



President Nobuo Takaoka

Takasho Co., Ltd. (7590)



Company Information

Exchange	TSE Standard
Industry	Retail (Commerce)
President	Nobuo Takaoka
HQ Address	Minami Akasaka 20-1, Kainan-shi, Wakayama-ken
Year-end	January 20
Homepage	https://takasho.co.jp/en

Stock Information

Share Price	Share Outstanding (exc. Treasury Stock)	Market Cap.	ROE (Act.)	Trading Unit	
¥379	16,858,453 shares	¥6,389 million	1.6%	100 shares	
DPS (Est.)	Dividend Yield (Est.)	EPS (Est.)	PER (Est.)	BPS (Act.)	PBR (Act.)
¥5.00	1.3%	¥7.12	53.2x	¥754.81	0.50x

*Stock price as of closing on March 13, 2026. Number of shares issued at the end of the most recent quarter excluding treasury shares.

*ROE and BPS are based on the results for fiscal year ended January 2026. EPS is the forecast for fiscal year ending January 2027. The data is rounded off.

Consolidated Earnings Trends

Fiscal Year	Sales	Operating Income	Ordinary Income	Net Income	EPS (¥)	DPS (¥)
January 2023	20,351	880	982	518	29.60	23.00
January 2024	19,411	-108	250	-75	-	5.00
January 2025	19,890	-150	83	-242	-	5.00
January 2026	20,246	218	717	198	11.78	5.00
January 2027 Est.	22,961	501	520	120	7.12	5.00

*Estimates are those of the Company. *Unit: million yen

We present this Bridge Report along with the earnings results of Takasho Co., Ltd. for fiscal year ended January 2026.

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Key Points

- In FY 1/2026, sales grew 1.8% year on year and they moved into the black, posting an operating income of 218 million yen (an operating loss of 150 million yen in the previous fiscal year). The upfront investment they have conducted so far paid off. In Japan, the home use business was sluggish, but the professional use business kept growing steadily, and sales increased significantly by over 15% year on year thanks to the growth of demand in the non-residential field. In addition, the sales of Takasho Digitec, which deals in LED signages^{*1} and garden lamps, increased 16% year on year, showing continued significant growth. On the other hand, the sales of the overseas business declined due to the suspension of e-commerce due to the adjustment of selling prices to make them appropriate, but the e-commerce has been resumed, so recovery and growth can be expected. Regarding profit, operating income/loss improved significantly and their “earning capacity” has recovered evidently as the rationalization of SGA progressed through the utilization of AI and digital transformation (DX) and the revenue structure was reformed. Furthermore, ordinary income rose significantly by 756.6% year on year, as exchange gain increased thanks to the yen depreciation.
- For FY 1/2027, sales and operating income are expected to grow significantly by 22,961 million yen (13.4%) and 501 million yen (129.0%) year on year. Regarding the professional use business, which is their growth driver, the demand in the non-residential field will keep growing and the sales promotion of lighting products, which sell well thanks to the cooperation with Takasho Digitec, is expected to help increase their revenue. Through the enhancement of the capability of proposing spaces through DX (AR, VR, and AI), high value-added business will be operated. This is projected to become another tailwind for their activities for proposing the lifestyle of “living in a garden.” In the home use business, they will keep releasing new products for meeting the diversifying needs for the lifestyle with a garden, and strive to promote sales by enhancing e-commerce and cooperating with real stores. Regarding the overseas business, its growth is expected to accelerate as they will reel in new customers at local exhibitions in Europe and the U.S., increase transactions with leading home improvement stores, and enter new areas. In particular, they will strive to fortify their business base by enhancing their marketing structure and promoting local procurement in the U.S. Regarding dividends, they plan to pay a year-end dividend of 5.00 yen/share like in the previous fiscal year.
- In FY 1/2026, profit/loss improved considerably as their efforts for improving profit margin paid off steadily. In particular, the growth of Takasho Digitec attracts our attention. As their supply system has been enriched firmly, further growth can be expected. Regarding the professional use business, the contract domain keeps expanding, increasing its importance as a domain that drives the growth of revenues. The sales growth was slight, but that was due to the suspension of e-commerce in the overseas business, and the e-commerce has been already resumed. Recently, leading home improvement centers have started dealing in their products, so the overseas business is projected to get on a full-scale growth track. In FY 1/2027, sales are expected to grow by double digits. In addition, operating income is forecast to rise significantly as they will continue their initiatives for improving profit margin. If they complete the medium/long-term plan, EPS will become around 50 yen in FY 1/2029. As PBR is currently much lower than 1, there is considerable room for reevaluation after the improvement in business performance. They laid out a policy of aiming to achieve a payout ratio of 40%, so stock yield is expected to become favorable.

*1 LED signages mean signages or displays that emit light with LED, and are utilized for decorating the exteriors of commercial facilities, accommodation facilities, etc. and advertising brands. Their energy-saving property, long lifespan, and space creation effects to improve space value are highly evaluated, so their market keeps growing mainly in the non-residential field.

1. Company Overview

Takasho Co., Ltd. maintains a basic business concept of contributing to the “Creation of comfortable spaces” and handles garden and exterior products. In the aftermath of the Second World War, Takasho changed its business style from sales of gardening materials to a gardening business, and then to a comprehensive lifestyle business, growing as a lifestyle maker that proposes better lifestyles with gardens. Its vision is to create mental and physical health and happy family lifestyles that bring smiles to the people. The corporate philosophy lies in “aim to become a one-of-a-kind global group that grasps changes earlier than anyone else, create new value, and contribute to the development and diffusion of an urban garden culture.”

The Takasho Group manufactures products in Japan and China for sale in Japan, the United States, Europe, Asia, and Oceania. The Group’s integrated structure with the ability to plan, manufacture and sell products has allowed it to become the leading company within the “gardening market,” which is growing to become a firmly established market in Japan. The Company listed its shares on the JASDAQ market in September 1998, and after a capital increase in 2012 and 2013, moved its shares to the Second Section of the Tokyo Stock Exchange on October 19, 2017, and to the First Section of the Tokyo Stock Exchange on July 9, 2018. The company chose the Prime Market, in the new market classification of TSE, which became effective on April 4, 2022. On October 20, 2023, the company got listed on the Standard Market.

As another characteristic, Takasho not only provides conventional gardening and exterior products, but has been also promoting the evolution into a “space-proposing business.” Through digital transformation (DX), they have enhanced their activities for proposing spatial designs based on AR, VR, and AI, and established a business model of creating customer value from the designing stage.

Company Overview

Date of establishment	August 1980
Listing date	September 1998 (JASDAQ) October 2017 Second Section market of the Tokyo Stock Exchange July 2018 First Section market of the Tokyo Stock Exchange April 2022 Prime Market of the Tokyo Stock Exchange October 2023 Standard Market of the Tokyo Stock Exchange
Capital	3,043.62 million yen
Number of employees	422 employees (including 320 full-time employees)
Group companies	6 domestics, 11 overseas

※Capital and number of employees are as of January 20, 2026

Corporate Philosophy

We, the Takasho Group, aim to become a one-of-a-kind global group that grasps changes earlier than anyone else, create new value, and contribute to the development and diffusion of an urban garden culture.

1. We will create a rich and peaceful garden life culture centred on the garden.
2. We pursue satisfaction that exceeds customer expectations.
3. Continue to deliver high-quality products and services through constant research and development.
4. Respect and coexist with nature and protect the global environment.
5. Build a workplace as a personnel-oriented company where the company grows as people grow
6. Continue to be a socially responsible corporation and promote transparent corporate activities in accordance with laws and fair business practices.

They also laid out a policy of harnessing nature, and produce garden spaces in a comprehensive manner while caring for the five elements: (1) the wind, (2) light, (3) water, (4) greenery, and (5) mind.

Business

A garden lifestyle maker creating a happy life through a relaxing garden space.

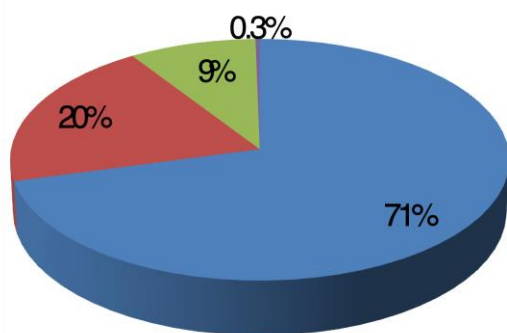
Takasho aspires to create a garden space that melts into the lifestyles of people, based on the concept of “Living Garden” which unifies the garden and home. Furthermore, they are proactively engaging in DX promotion, realizing proposals of an even more concrete and attractive garden or exterior space and creating new value for clients through DX.

They plan, develop, manufacture, and sell products for construction, remodeling, and renovation in the three fields: gardens, exteriors, and contract construction, while offering helpful services for each client’s business.

Professional Use Business [Targets] Public projects, commercial facilities, detached houses, home builders	Manufacturing based in Japan. Targets professional clients involved in design and construction, such as departments in charge of the planning and layout, design and construction for public projects, commercial facilities and detached houses. Provides comprehensive support for proposals for scenery, outdoor living and exterior space from the viewpoint of a manufacturer. Utilizes various tools to facilitate the proposal for a concrete plan, striving for the enhancement of proposal capability fusing real and digital aspects.
Home Use Business [Targets] Home improvement centers, mass retailers, e-commerce	Supports garden creation based on DIY, proposing scenarios tailored for a particular garden and offering a versatile product line-up. Makes proposals for a relaxing lifestyle unifying the house and garden rooted in the concept of Living Garden.
Overseas Business [Targets] Housing, construction, DIY	With the manufacturing base in China, global sales span over Europe, the U.S., Australia and Asian countries. E-commerce, too, is utilized.
DX Business/Other	Space proposals based on DX tools, posting and spreading information through social media, etc.

Sales composition

Sales Breakdown by Business Segment (FY1/26)



■ Professional use ■ Home use ■ Overseas ■ Other

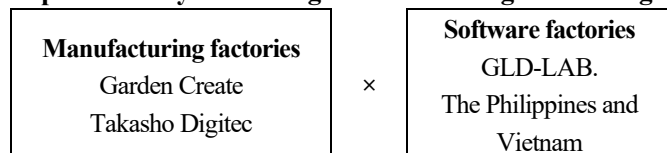
(Created by Investment Bridge based on the material of the company)

(Taken from the material of the company)

2. Business Development

Future growth strategies

Expansion of hybrid management combining real and digital space



The production system of Garden Create consisting of the three factories in Kanuma, Tokushima and Wakayama will be launched on a full scale in the upcoming fiscal year. The company expects that it will contribute to the improvement in productivity.

Wakayama Factory, which was expanded, has been in operation since February 2025.

The new factory of Digitec (approx. 10,000m²) for manufacturing LED lighting and signboards started operation in February 2024.

The subsidiary “GLD-LAB. Corporation.,” which is responsible for 4D space design and XR simulation business, was founded in July 2022.

Professional use

① Material

Building materials are designed under the theme of space creation. They provide artificial bamboo, boards, and lumber that surpass natural ones based on the dry method, their unique production methods, and energy-saving methods. Ever Art Wood has been adopted for the entrances of condominiums and interior finishing for stores. They improved designs and achieved labor saving, with a variety of mold materials and customization. Ever Art Board is adopted for renovating multi-unit housing, accommodation facilities, stores, etc. Weather-resistant wrapping and edge trims enable dry construction with materials that look like natural ones. Ever Bamboo is adopted for Japanese-style inns with hot springs, restaurants, shrines, temples, etc. They make casts of natural bamboo to reproduce realistic textures faithfully. This product is suited for producing a Japanese-style space, which is drawing attention again.

They also handle products for prefabricated buildings and held a preview of new products at Shinagawa Showroom in February.

② Non-residential and contract construction markets

They are enhancing their business operation in the non-residential market, including hotels, restaurants, commercial facilities, healthcare and welfare facilities, which are expanding thanks to foreign visitors to Japan.

③ Living Garden and expansion to Exterior

Development of products for facilitating an even better garden life in the field of professional use, such as Ever Art Wood, Ever Art Board and Ever Bamboo. Takasho has come up with a relatable concept of the 5th Room® (a fifth room that connects the house and the garden), following 1. living room, 2. dining room, 3. kitchen and 4. bedroom.

They also engage in the incorporation of “5th Room®” into a house by expanding the indoor space. During the house designing stage or renovation, they remove some walls to create an intermediary space connecting the indoor and a garden. By doing so, it is possible to create “another room” where the garden can blend in with daily life more deeply.

④ Remodeling and renovation

Enhanced as a market with the greatest potential for future development. Also actively making proposals for expanding the interior, bringing the “5th Room®” into the house.

⑤ DX solutions

Regarding software factories, “GLD-LAB. Soft-Factory Tottori” was established. In full operation since April 2021. It possesses technologies and know-how for 4D space design and XR simulation, and DX tools will be developed in cooperation with the Philippines and Vietnam.

As a new proposing service, they operate “Garden Plus,” in which AI recognizes photos of a garden in a three-dimensional manner and then designs a garden intuitively. This is adopted for the entrances of not only detached houses, but also multi-unit housing.

They also operate “EXVIZ,” which produces high-definition perspective of photographic quality at low prices in a short period of time.

Furthermore, a package plan site has been opened as a service for searching plans. Refined design can be easily found just by selecting the image and requirements. They also offer plans compatible with AR and VR.

<https://pac.takasho.jp>

Outdoor lighting and signboards

To enhance product development and manufacturing capacity to expand the market share through global business operation, etc.

① Expansion of in-house product ratio

A new factory of Digitec China with an area of around 10,000 m² in Guangzhou, China started a full-scale operation to manufacture LED lamps and signages, so the sales of their in-house products expanded.

② Enhancement of production capacity and building of a supply chain

The company's policy lies in enhancing production capacity to raise the ratio of sales to clients outside the group from the current 52% to 70% (4.5 billion yen).

Keeping an eye on global business operation, they intend to boost sales, which stood at 3.76 billion yen in the fiscal year ended January 2026, to 6.0 billion yen by the fiscal year ending January 2028.

③ Expansion of products for the construction domain

Provided to Azabudai Hills, Skytree Tokyo Solamachi, Kabukicho Tower, etc.

④ Initiatives for regional vitalization

They hold illumination shows and in-house drone shows at regional events, etc. to contribute to regional vitalization. They will enhance product development and manufacturing capacity to expand their market share while operating global business.

Home use

They reviewed the decline in revenues due to the external environment, and redeveloped their business model.

① Launch of new product

They supply high-quality products with good designs.

② Enhancement of online business

To promote the transformation of Aoyama Garden into a specialized store.

Overseas

To aim for the No. 1 manufacturer in the global garden category through brand development and the expansion of sales channels.

① Adopted at stores of the Home Depot

Their products were adopted by the Home Depot, which is the largest store chain in the U.S. running about 2,430 stores and earning annual sales of around 24 trillion yen. Last fall, they started supplying products to 31 stores, and plan to start supplying products to 130 stores by FY 1/2027.

② Expansion of sales channels via leading chains

Ace Hardware, which is a leading franchise company running about 5,100 home improvement centers and earning annual sales of around 1.4 trillion yen in the U.S., plans to start dealing in their products on a full-scale basis in FY 1/2027, as they participated in an exhibition in August last year. Costco, which is a leading U.S. company running about 610 stores and earning annual sales of around 3 trillion yen, plans to start dealing in their products in FY 1/2027. In Australia, they started supplying products to 100 stores of Bunnings, which runs about 310 home improvement centers and earns annual sales of around 1.8 trillion yen, last summer, and they currently supply products to 140 stores.

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③ Participation in exhibitions

They participated in an exhibition held by BFG, which the largest distributor of gardening products in the U.S. boasting 10,000 customers, from August 5 to 7. They proceeded with business talks with 50 store owners. An exhibition of Ace Hardware was held in Chicago from August 12 to 14.

④ Resumption of e-commerce in Amazon and the Home Depot

They suspended e-commerce to adjust selling prices to make them appropriate, but the e-commerce was resumed in July.

⑤ Cooperation with a factory in the U.S.

To cope with the tariffs imposed by Trump in the U.S., they started production in cooperation with a factory in the U.S.

⑥ Development of the professional market

They will strive for expanding the sale of products for housing and construction with a high demand and high profit margin on the U.S. market.



3. Fiscal Year Ended January 2026 Earnings Results

(1) Consolidated Earnings

	FY 1/25	Ratio to sales	FY 1/26	Ratio to sales	YoY	Company's forecasts	Ratio to forecasts
Sales	19,890	100.0%	20,246	100.0%	+1.8%	21,736	-6.9%
Gross Profit	8,389	42.2%	8,590	42.4%	+2.4%	-	-
SG&A	8,539	42.9%	8,371	41.3%	-2.0%	-	-
Operating Income	-150	-	218	1.1%	-	463	-52.8%
Ordinary Income	83	0.4%	717	3.5%	+756.6%	470	+52.7%
Net Income Attributable to Owners of the Parent	-242	-	198	1.0%	-	160	+24.1%

*Unit: million yen.

*The figures include figures calculated by Investment Bridge Co., Ltd. as reference values, so they may differ from actual figures (the same shall apply hereinafter).

Sales grew 1.8% year on year. Operating income turned positive.

Sales grew 1.8% year on year to 20,246 million yen.

In Japan, the home use business was sluggish, but the professional use business kept growing steadily. On the other hand, the sales in the overseas business declined due to the suspension of e-commerce due to the adjustment of selling prices to make them appropriate. As more people are pursuing “well-being” while putting importance on their mental and physical health, comfort, and sustainability and becoming interested in biophilic design, which incorporates the coexistence with nature, the business environment of the company, which recommends “Garden Therapy®,” is becoming favorable. Regarding the professional use business, the sales in the non-residential field grew significantly by 15.4% year on year, due to the sales growth of products related to exterior decoration building materials and the adoption of their products at the design stage. In addition, the sales of Takasho Digitec, which handles LED signages and garden lighting, kept increasing significantly by 16.3% year on year.

They moved into the black, as operating income was 218 million yen (a loss of 150 million yen in the previous fiscal year).

In terms of profit, gross profit rose 2.4% thanks to the improvement in gross profit margin (up 0.2 points year on year), and SGA decreased 2.0% year on year through the utilization of AI and digital transformation (DX), improving profitability significantly. Regarding non-operating performance, ordinary income grew 756.6% year on year to 717 million yen and net income attributable to owners of the parent was 198 million yen (a loss of 242 million yen in the previous fiscal year), thanks to the increase in exchange gain due to the yen depreciation.

Sales status by business

	FY 1/25	Composition ratio	FY 1/26	Composition ratio	YoY
Professional use business	13,838	69.6%	14,297	70.6%	+3.3%
Home use business	4,048	20.4%	3,989	19.7%	-1.4%
Overseas business	1,943	9.8%	1,897	9.4%	-2.4%
Consolidated sales	19,890	100.0%	20,246	100.0%	+1.8%

*Unit: million yen

*Since the company recorded a small amount of sales outside of the above three businesses, total sales do not match the net sales of the three businesses.

Professional Use Business

Sales increased 3.3% year on year to 14,297 million yen.

In the non-residential field, their exhibition “TGEF (Takasho Garden & Exterior Fair) 2025” held on July 31 and August 1 last year and the enhanced proposal for products utilizing Shinagawa Showroom contributed, so more products of the company were adopted at the design stages of public and commercial facilities and so on, and leading restaurant chains adopted their products, and as a result, sales increased 15.4%, showing steady performance. In the general residential market, the demand for renovation and remodeling of garden exteriors is emerging. In addition, the brand concept of “5thROOM®” is being diffused in the market, and the packaged proposal for the lifestyle type was highly evaluated. Their space proposing capacity has been enhanced further, as they promoted the DX marketing based on AR and VR, which is handled by GLD-LAB., and released “EXVIZ®AI,” a service based on generative AI. In addition, the dissemination of information via social media, including Instagram, is promoting customers to visit their showroom around Japan. Through the improvement in brand popularity combined with the experience at a showroom, BtoB and BtoC contact points are increasing. Takasho Digitec, which operate outdoor lighting, LED signage, and illumination businesses, performed well in all business domains, increasing sales by 16.3% year on year.

Home Use Business

Sales declined 1.4% year on year to 3,989 million yen.

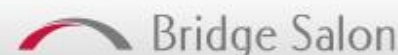
The sales dropped, but the e-commerce domain, including “Aoyama Garden,” a direct-sales EC site, saw a 3.4% year-on-year sales growth, showing a healthy performance.

Overseas Business

Sales declined 2.4% year on year to 1,897 million yen.

In the U.S. market, the suspension of online sales for actualizing appropriate prices produced some effects. However, they promoted the shift to in-store sales channels, and started supplying products to leading chain stores, including the Home Depot. As a result, sales

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decreased by only 2.4% year on year. In the U.S., the establishment of a local procurement system as a measure against tariffs progressed in the U.S. and they have already started supplying products to local home improvement centers, contributing to the fortification of their business base. Also in Europe and Australia, the establishment of sales systems has progressed, and they are steadily developing a foundation for medium/long-term growth.

Sales and Profit by Segment

	FY 1/25	Composition ratio/profit margin	FY 1/26	Composition ratio/profit margin	YoY
Japan	17,285	86.9%	17,661	87.2%	+2.2%
Europe	666	3.4%	595	2.9%	-10.8%
China	943	4.7%	1,028	5.1%	+9.1%
Korea	198	1.0%	162	0.8%	-18.3%
US	537	2.7%	477	2.4%	-11.2%
Others	258	1.3%	321	1.6%	+24.3%
Total Consolidated Sales	19,890	100.0%	20,246	100.0%	+1.8%
Japan	549	3.2%	900	5.1%	+64.0%
Europe	-322	-	-384	-	-
China	-137	-	51	5.0%	-
Korea	-57	-	-62	-	-
US	-253	-	-365	-	-
Others	-44	-	-37	-	-
Consolidated Adjustments	116	-	117	-	-
Consolidated Operating Income	-150	-	218	1.1%	-

*Unit: million yen

(2) Financial Conditions and Cash Flow

Financial Conditions

	Jan. 2025	Jan. 2026		Jan. 2025	Jan. 2026
Cash, Equivalents	3,649	3,506	Payables	3,667	3,082
Receivables	3,494	3,484	Short Term Interest Bearing Liabilities	4,700	4,374
Inventories	7,023	6,774	Current Liabilities	9,810	9,161
Current Assets	15,125	14,649	Long Term Interest Bearing Liabilities	589	848
Tangible Assets	6,452	6,313	Noncurrent Liabilities	1,248	1,438
Intangible Assets	518	461	Net Assets	12,756	12,873
Investments, Other Assets	1,718	2,048	Total Liabilities, Net Assets	23,814	23,473
Noncurrent Assets	8,688	8,823	Total Interest Bearing Liabilities	5,289	5,222

*Unit: million yen

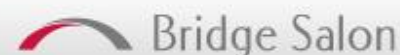
*Interest Bearing Liabilities = Debt

At the end of the fiscal year ended January 2026, total assets stood at 23,473 million yen, down 341 million yen year on year, primarily due to a decrease in inventories.

Liabilities decreased 458 million yen year on year to 10,599 million yen. The main factors are decreases in short-term debt and payables. Net assets increased 117 million yen year on year to 12,873 million yen. The main factor is an increase in retained earnings.

Equity ratio stood at 54.2% (compared to 53.0% at the end of the previous fiscal year).

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**Cash Flow**

(Unit: million yen)

	FY 1/25	FY 1/26	YoY	
Operating Cash Flow	-266	641	+907	-
Investing Cash Flow	-884	-392	+491	-
Free Cash Flow	-1,150	248	+1,399	-
Financing Cash Flow	599	-310	-910	-
Cash and Equivalents at Term End of Quarter	3,432	3,394	-37	-1.1%

Free cash flow turned positive, as operating cash flow turned positive and the cash outflow from investing activities shrunk. Financing cash flow turned negative, and the cash position declined slightly from the end of the previous fiscal year.

This implies that they are recovering the system of generating cash steadily from the core business, while the capital investment has passed a peak and they allocated funds to the repayment of debts, the return of profit to shareholders, etc. Recently, their investment has produced some effects, including the expansion of the business of Digitec, and it seems that the company is transitioning to the investment recoupment phase.

(3) Topics**New products in 2026**

They roll out new products that can be used in various scenes, such as Ever Art Board and low-voltage products. They also introduce AI-based digital services.

Holding of TGEF 2026

Like last year, they will hold “TGEF (Takasho Garden & Exterior Fair) 2026” at Tokyo Ryutsu Center on July 23 and 24. This exhibition has many highlights, such as new products and final proposals for gardens and exteriors and DX services for improving market appeal. Last year, “TGEF 2025” attracted around 3,000 visitors. Visitors from enterprises in the non-residential field increased.

To participate in International Horticultural Expo 2027

They will participate in “International Horticultural Expo 2027,” which will be held in Yokohama from March 19 to September 26, 2027. The theme of the expo is the “landscape of tomorrow that will create happiness.” Takasho plans to exhibit their products under the theme of “well-being (mental and physical health and happiness).”

Enhancement of IR activities

They established Publicity/IR Office in July 2025, for the purpose of giving feedback to the board of directors and designing measures for improving corporate value. Japanese and English versions of explanatory material will be disclosed on a quarterly basis instead of a semiannual basis to reflect the voices of investors.

They have also created a webpage for introducing the attractive features of Takasho in one minute. They will enrich IRTV content, to distribute information so that customers will understand their business more deeply.

<https://takasho.co.jp/ir/ataglance>

4. Fiscal Year Ending January 2027 Earnings Forecasts**Consolidated Earnings**

	FY 1/26 Act.	Ratio to sales	FY 1/27 Est.	Ratio to sales	YoY
Sales	20,246	100.0%	22,961	100.0%	+13.4%
Operating Income	218	1.1%	501	2.2%	+129.0%
Ordinary Income	717	3.5%	520	2.3%	-27.5%
Net Income					
Attributable to Owners of the Parent	198	1.0%	120	0.5%	-39.6%

*Unit: million yen

Sales are expected to increase 13.4%, and operating income to increase 129.0% in the fiscal year ending January 2027 from the previous fiscal year.

For FY 1/2027, it is forecast that sales will grow 13.4% year on year to 22,961 million yen, operating income will rise 129.0% year on year to 501 million yen, ordinary income will decline 27.5% year on year to 520 million yen, and net income attributable to owners of the parent will drop 39.6% year on year to 120 million yen.

In the professional use business, the sales of lighting products, which sell well thanks to the cooperation with Takasho Digitec, are expected to grow further. As capital investments are progressing in hotels, commercial facilities, and leading chain stores, they will strive to promote sales to meet the demand for new construction and renovation. In addition, “Green × Expo 2027 (International Horticultural Expo),” which is scheduled to be held in 2027, is expected to raise public interest in the development of urban greenery and outdoor spaces. This is projected to become a tailwind for their activities for proposing the lifestyle of “living in a garden.” While recruiting more talent in the non-residential field, including public facilities and commercial facilities, they will enrich the lineup of products of “Gardena®,” a German maker that offers the world’s largest watering and irrigation system, which is environment-conscious, and “New Techwood,” a high-quality recycled wood.

In the home use business, they will keep releasing new products for meeting diverse needs for the lifestyle with a garden. In addition, they will strive to expand the e-commerce domain further, promote the supply of products for professional use to real stores, which have been growing recently, and meet the demand for improvement in value of the residential environment.

In the overseas business, they will strive to increase new clients by participating in local exhibitions in Europe and the U.S. In Europe, they will conduct marketing activities in uncultivated regions, such as France and Italy, while releasing new products. In the U.S., they will develop a system for local procurement to cope with the tariffs, prevent procurement prices from rising, establish a system for stable supply, and promote new transactions with leading home improvement centers. They will also promote the sale of real materials and spaces that remind us of “Zen Buddhism” and “minimalism” made of “Ever Bamboo,” an artificially reinforced bamboo fence, which represents the coexistence of the Japanese culture and nature, together with digital spaces handled by GLD-LAB. in the U.S., Europe, UK, Australia, etc. where their overseas distributors are located. Through these proposals, they aim to improve brand popularity and expand sales.

The company plans to pay a year-end dividend of 5.00 yen per share, like in the previous fiscal year. The basic dividend policy is to achieve a payout ratio of 40% or higher with the lower limit of the dividend amount being 5.00 yen/share.

5. Mid/long-term Plan

In the fiscal year ending January 2029, sales are expected to be 26,109 million yen and operating income is projected to be 1,487 million yen. They aim to increase the sales of mainly products for professional use, but they also put importance on overseas sales promotion.

Unit: million yen	FY 1/26 Act.	FY 1/27 Plan	FY 1/28 Plan	FY 1/29 Plan
Sales	20,246	22,961	24,354	26,109
Professional use	14,297	15,209	16,018	17,085
Home use	3,989	4,634	4,796	5,317
Overseas	1,897	3,040	3,455	3,617
Other	63	76	83	88
Operating Income	218	501	1,127	1,487
Ordinary Income	717	520	1,061	1,422
Net Income	198	120	569	835

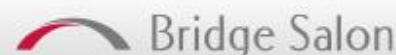
Policy for improving PBR

They will strive to optimize profitability, the efficiency of use of assets, and the composition of liabilities, and maximize revenues based on their business models and efficient cost management, with the aim of establishing an appropriate capital structure.

Increase in sales and profit margin

- Maximizing the Synergy among Group Companies
- Concentrating Investment in Key Business Areas

BRIDGE REPORT



Improving Capital Efficiency

- Enriching Stable Shareholder Returns
- Efficiently Utilizing Assets
- Management Focused on Capital Efficiency

Enhancing Non-Financial Performance

- Tightening Corporate Governance
- Investing in Human Capital

Policy for improving ROE

They aim to achieve a ROE (① × ② × ③) of 8.0% in the fiscal year ending January 2030.

① Net Profit Margin (Profitability)

- The company will improve the gross profit margin of all businesses to increase operating income margin and strive to reduce the SG&A expense ratio through BPR initiatives.

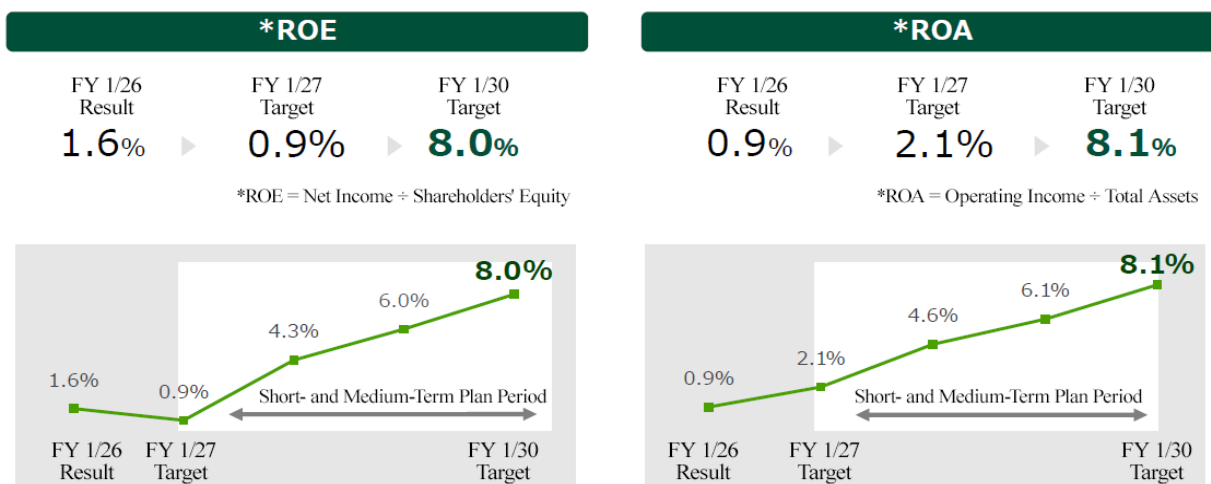
② Total Asset Turnover (Asset Efficiency)

- By utilizing assets, they will keep total asset turnover 1.0 or higher from FY 1/2027 and develop a management structure for earning sales efficiently with minimum assets.

③ Financial Leverage

While pursuing an optimal capital structure, the company anticipates maintaining the current level.

Furthermore, the company's target for Return on Assets (ROA) is 8.1% for the fiscal year ending January 2030.



(Taken from the material of the company)

6. Conclusion

In FY 1/2026, they posted an operating income and profit/loss improved considerably as their efforts for improving profit margin paid off steadily. From now on, it will be noteworthy whether this profitability improvement will not be temporary and lead to sustainable growth. In particular, the growth of Takasho Digitec attracts our attention. Through the full-scale operation of a new factory in China, their supply system has been strengthened, so their growth is expected to accelerate in parallel with the growth of demand. In the professional use business, the contract domain keeps growing and is expected to expand further thanks to the growth of the non-residential market. We also would like to pay attention to the increase of orders in the wake of "TGEF 2026." The year-on-year growth rate of consolidated sales in FY 1/2026 was only 1.8%, but this is attributable to the suspension of e-commerce in the overseas business, which is growing, and the e-commerce has been already resumed. In addition, their products are being adopted by leading home improvement centers. Going forward, they will probably enter a full-scale growth phase in parallel with the expansion of sales channels, and its progress is a key point. In FY 1/2027, sales are expected to grow by double digits. In addition, operating income is forecast to rise significantly as they will continue their initiatives for improving profit margin.

They have also announced a plan to achieve an EPS of around 50 yen in FY 1/2029 in the medium/long term, and its progress will be referred to for evaluation. As PBR is currently much lower than 1, there is considerable room for reevaluation after the improvement in business performance. They laid out a policy of aiming to achieve a payout ratio of 40%, so stock yield is expected to become favorable.

<Reference: Concerning Corporate Governance>

◎ Organizational structure and composition of directors and corporate auditors

Organizational structure	Company with audit and supervisory board
Directors	5, out of which 3 are outside directors.
Corporate auditors	3, out of which 2 are outside directors.

◎ Corporate Governance Report

Last updated: April 14, 2025

<Basic policy>

Takasho recognizes that the establishment of corporate governance that is sound and highly transparent and secures the efficiency of management decision-making to respond promptly and appropriately to changes in the business environment is an important matter and is working on it.

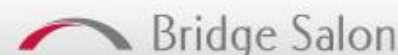
<Reasons for Non-compliance with the Principles of the Corporate Governance Code (Excerpts)>

Principles	Reasons for not implementing the principles
[Supplementary Principle 2-4-1 Ensuring diversity in the appointment of core personnel, etc.]	Our company is actively working to ensure diversity, for example, by promoting women to management positions, and has set targets for the percentage of women in management positions and stated them in the action plan based on the Act on the Promotion of Women's Participation and Advancement in the Workplace. In addition, our company is striving to create an environment that ensures diversity by providing training and implementing various measures related to respecting diversity, etc. We have not formulated any medium/long-term strategies or policies that will serve as the basis for these initiatives, however, we will continue to consider the formulation of such strategies and policies to enhance corporate value.
[Supplementary principle 4-8-1 Exchange of information and sharing of recognition by independent outside directors from the objective standpoint]	At present, there are no regular meetings, etc. consisting of independent external directors only, but our outside directors exchange views with other directors and corporate auditors, and they actively participate in the Board of Directors and make remakes. Therefore, we believe that our external directors are fulfilling their roles and responsibilities.

<Disclosure Based on the Principles of the Corporate Governance Code (Excerpts)>

Principles	Reasons
[Principle 1-4 Strategically held shares]	<p>(1) Policy on strategic shareholding</p> <p>Our company will hold shares strategically after comprehensively judging whether they will lead to the maintenance and strengthening of business relationships or whether they will lead to an improvement in our medium- to long-term corporate value through smooth promotion of business activities, etc.</p> <p>(2) Details of the check of the appropriateness of strategic shareholding</p> <p>we will examine the effects of strategic shareholding from the perspective of maintaining medium- to long-term economic rationality and maintaining and strengthening the overall relationship with our business partners and report the results to the Board of Directors.</p> <p>The company will reduce the number of shares that are considered not worth holding.</p>

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	<p>(3) Criteria for exercising voting rights pertaining to strategic shareholding We will review the contents of the shareholder meeting agenda of the investee company based on the prospect of sustainable development and medium- to long-term corporate value enhancement for both investee company and our company and exercise the voting rights.</p>
[Principle 2-6 Functioning as an asset owner for corporate pensions]	<p>The company has a defined benefit corporate pension system and has entered into agreements with an asset management organization that has expressed acceptance of stewardship activities with respect to the administration and management of corporate pensions. A person from the General Affairs and Human Resources Department is assigned to receive regular reports from the entrusted organization on the soundness of the management, and the relevant departments conduct monitoring as appropriate. In addition, we have adopted a corporate defined contribution pension plan to build employees' assets. At the time of hiring, employees are briefed on the investment period, selection of investment instruments, and asset management.</p>
[Supplementally Principle 3-1-3 Sustainability Initiatives]	<p>Our group's policies and initiatives regarding sustainability are disclosed in our Annual Securities Report.</p>
[Supplementary principle 4-1-1 Roles and responsibilities of the Board of Directors]	<p>Our company has established the "Regulations for the Board of Directors," the "Rules for Approval," and the "Detailed Rules for Approval" as important decision-making items, in addition to matters stipulated by laws and regulations and the Articles of Incorporation, determining the scope of decision-making by the Board of Directors. In order to enhance the swiftness and flexibility of business execution and increase the vigor of management, the Board of Directors deliberates and makes decisions on business execution other than those matters stipulated by laws and regulations, the Articles of Incorporation, and the "Regulations for the Board of Directors" at the Executive Committee, which is also attended by the Representative Director.</p>
[Principle 4-8 Effective utilization of independent directors]	<p>Our company appoints three outside directors. They are the independent outside directors to keep an independent and neutral position in the discussions at the Board of Directors. We will continue to select candidates so that multiple independent outside directors with high expertise and rich experience can be appointed.</p>
[Supplementary Principle 4-11-1 General idea on the balance of knowledge, experience and capabilities, diversity and size of the Board of Directors]	<p>In order to respond appropriately and swiftly to changes in the business environment, the company appoints human resources with diverse backgrounds to its Board of Directors, taking into account the balance of knowledge, experience and capabilities. Outside directors, in particular, are selected based on their knowledge of the industry, experience in management, and professional abilities in their respective fields to ensure balance and diversity. In addition, considering the size of the company and other factors, the company's articles of incorporation limit the number of directors to be not more than 15, and there are currently five directors (including three outside directors).</p>

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