

TAKARA STANDARD CO. LTD.

Fiscal Year Ended March 31, 2025

Financial Results

May 8, 2025

Stock Code
7981

Takara standard

Company Overview

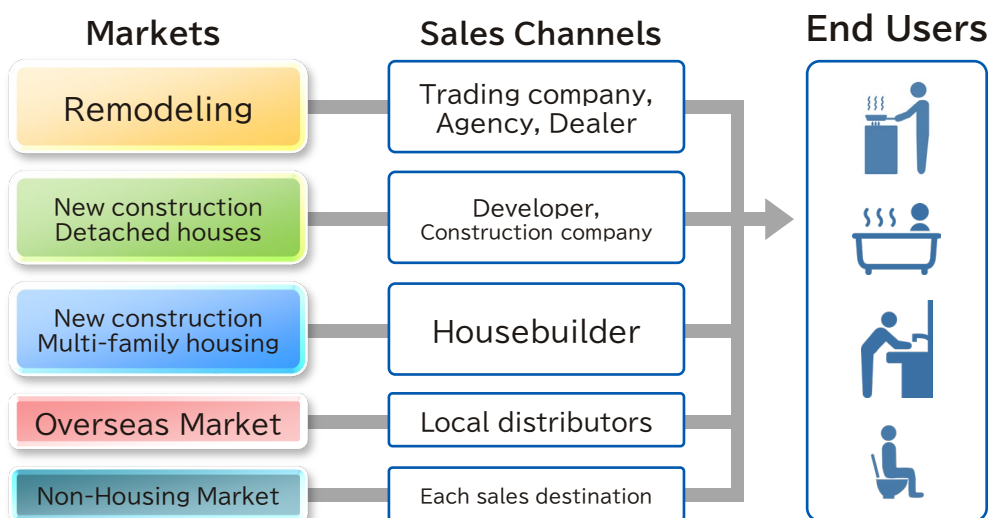
Takara standard

A comprehensive housing equipment manufacturer that develops products using proprietary materials such as high-grade enamel.

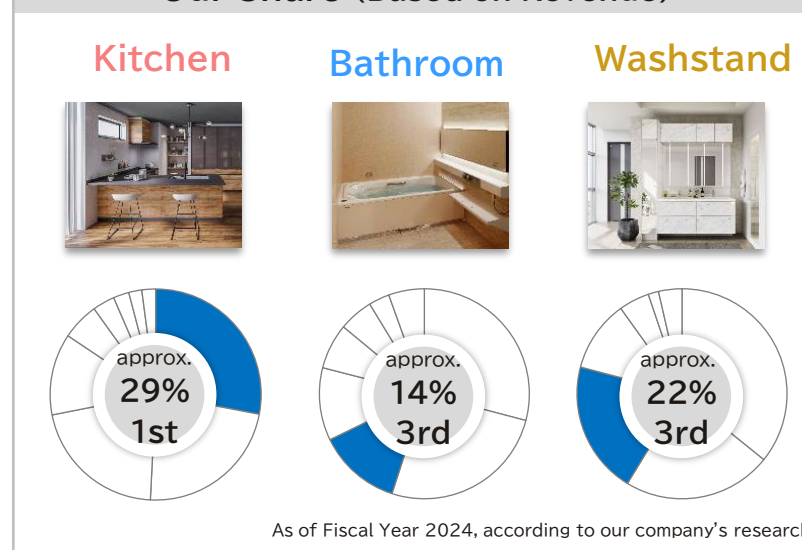


Company name	TAKARA STANDARD Co., Ltd.
Head office	1-2-1 Shigino-higashi, Joto-ku, Osaka 536-8536, Japan
Established	May 30, 1912
President	Masaru Komori
Listing	Prime Market, Tokyo Stock Exchange (Stock code: 7981)
Performance (consolidated)	Net sales : 243.3 billion yen operating margin : 15.6billion yen (FYE Mar. 2025)
Employees (consolidated)	6,560 (as of March 31, 2025)

We operate mainly in the renovation market, new construction detached houses and multi-family housing market.



Our Share (Based on Revenue)



Overview of Financial Results for FY Ended March 2025

Net sales reached a record high, operating profit increased by more than 25% YoY, and ROE rose to 5.8%.

Net sales: 244.3 billion yen(+3.7% YoY) Operating profit : 15.6 billion yen(+25.8% YoY)

- Sales increased due to strong performance in both detached houses and multi-family housing in the new construction market.
- In addition to higher sales, profit grew significantly thanks to price revisions, inventory reduction efforts, and cost-cutting initiatives

Earnings Forecasts for FY Ending March 2026

Net sales and all profit categories are projected to reach record highs.

Net sales: 247.0 billion yen(+1.5% YoY) Operating profit: 17.2 billion yen(+10.0% YoY)

- Profit growth will be driven by expanded sales in the remodeling market, along with cost reductions through production streamlining and inventory optimization.

As a step toward achieving ROE of 8.0%, the Company targets 6.7% for the next fiscal year.

Shareholder Returns

The year-end dividend was increased to 50 yen per share, resulting in an annual dividend of 78 yen (payout ratio of 47.8%).

- From the next fiscal year onward, the Company plans to adopt a progressive dividend policy aligned with profit growth, aiming for a 50% dividend payout ratio.
- The Company also plans to repurchase approximately 22.0 billion yen in shares over the next two years, targeting a total shareholder return ratio of around 130%.

For more details on shareholder returns, please refer to the "New Shareholder Return Policy and Profit Growth Initiatives to Achieve 8% ROE" published on the same day as this document (May 8, 2025).

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for the Year Ended March 31, 2025

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Operating Results

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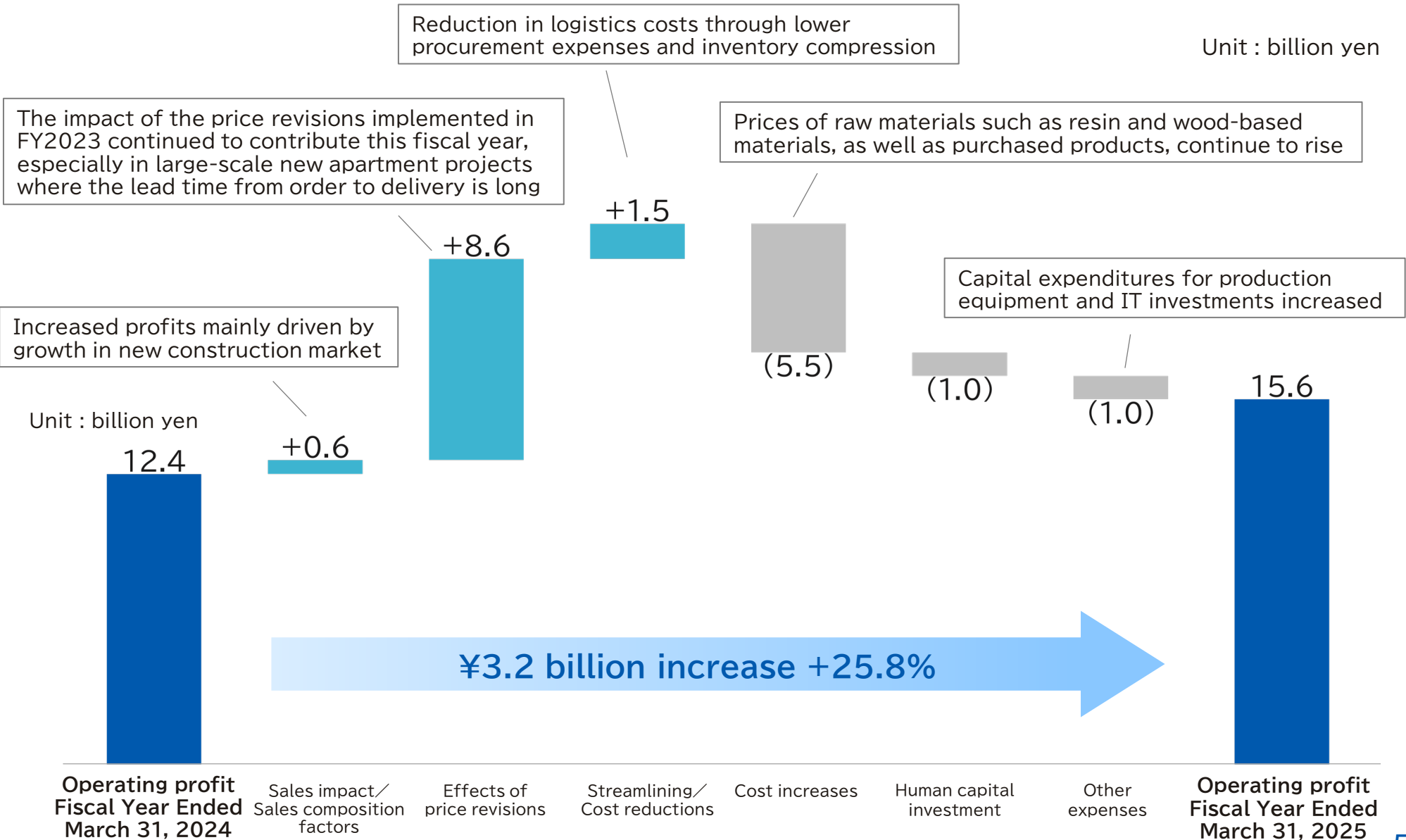
Net sales marked a record high for the fourth consecutive year. In addition to higher sales, improvements in gross profit driven by price revisions, along with rationalization and cost-cutting efforts, contributed to a significant increase in all profit categories.

Unit : billion yen

	Fiscal Year Ended March 31, 2024		Fiscal Year Ended March 31, 2025				Earnings Forecasts for the Fiscal Year Ending March 31, 2025	
	Amount	% of sales	Amount	% of sales	Change	% change	Amount	Change from forecast
Net sales	234.7	100.0%	243.3	100.0%	+8.6	+3.7%	239.1	+1.8%
Gross profit	79.5	33.9%	84.5	34.7%	+4.9	+6.2%	—	—
SG&A	67.1	28.6%	68.8	28.3%	+1.7	+2.5%	—	—
Operating profit	12.4	5.3%	15.6	6.4%	+3.2	+25.8%	14.5	+7.8%
Ordinary profit	12.7	5.4%	16.0	6.6%	+3.2	+25.1%	14.7	+8.9%
Profit attributable to owners of parent	9.5	4.0%	11.0	4.6%	+1.5	+16.7%	9.7	+14.3%
ROE	5.2%		5.8%					

Analysis of Change in Operating Profit

Unit : billion yen



Net Sales by Market

New Construction Detached houses

- In addition to strengthening sales capabilities, the rush demand before the revision of Japan's Building Standards Act in April 2025 also partially contributed

New Construction Multi-family housing

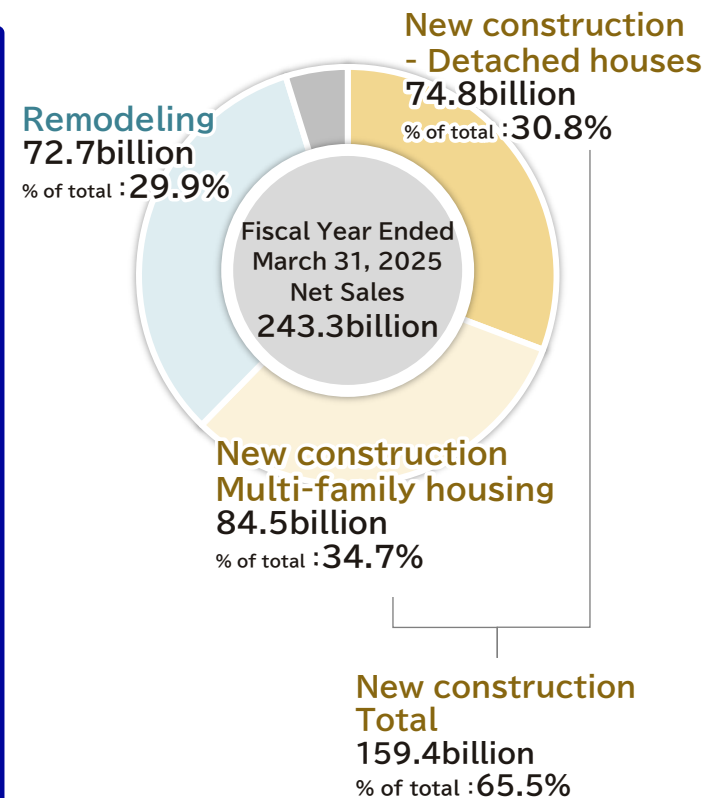
- The solid demand in urban areas and the effects of price revisions

Remodeling

- Although revenue decreased due to rush demand resulting from the price revisions in the previous fiscal period, the trend is recovering in the second half of the term.

Unit : billion yen

		Fiscal Year Ended March 31, 2024		Fiscal Year Ended March 31, 2025			
		Amount	% of total	Amount	% of total	Change	% change
New construction	Detached houses	70.4	30.0%	74.8	30.8%	+4.4	+6.3%
	Multi-family housing	76.3	32.5%	84.5	34.7%	+8.1	+10.7%
	Total	146.7	62.5%	159.4	65.5%	+12.6	+8.6%
Remodeling		76.7	32.7%	72.7	29.9%	(4.0)	(5.3)%
Total incl. others		234.7	100.0%	243.3	100.0%	+8.6	+3.7%



Net Sales by Product Category

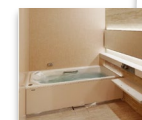
All product categories posted higher sales year on year. In particular, sales of kitchen and washstand, for which we hold a strong market position in the new construction multi-family housing market, increased significantly due to solid demand in this segment.

Unit : billion yen

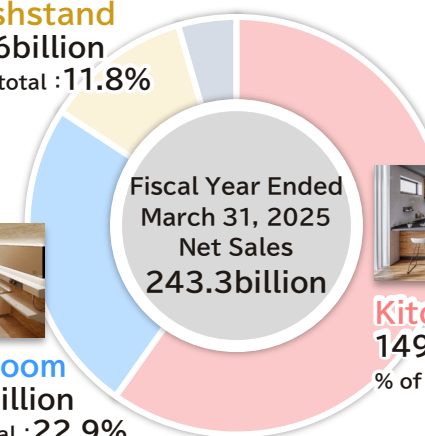
	Fiscal Year Ended March 31, 2024		Fiscal Year Ended March 31, 2025			
	Amount	% of total	Amount	% of total	Change	% change
Kitchen	141.7	60.4%	149.0	61.3%	+7.3	+5.2%
Bathroom	55.0	23.5%	55.7	22.9%	+0.7	+1.3%
Washstand	27.3	11.7%	28.6	11.8%	+1.3	+4.8%
Total incl. others	234.7	100.0%	243.3	100.0%	+8.6	+3.7%



Washstand
28.6billion
% of total : 11.8%



Bathroom
55.7billion
% of total : 22.9%



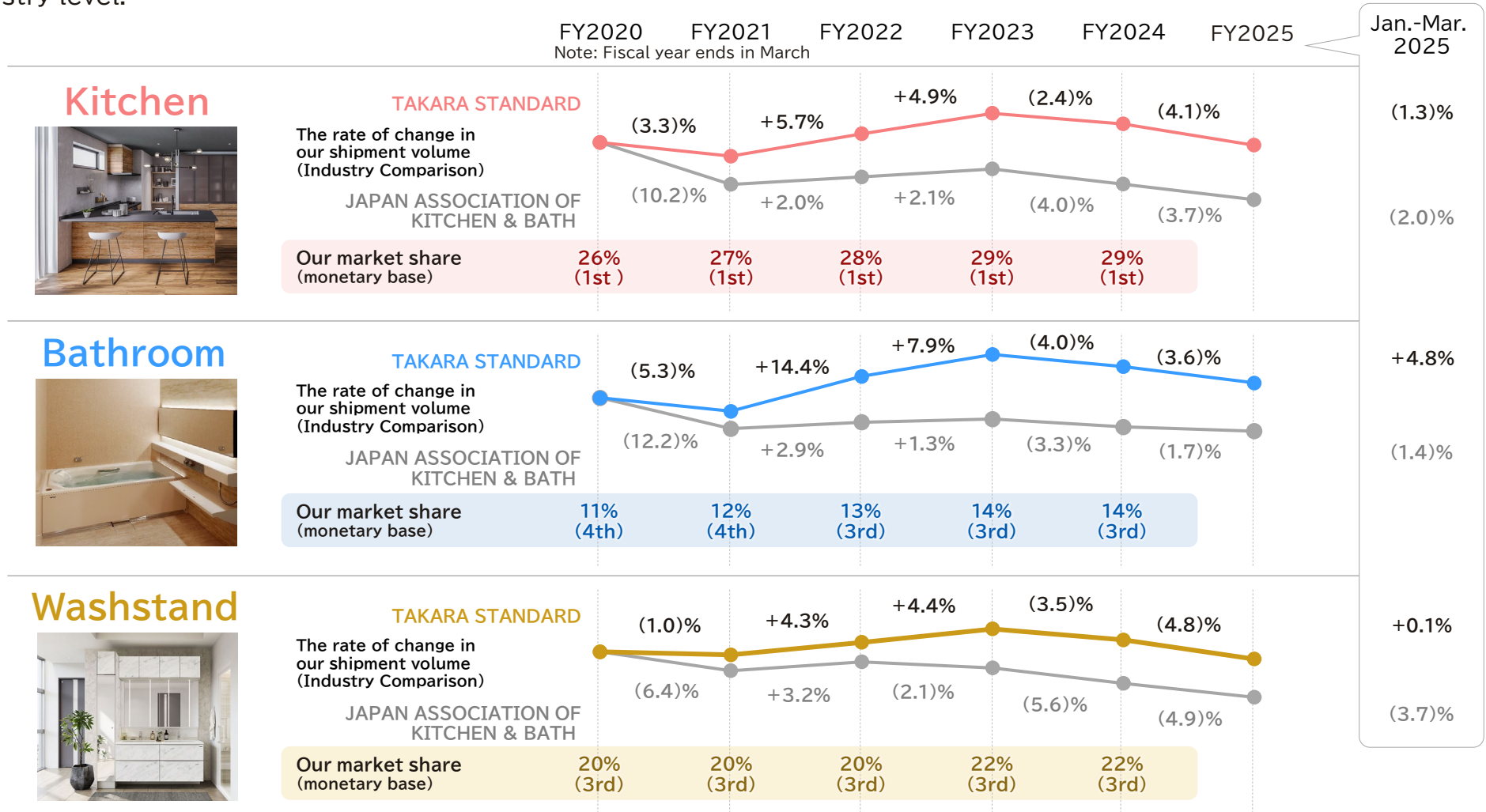
Kitchen
149.0billion
% of total : 61.3%

【Sales within total】

Panel-related sales	7.0	3.0%	6.9	2.9%	(0.1)	(1.6)%
Overseas business sales	1.1	0.5%	1.1	0.5%	(0.0)	(3.5)%

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. However, in recent months, when the impact has disappeared, the number of shipments has been higher than the industry level.



* 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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Unit : billion yen

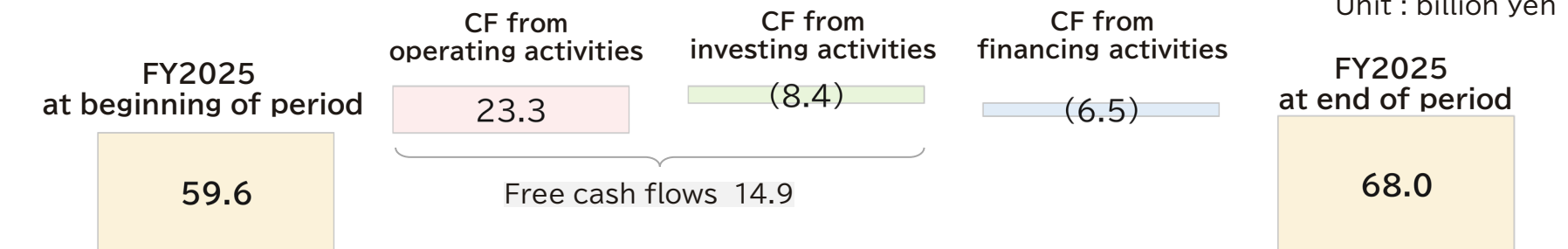
		End-Mar. 2024	End-Mar. 2025	Change	Main Items	
Assets	Current assets	154.9	160.3	+5.4	Cash and deposits Inventories	+8.3 (3.1)
	Noncurrent assets	113.7	116.5	+2.8	Property plant and equipment	+2.4
Total assets		268.6	276.9	+8.2		
Liabilities	Current liabilities	61.2	63.0	+1.8	Trade payables Short-term borrowings	+2.5 (0.9)
	Noncurrent liabilities	20.0	19.3	(0.6)	Retirement benefit liability	(0.7)
Total liabilities		81.2	82.4	+1.1		
Total net assets		187.3	194.5	+7.1	Profit attributable to owners of parent Purchase of treasury shares Dividends of surplus	+11.0 (1.8) (3.7)
Total liabilities and net assets		268.6	276.9	+8.2		

Consolidated Cash Flows

Operating cash flow was negative in the previous fiscal year mainly due to a decrease in trade payables as a result of accelerated payments to some suppliers and logistics operators.

In the current fiscal year, however, operating cash flow improved significantly to 23.3 billion yen, supported by strong business performance. As a result, we generated free cash flow of 14.9 billion yen.

Unit : billion yen



	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025	Main Items	
Cash and cash equivalents at beginning of period	80.3	59.6		
Cash flows from operating activities	(1.3)	23.3	Profit before income taxes	15.8
			Depreciation	7.5
Cash flows from investing activities	(11.6)	(8.4)	Purchase of property, plant and equipment	(9.6)
			Proceeds from sale of investment securities	1.3
Free cash flows	(12.9)	14.9		
Cash flows from financing activities	(7.7)	(6.5)	Dividends paid	(3.7)
			Purchase of treasury shares	(1.8)
			Net decrease in short-term borrowings	(0.9)
Cash and cash equivalents at end of period	59.6	68.0		

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Japanese Economy

The economy continued on a moderate recovery trend, supported by steady capital investment and increased demand from inbound tourism.

However, the outlook remains uncertain due to concerns over a decline in consumer sentiment amid prolonged inflation, as well as developments in U.S. policy.

Despite recently stabilizing, raw material prices remain high.

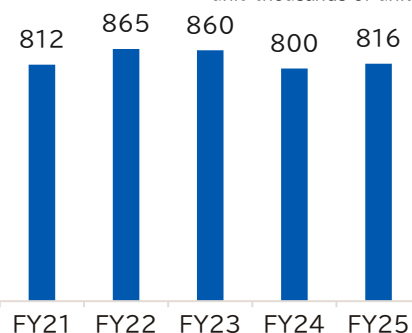
Housing Market

In new construction market, in addition to the declining trend due to a shrinking population, there are concerns over weakening demand caused by soaring housing prices and rising mortgage interest rate. While the remodeling market is expected to grow, supported by a large stock of existing homes, there are concerns that persistently high material costs and a shortage of skilled labor may dampen demand, and intensify competition within the industry.

Industry Trends

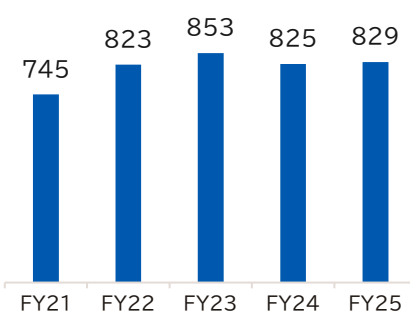
New Housing Starts (MLIT)

unit: thousands of unit



Kitchen and Bathroom shipments in the remodeling market (JAPAN ASSOCIATION OF KITCHEN & BATH)

unit: thousands of unit

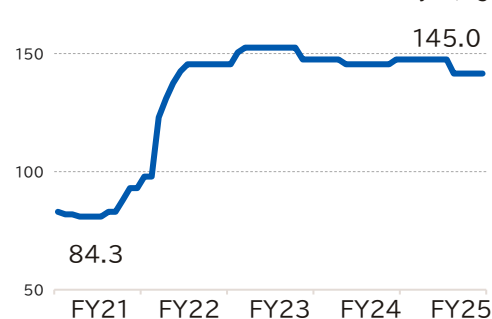


Note: Fiscal year ends in March

Market conditions of our main materials

Cold-rolled steel sheet

yen/kg



Naphtha

yen/kl



Earnings Forecasts for FY Ending March 2026

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Maintaining sales at the level of the strong previous year in the new construction market, while we will further promote the enhancement of product capabilities and sales proposal improvements in the remodeling market. Although there will be an increase in expenses, we aim for revenue and profit growth by advancing cost-saving measures.

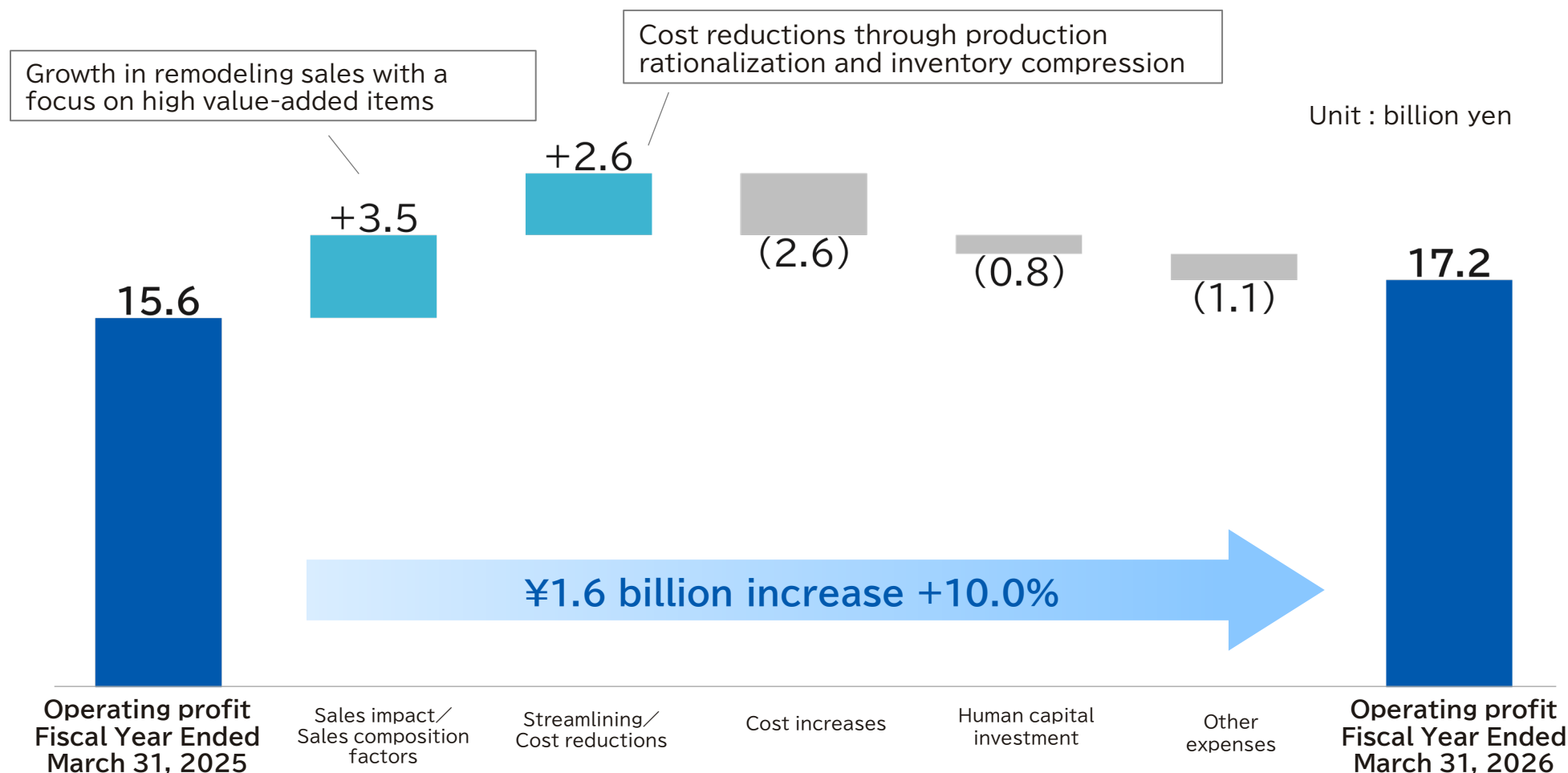
The forecasted ROE is 6.7%. We will improve performance while advancing the reduction of net assets through significant expansion of shareholder returns.

Unit : billion yen

	FYE Mar. 2025 Results	FYE Mar. 2026 Forecasts	Change	
				% change
Net sales	243.3	247.0	+3.6	+1.5%
Operating profit	15.6	17.2	+1.5	+10.0%
Operating profit ratio	6.4%	7.0%	+0.5P	—
Ordinary profit	16.0	17.5	+1.4	+9.3%
Profit attributable to owners of parent	11.0	12.8	+1.7	+15.4%
ROE	5.8%	6.7%	+0.9P	

Breakdown of projected Operating Profit

Operating profit increased, driven by a recovery in sales for the remodeling, improved profitability in the new construction, and enhanced earning power through cost reductions as a result of executing the core strategies of the medium-term management plan.



The State of Capital Investment

Planned capital Investment of 12.3 billion yen for the FY Ending March 2026

Aggressive investment is planned, including production-related investments of 7.6 billion yen and other IT-related investments for the purpose of improvement of productivity and further growth.

Unit : billion yen

	Plan for FY Ending March 2026
Capital Investment	12.3
Depreciation	7.8



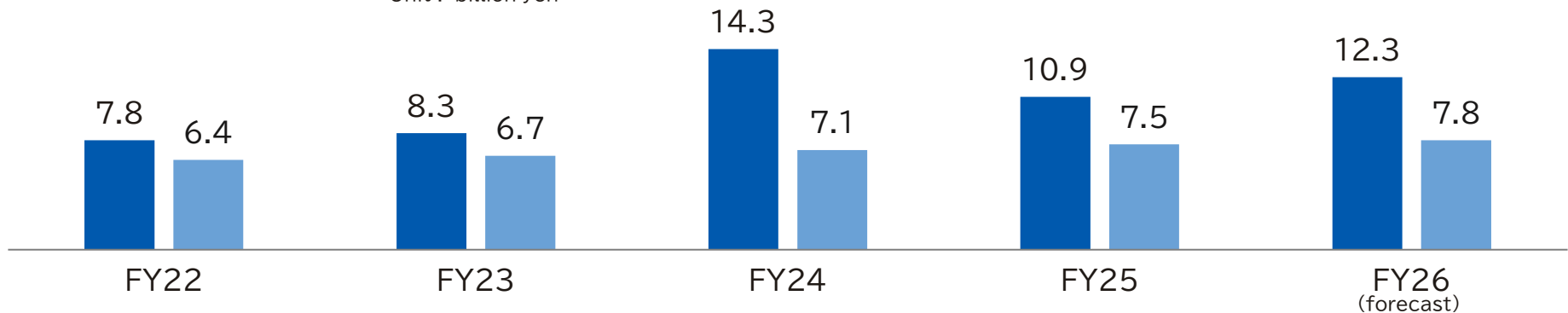
Breakdown of major areas

Unit : billion yen

Item	Amount	Main details
Production related	7.6	investment in production efficiency through automation and labor saving, expansion of production facilities and other measures to increase production, etc.
Information system-related	1.7	IT-related investments (promotion of DX, etc.)
Building/office related	1.6	Office environment improvement, building maintenance and management, etc.



Unit : billion yen



Note: Fiscal year ends in March

Medium-term Management Plan 2026: Revision of ROE Target

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To sustainably enhance corporate value, and based on dialogues with investors and shareholders, we will revise the ROE target to 8% by FYE Mar. 2027.

In the long term, we aim for ROE of over 10%.

Unit : billion yen

	KPI	FYE Mar. 2027 *Last fiscal year of the MTMP	FYE Mar. 2031
Financial indicator	Net sales	250.0	270.0
	Operating profit	20.0	27.0
	Operating profit ratio	8%	10%
	ROE	7 → 8%	8 → 10%
Non- financial Indicator	CO ₂ emission (Scope 1+2)	49,000t CO ₂ ((15)% relative to 2021)	41,000t CO ₂ ((30)% relative to 2021)
	Employee satisfaction	77%	80%
	Female management ratio	10%	15%

Financial Strategy Reform

Formulation of new shareholder return policy

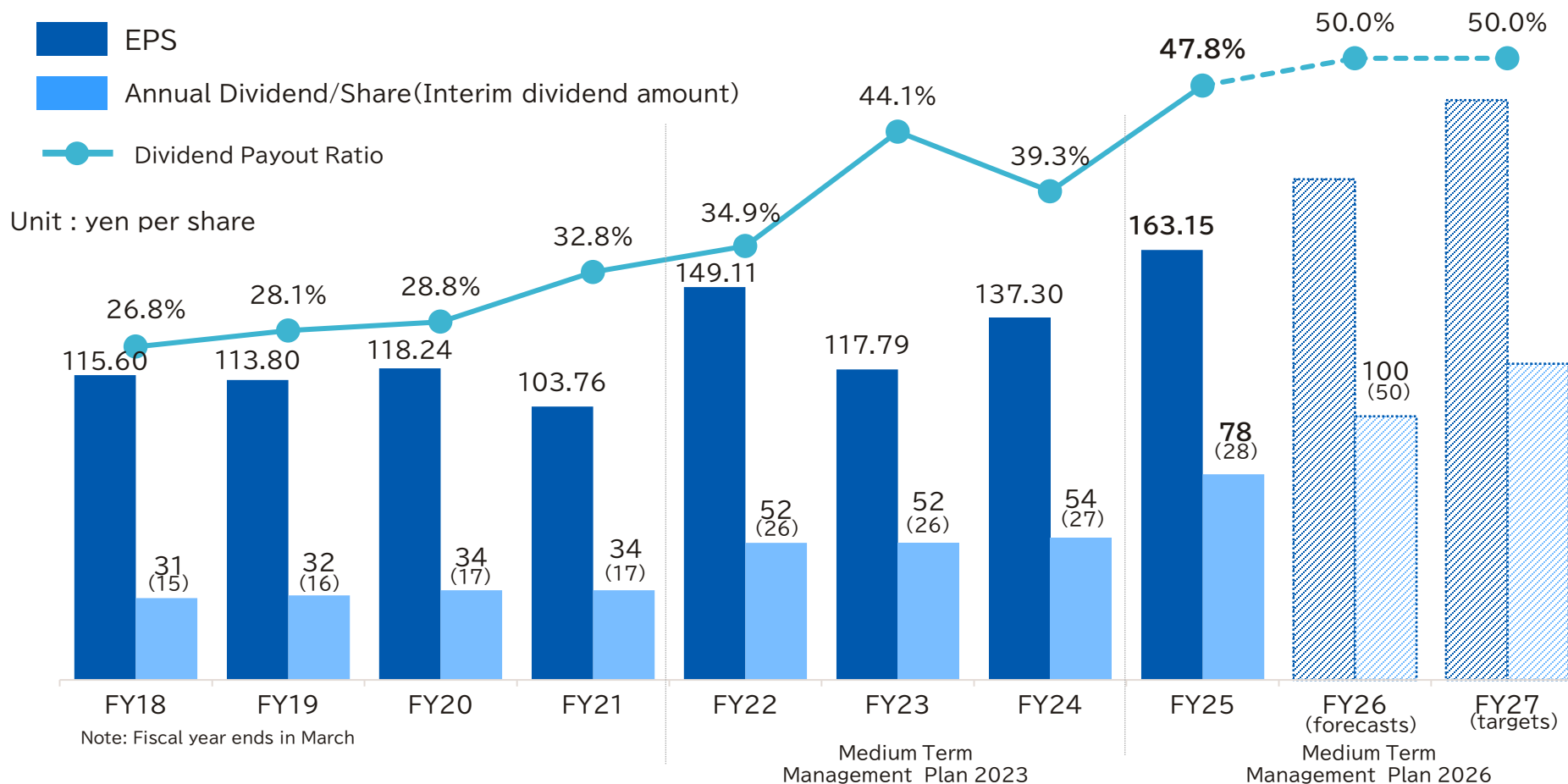
To achieve ROE of 8% for the FYE Mar. 2027, the shareholder return policy will be revised to a more proactive approach.

		Before Revision	After Revision
Shareholder Return policy	Dividend	Dividend payout ratio of 40%, progressive dividend linked to profit growth	Dividend payout ratio of 50% , ~20.0 billion yen over three years of the current plan, progressive dividend linked to profit growth
	Purchase treasury shares	Flexible purchase of treasury shares based on the capital structure	FYE Mar.2026 to 2027 Purchase of ~22.0 billion yen worth of treasury stock (~24.0 billion yen over three years of the current medium term management plan)
Concept of Shareholder Return		To develop a foundation of sustainable growth, we actively allocate capital for growth investments and management base reinforcement etc., and raise shareholder returns while maintaining financial soundness.	In addition to the above, during the current medium term management plan period, we will actively utilize shareholder returns through both dividends and purchase treasury shares to achieve an ROE of 20%.

For the period following the completion of the medium term management plan 2026 (FYE Mar. 2027), the decisions will be based on the financial situation and investment projects at that time. However, the targets for FYE Mar. 2031, including the KPI of 10% ROE and the improvement of stock price, will be strongly considered in making those decisions.

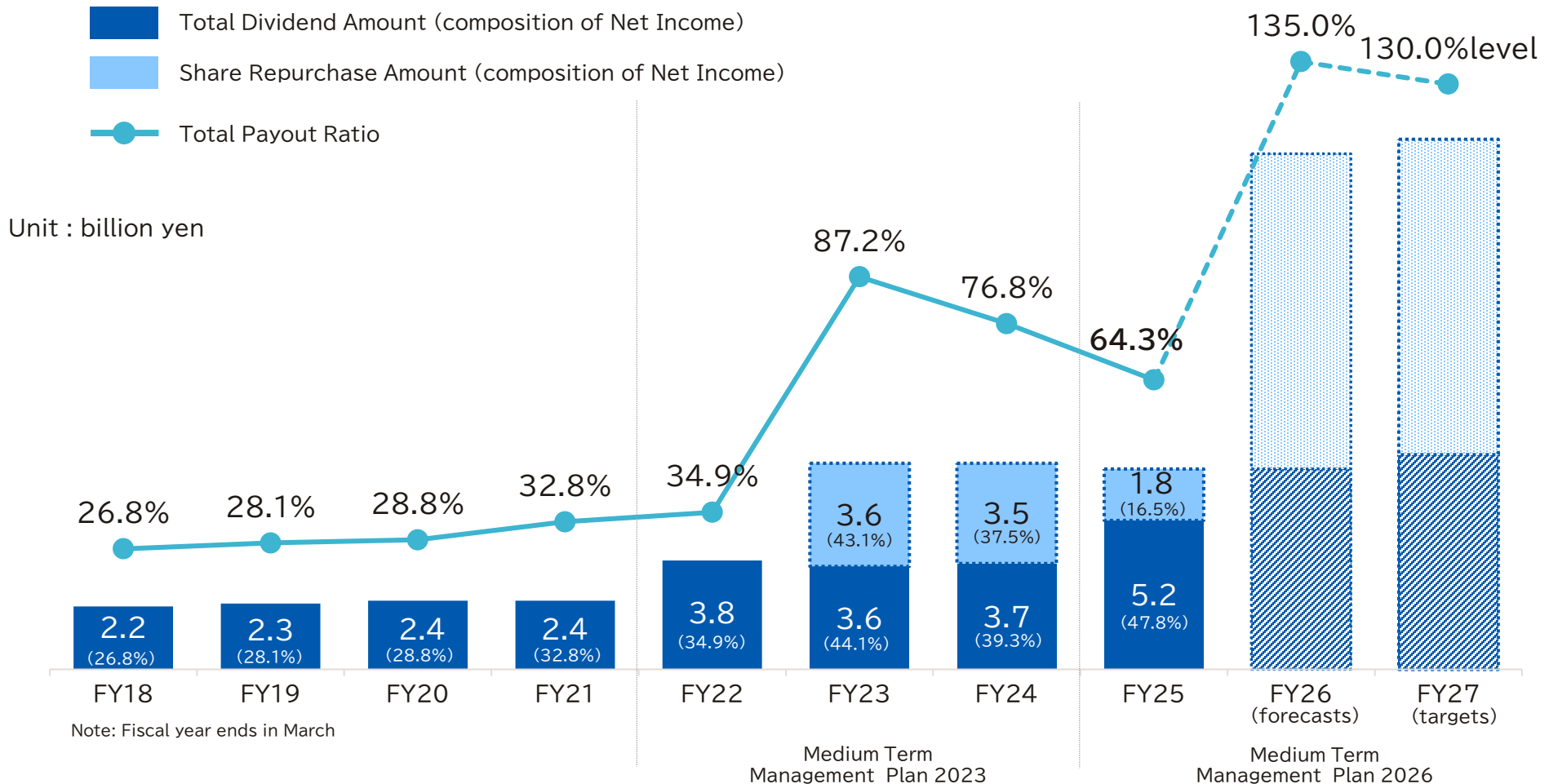
Shareholders Return Policy – Dividend Payout Ratio

- ✓ The dividend per share for FYE Mar. 2025 has been increased from the initially planned 28 yen to 50 yen, resulting in a total annual dividend of 78 yen.
- ✓ We have maintained a policy of stable dividends and have not reduced dividends for 33 consecutive terms, excluding commemorative dividends.
- ✓ While this basic policy remains unchanged, we have revised it to take a more progressive approach, introducing a 50% dividend payout ratio and a progressive dividend scheme aligned with profit growth.
- ✓ Going forward, we will continue to focus on EPS growth while strongly emphasizing on direct shareholder returns.



Shareholders Return Policy - Total Payout Ratio

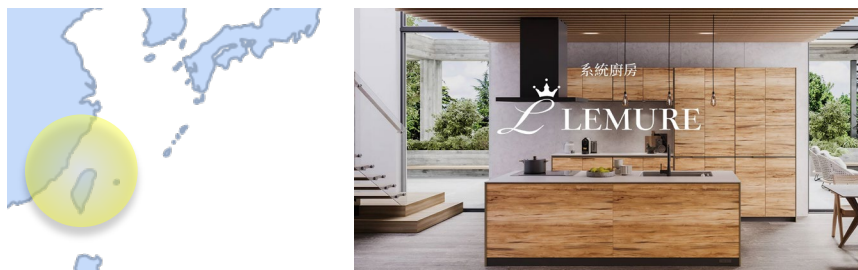
- ✓ Since the previous medium-term management plan, we have actively executed share buyback, maintaining a high total payout ratio.
- ✓ Meanwhile, considering our current financial position, we will further accelerate share buyback to achieve our ROE target of 8% and to reach a PBR of 1.0 or higher at an early stage.
- ✓ For the next and following fiscal years, we have set a total payout ratio target of 130%, aiming to reduce net assets.



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Topics

Establishment of Taiwan Branch as the First Overseas Office to Drive Global Expansion



In Taiwan, which we regard as one of our key markets, we have established a local branch to strengthen relationships with local agents and further enhance our brand recognition.

This move is part of our efforts to achieve our overseas sales target of 10 billion yen by fiscal year 2030.

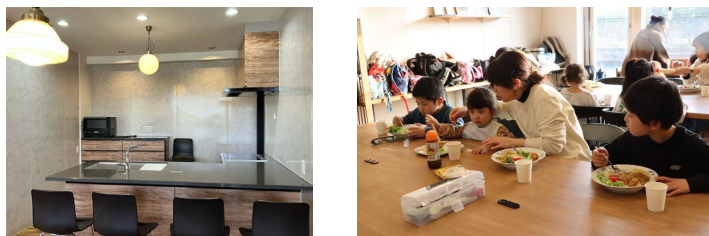
Establishment of the “R&D Center” (tentative name), One of Japan’s Largest Enamel R&D Facilities



In June 2026, the Company will establish a new research and development center in Yao City, Osaka Prefecture.

This will be our first facility dedicated exclusively to research and development. We will use it as a base to develop new products and technologies that support our continued growth.

Assisting with Kitchen Renovation at a Children’s Cafeteria in Nagasaki Prefecture



Through the “ALIA Children’s Support Project”, which aims to support the next generation, we provided a kitchen for the first time under the initiative, assisting with the renovation of a children’s cafeteria operated by “on°C” in Sasebo City, Nagasaki Prefecture.

ALIA: Association of Living Amenity (General Incorporated Association)

Certified as a “Platinum Kurumin” Company



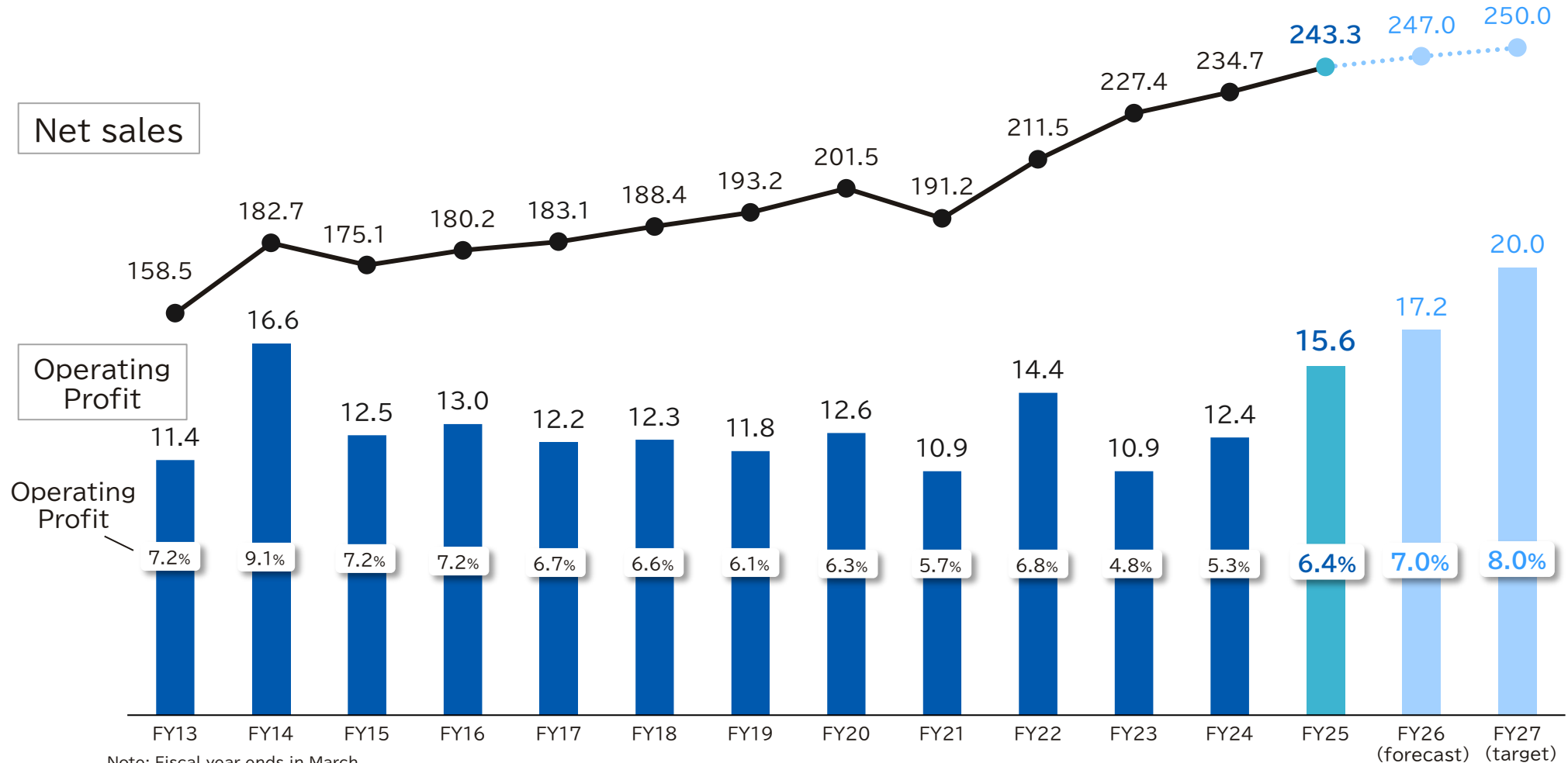
The Company has been certified as a “Platinum Kurumin” company by the Minister of Health, Labour and Welfare, in recognition of its advanced efforts to support a balance between work and childcare.

We will continue to strengthen our initiatives related to human capital and strive to enhance employee engagement.

Historical Trends in Net sales and Operating Profit

Takara standard

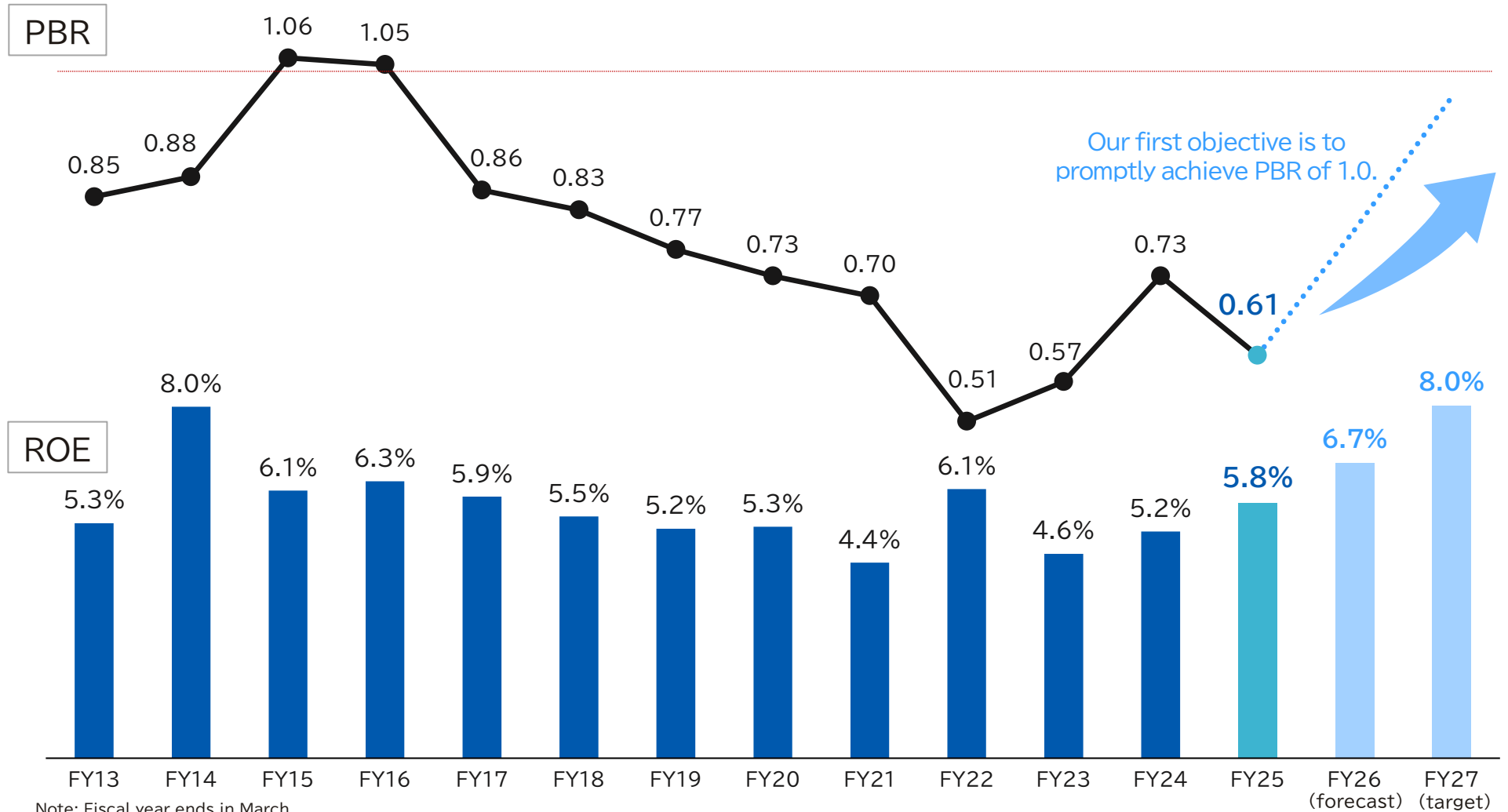
Unit : billion yen



The Company has applied the “Accounting Standard for Revenue Recognition” and related standards from FY2021, and the figures for FY20/3 were retroactively restated, whereas the figures for FY19/3 and earlier periods have not been restated.

Historical Trends in ROE and PBR

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Operating Results (Quarter-on-Quarter Comparison)

Takara standard

Unit : billion yen

	FY2025															
	Q1(Apr.-Jun.)				Q2(Jul.-Sept.)				Q3(Oct.-Dec.)				Q4(Jan.-Mar.)			
	Amount	% of sales	Change	% change	Amount	% of sales	Change	% change	Amount	% of sales	Change	% change	Amount	% of sales	Change	% change
Net sales	57.3	100.0%	+0.0	+0.1%	58.6	100.0%	+1.1	+2.1%	68.3	100.0%	+3.6	+5.6%	59.0	100.0%	+3.7	+6.8%
Gross profit	19.7	34.5%	+0.6	+3.6%	19.8	33.9%	+0.5	+2.7%	24.2	35.5%	+1.8	+8.3%	20.6	34.9%	+1.8	+9.9%
SG&A	16.6	29.1%	+0.2	+1.7%	17.0	29.0%	+0.2	+1.7%	17.3	25.3%	+0.3	+2.0%	17.8	30.2%	+0.7	+4.7%
Operating profit	3.0	5.4%	+0.4	+15.4%	2.8	4.9%	+0.2	+9.0%	6.9	10.1%	+1.5	+27.9%	2.7	4.7%	+1.0	+61.4%
Ordinary profit	3.2	5.7%	+0.4	+14.2%	2.8	4.9%	+0.2	+8.8%	7.1	10.4%	+1.5	+27.7%	2.7	4.7%	+1.0	+59.6%
Profit attributable to owners of parent	2.0	3.6%	+0.1	+7.7%	1.8	3.1%	(0.6)	(27.7)%	5.1	7.6%	+1.3	+35.7%	2.0	3.5%	+0.7	+61.7%

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

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Unit : billion yen

		FY2025															
		Q1(Apr.-Jun.)				Q2(Jul.-Sept.)				Q3(Oct.-Dec.)				Q4(Jan.-Mar.)			
		Amount	% of sales	Change	% change	Amount	% of sales	Change	% change	Amount	% of sales	Change	% change	Amount	% of sales	Change	% change
New construction	Detached houses	17.1	29.9%	(0.4)	(2.3)%	17.6	30.0%	+0.7	+4.4%	20.0	29.3%	+0.9	+5.1%	20.1	34.0%	+3.1	+18.3%
	Multi-family housing	18.2	31.8%	+2.5	+15.9%	20.3	34.8%	+1.7	+9.2%	23.9	35.1%	+2.4	+11.4%	21.9	37.1%	+1.5	+7.5%
	Total	35.3	61.6%	+2.1	+6.3%	37.9	64.8%	+2.4	+6.9%	44.0	64.4%	+3.4	+8.5%	42.0	71.2%	+4.6	+12.4%
Remodeling		19.4	33.9%	(1.9)	(9.2)%	17.9	30.7%	(1.3)	(6.7)%	21.2	31.0%	+0.0	+0.1%	14.1	23.9%	(0.7)	(5.3)%
Total incl. others		57.3	100.0%	+0.0	+0.1%	58.6	100.0%	+1.1	+2.1%	68.3	100.0%	+3.6	+5.6%	59.0	100.0%	+3.7	+6.8%

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

Unit : billion yen

	FY2025															
	Q1(Apr.-Jun.)				Q2(Jul.-Sept.)				Q3(Oct.-Dec.)				Q4(Jan.-Mar.)			
	Amount	% of sales	Change	% change	Amount	% of sales	Change	% change	Amount	% of sales	Change	% change	Amount	% of sales	Change	% change
Kitchen	34.2	59.7%	+0.1	+0.4%	35.9	61.3%	+1.9	+5.8%	41.6	60.9%	+2.3	+6.1%	37.2	63.2%	+2.8	+8.3%
Bathroom	14.2	24.9%	(0.0)	(0.3)%	13.6	23.3%	(0.5)	(3.7)%	15.9	23.4%	+0.7	+5.1%	11.8	20.1%	+0.5	+4.5%
Washstand	6.4	11.3%	+0.1	+3.1%	6.7	11.5%	+0.0	+0.3%	8.1	11.9%	+0.6	+8.4%	7.3	12.4%	+0.4	+6.8%
Total incl. others	57.3	100.0%	+0.0	+0.1%	58.6	100.0%	+1.1	+2.1%	68.3	100.0%	+3.6	+5.6%	59.0	100.0%	+3.7	+6.8%

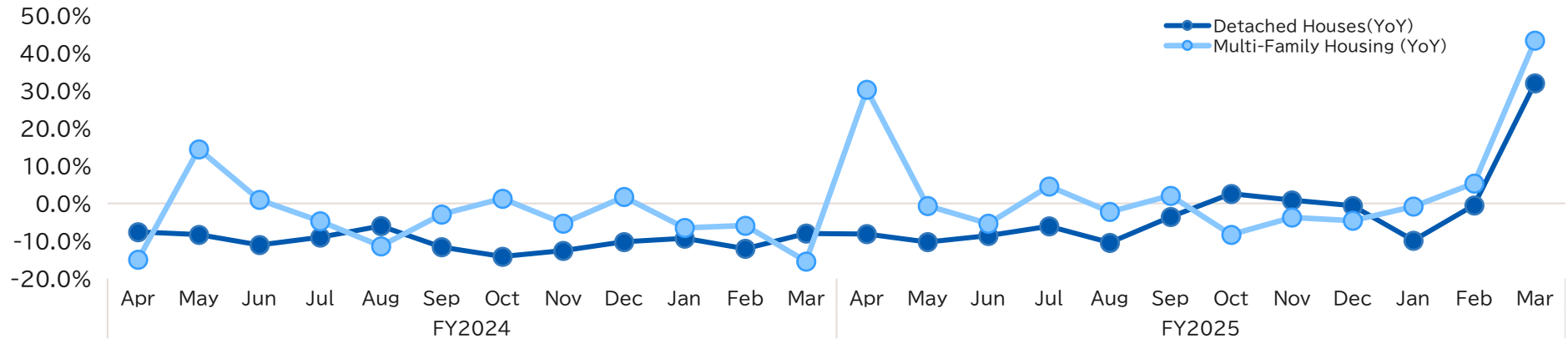
【Sales within total】

Panel-related sales	1.6	2.9%	(0.1)	(7.3)%	1.7	2.9%	+0.0	+0.3%	1.9	2.9%	+0.0	+0.4%	1.6	2.8%	+0.0	+0.0%
Overseas business sales	0.2	0.5%	(0.0)	(17.4)%	0.3	0.5%	+0.0	+15.9%	0.2	0.4%	(0.0)	(8.0)%	0.2	0.4%	(0.0)	(0.6)%

Market-specific data

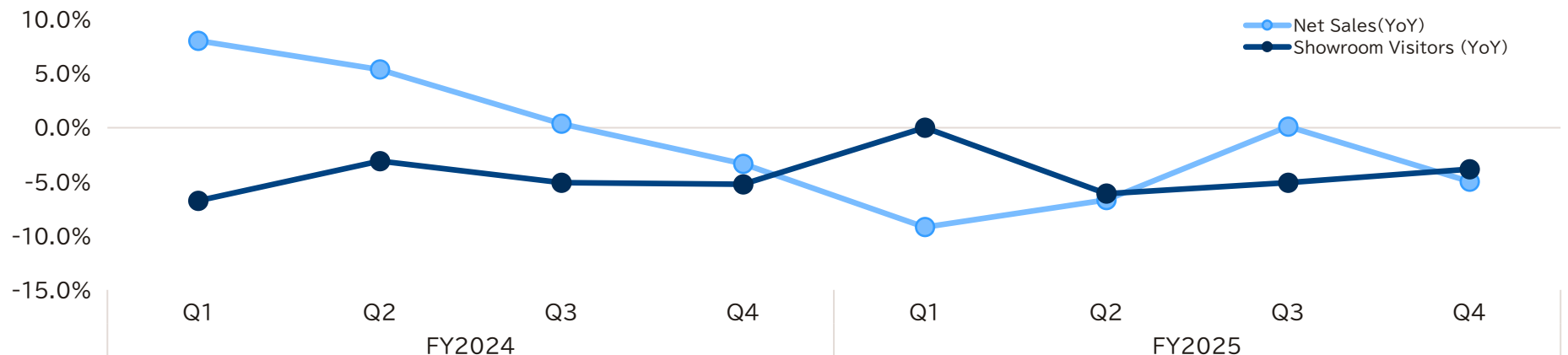
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● New Construction Detached Houses and Multi-Family Housing – Related Data (YoY Comparison of New Construction Starts in Japan)



Partially edited based on the "Building Starts Statistics Survey" by MLIT

● Remodeling-Related Data (Data related to our remodeling business; details provided below)



All indicators shown reflect our sales activities in the renovation market. Details are as follows:

Net Sales: Sales related to the remodeling market within our company

Showroom Visitors: Number of visitors to our showrooms with renovation-related purposes

Forecasts for the Fiscal Year Ending March 31, 2026 (1H & 2H)

Unit : billion yen

	FY2026													
	First Half Forecast					Second half forecast					Full Year Forecasts			
	Amount	% of sales	Change	% change	% of total	Amount	% of sales	Change	% change	% of total	Amount	% of sales	Change	% change
Net sales	118.5	100.0%	+2.5	+2.2%	48.0%	128.5	100.0%	+1.0	+0.8%	52.0%	247.0	100.0%	+3.6	+1.5%
Operating profit	7.4	6.2%	+1.4	+24.2%	43.0%	9.8	7.6%	+0.1	+1.3%	57.0%	17.2	7.0%	+1.5	+10.0%
Ordinary Profit	7.6	6.4%	+1.4	+23.8%	43.4%	9.9	7.7%	+0.0	+0.3%	56.6%	17.5	7.1%	+1.4	+9.3%
Profit attributable to owners of parent	5.5	4.6%	+1.6	+41.6%	43.0%	7.3	5.7%	+0.0	+1.3%	57.0%	12.8	5.2%	+1.7	+15.4%
ROE											6.7%		+0.9P	

< IR Contact >

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This document contains forward-looking statements based on the Company's plans as of May 8, 2025. These statements are subject to risks and uncertainties that may cause actual results to differ materially from those described herein. 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 Japanese original shall prevail.