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April 18, 2023

To whom it may concern

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## Notice of Compliance with Prime Market Listing Maintenance Standards

We hereby announce that we have prepared the following information on the progress of our plan for Compliance with Prime Market Listing Maintenance Standards as of January 20, 2023.

### Notice

#### 1. Compliance with the Company's Listing Maintenance Standards and Plan Period

The status of our company's compliance with the criteria for maintaining listing on the prime market as of January 20, 2023, including its transition, is as follows. As shown in the table below, the Company will continue to make various efforts to meet the criteria for "Tradable shares market capitalization" by the fiscal year ending January 20, 2026.

		Number of shareholders	Number of tradable shares	Tradable share market capitalization	Tradable Share Ratio	Daily Average Trading Value
Takasho's compliance status and transition	As of June 30, 2021*1 (transition record date)	10,422 persons	101,904 units	7.9 billion yen	69.4%	0.096 billion yen
	As of December 31, 2022 *2	-	-	-	-	0.084 billion yen
	As of January 20, 2023*3	14,773 persons	131,178 units	9.1 billion yen	74.5%	-
Prime market listing maintenance criteria		800 persons	20,000 units	10 billion yen	35%	0.020 billion yen
Compliance status		Complied	Complied	Incompatible	Complied	Complied
Planning period as stated in the original plan		-	-	January 20, 2026	-	-

\*1 Takasho's compliance status as of June 30, 2021 is based on the distribution of Takasho's shares, etc. as known by The Tokyo Stock Exchange as of the transition record date (June 30, 2021).

\*2 Daily Average trading value as of December 31, 2022 is based on the notice of the Tokyo Stock Exchange's confirmation of compliance with the Prime listing maintenance standards (trading value standards) for the period from January to December 2022.

\*3 Takasho's compliance status as of January 20, 2023 is based on the distribution of Takasho's shares, etc. as known by the Tokyo Stock Exchange as of the record date (January 20, 2023).

## 2. Status of implementation and evaluation of efforts to comply with Prime listing maintenance standards

Takasho has been making efforts to comply with the Prime market listing maintenance standards in the "Plan for Compliance with the Prime Market Listing Maintenance Standards in the New Market Segments" announced on November 15, 2021. As of January 20, 2023, Tradable share market capitalization did not meet the criteria, we will promote medium- to long-term management strategies to comply with Tradable shares market capitalization, as well as to strengthen IR activities and increase shareholder returns in order to comply with the Prime market listing maintenance standards. The progress of various initiatives is as follows

### ① Medium- to -Long term Management Strategy Initiatives

Takasho has established a medium- to long term management plan through the fiscal year ending January 20, 2050, aiming to achieve consolidated net sales of 100 billion yen and consolidated ordinary income of 10 billion yen by the fiscal year ending January 20, 2050. The medium-term management plan through the fiscal year ending January 20, 2026 is as follows.

	Year ending January 20, 2023 track record	Year ending January 20, 2024 plan	Year ending January 20, 2025 plan	Year ending January 20, 2026 plan
Consolidated Net sales	20,351	22,700	25,700	28,370
Consolidated Operating income	880	1,016	1,720	2,090
Consolidated Ordinary income	982	1,048	1,780	2,140
Consolidated Net income	518	651	1,090	1,300

※ Performance figures in million yen

※ Takasho has partially revised the mid- to-long term plan described in the "Plan for Compliance with the Prime Market Listing Maintenance Standards in the New Market Segments" which was announced on November 15, 2021.

In the future, the prospects of Japanese economy continue to be highly uncertain and are unpredictable due to the volatile global factors, soaring raw material and energy prices, and rising prices of commodities. On the other hand, we expect that the demand for garden exteriors continue to increase as people spend more time at home due to the expansion of new lifestyles caused by COVID-19. Under these circumstances, our group will promote product development in the LINKED CITY concept (a tourism-oriented smart city concept that improves urban creativity with tourism as a starting point), as well as initiatives to revitalize local economies and achieve sustainability. In addition, we will accelerate our commitment to our corporate philosophy and actively promote ESG and SDGs by transforming society toward low-carbon and resource-conscious products.

Since ESG is integrated into our business itself, we believe that the promotion of our group's products will directly lead to the resolution or mitigation of environmental and social issues.

The medium-term plan for consolidated sales by business segment through the fiscal year ending January 20, 2026 is as follows.

	Year ending January 20, 2023 track record	Year ending January 20, 2024 plan	Year ending January 20, 2025 plan	Year ending January 20, 2026 plan
Pro-Use Business	13,193	13,780	15,038	16,783
Home-Use Business	5,587	6,420	7,078	7,682
Overseas Business	1,545	2,390	3,370	3,549
Other	26	110	214	356

※ Performance figures in million yen

In the professional-use business, we will further promote the hybridization of real and Internet, promote DX-type sales promotions such as AR and MR, enhance brand value and sales activities, and strengthen our sales and proposal capabilities to landscapers to expand sales channels.

In the home-use business, we will further strengthen sales in the growing e-commerce field, promote development of new products through in-house factory production, and promote sales of common global products.

In the overseas business, we will promote new transactions with major home centers in the U.S. and strengthen sales in Europe (France, Italy, etc.), where we have not been able to expand our business. In addition, we will promote the introduction of new items for sale and the development of new products with the aim of expanding sales through e-commerce, centering on marketplaces with business partners, including our own website "VEGTRUG.COM," and strengthen sales by proposing a product lineup that customers can enjoy the entire garden. In addition, with regard to sales of professional-use products in the overseas business, we will promote sales expansion to the U.S. and other markets by applying successful examples in the Australian market. Furthermore, we will not only approach existing industries, but also promote the development of sales channels to untapped industries and fields.

On the management side, we will strive to reduce costs and establish a competitive advantage by promoting the systemization of operations and the operation of AI and RPA, as well as the web order system in order to improve operational efficiency and enhance productivity.

Based on these initiatives, we aim to achieve our medium- to long-term management plan.

## ② Strengthen Investor Relations("IR") activities

The following are the main IR activities made with the aim of increasing Takasho's market recognition after the announcement of the "Plan for Compliance with the Prime Market Listing Maintenance Standards in the New Market Segments" (from December 2021 to March 2023).

- Web briefings and investor meetings attended by representatives (held 20 times)
- Video distribution by representatives (5 times)
- Investor meetings attended by IR managers (43 times)
- Disclosure in English (Financial Statements, Financial results briefing materials, Timely disclosure materials)

In addition, we are conducting TV commercials in 14 prefectures in 6 regions in Japan to increase market awareness of our company and our brand value, and at the same time, we are conducting DX-type sales

promotion of garden and exterior products, linking our web platform site “Channel Takasho”.

We will continue to engage in active investor relations activities to raise market awareness.

③ Expansion of Shareholder Returns

For further clarification of our stance of providing stable and substantial returns to shareholders, we have decided to set the dividend amount at a minimum of 5 yen per share per year, with a target payout ratio of around 40% at a board meeting held on March 3, 2023.

Furthermore, in order to enhance shareholder returns, improve capital efficiency, and implement a flexible capital policy in response to changes in the business environment, Takasho has resolved to conduct to purchase treasury stock as described below.

(1) Type of shares of acquisition: Common stock of the Company

(2) Total number of shares of acquisition: 700,000 shares (maximum)

(Ratio to total number of shares outstanding (excluding treasury stock): 4.0%)

(3) Total amount of shares of acquisition: 500 million yen (maximum)

(4) Period of acquisition: March 6, 2023 - June 9, 2023

(5) Method of acquisition: Purchase on the Tokyo Stock Exchange

Regarding shareholder returns, we will continue our efforts to provide a stable return to shareholders, including dividend increase and other means.

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