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Consolidated Financial Results for the Second Quarter (Interim) of the Fiscal Year Ending January 20, 2027 [Japanese GAAP]

August 25, 2026

Company name: Takasho Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 7590
URL: https://takasho.co.jp/en
Representative: Nobuo Takaoka, President & CEO
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Scheduled date of filing of Semi-annual Report: September 1, 2026
Scheduled date of starting payment of dividend: N/A
Preparation of supplementary materials for financial results: Yes
Financial results briefing (Only for institutional investors and analysts): Yes

*Yen amounts are rounded down to millions, unless otherwise noted
*Percentages indicate year-on-year changes

1. Consolidated Financial Results for the Six Months Ended July 20, 2027 (From January 21, 2026, to July 20, 2027)

(1) Consolidated Operating Results (Cumulative)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2027 2Q (Six months ended July 20, 2026)	11,098	1.5	386	1.0	463	32.8	173	50.7
FY2026 2Q (Six months ended July 20, 2025)	10,929	2.2	382	—	349	30.3	114	102.2

(Note) Comprehensive income:
FY2027 2Q (Six months ended July 20, 2026): 391 million yen (—%)
FY2026 2Q (Six months ended July 20, 2025): -454 million yen (—%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2027 2Q (Six months ended July 20, 2026)	10.27	—
FY2026 2Q (Six months ended July 20, 2025)	6.82	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
As of the end of	Millions of yen	Millions of yen	%
FY2027 2Q (As of July 20, 2026)	25,751	13,180	50.5
FY2026 4Q (As of January 20, 2026)	23,473	12,873	54.2

(Ref.) Shareholders' equity amount:
FY2027 2Q (As of July 20, 2026): 13,008 million yen
FY2026 4Q (As of January 20, 2026): 12,724 million yen

2. Dividends

	Annual cash dividends per share				
	1Q	2Q	3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2026 4Q ended Jan. 20, 2026	—	0.00	—	5.00	5.00
FY2027 2Q ended Jul. 20, 2027	—	0.00			
FY2027 4Q ending Jan. 20, 2027 (forecast)			—	5.00	5.00

(Note) Revisions to the dividends forecast since the latest announcement: None

3. Forecast for the Fiscal Year Ending January 20, 2027 (From Jan. 21, 2026, to Jan. 20, 2027)

	Net sales		Operating Income		Ordinary Income		Net income attributable to owners of the parent company		Basic Earnings Per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY2027 4Q (full year)	22,961	13.4	501	129.0	520	(27.5)	120	(39.6)	7.12

(Notes) Revisions to the forecast since the latest announcement: None

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

(2) Application of special accounting methods for presenting consolidated interim financial statements: None

(3) Changes in Accounting Policies and Accounting Estimates
(i) Changes in accounting policies as required by newly promulgated account pronouncement: None
(ii) Changes other than (i) above: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of July 20, 2026	17,590,114 shares
As of January 20, 2026	17,590,114 shares

(ii) Number of treasury shares at the end of the period

As of July 20, 2026	731,681 shares
As of January 20, 2026	731,661 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

FY2027 2Q (From Jan.21, 2026, to Jul. 20, 2026)	16,858,456 shares
FY2026 2Q (From Jan.21, 2025, to Jul. 20, 2025)	16,858,453 shares

* This quarterly financial results report is out scope of the quarterly (semi-annual) review by a certified public accountant nor audit firm.
* Explanation on appropriate use of performance forecasts and other special notes.
The performance forecast described in this report are based on information that is available to the Group, as well as certain assumptions and estimates that are deemed to be reasonable, and we make no assurance that such descriptions prove to be correct. Actual figures may significantly differ due to numerous factors. For information regarding the forecast of consolidated financial results, due attention should be paid to "Consolidated Earnings Forecasts and Other Forward-Looking Information" on page 6 of the attached documents.

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1. Qualitative Information on the Financial Results for the Six Months Ended July 20, 2026

(1) Operating Results

The Takasho Group continued aggressive investments in growth areas and steadily implemented measures to reform our earnings structure during the six months ended July 20, 2026. As a result, net sales and profits increased year over year. Ordinary income increased to 132.8% year over year, while net income attributable to owners of the parent increased significantly to 150.7% year over year, demonstrating steady progress in profitability.

The core pro-use segment saw steady performance, with sales increasing to 102.1% year over year. We saw significant growth in the non-residential sector, a growth area for the Group, with sales increasing to 113% year over year and driving overall sales growth. This growth was supported by increased adoption of design specifications at public and commercial facilities and expanded introduction at major restaurant chains. As a result, net sales amounted to ¥11,098 million (101.5% of the same quarter in the previous fiscal year).
We continued efforts to improve profitability despite rising raw material costs, while maintaining upfront investments in product development, DX, sales promotion activities, and other initiatives aimed at future growth. As a result, operating income amounted to ¥386 million (101.0% of the same quarter in the previous fiscal year), ordinary income amounted to ¥463 million (132.8%), and net income attributable to owners of the parent amounted to ¥173 million (150.7%).

The Group also continued to strengthen our business foundation to support both growth investment and improved profitability. The Group operates a hybrid business model that integrates digital proposals and manufacturing by combining the spatial proposal capabilities utilizing digital technologies of GLD-LAB. Inc., which operates an AI and DX services business, with the made-to-order capabilities of Garden Create Co., Ltd. utilizing internally manufactured products such as Ever Bamboo, Ever Art Wood, and Ever Art Board. This hybrid business model strengthens the link between our high-value-added spatial proposals and in-house manufacturing capabilities, creating synergies across the Group.
Measures to improve our earnings structure also produced steady results, including improved gross profit margins through appropriate selling prices at overseas sales subsidiaries, reduced inventories, and efficient management of selling, general and administrative expenses.

The following table summarizes consolidated business results for the six months ended July 20, 2026.

(Millions of yen)

	Six Months Ended July 20, 2026	Six Months Ended July 20, 2025	Change	YoY (%)
Net sales	11,098	10,929	169	101.5
Operating income	386	382	3	101.0
Ordinary income	463	349	114	132.8
Net income attributable to owners of the parent	173	114	58	150.7

(Pro-use segment)
The core pro-use segment accounts for approximately 70% of consolidated net sales. Pro-use segment sales increased to 102.1% year over year. We saw particularly strong growth in the non-residential sector, a growth

area for the Group. Sales in the sector increased to 113% year over year, supported by increased adoption of design specifications at public and commercial facilities and expanded introduction at major restaurant chains. We also saw signs of improved profitability in the general housing market. Recognition of our product designs led to increased adoption of high-value-added products and higher sales per project. Demand for garden and exterior renovation and remodeling is also beginning to emerge. The Group continues to expand awareness of the 5thROOM® brand concept and strengthen customer touchpoints by linking social media with our showrooms nationwide.
Under our DX strategy, we continue to improve sales productivity and enhance proposal capabilities. For example, we use EXVIZ® AI, developed by GLD-LAB. Inc. and powered by generative AI, to reduce the process for creating residential exterior and interior renderings to as little as a dozen or so seconds.

TAKASHO DIGITEC CO., LTD., a consolidated subsidiary which operates the LED signage and lighting and illumination businesses, recorded sales of 99.7% year over year. Performance remained nearly unchanged despite the rebound effect from a large-scale project in the same period of the previous fiscal year. The company also plans to increase sales for the full fiscal year and remains on track to achieve this target.

(Millions of yen)

	Six Months Ended July 20, 2026	Six Months Ended July 20, 2025	Change	YoY (%)
Net sales	7,635	7,479	155	102.1

(Home-use segment)
The home-use segment sales declined to 96.4% year over year, as private-brand products for home improvement retailers were affected by sluggish sales due to unfavorable weather and delays in the introduction of certain new products. Meanwhile, e-commerce sales increased significantly to 131.3% year over year, driven primarily by growth in sales through Amazon.

(Millions of yen)

	Six Months Ended July 20, 2026	Six Months Ended July 20, 2025	Change	YoY (%)
Net sales	2,196	2,277	(81)	96.4

(Overseas segment)
In the overseas segment, consumer sentiment remained stagnant, particularly in Europe and the U.S., but net sales increased to 107.3% year over year, partially driven by foreign exchange tailwinds.
Meanwhile, the gross profit margin improved year over year as we maintained appropriate pricing with a focus on profitability. In the U.S., we are establishing a local procurement system to reduce tariff risks and began introducing products at local home improvement retailers. We continue to strengthen our business foundation for sustainable growth in the overseas segment by developing new sales channels, stabilizing our supply chain, and improving our earnings structure.

(Millions of yen)

	Six Months Ended July 20, 2026	Six Months Ended July 20, 2025	Change	YoY (%)
Net sales	1,226	1,142	83	107.3

Looking ahead, the Takasho Group will continue to incorporate the principles of the SDGs to propose sustainable garden lifestyles that make use of garden spaces, aiming to reduce the environmental impact of our business activities and help build a more sustainable society. We will position the non-residential, overseas, and digital sectors as medium- to long-term growth drivers and aim to achieve sustainable growth in corporate value while improving profitability.

Under this policy, the pro-use segment will direct management resources to priority areas, focusing on the growing non-residential sector and the business of TAKASHO DIGITEC CO., LTD., while leveraging DX in our sales and manufacturing processes to achieve integrated efficiency from proposal to production. We see growing interest in urban greening and the development of indoor and outdoor spaces ahead of GREEN×EXPO 2027 (International Horticultural Expo 2027) as a business opportunity and will expand adoption in the non-residential sector. We will also strengthen our proposal and sales capabilities by expanding our product lineup, including the new Mokupla Board ECO, a material capable of fixing approximately 1.4 tons of CO_2 annually, NewTechWood, and In Wood interior decorative material.

The home-use segment will continue to launch new products on the market that address diverse garden lifestyle needs and expand the e-commerce sector, which recorded strong growth during the six months ended July 20, 2026.

The overseas segment will focus on both sales growth and improved profitability while developing new customers and strengthening our business foundation in Europe and the U.S. In Europe, we will expand sales activities into untapped markets such as France and Italy through participation in local trade shows and introduce large products such as storage units and sheds, for which stable year-round demand is expected. In the U.S., we will use the local supply system currently being established as a tariff countermeasure to control procurement costs and establish a stable supply system while seeking to establish new transactions with major home improvement retailers. We will also strengthen product proposals for the U.S. market as well-being and sustainability awareness continues to grow. We aim to do so with products that embody Japanese culture and the philosophy of living in harmony with nature, including Ever Bamboo, an artificial bamboo fence, and Japanese-style outdoor lighting. We plan to launch new branding initiatives centered on digital marketing for Ever Bamboo, including a special online sales page. Through these initiatives, the Takasho Group is committed to steadily building a business portfolio for sustainable growth.

(2) Explanation of Financial Position

1. Assets, liabilities and net assets
(Assets)
Current assets increased by ¥2,078,154 thousand from the end of the previous consolidated fiscal year to ¥16,727,623 thousand. Major factors included cash and deposits of ¥5,025,868 thousand (up ¥1,519,195 thousand from the end of the previous consolidated fiscal year); note receivable, account receivable and contract assets of ¥3,247,592 thousand (up ¥577,114 thousand); electronically recorded receivables of ¥698,089 thousand (down ¥115,521 thousand); and merchandise and finished goods of ¥4,421,535 thousand (up ¥61,414 thousand).
Non-current assets increased ¥200,224 thousand from the end of the previous consolidated fiscal year to ¥9,023,942 thousand. Major factors included buildings and structures of ¥4,578,346 thousand (up ¥506,076 thousand from the end of the previous consolidated fiscal year); construction in progress, included under property, plant and equipment, of ¥22,386 thousand (down ¥223,912 thousand); others, net, included under property, plant and equipment, of ¥767,042 thousand (down ¥85,897 thousand).
As a result, total assets increased by ¥2,278,378 thousand from the end of the previous consolidated fiscal year to ¥25,751,565 thousand.

(Liabilities)
Current liabilities increased by ¥2,123,846 thousand from the end of the previous consolidated fiscal year to ¥11,284,991 thousand. Major factors included notes and accounts payable of ¥2,795,813 thousand (up ¥792,272 thousand from the end of the previous consolidated fiscal year); electronically recorded payables of ¥1,217,014 thousand (up ¥138,539 thousand); short-term borrowings of ¥5,130,249 thousand (up ¥1,130,249 thousand); and income taxes payable of ¥308,145 thousand (down ¥112,645 thousand).
Non-current liabilities decreased ¥152,538 thousand from the end of the previous consolidated fiscal year to ¥1,286,192 thousand. Major factors included long-term borrowings of ¥674,271 thousand (down ¥173,877 thousand from the end of the previous consolidated fiscal year) and asset retirement obligations of ¥293,848 thousand (up ¥31,874 thousand).
As a result, total liabilities increased by ¥1,971,307 thousand from the end of the previous consolidated fiscal year to ¥12,571,183 thousand .

(Net assets)
Total net assets increased ¥307,070 thousand from the end of the previous consolidated fiscal year to ¥13,180,381 thousand. Major factors included retained earnings of ¥5,649,750 thousand (up ¥88,851 thousand from the end of the previous consolidated fiscal year) and foreign currency translation adjustment of ¥1,306,567 thousand (up ¥215,285 thousand).

2. Cash flows
Cash and cash equivalents ("cash," below) during the six months ended July 20, 2026, increased ¥1,272,945 thousand from the end of the previous consolidated fiscal year to ¥4,667,818 thousand.

(Net cash provided by (used in) operating activities)
Net cash provided by operating activities during the six months ended July 20, 2026, amounted to ¥1,035,681 thousand (compared to ¥1,190,905 thousand provided in the same period of the previous year). Major factors included income before income taxes of ¥467,609 thousand (compared to income before income taxes of ¥344,505 thousand); depreciation of ¥397,916 thousand (compared to depreciation of ¥382,920 thousand); a net increase of ¥425,837 thousand in accounts receivable (compared to a net increase of ¥478,692 thousand); a net increase of ¥848,554 thousand in accounts payable (compared to a net increase of ¥546,958 thousand); and

income taxes paid of ¥377,241 thousand (compared to ¥106,891 thousand paid).

(Net cash provided by (used in) investing activities)
Net cash used in investing activities during the six months ended July 20, 2026, amounted to ¥581,931 thousand (compared to ¥238,903 thousand used in the same period of the previous year). Major factors included payment into time deposits of ¥358,050 thousand (compared to a payment of ¥302,850 thousand); proceeds from withdrawal of time deposits of ¥119,350 thousand (compared to proceeds of ¥201,900 thousand); and purchase of tangible assets of ¥338,787 thousand (compared to a purchase of ¥76,530 thousand).

(Net cash provided by (used in) financing activities)
Net cash provided by financing activities during the six months ended July 20, 2026, amounted to ¥756,133 thousand (compared to net cash provided of ¥318,086 thousand in the same period of the previous year). Major factors included a net increase of ¥1,098,559 thousand in short-term borrowings (compared to a net decrease of ¥86,234 thousand); repayments of long-term borrowings of ¥188,868 thousand (compared to a repayment of ¥154,035 thousand); and dividends paid of ¥84,292 thousand (compared to dividends paid of ¥84,292 thousand).

(3) Consolidated Earnings Forecasts and Other Forward-Looking Information

The consolidated earnings forecast for the full year, announced on March 5, 2026, remains unchanged.

2. Consolidated Interim Financial Statements and Notes
(1) Consolidated Interim Balance Sheet

(Thousands of yen)

	FY2026 (As of Jan. 20, 2026)	FY2027 2Q (As of Jul. 20, 2026)
ASSETS		
CURRENT ASSETS:		
Cash and deposits	3,506,673	5,025,868
Notes receivable, account receivable and contract assets	2,670,478	3,247,592
Electronically recorded receivables	813,610	698,089
Merchandise and finished goods	4,360,120	4,421,535
Work in process	761,641	732,586
Raw materials and supplies	1,652,907	1,659,663
Other current assets	915,104	966,662
Allowance for doubtful accounts	(31,068)	(24,375)
Total current assets	14,649,468	16,727,623
NON-CURRENT ASSETS:		
Tangible assets		
Buildings and structures, net	4,072,270	4,578,346
Land	1,142,223	1,146,593
Construction in progress	246,299	22,386
Others, net	852,939	767,042
Total tangible assets	6,313,733	6,514,369
Intangible assets		
Goodwill	9,333	5,333
Others	452,377	413,033
Total intangible assets	461,710	418,367
Investments and other assets		
Investment securities	194,656	200,319
Deferred tax assets	153,613	159,689
Others	1,722,707	1,759,623
Allowance for doubtful accounts	(22,704)	(28,426)
Total investment and other assets	2,048,273	2,091,205
Total non-current assets	8,823,717	9,023,942
TOTAL ASSETS	23,473,186	25,751,565
LIABILITIES		
CURRENT LIABILITIES:		
Notes and accounts payable	2,003,541	2,795,813
Electronically recorded payables	1,078,474	1,217,014
Short-term borrowings	4,000,000	5,130,249
Current portion of long-term borrowings	374,740	359,749
Income taxes payable	420,790	308,145
Provision for bonuses	15,614	15,396
Other current liabilities	1,267,983	1,458,623
Total current liabilities	9,161,144	11,284,991
NON-CURRENT LIABILITIES:		
Long-term borrowings	848,149	674,271

	FY2026 (As of Jan. 20, 2026)	FY2027 2Q (As of Jul. 20, 2026)
Retirement benefit liability	15,786	16,715
Asset retirement obligations	261,974	293,848
Other non-current liabilities	312,821	301,355
Total non-current liabilities	1,438,730	1,286,192
TOTAL LIABILITIES	10,599,875	12,571,183
NET ASSETS		
Shareholders' equity		
Share capital	3,043,623	3,043,623
Capital surplus	3,096,857	3,096,857
Retained earnings	5,560,899	5,649,750
Treasury shares	(494,177)	(494,185)
Total shareholders' equity	11,207,202	11,296,045
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	93,574	97,419
Deferred gains or losses on hedges	—	23,442
Foreign currency translation adjustment	1,091,282	1,306,567
Remeasurements of defined benefit plans	332,887	285,379
Total accumulated other comprehensive income	1,517,744	1,712,808
Non-controlling interests	148,364	171,527
TOTAL NET ASSETS	12,873,310	13,180,381
TOTAL LIABILITIES and NET ASSETS	23,473,186	25,751,565

(2) Consolidated Interim Statement of Income and Interim Comprehensive Income

(Consolidated Interim Statement of Income)

(Thousands of yen)

	FY2026 2Q (From Jan. 21, 2025, to Jul. 20, 2025)	FY2027 2Q (From Jan. 21, 2026, to Jul. 20, 2026)
Net sales	10,929,405	11,098,803
Cost of revenue	6,277,299	6,412,830
Gross profit	4,652,105	4,685,972
Selling, general and administrative expenses	4,270,065	4,299,948
Operating income	382,040	386,024
Non-operating income		
Interest income	6,409	4,708
Dividend income	3,357	3,417
Royalty income	20,642	19,972
Foreign exchange gains	—	86,230
Others	70,030	54,786
Total non-operating income	100,439	169,116
Non-operating expenses		
Interest expense	54,091	70,690
Commitment fee	189	196
Foreign exchange losses	61,408	—
Others	17,649	20,676
Total non-operating expenses	133,339	91,564
Ordinary income	349,140	463,576
Extraordinary gains		
Gain on sales of non-current assets	8,584	4,145
Total extraordinary gains	8,584	4,145
Extraordinary losses		
Loss on retirements of non-current assets	3,000	112
Impairment losses	10,219	—
Total extraordinary losses	13,219	112
Income before income taxes	344,505	467,609
Income tax - current	252,747	264,595
Income tax - deferred	(25,044)	16,310
Total income taxes	227,702	280,905
Net income	116,802	186,703
attributable to non-controlling interests	1,885	13,559
attributable to owners of the parent	114,916	173,143

(Consolidated Interim Statement of Comprehensive Income)

(Thousands of yen)

	FY2026 2Q (From Jan. 21, 2025, to Jul. 20, 2025)	FY2027 2Q (From Jan. 21, 2026, to Jul. 20, 2026)
Net income	116,802	186,703
Other comprehensive income		
Valuation difference on available-for-sale securities	6,762	3,845
Deferred gains or losses on hedges	2,437	23,442
Foreign currency translation adjustment	(554,676)	224,889
Remeasurements of defined benefit plans	(25,977)	(47,508)
Total other comprehensive income	(571,452)	204,668
Comprehensive income	(454,649)	391,371
attributable to owners of parent	(447,413)	368,208
attributable to non-controlling interests	(7,236)	23,163

(3) Consolidated Interim Statement of Cash Flows

(Thousands of yen)

	FY2026 2Q (From Jan. 21, 2025, to Jul. 20, 2025)	FY2027 2Q (From Jan. 21, 2026, to Jul. 20, 2026)
Cash flows from operating activities		
Profit before income taxes	344,505	467,609
Depreciation	382,920	397,916
Goodwill amortization	4,272	3,999
Increase (decrease) in allowance for doubtful accounts	7,077	(1,101)
Increase (decrease) in provision for bonuses	276	(218)
Interest and dividend income	(9,766)	(8,126)
Interest expense	54,091	70,690
Foreign exchange losses (gains)	(183,151)	(41,129)
Loss on retirements of non-current assets	3,000	112
Impairment losses	10,219	—
Decrease (increase) in accounts receivable	(478,692)	(425,837)
Decrease (increase) in inventory	366,211	66,349
Decrease (increase) in other current assets	(119,193)	(59,459)
Increase (decrease) in accounts payable	546,958	848,554
Increase (decrease) in other current liabilities	232,822	142,296
Increase (decrease) in unpaid consumption tax	48,248	19,749
Others	2,440	(2,563)
Subtotal	1,212,240	1,478,841
Income taxes paid	(106,891)	(377,241)
Interest and dividends received	9,766	8,126
Interest paid	(54,707)	(74,045)
Insurance claim income	146,735	—
Payments associated with disaster loss	(16,237)	—
Net cash provided by (used in) operating activities	1,190,905	1,035,681
Cash flows from investing activities		
Payment into time deposits	(302,850)	(358,050)
Proceeds from withdrawal of time deposits	201,900	119,350
Purchase of tangible assets	(76,530)	(338,787)
Proceeds from sale of tangible assets	1,415	4,442
Purchase of intangible assets	(58,124)	(8,566)
Purchase of investment securities	(110)	(61)
Others	(4,602)	(258)
Net cash provided by (used in) investing activities	(238,903)	(581,931)
Cash flows from financing activities		
Net increase (decrease) from short-term borrowings	(86,234)	1,098,559
Proceeds from long-term borrowings	730,000	—
Repayment of long-term borrowings	(154,035)	(188,868)
Purchase of treasury shares	—	(7)
Dividends paid	(84,292)	(84,292)
Others	(87,352)	(69,257)
Net cash provided by (used in) financing activities	318,086	756,133

	FY2026 2Q (From Jan. 21, 2025, to Jul. 20, 2025)	FY2027 2Q (From Jan. 21, 2026, to Jul. 20, 2026)
Effect of exchange rate change on cash and cash equivalents	27,877	63,061
Net increase (decrease) in cash and cash equivalents	1,297,965	1,272,945
Cash and cash equivalents at beginning of period	3,432,682	3,394,873
Cash and cash equivalents at end of period	4,730,647	4,667,818

(4) Notes to Consolidated Interim Financial Statement

(Note on Going Concern)

None

(Note on Significant Change in Shareholders' Equity)

None