Since its founding, Takara standard has built a unique position as the only domestic manufacturer of enamel-based wet area housing equipment. This uniqueness is supported by our strong manufacturing capabilities, nationwide showroom-based sales force, and product development expertise in capturing market needs. Leveraging our accumulated know-how over many years, we continue to differentiate ourselves from competitors and create value to realize our philosophy of "To contribute to make people's life more pleasant and beautiful."

Through the value creation process, we aim to achieve our medium - to long-term business performance targets.



FY2026\ targets

FY2030 targets

Takara standard's Origin

To contribute to Making People's Lives More Pleasant and Beautiful

Management foundation (as of March 31, 2024) Input

Financial capital

A sound and stable financial foundation Total assets

268.6billion yen

Manufacturing and logistics capita

A network supporting stable supply

15 production bases 10 logistics bases

Human capital

Talented workforce supporting sustainable growth

Number of employees 6.616

(*) Intellectual capital 58 registered patents Partner shops with high achievements

and extensive experience **Approximately** 3.000 locations nationwide



Approximately 160 locations



Scope2 **585**, **179**GJ

Business activities

Business Model

Human resource development

Marketing After-sales services

Product development capability to capture market needs

Production

Sales capabilitiès based on a nationwide showroom network **Corporate**

Sales and distribution

Philosophy Research and development Living Standard Ethical Standard Quality Standard

> Manufacturing expertise to create high-grade enamel

Organizational development

Long-Term Vision Becoming a Brilliant and Attractive Company Together with Enamel

Medium-Term Management Plan 2026

External environment

- Post-COVID-19 economic normalization · Maturation of the Japanese economy and
- shifts in the global economic balance Advancements in digital technology

Society

- · Declining domestic population
- Diversification of lifestyles and values

Environment

Logistics

· Climate change (Responding to a decarbonized society and carbon neutrality)

Business achievements (as of March 31, 2025) Value provided

Finance

Net sales: 243.3 billion ven Operating profit: **15.6** billion yen Operating profit ratio: **6.4**% **ROE: 5.8**%

Products







Kitchens Bathrooms Washstands with vanities Toilets Water heaters Enamel-coated wall panels

Human capital

Employee satisfaction: **75.0**%

Female management ratio: 6.3%

Training hours per employee: **21** hours Male parental leave : 83.0% utilization rate Paid leave utilization rate: 73.3%

Environment

CO₂ emissions reduction rate

12.5%

Customers

We provide kitchens, bathrooms, and washstands with vanities of the highest quality and design, supporting a comfortable and convenient lifestyle.

Outcome

■Business partners

We prioritize trust and aim to grow alongside our business partners by providing high-quality products and services.

Employees

We support growth and career development while providing a rewarding workplace that emphasizes health and well-being.

■Shareholders and investors

We deliver high returns to shareholders and investors through sustainable growth and stable earnings while ensuring transparent management.

■Local communities

We support regional development and revitalization through community events and educational programs while strengthening collaboration with local businesses.

Environment

We strive to protect the global environment by developing eco-friendly products and promoting sustainable production, incorporating recycled materials and energy-saving technologies.

We have categorized and summarized the analysis of short-, medium-, and long-term key risks and opportunities in the business environment surrounding Takara standard along the triple bottom line of economy, society, and environment, as shown in the table below.

On the economic front, in the short term, cost increases due to geopolitical instability, exchange rate fluctuations leading to rising raw material costs, rising logistics costs, and government-mandated wage hikes are significant concerns. To effectively manage these challenges, we need to implement proper cost management, reduce inventory and logistics costs, and make timely price adjustments. While our company has grown steadily by capturing the demand for more comfortable living amid domestic market growth, Japan's population decline, which began in the 2010s, is expected to accelerate after 2030. Consequently, not only will new housing starts decline, but the currently strong demand for remodeling will also likely decrease in the long term. Thus, addressing the risk of market contraction is recognized as the most critical

mid- to long-term challenge. As countermeasures, our core strategies will include expansion into emerging markets, primarily in Asia, where rising living standards are expected to drive growth in the wet area product market, as well as the creation of new businesses leveraging the customer base cultivated in Japan's housing equipment industry.

On the social front, population decline and the diversification of people's values are expected to have the greatest impact. Addressing labor shortages due to a shrinking workforce and adapting to changing perspectives on work and employment practices will be key. Our diversity, equity, and inclusion initiatives represent both a risk and an opportunity, making them central to our human capital strategy.

Regarding environmental concerns, the timeframe until Japan's 2050 carbon neutrality goal is narrowing, and international environmental standards must be met for overseas market expansion. Consequently, more proactive decarbonization initiatives are deemed essential.

Field	Social and environmental factors		Risks and opportunities	unities Time Short Med		 Strategy (countermeasures)	
Economy	Post-COVID-19 economic normalization	Risks	Limitations in factory production capacity			Enhancement and streamlining of production capacity through new factory construction and capital investment	
			Rising logistics costs			Reduction of inventory and logistics costs through item management	
			Government-mandated wage increases			Effective utilization of human resources through area management	
		Opportunities	Growth in remodeling demand	•		Expansion of the remodeling business by leveraging the showroom network Strengthening of high-grade enamel products, a proprietary material	
	Maturation of the Japanese economy and changes in the global economic balance	Risks	Rising prices of raw materials and other resources	•		Strengthening supply chain management Timely price adjustments	
			Stagnation in household disposable income growth			Strengthening overseas business and creating new business opportunities	
			Deterioration of financial indicators such as ROE and PBR			Effective utilization of capital through financial strategy	
		Opportunities	Growth in emerging markets			Expansion of market share in overseas markets	
	Advances in digital technology	Risks	Loss of opportunities due to delays in digitalization			Improvement of labor productivity and logistics efficiency	
		Opportunities	Creation of new value through digital utilization			through DX utilization	
Society	Declining domestic population	Risks	Decrease in new housing starts			Strengthening overseas business and creating new business opportunities	
			Declining labor force			Promotion of human resources and organizational development	
	Diversification of lifestyles and values	Risks	Increased costs due to diversified work styles			Enhancement of work satisfaction through increased labor	
		Opportunities	Productivity improvement through diversified work styles			mobility and enriched training programs	
		Risks	Increased costs for DE&I implementation			Innovation driven by women's empowerment and mid-career recruitment	
		Opportunities	Organizational revitalization through DE&I			innovation driven by women a empowerment and find earest restatinent	
		Risks	Rise in cooking appliances and ready-to-eat food products			Strengthening overseas business and creating new business opportunities	
		Opportunities	Growth in remodeling demand	•	•	Expansion of the remodeling business by leveraging the showroom network Strengthening of high-grade enamel products, a proprietary material	
			Expansion of the e-commerce market			Utilizing an online store for selling consumable goods	
Environment	Climate change	Risks	Strengthening of environmental regulations			Proactive and planned decarbonization transition ahead of regulatory tightening	
			Rise in fossil fuel costs			Energy procurement plans, including the transition to renewable energy	
			Cost burden for achieving carbon neutrality			Planned decarbonization transition incorporating transition costs	
			Intensification of natural disasters			Implementation of appropriate countermeasures at each business site against natural disasters such as heavy rainfall	
		Opportunities -	Growth of the environmental-related market		Creation of new businesses		
			Advancements in energy-saving technology			Oreation of fiew publicases	

[Key Issues for Takara standard] Expansion of the remodeling ▶P21 business by leveraging the showroom network Improvement of labor productivity and logistics ▶P23 efficiency through DX utilization Strengthening overseas ▶P25 business and creating new business opportunities Decarbonization transition ▶P27 to comply with stricter environmental regulations Enhancement of work satisfaction through human ▶P29 capital investment Effective utilization of ▶P33 capital through appropriate financial strategy

Takara standard conducts analysis and evaluation of risks and opportunities to determine key issues.

This report includes a table summarizing key risk and opportunity analyses, presenting only those items deemed highly significant for the company and its stakeholders.

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