

Summary of Financial Results for the Fiscal Year Ended December 31, 2025

**February 16, 2026
KOKUYO Co., Ltd.**

Contents

- 1. Full-Year FY2025 Results**
- 2. Full-Year FY2026 Targets**
- 3. Progress in Fourth Medium-Term Plan**
- 4. Overview by Business Segment**

* The business segments are as follows:

Furniture Businesses: FN

Business Supply Distribution: BS

Stationery Businesses: ST

Interior Retail Businesses: IR

Note:

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

Full-Year FY2025 Results

- ❑ Net sales, EBITDA, and operating income were significantly higher than in the previous year and exceeded the revised forecasts.
- ❑ The furniture business generally performed in line with expectations. The business supply distribution and the stationery businesses experienced sharp growth, a key factor being a stoppage that occurred in a distribution and IT system within the mail-order office supplies industry.
- ❑ Net income decreased relative to the spike in the previous year (when we recorded gain on sale of non-business assets). On the other hand, ROE was 8.4%.
- ❑ The dividend has been upgraded from the previous forecast by ¥1.5 to ¥24.5. The dividend will have a consolidated payout ratio of 50%, in line with the benchmark set out in the fourth medium-term plan.

Full-Year FY2026 Targets

- ❑ Net sales, EBITDA, and operating income will increase with growth in each business, particularly in the furniture business.
- ❑ Net income will decline relative to the spike last year (when we recorded gain on sale of non-business assets).
- ❑ The dividend will remain at ¥24.5, which aligns with our 50% benchmark for consolidated payout ratio and our increasing-dividend policy.

Progress in Fourth Medium-Term Plan

- ❑ We made good progress in the first year of the fourth medium-term plan. EBITDA increased and we achieved steady revenue growth in our overseas businesses.
- ❑ We have allocated funds from our ¥70 billion Growth CapEx budget, creating stepping stones to future growth.
 - ❑ Furniture: We have invested in production and logistics PP&E to improve our capacity to take on contracts.
 - ❑ Business supply distribution: We have invested in an IT system and distribution infrastructure to drive forward our purchasing platform strategy.
 - ❑ M&A: We have made M&A deals to facilitate our global expansion and shore up our businesses in Japan.
- ❑ Financial and capital strategies: We made steady progress in capital allocations.
 - ❑ Cash on hand was less than initially expected because of our investments in growth activities and with the payment of dividends.
 - ❑ We continue to sell off cross-held shares, such that they now account for less than 5% of consolidated net assets, in line with our medium-term commitment.

Full-Year FY2025 Results

Full-Year FY2025 Results

Net sales, EBITDA, and operating income increased, exceeding the targets.

Net income decreased but exceeded the target. ROE was 8.4%.

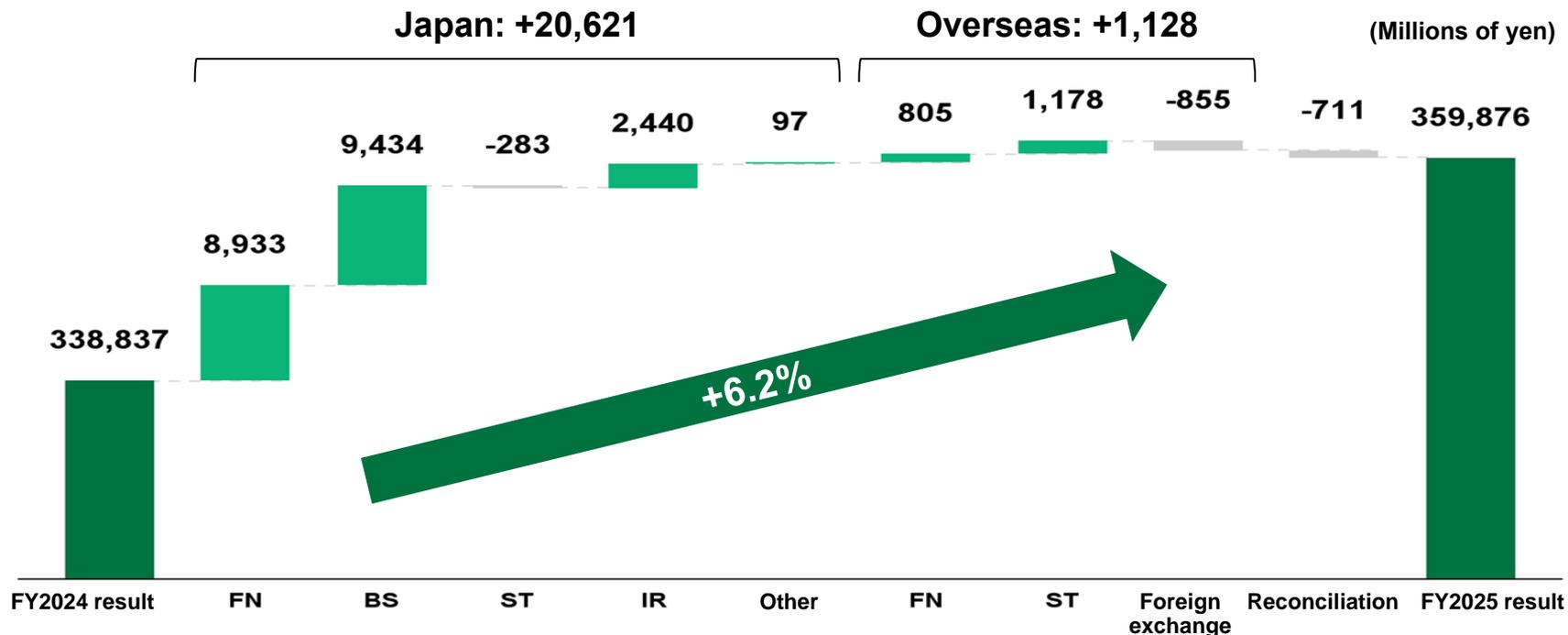
(Millions of yen)

	Full-year				
	FY2024 result	FY2025 result	YoY change (%, pt)	Vs target (%, pt)	Revised target
Net sales	338,837	359,876	+6.2%	+0.8%	357,000
Gross profit	133,424	144,469	+8.3%	-0.2%	144,700
(ratio)	39.4%	40.1%	+0.8pt	-0.4pt	40.5%
EBITDA	31,493	34,886	+10.8%	+2.6%	34,000
(ratio)	9.3%	9.7%	+0.4pt	+0.2pt	9.5%
Operating income	22,531	26,247	+16.5%	+5.0%	25,000
(ratio)	6.6%	7.3%	+0.6pt	+0.3pt	7.0%
Net income attributable to owners of parent	21,787	21,473	-1.4%	+4.7%	20,500
(ratio)	6.4%	6.0%	-0.5pt	+0.3pt	5.7%
Overseas sales as percentage of total sales	13%	13%	-	-	13%
ROE	8.5%	8.4%	-0.1pt	-	c. 8%

Full-Year FY2025 Results: Contributors to YoY Change in Net Sales

In Japan, the biggest growth contributors were the Japanese furniture business and business supply distribution.

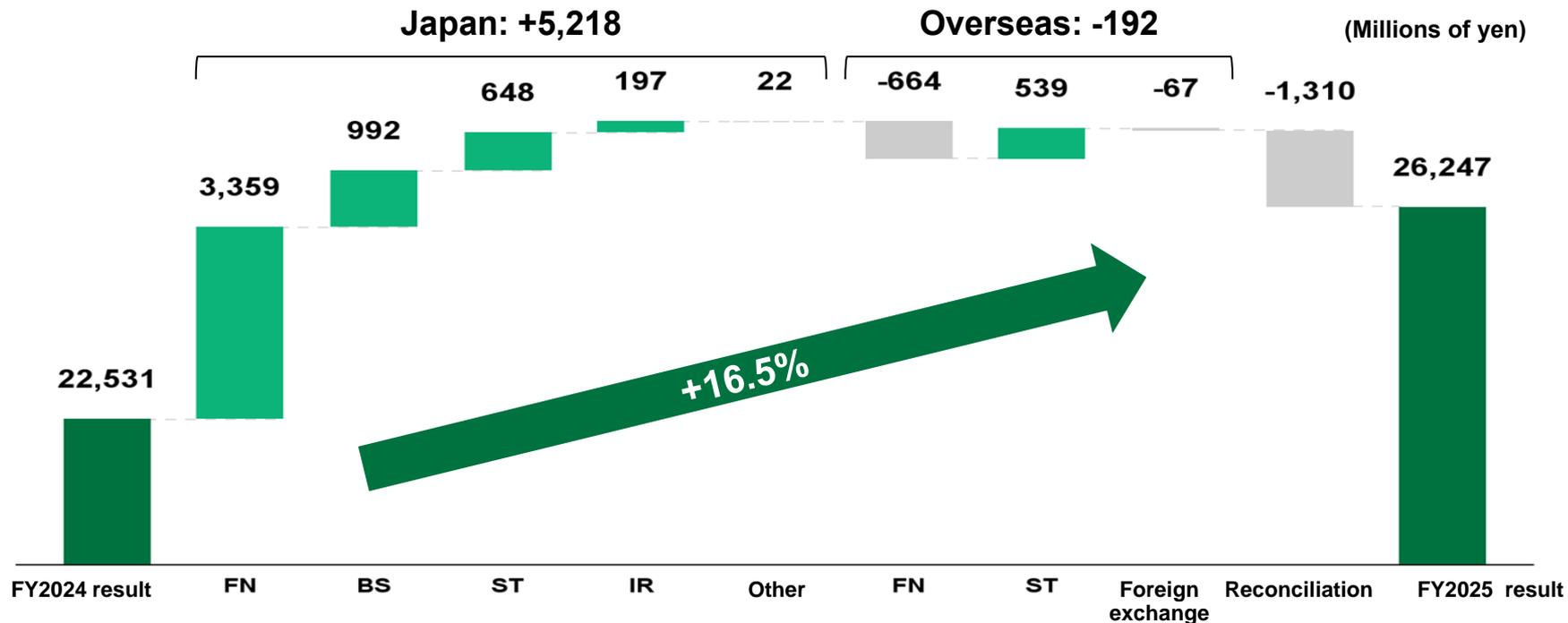
The overseas businesses became positive contributors in Q4, culminating in YoY growth on a full-year basis.



Full-Year FY2025 Results: Contributors to YoY Change in Operating Income

In Japan, the biggest contributor was the furniture business.

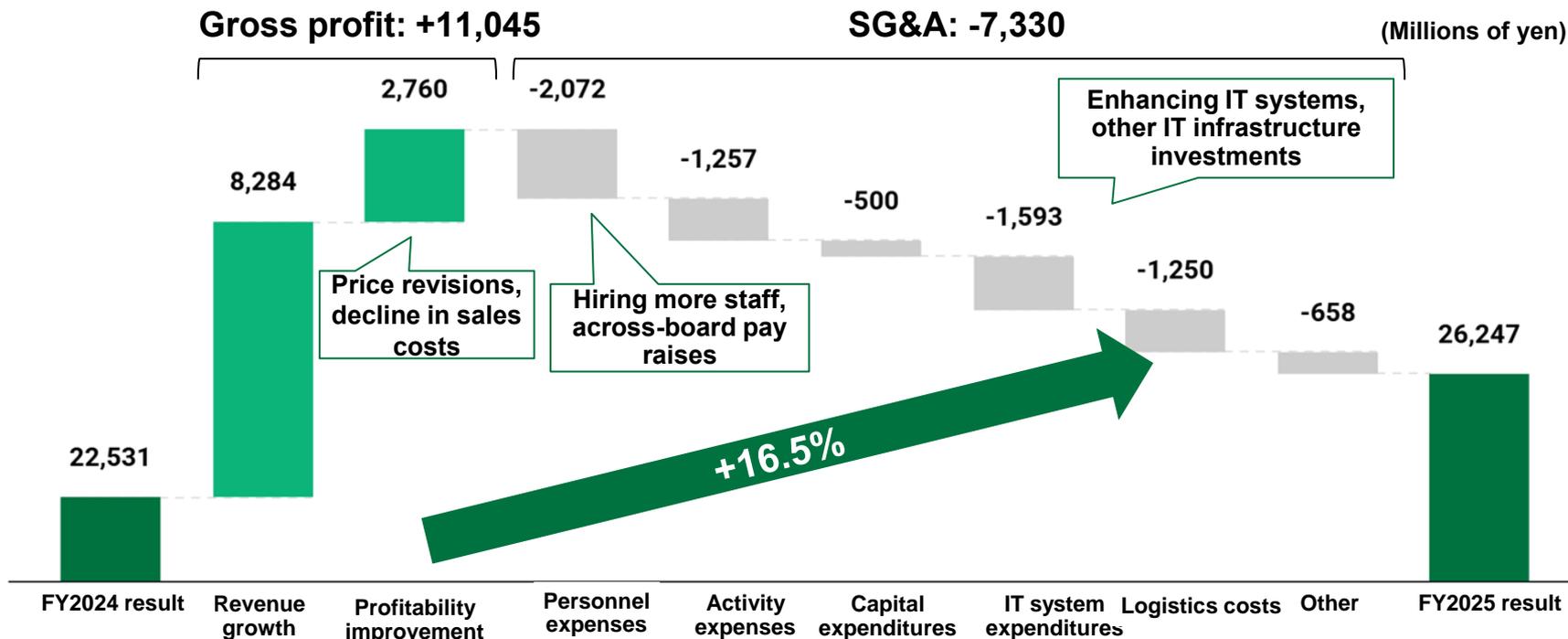
Overseas, the stationery business became a significant positive contributor in Q4.



Full-Year FY2025 Results: Contributors to YoY Change in Operating Income

Net sales growth in each business was complemented by an improvement to profitability from price revisions and a decline in sales costs.

We used strategic budget allocations (including in personnel and our IT system) to drive our medium- and long-term strategies.



Cash Flow Performance

OCF decreased ¥2.0 billion YoY with higher income taxes and other factors.

ICF decreased ¥16.8 billion to minus ¥4.6 billion, partly due to higher capital expenditure.

(Millions of yen)

	FY2024 result	FY2025 result	YoY change	Key factors
Cash flows from operating activities	16,377	14,369	-2,008	· Higher income taxes
Cash flows from investing activities	12,254	-4,606	-16,860	· Higher capital expenditure · Differential cash flow created by sale of non-business assets
Free cash flow	28,631	9,763	-18,868	
Cash flows from financing activities	-15,624	-31,649	-16,025	· Higher dividend payment · Higher purchase of treasury shares (higher spending on buybacks)
Effect of exchange rate changes on cash and cash equivalents	1,261	412	-849	
Increase from new business consolidations	2,650	-	-	
End balance of cash and cash equivalents	132,080	110,606	-21,474	

Balance Sheet Performance

Cash and cash equivalents decreased with ICF outweighing OCF and with negative FCF.

Buybacks decreased equity slightly, resulting in a lower equity ratio.

(Millions of yen)

	FY2024 end	FY2025 end	YoY change
Cash and cash equivalents	132,080	110,606	-21,474
Notes and accounts receivable and contract assets	75,383	82,116	6,733
Inventory assets	38,853	43,346	4,493
Other non-current assets	6,566	6,818	252
Property, plant and equipment	63,241	65,572	2,331
Intangible assets	12,961	15,082	2,121
Investment securities	22,362	18,022	-4,340
Other fixed assets	11,509	13,482	1,973
Total assets	362,959	355,048	-7,911

	FY2024 end	FY2025 end	YoY change
Notes and accounts payable-trade	54,357	58,334	3,977
Interest-bearing liabilities	4,177	3,471	-706
Other liabilities	40,361	37,763	-2,598
Total liabilities	98,895	99,568	673
Owned capital	260,552	251,678	-8,874
Non-controlling interests	3,509	3,778	269
Net assets	264,062	255,457	-8,605
Equity ratio	71.8%	70.9%	-0.9pt

Full-Year FY2026 Targets

Full-Year FY2026 Targets

Business growth and aggressive investment will result in huge growth in net sales and growth in EBITDA and operating income.

Net income will decline relative to the spike that occurred when we recorded gain on sale of non-business assets.

(Millions of yen)

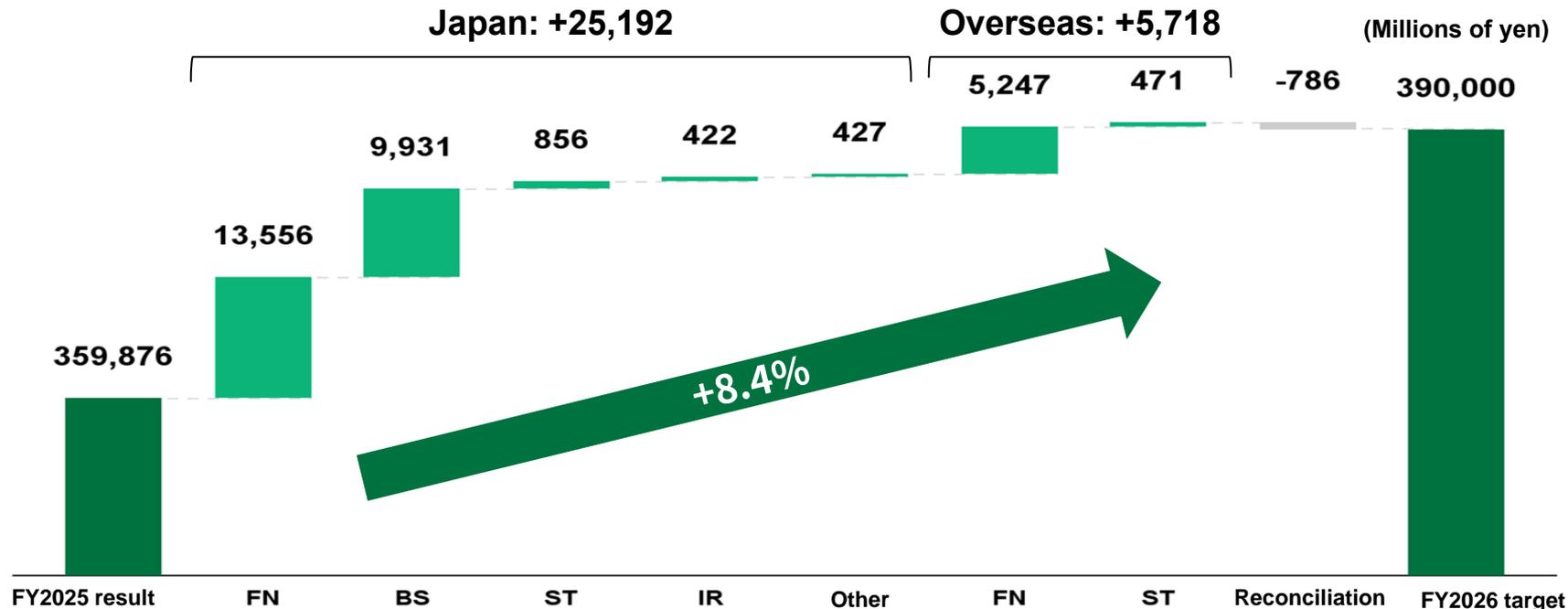
	Full-year			
	FY2025 result	Target for 2026	YoY change	% YoY change
Net sales	359,876	390,000	+30,124	+8.4%
Gross profit	144,469	160,300	+15,831	+11.0%
(ratio)	40.1%	41.1%	-	+1.0pt
EBITDA	34,886	37,700	+2,814	+8.1%
(ratio)	9.7%	9.7%	-	-0.0pt
Operating income	26,247	27,000	+753	+2.9%
(ratio)	7.3%	6.9%	-	-0.4pt
Net income attributable to owners of parent	21,473	20,300	-1,173	-5.5%
(ratio)	6.0%	5.2%	-	-0.8pt
Overseas sales as percentage of total sales	13%	13%	-	-
ROE	8.4%	>8%	-	-

Note: The targets for 2026 do not include the targets for Thien Long Group Corporation (TLG).

Full-Year FY2026 Targets: Contributors to YoY Change in Net Sales

Japan: Net sales will increase in each business. The furniture business will benefit from a brisk market and the business supply distribution business will focus on gaining new customers.

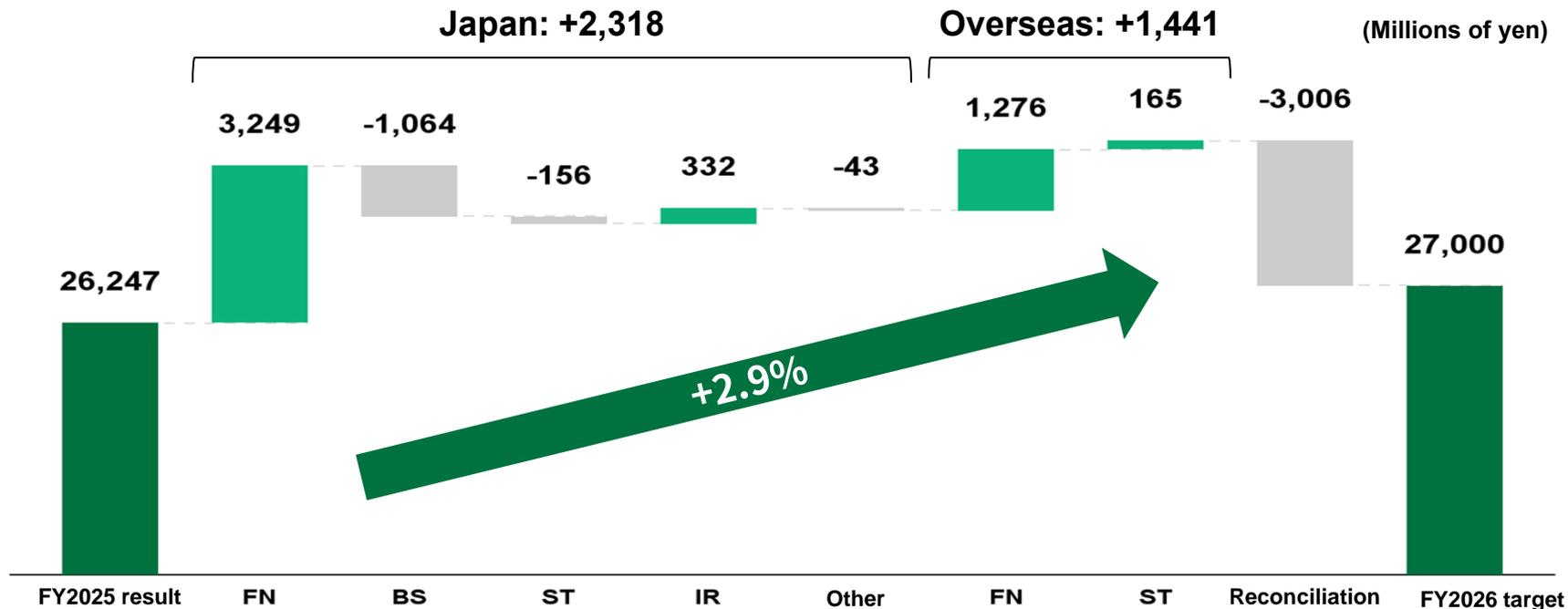
Overseas: Of the two businesses, the furniture business will be the main contributor. It will benefit from new business combinations.



Full-Year FY2026 Targets: Contributors to YoY Change in Operating Income

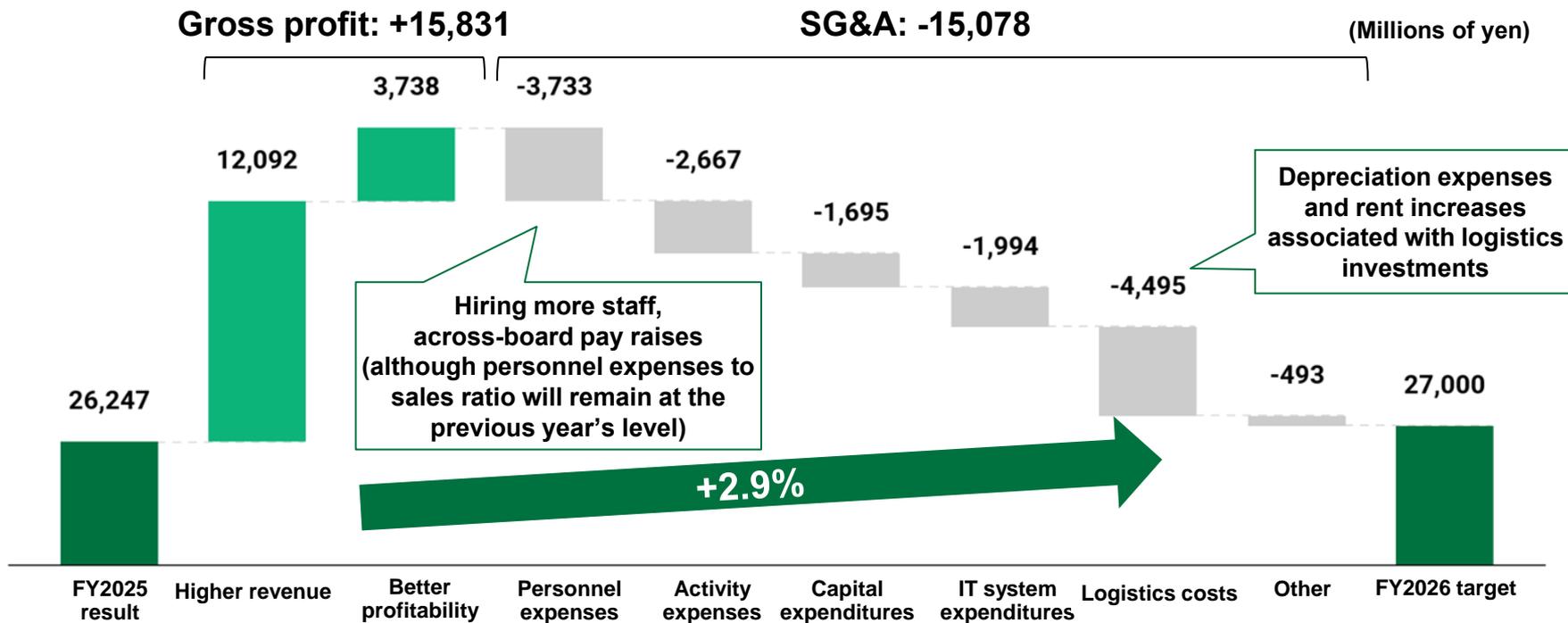
Japan: The furniture business, benefiting from a brisk market, will drive the growth in operating income. Operating income will decrease in the business supply distribution business because of amortization expenses.

Overseas: Of the two businesses, the furniture business will be the main contributor.



Full-Year FY2026 Targets: Contributors to YoY Change in Operating Income

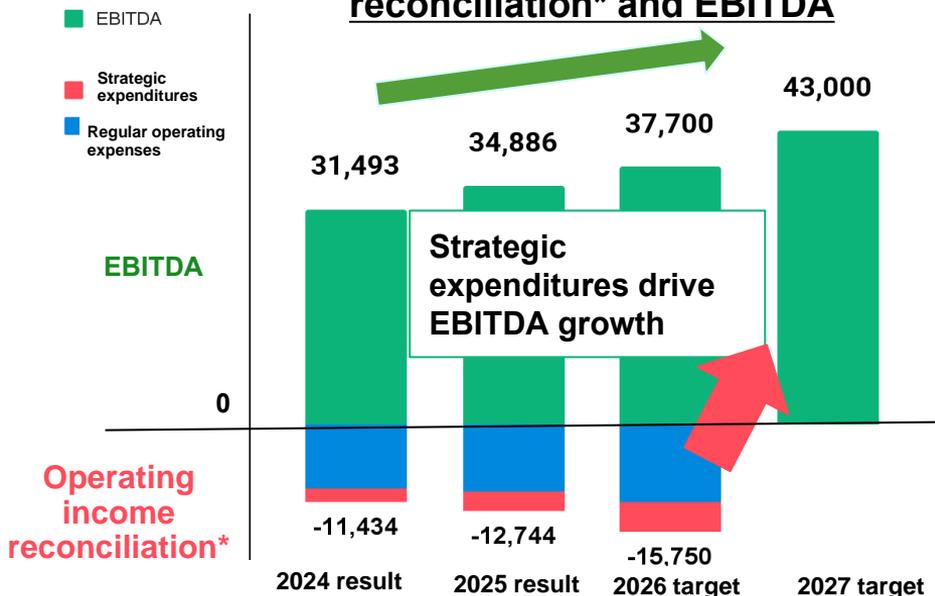
SG&A ratio to sales will increase because of strategic expenditures for driving our medium- and long-term strategies. However, this will be more than offset by higher gross profit rate.



Operating Income Reconciliation

We are allocating strategic expenditures to build huge EBITDA growth over the three-year period of the fourth medium-term plan.

Inter-year comparison in operating income reconciliation* and EBITDA



Strategic expenditures

Strategic expenditures to drive our medium- and long-term strategies

Main cost increases over 2024–2026 period

- Higher M&A-related spending
- Spending on talent necessary to drive global business expansion
- Spending to overhaul aging IT infrastructure (from 2026)
- Spending on rebranding campaign
- Spending on relocation of Osaka head office

Regular operating expenses

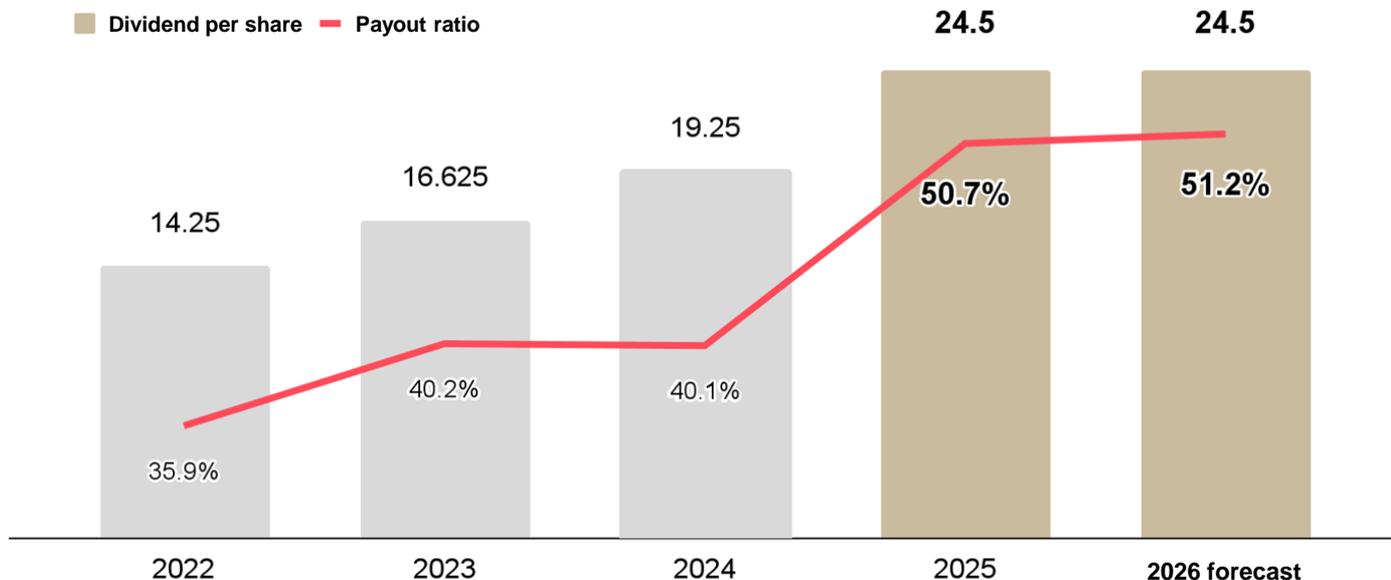
Expenses incurred through normal operations, including personnel expenses (head office staff, general recruitment and training), IT system expenses, and maintenance CapEx (in 2026, rent expense will increase because of the relocation of the Osaka head office)

* Operating income reconciliation includes the elimination of intersegment transactions and corporate expenses. The corporate expenses consist mostly of expenses relating to administration departments of the parent company headquarters that are not attributable to reportable segments.

Shareholder Returns

In line with our shareholder returns policy ($\geq 50\%$ consolidated payout ratio, increasing dividend), the year-end dividend for FY2025 will be increased ¥1.5 (making a full-year dividend of ¥24.5) from the previous forecast. The dividend for FY2026 will be the same as that for FY2025 (¥24.5).

Inter-year comparison in dividend per share and consolidated payout ratio (Yen)



Note: On July 1, 2025, we conducted a 4-for-1 split of common stock. In the above graph, dividend per share is based on the post-split stock.

Progress in Fourth Medium-Term Plan

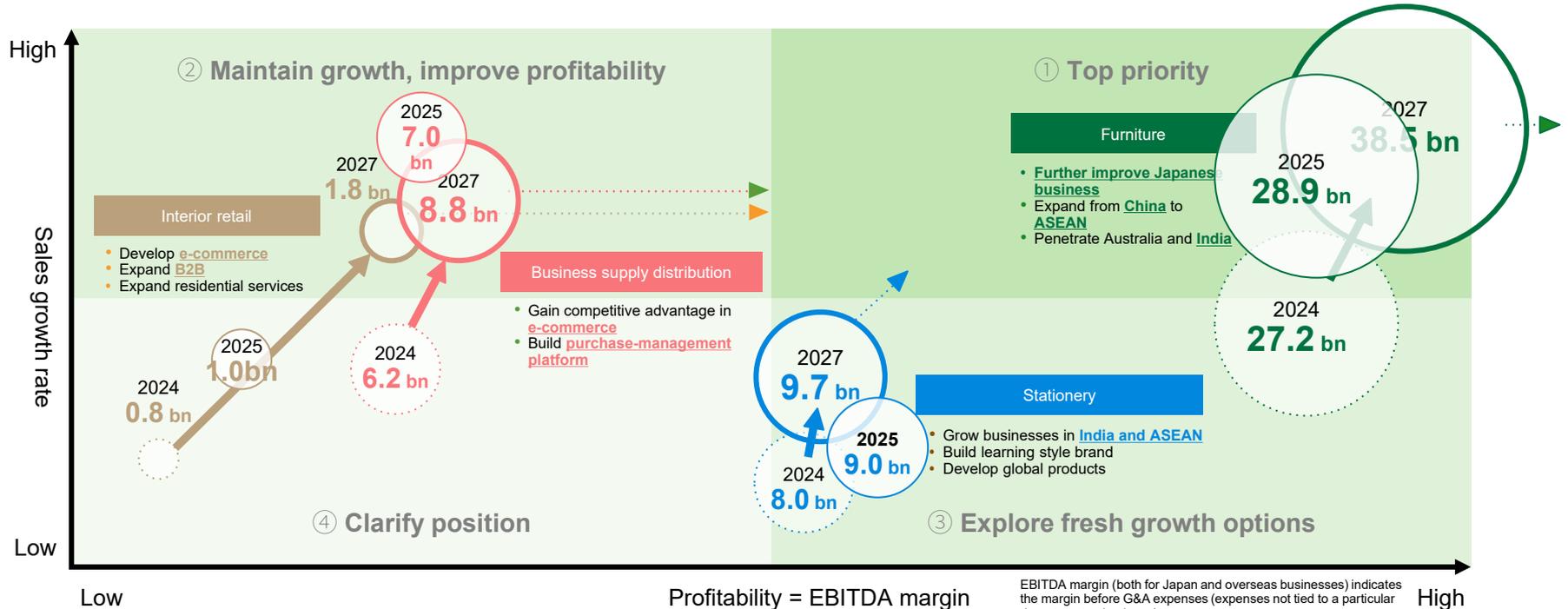
Financial Targets in Fourth Medium-Term Plan

We have made good progress in the fourth medium-term plan. EBITDA has increased and our overseas businesses have been delivering sales growth. We have allocated funds from our ¥70 billion Growth CapEx budget, creating stepping stones to future growth.

		2024 result	2025 result	2026 target	2027 target	2030 target/projection
Financial KPIs	Net sales (growth rate)	¥338.8 bn (+2.8%)	¥359.8 bn (+6.2%)	¥390.0 bn (+8.4%)	¥430.0 bn (+8%/year)	≥¥500.0 bn
	Overseas sales as percentage of total sales	13%	13%	13%	20.0%	≥25%
	EBITDA EBITDA margin (%)	¥31.4 bn 9.3%	¥34.8 bn 9.7%	¥37.7 bn 9.7%	≥¥43.0 bn 10.0%	≥¥55.0 bn ≥11 %
	ROE	8.5%	8.4%	>8.0%	≥9.0%	≥10 %
Referential indicator	Operating income	¥22.5 bn	¥26.2 bn	¥27.0 bn	c. ¥30.0 bn	≥¥38.0 bn
	Operating income ratio	6.6%	7.3%	6.9%	c. 7%	≥7.5%

Business Portfolio

The performance of each business is improving. We are making efforts to deliver even higher sales growth and a wider EBITDA margin.



Low

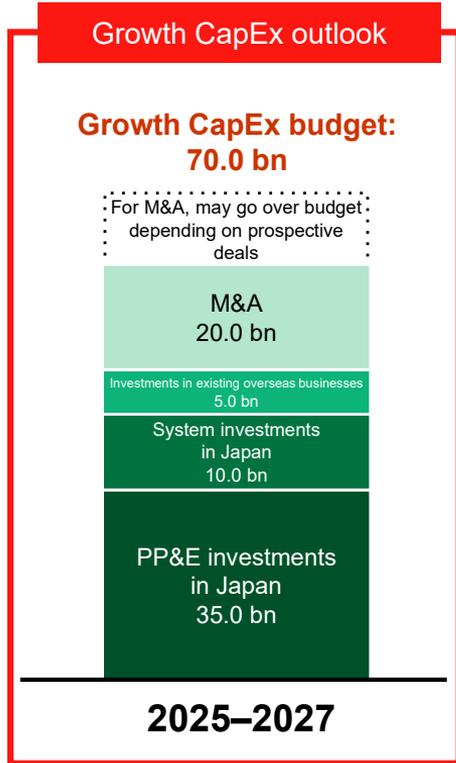
Profitability = EBITDA margin

High

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

- 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

CapEx is primarily allocated to drive growth in the core businesses (e.g. the Japanese furniture business) and improve profitability. The M&A budget may be exceeded depending on the prospective M&A deals.



Key growth CapEx themes	
PP&E investments in Japan	
Furniture businesses	<ul style="list-style-type: none"> Productivity improvements in furniture and building material plants Logistics improvements to address high logistics costs
Business supply distribution	<ul style="list-style-type: none"> Infrastructure for purchase-management platform
System investments in Japan	
Furniture businesses	<ul style="list-style-type: none"> Productivity improvements across value chain
Business supply distribution	<ul style="list-style-type: none"> Infrastructure for purchase-management platform
Interior retail businesses	<ul style="list-style-type: none"> OMO (offline stores merged with online store)
Investments in existing overseas businesses	
Furniture businesses	<ul style="list-style-type: none"> Transforming ASEAN supply chain
Stationery businesses	<ul style="list-style-type: none"> Insourcing global products
M&A	
Furniture businesses	<ul style="list-style-type: none"> Expanding to and penetrating global markets Leading innovation in Japan and overseas
Stationery businesses	<ul style="list-style-type: none"> Expanding to and penetrating new markets (e.g. ASEAN)

Progress in Growth CapEx Allocation 1: PP&E Investments and IT System Investments in the Furniture Business

We have invested in production and distribution assets to increase our capacity to take on office furniture contracts, striking a balance between covering a wide array of office furniture demand and keeping production efficient.

Growth CapEx outlook

**Growth CapEx budget:
70.0 bn**

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

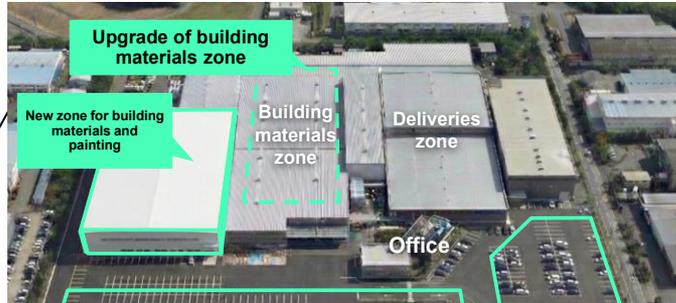
M&A
20.0 bn

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



Shibayama Plant (furniture) | To be completed in 2029
Some ¥5.0 bn to be invested over period of 4th mtp
(total investment: ¥9.9 bn)



New Shiga distribution center (furniture business) | To be completed in 2029
Some ¥8.0 bn to be invested over period of 4th mtp
(total investment: ¥17.6 bn)



Mie Plant (furniture) | To be completed in 2029
Some ¥4.0 bn to be invested over period of 4th mtp
(total investment: ¥7.0 bn)

Shibayama plant: Our center for building-material production, the plant handles a wide range of items with high quality levels and high production capacity.
Mie plant: Our center for desk and chair production, the plant will provide cost efficiencies and technological excellence for future order-made furniture operations.
New Shiga distribution center: The center will increase productivity by operating at the fulcrum of our distribution operations once they have been concentrated.

Progress in Growth CapEx Allocation 1:

PP&E Investments and IT System Investments in the Business Supply Distribution Business

To upgrade our purchasing platform, we have used growth CapEx to equip the Kaunet e-commerce website with purchase management functions (the core functions of Benri Net) and to develop our logistics infrastructure.

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

コクヨの通販
カウネット

Kaunet IT system investment (business supply distribution)

| Total investment: **¥4.0 bn.**
Implementation to begin in 2028.



Tohoku IDC (business supply distribution) | Total investment: **¥4.0 bn.**
Center to enter service in 2026.

Purchasing Platform Strategy

- Convert Benri Net into a purchasing platform and increase linkage with big-name e-commerce sites and trading companies
- We will extend platform coverage from large companies to all customers
- **This platform strategy will create an upward spiral of continual growth in both linked suppliers and customers**



New purchasing platform

- Purchase management functions
- Linked with wide array of suppliers

Office goods, homeware / everyday goods

コクヨの通販
カウネット

MRO	Company A
Electrical appliances	Company B
Tools	Company C
Scientific instruments	Company D
Printing	Company E

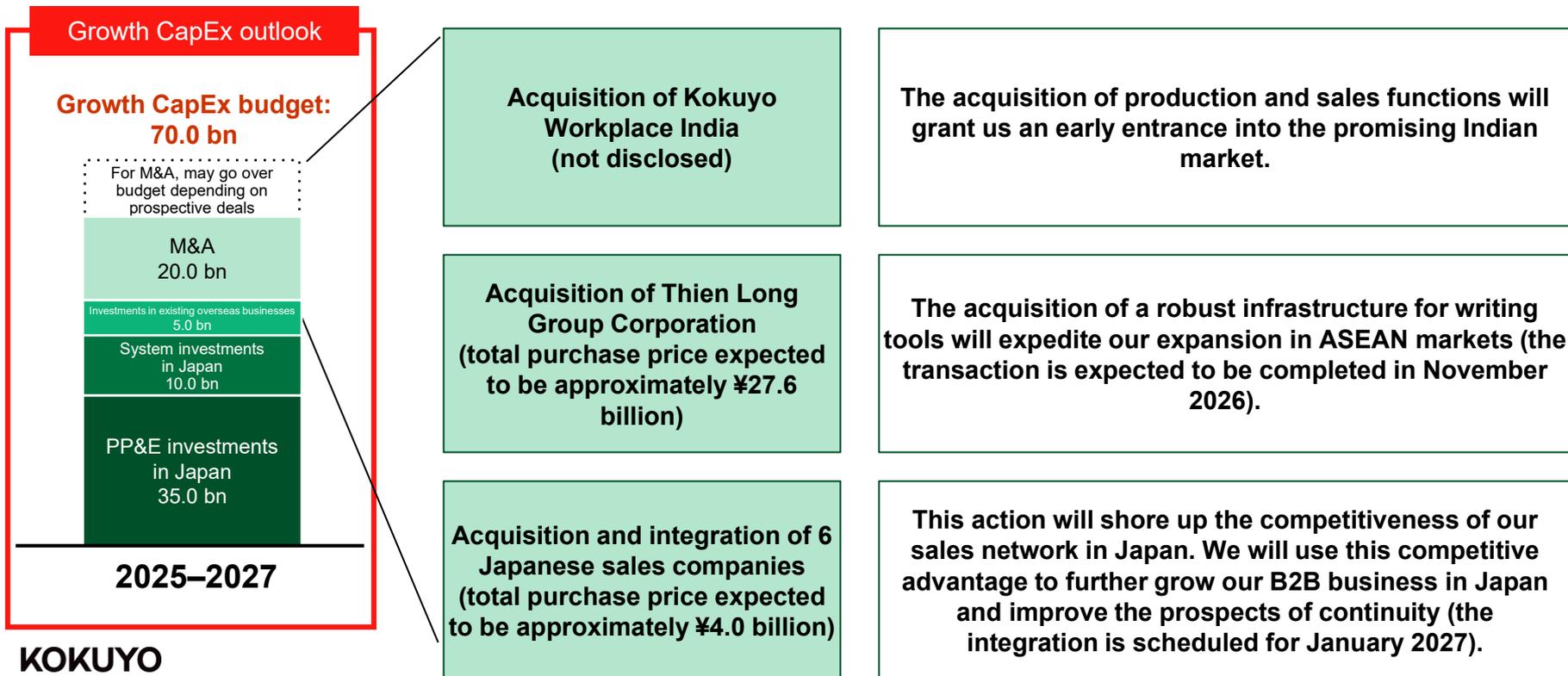
Locally rooted suppliers

Industry-specific trading companies

Offer enlarged lineup (consisting of our products and those of trading companies) to fully capitalize on office supplies demand

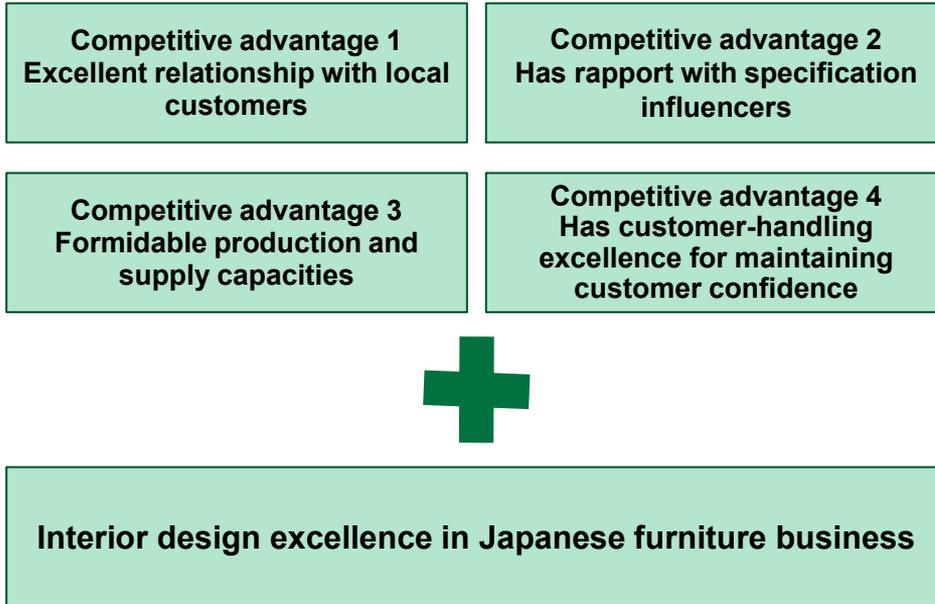
Obtain distribution fees from linked suppliers

We have made M&A deals to facilitate our global expansion and shore up our businesses in Japan.



The PMI is on track. We are laying the infrastructure for driving the growth strategy.

Examples of how KWI is combining its competitive advantages with KOKUYO for co-creation



At Orgatec India, KWI succeeded in raising the profile of the KOKUYO brand, earning the Best Booth Design Award.

Rebranding

In line with our long-term vision, we launched a rebranding campaign to create stronger touchpoints with new users around the world, encourage growth and a mindset transformation among employees, improve recruitment, and achieve other outcomes that improve our organization's value.

2023

Launched rebranding campaign

- Launched TV ad campaign



No. of fresh graduate applicants

(% change between 2024 crop* and 2026 crop)

Approx.
+23%

2025

Updated corporate identity

- Revamped website
- Produced short movie

KOKUYO
Curiosity is Life

Challenge-taking culture score in engagement survey

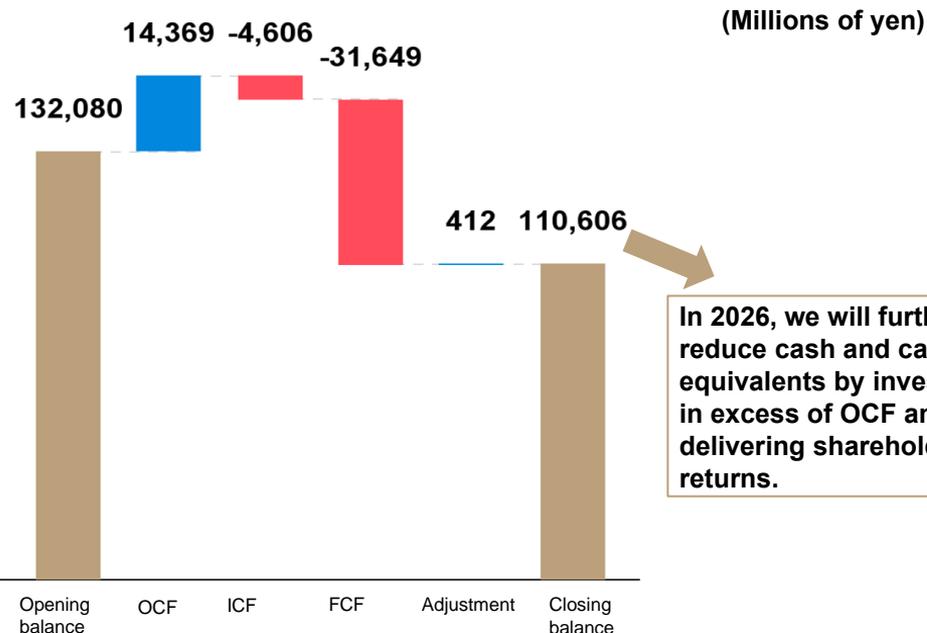
+5pt
(pt change between 2023 result and 2025 result)

The rebranding has bolstered our strategic assets for driving global business growth.

Progress in Financial and Capital Strategies: Capital Allocations

Cash on hand has decreased as a result of proactive investment, stock buybacks of ¥20 billion, and payment of dividends with a payout ratio of 50%.

Change in cash and cash equivalents



ICF

Inflows

Proceeds from sales and redemption of investment securities: ¥5.7 billion
 Proceeds from sales of property, plant and equipment: ¥2.0 billion

Outflows

PP&E investments: ¥11.2 billion

FCF

Outflows

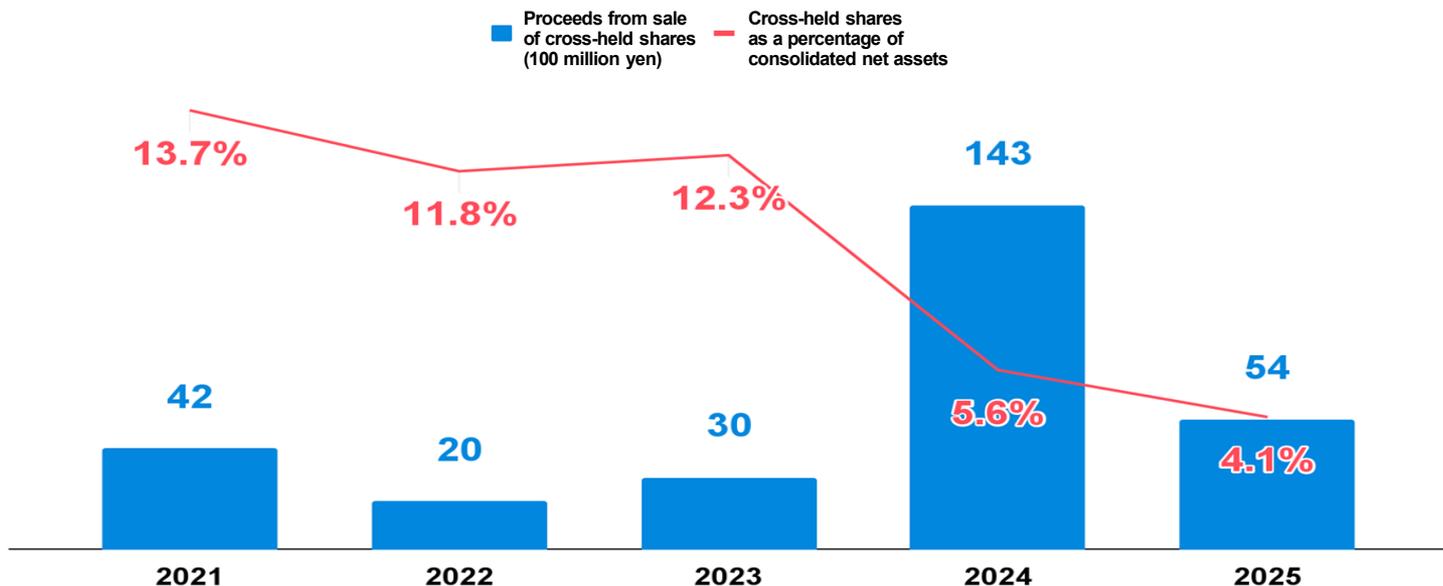
Purchase of treasury shares: ¥20.0 billion
 Dividends paid: ¥9.5 billion

In 2026, we will further reduce cash and cash equivalents by investing in excess of OCF and delivering shareholder returns.

Progress in Financial and Capital Strategies: Cross-held Shares

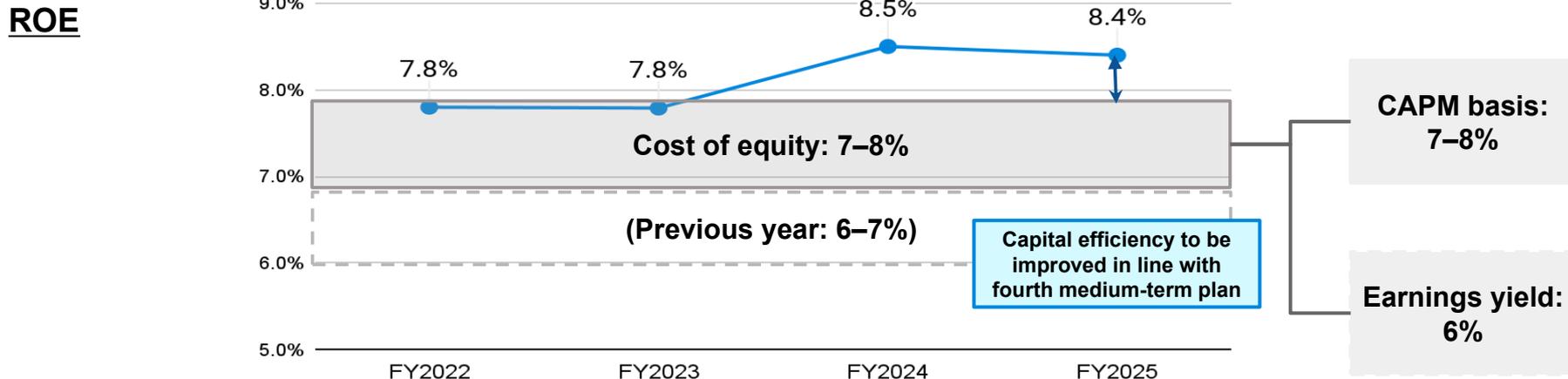
We continue to offload cross-held shares. The fourth medium-term plan commits us to reducing them until they represent less than 5% of consolidated net assets.

Proceeds from sale of cross-held shares, cross-held shares as a percentage of consolidated net assets

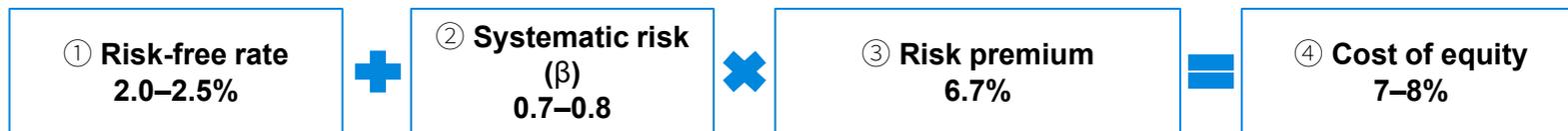


Progress in Financial and Capital Strategies: Analysis of Current Cost of Equity

Cost of equity is estimated to have increased to 7–8% given the risk-free rate increase and insights from dialogue with investors. The fourth medium-term plan commits us to improving capital efficiency.



Estimate according to capital asset pricing model (CAPM):



*10-year government bond yield

Overview by Business Segment

Furniture Business

In 2025, net sales and operating income increased but fell short of the latest targets.

In 2026, net sales and operating income expected to increase again with growth in each area.

(Millions of yen)

	FY2024 result	FY2025 result	YoY change (%, pt)	% of target achieved	FY2026 target	YoY change (%, pt)
Net sales	162,415	172,196	+6.0%	97.8%	191,000	+10.9%
EBITDA	27,243	28,952	+6.3%	94.9%	34,600	+19.5%
(ratio)	16.8%	16.8%	+0.0pt		18.1%	+1.3pt
Operating income	23,459	26,175	+11.6%	96.9%	30,700	+17.3%
(ratio)	14.4%	15.2%	+0.8pt		16.1%	+0.9pt

Furniture Business

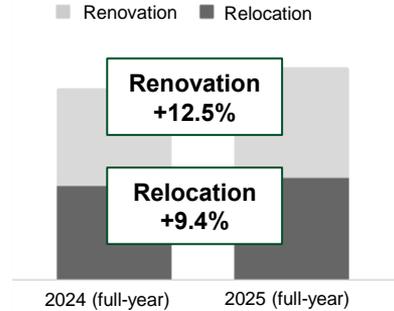
Japan: Capitalizing on the favorable demand, the business will win more contracts, especially for office relocations.

Overseas: Performance will benefit from the inclusion of the Indian subsidiary in the consolidated scope. In Hong Kong and ASEAN, we will pursue lucrative contracts.

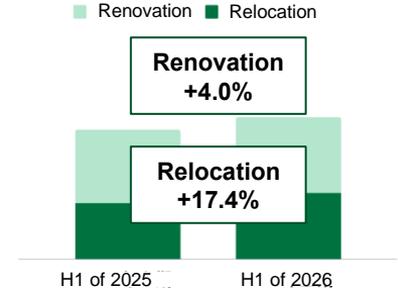
2025 roundup	Japan	<ul style="list-style-type: none"> • Net sales and operating income increased on the back of brisk office demand. • Performance fell just shy of targets because some contracts were postponed. • Profitability improved with price revisions, reduction in sales costs, and shift to lucrative contracts.
	Overseas	<ul style="list-style-type: none"> • Net sales increased with inclusion of Indian acquisitions in consolidated results and with growth in ASEAN. • Operating income decreased with China downturn.

2026 outlook	Japan	<ul style="list-style-type: none"> • Net sales and operating income will increase as we capitalize on the brisk demand for office relocations. • Profitability will improve with the launch of priority products and new products. • Profitability of design and construction operations will improve.
	Overseas	<ul style="list-style-type: none"> • Net sales and operating income will increase with the business winning lucrative contracts and strengthening merchandising and supply operations. • Net sales and operating income will increase with the business targeting the high market segment in Mainland China and Hong Kong and controlling costs.

Contract volume in 2025 (actual)



Contract volume in H1 2026 (as of Jan-end)



Launch of products aligned with global strategy



Duora2

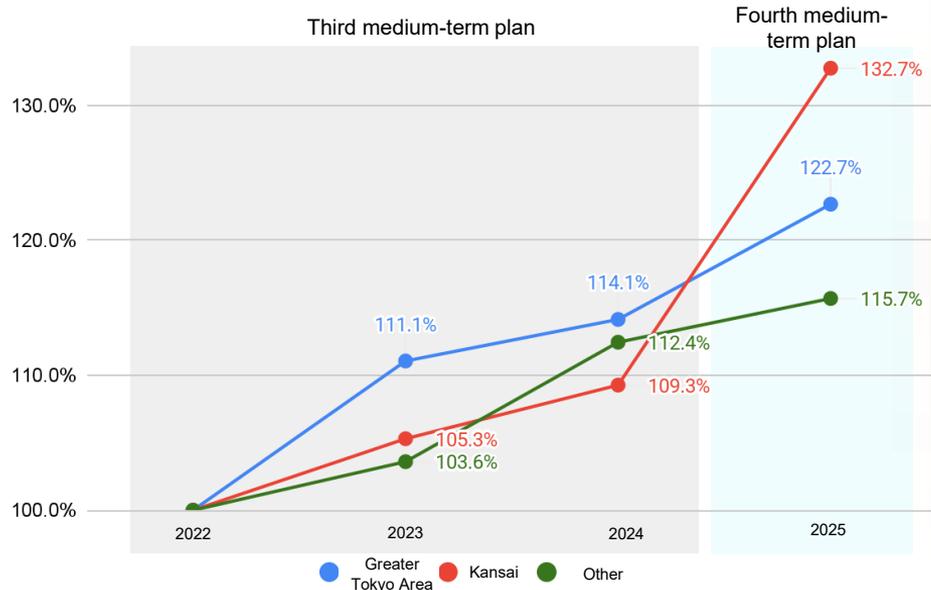
ingCloud

Completed renovations of key Asian showrooms



We have been steadily expanding in the Greater Tokyo Area, Kansai, and other areas since 2022 (the first year of the third medium-term plan). By pooling knowledge and enhancing our sales processes to improve our value proposition and shore up our foundation for business growth in Japan.

Net sales growth by area (with the 2022 result scaled at 100%)



January 2027 will see the launch of KOKUYO Marketing Japan (100% owned by KOKUYO)

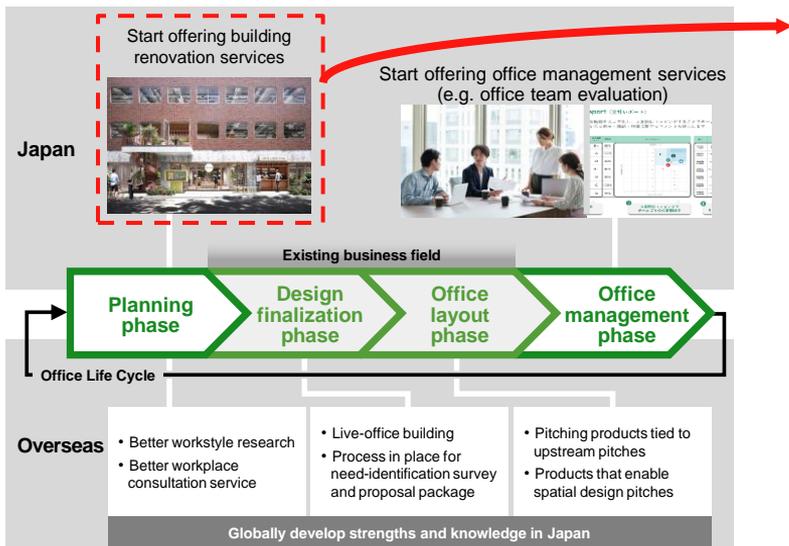
Six Japanese sales subsidiaries will be absorbed into KOKUYO Marketing Japan

- KOKUYO Hokkaido Sales Co., Ltd.
- KOKUYO Tohoku Sales Co., Ltd.
- KOKUYO Kitakanto Sales Co., Ltd.
- KOKUYO Hokuriku-Niigata Sales Co., Ltd.
- KOKUYO Tokai Sales Co., Ltd.
- KOKUYO Sanyo-Shikoku Sales Co., Ltd.
- KOKUYO Marketing Co., Ltd.

Furniture Business

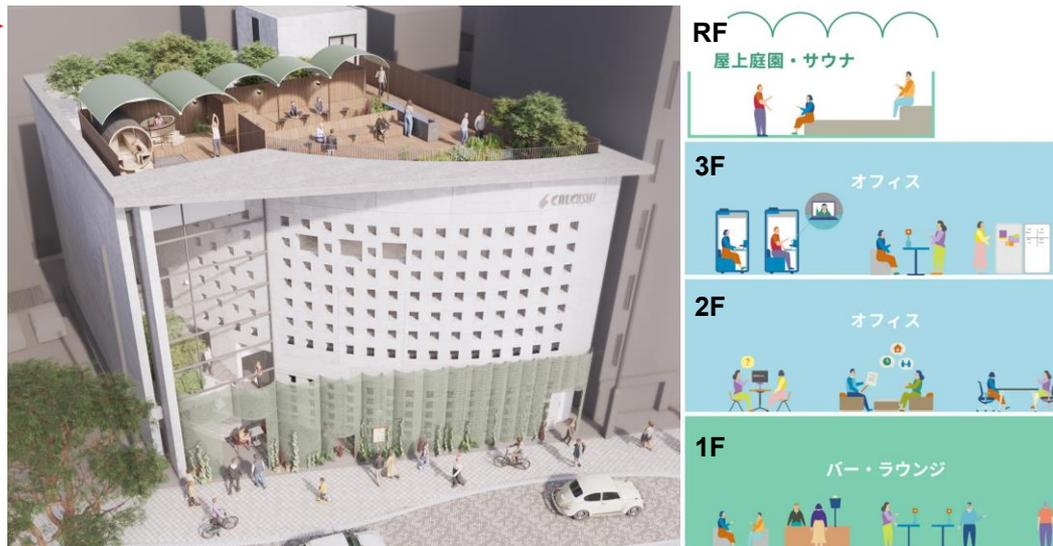
We pitch our services as soon as the prospective customer begins to consider an office relocation or renovation, so that we can identify their workstyle-related needs. This approach helps us maximize project fee, closing rate, share of wallet, and repeat rate.

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



Reproduced from the fourth medium-term plan

We won a contract to renovate a company's commercial building in its entirety



Project to renovate one of Enshu Railway's commercial properties that had been rented by dining businesses (renovated building to enter service in January 2027)

Business Supply Distribution

In 2025, net sales and operating income increased and significantly exceeded the targets.

In 2026, operating income will decrease because of investments to drive future growth. Net sales will increase with efforts to, among other things, grow the customer base.

(Millions of yen)

	FY2024 result	FY2025 result	YoY change (%, pt)	% of target achieved	FY2026 target	YoY change (%, pt)
Net sales	98,935	108,369	+9.5%	104.2%	118,300	+9.2%
EBITDA	6,236	7,029	+12.7%	115.2%	6,600	-6.1%
(ratio)	6.3%	6.5%	+0.2pt		5.6%	-0.9pt
Operating income	4,471	5,463	+22.2%	133.2%	4,400	-19.5%
(ratio)	4.5%	5.0%	+0.5pt		3.7%	-1.3pt

Business Supply Distribution

Kaunet's overall growth is led by Benri Net (a system that large companies use to manage purchases of indirect materials) capitalizing on demand for streamlining purchasing operations.

2025 roundup

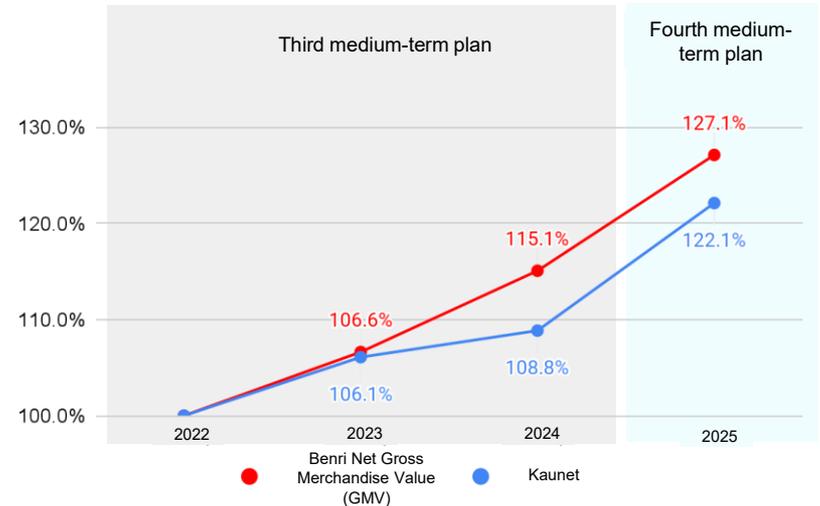
- Growth was led by Benri Net (a system that large companies use to manage purchases of indirect materials).
- We completed the acquisition of business operations from Fujitsu Coworco Limited.
- Thanks to the agile action of frontline teams, we managed to accommodate the rapid surge in order volume and customer growth caused by an event in the external business environment.
- To build capacity to cover a wider array of purchasing needs, we expanded the lineup and made further IT system investments to improve the UI & UX of the e-commerce websites.

2026 outlook

- Net sales will increase with our efforts to give new customers confidence in our services.
- Operating income will decrease because of investments in assets (IT system, distribution, and talent) for driving our purchasing platform strategy.
- Amortization costs will increase in connection with the IT system investments in 2025.
- Depreciation costs will increase in connection with distribution operations, despite the efficiency improvements following the launch of the Tohoku IDC.

KOKUYO

Net sales growth by model (with the 2022 result scaled at 100%)



GMV: 110% of the previous year's result

NEWJTBK

Larger lineup of Kaunet products

4.88 million SKUs (3 million more than in 2024)

Stronger linkage with suppliers

Monotaro

Amazon Business

Stationery Business

In 2025, net sales remained largely unchanged while operating income, thanks to improved profitability, increased significantly and exceeded the target.

In 2026, net sales and operating income will increase with business expansion in each area.

(Millions of yen)

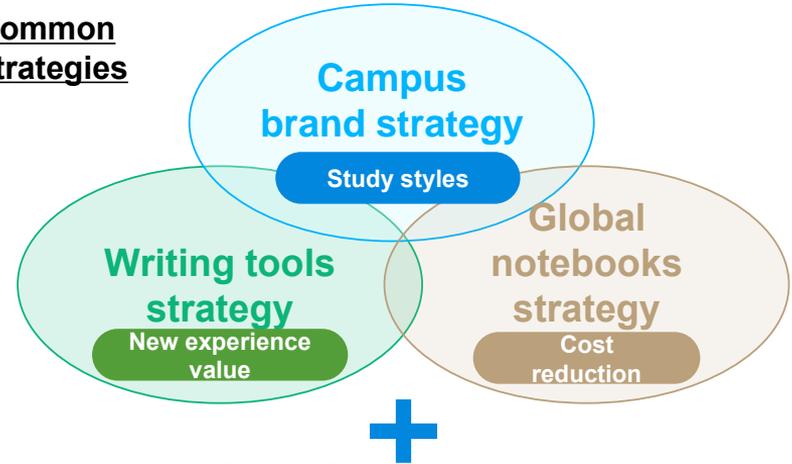
	FY2024 result	FY2025 result	YoY change (%, pt)	% of target achieved	FY2026 target	YoY change (%, pt)
Net sales	83,575	83,572	-0.0%	101.9%	84,900	+1.6%
EBITDA	8,061	9,061	+12.4%	101.8%	9,300	+2.6%
(ratio)	9.6%	10.8%	+1.2pt		11.0%	+0.1pt
Operating income	5,993	7,092	+18.3%	107.5%	7,100	+0.1%
(ratio)	7.2%	8.5%	+1.3pt		8.4%	-0.1pt

Stationery Business

We are expanding our area portfolio to balance growth with risk dispersal with a view to gaining a top share of the wow-factor stationery market in Asia.

2025 roundup	Japan	<ul style="list-style-type: none"> Despite a stagnant market, we rebranded Campus to great success and improved productivity, culminating in growth in operating income albeit with a decrease in net sales. Performance vastly exceeded expectations because our B2C channel captured the stationery demand that had shifted away from the office mail-order industry.
	Overseas	<ul style="list-style-type: none"> In the Chinese business, net sales and operating income increased despite market stagnation because we stimulated demand by launching more new products. In the Indian business, net sales and profit remained largely unchanged.
2026 outlook	General	<ul style="list-style-type: none"> We will create and nurture audiences for wow-factor stationery* in target countries. We will use common strategies to ensure efficient business operations.
	Japan	<ul style="list-style-type: none"> We will nurture the B2C business while maintaining profit levels in the B2B business. We will research and test study styles.
	Overseas	<ul style="list-style-type: none"> We will implement policies to expand in India and ASEAN. The Chinese business will become more profitable with the launch of writing tool products.

Common strategies



Targeting local demand



India: A new brand to challenge the competition



China: New products performing well

Stationery Business

In 2025, Campus products were stocked in 915 stores (150% of the target figure). In 2026, we will continue to create and nurture audiences for wow-factor stationery by launching a succession of products to go with our “study recipes.”



User response:
Excellent

Consistent value communication to customers

- Instances of media coverage: 367
- TV appearances: 6

- Social media presence: 600,000 impressions, over 2,000 comments

*“Study recipes” are ideas on how students can study effectively. These ideas combine stationery with a study method, involve simple trial and error, and foster self-driven and sustained study.

Choko Ben series: 8 types of stationery, total of 44 SKUs (from Feb 17)



Stationery that first-year students can use as conversational icebreakers (from Feb 17)



Interior Retail Business

In 2025, net sales and operating income improved with progress in the strategies for each business. In 2026, net sales and operating income are likely to improve. While no large contracts are expected to be delivered, profitability will improve with the consolidation of unprofitable stores, improvements to store operation, and growth in the e-commerce and B2B businesses.

(Millions of yen)

	FY2024 result	FY2025 result	YoY change (%, pt)	% of target achieved	FY2026 target	YoY change (%, pt)
Net sales	21,238	23,678	+11.5%	102.9%	24,100	+1.8%
EBITDA	871	1,028	+18.0%	102.8%	1,300	+26.5%
(ratio)	4.1%	4.3%	+0.2pt		5.4%	+1.1pt
Operating income	521	718	+37.7%	89.8%	1,050	+46.2%
(ratio)	2.5%	3.0%	+0.6pt		4.4%	+1.3pt

Interior Retail Business

We will grow the e-commerce business to increase profit growth and use data analytics to improve customer lifetime value. We will win more contracts in the B2B hotel sector to accelerate the transformation of our business portfolio as a whole.

2025
roundup

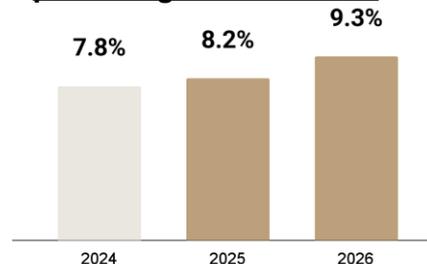
Net sales and operating income increased in each business.

- We succeeded in opening a retail store in the NEWoMan Takanawa shopping complex.
- In the e-commerce business, we added attractive content to the lineup.
- In the B2B business (interior design for hotels and residences), we won large contracts.

2026
outlook

- In the e-commerce business, we will use customer data analytics to gain insights that we can use to improve customer lifetime value, leading to a higher percentage of e-commerce sales.
- In the retail store business, we will improve operations and increase the percentage of private-brand products to increase net sales and improve profitability.
- In the B2B business, we will accelerate efforts related to The Basement Hotel brand and improve Poliform's sales operations to win more contracts.

E-commerce sales as percentage of total sales



Example of a project we delivered in the B2B hotel sector



THE BASEMENT HOTEL
Osaka Honmachi

A popular product in the e-commerce business



Culti Milano, an Italian brand of fragrance diffusers

The B2B residential interior market



Up-market brand Poliform is enhancing sales operations

Reference Materials

Annual Performance

(Millions of yen)

	FY2021 result	FY2022 result	FY2023 result	FY2024 result	FY2025 result	FY2026 target
Net sales	292,617	300,929	328,753	338,837	359,876	390,000
Gross profit	113,526	116,671	127,392	133,424	144,469	160,300
(ratio)	38.8%	38.8%	38.8%	39.4%	40.1%	41.1%
SG&A expenses	93,618	97,543	103,561	110,892	118,222	133,300
(ratio)	32.0%	32.4%	31.5%	32.8%	32.9%	34.2%
Operating income	19,907	19,128	23,830	22,531	26,247	27,000
(ratio)	6.8%	6.4%	7.2%	6.6%	7.3%	6.9%
Ordinary income	16,415	21,161	25,989	24,410	27,222	26,800
(ratio)	5.6%	7.0%	7.9%	7.2%	7.6%	6.9%
Net income attributable to owners of parent	13,703	18,237	19,069	21,787	21,473	20,300
(ratio)	4.7%	6.1%	5.8%	6.4%	6.0%	5.2%
EBITDA	27,220	26,550	32,402	31,493	34,886	37,700
ROE	6.0%	7.8%	7.8%	8.5%	8.4%	>8%

Annual Performance by Segment

(Millions of yen)

		FY2022 result	FY2023 result	FY2024 result	FY2025 result	FY2026 target
Furniture businesses	Net sales	134,886	154,472	162,415	172,196	191,000
	Operating income	16,523	22,458	23,459	26,175	30,700
	(ratio)	12.2%	14.5%	14.4%	15.2%	16.1%
Business supply distribution	Net sales	95,314	97,820	98,935	108,369	118,300
	Operating income	3,269	3,892	4,471	5,463	4,400
	(ratio)	3.4%	4.0%	4.5%	5.0%	3.7%
Stationery businesses	Net sales	78,457	83,899	83,575	83,572	84,900
	Operating income	6,786	6,802	5,993	7,092	7,100
	(ratio)	8.6%	8.1%	7.2%	8.5%	8.4%
Interior retail businesses	Net sales	19,716	20,348	21,238	23,678	24,100
	Operating income	1,087	698	521	718	1,050
	(ratio)	5.5%	3.4%	2.5%	3.0%	4.4%
Other	Net sales	413	438	476	573	1,000
	Operating income	-133	-370	-479	-457	-500
	(ratio)	-	-	-	-	-
Reconciliation	Net sales	-27,857	-28,226	-27,803	-28,514	-29,300
	Operating income	-8,404	-9,651	-11,434	-12,744	-15,750
Total	Net sales	300,929	328,753	338,837	359,876	390,000
	Operating income	19,128	23,830	22,531	26,247	27,000
	(ratio)	6.4%	7.2%	6.6%	7.3%	6.9%

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KOKUYO

Curiosity is Life

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