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Company: Takasho Co., Ltd.

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(Stock code: 7590, TSE Standard)

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Notice Regarding the Revision of the Financial Forecast for the Fiscal Year Ending January 20, 2025 and Revision of the Year-End Dividends

At its meeting held today, in light of recent business performance trends, the Board of Directors of Takasho Co., Ltd. (hereby referred to as “the Company”) resolved to revise the financial forecasts for the fiscal year ending January 20, 2025 (From January 21, 2024, to January 20, 2025), which was released on March 5, 2024, and to revise its per-share dividend forecasts as described below.

1. Revision of Consolidated Financial Forecast

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

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

	Net sales (JPY MM)	Operating income (JPY MM)	Ordinary income (JPY MM)	Net income attributable to owners of the parent (JPY MM)	Basic earnings per share (JPY)
Previously announced forecast (A)	22,047	583	618	323	19.16
Revised forecast (B)	20,750	150	350	85	5.04
Variance in amount (B - A)	△1,297	△433	△268	△238	—
Variance in percentage (%)	△5.9	△74.3	△43.4	△73.7	—
(Ref.) Actual results for FY2024 4Q (Cumulative, from Jan.21, 2023, to Jan. 20, 2024) (C)	19,411	△108	250	△75	△4.45
YoY (%) (B ÷ C)	106.9	—	139.8	—	—

(Reason for the Revision of Financial Forecast)

Sales in the Pro-use segment for the first half of the fiscal year ending January 20, 2025 were in line with expectations as the remodeling and non-housing sectors (such as public and commercial facilities, and even major restaurant chains) are growing while the housing construction are declining.

However, sales in the Home-use segment were sluggish, at 78.1% of the initial forecast, negatively affected by the rebound decrease in sales by COVID-19 at home centers, and decreased customer attraction at large retail stores due to bad weather.

In addition, in Overseas segment, sales in Europe increased (YoY 154.3%) as new store introductions progressed, but the recovery of the home center market was delayed in the U.S. due to sluggish consumer demand for relocation. As a result, the sales in Overseas segment was 84.3% of the initial forecast.

Gross profit decreased from the initial forecast because cost of sales increased by 2.2% from the initial forecast, affected by sharp Yen's depreciation (about 10% weaker), and a 54 million yen increase in inventory write-downs from the initial forecast. Selling, general and administrative (SG&A) expenses decreased from the initial forecast due to adjustments in other expenses, while upfront investments for capital expenditures and human resources increased. As a result, operating income has been decreased.

Ordinary income was 64.8% of the initial forecast due to foreign exchange gains of 241 million yen resulting from exchange rate fluctuations (yen depreciation). However, net income attributable to parent company shares was 22.5% of the initial forecast due to an increase in the tax burden rate resulting from tax effects.

Based on the situation during the first half of the current fiscal year, we expect the market environment to remain challenging in the second half of the fiscal year, and have revised our full-year consolidated earnings forecast.

2. Revision of the Year-End Dividends

	Annual cash dividends per share		
	2nd quarter	Year-end	Total
Initial forecast	Yen	Yen	Yen
(announced on March 5, 2024)		8.00	8.00
Revised forecast		5.00	5.00
Actuals for FY2025	0.00		
Actuals for FY2024	0.00	5.00	5.00

(Reason for the Revision)

We consider returning profits to shareholders to be one of our most important management priorities. With regard to dividends from surpluses, our basic policy is to provide stable and continuous dividends to shareholders, while taking into consideration strengthening our financial position and the future business development of the entire group.

In light of the revisions to our earnings forecasts announced today, and after comprehensively taking into consideration our shareholder return policy and financial position, we have decided to revise our annual dividend forecast for this fiscal year from the previous forecast of 8 yen per share to 5 yen per share.

Although the outlook for economic trends is still extremely uncertain, our policy is to give due consideration to the return of profits to our shareholders, while also taking into account various factors such as improvement in profitability, financial soundness, and the dividend payout ratio.

(Note) The performance forecast described in this report are based on information that is available to the Company, as well as certain assumptions and estimates that are deemed to be reasonable, and we make no assurance that such descriptions prove to be correct. Actual figures may significantly differ due to various factors.

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