

SEMBA CORPORATION

6540

Tokyo Stock Exchange Standard Market

15-Oct.-2025

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FISCO Ltd.

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

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<https://www.semba1008.co.jp/en/ir.html>

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Summary

Net sales and operating income increased significantly in 1H FY12/25, driven by growth in the offices & leisure facilities, etc. field

SEMBA CORPORATION <6540> (hereafter, also “the Company”) is one of four major interior and spatial design companies in Japan. It has strong expertise in commercial facilities, with business covering extensive ground from specialty stores to large-scale stores and shopping centers. Over the past few years, it has also expanded its business scope to the field such as offices, medical, and nursing care facilities, schools, and airports infrastructure. In both areas, it features expertise in creating bustling places gained by creating commercial facilities and is viewed highly as a partner in success proposing ways of making the most of space to enhance its value and satisfy customers’ preferences. In recent years, it has adopted “Good Ethical Company” as its slogan, pursuing new added value with consideration for people, the global environment, society, and local communities. The Company was founded in 1947 and began business manufacturing and selling display cases in Osaka. During the post-war economic boom, it expanded its business to interior finishing construction for stores. After that, it widened its scope to suburban shopping centers, chain stores, large-scale commercial facilities, and so forth, accompanying the advance of motorization. In 1984, it established a base (already closed) in Hong Kong in step with overseas expansion by Japanese companies, embarking on business expansion in Asia. It now has bases in Taiwan, China (hereafter Shanghai), Singapore, Vietnam, and Malaysia. It has an extensive track record of business with major developers including the Aeon Group (representative project: AEON LakeTown in Koshigaya) and Mori Building Co., Ltd. (representative project: Azabudai Hills). It had 539 employees (at the end of 1H FY12/25). Many of them are engaged in design (about 40%) and supervision and construction management (about 30%). The Company listed on the Second Section of the Tokyo Stock Exchange (TSE) in 2016, was promoted to the First Section of the TSE in 2017 and transferred to the TSE Standard Market in 2022. In 2025, the Company has formed strategic alliances with industry leaders, Mercer Japan Ltd. (offices field enhancement), KOKUYO <7984> (offices field enhancement), and US-based Autodesk, Inc. (hereafter, Autodesk) (BIM* promotion).

| * BIM: Building Information Modeling. |

1. Business overview

The Company’s sole segment is the commercial environment creation business. However, it manages operations in three market areas: specialty stores, large-scale stores & commercial complexes, and offices & leisure facilities, etc. Specialty stores account for 30.4% of net sales, large-scale stores & commercial complexes for 42.2%, and offices & leisure facilities, etc. for 27.4%. Overseas business accounts for 10.9% of net sales (all figures for 1H FY12/25). The Company features expertise in creating bustling places gained by creating commercial facilities, and its capabilities in conception & design (design work) as well as construction are sources of strength. In recent years, it has been promoting BIM to raise operational efficiency and productivity and is an industry leader in BIM utilization. In particular, its use of 3D visualization has helped greatly to accelerate consensus building, deepening understanding with stakeholders and saving time to bring about more time for creative work. The percentage of its personnel with basic skills in BIM rose to 76% in FY12/24.

Summary

2. Results trends

In 1H FY12/25 consolidated results, net sales rose 40.6% year on year (YoY) to ¥15,727mn and operating income grew a strong 183.2% to ¥1,186mn. The Company achieved strong sales and income growth. Net sales growth was driven by increases in sales of ¥1,901mn in the focus field, offices & leisure facilities, etc., and ¥1,335mn in the core large-scale stores & commercial complexes field. Performance was supported by multiple factors, including domestic renovation projects for major commercial complexes and department stores, strategic sales initiatives driving order growth in office and leisure facilities (hotel-related), and ongoing contributions from infrastructure projects (airport-related) initiated in the previous year. Gross profit rose 45.1% YoY, reflecting increases in sales and the gross profit margin (up 0.6 percentage points (pp) YoY to 19.6%). The provision of high added-value, ongoing reduction of construction costs, and operational efficiency gains and improvements achieved through the promotion of DX contributed to higher profitability. SG&A expenses rose 11.3% YoY, showing relatively restrained growth despite an increase in personnel costs mainly driven by an increase in personnel and base salary increases. As a result, operating income increased sharply.

For FY12/25 consolidated results, the Company forecasts net sales growth of 10.5% YoY to ¥32,000mn and operating income growth of 9.5% to ¥2,100mn backed by robust demand. The order backlog was ¥8,111mn at the end of 1H FY12/25, greatly exceeding the sales target of 40% of planned 2H net sales. The Company plans to maintain profitability on par with the strong results in the previous fiscal year when operating income grew, and the operating income margin was 6.6% (it was also 6.6% in the fiscal year before that). The 1H progress rate toward the full-year operating income target reached 56.5% (21.8% in the same period of the previous fiscal year), suggesting steady progress balanced across both 1H and 2H. At FISCO, we think there is also upside potential to earnings partly since the Company's net sales and profit targets look somewhat conservative, given the thriving spatial design industry, growth in repeat customers (fans) driven by past accomplishments, etc., and order volume and project progress proceeding as expected.

3. Growth strategy and topics

The Company has positioned the offices and overseas business fields as key pillars of its growth strategy and has pursued large-scale partnerships in line with this strategy. In July 2025, the Company entered into a business alliance with KOKUYO as a spatial design partner in alignment with its domestic and global growth strategies. Through this alliance, the Company aims to respond to the increasingly sophisticated and diverse needs of office spaces swiftly and flexibly. Leveraging the complementary global networks and expertise of both companies, this alliance seeks to offer one-stop furniture (KOKUYO) and construction (SEMBA) solutions, with a focus on expanding services across key Asian regions. The companies expect to drive stronger sales growth in overseas markets through cross-selling synergies between the furniture and construction segments, and to drive stronger alignment based around the core competencies of both companies in the domestic market. In May 2025, the Company partnered with Mercer Japan, one of the world's leading organizational and human capital consulting firms, to deliver transformation services that integrate spatial design and talent development perspectives tailored to global companies. Mercer Japan provides organizational and human resource management consulting services leveraging data obtained through surveys designed from employee data collected from over 53 million individuals, across 12,000 companies, and 153 countries. These surveys are set to analyze engagement from a leadership, corporate culture, communication, and work environment perspective. The Company provides fully integrated workspace services, encompassing planning, design, and construction, informed by survey data and aligned with management goals.

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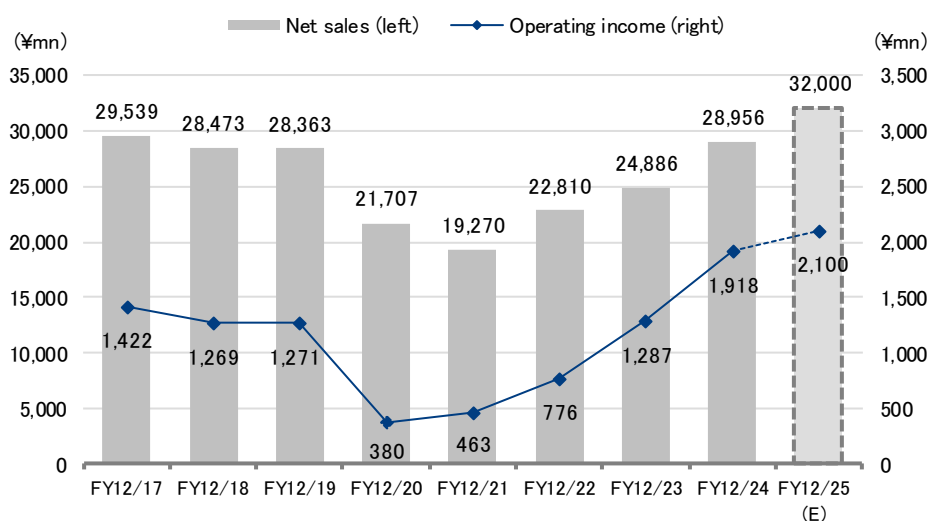
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Summary

Key Points

- Delivers strong customer satisfaction with expertise in creating bustling places gained from creating commercial facilities. Strengths in utilizing digital technologies and capabilities in conception & design as well as construction
- Net sales and operating income increased significantly in 1H FY12/25, driven by growth in the offices & leisure facilities, etc. field promoting strategic sales activities
- For FY12/25, forecasts growth in net sales to ¥32.0bn and operating income to ¥2.1bn. Robust order trends and consistent progress point to the potential for upward revision to earnings forecasts
- As part of its strategic initiatives to strengthen the offices field, expand overseas operations, and accelerate BIM adoption, the Company has secured key partnerships with Mercer Japan, KOKUYO, and Autodesk

Results trends



Source: Prepared by FISCO from the Company's financial results

Company profile

Pursuing new added value as a “Good Ethical Company”

1. Company profile and history

SEMBA is one of four major interior and spatial design companies in Japan. It has strong expertise in commercial facilities, with business covering extensive ground from specialty stores to large-scale stores and shopping centers. Over the past few years, it has also expanded its business scope to the field such as offices, medical, and nursing care facilities, schools, and airports infrastructure. In both areas, it features expertise in creating bustling places gained by creating commercial facilities and is viewed highly as a partner in success proposing ways of making the most of space to enhance its value and satisfy customers' preferences. In recent years, it has adopted “Good Ethical Company” as its slogan, pursuing new added value with consideration for people, the global environment, society, and local communities.

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Company profile

The Company was founded in 1947 and began business manufacturing and selling display cases in Osaka. During the post-war economic boom, it expanded its business to interior finishing construction for stores. After that, it widened its scope to suburban shopping centers, chain stores, large-scale commercial facilities and so forth accompanying the advance of motorization. In 1984, it established a base (already closed) in Hong Kong in step with overseas expansion by Japanese companies, embarking on business expansion in Asia. It now has bases in Taiwan, Shanghai, Singapore, Vietnam, and Malaysia. It has a track record of business with major developers including the Aeon Group (representative project: AEON LakeTown in Koshigaya) and Mori Building (representative project: Azabudai Hills). It had 539 employees (at the end of 1H FY12/25). Many of them are engaged in design (about 40%) and supervision and construction management (about 30%). The Company listed on the Second Section of the TSE in 2016, was promoted to the First Section of the TSE in 2017 and transferred to the TSE Standard Market in 2022.

History

Date	Outline
July 1947	Founder Shiro Kuriyama opened Kuriyama Display Case Shop to sell showcases and display fixtures (Higashi-ku, Osaka City)
February 1962	Semba Window Co., Ltd. (now SEMBA CORPORATION) established in Nihonbashi Kodenmacho, Chuo-ku, Tokyo
December 1967	Osaka Design Office (now Kansai Branch Office) opened
February 1968	Semba Window Co., Ltd. renamed SEMBA CORPORATION, head office relocated to Yaesu, Tokyo
September 1968	Tempo Sobi Co., Ltd. established
March 1971	Sapporo Sales Office (now Hokkaido Branch Office) opened
January 1974	Sendai Branch Office (now Tohoku Branch Office) opened
April 1974	Fukuoka Design Office (now Kyushu Branch Office) opened
June 1974	Tempo Sobi Co., Ltd. renamed Semba Sobi Industry Co., Ltd.
September 1980	Nagoya Branch Office (now Chubu Branch Office) opened
August 1984	Hong Kong Semba Ltd. established (now closed)
January 1985	Semba Sobi Industry Co., Ltd. renamed Sobi Kogyo Co., Ltd.
November 1987	TAIWAN SEMBA CO., LTD. established (now a consolidated subsidiary)
July 1989	Sobi Kogyo Co., Ltd. renamed Sobi Corporation (now a consolidated subsidiary)
April 1990	SEMBA SINGAPORE PTE. LTD. established (now a consolidated subsidiary)
November 1991	SEMBA's Izumo Industrial Complex (now Sobi Corporation's Izumo Factory) completed
April 2005	Nonscale Corporation established
September 2006	SEMBA (SHANGHAI) CO., LTD. established (now a consolidated subsidiary)
March 2013	SEMBA VIETNAM CO., LTD. established (now a consolidated subsidiary)
May 2013	Nonscale Corporation Taipei Office established
December 2016	Listed on Second Section of TSE
December 2017	Reassigned to First Section of TSE
April 2019	SEMBA MALAYSIA DESIGN & CONSTRUCTION SDN. BHD. established
April 2022	Transferred to TSE Standard Market

Source: Prepared by FISCO from the Company's annual securities reports

2. Business description

SEMBA's sole segment is the commercial environment creation business. However, it manages operations in three market fields: specialty stores, large-scale stores & commercial complexes, and offices & leisure facilities, etc. Specialty stores account for 30.4% of net sales, large-scale stores & commercial complexes for 42.2%, and offices & leisure facilities, etc. for 27.4%. Overseas business accounts for 10.9% of net sales (all shares of net sales are for 1H FY12/25).

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Company profile

Overview of market fields

Field	Overview	Share of net sales (1H FY12/25)
Specialty stores	Specialty goods stores, restaurants, specialty service stores, etc.	30.4%
Large-scale stores & commercial complexes	Department stores, mass-market retail shops, commercial buildings, shopping centers, etc.	42.2%
Offices & leisure facilities, etc.	Offices, showrooms, hotels, infrastructure facilities, educational facilities, etc.	27.4%
Companywide total		100.0%
Reference) Overseas business	Interior and spatial design business overseas mainly in Asia	10.9%

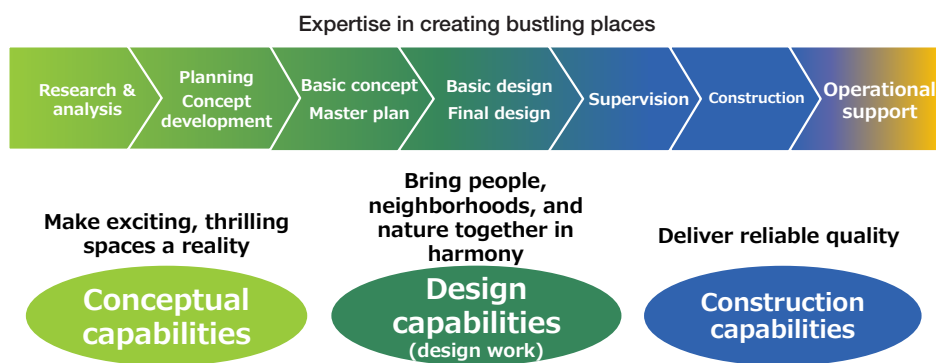
Source: Prepared by FISCO from the Company's annual securities reports, etc.

Business overview

Raising customer satisfaction with expertise in creating bustling places. Strengths in utilizing conceptual, design, and construction capabilities, as well as DX technology

1. Business fields and strengths

With a focus on commercial facilities, SEMBA is capable of undertaking the entire interior design process in an integrated fashion. Although its mainstays are design, supervision, and construction, it also provides services prior to that such as marketing research and analysis, planning and concept development, and basic concept and master planning. In addition, it provides post-construction services including repairs and operational support. It features expertise in creating bustling places gained by creating commercial facilities, and its capabilities in conception and design (design work) as well as construction are sources of strength.



Source: The Company's results briefing materials

2. Spatial design market trends

The spatial design market consists of two core domains, event/exhibition-related applications and architectural interior solutions. The Company's primary focus is on the field of architectural interior solutions. Key growth drivers include renovation projects aimed elevating brand presence and foot traffic in hotels and global retail spaces, workplace transformation efforts to improve workplace environments, and, most recently, major events such as EXPO 2025 Osaka, Kansai, Japan.

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Business overview

3. Productivity improvement through the promotion of BIM

In recent years, the Company has been promoting BIM to raise operational efficiency and productivity and is an industry leader in BIM utilization. In particular, its use of 3D visualization has helped greatly to accelerate consensus building, deepening understanding with stakeholders and saving time to bring about more time for creative work. The percentage of its personnel with basic skills in BIM reached 76% in FY12/24. In August 2025, the Company entered into a memorandum of understanding (MOU) of strategic partnership with Autodesk, a global leader in the BIM domain. Through the development of a Common Data Environment (CDE) and deployment of educational content, the partnership seeks to accelerate DX promotion and BIM adoption in the interior design industry.

4. Specialty stores field

The specialty stores field covers specialty goods stores, restaurants, specialty service stores, etc. Clients are mainly chain stores, but projects are small in scale. Although the Company initially focused on apparel and other retail shops in this field with a long history, it now also has significant business in the services and food and beverage industries. Projects last about three months. Earnings declined during the Covid-19 pandemic, but gradually picked up thereafter. While growth is trending upward, its upward curve is less pronounced relative to other fields. A recent example is the “TULLY’S COFFEE & TEA Toranomon Hills” store, a concept store blending café culture with chocolate and rose motifs. The Company was responsible for the shared environmental design, interior design, and planning, as well as production and construction.

TULLY’S COFFEE & TEA Toranomon Hills

TULLY’S COFFEE has opened its first collaborative concept store in partnership with Belgian chocolate house BENOIT NIHANT and premium rose specialist ROSE GALLERY. The Company led the design, planning, and construction of the TULLY’S and BENOIT NIHANT sections, and the customer seating space that connects to the two sections. It also provided design oversight for the ROSE GALLERY section. By incorporating greenery and natural wood textures into the spatial design, the environment was curated to allow visitors to relax while navigating the space intuitively.



Location: Minato-ku, Tokyo

Clients: Tully’s Coffee Japan Co., Ltd., Kaneka Corporation, Japan Flower Group, Inc.

Work handled: Shared space environment design, interior design, production/construction

Source: The Company’s results briefing materials

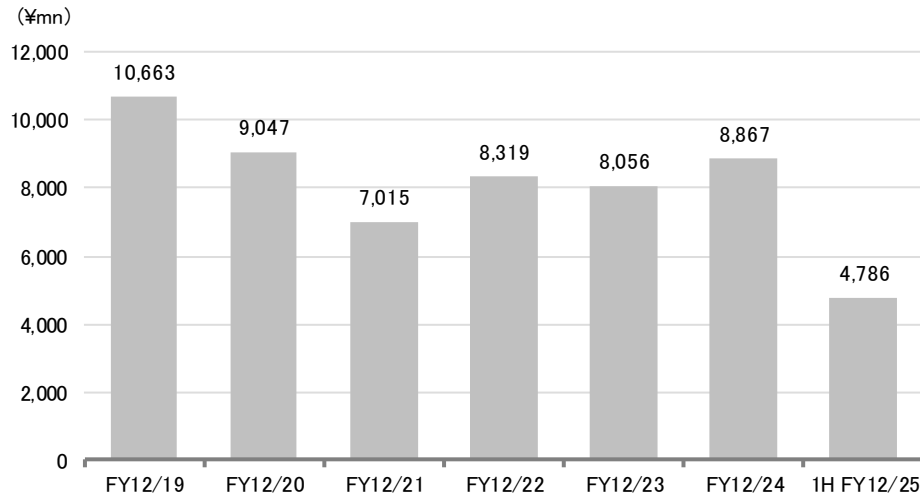
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Business overview

Specialty stores field: Net sales trends

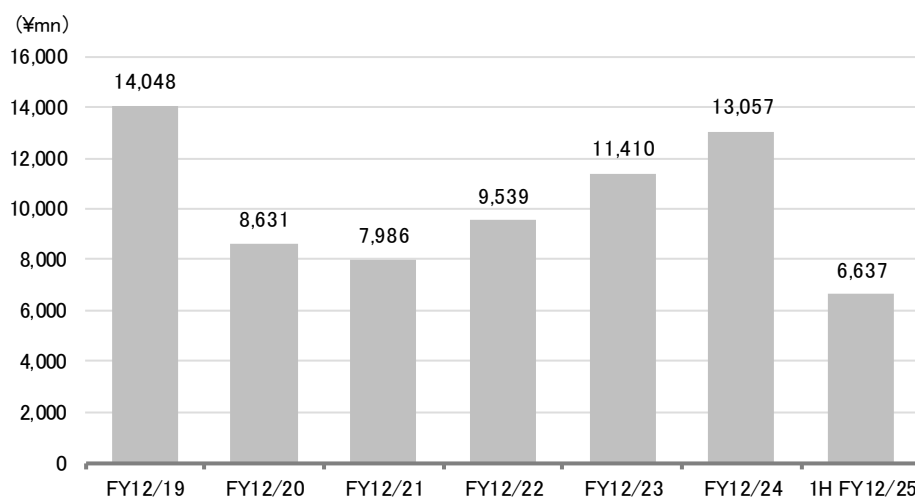


Source: Prepared by FISCO from the Company's results briefing materials

5. Large-scale stores & commercial complexes field

The large-scale stores & commercial complexes field covers department stores, mass-market retail shops, commercial buildings, and shopping centers, and accounts for the largest share of the Company's net sales. Earnings slumped during the Covid-19 pandemic, but have been on a V-shaped recovery since FY12/22, with sharp sales growth continuing in the latest fiscal year amid a trend towards larger projects. In this field, the Company also has a lot of business with the AEON Group, and net sales reached ¥6,213mn (FY12/24). Large-scale projects take from six months to one year. As an example in the past few years, the Company handled the final design and construction work for Grand Hammer (spotlighted facility that opened in front of Shimbashi SL Square in Minato-ku, Tokyo).

Large-scale stores & commercial complexes field: Net sales trends



Source: Prepared by FISCO from the Company's results briefing materials

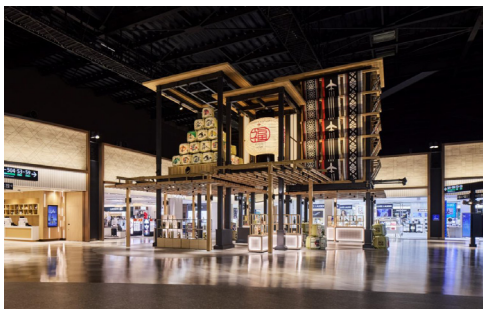
Business overview

6. Offices & leisure facilities, etc. field

The offices & leisure facilities, etc. field covers offices, showrooms, hotels, infrastructure facilities, and educational facilities. Commercial facility market development accelerated following the Covid-19 pandemic slump. For offices and showrooms, continued market growth looks promising as there is strong demand for improving working environments amid worsening labor shortages. For wellbeing and hospitality, strong demand is anticipated on tailwinds from the aging of society and remodeling of airports and other infrastructure facilities due to heightened inbound demand. For educational facilities, there are opportunities in renovation to address aging facilities and make facilities more attractive to acquire students. The Company also handles projects for leisure facilities such as clubhouse at golf courses. As an example of its office-related work in the latest fiscal year, it handled the final design and production & construction works for Mitsui Chemicals, Inc.'s <4183> Creation Palette YAE® co-creation space. In social infrastructure, the Company undertook the interior design, planning, production, and construction of key zones within Fukuoka International Airport, including premium lounges, airline lounges, the North concourse, food hall, and duty-free area. Drawing inspiration from Fukuoka's vibrant heritage, such as Nakasu's streetscape, yatai food stalls, and festive parade floats, the space was designed to captivate visitors and elevate the airport as a destination itself.

Fukuoka International Airport duty-free area

With a significantly expanded international terminal that has been transformed through bold spatial design, the Company has redefined the airport as a memorable destination for travelers from around the world. The project sought to foster cultural preservation and inspire future development by highlighting Fukuoka's cultural appeal and traditional crafts. By incorporating iconic elements such as Nakasu's streetscape, yatai food stalls, and festive parade floats, the design recreates the dynamic cityscape of Fukuoka. The space was crafted to allow visitors to savor Fukuoka's atmosphere right through to their final moments of their stay.



Location: Fukuoka City, Fukuoka Prefecture
Client: Fukuoka International Airport Co., Ltd.
Work handled: Interior design, shared space environment design, interior supervision, production/construction
Photo: © Nacasa & Partners Inc. FUTA Moriishi

Source: The Company's results briefing materials

Sales trends in offices & leisure facilities, etc.

							(¥mn)
	FY12/19	FY12/20	FY12/21	FY12/22	FY12/23	FY12/24	YoY Change
Offices & leisure facilities, etc. total	3,651	4,028	4,268	4,952	5,420	7,031	1,611
Offices & showrooms	-	-	-	1,840	3,292	3,976	684
Wellbeing & hospitality	-	-	-	1,818	1,594	2,259	665
Educational	-	-	-	639	365	350	-15
Public, etc.	-	-	-	653	167	445	278

Source: Prepared by FISCO from the Company's results briefing materials

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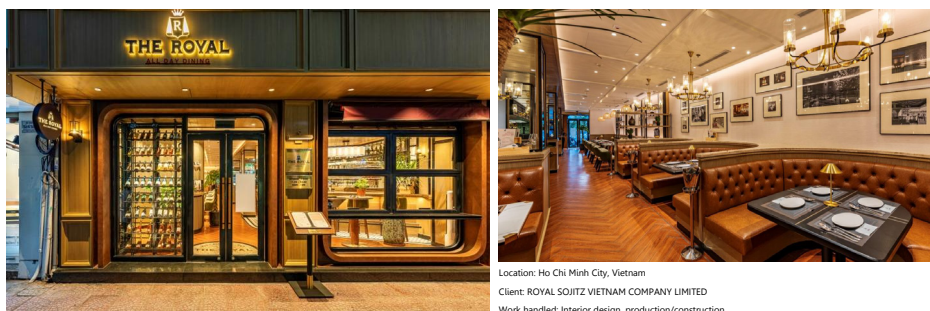
Business overview

7. Overseas business

Since embarking on overseas business in Hong Kong in the 1980s, the Company has established a track record of business in Asia. Although orders fluctuate each year, earnings have been steadily expanded. With regard to net sales by country in FY12/24, Taiwan accounted for the largest share at ¥2,548mn, followed by Vietnam (¥410mn), Shanghai (¥401mn), and Singapore (¥300mn). The Company has fundamentally expanded business overseas in step with Japanese companies hitherto, but looks to develop business with local companies as well moving forward. A recent example includes “THE ROYAL Vietnam Ho Chi Minh,” the Company’s Western-style restaurant in Vietnam. In July 2025, the Company entered into a strategic business alliance with KOKUYO in pursuit of global growth opportunities.

THE ROYAL Vietnam, Ho Chi Minh

In recreating “THE ROYAL”, the origin of Royal Host, in Ho Chi Minh City, Vietnam, the Company blended the nostalgic charm of Japanese-style Western dining with tropical touches to produce a resort-inspired ambiance. The interior design incorporates authentic wood and stone materials where possible to evoke a refined and premium atmosphere. Furthermore, all chairs and tables are custom-made, with meticulous attention paid down to the finest detail.



Location: Ho Chi Minh City, Vietnam
Client: ROYAL SOJITZ VIETNAM COMPANY LIMITED
Work handled: Interior design, production/construction

Source: The Company’s results briefing materials

8. KPIs

Under its previous medium-term management plan, the Company advanced environmental, digital transformation (DX), overseas development, and other initiatives, and monitored key performance indicators (KPIs). On the environmental front, it is making solid progress with the percentage of waste recycled at 94% in FY12/24 (86% in FY12/21) and the percentage of ethical material use at 49% (23% in FY12/23). In DX initiatives, it succeeded in significantly strengthening the percentage of its personnel with basic skills in BIM to 76% (38% in FY12/21). Also, overseas net sales are on an uptrend at ¥3.5bn (¥2.9bn in FY12/21).

9. Benchmarks in the spatial design industry

The Company’s earnings are on par with three relatively large companies in the spatial design industry. Its return on equity (ROE), an indicator of profitability and efficiency, is among the highest in the industry, and its shareholders’ equity ratio, an indicator of stability, is in line with industry peers due to debt-free operations. It is also close to the leader in terms of growth potential, at the upper 10% level.

Results comparison for spatial design industry

Industry companies	Profitability & efficiency (ROE)	Stability (shareholders’ equity ratio)	Growth potential (latest fiscal year/fiscal year before that)
NOMURA <9716>	12.9%	53.0%	12.0%
TANSEISHA <9743>	11.9%	61.6%	13.1%
SPACE <9622>	8.1%	79.6%	21.6%
SEMBA	11.6%	58.4%	16.4%

Source: Prepared by FISCO from the respective companies’ financial results

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Results trends

Net sales and operating income increased significantly in 1H FY12/25. Offices & leisure facilities, etc. drives strong performance

1. Overview of 1H FY12/25 results

In 1H FY12/25 consolidated results, net sales rose 40.6% YoY to ¥15,727mn, operating income grew 183.2% to ¥1,186mn, ordinary income increased 114.9% to ¥1,155mn, and profit attributable to owners of parent rose 87.3% to ¥761mn. The Company achieved strong YoY sales and income growth.

The Company's operating environment was marked by lively capital investment not only in the commercial field but also in space creation at offices, infrastructure facilities leisure facilities, etc., although there were also some remaining uncertainties such as greater challenges on the profitability front due to continuing growth in personnel costs, building material prices, and so forth.

Net sales growth was driven by YoY increases in sales of ¥1,901mn in the focus field, offices & leisure facilities, etc., and ¥1,335mn in the core large-scale stores & commercial complexes field. Performance was supported by multiple factors, including domestic renovation projects for major commercial complexes and department stores, strategic sales initiatives driving order growth in office and leisure facilities (hotel-related), and ongoing contributions from infrastructure projects (airport-related) initiated in the previous year. Overseas, despite efforts focused on projects in Taiwan, net sales fell ¥105mn YoY to ¥1,722mn. Gross profit rose 45.1% YoY, reflecting increases in sales and the gross profit margin (up 0.6 percentage points (pp) to 19.6%). The provision of high added-value, ongoing reduction of construction costs, and operational efficiency gains and improvements achieved through the promotion of DX contributed to higher profitability. SG&A expenses rose 11.3% YoY, relatively restrained growth despite an increase in personnel costs due mainly to an increase in personnel and base salary increases. As a result, operating income increased sharply.

1H FY12/25 results

	1H FY12/24		1H FY12/25		YoY
	Results	% of net sales	Results	% of net sales	
Net sales	11,185	100.0%	15,727	100.0%	40.6%
Cost of sales	9,057	81.0%	12,639	80.4%	39.5%
Gross profit	2,127	19.0%	3,087	19.6%	45.1%
SG&A expenses	1,708	15.3%	1,901	12.1%	11.3%
Operating income	418	3.7%	1,186	7.5%	183.2%
Ordinary income	537	4.8%	1,155	7.3%	114.9%
Profit attributable to owners of parent	406	3.6%	761	4.8%	87.3%

Source: Prepared by FISCO from the Company's financial results

Debt-free operations. Shareholders' equity ratio of 68.7%, further strengthening financial stability. Sufficient capacity for future M&A activities

2. Financial position and management indicators

Total assets decreased to ¥19,987mn at the end of 1H FY12/25, down ¥3,333mn from the end of the previous fiscal year. Within that, current assets declined ¥3,365mn, mainly because cash and deposits decreased ¥2,976mn. Non-current assets increased ¥32mn, with no material changes.

Total liabilities were ¥6,262mn, down ¥3,434mn from the end of the previous fiscal year. Within that, current liabilities declined ¥3,425mn, mainly reflecting a ¥2,833mn decrease in trade payables (notes and accounts payable - trade, electronically recorded obligations-operating). Non-current liabilities were largely unchanged. The Company has no interest-bearing debt and operates debt-free. Net assets rose ¥101mn to ¥13,725mn. The primary factor was the recording of profit attributable to owners of parent (¥761mn), offsetting dividend payments (¥744mn).

In management indicators, the current ratio of 291.3% (221.5% at the end of the previous fiscal year) and shareholders' equity ratio of 68.7% (58.4%) contribute to further enhancement of high stability. In terms of efficiency and profitability, ROE (net income ÷ shareholders' equity, FY12/24) exceeded 10% at 11.6% (8.8% in the previous fiscal year). The Company's highly stable and profitable business model is reflected in its finances. It has sufficient capacity for investment as it charts out a strategy for growth including through M&A in the future.

Consolidated balance sheets and management indicators

	End-FY12/24	End-1H FY12/25	Change
(¥mn)			
Current assets	20,972	17,607	-3,365
Cash and deposits	12,489	9,513	-2,976
Accounts receivable – trade	7,229	6,685	-544
Non-current assets	2,347	2,379	32
Investments and other assets	1,590	1,680	90
Total assets	23,320	19,987	-3,333
Current liabilities	9,469	6,044	-3,425
Trade payables	6,762	3,928	-2,833
Non-current liabilities	226	217	-9
Total liabilities	9,696	6,262	-3,434
Total net assets	13,624	13,725	101
Total liabilities and net assets	23,320	19,987	-3,333
<Stability>			
Current ratio (current assets ÷ current liabilities)	221.5%	291.3%	-
Equity ratio (shareholders' equity ÷ total assets)	58.4%	68.7%	-

Source: Prepared by FISCO from the Company's financial results

SEMBA CORPORATION
6540 Tokyo Stock Exchange Standard Market

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■ Outlook

For FY12/25, forecasts growth in net sales to ¥32.0bn and operating income to ¥2.1bn

For FY12/25 consolidated results, the Company forecasts net sales will rise 10.5% YoY to ¥32,000mn, operating income grow 9.5% to ¥2,100mn, ordinary income increase 4.7% to ¥2,100mn, and profit attributable to owners of parent decline 3.3% to ¥1,450mn, expecting sales and operating income growth (the initial forecasts are unchanged).

In terms of its business climate, it expects heightened inbound and domestic demand to support ongoing and more active investment in space creation for the commercial domain, infrastructure facilities, leisure facilities, and so on. In addition, continued market growth in office spaces is likely, given strong demand for improving working environments with labor shortages becoming more serious.

The Company forecasts net sales growth of 10.5% YoY, underpinned by robust demand. It launched its new medium-term management plan in the fiscal year underway, and has started working on initiatives in line with five key themes. The themes “build a fan base as a good ethical company” aimed at expanding orders by strengthening relationships with clients, partners, and other stakeholders, “expand service fields and enhance value proposition” entailing clearly transforming tasks yet to be successfully converted to value into services providing added value, and “delve deeper into the global market” looking to strong growth potential in the Asia market will probably be key to sales growth. Near-term performance is expected to benefit from robust performance in the offices & leisure facilities, etc. field. The order backlog was ¥8,111mn at the end of 1H FY12/25, greatly exceeding the sales target of 40% of planned 2H net sales. Orders were particularly large in the specialty stores and offices & leisure facilities, etc. fields. The Company plans to maintain profitability on par with the strong results in the previous fiscal year when operating income grew 9.5% YoY and the operating income margin was 6.6% (it was also 6.6% in the fiscal year before that). The 1H progress rate toward the full-year operating income target reached 56.5% (21.8% in the same period of the previous year), suggesting steady progress. In the fiscal year underway, progress is likely to be well-balanced between 1H and 2H. At FISCO, we think there is also upside potential to earnings partly since the Company's net sales and profit targets look somewhat conservative, given the thriving spatial design industry, growth in repeat customers (fans) driven by past accomplishments, etc., and order volume and project progress proceeding as expected.

FY12/25 forecast

	FY12/24		FY12/25			
	Results	% of net sales	Forecast	% of net sales	YoY	1H progress rate
Net sales	28,956	100.0%	32,000	100.0%	10.5%	49.1%
Operating income	1,918	6.6%	2,100	6.6%	9.5%	56.5%
Ordinary income	2,006	6.9%	2,100	6.6%	4.7%	55.0%
Profit attributable to owners of parent	1,499	5.2%	1,450	4.5%	-3.3%	52.5%

Source: Prepared by FISCO from the Company's financial results

Growth strategy and topics

Key partnerships with Mercer Japan, KOKUYO, and Autodesk

The Company is moving forward with the medium-term management plan covering the three years from FY12/25 to FY12/27. With “Create More Fun and More Fans!” as its slogan, the new medium-term plan sets out to deliver even higher added-value by focusing even more on customers. Its key themes are (1) attract and cultivate talent to create the future, (2) build a fan base as a good ethical company, (3) expand service fields and enhance value proposition, (4) establish supply chains to support sustainable growth, and (5) delve deeper into the global market. The numerical targets for its final fiscal year three years from now, FY12/27, include net sales of ¥40.0bn, operating income of ¥2.5bn, and profit attributable to owners of parent of ¥1.7bn. In terms of business domains, the offices & leisure facilities, etc. field is expected to be a growth driver in the short term, while overseas markets are expected to drive growth in the medium term.

1. Strategic alliance with KOKUYO aimed at strengthening global expansion in the offices field

In July 2025, the Company entered into a business alliance with KOKUYO as a spatial design partner in alignment with its domestic and global growth strategies. This alliance allows the Company to swiftly and flexibly respond to the increasingly sophisticated and diverse needs of office spaces, while leveraging the complementary global networks and expertise of both companies to offer one-stop furniture (KOKUYO) and construction (SEMBA) solutions, with a focus on expanding services across key Asian regions. KOKUYO has a long history in developing office furniture and providing workstyle consulting. The Company has expanded its business domain into office spaces. The Company and KOKUYO have built a strong track record of collaboration across numerous office construction projects both domestically and internationally. This business alliance is expected to deliver the following four benefits.

- (1) Driving stronger sales growth in overseas markets through cross-selling synergies between the furniture and construction segments
- (2) Driving stronger alignment based around the core competencies of both companies in the domestic market
- (3) Creating new businesses and collaborative proposals in areas of expansion for both companies
- (4) Joint talent development and personnel exchange to support the business activities of both companies

By combining KOKUYO's workplace development capabilities and robust sales network with the Company's comprehensive design and construction expertise, the alliance aims to enable the creation of unprecedented, innovative, and radical office-related spaces.

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Growth strategy and topics

Conclusion of a “Global strategic business alliance” between SEMBA and KOKUYO

As of July 1, 2025, SEMBA entered into a business alliance with KOKUYO as a spatial design partner in alignment with its domestic and global growth strategies. Through this alliance, SEMBA aims to swiftly and flexibly respond to the increasingly sophisticated and diverse needs of office spaces. Leveraging the complementary global networks and expertise of both companies, this alliance seeks to offer one-stop furniture and construction solutions, with a focus on expanding services across key Asian regions.



Jun Odagiri (left), President and CEO, SEMBA CORPORATION;
Akira Yata (right), Managing Officer, General Manager, Global Workplace Business Division, KOKUYO CO., LTD.

Source: The Company's results briefing materials

Anticipated benefits of the alliance

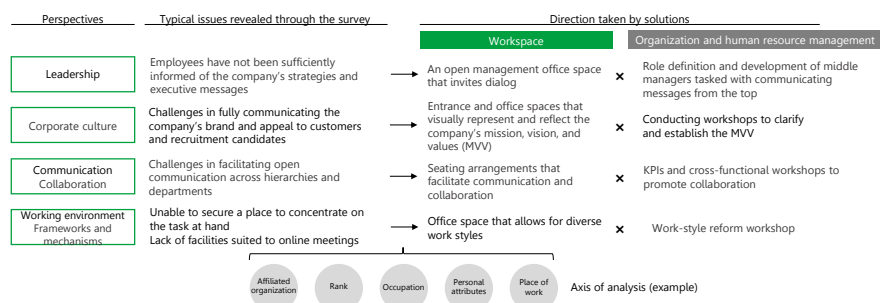
- 1 Driving stronger sales growth in overseas markets through cross-selling synergies between the furniture and construction segments
- 2 Driving stronger alignment based around the core competencies of both companies in the domestic market
- 3 Creating new businesses and collaborative proposals in areas of expansion for both companies
- 4 Joint talent development and personnel exchange to support the business activities of both companies

2. Business alliance with Mercer Japan, a global leader in human capital management, to expand service offerings in the offices field

In May 2025, the Company partnered with Mercer Japan, one of the world's leading organizational and human capital consulting firms, to deliver transformation services that integrate spatial design and talent development perspectives tailored to global companies. Global top-tier companies and those aspiring to that status are seeing demand for workplace and office environments that are closely aligned to their management strategies, innovation efforts, and growth plans increase year over year. Mercer Japan provides organizational and human resource management consulting services leveraging data obtained through surveys designed from employee data collected from over 53 million individuals, across 12,000 companies in 153 countries. These surveys are set to analyze engagement from a leadership, corporate culture, communication, and work environment perspective. The Company provides fully integrated workspace services, encompassing planning, design, and construction, informed by survey data and aligned with management goals. With the view that the workspace lies at the core of corporate value creation, the Company plans to work with Mercer Japan to co-create a foundation that supports the future growth of companies and global competitiveness through integrated design of space, organization, and human resource management.

Business alliance with Mercer Japan

Leveraging Mercer Japan's global engagement survey, workstyle issues are identified through lenses such as leadership, corporate culture, communication, and work environment. The Company facilitates the construction and operation of workspaces tied to resolving workstyle issues. SEMBA will work to co-create a foundation that supports the future growth of companies and global competitiveness through integrated design of space, organization, and human resource management.



Source: The Company's results briefing materials

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Growth strategy and topics

3. Strategic alliance with Autodesk, a global leader in BIM

In August 2025, the Company entered into a “memorandum of understanding of strategic partnership” with Autodesk focused on building a Common Data Environment (CDE) and reforming business processes. Through this alliance, the Company will advance the development of a company-wide Common Data Environment (CDE) leveraging Autodesk products, while driving greater adoption of Building Information Modeling (BIM) across its operations. In addition, the Company intends to work with Autodesk to roll out its proprietary-developed in-house BIM training program to external audiences, supporting industry-wide BIM adoption and talent development.

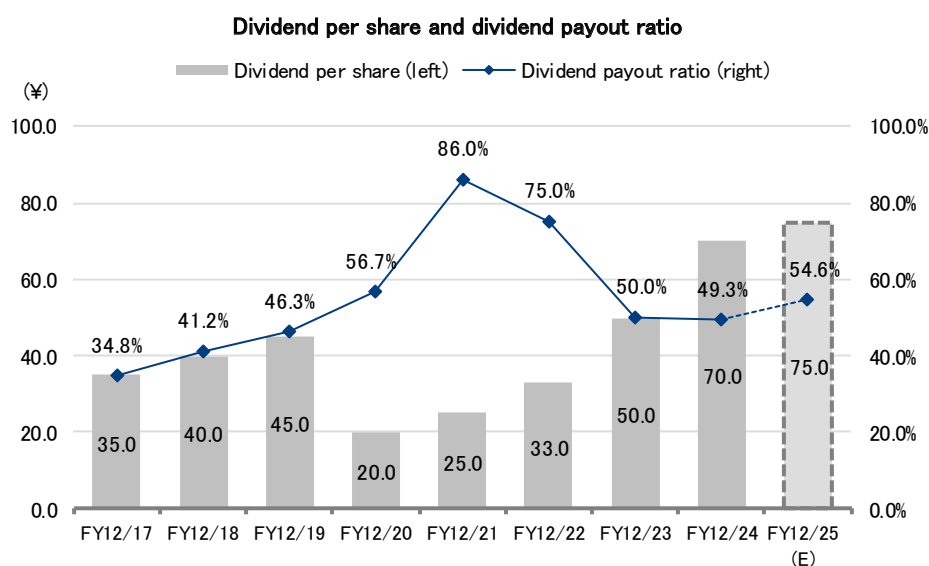
BIM serves as a central tool for managing all data associated with buildings and spaces in an integrated manner, streamlining and visualizing the entire process from design to construction and operation. This tool is becoming increasingly essential as the industry faces labor shortages, and design and construction workflows increase in complexity. The initiative is expected to drive BIM promotion within the Company, enhance collaboration with partner firms through a cloud-based environment, and support DX promotion across the interior design industry through the dissemination of training programs.

Shareholder return policy

Forecasts annual dividend of ¥75.0 in FY12/25

The Company positions returning profits to shareholders as a key management priority. Its basic policy is to pay dividends in accordance with results each fiscal year, maintaining a balance with internal reserves needed for future business expansion and its financial standing. It targets a dividend payout ratio of at least 50%. Over the past 10 years, it has continued to provide dividends. Although the dividend level declined during the Covid-19 pandemic (FY12/20–FY12/22), the annual dividend topped the pre-pandemic level in FY12/23 at ¥50.0 and the dividend payout ratio recovered to 50.0%. For FY12/25, it forecasts an annual dividend of ¥75.0 (¥5.0 YoY increase) and dividend payout ratio of 54.6% backed by a favorable profit outlook. The high dividend payout ratio and steady pace of dividend growth are attractive.

Shareholder return policy



Source: Prepared by FISCO from the Company's financial results

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