sangetsu

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Supplementary Materials of Financial Results for the Three Months Ended June 30, 2026

August 6, 2026
Sangetsu Corporation
Securities code: 8130
(Prime Market of Tokyo Stock Exchange and Premier Market of Nagoya Stock Exchange)

Key Points of Financial Results in FY2026 Q1

■ Consolidated Results

- Net sales and profit attributable to owners of the parent reached historical highs, accompanied by a YoY increase in operating profit.
- Net sales increased YoY, driven by the Domestic Interior Segment.
- Operating profit increased YoY due to growth in the Domestic Interior Segment and the return to profitability in the Overseas Segment.
- Profit attributable to owners of parent grew YoY, driven by operating profit growth alongside extraordinary income (including approx. ¥0.8 billion in subsidy income, etc.) recorded following the previous period.
- Progress against the full-year plan is solid, partly due to temporary factors such as last-minute demand. Meanwhile, the impact of the Middle East situation and price revisions has not been factored into the earnings forecast; we will monitor future trends and strive for timely and appropriate disclosure.

■ Domestic Interior Segment

- Amid a weakening new construction market, procurement risks and rising costs associated with changes in the external environment, such as the situation in the Middle East, have become apparent. We are focusing on stable procurement and supply through collaboration with partner companies, as well as solution proposals through strengthened cross-functional collaboration.
- Increases in both net sales and profits were achieved, supported by the recovery from supply constraints caused by a factory fire at a key supplier, as well as higher sales volume driven by factors including last-minute demand prior to the price revision implemented on July 1, 2026.

Key Points of Financial Results in FY2026 Q1

■ Domestic Exterior Segment

- In addition to weakness in the new construction market, performance was impacted by a pullback following last-minute demand ahead of product price revisions in the previous period, resulting in lower revenue and an operating loss.
- Advanced the expansion of the business base by driving sales in the non-residential market and increasing revenue from the design and construction business.

■ Overseas Segment

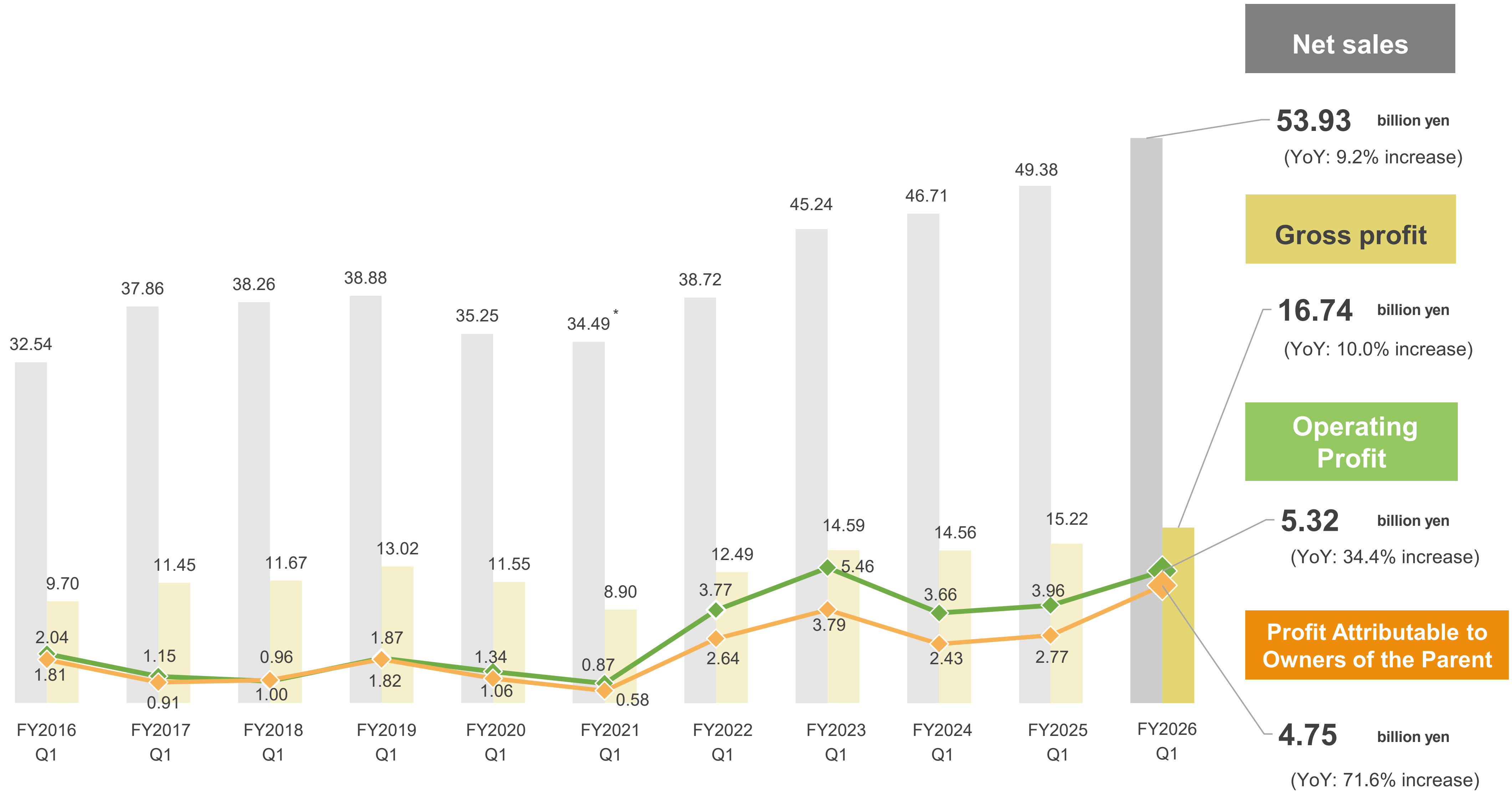
- While North America remained solid and the interior business in Asia maintained sales levels, overall segment revenue declined YoY due to lower sales in Singapore's space solutions business stemming from enhanced profitability management and other factors.
- The interior business posted overall profit growth, led by North America. The space solutions business also turned profitable, driven by strict cost controls and the absence of one-time costs associated with large-scale projects in the previous period. As a result, the segment achieved an operating profit after deducting head office expenses.

Summary of Consolidated Statement of Profit or Loss

	FY2025 Q1	FY2026 Q1			(billion yen, %)
	Results	Results	YoY	Full-year Forecasts Announced in May	Full-year Progress Rate
Net Sales	49.38	**53.93**	+4.54 +9.2%	213.00	25.3%
Gross Profit	15.22	**16.74**	+1.51 +10.0%	66.30	25.3%
GP Margin	30.8%	**31.0%**	-	31.1%	-
SG&A expenses	11.26	**11.41**	+0.15 +1.4%	47.30	24.1%
Operating Profit	3.96	**5.32**	+1.36 +34.4%	19.00	28.0%
OP Margin	8.0%	**9.9%**	-	8.9%	-
Ordinary Profit	4.05	**5.67**	+1.62 +40.1%	19.20	29.6%
Profit Attributable to Owners of the Parent	2.77	**4.75**	+1.98 +71.6%	13.50	35.2%

* Note: The provisional accounting treatment for business combinations was finalized during the previous consolidated fiscal year. Accordingly, the figures for the first quarter of the fiscal year ending March 31, 2026, have been restated to reflect the finalization of this treatment.

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



* We have been applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc. from the beginning of the term ended March 2022.

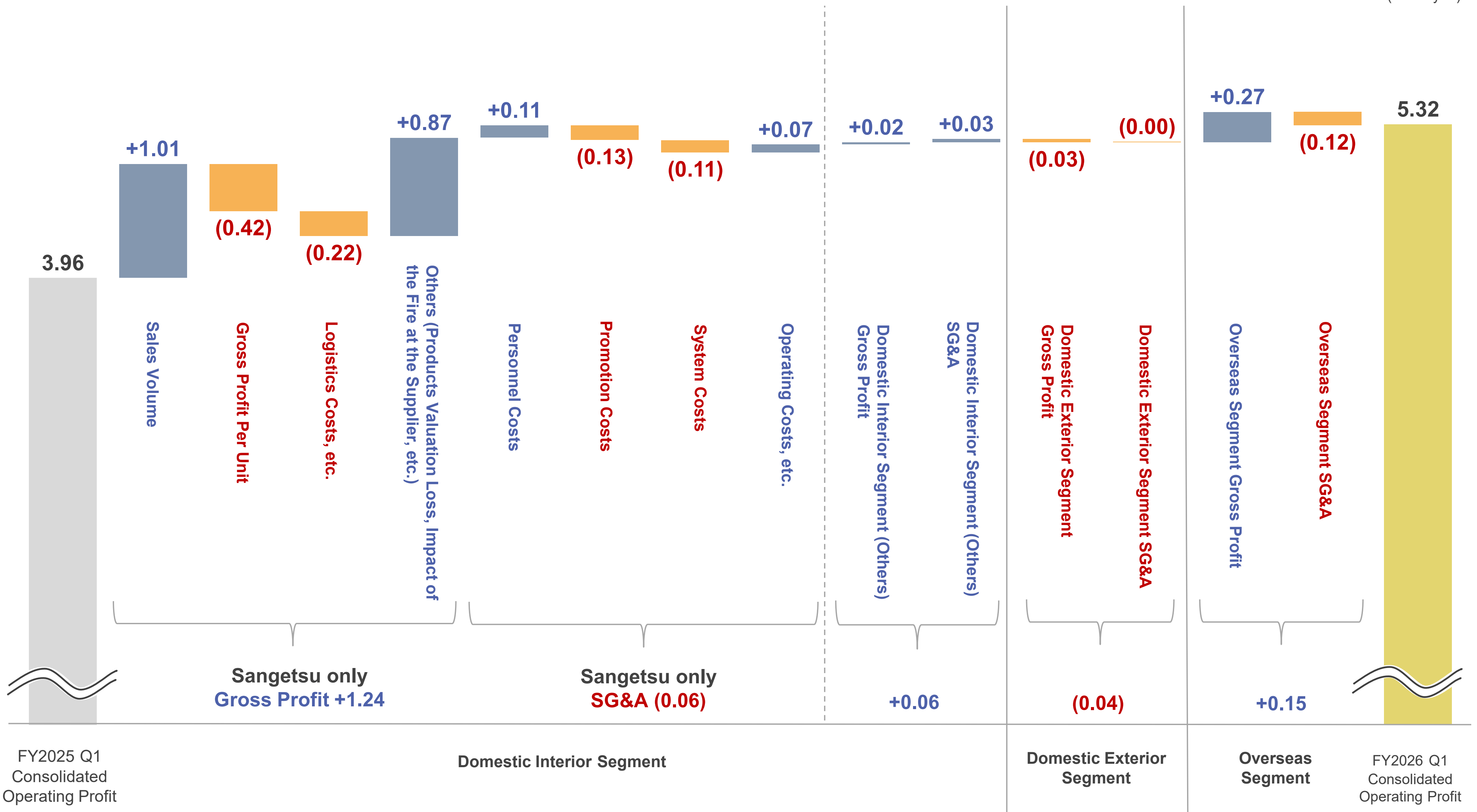
Net Sales and Operating Profit of Each Segment

(billion yen, %)

	FY2025 Q1	FY2026 Q1			
	Results	Results	YoY	Full-year Forecasts Announced in May	Full-year Progress Rate
Domestic Interior Segment Net Sales	38.98	**43.94**	+4.95 +12.7%	169.50	25.9%
Wallcoverings Unit	19.99	**21.75**	+1.75 +8.8%	-	-
Flooring Materials Unit	12.77	**14.98**	+2.20 +17.3%	-	-
Fabrics Unit	2.36	**2.51**	+0.15 +6.5%	-	-
Construction and Others	3.85	**4.69**	+0.83 +21.7%	-	-
Operating Profit	4.03	**5.28**	+1.25 +31.0%	18.20	29.1%
Domestic Exterior Segment Net Sales	1.67	**1.63**	(0.04) (2.7%)	7.30	22.4%
Operating Profit	0.01	**(0.02)**	(0.04) -	0.10	-
Overseas Segment Net Sales	8.72	**8.36**	(0.35) (4.1%)	36.20	23.1%
Operating Profit	(0.08)	**0.06**	+0.15 -	0.70	9.8%
Eliminations (Net Sales)	(0.00)	**(0.00)**	(0.00) -	-	-
Eliminations (Operating Profit)	0.00	**0.00**	+0.00 +45.8%	-	-
Consolidated Net Sales	49.38	**53.93**	+4.54 +9.2%	213.00	25.3%
Consolidated Operating Profit	3.96	**5.32**	+1.36 +34.4%	19.00	28.0%

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

(billion yen)



Assumptions for Financial Forecast for FY2026

Announced in May 2026

Business Environment and Incorporation into Earnings 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 revise our earnings forecasts as soon as it becomes possible to reasonably estimate these impacts.
- As with the impact of the Middle East situation mentioned above, the price revisions implemented on July 1, 2026, have also not been incorporated into this earnings forecast.

Consolidated Earnings Forecasts for FY2026

Announced in May 2026

	FY2025			FY2026 (billion yen, %)	
	H1	H2	Full-year	Full-year	
	Results			Forecasts	YoY
Net Sales	98.89	107.54	206.44	**213.00**	+6.55 +3.2%
Gross Profit	30.62	34.10	64.72	**66.30**	+1.57 +2.4%
GP Margin	31.0%	31.7%	31.4%	**31.1%**	-
SG&A expenses	22.43	22.88	45.32	**47.30**	+1.97 +4.4%
Operating Profit	8.18	11.22	19.40	**19.00**	(0.40) (2.1%)
OP Margin	8.3%	10.4%	9.4%	**8.9%**	-
Ordinary Profit	8.52	11.62	20.15	**19.20**	(0.95) (4.7%)
Profit Attributable to Owners of the Parent	6.31	8.32	14.64	**13.50**	(1.14) (7.8%)

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

Announced in May 2026

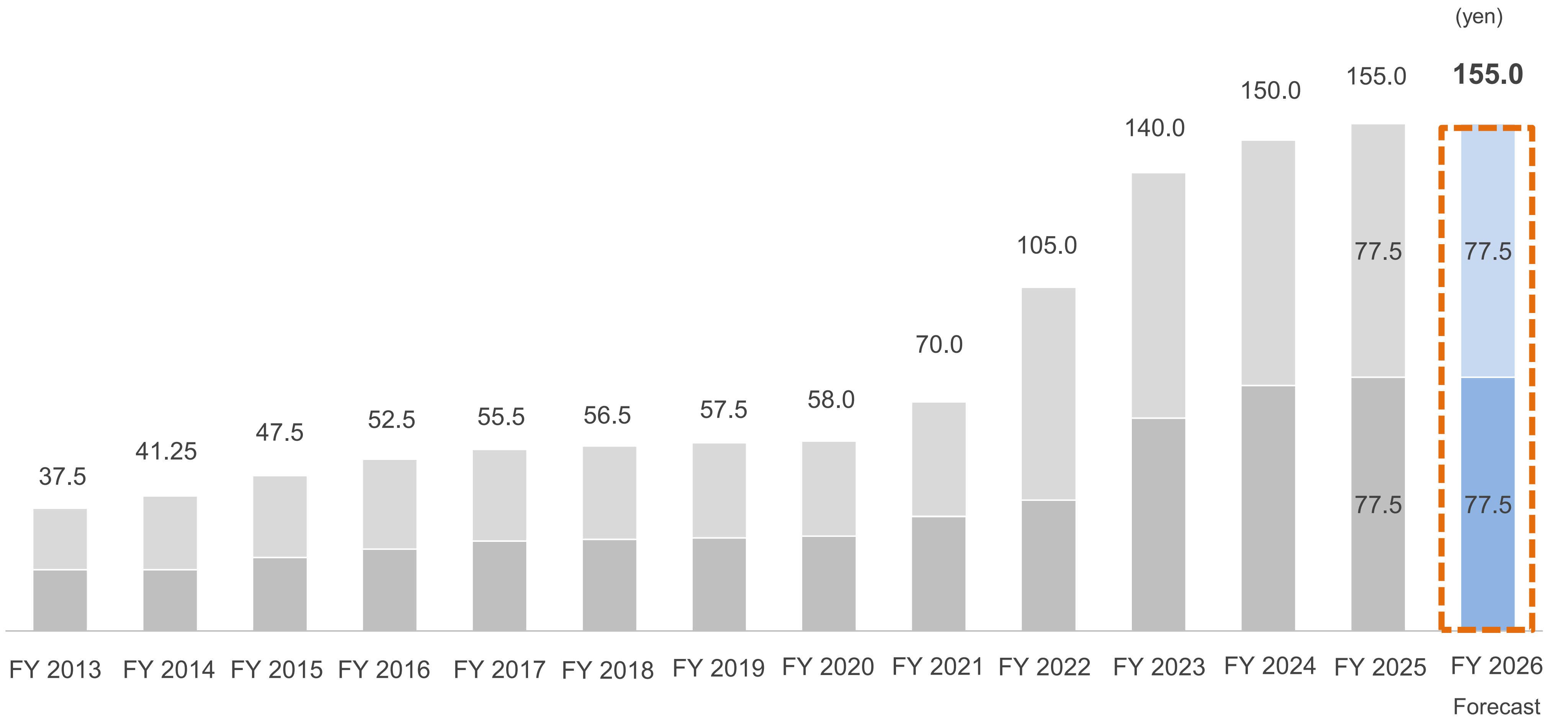
Earnings Forecasts for Each Segment

Announced in May 2026

		FY2025			FY2026 (billion yen, %)	
		H1	H2	Full-year	Full-year	
		Results			Forecasts	YoY
Domestic Interior	Net Sales	78.01	86.09	164.10	**169.50**	+5.39 +3.3%
	Operating Profit	8.25	11.07	19.33	**18.20**	(1.13) (5.9%)
Domestic Exterior	Net Sales	3.38	3.92	7.31	**7.30**	(0.01) (0.1%)
	Operating Profit	0.03	0.08	0.11	**0.10**	(0.01) (15.4%)
Overseas	Net Sales	17.50	17.52	35.02	**36.20**	+1.17 +3.3%
	Operating Profit	(0.10)	0.06	(0.04)	**0.70**	+0.74 -
Eliminations	Net Sales	(0.00)	(0.00)	(0.00)	**-**	-
	Operating Profit	0.00	0.00	0.00	**-**	-
Total	Net Sales	98.89	107.54	206.44	**213.00**	+6.55 +3.2%
	Operating Profit	8.18	11.22	19.40	**19.00**	(0.40) (2.1%)

Results and Forecast of Shareholder Return Changes in Dividend Per Share

Announced in May 2026



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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