



かさねよう、丹青 いろどり

Financial Results for the Second Quarter of Fiscal Year Ending January 31, 2027



<https://www.tanseisha.co.jp/>

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Corporate Profile

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for the Second Quarter of FYE January 2027

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PART 1

Corporate Profile

What is a display business?



Definition in the Japan Standard Industrial Classification

This class comprises establishments primarily engaged in subcontracting all the work of surveys, planning, design, display, composition, production, and execution supervision of displays for shops, exposition venues, events, etc., with the purpose of realizing the functions of sales promotion, public information, information relay, etc., and undertake the work of overall composition and direction for interiors, exteriors, display devices, machinery and equipment (audio, video, etc.) of these facilities.

The Company

The Company regards spaces where people interact with other people, objects, and information as environments for social interaction, and it creates attractive environments for social interaction through the effective use of space and media.

Supplementary information

Display businesses in Japan have dramatically improved their display functions since the display services provided at the Japan World Exposition in 1970, and they have expanded their scope of business from show windows to urban planning along with the development of society.

Features of the display industry

- ◆ Market size of around ¥1.8 trillion (the Company's target is around ¥900 billion)
- ◆ Wide range of business activities (research, planning, design, construction, and operation management of various facilities)
- ◆ Majority of companies are SMEs specializing in specific sectors (even the largest companies have a market share of around 10%)
- ◆ Business performance often affected by economic trends
- ◆ Profits do not accumulate on a quarterly basis

<Net sales>

(Millions of yen)

	FY2023	FY2024	FY2025	FY2026
NOMURA Co., Ltd.	134,138	150,256	162,679	(projection) 168,000
TANSEISHA Co., Ltd.	81,200	91,858	107,222	(projection) 107,000
SPACE DISPLAY CO., LTD.	52,793	64,182	71,511	(projection) 72,000

* Only two companies, TANSEISHA and NOMURA, operate a comprehensive display business, expanding across various sectors

Corporate profile



Space creation began for Tanseisha when our founder, Masaji Watanabe, first started remodeling the interior of the newly bustling department stores in Ueno, Tokyo, after WWII.

For over seventy years since this humble origin, we have continued to hone our skills and creativity, expanding the field of comprehensive display business through a multitude of achievements such as our pavilion at the Japan World Exposition in 1970, the turning point of our company's history. We continue to create spaces for imaginations to grow while drawing power from our ability to read the times.

(as of January 31, 2026)

[Company Name]	TANSEISHA Co., Ltd.
[Established]	October 14, 1949
[Stock Listing]	Prime Market of the Tokyo Stock Exchange (Securities code: 9743)
[Capital]	¥4,026 million
[Number of Employees]	1,484 (consolidated)
[Consolidated Subsidiaries]	6
[Sales Offices]	10 in Japan
[Description of Business]	Comprehensive display business
[Fiscal Year End]	January 31

Business segment		Business description	Major facilities	Major business partners
Display business	Commercial and other facility market	Interior design and construction of all commercial facilities (excluding those related to the chain store market)	Department stores and large shopping centers, various specialty stores, restaurants, event and sales promotion facilities, amusement facilities, offices, hotels, other public facilities, etc.	Major department stores, railway companies, automakers, consumer electronics manufacturers, housing-related manufacturers, amusement companies, etc.
	Chain store market	Interior design and construction of chain store facilities	Chain restaurants and apparel stores, convenience stores, etc.	Chain restaurants and apparel companies, convenience store companies, etc.
	Cultural facility market	Interior design and construction for exhibitions at museums, art galleries, corporate museums, etc.	Museums, art galleries, corporate museums, etc.	Central government ministries and agencies, local governments, etc.
Other		Administrative services Internet information services		

Scope of business (value provided)



The value Tanseisha provides is the ability to address challenges through space creation.

Integrated support for the process of space creation

Research and planning

- Consulting
- Research and analysis
- Planning
- Cross-industry coordination
- Branding
- Project management

Design

- Design concept
- Planar layout
- Basic/detailed design
- Proposal for creative media spaces

Production and construction

- Design supervision
- Production and construction
- Technical direction for multimedia spaces

Operation

- Facility management and operation
- Maintenance
- Sales promotion and event planning
- Assessment, inspection, and effectiveness measurement

Integrated support for the process of space creation:

We provide one-stop support for projects that meet the needs of our customers by offering integrated support throughout the process of space creation, from research and planning, design, production and construction, to spatial direction and operation using digital technology.

Scope of business (value provided)



The challenges faced by our clients include...

Attracting
customers

Sales

Information
communication

Publicity

Cost
reduction

Hype
creation

Space
utilization

As a business partner in addressing the challenges of its clients, Tanseisha supports space creation with its professional expertise and comprehensive abilities.

Design and creativity are the source of such space creation.

Our space creation professionals combine abundant expertise, advanced technical and professional skills, and comprehensive abilities to create spaces that help our customers' businesses succeed.

Our features and strengths



Comprehensive display business

- (i) Business development for facilities in various sectors
- (ii) Total support throughout the process of space creation

Technical skills that support space creation

- (i) Planners and designers: 325 persons
- (ii) Production personnel: 556 persons
(including 69 first-class *Kenchikushi* and 285 first-class construction management engineers)

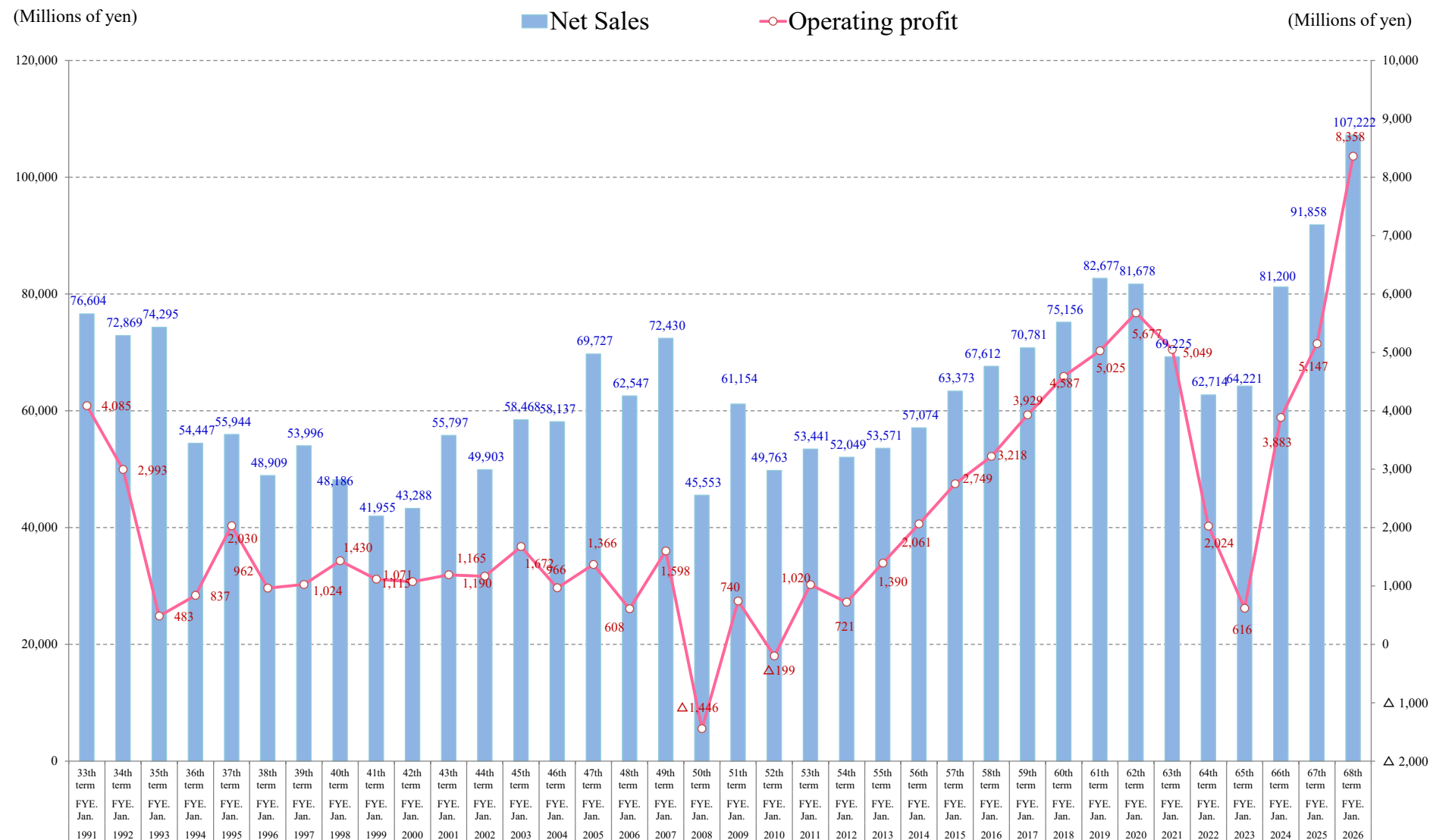
Partner companies that support space creation

- (i) Cooperating companies: more than 1,000 companies
- (ii) Companies with ongoing transactions: around 650 companies
- (iii) Partner companies: around 250 companies
*The figures for the entire Group, excluding certain Group companies with different business categories

Business characteristics

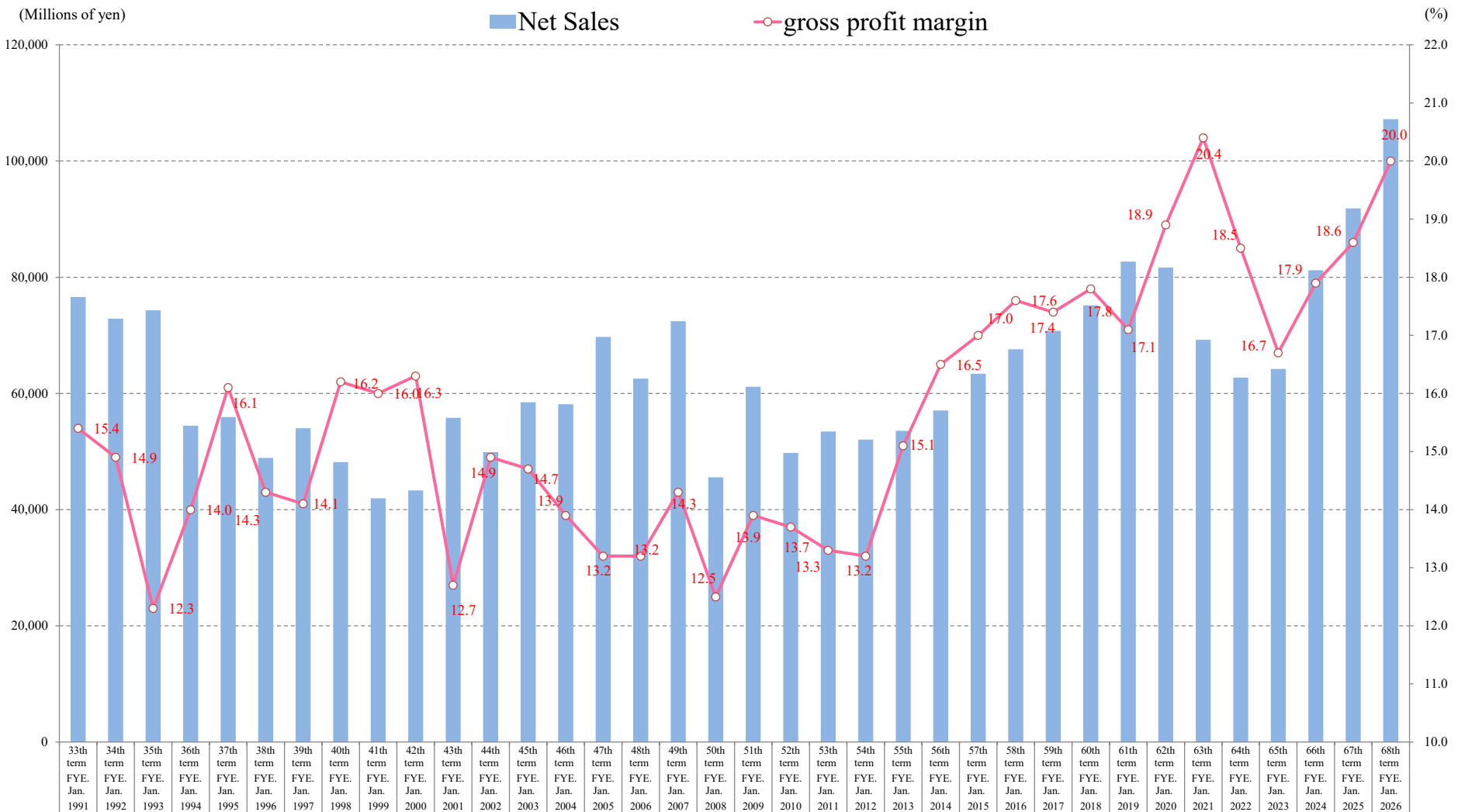
- (i) Top-level market share in the cultural facility market with specialized think tanks
 - (ii) Industry pioneer in the chain store market
(Competitive advantage of launching businesses ahead of other companies)
 - (iii) Possesses a specialized team for cutting-edge digital technology
- *as of January 31, 2026

Business performance (1) (Consolidated net sales and operating profit)



Business performance (2)

(Consolidated net sales and gross profit margin)



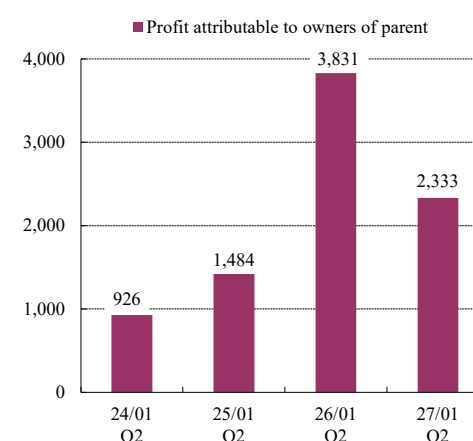
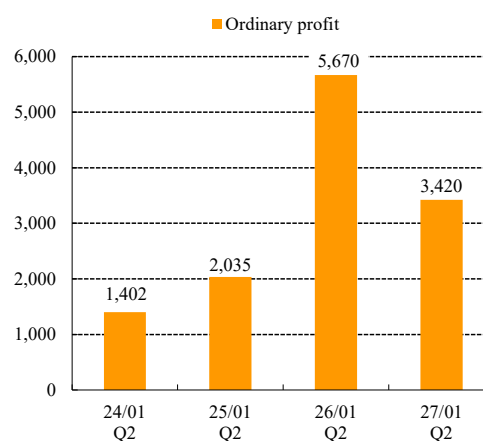
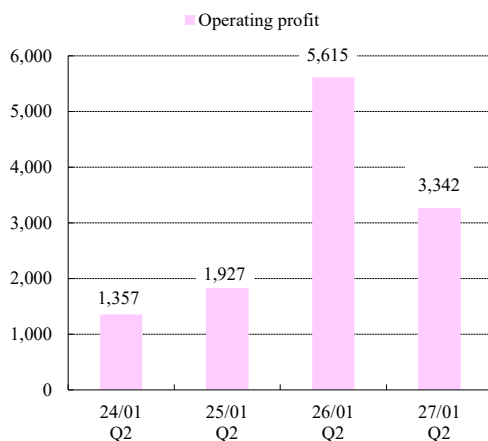
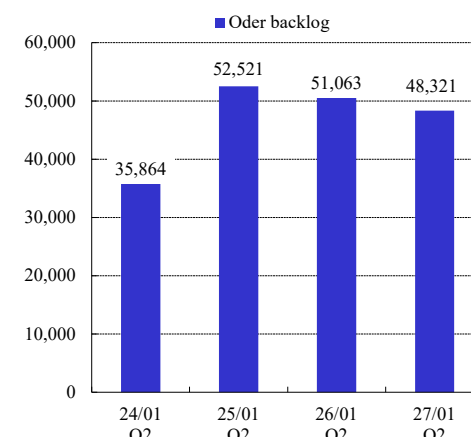
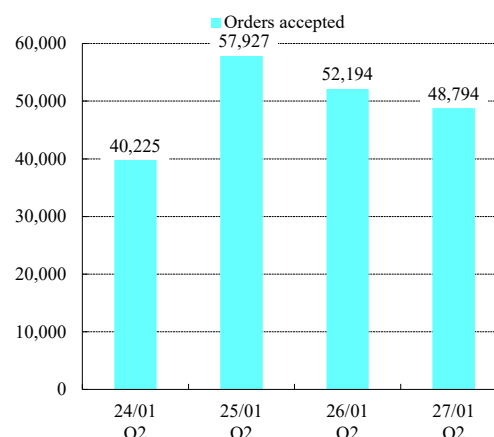
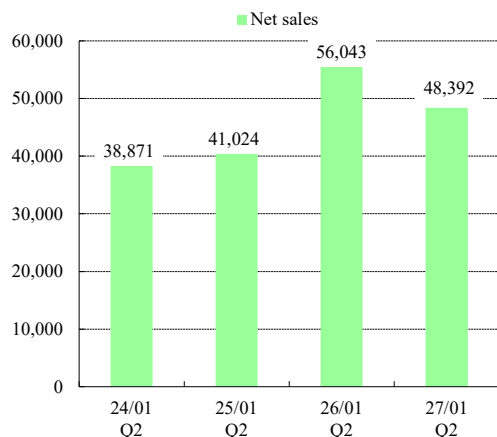
PART 2

(i) Financial Summary
for the Second Quarter of FYE January 2027

Summary for the Second Quarter of FYE January 2027

- Due to the completion of large projects related to Expo 2025 Osaka, Kansai, which were concentrated in the same period of the previous fiscal year, net sales and profits fell below those of the same period of the previous fiscal year.
- Excluding the impact of Expo 2025 Osaka, Kansai, net sales and profits have been steadily progressing.
- Due to factors such as rising construction costs, there is a tendency for the timing of orders to be delayed, resulting in a decrease in orders accepted. However, demand remains strong.

(Millions of yen)



P/L summary for the Second Quarter of FYE January 2027



- Although net sales decreased due to the recoil from the absence of projects related to Expo 2025 Osaka, Kansai, which were mainly recorded in the previous fiscal year, gross profit margin continued to maintain a high level.
- In addition to the above factors, mainly due to an increase in personnel expenses, SG&A expenses increased compared to the same period of the previous fiscal year, resulting in a decrease in operating profit. However, it has been progressing steadily against projections.

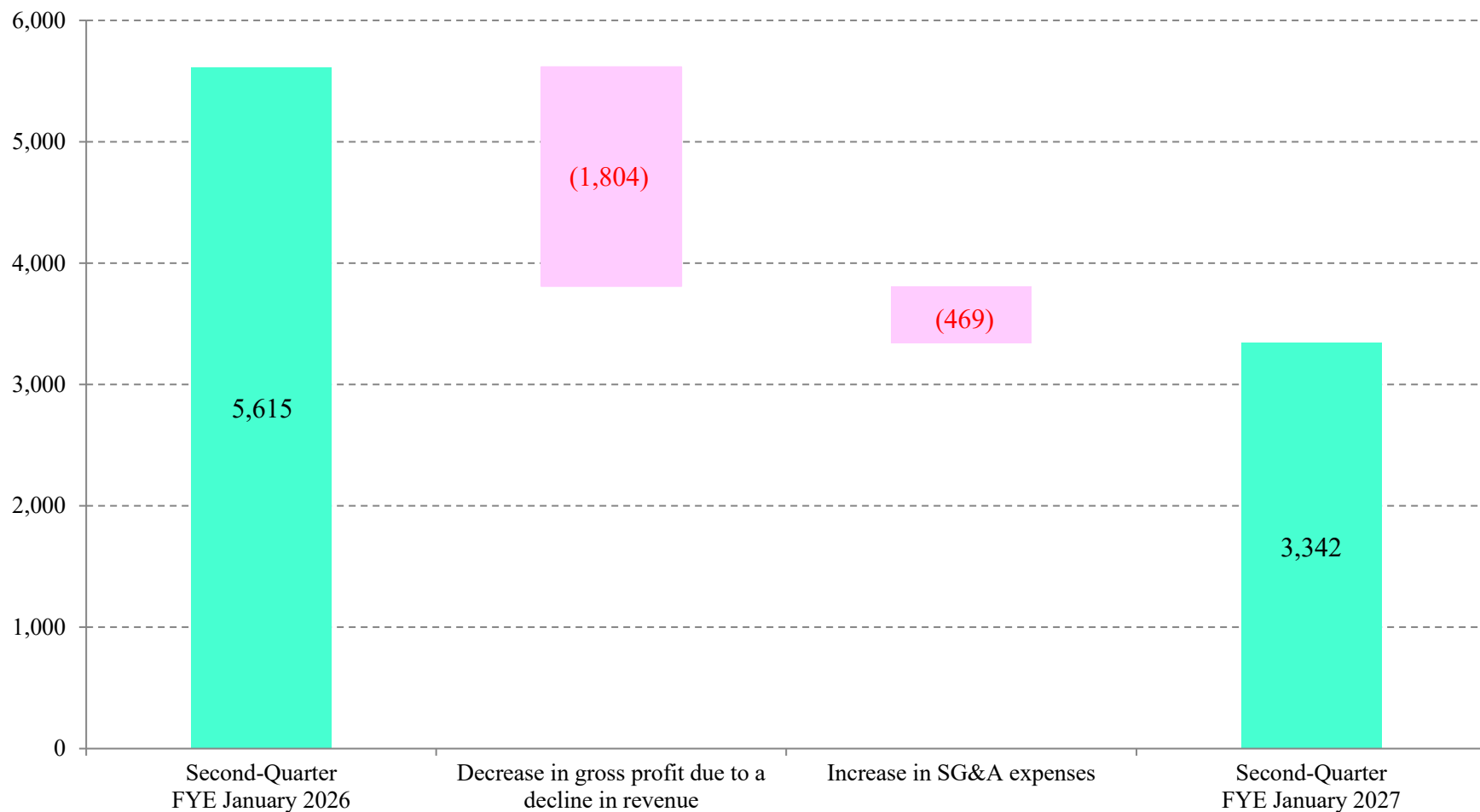
(Millions of yen)

	26/01 Second-Quarter		27/01 Second-Quarter		Change	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Percentage (%)
Net sales	56,043	100.0	48,392	100.0	(7,651)	(13.7)
Cost of sales	44,558	79.5	38,712	80.0	(5,846)	(13.1)
Gross profit	11,485	20.5	9,680	20.0	(1,804)	(15.7)
Selling, general and administrative expenses	5,869	10.5	6,338	13.1	469	8.0
Operating profit	5,615	10.0	3,342	6.9	(2,273)	40.5
Non-operating income	79		91		11	
Non-operating expenses	24		13		(11)	
Ordinary profit	5,670	10.1	3,420	7.1	(2,250)	(39.7)
Extraordinary income	11		—		(11)	
Extraordinary losses	2		—		(2)	
Income taxes—current	1,543		425		(1,117)	
Income taxes—deferred	304		661		356	
Profit attributable to owners of parent	3,831	6.8	2,333	4.8	(1,498)	(39.1)

EPS (Yen)	81.22		49.28		(31.94)	
ROE (%)	13.4		6.1		(7.3)	

Factors for decrease in operating profit (year on year)

(Millions of yen)



Orders accepted, net sales, and order backlog for each quarter

- Due to factors such as rising construction costs, there is a tendency for the timing of orders to be delayed, resulting in a decrease in orders accepted. However, demand remains strong

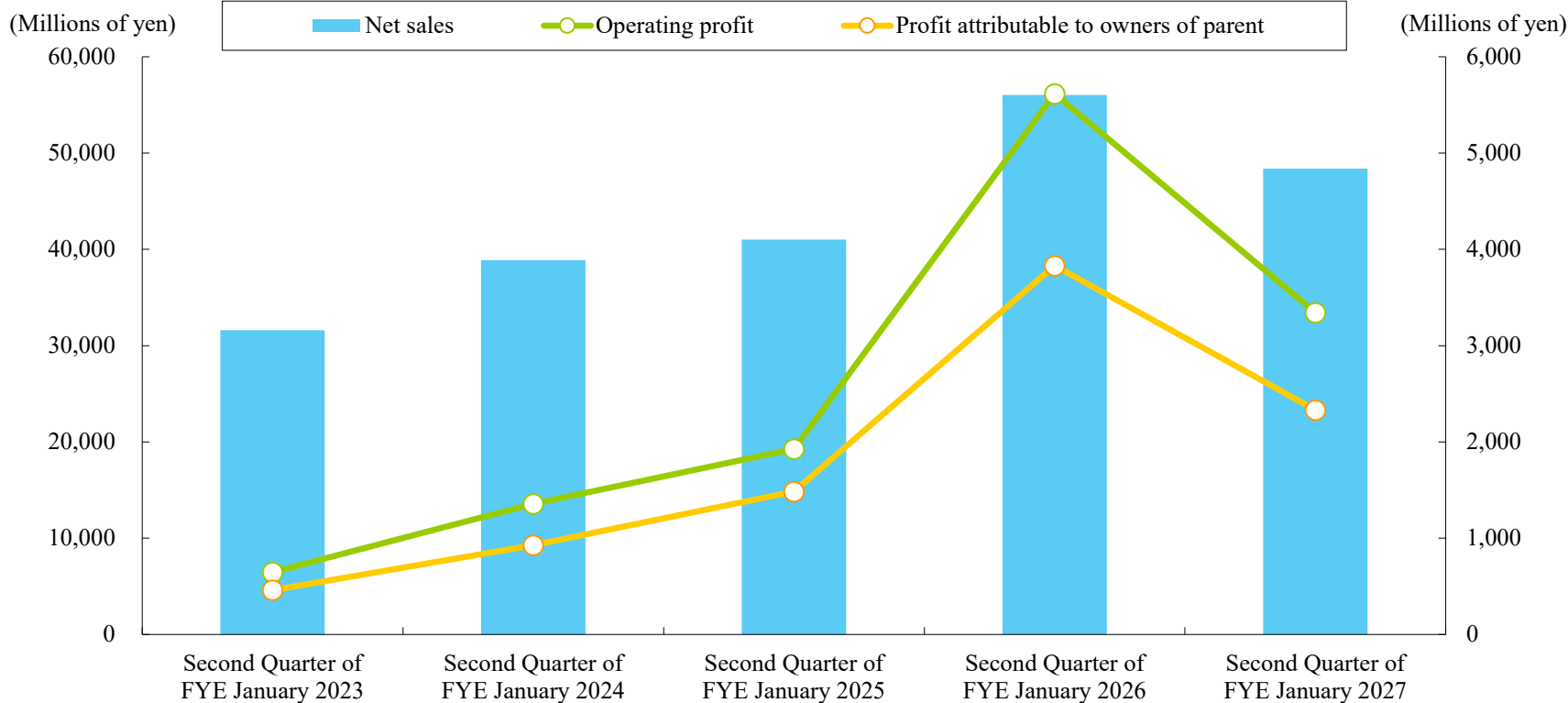


	FYE January 2025				FYE January 2026				FYE January 2027			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales (Millions of yen)	22,733	18,291	23,190	27,643	33,995	22,048	26,491	24,687	26,566	21,825		
Orders accepted (Millions of yen)	30,615	27,311	25,832	27,392	27,125	25,069	27,239	20,796	26,926	21,867		
Order backlog (Millions of yen)	43,500	52,521	55,163	54,912	48,041	51,063	51,810	47,919	48,280	48,321		

Net sales, operating profit, and profit attributable to owners of parent



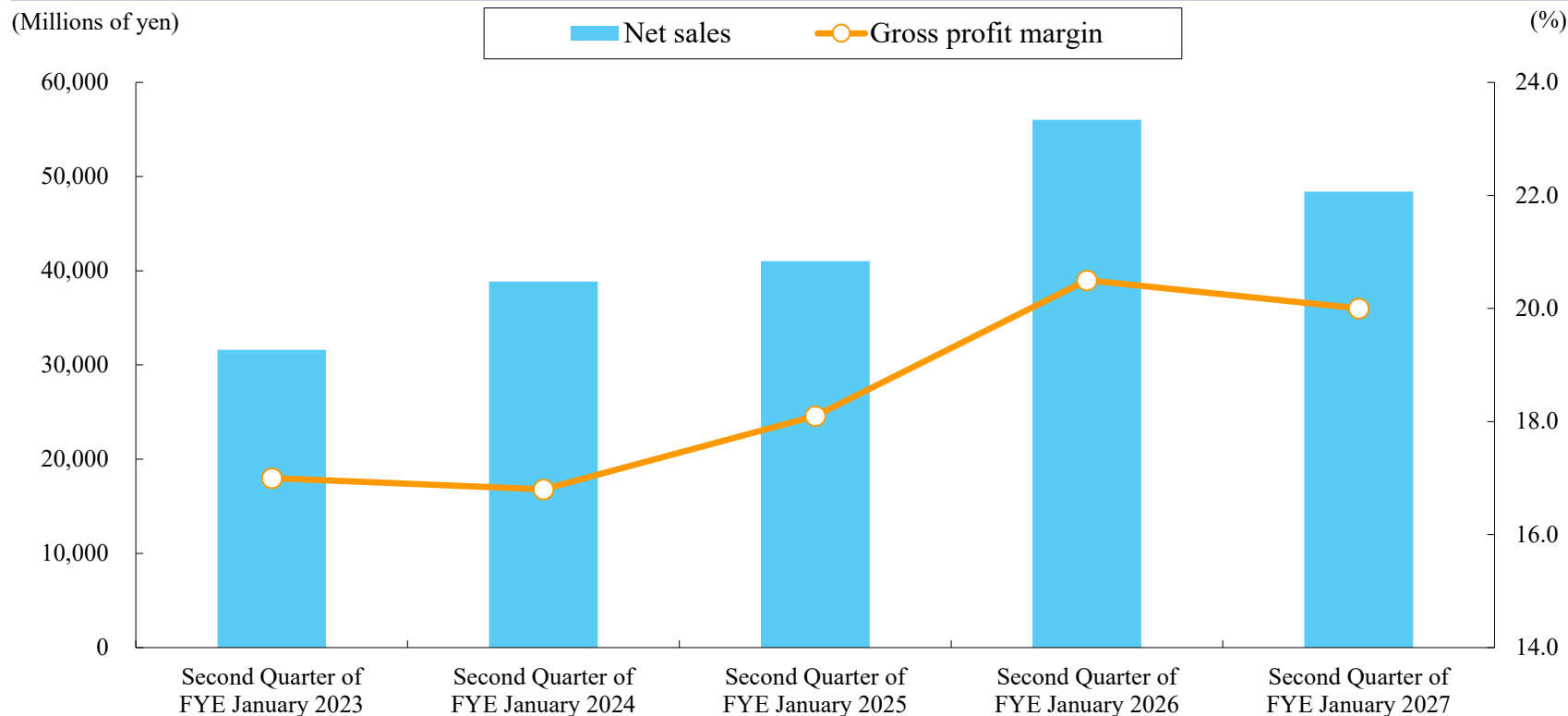
- Net sales and profits decreased due to the recoil from the absence of large projects related to Expo 2025 Osaka, Kansai, which were concentrated in the same period of the previous fiscal year.
- On the other hand, compared to FYE January 2025, before the full-scale recording of these related projects, net sales and profits exceeded those levels, indicating an enhancement in the revenue base.



	Second Quarter of FYE January 2023	Second Quarter of FYE January 2024	Second Quarter of FYE January 2025	Second Quarter of FYE January 2026	Second Quarter of FYE January 2027
Net sales (Millions of yen)	31,606	38,871	41,024	56,043	48,392
Operating profit (Millions of yen)	647	1,357	1,927	5,615	3,342
Profit attributable to owners of parent (Millions of yen)	460	926	1,484	3,831	2,333

Net sales and gross profit margin

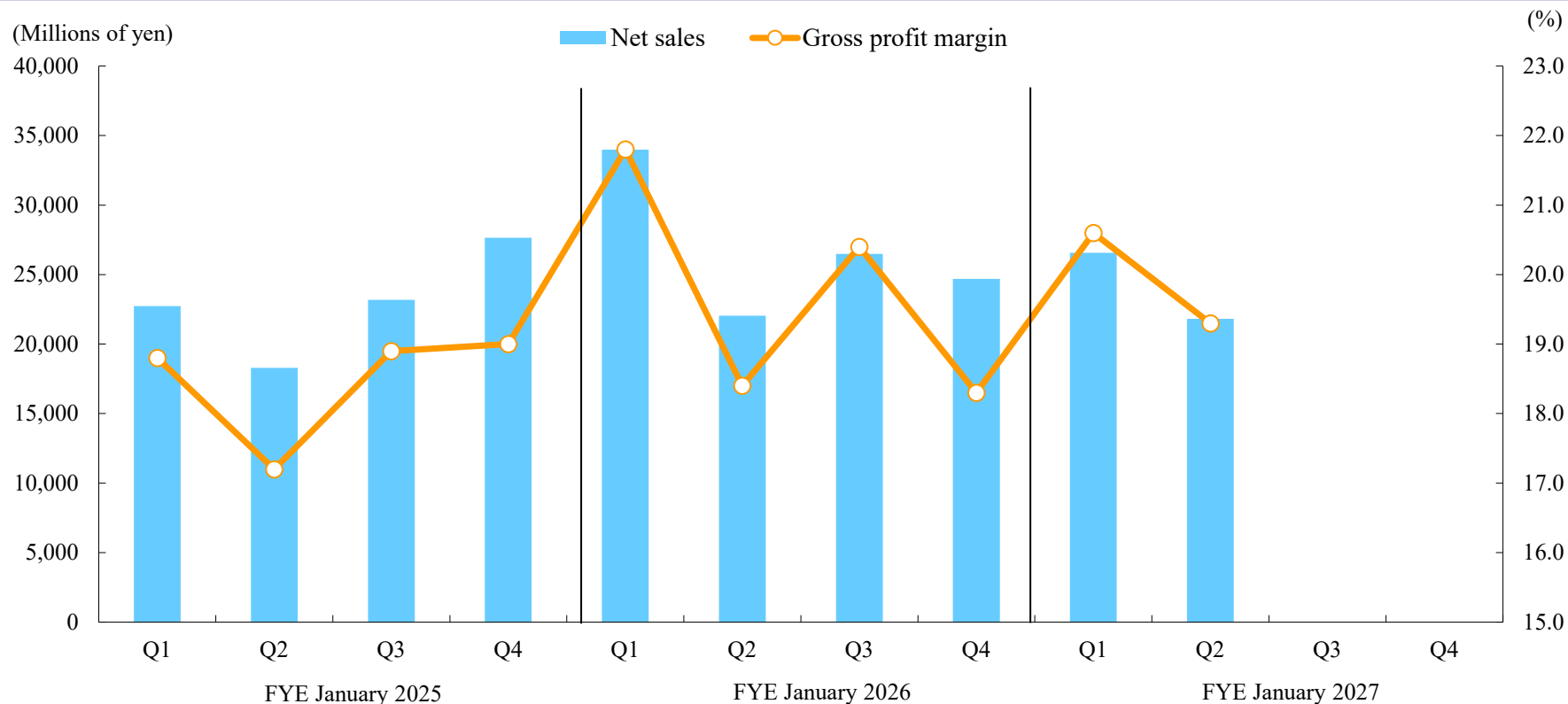
- Although gross profit margin for the second quarter decreased from the same period of the previous fiscal year, which was contributed by highly profitable large projects, it continued to maintain a high level at 20.0%.
- Even in an environment where construction costs continue to rise, the Company continues efforts to improve profitability with a focus on profitability when accepting orders and by thorough project management.



	Second Quarter of FYE January 2023	Second Quarter of FYE January 2024	Second Quarter of FYE January 2025	Second Quarter of FYE January 2026	Second Quarter of FYE January 2027
Net sales (Millions of yen)	31,606	38,871	41,024	56,043	48,392
Gross profit margin (%)	17.0	16.8	18.1	20.5	20.0

Quarterly net sales and gross profit margin

- A high level of gross profit margin continued, as the Company maintained its focus on profitability when accepting orders, even in an environment where construction costs continue to rise.
- In particular, the second quarter tends to have fewer completions and a tendency for profit margins to decline. However, in the second quarter of the current fiscal year, a high level was maintained.



	FYE January 2025				FYE January 2026				FYE January 2027			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales (Millions of yen)	22,733	18,291	23,190	27,643	33,995	22,048	26,491	24,687	26,566	21,825		
Gross profit margin (%)	18.8	17.2	18.9	19.0	21.8	18.4	20.4	18.3	20.6	19.3		

Selling, general and administrative expenses

- SG&A expenses exceeded those of the same period of the previous fiscal year due to increases in personnel expenses associated with the increase in the number of employees and improvement of employee benefits.
- SG&A expense ratio increased as net sales decreased following the completion of large projects.
- The number of employees (on a consolidated basis) increased by 109 from 1,564 in July 2025 to 1,673 in July 2026.

(Millions of yen)



	Second Quarter of FYE January 2023	Second Quarter of FYE January 2024	Second Quarter of FYE January 2025	Second Quarter of FYE January 2026	Second Quarter of FYE January 2027
Personnel expenses (Millions of yen)	3,234	3,441	3,437	3,625	4,007
Other expenses (Millions of yen)	1,494	1,723	2,054	2,243	2,331
SG&A expense ratio (%)	15.0	13.3	13.4	10.5	13.1

Major balance sheet items

- Shareholders' equity totaled ¥38,305 million, up ¥2,347 million year on year.
- Equity-to-asset ratio: 70.4% (increase of 4.4 points year on year)

(Millions of yen)

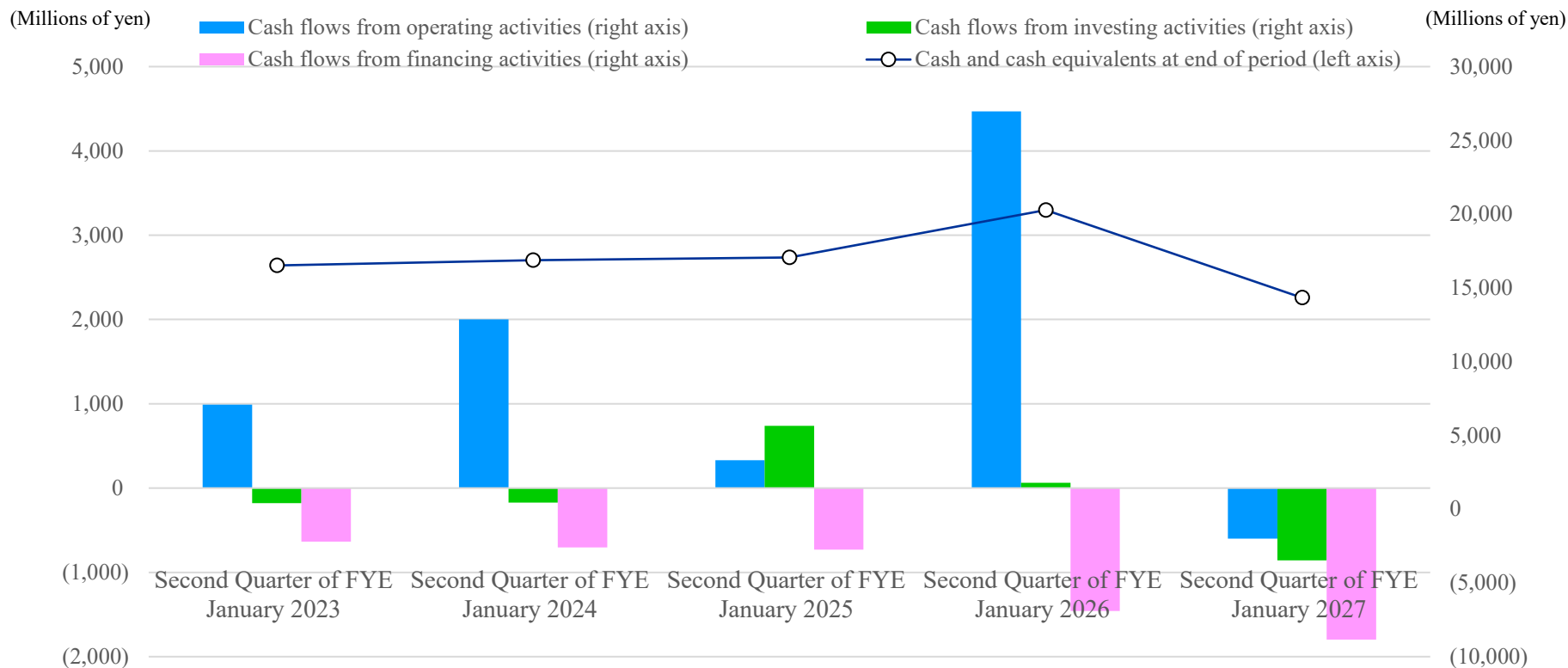


	Second Quarter of FYE January 2023	Second Quarter of FYE January 2024	Second Quarter of FYE January 2025	Second Quarter of FYE January 2026	Second Quarter of FYE January 2027
Shareholders' equity (Millions of yen)	29,822	30,098	31,602	35,958	38,305
Equity-to-asset ratio (%)	70.2	64.9	64.5	66.0	70.4

Cash flows



- Despite the recording of ¥3,420 million in profit before income taxes, as well as an increase of ¥2,001 million in trade payables, cash flows from operating activities amounted to negative ¥600 million, mainly due to decreases of ¥1,944 million in accrued consumption taxes and increases ¥1,179 million in costs on construction contracts in progress, and the outflows of ¥1,758 million from income taxes paid.



(Millions of yen)	Second Quarter of FYE January 2023	Second Quarter of FYE January 2024	Second Quarter of FYE January 2025	Second Quarter of FYE January 2026	Second Quarter of FYE January 2027
Cash flows from operating activities	989	2,000	332	4,469	(600)
Cash flows from investing activities	(179)	(173)	738	62	(858)
Cash flows from financing activities	(634)	(704)	(730)	(1,458)	(1,797)
Cash and cash equivalents at end of period	16,524	16,883	17,036	20,275	14,332

PART 2

(ii) Overview of Business Results by Segment
for the Second Quarter of FYE January 2027

Overview of business results by segment for the Second Quarter of FYE January 2027



● Commercial and other facility market	Although net sales and segment profit decreased due to the recoil following the completion of large projects from the same period of the previous fiscal year (Expo 2025 Osaka, Kansai), demand for hotels, station buildings, airport facilities, and stadiums remained steady.
● Chain store market	New remodeling projects mainly for restaurants and specialty stores increased. As a result, both net sales and segment profit increased year on year.
● Cultural facility market	Mainly due to the increase in projects such as museums and corporate museums, both net sales and segment profit increased year on year.
● Other	Both net sales and segment profit increased year on year, as office services and other services outside the display business remained strong.

(Millions of yen)

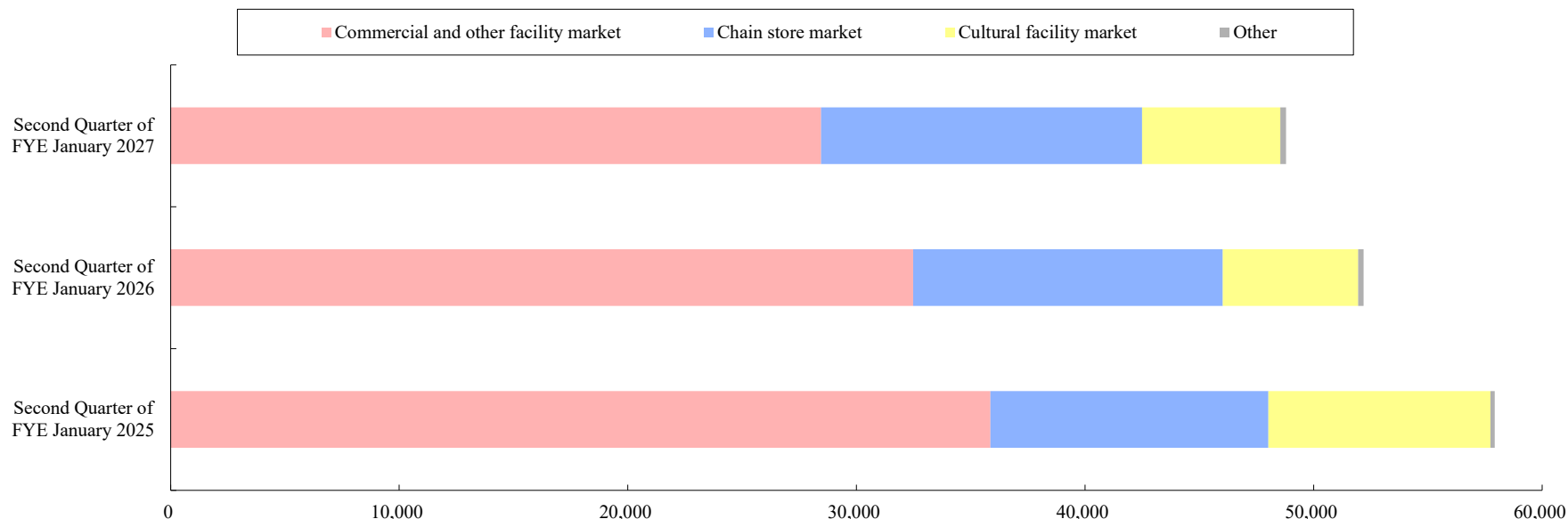
	Net sales			Segment profit		
	26/01 Q2	27/01 Q2	Change	26/01 Q2	27/01 Q2	Change
Commercial and other facility market	40,105	29,522	(10,583)	5,026	1,757	(3,268)
Chain store market	11,888	13,743	1,855	874	1,429	554
Cultural facility market	3,802	4,875	1,073	(383)	35	419
Other	247	251	3	93	114	20
Adjustments	—	—	—	4	5	0
Total	56,043	48,392	(7,651)	5,615	3,342	(2,273)

Orders accepted by segment

- Although demand remains strong, due to factors such as rising construction costs, there is a tendency for the timing of orders to be delayed, resulting in a decrease in orders accepted.

(Millions of yen)

	25/01 Q2	26/01 Q2	27/01 Q2	Year-on-year change
Commercial and other facility market	35,865	32,479	28,458	(4,021)
Chain store market	12,161	13,548	14,044	496
Cultural facility market	9,713	5,919	6,039	120
Other	186	247	251	3
Total orders accepted	57,927	52,194	48,794	(3,400)



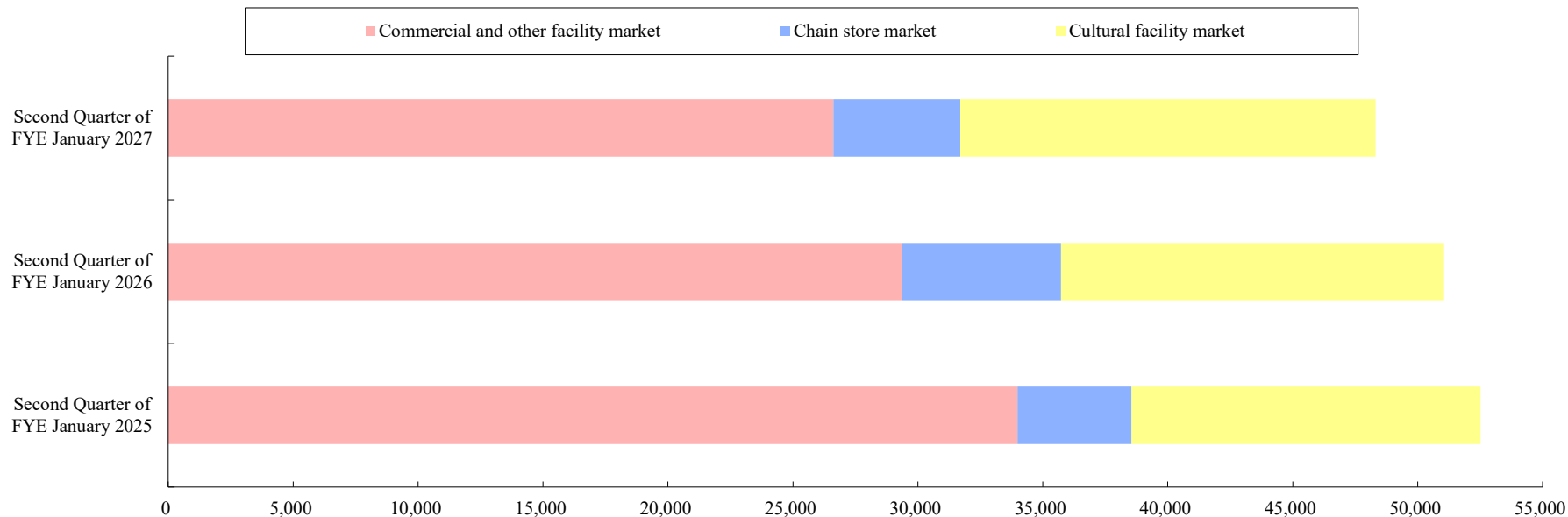
Order backlog by segment



- Although demand remains strong, order backlog decreased mainly due to a decrease in orders accepted in the commercial and other facility market.

(Millions of yen)

	25/01 Q2	26/01 Q2	27/01 Q2	Year-on-year change
Commercial and other facility market	33,988	29,352	26,625	(2,727)
Chain store market	4,557	6,374	5,070	(1,304)
Cultural facility market	13,974	15,335	16,626	1,291
Other	—	—	—	—
Total order backlog	52,521	51,063	48,321	(2,741)



PART 3

(i) Performance Plan
for FYE January 2027

Performance plan for FYE January 2027

- Although first-half orders received are trailing the plan due to a delay in timing, full-year projections are expected to be achieved.
- Orders accepted are expected to remain at record high levels due to an increase in large-scale project orders from FYE January 2028 onwards.
- Although net sales and profit for FYE January 2027 are expected to decrease due to the recoil from the absence of projects related to Expo 2025 Osaka, Kansai, the market environment remains favorable, and the decline due to the recoil is expected to be minimal.
- We have implemented various measures to address the material shortages caused by the situation in the Middle East, and the impact on our performance remains minor at this time. We will continue to closely monitor future developments, but currently, customer investment appetite remains strong, order fulfillment is progressing smoothly, and our performance plan is generally on track.

(Millions of yen)

	FYE January 2026				FYE January 2027			
	Q2 results		Full-year results		Q2 results		Full-year projections	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Orders accepted	52,194		100,230		48,794		115,000	
Net sales	56,043		107,222		48,392		107,000	
Gross profit	11,485	20.5	21,407	20.0	9,680	20.0	21,250	19.9
Operating profit	5,615	10.0	8,358	7.8	3,342	6.9	8,000	7.5
Ordinary profit	5,670	10.1	8,336	7.8	3,420	7.1	8,100	7.6
Profit attributable to owners of parent	3,831	6.8	5,993	5.6	2,333	4.8	5,700	5.3
EPS (Yen)	81.22		126.92		49.28		120.46	
ROE (%)	13.4		16.9		6.1		14.7	

* The above forecasts have been prepared based on information currently available and certain assumptions deemed to be reasonable, and include potential uncertainties. Actual results may differ from these forecasts due to various factors in the future.

Performance plan by segment for FYE January 2027



(Millions of yen)

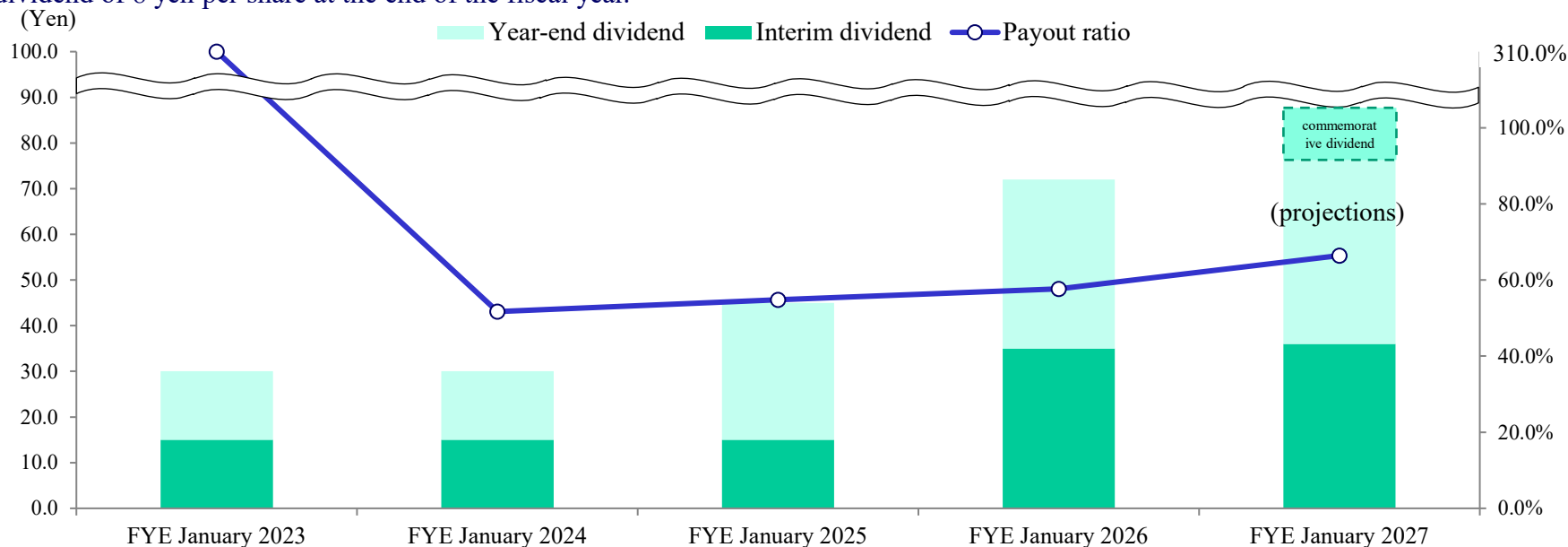
		FYE January 2026		FYE January 2027	
		Q2 results	Full-year results	Q2 results	Full-year projections
	Commercial and other facility market	32,479	62,864	28,458	79,300
	Chain store market	13,548	25,672	14,044	23,400
	Cultural facility market	5,919	11,174	6,039	11,800
	Other	247	519	251	500
Total orders accepted		52,194	100,230	48,794	115,000
	Commercial and other facility market	40,105	72,154	29,522	70,500
	Chain store market	11,888	25,619	13,743	24,000
	Cultural facility market	3,802	8,929	4,875	12,000
	Other	247	519	251	500
Total net sales		56,043	107,222	48,392	107,000
	Commercial and other facility market	5,026	6,808	1,757	5,900
	Chain store market	874	1,984	1,429	1,700
	Cultural facility market	(383)	(616)	35	300
	Other	93	174	114	100
	Adjustments	4	8	5	—
Total operating profit		5,615	8,358	3,342	8,000

* The above forecasts have been prepared based on information currently available and certain assumptions deemed to be reasonable, and include potential uncertainties. Actual results may differ from these forecasts due to various factors in the future.

Policy on shareholder returns (FYE January 2027 projections)



- Target payout ratio of 50% or higher
- In the fiscal year ending January 2027, to commemorate the 80th anniversary of our founding, we plan to pay a special commemorative dividend of 8 yen per share at the end of the fiscal year.



	FYE January 2023	FYE January 2024	FYE January 2025	FYE January 2026	FYE January 2027 (projections)
Interim dividend (Yen)	15.00	15.00	15.00	35.00	36.00
Year-end dividend (Yen)	15.00	15.00	30.00	37.00	44.00 (Including a commemorative dividend of 8 yen)
Total dividends (Yen)	30.00	30.00	45.00	72.00	80.00
Consolidated payout ratio (%)	309.9	51.7	54.8	56.7	66.4
Total number of issued shares (Number of shares)	48,424,071	48,424,071	48,424,071	48,424,071	48,424,071

* As of December 12, 2025, we have revised our consolidated earnings forecast for the full fiscal year, as well as our dividend forecast. Please refer to the separately published "Notice Concerning Revisions to the Consolidated Earnings Forecasts for the Full Fiscal Year Ending January 31, 2026 and Revisions to the Dividend Forecasts."

* The record dates for the Company's dividends are July 31 for the interim dividend and January 31 for the year-end dividend.

Policy on shareholder returns



- We will implement proactive shareholder returns with an awareness of capital efficiency, taking into account performance trends and financial soundness

Results

Current dividend policy: payout ratio of 50% or higher

Current Medium-Term

Management Plan

(from FYE Jan. 2026
to FYE Jan. 2027)

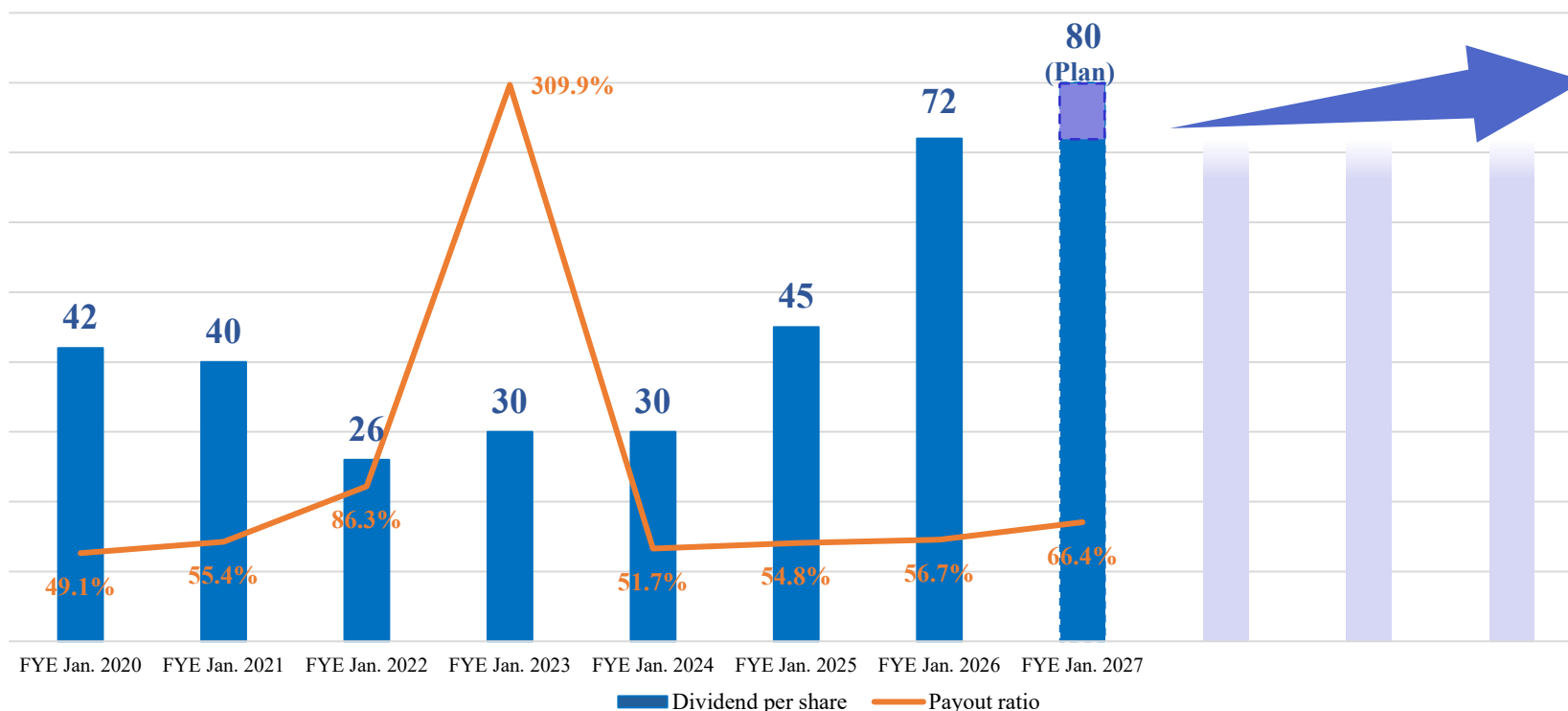
- Payout ratio of 50% or higher
- For the fiscal year ending January 2027, in addition to returning a similar amount to the previous year, a special dividend is planned to be paid to commemorate the 80th anniversary of the company's founding.

Next Medium-Term

Management Plan

(from FYE Jan. 2028
to FYE Jan. 2030)

- Proactive provision of shareholder returns with an awareness of equity control
- Addition of DOE indicator to the dividend policy:
A minimum payout ratio of 50%, or a DOE of 8%, whichever is higher



PART 3

(ii) Medium-Term Management Plan
(FYE January 2025 – FYE January 2027)

Overview of the revised Medium-Term Management Plan (FYE January 2025 – FYE January 2027)



Our Purpose

Drawing the future from space, adding new colors to people and society.

Tanseisha: Vision 2046

We continuously strive to be not only a group of professionals creating space for imaginations to grow, but a group of challengers to open up the possibilities of space and ourselves.

FY2024-FY2026 Medium-Term Management Plan

Goals

- (i) Lay foundation to move on to a growth trajectory
- (ii) Venture into new domains

Financial/Non-financial targets

Revised financial targets for FYE Jan 2027

Consolidated net sales: ¥107.0 billion
 Consolidated operating profit margin: 7.5%
 Consolidated ROE: **14.7%**
 Payout ratio: 50% or higher

Non-financial targets for FYE January 2027

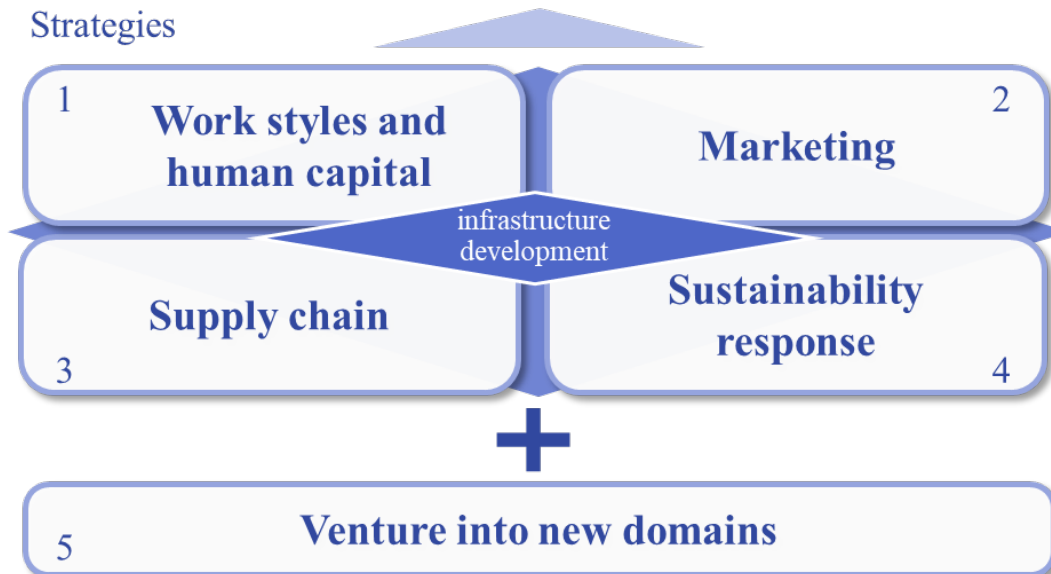
Pleasure of
working

Establish
production system

Sustainability

Climate change
response

Strategies



Targets of the Medium-Term Management Plan (Overall targets including non-financial targets)



Financial/ Non- financial	Vision	KPI	Progress as of FYE January 2025	Targets for FYE January 2027
Financial	● Enhance management and financial base ● Enhance shareholder returns	Consolidated net sales	107.2 billion	107.0billion
		Consolidated operating profit margin	7.8%	7.5%
		Consolidated ROE	16.9%	14.7%
		Payout ratio	56.7%	Over 50%
Non- financial	Pleasure of working ● Ensure employees work with enthusiasm, feel fulfilled, and enjoy their work ● Rectify long working hours and streamline working time	Engagement score (comprehensive evaluation of employee awareness surveys)	○ Steady progress made	Higher evaluation than the previous year
		Number of employees meeting internal standards for working hours	○ Steady progress made	Increase from the previous year
	Establish production system ● Ensure production capacity to achieve growth projections in the Medium-Term Management Plan and to support future growth	Achievement of development of new partner companies	() Progress made but some issues remain	100%
	Sustainability ● Enhance the Company's overall sustainability efforts and ensure they meet the requirements of society	EcoVadis assessment	○ Improvement from previous assessment	Obtain Silver rank
		Percentage of female managers	○ Steady progress made	15% or higher
	Climate change response ● Establish calculation methods for greenhouse gas (GHG) emissions and launch concrete initiatives to reduce emissions	Scopes 1+2 GHG emissions	○ Steady progress made	40% reduction from FY2021 levels

Strategy 1 Work style and human capital infrastructure development	Implement concrete and effective measures to rectify long working hours. Increase efficiency by reviewing work processes, including the use of digital technologies such as BIM. Strengthen investment in people and create environments that maximize the potential of human resources and drive results (DE&I initiatives, engagement enhancement measures, etc.).
Strategy 2 Marketing infrastructure development	Stay close to clients and markets, accurately identify their needs, and implement solutions that address their issues. Reorganize business divisions to ensure they are more responsive to markets. Develop and establish a marketing system and framework, including digital marketing, and analyze the processes and actions that give rise to high value-added and high-quality services, in order to enhance reproducibility of results as well as increase competitiveness and profitability.
Strategy 3 Supply chain infrastructure development	Develop a partner company system to secure production capacity to achieve the growth projections presented in the MTMP and to support future growth. Streamline supply chains by sector and line of business, and systematically strengthen areas that are inadequate. Strengthen relationships with partner companies and create a system to facilitate cooperation on common issues such as work style reforms, BIM utilization, and sustainability.
Strategy 4 Sustainability infrastructure development	Respond to rapidly growing needs of clients by strategically creating and proposing sustainability-related products (solutions). Enhance sustainability efforts to meet the increasingly sophisticated requirements of society. Establish calculation scopes and methods for greenhouse gas emissions to address climate change. Reduce greenhouse gas emissions with a focus on energy-saving solutions and the use of renewable energy.
Strategy 5 Venture into new domains	Build a system to develop and foster new businesses that will become the next pillars of the Company by leveraging the resources of the space creation business. Re-examine the current status of overseas initiatives and develop strategies and systems to achieve growth.

Medium-Term Management Plan (FYE January 2025 – FYE January 2027)



- Targets for FYE January 2027: Net sales of ¥107.0 billion, operating profit of ¥8.0 billion
- Orders accepted are expected to continue to be at record high levels due to an increase in large-scale project orders from FYE January 2028 onwards.
- Although net sales and profit for FYE January 2027 are expected to decrease due to the recoil from the absence of projects related to Expo 2025 Osaka, Kansai, the market environment remains favorable, and the decline due to the recoil is expected to be minimal.

(Millions of yen)

	FYE January 2025 (results)		FYE January 2026 (results)		FYE January 2027 (Final year of the MTMP)	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Orders accepted	111,152		100,230		115,000	
Net sales	91,858	100.0	107,222		107,000	
Gross profit	17,064	18.6	21,407	20.0	21,250	19.9
Operating profit	5,147	5.6	8,358	7.8	8,000	7.5
Ordinary profit	5,316	5.8	8,336	7.8	8,100	7.6
Profit attributable to owners of parent	3,875	4.2	5,993	5.6	5,700	5.3
EPS (Yen)	82.16		126.92		120.46	
ROE (%)	11.9		16.9		14.7	

* The above forecasts have been prepared based on information currently available and certain assumptions deemed to be reasonable, and include potential uncertainties.
Actual results may differ from these forecasts due to various factors in the future.

Medium-Term Management Plan by segment (FYE January 2025 – FYE January 2027)



- The Company aims to achieve higher profits by capturing recovering demand in the commercial and other facility market, while also aiming to generate stable profits in the chain store market and the cultural facility market.

(Millions of yen)

		FYE January 2025 (results)	FYE January 2026 (result)	FYE January 2027 (Final year of the MTMP)
	Commercial and other facility market	70,011	62,864	79,300
	Chain store market	26,944	25,672	23,400
	Cultural facility market	13,733	11,174	11,800
	Other	462	519	500
Total orders accepted		111,152	100,230	115,000
	Commercial and other facility market	54,395	72,154	70,500
	Chain store market	27,074	25,619	24,000
	Cultural facility market	9,925	8,929	12,000
	Other	462	519	500
Total net sales		91,858	107,222	107,000
	Commercial and other facility market	3,295	6,808	5,900
	Chain store market	1,829	1,984	1,700
	Cultural facility market	(95)	(616)	300
	Other	111	174	100
	Adjustments	6	8	—
Total operating profit		5,147	8,358	8,000

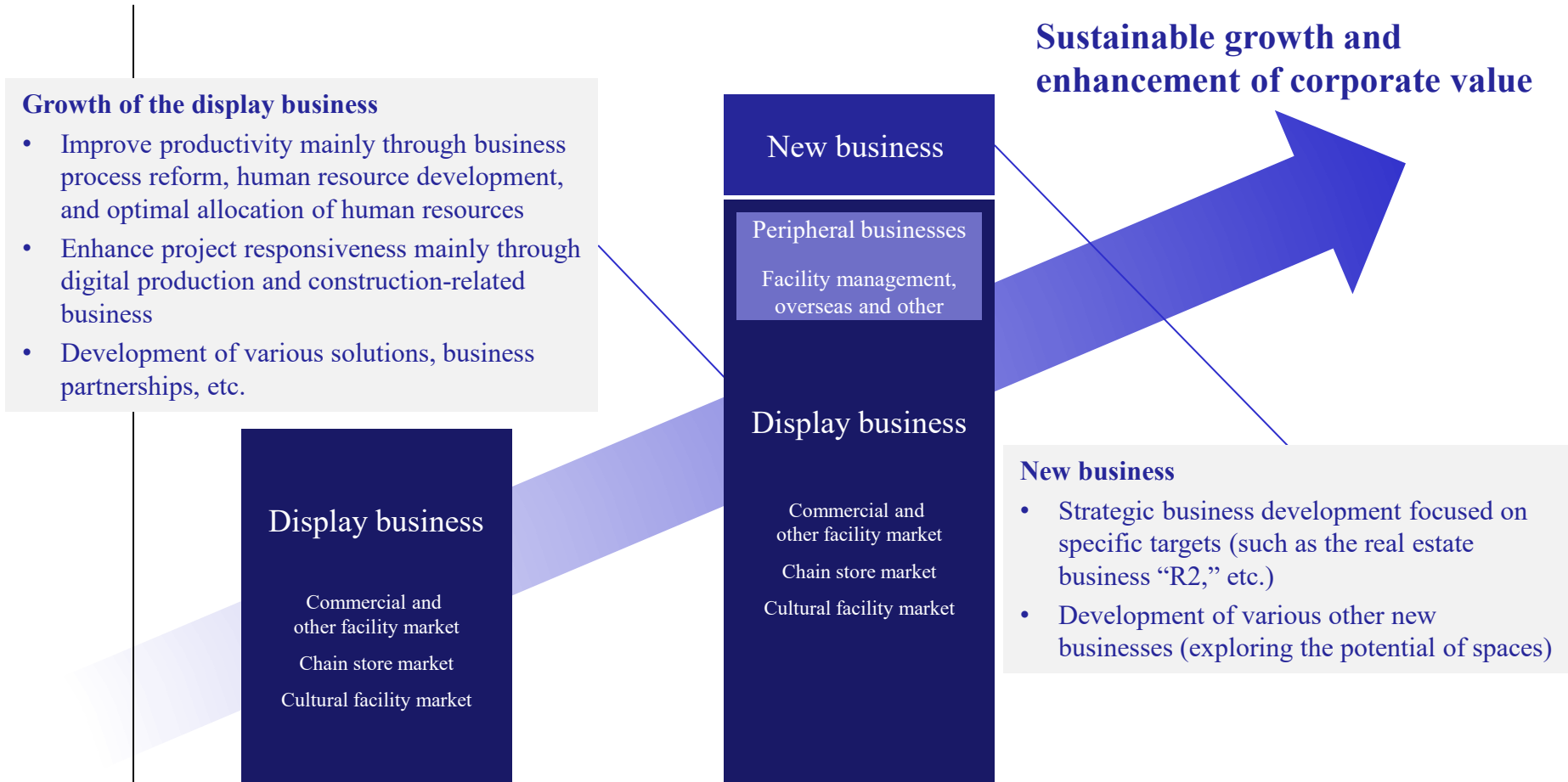
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PART 3

(iii) Future Outlook and Our Growth Strategy

Growth and business strategies

- The display business is growing steadily amid a robust business environment.
- Through initiatives to develop and foster new businesses, we aim to achieve sustainable growth. (Enhancement of our business portfolio)
- Pursuing inter-business synergy, we aim to optimize our portfolio from a long-term perspective.



Outlook on market conditions/business environment

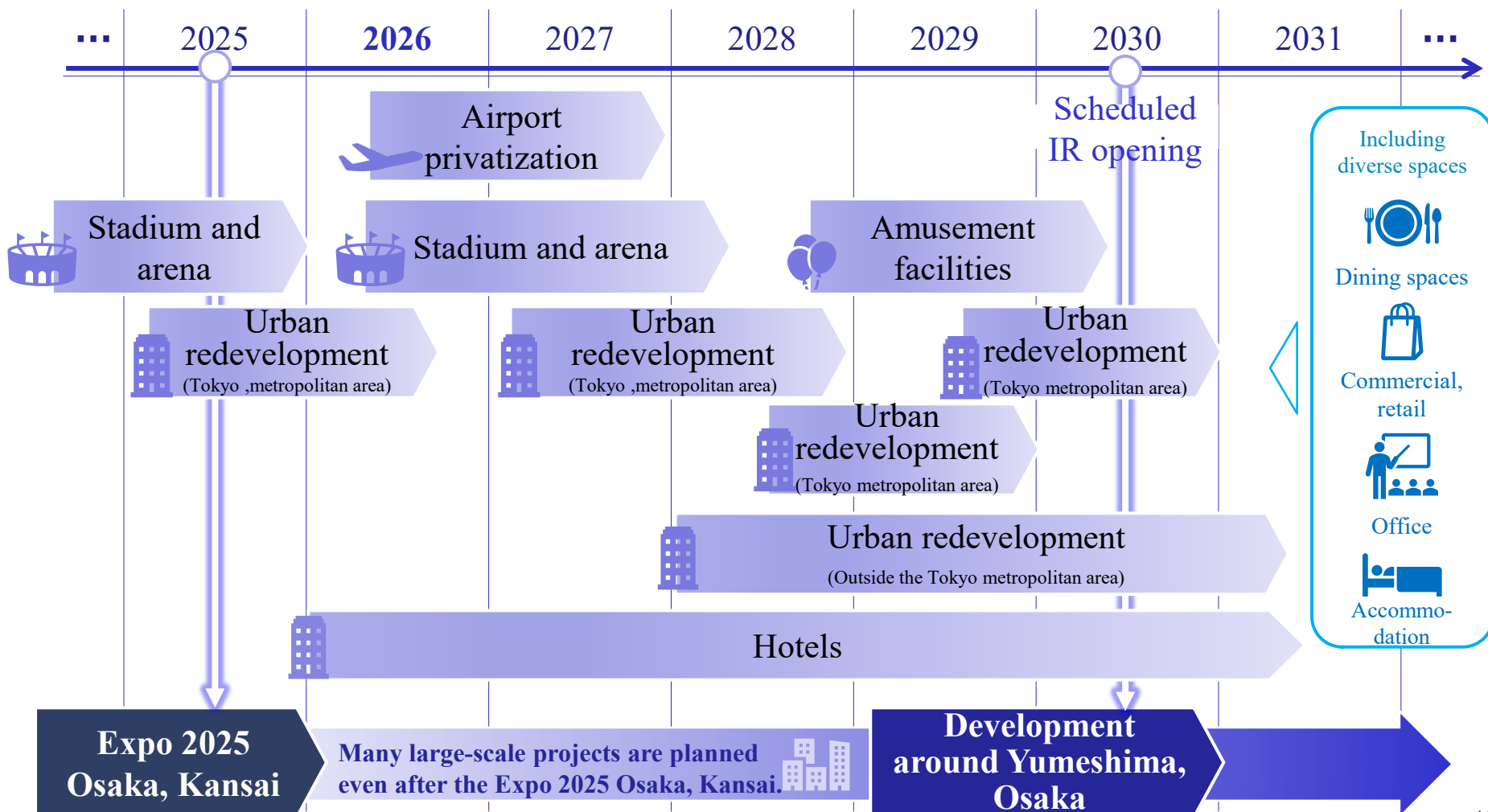
Recent demand for space creation has been stronger than expected, driven by the expansion of inbound tourism. Demand is expected to remain strong going forward. However, downside risks include concerns over deteriorating consumer sentiment due to persistently high prices, supply constraints due to severe labor shortages, slowdown in overseas economies, and rising international tensions (such as in Ukraine, the Middle East, and the U.S.-China conflict). There are also concerns that construction costs will rise due to the soaring costs of resources and raw materials.

Segment	Sector	Environmental circumstances	Future outlook
Commercial and other facility market	Commercial sector (specialty stores, commercial complexes, etc.)	Store openings and capital investment are increasing. At the same time, there are concerns that some projects may be delayed, canceled, or reviewed due to soaring construction costs and other factors.	In the medium to long term, there are many redevelopment plans, and demand is expected to grow.
	Promotion sector (PR and sales promotion facilities, exhibitions and events, etc.)	Marked recovery in demand for exhibitions and events has been observed. Projects related to Expo 2025 Osaka, Kansai will also be completed and delivered in the near future.	In the medium to long term, growth in corporate promotional investment is expected, including plans for large-scale exhibitions.
	Service sector (entertainment, hotels, healthcare, offices, etc.)	● For entertainment facilities, investment in theme parks and other facilities continues to be expected, while investment in IP content-related facilities remains strong. ● For hotels, investment has recovered along with the recovery of inbound tourism. ● Office relocation and remodeling projects are expected to persist.	● Investment in theme parks will persist. Investment is expected and demand will grow in the booming IP content market and in terms of plans for the new construction and remodeling of sports facilities. ● Demand for hotels will grow along with the expansion of inbound tourism. Growth potential is particularly large in the luxury segment. ● Investment in offices will persist in response to work style reforms and well-being initiatives.
Chain store market	Restaurants	Store openings and capital investment have increased. Investment is accelerating and is particularly strong in the food service industry. Demand for maintenance is also growing.	Investment in stores is expected to remain strong.
	Retail stores and other specialty stores, etc.		
Cultural facility market	Museums, art galleries, etc.	Demand for remodeling continues to be strong, and plans for national facilities are growing. At the same time, there are concerns that some projects may be delayed, canceled, or reviewed due to soaring construction costs and other factors.	Demand is expected to remain strong going forward, especially for renewal projects. PPPs and PFIs are expected to grow further as development methods.

*This outlook is based on current assumptions and may fluctuate due to uncertainties in the external environment, such as geopolitical risks and macroeconomic changes.

Market and business environment

- Demand for space creation is expected to remain steady, boosted by growing inbound tourism.
- In addition to growing investments in hotels, theme parks, sports facilities, many large-scale urban redevelopment projects are planned going forward. The Osaka Integrated Resort (IR) is scheduled to open in 2030.



Investment policy for realizing growth strategy

- We are formulating an investment plan to execute our growth strategy, with a total investment of approximately ¥10.0 billion planned during the current medium-term management plan period (from FYE Jan. 2026 to FYE Jan. 2027)
- Investment will continue in the next medium-term management plan period (plan's details under consideration)

Investment plan

Current Medium-Term Management Plan (cumulative from FYE Jan. 2026 to FYE Jan. 2027)



Next Medium-Term Management Plan (cumulative from FYE Jan. 2028 to FYE Jan. 2030)

Growth investment

Business development
and product development

Capital and business
alliances

Investment in systems

¥5.0 billion

- New business development, product development related to digital initiatives, etc.
- Capital and business alliances with companies that contribute to business and product development
- Consideration of policies for overseas expansion
- Infrastructure development for BIM* utilization, data preparation, core system replacement, etc.

Human capital investment

¥2.0 billion

- Recruitment, employee education, improvement of employee benefits, etc. toward business growth

Supply chain infrastructure development

¥3.5 billion

- Improvement of business conditions with partner companies, etc.

Growth investment

Strengthening display
business

New business
development

- New product development
- Investment in BIM
- M&A, capital and business alliance, PFI and other investments
- Develop and foster new businesses
- Venture investment
- Overseas expansion

Human capital investment

- Improvement of employee benefits
- Strengthening recruitment, education and development
- Work style reform and improvement of engagement

Infrastructure investment

- Core system replacement
- Maintenance and improvement of various information systems, equipment, etc.

* The above forecast figures are approximate.

* BIM : Abbreviation for Building Information Modeling. A method of centrally managing building information using a 3D model.

Financial strategy: Medium- to long-term target B/S image (optimal capital structure)



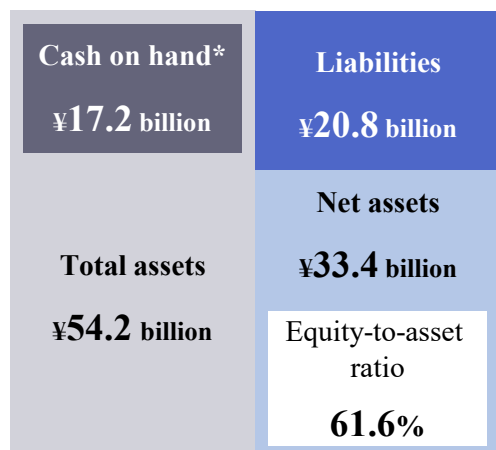
- In building an optimal capital structure, we will conduct financial management with an awareness of balancing improved capital profitability and maintaining financial soundness.
- Our policy is to control net assets (equity) through proactive shareholder returns.

Image of the target balance sheet

FYE Jan. 2027

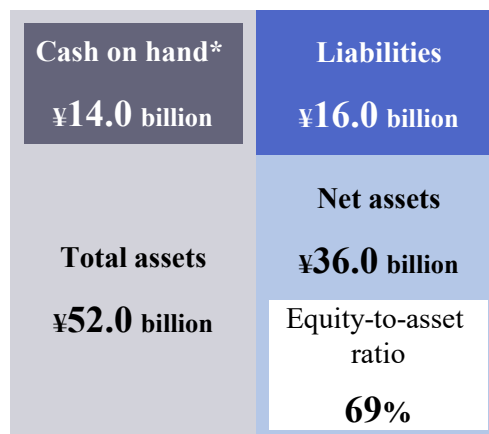
Results of FYE Jan. 2025

- There was a tendency for net assets to accumulate due to earnings growth.



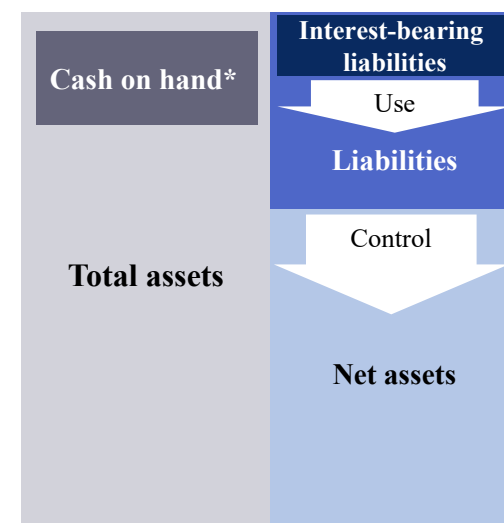
Final year of the Medium-Term Management Plan

- Cash on hand is expected to decrease due to the abolition of notes payable, thereby contributing to a leaner B/S overall. (The equity-to-asset ratio is expected to show an upward trend)
- With an awareness of improving capital efficiency, we will continue the policy of proactive shareholder returns.



Ideal B/S for medium to long term

- Policy of utilizing interest-bearing liabilities for growth investment.
- Policy of controlling net assets (equity) through proactive shareholder returns.



* Cash and deposits and securities

* The above forecast figures are approximate.

Financial strategy: Cash allocation

- To enhance corporate value, we will prioritize investments aimed at future growth and actively conduct shareholder returns

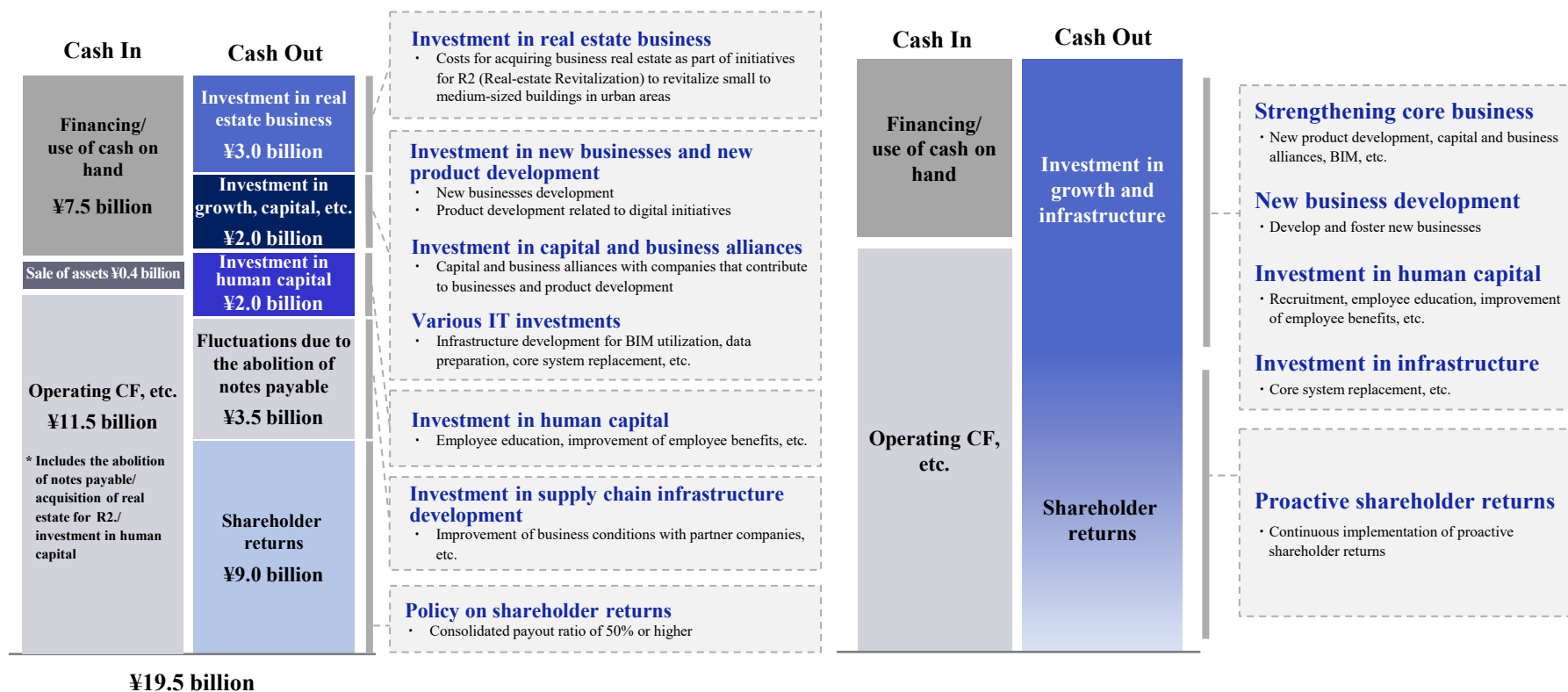
Cash allocation

Current Medium-Term Management Plan
(cumulative from FYE Jan. 2026
to FYE Jan. 2027)



Next Medium-Term Management Plan
— (cumulative from FYE Jan. 2028
to FYE Jan. 2030)

For the next medium-term management plan, we will continue to consider shareholder returns with an awareness of both investments that lead to future growth and capital efficiency

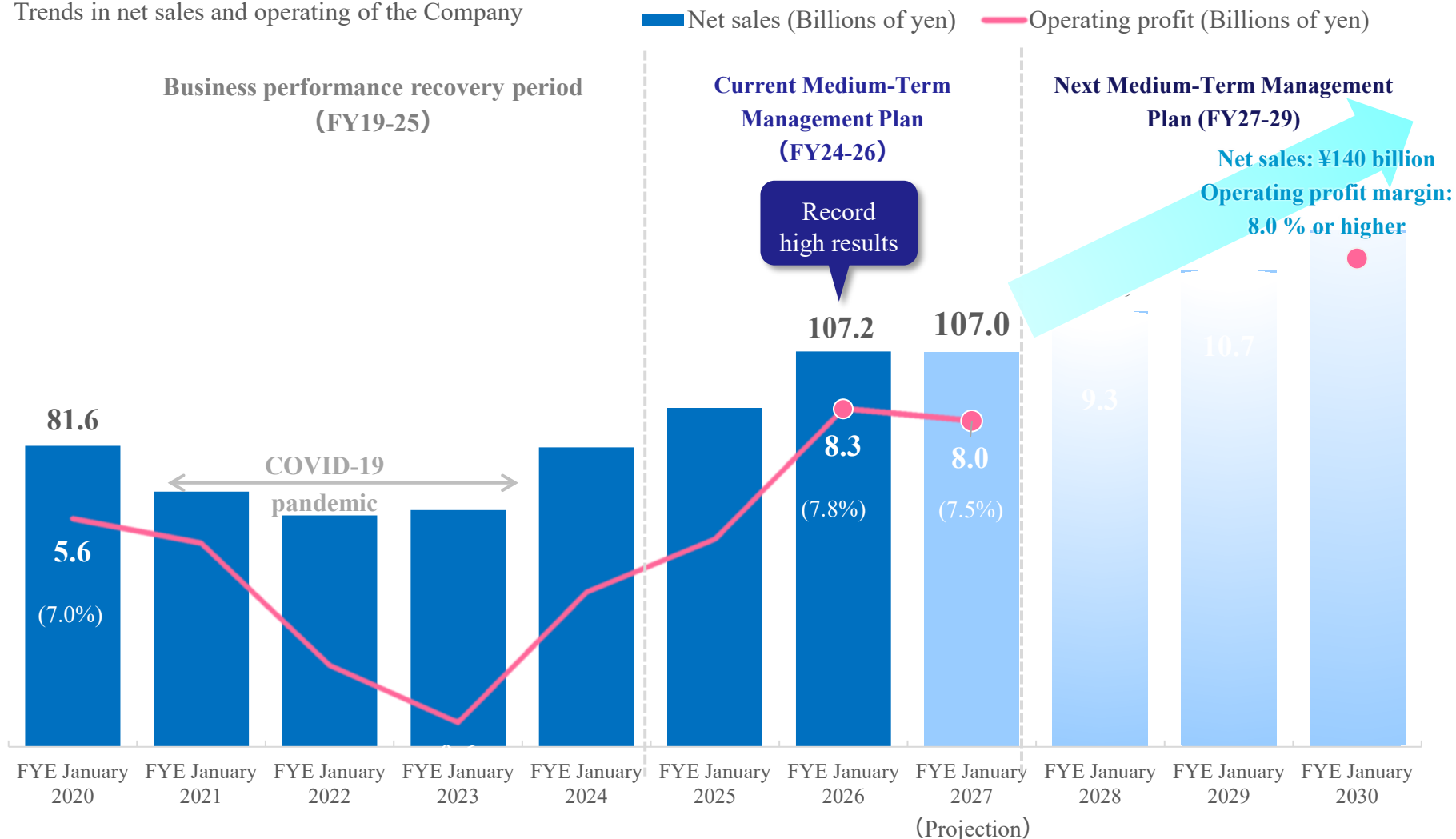


* The above forecast figures are approximate.

Growth image until the next Medium-Term Management Plan

- In FYE January 2026, both net sales and operating profit reached record highs, with net sales reaching the ¥100 billion range.
- For FYE January 2030, the Company aims for net sales of ¥140 billion, consolidated operating profit margin of 8.0% or higher, and ROE of 15% or higher.

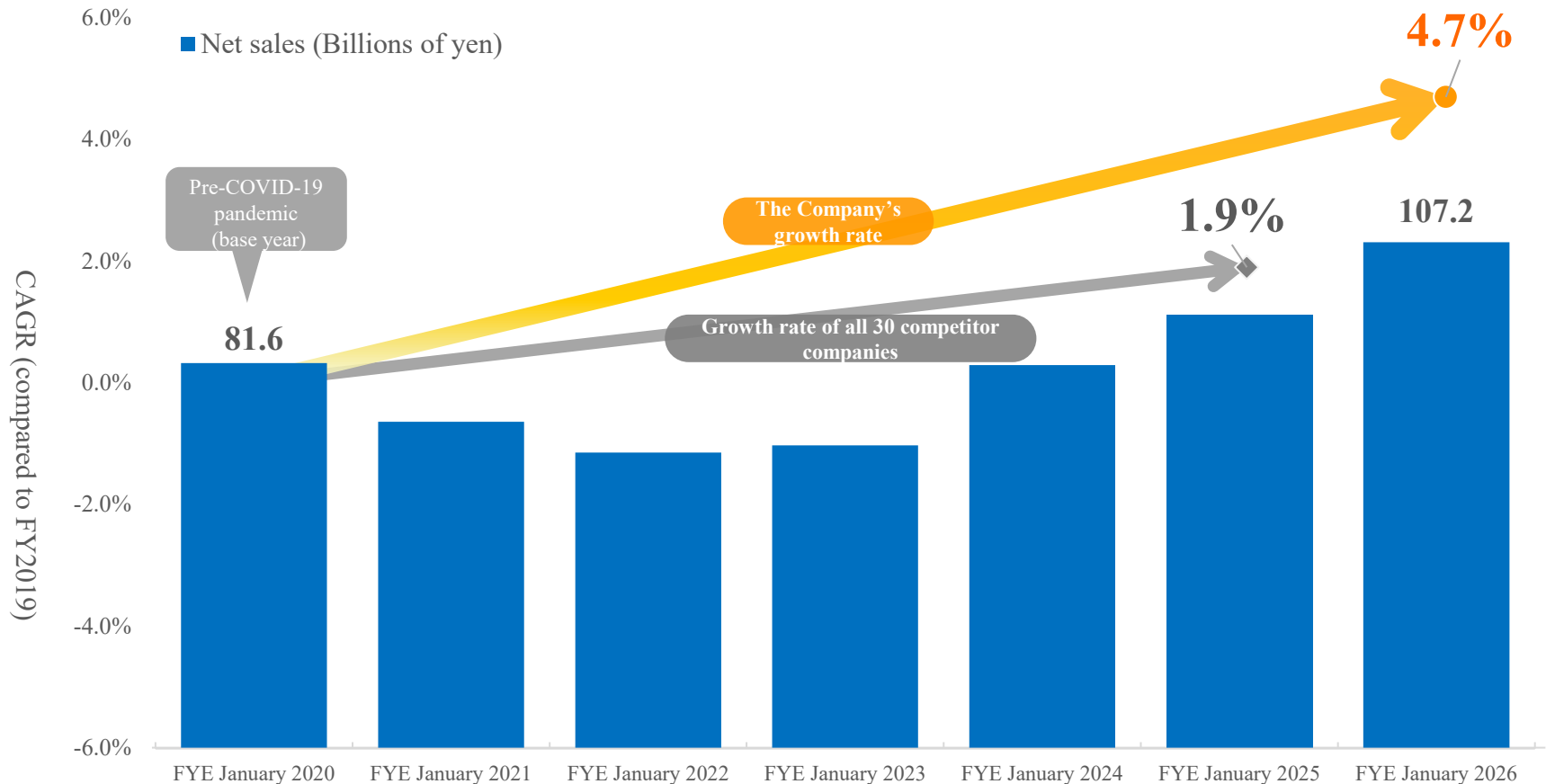
Trends in net sales and operating of the Company



Growth rate of the Company (Compared to FY2019)

- The total net sales for our 30 competitor companies (according to our research) expanded from FY2019 before the COVID-19 pandemic (approximately ¥860 billion) to FY2024 (approximately ¥940 billion). The compound annual growth rate (CAGR) of the overall display market is 1.9%, indicating a growth trajectory.
- In FYE January 2026, the Company achieved a CAGR of 4.7%, significantly outpacing the overall market growth rate and driving the market forward.

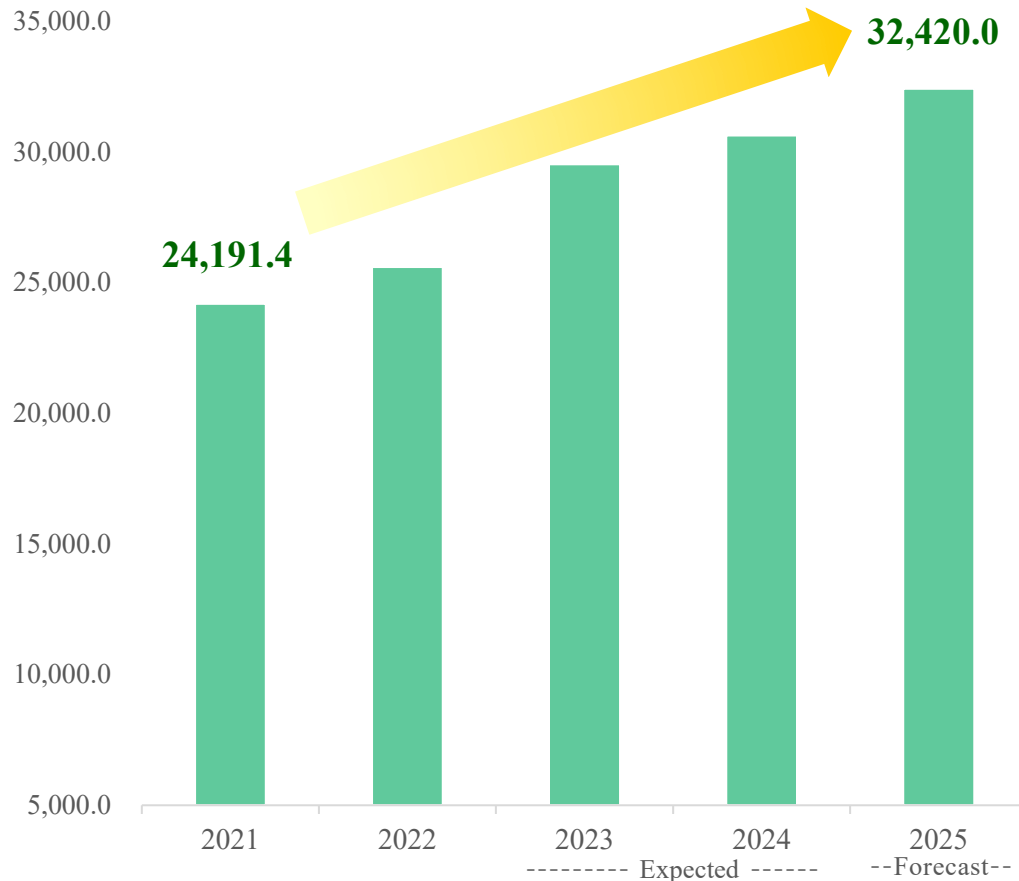
The Company's net sales and CAGR compared to FY2019 (FYE January 2020)



External environment: expansion of construction investment

Trends in construction investment amounts in Japan

■ Total construction investment amount for “non-residential (commercial and cultural facilities, etc.)” and “building repairs (renovation and refurbishment)” (Billions of yen)



Expansion of construction investment

Regarding the construction investment amount for FY2025, “non-residential (commercial and cultural facilities, etc.)” and “building repairs (renovation and refurbishment)” account for ¥32.42 trillion, showing an increasing trend since FY2022. It is expected that strong investment appetite will continue as a macroeconomic environment.

Positive impact on the Company’s business

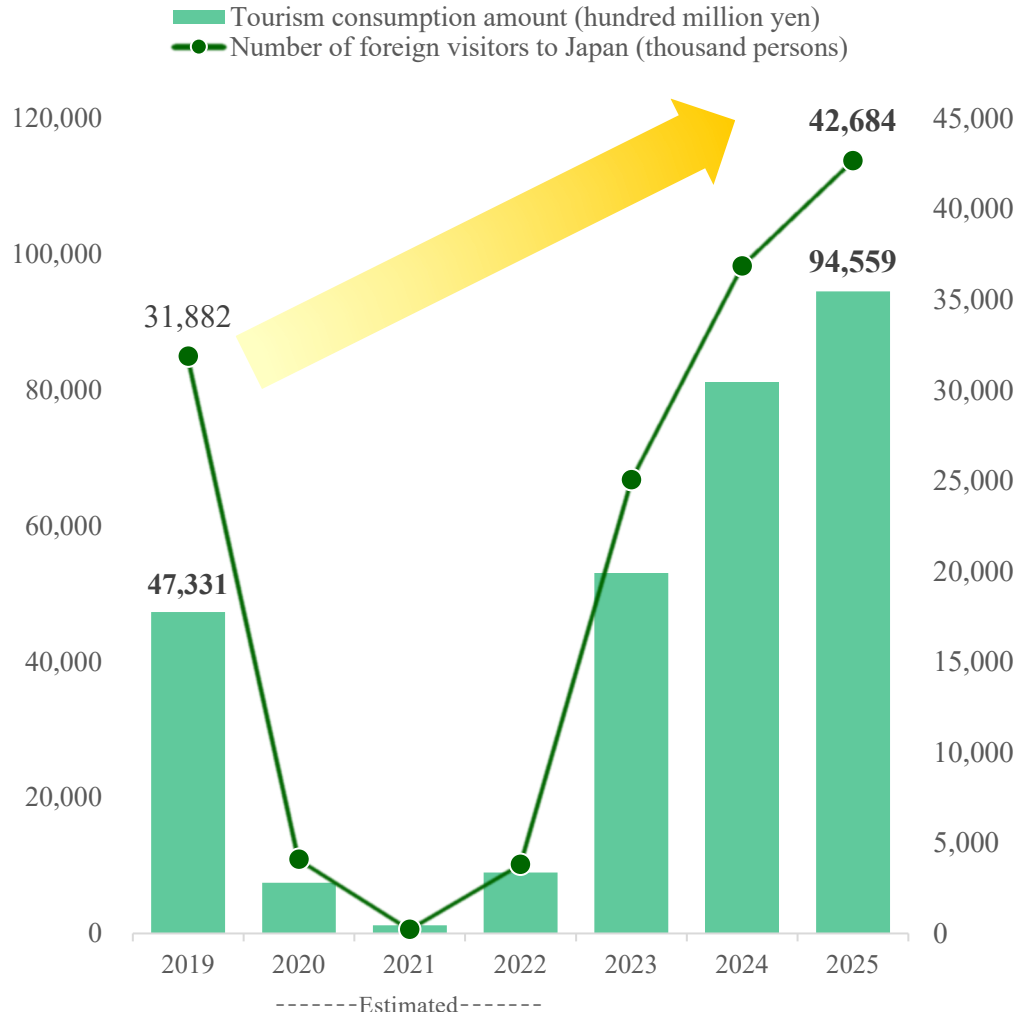
It is expected that the shift from the “scrap-and-build” approach to “**value-increasing renovation investments**” that enhance the value of existing facilities will also progress.

This is an area where the Company's design capabilities and planning proposal skills, which enhance the added value of spaces, can be demonstrated, and it is anticipated to be a tailwind in achieving our goals.

Source: Created based on the “Construction Investment Forecast for Fiscal Year 2025” by the Policy Bureau of the Ministry of Land, Infrastructure, Transport and Tourism
Investment amount excluding “civil engineering” and “residential” from construction investment

External environment: Rapid expansion of inbound tourism demand

Trends in consumption amount from foreign tourists in Japan and the number of tourists



Inbound tourism demand

The number of foreign tourists in Japan in the calendar year 2025 is expected to reach 42.68 million (1.2 times compared to 2019), with further steady growth anticipated.

The consumption amount from foreign tourists in Japan in the calendar year 2025 is also expected to rapidly expand to a record high of ¥9.5 trillion (approximately 2.0 times compared to FY2019).

Positive impact on the Company's business

The rapid increase in inbound tourism is expected to **strongly boost the momentum for “space production and capital investment”** in accommodations, commercial complexes, and cultural and tourism facilities (such as museums), serving as a tailwind for the Company's business environment.



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