



**Consolidated Financial Results [Japanese GAAP]  
for the Second Quarter of the Fiscal Year Ending January 20, 2025**

**Takasho Co., Ltd.**

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Scheduled date to submit statutory quarterly financial report:	September 2, 2024		
Scheduled date of starting payment of dividend:	N/A		
Availability of supplementary explanatory material on quarterly results:	Yes		
Quarterly results briefing (exclusive to institutional investors and analysts):	Yes		

*This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.*

*\*Figures are rounded down to the nearest million yen, except share and per share data*

*\*\*“ % ” indicates year-on-year changes from the previous corresponding quarter*

**1. Consolidated Financial Results for the Six Months Ended July 20, 2024 (From January 21, 2024, to July 20, 2024)**

**(1) Consolidated Operating Results (Cumulative)**

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2025 2Q (Six months ended July 20, 2024)	10,697	0.1	7	△98.0	267	△44.2	56	△74.7
FY2024 2Q (Six months ended July 20, 2023)	10,687	△ 3.0	386	△ 50.9	480	△ 56.3	225	△ 66.9

(Note) Comprehensive income:

FY2025 2Q (Six months ended July 20, 2024): 683 million yen (16.7% )

FY2024 2Q (Six months ended July 20, 2023): 585 million yen (△58.1% )

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2025 2Q (Six months ended July 20, 2024)	3.37	—
FY2024 2Q (Six months ended July 20, 2023)	13.13	13.12

## (2) Consolidated Financial Position

As of the end of	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
FY2025 2Q (As of July 20, 2024)	25,797	13,098	50.2
FY2024 4Q (As of January 20, 2024)	23,134	12,499	53.5

(Ref.) Shareholders' equity amount:

FY2025 2Q(As of July 20, 2024): 12,959 million yen

FY2024 4Q(As of January 20, 2024): 12,376 million yen

## 2. Dividends

	Annual cash dividends per share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2024 4Q ended Jan. 20, 2024	—	0.00	—	5.00	5.00
FY2025 2Q ended Jul. 20, 2024	—	0.00			
FY2025 4Q ending Jan. 20, 2025 (forecast)			—	5.00	5.00

(Note) Revisions to the dividends forecast since the latest announcement: Yes

## 3. Forecast for the Fiscal Year Ending January 20, 2025 (From Jan. 21, 2024, to Jan. 20, 2025)

	Net sales		Operating Income		Ordinary Income		Net income attributable to owners of the parent company		Basic Earnings Per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2025 4Q (full year)	20,750	6.9	150	—	350	39.8	85	—	5.04

(Notes) Revisions to the forecast since the latest announcement: Yes

※ Notes

**(1) Changes in Significant Subsidiaries during the Current Quarter**

Changes in specified subsidiaries that caused a change in the scope of consolidation: None

Newly included companies: None

Newly excluded companies: None

**(2) Simplified Accounting Procedures and Specific Accounting Procedures: 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 Shares Outstanding (Ordinary Shares)**

	FY2025 2Q (As of Jul. 20, 2024)	FY2024 4Q (As of Jan.21, 2024)
Number of shares outstanding at end of period (Treasury shares included)	17,590,114	17,590,114
Number of treasury shares at end of period	731,661	731,658
	FY2025 2Q (From Jan.21, 2024, to Jul. 20, 2024)	FY2024 2Q (From Jan.21,2023, to Jul. 20, 2023)
Average number of shares during period	16,858,456	17,141,552

\* This quarterly financial results report is out scope of the quarterly 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 "*Explanation on Future Performance Forecast*" on page 8 of the attached documents.

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## 1. Status of the Group

### (1) Business Overview and Results for the Second Fiscal Quarter

#### Business Overview

During the second quarter of the current consolidated fiscal year (hereafter, referred to as “FY2025”), the prospects of Japanese economy are still unpredictable. The economy, especially corporate earnings and employment and income, continued to recover gradually due to the effects of various policies. Nonetheless, the volatile global factors, which include high interest rate in U.S. and Europe, uncertainty about the Chinese economy, soaring prices of materials and historical yen’s depreciation, to name a few, are all magnifying this unpredictability.

The garden and exterior industry, to which our group belong, also continued to face difficult business situations, as the number of new housing construction declined due to the profound influence of soaring raw material prices.

Against these headwinds, refurbishment and transformative investments by commercial facilities, hotels, Japanese-style inns, temples and shrines are on the rise, partially in pursuits of carbon dioxide absorption, offering oasis of greenery with great healing power, and inbound tourism attractions. As a result, the non-residential contract, which accounts for about 36% of the professional use business, is growing at 120% year-on-year. In addition, a showroom for the contract field launched at immediately after Shinagawa Station Konan Exit on July 18, 2024 to further strengthen sales activities.

In addition, renovations and remodeling of gardens and exteriors have begun to take off. Also, leveraging our state-of-the-art technologies, GLD-LAB CO., LTD., our group’s subsidiary, further promoted software solution services which propose realistic post-construction images through 3D perspective, video, VR, etc., Further, first in the exterior industry, it was featured on BIMobject, a BIM content platform, etc.

FOSHAN SOUTH TAKASHO DIGITEC CO., LTD. (Foshan, China. Hereafter referred to as “DIGITEC China”), which is new cornerstone for manufacturing LED outdoor lighting and signs for TAKASHO DIGITEC CO., LTD. (hereafter referred to as “DIGITEC”), completed construction of a new plant of approximately 10,000 m<sup>2</sup> and established a manufacturing system for the world. In addition, reputed for its technologies and mystical creations, DIGITEC strengthen sales promotion through a technical alliance with Drone Show Japan, Inc.

In domestic manufacturing, a production system to enhance efficiency was put into operation to improve productivity.

In the home-use business, COGS has sharply increased due to the unexpected yen's depreciation against the assumed exchange rate and the home improvement market recovery from the negative drop against COVID-19 bubble has been running behind schedule. On the other hand, sales by Aoyama Garden, a direct sales e-commerce website which has been integrated with the Group from FY2025, increased by 137.9%YoY and the number of orders received increased by 175%.

As for the overseas business, stock overload and adjustments at our retail subsidiaries have been subsided, 37.8% down compared to those of Covid-19 peak. We strengthened our sales by expanding the number of business partners and introducing new products. Notably, sales in the U.K. tremendously grew as much as by 162%.

Innovation is our heritage and at the heart of our vision “Always Ahead of Changes, Bringing Innovation and Create New Values; Towards the One and Only Global Enterprise.”

Ever since our establishment, nurturing great urban environment and gardening culture is what we do. With our passion for innovation, at this juncture, we have been pioneering clean-energy products and solutions which integrate sustainability into the gardening life.

As society has been taking a transformational shift to low-carbon and resource-smart products, we have determined to accelerate the ambitions commitments and foster the initiative-taking efforts in our journey towards ESG and SDGs excellence. We believe ESG is embedded into our business itself, i.e., the promotion of our products directly leads to the solution or mitigation of environmental and social problems.

As detailed later, we are continuously pioneering products and solutions that help customers make more sustainable choices every day. For example, our Eco Garden (3R: Recycle, Reduce, Reuse) ensures sustainable consumption and production patterns. Especially, since customers can virtually experience quasi-real feelings at our DX-enabled showroom, namely, a resource-smart customer experience, we do not need to produce waste (Reduce waste in advance); produce only high quality products that will be able be cherished for a long time. Of course, this DX is also introduced into our product development and manufacturing phases; resulting in enhanced quality, shortened time to market and transforming factories and workplaces into more energy-operational efficient ones.

Based in Wakayama, Japan, with operations across the world, we are powered by approximately 500 dedicated and talented employees.

As for the human resource development, our employees are precious human capital, and we will continue to nurture them toward “all-engagement, diversity & Inclusion” working environment and culture.

As such, business performance for the second quarter FY2025 has been resulted in as follows.

### **2nd Quarter Fiscal 2025 Highlight (January 21, 2024, to July 20, 2024)**

(Millions of yen)	FY2025 2Q (Six months ended July 20, 2024)	FY2024 2Q (Six months ended July 20, 2023)	Increase or Decrease	%
Revenue	10,697	10,687	10	100.1
Operating income	7	386	△378	2.0
Ordinary income	267	480	△212	55.8
Net income attributable to owners of the parent	56	225	△168	25.3

### **Sales Metrics by Business Segments**

Let’s now take a closer look at the development of our company during FY2025 2Q.

#### **<Pro-use segment>**

The sales of Pro-use accounted for 64% our total sales and has been stable (YoY 99.9% growth). We delivered DX-enabled, multidimensional sales promotion by broadcasting TV commercials which are linked with our web platform to increase customer touchpoint and engagement.

This is innovative synergy of online, virtual, and real, more precisely, DX-enabled proposals of lifestyles and sales closing through web-based showrooms and VR parks, as well as through our original Garden & Exterior showrooms located throughout Japan. In our showroom, customers can experience and feel a wide selection of our products.

We have our own factory in Japan, which enables flexible “mass customization” tailored to each customer’s order. In this style we are also successful in upselling and cross selling, by comprehensively propose "Facade Exterior & Living Garden" lifestyle through abundance of color variation tailored to each customers’ aesthetics sense, tastes, and interests.

Also, to compensate for the decreased housing construction, business with remodeling and non-housing sectors are growing. To seize these opportunities, our landscape building material group reinforced sales promotion to the non-housing fields (such as public and commercial facilities). Furthermore, we are successful in developing new business with major restaurant chains.

Consolidated subsidiary GLD-LAB (a subsidiary dedicated to the 4D spatial design and XR simulation) has also been strengthening sales promotion, by newly offering EXVIZ, an ultra-high-definition architectural CG perspective production service.

### **Pro-use segment Highlight (January 21, 2024, to July 20, 2024)**

(Millions of yen)	FY2025 2Q (Six months ended July 20, 2024)	FY2024 2Q (Six months ended July 20, 2023)	Increase or Decrease	%
Revenue	6,941	6,818	123	101.8

On the other hand, DIGITEC, our consolidated subsidiary, assiduously and tactfully promoted LED sign and lightening/illumination business. Not only its focus on innovation, sustainability, energy-efficient product design and craftsmanship, but also with its unique promotional initiatives and agile cooperation with our landscape building material team, DIGITEC is on growth track, increasing transactions with non-housing fields (such as public and commercial facilities). In tourism industry, collaborated with local tourism associations, DIGITEC has competed several ethereal-beauty achievements, whose divine-beauty magnificence blends perfectly with the tourism spots, and been establishing reputation for mind-boggling and transcendental arts, mesmerizing visitors. For this FY2025Q2, DIGITEC achieved 112.2% YoY growth.

As one of important growth pillar of our group, DIGITECH has launched its flagship DIGITECH China, as mentioned above. By 2030, we ambitiously aim to achieve global sales of 5 billion yen from DIGITECH China and combined sales of 15 billion yen from DIGITECH. With this new strong cornerstone, we are clearly equipped with the scalability to flexibly seize the business opportunities and develop new revenue streams, such as direct export from this new cornerstone toward Europe, U.S., Southeast Asia, and China.

In this new base, up to about 300 dedicated employees can be accommodated, and a significant increase in production capacity is expected, maintaining high quality as Japan origin pride. In addition to the current production of outdoor lighting equipment, we will also be able to produce OEM products for overseas markets, manufacture LED signs, and mass produce B-to-C products.

#### <Home-use segment>

Sales by home-use segment has been slightly decreased (YoY 84.8%). In order to neutralize negative factors such as rebound decrease in sales by COVID-19 at home centers, and decreased customer attraction at large retail stores due to bad weather, we strengthened web marketing and revised selling price for large retail stores. In e-commerce, sales by Aoyama Garden, a direct sales e-commerce website which has been integrated with the Group from FY2025, increased by 137.9%YoY and the number of orders received increased by 175%.

#### **Home-use segment Highlight (January 21, 2024, to July 20, 2024)**

(Millions of yen)	FY2025 2Q (Six months ended July 20, 2024)	FY2024 2Q (Six months ended July 20, 2023)	Increase or Decrease	%
Revenue	2,347	2,769	△421	84.8

#### <Overseas segment>

Although customer attractions at home center and garden center have been recovering, with interest rates remaining high, people are becoming more reluctant to relocate to new homes. This symptom is creating a challenging environment, reducing demand for home improvement sales at home centers.

In spite of the tenacious price rise in electricity, gas, and necessities in Europe, we could gradually overcome the rebound decrease in sales by COVID-19, the continued stock adjustments caused by our retail partners' stock overload and corresponding delivery adjustment. In-store sales are in the convalescent stage, bottoming out the V curve in U.K., sales by overseas segment (UK only) achieved tremendous growth (YoY 154.3%).

Overall, the overseas business achieved 127.2% YoY growth, thanks to the recovery in over-the-counter sales across Europe and the new introduction to new stores, etc.

Clearly, we've witnessed that "Lifestyle with gardening" has been penetrated and embedded in everyday life. In the face of COVID-19, and continuously in "with and after COVID-19" era, people worldwide reaffirmed the importance of health (garden therapy), culture (emotion, art), and environment (green, nature).

On the other hand, we will further foster our effort and boost overseas business by horizontally roll-out our success model in Australian market, accelerating full-scale project launch, to U.S. market, focusing on HNWI (High Net Worth Individual) residences.

#### **Overseas segment Highlight (January 21, 2024, to July 20, 2024)**

(Millions of yen)	FY2025 2Q (Six months ended July 20, 2024)	FY2024 2Q (Six months ended July 20, 2023)	Increase or Decrease	%
Revenue	1,374	1,081	293	127.2

#### **Gross margin and Operating income etc.**

Gross margin has been decreased by 2.6 points. Sales has been increased slightly YoY, but, comparatively high-cost inventories, caused by inventory write-down, soaring bullion prices and sharp Yen's depreciation, were included in the calculation of cost of goods for sold (COGS), and lowered gross profit margin accordingly.

Sales and administrative costs increased, since, to enhance our brand value and fuel future growth, we continued proactive up-front investments in the value creation levers, such as CAPEX and recruiting for higher productivities. As a result, operating income has been decreased to 2% YoY.

Ordinary income has been decreased to 55.8% YoY. Relatively large foreign exchange gain (241 million yen for FY2025Q2, 80 million yen for FY2024Q2), derived from sharp Yen's depreciation, contributed to positive ordinary income.

### **Our mission, SDGs initiatives and business development**

Passion for our establishment was “Heart and Art,” which has never been changed nor forgotten ever since. Underpinned with our passion and mission, we have a long history of and reputation for designed gardening and innovation, inspired by traditional Japanese aesthetics (such as wabi-sabi, elegance and refinement) and British garden cultures etc., integrating the beauty of nature into daily lives and spiritual values.

As society has been taking a transformational shift to low-carbon and resource-smart products, we have determined to accelerate the ambitions commitments and foster the initiative-taking efforts in our journey towards ESG and SDGs excellence. We believe ESG is embedded into our business itself, i.e., the promotion of our products directly leads to the solution or mitigation of environmental and social problems.

We are continuously pioneering products and solutions that help customers make more sustainable choices every day. For example, our Eco Garden (3R: Recycle, Reduce, Reuse) ensures sustainable consumption and production patterns. Especially, since customers can virtually experience quasi-real feelings at our DX-enabled showroom, namely, a resource-smart customer experience, we do not need to produce waste (Reduce waste in advance); produce only high-quality products that can be cherished for a long time. Of course, this DX is also introduced into our product development and manufacturing phases; resulting in higher quality, shortened time to market and making factories and workplaces more energy-operational efficient.

As for the business development by each segment, in pro-use segment, in advancing DX by our own software factory, we further promote our new multidimensional business model, innovative synergy of online, virtual, and real, more precisely, DX-enabled proposals leveraging AR & VR, in order not only to enhance our brand value and fuel future growth in sales promotions, but also to strengthen sales and promotion campaign of landscape business. Also, as we are socially and environmentally engaged company, we will further implement sales initiatives towards galvanization of regional economy and sustainability.

In home-use segment, we will further promote our growing e-commerce, product development in our own factories, and horizontal roll-out of global products. Also, we will launch “Living Garden Store (owned media for e-commerce, 7m/month PV and 3m/month UU)” and revise product mix so that our sales volume will be unaffected by harsh weather. Furthermore, we will continue cross-media advertisement, ranging from TVCM, owned media, SNS to “Living Garden Store” for the purpose of recognition enhancement by general customers, as well as customer nurturing, spurring demand toward market creation.

In overseas segment, we will promote new transactions with home centers in U.S., and pioneer untapped regions (France, Italy, etc.). Also, in order to strengthen online sales, focusing “VEGTRUG.COM (owned media for e-commerce)”, we will develop and introduce new products, including pro-use products such as Ever Art Wood and Ever Art Board. There, we comprehensively propose "Facade Exterior & Living Garden" lifestyle.

In January 2024, our sales subsidiary in U.K., VegTrug Limited, has been awarded by The Royal Horticultural Society (hereafter referred to as “RHS”), charitable organization dedicated to the promotion of gardening and horticulture in Europe, for its 14 “VegTrug” branded vegetable garden planters. We are the first and only Japanese company to be certified as a recommended product by RHS. We are confident that this epoch-making award will be tremendously beneficial to the enhancement of our brand recognition, and, seizing this opportunity, we will expand sales channels.

In Australia, our sales subsidiary, Takasho Australia, was the first Japanese company to win “Supplier of the Year 2024 Grand Prize” in the garden and outdoor products category by the NTHA (National Timber and Hardware Association of Australia). Taking this opportunity, we will thrive to expand sales by establishing brand awareness in the region.

DIGITEC China, which is new cornerstone for manufacturing LED outdoor lighting and signs for DIGITEC completed construction of a new plant of approximately 10,000 m<sup>2</sup>. Since a significant increase in production capacity is expected, in addition to the production of outdoor lighting equipment, we will promote new business development such as OEM in



overseas markets, manufacturing of LED signs, mass production of products for B-to-C, and direct sales (export) to regions outside Japan, including Asia, the U.S., and Europe, in the future.

As mentioned earlier, we have been reinforcing our business with non-housing fields, such as Japanese-inns, hotels and restaurants, which all are relevant to inbound tourism. We expect that non-Japanese who visited Japan and got a glimpse of Japanese garden's elegant rusticity would be our customer abroad, that is, reminiscent of it, they, as corporations and individuals, will purchase our products in home countries, thereby increasing our overseas sales.

## **(2) Explanation on the Financial Position**

### **1) Status of Assets, Liabilities, and Net assets**

#### <Assets>

Current assets at the end of the second quarter amounted to 17,016,044 thousand yen, an increase of 2,339,701 thousand yen from the end of the previous consolidated fiscal year, primarily due to an increased cash and deposits of 5,324,564 thousand yen (up 1,528,327 thousand yen from the end of the previous consolidated fiscal year) and an increased note receivable, account receivable and contract assets of 3,307,462 thousand yen (up 845,280 thousand yen from the end of the previous consolidated fiscal year).

Fixed assets at the end of the second quarter amounted to 8,781,145 thousand yen, an increase of 322,933 thousand yen from the end of the previous consolidated fiscal year, mainly due to an increased Buildings and structures of 3,767,432 thousand yen (up 75,532 thousand yen from the end of the previous consolidated fiscal year), an increased construction in progress of 526,931 thousand yen (up 92,275 thousand yen from the end of the previous consolidated fiscal year) and an increased investments and other assets of 1,385,368 thousand yen (up 178,128 thousand yen from the end of the previous consolidated fiscal year).

As a result, total assets at the end of the second quarter amounted to 25,797,190 thousand yen, an increase of 2,662,634 thousand yen from the end of the previous consolidated fiscal year.

#### <Liabilities>

Current liabilities at the end of the second quarter amounted to 11,636,851 thousand yen, an increase of 2,131,781 thousand yen from the end of the previous consolidated fiscal year, mainly due to an increase of notes and accounts payable-trade of 3,372,519 thousand yen (up 910,913 thousand yen from the end of the previous consolidated fiscal year) and an increase of short-term loans payable of 4,979,724 thousand yen (up 1,095,200 thousand yen from the end of the previous consolidated fiscal year).

Fixed liabilities at the end of the second quarter amounted to 1,061,793 thousand yen, a decrease of 68,039 thousand yen from the end of the previous consolidated fiscal year, mainly due to and a decrease of long-term loans payable of 324,073 thousand yen (down 64,986 thousand yen from the end of the previous consolidated fiscal year).

As a result, total liabilities at the end of the second quarter amounted to 12,698,645 thousand yen, an increase of 2,063,741 thousand yen from the end of the previous consolidated fiscal year.

#### <Net assets>

Total net assets at the end of the second quarter amounted to 13,098,544 thousand yen, an increase of 598,892 thousand yen from the end of the previous consolidated fiscal year, mainly due to an increase of other comprehensive income of 1,566,603 thousand yen (up 609,993 thousand yen from the previous consolidated fiscal year), partially offset by a decrease of retained earnings of 5,746,336 thousand yen (down 27,462 thousand yen from the previous consolidated fiscal year).

## **2) Explanation on the Cash Flows**

Cash and cash equivalents (hereafter, referred to as “cash”) at the end of FY2025 2Q amounted to 4,993,964 thousand yen, an increase of 1,197,727 thousand yen from the end of FY2024 4Q.

Cash flows from each activity and their significant components are as follows:

#### (Cash flows from operating activities)

Net cash provided by operating activities amounted to 898,669 thousand yen (1,099,259 thousand yen was provided by operating activities in the same quarter of FY2024).

This is mainly attributable to the decreased “Profit before tax” to 265,809 thousand yen (470,571 thousand yen in the same quarter of FY2024) and increase in changed amount of accounts receivables to 801,106 thousand yen (increase in changed amount of accounts receivables to 441,056 thousand yen in the same quarter of FY2024), partially offset by the increased depreciation of 394,304 thousand yen (374,741 thousand yen in the same quarter of FY2024) and increase in changed amount of accounts payable to 864,135 thousand yen (decrease in changed amount of accounts payable to 741,739 thousand yen in the same quarter of FY2024),

(Cash flows from investing activities)

Net cash used in investing activities amounted to 618,142 thousand yen (396,183 thousand yen net cash was used in investing activities in the same quarter of FY2024). This is mainly attributable to 182,721 thousand yen of acquisition payment for tangible assets (317,772 thousand yen in the same quarter of FY2024), and 330,600 thousand yen of payment for new time deposit (not applicable in the same quarter of FY2024).

(Cash flows from financing activities)

Net cash provided by financing activities amounted to 850,370 thousand yen (639,008 thousand yen net cash was provided by investing activities in the same quarter of FY2024).

This is mainly attributable to a net increase in short-term loan of 1,089,651 thousand yen (1,140,970 thousand yen in the same quarter of FY2024), partially offset by 84,292 thousand yen of payment for cash dividends (403,476 thousand yen in the same quarter of FY2024).

### **(3) Explanation on Future Performance Forecast**

The company has revised the consolidated earnings forecast for the full year announced on March 5, 2024.

Refer to the “*Notice Regarding the Revision of the Financial Forecast for the Fiscal Year Ending January 20, 2025 and Revision of the Year-End Dividends*” released today for more information of the revisions to the consolidated earnings forecasts.

## 2. Quarterly Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY2024 4Q (As of Jan. 20, 2024)	FY2025 2Q (As of Jul. 20, 2024)
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and deposits	3,796,236	5,324,564
Note receivable, account receivable and contract assets	2,462,181	3,307,462
Electronically recorded receivables	674,170	664,314
Merchandise and finished goods	4,995,045	4,688,592
Work in process	568,226	695,452
Raw materials and supplies	1,431,515	1,489,303
Other current assets	760,761	863,868
Allowance for doubtful accounts	△11,793	△17,513
<b>Total current assets</b>	<b>14,676,343</b>	<b>17,016,044</b>
<b>NON-CURRENT ASSETS:</b>		
<b>Tangible assets</b>		
Buildings and structures, net	3,691,900	3,767,432
Land	1,136,609	1,136,609
Construction in progress	434,656	526,931
Others, net	1,132,801	1,125,335
<b>Total tangible assets</b>	<b>6,395,967</b>	<b>6,556,308</b>
<b>Intangible assets</b>		
Goodwill	28,878	23,242
Others	537,293	550,288
<b>Total intangible assets</b>	<b>566,171</b>	<b>573,530</b>
<b>Investments and other assets</b>		
Investment securities	192,703	199,670
Deferred tax assets	170,908	143,715
Others	1,207,240	1,385,368
Allowance for doubtful accounts	△74,778	△77,447
<b>Total investment and other assets</b>	<b>1,496,073</b>	<b>1,651,306</b>
<b>Total non-current assets</b>	<b>8,458,212</b>	<b>8,781,145</b>
<b>TOTAL ASSETS</b>	<b>23,134,556</b>	<b>25,797,190</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Note and accounts payable	2,461,605	3,372,519
Electronically recorded payables	1,137,268	1,220,824
Short-term borrowings	3,884,524	4,979,724
Current portion of long-term borrowings	135,960	136,753
Income taxes payable	251,879	218,535
Provision for bonuses	26,878	26,030
Other current liabilities	1,606,954	1,682,464
<b>Total current liabilities</b>	<b>9,505,070</b>	<b>11,636,851</b>
<b>LONG-TERM LIABILITIES:</b>		
Long-term borrowings	389,060	324,073
Retirement benefit liability	11,086	12,699
Asset retirement obligations	241,163	246,050
Other long-term liabilities	488,523	478,970
<b>Total long-term liabilities</b>	<b>1,129,833</b>	<b>1,061,793</b>
<b>TOTAL LIABILITIES</b>	<b>10,634,904</b>	<b>12,698,645</b>

	(Thousands of yen)	
	FY2024 4Q (As of Jan. 20, 2024)	FY2025 2Q (As of Jul. 20, 2024)
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Share capital	3,043,623	3,043,623
Capital surplus	3,096,857	3,096,857
Retained earnings	5,773,798	5,746,336
Treasury shares	△494,176	△494,177
Total shareholders' equity	11,420,103	11,392,639
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	91,255	95,992
Deferred gains or losses on hedges	36,827	48,169
Foreign currency translation adjustment	756,158	1,282,297
Remeasurements of defined benefit plans	72,368	140,144
Total accumulated other comprehensive income	956,610	1,566,603
Non-controlling interests	122,938	139,301
<b>TOTAL NET ASSETS</b>	<b>12,499,651</b>	<b>13,098,544</b>
<b>TOTAL LIABILITIES and NET ASSETS</b>	<b>23,134,556</b>	<b>25,797,190</b>

**(2) Quarterly Consolidated Statement of Income and Comprehensive Income**

(Quarterly Consolidated Statement of Income, Cumulative)

	(Thousands of yen)	
	FY2024 2Q (From Jan. 21, 2023, to Jul. 20, 2023)	FY2025 2Q (From Jan. 21, 2024, to Jul. 20, 2024)
Net sales	10,687,644	10,697,715
Cost of revenue	5,957,448	6,236,097
Gross profit	4,730,196	4,461,617
Selling, general and administrative expenses	4,343,957	4,454,078
Operating income	386,238	7,538
Non-operating income		
Interest income	3,180	6,206
Dividend income	2,856	3,017
Royalty income	22,217	21,972
Foreign exchange gain	80,199	241,409
Others	58,635	42,197
Total non-operating income	167,090	314,802
Non-operating expenses		
Interest expense	57,736	41,851
Commitment fee	276	333
Others	15,094	12,292
Total non-operating expenses	73,107	54,477
Ordinary income	480,221	267,864
Extraordinary gains		
Gain on sales of non-current assets	8,641	—
Total extraordinary gains	8,641	—
Extraordinary losses		
Loss on retirements of non-current assets	472	1,987
Loss on sales of non-current assets	1,170	—
Impairment losses	16,648	66
Total extraordinary losses	18,292	2,054
Income before income taxes	470,571	265,809
Income tax - current	292,503	189,078
Income tax - deferred	△50,125	16,098
Total income taxes	242,377	205,177
Quarterly net income	228,194	60,632
attributable to non-controlling interests	3,151	3,802
attributable to owners of the parent	225,043	56,829

## (Quarterly Consolidated Statement of Comprehensive Income, Cumulative)

	(Thousands of yen)	
	FY2024 2Q (From Jan. 21, 2023, to Jul. 20, 2023)	FY2025 2Q (From Jan. 21, 2024, to Jul. 20, 2024)
Quarterly net income	228,194	60,632
Other comprehensive income		
Valuation difference on available-for-sale securities	25,323	4,736
Deferred gains or losses on hedges	32,329	11,341
Foreign currency translation adjustment	232,721	538,699
Remeasurements of defined benefit plans	66,672	67,775
Total accumulated other comprehensive income	357,046	622,554
Comprehensive income	585,240	683,186
attributable to owners of parent	576,646	666,822
attributable to non-controlling interests	8,593	16,363

**(3) Quarterly Consolidated Statement of Cash Flows**  
(Quarterly Consolidated Statement of Cash Flows, Cumulative)

(Thousands of yen)

	FY2024 2Q (From Jan. 21, 2023, to Jul. 20, 2023)	FY2025 2Q (From Jan. 21, 2024, to Jul. 20, 2024)
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	470,571	265,809
Depreciation	374,741	394,304
Goodwill amortization	5,636	5,636
Increase (decrease) in allowance for doubtful accounts	3,022	8,103
Increase (decrease) in provision for bonuses	△2,057	△848
Interest and dividend income	△6,037	△9,209
Interest expense	57,736	41,851
Foreign exchange losses (gains)	1,919	△12,673
Loss on retirements of non-current assets	472	1,987
Impairment losses	16,648	66
Decrease (increase) in accounts receivable	△441,056	△801,106
Decrease (increase) in inventory	△28,160	450,067
Decrease (increase) in other current assets	224,607	△4,975
Increase (decrease) in accounts payable	741,739	864,135
Increase (decrease) in other current liabilities	△37,688	△7,173
Increase (decrease) in unpaid consumption tax	56,371	△49,618
Others	17,978	8,900
Subtotal	1,456,445	1,155,257
Interest and dividends received	6,037	9,209
Interest paid	△58,640	△43,376
Income taxes paid	△304,584	△222,421
Net cash provided by (used in) operating activities	1,099,259	898,669
<b>Cash flows from investing activities</b>		
Payment into time deposits	-	△330,600
Purchase of property, plant and equipment	△317,772	△182,721
Proceeds from sale of property, plant and equipment	8,989	-
Purchase of intangible assets	△91,109	△60,034
Purchase of investment securities	△156	△154
Others	3,865	△44,631
Net cash provided by (used in) investing activities	△396,183	△618,142
<b>Cash flows from financing activities</b>		
Net increase (decrease) from short-term borrowings	1,140,970	1,089,651
Proceeds from long-term borrowings	500,003	4,112
Repayment of long-term borrowings	△18,000	△68,305
Proceeds from sale of treasury shares	976	-
Purchase of treasury shares	△492,465	△1
Dividends paid	△403,476	△84,292
Others	△88,999	△90,793
Net cash provided by (used in) financing activities	639,008	850,370
Effect of exchange rate change on cash and cash equivalents	△117,103	66,829
Net increase (decrease) in cash and cash equivalents	1,224,979	1,197,727
Cash and cash equivalents at beginning of period	4,206,885	3,796,236
Cash and cash equivalents at end of period	5,431,865	4,993,964



**(4) Notes to Quarterly Consolidated Financial Statement**

**1) Note on Going Concern :** None

**2) Note on Significant Change in Equity Capital):** None