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Sangetsu Corporation

Financial Results Briefing for the Fiscal Year Ending March 31, 2026

May 27, 2026

Representative Director, President and CEO Yasumasa Kondo

Securities code: 8130

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

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1. Overview of results for FY2025

Key Points of Financial Results in FY2025

✓ Consolidated Results

- Net sales hit a record high. All profit lines increased YoY, and profit attributable to owners of the parent also reached a record high, partly due to the recording of approximately 0.8 billion yen in extraordinary income (subsidy income, etc.).
- Net sales: Increased YoY, driven by solid performance across domestic segments and continued growth in the overseas segment.
- Operating profit: Increased YoY, driven by growth in the Domestic Interior Segment and a significant improvement in profit/loss in the Overseas Segment.
- Compared to the plan, net sales fell short due to factors such as weak domestic demand in Japan, but the profit plan was achieved through stable earnings in the Domestic Interior Segment and strong performance in the North American business within the Overseas Segment.

✓ Domestic Interior Segment

- Despite a decrease in sales volume due to factors including sluggish domestic demand and supply constraints from a factory fire at a key supplier, net sales were maintained at the same level YoY through price revisions, an improved product portfolio, and improved performance of group companies.
- The profit plan was achieved through the enhancement of solution proposal capabilities by strengthening cross-functional collaboration, strengthening the profitability of group companies, and reducing SG&A expenses.

Key Points of Financial Results in FY2025

✓ Domestic Exterior Segment

- Despite a challenging business environment, including a downturn in the new housing market, net sales and profit increased YoY, and the plan was achieved.
- The main factors for the improvement in business performance were higher selling prices, growth in orders for non-residential projects in the mainstay Tokai region market, and expanded sales in the focus Kanto region market.

✓ Overseas Segment

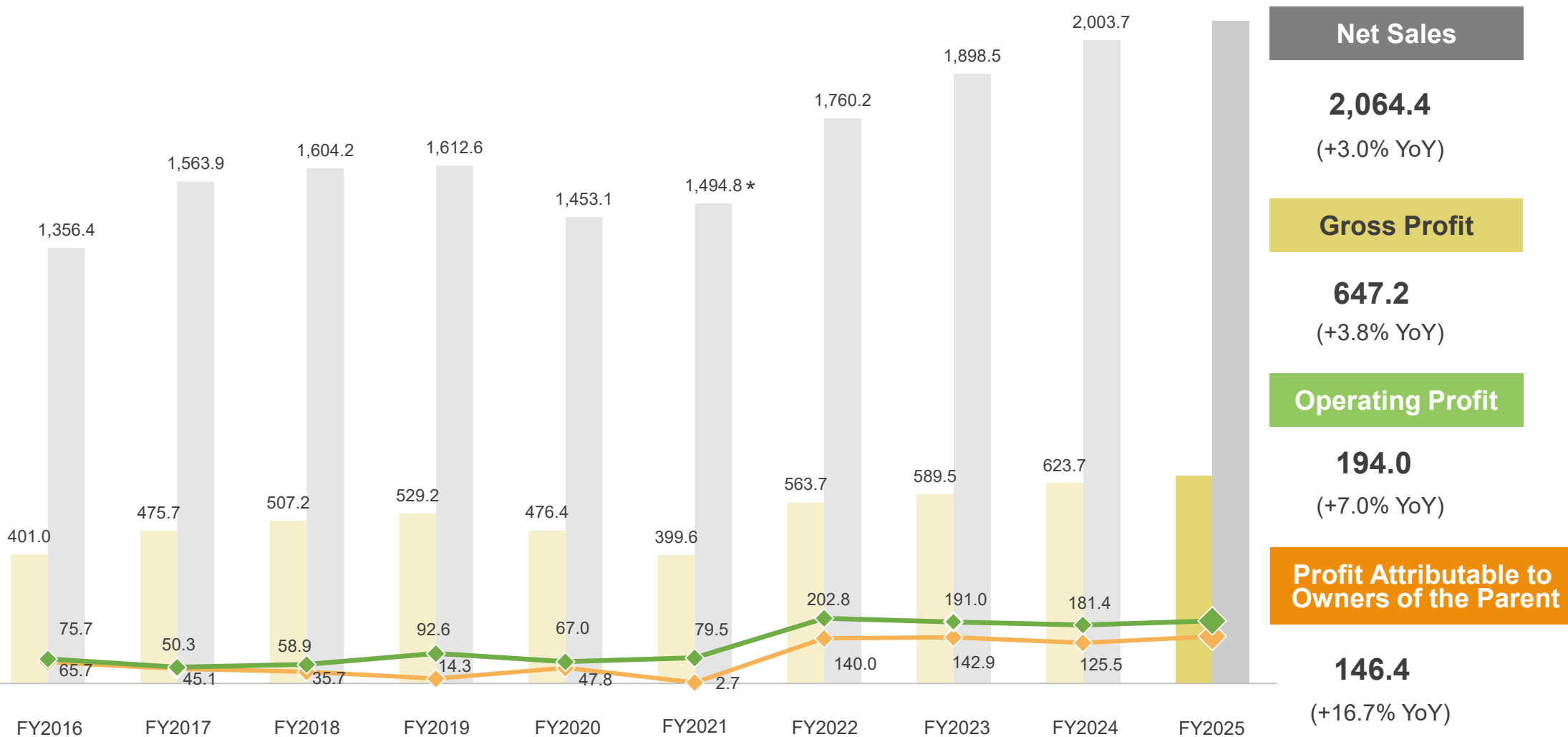
- Net sales increased YoY due to favorable business conditions in North America and management improvements in Southeast Asia and China and Hong Kong. Although profit and loss improved significantly and the operating loss narrowed, the plan was not achieved due to the recording of one-time expenses in the Singapore design and construction business.
- Accelerating growth strategies in North America, while steadily progressing with operational improvements in Southeast Asia and China and Hong Kong following the refreshment of management structures.

Summary of Consolidated Statement of Profit or Loss

	FY2024		FY2025				
	Q4	Full-year	Q4	Full-year		Full-year	
	Results		Results		YoY	Forecasts	Achievement rates
Net Sales	530.7	2,003.7	550.3	2,064.4	+60.6 +3.0%	2,100.0	98.3%
Gross Profit	168.7	623.7	173.1	647.2	+23.5 +3.8%	658.0	98.4%
GP Margin	31.8%	31.1%	31.5%	31.4%	-	31.3%	-
SG&A expenses	113.5	442.3	115.0	453.2	+10.8 +2.5%	468.0	96.8%
Operating Profit	55.1	181.4	58.0	194.0	+12.6 +7.0%	190.0	102.1%
OP Margin	10.4%	9.1%	10.6%	9.4%	-	9.0%	-
Ordinary Profit	56.0	185.7	60.9	201.5	+15.8 +8.5%	195.0	103.3%
Profit Attributable to Owners of the Parent	37.5	125.5	44.5	146.4	+20.9 +16.7%	130.0	112.6%

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

(100 million yen)

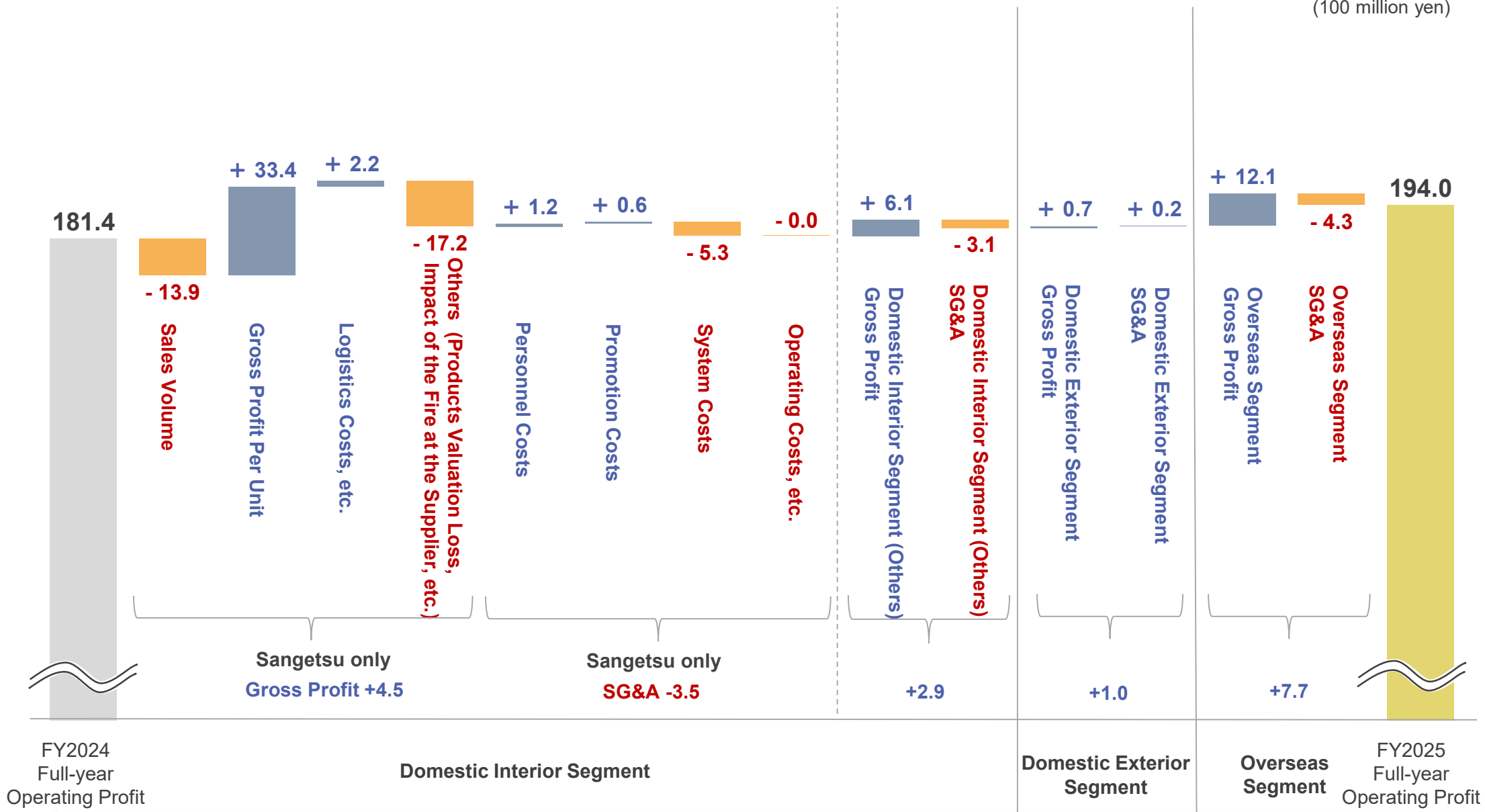


Net Sales and Operating Profit of Each Segment

	FY2024		FY2025 [100 million yen, %]				
	Q4	Full-year	Q4	Full-year		Full-year	
	Results		Results		YoY	Forecasts	Achievement rates
Domestic Interior Net Sales	423.8	1,639.8	440.5	1,641.0	+1.2 +0.1%	1,660.0	98.9%
Wallcoverings Unit	199.9	786.4	202.0	799.4	+13.0 +1.7%	-	-
Flooring Materials Unit	146.6	573.7	154.2	556.1	-17.6 -3.1%	-	-
Fabrics Unit	25.4	96.0	27.0	101.2	+5.1 +5.4%	-	-
Construction and Others	51.8	183.5	57.2	184.1	+0.6 +0.3%	-	-
Operating Profit	55.0	189.4	58.7	193.3	+3.9 +2.1%	188.5	102.6%
Domestic Exterior Net Sales	17.1	66.1	20.0	73.1	+6.9 +10.6%	72.5	100.8%
Operating Profit	0.3	0.1	0.4	1.1	+1.0 +586.7%	0.5	236.3%
Overseas Net Sales	89.7	297.9	89.8	350.2	+52.3 +17.6%	367.5	95.3%
Operating Profit	-0.3	-8.2	-1.1	-0.4	+7.7 -	1.0	-
Eliminations (Net Sales)	-0.0	-0.1	-0.0	-0.0	+0.0 -	-	-
Eliminations (Operating Profit)	0.0	0.0	0.0	0.0	+0.0 +3.1%	-	-
Consolidated Net Sales	530.7	2,003.7	550.3	2,064.4	+60.6 +3.0%	2,100.0	98.3%
Consolidated Operating Profit	55.1	181.4	58.0	194.0	+12.6 +7.0%	190.0	102.1%

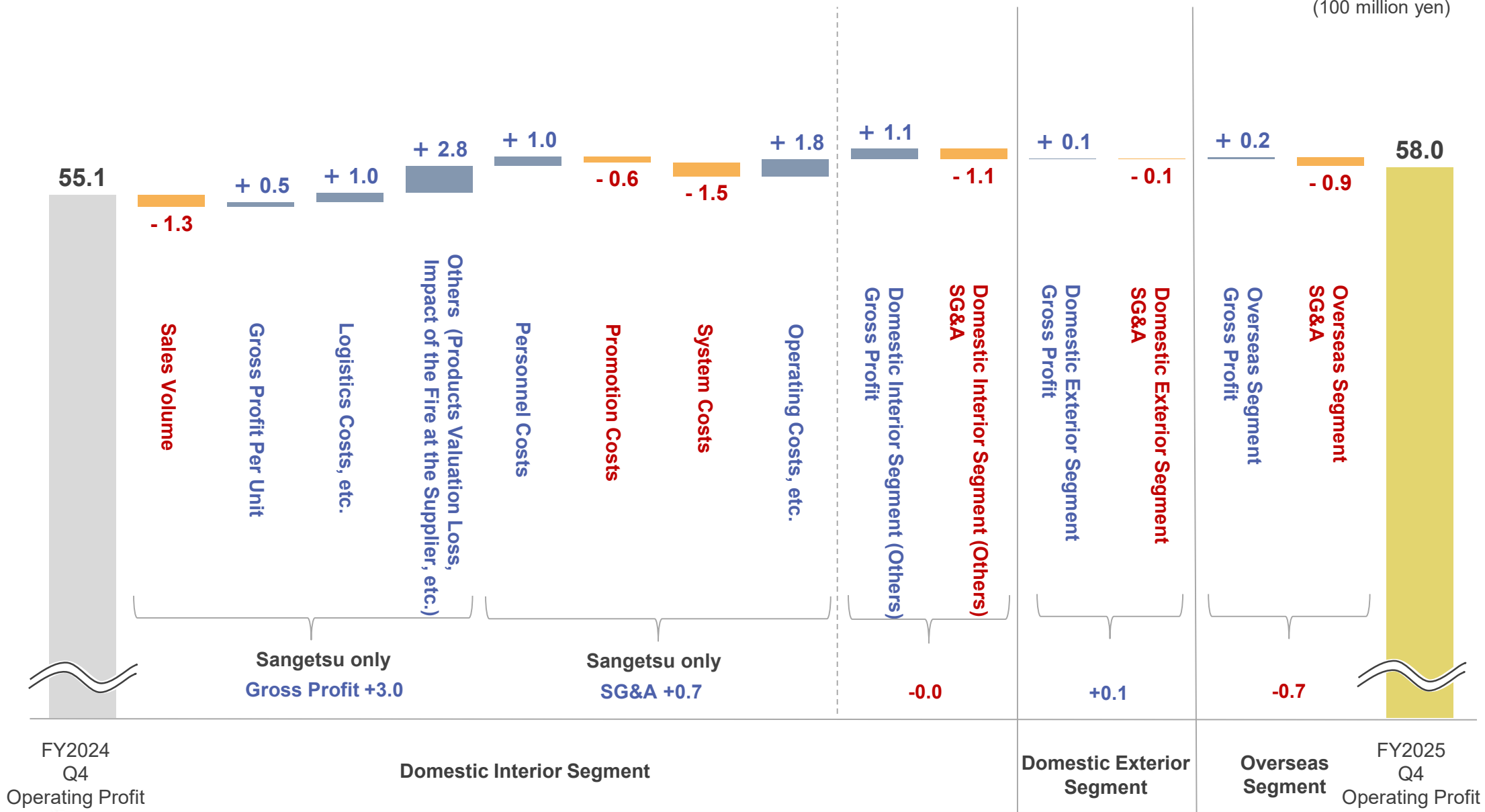
Change in Consolidated Operating Profit (YoY : April-March)

(100 million yen)



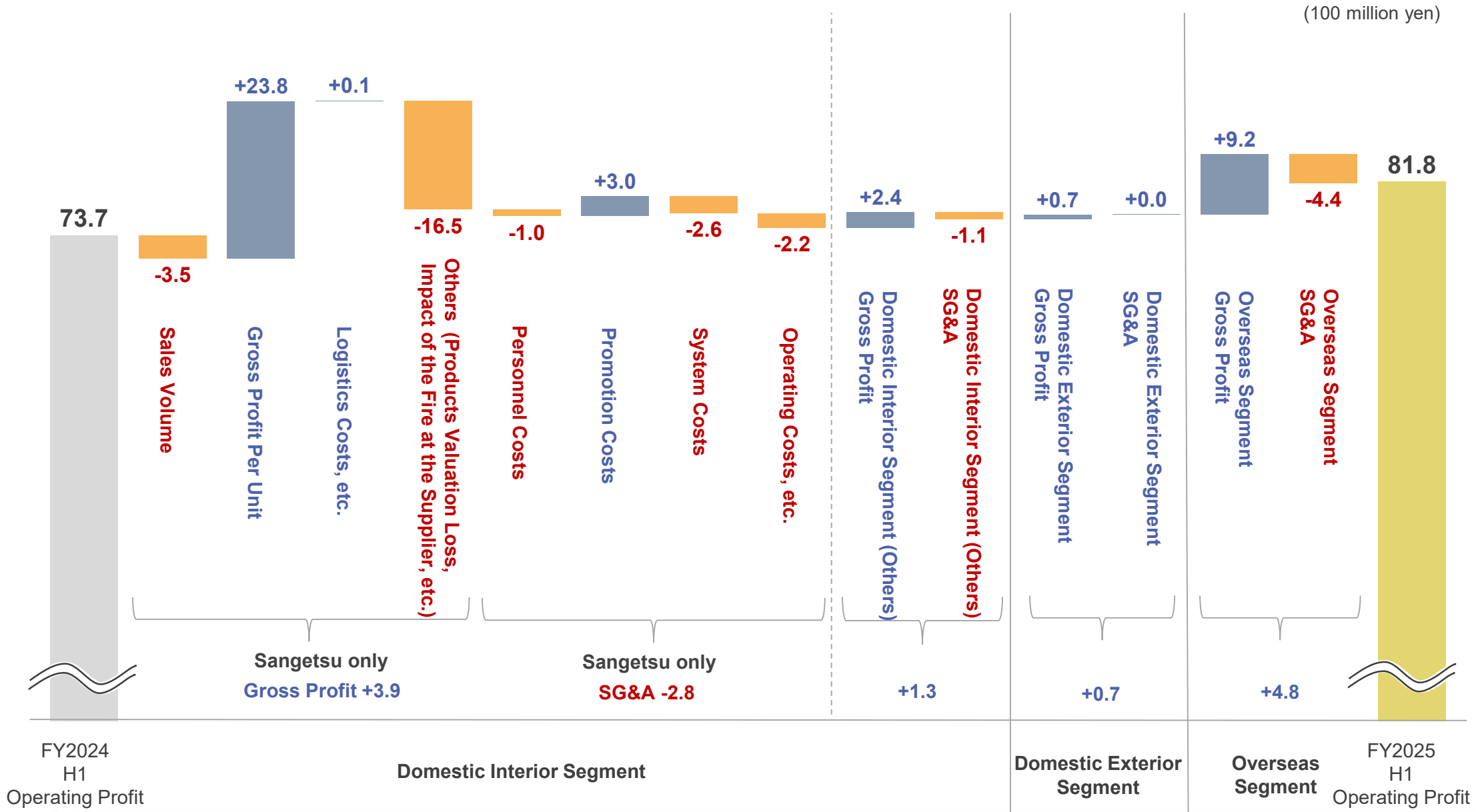
Change in Consolidated Operating Profit (YoY : January-March)

(100 million yen)



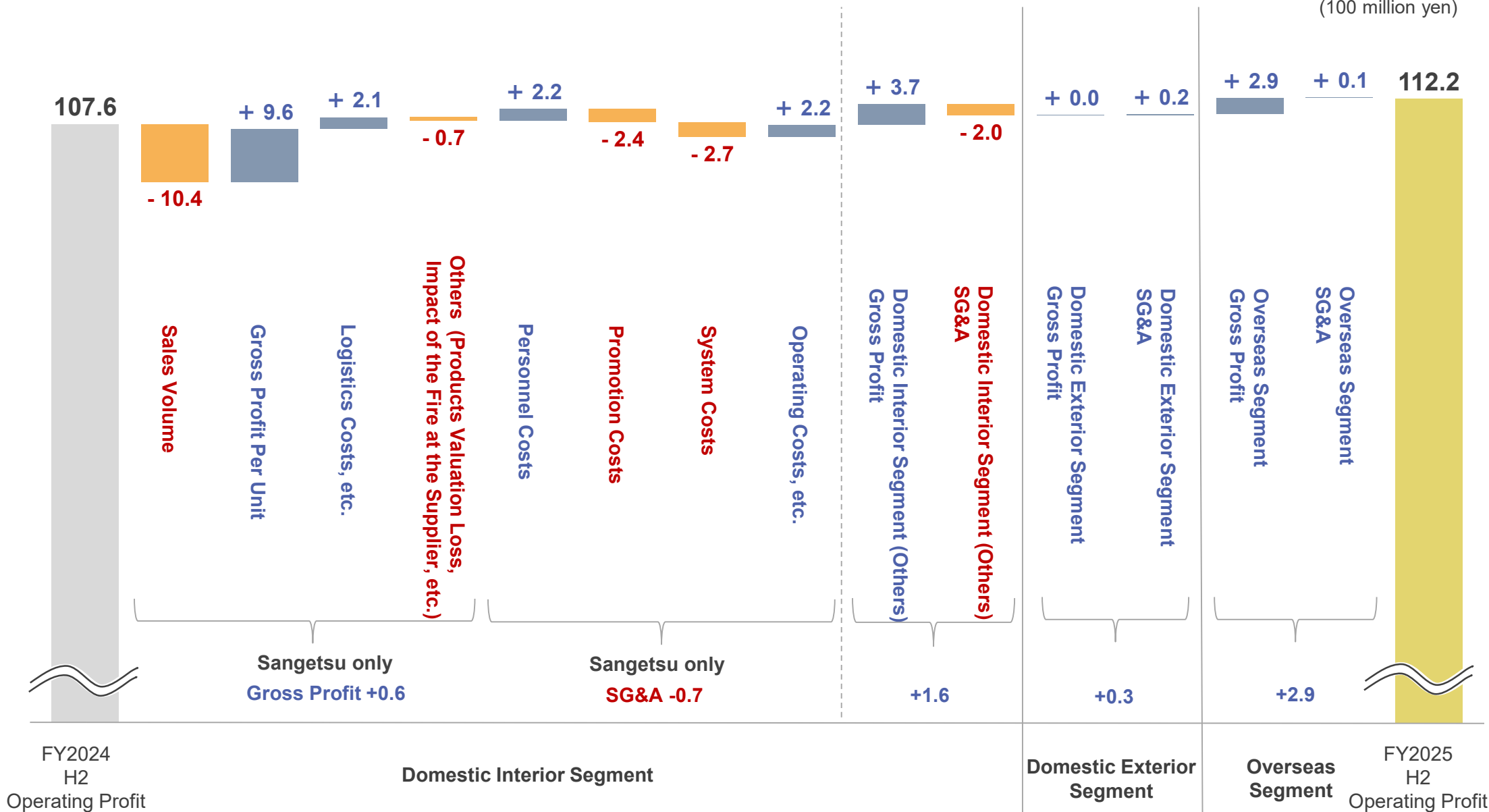
Change in Consolidated Operating Profit (YoY : April-September)

(100 million yen)

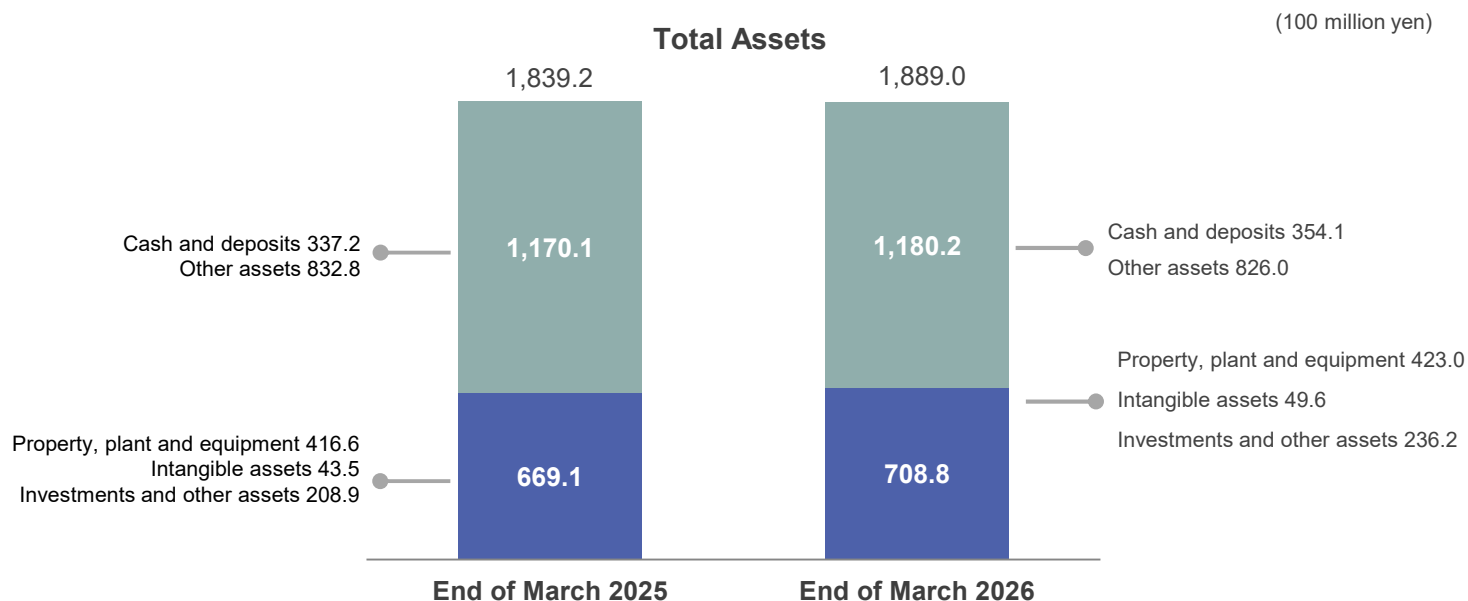


Change in Consolidated Operating Profit (YoY : October-March)

(100 million yen)

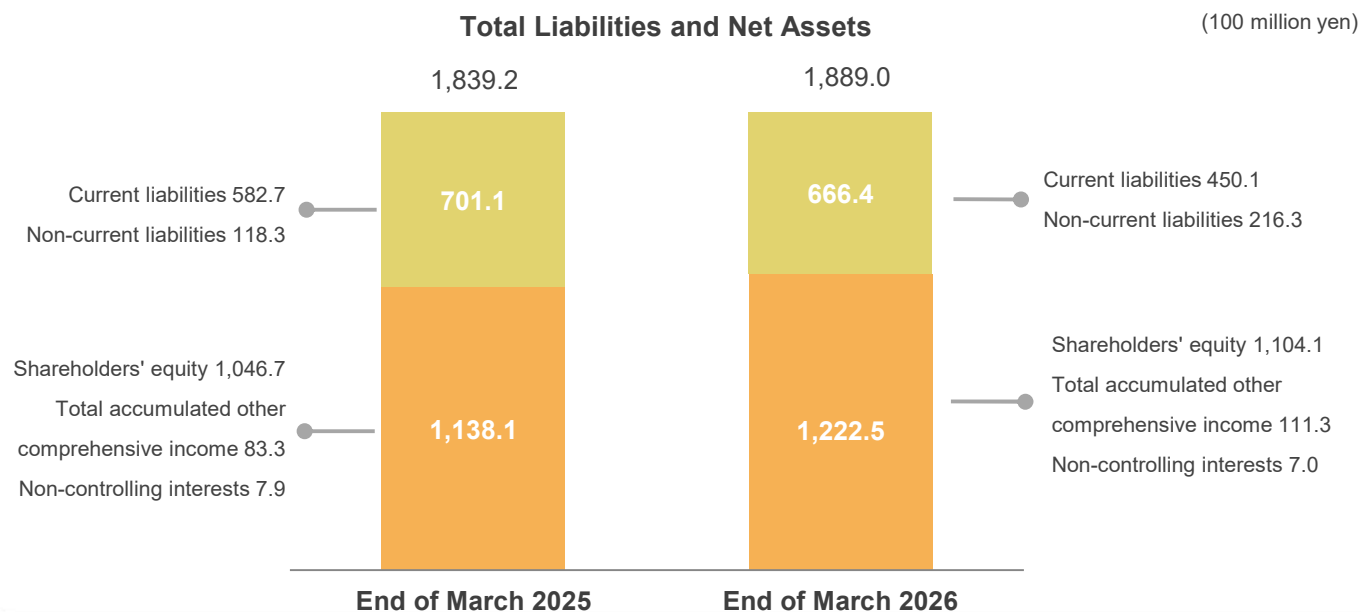


Consolidated Balance Sheet



Main factors for change Compared with end of March, 2025

- Current assets
 - Cash and deposits +16.8
- Non-current assets
 - Property, plant and equipment +6.3
 - Intangible assets +6.0
 - Investments and other assets +27.3



Main factors for change Compared with end of March, 2025

- Liabilities
 - Short-term borrowings -87.3
 - Electronically recorded obligations – operating -47.0
 - Long-term borrowings +100.0
- Net assets
 - Retained earnings +56.7
 - Valuation difference on available-for-sale securities +18.5

Consolidated Cash Flow Statement

(100 million yen)

■ Cash flows from operating activities 143.2

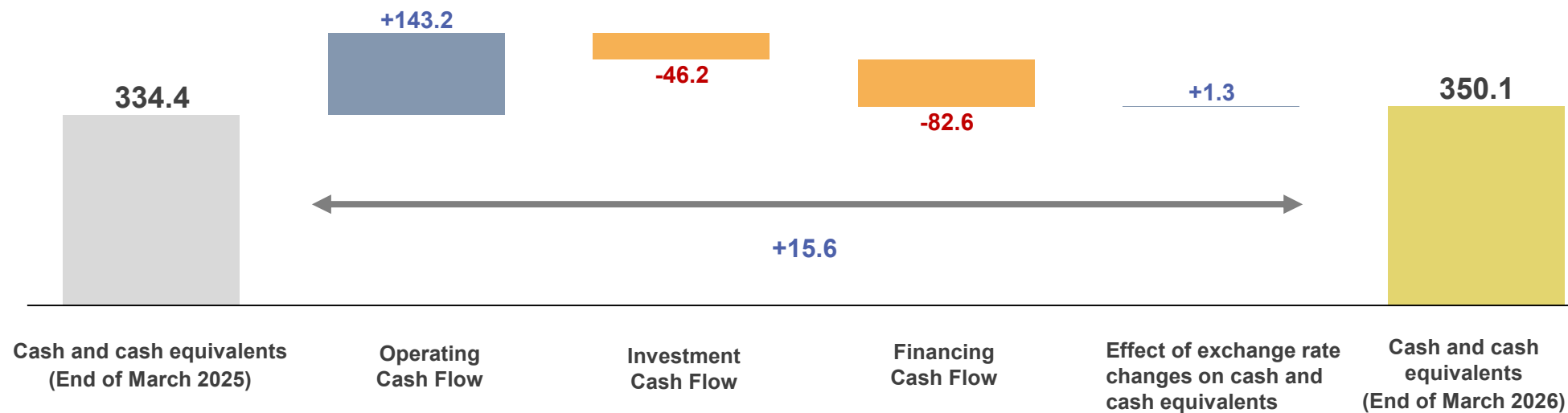
• Profit before income taxes	208.0
• Depreciation	43.2
• Changes in trade receivables and contract assets	+3.7
• Changes in inventories	+5.7
• Changes in trade payables	-51.2
• Income taxes paid	-57.1

■ Cash flows from investing activities -46.2

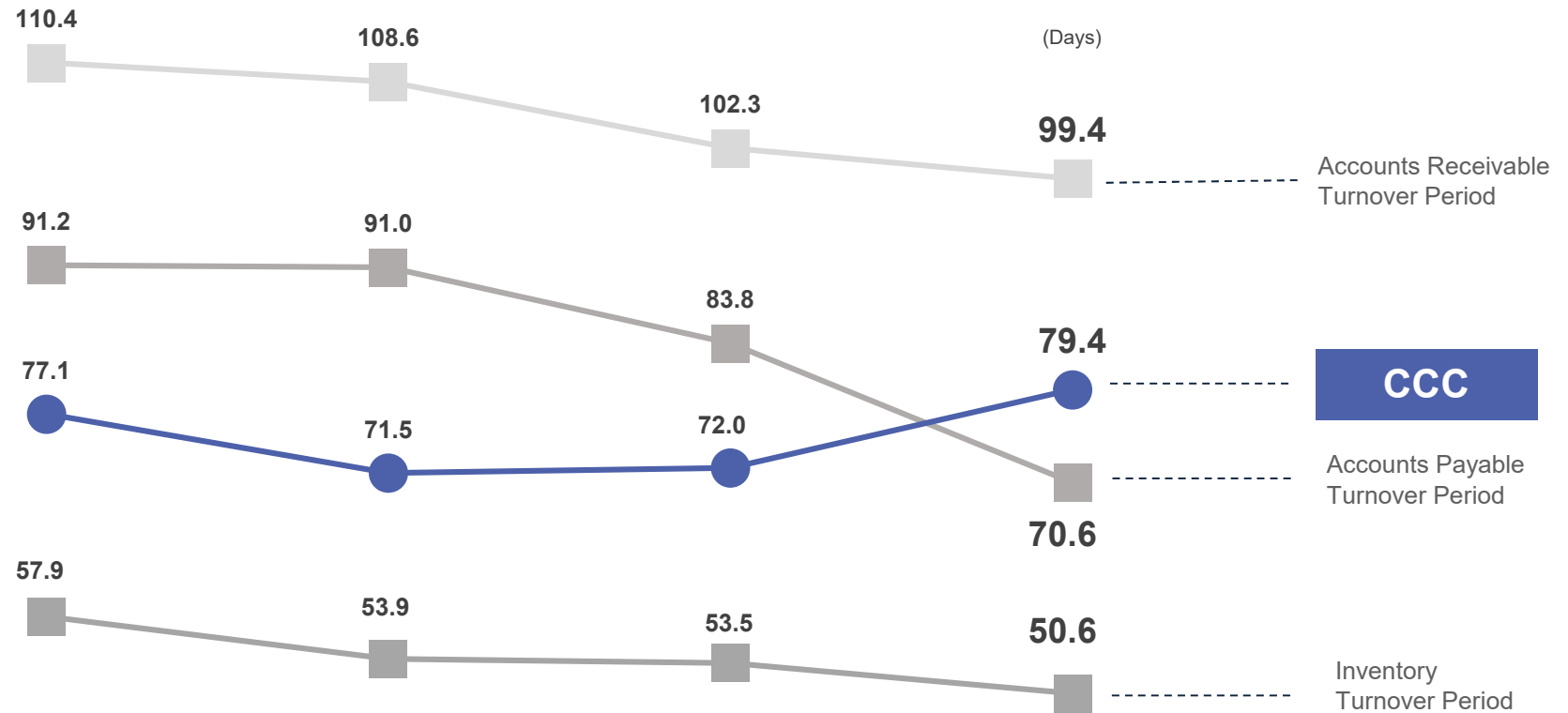
• Purchase of property, plant and equipment	-34.1
• Purchase of shares of subsidiaries resulting in change in scope of consolidation	-8.3

■ Cash flows from financing activities -82.6

• Change in borrowings	+12.5
• Dividends paid	-89.5



Consolidated Cash Conversion Cycle



	FY2022	FY2023	FY2024	FY2025
Accounts Receivable Turnover Period	110.4	108.6	102.3	99.4
Inventory Turnover Period	57.9	53.9	53.5	50.6
Accounts Payable Turnover Period	91.2	91.0	83.8	70.6
CCC	77.1	71.5	72.0	79.4

[BX 2025]
Target : 70 days

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. to Dec. 2025	-6.5 %	-6.6 %
Apr. 2025 to Mar. 2026	-12.9%	-13.2%

Remodeling

MLIT survey on the remodeling and renovation of buildings(Amount of orders) YoY (Oct. to Dec. 2025)

Total in the residential market	+21.9%
Detached Houses	+21.8%
Apartment Buildings	+20.4%

New Construction

Floor area of private non-residential buildings YoY
(for each purpose of use; excluding warehouses and factories)

FY2025	Jan. to Dec. 2025	
	Apr. 2025 to Mar. 2026	
	FY2024 (Apr-Mar)	-10.2%
	FY2023 (Apr-Mar)	-9.0%
	FY2022 (Apr-Mar)	-6.5%

Non-residential Market



Renewal

Survey on the remodeling and renovation of buildings (Amount of orders) YoY (Oct. to Dec. 2025)

Total in the non-residential market	+25.5%
Offices	+11.6%
Restaurants	-42.7%
Sale of goods	-16.8%
Medical care	+53.1%
Accommodation	+49.1%
Welfare	+50.3%

Domestic Interior Segment: Net Sales of Wallcoverings and Flooring Materials

Wallcoverings

FY2025
Sales of wallcoverings
79.94 billion yen
(+1.7% YoY)

Our shipment quantity
(Apr. 2025 to Mar. 2026)
-4.6%

Shipment quantity of wallcoverings
in the entire industry
(Apr. 2025 to Mar. 2026)

-3.1%

Source: JAPAN WALLCOVERINGS ASSOCIATION
*Calculated from data on wallcoverings (vinyl chloride resin and plastic ones).

Flooring materials

FY2025
Sales of flooring materials
55.61 billion yen
(-3.1% YoY)

Our shipment quantity
(Apr. 2025 to Mar. 2026)

Textile flooring	PVC flooring
-1.7%	-12.8%

*Impacted by a fire accident at a supplier's plant from February to June 2025
Supply resumed sequentially from July 2025, and almost fully resumed in December (PVC flooring)

Shipment quantity and production of
flooring materials in the entire industry

(FY2025 Apr.-Feb.)

Textile flooring

+0.7%

(FY2025 Apr.-Mar.)

Textile flooring

-4.4%

Source: Japan Interior Association (PVC flooring)
Japan Carpet Manufacturers Association (Textile flooring)
*Differences exist between industry-wide figures (including production volume) and Sangetsu's results (shipment volume).

Domestic Interior Segment: Sales Status of Strategic Products

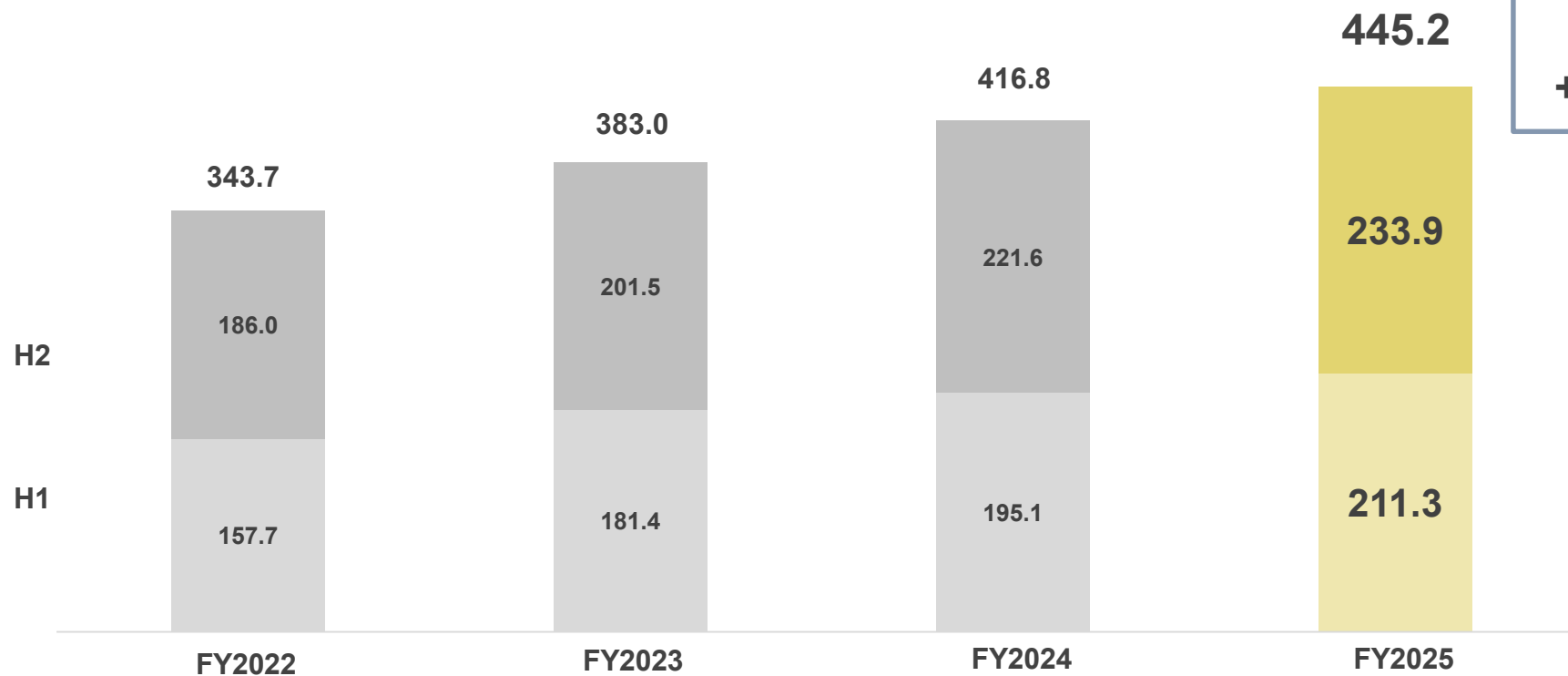
Strategic Products

A group of products positioned as "strategic product" within the Medium-term Business Plan [BX 2025], where significant potential for market share expansion and market growth is expected.

REATEC (Adhesive-backed decorative film), Glass Film, Carpet Tiles, Floor Tiles, Upholstery Fabrics

[100 million yen]

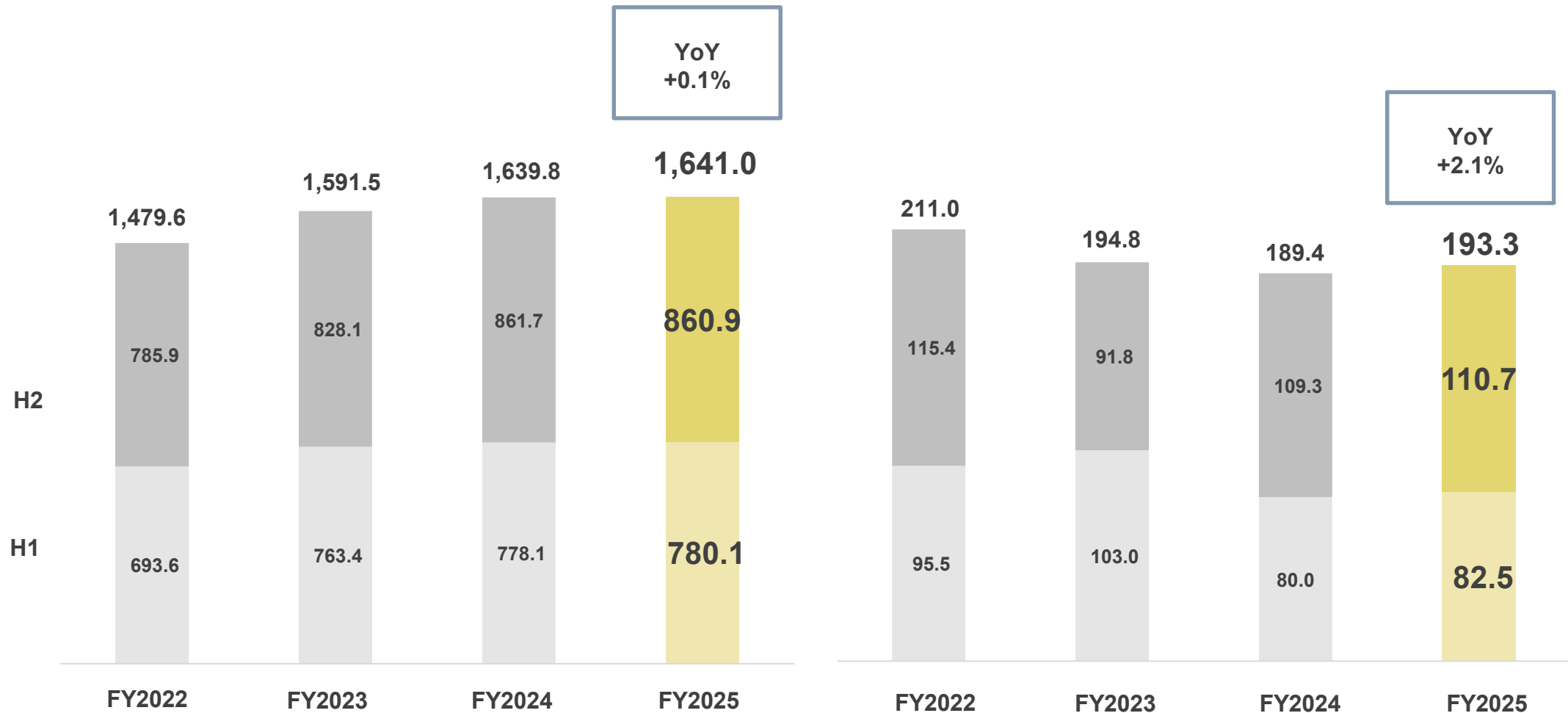
YoY
+6.8%



Domestic Interior Segment: Trends in Net Sales and Profit

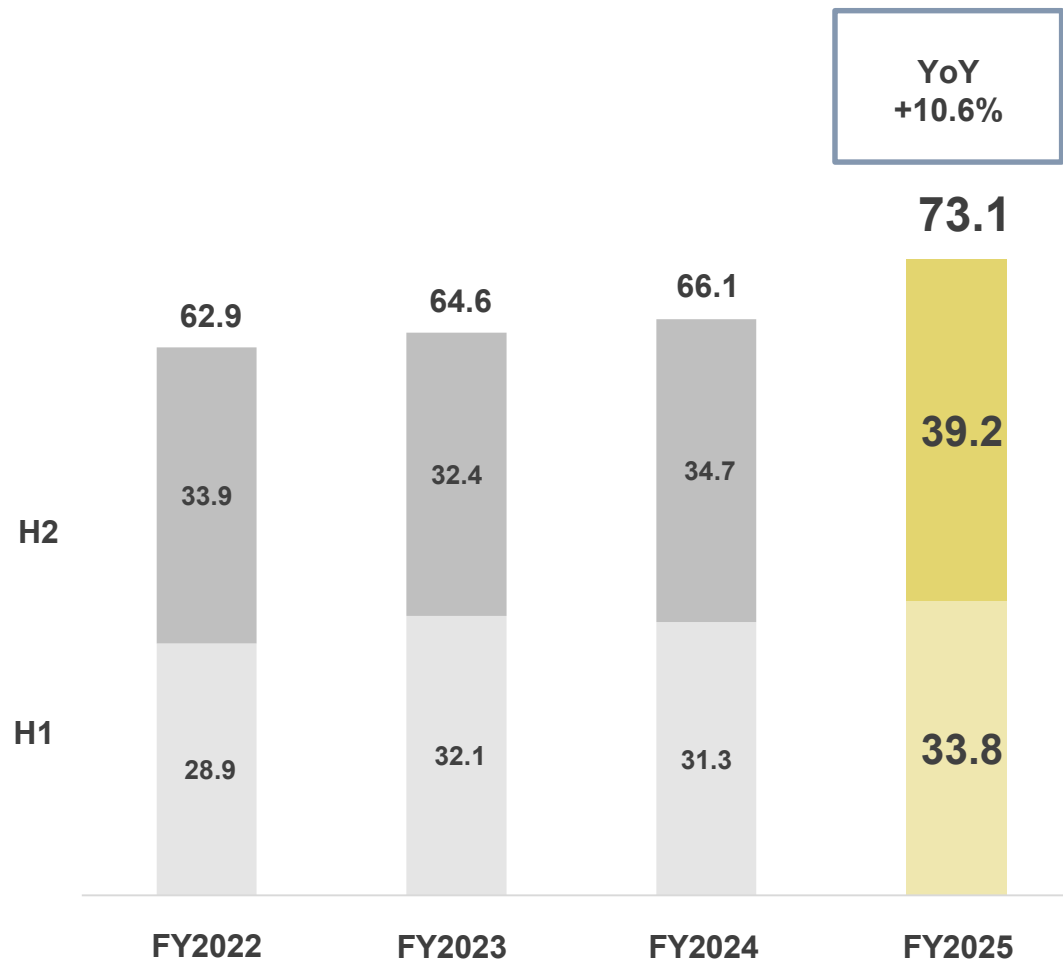
Net sales [100 million yen]

Segment profit [100 million yen]

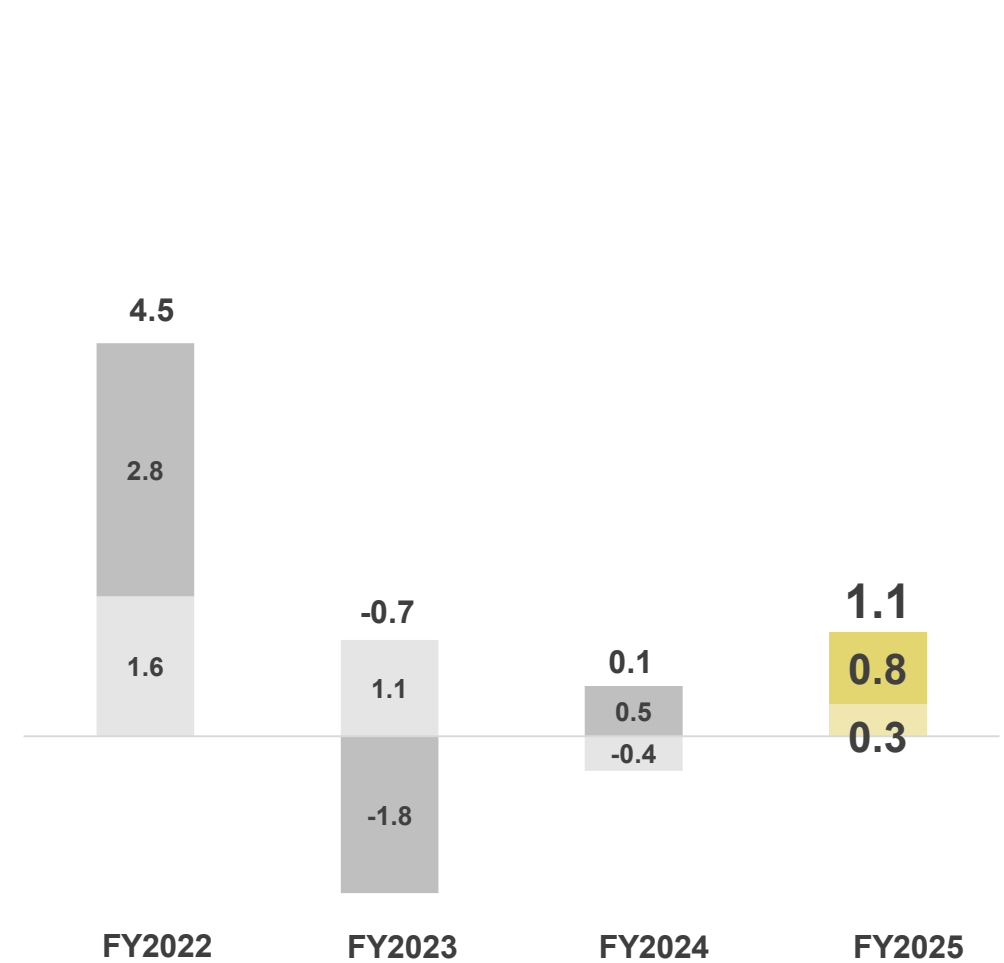


Domestic Exterior Segment: Trends in Net Sales and Profit

Net sales [100 million yen]



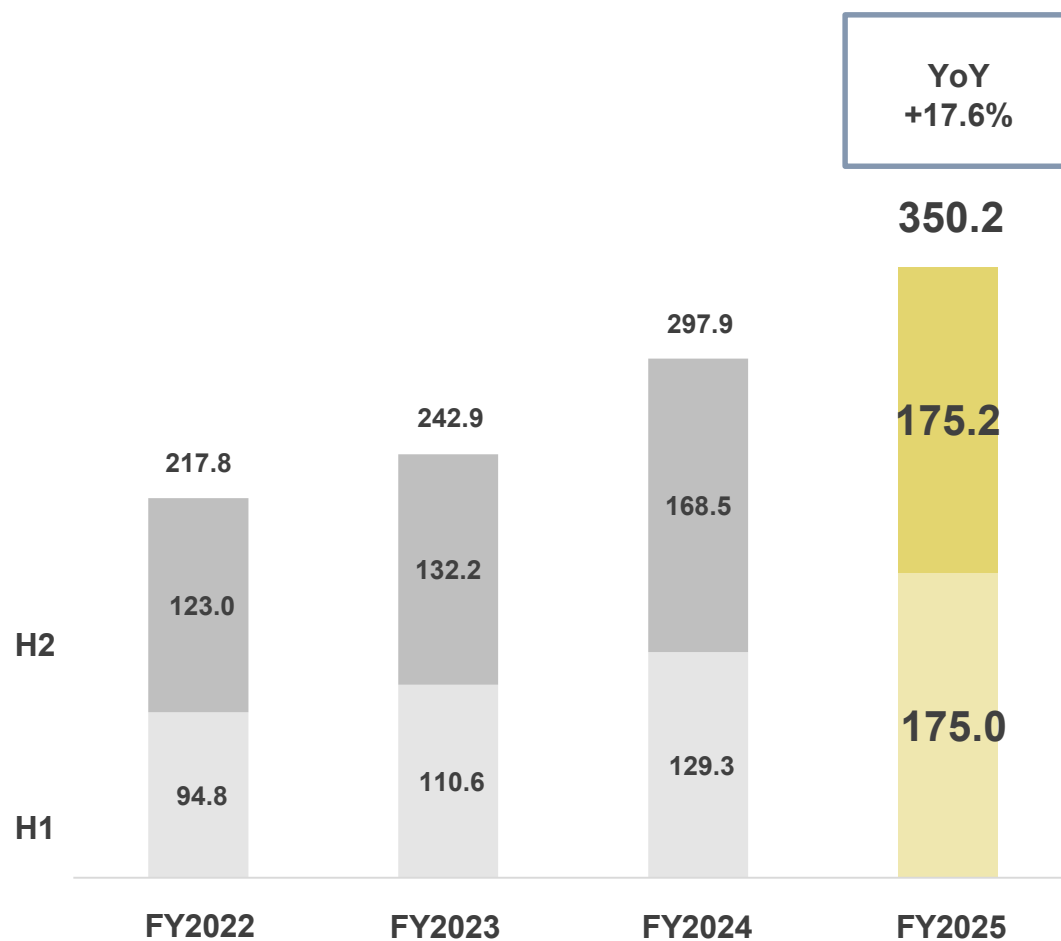
Segment profit [100 million yen]



Overseas Segment: Trends in Net Sales and Profit

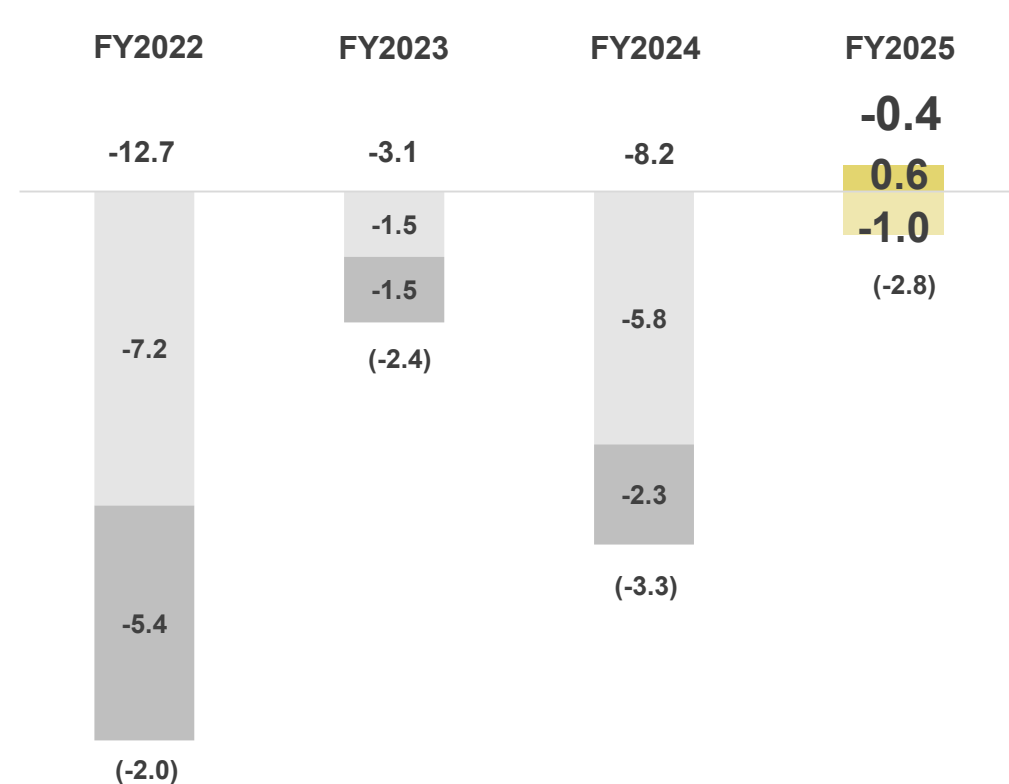
(Consolidated cumulative period is January to December 2025)

Net sales [100 million yen]



Segment profit [100 million yen]

Figures in parentheses represent profit/loss of the Overseas Business Unit



*Since the fiscal year ended March 31, 2024, the financial results of Sangetsu Corporation's overseas business unit have been reclassified from the Domestic Interior segment to the Overseas segment. For comparison purposes, the chart above presents reference figures from FY2022 that have been restated to reflect this change.

2. FY2026 Financial Forecast

Assumptions for Financial Forecast for FY2026

✓ **Business Environment and Incorporation into Forecasts**

- **Macro Environment:** The global economy is expected to grow moderately, while supply chain uncertainties due to factors such as U.S. trade policies and geopolitical risks are projected to persist.
- **Construction Market:** New construction in both residential and non-residential sectors is expected to remain sluggish due to factors such as high construction costs, while renovations and renewals are projected to see solid demand.
- **Incorporation into Forecasts:** While supply constraints from the previous year's factory fire at a key supplier have been largely resolved, the forecasts incorporate increases in raw material procurement and logistics costs, higher SG&A expenses including personnel expenses, and investments for growth strategies.

✓ **Impact of the Situation in the Middle East**

- Due to the current difficulty in reasonably estimating the financial impact, the current earnings forecasts do not incorporate uncertainties such as surging energy prices driven by heightened geopolitical risks including the escalating situation in the Middle East, difficulties in raw material procurement caused by supply chain disruptions, and rising raw material prices. We will promptly revise our earnings forecasts as soon as it becomes possible to reasonably estimate these impacts.

Consolidated Earnings Forecasts for FY2026

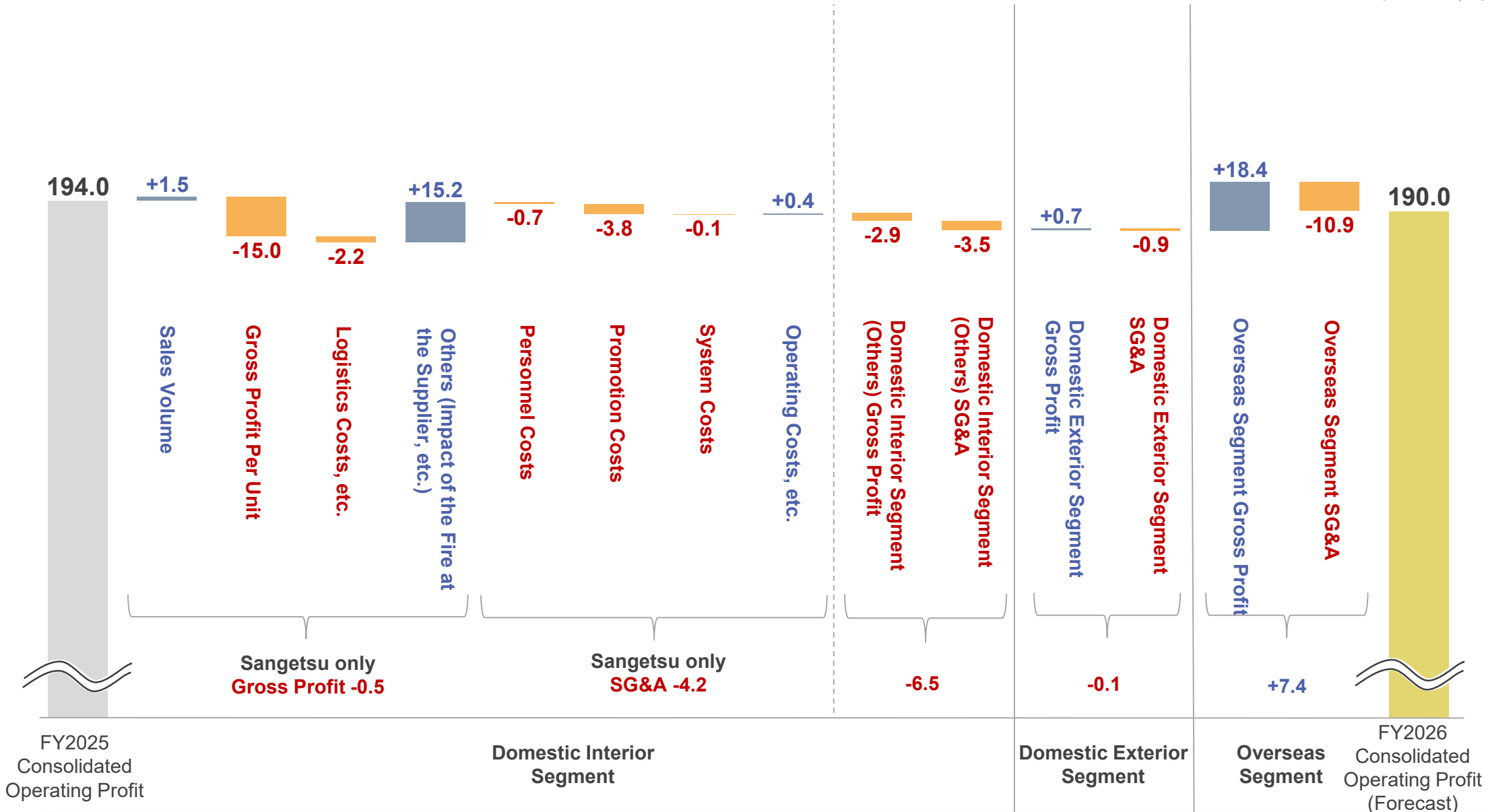
Announced in May 2026

	FY2025			FY2026 (100 million yen, %)	
	H1	H2	Full-year	Full-year	
	Results			Forecasts	YoY
Net Sales	988.9	1,075.4	2,064.4	2,130.0	+65.5 +3.2%
Gross Profit	306.2	341.0	647.2	663.0	+15.7 +2.4%
GP Margin	31.0%	31.7%	31.4%	31.1%	-
SG&A expenses	224.3	228.8	453.2	473.0	+19.7 +4.4%
Operating Profit	81.8	112.2	194.0	190.0	-4.0 -2.1%
OP Margin	8.3%	10.4%	9.4%	8.9%	-
Ordinary Profit	85.2	116.2	201.5	192.0	-9.5 -4.7%
Profit Attributable to Owners of the Parent	63.1	83.2	146.4	135.0	-11.4 -7.8%

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

Announced in May 2026

(100 million yen)

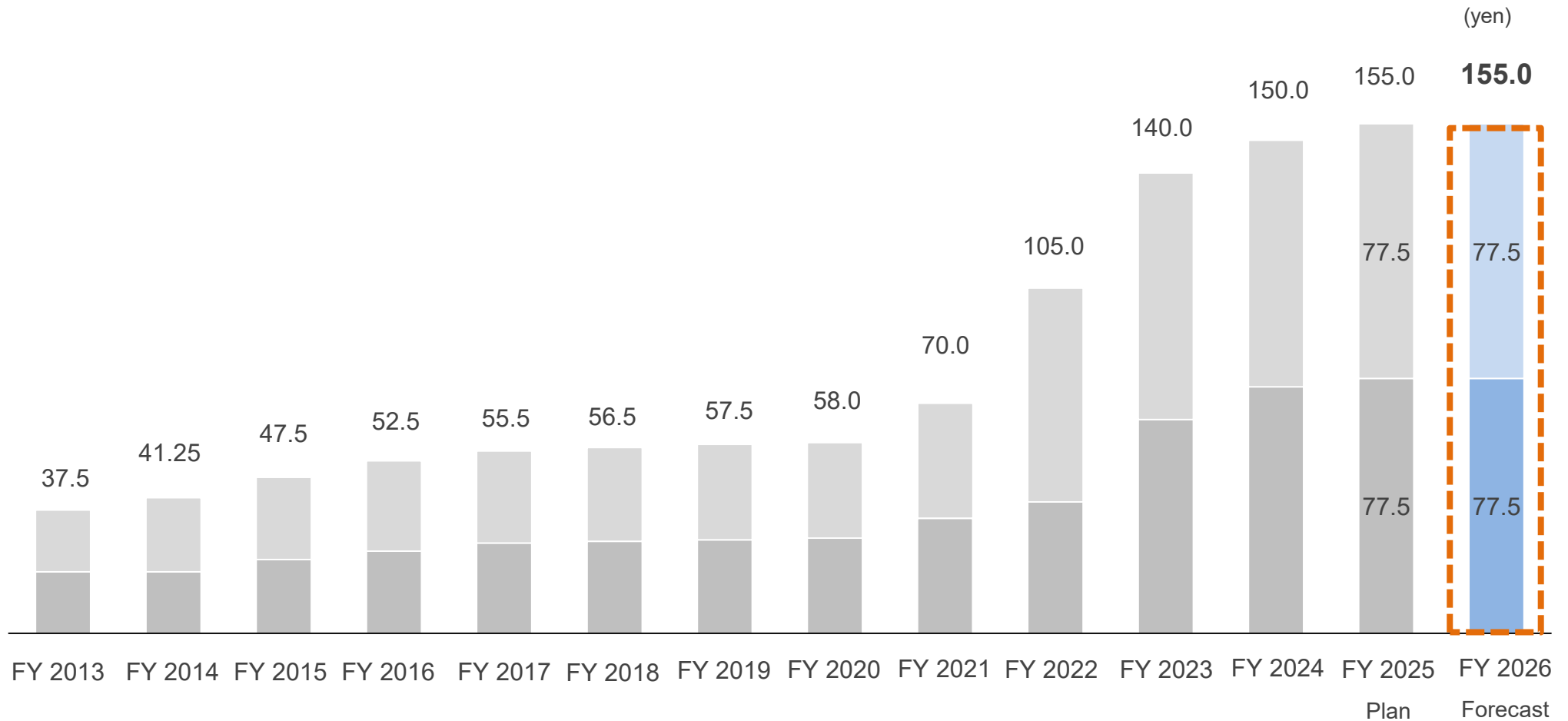


Earnings Forecasts for Each Segment

Announced in May 2026

		FY2025			FY2026 (100 million yen, %)	
		H1	H2	Full-year	Full-year	
		Results			Forecasts	YoY
Domestic Interior	Net Sales	780.1	860.9	1,641.0	1,695.0	+53.9 +3.3%
	Operating Profit	82.5	110.7	193.3	182.0	-11.3 -5.9%
Domestic Exterior	Net Sales	33.8	39.2	73.1	73.0	-0.1 -0.1%
	Operating Profit	0.3	0.8	1.1	1.0	-0.1 -15.4%
Overseas	Net Sales	175.0	175.2	350.2	362.0	+11.7 +3.3%
	Operating Profit	-1.0	0.6	-0.4	7.0	+7.4 -
Eliminations	Net Sales	-0.0	-0.0	-0.0	-	-
	Operating Profit	0.0	0.0	0.0	-	-
Total	Net Sales	988.9	1,075.4	2,064.4	2,130.0	+65.5 +3.2%
	Operating Profit	81.8	112.2	194.0	190.0	-4.0 -2.1%

Results and Forecast of Shareholder Return Changes in Dividend Per Share



Forecast to maintain the annual dividend per share for the fiscal year ending March 31, 2027 at ¥155.0 (Interim: ¥77.5, Year-end: ¥77.5), reflecting uncertainties including the situation in the Middle East.

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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