Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

August 8, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: Okamura Corporation
Listing: Tokyo Stock Exchange
Securities code: 7994
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Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Prepared
Holding of financial results briefing: Scheduled (for institutional investors and analysts)

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

1. Consolidated Operating Results for the Three Months Ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

(1) Operating Results (cumulative)

(Percentages indicate year-over-year changes.)

	Net sales		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	%
June 30, 2025	75,449	3.6	3,123	(31.7)	3,939	(31.2)	4,497	(34.1)
June 30, 2024	72,833	2.5	4,572	(21.8)	5,722	(15.1)	6,823	12.5

Note: Comprehensive income For the three months ended June 30, 2025: ¥3,788 million [(7.9)%]
For the three months ended June 30, 2024: ¥4,115 million [(55.0)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	47.52	–
June 30, 2024	72.10	–

(2) Financial Positions

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	288,228	185,940	64.0
March 31, 2025	289,144	186,795	64.0

Reference: Total equity
As of June 30, 2025: ¥184,345 million
As of March 31, 2025: ¥185,143 million

2. Dividend

	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, 2025	–	45.00	–	49.00	94.00
Fiscal year ending March 31, 2026	–				
Fiscal year ending March 31, 2026 (Forecast)		52.00	–	52.00	104.00

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

Note: Breakdowns of dividends for the fiscal year ending March 31, 2026
Second quarter-end: Ordinary dividend ¥48.50 Commemorative dividend ¥3.50
Fiscal year-end: Ordinary dividend ¥48.50 Commemorative dividend ¥3.50

3. Forecast of Consolidated Performance for the Fiscal Year Ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Percentages indicate year-over-year changes.)

	Net sales		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
First half	152,000	4.4	8,500	26.0	9,300	13.9	7,300	(8.4)	77.14
Full year	330,000	4.9	27,000	12.8	29,500	11.5	22,800	3.4	240.92

Note: Revisions to the forecast of performance most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (Boss Design Limited)

Excluded: –

Note: For details, please refer to "Business combinations" on page 12 of the Attachments to this Financial Results summary.

(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 stock)

As of June 30, 2025	100,621,021 shares
As of March 31, 2025	100,621,021 shares

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

As of June 30, 2025	5,973,547 shares
As of March 31, 2025	5,983,190 shares

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

Three months ended June 30, 2025	94,645,195 shares
Three months ended June 30, 2024	94,643,329 shares

* 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

The performance forecasts and other forward-looking statements contained herein are based on the information available to the Company at the time, and contain certain assumptions that the Company considers to be reasonable. They are subject to diverse factors that may cause actual results of operations and other items to differ significantly from the statements and forecasts. For a description of the assumptions underlying the performance forecasts and the points to note when using the performance forecasts in this document, etc., please refer to (3) Explanation of Forecast of Consolidated Performance and Other Forward-Looking Information in 1. Qualitative Information on Quarterly Financial Results on page 4 of the Attachments to this Financial Results summary.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

At the Okamura Group (the "Group"), our mission is to "Contribute to society by creating environments where people can thrive with rich ideas and reliable quality." Under this mission, we aim to realize a society in which all people can work and live with vitality and smiles in line with our purpose of "Realizing a society where people can thrive."

During the three months ended June 30, 2025, the outlook of the Japanese domestic economy remained clouded as affected by overseas factors such as geopolitical risk surrounding the situations in Ukraine and the Middle East, the prolonged slowdown of the Chinese economy, and reciprocal tariffs imposed by the U.S. In addition, financing costs have increased due to the Bank of Japan's policy rate hikes, and the costs of various materials and logistics has continued to rise, making inflation countermeasures such as price pass-on and wage increases important management issues.

In our business operation, while the domestic demand for office and store renovation has remained steady, the cost of goods sold and SG&A expenses have increased due to the impact of rising procurement prices and wage increases.

Under these conditions, the Group worked to promote development and sales activities that captured changes in society and markets, creating new demand and cost reduction.

In the fiscal year ending March 31, 2026, the Group implemented a wage increase of 5.48% in response to inflation and intensifying competition for acquiring human resources, and raised the starting salary for university graduates to 300,000 yen. The Group will leverage this in securing excellent human resources and promoting employee engagement improvement and thereby work to enhance its corporate value.

As a result, for the period under review, the Group recorded net sales of 75,449 million yen (up 3.6% year-over-year), operating profit of 3,123 million yen (down 31.7% year-over-year), ordinary profit of 3,939 million yen (down 31.2% year-over-year), and profit attributable to owners of parent of 4,497 million yen (down 34.1% year-over-year).

The Company decided to acquire shares of Boss Design Limited (headquartered in the United Kingdom) on March 24, 2025, and acquired 100% of the issued shares of the said company on April 1, 2025, making it a wholly owned subsidiary.

Performance by segment is presented below.

Segment name	Net sales (Millions of yen)			Segment profit (loss) (Millions of yen)		
	Three months ended June 30, 2024	Three months ended June 30, 2025	Change	Three months ended June 30, 2024	Three months ended June 30, 2025	Change
Office Furniture business	37,568	39,460	1,891	2,982	2,334	(648)
Store Displays business	27,900	30,029	2,129	1,123	994	(129)
Material Handling Systems business	5,823	4,580	(1,242)	464	(205)	(670)
Other	1,540	1,378	(161)	1	0	(1)
Total	72,833	75,449	2,616	4,572	3,123	(1,448)

Note: The totals for segment profit correspond to operating profit (loss) on the quarterly consolidated statements of income.

Office Furniture business

In the Office Furniture business, following the COVID-19 pandemic, the importance of communication has been re-recognized across the market, along with flexible working styles that are not bound by time and location, and the wave of demand for open office design that promotes active communication is spreading. Additionally, as securing human resources has become a key issue for domestic companies, opportunities to choose office relocation and renovation are expanding as measures to resolve the issue, and interest in creating “The Office You Want To Go To” continues to remain strong. Under these conditions, we have aimed to create new demand and boost net sales and operating profit by leveraging our strengths: the results of our research into future working styles, our proposal capabilities based on insight we have gained from our extensive delivery record, and our product development capabilities that anticipate changes in the times. Accordingly, net sales reached a record high, but operating profit declined compared to the same period of the previous fiscal year due to rising SG&A expenses, including labor costs.

As a result, segment net sales amounted to 39,460 million yen (up 5.0% year-over-year) and segment profit was 2,334 million yen (down 21.7% year-over-year).

Store Displays business

In the Store Displays business, in the backdrop of labor shortages, demand for labor savings and efficiency improvements in stores, as well as creating work environments where employees can work comfortably, has remained strong across all regions and business formats. In addition, solving social issues in the retail industry, such as environmental considerations, has become increasingly important in our proposals. Under these conditions, we have aimed to expand net sales and operating profit by leveraging our strengths, including our extensive product lineup featuring display fixtures, refrigerated showcases and other products, integrated service functions from proposals to after-sales service, and design and R&D capabilities related to store creation, to work closely with customers to co-create solutions for various challenges faced by the retail industry, particularly in reducing environmental impact. As a result, net sales reached a record high. However, operating profit declined compared to the same period of the previous fiscal year due to increased SG&A expenses, including labor costs, associated with strengthening our organizational structure in preparation for medium- to long-term growth.

As a result, segment net sales amounted to 30,029 million yen (up 7.6% year-over-year) and segment profit was 994 million yen (down 11.5% year-over-year).

Material Handling Systems business

In the Material Handling Systems business, demand for automation through material handling system equipment has remained strong, aimed at labor savings and efficiency improvements in logistics facilities, as well as reducing logistics costs through high-density storage and high-efficiency transport, against the backdrop of labor shortages. Under these conditions, the Company strengthened its framework as a comprehensive systems integrator in the logistics field, including the launch of “Optify,” our first software product and a warehouse optimization system, during the fiscal year under review. We have continued research and development of differentiated products using advanced technologies and aimed to expand business scale and secure profits. However, as we recorded record-high net sales in the previous fiscal year, design engineer resources were concentrated on existing projects, which constrained activities to acquire new orders. As a result, orders received during the fiscal year under review decreased compared to the previous year, and both net sales and operating profit declined compared to the same period of the previous fiscal year.

As a result, segment net sales amounted to 4,580 million yen (down 21.3% year-over-year) and segment loss was 205 million yen (segment profit of 464 million yen in the same period of the previous fiscal year).

(2) Explanation of Financial Position

The financial position as of June 30, 2025 (the end of the first quarter under review) was as follows.

Total assets amounted to 288,228 million yen, a decrease of 916 million yen from the end of the previous fiscal year. Current assets decreased by 7,950 million yen, mainly due to a decrease in accounts receivable - trade, and contract assets. Non-current assets increased by 7,033 million yen, mainly due to an increase in goodwill.

Liabilities stood at 102,287 million yen, a decrease of 61 million yen from the end of the previous fiscal year, mainly due to an increase in short-term borrowings, and decreases in trade payables and income taxes payable, and provision for bonuses.

Net assets amounted to 185,940 million yen, a decrease of 855 million yen from the end of the previous fiscal year, mainly due to a decrease in foreign currency translation adjustment.

As a result, the equity ratio decreased by 0.1 percentage points from the end of the previous fiscal year to 64.0%.

Cash flows for the three months ended June 30, 2025 were as follows.

Net cash provided by operating activities was 10,117 million yen (compared to 6,146 million yen used in the same period of the previous fiscal year). This was mainly a result of profit before income taxes of 5,329 million yen, depreciation of 1,463 million yen, and a decrease in accounts receivable - trade, and contract assets of 17,022 million yen, despite a decrease in provision for bonuses of 2,973 million yen, a decrease in trade payables of 7,787 million yen, income taxes paid of 3,603 million yen, and a gain on sale of investment securities of 1,594 million yen.

Net cash used in investing activities was 7,057 million yen (compared to 1,246 million yen used in the same period of the previous fiscal year). This was mainly a result of purchase of property, plant and equipment of 1,765 million yen, purchase of intangible assets of 921 million yen, and purchase of shares of subsidiaries resulting in change in scope of consolidation of 6,582 million yen, despite proceeds from sale and redemption of investment securities of 1,780 million.

Net cash provided by financing activities was 4,073 million yen (compared to 4,496 million yen provided in the same period of the previous fiscal year). This was mainly a result of an increase in short-term borrowings of 8,450 million yen, despite dividends paid of 4,148 million yen.

As a result, cash and cash equivalents at the end of the three months ended June 30, 2025 amounted to 32,157 million yen, an increase of 6,747 million yen from the end of the previous fiscal year (compared to a decrease of 2,614 million yen in the same period of the previous fiscal year).

(3) Explanation of Forecast of Consolidated Performance and Other Forward-Looking Information

The forecast of consolidated performance for the fiscal year ending March 31, 2026 remains unchanged from the forecast figures announced on May 9, 2025.

Please note that the performance forecasts are based on the information available as of the day of their announcement, and actual results may differ from these forecasts due to various factors.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	26,245	32,884
Notes and accounts receivable - trade, and contract assets	87,862	71,864
Merchandise and finished goods	8,469	8,598
Work in process	6,982	7,186
Raw materials and supplies	6,761	7,767
Other	3,538	3,602
Allowance for doubtful accounts	(241)	(235)
Total current assets	139,618	131,668
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,483	29,432
Land	34,602	34,740
Other, net	22,770	24,185
Total property, plant and equipment	86,856	88,358
Intangible assets		
Goodwill	5,975	10,380
Other	4,908	5,674
Total intangible assets	10,883	16,054
Investments and other assets		
Investment securities	43,971	43,720
Other	7,837	8,450
Allowance for doubtful accounts	(24)	(24)
Total investments and other assets	51,785	52,146
Total non-current assets	149,525	156,559
Total assets	289,144	288,228

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,230	21,447
Short-term borrowings	6,171	14,606
Current portion of long-term borrowings	1,852	1,852
Income taxes payable	4,527	635
Provision for bonuses	4,440	1,467
Other	8,501	11,882
Total current liabilities	53,723	51,891
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	17,816	17,815
Retirement benefit liability	13,041	13,320
Other	7,768	9,259
Total non-current liabilities	48,625	50,395
Total liabilities	102,349	102,287
Net assets		
Shareholders’ equity		
Share capital	18,670	18,670
Capital surplus	16,770	16,770
Retained earnings	138,933	138,784
Treasury shares	(7,734)	(7,736)
Total shareholders’ equity	166,640	166,489
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,864	13,783
Foreign currency translation adjustment	2,907	2,449
Remeasurements of defined benefit plans	1,731	1,623
Total accumulated other comprehensive income	18,502	17,856
Non-controlling interests	1,652	1,594
Total net assets	186,795	185,940
Total liabilities and net assets	289,144	288,228

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	72,833	75,449
Cost of sales	48,891	51,232
Gross profit	23,941	24,217
Selling, general and administrative expenses		
Packing and transportation costs	2,671	2,588
Salaries and allowances	6,918	7,637
Provision for bonuses	799	849
Rent expenses	2,130	2,515
Other	6,848	7,503
Total selling, general and administrative expenses	19,368	21,093
Operating profit	4,572	3,123
Non-operating income		
Interest income	13	26
Dividend income	457	569
Share of profit of entities accounted for using equity method	524	362
Foreign exchange gains	83	–
Other	196	201
Total non-operating income	1,275	1,160
Non-operating expenses		
Interest expenses	45	143
Foreign exchange losses	–	71
Loss on sale and retirement of non-current assets	3	13
Other	76	116
Total non-operating expenses	125	344
Ordinary profit	5,722	3,939
Extraordinary income		
Gain on sale of investment securities	4,016	1,594
Total extraordinary income	4,016	1,594
Extraordinary losses		
Impairment losses	0	4
Loss on valuation of investment securities	–	199
Total extraordinary losses	0	204
Profit before income taxes	9,738	5,329
Income taxes – current	903	398
Income taxes – deferred	2,119	423
Total income taxes	3,022	822
Profit	6,715	4,506
Profit (loss) attributable to non-controlling interests	(108)	9
Profit attributable to owners of parent	6,823	4,497

Quarterly Consolidated Statements of Comprehensive Income

Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	6,715	4,506
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,293)	(101)
Deferred gains or losses on hedges	109	–
Foreign currency translation adjustment	464	(441)
Remeasurements of defined benefit plans, net of tax	(31)	(107)
Share of other comprehensive income of entities accounted for using equity method	151	(67)
Total other comprehensive income	(2,599)	(718)
Comprehensive income	4,115	3,788
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,151	3,851
Comprehensive income attributable to non-controlling interests	(35)	(62)

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	9,738	5,329
Depreciation	1,678	1,463
Impairment losses	0	4
Amortization of goodwill	85	287
Loss (gain) on sale and retirement of non-current assets	2	12
Share of loss (profit) of entities accounted for using equity method	(524)	(362)
Increase (decrease) in allowance for doubtful accounts	6	(6)
Increase (decrease) in provision for bonuses	(4,895)	(2,973)
Increase (decrease) in retirement benefit liability	282	125
Interest and dividend income	(471)	(596)
Interest expenses	45	143
Loss (gain) on sale of investment securities	(4,016)	(1,594)
Loss (gain) on valuation of investment securities	–	199
Decrease (increase) in accounts receivable - trade, and contract assets	11,819	17,022
Decrease (increase) in inventories	(83)	1
Increase (decrease) in trade payables	(14,507)	(7,787)
Increase (decrease) in accrued consumption taxes	48	140
Other, net	163	1,867
Subtotal	(627)	13,277
Interest and dividends received	495	603
Interest paid	(52)	(160)
Income taxes paid	(5,961)	(3,603)
Net cash provided by (used in) operating activities	(6,146)	10,117
Cash flows from investing activities		
Payments into time deposits	(274)	–
Proceeds from withdrawal of time deposits	255	100
Purchase of property, plant and equipment	(4,768)	(1,765)
Purchase of intangible assets	(530)	(921)
Purchase of investment securities	(3)	(3)
Proceeds from sale and redemption of investment securities	4,478	1,780
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(6,582)
Other, net	(403)	335
Net cash provided by (used in) investing activities	(1,246)	(7,057)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	8,399	8,450
Repayments of long-term borrowings	–	(0)
Proceeds from issuance of bonds	5,000	–
Redemption of bonds	(5,000)	–
Purchase of treasury shares	(0)	(0)
Dividends paid	(3,636)	(4,148)
Other, net	(266)	(228)
Net cash provided by (used in) financing activities	4,496	4,073
Effect of exchange rate change on cash and cash equivalents	281	(385)
Net increase (decrease) in cash and cash equivalents	(2,614)	6,747
Cash and cash equivalents at beginning of period	38,215	25,410
Cash and cash equivalents at end of period	35,600	32,157

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

Not applicable.

(Changes in scope of consolidation)

Boss Design Limited has been included in the scope of consolidation from the three months ended June 30, 2025, following the share acquisition.

(Changes in presentation methods)

(Consolidated statements of cash flows)

"Amortization of goodwill," which was included in "Other" under "Cash flows from operating activities" in the three months ended June 30, 2024, is presented separately for the three months ended June 30, 2025 due to its increased materiality. To reflect this change in presentation method, the consolidated financial statements for the three months ended June 30, 2024, have been reclassified accordingly.

As a result, in the consolidated statements of cash flows for the three months ended June 30, 2024, 248 million yen that was presented in "Other" under "Cash flows from operating activities" has been reclassified as "Amortization of goodwill" of 85 million yen and "Other" of 163 million yen.

(Segment information, etc.)

[Segment information]

For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

1. Information concerning net sales, profit and loss for each reportable segment

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustments	Amount shown in the Quarterly Consolidated Financial Statements (Note 2)
	Office Furniture business	Store Displays business	Material Handling Systems business	Total				
Net sales								
Net sales to external customers	37,568	27,900	5,823	71,293	1,540	72,833	–	72,833
Internal net sales or transfers between segments	–	–	–	–	–	–	–	–
Total	37,568	27,900	5,823	71,293	1,540	72,833	–	72,833
Segment profit	2,982	1,123	464	4,570	1	4,572	–	4,572

Notes: 1. The "Other" category includes business segments such as the Powertrain business that are not included in any other reportable segment.

2. The totals for segment profit correspond to operating profit on the quarterly consolidated statements of income.

2. Information concerning impairment loss on non-current assets for each reportable segment

(Significant impairment loss related to non-current assets)

Impairment losses on non-current assets are recorded in the Office Furniture business, the Store Displays business, and the Material Handling Systems business. The amount of impairment loss recorded in the three months ended June 30, 2024 is 0 million yen.

For the three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

1. Information concerning net sales, profit and loss for each reportable segment

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustments	Amount shown in the Quarterly Consolidated Financial Statements (Note 2)
	Office Furniture business	Store Displays business	Material Handling Systems business	Total				
Net sales								
Net sales to external customers	39,460	30,029	4,580	74,070	1,378	75,449	–	75,449
Internal net sales or transfers between segments	–	–	–	–	–	–	–	–
Total	39,460	30,029	4,580	74,070	1,378	75,449	–	75,449
Segment profit (loss)	2,334	994	(205)	3,123	0	3,123	–	3,123

Notes: 1. The “Other” category includes business segments such as the Powertrain business that are not included in any other reportable segment.

2. The totals for segment profit (loss) correspond to operating profit on the quarterly consolidated statements of income.

2. Information concerning impairment loss on non-current assets for each reportable segment

(Significant impairment loss related to non-current assets)

Impairment losses on non-current assets are recorded in the Office Furniture business, the Store Displays business, and the Material Handling Systems business. The amount of impairment loss recorded in the three months ended June 30, 2025 is 4 million yen.

(Business combinations)

(Business combination by acquisition)

At a meeting held on March 24, 2025, the Board of Directors of the Company resolved to acquire 100% of the issued shares of Boss Design Limited (headquartered in the United Kingdom), making it a wholly owned subsidiary. In accordance with this resolution, the share acquisition was completed on April 1, 2025.

(1) Outline of the business combination

(i) Name of the acquired company and its business description

Name of the acquired company: Boss Design Limited (hereinafter "BDL")
Business description: Manufacturing and sales of loose furniture and acoustic products

(ii) Main reasons for the business combination

In its Midterm Management Plan, the Okamura Group identified the "development of overseas business rooted in the local market" as its basic policy and is making efforts to develop the local production for local consumption business through M&A and partnerships and joint ventures with leading local business partners. BDL is a manufacturer and distributor of contract furniture, with a focus on loose furniture and acoustic products. BDL's strengths lie in its advanced upholstery and woodworking techniques, as well as its design-oriented products and ability to fulfill customized orders. BDL also has a solid business foundation in the European and U.S. markets, with a blue-chip customer base consisting mainly of global and major local companies.

With regard to its overseas business, the Company will expand its product lineup by incorporating BDL's strength in loose furniture in addition to the Company's core product, task seating. By mutually leveraging BDL's business base in the U.K., European, and U.S. markets and the Company's presence in Japan and other Asian markets, the Company will promote product sales expansion and new market development, aiming to further expand its overseas business.

(iii) Date of the business combination

April 1, 2025

(iv) Legal form of the business combination

Share acquisition

(v) Name of the company after combination

No change

(vi) Ratio of voting rights acquired

100%

(vii) Main reason for determining the acquiring company

The reason is that the Company acquired the shares in exchange for cash consideration.

(2) Performance period of the acquired company included in the quarterly consolidated financial statements

From April 1, 2025 to June 30, 2025

(3) Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	7,685 million yen
Acquisition cost		7,685 million yen

(4) Description and amount of major acquisition-related expenses

Advisory fees and commissions: 589 million yen

(5) Amount, cause, and amortization method and period of the goodwill that has arisen

(i) Amount of the goodwill that has arisen

4,671 million yen

The amount of goodwill above is calculated on a tentative basis as the purchase price allocation has not been finalized as of the end of the first quarter of the current consolidated fiscal year.

(ii) Cause of goodwill

It has arisen from the excess earnings power expected from the future business expansion of the acquired company.

(iii) Amortization method and period

Amortized over 10 years on a straight-line basis.

(6) Details of the conditional acquisition consideration as stipulated in the business combination agreement, and the accounting policy for periods following the fiscal year under review

(i) Details of acquisition consideration

Additional conditional acquisition consideration will be paid to the acquired company based on its performance during a specified period (until the fiscal year ending March 31, 2028).

(ii) Future accounting policies

In the event of a change in the acquisition consideration, the acquisition cost will be adjusted as though it had been incurred at the time of acquisition, and the amount of goodwill and its amortization will be adjusted accordingly.

(Absorption-type merger with consolidated subsidiary)

The Company completed an absorption-type merger (a simplified, short-form merger) effective April 1, 2025, in accordance with the merger agreement dated February 17, 2025.

(1) Summary of the merger

(i) Name of the constituent enterprise and its business description

Name of the constituent enterprise: Kansai Okamura Corporation

Business description: Manufacturing and sales of steel furniture, general metal products, and certain wooden products

(ii) Date of the merger

April 1, 2025

(iii) Legal form of the merger

Absorption-type merger with the Company as the surviving entity and Kansai Okamura Corporation as the dissolved entity

(iv) Name of the company after the merger

Okamura Corporation

(v) Other matters related to the transaction

The Company aims to enhance a sense of unity among the Okamura Group by integrating with Kansai Okamura Corporation, thereby accelerating the optimization of integrated supply chain performance throughout production, sales, and logistics, strengthening human development through human resource exchanges and education, and boosting the business competitiveness and management efficiency of the Okamura Group.

(2) Outline of the accounting treatment applied

In accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, issued on January 16, 2019) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, issued on January 16, 2019), the Company has accounted for the transaction as a business combination under common control.

(Significant subsequent events)

Not applicable.