TAKARA STANDARD CO., LTD.

Q1 FYE3/2027 Results

July 30, 2026

Stock Code
7981

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Company Overview

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A comprehensive housing equipment manufacturer that develops products using proprietary materials such as high-grade HORO(enamel).

Company name	TAKARA STANDARD CO., LTD.
Head office	1-2-1 Shigino-higashi, Joto-ku, Osaka 536-8536 Japan
Established	May 30, 1912
President	Masaru Komori
Capital	26.356 billion yen
Listing	Prime Market, Tokyo Stock Exchange Stock Code: 7981
Performance FYE Mar.2026	Net sales: 252.7 billion yen operating margin: 19.0 billion yen
Employees	6,505 as of March 31, 2026

Main business	Manufacturing and sales of comprehensive housing equipment

Business Development

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We operate mainly in three business segments: Domestic Water-related Business, Overseas Business, and New Business.
We conduct sales activities to sales channels tailored to each market, ultimately providing products to end users.

Business	Markets	% of total FYE3/2026	Sales Channels
Domestic Water-related Business	Remodeling	29.5%	Trading company, Agency, Dealer
	New construction Multi-family housing	35.3%	Developer, Construction company
	New construction Detached houses	30.8%	Housebuilder
Overseas water-related Business	Overseas water-related market	0.5%	Local distributors
New Business	Material market*	1.0%	Each sales destination
	Non-housing building materials market	0.3%	

End Users

*% of total net sales of Glass Frit

Industry Share

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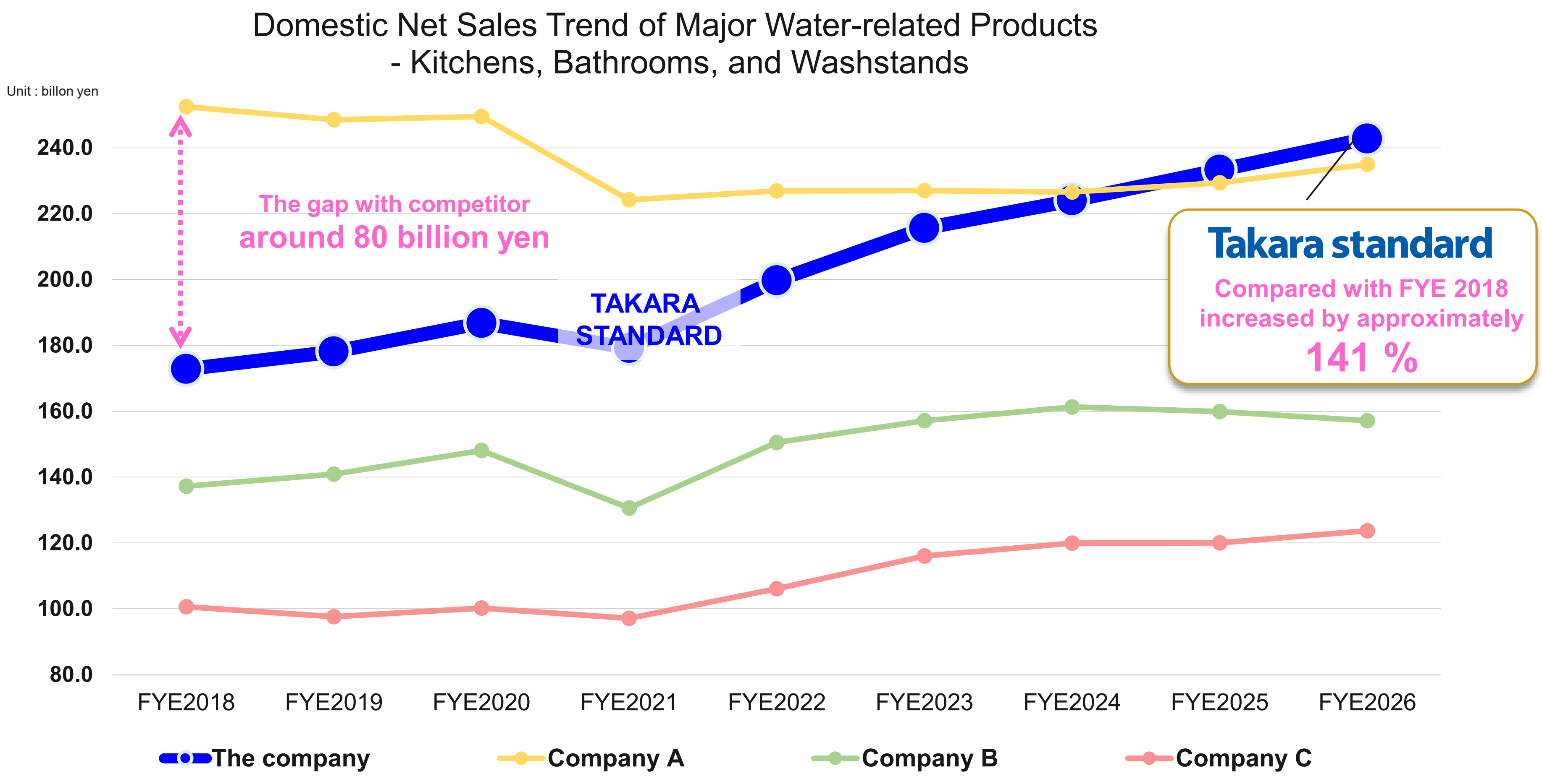
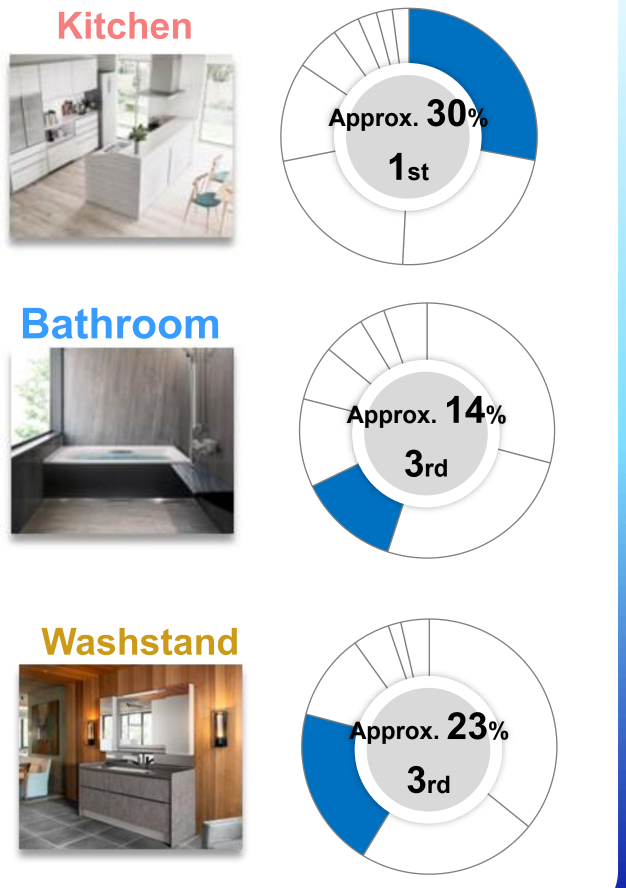
Achieved the No.1 position in total sales of kitchens, bathrooms, and washstands in Japan for FYE Mar. 2025. Top-class industry share for each product category.



*Based on each company's publicly disclosed financial results and the Company's own research.
Note: Fiscal year ends in March

Our Share - Based on Revenue



*As of FY2024, based on Company's research

Financial Results Highlights

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Q1 FYE3/2027 Results

Net sales reached a record high. Meanwhile, all profit items saw a decline

Net sales ¥62.4 Bn - YoY +1.8%, Operating profit ¥3.6Bn - YoY (14.2%)

- Sales increased due to strong performance in both detached houses and multi-family housing in the remodeling market
- Meanwhile, profit declined due to higher raw material costs associated with the situation in the Middle East, as well as an increase in selling, general and administrative expenses

FYE3/2027 Earnings Forecasts (Downward revision)

Downward revision reflecting the impact of the situation in the Middle East, which was not incorporated at the beginning of the fiscal year

Net sales ¥259.0 Bn - YoY + 2.5 %/ Vs. initial forecast (0.4 %), Operating profit ¥19.1 Bn - YoY + 0.1% /Vs. initial forecast (8.2 %)

- Factoring in the surge in various material prices due to the escalating Middle East situation and some construction delays
- Meanwhile, business performance is expected to improve toward the end of the fiscal year, with revenue and profit growth expected in 2H

Following the downward revision of earnings, the ROE forecast has also been revised from 8.0% to 7.4 %

Shareholder Returns (No change from initial forecast)

Dividend increased by 8 yen from the previous fiscal year to an annual 124 yen (at a payout ratio of around 50 %)

-The Company plan to repurchase approximately 22.0 billion yen in shares over the period FYE3/2026 (previous fiscal year) to FYE3/2027 (current fiscal year), with 10.4 billion yen already repurchased in FYE3/2026

- Repurchases of approximately 12.0 billion yen are expected in FYE3/2027. Total shareholder return ratio is expected to be around 130%. Implementing disciplined return measures in line with the plan

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Operating Results

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Net sales reached a record high for Q1. Gross profit increased due to higher unit prices driven by an increase in the ratio of remodeling, which has a high gross profit. On the other hand, both net sales and gross profit fell below expectations due to rising material costs caused by the situation in the Middle East and some delays in construction periods.
SG&A expenses were higher, primarily due to personnel expenses, but remained in line with expectations. As a result, each profit item saw a decline.

Unit : billion yen

	FYE3/2026 Q1 (Apr.-Jun.)		FYE3/2027 Q1 (Apr.-Jun.)			
	Amount	% of sales	Amount	% of sales	Change	% change
Net sales	61.3		62.4		+1.0	+1.8%
Gross profit	21.4	34.9%	21.9	35.1%	+0.5	+2.4%
SG&A	17.2	28.1%	18.3	29.4%	+1.1	+6.5%
Operating profit	4.2	6.9%	3.6	5.8%	(0.5)	(14.2%)
Ordinary profit	4.4	7.3%	3.9	6.3%	(0.5)	(12.5%)
Profit attributable to owners of parent	3.0	5.0%	2.6	4.2%	(0.4)	(15.4%)

Analysis of Change in Operating Profit

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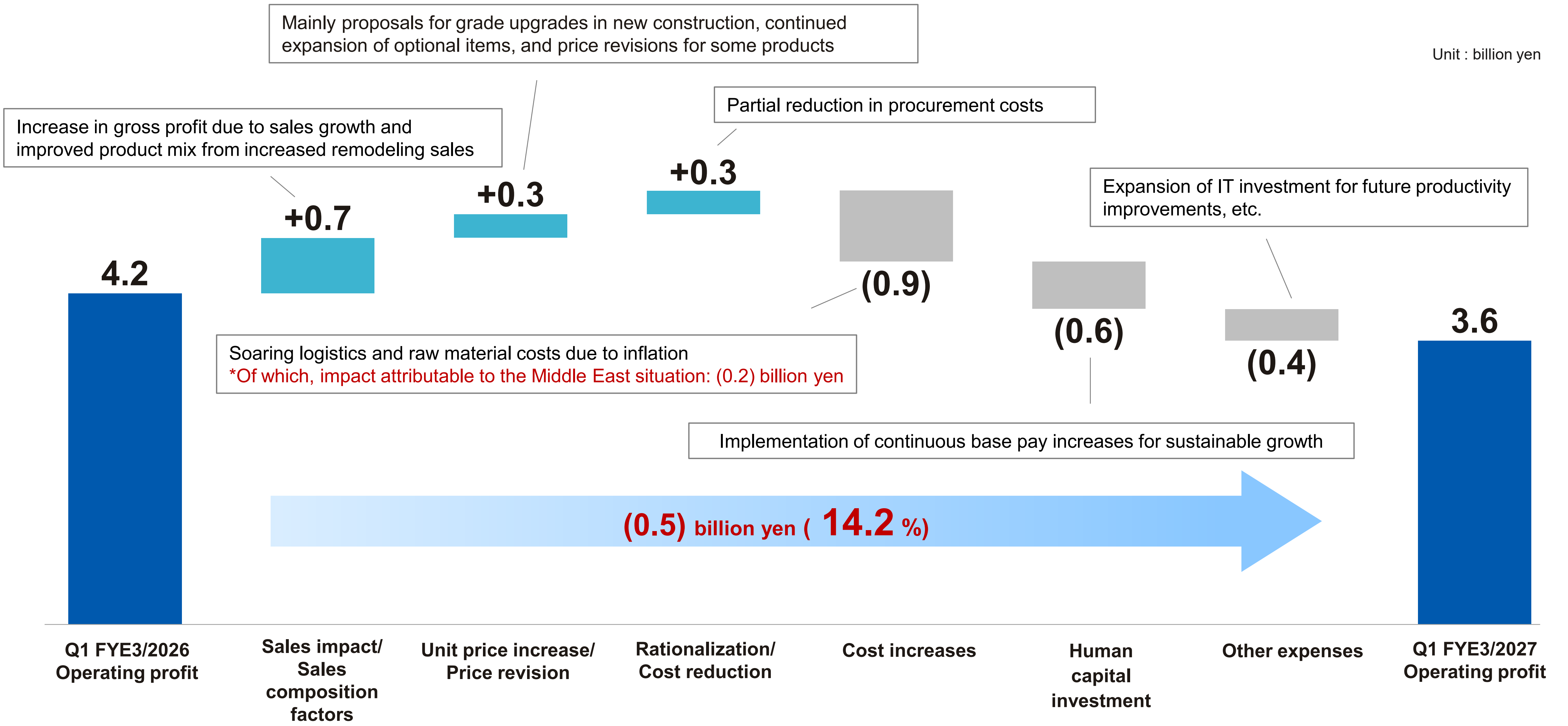

Net Sales by Market

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New construction - Detached houses
Although there was a rush in demand due to legal revisions in the previous period, net sales increased due to the expansion of market share for bathrooms and washstands.

New construction - Multi-family housing
In addition to the high hurdle in the previous period due to the concentration of condominium completions, net sales decreased in the current period due to some construction delays caused by the situation in the Middle East.

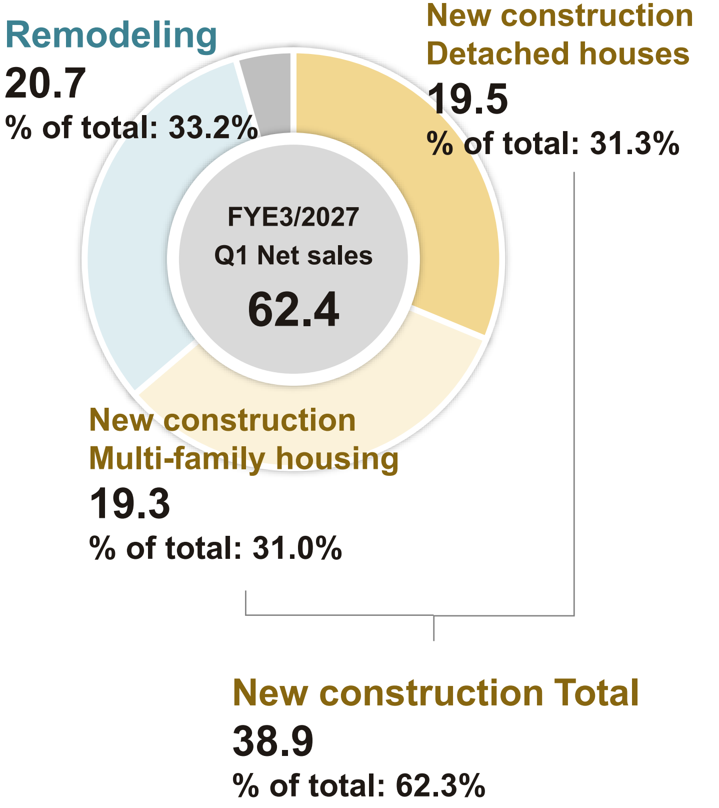
Remodeling
Increase in units sold due to the enhancement of specifications for mainstream products and the penetration of product proposals tailored to customer needs.

Unit : billion yen

		FYE3/2026 Q1 (Apr.-Jun.)		FYE3/2027 Q1 (Apr.-Jun.)			
		Amount	% of total	Amount	% of total	Change	% change
New con-struction	Detached houses	19.2	31.4%	19.5	31.3%	+0.2	+1.4%
	Multi-family housing	20.0	32.7%	19.3	31.0%	(0.6)	(3.5%)
	Total	39.3	64.1%	38.9	62.3%	(0.4)	(1.1%)
Remodeling		19.6	31.9%	20.7	33.2%	+1.1	+5.6%
Total incl. others		61.3		62.4		+1.0	+1.8%

*Includes other sales

Unit : billion yen



Net Sales by Product Category

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Sales increased across all product segments, supported by strong performance, particularly in remodeling.

Regarding bathrooms, where there were concerns about the impact of the situation in the Middle East, although there were some delivery adjustments, it did not lead to a suspension of orders. In addition to expanding sales for condominiums, the strong performance of mid-to-high-end products for detached houses and remodeling led to the highest growth rate.

Unit : billion yen

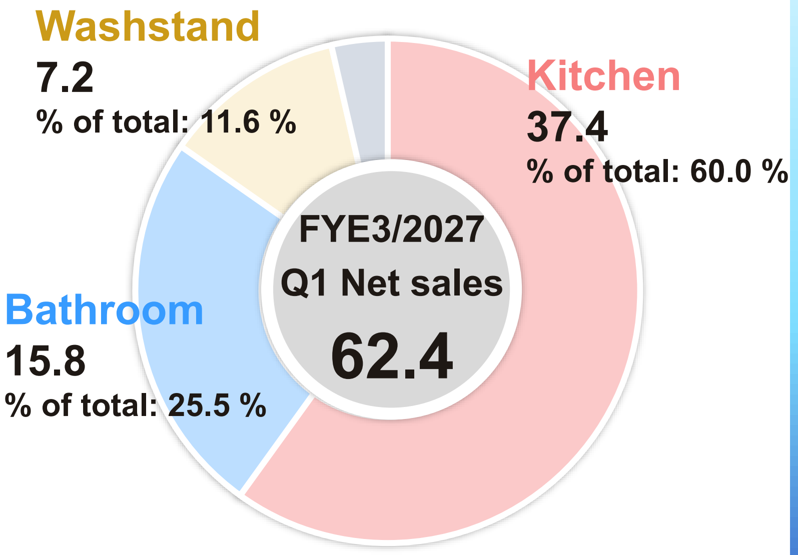
	FYE3/ 2026 Q1 (Apr.-Jun.)		FYE3/ 2027 Q1 (Apr.-Jun.)			
	Amount	% of total	Amount	% of total	Change	% change
Kitchen	36.8	60.0%	37.4	60.0%	+0.6	+1.7%
Bathroom	15.1	24.8%	15.8	25.5%	+0.6	+4.6%
Washstand	7.1	11.7%	7.2	11.6%	+0.0	+1.2%
Total incl. others	61.3		62.4		+1.0	+1.8%

*Includes other sales

New business-related Sales (within total)

Glass Frit	0.6	1.1%	0.7	1.1%	+0.0	+8.4%
Panel-related sales	0.1	0.3%	0.1	0.3%	+0.0	+3.3%
Overseas business sales	0.2	0.4%	0.2	0.4%	(0.0)	(6.0%)

Unit : billion yen



Shipment Growth Rate and Changes in our market share

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Shipment volume for Kitchens and Washstands remained sluggish, as the new construction multi-family housing market, where our company has a high market share, saw low volume. However, the order backlog in this market remains solid, and we expect a recovery for the full fiscal year. Meanwhile, although the Bathroom segment experienced a significant decline due to partial supply restrictions across the industry caused by the Middle East situation, our company achieved an increase through stable supply and sales expansion.

FYE2021 | FYE2022 | FYE2023 | FYE2024 | FYE2025 | FYE2026 | FYE2027 Q1 (Apr.-Jun.)

Kitchen

The rate of change in our shipment volume (Industry Comparison)

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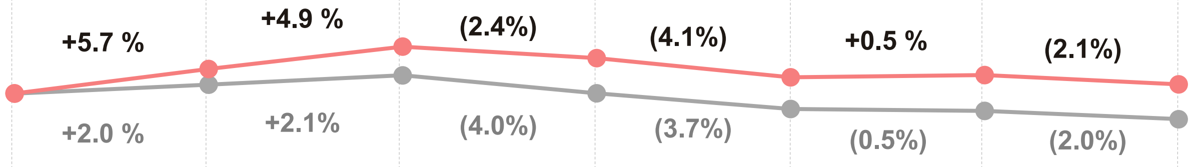
JAPAN ASSOCIATION OF KITCHEN & BATH



	FYE2021	FYE2022	FYE2023	FYE2024	FYE2025
Our market share (monetary base)	27% (1st)	28% (1st)	29% (1st)	29% (1st)	30% (1st)

Bathroom

The rate of change in our shipment volume (Industry Comparison)

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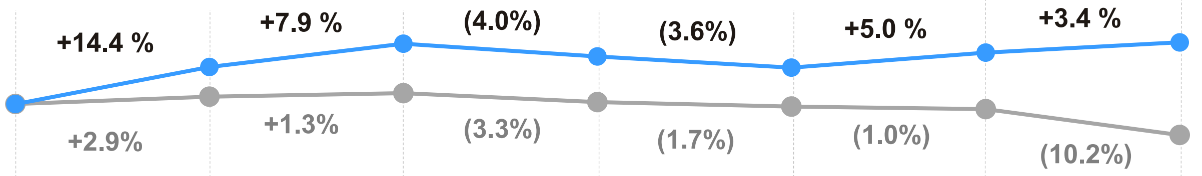
JAPAN ASSOCIATION OF KITCHEN & BATH



	FYE2021	FYE2022	FYE2023	FYE2024	FYE2025
Our market share (monetary base)	12% (4th)	13% (3rd)	14% (3rd)	14% (3rd)	14% (3rd)

Washstand

The rate of change in our shipment volume (Industry Comparison)

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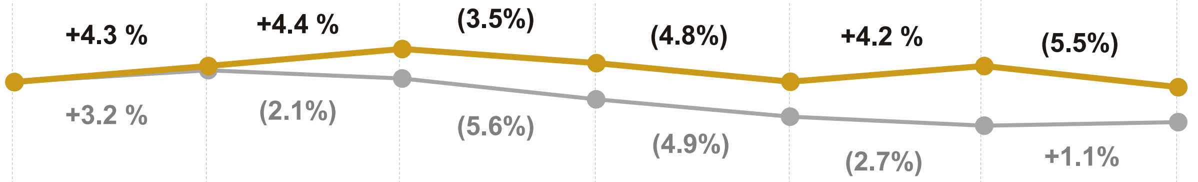

	FYE2021	FYE2022	FYE2023	FYE2024	FYE2025
Our market share (monetary base)	20% (3rd)	20% (3rd)	22% (3rd)	22% (3rd)	23% (3rd)

Note: Figures for the JAPAN ASSOCIATION OF KITCHEN & BATH are YoY percentage change in the total numbers of Kitchens Modular Bathrooms and Washstands. FY27 Q1 figures are calculated in part based on our own research.
Note: Industry share is based on our Company's research.

Sales Composition by Product and Market

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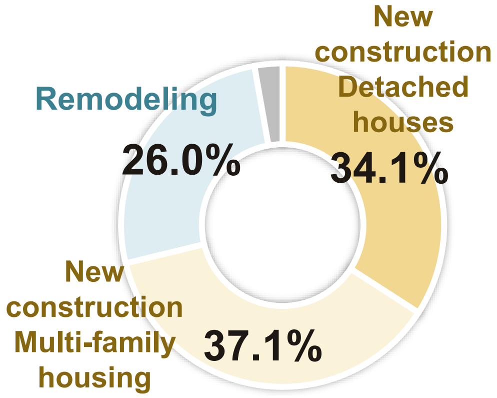
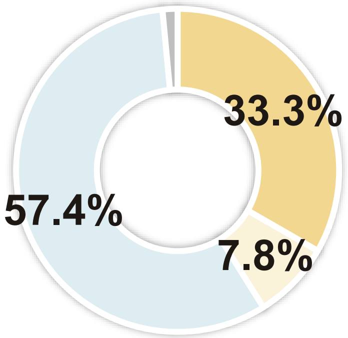
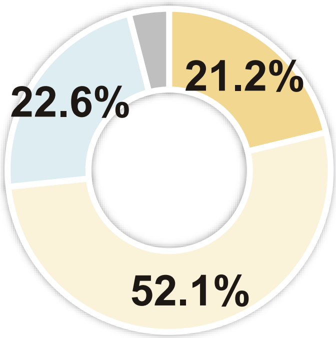
FYE3/2027 Q1 (Apr.-Jun.)

Net sales (unit : billion yen)	Kitchen	Bathroom	Washstand
	37.4	15.8	7.2

Each sales % of total







YoY Change in Net Sales			Kitchen	Bathroom	Washstand
	New con-struction	Detached houses	(0.2%)	+3.8%	+9.1%
		Multi-family housing	(2.7%)	+23.8%	(8.5%)
		Total	(1.5%)	+7.1%	(4.0%)
	Remodeling		+8.5%	+2.1%	+9.4%

Consolidated Balance Sheet

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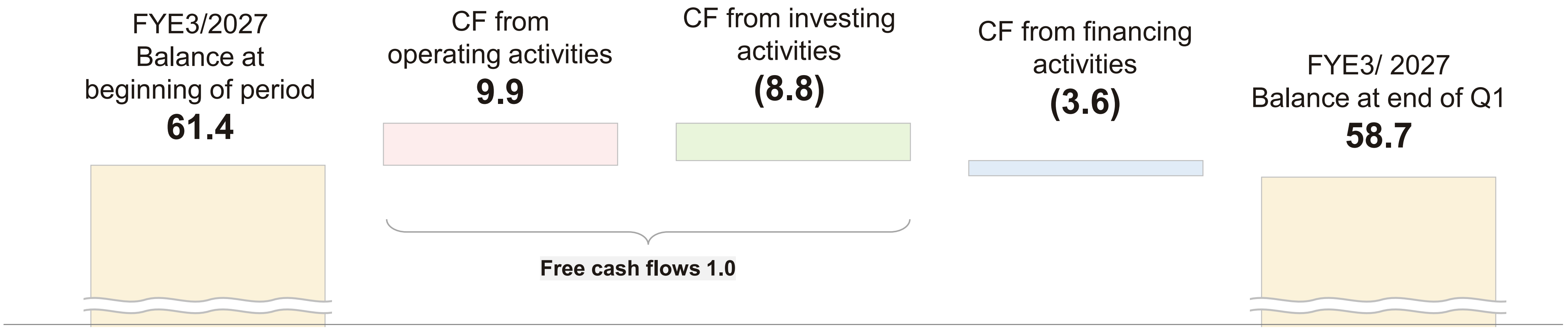
Unit : billion yen

		2026 End-Mar.	2026 End-Jun.	Change	Main Items	
Assets	Current assets	152.8	144.8	(8.0)	Cash and deposits Accounts receivable - trade Inventories	(2.6) (8.1) +1.8
	Noncurrent assets	132.2	139.6	+7.4	Property plant and equipment	+6.0
Total assets		285.1	284.5	(0.6)		
Liabilities	Current liabilities	73.1	73.1	(0.0)		
	Noncurrent liabilities	15.6	15.6	+0.0		
Total liabilities		88.8	88.7	(0.0)		
Total net assets		196.3	195.7	(0.5)	Profit attributable to owners of parent Dividends of surplus	+2.6 (4.1)
Total liabilities and net assets		285.1	284.5	(0.6)		

Consolidated Cash Flows

Unit : billion yen



	FYE3/ 2026 Q1 (Apr.-Jun.)	FYE3/ 2027 Q1 (Apr.-Jun.)	Main Items	
Cash and cash equivalents at beginning of period	68.0	61.4		
Cash flows from operating activities	5.6	9.9	Profit before income taxes Change in accounts and notes receivable Income taxes paid	3.8 8.2 (3.7)
Cash flows from investing activities	(3.3)	(8.8)	Purchase of property, plant and equipment	(8.2)
Free cash flows	2.2	1.0		
Cash flows from financing activities	(5.1)	(3.6)	Dividends paid	(3.6)
Cash and cash equivalents at end of period	65.2	58.7		

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Operating Environment

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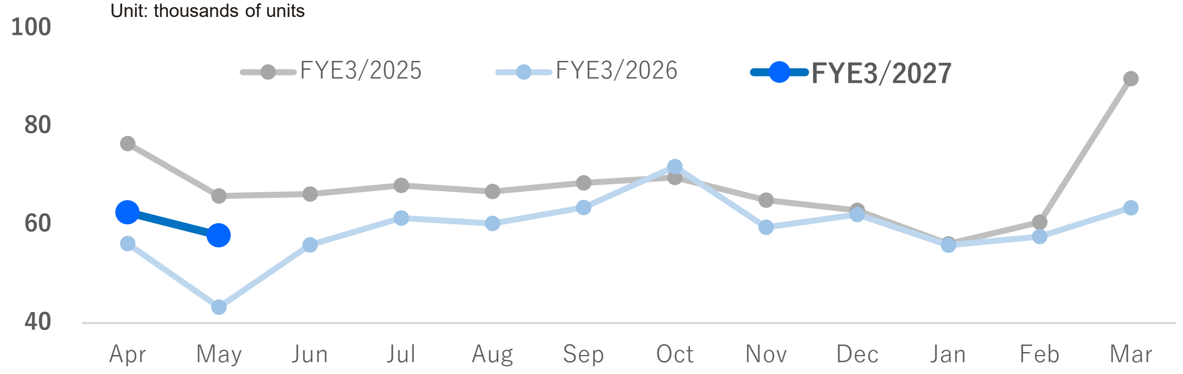
Japanese Economy	Supported by improvements in the employment and income condition, the economy continues to recover steadily. On the other hand, the outlook remains uncertain due to concerns such as the rising in geopolitical risks, uncertainty in overseas economies, and a decline in consumer sentiment accompanying persistent inflation. In particular, the situation in the Middle East remains fluid and should be closely monitored. Although raw material prices once showed signs of stabilizing, due to the impact of the situaiton in the Middle East and other factors, they are increasing again.
Japan's Housing Market	While new housing starts have recovered from the decline following the revision of the Building Standards Act in April 2025, due to soaring housing prices and rising mortgage interest rates, the number of housing starts remain at the low level. In the remodeling market, while the market size is expected to increase slightly supported by the large stock of existing homes, concerns include a decrease in demand due to rising material costs and a shortage of skilled labor, as well as intensified competition within the industry.
Foreign exchange rates and Tariffs	At present, the majority of our sales are to the domestic market, and most of our procurement is from domestic suppliers. Accordingly, while there may be indirect effects from foreign exchange rate and tariffs, the direct impact remains limited.

*Red text indicates revisions from the previous version (April 2026)

Industry Trends

New Housing Starts (MLIT)

Unit: thousands of units

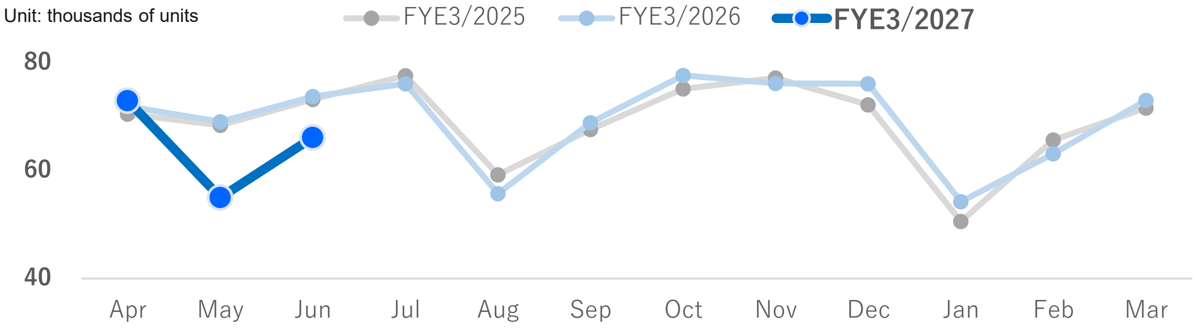


	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
vs. FY2026	+11.1%	+33.9%										
vs. FY2025	(18.3%)	(12.2%)										

Kitchen and Bathroom shipments in the remodeling market (JAPAN ASSOCIATION OF KITCHEN & BATH)

*Partially estimated by TAKARA STANDARD

Unit: thousands of units



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
vs. FY2026	+1.5%	(20.4%)	(10.3%)									
vs. FY2025	+3.5%	(19.6%)	(9.7%)									

Earnings Forecasts for FYE3/2027 (Revised downward on July 30, 2026)

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Assumptions

- **At the beginning of the fiscal year (April 2026), it was difficult to reasonably estimate the impact of the situation in the Middle East, and therefore the impact was not reflected in the forecast. However, we have now taken into account soaring material prices and some construction delays. In the H1, we prioritized our responsibility as a manufacturer to ensure stable supply, which led us to revise our initial forecast downward.**
- **On the other hand, we expect a recovery in performance, especially from the H2 of the year, due to the normalization of the situation in the Middle East toward the end of the fiscal year and the setting of material price adjustment fees to respond to soaring raw material prices from September.**

Net sales

¥259.0 Bn -YoY +¥6.2 bn / +2.5%, vs. initial forecast ¥(1.0) Bn / (0.4%)

- **New construction Detached Houses**: Revenue increase expected. Although sales face a high hurdle due to the rush demand in the previous H1 caused by the amendment of the Building Standards Act, etc., we expect to achieve higher sales by continuing to expand our market share and increase unit sales prices.
- **New construction multi-family housing**: Performance expected to be on par with the previous year. While the order backlog remains solid, there is some impact from construction delays due to the situation in the Middle East. We will continue to increase unit prices through proposals such as grade upgrades and focus on bathroom sales. To improve medium-term profitability, we are implementing price revisions and launching high-end brands.
- **Remodeling**: Revenue increase forecast. We expect an increase in sales volume by continuing to propose a wide product lineup, as well as price revisions for some products.For further sales expansion, we will continue our proposals to major remodeling players. In addition, we plan to implement campaigns to stimulate demand and will also enhance the functionality of certain bathroom products.

operating profit

¥19.1 Bn -YoY +¥0.0 Bn / +0.1%, vs. initial forecast ¥(1.7) Bn / (8.2%), OP Margin 7.4 % - YoY (0.2p), vs. initial forecast (0.6p)

- Despite the negative impact of the situation in the Middle East, earnings are expected to remain largely in line with the previous fiscal year, driven by a higher mix of high-margin renovation projects, higher selling prices, the material cost adjustment surcharge introduced in September, and additional cost reductions.

Profit attributable to owners of parent

¥14.3 Bn - YoY ¥(0.7) Bn / (5.1%), vs. initial forecast ¥(1.1) Bn / (7.1%)

- In addition to the impact of the situation in the Middle East, profit decreased due to lower gains on thousands of non-operating assets such as policy held shares, in addition to the impact of the situation in the Middle East.

ROE

7.4% -YoY (0.3p), vs. initial forecast (0.6p)

- While we will implement shareholder returns at the 130% total shareholder return ratio level as previously announced, ROE will also decline due to the decrease in profit.

Earnings Forecasts for FYE3/2027 (Revised downward on July 30, 2026)

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Unit : billion yen

	Ⅰ FYE3/2026 Results	Ⅱ FYE3/2027 Initial forecast	Ⅲ FYE3/2027 Revised forecast	YoY Ⅲvs Ⅰ		vs. Initial forecast Ⅲvs Ⅱ		Ⅳ FYE3/ 2027 Medium-term management plan targets*	vs. Medium-term management plan targets ⅢvsⅣ	
				Change	% change	Change	% change		Change	% change
Net sales	252.7	**260.0**	**259.0**	+6.2	+2.5%	(1.0)	(0.4%)	**250.0**	+9.0	+3.6%
Operating profit	19.0	**20.8**	**19.1**	+0.0	+0.1%	(1.7)	(8.2%)	**20.0**	(0.9)	(4.5%)
Operating profit ratio	7.6%	**8.0%**	**7.4%**	(0.2 P)	-	(0.6 P)	-	**8.0%**	(0.6 P)	-
Ordinary profit	19.6	**21.5**	**19.8**	+0.1	+0.6%	(1.7)	(7.9%)	**-**	-	-
Profit attributable to owners of parent	15.0	**15.4**	**14.3**	(0.7)	(5.1%)	(1.1)	(7.1%)	**-**	-	-
ROE	7.7%	**8.0%**	**7.4%**	(0.3 P)	-	(0.6 P)	-	**8.0%**	(0.6 P)	-

*As the final-year targets of the Medium-term Management Plan 2026, announced on May 9, 2024 performance targets (ROE target was revised on May 8, 2025)

FYE3/ 2027 1H & 2H Earnings Forecasts (Revised downward on July 30, 2026)

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- H1 results were revised downward compared to the initial forecast due to the impact of the situation in the Middle East.
- Meanwhile, H2 forecasts have been revised upward. In addition to the normalization of the situation in the Middle East, we expect revenue and profit growth from the initial forecast as we plan to incorporate price adjustment to reflect the surge in raw material costs, into our selling prices starting in September. Note: A separate price revision is scheduled for April 2027.

Unit : billion yen

	FYE3/2027																	
	First Half Forecast						Second half forecast						Full Year Forecasts					
	Amount	% of sales	YoY		Vs. initial forecast		Amount	% of sales	YoY		Vs. initial forecast		Amount	% of sales	YoY		Vs. initial forecast	
			Change	% change	Change	% change			Change	% change	Change	% change			Change	% change	Change	% change
Net sales	125.0		+1.8	+1.5%	(2.3)	(1.8%)	134.0		+4.3	+3.4%	+1.3	+1.0%	259.0		+6.2	+2.5%	(1.0)	(0.4%)
Operating profit	7.6	6.1%	(1.1)	(12.8%)	(2.0)	(20.8%)	11.5	8.6%	+1.1	+10.9%	+0.3	+2.7%	19.1	7.4%	+0.0	+0.1%	(1.7)	(8.2%)
Ordinary profit	8.0	6.4%	(1.0)	(11.2%)	(2.0)	(20.0%)	11.8	8.8%	+1.1	+10.6%	+0.3	+2.6%	19.8	7.6%	+0.1	+0.6%	(1.7)	(7.9%)
Profit attributable to owners of parent	5.9	4.7%	(1.0)	(15.1%)	(1.3)	(18.1%)	8.4	6.3%	+0.2	+3.4%	+0.2	+2.4%	14.3	5.5%	(0.7)	(5.1%)	(1.1)	(7.1%)
ROE													7.4%		(0.3P)		(0.6P)	

FYE3/ 2027 Analysis of Change in Operating Profit (Changed due to downward revision ※ red text)

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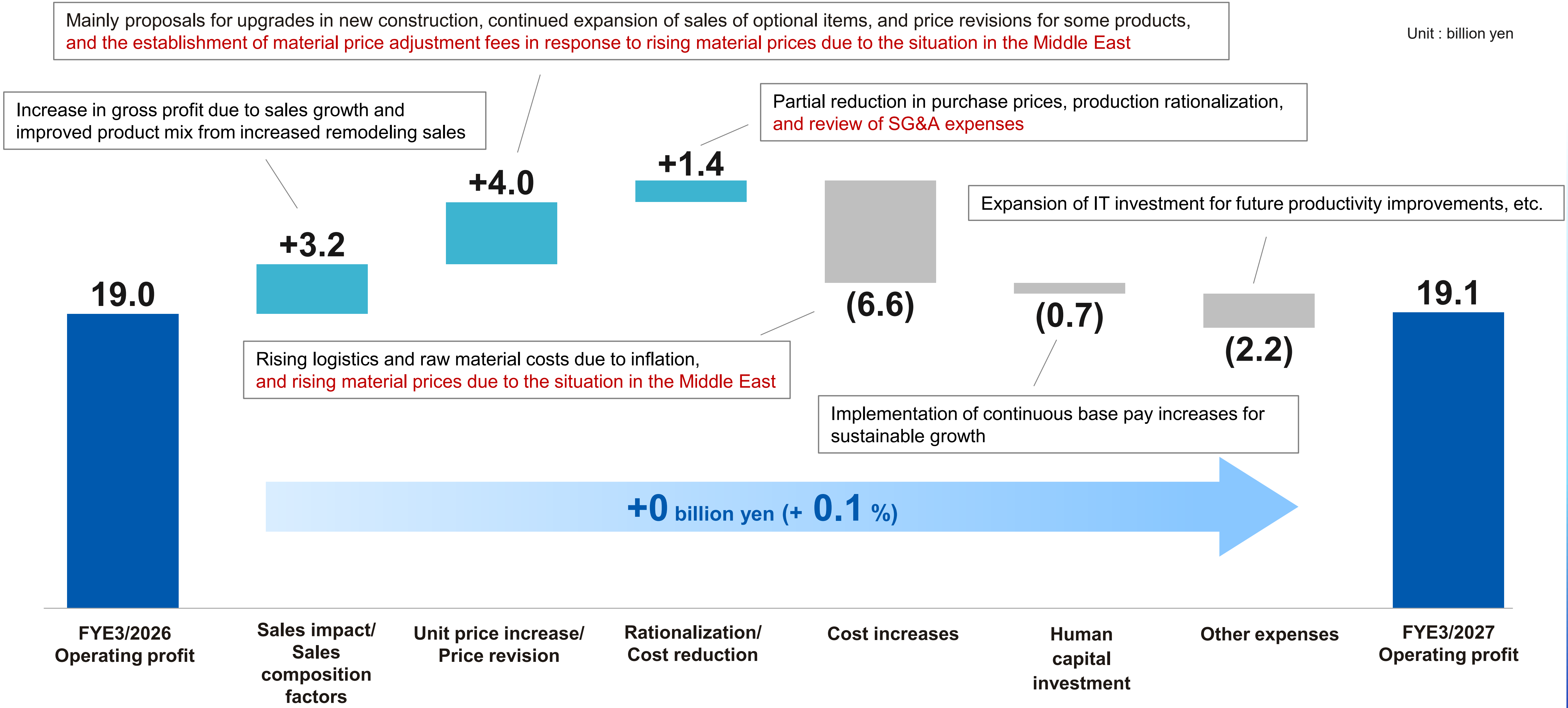
Unit : billion yen



The State of Capital Investment

- Results for FYE Mar. 2026 increased significantly from previous years to 24.2 billion yen, of which 11.3 billion yen was investment in the construction of a new building at the Fukuoka Factory.
- In FYE Mar. 2027, we plan to continue investing 14.3 billion yen in the new building at the Fukuoka Factory, and to make aggressive investments including production-related investments to improve productivity and IT-related investments.

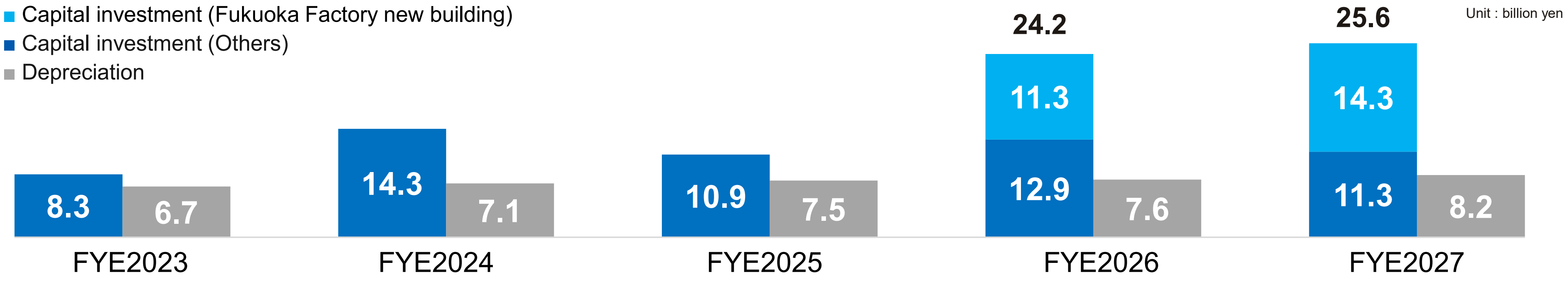
Unit : billion yen

	FYE Mar. 2027 Plan
Capital Investment	**25.6**
Depreciation	**8.2**

Breakdown of major areas

Unit : billion yen

Item		Amount	Main Items
Production related	**Fukuoka Factory new building**	**14.3**	Building and equipment investment for the construction of a new building to increase production capacity for HORO(enamel) bathroom panels
	Others	**5.4**	Investment in production efficiency through automation and labor saving, expansion of production facilities and other measures to increase production, etc.
Information system-related		**2.0**	IT-related investments (promotion of DX, etc.)
Building/office related		**2.2**	Office environment improvement, building maintenance and management, etc.



Note: Fiscal year ends in March

Shareholder Returns

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		new shareholder return policy
shareholder return policy	Dividend	**Dividend payout ratio of 50 %** ~20.0 billion yen over three years of the current plan, Progressive dividend linked to profit growth
	Purchase treasury share	**FYE Mar. 2026 to 2027** Purchase of **~22.0 billion yen** ~24.0 billion yen over three years of the current plan
Concept of Shareholder Return		To develop a foundation of sustainable growth, we actively allocate capital for growth investments and management base reinforcement etc., and raise shareholder returns while maintaining financial soundness. **During the current medium term management plan period, ROE 8% in addition to dividends to achieve, we will also actively utilize shareholder returns through the purchase of treasury shares.**

For the period following the completion of the medium term management plan 2026 (FYE Mar. 2027), the decisions will be based on the financial situation and investment projects at that time, but will be made with a strong focus on the KPI (ROE 10%) for FYE Mar. 2031 and improvement of stock price.

Shareholder Returns: Payout Ratio

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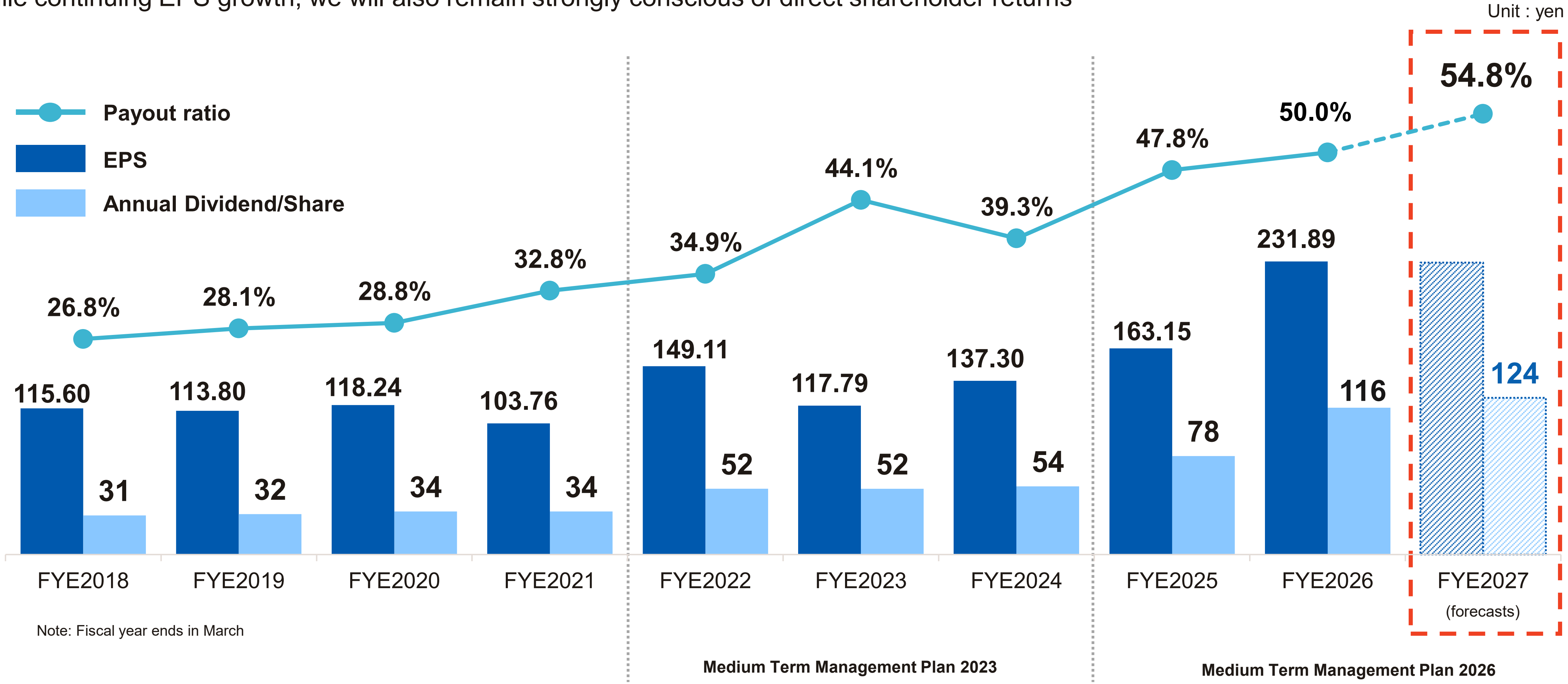
- In accordance with the dividend policy of a 50% payout ratio level, the annual dividend for FYE2026 has been increased from the initial forecast of 100 yen by **16 yen to 116 yen (interim 50 yen, year-end 66 yen)**
- For FYE2027, **an 8 yen increase from the previous fiscal year to an annual 124 yen (interim 62 yen, year-end 62 yen)** is planned
- We have maintained a policy of stable dividends and have not reduced dividends for 34 consecutive terms to date, excluding commemorative dividends
- While continuing EPS growth, we will also remain strongly conscious of direct shareholder returns



Shareholder Returns: Total Shareholder Return Ratio

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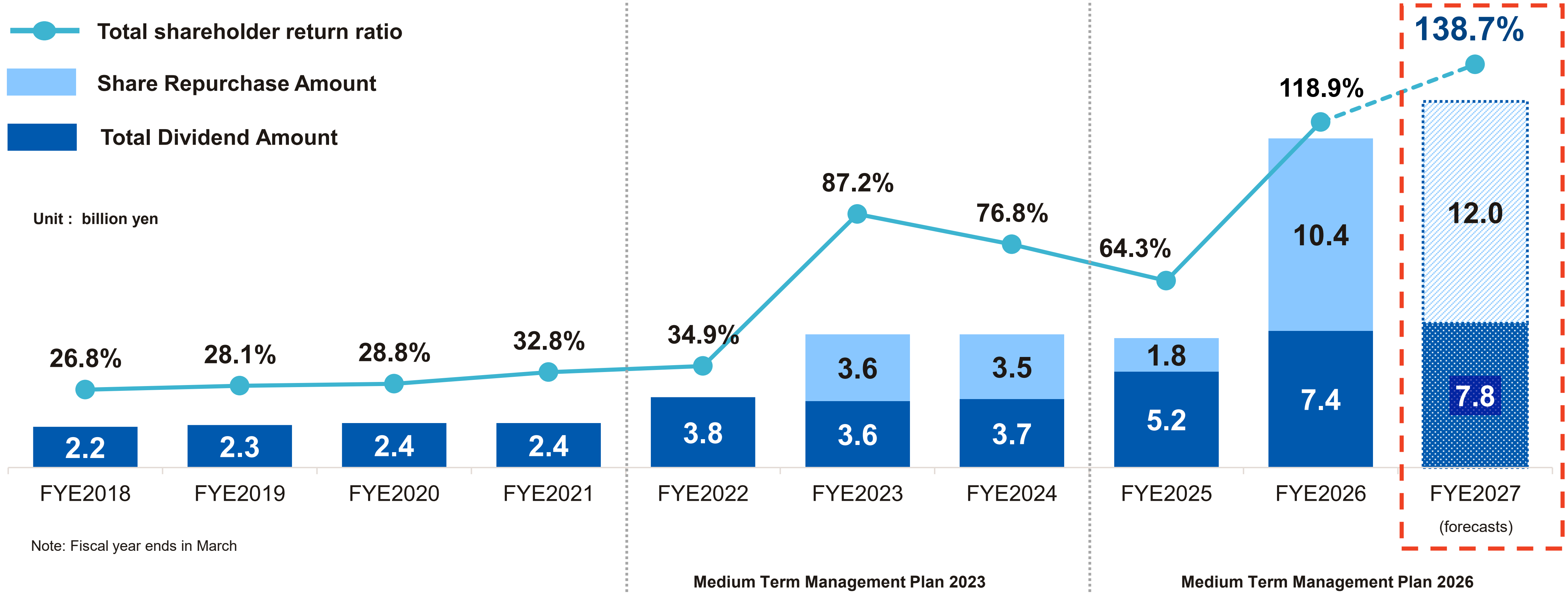
- Since the previous medium-term management plan period, **we have actively executed share buybacks, and the total shareholder return ratio has remained at a high level**.
- Further accelerating initiatives to achieve the target ROE of 8 % and to **establish a sustainable PBR above 1.0x**.
- For FYE2026 and FYE2027, we will repurchase approximately 22.0 billion yen of our own shares to reduce net assets, aiming for a total shareholder return ratio at the **130 % level.**
- 10.4 billion yen has already been executed in FYE2026, and up to 12.0 billion yen is planned for FYE2027.



Note: Fiscal year ends in March

Cash Allocation FYE Mar.2026-Mar.2027 *Progress

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Both cash-in and cash-out are expected to increase from the forecasts announced in May 2025, but the main factor is the acceleration of payments for originally planned capital expenditures, and there is no revision to the direction including shareholder returns.

FYE2026 to FYE2027 Initial forecast

Unit : billion yen

Cash Inflow Total 62.0

- Sale of non-operating assets Approx. 9.0
- Operating CF Approx. 53.0 (Including reduction of working capital)
- Beginning of period Cash on hand 68.0 (3.4 months of monthly sales)

Cash Outflow Total 70.0

- Capital investment and growth Investments Approx. 35.0
  - Fukuoka factory expansion 19.0
  - Growth / Rationalization investments 16.0
- Shareholder Returns Approx. 35.0
- End of period Cash on hand 60.0 (2.8 months of monthly sales)

FYE2026 to FYE2027 revised Initial forecast

Unit : billion yen

Cash Inflow Total 71.0

- Sale of non-operating assets Approx. 8.0
- Operating CF Approx. 63.0 (Including reduction of working capital)
- Beginning of period Cash on hand 68.0 (3.4 months of monthly sales)

Cash Outflow Total 81.0

- Capital investment and growth Investments Approx. 45.0
  - Fukuoka factory expansion 25.0
  - Growth / Rationalization investments 20.0
- Shareholder Returns Approx. 36.0
- End of period Cash on hand 58.0 (2.7 months of monthly sales)

Main Items and Gaps with Initial Forecast

✓ **Sale of cross-shareholdings, idle real estate, etc.**
- Although slightly behind the initial plan, progressing generally as planned

✓ **Operating profit margin**
- Increased due to rising higher than the initial forecast following performance improvement

✓ **Reduction of working capital**
- CCC improvement efforts, such as shortening the collection period for accounts and notes receivable, were successful

✓ **Construction of new building at Fukuoka Factory (+6.0 billion yen)**
- Increase in cash-out during the period due to accelerated payments.
<u>No revision to the total investment (40.0 billion yen) in the factory</u>

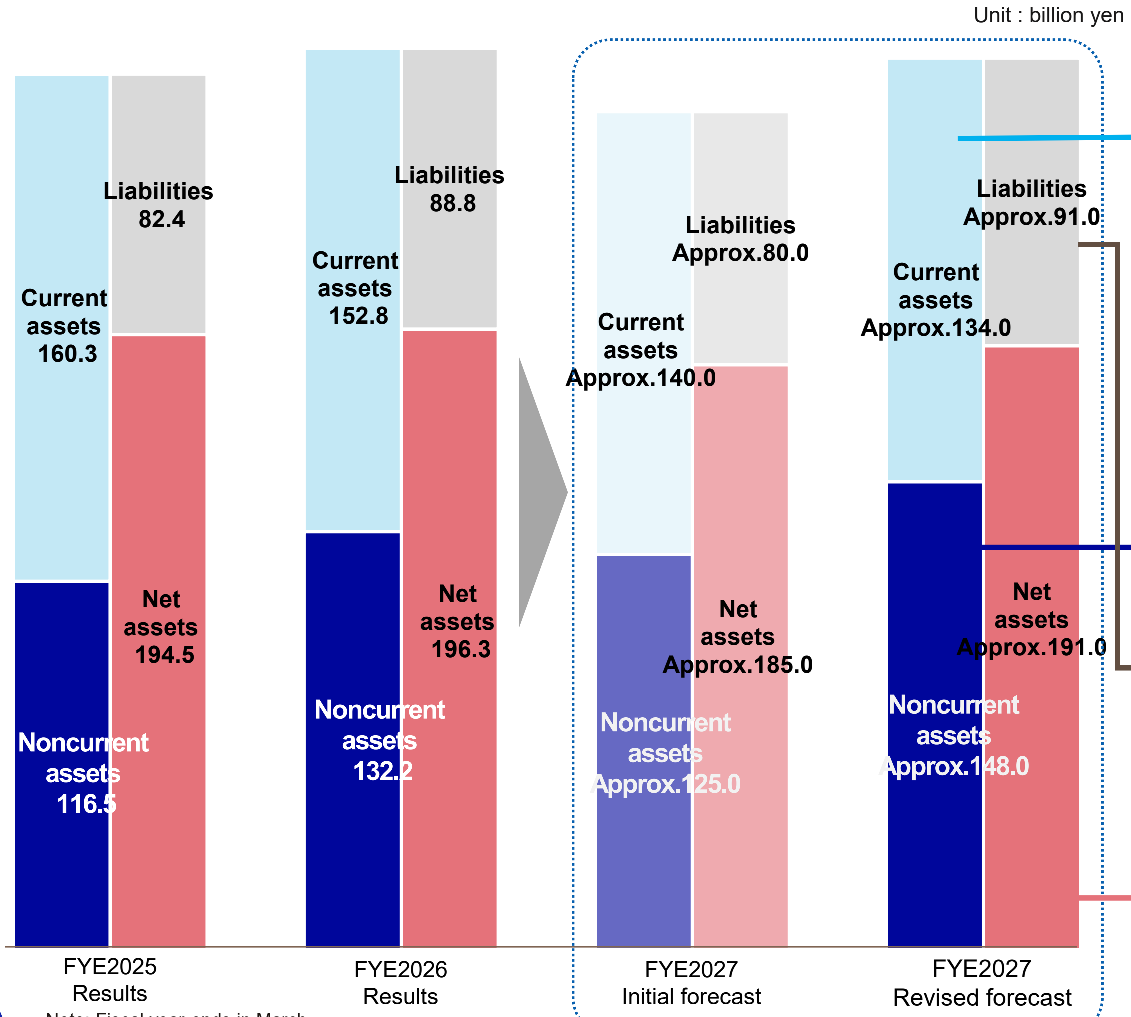
✓ **Growth / Rationalization investments (+4.0 billion yen)**
- Strengthening bathroom functions, factory rationalization, showroom renovation

✓ **Dividend**
- Dividend increase implemented in accordance with the dividend policy as profit is expected to exceed the initial forecast

✓ **Cash on hand at end of period**
- Cash on hand, recognized as excessive, will be compressed through capital allocation to investments and returns to 2.7 months of monthly sales

Balance Sheet Management *Progress

Regarding the assumed balance sheet for FYE Mar. 2027, although the timing of the BS recognition for the large-scale investment related to the construction of the new building at the Fukuoka Factory was moved forward from the initial assumption, it is generally progressing as expected, and net assets are being reduced to improve ROE.



Note: Fiscal year ends in March

Main Items and Gaps with Initial Forecast

[Current assets] (6.0) billion yen

Improvement in CCC progresses more than initially expected while promoting the reduction of working capital.On the other hand, due to the earlier payment for large-scale investment in the Fukuoka Factory and the expansion of the capital investment quota, cash and deposits are expected to decrease

[Non-current assets] +23.0 billion yen

Reduction of non-operating assets (cross-shareholdings and real estate) progresses at a level close to the initial assumption.On the other hand, due to the earlier payment for large-scale investment in the Fukuoka Factory, the expansion of the capital investment quota, and the rise in the market value of held shares, etc., it is expected to increase from the initial forecast.

[Liabilities] +11.0 billion yen

Expect an increase in liabilities mainly due to the earlier payment for large-scale investment in the Fukuoka Factory.

[Net assets] +6.0 billion yen

While reducing equity capital by implementing shareholder returns totaling approximately 36.0 billion yen from FYE2026 to FYE2027, it is expected to increase from the initial forecast due to better-than-expected business performance and the rise in the market value of held shares.

Contents

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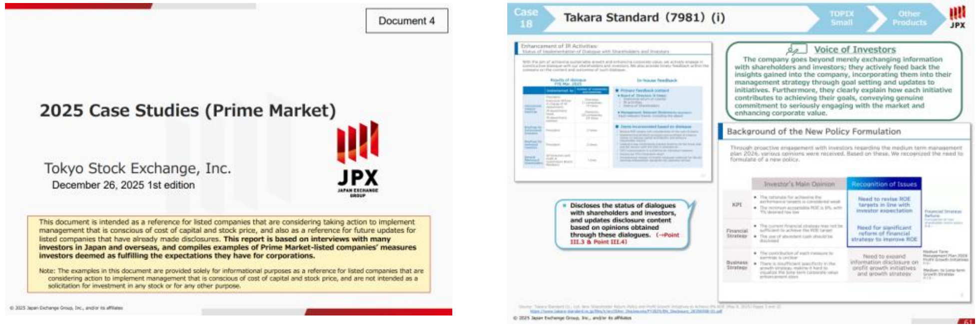
Topics

Featured as a case study of capital cost management initiatives selected by the Tokyo Stock Exchange



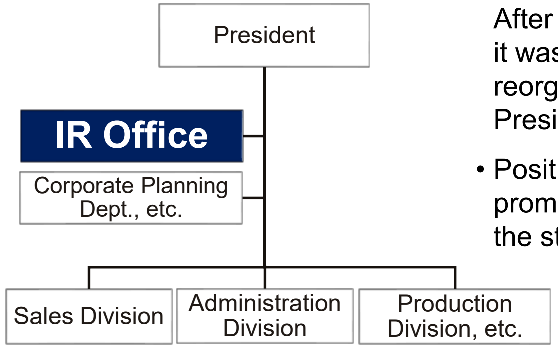
- In May last year, we announced update to our Medium-Term Management Plan titled "New Shareholder Return Policy and Profit Growth Initiatives to Achieve 8% ROE"
- This material has been featured in the casebook of “Management with Awareness of Capital Cost and Stock Price” selected by the Tokyo Stock Exchange.

Source: Japan Exchange Group https://www.jpx.co.jp/english/equities/follow-up/uorii50000004sse-att/vk0khi000000gi0s.pdf

Strengthening Corporate Governance Structure

- At the 152nd Ordinary General Meeting of Shareholders held on June 24, we amended the Articles of Incorporation to change the term of office for directors from two years to one year, thereby eliminating staggered terms.
- In addition, the meeting resolved to introduce a restricted stock compensation plan for directors. This provides incentives for the sustainable improvement of corporate value and further promotes value sharing with shareholders.

IR Office Transferred to an Organization Directly Under the President



*The above organizational chart is an outline

- We are gradually strengthening its IR structure. After establishing a dedicated organization in 2023, it was promoted to department status in 2025 and reorganized into the "IR Office" directly under the President from April 2026
- Position IR at the core of management strategy and promote more constructive and agile dialogue with the stock market

Received "Minkabu Award 2025"

- We were selected as one of the 35 award-winning companies in the Tokyo Stock Exchange Prime Market in the "Minkabu Award 2025," announced in June by "Minkabu," one of Japan's largest financial and investment information information media outlets.
- The Minkabu Award is an annual award that selects and commends companies expected to show particular promise in the future, based on unique criteria, regardless of their size or industry, from among over 3,800 listed companies.

Topics

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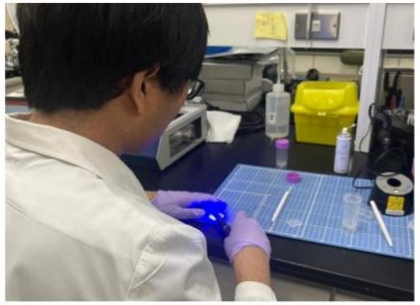
First Launch of High-End Kitchen Brand for Condominiums

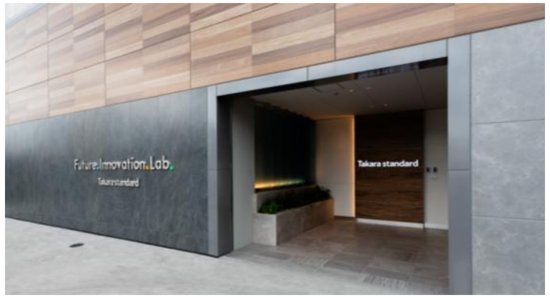
- In anticipation of the continued expansion of the high-end kitchen market, we have launched "Artevo," a high-end kitchen brand dedicated to new condominiums for sale.
- We expect to see results from fiscal year 2028 and aim for sales of 2.0 billion yen in fiscal year 2030.

Conclusion of Joint Research Agreement with Tokushima University in the Dental Field



- Started joint research on July 1 with the aim of further utilizing glass frit, the raw material for our signature HORO(enamel), and resin molding technology in the dental field.
- Aiming to develop new adhesive systems and high-strength composite resins for dental treatment.

Opening of "Future Innovation Lab" Specialized in R&D



- We opened the "Future Innovation Lab" in June, consolidating R&D facilities that were previously located across the country.
- Promoting the development of new products and technologies centered on HORO(enamel).

Location: 1-1 Futamata, Yao City, Osaka Prefecture

Holding "Remodeling Support Campaign"

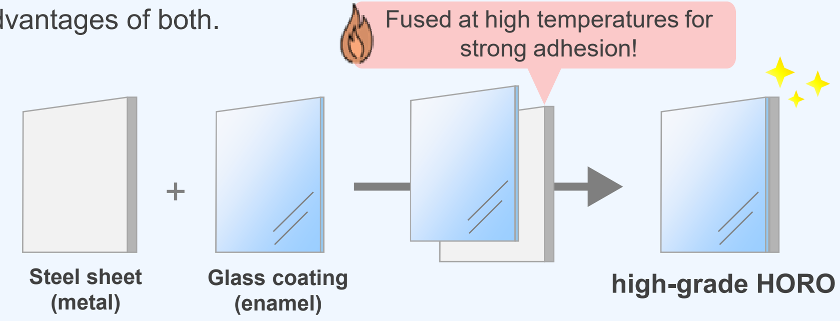
- We are conducting a campaign from July 3 to November 3 where customers who receive a quote for remodeling products at our showrooms will be entered into a drawing to win luxury prizes.
- Through these initiatives, we aim to further capture remodeling demand.

The world's only manufacturer that can also propose enamel-based water related products

We also handle general wooden water related products, and it is possible to use HORO only in areas where cleanliness and durability are required, such as the bottom panels of kitchens.

What is HORO?

A composite material created by fusing a glass coating onto a metal surface. It combines the strength of metal with the beauty of glass, making it an ideal material that maximizes the advantages of both.

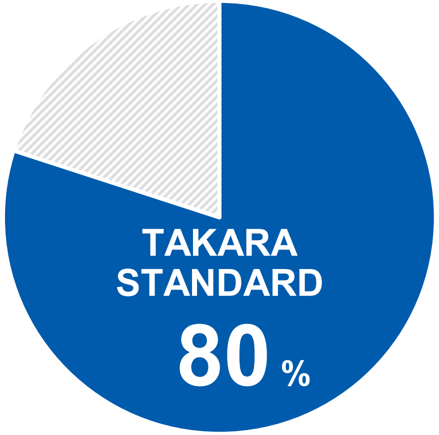


Features of HORO

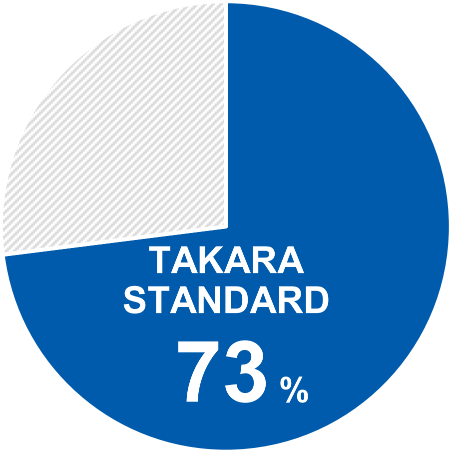
- ✓ Easy to clean
- ✓ Scratch-resistant
- ✓ Moisture-resistant
- ✓ Magnet-friendly
- ✓ Heat-resistant
- ✓ Odor-resistant

Established an overwhelming market share for kitchens and washstands in the new condominium market

Kitchens (units sold)



Washstands (units sold)



*Shipment unit share in the new multi-family housing market (for sale) -FYE 3/2025, based on the Company's research

Three key competitive advantages supporting our overwhelming market share

- Production and logistics network enabling large-scale and bulk deliveries (15 production sites, 12 logistics centers)
- Design and construction capabilities to meet diverse layouts and specifications
- Delivery capabilities that ensure strict process management

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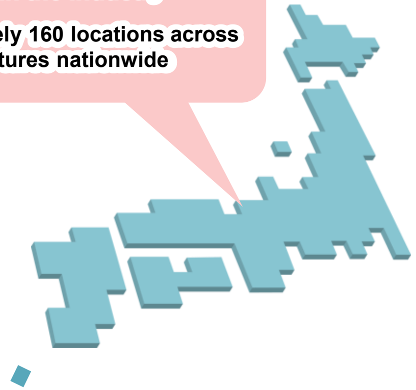
Dedicated sales organizations are assigned to each market segment, enabling attentive and well-coordinated sales activities.

the Company	branch and sales offices	branch and sales offices	branch and sales offices
Market	**Remodeling** Trading company, Agency, Dealer	**New construction Multi-family housing** Developer, Construction company	**New construction Detached houses** Housebuilder

We operate community-based showrooms where customers can see, touch, and be convinced of our products.

Largest in the industry

Approximately 160 locations across all 47 prefectures nationwide



Provides web content useful for gathering information on remodeling

Takara standard パートナーショップ

An organization of remodeling stores partnered with the Company, possessing proven track records and extensive experience. Customers can find partners for water-related remodeling projects.

Sales Composition by Product and Market

Actual results for FYE3/2026

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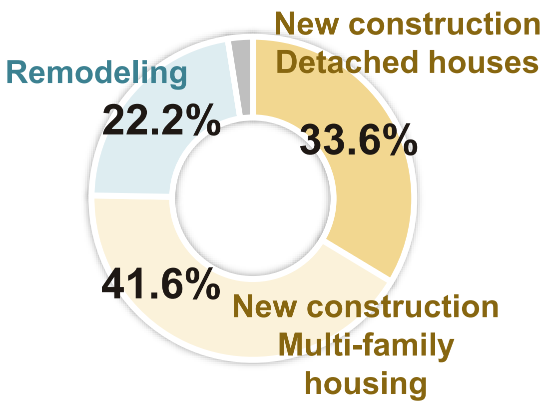
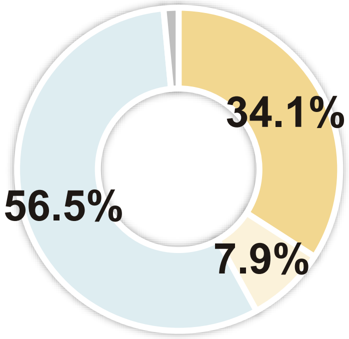
Net sales (unit : billion yen)	FYE3/2026 Kitchen	FYE3/2026 Bathroom	FYE3/2026 Washstand
	154.7	58.7	30.5

Each sales % of total

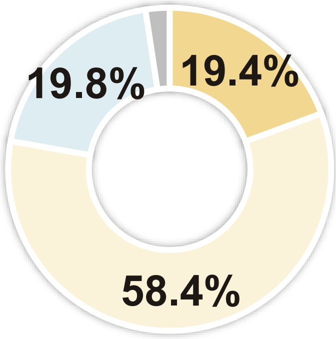
Kitchen



Bathroom



Washstand



YoY Change in Net Sales		Kitchen	Bathroom	Washstand
New construction	Detached houses	+2.9%	+6.5%	+8.5%
New construction	Multi-family housing	+5.9%	+9.3%	+6.3%
New construction	Total	+4.5%	+7.0%	+6.8%
Remodeling		+1.5%	+3.6%	+5.5%

Quarterly Performance Trends

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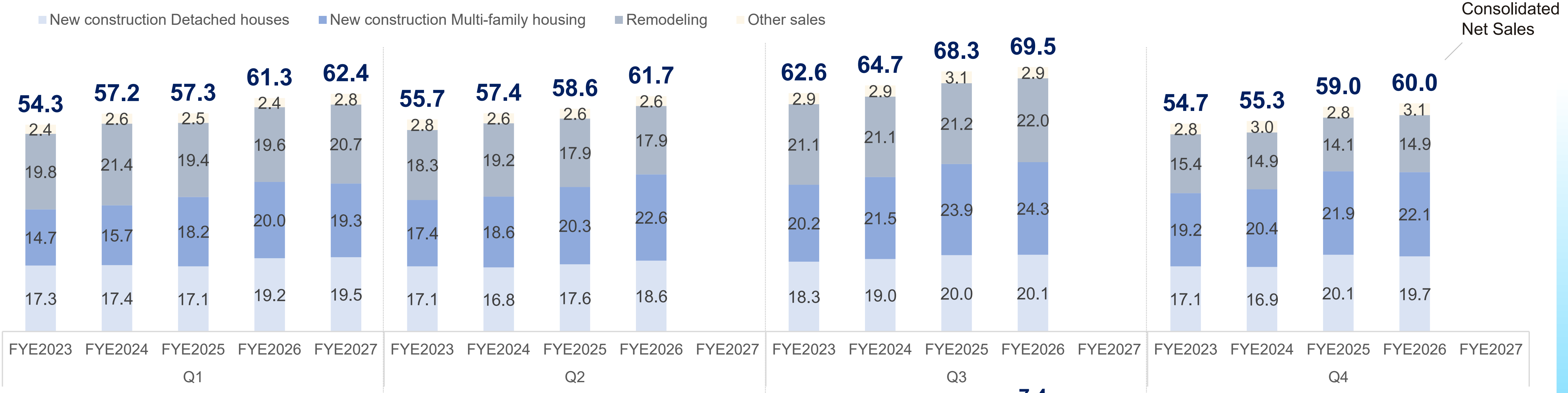
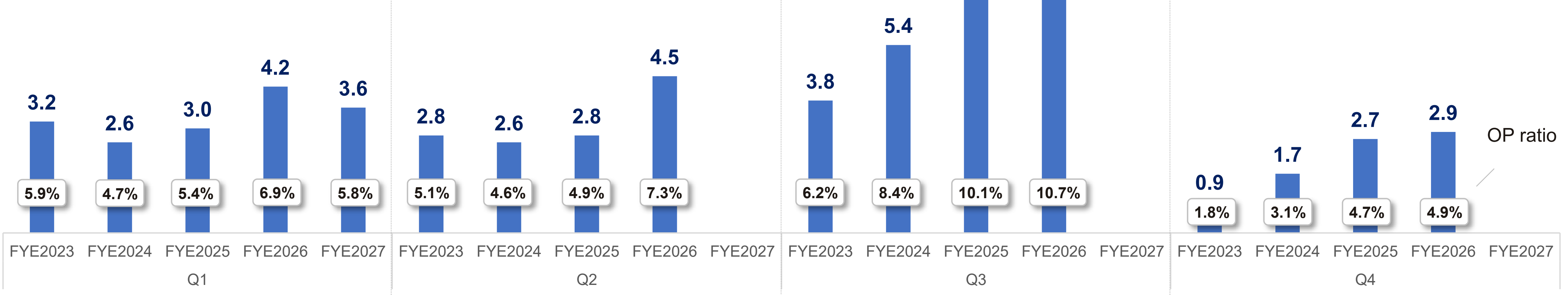
● Quarterly Net Sales by Market

Unit : billion yen



● Quarterly Consolidated Operating Profit Trends



Note: Fiscal year ends in March

Historical Trends in Net sales and Operating Profit

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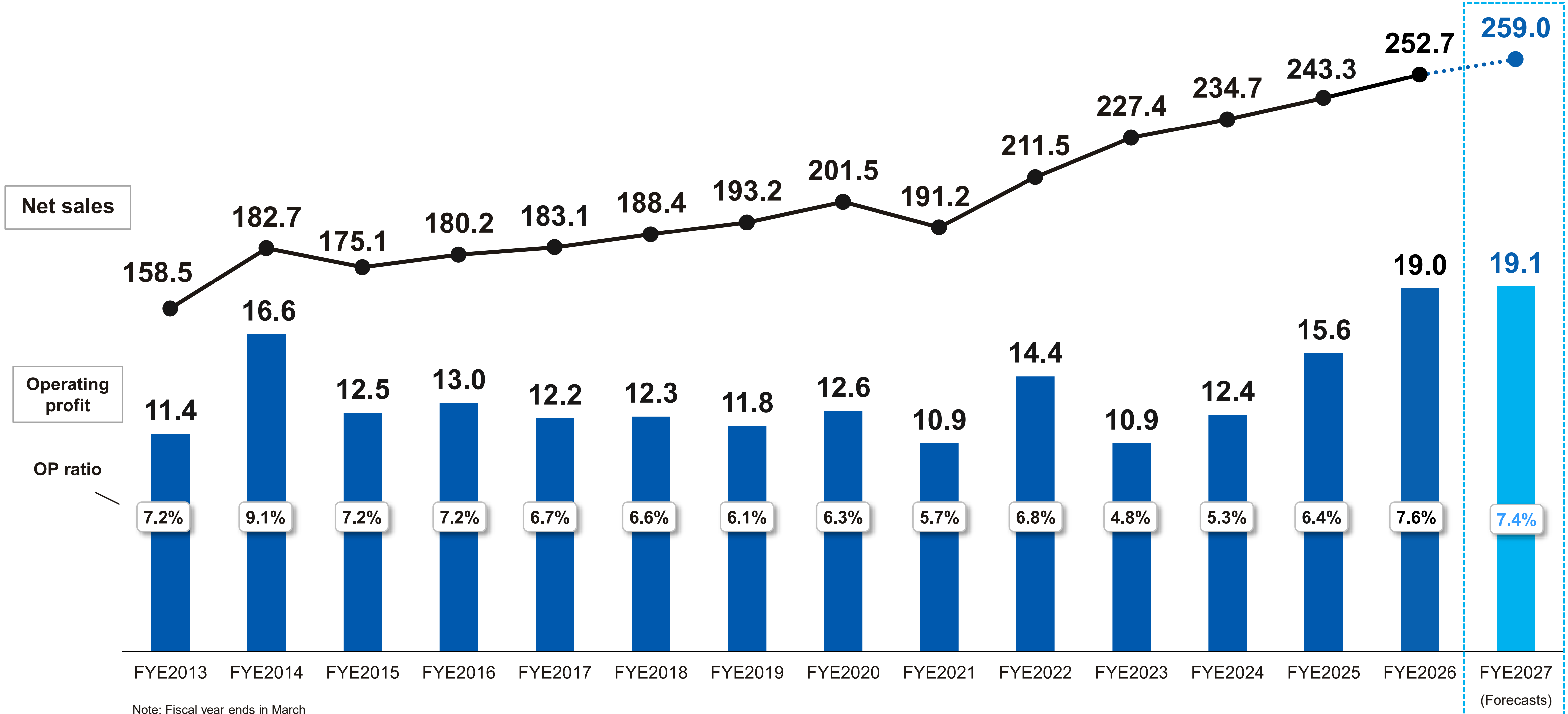
Unit : billion yen



Note: Fiscal year ends in March

The Company has applied the “Accounting Standard for Revenue Recognition” and related standards from FYE3/ 2022, and the figures for FYE3/ 2021 were retroactively restated, whereas the figures for FYE3/ 2020 and earlier periods have not been restated.

Historical Trends in ROE and PBR

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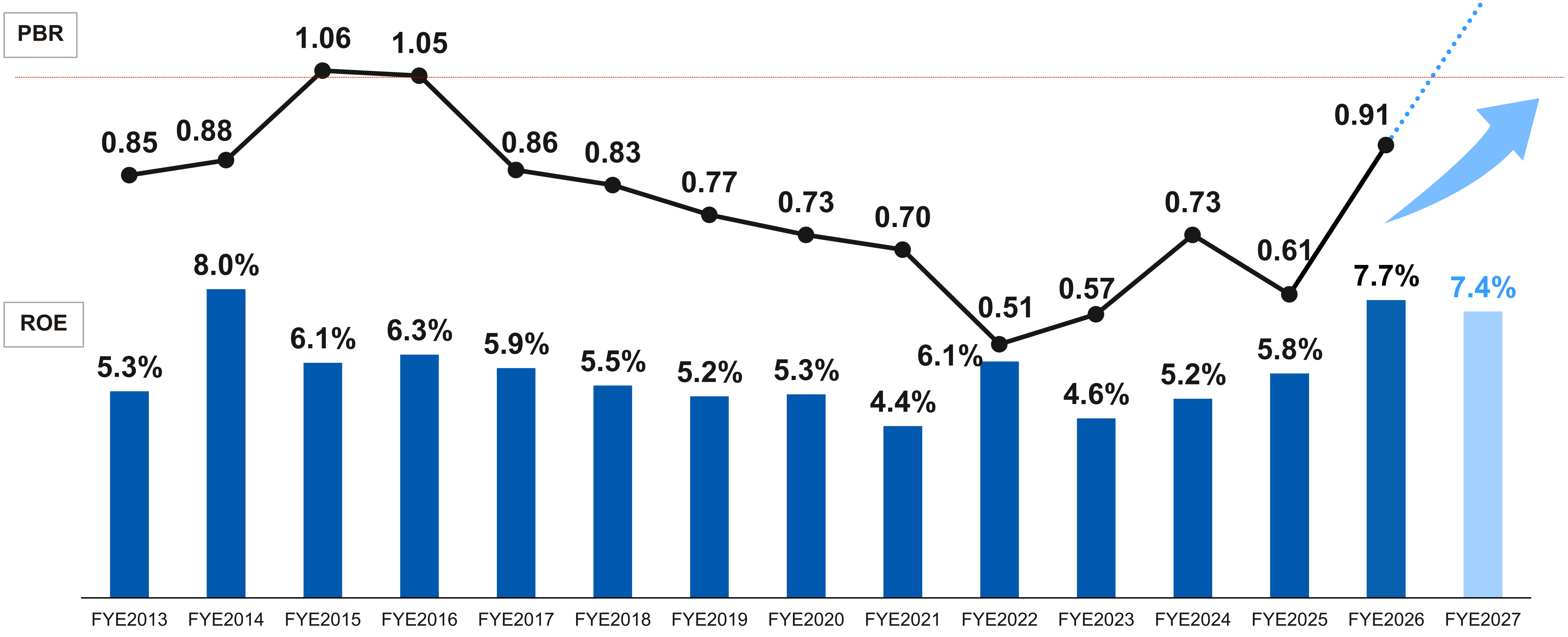
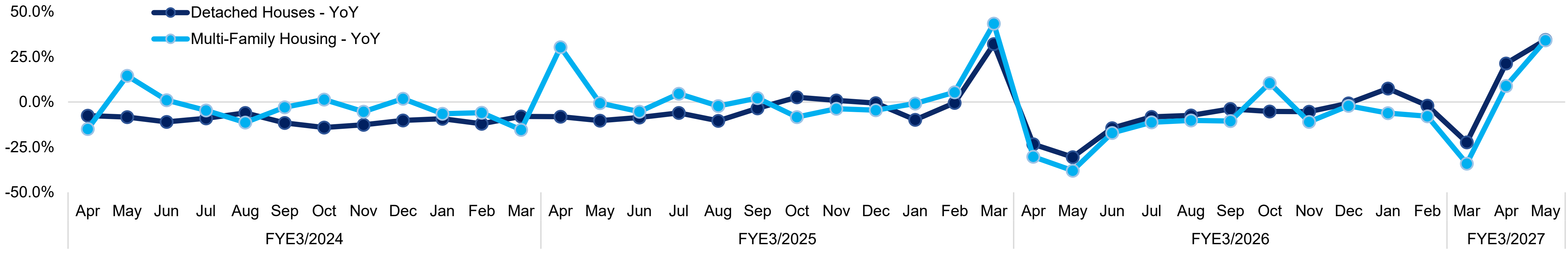


Note: Fiscal year ends in March

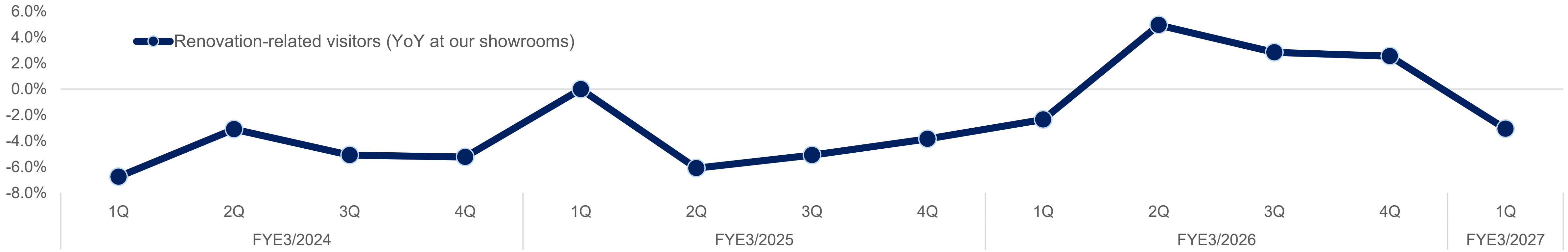
Market-specific data

● New Construction Detached Houses and Multi-Family Housing – Related Data (YoY Comparison of New Construction Starts in Japan)

Partially edited based on the "Building Starts Statistics Survey" by MLIT



● **Renovation-related data** (YoY comparison of visitors for renovation purposes at our showrooms)



● **Number of overseas local distributor's showrooms**

Unit: locations

	China	Taiwan	Vietnam	Others	Total
As of June 30, 2026	**28**	**33**	**4**	**5**	**70**
vs. Mar. 31, 2026	(1)	(1)	±0	±0	(2)

Market conditions of our main materials

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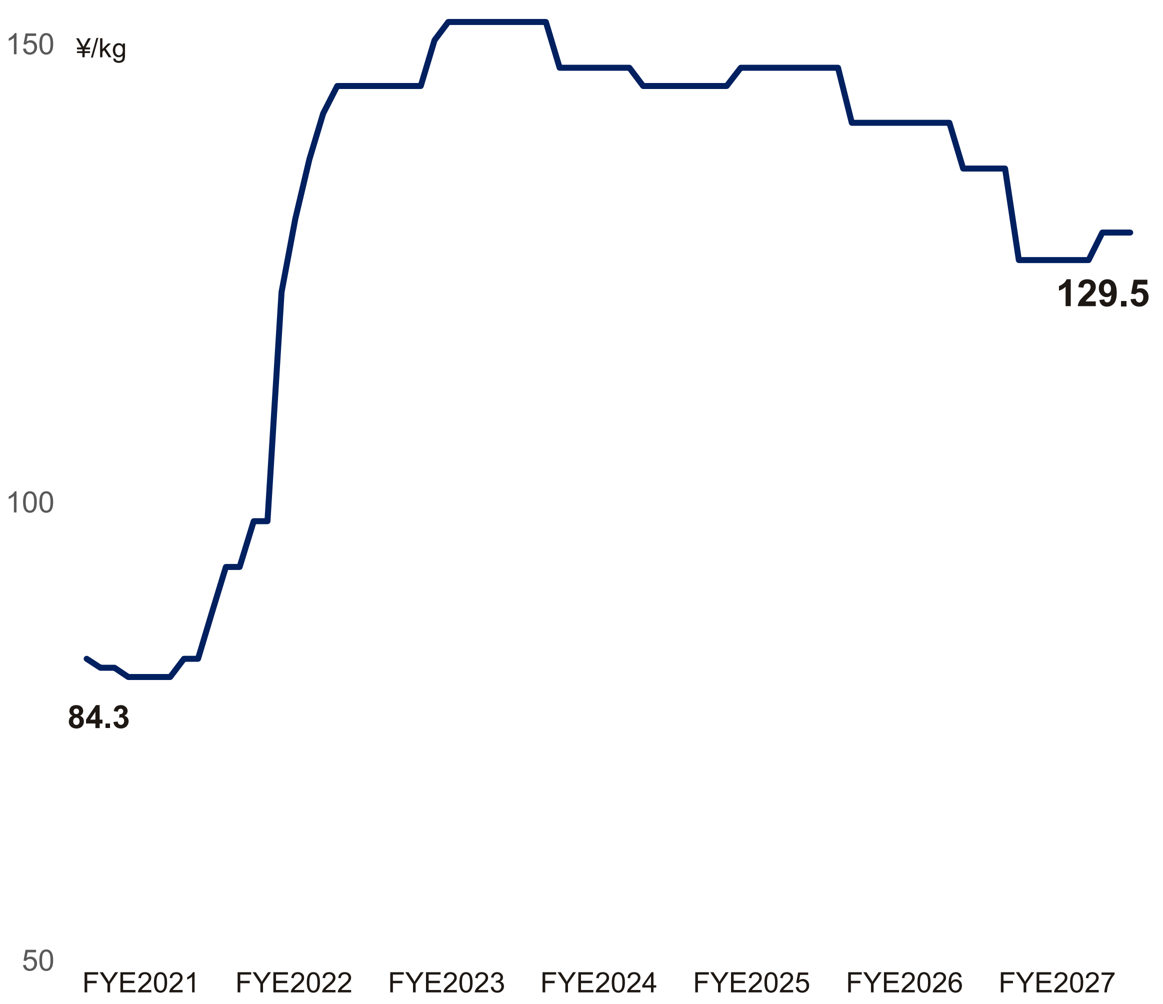
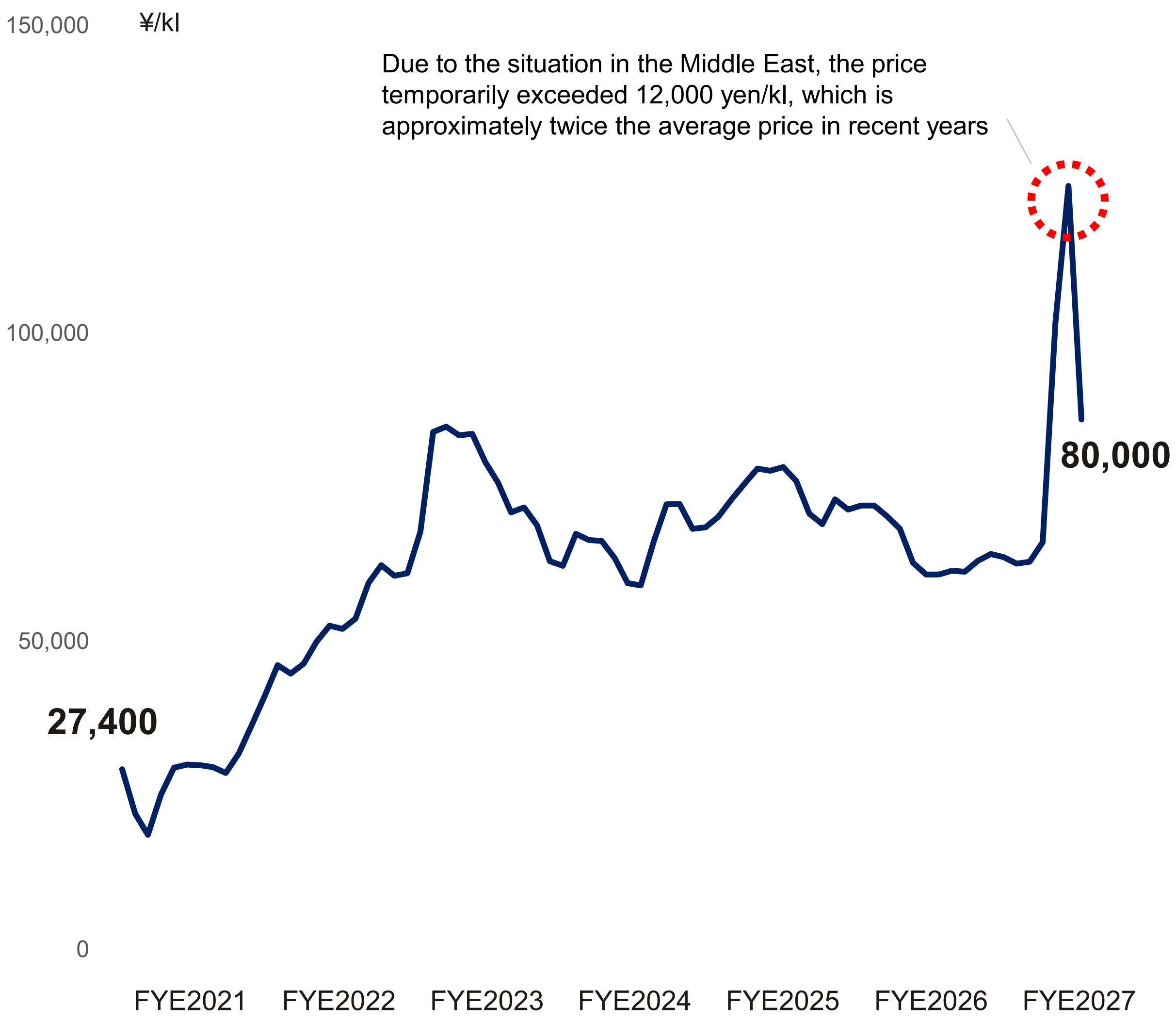
● Cold-rolled steel sheet

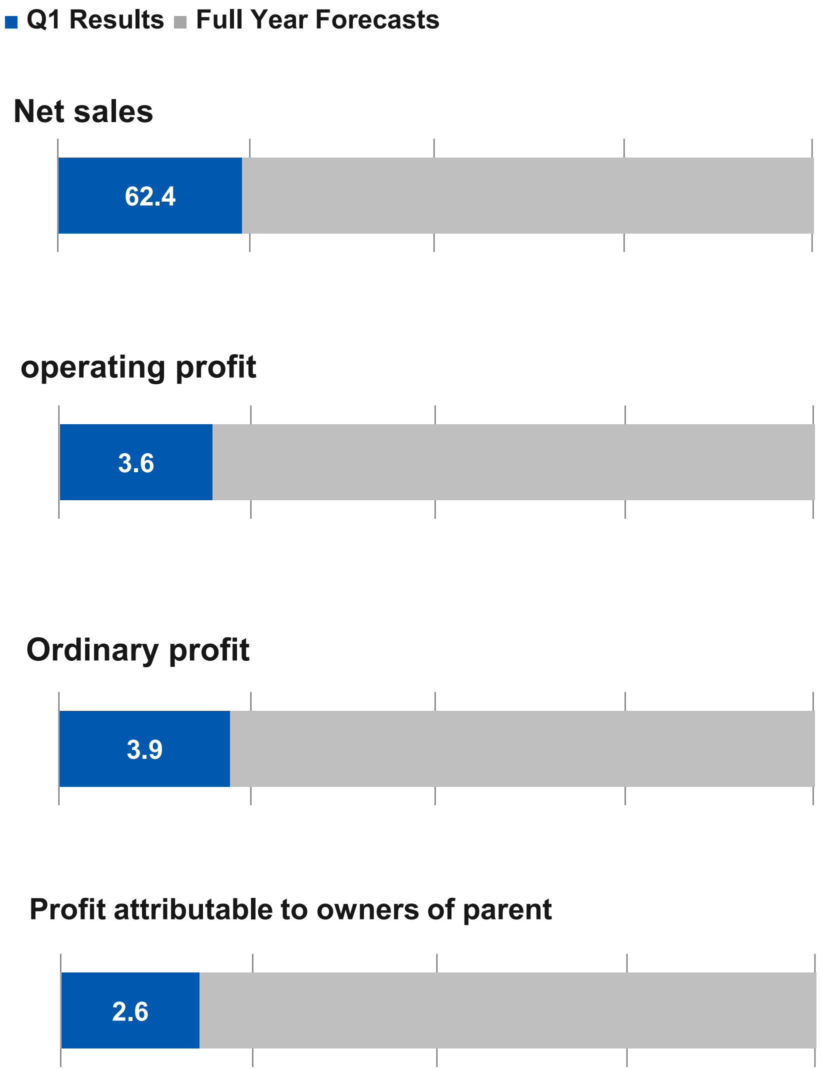


● Naphtha



Earnings Forecasts for FYE3/ 2027 (Progress rate)

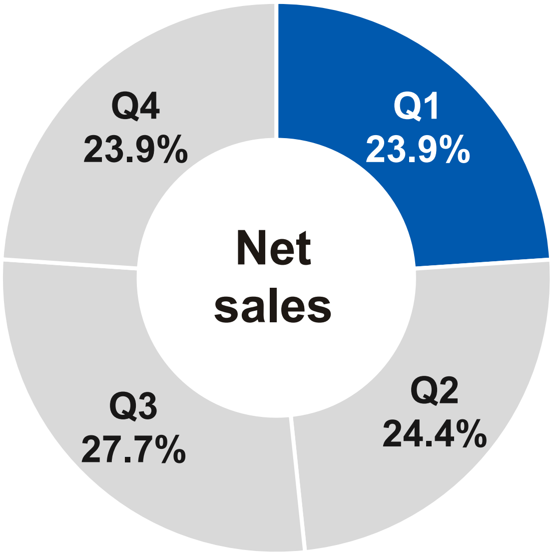
Progress against Forecast

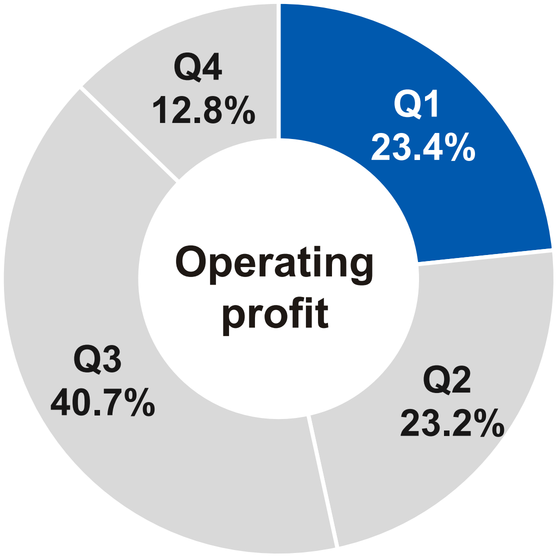


Unit : billion yen

	Full Year Forecasts	Progress rate
Net sales	259.0	24.1%
operating profit	19.1	18.9%
Ordinary profit	19.8	19.8%
Profit attributable to owners of parent	14.3	18.2%

Quarterly Performance Composition Ratio (5-Year Average)





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