Translation

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Consolidated Financial Results for the Three Months Ended June 30, 2026 (Based on Japanese GAAP)

August 6, 2026

Company name:	Sangetsu Corporation		
Stock exchange listing:	Tokyo, Nagoya		
Stock code:	8130 URL https://www.sangetsu.co.jp/		
Representative:	Representative Director, President and CEO	Yasumasa Kondo	
Inquiries:	Executive Officer,General Manager of Corporate Division	Eiji Yamashita	TEL 052-564-3314

Scheduled date to commence dividend payments: ―

Preparation of supplementary material on financial results: Yes

Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2026	53,937	9.2	5,327	34.4	5,674	40.1	4,756	71.6
Three months ended June 30, 2025	49,388	5.7	3,962	8.1	4,050	7.7	2,771	13.6

(Note) Comprehensive income Three months ended June 30, 2026 4,813 Millions of yen ,89.9%
Three months ended June 30, 2025 2,535 Millions of yen ,5.2%

(Note) During the previous consolidated fiscal year, the Company finalized the provisional accounting treatment for business combinations, and the figures for the three months ended June 30, 2025 reflect the details of the finalization of the provisional accounting treatment.

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2026	80.90	80.90
Three months ended June 30, 2025	47.16	47.16

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2026	185,723	122,269	65.4
As of March 31, 2026	188,907	122,259	64.3

(Reference) Equity As of June 30, 2026 121,545 Millions of yen As of March 31, 2026 121,549 Millions of yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2026	–	77.50	–	77.50	155.00
Year ending March 31, 2027	–				
Year ending March 31, 2027 (Forecast)		77.50	–	77.50	155.00

(Note) Revisions to the dividend forecast announced most recently: No

3. Forecast of consolidated financial results for the year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	213,000	3.2	19,000	(2.1)	19,200	(4.7)	13,500	(7.8)	229.62

(Note) Revisions to the earnings forecast announced most recently: No

4. Notes

(1) Significant changes in the scope of consolidation during the period: No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2026	59,200,000 shares	As of March 31, 2026	59,200,000 shares

Number of treasury shares at the end of the period

As of June 30, 2026	408,514 shares	As of March 31, 2026	408,298 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2026	58,791,643 shares	Three months ended June 30, 2025	58,769,996 shares

*Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or audit firms: Yes (Voluntary)

*Proper use of financial results forecasts, and other special matters

(Note on the forward-looking statements)

The forward-looking statements, including the financial results forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to achieve the stated performance. Actual business and other results may differ substantially due to various factors.

(How to obtain preparation of supplementary material on financial results)

The supplementary material on financial results is disclosed on TDnet on August 6, 2026.

Table of Contents of Attachments

1. Overview of Operating Results, etc.

(1) Overview of Operating Results

For the first quarter consolidated cumulative period (April 1, 2026 to June 30, 2026) , regarding the business environment surrounding our Group , in Japan, the economy maintained a moderate recovery trend as capital investment and consumer spending picked up amid improvements in corporate earnings and the employment and income environment. In North America, although it is necessary to pay attention to trends in prices and the employment environment, the economy gradually expanded. In Asia, Southeast Asia showed firmness supported by domestic and foreign demand. On the other hand, in China, weak domestic demand due to the prolonged real estate recession weighed on the economy. Furthermore, regarding the outlook for each region, in addition to the impact of soaring energy prices, supply chain disruptions, and declining demand associated with the tightening situation in the Middle East , trends in new U.S. tariff measures and fluctuations in financial and capital markets , among other factors, mean that downward risks to the economy continue to require close attention.

In the domestic construction market, in the new residential market, although the number of new housing starts and floor area showed picking-up movements compared to the previous fiscal year, when a reactionary drop occurred following last-minute demand ahead of the enforcement of the revised Building Standards Act and Building Energy Efficiency Act , demand for new housing remained weak against the backdrop of persistently high construction costs and rising interest rates, among other factors. Additionally, in the new non-residential market, the overall new construction market remained weak as starting floor area for many facilities—including hotels, warehouses/factories, and medical/welfare facilities—fell below the previous year's level. On the other hand, the renovation and renewal market remained solid, and according to the Building Reform and Renewal Survey announced by the Ministry of Land, Infrastructure, Transport and Tourism , the most recent (January–March 2026) orders received in both the residential and non-residential markets showed an increasing trend year on year.

Under this business environment, aimed at realizing our corporate vision of "Shaping Culture from interiors through Materials and Design," our Group is promoting initiatives based on the "Medium-term Business Plan 2029" formulated in May 2026. As for our initiative policies by business, we are evolving our core of "Total Interior," backed by solution proposals based on the expansion of our product portfolio as well as the integration of various functions including materials, design, logistics, and construction, to make the core interior business an even stronger earnings base while accelerating the growth of the overseas interior business. In addition, we are focusing on cultivating the adjacent fields of the space solutions business and exterior business to establish them as medium- to long-term growth businesses.

As a result, the financial performance for the first quarter consolidated cumulative period was as follows: net sales were 53,937 million yen (up 9.2% year on year), operating profit was 5,327 million yen (up 34.4% year on year), ordinary profit was 5,674 million yen (up 40.1% year on year), and profit attributable to owners of parent was 4,756 million yen (up 71.6% year on year).

Operating results by segment are as follows.

(Domestic Interior Segment)

The businesses belonging to the Domestic Interior Segment are the interior business and the space solutions business.

In the interior business, we focused on strengthening various functions such as materials, design, logistics, and construction, enhancing solution proposal capabilities through their integration, and expanding our product lineup that responds to market needs and social issues.

In product development, as one of our initiatives to improve positioning in growth markets, in addition to a rich variety of designs, we significantly expanded non-combustible certified wallpaper and issued "FINE," a wallpaper sample book covering a wide range from residential to non-residential applications. Furthermore, in fabrics, reflecting the diversification of lifestyles and the expansion of renovation demand, we pursued aesthetic design and issued "AC," a curtain sample book that enables proposals across diverse markets.

In terms of sales, from the second half of the first quarter, against the backdrop of changes in the external environment such as the tightening situation in the Middle East, procurement risks and rising costs became apparent, resulting in a market environment that remained uncertain and weak. Nevertheless, through collaboration with partner companies, we worked to ensure a stable supply and conduct meticulous sales activities without any disruption to procurement. Furthermore, owing to factors such as the resolution of supply constraints on certain products caused by the fire accident at a supplier factory, as well as last-minute demand prior to the product price revision implemented on July 1, 2026, the sales volume of many mainstay products and strategic products increased year on year.

In supply chain management (hereinafter "SCM"), we are working to improve our data integration platform and advance our demand forecasting logic, thereby promoting the streamlining of the value chain on a company-wide level. In addition, to address structural cost increase pressures in the logistics industry, we are accelerating investments in labor-saving equipment and strengthening the management foundation of Group logistics companies. Through reforms centered on "optimization based on data and logic" and "improving the productivity of logistics operations," we are steadily building an advanced SCM framework.

In manufacturing, CREANATE Inc. , a Group company and the largest wallpaper manufacturer in Japan , began operations at its new factory in Hiroshima Prefecture in October 2025, and operations are progressing as planned through a stable startup.
In the space solutions business, under the executive officer in charge who took office in April 2026, we are advancing the restructuring of our business foundation while aiming to provide highly unique value by creating synergies with the coordination functions for interior products and the sales network and customer base of the interior business. At the Space Solutions Department and Fairtone Co., Ltd., a Group company, net sales increased due mainly to the steady completion of large-scale projects, among other factors.
As a result, net sales in the Domestic Interior Segment were 43,941 million yen (up 12.7% year on year), and operating profit was 5,287 million yen (up 31.0% year on year). Net sales for the wallcovering unit were 21,750 million yen (up 8.8% year on year), for the flooring unit 14,982 million yen (up 17.3% year on year), for the fabric unit 2,517 million yen (up 6.5% year on year), and for other sales including design fees and construction 4,691 million yen (up 21.7% year on year).

(Domestic Exterior Segment)
The business belonging to the Domestic Exterior Segment is the exterior business.
Amid weak demand for new housing, Sungreen Co., Ltd. , a core Group company, saw an increase in sales for the non-residential market and in the field of design and construction, but recorded a decrease in both sales and profit year on year due to impacts such as a reactionary drop following last-minute demand associated with price revisions by major exterior manufacturers that occurred in the previous fiscal year. We are working on the market penetration of original products, strengthening solution proposal capabilities including logistics, design, and construction, and building a new business foundation that does not depend on demand for new housing.
As a result, net sales in the Domestic Exterior Segment were 1,633 million yen (down 2.7% year on year), and operating loss was 28 million yen (compared to an operating profit of 11 million yen in the same period of the previous fiscal year).

(Overseas Segment)
In the Overseas Segment, the results of overseas subsidiary companies from January to March 2026 are included in the consolidated results for the first quarter under review.
The businesses belonging to the Overseas Segment are the overseas interior business and the overseas space solutions business.
In the overseas interior business, North America (the United States and Canada) continued to achieve strong growth, resulting in an increase in both sales and profit year on year. In Southeast Asia, although there are concerns regarding the impact of the situation in the Middle East, performance improved through the execution of measures tailored to the circumstances of each region, and an improving trend continued for the region as a whole. In China and Hong Kong, where the business environment remains severe due to the downturn in the real estate market and a decline in consumer sentiment caused by the deterioration of the employment environment, the amount of loss narrowed year on year owing to the renewal of the management system, organizational slimming, and detailed sales strategies by market and customer.
In the overseas space solutions business, D’Perception Pte Ltd, which handles design and construction, turned profitable due to thorough project management focused on profitability and cost control, in addition to the dissipation of the one-time cost impact related to large-scale projects that occurred in the previous fiscal year.
As a result, net sales in the Overseas Segment were 8,368 million yen (down 4.1% year on year). Regarding operating profit/loss, driven by the steadily performing North America business and the improvement in the space solutions business in Southeast Asia, operating profit was 68 million yen (compared to an operating loss of 86 million yen in the same period of the previous fiscal year).

(Sustainability Initiatives)
The Group has positioned sustainability initiatives as one of its top management priorities with the aim of achieving a sustainable society and enhancing corporate value, under its Purpose (reason for existence) in its corporate philosophy, "With all people we collaborate to create peaceful and inspirational spaces." Specifically, we aim for the sustainable growth of society and the Group by further evolving our core "Total Interior" solution proposals and creating a virtuous cycle of "generating economic value" through our business and "creating social value" through the resolution of social issues.
Based on this fundamental approach, our "Medium-term Business Plan 2029" sets forth sustainability goals regarding the environment, such as reducing GHG emissions, promoting resource circulation, and expanding our lineup of environmentally friendly products. In terms of human capital, we aim to maximize the capabilities of individuals and the organization through two integrated approaches: fostering "human resources" equipped with conceptual skills, execution capabilities, and strong ethics, and building an "organization" that ensures open-mindedness, co-creation, and psychological safety.
During the first quarter, in our environmental efforts, we included horizontal recycling products, which recycle used curtains into new curtain fabrics, in the aforementioned curtain sample book "AC." In addition, we have introduced across our various sample books a wide range of environmentally friendly products that contribute to a decarbonized society and resource circulation, thereby accelerating our initiatives to resolve social issues. Furthermore, we made a donation to forest conservation activities linked to the

sales volume of our wood-grain wallcoverings (target period: January to December 2025). This initiative is a support activity launched in 2025 to contribute to the conservation of forests, which serve as one of the sources of inspiration for our product development.
In our human capital initiatives, our continuous efforts have been highly evaluated, and we were recognized as a "2025 Outstanding Company for Promoting Cancer Control" under the "Cancer Control Corporate Action," a project commissioned by the Ministry of Health, Labour and Welfare. Additionally, in our social participation efforts, we held communication events aimed at coexistence and collaboration with four organizations that the Company has continuously supported since FY2023, further strengthening partnerships with customers and other stakeholders. The Group will continue to work on sustainably enhancing corporate value through "strengthening human capital" by improving engagement, and "social participation efforts" in collaboration with our stakeholders.

(2) Overview of Financial Position

(Assets)

Current assets at the end of the first quarter consolidated accounting period were 115,924 million yen, a decrease of 2,096 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 3,662 million yen in cash and deposits.
Non-current assets were 69,798 million yen, a decrease of 1,087 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 958 million yen in deferred tax assets included in investments and other assets.
As a result, total assets amounted to 185,723 million yen, a decrease of 3,183 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the first quarter consolidated accounting period were 41,789 million yen, a decrease of 3,222 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 2,312 million yen in notes and accounts payable – trade, but a decrease of 2,881 million yen in income taxes payable, and 2,654 million yen in provision for bonuses.
Non-current liabilities were 21,663 million yen, an increase of 28 million yen from the end of the previous consolidated fiscal year.
As a result, total liabilities amounted to 63,453 million yen, a decrease of 3,193 million yen from the end of the previous consolidated fiscal year.

(Net assets)

Total net assets at the end of the first quarter consolidated accounting period were 122,269 million yen, an increase of 9 million yen from the end of the previous consolidated fiscal year.
As a result, the equity ratio was 65.4% (64.3% at the end of the previous consolidated fiscal year).

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There are no changes to the consolidated financial results forecast as announced on May 13, 2026.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	35,414	31,752
Notes and accounts receivable - trade, and contract assets	32,911	30,691
Electronically recorded monetary claims – operating	26,006	28,220
Securities	300	300
Merchandise and finished goods	18,952	19,954
Work in process	398	481
Raw materials and supplies	2,462	2,930
Other	2,011	1,999
Allowance for doubtful accounts	(435)	(405)
Total current assets	118,020	115,924
Non-current assets		
Property, plant and equipment		
Land	16,286	16,286
Other, net	26,014	25,832
Total property, plant and equipment	42,300	42,118
Intangible assets		
Software	1,744	1,682
Goodwill	2,366	2,291
Other	849	822
Total intangible assets	4,961	4,796
Investments and other assets		
Investment securities	10,744	11,014
Investment property	4,975	4,961
Guarantee deposits	2,149	2,146
Retirement benefit asset	2,739	2,780
Deferred tax assets	1,940	981
Other	1,088	1,013
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	23,624	22,883
Total non-current assets	70,886	69,798
Total assets	188,907	185,723

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,884	20,197
Contract liabilities	1,399	1,580
Electronically recorded obligations - operating	9,240	8,862
Short-term borrowings	365	247
Lease liabilities	555	522
Income taxes payable	3,772	890
Provision for bonuses	4,393	1,739
Provision for bonuses for directors (and other officers)	93	23
Provision for product warranties	166	167
Other	7,141	7,559
Total current liabilities	45,011	41,789
Non-current liabilities		
Long-term borrowings	12,000	12,000
Lease liabilities	1,611	1,548
Deferred tax liabilities	292	355
Retirement benefit liability	5,125	5,173
Asset retirement obligations	1,735	1,736
Other	869	848
Total non-current liabilities	21,635	21,663
Total liabilities	66,647	63,453
Net assets		
Shareholders' equity		
Share capital	13,616	13,616
Capital surplus	17,247	17,247
Retained earnings	80,216	80,169
Treasury shares	(663)	(664)
Total shareholders' equity	110,416	110,368
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,483	5,667
Foreign currency translation adjustment	2,179	2,513
Remeasurements of defined benefit plans	3,470	2,996
Total accumulated other comprehensive income	11,133	11,177
Share acquisition rights	4	4
Non-controlling interests	706	719
Total net assets	122,259	122,269
Total liabilities and net assets	188,907	185,723

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	49,388	53,937
Cost of sales	34,162	37,193
Gross profit	15,226	16,744
Selling, general and administrative expenses	11,263	11,416
Operating profit	3,962	5,327
Non-operating income		
Interest income	12	167
Dividend income	109	127
Rental income from real estate	107	109
Other	59	57
Total non-operating income	288	461
Non-operating expenses		
Interest expenses	65	57
Rental expenses on real estate	25	25
Loss on valuation of interest rate swaps	48	—
Foreign exchange losses	44	21
Other	17	9
Total non-operating expenses	200	114
Ordinary profit	4,050	5,674
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	34	—
Subsidy income	—	439
Gain on termination of retirement benefit plan	—	415
Total extraordinary income	34	854
Extraordinary losses		
Loss on retirement of non-current assets	3	20
Loss on sale of investment securities	—	0
Total extraordinary losses	3	20
Profit before income taxes	4,081	6,509
Income taxes - current	615	756
Income taxes - deferred	721	994
Total income taxes	1,337	1,751
Profit	2,744	4,757
Profit (loss) attributable to non-controlling interests	(26)	1
Profit attributable to owners of parent	2,771	4,756

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	2,744	4,757
Other comprehensive income		
Valuation difference on available-for-sale securities	358	183
Foreign currency translation adjustment	(679)	345
Remeasurements of defined benefit plans, net of tax	111	(473)
Total other comprehensive income	(209)	55
Comprehensive income	2,535	4,813
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,595	4,800
Comprehensive income attributable to non-controlling interests	(60)	13

(3) Notes to Quarterly Consolidated Financial Statements

(Basis for Preparation of the Quarterly Consolidated Financial Statements)

The Company's quarterly consolidated financial statements are prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparing Quarterly Financial Statements, etc. established by Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. and the Accounting Standards for Quarterly Financial Statements generally accepted as fair and appropriate in Japan applicable to interim consolidated financial statements (provided, however, that the omission of disclosures as specified in Article 4, Paragraph 2 of the Standards for Preparing Quarterly Financial Statements, etc. is applied).

(Notes on Significant Changes in the Scope of Consolidation)

During the first quarter consolidated accounting period, the Company acquired all shares of SDS Corporation and is therefore included in the scope of consolidation.

(Notes to Segment Information)

I. Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Information on the amount of net sales and profit or loss by reportable segment

(Millions of yen)

	Domestic Interior	Domestic Exterior	Overseas	Adjusted amount (Note 1)	Amount recorded on the quarterly consolidated financial statements (Note 2)
Net sales					
Sales to external customers	38,986	1,677	8,724	-	49,388
Intersegment net sales or transfers	-	0	-	(0)	-
Total	38,986	1,678	8,724	(0)	49,388
Segment profit (loss)	4,036	11	(86)	0	3,962

Notes:
1. All adjustments of segment profits (losses) are performed by eliminating transactions among segments.
2. Segment profits (losses) are adjusted to operating profit in the quarterly consolidated statement of income.
3. During the previous consolidated fiscal year, the Company finalized the provisional accounting treatment for business combinations, and the figures for the Overseas Segment reflect the details of the finalization of the provisional accounting treatment.

2. Information on impairment loss of fixed assets or goodwill, etc. by reportable segment

(Significant changes in the amount of goodwill)

In the Domestic Interior segment, the Company acquired all shares of SDS Corporation and included it in the scope of consolidation. The amount of increase in goodwill as a result of this event was 957 million yen in the first quarter consolidated cumulative period.

II. Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

1. Information on the amount of net sales and profit or loss by reportable segment

(Millions of yen)

	Domestic Interior	Domestic Exterior	Overseas	Adjusted amount (Note 1)	Amount recorded on the quarterly consolidated financial statements (Note 2)
Net sales					
Sales to external customers	43,936	1,633	8,368	-	53,937
Intersegment net sales or transfers	5	0	-	(5)	-
Total	43,941	1,633	8,368	(5)	53,937
Segment profit (loss)	5,287	(28)	68	1	5,327

Notes: 1. All adjustments of segment profits (losses) are performed by eliminating transactions among segments.

2. Segment profits (losses) are adjusted to operating profit in the quarterly consolidated statement of income.

(Notes in the Event of Significant Changes in the Amount of Shareholders' Equity)

No items to report.

(Notes on Going Concern Assumption)

No items to report.

(Notes to Quarterly Consolidated Statement of Cash Flows)

The quarterly consolidated statement of cash flows for the first quarter consolidated cumulative period are not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first quarter consolidated cumulative period are as follows.

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	983	1,074
Amortization of goodwill	83	84

Notes: During the previous consolidated fiscal year, the Company finalized the provisional accounting treatment for business combinations, and the figures for the three months ended June 30, 2025 reflect the details of the finalization of the provisional accounting treatment.