



**Outline of Consolidated Financial Results for  
the Second Quarter Ended July 20, 2024  
[FY 1/2025 2Q]**

**August 27, 2024  
Stock Code : 7590**

# 01

## Business outline

事業概要

# Business Outline 事業概要

## Overseas

- Overseas expansion of housing, contract, and DIY business

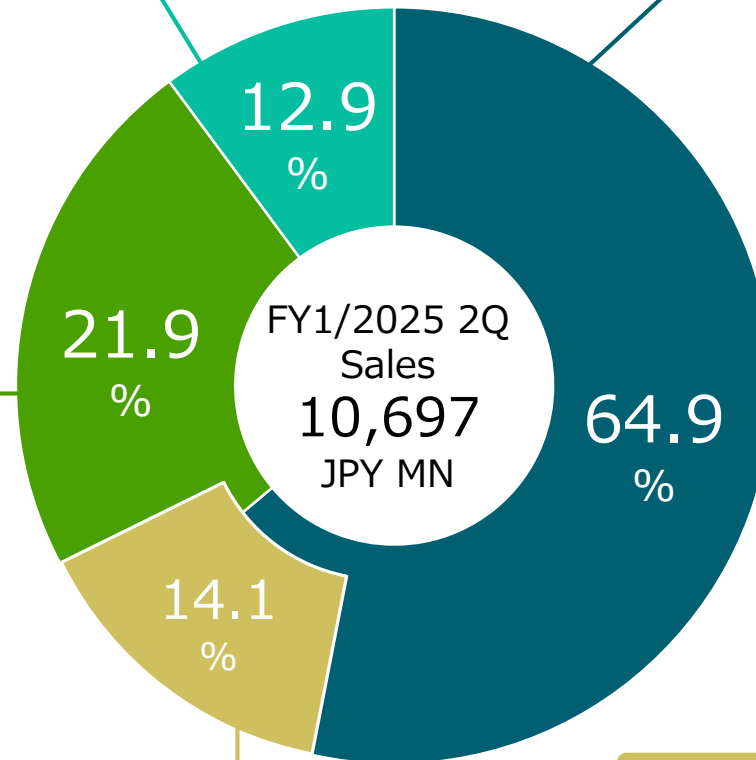


## Home Use

- Home center & business market  
Home centers, specialty stores, business-related businesses
- E-commerce & web sales filed  
Sales from web site to internet sales



## Sales Composition



## Pro Use

- Contract field  
Hotels, inns, restaurants, and other non-residential properties
- PRO garden exterior field  
Houses (new construction, renovation), and house builders



## Lighting and Sign (Takasho Digitec)

# 02

## FY1/2025 2Q Financial highlights

2025年1月期2Q決算概要



# FY1/2025 2Q Financial highlights

2025年1月期2Q 決算サマリー

|  | FY1/2024 2Q      | FY1/2025 2Q             |        |
|--|------------------|-------------------------|--------|
|  | Results          | Results                 | YoY    |
| (JPY MN)                                     |                  |                         |        |
| Net sales                                    | 10,687           | <b>10,697</b>           | 100.1% |
| Gross profit                                 | 4,730<br>(44.3%) | <b>4,461</b><br>(44.3%) | 94.3%  |
| Selling, general and administrative expenses | 4,344            | <b>4,454</b>            | 102.5% |
| Operating income                             | 385              | <b>7</b>                | 2.0%   |
| Ordinary income                              | 480              | <b>267</b>              | 55.8%  |
| Net income                                   | 225              | <b>56</b>               | 25.3%  |

## 2Q Financial Results

### ■ Net Sales :

- Sales in the non-residential fields growing (incl. Lighting business)
- Sales recovering in Europe
- Impact of decline in new housing construction and sluggish market conditions continued at Home centers

### ■ Operating income :

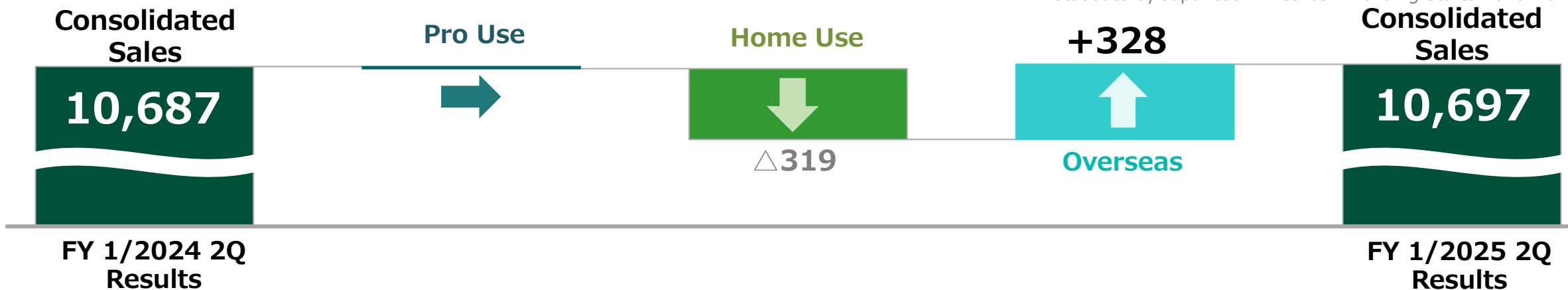
- Soaring bullion prices and sharp Yen's depreciation increased Cost of Sales
- Continued up-front investments such as CAPEX and recruiting for higher productivities while cost-cutting efforts

# Sales segment status

2025年1月期2Q 決算サマリー (事業部別)

| (JPY MN)        | FY1/2024 2Q | FY1/2025 2Q  |        |   |
|-----------------|-------------|--------------|--------|---|
|                 | Results     | Results      | YoY    | Factors for increase (decrease)   |
| <b>Pro Use</b>  | 6,950       | <b>6,941</b> | 99.9%  | <b>Growth in the non-residential buildings and renovations fields, including Lighting business (YoY 120%)</b><br>Decline in new housing construction (YoY ▲4.5%*)               |
| <b>Home Use</b> | 2,666       | <b>2,347</b> | 88.0%  | <b>Sales up at direct sales e-commerce website (Aoyama garden YoY 137.9%)</b><br>Sluggish market conditions at Home centers due to rebound decrease by COVID-19 and bad weather |
| <b>Overseas</b> | 1,046       | <b>1,374</b> | 131.3% | <b>Sales recovering in Europe (UK: YoY 161.9%)</b><br>→ <b>Stock overload 37.8% down</b><br>Slow market recovery in the U.S. (YoY 109.7%)                                       |

\*Statistics by Japanese Ministries – Building Starts 2023-2024

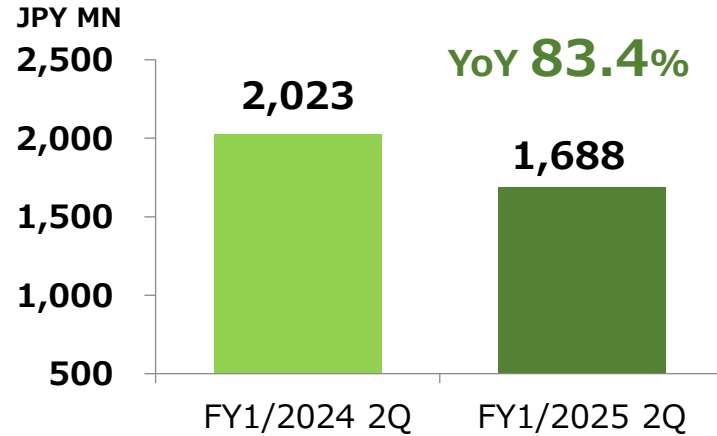


# Sales segment status (Home Use)

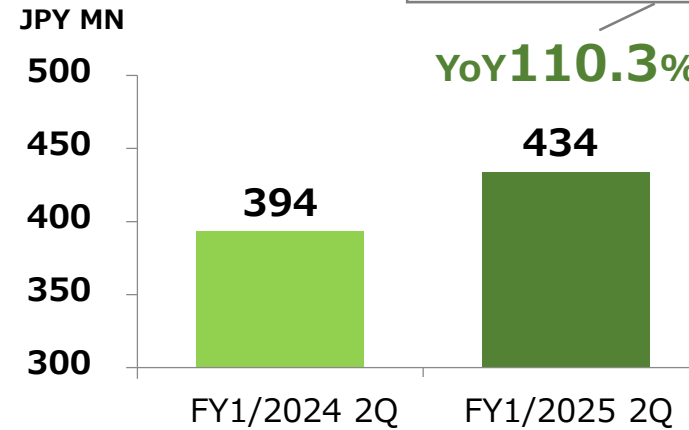
ホームユース事業部 販売形態別売上高

## Domestic

### «Home Center»

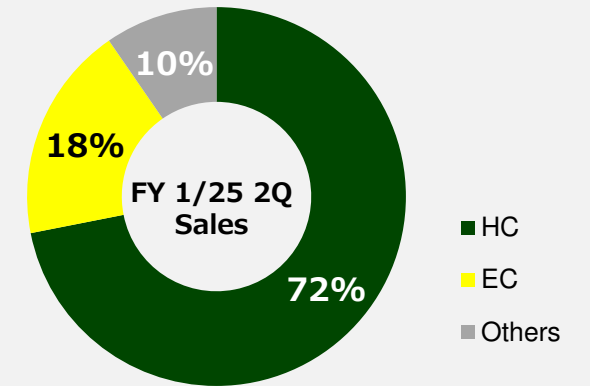


### «e-Commerce»



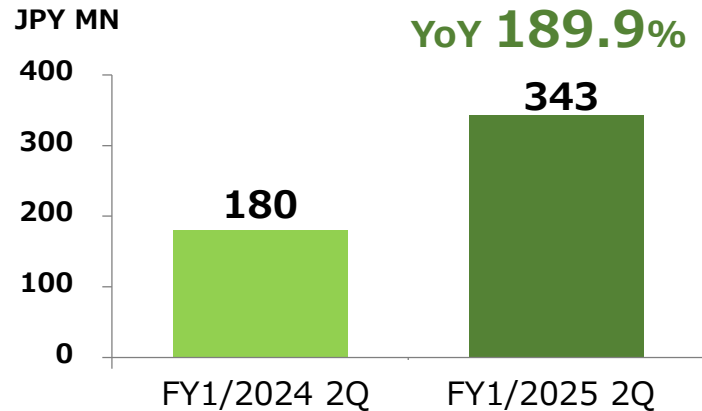
Direct sales e-commerce  
(Aoyama garden)  
YoY 137.9%

### «Domestic - EC%»

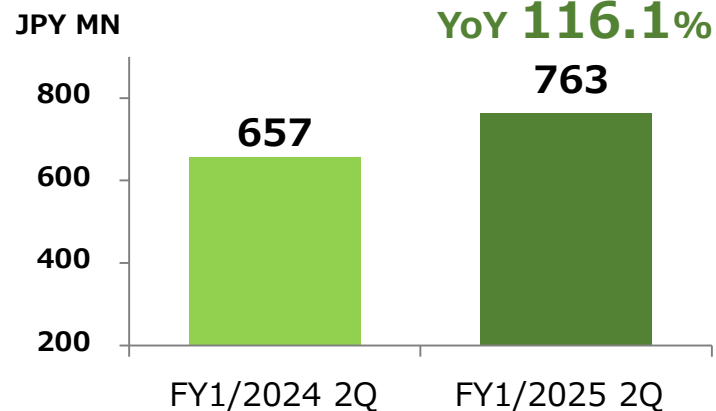


## Overseas

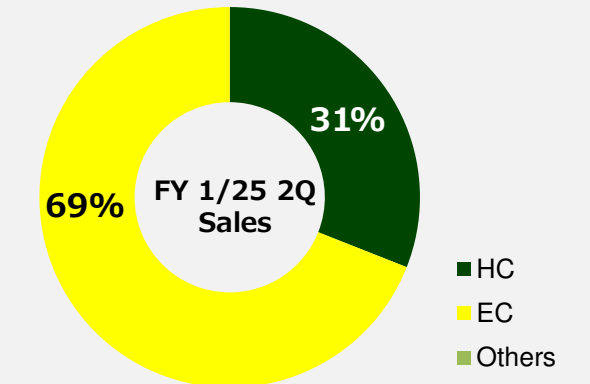
### «Home Center»



### «e-Commerce»



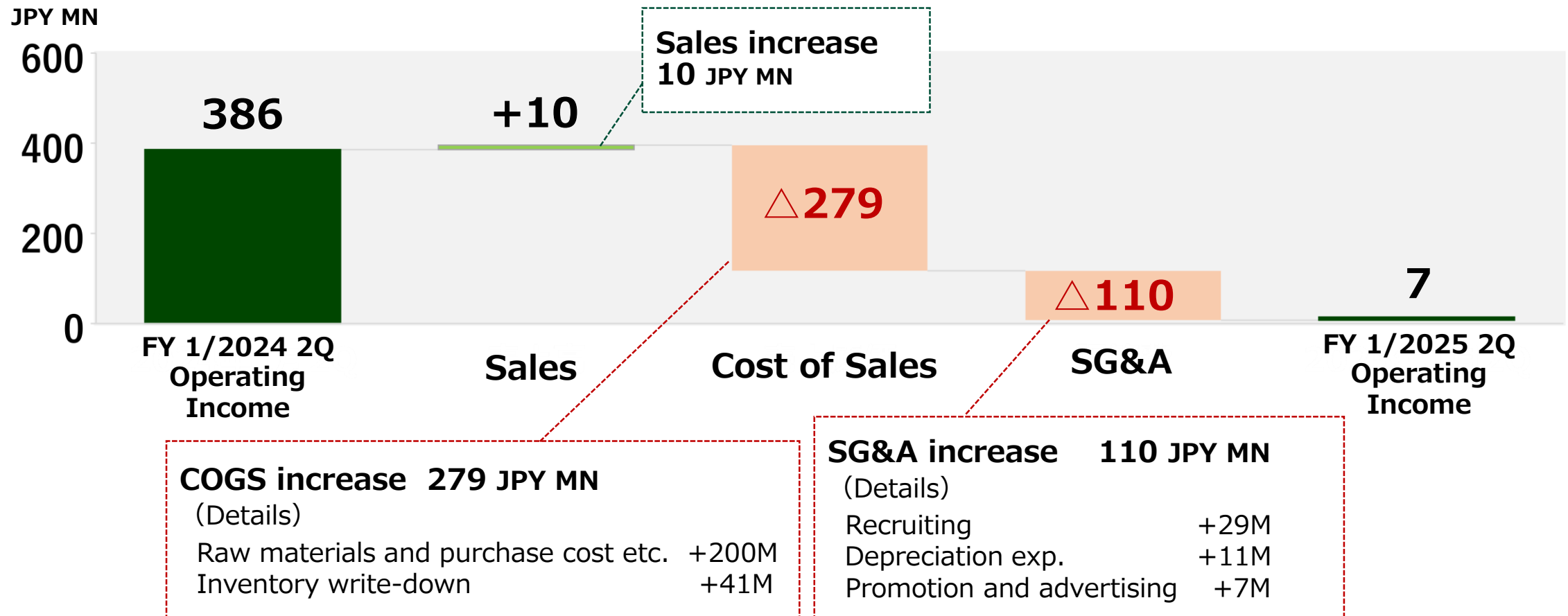
### «Overseas - EC%»



# Analysis of Change in Operating Income (Y/Y)

営業利益増減分析

- Soaring bullion prices and sharp Yen's depreciation increased Cost of Sales
- Continued up-front investments such as recruiting and CAPEX for higher productivities





**FY1/2025 Proactive up-front investments TOTAL : 2.3 JPY BN**  
(Last 3 years)

- Sales promotion to accelerate growth : 260 JPY MN
- Production facilities to improve productivity and production capacity : 1,230 JPY MN Amortization/yr
- Systems aimed at improving productivity : 650 JPY MN 250 JPY MN
- New product molds for product development : 130 JPY MN **(JPY MN)**

| CAPEX               | Investment Amount | Details  |
|---------------------|-------------------|--|
| Sales promotion     | 300               | <ul style="list-style-type: none"> <li>• Showrooms (Shinagawa, Yokohama, Nagoya, Kyushu, Niigata)</li> <li>• Development of DX Sales Promotion Tools</li> </ul>                    |
| Manufacturing       | 1,230             | <ul style="list-style-type: none"> <li>• New plants (Digitec China, Jiujiang Takasho)</li> <li>• NC Processing Machines</li> <li>• Introduction of automatic arm robots</li> </ul> |
| Systems             | 614               | <ul style="list-style-type: none"> <li>• Production Control System</li> <li>• Web Ordering System</li> </ul>   |
| Product development | 134               | <ul style="list-style-type: none"> <li>• New Product Molds</li> </ul>  |

# Balance Sheet Status

連結貸借対照表



**Assets** : Decrease of inventory 459 JPY MN  
 Increase of Construction in Progress 181 JPY MN  
**Liabilities** : Decrease of long-term loans payable 132 JPY MN  
**Net Assets** : Decrease of retained earnings 328 JPY MN  
 Increase of other comprehensive income 323 JPY MN

| (JPY MN)                                     | FY1/2024 2Q   | FY1/2025 2Q   |               |
|--|---------------|---------------|---------------|
|  | Results       | Results       | YoY           |
| Current assets                               | 17,210        | 17,016        | 98.9%         |
| Fixed assets                                 | 8,728         | 8,781         | 100.6%        |
| <b>Total Assets</b>                          | <b>25,938</b> | <b>25,797</b> | <b>99.5%</b>  |
| Current liabilities                          | 11,593        | 11,636        | 100.4%        |
| Fixed liabilities                            | 1,265         | 1,061         | 83.9%         |
| <b>Total liabilities</b>                     | <b>12,859</b> | <b>12,698</b> | <b>98.8%</b>  |
| Share capital                                | 11,713        | 11,392        | 97.3%         |
| Total accumulated other comprehensive income | 1,243         | 1,566         | 126.0%        |
| <b>Net assets</b>                            | <b>13,079</b> | <b>13,098</b> | <b>100.1%</b> |
| <b>Total liabilities and net assets</b>      | <b>25,938</b> | <b>25,797</b> | <b>99.5%</b>  |

# Cash flow Status 連結キャッシュフロー計算書



## Operating cash flows : 840 million yen

Due to Decrease in inventories 450 million yen, Depreciation 390 million yen etc.

## Investing cash flows : △610 million yen

Due to payment for new time deposit 330 million yen, purchase of property, plant and equipment 180 million yen

## Financing cash flows : 890 million yen

Due to net increase in short-term loan 1,080 million yen

| (JPY MN)   | FY1/2024 2Q | FY1/2025 2Q  |        |
|--|-------------|--------------|--------|
|  | Results     | Results      | YoY    |
| Operating cash flows                             | 1,099       | <b>849</b>   | 77.2%  |
| Investing cash flows                             | △396        | △ <b>617</b> | -      |
| Financing cash flows                             | 639         | <b>899</b>   | 140.8% |
| Cash and cash equivalents at beginning of period | 4,206       | <b>3,796</b> | 90.2%  |
| Cash and cash equivalents at end of period       | 5,431       | <b>4,993</b> | 91.9%  |
| Free cash flows                                  | 703         | <b>231</b>   | 32.9%  |

# 03

## Business Development

事業展開

### Promote hybrid sales that fuse digital (DX) and real products

#### Manufacturing Factory

Garden Create Co., Ltd.



#### Software Factory

GLD-LAB. Co., Ltd.

【 Garden Create Co., Ltd. (Kanuma/ Tokushima/ Wakayama) 】  
Start full-scale operation of the production system (productivity up)



← [Digitec]  
Add new lines  
New production facilities

【 A new factory of Digitec China started operation in Feb 2024 】  
10,370.6㎡ (500 JPY MN) LED lightings, Signs



Subsidiary responsible for 4D spatial design and XR simulation  
GLD-LAB. Co., Ltd. established on 27<sup>th</sup> Jul 2022



GLD-LAB. Co., Ltd.



Philippines GLD-LAB. Co., Ltd.

4K perspective video  
for proposal



AR simulation app development

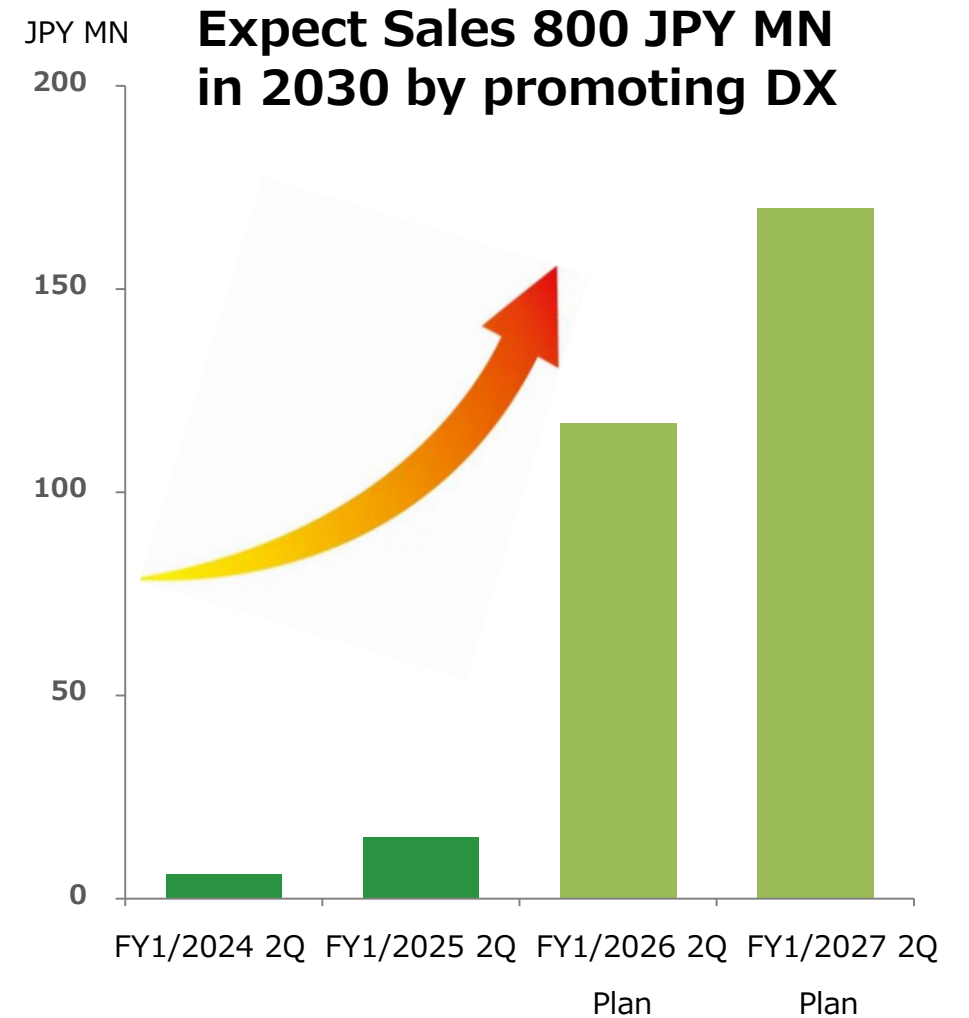




# 1 Software Factory

GLD-LAB. Co., Ltd.

1. Spatial Package Planning  
(Designer's site/Package Planning Site)
2. AR/VR productions
3. Metaverse space
4. Drawing to propose planning for housing and non-residential buildings
5. CG, 4K perspective video
6. Virtual home & Garden
7. Perspective proposal for apartment and non-residential projects
8. In-house developed application (Metava-garden)





# 2

## Raising awareness through cross-media

Strengthening promotions to increase awareness among customers.  
Accumulate data especially in regional cities to expand to urban areas.

### TV commercial (6 areas in Japan)

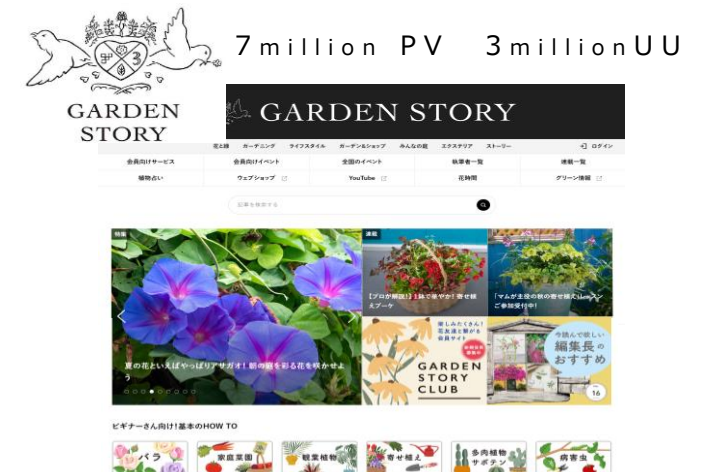


Start new DX type sales promotion linking with TV Commercial and Web platform

Channel  
Takasho  
Owned media



Cross-media to increase awareness among customers



# 3

### Promote hybrid sales that fuse digital and real products

## 5th ROOM.

### Achieve「Living in 5thRoom」 Clarify product image and increase sales

## DX

物件完成前から効果的な販売戦略に!



### 超高精細3DCGパース制作サービス

お客様へのプレゼン活用! 多彩な空間提案に役立つ  
高品質3DCGパースを制作いたします!

パース1枚につき

¥30,000~

美しい室内/  
屋外パース  
を制作!

静止画では出せない圧倒的なインパクトを実現!

### 建築CG動画/ VR制作サービス

建物の美しいCG動画およびVRを制作!  
お客様への訴求力の高い提案を実現します!



4K画質に  
対応!  
室内まで  
美しく表現!  
四季の移ろい  
も表現!



サンプル動画  
はこちら



ARアプリで理想の庭・外構プランを体感!

### メタバガーデン

※写真は使用イメージです

スマホ&  
タブレットで  
使用可能!

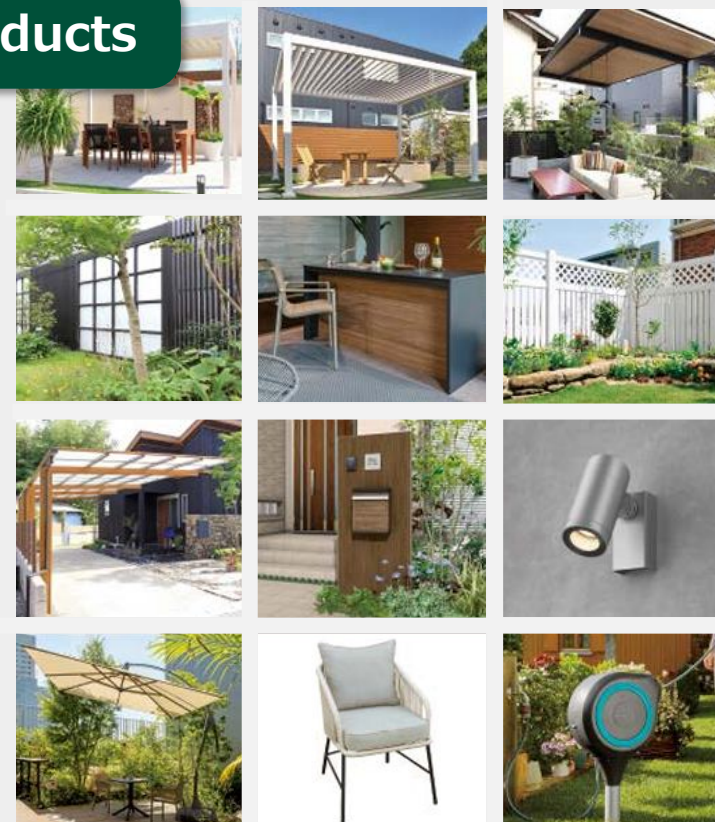


ARで商品をデジタル体感!

その場からお好みの庭・外構プランを  
ARで提案可能!



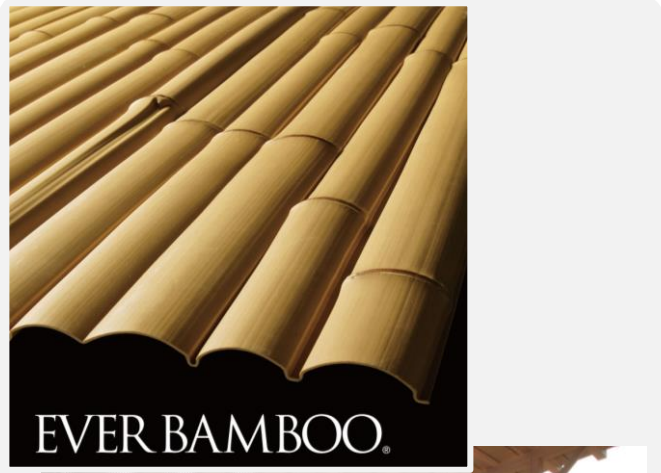
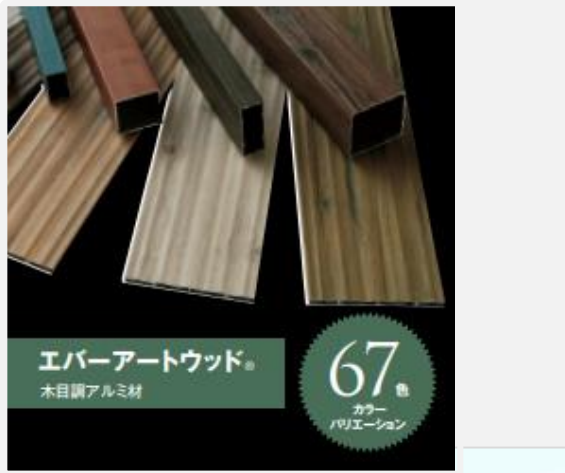
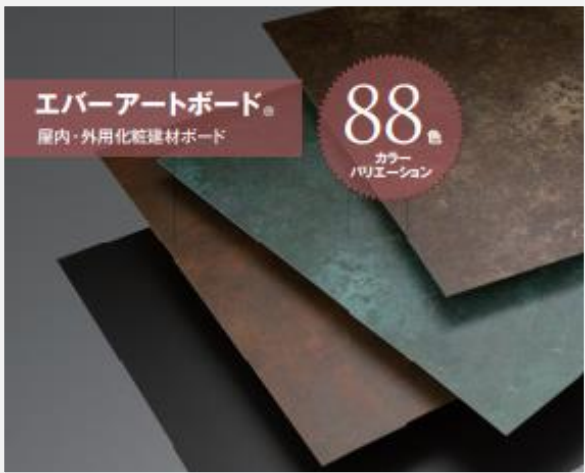
## Products





# 4 Promote sales of Ever Art brand materials

Artificial wood/board/bamboo as if transcending "Real",  
(Dry construction method, In-house manufacturing, Easy installation)



Expand market share by strengthening products development and manufacturing capabilities, including global expansion

# 1

## Expand in-house products ratio

**Digitec China new factory**  
**Operation in March 2024**  
10,370.6㎡ (500 JPY MN)  
LED lightings, Signs



NEO FREE



アクリルサイン



オルテック



ルーメック

# 2

## Expand production capacity and supply chain

From our own factories in China (Jiujiang and Digitec China ) that have expanded production

**Direct sales of lighting products to**



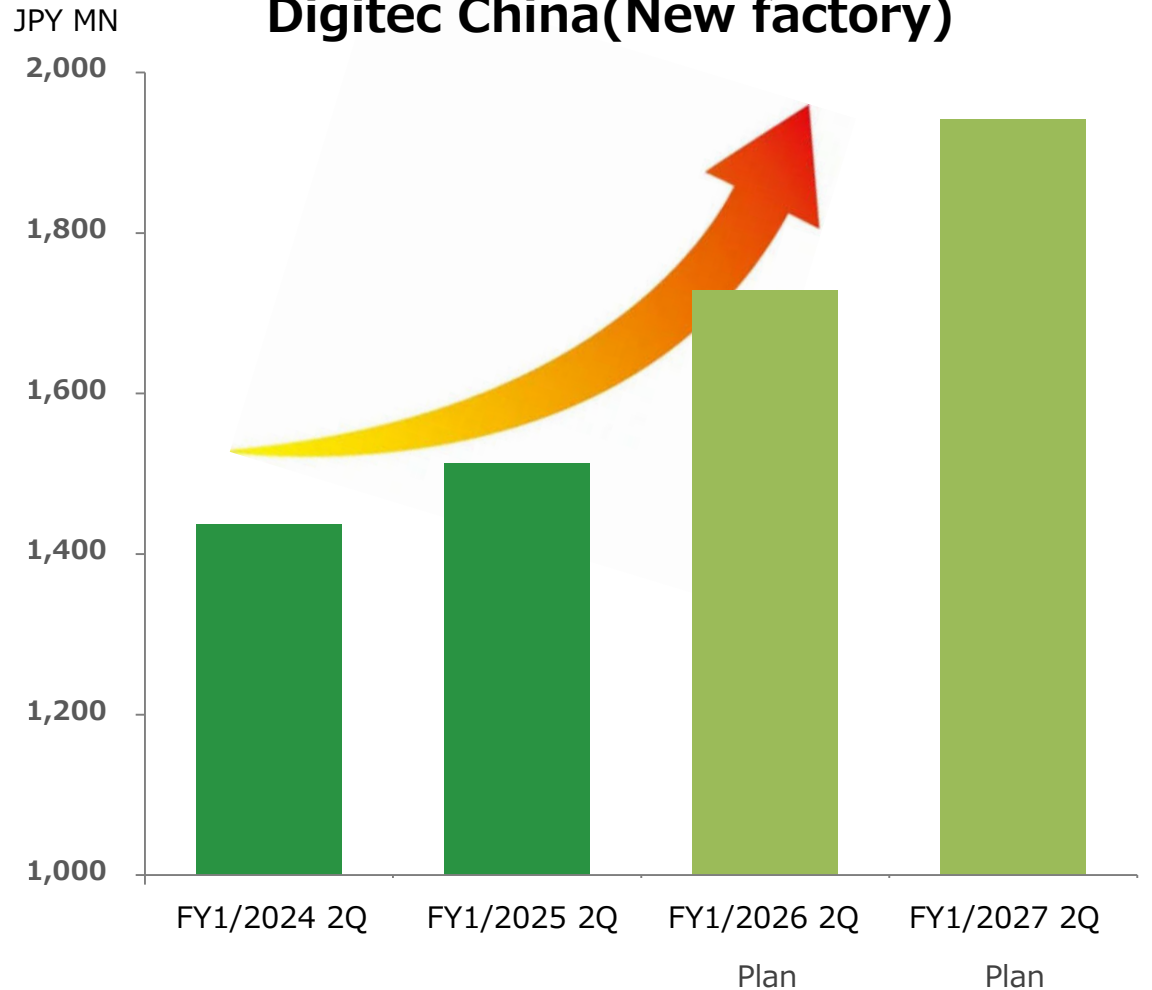


### 3 Expansion of products for non-residential buildings

Azabudai Hills, Sky Tree Tokyo Solamachi, Kabukicho Tower, etc.



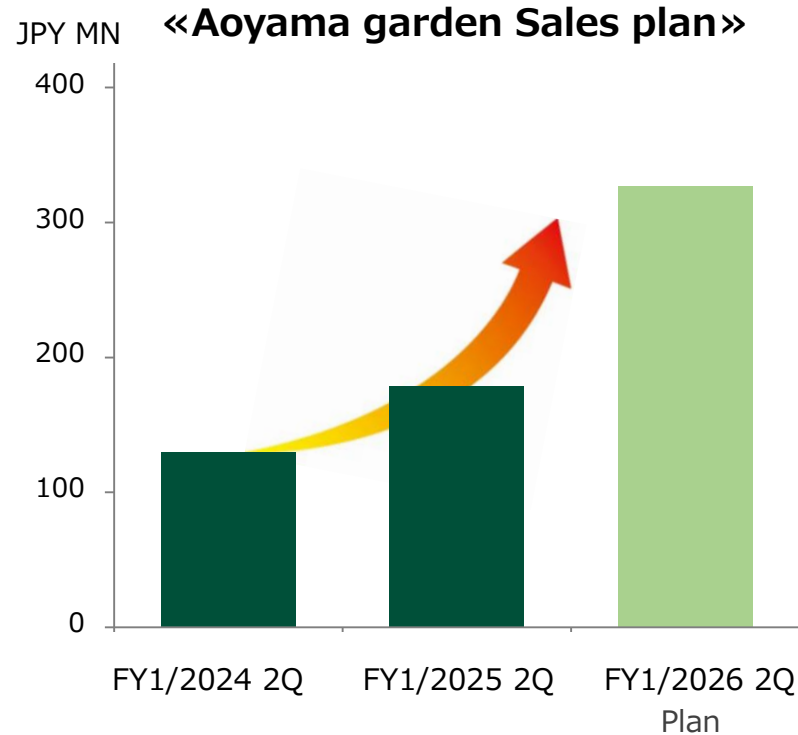
Expect Sales 5 JPY BN in 2030 with the contribution of Digitec China(New factory)



# 1 Strengthening Web Business

Strong performance in the EC field  
**Aoyama Garden\* YoY 137.9%**  
**Expansion of Living Garden Store\***

\*Takasho's direct sales e-commerce website





### 2 Development of new sales channels such as business use

### 3 Alliance sales with leading overseas manufacturers



GARDENA is based in Ulm, Germany, and is a leading brand loved by millions of people and gardeners worldwide. Takasho is affiliated with GARDENA for domestic sales in Japan.



スパ



エアマット



グランドプール

Aiming to become the world's No.1 garden category manufacturer by expanding brands awareness and sales channels

### 1 New product development

Vegetable garden planters, greenhouses, outdoor living products



### 2 Expansion of sales channels including major chains and e-commerce



UK sales: YoY 161.9% , USA sales: YoY 109.7%



### 3 Development of Pro Use market

Promote sales of high-demand, high-margin residence and non-residential buildings for the U.S. market



# Revision of the Financial Forecast for the FY 1/2025 and the Year-End Dividends

| (JPY MN)                        | Previously Announced Forecast | Revised Forecast | Variance       |        | Results FY1/2024 | YoY    |
|---------------------------------|-------------------------------|------------------|----------------|--------|------------------|--------|
|                                 |                               |                  | Amount         | %      |                  |        |
| Net sales                       | <b>22,047</b>                 | <b>20,750</b>    | △ <b>1,297</b> | △5.9%  | 19,411           | 106.9% |
| Operating income                | <b>583</b>                    | <b>150</b>       | △ <b>433</b>   | △74.3% | △ 108            | -      |
| Ordinary income                 | <b>618</b>                    | <b>350</b>       | △ <b>268</b>   | △43.4% | 250              | 139.8% |
| Net income                      | <b>323</b>                    | <b>85</b>        | △ <b>238</b>   | △73.7% | △ 75             | -      |
| Annual cash dividends per share | <b>¥8.0</b>                   | <b>¥5.0</b>      | △ <b>3.0円</b>  | -      | ¥5.0             | -      |

## Reason for the Revision

- ▶ Home-use : Sales 78.1% of the initial forecast due to rebound decrease by COVID-19 and bad weather etc.
- ▶ Overseas : Sales 84.3% of the initial forecast due to slow recovery in the U.S. while sales recovering in Europe
- ▶ Sharp Yen's depreciation and soaring bullion prices increased Cost of Sales by 2.2%
- ▶ Continued up-front investments such as CAPEX and recruiting while SG&A decreased from the initial forecast

## 【Basic dividend policy】

- We will actively return profits to our shareholders as the most important management policy
- Dividends per share at a minimum of 5 yen, with a target payout ratio of 40% or more

➡ **Based on the performance during the first half of the current fiscal year, we revised our full-year consolidated earnings forecast and the year end dividends.**

# 04

## Topics

トピックス





# Topics Sales promotion and in-house exhibitions

## Takasho Garden & Exterior Fair 2024 held face-to-face and online 25<sup>th</sup>-26<sup>th</sup> July, Tokyo Ryutsu Center Exhibition Hall (4,500m<sup>2</sup>)



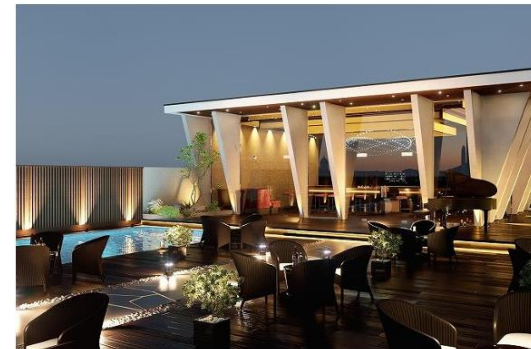


## Shinagawa showroom OPEN on 18 July, 2024 (Directly connected to JR Shinagawa Sta.)



- ▷ Shinagawa Grand Central Tower 2F  
3 min. walk from JR Shinagawa Station (Konan Exit)
- ▷ Showroom for the non-residential field such as commercial facilities etc.

## Launched EXVIZTM , a production service of an ultra-high-definition architectural CG perspective



- ▷ Create a photo-quality CG space in as little as 3 days  
(Minimum price 30,000 JPY)
- ▷ EXVIZTM is for various construction companies,  
including detached houses, apartment complexes, remodeling,  
and non-residential field such as offices and commercial facilities
- ▷ Aiming to achieve sales of 100 JPY MN in the first year



## Launch of irrigation and sprinkler products and establishment of Meister program



### 自動灌水システム

タイマーで自動灌水! 地中に埋設したホースで繋いで、植栽に合わせた灌水計画が可能!



- ▷ Establishment of the “Takasho Irrigation System Meister Program” to promote the training of irrigation professionals in order to create green and relaxing spaces and towns
- ▷ In order to launch this program, a strategic business alliance was formed with GARDENA, a German company that manufactures and sells automatic irrigation systems around the world

## Alliance partner agreement (technical tie-up) with Drone Show Japan



- ▷ Takasho Digitec started manufacturing drone show aircrafts, “Unika” developed by Drone Show Japan from June 2024.
- ▷ Joint development of “Unika” using lighting technology by Takasho Digitec



These forecasts are based on information currently available to us regarding domestic and overseas economic conditions, industry trends related to our business, and other factors that may affect our business performance.

These forecasts may be affected by uncertain factors such as market conditions, competitors, and whether or not our new products will be adopted.

Therefore, please be aware that actual results may differ from these forecasts.

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