



Summary of Financial Results for the Second Quarter of the Fiscal Year  
Ending December 31, 2025

July 31, 2025

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\* The business segments are as follows:

Furniture Businesses: FN  
Business Supply Distribution: BS  
Stationery Businesses: ST  
Interior Retail Businesses: IR

\* Unless otherwise indicated, monetary figures are rounded down to the nearest million yen.  
As such, the sum of the figures in a breakdown may not match the stated total.



## Executive Summary

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### Second Quarter FY2025 Results

- ✓ We achieved decent YoY growth in net sales, operating income, and EBITDA, and operating income vastly exceeded the target.
- ✓ By business: The Japanese furniture business performed well on the back of brisk office demand. In business supply distribution, we made headway in expanding the customer base after acquiring a business from Fujitsu Coworco Limited but not enough to compensate for delays during Q1 (Jan–Mar).
- ✓ Net income was down relative to the spike in the comparative period last year (when we recorded gain on sale of fixed assets), but generally progressed in line with expectations.

### Full-year Forecasts

- ✓ In view of performance during the period under review and the H2 outlook, we downgraded the net sales target, and upgraded profit targets, from the levels initially announced on February 14, 2025.
- ✓ By business: We revised targets for business supply distribution to account for the delays, while we upgraded targets for the buoyant furniture business.

### Progress in 4th medium-term plan

- ✓ 2025 is the first year of the 4th medium-term plan. We will use this year to lay foundations for achieving the medium-term goals.
- ✓ While we have experienced some delays in business supply distribution, we are making headway in targeting large-scale corporate clients as part of our strategy for the medium and long term. Other business strategies, too, are proceeding as planned.
- ✓ In the Japanese furniture and business supply distribution businesses, our capital spending is in line with the plan. In the overseas furniture business, we have invested in M&A deals for expanding into India and other projects to drive growth.
- ✓ Capital policy: We will deliver dividends with a consolidated payout ratio of 50%. We conducted a 4-for-1 stock split to ensure sufficient stock fluidity for our buyback program for 2025, in which we buy up to 20 billion yen in shares.

# 1. Second Quarter FY2025 Results

## Second Quarter FY2025 Results: Year on Year Comparisons

YoY growth in net sales, EBITDA, and operating income, and huge YoY growth in operating ratio.

Net income decreased relative to the high level in the comparative period, when we recorded gain on the sale of fixed assets, but the result was in line with expectations.

	Q1 (Jan–Mar)				Q2 (Apr–Jun)				(Millions of yen) H1			
	2024 result	2025 result	YoY change	% change	2024 result	2025 result	YoY change	% change	2024 result	2025 result	YoY change	% change
Net sales	96,087	99,484	+3,397	+3.5%	82,898	85,723	+2,825	+3.4%	178,986	185,207	+6,221	+3.5%
Gross profit	39,502	42,430	+2,928	+7.4%	31,966	33,300	+1,334	+4.2%	71,469	75,730	+4,261	+6.0%
(ratio)	41.1%	42.7%	-	+1.5pt	38.6%	38.8%	-	+0.3pt	39.9%	40.9%	-	+1.0pt
EBITDA	13,977	15,489	+1,512	+10.8%	6,400	6,252	-148	-2.3%	20,378	21,741	+1,363	+6.7%
(ratio)	14.5%	15.6%	-	+1.0pt	7.7%	7.3%	-	-0.4pt	11.4%	11.7%	-	+0.4pt
Operating income	11,791	13,484	+1,693	+14.4%	4,137	4,206	+69	+1.7%	15,929	17,690	+1,761	+11.1%
(ratio)	12.3%	13.6%	-	+1.3pt	5.0%	4.9%	-	-0.1pt	8.9%	9.6%	-	+0.7pt
Net income attributable to owners of parent	11,978	10,012	-1,966	-16.4%	3,647	3,798	+151	+4.1%	15,625	13,810	-1,815	-11.6%
(ratio)	12.5%	10.1%	-	-2.4pt	4.4%	4.4%	-	+0.0pt	8.7%	7.5%	-	-1.3pt
Overseas sales as percentage of total sales	10%	9%			16%	14%			12%	11%		

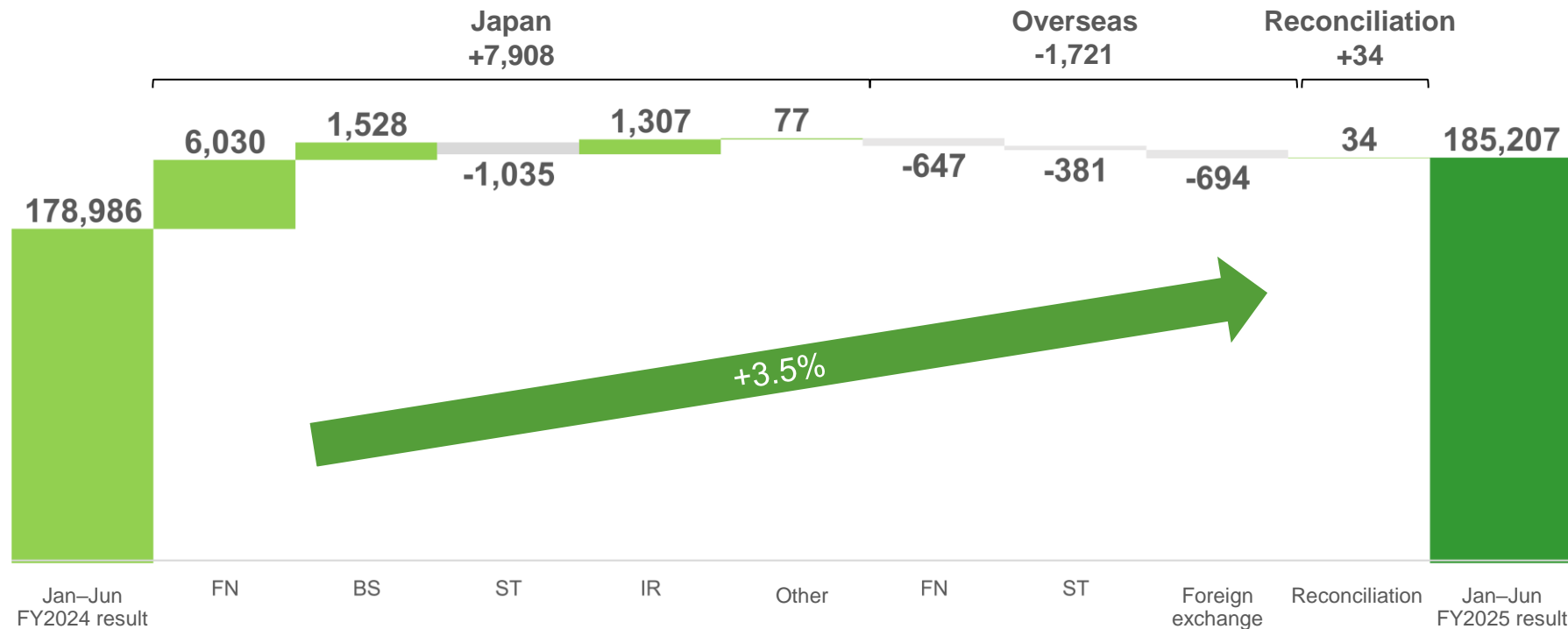
Note: In the period under review, we changed the method for presenting income (loss) on rental property and some other items. The new method has been retroactively applied the above results for net sales, gross profit, operating income, and EBITDA.

## Second Quarter FY2025 Results: Contributors to YoY Change in Net Sales

Overall growth was led by Japanese furniture business, which won orders on back of brisk office demand.

Overseas, net sales decreased but remained in line with annual target.

(Millions of yen)

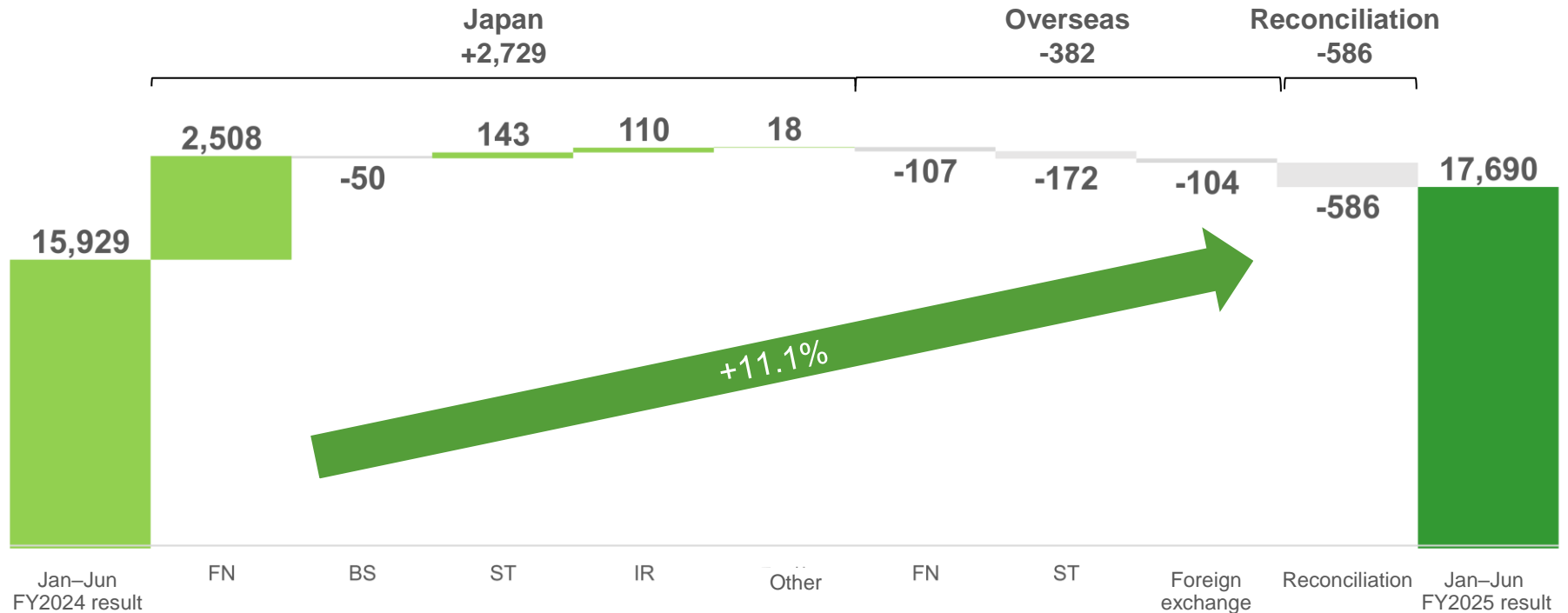


## Second Quarter FY2025 Results: Contributors to YoY Change in Operating Income

Profit growth was led by revenue growth and better margins in Japanese furniture businesses.

In the Japanese stationery business, cost reductions and price revisions resulted in profit growth, more than offsetting decreased revenue.

(Millions of yen)

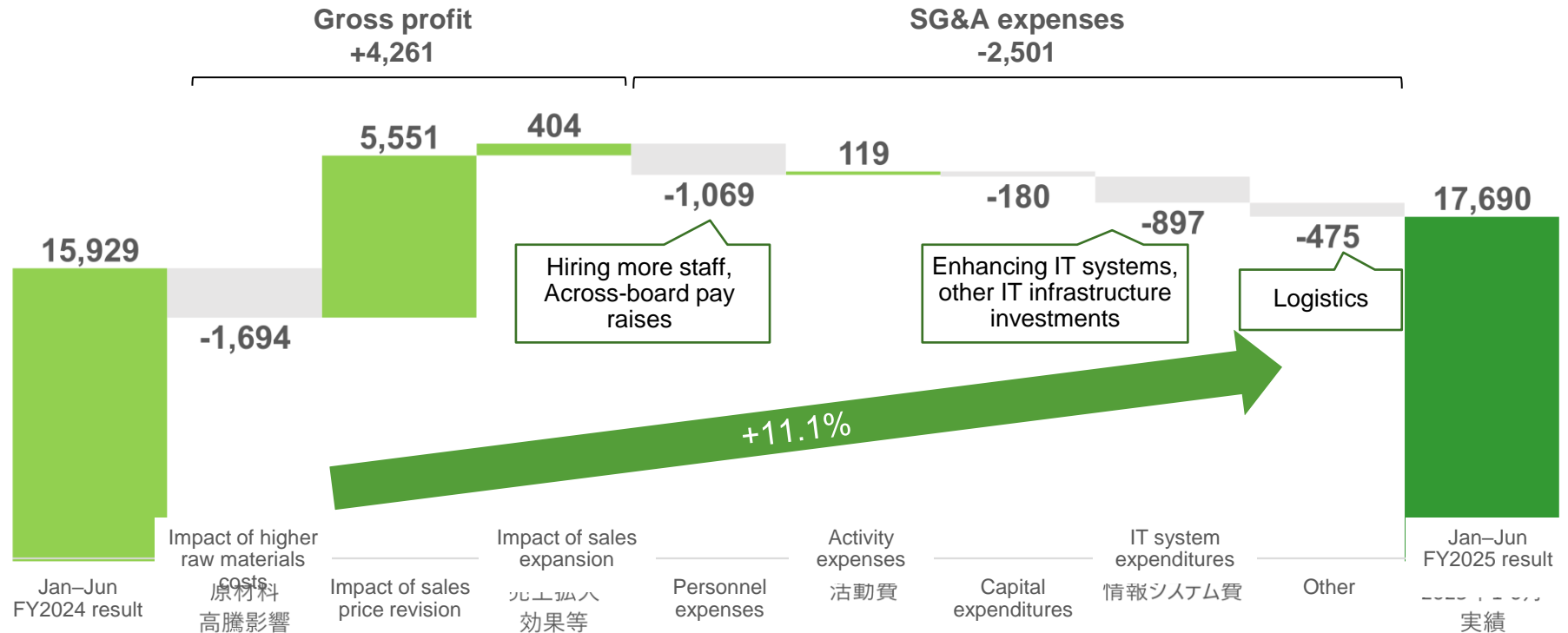


## Second Quarter FY2025 Results: Contributors to YoY Change in Operating Income

Costs increased, but we continued to enjoy the effects of price revisions, and the relative decline in sales costs, in the Japanese furniture business and Japanese stationery business.

We used strategic expenditures (including in personnel and IT infrastructure) to drive our medium- and long-term strategies.

(Millions of yen)





## Cash Flow Performance

OCF decreased ¥9.7 billion YoY, reflecting change in working capital.

The YoY change in ICF (-¥4.9 billion) was partly due to a differential cash flow created by the sale of non-business assets.

	Jan–Jun FY2024 result	Jan–Jun FY2025 result	YoY change	Key factors of change
Cash flows from operating activities	+18,322	+8,550	-9,772	<ul style="list-style-type: none"> <li>• Change in working capital (with month-end falling on bank holiday)</li> <li>• Higher income taxes</li> </ul>
Cash flows from investing activities	+2,990	-1,969	-4,959	<ul style="list-style-type: none"> <li>• Differential cash flow created by sale of non-business assets</li> <li>• Higher capital expenditure</li> </ul>
Free cash flow	+21,312	+6,581	-14,731	
Cash flows from financing activities	-9,898	-10,451	-553	<ul style="list-style-type: none"> <li>• Higher dividend payment</li> <li>• Higher purchase of treasury shares (higher spending on buybacks)</li> </ul>
Effect of exchange rate changes on cash and cash equivalents	+1,220	-921	-2,141	
Increase from new business consolidations	+2,650	-	-	
End balance of cash and cash equivalents	130,446	127,288	-3,158	


## Balance Sheet Performance

Cash and cash equivalents decreased with negative OCF and FCF.

While performance was strong, equity ratio was on par with the level of the comparative period because of the shareholder returns we delivered.

(Millions of yen)

	FY2024 end	Jan–Jun FY2025	YoY change
Cash and cash equivalents	132,080	127,288	-4,792
Notes and accounts receivable and contract assets	75,383	70,709	-4,675
Inventory assets	38,853	39,677	+824
Other non-current assets	6,566	5,886	-680
Property, plant and equipment	63,241	62,309	-932
Intangible assets	12,961	13,942	+981
Investment securities	22,362	19,296	-3,066
Other fixed assets	11,509	11,989	+479
<b>Total assets</b>	<b>362,959</b>	<b>351,098</b>	<b>-11,860</b>
Notes and accounts payable-trade	54,357	42,633	-11,724
Interest-bearing liabilities	4,177	3,926	-252
Other liabilities	40,361	39,005	-1,356
<b>Total liabilities</b>	<b>98,896</b>	<b>85,564</b>	<b>-13,332</b>
Owned capital	260,552	262,077	+1,525
Non-controlling interests	3,509	3,456	-53
<b>Net assets</b>	<b>264,062</b>	<b>265,533</b>	<b>+1,471</b>
Equity ratio	71.8%	74.6%	+2.8pt



## 2. Full-Year FY2025 Forecasts

## Full-Year FY2025 Forecasts

We downgraded net sales in view of performance in the period under review.  
However, we upgraded forecasts for EBITDA, operating income, and net income.

(Millions of yen)

	2024 result	2025 initial target/forecast	2025 latest forecast	YoY change	% YoY change	Change from initial target/forecast	% change from initial target/forecast
Net sales	338,837	366,000	357,000	+18,163	5.4%	- 9,000	-2.5%
Gross profit	133,424	146,800	144,700	+11,276	8.5%	-2,100	-1.4%
(ratio)	39.4%	40.1%	40.5%	-	+1.1pt	-	+0.4pt
EBITDA	31,493	33,000	34,000	+2,507	8.0%	+1,000	3.0%
(ratio)	9.3%	9.0%	9.5%	-	+0.2pt	-	+0.5pt
Operating income	22,531	24,000	25,000	+2,468	11.0%	+1,000	4.2%
(ratio)	6.6%	6.6%	7.0%	-	+0.4pt	-	+0.4pt
Net income attributable to owners of parent	21,787	20,100	20,500	-1,287	-5.9%	+400	2.0%
(ratio)	6.4%	5.5%	5.7%	-	-0.7pt	-	+0.3pt
Overseas sales as percentage of total sales	13%	13%	13%	-	-	-	-
ROE	8.5%	c. 8%	c. 8%	-	-	-	-

Note: In the period under review, we changed the method for presenting income (loss) on rental property and some other items. The new method has been retroactively applied the above results for net sales, gross profit, operating income, and EBITDA.

## Full-Year FY2025 Forecasts by Business

We upgraded forecasts for furniture and downgraded forecasts for the business supply distribution.

We revised reconciliation to account for the delay the plan to relocate the head office and for M&A spending.

(Millions of yen)

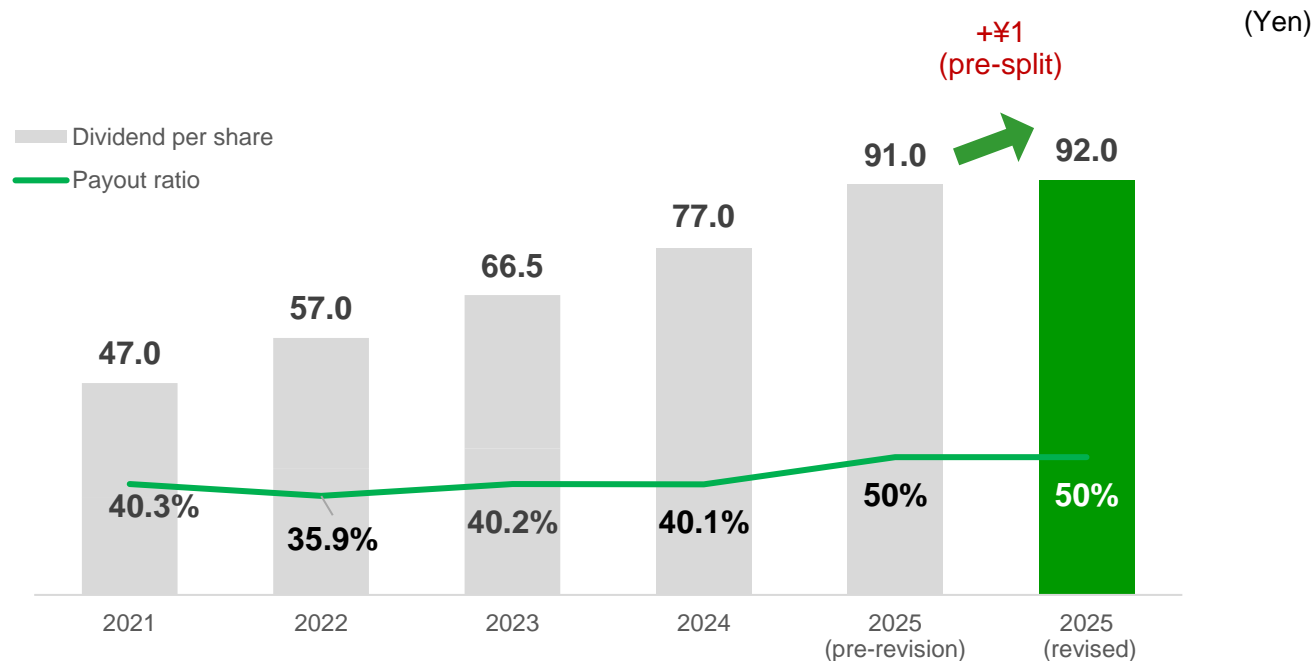
		2024 result	2025 initial target/forecast	2025 latest forecast	YoY change	% YoY change	Change from initial target/forecast	% change from initial target/forecast
Furniture businesses	Net sales	162,415	172,300	176,000	+13,585	+8.4%	+3,700	+2.1%
	Operating income	23,459	26,600	27,000	+3,541	+15.1%	+400	+1.5%
Business supply distribution	Net sales	98,935	111,500	104,000	+5,065	+5.1%	-7,500	-6.7%
	Operating income	4,471	4,800	4,100	-371	-8.3%	-700	-14.6%
Stationery businesses	Net sales	83,575	86,100	82,000	-1,575	-1.9%	-4,100	-4.8%
	Operating income	5,993	6,400	6,600	+607	+10.1%	+200	+3.1%
Interior retail businesses	Net sales	21,238	23,000	23,000	+1,762	+8.3%	-	-
	Operating income	521	800	800	+279	+53.6%	-	-
Other	Net sales	476	700	700	+224	+47.1%	-	-
	Operating income	-479	-500	-500	-21	-	-	-
Reconciliation	Net sales	-27,803	-27,600	-28,700	-897	-	-1,100	-
	Operating income	-11,434	-14,100	-13,000	-1,566	-	+1,100	-

## Shareholder Returns

We have increased the dividend in view of the upgraded net income forecast and our increasing-dividend policy (with a consolidated payout ratio of at least 50%).

The year-end dividend has been increased by ¥1 to ¥92 (on the basis of the number of shares prior to the stock split).

Dividend (JPY), payout ratio (%)





### 3. Outlook by Segment



## Furniture Businesses: Change in Performance

In Japan, our focus is to achieve steady growth in contracts to increase revenue and profit.

In view of solid progress made, we upgraded the annual targets.

	H1				Full-year						(Millions of yen)
	2024 result	2025 result	YoY change	% YoY change	2024 result	2025 initial target	2025 revised target	YoY change	% YoY change	Change from initial target	% change from initial target
Net sales	86,621	91,841	+5,220	+6.0%	162,415	172,300	176,000	+13,585	+8.4%	+3,700	+2.1%
EBITDA	16,200	18,216	+2,016	+12.4%	27,243	30,100	30,500	+3,257	+12.0%	+400	+1.3%
(ratio)	18.7%	19.8%	-	+1.1pt	16.8%	17.5%	17.3%	-	+0.6pt	-	-0.1pt
Operating income	14,290	16,653	+2,363	+16.5%	23,459	26,600	27,000	+3,541	+15.1%	+400	+1.5%
(ratio)	16.5%	18.1%	-	+1.6pt	14.4%	15.4%	15.3%	-	+0.9pt	-	-0.1pt

Note: In the period under review, we changed the method for presenting income (loss) on rental property and some other items. The new method has been retroactively applied the above results for net sales, operating income, and EBITDA.



# Furniture Businesses: Current Conditions

Japan: Office demand remains brisk and business is going well.

Overseas: We are generally on course with M&A strategy set out in the 4th medium-term plan

## Japanese furniture business

### Performance in period under review

- Business went well
- We won contracts for office relocations, capitalizing on the burgeoning supply of office buildings in Tokyo Metropolitan Area.
- We won contracts by targeted the brisk demand for office renovation.

### Full-year outlook

- Demand for relocations and renovations will remain brisk.
- We will continue targeting a wide range of office demand.

## Overseas furniture business

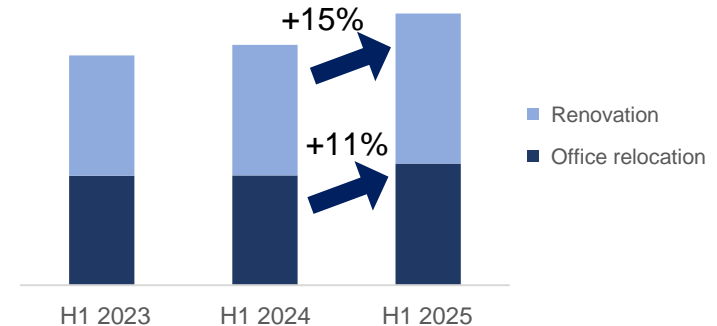
### Performance in period under review

- Business generally went well in China and ASEAN despite economic adversities worsening amid the Trump tariffs.
- We acquired HNI Office India Limited.

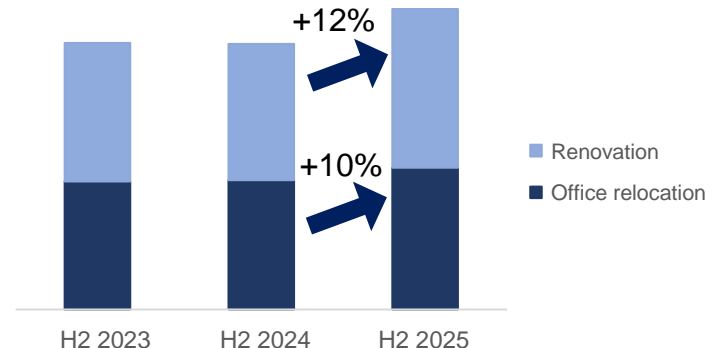
### Full-year outlook

- We will keep an eye on the economic effects of the Trump tariffs.
- We will expand business in ASEAN markets.
- We will proceed with HNI Office India Limited's PMI.

## Contracts won for office relocation or renovation: H1 results



## Contracts won for office relocation or renovation : H2 forecast



## Business Supply Distribution: Change in Performance

Revenue returned to positive YoY growth, but profit decreased YoY because of higher costs.

In view of performance, we downgraded full-year targets.

	H1				Full-year						(Millions of yen)
	2024 result	2025 result	YoY change	% YoY change	2024 result	2025 initial target	2025 revised target	YoY change	% YoY change	Change from initial target	% change from initial target
Net sales	51,570	53,098	+1,528	+3.0%	98,935	111,500	104,000	+5,065	+5.1%	-7,500	-6.7%
EBITDA	3,610	3,540	-70	-1.9%	6,236	6,800	6,100	-136	-2.2%	-700	-10.3%
(ratio)	7.0%	6.7%	-	-0.3pt	6.3%	6.1%	5.9%	-	-0.4pt	-	-0.2pt
Operating income	2,708	2,658	-50	-1.9%	4,471	4,800	4,100	-371	-8.3%	-700	-14.6%
(ratio)	5.3%	5.0%	-	-0.2pt	4.5%	4.3%	3.9%	-	-0.6pt	-	-0.4pt

## Business Supply Distribution

Net sales will return to YoY growth with our efforts to expand the purchasing system for large-scale clients and with the impact of the business acquisition.

We will use system investment to further expand the purchasing system for large-scale clients.

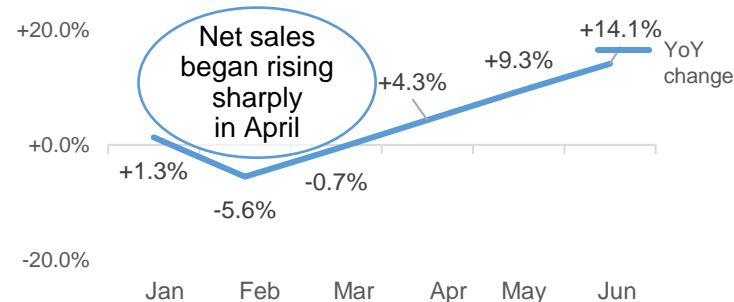
### Performance in period under review

- Competition over SMEs remained tough.
- We made headway in expanding purchase-management systems (Benri Net and With Kaunet) for large-scale corporate clients.
- Having acquired a business from Fujitsu Coworco Limited, we made headway in expanding our customer base in Q2 (Apr–Jun), restoring YoY revenue growth.
- However, this was not enough to compensate for delayed progress in Q1 (Jan–Mar).

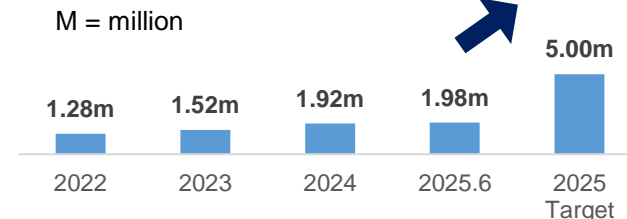
### Full-year outlook

- We downgraded forecasts in view of performance in the period under review.
- To drive our purchase platform strategy for the medium and long term, we will allocate investment/expenses to the task of expanding our purchase-management systems for large-scale corporate clients in line with initial targets (enhancing purchase-management functions, expanding product lineup, investing in logistics).

### Kaunet: Monthly YoY growth rate in net sales



### Change in no. of products offered on company website (up to end of June 2025)



- With system investment, the company website will offer 5 million items.
- When these items are counted along with linked items in other companies' catalogues, the total comes to 30 million, one of the largest lineups in the industry.

## Stationery Businesses: Change in Performance

In the period under review, revenue and profit declined YoY but profitability improved.

We have downgraded the target for net sales but upgraded the EBITDA and operating income targets.

	H1				Full-year						(Millions of yen)
	2024 result	2025 result	YoY change	% YoY change	2024 result	2025 initial target	2025 revised target	YoY change	% YoY change	Change from initial target	% change from initial target
Net sales	44,828	42,882	-1,946	-4.3%	83,575	86,100	82,000	-1,575	-1.9%	-4,100	-4.8%
EBITDA	5,161	5,110	-51	-1.0%	8,061	8,700	8,900	+839	+10.4%	+200	+2.3%
(ratio)	11.5%	11.9%	-	+0.4pt	9.6%	10.1%	10.9%	-	+1.2pt	-	+0.7pt
Operating income	4,165	4,070	-95	-2.3%	5,993	6,400	6,600	+607	+10.1%	+200	+3.1%
(ratio)	9.3%	9.5%	-	+0.2pt	7.2%	7.4%	8.0%	-	+0.9pt	-	+0.6pt

# Stationery Businesses

In Japan, net sales fell short of the target but profitability improved. In China and ASEAN, performance was in line with expectations.  
In India, competition increased.

To achieve our targets, we will adapt to the changes in the external environment by rebranding Campus and expanding in ASEAN markets.

## Japan stationery business

### Performance in period under review

- Net sales fell short of the target, but we improved profitability by revising sales prices, reducing sales costs, and controlling SG&A expenses.

### Full-year outlook

- We will continue improving profitability.
- We will proceed with the Campus rebranding and other strategies for the medium and long term.

## Overseas stationery business

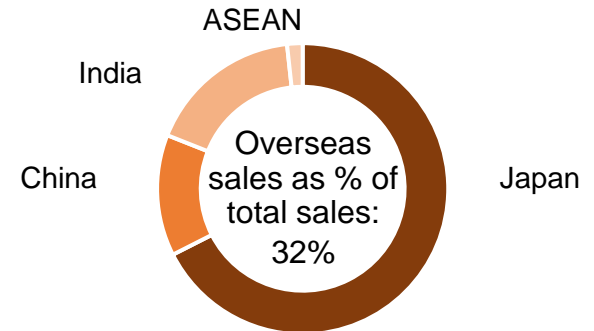
### Performance in period under review

- In China and ASEAN, economic adversities worsened with the Trump tariffs, but performance was generally in line with expectations.
- In India, competition further intensified.

### Full-year outlook

- We will keep an eye on the economic effects of the Trump tariffs.
- Demand is likely to recover from the slump in H2 of the previous year.

### H1: Sales composition by region



### Pop-up shop in Hanoi, Vietnam



## Interior Retail: Change in Performance

In the period under review, performance was in line with expectations; revenue and income increased YoY.

Full-year targets remain unchanged; we remain committed to our initial targets.

(Millions of yen)

	H1				Full-year			
	2024 result	2025 result	YoY change	% YoY change	2024 result	2025 target	YoY change	% YoY change
Net sales	10,462	11,769	+1,307	+12.5%	21,238	23,000	+1,762	+8.3%
EBITDA	469	552	+83	+17.7%	871	1,000	+129	+14.8%
(ratio)	4.5%	4.7%	-	+0.2pt	4.1%	4.3%	-	+0.2pt
Operating income	300	410	+110	+36.9%	521	800	+279	+53.6%
(ratio)	2.9%	3.5%	-	+0.6pt	2.5%	3.5%	-	+1.0pt

## Interior Retail: Current Conditions

Business is on course to achieve initial targets.

To grow the business, we are bolstering e-commerce and B2B operations.

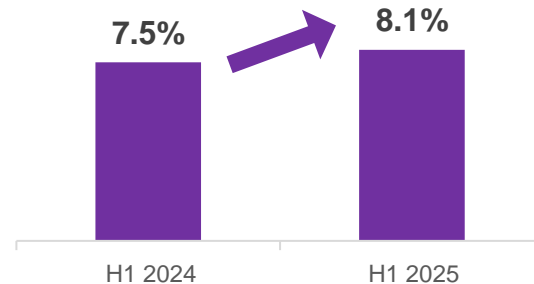
### Performance in period under review

- In-store and online sales were in line with targets.
- We made headway in winning B2B contracts (residential, office).
- We opened a showroom in Poliform Tokyo.

### Full-year outlook

- Full-year targets remain unchanged.
- We will keep expanding into e-commerce, B2B, and other promising sectors.
- We will improve productivity by streamlining operations.

H1: Online sales as % of total sales



Our showroom in Poliform Tokyo



This is  
part of our  
expansion  
into the  
residential  
sector

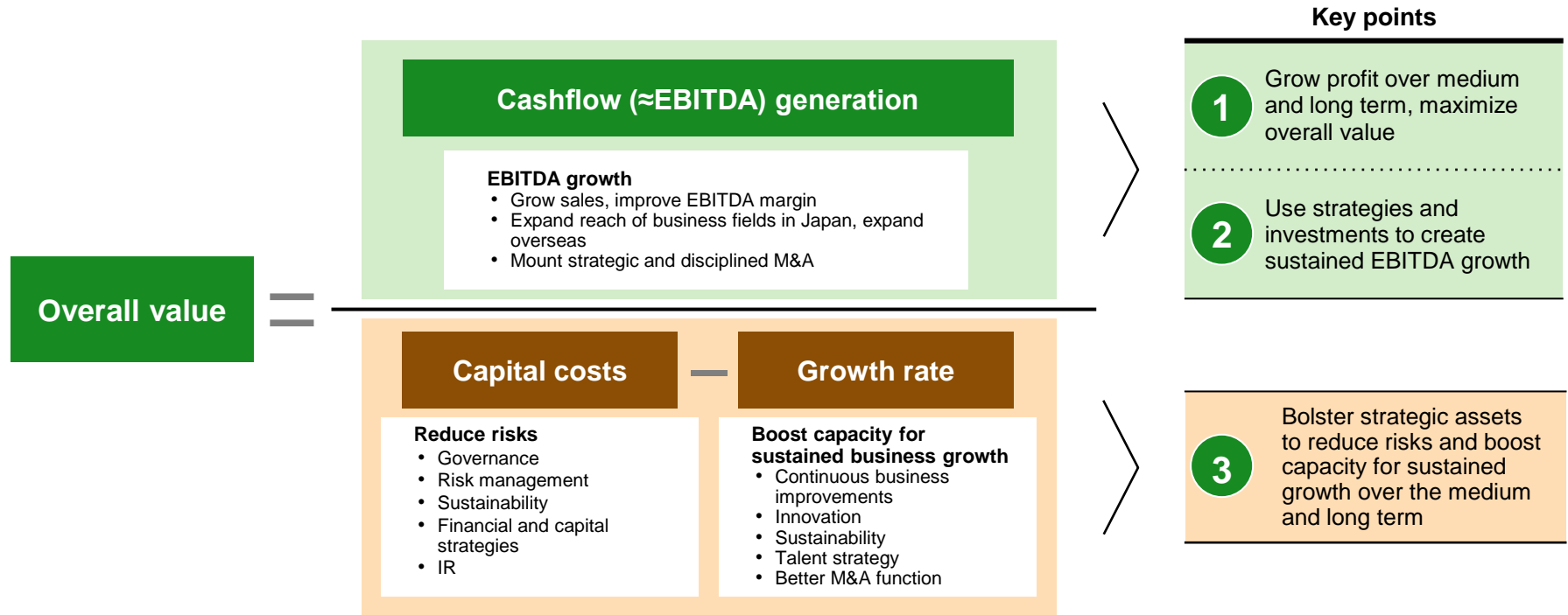
## 4. Progress in 4th Medium-Term Plan





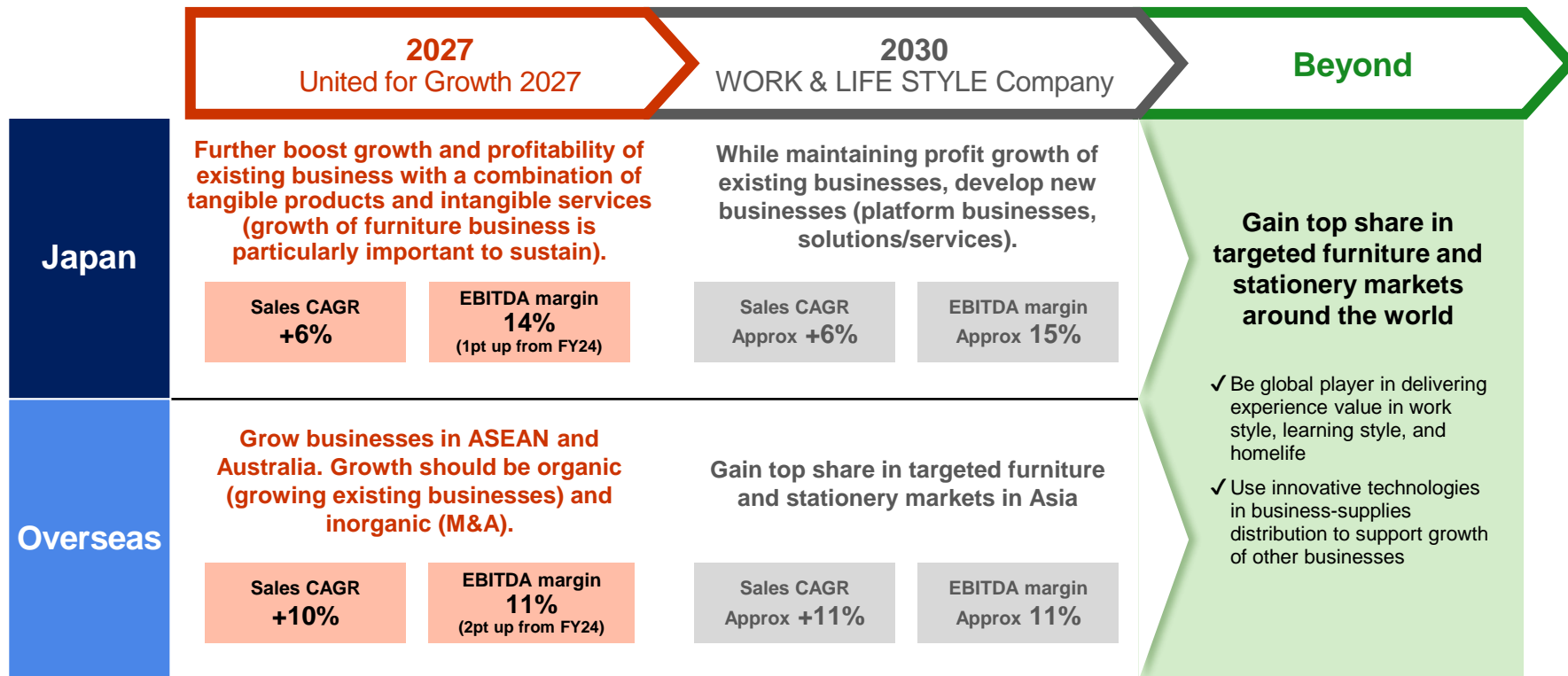
## Framework for building our organization's value

Use dynamic and aggressive growth-CapEx (PP&E investments, M&As) to maximize cash flows in the medium and long term. Strike optimal balance between cashflow generation, risks, and sustainable growth to further boost overall value.



# Roadmap to 2030 and Beyond

The 4th medium-term plan sets out major stepping stones: top share in target Asian markets by 2030, a top share in target markets around the world in the longer run, and maximum overall value.



\*CAGR and EBITDA margin discount M&A impact

\*EBITDA margin (both for Japan and overseas businesses) indicates the margin before G&A expenses (expenses not tied to a particular department or business)

## Financial Targets in 4th Medium-Term Plan

The plan sets out targets for net sales, overseas sales as a percentage of total sales, EBITDA, and ROE. The targets represent our commitment to sustaining EBITDA growth and maximizing the organization's value.

		2023 result	2024 result	Latest target for 2025	2027 target	2030 target/projection
Financial KPIs	Net sales (growth rate)	¥328.7 bn (+9.2%)	¥338.2 bn (+2.8%)	¥357.0 bn (+5.4%)	¥430.0 bn (+8%/year)	≥¥500.0 bn
	Overseas sales as percentage of total sales	15%	13%	13%	20%	≥25%
	EBITDA EBITDA margin (%)	¥32.4 bn 9.9%	¥31.4 bn 9.3%	¥34.0 bn 9.5%	¥43.0 bn 10%	≥¥55.0 bn ≥11%
	ROE	7.8%	8.5%	c. 8%	≥9%	≥10%
Referential indicator	Operating income Operating income ratio	¥23.8 bn 7.2%	¥22.5 bn 6.6%	¥25.0 bn 7.0%	c. ¥30.0 bn c. 7%	≥¥38.0 bn ≥7.5%

## PP&E Investments and M&As

Japanese businesses will receive the bulk of investment, but we will also invest in M&As in the overseas furniture business.

### Planned investments (M&A)

Acquiring controlling interest in HNI Office India Limited (2025.4.28)

Acquisition will help the overseas furniture business penetrate India (especially in product development capabilities, production capacity and customer base)

### Planned investments (PP&E)

#### Mie plant (furniture business)

Investment will create made-to-order structure that is better adapted to new demand landscape

Tentative name: New Shiga Distribution Center (furniture business)

Investment will optimize distribution center

#### Shibayama Plant (furniture business)

Investment will help us adapt to changing customer needs and boost capacity to produce high-growth products

Tentative name: Shin Sendai IDC (business supply distribution)

Investment will enhance infrastructure for purchasing platform strategy (greater lineup, more efficient distribution)

### Growth CapEx outlook

**Growth CapEx budget:  
70.0 bn**

For M&A, may go over budget  
depending on prospective deals

M&A  
20.0 bn

Investments in existing overseas businesses  
5.0 bn

System investments  
in Japan  
10.0 bn

PP&E investments  
in Japan  
35.0 bn

**2025–2027**

# Growth Investment: M&A Strategy in the Furniture Business

We will use M&As to acquire the production and sales functions necessary for penetrating the Indian market.

We will use Kokuyo Camlin's local knowledge to penetrate the Indian market and expand business there.

## Indian market

### Market conditions

- Office market is worth ¥600 billion, with a CAGR of at least +6%.
- Many companies have tight purse strings, but tier 1 cities and service offices are increasingly home to companies that are willing to pay more for high quality.
- Serviced offices have shown striking growth, with a CAGR of +14%.

### Opportunities for Kokuyo

- Middle- and high- market segments are emerging between the two sides of the market (high-price Western furniture and low-price local furniture).
- It is likely that local companies will desire Chinese- and ASEAN-produced furniture that offers a good balance between design and price.
- We can further penetrate the Indian market by tapping into the local knowledge and experience of Kokuyo Camlin (local stationery subsidiary).

## HNI Office India Limited (to be renamed Kokuyo Workplace India)

### Description

Head office: Mumbai  
Founded: 2000  
Sales: ¥3.5 billion in FY2025 (this will be included in P/L in Q3).

### Advantages

- Has directly owned plant in Nagpur
- Has sales channels covering all India
- Has showrooms in five cities

Acquiring the production and sales functions will enable early penetration of India's promising market.

Showroom (New Delhi)



Directly owned plant (Nagpur)

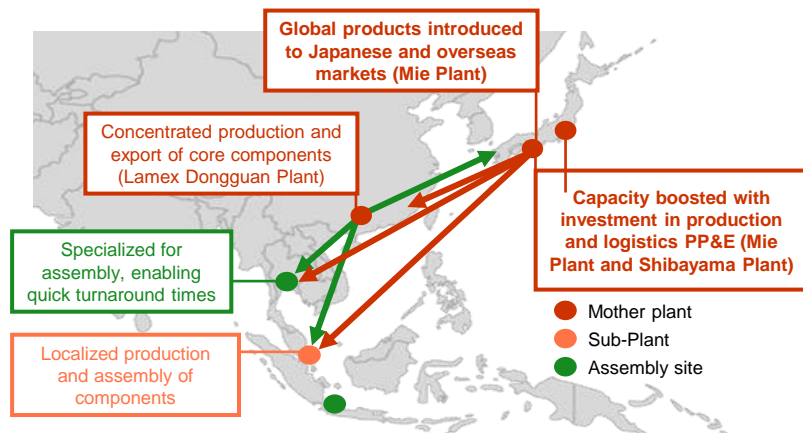


## Growth Investment: PP&E Purchases in the Furniture Business (Mie Plant, Shibayama Plant)

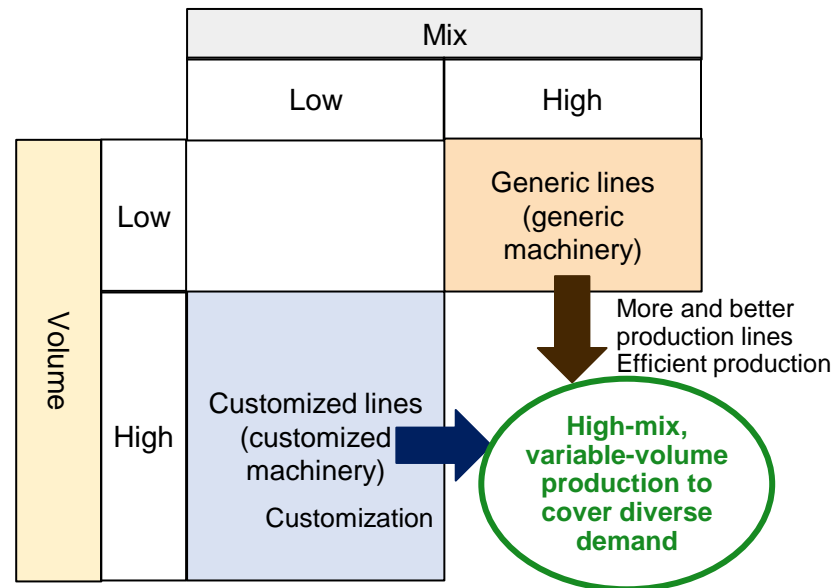
Our plant investments will enable the plants to supply diversified office-furniture demand and also increase production efficiency, driving forward our global product strategy.

### Global product strategy

- We will bolster our system for developing designer's-choice global products for the Japanese market and Asian markets.
- In Japan, we will invest in production and logistics PP&E to boost capacity. We will also overhaul our global production network to achieve the QCD performance necessary to expand in ASEAN.



### Illustration of change in production strategy

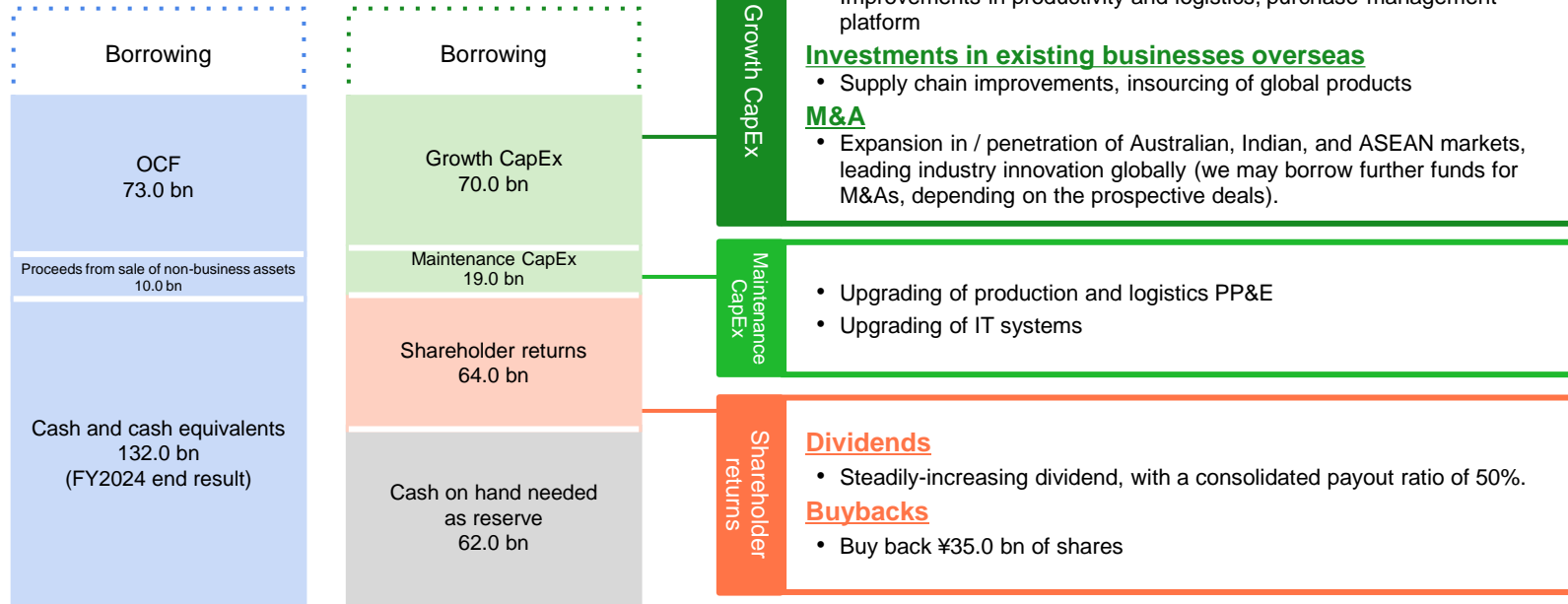


# Capital Allocations

We will invest actively to drive sustained growth.

We will also deliver generous shareholder returns to improve stakeholder engagement.

Capital allocations over the 3-year period of the 4th medium-term plan





## 5. News





At Orgatec Tokyo Awards 2025, Kokuyo wins “Grand Prize” and “Best Stand Design Award: Chosen by Exhibitors”



Introducing TEAMUS, a solution for organizational growth



- TEAMUS helps in building mutual understanding and in shaping behavior to sustain organizational and personal growth.
- It participates in HR projects.

Kokuyo and the Semba Corporation sign global strategic partnership



- We will work with Semba Corporation on spatial design and construction services for national and international growth strategies.

Left: Jun Odagiri (President of Semba Corporation)  
Right: Akira Yata (Executive Officer, Manager of Global Workplaces Business Division)

Kokuyo's Shanghai showroom reopens



- The fully reopened showroom is jointly run by Kokuyo and Lamex.

## Cumulative shipments in Dot Liner series top 200 million units



- Cumulative shipments of Dot Liner, a series of correction tapes launched in 2005, topped 200 million units in June 2025.

## Otona no Yarukipen voted best stationery item of 2025



- The IoT-powered pen earned this accolade for its revolutionary concept and for how it helps people study.

## Kaunet launches portal site featuring information about sustainability and inclusion



- With easily accessible and navigable content on green products and services, the portal site encourages customers to engage in sustainability.

## Kokuyo and Actus's global lifestyle brand How We Live to open first permanent store by end of 2025



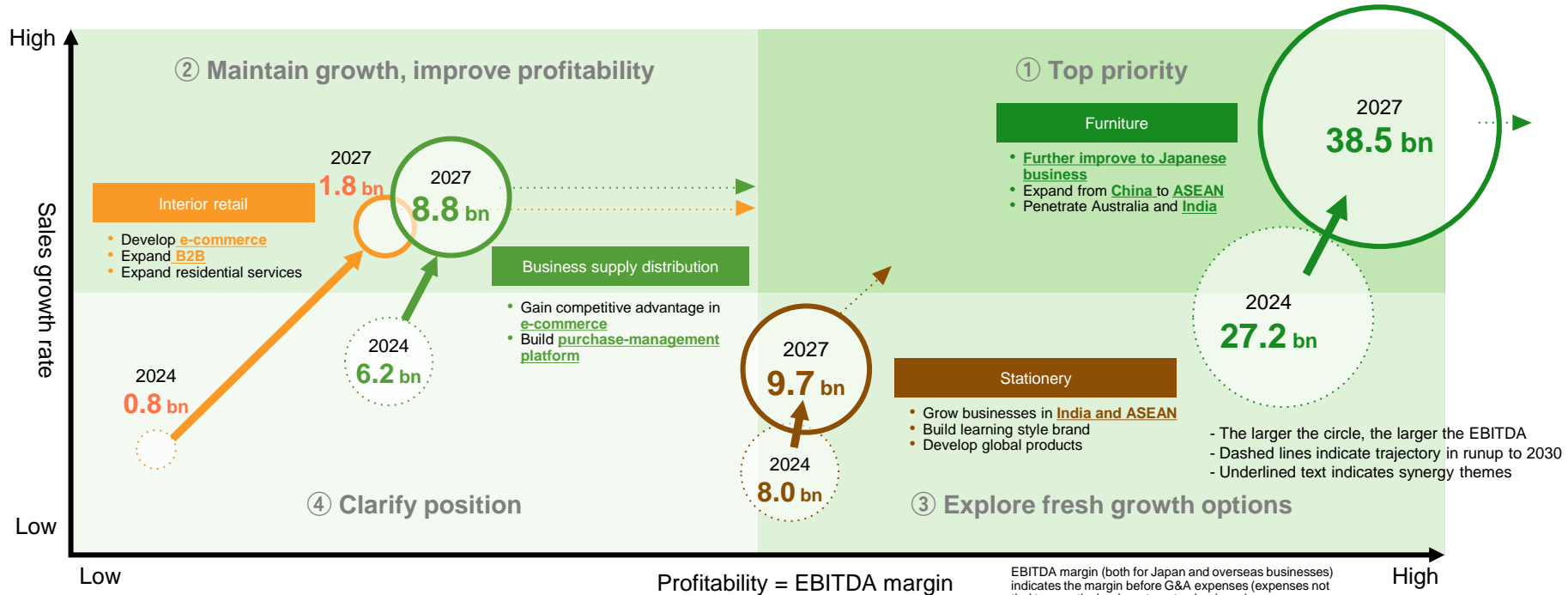
- The first permanent store of How We Live will be in Sydney, Australia

## 6. Reference Materials



# Enhancing the Business Portfolio

Through groupwide strategic management, we are building a smarter business portfolio that will deliver sustained growth in 2030 and beyond.



- ① Top priority:** Use growth CapEx to drive growth
- ② Maintain growth, improve profitability:** Use growth CapEx to drive growth and improve profitability over longer term

- ③ Explore fresh growth options:** Find cash cows and growth opportunities and allocate growth CapEx to them
- ④ Clarify position:** Consider selling off or disinvesting if unfeasible to move to other quadrant or synergize with other business

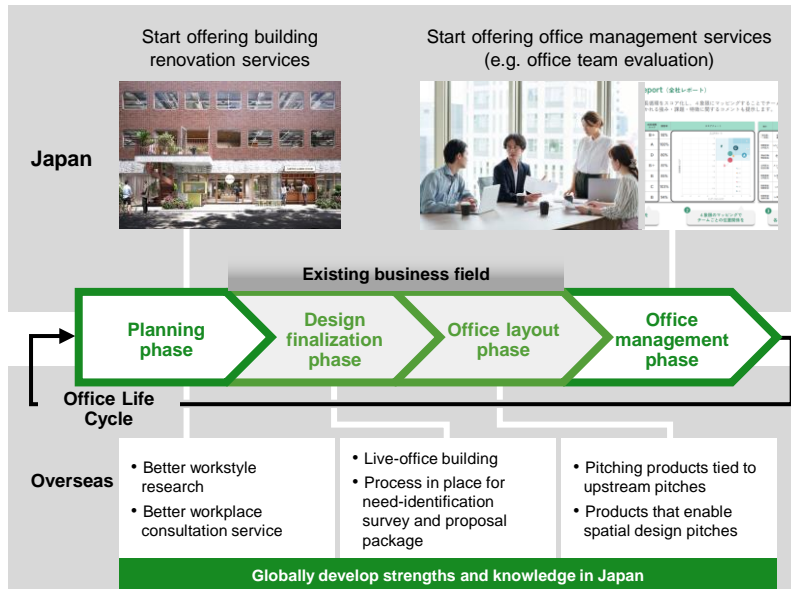


# Furniture Business: Medium- and Long-Term Strategy

Build business model integrating upstream and downstream supply chain in Japan and overseas  
Globally optimize production and distribution by focusing on components and optimizing production locations

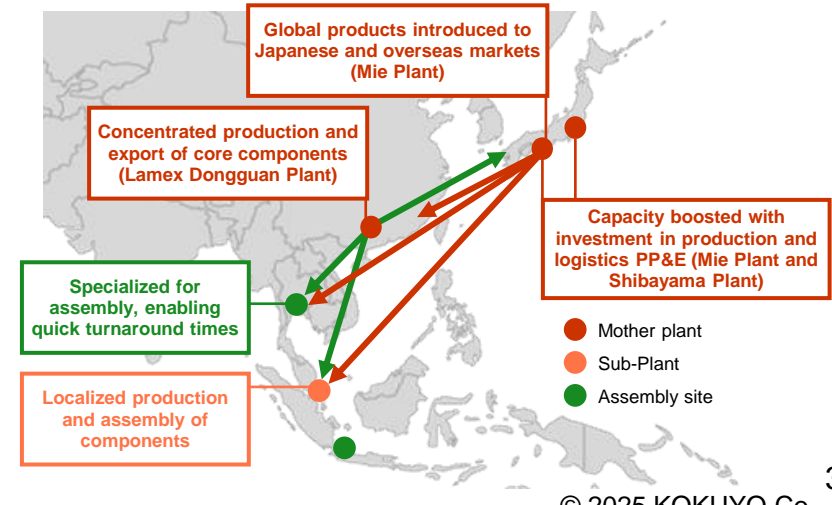
## Strategy to leverage spatial design excellence and talent, global workstyle strategy

- We will build a business model whereby we expand the business field to deliver customer experience value across the whole of the office life cycle (upstream to downstream), thereby forging lasting relationships with customers.



## Global product strategy

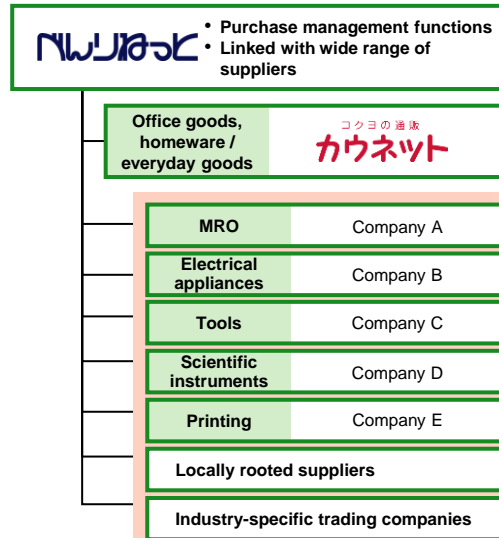
- We will bolster our system for developing designer's-choice global products for the Japanese market and Asian markets.
- In Japan, we will invest in production and logistics PP&E to boost capacity. We will also overhaul our global production network to achieve the QCD performance necessary to expand in ASEAN.



Use technological innovation to deliver personalized shopping experiences through Benri Net  
(platform for purchase-management services)

## Enhancing platform functions by linking with big-name e-commerce sites

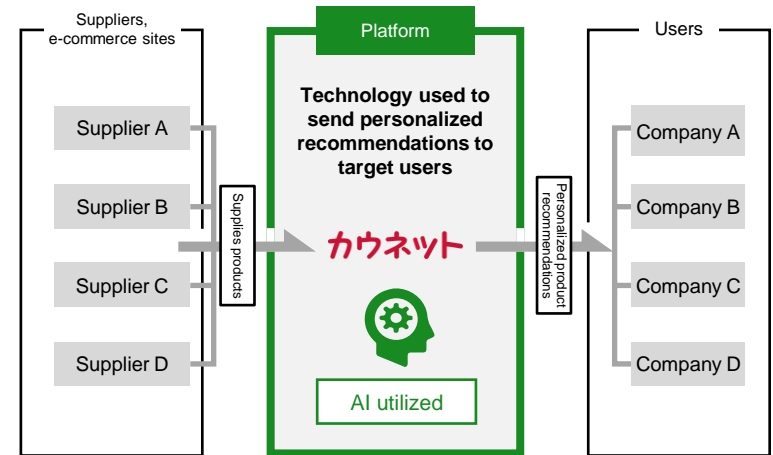
- We will enhance the core Benri Net platform's linkage with the following big-name e-commerce sites and trading companies.
- This platform strategy will create an upward spiral of continual growth in both linked suppliers and customers.



Asset-light business model that offers convenience and huge product lineup to wide range of customers

## Using AI to enhance customer experience value

- We will use AI to derive industry- and customer-specific recommendations for products selected from the largest B2B merchandise lineup, and expand Share of Wallet.
- Product recommendations will be sent at the necessary times based on purchase history, reducing purchasing time.

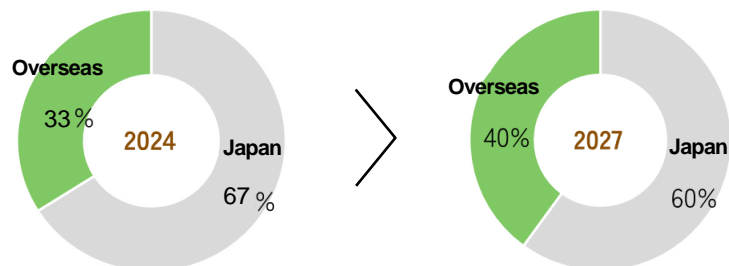


We will accelerate business growth in India and expand our share in ASEAN markets to increase overseas sales share (percentage of total sales). We will also transition our existing business portfolio into a more profitable enterprise by reducing COGS in products for developing globally.

## Area portfolio transition

- We will penetrate new areas and grow existing overseas businesses to raise overseas sales share from 33% to 40% and reduce our dependency on certain areas.
- In India, we will create customer experiences for older students, supplementing our existing target segments, which are schoolchildren (stationery) and adults (painting equipment).
- In ASEAN, we will build sales partnerships for Campus-brand products and use social media and events to build brand recognition and trust, with the goal of getting Campus products into more than 1,000 stores by end of 2027.

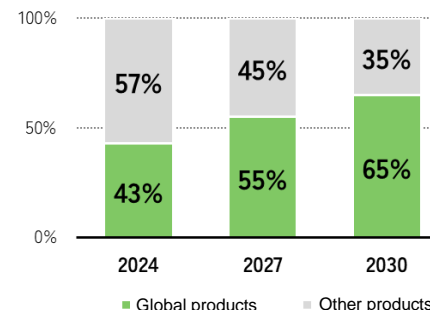
Overseas sales share



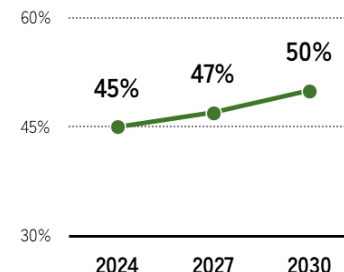
## Product portfolio transition

- We will standardize global products (including writing instruments) across all areas and use insourcing to reduce COGS.
- We will transition to a more profitable structure by raising the share (of our overseas sales) of high-margin global products.
- To maintain or improve the competitiveness of the Campus brand, we will improve touchpoints with customers who research and verify experience value in learning styles.

Global product sales share



Gross profit margin in global products

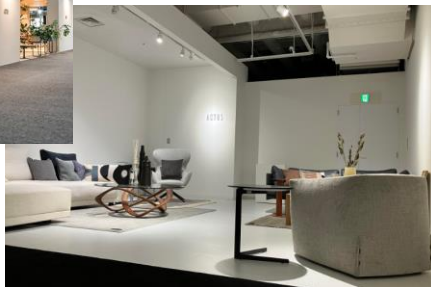


## Use partnerships to expand into office sector

- Kokuyo & Actus: We will strengthen our partnership in sales and product development, with a 2030 goal of a 7-fold increase (from 2024 level) in office-related sales.
- At Orgatec Tokyo 2024, Actus exhibited a booth that recreated a live office. We will start using this booth for sales promotion.
- In November, we opened an Actus exhibition space in our Tokyo showroom. We will use it to showcase our services to our corporate customers.



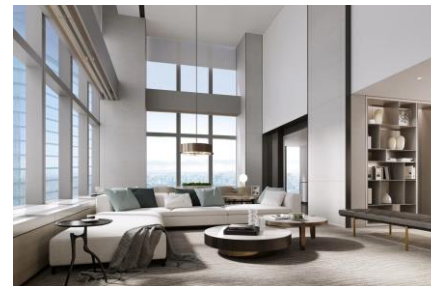
Actus booth  
at Orgatec Tokyo 2024



Actus exhibition space at Kokuyo's  
Tokyo showroom

## Expand into residential sector with premium brands

- Actus is exclusive importer of Poliform, a top Italian brand that is a world leader in interior design
- Goal for 2030 is to win deals in approx. 60 premium apartment complexes (the target segment)
- We will grow the residential business by bolstering design office accounts.



2023:  
Conceptual photograph of system  
delivered in Azabudai Hills Residence

**Poliform**





## Second Quarter Performance

(Millions of yen)

	Jan–Jun FY2021 result	Jan–Jun FY2022 result	Jan–Jun FY2023 result	Jan–Jun FY2024 result	Jan–Jun FY2025 result
Net sales	155,281	156,424	173,585	178,986	185,207
Gross profit	61,920	61,219	68,010	71,469	75,730
(ratio)	39.9%	39.1%	39.2%	39.9%	40.9%
SG&A expenses	47,264	48,487	52,236	55,539	58,040
(ratio)	30.4%	31.0%	30.1%	31.0%	31.3%
Operating income	14,655	12,731	15,773	15,929	17,690
(ratio)	9.4%	8.1%	9.1%	8.9%	9.6%
Ordinary income	10,464	14,614	17,266	17,974	17,443
(ratio)	6.7%	9.3%	9.9%	10.0%	9.4%
Net income attributable to owners of parent	8,332	10,845	11,747	15,625	13,810
(ratio)	5.4%	6.9%	6.8%	8.7%	7.5%
EBITDA	18,303	16,502	20,162	20,378	21,741

Note: In the period under review, we changed how we present some items of real-estate income/loss. To reflect the changes, we have restated the net sales, gross profit, and operating income for Jan–Jun FY2024.

## Second Quarter Performance by Segment

(Millions of yen)

		Jan-Jun FY2021 result	Jan-Jun FY2022 result	Jan-Jun FY2023 result	Jan-Jun FY2024 result	Jan-Jun FY2025 result
Furniture businesses	Net sales	74,322	72,371	83,465	86,621	91,841
	Operating income	11,913	10,927	13,871	14,290	16,653
	(ratio)	16.0%	15.1%	16.6%	16.5%	18.1%
Business supply distribution	Net sales	49,622	49,938	50,977	51,570	53,098
	Operating income	1,607	1,892	2,176	2,708	2,658
	(ratio)	3.2%	3.8%	4.3%	5.3%	5.0%
Stationery businesses	Net sales	37,912	38,497	43,859	44,828	42,882
	Operating income	3,744	3,397	3,911	4,165	4,070
	(ratio)	9.9%	8.8%	8.9%	9.3%	9.5%
Interior retail businesses	Net sales	8,940	9,545	10,141	10,462	11,769
	Operating income	479	549	452	300	410
	(ratio)	5.4%	5.8%	4.5%	2.9%	3.5%
Other	Net sales	221	204	208	202	279
	Operating income	15	-53	-123	-239	-221
	(ratio)	6.8%	-	-	-	-
Reconciliation	Net sales	-15,737	-14,132	-15,067	-14,698	-14,664
	Operating income	-3,105	-3,981	-4,515	-5,295	-5,881
Total	Net sales	155,281	156,424	173,585	178,986	185,207
	Operating income	14,655	12,731	15,773	15,929	17,690
	(ratio)	9.4%	8.1%	9.1%	8.9%	9.6%

Note: In the period under review, we changed how we present some items of real-estate income/loss. To reflect the changes, we have restated the net sales and operating income for Jan-Jun FY2024.

## Annual Performance

	FY2021 result	FY2022 result	FY2023 result	FY2024 result	FY2025 initial target	FY2025 latest target	(Millions of yen)
Net sales	292,617	300,929	328,753	338,837	366,000	357,000	
Gross profit	113,526	116,671	127,392	133,424	146,800	144,700	
(ratio)	38.8%	38.8%	38.8%	39.4%	40.1%	40.5%	
SG&A expenses	93,618	97,543	103,561	110,892	122,800	119,700	
(ratio)	32.0%	32.4%	31.5%	32.8%	33.6%	33.5%	
Operating income	19,907	19,128	23,830	22,531	24,000	25,000	
(ratio)	6.8%	6.4%	7.2%	6.6%	6.6%	7.0%	
Ordinary income	16,415	21,161	25,989	24,410	24,500	24,800	
(ratio)	5.6%	7.0%	7.9%	7.2%	6.7%	6.9%	
Net income attributable to owners of parent	13,703	18,237	19,069	21,787	20,100	20,500	
(ratio)	4.7%	6.1%	5.8%	6.4%	5.5%	5.7%	
EBITDA	27,220	26,550	32,402	31,493	33,000	34,000	
ROE	6.0%	7.8%	7.8%	8.5%	c. 8%	c. 8%	

Note: In the period under review, we changed how we present some items of real-estate income/loss. To reflect the changes, we have restated the net sales, operating income, and EBITDA for FY2024.

## Annual Performance by Segment

(Millions of yen)

		FY2021 result	FY2022 result	FY2023 result	FY2024 result	FY2025 initial target	FY2025 latest target
Furniture businesses	Net sales	136,058	134,886	154,472	162,415	172,300	176,000
	Operating income	17,744	16,523	22,458	23,459	26,600	27,000
	(ratio)	13.0%	12.2%	14.5%	14.4%	15.4%	15.3%
Business supply distribution	Net sales	93,405	95,314	97,820	98,935	111,500	104,000
	Operating income	2,557	3,269	3,892	4,471	4,800	4,100
	(ratio)	2.70%	3.4%	4.0%	4.5%	4.3%	3.9%
Stationery businesses	Net sales	72,702	78,457	83,899	83,575	86,100	82,000
	Operating income	6,069	6,786	6,802	5,993	6,400	6,600
	(ratio)	8.3%	8.6%	8.1%	7.2%	7.4%	8.0%
Interior retail businesses	Net sales	18,043	19,716	20,348	21,238	23,000	23,000
	Operating income	944	1,087	698	521	800	800
	(ratio)	5.2%	5.5%	3.4%	2.5%	3.5%	3.5%
Other	Net sales	441	413	438	476	700	700
	Operating income	10	-133	-370	-479	-500	-500
	(ratio)	2.3%	-	-	-	-	-
Reconciliation	Net sales	-28,034	-27,857	-28,226	-27,803	-27,600	-28,700
	Operating income	-7,418	-8,404	-9,651	-11,434	-14,100	-13,000
Total	Net sales	292,617	300,929	328,753	338,227	366,000	357,000
	Operating income	19,907	19,128	23,830	22,532	24,000	25,000
	(ratio)	6.8%	6.4%	7.2%	6.5%	6.6%	7.0%

Note: In the period under review, we changed how we present some items of real-estate income/loss. To reflect the changes, we have restated the net sales and operating income for FY2024.

Finance Administrative Division

Enterprise Value management Division, IR Unit,

KOKUYO Co., Ltd.

THE CAMPUS, 1-8-35 Konan, Minato-ku, Tokyo 108-8710

E-Mail: [ir@kokuyo.com](mailto:ir@kokuyo.com)



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