

Itoki (TYO: 7972)

Consecutive record-high profit updates. Transition from “Tech × Design based on PEOPLE” to “AI × Design based on PEOPLE.” Aiming for a new stage of value creation.

◇ **FY12/2025 full-year results highlights: the medium-term management plan targets have been almost achieved one year ahead of schedule**

The FY12/2025 full-year results announced by Itoki on February 13, 2026, showed strong growth that exceeded the company's forecast. Net sales were 153.68 billion yen (+ 11% YoY), operating profit was 13.68 billion yen (+ 36% YoY), ordinary profit was 13.74 billion yen (+ 37% YoY), net income attributable to owners of the parent was 9.38 billion yen (+ 31% YoY), and earnings per share was 190.17 yen (+ 29% YoY).

Net sales increased for four consecutive fiscal years, reaching a record high, and operating profit increased for six consecutive fiscal years, reaching a record high for three consecutive fiscal years. The operating profit margin was 8.9% (+ 1.6 points), and ROE was 17.7% (+ 3.9 points), improving management efficiency as well. The annual dividend per share was revised from the previous forecast of 68 yen to 75 yen (+ 20 yen YoY), and the payout ratio was 39.4%, nearly reaching the 40% target. In addition, this means that the numerical targets for the final year of the current medium-term management plan (net sales of 150.0 billion yen, operating profit of 14.0 billion yen, operating profit margin of 9%, and ROE of 15%) were achieved one year ahead of schedule.

Business expansion is in a virtuous cycle. Demand for office renewal and relocation, fueled by enthusiasm for investment in human capital, is rising nationwide, and the Company is responding by providing added value beyond selling products, including spatial design, consulting, and design proposals. As a result, improvements in profit margins have continued due to volume expansion and appropriate pricing. Gross profit has increased, and the Company is covering strategic spending, including higher personnel costs accompanying business expansion and increased costs for strengthening IT infrastructure to promote DX, thereby significantly increasing operating profit.

Both the Workplace Business and the Equipment & Public Works-Related Business are performing well. The Workplace Business recorded net sales of 111.53 billion yen (+ 9% YoY), operating profit of 11.00 billion yen (+ 37% YoY), and an operating profit margin of 9.9% (+ 2.0 points). The background to this is mainly as described above. On the other hand, the Equipment & Public Works-Related Business recorded net sales of 40.57 billion yen (+ 17% YoY), operating profit of 2.49 billion yen (+ 34% YoY), and an operating profit margin of 6.1% (+ 0.7 points). Although the impact of delays in construction starts and completions on the customer side, against the backdrop of soaring material prices, remains for equipment, etc., for logistics facilities, net sales of equipment for research facilities are increasing, and profit margins are improving. Profitability improvement at subsidiary Dalton is progressing.

In addition, there are no noteworthy items on the balance sheet at this time. Cash generation and cash allocation are also steady. Employee engagement is also being maintained at a high level.

It can be summarized as a set of results with no gaps.

◇ **FY12/2026 earnings forecast: toward consecutive record-high profit updates.**

The full-year earnings forecast for FY12/2026 is net sales of 167.50 billion yen (+ 9% YoY), operating profit of 16.00 billion yen (+ 17% YoY), ordinary profit of 16.00 billion yen (+ 17% YoY), net income attributable to owners of the parent of 11.20 billion yen (+ 19% YoY), and earnings per share of 226.68 yen (+ 19% YoY), aiming for consecutive record-high profit updates. Investment in human capital is expected to be the backdrop for steadily capturing renewal demand and continuing double-digit profit growth, and the operating profit margin forecast is 9.6%, meeting the medium-term management plan target. Both the Workplace Business and the Equipment & Public Works-Related Business (on a basis excluding Dalton's headquarters relocation expenses) are assumed to achieve increases in both revenue and profit.

In addition, since the ongoing business talks, a leading indicator of net sales, are 117% YoY as of late January 2026, confidence in achieving this full-year plan is considered high.

In addition, the annual dividend per share is forecast to be 90 yen (+ 15 yen), and the payout ratio is forecast to be 39.7%.

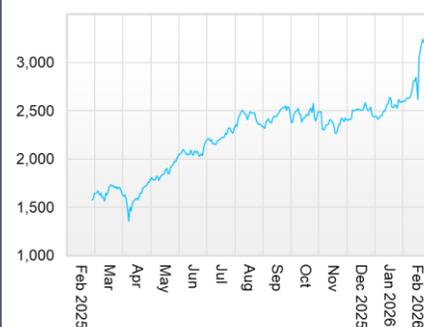
4Q results update

Other Products

As of March 5, 2026

| | |
|---------------------------|-------------------|
| Share price (3/4) | 3,260 Yen |
| 52weeks high/low | ¥3,695/1,356 |
| Avg Vol (3 month) | 188 thou shrs |
| Market Cap | ¥174.0 bn |
| Enterprise Value | ¥194.8 bn |
| PER (26/12 CE) | 14.38 X |
| PBR (25/12 act) | 2.84 X |
| Dividend Yield (26/12 CE) | 2.76 % |
| ROE (25/12 act) | 17.7 % |
| Operating margin (25/12) | 8.9 % |
| Beta (5Y Monthly) | 0.55 |
| Shares Outstanding | 53.38 mn shrs |
| Listed market | TSE Prime section |

Share price



| | | | |
|-----------------|-------|-------|--------|
| % | 1M% | 3M% | 12M% |
| Share price | 35.81 | 43.21 | 110.18 |
| Japan TSE TOPIX | 6.91 | 17.91 | 42.41 |

Points of interest

Degree of confidence in achieving the FY12/2026 earnings forecast, promotion and monetization of the Office 3.0 domain, horizontal deployment of the Company's business model to factories and research facilities, concretization of the direction of the next medium-term management plan utilizing AI, etc.

This report (Company note) has been prepared at the request of Itoki Corporation. For details, please refer to the Disclaimer on the last page.

◇ **Progress of priority strategies in the medium-term management plan: steady**

The progress of the priority strategies in the medium-term management plan is generally steady.

【Progress of each priority strategy in the medium-term management plan】

Progress of each priority strategy in the medium-term management plan



| | KPIs in 2026 | Results in 2025 | Plan for 2026 |
|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  7Flags 01 Office1.0/2.0 domain | <ul style="list-style-type: none"> 10% growth of sales (from 2023) Operating profit margin: 10% | <ul style="list-style-type: none"> 19% growth of sales (from 2023) Operating profit margin: 8.9% (6.4% in 2023) | <ul style="list-style-type: none"> To pursue renovation projects in local cities and receive orders for factory projects To establish a proposal-based marketing system by utilizing AI To enhance and differentiate our brands through the experience of seeing design value To brush up engineering skills (construction and installation) |
|  7Flags 02 Office3.0 domain | <ul style="list-style-type: none"> Annual sales: 3 billion yen Cumulative investment in 3 years: 2.5 billion yen | <ul style="list-style-type: none"> Number of orders for Data Trekking: 91 (60 in 2024): The number of quotes grew 4.5 times from 2024. Cumulative investment: 1.6 billion yen (From 2024 to 2025) | <ul style="list-style-type: none"> To popularize Office3.0 and strengthen our marketing system To establish and enhance OFFICE A/B/ PLATFORM |
|  7Flags 03 Domain of specialized facilities | <ul style="list-style-type: none"> Sales: 30 billion yen Operating profit: 2 billion yen To enhance the development system by increasing the number of employees by over 50 | <ul style="list-style-type: none"> Sales: 28 billion yen, operating profit: 1.8 billion yen Release of a product (an automatic medicine picking system) in a new market Development of a predictive maintenance system utilizing AI Strengthening of a development system (the cumulative number of specialized staff members: 39) | <ul style="list-style-type: none"> To reform the management system of Dalton To promote the sale of new products, such as SAS To strengthen the repair and maintenance business |
|  7Flags 04 Profitability improvement | <ul style="list-style-type: none"> 5% reduction of manufacturing and logistics costs from 2023 50% increase in operating profit per employee from 2023 Cumulative IT investment: 8 billion yen | <ul style="list-style-type: none"> 2.9-pts decrease in sales cost ratio from 2023 Start of operation of ERP (SCM system) in June 2025 Relocation of Kansai Distribution Center IT investment: around 6 billion yen | <ul style="list-style-type: none"> To execute measures for reforming business operations and improving productivity based on ERP DX of production functions (installation of AI) To restructure our production system and apply the new system Reduction of manufacturing and procurement costs |
|  7Flags 05 Synergy among group companies | <ul style="list-style-type: none"> 2% increase in operating profit margin of consolidated group companies from 2023 To reduce the cash outflow from the Itoki Group by 3 billion yen | <ul style="list-style-type: none"> The operating profit margin of group companies increased 1.6 pts. (5.9% in 2023 and 7.4% in 2025) The cash outflow from the Itoki Group decreased by 3.4 billion yen. | <ul style="list-style-type: none"> To actively reduce costs by linking the functions of group companies, restructuring them, and manufacturing products in house To reduce the cash outflow from the Itoki Group: The cash outflow is expected to decrease by 5 billion yen by the end of 2026. |
|  7Flags 06 Human capital | <ul style="list-style-type: none"> Employees' engagement: 85% Ratio of female managers: 13% | <ul style="list-style-type: none"> Employees' engagement: 81.9% Ratio of female managers: 14.3% (as of Jun. 2025) | <ul style="list-style-type: none"> To continue measures for motivating employees with the aim of increasing employees' engagement to 85% To keep improving the ratio of female managers |
|  7Flags 07 Financial strategy | <ul style="list-style-type: none"> Cash allocation Strategic investment/R&D/capital investment: 40 billion yen Investment in human capital: 10 billion yen We aim to achieve a payout ratio of 40%. | <ul style="list-style-type: none"> Investment was conducted as planned. Payout ratio: 39.4% Maintain of a rating of A- Issuance of corporate bonds (We issued the first 5-year bond on Dec. 4, 2025, raising a fund of 5 billion yen.) | <ul style="list-style-type: none"> To continuously secure diverse means for procuring funds To sophisticate and streamline our fund management system To keep paying dividends stably |

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Source: Company material

There are three points of focus.

First, the **acquisition of factory projects**. As a measure to turn the rising needs for offices and the like within factories, cafeteria areas, and full facility renovations into projects, it will open up a new domain.

Second, **monetization of the Office 3.0 domain**, which is an office operation support service utilizing data, and the Company stated at the earnings briefing that it will make further efforts toward this monetization. The number of orders and estimates is steadily increasing. Since it is also seeking deployment to factories, sales floors, research facilities, and the like, we would like to assess the Company's execution capability for this fiscal year. Patent applications are also steady.

In addition, related to this, the Company announced on February 20 that it will start providing "ITOKI OFFICE AI AGENTS" within the year as a new solution for Office 3.0 (details described later).

Third, it is the strategy of transplanting Itoki's Office 1.0/2.0/3.0 to **Dalton**, the core subsidiary of the Equipment & Public Works-Related Business, namely the **LAB 1.0/2.0/3.0** strategy. Capturing the intensifying competition for acquiring research personnel and the expansion of rental lab buildings, it proposes added value such as spatial design and workstyle consulting, not limited to product sales, and assumes a deployment that also provides operational support through the use of data from research facilities, and it has established a team that conducts spatial design and consulting and is promoting operations.

After the relocation of Dalton's headquarters scheduled for autumn 2026, it plans to start demonstrations of LAB 3.0 for customers at the Tokyo showroom.

◇ **Release of “ITOKI OFFICE AI AGENTS”**

The Company announced on February 20 that it will start providing “ITOKI OFFICE AI AGENTS” within the year as a new solution for Office 3.0.

This can be said to be a mechanism that constantly monitors offices and, by fusing the Company’s specialized knowledge of the office environment with AI, conducts high-precision simulations, thereby quickly and continuously proposing what facilities, such as offices, should be like to support the sustainable growth of companies. It has the potential to rapidly penetrate if results directly linked to customers’ productivity and creativity are produced.

There are three specific services announced this time.

- Facility Portfolio AI

An AI agent that calculates optimal area, number of seats, layout, and cost structure, and simulates the reorganization of locations. By presenting options for consolidating, dispersing, and reorganizing locations together with specific numerical values, it significantly shortens the time required to consider facility strategies and supports faster management decision-making.

- Workplace Insight AI

It analyzes diverse information, including unstructured data such as drawings, photos, questionnaires, and management policy materials, and extracts office issues and points for improvement. In addition, it automatically performs comparisons with similar cases, forecasts effects from improvements, and even calculates ROI, providing highly effective decision-making material for management and general affairs departments.

- Space Matching AI

Based on attendance information, behavioral tendencies, and usage history, it determines, in real time, which spaces are actually available and immediately guides users. Unused reservations are automatically released, and, through a mechanism that reallocates them according to demand, it reduces stress caused by shortages of meeting rooms and seats and improves space utilization rates.

In addition, the Company has declared that it will shift from “Tech × Design based on PEOPLE” to “AI × Design based on PEOPLE”. As something that indicates an acceleration of initiatives toward Office 3.0, attention to future developments is increasing.

【Evolution of solutions enabled by AI Agents】



Source: Company material

◇ **Direction for considering the next medium-term management plan**

Formulation work for the next medium-term management plan, covering 2027–2029, is scheduled for 2026. The specific content is scheduled to be announced in February 2027, but its direction was presented alongside the announcement of these financial results. We would like to expect that more specific draft content will be communicated sequentially.

【Direction for discussing the next medium-term management plan】

Direction for discussing the next medium-term management plan



Source: Company material

◇ **Governance strengthening**

Governance strengthening is also progressing.

- Newly appointed two director candidates with expertise in the finance and governance domains
- Establishment of a voluntary Nomination Committee and Compensation Committee, chaired by an independent outside director and with a majority of independent outside directors

In addition, the president's successor development plan systematically operates a two-tier pool by age.

◇ **Results of strengthening IR activities**

The Company's proactive IR activities are also producing results and effects.

- At the WICI Japan Integrated Report Award 2025, first receiving the "Gold Award (Excellent Company Award)," and further, first receiving "The Best Gold Award."
- At the IR Excellent Company Award 2025, first received the "IR Excellent Company Encouragement Award."
- At the "Intellectual Property and Intangible Asset Governance Awards" selected by the Intellectual Property and Intangible Asset Governance Promotion Association, first receiving the Special Prize
- Placing a corporate advertisement in The Nikkei on the practice of human capital management



◇ Share price trends and future points of interest

The Company's share price has been steadily rising since 2022, but after this financial results announcement (although it fell briefly immediately afterward), it has surged. It has risen 43%, from 2,440 yen at the end of 2025 to around 3,500 yen in about two months.

This share price trend should be seen as reflecting not only expectations for continued strong performance, but also expectations for the deployment of Office 3.0, increased added value through the utilization of AI, and the next medium-term management plan.

Based on these views, the points of interest for the time being are as follows.

- Performance in FY12/2026 does not fall below the company forecast.
- The services in the Office 3.0 domain gain greater customer support, and the picture becomes clearer of how they contribute to net sales and profit.
- The Company's business strategy expands beyond office renewals to factories and research facilities.
- In the Equipment & Public Works-Related Business, special doors and maintenance services also expand.
- As a result of these, the expansion of the customer base and the growth of recurring revenue progress, and the Company moves to a stable growth track in the medium to long term.
- The equity spread expands further.
- Policies regarding overseas business and M&A are clearly indicated in the next medium-term management plan.

Company profile

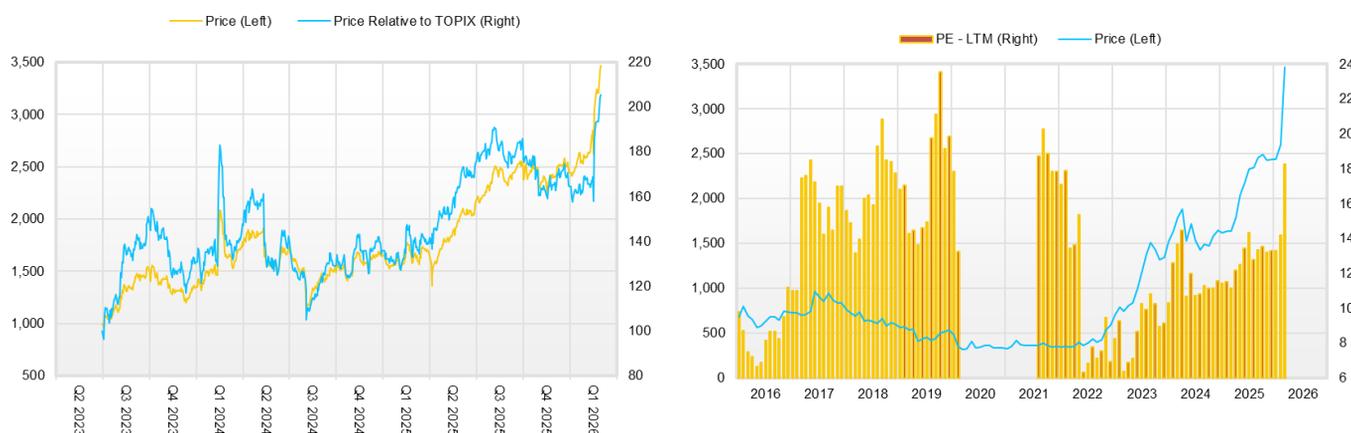
Itoki Corporation (hereinafter, the “Company”) is an office furniture manufacturer that designs tomorrow’s “work.” Founded in 1890. In addition to manufacturing office furniture, it also engages in architecture, interior design, and the like. Since 2022, Koji Minato has served as president, and under his leadership, the transformation of the corporate constitution is progressing. The Company advocates office DX and Office 3.0 and aims to raise added value. In the three-year medium-term management plan “RISE TO GROWTH 2026,” whose final year is FY12/2026, under the theme of “enhancing sustainable growth,” it promotes the priority strategy “7 Flags” and ESG strategies, aiming to achieve net sales of 150.0 billion yen, operating profit of 14.0 billion yen, and ROE of 15% in FY12/2026, and it almost achieved this ahead of schedule in December 2025. Expectations are rising for further evolution of Office 3.0 and the next medium-term management plan.

Key financial data

| Unit: million yen | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 CE |
|--------------------------------------------|---------|---------|---------|---------|---------|---------|
| Sales | 115,905 | 123,324 | 132,985 | 138,460 | 153,682 | 167,500 |
| EBIT (Operating Income) | 2,561 | 4,582 | 8,524 | 10,078 | 13,686 | 16,000 |
| Pretax Income | 1,523 | 8,372 | 8,378 | 10,071 | 14,099 | |
| Net Profit Attributable to Owner of Parent | 1,166 | 5,294 | 5,905 | 7,183 | 9,382 | 11,200 |
| Cash & Short-Term Investments | 17,451 | 26,976 | 24,795 | 22,482 | 21,629 | |
| Total assets | 103,898 | 115,288 | 117,437 | 120,521 | 130,724 | |
| Total Debt | 20,091 | 19,487 | 17,308 | 37,924 | 34,627 | |
| Net Debt | 2,640 | -7,489 | -7,487 | 15,442 | 12,998 | |
| Total liabilities | 58,818 | 65,374 | 62,434 | 71,174 | 73,908 | |
| Total Shareholders' Equity | 44,931 | 49,871 | 54,960 | 49,260 | 56,709 | |
| Net Operating Cash Flow | 2,774 | 5,804 | 6,321 | -1,000 | 8,942 | |
| Capital Expenditure | 2,110 | 4,145 | 3,316 | 6,036 | 6,017 | |
| Net Investing Cash Flow | -1,170 | 4,923 | -4,012 | -7,107 | -3,847 | |
| Net Financing Cash Flow | -2,658 | -1,426 | -4,148 | 5,905 | -5,941 | |
| Free Cash Flow | 664 | 1,659 | 3,005 | -4,146 | 5,193 | |
| ROA (%) | 1.12 | 4.83 | 5.08 | 6.04 | 7.47 | |
| ROE (%) | 2.63 | 11.17 | 11.27 | 13.79 | 17.71 | |
| EPS (Yen) | 25.8 | 117.0 | 130.3 | 147.0 | 190.2 | 226.7 |
| BPS (Yen) | 993.9 | 1,101.3 | 1,212.0 | 1,001.1 | 1,147.8 | |
| Dividend per Share (Yen) | 15.00 | 37.00 | 42.00 | 55.00 | 75.00 | 90.00 |
| Shares Outstanding (Million shares) | 45.66 | 45.66 | 45.66 | 53.38 | 53.38 | |

Source: Omega Investment from company materials

Share price



Topics

【 Financial highlights 】

Highlights of full-year results



Sales: Grew, hitting a record high for the 4th consecutive fiscal year.
 Operating profit: Rose for the 6th consecutive fiscal year, hitting a record high for the 3rd consecutive fiscal year.



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Source: Company material

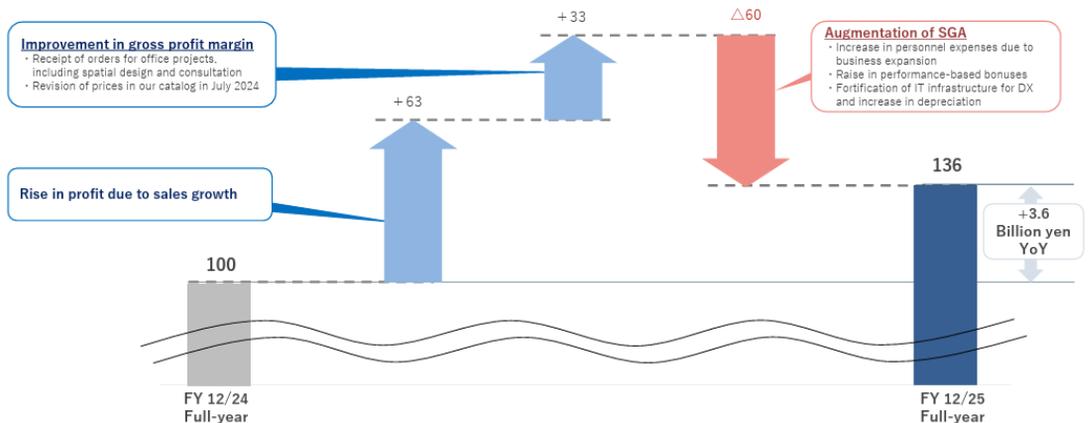
【 Analysis of changes in operating profits 】

Factors in increasing/decreasing operating profit (analysis of results since the previous fiscal year)



The demand for offices expanded thanks to the investment in human capital, and we provided office environments with high added value by designing spaces and offering consultation services, offsetting the augmentation of personnel expenses and strategic expenditure.

(Unit: 100 million yen)



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Source: Company material

Quarterly topics

【 Performance in each segment 】

Performance in each segment



■ Workplace Business

- Sales were healthy mainly for renovation projects for new hybrid workstyles.
- Profit grew, thanks to sales growth and the rise in profit margin caused by the improvement in value we offer.

■ Equipment & Public Works-Related Business

- Sales grew as equipment for research institutes sold well, although the start and completion of construction of logistics facilities were delayed due to the soaring of costs of materials for equipment.
- Profit rose, thanks to the sales growth and profit margin improvement of equipment for research institutes.

Jan. 1 to Dec. 31, 2025

| Unit: 100 million yen | Results for FY 12/24 | Results for FY 12/25 | Increase/decrease | | Revised full-year forecast | | |
|-------------------------------------------|---------------------------|----------------------|-------------------|---------------|----------------------------|------------------|--------|
| | | | Amount | Increase rate | Amount | Achievement rate | |
| Workplace Business | Net sales | 1,022 | 1,115 | +92 | +9.1% | 1,130 | 98.7% |
| | Operating profit | 80 | 109 | +29 | +36.7% | 97 | 113.4% |
| | [Operating profit margin] | (7.9%) | (9.9%) | — | (+2.0pts) | (8.6%) | — |
| Equipment & Public Works-Related Business | Net sales | 345 | 405 | +59 | +17.3% | 360 | 112.7% |
| | Operating profit | 18 | 24 | +6 | +34.3% | 23 | 108.4% |
| | [Operating profit margin] | (5.4%) | (6.1%) | — | (+0.7pts) | (6.4%) | — |
| (Breakdown) Dalton | Net sales | 195 | 214 | +19 | +9.8% | | |
| | Operating profit | 12 | 17 | +5 | +41.3% | | |
| | (Operating profit margin) | (6.2%) | (8.0%) | — | (+1.8pts) | | |

*Dalton means its consolidated performance.

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Source: Company material

【 Earnings forecast for FY ending December 2026 】

Earnings forecast for FY ending December 2026



Jan. 1 to Dec. 31, 2026 Unit: 100 million yen

| [Consolidated] | Results for FY 12/25 | Forecast for FY 12/26 | Increase/decrease | |
|-----------------------------------------|----------------------|-----------------------|-------------------|---------------|
| | | | Amount | Increase rate |
| Sales | 1,536 | 1,675 | +139 | +9.0% |
| Operating profit | 136 | 160 | +24 | +16.9% |
| Ordinary profit | 137 | 160 | +23 | +16.5% |
| Profit attributable to owners of parent | 93 | 112 | +19 | +19.4% |
| [Operating profit margin] | (8.9%) | (9.6%) | — | (+0.7pts) |

| [Segment] | Results for FY 12/25 | Forecast for FY 12/26 | Increase/decrease | | |
|-------------------------------------------|---------------------------|-----------------------|-------------------|---------------|-----------|
| | | | Amount | Increase rate | |
| Workplace Business | Net sales | 1,115 | 1,215 | +100 | +9.0% |
| | Operating profit | 109 | 136 | +27 | +23.7% |
| | [Operating profit margin] | (9.9%) | (11.2%) | — | (+1.3pts) |
| Equipment & Public Works-Related Business | Net sales | 405 | 443 | +38 | +9.4% |
| | Operating profit | 24 | 22 | △2 | △9.9% |
| | [Operating profit margin] | (6.1%) | (5.1%) | — | (△1.0pts) |
| (Breakdown) Dalton | Net sales | 214 | 230 | +16 | +7.1% |
| | Operating profit | 17 | 15 | △2 | △13.1% |
| | [Operating profit margin] | (8.0%) | (6.5%) | — | (△1.5pts) |

*Dalton means its consolidated performance.

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Source: Company material

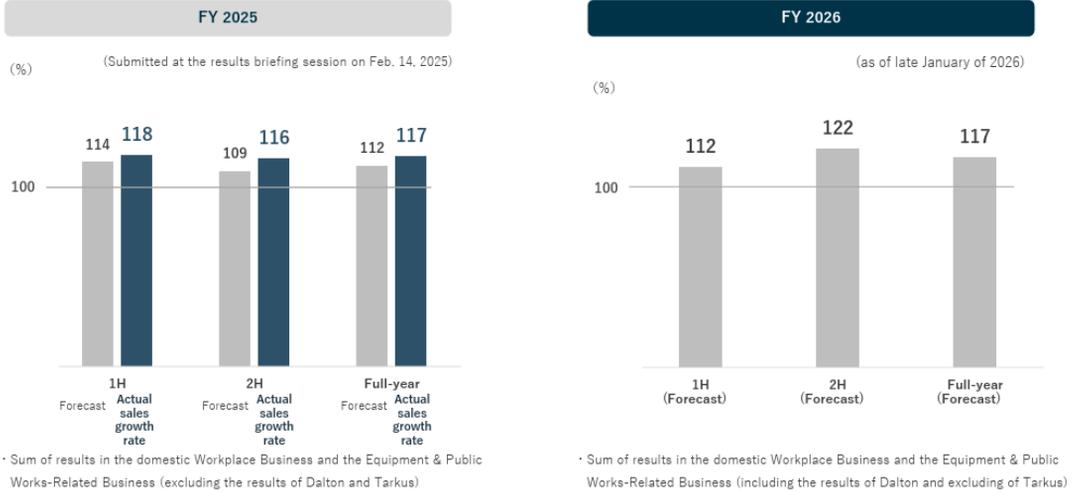
Quarterly topics

【Situation of ongoing business talks】

Situation of ongoing business talks in FY 2026



・ The ratio of ongoing business talks in FY 2026 to the ongoing business talks in the same period of the previous year: in value terms



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Source: Company material

【Return to shareholders】

Return to Shareholders (Dividends for FY ended December 31, 2025, Dividend forecast for FY ending December 31, 2026)

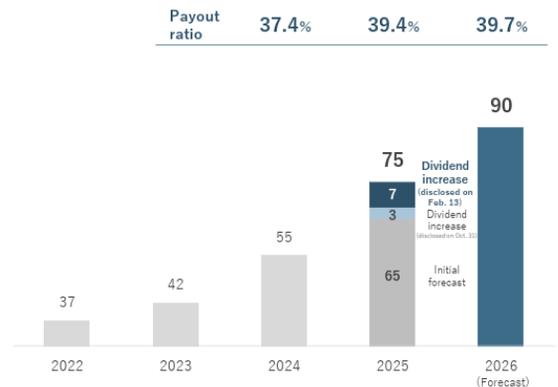


Shareholder return policy

Our company recognizes the allocation of profit as one of priority management policies, and pays dividends to shareholders continuously and stably while comprehensively considering the status of corporate revenues, the enrichment of internal reserve, future business operation, etc. from the long-term perspective, while paying a year-end dividend once a year as our basic policy.

Going forward, we will put more importance on shareholders in our business administration, consider consolidated performance in addition to stable dividends we have paid so far, and implement our dividend policy with **the aim of achieving a payout ratio of 40%**. Regarding internal reserve, we will efficiently use it for R&D, which is indispensable for further growth, and strategic investment in growing fields, in order to improve corporate value.

Variation in annual dividend per share [yen]



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Source: Company material

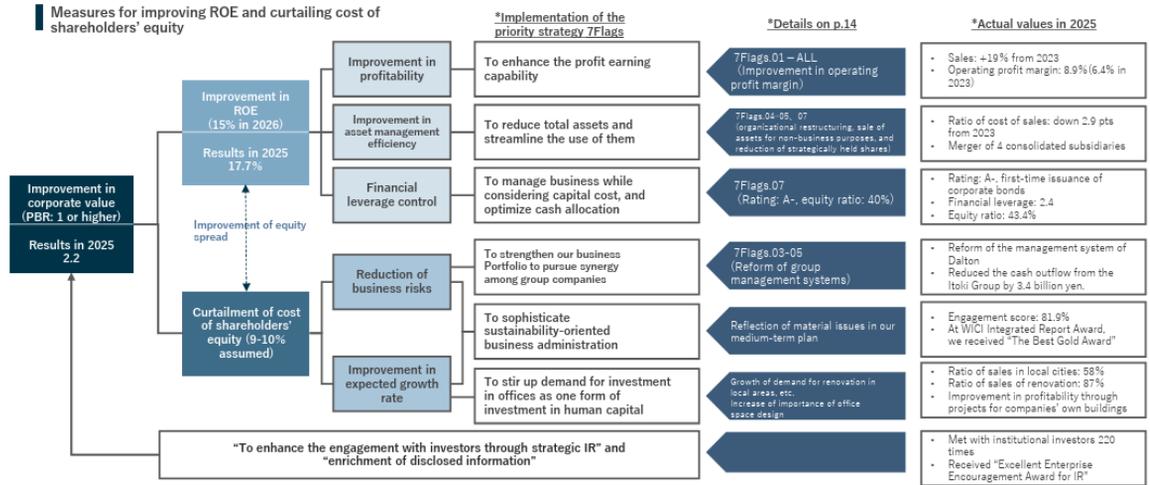
Quarterly topics

【Initiatives for realizing business administration conscious of capital costs and share price】

Initiatives for realizing business administration conscious of capital costs and share price (1)



- Cost of shareholders' equity was calculated with not only the capital asset pricing model (CAPM), but also stock yield from the viewpoint of investors (Assumed cost of shareholders' equity: 9-10%)
- While the target ROE in the medium-term plan was 15%, the actual ROE was 17.7%, significantly exceeding the target (ROE of 17.7% = Net profit margin of 6.12% × Total asset turnover of 1.18 × Financial leverage of 2.41)
- Significant improvement in PBR (PBR of 2.2 = ROE of 17.7% × PER of around 14)



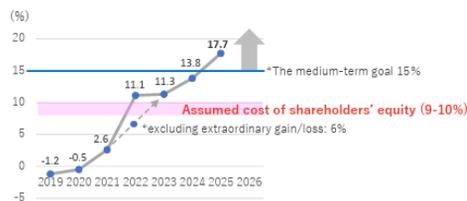
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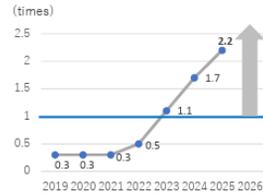
Initiatives for realizing business administration conscious of capital costs and share price (2)



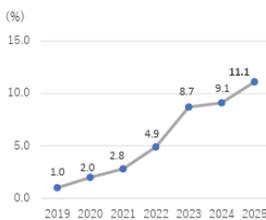
Variation in ROE



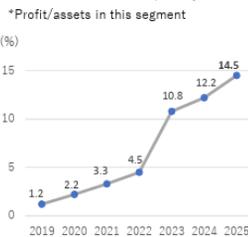
Variation in PBR



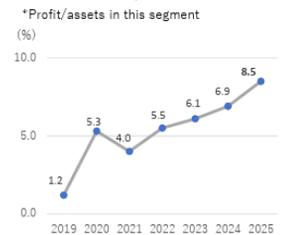
Variation in ROIC



ROA of each business (Workplace Business)



ROA of each business (Equipment & Public Works-Related Business)



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Source: Company material

Financial data (quarterly basis)

| Unit: million yen | 2023/12 | | 2024/12 | | | | 2025/12 | | | |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | |
| (Income Statement) | | | | | | | | | | |
| Sales | 36,128 | 40,918 | 31,592 | 29,613 | 36,337 | 42,744 | 36,500 | 33,214 | 41,224 | |
| Year-on-year | 8.3% | 10.7% | 1.2% | 3.3% | 0.6% | 4.5% | 15.5% | 12.2% | 13.4% | |
| Cost of Goods Sold (COGS) | 22,090 | 24,545 | 19,888 | 17,644 | 21,182 | 23,993 | 21,381 | 19,671 | 23,825 | |
| Gross Income | 14,038 | 16,373 | 11,704 | 11,969 | 15,155 | 18,751 | 15,119 | 13,543 | 17,399 | |
| Gross Income Margin | 38.9% | 40.0% | 37.0% | 40.4% | 41.7% | 43.9% | 41.4% | 40.8% | 42.2% | |
| SG&A Expense | 12,694 | 10,333 | 10,878 | 11,029 | 12,883 | 11,328 | 11,915 | 12,556 | 15,327 | |
| EBIT (Operating Income) | 1,344 | 6,040 | 826 | 940 | 2,272 | 7,423 | 3,204 | 987 | 2,072 | |
| Year-on-year | 171.5% | 26.4% | -62.8% | 428.1% | 69.0% | 22.9% | 287.9% | 5.0% | -8.8% | |
| Operating Income Margin | 3.7% | 14.8% | 2.6% | 3.2% | 6.3% | 17.4% | 8.8% | 3.0% | 5.0% | |
| EBITDA | 2,079 | 6,753 | 1,582 | 1,684 | 3,166 | 8,189 | 4,055 | 2,373 | 3,236 | |
| Pretax Income | 936 | 6,006 | 1,328 | 1,035 | 1,702 | 7,257 | 3,208 | 1,132 | 2,502 | |
| Consolidated Net Income | 997 | 4,104 | 985 | 725 | 1,409 | 4,910 | 2,045 | 711 | 1,734 | |
| Minority Interest | 0 | 2 | 1 | 11 | 25 | -6 | 2 | 10 | 11 | |
| Net Income ATOP | 996 | 4,101 | 985 | 714 | 1,383 | 4,916 | 2,044 | 699 | 1,723 | |
| Year-on-year | -44.0% | 24.4% | -30.2% | 253.5% | 38.9% | 19.9% | 107.5% | -2.1% | 24.6% | |
| Net Income Margin | 2.8% | 10.0% | 3.1% | 2.4% | 3.8% | 11.5% | 5.6% | 2.1% | 4.2% | |
| (Balance Sheet) | | | | | | | | | | |
| Cash & Short-Term Investments | 24,795 | 24,751 | 28,513 | 30,536 | 22,482 | 24,296 | 25,288 | 21,847 | 21,629 | |
| Total assets | 117,437 | 127,459 | 120,701 | 120,935 | 120,521 | 132,329 | 126,248 | 123,538 | 130,724 | |
| Total Debt | 17,308 | 38,662 | 41,566 | 42,881 | 37,924 | 44,114 | 41,268 | 37,467 | 34,627 | |
| Net Debt | -7,487 | 13,911 | 13,053 | 12,345 | 15,442 | 19,818 | 15,980 | 15,620 | 12,998 | |
| Total liabilities | 62,434 | 81,595 | 73,584 | 73,305 | 71,174 | 80,689 | 72,262 | 68,583 | 73,908 | |
| Total Shareholders' Equity | 54,960 | 45,818 | 47,068 | 47,571 | 49,260 | 51,562 | 53,908 | 54,864 | 56,709 | |
| (Profitability %) | | | | | | | | | | |
| ROA | 5.08 | 5.52 | 5.41 | 5.85 | 6.04 | 6.16 | 7.34 | 7.40 | 7.47 | |
| ROE | 11.27 | 13.76 | 12.51 | 13.41 | 13.79 | 16.43 | 17.94 | 17.66 | 17.71 | |
| (Per-share) Unit: JPY | | | | | | | | | | |
| EPS | 22.0 | 85.7 | 20.0 | 14.5 | 28.1 | 99.9 | 41.4 | 14.1 | 34.8 | |
| BPS | 1,212.0 | 933.1 | 956.6 | 966.8 | 1,001.1 | 1,047.9 | 1,091.1 | 1,110.4 | 1,147.8 | |
| Dividend per Share | 42.00 | 0.00 | 0.00 | 0.00 | 55.00 | 0.00 | 0.00 | 0.00 | 75.00 | |
| Shares Outstanding (million shares) | 45.66 | 53.38 | 53.38 | 53.38 | 53.38 | 53.38 | 53.38 | 53.38 | 53.38 | |

Source: Omega Investment from company materials

Financial data (full-year basis)

| Unit: million yen | 2016/12 | 2017/12 | 2018/12 | 2019/12 | 2020/12 | 2021/12 | 2022/12 | 2023/12 | 2024/12 | 2025/12 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| (Income Statement) | | | | | | | | | | |
| Sales | 101,684 | 108,684 | 118,700 | 122,174 | 116,210 | 115,905 | 123,324 | 132,985 | 138,460 | 153,682 |
| Year-on-year | -4.5% | 6.9% | 9.2% | 2.9% | -4.9% | -0.3% | 6.4% | 7.8% | 4.1% | 11.0% |
| Cost of Goods Sold | 65,071 | 70,012 | 77,479 | 80,712 | 74,536 | 74,186 | 77,575 | 80,744 | 83,259 | 88,870 |
| Gross Income | 36,613 | 38,672 | 41,221 | 41,462 | 41,674 | 41,719 | 45,749 | 52,241 | 55,201 | 64,812 |
| Gross Income Margin | 36.0% | 35.6% | 34.7% | 33.9% | 35.9% | 36.0% | 37.1% | 39.3% | 39.9% | 42.2% |
| SG&A Expense | 33,862 | 35,761 | 39,336 | 40,776 | 40,089 | 39,158 | 41,167 | 43,717 | 45,123 | 51,126 |
| EBIT (Operating Income) | 2,751 | 2,911 | 1,885 | 686 | 1,585 | 2,561 | 4,582 | 8,524 | 10,078 | 13,686 |
| Year-on-year | -33.6% | 5.8% | -35.2% | -63.6% | 131.0% | 61.6% | 78.9% | 86.0% | 18.2% | 35.8% |
| Operating Income Margin | 2.7% | 2.7% | 1.6% | 0.6% | 1.4% | 2.2% | 3.7% | 6.4% | 7.3% | 8.9% |
| EBITDA | 5,316 | 5,551 | 4,615 | 4,436 | 5,603 | 6,148 | 7,821 | 11,417 | 13,185 | 17,853 |
| Pretax Income | 2,918 | 3,401 | 3,083 | 938 | 1,277 | 1,523 | 8,372 | 8,378 | 10,071 | 14,099 |
| Consolidated Net Income | 1,850 | 2,442 | 1,744 | -579 | -355 | 933 | 5,181 | 5,907 | 7,223 | 9,400 |
| Minority Interest | -56 | 40 | 19 | -28 | -119 | -233 | -113 | 1 | 39 | 17 |
| Net Income ATOP | 1,907 | 2,402 | 1,725 | -550 | -235 | 1,166 | 5,294 | 5,905 | 7,183 | 9,382 |
| Year-on-year | -57.9% | 26.0% | -28.2% | -131.9% | -57.3% | -596.2% | 354.0% | 11.5% | 21.6% | 30.6% |
| Net Income Margin | 1.9% | 2.2% | 1.5% | -0.5% | -0.2% | 1.0% | 4.3% | 4.4% | 5.2% | 6.1% |
| (Balance Sheet) | | | | | | | | | | |
| Cash & Short-Term Investments | 19,839 | 19,977 | 16,529 | 17,030 | 18,246 | 17,451 | 26,976 | 24,795 | 22,482 | 21,629 |
| Total assets | 95,681 | 102,451 | 108,710 | 108,778 | 105,096 | 103,898 | 115,288 | 117,437 | 120,521 | 130,724 |
| Total Debt | 19,931 | 17,892 | 16,834 | 22,166 | 21,742 | 20,091 | 19,487 | 17,308 | 37,924 | 34,627 |
| Net Debt | 92 | -2,085 | 305 | 5,136 | 3,496 | 2,640 | -7,489 | -7,487 | 15,442 | 12,998 |
| Total liabilities | 50,275 | 54,997 | 61,200 | 62,940 | 60,901 | 58,818 | 65,374 | 62,434 | 71,174 | 73,908 |
| Total Shareholders' Equity | 44,949 | 46,863 | 46,857 | 45,370 | 43,812 | 44,931 | 49,871 | 54,960 | 49,260 | 56,709 |
| (Cash Flow) | | | | | | | | | | |
| Net Operating Cash Flow | 5,072 | 3,565 | 1,384 | 3,586 | 4,561 | 2,774 | 5,804 | 6,321 | -1,000 | 8,942 |
| Capital Expenditure | 1,641 | 1,333 | 3,477 | 3,226 | 1,729 | 2,110 | 4,145 | 3,316 | 6,036 | 6,017 |
| Net Investing Cash Flow | -4,044 | -2,971 | -3,094 | -3,221 | -1,152 | -1,170 | 4,923 | -4,012 | -7,107 | -3,847 |
| Net Financing Cash Flow | -2,571 | -706 | -2,463 | 0 | -2,267 | -2,658 | -1,426 | -4,148 | 5,905 | -5,941 |
| Free Cash Flow | 3,663 | 2,342 | -1,924 | 635 | 2,832 | 664 | 1,659 | 3,005 | -4,146 | 5,193 |
| (Profitability) | | | | | | | | | | |
| ROA (%) | 1.97 | 2.42 | 1.63 | -0.51 | -0.22 | 1.12 | 4.83 | 5.08 | 6.04 | 7.47 |
| ROE (%) | 4.21 | 5.23 | 3.68 | -1.19 | -0.53 | 2.63 | 11.17 | 11.27 | 13.79 | 17.71 |
| Net Margin (%) | 1.87 | 2.21 | 1.45 | -0.45 | -0.20 | 1.01 | 4.29 | 4.44 | 5.19 | 6.11 |
| Asset Turn | 1.05 | 1.10 | 1.12 | 1.12 | 1.09 | 1.11 | 1.13 | 1.14 | 1.16 | 1.22 |
| Assets/Equity | 2.14 | 2.16 | 2.25 | 2.36 | 2.40 | 2.36 | 2.31 | 2.22 | 2.28 | 2.37 |
| (Per-share) Unit: JPY | | | | | | | | | | |
| EPS | 40.1 | 52.7 | 37.8 | -12.1 | -5.2 | 25.8 | 117.0 | 130.3 | 147.0 | 190.2 |
| BPS | 986.8 | 1,028.9 | 1,027.4 | 995.8 | 970.4 | 993.9 | 1,101.3 | 1,212.0 | 1,001.1 | 1,147.8 |
| Dividend per Share | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 15.00 | 37.00 | 42.00 | 55.00 | 75.00 |
| Shares Outstanding (million shares) | 52.14 | 52.14 | 45.61 | 45.66 | 45.66 | 45.66 | 45.66 | 45.66 | 53.38 | 53.38 |

Source: Omega Investment from company materials



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