



# Supplemental Information To Financial Results for FY Ended December 31, 2024

(February 13, 2025)

Itoki Corporation (Tokyo Stock Exchange Prime Market: 7972)



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- Major topics



## Full-year results for FY ended December 2024

- The sales from mainly renovation and office relocation projects were healthy.
- Profit grew thanks to sales growth and the rise in profit margin through the improvement in value we offer.
- Sales increased for the third consecutive fiscal year, hitting a record high.
- Profit rose for the fifth consecutive fiscal year, hitting a record high for the second consecutive fiscal year.

## Earnings forecast for FY ending December 2025

- As we will implement the priority strategy “7 Flags” in the 2<sup>nd</sup> year of the medium-term management plan, consolidated sales are expected to grow 4.7% (9.5% for the workplace-related business and  $\triangle$  8.9% for the equipment/public business-related business) and consolidated operating profit is projected to increase 14.1% to 11.5 billion yen.

## Medium-term Management Plan

- The medium-term management plan “RISE TO GROWTH 2026,” whose first fiscal year is 2024, has the theme: “To brush up the capability of sustainable growth” and has the priority strategy “7 Flags” and ESG strategies. Measures based on these strategies are progressing almost as planned, while contributing to our business performance.
- As target management figures in 2026, we aim to achieve sales of 150 billion yen, an operating profit of 14 billion yen, an operating profit margin of 9%, an ROE of 15%, and a payout ratio of 40%.

A modern office interior featuring wooden tables, chairs, and a staircase. The space is bright and airy, with large windows and indoor plants. The text is overlaid on a semi-transparent white box in the center.

# **1. Full-year results for FY ended December 2024**

**Sales:** Grew for the third consecutive fiscal year, hitting a record high.  
**Operating profit:** Increased for the fifth consecutive fiscal year, hitting a record high for the second consecutive fiscal year.

Sales

**138.4** billion yen

+4.1% YoY



Operating profit

**10** billion yen

Operating profit margin:  
7.3% (up 0.9% year on year)

+18.2% YoY



Net income

**7.1** billion yen

(Achievement rate: 102.6%)

+21.6% YoY



ROE

**13.8%**

+2.5pts YoY



Payout ratio

**37.4%**

Dividend: up 13 yen  
(42 yen in 2023 → 55 yen in 2024)

+5.2 pts YoY



Engagement score

**82.5%**

+7.8 pts YoY



# Summary of the Consolidated Financial Statements

The sales from mainly renovation and office relocation projects were healthy.  
Profit grew thanks to sales growth and the rise in profit margin through the improvement in value we offer.

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

	Results for FY 12/23		Results for FY 12/24		Increase/decrease		Full-year initial forecast	
	Amount	% of sales	Amount	% of sales	Amount	Increase rate	Amount	Achievement rate
Net sales	1,329	—	1,384	—	+54	+4.1%	1,375	100.7%
Cost of sales	807	60.7%	832	60.1%	+25	+3.1%	—	—
Gross profit	522	39.3%	552	39.9%	+29	+5.7%	—	—
SG&A expenses	437	32.9%	451	32.6%	+14	+3.2%	—	—
Operating profit	85	6.4%	100	7.3%	+15	18.2%	100	100.8%
Ordinary profit	85	6.4%	100	7.2%	+14	+16.9%	100	100.0%
Profit attributable to owners of parent	59	4.4%	71	5.2%	+12	21.6%	70	102.6%

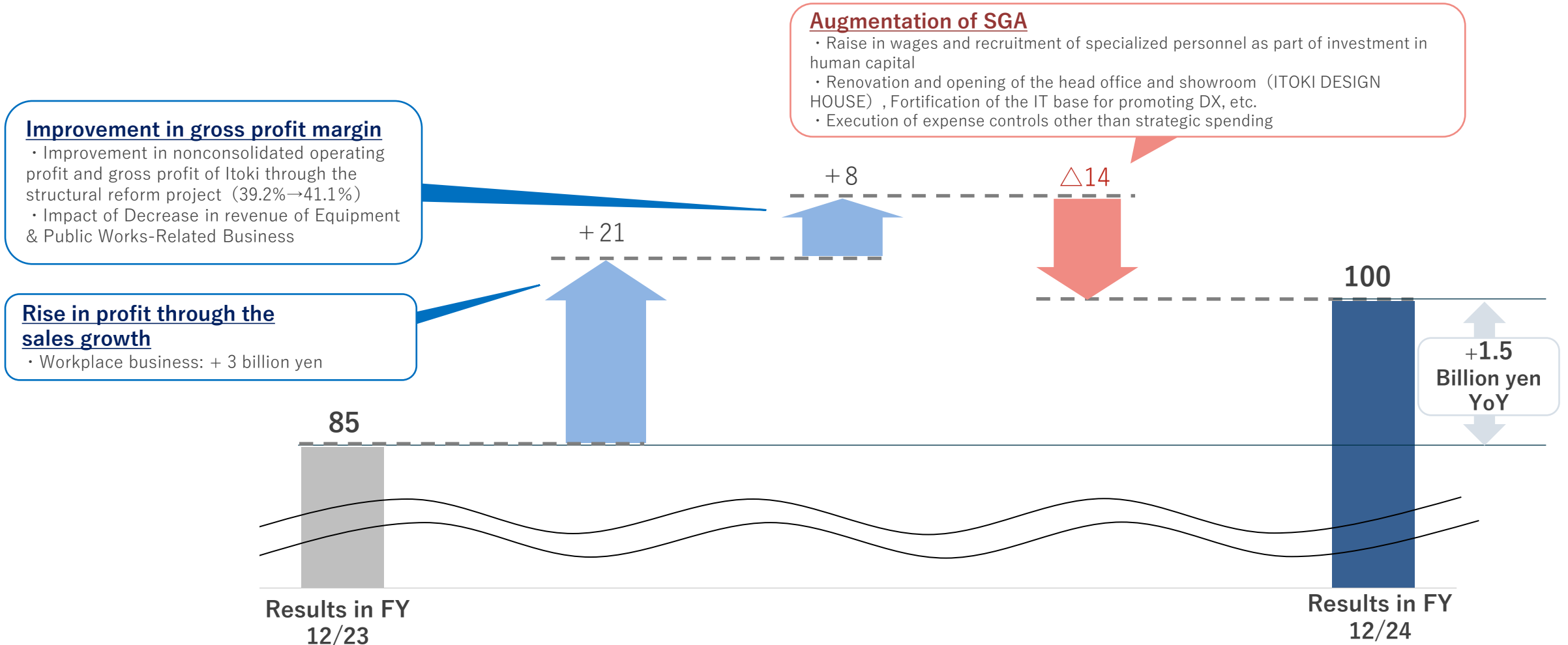
Consolidated balance sheets summary	End of Dec. 2023	End of Dec. 2024	Increase/decrease	Remarks
Current assets	733	706	△26	Decrease of cash and deposits
Fixed assets	441	498	+57	Increase of Intangible fixed assets by DX investment
<b>Total assets</b>	<b>1,174</b>	<b>1,205</b>	<b>+30</b>	
Current liabilities	473	554	+80	Increase in short-term borrowings
Fixed liabilities	150	157	+6	Increase in long-term borrowings
<b>Total liabilities</b>	<b>624</b>	<b>711</b>	<b>+87</b>	
Total shareholders' Equity	534	471	△63	
<b>Total net assets</b>	<b>549</b>	<b>493</b>	<b>△56</b>	

Overview of the consolidated cash flow statement summary	End of Dec. 2024	Remarks
Cash flow from operating activities	△10	Temporary increase in payment of trade payables and decrease in salary and bonus payments increase
Cash flow from investment activities	△71	Increase in spending due to introducing an ERP package and acquiring stock in a logistics subsidiary
Free cash flow	△81	
Cash flow from financial activities	59	Increase in borrowings
Change in cash and cash Equivalents	△21	
Year-end balance of cash and cash equivalents	214	

# Factors in Increasing/Decreasing Operating Profit (Analysis of Results in FY 2023 and FY 2024)

Sales growth, the improvement in gross profit margin offset  
SGA expenses increase, so profit grew considerably.

(Unit: 100 million yen)



# 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 sales growth and the rise in profit margin through the improvement in value we offer.

## ■ Equipment & Public Works-Related Business

- Decrease in revenue 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, in addition to Schedule delays in equipment for logistics facilities due to high material costs.
- Decrease in profit due to the expected drop in sales of equipment for public facilities, such as the display cases for museums and art museums.

Jan. 1 -Dec. 31, 2024

(Unit: ¥100 million)		Results for FY 12/23	Results for FY 12/24	Increase/decrease		Full year forecast	
				Amount	Increase rate	Amount	Achievement rate
Workplace Business	Net sales	945	1,022	+77	+8.2%	990	103.2%
	Operating profit	62	80	+18	+29.2%	80	100.0%
	[Operating margin]	[6.6%]	[7.9%]	—	[+1.3pts]	[8.1%]	—
Equipment & Public Works-Related Business	Net sales	368	345	△23	△6.2%	370	93.2%
	Operating profit	19	18	△1	△2.6%	20	90.0%
	[Operating margin]	[5.2%]	[5.4%]	—	[+0.2pts]	[5.4%]	—



# Return to Shareholders(Dividends for FY Ended December 31, 2024, Dividend forecast for FY Ending December 31, 2025)

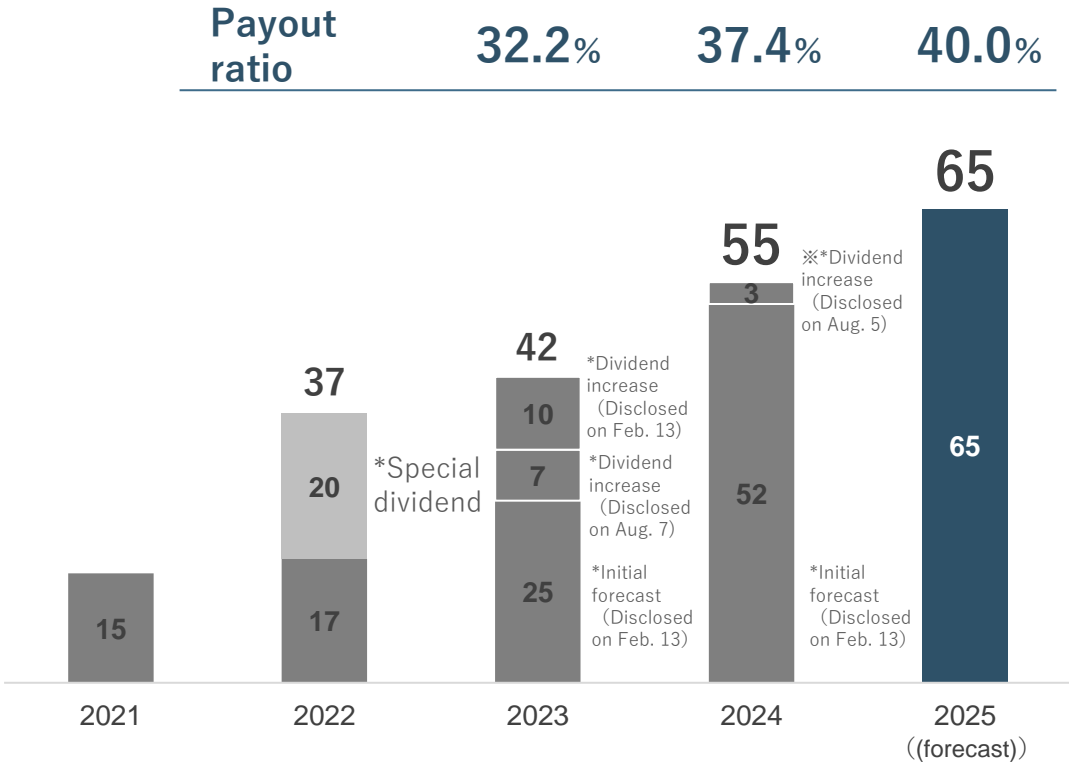
## Shareholder return policy

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]



## Receipt of a credit rating (A –)

- On Jan. 27, 2025, we received a rating from Rating & Investment Information, Inc.
- By receiving an objective evaluation from a third-party organization, we aim to improve the transparency and external credibility of our business administration, diversify and stabilize fund procurement.

## Discontinuation of the plan for warding off buyouts

- The effective period of this plan was scheduled to end at the conclusion of the 76<sup>th</sup> annual meeting of shareholders in March 2026, but we resolved to discontinue this plan before its expiration.
- We considered that the steady implementation of measures based on the medium-term management plan, stable and sustainable growth, and the further enhancement of the corporate governance structure would lead to the improvement in our corporate value and the securing of benefits for all shareholders.

A photograph of a modern office interior. In the foreground, there is a long, light-colored wooden table. To the right, a set of stairs with a wooden railing leads up. The background shows more office furniture, including desks and chairs, and large windows letting in natural light. The overall atmosphere is bright and professional.

## 2. Earnings forecast for FY ending December 2025

## Thorough compliance with laws and regulations

- On November 29, 2024, we received administrative guidance (a warning) from the Fair Trade Commission because of the possible violation of the Anti-monopoly Act, regarding transactions with logistics companies to which we outsource tasks.
- We will make group-wide efforts to rationalize the transactions with that logistics company, to develop an appropriate relationship and comply with laws and regulations, including the Anti-monopoly Act thoroughly.

### <Concrete Measures>

- Payment of compensation for the actual tasks conducted so far by that logistics company 【Underway】
- To revise the freight rates used for transactions with that logistics company, and document the revised rates 【Underway】
- To employ staff who possess knowledge of compliance with laws and regulations regarding logistics, and educate and train employees about it thoroughly 【Continuous correspondence】
- To make our activities known to people inside and outside our company 【Completed】
- After completing the above measures, we report the results to the Fair Trade Commission. 【Underway】

## Postponement of start of operation of our SCM system

- We put off the start of operation of our supply chain management (SCM) system for advanced enterprise resources planning (ERP) from Nov. 2024 to Jun. 2025.
- After the start of operation in Jun. 2025, we will strive to streamline business operations.



# Earnings forecast for FY ending December 2025

• As we will implement the priority strategy “7 Flags” in the 2nd year of the medium-term management plan, consolidated sales are expected to grow 4.7% (9.5% for the workplace-related business and  $\Delta$  8.9% for the equipment/public business-related business) .

• Consolidated operating profit is projected to increase 14.1% to 11.5 billion yen.

Jan. 1 -Dec. 31, 2025 Unit: 100 million yen

[Consolidated]	Results for FY 12/24	Forecast for FY 12/25	Increase/decrease	
			Amount	Increase Rate
Sales	1,384	1,450	+66	+4.7%
Operating profit	100	115	+15	+14.1%
Ordinary profit	100	115	+15	+14.9%
Profit attributable to owners of parent	71	80	+9	+11.4%
[Operating margin]	[7.3%]	[7.9%]	—	[+0.6pts]

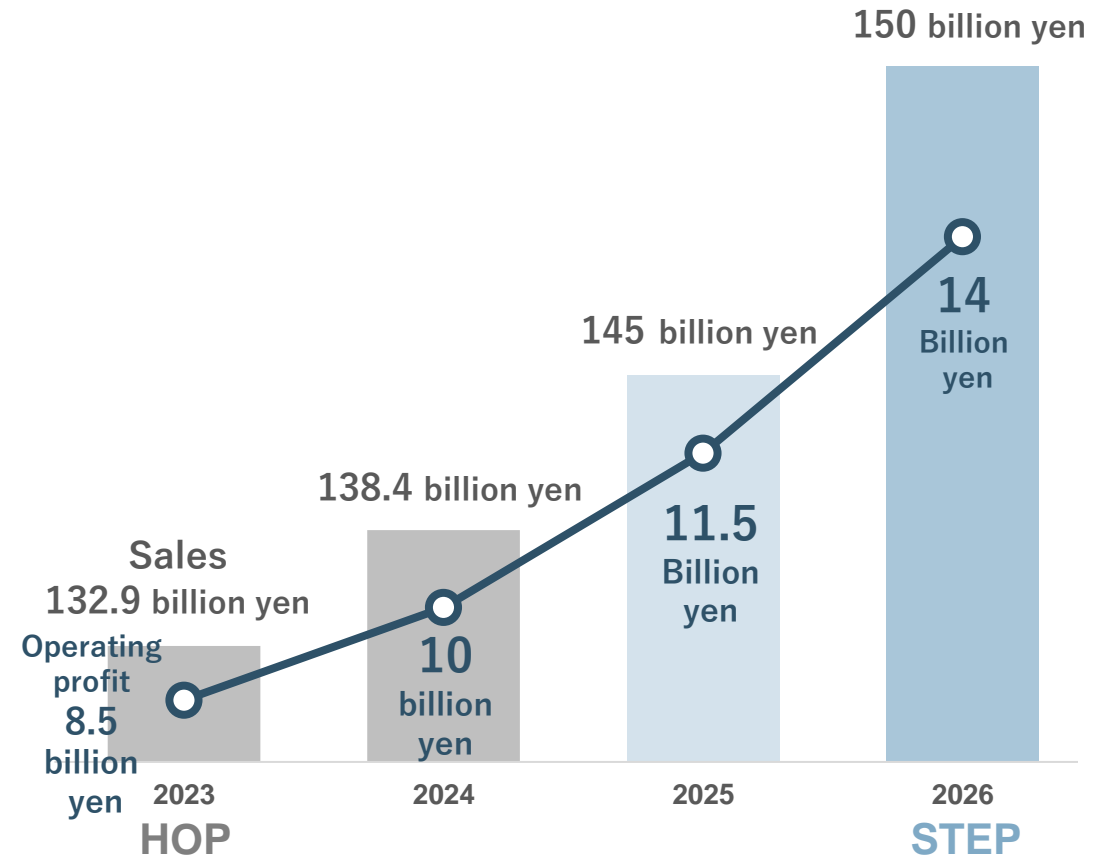
【 Segment 】		Results for FY 12/24	Forecast for FY 12/25	Increase/decrease	
				Amount	Increase Rate
Workplace Business	Net sales	1,022	1,120	+98	+9.5%
	Operating profit	80	96	+16	+19.3%
	[Operating margin]	[7.9%]	[8.6%]	—	[+0.7pts]
Equipment & Public Works-Related Business	Net sales	345	315	$\Delta$ 30	$\Delta$ 8.9%
	Operating profit	18	18	$\Delta$ 0	$\Delta$ 3.1%
	[Operating margin]	[5.4%]	[5.7%]	—	[+0.3pts]

# Numerical goals of Medium-term Management Plan

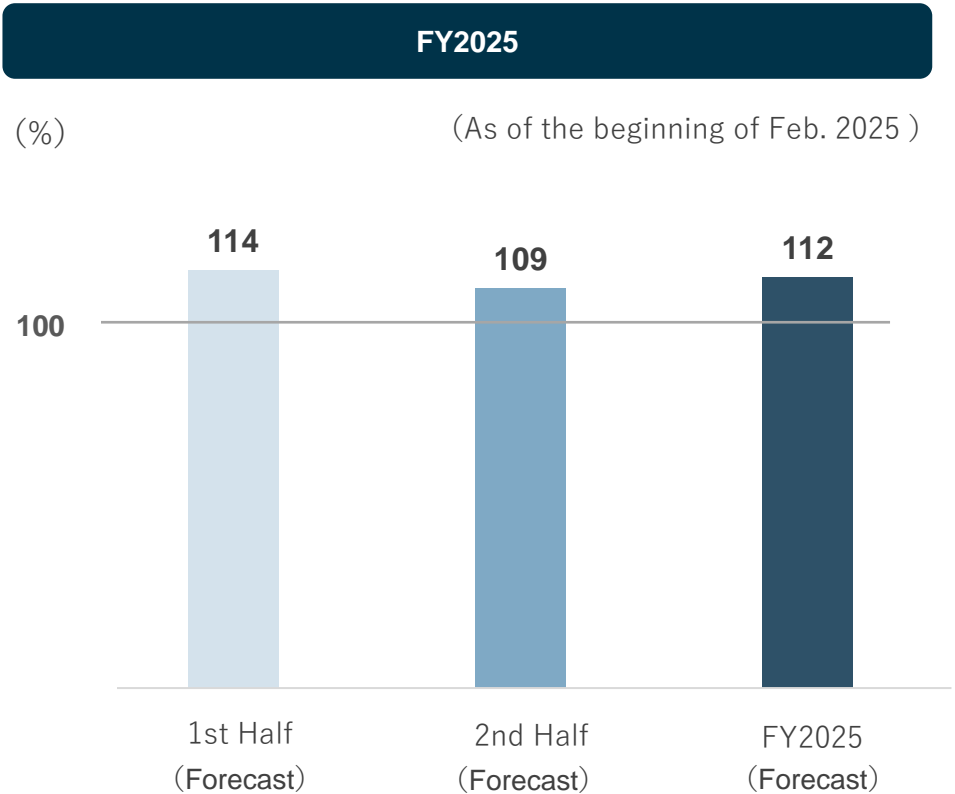
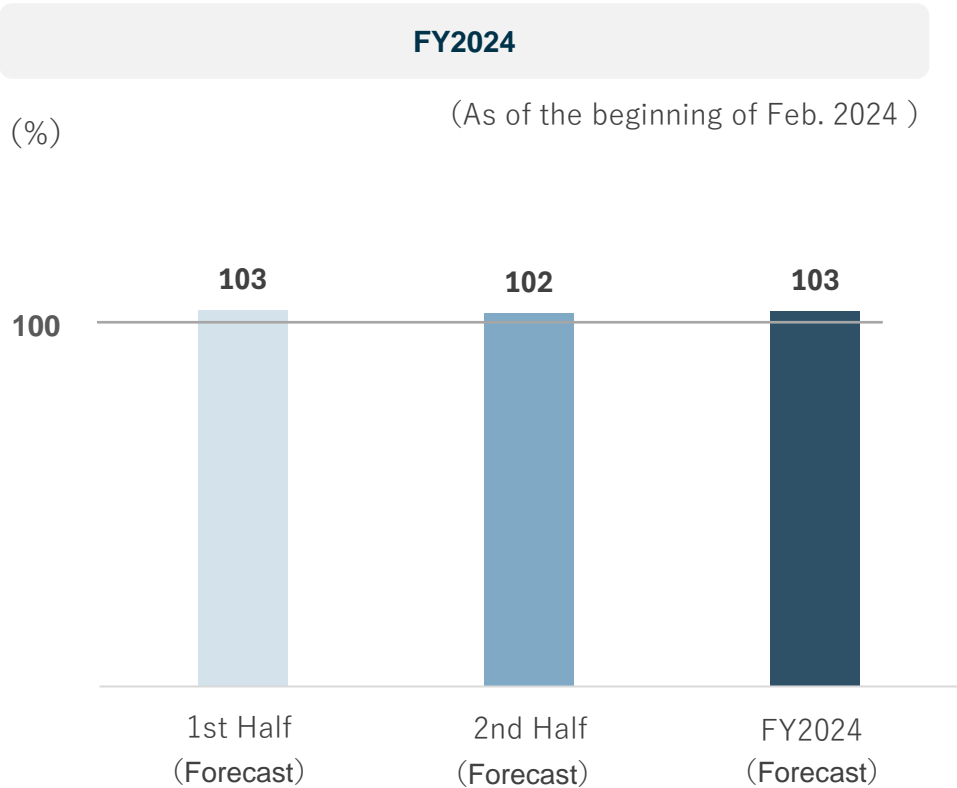


Numerical  
goals for  
2026

Sales	150 billion yen
Operating profit	14 billion yen
Operating margin	9%
ROE	15%

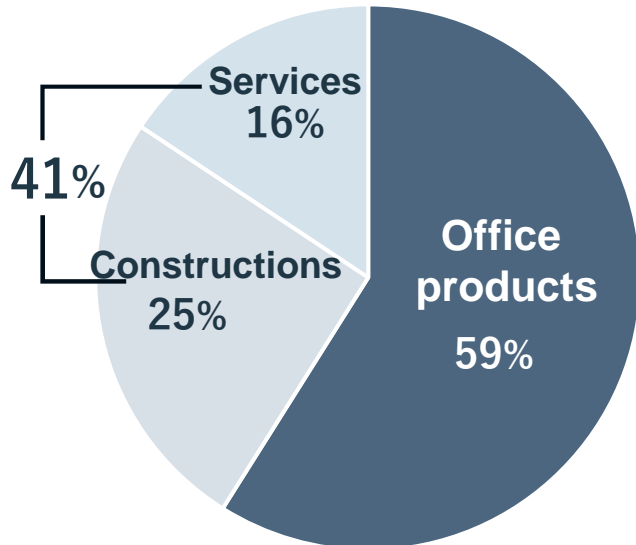


# Status of held business negotiations in FY2025



- Consolidated (Sum of Workplace Business and Equipment & Public Works-Related Business)
- Percentage of deals held in the current period when the amount of deals held in the same period last year is set as 100 : Amount based

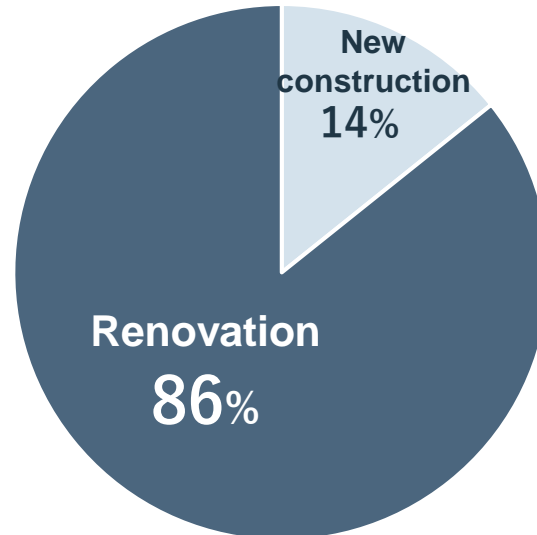
Sales composition by business



Shift from individual products to office spaces



Ratios of sales from projects for new construction and renovation



Steady increase of renovation projects



Projects in Tokyo and other regions



Projects increased, because it is difficult to recruit personnel in local areas.



Improvement in engagement in the domain of personnel affairs (enhancement of the capability of recruitment, prevention of resignation, health-oriented business administration, etc.)



## Enrichment of apps and data

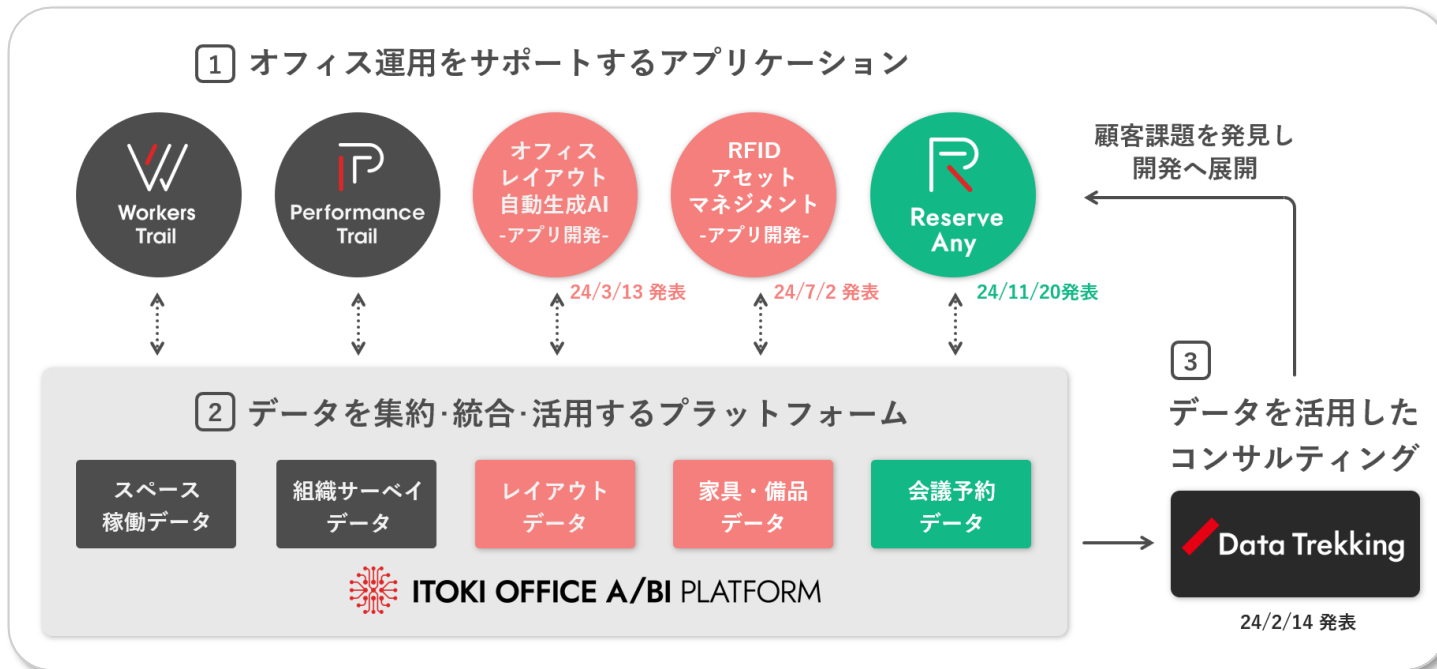


Chart showing the relations between the base for ITOKI OFFICE A/BI SERVECE and respective services

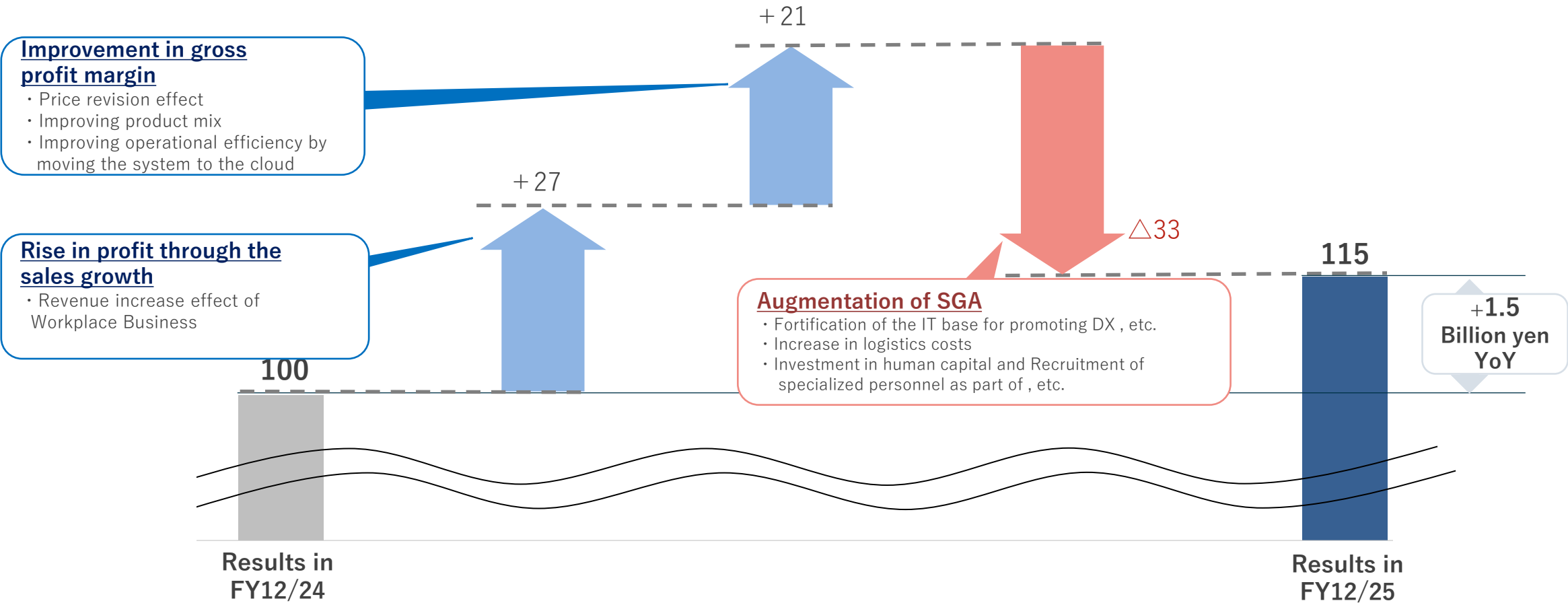
## Status of order receipt

Achievement rate in 2024: **150%**

(Goal: 40 projects, Result: 60 projects)

## Expansion of Workplace Business due to renewal demand against the background of investment in human capital

(Unit: 100 million yen)



## Current Management



### Hiroshi Nagata (Outside director)

Posts so far

Former Vice President and Representative Director of MITSUI & CO., LTD.  
Representative Director and President of CREA HOLDINGS, Inc. , etc.

Roles

Related to corporate management, sales



### Shiro Nitnai (Outside director)

Posts so far

Former Real estate planning manager in Real estate sector of JAPAN POST HOLDINGS Co., Ltd.  
Representative of Facility Design lab, etc.

Roles

Facility Design, Architectural Design, corporate management



### Mariko Bando (Outside director)

Posts so far

President of Showa Women's University  
Outside director of Mitsubishi Research Institute, Inc. , etc.

Roles

Diversity promotion, Human resource development

## Future Management



### Shiro Nitnai (Outside director)

Reappointment

Posts so far

See the left

Roles

See Current Management



### Mariko Bando (Outside director)

Reappointment

Posts so far

See the left

Roles

See Current Management



### Yasuyuki Kawasaki (Outside director)

Newly appointed

Posts so far

Former Executive Vice President of Sumitomo Mitsui Financial Group, Inc.  
special advisor of SMBC Nikko Securities Inc.  
Outside director of HOUSE FOODS GROUP INC., etc.  
Implementation of 'Management Conscious of Cost of Capital and Stock Price'

Roles



### Toshie Tanaka (Outside director)

Newly appointed

Posts so far

Former Deputy Inspector General of Metropolitan Police Department  
Former President of National Police Academy, etc.

Roles

Strengthening compliance, Human resource development

01



**Digital**

**Office3.0  
SCM Cloud**

02



**Design**

**New brand  
Space design**

03



**Group**

**DALTON CORPORATION.  
ITOKI MARKET SPACE INC.**

04



**Compliance**

**ESG  
SDGs**



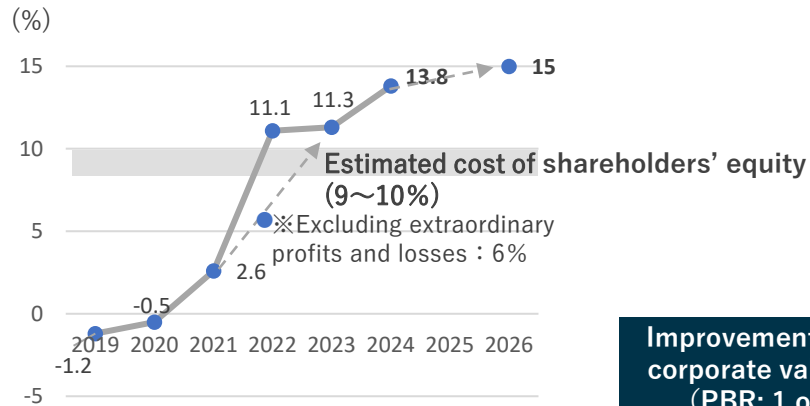
The background image shows a modern office interior. On the left, there is a long, light-colored wooden table with a metal frame. To the right of the table is a wide, light-colored carpeted area. In the background, there are wooden walls and a staircase. The ceiling is white with recessed lighting. The overall atmosphere is bright and modern.

# Appendix

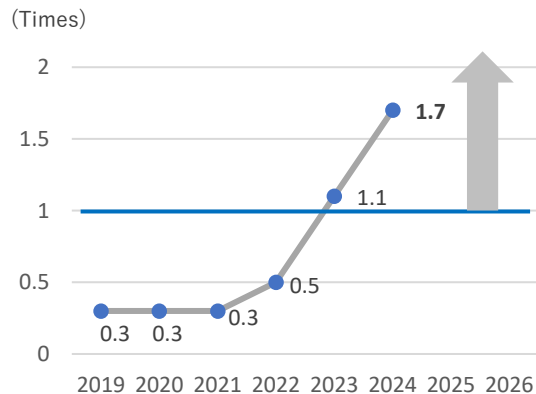
# Initiatives for realizing business administration conscious of capital costs and share price

- The cost of shareholders' equity is calculated not only based on the CAPM (capital asset pricing model), but also based on the return on equity from an investor's perspective (estimated cost of equity is 9-10%).
- Progress as planned towards ROE 15% (ROE13.8% = Net profit margin on sales5.2% × Total asset turnover rate1.1 Times × Financial leverage2.4 times)
- PBR also improved significantly (PBR1.7 times = ROE13.8% × PER11-12 times)

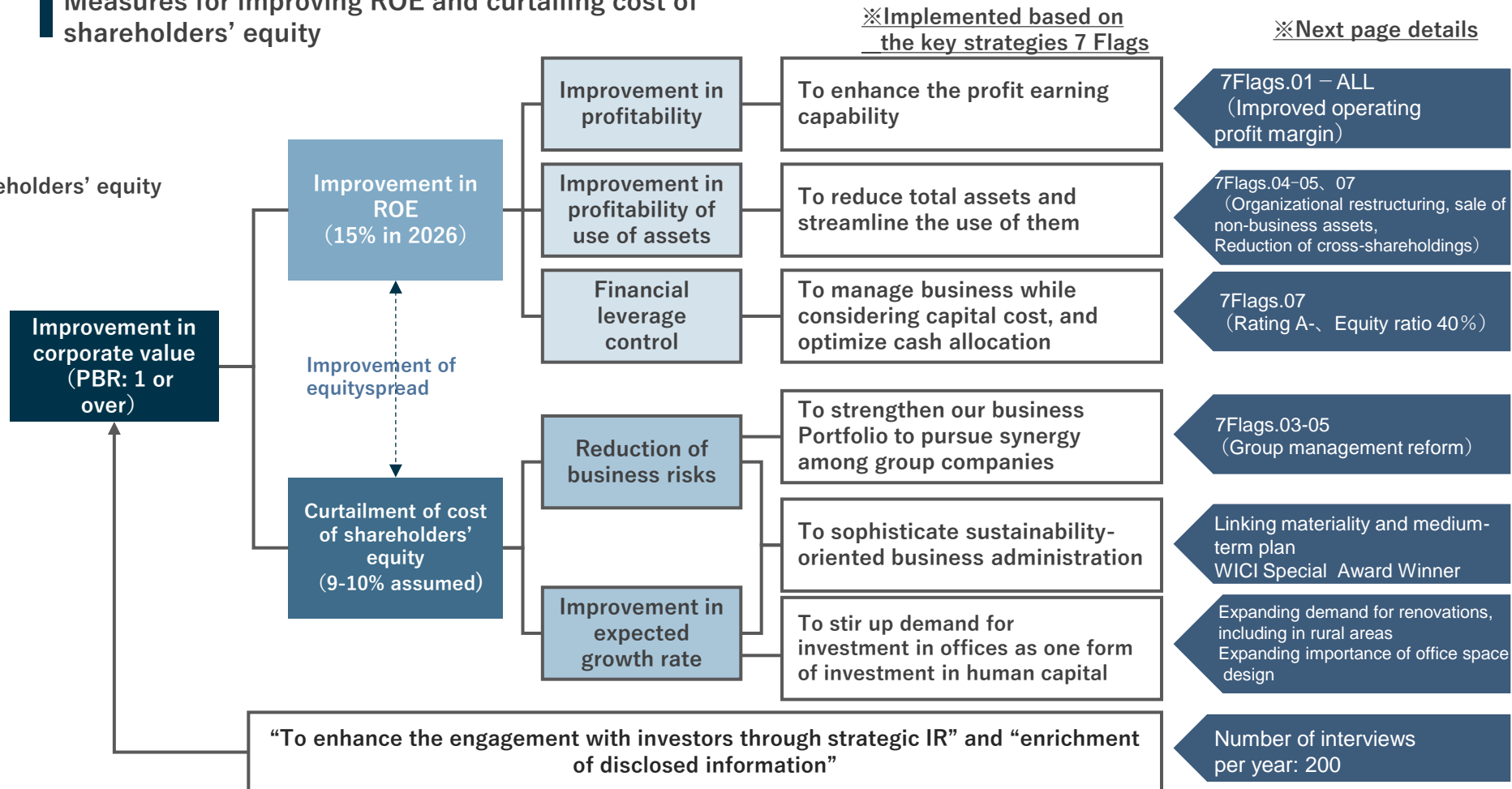
## Variation in ROE



## Variation in PBR



## Measures for improving ROE and curtailing cost of shareholders' equity



# Progress of the priority strategy “7 Flags” set in the medium-term management plan

7 Flags	KPIs in 2026	Progress in 2024 (quantitative information)	Progress in 2024 (qualitative information)	Visions for measures in 2025
01 Office 1.0/ 2.0 Domain	<ul style="list-style-type: none"> <li>Sales: up 10% from 2023</li> <li>Operating profit margin: 10%</li> </ul>	<ul style="list-style-type: none"> <li>Sales: up 8.2% Against annual growth rate of 3-4%,</li> <li>Operating profit margin: 7.9% (6.6% in FY2023) + 1.3P (※1P increase target each term)</li> </ul>	<ul style="list-style-type: none"> <li>Price revision (From July 2024)</li> <li>Release of new products (products for coworking and ADDCELL Hexa)</li> <li>Renovation and opening of ITOKI DESIGN HOUSE, which serves as a showroom and the head office</li> <li>Receipt of an order for a large-scale project in response to supply chain reform</li> </ul>	<ul style="list-style-type: none"> <li>While believing that “the investment in offices will be beneficial for management focused on human capital,” we will make efforts to meet the demand for newly constructed offices and renovation of offices in local areas, etc.</li> </ul>
02 Office 3.0 Domain	<ul style="list-style-type: none"> <li>Annual sales: 3 billion yen</li> <li>Cumulative investment amount in 3 years: 2.5 billion yen</li> </ul>	<ul style="list-style-type: none"> <li>Achievement rate of 150% based on number of contracted companies (Plan:40、Results:60)</li> </ul>	<ul style="list-style-type: none"> <li>Launched Data Trekking</li> <li>Cooperated with AKARI and RFLocus</li> </ul>	<ul style="list-style-type: none"> <li>To develop business models</li> <li>Solution for the shortage of meeting rooms: Reserve Any (to be released in Apr. 2025)</li> </ul>
03 Domain of specialized facilities	<ul style="list-style-type: none"> <li>Sales: 30 billion yen</li> <li>Operating profit: 2 billion yen</li> <li>To strengthen our development system by employing over 50 more staff members</li> </ul>	<ul style="list-style-type: none"> <li>Profit progress rate against 2026: 80%</li> <li>Strengthening of development system: +21 people</li> </ul>	<ul style="list-style-type: none"> <li>Released MAGBIT (Dulton)</li> <li>Recruited the personnel from Hanoi University of Science and Technology.</li> <li>Developed special doors for anti-disaster shelters and automatic dispensing storage.</li> </ul>	<ul style="list-style-type: none"> <li>To enhance business talks for equipment for specialized facilities</li> <li>To start selling automatic dispensing storage</li> </ul>
04 Profitability improvement	<ul style="list-style-type: none"> <li>To reduce manufacturing and distribution costs by 5% from 2023</li> <li>To increase operating profit per person by 50% from 2023</li> <li>Cumulative IT investment amount: 8 billion yen</li> </ul>	<ul style="list-style-type: none"> <li>Aim to realize early cost reduction effects by implementing the measures listed on the right</li> <li>Productivity per person: Aim to realize early effects centered on ERP operation scheduled for June 2025</li> <li>IT investment: approx. 4 billion yen</li> </ul>	<ul style="list-style-type: none"> <li>Started projects for developing next-generation systems for manufacturing, distribution, and engineering.</li> <li>Acquired Soua Co., Ltd. to strengthen the logistics system.</li> <li>Integrated IES and established the engineering department to enhance our organizational capabilities.</li> <li>Decided to integrate Allsteel, Dulton and Fuji Paudal.</li> </ul>	<ul style="list-style-type: none"> <li>To proceed with the development of next-generation systems for manufacturing, distribution, and engineering</li> <li>To restructure systems for the integration of Allsteel, Dulton and Fuji Paudal.</li> <li>ERP(SCM System) Scheduled for operation in June. 2025</li> </ul>
05 Synergy among group companies	<ul style="list-style-type: none"> <li>To improve the operating profit margin of consolidated group companies by 2% from 2023</li> <li>To reduce the cash outflow from the Itoki group by 3 billion yen</li> </ul>	<ul style="list-style-type: none"> <li>The effects of M&amp;A and reorganization are expected to be realized from 2025</li> </ul>	<ul style="list-style-type: none"> <li>Started a project for reforming the structure of Dulton.</li> <li>Started discussions for manufacturing Dulton products in house and increasing them.</li> <li>Organizational reform like in 04</li> </ul>	<ul style="list-style-type: none"> <li>To pursue the reform of business administration of Dulton</li> </ul>
06 Human capital	<ul style="list-style-type: none"> <li>Employees’ engagement: 85%</li> <li>Ratio of female managers: 13%</li> </ul>	<ul style="list-style-type: none"> <li>Employees’ engagement: 82.5%</li> <li>Ratio of female managers: 13.6% (From the beginning of 2025)</li> </ul>	<ul style="list-style-type: none"> <li>Signed a partnership contract with Hanoi University of Science and Technology, and started hiring personnel from the university.</li> <li>Concluded a memorandum regarding advanced non-Japanese human resources with Shiga Prefecture in July.</li> <li>Improved the general meeting of 1,000 employees, and selectable training programs for each organization.</li> <li>To enrich the pool of talent for female managers</li> <li>Appropriate staffing through the transfer between group companies</li> </ul>	<ul style="list-style-type: none"> <li>Employees’ engagement: 85%</li> <li>Ratio of female managers: 13%</li> </ul>
07 Financial strategy	<ul style="list-style-type: none"> <li>Cash allocation Strategic investment/R &amp; D/investment in equipment: 40 billion yen Investment in human capital: 10 billion yen We aim to achieve a payout ratio of 40%.</li> </ul>	<ul style="list-style-type: none"> <li>Implementing investments as planned</li> <li>Payout ratio: 37.4% (up 10 yen/share during the fiscal year)</li> </ul>	<ul style="list-style-type: none"> <li>Sale of non-business assets</li> <li>Start of provision of shareholders’ benefits</li> <li>Receipt of a rating of A –</li> </ul>	<ul style="list-style-type: none"> <li>To discuss various ways of fund procurement</li> <li>The expected payout ratio is 40%.</li> </ul>



# Renovation and opening of the head office in Nihonbashi, Tokyo

We renovated one floor of “ITOKI TOKYO XORK,” which serves as our head office and showroom, and opened it under the new name “ITOKI DESIGN HOUSE” in November 2024.

This is our head office and showroom, where visitors can see the employees of the corporate, sales, and spatial design sections, etc. working. We invite guests from inside and outside Japan to this site for “designing ‘workstyles’ of tomorrow.”



**【Filming with a drone】** A drone hovered in the head office of ITOKI (2025 ver.)

A super specialist in drone operation shot a video of “ITOKI DESIGN HOUSE” in a freewheeling manner. By watching this video, you can have the feeling of moving fast.



Linked to: YouTube Channel of ITOKI



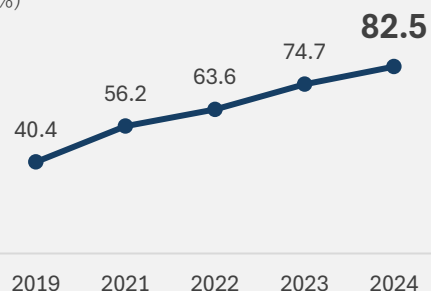


# Major topics <Awards and PR>

Employees' engagement score was 82.5%, hitting a record high.

Our company is a company where employees can work with pride.

(%)



Our company defined employees' engagement score (pride in our company) as well as sales, operating profit, and ROE as important management indicators, and conducts a survey targeting employees every year. In FY 2024, the score rose 7.8% from the previous year to 82.5%, marking a record high.

“Faces of ITOKI,” which is an ad focused on employees, received the highest award in the “section of electronics, telecommunication, office equipment, and information” of “the 73rd Nikkei Advertising Awards”



This award-receiving ad is focused on professional “human resources” working in various fields, to further enhance the engagement of employees. This is intended for conveying our corporate culture and motivating employees, by depicting the passion and aspiration of each employee regarding his/her job rather than “products” and “services” by using impactful designs.

“vertebra<sup>03</sup> WOOD” received the encouraging award at “Wood Design Award 2024”



Certified as “the Best Workplace,” the highest rating at “D&I AWARD 2024”



Received the highest evaluation “Gold” of “PRIDE Index” for the two consecutive year.

Furthermore, we received “Rainbow Certification,” which is given to enterprises promoting inter-sector cooperation with the national government, a municipality, or the like among enterprises who won “Gold” of “PRIDE Index.”



# Major topics <Introduction of products>

## Centra

Developed a big table, which will serve as the center of an office for connecting personal work and communication in a natural manner and allowing people to get together and spend time as they want



## Salida YL7R

The existing model has been upgraded to improve its functionality and design. This chair is mounted with a headrest that can be adjusted with three axes according to each user's body frame and usage scene, to realize comfortable sitting.



## Reserve Any

A next-generation system for booking a meeting room as a new solution to the shortage of meeting rooms. In collaboration with an economic consulting firm established by the University of Tokyo, we implemented an algorithm while applying a market design that is attracting attention.



## Pavilion



A product of "kettal," an outdoor furniture brand in Spain, for workplaces. It is characterized by eaves for rendering a space that tempts people to get together and a design with hospitality and elegance, which are depicted by various materials, including aluminum. As an office symbol, it will facilitate new workstyles.

## PH Furniture



Furniture brand in Denmark. A simple, luxury vintage design, which is very rare, will improve your office space so that employees will get new inspirations from it.

**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, IR・SR Dept.,  
Corporate Communication Control Dept.,  
Itoki Corporation

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明日の「働く」を、デザインする。