



February 26, 2025

Company: Takasho Co., Ltd.

Representative: Nobuo Takaoka, President & CEO
(Stock code: 7590, TSE Standard)

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Notice Regarding the Revision of the Financial Forecast for the Fiscal Year Ending January 20, 2025

At its meeting held today, in light of recent business performance trends, the Board of Directors of Takasho Co., Ltd. (hereby referred to as “the Company”) resolved to revise the financial forecasts for the fiscal year ending January 20, 2025 (From January 21, 2024, to January 20, 2025), which was released on August 26, 2024.

1. Revision of Consolidated Financial Forecast

Revision of the Financial Forecast for the Fiscal Year Ending January 20, 2025

(From January 21, 2024, to January 20, 2025)

	Net sales (JPY MM)	Operating income (JPY MM)	Ordinary income (JPY MM)	Net income attributable to owners of the parent (JPY MM)	Basic earnings per share (JPY)
Previously announced forecast (A)	20,750	150	350	85	5.04
Revised forecast (B)	19,890	△150	83	△242	△14.41
Variance in amount (B - A)	△860	△300	△267	△327	—
Variance in percentage (%)	△4.1	—	△76.3	—	—
(Ref.) Actual results for FY2024 4Q (Cumulative, from Jan.21, 2023 to Jan. 20, 2024) (C)	19,411	△108	250	△75	△4.45
YoY (%) (B ÷ C)	102.5	—	33.5	—	—

(Reason for the Revision of Financial Forecast)

Sales by home-use segment is expected to be lower than the previous forecast. Because the market recovery from the negative drop against COVID-19 bubble has been running behind schedule in Japan and overseas, which has also affected the sales volumes of our products.

In terms of profit, Operating profit is expected to be lower than the previous forecast due to higher discount sales to turn around stagnant inventories at overseas subsidiaries and higher raw material costs and transport costs related to purchases. Ordinary profit is also expected to be lower than the previous forecast due to the decrease in operating profit, despite the recording of foreign exchange gains. Net income attributable to shareholders of the parent

company is expected to be lower than the previous forecast due to an increase in the tax burden.

Under these circumstances, the Pro-use segment will accelerate the acquisition of new projects by strengthening DX proposal sales to garden & exterior specialty stores, house builders and non-residential sector, utilizing the digital technology (CG perspective, VR and video products) of our consolidated subsidiary GLD-LAB CO., LTD.. Furthermore, we will reinforce our sales structure and start full-scale expansion in the non-residential sector, including hotels, restaurants and commercial facilities.

In the Home-use segment, the Group will strengthen e-commerce sales and promote the development of new products at our own factories, while reviewing the product mix for home centers and expanding the product line-up to make it less susceptible to weather conditions. In this way, we aim to build a stable sales base that is not affected by seasonal fluctuations.

In the overseas segment, we will accelerate growth in global markets by strengthening our sales structure in the US, expanding into untapped markets in Europe and expanding our brand by utilizing RHS recommended products in the UK. In Australia, Takasho Australasia will promote sales expansion by leveraging the brand awareness that has been raised by the "Supplier of the Year 2024" award. In China, with the new plant in Guangzhou now in full-scale operation, we will strengthen mass production and exports of LED sign and outdoor lighting items and OEM products, with the aim of further expanding market share.

Furthermore, consolidated subsidiary TAKASHO DIGITEC CO., LTD. (hereafter referred to as "DIGITEC"), which drives Takasho Group's growth, achieved a significant sales increase 124% year-on-year by strengthening its own sales activities. The sales activities steadily increased orders in the non-residential sector, such as public facilities and commercial facilities, which are also linked to local development and regional revitalization. DIGITEC is actively pursuing "aggressive" measures, such as the development of new lighting designs, alliance agreements to expand the possibilities of lighting production and introducing new products from world-class lighting brands, and their further growth is expected.

The Company recognizes that returning profits to shareholders is an important management issue, and has set a target dividend payout ratio of around 40% for the time being, with a minimum annual dividend of 5yen per share. The annual dividend for the fiscal year ending January 20, 2025 is planned to be 5 yen per share, and there is no change to the annual dividend forecast.

(Note) The performance forecast described in this report are based on information that is available to the Company, 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 various factors.

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