July 10, 2026

Consolidated Financial Results for the Three Months Ended May 31, 2026 (Under Japanese GAAP)

Company name: KOHNAN SHOJI CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 7516
URL: https://www.hc-kohnan.com/
Representative: NAOTARO HIKIDA, PRESIDENT
Inquiries: TETSUYA TAKEUCHI, SENIOR EXECUTIVE OFFICER AND GENERAL MANAGER OF ACCOUNTING DEPARTMENT
Telephone: +81-6-6397-1621
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors)

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

1. Consolidated financial results for the three months ended May 31, 2026 (from March 1, 2026 to May 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	146,219	11.8	10,151	42.8	9,770	51.5	6,655	52.2
May 31, 2025	130,789	4.2	7,109	(9.2)	6,451	(11.5)	4,373	(8.2)

Note: Comprehensive income For the three months ended May 31, 2026: ¥6,704 million [51.8%]
For the three months ended May 31, 2025: ¥4,415 million [(10.5)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2026	236.28	-
May 31, 2025	152.67	152.62

Note: Quarterly net income per share adjusted for potential stock for the first quarter of the fiscal year ending February 28, 2027 is not included because there are no potential shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
May 31, 2026	537,061	178,671	33.2
February 28, 2026	504,793	173,849	34.4

Reference: Equity
As of May 31, 2026: ¥178,227 million
As of February 28, 2026: ¥173,397 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 February 28, 2026	-	65.00	-	65.00	130.00
Fiscal year ending February 28, 2027	-				
Fiscal year ending February 28, 2027 (Forecast)		70.00		70.00	140.00

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

3. Forecast of consolidated financial results for the fiscal year ending February 28, 2027 (from March 1, 2026 to February 28, 2027)

(Percentages indicate year-on-year changes.)

	Operating revenues		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
Six months ending August 31, 2026	277,100	4.5	14,950	1.7	13,950	1.6	8,750	0.3	310.65
Fiscal year ending February 28, 2027	543,500	4.6	23,000	2.7	21,000	1.2	12,500	1.9	443.80

Note: Revisions to the earnings forecasts 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 quarterly consolidated financial statements: None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of May 31, 2026	34,682,113 shares
As of February 28, 2026	34,682,113 shares

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

As of May 31, 2026	6,514,164 shares
As of February 28, 2026	6,516,394 shares

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

Three months ended May 31, 2026	28,166,028 shares
Three months ended May 31, 2025	28,642,942 shares

Note: The number of treasury shares at the end of the fiscal year and the number of treasury shares deducted for the calculation of the average number of shares during the period include the shares of the Company owned by the Custody Bank of Japan, Ltd. (Trust E Account) as trust assets of the Executive Officer Incentive Plan "Stock Benefit Trust (J-ESOP)" and the employee incentive plan "J-ESOP."

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

* Proper use of earnings forecasts, and other special matters

1. The fiscal year end of KOHNAN VIETNAM CO., LTD., a consolidated subsidiary, is the end of December, and there is a difference of two months from the consolidated closing date (the end of February).

For the first quarter of the current fiscal year, the Company's financial statements as of the end of March are used to make necessary adjustments for important transactions that occurred between the quarterly consolidated accounting date and the end of May.

2. The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

The Company plans to hold financial results briefings for institutional investors on Friday, July 10, 2026 and Monday, July 13, 2026.

Quarterly consolidated balance sheet

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Assets		
Current assets		
Cash and deposits	15,518	16,268
Accounts receivable - trade	18,050	25,699
Electronically recorded monetary claims - operating	7	3
Merchandise and finished goods	145,955	148,692
Raw materials and supplies	1,250	1,218
Other	8,615	11,092
Allowance for doubtful accounts	(52)	(52)
Total current assets	189,346	202,922
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	133,251	133,428
Land	51,994	52,800
Leased assets, net	19,023	18,451
Construction in progress	2,038	2,291
Other, net	9,644	9,769
Total property, plant and equipment	215,952	216,740
Intangible assets		
Trademark right	3,607	3,503
Customer-related Assets	1,634	1,578
Goodwill	15,806	15,455
Other	7,342	7,262
Total intangible assets	28,391	27,800
Investments and other assets		
Investment securities	6,136	24,042
Guarantee deposits	55,622	55,873
Deferred tax assets	7,279	7,567
Other	2,221	2,261
Allowance for doubtful accounts	(157)	(146)
Total investments and other assets	71,102	89,598
Total non-current assets	315,446	334,139
Total assets	504,793	537,061

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	38,543	48,492
Electronically recorded obligations - operating	11,418	12,274
Short-term borrowings	28,200	29,420
Current portion of long-term borrowings	34,830	36,147
Lease liabilities	3,030	2,962
Income taxes payable	3,838	3,941
Contract liabilities	3,654	3,391
Provision for bonuses	2,777	4,194
Provision for bonuses for directors (and other officers)	152	152
Other	15,956	17,949
Total current liabilities	142,403	158,926
Non-current liabilities		
Long-term borrowings	118,240	128,632
Lease liabilities	21,747	21,151
Guarantee deposits received	10,895	10,929
Provision for loss on voluntary recall of goods	399	386
Provision for share awards	1,614	1,690
Provision for retirement benefits for directors (and other officers)	96	98
Retirement benefit liability	437	416
Asset retirement obligations	19,644	19,725
Other	15,464	16,433
Total non-current liabilities	188,541	199,463
Total liabilities	330,944	358,390
Net assets		
Shareholders' equity		
Share capital	17,658	17,658
Capital surplus	17,922	17,922
Retained earnings	161,053	165,816
Treasury shares	(25,006)	(24,996)
Total shareholders' equity	171,628	176,400
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,112	1,137
Deferred gains or losses on hedges	(39)	(8)
Foreign currency translation adjustment	561	594
Remeasurements of defined benefit plans	134	102
Total accumulated other comprehensive income	1,768	1,826
Non-controlling interests	451	443
Total net assets	173,849	178,671
Total liabilities and net assets	504,793	537,061

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Net sales	126,419	141,601
Cost of sales	79,655	89,080
Gross profit	46,763	52,521
Operating revenue	4,369	4,617
Selling, general and administrative expenses	44,024	46,987
Operating profit	7,109	10,151
Non-operating income		
Interest income	9	9
Insurance claim income	32	21
Foreign exchange gains	154	104
Share of profit of entities accounted for using equity method	-	381
Subsidy income	-	49
Other	124	168
Total non-operating income	321	733
Non-operating expenses		
Interest expenses	697	891
Other	281	223
Total non-operating expenses	978	1,114
Ordinary profit	6,451	9,770
Extraordinary income		
Gain on sale of non-current assets	-	2
Total extraordinary income	-	2
Extraordinary losses		
Loss on retirement of non-current assets	12	23
Total extraordinary losses	12	23
Profit before income taxes	6,439	9,750
Income taxes - current	2,172	3,530
Income taxes - deferred	(106)	(426)
Total income taxes	2,066	3,103
Profit	4,373	6,646
Loss attributable to non-controlling interests	-	(8)
Profit attributable to owners of parent	4,373	6,655

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Profit	4,373	6,646
Other comprehensive income		
Valuation difference on available-for-sale securities	109	22
Deferred gains or losses on hedges	50	31
Foreign currency translation adjustment	(111)	33
Remeasurements of defined benefit plans, net of tax	(5)	(4)
Share of other comprehensive income of entities accounted for using equity method	-	(23)
Total other comprehensive income	42	58
Comprehensive income	4,415	6,704
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,415	6,712
Comprehensive income attributable to non-controlling interests	-	(8)

(Notes on segment information, etc.)

Segment Information

I. The three months of the previous fiscal year (March 1, 2025 to May 31, 2025)

The Group is a single segment engaged in retail, sales of building materials, etc., and related businesses, so the description is omitted.

II. The three months of the current fiscal year (March 1, 2026 to May 31, 2026)

The Group is a single segment engaged in retail, sales of building materials, etc., and related businesses, so the description is omitted.