

Supplemental Information to Financial Results First Nine Months of FY Ending December 31, 2024

Itoki Corporation
(Tokyo Stock Exchange Prime Market: 7972)

(November 5, 2024)

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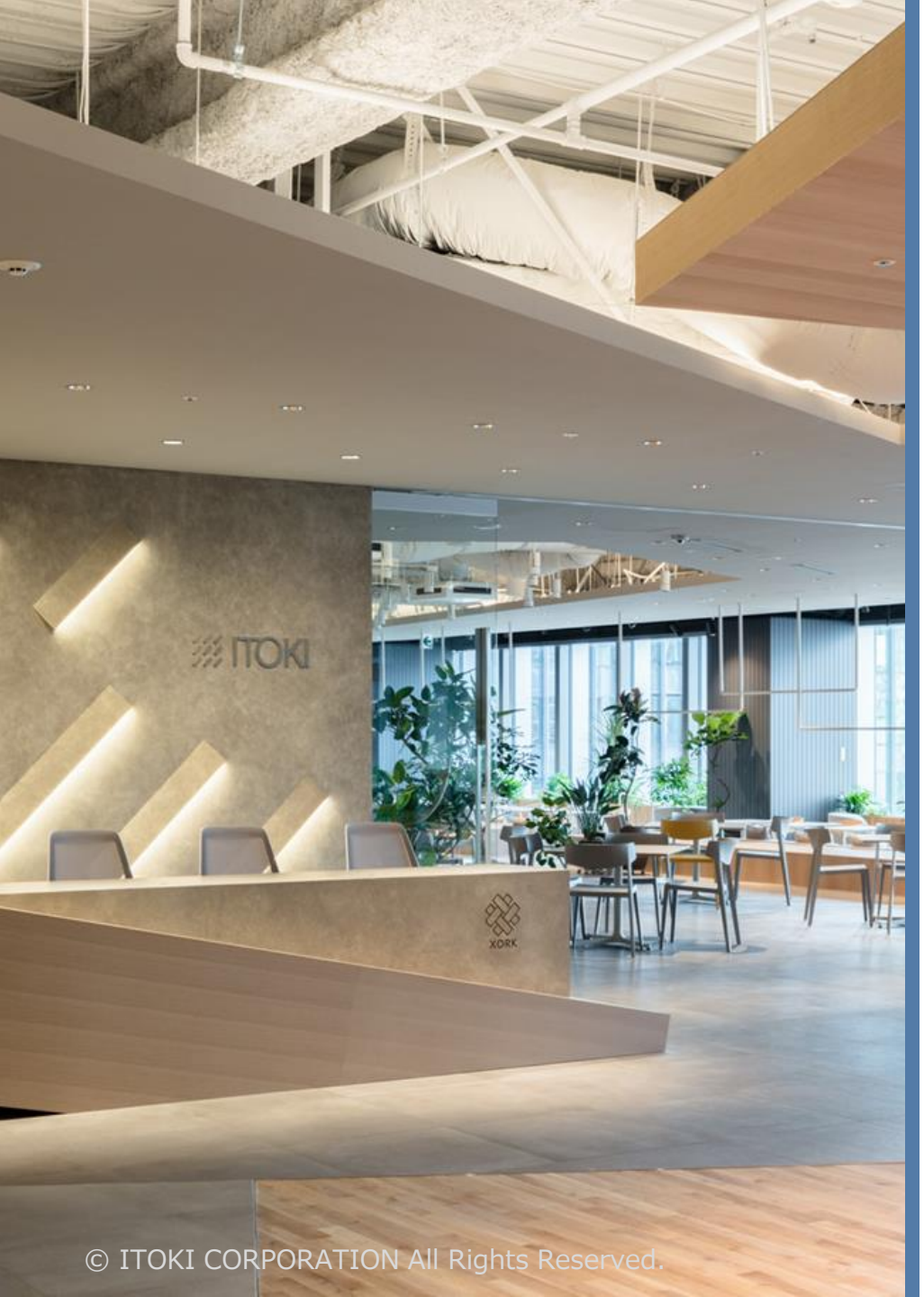

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1．Third Quarter Consolidated Performance

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Q3 Consolidated Performance reached a record high.

Net sales 102,100 million yen（5.4% year-on-year growth）、
Operating profit 7,800 million yen （8.7% year-on-year growth ）

Workplace Business	・ **Net sales were strong** primarily from renovation projects to accommodate new hybrid work styles and office relocations. ・ **Profit grew**, 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.
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. ・ **Operating profit was unchanged year on year**, 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.

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Third Quarter Consolidated Performance

Jan. 1- Sept .30, 2024

(Unit: ¥100 million)	Dec. 2023 Third quarter		Dec. 2024 Third quarter		Increase (decrease)		Full-year initial forecast	
	Amount	% of sales	Amount	% of sales	Amount	% increase	Amount	Progress
Net sales	968	—	1,021	—	+52	+5.4%	1,375	74.3%
Cost of sales	586	60.6%	620	60.8%	+34	+5.8%	—	—
Gross profit	382	39.4%	400	39.2%	+18	+4.8%	—	—
SG&A expenses	310	32.0%	322	31.6%	+12	+3.9%	—	—
Operating profit	71	7.4%	78	7.6%	+6	+8.7%	100	78.1%
Ordinary profit	73	7.6%	78	7.6%	+4	+6.1%	100	78.1%
Profit attributable to owners of parent	49	5.1%	58	5.7%	+8	+18.2%	70	82.9%

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

Profit increased, as increased expenditures from strategic expenses were absorbed by increased net sales and Lower logistics costs from the Medium-term Plan Key strategies 7 Flags.

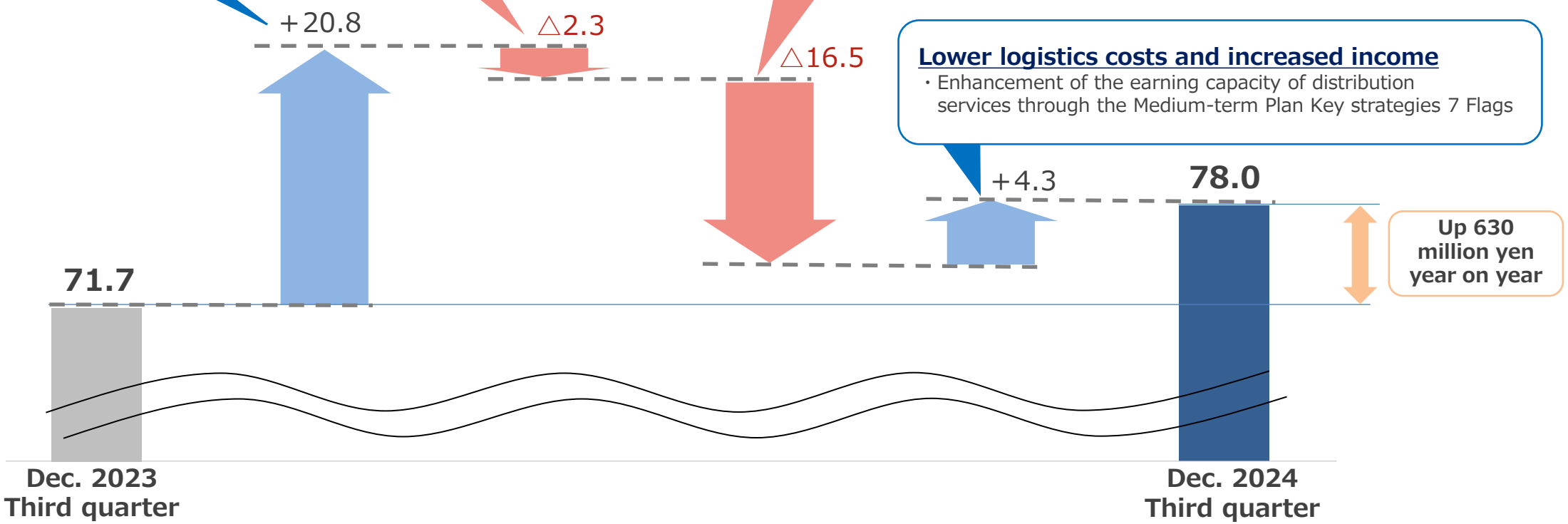
(Unit: ¥100 million)

Rise in profit through the sales growth
・Workplace Business : +2,300 million

Gross profit margin
・Gross profit margin for non-consolidated (39.5%⇒41.2%)
・Impact of product mix in Equipment & Public Works-Related Business

Increased selling, general and administrative expenses
・Wage increase and recruitment of specialized personnel as part of investment in human capital
・ITOKI TOKYO XORK Renewal, Bolstered IT infrastructure to implement DX

Lower logistics costs and increased income
・Enhancement of the earning capacity of distribution services through the Medium-term Plan Key strategies 7 Flags



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2. Performance by Segment

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Performance in each segment

Workplace Business

- Net sales were strong primarily from renovation projects to accommodate new hybrid work styles and office relocations.
- Profit grew, 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.

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.
- Operating profit was unchanged year on year, 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- Sept .30, 2024

Unit: ¥100 million		Dec. 2023 Third quarter	Dec. 2024 Third quarter	Increase/decrease	
				Amount	Increase rate
Workplace Business	Net sales	704	764	+59	+8.5%
	Operating profit	54	62	+7	+14.3%
	[Operating margin]	〔7.7%〕	〔8.1%〕	—	〔+0.4pts〕
Equipment & Public Works-Related Business	Net sales	251	244	△7	△3.0%
	Operating profit	14	14	+0	+1.5%
	[Operating margin]	〔5.6%〕	〔5.8%〕	—	〔+0.2pts〕
Other	Net sales	11	12	+0	+3.6%
	Operating profit	3	1	△1	△53.6%

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3. Forecast of Consolidated Performance for Fiscal Year Ending Dec. 31, 2024

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Forecast of Consolidated Performance 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, cconsolidated 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〕

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Return to Shareholders(Dividends for FY Ending December 31, 2024)

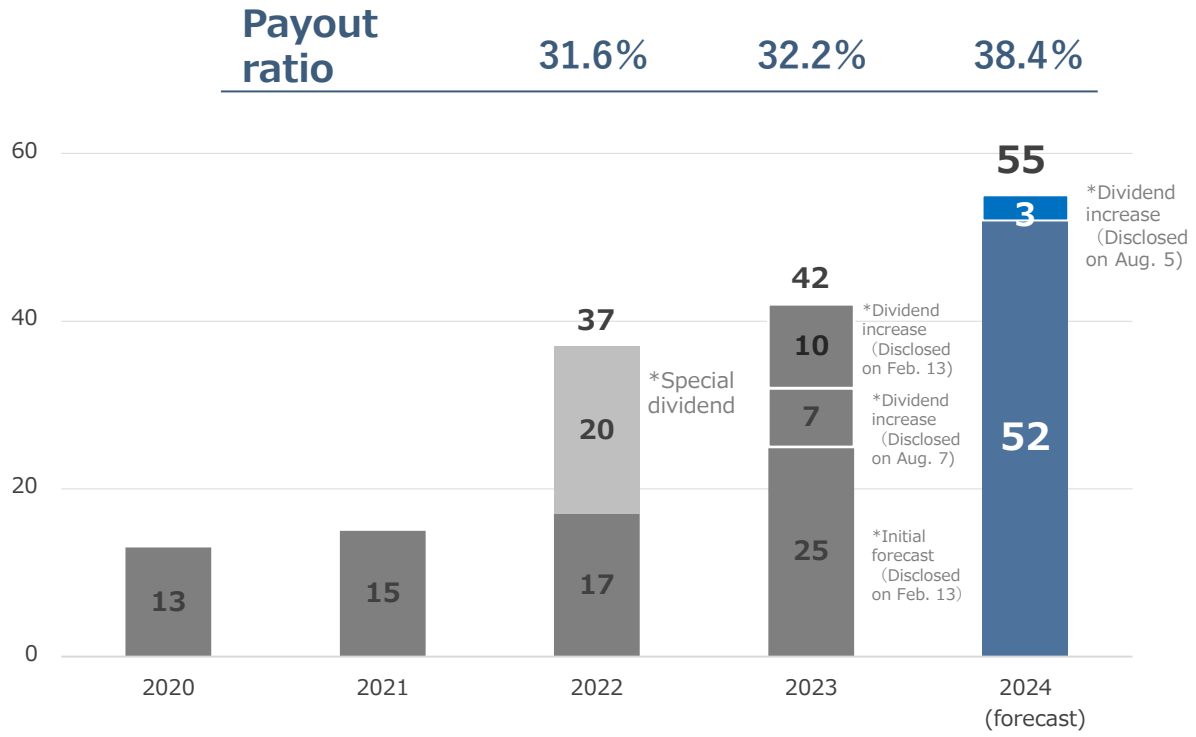
Shareholder return policy

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]



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APPENDIX

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ITOKI has Published Case Study of "Data Trekking" Implementation by the Ministry of Economy, Trade and Industry's Healthcare Unit

Itoki has published a case study of the Ministry of Economy, Trade and Industry's Healthcare Unit as a case study of Data Trekking, an office data analysis service that was launched in February 2024. In addition, the company has used data analysis to visualize the impact on employee health and productivity before and after an office relocation, including a workspace renovation, and has announced that the performance score for employee health in particular has improved.



Case study URL: : https://www.itoki.jp/special/data-trekking/case-studies/keizaisangyosho/index.html

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Main Topics ＜ Equipment & Public Works-Related Business ＞

ITOKI has developed a special door for underground shelters , with the aim of preventing disasters and providing defense

All parts procurement and assembly are completed in Japan, achieving world-leading shock resistance, airtightness, watertightness, and radiation shielding performance.

BOUNCEBACK



Developed special door for underground shelters (installed in the model room of the Japan Nuclear Shelter Association)

Over the past half century, we have delivered approximately 3,000 special doors to advanced medical and research facilities in Japan, and have responded to a wide variety of requests and conditions with reliable quality backed by our technology.

In parallel with this development, we were the only special door manufacturer to be selected as a corporate committee member of the Working Group for Considering the Performance and Specifications Required for Underground Shelters in Preparedness for Emergencies in Japan, a Disaster-Prone Nation, which was launched by the Council for Resilience Japan, a general incorporated association, and is comprised of members from industry, academia, government, and the private sector. We participated in formulating the original plan for the performance and specifications of shelters in Japan, and have obtained the Resilience Certification, which is the only certification body held by the Council for Resilience Japan, a general incorporated association.

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Launch "DAP with MediMonitor," an automated drug picking in April 2025

Contribute to prevent drug picking errors and alleviates pharmacist labor shortages

■ Product usage image

By simply inputting data into the receipt computer (※), the corresponding drug tray is automatically transported and can be removed from the loading/unloading gate. Eight loading/unloading gates are provided, allowing simultaneous inspection of multiple drugs.

*Receipt computer (receipt computer): A system or software that automatically creates medical fee statements (receipts)



■ Usage flow image



レセコンにデータを入力すると
該当の薬剤トレイを運搬開始。
処方箋情報などのレシート発行。



トレイが自動で入出庫口に到着。
LEDが点滅し、ロックが解除。
トレイを引き出し、薬剤取出し。



薬剤をバーコードリーダーで照合。
※照合結果をブザー音とタブレットの表示にて判別。



必要な数量をタブレットで確認し、
薬剤をはかりに乗せて重量監査。
※照合結果をブザー音とタブレットの表示にて判別。



作業中も次のトレイを運搬し、
待ち時間を短縮。
(8個まで入出庫口にストック)
複数の薬剤の同時監査が可能。



全ての監査が終わると、
判定結果のレシートが発行。

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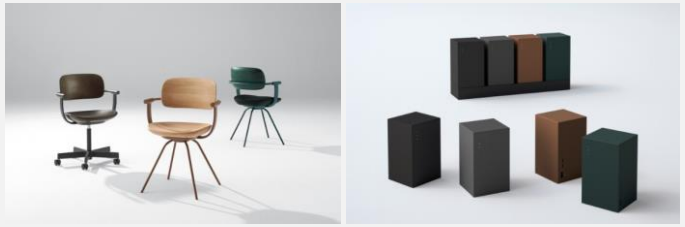
Main Topics ＜ Awards/Certifications>

Wins seven awards in the "2024 Good Design Award"
～ Two have been selected for the "Good Design Best 100"～





Receives Leesman(R)+ Excellent Certification in Japan's First



ITOKI TOKYO XORK, achieved an Lmi score of 71.1 (57th in the world at the time of the survey) in the World's Largest Workplace Survey , a workplace experience evaluation survey, and became the first company in Japan* to receive the Leesman(R)+ Excellent certification.

Acquisition of "DX Certified Business" Certification by the Ministry of Economy, Trade and Industry

Wins Excellence Award at the 6th Platinum Carrier Awards



ITOKI won the Excellence Award for "Double Improvement of Employee Engagement and Expertise" at the 6th Platinum Career Awards, organized by Mitsubishi Research Institute and Mitsubishi UFJ Trust and Banking Corporation, to recognize companies that are working to create advanced platinum careers.

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Main Topics ＜ Our Products ＞

sound sofa single-sided version

Itoki has added a new "sound sofa single-sided version" to the lineup, which is more compact and suitable for use by a small number of people of The box-shaped sofa "sound sofa", which has been well received by many customers,. While maintaining the optimal control of web conferencing sound with directional speakers, it is possible to combine web conferencing in an office layout and the number of people in a size suitable for small group use, improving the web conferencing environment in open spaces to be more comfortable and productive.



Display Stand WM

ITOKI has developed the "Display Stand WM," a highly designed wall-mounted display stand that does not require wall-mounting construction work and can be installed simply and beautifully by simply placing it, taking into consideration everything from the installation of peripheral devices to cable management.



Combined with the semicircular table "Panora"

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Main Topics ＜ PR ＞

ITOKI formulates new environmentally conscious product manufacturing standard "Eco Level" to stimulate sustainable activities

ITOKI has launched a special website under the slogan "ITOKI Ecosystem Initiative toward 2050: Coexistence with Nature," centered on the three themes of "responding to climate change," "promoting resource circulation," and "utilizing sustainable materials," in order to contribute to the realization of a society with zero negative impact on the ecosystem.



Special website
"ITOKI Ecosystem Initiative toward 2050 - Coexistence with Nature" top page

Itoki Central Research Laboratory announces its vision for offices and manufacturing in 10 years' time

ITOKI Central Research Laboratory has announced its vision for offices and manufacturing 10 years into the future. In collaboration with the Keio University KGRI Kan Design & Digital Manufacturing Creativity Center, the company also unveiled a prototype model of sustainable next-generation office furniture using 3D printers to realize the vision.

CENTRAL Lab.

“CENTRAL Lab.‘s World Line” Vision Movie（Transition to YouTube）

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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.**

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明日の「働く」を、デザインする。

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