TAKARA STANDARD CO. LTD.

Three Months Ended June 30, 2025

Financial Results

August 5, 2025

Stock Code
7981

Takara standard

Company Overview

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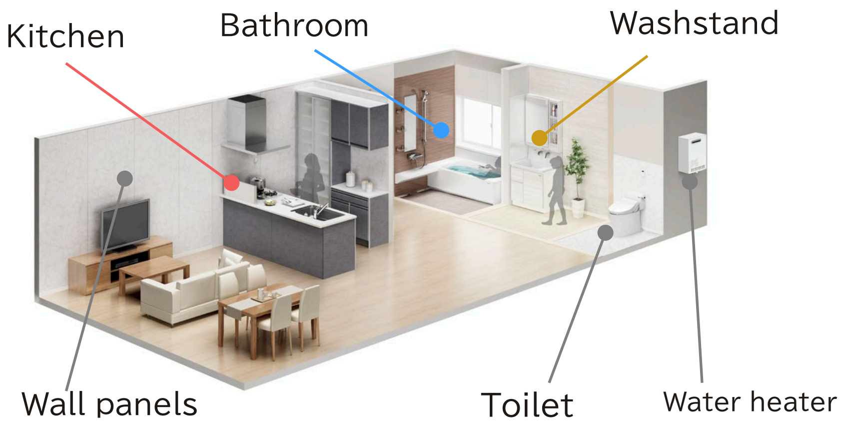
A comprehensive housing equipment manufacturer that develops products using proprietary materials such as high-grade enamel.



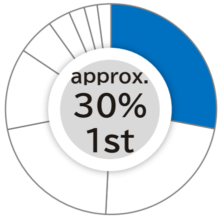
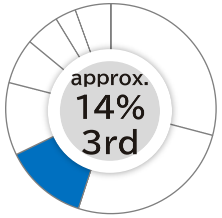
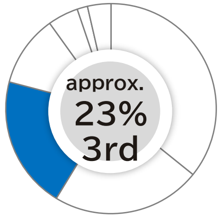
Company name	TAKARA STANDARD Co., Ltd.
Head office	1-2-1 Shigino-higashi, Joto-ku, Osaka 536-8536, Japan
Established	May 30, 1912
President	Masaru Komori
Listing	Prime Market, Tokyo Stock Exchange (Stock code: 7981)
Performance (consolidated)	Net sales : 243.3 billion yen operating margin : 15.6billion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

Markets	Sales Channels
Remodeling	Trading company, Agency, Dealer
New construction Detached houses	Developer, Construction company
New construction Multi-family housing	Housebuilder
Overseas Market	Local distributors
Non-Housing Market	Each sales destination

End Users

Our Share (Based on Revenue)

Kitchen	Bathroom	Washstand
		
 approx. 30% 1st	 approx. 14% 3rd	 approx. 23% 3rd

As of Fiscal Year 2024, according to our company's research

Financial Results Highlights

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Overview of Financial Results for Q1 FYE 2026

Net sales reached a record high, all profit increased by more than 35% YoY.

Net sales:61.3 billion yen(+7.1% YoY) **Operating profit : 4.2 billion yen**(+35.8% YoY)

- Sales increased due to strong performance in both detached houses and multi-family housing in the new construction market.
- Profit increased significantly, driven by higher revenue, improved gross margin, and disciplined cost control.

Earnings Forecasts for FYE 2026 (No revision from the initial forecast)

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 (No revision from the initial forecast)

Annual Dividend to Increase by 22 yen YoY to 100 yen(Interim and Year-End: 50 yen Each; Payout Ratio: 52.5%)

- From this 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 during this fiscal year and next fiscal year, 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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Operating Results

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Net sales reached a record high in the first quarter. In addition to higher sales, improved unit prices driven by expanded sales of optional items, along with rationalization and cost-cutting efforts, contributed to a significant increase in all profit categories.

Unit : billion yen

	Apr.-Jun. 2024		Apr.-Jun. 2025			
	Amount	% of sales	Amount	% of sales	Change	% change
Net sales	57.3	100.0%	61.3	100.0%	+4.0	+7.1%
Gross profit	19.7	34.5%	21.4	34.9%	+1.6	+8.4%
SG&A	16.6	29.1%	17.2	28.1%	+0.5	+3.3%
Operating profit	3.0	5.4%	4.2	6.9%	+1.1	+35.8%
Ordinary profit	3.2	5.7%	4.4	7.3%	+1.1	+36.3%
Profit attributable to owners of parent	2.0	3.6%	3.0	5.0%	+1.0	+48.7%

Analysis of Change in Operating Profit

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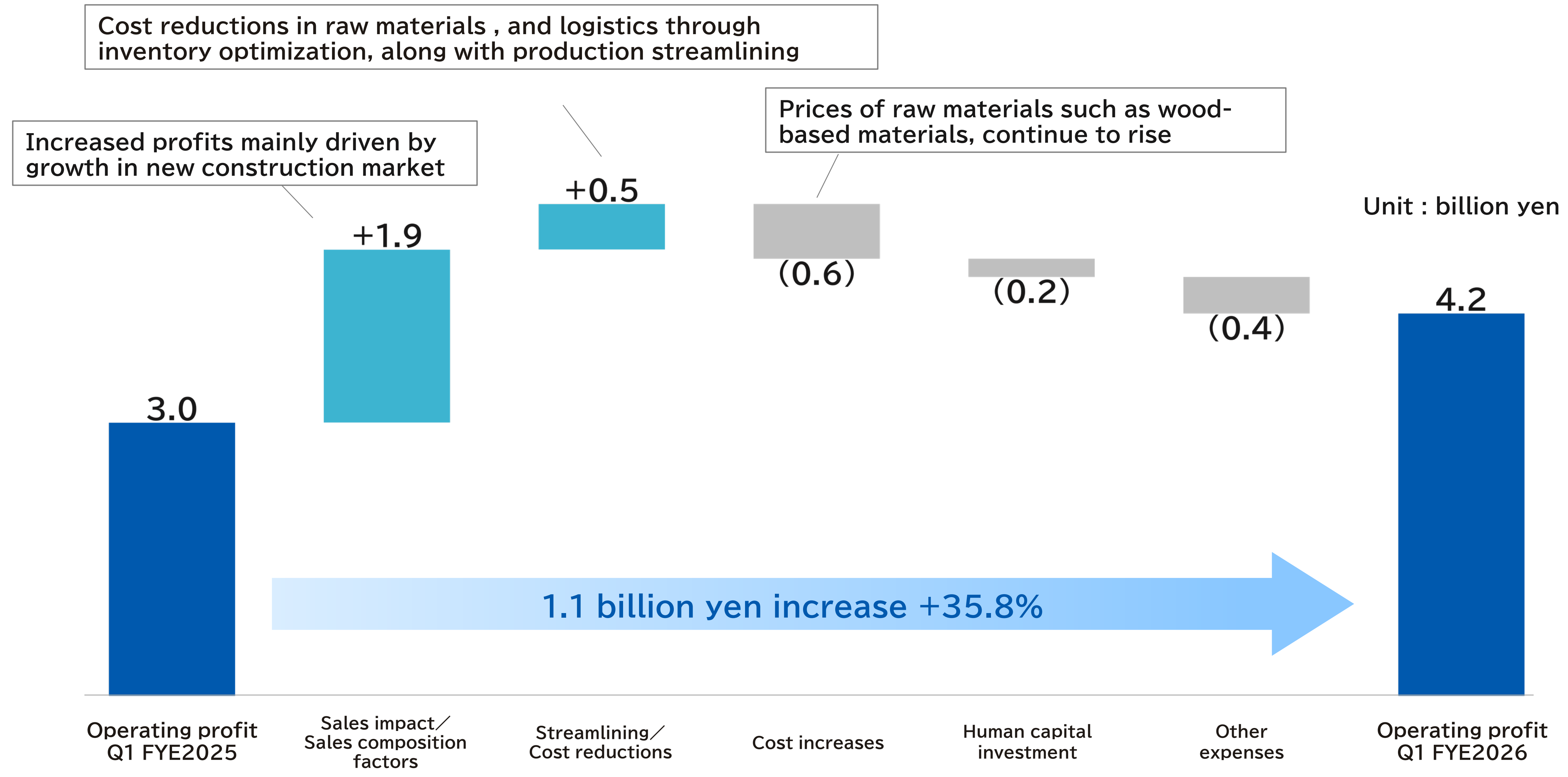

Net Sales by Market

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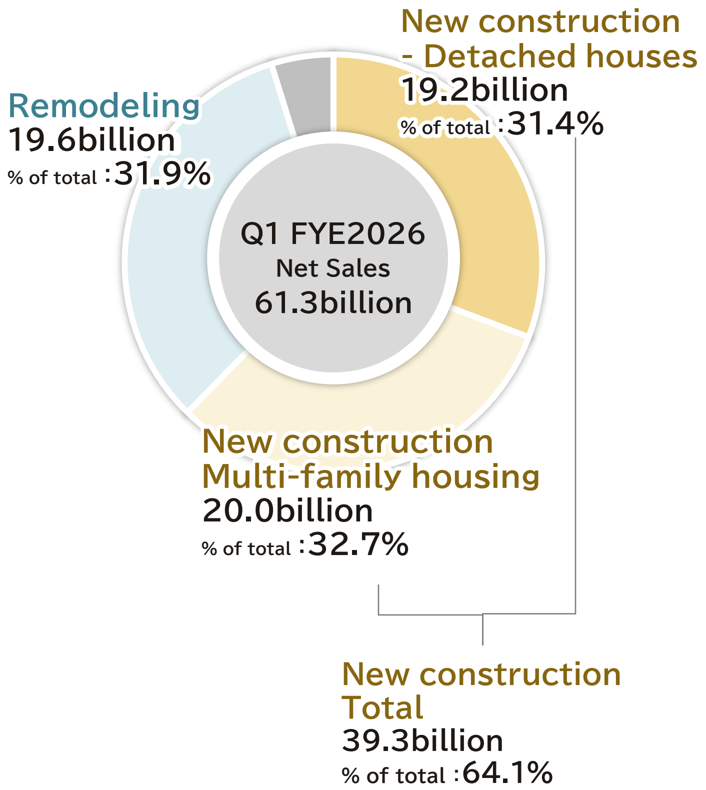
New Construction Detached houses
- Improved unit prices driven by strong sales of optional items , and the positive impact of rush demand ahead of the April 2025 revision to the Building Standards Act

New Construction Multi-family housing
- The solid demand in Tokyo metropolitan area and the positive impact of price revisions implemented in previous fiscal year

Remodeling
- Revenue increased due to enhanced specifications of volume-zone products and the promotion of optimal proposals tailored to users' budgets

Unit : billion yen

		Apr.-Jun. 2024		Apr.-Jun. 2025			
		Amount	% of total	Amount	% of total	Change	% change
New con-struction	Detached houses	17.1	29.9%	19.2	31.4%	+2.1	+12.6%
	Multi-family housing	18.2	31.8%	20.0	32.7%	+1.8	+10.2%
	Total	35.3	61.6%	39.3	64.1%	+4.0	+11.4%
Remodeling		19.4	33.9%	19.6	31.9%	+0.1	+0.9%
Total incl. others		57.3	100.0%	61.3	100.0%	+4.0	+7.1%



Net Sales by Product Category

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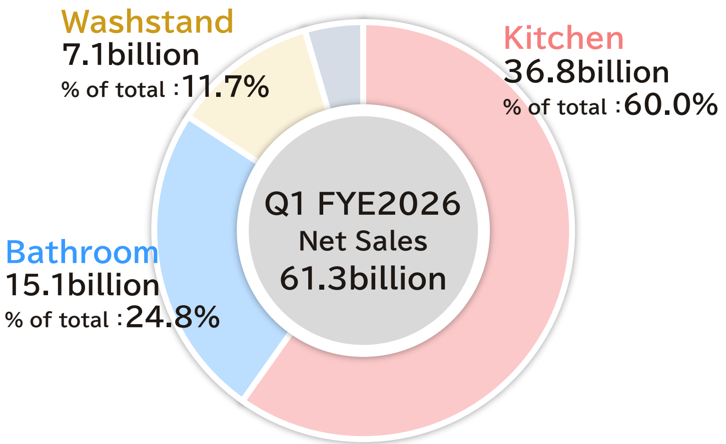
Sales increased across all product segments, supported by strong performance in each market.

Unit : billion yen

	Apr.-Jun. 2024		Apr.-Jun. 2025			
	Amount	% of total	Amount	% of total	Change	% change
Kitchen	34.2	59.7%	36.8	60.0%	+2.6	+7.6%
Bathroom	14.2	24.9%	15.1	24.8%	+0.9	+6.5%
Washstand	6.4	11.3%	7.1	11.7%	+0.6	+10.8%
Total incl. others	57.3	100.0%	61.3	100.0%	+4.0	+7.1%

【New business-related Sales : within total】

Glass Frit	0.6	1.1%	0.6	1.1%	+0.0	+4.0%
Panel-related sales	0.1	0.3%	0.1	0.3%	(0.0)	(1.4)%
Overseas business sales	0.2	0.5%	0.2	0.4%	(0.0)	(3.0)%



Shipment Growth Rate and Changes in our market share

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In Q1 of the current fiscal year, our shipment volume outpaced the industry level(as per the JAPAN ASSOCIATION OF KITCHEN & BATH) YoY, driven by strong sales in the new construction market. Compared to FYE2020 levels, our all product segments exceeded industry level, leading to an expansion of our market share.

Note: Fiscal year ends in March

Kitchen

The rate of change in our shipment volume (Industry Comparison)

	FYE2020	FYE2021	FYE2022	FYE2023	FYE2024	FYE2025	Apr.-Jun. 2025
TAKARA STANDARD		(3.3)%	+5.7%	+4.9%	(2.4)%	(4.1)%	+4.3%
JAPAN ASSOCIATION OF KITCHEN & BATH		(10.2)%	+2.0%	+2.1%	(4.0)%	(3.7)%	+2.1%
Our market share (monetary base)	26% (1st)	27% (1st)	28% (1st)	29% (1st)	29% (1st)	30% (1st)	

Bathroom

The rate of change in our shipment volume (Industry Comparison)

	FYE2020	FYE2021	FYE2022	FYE2023	FYE2024	FYE2025	Apr.-Jun. 2025
TAKARA STANDARD		(5.3)%	+14.4%	+7.9%	(4.0)%	(3.6)%	+6.2%
JAPAN ASSOCIATION OF KITCHEN & BATH		(12.2)%	+2.9%	+1.3%	(3.3)%	(1.7)%	+0.6%
Our market share (monetary base)	11% (4th)	12% (4th)	13% (3rd)	14% (3rd)	14% (3rd)	14% (3rd)	

Washstand

The rate of change in our shipment volume (Industry Comparison)

	FYE2020	FYE2021	FYE2022	FYE2023	FYE2024	FYE2025	Apr.-Jun. 2025
TAKARA STANDARD		(1.0)%	+4.3%	+4.4%	(3.5)%	(4.8)%	+8.7%
JAPAN ASSOCIATION OF KITCHEN & BATH		(6.4)%	+3.2%	(2.1)%	(5.6)%	(4.9)%	(2.5)%
Our market share (monetary base)	20% (3rd)	20% (3rd)	20% (3rd)	22% (3rd)	22% (3rd)	23% (3rd)	

＊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.

Sales Composition by Product and Market

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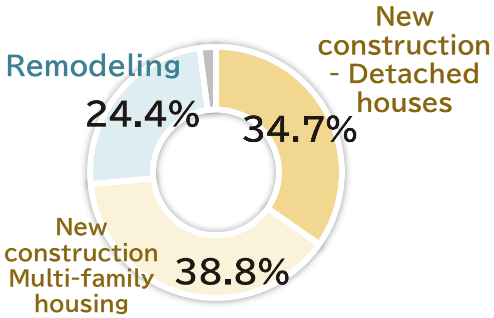
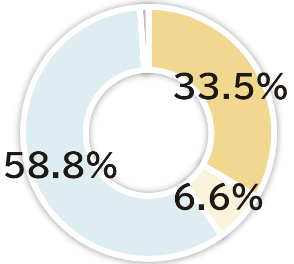
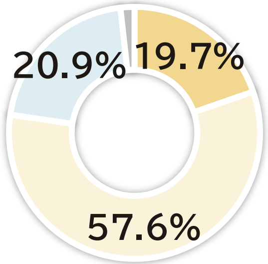
			Apr.-Jun. 2025		
Net sales Unit :billion yen			Kitchen 36.8	Bathroom 15.1	Washstand 7.1
Each Sales as % of Total					
YoY Change in Net Sales	New construction	Detached houses	+12.4%	+15.5%	+12.0%
		Multi-family housing	+8.6%	+11.7%	+15.0%
		Total	+10.4%	+14.8%	+14.2%
	Remodeling		+1.5%	+1.6%	+2.9%

Consolidated Balance Sheet

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Unit : billion yen

		End-Mar. 2025	End-Jun. 2025	Change	Main Items	
Assets	Current assets	160.3	159.6	(0.7)	Cash and deposits Accounts receivable - trade	(2.8) +1.7
	Noncurrent assets	116.5	118.9	+2.3	Property plant and equipment	+2.2
Total assets		276.9	278.5	+1.6		
Liabilities	Current liabilities	63.0	66.5	+3.4	Accounts Payable	+1.3
	Noncurrent liabilities	19.3	19.4	+0.1		
Total liabilities		82.4	86.0	+3.6		
Total net assets		194.5	192.5	(1.9)	Purchase of treasury shares	(1.8)
Total liabilities and net assets		276.9	278.5	+1.6		

Consolidated Cash Flows

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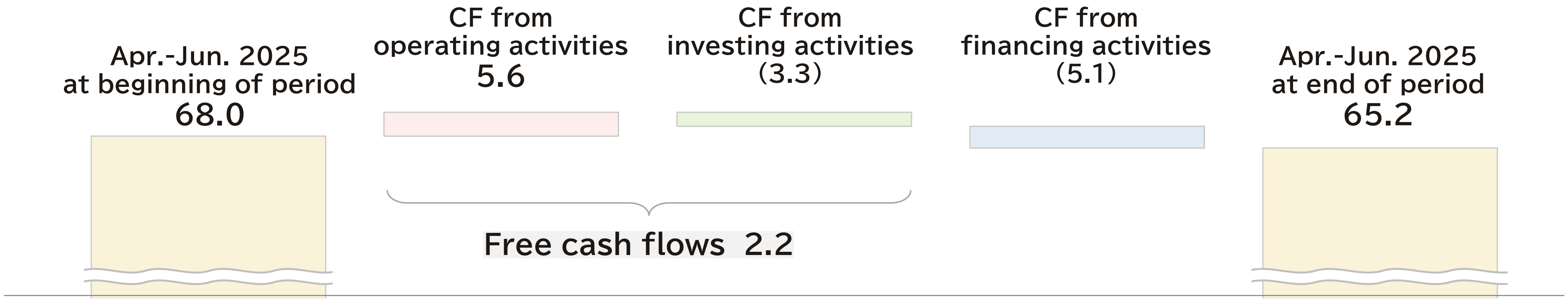
Unit : billion yen



	Apr.-Jun. 2024	Apr.-Jun. 2025	Main Items	
Cash and cash equivalents at beginning of period	59.6	68.0		
Cash flows from operating activities	6.1	5.6	Profit before income taxes Depreciation	4.4 1.9
Cash flows from investing activities	(2.4)	(3.3)	Purchase of property, plant and equipment	(3.3)
Free cash flows	3.7	2.2		
Cash flows from financing activities	(1.6)	(5.1)	Dividends paid Purchase of treasury shares	(2.9) (1.8)
Cash and cash equivalents at end of period	61.8	65.2		

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Operating Environment

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Japanese Economy

Supported by improvements in the employment and income environment and a recovery in inbound tourism, the economy continues to recover moderately.
However, the outlook remains uncertain due to persistent inflation, U.S. trade policies, and heightened geopolitical risks. While raw material prices have recently stabilized, they remain at elevated levels.

Housing Market

Following a surge in demand ahead of the April 2025 revision to the Building Standards Act, New construction starts for both detached houses and multi-family housing have declined significantly YoY. As this indicator serves as a leading measure of demand for our products, we will continue to monitor future trends. However, we expect the impact on our performance to be largely neutral, given the offsetting effects of the demand surge and its subsequent reaction.
Demand for renovations is expected to remain firm, although challenges persist, including elevated material costs and a shortage of skilled labor, which may lead to weaker demand and intensified industry competition.

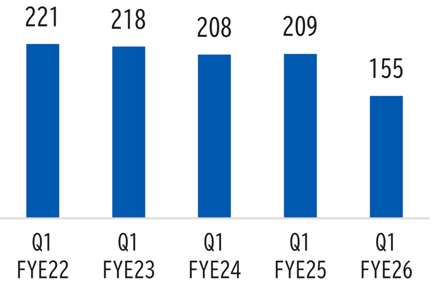
Foreign exchange rates and Tariffs

At present, the majority of our sales are to the domestic market, and most of our procurement is from domestic suppliers. Accordingly, while foreign exchange rates and tariffs may have some indirect impact, their direct effect on our business remains limited.

Industry Trends

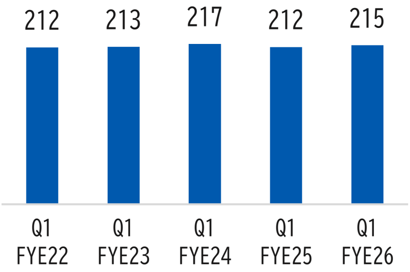
New Housing Starts (MLIT)

unit:thousands of unit



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

unit:thousands of unit

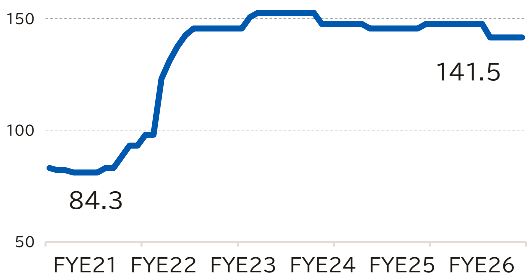


Note: Fiscal year ends in March

Market conditions of our main materials

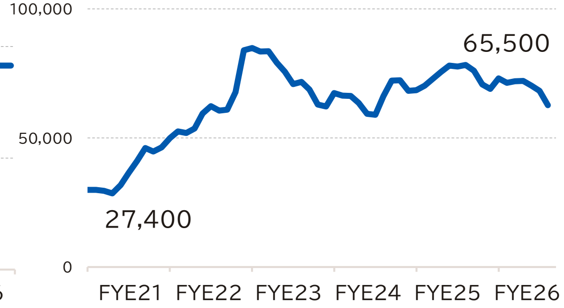
Cold-rolled steel sheet

yen/kg



Naphtha

yen/kl



Earnings Forecasts for FYE2026
(No revision from the initial forecast)

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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
(No revision from the initial forecast)

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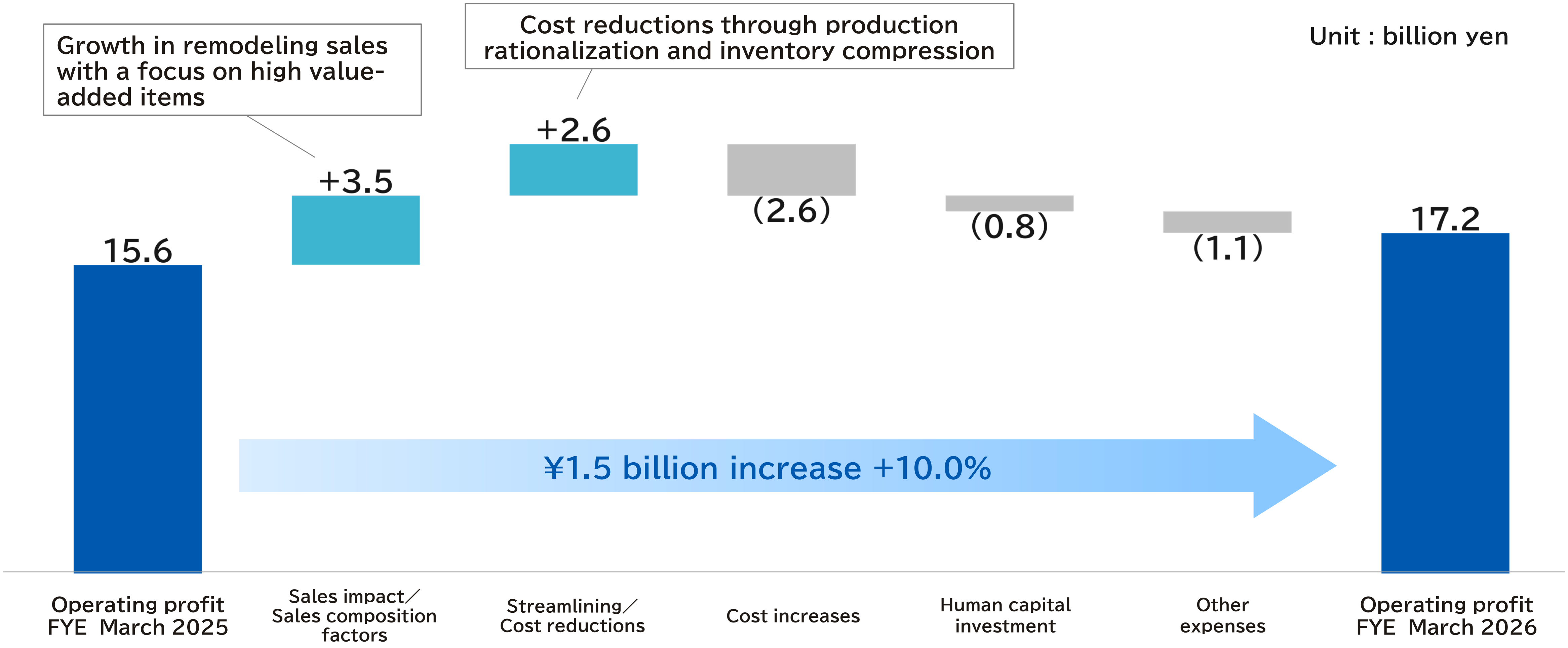
Operating profit increased, driven by a recovery in sales for the remodeling, improved profitability in the new construction, and enhanced earning power through cost reductions as a result of executing the core strategies of the medium-term management plan.



The State of Capital Investment
(No revision from the initial forecast)

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.

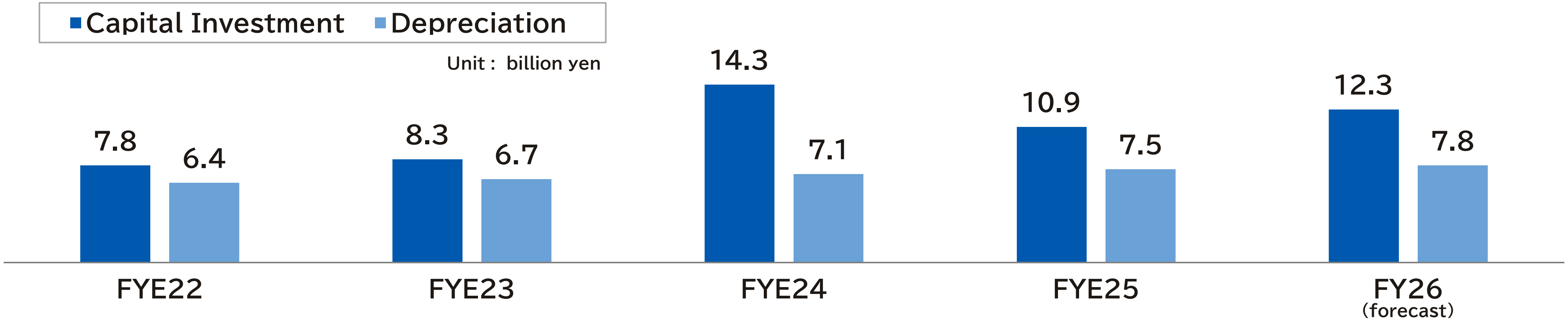
Unit : billion yen

	Plan for FYE2026
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.



Note: Fiscal year ends in March

Financial Strategy Reform

Formulation of new shareholder return policy（announced in May 2025）

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

		After Revision
Share-holder Return policy	Dividend	**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	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		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 8%.

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
(No revision from the initial forecast)

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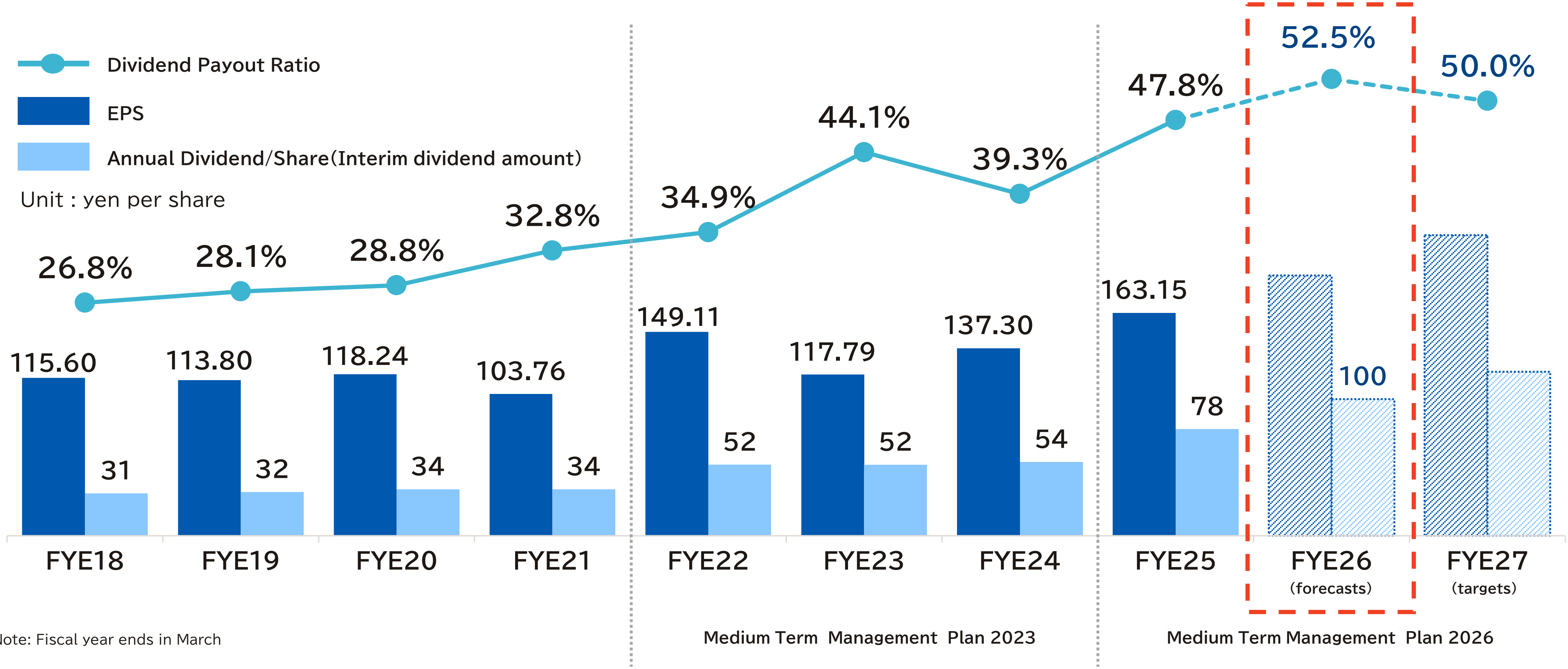
- ✓ The dividend per share for the fiscal year ending March 26, 2026, will be 100 yen per year (interim dividend of 50 yen), an increase of 22 yen from the previous fiscal year.
- ✓ We have maintained a policy of stable dividends and have not reduced dividends for 33 consecutive terms, excluding commemorative dividends.
- ✓ Going forward, we will continue to focus on EPS growth while strongly emphasizing on direct shareholder returns.



Note: Fiscal year ends in March

Shareholders Return Policy - Total Payout Ratio
(No revision from the initial forecast)

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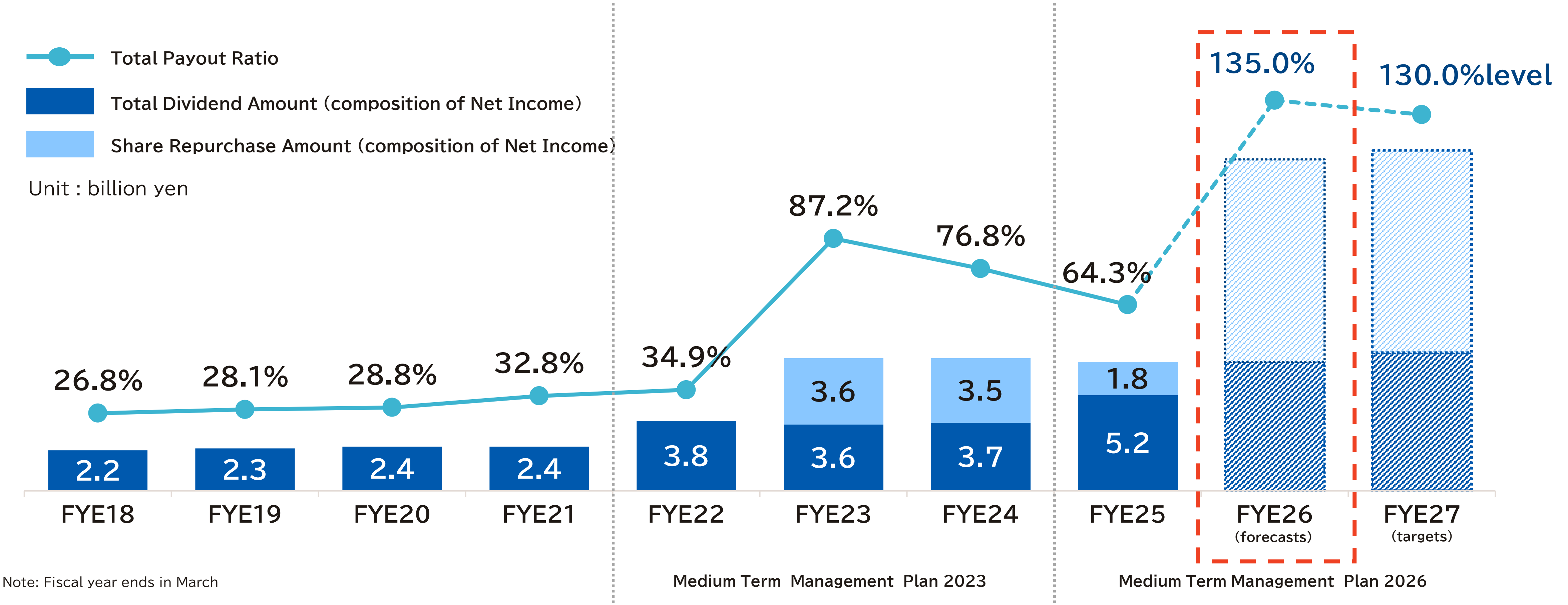
- ✓ Since the previous medium-term management plan, we have actively executed share buyback, maintaining a high total payout ratio.
- ✓ Meanwhile, considering our current financial position, we will further accelerate share buyback to achieve our ROE target of 8% and to reach a PBR of 1.0 or higher at 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.
- ✓ We plan to conduct a share buyback totaling approximately ¥11.0 billion in the current fiscal year, with ¥1.8 billion had repurchased in the Q1.



Note: Fiscal year ends in March

Contents

Topics

Supply of Enamel Wall Material “Emawall” to Expo 2025 Osaka, Kansai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©Shingo Saito Architects＋AteliersMumuTashiro

- We served as a supplier for Expo 2025 Osaka, Kansai, which opened on April 13.
- Our enamel wall material “Emawall” has been used for several facilities, including the pop-up stage (West), Restroom 2, and Restroom 8.

Selected as a “DX Certified Business Operator” by the Ministry of Economy, Trade and Industry

Digital Transformation Certification

- One of our core strategies is digital transformation (DX), which we are advancing under the name “TDX (Takara standard Digital Transformation).”
- Through TDX, we aim to enhance human productivity, reduce logistics costs, and rebuild our sales infrastructure by introducing smart systems in key operational areas.
- These initiatives were recognized by the Ministry of Economy, Trade and Industry, resulting in our certification as a DX Certified Business Operator.

Supporting Children’s Social Experience App ”Gokko Land”

- On June 24 , 2025 , the “HORO kitchen” feature was launched on Gokko Land, a children’ s app provided by KIDS STAR Inc.
- This app allows children to explore various professions and learn about how society works through play.
- We have decided to open a virtual store within the app so that children can become more familiar with our enamel products.

Establishing a Communication Tagline for Global Markets

HORO YOUR LIFE

- To position ourselves as the only housing equipment manufacturer utilizing enamel materials, we have launched the global brand “Takara HORO.”
- In addition, we have adopted “HORO YOUR LIFE” as our Communication Tagline, expressing our commitment to enriching lives around the world through enamel products that support a comfortable and healthy lifestyle.

Historical Trends in Net sales and Operating Profit

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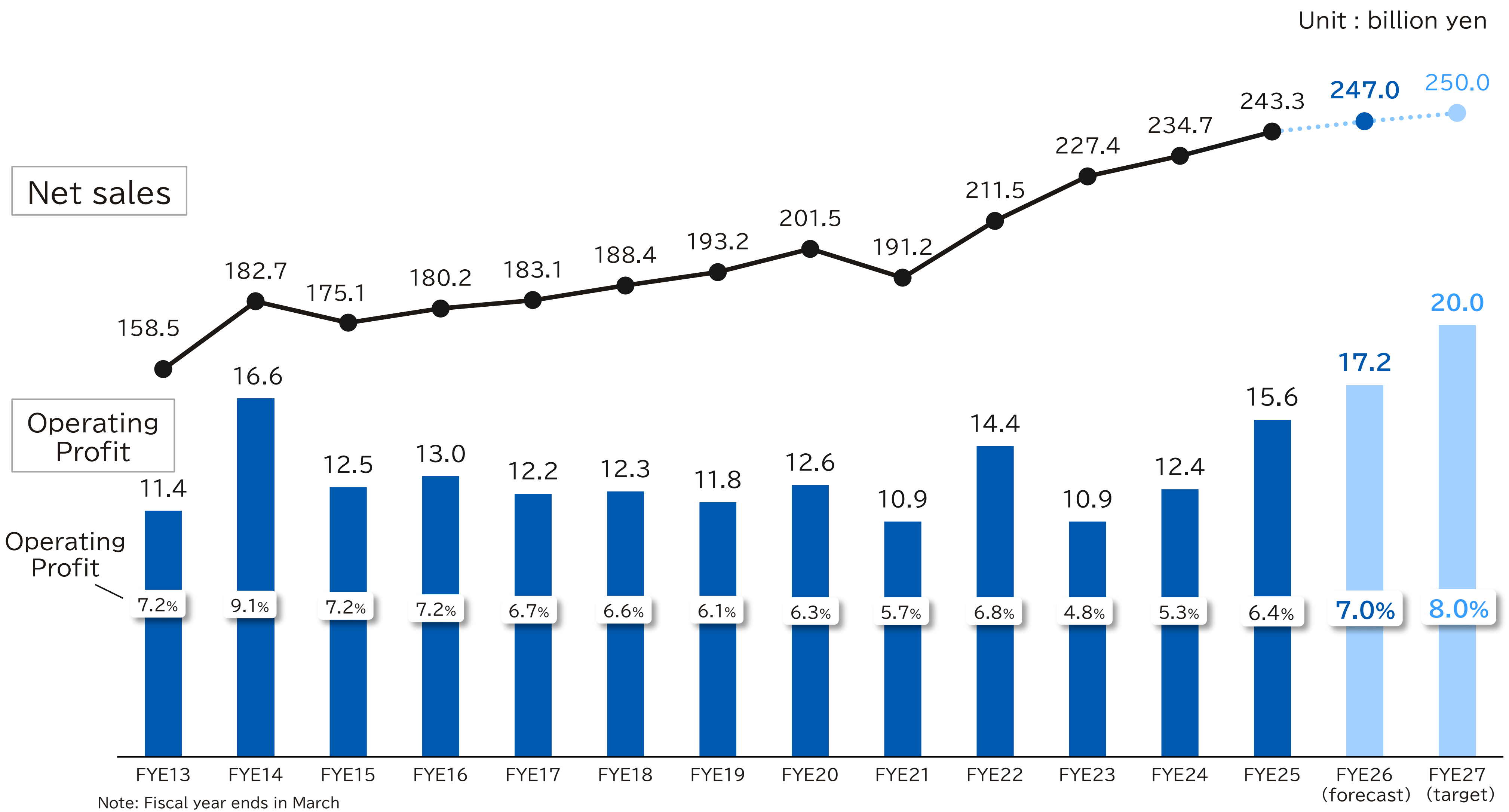
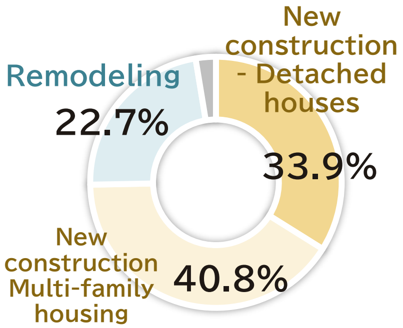
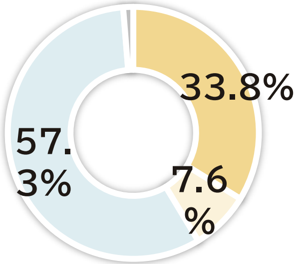
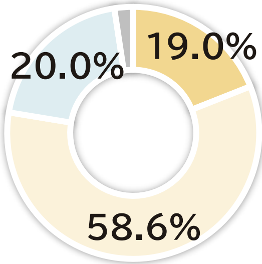


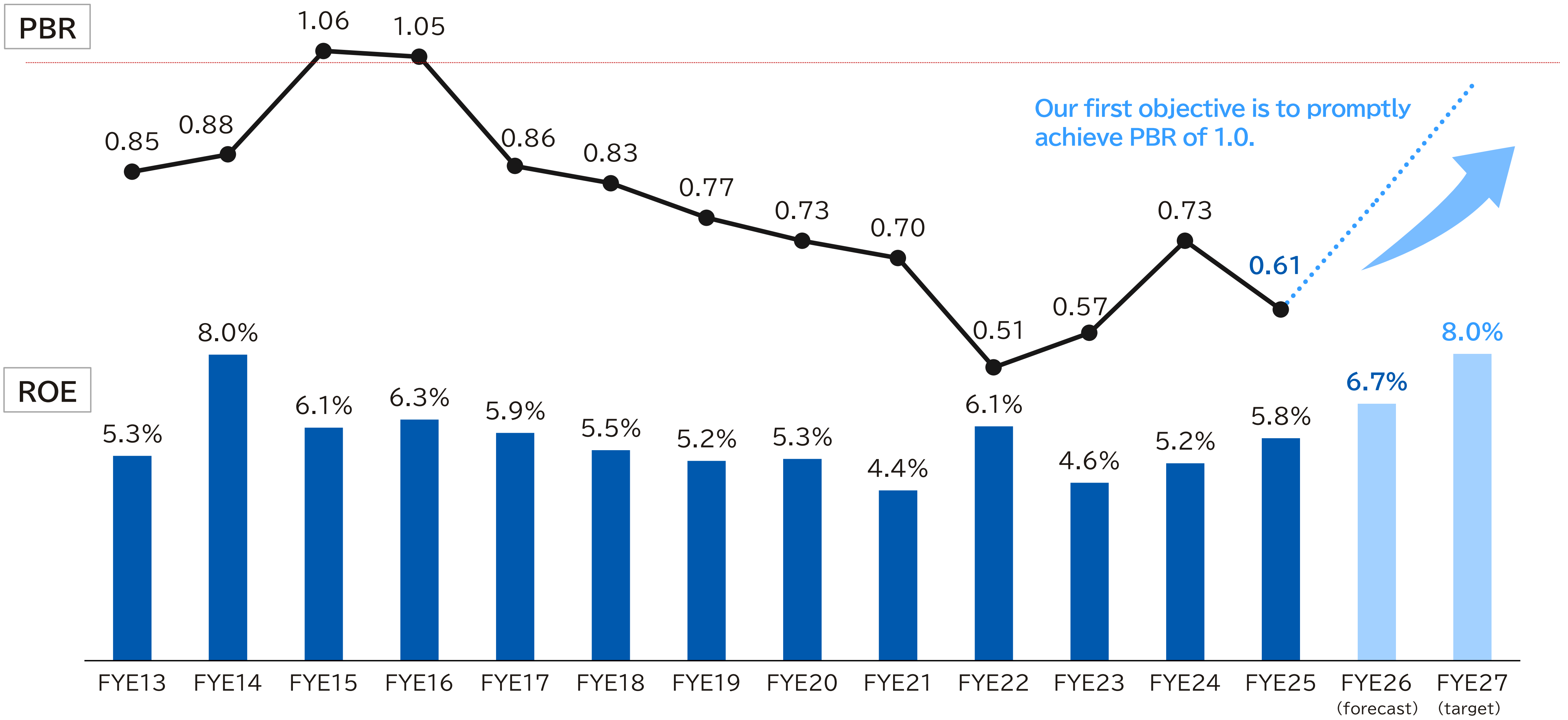
Note: Fiscal year ends in March

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.

Sales Composition by Product and Market

			FYE Mar. 2025 -Previous Fiscal Year		
Net sales Unit :billion yen			Kitchen 149.0	Bathroom 55.7	Washstand 28.6
Each Sales as % of Total					
YoY Change in Net Sales	New construction	Detached houses	+8.1%	+7.9%	+0.2%
		Multi-family housing	+10.4%	+19.6%	+10.5%
		Total	+18.5%	+27.5%	+10.7%
	Remodeling		(5.1)%	(3.4)%	(2.5)%

Historical Trends in ROE and PBR



Note: Fiscal year ends in March

Market-specific data

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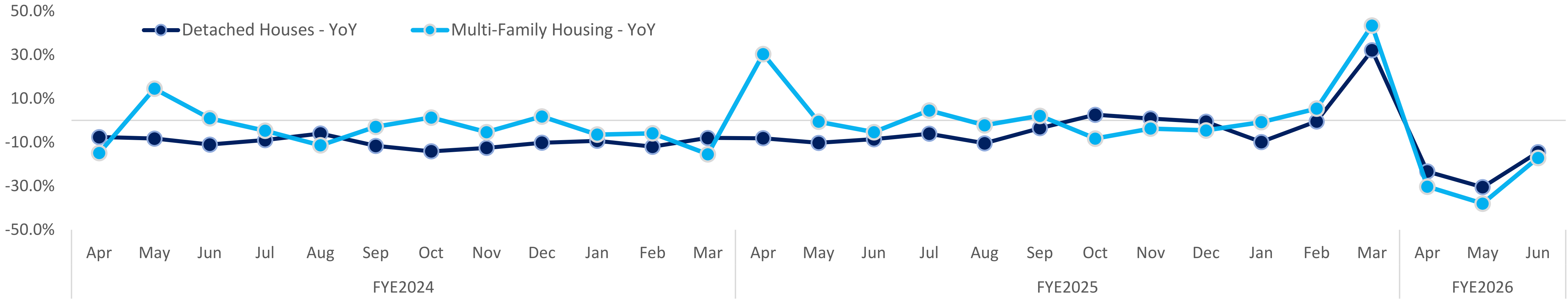
● New Construction Detached Houses and Multi-Family Housing – Related Data

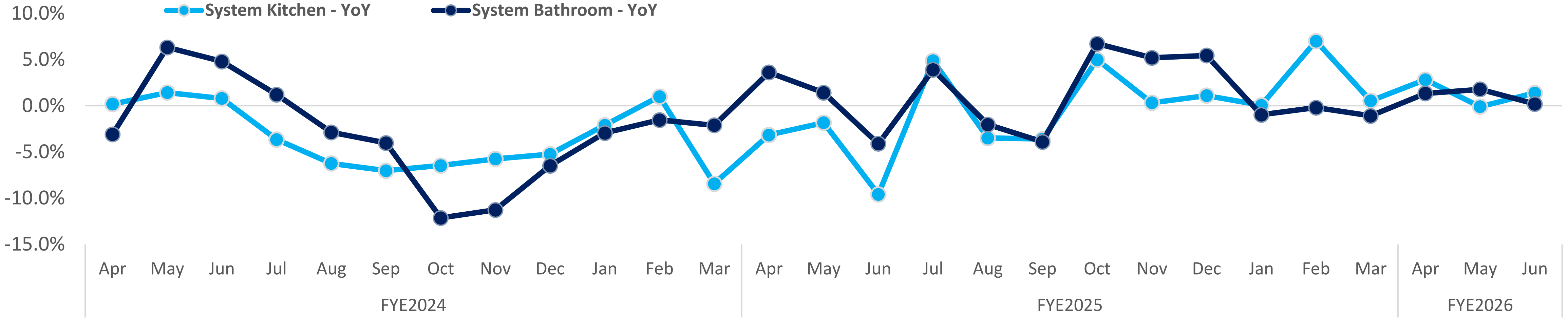
(YoY Comparison of New Construction Starts in Japan)



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

● Remodeling-Related Data

(YoY Change in Units Shipped for Remodeling in the Housing Market)



Forecasts for the FYE Mar. 2026 (1H & 2H)

Takara standard

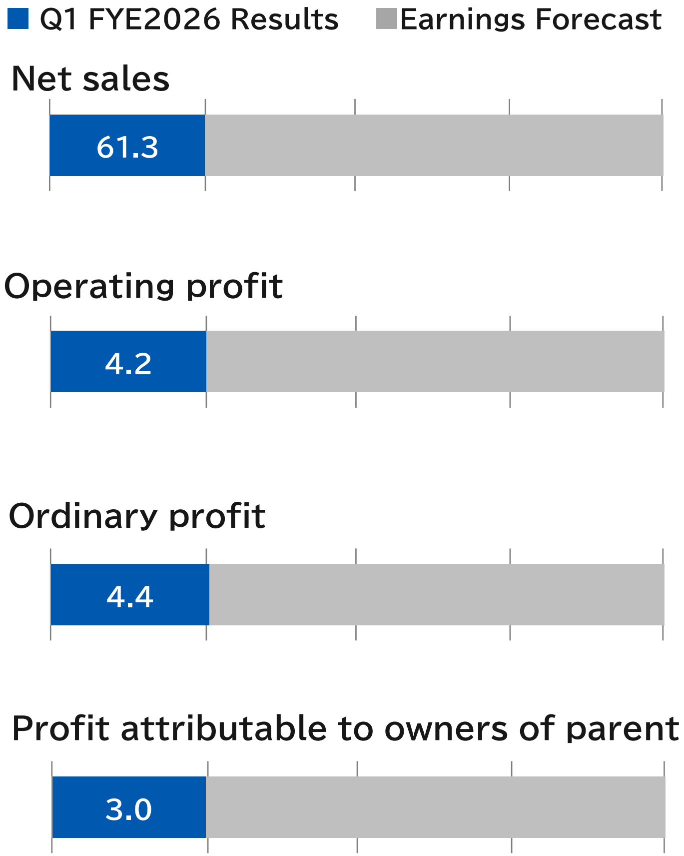
Unit : billion yen

	FYE2026													
	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	

Q1 FYE Mar. 2026 Progress against Forecast

Progress against Forecast

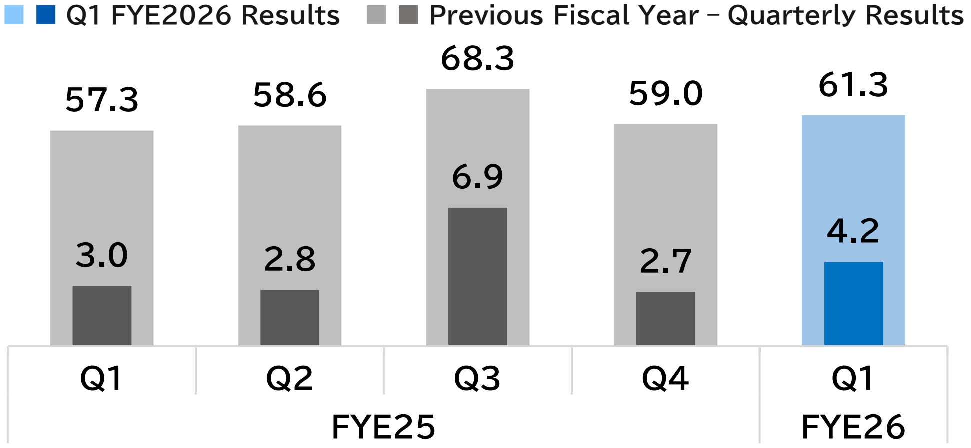
Unit : billion yen



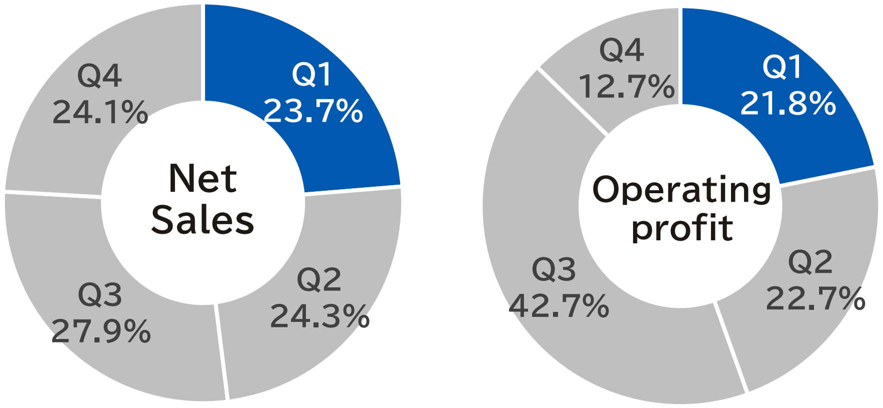
	Earnings Forecast	Progress rate
Net sales	247.0	24.9%
Operating profit	17.2	24.5%
Ordinary profit	17.5	25.6%
Profit attributable to owners of parent	12.8	24.1%

Quarterly Trends in Net Sales and Operating Profit

Unit : billion yen



Quarterly Performance Composition Ratio - 5-Year Average



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