



# Supplemental Information To Financial Results First Six Months of FY Ending December 31, 2024

**Itoki Corporation**  
**(Tokyo Stock Exchange Prime Market: 7972)**

**(August 5, 2024)**



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# Summary of Financial results for the first six months of FY ending December 31, 2024

## Net sales : Record-High

- Net sales were strong primarily from renovation projects to accommodate new hybrid work styles and office relocations.  
(As expected)

## Operating profit : Same as same period last year

- Revenue increase effect (Almost as expected, keeping the record-high level in the same period of the previous year)

## Profit attributable to owners of parent : Record-High

- Revenue increase effect and Extraordinary income (Disinvestment of Non-business assets and so on)

### Workplace Business

- **Net sales were strong** primarily from renovation projects to accommodate new hybrid work styles and office relocations.
- Operating profit was **unchanged from the same period of the previous year**, thanks to the sales growth, despite the strategic augmentation of SGA for raising wages, recruiting specialized personnel, and strengthening the IT base for facilitating DX and the effects of the product mix in the second quarter.

### Equipment & Public Works-Related Business

- Although the demand for equipment for public facilities, such as display cases of museums and art museums, declined from the same period of the previous year, in which the demand was high, as assumed, the demand for equipment for research facilities was healthy, so **sales were decreased** year on year.
- Profit margin improved due to the effect of increased revenues and greater value delivered for research facilities, **resulting in increased profit** .



A modern office interior featuring a long, light-colored wooden counter in the foreground. To the right, a set of stairs with a light-colored carpet leads upwards. The background shows a bright, open-plan office space with large windows and indoor plants. The ceiling is white with recessed lighting.

# **1. Financial results for the first six months of FY ending December 31, 2024**

# Q2: Consolidated Performance

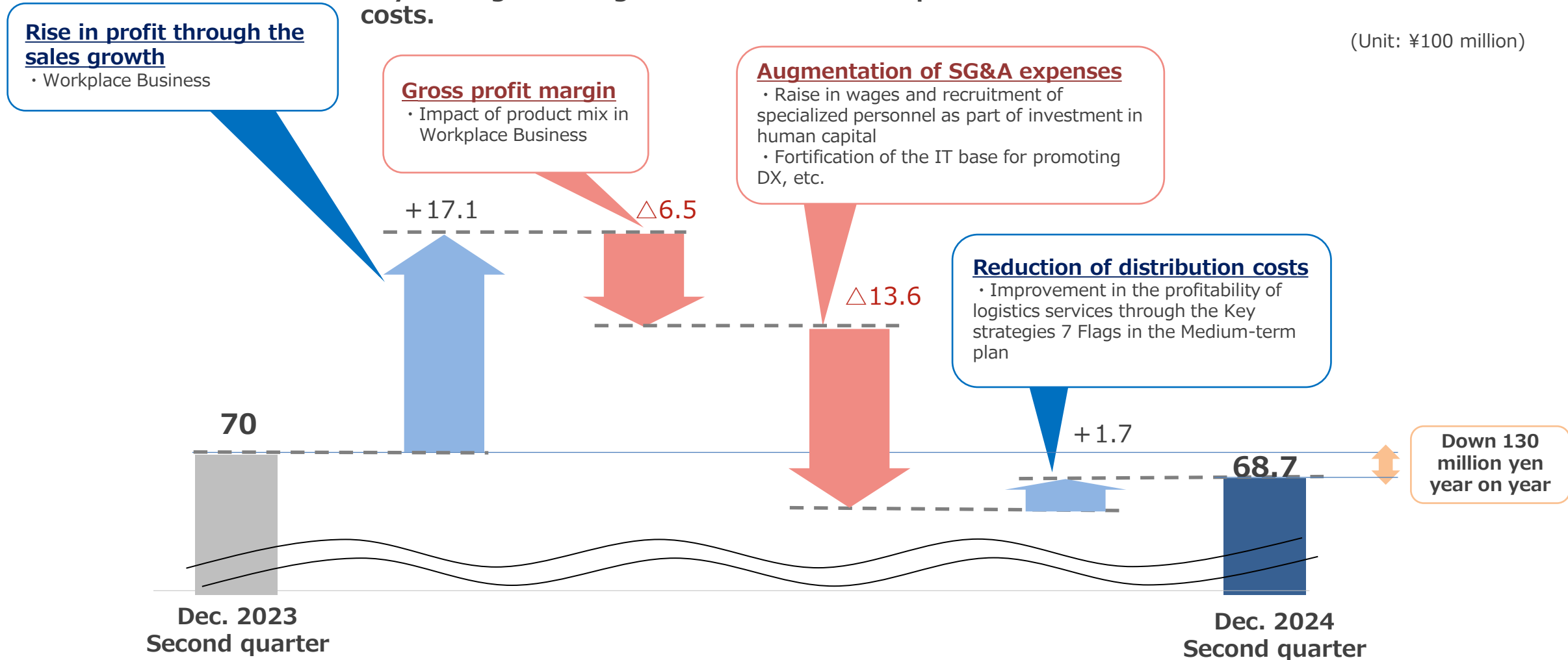
Jan. 1- June 30, 2024

(Unit: ¥100 million)	Dec. 2023 Second quarter		Dec. 2024 Second quarter		Increase (decrease)		Full-year initial forecast	
	Amount	% of sales	Amount	% of sales	Amount	% increase	Amount	Progress
<b>Net sales</b>	681	—	725	—	+43	+6.3%	1,375	52.7%
<b>Cost of sales</b>	411	60.4%	444	61.3%	+32	+7.9%	—	—
<b>Gross profit</b>	270	39.6%	280	38.7%	+10	+3.9%	—	—
<b>SG&amp;A expenses</b>	200	29.4%	212	29.3%	+11	+6.0%	—	—
<b>Operating profit</b>	70	10.3%	68	9.5%	△1	△2.0%	100	68.7%
<b>Ordinary profit</b>	70	10.4%	68	9.4%	△2	△3.6%	100	68.4%
<b>Profit attributable to owners of parent</b>	47	6.9%	50	7.0%	+3	+8.1%	70	72.7%

# Factors contributing to changes in operating income (Year-on-year comparison analysis)

Unchanged from the same period of the previous year, due to the effects of gross profit margin and the augmentation of SG&A, despite the sales growth thanks to the Key strategies 7 Flags in the Medium-term plan and the reduction of distribution costs.

(Unit: ¥100 million)



# Performance in each segment

## ■ Workplace Business

- Net sales were strong primarily from renovation projects to accommodate new hybrid work styles and office relocations.
- Operating profit was unchanged year on year, thanks to the sales growth despite the strategic increase in SG&A expenses for raising wages, recruiting specialized personnel, and fortifying the IT base for promoting DX and the impact of the product mix in the second quarter.

## ■ Equipment & Public Works-Related Business

- Net sales declined, due to the expected shrinkage of demand for equipment for public facilities, such as the display cases for museums and art museums, which was strong in the same period of the previous year, despite the favorable demand for equipment at research facilities.
- Profit grew, thanks to the growth of sales of equipment for research facilities and the curtailment of SG&A expenses, despite the expected drop in sales of equipment for public facilities, such as the display cases for museums and art museums.

## ■ Other

- Revision to the accounting policy in response to the change in the segment of the IT and sharing business, and the drop in profit of consolidated subsidiaries

Jan. 1 - Jun. 30, 2024

(Unit: ¥100 million)		FY 12/23 2Q	FY 12/24 2Q	Increase/decrease	
				Amount	Increase rate
<b>Workplace Business</b>	Net sales	491	540	+48	+10.0%
	Operating profit	52	52	△0	△0.8%
	[Operating margin]	{10.7%}	{9.7%}	—	{△1.0pts}
<b>Equipment &amp; Public Works-Related Business</b>	Net sales	182	176	△6	△3.3%
	Operating profit	15	15	+0	+3.8%
	[Operating margin]	{8.3%}	{8.9%}	—	{+0.6pts}
<b>Other</b>	Net sales	7	7	0	+3.0%
	Operating profit	2	0.6	△1	△70.5%

# Summary of the Consolidated Financial Statements

Overview of the Consolidated B/S	End of Dec. 2023	End of June. 2024	Increase/decrease	Remarks
Current assets	733	744	11	Increase in cash and deposits due to the augmentation of short-term debt
Fixed assets	441	462	21	Increase in fixed assets acquired through strategic investment
<b>Total assets</b>	<b>1,174</b>	<b>1,207</b>	<b>+32</b>	
Current liabilities	473	608	134	Increase in short-term debt for acquiring treasury shares
Fixed liabilities	150	127	△23	Decrease through the transfer from long-term debt to short-term debt
<b>Total liabilities</b>	<b>624</b>	<b>735</b>	<b>+111</b>	
<b>Total shareholders' Equity</b>	<b>534</b>	<b>450</b>	<b>△84</b>	Treasury shares
<b>Total net assets</b>	<b>549</b>	<b>471</b>	<b>△78</b>	

Overview of the consolidated cash flow statement	Interim results in 2023	Interim results in 2024	Remarks
<b>Cash flow from operating activities</b>	40	△35	Decrease due to the payment of accounts payable (temporary augmentation) and the rise in salaries and bonuses paid
<b>Cash flow from investment activities</b>	△32	△29	Decrease due to the adoption of ERP packages and expenditure for acquiring the shares of a subsidiary that operates logistics business
<b>Free cash flow</b>	8	△64	
<b>Cash flow from financial activities</b>	△32	102	Increase due to short-term debt
<b>Change in cash and cash equivalents</b>	△24	38	
<b>Year-end balance of cash and cash equivalents</b>	229	275	



# Return to Shareholders(Dividends for FY Ending December 31, 2024) : Notice of revised forecasts about Dividends(dividend increase)

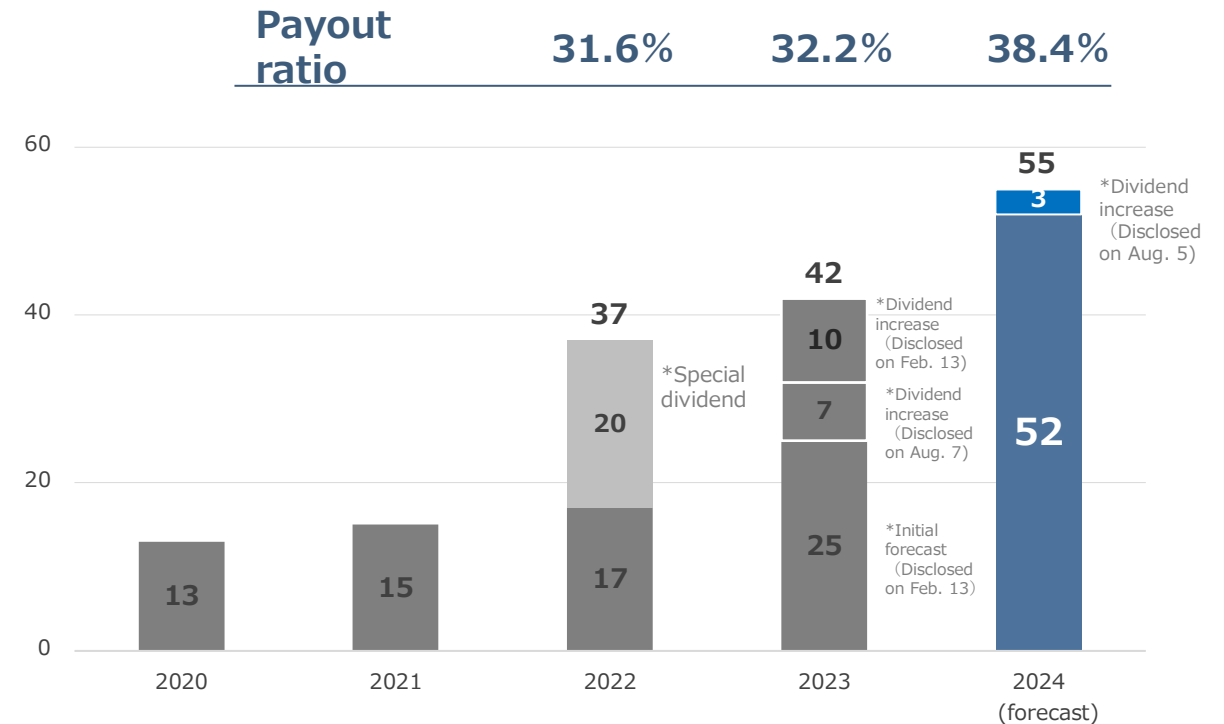
## Shareholder return policy

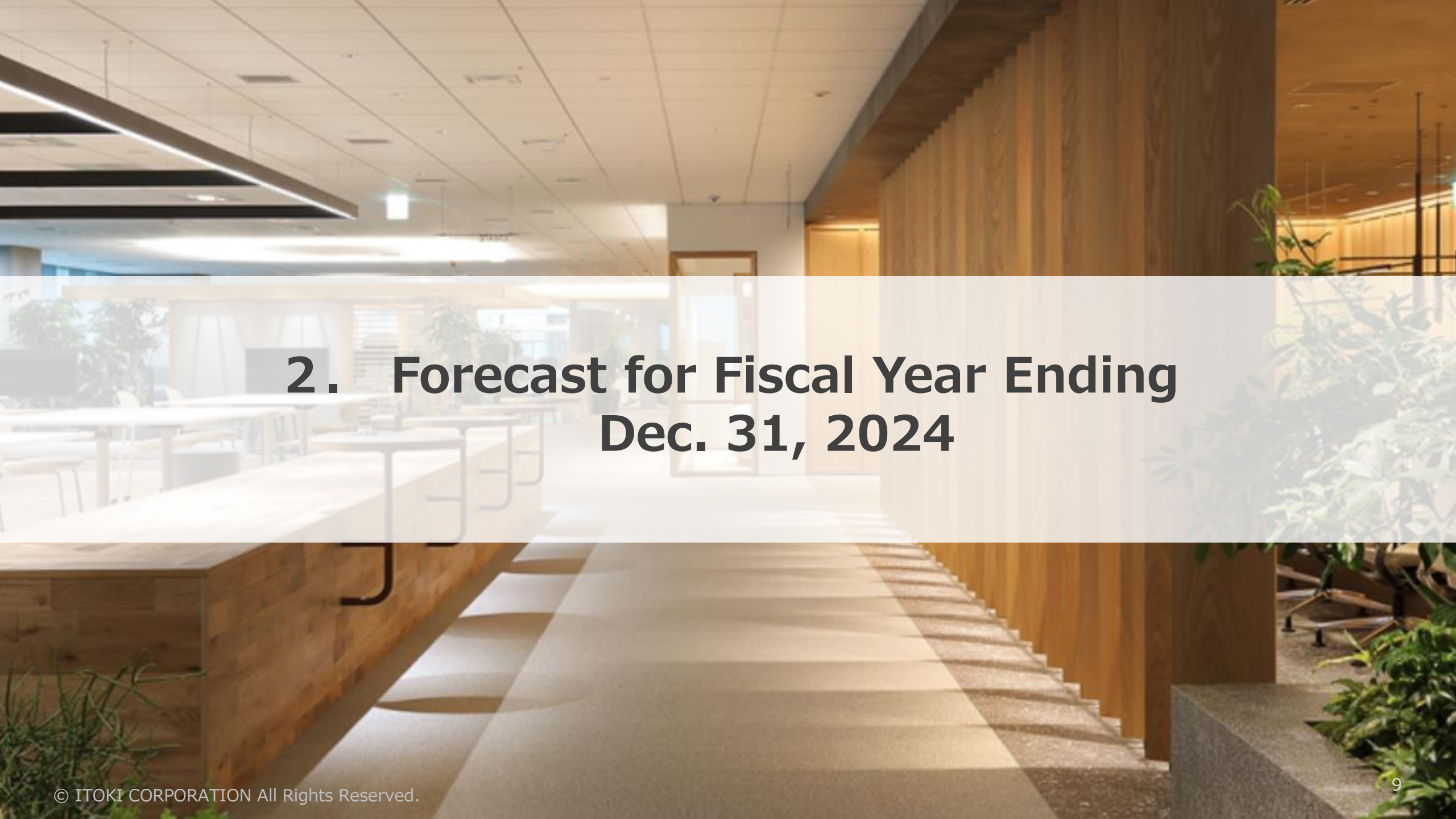
Our company recognizes the distribution of profit as one of priority management policies, and pay a year-end dividend to shareholders once a year continuously and stably while considering corporate earnings, the enrichment of internal reserve, future business operation, etc. comprehensively from the long-term viewpoint.

We will implement dividend policies with **the aim of achieving a payout ratio of 40%** while pursuing business administration focused on shareholders and considering consolidated performance in addition to stable dividends.

We will utilize internal reserve efficiently for mainly strategic investment in R&D, which is indispensable for future growth, and growing fields in order to improve corporate value.

## Variation in annual dividend per share [yen]



A modern office interior featuring a long, light-colored wooden counter in the foreground. To the right, a staircase with light-colored steps and a wooden wall is visible. The background shows a bright, open-plan office space with tables and chairs. The overall atmosphere is clean and professional.

## **2. Forecast for Fiscal Year Ending Dec. 31, 2024**

# Forecast for Fiscal Year Ending Dec. 31, 2024

- In the first fiscal year of the medium-term management plan, we will implement the Key strategies 7 Flags. Accordingly, consolidated sales are expected to grow 3.4% (up 5.0% in the workplace business and up 0.4% in the equipment & public works-related business).
- Consolidated operating profit is forecast to be 10 billion yen, up 17.3% year on year.

Jan. 1 - Dec. 31, 2024 Unit: ¥ 100 million

【 Consolidated 】		FY 12/23 Results	FY 12/24 Forecast	Increase/decrease	
				Amount	Increase rate
Net sales		1,329	1,375	+45	+3.4%
Operating profit		85	100	+14	+17.3%
Ordinary profit		85	100	+14	+16.9%
Profit attributable to owners of parent		59	70	+10	+18.5%
〔Operating profit margin〕		〔6.4%〕	〔7.3%〕	—	+0.9pts
【 Segment 】		FY 12/23 Results	FY 12/24 Forecast	Increase/decrease	
				Amount	Increase rate
Workplace Business	Net sales	942	990	+47	+5.0%
	Operating profit	61	80	+18	+30.5%
	〔Operating profit margin〕	〔6.5%〕	〔8.1%〕	—	〔+1.6pts〕
Equipment & Public Works-Related Business	Net sales	368	370	+1	+0.4%
	Operating profit	19	20	+0	+4.9%
	〔Operating profit margin〕	〔5.2%〕	〔5.4%〕	—	〔+0.2pts〕

# Consolidated performance trends

The shaded part represents a record high.

Unit: million yen

	Interim period (Jan. - Jun.)			
	Net sales	Operating profit	Ordinary profit	Net profit
FY 2024	<b>72,510</b>	6,866	6,837	<b>5,086</b>
FY 2023	68,190	<b>7,002</b>	<b>7,095</b>	4,707
FY 2022	63,756	4,371	4,416	3,676
FY 2021	61,635	2,973	2,830	2,290
FY 2020	64,704	2,631	2,506	1,203
FY 2019	63,672	1,927	1,936	965
FY 2018	60,610	2,197	2,314	1,722
FY 2017	59,111	3,760	3,927	2,680
FY 2016	55,144	3,089	3,188	1,864
FY 2015	55,684	3,387	3,513	2,631
FY 2014	54,332	2,639	2,793	2,100
FY 2013	55,113	3,431	3,589	2,634
FY 2012	58,416	4,155	4,316	3,513
FY 2011	45,067	1,494	1,839	724

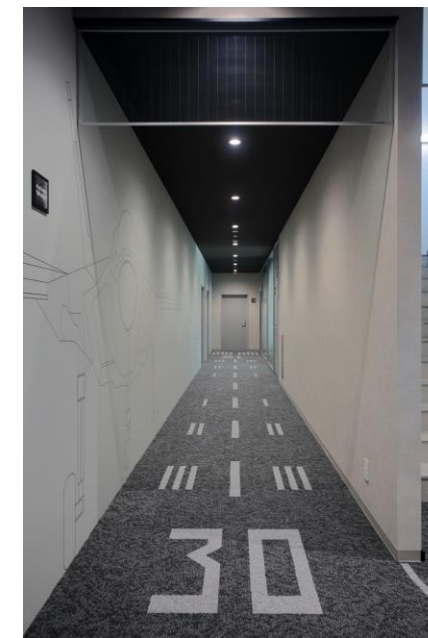
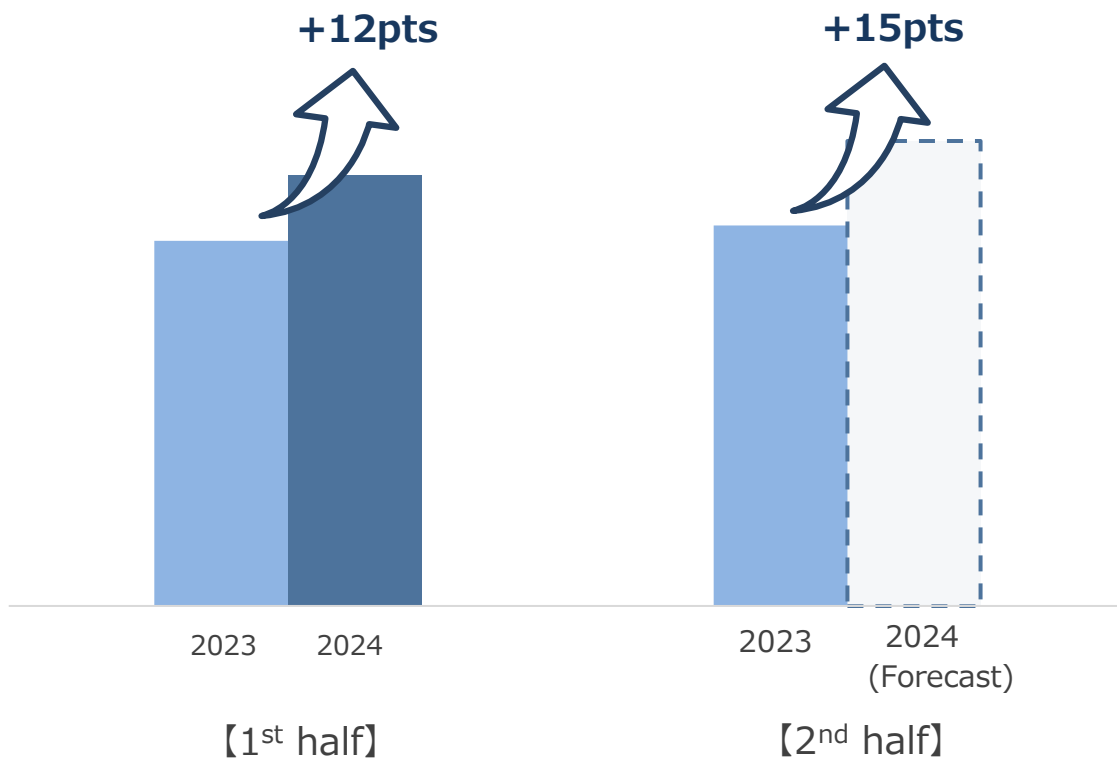
**For the second half, it is forecast that sales will be 65 billion yen (64.7 billion yen in the same period of the previous fiscal year) and operating profit will be 3.1 billion yen (1.5 billion yen in the same period of the previous fiscal year).**



# About the market environment : Demand outside the metropolitan area

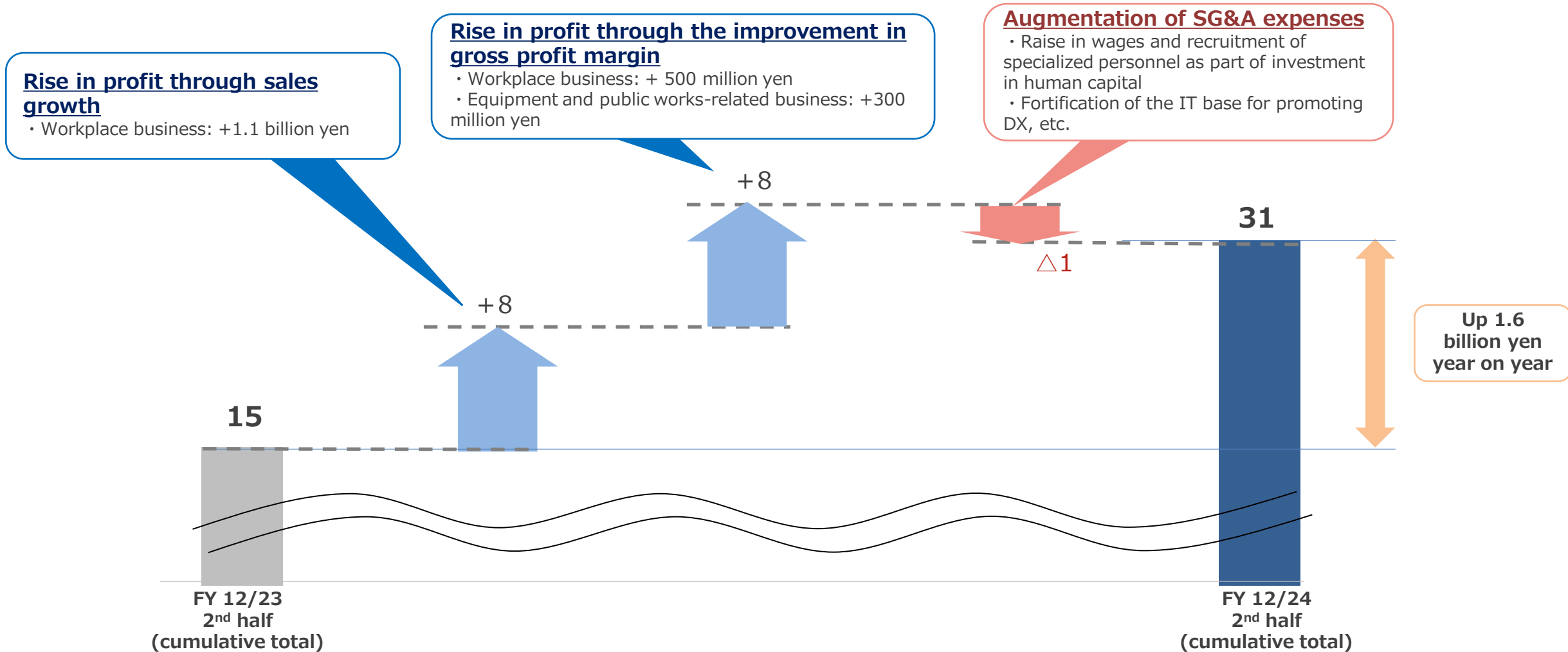
## As of mid-July 2024

- Business talks with private enterprises in regions other than the Tokyo Metropolitan Area
- Ratio of the amount of business talks in FY 2024 to that in the same period of FY 2023, which is assumed to be 100



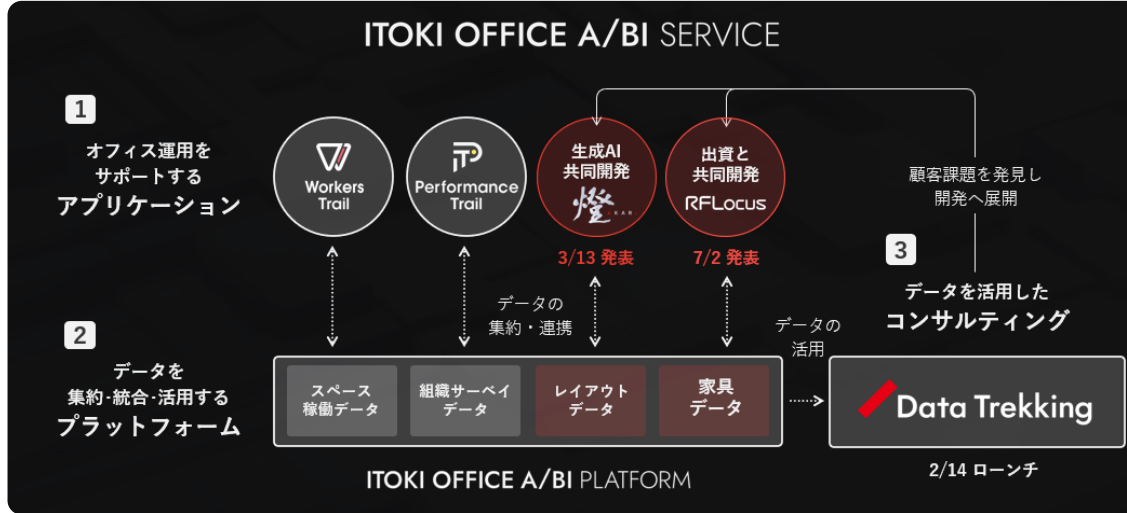
# Expected increase/decrease in operating income (from the second half of the previous fiscal year)

[unit: 100 million yen]



A modern office interior featuring a long, light-colored wooden counter in the foreground. To the right, a staircase with a light-colored carpet leads upwards. In the background, there is a meeting area with several tables and chairs, and large windows with blinds. The ceiling is white with recessed lighting. The overall atmosphere is bright and clean.

## 3. Office3.0



## Invest in Arsaga Partners, Inc.

Through this investment, we aim to fortify the base for data utilization, brush up “Tech × Design based on PEOPLE,” which is our forte, and create new value of business through DX.



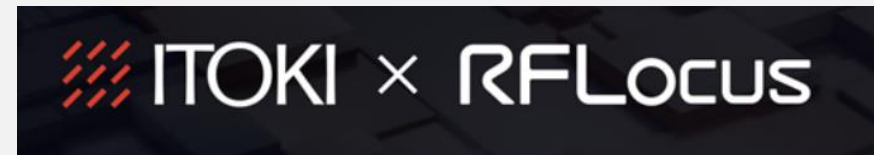
## Conclusion of a joint development contract with AKARI

As part of initiatives for ITOKI OFFICE A/BI SERVICE, we started the development of apps related to the AI for automatically generating office designs. We aim to realize an app that can instantly simulate an office design by swiftly producing a digital twin of an office based on the space scanning technology of AKARI and utilizing the office data we have accumulated.



## Invest in RFLocus

To realize IoT for furniture, by installing RFID in office furniture We aim to improve the quality of “Data Trekking,” a consulting service based on office data.  
In addition, we aim to develop “Office Asset Finder (provisional name),” an app for collecting sensing data of office furniture, and realize a new service for supporting advanced asset management.



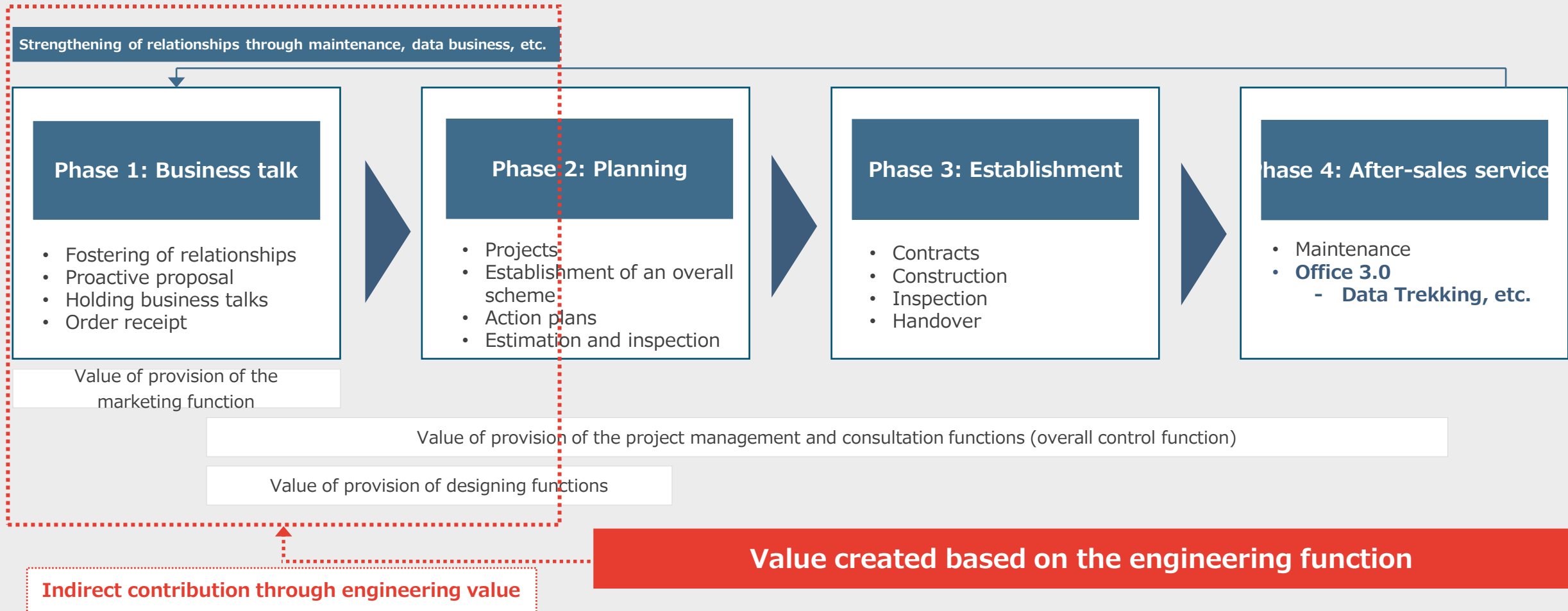


A modern, brightly lit interior space, likely a restaurant or cafe. The foreground features a long, light-colored wooden counter with a dark metal railing. To the right, a staircase with light-colored steps and a wooden wall leading up to it is visible. In the background, there are tables and chairs, suggesting a dining area. The ceiling is white with recessed lighting. The overall atmosphere is clean and contemporary.

## 4. Supply chain reform

# Supply chain reform

- Through the reform of the supply chain (integration of ITOKI engineering services and the start of operation of the engineering department), we will create more upstream projects. ⇒ We aim to extend the business model.
- Receipt of an order for a large-scale project for the first time in the history of ITOKI (contributing to the results in Q4)



A modern office interior featuring a long, light-colored wooden counter in the foreground. To the right, a set of stairs with a light-colored carpet leads upwards. The background shows a bright, open-plan office space with tables and chairs, and large windows with blinds. The ceiling has recessed lighting and a grid pattern. The overall atmosphere is clean, bright, and professional.

**5. 7Flags03. To establish a business in a growing field**



# To concentrate resources onto development and engineering in the domains of distribution and research facilities, to nurture the second pillar

KPI

2026

**Dedicated facility domain**

(Sum of sales in mechatronics, airflow control, and machinery domains)

Sales

**30** billion yen

(+40% from 2023)

Operating profit

**2** billion yen

(+40% from 2023)

2026

Fortification of development and engineering systems

**+50** or more

## Measure 1: To expand the dedicated facility domain

### 《Distribution facilities》 To operate various SAS\*1 for distribution



- Development for the frozen food market, where demand is expanding
- Downsizing suited for automation of various facilities
- Application to automated warehouses in ASEAN countries, etc.

### 《Research facilities》

#### To expand our market share by releasing new products



- To strengthen a touch point with customers
- Application to facilities in ASEAN countries, etc.

### 《Drug development/healthcare and semiconductor manufacturing》

#### To establish a business in a growing field



- To establish a clean equipment business in the drug development/healthcare field
- To enhance sale of automatic cleaning devices in the semiconductor manufacturing field

\* 1 SAS: a shuttle-type automated multilevel warehousing system for which speed and compactness have been pursued

\* 2 Mechatronics: the general term for control technologies for allowing complex movements of machines with electronic circuits

\* 3 Airflow control: control of work spaces at the time of handling raw materials with a draft chamber for safety, health, and quality management

## Measure 2: To establish a maintenance business

《Distribution facilities》 · To develop prediction and maintenance services utilizing data and IoT

《Research facilities》 · To establish a maintenance service business based on the construction and air conditioning-related technologies



A photograph of a modern interior space, likely a hallway or lounge area. The ceiling is white with recessed lighting. The walls are primarily wood-paneled. In the foreground, there is a long, low wooden counter or desk. To the right, a staircase with light-colored steps leads up. In the background, there are tables and chairs, suggesting a meeting or dining area. A large, semi-transparent white banner is overlaid across the center of the image, containing the word "APPENDIX" in bold, black, uppercase letters.

# APPENDIX

# Progress of Key strategies: 7 Flags

7 Flags		First half (one example)	Second half (one example)
0 1	Office1.0/2.0 domain	<ul style="list-style-type: none"> <li>Exhibition at Orgatec</li> <li>New products</li> </ul>	<ul style="list-style-type: none"> <li>Price revision (July 2024-)</li> <li>Revamping of XORK11F</li> <li>Release of new products (co-working goods, ADDCELL Hexa, etc.)</li> <li>Project for business talks for large-scale projects</li> </ul>
0 2	Office3.0 domain	<ul style="list-style-type: none"> <li>Launch of Data Trekking</li> <li>Cooperation with AKARI</li> <li>Cooperation with RFLocus</li> </ul>	<ul style="list-style-type: none"> <li><b>Coming Soon !</b></li> </ul>
0 3	Domain of specialized facilities	<ul style="list-style-type: none"> <li>Strategic strengthening of human resources in the equipment and engineering fields (recruitment of personnel from Hanoi University of Science and Technology)</li> <li>Release of MAGBIT (Dalton)</li> </ul>	<ul style="list-style-type: none"> <li><b>Coming Soon !</b></li> </ul>
0 4	Profitability improvement SCM reform Business operation process reform (DX)	<ul style="list-style-type: none"> <li>Start of a project for developing a next-generation production system (restructuring of the production system)</li> <li>Start of a project for reforming the logistics system</li> <li>Start of a project for reforming the engineering system</li> <li>Acquisition of Soua (to strengthen the logistics system)</li> <li>Preparation for IES integration &amp; establishment of the engineering department (streamlining through organizational reform)</li> </ul>	<ul style="list-style-type: none"> <li><u>Start of ERP (marketing)</u></li> <li><b>Coming Soon !</b></li> </ul>
0 5	Synergy among group companies	<ul style="list-style-type: none"> <li>Start of a project for structural reform of Dalton</li> <li>Acquisition of Soua (the same as *04) (Reduction of cash outflow from the group)</li> <li>Start of discussions on the in-house manufacturing of Dalton products</li> </ul>	<ul style="list-style-type: none"> <li><u>Start of ERP (marketing)</u></li> <li><b>Coming Soon !</b></li> </ul>
0 6	Human capital	<ul style="list-style-type: none"> <li>Forming a partnership with Hanoi University of Science and Technology</li> <li>Hanoi, acceptance of interns</li> <li>July: conclusion of a memorandum for advanced non-Japanese personnel with Shiga Prefecture</li> <li>Renovation of Kyobashi CILK</li> <li>Renovation of Nagoya Office</li> <li>Update of our website</li> <li>Group-wide meeting with 1,000 participants</li> </ul>	<ul style="list-style-type: none"> <li>Revamping of XORK11F</li> <li>Selectable training (for each organization)</li> <li>Enrichment of the talent management system</li> <li>Strengthening of the talent pool for female managers</li> <li>Appropriate staffing through the transfer among group companies (enhancement of recruitment and utilization of seniors)</li> </ul>
0 7	Financial strategy	<ul style="list-style-type: none"> <li>Sale of assets for non-business purposes</li> <li>Start of provision of shareholder benefits</li> </ul>	<ul style="list-style-type: none"> <li>Securing of various options for fund procurement</li> </ul>



## Notification on the issuance of “Integrated Report 2024,” which is focused on the realization of a new medium-term management plan that is further based on “human resources”



### Feature page

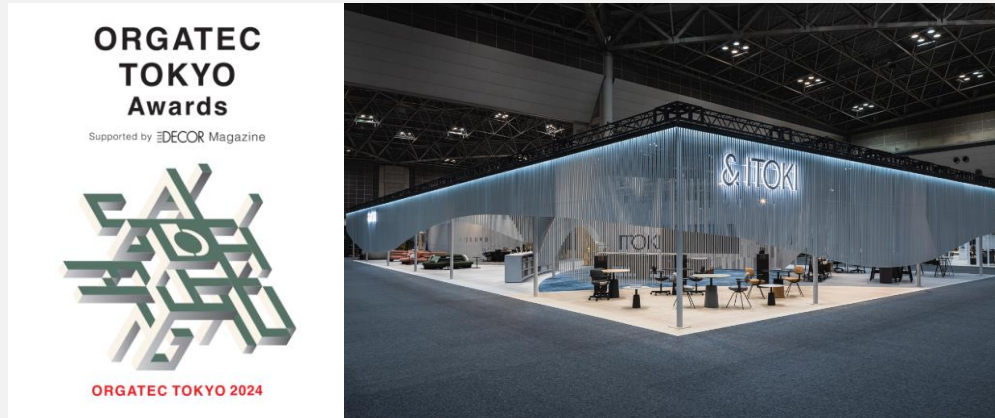


[Integrated Report 2024](#)

## ORGATEC TOKYO 2024

- ITOKI won the “Runner-up Grand Prix” and the “Best Booth Award Selected by Exhibitors” in “ORGATEC TOKYO Awards.” -

The booths of the participating companies and organizations that embody “SHIFT DESIGN,” which was the theme of ORGATEC TOKYO 2024, were judged on their unique concepts, how superior their design quality is, and how sophisticated their technology is. Our company received awards for our proposals for new office space and furniture and our organic flow planning that are based on our global mindset and go beyond the bounds of our brand.



## “The Face of ITOKI,” an advertisement focusing on our employees - ITOKI won the Silver Award in the newspaper category of the Japan BtoB Advertising Awards.-

“The Face of ITOKI,” an advertisement that we placed in such newspapers as morning editions of The Nikkei (for five consecutive days from Monday, December 18 to Friday, December 22, 2023), won the Silver Award in the newspaper category of the 45th Japan BtoB Advertising Awards held in 2024 by the Japan BtoB Advertising Association.





## ITOKI and Hanoi University of Science and Technology entered into an agreement on an internship program.

ITOKI has entered into an agreement with Hanoi University of Science and Technology (Vietnam) on an internship program with the aim of enhancing recruitment of highly skilled human capital specializing in science and technology. Two graduates from Hanoi University of Science and Technology joined our company in 2023, and we have issued job offers to nine prospective employees who plan to join us after October of 2024. We will accept about 10 students from Hanoi University of Science and Technology in an internship program scheduled for the summer of this year and will further strengthen our recruitment activities in the future.



## ITOKI and Shiga Prefecture signed a memorandum of understanding on mutual cooperation.

Aiming to acquire and retain highly skilled human capital with foreign nationality, ITOKI signed a memorandum of understanding with Shiga Prefecture on mutual cooperation in talent development for industries.

We will foster the industry-academia-government collaboration together with Hanoi University of Science and Technology in Vietnam so that we can contribute to enriching human capital development programs for the students of the university and helping them with career development, enhancing the brand value of Shiga Prefecture, and acquiring and retaining highly skilled human capital with foreign nationality in the future.



## ADDCELL Hexa

ITOKI has developed a hexagonal and highly functional closed booth that is suited for team meetings. The hexagonal shape we have employed allows users to install a large screen and place it in a layout that enables every team member to watch it clearly no matter where they sit, which creates a sense of unity as a team. While the distinctive exterior appearance establishes a strong presence as the symbol of an office, the design that brings an air of openness with large glass walls offers spaciousness and facilitates communication in a team.



## Refelt

ITOKI has transformed recycled materials into elegantly designed chairs made with felt. The shell of our Refelt chairs is made with polyester felt fabric about 50% of which comes from fiber produced from collected and recycled used plastic bottles, which allows us to cut down on production energy and CO<sub>2</sub> emissions compared to conventional chair parts produced through plastic molding processes. The cushions of the chairs are made with tipped urethane, which is produced by crushing urethane residues generated during production processes and after use of products and pressing them into shape again.



**Points of note:**

- **Our consolidated financial statements are prepared according to Japanese accounting standards.**
- **Our performance forecast and other figures are based on the information that we currently possess and on certain presumptions that can be deemed logical. Actual performance may deviate from these due to various risks, uncertainties, and other factors.**

**For IR related inquiries:  
IR Division, Corporate Communication  
Control Dept., Itoki Corporation**

**Telephone: 03-6910-3910  
E-mail: itk-ir@itoki.jp  
<https://www.itoki.jp/company/ir/>**

**明日の「働く」を、デザインする。**