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[Updated] 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

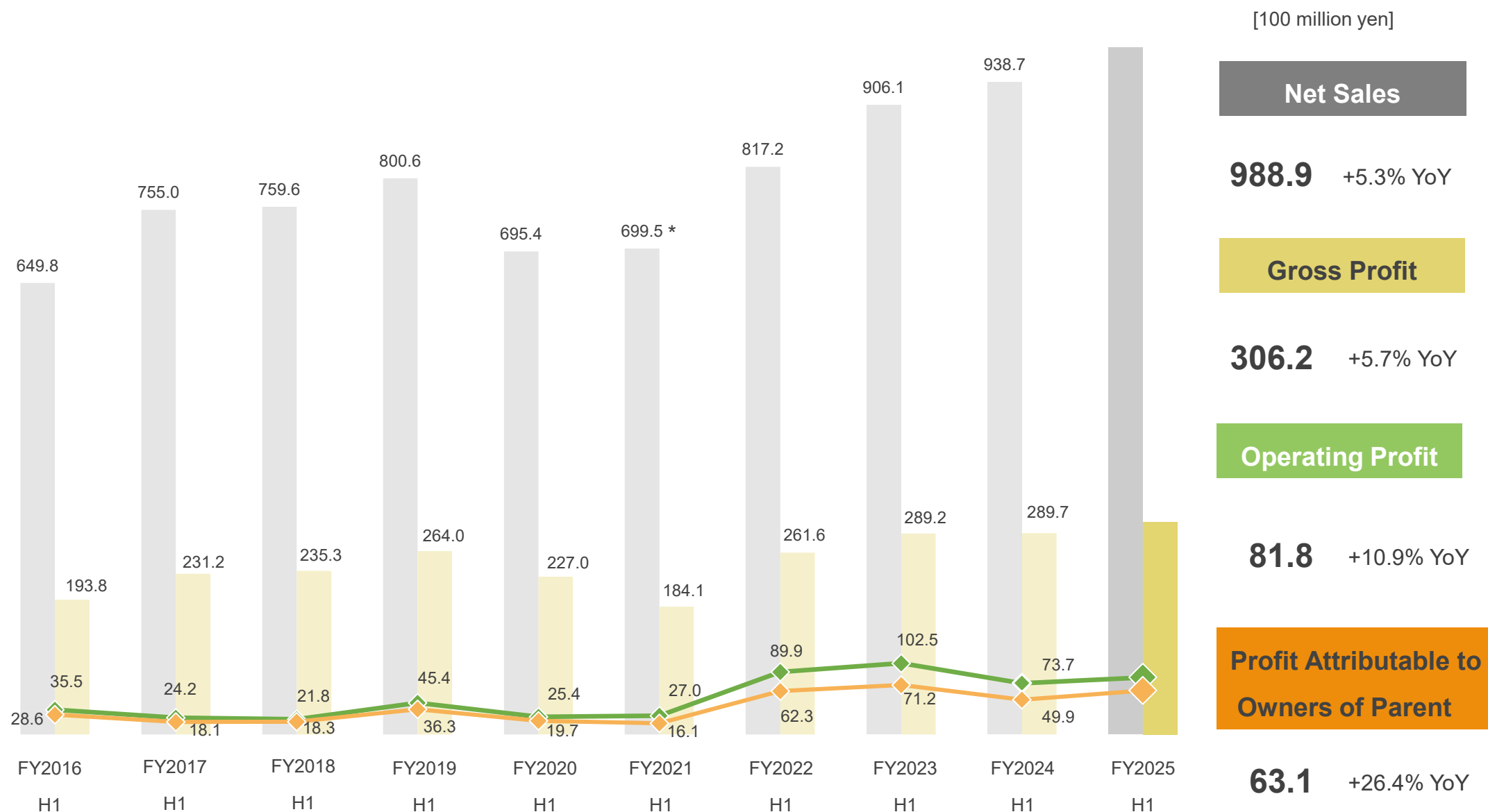
(Prime Market of Tokyo Stock Exchange and Premier Market of
Nagoya Stock Exchange)

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 in 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

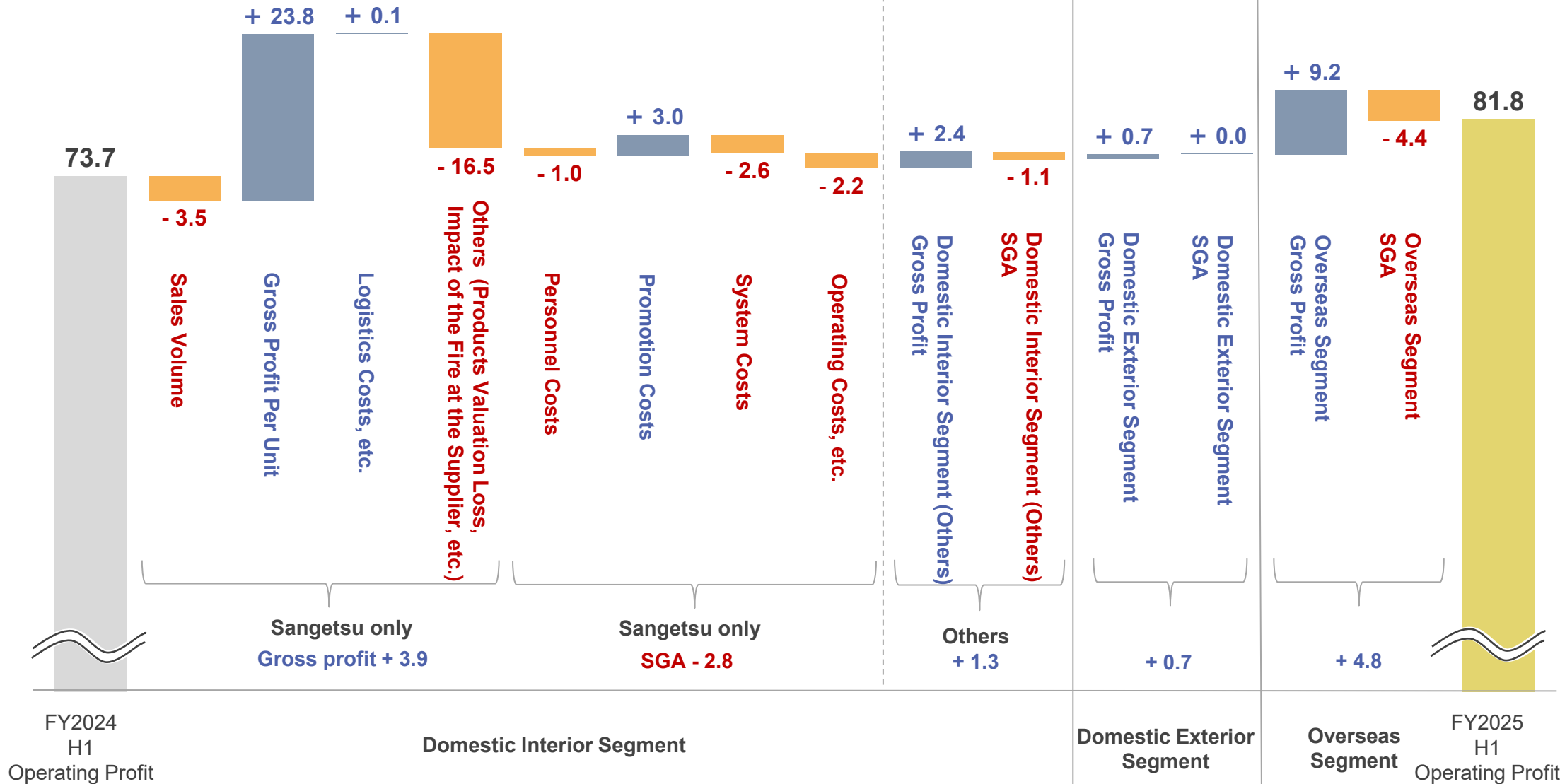
- Sungreen Co., Ltd., the core of this segment, saw its net sales increase YoY, despite the challenging business environment, driven by factors including price revisions implemented and increased sales contribution from the two bases launched in the Kanto region in 2024.
- Driven by increased gross profit 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.

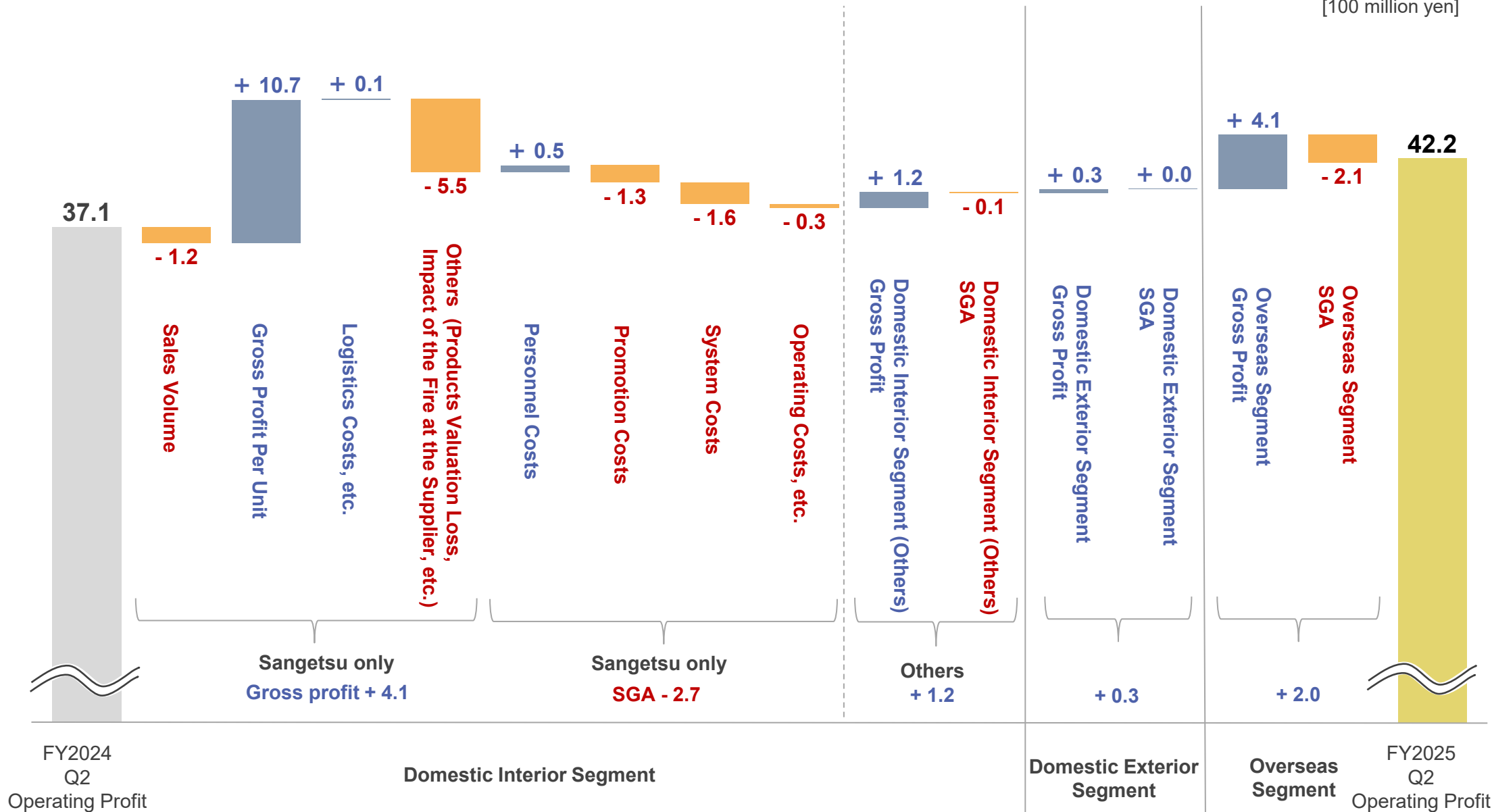
Change in Consolidated Operating Profit (YoY : April-September)

[100 million yen]



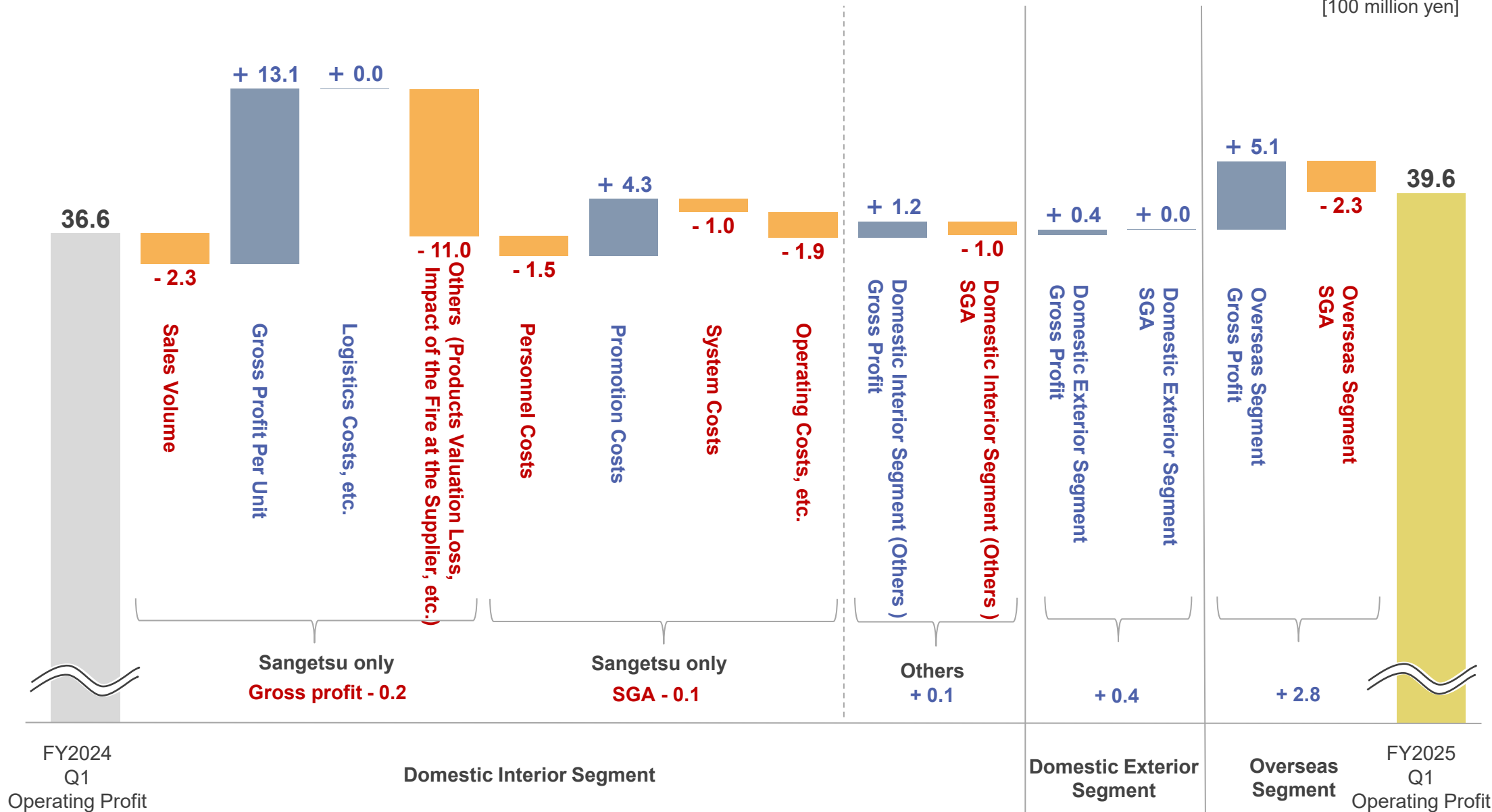
Change in Consolidated Operating Profit (YoY : July-September)

[100 million yen]



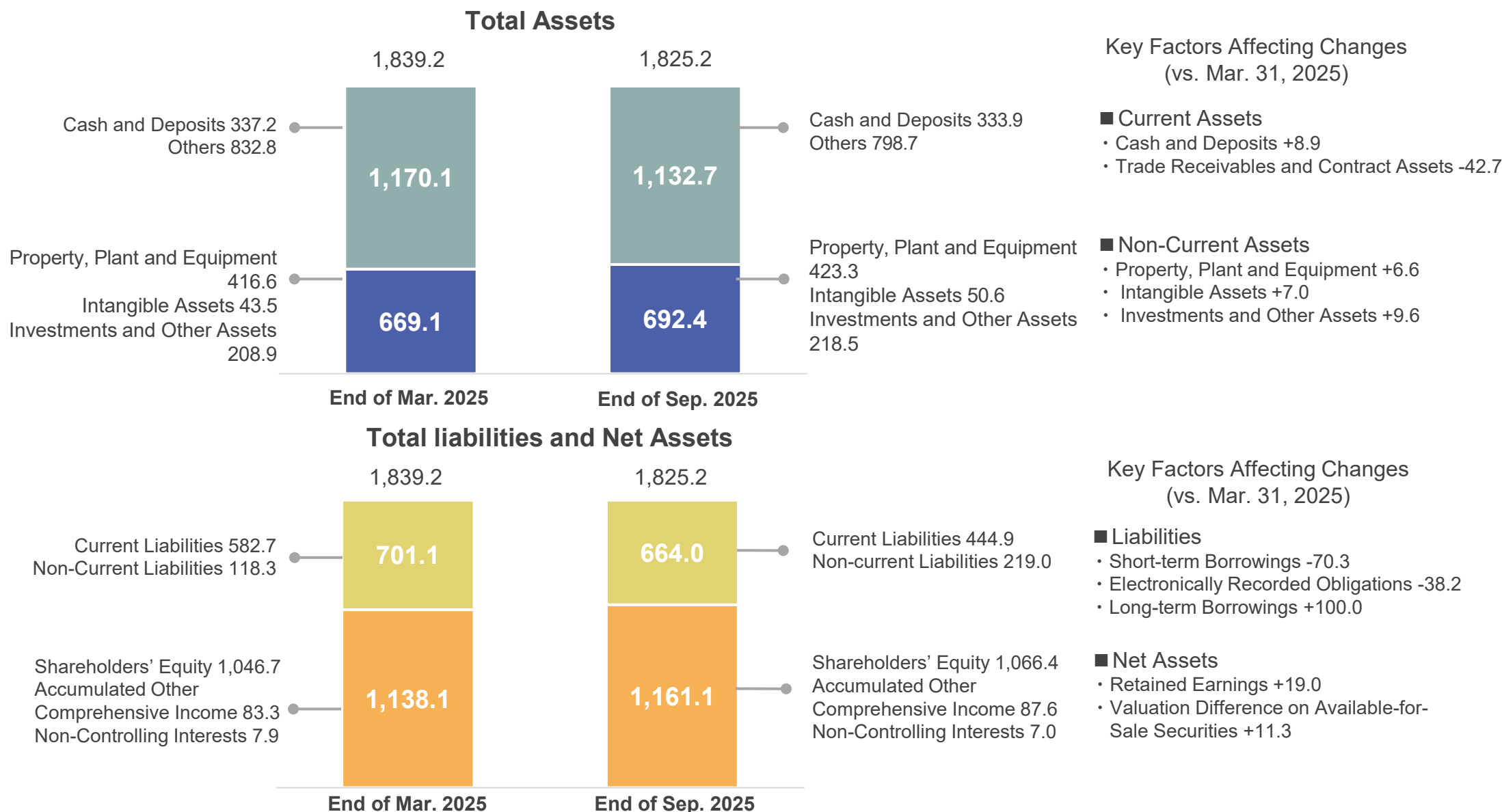
Change in Consolidated Operating Profit (YoY : April-June)

[100 million yen]



Consolidated Balance Sheet

[100 million yen]



Consolidated Cash Flow Statement

[100 million yen]

■ Cash Flows from Operating Activities 56.6

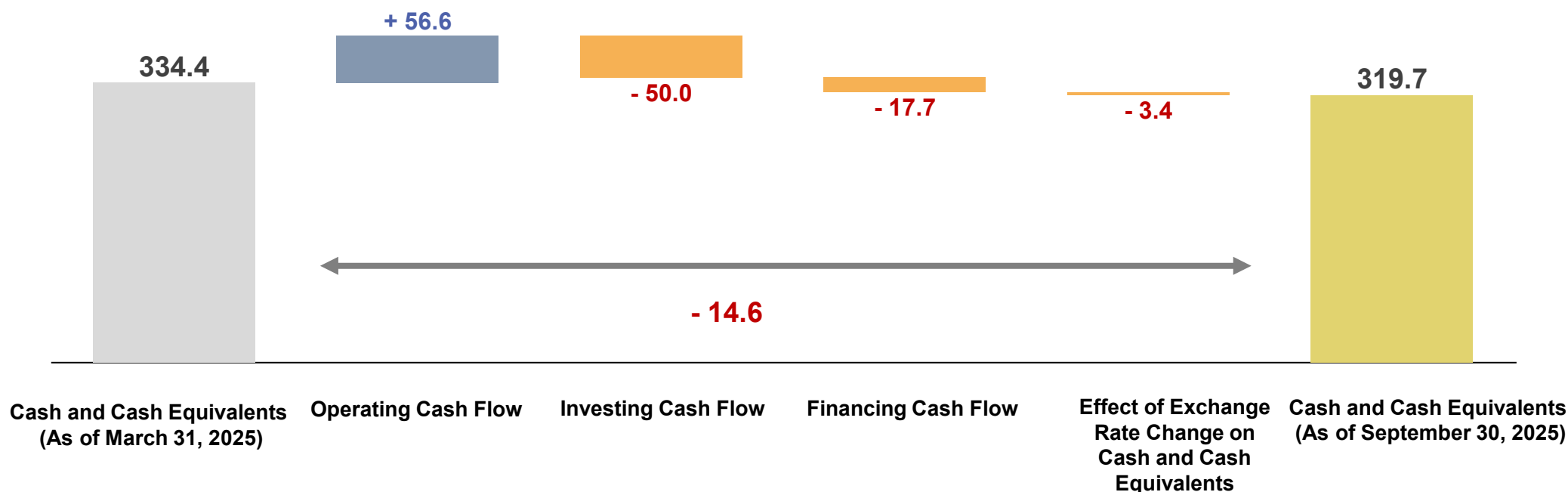
• Profit Before Income Taxes	89.5
• Depreciation	19.9
• Increase (Decrease) in Trade Receivables and Contract Assets	+41.7
• Increase (Decrease) in Trade Payables	-38.1
• Income Taxes Paid	-27.9

■ Cash Flows from Investing Activities -50.0

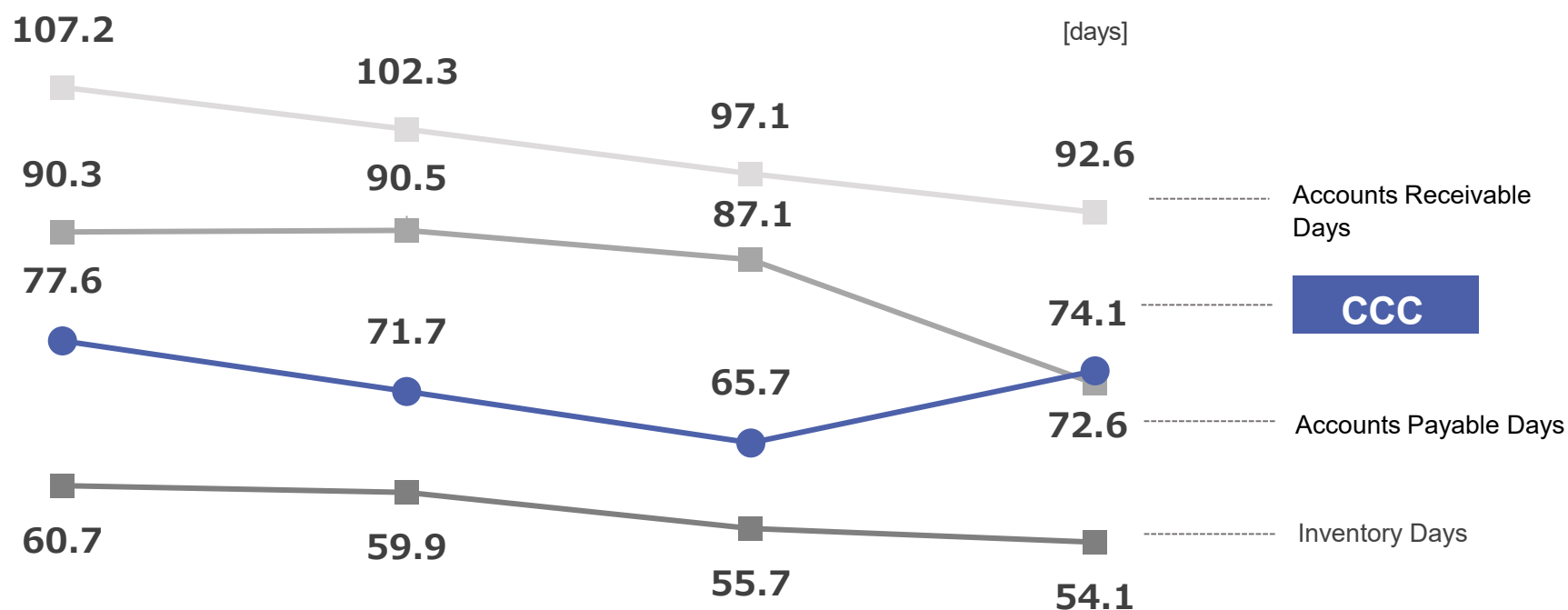
• Payments into Time Deposits	-11.3
• Purchase of Property, Plant and Equipment	-27.9
• Purchase of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	-8.3

■ 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

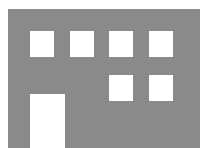
Jan-Sep 2025	-8.0%	-7.9%
Apr-Sep 2025	-17.4%	-17.6%

New Construction

Floor Area of Private Non-residential 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



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%

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)

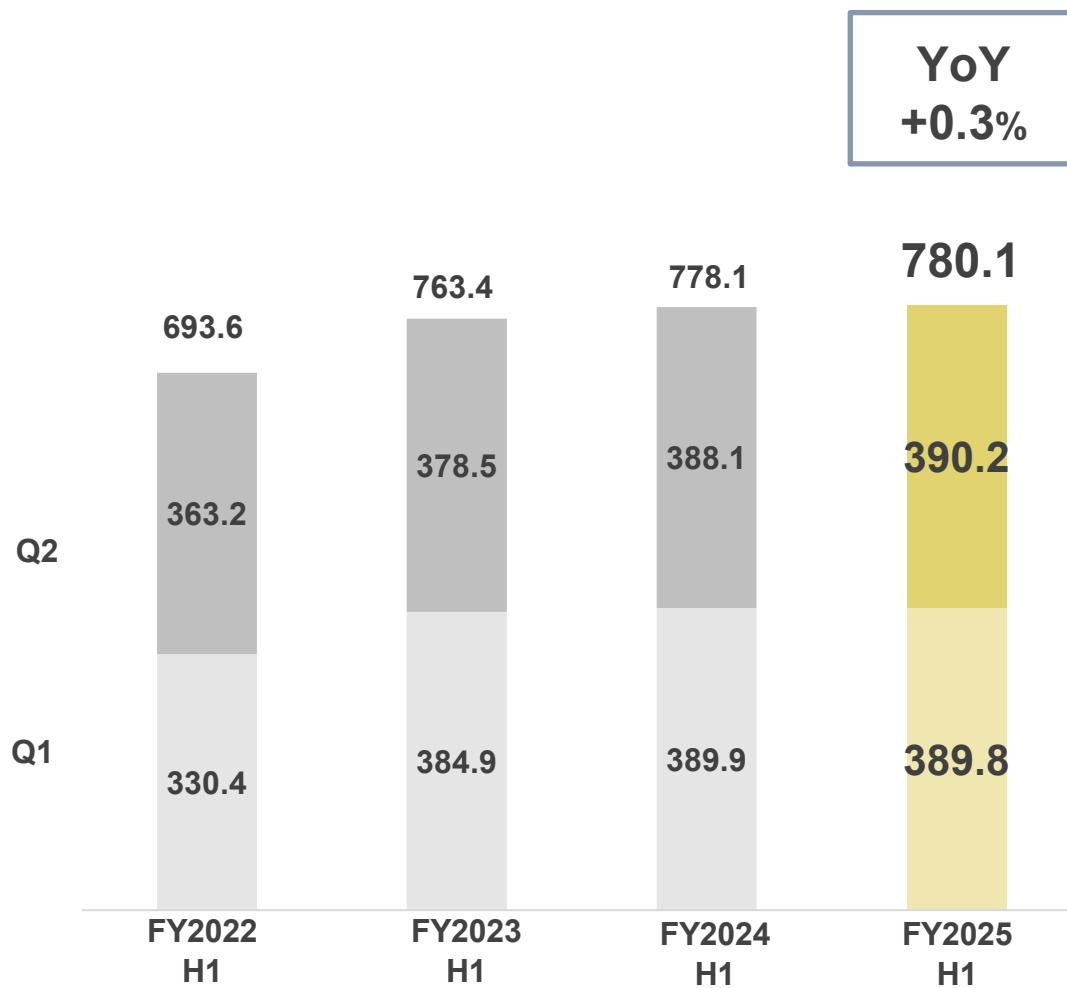
PVC Flooring

-2.4% YoY

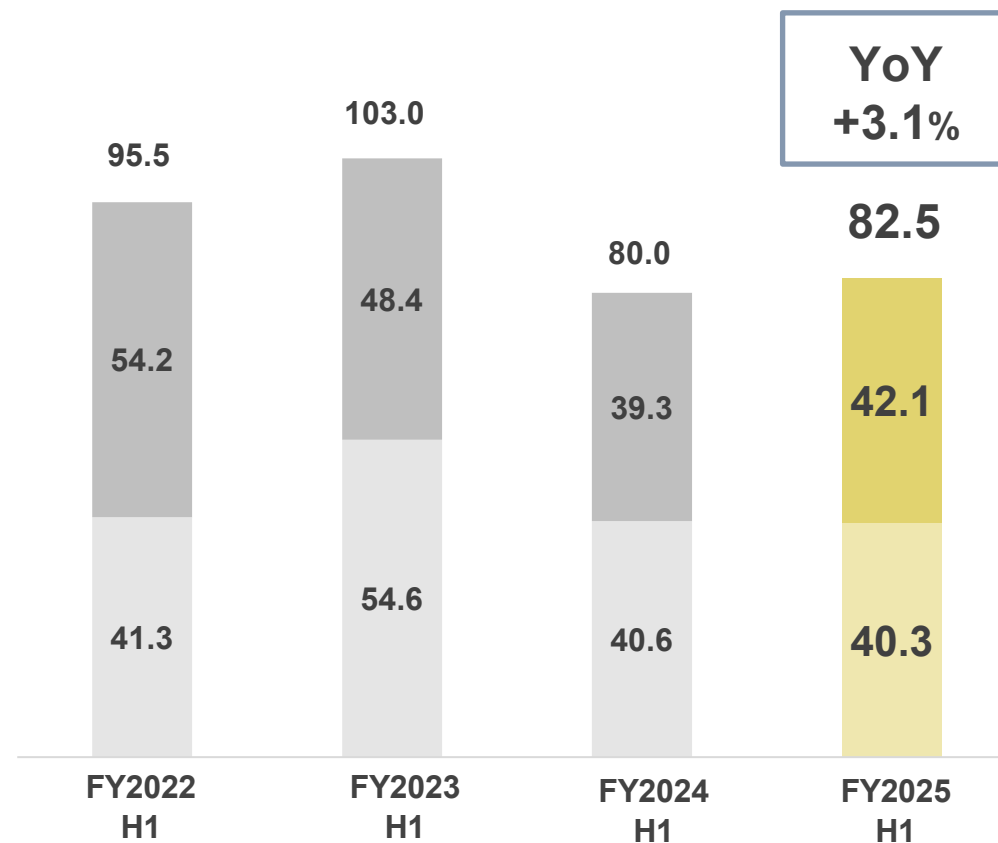
Sources: NIPPON INTERIOR ASSOCIATION (vinyl chloride flooring materials)
and Japan Industrial Association for Carpets (fibrous flooring materials)

Domestic Interior Segment

Net sales [100 million yen]

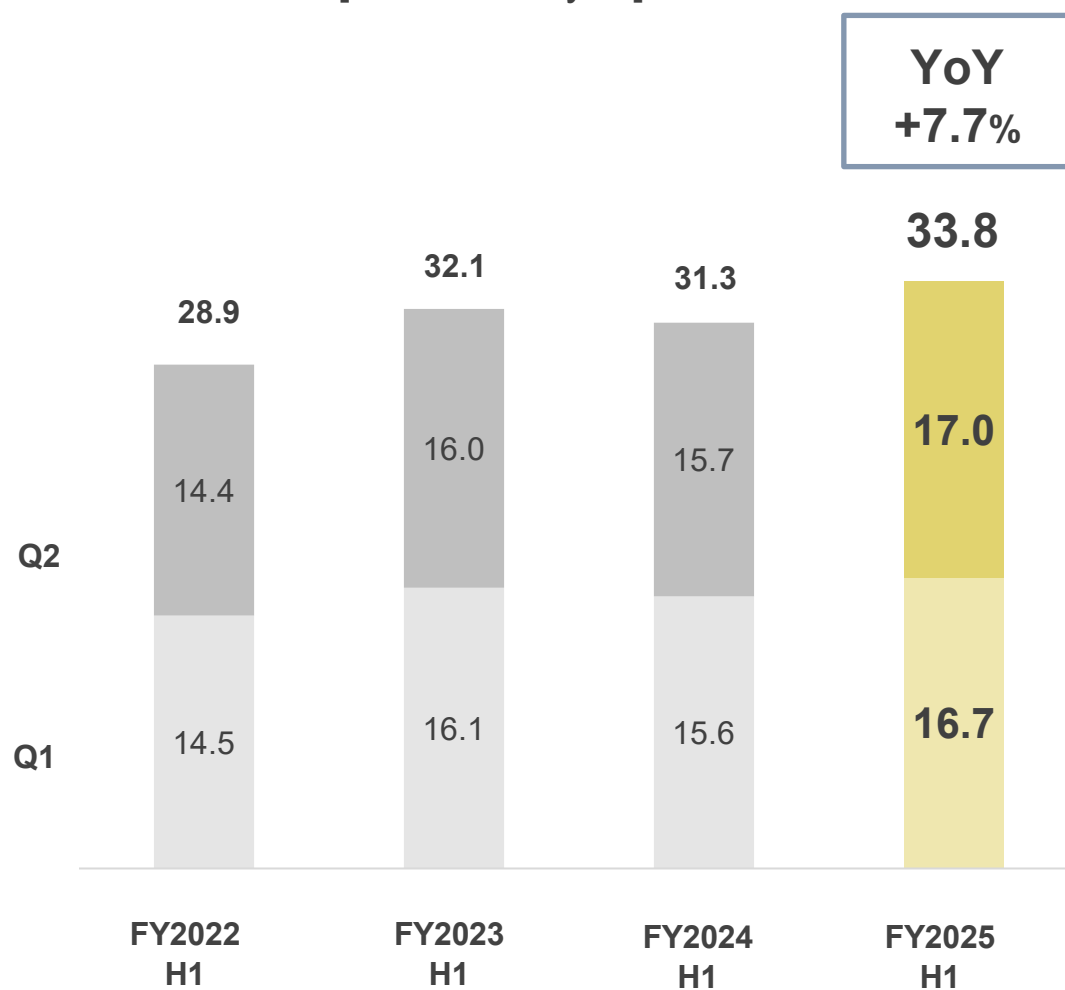


Operating profit [100 million yen]



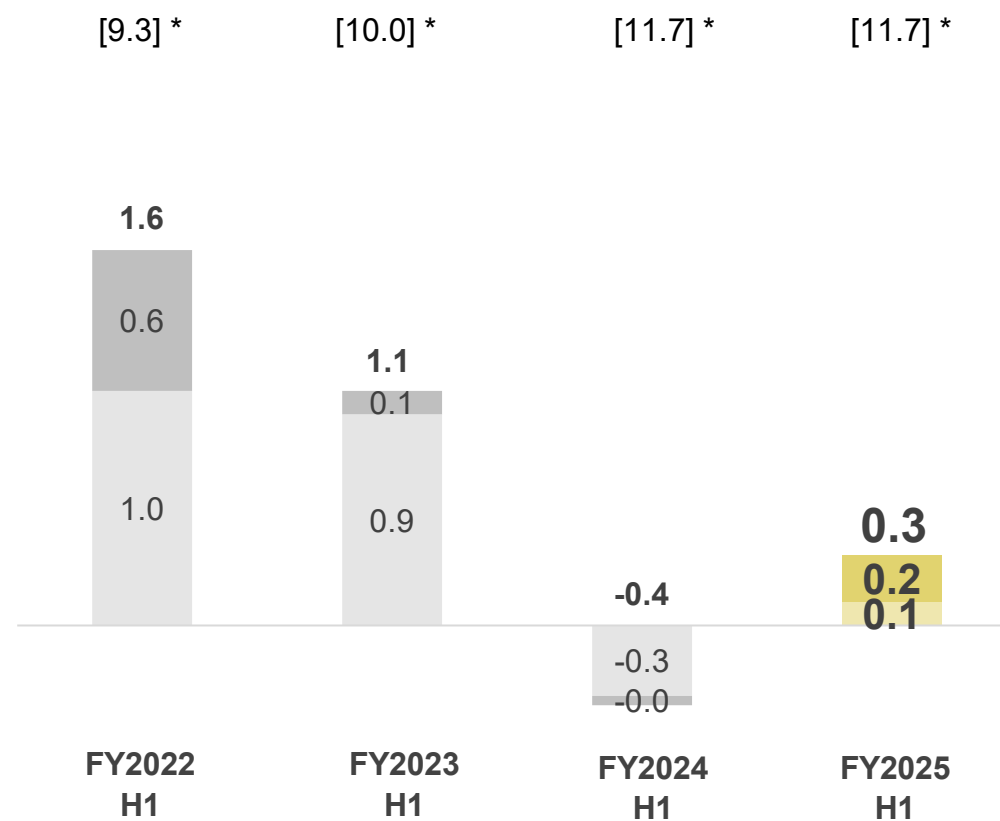
Domestic Exterior Segment

Net sales [100 million yen]



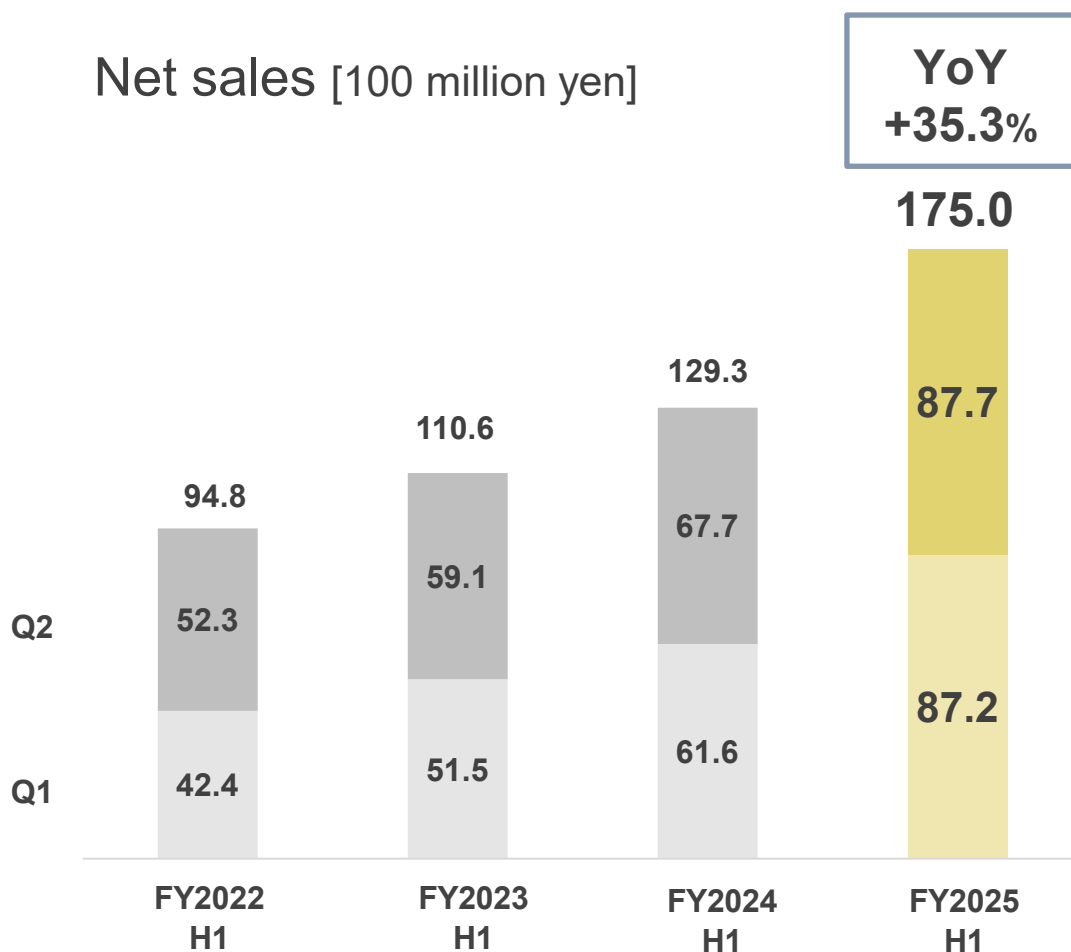
Operating profit [100 million yen]

*The parenthesis represents SG&A(H1).



Overseas Segment

Net sales [100 million yen]

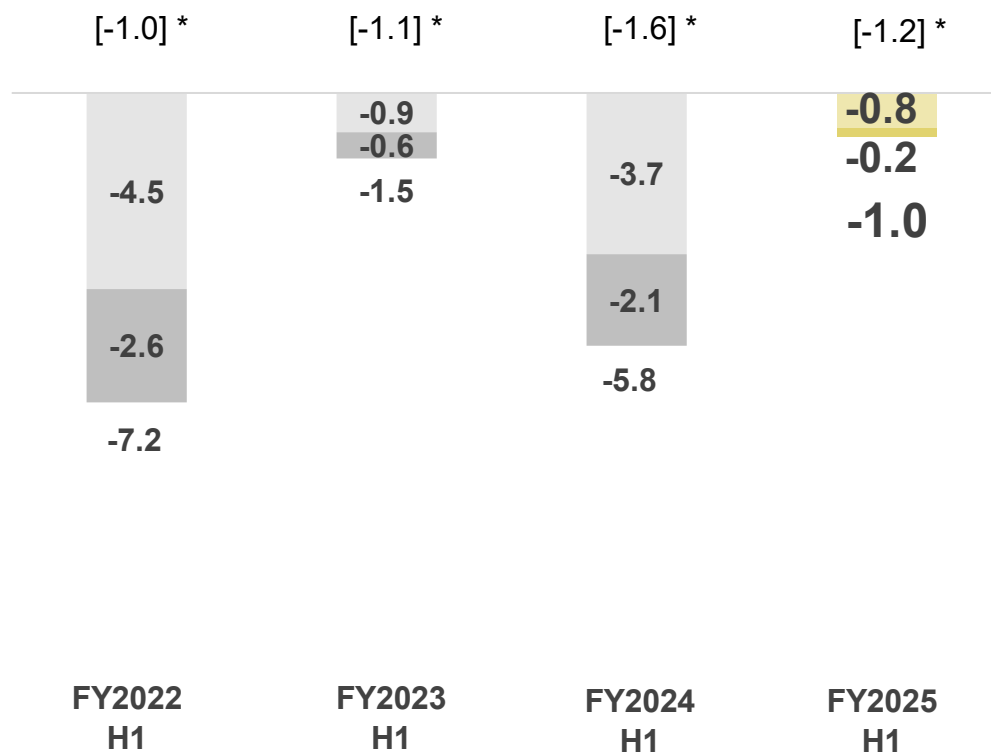


The operating results of D'Perception Pte Ltd, which is engaged in the design and construction business in Southeast Asia, were reflected starting from the third quarter of the fiscal year ended March 31, 2025 (FY2024).

(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

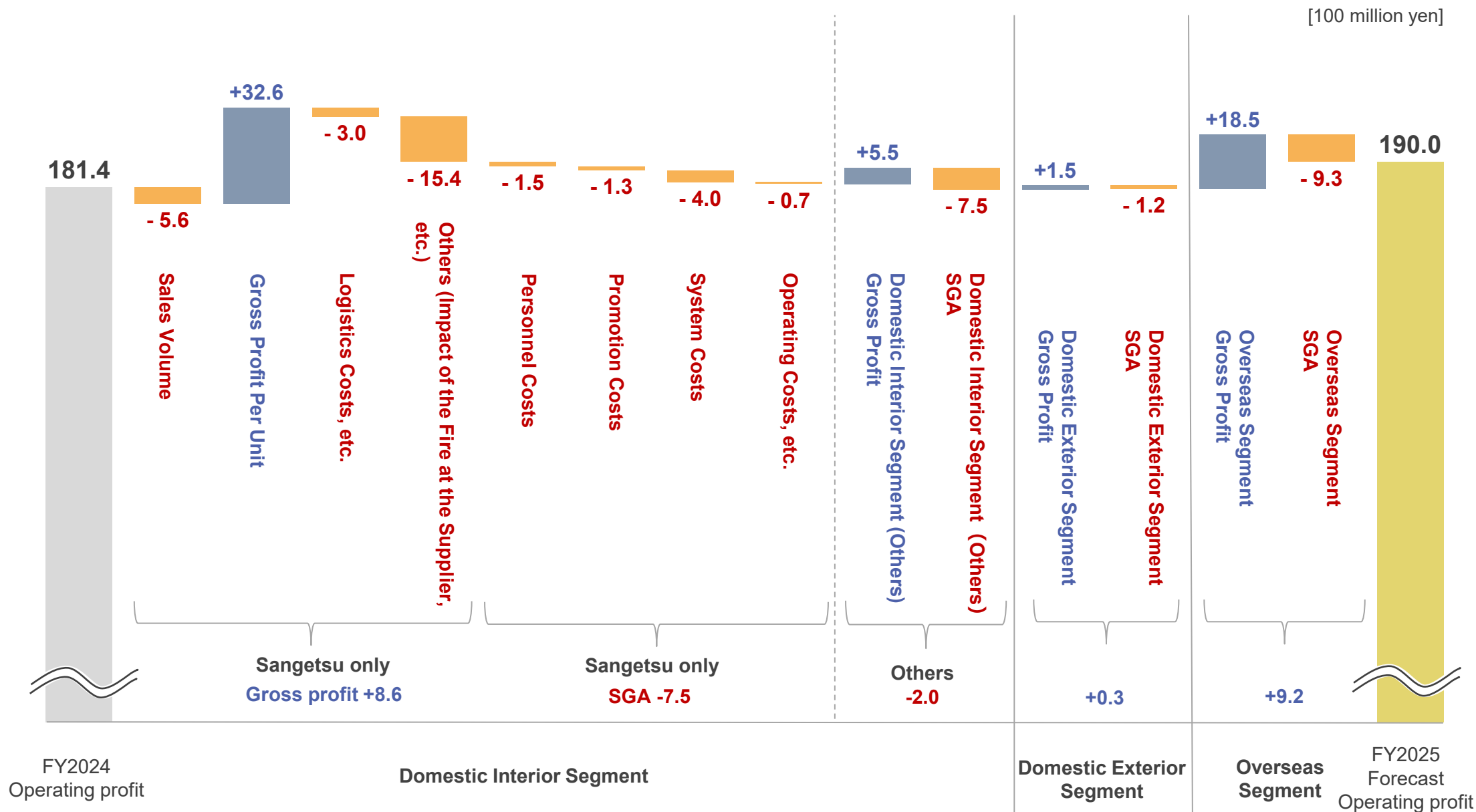
	FY2024		FY2025						
	H2	Full-year	H1			H2		Full-year	
	Results		Forecasts	Results	Full year Progress Rate	Initial Forecasts	Revised Forecasts	Forecasts	YoY
Net Sales	1,065.0	2,003.7	990.0	988.9	47.1%	1,110.0	1,111.0	2,100.0	+96.2 +4.8%
Gross Profit	333.9	623.7	307.0	306.2	46.5%	351.0	351.7	658.0	+34.2 +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)



3. Progress of Medium-term Business Plan (FY2023-2025) 【BX 2025】

Medium-term Business Plan (FY2023-2025)

【 BX 2025 】

Three years to prepare for the next leap forward

Basic policy

To strengthen and expand our ability to provide solutions that enhance the value of space creation, transforming our company into a space creation company with strong earnings power and growth potential, expanding our business in key products and markets, as well as expanding our product lineup, exterior business, and overseas business. In addition, we will consider the possibility of a space operation business in order to develop a business that will enable further long-term growth.

Response to the Impact of a Fire at a Supplier's Factory

■ Affected product sample books

1. S Floor (multi-layer vinyl floor sheets, mainly for non-residential use, some residential)
2. Non-Skid (anti-slip vinyl floor sheets, mainly for multi-family housing)

■ Supply resumption timeline

1. S Floor

- In July: Supply resumes for approximately 90% of suspended products
- In December: Supply resumes for the remaining 10%

2. Non-Skid

- In November: Supply resumes for nearly all products

The supply of nearly all products is expected to resume by the end of 2025, and the progress is on track.

■ Sales impact

Supply of products resumed in July; however, a certain period of time is expected for full recovery.

■ Estimated impact on revenue

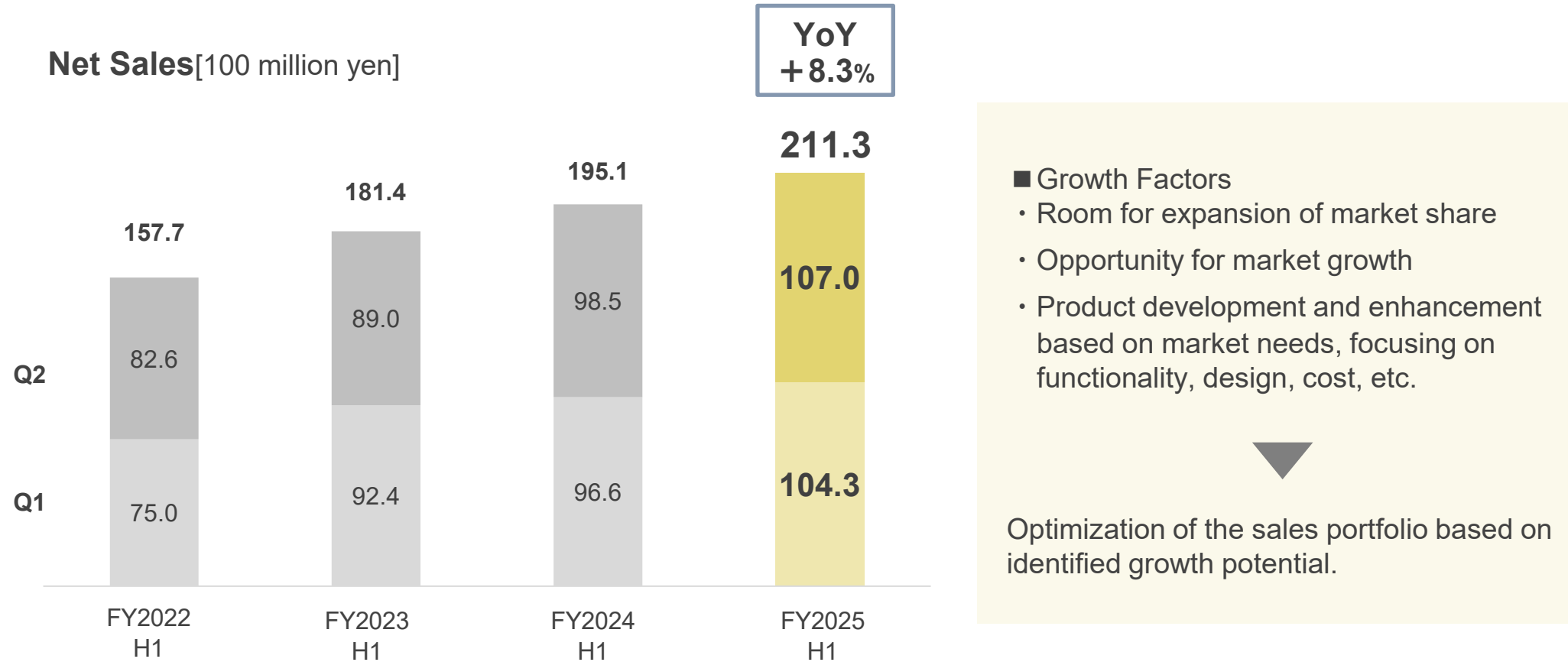
Generally as expected against the estimated net sales impact of approximately 5.0 billion yen.

Domestic Interior Segment: Medium-sized Products (High Value-Added Products)

■ Medium-sized Products (High Value-Added Products)

Product Groups Positioned as Strategic Products in the Current Medium-term Business Plan, Expected to Expand Market Share and Capture Market Growth

Corresponding Products: REATEC (Adhesive Decorative Film), Glass Film, Carpet Tile, Floor Tile, Chair-upholstery



Domestic Interior Segment: Medium-sized Products (High Value-Added Products)

■ Floor Tile (PVC Flooring)

Traditionally, adoption was mainly in the non-residential sector, but we implemented a residential sales strategy leveraging our sales foundation in the housing market.

The excellent design (decorative properties) and ease of maintenance characteristic of vinyl tiles have been highly evaluated, leading to an expansion of utilization in the residential sector.



The sample book "2023-2026 Floor Tile" appeals to residential scenes in addition to non-residential ones.



Domestic Interior Segment: Product Strategy Aligned with Market Needs and Issues

■ Expansion of products with low environmental burdens

In the wallpaper sample book " 2025-2027 SP " released in June 2025, we began selling PVC wallpaper certified with FSC® * certification for the first time in Japan.

Going forward, in addition to expanding the lineup of FSC® certified products, we will further strengthen the development and provision of environmentally friendly products to meet the environmental needs of the construction market and contribute to the realization of a sustainable society.



■ Enhancement of product capabilities focusing on superior design and functionality.

Two products, the ELEMENTUM™ wallcovering collection and the NONSKID Air Conditioner Drain Joint with a Lid (a floor accessory material), received the "Good Design Award 2025."

"ELEMENTUM™" is a richly textured wallpaper collection utilizing natural materials such as Japanese paper (washi), woven fabric, and clay (tsuchi), with some products incorporating recycled materials.

The drain joint has secured a patent due to its durable, proprietary design.

Through unique product development, including intellectual property strategy, we aim to strengthen our product variations.

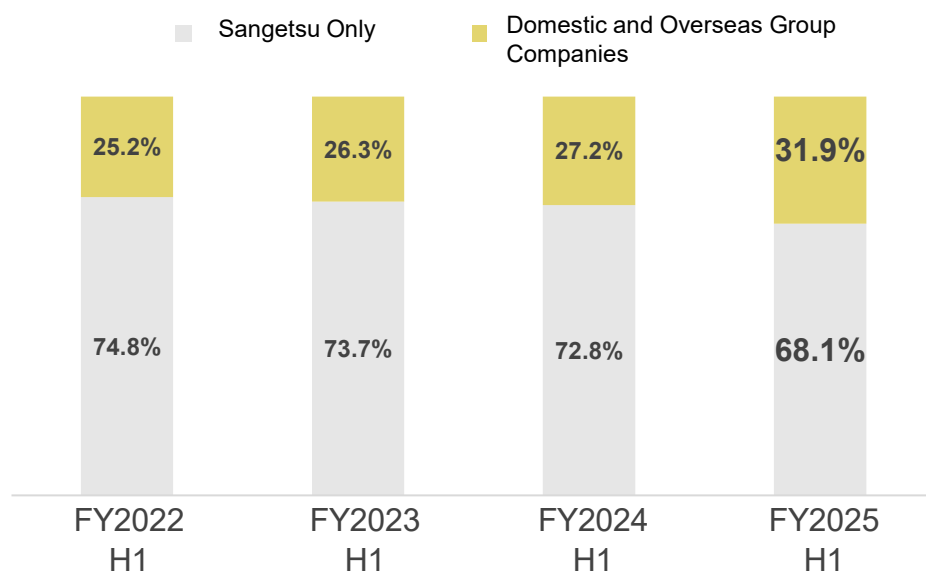


Strengthening Consolidated Group Management

■ Transition of Group Companies' Performance

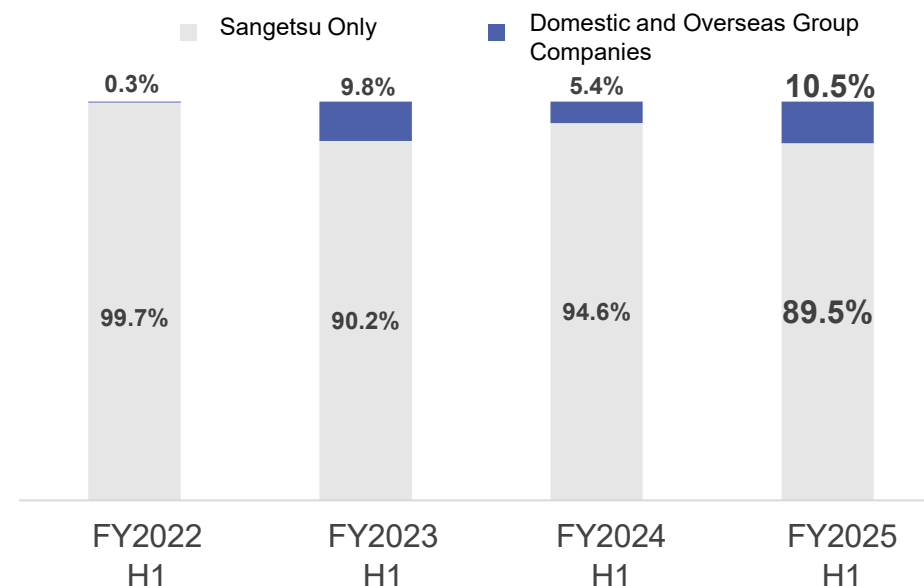
Composition Ratio of Net Sales

(Simple Total of Individual Companies)



Composition Ratio of Operating Profit

(Simple Total of Individual Companies)



- FY2022: September 2022 – Kurosukikaku Corporation (Logistics) became a group company.
- FY2024: July 2024 – D'Perception Pte Ltd (Design and Construction) in Singapore became a group company.
- FY2025: April 2025 – SDS Corporation (Logistics) became a group company.

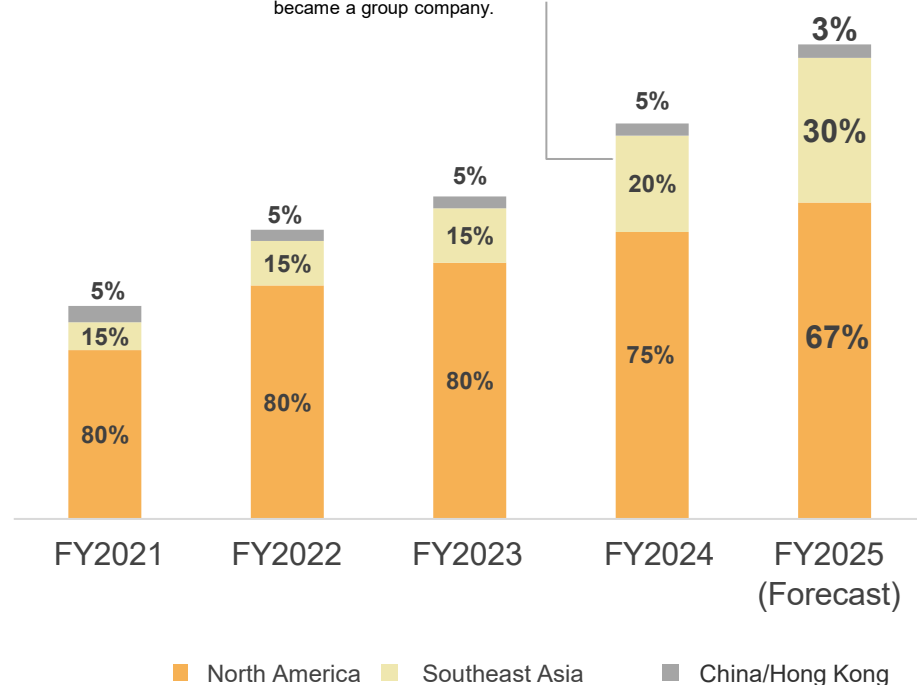
Strengthening Consolidated Group Management

■ Improving the Profitability of Overseas Group Companies

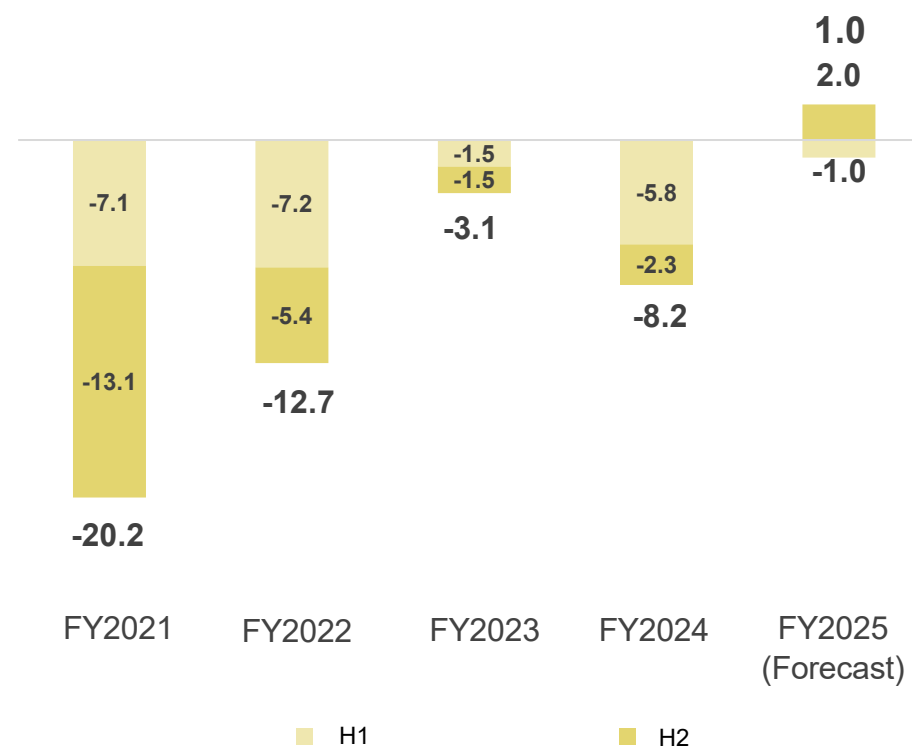
Composition Ratio of Net Sales (Simple Total of Individual Companies)

* Figures are rounded.

July 2024: D'Perception Pte Ltd (Southeast Asia)
became a group company.



Transition of Operating Profit (Overseas Segment Total) [100 million yen]



Key Points of Financial Results in FY2026 Q2 (H1)

- North America: Increased Net Sales and Expanded Profitability (YoY)
- Southeast Asia: Increased Net Sales and Narrowed Deficit (YoY).
The wholesale business in Southeast Asia achieved a turnaround to profit in the second quarter.
- China/Hong Kong: Increased Net Sales and Narrowed Deficit (YoY)

Accumulation, Analysis, and Utilization of Digital Assets

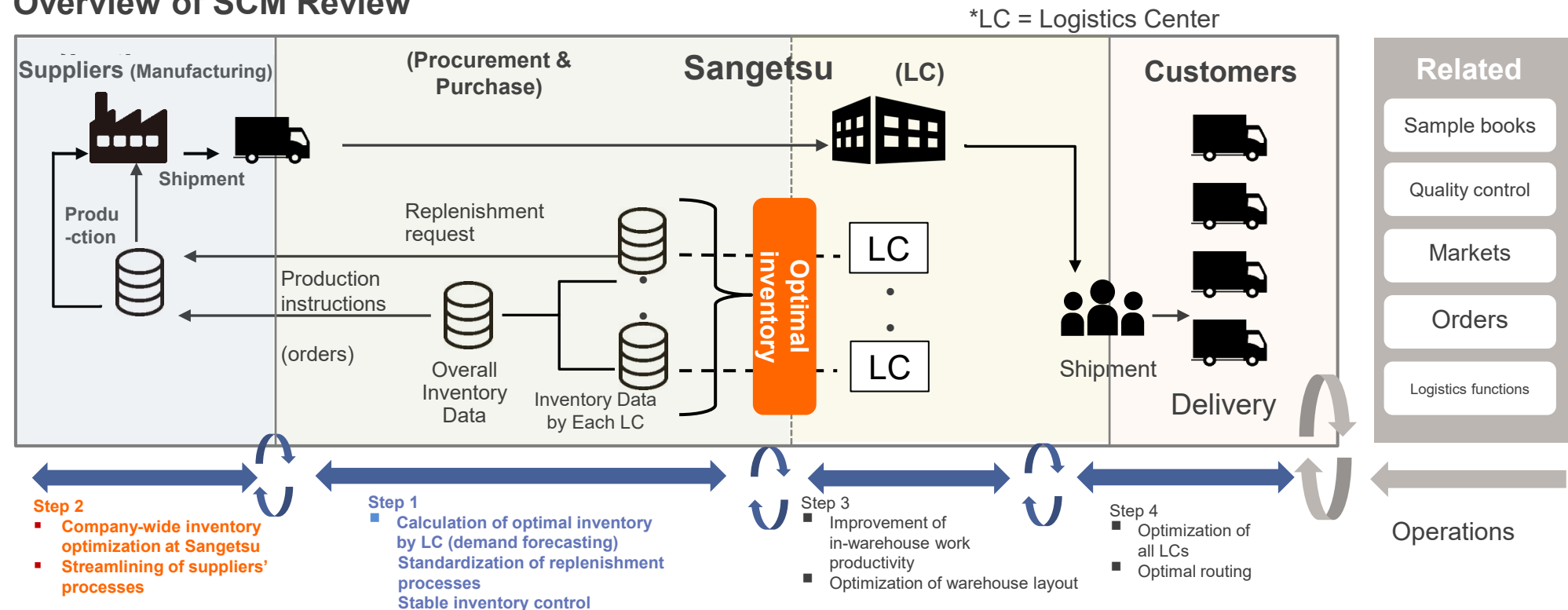
Improving Efficiency and Reliability of Sales and Logistics Using Commercial and Logistics Data

■ Efforts to Strengthen Supply Chain Management

Purposes

- Optimization of inventory
- Profit increase through cost reduction
- Enhance procurement planning and streamline suppliers' processes through collaboration
- Increase orders and sales by improving the delivery service level

Overview of SCM Review



- In Step 1, optimization of inventory held by Sangetsu's LC, which serves as the decoupling point*, was completed.
- In Step 2, the logic and flow related to the instruction for the production process (order placement) will be developed and established, and the overall inventory of Sangetsu will be optimized.

Accumulation, Analysis, and Utilization of Digital Assets

Improving Efficiency and Reliability of Sales and Logistics Using Commercial and Logistics Data

■ Assumed Schedule

Completion is anticipated within FY2026. Step 1 is complete. Currently underway, Step 2 involves developing and establishing the logic and flow for production process instructions, and promoting the optimization of Sangetsu's overall inventory. We plan to expand the scope to Step 3 towards the next fiscal year.

	2024	2025				2026			
	3	4-6	7-9	9-12	1-3	4-6	7-9	10-12	1-3
Scope	Step1								
		Step2							
						Step3~			

■ Current Progress & Results Impact of Improvements in Step 1 (and Partial Step 2)

Compared to previous levels	
Average Inventory Volume (M/day)	-10.0%
Average Inventory Value (yen/day)	-6.8%
Number of Replenishment Orders (times/day)	-4.8%

Scope: Products listed in sample books (wallcoverings, flooring materials, fabrics)
 *Discontinued items and custom orders excluded

Average inventory volume/amount and the number of replenishment instructions are continuously improving. Optimization of inventory across all LCs* is progressing through control of reorder points and order quantities based on demand forecasting.

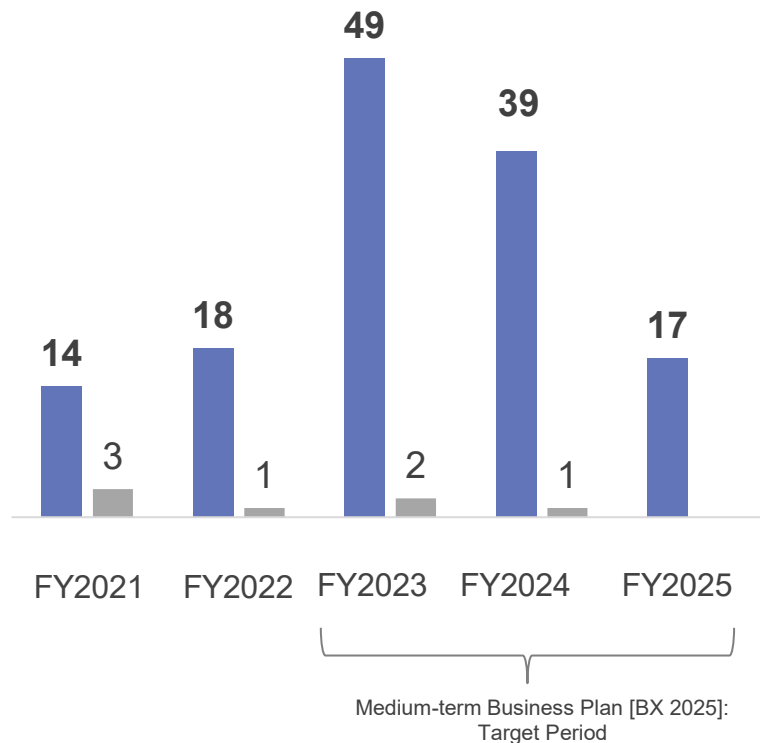
*LC = Logistics Center

Expansion and Sophistication of Human Capital, and Support for Their Activities

■ Progress in mid-career recruitment

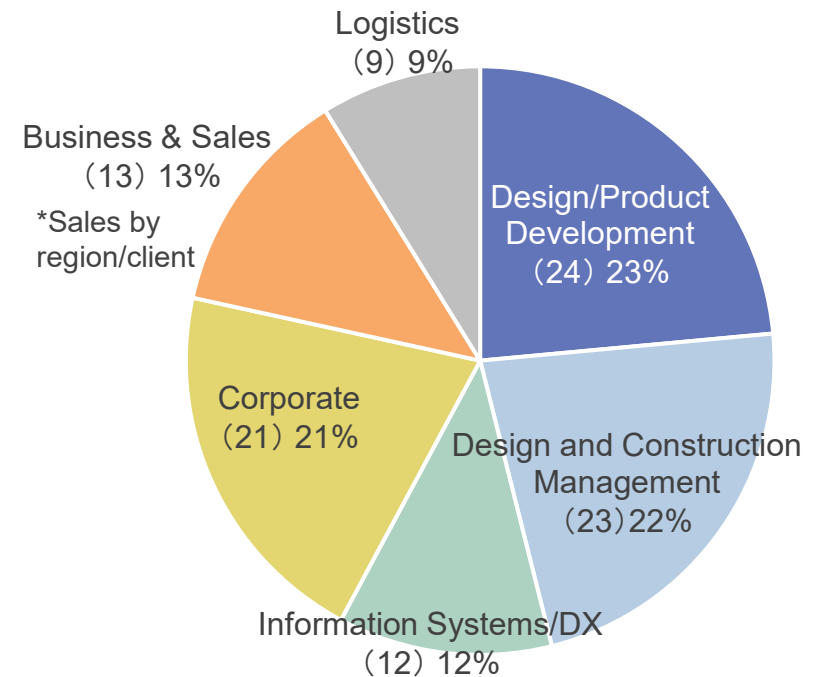
Number of hires

■ New Hires (incl. full-time) ■ Resignees



*FY2025 figures (headcount) are as of September end.

Hiring ratio by job category

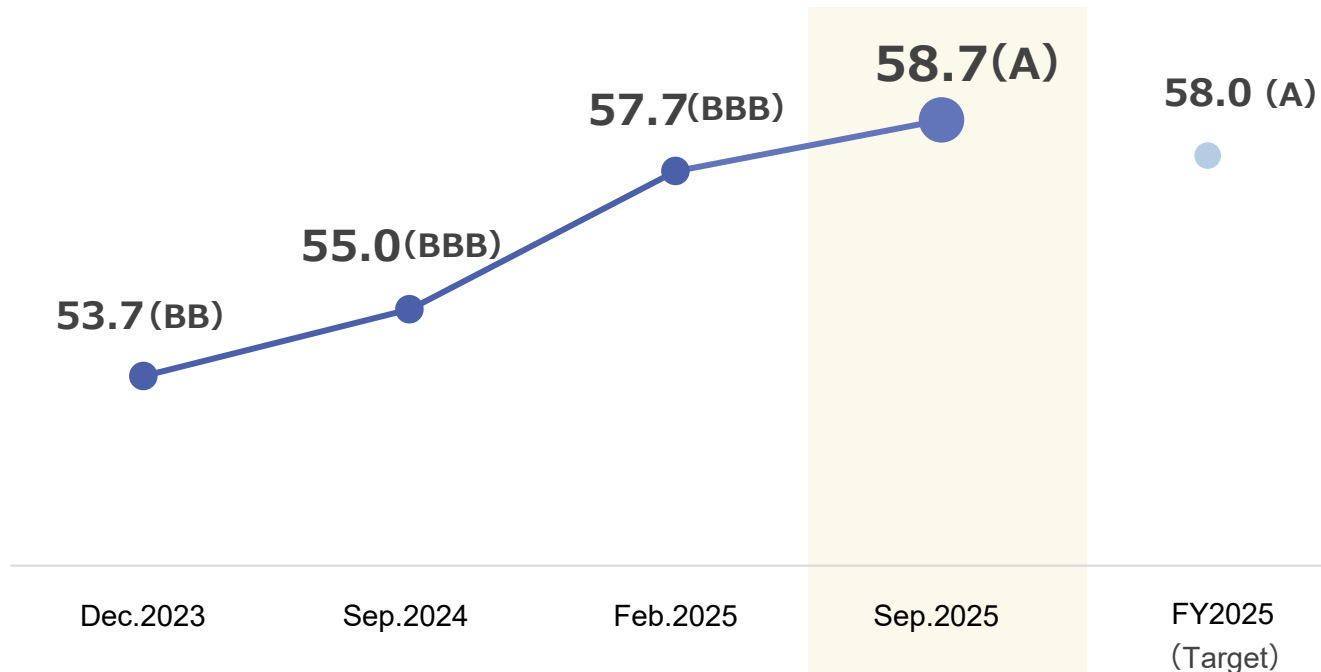


*Subjects: People hired since FY2023
Excluding those who have resigned

Expansion and Sophistication of Human Capital, and Support for Their Activities

■ Trend in Engagement Score*

*Score based on the "Motivation Cloud" service provided by Link and Motivation Inc.



■ Progress Status

As of September 2025, the score improved to 58.7 (A) from the previous 57.7 (BBB). The FY2025 target value of 58.0 (A) was achieved. Office renovations and relocations implemented since 2023 contributed, leading to improvements in items related to the "facility environment". Additionally, the execution of improvement action plans jointly undertaken by supervisors and subordinates also contributed, maintaining items related to supervisors at a high standard.

Conversely, while aiming for the "acceleration of transformation and growth," the low employee expectation regarding "transformation activities" remains an issue, requiring attention to a healthy sense of crisis through the survey. We will continue to aim for increased engagement through multifaceted analysis and effective utilization of data.

Strengthening the ability to provide solutions

Establishment and strengthening of a system for procuring products

■ Opening of CREANATE Inc.'s new factory in eastern Hiroshima

New Factory Outline (Overview of the New Plant)

- Location: Higashi-Hiroshima City, Hiroshima Prefecture
Wallpaper manufacturing base in Western Japan
- Start of Operation: October 2025
- Equipment Investment Amount: Approximately 9.8 billion yen

Purposes of the Construction of the New Factory

- To establish a stable supply system in a sustainable manner
- To reduce environmental burdens
- To develop a comfortable labor environment
- To cut down on procurement costs, and induce synergy among group companies in product development and manufacturing

**Higashi-Hiroshima Factory
(Mass-produced products)**

Ichinoseki Factory
(Mass-produced products)

Narita Factory
(General products)



Enhancing social value

■ An activity enabling enjoyable participation in recycling received the Kids Design Award.

Our company's original social contribution activity, "Bili-Bilympic & Eco Photo Frame Making," received the 19th Kids Design Award. This activity is an event conceived in 2022 through industry-academia collaboration efforts, which allows children to experience recycling activities while having fun, through sorting (peeling off sample chips) and crafting using our used sample books.



■ Continuous Support for Solving Social Issues Related to Children and Housing

Continuous support has been provided since FY2023 to four organizations that address social issues concerning children in need of social assistance and housing-related challenges. To Habitat for Humanity Japan, one of the supported organizations, the company implements:

1. Donations for housing construction in the Philippines and Vietnam.
2. Provision of interior materials for the renovation of facilities in Japan.
3. Volunteer activities by company employees.



4. Progress of Medium-term Business Plan (FY2023-2025) 【BX 2025】

-Quantitative Goals-

**Action to Implement Management that is Conscious of Cost of
Capital and Stock Price(Disclosure update)**

Revision of Medium-term Business Plan Targets

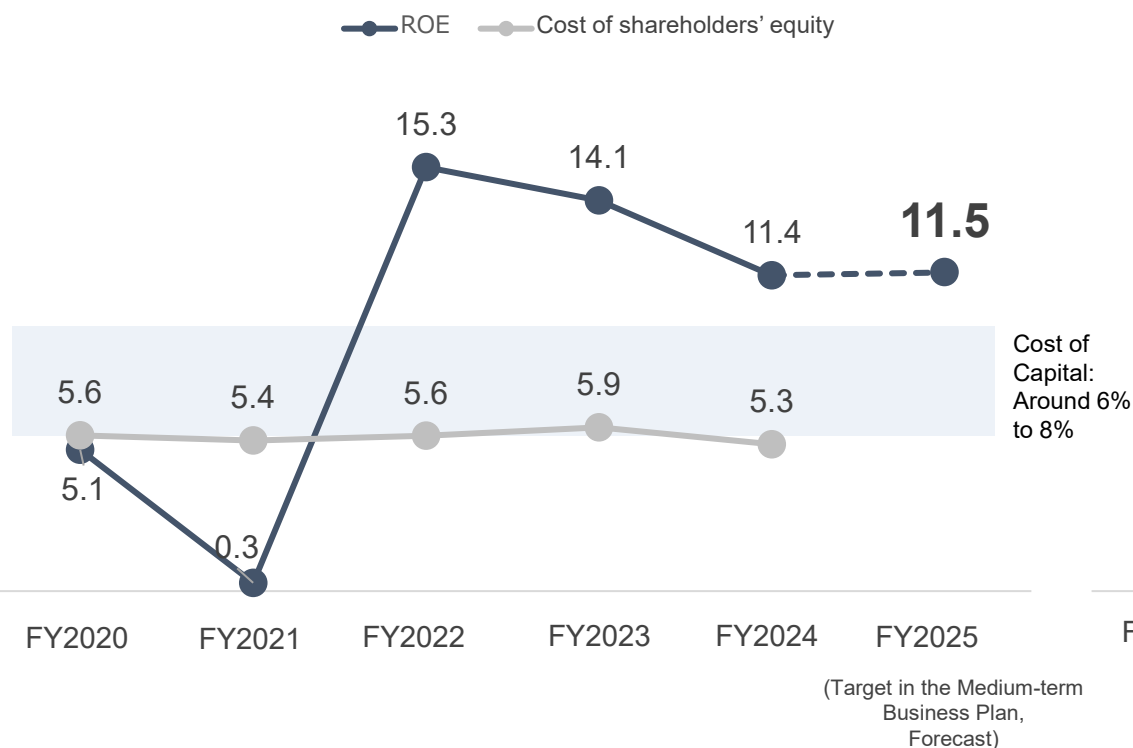
FY2025 Financial Targets

unit: 100 mil. yen

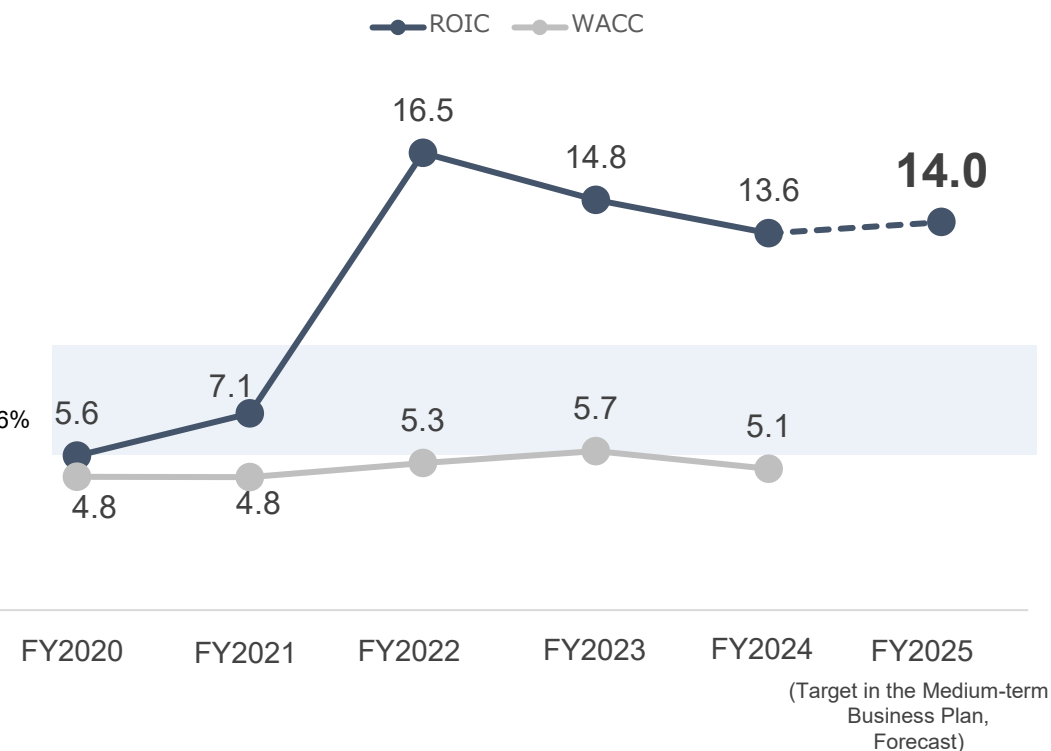
	Before revision	After revision (Announced in May 2025)
Consolidated Net Sales	1,950.0	2,100.0
Consolidated Operating Profit	205.0	190.0
Consolidated net income	145.0	130.0
ROE	14.0%	11.5%
ROIC	14.0%	14.0%
CCC	65 days	70 days

Analysis of the Current Situation: Capital Profitability and Costs

■ ROE and Cost of Shareholders' equity (unit: %)



■ ROIC and WACC (unit: %)

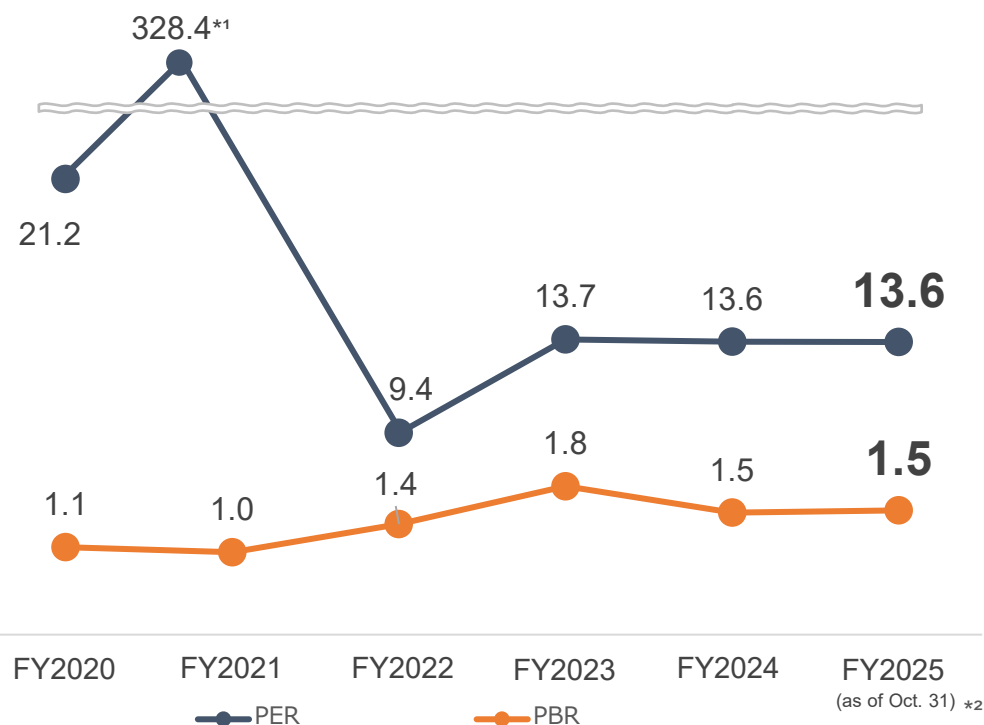


- The cost of capital estimated by the CAPM is recognized to be less than 6.0%, however based on the market expectation yield on shares and feedback from investors, it is recognized to be around 8.0%.
- Against the average ROE of 9.2% and ROIC of 11.5% for the past five years (FY2021 to FY2025), the cost of capital is around 8.0%, indicating an excess spread.
- On the other hand, we recognize that achieving returns through growth investments captured over a time axis and continuous and appropriate capital control are important for further enhancing corporate value.

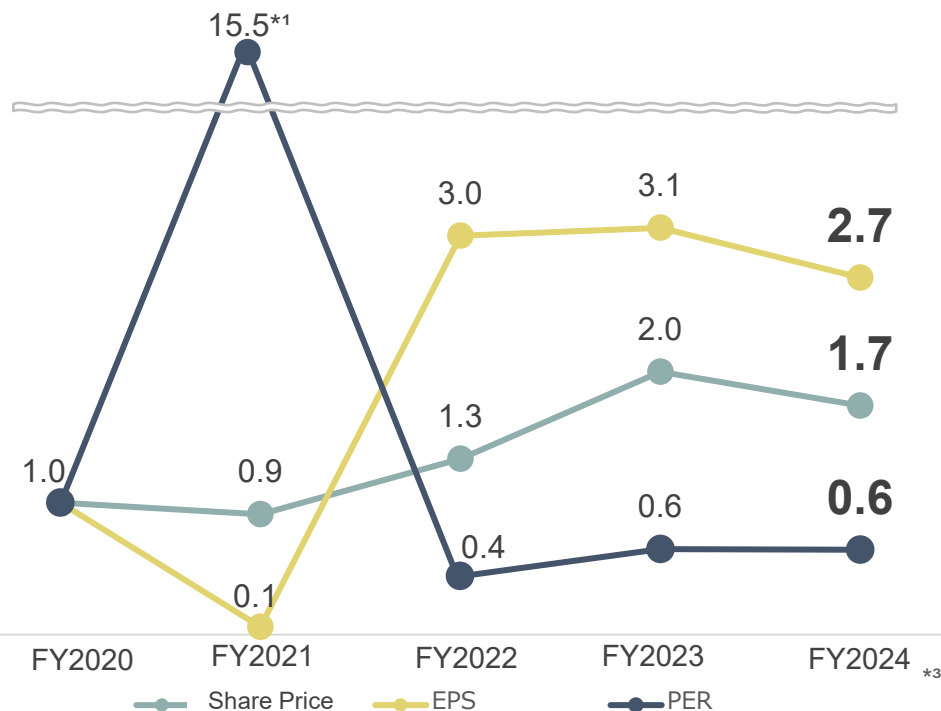
Analysis of the Current Situation: Market Evaluation

■ PBR ・ PER

(unit: times)



■ Share Price ・ EPS ・ PER (Index)



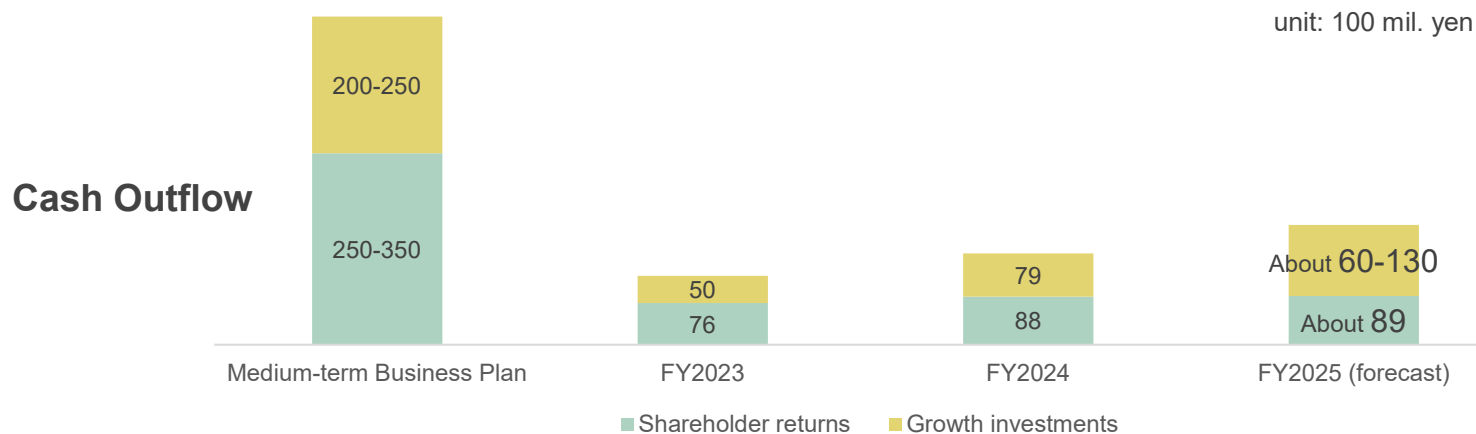
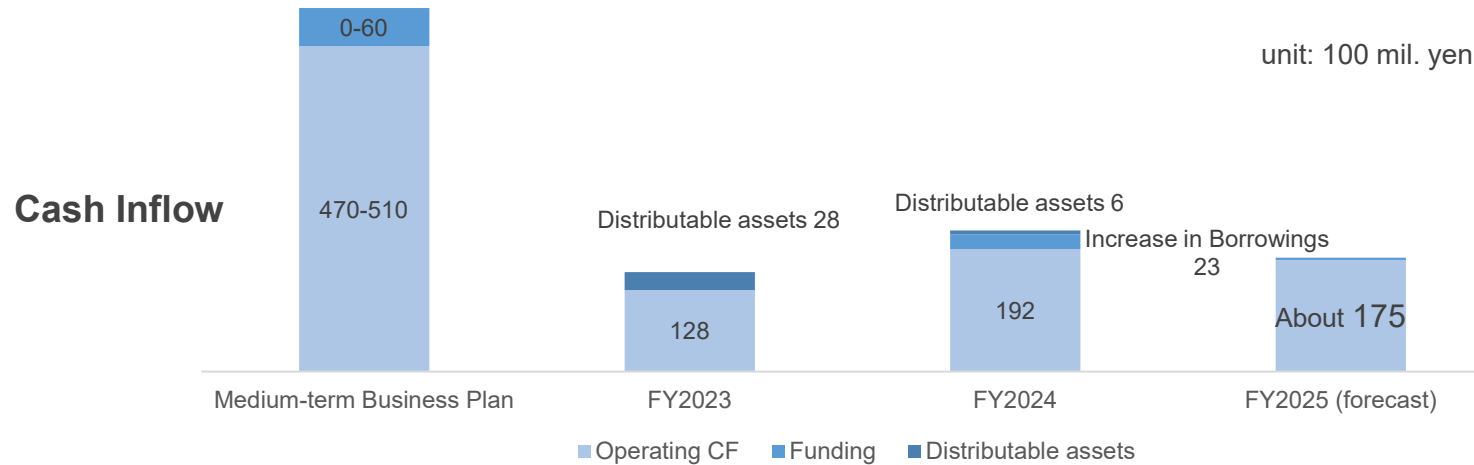
- The PER has trended around the 13x level following the improvement in profitability in FY2023.
- The PBR has consistently traded above 1.0x.
- However, share price momentum has been weak, and both indicators remain in a generally flat state.

- Compared to the rise in EPS due to improved profitability, the rise in the share price has been limited, resulting in a stagnant PER, which reflects growth expectations.

Capital Policy: Capital Allocation in the Medium-term Business Plan “BX 2025”

■ Projected Capital Allocation for FY2025

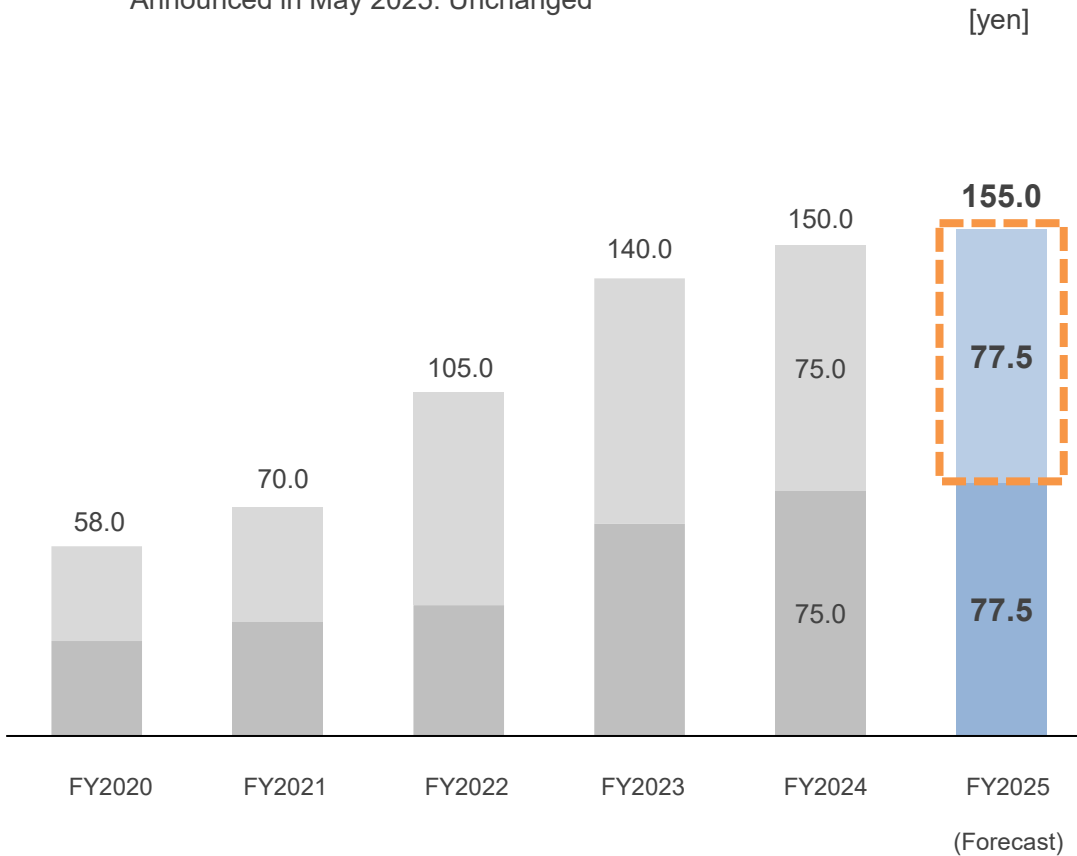
Allocation by category is subject to change depending on investment progress toward sustainable growth



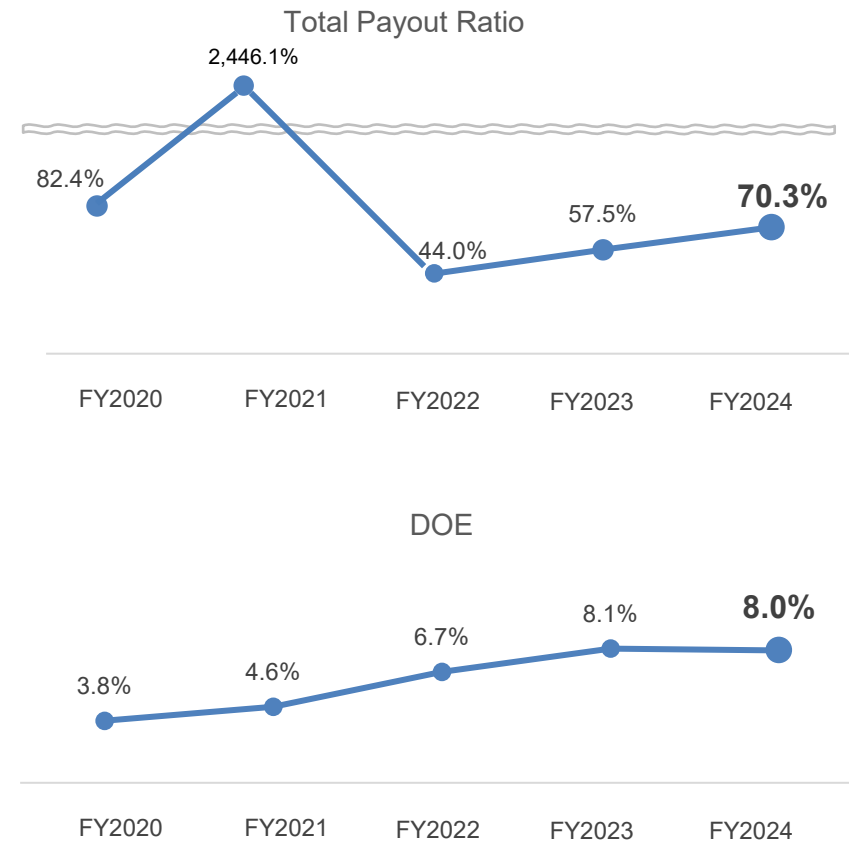
Results and Forecast of Shareholder Return Changes in Dividend Per Share

- 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.

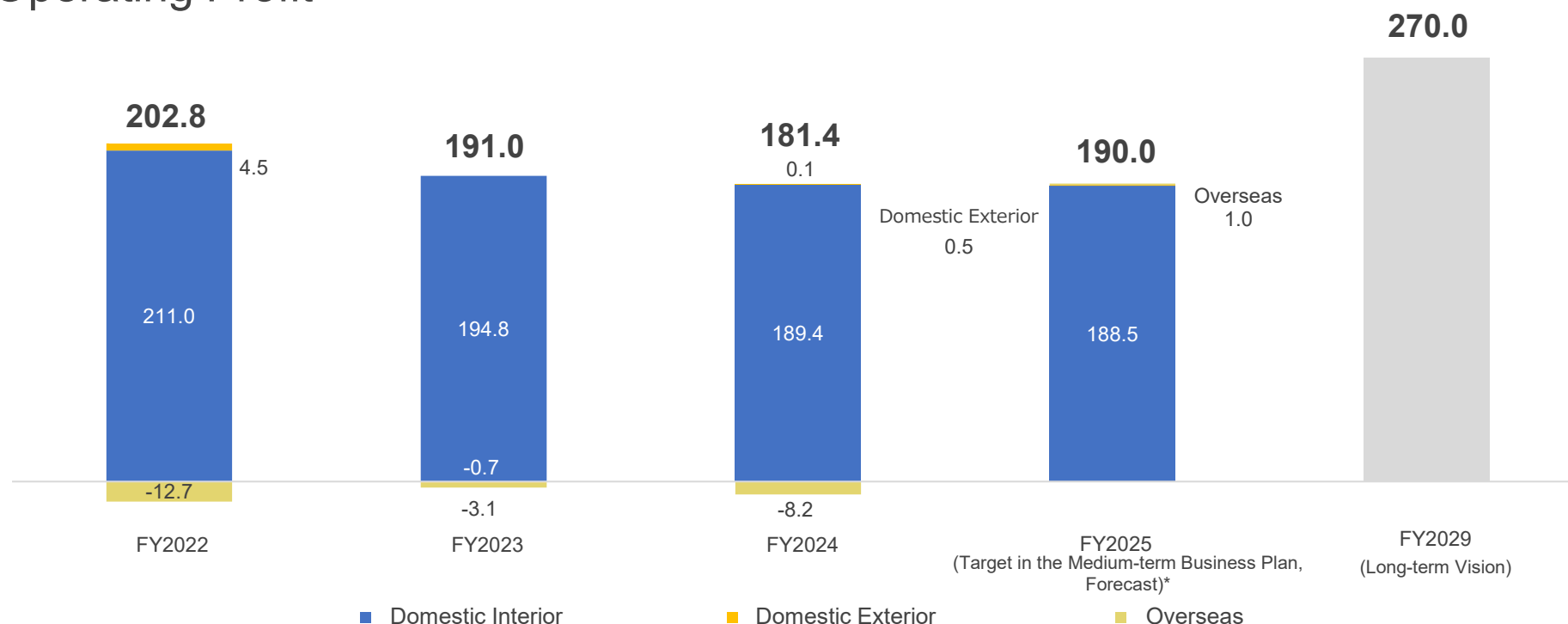
To Realize Business Administration Conscious of Capital Cost and Share Price

■ Recognition of Issues in Expanding Disclosure

- Growth Strategy and Business Portfolio backed by Concrete Action Plans
- Financial Strategies, such as "Capital Structure and Cash Position," "Investment Policy," "Strategic Capital Allocation," and "Shareholder Return Policy"
- HR, IT, and ESG Strategies for Achieving Sustainable Growth

■ Operating Profit

unit: 100 mil. yen



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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