Translation

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

November 13, 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
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Scheduled date to file Semi-annual Securities Report: November 13, 2026
Scheduled date to commence dividend payments: December 1, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 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	%
Six months ended September 30, 2026	105,024	6.2	10,276	25.5	10,767	26.3	8,318	31.8
Six months ended September 30, 2025	98,892	5.3	8,185	10.9	8,526	12.1	6,313	26.4

(Note) Comprehensive income Six months ended September 30, 2026 8,191 million yen, 22.8%
Six months ended September 30, 2025 6,669 million yen, 9.4%

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2026	141.47	141.47
Six months ended September 30, 2025	107.40	107.40

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2026	191,028	125,954	65.6
As of March 31, 2026	188,907	122,259	64.3

(Reference) Equity As of September 30, 2026 125,234 million yen As of March 31, 2026 121,549 million 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	–	77.50			
Year ending March 31, 2027 (Forecast)			–	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	217,000	5.1	21,500	10.8	22,200	10.2	16,000	9.3	272.10

(Note) Revisions to the earnings forecast announced most recently: Yes
For the revision of the consolidated earnings forecast, please refer to the “Notice Concerning Revisions to Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2027” announced today (November 13, 2026).

4. Notes

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

(2) Application of special accounting methods for preparing interim 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 September 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 September 30, 2026	387,936 shares	As of March 31, 2026	408,298 shares

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

Six months ended September 30, 2026	58,800,913 shares	Six months ended September 30, 2025	58,779,815 shares

*Interim consolidated financial results are not subject to review by certified public accountants or an audit firm.

*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 the content of the financial results briefing)

The Company will hold an online financial results briefing for analysts and institutional investors on Wednesday, November 25, 2026. The video and materials of this briefing will be posted on the Company's website immediately after the meeting.

The Company's website (Financial results briefing materials and video)
https://www.sangetsu.co.jp/english/ir/library/briefing_report.html

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results

During the current interim consolidated period (April 1, 2026 to September 30, 2026), the business environment surrounding our Group in Japan saw a moderate economic recovery, supported by improvements in corporate earnings and the employment and income environment. In North America, the economy remained solid, supported by robust capital investment and the expansion of consumer spending. In Asia, while Southeast Asia showed varying economic conditions by country due to the impact of the situation in the Middle East and export drives from China, the weakness in domestic demand in China and Hong Kong, caused by the prolonged downturn in the real estate market, continued to weigh on the economy.

Regarding the outlook, we continue to monitor the situation closely, including global political and economic conditions following the U.S. midterm elections, geopolitical risks such as those in the Middle East and Ukraine, inflationary factors such as persistently high energy prices, and trends in financial and capital markets.

In the domestic construction market, which is the Group's mainstay, the new residential sector saw a year-on-year recovery in the number of new housing starts and floor area; however, demand trends remained weak due to persistently high construction costs, a decline in housing acquisition sentiment amid rising interest rates, and changes in demographics. In the new non-residential sector, the overall construction floor area remained sluggish, falling below the previous year's level. On the other hand, the renovation and renewal sector remained solid, and according to the "Building Renovation and Renewal Survey" announced by the Ministry of Land, Infrastructure, Transport and Tourism, orders received (January–June 2026) showed an increasing trend year-on-year in both the residential and non-residential sectors.

Under this business environment, the Group is promoting growth strategies based on the "Medium-term Business Plan 2029" formulated in May 2026, aimed at realizing our corporate vision of "Shaping Culture from Interiors through Materials and Design." As for our initiative policies by business, we are enhancing our solution proposal capabilities through the expansion of our product lineup, further sophistication of various functions such as materials, design, logistics, and construction, and the strengthening of collaboration between these functions, thereby realizing the evolution of our core "Total Interior" business. Specifically, we are focusing on making our core Interior Business an even stronger earnings base, accelerating the growth of our Overseas Interior Business, and cultivating the adjacent fields of the Space Solutions Business and Exterior Business as medium- to long-term growth businesses.

Net sales for the current interim consolidated period were 105,024 million yen (up 6.2% year-on-year), operating profit was 10,276 million yen (up 25.5% year-on-year), ordinary profit was 10,767 million yen (up 26.3% year-on-year), and profit attributable to owners of parent was 8,318 million yen (up 31.8% year-on-year).

The operating results by segment are as follows.

(Domestic Interior Segment)

This segment consists of the Interior Business and the Space Solutions Business.

In the Interior Business, we are focusing on strengthening our solution proposal capabilities, which are supported by enhanced functions in materials, design, logistics, and construction, as well as expanding our product lineup to meet market needs and address social issues.

In product development, we are working to optimize our product portfolio by planning and developing core products such as wallpaper, as well as strategic products with high added value in terms of design and functionality. Additionally, we have launched "HYBRID FLOORING", a wood flooring product, as an innovative product. This product, which uses a floating installation method that requires no adhesives or nails, offers excellent design, water resistance, and durability, and we aim to capture share in the wood flooring market, which is a new market for us.

In terms of sales, we are focusing on markets and sectors with high growth potential, such as renovation and renewal, as well as non-residential sectors including offices and hotels, in addition to new housing. Amid significant changes in the external environment, such as the escalating tensions in the Middle East, we have strived to ensure a stable supply of products and conduct tailored sales activities. As rising procurement and logistics costs became apparent in line with the soaring prices of raw materials such as crude oil and naphtha, we implemented product price revisions in July of this year. Furthermore, the resolution of supply constraints caused by a fire at a supplier's factory contributed to boosting overall performance.

In supply chain management, which we position as our most important measure for improving productivity and strengthening competitiveness, we are promoting optimization at the company-wide level by improving our data linkage infrastructure and enhancing our demand forecasting logic. Furthermore, to address structural cost-increase pressures in the logistics industry, we are strengthening partnerships with group companies and partner companies and are considering expanding investments in labor-saving equipment. We will further strengthen these initiatives, which are centered on "optimization based on data and logic" and "improving the productivity of logistics operations."

In the Space Solutions Business, under a new structure from April 2026, we are working to rebuild our business foundation, including

reviewing business processes in design and construction and enhancing profit management. At the same time, we are promoting business expansion by leveraging the sales network and customer base of the Interior Business, as well as our collaboration with our group company, Fairtone Co., Ltd. During the current interim consolidated period, our efforts to strengthen the foundation, such as scrutinizing orders and improving proposal capabilities, were successful, and the completion of large-scale projects also contributed to an increase in net sales compared to the same period of the previous year.
As a result, the Domestic Interior Segment recorded net sales of 84,465 million yen (up 8.3% year-on-year) and operating profit of 10,130 million yen (up 22.7% year-on-year). Wallcoverings Unit recorded net sales of 41,034 million yen (up 4.3% year-on-year), Flooring Materials Unit recorded net sales of 29,098 million yen (up 12.5% year-on-year), Fabrics Unit recorded net sales of 5,075 million yen (up 5.1% year-on-year), and others including design fees and construction recorded net sales of 9,256 million yen (up 16.1% year-on-year).

(Domestic Exterior Segment)
This segment consists of the Exterior Business.
Sungreen Co., Ltd., the core group company of the Exterior Business, is working to build a business foundation that does not depend on new housing demand by expanding sales of its own brand products and promoting orders that integrate interior and exterior products in collaboration with the Company. However, due to the gradual decline in the new housing sector, delivery delays caused by natural disasters, and construction postponements, net sales decreased compared to the same period of the previous year, and an operating loss was recorded.
As a result, the Domestic Exterior Segment recorded net sales of 3,242 million yen (down 4.1% year-on-year) and an operating loss of 55 million yen (compared to an operating profit of 36 million yen in the same period of the previous year).

(Overseas Segment)
In the Overseas Segment, the results of overseas subsidiaries from January 2026 to June 2026 are included in the consolidated results for the current interim period.
This segment consists of the Overseas Interior Business and the Overseas Space Solutions Business.
In the Overseas Interior Business, performance in North America (the United States and Canada) remained strong, resulting in increased net sales and profit compared to the same period of the previous year. In Asia, earnings in Southeast Asia deteriorated due to cooling demand and construction delays caused by the impact of the Middle East situation, as well as intensified competition with Chinese companies that are increasing their competitiveness. In China and Hong Kong, although the business environment remains challenging, the operating loss narrowed due to precise sales strategies tailored to markets and customers, as well as cost reductions.
In the Overseas Space Solutions Business, at D'Perception Pte Ltd, which handles design and construction, there were project postponements and cancellations due to the impact of the Middle East situation. However, thanks to thorough profitability management for each project and the absence of one-time expenses related to large-scale projects incurred in the previous fiscal year, operating profit and loss improved to a level that was generally balanced.
As a result, the Overseas Segment recorded net sales of 17,325 million yen (down 1.0% year-on-year) due to a decline in net sales in the Overseas Space Solutions Business. Regarding operating profit and loss, due to the continued strength in North America and improvements in the Overseas Space Solutions Business, operating profit was 198 million yen (compared to an operating loss of 106 million yen in the same period of the previous 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 our corporate credo of "INTEGRITY" and our Purpose (reason for existence) in our corporate philosophy, "With all people we collaborate to create peaceful and inspirational spaces." By further advancing our core "Total Interior" solution proposals, we will generate a virtuous cycle of "creating economic value" through business and "creating social value" by addressing societal challenges, continuing to contribute to society through sustainable corporate growth.
Based on this fundamental approach, under our "Medium-term Business Plan 2029," we have set sustainability goals. In terms of the environment, we aim to reduce GHG emissions, promote resource circulation, and expand our lineup of environmentally friendly products. In terms of human capital, we aim to foster a corporate culture that achieves both individual and organizational growth, driven by two key pillars: developing human resources equipped with conceptual skills, execution skills, and ethics, alongside building an organization anchored in respect for diversity, the challenge of innovation, and co-creation.
As an environmental initiative during the interim consolidated accounting period under review, for the aforementioned wood flooring product, "HYBRID FLOORING," we reuse waste wood and have adopted eco-friendly installation methods that eliminate the use of adhesives and similar materials. Recognized for these continuous efforts to reduce environmental impact, the product has obtained globally recognized environmental certifications, including the International EPD certification and the EU Ecolabel.

Regarding human capital initiatives, we have positioned DE&I promotion as a vital management foundation, actively cultivating a workplace environment that supports co-parenting with the goal of achieving a 100% childcare leave uptake rate for male employees. As a result, for three consecutive fiscal years since fiscal 2023, 100% of eligible male employees have taken childcare leave of two weeks or more, with an average duration of 40 days.
In our social engagement activities, we are engaged in continuous support initiatives toward realizing a sustainable society where everyone can live with peace of mind. Specifically, these include contributing relief funds for domestic disaster recovery, providing interior construction support for the community-based children's hospice "Nagakute House (Nagakute no Ouchi)," and participating in housing construction support projects in Vietnam through non-profit organizations.
We will continue to listen sincerely to the voices of our stakeholders, address societal challenges through our business activities, and work toward the continuous enhancement of social value.

(2) Overview of Financial Position

(Assets)

Current assets at the end of the current interim consolidated accounting period were 120,111 million yen, an increase of 2,090 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 2,743 million yen in merchandise and finished goods. Non-current assets were 70,916 million yen, an increase of 30 million yen from the end of the previous consolidated fiscal year. This was due to a decrease of 324 million yen in intangible assets, but an increase of 56 million yen in property, plant and equipment and 298 million yen in investments and other assets.
As a result, total assets amounted to 191,028 million yen, an increase of 2,121 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the current interim consolidated accounting period were 43,435 million yen, a decrease of 1,576 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 1,057 million yen in provision for bonuses and 655 million yen in income taxes payable. Non-current liabilities were 21,639 million yen, an increase of 3 million yen from the end of the previous consolidated fiscal year.
As a result, total liabilities amounted to 65,074 million yen, a decrease of 1,572 million yen from the end of the previous consolidated fiscal year.

(Net assets)

Total net assets at the end of the current interim consolidated accounting period were 125,954 million yen, an increase of 3,694 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 3,762 million yen in retained earnings (8,318 million yen in profit attributable to owners of parent and 4,556 million yen in dividends of surplus).
As a result, the equity ratio was 65.6% (64.3% at the end of the previous consolidated fiscal year).

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

Based on recent business performance trends, the Company has revised its consolidated financial results forecasts for the fiscal year ending March 31, 2027, which were previously announced on May 13, 2026. For details, please refer to the “Notice Concerning Revisions to Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2027” announced today.

2. Interim Consolidated Financial Statements and Major Notes
(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	35,414	36,968
Notes and accounts receivable - trade, and contract assets	32,911	27,782
Electronically recorded monetary claims - operating	26,006	27,787
Securities	300	300
Merchandise and finished goods	18,952	21,696
Work in process	398	385
Raw materials and supplies	2,462	3,597
Other	2,011	2,004
Allowance for doubtful accounts	(435)	(410)
Total current assets	118,020	120,111
Non-current assets		
Property, plant and equipment		
Land	16,286	16,353
Other, net	26,014	26,003
Total property, plant and equipment	42,300	42,357
Intangible assets		
Software	1,744	1,631
Goodwill	2,366	2,216
Other	849	789
Total intangible assets	4,961	4,636
Investments and other assets		
Investment securities	10,744	11,398
Investment property	4,975	4,946
Guarantee deposits	2,149	2,177
Retirement benefit asset	2,739	2,822
Deferred tax assets	1,940	1,486
Other	1,088	1,102
Allowance for doubtful accounts	(13)	(11)
Total investments and other assets	23,624	23,922
Total non-current assets	70,886	70,916
Total assets	188,907	191,028

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,884	18,002
Contract liabilities	1,399	2,058
Electronically recorded obligations - operating	9,240	9,488
Short-term borrowings	365	251
Lease liabilities	555	503
Income taxes payable	3,772	3,117
Provision for bonuses	4,393	3,336
Provision for bonuses for directors (and other officers)	93	57
Provision for product warranties	166	165
Other	7,141	6,454
Total current liabilities	45,011	43,435
Non-current liabilities		
Long-term borrowings	12,000	12,000
Lease liabilities	1,611	1,474
Deferred tax liabilities	292	277
Retirement benefit liability	5,125	5,290
Asset retirement obligations	1,735	1,745
Other	869	850
Total non-current liabilities	21,635	21,639
Total liabilities	66,647	65,074
Net assets		
Shareholders' equity		
Share capital	13,616	13,616
Capital surplus	17,247	17,273
Retained earnings	80,216	83,978
Treasury shares	(663)	(631)
Total shareholders' equity	110,416	114,237
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,483	5,590
Foreign currency translation adjustment	2,179	2,493
Remeasurements of defined benefit plans	3,470	2,913
Total accumulated other comprehensive income	11,133	10,997
Share acquisition rights	4	4
Non-controlling interests	706	715
Total net assets	122,259	125,954
Total liabilities and net assets	188,907	191,028

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

(Interim Consolidated Statements of Income)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	98,892	105,024
Cost of sales	68,271	71,759
Gross profit	30,621	33,264
Selling, general and administrative expenses	22,435	22,988
Operating profit	8,185	10,276
Non-operating income		
Interest income	151	215
Dividend income	113	132
Rental income from real estate	214	218
Other	139	122
Total non-operating income	619	688
Non-operating expenses		
Interest expenses	141	116
Rental expenses on real estate	55	53
Loss on valuation of interest rate swaps	44	―
Foreign exchange losses	13	11
Other	23	15
Total non-operating expenses	278	197
Ordinary profit	8,526	10,767
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on sale of investment securities	34	―
Subsidy income	404	442
Gain on termination of retirement benefit plan	―	518
Total extraordinary income	440	962
Extraordinary losses		
Loss on sale of non-current assets	0	―
Loss on retirement of non-current assets	11	69
Loss on sale of investment securities	―	0
Total extraordinary losses	12	69
Profit before income taxes	8,954	11,660
Income taxes - current	2,394	2,867
Income taxes - deferred	293	487
Total income taxes	2,688	3,354
Profit	6,266	8,305
Loss attributable to non-controlling interests	(46)	(12)
Profit attributable to owners of parent	6,313	8,318

(Interim Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	6,266	8,305
Other comprehensive income		
Valuation difference on available-for-sale securities	1,134	106
Foreign currency translation adjustment	(806)	336
Remeasurements of defined benefit plans, net of tax	74	(557)
Total other comprehensive income	403	(113)
Comprehensive income	6,669	8,191
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,737	8,182
Comprehensive income attributable to non-controlling interests	(68)	9

(3) Notes to Interim Consolidated Financial Statements

(Notes to Segment Information)

I. Six months ended September 30, 2025 (from April 1, 2025 to September 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 interim consolidated financial statements (Note 2)
Net sales					
Sales to external customers	78,010	3,380	17,502	-	98,892
Intersegment net sales or transfers	0	0	-	(0)	-
Total	78,010	3,380	17,502	(0)	98,892
Segment profit (loss)	8,253	36	(106)	1	8,185

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 interim consolidated statement of income.

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 increase in goodwill as a result of this event was 932 million yen in the current interim consolidated accounting period.

II. Six months ended September 30, 2026 (from April 1, 2026 to September 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 interim consolidated financial statements (Note 2)
Net sales					
Sales to external customers	84,457	3,241	17,325	-	105,024
Intersegment net sales or transfers	8	1	-	(9)	-
Total	84,465	3,242	17,325	(9)	105,024
Segment profit (loss)	10,130	(55)	198	1	10,276

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 interim 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.