



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

Takasho Co., Ltd.

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Scheduled date of starting payment of dividend: N/A
Availability of supplementary explanatory material on quarterly results: N/A
Quarterly results briefing(exclusive to institutional investors and analysts): N/A

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 Nine Months Ended October 20, 2024 (From January 21, 2024, to October 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 3Q (Nine months ended October 20, 2024)	14,875	△ 1.9	△ 169	—	△ 110	—	△ 275	—
FY2024 3Q (Nine months ended October 20, 2023)	15,162	△ 4.5	12	△ 98.0	389	△ 65.8	49	△ 92.1

(Note) Comprehensive income:

FY2025 3Q(Nine months ended October 20, 2024): △239 million yen (- %)

FY2024 3Q(Nine months ended October 20, 2023): 434 million yen (△66.7%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2025 3Q (Nine months ended October 20, 2024)	△ 16.35	—
FY2024 3Q (Nine months ended October 20, 2023)	2.91	—

(2) Consolidated Financial Position

As of the end of	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
FY2025 3Q (As of October 20, 2024)	24,570	12,175	49.0
FY2024 4Q (As of January 20, 2024)	23,134	12,499	53.5

(Ref.) Shareholders' equity amount:

FY2025 3Q(As of October 20, 2024): 12,045 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
	Yen	Yen	Yen	Yen	Yen
FY2024 4Q ended Jan. 20, 2024	—	0.00	—	5.00	5.00
FY2025 3Q ended Oct. 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: None

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: None

※ 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 3Q (As of Oct. 20, 2024)	FY2024 4Q (As of Jan.20, 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 3Q (From Jan.21, 2024, to Oct. 20, 2024)	FY2024 3Q (From Jan.21,2023, to Oct. 20, 2023)
Average number of shares during period	16,858,456	17,042,505

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Explanation on appropriate use of performance forecasts and other special notes.

The performance forecast described in this report is 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 7 of the attached documents.

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1. Status of the Group

(1) Business Overview and Results for the Third Fiscal Quarter

During the third quarter of the current consolidated fiscal year (hereafter, referred to as “FY2025”), the prospects of Japanese economy are still unpredictable. The economy continued to recover gradually due to solid capital expenditures backed by strong earnings by enterprises. Nonetheless, the volatile global factors, which include worldwide inflations, volatilities in financial markets, tensions in the Middle East, and U.S. Presidential election, 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 adjacent to Shinagawa Station Konan Exit on July 18, which has been welcoming more visitors than expected.

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 m² 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 140.3%YoY and the number of orders received increased by 177%.

As for the overseas business, although market recovery in the U.S. has been slower than expected, stock overload and adjustments at our retail subsidiaries have been subsided, 38% 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 151%.

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 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 can 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 third quarter FY2025 has been resulted in as follows.

3rd Quarter of FY2025 Highlight (January 21, 2024, to October 20, 2024)

	FY2025 3Q (Nine months ended October 20, 2024) (JPY MN)	FY2024 3Q (Nine months ended October 20, 2023) (JPY MN)	Increase or Decrease (JPY MN)	3Q-on-3Q Comparison (%)
Revenue	14,875	15,162	△287	98.1
Operating income (loss)	△169	12	△182	—
Ordinary income (loss)	△110	389	△500	—
Net income (loss) attributable to owners of the parent	△275	49	△325	—

<Pro-use segment>

The sales of Pro-use accounted for 68% of our total sales and have been stable (YoY 101.0% 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 proposing "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. As consequences of our endeavors taken after COVID-19, we are becoming a more robust company which can generate competitive returns across market cycles.

Pro-use segment Highlight (January 21, 2024, to October 20, 2024)

	FY2025 3Q (Nine months ended October 20, 2024) (JPY MN)	FY2024 3Q (Nine months ended October 20, 2023) (JPY MN)	Increase or Decrease (JPY MN)	3Q-on-3Q Comparison (%)
Revenue	10,090	9,990	100	101.0

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 has been establishing reputation for mind-boggling and transcendental arts, mesmerizing visitors. For this FY2025Q3, DIGITEC achieved 112.9% 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. accordingly. 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 have decreased (YoY 83.5%). In order to neutralize negative factors such as a 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 140.3%YoY and the number of orders received increased by 177%.

Home-use segment Highlight (January 21, 2024, to October 20, 2024)

	FY2025 3Q (Nine months ended October 20, 2024) (JPY MN)	FY2024 3Q (Nine months ended October 20, 2023) (JPY MN)	Increase or Decrease (JPY MN)	3Q-on-3Q Comparison (%)
Revenue	3,206	3,838	△632	83.5

<Overseas segment>

Although customer attractions at home centers and garden centers 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 151.3%).

Overall, the overseas business achieved 117.2% 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 high-end custom-built house market where HNWIs (High Net Worth Individual) home to.

Overseas segment Highlight (January 21, 2024, to October 20, 2024)

	FY2025 3Q (Nine months ended October 20, 2024) (JPY MN)	FY2024 3Q (Nine months ended October 20, 2023) (JPY MN)	Increase or Decrease (JPY MN)	3Q-on-3Q Comparison (%)
Revenue	1,533	1,308	224	117.2

Gross margin and Operating losses etc.

Sales decreased slightly YoY, and, comparatively high-cost inventories, caused by inventory write-down, soaring base metal prices and sharp Yen's depreciation, were included in the calculation of cost of goods for sold (COGS). Nonetheless, the decline in gross margin was only 0.4 points.

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, the operating loss was 169 million yen.

Ordinary loss was 110 million yen. Foreign exchange gain (25 million yen for FY2025Q3, 346 million yen for FY2024Q3) decreased due to Yen's appreciation.

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.

Takasho Digitec, a wholly owned subsidiary of our company, has formed a technical alliance with Drone Show Japan, Inc., the No.1 drone show company in Japan, and aims to jointly develop the world's highest standard of drone aircraft by combining our lighting technology with their unique drone aircraft development technology. Through this collaboration, we will be able to expand our vision of "Brighten up by Lightening-up" and inspire people not only on the ground but also in the night sky. Through this initiative, we expect to provide a new lighting show that no one has ever experienced before.

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 m². 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.

(2) Explanation on the Financial Position

<Assets>

Current assets at the end of the third quarter amounted to 16,115,120 thousand yen, an increase of 1,438,776 thousand yen from the end of the previous consolidated fiscal year, primarily due to an increased cash and deposits of 4,617,686 thousand yen (up 821,450 thousand yen from the end of the previous consolidated fiscal year) and an increased note receivable, account receivable and contract assets of 2,874,110 thousand yen (up 411,928 thousand yen from the end of the previous consolidated fiscal year).

Fixed assets at the end of the third quarter amounted to 8,455,315 thousand yen, a decrease of 2,897 thousand yen from the end of the previous consolidated fiscal year, mainly due to a decreased construction in progress of 207,786 thousand yen (down 226,870 thousand yen from the end of the previous consolidated fiscal year), partially offset by an increase of buildings and structures of 3,967,428 thousand yen (up 275,528 thousand yen from the end of the previous consolidated fiscal year).

As a result, total assets at the end of the third quarter amounted to 24,570,435 thousand yen, an increase of 1,435,879 thousand yen from the end of the previous consolidated fiscal year.

<Liabilities>

Current liabilities at the end of the third quarter amounted to 11,080,188 thousand yen, an increase of 1,575,118 thousand yen from the end of the previous consolidated fiscal year, mainly due to an increase of notes and accounts payable-trade of 2,953,638 thousand yen (up 492,032 thousand yen from the end of the previous consolidated fiscal year) and an increase of short-term loans payable of 4,776,950 thousand yen (up 892,426 thousand yen from the end of the previous consolidated fiscal year).

Fixed liabilities at the end of the third quarter amounted to 1,314,696 thousand yen, an increase of 184,862 thousand yen from the end of the previous consolidated fiscal year, mainly due to an increase of long-term loans payable of 654,474 thousand yen (up 265,414 thousand yen from the end of the previous consolidated fiscal year).

As a result, total liabilities at the end of the third quarter amounted to 12,394,884 thousand yen, an increase of 1,759,980 thousand yen from the end of the previous consolidated fiscal year.

<Net assets>

Total net assets at the end of the third quarter amounted to 12,175,551 thousand yen, a decrease of 324,100 thousand yen from the end of the previous consolidated fiscal year, mainly due to a decrease of retained earnings of 5,413,806 thousand yen (down 359,992 thousand yen from the previous consolidated fiscal year), partially offset by an increase of other comprehensive income of 985,481 thousand yen (up 28,871 thousand yen from the previous consolidated fiscal year),

(3) Explanation on Future Performance Forecast

At present, there are no changes to the consolidated earnings forecast for the full year announced on August 26, 2024.

2. Quarterly Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY2024 4Q (As of Jan. 20, 2024)	FY2025 3Q (As of Oct. 20, 2024)
ASSETS		
CURRENT ASSETS:		
Cash and deposits	3,796,236	4,617,686
Note receivable, account receivable and contract assets	2,462,181	2,874,110
Electronically recorded receivables	674,170	689,010
Merchandise and finished goods	4,995,045	4,590,956
Work in process	568,226	742,016
Raw materials and supplies	1,431,515	1,605,320
Other	760,761	1,012,318
Allowance for doubtful accounts	△11,793	△16,298
Total current assets	14,676,343	16,115,120
NON-CURRENT ASSETS:		
Tangible assets		
Buildings and structures, net	3,691,900	3,967,428
Land	1,136,609	1,137,509
Construction in progress	434,656	207,786
Others, net	1,132,801	1,005,797
Total tangible assets	6,395,967	6,318,521
Intangible assets		
Goodwill	28,878	20,424
Other	537,293	514,710
Total intangible assets	566,171	535,134
Investments and other assets		
Investment securities	192,703	187,817
Deferred tax assets	170,908	159,391
Other	1,207,240	1,332,888
Allowance for doubtful accounts	△74,778	△78,437
Total investment and other assets	1,496,073	1,601,659
Total non-current assets	8,458,212	8,455,315
TOTAL ASSETS	23,134,556	24,570,435

	(Thousands of yen)	
	FY2024 4Q (As of Jan. 20, 2024)	FY2025 3Q (As of Oct. 20, 2024)
LIABILITIES		
CURRENT LIABILITIES:		
Note and accounts payable	2,461,605	2,953,638
Electronically recorded payables	1,137,268	1,352,683
Short-term borrowings	3,884,524	4,776,950
Current portion of long-term borrowings	135,960	261,750
Income taxes payable	251,879	113,368
Provision for bonuses	26,878	151,952
Other	1,606,954	1,469,846
Total current liabilities	9,505,070	11,080,188
LONG-TERM LIABILITIES:		
Long-term borrowings	389,060	654,474
Retirement benefit liability	11,086	13,210
Asset retirement obligations	241,163	246,734
Other	488,523	400,276
Total long-term liabilities	1,129,833	1,314,696
TOTAL LIABILITIES	10,634,904	12,394,884
NET ASSETS		
Shareholders' equity		
Share capital	3,043,623	3,043,623
Capital surplus	3,096,857	3,096,857
Retained earnings	5,773,798	5,413,806
Treasury shares	△494,176	△494,177
Total shareholders' equity	11,420,103	11,060,109
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	91,255	87,708
Deferred gains or losses on hedges	36,827	13,213
Foreign currency translation adjustment	756,158	780,747
Remeasurements of defined benefit plans	72,368	103,812
Total accumulated other comprehensive income	956,610	985,481
Non-controlling interests	122,938	129,959
TOTAL NET ASSETS	12,499,651	12,175,551
TOTAL LIABILITIES and NET ASSETS	23,134,556	24,570,435

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

(Quarterly Consolidated Statement of Income, Cumulative)

	(Thousands of yen)	
	FY2024 3Q (From Jan. 21, 2023, to Oct. 20, 2023)	FY2025 3Q (From Jan. 21, 2024, to Oct. 20, 2024)
Net sales	15,162,317	14,875,182
Cost of revenue	8,694,580	8,582,012
Gross profit	6,467,736	6,293,170
Selling, general and administrative expenses	6,455,327	6,462,962
Operating income (loss)	12,409	△169,792
Non-operating income		
Interest income	5,057	10,863
Dividend income	3,816	3,042
Foreign exchange gain	346,305	25,652
Royalty income	33,937	31,805
Other	80,173	79,182
Total non-operating income	469,290	150,546
Non-operating expenses		
Interest expense	74,228	73,798
Commitment fee	306	530
Other	17,862	17,323
Total non-operating expenses	92,398	91,652
Ordinary income (loss)	389,300	△110,898
Extraordinary gains		
Gain on sales of non-current assets	8,651	573
Total extraordinary gains	8,651	573
Extraordinary losses		
Loss on retirements of non-current assets	475	1,645
Loss on sales of non-current assets	1,697	-
Impairment losses	16,664	-
Loss on disaster	-	11,014
Total extraordinary losses	18,836	12,660
Income (loss) before income taxes	379,115	△122,985
Income tax - current	392,304	131,751
Income tax - deferred	△67,132	17,096
Total income taxes	325,171	148,848
Quarterly net income (loss)	53,944	△271,833
attributable to non-controlling interests	4,299	3,866
attributable to owners of the parent	49,644	△275,699

(Quarterly Consolidated Statement of Comprehensive Income, Cumulative)

	(Thousands of yen)	
	FY2024 3Q (From Jan. 21, 2023, to Oct. 20, 2023)	FY2025 3Q (From Jan. 21, 2024, to Oct. 20, 2024)
Quarterly net income	53,944	△271,833
Other comprehensive income		
Valuation difference on available-for-sale securities	56,628	△3,547
Deferred gains or losses on hedges	29,015	△23,614
Foreign currency translation adjustment	237,956	27,744
Remeasurements of defined benefit plans	57,056	31,444
Total accumulated other comprehensive income	380,656	32,026
Comprehensive income	434,600	△239,807
attributable to owners of parent	421,815	△246,828
attributable to non-controlling interests	12,785	7,021

(3) Notes to Quarterly Consolidated Financial Statement

(Note on Segment Information)

1. Sales, Income or Loss, Assets by Reportable Segment

FY2024 (From Jan. 21, 2023, to Oct. 20, 2023)

(JPY in thousands)

	Reportable segment					Sub total
	Japan	Europe	China	Korea	US	
Sales						
Sales for external customers	13,151,698	399,039	811,127	199,532	428,394	14,989,792
Internal sales or transfers between segments	457,675	—	1,748,806	—	45,354	2,251,836
Total	13,609,374	399,039	2,559,934	199,532	473,748	17,241,629
Segment profit (loss)	415,421	△290,641	119,215	△2,788	△161,094	80,114

(JPY in thousands)

	Others (Note 1)	Sub total	Adjustment (Note 2)	Reported amount for consolidated financial statement (Note 3)
Sales				
Sales for external customers	172,524	15,162,317	—	15,162,317
Internal sales or transfers between segments	1,036	2,252,872	△2,252,872	—
Total	173,560	17,415,189	△2,252,872	15,162,317
Segment profit (loss)	△48,047	32,066	△19,657	12,409

(Note)

1. “Other” indicates a business segment that is not included in the reportable segments and includes the business activities of local subsidiaries in Australia and India.
2. Adjusted amount is as follows.
 - (1) Adjusted amount in segment profits and loss includes elimination of inter-segment transaction (38,781 thousand yen), inventory adjustment (△51,877 thousand yen), and adjustment of allowance for doubtful accounts (△6,560 thousand yen), respectively.
3. Segment profit or losses is adjusted with operating profit or losses in Consolidated Income Statements.

FY2025 (From Jan. 21, 2024, to Oct. 20, 2024)

(JPY in thousands)

	Reportable segment					Sub total
	Japan	Europe	China	Korea	US	
Sales						
Sales for external customers	12,771,120	569,285	756,053	173,394	427,220	14,697,073
Internal sales or transfers between segments	388,972	—	1,422,953	—	41,409	1,853,336
Total	13,160,092	569,285	2,179,007	173,394	468,629	16,550,409
Segment profit (loss)	202,091	△236,091	△70,373	△33,044	△148,369	△285,787

(JPY in thousands)

	Others (Note 1)	Sub total	Adjustment (Note 2)	Reported amount for consolidated financial statement (Note 3)
Sales				
Sales for external customers	178,108	14,875,182	—	14,875,182
Internal sales or transfers between segments	1,311	1,854,647	△1,854,647	—
Total	179,419	16,729,829	△1,854,647	14,875,182
Segment profit (loss)	△46,330	△332,117	162,325	△169,792

(Note)

1. "Other" indicates a business segment that is not included in the reportable segments and includes the business activities of local subsidiaries in Australia and India.
2. Adjusted amount is as follows.
 - (1) Adjusted amount in segment profits and loss includes elimination of inter-segment transaction (74,394 thousand yen), inventory adjustment (△88,238 thousand yen), and adjustment of allowance for doubtful accounts (△307 thousand yen), respectively.
3. Segment profit or losses is adjusted with operating profit or losses in Consolidated Income Statements.

(Note on Significant Change in Equity Capital): None**(Note on Going Concern):** None**(Note on Consolidated Statement of Cash Flows)**

Quarterly consolidated statements of cash flows for the period were not prepared. Depreciation and Goodwill amortization for the current third quarter cumulative period were as follows:

	(JPY in thousands)	
	FY2024 3Q (From Jan. 21, 2023, to Oct. 20, 2023)	FY2025 3Q (From Jan. 21, 2024, to Oct. 20, 2024)
Depreciation	558,296	575,740
Goodwill amortization	8,454	8,454