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Supplementary Materials for Financial Results as of March 31, 2025 FY2024

May 14, 2025
Sangetsu Corporation
Securities code: 8130
(Prime Market of Tokyo Stock Exchange
and Premier Market of Nagoya Stock Exchange)

Key Points of Financial Results in FY2024

✓ Consolidated Results

- Net sales reached a record high.

Both the Domestic Interior Segment and the North American Business in the Overseas Segment contributed to net sales growth.

- For the full year, operating profit and subsequent profits decreased year-on-year. In the second half, both net sales and profit increased year-on-year.
- Consolidated results exceeded the forecast due to the penetration of price revisions and the effect of controlling SG & A expenses at Sangetsu.

✓ Domestic Interior Segment

- We maintained our market share in the mainstay wall coverings market while the market, especially for new housing, was weaker than expected.

On the one hand, in the fourth quarter, some flooring products were affected by the fire accident at the main supplier plant.

- The impact of increased procurement costs, distribution costs, utility costs, etc. was absorbed through price revisions and promotion of “Medium-sized Products” *, which are strategic products, etc., and the gross profit margin was maintained year-on-year.
- Although SG & A expenses (mainly personnel expenses) increased from the same period of the previous year, the figures were below the forecast due to the control of SG & A expenses.

Key Points of Financial Results in FY2024

✓ Domestic Exterior Segment

- In Sungreen Co., Ltd., which is the core of the segment, sales increased due to last-minute demand before price revisions and the expansion of sales at two new branches in the Kanto region.
- Gross profit increased due to the above factors, and increased SG & A expenses were absorbed, resulting in a profit.

✓ Overseas Segment

- In North America, operating profit increased year on year, but the deficit increased in Southeast Asia, China and Hong Kong.
On the other hand, in the fourth quarter, the deficit decreased due to cost optimization in Southeast Asia, among other factors.
- In North America, sales increased primarily due to price revisions for in-house wall coverings.
In addition to increased sales, operating profit increased year on year due to an improvement in the defect rate.
- Sales in Southeast Asia increased year on year due to the contribution of D' Perception Pte Ltd, whose business area is spatial design and comprehensive construction, and sales growth in Malaysia and Thailand.
In terms of profits, a decrease in orders in Singapore, the mainstay of the Group, affected the Group's loss despite an improvement in losses.
- Amid the challenging market environment in China, losses continued due to one-off expenses associated with the restructuring of the organizational structure of a Group company in our company.

Summary of Consolidated Statement of Profit or Loss

	FY2023	FY2024 [100 million yen, %]			
	Results	Results	YoY	Forecast	Achievement rates
Net sales	1,898.5	2,003.7	+105.1 +5.5%	1,960.0	102.2%
Gross profit	589.5	623.7	+34.1 +5.8%	605.0	103.1%
Margin	31.1%	31.1%	-	30.9%	-
SGA	398.5	441.9	+43.4 +10.9%	445.0	99.3%
Operating profit	191.0	181.7	-9.2 -4.9%	160.0	113.6%
Margin	10.1%	9.1%	-	8.2%	-
Ordinary profit	196.9	186.0	-10.8 -5.5%	165.0	112.8%
Profit attributable to owners of the parent	142.9	125.6	-17.2 -12.1%	110.0	114.3%

Variations in Consolidated Net Sales, Operating Profit, Ordinary Profit, and Profit Attributable to Owners of Parent

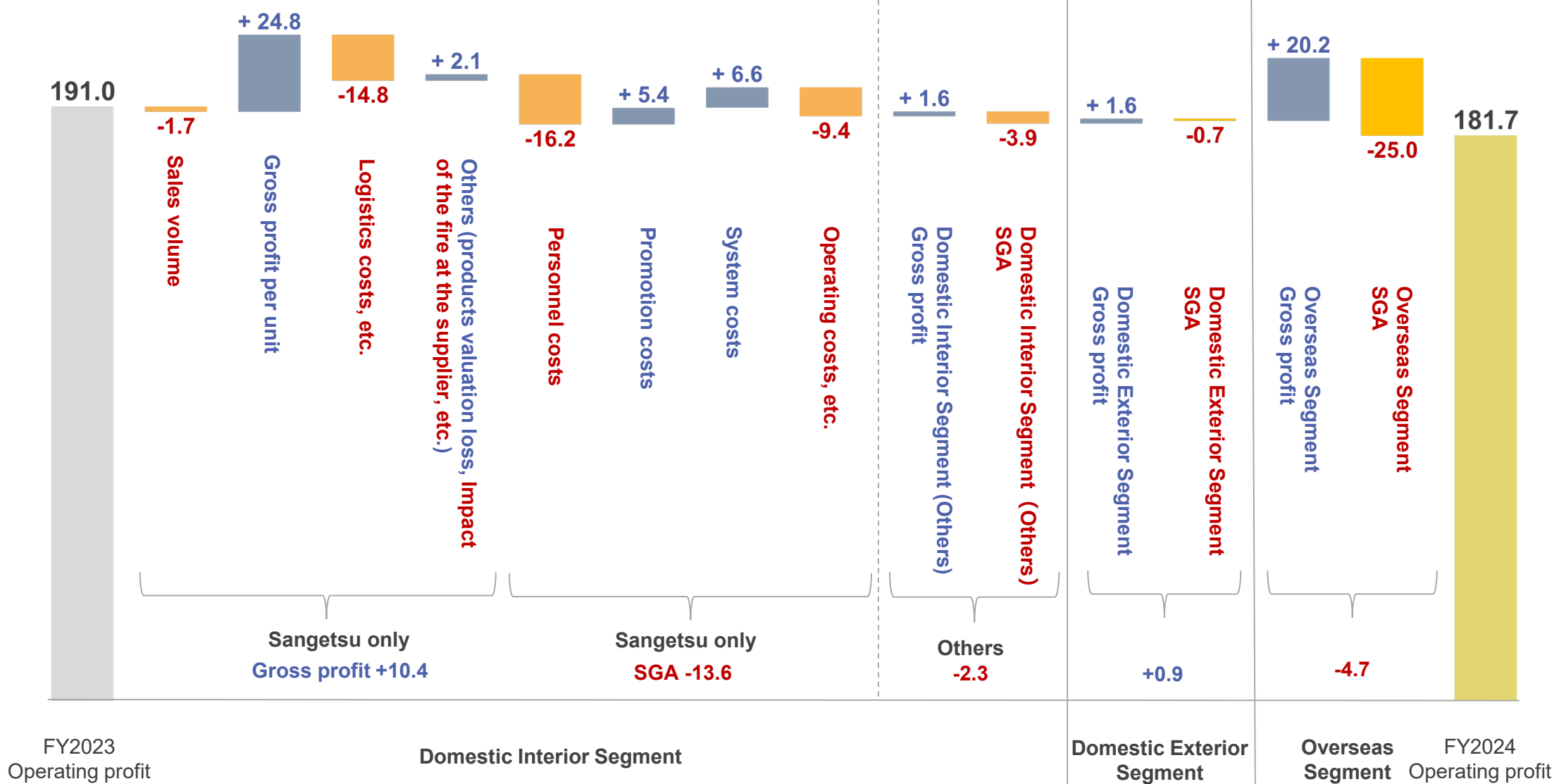


Net Sales and Operating Profit of Each Segment

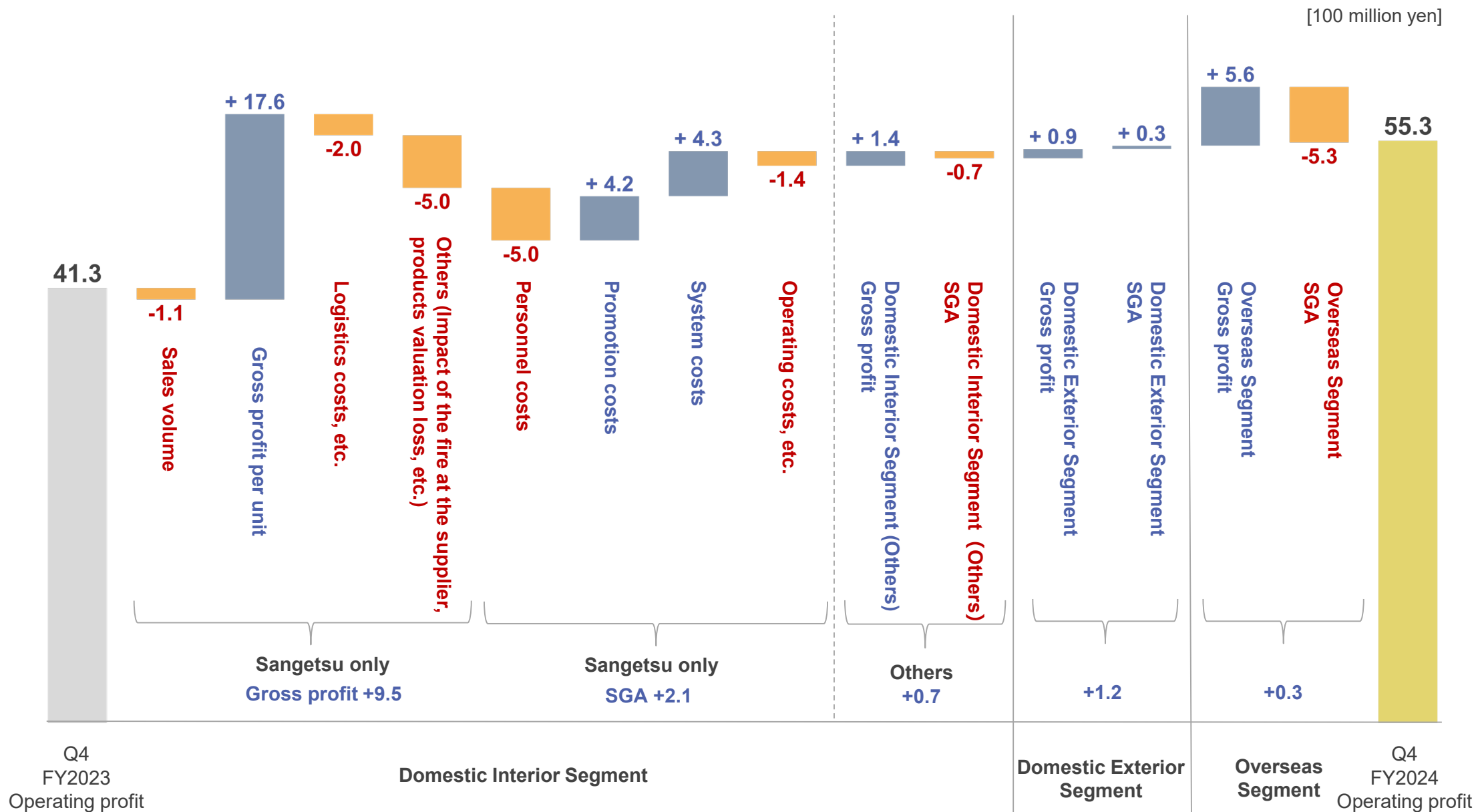
	FY2023	FY2024 [100 million yen, %]			
	Results	Results	YoY	Forecast	Achievement rates
Domestic Interior Segment Net sales	1,591.5	1,639.8	+48.2 +3.0%	1,612.0	101.7%
Wallcoverings Unit	772.3	786.4	+14.0 +1.8%	-	-
Flooring Materials Unit	563.5	573.7	+10.2 +1.8%	-	-
Fabrics Unit	95.0	96.0	+1.0 +1.1%	-	-
Construction and Others	160.5	183.5	+22.9 +14.3%	-	-
Operating profit	194.8	189.4	-5.4 -2.8%	167.5	113.1%
Domestic Exterior Segment Net sales	64.6	66.1	+1.4 +2.3%	63.0	105.0%
Operating profit	-0.7	0.1	+0.9 -	0.0	-
Overseas Segment Net sales	242.9	297.9	+55.0 +22.6%	285.0	104.5%
Operating profit	-3.1	-7.8	-4.7 -	-7.5	-
Adjustment of transactions between segments (Net sales)	-0.5	-0.1	+0.3	-	-
Adjustment of transactions between segments (Operating profit)	0.0	0.0	+0.0	-	-
Consolidated Net sales	1,898.5	2,003.7	+105.1 +5.5%	1,960.0	102.2%
Consolidated Operating profit	191.0	181.7	-9.2 -4.9%	160.0	113.6%

Change in Consolidated Operating Profit (YoY : April-March)

[100 million yen]

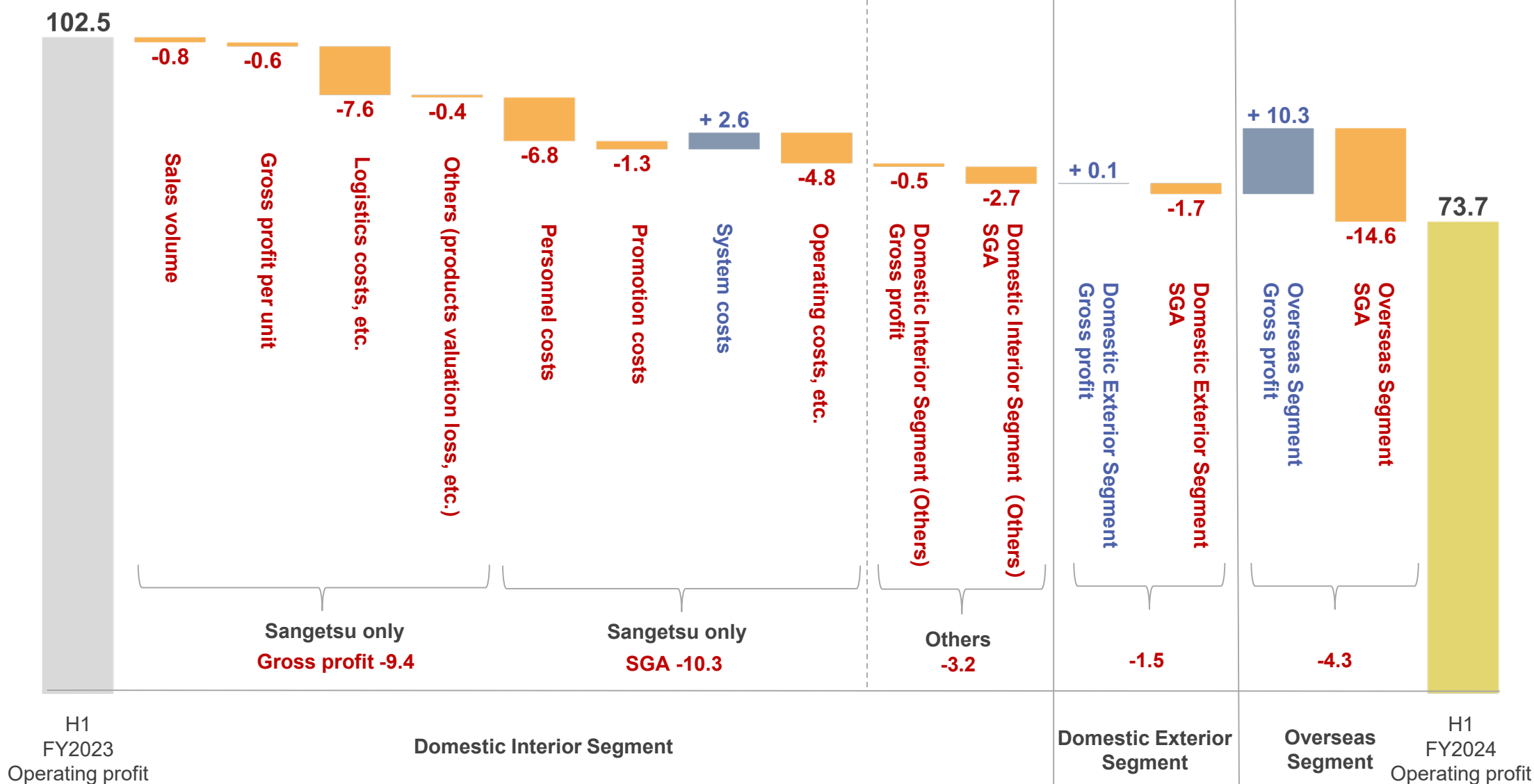


Change in Consolidated Operating Profit (YoY Q4:January-March)



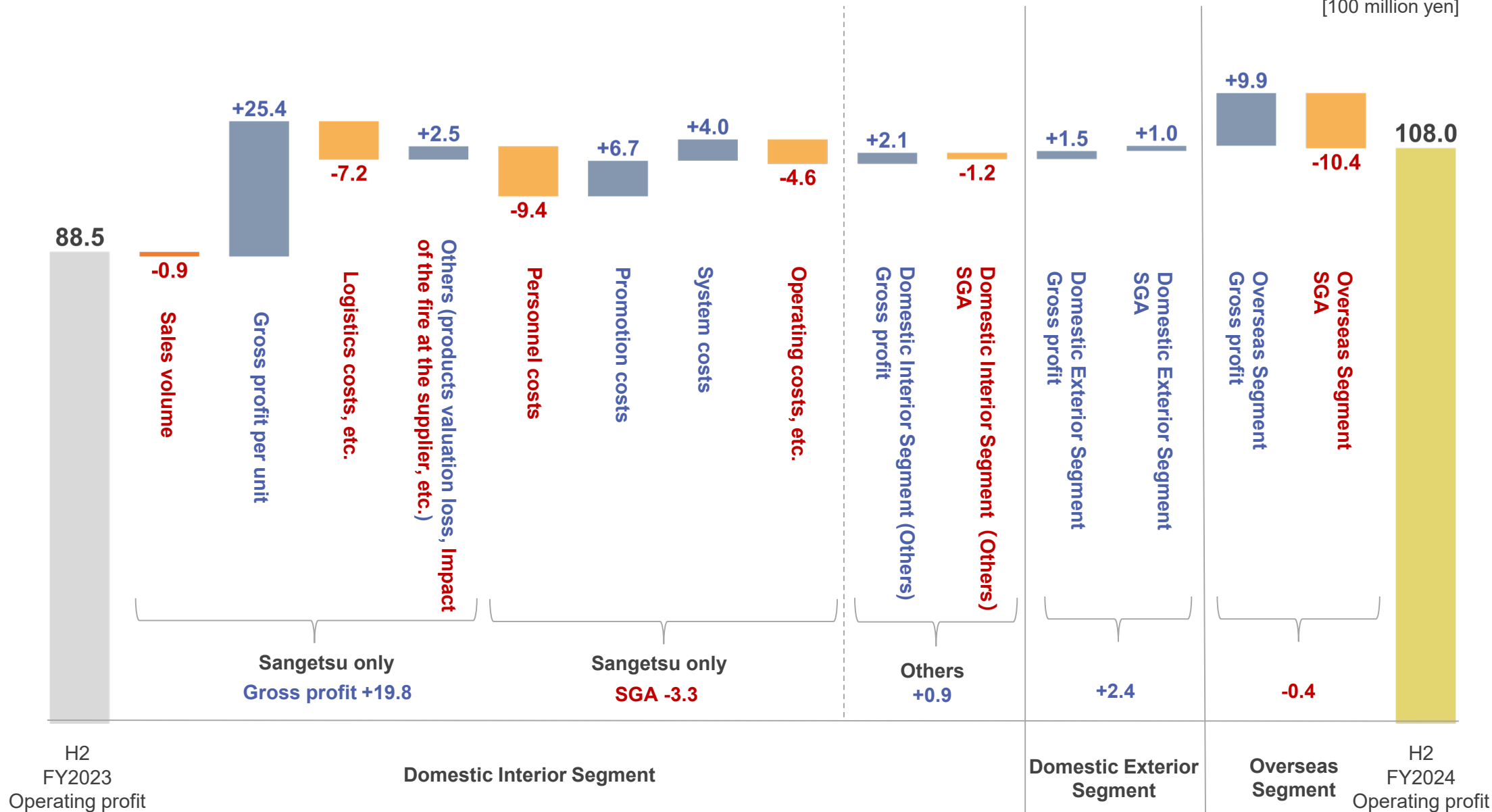
Reference : Change in Consolidated Operating Profit (YoY H1:April-September)

[100 million yen]



Reference : Change in Consolidated Operating Profit (YoY H2:October-March)

[100 million yen]



Key Points of the Forecast for FY2025 (YoY)

✓ Market Environment

- The domestic construction market is expected to be weaker than the same period of the previous year, mainly in the new housing market.
- In the U.S., our group's largest Overseas Segment, construction starts in the mainstay hotel market are expected to increase year-on-year.

✓ Business Outlook by Segment (Domestic Interior Segment)

- Although the volume remained weak compared to the same period of the previous year, we plan to increase the market share of each product.
- The impact of ongoing cost increases in SG & A expenses, mainly in purchasing costs and labor costs, is expected to increase compared to the same period of the previous year.
- The impact of volume decreases and costs is expected to be covered by price revisions, etc. implemented in December 2024.
- On the other hand, sales of some flooring products for which orders have been suspended since February 2025 due to the fire are scheduled to resume in stages from the second quarter of fiscal 2025.

(Overseas Segment)

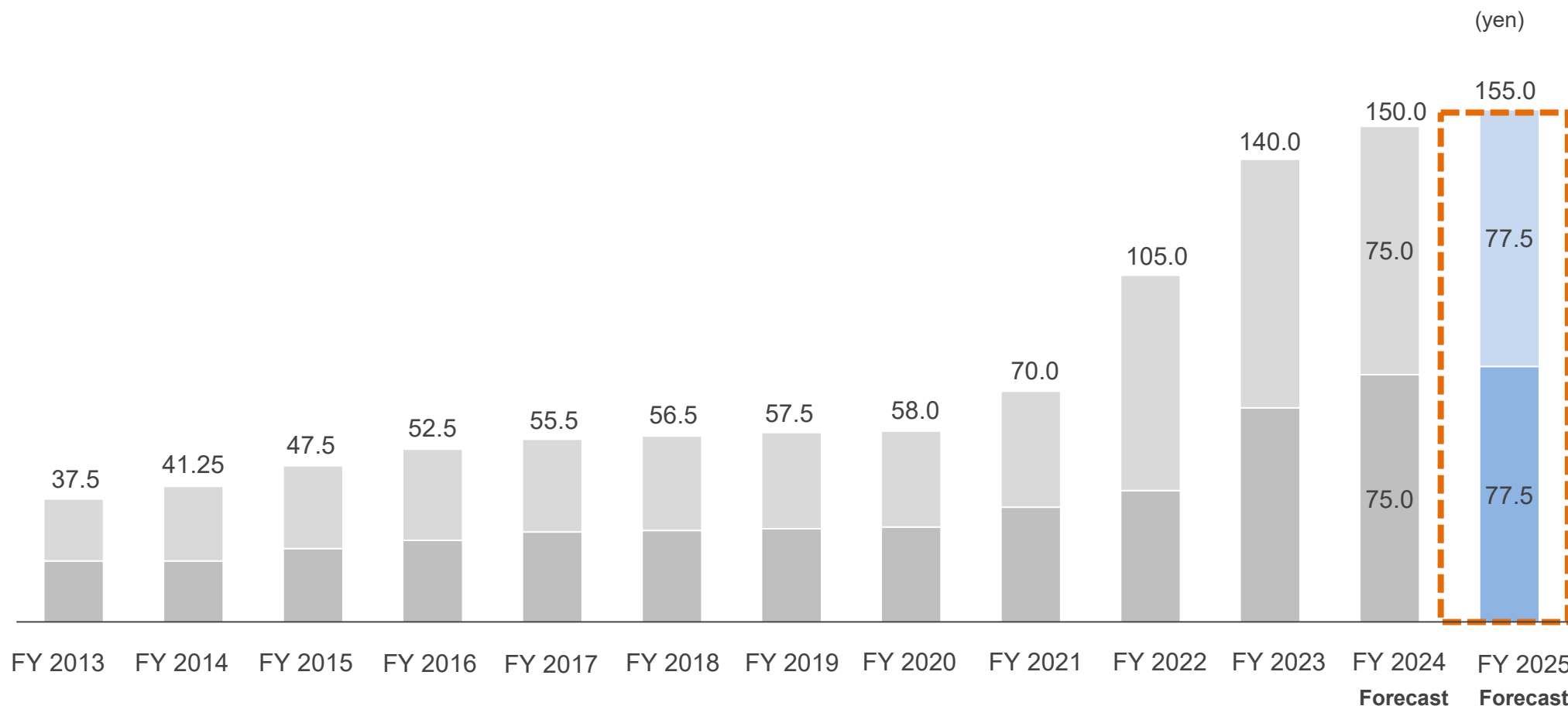
- In North America, we aim to secure solid orders, drive the performance of our Overseas Segments, and achieve profitability in our Overseas Segments.
- D' Perception Pte Ltd, which is responsible for the spatial design and construction business, is expected to contribute to the full-year results. In addition, we expect to improve the performance of group companies in Southeast Asia and China.

Consolidated Earnings Forecasts for FY2025

Announced on May 14, 2025

	FY2024	FY2025 [100 million yen, %]					
	Results	Full-year Forecasts	YoY	Forecasts for H1	YoY	Forecasts for H2	YoY
Net sales	2,003.7	2,100.0	+96.2 +4.8%	990.0	+51.2 +5.5%	1,110.0	+44.9 +4.2%
Gross profit	623.7	658.0	+34.2 +5.5%	307.0	+17.2 +5.9%	351.0	+17.0 +5.1%
Margin	31.1%	31.3%		31.0%		31.6%	
SGA	441.9	468.0	+26.0 +5.9%	233.0	+17.0 +7.9%	235.0	+8.9 +4.0%
Operating profit	181.7	190.0	+8.2 +4.5%	74.0	+0.2 +0.3%	116.0	+8.0 +7.5%
Margin	9.1%	9.0%		7.5%		10.5%	
Ordinary profit	186.0	195.0	+8.9 +4.8%	76.5	+0.4 +0.6%	118.5	+8.5 +7.7%
Profit attributable to owners of the parent	125.6	130.0	+4.3 +3.4%	51.0	+1.0 +2.1%	79.0	+3.2 +4.3%

Results and Forecast of Shareholder Return Changes in Dividend Per Share



For FY 2025, the interim dividend is 77.5 yen per share, and the year-end dividend is forecast to be 77.5 yen per share (an increase of 5.0 yen year-on-year).

We forecast dividend growth for 12 consecutive years. Announced on May 14, 2025.

Revision of Medium-term Business Plan [BX 2025] Targets

In accordance with the timely disclosure "Notification on the Revisions of Targets in the Medium-Term Business Plan" dated May 14, 2025, we have revised a part of the targets in the Medium-term Business Plan (2023-2025) [BX 2025] .

For details, please refer to the materials of the Timely Disclosure.

✓ Details of the review

- Economic Value Targets (Review of targets for consolidated net sales, consolidated operating profit, consolidated net income, ROE and CCC)

There are no changes other than the above.

Notes for the Future Outlook

This material includes information that pertains to future-related descriptions. Descriptions of items other than past and present facts are about future forecasts. These descriptions are based on our assumptions and judgment considering currently available information, which includes known or unknown risks, uncertainties, and other factors. Consequently, they may be affected by such factors.

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