October 29, 2026

KOKUYO CO., LTD.
FINANCIAL RESULTS
(Consolidated)

Results for the nine months ended September 30, 2026

Company name: KOKUYO Co., Ltd.
Stock listings: Tokyo Stock Exchange (Prime)
Stock code: 7984 (URL https://www.kokuyo.com)
Representative: Hidekuni Kuroda (CEO and President)
For further information, please contact: Hitoshi Honda (Executive Officer, Manager of Finance and Accounting Division)
Telephone: +81-6-6976-1221 (general)
Commencement date for dividend payments: –
Supplemental material for results: Yes
Briefing about results: Yes (for institutional investors and securities analysts)

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

1. Results for the nine months ended September 30, 2026 (January 1 to September 30, 2026)

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income	
	Millions of yen	Year-on-year (%)	Millions of yen	Year-on-year (%)	Millions of yen	Year-on-year (%)
9 months ended September 30, 2026	290,174	9.2	23,384	8.8	24,714	13.4
9 months ended September 30, 2025	265,650	5.4	21,490	20.1	21,793	13.5

(Note) Comprehensive income:
For the nine months ended September 30, 2026 ¥18,083 million [26.5%]
For the nine months ended September 30, 2025 ¥14,290 million [(12.7%)]

	Profit attributable to owners of parent		Earnings per share	Diluted earnings per share
	Millions of yen	Year-on-year (%)	Yen	Yen
9 months ended September 30, 2026	18,068	8.0	42.62	–
9 months ended September 30, 2025	16,723	2.1	37.31	–

(Note) On July 1, 2025, we conducted a 4-for-1 split of common stock. Earnings per share for the comparative period (the nine months ended September 30, 2025) is stated on the hypothetical basis that the stock split occurred at the start of said period.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2026	326,452	247,757	74.8	591.92
December 31, 2025	355,048	255,457	70.9	584.97

(Reference) Equity:
September 30, 2026 ¥244,197 million
December 31, 2025 ¥251,678 million

2. Dividends

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

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

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	Year-on-year (%)	Millions of yen	Year-on-year (%)	Millions of yen	Year-on-year (%)
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
Full-year forecast (Jan–Dec 2026)	20,300	(5.5)	47.90

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

*** Notes**

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

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

Note: See page 14 of the reference document (2. Consolidated Financial Statements, (4) Notes on the Consolidated Statements: Particular Accounts Procedures for the Preparation of Quarterly Consolidated Financial Statements).

(3) Changes or restatements in accounting principles, procedures and methods of presentation relating to preparation of the consolidated financial statements
1) Changes due to revision of accounting standards: None
2) Changes other than those stated above: None
3) Changes in accounting estimates: None
4) Restatements: None

(4) Number of issued shares (of common stock)

1) Number of issued shares as of:	
September 30, 2026	440,969,852
December 31, 2025	440,969,852
2) Number of shares of treasury stock as of:	
September 30, 2026	28,416,948
December 31, 2025	10,729,226
3) Average number of issued shares during:	
9 months ended September 30, 2026	423,969,641
9 months ended September 30, 2025	448,253,502

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

* Review of the attached quarterly consolidated financial statements by a certified public accountant or independent auditor: None

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

Disclaimer on forward-looking statements

This document contains performance forecasts and other forward-looking statements. Such statements are based on information available at the time and, in part, on what are deemed to be reasonable assumptions. They are not guarantees of future performance. Actual results may differ markedly from what the forward-looking statements suggest due to a plethora of variables. The current performance forecasts have factored in certain cost increases to reflect the rise in procurement and distribution costs associated with the situation in the Middle East. See page 7 of the reference document (1. Activity Report, (3) Qualitative Information Related to Consolidated Forecasts) for information about the assumptions underlying the financial forecasts and disclaimers about using the financial forecasts.

1. Activity Report

All forward-looking statements herein are based on assumptions deemed reasonable as of the period under review.

(1) Business Results in Period Under Review

(Millions of yen)

	9 months ended September 30, 2025	9 months ended September 30, 2026	Year-on-year change (%)
Net sales	265,650	290,174	+9.2
Operating income	21,490	23,384	+8.8
Ordinary income	21,793	24,714	+13.4
Profit attributable to owners of parent	16,723	18,068	+8.0

During the fiscal period under review (January 1 to September 30, 2026), the Japanese economy traced a moderate recovery path, with improved corporate earnings, employment situation, and personal income. However, the economic outlook was mired by economic uncertainties related to the situation in the Middle East, US policy, the recession in China, and inflationary pressures.

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

Net sales reached ¥290.1 billion (up 9.2% year on year). This year-on-year growth reflects the success of the furniture business in closing deals, the success of the business supply distribution business in expanding the purchase-management platform Benri Net, and the success of the stationery business in expanding overseas. With the impact of higher revenue, gross profit increased to ¥117.9 billion (up 9.4% year on year). Gross profit ratio amounted to 40.6% (no significant year-on-year change). Selling, general and administrative expenses increased to ¥94.5 billion (up 9.6% 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 32.6% (up 0.1 points year on year).

Reflecting these results, operating income reached ¥23.3 billion (up 8.8% year on year). Ordinary income reached ¥24.7 billion (up 13.4% year on year), reflecting recognition of foreign exchange gain. Profit attributable to owners of parent was ¥18.0 billion, (up 8.0% year on year), with the increase in ordinary income absorbing the impact of year-on-year decreases in gain on sales of non-current assets and gain on sales of investment securities.

Segment

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

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

(Millions of yen)

		9 months ended September 30, 2025	9 months ended September 30, 2026	Year-on-year change (%)
Furniture	Net sales	128,840	143,391	+11.3
	Operating income	20,987	23,564	+12.3
Business supply distribution	Net sales	77,634	82,228	+5.9
	Operating income	3,454	2,874	(16.8)
Stationery	Net sales	62,282	68,075	+9.3
	Operating income	5,496	6,506	+18.4
Interior retail	Net sales	17,462	17,760	+1.7
	Operating income	541	760	+40.5
Others	Net sales	408	453	+11.0
	Operating income	(342)	(396)	–
Reconciliation	Net sales	(20,978)	(21,735)	–
	Operating income	(8,646)	(9,925)	–
Total	Net sales	265,650	290,174	+9.2
	Operating income	21,490	23,384	+8.8

• Furniture

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

In Japan, there is brisk demand for new office builds (office relocations) and office renovations. To capitalizing on this demand, we worked to expand sales and improve profitability by tailoring workstyle solutions to customers’ strategic issues more effectively and by streamlining workflows. As for segment’s overseas operations, while the Chinese market remained sluggish, net sales and operating income increased with the inclusion of Kokuyo Workplace India Limited in the scope of consolidation. India has seen a rise in office-related demand, driven in part by the increasing number of global capability centers* there. Against this backdrop, we are winning large-scale contracts, such that performance is exceeding initial expectations.

Under such circumstances, the segment’s net sales increased to ¥143.3 billion (up 11.3% year on year). Operating income increased to ¥23.5 billion (up 12.3% year on year).

* Global capability centers are strategic locations established by multinational companies to concentrate or upgrade operations such as those related to IT, finance, and R&D.

• 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 achieved huge growth in gross merchandise value in our e-commerce distribution channels, counting Benri Net together with Kaunet. Benri Net saw an increase in user engagement, although demand was affected to some extent by the unseasonal weather in the summer. Meanwhile, Kaunet achieved strong retention following an improvement in user experience, resulting in growth in sales from the e-commerce websites. Profit from these channels decreased, but this decrease represented a temporary dip resulting from our adaptive response to a one-off market shock (this response included offering discounts in a major sale) and increased investment in projects to unlock higher future growth.

Under such circumstances, the segment's net sales increased to ¥82.2 billion (up 5.9% year on year). Operating income decreased to ¥2.8 billion (down 16.8% year on year).

• Stationery

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

During the period under review, in Japan, we made headway with our brand strategy for Campus, in which we offer study solutions ("study recipes") that combine stationery products with study methods and launch new products aligned with such. This strategy led to an increase in B2C sales. In China, conditions remained adverse amid the economic malaise, but we captured demand by leveraging the brand position we previously established. We achieved success with our strategy focusing on stationery demand among secondary school girls. We launched more products, expanded our retail presence, and expanded our e-commerce business, driving overall business growth. On the other hand, in India, performance was affected by an increase in competition.

Under these circumstances, the segment's net sales increased to ¥68.0 billion (up 9.3% year on year). Operating income increased to ¥6.5 billion (up 18.4% year on year).

• Interior retail

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

The period under review was subject to a base-effect decline resulting from a major B2B contract in the previous year. However, this effect was absorbed by successful efforts to grow sales organically. Specifically, we achieved in-store sales growth by improving store staff's customer engagement and sales approaches and by holding new-year sale promotions. We also grew e-commerce sales through an OMO strategy.

Under these circumstances, the segment's net sales increased to ¥17.7 billion (up 1.7% year on year). Operating income increased to ¥0.7 billion (up 40.5% year on year).

(2) Financial Performance During Period Under Review

1) Assets, liabilities, and net assets

Total assets at September 30, 2026, amounted to ¥326.4 billion, down ¥28.5 billion from the level on December 31, 2025, the end of the previous fiscal year.

Current assets decreased by ¥37.3 billion to ¥205.5 billion. The main factors were a decrease of ¥28.9 billion in cash and cash equivalents and a decrease of ¥12.7 billion in notes and accounts receivable and contrast assets. The decreases were partially offset by an increase of ¥2.5 billion in merchandise and finished goods.

Non-current assets increased by ¥8.7 billion to ¥120.8 billion. One factor was an increase of ¥7.7 billion in property, plant and equipment, which was associated with the head office relocation and the construction of the Tohoku IDC.

Liabilities at September 30, 2026, amounted to ¥78.6 billion, down ¥20.8 billion from the level on December 31, 2025, the end of the previous fiscal year. The main factors were an increase of ¥2.4 billion in provision for bonuses, offset by a decrease of ¥21.3 billion in notes and accounts payable - trade, which was a result of measures to ensure compliance with the Act Against Delay in Payment of Fees to Small and Medium-sized Entrusted Business Operators in Manufacturing and Other Specified Fields.

Net assets at September 30, 2026 came to a total of ¥247.7 billion, down ¥7.7 billion from the level on December 31, 2025, the end of the previous fiscal year. The main factors were an increase of ¥7.2 billion in retained earnings, partially offset by a treasury stock debit (an increase in treasury stock treated as a decrease in net assets) of ¥14.9 billion resulting from the purchase of treasury shares.

2) Cash Flows

As of September 30, 2026, consolidated cash and cash equivalents (hereafter referred to as cash) totaled ¥81.6 billion, a decrease of ¥28.9 billion from December 31, 2025.

Cash flows from operating activities

Net cash provided by operating activities was ¥11.3 billion (up ¥3.6 billion year on year).
Inflows included ¥26.2 billion in profit before income taxes, ¥12.7 billion in decrease in notes and accounts receivable – trade, reconciliation of non-cash profit/loss (e.g. ¥6.9 billion in depreciation), and ¥2.4 billion in increase in provision for bonuses. Among the outflows was ¥21.4 billion in decrease in notes and accounts payable – trade, which was partly a result of measures to ensure compliance with the Act Against Delay in Payment of Fees to Small and Medium-sized Entrusted Business Operators in Manufacturing and Other Specified Fields. Other outflows included ¥8.6 billion in income taxes paid, ¥3.7 billion in decrease in inventories, and items not included in operating cash flows, such as ¥1.0 billion in gain on sales of investment securities and ¥0.7 billion in gain on sales of non-current assets.

Cash flows from investing activities

Net cash used by investing activities was ¥13.8 billion (up ¥9.7 billion year on year). Inflows included ¥1.6 billion in proceeds from sales of investment securities and ¥1.3 billion in proceeds from sales of property, plant and equipment. Outflows included ¥16.1 billion in capital expenditure.

Cash flows from financing activities

Net cash used in financing activities was ¥26.5 billion (up ¥0.4 billion year on year). The flows included ¥15.0 billion in purchase of treasury shares and ¥10.7 billion in cash dividends paid.

(3) Qualitative Information Related to Consolidated Forecasts

The forecasts for the fiscal period ending December 31, 2026, remain unchanged from those announced on February 13, 2026. The current performance forecasts have factored in certain cost increases to reflect the rise in procurement and distribution costs associated with the situation in the Middle East.

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

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	80,787	81,874
Notes and accounts receivable and contract assets	82,116	69,401
Securities	29,959	–
Merchandise and finished goods	32,276	34,873
Work in process	2,606	3,146
Raw materials and supplies	6,538	7,054
Real estate for sale	–	2,344
Real estate for sale in progress	1,924	–
Other	6,711	6,914
Allowance for doubtful accounts	(33)	(42)
Total current assets	242,888	205,565
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,380	24,967
Land	26,650	26,588
Other, net	15,542	21,769
Total property, plant and equipment	65,572	73,325
Intangible assets		
Goodwill	373	301
Other	14,708	15,470
Total intangible assets	15,082	15,771
Investments and other assets		
Investment securities	18,022	17,900
Retirement benefit asset	7,396	7,560
Other	6,505	6,810
Allowance for doubtful accounts	(419)	(482)
Total investments and other assets	31,504	31,789
Total non-current assets	112,160	120,886
Total assets	355,048	326,452

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	58,334	37,013
Short-term loans payable	3,369	3,603
Current portion of long-term loans payable	85	62
Income taxes payable	3,849	3,261
Provision for bonuses	977	3,432
Other	22,495	20,045
Total current liabilities	89,112	67,418
Non-current liabilities		
Long-term loans payable	16	6
Retirement benefit liability	347	337
Other	10,114	10,931
Total non-current liabilities	10,478	11,276
Total liabilities	99,591	78,695
Net assets		
Shareholders' equity		
Capital stock	15,847	15,847
Capital surplus	18,139	18,151
Retained earnings	211,871	219,121
Treasury shares	(7,710)	(22,623)
Total shareholders' equity	238,148	230,497
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,891	6,184
Deferred gains or losses on hedges	92	300
Foreign currency translation adjustment	5,886	5,683
Remeasurements of defined benefit plans	1,659	1,530
Total accumulated other comprehensive income	13,530	13,699
Non-controlling interests	3,778	3,559
Total net assets	255,457	247,757
Total liabilities and net assets	355,048	326,452

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Consolidated statements of income for the Nine Months Ended September 30, 2026

(Millions of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Net sales	265,650	290,174
Cost of sales	157,881	172,246
Gross profit	107,769	117,927
Selling, general and administrative expenses	86,278	94,543
Operating income	21,490	23,384
Non-operating income		
Interest income	305	298
Dividend income	276	237
Real estate rent	131	128
Share of profit of entities accounted for using equity method	242	320
Foreign exchange gains	–	356
Other	342	433
Total non-operating income	1,299	1,774
Non-operating expenses		
Interest expenses	123	112
Rent expenses on real estate	58	42
Loss on abandonment of non-current assets	64	80
Exchange loss	477	–
Other	271	208
Total non-operating expenses	996	444
Ordinary income	21,793	24,714
Extraordinary income		
Gain on sales of non-current assets	1,004	774
Gain on sales of investment securities	1,545	1,049
Gain on bargain purchase	111	–
Reversal of allowance for doubtful account	56	–
Reversal of provision for loss on business of subsidiaries and associates	14	–
Total extraordinary income	2,732	1,824
Extraordinary losses		
Provision of allowance for doubtful accounts	30	–
Loss on valuation of shares of subsidiaries and associates	–	66
Extra retirement payments	74	–
Provision for loss on guarantees	43	50
120th anniversary expenses	–	5
Head office relocation expenses	–	210
Total extraordinary losses	149	333
Profit before income taxes	24,375	26,205
Income taxes - current	7,507	8,073
Profit	16,867	18,131
Profit attributable to non-controlling interests	144	63
Profit attributable to owners of parent	16,723	18,068

Consolidated Statements of Comprehensive Income for the Nine Months Ended September 30, 2026

(Millions of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Profit	16,867	18,131
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,067)	247
Deferred gains or losses on hedges	(18)	206
Foreign currency translation adjustment	(1,352)	(397)
Remeasurements of defined benefit plans, net of tax	(147)	(129)
Share of other comprehensive income of entities accounted for using equity method	9	23
Total other comprehensive income	(2,577)	(48)
Comprehensive income	14,290	18,083
Comprehensive income attributable to		
attributable to owners of parent	14,279	18,237
attributable to non-controlling interests	11	(154)

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	24,375	26,205
Depreciation	5,821	6,996
Amortization of long-term prepaid expenses	326	346
Amortization of goodwill	72	72
Extra retirement payments	74	–
Increase (decrease) in allowance for doubtful accounts	(25)	73
Increase (decrease) in provision for bonuses	2,259	2,456
Increase or decrease in net defined benefit asset and liability	(483)	(251)
Increase (decrease) in provision for loss on business of subsidiaries and associates	(14)	–
Allowance for loan losses or losses on guarantees	43	50
Interest and dividend income	(582)	(535)
Interest expenses	123	112
Share of loss (profit) of entities accounted for using equity method	(242)	(320)
Loss (gain) on sales of non-current assets	(1,009)	(766)
Loss on abandonment of non-current assets	64	80
Loss (gain) on sales of investment securities	(1,558)	(1,061)
Loss on valuation of shares of subsidiaries and associates	–	66
120th anniversary expenses	–	5
Head office relocation expenses	–	210
Decrease (increase) in notes and accounts receivable - trade	9,926	12,729
Decrease (increase) in inventories	(875)	(3,786)
Increase (decrease) in notes and accounts payable - trade	(13,953)	(21,409)
Decrease (increase) in real estate for sale	(1,914)	(419)
Other	(1,052)	(1,224)
Subtotal	21,377	19,630
Interest and dividend income received	590	552
Interest expenses paid	(124)	(113)
Income taxes paid	(14,066)	(8,672)
Extra retirement payments paid	(63)	(31)
Net cash provided by (used in) operating activities	7,713	11,365
Cash flows from investing activities		
Net decrease (increase) in time deposits	(5)	(119)
Purchase of property, plant and equipment	(4,086)	(13,189)
Proceeds from sales of property, plant and equipment	2,086	1,342
Purchase of intangible assets	(3,644)	(2,985)
Purchase of investment securities	(14)	(70)
Proceeds from sales and redemption of investment securities	3,025	1,693
Proceeds from sale of shares of subsidiaries and associates	–	254
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(880)	–
Collection of long-term loans receivable	90	0
Payments of long-term loans receivable	(120)	(0)
Other	(523)	(779)
Net cash provided by (used in) investing activities	(4,073)	(13,852)

(Millions of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(472)	258
Repayments of lease obligations	(966)	(875)
Repayments of long-term loans payable	(101)	(32)
Purchase of treasury shares	(13,916)	(15,000)
Decrease (increase) in cash segregated as deposits for purchase of treasury shares	(1,098)	–
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(86)
Cash dividends paid	(9,572)	(10,751)
Cash dividends paid to non-controlling interests	(20)	(80)
Net cash provided by (used in) financing activities	(26,148)	(26,568)
Effect of exchange rate change on cash and cash equivalents	(513)	67
Net increase (decrease) in cash and cash equivalents	(23,021)	(28,988)
Cash and cash equivalents at beginning of period	132,080	110,606
Cash and cash equivalents at end of period	109,059	81,618

(4) Notes on the Consolidated Statements

Particular Accounts Procedures for the Preparation of Quarterly Consolidated Financial Statements

Tax expenses

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

Notes on Segment Information

I. Comparative period (nine months ended September 30, 2025)

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

(Millions of yen)

	Reportable segments				Other *1	Total	Reconciliation *2	Consolidated *3
	Furniture	Business supply distribution	Stationery	Interior retail				
Net sales								
Sales to customers	127,483	73,197	47,366	17,422	180	265,650	–	265,650
Intracompany sales or transfers	1,356	4,436	14,916	40	228	20,978	(20,978)	–
Total	128,840	77,634	62,282	17,462	408	286,628	(20,978)	265,650
Segment profit (loss)	20,987	3,454	5,496	541	(342)	30,137	(8,646)	21,490

(Notes)

1. The Other category includes showrooms and other items not included in reportable segments.
2. Reconciliation of segment profit (loss) (¥8,646 million) includes the elimination of intersegment transactions and corporate expenses.
   The corporate expenses mostly consist of such expenses as those relating to administration departments of the parent company headquarters that are not attributable to reportable segments.
3. Segment profit (loss) is reconciled to the operating income stated in the Quarterly Consolidated Statements of Income.

II. Period under review (nine months ended September 30, 2026)

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

(Millions of yen)

	Reportable segments				Other *1	Total	Reconciliation *2	Consolidated *3
	Furniture	Business supply distribution	Stationery	Interior retail				
Net sales								
Sales to customers	142,047	77,871	52,439	17,675	140	290,174	–	290,174
Intracompany sales or transfers	1,343	4,356	15,636	85	313	21,735	(21,735)	—
Total	143,391	82,228	68,075	17,760	453	311,910	(21,735)	290,174
Segment profit (loss)	23,564	2,874	6,506	760	(396)	33,309	(9,925)	23,384

(Notes)

1. The Other category includes showrooms and other items not included in reportable segments.
2. Reconciliation of segment profit (loss) (¥9,925 million) includes the elimination of intersegment transactions and corporate expenses.
   The corporate expenses mostly consist of such expenses as those relating to administration departments of the parent company headquarters that are not attributable to reportable segments.
3. Segment profit (loss) is reconciled to the operating income stated in the Quarterly Consolidated Statements of Income.

Material changes in shareholders' equity

Repurchase of Shares

On March 27, 2026, the Board of Directors approved a plan to buy back shares pursuant to Article 459, Paragraph 1, of the Companies Act of Japan and Article 34 of the company's Articles of Incorporation. Under the plan, up to 20 million shares, or up to 15 billion yen in shares, is to be repurchased between April 16 and December 31, 2026, on the open market (the shares will be purchased on the Tokyo Stock Exchange). Following approval, the plan was implemented.

By September 8, 2026, we had completed the buyback plan approved by the Board of Directors on March 27, 2026.

During the period under review, we bought back 17,797,000 shares for 14,999 million yen. Consequently, as of the end of the period under review, treasury shares total 22,623 million yen.

Disposal of Shares

Under our plan of performance-linked stock compensation for officers and employees, we disposed of 131,557 treasury shares (total value of share disposal: ¥109 million), with the payment dates being April 15 and 30, 2026.

Notes Regarding Going Concern Assumption

None

Information Related to the Accounting Standard for Revenue Recognition

Breakdown of revenue from contracts with customers

I. Comparative period (nine months ended September 30, 2025)

(Millions of yen)

	Reportable segment				Other *2	Total
	Furniture	Business supply distribution	Stationery	Interior retail		
Location of sale (main regional category)						
Japan	118,674	73,197	25,754	17,399	131	235,158
Overseas	8,809	–	21,611	22	–	30,443
Revenue from contracts with customers	127,483	73,197	47,366	17,422	131	265,601
Other revenue	–	–	–	–	48	48
Sales to customers	127,483	73,197	47,366	17,422	180	265,650

(Notes)

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

II. Period under review (nine months ended September 30, 2026)

(Millions of yen)

	Reportable segment				Other *2	Total
	Furniture	Business supply distribution	Stationery	Interior retail		
Location of sale (main regional category)						
Japan	129,014	77,871	25,836	17,640	116	250,478
Overseas	13,033	–	26,602	35	–	39,672
Revenue from contracts with customers	142,047	77,871	52,439	17,675	116	290,150
Other revenue	–	–	–	–	24	24
Sales to customers	142,047	77,871	52,439	17,675	140	290,174

(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.

Subsequent significant changes

Cancelation of treasury shares

At a meeting held on October 29, 2026, the Board of Directors resolved to cancel treasury shares in accordance with Article 178 of the Companies Act.

Shares to be cancelled

(i) Type of shares	Common shares of Kokuyo
(ii) Number of shares	24,000,000 (5.44% of total issued shares before cancelation)
(iii) Date of cancelation	November 26, 2026

For reference:

Total issued shares after cancelation 416,969,852

(Issued shares = Outstanding shares + Treasury shares)