



FY2/27 Q2

Financial Results Presentation Materials

(March 1, 2026 - August 31, 2026)

October 13, 2026

KOHNAN SHOJI CO., LTD.

(Securities Code: 7516 TSE Prime)



FY2/27 Q2

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FY2/27 Q2

Financial Results Summary

Statements of Income (Consolidated)

- NetSales increased and exceeded plan, driven by higher demand for petroleum-based industrial products and air conditioners and related components, as well as robust demand for summer seasonal products
- Profits at each level increased on the back of NetSales growth and a higher gross profit margin, also exceeding plan

Item (Millions of yen)	FY2/26 Q2	Percentage of sales	FY2/27 Q2	Percentage of sales	YoY	YoY Change	vs. Plan
NetSales	256,297	-	277,820	-	108.4% (Existing stores* : 104.1%)	21,522	103.7%
Operating revenue	8,751	-	9,315	-	106.4%	563	102.4%
Operating Revenues	265,049	-	287,135	-	108.3%	22,086	103.6%
Gross profit (Figures in parentheses indicate YoY change in gross profit margin)	94,705	<Gross profit margin> 36.95%	103,448	<Gross profit margin> 37.24%	109.2% (0.29pt)	8,742	103.4%
Selling, general and administrative expenses	88,754	34.6%	95,101	34.2%	107.2%	6,347	101.0%
Operating income	14,702	5.7%	17,662	6.4%	120.1%	2,959	118.1%
Ordinary Income	13,730	5.4%	16,435	5.9%	119.7%	2,705	117.8%
Profit attributable to owners of parent Interim net income	8,726	3.4%	10,364	3.7%	118.8%	1,637	118.4%

* Stores that have been open for 13 months or more during the current fiscal year are classified as existing stores, and their sales performance is compared with the same period of the previous year.

Statements of Income (Consolidated/Quarterly)

- [Q2] ■ NetSales increased as, although special demand for petroleum-based products subsided, demand for industrial products and air conditioners continued and sales of summer seasonal products were strong
- Profits at each level declined as, although NetSales growth and gross profit margin improvement continued, the increase in SG&A expenses exceeded the increase in gross profit

Item (Unit: Millions of yen)	FY2/27			
	Q1 (Mar-May)	YoY	Q2 (Jun-Aug)	YoY
NetSales	141,601	112.0% (Existing stores* : 107.5%)	136,218	104.9% (Existing stores* : 100.8%)
Operating revenue	4,617	105.7%	4,697	107.2%
Operating Revenues	146,219	111.8%	140,916	105.0%
Gross profit	52,521	112.3%	50,926	106.2%
Gross profit margin	37.09%	0.10pt	37.39%	0.48pt
Selling, general and administrative expenses	46,987	106.7%	48,113	107.6%
Operating income	10,151	142.8%	7,510	98.9%
Ordinary Income	9,770	151.5%	6,665	91.6%
Profit attributable to owners of parent Quarterly net income	6,655	152.2%	3,708	85.2%

* Stores that have been open for 13 months or more during the current fiscal year are classified as existing stores, and their sales performance is compared with the same period of the previous year.

Statements of Income (Consolidated) Selling, General and Administrative Expenses

- SG&A expenses increased, mainly in personnel expenses, commission fees and distribution expenses, and versus plan as well posted a slight increase (101% of plan). However, owing to the significant growth in NetSales, the SG&A ratio declined

SG&A ratio (consolidated): Previous period 34.6% → Current period 34.2% (YoY (0.4) pt)

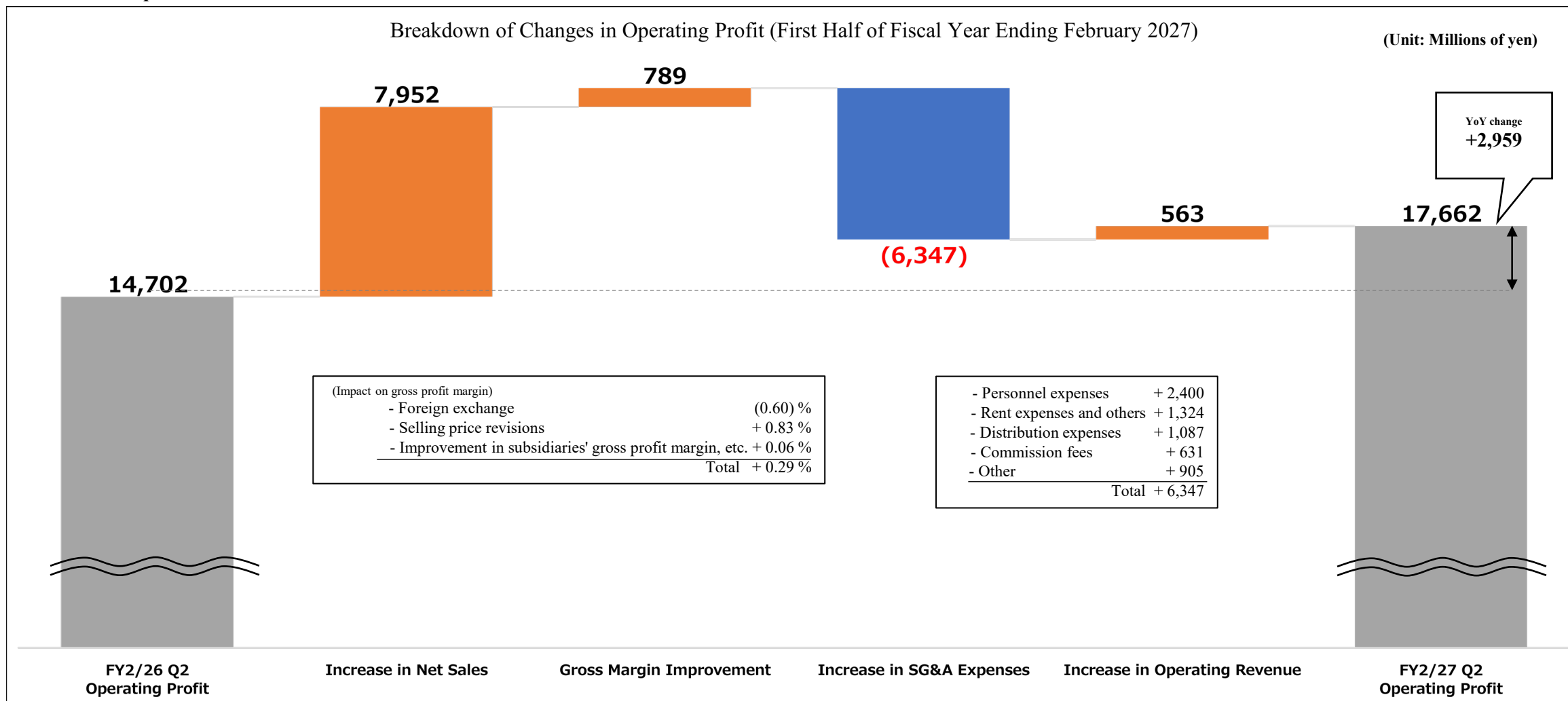
[Reference] Change in SG&A expenses for Kohnan (non-consolidated) (store basis)

Item (Millions of yen)	Change	Of which, new stores	Of which, existing stores
Selling, general and administrative expenses	+2,498	+2,046	+452
Of which, personnel expenses	+1,453	+701	+752
Of which, rent expenses	+655	+599	+56

Item (Millions of yen)	FY2/26 Q2	Percentage of sales	FY2/27 Q2	Percentage of sales	Previous year YoY	YoY Change
Personnel Expenses	30,732	12.0%	33,133	11.9%	107.8%	2,400
Rent expenses	27,588	10.8%	28,385	10.2%	102.9%	796
Depreciation Costs, etc.	8,545	3.3%	9,073	3.3%	106.2%	527
Other SG&A expenses	21,888	8.5%	24,509	8.8%	112.0%	2,621
Of which, utilities expenses	2,908	1.1%	3,053	1.1%	105.0%	145
Of which, commission fee	3,143	1.2%	3,774	1.4%	120.1%	631
Of which, distribution expenses	2,736	1.1%	3,823	1.4%	139.7%	1,087
Total SG&A expenses	88,754	34.6%	95,101	34.2%	107.2%	6,347

Statements of Income (Consolidated) Factors Contributing to Changes in Operating Income

- Operating income increased as NetSales growth, together with the improvement in gross profit margin through selling price control, outweighed the increase in SG&A expenses

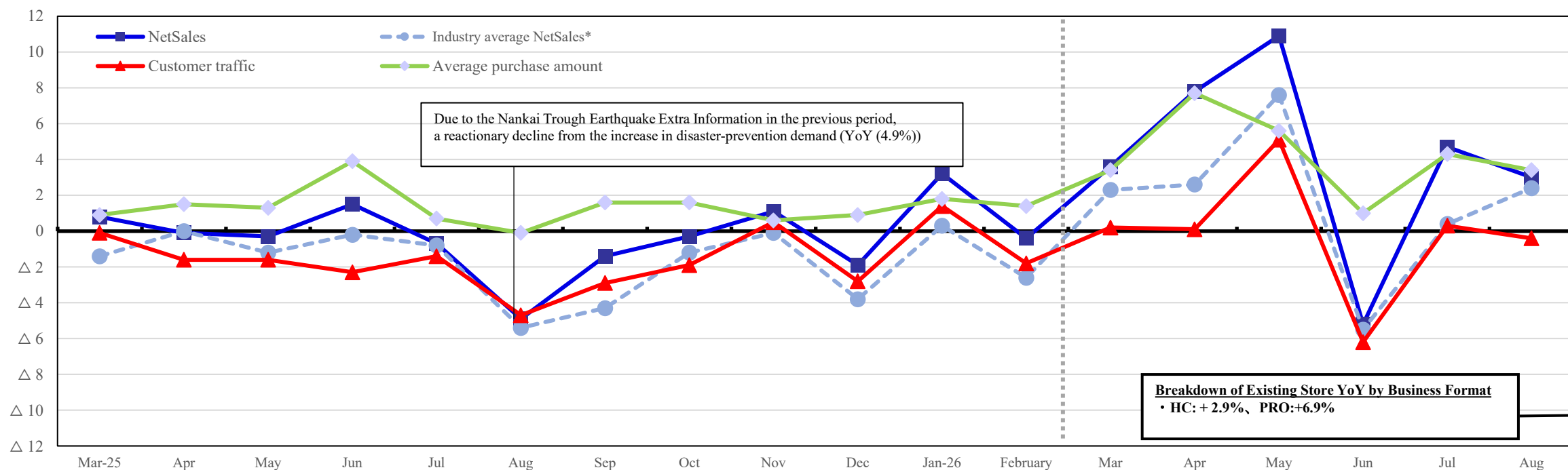


Existing Store YoY (Consolidated) NetSales, Customer Traffic, Average Purchase Amount

- **Existing store NetSales:** Despite the impact of unfavorable weather in June and the reaction to special demand, sales of seasonal products grew on high temperatures, PRO demand remained firm and air conditioner-related demand continued, resulting in existing store NetSales of +4.1%, exceeding the industry average
- **Existing store customer traffic:** Although it fell well below the previous year in June, it recovered from July onward, with existing store customer traffic limited to (0.1%)
- **Existing store average purchase amount:** In addition to higher product prices, increased bulk-buying demand and promotion of larger-volume products lifted the existing store average purchase amount was +4.2%

Q2 Cumulative YoY	
- NetSales	+ 4.1 %
(Industry average* + 1.5 %)	
- Customer traffic	▲ 0.1 %
- Average purchase amount	+ 4.2 %

(Unit: %)



* Industry average is the average existing store NetSales of 9 listed home center companies

Results by Business Format (Sales, Gross Profit Margin, Operating Margin) Consolidated/Kohnan Non-consolidated

- **HC format:** NetSales increased due to higher demand for petroleum-based products and air conditioner-related items, mainly in Q1, as well as growth in sales of summer seasonal products.
The gross profit margin rose through flexible product price control and expanded sales of PB products, and the operating margin also improved
- **PRO format:** NetSales increased significantly on continued robust demand for petroleum-based industrial products, air conditioners and related components. The gross profit margin, with raw material price product pricing adjustments in response to increases and expanded sales of PB products, the gross profit margin rose, and the operating margin also rose

(Unit: Millions of yen)	Business format	FY2/27 Q2	Net Sales YoY	Gross profit margin	Gross profit margin Same period of previous year	Gross profit margin YoY change	Operating margin	Operating margin YoY change
Consolidated	HC*1	182,417	104.7%	38.65%	38.61%	0.04pt	7.2%	0.3pt
	PRO*1	83,657	112.0%	34.03%	33.74%	0.29pt	7.4%	0.6pt
Kohnan (Non-consolidated)	HC*1	170,687	103.5%	39.00%	38.85%	0.15pt	7.7%	0.4pt
	PRO*1	54,672	113.4%	35.10%	35.00%	0.10pt	8.1%	0.5pt

*1 Figures for each business format are at the store level.

<Company total>

(Unit: Millions of yen)		FY2/27 Q2	Net Sales YoY	Gross profit margin	Gross profit margin Same period of previous year	Gross profit margin YoY change	Operating margin	Operating margin YoY change
Consolidated	Company total*2	277,820	108.4%	37.24%	36.95%	0.29pt	6.4%	0.7pt
Kohnan (Non-consolidated)	Company total*2	230,909	105.7%	37.65%	37.46%	0.19pt	7.2%	0.8pt

*2 Company total includes other sales (e-commerce, product supply to other companies, etc.).

Results by Subsidiary (NetSales, Gross Profit Margin)

- **NetSales:** Ken Depot benefited from higher demand for petroleum-based industrial products and air conditioner components as well as sales contributions from new stores, while HOME IMPROVEMENT HIROSE saw demand for petroleum-based daily necessities and air conditioners increase, along with higher earthquake-related demand in the Kumamoto area, resulting in increased sales. In Vietnam, new store sales contributed to the sales increase
- **Gross profit margin:** Ken Depot's margin rose on a higher PB sales composition ratio. At HOME IMPROVEMENT HIROSE, a higher composition of low-margin daily necessities and air conditioners, and high-margin rice the reactionary drop from special demand caused the margin to decline. I'nT Holdings maintained a high gross profit margin

(Unit: Millions of yen)	Main business formats	FY2/27 Q2	NetSales YoY	Gross profit margin	Gross profit margin YoY change	PB sales Percentage of total*
Ken Depot	PRO	29,575	108.3%	31.40%	0.67pt	22.5%
HOME IMPROVEMENT HIROSE	HC, PRO, Food	12,865	103.6%	29.92%	△0.44pt	28.5%
	(of which HC and PRO)	7,951	106.4%	33.63%	△0.58pt	—
Home Center Mitsuwa	HC	2,254	—	27.39%	—	12.6%
KOHNAN VIETNAM	HC	2,320	114.0%	35.96%	0.74pt	15.3%
I'nT Holdings	EC	3,804	—	50.45%	—	—

* The PB sales composition ratio is calculated as the NetSales composition ratio by division excluding renovation, 100-yen shops, food, alcoholic beverages, etc.

Sales by Product Category (Consolidated)

Product division (Unit: Millions of yen)	Consolidated		
	FY2/27 Q2	YoY	Proportion of sales
Home Improvement (DIY Products, PRO Products, Gardening, Renovation)	133,202	107.9%	47.9%
Housekeeping (Household Products)	89,867	112.8%	32.3%
Pet & Leisure (Pet & Leisure Products)	37,261	101.8%	13.4%
Food (Food & Alcoholic Beverages)	8,874	102.5%	3.2%
Other (100-yen Shop, Kerosene, Vending Machines)	8,613	109.2%	3.1%
Total	277,820	108.4%	100.0%

■Home Improvement ... Lumber & Building Materials, Tools, Hardware & Plumbing, Paints & Work Supplies, Gardening Supplies, Garden Plants, Materials & Exterior, Housing Equipment, Renovation

■Housekeeping ... Dining Supplies, Interior Products, Electrical Materials & Lighting, Daily Necessities, Storage Products, Pharmaceuticals, Footwear & Clothing, Household Goods, Home Appliances, Nursing Care Products

■Pet & Leisure ... Automotive Products, Pet Supplies, Stationery & Office Supplies, Cycle & Leisure Products

Sales by Product Category (Details: Kohnan Non-consolidated)

Product category (Unit: Millions of yen)	Kohnan Non-consolidated		
	FY2/27 Q2	YoY	Proportion of sales
Home Improvement (HC)	30,461	105.6%	13.2%
Home Improvement (PRO)	41,974	111.0%	18.2%
Gardening	24,598	104.8%	10.6%
Renovation	8,204	105.4%	3.6%
Daily Sundries & Household Products	49,033	102.7%	21.2%
Interior, Storage, Home Appliances & Stationery	35,074	109.9%	15.2%
Pet, Automotive & Leisure	29,792	100.6%	12.9%
Other (100-yen Shop, Kerosene, Vending Machines)	11,770	105.2%	5.1%
Total	230,909	105.7%	100.0%

■ Home Improvement (HC/PRO) ... Lumber & Building Materials, Tools, Hardware & Plumbing, Paints & Work Supplies

■ Gardening ... Gardening Supplies, Garden Plants, Materials & Exterior

■ Renovation ... Housing Equipment, Renovation Work, Storage Sheds

■ Daily Sundries & Household Products ... Dining Supplies, Daily Necessities, Pharmaceuticals, Footwear & Clothing, Household Goods, Nursing Care Products, Food, Alcoholic Beverages

■ Interior, Storage, Home Appliances & Stationery ... Interior Products, Storage Products, Electrical Materials & Lighting, Home Appliances, Stationery & Office Supplies

■ Pet, Automotive & Leisure ... Pet Supplies, Automotive Products, Cycle & Leisure Products

Private Brand Sales by Product Category (Consolidated/Kohnan Non-consolidated)

	Product category (Unit: Millions of yen)	FY2/26 Q2		FY2/27 Q2		
		PB Net Sales	PB sales Percentage of total*	PB Net Sales	PB sales Percentage of total*	Percentage of total YoY change
Consolidated	Home Improvement (DIY Products, PRO Products, Gardening)	37,541	33.1%	41,906	34.2%	1.1pt
	Housekeeping (Household Products)	27,559	34.9%	29,124	34.1%	△0.8pt
	Pet & Leisure (Pet & Leisure Products)	14,455	40.7%	14,624	40.5%	△0.2pt
	Total	79,556	34.9%	85,655	35.1%	0.2pt
Kohnan Non-consolidated	Home Improvement (DIY Products, PRO Products, Gardening)	32,236	35.8%	35,490	36.6%	0.8pt
	Housekeeping (Household Products)	26,003	37.1%	27,345	36.7%	△0.4pt
	Pet & Leisure (Pet & Leisure Products)	14,036	41.4%	14,131	41.2%	△0.2pt
	Total	72,276	37.2%	76,967	37.4%	0.2pt

* Department NetSales composition ratio is calculated excluding Renovation, 100-yen Shop, Food & Alcoholic Beverages, etc.

Balance Sheet (Consolidated)

Item (Millions of yen)	FY2/26	FY2/27 Q2	Change	Factors for Change, etc.
Total current assets	189,346	199,787	10,440	
Cash and deposits	15,518	16,234	715	
Accounts receivable-trade	18,058	23,141	5,082	Increase in sales and higher cashless payment ratio (Kohnan Non-consolidated: 57.1%)
Merchandise and finished products	145,955	148,487	2,531	Increased due to new store openings, although the margin of increase narrowed further compared with the first quarter
Total noncurrent assets	315,446	340,344	24,897	
Property, plant and equipment	215,952	215,255	(697)	
Intangible assets	28,391	27,228	(1,162)	
Total assets	504,793	540,132	35,338	Increase in investment securities (of which, Valor: 3,000 million yen) Increase in shares of affiliates (of which, Alleanza: 21,957 million yen)
Total current liabilities	142,403	130,378	(12,025)	
Accounts payable-trade	49,962	56,826	6,864	Increase in purchases due to sales growth
Short-term borrowings	28,200	5,100	(23,100)	Adjustment of the long-term/short-term ratio (shift to long-term debt), etc.
Current portion of long-term debt	34,830	36,259	1,429	
Total noncurrent liabilities	188,541	223,870	35,328	
Long-term debt	118,240	154,119	35,879	Procurement of funds related to M&A
Total Equity	173,849	185,883	12,034	Equity ratio 34.3%
Total liabilities and net assets	504,793	540,132	35,338	

Interest-bearing Debt (Consolidated)

- Interest-bearing debt increased due to factors such as new store openings and associated inventory increases, as well as M&A
- D/E Ratio (Interest-bearing debt ÷ Net assets): 1.26x (1.26x at previous fiscal year-end)
- Equity ratio: 34.3 %

(Unit: Hundreds of millions of yen)

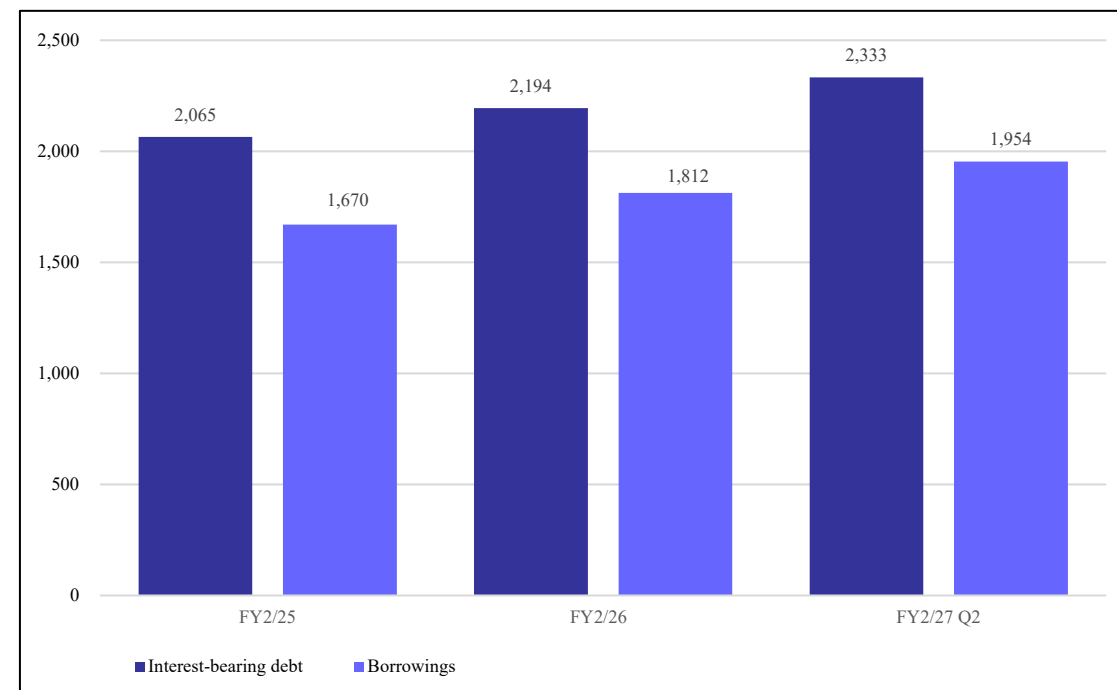
Item	FY2/26 Year-End	FY2/27 Q2	Change
Total Interest-bearing Debt*1	2,194	2,333	139
Of which) Total Borrowings*2	1,812	1,954	142

*1 Total interest-bearing debt: Total borrowings + Lease obligations due within one year + Lease obligations + Long-term payables due within one year + Long-term payables

*2 Total borrowings: Short-term borrowings + Long-term debt + Long-term debt due within one year

Interest-bearing Debt / Borrowings Trend Table

(Unit: Hundreds of millions of yen)

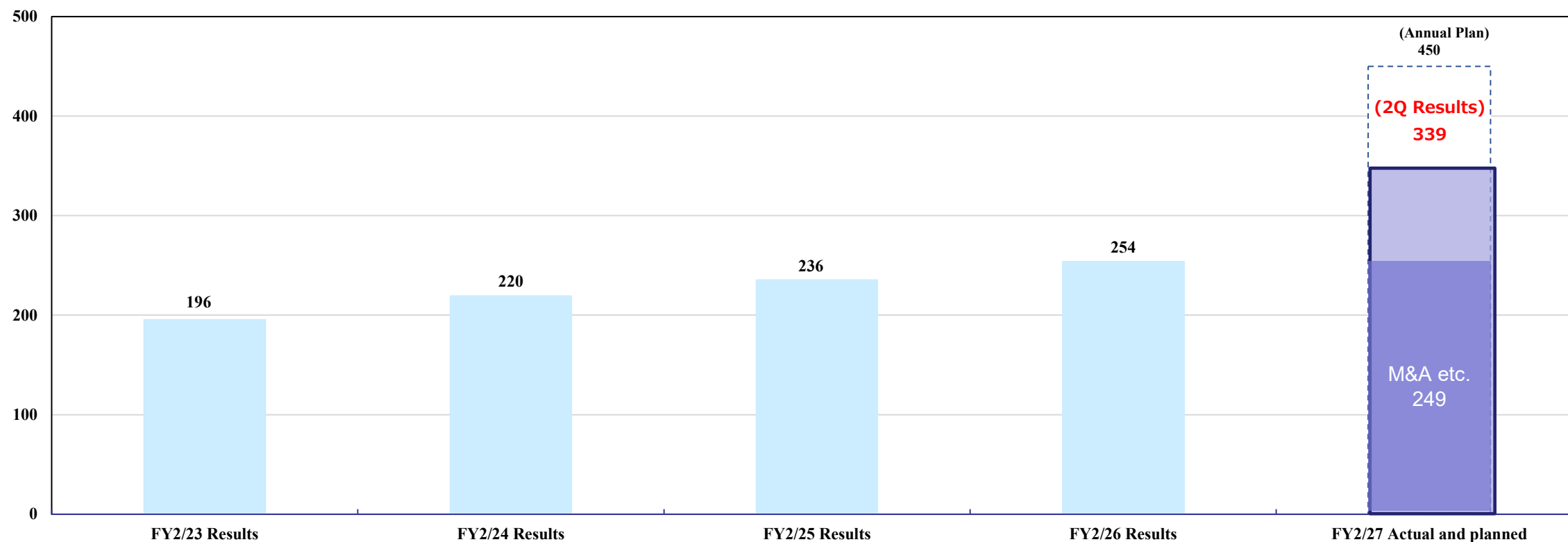


Investment Results and Plans (Consolidated)

- Investment results: approx. 33.9 billion yen (progress against the annual plan: approx. 75.3%)
- The main breakdown consists of approx. 24.9 billion yen in investments in Alleanza Holdings and Valor Holdings, with approx. 90% of the remaining approx. 9.0 billion yen allocated to new store and remodeling costs

Capital Expenditures Results and Plans

(Unit: Hundreds of millions of yen)



2

FY2/27

Results Outlook

FY2/27 Results Outlook (Consolidated)

■ Revision of results outlook: None

Item (Unit: Millions of yen)	FY2/27 Q2 (First Half)	Previous year YoY	vs. Plan	Second Half Plan (Full Year - First Half Results)	Previous year YoY	Full Year Plan	Previous year YoY
Operating Revenues	287,135	108.3%	103.6%	256,364	100.6%	543,500	104.6%
NetSales	277,820	108.4%	103.7%	247,179	100.6%	525,000	104.6%
(Of which Same-store NetSales)	-	104.1%	-	-	-	-	100.6%
Gross profit	103,448	109.2%	103.4%	92,551	101.9%	196,000	105.6% (0.38pt)
Operating revenue	9,315	106.4%	102.4%	9,184	102.4%	18,500	104.4%
Selling, general and administrative expenses	95,101	107.2%	101.0%	96,398	104.7%	191,500	105.9%
Operating income	17,662	120.1%	118.1%	5,337	69.4%	23,000	102.7%
Ordinary Income	16,435	119.7%	117.8%	4,564	65.0%	21,000	101.2%
Profit attributable to owners of parent Net Income	10,364	118.8%	118.4%	2,135	60.4%	12,500	101.9%

3

Initiatives for Growth Strategy

Key Strategies in the 4th Mid-Term Management Plan (FY2/26 - FY2/28)

Positioned as the period for "Building the Foundation for the Future," prioritizing investment for growth

①	Store Opening Strategy	Aggressive Expansion of PRO Format
②	Product & Pricing Strategy	Strengthening Private Brand Product Development Capabilities
③	EC x Store Strategy	Integration of EC and Stores
④	Fan-building Strategy	Over 1.6 Million Kohnan Plus Members
⑤	Logistics Strategy	Promoting Logistics Efficiency and Optimization
⑥	Operations Strategy	Improving Operational Efficiency through Digital Utilization
⑦	Human Capital Management	Growth Support for All Employees

1. Store Opening Strategy (FY2/27 Store Opening Status)

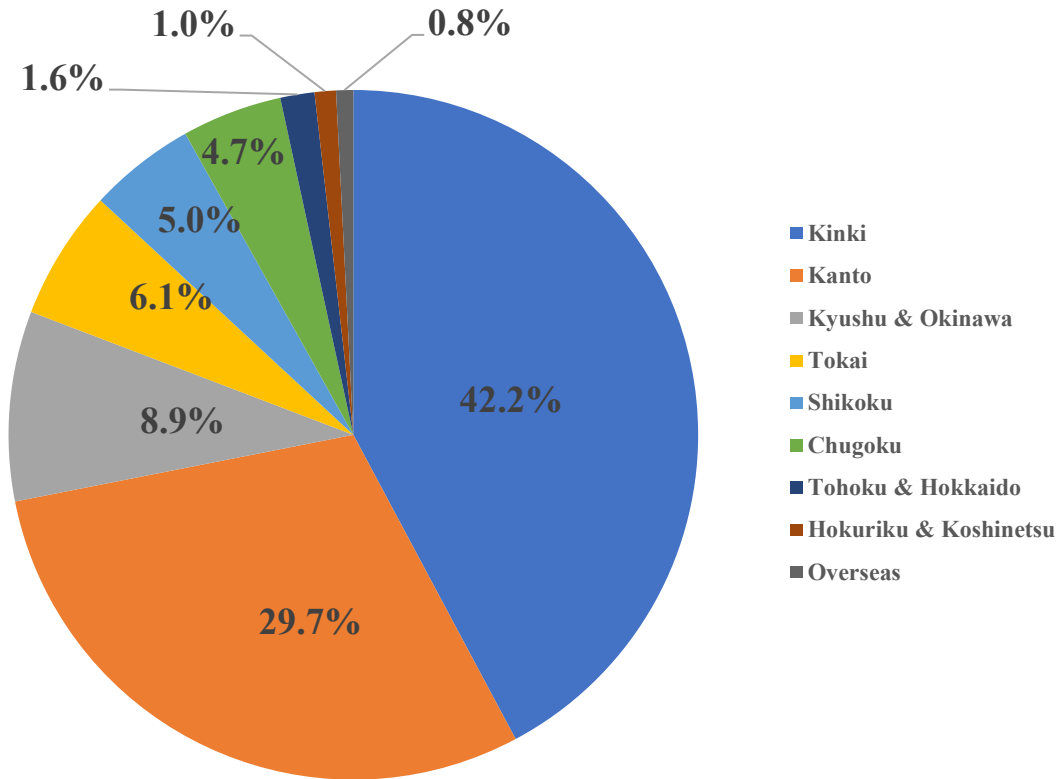
Number of stores		Home center				PRO		Home center Food PRO
				 KOHNAN (CAMBODIA) CO.,LTD.	 KOHNAN VIETNAM CO.,LTD. (Unconsolidated)			
Beginning of period Number of stores	671	366* ¹	4	16* ²	3	154	94 (including 3 FC)	34 (including 3 PRO)
Through Q2 Number of store openings/closures	14 3 closures	4 3 closures	0	0	0	6	4	0
2026 As of the end of August Number of stores	682	367* ¹	4	16* ²	3	160	98 (including 3 FC)	34 (including 3 PRO)
Q3 onward Number of planned store openings	14	2	0	3	0	7	2	0
2027 As of the end of February Planned number of stores	696	369* ¹	4	19* ²	3	167	100 (including 3 FC)	34 (including 3 PRO)

*1 Includes 8 CAMP DEPOT stores and gardens umekita store.

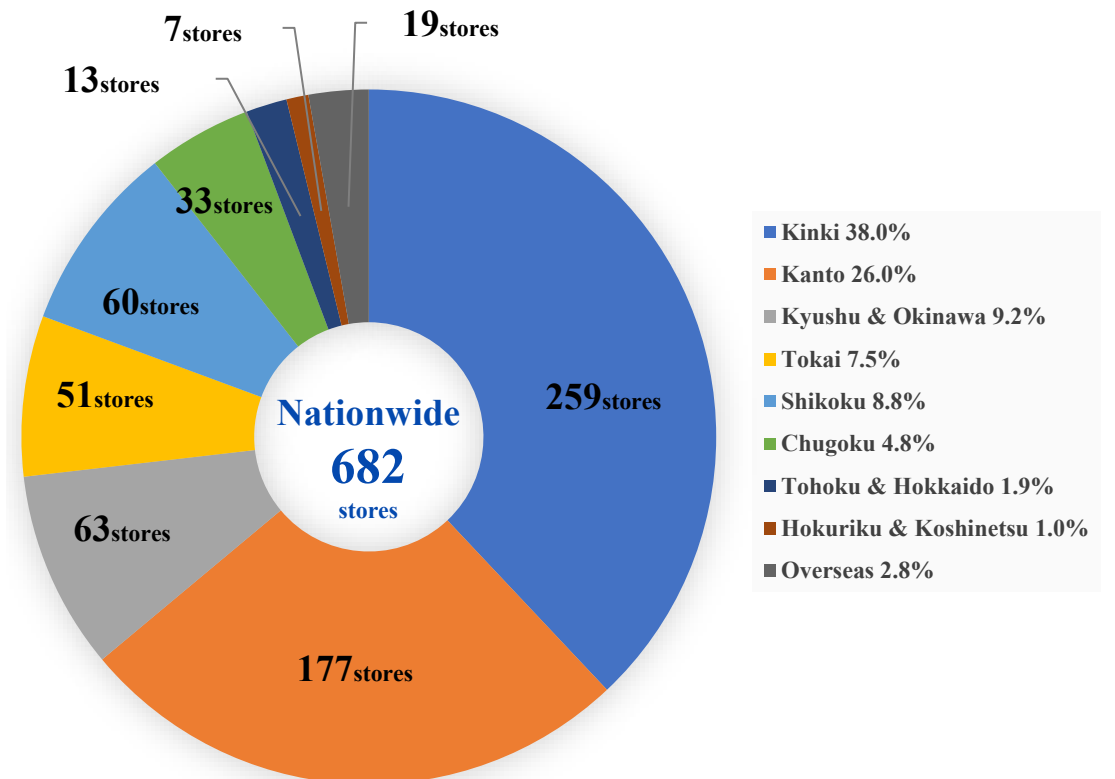
*2 The number of stores represents stores opened during our fiscal year (March-February), not KOHNAN VIETNAM fiscal year (January-December).

1. Store Opening Strategy (NetSales Composition by Region, Number of Stores, Store Composition Ratio)

NetSales Composition by Region
(as of the end of August 2026)



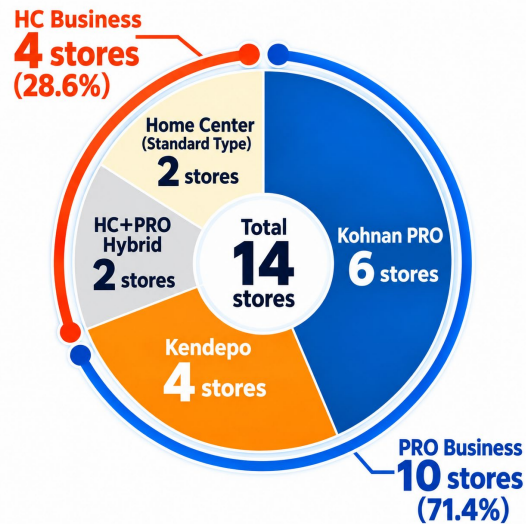
Number of Stores and Store Composition Ratio by Region
(as of the end of August 2026)



1. Store Opening Strategy (Strengthening PRO Format)

Aggressive store expansion centered on the PRO format, a strength of the Kohnan Group

Breakdown by format of stores already opened in FY2/27



- Strengthening dominance in metropolitan areas
- Through store openings in new areas, enhanced brand recognition nationwide

HC + PRO hybrid type



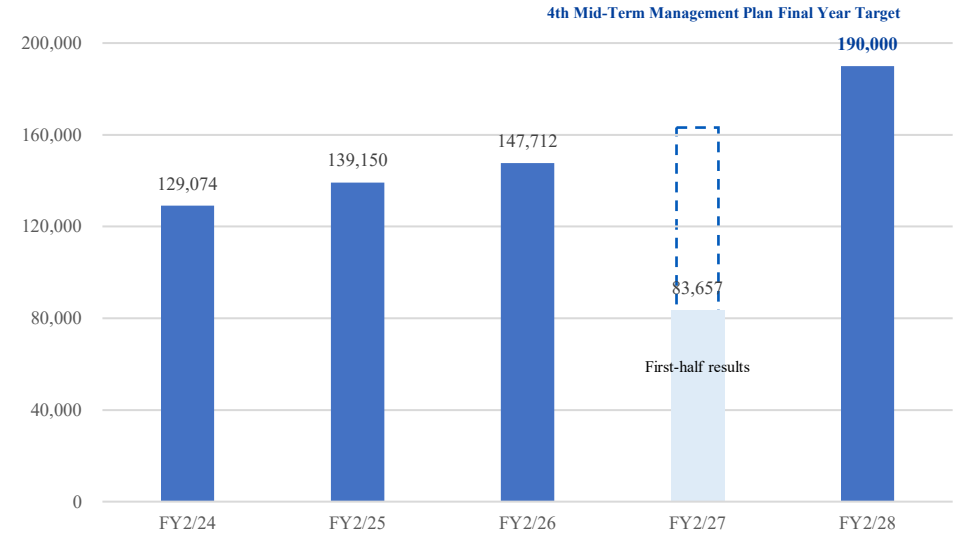
Kohnan Takasago Store
Opening April 2026



Kohnan Odawara Takata Store
Opening July 2026

PRO Format NetSales Trends

(Unit: Millions of yen)



* Experimental store without lumber or large building materials; work supplies, enhanced lineup of safety supplies, tools, electrical materials, and more

Store openings in urban areas

First store in Ishikawa Prefecture

Second store in Okinawa Prefecture

Format conversion from HC

Store openings in new formats



PRO Shimurasakashita Store: Itabashi-ku, Tokyo
Opening March 2026



PRO Shinyoshicho Store: Nagoya City, Aichi Prefecture
Opening May 2026



PRO Kanazawaekinishihonmachi Store
Opening March 2026



PRO Uruma Store
Opening April 2026



PRO Doit Toda Store
Opening June 2026



Ken Depot Omiyakamikocho Store
Opening July 2026

2. Product and Pricing Strategy

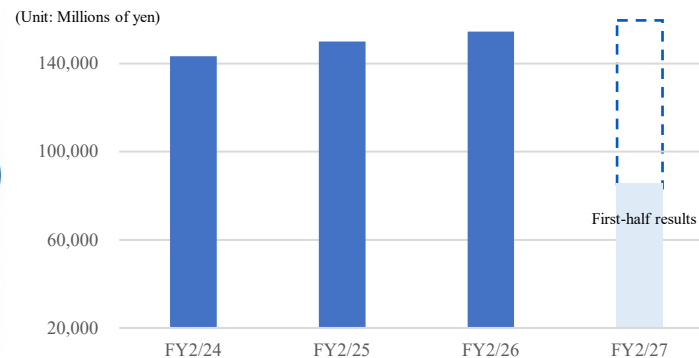
Promoting a differentiation strategy by strengthening PB product development capabilities

PB Product Development Status

Approximately 2,300 SKUs developed



PB Product NetSales Trends



- Continuous product development and product improvement
- Focus on a wide range of categories
- Development of differentiated products reflecting customer requests and employee feedback
- Larger volumes and bulk-value packs offering more affordable unit prices

TVCM Launch

Handy Turbo Fan

- ✓ Enhance recognition for core PB products
- ✓ Suitable for a wide range of scenes with high airflow power

New Product Launch (Feb 2027)

Waterproof Light Usable Underwater

- ✓ High waterproof performance
- ✓ Suitable for disaster prevention and outdoor use

New Product Launch (Feb 2027)

Chair You Can Sit Cross-Legged On

- ✓ Unique and comfortable seating experience
- ✓ From work to personal time

"Visualization of results" (sharing product improvement and product development status internally)

[Example] July results

On the second Friday of every month, shared as a consolidated announcement

Number of requests



365 cases

Thank you for your many valuable opinions!

Number of resolved cases



73 cases

We are making steady progress!

Number of improvements



22 cases

Our products are getting even better!

Other (newly launched products)



13 cases

We are increasing the variety of new products!

3. EC × Store Strategy

Strengthening the EC platform



e-Shop

- Enhanced product pages
- Extensive lineup
- Easy-to-use search



Kohnan Original Videos

- Videos on how to use, choose, and grow
- Clearly communicate product appeal



Columns

- Staff columns
- Tried-It features
- Lifestyle ideas, etc.



Convenient Services

- Super Fast Delivery
- Recurring Purchase
- Easy online renovation, etc.



Store Inventory Check / In-Store Pickup

- Check store inventory online
- Drive store visits through in-store pickup
- Combine the convenience of EC and stores

Expanding awareness through diverse channels



Expanding customer touchpoints and providing multifaceted services



Raise awareness and understanding through EC

Communicate product appeal with rich and varied content



In-store experience and purchase

See products in person and purchase with support from specialized staff



Improve convenience through in-store pickup

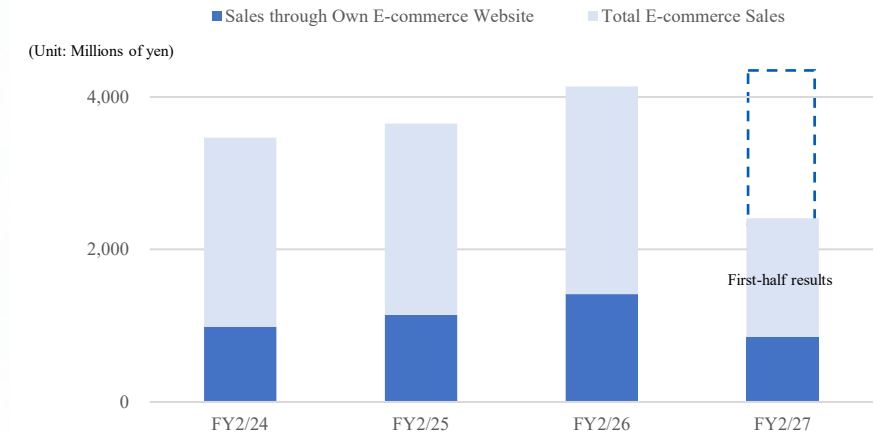
Order online and pick up at stores for a smoother shopping experience



Maximize sales opportunities for PB products

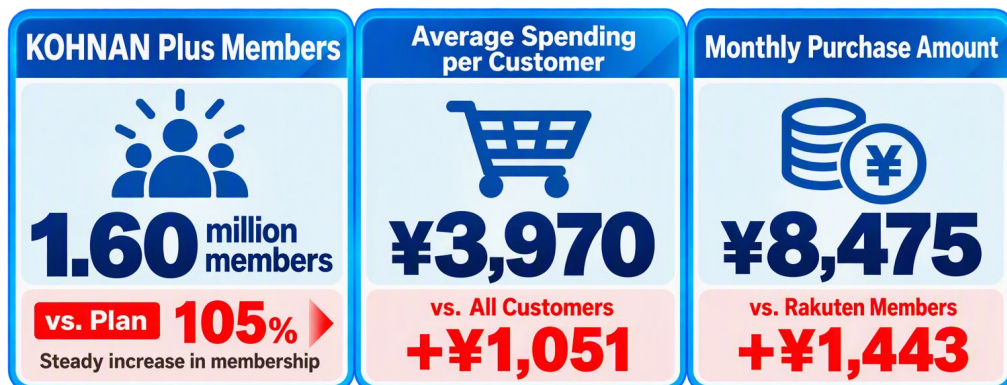
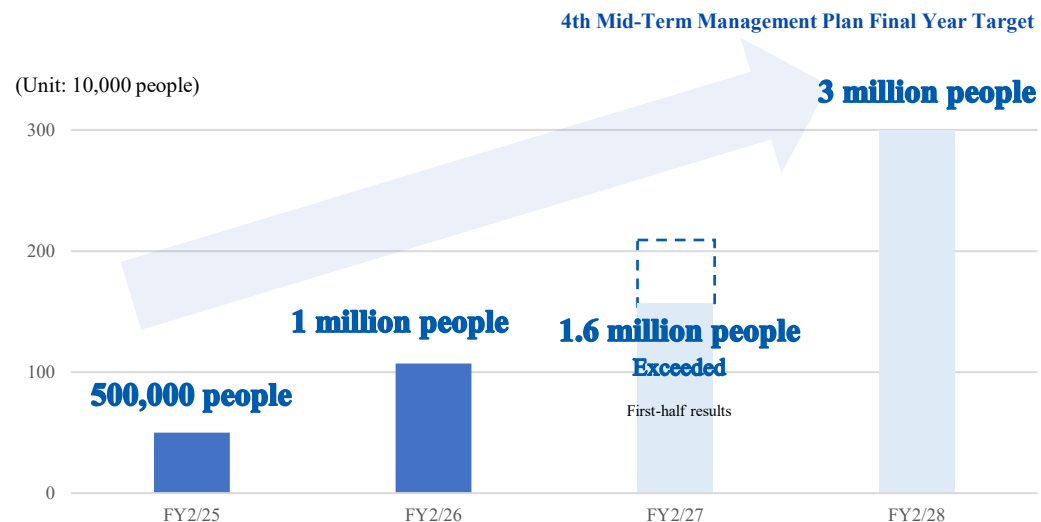
Expand sales and profits through the synergy of EC and stores

FY2/27 Second Quarter Results



4. Fan-Building Strategy

Expanding the customer base by increasing Kohnan Plus membership



Strengthening connections with customers and service provision



Enhanced information delivery tailored to customers' lifestyles

 Pets Enriching life with pets	 Gardening Creating comfortable living spaces with plants	 PRO A trusted partner for construction professionals	 Delivering information tailored to customers' lifestyles Build long-term relationships with our customers
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5. Logistics Strategy

Strengthening competitiveness through optimization and greater efficiency of the logistics network

Promote the reorganization of logistics bases, optimization of logistics operations, and transport and delivery reform to build a sustainable logistics foundation



6. Operations Strategy

Promoting operational efficiency through digital utilization

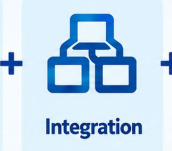
Optimize existing operations by:



System Implementation



Standardization



Integration



Elimination of Waste



Leverage AI to Improve Efficiency



Example Initiatives



Improving Data Analysis Efficiency
Shorten analysis time to enable faster, data-driven decision-making.



Demand Forecasting & Ordering Optimization
Improve accuracy of demand forecasts and optimize ordering.

Strengthening the training system to hone frontline capabilities



Product knowledge study sessions: Home renovation



Launch of the overseas trainee program

7. Human Capital Management

Human resource development and growth support



Implementation of Product Knowledge Training

Educational program for all employees targeting staff and partners



Held monthly



For all employees



Ongoing specialized knowledge training

Mar



Home Renovation

Participants

96 people

Apr



Disaster Prevention & Customer Service

Participants

40 people

May



Electrical Supplies & Home Appliances (Kansai)

Participants

94 people

Jun



Electrical Supplies & Home Appliances (Kanto)

Participants

55 people

Jul



Tools (for new employees)

Participants

80 people

Aug



Tools (for new employees)

Participants

81 people



Company-Wide Employee Participation Training
Aiming to Create KOHNAN Master!

Conduct 12 online quizzes to enhance knowledge and understanding of KOHNAN.



Training Program for New Employees

Includes store visits, on-the-job training, and team building activities to promote collaboration.



Overseas Training Program

Objective

Provide opportunities for young employees to learn overseas store operations, broadening their global perspective and outlook.



Education Programs (Selected Examples)



Mid-Career Employee Onboarding Training



Follow-Up Training



Training Course for Developing Young Store Managers



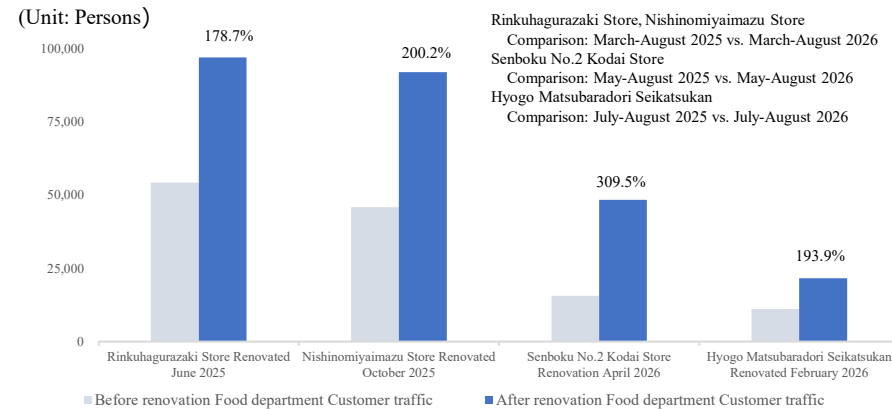
Management Perspective Development Training

8. Food Strategy

Positioning and role of food category enhancement



Results of Foodspot (food category enhancement + frozen/refrigerated)



Customer traffic at target stores increased approximately 10% after the introduction of Foodspot

EC and corporate sales



Polished rice, gifts, osechi (New Year dishes), frozen crab, and more



Premium whisky, wine, osechi, and more

Challenge of developing private-brand food products

Launched in August

Butter peanuts
Value-size peanut variety pack
In-shell peanuts



Disaster stockpiling at logistics warehouses

2L drinking water stockpiled at warehouses in Kansai and Kanto, stockpiled in an amount equivalent to ten 10-ton truckloads each
At the time of the Kumamoto Earthquake, inventory was shipped out from Kansai



Direct from the market: holding morning markets



9. Home Renovation Strategy

FY2/27 Second Quarter Results

Thoroughly apply the "Three Actuals" principle

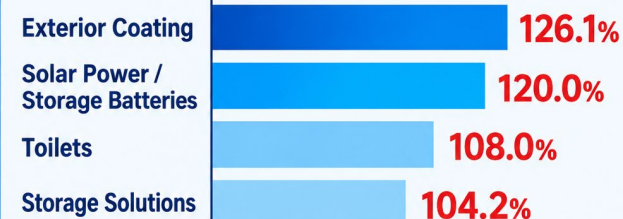
(emphasizing the three "actuals": the actual place, the actual item, and the actual situation) and link it to improvement



Driving the Overall Growth of Popular Categories

Achieving Sustainable Growth through Improved Productivity and Expanded Order Opportunities

Product Strategy – Popular Categories (Sales YoY)



Priority Categories for Future Growth

- ✓ Interior products (use of subsidies, winter demand)
- ✓ Storage solutions (EC popularity, price competitiveness)
- ✓ High value-added housing equipment (unit baths, kitchens, etc.)
- ✓ Corporate projects

Key Initiatives

- ✓ Strengthen event and flyer promotions
- ✓ Promote use of subsidies
- ✓ Propose package products and cross-selling
- ✓ Implement repeat purchase strategies

Digital Strategy – Improving Productivity and Expanding Order Opportunities



Store Strategy – Store Renovation and Event Enhancement

Store Refresh (Renovation)



52 stores implemented (from last period to this period)



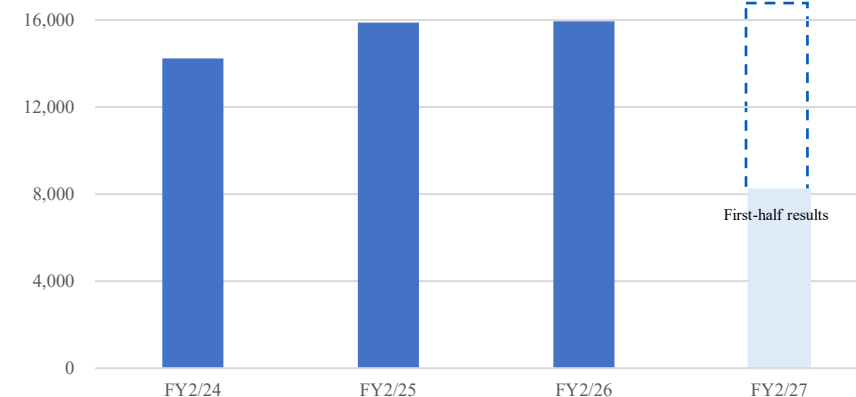
Event Performance (Year-to-date)

▶ Solar power events	1,772 events (YoY 125%)
▶ Exterior painting events	53 events
▶ Consultation events for certified professionals	154 events
▶ Anniversary festivals	110 events
▶ Gas consultation events	10 events
▶ Storage fair events	11 events

Held solar power/storage battery events in September and gas manufacturer events in October

NetSales trends of the home renovation business (Kohnan non-consolidated)

(Unit: Millions of yen)



10. PB Product Supply Strategy

Expanding the growth foundation through PB product supply

PB Product Wholesale Sales Trends

PB Product Supply for Group Companies



Expansion of Supply Destinations



Expansion of PB Product Lineup



Overseas Expansion



Strengthening Group Synergies



September Start of PB Product Supply to Alleanza Holdings

As part of our strategy to create synergies through the application of the equity-method affiliate

- DAIYU EIGHT
- TIME
- Home Center Valor

Approx.
¥5.9 billion

FY2/26 Results

Approx.
¥6.5 billion

FY2/27 Planned

Over
¥10.0 billion in the future

Domestic Supply Partners 15 Companies

Hirasei Homecenter	Nanba Homecenter
Rocky	Hikari Syoji
Kirindo	Big1
Yoshizuya	Others
Drug39	

Expanding Supply Partners

Supplying Products According to Market Needs



DIY Products

- Building materials
- Paint & coatings
- Tools
- Plumbing supplies
- Electrical supplies
- Hardware



Daily Living Products

- Kitchen supplies
- Household goods
- Storage & organization
- Cleaning products
- Laundry supplies
- Seasonal goods



Pet Supplies

- Pet food
- Pet care products
- Pet toys
- Pet accessories



Lifestyle & Others

- Gardening supplies
- Outdoor & leisure
- Bicycle-related products
- Automotive supplies
- Stationery & office supplies
- Gift items

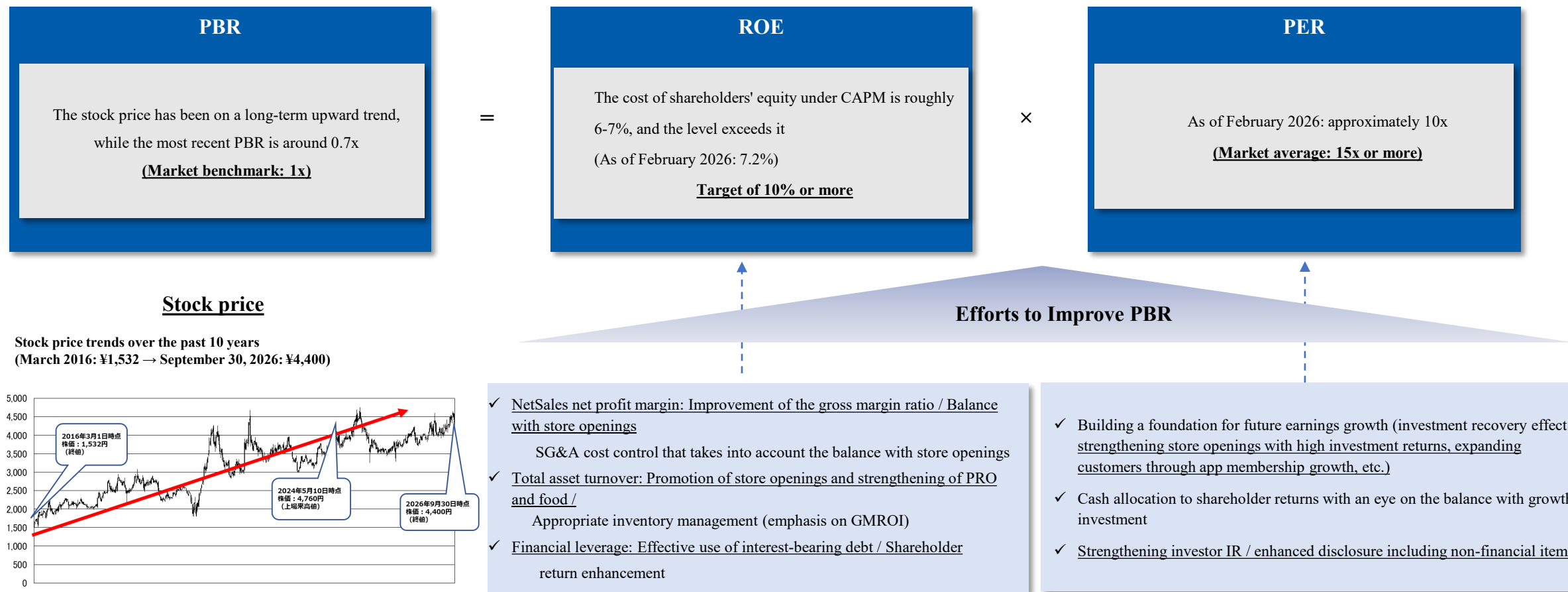
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Efforts to Enhance Corporate Value

Efforts to Enhance Corporate Value

Current Recognition of PBR and Improvement Measures

Although ROE exceeds the industry average, we aim for 10% or more by further enhancing capital efficiency, and we anticipate raising the PER level by having our growth strategy and capital policy recognized by the market, thereby aiming for further improvement in PBR



Shareholder Returns: Basic Policy and Plan for the Current Fiscal Year

- We recognize shareholder returns as an important management issue and will return profits to shareholders under the following policy

■Basic Policy

- We position the return of profits to shareholders as one of our important management measures, and while comprehensively assessing the earnings outlook, investment in business while comprehensively assessing investment, financial soundness and other factors, we will provide stable dividends over the long term
- We will also consider the acquisition of treasury shares as appropriate, in line with business performance, share price levels and other factors

<Target> During the 4th Mid-Term Management Plan period (2025-2027)

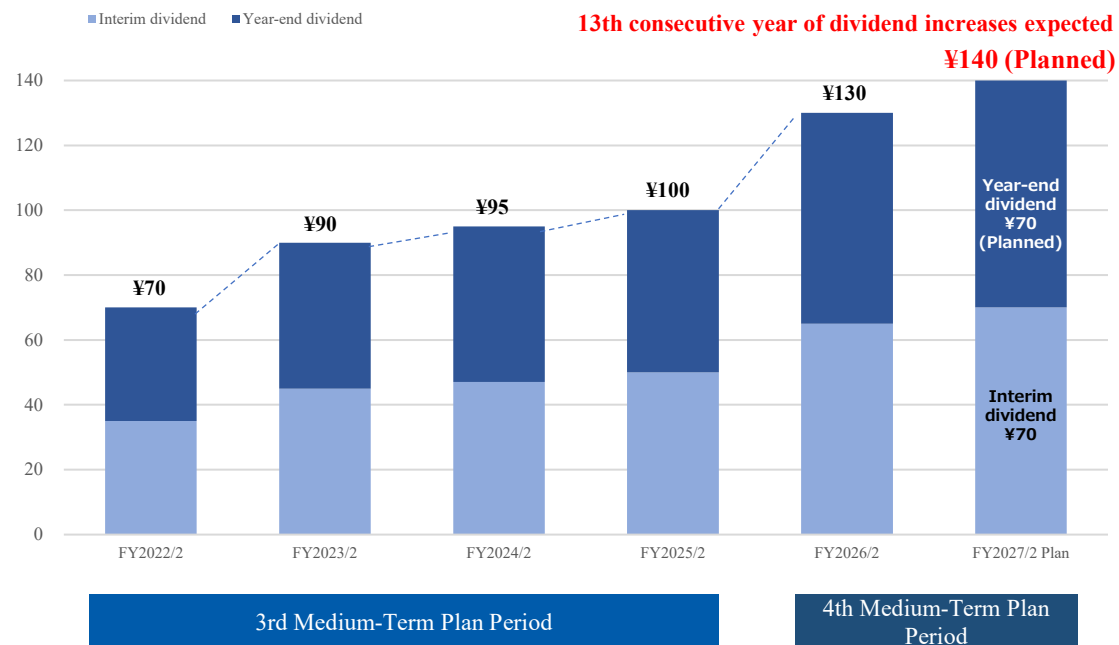
- Total payout ratio: 40% or more
- Progressive dividends

<FY ending February 2027 (Planned)>

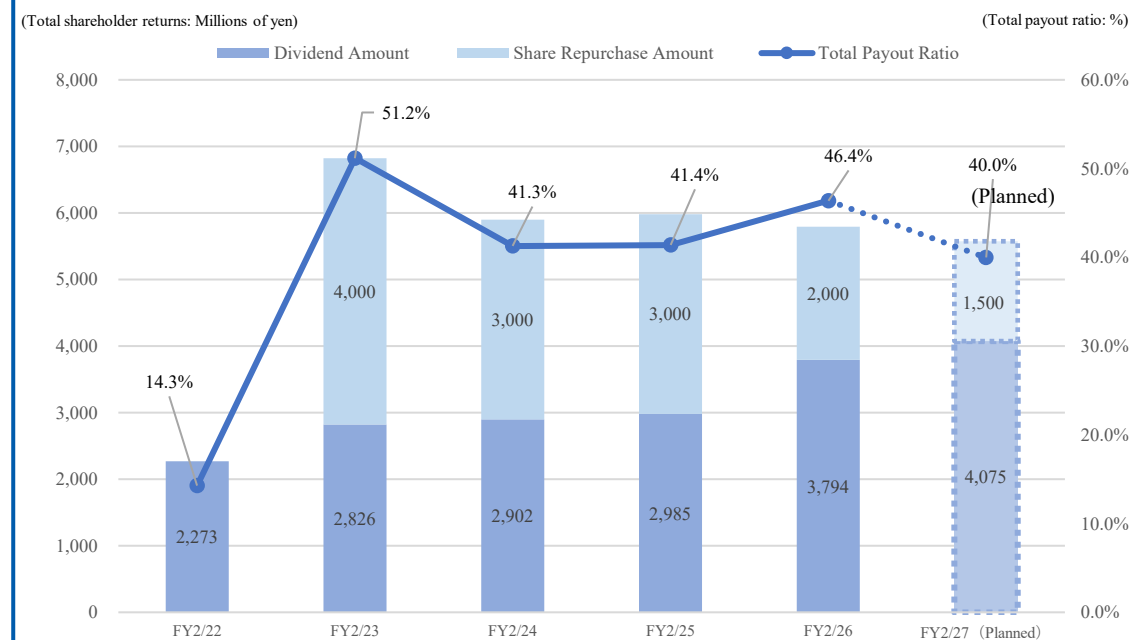
- Dividend: ¥140 per share per year (+¥10 vs. the previous year's result)
- Treasury share buyback: ¥1.5 billion in total - October 14, 2026 to February 28, 2027

Policy on Distributing Profits to Shareholders

Dividend per Share: Actual Results and Plan



Total Payout Ratio: Actual Results and Plan





FY2/27 Q2

Supplementary Materials

(Q2 of the fiscal year ended February 2025 - Q2 of the fiscal year ending February 2027)

01. Consolidated Statements of Income

Item (Unit: Millions of yen)	FY2/25 Q2			FY2/26 Q2			FY2/27 Q2		
	Results	YoY	Percentage of sales	Results	YoY	Percentage of sales	Results	YoY	Percentage of sales
NetSales	248,190	107.9% (Existing stores* : 102.7%)	-	256,297	103.3% (Existing stores* : 99.3%)	-	277,820	108.4% (Existing stores*: 104.1%)	-
Operating revenue	8,421	104.0%	-	8,751	103.9%	-	9,315	106.4%	-
Operating Revenues	256,612	107.7%	-	265,049	103.3%	-	287,135	108.3%	-
Gross profit	91,975	105.9%	37.06%	94,705	103.0%	36.95%	103,448	109.2%	37.24%
Selling, general and administrative expenses	84,493	106.5%	34.0%	88,754	105.0%	34.6%	95,101	107.2%	34.2%
Operating income	15,904	101.8%	6.4%	14,702	92.4%	5.7%	17,662	120.1%	6.4%
Non-operating income/expenses	(516)	-	-	(971)	-	-	(1,226)	-	-
Ordinary Income	15,388	102.9%	6.2%	13,730	89.2%	5.4%	16,435	119.7%	5.9%
Extraordinary gain/loss	(1,152)	-	-	(566)	-	-	(901)	-	-
Profit attributable to owners of parent Quarterly net income	9,225	90.0%	3.7%	8,726	94.6%	3.4%	10,364	118.8%	3.7%

* Stores that have been open for 13 months or more in each period are classified as existing stores, and their sales performance is compared with the same period of the previous year.

02. Selling, General and Administrative Expenses (Consolidated), etc.

Item (Unit: Millions of yen)	FY2/25 Q2			FY2/26 Q2			FY2/27 Q2		
	Results	YoY*	Percentage of sales	Results	YoY	Percentage of sales	Results	YoY	Percentage of sales
Personnel Expenses	29,008	107.1%	11.7%	30,732	105.9%	12.0%	33,133	107.8%	11.9%
Rent expenses	26,334	104.6%	10.6%	27,588	104.8%	10.8%	28,385	102.9%	10.2%
Depreciation (including goodwill amortization)	8,208	107.9%	3.3%	8,545	104.1%	3.3%	9,073	106.2%	3.3%
Other SG&A expenses	20,941	107.6%	8.4%	21,888	104.5%	8.5%	24,509	112.0%	8.8%
Total	84,493	106.5%	34.0%	88,754	105.0%	34.6%	95,101	107.2%	34.2%

Item (Unit: Millions of yen)	FY2/25 Q2		FY2/26 Q2		FY2/27 Q2	
	Results	YoY	Results	YoY	Results	YoY
Equity Ratio	33.9%	0.1pt	34.6%	0.7pt	34.3%	△0.3pt
Interest-bearing debt	198,962	102.1%	207,287	104.2%	233,326	112.6%
D/E Ratio	1.23x	-	1.21x	-	1.26x	-

03. Consolidated Balance Sheets

Item (Millions of yen)	FY2/25	Change	FY2/26	Change	FY2/27 Q2	Change
Total current assets	170,496	11,040	189,346	18,850	199,787	10,440
Cash and deposits	10,842	(881)	15,518	4,676	16,234	715
Accounts receivable-trade	17,893	2,094	18,058	164	23,141	5,082
Merchandise and finished products	131,973	10,215	145,955	13,981	148,487	2,531
Total noncurrent assets	308,510	9,408	315,446	6,936	340,344	24,897
Property, plant and equipment	216,101	9,314	215,952	(148)	215,255	(697)
Intangible assets	25,148	(1,711)	28,391	3,242	27,228	(1,162)
Total assets	479,006	20,449	504,793	25,786	540,132	35,338

Total current liabilities	123,480	(1,551)	142,403	18,923	130,378	(12,025)
Accounts payable-trade	47,272	2,448	49,962	2,690	56,826	6,864
Short-term borrowings	17,100	(6,900)	28,200	11,100	5,100	(23,100)
Current portion of long-term debt	31,178	3,504	34,830	3,651	36,259	1,429
Total noncurrent liabilities	189,734	13,466	188,541	(1,192)	223,870	35,328
Long-term debt	118,774	10,636	118,240	(534)	154,119	35,879
Total Equity	165,792	8,534	173,849	8,056	185,883	12,034
Total liabilities and net assets	479,006	20,449	504,793	25,786	540,132	35,338

04. NetSales by Product Category (Consolidated/Kohnan Non-consolidated)

Consolidated

Product category (Unit: Millions of yen)	FY2/25 Q2		FY2/26 Q2		FY2/27 Q2	
	NetSales	YoY	Net Sales	YoY	Net Sales	YoY
Home Improvement (DIY Products, PRO Products, Gardening)	119,100	106.4%	123,462	103.7%	133,202	107.9%
Housekeeping (Household Products)	77,875	108.4%	79,676	102.3%	89,867	112.8%
Pet & Leisure (Pet & Leisure Products)	36,482	105.4%	36,615	100.4%	37,261	101.8%
Food (Food & Alcoholic Beverages)	7,261	150.5%	8,655	119.2%	8,874	102.5%
Other (100-yen shops, kerosene, vending machines, etc.)	7,469	109.5%	7,886	105.6%	8,613	109.2%
Total	248,190	107.9%	256,297	103.3%	277,820	108.4%

Kohnan Non-consolidated

Product division (Unit: Millions of yen)	FY2/25 Q2			FY2/26 Q2			FY2/27 Q2		
	Net Sales	YoY	Gross profit margin	Operating revenues	YoY	Gross profit margin	Net Sales	YoY	Gross profit margin
Home Improvement	94,310	105.1%	38.79%	97,920	103.8%	38.68%	105,239	107.5%	38.79%
Housekeeping	72,291	106.3%	36.33%	74,605	103.2%	36.13%	78,873	105.7%	36.25%
Pet & Leisure	34,548	102.8%	41.16%	34,685	100.4%	40.96%	35,025	101.0%	41.68%
Other	10,545	112.7%	24.54%	11,189	106.1%	24.83%	11,770	105.2%	24.95%
Total	211,695	105.5%	37.63%	218,400	103.2%	37.46%	230,909	105.7%	37.65%

05. Private Brand NetSales by Product Category (Consolidated/Kohnan Non-consolidated)

Consolidated

Product division (Unit: Millions of yen)	FY2/25 Q2			FY2/26 Q2			FY2/27 Q2		
	PB NetSales	Private Brand Sales Composition*	YoY Change in Composition	PB Net sales	Private Brand Sales Composition*	YoY Change in Composition	PB Net sales	Private Brand Sales Composition*	YoY Change in Composition
Home Improvement (DIY Products)	36,238	34.8%	0.5pt	37,541	33.1%	△1.2pt	41,906	34.2%	1.1pt
Housekeeping (Household Products)	27,437	35.5%	△0.9pt	27,559	34.9%	△0.7pt	29,124	34.1%	△0.8pt
Pet & Leisure (Pet & Leisure Products)	14,327	40.1%	△1.2pt	14,455	40.7%	1.2pt	14,624	40.5%	△0.2pt
Total	78,003	35.9%	△0.3pt	79,556	34.9%	△0.7pt	85,655	35.1%	0.2pt

■Kohnan Non-consolidated

Product division (Unit: Millions of yen)	FY2/25 Q2			FY2/26 Q2			FY2/27 Q2		
	PB Net sales	Private Brand Sales Composition*	YoY Change in Composition	PB Net sales	Private Brand Sales Composition*	YoY Change in Composition	PB Net sales	Private Brand Sales Composition*	YoY Change in Composition
Home Improvement (DIY Products)	31,113	36.0%	0.1pt	32,236	35.8%	△0.2pt	35,490	36.6%	0.8pt
Housekeeping (Household Products)	25,937	37.8%	△1.0pt	26,003	37.1%	△0.7pt	27,345	36.7%	△0.4pt
Pet & Leisure (Pet & Leisure Products)	13,953	41.3%	△0.8pt	14,036	41.4%	0.1pt	14,131	41.2%	△0.2pt
Total	71,004	37.6%	△0.5pt	72,276	37.2%	△0.4pt	76,967	37.4%	0.2pt

* For both consolidated and Kohnan non-consolidated figures, the NetSales composition ratio by division is calculated excluding renovation, 100-yen shops, food, alcoholic beverages, etc.

06. Operating Companies: Results by Business Format

Company Name (Unit: Millions of yen)	Business format	FY2/25 Q2			FY2/26 Q2			FY2/27 Q2		
		NetSales	YoY	Gross profit margin	Net Sales	YoY	Gross profit margin	Net sales	YoY	Gross profit margin
Kohnan	HC	162,111	104.6%	38.81%	164,958	101.8%	38.85%	170,687	103.5%	39.00%
	PRO	44,547	108.7%	34.68%	48,199	108.2%	35.00%	54,672	113.4%	35.10%
	Other area *	5,036	-	-	5,242	-	-	5,549	-	-
	Total	211,695	105.5%	37.63%	218,400	103.2%	37.46%	230,909	105.7%	37.65%
Ken Depot	PRO	25,305	107.3%	30.85%	26,183	103.5%	31.40%	28,485	108.8%	32.03%
	Other area *	963	-	-	1,122	-	-	1,090	-	-
	Total	26,269	108.0%	30.23%	27,305	103.9%	30.73%	29,575	108.3%	31.40%
HOME IMPROVEMENT HIROSE	HC+PRO	7,279	198.7%	34.81%	7,470	102.6%	34.21%	7,951	106.4%	33.63%
	Food	3,843	197.5%	24.03%	4,364	113.6%	22.68%	4,278	98.0%	21.82%
	Other area *	598	-	-	586	-	-	636	-	-
	Total	11,720	190.7%	31.39%	12,421	106.0%	30.36%	12,865	103.6%	29.92%
Home Center Mitsuwa	Total	-	-	-	-	-	-	2,254	-	27.39%
I'nT Holdings	Total	-	-	-	-	-	-	3,804	-	50.45%
KOHNAN VIETNAM	Total	2,020	117.5%	34.47%	2,034	100.7%	35.22%	2,320	114.0%	35.96%
Consolidation Adjustments		(3,515)	-	-	(3,864)	-	-	(3,909)	-	-
Consolidated Total	Total	248,190	107.9%	37.06%	256,297	103.3%	36.95%	277,820	108.4%	37.24%

* Other: E-commerce, product supply to other companies (including within own group), etc.

07. Number of Stores (As of End of August 2026)

	Business format	FY2/25			FY2/26			FY2/27 Q2		
		Openings	Closures	Number of stores	Openings	Closures	Number of stores	Openings	Closures	Number of stores
Kohnan	HC*	21	1	360	8	2	366	4	3	367
	PRO	12	0	142	12	0	154	6	0	160
	Total	33	1	502	20	2	520	10	3	527
Ken Depot	PRO	9	1	88	6	0	94	4	0	98
HOME IMPROVEMENT HIROSE	HC + Food	1	0	32	0	1	31	0	0	31
	PRO	0	0	1	2	0	3	0	0	3
Home center Mitsuwa	HC	0	0	0	4	0	4	0	0	4
KOHNAN VIETNAM	HC	2	0	15	2	1	16	0	0	16
KOHNAN CAMBODIA	HC	0	0	3	0	0	3	0	0	3
Total	Total	45	2	641	34	4	671	14	3	682

* Includes 8 CAMP DEPOT stores and gardens umekita store.



[Cautionary Statements Regarding Forward-Looking Statements]

Information disclosed by the Company may contain forward-looking statements. These statements are based on assumptions made from information currently available to the Company, and involve various risks and uncertainties. Accordingly, actual results may differ from the Company's forecasts.