



FY1/2024 Financial Results

March 7, 2024
Stock Code : 7590

01

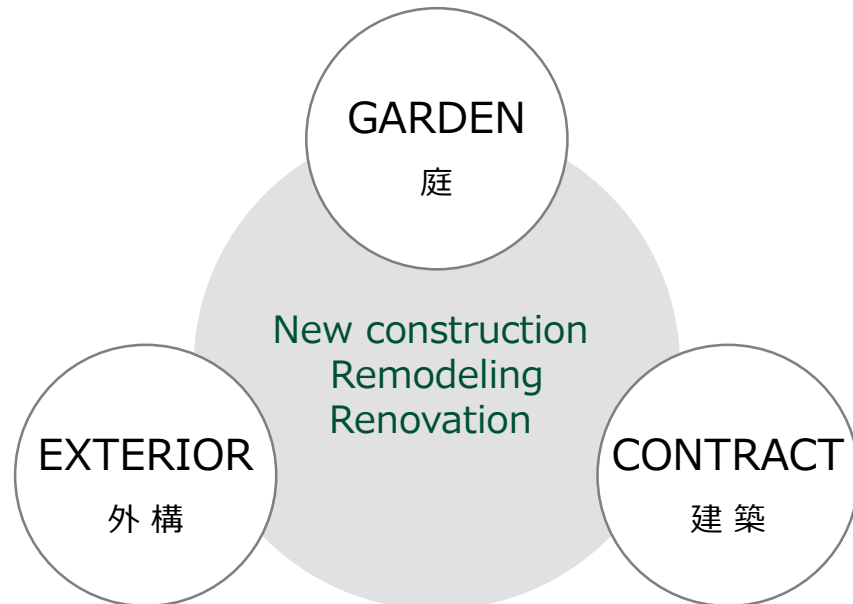
Business outline

事業概要

We offer products and services related to new construction, remodeling, and renovation in the fields of gardens, exteriors, and architecture in Japan and overseas.

BUSINESS DOMAIN ビジネス領域

We plan, develop, manufacture, and sell products in three areas, and provide services helpful for our customers' businesses.



BUSINESS SEGMENT 事業分野

Pro Use
(Housing, contract)

PRO garden exterior field

Houses (new construction, renovation), and house builders

Contract field

Hotels, inns, restaurants, and other non-residential properties

Home Use
(DIY, business)

Home center & business market

Home centers, Proposal for specialty stores

E-commerce & web sales filed

Sales from web site to internet sales

Overseas
(Housing, contract, DIY)

DIY business

Garden centers, distributors and E-commerce in various countries(USA, UK, Australia, India, Korea)

*Developing PRO garden exterior field in Australia, USA, Korea

Business Outline 事業概要

Overseas

- Overseas expansion of housing, contract, and DIY business

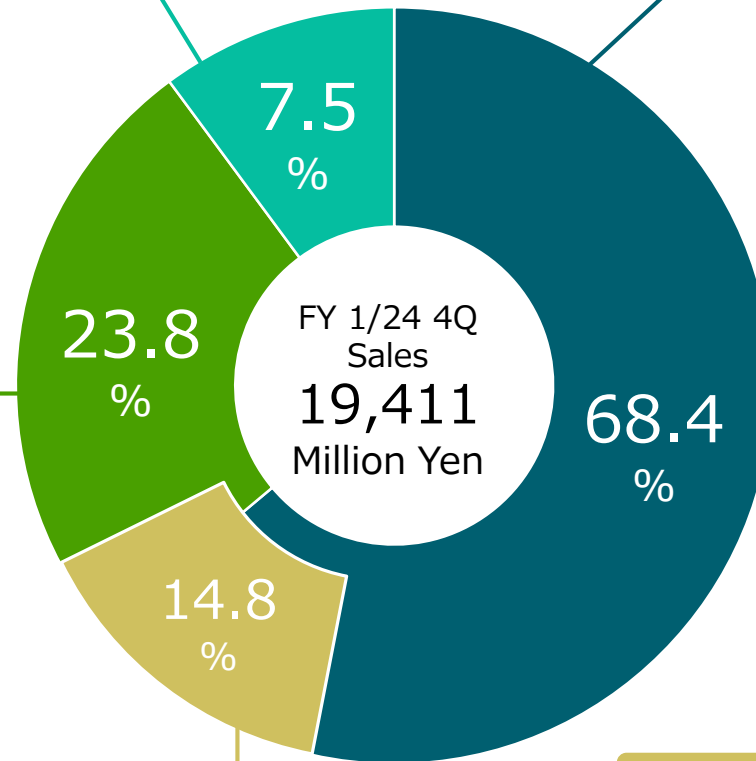


Home Use

- 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



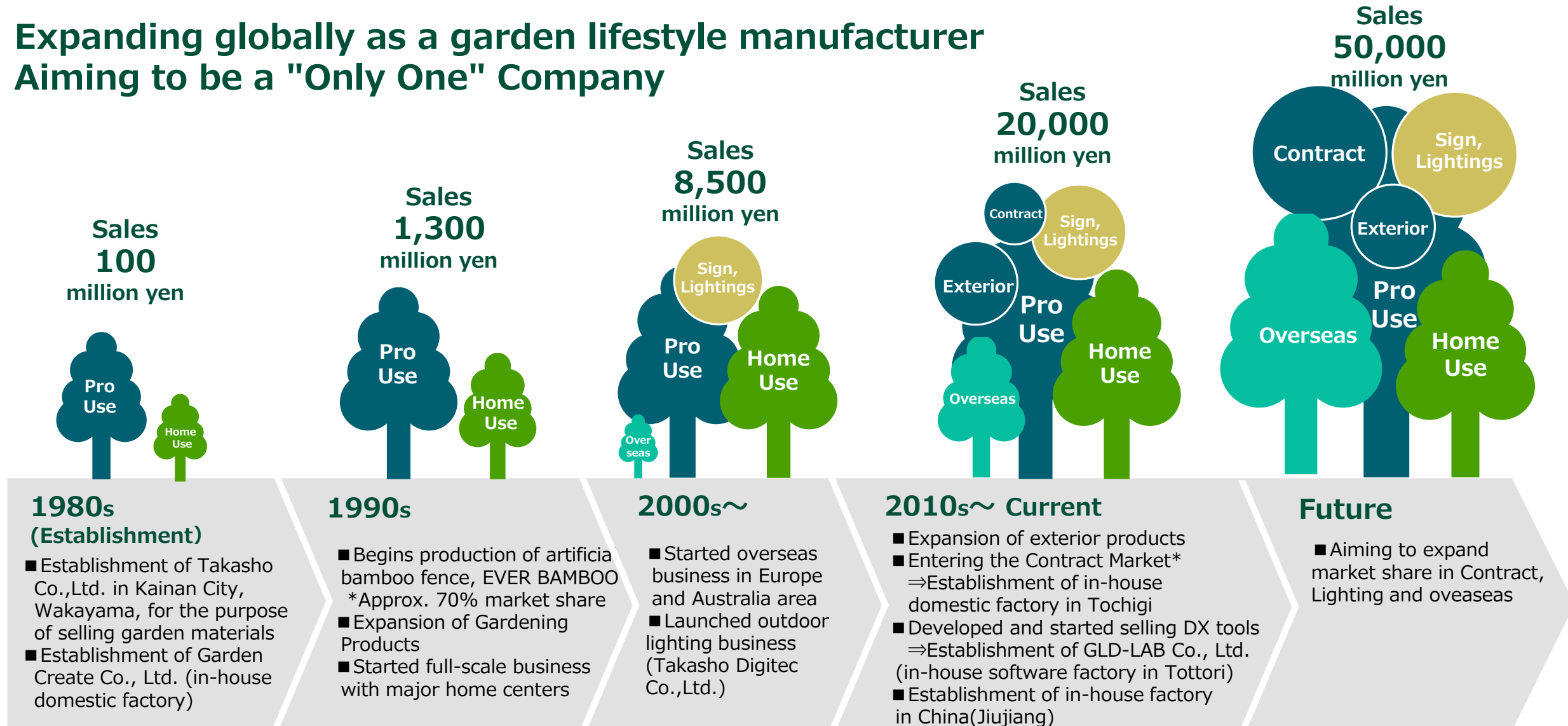
Pro Use

- 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)

Expanding globally as a garden lifestyle manufacturer Aiming to be a "Only One" Company



*Contract Market = Hotels, inns, restaurants, and other non-residential properties

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FY1/2024 Financial highlights

2024年1月期決算概要

FY1/2024 Financial highlights

2024年1月期 決算サマリー

	FY1/2023	FY1/2024	
(Million yen)	Results	Results	YoY
Net sales	20,351	19,411	95.4%
Gross profit	9,006	8,335	92.6%
Selling, general and administrative expenses	8,125	8,444	103.9%
Operating income	880	△108	-
Ordinary income	982	250	25.5%
Net income	518	△75	-

Factors for financial results

■ Net Sales :

Pro Use segment 100.6% YoY

- Increase of the number of projects in the non-housing fields
- Increase in unit price per site

Home Use and Overseas segment 85.5% YoY

- Due to stock adjustments at home centers and garden centers

■ Gross Profit :

- One-time inventory write-down (140 million yen) by oversea subsidiaries

■ Operating income :

- Increase of the expenditures related to exhibitions etc. after COVID-19, DX-type sales promotion activities and personnel recruitment.

■ Ordinary income :

- Foreign exchange gains of 322 million yen due to the yen's depreciation

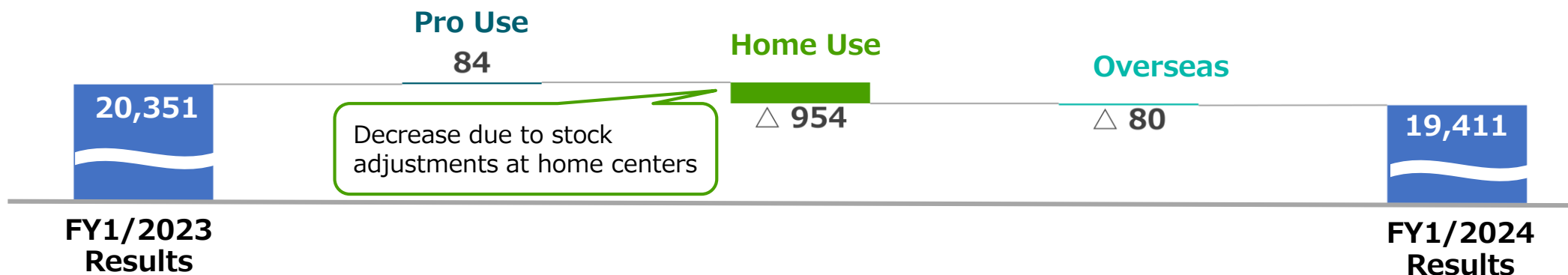
■ Net income :

- Due to impairment loss of 40 million yen on fixed assets
- Increase in the tax burden rate

Sales segment status

2024年1月期 決算サマリー

(Million yen)	FY1/2023	FY1/2024		
	Results	Results	YoY	Factors for increase (decrease)
Pro Use	13,193	13,277	100.6%	<ul style="list-style-type: none"> ① Decrease in EX market by 3.8% compared to the last year, our Pro Use segment have been stable ② Increase of the number of projects in the non-housing fields and of the unit price per site ③ Increase in nominated purchases due to TVCM /web advertising effects
Home Use	5,574	4,620	82.9%	<ul style="list-style-type: none"> ① Rebound decrease in sales by COVID-19 (People's consumption temporarily shifts to travel and outdoor) ② Decrease in number of customers due to price increases and unseasonable weather ③ Due to stock adjustments at home centers and garden centers
Overseas	1,545	1,465	94.8%	<ul style="list-style-type: none"> ① Due to stock adjustments at garden centers etc. ② Rebound decrease in sales by COVID-19 (People's consumption temporarily shifts to travel and outdoor) ③ People continue to be reluctant to buy due to rising prices of lifeline charges and daily necessities



Balance Sheet Status

連結貸借対照表



Fixed Assets : Increase due to capital investment in domestic and overseas manufacturing subsidiaries by 493 million yen

Fixed Liabilities : Increase due to financing for acquisition of treasury stock by 314 million yen

Net Assets : Decrease in treasury stock by 481 million yen

(Million yen)	FY1/2023	FY1/2024	
	Results	Results	YoY
Current assets	15,383	14,676	95.4%
Fixed assets	8,256	8,458	102.4%
Total Assets	23,640	23,134	97.9%
Current liabilities	9,386	9,505	101.3%
Fixed liabilities	864	1,129	130.7%
Total liabilities	10,250	10,634	103.7%
Share capital	12,383	11,420	92.2%
Total accumulated other comprehensive income	891	956	107.3%
Net assets	13,389	12,499	93.4%
Total liabilities and net assets	23,640	23,134	97.9%

Cash flow Status 連結キャッシュフロー計算書



Operating cash flows : **1,132 million yen**

Due to Decrease in inventories 270 million yen, Depreciation 770 million yen etc.

Investing cash flows : **△590 million yen**

Due to purchase of property, plant and equipment 750 million yen

Financing cash flows : **△700 million yen**

Due to purchase of treasury stock 490 million yen

(Million yen)	FY1/2023	FY1/2024	
	Results	Results	YoY
Operating cash flows	△465	1,132	-
Investing cash flows	△615	△ 599	-
Financing cash flows	△470	△ 701	-
Cash and cash equivalents at beginning of period	5,600	4,206	75.1%
Cash and cash equivalents at end of period	4,206	3,796	90.2%
Free cash flows	-	532	-

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FY1/2025 Earnings Forecast

2025年1月期業績予想

FY1/2025 Earnings Forecast

2025年1月期業績予想

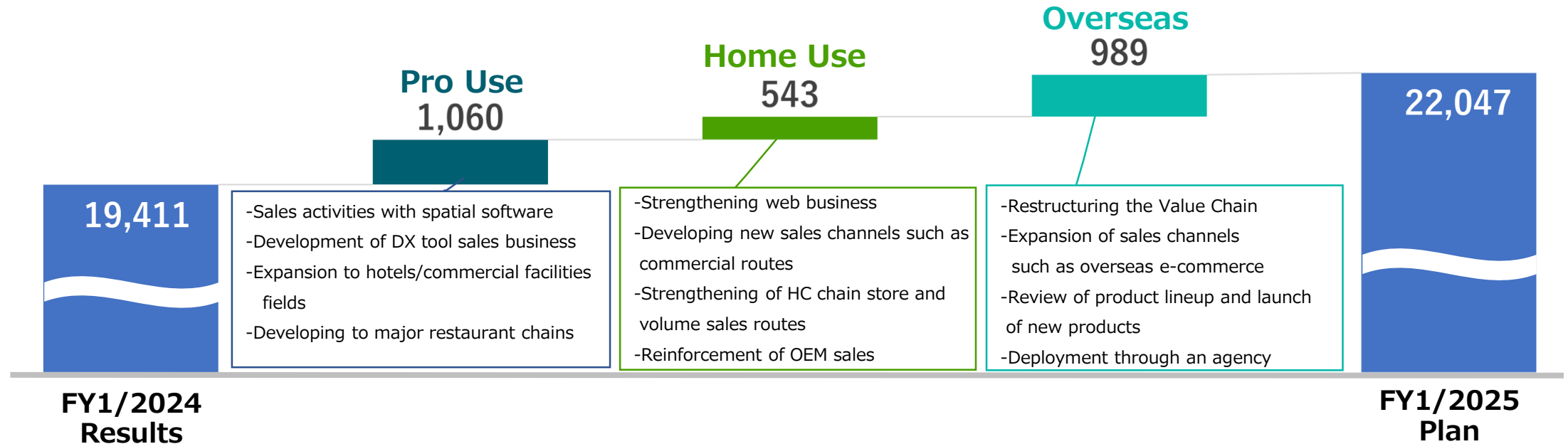
(Million yen)	FY1/2023	FY1/2024		
	Results	Plan	YoY (%)	YoY (Amount)
Net sales	19,411	22,047	113.6%	2,635
Operating income	△108	583	-%	691
Ordinary income	250	618	246.8%	367
Net income	△75	323	-%	398
Dividend per share (Yen)	5.0	8.0		+3.0

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

FY1/2025 Earnings Forecast (Sales Segment) 2025年1月期業績予想

	FY1/2024	FY1/2025	
(Million yen)	Results	Plan	YoY
Pro Use	13,277	14,337	108.0%
Home Use	4,620	5,163	111.8%
Overseas	1,465	2,454	167.5%



04

Business Development

事業展開

Growth Strategy 今後の成長イメージ

Direction of strategies to address



Quantitative Target

	FY1/2024	FY1/2025	FY1/2027
(Million yen)	Results	Plan	Plan
Net Sales	19,410	22,047	25,400
Operating income	△108	583	1,810
Net income	△75	322	1,102

Takasho's Aim

Proposes total garden living for personal value, way of life, and self-actualization

Garden Life Style Maker



1 Strengthen spatial software proposals



2 Development of business selling DX tools

Use spatial software to quickly present completed images to customers considering purchase and promote sales

Horizontal deployment of DX tools developed as sales tools to other construction industries

Policy

- Expand package proposals (CG perspective, VR space, 4K video)
- Expanding membership in the GLD-LAB. Construction contractor network

Policy

- OEM start of DX tools

Software Factory

Maintains the technology and know-how responsible for 4D spatial design and XR simulation



Business meeting scene

4K perspective video for proposal



OEM development

Ex. AR simulation app development





ITとリアルハイブリット企業へ・ バーチャル空間との融合

TOWARDS A HYBRID COMPANY OF IT AND REAL WORLD
FUSION WITH VIRTUAL SPACE

3 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

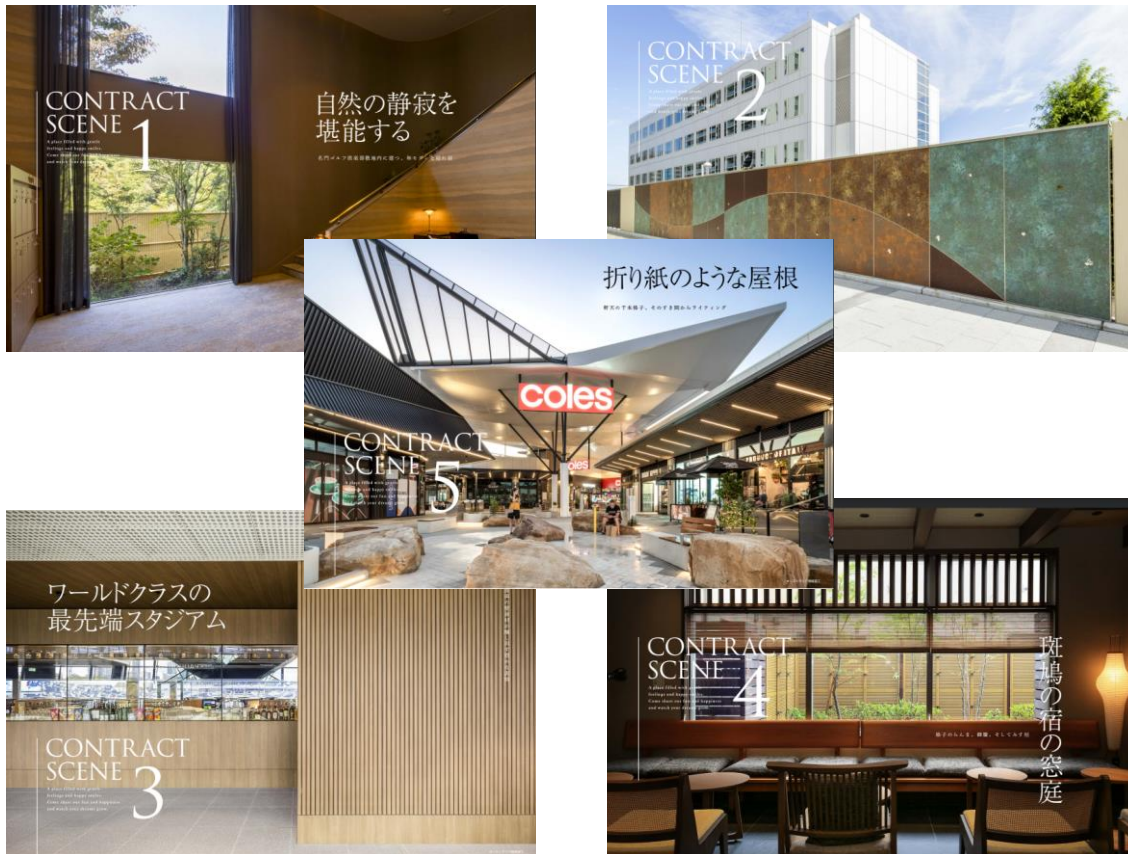


Cross-media to increase awareness among customers



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Expansion to accommodations and commercial facilities due to inbound travel

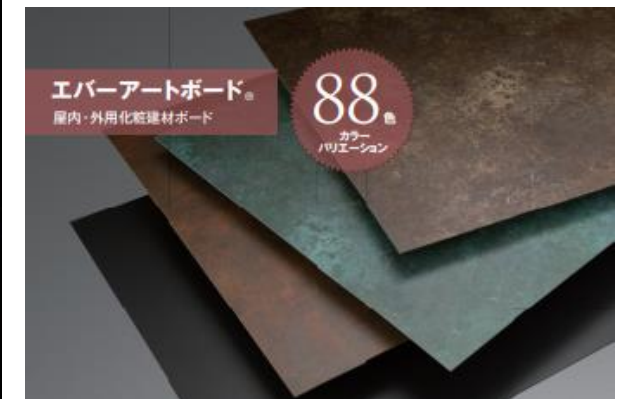
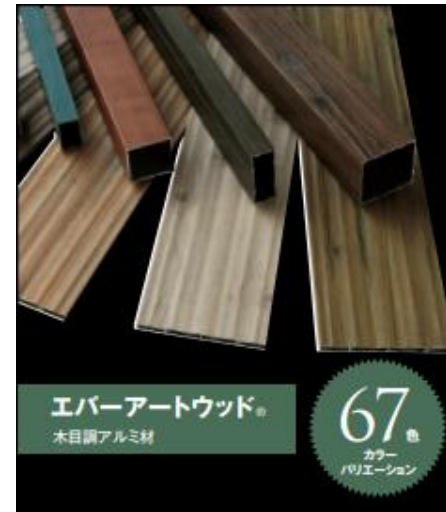


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Major restaurant chains and stores to strengthen expansion

本物を超える人工竹・板・木

- Dry construction method
- In-house manufacturing method
- Easy installation



1 Expand ratio of in-house products

Digitec China new factory Operation in March 2024

8,556㎡ (500million yen)
LED lightings, Signs



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

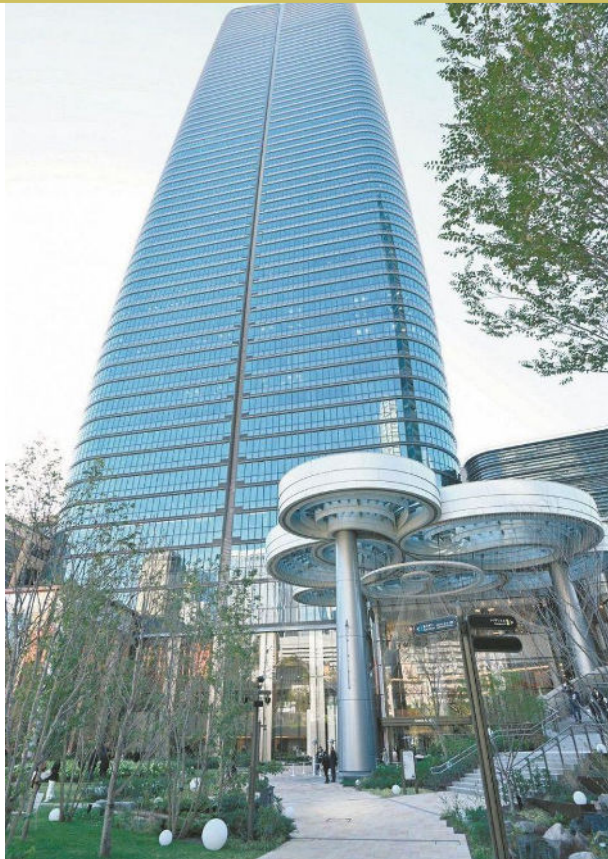
overseas market



3

Expansion of products for contract

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



4

Sustainability initiatives

-YABITSU LIGHT UP PROJECT-

Creating an opportunity to think about the current state of depopulation, a local issue, while conveying the attractiveness of the village by illumination only vacant houses.

Design Award 2024
Japan Space Design Award
Sustainable Space Award
Japan Space Design Award,
Bronze Prize
Japan Sign Design Award,
Bronze Prize



IF DESIGN AWARD 2024 WINNER
YABITSU LIGHT UP PROJECT
Interior Architecture / Installations / ID: 644872



Ministry of Environment Eco-First Certification

66 companies have been certified nationwide, and Digitec is the second company in Wakayama.



Material

Recycled acrylic
Reduce greenhouse gas emissions by over 60%



Paint

Water-based paint
Reduction of air pollutants by more than 90%



Wiring

Pb-free solder
Zero water pollution



GOOD DESIGN AWARD 2023



Reviewed the decline in earnings due to external environmental factors and restructured the business model

1 Strengthening Web Business

2 Development of new sales channels such as commercial routes

Business integration of Aoyama Garden
→ Increased productivity through efficiency



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.



4

Direct sales from our own factory



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

1 New product development

Vegetable garden planters, greenhouses, outdoor living



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



5,000 stores

Current FY 10 stores → 500 stores



12T Yen



26T Yen



3

Development of Pro Use market

Expand sales of high-demand, high-margin housing and contract products for the U.S. market



Approach to PBR Improvement PBR向上に向けた考え方

Optimize profitability, asset efficiency and debt structure, while maximizing earnings through business models and efficient cost management, and building an appropriate capital structure.



Increase in sales and profit margin

- Maximize group company synergies
- Concentrated investment in focused businesses

Improvement of capital efficiency

- Enhancement of stable shareholder returns
- Efficient use of assets
- Management Conscious of Capital Efficiency

Strengthen non-financial items

- Strengthening Corporate Governance
- Investments in human capital

Important Management Indicators

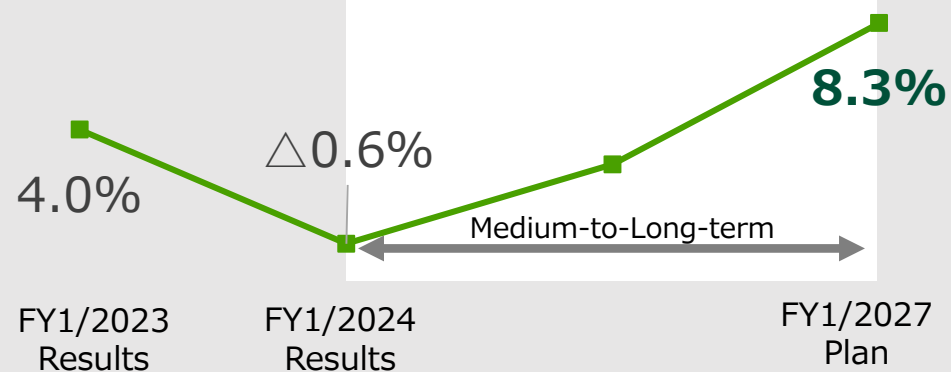
重要視する経営指標

*Based on Net income

ROE

FY1/2023 Results: 4.0%
FY1/2024 Results: $\Delta 0.6\%$
FY1/2027 Plan: **8.3%**

$\Delta 4.6\%$

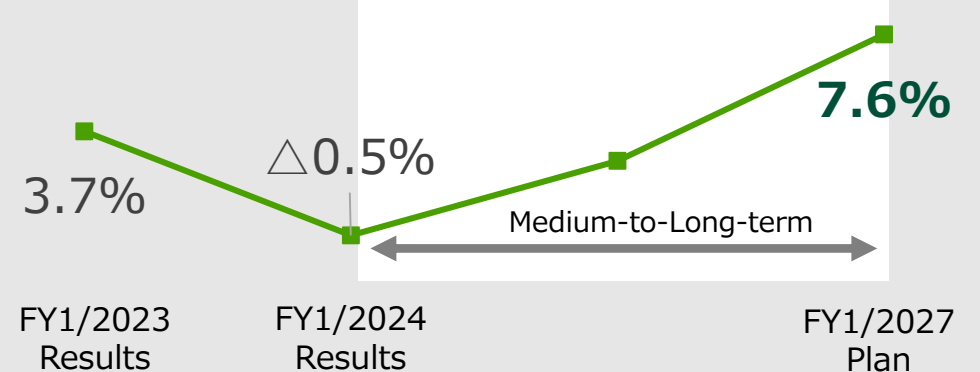


*Based on Operating income

ROA

FY1/2023 Results: 3.7%
FY1/2024 Results: $\Delta 0.5\%$
FY1/2027 Plan: **7.6%**

$\Delta 4.2\%$



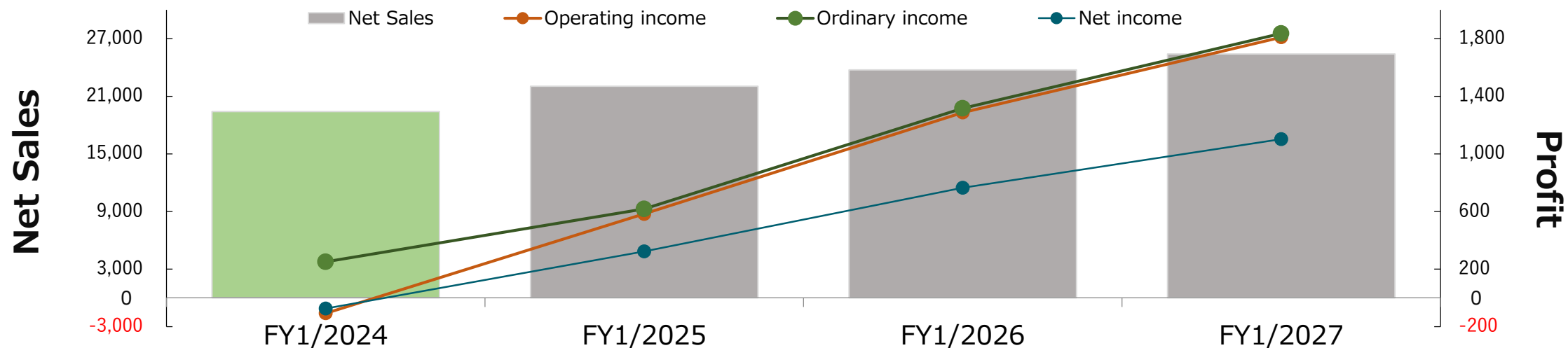
Approach to ROE Improvement

ROE向上に向けた考え方

	FY1/2024 Results	FY1/2025 Plan	FY1/2027 (Medium-to-Long-term)	Policy for ROE Improvement
ROE	– %	1.7%	8.3%	• Aim for 8.0% or more
(Profitability) ① Net profit margin on sales Net income ÷ Net sales ×	△0.4%	1.0%	4.3%	• Increase gross profit margin in each segment to raise operating income margin and reduce SG&A ratio through BPR
(Asset efficiency) ② Total asset turnover Net sales ÷ Total Assets ×	0.8	0.9	1.0	• Review asset holdings and reduce inventories and fixed assets • Increase in sales
③ Financial leverage Total Assets ÷ Equity	1.9x	1.8x	1.8x	• Pursue optimal capital structure, but assume continuation of current levels

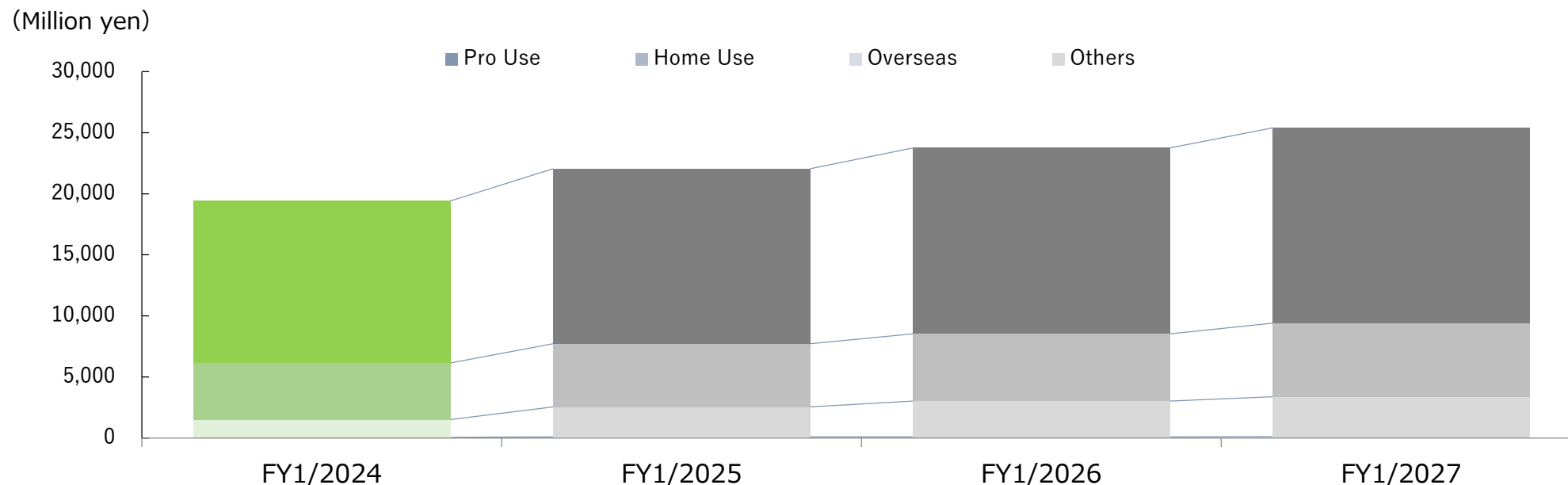
FY1/2025 Plan/Medium-to-Long-term Plan 中・長期計画

(Million yen)



(Million yen)	FY1/2024 Results	FY1/2025 Plan	FY1/2026 Plan	FY1/2027 Plan
Net Sales	19,411	22,047	23,740	25,400
Operating income	△108	583	1,287	1,810
Ordinary income	250	618	1,317	1,837
Net income	△75	323	764	1,102

FY1/2025 Plan/Medium-to-Long-term Plan (Sales Segment) 中・長期計画



(Million yen)	FY1/2024 Results	FY1/2025 Plan	FY1/2026 Plan	FY1/2027 Plan
Pro Use	13,277	14,337	15,218	15,992
Home Use	4,620	5,163	5,500	6,037
Overseas	1,465	2,454	2,918	3,252
Others	48	93	104	119



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, competition, and whether or not our new products will be adopted.

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

Email : takasho_ir@takasho.co.jp

