July 31, 2026

KOKUYO CO., LTD.
FINANCIAL RESULTS
(Consolidated)

Interim results for the six months ended June 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)
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Date for submission of securities report: August 6, 2026
Commencement date for dividend payments: September 3, 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. Results for the six months ended June 30, 2026 (January 1 to June 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 (%)
6 months ended June 30, 2026	202,070	9.1	19,035	7.6	20,427	17.1
6 months ended June 30, 2025	185,207	3.5	17,690	11.1	17,443	(3.0)

(Note) Comprehensive income:
For the six months ended June 30, 2026 ¥15,827 million [51.1%]
For the six months ended June 30, 2025 ¥10,478 million [(46.2%)]

	Profit attributable to owners of parent		Earnings per share	Diluted earnings per share
	Millions of yen	Year-on-year (%)	Yen	Yen
6 months ended June 30, 2026	14,695	6.4	34.34	–
6 months ended June 30, 2025	13,810	(11.6)	30.57	–

(Note) On July 1, 2025, we conducted a 4-for-1 split of common stock. Earnings per share for the comparative period (the six months ended June 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
June 30, 2026	346,194	258,407	73.6	604.91
December 31, 2025	355,048	255,457	70.9	584.97

(Reference) Equity:
June 30, 2026 ¥254,687 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 interim 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 Interim 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:	
June 30, 2026	440,969,852
December 31, 2025	440,969,852
2) Number of shares of treasury stock as of:	
June 30, 2026	19,934,598
December 31, 2025	10,729,226
3) Average number of issued shares during:	
6 months ended June 30, 2026	427,994,664
6 months ended June 30, 2025	451,801,168

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).

* These interim financial statements are 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. 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. Interim 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. Interim Activity Report

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

(1) Business Results in Period Under Review

(Millions of yen)

	6 months ended June 30, 2025	6 months ended June 30, 2026	Year-on-year change (%)
Net sales	185,207	202,070	+9.1
Operating income	17,690	19,035	+7.6
Ordinary income	17,443	20,427	+17.1
Profit attributable to owners of parent	13,810	14,695	+6.4

During the fiscal period under review (January 1 to June 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 ¥202.0 billion (up 9.1% 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 in expanding overseas. With the impact of higher revenue, gross profit increased to ¥82.2 billion (up 8.7% year on year), while gross profit ratio amounted to 40.7% (down 0.2 points year on year) because profitability dipped temporarily as a result of discounts offered in a major sale campaign in the business supply distribution business. Selling, general and administrative expenses increased to ¥63.2 billion (up 9.0% 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 31.3% (no year-on-year change).

Reflecting these results, operating income reached ¥19.0 billion (up 7.6% year on year). Ordinary income reached ¥20.4 billion (up 17.1% year on year), reflecting recognition of foreign exchange gain. Profit attributable to owners of parent was ¥14.6 billion, (up 6.4% 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)

		6 months ended June 30, 2025	6 months ended June 30, 2026	Year-on-year change (%)
Furniture	Net sales	91,841	101,140	+10.1
	Operating income	16,653	18,371	+10.3
Business supply distribution	Net sales	53,098	57,414	+8.1
	Operating income	2,658	2,337	(12.0)
Stationery	Net sales	42,882	46,595	+8.7
	Operating income	4,070	4,478	+10.0
Interior retail	Net sales	11,769	11,795	+0.2
	Operating income	410	461	+12.4
Others	Net sales	279	317	+13.3
	Operating income	(221)	(273)	–
Reconciliation	Net sales	(14,664)	(15,192)	–
	Operating income	(5,881)	(6,340)	–
Total	Net sales	185,207	202,070	+9.1
	Operating income	17,690	19,035	+7.6

• 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 capitalize 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 largescale contracts, such that performance is exceeding initial expectations.
Under such circumstances, the segment’s net sales increased to ¥101.1 billion (up 10.1% year on year). Operating income increased to ¥18.3 billion (up 10.3% 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, while 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 ¥57.4 billion (up 8.1% year on year). Operating income decreased to ¥2.3 billion (down 12.0% 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.

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 ¥46.5 billion (up 8.7% year on year). Operating income increased to ¥4.4 billion (up 10.0% 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 long-term 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 end-of-year/new-year sale promotions. We also grew e-commerce sales through an OMO strategy.

Under these circumstances, the segment's net sales increased to ¥11.7 billion (up 0.2% year on year). Operating income increased to ¥0.4 billion (up 12.4% year on year).

(2) Financial Performance During Period Under Review

1) Assets, liabilities, and net assets

Total assets at June 30, 2026, amounted to ¥346.1 billion, down ¥8.8 billion from the level in December 31, 2025, the end of the previous fiscal year.

Current assets decreased by ¥13.4 billion to ¥229.4 billion. The main factors were a decrease of ¥12.4 billion in cash and cash equivalents and a decrease of ¥5.5 billion in notes and accounts receivable and contract assets.

Non-current assets increased by ¥4.6 billion to ¥116.7 billion. One factor was an increase of ¥4.1 billion in property, plant and equipment, which was associated with the head office relocation and the construction of the Tohoku IDC.

Liabilities at June 30, 2026, amounted to ¥87.7 billion, down ¥11.8 billion from the level in December 31, 2025, the end of the previous fiscal year. A key factor was a decrease of ¥18.3 billion in notes and accounts payable, 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. The decrease was partially offset by an increase of ¥4.8 billion in provision for bonuses and an increase of ¥2.6 billion in income taxes payable.

Net assets at June 30, 2026, came to a total of ¥258.4 billion, up ¥2.9 billion from the level in December 31, 2025, the end of the previous fiscal year. The main factors were an increase of ¥9.0 billion in retained earnings, an increase of ¥0.6 billion in deferred gains or losses on hedges, and an increase of ¥0.6 billion in foreign currency translation adjustment. These were partially offset by a treasury stock debit (an increase in treasury stock treated as a decrease in net assets) of ¥7.4 billion resulting from the purchase of treasury shares.

2) Cash Flows

As of the end of the interim period under review (June 30, 2026), consolidated cash and cash equivalents (hereafter referred to as cash) totaled ¥98.1 billion, a decrease of ¥12.4 billion from the level in December 31, 2025.

Cash flows from operating activities

Net cash provided by operating activities was ¥11.8 billion (up ¥3.2 billion year on year).
Inflows included ¥21.1 billion in profit before income taxes, ¥5.9 billion in decrease in notes and accounts receivable - trade, ¥4.8 billion in increase in provision for bonuses, and reconciliation of non-cash profit/loss (e.g. ¥4.4 billion in depreciation). Among the outflows was ¥18.6 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 ¥3.8 billion in income taxes paid and ¥1.0 billion in gain on sales of investment securities not included in operating cash flows.

Cash flows from investing activities

Net cash used by investing activities was ¥8.5 billion (up ¥6.5 billion year on year). The main positive cash flow was ¥1.6 billion in proceeds from sales of investment securities. The main negative cash flow was ¥10 billion in capital expenditure.

Cash flows from financing activities

Net cash used in financing activities was ¥16.1 billion (up ¥5.6 billion year on year). The flows included ¥7.5 billion in purchase of treasury shares, ¥5.5 billion in cash dividends paid, and ¥2.4 billion in increase in cash segregated as deposits for purchase of treasury share.

(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 June 30, 2026
Assets		
Current assets		
Cash and deposits	80,787	98,434
Notes and accounts receivable and contract assets	82,116	76,551
Securities	29,959	–
Merchandise and finished goods	32,276	32,378
Work in process	2,606	3,235
Raw materials and supplies	6,538	6,839
Real estate for sale	–	2,363
Real estate for sale in progress	1,924	–
Other	6,711	9,655
Allowance for doubtful accounts	(33)	(44)
Total current assets	242,888	229,414
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,380	24,751
Land	26,650	26,609
Other, net	15,542	18,363
Total property, plant and equipment	65,572	69,723
Intangible assets		
Goodwill	373	325
Other	14,708	15,174
Total intangible assets	15,082	15,499
Investments and other assets		
Investment securities	18,022	17,746
Retirement benefit asset	7,396	7,488
Other	6,505	6,761
Allowance for doubtful accounts	(419)	(440)
Total investments and other assets	31,504	31,556
Total non-current assets	112,160	116,780
Total assets	355,048	346,194

(Millions of yen)

	As of December 31, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	58,334	40,006
Short-term loans payable	3,369	3,572
Current portion of long-term loans payable	85	68
Income taxes payable	3,849	6,477
Provision for bonuses	977	5,867
Other	22,495	20,290
Total current liabilities	89,112	76,281
Non-current liabilities		
Long-term loans payable	16	10
Retirement benefit liability	347	328
Other	10,114	11,166
Total non-current liabilities	10,478	11,505
Total liabilities	99,591	87,787
Net assets		
Shareholders' equity		
Capital stock	15,847	15,847
Capital surplus	18,139	18,151
Retained earnings	211,871	220,947
Treasury shares	(7,710)	(15,193)
Total shareholders' equity	238,148	239,752
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,891	6,124
Deferred gains or losses on hedges	92	729
Foreign currency translation adjustment	5,886	6,506
Remeasurements of defined benefit plans	1,659	1,573
Total accumulated other comprehensive income	13,530	14,934
Non-controlling interests	3,778	3,720
Total net assets	255,457	258,407
Total liabilities and net assets	355,048	346,194

(2) Consolidated Interim Statements of Income and Comprehensive Income

Consolidated Interim statements of income

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Net sales	185,207	202,070
Cost of sales	109,477	119,770
Gross profit	75,730	82,299
Selling, general and administrative expenses	58,040	63,263
Operating income	17,690	19,035
Non-operating income		
Interest income	184	212
Dividend income	211	205
Real estate rent	88	86
Share of profit of entities accounted for using equity method	215	272
Foreign exchange gains	–	612
Other	124	281
Total non-operating income	824	1,670
Non-operating expenses		
Interest expenses	85	82
Rent expenses on real estate	45	30
Loss on retirement of non-current assets	26	60
Exchange loss	771	–
Other	142	104
Total non-operating expenses	1,071	278
Ordinary income	17,443	20,427
Extraordinary income		
Gain on sales of non-current assets	1,004	21
Gain on sales of investment securities	1,542	1,049
Gain on bargain purchase	111	–
Reversal of allowance for doubtful account	59	–
Reversal of provision for loss on business of subsidiaries and associates	14	–
Total extraordinary income	2,733	1,071
Extraordinary losses		
Provision of allowance for doubtful accounts	29	–
Loss on valuation of shares of subsidiaries and associates	–	66
Extra retirement payments	53	–
Provision for loss on guarantees	57	48
120th anniversary expenses	–	5
Head office relocation expenses	–	206
Total extraordinary losses	140	326
Profit before income taxes	20,035	21,172
Income taxes - current	6,112	6,421
Profit	13,923	14,750
Profit attributable to non-controlling interests	112	55
Profit attributable to owners of parent	13,810	14,695

Consolidated Interim Statements of Comprehensive Income

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Profit	13,923	14,750
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,337)	181
Deferred gains or losses on hedges	(105)	635
Foreign currency translation adjustment	(1,906)	300
Remeasurements of defined benefit plans, net of tax	(98)	(86)
Share of other comprehensive income of entities accounted for using equity method	2	45
Total other comprehensive income	(3,445)	1,076
Comprehensive income	10,478	15,827
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,513	15,834
Comprehensive income attributable to non-controlling interests	(34)	(6)

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	20,035	21,172
Depreciation	3,788	4,473
Amortization of long-term prepaid expenses	216	223
Amortization of goodwill	48	48
Extra retirement payments	53	−
Increase (decrease) in allowance for doubtful accounts	(47)	29
Increase (decrease) in provision for bonuses	4,511	4,890
Increase or decrease in net defined benefit asset and liability	(270)	(136)
Increase (decrease) in provision for loss on business of subsidiaries and associates	(14)	−
Allowance for loan losses or losses on guarantees	57	48
Interest and dividend income	(395)	(417)
Interest expenses	85	82
Share of loss (profit) of entities accounted for using equity method	(215)	(272)
Loss (gain) on sales of non-current assets	(1,006)	(12)
Loss on abandonment of non-current assets	26	60
Loss (gain) on sales of investment securities	(1,543)	(1,056)
Loss on valuation of shares of subsidiaries and associates	−	66
120th anniversary expenses	−	5
Head office relocation expenses	−	206
Decrease (increase) in notes and accounts receivable - trade	5,578	5,978
Decrease (increase) in inventories	827	(841)
Increase (decrease) in notes and accounts payable - trade	(11,764)	(18,611)
Decrease (increase) in real estate for sale	(1,913)	(439)
Other	(1,957)	(178)
Subtotal	16,100	15,318
Interest and dividend income received	403	438
Interest expenses paid	(84)	(88)
Income taxes paid	(7,823)	(3,806)
Extra retirement payments paid	(45)	(31)
Net cash provided by (used in) operating activities	8,550	11,831
Cash flows from investing activities		
Net decrease (increase) in time deposits	(3)	(118)
Purchase of property, plant and equipment	(2,685)	(8,058)
Proceeds from sales of property, plant and equipment	2,074	84
Purchase of intangible assets	(2,748)	(1,979)
Purchase of investment securities	(2)	(61)
Proceeds from sales and redemption of investment securities	2,756	1,684
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	(450)	(344)
Net cash provided by (used in) investing activities	(1,969)	(8,538)

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(274)	213
Repayments of lease obligations	(672)	(611)
Repayments of long-term loans payable	(70)	(23)
Purchase of treasury shares	(4,631)	(7,573)
Decrease (increase) in cash segregated as deposits for purchase of treasury shares	(372)	(2,439)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(86)
Cash dividends paid	(4,409)	(5,583)
Cash dividends paid to non-controlling interests	(20)	(29)
Net cash provided by (used in) financing activities	(10,451)	(16,134)
Effect of exchange rate change on cash and cash equivalents	(921)	411
Net increase (decrease) in cash and cash equivalents	(4,792)	(12,429)
Cash and cash equivalents at beginning of period	132,080	110,606
Cash and cash equivalents at end of period	127,288	98,176

(4) Notes on the Consolidated Statements

Particular Accounts Procedures for the Preparation of Interim 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 18 of the "Implementation Guidance on Accounting Standard for Interim Financial Reporting."

Notes on Segment Information

I. Comparative period (six months ended June 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	90,864	50,106	32,331	11,756	148	185,207	–	185,207
Intracompany sales and transfers	977	2,992	10,550	12	131	14,664	(14,664)	–
Total	91,841	53,098	42,882	11,769	279	199,872	(14,664)	185,207
Segment profit (loss)	16,653	2,658	4,070	410	(221)	23,572	(5,881)	17,690

(Notes)

1. The Other category includes showrooms and other items not included in reportable segments.
2. Reconciliation of segment profit (loss) (¥5,881 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 Interim Consolidated Statements of Income.

II. Period under review (six months ended June 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	100,147	54,473	35,619	11,713	116	202,070	–	202,070
Intracompany sales and transfers	992	2,940	10,975	81	201	15,192	(15,192)	–
Total	101,140	57,414	46,595	11,795	317	217,262	(15,192)	202,070
Segment profit (loss)	18,371	2,337	4,478	461	(273)	25,375	(6,340)	19,035

(Notes)

1. The Other category includes showrooms and other items not included in reportable segments.
2. Reconciliation of segment profit (loss) (¥6,340 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 Interim 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, will be repurchased between April 16 and December 31, 2026, on the open market (the shares will be purchased on the Tokyo Stock Exchange). During the period under review, we bought back 9,317,300 shares for 7,572 million yen. Consequently, as of the end of the period under review, treasury shares total 15,193 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 (six months ended June 30, 2025)

(Millions of yen)

	Reportable segment				Other *2	Total
	Furniture	Business supply distribution	Stationery	Interior retail		
Location of sale (main regional category)						
Japan	84,953	50,106	18,243	11,734	114	165,152
Overseas	5,910	–	14,088	22	–	20,021
Revenue from contracts with customers	90,864	50,106	32,331	11,756	114	185,173
Other revenue	–	–	–	–	34	34
Sales to customers	90,864	50,106	32,331	11,756	148	185,207

(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 (six months ended June 30, 2026)

(Millions of yen)

	Reportable segment				Other *2	Total
	Furniture	Business supply distribution	Stationery	Interior retail		
Location of sale (main regional category)						
Japan	90,399	54,473	18,609	11,702	95	175,280
Overseas	9,748	–	17,010	10	–	26,769
Revenue from contracts with customers	100,147	54,473	35,619	11,713	95	202,049
Other revenue	–	–	–	–	20	20
Sales to customers	100,147	54,473	35,619	11,713	116	202,070

(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

Transfers of non-current assets

The Board of Directors resolved, at a meeting held on July 1, 2026, to transfer non-current assets as detailed below.

1. Reason for Transfers

   The transfers are to be conducted in the context of facilitating our efforts to improve resource allocation and improve asset efficiency following the head office relocation.

2. Assets to Be Transferred

Property, location	Land area	Book value	Sale price	Gain on sale
Property 1: Building that housed the main unit of the head office Primary address: 6-15-1 Oimazato-minami, Higashinari-ku, Osaka City	Approx 5,332 m^2	¥1,306 million	¥5,010 million	¥3,529 million
Property 2: Lot that housed the head office’s guest house 5-3-3 Oimazato-minami, Higashinari-ku, Osaka City	Approx 790 m^2	¥1 million	¥762 million	¥753 million

(Note) The estimated gain on sale from the transfers represents the estimated amount after deducting the expected costs and other expenses associated with the transfers.

3. Recipients

   We will not identify the recipients here, but they are general Japanese business corporations associations operating in Japan. We have no disclosable financial, personal, or transactional interests in the recipients. Neither of the transfers constitutes a related party-transaction.

4. Schedule

<table>
<tr><th></th><th>Date on which the transfer agreement is to be signed</th><th>Date of transfer</th></tr>
<tr><td>Property 1:
Building that housed the main unit of the head office</td><td rowspan="2">End of September 2026</td><td>End of September 2027</td></tr>
<tr><td>Property 2:
Lot that housed the head office’s guest house</td><td>End of September 2026</td></tr>
</table>

5. Outlook

   For property 2 (lot that housed the head office’s guest house), Kokuyo expects to record ¥753 million in gain on sale of non-current assets in the year the transfer occurs, namely, the year ending December 2026. For property 1 (building that housed the main unit of the head office), it expects to record ¥3,529 million in gain on sale of non-current assets in the year ending December 2027.