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# **Supplementary Materials of Financial Results for the Three Months Ended June 30, 2025**

August 7, 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 FY2025 Q1

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## ✓ Consolidated Results: Net Sales and Profit Growth

- Record-high Q1 Net sales; All profits up YoY
- Overseas Segment: Net sales growth and reduced deficit
- H1 Forecast: Generally on track

## ✓ Domestic Interior Segment: Decreased Net Sales and Profit

- Market downturn (especially new housing) beyond expectation; Wallcovering volume decreased YoY, though impact on market share from price revisions remains limited.
- Impact of fire accident at key supplier factory materialized in Q1, affecting financial performance due to suspension of orders for some flooring materials and loss on valuation of old sample book products.
- Price revisions and increased sales of strategic “Medium-sized Products”\* absorbed the negative impacts of the aforementioned fire and rising procurement costs, resulting in net sales and profits maintaining similar levels to the previous period.

# Key Points of Financial Results in FY2025 Q1

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## ✓ Domestic Exterior Segment: Increased Net Sales and Turnaround to Profit

- Sungreen Co., Ltd. (core of this segment): Despite sluggish new housing market, net sales increased year on year due to factors including rush demand before supplier manufacturer's price revisions and growth in high-grade carports and other products.
- Maintained profit since Q3 of previous fiscal year, driven by increased gross profit and effective control of SG&A expenses.

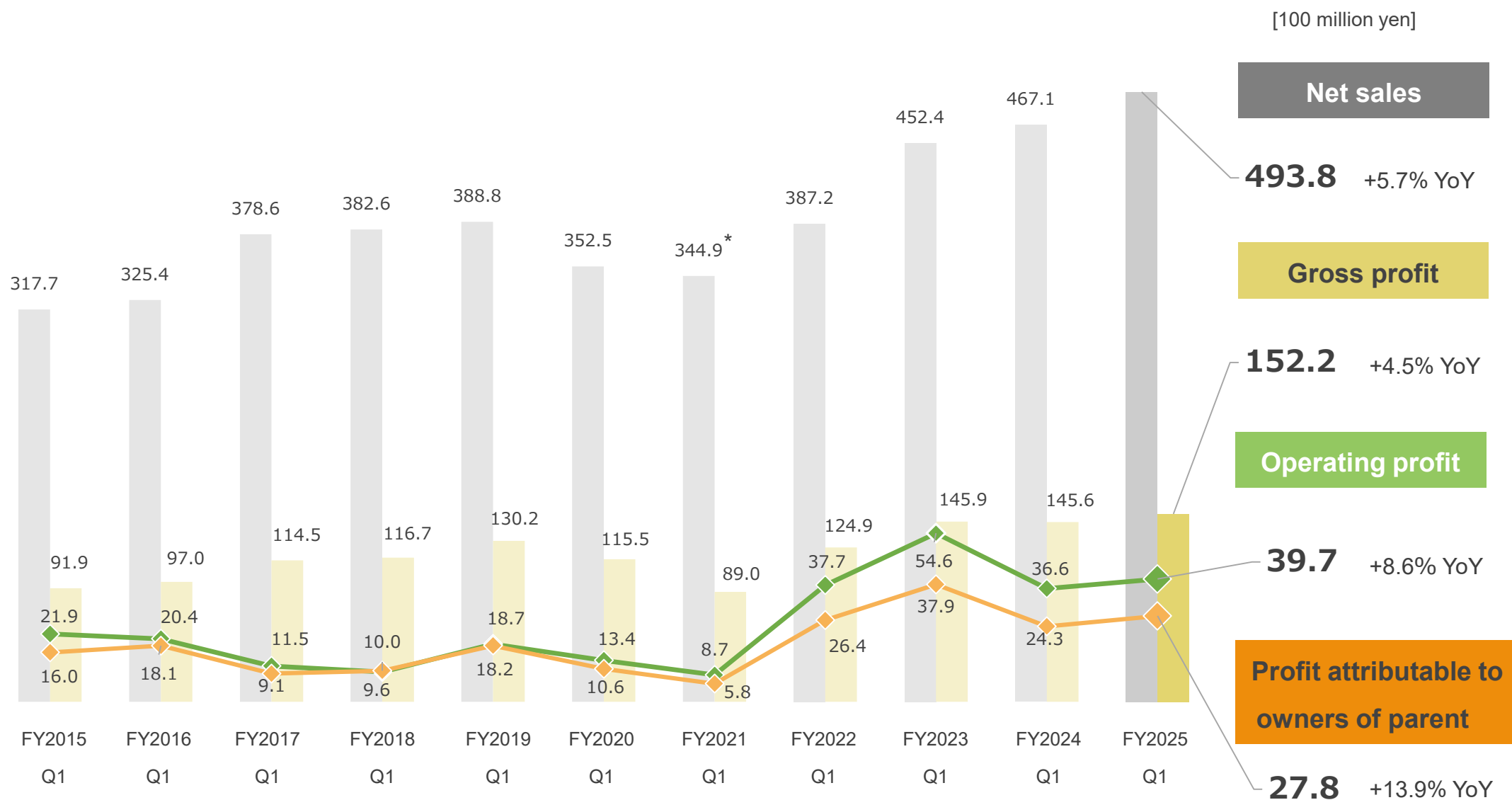
## ✓ Overseas Segment: Increased Net Sales and Reduced Deficit

- North America : Steady management improvement and effective sales strategy optimization led to increased sales volume in the mainstay hotel market, resulting in YoY net sales growth. Profit increased due to net sales growth and productivity improvements in manufacturing processes.
- Southeast Asia : Net sales increased due to sales contribution from the consolidation of D'Perception Pte Ltd (specializing in design and construction) and sales growth in the wholesale business. Deficit continued on the profit front, but structural reforms, including management restructuring, progressed.
- China : Challenging market environment continues. Structural reforms underway through management restructuring and streamlining.
- In the same period of the previous fiscal year, a one-time expense of approximately 200 million yen related to the acquisition of D'Perception Pte Ltd shares was incurred.

# Summary of Consolidated Statement of Profit or Loss

|   | FY2024 Q1 | FY2025 Q1 [100 million yen, %] |                |                               |                  |
|---|-----------|--------------------------------|----------------|-------------------------------|------------------|
|   | Results   | Results                        | YoY            | H1 Forecast<br>Announced: May | Rate of progress |
| Net sales                                   | 467.1     | <b>493.8</b>                   | +26.7<br>+5.7% | 990.0                         | 49.9%            |
| Gross profit                                | 145.6     | <b>152.2</b>                   | +6.5<br>+4.5%  | 307.0                         | 49.6%            |
| Margin                                      | 31.2%     | <b>30.8%</b>                   | -              | 31.0%                         | -                |
| SGA   | 109.0     | <b>112.4</b>                   | +3.4<br>+3.2%  | 233.0                         | 48.3%            |
| Operating profit                            | 36.6      | <b>39.7</b>                    | +3.1<br>+8.6%  | 74.0                          | 53.8%            |
| Margin                                      | 7.8%      | <b>8.1%</b>                    | -              | 7.5%                          | -                |
| Ordinary profit                             | 37.6      | <b>40.6</b>                    | +3.0<br>+8.2%  | 76.5                          | 53.2%            |
| Profit attributable to owners of the parent | 24.3      | <b>27.8</b>                    | +3.4<br>+13.9% | 51.0                          | 54.5%            |

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

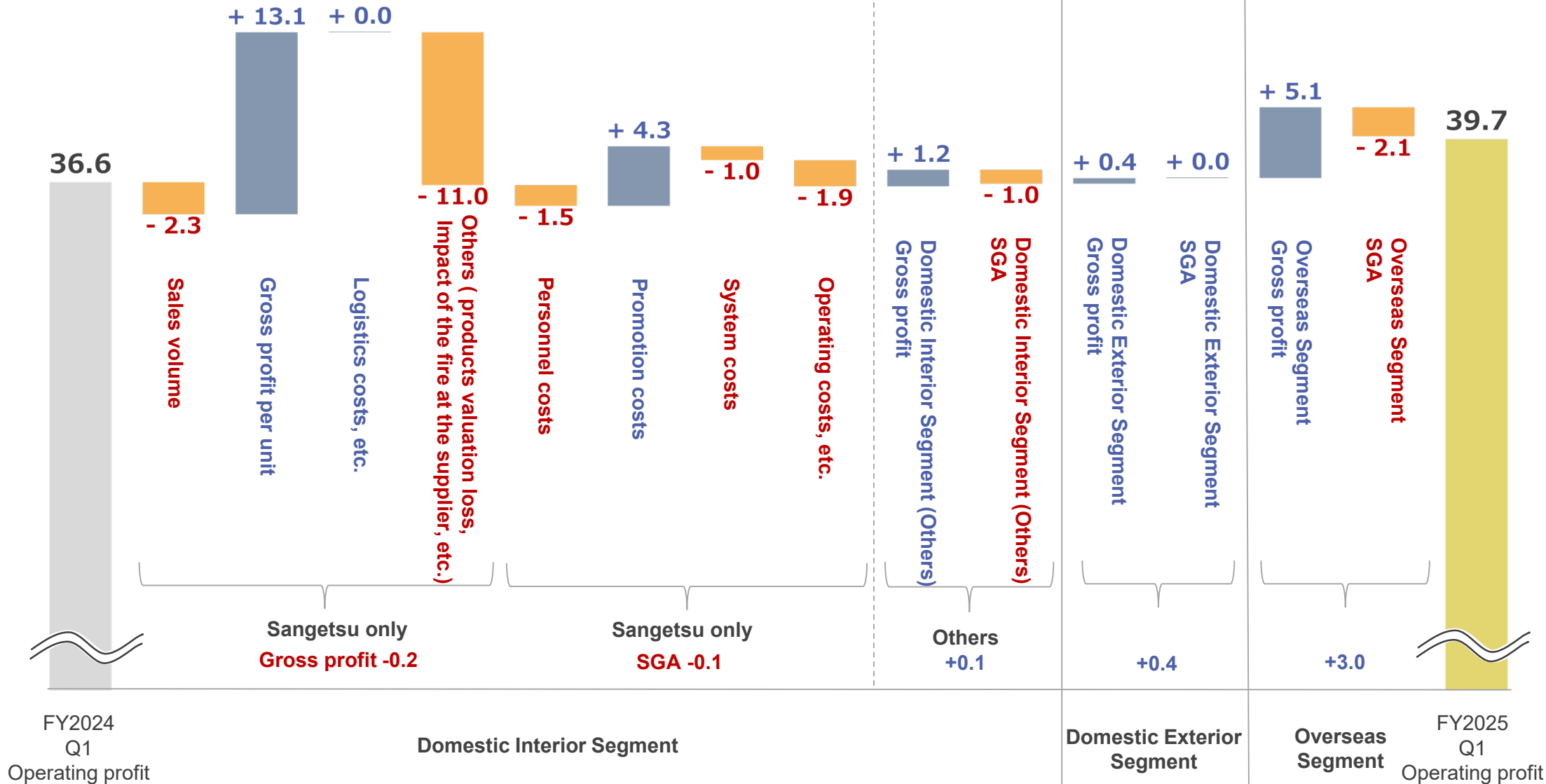


# Net Sales and Operating Profit of Each Segment

|  | FY2024 Q1 | FY2025 Q1 [100 million yen, %] |                 |                               |                     |
|--|-----------|--------------------------------|-----------------|-------------------------------|---------------------|
|  | Results   | Results                        | YoY             | H1 Forecast<br>Announced: May | Rate of<br>progress |
| Domestic Interior Segment Net sales                            | 389.9     | 389.8                          | -0.0<br>-0.0%   | 784.0                         | 49.7%               |
| Wallcoverings Unit   | 191.8     | 199.9                          | +8.0<br>+4.2%   | -                             | -                   |
| Flooring Materials Unit  | 137.6     | 127.7                          | -9.9<br>-7.2%   | -                             | -                   |
| Fabrics Unit   | 22.2      | 23.6                           | +1.4<br>+6.4%   | -                             | -                   |
| Construction and Others  | 38.1      | 38.5                           | +0.3<br>+1.0%   | -                             | -                   |
| Operating profit   | 40.6      | 40.3                           | -0.3<br>-0.8%   | 75.5                          | 53.5%               |
| Domestic Exterior Segment Net sales                            | 15.6      | 16.7                           | +1.1<br>+7.2%   | 37.0                          | 45.4%               |
| Operating profit   | -0.3      | 0.1                            | +0.4<br>-       | 0.0                           | -                   |
| Overseas Segment Net sales                                     | 61.6      | 87.2                           | +25.5<br>+41.5% | 169.0                         | 51.6%               |
| Operating profit   | -3.7      | -0.6                           | +3.0<br>-       | -1.5                          | -                   |
| Adjustment of transactions between segments (Net sales)        | -0.0      | -0.0                           | +0.0<br>-       | -                             | -                   |
| Adjustment of transactions between segments (Operating profit) | 0.0       | 0.0                            | -0.0<br>-0.3%   | -                             | -                   |
| Consolidated Net sales   | 467.1     | 493.8                          | +26.7<br>+5.7%  | 990.0                         | 49.9%               |
| Consolidated Operating profit                                  | 36.6      | 39.7                           | +3.1<br>+8.6%   | 74.0                          | 53.8%               |

# Change in Consolidated Operating Profit (YoY : April-June)

[100 million yen]



# Response to the Impact of a Fire at a Supplier's Factory

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## ■ Affected product sample books

1. S FLOOR multi-layer vinyl floor sheets, mainly for non-residential use, some residential
2. NONSKID anti-slip vinyl floor sheets, mainly for multi-family housing

## ■ Supply resumption timeline

### 1. S FLOOR

- In July: Supply resumes for approximately 90% of suspended products
- In December: Supply resumes for the remaining 10%



**Supply resumes July 24th.  
Proceeding as scheduled.**

### 2. NONSKID

- In November: Supply resumes for nearly all products

## ■ Sales impact

Supply of products resumed in July; however, a certain period of time is expected for full recovery.

## ■ Estimated impact on net sales

Against a full-year net sales forecast of approximately 5.0 billion yen, the impact was generally as expected.



# Consolidated Earnings Forecasts for FY2025

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

## Key Points of the Forecast for FY2025 (YoY)

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### ✓ 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., which has the largest business scale in our 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.

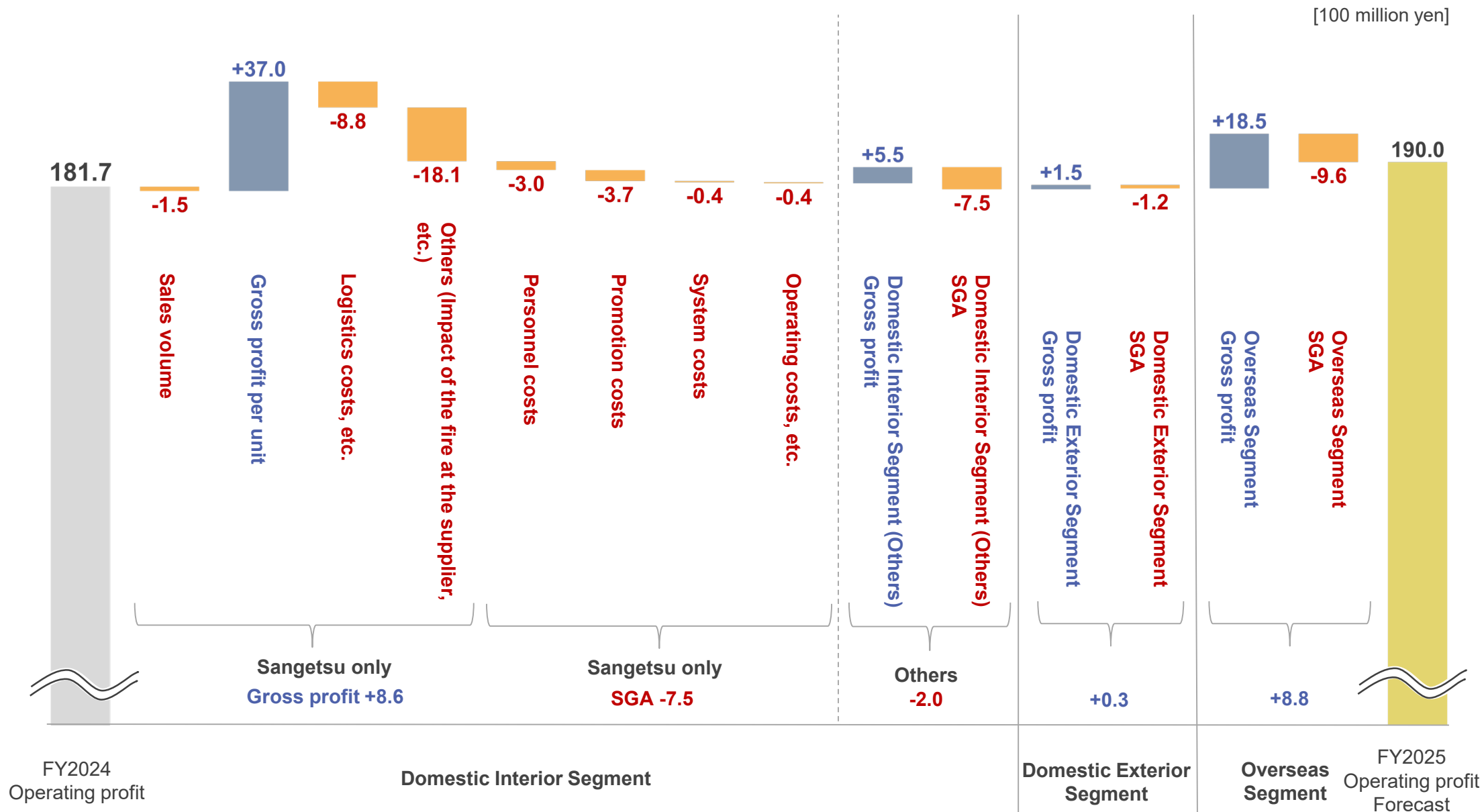
#### [Overseas Segment]

- Regarding the turnaround to profitability of the Overseas Segment, we anticipate contributions from solid order intake in North America, the full-year performance of D'Perception Pte Ltd (which became a group company in July 2024), and improved performance in Southeast Asia and China.

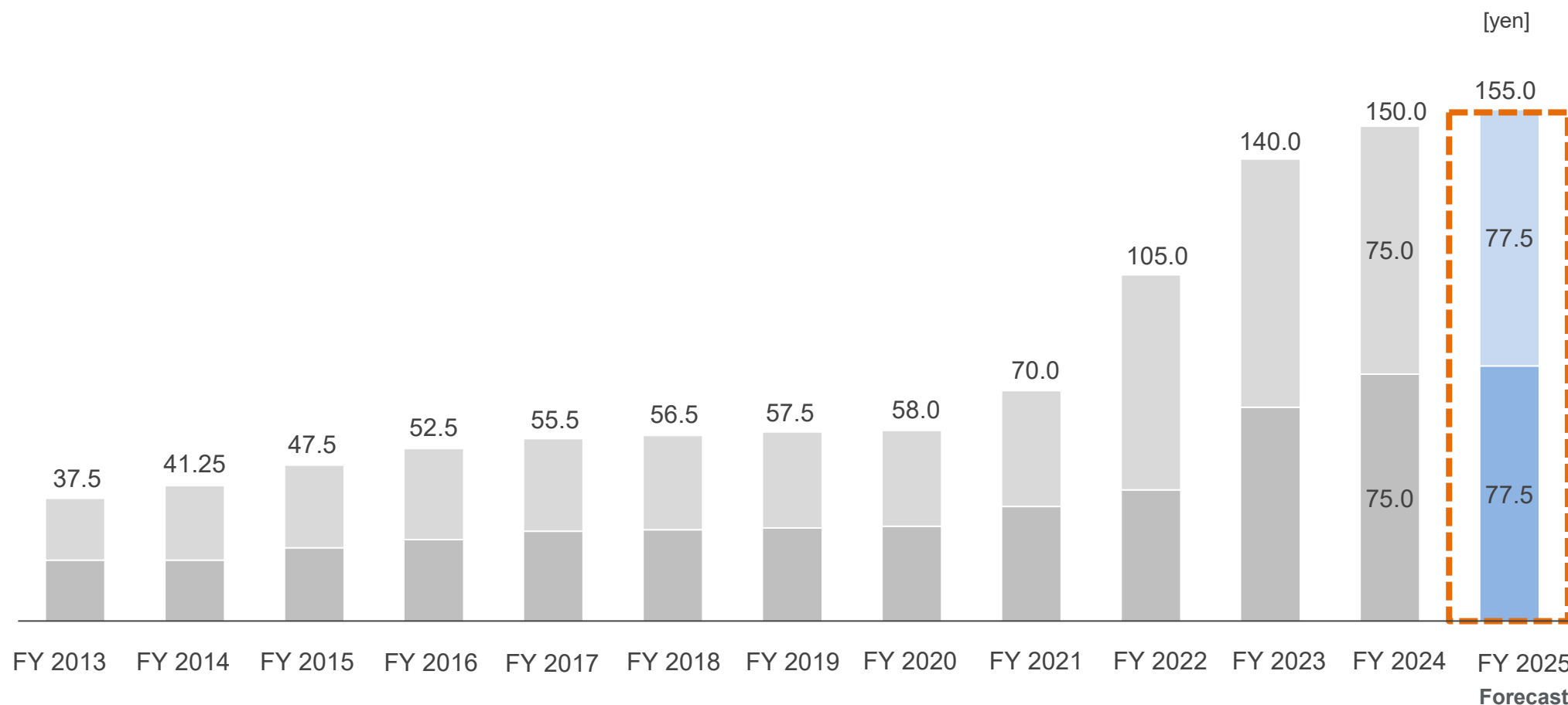
# Earnings Forecasts for Each Segment

|   |                  | FY2024    | FY2025         |                 |          |                 |          |                 | [100 million yen, %] |
|---|------------------|-----------|----------------|-----------------|----------|-----------------|----------|-----------------|----------------------|
|   |                  | Full-year | Full-year      |                 | H1       |                 | H2       |                 |                      |
|   |                  | Results   | Forecast       | YoY             | Forecast | YoY             | Forecast | YoY             |                      |
| Domestic Interior Segment                   | Net sales        | 1,639.8   | <b>1,667.0</b> | +27.1<br>+1.7%  | 784.0    | +5.8<br>+0.8%   | 883.0    | +21.2<br>+2.5%  |                      |
|   | Operating profit | 189.4     | <b>188.5</b>   | -0.9<br>-0.5%   | 75.5     | -4.5<br>-5.7%   | 113.0    | +3.6<br>+3.4%   |                      |
| Domestic Exterior Segment                   | Net sales        | 66.1      | <b>76.0</b>    | +9.8<br>+14.9%  | 37.0     | +5.6<br>+17.9%  | 39.0     | +4.2<br>+12.3%  |                      |
|   | Operating profit | 0.1       | <b>0.5</b>     | +0.3<br>+190.6% | 0.0      | +0.4<br>-       | 0.5      | -0.0<br>-14.1%  |                      |
| Overseas Segment                            | Net sales        | 297.9     | <b>357.0</b>   | +59.0<br>+19.8% | 169.0    | +39.6<br>+30.6% | 188.0    | +19.4<br>+11.5% |                      |
|   | Operating profit | -7.8      | <b>1.0</b>     | +8.8<br>-       | -1.5     | +4.3<br>-       | 2.5      | +4.4<br>-       |                      |
| Adjustment of transactions between segments | Net sales        | -0.1      | -              | -               | -        | -               | -        | -               |                      |
|   | Operating profit | 0.0       | -              | -               | -        | -               | -        | -               |                      |
| Total                                       | Net sales        | 2,003.7   | <b>2,100.0</b> | +96.2<br>+4.8%  | 990.0    | +51.2<br>+5.5%  | 1,110.0  | +44.9<br>+4.2%  |                      |
|   | Operating profit | 181.7     | <b>190.0</b>   | +8.2<br>+4.5%   | 74.0     | +0.2<br>+0.3%   | 116.0    | +8.0<br>+7.5%   |                      |

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



# 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 YoY. )

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

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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