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January 9, 2026

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

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 Listing: Tokyo
 Securities code: 7516
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors)

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

1. Consolidated financial results for the nine months ended November 30, 2025 (from March 1, 2025 to November 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 30, 2025	391,108	3.3	18,501	(11.0)	17,046	(12.2)	10,907	(6.7)
November 30, 2024	378,729	6.4	20,785	2.0	19,410	1.8	11,691	(9.2)

Note: Comprehensive income For the nine months ended November 30, 2025: ¥11,135 million [(5.3)%]
 For the nine months ended November 30, 2024: ¥11,757 million [(10.4)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 30, 2025	383.58	383.53
November 30, 2024	404.40	404.26

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of November 30, 2025	Millions of yen 513,274	Millions of yen 171,992	% 33.4
February 28, 2025	479,006	165,792	34.6

Reference: Equity

As of November 30, 2025: ¥171,563 million
 As of February 28, 2025: ¥165,792 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended February 28, 2025	Yen –	Yen 50.00	Yen –	Yen 50.00	Yen 100.00
Fiscal year ending February 28, 2026	–	65.00	–		
Fiscal year ending February 28, 2026 (Forecast)				65.00	130.00

Note: Revisions to the cash dividend forecasts most recently announced: No

3. Consolidated earnings forecasts for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	516,600	3.0	21,250	(15.0)	19,800	(15.0)	12,000	(15.6)	422.99

Note: Revisions to the earnings forecasts most recently announced: Yes

For revisions to the consolidated earnings forecasts, please refer to the "Notice Concerning Revisions to Consolidated Earnings Forecasts" announced today (January 9, 2026).

* **Notes**

(1) Significant changes in the scope of consolidation during the period: No

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: No

(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: Yes
- (ii) Changes in accounting policies due to other reasons: No
- (iii) Changes in accounting estimates: No
- (iv) Restatement: No

Note: For details, please refer to the attached materials on page 8 “2. Quarterly consolidated financial statements and significant notes thereto, (3) Notes to quarterly consolidated financial statements, Notes on changes in accounting policies.”

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2025	34,682,113 shares
As of February 28, 2025	34,682,113 shares

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

As of November 30, 2025	6,517,294 shares
As of February 28, 2025	6,007,704 shares

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

Nine months ended November 30, 2025	28,435,647 shares
Nine months ended November 30, 2024	28,910,460 shares

Note: The number of treasury shares at the end of the period and the number of treasury shares excluded from the calculation of the average number of shares outstanding during the period include shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E), as trust assets for the executive officer incentive plan “Employee Share Benefit Trust (J-ESOP)” and the employee incentive plan “Employee Share Benefit Trust (J-ESOP).”

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: No

* Proper use of earnings forecasts, and other special matters

1. Consolidated subsidiary KOHNAN VIETNAM CO., LTD. has the balance sheet date at the end of December, so there is a two-month difference from the consolidated balance sheet date (end of February). For the nine months ended November 30, 2025, the company's quarterly financial statements as of the end of September have been used, with important transactions occurring during the interval between then and the quarterly consolidated balance sheet date (end of November) adjusted as necessary for consolidation.
2. Forward-looking statements in these materials, such as the forecast for financial results, are based on information currently available to the Company and assumptions deemed reasonable. They do not constitute a promise by the Company regarding their achievement. Furthermore, actual performance and so forth may differ considerably due to various factors.

The Company plans to hold financial results briefings for institutional investors on Friday, January 9 and Tuesday, January 13, 2026.

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1. Overview of operating results and others

(1) Overview of operating results for the period under review

During the nine months ended November 30, 2025, the Japanese economy continued to be on a gradual recovery trend due to improvements in the employment and income environment, and other factors. On the other hand, the impact of the new foreign policy and trade policy in the U.S. is filled with uncertainty, and there are concerns about a downturn in overseas economies due to rising geopolitical risks, an increase in tariffs, and other factors. The business environment in the retail industry, which is mainly where the KOHNAN Group (the “Group”) develops its business, continues to be uncertain as it has been affected by deteriorating consumer confidence against a backdrop of rising prices, increasing logistics costs, supply constraints caused by labor shortages, and other factors.

Under these circumstances, the Group announced in April 2025 its Medium-Term Management Plan Part IV covering the period from the fiscal year ending February 28, 2026 to the fiscal year ending February 29, 2028 and is working on various measures to achieve the plan. The final year targets of this plan are net sales of ¥560.0 billion, operating profit of ¥29.0 billion, and profit attributable to owners of parent of ¥16.5 billion. The Group will continue to pursue sales expansion and high profitability while further strengthening its financial position.

As part of these initiatives, the Company acquired 51% of the issued shares of Home Center Mitsuwa Co., Ltd. on October 31, 2025, and newly included the company in the scope of consolidation. For the earnings for the company, the company’s statement of income from November 1, 2025 onward is included in the scope of consolidation.

In the area of store expansion, the Group opened 27 stores and closed two stores during the nine months ended November 30, 2025. In addition, four stores of Home Center in Fukui Prefecture were added as a result of making Home Center Mitsuwa Co., Ltd. a consolidated subsidiary. As a result, the number of stores of the Group as of the end of the quarter under review was brought to 665.

Since the period for the first nine months of KOHNAN VIETNAM CO., LTD. is from January 1, 2025 to September 30, 2025, the number of its stores as of the end of the quarter under review is presented as the number of stores as of September 30, 2025.

Changes in the number of stores (unit: stores)

	Number of stores as of the end of the previous fiscal year	Stores opened	Stores closed	Changes in the scope of consolidation	Number of stores as of the end of the quarter under review
KOHNAN SHOJI CO., LTD.	502	18	(2)	–	518
KEN DEPOT Corporation [Number of franchise stores]	88 [3]	4 [–]	– [–]	– [–]	92 [3]
HOME IMPROVEMENT HIROSE Co., Ltd.	33	2	–	–	35
Home Center Mitsuwa Co., Ltd.	–	–	–	4	4
Total in Japan [Number of franchise stores]	623 [3]	24 [–]	(2) [–]	4 [–]	649 [3]
KOHNAN VIETNAM CO., LTD.	13	3	–	–	16
Total [Number of franchise stores]	636 [3]	27 [–]	(2) [–]	4 [–]	665 [3]

As a result, for the first nine months of the fiscal year under review, operating revenue was ¥391,108 million (up 3.3% year on year), gross profit was ¥139,331 million (up 2.8% year on year), selling, general and administrative expenses were ¥134,006 million (up 5.1% year on year), operating profit was ¥18,501 million (down 11.0% year on year), ordinary profit was ¥17,046 million (down 12.2% year on year), and profit attributable to owners of parent was ¥10,907 million (down 6.7% year on year).

(2) Overview of financial position for the period under review

As of November 30, 2025, total assets stood at ¥513,274 million, up ¥34,267 million from the previous fiscal year-end. This mainly reflected increases of ¥8,642 million in cash and deposits, ¥2,978 million in accounts receivable - trade, and ¥17,044 million in merchandise and finished goods.

As of November 30, 2025, total liabilities were ¥341,282 million, up ¥28,067 million from the previous fiscal year-end. This mainly reflected increases of ¥9,341 million in notes and accounts payable - trade, ¥4,950 million in short-term borrowings, ¥3,353 million in current portion of long-term borrowings, and ¥7,654 million in long-term borrowings.

As of November 30, 2025, net assets stood at ¥171,992 million, and the equity ratio was 33.4%.

(3) Consolidated earnings forecast and other forward-looking statements

The consolidated earnings forecasts for the fiscal year ending February 28, 2026 have been revised from the forecasted figures announced on April 11, 2025, based on recent earnings trends. For details, please refer to the "Notice Concerning Revisions to Consolidated Earnings Forecasts" announced today (January 9, 2026).

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of February 28, 2025	As of November 30, 2025
Assets		
Current assets		
Cash and deposits	10,842	19,485
Accounts receivable - trade	17,893	20,872
Merchandise and finished goods	131,973	149,018
Raw materials and supplies	1,186	1,150
Other	8,649	9,777
Allowance for doubtful accounts	(49)	(52)
Total current assets	170,496	200,250
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	133,171	132,589
Land	51,741	51,943
Leased assets, net	20,546	19,484
Construction in progress	2,548	4,000
Other, net	8,093	9,886
Total property, plant and equipment	216,101	217,905
Intangible assets		
Trademark right	2,412	2,163
Customer-related intangible assets	1,860	1,691
Goodwill	13,288	12,681
Other	7,587	7,544
Total intangible assets	25,148	24,079
Investments and other assets		
Investment securities	4,515	5,473
Guarantee deposits	53,510	55,467
Deferred tax assets	7,532	8,094
Other	1,883	2,162
Allowance for doubtful accounts	(182)	(159)
Total investments and other assets	67,260	71,038
Total non-current assets	308,510	313,023
Total assets	479,006	513,274

(Millions of yen)

	As of February 28, 2025	As of November 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	36,820	–
Notes and accounts payable - trade	–	46,161
Electronically recorded obligations - operating	10,451	11,864
Short-term borrowings	17,100	22,050
Current portion of long-term borrowings	31,178	34,532
Lease liabilities	2,769	3,022
Income taxes payable	4,748	3,088
Contract liabilities	4,124	3,757
Provision for bonuses	2,593	4,072
Provision for bonuses for directors (and other officers)	180	–
Other	13,513	15,870
Total current liabilities	<u>123,480</u>	<u>144,420</u>
Non-current liabilities		
Long-term borrowings	118,774	126,429
Lease liabilities	23,366	22,230
Guarantee deposits received	10,851	10,745
Provision for loss on voluntary recall of goods	455	411
Provision for share awards	1,270	1,529
Provision for retirement benefits for directors (and other officers)	–	95
Retirement benefit liability	361	448
Asset retirement obligations	19,108	19,536
Other	15,544	15,433
Total non-current liabilities	<u>189,734</u>	<u>196,861</u>
Total liabilities	<u>313,214</u>	<u>341,282</u>
Net assets		
Shareholders' equity		
Share capital	17,658	17,658
Capital surplus	17,922	17,922
Retained earnings	152,173	159,697
Treasury shares	(23,033)	(25,010)
Total shareholders' equity	<u>164,722</u>	<u>170,268</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	431	721
Deferred gains or losses on hedges	(130)	(10)
Foreign currency translation adjustment	619	450
Remeasurements of defined benefit plans	149	133
Total accumulated other comprehensive income	<u>1,070</u>	<u>1,294</u>
Non-controlling interests	<u>–</u>	<u>428</u>
Total net assets	<u>165,792</u>	<u>171,992</u>
Total liabilities and net assets	<u>479,006</u>	<u>513,274</u>

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Nine months ended November 30, 2024	Nine months ended November 30, 2025
Net sales	365,958	377,932
Cost of sales	230,397	238,601
Gross profit	135,561	139,331
Operating revenue	12,770	13,175
Selling, general and administrative expenses	127,546	134,006
Operating profit	20,785	18,501
Non-operating income		
Interest income	70	62
Insurance claim income	91	203
Foreign exchange gains	116	322
Gain on investments in silent partnerships	168	168
Income from compensation for damage	171	28
Subsidy income	4	–
Income from fees for business	54	77
Other	301	364
Total non-operating income	978	1,227
Non-operating expenses		
Interest expenses	1,715	2,097
Other	637	584
Total non-operating expenses	2,353	2,682
Ordinary profit	19,410	17,046
Extraordinary income		
Gain on sale of non-current assets	137	–
Gain on cancellation of guaranteed deposits received	9	11
Other	10	–
Total extraordinary income	157	11
Extraordinary losses		
Impairment losses	1,287	429
Loss on disaster	–	132
Loss on retirement of non-current assets	11	24
Loss on sale of non-current assets	22	–
Total extraordinary losses	1,321	585
Profit before income taxes	18,246	16,472
Income taxes - current	7,169	6,520
Income taxes - deferred	(614)	(959)
Total income taxes	6,555	5,561
Profit	11,691	10,910
Profit attributable to non-controlling interests	–	3
Profit attributable to owners of parent	11,691	10,907

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended November 30, 2024	Nine months ended November 30, 2025
Profit	11,691	10,910
Other comprehensive income		
Valuation difference on available-for-sale securities	84	289
Deferred gains or losses on hedges	(11)	119
Foreign currency translation adjustment	3	(168)
Remeasurements of defined benefit plans, net of tax	(8)	(15)
Total other comprehensive income	66	224
Comprehensive income	11,757	11,135
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,757	11,131
Comprehensive income attributable to non-controlling interests	—	3

(3) Notes to quarterly consolidated financial statementsUncertainties of entity's ability to continue as going concern

Not applicable

Notes on changes in accounting policies*Application of the “Accounting Standard for Current Income Taxes,” etc.*

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”), etc. from the beginning of the first quarter of the fiscal year under review.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance of 2022”). This change in accounting policies has no impact on the quarterly consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the first quarter of the fiscal year under review. This change in accounting policies has been applied retrospectively, and is reflected in the quarterly consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

Application of the “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules,” etc.

The Company has applied the “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” (ASBJ Practical Solution No. 46, March 22, 2024), etc. from the beginning of the first quarter of the fiscal year under review. For the nine months ended November 30, 2025, as the Company has applied the treatment in paragraph 7 of the Practical Solution No. 46, the Company does not record current taxes related to the global minimum tax rules.

Notes when there are significant changes in amounts of shareholders' equity

In accordance with the resolution of the Board of Directors meeting held on April 11, 2025, the Company purchased 516,100 treasury shares during the first nine months of the fiscal year under review. As a result, treasury shares during the first nine months of the fiscal year under review increased by ¥1,976 million, including an increase in treasury shares due to requests for the Company to purchase shares less than one share unit and a decrease in treasury shares due to the disposal of treasury shares as restricted stock compensation, and reached ¥25,010 million at the end of the quarter under review.

Notes to quarterly consolidated statements of cash flows

Quarterly consolidated statements of cash flows have not been prepared for the nine months ended November 30, 2025. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended November 30, 2024 and 2025 are as follows.

	(Millions of yen)	
	Nine months ended November 30, 2024	Nine months ended November 30, 2025
Depreciation	11,432	12,216
Amortization of goodwill	1,005	835

Notes on segment information, etc.

[Segment information]

I. Nine months ended November 30, 2024 (from March 1, 2024 to November 30, 2024)

Segment information is omitted since the Group has only one segment, which conducts retail sales, sales of construction materials and so forth, and ancillary business.

II. Nine months ended November 30, 2025 (from March 1, 2025 to November 30, 2025)

Segment information is omitted since the Group has only one segment, which conducts retail sales, sales of construction materials and so forth, and ancillary business.

Additional information*Transactions for issuing shares of the Company to employees, etc. through a trust*

1. Executive officer incentive plan “Employee Share Benefit Trust (J-ESOP)”

In accordance with a resolution of the Board of Directors meeting held on January 11, 2019, the Company has introduced the “Employee Share Benefit Trust (J-ESOP)” plan for executive officers, an executive officer incentive plan that uses shares of the Company from January 25, 2019.

(1) Overview of transactions

In accordance with the Executive Officer Share Benefit Regulations formulated upon introduction of the plan, it is a system for providing shares of the Company to executive officers of the Company who satisfy certain conditions. To acquire shares to be provided in the future beforehand, the Company entrusts money to Custody Bank of Japan, Ltd. (Trust Account E) as a trust asset for the executive officer incentive plan “Employee Share Benefit Trust (J-ESOP)” system, and the trust bank uses the entrusted money as financial funds to acquire the Company’s shares through the trading markets or by receiving the Company’s disposal of treasury shares.

(2) Shares of the Company remaining in the trust

Shares of the Company that remain in the trust are recorded as treasury shares under net assets at their carrying value in the trust (excluding the amount of incidental expenses). The carrying value and number of these treasury shares were ¥28 million and 10,500 shares as of the previous fiscal year-end and ¥22 million and 8,400 shares as of the end of the quarter under review.

(3) Carrying value of borrowings recorded under application of the gross amount method

Not applicable

2. Employee incentive plan “Employee Share Benefit Trust (J-ESOP)”

In accordance with a resolution of the Board of Directors meeting held on July 12, 2021, the Company has introduced the “Employee Share Benefit Trust (J-ESOP),” an incentive plan that provides shares of the Company to employees from July 26, 2021.

(1) Overview of transactions

In accordance with the Employee Officer Share Benefit Regulations formulated upon introduction of the plan, it is a system for providing shares of the Company to employees of the Company who satisfy certain conditions. To acquire shares to be provided in the future beforehand, the Company entrusts money to Custody Bank of Japan, Ltd. (Trust Account E) as a trust asset for the employee incentive plan “Employee Share Benefit Trust (J-ESOP)” system, and the trust bank uses the entrusted money as financial funds to acquire the Company’s shares through the trading markets or by receiving the Company’s disposal of treasury shares.

(2) Shares of the Company remaining in the trust

Shares of the Company that remain in the trust are recorded as treasury shares under net assets at their carrying value in the trust (excluding the amount of incidental expenses). The carrying value and number of

these treasury shares were ¥3,978 million and 936,400 shares as of the previous fiscal year-end and ¥3,974 million and 935,500 shares as of the end of the quarter under review.

(3) Carrying value of borrowings recorded under application of the gross amount method

Not applicable

Notes on significant subsequent events

Business combination through share acquisition

At the Board of Directors meeting held on November 26, 2025, the Company resolved to acquire shares of I'nT Holdings Co., Ltd. to make it a consolidated subsidiary, and on the same date, the Company entered into a share transfer agreement with Ant Bridge No. 5 A Investment Business Limited Partnership. On December 26, 2025, the Company acquired all of the issued shares of I'nT Holdings Co., Ltd. The impact of the share acquisition on the Company's consolidated earnings for the fiscal year ending February 28, 2026 is currently considered to be negligible.

3. Supplementary information

Net sales by product division

Product division	Amount (millions of yen)	Year-on-year change (%)
Home improvement (DIY supplies)	182,971	103.2
Housekeeping (household supplies)	117,211	103.1
Pet and leisure (pet and leisure supplies)	53,555	100.4
Food	12,495	118.5
Other	11,698	105.0
Total	377,932	103.3

(Note) The composition of each product division is as follows.

- (1) Home improvement (Timber, building materials, tools, hardware and plumbing, painting and work supplies, gardening supplies, gardening plants, materials, exteriors, housing equipment, remodeling)
- (2) Housekeeping (Dining supplies, interiors, electrical materials and lighting, daily necessities, storage supplies, chemicals, footwear and clothing, household goods, home appliances, nursing care supplies)
- (3) Pet and leisure (Automotive supplies, pet supplies, stationery and office supplies, cycling and leisure supplies)
- (4) Food (Food, alcoholic beverages)
- (5) Other (100 Yen Shop, books, vending machines, kerosene)