

# KOKUYO CO., LTD.

## FINANCIAL RESULTS

### (Consolidated)

Results for the fiscal year ended December 31, 2025

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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(Executive Officer, Manager of Finance and Accounting Division)

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Ordinary General Meeting of Shareholders: March 27, 2026

Commencement date for dividend payments: March 30, 2026

Date for submission of securities report: March 26, 2026

Supplemental material for results: Yes

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

(Figures less than ¥1 million have been omitted)

## 1. Full-period Results (January 1, 2025, to December 31, 2025)

### (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 (%)
Fiscal year ended December 31, 2025	359,876	6.2	26,247	16.5	27,222	11.5
Fiscal year ended December 31, 2024	338,837	–	22,531	–	24,410	(6.1)

(Note) Comprehensive income:

Fiscal year ended December 31, 2025    ¥20,928 million    [21.6%]

Fiscal year ended December 31, 2024    ¥17,215 million    [(26.8%)]

	Profit attributable to owners of parent		Earnings per share	Diluted earnings per share	Return on equity	Ordinary income to total assets ratio	Operating income to net sales ratio
	Millions of yen	Yen	Yen	Yen	%	%	
Fiscal year ended December 31, 2025	21,473	(1.4)	48.30	–	8.4	7.6	7.3
Fiscal year ended December 31, 2024	21,787	14.3	48.04	–	8.5	6.8	6.6

(Reference) Equity in net income of affiliates:

Fiscal year ended December 31, 2025    ¥271 million

Fiscal year ended December 31, 2024    ¥237 million

- (Notes) 1. In the period under review, we changed the method for presenting rental income and expenses (and other income and expense items related to real-estate) in some cases. Previously, such items were included in non-operating income and non-operating expenses. Now, they are included in net sales and cost of sales. We have retroactively applied the new method and restated the net sales and operating income items for the comparative period (the fiscal year ended December 31, 2024). Accordingly, we have omitted the percentage year-on-year change (%) in net sales and operating income for the said period.
2. On July 1, 2025, we conducted a 4-for-1 split of common stock. Earnings per share for the comparative period (the fiscal year ended December 31, 2024) is stated on the hypothetical basis that the stock split occurred at the start of said period.

## (2) Consolidated financial position

	Total asset	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2025	355,048	255,457	70.9	584.97
December 31, 2024	362,959	264,062	71.8	574.85

(Reference) Equity:

December 31, 2025 ¥251,678 million

December 31, 2024 ¥260,552 million

(Reference) On July 1, 2025, we conducted a 4-for-1 split of common stock. Net assets per share for the comparative period (the fiscal year ended December 31, 2024) is stated on the hypothetical basis that the stock split occurred at the start of said period.

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended December 31, 2025	14,369	(4,606)	(31,649)	110,606
Fiscal year ended December 31, 2024	16,377	12,254	(15,624)	132,080

## 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, 2024	—	38.00	—	39.00	77.00
Fiscal year ended December 31, 2025	—	46.00	—	13.00	—
Fiscal period ending December 31, 2026, (forecast)	—	12.25	—	12.25	24.50

	Total annual dividend payments	Consolidated payout ratio	Ratio of dividends to net assets (consolidated)
	Millions of yen	%	%
Fiscal year ended December 31, 2024	8,734	40.1	3.4
Fiscal year ended December 31, 2025	10,749	50.7	4.2
Fiscal period ending December 31, 2026, (forecast)		51.2	

(Reference) 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

#### \* Notes

- (1) [Have there been any] significant changes in subsidiaries during the period under review: Yes  
 New: 1 company added to scope of consolidation:  
       HNI Office India Limited (now known as Kokuyo Workplace India Limited)  
 Removed: 1 company removed from scope of consolidation:  
       KOKUYO International Asia Co., Ltd.
- (2) 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: Yes  
 2) Changes other than those stated above: None  
 3) Changes in accounting estimates: None  
 4) Restatements: None  
 (Note) See 5. Consolidated Financial Statements (5) Notes on the Consolidated Statements: Changes in Presentation Method.
- (3) Total issued shares (of common stock)  
 1) Total issued shares (= outstanding shares + treasury shares) as of the end of...  
    the fiscal year ended December 31, 2025: 440,969,852  
    the fiscal year ended December 31, 2024: 462,969,852  
 2) Treasury shares as of the end of...  
    the fiscal year ended December 31, 2025: 10,729,226  
    the fiscal year ended December 31, 2024: 9,715,332  
 3) Average number of issued shares during...  
    the fiscal year ended December 31, 2025: 444,612,636  
    the fiscal year ended December 31, 2024: 453,555,492  
 (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, 2024).

(Reference) Summary of non-consolidated results

## 1. Full-period Results (January 1, 2025, to December 31, 2025)

### (1) Non-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 (%)
Fiscal year ended December 31, 2025	181,208	4.1	14,321	9.5	20,625	2.3
Fiscal year ended December 31, 2024	174,080	—	13,082	—	20,155	(0.8)

	Net income		Earnings per share	Diluted earnings per share
	Millions of yen	Year-on-year (%)	Yen	Yen
Fiscal year ended December 31, 2025	18,605	(10.7)	41.80	—
Fiscal year ended December 31, 2024	20,834	25.9	45.89	—

- (Notes)
1. In the period under review, we changed the method for presenting rental income and expenses (and other income and expense items related to real-estate) in some cases. Previously, such items were included in non-operating income and non-operating expenses. Now, they are included in net sales and cost of sales. We have retroactively applied the new method and restated the net sales and operating income items for the comparative period (the previous fiscal year ended December 31, 2024). Accordingly, we have omitted the percentage year-on-year change (%) in net sales and operating income for the said period.
  2. On July 1, 2025, we conducted a 4-for-1 split of common stock. Earnings per share for the comparative period (the fiscal year ended December 31, 2024) is stated on the hypothetical basis that the stock split occurred at the start of said period.

### (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2025	291,483	222,341	76.3	516.18
December 31, 2024	309,630	234,849	75.8	517.57

(Reference) Equity  
December 31, 2025                      ¥222,341 million  
December 31, 2024                      ¥234,849 million

(Note) On July 1, 2025, we conducted a 4-for-1 split of common stock. Net assets per share for the comparative period (the fiscal year ended December 31, 2024) is stated on the hypothetical basis that the stock split occurred at the start of said period.

\* This financial summary is not subject to a review by a certified public accountant or independent auditor.

\* 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.

## 1. Activity Report

All forward-looking statements in this document are based on assumptions deemed reasonable as of the end of the period under review.

### (1) Analysis of Business Results

#### 1) Business Results in Period Under Review

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025	Year-on-year change (%)
Net sales	338,837	359,876	+6.2
Operating income	22,531	26,247	+16.5
Ordinary income	24,410	27,222	+11.5
Profit attributable to owners of parent	21,787	21,473	(1.4)

During the fiscal period under review (January 1 to December 31, 2025), 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 in China, US policy, 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 ¥359.8 billion (up 6.2% year on year). This year-on-year growth reflects the success of the furniture business in capitalizing on the brisk demand for office relocations and office renovations. Gross profit increased to ¥144.4 billion (up 8.3% year on year), reflecting sales price revisions, which more than offset the high raw material prices. Gross profit ratio came to 40.1% (0.8 points up year on year). Selling, general and administrative expenses increased to ¥118.2 billion (up 6.6% 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 32.9% (up 0.1 points year on year).

Reflecting these results, operating income reached ¥26.2 billion (up 16.5% year on year).

Ordinary income reached ¥27.2 billion (up 11.5% year on year). Profit attributable to owners of parent was ¥21.4 billion, down 1.4% year on year; this result was a relative comedown from the bumper result in the previous year, when we recorded gain on sales of non-current assets.

## 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. While we changed our two-category structure (workstyle field and lifestyle field) to enable greater flexing of our strengths across the group and to maximize the sharing of knowledge assets between businesses, the four-segment structure (furniture, business-supply distribution, stationery, interior retail) remains the same.

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

(Millions of yen)

		Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025	Year-on-year change (%)
Furniture	Net sales	162,415	172,196	+6.0
	Operating income	23,459	26,175	+11.6
Business supply distribution	Net sales	98,935	108,369	+9.5
	Operating income	4,471	5,463	+22.2
Stationery	Net sales	83,575	83,572	(0.0)
	Operating income	5,993	7,092	+18.3
Interior retail	Net sales	21,238	23,678	+11.5
	Operating income	521	718	+37.7
Others	Net sales	476	573	+20.2
	Operating income	(479)	(457)	—
Reconciliation	Net sales	(27,803)	(28,514)	—
	Operating income	(11,434)	(12,744)	—
Total	Net sales	338,837	359,876	+6.2
	Operating income	22,531	26,247	+16.5

### • Furniture

For our furniture businesses, we target the burgeoning demand for office renovation 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, we continue seeing brisk demand for new office builds (office relocations) and office renovations. To capitalizing on this demand, we are working to build up a track record of performance 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, winning a number of contracts.

Under such circumstances, the segment’s net sales increased to ¥172.1 billion (up 6.0% year on year). Operating income increased to ¥26.1 billion (up 11.6% year on year).

In the fiscal year under review, we changed our presentation method. See 5. Consolidated Financial Statements (5) Notes on the Consolidated Statements: Changes in Presentation Method.

- 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 progress in implementing our solutions system for large-scale corporate clients. During the fourth quarter (October–December), a distribution and IT system within the industry was disrupted, prompting a spike in demand for an alternative system. As part of the social infrastructure, we acted to fulfill our responsibility for ensuring supply continuity. Specifically, we ensured that effective distribution flows were in place and increased our inventory so that we could accommodate the spike in demand.

Under such circumstances, the segment's net sales increased to ¥108.3 billion (up 9.5% year on year). Operating income increased to ¥5.4 billion (up 22.2% year on year), with revenue growth more than offsetting the fact that our distribution costs increased with the surge in trade volume and the fact that we experienced higher amortization expenses in connection with system investments.

- Stationery

We are positioning the Campus as a brand whose value proposition centers on learning styles as part of an effort to transition the stationery business globally into a business that will inspire people to embrace challenges.

In Japan, we revised sales prices, rebranded Campus, and made headway in expanding our B2C e-commerce business. The B2C channel benefitted from the aforementioned demand for an alternative system (prompted by a stoppage in a distribution and IT system within the industry). The effect was an increase in sales of profitable national-brand products, culminating in period-end results that surpassed expectations.

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.

While performance in India was adversely affected by inflation and intensifying competition, we continued expanding the range of new products and launched value-added products.

Under these circumstances, the segment's net sales amounted to ¥83.5 billion (largely the same as in the previous fiscal year). Operating income increased to ¥7 billion (up 18.3% year on year).

- Interior retail

In the interior retail businesses, we are building a network of offline and online stores, 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, we made steady progress in in-store and online sales. We also increased orders in the B2B sector. Under these circumstances, the segment's net sales came to ¥23.6 billion (up 11.5% year on year). Operating income increased to ¥0.7 billion (up 37.7% year on year).

## 2) Outlook for Fiscal 2026

(Millions of yen)

	FY2025 (full-year) result	FY2026 (full-year) forecast	Year-on-year change (%)
Net sales	359,876	390,000	+8.4
Operating income	26,247	27,000	+2.9
Ordinary income	27,222	26,800	(1.6)
Profit attributable to owners of parent	21,473	20,300	(5.5)

## Segment

(Millions of yen)

		FY2025 (full-year) result	FY2026 (full-year) forecast	Year-on-year change (%)
Furniture	Net sales	172,196	191,000	+10.9
	Operating income	26,175	30,700	+17.3
Business supply distribution	Net sales	108,369	118,300	+9.2
	Operating income	5,463	4,400	(19.5)
Stationery	Net sales	83,572	84,900	+1.6
	Operating income	7,092	7,100	+0.1
Interior retail	Net sales	23,678	24,100	+1.8
	Operating income	718	1,050	+46.4
Others	Net sales	573	1,000	+74.8
	Operating income	(457)	(500)	—
Reconciliation	Net sales	(28,514)	(29,300)	—
	Operating income	(12,744)	(15,750)	—
Total	Net sales	359,876	390,000	+8.4
	Operating income	26,247	27,000	+2.9

## (2) Qualitative and Other Information Related to Consolidated Financial Position

### 1) Assets, liabilities, and net assets

As of December 31, 2025, total assets amounted to ¥355.0 billion, down ¥7.9 billion from December 31, 2024, (the end of the previous fiscal year).

Current assets decreased by ¥9.9 billion to ¥242.8 billion. The main factors were an increase of ¥6.7 billion in notes and accounts receivable and contract assets, an increase of ¥2.3 billion in merchandise and finished goods, and ¥1.9 billion in increase in real estate for sale in progress, partially offset by a decrease of ¥21.4 billion in cash and deposits.

Non-current assets increased by ¥2.0 billion to ¥112.1 billion. The main factors were an increase of 2.3 billion in property, plant and equipment, an increase of ¥2.1 billion in intangible assets, and an increase of ¥1.4 billion in increase in retirement benefit asset, partially offset by a decrease of ¥4.3 billion in investment securities.

As of December 31, 2025, liabilities amounted to ¥99.5 billion, up ¥0.6 billion from December 31, 2024. The main factor was an increase of ¥3.9 billion in notes and accounts payable - trade, partially offset by a decrease of ¥4.5 billion in income taxes payable.

As of December 31, 2025, net assets totaled ¥255.4 billion, down ¥8.6 billion from December 31, 2024. The main factor was an increase associated with the recording of ¥21.6 billion in profit attributable to owners of parent, partially offset by a decrease of ¥20.0 billion associated with the purchase of treasury shares and a decrease of ¥9.5 billion associated with dividends of surplus.



## 2) Cash Flows

As of December 31,, 2025, consolidated cash and cash equivalents (hereafter referred to as cash) totaled ¥110.6 billion, a decrease of ¥21.4 billion from December 31, 2024.

### **Cash flows from operating activities**

Net cash provided by operating activities was ¥14.3 billion (down ¥2.0 billion year on year). Inflows included the recording of ¥31.2 billion in profit before income taxes, adjustment for non-financial gain/loss (e.g. ¥8.1 billion in depreciation), and ¥3.5 billion in increase in notes and accounts payable – trade. Outflows included ¥14.1 billion in income taxes paid, ¥5.4 billion in increase in notes and accounts receivable – trade, ¥2.2 billion in increase in inventories, ¥1.9 billion in increase in real estate for sale in progress, ¥3.4 billion in gain on sales of investment securities not included in cash flows from operating activities, and ¥1.0 billion in gain on sales of non-current assets.

### **Cash flows from investing activities**

Net cash used in investing activities was ¥4.6 billion (compared to ¥12.2 billion earned in the previous fiscal year). The main positive cash flows were ¥5.7 billion in proceeds from sales and redemption of investment securities and ¥2.0 billion in proceeds from sales of property, plant and equipment. The main negative cash flow were ¥11.2 billion in capital expenditure and ¥0.8 billion in purchase of shares in subsidiaries resulting in changes in scope of consolidation.

### **Cash flows from financing activities**

Net cash used in financing activities was ¥31.6 billion (up ¥16.0 billion year on year).

Outflows included ¥20.0 billion in purchase of treasury shares, ¥9.5 billion in cash dividends paid, and ¥1.2 billion in repayments of lease obligations.

Trends in cash flow indices for the Kokuyo Group are shown below.

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Equity ratio (%)	70.3	70.4	70.3	71.8	70.9
Equity ratio (%) (market capitalization basis)	61.2	63.6	73.0	87.3	106.1
Ratio of operating cash flow to interest-bearing debt (year)	0.7	1.6	0.4	0.6	0.6
Interest coverage ratio (times)	134.9	41.4	174.5	71.9	90.6

(Notes) Equity ratio: Total shareholders' equity / total assets

Equity ratio (market capitalization basis): Market capitalization / total assets

Ratio of operating cash flow to interest-bearing debt: Interest-bearing debt / operating cash flow

Interest coverage ratio: Operating cash flow / interest payments

\* All indices are calculated using consolidated financial data.

\* Market capitalization is calculated by multiplying Kokuyo's closing share price at year-end by the number of shares issued and outstanding at term-end (excluding treasury stock).

\* Operating cash flow refers to cash flows from operating activities as shown in the consolidated cash flow statements. Interest-bearing debt is the sum of all debt upon which interest must be paid as shown in the consolidated balance sheets. Interest payments are interest paid as shown in the consolidated statements of cash flows.

### (3) Basic Policy on the Distribution of Profits

#### < Dividends for the Current and Following Fiscal Years >

Committed to long-term value creation, we work to deliver sustained business growth and an increasing dividend for shareholders. The fourth medium-term plan sets out, as the shareholder returns policy, the principle of delivering an increasing dividend, meaning an annual dividend (excluding any special dividend) that is at least as high as the previous year's dividend, with a consolidated payout ratio of 50%.

Under this policy, the dividend per share for the fiscal year ended December 2025 will be ¥24.50 (interim dividend of ¥11.50 and the fiscal year-end dividend of ¥13.00), which is ¥5.25 higher than that for the previous year. The dividend payout ratio will be 50.7%.

For the fiscal year ending December 2026, we plan to offer a dividend per share of ¥24.50 (¥12.25 interim and ¥12.25 year-end), which is the same as that for the fiscal year ended December 2025. The payout ratio will be 51.2%.

Consolidated dividend regulations apply at the Company.

(Note) On July 1, 2025, we conducted a 4-for-1 split of common stock. The dividend figures stated above are based on the post-split stock.

## 2. Corporate Group

The corporate group (the Company and companies related to the company) comprises the Company, along with 38 subsidiaries and 9 associate companies.

Our business operations are broadly divided into furniture, business supply distribution, stationery, and interior retail. The furniture businesses manufacture and sell office and public furniture and construct office spaces, among other things, in Japan and abroad. The business supply distribution business engages in office supply wholesaling and runs e-commerce/mail-order businesses for office supplies. In the stationery businesses, we manufacture and sell office supplies in Japan and abroad. Our interior retail business is Actus, which manages a chain of interior retail stores.

## 3. Management Policies

### (1) Basic Management Policies

Our long-term vision for 2030, titled CCC 2030, commits us to building a sustainable, farsighted business model that we have dubbed the Forest-Like Management Model, and to becoming a “Work & Life Style Company.” Accordingly, we are working to become an organization that creates life-affirming solutions in the field of work and in the field of learning and daily life.

Central to our approach to business growth is a wow-factor creation cycle. In this cycle, we pitch visionary and highly customer-oriented ideas for the near future. We also use assets such as live offices, directly run outlets, and our online community to spark inspiration and emotional resonance among staff and customers, generating new and exciting experience value, as opposed to just tangible products.

Since the start of the fiscal year ended December 2025, we have been progressing with our fourth medium-term plan, titled Unite for Growth 2027, which is aligned with our long-term, CCC 2030. Our initiatives under this plan include growing our existing businesses and expanding the reach of the business fields. We will combine the expertise we have developed with the knowledge assets in each of our businesses to create more inter-business synergy, grow our existing businesses, and expand the reach of our business fields. By doing this in a way that meets the needs of our customers, we will become a forest-like ecosystem of businesses that deliver sustained business growth, with ¥500 billion yen in annual net sales.

### (2) Target Management Indicators

The fourth medium-term plan sets out the following targets for the final year of the plan, ending December 2027: ¥430 billion in net sales, 20% of total sales made overseas, ¥43.0 billion in EBITDA, and at least 9% in ROE.

(Billions of yen)

		FY2024	FY2027	
		Result	Target	Change from FY2024
KPIs	Net sales	338.8	430.0	+26.9%
	% of net sales from overseas	13%	20%	+7pt
	EBITDA (%)	31.4 (9.3%)	43.0 (10%)	+36.5% (+0.7pt)
	ROE	8.5%	≥9%	+0.5pt
Referential indicator	Operating income (%)	22.5 (6.6%)	30.0 (approx. 7%)	+33.1% (+0.4pt)

(Note) EBITDA = Operating income + Depreciation expense + Goodwill amortization + Other depreciation

In the period under review, we changed the method for presenting rental income and expenses (and other income and expense items related to real-estate) in some cases. Previously, such items were included in non-operating income and non-operating expenses. Now, they are included in net sales and cost of sales. We have retroactively applied the new method and restated the net sales, EBITDA, and operating income items for the comparative period (the fiscal year ended December 2024).

### (3) Medium- and Long-Term Management Strategy, Business and Financial Priorities

Aligned with the long-term vision, CCC 2030, Unite for Growth 2027 sets out a strategy of combining the expertise we have developed with the knowledge assets in each of our businesses to create more inter-business synergy, grow our existing businesses, and expand the reach of the business fields.

- General strategies

Unite for Growth 2027 is outlined below.

#### 1) Establishing a framework that prioritizes cash flow

Establish a framework that prioritizes the cashflow (≈EBITDA) necessary to support profit growth and our overall value over the medium and long term. Guided by this framework and the Forest-Like Management Model, commit to gaining a top share in our target markets in Asia by 2030 and, in the long run, in our target markets around the world, and to maximizing our overall value.

#### 2) Strategy to expand the reach of our experience value

Mount a strategy to expand the reach of our experience value by leveraging our forte in the wow-factor creation cycle. Use strategic and disciplined investment to drive organic growth (building up existing businesses) and inorganic growth (M&A) in Japan and overseas and build sustained EBITDA growth.

#### 3) Bolstering strategic assets

Build up talent and knowledge to increase replicability of business success. Bolster strategic assets to reduce risks (capital costs) and facilitate sustained growth over the medium and long term

- Business strategy

Outlined below are the strategies for each business set out in Unite for Growth 2027.

#### 1) Furniture business

Capitalize on the brisk office demand created by workstyle reform. Use our resources in Mainland China and Hong Kong and our interior design expertise in Japan to drive business growth overseas, creating momentum to lead organization-wide business growth.

#### 2) Business-supplies distribution

Use technological innovation to deliver personalized shopping experiences through Benri Net (platform for purchase-management services).

#### 3) Stationery business

Shift to a strategy that involves capitalizing on the global momentum for positive study/learning experiences. To this end, position Campus brand as a brand that delivers value in study/learning.

#### 4) Interior retail business

Build a network of offline and online stores, channeling the customer connections and marketing prowess developed in our existing interior retail businesses. Work 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.

- Financial and capital strategies

Summarized below are the financial and capital strategies set out in Unite for Growth 2027.

#### 1) Balance sheet management

We will strike a balance between EBITDA growth and capital efficiency to achieve ROE targets (≥9 % in 2027, ≥10% in 2030). We will offload cross-held shares and other non-business assets and improve our capital structure.

## 2) Capital allocations

From among the cash flows, cash on hand, and proceeds from sale of non-business assets recorded during the 4th medium-term plan, ¥89 billion will be reinvested in our businesses (¥70 billion as growth CapEx and ¥19 billion as maintenance CapEx) while ¥64 billion will be returned to shareholders (through dividends with a consolidated payout ratio of 50% and through a ¥35 billion buyback program).

## 3) Shareholder returns

Our policy on shareholder returns is as follows.

We will deliver a steadily increasing dividend, meaning an annual dividend that is no smaller than the previous year's one (in all instances, this excludes any commemorative dividend), with a consolidated payout ratio of around 50%, the benchmark set out in the fourth medium-term plan. We may, however, exempt the consolidated payout ratio from this rule if any one-off losses and gains are of such a nature as to warrant such an exemption.

During the 3-year period of the 4th medium-term plan, we will buy back ¥35 billion in shares. To dispel dilution concerns, we will also reduce our treasury shares by selling them off to the extent that they represent less than 2% of total issued shares.

## 4. Basic Approach to Selection of Accounting Standards

The Group's policy for the time being is to prepare its consolidated financial statements based on the Japanese Accounting Standard after taking into account the comparability of the consolidated financial statements between terms and with other companies.

The Group plans to respond appropriately to the application of the International Financial Reporting Standards (IFRS) by considering the situation prevailing in Japan and abroad.

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	102,238	80,787
Notes and accounts receivable and contract assets	*1,*8 75,383	*1,*5,*8 82,116
Securities	30,106	29,959
Merchandise and finished goods	29,956	*5 32,276
Work in process	2,766	*5 2,606
Raw materials and supplies	6,130	*5 6,538
Real estate for sale in progress	–	1,924
Others	6,312	6,711
Allowance for doubtful accounts	(10)	(33)
Total current assets	252,884	242,888
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,282	*5 23,380
Machinery, equipment and vehicles, net	7,134	*5 7,665
Land	27,440	26,650
Construction in progress	1,125	*5 2,458
Other, net	5,258	*5 5,418
Total property, plant and equipment	*2 63,241	*2 65,572
Intangible assets		
Goodwill	471	373
Software	5,198	*57,426
Others	7,291	7,282
Total intangible assets	12,961	15,082
Investments and other assets		
Investment securities	*3 22,362	*3 18,022
Long-term loans receivable	267	380
Retirement benefit asset	5,965	7,396
Deferred tax assets	750	878
Others	4,976	5,246
Allowance for doubtful accounts	(449)	(419)
Total investments and other assets	33,872	31,504
Total non-current assets	110,075	112,160
Total assets	362,959	355,048

	As of December 31, 2024	As of December 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	* <sup>8</sup> 54,357	* <sup>8</sup> 58,334
Short-term loans payable	3,955	3,369
Current portion of long-term loans payable	120	85
Income taxes payable	8,371	3,849
Provision for bonuses	977	977
Others	* <sup>4</sup> 19,960	* <sup>4</sup> 22,495
Total current liabilities	87,742	89,112
Non-current liabilities		
Long-term loans payable	101	16
Long-term guarantee deposited	5,126	5,178
Provision for loss on business of subsidiaries and associates	14	—
Retirement benefit liability	245	252
Deferred tax liabilities	2,379	2,139
Others	3,286	2,891
Total non-current liabilities	11,154	10,478
Total liabilities	98,896	99,591
<b>Net assets</b>		
Shareholders' equity		
Capital stock	15,847	15,847
Capital surplus	18,139	18,139
Retained earnings	216,230	211,871
Treasury shares	(4,027)	(7,710)
Total shareholders' equity	246,190	238,148
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,393	5,891
Deferred gains or losses on hedges	74	92
Foreign currency translation adjustment	5,705	5,886
Remeasurements of defined benefit plans	1,189	1,659
Total accumulated other comprehensive income	14,362	13,530
Non-controlling interests	3,509	3,778
Total net assets	264,062	255,457
Total liabilities and net assets	362,959	355,048

## (2) Consolidated Statements of Income and Comprehensive Income

### Consolidated statements of income

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net sales	*1 338,837	*1 359,876
Cost of sales	*3 205,413	*3 215,407
Gross profit	133,424	144,469
Selling, general and administrative expenses	*2,*3 110,892	*2,*3 118,222
Operating income	22,531	26,247
Non-operating income		
Interest income	302	413
Dividend income	906	378
Real estate rent	181	175
Share of profit of entities accounted for using equity method	237	271
Foreign exchange gains	956	104
Others	503	417
Total non-operating income	3,087	1,761
Non-operating expenses		
Interest expenses	219	155
Rent expenses on real estate	85	75
Loss on abandonment of non-current assets	80	293
Nondeductible consumption tax	554	21
Others	267	239
Total non-operating expenses	1,207	785
Ordinary income	24,410	27,222
Extraordinary income		
Gain on sales of investment securities	10,280	3,424
Gain on sales of non-current assets	*4 4,863	*4 1,004
Gain on liquidation of subsidiaries	82	168
Gain on bargain purchase	–	111
Reversal of allowance for doubtful account	4	51
Reversal of provision for loss on business of subsidiaries and associates	–	14
Total extraordinary income	15,231	4,776
Extraordinary losses		
Provision for dismantling of non-current assets	59	–
Impairment loss	*5 5,229	*5 236
Loss on valuation of investment securities	176	8
Provision for loss on business of subsidiaries and associates	0	23
Provision of allowance for doubtful accounts	44	50
Extra retirement payments	–	173
Provision for loss on guarantees	–	55
120th anniversary expenses	–	43
Expenses associated with structural reform	–	191
Total extraordinary losses	5,511	782
Profit before income taxes	34,130	31,215
Income taxes - current	12,198	9,599
Income taxes - deferred	2	(96)
Total Income taxes	12,200	9,502
Profit	21,929	21,712
Profit attributable to non-controlling interests	142	239
Profit attributable to owners of parent	21,787	21,473



## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit	21,929	21,712
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,522)	(1,511)
Deferred gains or losses on hedges	96	20
Foreign currency translation adjustment	3,104	223
Remeasurements of defined benefit plans, net of tax	598	470
Share of other comprehensive income of entities accounted for using equity method	8	12
Total other comprehensive income	(4,714)	(784)
Comprehensive income:	17,215	20,928
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,764	20,641
Comprehensive income attributable to non- controlling interests	450	287

### (3) Consolidated Statement of Changes in Shareholders' Equity

Fiscal year ended December 31, 2024

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,847	18,136	210,677	(12,206)	232,455
Changes of items during period					
Dividends of surplus			(8,190)		(8,190)
Profit attributable to owners of parent			21,787		21,787
Purchase of treasury shares				(1,649)	(1,649)
Disposal of treasury shares		21		38	59
Retirement of treasury shares		(21)	(9,771)	9,793	–
Change in scope of consolidation		2	1,728		1,730
Parent's shares in equity-method affiliate				(2)	(2)
Change resulting from acquisition of stock in consolidated subsidiary		0			0
Net changes of items other than shareholders' equity					
Total changes of items during period	–	2	5,553	8,179	13,734
Balance at end of period	15,847	18,139	216,230	(4,027)	246,190

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	15,912	(22)	2,905	590	19,386	1,585	253,426
Changes of items during period							
Dividends of surplus							(8,190)
Profit attributable to owners of parent							21,787
Purchase of treasury shares							(1,649)
Disposal of treasury shares							59
Retirement of treasury shares							–
Change in scope of consolidation							1,730
Parent's shares in equity-method affiliate							(2)
Change resulting from acquisition of stock in consolidated subsidiary							0
Net changes of items other than shareholders' equity	(8,519)	97	2,799	598	(5,023)	1,924	(3,099)
Total changes of items during period	(8,519)	97	2,799	598	(5,023)	1,924	10,635
Balance at end of period	7,393	74	5,705	1,189	14,362	3,509	264,062

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,847	18,139	216,230	(4,027)	246,190
Changes of items during period					
Dividends of surplus			(9,573)		(9,573)
Profit attributable to owners of parent			21,473		21,473
Purchase of treasury shares				(20,002)	(20,002)
Disposal of treasury shares		26		35	61
Retirement of treasury shares		(26)	(16,261)	16,287	–
Parent's shares in equity-method affiliate				(3)	(3)
Other			2		2
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	(4,358)	(3,682)	(8,041)
Balance at end of period	15,847	18,139	211,871	(7,710)	238,148

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7,393	74	5,705	1,189	14,362	3,509	264,062
Changes of items during period							
Dividends of surplus							(9,573)
Profit attributable to owners of parent							21,473
Purchase of treasury shares							(20,002)
Disposal of treasury shares							61
Retirement of treasury shares							–
Parent's shares in equity-method affiliate							(3)
Other						–	2
Net changes of items other than shareholders' equity	(1,501)	18	181	470	(831)	268	(563)
Total changes of items during period	(1,501)	18	181	470	(831)	268	(8,605)
Balance at end of period	5,891	92	5,886	1,659	13,530	3,778	255,457

#### (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	34,130	31,215
Depreciation	7,811	8,104
Amortization of long-term prepaid expenses	434	437
Impairment loss	5,229	236
Amortization of goodwill	715	97
Gain on bargain purchase	—	(111)
Extra redundancy pay expense	—	173
Increase (decrease) in allowance for doubtful accounts	5	(26)
Increase (decrease) in provision for bonuses	(58)	(3)
Increase or decrease in net defined benefit asset and liability	(503)	(722)
Increase (decrease) in provision for loss on business of subsidiaries and associates	0	8
Allowance for loan losses or losses on guarantees	—	55
Dismantling of non-current assets	59	—
Interest and dividend income	(1,209)	(792)
Interest expenses	219	155
Share of loss (profit) of entities accounted for using equity method	(237)	(271)
Loss (gain) on sales of non-current assets	(4,870)	(1,012)
Loss on retirement of non-current assets	80	293
Loss (gain) on sales of investment securities	(10,287)	(3,438)
Loss (gain) on valuation of investment securities	176	8
Gain (loss) on liquidation of subsidiaries	(82)	(168)
120th anniversary expenses	—	43
Expenses associated with structural reform	—	191
Decrease (increase) in notes and accounts receivable - trade	(5,048)	(5,403)
Decrease (increase) in inventories	2,707	(2,219)
Increase (decrease) in notes and accounts payable - trade	(1,730)	3,541
Decrease (increase) in real estate for sale	—	(1,924)
Others	(1,870)	(498)
Subtotal	25,673	27,969
Interest and dividend income received	1,300	824
Interest expenses paid	(227)	(158)
Income taxes paid	(10,367)	(14,121)
Extra retirement payments	—	(143)
Net cash provided by (used in) operating activities	16,377	14,369
Cash flows from investing activities		
Net decrease (increase) in time deposits	250	1
Purchase of property, plant and equipment	(4,312)	(6,459)
Proceeds from sales of property, plant and equipment	5,593	2,094
Expenditure for dismantling of non-current assets	(59)	—
Purchase of intangible assets	(3,409)	(4,811)
Purchase of investment securities	(4)	(16)
Proceeds from sales and redemption of investment securities	15,049	5,702
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(880)
Proceeds for liquidation of subsidiaries	84	499
Net decrease (increase) in short-term loans receivable	74	0
Payments of long-term loans receivable	(240)	(120)
Collection of long-term loans receivable	240	91
Payment for business acquisition	(300)	—
Others	(711)	(707)
Net cash provided by (used in) investing activities	12,254	(4,606)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(774)	(686)
Repayments of lease obligations	(1,427)	(1,272)
Repayments of long-term loans payable	(5,202)	(120)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(10)	–
Purchase of treasury shares	(1,649)	(20,002)
Decrease (increase) in cash segregated as deposits for purchase of treasury shares	1,685	–
Cash dividends paid	(8,195)	(9,547)
Cash dividends paid to non-controlling interests	(49)	(20)
Net cash provided by (used in) financing activities	(15,624)	(31,649)
Effect of exchange rate change on cash and cash equivalents	1,261	412
Net increase (decrease) in cash and cash equivalents	14,269	(21,474)
Cash and cash equivalents at beginning of period	115,161	132,080
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	2,650	–
Cash and cash equivalents at end of period	* 132,080	* 110,606

## (5) Notes on the Consolidated Statements

### Relating to Assumptions Regarding the Successor Company

None

### Important Elements Considered When Preparing Consolidated Financial Statements

#### 1. Scope of Consolidation

##### (1) Number of consolidated subsidiaries 28

Names of major subsidiaries

KOKUYO Logitem Co., Ltd.  
Actus Co., Ltd.  
KOKUYO (Malaysia) Sdn. Bhd.  
KOKUYO International (Malaysia) Sdn. Bhd.  
KOKUYO Design Consultants (Shanghai) Co., Ltd.  
KOKUYO Furniture (China) Co., Ltd.  
Kaunet Co., Ltd.  
KOKUYO Marketing Co., Ltd.  
KOKUYO Product Shiga Co., Ltd.  
KOKUYO MVP Co., Ltd.  
KOKUYO Commerce (Shanghai) Co., Ltd.  
KOKUYO VIETNAM Co., Ltd.  
KOKUYO VIETNAM Trading Co., Ltd.  
KOKUYO CAMLIN Ltd.  
KOKUYO Supply Logistics Co., Ltd.  
KOKUYO & Partners Co., Ltd.  
KOKUYO Finance Co., Ltd.  
LmD International Co., Ltd.  
KOKUYO (Shanghai) Management Co., Ltd.  
Kokuyo Hong Kong Limited  
Dongguan Lamex Furniture Co., Ltd.  
Origin Co., Ltd.  
Estic Corporation  
KOKUYO-IK (THAILAND) Co., Ltd.  
KOKUYO International Thailand Co., Ltd.  
Kokuyo Workplace India Limited

In the period under review, the following company was added to the scope of consolidation after we acquired them by means of stock purchase: HNI Office India Limited (now known as Kokuyo Workplace India Limited)

KOKUYO International Asia Co., Ltd., and two other companies were removed from the scope of consolidation because they were absorbed by Kokuyo Hong Kong Limited, a consolidated subsidiary, and other companies.

##### (2) Names of major non-consolidated subsidiaries

The above non-consolidated subsidiaries are excluded from the scope of consolidation because, due to their small scale, the Company's consolidated financial statements are scarcely affected by their total assets, net sales, net profit attributable to the Company, or by their retained earnings attributable to the Company.

#### 2. Application of Equity Method

##### (1) Number of affiliates accounted for using the equity method 8

Names of equity-method affiliates

KOKUYO Hokkaido Sales Co., Ltd.  
KOKUYO Tohoku Sales Co., Ltd.  
KOKUYO Kitakanto Sales Co., Ltd.  
KOKUYO Hokuriku-Niigata Sales Co., Ltd.  
KOKUYO Tokai Sales Co., Ltd.  
KOKUYO Sanyo-Shikoku Sales Co., Ltd.  
KISPA Inc.  
Nikkan Co., Ltd.

(2) Names of major non-consolidated subsidiaries or major affiliates not accounted for by equity method

(Major non-consolidated subsidiaries) Iwami Kami Kogyo

The above non-consolidated subsidiary is excluded from the scope of equity-method affiliation because the Company's consolidated financial statements are scarcely affected by the subsidiary's net profit attributable to the Company or its retained earnings attributable to the Company, and because it has minimal overall importance to the Company.

(3) When an equity-method affiliate has a different fiscal year-end from that of the Company, its financial statements are consolidated as of the equity-method affiliate's fiscal year-end, with necessary adjustments made if any major transactions occurred between then and the consolidated fiscal year-end.

### 3. Accounting Period Used by Consolidated Subsidiaries

November 30 is the fiscal year-end of Actus Co., Ltd., Origin Co., Ltd., and Estic Corporation. March 31 is the fiscal year-end of Kokuyo Camlin Ltd. and Kokuyo Workplace India Limited.

Actus Co., Ltd., Origin Co., Ltd., and Estic Corporation's financial statements are consolidated as of November 30, with necessary adjustments made if any major transactions occurred between then and the consolidated fiscal year-end. Kokuyo Camlin Ltd. and Kokuyo Workplace India Limited's financial statements are consolidated on the hypothetical basis that the consolidated fiscal-year end (December 31) is the fiscal-year end of these companies.

### 4. Accounting Policies

(1) Method and procedure for valuating major assets

#### *Securities*

Securities not held to maturity

*Stocks (or other holdings) with market value*

Carried at fair value, with any valuation difference reflected in the shareholders' equity section of the balance sheet and cost of sales calculated using the moving average formula.

*Stocks (or other holdings) with no market value*

Stated at cost as determined by the moving-average formula.

*Equity in limited partnerships*

Initial investment is stated at cost. Equity is reported as income (or loss, if negative) on the consolidated financial statements, reflecting the amount stated in the latest available financial statements as of the fiscal year-end for the limited partnership in question. If a limited partnership owns other securities and they differ in valuation, the portion of equity attributable to the valuation difference is stated as valuation difference on available-for-sale securities.

#### *Derivatives*

Carried at fair value

#### *Investment trusts*

Carried at fair value

#### *Inventories*

Stated at cost as determined (primarily) by the first-in first-out method (with incremental reductions in profitability reflected in balance sheet write-downs)

(2) Depreciation method for major assets

#### *Non-leased property, plant, and equipment*

The following methods are used for such assets of the Company and consolidated subsidiaries:

The straight-line method is used for...

- Buildings (but not fixtures) acquired on or after April 1, 2007
- Buildings and fixtures acquired on or after April 1, 2016

The old straight-line method is used for...

- Buildings (but not fixtures) acquired between April 1, 1998, and March 31, 2007

The old declining-average method is used for...

- Buildings acquired before March 31, 1998
- Non-building, non-leased property, plant, and equipment acquired before March 31, 2007

The declining-average method used for...

- Non-leased property, plant, and equipment other than the above.

For property, plant, and equipment acquired before March 31, 2007, depreciation is averaged over the five-year period beginning in the year after the depreciation ceiling is reached.

For consolidated subsidiaries outside Japan, the straight-line method used in most cases.

Buildings and other structures usually have a useful life of 7 to 50 years.

Machinery, equipment, and vehicles usually have a useful life of 4 to 13 years.

#### *Non-leased intangible assets*

Such assets are depreciated on a straight-line basis.

Sales software is depreciated over the expected useful life (three years). Software for internal use is depreciated on a straight-line basis over the period in which the software remains useful for internal use (which is usually five years).

Patents are depreciated over a five-year period. Client assets are depreciated over an 11- to 19-year period. Trademarks are depreciated over a 20-year period (trademarks of overseas subsidiaries are not depreciated if their useful life is uncertain).

#### *Leased assets*

Leased assets held under finance-leasing agreements that do not involve a transfer of ownership:

These assets are depreciated on a straight-line basis on the assumption that the useful life is equal to the lease period and that the residual value is zero.

### (3) Criteria for major allowances and provisions

#### *Allowance for doubtful accounts*

The following applies to the Company and its consolidated subsidiaries: For outstanding accounts receivable in general, the allowance reflects the percentage of such accounts that will become uncollectible in light of past trends. When an outstanding account is particularly likely to become uncollectible, an allowance is recognized for that account, reflecting the account's recoverability.

#### *Provision for bonuses*

The following applies to the Company and its consolidated subsidiaries in Japan: A provision is recognized in the liabilities section of the consolidated balance sheets to cover the amount of bonuses expected to be paid to employees.

#### *Provision for loss on business of subsidiaries and associates*

The following applies to the Company: A provision is made to reflect any liability the Company may incur from the business of a subsidiary or associate beyond the Company's initial investment in the business or any monetary claims related to it.

### (4) Accounting Policies for Retirement Benefits

#### 1) Attributing retirement benefits

A benefit attribution model is used to determine the retirement benefit obligations attributable to employees as of the end of the consolidated fiscal year under review.

#### 2) Expensing actuarial differences

Actuarial differences are expensed evenly, and on a straight-line basis, across a future period of time no longer than the average remaining years of service of an employee as of the fiscal year of occurrence (this time is usually 12 years).

#### 3) Simplified accounting for small companies

For some consolidated subsidiaries, a simplified form of accounting is applied to retirement benefit obligations and retirement benefit expenses. This method involves including in retirement benefit obligations end-of-year payouts of retirement obligations in cases of voluntary resignations.



(5) Criteria for recognizing major income and expenses

Outlined below are the performance obligations provided, together with the time when these obligations are fulfilled (the points in time when revenue is recognized), in the main businesses in which the Company and its consolidated subsidiaries obtain revenue from contracts with customers.

1) Sale of goods and finished products

The sale of goods and finished products subjected to the alternative dispensation provided for in Article 98 of the ASBJ Accounting Standard for Revenue Recognition. Under this dispensation, revenue is recognized at the time of shipment in cases where there is a normal period of time between shipment and the transfer of the promised product, or transfer of control over that product, to the customer. The amount of consideration is received within a month from the time the performance obligation was fulfilled. The receipt of consideration contains no significant financing components.

2) Construction contracts

Revenue is recognized using the percentage-of-completion method. This method is used because performance obligations in construction contracts can take a long time to be fulfilled, as such contracts involve the sale of goods and the delivery of services such as fixture installation and interior furnishing. Under this method, percentage of performance obligation fulfilled is expressed as the percentage of the total cost estimate that has been actually incurred as of the end of the reporting year in question. Short-term contracts are subjected to the alternative dispensation provided for in Article 95 of the ASBJ Accounting Standard for Revenue Recognition. Under this dispensation, revenue is recognized when the customer had inspected the finished work, instead of being recognized incrementally over a period of time. Consideration is received incrementally. The receipt of consideration contains no significant financing components.

(6) Significant hedge accounting methods

1) Hedge accounting method

Generally, gains and losses are deferred.

2) Hedging instruments, hedged items

In the consolidated year under review, forward exchange contracts were used to hedge import-related accounts payable and forecast transactions denominated in foreign currencies.

3) Policy on hedging

Hedging instruments are used to hedge against the risk of adverse fluctuations in the currency market. All hedging is done in accordance with internal rules on derivatives, which specify who is permitted to engage in hedging and the maximum transaction volume that may be hedged.

4) Method of assessing hedge effectiveness

Hedges are assessed semiannually by comparing the cumulative changes in the hedging instrument's cash flows (or changes in its fair value) with the equivalent changes in the hedged item.

Forward exchange contracts are not assessed for effectiveness because, being generally based on a future purchase amount, they are highly likely to be implemented.

(7) Method for amortizing goodwill, period of amortization

Goodwill is usually amortized on a straight-line basis over a period that is no more than 20 years and that reflects the estimated payback period for the investment in question. However, one-time impairment is recognized if the investment is unimportant.

(8) Cash and cash equivalents included in consolidated statements of cash flows

The following items are recorded in consolidated statements of cash flows:

- Cash on hand
- On-demand deposits
- Short-term investments (redeemed within three months of transaction date) that are liquid and unlikely to fluctuate in value

(9) Other important elements considered when preparing consolidated financial statements

1) Accounting treatment for non-deductible consumption tax

Non-deductible consumption tax on assets is reported as an expense in the consolidated financial statements for the consolidated fiscal year under review.

- 2) Application of Japanese system of corporate-group tax relief  
This system is applied.

## Changes in Accounting Policy

### *Application of Accounting Standard for Current Income Taxes*

As of the start of the consolidated period under review, Kokuyo now applies ASBJ Statement No. 27 (October 28, 2022), titled Accounting Standard for Current Income Taxes.

In adopting the new accounting categories for current income taxes (taxes on other comprehensive income), we follow the transitional dispensation provided for in a proviso for Article 20-3 in ASBJ Statement No. 27 and the transitional dispensation provided for in a proviso for Article 65-2-2 in ASBJ Guidance No. 28 (October 28, 2022), titled Guidance on Accounting Standard for Tax Effect Accounting. This change in accounting policy has no impact on the consolidated financial statements.

As of the start of the consolidated period under review, Kokuyo now follows ASBJ Guidance No. 27 in applying new treatments to the consolidated financial statements in the case of tax-purpose deferrals of gains or losses on the sale of shares in subsidiaries between consolidated companies. We have retroactively applied the changes in accounting policy to previous periods. Thus, the changes apply to the consolidated statements for the previous fiscal year. This change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

## Changes in Presentation Method

Previously, we included key items of rent income in “real estate rent” under non-operating income and key items of rent expenses in “rent expenses on real estate” under non-operating expenses. Since the start of the year ended December 2025, rent income is in some cases now included in net sales and rent expenses is now included in some cases in cost of sales.

In February 2021, we unveiled our long-term vision, CCC 2030, redefined our role as that of a Work & Life Style Company, and committed to expanding the reach of our fields beyond tangible products such as stationery and furniture. In fiscal 2025, we embarked on our fourth medium-term plan, Unite for Growth 2027. Under this plan, we are leveraging our strengths in furniture business to expand the reach of our fields and generate more synergies between our existing businesses. The value proposition of our furniture business has centered on office fixtures and fittings. Recently, however, we started considering ways of utilizing some of our real-estate assets, and we transferred some rental properties to the furniture business at the start of the year ended December 2025, necessitating the above changes.

This change in presentation has been retroactively applied as follows to the consolidated financial statements for the previous consolidated fiscal year.

The ¥609 million in real estate rent previously included in non-operating income is now included in net sales instead. The ¥107 million in rent expenses on real estate, previously included in non-operating expenses, is now included in cost of sales instead. With these restatements, operating income in the comparative period is now ¥502 million higher than it was before the restatements, but this change has no impact on ordinary income or profit before income taxes.

## Information Related to the Consolidated Balance Sheets

Note 1. (cross-referenced with \*1 in the consolidated balance sheets)

Shown below are the portions of “notes and accounts receivable and contract assets” that pertain to contracts with customers.

	Previous consolidated fiscal year (ended Dec 31, 2024)	Consolidated fiscal year under review (ended Dec 31, 2025)
Notes receivable	¥8,663 million	¥8,825 million
Accounts receivable	¥64,016 million	¥70,597 million
Contract assets	¥2,702 million	¥2,693 million

Note 2. (cross-referenced with \*2 in the consolidated balance sheets)

Accumulated depreciation in tangible fixed assets:

	Previous consolidated fiscal year (ended Dec 31, 2024)	Consolidated fiscal year under review (ended Dec 31, 2025)
	¥116,940 million	¥119,267 million

Note 3. (cross-referenced with \*3 in the consolidated balance sheets)

Shown below is the portion of “investment securities” that pertains to shares in non-consolidated subsidiaries and affiliates.

	Previous consolidated fiscal year (ended Dec 31, 2024)	Consolidated fiscal year under review (ended Dec 31, 2025)
Investment securities: Stocks	¥5,304 million	¥5,214 million

Note 4. (cross-referenced with \*4 in the consolidated balance sheets)

Shown below is the portion of “current liabilities: other” that pertains to contract liabilities.

	Previous consolidated fiscal year (ended Dec 31, 2024)	Consolidated fiscal year under review (ended Dec 31, 2025)
Contract liabilities	¥3,859 million	¥4,053 million

Note 5. (cross-referenced with \*5 in the consolidated balance sheets)

Pledged assets and secured liabilities

Shown below are the pledged assets and secured liabilities

Pledged assets

	Previous consolidated fiscal year (ended Dec 31, 2024)	Consolidated fiscal year under review (ended Dec 31, 2025)
Notes and accounts receivable and contract assets	—	¥1,454 million
Merchandise and finished goods	—	¥184 million
Work in process	—	¥15 million
Raw materials and supplies	—	¥330 million
Buildings and structures, net	—	¥123 million
Machinery, equipment and vehicles, net	—	¥147 million
Construction in progress	—	¥9 million
Property, plant and equipment, Other, net	—	¥71 million
Software	—	¥5 million
Total	—	¥2,341 million

Liabilities pertaining to pledged assets

None

Note 6. Guarantee obligations

Shown below are the Company’s guarantee obligations for bank loans taken out by entities other than consolidated subsidiaries.

	Previous consolidated fiscal year (ended Dec 31, 2024)	Consolidated fiscal year under review (ended Dec 31, 2025)
Kokuyo Riddhi Paper Products Private Ltd.	¥260 million	¥184 million
PT. KOKUYO FURNITURE INDONESIA	—	¥84 million
Total	¥260 million	¥269 million

(Note) Guarantee obligations denominated in a foreign currency are translated to yen on the basis of the rate that applied on the settlement date.

Note 7. Shown below is the balance of unexercised committed credit (the Company uses committed credit lines to meet its working capital needs).

	Previous consolidated fiscal year (ended Dec 31, 2024)	Consolidated fiscal year under review (ended Dec 31, 2025)
Total commitment amount	¥13,000 million	¥13,000 million
Amount exercised	—	—
Closing balance	¥13,000 million	¥13,000 million

Note 8. (cross-referenced with \*8 in the consolidated balance sheets)

Accounting treatment for notes and accounts that mature on the fiscal year-end date

Such notes and accounts are recorded on the clearance date. Because the fiscal year-end in the consolidated fiscal year under review fell on a bank holiday, the following notes and accounts are included in the closing balance.

	Previous consolidated fiscal year (ended Dec 31, 2024)	Consolidated fiscal year under review (ended Dec 31, 2025)
Notes and accounts receivable	¥1,004 million	¥1,393 million
Notes and accounts payable	¥190 million	¥103 million

## Information Related to the Consolidated Statements of Income

Note 1. (cross-referenced with \*1 in the consolidated statements of income)

Revenue from contracts with customers

The net sales data does not group income from contracts with customers separately from other income. Income from contracts with customers is disclosed in Information Related to the Accounting Standard for Revenue Recognition: 1.Breakdown of revenue from contracts with customers.

Note 2. (cross-referenced with \*2 in the consolidated statements of income)

Selling, general and administrative expenses

Shown below are the main components of “selling, general and administrative expenses” together with the amounts.

	Previous consolidated fiscal year (ended Dec 31, 2024)	Consolidated fiscal year under review (ended Dec 31, 2025)
Packing and transportation	¥26,885 million	¥28,135 million
Salary and other allowances	¥34,816 million	¥36,477 million
Retirement benefit expenses	¥875 million	¥929 million
Provision for bonuses	¥816 million	¥843 million

Note 3. (cross-referenced with \*3 in the consolidated statements of income)

Shown below is the portion of “selling, general and administrative expenses” that pertains to R&D expenditure.

	Previous consolidated fiscal year (ended Dec 31, 2024)	Consolidated fiscal year under review (ended Dec 31, 2025)
	¥1,699 million	¥1,540 million

Note 4. (cross-referenced with \*4 in the consolidated statements of income)

Shown are the components of “gain on sales of non-current assets.”

	Previous consolidated fiscal year (ended Dec 31, 2024)	Consolidated fiscal year under review (ended Dec 31, 2025)
Land	¥4,863 million	¥1,004 million
Total	¥4,863 million	¥1,004 million

Note 5. (cross-referenced with \*5 in the consolidated statements of income)

Impairment loss

Shown below are the impairment losses by asset group in the Company and its consolidated subsidiaries.

Previous consolidated fiscal year (ended Dec 31, 2024)

(Millions of yen)

Location	Use	Class	Impairment loss
Kokuyo Hong Kong Limited (Hong Kong)	—	Goodwill	5,000
		Other intangible assets	152
Actus Co., Ltd. Kohoku Store, other stores (Kohoku Store: Tsuzuki-ku, Yokohama, Kanagawa)	Retail outlet	Buildings and structures	69
		Other	6
Total			5,229

In general, business assets are grouped into operating segments of operating companies (such segments representing the lowest level of identifiable cash flows). In the case of Actus (a consolidated subsidiary), they are grouped by retail store (the lowest level of identifiable cash flows for Actus). In

the case of goodwill and other intangible assets, they are grouped by company (the lowest level of identifiable cash flows for such assets).

Goodwill and other intangible assets (Kokuyo Hong Kong Limited):

The recoverability of this asset group had decreased significantly. Accordingly, the carrying amount of the asset group was written down to its recoverable amount, and the difference was recorded as impairment loss. Recoverable amount was measured in value in use. Recoverable amount was estimated as the initially expected future cash flows minus 12.3%.

Retail outlets (Actus stores):

These asset groups were tested rigorously for changes in future recoverability. The tests suggested that their recoverability had decreased significantly. Accordingly, the carrying amounts of the asset groups were written down to their recoverable amounts, and the differences were recorded as impairment losses. Recoverable amount was measured in value in use. Since the asset groups had no prospect of generating future cash flows, recoverable amount was estimated as zero.

Consolidated fiscal year under review (ended Dec 31, 2025)

(Millions of yen)

Location	Use	Class	Impairment loss
Actus Co., Ltd. Tokorozawa Store, other stores (Tokorozawa Store: Tokorozawa City, Saitama Prefecture)	Retail outlet	Buildings and structures	101
		Other	28
KOKUYO Furniture (China) Co., Ltd. (Shanghai, China)	—	Machinery, equipment, and vehicles	0
		Other	73
		Software	15
		Other intangible assets	17
Total			236

In general, business assets are grouped into operating segments of operating companies (such segments representing the lowest level of identifiable cash flows). In the case of Actus (a consolidated subsidiary), they are grouped by retail store (the lowest level of identifiable cash flows for Actus).

Retail outlets (Actus stores):

These asset groups were tested rigorously for changes in future recoverability. The tests suggested that their recoverability had decreased significantly. Accordingly, the carrying amounts of the asset groups were written down to their recoverable amounts, and the differences were recorded as impairment losses. Recoverable amount was measured in value in use. Since the asset groups had no prospect of generating future cash flows, recoverable amount was estimated as zero.

KOKUYO Furniture (China) Co., Ltd.:

The recoverability of this asset group had decreased significantly. Accordingly, the carrying amount of the asset group was written down to its recoverable amount, and the difference was recorded as impairment loss. Recoverable amount was measured in value in use. Recoverable amount was estimated as the initially expected future cash flows minus 10.5%.

## Information Related to the Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (ended Dec 31, 2024)

### 1. Share classes and amounts of total issued (outstanding and treasury) shares and treasury shares

Share class	Opening balance	Increase	Decrease	End balance
Issued shares				
Shares of common stock	121,542,463	–	5,800,000	115,742,463
Treasury shares				
Shares of common stock	7,552,105	699,296	5,822,568	2,428,833

Change factors:

Shown below are the main factors for the changes in amounts of shares.

Shares repurchased with Board of Directors approval	696,700
Shares added following fractional shares purchases	1,427
Shares added following purchase of shares in equity-method affiliate	1,169
Treasury shares disposed of to deliver stock remuneration	22,568
Treasury shares cancelled with Board of Directors approval	5,800,000

### 2. Dividends

#### (1) Paid dividend

The following dividend was approved by shareholders at the AGM held on March 28, 2024.

##### • Dividends from shares of common stock:

1) Total dividend	¥3,879 million
2) Dividend per share	¥34.00
3) Record date	December 31, 2023
4) Payment date	March 29, 2024

The following dividend was approved by the Board of Directors on July 29, 2024.

##### • Dividends from shares of common stock:

1) Total dividend	¥4,310 million
2) Dividend per share	¥38.00
3) Record date	June 30, 2024
4) Payment date	September 3, 2024

#### (2) Paid dividends whose record date fell in the above year (ended December 31, 2024) and whose effective date fell in the subsequent fiscal year (the year under review, ended December 31, 2025)

The following dividend was approved by shareholders at the AGM held on March 28, 2025.

##### • Dividends from shares of common stock:

1) Total dividend	¥4,424 million
2) Dividend source	Retained earnings
3) Dividend per share	¥39.00
4) Record date	December 31, 2024
5) Payment date	March 31, 2025



Consolidated fiscal year under review (ended Dec 31, 2025)

1. Share classes and amounts of total issued (outstanding and treasury) shares and treasury shares

Share class	Opening balance	Increase	Decrease	End balance
Issued shares				
Shares of common stock	115,742,463	347,227,389	22,000,000	440,969,852
Treasury shares				
Shares of common stock	2,428,833	30,321,205	22,020,812	10,729,226

Change factors:

Increase in common shares from stock split	347,227,389
Increase in treasury shares from stock split	11,772,399
Shares repurchased with Board of Directors approval	18,543,100
Shares added following fractional shares purchases	1,515
Shares added following purchase of shares in equity-method affiliate	4,191
Treasury shares disposed of to deliver stock remuneration	20,812
Treasury shares cancelled with Board of Directors approval	22,000,000

2. Dividends

(1) Paid dividend

The following dividend was approved by shareholders at the AGM held on March 28, 2025.

• Dividends from shares of common stock:

1) Total dividend	¥4,424 million
2) Dividend per share	¥39.00
3) Record date	December 31, 2024
4) Payment date	March 31, 2025

The following dividend was approved by the Board of Directors on July 30, 2025.

• Dividends from shares of common stock:

1) Total dividend	¥5,149 million
2) Dividend per share	¥46.00
3) Record date	June 30, 2025
4) Payment date	September 4, 2025

(Note) On July 1, 2025, we conducted a 4-for-1 split of common stock. The amount given as dividend per share is the amount prior to the stock split

(2) Paid dividends whose record date falls in the consolidated fiscal year under review and whose effective date falls in the subsequent fiscal year (ending December 31, 2026)

The following dividend will be discussed by shareholders at the AGM held on March 27, 2026.

• Dividends from shares of common stock:

1) Total dividend	¥5,599 million
2) Dividend source	Retained earnings
3) Dividend per share	¥13.00
4) Record date	December 31, 2025
5) Payment date	March 30, 2026

## Information Related to the Consolidated Cash Flow Statements

- \* Shown below are the opening and closing balances for cash and cash equivalent entries in the consolidated statements of cash flows.

	Previous consolidated fiscal year (ended Dec 31, 2024)	Consolidated fiscal year under review (ended Dec 31, 2025)
Cash and deposits entry	¥102,238 million	¥80,787 million
Securities entry	¥30,106 million	¥29,959 million
Total	¥132,344 million	¥110,747 million
Bonds redeemable after three months	(¥264 million)	(¥140 million)
Total cash and cash equivalents	¥132,080 million	¥110,606 million

## Information Related to the Accounting Standard for Revenue Recognition

### 1. Breakdown of Revenue from Contracts with Customers

Previous consolidated fiscal year (ended Dec 31, 2024)

(Millions of yen)

	Reportable segment				Other *2	Total
	Furniture	Business supply distribution	Stationery	Interior retail		
Location of sale (main regional category)						
Japan	144,534	93,157	35,749	21,167	150	294,758
Overseas	15,972	–	28,003	10	20	44,007
Revenue from contracts with customers	160,506	93,157	63,752	21,178	171	338,766
Other revenue	–	–	–	–	71	71
Sales to customers	160,506	93,157	63,752	21,178	242	338,837

- (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.

Consolidated fiscal year under review (ended Dec 31, 2025)

(Millions of yen)

	Reportable segment				Other *2	Total
	Furniture	Business supply distribution	Stationery	Interior retail		
Location of sale (main regional category)						
Japan	154,798	102,618	34,540	23,587	176	315,721
Overseas	15,836	–	28,230	22	–	44,089
Revenue from contracts with customers	170,635	102,618	62,770	23,609	176	359,810
Other revenue	–	–	–	–	65	65
Sales to customers	170,635	102,618	62,770	23,609	242	359,876

- (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.  
3. As stated in (4) Notes on the Consolidated Statements: Changes in Presentation Method, key items of rental income were previously included in “real estate rent” under non-operating income and key items of rent expenses were previously included in “rent expenses on real estate” under non-operating expenses, but since the start of the year ended December 2025, rental income is in some cases now included in net sales and rent expenses is now included in some cases in cost of sales.  
To reflect these changes, we have restated the amount attributable to revenue from contracts with customers in the segment information for the comparative period (the year ended December 31, 2024).

### 2. Information Considered When Recognizing Revenue from Contracts with Customers

This information is disclosed in Important Elements Considered When Preparing Consolidated Financial Statement: 4. Accounting Policies (5) Criteria for recognizing major income and expenses.

### 3. Cash Flows from Such Contracts;

Amount, and Timing of Recognition, of Revenues Generated from Contracts with Customers as of the End of the Fiscal Year Under Review that Will be Recognized in a Subsequent Fiscal Year

#### (1) Balance of contract assets and contract liabilities

(Millions of yen)

	Previous consolidated fiscal year	Consolidated fiscal year under review
Monetary claims arising from contracts with customers: Opening balance		
Notes receivable	7,667	8,663
Accounts receivable	58,730	64,016
	66,397	72,680
Monetary claims arising from contracts with customers: Closing balance		
Notes receivable	8,663	8,825
Accounts receivable	64,016	70,597
	72,680	79,422
Contract assets: Opening balance	2,154	2,702
Contract assets: Closing balance	2,702	2,693
Contract liabilities: Opening balance	3,412	3,859
Contract liabilities: Closing balance	3,859	4,053

The main factors behind changes in contract assets are revenue recognition (increase in contract assets) and transfer of contract liabilities to operating liabilities (decrease in contract assets). Contract liabilities consist of advance payments arising from contracts with customers and Kokuyo Group loyalty points that remain unredeemed (i.e. for which the performance obligations are yet to be fulfilled) as of the period-end. Contract liabilities are reduced when the revenue is recognized. Recognized revenue pertaining to performance obligations fulfilled (or partial fulfilled) in a past fiscal year is immaterial.

#### (2) Allocating transaction price to outstanding performance obligations

Shown below are total amounts of transaction value, and the timing of revenue recognition, for outstanding performance obligations:

(Millions of yen)

	Previous consolidated fiscal year	Consolidated fiscal year under review
Within a year	494	82
More than a year	85	—
Full-year dividend	579	82

For expediency, contracts expected to be fulfilled within a year are exempted from transaction price allocation.

## Notes on Segment Information

### Segment Information

#### 1. Overview of reportable segments

Our reportable segments are company components for which discrete financial information is available and which are regularly reviewed by the Board of Directors for the purpose of guiding decisions about resource allocation and evaluating performance.

The Furniture business encompasses production, purchasing, and sales activities related to spatial design, consulting, and office furniture. The Business Supply Distribution business encompasses purchasing and sales activities related to office goods. The Stationery business encompasses manufacturing, purchasing, and sales activities related to stationery. The Interior Retail business encompasses purchasing and sales activities related to interior goods and zakka (simple, everyday household goods).

#### 2. Method for calculating net sales, profit (loss), assets, and other items by reportable segment

Our accounting policy for reportable segments is largely the same as that described in Important Elements Considered When Preparing Consolidated Financial Statements.

Intersegment sales and transfers are appraised on the basis of prevailing market prices.

As stated in (4) Notes on the Consolidated Statements: Changes in Presentation Method, key items of rental income were previously included in “real estate rent” under non-operating income and key items of rent expenses were previously included in “rent expenses on real estate” under non-operating expenses, but since the start of the year ended December 2025, rental income is in some cases now included in net sales and rent expenses is now included in some cases in cost of sales.

To reflect these changes, we have restated the segment information for the comparative period (the year ended December 31, 2024). With these restatements, the furniture business's net sales in the comparative period is ¥609 million higher than it was before the restatements, segment profit in the comparative period is ¥502 million higher than it was before such, and segment assets is ¥424 million higher than it was before such.

### 3. Net sales, profit (loss), assets, and other items by reportable segment

Previous consolidated fiscal year (ended Dec 31, 2024)

(Millions of yen)

	Reportable segment				Other *1	Full-year dividend	Reconciliation *2	Consolidated *3
	Furniture	Business supply distribution	Stationery	Interior retail				
Net sales								
Sales to customers	160,506	93,157	63,752	21,178	242	338,837	—	338,837
Intracompany sales and transfers	1,908	5,777	19,822	60	233	27,803	(27,803)	—
Total	162,415	98,935	83,575	21,238	476	366,641	(27,803)	338,837
Segment profit (loss)	23,459	4,471	5,993	521	(479)	33,966	(11,434)	22,531
Segment assets	83,704	64,561	66,638	12,418	25,071	252,393	110,565	362,959
Other								
Depreciation	3,009	1,698	1,898	348	95	7,050	760	7,811
Amortization of goodwill	612	—	94	—	9	715	—	715
Amortization of long-term prepaid expenses	188	4	97	0	2	294	140	434
Investment in equity-method affiliates	—	92	1,665	—	—	1,758	1,855	3,613
Amount of property, plant and equipment or Intangible assets	2,474	2,372	2,549	350	95	7,842	1,566	9,409

(Notes) 1. The Other category includes showrooms and other items not included in reportable segments.

#### 2. Reconciliation

- (1) Reconciliation of segment profit (loss) (¥11,434 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.
- (2) The ¥110,565 million adjustment to segment assets includes the elimination of intersegment transactions and corporate assets. The corporate assets mainly consist of assets related to administration departments of the parent company headquarters that are not attributable to reportable segments.
- (3) The ¥140 million adjustment to amortization of long-term prepaid expenses represents depreciation of assets belonging to administration departments that are not attributable to reportable segments.
- (4) The ¥760 million adjustment to depreciation represents depreciation of assets belonging to administration departments that are not attributable to reportable segments.
- (5) The ¥1,855 million adjustment to investment in equity-method affiliates represents investments in an affiliates belonging to administration departments that are not attributable to reportable segments.
- (6) The ¥1,566 million adjustment to increase in property, plant and equipment and intangible assets represents capital investment by administration departments that are not attributable to reportable segments.

3. Segment profit (loss) is reconciled to the operating income stated in the Consolidated Statements of Income.

Consolidated fiscal year under review (ended Dec 31, 2025)

(Millions of yen)

	Reportable segment				Other * 1	Full-year dividend	Reconciliation * 2	Consolidated * 3
	Furniture	Business supply distribution	Stationery	Interior retail				
Net sales								
Sales to customers	170,635	102,618	62,770	23,609	242	359,876	—	359,876
Intracompany sales and transfers	1,560	5,750	20,802	69	330	28,514	(28,514)	—
Total	172,196	108,369	83,572	23,678	573	388,390	(28,514)	359,876
Segment profit (loss)	26,175	5,463	7,092	718	(457)	38,992	(12,744)	26,247
Segment assets	93,110	70,480	67,195	12,979	24,004	267,770	87,278	355,048
Other								
Depreciation	3,183	1,804	1,952	309	90	7,340	763	8,104
Amortization of goodwill	—	—	60	—	36	97	—	97
Amortization of long-term prepaid expenses	166	7	88	0	2	265	172	437
Investment in equity-method affiliates	—	96	1,676	—	—	1,773	2,087	3,860
Amount of property, plant and equipment or Intangible assets	3,997	3,214	1,829	423	147	9,611	3,822	13,434

- (Notes)
1. The Other category includes showrooms and other items not included in reportable segments.
  2. Reconciliation
    - (1) Reconciliation of segment profit (loss) (¥12,744 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.
    - (2) The ¥87,278 million adjustment to segment assets includes the elimination of intersegment transactions and corporate assets. The corporate assets mainly consist of assets related to administration departments of the parent company headquarters that are not attributable to reportable segments.
    - (3) The ¥172 million adjustment to amortization of long-term prepaid expenses represents depreciation of assets belonging to administration departments that are not attributable to reportable segments.
    - (4) The ¥763 million adjustment to depreciation represents depreciation of assets belonging to administration departments that are not attributable to reportable segments.
    - (5) The ¥2,087 million adjustment to investment in equity-method affiliates represents investments in an affiliates belonging to administration departments that are not attributable to reportable segments.
    - (6) The ¥3,822 million adjustment to increase in property, plant and equipment and intangible assets represents capital investment by administration departments that are not attributable to reportable segments.
  3. Segment profit (loss) is reconciled to the operating income stated in the Consolidated Statements of Income.

## Related information

Previous consolidated fiscal year (ended Dec 31, 2024)

### 1. Product- and service-specific information

We omit this information because we have already disclosed the same information in Segment Information.

### 2. Region-specific information

#### (1) Net sales

(Millions of yen)

Japan	Overseas	Total
294,830	44,007	338,837

(Note) Location of sale is generally defined as the location of the customer.

#### (2) Property, plant and equipment

(Millions of yen)

Japan	Overseas	Total
53,770	9,471	63,241

### 3. Major-customer-specific information

We omit this information because, among the external customers we sell to, there are no cases where the sales to the customer accounts for 10% or more of the net sales in the consolidated statements of income.

## Consolidated fiscal year under review (ended Dec 31, 2025)

### 1. Product- and service-specific information

We omit this information because we have already disclosed the same information in Segment Information.

### 2. Region-specific information

#### (1) Net sales

(Millions of yen)

Japan	Overseas	Total
315,787	44,089	359,876

(Note) Location of sale is generally defined as the location of the customer.

#### (2) Property, plant and equipment

(Millions of yen)

Japan	Overseas	Total
56,154	9,418	65,572

### 3. Major-customer-specific information

We omit this information because, among the external customers we sell to, there are no cases where the sales to the customer accounts for 10% or more of the net sales in the consolidated statements of income.



**Impairment of Non-Current Assets by Reportable Segment**

Previous consolidated fiscal year (ended Dec 31, 2024)

(Millions of yen)

	Furniture	Business supply distribution	Stationery	Interior retail	Other	Reconciliation	Total
Impairment loss	5,153	—	—	76	—	—	5,229

Consolidated fiscal year under review (ended Dec 31, 2025)

(Millions of yen)

	Furniture	Business supply distribution	Stationery	Interior retail	Other	Reconciliation	Total
Impairment loss	106	—	—	130	—	—	236

**Balance of Goodwill and Goodwill Amortization by Reportable Segment**

Previous consolidated fiscal year (ended Dec 31, 2024)

(Millions of yen)

	Furniture	Business supply distribution	Stationery	Interior retail	Other	Reconciliation	Total
Balance at end of period	—	—	296	—	174	—	471

(Note) We omit this information because we have already disclosed the same information in Segment Information.

Consolidated fiscal year under review (ended Dec 31, 2025)

(Millions of yen)

	Furniture	Business supply distribution	Stationery	Interior retail	Other	Reconciliation	Total
Balance at end of period	—	—	236	—	137	—	373

(Note) We omit the amount of goodwill amortization because we have already disclosed the same information in Segment Information.

**Gain on Bargain Purchase by Reportable Segment**

Previous consolidated fiscal year (ended Dec 31, 2024)

None

Consolidated fiscal year under review (ended Dec 31, 2025)

In the furniture segment, we recognized gain on bargain purchase in connection with an acquisition that made Kokuyo Workplace India Limited a consolidated subsidiary. The gain on bargain purchase amounted to ¥111 million. It has not been included in segment profit because it constitutes extraordinary income.

## Additional Information

Purchase of stock for the purpose of acquiring subsidiary

On December 4, 2025, the Board of Directors approved a plan for the Company to acquire common shares of stock in Thien Long Group Corporation (TLG), a listed company based in Vietnam, such that TLG would become a subsidiary of the Company. A share transfer agreement was concluded on the same day. The Company will purchase shares in TLG's holding company, Thien Long An Thinh Investment Corporation (TLAT), and invite TLG's shareholders to tender their shares of common stock. The stock was not purchased during the period under review

### 1. Overview of Business Combinations

#### (1) Name and business description

- Name: Thien Long Group Corporation (TLG)  
Business description: Manufactures and sells stationery and office goods
- Name: Thien Long An Thinh Investment Corporation (TLAT)  
Business description: Strategic consultation
- Name: South Thien Long Manufacturing Trading Co., Ltd., (NTL)  
Business description: Manufactures stationery and office goods

#### (2) Main reason for business combinations

Under our long-term vision, CCC 2030, we are committed to becoming the top stationery business in Asia by 2030. The TLG corporate group has a robust sales network in Vietnam and ASEAN and also has a substantial share of the writing tool market in said regions. The transactions, by giving us access to these assets, will accelerate our efforts to develop our stationery business globally.

#### (3) Scheduled dates of business combinations

- TLAT: September 2026
- TLG and NTL: December 2026

#### (4) Legal form of business combinations

Cash consideration (we will purchase outstanding shares in the holdings company and invite shareholders to tender their shares)

#### (5) Name after business combination

There are no plans to change the company names.

#### (6) Post-acquisition ownership percentage

This is yet to be finalized.

#### (7) Main basis on which acquisition agreement was concluded

Our offer to purchase the shares for cash

### 2. Estimate of acquisition cost and purchase price

#### (1) Estimate breakdown by purchase price and acquisition cost

- Purchase price (paid in cash): ¥27,600 million
- Acquisition cost: ¥27,600 million

(Note) The acquisition cost is an estimate considered reasonable at the time; the actual acquisition cost will depend on exchange rates and whether the tender proceeds as planned.

#### (2) Purchase terms in business combination agreement and future accounting treatments for such

Not applicable.

#### (3) Income or loss recognized in step acquisition

Not applicable.

#### (4) Major expenses (items and amounts) related to acquisition

Yet to be determined

## Notes on per-share information

Previous consolidated fiscal year (ended Dec 31, 2024)		Consolidated fiscal year under review (ended Dec 31, 2025)	
Net assets per share	¥574.85	Net assets per share	¥584.97
Earnings per share	¥48.04	Earnings per share	¥48.30
We have omitted diluted earnings per share because there were no diluted shares.		We have omitted diluted earnings per share because there were no diluted shares.	

(Note) 1. Basis for calculation

### (1) Net assets per share

	As of December 31, 2024	As of December 31, 2025
Total net assets (millions of yen)	264,062	255,457
Deduction from total net assets (millions of yen)	3,509	3,778
(of which pertains to non-controlling interests [millions of yen])	(3,509)	(3,778)
Net assets attributable to common shares (millions of yen)	260,552	251,678
Number of common shares used in calculation of net assets per share (thousands of shares)	453,254	430,240

### (2) Earnings per share

	Previous consolidated fiscal year (ended Dec 31, 2024)	Consolidated fiscal year under review (ended Dec 31, 2025)
Profit attributable to owners of parent (millions of yen)	21,787	21,473
Amount not pertaining to common shares (millions of yen)	—	—
Profit attributable to owners of parent pertaining to common shares (millions of yen)	21,787	21,473
Average number of common shares during period (thousands of shares)	453,555	444,612

(Note) 2. On July 1, 2025, we conducted a 4-for-1 split of common stock. Earnings per share and net assets per share are stated on the hypothetical basis that the stock split occurred at the start of the previous fiscal year (ended December 31, 2024).

## Notes on material subsequent events

None