

KOKUYO CO., LTD. FINANCIAL RESULTS (Consolidated)

Results for the three months ended March 31, 2026

Company name: KOKUYO Co., Ltd.

Stock listings: Tokyo Stock Exchange (Prime)

Stock code: 7984 (URL <https://www.kokuyo.com>)

Representative: Hidekuni Kuroda (CEO and President)

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Telephone: +81-6-6976-1221 (general)

Commencement date for dividend payments: –

Supplemental material for results: Yes

Briefing about results: Yes (for institutional investors and securities analysts)

(Figures less than ¥1 million have been omitted.)

1. Results for the three months ended March 31, 2026 (January 1 to March 31, 2026)

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income	
	Millions of yen	Year-on-year (%)	Millions of yen	Year-on-year (%)	Millions of yen	Year-on-year (%)
3 months ended March 31, 2026	108,099	8.7	13,848	2.7	14,517	11.4
3 months ended March 31, 2025	99,484	3.5	13,484	14.4	13,029	3.7

(Note) Comprehensive income:

For the three months ended March 31, 2026 ¥10,973 million [60.6%]

For the three months ended March 31, 2025 ¥6,831 million [(51.6%)]

	Profit attributable to owners of parent		Earnings per share	Diluted earnings per share
	Millions of yen	Year-on-year (%)	Yen	Yen
3 months ended March 31, 2026	10,091	0.8	23.46	–
3 months ended March 31, 2025	10,012	(16.4)	22.09	–

(Note) On July 1, 2025, we conducted a 4-for-1 split of common stock. Earnings per share for the comparative period (the first three months of the year ended December 31, 2025) is stated on the hypothetical basis that the stock split occurred at the start of said period.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	352,123	261,053	73.1	598.18
December 31, 2025	355,048	255,457	70.9	584.97

(Reference) Equity:

March 31, 2026 ¥257,361 million

December 31, 2025 ¥251,678 million

2. Dividends

	Dividend per share				
	March 31	June 30	September 30	Year-end dividend	Full-year dividend
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	–	46.00	–	13.00	–
Fiscal period ending December 31, 2026	–				
Fiscal period ending December 31, 2026 (forecast)		12.25	–	12.25	24.50

- (Note) 1. Revisions to estimated dividends published most recently: None
2. On July 1, 2025, we conducted a 4-for-1 split of common stock. In the above table, the dividend amounts reflect the impact of this stock split. We have omitted the full-year dividend for the year ended December 31, 2025. If the stock split were not taken into account, the year-end dividend would have been 52.00 yen and the full-year dividend would have been 98.00 yen.

3. Consolidated Forecasts for the Fiscal Period Ending December 31, 2026 (January 1 to December 31, 2026)

	Net sales		Operating income		Ordinary income	
	Millions of yen	Year-on-year (%)	Millions of yen	Year-on-year (%)	Millions of yen	Year-on-year (%)
First-half forecast (Jan–Jun 2026)	202,000	9.1	18,000	1.7	17,900	2.6
Full-year forecast (Jan–Dec 2026)	390,000	8.4	27,000	2.9	26,800	(1.6)

	Profit attributable to owners of parent		Earnings per share
	Millions of yen	Year-on-year (%)	Yen
First-half forecast (Jan–Jun 2026)	13,000	(5.9)	30.33
Full-year forecast (Jan–Dec 2026)	20,300	(5.5)	47.90

(Note) Revisions to financial forecasts published most recently: None

*** Notes**

(1) [Have there been any] significant changes in subsidiaries during the period under review: None

New: –

Removed: –

(2) Application of particular accounts procedures to the preparation of quarterly consolidated financial statements: Yes

Note: See page 12 of the reference document (2. Consolidated Financial Statements, (4) Notes on the Consolidated Statements: Changes in Presentation Method).

(3) Changes or restatements in accounting principles, procedures and methods of presentation relating to preparation of the consolidated financial statements

1) Changes due to revision of accounting standards: None

2) Changes other than those stated above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number issued shares (of common stock)

1) Number of issued shares as of:

March 31, 2026 440,969,852

December 31, 2025 440,969,852

2) Number of shares of treasury stock as of:

March 31, 2026 10,729,535

December 31, 2025 10,729,226

3) Average number of issued shares during:

3 months ended March 31, 2026 430,240,488

3 months ended March 31, 2025 453,253,980

Note: On July 1, 2025, we conducted a 4-for-1 split of common stock. The above figures are stated on the hypothetical basis that the stock split occurred at the start of the previous fiscal year (ended December 31, 2025).

* Have these quarterly consolidated financial statements been reviewed by a certified public accountant or independent auditor: No

* Advice relating to appropriate use of financial forecasts and other relevant information

Disclaimer on forward-looking statements

This document contains performance forecasts and other forward-looking statements. Such statements are based on information available at the time and, in part, on what are deemed to be reasonable assumptions. They are not guarantees of future performance. Actual results may differ markedly from what the forward-looking statements suggest due to a plethora of variables. The situation in the Middle East has potential ramifications for procurement and distribution costs, but much remains uncertain. We are currently investigating what the specific effects will be. See page 5 of the reference document (1. Activity Report, (3) Qualitative Information Related to Consolidated Forecast) for information about the assumptions underlying the financial forecasts and disclaimers about using the financial forecasts.

1. Activity Report

All forward-looking statements herein are based on assumptions deemed reasonable as of the date we submitted these financial results.

(1) Business Results in Period Under Review

(Millions of yen)

	3 months ended March 31, 2025	3 months ended March 31, 2026	Year-on-year change (%)
Net sales	99,484	108,099	+8.7
Operating income	13,484	13,848	+2.7
Ordinary income	13,029	14,517	+11.4
Profit attributable to owners of parent	10,012	10,091	+0.8

During the fiscal period under review (January 1 to March 31, 2026), the Japanese economy traced a moderate recovery path, with improved corporate earnings, employment situation, and personal income. However, the economic outlook was mired by economic uncertainties related to the situation in the Middle East, US policy, the recession in China, and inflationary pressures.

Against this backdrop, we made a start on Unite for Growth 2027, our fourth medium-term plan aligned with our long-term vision, CCC 2030. Unite for Growth 2027 sets out a strategy of combining the knowledge assets in each of our businesses with the strengths that our group has cultivated to date to create inter-business synergy, grow our existing businesses, and expand the reach of the business fields. The business climate had changed dramatically, but we maintained our competitiveness by flexibly adapting to the changing business conditions and shifting customer needs.

Net sales reached ¥108.0 billion (up 8.7% year on year). This year-on-year growth reflects the success of the furniture business in closing deals, the success of the business supply distribution business in expanding the purchase-management platform Benri Net, and the success of the stationery in expanding overseas. Gross profit increased to ¥45.3 billion (up 6.8% year on year), while gross profit ratio amounted to 41.9% (down 0.7 points year on year) because profitability dipped temporarily as a result of discounts offered in a major sale campaign in the business supply distribution business. Selling, general and administrative expenses increased to ¥31.4 billion (up 8.8% year on year), reflecting strategic expenditures and organizational bolstering for expanding the business fields. Expense ratio (selling, general, and administrative expenses to net sales) came to 29.1% (no year-on-year change).

Reflecting these results, operating income reached ¥13.8 billion (up 2.7% year on year). Ordinary income reached ¥14.5 billion (up 11.4% year on year), reflecting recognition of foreign exchange gain. Profit attributable to owners of parent was ¥10 billion, up 0.8% year on year, with the increase ordinary income offsetting what would have otherwise been a decrease relative to a spike in the comparative period, when gain on sales of investment securities was recognized.

Segment

As part of our long-term vision, CCC 2030, we have redefined our role in society as that of a “Work & Life Style Company,” and committed to being an organization that creates life-affirming solutions, alongside tangible stationery and furniture, in the domain of work and the domain of learning and daily life.

The following table shows the segment-specific results for the period under review.

(Millions of yen)

		3 months ended March 31, 2025	3 months ended March 31, 2026	Year-on-year change (%)
Furniture	Net sales	53,827	57,257	+6.4
	Operating income	12,543	12,721	+1.4
Business supply distribution	Net sales	26,535	29,912	+12.7
	Operating income	1,347	1,306	(3.0)
Stationery	Net sales	21,807	23,727	+8.8
	Operating income	2,124	2,509	+18.1
Interior retail	Net sales	5,389	5,533	+2.7
	Operating income	153	138	(9.6)
Others	Net sales	153	145	(5.4)
	Operating income	(74)	(108)	–
Reconciliation	Net sales	(8,228)	(8,476)	–
	Operating income	(2,609)	(2,718)	–
Total	Net sales	99,484	108,099	+8.7
	Operating income	13,484	13,848	+2.7

• Furniture

For our furniture businesses, we target the burgeoning demand for office renovation in Japan, which is driven by the diversification of working styles. We are also channeling our resources in Mainland China and Hong Kong and our Japanese excellence in spatial design to drive business expansion overseas. In this way, the business drives earnings growth for our organization as a whole.

In Japan, there is brisk demand for new office builds (office relocations) and office renovations. To capitalizing on this demand, we are working to expand sales and improve profitability by tailoring workstyle solutions to customers’ strategic issues more effectively and by streamlining workflows.

In China, the market remained sluggish amid the economic slowdown.

In ASEAN, we stepped up marketing efforts among middle-and high-market segments, but progress was slower than expected. Net sales and operating income benefitted from the inclusion of Kokuyo Workplace India Limited in the scope of consolidation.

Under such circumstances, the segment’s net sales increased to ¥57.2 billion (up 6.4% year on year). Operating income increased to ¥12.7 billion (up 1.4% year on year).

• Business supply distribution

In this business area, we use technological innovation to deliver personalized shopping experiences through Benri Net, a platform for purchase-management services.

During the period under review, we made headway in expanding Benri Net. As for our e-commerce website Kaunet, we attracted more users, but profitability decreased, dampening earnings growth. The decrease in profitability represented a temporary dip resulting from discounts we offered in a major sale. We organized the sale to head off a surge in competition that occurred when the market, having previously been affected by a shut-down in a distribution system within the industry, returned to normality.

Under such circumstances, the segment’s net sales increased to ¥29.9 billion (up 12.7% year on year).

Operating income decreased to ¥1.3 billion (down 3.0% year on year).

- Stationery

In this business area, we are shifting to a strategy that involves capitalizing on the global momentum for positive study/learning experiences. To this end, we are positioning our Campus brand as a brand that delivers value in study/learning.

In Japan, we deployed a brand strategy for Campus in which we offer study solutions (“study recipes”) that combine stationery products with study methods and launch new products aligned with such. This strategy led to an increase in B2C sales. We actively allocated expenditures to driving our Campus brand strategy and writing tools strategy.

In China, the market remained sluggish amid the economic malaise, but we achieved success with our strategy focusing on stationery demand among secondary school girls, launched more products, opened more retail outlets in conjunction with these product launches, expanded our e-commerce business, and attracted more fans.

In India, performance was in line with expectations. While performance was adversely affected by an increase in competition, we continued expanding the range of new products and launched value-added products.

Under these circumstances, the segment’s net sales increased to ¥23.7 billion (up 8.8% year on year). Operating income increased to ¥2.5 billion (up 18.1% year on year).

- Interior retail

In this business area, we are working to grow our offline retail business and e-commerce business, channeling the customer connections and marketing prowess developed in our existing interior retail businesses. We are also working closer with partners to expand our business reach in the B2B sector as part of a business portfolio shift that will contribute to long-term growth.

During the period under review, performance was in line with expectations. For offline retail and e-commerce, we achieved success in an end-of-year sale and other sales promotion efforts.

Under these circumstances, the segment’s net sales increased to ¥5.5 billion (up 2.7% year on year). Operating income decreased to ¥0.1 billion (down 9.6% year on year).

(2) Financial Performance During Period Under Review

1) Assets, liabilities, and net assets

Total assets as of March 31, 2026, amounted to ¥352.1 billion, down ¥2.9 billion from December 31, 2025, the end of the previous fiscal year.

Current assets decreased by ¥4.7 billion to ¥238.1 billion.

The main factors were an increase of ¥13.3 billion in notes and accounts receivable and contract assets, reflecting an increase in net sales in the furniture business during a busy demand season, and an increase of ¥0.5 billion in merchandise and finished goods. These factors were partially offset by a decrease of ¥19.5 billion in cash and deposits, which was a result of measures to ensure compliance with the Act Against Delay in Payment of Fees to Small and Medium-sized Entrusted Business Operators in Manufacturing and Other Specified Fields.

Non-current assets increased by ¥1.8 billion to ¥113.9 billion.

One factor was an increase of ¥0.9 billion in property, plant and equipment, much of which was associated with the construction of the Tohoku IDC. Another factor was an increase of ¥0.6 billion in investment securities.

Liabilities as of March 31, 2026, amounted to ¥91.0 billion, down ¥8.5 billion from December 31, 2025, the end of the previous fiscal year. The main factor was an increase of ¥2.3 billion in provision for bonuses, partially offset by a decrease of ¥10.3 billion in notes and accounts payable - trade.

Net assets as of March 31, 2026, came to a total of ¥261.0 billion, up ¥5.5 billion from December 31, 2025, the end of the previous fiscal year. The main factors were an increase of ¥4.4 billion in retained earnings and an increase of ¥0.7 billion in valuation difference on available-for-sale securities.

2) Cash Flows

On a consolidated basis, cash and cash equivalents (hereafter referred to as cash) as of March 31, 2026, totaled ¥90.9 billion, a decrease of ¥19.6 billion from the previous fiscal year-end.

Cash flows from operating activities

Net cash used from operating activities was ¥9.9 billion (up ¥2.0 billion year on year).

The main positive cash flows were ¥14.7 billion in profit before income taxes, ¥2.3 billion in increase in provision for bonuses and an increase in reconciliation of non-cash profit/loss, which included ¥2.1 billion in depreciation. The main negative cash flows were ¥13.3 billion in increase in notes and accounts receivable – trade and ¥10.4 billion in decrease in notes and accounts payable – trade, the latter of which was partly a result of measures to ensure compliance with the Act Against Delay in Payment of Fees to Small and Medium-sized Entrusted Business Operators in Manufacturing and Other Specified Fields. Other negative cash flows were ¥3.6 billion in income taxes paid, ¥1.1 billion in increase in inventories, ¥0.4 billion in increase in real estate for sale, and ¥0.2 billion in gain on sales of investment securities not included in operating cash flows.

Cash flows from investing activities

Net cash used in investing activities was ¥4.4 billion (compared to ¥0.3 billion earned in the comparative period).

The main positive cash flow was ¥0.4 billion in proceeds from sales of investment securities. The main negative cash flow was ¥4.9 billion in capital expenditure.

Cash flows from financing activities

Net cash used in financing activities was ¥5.4 billion (up ¥0.9 billion year on year). The main positive cash flow was ¥0.5 billion due to increase in short-term loans payable. The main negative cash flows were ¥5.5 billion in cash dividends paid and ¥0.3 billion in repayments of lease obligations.

(3) Qualitative Information Related to Consolidated Forecasts

The forecasts for the fiscal period ending December 31, 2026, remain unchanged from those announced on February 13, 2026.

The situation in the Middle East has potential ramifications for procurement and distribution costs, but much remains uncertain. We are currently investigating what the specific effects will be.

If any disclosable forecasts change, we will disclose the details without delay.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	80,787	61,189
Notes and accounts receivable and contract assets	82,116	95,420
Securities	29,959	29,950
Merchandise and finished goods	32,276	32,867
Work in process	2,606	3,010
Raw materials and supplies	6,538	6,761
Real estate for sale	–	2,363
Real estate for sale in progress	1,924	–
Others	6,711	6,615
Allowance for doubtful accounts	(33)	(39)
Total current assets	242,888	238,138
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,380	23,137
Land	26,650	26,623
Other, net	15,542	16,782
Total property, plant and equipment	65,572	66,544
Intangible assets		
Goodwill	373	349
Others	14,708	14,666
Total intangible assets	15,082	15,016
Investments and other assets		
Investment securities	18,022	18,690
Retirement benefit asset	7,396	7,471
Others	6,505	6,702
Allowance for doubtful accounts	(419)	(438)
Total investments and other assets	31,504	32,424
Total non-current assets	112,160	113,985
Total assets	355,048	352,123

	As of December 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	58,334	48,021
Short-term loans payable	3,369	3,895
Current portion of long-term loans payable	85	75
Income taxes payable	3,849	4,766
Provision for bonuses	977	3,327
Others	22,495	20,023
Total current liabilities	89,112	80,110
Non-current liabilities		
Long-term loans payable	16	13
Retirement benefit liability	347	343
Others	10,114	10,602
Total non-current liabilities	10,478	10,960
Total liabilities	99,591	91,070
Net assets		
Shareholders' equity		
Capital stock	15,847	15,847
Capital surplus	18,139	18,139
Retained earnings	211,871	216,341
Treasury shares	(7,710)	(7,710)
Total shareholders' equity	238,148	242,617
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,891	6,645
Deferred gains or losses on hedges	92	405
Foreign currency translation adjustment	5,886	6,076
Remeasurements of defined benefit plans	1,659	1,616
Total accumulated other comprehensive income	13,530	14,744
Non-controlling interests	3,778	3,691
Total net assets	255,457	261,053
Total liabilities and net assets	355,048	352,123

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Consolidated statements of income

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Net sales	99,484	108,099
Cost of sales	57,054	62,770
Gross profit	42,430	45,329
Selling, general and administrative expenses	28,945	31,480
Operating income	13,484	13,848
Non-operating income		
Interest income	82	105
Dividend income	34	49
Real estate rent	45	43
Share of profit of entities accounted for using equity method	10	31
Foreign exchange gains	–	341
Others	55	199
Total non-operating income	227	770
Non-operating expenses		
Interest expenses	40	36
Rent expenses on real estate	19	12
Exchange loss	560	–
Others	62	53
Total non-operating expenses	682	102
Ordinary income	13,029	14,517
Extraordinary income		
Gain on sales of non-current assets	–	21
Gain on sales of investment securities	1,542	219
Reversal of allowance for doubtful account	–	8
Reversal of provision for loss on business of subsidiaries and associates	14	23
Total extraordinary income	1,557	272
Extraordinary losses		
Provision of allowance for doubtful accounts	19	–
Loss on valuation of shares of subsidiaries and associates	–	66
Extra retirement payments	37	–
Provision for loss on guarantees	–	15
120th anniversary expenses	–	5
Total extraordinary losses	56	87
Profit before income taxes	14,530	14,703
Income taxes - current	4,506	4,586
Profit	10,023	10,116
Profit attributable to non-controlling interests	11	25
Profit attributable to owners of parent	10,012	10,091

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Profit	10,023	10,116
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,642)	732
Deferred gains or losses on hedges	(112)	311
Foreign currency translation adjustment	(1,389)	(146)
Remeasurements of defined benefit plans, net of tax	(49)	(43)
Share of other comprehensive income of entities accounted for using equity method	0	2
Total other comprehensive income	(3,192)	856
Comprehensive income	6,831	10,973
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,981	11,040
Comprehensive income attributable to non-controlling interests	(150)	(67)

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	14,530	14,703
Depreciation	1,871	2,154
Amortization of long-term prepaid expenses	109	108
Amortization of goodwill	24	24
Extra retirement payments	37	–
Increase (decrease) in allowance for doubtful accounts	16	24
Increase (decrease) in provision for bonuses	2,081	2,351
Increase or decrease in net defined benefit asset and liability	(134)	(41)
Increase (decrease) in provision for loss on business of subsidiaries and associates	(14)	(23)
Allowance for loan losses or losses on guarantees	–	15
Interest and dividend income	(116)	(154)
Interest expenses	40	36
Share of loss (profit) of entities accounted for using equity method	(10)	(31)
Loss (gain) on sales of non-current assets	(0)	(23)
Loss on abandonment of non-current assets	9	24
Loss (gain) on sales of investment securities	(1,543)	(225)
Loss on valuation of shares of subsidiaries and associates	–	66
120th anniversary expenses	–	5
Decrease (increase) in notes and accounts receivable - trade	(11,779)	(13,305)
Decrease (increase) in inventories	(1,831)	(1,183)
Increase (decrease) in notes and accounts payable - trade	(999)	(10,462)
Decrease (increase) in real estate for sale	(2,005)	(438)
Others	(278)	34
Subtotal	6	(6,341)
Interest and dividend income received	111	148
Interest expenses paid	(36)	(38)
Income taxes paid	(7,945)	(3,691)
Extra retirement payments paid	(34)	(31)
Net cash provided by (used in) operating activities	(7,898)	(9,955)
Cash flows from investing activities		
Net decrease (increase) in time deposits	9	(17)
Collection of long-term loans receivable	90	0
Payments of long-term loans receivable	(120)	(0)
Purchase of property, plant and equipment	(1,093)	(4,158)
Proceeds from sales of property, plant and equipment	4	65
Purchase of intangible assets	(1,135)	(812)
Purchase of investment securities	(1)	(59)
Proceeds from sales and redemption of investment securities	2,755	497
Proceeds from sale of shares of subsidiaries and associates	–	254
Others	(123)	(189)
Net cash provided by (used in) investing activities	386	(4,420)

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	273	536
Repayments of lease obligations	(338)	(314)
Repayments of long-term loans payable	(42)	(13)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(86)
Cash dividends paid	(4,427)	(5,570)
Others	(0)	(0)
Net cash provided by (used in) financing activities	(4,536)	(5,448)
Effect of exchange rate change on cash and cash equivalents	(693)	200
Net increase (decrease) in cash and cash equivalents	(12,742)	(19,623)
Cash and cash equivalents at beginning of period	132,080	110,606
Cash and cash equivalents at end of period	119,338	90,983

(4) Notes on the Consolidated Statements

Particular Accounts Procedures for the Preparation of Quarterly Consolidated Financial Statements

Tax expenses

When calculating tax expenses, we adhere to the stipulations of paragraph 15 of the "Implementation Guidance for the Application of Tax Effect Accounting in Interim Financial Statements, etc." (method based on the statutory effective tax rate) in accordance with the provisions of paragraph 19 of the "Implementation Guidance on Accounting Standard for Quarterly Financial Reporting."

Notes on Segment Information

I. For the three months ended March 31, 2025

Information regarding net sales and profit (or loss) by reportable segment

(Millions of yen)

	Reportable segments				Others *1	Total	Reconciliation *2	Consolidated *3
	Furniture	Business supply distribution	Stationery	Interior retail				
Net sales								
Sales to customers	53,318	24,627	16,064	5,383	90	99,484	–	99,484
Intracompany sales and transfers	509	1,907	5,742	5	62	8,228	(8,228)	–
Total	53,827	26,535	21,807	5,389	153	107,713	(8,228)	99,484
Segment profit (loss)	12,543	1,347	2,124	153	(74)	16,093	(2,609)	13,484

(Notes)

1. The Other category includes showrooms and other items not included in reportable segments.
2. Reconciliation of segment profit (loss) (¥2,609 million) includes the elimination of intersegment transactions and corporate expenses.
The corporate expenses mostly consist of such expenses as those relating to administration departments of the parent company headquarters that are not attributable to reportable segments.
3. Segment profit (loss) is reconciled to the operating income stated in the quarterly Consolidated Statements of Income.

II. For the three months ended March 31, 2026

Information regarding net sales and profit (or loss) by reportable segment

(Millions of yen)

	Reportable segments				Others *1	Total	Reconciliation *2	Consolidated *3
	Furniture	Business supply distribution	Stationery	Interior retail				
Net sales								
Sales to customers	56,723	28,027	17,771	5,503	73	108,099	–	108,099
Intracompany sales and transfers	534	1,884	5,956	29	71	8,476	(8,476)	–
Total	57,257	29,912	23,727	5,533	145	116,576	(8,476)	108,099
Segment profit (loss)	12,721	1,306	2,509	138	(108)	16,567	(2,718)	13,848

(Notes)

1. The Other category includes showrooms and other items not included in reportable segments.
2. Reconciliation of segment profit (loss) (¥2,718 million) includes the elimination of intersegment transactions and corporate expenses.
The corporate expenses mostly consist of such expenses as those relating to administration departments of the parent company headquarters that are not attributable to reportable segments.
3. Segment profit (loss) is reconciled to the operating income stated in the quarterly Consolidated Statements of Income.

Material changes in shareholders' equity

None

Relating to Assumptions Regarding the Successor Company

None

Information Related to the Accounting Standard for Revenue Recognition

Breakdown of revenue from contracts with customers

I. For the three months ended March 31, 2025

(Millions of yen)

	Reportable segment				Others *2	Total
	Furniture	Business supply distribution	Stationery	Interior retail		
Location of sale (main regional category)						
Japan	51,542	24,627	9,554	5,364	72	91,161
Overseas	1,775	–	6,509	19	–	8,304
Revenue from contracts with customers	53,318	24,627	16,064	5,383	72	99,466
Other revenue	–	–	–	–	18	18
Sales to customers	53,318	24,627	16,064	5,383	90	99,484

(Notes)

1. Location of sale is generally defined as the location of the customer.
2. The Other category includes showrooms and other items not included in reportable segments.

II. For the three months ended March 31, 2026

(Millions of yen)

	Reportable segment				Others *2	Total
	Furniture	Business supply distribution	Stationery	Interior retail		
Location of sale (main regional category)						
Japan	54,061	28,027	9,913	5,498	62	97,564
Overseas	2,661	–	7,857	4	–	10,523
Revenue from contracts with customers	56,723	28,027	17,771	5,503	62	108,088
Other revenue	–	–	–	–	10	10
Sales to customers	56,723	28,027	17,771	5,503	73	108,099

(Notes)

1. Location of sale is generally defined as the location of the customer.
2. The Other category includes showrooms and other items not included in reportable segments.