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Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

October 27, 2026

Company name: KOMERI CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 8218
URL: https://www.komeri.bit.or.jp
Representative: President and CEO Yuichiro Sasage
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Scheduled date to file semi-annual securities report: November 13, 2026
Scheduled date to commence dividend payments: December 1, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	208,803	3.8	17,301	12.6	17,279	10.7	11,310	9.2
September 30, 2025	201,234	1.2	15,359	3.7	15,605	7.1	10,360	8.4

Note: Comprehensive income For the six months ended September 30, 2026: ¥ 11,455 million [8.3 %]
For the six months ended September 30, 2025: ¥ 10,579 million [12.0 %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	241.68	―
September 30, 2025	218.29	―

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	401,928	264,276	65.8
March 31, 2026	394,194	256,979	65.2

Reference: Equity
As of September 30, 2026: ¥ 264,276 million
As of March 31, 2026: ¥ 256,979 million

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	―	28.00	―	28.00	56.00
Fiscal year ending March 31, 2027	―	29.00			
Fiscal year ending March 31, 2027 (Forecast)			―	29.00	58.00

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

3. Forecast of Consolidated Financial Results for the year Ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	400,800	4.0	24,000	4.1	23,900	2.2	15,000	2.4	319.44

Note: Revisions to the forecast of financial results most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

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

(3) Changes in accounting policies, changes in accounting estimates, and restatement:

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

(4) Number of issued shares (common shares)

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

As of September 30, 2026	53,809,168 shares	As of March 31, 2026	53,809,168 shares

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

As of September 30, 2026	7,565,593 shares	As of March 31, 2026	6,851,524 shares

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

Six months ended September 30, 2026	46,799,563 shares	Six months ended September 30, 2025	47,463,242 shares

Note: The number of treasury shares to be deducted from the calculation of the number of treasury shares at the end of the period and the average number of shares during the period includes the Company's share held by Custody Bank of Japan, Ltd. (Trust Account E) (249,500 shares as of September 30, 2026 / 305,500 shares as of March 31, 2026 / 364,200 shares as of September 30, 2025).

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters
Forward-looking statements such as earnings forecasts contained in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended to be a promise to achieve such statements. In addition, actual results may differ significantly from these forecasts due to various factors.

1. Qualitative Information on Semi-annual Financial Results

(1) Explanation of Operating Results

1) Operating results for the six months ended September 30, 2026

During the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026), Japan's economy has shown a gradual recovery under improvements in employment and income conditions. Meanwhile, in addition to the impact of rising prices on households, the outlook for the economy remains uncertain, such as trends in resource prices and the impact on logistics due to the situation in the Middle East.

In the retail industry, the business environment remained tough due to rising consumer awareness of protecting their livelihoods against the backdrop of continuous price rises, as well as intensifying competition across industries and business categories. In addition, labor costs, logistics costs, and construction costs for store operations are rising, so there is a need for more productive store operations.

Furthermore, during the "2026 Kumamoto Earthquake," which recorded a maximum seismic intensity of 7 in Kumamoto Prefecture on July 28, 2026, damage to buildings and goods occurred, resulting in a special loss. Although nine stores were temporarily closed immediately after the disaster, they are gradually resuming operations.

Under these circumstances, the Group has been implementing various initiatives to modernize distribution of materials, building materials, hardware, tools, gardening, and agricultural supplies.

The major operating results for the six months ended September 30, 2026 are as follows.

(Millions of yen)

	Operating revenue	Operating profit	Ordinary profit	Profit attributable to owners of parent
Six months ended September 30, 2026	208,803	17,301	17,279	11,310
Year-on-year comparison	103.8%	112.6%	110.7%	109.2%

2) Operating Results by Major Product Category

The sales situation and main Increase/Decrease factors by the product category for the six months ended September 30, 2026 are as follows.

Product category	Net sales (Millions of yen)	Year-on-year comparison (%)	The main Increase/Decrease factors
Tools, hardware and working supplies	36,135	107.6	- Demand for paint thinner and adhesives increased due to the situation in the Middle East. - Sales of plumbing materials for air conditioners remained strong.
Remodeling and exterior materials	29,561	105.4	- Sales of building materials remained strong due to concerns about soaring prices.
Gardening and agriculture supplies	63,314	101.7	- Expanded demand for petroleum-derived products, such as shipping plastic bags and agricultural mulch films. - Agricultural materials, such as brown rice cold storage units, which saw increased demand in the previous period, decreased due to a rebound.
Commodities, home appliances, car supplies, and outdoor goods	40,174	104.7	- Sales of air conditioners were strong, driven by replacement demand ahead of the new energy efficiency standards in 2027. - Increased demand for bulk purchases of daily consumables, such as paper products, detergents, plastic wrap, etc. particularly in early spring.

Interior goods, housewares, and office supplies	16,769	102.1	- Sales of plastic bags and locally designated garbage bags remained steady. - Compared to the previous period, the amount of sunlight was shorter, and sales of shading products were sluggish.
Pet supplies, fuels and others	13,200	99.9	- Kerosene sales were low in April and May due to high temperatures. However, temperatures in summer were low, and since July, they have been on a recovery trend.
Other	7,554	101.9	―
Home center business total	206,711	103.7	―
Other business	2,092	107.6	―
Total operating revenue	208,803	103.8	―

*Notes

(1) The respective contents by product are as follows.

Tools, hardware and working supplies	Tools, building construction hardware, paint, repair goods, work clothing, etc.
Remodeling and exterior materials	Building materials, plumbing materials, lumber, housing equipment, exterior goods, etc.
Gardening and agriculture supplies	Power equipment, Gardening goods, fertilizers and agrochemicals, agricultural materials, plants, etc.
Commodities, home appliances, car supplies, and outdoor goods	Daily consumables, health and beauty care, home appliances, car supplies, leisure goods, cycle goods, foods, etc.
Interior goods, housewares, and office supplies	Interior furnishings, furniture and storage containers, cleaning supplies, kitchen goods, stationery, etc.
Pet supplies, fuels and others	Pet supplies, fuel, etc.

(2) From the beginning of the current semi-annual consolidated accounting period, a part of the Home Center business product classifications has been changed. The main changes are that power equipment, such as chainsaws and generators, which was previously included in " Tools, hardware and working supplies," has been reclassified to "Gardening and agricultural supplies," and pet supplies, which were previously included in "Gardening, agriculture and pet supplies," are now presented as "Pet supplies, fuels and others." For year-on-year comparisons, figures for the previous semi-annual consolidated accounting period have been reclassified to reflect the classifications after the change.

3) Results of Initiatives for Priority Measures

■ Opening stores

- We opened 5 stores during the six months ended September 30, 2026, as follows. Of these, three stores were the change of store format from Hard & Green (hereinafter “H&G”) to Power or relocated.

	Total	Power	PRO	H&G	Athena
Opening stores	5	1	0	4	0
Closed	5	0	0	5	0
Number of stores	1,234	121	24	1,087	2

■ Logistics

- HOKUSEI SANGYO Co., Ltd., a consolidated subsidiary of the Group, is responsible for logistics with the aim of strengthening product competitiveness and lowering the cost of store operations, utilizing the entire supply chain

from manufacturing to sales.

- The new system deployed at the KOMERI Kansai Logistics Center (operational since February 2026) has reduced the burden of on-site and store operations. Building on these results, we will gradually roll it out to existing centers.

■ Development of Private Brand product

- In the development of PB products, the Group utilizes over 1,200 standardized stores, 12 logistics centers in Japan, and overseas centers to source and purchase products. We source products from the world's best sources to realize our concept of “developing products that protect and enhance lifestyles”.
- Sales of the car supplies brand "CRUZARD" and leisure goods brand "Natural Season" remained strong as a result of focusing sales that included branding commercials and social media. As a result, Net sales of PB products remained strong at 102.2% year-on-year. As a result of revising the product lineup, the sales ratio of PB products was 48.9% (down 0.8 points year-on-year).

■ Remodeling business

- Our remodeling business has established a reception system for over 1,200 stores nationwide. The sales in remodeling business remained strong at 107.9% year-on-year.
- "Jukyuban Installation," which performs installation and replacement of housing equipment and others that can be accepted at KOMERI stores nationwide, and "Jukyuban Services," which include termite and pest extermination and care of garden trees. Their combined sales were steady at 128.6% year-on-year.
- In order to acquire more specialized knowledge, 85.0% of all store employees (up 2.3 points year-on-year) have obtained the Remodeling Meister Level 2, and we strive to further strengthen our system to resolve customers' problems nationwide.

■ E-commerce business

- Utilizing the Group’s network of over 1,200 stores and the system environment, we are striving to implement a system that enables mutual customers referral between online and real stores.
- We are promoting our BOPIS (Buy Online Pick-up in Store) service that enables customers to receive products ordered on the e-commerce site "KOMERI.COM" at stores near them, without paying shipping costs. In-store pick-up rate of customers who order online is over 80%.
- Sales of e-commerce business remained strong at 102.2% year-on-year.

■ Promoting customer retention by our own-brand card

- We are issuing six types of own-brand card to address the diverse payment needs of individuals, agricultural businesses, sole proprietors, corporate companies, and public organizations.
- The Company has introduced the FSP (Frequent Shoppers Program), a measure that gives preferential points based on customers' annual shopping amount. With the introduction of a platinum rank in October 2025, the point multiplier can now reach up to 10.

■ DX initiatives

- The Company strives to maximize benefits to our customers by promoting further low-cost operations. As a part of these measures, we are working to reduce the waiting time for customers at the cash register and improve customer service time for employees by introducing self-checkout systems and encouraging cashless payments. Self-checkout registers have been installed in 188 stores (average of 5.3 registers per store), mainly in large stores.
- We are promoting the introduction of cleaning robots as a part of our efforts to reduce labor and manpower in store operations. They have been introduced in 49 stores, mainly of large stores, contributing to the reduction store workload.
- Starting in July this year, we began operating a customer service support tool that utilizes generative AI at all stores. By having the AI immediately present the optimal answer from accumulated knowledge data, we aim to speed up

customer service and improve store services.

■ **Initiatives in the agricultural sector**

- Amid the growing shortage of farmers, we are strengthening initiatives to improve convenience for agricultural workers as part of our sustainability efforts through our core business. These initiatives include expanding our lineup of fertilizers and agrochemicals, promoting the training and appointment of Agri Sales Managers, and collaborating with Agricultural Cooperatives (hereinafter, "JA"). Furthermore, we have reorganized the sales floors at several stores to specialize in agricultural materials, launching new efforts to directly address the needs of farmers.
- As of the end of September 2026, there are 8 JAs with which we have collaborative relationships (JA Akita-Obako, JA Yamagata Okitama, JA Yamanashi mirai, JA KAMIINA, JA OOIGAWA, JA Ise, JA Taki-gun, and JA Wakayama Kinonosato Regional Headquarters), and the number of our stores that carry JA products has reached 47 stores. Through this collaboration, each JA has improved its profitability, agricultural workers have increased convenience, and our company has seen an increase in customers, realizing a "win-win-win" situation.
- Currently, we will continue discussions with JA Okinawa, JA KITABIWAKO, and JA HYOGOROKKO and JA Kitatsukuba to start collaboration, and we will work to further expand these efforts.

(2) Explanation of Financial Position

1) Status of Assets, Liabilities, and Net assets

(Asset)

Current assets as of September 30, 2026 were 188,811 million yen, up 5,610 million yen from the previous fiscal year-end. This was mainly due to increases of 1,467 million yen in cash and deposits and 6,268 million yen in deposits paid included in other, despite a decrease of 1,253 million yen in Notes and accounts receivable-trade and 1,259 million yen in merchandise and finished goods.

Non-current assets were 213,117 million yen, up 2,122 million yen from the previous fiscal year-end. This was primarily due to increase of 3,294 million yen in investment securities, despite a decrease of 1,136 million yen in Non-current assets.

As a result, total assets were 401,928 million yen, up 7,733 million yen from the previous fiscal year-end.

(Liabilities)

Total current liabilities as of September 30, 2026 were 95,063 million yen, down 3,512 million yen from the previous fiscal year-end. This was mainly due to decreases of 7,058 million yen in notes and accounts payable - trade, despite increases of 3,500 million yen in short-term borrowings. Non-current liabilities were 42,588 million yen, up 3,949 million yen from the previous fiscal year-end. This was mainly due to increases of 388 million yen in long-term borrowings.

As a result, total liabilities were 137,652 million yen, up 437 million yen from the previous fiscal year-end.

(Net assets)

Total net assets as of September 30, 2026 were 264,276 million yen, up 7,296 million yen from the previous fiscal year-end. This was mainly due to an increase in retained earnings resulting from the recording of 11,310 million yen in semi-annual profit attributable to owners of parent, despite decreases of 2,836 million yen due to purchase of treasury shares and 1,323 million yen due to dividends of surplus.

As a result, the equity ratio was 65.8% (compared to 65.2% at the end of the previous consolidated fiscal year).

2) Status of cash flows

Cash and cash equivalents (hereinafter, "cash") as of September 30, 2026 were 13,470 million yen, up 1,467 million yen from the previous fiscal year-end. Factors affecting the status of each cash flow are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was 7,803 million yen (down 53.5% year-on-year). The main cash inflows

were semi-annual profit before income taxes of 16,872 million yen, depreciation of 7,006 million yen, and a decrease in notes and accounts receivable – trade of 1,253 million yen. The main cash outflows were an increase in deposits paid of 6,268 million yen, a decrease in notes and accounts payable – trade of 5,886 million yen, and income taxes paid of 3,857 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 8,414 million yen (up 29.6% year-on-year). The main cash outflows were the purchase of property, plant and equipment of 4,765 million yen and the purchase of investment securities of 3,000 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities was 2,078 million yen (compared to net cash used of 9,569 million yen in the same period of the previous year). The main cash inflows were proceeds from long-term loans payable of 5,000 million yen and a net increase in short-term loans payable of 3,500 million yen. The main cash outflows were share repurchases of 2,991 million yen, cash dividends paid of 1,322 million yen, and repayments of long-term loans payable of 1,252 million yen.

(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-looking Information

Regarding the consolidated financial results forecasts, there are no changes to the consolidated financial results forecasts for the fiscal year ending March 2027 announced on April 28, 2026.

(4) Explanation of Sustainability Initiatives

The Group aims to contribute to society through the modernization of logistics in lagging sectors where the old distribution style remains, while striving to solve social issues such as environmental, social, and governance (ESG) matters. The Group believes that its business itself will contribute to solving various social issues related to sustainability, and will lead to the realization of a sustainable society, sustainable growth, and the improvement of corporate value over the medium to long term, through the processes of sourcing raw materials, manufacturing, production, logistics, sales, and consumption.

The major sustainability initiatives for the six months ended September 30, 2026 are as follows.

1) Disclosure of sustainability information

- Disclosure of INTEGRATED REPORT

The "KOMERI INTEGRATED REPORT 2026," which is positioned as an important communication tool for stakeholders, including investors, shareholders, and job seekers, was released on September 30, 2026. Please refer to the Company's website for details. (https://www.komeri.bit.or.jp/ir/report/).

2) Develop environmentally friendly products

- Product development that responds to climate change

To address water shortages caused by the recent extreme heat, we have introduced agricultural materials utilizing biostimulants, which enhance plants' inherent tolerance to environmental stress. We support sustainable cultivation and also contribute to conserving water resources.

- Reducing plastic through packaging materials

We have newly developed and introduced "ultra-thin anti-fog bags" using a film that is 20% thinner than conventional products. By promoting sales of these products, we will contribute to the reduction of plastic waste.

- 100% organic fertilizer specifically for autumn and winter vegetables

We have newly developed a fertilizer made from 100% organic raw materials. We aim to reduce dependence on chemical fertilizers and improve the soil environment, supporting the realization of environmentally friendly home gardening and crop growth.

3) Initiatives to promote diverse human resources and health management

We believe that the "health" of our employees is one of the important factors in company management and store operations. We are striving to balance work and childcare, create an environment where employees can work with peace of mind, safety, and health, ensure workplace safety, and secure an environment where diverse human resources can demonstrate their abilities.

- Promotion of female employees (as of the end of September 2026)

  Number of female store managers: 152 (Power: 1, H&G: 151)

  Part-time employees promoted to leadership roles: 1,278

  (H&G assistant store managers: 757, large store group leaders: 521)

- Providing health-related information through the internal newsletter "KAZAMIDORI"

  The Group regularly provides health-related information through its internal newsletter to help each employee maintain physical and mental health and improve their vitality in both work and private life. During this period, articles were published in the internal newsletter in July and September.

4) Initiatives to prevent harassment

The Group provides thorough information and training to employees through various training sessions regarding the prevention of discrimination and various types of harassment.

- We have established the "KOMERI Group Customer Harassment Response Policy," set up internal consultation desks, and created response manuals to address customer harassment.
- We have established the "KOMERI Group Fair Recruitment Policy," and we value the relationship of trust with all applicants, including students, and conduct fair and highly transparent recruitment activities.

5) Social contribution initiatives

Through the KOMERI Greenery Fund, which is funded by an amount equivalent to 1% of profits each year, we support the activities of the KOMERI Midori Ikuseizaidan (Public Interest Incorporated Foundation), the KOMERI Disaster Management Center (Non-profit Organization), and The SETSURYOSHA Artistic Cultivation Foundation (Public Interest Incorporated Foundation).

- KOMERI Midori Ikuseizaidan (Public Interest Incorporated Foundation)

  The foundation renamed the "KOMERI Greenery Fund Volunteer" program—where KOMERI employees volunteer to help with planting activities at kindergartens, elementary schools, and other locations—to the "KOMERI Greenery Fund Green Volunteer" program. It also expanded the scope of eligible subsidies and worked to revitalize the scheme so that it can be utilized at any time throughout the year.

  Furthermore, the foundation renamed the "KOMERI Greenery Fund General Public Grant" to the "KOMERI Greenery Fund Environmental Grant" and revised the eligible subsidy targets and application categories. Based on this, it is now accepting applications for subsidies for conservation activities in nature conservation areas designated by the Ministry of the Environment and in satoyama (woodlands and grasslands) areas.

- KOMERI Disaster Management Center (Non-profit Organization)

  In July 2026, the center concluded an agreement with the JMSDF Maritime Materiel Command regarding the supply of materials during disasters. In the 2026 Kumamoto Earthquakes, which occurred one week later, the center supplied the necessary relief materials for the Self-Defense Forces members dispatched for disaster relief to carry out their support activities, based on the newly concluded agreement.

  During this period, earthquakes and floods occurred in various locations, and the center supplied necessary goods upon requests from affected municipalities and other organizations. Due to the continuous evacuation and recovery work in harsh environments with extreme heat, the center delivered heatstroke prevention products, such as drinking water and fan-equipped clothing, to the disaster-affected areas.

- SETSURYOSHA Artistic Cultivation Foundation (Public Interest Incorporated Foundation)

  The foundation holds the national painting competition, the "SETSURYOSHA Florence Award Exhibition," every year with the aim of promoting future arts and culture and nurturing young artists. For the 28th exhibition this year, 40 works were selected from 217 entries from across the country. The selected works were exhibited at the SETSURYOSHA Museum of Art from July 18 to September 6, and a traveling exhibition is being held at the Tokyo Metropolitan Art Museum from October 24 to October 30.

2. Semi-annual Consolidated Financial Statements and Significant Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	12,130	13,597
Notes and accounts receivable - trade, and contract assets	32,598	31,344
Merchandise and finished goods	132,401	131,142
Raw materials and supplies	294	391
Others	6,901	13,385
Allowance for doubtful accounts	(1,126)	(1,051)
Total current assets	183,200	188,811
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	131,812	128,278
Land	37,584	37,584
Leased assets, net	4,945	4,958
Other, net	8,786	11,172
Total property, plant and equipment	183,130	181,993
Intangible assets	9,441	9,445
Investments and other assets		
Investment securities	2,198	5,493
Deferred tax assets	7,313	7,313
Leasehold and guarantee deposits	7,022	7,055
Other	2,893	2,885
Allowance for doubtful accounts	(1,005)	(1,069)
Total investments and other assets	18,422	21,677
Total non-current assets	210,994	213,117
Total assets	394,194	401,928

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,205	24,147
Electronically recorded obligations - operating	25,559	26,731
Short-term loans payable	11,500	15,000
Current portion of long-term loans payable	1,977	1,915
Lease obligations	1,799	1,807
Income taxes payable	4,365	6,200
Provision for bonuseses	1,324	1,299
Provision Bonuses for directors (and other officers)	21	10
Provision for point card certificates	176	207
Provision for loss on disaster	3	225
Other	20,641	17,518
Total current liabilities	98,575	95,063
Non-current liabilities		
Long-term loans payable	12,584	16,393
Lease obligations	3,382	3,379
Provision for retirement benefits for directors (and other officers)	120	110
Provision for share awards for directors (and other officers)	254	251
Net defined benefit liability	5,996	6,018
Asset retirement obligations	14,463	14,608
Other	1,837	1,826
Total non-current liabilities	38,639	42,588
Total liabilities	137,214	137,652
Net assets		
Shareholders' equity		
Share capital	18,802	18,802
Capital surplus	23,670	23,670
Retained earnings	231,582	241,570
Treasury shares	(18,342)	(21,178)
Total shareholders' equity	255,713	262,864
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	740	941
Deferred gains or losses on hedges	—	4
Remeasurements of defined benefit plans	526	466
Total accumulated other comprehensive income	1,266	1,411
Total net assets	256,979	264,276
Total liabilities and net assets	394,194	401,928

(2) Semi-annual Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Semi-annual Consolidated Statements of Income)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	193,813	201,237
Cost of sales	131,160	135,172
Gross profit	62,652	66,065
Operating revenue	7,420	7,565
Operating gross profit	70,073	73,630
Selling, general and administrative expenses	54,714	56,329
Operating profit	15,359	17,301
Non-operating income		
Interest income	35	42
Dividend income	110	86
Foreign exchange gains	53	—
Compensation income	132	—
Hoard profit of prepaid card	48	29
Other	99	85
Total non-operating income	480	243
Non-operating expenses		
Interest expenses	82	151
Provision of allowance for doubtful accounts	87	64
Foreign exchange losses	—	26
Other	63	24
Total non-operating expenses	234	266
Ordinary profit	15,605	17,279
Extraordinary income		
Gain on sales of non-current assets	—	43
Insurance income	19	41
Total extraordinary income	19	84
Extraordinary losses		
Loss on disposal of non-current assets	230	101
Loss on disaster	50	388
Impairment losses	59	—
Total extraordinary losses	340	490
Profit before income taxes	15,283	16,872
Income taxes - current	4,909	5,624
Income taxes - deferred	13	(62)
Total income taxes	4,922	5,562
Profit	10,360	11,310
Profit attributable to owners of parent	10,360	11,310

(Semi-annual Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	10,360	11,310
Other comprehensive income		
Valuation difference on available-for-sale securities	272	200
Deferred gains or losses on hedges	—	4
Remeasurements of defined benefit plans, net of tax	(53)	(59)
Total other comprehensive income	219	145
Comprehensive income	10,579	11,455
Comprehensive income attributable to:		
Owners of parent	10,579	11,455
Non-controlling interests	—	—

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	15,283	16,872
Depreciation	6,519	7,006
Impairment losses	59	—
Loss on disaster	50	388
Insurance income	(25)	(42)
Increase (decrease) in provision for bonuses	19	(25)
Increase (decrease) in net defined benefit liability	(18)	(65)
Interest and dividend income	(145)	(128)
Interest expenses	82	151
Loss (gain) on disposal of property, plant and equipment	202	58
Decrease (increase) in trade receivables	(50)	1,253
Decrease (increase) in inventories	10,072	1,128
Decrease (increase) in accounts receivable - other	27	94
Decrease (increase) in deposits paid	(4,860)	(6,268)
Increase (decrease) in prepaid expenses	(1,007)	(1,190)
Increase (decrease) in trade payables	(4,910)	(5,886)
Increase (decrease) in contract liabilities	(1,396)	(2,408)
Increase (decrease) in accounts payable - other	(774)	(1,905)
Increase (decrease) in accrued consumption taxes	1,474	1,336
Other, net	(556)	1,425
Subtotal	20,045	11,795
Interest and dividends received	129	110
Interest paid	(82)	(151)
Proceeds from insurance income	33	42
Proceeds from compensation	152	—
Proceeds from subsidy income	5	8
Payments for loss on disaster	(29)	(143)
Income taxes paid	(3,464)	(3,857)
Net cash provided by (used in) operating activities	16,789	7,803
Net cash used in investing activities		
Purchase of property, plant and equipment	(5,737)	(4,765)
Purchase of intangible assets	(689)	(526)
Purchase of investment securities	—	(3,000)
Other, net	(65)	(122)
Net cash provided by (used in) investing activities	(6,492)	(8,414)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(6,000)	3,500
Proceeds from long-term loans payable	4,000	5,000
Repayments of long-term loans payable	(5,451)	(1,252)
Repayments of lease obligations	(1,015)	(1,009)
Purchase of treasury shares	(0)	(2,991)
Proceeds from disposal of treasury shares	190	155
Dividends paid	(1,291)	(1,322)
Net cash provided by (used in) financing activities	(9,569)	2,078
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Net increase (decrease) in cash and cash equivalents	727	1,467
Cash and cash equivalents at beginning of period	16,216	12,002
Cash and cash equivalents at end of period	16,944	13,470

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on premise of going concern)

Not applicable.

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

Not applicable.

(Notes on changes in accounting policies)

(Application of "Accounting Standard for Interim Financial Reporting", etc.)

The Company has applied the "Accounting Standard for Interim Financial Reporting" (ASBJ Statement No. 37, October 16, 2025) and the "Implementation Guidance on Accounting Standard for Interim Financial Reporting" (ASBJ Guidance No. 34, October 16, 2025) from the beginning of the current semi-annual consolidated accounting period.

The application of these standards had no impact on the semi-annual consolidated financial statements.

(Notes to the semi-annual consolidated statement of cash flows)

The relationship between the balance of cash and cash equivalents at the end of the semi-annual period and the amounts of items presented in the semi-annual consolidated balance sheet is as follows:

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash and deposits account	17,071 million yen	13,597 millions yen
Time deposits with maturities of more than three months	(127)	(127)
Cash and cash equivalents	16,944	13,470

(Notes to segment information, etc.)

【Segment information】

As the reportable segment of the Group is only the Home Center business, the segment information has been omitted.