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May 8, 2025

Consolidated Financial Results for the Year Ended March 31, 2025 (under Japanese GAAP)

Company name: **TAKARA STANDARD CO., LTD.**
 Stock listing: Tokyo Stock Exchange
 Stock code: 7981
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Scheduled date of Annual General Meeting of Shareholders: June 25, 2025

Scheduled date to commence dividend payments: June 26, 2025

Scheduled date to file annual securities report: June 23, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results presentation meeting: None

(Million yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	243,380	3.7	15,635	25.8	16,005	25.1	11,090	16.7
March 31, 2024	234,738	3.2	12,427	13.6	12,792	11.3	9,500	12.9

Note: Comprehensive income
 Fiscal year ended March 31, 2025: ¥12,719 million [(3.4)%]
 Fiscal year ended March 31, 2024: ¥13,165 million [65.5%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit on total assets	Operating profit on net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	163.15	—	5.8	5.9	6.4
March 31, 2024	137.30	—	5.2	4.7	5.3

Reference: Equity in earnings (losses) of associates
 Fiscal year ended March 31, 2025: ¥— million Fiscal year ended March 31, 2024: ¥— million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2025	276,914	194,509	70.2	2,892.64
March 31, 2024	268,675	187,398	69.7	2,742.27

Reference: Equity
 As of March 31, 2025: ¥194,509 million As of March 31, 2024: ¥187,398 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2025	23,365	(8,465)	(6,506)	68,059
March 31, 2024	(1,314)	(11,666)	(7,730)	59,665

2. Dividends

	Annual dividends					Total dividend payments	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2024	—	27.00	—	27.00	54.00	3,708	39.3	2.0
Fiscal year ended March 31, 2025	—	28.00	—	50.00	78.00	5,275	47.8	2.8
Fiscal year ending March 31, 2026 (Forecasts)	—	50.00	—	50.00	100.00		52.5	

Note: The Company has changed the year-end dividend per share for the fiscal year ended March 31, 2025 from ¥28 to ¥50. For details, please refer to “Notice Concerning Revision to Forecast of Fiscal Year-End Dividend (Dividend Increase)” released today (May 8, 2025).

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2025	118,500	2.2	7,400	24.2	7,600	23.8	5,500	41.6	81.79
Full year	247,000	1.5	17,200	10.0	17,500	9.3	12,800	15.4	190.36

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

- a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- b. Changes in accounting policies due to other reasons: None
- c. Changes in accounting estimates: None
- d. Restatement of prior period financial statements after error corrections: None

(3) Number of issued shares (common stock)

- a. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	67,252,994 shares
As of March 31, 2024	68,347,094 shares

- b. Number of treasury shares at the end of the period

As of March 31, 2025	10,327 shares
As of March 31, 2024	9,904 shares

- c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2025	67,976,984 shares
Fiscal year ended March 31, 2024	69,198,775 shares

*** Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.**

*** Proper use of earnings forecasts, and other special matters**

(Cautions concerning the use of earnings forecasts)

Forward-looking statements provided in this document, including earnings forecasts, are based on the information currently available to the Company and certain assumptions considered reasonable. Such statements are included without any guarantee as to their future achievement. Actual business and other results may differ materially from the forecasts depending on various factors. For the assumptions underlying the earnings forecasts and notes on their use, etc., please refer to “1. Overview of Operating Results, etc., (4) Future outlook” on page 4 of the accompanying materials.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year ended March 31, 2025

During the fiscal year ended March 31, 2025, the Japanese economy showed a trend of moderate recovery, mainly driven by steady capital investment and an increase of demand from inbound tourists, as well as a recovery in personal consumption. On the other hand, the outlook remains uncertain due to ongoing geopolitical risks and U.S. policy trends, including trade policy.

With the housing market, the number of new housing construction was in a higher trend for condominiums mainly in the urban area, but was sluggish in detached housing. The demand for remodeling continued to lack dynamism.

In this business environment, the Group has formulated its three-year plan “Medium Term Management Plan 2026,” which started in FY2024. Under the theme of “Re-committing to transformation,” with three pillars of our growth strategy: Profit Structure Transformation, Financial Strategy, and Sustainability Strategy, we will promote various initiatives to strengthen profitability by generating the effects of various measures and build an infrastructure to achieve sustainable growth.

As a result of the above, net sales for the fiscal year ended March 31, 2025 reached a record high of ¥243,380 million (up 3.7% year-on-year) due to favorable results in sales for new detached houses and apartments. In terms of profits, operating profit was ¥15,635 million (up 25.8% year-on-year), ordinary profit was ¥16,005 million (up 25.1% year-on-year), and profit attributable to owners of parent was ¥11,090 million (up 16.7% year-on-year) due to promoting work efficiency and cost reduction and the effect of continued price revision effect.

The following shows the results for each segment.

1) Housing equipment business

Net sales in this segment were ¥243,149 million (up 3.7% year-on-year), and operating profit was ¥15,440 million (up 26.6% year-on-year).

In the new construction market, net sales were ¥159,400 million (up 8.6% year-on-year) due to favorable results in sales for both detached houses and apartments. In the remodeling market, net sales were ¥72,743 million (down 5.3% year-on-year) due to a rebound from the rush demand associated with price revisions in the fiscal year ended March 31, 2024.

By product category, net sales in each category increased from the fiscal year ended March 31, 2024, with kitchen at ¥149,080 million (up 5.2% year-on-year), bathroom at ¥55,782 million (up 1.3% year-on-year), and washstand at ¥28,699 million (up 4.8% year-on-year).

2) Other businesses (real estate rental business, warehouse business)

Net sales were ¥362 million (down 11.5% year-on-year), and operating profit was ¥194 million (down 14.5% year-on-year). The main reason for the decrease was the transfer in March 2024 of the non-life insurance agency business of Takara Logistics Service Co., Ltd., the Company's consolidated subsidiary.

(2) Overview of financial position for the fiscal year ended March 31, 2025

(Assets)

Total assets at the end of the fiscal year ended March 31, 2025 were ¥276,914 million, which was an increase of ¥8,239 million compared to the end of the fiscal year ended March 31, 2024. Main increases were ¥8,393 million in cash and deposits, ¥2,488 million in property, plant and equipment, and ¥1,284 million in accounts receivable - trade. Main decreases were ¥3,148 million in inventories and ¥1,585 million in notes receivable - trade.

(Liabilities)

Liabilities at the end of the fiscal year ended March 31, 2025 were ¥82,405 million, which was an increase of ¥1,128 million compared to the end of the fiscal year ended March 31, 2024. Main increases were electronically recorded obligations - operating of ¥1,524 million and accounts payable - trade of ¥1,061 million. The main decrease was short-term borrowings of ¥900 million.

(Net assets)

Net assets at the end of the fiscal year ended March 31, 2025 were ¥194,509 million, which was an increase of ¥7,110 million compared to the end of the fiscal year ended March 31, 2024. Main increases were profit attributable to owners of parent of ¥11,090 million, ¥951 million in remeasurements of defined benefit plans, and ¥759 million in valuation difference on available-for-sale securities. Main decreases were ¥3,758 million in dividends of surplus and ¥1,850 million in purchase of treasury shares.

This resulted in an equity ratio of 70.2% (69.7% at the end of the fiscal year ended March 31, 2024).

(3) Overview of cash flows for the fiscal year ended March 31, 2025

Consolidated cash and cash equivalents (hereinafter referred to as “funds”) for the fiscal year ended March 31, 2025 increased by ¥8,393 million compared to the fiscal year ended March 31, 2024, and was ¥68,059 million (up 14.1% year-on-year) at the end of the fiscal year ended March 31, 2025.

(Cash flows from operating activities)

Funds provided by operating activities during the fiscal year ended March 31, 2025 was ¥23,365 million (¥1,314 million used in the fiscal year ended March 31, 2024). Main factors were increased funds due to the recording of profit before income taxes and a decrease in inventories, and an increase in trade payables.

(Cash flows from investing activities)

Funds used in investing activities during the fiscal year ended March 31, 2025 was ¥8,465 million (¥11,666 million used in the fiscal year ended March 31, 2024). Main factor was the purchase of property, plant and equipment.

(Cash flows from financing activities)

Funds used in financing activities during the fiscal year ended March 31, 2025 was ¥6,506 million (¥7,730 million used in the fiscal year ended March 31, 2024). Main factors were dividends paid and purchase of treasury shares.

(Reference) Changes in cash flow-related indicators

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Capital adequacy ratio (%)	65.5	64.9	69.7	70.2
Capital adequacy ratio based on market value (%)	33.5	36.9	49.7	42.7
Cash flow to interest-bearing debt ratio (Year)	0.5	1.2	(5.8)	0.3
Interest coverage ratio (times)	341.9	143.3	(28.9)	324.1

Notes: Capital adequacy ratio: Owned capital / Total assets

Capital adequacy ratio based on market value: Market capitalization / Total assets

Cash flow to interest-bearing debt ratio: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest payment

- * All indicators have been calculated using financial figures on a consolidated basis.
- * Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of issued shares at the end of the period (after deducting treasury shares).
- * Cash flow is the cash flow from operating activities in the consolidated cash flow statement.
- * Interest-bearing debt includes all debt for which interest is paid among debt recorded on the consolidated balance sheet. Interest payment is the amount of interest paid in the consolidated statement of cash flows.

(4) Future outlook

Although the Japanese economy is expected to continue its gradual recovery, the outlook remains uncertain due to concerns about declining consumer confidence with continuous rising prices and the policy trends in the U.S.

In the housing market, the new construction market is expected to see a downward trend in the number of new construction due to the declining population, as well as soaring housing prices and rising mortgage rates. Although the remodeling market is expected to grow slightly against the backdrop of abundant housing stock, there are concerns about declining demand due to persistently high material prices and a shortage of craftsmen and further intensifying competition in the industry.

In this business environment, for the next fiscal year ending March 31, 2026, the second year of the “Medium Term Management Plan 2026,” under the theme of “Re-committing to transformation,” the Group will promote its three growth strategies (Profit Structure Transformation, Financial Strategy, and Sustainability Strategy) to strengthen profitability by generating the effects of various measures and build an infrastructure to achieve sustainable growth. Through our financial condition and dialogue with the stock market, we have made significant enhancements from the shareholder return policy established in our “Medium Term Management Plan 2026,” and for ROE, one of our KPIs, we have changed the target value from 7% to 8% for the final fiscal year. For details, please refer to “Notice concerning New Shareholder Return Policy and Profit Growth Initiatives to Achieve 8% ROE,” announced today.

As for consolidated earnings for the next fiscal year ending March 31, 2026, forecasts include net sales of ¥247,000 million (up 1.5% year-on-year), operating profit of ¥17,200 million (up 10.0% year-on-year), ordinary profit of ¥17,500 million (up 9.3% year-on-year), and profit attributable to owners of parent of ¥12,800 million (up 15.4% year-on-year).

(5) Basic policy on profit sharing

The Company enhances shareholder returns while maintaining financial soundness, as it actively allocates capital to objectives that include growth investment and strengthening of management base with its sights set on developing sustainable growth infrastructure to define a basic policy for profit distribution.

During the period of the “Medium Term Management Plan 2026,” we will actively utilize shareholder returns through purchasing treasury shares, in addition to dividends, in order to achieve an ROE of 8%.

1) Dividends of surplus

The Group will pay a year-end dividend of ¥50 per share for the fiscal year ended March 31, 2025, an increase of ¥22 from the initial year-end dividend forecast of ¥28 per share. Accordingly, adding the interim dividend of ¥28 per share which has already been paid, the Group is planning to pay an annual dividend of ¥78 per share (consolidated dividend payout ratio of 47.8%) for the fiscal year ended March 31, 2025.

The annual dividend for the next fiscal year ending March 31, 2026 is expected to be ¥100, which is an increase of ¥22 compared to the annual dividend for the fiscal year ended March 31, 2025 (interim dividend of ¥50 and year-end dividend of ¥50). The consolidated dividend payout ratio will be 52.5% of the full-year earnings forecast.

2) Purchase of treasury shares

In the fiscal year ended March 31, 2025, the Group purchased treasury shares totaling ¥1,850 million. This will result in a consolidated total return ratio of 64.3%.

Also, at today’s Board of Directors meeting, the decision was made to purchase up to ¥11,000 million of treasury shares during the purchase period from May 9, 2025 to February 20, 2026. For more information, please refer to “3. Consolidated Financial Statements and Important Notes (5) Notes on consolidated financial statements (Notes on significant subsequent events)” on page 16 of the attachment.

2. Basic Approach for Selecting Accounting Standards

Since the Group’s main operations are in Japan, consolidated financial statements are prepared according to Japanese accounting standards.

3. Consolidated Financial Statements and Important Notes

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	59,665	68,059
Notes receivable - trade	3,758	2,173
Accounts receivable - trade	33,324	34,609
Electronically recorded monetary claims - operating	34,009	34,491
Merchandise and finished goods	11,640	10,215
Work in process	4,888	4,226
Raw materials and supplies	7,316	6,254
Other	374	369
Allowance for doubtful accounts	(6)	(8)
Total current assets	154,972	160,391
Non-current assets		
Property, plant and equipment		
Buildings and structures	91,450	91,338
Accumulated depreciation	(67,785)	(68,439)
Buildings and structures, net	23,665	22,898
Machinery, equipment and vehicles	52,381	55,081
Accumulated depreciation	(39,815)	(40,746)
Machinery, equipment and vehicles, net	12,566	14,334
Tools, furniture and fixtures	32,293	31,848
Accumulated depreciation	(23,445)	(22,882)
Tools, furniture and fixtures, net	8,847	8,965
Land	41,933	43,214
Construction in progress	2,696	2,785
Total property, plant and equipment	89,709	92,198
Intangible assets	2,254	2,280
Investments and other assets		
Investment securities	13,928	14,745
Long-term loans receivable	4	-
Deferred tax assets	5,184	4,743
Other	2,629	2,558
Allowance for doubtful accounts	(7)	(3)
Total investments and other assets	21,739	22,043
Total non-current assets	113,703	116,522
Total assets	268,675	276,914

TAKARA STANDARD CO., LTD. (7981)
Consolidated financial results for the fiscal year ended March 31, 2025

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	16,116	17,177
Electronically recorded obligations - operating	18,382	19,907
Short-term borrowings	7,650	6,750
Income taxes payable	3,263	3,259
Other	15,838	15,973
Total current liabilities	61,251	63,067
Non-current liabilities		
Deferred tax liabilities for land revaluation	2,757	2,838
Retirement benefit liability	16,488	15,718
Other	779	781
Total non-current liabilities	20,025	19,337
Total liabilities	81,276	82,405
Net assets		
Shareholders' equity		
Share capital	26,356	26,356
Capital surplus	30,734	30,734
Retained earnings	122,517	127,961
Treasury shares	(17)	(17)
Total shareholders' equity	179,592	185,036
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,464	7,223
Revaluation reserve for land	1,997	1,952
Remeasurements of defined benefit plans	(654)	296
Total accumulated other comprehensive income	7,806	9,472
Total net assets	187,398	194,509
Total liabilities and net assets	268,675	276,914

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	234,738	243,380
Cost of sales	155,149	158,872
Gross profit	79,588	84,507
Selling, general and administrative expenses	67,161	68,872
Operating profit	12,427	15,635
Non-operating income		
Interest income	3	66
Dividend income	373	396
Other	122	115
Total non-operating income	499	577
Non-operating expenses		
Interest expenses	43	63
Product safety costs	36	41
Non-deductible consumption tax	26	46
Other	28	56
Total non-operating expenses	134	208
Ordinary profit	12,792	16,005
Extraordinary income		
Gain on sale of non-current assets	92	203
Gain on sale of investment securities	1,329	487
Gain on sale of businesses	330	–
Total extraordinary income	1,752	691
Extraordinary losses		
Loss on retirement of non-current assets	525	598
Loss on sale of non-current assets	141	47
Loss on valuation of investment securities	–	214
Impairment losses	17	28
Disaster relief aid expenses	13	–
Total extraordinary losses	698	888
Profit before income taxes	13,845	15,807
Income taxes - current	4,730	5,143
Income taxes - deferred	(385)	(425)
Total income taxes	4,344	4,717
Profit	9,500	11,090
Profit attributable to owners of parent	9,500	11,090

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	9,500	11,090
Other comprehensive income		
Valuation difference on available-for-sale securities	1,679	759
Revaluation reserve for land	—	(81)
Remeasurements of defined benefit plans, net of tax	1,984	951
Total other comprehensive income	3,664	1,629
Comprehensive income	13,165	12,719
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,165	12,719
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,356	30,734	120,322	(12)	177,402
Changes during period					
Dividends of surplus			(3,692)		(3,692)
Profit attributable to owners of parent			9,500		9,500
Purchase of treasury shares				(3,590)	(3,590)
Cancellation of treasury shares			(3,585)	3,585	—
Reversal of revaluation reserve for land			(27)		(27)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	2,195	(5)	2,190
Balance at end of period	26,356	30,734	122,517	(17)	179,592

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	4,784	1,969	(2,639)	4,114	181,516
Changes during period					
Dividends of surplus					(3,692)
Profit attributable to owners of parent					9,500
Purchase of treasury shares					(3,590)
Cancellation of treasury shares					—
Reversal of revaluation reserve for land					(27)
Net changes in items other than shareholders' equity	1,679	27	1,984	3,692	3,692
Total changes during period	1,679	27	1,984	3,692	5,882
Balance at end of period	6,464	1,997	(654)	7,806	187,398

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,356	30,734	122,517	(17)	179,592
Changes during period					
Dividends of surplus			(3,758)		(3,758)
Profit attributable to owners of parent			11,090		11,090
Purchase of treasury shares				(1,850)	(1,850)
Cancellation of treasury shares			(1,851)	1,851	—
Reversal of revaluation reserve for land			(36)		(36)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	5,444	0	5,444
Balance at end of period	26,356	30,734	127,961	(17)	185,036

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	6,464	1,997	(654)	7,806	187,398
Changes during period					
Dividends of surplus					(3,758)
Profit attributable to owners of parent					11,090
Purchase of treasury shares					(1,850)
Cancellation of treasury shares					—
Reversal of revaluation reserve for land					(36)
Net changes in items other than shareholders' equity	759	(44)	951	1,666	1,666
Total changes during period	759	(44)	951	1,666	7,110
Balance at end of period	7,223	1,952	296	9,472	194,509

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	13,845	15,807
Depreciation	7,192	7,540
Impairment losses	17	28
Increase (decrease) in allowance for doubtful accounts	(1)	(2)
Increase (decrease) in retirement benefit liability	581	611
Interest and dividend income	(377)	(462)
Interest expenses	43	63
Loss (gain) on sale of investment securities	(1,329)	(487)
Loss (gain) on valuation of investment securities	–	214
Loss (gain) on sale of property, plant and equipment	46	(163)
Loss on retirement of property, plant and equipment	525	598
Loss (gain) on sale of businesses	(330)	–
Decrease (increase) in trade receivables	(2,266)	(250)
Decrease (increase) in inventories	402	3,148
Increase (decrease) in trade payables	(18,022)	2,095
Other, net	1,500	(587)
Subtotal	1,828	28,154
Interest and dividends received	377	445
Interest paid	(45)	(72)
Income taxes paid	(3,474)	(5,162)
Net cash provided by (used in) operating activities	(1,314)	23,365
Cash flows from investing activities		
Purchase of investment securities	(16)	(18)
Proceeds from sale of investment securities	1,891	669
Purchase of property, plant and equipment	(13,298)	(9,660)
Proceeds from sale of property, plant and equipment	685	1,379
Purchase of intangible assets	(1,155)	(809)
Proceeds from collection of loans receivable	87	4
Proceeds from sale of businesses	330	–
Other, net	(189)	(31)
Net cash provided by (used in) investing activities	(11,666)	(8,465)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(450)	(900)
Purchase of treasury shares	(3,590)	(1,850)
Dividends paid	(3,689)	(3,755)
Net cash provided by (used in) financing activities	(7,730)	(6,506)
Net increase (decrease) in cash and cash equivalents	(20,711)	8,393
Cash and cash equivalents at beginning of period	80,376	59,665
Cash and cash equivalents at end of period	59,665	68,059

(5) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Note on changes in accounting policies)

(Application of the “Accounting Standard for Current Income Taxes,” Etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022), etc. from the beginning of the first quarter of the fiscal year ended March 31, 2025.

Previously, calculated amounts of corporate taxes, inhabitants taxes and enterprise taxes on earnings, etc. (“current income taxes”) were recorded in profit or loss in accordance with laws and regulations. Moving forward, current income taxes on earnings will be recorded in profit or loss, shareholders’ equity, or other comprehensive income according to the transaction, etc. from which those taxes were incurred.

Concerning current income taxes recorded in accumulated other comprehensive income, when a transaction, etc., which is the reason for said current income taxes to be applied, is recorded in profit or loss, the corresponding amount of tax will be recorded in profit or loss. Additionally, if the transaction, etc. subject to taxation is related to shareholders’ equity or other comprehensive income in addition to profit or loss, and it is difficult to calculate the amount of current income taxes to be applied to shareholders’ equity or other comprehensive income, the amount of such taxes will be recorded in profit or loss.

This change in accounting policies has no impact on the consolidated financial statements.

(Additional information)

(Dissolution of consolidated subsidiaries)

The Company resolved, at a meeting of its Board of Directors held on December 19, 2024, to dissolve Takara Logistics Service Co., Ltd., a consolidated subsidiary.

1. Reason for dissolution

In reconsidering the logistics structure, the Company will withdraw its warehousing business from Yao Warehouse in order to consolidate distribution bases in the Hanshin area, reduce costs, and maximize delivery capacity. Accordingly, we have decided to dissolve the subsidiary of which Yao Warehouse was the main business base.

2. Overview of subsidiary to be dissolved

(1) Name	Takara Logistics Service Co., Ltd.
(2) Location	3-89, Futamata, Yao, Osaka, Japan
(3) Title and name of representative	Masaki Wakabayashi, President and Representative Director
(4) Business descriptions	Contracting of cargo handling and packing services Contracting of in-plant work
(5) Share capital	¥10 million
(6) Date of establishment	September 26, 1973
(7) Major shareholders and shareholding ratio	TAKARA STANDARD CO., LTD. 100%

3. Schedule of the dissolution

Dissolution resolution at an extraordinary general meeting of shareholders of the subsidiary
September 2025 (planned)

Completion of liquidation December 2025 (planned)

4. Impact on profit and loss due to this dissolution

The impact on the Company's consolidated financial results is immaterial.

5. Material impact of the dissolution on business activities, etc.

The impact on the Company's business activities, etc., is immaterial.

(Note on segment information)

1. Overview of reportable segments

The Group's reportable segments are those of the Company for which financial information is available separately and that are regularly evaluated by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

The Group's business activities are centered on the housing equipment-related business, and "Housing equipment" is classified as reportable segment.

2. Calculation method of net sales, profit or loss by reportable segment

The accounting method of the reported business segments is in accordance with the accounting policies adopted to prepare the consolidated financial statements.

Profit by reportable segment is based on operating profit.

Internal net sales or transfers between segments are based on current market prices.

3. Information on net sales and profit or loss by reportable segment, and information on breakdown of earnings

Fiscal year ended March 31, 2024

	Reportable segments	Other (Note 1)	Total	Adjustments	Amount recorded in consolidated financial statement (Note 2)
	Housing equipment				
Net sales					
Merchandise and finished goods	205,788	—	205,788	—	—
Installation	28,694	—	28,694	—	—
Other net sales	—	28	28	—	—
Revenue from contracts with customers	234,483	28	234,511	—	—
Other revenue	—	227	227	—	—
Net sales to external customers	234,483	255	234,738	—	234,738
Internal net sales or transfers between segments	—	153	153	(153)	—
Total	234,483	409	234,892	(153)	234,738
Segment profit	12,199	227	12,427	—	12,427

Notes: 1. The category "Other" represents business segments that are not included in reportable segments, and includes businesses such as real estate leasing business and warehousing business.

2. Total segment profit is consistent with operating profit in consolidated financial statements.

3. Information is omitted since assets are not allocated to business segments.

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments	Other (Note 1)	Total	Adjustments	Amount recorded in consolidated financial statement (Note 2)
	Housing equipment				
Net sales					
Merchandise and finished goods	213,230	—	213,230	—	—
Installation	29,919	—	29,919	—	—
Revenue from contracts with customers	243,149	—	243,149	—	—
Other revenue	—	230	230	—	—
Net sales to external customers	243,149	230	243,380	—	243,380
Internal net sales or transfers between segments	—	131	131	(131)	—
Total	243,149	362	243,511	(131)	243,380
Segment profit	15,440	194	15,635	—	15,635

- Notes: 1. The category “Other” represents business segments that are not included in reportable segments, and includes real estate leasing business and warehousing business.
2. Total segment profit is consistent with operating profit in consolidated financial statements.
3. Information is omitted since assets are not allocated to business segments.

(Note on information per share)

(Yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	2,742.27	2,892.64
Basic earnings per share	137.30	163.15

- Notes: 1. Since there are no potential shares, diluted earnings per share is not stated.
2. The following shows the basis for calculating basic earnings per share.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent (million yen)	9,500	11,090
Amount not attributable to ordinary shareholders (million yen)	—	—
Profit attributable to owners of parent related to common stock (million yen)	9,500	11,090
Average number of shares of common stock during the period (thousand shares)	69,198	67,976

(Notes on significant subsequent events)

(Purchase of treasury shares)

The Company resolved at the Board of Directors meeting held on May 8, 2025, on matters relating to the purchase of treasury shares pursuant to the provisions of Article 156 of the Companies Act as applied by replacing certain terms under the provisions of Article 165, paragraph (3) of the same Act.

1. Reasons for the purchase of treasury shares

Under the Medium Term Management Plan 2026, the Company seeks to enhance shareholder returns while maintaining financial soundness, as it actively allocates capital to objectives that include growth investment and strengthening the management base with its sights set on developing sustainable growth infrastructure as its investment plan and shareholder return policy.

The purchase of treasury shares during the fiscal year ending March 31, 2026 will be conducted based on the new shareholder return policy described in the “New Shareholder Return Policy and Profit Growth Initiatives to Achieve 8% ROE” announced today.

2. Details of matters relating to the purchase

(1) Class of shares to be purchased	Common stock of the Company
(2) Total number of shares to be purchased	6,000,000 shares (maximum) (8.92% of total number of issued shares excluding treasury shares)
(3) Total amount for share purchase	¥11,000 million (maximum)
(4) Purchase period	From May 9, 2025 to February 20, 2026
(5) Method of purchase	Open market purchase on the Tokyo Stock Exchange including Off-Auction Own Share Repurchase Trading (ToSTNeT-3)

(Reference)

Total number of issued shares and number of treasury shares as of March 31, 2025

Total number of issued shares (excluding treasury shares) 67,242,667 shares

Number of treasury shares 10,327 shares