



Financial Results Briefing for the Second Quarter of the Fiscal Year Ending March 2024

TAKEBISHI CORPORATION

December 1, 2023

(Listed on Prime Market, Tokyo Stock Exchange; Securities Code: 7510)

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01. Company Overview

Company Name	TAKEBISHI CORPORATION
Date of Foundation	April 24, 1926
Capital	3,406 million yen
President	Hiroshi Okagaki, Representative Director & President
Head Office	29 Mameda-cho, Nishi-kyogoku, Ukyo-ku, Kyoto
Consolidated Net Sales	97,400 million yen (Year ended March 31, 2023)
Number of Employees (Consolidated)	878
Business Contents	Mitsubishi Electric-related technological trading company (Mitsubishi products account for approx. 40%), engaged mainly in sales of electric products and electronic components for industrial use and medical equipment, etc.



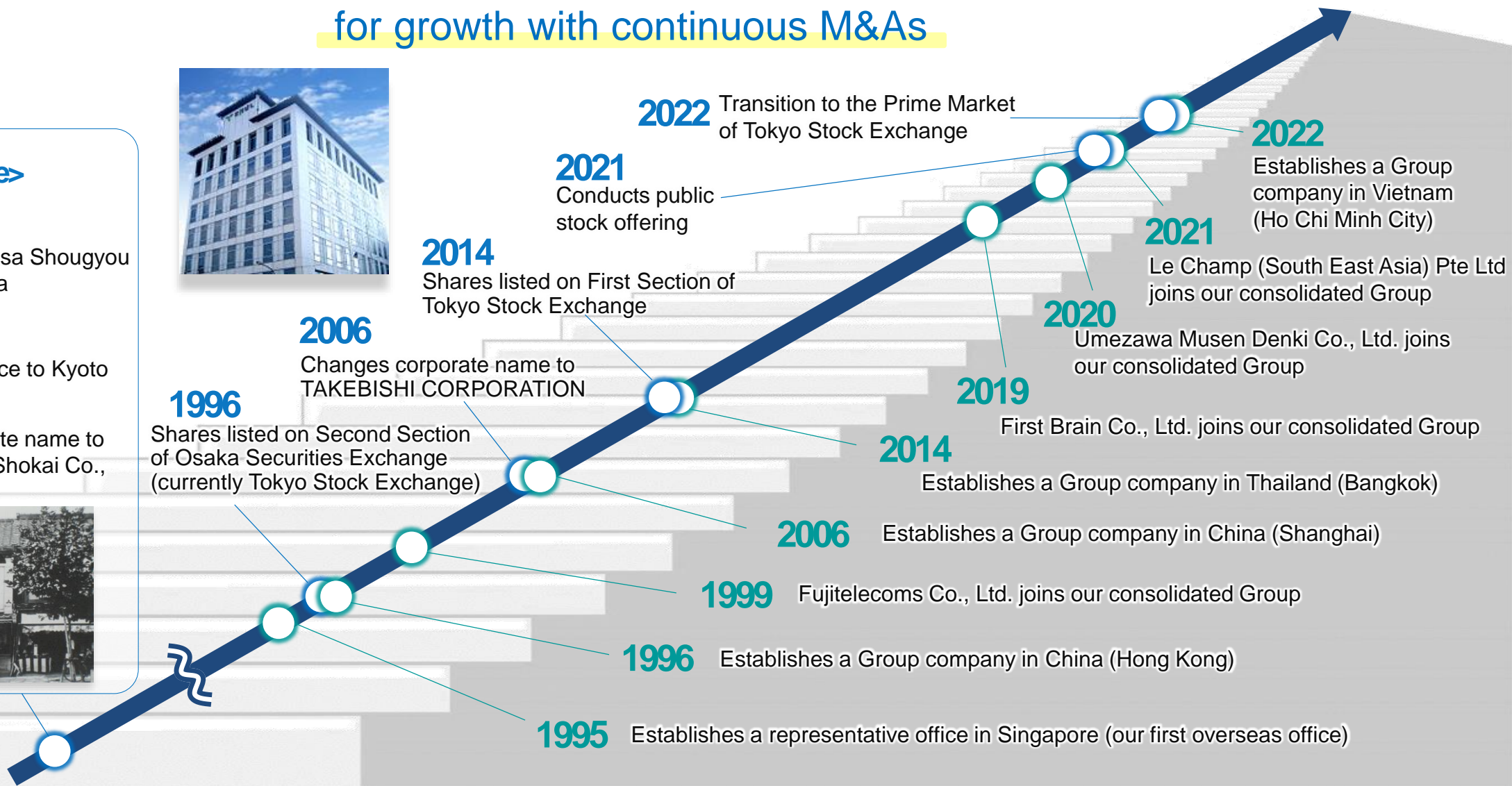
Expanding business areas through investments for growth with continuous M&As

<Start-up phase>

1926
Establishes Kusasa Shougyou Co., Ltd. in Osaka

1930
Moves Head Office to Kyoto

1931
Changes corporate name to Takebishi Denki Shokai Co., Ltd.



1996
Shares listed on Second Section of Osaka Securities Exchange (currently Tokyo Stock Exchange)

2006
Changes corporate name to TAKEBISHI CORPORATION

2014
Shares listed on First Section of Tokyo Stock Exchange

2021
Conducts public stock offering

2022
Transition to the Prime Market of Tokyo Stock Exchange

1995 Establishes a representative office in Singapore (our first overseas office)

1996 Establishes a Group company in China (Hong Kong)

1999 Fujitelecoms Co., Ltd. joins our consolidated Group

2006 Establishes a Group company in China (Shanghai)

2014 Establishes a Group company in Thailand (Bangkok)
First Brain Co., Ltd. joins our consolidated Group

2020 Umezawa Musen Denki Co., Ltd. joins our consolidated Group

2021 Le Champ (South East Asia) Pte Ltd joins our consolidated Group

2022 Establishes a Group company in Vietnam (Ho Chi Minh City)

Network (Offices and Group Companies)

Consolidated Financial Results

New Medium-term Business Plan

Strategic expansion mainly in the growing market of Southeast Asia



Domestic 7 Branches, 1 Sales office, 5 Group companies

- [Kyoto Head Office]
-
- [Branches and sales offices]
- | | |
|---------------------|---------------|
| Tokyo Branch | Ritto Branch |
| └ Kofu Sales Office | Kihoku Branch |
| Nagoya Branch | Osaka Branch |
| Shiga Branch | Kyushu Branch |
-
- [Group companies]
- | | |
|--|---------------------------|
| Fujitelecoms Co., Ltd. | First Brain Co., Ltd. |
| TS Engineering Co., Ltd. | Takebishi Kosan Co., Ltd. |
| Umezawa Musen Denki Co., Ltd. (Tokyo, Sendai, and Sapporo) | |

Overseas 5 Group companies (a total of 21 offices in 8 countries)

Singapore, Malaysia, Thailand, Indonesia, Vietnam, the Philippines, India, China

TAKEBISHI's Raison D'etre and Key Issues



Together with diverse partners, aim to be the “leading total solution trading company from Kyoto”

Corporate Philosophy

Creating a bright future by connecting people and technology with trust

Code of Activities

- Complying with corporate ethics and contributing to society -

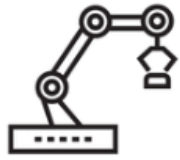





- Trust
Provide exceptional service and build a high level of trust with customers
- Technology
Strive to absorb and revolutionize new technologies that will benefit customers
- Integrated power
Combine individual strengths and create a total service menu

Corporate Message



Continue creating new “LINK” with customers and partners with our people and technology

Key issues for sustainable growth

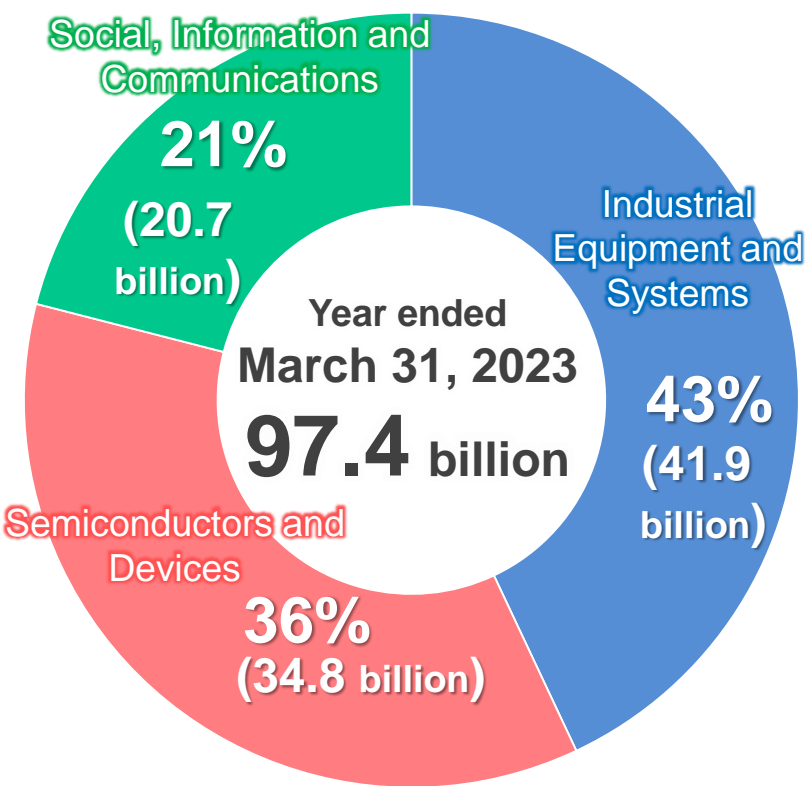
<p>Improve productivity</p>  <p>Establish industries and societies with our advanced connection skill toward building a digital society</p>	<p>Deliver new value</p>  <p>Explore diverse products both in Japan and abroad and increase the value of manufacturing</p>	<p>Establish platforms for living</p>  <p>Establish a comfortable social environment that supports a rich and safe life for people</p>
<p>Coexist with community environment</p>  <p>Contribute to a decarbonized society by utilizing renewable energy</p>	<p>Human resource development and contribution to society</p>  <p>Create a corporate culture that enables various talents to actively work and engage in co-creation with local communities</p>	<p>Enhance management foundation</p>  <p>Establish a business structure in response to changes in environment and enhance governance</p>

Net Sales by Segment

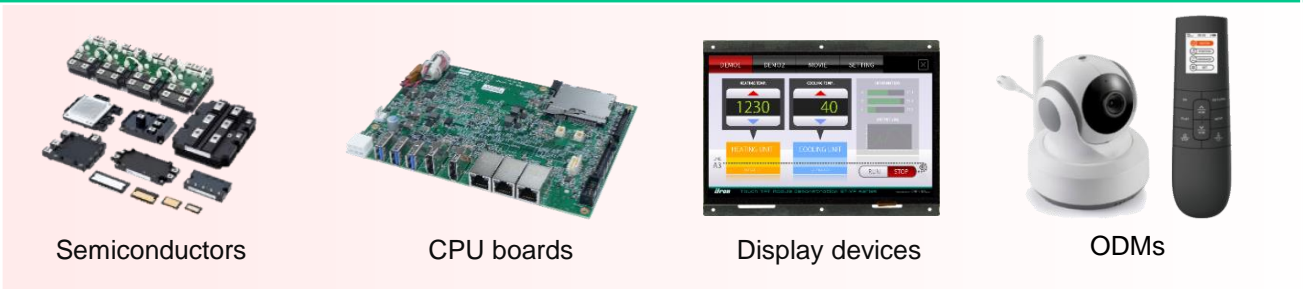
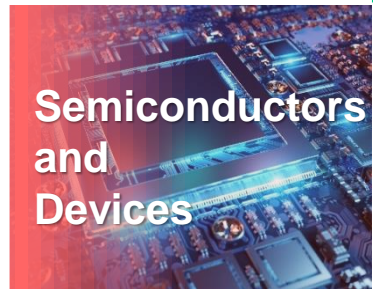
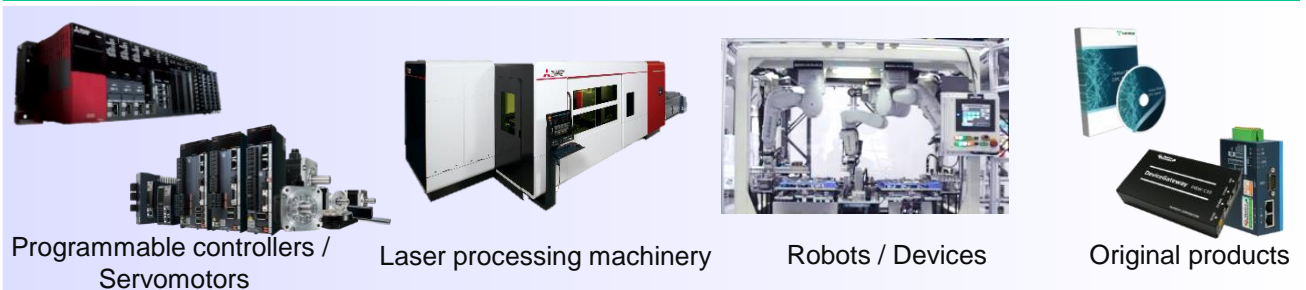
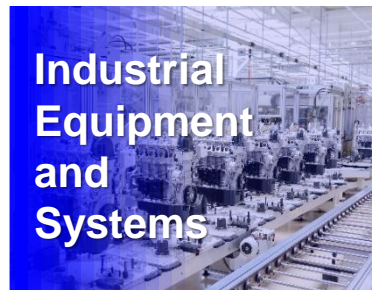
Consolidated Financial Results

New Medium-term Business Plan

Aiming for stable management based on a balanced business portfolio



Products



Our Strengths and What We Aspire to Be

Consolidated Financial Results

New Medium-term Business Plan

A "total solution trading company" that offers new excitement and wonder with our advanced connection skill

Partners

Approx. **1,600** suppliers

Approx. **70** Slers



Customers

A customer base of approx. **3,500** unique companies centered on Kyoto

Major Suppliers

- Mitsubishi Electric Group
- Omron Group
- Murata Manufacturing Co., Ltd.
- NIDEC Group
- PFU Limited
- HIROSE ELECTRIC CO., LTD.
- Varian Medical Systems, Inc. (U.S.)
- Siemens Healthcare Diagnostics K.K. (Germany)
- Advantech Co., Ltd. (Taiwan)
- Littelfuse, Inc. (U.S.)

Major Customers

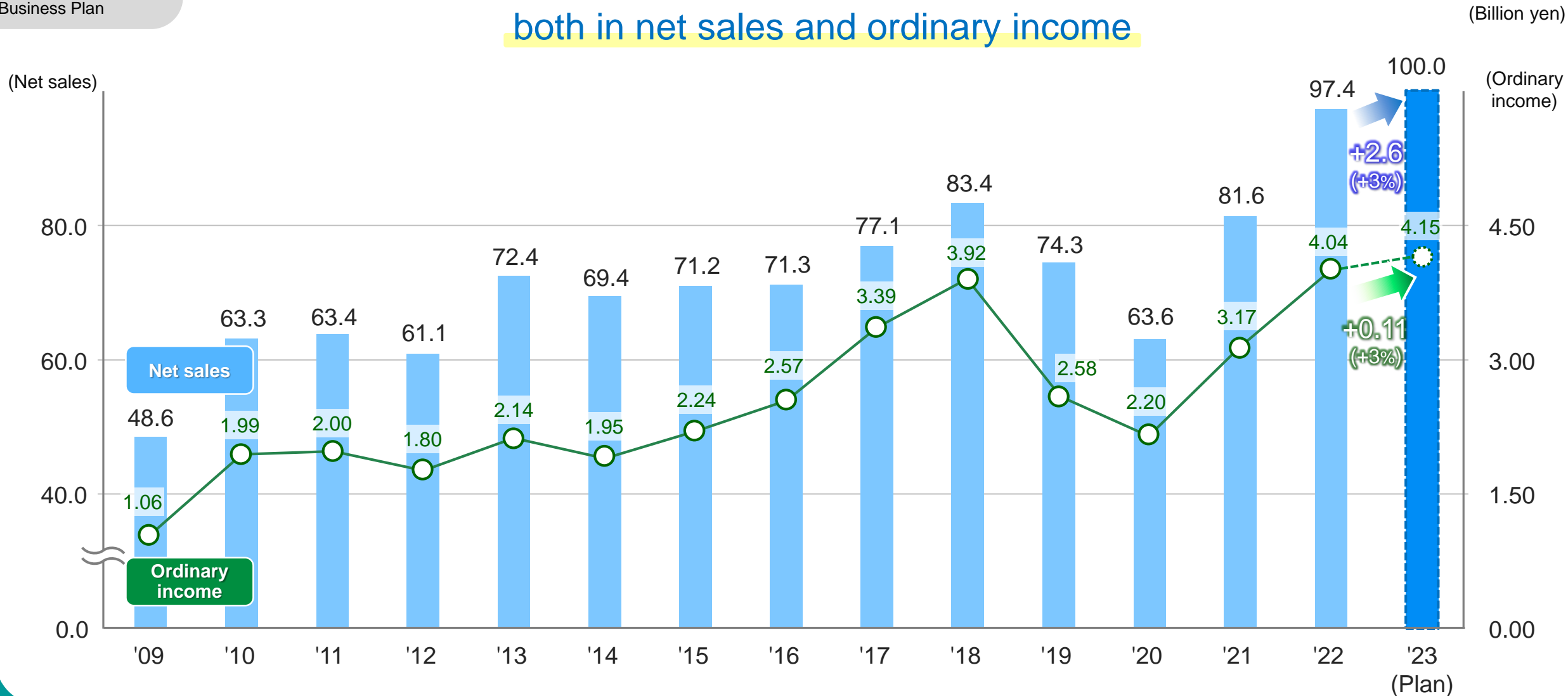
- Omron Group
- KYOCERA Group
- SHIMADZU Group
- SCREEN Group
- NIDEC Group
- Murata Machinery, Ltd.
- Murata Manufacturing Group
- Panasonic Group
- Sumitomo Electric Industries Group
- Ishida Co., Ltd.



02. Consolidated Financial Results

Changes in Net Sales and Ordinary Income

Aim to hit new record highs for 2 consecutive years both in net sales and ordinary income



Results of Six Months Ended September 30, 2023 and Full-year Forecasts

After the COVID-19 shock, achieved increasing net sales in both first and second quarters for the third consecutive year

Figures in parenthesis represent YoY changes

Net Sales

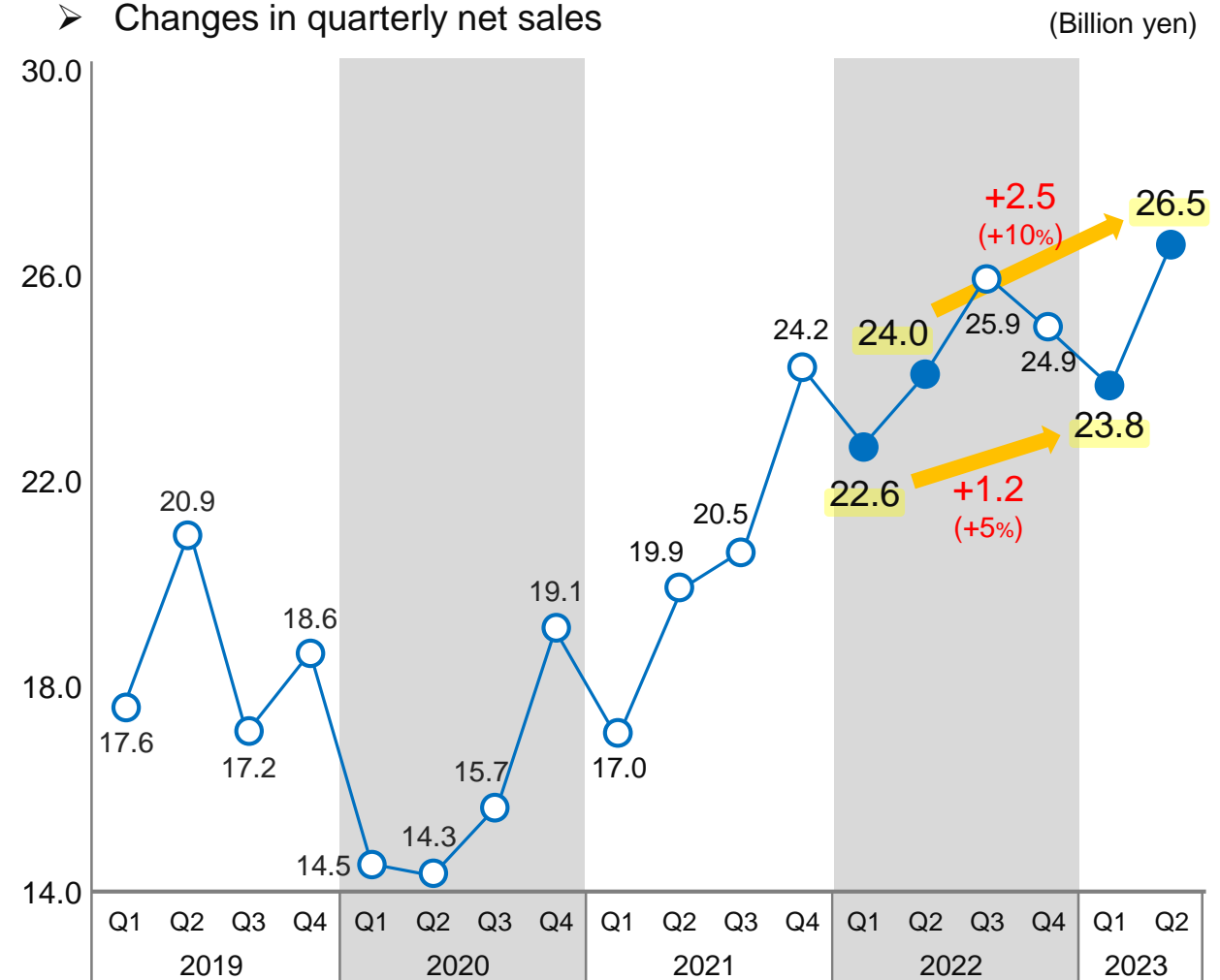
Gross Profit

Ordinary Income

Ordinary Income (%)

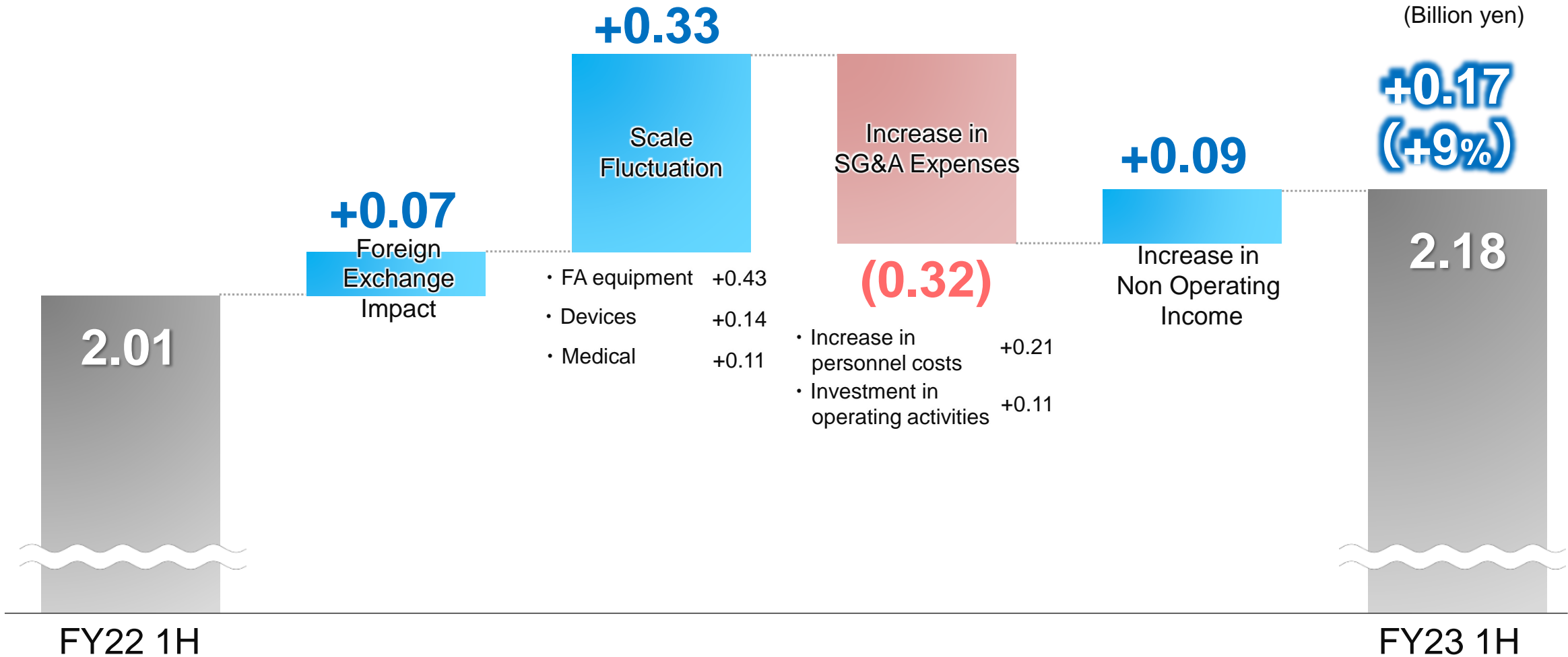
(Billion yen)			
	1H	2H	Full year
	Results	Forecast	Forecast
Net Sales	50.3 (+8%)	49.7 (-2%)	100.0 (+3%)
Gross Profit	7.1 (+6%)	7.1 (±0%)	14.2 (+3%)
Ordinary Income	2.2 (+9%)	2.0 (-3%)	4.2 (+3%)
Ordinary Income (%)	4.3%	4.0%	4.2%

Changes in quarterly net sales



Ordinary Income in Six Months Ended September 30, 2023 (YoY)

Improved profitability through the expansion of core FA Equipment, Devices and Medical businesses



Net Sales by Segment for the Year Ending March 31, 2024

Expecting to expand business primarily in the medical and FA equipment areas, despite a bleak outlook for the market climate mainly overseas

(Billion yen)

Net Sales	1H	2H		Full Year		
	Results	Forecast	YoY	Net Sales Increase / Decrease Factors	Forecast	YoY
Industrial Equipment and Systems	21.1	21.3	±0%	FA equipment : Increase in sales by capturing demand for equipment for semiconductors and EVs, as well as those for Expo 2025 Osaka, Kansai, Japan, despite a sales decrease at offices in China due to sluggish capital investment along with economic slowdown. Machinery and systems : Increase in sales by capturing demand for automation at production sites mainly for the manufacturing and food industries.	42.3	+1%
Semiconductors and Devices	16.6	16.6	-10%	Devices : Decrease in demand due to the progress of inventory adjustment by EMS manufacturers in Southeast Asian countries. Semiconductors : Increase in sales of foreign semiconductors for power conditioners, but sales decrease due to a reaction to special demand for marketed products that we supplied by fully exercising our function as a trading company.	33.2	-4%
Social Infrastructure	9.0	8.0	+8%	Electronic medical equipment : Increase in sales due to higher sales of radiotherapy systems and acquisition of demand for DX at medical workplaces. Heavy electric machinery : Increase in sales of solar power generation systems against the backdrop of increasing demand for decarbonization.	17.0	+24%
Information and Communications Equipment	3.6	3.9	+2%	Mobile phones : Decrease in demand due to sluggish investment in mobile base stations, but sales remain unchanged from the year-earlier level due to sales of in-house developed applications to mobile phone shops and service proBusiness Plan to other industries. Information systems : Increase in sales due to acquisition of demand for DX and cloud migration targeting non-manufacturing and public sectors.	7.5	+6%
Total	50.3	49.7	-2%		100.0	+3%

03. New Medium-term Business Plan “T-Link1369”

New Medium-term Business Plan “T-Link1369”



Targeting consolidated net sales of 130.0 billion yen
in FY2026 (our 100th anniversary)



Consolidated Net Sales	New Business Sales	Ordinary Income	ROE
130.0 billion yen	+30.0 billion yen	6.0 billion yen	9%

Growth

Evolving 4 growth strategies

Reform

Creating innovation aiming to be a general trading company

Financial

Business management that emphasizes capital efficiency

Non-financial

Refining sustainability management

Expand core businesses

To Achieve Consolidated Net Sales of 130.0 Billion Yen



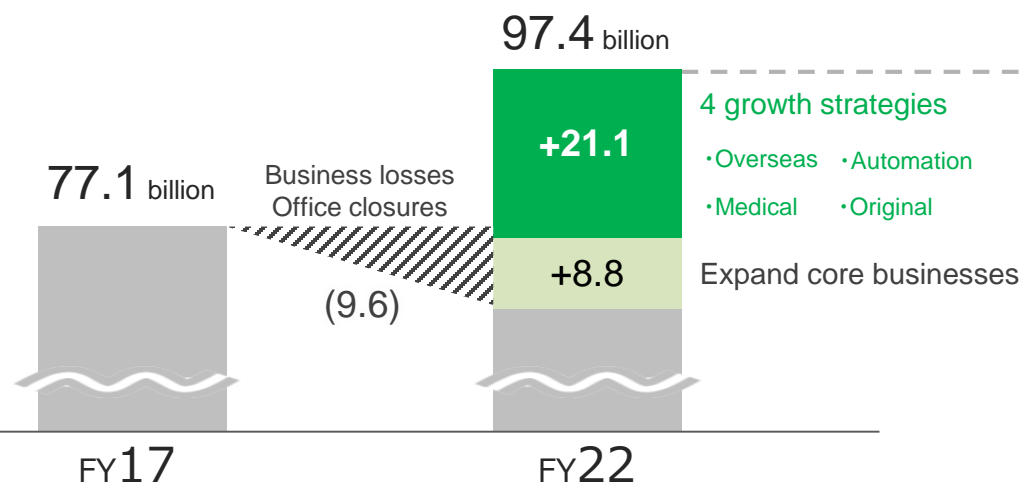
Evolve growth strategies that we nurtured under the previous medium-term business plan and reform our business for the next generation



Looking back on the previous medium-term business plan

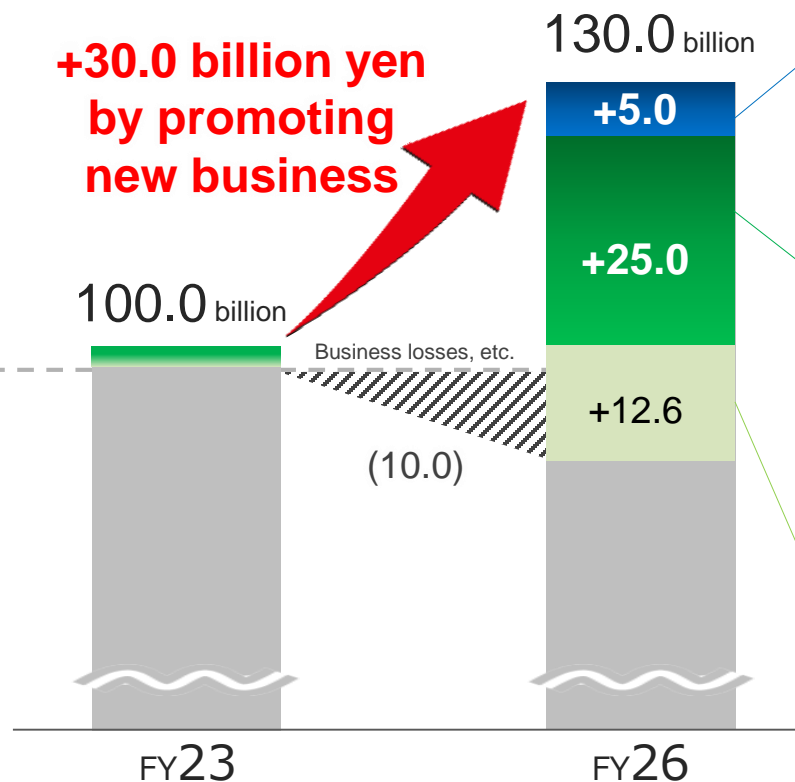
“T-Link1000” : Target sales, 100.0 billion yen

- Grew to sales of 97.4 billion yen based on 4 growth strategies and by expanding core businesses
- Occurred business losses such as sales channel restructuring and manufacturer's withdrawal
- Office closures and expansion (M&A) for selection and concentration



What we aspire to be under the new medium-term business plan

+30.0 billion yen by promoting new business



Reform Creating innovation aiming to be a general trading company

- Mobility
- Materials
- Energy solutions
- DX promotion

Growth Evolving 4 growth strategies


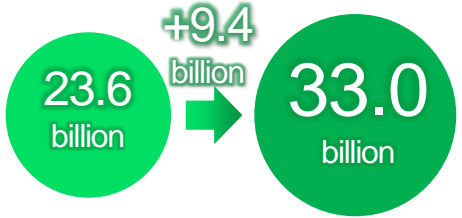

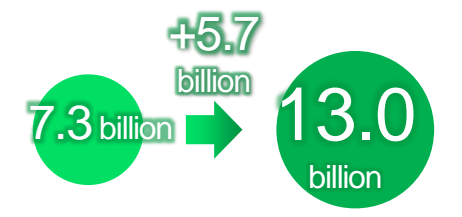

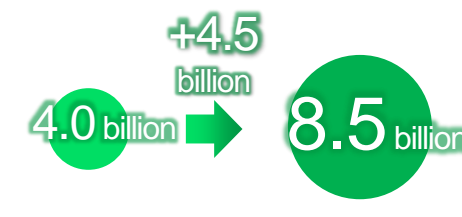

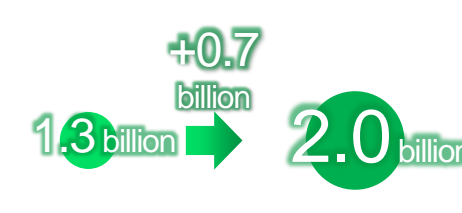
- Global
- Medical
- Automation
- Original
- M&As according to growth strategies

Expand core businesses

- Acquire new customers and expand areas

Growth Evolving 4 Growth Strategies

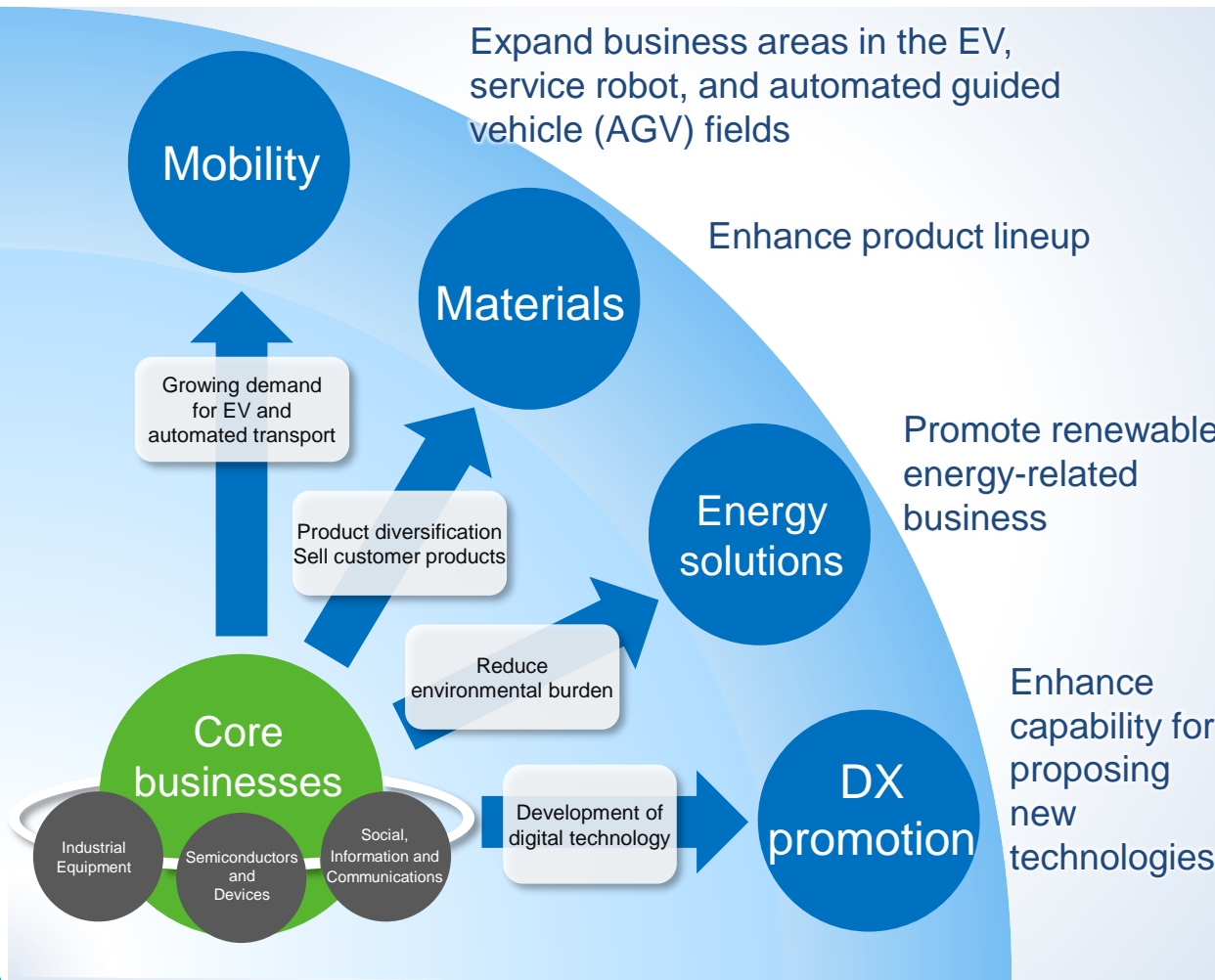
Further business expansion in the growing market by leveraging our strength (technological proposal capability)

	Points of measures	Net sales(2022→2026)
Global	<ul style="list-style-type: none"> ✓ Enhance business in the growing markets including India and promote device business for EVs ✓ Enhance bases for FA solution business in Malaysia ✓ Further expand areas including business sites in Southeast Asia 	
Medical	<ul style="list-style-type: none"> ✓ Acquire demand for diagnostic equipment in new areas (such as surgery and brain surgery) ✓ Further expand radiation cancer therapy devices and maintenance business ✓ Promote medical DX by providing radiology information systems in a broader area 	
Automation	<ul style="list-style-type: none"> ✓ Develop solutions in response to a declining labor force and the shift of production back to Japan ✓ Promote conversion of an entire factory into a smart one by proposing a comprehensive design ✓ Capture demand for automation used in different industries (such as food sector) 	
Original	<ul style="list-style-type: none"> ✓ Create innovation by integrating our connection skill and new technologies (such as AI) ✓ Promote SaaS business by utilizing our own smartphone apps ✓ Strengthen sales by enhancing collaboration with overseas business sites and partners 	

+

Promote M&As according to growth strategies

Enhance our integrated proposal capability by providing new value that goes beyond the framework of existing businesses



Mobility

- ◆ Reduce manned operations with next-generation automated transport systems, and roll out to retail and construction sectors

Materials

- ◆ Propose overseas products such as processed products and mechanical parts
- ◆ Expand business areas by enhancing product lineup such as construction materials, resin and magnet

Energy solutions

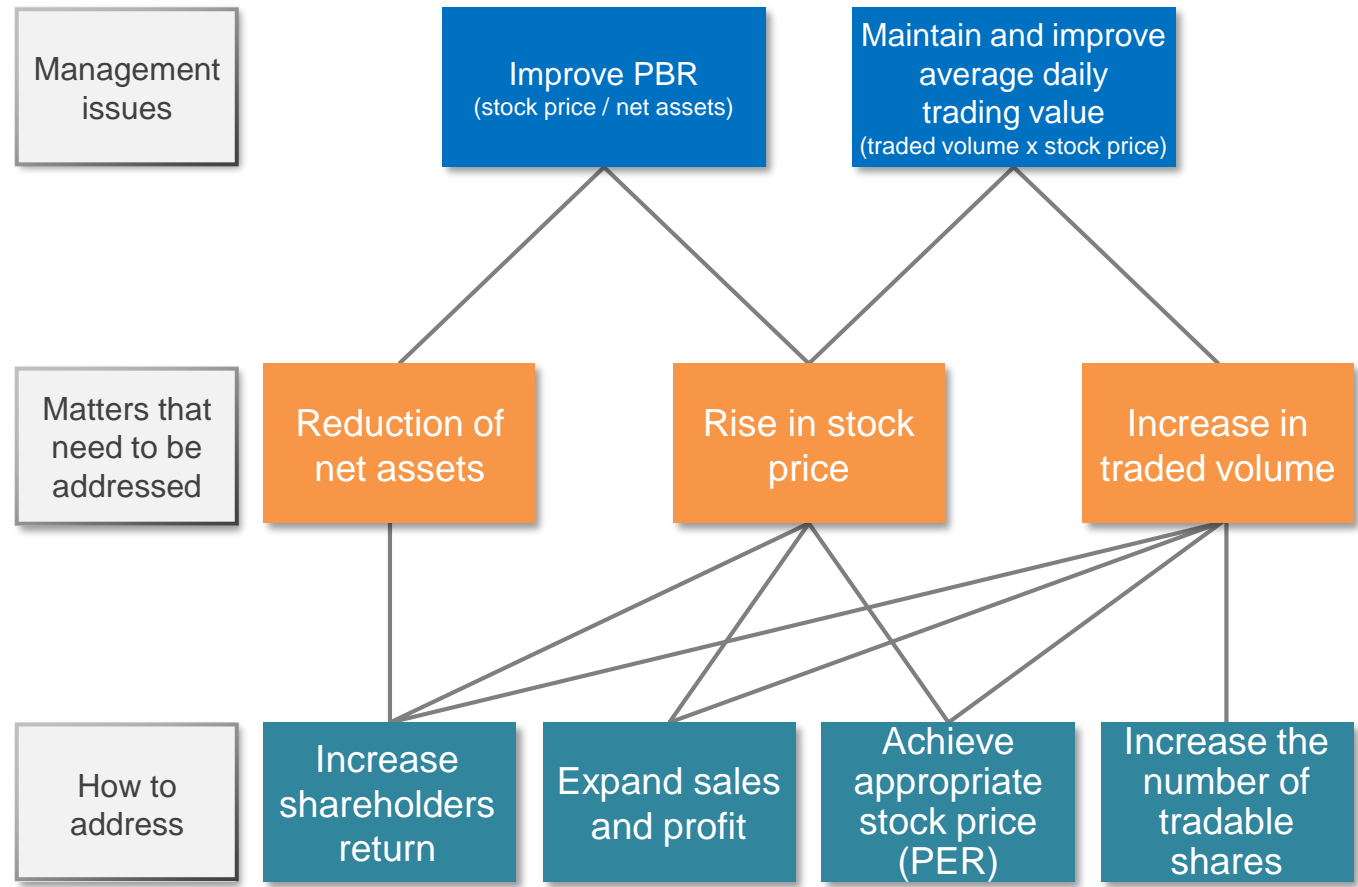
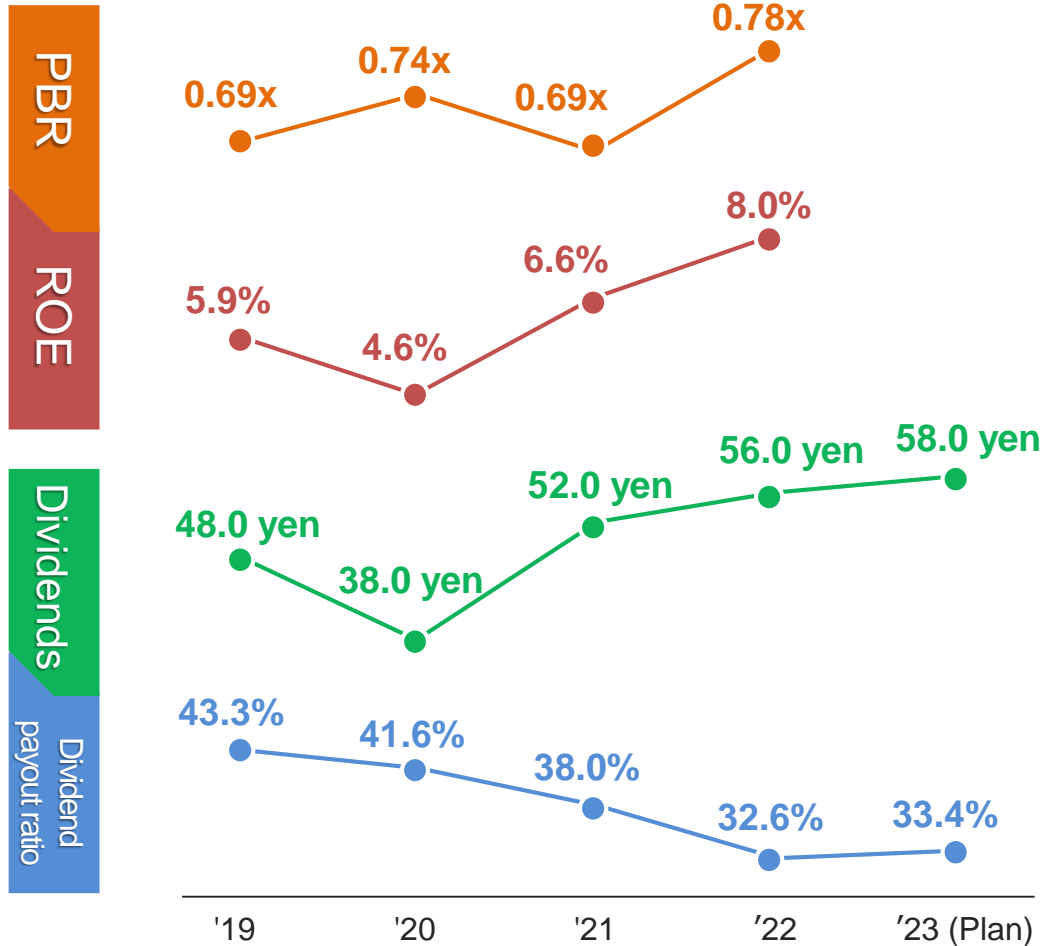
- ◆ One-stop proposal of wind and solar power generation facilities (from sales to installation and maintenance)
- ◆ Further enhance energy generation / storage business (storage battery, EV charging facility, next-generation solar power generation, etc.)

DX promotion

- ◆ Verification of our internal operations improvement using generative AI, and propose to customers
- ◆ Develop IoT business for railway and public sectors

Toward improving corporate value over the medium to long term, targeting PBR (price book-value ratio) of 1x

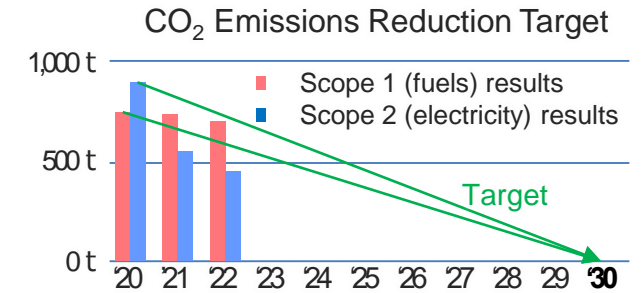
*PBR and ROE = Figures are on a consolidated basis



Promote improvement in corporate value through the creation of social value

To realize a decarbonized society

- ◆ Aim to achieve net zero CO₂ emissions in FY2030 (Scope 1 and 2)
 - ✓ Switch company-owned vehicles to EVs
 - ✓ Switch electricity used at our all business sites to renewable energy-derived sources
 - ✓ Promote generation of renewable energy and in-house consumption by constructing wind power and solar power generation facilities



Management by which employees and the company can grow together

- ◆ Create a fulfilling workplace where various talents can actively work
→ Childcare leave utilization rate (male: 35.3%, female: 100%)
- ◆ Facilitate communication (encourage in-house events and club activities)
- ◆ Promote health and productivity management
(Certified as Health & Productivity Management Outstanding Organization in March 2023)

	2020	2021	2022
Employee turnover rate	1.8%	1.7%	1.7%
Retention rate of new graduates for three years	95%	92%	96%

*Employee turnover rate: Annual average rate of employees who voluntarily terminated for the latest three years

Enhance foundations for corporate governance and risk handling

- ◆ Upgrade internal control management by enhancing the effectiveness of Risk Management Committee, etc.



Business Strategy Office, Corporate Planning Department
