



First Nine Months of FY Ending December 31, 2023 Supplemental Information to Financial Results

Itoki Corporation (Tokyo Stock Exchange Prime Market: 7972)

(November 13, 2023)

- 1. Third Quarter Consolidated Performance**
- 2. Performance by Segment**
- 3. Forecast of Consolidated Performance for Fiscal Year Ending Dec. 31, 2023**
- 4. Topics & News**

1. Third Quarter Consolidated Performance

2. Performance by Segment

3. Forecast of Consolidated Performance for Fiscal Year Ending Dec. 31, 2023

4. Topics & News

Net sales were strong, primarily from renovation projects and office relocations.
Improved profit margin due to the effect of increased revenues and greater value delivered resulted in significantly higher profit.
Consolidated operating profit on track to achieve the full-year forecast of 7.5billion yen.

Workplace Business

- **Net sales were strong** primarily from renovation projects to accommodate new hybrid work styles and office relocations.
- Improved profit margin due to the effect of increased revenues and greater value delivered resulted in **significantly higher profit**.

Equipment and Public Works-Related Business

- **Net sales were steady** primarily from demand for equipment in public facilities, including for museum and gallery exhibition cases and digital signage.
- Profit margin improved due to greater value delivered through equipment for public facilities, resulting in **higher profit**.

IT and Sharing Business

- Performance was strong in system development and verification, and in office sharing business, resulting in **increased revenues**.

Third Quarter Consolidated Performance

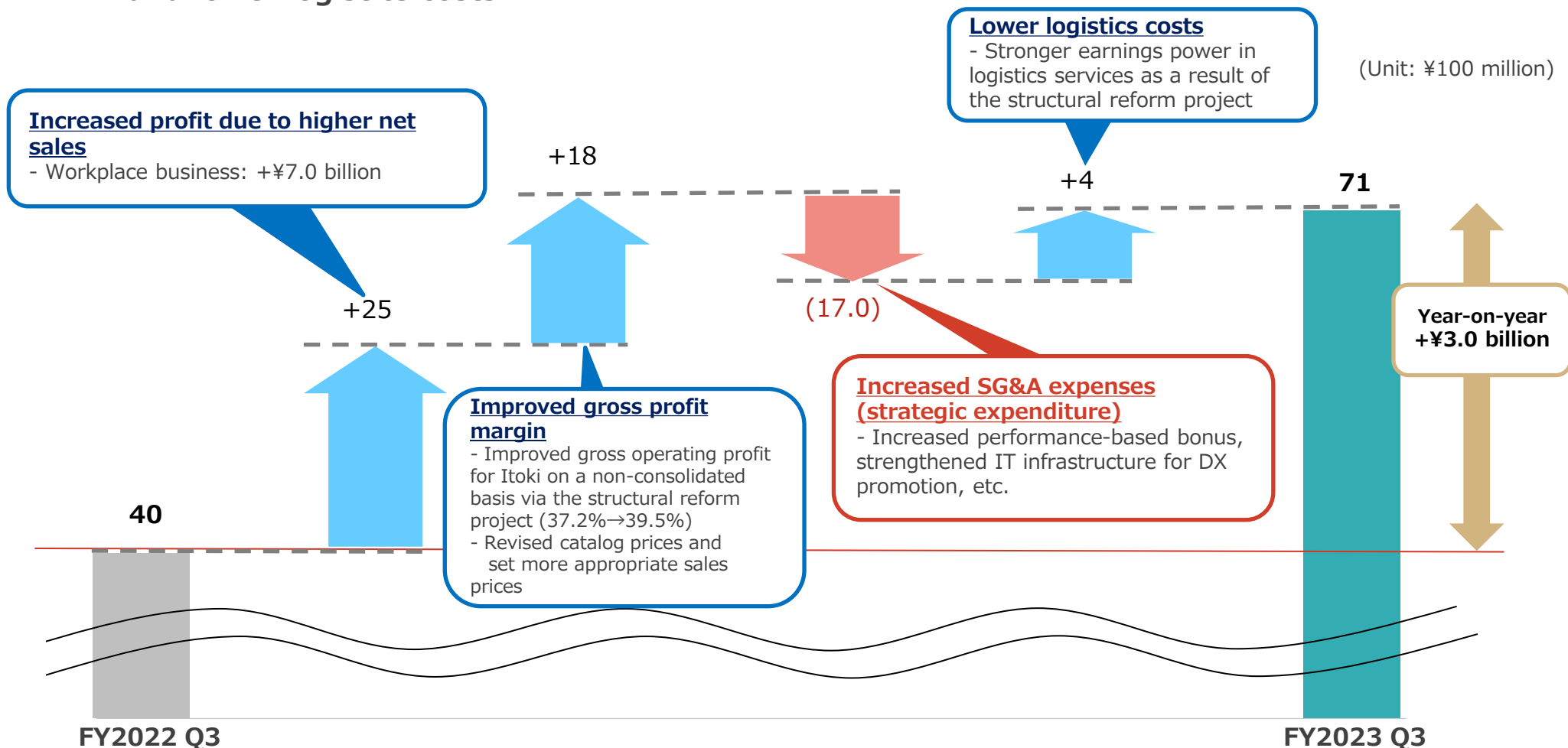


Jan. 1- Sept .30, 2023

Unit: ¥100 million	FY2022 Q3		FY2023 Q3		Increase (decrease)		Full-year revised forecast (disclosed on August 7)	
	Amount	% of sales	Amount	% of sales	Amount	% increase	Amount	Progress
Net sales	899	-	968	-	+68	+7.7%	1,300	74.5%
Cost of sales	561	62.5%	586	60.6%	+24	+4.4%	-	-
Gross profit	337	37.5%	382	39.4%	+44	+13.1%	-	-
SG&A expenses	296	33.0%	310	32.0%	+13	+4.5%	-	-
Operating profit	40	4.5%	71	7.4%	+30	+75.7%	75	95.7%
Ordinary profit	41	4.6%	73	7.6%	+32	+78.4%	75	98.1%
Profit attributable to owners of parent	35	3.9%	49	5.1%	+13	+39.6%	48	102.3%

Operating Profit Change Factors (Year-on-Year Analysis)

Profit increased significantly, as increased strategic expenditures were absorbed by increased net sales improved gross profit margin from the structural reform project, and lower logistics costs



Steady success and results have led to profit. We will continue with these initiatives.

Initiatives for sales reform



Increase earnings power through high value-added proposals



Enhance and expand consulting services



Optimize shipping systems



Instill the use of indicators for evaluating performance

Initiatives for production/supply



Operation of AP Center as new assembly production base



Strengthen relationships with supply chains in the development of new products



Construct manufacturing systems which contribute to reducing cost prices

Initiatives for asset efficiency



Promote improved asset efficiency and effective utilization of assets, including disposal of non-business assets



Reduce cross-shareholdings

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Performance by Segment

■ Workplace Business

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- Improved profit margin due to the effect of increased revenues and greater value delivered resulted in significantly higher profit.

■ Equipment and Public Works-Related Business

- Net sales were strong primarily from demand for equipment in public facilities, including for museum and gallery exhibition cases and digital signage.
- Profit margin improved due to greater value delivered through equipment for public facilities, resulting in higher profit.

Jan. 1- Sept. 30, 2023

Unit: ¥100 million		FY2022 Q3	FY2023 Q3	Increase (decrease)	
				Amount	% increase
Workplace	Net sales	632	702	+70	+11.1%
	Operating profit	24	53	+29	+119.3%
	[Operating margin]	[3.9%]	[7.6%]	-	[+3.7 pt]
Equipment & Public Works-related	Net sales	254	251	(2)	(1.1%)
	Operating profit	12	14	+1	+11.8%
	[Operating margin]	[4.9%]	[5.6%]	-	[+0.7 pt]
IT & sharing	Net sales	12	13	+1	+8.9%
	Operating profit	3	3	(0)	(0.9%)
	[Operating margin]	[27.1%]	[24.6%]	-	[-2.5 pt]

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Forecast of Consolidated Performance for Fiscal Year Ending Dec. 31, 2023



- On August 7, 2023, we disclosed the revised full-year forecast. We revised the initial forecast for operating profit upward from ¥6.5 billion to ¥7.5 billion.

- In the second half, we expect to strengthen human capital investment (education investment, office environment improvement, etc.) and engage in strategic investment such as DX promotion in anticipation of future growth strategies. Even so, we expect profits to exceed the previous consolidated fiscal period due to continued results of structural improvements until the first half of the current consolidated cumulative period.

Jan. 1- Dec. 31, 2023

Unit: ¥100 million	Results for FY ended December 31, 2022	Initial forecast for FY ending December 31, 2023	Revised forecast for FY ending December 31, 2023 (disclosed on August 7)	Increase (decrease)	
				Year-on-year	Compared to initial forecast
Net sales	1,233	1,300	1,300	+67 [+5.4%]	+0 [+0.0%]
Operating profit	45	65	75	+30 [+63.7%]	+10 [+15.4%]
Ordinary profit	41	65	75	+34 [+79.5%]	+10 [+15.4%]
Profit attributable to owners of parent	52	37	48	(4) [-9.3%]	+11 [+29.7%]
[Operating margin]	[3.7%]	[5.0%]	[5.8%]	+2.1 pt	+0.8 pt

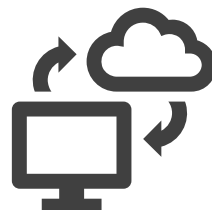
Important initiatives in second half

Further strengthening investment in human capital



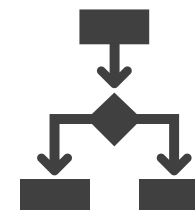
- Office renovation
- Enhancement of human resources
- Education investment(DX training, elective training, etc.)
- Improved treatment of employees(performance-based bonuses, strengthening of systems for enhancing personnel, etc.)

DX promotion



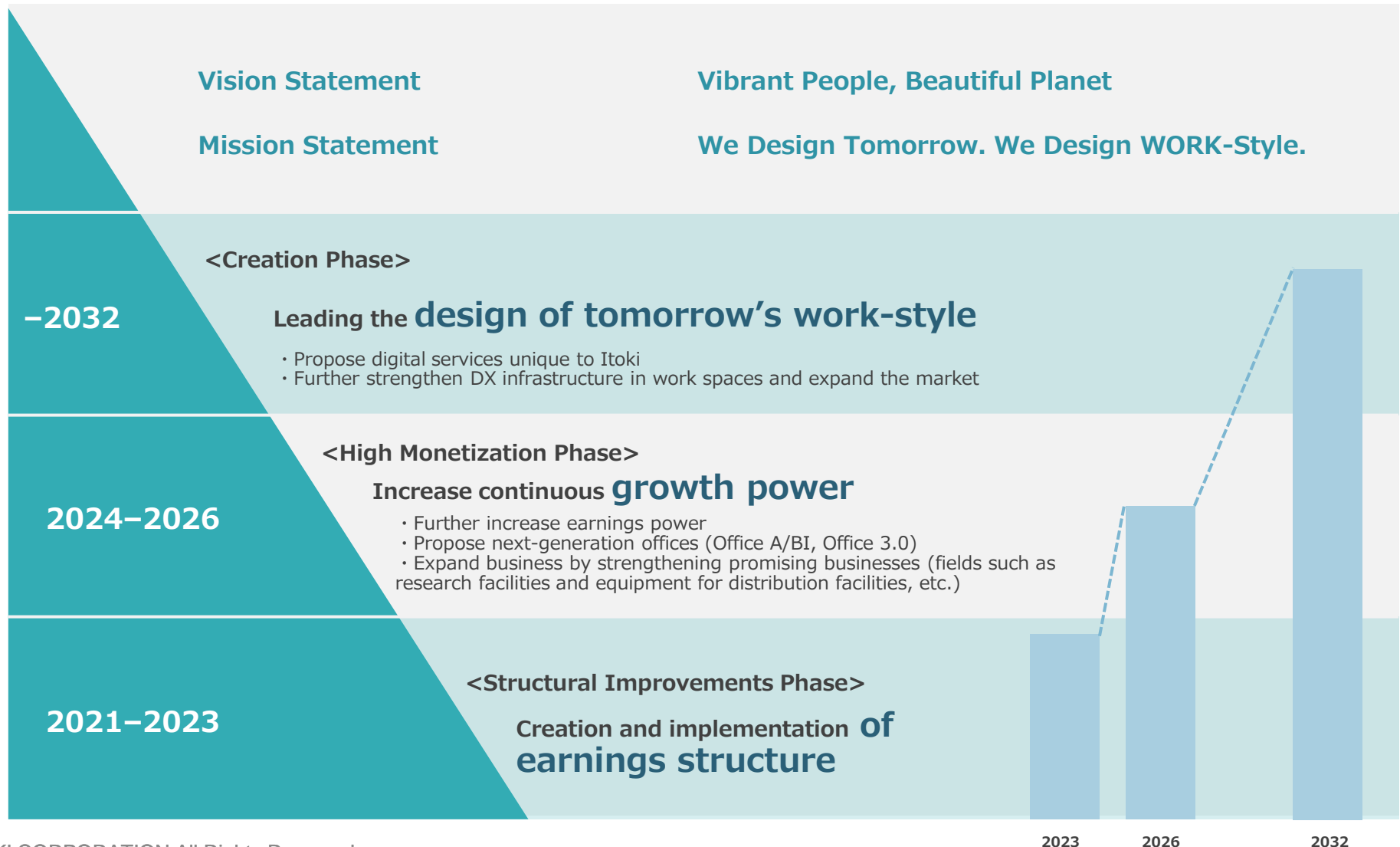
- Shift to cloud for core systems
 - Countermeasures for hardware deterioration
 - Definition of requirements/design of systems (plan to start services in October 2024)
- System investment in AI, etc.

Asset efficiency



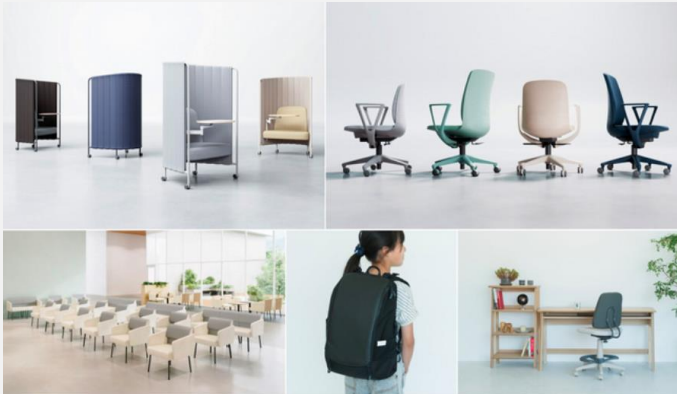
- Review of distribution bases
 - Maximization of delivery efficiency in the Tokyo metropolitan area
 - Implementation of more effective distribution operations
 - BCP and environmental measures

• Announcement of new Medium-term Management Plan scheduled for February 2024 in conjunction with disclosure of full-year financial results



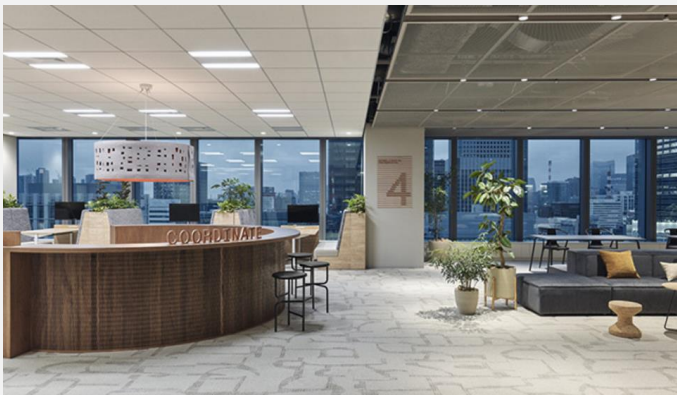
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Receiving awards for 10 consecutive years! Five products won the 2023 Good Design Award



The 2023 Good Design Award, which is given by the Japan Institute of Design Promotion, was won by five of our products: inSAIL, torteU, WaitingPS, SELUCK, and MINOTO desk & rack.

Won “Best of Asia” at the Shaw Contract Design Awards 2023



Our Tokyo head office ITOKI TOKYO XORK was awarded “Best of Asia” at the Shaw Contract Design Awards 2023, which is an international design award that recognizes innovative and creative spaces.



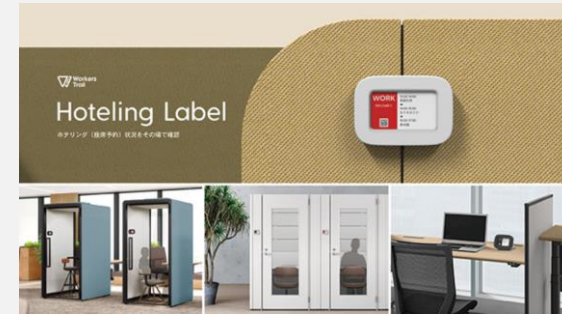
Feel So Wood

A new product group made from wood that creates more comfortable working time



Workers Trail Hoteling Label

Wireless and operation-free reservation status display label that facilitates the selection and use of work locations



Salida PS Desk/Rack/Wagon

Customize your desk, rack, and wagon to fit your personal preferences. Space-saving design that increases work efficiency and comfort when working from home.



inova

Group work furniture that students can use freely according to the learning cycle: a series for existing offices



Artivista

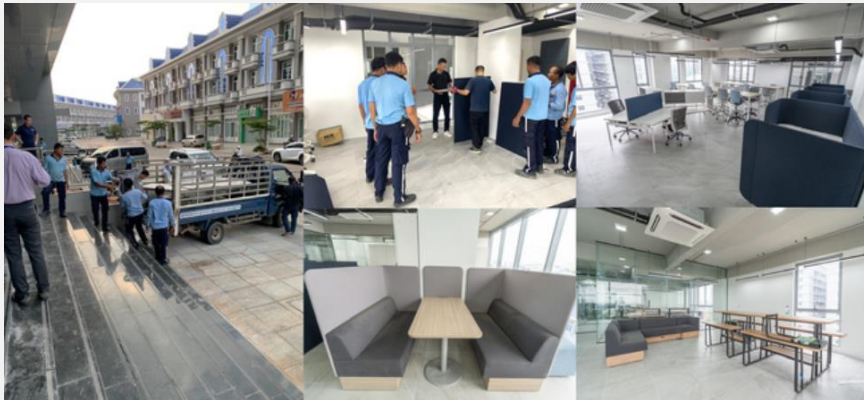
A new type of display case that enhances the beauty of spaces as well as arts and crafts



Contributing to a recycling society through overseas donations of used furniture



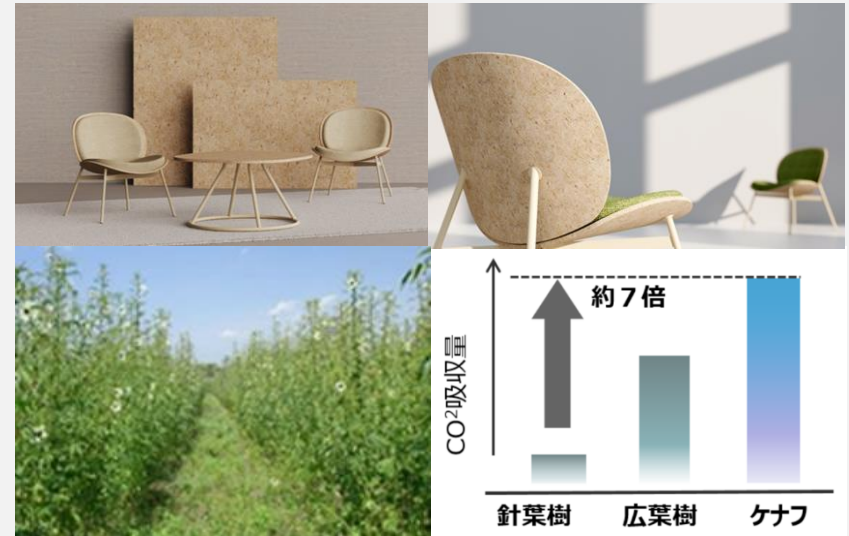
By collaborating with NX Shoji in the Used Office Furniture Overseas Donation scheme, we have donated over 2,200 pieces of furniture (equivalent to 15 large shipping containers) in the two years since starting the project. The furniture was donated to government offices, education facilities, healthcare facilities, and other institutions in Cambodia.



▲ On-site delivery, training of installation staff, and furniture after installation

Joint development of the Kenaf Lounge Chair, which is made from the sustainable plant kenaf.

By combining Itoki's chair design and manufacturing technology with Toyota Boshoku's kenaf board processing technology, we have jointly developed a chair that is both environmentally friendly and has superior design.



When growing, kenaf has a high carbon dioxide absorption capacity (approximately seven times that of coniferous trees). This makes it possible to reduce CO2 emissions generated during the manufacturing process.

Itoki Corporation was introduced as one of the “50 favorite stocks” featured in the quarterly company report Pro 500 Fall 2023 Issue (Toyo Keizai Inc.).



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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。