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[Summary] Sangetsu Corporation Financial Results Briefing for the Six Months Ended September 30, 2025

November 26, 2025

Yasumasa Kondo Representative Director, President and CEO

Securities code: 8130

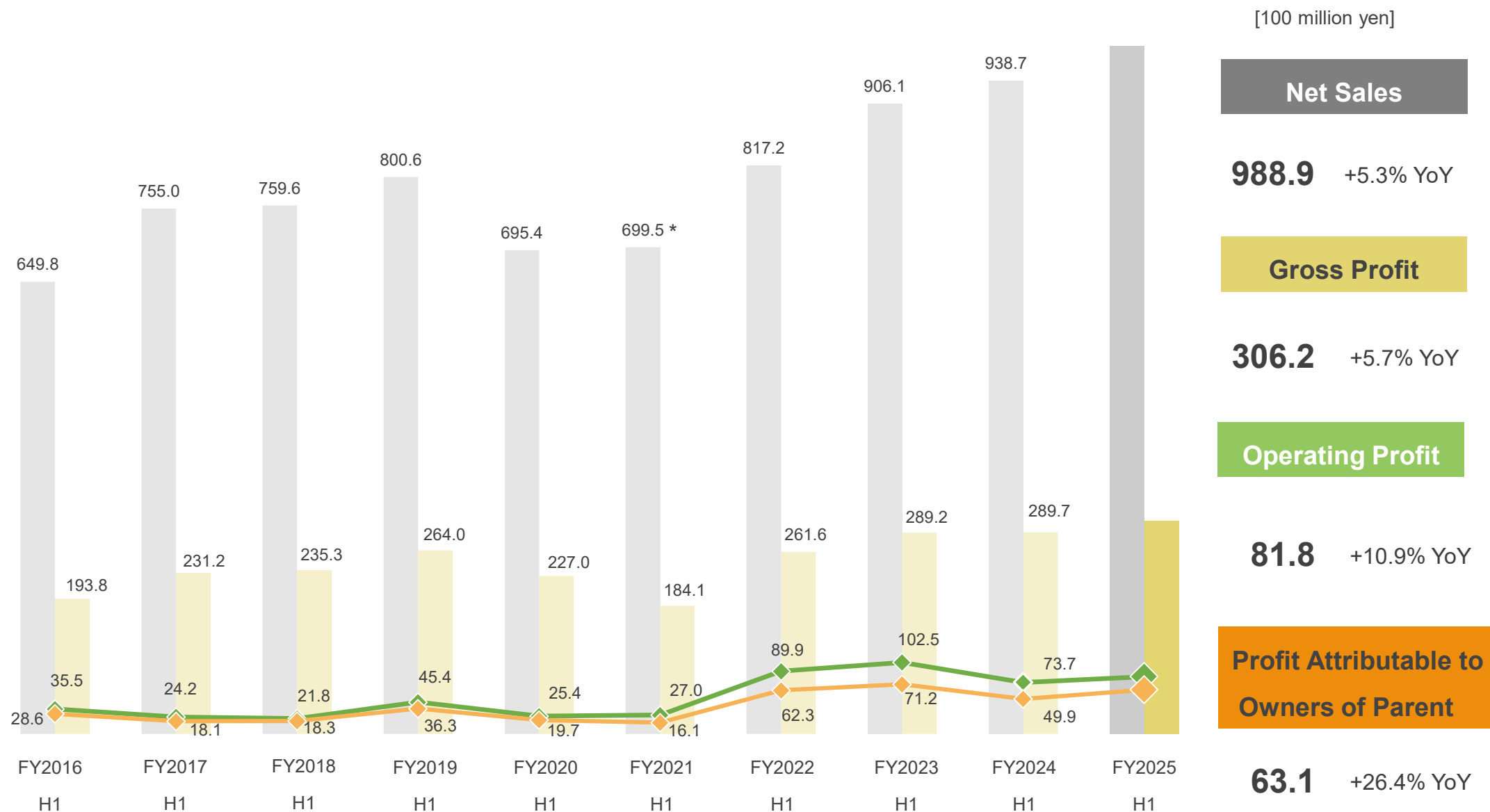
(Prime Market of Tokyo Stock Exchange and Premier Market of
Nagoya Stock Exchange)

1. Overview of results for FY2025 Q2(H1)

Summary of Consolidated Statement of Profit or Loss

	FY2024 H1	FY2025 H1				[100 million yen, %]
	Results	Results	YoY	H1 Forecast Announced: May	Achievement rate	
Net Sales	938.7	988.9	+50.1 +5.3%	990.0	99.9%	
Gross Profit	289.7	306.2	+16.4 +5.7%	307.0	99.7%	
Margin	30.9%	31.0%	-	31.0%	-	
SGA	215.9	224.3	+8.3 +3.9%	233.0	96.3%	
Operating Profit	73.7	81.8	+8.0 +10.9%	74.0	110.6%	
Margin	7.9%	8.3%	-	7.5%	-	
Ordinary Profit	76.0	85.2	+9.1 +12.1%	76.5	111.5%	
Profit Attributable to Owners of Parent	49.9	63.1	+13.1 +26.4%	51.0	123.8%	

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



Key Points of Financial Results in FY2025 H1

✓ Consolidated Results

- Net sales reached a record high, and all profits increased YoY.
- The Overseas Segment steadily progressed even in Q2, achieving net sales growth and improved results reduced deficit.
- Net sales for the first half (H1) were generally in line with the forecast, owing to growth in the Overseas Segment. Conversely, profit outperformed the forecast, driven by effective cost controls across all segments, as well as contributions from an improved gross profit margin in the Overseas Segment.
- A one-time gain extraordinary income of approximately 400 million yen was recorded by a consolidated subsidiary in the U.S. as subsidy income for employment maintenance under the impact of the past COVID-19 pandemic.

✓ Domestic Interior Segment

- The market, particularly for new housing, remained weaker than expected, and wallcovering sales volume decreased YoY. However, the impact on market share from price revisions implemented ahead of competitors was deemed limited.
- During H1, the impact of the fire accident at the key supplier factory and the resumption of supply progressed generally as planned. Sales are expected to recover as scheduled, centered on H2.
- The aforementioned impacts and rising procurement costs were absorbed by measures such as price revisions and the promotion/increased sales of strategic “Medium-sized Products (high value-added products)”*. As a result, net sales remained virtually flat YoY, while operating profit increased.

Key Points of Financial Results in FY2025 H1

✓ Domestic Exterior Segment

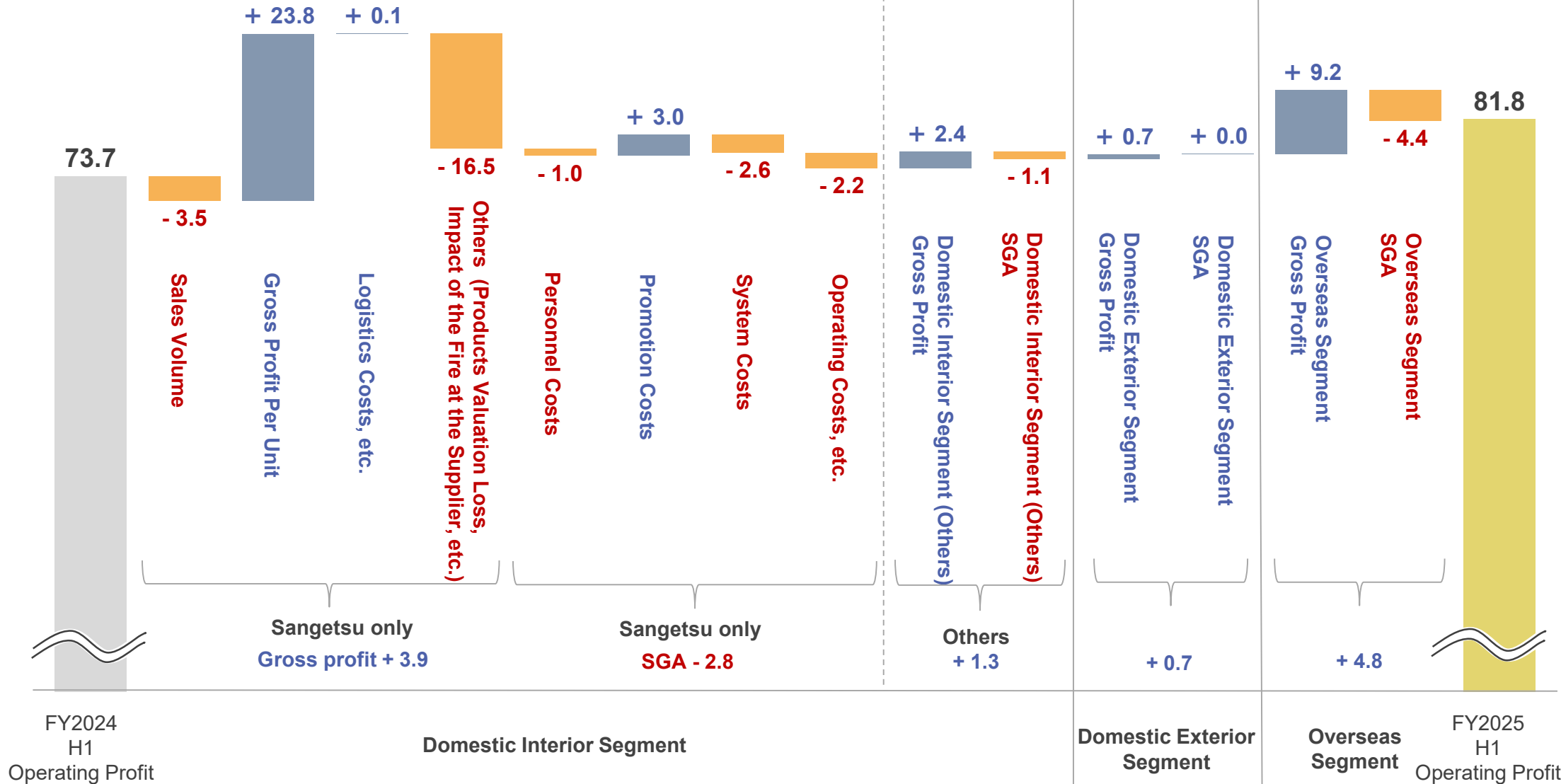
- Sungreen Co., Ltd. core of this segment, saw its net sales increase YoY, despite the challenging business environment, driven by factors including price revisions implemented and increased sales contribution from the two bases launched in the Kanto region in 2024.
- Driven by increased gross profit and effective control of SG&A expenses, profit further expanded compared to FY2025 Q1.

✓ Overseas Segment

- In North America, the growth strategy accelerated, and sales expansion advanced not only in the mainstay hotel market but also in offices and commercial facilities. Furthermore, productivity improvements in manufacturing processes contributed, resulting in increased net sales and profit.
- In Southeast Asia, net sales increased due to 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.
- In China/Hong Kong, the challenging market environment continued, but the deficit narrowed YoY due to ongoing structural reforms, including management restructuring and streamlining cost optimization.

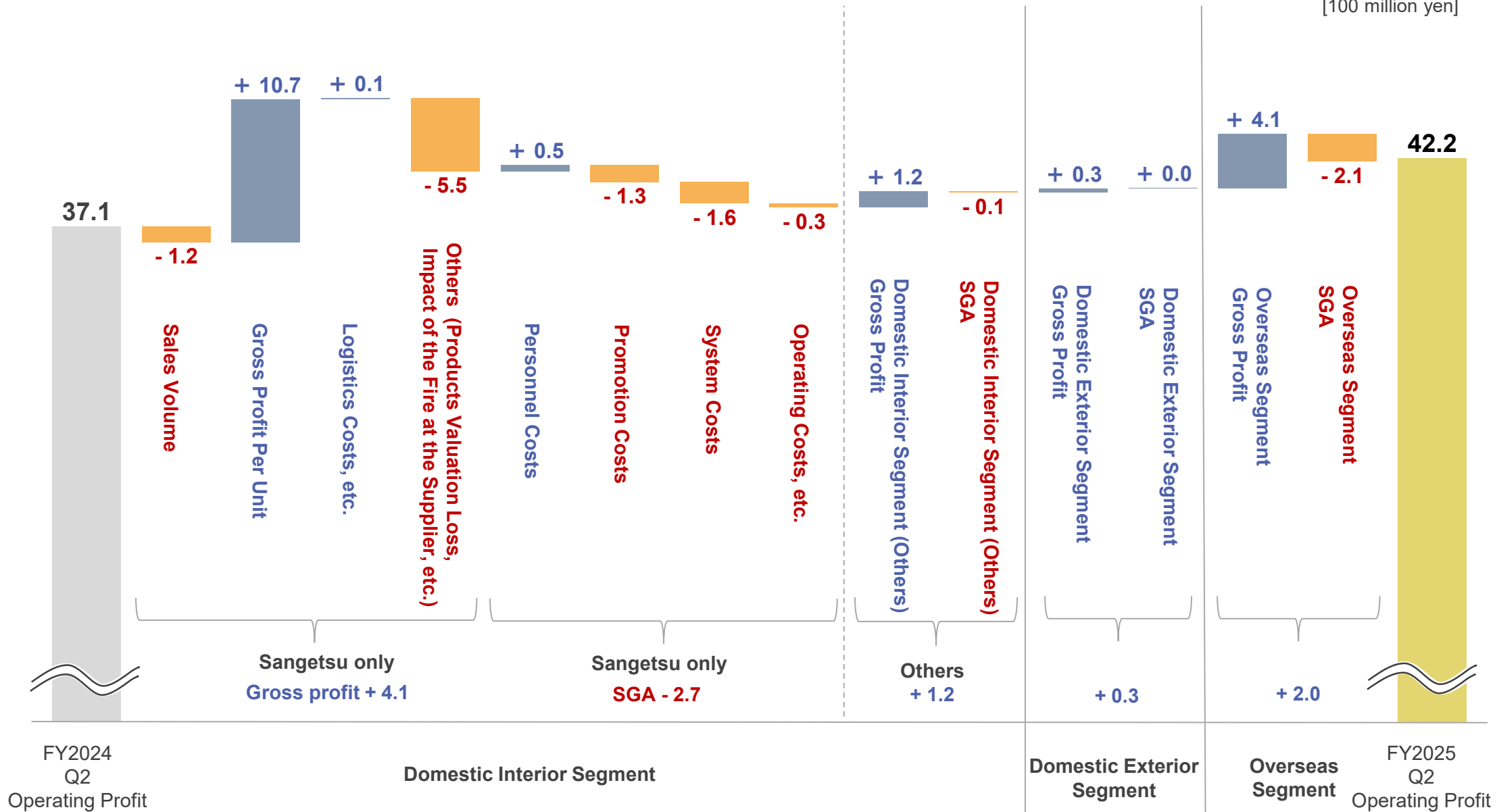
Change in Consolidated Operating Profit (YoY : April-September)

[100 million yen]



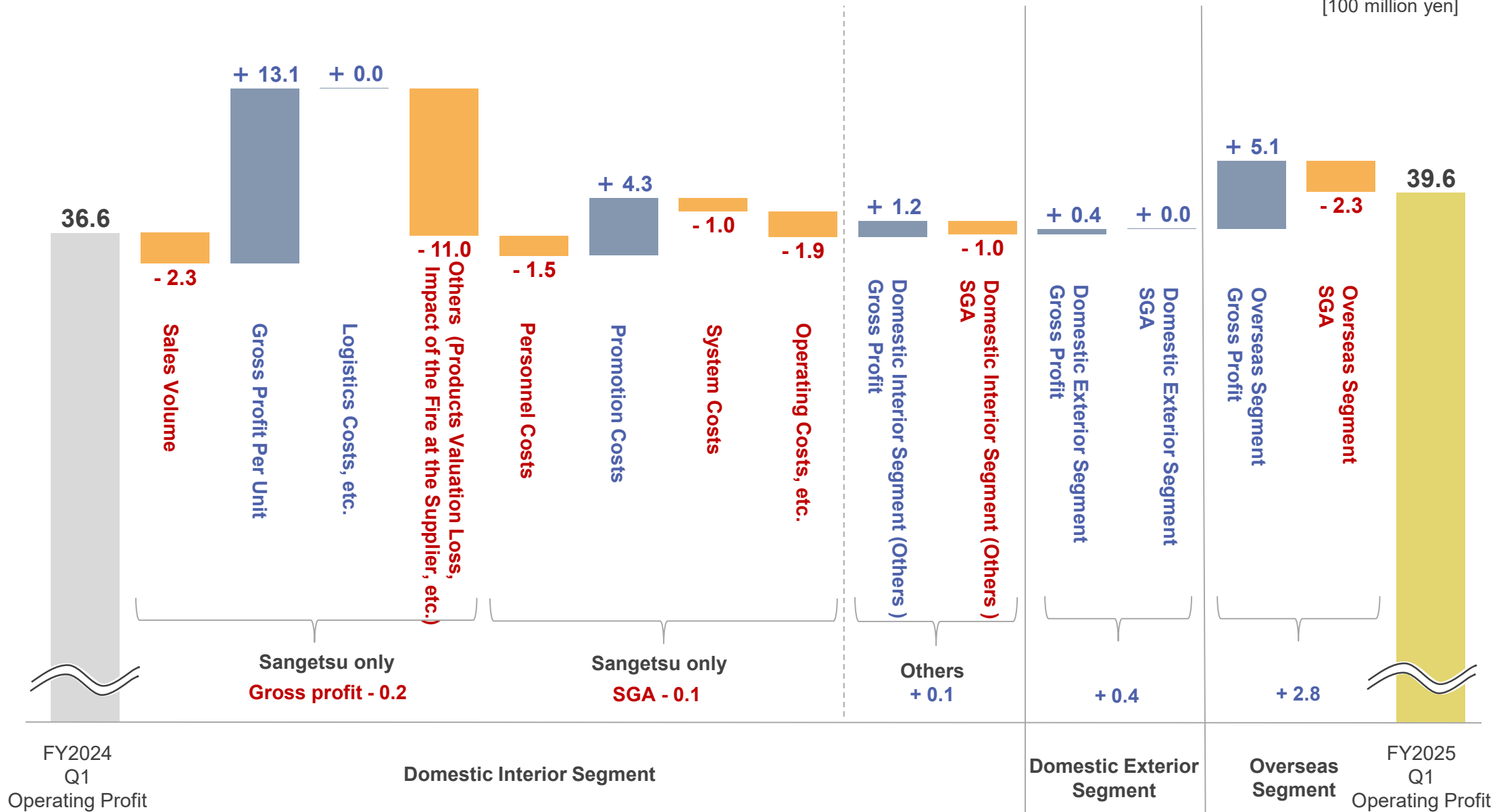
Change in Consolidated Operating Profit (YoY : July-September)

[100 million yen]



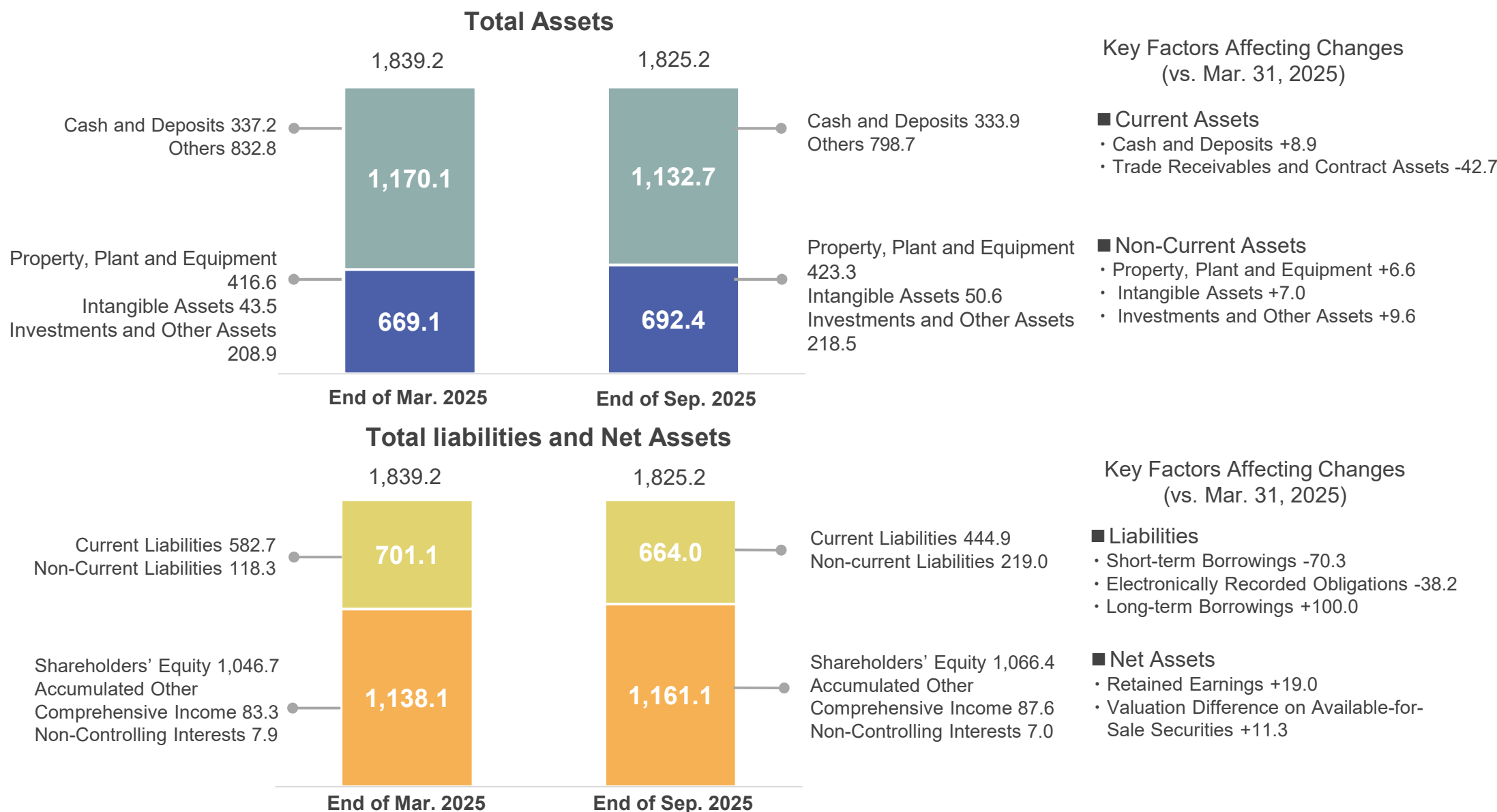
Change in Consolidated Operating Profit (YoY : April-June)

[100 million yen]



Consolidated Balance Sheet

[100 million yen]



Consolidated Cash Flow Statement

[100 million yen]

■ Cash Flows from Operating Activities 56.6

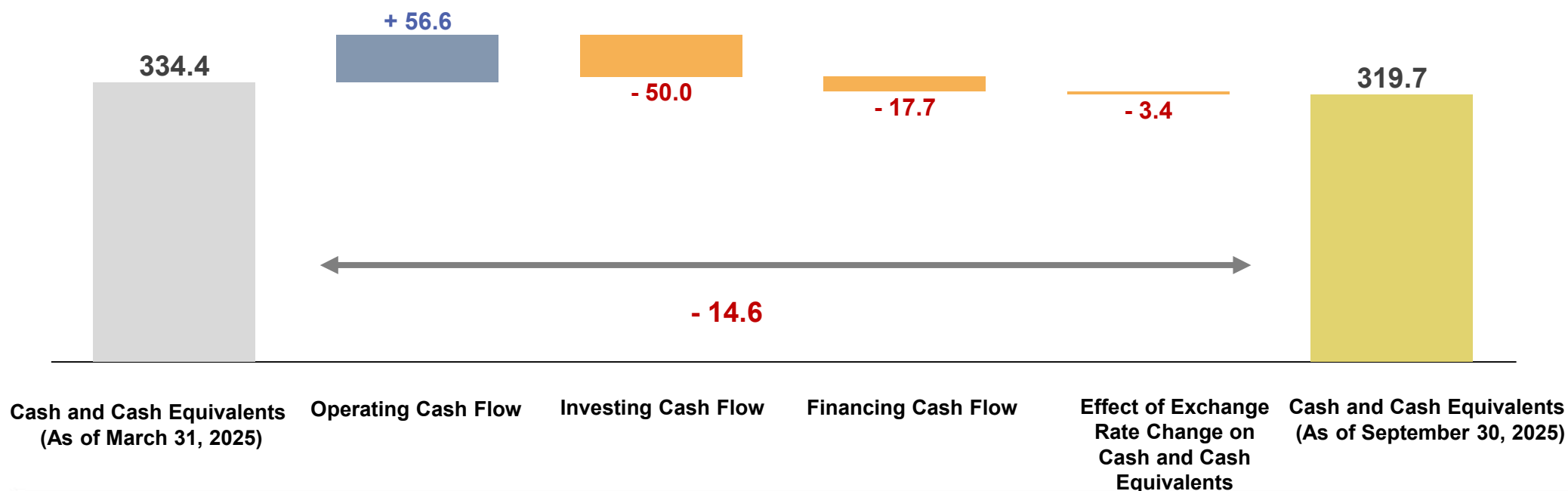
• Profit Before Income Taxes	89.5
• Depreciation	19.9
• Increase (Decrease) in Trade Receivables and Contract Assets	+41.7
• Increase (Decrease) in Trade Payables	-38.1
• Income Taxes Paid	-27.9

■ Cash Flows from Investing Activities -50.0

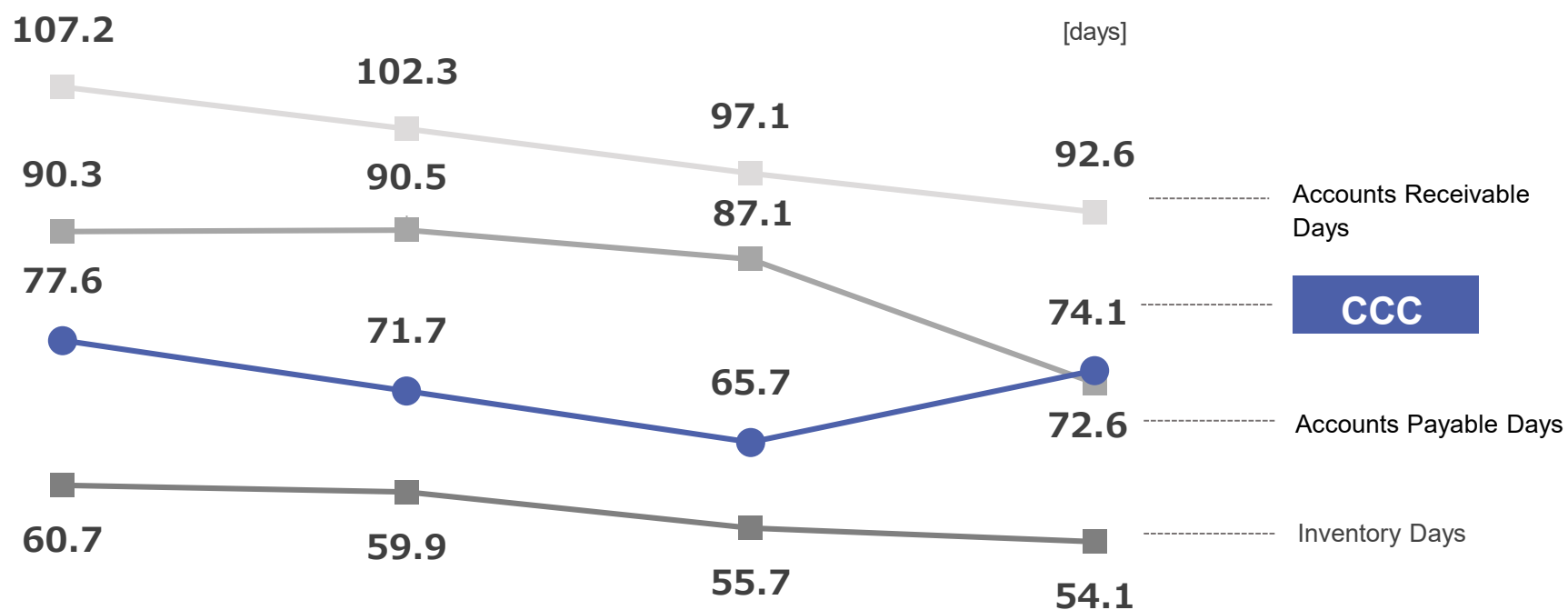
• Payments into Time Deposits	-11.3
• Purchase of Property, Plant and Equipment	-27.9
• Purchase of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	-8.3

■ Cash Flows from Financing Activities -17.7

• Increase(Decrease) in Borrowings	+29.0
• Dividends Paid	-44.0



Consolidated Cash Conversion Cycle



	FY2022 H1	FY2023 H1	FY2024 H1	FY2025 H1
Accounts Receivable Days	107.2	102.3	97.1	92.6
Accounts Payable Days	90.3	90.5	87.1	72.6
Inventory Days	60.7	59.9	55.7	54.1
CCC	77.6	71.7	65.7	74.1

[BX 2025]
Target: 70 days

Net Sales and Operating Profit of Each Segment

	FY2024 H1	FY2025 H1 [100 million yen, %]			
	Results	Results	YoY	H1 Forecast Announced: May	Achievement Rate
Domestic Interior Segment Net Sales	778.1	780.1	+1.9 +0.3%	784.0	99.5%
Wallcoverings Unit	377.6	393.4	+15.8 +4.2%	-	-
Flooring Materials Unit	277.3	258.6	-18.7 -6.8%	-	-
Fabrics Unit	44.6	48.2	+3.6 +8.1%	-	-
Construction and Others	78.3	79.7	+1.3 +1.7%	-	-
Operating Profit	80.0	82.5	+2.4 +3.1%	75.5	109.3%
Domestic Exterior Segment Net Sales	31.3	33.8	+2.4 +7.7%	37.0	91.4%
Operating Profit	-0.4	0.3	+0.7 -	0.0	-
Overseas Segment Net Sales	129.3	175.0	+45.6 +35.3%	169.0	103.6%
Operating Profit	-5.8	-1.0	+4.8 -	-1.5	-
Adjustment of Transactions Between Segments (Net Sales)	-0.1	-0.0	+0.0 -	-	-
Adjustment of Transactions Between Segments (Operating Profit)	0.0	0.0	+0.0 +12.4%	-	-
Consolidated Net Sales	938.7	988.9	+50.1 +5.3%	990.0	99.9%
Consolidated Operating Profit	73.7	81.8	+8.0 +10.9%	74.0	110.6%

Domestic Interior Segment: Situation of the Domestic Construction Market

Residential Market



New Construction

Statistics of New Housing Starts YoY

New Housing Starts

Floor Area of New Housing

Jan-Sep 2025	-8.0%	-7.9%
Apr-Sep 2025	-17.4%	-17.6%

Remodeling

MLIT Survey on the Remodeling and Renovation of Buildings
(Amount of orders) YoY (Apr-Jun 2025)

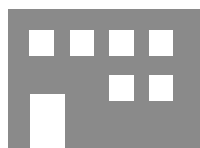
Total in the Residential Market	-2.2%
Detached Houses	-5.0%
Apartment Buildings	-1.0%

New Construction

Floor Area of Private Non-residual Buildings YoY
(for each purpose of use; excluding warehouses and factories)

Jan-Sep 2025	-5.4%
Apr-Sep 2025	-2.5%
FY2024	-10.2%
FY2023	-9.0%
FY2023	-6.5%

Non-Residential Market



Renovation

Survey on the Remodeling and Renovation of Buildings
(Amount of orders) YoY (Apr-Jun 2025)

Total in the Non-Residential Market	+12.0%
Offices	+14.2%
Restaurants	-8.4%
Sale of Goods	+26.6%
Medical Care	-6.1%
Accommodation	+34.6%
Welfare	+40.7%

Domestic Interior Segment: Net Sales of Wallcoverings and Flooring Materials

Wallcoverings

FY2025 H1
Sales of Wallcoverings

39.3 billion yen
(+4.2% YoY)

**Our Shipment
Quantity**
(Apr-Sep 2025)

-3.7% YoY

**Shipment Quantity of Wallcoverings
in the Entire Industry***

(Apr-Sep 2025)

- 1.8% YoY

Source: JAPAN WALLCOVERINGS ASSOCIATION

*Calculated from data on wallcoverings (vinyl chloride resin and plastic ones).

Flooring Materials

FY2025 H1
Sales of Flooring Materials

25.8 billion yen
(-6.8% YoY)

**Our Shipment
Quantity**

(Apr-Aug 2025)
Carpet Products

-3.6% YoY

(Apr-Sep 2025)
PVC Flooring

-17.7% YoY

* Impact from a fire at a supplier's plant since around February 2025. (PVC Flooring)

**Shipment Quantity and
Production of Flooring
Materials in the Entire Industry**

(Apr-Aug 2025)

Carpet Products

-0.7% YoY

(Apr-Sep 2025)

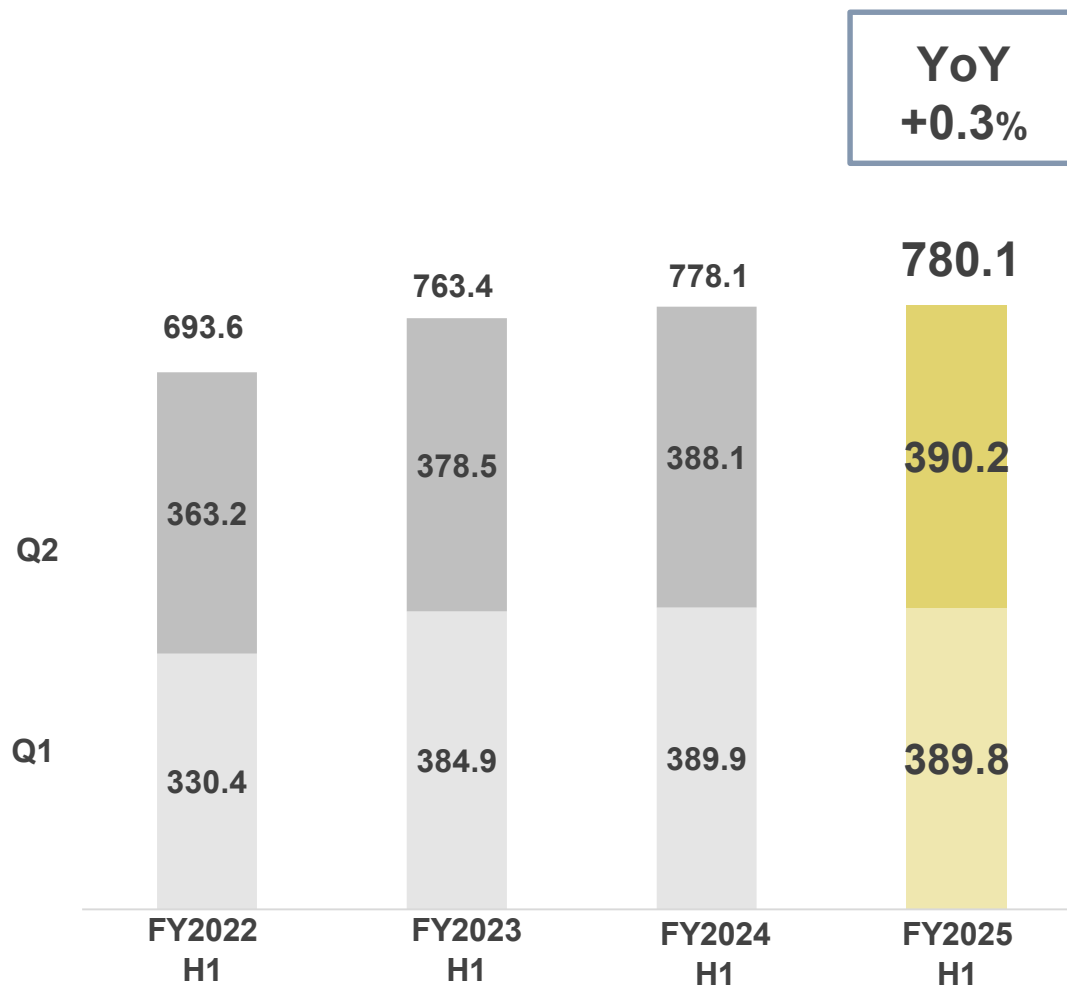
PVC Flooring

-2.4% YoY

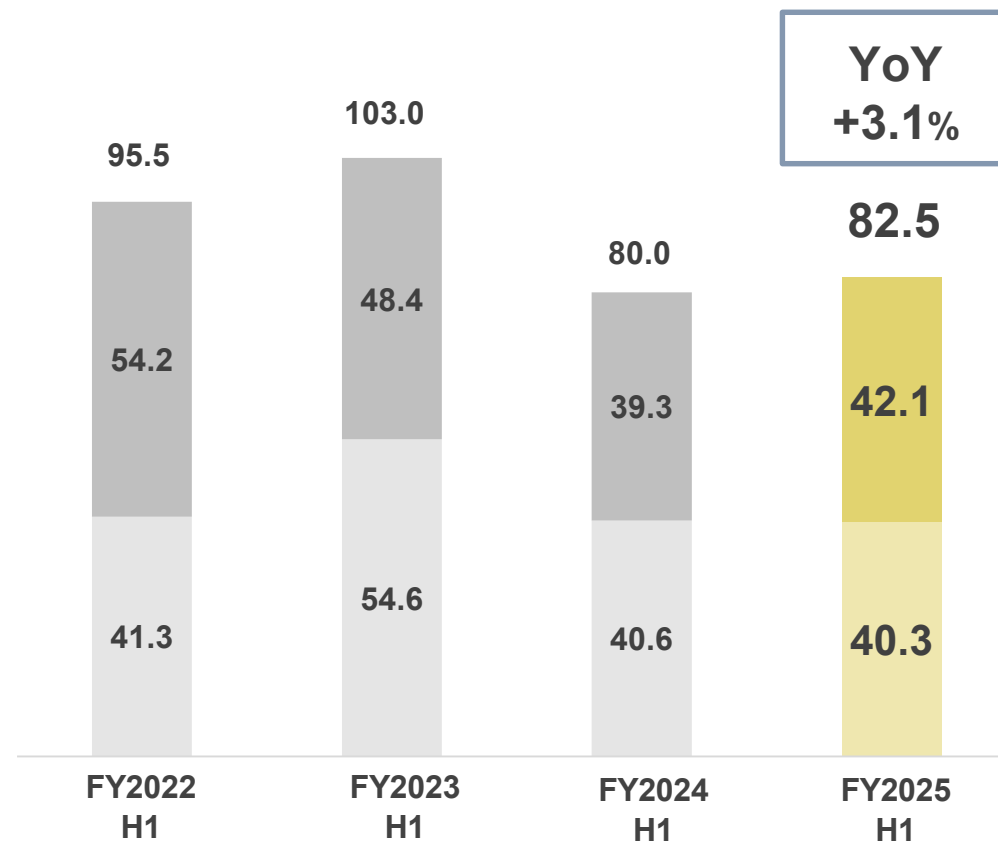
Sources: NIPPON INTERIOR ASSOCIATION (vinyl chloride flooring materials)
and Japan Industrial Association for Carpets (fibrous flooring materials)

Domestic Interior Segment

Net sales [100 million yen]

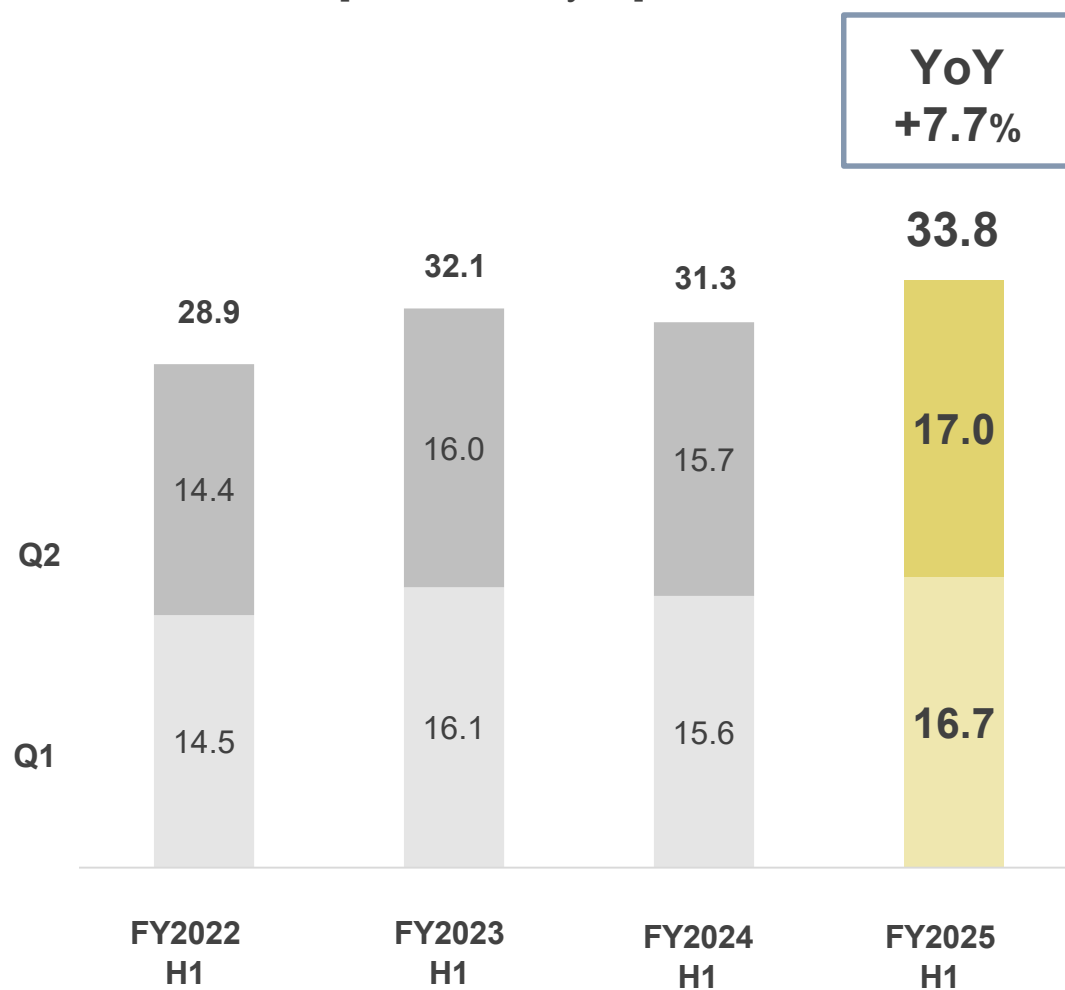


Operating profit [100 million yen]



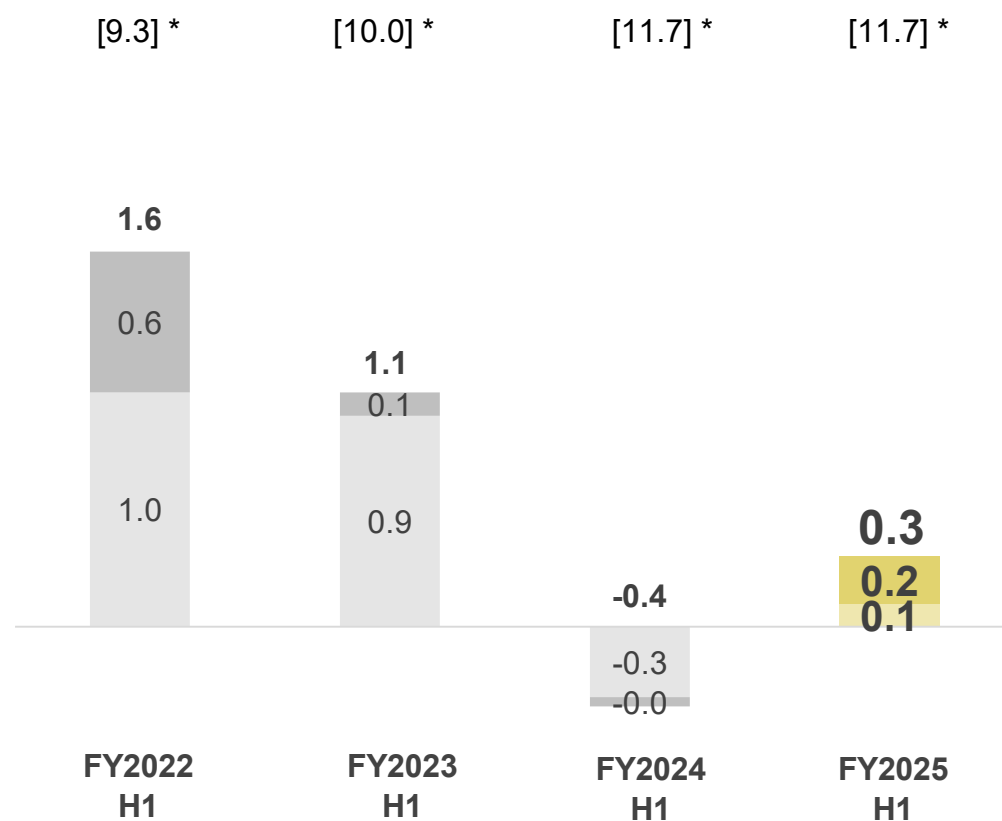
Domestic Exterior Segment

Net sales [100 million yen]



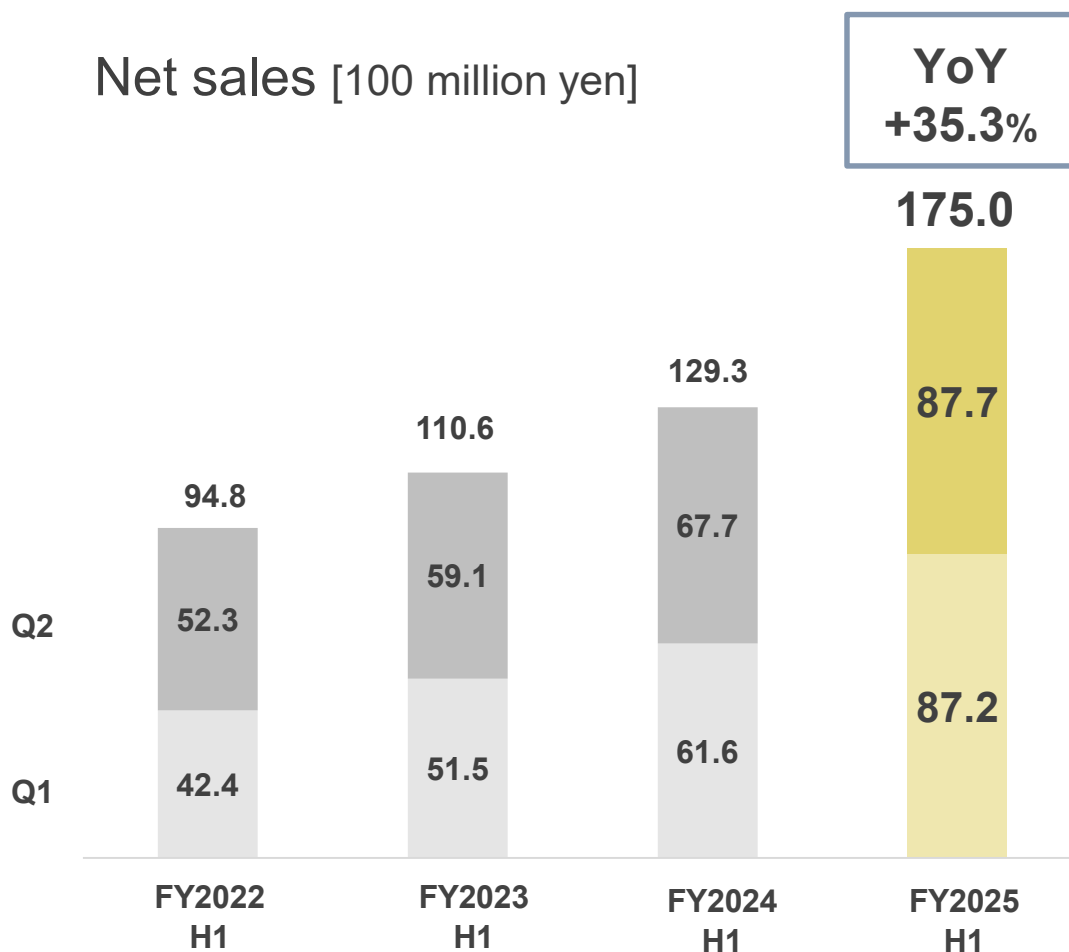
Operating profit [100 million yen]

*The parenthesis represents SG&A(H1).



Overseas Segment

Net sales [100 million yen]

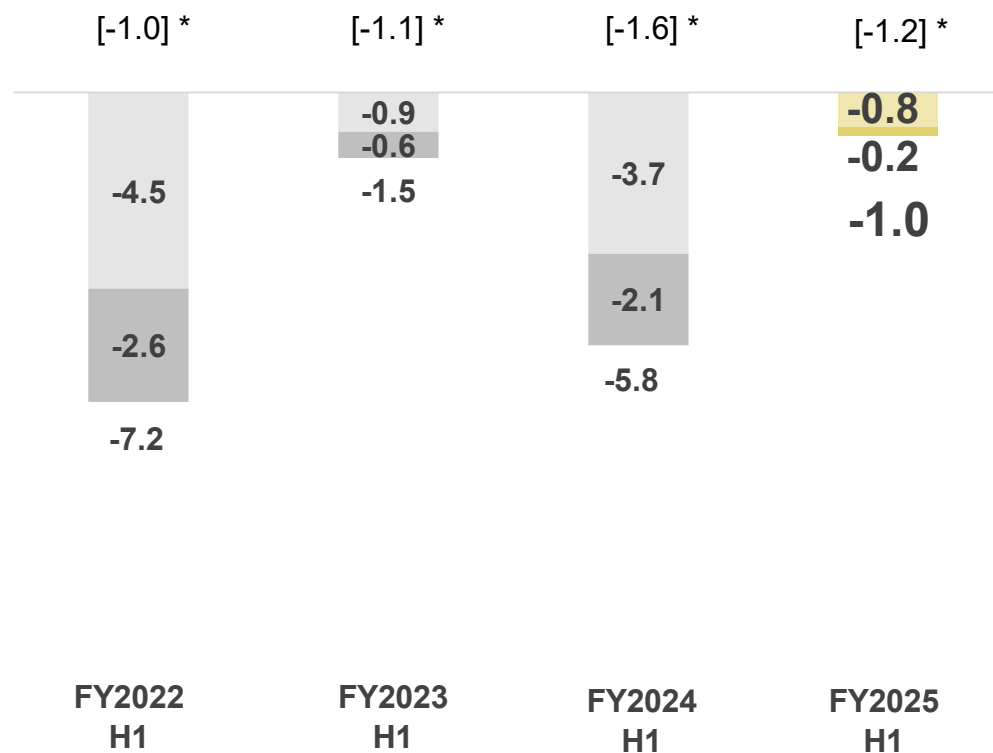


The operating results of D'Perception Pte Ltd, which is engaged in the design and construction business in Southeast Asia, were reflected starting from the third quarter of the fiscal year ended March 31, 2025 (FY2024).

(Cumulative consolidated period: Jan-Jun. 2025)

Operating profit [100 million yen]

*The parenthesis represents the profit/loss of the Overseas Business Group.(H1)



Effective from the fiscal year ended March 31, 2024, the results (P/L) of the Overseas Business Group of Sangetsu Corporation have been reclassified from the Domestic Interior Segment to the Overseas Segment. For comparative purposes, the table above shows the results for the FY2023 after the reclassification of the Overseas Business Group's P/L for reference.

2. FY2025 Financial Forecast

Key Points of the Forecast for FY2025 (YoY)

✓ Financial Forecast

Domestic Interior Segment

- The business environment remains weaker than initially expected, particularly in the new housing market.
- While volume is expected to decrease compared to the initial plan, we will continue to aggressively pursue market share expansion for each product.
- Gross profit is expected to absorb the impact of volume decreases (including those attributed to the fire accident) and rising procurement costs, primarily through price revisions and other measures, and is forecast to increase.
- SG&A is expected to include various investments, primarily in business infrastructure; however, we will continue to strive for effective SG&A cost control.
- Progress regarding the impact on certain flooring material products, whose orders have been suspended since February 2025 due to the fire accident, is expected to be generally in line with the initial plan.

Overseas Segment

- North America, driven by robust orders, is expected to continue driving earnings growth. Furthermore, we aim to achieve profitability through sales contributions from D'Perception Pte Ltd (which handles the space design and construction business) and performance improvement in Southeast Asia and China. (Overall progress for the Overseas Segment is generally on track with the initial plan.)

Consolidated Earnings Forecasts for FY2025

Announced in May 2025: Unchanged

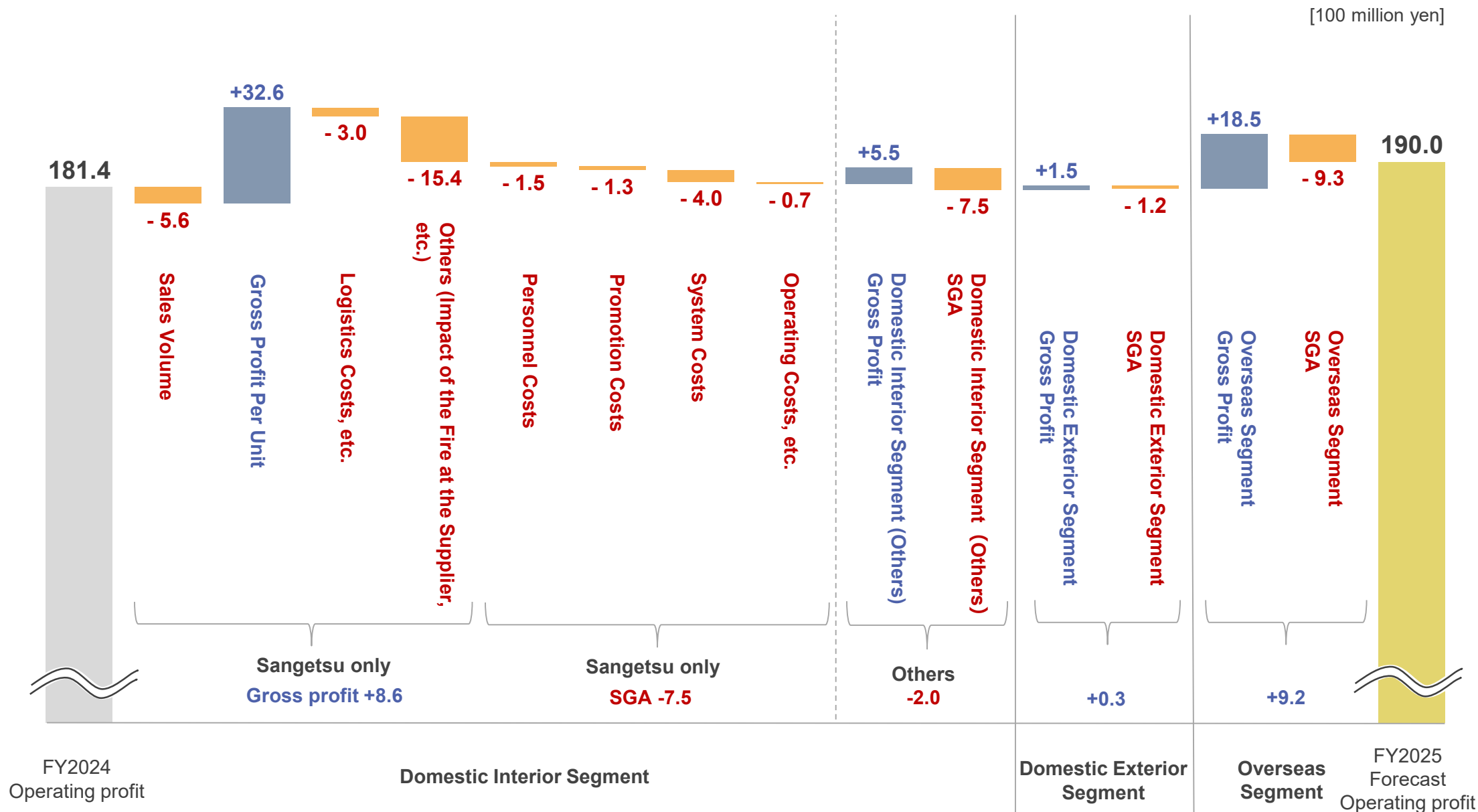
	FY2024		FY2025						
	H2	Full-year	H1			H2		Full-year	
	Results		Forecasts	Results	Full year Progress Rate	Initial Forecasts	Revised Forecasts	Forecasts	YoY
Net Sales	1,065.0	2,003.7	990.0	988.9	47.1%	1,110.0	1,111.0	2,100.0	+96.2 +4.8%
Gross Profit	333.9	623.7	307.0	306.2	46.5%	351.0	351.7	658.0	+34.2 +5.5%
Margin	31.4%	31.1%	31.0%	31.0%		31.6%	31.7%	31.3%	
SGA	226.3	442.3	233.0	224.3	47.9%	235.0	243.6	468.0	+25.6 +5.8%
Operating Profit	107.6	181.4	74.0	81.8	43.1%	116.0	108.1	190.0	+8.5 +4.7%
Margin	10.1%	9.1%	7.5%	8.3%		10.5%	9.7%	9.0%	
Ordinary Profit	109.6	185.7	76.5	85.2	43.7%	118.5	109.7	195.0	+9.2 +5.0%
Profit Attributable to Owners of Parent	75.5	125.5	51.0	63.1	48.6%	79.0	66.8	130.0	+4.4 +3.6%

Earnings Forecasts for Each Segment

Announced in November 2025

		FY2024			FY2025						
					[100 million yen, %]						
		H1	H2	Full-year	H1		H2		Full-year		
		Results			Initial Forecasts	Results	Initial Forecasts	Revised Forecasts	Initial Forecasts	Revised Forecasts	YoY
Domestic Interior Segment	Net Sales	778.1	861.7	1,639.8	784.0	780.1	883.0	879.8	1,667.0	1,660.0	+20.1 +1.2%
	Operating Profit	80.0	109.3	189.4	75.5	82.5	113.0	105.9	188.5	188.5	-0.9 -0.5%
Domestic Exterior Segment	Net Sales	31.3	34.7	66.1	37.0	33.8	39.0	38.6	76.0	72.5	+6.3 +9.6%
	Operating Profit	-0.4	0.5	0.1	0.0	0.3	0.5	0.1	0.5	0.5	+0.3 +190.6%
Overseas Segment	Net Sales	129.3	168.5	297.9	169.0	175.0	188.0	192.4	357.0	367.5	+69.5 +23.3%
	Operating Profit	-5.8	-2.3	-8.2	-1.5	-1.0	2.5	2.0	1.0	1.0	+9.2 -
Adjustment of Transactions Between Segments	Net Sales	-0.1	-0.0	-0.1	-	-0.0	-	-	-	-	-
	Operating Profit	0.0	0.0	0.0	-	0.0	-	-	-	-	-
Total	Net Sales	938.7	1,065.0	2,003.7	990.0	988.9	1,110.0	1,111.0	2,100.0	2,100.0	+96.2 +4.8%
	Operating Profit	73.7	107.6	181.4	74.0	81.8	116.0	108.1	190.0	190.0	+8.5 +4.7%

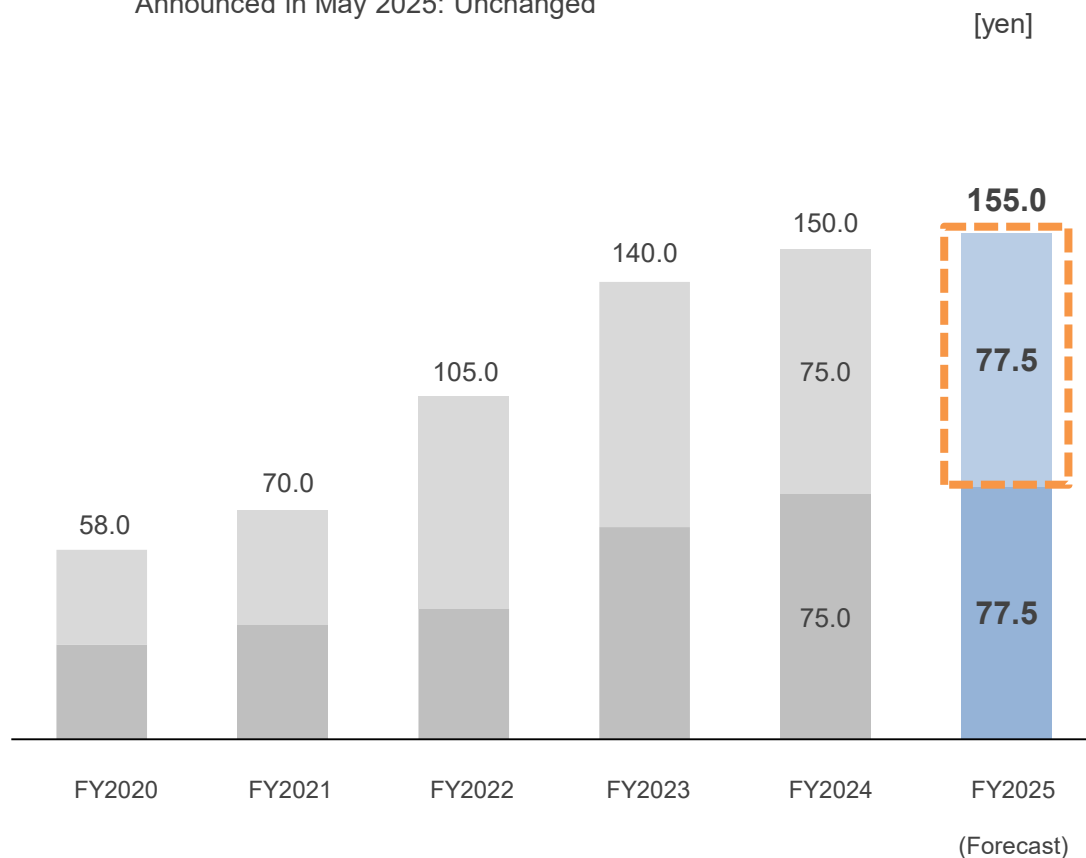
Change in Consolidated Operating Profit Forecast (YoY : April-March)



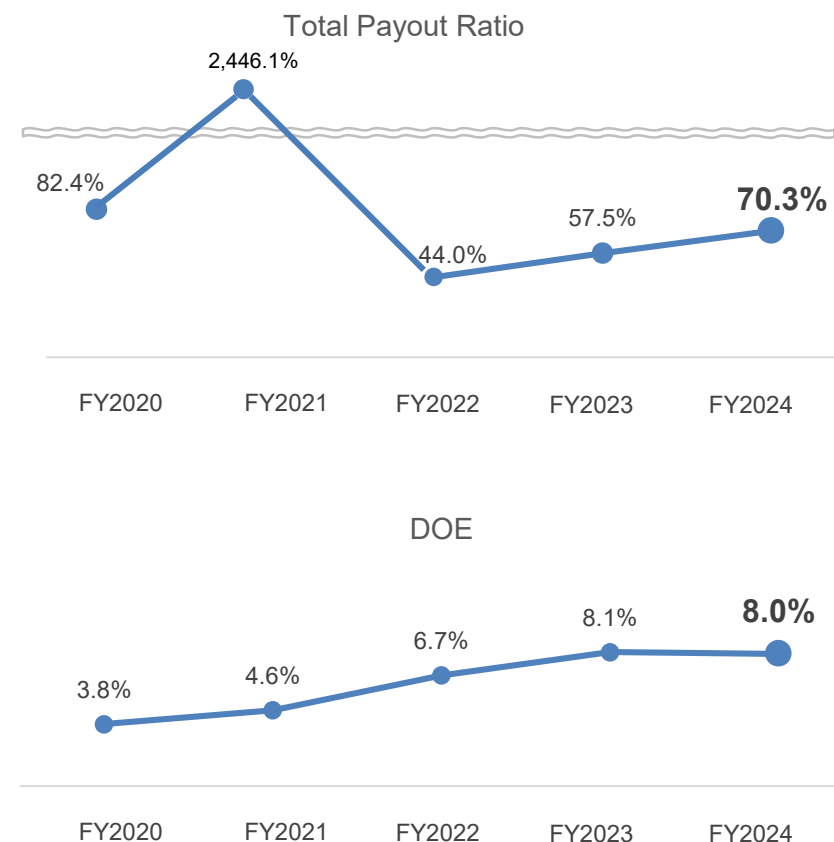
Results and Forecast of Shareholder Return Changes in Dividend Per Share

- **Dividend Per Share Trend**

Announced in May 2025: Unchanged



- **Reference Metrics**



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. This brings the total annual dividend forecast to 155.0 yen per share, an increase of 5.0 yen YoY. This marks the 12th consecutive year of forecast dividend growth.

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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