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November 7, 2025

**Consolidated Financial Results
for the Six Months Ended September 30, 2025
(Under Japanese GAAP)**



Company name: Okamura Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 7994
 URL: <https://www.okamura.com/>
 Representative: Masayuki Nakamura, Representative Director, President and Chief Executive Officer
 Inquiries: Sakae Fukuda, Director and Executive Officer, Senior General Manager, Corporate Accounting and Finance Division, CFO
 Telephone: +81-(0)45-319-3445
 Scheduled date to file semi-annual securities report: November 10, 2025
 Scheduled date to commence dividend payments: December 10, 2025
 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 Six Months Ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

(1) Operating Results (cumulative)

(Percentages indicate year-over-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	153,776	5.6	6,837	1.4	7,703	(5.6)	7,407	(7.1)
September 30, 2024	145,649	4.3	6,745	(33.2)	8,162	(27.7)	7,971	(21.7)

Note: Comprehensive income For the six months ended September 30, 2025: ¥8,877 million [99.3%]
 For the six months ended September 30, 2024: ¥4,453 million [(68.1)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	78.25	—
September 30, 2024	84.23	—

(2) Financial Positions

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	287,267	191,095	66.0
March 31, 2025	289,144	186,795	64.0

Reference: Total equity
 As of September 30, 2025: ¥189,489 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
Fiscal year ended March 31, 2025	Yen —	Yen 45.00	Yen —	Yen 49.00	Yen 94.00
Fiscal year ending March 31, 2026	—	52.00			
Fiscal year ending March 31, 2026 (Forecast)			—	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
Full year	Millions of yen 330,000	% 4.9	Millions of yen 24,000	% 0.3	Millions of yen 26,000	% (1.7)	Millions of yen 22,000	% (0.2)	Yen 232.42

Note: Revisions to the forecast of performance most recently announced: Yes

* **Notes**

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

Newly included: 1 company (Boss Design Limited)

Excluded: -

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

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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: 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 September 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 September 30, 2025	5,944,418 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)

Six months ended September 30, 2025	94,654,254 shares
Six months ended September 30, 2024	94,642,334 shares

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

* 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. Overview of Operating Results, etc. on page 4 of the Attachments to this Financial Results summary.

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1. Overview of Operating Results, etc.

(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 six months ended September 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 153,776 million yen (up 5.6% year-over-year), operating profit of 6,837 million yen (up 1.4% year-over-year), ordinary profit of 7,703 million yen (down 5.6% year-over-year), and profit attributable to owners of parent of 7,407 million yen (down 7.1% 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)		
	Six months ended September 30, 2024	Six months ended September 30, 2025	Change	Six months ended September 30, 2024	Six months ended September 30, 2025	Change
Office Furniture business	72,990	83,538	10,547	3,268	5,939	2,671
Store Displays business	58,541	58,949	407	2,556	1,370	(1,185)
Material Handling Systems business	11,042	8,313	(2,729)	884	(503)	(1,387)
Other	3,074	2,976	(98)	35	30	(5)
Total	145,649	153,776	8,127	6,745	6,837	92

Note: The totals for segment profit correspond to operating profit (loss) on the semi-annual 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, and operating profit increased significantly compared to the same period of the previous fiscal year.

As a result, segment net sales amounted to 83,538 million yen (up 14.5% year-over-year) and segment profit was 5,939 million yen (up 81.7% 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 associated with office relocation, in addition to increased fixed cost due to strengthening personnel and enhancing human resource development.

As a result, segment net sales amounted to 58,949 million yen (up 0.7% year-over-year) and segment profit was 1,370 million yen (down 46.4% 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 8,313 million yen (down 24.7% year-over-year) and segment loss was 503 million yen (segment profit of 884 million yen in the same period of the previous fiscal year).

(2) Explanation of Financial Position

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

Total assets amounted to 287,267 million yen, a decrease of 1,877 million yen from the end of the previous fiscal year. Current assets decreased by 5,035 million yen, mainly due to an increase in cash and deposits and a decrease in notes and accounts receivable - trade, and contract assets. Non-current assets increased by 3,158 million yen, mainly due to increases in goodwill and other property, plant and equipment, and a decrease in investment securities.

Liabilities stood at 96,172 million yen, a decrease of 6,176 million yen from the end of the previous fiscal year, mainly due to decreases in trade payables, retirement benefit liability, and income taxes payable.

Net assets amounted to 191,095 million yen, an increase of 4,299 million yen from the end of the previous fiscal year, mainly due to increases in retained earnings and valuation difference on available-for-sale securities.

As a result, the equity ratio increased by 2.0 percentage points from the end of the previous fiscal year to 66.0%.

Cash flows for the six months ended September 30, 2025 were as follows.

Net cash provided by operating activities was 18,552 million yen (compared to 2,755 million yen used in the same period of the previous fiscal year). This was mainly a result of profit before income taxes of 9,620 million yen, depreciation of 3,331 million yen, and a decrease in accounts receivable - trade, and contract assets of 18,116 million yen, despite a decrease in trade payables of 6,356 million yen, income taxes paid of 3,702 million yen, and a gain on sale of investment securities of 2,864 million yen.

Net cash used in investing activities was 4,254 million yen (compared to 3,370 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 3,395 million yen, purchase of intangible assets of 1,663 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 6,468 million yen and proceeds from sale of property, plant and equipment of 1,477 million yen.

Net cash used in financing activities was 5,004 million yen (compared to 477 million yen used in the same period of the previous fiscal year). This was mainly a result of dividends paid of 4,635 million yen.

As a result, cash and cash equivalents at the end of the six months ended September 30, 2025 amounted to 34,579 million yen, an increase of 9,168 million yen from the end of the previous fiscal year (compared to a decrease of 5,919 million yen in the same period of the previous fiscal year).

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

In light of recent trends in business categories, we have revised the forecast figures of consolidated performance for the fiscal year ending March 31, 2026, which was announced on May 9, 2025. For details, please refer to "Notice Regarding Revision of Financial Results Forecast" announced today (November 7, 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. Semi-Annual Consolidated Financial Statements and Principal Notes

(1) Semi-Annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	26,245	35,309
Notes and accounts receivable - trade, and contract assets	87,862	70,763
Merchandise and finished goods	8,469	9,143
Work in process	6,982	7,773
Raw materials and supplies	6,761	7,824
Other	3,538	3,984
Allowance for doubtful accounts	(241)	(216)
Total current assets	<u>139,618</u>	<u>134,583</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,483	29,115
Land	34,602	33,657
Other, net	22,770	24,471
Total property, plant and equipment	<u>86,856</u>	<u>87,244</u>
Intangible assets		
Goodwill	5,975	10,044
Other	4,908	6,117
Total intangible assets	<u>10,883</u>	<u>16,162</u>
Investments and other assets		
Investment securities	43,971	40,781
Other	7,837	8,515
Allowance for doubtful accounts	(24)	(19)
Total investments and other assets	<u>51,785</u>	<u>49,276</u>
Total non-current assets	<u>149,525</u>	<u>152,683</u>
Total assets	289,144	287,267

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,230	22,943
Short-term borrowings	6,171	6,300
Current portion of long-term borrowings	1,852	2,352
Income taxes payable	4,527	3,490
Provision for bonuses	4,440	4,553
Other	8,501	9,696
Total current liabilities	53,723	49,336
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	17,816	17,314
Retirement benefit liability	13,041	10,299
Other	7,768	9,220
Total non-current liabilities	48,625	46,835
Total liabilities	102,349	96,172
Net assets		
Shareholders' equity		
Share capital	18,670	18,670
Capital surplus	16,770	16,800
Retained earnings	138,933	141,693
Treasury shares	(7,734)	(7,700)
Total shareholders' equity	166,640	169,464
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,864	16,168
Foreign currency translation adjustment	2,907	2,301
Remeasurements of defined benefit plans	1,731	1,555
Total accumulated other comprehensive income	18,502	20,025
Non-controlling interests	1,652	1,605
Total net assets	186,795	191,095
Total liabilities and net assets	289,144	287,267

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

Semi-Annual Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	145,649	153,776
Cost of sales	98,432	103,537
Gross profit	47,217	50,239
Selling, general and administrative expenses		
Packing and transportation costs	5,301	5,068
Salaries and allowances	12,865	14,907
Provision for bonuses	2,838	2,960
Rent expenses	4,078	4,971
Other	15,387	15,493
Total selling, general and administrative expenses	40,471	43,401
Operating profit	6,745	6,837
Non-operating income		
Interest income	39	56
Dividend income	526	644
Share of profit of entities accounted for using equity method	830	468
Other	324	389
Total non-operating income	1,721	1,558
Non-operating expenses		
Interest expenses	120	250
Loss on sale and retirement of non-current assets	42	135
Other	142	307
Total non-operating expenses	305	692
Ordinary profit	8,162	7,703
Extraordinary income		
Gain on sale of investment securities	4,016	2,947
Gain on contribution of securities to retirement benefit trust	—	258
Total extraordinary income	4,016	3,205
Extraordinary losses		
Loss on sale of non-current assets	—	1,001
Impairment losses	6	4
Loss on sale of investment securities	—	82
Loss on valuation of investment securities	—	199
Total extraordinary losses	6	1,288
Profit before income taxes	12,172	9,620
Income taxes - current	3,268	3,065
Income taxes - deferred	1,010	(876)
Total income taxes	4,278	2,188
Profit	7,893	7,432
Profit (loss) attributable to non-controlling interests	(77)	24
Profit attributable to owners of parent	7,971	7,407

Semi-Annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	7,893	7,432
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,694)	2,246
Foreign currency translation adjustment	1,120	(581)
Remeasurements of defined benefit plans, net of tax	(63)	(175)
Share of other comprehensive income of entities accounted for using equity method	198	(44)
Total other comprehensive income	<u>(3,439)</u>	<u>1,445</u>
Comprehensive income	<u>4,453</u>	<u>8,877</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,336	8,929
Comprehensive income attributable to non-controlling interests	117	(52)

(3) Semi-Annual Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	12,172	9,620
Depreciation	3,385	3,331
Impairment losses	6	4
Amortization of goodwill	1,631	588
Loss (gain) on contribution of securities to retirement benefit trust	–	(258)
Loss (gain) on sale and retirement of non-current assets	40	1,130
Share of loss (profit) of entities accounted for using equity method	(830)	(468)
Increase (decrease) in allowance for doubtful accounts	23	(29)
Increase (decrease) in provision for bonuses	(1,919)	112
Increase (decrease) in retirement benefit liability	531	329
Interest and dividend income	(566)	(700)
Interest expenses	120	250
Loss (gain) on sale of investment securities	(4,016)	(2,864)
Loss (gain) on valuation of investment securities	–	199
Decrease (increase) in accounts receivable - trade, and contract assets	15,994	18,116
Decrease (increase) in inventories	(602)	(1,151)
Increase (decrease) in trade payables	(20,944)	(6,356)
Increase (decrease) in accrued consumption taxes	(264)	(120)
Other, net	(2,021)	63
Subtotal	2,740	21,796
Interest and dividends received	591	713
Interest paid	(94)	(255)
Income taxes paid	(5,993)	(3,702)
Net cash provided by (used in) operating activities	(2,755)	18,552
Cash flows from investing activities		
Payments into time deposits	(414)	(0)
Proceeds from withdrawal of time deposits	404	100
Purchase of property, plant and equipment	(6,532)	(3,395)
Proceeds from sale of property, plant and equipment	138	1,477
Purchase of intangible assets	(850)	(1,663)
Purchase of investment securities	(3)	(4)
Proceeds from sale and redemption of investment securities	4,478	6,468
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(6,582)
Other, net	(589)	(655)
Net cash provided by (used in) investing activities	(3,370)	(4,254)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	10,046	138
Repayments of long-term borrowings	–	(1)
Proceeds from issuance of bonds	5,000	–
Redemption of bonds	(5,000)	–
Purchase of treasury shares	(1)	(0)
Dividends paid	(4,070)	(4,635)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(6,068)	–
Other, net	(383)	(505)
Net cash provided by (used in) financing activities	(477)	(5,004)
Effect of exchange rate change on cash and cash equivalents	684	(124)
Net increase (decrease) in cash and cash equivalents	(5,919)	9,168
Cash and cash equivalents at beginning of period	38,215	25,410
Cash and cash equivalents at end of period	32,296	34,579

(4) Notes to Semi-Annual 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 six months ended September 30, 2025, following the share acquisition.

(Changes in presentation methods)

(Semi-annual consolidated statements of cash flows)

“Amortization of goodwill,” which was included in “Other” under “Cash flows from operating activities,” and “Proceeds from sale of property, plant and equipment,” which was included in “Other” under “Cash flows from investing activities,” in the six months ended September 30, 2024, are presented separately for the six months ended September 30, 2025 due to their increased materiality. To reflect this change in presentation method, the semi-annual consolidated financial statements for the six months ended September 30, 2024, have been reclassified accordingly.

As a result, in the semi-annual consolidated statements of cash flows for the six months ended September 30, 2024, negative 390 million yen that was presented in “Other” under “Cash flows from operating activities” has been reclassified as “Amortization of goodwill” of 1,631 million yen and “Other” of negative 2,021 million yen, and negative 450 million yen that was presented in “Other” under “Cash flows from investing activities” has been reclassified as “Proceeds from sale of property, plant and equipment” of 138 million yen and “Other” of negative 589 million yen.

(Segment information, etc.)

For the six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

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

	Reportable segment				Other (Note 1)	Total	Adjustments	Amount shown in the Semi-Annual Consolidated Financial Statements (Note 2)
	Office Furniture business	Store Displays business	Material Handling Systems business	Total				
Net sales								
Net sales to external customers	72,990	58,541	11,042	142,574	3,074	145,649	–	145,649
Internal net sales or transfers between segments	–	–	–	–	–	–	–	–
Total	72,990	58,541	11,042	142,574	3,074	145,649	–	145,649
Segment profit	3,268	2,556	884	6,709	35	6,745	–	6,745

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 semi-annual consolidated statements of income.

2. Information concerning impairment loss on non-current assets or goodwill, etc. 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 six months ended September 30, 2024 is 6 million yen.

(Significant change in the amount of goodwill)

In the Office Furniture business, additional goodwill was generated mainly due to the acquisition of additional shares in the consolidated subsidiary DB&B Holdings Pte. Ltd. The amount of goodwill recorded for this event in the six months ended September 30, 2024 is 5,107 million yen.

For the six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

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

	Reportable segment				Other (Note 1)	Total	Adjustments	Amount shown in the Semi-Annual Consolidated Financial Statements (Note 2)
	Office Furniture business	Store Displays business	Material Handling Systems business	Total				
Net sales								
Net sales to external customers	83,538	58,949	8,313	150,800	2,976	153,776	–	153,776
Internal net sales or transfers between segments	–	–	–	–	–	–	–	–
Total	83,538	58,949	8,313	150,800	2,976	153,776	–	153,776
Segment profit (loss)	5,939	1,370	(503)	6,807	30	6,837	–	6,837

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 semi-annual consolidated statements of income.

2. Information concerning impairment loss on non-current assets or goodwill, etc. 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 six months ended September 30, 2025 is 4 million yen.

(Significant change in the amount of goodwill)

In the Office Furniture business, additional goodwill was generated mainly due to the acquisition of shares in the consolidated subsidiary Boss Design Limited. The amount of goodwill recorded for this event in the six months ended September 30, 2025 is 4,792 million yen. The amount of goodwill is calculated on a tentative basis as the purchase price allocation has not been finalized as of the end of the second quarter of the current consolidated fiscal year.

(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 semi-annual consolidated financial statements

From April 1, 2025 to September 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

4,792 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 second 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 15 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.