

TAKARA STANDARD CO., LTD.

Nine Months Ended December 31, 2024

Financial Results

February 4, 2025

Stock Code
7981

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1. Overview of Financial Results
for the Nine Months Ended December 31, 2024

PP. 2 ~ 15

2. Topics

PP. 17 ~ 19

Overview of Financial Results

Net sales reached a record high in the nine months ended, driven by sales for new construction. Operating profit saw growth exceeding 20%, resulting in increased revenue and profit.

【Net sales】

¥184.3billion
+2.7% YoY

Although sales in remodeling decreased compared to the previous period due to rush demand associated with price revisions, revenue increased as a result of strong sales for new construction products.

【Operating profit】

¥12.8billion
+20.1% YoY

Operating profit and profit attributable to owners of parent increased during the cumulative period due to strong sales for new construction, the effects of price revisions, inventory reduction, and other streamlining and cost reductions. In the third quarter, profit increased due to the recovery trend in sales for remodeling, which generally have a higher profit margin.

【Profit attributable to owners of parent】

¥9.0billion
+9.9% YoY

Operating Results

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Net sales and all kinds of profits increased.
Progress is also smooth against the full-year earnings forecast.

(Unit : ¥ billion)

	Apr.-Dec. 2023		Apr.-Dec. 2024				FY3/2025 Forecasts	
	Amount	% of sales	Amount	% of sales	Change	% change	Amount	achievement rate
Net sales	179.4	100.0%	184.3	100.0%	+4.9	+2.7%	239.1	77.1%
Gross profit	60.8	33.9%	63.8	34.7%	+3.0	+5.0%		
SG&A	50.0	27.9%	51.0	27.7%	+0.9	+1.8%		
Operating profit	10.7	6.0%	12.8	7.0%	+2.1	+20.1%	14.5	88.8%
Ordinary profit	11.0	6.2%	13.2	7.2%	+2.1	+19.7%	14.7	90.1%
Profit attributable to owners of parent	8.2	4.6%	9.0	4.9%	+0.8	+9.9%	9.7	93.3%

Operating Results (Quarter-on-Quarter Comparison)

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Net sales in the third quarter continued to be strong for new construction, and showed a recovery trend for remodeling.

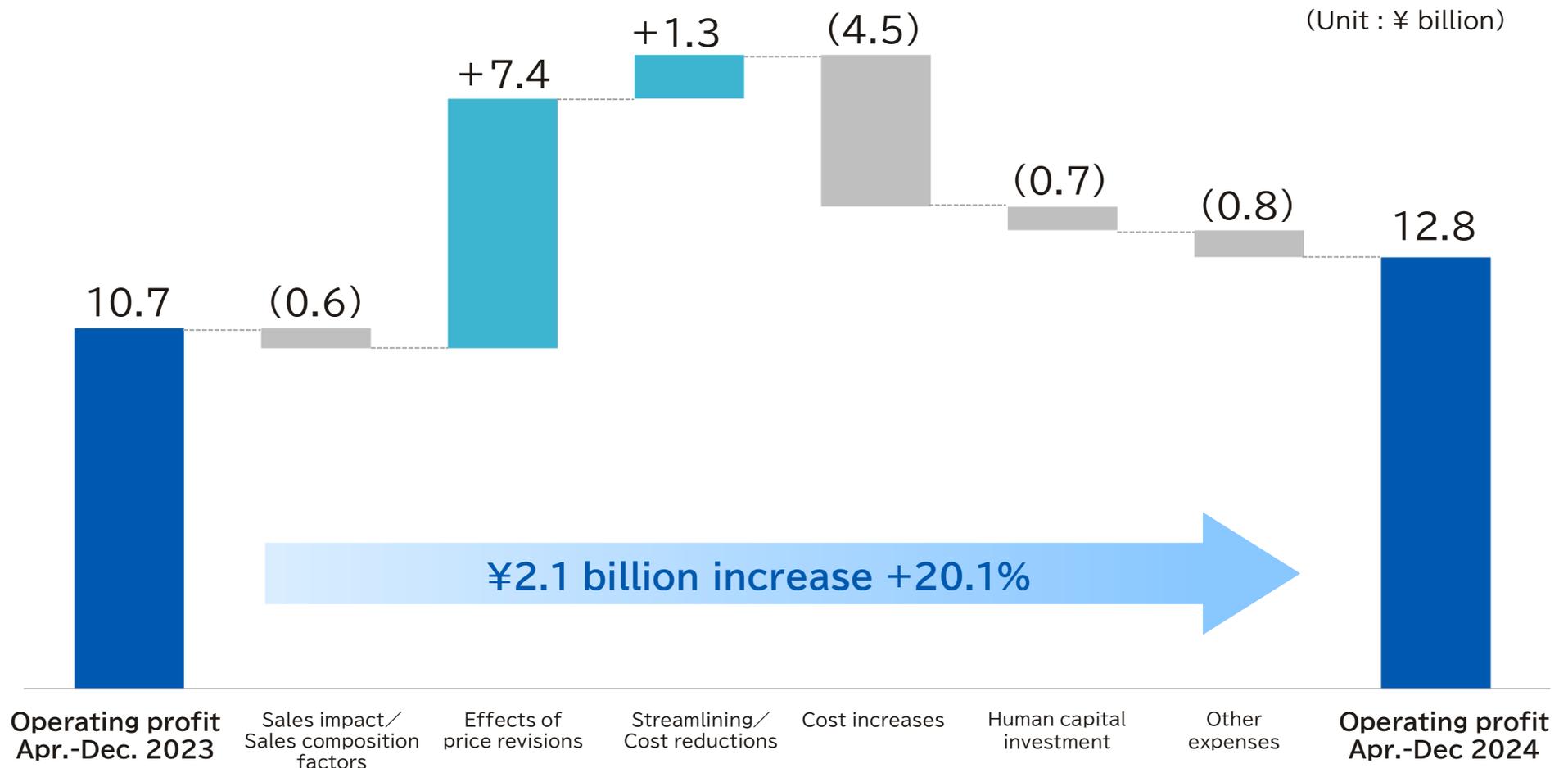
Operating profit in the third quarter improved as a result of the recovery in the relatively high-margin remodeling segment, leading to an increase in gross profit.

(Unit : ¥ billion)

	2023				2024							
	First half (Apr.-Sept.)		Third quarter (Oct.-Dec.)		First half (Apr.-Sept.)				Third quarter (Oct.-Dec.)			
	Amount	% of sales	Amount	% of sales	Amount	% of sales	Change	% change	Amount	% of sales	Change	% change
Net sales	114.6	100.0%	64.7	100.0%	115.9	100.0%	+1.2	+1.1%	68.3	100.0%	+3.6	+5.6%
Gross profit	38.4	33.5%	22.3	34.6%	39.6	34.2%	+1.2	+3.2%	24.2	35.5%	+1.8	+8.3%
SG&A	33.1	28.9%	16.9	26.2%	33.6	29.1%	+0.5	+1.7%	17.3	25.3%	+0.3	+2.0%
Operating profit	5.3	4.6%	5.4	8.4%	5.9	5.1%	+0.6	+12.3%	6.9	10.1%	+1.5	+27.9%
Ordinary profit	5.4	4.8%	5.5	8.6%	6.1	5.3%	+0.6	+11.6%	7.1	10.4%	+1.5	+27.7%
Profit attributable to owners of parent	4.4	3.9%	3.8	5.9%	3.8	3.3%	(0.5)	(12.3)%	5.1	7.6%	+1.3	+35.7%

Analysis of Change in Operating Profit

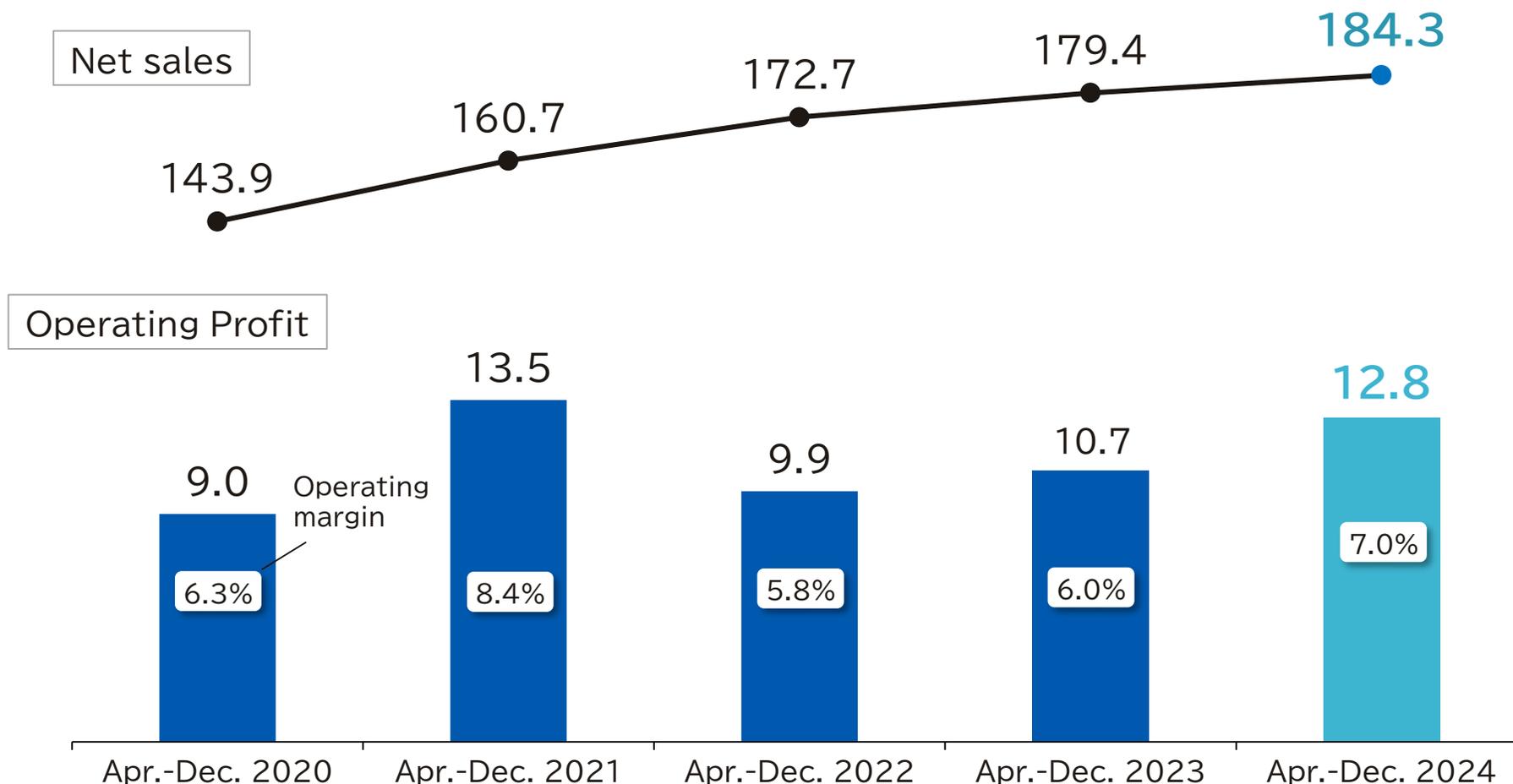
Operating profit was impacted by cost increases including raw material purchases, but increased due to price revisions implemented in FY2023, streamlining and cost reductions including inventory compression. Additionally, in the third quarter, the recovery in remodeling sales also contributed to profit growth.



Net Sales and Operating Profit Trends

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(Unit : ¥ billion)



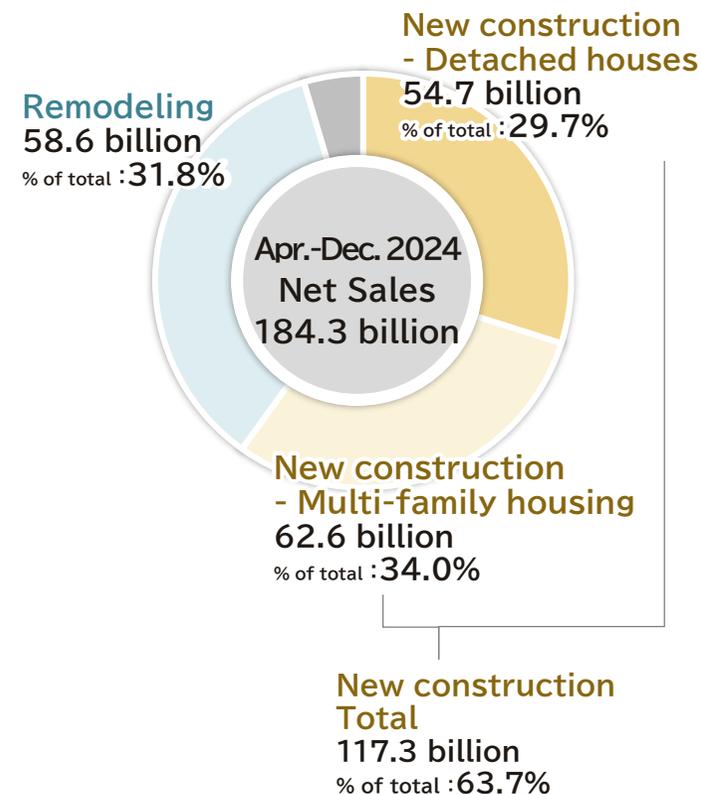
- The Company has applied the “Accounting Standard for Revenue Recognition” and related standards from FY2021, and the figures for Apr.-Dec. 2020 were retroactively restated.

Net Sales by Market

Despite lower sales in the remodeling market due to rush demand resulting from the price revisions in the previous fiscal period, revenue in the new construction multi-family housing market increased overall due to strong demand in urban areas and contributions from price revisions.

(Unit : ¥ billion)

		Apr.-Dec. 2023		Apr.-Dec. 2024			
		Amount	% of total	Amount	% of total	Change	% change
New construction	Detached houses	53.4	29.8%	54.7	29.7%	+1.3	+2.5%
	Multi-family housing	55.9	31.2%	62.6	34.0%	+6.6	+11.9%
	Total	109.3	60.9%	117.3	63.7%	+8.0	+7.3%
Remodeling		61.8	34.5%	58.6	31.8%	(3.2)	(5.2)%
Total incl. others		179.4	100.0%	184.3	100.0%	+4.9	+2.7%



Net Sales by Market (Quarter-on-Quarter Comparison)

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Third quarter sales were also driven overall by new construction multi-family housing, continuing from the first half of the year.

Remodeling recovered to the same level as the previous fiscal year in the third quarter alone. This recovery was due to the success of various measures, such as enhancing the specifications of volume zone products and promoting optimal proposals tailored to users' budgets.

(Unit : ¥ billion)

		2023				2024							
		First half (Apr.-Sept.)		Third quarter (Oct.-Dec.)		First half (Apr.-Sept.)				Third quarter (Oct.-Dec.)			
		Amount	% of total	Amount	% of total	Amount	% of total	Change	% change	Amount	% of total	Change	% change
New construction	Detached houses	34.3	29.9%	19.0	29.5%	34.7	29.9%	+0.3	+1.0%	20.0	29.3%	+0.9	+5.1%
	Multi-family housing	34.4	30.0%	21.5	33.3%	38.6	33.3%	+4.2	+12.3%	23.9	35.1%	+2.4	+11.4%
	Total	68.7	59.9%	40.5	62.7%	73.3	63.2%	+4.5	+6.6%	44.0	64.4%	+3.4	+8.5%
Remodeling		40.6	35.5%	21.1	32.7%	37.4	32.3%	(3.2)	(8.0)%	21.2	31.0%	+0.0	+0.1%
Total incl. others		114.6	100.0%	64.7	100.0%	115.9	100.0%	+1.2	+1.1%	68.3	100.0%	+3.6	+5.6%

Net Sales by Product Category

In each product category, sales of remodeling decreased year on year. Sales of kitchens and washstands increased. This was due to strong sales to new construction multi-family housing, where our company has a large share.

(Unit : ¥ billion)

	Apr.-Dec. 2023		Apr.-Dec. 2024			
	Amount	% of sales	Amount	% of sales	Change	% change
Kitchen	107.2	59.8%	111.8	60.7%	+4.5	+4.2%
Bathroom	43.7	24.4%	43.9	23.8%	+0.2	+0.5%
Washstand	20.5	11.4%	21.3	11.6%	+0.8	+4.1%
Total incl. others	179.4	100.0%	184.3	100.0%	+4.9	+2.7%



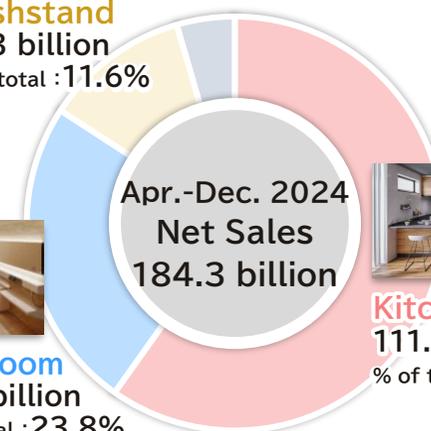
Washstand
21.3 billion
% of total : 11.6%



Bathroom
43.9 billion
% of total : 23.8%



Kitchen
111.8 billion
% of total : 60.7%



【Sales within total】

Panel-related sales	5.4	3.0%	5.3	2.9%	(0.1)	(2.1)%
Overseas business sales	0.9	0.5%	0.8	0.5%	(0.0)	(4.3)%

Net Sales by Product Category (Quarter-on-Quarter Comparison)

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Since a high percentage of our bathroom sales are for remodeling market, sales of bathroom increased in the third quarter in line with the recovery in remodeling sales.

(Unit : ¥ billion)

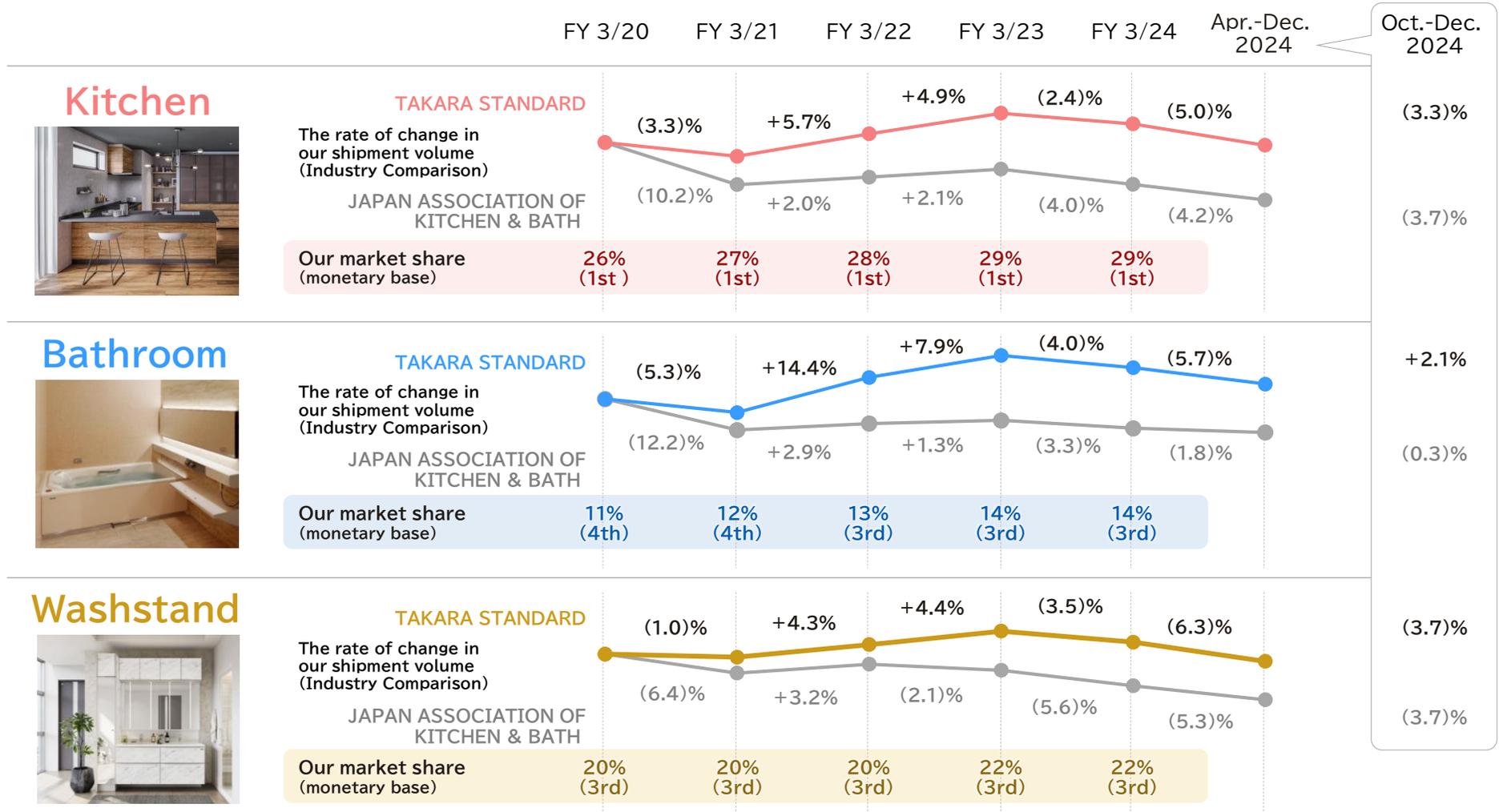
	2023				2024							
	First half (Apr.-Sept.)		Third quarter (Oct.-Dec.)		First half (Apr.-Sept.)				Third quarter (Oct.-Dec.)			
	Amount	% of sales	Amount	% of sales	Amount	% of sales	Change	% change	Amount	% of sales	Change	% change
Kitchen	68.0	59.3%	39.2	60.7%	70.1	60.5%	+2.1	+3.1%	41.6	60.9%	+2.3	+6.1%
Bathroom	28.5	24.9%	15.1	23.5%	27.9	24.1%	(0.5)	(2.0)%	15.9	23.4%	+0.7	+5.1%
Washstand	12.9	11.3%	7.5	11.6%	13.1	11.4%	+0.2	+1.6%	8.1	11.9%	+0.6	+8.4%
Total incl. others	114.6	100.0%	64.7	100.0%	115.9	100.0%	+1.2	+1.1%	68.3	100.0%	+3.6	+5.6%

【Sales within total】

Panel-related sales	3.4	3.0%	1.9	3.0%	3.3	2.9%	(0.1)	(3.5)%	1.9	2.9%	+0.0	+0.4%
Overseas business sales	0.5	0.5%	0.3	0.5%	0.5	0.5%	(0.0)	(2.4)%	0.2	0.4%	(0.0)	(8.0)%

Shipment Growth Rate and Changes in our market share

The rate of change in our shipment volume from the previous year is currently slightly weak against the industry level (as per the JAPAN ASSOCIATION OF KITCHEN & BATH) due to the impact of the rush in demand in the previous fiscal year.



* Figures for the JAPAN ASSOCIATION OF KITCHEN & BATH are YoY percentage changes in the total numbers of Kitchens, Modular Bathrooms, and Washstands.
 * Industry share is based on our own research.

Consolidated Balance Sheet

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Total assets at the end of December 2024 were ¥274.8 billion.
Increase of ¥6.1 billion from the end of the previous fiscal year.

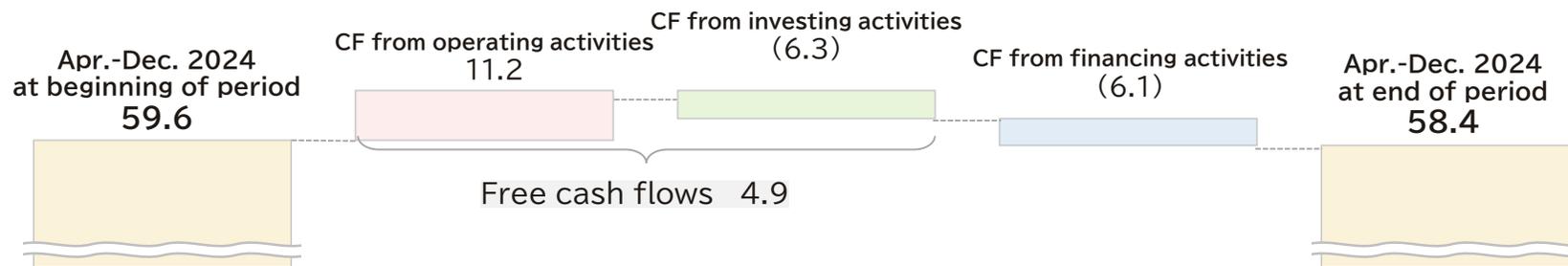
(Unit : ¥ billion)

		End-Mar. 2024	End-Dec. 2024	Change	Main Factors
Assets	Current assets	154.9	160.0	+5.0	Trade receivables +86 Cash and deposits (1.2) Inventories (3.3)
	Noncurrent assets	113.7	114.8	+1.1	Property, plant and equipment +2.0
Total assets		268.6	274.8	+6.1	
Liabilities	Current liabilities	61.2	62.8	+1.6	Trade payables +3.9 Income taxes payable (1.7)
	Noncurrent liabilities	20.0	20.2	+0.2	
Total liabilities		81.2	83.1	+1.8	
Total net assets		187.3	191.6	+4.2	Profit attributable to owners of parent +9.0 Purchase of treasury shares (1.5) Dividends of surplus (3.7)
Total liabilities and net assets		268.6	274.8	+6.1	

Consolidated Cash Flows

Cash and cash equivalents decreased ¥1.2 billion from ¥59.6 billion at the beginning of the period to ¥58.4 billion.

(Unit : ¥ billion)



	Apr.-Dec. 2023	Apr.-Dec. 2024	Main Items
Cash and cash equivalents at beginning of period	80.3	59.6	
Cash flows from operating activities	(11.5)	11.2	Profit before income taxes 13.1 Increase in trade payables 4.2 Decrease in inventories 3.3 Increase in trade receivables 8.5
Cash flows from investing activities	(4.9)	(6.3)	Purchase of property, plant and equipment (7.3)
Free cash flows	(16.5)	4.9	
Cash flows from financing activities	(7.7)	(6.1)	Dividends paid (3.7) Purchase of treasury shares (1.5) Net decrease in short-term borrowings (0.9)
Cash and cash equivalents at end of period	56.1	58.4	

Earnings Forecasts for FY Ending March 2025

(No change from the content announced at the beginning of the period)

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Plan to increase revenue and profit (net sales: +1.9%, operating profit: +16.7%)

We will further promote “strengthening product capabilities” and “reinforcing initiatives for proposal capabilities” in the remodeling market while maintaining strong sales in the new construction market. In addition, the Company will aim to achieve its earnings forecasts by further improving profitability through productivity improvements and streamlining.

(Unit : ¥ billion)

	FY3/2024 Results	FY3/2025 Forecasts	Change	
				% change
Net sales	234.7	239.1	+4.3	+1.9%
Operating profit	12.4	14.5	+2.0	+16.7%
Operating profit ratio	5.3%	6.1%	+0.8P	—
Ordinary profit	12.7	14.7	+1.9	+14.9%
Profit attributable to owners of parent	9.5	9.7	+0.1	+2.1%

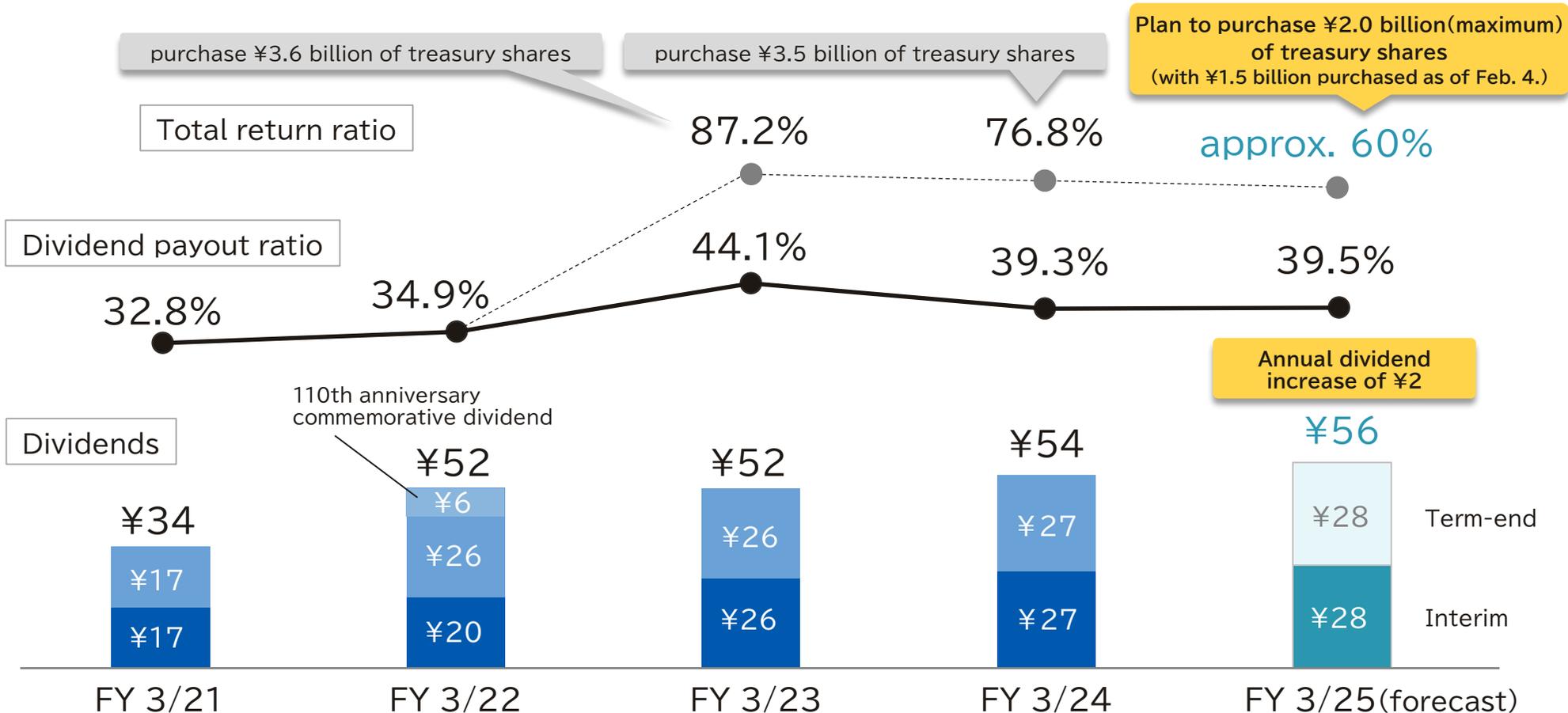
The State of Shareholder Returns

(No change from the content announced at the beginning of the period)

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To improve capital efficiency and enhance shareholder returns, we plan to increase dividends and purchase treasury shares in the FY Ending March 2025

The annual dividend for the FY Ending March 2025 is planned to be ¥56 per share (an increase of ¥2 per share). The company also plans to purchase ¥2.0 billion (maximum) of treasury shares, and purchased ¥1.5 billion worth in the nine months ended.



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for the Nine Months Ended December 31, 2024 PP. 2 ~ 15

2. Topics

PP. 17 ~ 19

Three relocations/renewals were carried out in the third quarter

Approximately 160 locations in all 47 prefectures of Japan. Develop community-based showrooms where customers can "see, touch, and feel" products.



Gifu
Tajimi
Showroom
(Oct. 2024)

Relocation



Aichi
Okazaki
Showroom
(Oct. 2024)

Renewal



Hyogo
Kobe
Showroom
(Nov. 2024)

Renewal

Promoting visits to showrooms through the use of Web

Virtual Showroom with 360° View



Showroom Exhibit Information



Web Reservation System



Exhibited for the first time at "Chemical Material Japan," showcasing our glass frit technology developed through enameled production.

We exhibited for the first time at the comprehensive exhibition "Chemical Material Japan," targeting the chemical industry, held in Nov. 2024.



Our enameled products are made by spraying a glassy glaze onto iron and firing it at high temperatures. The glaze, which is a crucial raw material determining the quality of the enamel, is made by adding additives to glass powder. We independently develop and manufacture using advanced glass frit technology. Leveraging our high level of technical expertise, we provide products that are not only intended for internal use but also tailored to various needs. Moving forward, we aim to increase the recognition of our glass frit business in various industries, including dental and UV adhesive, through advanced technology.

Exhibited at "Economic Times ACETECH" held in October 2024 in Bengaluru, India, Asia's largest housing and building materials exhibition

We have positioned India as a key strategic country for our future overseas business. We exhibited to survey the local acceptance of our enameled products and to select potential partner companies.



Many interior designers and representatives from design firms visited our booth, giving high praise for the cleanliness, design, and durability of our enameled products.



Start of training sessions for overseas agents to improve construction quality and capabilities

We started training sessions exclusively for overseas agents in October 2024, with the first session attended by four agents from Taiwan.



The installation of enameled wall panels in our kitchens and bathrooms requires specialized knowledge and skills, and is handled by our certified technicians. To expand construction capabilities and improve quality in line with future overseas business expansion, we have started exclusive training sessions for overseas agents. We plan to hold these sessions eight times a year and will consider expanding the number of participants depending on demand. Our overseas business is currently focused on Taiwan, China, and Vietnam, and we plan to further expand into new areas including India and Indonesia to further expand our business.

"Moominvalley Drawing Square" was created using our enamel material, which can also draw on.

Our enamel interior materials have been adopted as materials for the "MoominValley Drawing Square" in the new area of MoominValley Park (Saitama Prefecture), operated by Moomin Monogatari Ltd., .



"High-Quality Enamel" is a material that combines the durability of iron with the beauty of glass, offering excellent durability, cleanability, and weather resistance.

These characteristics have been highly valued, leading to its adoption in many public spaces such as public facilities, train stations, and corporate buildings.

"High-quality enamel" can be used repeatedly to draw on and always remain as beautiful as new, which is why it was chosen to be used for "MoominValley Drawing Square," where customers can freely enjoy art experiences.

A new commercial featuring Tao Tsuchiya and Yoshiko Miyazaki has begun airing.

In the new commercial, Tao Tsuchiya, who is in her sixth year as a showroom advisor, welcomes Yoshiko Miyazaki as a customer.



The theme of the commercial is "Life begins now." In the commercial, Miyazaki is enjoying life through various challenges such as YouTube, cooking, and bouldering after turning 60, and she visits the showroom to remodel her home for a more positive and comfortable life.

Tsuchiya, as a showroom advisor, engages in a friendly conversations with Miyazaki, drawing out her remodeling needs and illustrating a healthy and comfortable life after remodeling.

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This document contains projections based on the Company's plans as of February 4, 2025.

These plans and projections are subject to risks and uncertainties that could cause actual results to differ from the plans.

In addition, this document has been translated from the Japanese original for reference purposes only.

In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.