



かさねよう、いろどり丹青

Financial Results for the Fiscal Year Ended January 31, 2026



<https://www.tanseisha.co.jp/>

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PART 1

Corporate Profile

What is a display business?

Definition in the Japan Standard Industrial Classification

This class comprises establishments primarily engaged in subcontracting all the work of surveys, planning, design, display, composition, production, and execution supervision of displays for shops, exposition venues, events, etc., with the purpose of realizing the functions of sales promotion, public information, information relay, etc., and undertake the work of overall composition and direction for interiors, exteriors, display devices, machinery and equipment (audio, video, etc.) of these facilities.

The Company

The Company regards spaces where people interact with other people, objects, and information as environments for social interaction, and it creates attractive environments for social interaction through the effective use of space and media.

Supplementary information

Display businesses in Japan have dramatically improved their display functions since the display services provided at the Japan World Exposition in 1970, and they have expanded their scope of business from show windows to urban planning along with the development of society.

Features of the display industry

- ◆ Market size of around ¥1.8 trillion (the Company's target is around ¥900 billion)
- ◆ Wide range of business activities (research, planning, design, construction, and operation management of various facilities)
- ◆ Majority of companies are SMEs specializing in specific sectors (even the largest companies have a market share of around 10%)
- ◆ Business performance often affected by economic trends
- ◆ Profits do not accumulate on a quarterly basis

<Net sales>

(Millions of yen)

	FY2022	FY2023	FY2024	FY2025
NOMURA Co., Ltd.	110,928	134,138	150,256	(projection) 163,000
TANSEISHA Co., Ltd.	64,221	81,200	91,858	107,222
SPACE DISPLAY CO., LTD.	46,707	52,793	64,182	71,511

* Only two companies, TANSEISHA and NOMURA, operate a comprehensive display business, expanding across various sectors

Corporate profile

Space creation began for Tanseisha when our founder, Masaji Watanabe, first started remodeling the interior of the newly bustling department stores in Ueno, Tokyo, after WWII.

For over seventy years since this humble origin, we have continued to hone our skills and creativity, expanding the field of comprehensive display business through a multitude of achievements such as our pavilion at the Japan World Exposition in 1970, the turning point of our company's history. We continue to create spaces for imaginations to grow while drawing power from our ability to read the times.

(as of January 31, 2026)

[Company Name]	TANSEISHA Co., Ltd.
[Established]	October 14, 1949
[Stock Listing]	Prime Market of the Tokyo Stock Exchange (Securities code: 9743)
[Capital]	¥4,026 million
[Number of Employees]	1,579 (consolidated)
[Consolidated Subsidiaries]	6
[Sales Offices]	11 in Japan
[Description of Business]	Comprehensive display business
[Fiscal Year End]	January 31

Business sectors

Business segment		Business description	Major facilities	Major business partners
Display business	Commercial and other facility market	Interior design and construction of all commercial facilities (excluding those related to the chain store market)	Department stores and large shopping centers, various specialty stores, restaurants, event and sales promotion facilities, amusement facilities, offices, hotels, other public facilities, etc.	Major department stores, railway companies, automakers, consumer electronics manufacturers, housing-related manufacturers, amusement companies, etc.
	Chain store market	Interior design and construction of chain store facilities	Chain restaurants and apparel stores, convenience stores, etc.	Chain restaurants and apparel companies, convenience store companies, etc.
	Cultural facility market	Interior design and construction for exhibitions at museums, art galleries, corporate museums, etc.	Museums, art galleries, corporate museums, etc.	Central government ministries and agencies, local governments, etc.
Other		Administrative services Internet information services		

Scope of business (value provided)

The value Tanseisha provides is the ability to address challenges through space creation.

Integrated support for the process of space creation

Research and planning

- Consulting
- Research and analysis
- Planning
- Cross-industry coordination
- Branding
- Project management

Design

- Design concept
- Planar layout
- Basic/detailed design
- Proposal for creative media spaces

Production and construction

- Design supervision
- Production and construction
- Technical direction for multimedia spaces

Operation

- Facility management and operation
- Maintenance
- Sales promotion and event planning
- Assessment, inspection, and effectiveness measurement

Integrated support for the process of space creation:

We provide one-stop support for projects that meet the needs of our customers by offering integrated support throughout the process of space creation, from research and planning, design, production and construction, to spatial direction and operation using digital technology.

Scope of business (value provided)

The challenges faced by our clients include...

Attracting
customers

Sales

Information
communication

Publicity

Cost
reduction

Hype
creation

Space
utilization

As a business partner in addressing the challenges of its clients, Tanseisha supports space creation with its professional expertise and comprehensive abilities.

Design and creativity are the source of such space creation.

Our space creation professionals combine abundant expertise, advanced technical and professional skills, and comprehensive abilities to create spaces that help our customers' businesses succeed.

Our features and strengths

Comprehensive display business

- (i) Business development for facilities in various sectors
- (ii) Total support throughout the process of space creation

Technical skills that support space creation

- (i) Planners and designers: 325 persons
- (ii) Production personnel: 556 persons
(including 69 first-class *Kenchikushi* and 285 first-class construction management engineers)

Partner companies that support space creation

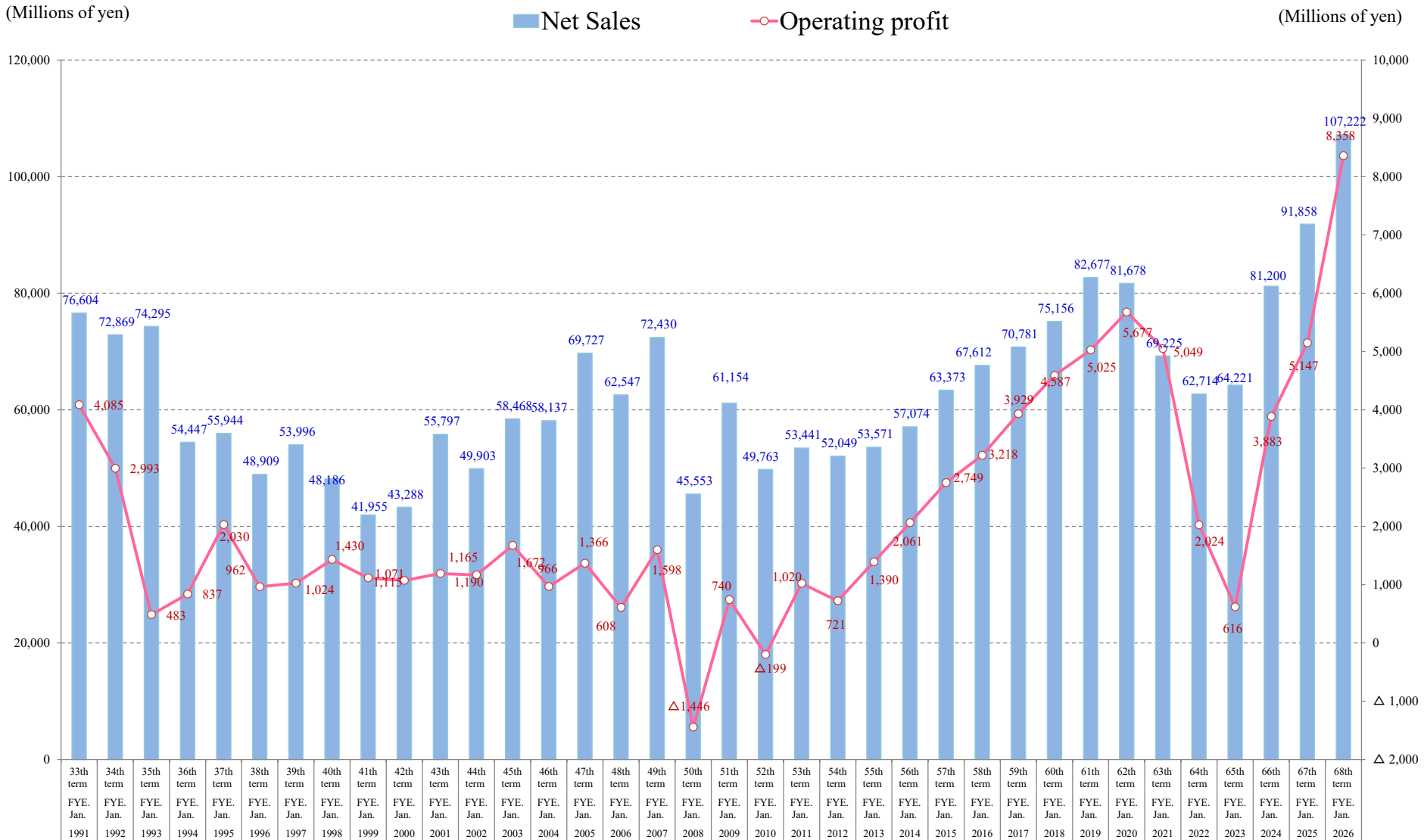
- (i) Cooperating companies: more than 1,000 companies
- (ii) Companies with ongoing transactions: around 650 companies
- (ii) Partner companies: around 250 companies
*The figures for the entire Group, excluding certain Group companies with different business categories

Business characteristics

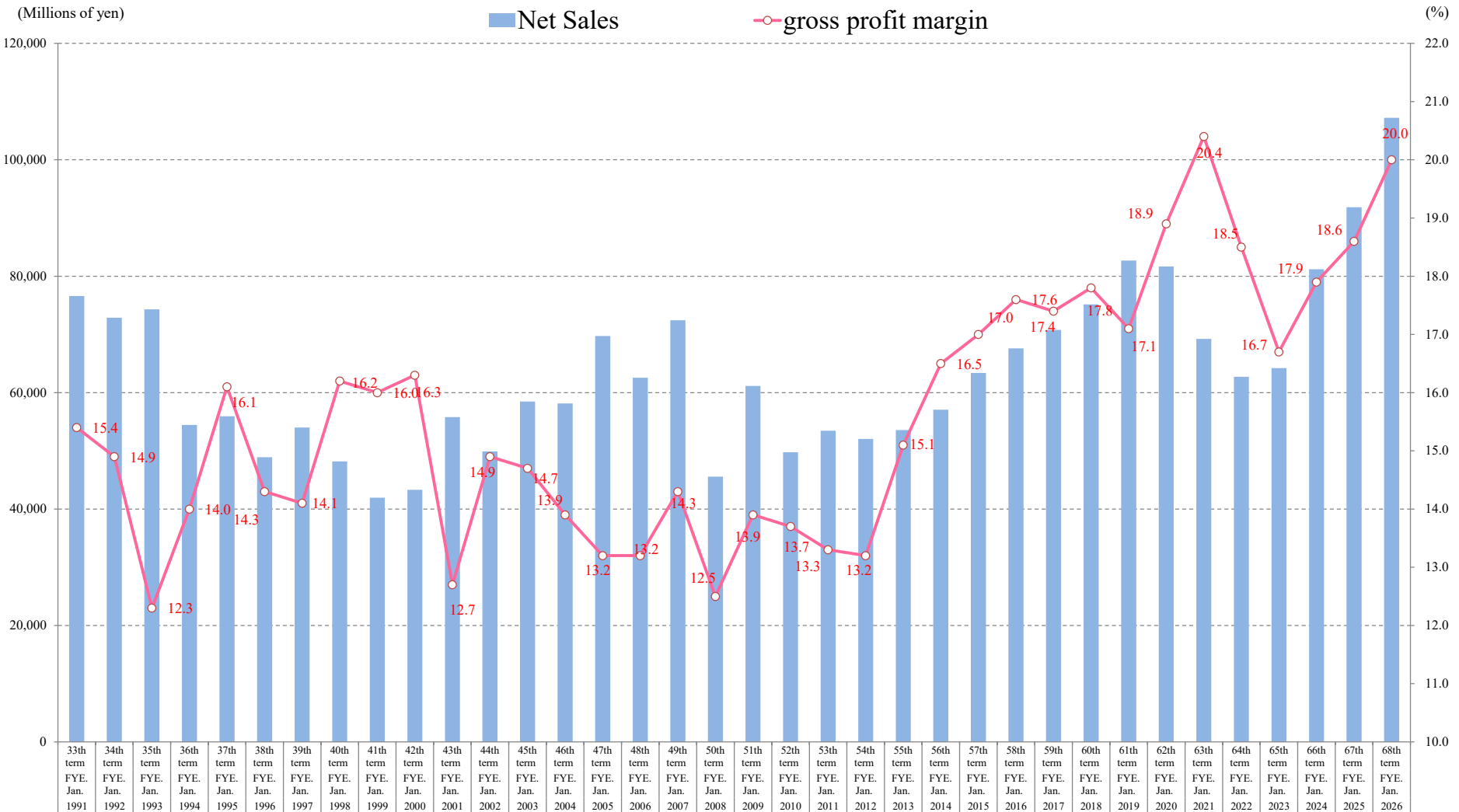
- (i) Top-level market share in the cultural facility market with specialized think tanks
- (ii) Industry pioneer in the chain store market
(Competitive advantage of launching businesses ahead of other companies)
- (iii) Possesses a specialized team for cutting-edge digital technology

*as of January 31, 2026

Business performance (1) (Consolidated net sales and operating profit)



Business performance (2) (Consolidated net sales and gross profit margin)



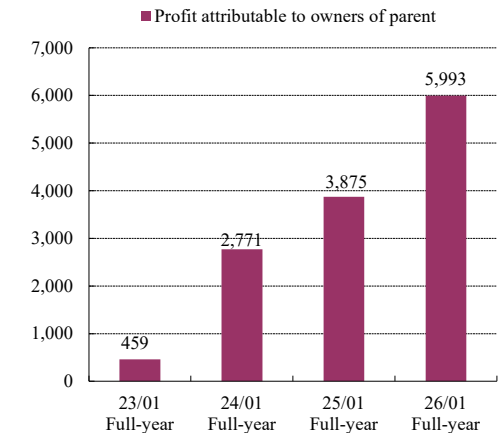
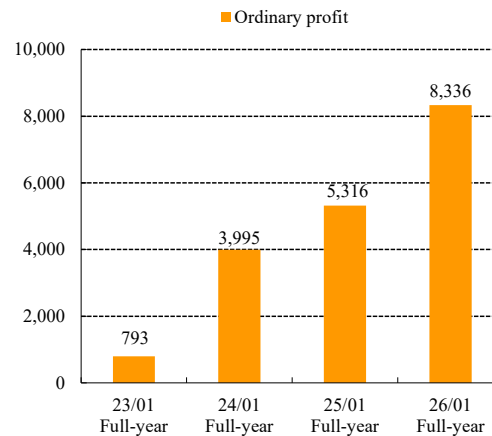
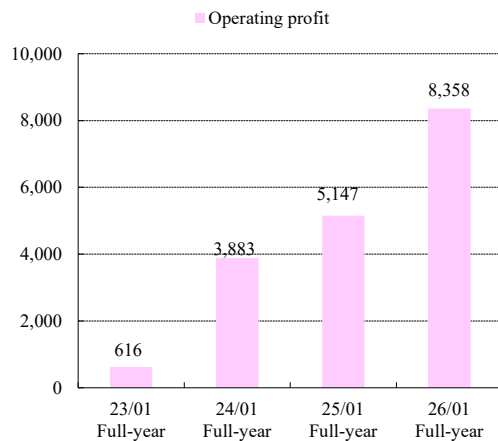
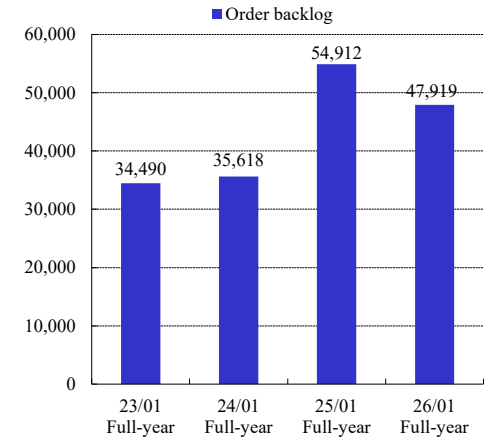
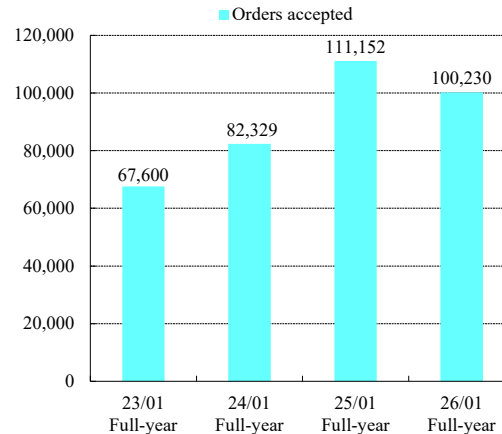
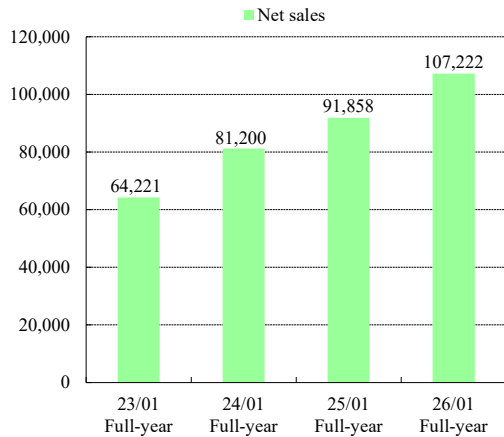
PART 2

(i) Financial Summary for FYE January 2026

Summary for FYE January 2026

- Due to favorable market conditions and improved profitability mainly in the commercial and other facility market, along with the recording of sales from projects related to Expo 2025 Osaka, Kansai, net sales and profits exceeded those of the previous fiscal year.
- Although corporate promotional investments and demand related to inbound tourism remained strong, orders accepted decreased year on year due to the completion of accepting orders for Expo 2025 Osaka, Kansai.
- Projects related to Expo 2025 Osaka, Kansai are mainly recorded under the commercial and other facility market.

(Millions of yen)



P/L summary for FYE January 2026

- Gross profit margin was 20.0% due to favorable market conditions and the Company's focus on profitability when accepting orders, as well as projects related to Expo 2025 Osaka, Kansai and inbound tourism contributing to the improvement in profitability.
- SG&A expenses rose by 9.5%, but SG&A expense ratio decreased in line with a significant increase in revenue.

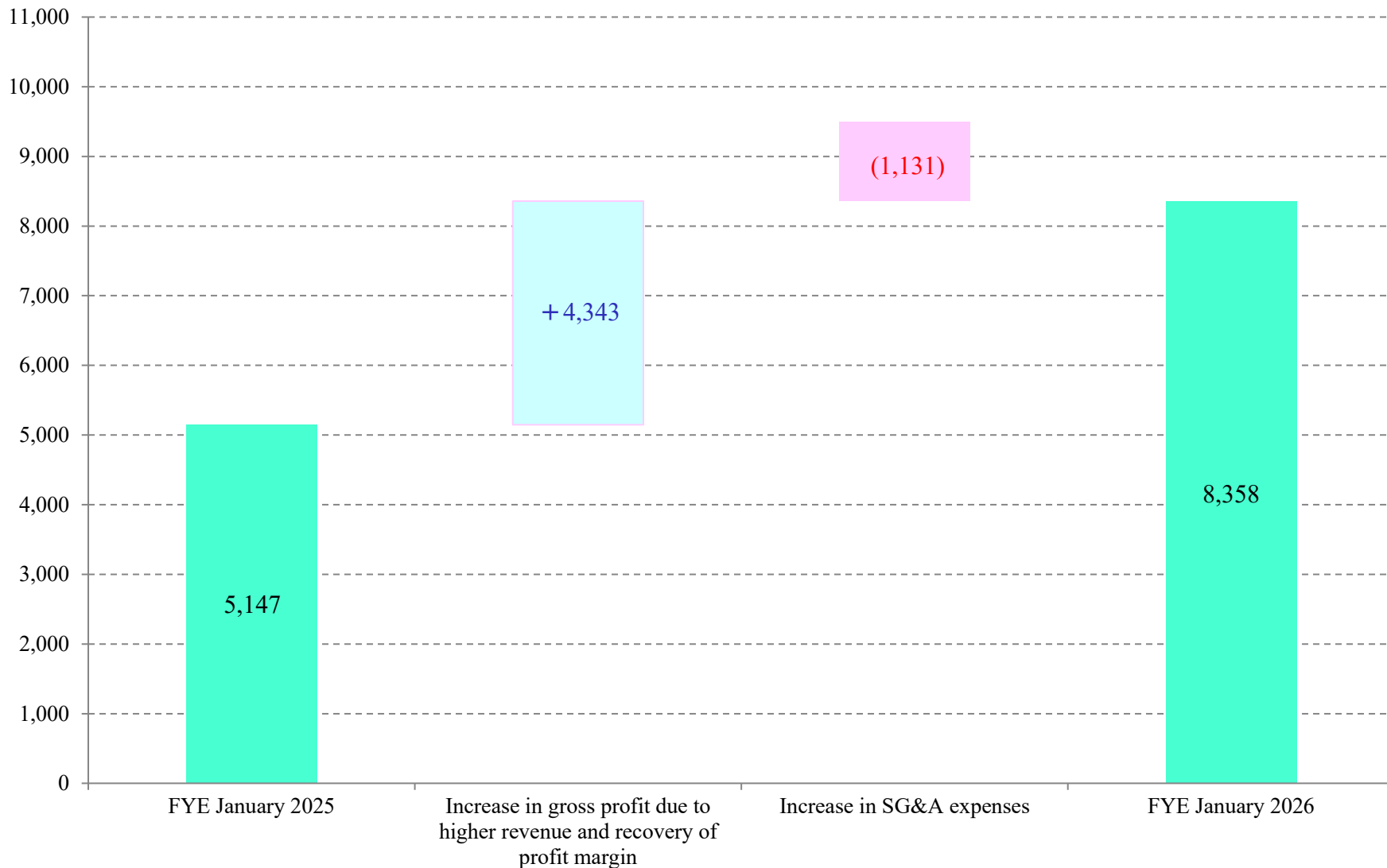
(Millions of yen)

	25/01 Full-year		26/01 Full-year		Change	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Percentage (%)
Net sales	91,858	100.0	107,222	100.0	15,364	16.7
Cost of sales	74,793	81.4	85,815	80.0	11,021	14.7
Gross profit	17,064	18.6	21,407	20.0	4,343	25.5
Selling, general and administrative expenses	11,917	13.0	13,049	12.2	1,131	9.5
Operating profit	5,147	5.6	8,358	7.8	3,211	62.4
Non-operating income	225		188		△36	
Non-operating expenses	55		210		154	
Ordinary profit	5,316	5.8	8,336	7.8	3,020	56.8
Extraordinary income	346		17		△328	
Extraordinary losses	198		6		△192	
Income taxes—current	1,792		2,709		916	
Income taxes—deferred	(204)		△355		△150	
Profit attributable to owners of parent	3,875	4.2	5,993	5.6	2,118	54.7

EPS (Yen)	82.16		126.92		44.76	
ROE (%)	11.9		16.9		5.0	

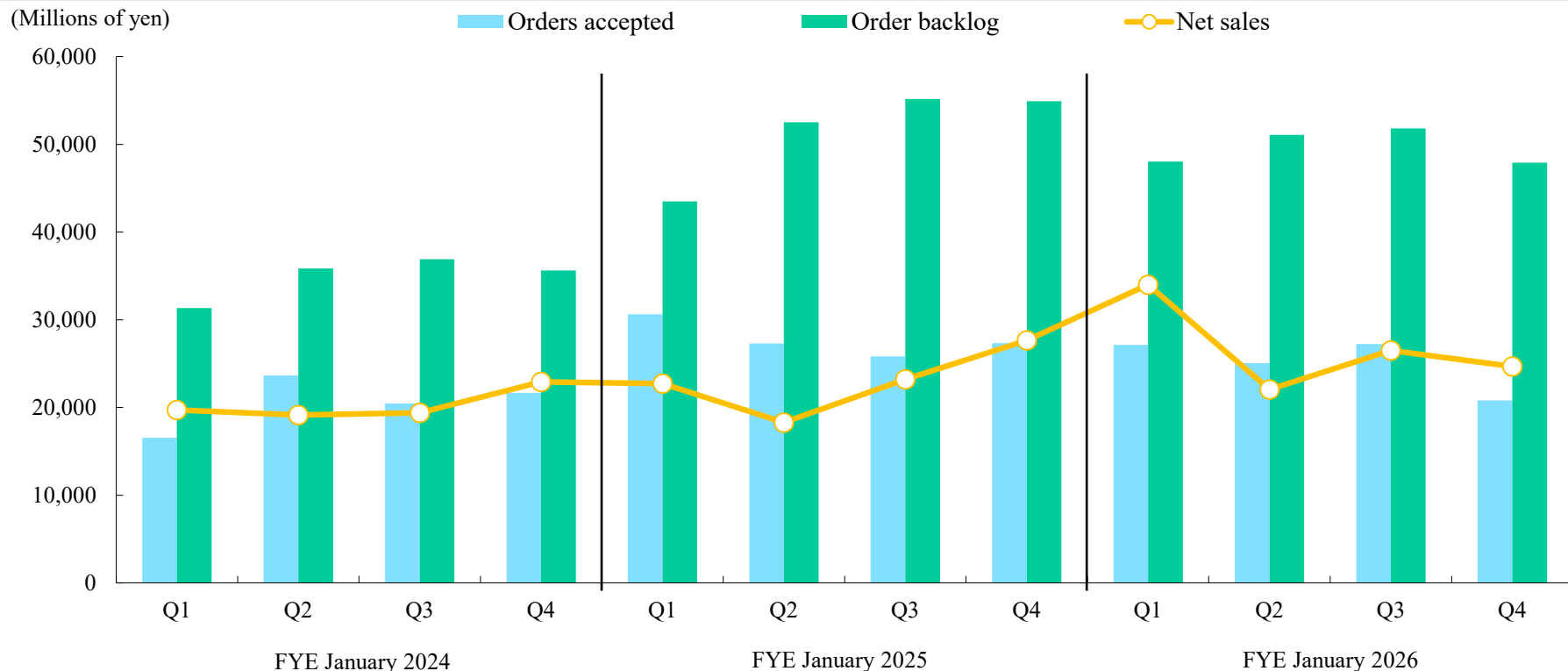
Factors for increase in operating profit (year on year)

(Millions of yen)



Orders accepted, net sales, and order backlog for each quarter

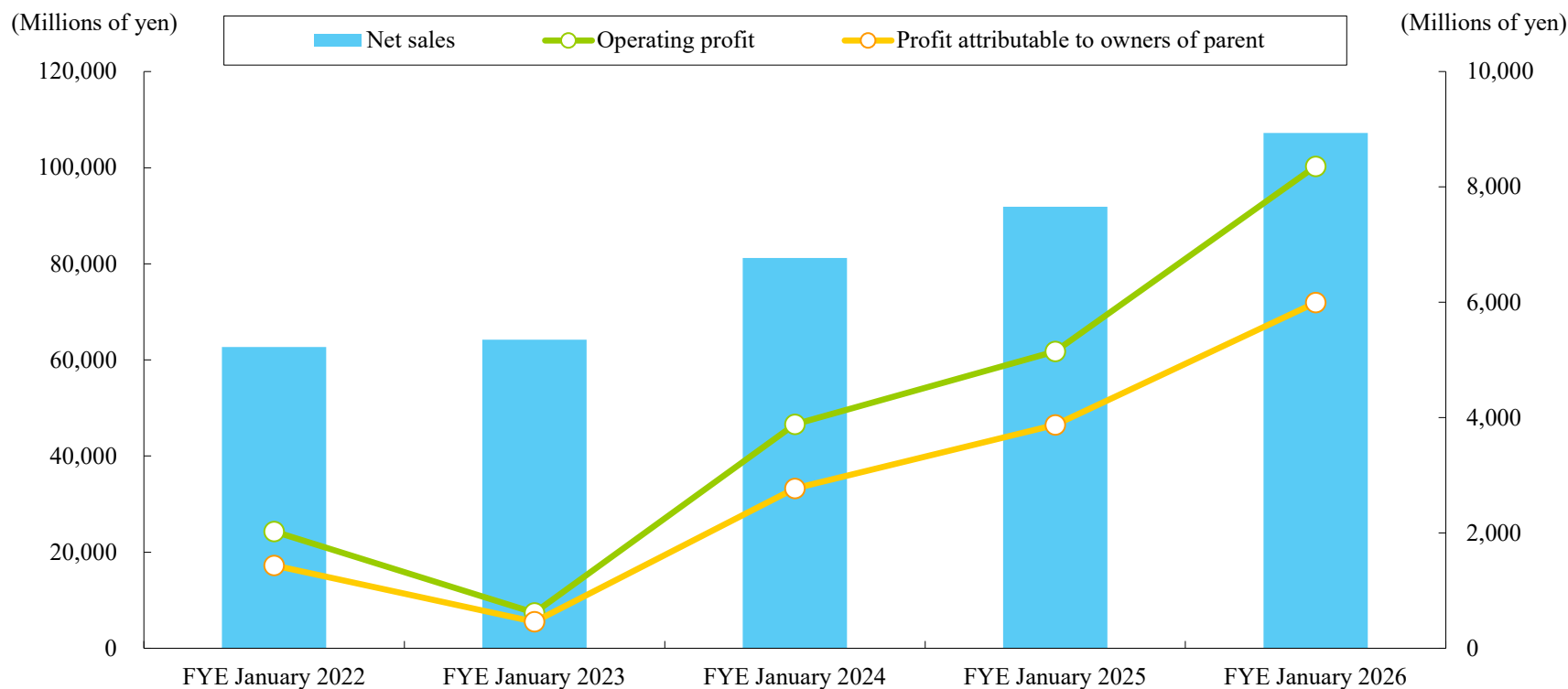
- While net sales for the current fiscal year peaked during the first quarter due to the recording of sales from projects related to Expo 2025 Osaka, Kansai in the first quarter, it remained strong throughout other quarters. Orders accepted and order backlog also remained at a high level.



	FYE January 2024				FYE January 2025				FYE January 2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales (Millions of yen)	19,716	19,154	19,402	22,927	22,733	18,291	23,190	27,643	33,995	22,048	26,491	24,687
Orders accepted (Millions of yen)	16,558	23,667	20,447	21,656	30,615	27,311	25,832	27,392	27,125	25,069	27,239	20,796
Order backlog (Millions of yen)	31,331	35,844	36,889	35,618	43,500	52,521	55,163	54,912	48,041	51,063	51,810	47,919

Net sales, operating profit, and profit attributable to owners of parent

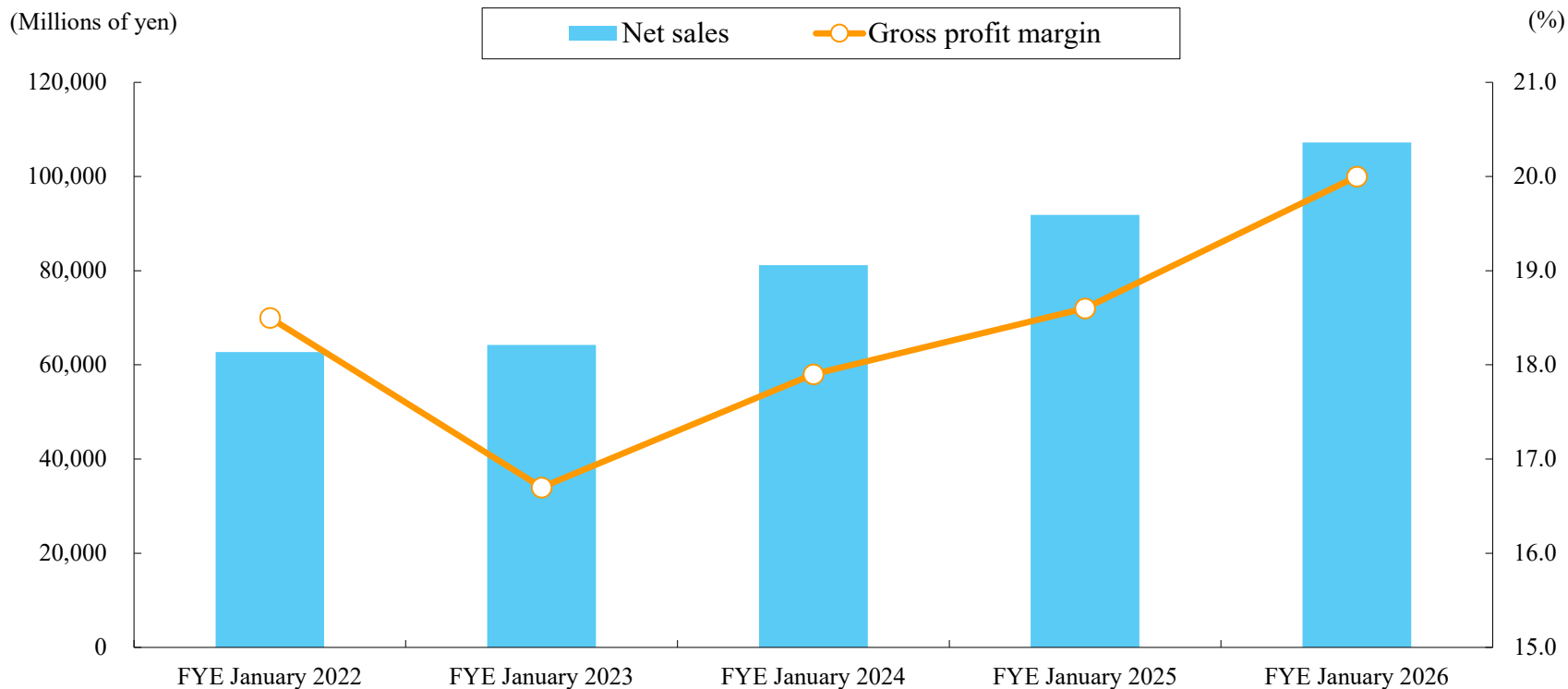
- Operating profit and profit attributable to owners of parent significantly exceeded those of the previous fiscal year due to higher revenue and gross profit margin.



	FYE January 2022	FYE January 2023	FYE January 2024	FYE January 2025	FYE January 2026
Net sales (Millions of yen)	62,714	64,221	81,200	91,858	107,222
Operating profit (Millions of yen)	2,024	616	3,883	5,147	8,358
Profit attributable to owners of parent (Millions of yen)	1,434	459	2,771	3,875	5,993

Net sales and gross profit margin

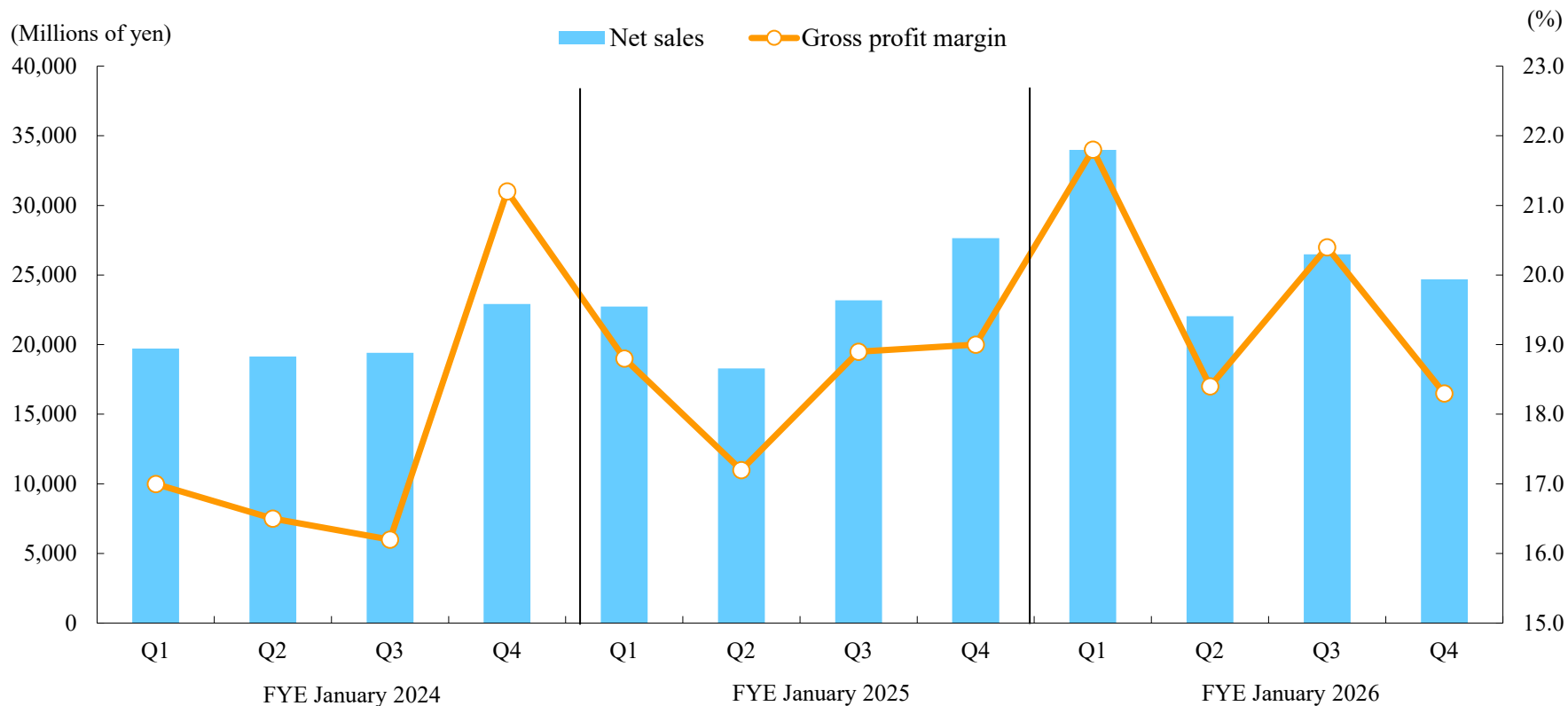
- Gross profit margin improved to 18.6% due to strong net sales and the Company's focus on profitability when accepting orders.



	FYE January 2022	FYE January 2023	FYE January 2024	FYE January 2025	FYE January 2026
Net sales (Millions of yen)	62,714	64,221	81,200	91,858	107,222
Gross profit margin (%)	18.5	16.7	17.9	18.6	20.0

Quarterly net sales and gross profit margin

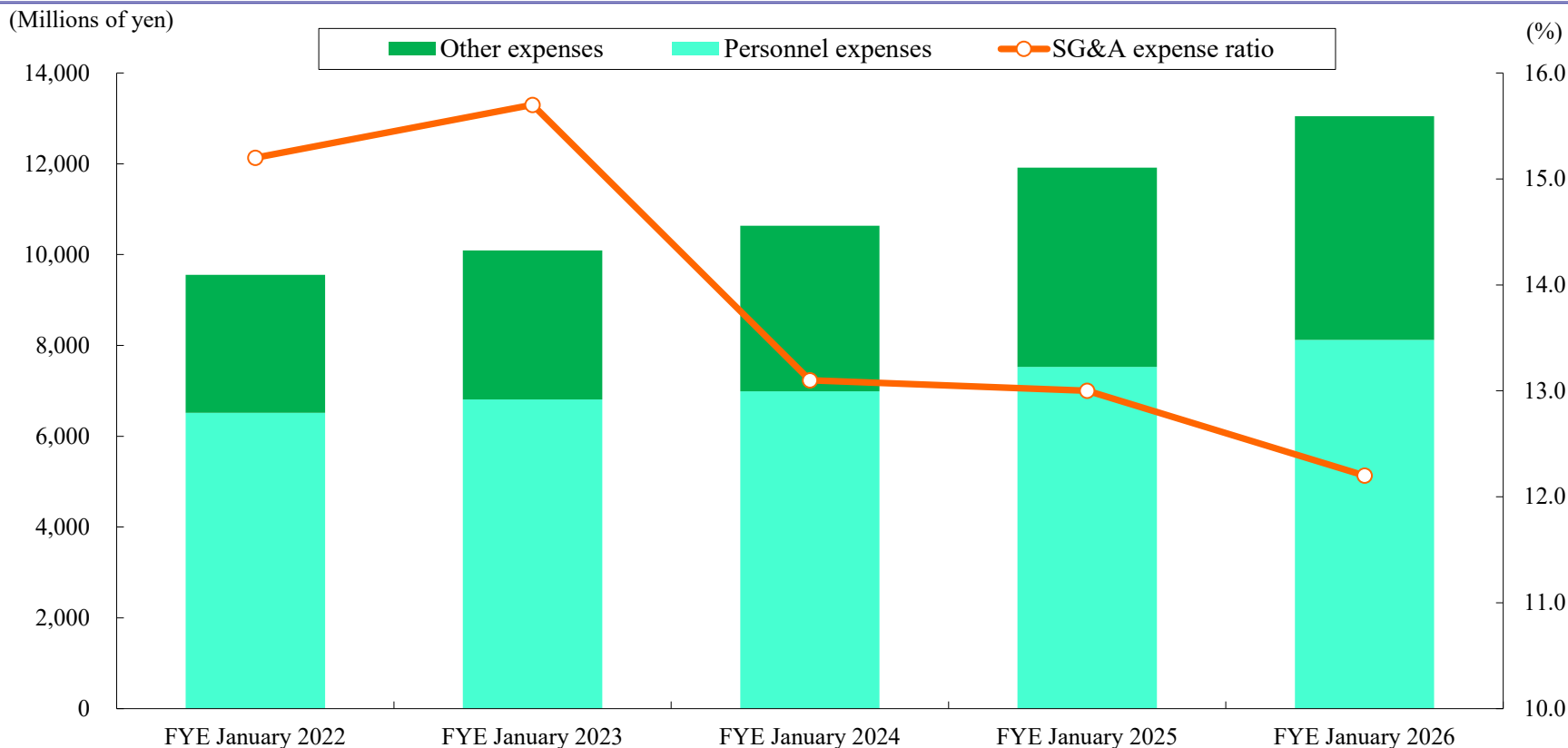
- Gross profit margin remained strong due to favorable market conditions and the Company's focus on profitability when accepting orders.
- Additionally, sales related to Expo 2025 Osaka, Kansai in the current fiscal year were primarily recorded in the first quarter.
- Q4 of FYE January 2026 resulted in business performance below expectations due to deteriorating profitability in some projects.



	FYE January 2024				FYE January 2025				FYE January 2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales (Millions of yen)	19,716	19,154	19,402	22,927	22,733	18,291	23,190	27,643	33,995	22,048	26,491	24,687
Gross profit margin (%)	17.0	16.5	16.2	21.2	18.8	17.2	18.9	19.0	21.8	18.4	20.4	18.3

Selling, general and administrative expenses

- SG&A expense ratio decreased year on year to 12.2% due to an increase in net sales, despite an increase in the number of employees and a raise in wages.
- Other expenses increased by 12.3% year on year due to an increase in operating expenses associated with higher net sales and the recording of advertising expenses.
- The number of employees (on a consolidated basis) increased by 95, from 1,484 in January 2025 to 1,579 in January 2026.

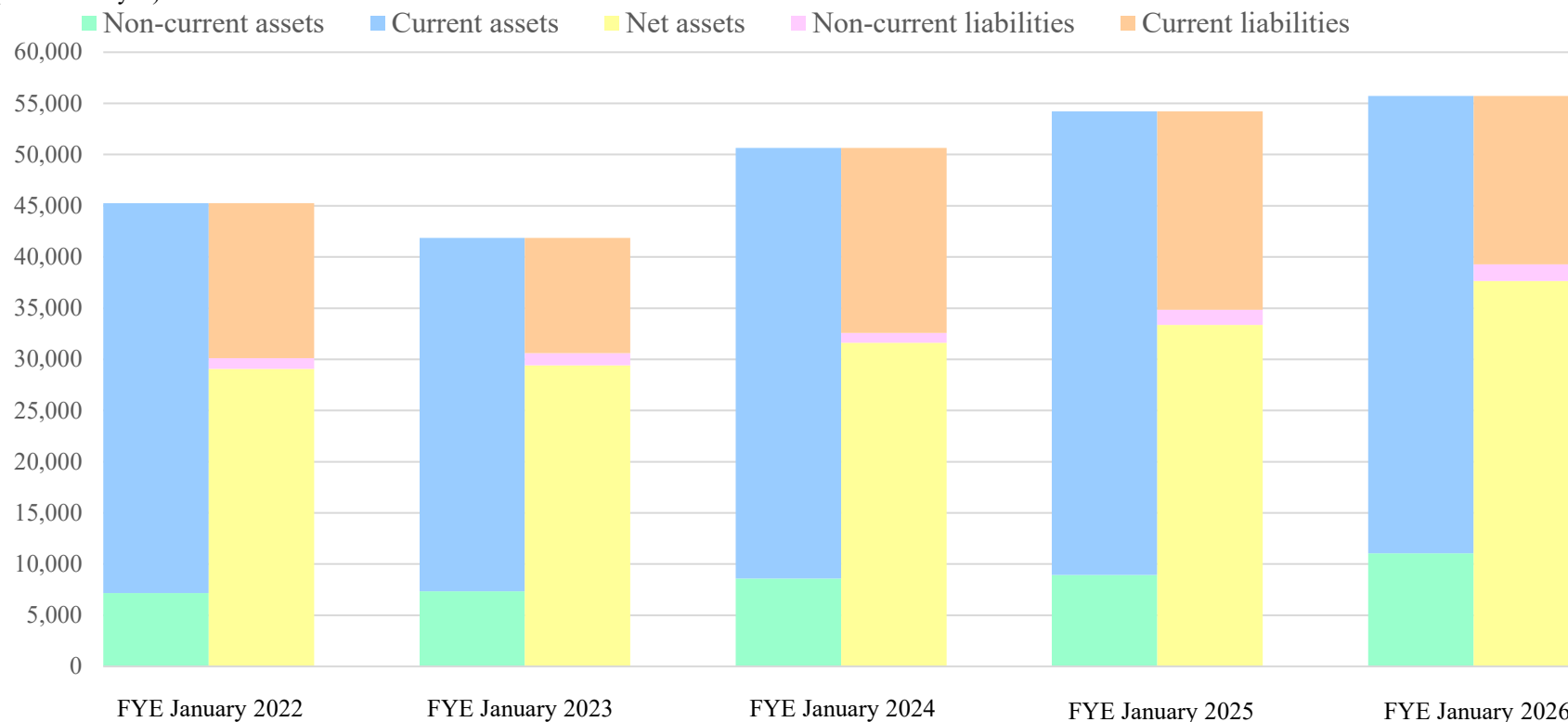


	FYE January 2022	FYE January 2023	FYE January 2024	FYE January 2025	FYE January 2026
Personnel expenses (Millions of yen)	6,515	6,809	6,992	7,526	8,119
Other expenses (Millions of yen)	3,041	3,284	3,646	4,391	4,929
SG&A expense ratio (%)	15.2	15.7	13.1	13.0	12.2

Major balance sheet items

- Shareholders' equity totaled ¥37,665 million, up ¥4,294 million year on year.
- Equity-to-asset ratio: 67.6% (increase of 6.0 points year on year)

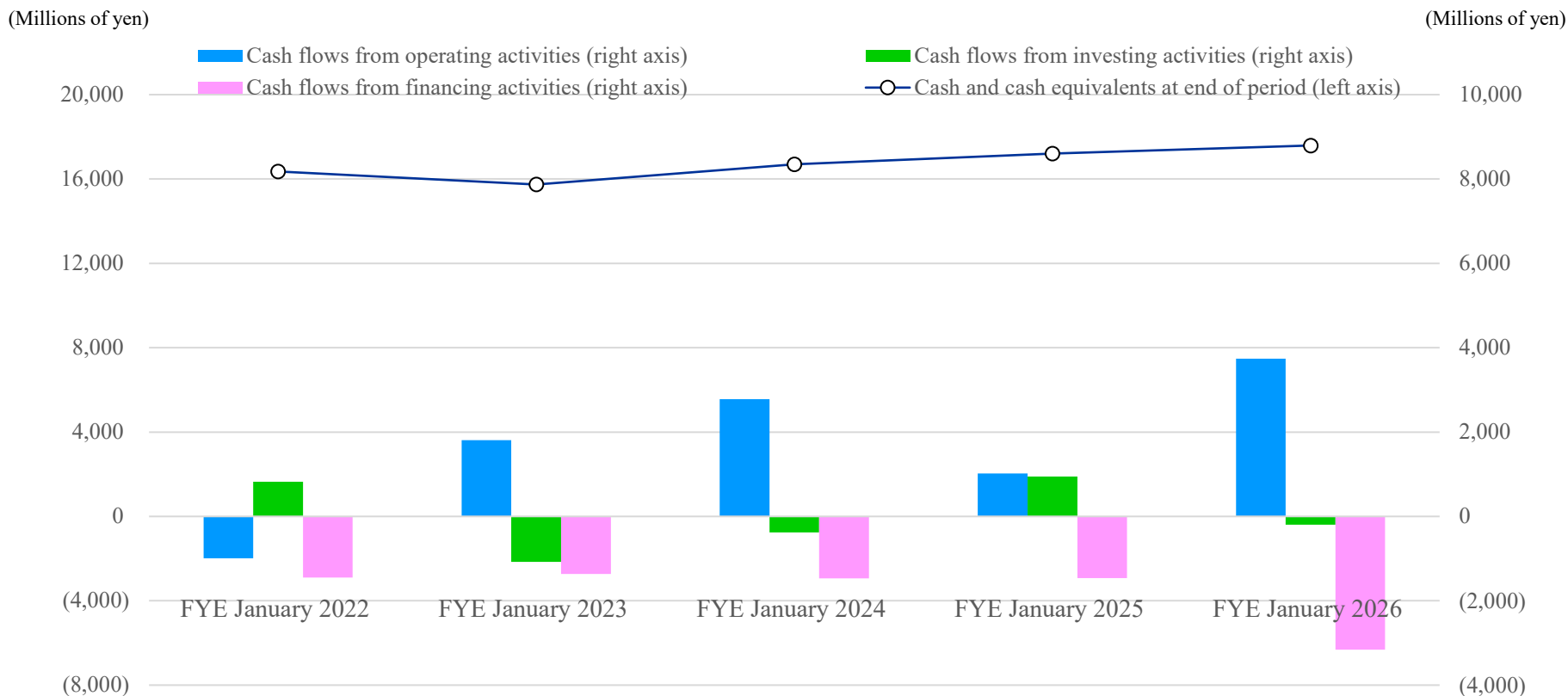
(Millions of yen)



	FYE January 2022	FYE January 2023	FYE January 2024	FYE January 2025	FYE January 2026
Shareholders' equity (Millions of yen)	29,059	29,414	31,626	33,370	37,665
Equity-to-asset ratio (%)	64.2	70.3	62.4	61.6	67.6

Cash flows

- Cash flows from operating activities amounted to ¥3,743 million, despite the recording of ¥8,347 million in profit before income taxes, mainly due to a decrease of ¥5,766 million in notes payable, accounts payable for construction contracts, and other.



(Millions of yen)	FYE January 2022	FYE January 2023	FYE January 2024	FYE January 2025	FYE January 2026
Cash flows from operating activities	(994)	1,810	2,781	1,018	3,743
Cash flows from investing activities	823	(1,075)	(379)	944	(194)
Cash flows from financing activities	(1,449)	(1,364)	(1,469)	(1,464)	(3,161)
Cash and cash equivalents at end of period	16,356	15,739	16,694	17,204	17,589

PART 2

(ii) Overview of Business Results by Segment for FYE January 2026

Overview of business results by segment for FYE January 2026

● Commercial and other facility market	Both net sales and segment profit significantly increased year on year mainly due to the steady progress of new remodeling projects in hotels, entertainment facilities, and events such as Expo 2025 Osaka, Kansai.
● Chain store market	Net sales decreased year on year due to a decrease in large flagship stores compared to the previous fiscal year despite strong demand for new remodeling of restaurants and other specialty stores. However, segment profit increased year on year, mainly due to efforts to improve profitability.
● Cultural facility market	Due to the decrease in orders accepted in the previous fiscal years and the progress of construction in the current fiscal year falling below expectations, net sales decreased. In terms of profit and loss, because of the reduction in net sales, fixed costs were not covered, resulting in both net sales and segment profit (loss) being below the previous fiscal year.
● Other	Both net sales and segment profit increased year on year, as demand for office services and other services outside the display business also recovered compared to the previous fiscal year.

(Millions of yen)

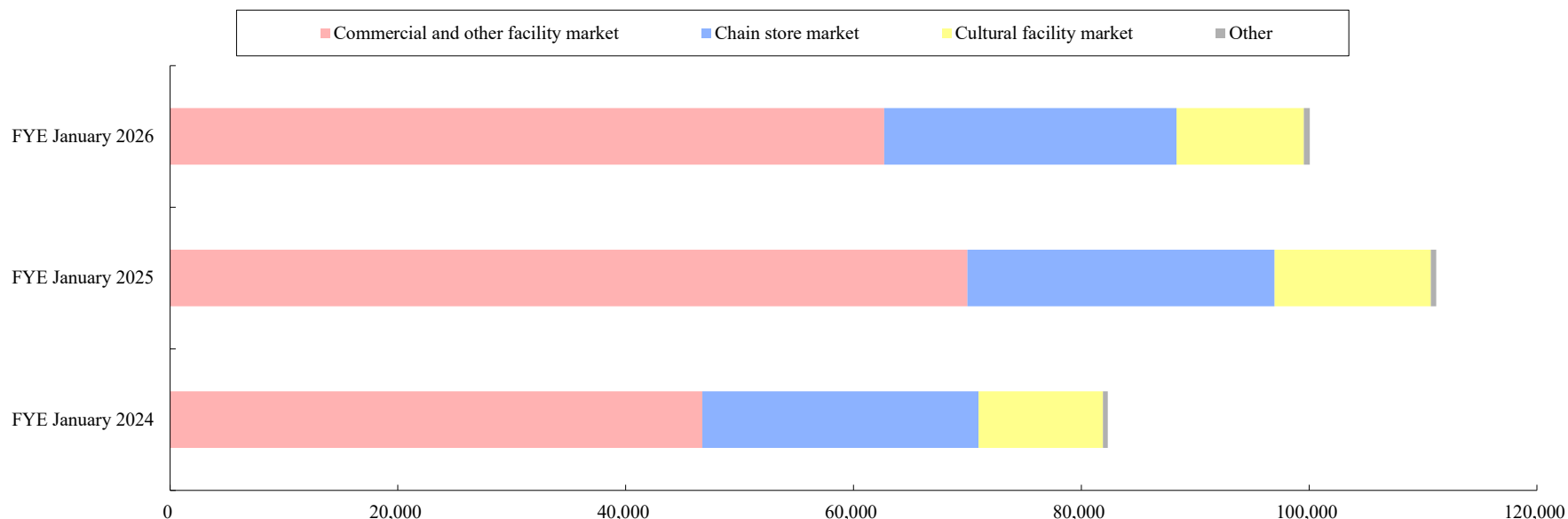
	Net sales			Segment profit		
	25/01	26/01	Change	25/01	26/01	Change
Commercial and other facility market	54,395	72,154	17,758	3,295	6,808	3,512
Chain store market	27,074	25,619	△1,455	1,829	1,984	155
Cultural facility market	9,925	8,929	△995	(95)	△616	△521
Other	462	519	56	111	174	62
Adjustments	—	—	—	6	8	1
Total	91,858	107,222	15,364	5,147	8,358	3,211

Orders accepted by segment

- Orders accepted decreased by approximately ¥10.9 billion year on year due to the completion of accepting orders for Expo 2025 Osaka, Kansai. However, the market environment remained robust, particularly due to strong demand related to inbound tourism, resulting in total orders exceeding ¥100.0 billion.
- Projects related to Expo 2025 Osaka, Kansai are mainly recorded under the commercial and other facility market.

(Millions of yen)

	24/01	25/01	26/01	Year-on-year change
Commercial and other facility market	46,728	70,011	62,864	△7,147
Chain store market	24,240	26,944	25,672	△1,271
Cultural facility market	10,937	13,733	11,174	△2,559
Other	422	462	519	56
Total orders accepted	82,329	111,152	100,230	△10,921

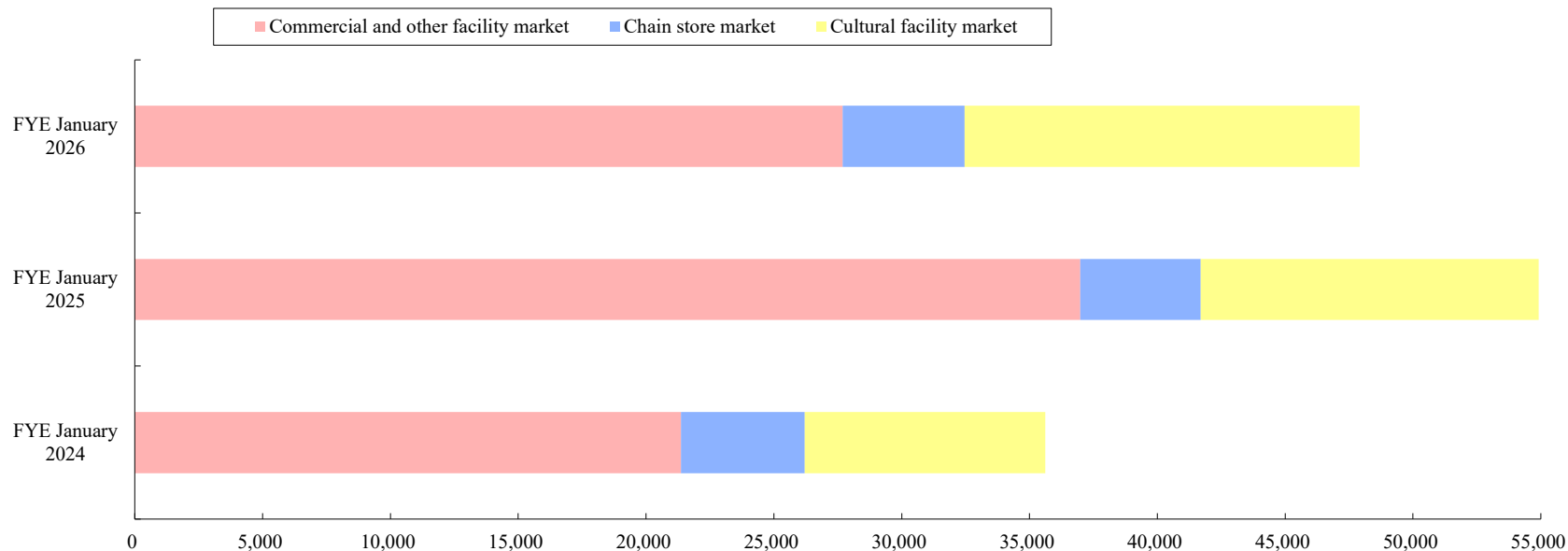


Order backlog by segment

- Overall, the order backlog decreased by ¥6,992 million year on year due to a decrease in the commercial and other facility market from the recording of sales from projects related to Expo 2025 Osaka, Kansai, despite an increase in the cultural facility market.

(Millions of yen)

	24/01	25/01	26/01	Year-on-year change
Commercial and other facility market	21,362	36,978	27,688	△9,290
Chain store market	4,845	4,715	4,768	53
Cultural facility market	9,410	13,218	15,462	2,244
Other	—	—	—	—
Total order backlog	35,618	54,912	47,919	△6,992



PART 3

(i) Performance Plan for FYE January 2027

Background of revision of the Medium-Term Management Plan (FYE January 2025 – FYE January 2027)

Recognition of business environment for FYE Jan. 2025 – FYE Jan. 2027 during formulation of the plan and changes to date

During formulation	Gradual economic recovery was expected to continue, and demand for space creation was expected to remain strong. Rapid recovery and expansion of inbound tourism was a tailwind.
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Present	Despite rising costs and other downward pressures, economic recovery has continued, and <u>demand is stronger than expected</u> .
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- For FYE January 2026, we recorded the highest net sales and operating profit ever, effectively capturing the strong demand
- Steady progress has been made in construction for large-scale projects such as Expo 2025 Osaka, Kansai, which boosted operating profit
- Promotion of more sophisticated decision-making for orders accepted has driven the Company's focus on profitability when accepting orders
- Rising costs such as personnel expenses have been absorbed by significantly higher revenue

Results

(Consolidated basis)	FYE January 2026 (result)
Net sales	¥107.2billion
Operating profit	¥8.3 billion
ROE	16.9%

We have revised the plan's numerical targets for FYE January 2027 in light of the current business environment.

Performance plan for FYE January 2027

- In light of the recent business environment and other factors, we have revised the performance plan for FYE January 2027.
- Orders accepted are expected to remain at record high levels due to an increase in orders for large-scale projects from FYE January 2028 onwards.
- For FYE January 2027, despite a decrease in net sales and profits due to the absence of projects related to Expo 2025 Osaka, Kansai, the market environment is expected to remain favorable, minimizing the impact of the decline.

(Millions of yen)

	FYE January 2026				FYE January 2027			
	Q2 results		Full-year results		Q2 projections		Full-year projections	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Orders accepted	52,194		100,230		57,100		115,000	
Net sales	56,043		107,222		49,600		107,000	
Gross profit	11,485	20.5	21,407	20.0	9,400	19.0	21,250	19.9
Operating profit	5,615	10.0	8,358	7.8	3,000	6.0	8,000	7.5
Ordinary profit	5,670	10.1	8,336	7.8	3,000	6.0	8,100	7.6
Profit attributable to owners of parent	3,831	6.8	5,993	5.6	2,000	4.0	5,700	5.3
EPS (Yen)	81.22		126.92		42.27		120.46	
ROE (%)	13.4		16.9		5.28		14.7	

* The above forecasts have been prepared based on information currently available and certain assumptions deemed to be reasonable, and include potential uncertainties. Actual results may differ from these forecasts due to various factors in the future.

Performance plan by segment for FYE January 2026

(Millions of yen)

		FYE January 2026		FYE January 2027	
		Q2 results	Full-year results	Q2 projections	Full-year projections
	Commercial and other facility market	32,479	62,864	39,200	79,300
	Chain store market	13,548	25,672	11,300	23,400
	Cultural facility market	5,919	11,174	6,300	11,800
	Other	247	519	300	500
Total orders accepted		52,194	100,230	57,100	115,000
	Commercial and other facility market	40,105	72,154	31,600	70,500
	Chain store market	11,888	25,619	12,200	24,000
	Cultural facility market	3,802	8,929	5,500	12,000
	Other	247	519	300	500
Total net sales		56,043	107,222	49,600	107,000
	Commercial and other facility market	5,026	6,808	2,000	5,900
	Chain store market	874	1,984	900	1,700
	Cultural facility market	(383)	(616)	0	300
	Other	93	174	100	100
	Adjustments	4	8	—	—
Total operating profit		5,615	8,358	3,000	8,000

* The above forecasts have been prepared based on information currently available and certain assumptions deemed to be reasonable, and include potential uncertainties. Actual results may differ from these forecasts due to various factors in the future.

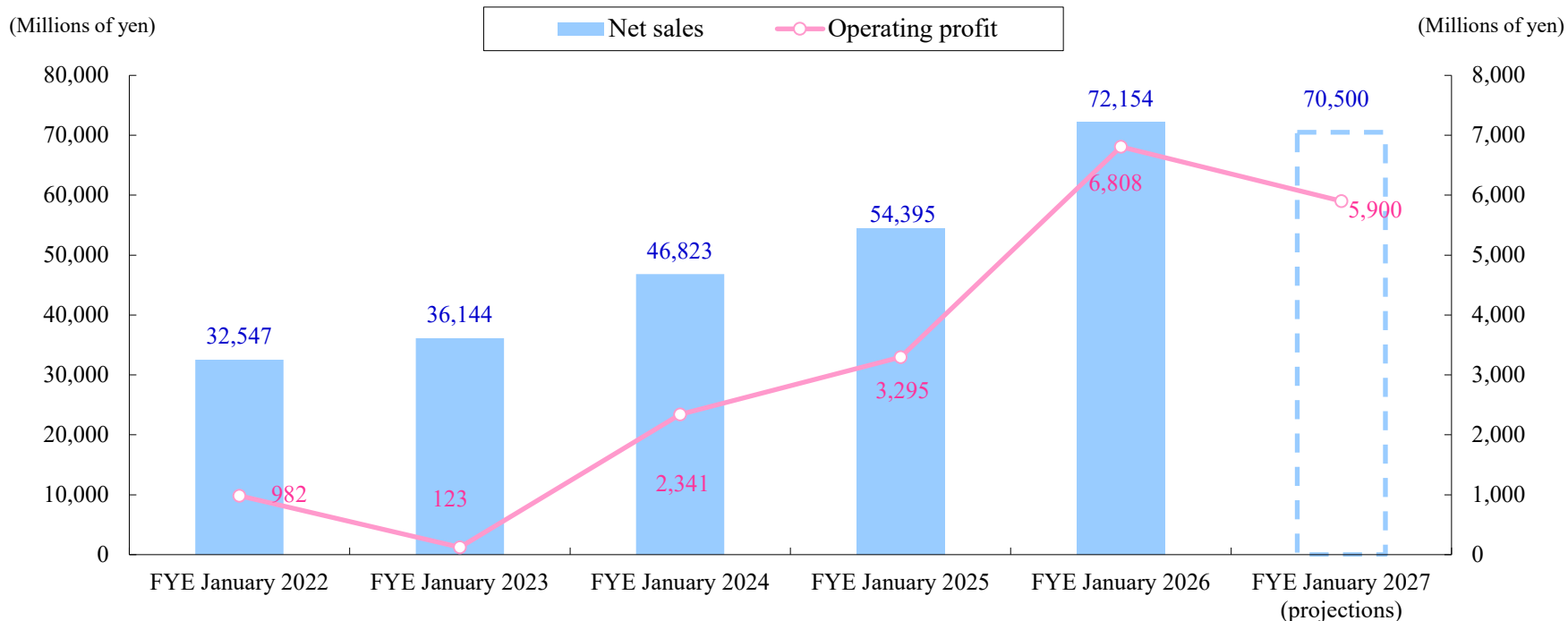
Outlook and initiatives by segment (Commercial and other facility market)

[External environment]

- Demand in all sectors is growing, driven by the recovery of inbound tourism.
- Demand for redevelopment projects in various cities, especially in the Tokyo metropolitan area, is increasing.
- Demand is growing in the Kansai area due to Expo 2025 Osaka, Kansai, as well as integrated resort (IR) plans, etc.
- Some plans have been delayed due to soaring construction costs, and it is important to closely monitor market trends.

[Policy]

- We regard the entertainment sector as a growth market, and we will take on various challenges and seek to expand our involvement in the sector.
- We will capture the increasing demand from hotels and other businesses amid the backdrop of growing inbound tourism.
- We will capture demand for new and renewal construction for stadiums and arenas.
- In the office sector, we will accelerate client development and expand the scale of our business operations.



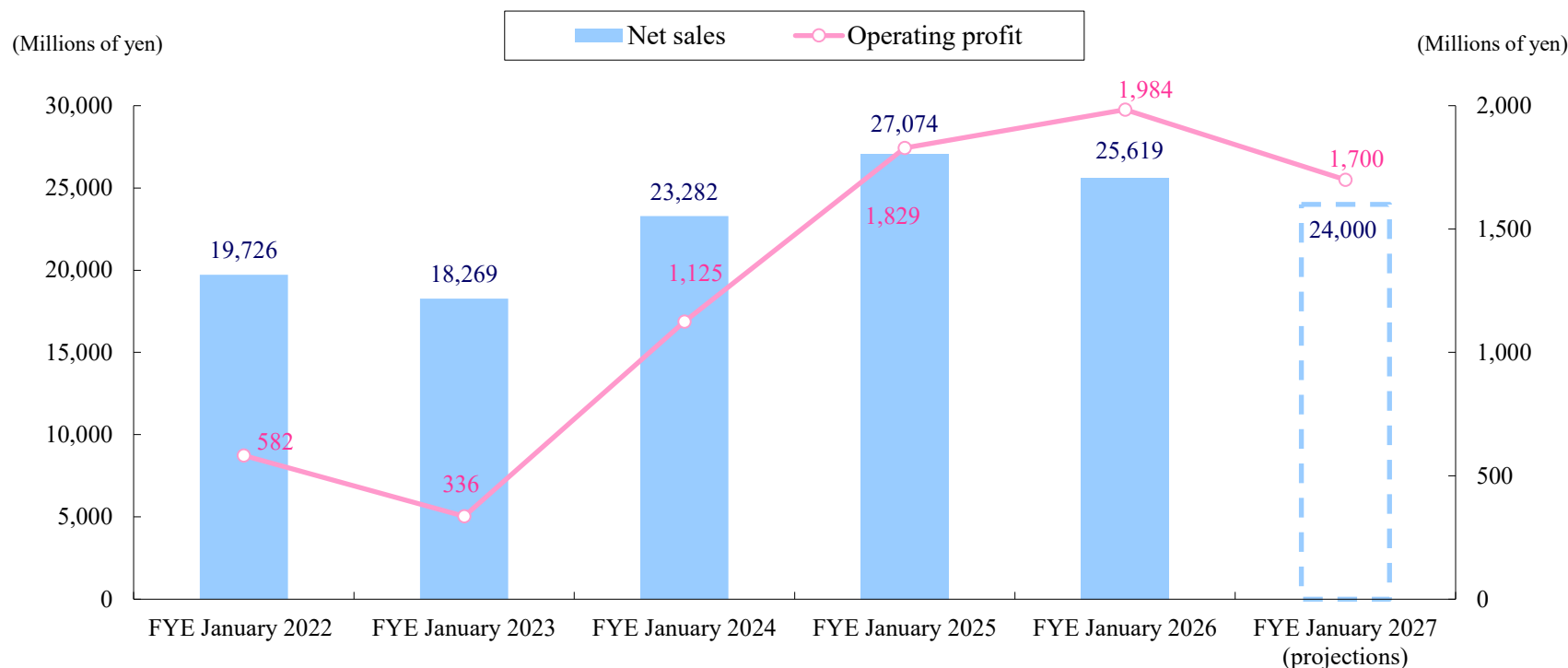
Outlook and initiatives by segment (Chain store market)

[External environment]

- Store openings and capital investment are increasing. Investment is accelerating and is particularly strong in the food service industry.
- Demand for maintenance is also growing.

[Policy]

- We will expand our market share of existing clients and develop new clients.
- We will strengthen relationships with existing clients and improve productivity to increase our market share in the western Japan area.
- We will expand our involvement in the maintenance sector and accept orders for new remodeling projects.



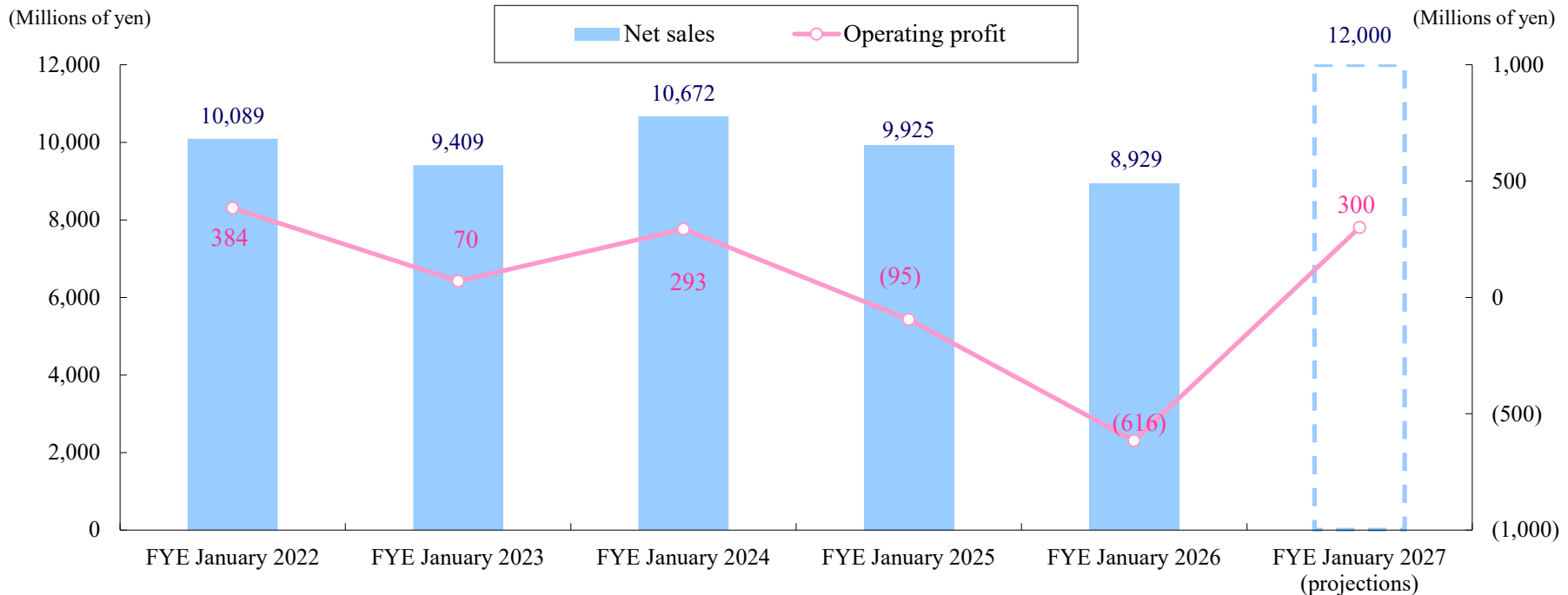
Outlook and initiatives by segment (Cultural facility market)

[External environment]

- Demand for remodeling is expected to persist, while that for public facilities (public-private initiatives, etc.), the Company's target sector, is expected to continue to remain flat or grow slightly.

[Policy]

- We seek to increase orders accepted mainly for projects related to regional development and public-private initiatives.
- We will draw on the exhibition-related expertise that we have cultivated over many years to achieve stable growth in the cultural exhibition market.



PART 3

(ii) Progress of Medium-Term Management Plan (FYE January 2025 – FYE January 2027)

Overview of the revised Medium-Term Management Plan (FYE January 2025 – FYE January 2027)

Our Purpose

Drawing the future from space, adding new colors to people and society.

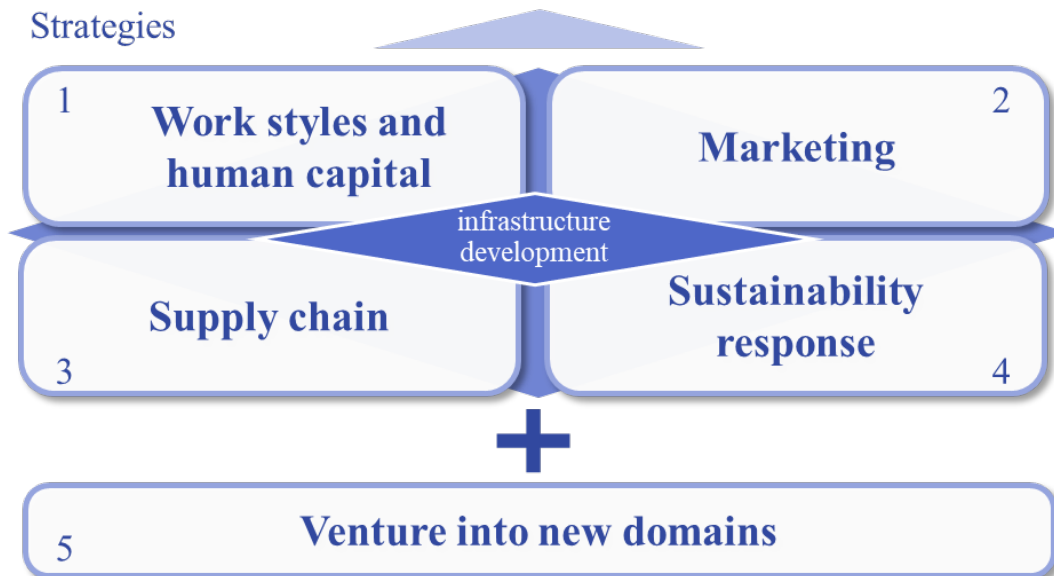
Tanseisha: Vision 2046

We continuously strive to be not only a group of professionals creating space for imaginations to grow, but a group of challengers to open up the possibilities of space and ourselves.

FY2024-FY2026 Medium-Term Management Plan

Goals
 (i) Lay foundation to move on to a growth trajectory
 (ii) Venture into new domains

Strategies



Financial/Non-financial targets

Revised financial targets for FYE Jan 2027

Consolidated net sales: ¥107.0 billion
 Consolidated operating profit margin: 7.5%
 Consolidated ROE: 14.7%
 Payout ratio: 50% or higher

Non-financial targets for FYE January 2027

Pleasure of working

Establish production system

Sustainability

Climate change response

Targets of the Medium-Term Management Plan (Overall targets including non-financial targets)

Financial/ Non- financial	Vision	KPI	Progress as of FYE January 2025	Targets for FYE January 2027
Financial	<ul style="list-style-type: none"> ● Enhance management and financial base ● Enhance shareholder returns 	Consolidated net sales	107.2 billion	107.0billion
		Consolidated operating profit margin	7.8%	7.5%
		Consolidated ROE	16.9%	14.7%
		Payout ratio	56.7%	Over 50%
Non- financial	Pleasure of working <ul style="list-style-type: none"> ● Ensure employees work with enthusiasm, feel fulfilled, and enjoy their work ● Rectify long working hours and streamline working time 	Engagement score (comprehensive evaluation of employee awareness surveys)	○ Steady progress made	Higher evaluation than the previous year
		Number of employees meeting internal standards for working hours	○ Steady progress made	Increase from the previous year
	Establish production system <ul style="list-style-type: none"> ● Ensure production capacity to achieve growth projections in the Medium-Term Management Plan and to support future growth 	Achievement of development of new partner companies	△ Progress made but some issues remain	100%
	Sustainability <ul style="list-style-type: none"> ● Enhance the Company's overall sustainability efforts and ensure they meet the requirements of society 	EcoVadis assessment	○ Improvement from previous assessment	Obtain Silver rank
		Percentage of female managers	○ Steady progress made	15% or higher
	Climate change response <ul style="list-style-type: none"> ● Establish calculation methods for greenhouse gas (GHG) emissions and launch concrete initiatives to reduce emissions 	Scopes 1+2 GHG emissions	○ Steady progress made	40% reduction from FY2021 levels

Targets of the Medium-Term Management Plan (Overall targets including non-financial targets)

Summary: Progress with respect to each target

Financial targets

- All targets (net sales, operating profit margin, ROE, etc.) have been achieved. We revised the final-year targets of the Medium-Term Management Plan.
- The following major factors contributed greatly to the achievement of the targets.
 - The Company was able to capture market changes and the strong demand
 - Steady progress has been made in construction for large-scale projects, including Expo 2025 Osaka, Kansai

Non-financial targets

- Measures and initiatives to achieve the final-year targets are underway, with steady improvement and progress being made.
- Regarding “pleasure of working,” the engagement score has significantly improved, reaching the highest score ever. Additionally, despite the progress made in streamlining working time, long working hours have not been eliminated in some cases.
- In terms of establishing the production system, efforts are being promoted to expand the number of partner companies and strengthen cooperation.
- As for sustainability, our EcoVadis score has improved. The percentage of female managers has also increased.
- Where addressing climate change is concerned, progress is being made in reducing greenhouse gas emissions.

Progress of the Medium-Term Management Plan (Strategies)

Strategy 1 Work style and human capital infrastructure development	Implement concrete and effective measures to rectify long working hours and further improve productivity. Increase efficiency by promoting the use of digital technologies such as BIM and generative AI. Strengthen investment in people and create environments that maximize the potential of human resources and drive results (DE&I initiatives, engagement enhancement and development of education system, etc.).	
	Results	<ul style="list-style-type: none"> • Improvement in long working hours compared to the previous year • Revise personnel evaluation systems and regulations to encourage actions aligned with our Values • Progress made in promotion of activities to penetrate our Purpose, etc. within the Group, strengthening recruitment, and implementing more sophisticated decision-making for orders accepted
	Challenges	<ul style="list-style-type: none"> • Implement further measures to rectify long working hours and improve productivity • Strengthen efforts to expedite the implementation of work style reforms

Strategy 2 Marketing infrastructure development	Stay close to clients and markets, accurately identify their needs, and implement solutions that address their issues. Reorganize business divisions to ensure they are more responsive to markets. Develop and establish a marketing system and framework, including digital marketing, and analyze the processes and actions that give rise to high value-added and high-quality services, in order to enhance reproducibility of results as well as increase competitiveness and profitability.	
	Results	<ul style="list-style-type: none"> • Closer cooperation between marketing division and business units, and stronger ability to respond to each market • Progress made in efforts to obtain WELL certification to create new offerings in the office market
	Challenges	<ul style="list-style-type: none"> • Further strengthen cooperation between business units and marketing division, and improve existing systems

Progress of the Medium-Term Management Plan (Strategies)

<p>Strategy 3</p> <p>Supply chain infrastructure development</p>	<p>Develop a partner company system to secure production capacity to achieve the growth projections presented in the MTMP and to support future growth. Streamline supply chains by sector and line of business, and systematically strengthen areas that are inadequate.</p> <p>Strengthen relationships with partner companies and create a system to facilitate cooperation on common issues such as work style reforms, BIM utilization, and sustainability.</p>	
	Results	<ul style="list-style-type: none"> • Stronger production system through a systematic increase in the number of partner companies • Progress made in new development initiatives to enhance the skills of designers and production staff • Formulate BIM and AI strategy, and regularly hold seminars to advance AI use.
	Challenges	<ul style="list-style-type: none"> • Review development plans of partner companies in light of market conditions • Review the order process and planning, and organize the data

<p>Strategy 4</p> <p>Sustainability infrastructure development</p>	<p>Respond to rapidly growing needs of clients by strategically creating and proposing sustainability-related products (solutions).</p> <p>Enhance sustainability efforts to meet the increasingly sophisticated requirements of society. Establish calculation scopes and methods for greenhouse gas emissions to address climate change. Reduce greenhouse gas emissions with a focus on energy-saving solutions and the use of renewable energy.</p>	
	Results	<ul style="list-style-type: none"> • Progress made in the formulation of sustainability policies and guidelines • More orders accepted for sustainability-related projects • Progress made in efforts to reduce greenhouse gas emissions
	Challenges	<ul style="list-style-type: none"> • Develop and strengthen systems to promote sustainability efforts • Ingrain and practice the formulated sustainable design guidelines

Progress of the Medium-Term Management Plan (Strategies)

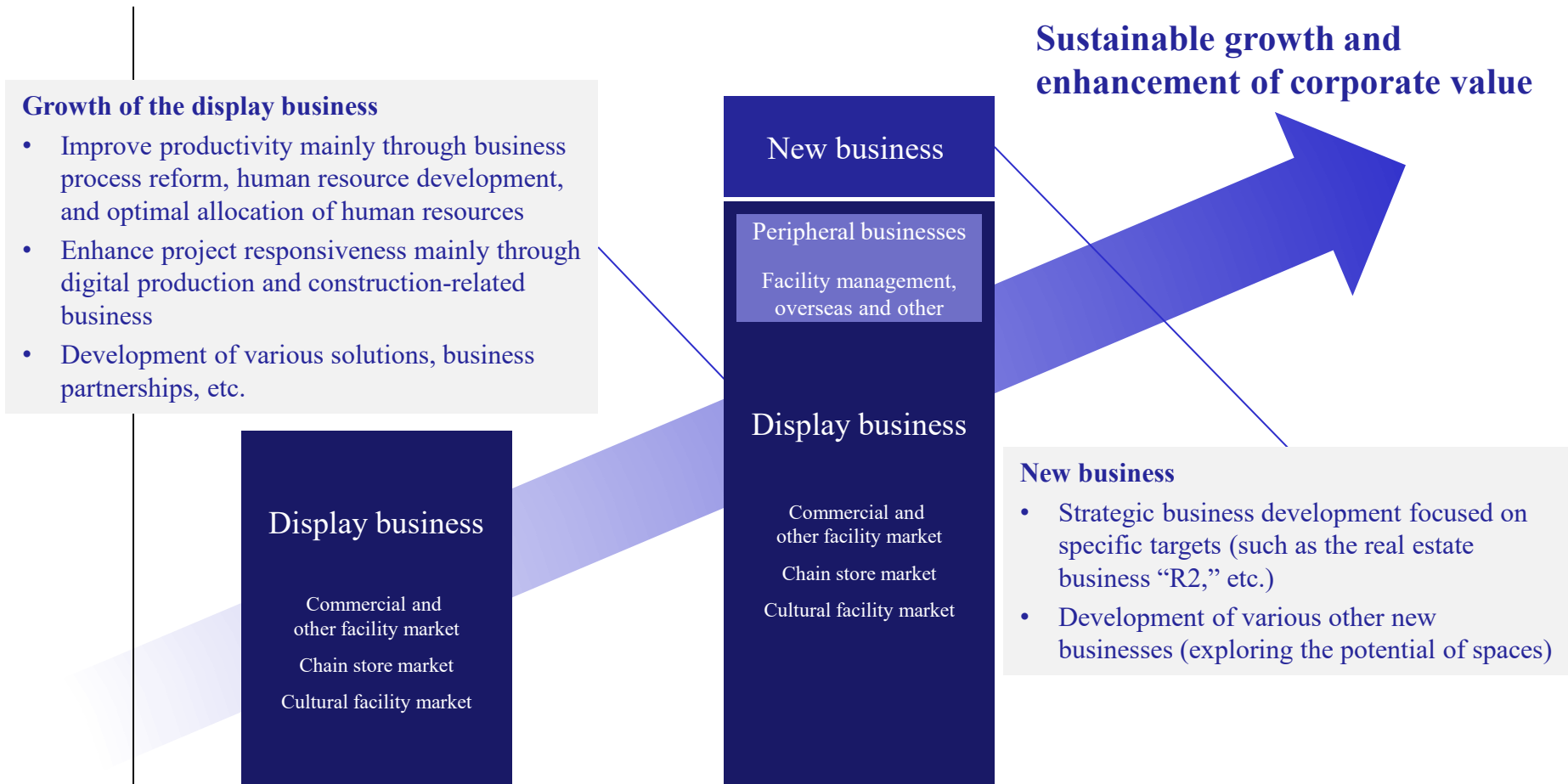
Strategy 5 Venture into new domains		<p>Build a system to develop and foster new businesses that will become the next pillars of the Company by leveraging the resources of the space creation business.</p> <p>Re-examine the current status of overseas initiatives and develop strategies and systems to achieve growth.</p>
	Results	<ul style="list-style-type: none">• Progress made in reviewing policies, systems, and processes related to new businesses, as well as in developing an environment conducive to new business development to some extent• Specific policies and plans for new businesses and overseas businesses
	Challenges	<ul style="list-style-type: none">• Establish mechanisms and internal systems to advance the particulars of new businesses development• Develop overseas partner companies and establish a framework for growth in overseas business

PART 3

(iii) Future Outlook and Our Growth Strategy

Growth and business strategies

- The display business is growing steadily amid a robust business environment.
- Through initiatives to develop and foster new businesses, we aim to achieve sustainable growth. (Enhancement of our business portfolio)
- Pursuing inter-business synergy, we aim to optimize our portfolio from a long-term perspective.



Outlook on market conditions/business environment

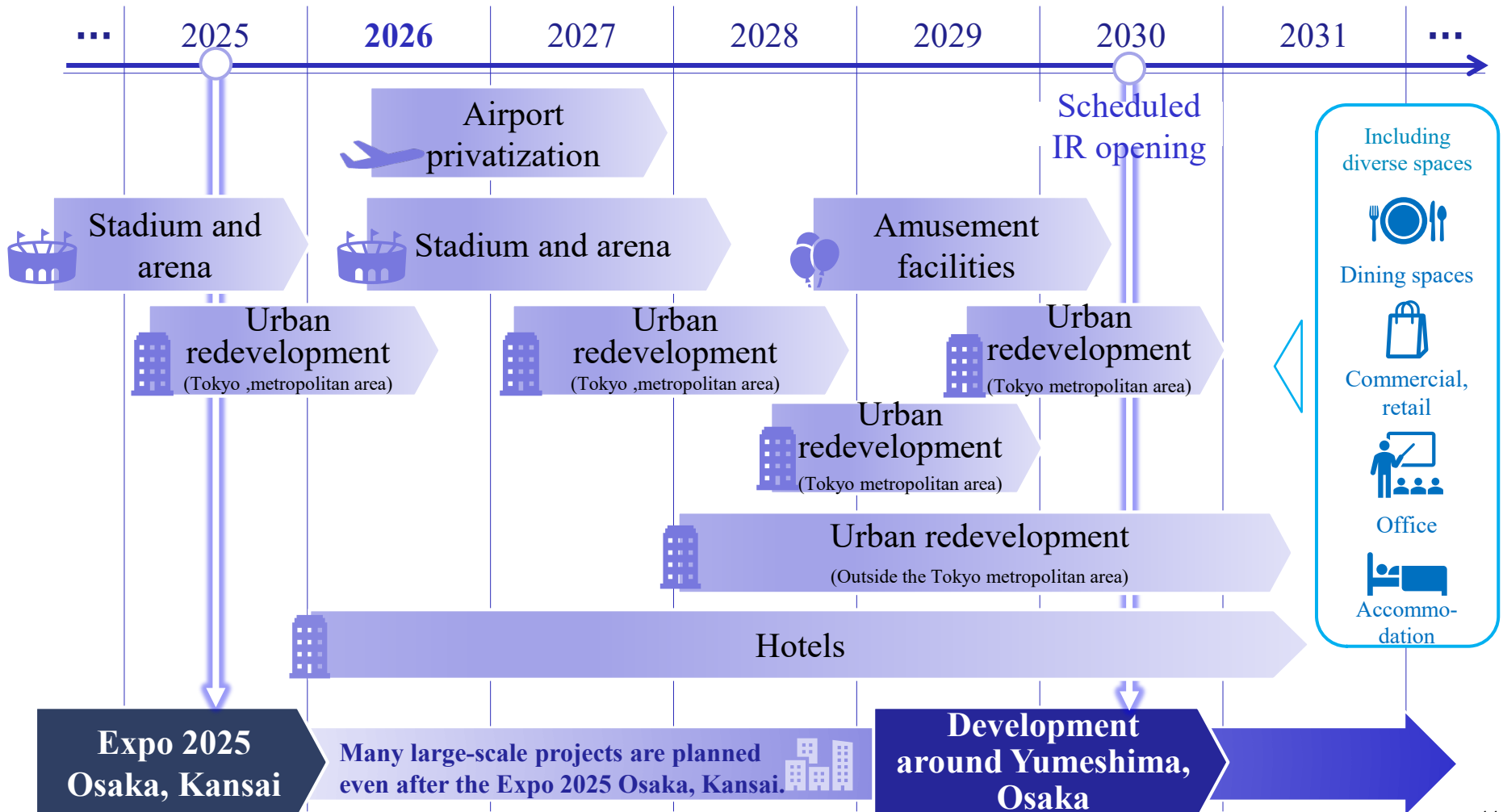
Recent demand for space creation has been stronger than expected, driven by the expansion of inbound tourism. Demand is expected to remain strong going forward. However, downside risks include concerns over deteriorating consumer sentiment due to persistently high prices, supply constraints due to severe labor shortages, slowdown in overseas economies, and rising international tensions (such as in Ukraine, the Middle East, and the U.S.-China conflict). There are also concerns that construction costs will remain high due to the soaring costs of resources and raw materials.

Segment	Sector	Environmental circumstances	Future outlook
Commercial and other facility market	Commercial sector (specialty stores, commercial complexes, etc.)	Store openings and capital investment are increasing. At the same time, there are concerns that some projects may be delayed, canceled, or reviewed due to soaring construction costs and other factors.	In the medium to long term, there are many redevelopment plans, and demand is expected to grow.
	Promotion sector (PR and sales promotion facilities, exhibitions and events, etc.)	Marked recovery in demand for exhibitions and events has been observed. Projects related to Expo 2025 Osaka, Kansai will also be completed and delivered in the near future.	In the medium to long term, growth in corporate promotional investment is expected, including plans for large-scale exhibitions.
	Service sector (entertainment, hotels, healthcare, offices, etc.)	<ul style="list-style-type: none"> ● For entertainment facilities, investment in theme parks and other facilities continues to be expected, while investment in IP content-related facilities remains strong. ● For hotels, investment has recovered along with the recovery of inbound tourism. ● Office relocation and remodeling projects are expected to persist. 	<ul style="list-style-type: none"> ● Investment in theme parks will persist. Investment is expected and demand will grow in the booming IP content market and in terms of plans for the new construction and remodeling of sports facilities. ● Demand for hotels will grow along with the expansion of inbound tourism. Growth potential is particularly large in the luxury segment. ● Investment in offices will persist in response to work style reforms and well-being initiatives.
Chain store market	Restaurants	Store openings and capital investment have increased. Investment is accelerating and is particularly strong in the food service industry. Demand for maintenance is also growing.	Investment in stores is expected to remain strong.
	Retail stores and other specialty stores, etc.		
Cultural facility market	Museums, art galleries, etc.	Demand for remodeling continues to be strong, and plans for national facilities are growing. At the same time, there are concerns that some projects may be delayed, canceled, or reviewed due to soaring construction costs and other factors.	Demand is expected to remain strong going forward, especially for renewal projects. PPPs and PFIs are expected to grow further as development methods.

*This outlook is based on current assumptions and may fluctuate due to uncertainties in the external environment, such as geopolitical risks and macroeconomic changes.

Market and business environment

- Demand for space creation is expected to remain steady, boosted by growing inbound tourism.
- In addition to growing investments in hotels, theme parks, sports facilities, many large-scale urban redevelopment projects are planned going forward. The Osaka Integrated Resort (IR) is scheduled to open in 2030.



Investment policy for realizing growth strategy

- We are formulating an investment plan to execute our growth strategy, with a total investment of approximately ¥10.0 billion planned during the current medium-term management plan period (from FYE Jan. 2026 to FYE Jan. 2027)
- Investment will continue in the next medium-term management plan period (plan’s details under consideration)

Investment plan

Current Medium-Term Management Plan
(cumulative from FYE Jan. 2026
to FYE Jan. 2027)



Next Medium-Term Management Plan
(cumulative from FYE Jan. 2028
to FYE Jan. 2030)

Growth investment

Business development
and product development

Capital and business
alliances

Investment in systems

¥5.0 billion

- New business development, product development related to digital initiatives, etc.
- Capital and business alliances with companies that contribute to business and product development
- Consideration of policies for overseas expansion
- Infrastructure development for BIM* utilization, data preparation, core system replacement, etc.

Human capital investment

¥2.0 billion

- Recruitment, employee education, improvement of employee benefits, etc. toward business growth

Supply chain infrastructure development

¥3.5 billion

- Improvement of business conditions with partner companies, etc.

Growth investment

Strengthening display
business

New business
development

- New product development
- Investment in BIM
- M&A, capital and business alliance, PFI and other investments
- Develop and foster new businesses
- Venture investment
- Overseas expansion

Human capital investment

- Improvement of employee benefits
- Strengthening recruitment, education and development
- Work style reform and improvement of engagement

Infrastructure investment

- Core system replacement
- Maintenance and improvement of various information systems, equipment, etc.

* The above forecast figures are approximate.

* BIM : Abbreviation for Building Information Modeling. A method of centrally managing building information using a 3D model.

Financial strategy: Medium- to long-term target B/S image (optimal capital structure)

- In building an optimal capital structure, we will conduct financial management with an awareness of balancing improved capital profitability and maintaining financial soundness.
- Our policy is to control net assets (equity) through proactive shareholder returns.

Image of the target balance sheet

Results of FYE Jan. 2025

- There was a tendency for net assets to accumulate due to earnings growth.

Cash on hand* ¥17.2 billion	Liabilities ¥20.8 billion
Total assets ¥54.2 billion	Net assets ¥33.4 billion
	Equity-to-asset ratio 61.6%

FYE Jan. 2027

Final year of the Medium-Term Management Plan

- Cash on hand is expected to decrease due to the abolition of notes payable, thereby contributing to a leaner B/S overall. (The equity-to-asset ratio is expected to show an upward trend)
- With an awareness of improving capital efficiency, we will continue the policy of proactive shareholder returns.

Cash on hand* ¥14.0 billion	Liabilities ¥16.0 billion
Total assets ¥52.0 billion	Net assets ¥36.0 billion
	Equity-to-asset ratio 69%

Ideal B/S for medium to long term

- Policy of utilizing interest-bearing liabilities for growth investment.
- Policy of controlling net assets (equity) through proactive shareholder returns.

Cash on hand*	Interest-bearing liabilities
	Use
Total assets	Liabilities
	Control
	Net assets

* Cash and deposits and securities

* The above forecast figures are approximate.

Financial strategy: Cash allocation

- To enhance corporate value, we will prioritize investments aimed at future growth and actively conduct shareholder returns

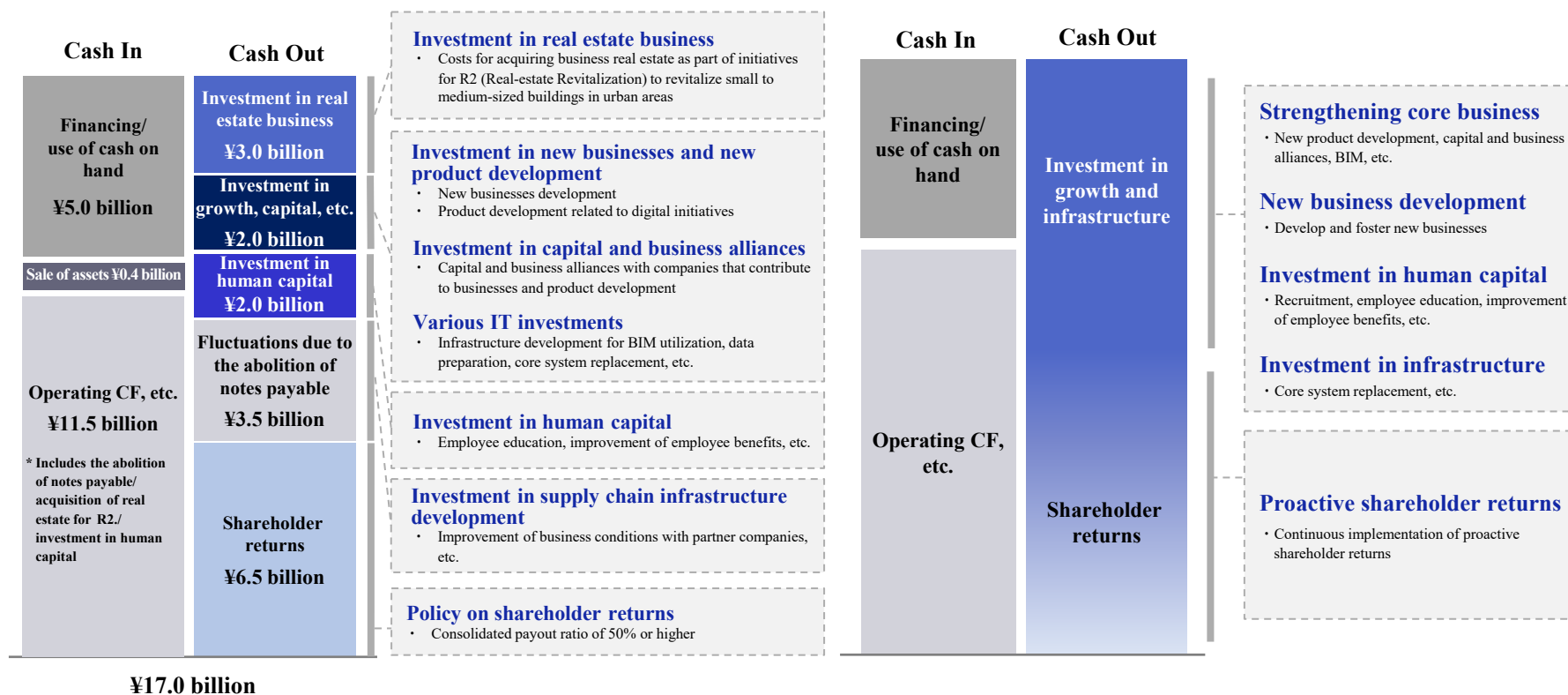
Cash allocation

Current Medium-Term Management Plan
(cumulative from FYE Jan. 2026
to FYE Jan. 2027)



Next Medium-Term Management Plan
(cumulative from FYE Jan. 2028
to FYE Jan. 2030)

For the next medium-term management plan, we will continue to consider shareholder returns with an awareness of both investments that lead to future growth and capital efficiency

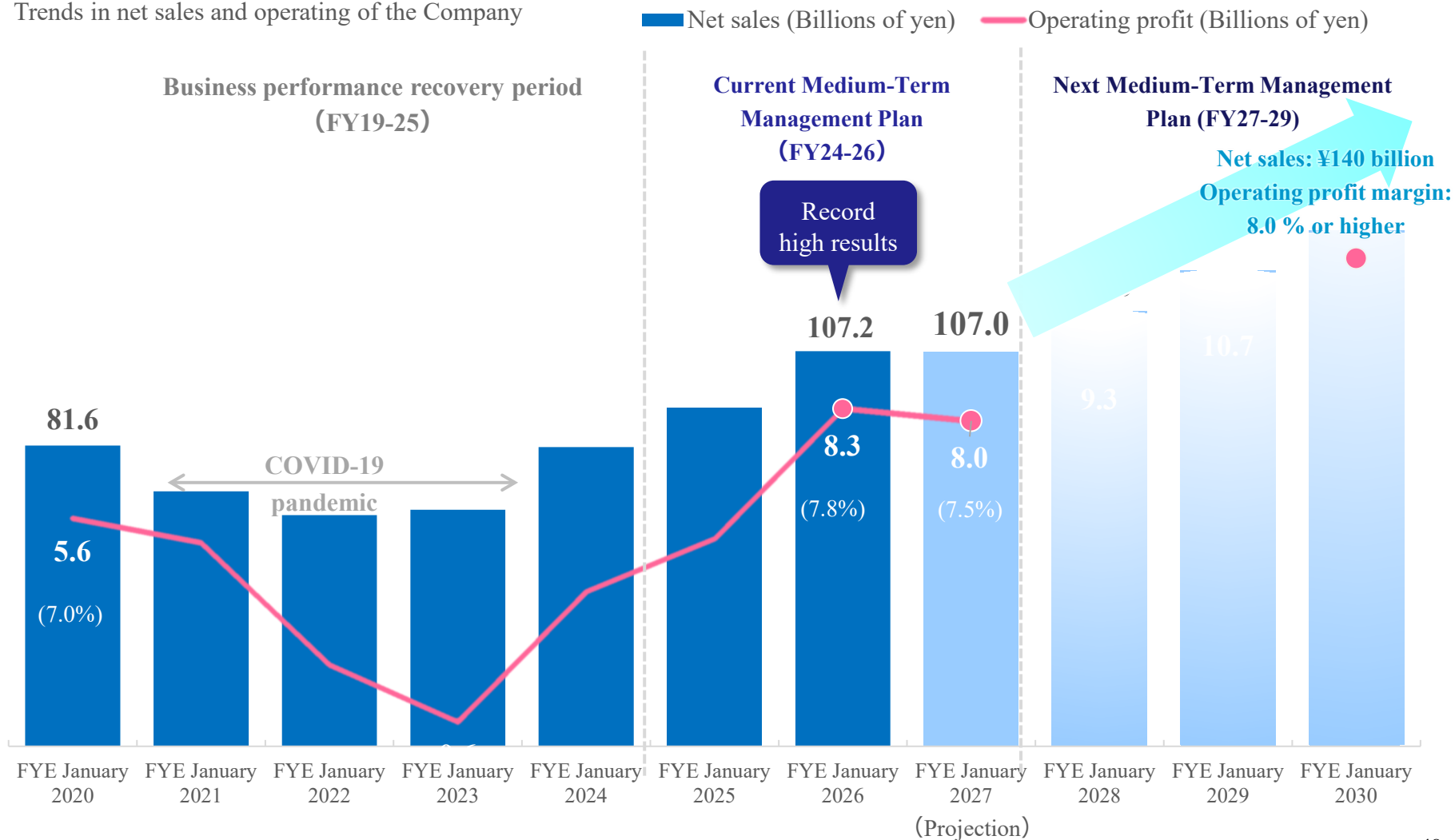


* The above forecast figures are approximate.

Growth image until the next Medium-Term Management Plan

- In FYE January 2026, both net sales and operating profit reached record highs, with net sales reaching the ¥100 billion range.
- For FYE January 2030, the Company aims for net sales of ¥140 billion, consolidated operating profit margin of 8.0% or higher, and ROE of 15% or higher.

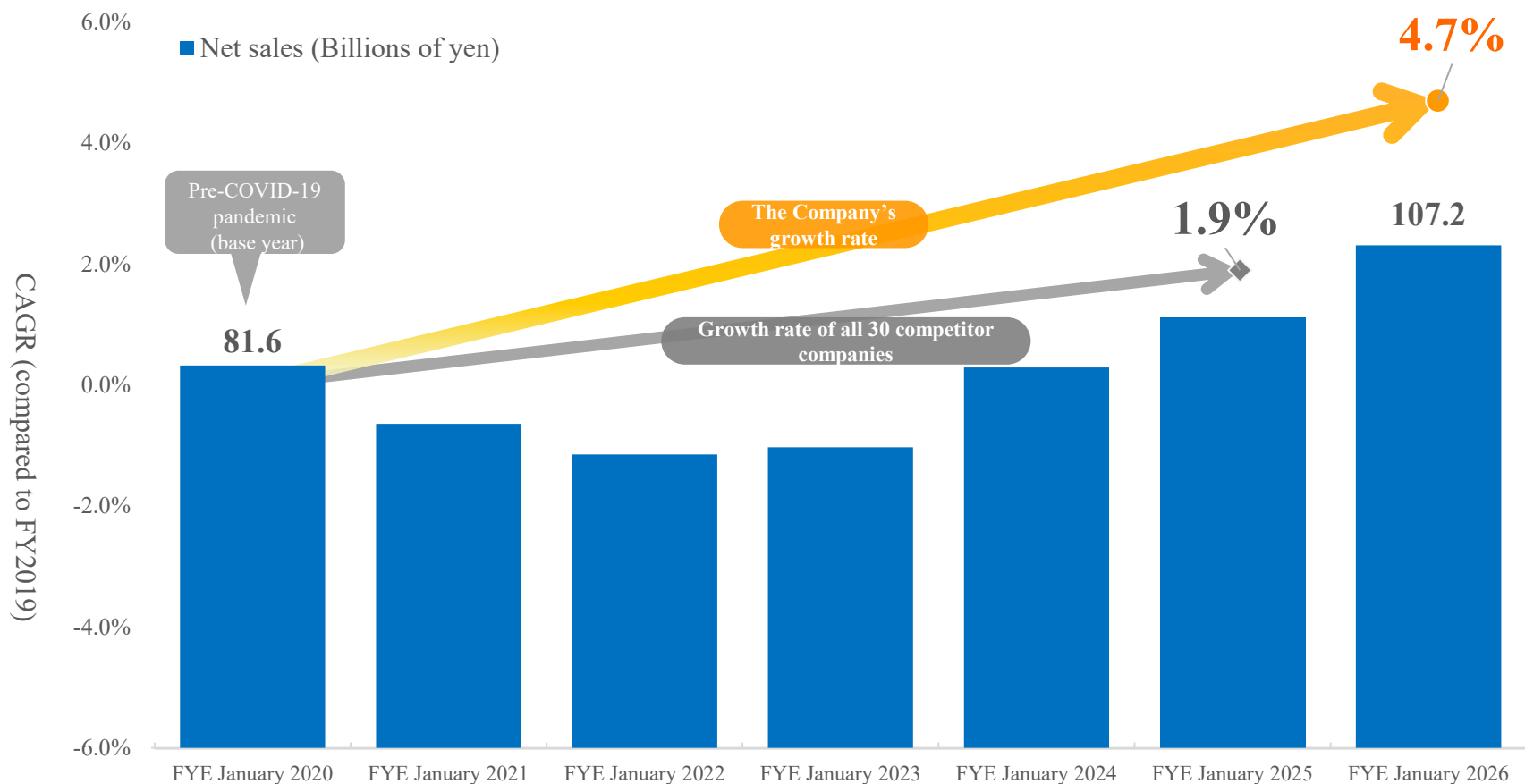
Trends in net sales and operating of the Company



Growth rate of the Company (Compared to FY2019)

- The total net sales for our 30 competitor companies (according to our research) expanded from FY2019 before the COVID-19 pandemic (approximately ¥860 billion) to FY2024 (approximately ¥940 billion). The compound annual growth rate (CAGR) of the overall display market is 1.9%, indicating a growth trajectory.
- In FYE January 2026, the Company achieved a CAGR of 4.7%, significantly outpacing the overall market growth rate and driving the market forward.

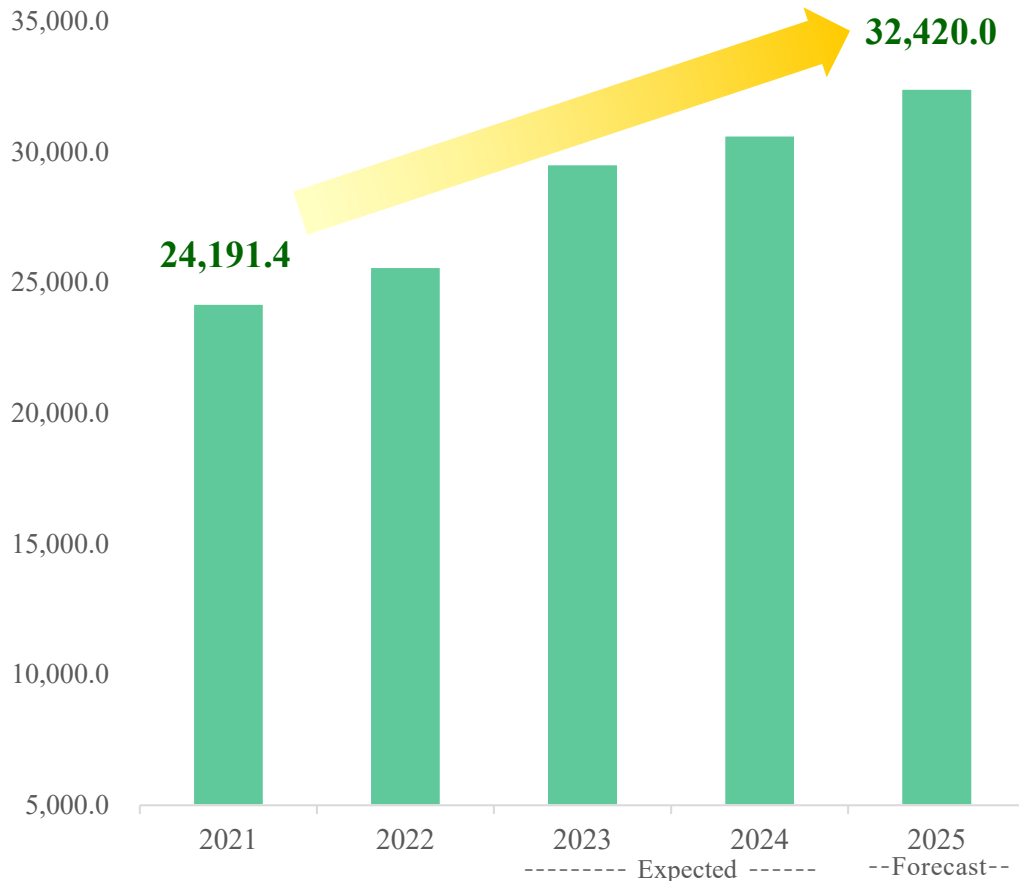
The Company's net sales and CAGR compared to FY2019 (FYE January 2020)



External environment: expansion of construction investment

Trends in construction investment amounts in Japan

- Total construction investment amount for “non-residential (commercial and cultural facilities, etc.)” and “building repairs (renovation and refurbishment)” (Billions of yen)



Expansion of construction investment

Regarding the construction investment amount for FY2025, “non-residential (commercial and cultural facilities, etc.)” and “building repairs (renovation and refurbishment)” account for ¥32.42 trillion, showing an increasing trend since FY2022. It is expected that strong investment appetite will continue as a macroeconomic environment.

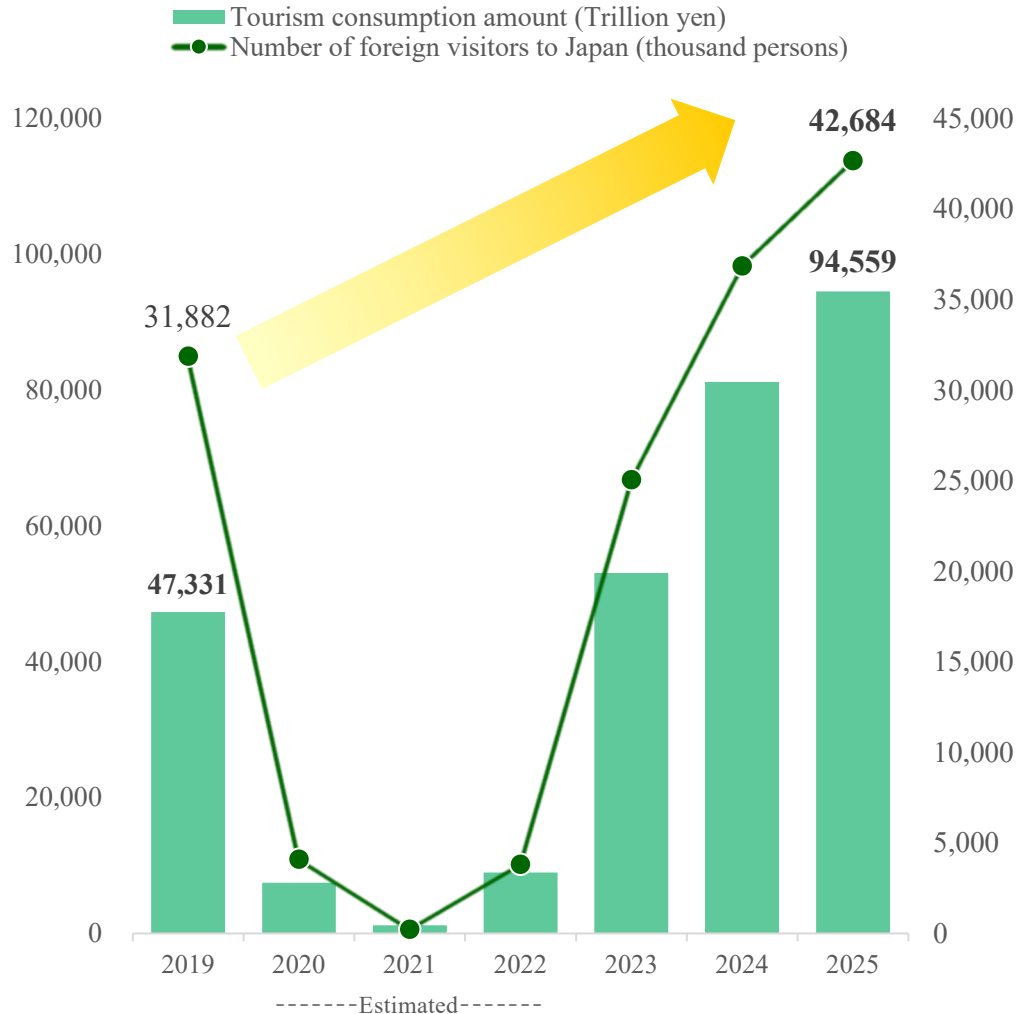
Positive impact on the Company’s business

It is expected that the shift from the “scrap-and-build” approach to “**value-increasing renovation investments**” that enhance the value of existing facilities will also progress. This is an area where the Company’s design capabilities and planning proposal skills, which enhance the added value of spaces, can be demonstrated, and it is anticipated to be a tailwind in achieving our goals.

Source: Created based on the “Construction Investment Forecast for Fiscal Year 2025” by the Policy Bureau of the Ministry of Land, Infrastructure, Transport and Tourism
Investment amount excluding “civil engineering” and “residential” from construction investment

External environment: Rapid expansion of inbound tourism demand

Trends in consumption amount from foreign tourists in Japan and the number of tourists



Inbound tourism demand

The number of foreign tourists in Japan in the calendar year 2025 is expected to reach 42.68 million (1.2 times compared to 2019), with further steady growth anticipated.

The consumption amount from foreign tourists in Japan in the calendar year 2025 is also expected to rapidly expand to a record high of ¥9.5 trillion (approximately 2.0 times compared to FY2019).

Positive impact on the Company's business

The rapid increase in inbound tourism is expected to **strongly boost the momentum for “space production and capital investment”** in accommodations, commercial complexes, and cultural and tourism facilities (such as museums), serving as a tailwind for the Company's business environment.

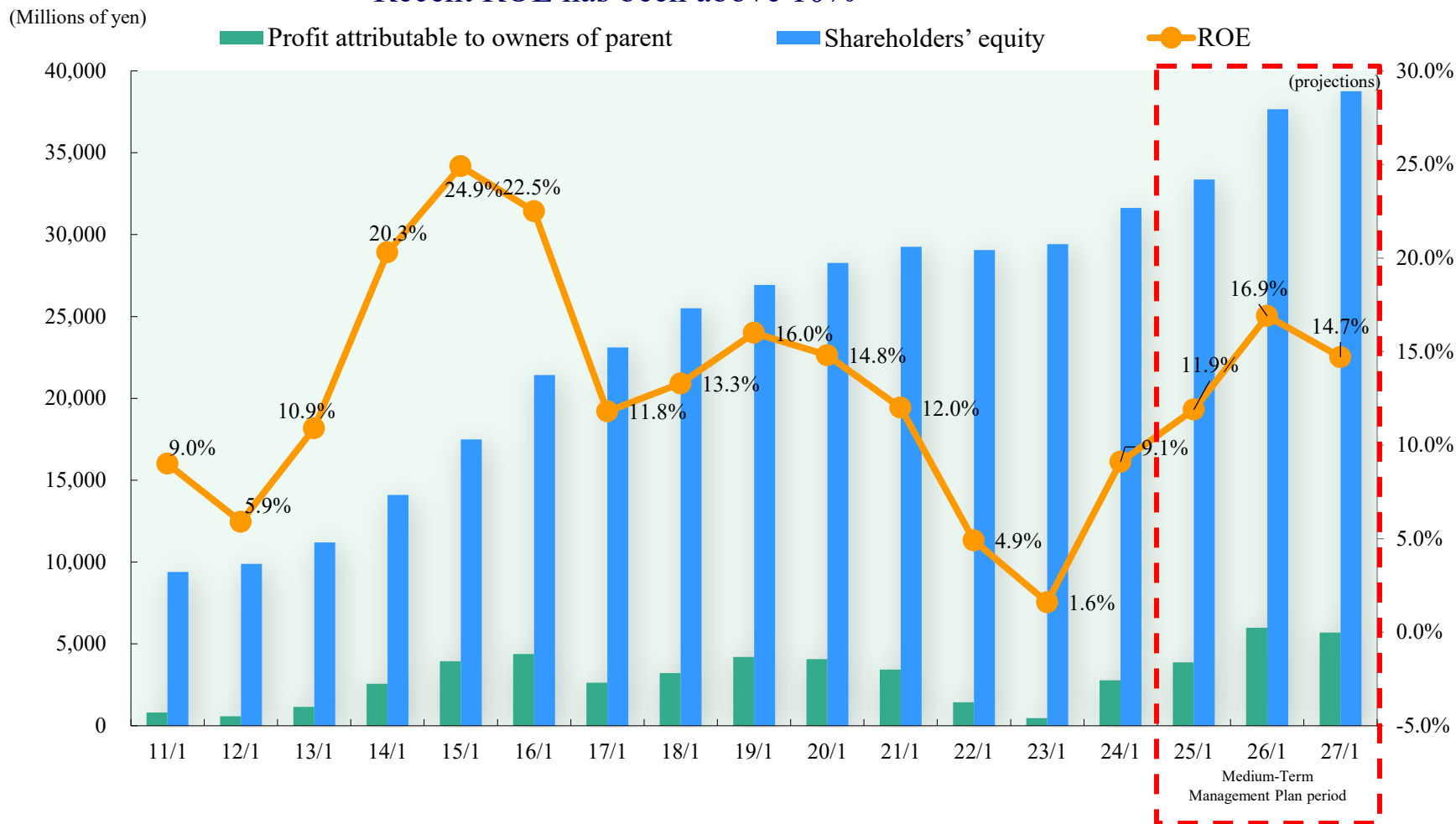
Source: Created based on the 2025 calendar year survey results (preliminary) from the Japan Tourism Agency's "Survey on Consumption Trends of Inbound Tourists" and the Japan National Tourism Organization's "Number of Visitors to Japan".

PART 4

ROE and Dividend Policy

Shareholders' equity and ROE

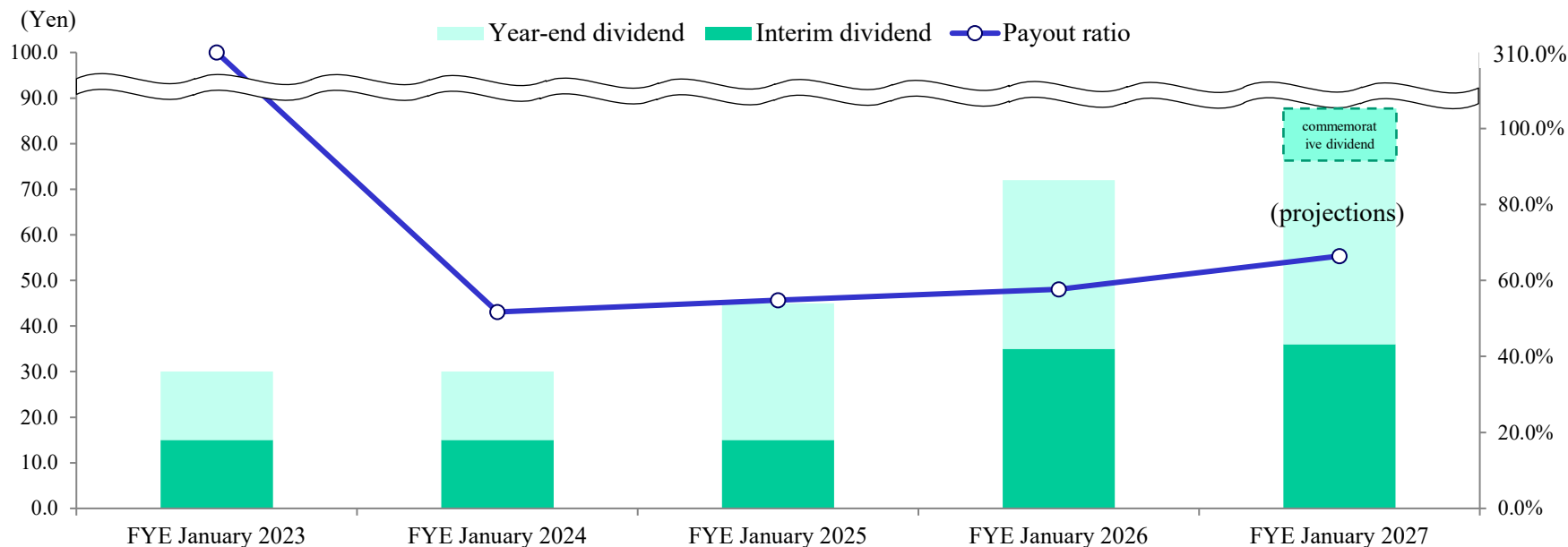
Current cost of shareholders' equity: Around 8%
Recent ROE has been above 10%



(Notes: From FYE January 2011 to FYE January 2015, profit attributable to owners of parent and ROE are higher due to lower tax expenses.
For FYE January 2016, profit attributable to owners of parent and ROE are higher due to extraordinary income from the sale of land at the site of the former head office.)

Policy on shareholder returns (FYE January 2026 projections)

- Target payout ratio of 50% or higher
- In the fiscal year ending January 2027, to commemorate the 80th anniversary of our founding, we plan to pay a special commemorative dividend of 8 yen per share at the end of the fiscal year.



	FYE January 2023	FYE January 2024	FYE January 2025	FYE January 2026	FYE January 2027 (projections)
Interim dividend (Yen)	15.00	15.00	15.00	35.00	36.00
Year-end dividend (Yen)	15.00	15.00	30.00	37.00	44.00 (Including a commemorative dividend of 8 yen)
Total dividends (Yen)	30.00	30.00	45.00	72.00	80.00
Consolidated payout ratio (%)	309.9	51.7	54.8	56.7	66.4
Total number of issued shares (Number of shares)	48,424,071	48,424,071	48,424,071	48,424,071	48,424,071

* As of December 12, 2025, we have revised our consolidated earnings forecast for the full fiscal year, as well as our dividend forecast. Please refer to the separately published "Notice Concerning Revisions to the Consolidated Earnings Forecasts for the Full Fiscal Year Ending January 31, 2026 and Revisions to the Dividend Forecasts."

* The record dates for the Company's dividends are July 31 for the interim dividend and January 31 for the year-end dividend.

Policy on shareholder returns

- We will implement proactive shareholder returns with an awareness of capital efficiency, taking into account performance trends and financial soundness

Results

Current dividend policy: payout ratio of 50% or higher

Current Medium-Term Management Plan

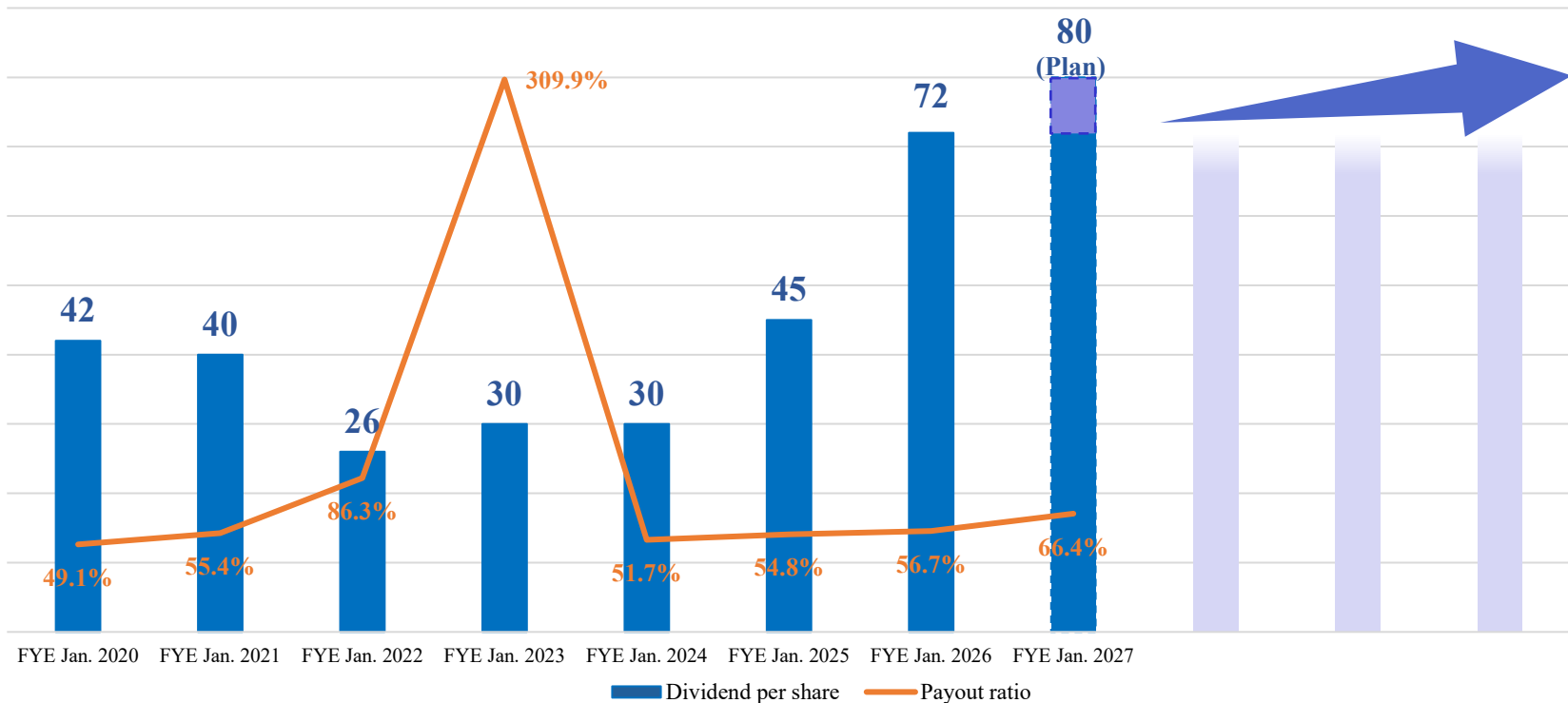
(from FYE Jan. 2026 to FYE Jan. 2027)

- Payout ratio of 50% or higher
- For the fiscal year ending January 2027, in addition to returning a similar amount to the previous year, a special dividend is planned to be paid to commemorate the 80th anniversary of the company's founding.

Next Medium-Term Management Plan

(from FYE Jan. 2028 to FYE Jan. 2030)

- Proactive provision of shareholder returns with an awareness of equity control
- Addition of DOE indicator to the dividend policy:
A minimum payout ratio of 50%, or a DOE of 8%, whichever is higher





かさねよう、いろいろ丹青



(Securities Code: 9743)

<https://www.tanseisha.co.jp/>

For IR-related inquiries, please contact: ir@tanseisha.co.jp