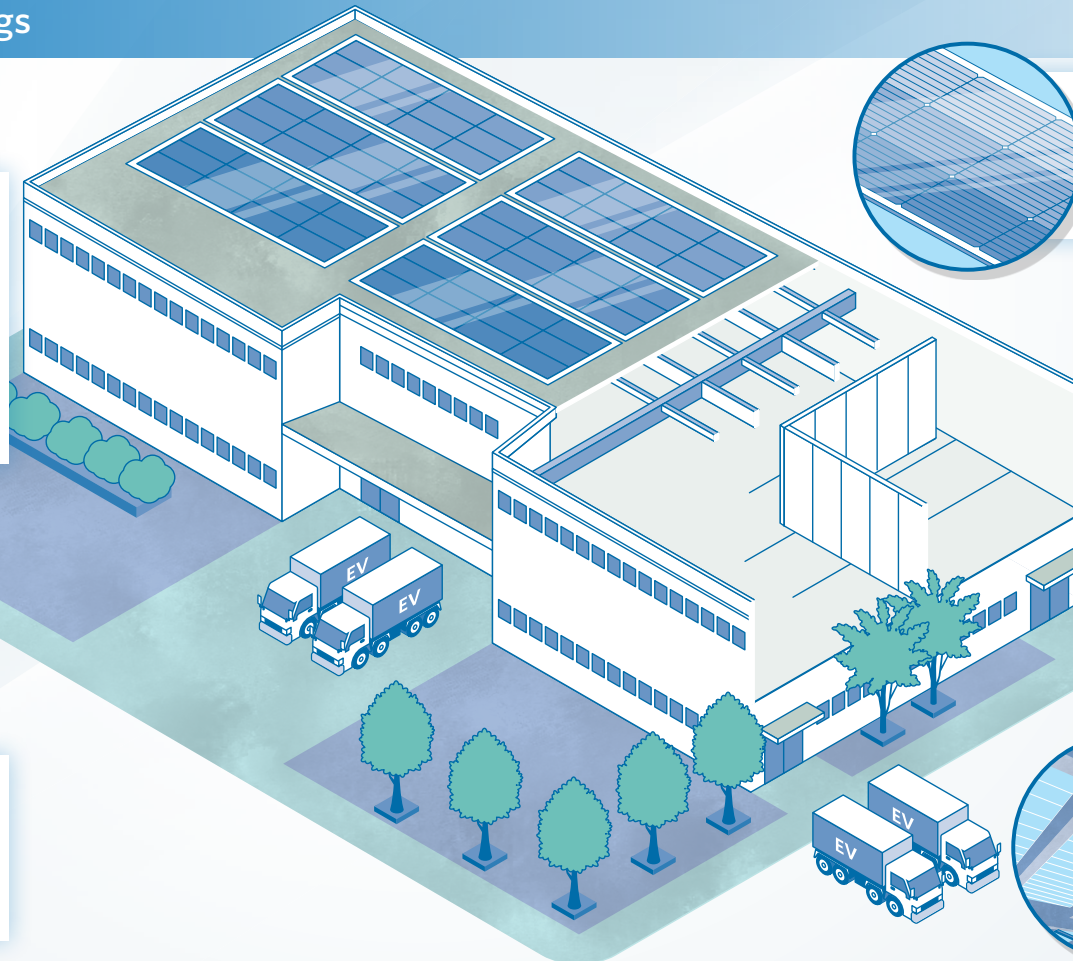
Plastic trays for transportation of parts

We contribute to energy and labor savings throughout the supply chain by proposing the optimal industrial packaging products for use as transportation and shipment materials, tailoring them to the customer's process lines and applications.



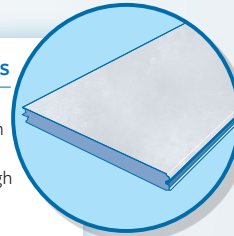
Pile-driving/foundation improvement work

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



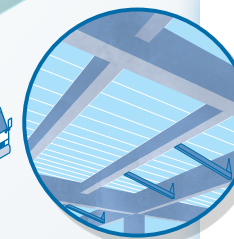
Self-consumption solar power generation systems

We contribute to energy savings 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.



Winding fire-resistant covering materials

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

Overview of Takashima's Business

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.

Energy savings / labor savings

► Spotlight topic

New Energy Distribution System Inc.



In December 2022, we made New Energy Distribution System Inc. (NEDS), which operates a nationwide installation network, into a consolidated subsidiary

<Objectives>

1. Enhance services offered to the growing renewable energy market
2. Establish a competitive advantage by transforming our business model from traditional wholesale to construction-integrated

1

Solar energy systems

The use of electricity generated by solar power generation systems contributes to energy savings.

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 energy savings.

3

V2H

We contribute to energy savings 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.

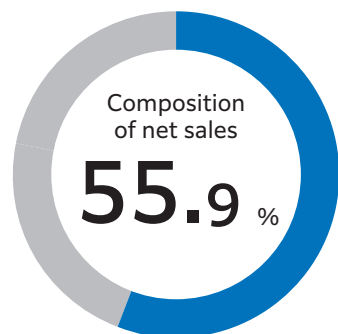
4

Carports

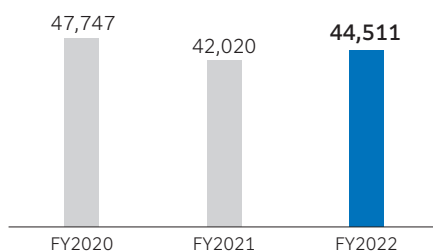
We contribute to energy savings by broadening the use of renewable energy while making efficient use of land through the installation of solar power generation systems on the roof of carports.

Overview of Takashima's Business

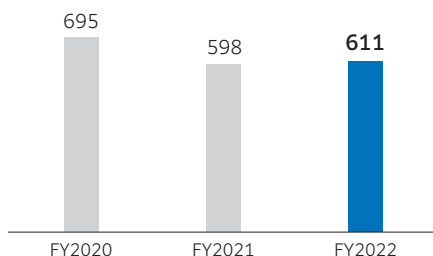
Construction Supply Division



Net sales (Millions of yen)



Operating profit (Millions of yen)



Description of business

The Construction Supply Division, which consists of the Company and four Group companies*, handles a variety of products related to construction and building. These include wall materials, piles, 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, New Energy Distribution System Inc., 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, we have strengthened our functions such as processing, distribution, and system provision, and enhanced functions that assist customers as a "value-adding trading company."

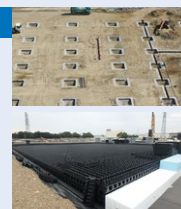
Strategy going forward

One of the cornerstones of the business strategy for the Construction Supply Division is strengthening capabilities in the areas of processing, distribution, and construction. New Energy Distribution System Inc., which joined the Takashima Group in December 2022, is a company that provides construction services to the renewable energy industry, and its addition to the Group has without doubt strengthened our capabilities in this area. Providing a one-stop service for proposals, processing, distribution, construction, and other capabilities not only adds significant value for the customer but also leads to an enhanced presence in the industry.

Looking ahead to the advent of an environmentally friendly, carbon-neutral society, we will further enhance services tailored to customer needs, and strive to expand existing business areas, such as the renewable energy-related market, and advance into closely related to our existing business.

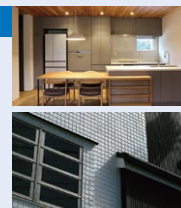
Construction materials

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.



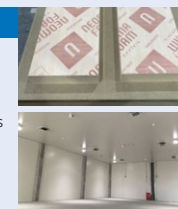
Housing materials

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.



Insulation materials

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, as well as offering a wide range of high-performance insulation materials and techniques for residential buildings. In residential, by offering a full-precut service 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.



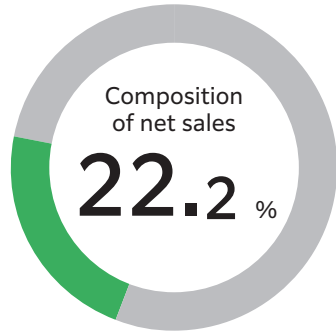
Renewable energy materials

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 V2H and solar carport products, and can provide solutions on a national scale.

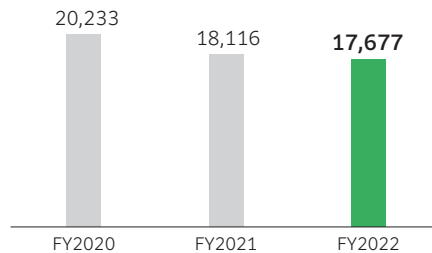


Overview of Takashima's Business

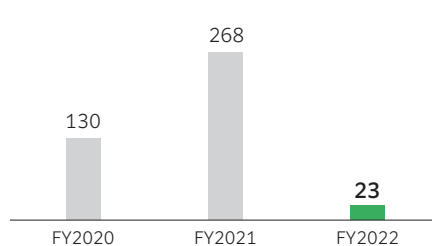
Industrial Materials Division



Net sales (Millions of yen)



Operating profit (Millions of yen)



Description of business

The Industrial Materials Division consists of the Company and six Group companies*, and handles a diverse range of products, including the textile materials that were the founding business of the Company, plastic parts, and functional materials. The Company and its Group companies collaborate in the design, manufacturing, processing, and sales, to provide multiple layers of value to customers.

* Hi-Land Inc., CLS Corporation, TAKCEL Co., Ltd., Takashima Robot Marketing Co., Ltd., Sinbou Edix Co., Ltd., etc.

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

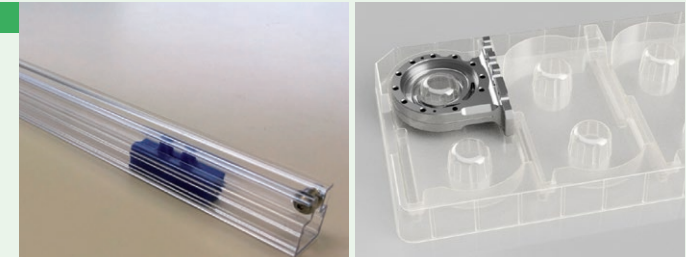
One of the cornerstones of the business strategy for the Industrial Materials Division is strengthening its capabilities in the areas of manufacturing, proposals, design, and processing. Furthermore, by strengthening its cooperation with Group companies that have diverse functions, the Group will work together as one to provide multiple layers of value to customers.

We have also designated EV-related logistics materials and functional industrial materials (related to fire-resistant, disaster-prevention, logistics, or medical) as growth themes going forward. By generating synergies with Shinbo Edix Co., Ltd., which joined the Group in December 2022 and has strengths in the area of disaster prevention, we seek to drive growth for the business as a whole.

Plastics-related materials

We handle a broad range of materials and products from synthetic resin to environmentally friendly resin, provide manufacturers with molded plastic trays for packaging of manufactured parts (for transportation between processes and when shipping, etc.), and design, assemble, and offer compound processing functions for internal and external materials (based on the keywords of energy savings and labor savings) used in rolling stock. In addition, 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.

Moreover, Group company TAKCEL Co., Ltd. manufactures and sells plastic molded products, focusing on general industrial products such as automobile and electronics, while also investing in the medical products field in recent years.



Textiles-related materials

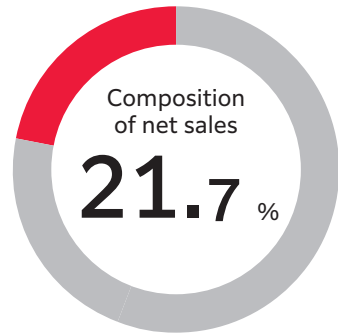
We sell textile materials, including the heavy fabrics (industrial textiles such as synthetic canvas, ornamental tents, truck canopies, etc.) that was the founding business of the Company, as well as selling textile products for container bags and the Ministry of Defense, and proposing OEM production of apparel products to major retailers in Japan.

Furthermore, Group company Hi-Land Inc. develops, manufactures and sells sewn products, CLS Corporation both sells and exports various materials for bags, satchels, shoes, gloves and other items using artificial leather, synthetic leather, etc.

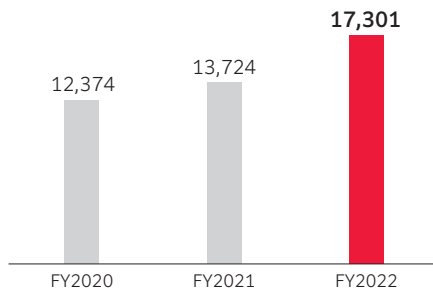


Overview of Takashima's Business

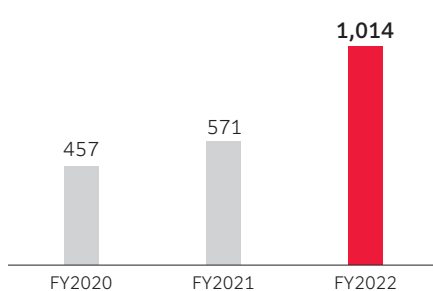
Electronic Devices Division



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 conducting 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 proactively as a single business unit through strong cooperation between each site 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.

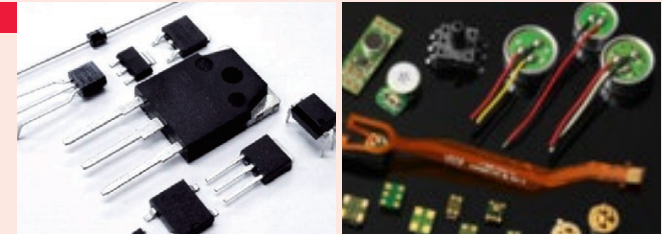
Strategy going forward

While providing comprehensive support in the areas of procurement, technology, and quality to carefully selected local Asian manufacturers of electronic components that are competitive on price, the iTak Group will focus on expanding sales in the global market. The iTak Group will further deepen its relationships with Japanese manufacturers while strengthening the development of new customers among non-Japanese manufacturers, mainly in Asia, Europe, and the U.S., through its business of PCB mounting and custom component manufacturing centered on its own plant, as well as through component sales and international procurement.

During the period of the medium-term management plan "Sustainability V," we will also expand investment in the plants in Thailand and Vietnam, with the aim of strengthening the production structure.

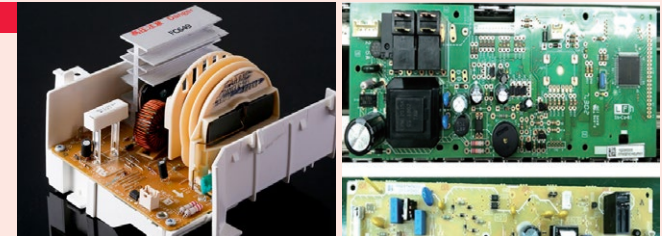
Devices

We provide LCD displays 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. We have also established our own plant in Vietnam for production of LCDs, and are strengthening our in-house manufacturing capabilities.



Assembly

Utilizing our own plant in Thailand, our 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.



Sustainability at Takashima

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 heightening employee job satisfaction and boosting employee engagement.

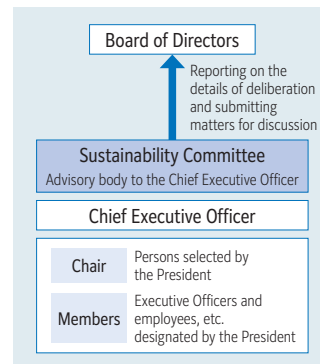
- We seek to strengthen our corporate governance while also engaging in sound risk management and compliance practices.

We seek to strengthen our corporate governance by engaging in transparent information disclosure and communications, while aiming to generate co-creation value with our stakeholders.

► Sustainability framework

Purpose Since our 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, to promote sustainability initiatives, on January 1, 2022, we established the Sustainability Committee.



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

Topics

Introduction of engagement surveys

Because the Group's most significant capital resource is "people," we believe that increasing the value of our human capital and creating and maintaining work environments in which anyone can comfortably work serve as an essential element of the Group's sustainable growth.

With that in mind, the Company embarked on an employee engagement survey initiative in August 2022, in seeking to boost employee engagement premised on the notion that heightened engagement (levels of mutual understanding and reciprocal appreciation between companies and their employees) culminates in greater value of the Group's human capital, which by extension contributes to sustained enhancement of its corporate value. We have administered the engagement surveys twice thus far, with the plan-do-check-act (PDCA) cycle serving as the fundamental approach of the initiative. Engagement survey implementation entails releasing survey findings in-house, identifying potential improvements resulting in heightened employee engagement as inferred from survey findings, sharing details on such potential improvements with employees, and drawing up an action plan incorporating specific improvement measures looking toward the next round of engagement surveys. We seek to boost employee engagement through these efforts with the aim of increasing the Group's human capital value and corporate value. We intend to administer the engagement surveys twice per year, in principle, in order to regularly gauge the extent to which employee engagement has improved.

Formulation of Smart & Smile Biz Guidelines

In April 2023, we began implementing our Smart & Smile Biz initiative, having assigned the name "Smart & Smile Biz" to initiatives we are taking to implement Japan's "Cool Biz" and "Warm Biz" (the Japanese government's campaigns that encourage casual clothing at work) year-round with the aims of promoting energy savings and improving working conditions, underpinned by our motto of "spread happiness by wearing smart business attire."



Sustainability at Takashima

Sustainability

► 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, with an awareness among all our employees that “society and the economy cannot be sustainable without protecting the global environment,” the Company conducts sound business activities that proactively consider global environmental preservation.

Action Guidelines

1. We strive to be an eco-friendly company, and promote energy and resource savings through our business operations.
2. Regarding waste processing in our manufacturing activities and construction and the creation of noise, odors, and dust in our production processes, while complying with environmental laws and regulations and other required items agreed to by organizations, we have established our own management standards and work to prevent environmental pollution through continuous improvement.
3. Proactively promoting carrying product groups that are environmentally friendly and product groups that contribute to improving environmental pollution.
4. Standardizing environmental management systems, setting and implementing environmental goals and targets, conducting regular reviews, and working toward continuous improvement.
5. To improve understanding of environmental policy and awareness of environmental preservation, we create awareness among and educate all employees.
6. We make environmental policy available to the public through corporate website and company brochures.

Topics

Endorsement of Task Force on Climate-related Financial Disclosures (TCFD) recommendations

We established the Sustainability Committee in 2022 with the aim of comprehensively promoting sustainability initiatives and have otherwise been redoubling our efforts in this regard in part by identifying key issues (materiality) for the promotion of sustainability. Having endorsed the TCFD recommendations in February 2023, the Company has been assessing and managing climate-related risks and opportunities based on the TCFD recommendations and its framework, and will accordingly continue to increase its corporate value over the long term and contribute to a sustainable society.



Gradually initiating efforts to measure Scope 1 and 2 greenhouse gas (GHG) emissions

The Company has been gradually initiating efforts to measure the Group-related facilities' GHG emissions that fall under the emissions derived from gas, gasoline, and electricity used by Group companies at each facility as part of its initiatives aligned with the TCFD recommendations and its framework. The Company furthermore intends to successively expand the scope of coverage with respect to such initiatives.

Rationale in calculating GHG emissions of Takashima & Co., Ltd. (non-consolidated) using FY2022 as the base year

Scope 1

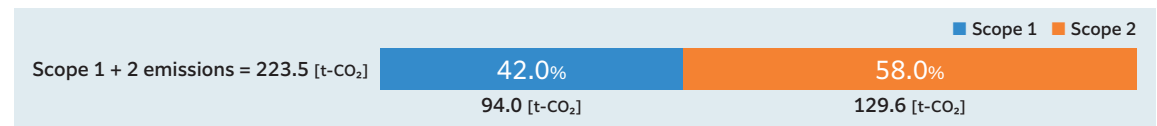
Gasoline consumption (company fleet only)



Scope 2

Electric power usage (invoiced basis) × standard emissions under each electric power plan

Confirmation of calculated GHG emissions results (Scope 1 + 2)



FY2022 actual results for GHG emissions (market-based for Scope 2)

Categories	Type of energy	Takashima								
		Head Office	Osaka Branch Office	Nagoya Branch Office	Hokkaido Office	Tohoku Office	Kyushu Office	Chugoku Office	Shikoku Office	
Scope 1	Gasoline	94.0	9.4	13.1	16.6	8.2	10.4	18.0	10.7	7.5
Scope 2	Electric power (market-based)	129.6	56.4	25.2	17.9	5.3	1.8	8.3	6.3	8.3
Scope 1 + 2 (market-based)		223.5	65.8	38.3	34.5	13.5	12.3	26.3	17.0	15.8
Scope 1 + 2 (location-based)		201.4	63.1	29.3	27.2	12.5	12.1	27.3	15.8	14.2

Sustainability at Takashima

TCFD

Governance

The Company recognizes our response to climate change as an important management issue. 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 the details evaluated at the Sustainability Committee are deliberated and reported as necessary at Board of Directors meetings.

In the Construction Supply Division that is the covered business, we have a system which places those responsible for promoting sustainability (including climate change) and we reflect climate change-related points in business strategy and business promotion.

Meeting bodies and other systems	Roles and responsibilities
Board of Directors	Oversight of climate change response
Sustainability Committee	Preparing guidelines and plans related to sustainability including climate change response, deciding important items, and promoting initiatives for key issues

Strategy

Impact of climate change on the Company's business

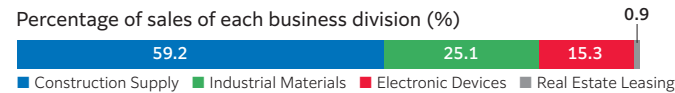
The world is experiencing constant damage from abnormal weather, and if sufficient measures are not taken, that damage will further intensify, and there is the risk of damage on a global scale. Given these conditions, the Paris Agreement that took effect in 2016 established long-term targets to limit the average rise in global temperature to well below 2°C compared to pre-industrial levels and to make every effort to limit it to 1.5°C.

As the world begins to take action to realize the scenario of a less than 2°C increase in global temperature, the Company sees this move as both a risk and an opportunity, and the Sustainability Committee is evaluating indicators to act as concrete behavioral guidelines and targets.

The Company's strategy under our envisioned scenarios (scenario analysis)

1. Selection of the covered business

Our main business, the construction supply business in Japan (made up 59.2% of sales in FY2020 results)



Composition of the covered business

Segment	Field	Main products and services
Housing	Renewable energy materials	Solar energy systems, storage batteries
	Insulation materials	Insulation materials
	Housing materials	Cladding, housing and facility equipment, interior materials
Non-housing	Construction materials	Cladding, foundation pillars, foundation improvement construction methods, fire-resistant coverings

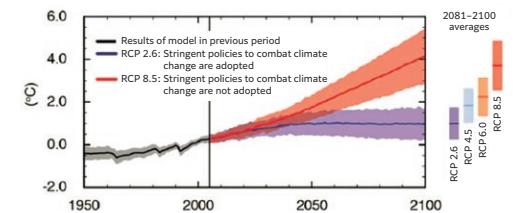
	Definition of the scenario groups	Results of scenario analysis
2°C scenario (RCP 2.6: Scenario 1)	<ul style="list-style-type: none"> Advancing bold policies and technological innovation including conversion to renewable energy, strengthening energy-saving regulations, and introducing carbon tax A society in which changes accompanying the shift to a decarbonized society have a high possibility of impacting business (transition risk) Expanded demand for renewable energy-related products with expanded demand for energy-saving products and decarbonization energy technologies, etc. 	<ul style="list-style-type: none"> Suppliers passing on cost increases caused by stronger regulations and the introduction of carbon tax greatly reduces cost competitiveness Changes in demand trends and preferences of end users even in the construction market and increased obsolescence of existing products accompanying the shift to a decarbonized society Changes in markets and increased procurement costs create pressure to restructure the construction supply business in Japan (portfolio shifts)
4°C scenario (RCP 8.5: Scenario 2)	<ul style="list-style-type: none"> As abnormal weather caused by climate change intensifies, the risks of greater-than-expected damage caused by wind and floods, depletion of raw materials, and infections increase A society in which the physical damage caused by climate change has a high possibility of impacting business (physical risk) 	<ul style="list-style-type: none"> As the move toward stronger regulations and the introduction of carbon tax is slow, it is difficult to expect changes in demand trends and preferences to the extent assumed in Scenario 1 However, as factors of uncertainty caused by climate change are chronic, both procurement and sales are impacted by unforeseen trouble (extreme weather, depletion of raw materials, infections, etc.) Also in terms of installation, inclement weather and rising temperatures could easily reduce product quality If we cannot fulfill our supply responsibility demanded of our customers, sales could decrease

To realize a sustainable society, the Company has identified key issues that are highly important to the Company, its stakeholders, and society to pursue both sustainable growth and enhancement of our corporate value. While confirming the state of progress for our targets to respond to these key issues, we are working to create solutions through our business activities.

We perform sequential scenario analysis and impact evaluation of business fields judged to have a strong impact on our business. We use the results of this scenario analysis to formulate both response plans and behavioral guidelines.

2. Definition of the scenario groups (world view of the 2°C and 4°C scenarios)

To predict an uncertain future, it is necessary to select and set multiple temperature band scenarios including the less than 2°C scenario. To do so, the Company has referenced information from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) and has selected two scenarios, the 2°C scenario (RCP 2.6: Scenario 1) and the 4°C scenario (RCP 8.5: Scenario 2).



Source: Environmental Innovation Center (IPCC 5th Assessment Report partially modified)

Sustainability at Takashima

TCFD

► Risks and opportunities caused by climate change

In the scenarios defined in the scenario groups (world view of the 2°C and 4°C scenarios), the specific risks and opportunities envisioned are as follows.

Evaluation targets and expected time period of occurrence of climate change-related risks in FY2023

Risk category		Evaluation targets of risks	Expected time period of occurrence	Impact
Transitional risk	Policy and regulatory risk	Increased costs from the introduction and strengthening of systems related to regulations on GHG emission 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 risk	Acute risk	Supply cutoffs from disasters at suppliers caused by the normalization of abnormal weather	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 expected time period of realization of climate change-related opportunities in FY2023

Opportunity category		Evaluation targets of opportunities	Expected time period of occurrence	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 an appropriate response to climate change	Long term	Large
Market-related opportunities		Expanded business through portfolio shifts	Medium term	Large
		Increased demand for highly sustainable products and services	Medium term	Large

► Strategies in response to risks and opportunities

Under the medium-term management plan “Sustainability V (Value),” we are implementing value creation enlisting strategic planning that taps into growth opportunities as the market transitions toward a carbon neutral society. We contribute to building a sustainable society by providing functions and solutions required in our target market through energy saving and labor saving outcomes that help give rise to a sustainable society.

Energy saving: Expanding solutions that pursue effective energy use in buildings, starting with the insulation field and energy solutions field
 Labor saving: Providing solutions that improve quality, ease of installation, and work environments while contributing to labor savings across the entire supply chain by enlisting additional functions such as those involving manufacturing and processing

► Risk management

The Takashima Group is addressing the risk of climate change, which it regards as one of its key risks.

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.

Currently, the Company is building an environment-related risk management framework as part of its Company-wide risk management structure. We will proceed in addressing climate change risk by coordinating efforts of the Environmental Management Committee, Sustainability Committee, and Risk Management Committee, while also having the Company implement and heighten the effectiveness of comprehensive risk management. Going forward, we will continue to enhance our systems for evaluating and addressing climate change risks.

► Metrics and targets

The Company started calculating Scope 1 and 2 greenhouse gas (GHG) emissions in FY2021. We have finished calculating emissions only with respect to the Company thus far, but we will successively extend the reach of those efforts going forward thereby proceeding to calculate emissions for other companies of the Takashima Group both in Japan and overseas.

With respect to Scope 3 emissions, the Company builds overall systems associated with the supply chain and accordingly recognizes that its social responsibility entails promoting carbon neutrality throughout the supply chain in serving as a value-adding trading company that provides necessary functions and solutions.

Although we have yet to set targets for reducing GHG emissions at this point in time given that we have not finished calculating GHG emissions for the entire Group, we will strive to regularly check and reduce emissions with respect to sites for which we have completed the process of calculating emissions.

Serving as an advanced sustainability-focused trading company, the Takashima Group will keep actively working toward helping to achieve a sustainable society.

GHG emissions of the Takashima Group (FY2022)

	Scopes 1 and 2	Scope 3
Takashima (non-consolidated)	223.5 tons	-
Group companies in Japan and overseas	-	-

Note: The above figures are market-based figures.

Sustainability at Takashima

Human Assets Strategy

Our employees represent the Company's most significant capital resource and we accordingly encourage them to achieve growth in alignment with the Company's unique "career-type human assets" development model in seeking to enhance corporate value as set forth under Sustainability V (Value). To such ends, we provide environments and opportunities for employees to take on roles in a manner that enables them to build careers for which they are the right person for the job across all types of organizations, including Group companies. With the aim of promoting business development in strategic domains, we also actively recruit new human assets, thereby enhancing our human capital while concurrently developing a diverse range of "career-type human assets."

▶ Medium- to long-term human assets management strategy

Highlighting the Group's human capital

Given that human capital is the Company's most significant capital resource, we will accordingly highlight our human capital, including at Takashima Group companies. We already track headcounts of each Group company on a monthly basis categorized by occupation and position. We regard the overall workforce as our Group-wide human capital, and will strengthen each of our Group companies by promoting efforts for intra-Group placement of the right person for the job in a manner that transcends boundaries of individual Group companies. Moreover, we will promote the notion of "career-type human assets" on a Group-wide basis through successive efforts that entail redesigning personnel systems of each Group company and introducing Group-wide training programs.

Enhancement of personnel system

Our new personnel system launched in April 2021 serves as a tool for creating "career-type human assets." We will suitably and promptly make appropriate improvements based on the notion that "tools must be sharpened in order to work properly," thereby promoting efforts to create work environments where diverse human assets are able to exercise their capabilities and flourish as a result of us providing ongoing assistance (career support) that gives rise to human assets that achieve steady growth enlisting a *progress × fit* approach amid a rapidly changing social landscape.

Boosting employee engagement

We will continue to administer our employee engagement survey rolled out in August 2022, thereby enabling us to regularly measure levels of mutual understanding and reciprocal appreciation between companies and their employees. Enlisting the key notion of "act promptly, correct immediately, and improve continuously," we will steadfastly and sincerely work toward boosting employee engagement.



▶ Human assets that promote growth strategies

Human resource investment in functions that drive growth in each business

Business strategy

Construction supply

- Expansion of renewable energy-related construction
- Expansion of labor-saving products and construction methods

Industrial materials

- Expansion of EV-related logistics materials
- Becoming a manufacturer in the textile and plastic area

Electronic devices

- Expand sales of energy-saving devices
- Expand assembly through production in ASEAN (Thailand and Vietnam)

Investment in human assets

- Sales
- Construction management engineer, electrician, etc.

- Processing and design functions
- Engineering quality and production management
- Global perspective, etc.

▶ Career-type human assets → Next-generation management-level human resources

Promotion of career-type human assets development

"Career-type human assets" is our unique model to sustainably prompt growth in the management and professional skills of our human assets

Employees take ownership of their own careers, and the Company provides opportunities for them to develop their careers

Systematically and sustainably strengthen our human assets, the source of trading company competitiveness, through a "career-type human assets" development model

Contribute to the development of next-generation management-level human resources by appointing managers to manage Group companies and companies converted to Group companies through M&A

Sustainability at Takashima

Human Assets That Support Our Business

► Our unique approach to “career-type human assets”

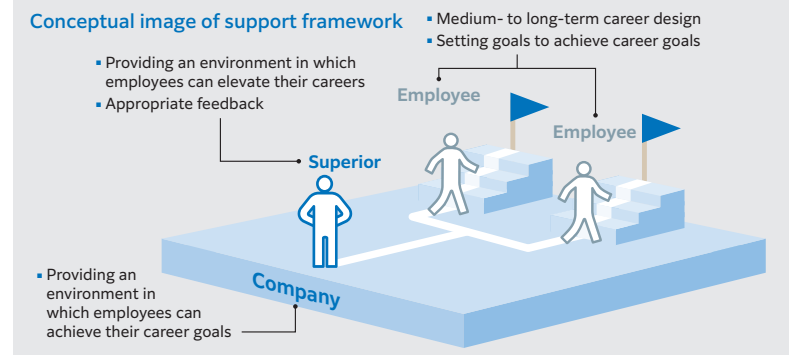
Differently from membership-type or job-type human assets, we have established our own unique “career-type human assets” and are focusing on their development.

What are “career-type human assets?”

Career-type human assets are those who improve continuously their management capabilities and expertise, design their own medium- to long-term goals, and elevate their careers inside and outside the Company. Each employee is always the one in charge of their career building, and the Company is both creating an environment in which individuals can elevate their careers and supporting the achievement of their career goals.

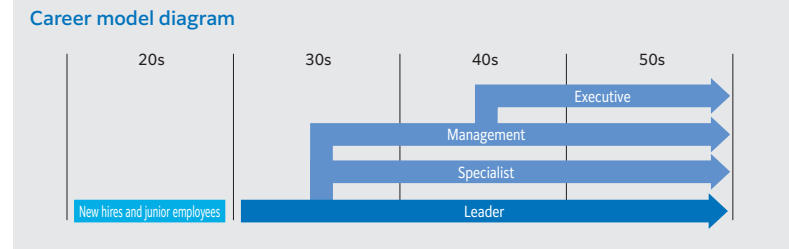
“Career-type human assets” development system

- **Employees themselves:** designing medium- to long-term goals themselves using the framework of the Company
- **Superiors of employees:** providing an environment in which employees can elevate their careers and supporting the achievement of individual employee career goals by providing appropriate feedback



► Career model

Our employees represent the Company's most significant capital resource and we accordingly aspire for them to achieve growth in alignment with the Company's unique “career-type human assets” development model. To such ends, we present them with our career-type human assets career model thereby enabling them to create their own career visions. Moreover, we endeavor to achieve such aims after having articulated the human asset profile the Company seeks by providing environments and opportunities for employees to take on roles in a manner that enables them to build careers for which they are the right person for the job across all types of organizations, including Group companies. Meanwhile, we have adopted a dual-track approach when it comes to career paths of employees whereby a career-type human asset develops his or her career under a scenario where the employee shapes his or her own career while his or her supervisors provide support and guidance in that regard.



► Training and education framework

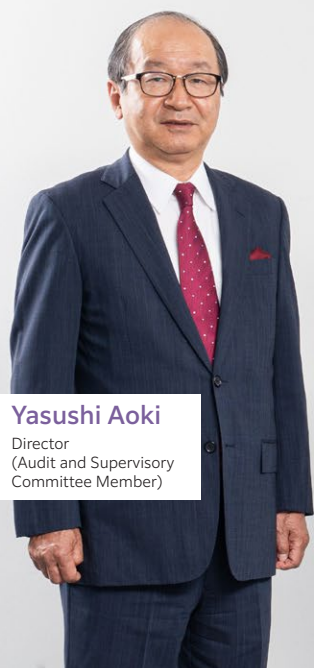
We seek to ensure that our employees are able to perform in alignment with job-class definitions through skill development by job class.

Generalist-track employment	Job class	Applies to all positions	Position-specific			Skills and attitudes	OJT	Support for self-development	Selective							
	Management	Corporate philosophy training Compliance training Harassment training Information security training	After promotion	Solutions Project management	Finance Risk management Labor management	Organizational management	Coaching	Guidance of subordinates	Developing next-generation managers							
	Specialist		Before promotion							Strategic theory	Problem resolution	Showing initiative when taking on work	Specialized technical skills	Mentoring junior employees	E-learning and remote education	Employee interaction with Group companies
	Leader		After promotion													
	New hires and junior employees		Before promotion							Relationship building	Performance of duties					

Administrative-track employment	Job class	Applies to all positions	Position-specific		Skills and attitudes	OJT	Support for self-development	
	Management	Corporate philosophy training Compliance training Harassment training Information security training	After promotion	Organization management	Operational improvement	Guidance of subordinates	Incentive program for obtaining qualifications	
	Leader		Before promotion	Relationship building				Problem resolution
	New hires and junior employees		After promotion	Career design	Self-driven approach to work			
			Before promotion					Relationship building

Sustainability at Takashima

Outside Director Round-table Discussion

**Yasushi Aoki**Director
(Audit and Supervisory
Committee Member)**Ren Shino**Director
(Audit and Supervisory
Committee Member)**Akifumi Ujita**Director
(Audit and Supervisory
Committee Member)**Yuji Momosaki**Director
(Audit and Supervisory
Committee Member)

Q1 | What do you consider to be the features of Takashima's corporate governance, and what is your assessment of it?

Ujita: I would say that one of the features is that Takashima is attempting to achieve a kind of autonomous governance unique to itself. For example, in the case of the evaluation of the Board of Directors effectiveness, the Audit and Supervisory Committee works with the Audit and Supervisory Committee Office to create the questionnaire, implement the survey, aggregate the figures and summarize the results. With regard to the results, at the Board of Directors meetings, we exchange opinions on various issues and on the comments submitted by each person. Many directors again expressed an awareness of the need for the Board of Directors to

implement further initiatives for efficiency-oriented management, and human capital-oriented management. We confirmed that a yearly schedule for the systematic discussion of such important issues as these is being created, and that progress will be managed. The Company expects employees to follow its Code of Conduct of "Autonomous, Innovative and Responsible." I feel that corporate governance initiatives are being practiced in a style that befits Takashima, in that people are asked to think for themselves and to make improvements and enhancements without being forced to act by someone else.

Momosaki: I think there is a very strong movement within the Takashima Group to improve the effectiveness of corporate governance. In Japanese society there is at times a tendency to go through the motions of putting in place systems that comply with

the corporate governance code, whereas the Company always sets clear objectives rather than goals that exist only for form's sake, and works to make governance more effective. Since changing the organizational structure of governance from a company with an Audit and Supervisory Board to a company with an Audit and Supervisory Committee, the awareness of enhancing effectiveness has strengthened further, and it seems clear that the Company will be an outperformer in terms of corporate governance both now and in the future. I sense that this has led to the relentless pursuit of *progress × fit* that is one of the Group's strengths, based on our commitment to "Integrity," which is our Corporate Value and that this will enable the Company to continue to steadily fulfill our Corporate Mission of "Contribute to Society through our Business Activities."

Shino: Corporate governance is a mechanism for ensuring that the company is doing the right things, and the basic requirements for this are transparency and fairness. I rate Takashima's corporate governance highly. That is because firstly information available to the executive is disclosed promptly and appropriately to outside Directors who are Audit and Supervisory Committee Members, which ensures transparency, and secondly because the Board of Directors and the Audit and Supervisory Committee engage in frank and lively discussions based on the information disclosed, which ensures fairness.

I think this is due to appointing a full-time Audit and Supervisory Committee Member (including the previous incumbent), and because a foundation has been laid for the executive listening carefully to the opinions of outside Directors who are Audit and Supervisory Committee Members.

I think the healthy tension in the relationship between Directors who execute business and Audit and Supervisory Committee Members who are outside Directors functions well at Takashima.

Aoki: I believe the basics of Takashima's corporate governance are rooted in the honest and straightforward practice of our Corporate Mission of "Contribute to Society through Our Business Activities," which is an approach that has been passed down since the founding of the Company, and commitment to "Integrity," which

Sustainability at Takashima

Outside Director Round-table Discussion

is our Corporate Value, despite the complex and volatile business environment in which we operate. For that reason, it is important that the management team provides leadership with respect to basing management policies on the philosophy and setting high business targets, and that it puts in place an environment and mechanisms to enable all employees to empathize with these goals and work to achieve them.

When the Tokyo Stock Exchange restructured its markets, the Company made the significant decision to select the Prime Market. This means that governance of an even higher level of quality than before will be required. There are many issues that should be addressed, such as growing the business to contribute to the environment and to society, global expansion, transparency of management and diversity of human assets, and dialogue with the markets, and I hope the management team will work as one to take on these challenges.

Q2 | What is your assessment of the effectiveness of the Board of Directors, and what do you think should be done to further increase its effectiveness?

Ujita: As I commented earlier, the most important thing is



to further accelerate initiatives related to efficiency-oriented management and human capital-oriented management. In order to achieve this, we need to work on developing management personnel and appoint diverse human resources to the management team, as well as gain a proper understanding of the opinions and expectations of shareholders and other external stakeholders, and accurately reflect these in management. As outside Directors, we fulfill an extremely important function in that we connect the management to the outside world. We will maintain an awareness of markets and of society at all times, work to improve performance through a balanced management perspective, and strive to ensure the continuity and development of the Company. I very much hope that we will continue to receive your support.

Shino: I think the effectiveness of the Board of Directors means the ability to pass resolutions after discussing, fully and frankly, the important matters that it really needs to discuss.

This requires disclosure in advance of materials on matters to be deliberated, with the key points made clear, and with information provided beforehand in relation to the advantages and disadvantages of the resolution, or what risks it involves.

At Takashima, I think the effectiveness of the Board of Directors has improved over the past few years. I believe this is due to careful selection of the issues that the Board of Directors spends its time discussing, and a thorough effort to enhance the content and other aspects of materials disclosed in advance.

For further improvements in effectiveness, I feel it is important that we faithfully adhere to the above policy.

Momosaki: As previously mentioned, corporate governance in the Takashima Group is operating at a high level of effectiveness. It is arguably a precondition for such effectiveness that the Board of Directors is fulfilling its roles and duties properly. The composition of the Board of Directors (overall number, number of outside Directors, skill matrix) is appropriate, and the Nominating Committee and Remuneration Committees, which are non-statutory advisory bodies, are also functioning correctly. I therefore award high marks for the effectiveness of the Board of Directors.



Accordingly, the key point always comes down to whether there has been sufficient discussion.

Aoki: When the Board of Directors of the Company is determining the direction of important management issues or making important decisions, outside Directors who are Audit and Supervisory Committee Members actively express their opinions. In addition to monitoring regular audit items, the Audit and Supervisory Committee is able to obtain important information on the state of business execution on a timely basis through the full-time Audit and Supervisory Committee Member and the Audit Supervision Department. I also feel that, with respect to the evaluations of officers and the status of their development, the Nominating Committee and Remuneration Committee are able to review the 360° assessments and have opportunities to conduct interviews, all with a high level of transparency.

Going forward, I think mechanisms to develop successors to officers and to those in key departmental positions will be important, along with increasing diversity. From that perspective, I hope the Board of Directors will engage in ongoing discussions regarding human assets development and investments in human capital.

Sustainability at Takashima

Outside Director Round-table Discussion

Q3 What is your assessment of the results of the previous medium-term management plan, and what are your expectations and concerns in relation to the execution of the new medium-term management plan, "Sustainability V"?

Ujita: In November 2022, the Company announced "Sustainability V (Value)" as the new medium-term management plan, which is the successor to the previous plan, "Sustainability X (Cross)."

"Sustainability V" is the plan of earnest discussion among all Directors on the route by which the Company should ensure that it can meet the listing criteria for the Prime Market amid significant changes in the social and economic environment.

In addition to setting out a powerful approach to capital productivity in order to enhance corporate value, while maintaining a keen awareness of the need for sustainable society, I think where it differs significantly from the previous medium-term management plan is in its focus on clarifying strategic domains for the Company's business and seizing market opportunities to expand revenue. Extracting results from these policies and strategies will not be easy, but the Company has used the catalyst of selecting the Prime Market to take an emphatic step toward achieving sustainable growth. The entire Company will work together as one to achieve this Plan, and to meet the expectations of shareholders and all other stakeholders.

Momosaki: The medium-term management plan "Sustainability 2020" in 2016 was followed by "Sustainability X" in 2020. It is this continuity in medium-term management planning that has enabled the Company to ensure consistent earning power in terms of profit, and to build a stable financial base that enables sustainable growth going forward. Given that the preconditions have been met for the future implementation of the new medium-term management plan, "Sustainability V," I believe it is possible for it to be executed aggressively, and with highly effective corporate governance, I hope that we will give it further momentum.

Shino: The key result of the previous medium-term management plan was the decision to select the Prime Market in September

2021. The Takashima that had until then espoused "sound management" declared that it was "changing direction to a sustainably growing company through strategic investments."

Rather than the simple expansion of the business that it had previously targeted, this meant aiming for new businesses, including M&A, that involve giant strides forward. This revision to the growth strategy requires selection and concentration in terms of what kind of investment should be made, and in which growth areas.

The previous medium-term management plan became a tipping point for management, and I think that the creation of a plan for meeting the continued-listing criteria clarified what Takashima's goals should be and the direction it should take.

The new medium-term management plan, "Sustainability V," bets everything on surviving in the Prime Market, and the moment of truth will be whether the various divisions can generate added value and execute the growth strategy. I have high hopes.

Aoki: In addition to promoting selection and concentration through the analysis of the business portfolio, the previous medium-term management plan undertook M&A initiatives that were expected to generate synergies with existing businesses, as well as actively seeking to upgrade core systems to raise the quality of business management. I was impressed that, even during the stagnation



of people and merchandise that took place during the COVID-19 pandemic, the Company made the most of its sales capabilities, worked to absorb the cost of investments made in preparation for the future, and succeeded in achieving its ultimate profit targets.

The new medium-term management plan shows a strong awareness of the need to maintain the Prime Market listing, and aims for sustainable increases in corporate value through a program of active investment. The basis for winning the trust of the market is to steadily achieve financial targets while keeping growth and capital efficiency in mind. In addition, I would like the management to be keenly aware of the need to transform the "quality of the business," or in other words the need for Takashima to become a company that has a genuine presence in the carbon-neutral society of the future through its efforts in the fields of "energy saving" and "labor-saving." I believe that through this we can strengthen further the trust that the market has in Takashima, and generate further expectation.



Sustainability at Takashima

Directors



	Koichi Takashima	Toshio Goto	Akira Yamamoto	Takahiro Suzuki	Akifumi Ujita	Yuji Momosaki	Ren Shino	Yasushi Aoki
Position	President and Representative Director, and Chief Executive Officer	Director and Senior Managing Executive Officer	Director and Managing Executive Officer	Director and Managing Executive Officer	Director (Full-time Audit and Supervisory Committee Member)	Director (Audit and Supervisory Committee Member)	Director (Audit and Supervisory Committee Member)	Director (Audit and Supervisory Committee Member)
Independent outside officers					●	●	●	●
Number of shares owned	59,681	22,578	6,207	6,305	279	—	—	2,000
Board of Directors	● (Chair)							
Number of meetings attended (FY2022)	15/15	15/15	15/15	15/15	11/15* ¹	15/15	15/15	15/15
Nominating Committee					● (Chair)			
Number of meetings attended (FY2022)	3/3	—	—	—	3/3	3/3	3/3	3/3
Remuneration Committee					● (Chair)			
Number of meetings attended (FY2022)	2/2	—	—	—	1/1* ²	2/2	2/2	2/2
Audit and Supervisory Committee					● (Chair)			
Number of meetings attended (FY2022)	—	—	—	—	11/11* ³	14/14	14/14	14/14
Expertise	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		●						

*1. The Board of Directors met 15 times during FY2022, and its meetings have been held 11 times since Akifumi Ujita assumed office. Michio Yuge resigned at the conclusion of the Annual General Meeting of Shareholders of the Company held on June 23, 2022, but attended four meetings of the Board of Directors held prior to his resignation.

*2. The Remuneration Committee met two times during FY2022, and committees have met one time since Akifumi Ujita assumed office. Michio Yuge resigned at the conclusion of the Annual General Meeting of Shareholders of the Company held on June 23, 2022, but attended one committee meeting held prior to his resignation.

*3. The Audit and Supervisory Committee met 14 times during FY2022, and committees have met 11 times since Akifumi Ujita assumed office. Michio Yuge resigned at the conclusion of the Annual General Meeting of Shareholders of the Company held on June 23, 2022, but attended all three of the three committee meetings held prior to his resignation.

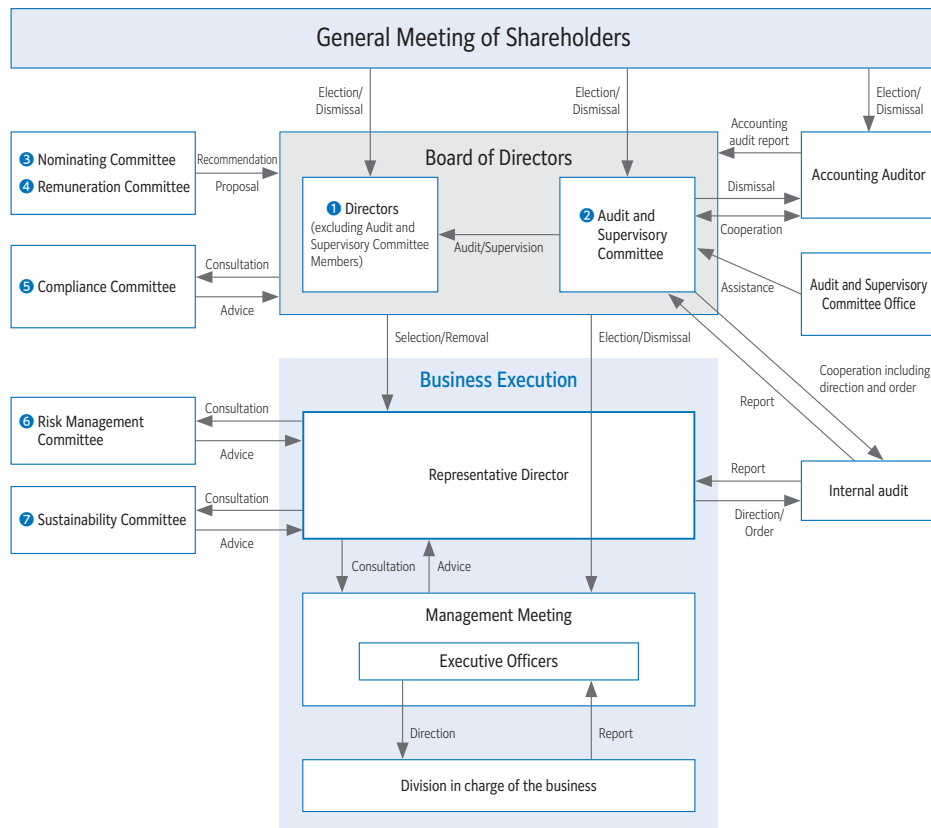
Sustainability at Takashima

Corporate Governance

► Basic approach and organizational structure

The Company maintains appropriate relationships with shareholders and various other stakeholders and conducts business activities while fulfilling its responsibilities to society, and regards achieving its targets for improvements in long-term corporate performance and sustainable growth as its top priority. 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.



► Major discussion entities

1 Board of Directors

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

Major issues addressed by the Board of Directors

- Confirmation of progress achieved with respect to the plan for meeting the continued-listing criteria for the Prime Market
- Formulation of Medium-Term Management Plan "Sustainability V"
- Investment initiatives including two M&A deals carried out in December

2 Audit and Supervisory Committee

The Audit and Supervisory Committee meets every month in principle, audits the execution of duties by Directors, and discusses the results of internal audits and other important matters. The committee is comprised of four Audit and Supervisory Committee Members (including four outside Directors) and one member is a full-time Audit and Supervisory Committee Member. The Audit and Supervisory Committee Members all possess in-depth knowledge regarding management, legal, accounting, or other specialized fields, attend the Board of Directors meetings and other important meetings, and fulfill their monitoring and supervising functions from an independent and objective standpoint.

3 Nominating Committee

The Nominating Committee strengthens the independence, objectivity and accountability of the functions of the Board of Directors related to Directors, and aims to contribute to building an appropriate management structure for the Takashima Group. The committee is comprised of the Chief Executive Officer and all of the non-executive Directors and deliberates on proposals related to the election and dismissal of Directors submitted at the General Meeting of Shareholders, the appointment and removal of Executive Officers, and other matters.

4 Remuneration Committee

The Remuneration Committee aims to strengthen the objectivity and accountability regarding the determination of remuneration related to Directors. The committee is comprised of the Chief Executive Officer and all of the non-executive Directors and deliberates on the performance evaluation of Directors who execute business, the appropriateness of remuneration for Directors and other officers, and other matters.

5 Compliance Committee

The Compliance Committee is chaired by the Chief Executive Officer and has been established as an organization for promoting compliance. The Compliance Committee meets once a year in principle to deliberate on overall compliance and determine the basic policy.

6 Risk Management Committee

The Risk Management Committee is chaired by the Division Chief of the Business Management Division and meets at least twice a year. It has been established as an organization for making recommendations to the Chief Executive Officer upon having considered and formulated measures for business continuity risk stipulated in the basic policy, among the significant risks related to the Company's management.

7 Sustainability Committee

The Sustainability Committee has been established as an organization for promoting sustainability of the Company and acts as an organization for deliberating on issues subject to consideration and making recommendations to the Chief Executive Officer in serving as an advisory body to the Chief Executive Officer. The committee meets at least twice a year in principle and reports details of its activities to the Board of Directors.

Sustainability at Takashima

Corporate Governance

▶ Succession plan

Recognizing that selection of the Chief Executive Officer, which is the top management position, constitutes the most important of its decision-making matters, the Company accordingly has the Nominating Committee exchange opinions on an ongoing basis regarding prospective candidates for President and prospective management. The Company has accordingly established four criteria to be sought with respect to managers, as follows, in looking toward developing the next generation of management.

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

The Company applies the four criteria listed above with respect to its Executive Officers as well as those in positions at or above that of Unit Manager in charge of a unit, which serves as the Company's smallest organizational entity. The Company accordingly calls for them to manage the respective organizational entities under their leadership as if those entities were corporations. Meanwhile, those in positions at or above that of General Manager are subject to 360-degree feedback once every year, which entails undergoing objective evaluation and feedback with respect to the four criteria with the aim of enabling them to improve their abilities with respect to each of the criteria.

▶ Actions for enhancing effectiveness of Board of Directors

The Company conducted an evaluation of the Board of Directors effectiveness using a third-party organization in FY2016, and implemented self-evaluations of the Board based on the results of that evaluation. In the following fiscal years, the Audit and Supervisory Committee has conducted evaluations of the effectiveness of the Board of Directors, and the Board of Directors has held discussions on the evaluation results.

The effectiveness evaluation for the fiscal year ended March 31, 2023, entailed administering a survey to all Directors and Audit and Supervisory Committee Members, then having the Board of Directors discuss results of the survey in January 2023.

Description of evaluation

The effectiveness evaluation survey for the fiscal year ended March 31, 2023 was conducted in the form of a questionnaire on the following topics in order to confirm results derived from analyzing effectiveness evaluations administered in the past, confirm the status of initiatives to address unresolved issues, identify areas warranting focus to ensure that roles of the Board of Directors are fulfilled, and consider issues and measures for enhancing effectiveness going forward.

Composition of the Board of Directors	Operation of the Board of Directors	Discussions of the Board of Directors
Monitoring function of the Board of Directors	Training	Dialogue with stakeholders

Result of evaluation

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 toward seeking to ensure adequate oversight of business execution.

Issues and measures going forward

We have identified the following 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.

Arrange important matters for discussion by the Board of Directors throughout the year	Make improvements to materials for submission to the Board of Directors, in part by concisely summarizing the core elements of key points subject to discussion
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▶ Remuneration for Directors and other officers

The remuneration for Directors and other officers of the Company is comprised of basic remuneration, profit-linked monetary remuneration, and share-based remuneration. Basic remuneration is set for individual Directors and other officers, taking into account their position, business performance, remuneration levels at other companies, remuneration levels of employees, etc., and is paid in a fixed monthly amount calculated by dividing the determined annual basic remuneration by 12.

Profit-linked monetary remuneration is paid to the Company's eligible Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors) if profit attributable to owners of parent is ¥1.0 billion or more after recording profit-linked monetary remuneration as an expense, and the amount to be paid to the President and Representative Director is calculated by multiplying profit attributable to owners of parent by a predetermined payment rate. Next, the amount to be paid to each of the other eligible Directors is calculated by multiplying the individual amount to be paid to the President and Representative Director by a predetermined coefficient for each position. The amount to be paid to each eligible Director is paid within one month from the date of the General Meeting of Shareholders. However, the maximum total amount to be paid is ¥100 million.

The remuneration for the Company's Directors (excluding Audit and Supervisory Committee Members) is the total of the above basic remuneration and profit-linked monetary remuneration, and is ¥320 million or less per year. Regarding share-based remuneration, the Company has introduced a restricted share-based remuneration plan in order to provide incentive to the Company's eligible Directors to continuously enhance the corporate value of the Company and promote further sharing of value with shareholders. The amounts to be paid and the timing of payment are determined by the Board of Directors of the Company on the condition that the eligible Directors have continuously remained in a position specified by the Board of Directors. Restrictions on the transfer of shares are lifted immediately after the eligible Directors resign from the position specified by the Board of Directors of the Company. Separate from the above remuneration for Directors of ¥320 million or less per year, the amount to be paid is ¥50 million or less per year and the total number of common shares of the Company to be issued or disposed of is 20,000 shares or less per year.

Coefficients by position for profit-linked monetary remuneration

Position	Coefficient
Representative Director and Chair	0.9
President and Representative Director, and Chief Executive Officer	1.0
Director and Executive Vice President	0.8
Director and Senior Managing Executive Officer	0.7
Director and Managing Executive Officer	0.6
Director and Executive Officer	0.4

▶ 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 Management 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.

▶ Actions for compliance

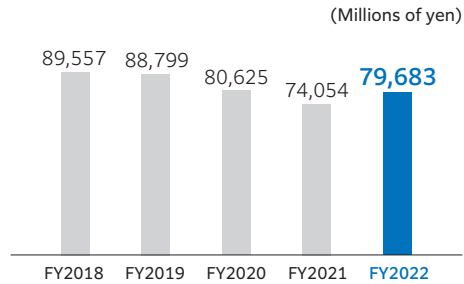
The Company has established the Compliance Committee as an overall organization for promoting compliance. The Compliance Committee, which is chaired by the President with the Division Chief of the Business Management Division serving as the vice chair and is comprised of officers appointed by the President, deliberates on overall compliance and determines the basic policy.

In addition, the committee creates the Compliance Program and regularly conducts training for employees in order to raise awareness of related laws, regulations, etc., and to promote increased compliance awareness. The committee also conducts a compliance survey once a year to ascertain the level of compliance awareness that has been instilled and identify issues, and considers activities for improvements.

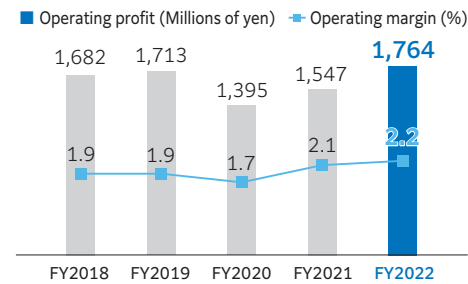
Data Section

Financial and Non-financial Highlights

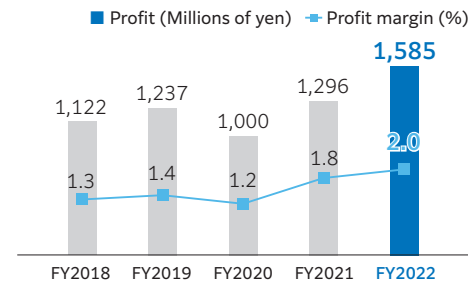
Net sales



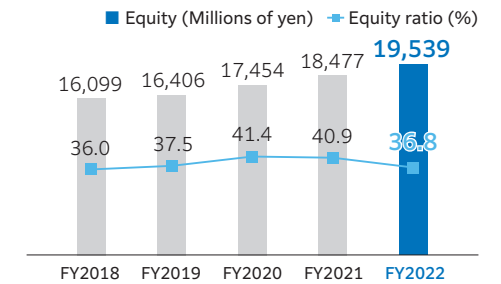
Operating profit/Operating margin



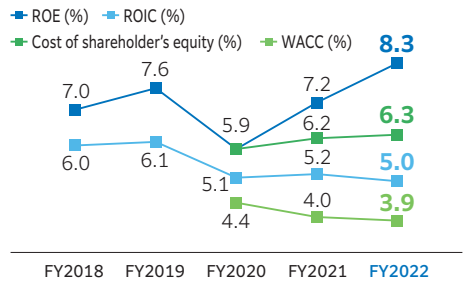
Profit/Profit margin



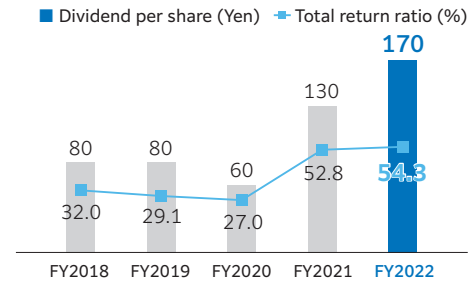
Equity/Equity ratio



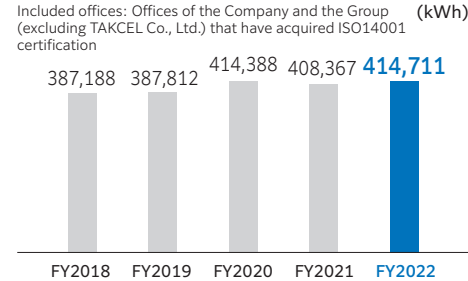
ROE/ROIC/Cost of shareholder's equity/WACC



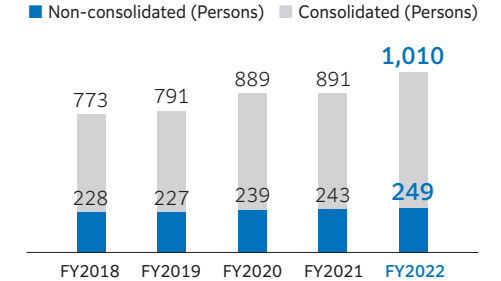
Dividend per share/Total return ratio



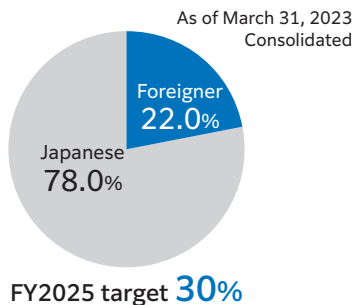
Electric power usage



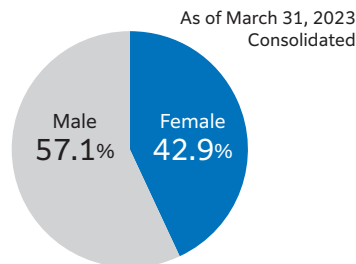
Number of employees



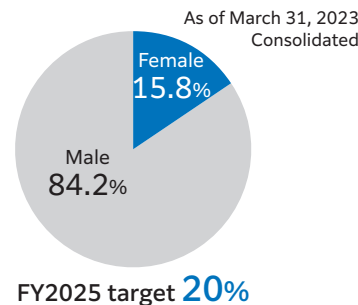
Ratio of foreign managers



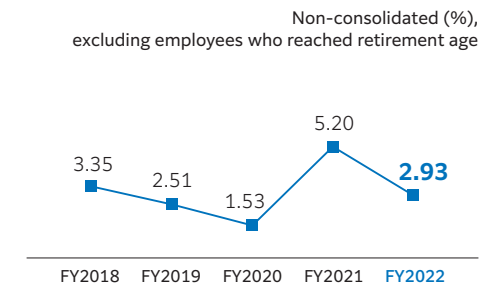
Ratio of female employees



Ratio of female managers



Employee turnover*



* Some of the figures shown in the Integrated Report for 2022 were incorrect and have been corrected.

Data Section

Financial Highlights for the Last 11 Years

► Financial data

		FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Net sales	(Millions of yen)	79,694	83,175	94,854	91,738	91,230	84,775	85,310	89,557	88,799	80,625	74,054	79,683
Gross profit	(Millions of yen)	7,340	7,837	8,411	8,194	8,245	7,797	8,012	8,256	8,507	7,838	8,328	9,434
Operating profit	(Millions of yen)	1,298	1,248	1,839	1,756	1,687	1,584	1,638	1,682	1,713	1,395	1,547	1,764
Profit attributable to owners of parent	(Millions of yen)	750	917	1,177	1,368	1,122	1,316	1,325	1,122	1,237	1,000	1,296	1,585
Operating margin	(%)	1.6	1.5	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.7	2.1	2.2
Profit attributable to owners of parent to net sales ratio	(%)	0.9	1.1	1.2	1.5	1.2	1.6	1.6	1.3	1.4	1.2	1.8	2.0
Equity ratio	(%)	24.1	26.9	25.0	30.7	30.4	34.4	36.2	36.0	37.5	41.4	40.9	36.8
Interest-bearing liabilities	(Millions of yen)	3,803	2,957	5,008	3,778	5,070	2,856	3,483	3,532	2,967	1,476	4,286	6,934
Cash flows from operating activities	(Millions of yen)	695	1,426	(1,420)	3,084	1,464	1,640	(279)	384	3,018	3,563	(389)	700
Cash flows from investing activities	(Millions of yen)	(435)	120	(251)	(1,319)	(1,248)	331	(304)	504	(594)	(98)	(654)	(1,448)
Cash flows from financing activities	(Millions of yen)	(69)	(1,062)	1,759	(1,630)	(712)	(2,541)	265	(289)	(1,108)	(1,947)	2,305	1,059
ROE	(%)	9.1	10.0	11.3	11.4	8.5	9.4	8.7	7.0	7.6	5.9	7.2	8.3
Total return ratio	(%)	18.1	19.7	19.2	19.8	28.2	24.0	27.1	32.0	29.1	27.0	52.8	54.3

► Per share data

		FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017*	FY2018	FY2019	FY2020	FY2021	FY2022
Profit per share	(Yen)	16.59	20.28	26.05	30.27	24.85	29.20	294.76	249.64	275.29	222.13	288.16	354.91
Net assets per share	(Yen)	190.51	216.51	242.80	289.03	298.25	325.90	3,523.65	3,581.19	3,650.18	3,872.19	4,129.61	4,392.45
Dividend per share	(Yen)	3.00	4.00	5.00	6.00	7.00	7.00	80.00	80.00	80.00	60.00	130.00	170.00

* The Company conducted a 1-for-10 share consolidation of common shares effective October 1, 2017.

Data Section

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	7,305	7,791
Notes receivable - trade	5,071	4,476
Accounts receivable - trade	12,413	15,006
Electronically recorded monetary claims - operating	4,230	5,357
Contract assets	576	1,420
Merchandise and finished goods	4,091	5,162
Work in process	118	64
Raw materials and supplies	1,215	1,446
Costs on construction contracts in progress	7	13
Advance payments to suppliers	33	68
Prepaid expenses	79	83
Accounts receivable - other	254	448
Other	73	142
Allowance for doubtful accounts	(47)	(41)
Total current assets	35,423	41,440
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,328	4,322
Accumulated depreciation	(2,855)	(2,799)
Buildings and structures, net	1,473	1,523
Machinery, equipment and vehicles	2,371	2,164
Accumulated depreciation	(1,934)	(1,425)
Machinery, equipment and vehicles, net	437	739
Tools, furniture and fixtures	1,092	1,138
Accumulated depreciation	(979)	(996)
Tools, furniture and fixtures, net	112	142
Land	2,194	2,225
Leased assets	89	106
Accumulated depreciation	(58)	(68)
Leased assets, net	31	37
Construction in progress	2	38
Total property, plant and equipment	4,252	4,707
Intangible assets		
Goodwill	-	1,069
Other	514	592
Total intangible assets	514	1,662
Investments and other assets		
Investment securities	2,992	3,050
Long-term loans receivable	49	46
Long-term trade receivable	139	119
Retirement benefit asset	298	261
Deferred tax assets	126	294
Other	1,556	1,635
Allowance for doubtful accounts	(176)	(158)
Total investments and other assets	4,986	5,249
Total non-current assets	9,753	11,619
Total assets	45,176	53,060

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,123	15,277
Electronically recorded obligations - operating	3,864	5,735
Short-term borrowings	686	3,210
Contract liabilities	322	405
Current portion of bonds payable	-	10
Current portion of long-term borrowings	240	337
Accrued expenses	591	1,095
Income taxes payable	384	384
Advances received	12	17
Accrued consumption taxes	86	159
Provision for bonuses	427	554
Provision for bonuses for directors (and other officers)	35	52
Other	248	345
Total current liabilities	21,024	27,585
Non-current liabilities		
Bonds payable	-	30
Long-term borrowings	3,360	3,347
Deferred tax liabilities	291	225
Deferred tax liabilities for land revaluation	204	204
Retirement benefit liability	68	84
Other	1,751	2,043
Total non-current liabilities	5,675	5,935
Total liabilities	26,699	33,520
Net assets		
Shareholders' equity		
Share capital	3,801	3,801
Capital surplus	1,725	1,637
Retained earnings	11,792	12,482
Treasury shares	(56)	(47)
Total shareholders' equity	17,262	17,874
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	738	704
Revaluation reserve for land	417	417
Foreign currency translation adjustment	36	555
Remeasurements of defined benefit plans	21	(12)
Total accumulated other comprehensive income	1,214	1,665
Total net assets	18,477	19,539
Total liabilities and net assets	45,176	53,060

Company Information

Shares

Shares

(As of March 31, 2023)

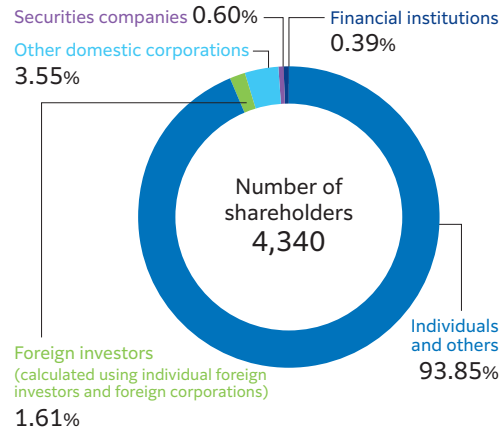
Total number of authorized shares	14,000,000
Total number of outstanding shares	4,448,385 (excluding 17,888 shares of treasury shares)
Number of shareholders	4,340

Major shareholders (Top 10 shareholders)

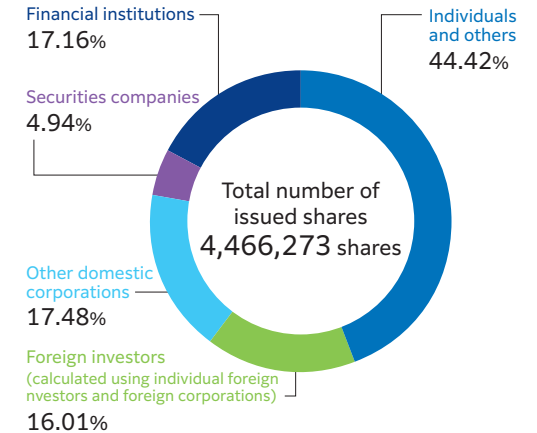
Name of shareholder	Number of shares held (Thousand shares)	Shareholding ratio (%)
Takashima Trading-Partner Shareholding Association	530	11.92
The Master Trust Bank of Japan, Ltd. (Trust Account)	274	6.16
Heiwa Corporation	190	4.27
BNP PARIBAS ARBITRAGE SNC	174	3.91
JPMorgan Securities Japan Co., Ltd.	158	3.56
Custody Bank of Japan, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust & Banking Co., Ltd.	106	2.40
Tokio Marine & Nichido Fire Insurance Co., Ltd.	103	2.31
Kuraray Co., Ltd.	100	2.26
Custody Bank of Japan, Ltd. (Trust Account)	92	2.07
Takashima Employees' Shareholding Association	85	1.92

Notes: 1. Fractional 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.

Breakdown of the number of shareholders by investor type



Breakdown of the number of shares by investor type



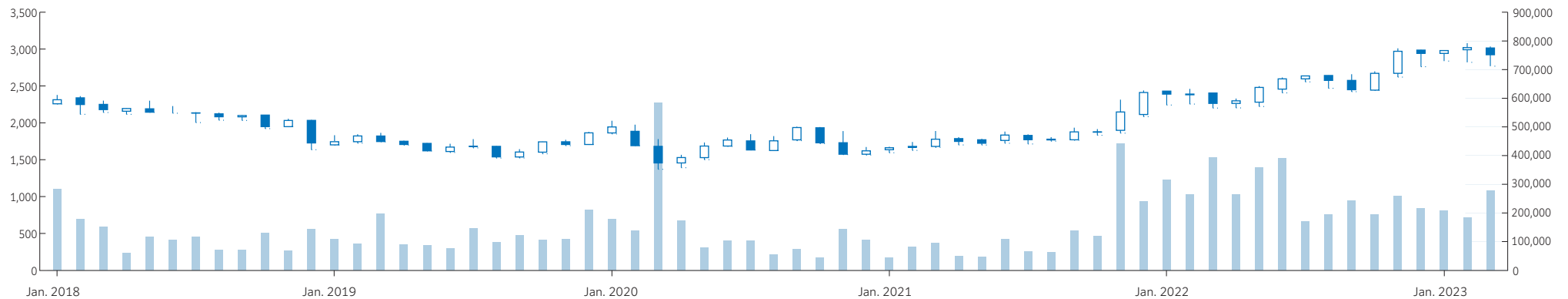
Notification of share split

The Company will carry out a 4-for-1 share split with a record date of September 30, 2023, and an effective date of October 1, 2023.

The share split is to be carried out for the purpose of reducing the investment unit of the Company's stock, thereby creating an environment more conducive to investment by investors, while also looking toward improving liquidity of the Company's stock and further expanding the investor base.

Changes in share price and trading volume

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



Company Information

Company Profile

► Basic information

Company name	Takashima & Co., Ltd.	Location of head office	2-2 Kandasurugadai, Chiyoda-ku, Tokyo, 101-8118, Japan
Established	October 1, 1915	Fiscal year end	Once a year, March 31
Paid-in capital	¥3,801,274,262	Securities code	8007
Number of employees (consolidated)	1,010	Stock listing	Prime Market of Tokyo Stock Exchange
		Financial Auditor	KPMG AZSA LLC

► Group companies

Consolidated subsidiaries

Name	Division	Description of major business	Location
Rest Corporation	Construction supply	Production and construction of toilet booths	Shizuoka-shi, Shizuoka
New Energy Distribution System Inc.	Construction supply	Electrical design and installation work Electrical work for fully-electric products and solar energy systems, and sales of solar energy systems	Onojo-shi, Fukuoka
Hi-Land Inc.	Industrial materials	Development, manufacturing and sales of garment manufacturing of processed products, design and processing of membranes, and sales of logistics materials for industrial and medical applications	Chiyoda-ku, Tokyo
CLS Corporation	Industrial materials	Sales of various materials, such as artificial leather and synthetic leather, and products	Chuo-ku, Osaka-shi, Osaka
TAKCEL Co., Ltd.	Industrial materials	Manufacturing and sales of plastic molded products	Tochigi-shi, Tochigi
Takashima Robot Marketing Co., Ltd.	Industrial materials	Rental and sales of collaborative robots	Chiyoda-ku, Tokyo
Sinbou Edix Co., Ltd.	Industrial materials	Wholesale of environmental sanitation materials, disaster prevention supplies, etc.	Nagano-shi, Nagano
TAKASHIMA (U.S.A.), INC.	Industrial materials	Sales of textiles for industrial materials and other clothing	California, United States of America
iTak International (Japan) Co., Ltd.	Electronic devices	Sales of electronic components and devices, production technologies, quality control support	Shinjuku-ku, Tokyo
iTak (International) Limited	Electronic devices	Sales of electronic components and devices, production technologies, quality control support	Hong Kong, 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 (Shenzhen) Limited	Electronic devices	Sales support for electronic components and devices	Shenzhen, People's Republic of China
iTak International (Thailand) Limited	Electronic devices	Manufacturing and sales of electronic components and devices	Bangkok, Kingdom of Thailand
iTak International (Vietnam) Co., Ltd.	Electronic devices	Manufacturing and sales of electronic components	Dong Nai, Socialist Republic of Vietnam
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, smart house business	Shibuya-ku, Tokyo

Topics

Two companies have been added to the Takashima Group.

Two new companies have been added to the Takashima Group, upon having acquired all shares of the two companies New Energy Distribution System Inc. and Sinbou Edix Co., Ltd. on December 1, 2022, thereby making them consolidated subsidiaries. By having made these two companies consolidated subsidiaries, the Group aims to strengthen its management foundation and achieve sustainable growth.



► Takashima corporate website

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

Editorial policy

This Integrated Report contains information regarding the Group's sustainable growth. Through this report, the Company aims to convey information on 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, 2022 to March 31, 2023

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 & Co., Ltd.

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

2-2 Kandasurugadai, Chiyoda-ku, Tokyo, 101-8118, Japan