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February 13, 2026

Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (Under Japanese GAAP)



Company name: ITOKI CORPORATION

Listing: Tokyo Stock Exchange

Securities code: 7972

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Scheduled date of annual general meeting of shareholders: March 25, 2026

Scheduled date to commence dividend payments: March 26, 2026

Scheduled date to file annual securities report: March 18, 2026

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for institutional investors and security analysts)

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

1. Consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2025	153,682	11.0	13,685	35.8	13,739	37.3	9,382	30.6
December 31, 2024	138,460	4.1	10,077	18.2	10,004	16.9	7,183	21.6

Note: Comprehensive income For the fiscal year ended December 31, 2025: ¥ 9,837 million [24.8%]
For the fiscal year ended December 31, 2024: ¥ 7,881 million [17.4%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	190.17	-	17.7	10.9	8.9
December 31, 2024	147.02	-	13.8	8.4	7.3

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended December 31, 2025: ¥ - million

For the fiscal year ended December 31, 2024: ¥ - million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2025	130,724	56,813	43.4	1,147.78
December 31, 2024	120,521	49,342	40.9	1,001.13

Reference: Equity

As of December 31, 2025: ¥ 56,709 million

As of December 31, 2024: ¥ 49,259 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2025	8,942	(3,847)	(5,941)	20,820
December 31, 2024	(1,000)	(7,107)	5,905	21,494

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2024	-	0.00	-	55.00	55.00	2,706	37.4	5.0
Fiscal year ended December 31, 2025	-	0.00	-	75.00	75.00	3,705	39.4	7.0
Fiscal year ending December 31, 2026 (Forecast)	-	0.00	-	90.00	90.00		39.7	

Note: Breakdown of the year-end dividend for the fiscal year ended December 31, 2025 :

3. Consolidated financial result forecasts for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	167,500	9.0	16,000	16.9	16,000	16.5	11,200	19.4	226.68

* Notes

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

Newly included: 1 company(AD Technologies Co., Ltd.)

(2) 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: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of December 31, 2025	53,382,850 shares
As of December 31, 2024	53,382,850 shares

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

As of December 31, 2025	3,974,999 shares
As of December 31, 2024	4,178,718 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended December 31, 2025	49,339,956 shares
Fiscal Year ended December 31, 2024	48,857,049 shares

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1. Overview of Operating Results

(1) Overview of Operating Results for the Current Period

a. Overview of overall performance

In the current fiscal year, which is the second year of the Medium-term Management Plan “RISE TO GROWTH 2026,” the Group is implementing various measures based on the key strategy “7 Flags” and the ESG strategy. During the current consolidated accounting period, in order to enhance sustainable growth potential, the Group has worked to further expand sales and profits by proposing new work styles and office spaces that employ them, as well as by deploying sales activities that focus on value enhancement.

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025	Increase/decrease (amount)	Increase/decrease (%)
Net sales	138,460	153,682	15,222	11.0%
Gross profit	55,200	64,812	9,611	17.4%
Selling, general and administrative expenses	45,123	51,126	6,003	13.3%
Operating profit	10,077	13,685	3,607	35.8%
Non-operating income	624	830	205	33.0%
Non-operating expenses	698	777	78	11.3%
Ordinary profit	10,004	13,739	3,734	37.3%
Extraordinary income	1,178	916	△262	△22.3%
Extraordinary losses	1,111	555	△556	△50.0%
Profit before income taxes	10,071	14,099	4,028	40.0%
Total income taxes	2,848	4,699	1,850	65.0%
Net profit	7,223	9,400	2,177	30.1%
Profit attributable to owners of parent	7,183	9,382	2,199	30.6%

(i) Net sales

Net sales were 153,682 million yen, an increase of 15,222 million yen (11.0%) year-on-year. Furthermore, we have achieved increased revenues for four consecutive periods and have reached a record high for net sales.

- The Workplace Business performed well mainly due to renovation projects, office relocations, etc., to fit new hybrid work styles.
- In the Equipment and Public Works-Related Business, revenues increased due to strong performance in equipment for public research facilities, although there were effects of delays in the commencement and completion of construction against the backdrop of soaring costs of materials for equipment for logistics facilities.

(ii) Gross profit

Gross profit was 64,812 million yen, an increase of 9,611 million yen (17.4%) year-on-year.

- In the Workplace Business, profit increased due to an improved profit margin resulting from increased revenues and an improvement in value provided.
- In the Equipment and Public Works-Related Business, despite the effects of decreased revenue for equipment for logistics facilities, etc., profit increased due to increased revenue for equipment for public research facilities and an improved profit margin.

(iii) Selling, general and administrative expenses

In addition to increased personnel expenses resulting from business expansion, strategic expenditures were made as planned for future growth, such as strengthening IT infrastructure to promote DX. As a result, selling, general and administrative expenses were 51,126 million yen, an increase of 6,003 million yen (13.3%) year-on-year.

(iv) Operating profit

As a result of the above, operating profit was 13,685 million yen, an increase of 3,607 million yen (35.8%) year-on-year. Furthermore, we have achieved increased profits for six consecutive periods and have reached a record high profit for three consecutive periods.

- In the Workplace Business, operating profit increased due to an improved profit margin resulting from increased revenues and an improvement in value provided.

- In the Equipment and Public Works-Related Business, operating profit increased due to increased revenue for equipment for public research facilities and an improved profit margin, although there were the effects of delays in the commencement and completion of construction for equipment for logistics facilities.

(v) Non-operating income

Non-operating income was 830 million yen, an increase of 205 million yen (33.0%) year-on-year, mainly due to an increase in insurance claim income.

(vi) Non-operating expenses

Non-operating expenses were 777 million yen, an increase of 78 million yen (11.3%) year-on-year, mainly due to an increase in interest expenses resulting mainly from the impact of rising interest rates.

(vii) Ordinary profit

As a result of the above, ordinary profit was 13,739 million yen, an increase of 3,734 million yen (37.3%) year-on-year.

(viii) Extraordinary income

Extraordinary income was 916 million yen, a decrease of 262 million yen (22.3%) year-on-year, mainly due to the absence of gain on put option's liabilities pertain to non-controlling interests recorded in the previous fiscal year.

(ix) Extraordinary losses

Extraordinary losses were 555 million yen, a decrease of 556 million yen (50.0%) year-on-year, mainly due to the absence of provisions for losses related to competition law recorded in the previous fiscal year.

(x) Profit attributable to owners of parent

As a result of the above, profit attributable to owners of parent was 9,382 million yen, an increase of 2,199 million yen (30.6%) year-on-year. Furthermore, we have achieved increased profits for five consecutive periods and have reached a record high profit for four consecutive periods.

Segment results were as follows.

Name of segment		(Millions of yen)			
		Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025	Increase/decrease (amount)	Increase/decrease (%)
Workplace Business	Net sales	102,261	111,530	9,268	9.1%
	Operating profit	8,047	10,998	2,951	36.7%
Equipment and Public Works- Related Business	Net sales	34,572	40,569	5,997	17.3%
	Operating profit	1,857	2,493	636	34.3%
Reportable segment total	Net sales	136,833	152,100	15,266	11.2%
	Operating profit	9,904	13,492	3,587	36.2%
Other	Net sales	1,626	1,582	△43	△2.7%
	Operating profit	172	193	20	11.8%
Total	Net sales	138,460	153,682	15,222	11.0%
	Operating profit	10,077	13,685	3,607	35.8%

b. Outlook for the next fiscal year

As for the business environment surrounding Itoki, we expect demand for office investment to remain firm from the perspectives of securing human resources and improving productivity against the backdrop of the increasing adoption of human capital management. In this business environment, our Medium-term Management Plan "RISE TO GROWTH 2026" is generally

progressing smoothly at present, and we have achieved the Group’s consolidated net sales target ahead of schedule in the second year of the plan. In the next fiscal year, the last year of the plan, based on the “7 Flags” key strategies, we will continue to further strengthen high value-added proposals in the Workplace Business and enhance the products and services we provide for research facilities, logistics facilities, etc. in the Equipment and Public Works-Related Business, in our efforts to further advancing each of our measures.

On the other hand, uncertainties in the business environment, including demand trends, supply systems, and cost structures, may increase due to factors such as the prolonged depreciation of the yen, soaring raw materials and logistics costs, geopolitical risks, changes in trade policies, and cyber-attacks. In addition to optimizing prices, we will work to strengthen our procurement and supply systems, improve operational efficiency, and ensure thorough risk management. At the same time, we will closely monitor changes in the external environment and respond flexibly as circumstances require to minimize the impact on our business performance.

Profits earned from business growth will be allocated to strategic growth investments and systematically returned to our stakeholders while taking our financial position and the business environment into consideration.

Based on these factors, the consolidated earnings forecast for the fiscal year ending December 31, 2026 is as follows.

Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2026

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
167,500 million yen	16,000 million yen	16,000 million yen	11,200 million yen

(2) Overview of Financial Position for the Current Period

a. Assets, liabilities and net assets

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025	Increase/decrease (amount)	Increase/decrease (%)
Assets	120,521	130,724	10,203	8.5%
Liabilities	71,178	73,910	2,732	3.8%
Net assets	49,342	56,813	7,471	15.1%

(Assets)

Total assets were 130,724 million yen, an increase of 10,203 million yen compared to the end of the previous fiscal year. The increase was due to factors such as increases in notes and accounts receivable - trade, and contract assets, and electronically recorded monetary claims - operating.

(Liabilities)

Liabilities were 73,910 million yen, an increase of 2,732 million yen compared to the end of the previous fiscal year. The increase was due to factors such as an increase in bonds payable.

(Net assets)

Net assets increased by 7,471 million yen from the end of the previous fiscal year to 56,813 million yen due to an increase in retained earnings and others resulting from an increase in profit. The equity ratio was 43.4%, an increase of 2.5 points from the end of the previous fiscal year.

b. Consolidated cash flows

Cash and cash equivalents ('funds') as of December 31, 2025 decreased by 673 million yen compared to the end of the previous fiscal year to 20,820 million yen.

The status of each cash flow and their factors during the fiscal year ended December 31, 2025 are as follows.

(i) Cash flows from operating activities

The increase in funds from operating activities was 8,942 million yen (a decrease of 1,000 million yen in the previous fiscal year), mainly due to increased revenues.

(ii) Cash flows from investing activities

The decrease in funds from investing activities was 3,847 million yen (a decrease of 7,107 million yen in the previous fiscal year), mainly due to expenditure resulting from the introduction of a supply chain management (SCM) system and capital investment in factories.

(iii) Cash flows from financing activities

The decrease in funds from financing activities was 5,941 million yen (an increase of 5,905 million yen in the previous fiscal year), mainly due to the repayment of borrowings.

The Group's cash flow indicators are as follows.

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Equity ratio (%)	40.9	43.4
Equity ratio at market value (%)	67.2	91.8
Cash flows to interest bearing debt ratio (years)	-	4.2
Interest coverage ratio (times)	-	18.7

* The cash flows to interest bearing debt ratio and interest coverage ratio for the fiscal year ended December 31, 2024 are not stated because the cash flows from operating activities was negative.

2. Basic Policy on Selection of Accounting Standards

The ITOKI Group, considering the comparability of consolidated financial statements over time and among companies, plans to continue preparing consolidated financial statements under Japanese standards for the time being.

It is the Group's policy to adopt IFRS as appropriate, taking into account various circumstances in Japan and overseas.

Consolidated Financial Statements and Primary Notes

Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	※ 2 22,482	21,629
Notes and accounts receivable - trade, and contract assets	※ 5 29,277	※ 5 34,474
Electronically recorded monetary claims - operating	5,775	7,289
Merchandise and finished goods	5,332	6,572
Work in process	1,982	2,035
Raw materials and supplies	3,359	4,592
Other	2,607	2,997
Allowance for doubtful accounts	(194)	(186)
Total current assets	70,624	79,406
Non-current assets		
Property, plant and equipment		
Buildings and structures	※ 2 34,079	※ 2 34,588
Accumulated depreciation	(21,941)	(22,130)
Buildings and structures, net	12,138	12,458
Machinery, equipment and vehicles	15,398	16,273
Accumulated depreciation	(12,920)	(13,279)
Machinery, equipment and vehicles, net	2,478	2,994
Land	※ 2 8,413	※ 2 7,950
Leased assets	982	1,021
Accumulated depreciation	(599)	(715)
Leased assets, net	382	306
Construction in progress	349	319
Other	11,287	12,201
Accumulated depreciation	(8,919)	(9,703)
Other, net	2,367	2,497
Total property, plant and equipment	26,130	26,525
Intangible assets		
Goodwill	671	714
Other	4,440	5,359
Total intangible assets	5,111	6,074
Investments and other assets		
Investment securities	※ 1 6,548	※ 1 6,659
Retirement benefit asset	1,809	1,740
Deferred tax assets	1,945	2,370
Other	8,496	8,063
Allowance for doubtful accounts	(144)	(145)
Total investments and other assets	18,654	18,688
Total non-current assets	49,896	51,288
Deferred assets		
Bond issuance costs	-	29
Total deferred assets	-	29
Total assets	120,521	130,724

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	※ ⁵ 8,711	※ ⁵ 9,380
Electronically recorded obligations - operating	1,911	1,962
Notes payable - facilities	16	0
Current portion of bonds payable	14	16
Short-term borrowings	※ ⁴ 21,279	※ ^{2,4} 12,830
Current portion of long-term borrowings	※ ² 8,993	※ ² 6,055
Income taxes payable	2,281	4,141
Accrued consumption taxes	931	1,234
Provision for bonuses	2,763	4,170
Provision for bonuses for directors (and other officers)	234	344
Provision for loss on orders received	3	0
Provision for product warranties	14	16
Provision for loss on business of subsidiaries and associates	84	85
Provision for loss on competition law	※ ⁶ 724	-
Provision for loss on voluntary recall of products	126	82
Other	7,336	9,260
Total current liabilities	55,426	49,580
Non-current liabilities		
Bonds payable	16	5,000
Long-term borrowings	※ ² 6,505	※ ² 10,089
Lease liabilities	726	637
Deferred tax liabilities	341	345
Provision for retirement benefits for directors (and other officers)	71	-
Provision for loss on voluntary recall of products	83	83
Retirement benefit liability	3,821	3,669
Asset retirement obligations	1,343	1,584
Other	2,842	2,921
Total non-current liabilities	15,752	24,330
Total liabilities	71,178	73,910
Net assets		
Shareholders' equity		
Share capital	7,351	7,351
Capital surplus	11,692	11,692
Retained earnings	36,189	42,812
Treasury shares	(8,078)	(7,684)
Total shareholders' equity	47,155	54,171
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,196	1,719
Foreign currency translation adjustment	694	729
Remeasurements of defined benefit plans	213	89
Total accumulated other comprehensive income	2,104	2,537
Non-controlling interests	82	104
Total net assets	49,342	56,813
Total liabilities and net assets	120,521	130,724

Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Net sales	138,460	153,682
Cost of sales	※ 1, ※ 3 83,259	※ 1, ※ 3 88,870
Gross profit	55,200	64,812
Selling, general and administrative expenses	※ 2, ※ 3 45,123	※ 2, ※ 3 51,126
Operating profit	10,077	13,685
Non-operating income		
Interest income	22	37
Dividend income	116	117
Dividend income of insurance	127	165
Insurance claim income	101	236
Other	257	273
Total non-operating income	624	830
Non-operating expenses		
Interest expenses	306	519
Commission expenses	170	129
Other	220	127
Total non-operating expenses	698	777
Ordinary profit	10,004	13,739
Extraordinary income		
Gain on sale of non-current assets	※ 4 540	※ 4 597
Gain on sale of investment securities	※ 5 27	※ 5 221
Gain on put option's liabilities pertain to non-controlling interests	※ 6 578	-
Other	32	96
Total extraordinary income	1,178	916
Extraordinary losses		
Loss on sale of non-current assets	※ 7 1	※ 7 27
Loss on retirement of non-current assets	※ 8 156	※ 8 164
Impairment losses	-	※ 9 259
Loss on valuation of investment securities	59	62
Loss on disaster	20	-
Provision for loss related to competition law	※ 10 728	-
Provision for loss on voluntary recall of products	126	13
Other	18	29
Total extraordinary losses	1,111	555
Profit before income taxes	10,071	14,099
Income taxes - current	2,766	5,190
Income taxes - deferred	82	(491)
Total income taxes	2,848	4,699
Profit	7,223	9,400
Profit attributable to non-controlling interests	39	17
Profit attributable to owners of parent	7,183	9,382

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Profit	7,223	9,400
Other comprehensive income		
Valuation difference on available-for-sale securities	518	522
Foreign currency translation adjustment	59	38
Remeasurements of defined benefit plans, net of tax	80	(124)
Total other comprehensive income	658	437
Comprehensive income	7,881	9,837
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,838	9,816
Comprehensive income attributable to non-controlling interests	43	21

Consolidated Statement of Changes in Equity
For the fiscal year ended December 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,294	9,665	38,617	(111)	53,465
Changes during period					
Issuance of new shares - exercise of share acquisition rights	2,057	2,057			4,115
Dividends of surplus			(1,904)		(1,904)
Profit attributable to owners of parent			7,183		7,183
Purchase of treasury shares				(15,901)	(15,901)
Disposal of treasury shares		(4)		201	197
Cancellation of treasury shares		(7,733)		7,733	-
Transfer from retained earnings to capital surplus		7,706	(7,706)		-
Net changes in items other than shareholders' equity					
Total changes during period	2,057	2,027	(2,428)	(7,966)	(6,310)
Balance at end of period	7,351	11,692	36,189	(8,078)	47,155

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	678	638	132	1,449	45	39	54,999
Changes during period							
Issuance of new shares - exercise of share acquisition rights							4,115
Dividends of surplus							(1,904)
Profit attributable to owners of parent							7,183
Purchase of treasury shares							(15,901)
Disposal of treasury shares							197
Cancellation of treasury shares							-
Transfer from retained earnings to capital surplus							-
Net changes in items other than shareholders' equity	518	55	80	654	(45)	43	653
Total changes during period	518	55	80	654	(45)	43	(5,657)

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at end of period	1,196	694	213	2,104	-	82	49,342

For the fiscal year ended December 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,351	11,692	36,189	(8,078)	47,155
Changes during period					
Dividends of surplus			(2,706)		(2,706)
Profit attributable to owners of parent			9,382		9,382
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(58)		394	335
Change in scope of consolidation			4		4
Transfer from retained earnings to capital surplus		58	(58)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	6,622	393	7,016
Balance at end of period	7,351	11,692	42,812	(7,684)	54,171

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,196	694	213	2,104	82	49,342
Changes during period						
Dividends of surplus						(2,706)
Profit attributable to owners of parent						9,382
Purchase of treasury shares						(0)
Disposal of treasury shares						335
Change in scope of consolidation						4
Transfer from retained earnings to capital surplus						-
Net changes in items other than shareholders' equity	522	34	(124)	433	21	454
Total changes during period	522	34	(124)	433	21	7,471
Balance at end of period	1,719	729	89	2,537	104	56,813

Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	10,071	14,099
Depreciation	2,744	4,036
Amortization of goodwill	363	131
Impairment losses	-	259
Increase (decrease) in allowance for doubtful accounts	(45)	(9)
Increase (decrease) in provision for bonuses	(856)	1,406
Increase (decrease) in provision for bonuses for directors (and other officers)	(86)	109
Increase (decrease) in provision for loss on orders received	3	(2)
Increase (decrease) in retirement benefit liability	(22)	(225)
Decrease (increase) in retirement benefit asset	(34)	37
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(8)	(71)
Increase (decrease) in provision for product warranties	(1)	2
Increase (decrease) in provision for loss on business of subsidiaries and associates	(35)	1
Increase (decrease) in provision for loss related to competition law	728	(734)
Increase (decrease) in provision for loss on voluntary recall of products	126	(43)
Interest and dividend income	(138)	(155)
Interest expenses	306	519
Loss (gain) on sale of investment securities	(25)	(221)
Loss (gain) on sale of non-current assets	(538)	(570)
Loss on retirement of non-current assets	156	164
Gain (loss) on put option's liabilities pertain to non-controlling interests	(578)	-
Decrease (increase) in trade receivables	1,219	(6,636)
Decrease (increase) in inventories	(941)	(2,203)
Increase (decrease) in trade payables	(10,312)	655
Other, net	(1,662)	2,727
Subtotal	429	13,275
Interest and dividends received	162	155
Interest paid	(320)	(477)
Settlement paid	(400)	-
Payment for loss on competition law	-	(734)
Income taxes refund (paid)	(872)	(3,277)
Net cash provided by (used in) operating activities	(1,000)	8,942

(Millions of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Cash flows from investing activities		
Payments into time deposits	(1,392)	(1,270)
Proceeds from withdrawal of time deposits	1,534	1,450
Purchase of property, plant and equipment	(3,146)	(3,749)
Proceeds from sale of property, plant and equipment	586	1,220
Purchase of intangible assets	(2,890)	(2,268)
Purchase of investment securities	(252)	(252)
Proceeds from sale of investment securities	84	466
Net decrease (increase) in short-term loans receivable	29	-
Long-term loan advances	(4)	(283)
Proceeds from collection of long-term loans receivable	0	1
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(928)	-
Net decrease (increase) in insurance funds	(608)	832
Other, net	(119)	5
Net cash provided by (used in) investing activities	(7,107)	(3,847)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	12,797	(8,453)
Proceeds from long-term borrowings	11,161	10,480
Repayments of long-term borrowings	(3,459)	(9,835)
Proceeds from issuance of bonds	-	4,969
Redemption of bonds	(7)	(14)
Net decrease (increase) in treasury shares	(15,901)	(3)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	4,069	-
Dividends paid	(1,901)	(2,704)
Dividends paid to non-controlling interests	(0)	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(360)	-
Other, net	(494)	(381)
Net cash provided by (used in) financing activities	5,905	(5,941)
Effect of exchange rate change on cash and cash equivalents	32	58
Net increase (decrease) in cash and cash equivalents	(2,170)	(787)
Cash and cash equivalents at beginning of period	23,664	21,494
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	113
Cash and cash equivalents at end of period	※ 21,494	※ 20,820

(5) Notes on the Consolidated Financial Statements

(Notes on Assumption of Going Concern)

None.

(Important Matters that Form the Basis for the Preparation of Consolidated Financial Statements)

1. Matters relating to the scope of consolidation

(1) Number of consolidated subsidiaries: 32

Names of principal consolidated subsidiaries

Itoki All Steel Co., Ltd.
Fuji Living Industry Co., Ltd.
Itoki Market Space Inc.
Itoki Toko Manufacturing Co., Ltd.
Itoki Marui Industrial Co., Ltd.
Sanko Facilities Inc.
FMSTAFF Co., Ltd.
Itoki Shared Value Co., Ltd.
Shin Nihon System Technology Corporation
DALTON Corporation
SOUA Co., Ltd.
Tarkus Interiors Pte Ltd
Novo Workstyle Asia Limited
Itoki Systems (Singapore) Pte., Ltd.
ITOKI China Holding Co., Ltd.
17 other companies

From the current fiscal year, AD Technologies Co., Ltd. has been included in the scope of consolidation following its newly establishment.

(2) Number of non-consolidated subsidiaries: 6

Names of principal non-consolidated subsidiaries

Itoki Marketing
5 other companies

Non-consolidated subsidiaries are excluded from the scope of consolidation because they are small in size and their total assets, net sales, net profit or loss (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest) do not have a material impact on the consolidated financial statements.

2. Matters relating to the application of the equity method

Non-consolidated subsidiaries and affiliates not accounted for by the equity method (Itoki Marketing and five other companies) are excluded from the scope of application of the equity method because they have a minimal effect on net profit or loss, retained earnings, etc. and are not significant as a whole.

3. Fiscal year of consolidated subsidiaries

Among the consolidated subsidiaries, DALTON Corporation and six other domestic subsidiaries, as well as Tarkus Interiors Pte Ltd and one other overseas subsidiary, have a fiscal year end of September 30, and their financial statements as of this fiscal year end are used in preparing the consolidated financial statements.

In addition, for Novo Workstyle Asia Limited and seven other overseas subsidiaries with a fiscal year end of December 31, the financial statements based on the provisional closing as of September 30 are used in preparing the consolidated financial statements.

However, adjustments necessary for consolidation have been made for significant transactions occurring between the fiscal year end of the consolidated subsidiaries and the consolidated closing date.

4. Accounting policies

(1) Valuation standards and methods for significant assets

a. Securities

Held-to-maturity bonds

Amortized cost method (straight-line method)

Other securities

Securities other than non-marketable equity securities

Market value method (Unrealized gains and losses are included directly in net assets and the cost of securities sold is calculated using the moving average method)

Non-marketable equity securities

Stated at cost using the moving average method

b. Derivatives

Market value method

c. Inventories

Mainly stated at cost based on the weighted average method (balance sheet values are written down to their book values based on a decline in profitability)

(2) Depreciation and amortization of significant depreciable assets

a. Property, plant and equipment (excluding leased assets)

The declining-balance method is used. However, the straight-line method is used for buildings (excluding building fixtures) acquired on or after April 1, 1998 and for building fixtures and structures acquired on or after April 1, 2016.

Overseas consolidated subsidiaries use the straight-line method.

The main useful lives are as follows.

Buildings and structures: 8-50 years

Machinery, equipment and vehicles: 4-17 years

b. Intangible assets (excluding leased assets)

The straight-line method is used.

Software intended for sale in the market is amortized using the method based on the estimated sales volume (effective period: 3 years), while software for internal use is amortized mainly using the straight-line method based on the estimated internal useful life (5 years).

c. Leased assets

Leased assets are depreciated using the straight-line method over the lease period as the useful life with a residual value of zero.

(3) Accounting policy for significant deferred assets

Bond issuance costs are amortized using the straight-line method over the period until the redemption of bonds.

(4) Accounting for significant allowance

a. Allowance for doubtful accounts

To provide for losses, an allowance for doubtful accounts is provided for the estimated amount of uncollectible receivables based on the historical percentage of bad debts for general receivables and on an individual assessment of collectability for specific receivables such as doubtful receivables.

b. Provision for bonuses

To provide for the payment of bonuses to employees, the estimated amount of bonuses to be paid is recorded.

c. Provision for bonuses for directors (and other officers)

To provide for the payment of bonuses to directors (and other officers), the estimated amount of bonuses to be paid is recorded.

d. Provision for loss on orders received

To provide for future losses on order contracts, an estimated amount of losses starting from the following fiscal year is recorded for those contracts that are expected to incur losses in the future and the amount of such losses can be reasonably estimated at the end of the current fiscal year.

e. Provision for product warranties

To provide for expenses for warranties on products delivered, a provision is made for the amount expected to be incurred in the future.

f. Provision for loss on voluntary recall of products

To provide for losses arising from the voluntary recall, inspection, and replacement of certain products sold by the Company in the past, an allowance is provided for the estimated amount of losses in collection, inspection, etc. to be incurred.

g. Provision for loss on business of subsidiaries and associates

To provide for losses associated with the business of subsidiaries and associates, an allowance is provided for the estimated amount of losses at the end of the current fiscal year, taking into account the financial position of subsidiaries and associates.

(5) Accounting method for retirement benefits

a. Period attribution method for estimated retirement benefits

In calculating retirement benefit obligations, estimated retirement benefits are attributed to the period up to the end of the current fiscal year based on the benefit calculation method.

b. Method of amortizing actuarial gains and losses and past service costs

Actuarial gains and losses are amortized on a straight-line basis over a fixed number of years (10 years) within the average remaining service period of employees at the time the actuarial gains and losses are recognized in expenses from the fiscal year following the year in which they arise each fiscal year.

Past service costs are expensed using the straight-line method over a fixed number of years (10 years) within the average remaining service period of employees at the time the costs are incurred.

c. Adoption of simplified method for small companies, etc.

Certain consolidated subsidiaries apply the simplified method of calculating liabilities for retirement benefits and retirement benefit costs, using a method that treats the end-of-period discretionary payment amount related to retirement benefits as the retirement benefit obligation.

(6) Accounting for significant revenue and expenses

The main performance obligations in the main business activities of the Group related to revenue arising from contracts with customers and the normal point in time at which these obligations are satisfied (the normal point of time at which revenue is recognized) are as follows.

a. Sales of products and merchandise (Workplace Business, Equipment and Public Works-Related Business)

Regarding the sale of products and merchandise, we determine that the performance obligation is satisfied at the point in time when the product or merchandise is delivered based on the sales contract with the customer, and we recognize the amount expected to be received for the product or merchandise.

Furthermore, in accordance with the alternative treatment prescribed in Article 98 of the Application Guidelines for Accounting Standards for Revenue Recognition, revenue from the sale of products or merchandise is recognized at the time of shipment if the period from shipment to the time when control of the product or merchandise is transferred to the customer is the normal period.

b. Sales of products involving installation, as well as installation work and interior construction work (Workplace Business, Equipment and Public Works-Related Business)

For sales of products involving installation, as well as installation work and interior construction work, we have determined that the performance obligation will be satisfied over a certain period of time and we recognize revenue based on the degree of progress in satisfying the performance obligation. As a method of estimating the degree of progress, we apply the ratio of the cost incurred by the end of the consolidated fiscal year to the total estimated construction cost (input method).

Furthermore, in the event that the period from the start date of the contract to the point of time at which it is expected that the performance obligation will be fully satisfied is very short, revenue is not recognized over a certain period of time, but is recognized when the performance obligation is fully satisfied.

(7) Significant hedge accounting methods

a. Hedge accounting method

In principle, deferred hedge accounting is used. Forward exchange contracts that meet the requirements for allocation treatment are accounted for using the allocation method.

b. Hedging instruments and hedged items

Hedging instruments

Forward exchange contracts

Hedged items

Foreign currency denominated trade payables and planned foreign currency transactions

c. Hedging policy

Forward exchange contracts are used to hedge the risk of fluctuations in yen-denominated payments due to exchange rate fluctuations.

d. Methods of assessing the effectiveness of hedging

The effectiveness of hedging is assessed by comparing the cumulative market fluctuations of hedged items and hedging instruments and by the ratio of such fluctuations.

(8) Amortization method and period of goodwill

Goodwill is amortized evenly over a period not exceeding 7 years, based on an estimate of the period over which the investment effect will be realized for each subsidiary investment.

(9) Scope of funds in the consolidated statements of cash flows

The scope of funds in the consolidated statements of cash flows comprise cash on hand, deposits that can be withdrawn at any time and short-term investments with a maturity of three months or less at the date of acquisition that can be easily converted into cash and are exposed to insignificant risk of value fluctuations.

(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 (ASBJ Statement No. 27, October 28, 2022), the Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, October 28, 2022), and the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022) from the beginning of the current fiscal year. The changes in accounting policies have no effect on the consolidated financial statements.

(Application of the Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules)

The Company has applied the Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules (PITF No. 46, March 22, 2024) from the beginning of the current fiscal year. The changes in accounting policies have no effect on the consolidated financial statements.

(Change in Presentation)

(Consolidated Statements of Income)

“Loss on valuation of investment securities,” which was included in “Other” in “Extraordinary losses” in the previous fiscal year, has been independently presented from the current fiscal year because it has exceeded 10/100 of the total amount of extraordinary losses. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, 78 million yen presented in “Other” in “Extraordinary losses” in the consolidated statements of income for the previous fiscal year, has been restated as “Loss on valuation of investment securities” of 59 million yen and “Other” of 18 million yen.

(Consolidated Balance Sheets)

*1. Due to non-consolidated subsidiaries and associates

The main items relating to non-consolidated subsidiaries and associates are as follows.

	Fiscal year ended December 31, 2024 (December 31, 2024)	Fiscal year ended December 31, 2025 (December 31, 2025)
Investment securities (shares)	550 million yen	474 million yen

*2. Assets pledged as collateral

	Fiscal year ended December 31, 2024 (December 31, 2024)	Fiscal year ended December 31, 2025 (December 31, 2025)
Time deposits	100 million yen	- million yen
Property, plant and equipment		
Buildings and structures	1,118	666
Land	1,927	1,455
Total	3,146	2,122

The liabilities corresponding to the above pledged assets are as follows.

	Fiscal year ended December 31, 2024 (December 31, 2024)	Fiscal year ended December 31, 2025 (December 31, 2025)
Short-term borrowings	- million yen	548 million yen
Current portion of long-term borrowings	355	661
Long-term borrowings	821	529

Syndicated term loan agreements

(1) The balance of borrowings under the syndicated term loan agreements entered on March 27, 2020 is as follows.

	Fiscal year ended December 31, 2024 (December 31, 2024)	Fiscal year ended December 31, 2025 (December 31, 2025)
Syndicated term loan agreements	3,000 million yen	- million yen

The following financial covenants have been attached to syndicated term loan agreements. In the event of a breach of such covenants, the Group may be required to repay the relevant interest-bearing liabilities in a lump sum.

a. From the second quarter June 2020 onwards, the amount of net assets on the consolidated balance sheets at the end of each fiscal year and at the end of the second quarter of each fiscal year must be maintained at 75% or more of the amount of net assets stated in the consolidated balance sheets compared with the same period of the previous fiscal year.

b. From the fiscal year ended December 31, 2020 onwards, maintain the amount of net assets on the non-consolidated balance sheets at 75% or more of the amount of net assets on the non-consolidated balance sheets at the end of each fiscal year compared with the same period of the previous fiscal year.

(2) The balance of borrowings under the syndicated term loan agreements entered on September 17, 2024 is as follows.

	Fiscal year ended December 31, 2024 (December 31, 2024)	Fiscal year ended December 31, 2025 (December 31, 2025)
Syndicated term loan agreements	4,400 million yen	2,000 million yen

The following financial covenants have been attached to syndicated term loan agreements. In the event of a breach of such covenants, the Group may be required to repay the relevant interest-bearing liabilities in a lump sum.

a. The total amount of net assets recorded in the consolidated balance sheets as of the end of the fiscal year ended December 31, 2024 and the end of each fiscal year thereafter must be maintained at a level that is not less than the higher of either 75% of the total amount of net assets stated in the consolidated balance sheets as of the end of the fiscal year ended December 31, 2023, or 75% of the total amount of net assets stated in the consolidated balance sheets as of the end of the most recent fiscal year.

b. The ordinary profit or loss recorded in the consolidated statements of income as of the end of the fiscal year ended December

31, 2024 and the end of each fiscal year thereafter shall not be a loss.

(3) The balance of borrowings under the syndicated term loan agreements entered on September 25, 2024 is as follows.

	Fiscal year ended December 31, 2024 (December 31, 2024)	Fiscal year ended December 31, 2025 (December 31, 2025)
Syndicated term loan agreements	4,444 million yen	2,220 million yen

The following financial covenants have been attached to syndicated term loan agreements. In the event of a breach of such covenants, the Group may be required to repay the relevant interest-bearing liabilities in a lump sum.

a. From the fiscal year ended December 31, 2024 onwards, the amount of net assets on the consolidated balance sheets at the end of each fiscal year and at the end of the second quarter of each fiscal year must be maintained at 75% or more of the amount of net assets in the consolidated balance sheets compared with the same period of the previous fiscal year.

b. From the fiscal year ended December 31, 2024 onwards, maintain the amount of net assets on the non-consolidated balance sheets at 75% or more of the amount of net assets on the non-consolidated balance sheets at the end of each fiscal year compared with the same period of the previous fiscal year.

(4) The balance of borrowings under the syndicated term loan agreements entered on March 27, 2025 is as follows.

	Fiscal year ended December 31, 2024 (December 31, 2024)	Fiscal year ended December 31, 2025 (December 31, 2025)
Syndicated term loan agreements	- million yen	4,250 million yen

The following financial covenants have been attached to syndicated term loan agreements. In the event of a breach of such covenants, the Group may be required to repay the relevant interest-bearing liabilities in a lump sum.

a. From the fiscal year ended December 31, 2024 onwards, the amount of net assets on the consolidated balance sheets at the end of each fiscal year and at the end of the second quarter of each fiscal year must be maintained at 75% or more of the amount of net assets in the consolidated balance sheets compared with the same period of the previous fiscal year.

b. From the fiscal year ended December 31, 2024 onwards, maintain the amount of net assets on the non-consolidated balance sheets at 75% or more of the amount of net assets on the non-consolidated balance sheets at the end of each fiscal year compared with the same period of the previous fiscal year.

3. Discounted notes receivable

	Fiscal year ended December 31, 2024 (December 31, 2024)	Fiscal year ended December 31, 2025 (December 31, 2025)
Discounted notes receivable	1,133 million yen	170 million yen

*4. Loan commitment agreements

The Company has entered into loan commitment agreements with 14 financial institutions in order to raise working capital efficiently.

The balances of unexecuted loans based on loan commitment agreements are as follows.

	Fiscal year ended December 31, 2024 (December 31, 2024)	Fiscal year ended December 31, 2025 (December 31, 2025)
Total amount of loan commitments	12,900 million yen	15,000 million yen
Outstanding loan balance	12,900	—
Difference	—	15,000

*5. Notes maturing at the fiscal year-end

Notes maturing at the fiscal year-end are settled on the clearance date of the notes. As the last day of the current fiscal year was a bank holiday, notes maturing on the last day of the current fiscal year are included in the balance at the end of the fiscal year.

	Fiscal year ended December 31, 2024 (December 31, 2024)	Fiscal year ended December 31, 2025 (December 31, 2025)
Notes receivable	8 million yen	40 million yen
Notes payable	6	0

*6. Provision for losses related to competition law

Fiscal year ended December 31, 2024 (December 31, 2024)

Our consolidated subsidiary, Tarkus Interiors Pte Ltd, has been ordered to pay fine of 5,113,918 Singapore dollars for violating competition law by the Competition and Consumer Commission of Singapore on December 20, 2024 (The company received a provisional recognition letter regarding the case from the Competition and Consumer Commission of Singapore on May 23, 2024). As a result, we have recorded 570 million yen (converted at the end-of-period rate of 111.56 yen) in order to prepare for the expected payment of fines.

In addition, in response to receiving administrative guidance (warning) from the Japan Fair Trade Commission, we have recorded 154 million yen to prepare for the payment of the equivalent of the remuneration for the actual work performed in the past to the business operators to which we have outsourced our logistics operations.

(Consolidated Statements of Income)

*1. Cost of sales

- a. The amount of inventories at the end of the fiscal year is after devaluation of the book value due to a decline in profitability, and the following loss on valuation of inventories is included in cost of sales.

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
167 million yen	76 million yen

- b. Provision for (reversal of) allowance for loss on orders received included in cost of sales

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
13 million yen	(5) million yen

*2. Selling, general and administrative expenses

The main expense items and amounts are as follows.

	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
Employee salaries and allowances	17,384 million yen	19,023 million yen
Provision for allowance for bonuses	2,408	3,296
Retirement benefit costs	858	916
Provision for allowance for bonuses for directors (and other officers)	223	332

*3. Research and development expenses included in general and administrative expenses and manufacturing costs

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
2,509 million yen	2,286 million yen

*4. Gain on sale of non-current assets

	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
Machinery, equipment and vehicles	18 million yen	2 million yen
Land	517	584
Other (property, plant and equipment)	3	10
Total	540	597

*5. Gain on sale of investment securities

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

This resulted from the sale of a portion of investment securities (two listed stocks and one unlisted stock) held by the Company.

Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

This resulted from the sale of a portion of investment securities (four listed stocks, two unlisted stocks, and ten other securities) held by the Group.

*6. Gain on put option's liabilities pertain to non-controlling interests

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

At some of the Group's consolidated subsidiaries that apply International Financial Reporting Standards (IFRS), this is due to changes in the fair value of written put options on additional acquisition of shares in consolidated subsidiaries granted to non-

controlling shareholders.

*7. Loss on sale of non-current assets

	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
Buildings and structures	— million yen	24 million yen
Machinery, equipment and vehicles	1	0
Other (property, plant and equipment)	0	2
Total	1	27

*8. Loss on retirement of non-current assets

	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
Buildings and structures	92 million yen	35 million yen
Machinery, equipment and vehicles	0	6
Other (property, plant and equipment)	50	22
Other (intangible assets)	12	20
Removal costs etc. relating to the above	0	79
Total	156	164

*9. Impairment loss

Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

During the current fiscal year, the Group recorded impairment losses on the following asset groups.

Location	Use	Type	Amount
Chuo-ku, Tokyo	Business assets	Buildings	162 million yen
Chuo-ku, Tokyo	Business assets	Tools, furniture and fixtures	96 million yen

As a general rule, the Group groups its assets by the smallest unit that generates independent cash flows.

Following the partial renovation of the Company's head office, these asset groups were written down to their recoverable amounts, and impairment losses were recognized. The recoverable amounts of these asset groups are calculated as zero.

*10. Provisions for losses related to competition law

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

Our consolidated subsidiary, Tarkus Interiors Pte Ltd, has been ordered to pay fine of 5,113,918 Singapore dollars for violating competition law by the Competition and Consumer Commission of Singapore on December 20, 2024 (The company received a provisional recognition letter regarding the case from the Competition and Consumer Commission of Singapore on May 23, 2024). As a result, we have recorded 574 million yen (converted at the average rate during the period of 112.36 yen) in order to prepare for the expected payment of fines.

In addition, in response to receiving administrative guidance (warning) from the Japan Fair Trade Commission, we have recorded 154 million yen to prepare for the payment of the equivalent of the remuneration for the actual work performed in the past to the business operators to which we have outsourced our logistics operations.

(Consolidated Statements of Changes in Equity)

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

1. Type and number of shares issued and type and number of treasury shares

	Fiscal year ended December 31, 2024 Number of shares at the beginning of the year	Fiscal year ended December 31, 2024 Increase in the number of shares	Fiscal year ended December 31, 2024 Decrease in the number of shares	Fiscal year ended December 31, 2024 Number of shares at the end of the year
Issued shares				
Common shares (Notes) 1, 2	45,664,437	11,718,413	4,000,000	53,382,850
Total	45,664,437	11,718,413	4,000,000	53,382,850
Treasury shares				
Common shares (Notes) 3, 4	316,174	7,966,744	4,104,200	4,178,718
Total	316,174	7,966,744	4,104,200	4,178,718

- (Notes) 1. The increase of 11,718,413 common shares is due to the exercise of the first series of share acquisition rights.
2. The decrease of 4,000,000 common shares is due to the cancellation of treasury shares as per a resolution of the Board of Directors on February 13, 2024.
3. The increase of 7,966,744 shares in treasury shares is due to the acquisition of treasury shares as per a resolution of the Board of Directors on February 13, 2024 (7,965,900 shares) and the purchase of shares in response to requests to buy shares in less than a whole unit (844 shares).
4. The decrease of 4,104,200 treasury shares is due to the cancellation of 4,000,000 treasury shares as per a resolution of the Board of Directors on February 13, 2024, and the disposal of 104,200 treasury shares as restricted shares compensation as per a resolution of the Board of Directors on April 23, 2024.

2. Matters relating to share acquisition rights

Company name	Breakdown	Type of targeted shares	Number of targeted shares				Balance at the end of the current fiscal year (Millions of yen)
			Beginning of the current fiscal year	Increase	Decrease	End of the current fiscal year	
Submitting company	First series of share acquisition rights	Common shares	11,718,413	—	11,718,413	—	—
Total			11,718,413	—	11,718,413	—	—

(Note) The decrease of 11,718,413 shares in the number of first series of share acquisition rights is due to the exercise of share acquisition rights.

3. Matters relating to dividends

(1) Dividends paid

(Resolution)	Type of shares	Total dividends (Millions of yen)	Dividend per share (yen)	Record date	Effective date
March 27, 2024 Annual general meeting of shareholders	Common shares	1,904	42	December 31, 2023	March 28, 2024

(2) Dividends with a record date in the current fiscal year but with an effective date in the following fiscal year

(Resolution)	Type of shares	Total dividends (Millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
March 26, 2025 Annual general meeting of shareholders	Common shares	2,706	Retained earnings	55	December 31, 2024	March 27, 2025

Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

1. Type and number of shares issued and type and number of treasury shares

	Fiscal year ended December 31, 2025 Number of shares at the beginning of the year	Fiscal year ended December 31, 2025 Increase in the number of shares	Fiscal year ended December 31, 2025 Decrease in the number of shares	Fiscal year ended December 31, 2025 Number of shares at the end of the year
Issued shares				
Common shares	53,382,850	—	—	53,382,850
Total	53,382,850	—	—	53,382,850
Treasury shares				
Common shares (Notes) 1, 2	4,178,718	281	204,000	3,974,999
Total	4,178,718	281	204,000	3,974,999

(Notes) 1. The increase of 281 shares in treasury shares is due to the purchase of shares in response to requests to buy shares in less than a whole unit (281 shares).

2. The decrease of 204,000 treasury shares is due to the disposal of 204,000 treasury shares as restricted shares compensation as per a resolution of the Board of Directors on April 21, 2025.

2. Matters relating to share acquisition rights

None.

3. Matters relating to dividends

(1) Dividends paid

(Resolution)	Type of shares	Total dividends (Millions of yen)	Dividend per share (yen)	Record date	Effective date
March 26, 2025 Annual general meeting of shareholders	Common shares	2,706	55	December 31, 2024	March 27, 2025

(2) Dividends with a record date in the current fiscal year but with an effective date in the following fiscal year

(Resolution)	Type of shares	Total dividends (Millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
March 25, 2026 Annual general meeting of shareholders	Common shares	3,705	Retained earnings	75	December 31, 2025	March 26, 2026

(Consolidated Statements of Cash Flows)

* Reconciliation between cash and cash equivalents at the end of the year and the amounts shown in the consolidated balance sheets

	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
Cash and deposits	22,482 million yen	21,629 million yen
Time deposits with a term of more than three months	(988)	(808)
Cash and cash equivalents	21,494	20,820

(Segment Information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are constituent units of the Group for which separate financial information is available and which are subject to regular review by the Board of Directors in order to determine the allocation of management resources and evaluate their performance.

The Group formulates comprehensive strategies for the products and services it handles and engages in its business activities under a manufacturing and sales structure by product and service.

Accordingly, the Group comprises product and service segments that take into account similarities in product type and sales market, and has two reportable segments: Workplace Business and Equipment and Public Works-Related Business.

The Workplace Business segment manufactures and sells office desks and chairs, storage furniture, telework furniture, study furniture and other products, and provides office renovation and repair, assembly and construction, office space design and project management services such as office relocations. The Equipment and Public Works-Related Business manufactures and sells logistics equipment, storage cabinets, research equipment and other equipment, and provides services for the environment and space construction of public facilities.

2. Methods of calculating net sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting methods of the reported business segments are generally the same as those described in "Important Matters that Form the Basis for the Preparation of Consolidated Financial Statements."

Intersegment profits and transfers are based on prevailing market prices.

3. Information on amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable segment			Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded on consolidated financial statements (Note) 3
	Workplace Business	Equipment and Public Works- Related Business	Total				
Net sales							
Japan	90,308	34,184	124,493	1,452	125,945	—	125,945
Asia	11,635	234	11,869	—	11,869	—	11,869
Other	317	153	471	—	471	—	471
Earnings from contracts with customers	102,261	34,572	136,833	1,452	138,286	—	138,286
Other earnings	—	—	—	173	173	—	173
Sales to external customers	102,261	34,572	136,833	1,626	138,460	—	138,460
Intersegment sales or transfers	195	27	222	481	703	(703)	—
Total	102,456	34,599	137,056	2,107	139,164	(703)	138,460
Segment profit	8,047	1,857	9,904	172	10,077	—	10,077
Segment assets	65,746	26,912	92,659	2,786	95,445	25,075	120,521
Other items (Note) 4							
Depreciation	2,051	470	2,522	108	2,630	113	2,744
Increase in property, plant and equipment and intangible assets	6,310	867	7,178	123	7,301	305	7,607

(Notes) 1. "Other" is for business segments not included in reportable segments. It includes IT system-related business, etc.

2. Adjustments are as follows.

(1) Adjustments to segment assets of 25,075 million yen include corporate assets that are not allocated to each reportable segment. Corporate assets mainly include the parent company's surplus operating funds (cash and deposits), long-term investment funds (investment securities), and assets related to administrative departments such as the head office building.

- (2) Adjustments in depreciation and increase in property, plant and equipment and intangible assets include corporate assets that are not allocated to each reportable segment.
3. Total segment profit is consistent with operating profit in the consolidated statements of income. Total segment assets correspond to total assets in the consolidated balance sheets.
4. Depreciation and increase in property, plant and equipment and intangible assets include long-term prepaid expenses and their amortization.

Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Millions of yen)

	Reportable segment			Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded on consolidated financial statements (Note) 3
	Workplace Business	Equipment and Public Works- Related Business	Total				
Net sales							
Japan	104,953	40,233	145,186	1,406	146,593	—	146,593
Asia	6,287	132	6,419	—	6,419	—	6,419
Other	289	203	493	—	493	—	493
Earnings from contracts with customers	111,530	40,569	152,100	1,406	153,507	—	153,507
Other earnings	—	—	—	175	175	—	175
Sales to external customers	111,530	40,569	152,100	1,582	153,682	—	153,682
Intersegment sales or transfers	357	7	364	508	872	△872	—
Total	111,887	40,577	152,464	2,090	154,555	△872	153,682
Segment profit	10,998	2,493	13,492	193	13,685	—	13,685
Segment assets	76,012	29,243	105,255	2,722	107,978	22,746	130,724
Other items (Note) 4							
Depreciation	3,206	575	3,781	117	3,899	136	4,036
Increase in property, plant and equipment and intangible assets	5,395	877	6,273	35	6,308	100	6,408

(Notes) 1. “Other” is for business segments not included in reportable segments. It includes IT system-related business, etc.

2. Adjustments are as follows.

- (1) Adjustments to segment assets of 22,746 million yen include corporate assets that are not allocated to each reportable segment. Corporate assets mainly include the parent company’s surplus operating funds (cash and deposits), long-term investment funds (investment securities), and assets related to administrative departments such as the head office building.
- (2) Adjustments in depreciation and increase in property, plant and equipment and intangible assets include corporate assets that are not allocated to each reportable segment.
3. Total segment profit is consistent with operating profit in the consolidated statements of income. Total segment assets correspond to total assets in the consolidated balance sheets.
4. Depreciation and increase in property, plant and equipment and intangible assets include long-term prepaid expenses and their amortization.

[Related information]

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

1. Information by product and service

This information has been omitted because the same information is disclosed in the segment information.

2. Information by region

(1) Net sales

As stated in “3. Information on amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment.”

(2) Property, plant and equipment

Information on property, plant and equipment has been omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment in the consolidated balance sheets.

3. Information by major customer

Description is omitted because there are no external customers whose sales account for more than 10% of the sales in the consolidated statements of income.

Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

1. Information by product and service

This information has been omitted because the same information is disclosed in the segment information.

2. Information by region

(1) Net sales

As stated in “3. Information on amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment.”

(2) Property, plant and equipment

Information on property, plant and equipment has been omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment in the consolidated balance sheets.

3. Information by major customer

Description is omitted because there are no external customers whose sales account for more than 10% of the sales in the consolidated statements of income.

[Information on impairment losses on non-current assets by reportable segment]

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

None.

Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

Impairment losses on non-current assets are recorded for corporate assets that are not allocated to each reportable segment. The amount of impairment losses recorded was 259 million yen.

[Information on amortized amount and unamortized balance of goodwill by reportable segment]

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable segment			Other	Corporate and eliminations	Total
	Workplace Business	Equipment and Public Works-Related Business	Total			
Amortization during the year	333	6	339	23	—	363
Balance at end of year	662	2	665	5	—	671

Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Millions of yen)

	Reportable segment			Other	Corporate and eliminations	Total
	Workplace Business	Equipment and Public Works-Related Business	Total			
Amortization during the year	122	2	125	5	—	131
Balance at end of year	539	175	714	—	—	714

(Related Party Information)

Transactions with related parties

Transactions between the company submitting consolidated financial statements and related parties

(a) Non-consolidated subsidiaries and associates of the company submitting consolidated financial statements

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

None.

Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

None.

(b) Officers and major shareholders (limited to individuals) of the company submitting consolidated financial statements, etc.

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

Type	Name of company, etc. or personal name	Location	Capital or investment (Millions of yen)	Details of business or occupation	Percentage of voting rights, etc. owned (%)	Relationship with related parties	Details of transactions	Transaction amount (Millions of yen)	Account	Balance at end of period (Millions of yen)
Officers and close relatives	Yuriko Yamada	—	—	Spouse of Masamichi Yamada, Representative Director and Chairman of the Company	(Ownership) Direct 0.5	Lease of land	Lease of land (Note 1)	1	—	—
	Riri Co., Ltd. President & Representative Director Yuriko Yamada	Setagaya-ku, Tokyo	1	Asset management company of Yuriko Yamada	0.7	Lease of house	Lease of house (Note 1)	15	Investments and other assets (security deposits)	12
	Fumiko Ito	—	—	Sister-in-law of Masamichi Yamada, Representative Director and Chairman of the Company	(Ownership) Direct 1.5	Lease of land and houses	Lease of land and houses (Note 1)	44	Investments and other assets (security deposits)	34

(Notes) 1. The amount is based on the equivalent price with reference to the land rent in the area and paid in cash.

2. Riri Co., Ltd. is majority owned by a close relative of the Company's Representative Director and Chairman, Masamichi Yamada.

Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

Type	Name of company, etc. or personal name	Location	Capital or investment (Millions of yen)	Details of business or occupation	Percentage of voting rights, etc. owned (%)	Relationship with related parties	Details of transactions	Transaction amount (Millions of yen)	Account	Balance at end of period (Millions of yen)
Officers and close relatives	Yuriko Yamada	—	—	Spouse of Masamichi Yamada, Representative Director and Chairman of the Company	(Ownership) Direct 0.5	Lease of land	Lease of land (Note 1)	1	—	—
	Riri Co., Ltd. President & Representative Director Yuriko Yamada	Setagaya-ku, Tokyo	1	Asset management company of Yuriko Yamada	0.7	Lease of house	Lease of house (Note 1)	15	Investments and other assets (security deposits)	12
	Fumiko Ito	—	—	Sister-in-law of Masamichi Yamada, Representative Director and Chairman of the Company	(Ownership) Direct 1.5	Lease of land and houses	Lease of land and houses (Note 1)	44	Investments and other assets (security deposits)	34

(Notes) 1. The amount is based on the equivalent price with reference to the land rent in the area and paid in cash.

2. Riri Co., Ltd. is majority owned by a close relative of the Company's Representative Director and Chairman, Masamichi Yamada.

(Per Share Information)

	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
Net assets per share (yen)	1,001.13	1,147.78
Net profit per share (yen)	147.02	190.17

(Notes) 1. Diluted net profit per share is not stated because there are no dilutive shares.

2. The basis for calculating net profit per share is as follows.

	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
Net profit per share		
Profit attributable to owners of parent (million yen)	7,183	9,382
Amounts not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common shares (million yen)	7,183	9,382
Average number of common shares during the year (shares)	48,857,049	49,339,956

3. The basis for calculation of net assets per share is as follows.

	Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)
Total net assets (million yen)	49,342	56,813
Amounts deducted from total net assets (million yen)	82	104
(Of which non-controlling interests (million yen))	(82)	(104)
Net assets at the end of the year relating to common shares (million yen)	49,259	56,709
Number of common shares at the end of the year used in the calculation of net assets per share (shares)	49,204,132	49,407,851

(Significant Events After the Reporting Period)

Following the absorption-type merger of Itoki All Steel Co., Ltd., a wholly owned subsidiary of the Company, the Company will integrate the said company's defined benefit corporate pension plan into the Company's plan.

Accordingly, the Company will apply the "Accounting for Transfer between Retirement Benefit Plans" (ASBJ Guidance No. 1, December 16, 2016) and the "Practical Solution on Accounting for Transfer between Retirement Benefit Plans" (PITF No. 2, February 7, 2007) and process the partial termination of the retirement benefit plan for the portion of the transfer to the defined contribution corporate pension plan.

The impact of this transfer on financial position and operating results in the following fiscal year is currently being evaluated.