Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

February 6, 2026

Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under Japanese GAAP)

Company name: Okamura Corporation
Listing: Tokyo Stock Exchange
Securities code: 7994
URL: https://www.okamura.com/
Representative: Masayuki Nakamura, Representative Director, President and Chief Executive Officer
Inquiries: Sakae Fukuda, Director and Executive Officer, Senior General Manager, Corporate Accounting and Finance Division, CFO
Telephone: +81-(0)45-319-3445
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Prepared
Holding of financial results briefing: Scheduled (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Operating Results for the Nine Months Ended December 31, 2025 (From April 1, 2025 to December 31, 2025)

(1) Operating Results (cumulative)

(Percentages indicate year-over-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	233,462	5.7	11,392	6.3	12,692	(1.8)	13,451	20.4
December 31, 2024	220,845	5.1	10,714	(18.8)	12,920	(13.8)	11,175	(11.6)

Note: Comprehensive income For the nine months ended December 31, 2025: ¥15,947 million [104.1%]
For the nine months ended December 31, 2024: ¥7,813 million [(53.2)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2025	142.11	–
December 31, 2024	118.08	–

(2) Financial Positions

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2025	287,038	193,237	66.7
March 31, 2025	289,144	186,795	64.0

Reference: Total equity
As of December 31, 2025: ¥191,512 million
As of March 31, 2025: ¥185,143 million

2. Dividend

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	–	45.00	–	49.00	94.00
Fiscal year ending March 31, 2026	–	52.00	–		
Fiscal year ending March 31, 2026 (Forecast)				52.00	104.00

Note: Revisions to the forecast of dividends most recently announced: None

Note: Breakdowns of dividends for the fiscal year ending March 31, 2026
Second quarter-end: Ordinary dividend ¥48.50 Commemorative dividend ¥3.50
Fiscal year-end: Ordinary dividend ¥48.50 Commemorative dividend ¥3.50

3. Forecast of Consolidated Performance for the Fiscal Year Ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Percentages indicate year-over-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	330,000	4.9	24,000	0.3	26,000	(1.7)	22,000	(0.2)	232.42

Note: Revisions to the forecast of performance most recently announced: None

* **Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Boss Design Limited)
Excluded: –

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement
(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury stock)

As of December 31, 2025	100,621,021 shares
As of March 31, 2025	100,621,021 shares

(ii) Number of treasury stock at the end of the period

As of December 31, 2025	5,945,099 shares
As of March 31, 2025	5,983,190 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2025	94,660,811 shares
Nine months ended December 31, 2024	94,641,762 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts and other special matters

The performance forecasts and other forward-looking statements contained herein are based on the information available to the Company at the time, and contain certain assumptions that the Company considers to be reasonable. They are subject to diverse factors that may cause actual results of operations and other items to differ significantly from the statements and forecasts. For a description of the assumptions underlying the performance forecasts and the points to note when using the performance forecasts in this document, etc., please refer to (3) Explanation of Forecast of Consolidated Performance and Other Forward-Looking Information in 1. Qualitative Information on Quarterly Financial Results on page 4 of the Attachments to this Financial Results summary.

Table of Contents - Attachments

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

At the Okamura Group (the "Group"), our mission is to "Contribute to society by creating environments where people can thrive with rich ideas and reliable quality." Under this mission, we aim to realize a society in which all people can work and live with vitality and smiles in line with our purpose of "Realizing a society where people can thrive."

During the nine months ended December 31, 2025, the outlook of the Japanese domestic economy remained clouded as affected by overseas factors such as geopolitical risk surrounding the situations in Ukraine and the Middle East, the prolonged slowdown of the Chinese economy, and reciprocal tariffs imposed by the U.S. In addition, financing costs have increased due to the Bank of Japan's policy rate hikes, and the costs of various materials and logistics has continued to rise, making inflation countermeasures such as price pass-on and wage increases important management issues.

In our business operation, while the domestic demand for office and store renovation has remained steady, the cost of goods sold and SG&A expenses have increased due to the impact of rising procurement prices and wage increases.

Under these conditions, the Group worked to promote development and sales activities that captured changes in society and markets, creating new demand and cost reduction.

In the fiscal year ending March 31, 2026, the Group implemented a wage increase of 5.48% in response to inflation and intensifying competition for acquiring human resources, and raised the starting salary for university graduates to 300,000 yen. The Group will leverage this in securing excellent human resources and promoting employee engagement improvement and thereby work to enhance its corporate value.

As a result, for the period under review, the Group recorded net sales of 233,462 million yen (up 5.7% year-over-year), operating profit of 11,392 million yen (up 6.3% year-over-year), ordinary profit of 12,692 million yen (down 1.8% year-over-year), and profit attributable to owners of parent of 13,451 million yen (up 20.4% year-over-year).

The Company decided to acquire shares of Boss Design Limited (headquartered in the United Kingdom) on March 24, 2025, and acquired 100% of the issued shares of the said company on April 1, 2025, making it a wholly owned subsidiary.

Performance by segment is presented below.

Segment name	Net sales (Millions of yen)			Segment profit (loss) (Millions of yen)		
	Nine months ended December 31, 2024	Nine months ended December 31, 2025	Change	Nine months ended December 31, 2024	Nine months ended December 31, 2025	Change
Office Furniture business	109,396	128,940	19,543	5,283	9,829	4,545
Store Displays business	89,160	88,427	(732)	3,820	2,313	(1,506)
Material Handling Systems business	17,757	11,558	(6,198)	1,575	(861)	(2,436)
Other	4,531	4,535	4	34	111	76
Total	220,845	233,462	12,616	10,714	11,392	678

Note: The totals for segment profit (loss) correspond to operating profit on the quarterly consolidated statements of income.

Office Furniture business

In the Office Furniture business, following the COVID-19 pandemic, the importance of communication has been re-recognized across the market, along with flexible working styles that are not bound by time and location, and the wave of demand for open office design that promotes active communication is spreading. Additionally, as securing human resources has become a key issue for domestic companies, opportunities to choose office relocation and renovation are expanding as measures to resolve the issue, and interest in creating "The Office You Want To Go To" continues to remain strong. Under these circumstances, we have aimed to create new demand and boost net sales and operating profit by leveraging our strengths: the results of our research into future working styles, our proposal capabilities based on insight we have gained from our extensive delivery record, and our product development capabilities that anticipate changes in the times. Accordingly, both net sales and operating profit reached record highs.

As a result, segment net sales amounted to 128,940 million yen (up 17.9% year-over-year) and segment profit was 9,829 million yen (up 86.0% year-over-year).

Store Displays business

In the Store Displays business, in the backdrop of labor shortages, demand for labor savings and efficiency improvements in stores, as well as creating work environments where employees can work comfortably, has remained strong across all regions and business formats. In addition, solving social issues in the retail industry, such as environmental considerations, has become increasingly important in our proposals. Under these circumstances, we have aimed to expand net sales and operating profit by leveraging our strengths, including our extensive product lineup featuring display fixtures, refrigerated showcases and other products, integrated service functions from proposals to after-sales service, and design and R&D capabilities related to store creation, to work closely with customers to co-create solutions for various challenges faced by the retail industry, particularly in reducing environmental impact. However, both net sales and operating profit declined compared to the same period of the previous fiscal year due to factors including increased SG&A expenses associated with office relocation, in addition to increased fixed cost due to strengthening personnel and enhancing human resource development.

As a result, segment net sales amounted to 88,427 million yen (down 0.8% year-over-year) and segment profit was 2,313 million yen (down 39.4% year-over-year).

Material Handling Systems business

In the Material Handling Systems business, demand for automation through material handling system equipment has remained strong, aimed at labor savings and efficiency improvements in logistics facilities, as well as reducing logistics costs through high-density storage and high-efficiency transport, against the backdrop of labor shortages. Under these circumstances, the Company launched "Optify," our first software product and a warehouse optimization system, and strengthened its framework as a comprehensive systems integrator in the logistics field during the fiscal year under review. We have continued research and development of differentiated products using advanced technologies and aimed to expand business scale and secure profits. However, as we recorded record-high net sales in the previous fiscal year, design engineer resources were concentrated on existing projects, which constrained activities to acquire new orders. As a result, orders received during the fiscal year under review decreased compared to the previous year, and both net sales and operating profit declined compared to the same period of the previous fiscal year.

As a result, segment net sales amounted to 11,558 million yen (down 34.9% year-over-year) and segment loss was 861 million yen (segment profit of 1,575 million yen in the same period of the previous fiscal year).

(2) Explanation of Financial Position

The financial position as of December 31, 2025 (the end of the third quarter under review) was as follows.

Total assets amounted to 287,038 million yen, a decrease of 2,106 million yen from the end of the previous fiscal year. Current assets decreased by 6,292 million yen, mainly due to a decrease in notes and accounts receivable - trade, and contract assets, and increases in cash and deposits, and merchandise and finished goods. Non-current assets increased by 4,186 million yen, mainly due to an increase in goodwill and a decrease in investment securities.

Liabilities stood at 93,800 million yen, a decrease of 8,548 million yen from the end of the previous fiscal year, mainly due to decreases in trade payables, income taxes payable, and retirement benefit liability.

Net assets amounted to 193,237 million yen, an increase of 6,441 million yen from the end of the previous fiscal year, mainly due to increases in retained earnings and valuation difference on available-for-sale securities.

As a result, the equity ratio increased by 2.7 percentage points from the end of the previous fiscal year to 66.7%.

Cash flows for the nine months ended December 31, 2025 were as follows.

Net cash provided by operating activities was 20,941 million yen (compared to 3,712 million yen used in the same period of the previous fiscal year). This was mainly a result of profit before income taxes of 17,358 million yen, depreciation of 5,273 million yen, and a decrease in accounts receivable - trade, and contract assets of 21,621 million yen, despite a gain on sale of investment securities of 5,614 million yen, a decrease in trade payables of 9,919 million yen, and income taxes paid of 7,202 million yen.

Net cash used in investing activities was 3,922 million yen (compared to 11,292 million yen used in the same period of the previous fiscal year). This was mainly a result of purchase of property, plant and equipment of 5,802 million yen, purchase of intangible assets of 2,266 million yen, and purchase of shares of subsidiaries resulting in change in scope of consolidation of 6,582 million yen, despite proceeds from sale and redemption of investment securities of 9,636 million yen.

Net cash used in financing activities was 8,044 million yen (compared to 3,063 million yen provided in the same period of the previous fiscal year). This was mainly a result of dividends paid of 9,062 million yen, despite an increase in short-term borrowings of 1,606 million yen.

As a result, cash and cash equivalents at the end of the nine months ended December 31, 2025 amounted to 34,611 million yen, an increase of 9,201 million yen from the end of the previous fiscal year (compared to a decrease of 11,647 million yen in the same period of the previous fiscal year).

(3) Explanation of Forecast of Consolidated Performance and Other Forward-Looking Information

The forecast of consolidated performance for the fiscal year ending March 31, 2026 remains unchanged from the forecast figures announced on November 7, 2025.

Please note that the performance forecasts are based on the information available as of the day of their announcement, and actual results may differ from these forecasts due to various factors.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	26,245	35,459
Notes and accounts receivable - trade, and contract assets	87,862	67,257
Merchandise and finished goods	8,469	11,913
Work in process	6,982	6,920
Raw materials and supplies	6,761	8,177
Other	3,538	3,815
Allowance for doubtful accounts	(241)	(218)
Total current assets	139,618	133,326
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,483	29,180
Land	34,602	33,666
Other, net	22,770	25,091
Total property, plant and equipment	86,856	87,938
Intangible assets		
Goodwill	5,975	10,101
Other	4,908	6,485
Total intangible assets	10,883	16,587
Investments and other assets		
Investment securities	43,971	40,814
Other	7,837	8,392
Allowance for doubtful accounts	(24)	(19)
Total investments and other assets	51,785	49,186
Total non-current assets	149,525	153,712
Total assets	289,144	287,038

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,230	19,456
Short-term borrowings	6,171	7,774
Current portion of long-term borrowings	1,852	2,352
Income taxes payable	4,527	1,366
Provision for bonuses	4,440	2,894
Other	8,501	12,177
Total current liabilities	53,723	46,022
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	17,816	17,314
Retirement benefit liability	13,041	10,630
Other	7,768	9,833
Total non-current liabilities	48,625	47,778
Total liabilities	102,349	93,800
Net assets		
Shareholders’ equity		
Share capital	18,670	18,670
Capital surplus	16,770	16,800
Retained earnings	138,933	142,805
Treasury shares	(7,734)	(7,695)
Total shareholders’ equity	166,640	170,581
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,864	16,334
Foreign currency translation adjustment	2,907	3,109
Remeasurements of defined benefit plans	1,731	1,487
Total accumulated other comprehensive income	18,502	20,931
Non-controlling interests	1,652	1,724
Total net assets	186,795	193,237
Total liabilities and net assets	289,144	287,038

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	220,845	233,462
Cost of sales	149,195	155,605
Gross profit	71,650	77,857
Selling, general and administrative expenses		
Packing and transportation costs	7,954	7,582
Salaries and allowances	21,223	25,047
Provision for bonuses	2,344	2,056
Rent expenses	6,430	7,435
Other	22,983	24,341
Total selling, general and administrative expenses	60,936	66,464
Operating profit	10,714	11,392
Non-operating income		
Interest income	63	83
Dividend income	942	993
Share of profit of entities accounted for using equity method	1,151	679
Foreign exchange gains	48	63
Other	493	607
Total non-operating income	2,698	2,426
Non-operating expenses		
Interest expenses	200	362
Loss on sale and retirement of non-current assets	76	263
Other	215	501
Total non-operating expenses	491	1,127
Ordinary profit	12,920	12,692
Extraordinary income		
Gain on sale of investment securities	4,051	5,697
Gain on contribution of securities to retirement benefit trust	–	258
Total extraordinary income	4,051	5,955
Extraordinary losses		
Loss on sale of non-current assets	–	1,001
Impairment losses	6	4
Loss on sale of investment securities	1	82
Loss on valuation of investment securities	14	199
Total extraordinary losses	22	1,289
Profit before income taxes	16,950	17,358
Income taxes - current	4,547	4,097
Income taxes - deferred	1,313	(279)
Total income taxes	5,861	3,817
Profit	11,088	13,541
Profit (loss) attributable to non-controlling interests	(86)	89
Profit attributable to owners of parent	11,175	13,451

Quarterly Consolidated Statements of Comprehensive Income

Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit	11,088	13,541
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,725)	2,364
Foreign currency translation adjustment	438	222
Remeasurements of defined benefit plans, net of tax	(95)	(243)
Share of other comprehensive income of entities accounted for using equity method	107	63
Total other comprehensive income	(3,274)	2,406
Comprehensive income	7,813	15,947
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,968	15,880
Comprehensive income attributable to non-controlling interests	(154)	67

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	16,950	17,358
Depreciation	5,061	5,273
Impairment losses	6	4
Amortization of goodwill	1,743	906
Loss (gain) on contribution of securities to retirement benefit trust	–	(258)
Loss (gain) on sale and retirement of non-current assets	60	1,253
Share of loss (profit) of entities accounted for using equity method	(1,151)	(679)
Increase (decrease) in allowance for doubtful accounts	15	(27)
Increase (decrease) in provision for bonuses	(2,953)	(1,546)
Increase (decrease) in retirement benefit liability	810	557
Interest and dividend income	(1,005)	(1,076)
Interest expenses	200	362
Loss (gain) on sale of investment securities	(4,050)	(5,614)
Loss (gain) on valuation of investment securities	14	199
Decrease (increase) in accounts receivable - trade, and contract assets	16,209	21,621
Decrease (increase) in inventories	(3,435)	(3,421)
Increase (decrease) in trade payables	(22,963)	(9,919)
Increase (decrease) in accrued consumption taxes	(797)	162
Other, net	371	2,228
Subtotal	5,084	27,386
Interest and dividends received	1,165	1,139
Interest paid	(199)	(381)
Income taxes paid	(9,763)	(7,202)
Net cash provided by (used in) operating activities	(3,712)	20,941
Cash flows from investing activities		
Payments into time deposits	(614)	(173)
Proceeds from withdrawal of time deposits	771	157
Purchase of property, plant and equipment	(14,182)	(5,802)
Proceeds from sale of property, plant and equipment	427	1,519
Purchase of intangible assets	(1,774)	(2,266)
Purchase of investment securities	(6)	(8)
Proceeds from sale and redemption of investment securities	4,545	9,636
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(6,582)
Other, net	(458)	(404)
Net cash provided by (used in) investing activities	(11,292)	(3,922)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	17,473	1,606
Repayments of long-term borrowings	(0)	(1)
Proceeds from issuance of bonds	5,000	–
Redemption of bonds	(5,000)	–
Purchase of treasury shares	(1)	(1)
Dividends paid	(7,874)	(9,062)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(6,068)	–
Other, net	(465)	(585)
Net cash provided by (used in) financing activities	3,063	(8,044)
Effect of exchange rate change on cash and cash equivalents	293	226
Net increase (decrease) in cash and cash equivalents	(11,647)	9,201
Cash and cash equivalents at beginning of period	38,215	25,410
Cash and cash equivalents at end of period	26,567	34,611

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Changes in scope of consolidation)

Boss Design Limited has been included in the scope of consolidation from the first quarter of the current consolidated fiscal year, following the share acquisition.

(Changes in presentation methods)

(Quarterly consolidated statements of cash flows)

"Amortization of goodwill," which was included in "Other" under "Cash flows from operating activities" in the nine months ended December 31, 2024, is presented separately for the nine months ended December 31, 2025 due to its increased materiality. To reflect this change in presentation method, the quarterly consolidated financial statements for the nine months ended December 31, 2024, have been reclassified accordingly.

As a result, in the quarterly consolidated statements of cash flows for the nine months ended December 31, 2024, 2,114 million yen that was presented in "Other" under "Cash flows from operating activities" has been reclassified as "Amortization of goodwill" of 1,743 million yen and "Other" of 371 million yen.

(Segment information, etc.)

For the nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

1. Information concerning net sales, profit and loss for each reportable segment

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustments	Amount shown in the Quarterly Consolidated Financial Statements (Note 2)
	Office Furniture business	Store Displays business	Material Handling Systems business	Total				
Net sales								
Net sales to external customers	109,396	89,160	17,757	216,314	4,531	220,845	–	220,845
Internal net sales or transfers between segments	–	–	–	–	–	–	–	–
Total	109,396	89,160	17,757	216,314	4,531	220,845	–	220,845
Segment profit	5,283	3,820	1,575	10,679	34	10,714	–	10,714

Notes: 1. The “Other” category includes business segments such as the Powertrain business that are not included in any other reportable segment.
2. The totals for segment profit correspond to operating profit on the quarterly consolidated statements of income.

2. Information concerning impairment losses on non-current assets or goodwill, etc. for each reportable segment

(Significant impairment losses related to non-current assets)

Impairment losses on non-current assets are recorded in the Office Furniture business, the Store Displays business, and the Material Handling Systems business. The amount of impairment losses recorded in the nine months ended December 31, 2024 is 6 million yen.

(Significant change in the amount of goodwill)

In the Office Furniture business, additional goodwill was generated mainly due to the acquisition of additional shares in the consolidated subsidiary DB&B Holdings Pte. Ltd. The amount of goodwill recorded for this event in the nine months ended December 31, 2024 is 5,107 million yen.

For the nine months ended December 31, 2025 (From April 1, 2025 to December 31, 2025)

1. Information concerning net sales, profit and loss for each reportable segment

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustments	Amount shown in the Quarterly Consolidated Financial Statements (Note 2)
	Office Furniture business	Store Displays business	Material Handling Systems business	Total				
Net sales								
Net sales to external customers	128,940	88,427	11,558	228,926	4,535	233,462	–	233,462
Internal net sales or transfers between segments	–	–	–	–	–	–	–	–
Total	128,940	88,427	11,558	228,926	4,535	233,462	–	233,462
Segment profit (loss)	9,829	2,313	(861)	11,281	111	11,392	–	11,392

Notes:
1. The “Other” category includes business segments such as the Powertrain business that are not included in any other reportable segment.
2. The totals for segment profit (loss) correspond to operating profit on the quarterly consolidated statements of income.

2. Information concerning impairment losses on non-current assets or goodwill, etc. for each reportable segment

(Significant impairment losses related to non-current assets)

Impairment losses on non-current assets are recorded in the Office Furniture business, the Store Displays business, and the Material Handling Systems business. The amount of impairment losses recorded in the nine months ended December 31, 2025 is 4 million yen.

(Significant change in the amount of goodwill)

In the Office Furniture business, additional goodwill was generated mainly due to the acquisition of shares in the consolidated subsidiary Boss Design Limited. The amount of goodwill recorded for this event in the nine months ended December 31, 2025 is 4,792 million yen. The amount of goodwill is calculated on a tentative basis as the purchase price allocation has not been finalized as of the end of the nine months ended December 31, 2025.

(Business combinations)

(Business combination by acquisition)

At a meeting held on March 24, 2025, the Board of Directors of the Company resolved to acquire 100% of the issued shares of Boss Design Limited (headquartered in the United Kingdom), making it a wholly owned subsidiary. In accordance with this resolution, the share acquisition was completed on April 1, 2025.

(1) Outline of the business combination

(i) Name of the acquired company and its business description

Name of the acquired company: Boss Design Limited (hereinafter "BDL")
Business description: Manufacturing and sales of loose furniture and acoustic products

(ii) Main reasons for the business combination

In its Midterm Management Plan, the Okamura Group identified the "development of overseas business rooted in the local market" as its basic policy and is making efforts to develop the local production for local consumption business through M&A and partnerships and joint ventures with leading local business partners. BDL is a manufacturer and distributor of contract furniture, with a focus on loose furniture and acoustic products. BDL's strengths lie in its advanced upholstery and woodworking techniques, as well as its design-oriented products and ability to fulfill customized orders. BDL also has a solid business foundation in the European and U.S. markets, with a blue-chip customer base consisting mainly of global and major local companies.

With regard to its overseas business, the Company will expand its product lineup by incorporating BDL's strength in loose furniture in addition to the Company's core product, task seating. By mutually leveraging BDL's business base in the U.K., European, and U.S. markets and the Company's presence in Japan and other Asian markets, the Company will promote product sales expansion and new market development, aiming to further expand its overseas business.

(iii) Date of the business combination

April 1, 2025

(iv) Legal form of the business combination

Share acquisition

(v) Name of the company after combination

No change

(vi) Ratio of voting rights acquired

100%

(vii) Main reason for determining the acquiring company

The reason is that the Company acquired the shares in exchange for cash consideration.

(2) Performance period of the acquired company included in the quarterly consolidated financial statements

From April 1, 2025 to December 31, 2025

(3) Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	7,685 million yen
Acquisition cost		7,685 million yen

(4) Description and amount of major acquisition-related expenses

Advisory fees and commissions: 589 million yen

(5) Amount, cause, and amortization method and period of the goodwill that has arisen

(i) Amount of the goodwill that has arisen

4,792 million yen

The amount of goodwill above is calculated on a tentative basis as the purchase price allocation has not been finalized as of the end of the nine months ended December 31, 2025.

(ii) Cause of goodwill

It has arisen from the excess earnings power expected from the future business expansion of the acquired company.

(iii) Amortization method and period

Amortized over 15 years on a straight-line basis.

(6) Details of the conditional acquisition consideration as stipulated in the business combination agreement, and the accounting policy for periods following the fiscal year under review

(i) Details of acquisition consideration

Additional conditional acquisition consideration will be paid to the acquired company based on its performance during a specified period (until the fiscal year ending March 31, 2028).

(ii) Future accounting policies

In the event of a change in the acquisition consideration, the acquisition cost will be adjusted as though it had been incurred at the time of acquisition, and the amount of goodwill and its amortization will be adjusted accordingly.

(Absorption-type merger with consolidated subsidiary)

The Company completed an absorption-type merger (a simplified, short-form merger) effective April 1, 2025, in accordance with the merger agreement dated February 17, 2025.

(1) Summary of the merger

(i) Name of the constituent enterprise and its business description

Name of the constituent enterprise: Kansai Okamura Corporation

Business description: Manufacturing and sales of steel furniture, general metal products, and certain wooden products

(ii) Date of the merger

April 1, 2025

(iii) Legal form of the merger

Absorption-type merger with the Company as the surviving entity and Kansai Okamura Corporation as the dissolved entity

(iv) Name of the company after the merger

Okamura Corporation

(v) Other matters related to the transaction

The Company aims to enhance a sense of unity among the Okamura Group by integrating with Kansai Okamura Corporation, thereby accelerating the optimization of integrated supply chain performance throughout production, sales, and logistics, strengthening human development through human resource exchanges and education, and boosting the business competitiveness and management efficiency of the Okamura Group.

(2) Outline of the accounting treatment applied

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, issued on January 16, 2019) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, issued on January 16, 2019), the Company has accounted for the transaction as a business combination under common control.

(Significant subsequent events)

Not applicable.