

**TAKARA STANDARD CO., LTD.**

Six Months Ended September 30, 2024

# Financial Results

November 6, 2024

Stock Code  
7981

**Takara standard**

## 1. Overview of Financial Results for the Six Months Ended September 30, 2024 PP. 2 ~ 13

## 2. Current Business Environment and Future Outlook PP. 15 ~ 17

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# Financial Results Highlights

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## Overview of Financial Results

Net sales reached a record high in the first half, driven by sales for new construction multi-family housing.

Operating profit saw double-digit growth, and both revenue and profit increased.

### 【Net sales】

**¥115.9billion**  
+1.1% YoY

Although sales in remodeling decreased compared to the same period in the previous fiscal year in which there was rush demand due to the price revisions, revenue increased as a result of strong sales for new construction multi-family housing in each product category.

### 【Operating profit】

**¥5.9billion**  
+12.3% YoY

operating profit increased due to the implementation of streamlining and cost reductions including stock reduction, and the price revisions.

### 【Profit attributable to owners of parent】

**¥3.8billion**  
(12.3)% YoY

Profit decreased due to a ¥1.1 billion gain on sale of investment securities recorded in the previous fiscal year.

# Operating Results

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Net sales and operating profit increased.

Although net sales were almost in line with the first half earnings forecast, operating profit fell short due to sluggish sales in the remodeling market, which brings relatively high profit margins.

(Unit : ¥ billion)

	Apr.-Sept. 2023		Apr.-Sept. 2024				Earnings Forecasts for Apr.-Sept. 2024	
	Amount	% of sales	Amount	% of sales	Change	% change	Amount	achievement rate
Net sales	114.6	100.0%	115.9	100.0%	+1.2	+1.1%	116.6	99.4%
Gross profit	38.4	33.5%	39.6	34.2%	+1.2	+3.2%	—	—
SG&A	33.1	28.9%	33.6	29.1%	+0.5	+1.7%	—	—
Operating profit	5.3	4.6%	5.9	5.1%	+0.6	+12.3%	6.4	93.1%
Ordinary profit	5.4	4.8%	6.1	5.3%	+0.6	+11.6%	6.5	94.4%
Profit attributable to owners of parent	4.4	3.9%	3.8	3.3%	(0.5)	(12.3)%	4.2	92.5%

# Operating Results (Quarter-on-Quarter Comparison)

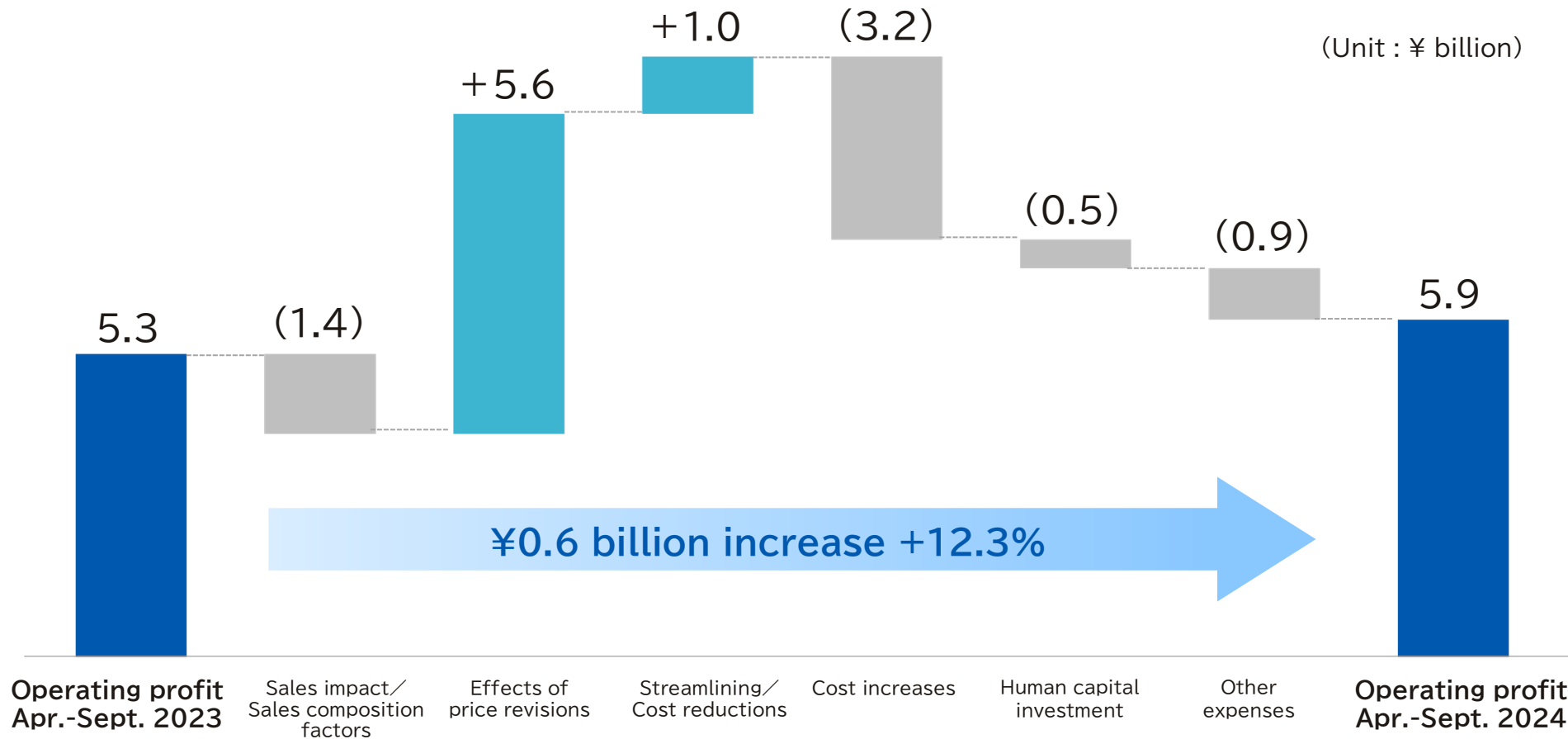
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(Unit : ¥ billion)

	2023				2024							
	First quarter (Apr.-Jun.)		Second quarter (Jul.-Sept. )		First quarter (Apr.-Jun.)				Second quarter (Jul.-Sept. )			
	Amount	% of sales	Amount	% of sales	Amount	% of sales	Change	% change	Amount	% of sales	Change	% change
<b>Net sales</b>	57.2	100.0%	57.4	100.0%	<b>57.3</b>	100.0%	+0.0	+0.1%	<b>58.6</b>	100.0%	+1.1	+2.1%
<b>Gross profit</b>	19.0	33.3%	19.3	33.7%	<b>19.7</b>	34.5%	+0.6	+3.6%	<b>19.8</b>	33.9%	+0.5	+2.7%
<b>SG&amp;A</b>	16.4	28.7%	16.7	29.1%	<b>16.6</b>	29.1%	+0.2	+1.7%	<b>17.0</b>	29.0%	+0.2	+1.7%
<b>Operating profit</b>	2.6	4.7%	2.6	4.6%	<b>3.0</b>	5.4%	+0.4	+15.4%	<b>2.8</b>	4.9%	+0.2	+9.0%
<b>Ordinary profit</b>	2.8	5.0%	2.6	4.6%	<b>3.2</b>	5.7%	+0.4	+14.2%	<b>2.8</b>	4.9%	+0.2	+8.8%
<b>Profit attributable to owners of parent</b>	1.9	3.4%	2.5	4.4%	<b>2.0</b>	3.6%	+0.1	+7.7%	<b>1.8</b>	3.1%	(0.6)	(27.7)%

# Analysis of Change in Operating Profit

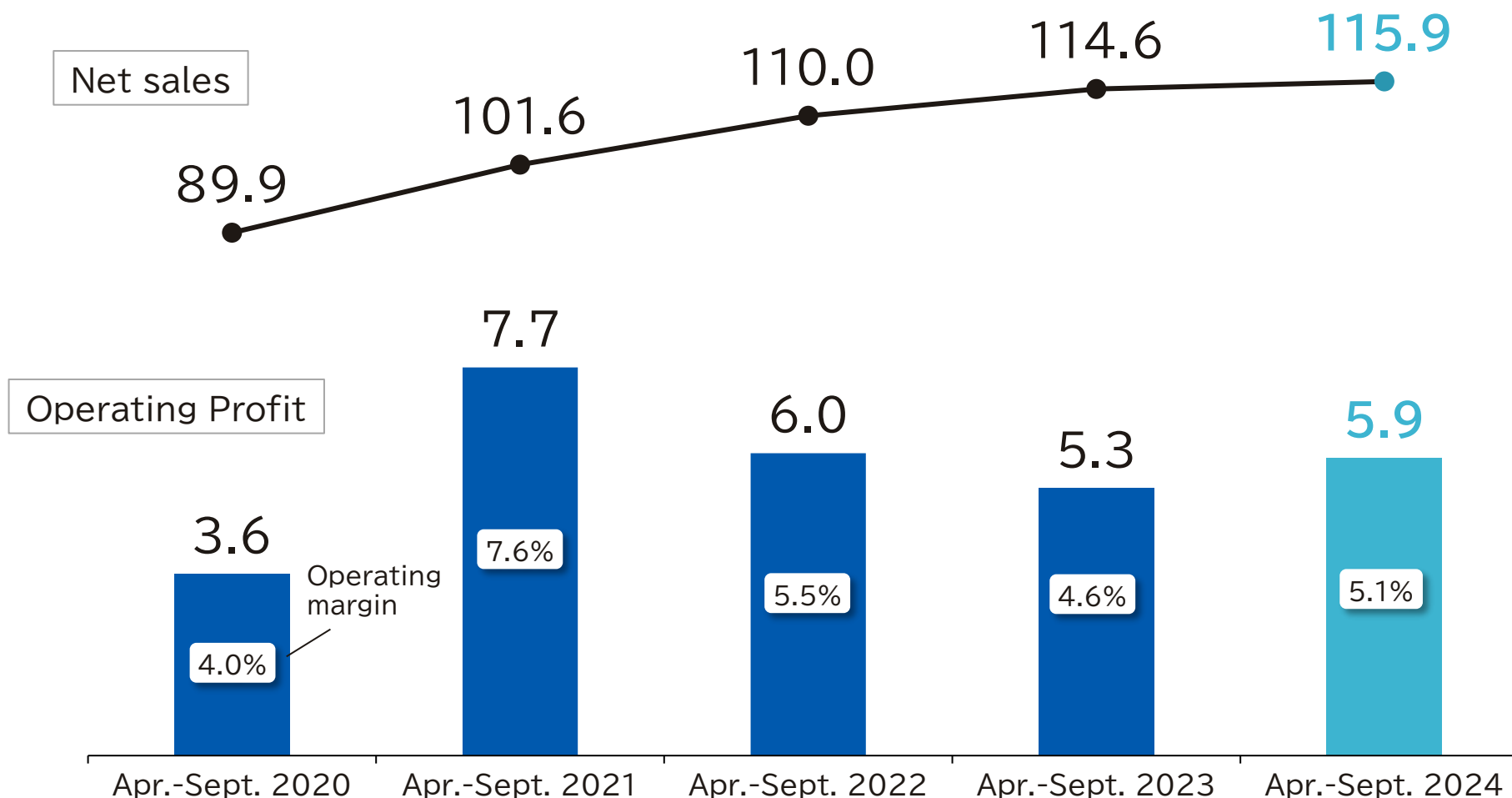
Despite factors contributing to a profit decrease due to a decline in remodeling sales and rising purchase costs for raw materials, etc., profits increased thanks to the effect of the price revisions made in FY2023 which also contributed to results for the current period, and strong sales for new construction multi-family housing as well as the implementation of streamlining and cost reductions including stock reduction.



# 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.-Sept.2020 were retroactively restated.

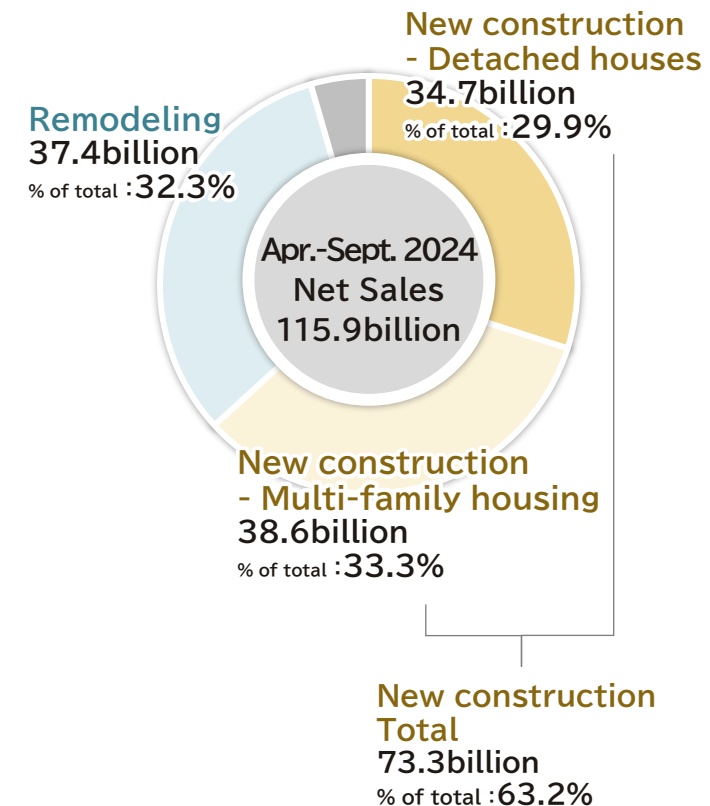
# Net Sales by Market

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Despite lower sales than the previous fiscal year in the remodeling market due to rush demand resulting from the price revisions in the previous fiscal year, revenue increased in new construction market mainly due to strong sales for multi-family housing.

(Unit : ¥ billion)

		Apr.-Sept. 2023		Apr.-Sept. 2024			
		Amount	% of total	Amount	% of total	Change	% change
New construction	Detached houses	34.3	29.9%	34.7	29.9%	+0.3	+1.0%
	Multi-family housing	34.4	30.0%	38.6	33.3%	+4.2	+12.3%
	Total	68.7	59.9%	73.3	63.2%	+4.5	+6.6%
Remodeling		40.6	35.5%	37.4	32.3%	(3.2)	(8.0)%
Total incl. others		114.6	100.0%	115.9	100.0%	+1.2	+1.1%





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

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(Unit : ￥ billion)

		2023				2024							
		First quarter (Apr.-Jun.)		Second quarter (Jul.-Sept. )		First quarter (Apr.-Jun.)				Second quarter (Jul.-Sept. )			
		Amount	% of total	Amount	% of total	Amount	% of total	Change	% change	Amount	% of total	Change	% change
New construction	Detached houses	17.4	30.6%	16.8	29.3%	17.1	29.9%	(0.4)	(2.3)%	17.6	30.0%	+0.7	+4.4%
	Multi-family housing	15.7	27.5%	18.6	32.5%	18.2	31.8%	+2.5	+15.9%	20.3	34.8%	+1.7	+9.2%
	Total	33.2	58.0%	35.5	61.8%	35.3	61.6%	+2.1	+6.3%	37.9	64.8%	+2.4	+6.9%
Remodeling		21.4	37.4%	19.2	33.6%	19.4	33.9%	(1.9)	(9.2)%	17.9	30.7%	(1.3)	(6.7)%
Total incl. others		57.2	100.0%	57.4	100.0%	57.3	100.0%	+0.0	+0.1%	58.6	100.0%	+1.1	+2.1%

# Net Sales by Product Category

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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)

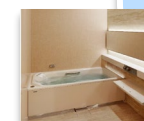
	Apr.-Sept. 2023		Apr.-Sept. 2024			
	Amount	% of total	Amount	% of total	Change	% change
Kitchen	68.0	59.3%	70.1	60.5%	+2.1	+3.1%
Bathroom	28.5	24.9%	27.9	24.1%	(0.5)	(2.0)%
Washstand	12.9	11.3%	13.1	11.4%	+0.2	+1.6%
Total incl. others	114.6	100.0%	115.9	100.0%	+1.2	+1.1%



Washstand

13.1billion

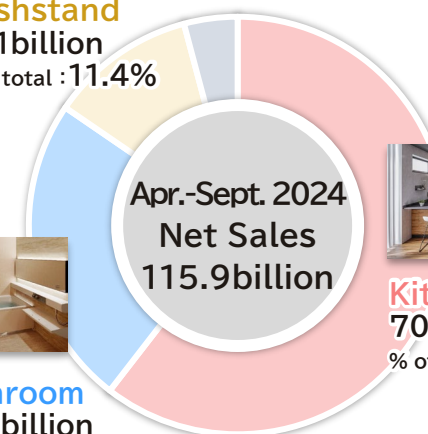
% of total : 11.4%



Bathroom

27.9billion

% of total : 24.1%



Kitchen

70.1billion

% of total : 60.5%

【Sales within total】

Panel-related sales	3.4	3.0%	3.3	2.9%	(0.1)	(3.5)%
Overseas business sales	0.5	0.5%	0.5	0.5%	(0.0)	(2.4)%

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

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(Unit : ¥ billion)

	2023				2024							
	First quarter (Apr.-Jun.)		Second quarter (Jul.-Sept. )		First quarter (Apr.-Jun.)				Second quarter (Jul.-Sept. )			
	Amount	% of total	Amount	% of total	Amount	% of total	Change	% change	Amount	% of total	Change	% change
Kitchen	34.0	59.6%	33.9	59.1%	34.2	59.7%	+0.1	+0.4%	35.9	61.3%	+1.9	+5.8%
Bathroom	14.3	25.0%	14.2	24.7%	14.2	24.9%	(0.0)	(0.3)%	13.6	23.3%	(0.5)	(3.7)%
Washstand	6.2	11.0%	6.7	11.7%	6.4	11.3%	+0.1	+3.1%	6.7	11.5%	+0.0	+0.3%
Total incl. others	57.2	100.0%	57.4	100.0%	57.3	100.0%	+0.0	+0.1%	58.6	100.0%	+1.1	+2.1%

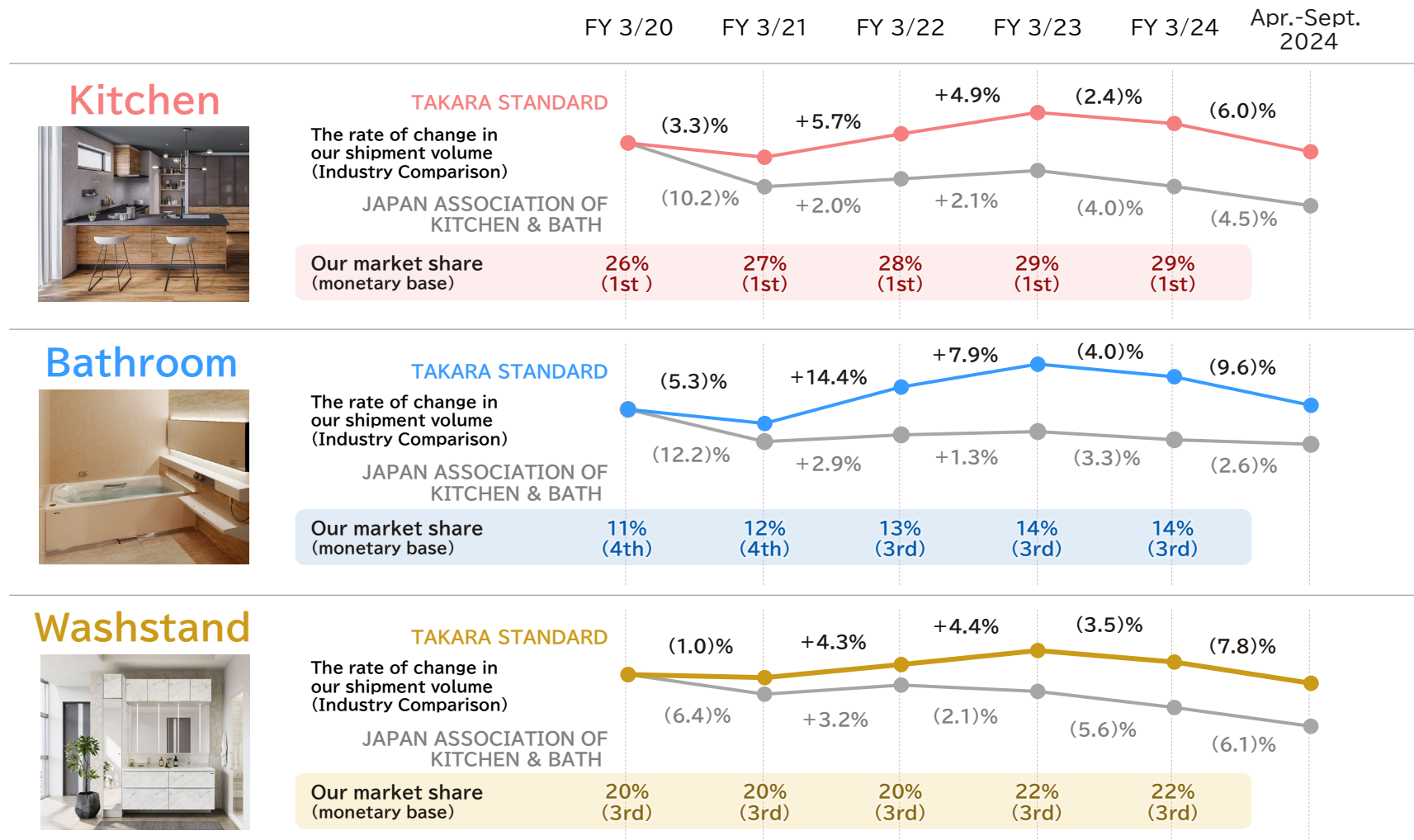
【Sales within total】

Panel-related sales	1.7	3.1%	1.7	3.0%	1.6	2.9%	(0.1)	(7.3)%	1.7	2.9%	+0.0	+0.3%
Overseas business sales	0.3	0.6%	0.2	0.5%	0.2	0.5%	(0.0)	(17.4)%	0.3	0.5%	+0.0	+15.9%

# Shipment Growth Rate and Changes in our market share

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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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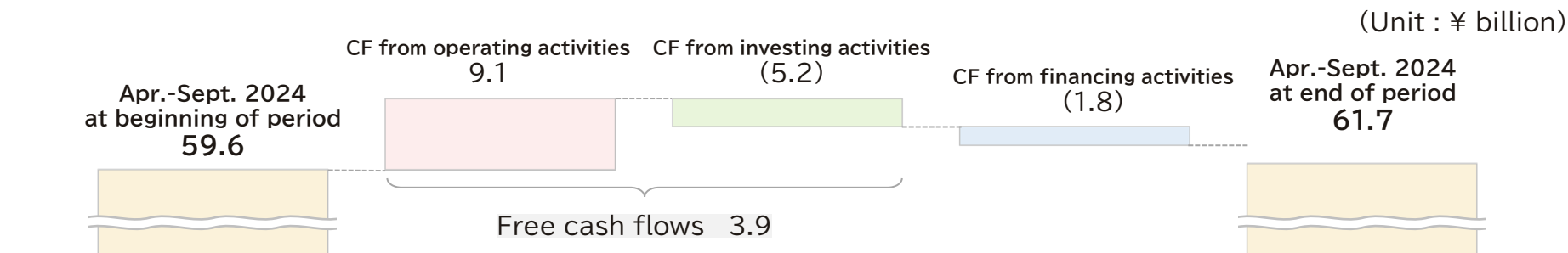
Total assets at the end of September 2024 were ¥271.7 billion.  
Increase of ¥3.0 billion from the end of the previous fiscal year.

(Unit : ¥ billion)

		End-Mar. 2024	End-Sept. 2024	Change	Main Items
Assets	Current assets	154.9	157.0	+2.1	Cash and deposits +2.1 Trade receivables +0.3 Inventories (1.4)
	Noncurrent assets	113.7	114.6	+0.9	Property, plant and equipment +1.2
Total assets		268.6	271.7	+3.0	
Liabilities	Current liabilities	61.2	62.0	+0.7	Trade payables +2.4 Income taxes payable (0.9)
	Noncurrent liabilities	20.0	20.1	+0.1	
Total liabilities		81.2	82.1	+0.8	
Total net assets		187.3	189.6	+2.2	Profit attributable to owners of parent +3.8 Dividends of surplus (1.8) Accumulated other comprehensive income +0.2
Total liabilities and net assets		268.6	271.7	+3.0	

# Consolidated Cash Flows

Cash and cash equivalents increased ¥2.1 billion from ¥59.6 billion at the beginning of the period to ¥61.7 billion.



	Apr.-Sept. 2023	Apr.-Sept. 2024	Main Items
Cash and cash equivalents at beginning of period	80.3	59.6	
Cash flows from operating activities	(11.4)	9.1	Profit before income taxes 5.6 Decrease in inventories 1.4 Increase in trade payables 3.0
Cash flows from investing activities	(2.1)	(5.2)	Purchase of property, plant and equipment (5.3)
Free cash flows	(13.6)	3.9	
Cash flows from financing activities	(4.6)	(1.8)	Dividends paid (1.8)
Cash and cash equivalents at end of period	62.0	61.7	

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## Japanese Economy

The economy showed a gradual recovery trend against a backdrop of signs of recovery in personal consumption, solid capital investment, and increased demand from inbound tourism. However, the outlook remains uncertain primarily due to prolonged geopolitical risks, continued high prices, and the risk of rising interest rates. Despite recently stabilizing, raw material prices remain high.

## Housing Market

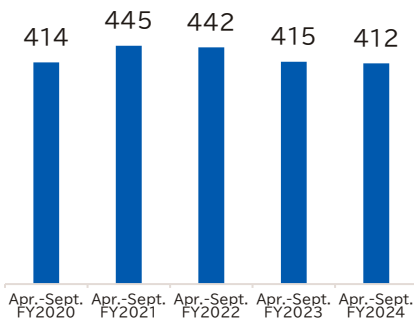
The new construction market is weakening in both the detached houses and multi-family housing. The remodeling market also remained below the previous year's level.

In terms of outlook, soaring housing prices and rising mortgage interest rates are a concern in the new construction market.

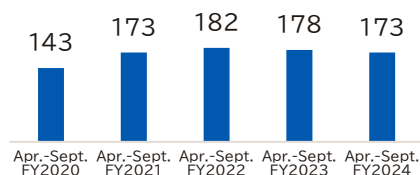
While there are similar concerns in the remodeling market, demand for renovations of used housing and existing housing is expected to continue growing.

### Industry Trends

**New Housing Starts (MLIT)**  
(Unit: thousands of unit)

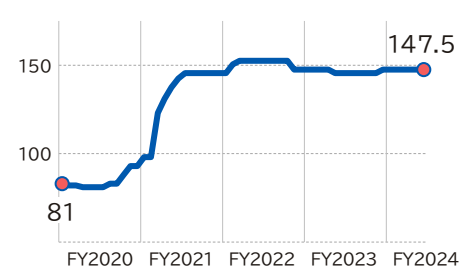


**Kitchen shipments in the remodeling market (JAPAN ASSOCIATION OF KITCHEN & BATH)**  
(Unit: thousands of unit)

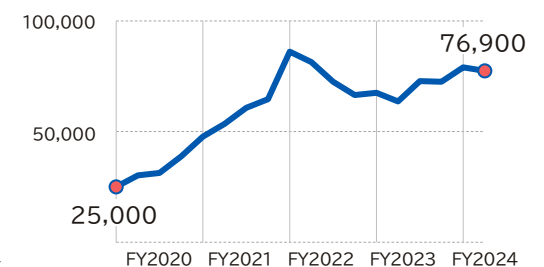


### Market conditions of main materials

**Cold-rolled steel sheet (¥/kg)**



**Naphtha (¥/kl)**





# Earnings Forecasts for FY Ending March 2025

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

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The Company 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)

## Plan to increase revenue and profit

net sales: +1.9%,  
operating profit: +16.7%

	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%

## Main Measures in the Second Half

Remodeling	The Company will promote various measures aimed at recovery of sales volume.
	<ul style="list-style-type: none"> <li>•Strengthen specifications of volume zone products: enameled kitchen “Treasia” and bathroom “GRANSPA” (August 2024)</li> <li>•Acquire orders by promoting optimal proposals tailored to customers’ budgets</li> <li>•Strengthen proposal capabilities by reviewing showroom displays to enable customers to imagine comfortable living after remodeling</li> </ul>
Detached houses	In addition to a further gain in market share and expanded sales of functional products, the effects of price revisions have continued.
Multi-family housing	In addition to the effects of price revisions, the Company will promote sales of kitchens at high-end properties and expand sales of bathrooms, which it has been focusing on in recent years.

Along with the above, the Company will continue its efforts to improve profitability through streamlining, such as reductions in distribution costs by reducing inventories, and cost reductions.

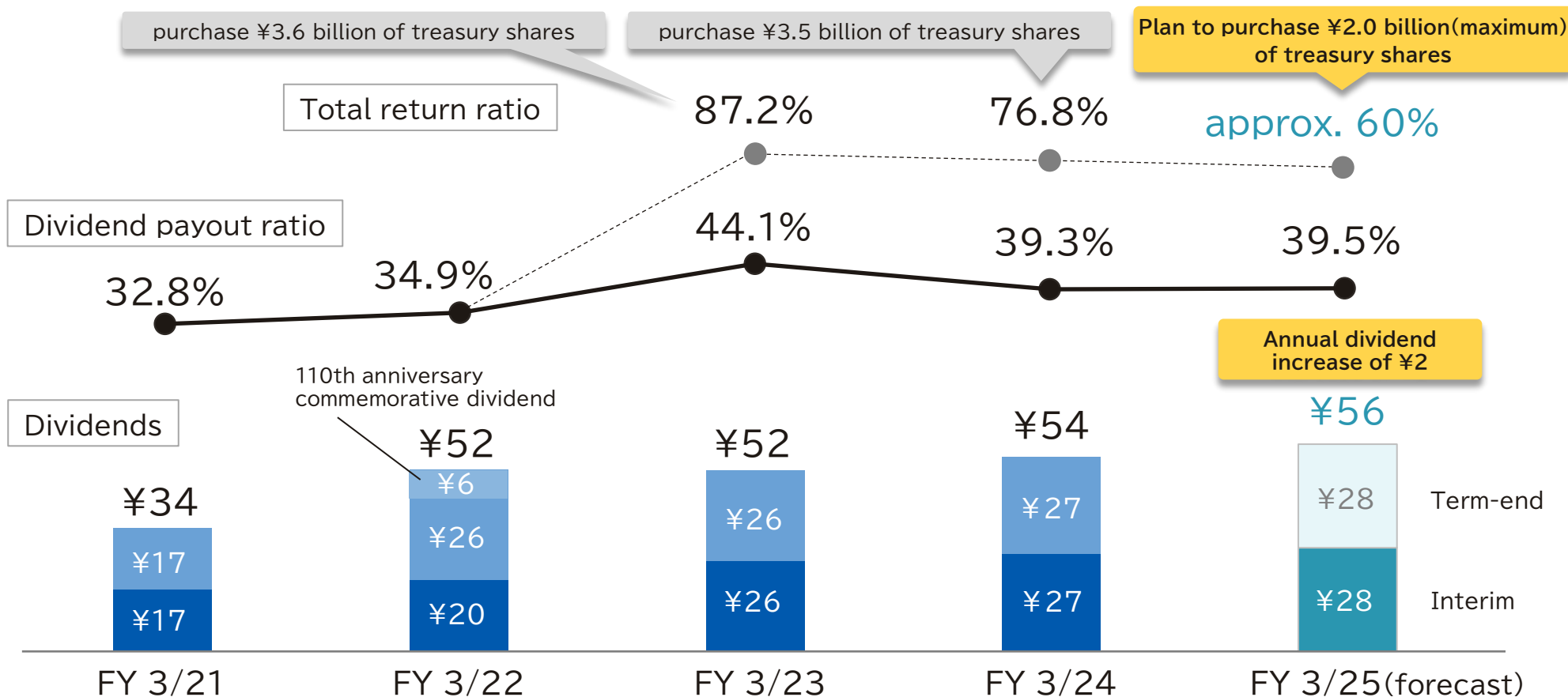
# The State of Shareholder Returns

(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.



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### The world's only enameled kitchens make first appearance in Indonesia A step toward becoming the "global top leader" of Japanese kitchen brands

Takara Standard exhibited for the first time at "Indo Build Tech Expo," the largest exhibition of building materials, construction, and interior design in Indonesia.



With Indonesia's growing population and economic growth, the wealthy population is also increasing, and demand for high-end real estate and kitchens is rising. In response, we exhibited at the Indonesian exhibition for the first time, where we introduced enameled kitchens and enameled interior panels.

Enameled kitchens are easy to clean, fire-resistant, and durable, and are particularly well suited to Indonesia's climate and cooking habits. We currently have sales of approximately ¥1.1 billion in Taiwan, China, and Vietnam, and aim to achieve sales of ¥10 billion in five areas including India and Indonesia by FY2030.

### Start of industry-academia collaboration classes with Machida Design College

In anticipation of a labor shortage in the remodeling industry that will become increasingly serious going forward, the National Joint Conference on Remodeling, of which Takara Standard is a member, started classes to foster human resources for remodeling in September 2024 in cooperation with Machida Design College.



According to a survey by the Ministry of Internal Affairs and Communications, the number of carpenters decreased from around 800,000 in 1985 to about 300,000 by 2020, especially for younger workers.

However, while the remodeling market is expected to grow and demand for craftsmen is increasing, there are few environments where students can study remodeling after graduating from high school.

To address this issue, the National Joint Conference on Remodeling and Machida Design College have joined together to offer a curriculum for students aiming to enter the remodeling industry. We will be in charge of classes on practical installation of kitchens and bathrooms at the training facility.

Remodeling companies and housing equipment manufacturers will be in charge of classroom lectures and hands-on construction training, and students will study remodeling techniques in the process of earning a degree of diploma. The program also aims to train engineers and contribute to the development of the remodeling industry as a whole.

### Three new establishments/renewals/relocations were carried out in the first half

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



Oosaka **New establishments**  
Minami-Osaka  
Showroom  
(July 2024)



Saitama **Renewal**  
Saitama Showroom  
(September 2024)



Fukui **Relocation**  
Fukui Showroom  
(September 2024)

Promoting visits to showrooms through use of Web

#### Virtual Showroom with 360°View



#### Showroom Exhibit Information



#### Web Reservation System



### Enameled wall panel “Emawall” used in the facilities of “Expo 2025”

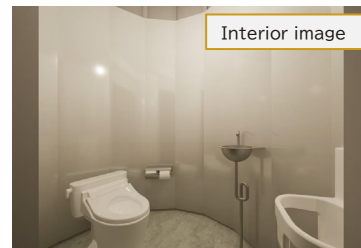
At Expo 2025 Osaka, Kansai, Japan, young architects who are expected to play an active role in the future are in charge of designing facilities such as “pop-up stages” and “restrooms.” Takara Standard will offer support by providing the enameled wall panel “Emawall” to each facility as a supplier.

#### ■Pop-up Stage (West); Design: REI MITSUI ARCHITECTS



Used as exterior building material for the backstage areas on the left and right sides of the stage and warehouse building

#### ■Restroom 8; Design: Shingo Saito Architects



Enameled interior panel “Emawall Interior Type” used for interior of restrooms



### “Collaboration with Moomin,” highly compatible with trendy Scandinavian interior

The collaboration is being rolled out to kitchen panels and enameled interior panels. Takara Standard aims to improve brand image and corporate recognition and attract new users by utilizing characters that have a wide age range and a large fan base.



This is the first time in the industry that “kitchen panels” featuring characters are being offered



The uniqueness and strength of “enamel” is further promoted through the characteristics of enamel, which ensures that your favorite character does not scratch or peel off.

### Experience ideal lifestyles with sustainable enamelware Exhibited for the first time at “TSUNAGU MARKET” in Takashimaya Osaka

As a supporter of the purpose of “TSUNAGU ACTION WEEK,” which proposes sustainable living at Takashimaya Osaka, Takara Standard exhibited at “TSUNAGU MARKET” where local charms of Osaka, Japanese culture and unique art were on display.



Takara Standard booth at “TSUNAGU MARKET”

We exhibited in the “Living with Art” area, displaying our unique enameled interior panel “Emawall Interior Type.”

This exhibit utilized some of the furniture sold at Takashimaya Osaka to bring various living setups to life, such as living rooms, children’s rooms, and entrances. We created a space to experience a new form of remodeling through “enamel,” a sustainable material with high design quality made using our unique inkjet printing technology.

\*The “TSUNAGU MARKET” exhibition is now over.

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This document contains projections based on the Company's plans as of November 6, 2024.

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