



February 8, 2022

To Whom It May Concern

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Announcement of New Medium-term Management Plan 2022 - 2024

On December 10, 2021, in order to apply the transitional measures regarding the listing maintenance standards, we announced the "Plan for Compliance with the Listing Maintenance Standards of the New Market Category." We have formulated the "New Medium-Term Management Plan 2022 - 2024: Challenges for Creation - Toward the 100th Anniversary of the New Normal Era", which is the cornerstone of the plan as follows.

1. Background of the new medium-term management plan

Looking toward the end of fiscal 2021, the 70th anniversary of our founding, we have been dedicated to achieving the management indicators and implementing the medium-term management plan's basic strategies which are created giving thought to the medium to long-term slogan of "Challenge to Change: Next Stage to 70th".

We believe it is important to sort out and address issues in the Group's management systems, management plan, and business structure in light of the sluggishness of demand for advanced fire protection systems in Southeast Asia caused by the spread of the coronavirus and other factors and also the delay in the actualization of new businesses. In addition, in order for our Group to fulfill its commitment to its shareholders and ensure the maintenance of its listing on the Prime market in the future, it is essential to reconsider the functions and synergies of Group management and to accelerate the challenge of change with each and every employee having a sense of participation in the management.

Based on the above, we have formulated the "New Medium-Term Management Plan 2022 - 2024: The Challenge to Create - Toward the 100th Anniversary of the New Normal Era" as a public

commitment to achieve full compliance with the criteria for maintaining our listing on the Prime market and in order to realize the sustainable growth and medium- to long-term enhancement of corporate value of our Group.

2. Concept of the new medium-term management plan 2022 - 2024

In line with our Group's corporate philosophy and the basic policies of "Concentrating on high value-added businesses transformation" and "Creating new value by strengthening the management base," we will solve customer and social issues by maximizing our Group's strengths, such as services backed by high technological capabilities and make a great leap forward to become a company that can meet the expectations of our shareholders.

In addition, through the implementation of this plan, we will ensure the achievement of a market capitalization in excess of 10 billion yen. At the same time, we will realize the maximization of our Group's corporate value by taking on the challenge of creation for business transformation and promoting new business strategies, capital policies and governance.

3. Management objectives

	Fiscal year ending March 2022 (forecast)	Fiscal year ending March 2025 (target)
Net sales	21,700 million yen	26,000 million yen
Ordinary income	1,100 million yen	2,000 million yen
Net income	770 million yen	1,400 million yen
ROE	5.3%	10.0% (target) 8.0% (required)
Dividend payout ratio	57.8%	100% Maintain a dividend payout ratio of 100% until the average ROE for three years exceeds 8%.

4. Growth strategy for new business transformation

- ① Promotion and deepening of strategies for loyal customers
 - Expand businesses with high profitability and growth potential among existing businesses
- ② Growth of service business
 - Transformation from "selling goods" to "selling services"
- ③ Creation of future core businesses
 - Acquiring a new revenue base through launching new businesses and business model
- ④ Strengthening the foundation of the business

- Promoting initiatives for the portfolio management of businesses / digital transformation (DX) / strengthening investment in the development of human resources/ improving capital efficiency
- ⑤ Setting a total of 3 billion yen as the limit for strategic investments
 - Accelerating the growth drivers by investing a total of 3 billion yen to strengthen the internal foundation, grow and develop our focused areas (i.e. service business), and launch new businesses.
- ※ From the perspective of "growth potential" and "profitability," we will position the cloud subscription-type service business and the maintenance business as "growth businesses" from the period of the new medium-term management plan and review the segment classification.

5. Efforts to improve the return on invested capital

- ① Limit increases in equity capital in order to improve return on invested capital and the balance sheet
- ② Maintain a dividend payout ratio of 100% until the average ROE for three years exceeds 8%
- ③ Consider using interest-bearing debt for large-scale investments

6. "E·S·G" initiatives to support the new medium-term management plan

- ① Expansion of services that can contribute to the environmental field (E) and social field (S)
 - We contribute to the creation of a safe environment for our customers and users of our services by providing products and services that contribute to the environmental friendliness of our customers' work environments and facilities, and by providing our security services, which have the top-class share in Japan.
- ② Governance development(G)
 - Establish an investment committee to improve the quality of discussions of the board of directors and the executive board so as to strengthen the supervisory function of the board and the review function of investment decisions including M&A.
 - Strengthen the fairness, transparency and objectivity of procedures related to nominations and remuneration by the actions of the voluntary nomination and remuneration committees
 - Promote management from the perspective of shareholders by newly adopting ROE as a KPI for performance-linked remuneration for Directors.

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