

Translation

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## Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Based on Japanese GAAP)

February 7, 2025

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  
 Executive Officer, General Manager of  
 Inquiries: Corporate Division Shigenobu Maki 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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

#### (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	%
Nine months ended December 31, 2024	147,299	5.2	12,646	(15.5)	12,982	(15.7)	8,802	(19.2)
Nine months ended December 31, 2023	140,006	10.2	14,970	2.4	15,398	2.6	10,887	5.0

(Note) Comprehensive income Nine months ended December 31, 2024 9,036 millions of yen , (29.9)%  
 Nine months ended December 31, 2023 12,890 millions of yen , 9.7%

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2024	149.81		149.79	
Nine months ended December 31, 2023	185.46		185.35	

#### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2024	176,610		107,752		60.6	
As of March 31, 2024	170,750		106,709		62.5	

(Reference) Equity As of December 31, 2024 107,067 millions of yen As of March 31, 2024 106,638 millions of yen

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2024	—	65.00	—	75.00	140.00
Year ending March 31, 2025	—	75.00	—	—	—
Year ending March 31, 2025 (Forecast)	—	—	—	75.00	150.00

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

### 3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	196,000	3.2	16,000	(16.2)	16,500	(16.2)	11,000	(23.0)	187.34

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

#### 4. Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (D'Perception Pte.Ltd.)

Excluded: None

(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Major Notes, (3) Notes to Quarterly Consolidated Financial Statements (Notes on Significant Changes in the Scope of Consolidation)" on page 9 of the attached material.

(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: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Major Notes, (3) Notes to Quarterly Consolidated Financial Statements (Notes to Changes in Accounting Policies)" on page 9 of the attached material.

(4) Number of issued shares (common shares)

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

As of December 31, 2024	59,200,000 shares	As of March 31, 2024	59,200,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2024	429,871 shares	As of March 31, 2024	483,404 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	58,752,702 shares	Nine months ended December 31, 2023	58,703,150 shares
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\*Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or audit firms: None

\*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.

(Handling of Review by certified public accountants or audit firms)

The quarterly consolidated financial statements will be disclosed, accompanied by the review report, once the review by certified public accountants or audit firms is completed.

(The scheduled disclosure date of the quarterly consolidated financial statements after the completion of the review)

February 13, 2025

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

The preparation of supplementary material on financial results is disclosed on TDnet on February 7, 2025.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results

For the third quarter consolidated cumulative period (April 1, 2024 - December 31, 2024), the Japanese economy showed a moderate recovery trend due to improvements in the employment and income environment, despite some signs of stagnation. On the other hand, the situation remains uncertain due to the effects of exchange rate fluctuations, inflation, future policy directions in the United States, and the stagnation of the real estate market in China.

In the domestic construction market, which directly affects our business, there were some signs of improvement in the housing sector. However, the number of new housing starts and the total floor area of construction remained sluggish due to high housing prices. In the non-residential market, while there were indications of recovery backed by the normalization of economic activities, there are still no strong movements.

In this business environment, based on the long-term vision [DESIGN 2030] revised in May 2023 and the Medium-term Business Plan [BX 2025] (BX: Business Transformation) announced at the same time, our Group is steadily strengthening and expanding its core interior, exterior, overseas and space proposals to transform itself into a space creation company and create next-generation businesses. During the consolidated cumulative period of the third quarter, we published a new flooring sample book and continued efforts to promote sales of the products listed in each sample book, aiming to expand the market share of "Medium-sized products". In addition, at our new value creation base "PARCs Sangetsu Group Creative Hub (following PARCs)," which was established in March 2024, we worked to expand co-creation activities, including at Sangetsu group companies and business partner companies. We are also steadily implemented growth strategies under the Medium-term Business Plan, which included enhancing employee engagement, strengthening human capital through career hiring, and improving supply chain management by leveraging digital resources. As a result of these business activities, net sales increased year on year, driven by growth in mid-size products and price revisions in the domestic interior segment and the North America business in the overseas segment. In terms of earnings, operating profit decreased due to an increase in procurement costs, an increase in costs associated with the strengthening of logistics and IT business infrastructure, and an increase in personnel expenses.

As a result, the financial performance for the third quarter consolidated cumulative period was as follows: net sales were 147,299 million yen (up 5.2% year-on-year), operating profit was 12,646 million yen (down 15.5% year-on-year), ordinary profit was 12,982 million yen (down 15.7% year-on-year), and profit attributable to owners of parent was 8,802 million yen (down 19.2% year-on-year).

Operating results by segment are as follows.

#### (Domestic Interior Segment)

In the Domestic Interior Segment, as seen in the decrease in the number of new housing starts and total floor area, under the severe external environment, we are strengthening and expanding the provision of solutions that propose appropriate combinations of product, design, logistics and construction functions according to regions and customers. With regard to logistics functions, we are continuing to build a detailed delivery system for each region, including inter-site transportation, and to expand the number of "service crews" that provide part of our own delivery services in light of the 2024 year logistics problem. In addition, we are developing a supply chain management system that will lead to a fundamental strengthening of our competitiveness by improving the efficiency of procurement logistics, introducing a unit load system to save labor and manpower in logistics, and strategically utilizing product and logistics data across the organization.

For product development, we launched the "Home Floor" sample book, which includes flooring highly demanded in various fields such as new construction, renovation, detached houses, and rental properties, aiming to penetrate the market. We also promoted sales by hosting the "CREATOR'S AWARD," which is an example of a space designed by the adhesive decorative film "REATEC."

With regard to comprehensive space proposals, we are creating and expanding product sales opportunities based on these proposals by strengthening functions through collaboration among various organizations, including group companies, taking advantage of the knowledge of career hires and Our Company's know-how and business base. In markets where demand is expected to continue, we will seek to expand our market share in each product by conducting sales activities in collaboration with each division.

In addition, in light of the continuous increase in procurement costs, logistics costs, utility costs, etc., we revised the prices of products for orders received on December 1.

As a result, net sales in the Domestic Interior segment were 121,598 million yen (up 3.3% year on year) and in operating profit was 13,431 million yen (down 11.7% year on year). In addition, net sales of wall covering units were 58,646 million yen (up 1.1% year on year), net sales of flooring units were 42,715 million yen (up 3.9% year on year), net sales of fabric units were 7,066 million yen (up 0.9% year on year), and net sales of other products including design fee and construction were 13,170 million yen (up 13.3% year on year).

### **(Domestic Exterior Segment)**

In the Domestic External segment, the overall external market remained challenging due to a slump in the number of new housing starts, a major market. Under these circumstances, the Group company Sungreen Co., Ltd., achieved higher than planned sales at its two new branches in the Kanto region as a result of its geographic expansion, and also contributed to the increase in sales by promoting key products.

In addition, Sungreen Co., Ltd. is developing markets other than new houses by developing a system for expanding its business beyond the conventional product sales and promoting intra-group collaboration, such as making proposals including space design and construction of external structures, making integrated exterior interior proposals in collaboration with Sungreen Co., Ltd. and Our Company, and approaching new customers such as design firms and general contractors.

As a result, net sales in the domestic exterior segment reached 4,897 million yen (up 0.7% year on year) and operating profit during the third quarter consolidated accounting period (from October 1, 2024, to December 31, 2024) turned positive. In operating profit, on the other hand, the increase in selling, general and administrative expenses due to the expansion of personnel and hiring of specialized personnel in line with the growth strategy, and various related measures, etc. could not be absorbed and operating loss recorded 21 million yen (operating profit recorded 13 million yen in the same period of the previous fiscal year).

### **(Overseas segment)**

In the overseas segment, the results of overseas subsidiaries and associates for the period from January to September 2024 are included in the consolidated results for the third quarter consolidated cumulative period.

In North America, net sales increased due to the expansion of sales in the mainstay hotel segment and the spread of price revisions for in-house wallpapers. In terms of profits, while there was an increase in expenses from various investments, including performance-linked bonuses and human capital, profitability steadily strengthened due to improved quality stability, reduced defect rates, and the success of marketing in key markets.

In Southeast Asia, sales increased year on year in Malaysia, Thailand, and Vietnam. However, in the mainstay Singapore region, a decrease in orders for large-scale projects had a significant impact on sales, resulting in an increase in revenue from D'Perception Pte. Ltd. which became a group company in July 2024, but it continued to post an operating loss. In Singapore, we will undertake organizational reforms and work with D'Perception Pte. Ltd., a space design and comprehensive construction company, to improve our business performance by improving our comprehensive service capabilities in accordance with the characteristics of the Southeast Asian region and creating synergies among our businesses.

In China and Hong Kong, operating losses continued due to the challenging environment, driven by factors such as the downturn in the real estate market and weakened consumer appetite caused by the worsening employment conditions. Despite these difficulties, sales have been on an increasing trend due to business strategies focused on customer and sales channel expansion. In an effort to improve profits, reorganization efforts and other measures have been initiated.

As a result of these factors, net sales in the overseas segment were 20,815 million yen (up 19.4% year on year), an operating loss of 765 million yen was recorded (compared to an operating loss of 261 million yen in the same period of the previous year) due to factors such as operating losses in Southeast Asia and China/Hong Kong, an increase in selling, general, and administrative expenses primarily related to one-time expenses incurred in the first quarter associated with the acquisition of shares in D'Perception Pte. Ltd.

### **(Sustainability Initiatives)**

In order to fulfill corporate social responsibility through our corporate activities, the Sangetsu Group has positioned sustainability initiatives as one of our top priorities in an aim to achieve a sustainable society and company. In January 2024, we published our new Corporate Philosophy aimed at achieving both economic and social value. At the highest conceptual level, our Purpose (reason for existence) is defined as "With all people we collaborate to create peaceful and inspirational spaces." We aim to create a world where everyone can speak of their dreams for a brighter future, and we are advancing management that links business activities with sustainability initiatives.

In our environmental efforts, we have prioritized the development of eco-friendly products as a key issue. We have released the wallpaper "biocloth," which reduces environmental impact while maintaining the same workability as conventional PVC wallpaper by utilizing plant-based plasticizers and non-fluorinated water repellents. This product has been awarded "GOOD DESIGN AWARD 2024." Additionally, we have also been engaged in creating environments and spaces that take biodiversity into consideration, such as being selected as an implementing organization in fiscal 2024 for "Revival of Urban Living Things Project" in Nagoya City, Aichi Prefecture, which promotes urban development with a focus on biodiversity.

In our human capital initiatives, PARCs as a new value creation hub has achieved Gold certification in the globally recognized "WELL Building Standard™ v2," which focuses on health and well-being. By fostering a well-being-oriented office environment, we aim to enhance employee performance and engagement, while creating a space where diverse people, things, events, and information gather, connect, and continue to challenge with new creativity. In our Diversity, Equity and Inclusion initiatives, we

have been recognized for our various initiatives based on Sangetsu Group Basic Policy on Diversity, and for the second consecutive year, we have received the highest Gold certification in the "PRIDE Index 2024," which evaluates initiatives for LGBTQ+. In our efforts to contribute to society, we continuously implement activities in which each of our employees, including Group companies, participates on a proactive basis, such as supporting the renovation of foster homes, which we have implemented since 2014, cooperating with NPOs that support children in developing countries, and participating in industry-academia collaborative projects. In collaboration with NOMURA Co., Ltd., we implemented a co-creation project aimed at solving societal issues through "spaces," focusing on educational spaces where children, who will shape the future, spend their time. Together with elementary school students in Nagoya City, Aichi Prefecture, we explored ideas for ideal learning spaces. Using the students' ideas, we created benches by upcycling paper tubes discarded after use as wallpaper cores and discontinued chair fabrics. Through this effort, we actively engaged in social contribution activities leveraging our business expertise. The Group will continue to work on resolving social issues through space creation, the core of its business, and aims at the goal of "With all people we collaborate to create peaceful and inspirational spaces" by continuing to create economic and social value.

## **(2) Overview of Financial Position**

### **(Assets)**

Current assets at the end of the third quarter consolidated accounting period were 111,853 million yen, an increase of 4,390 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 1,446 million yen in the total of account receivables and contract assets, 1,409 million yen in merchandise and finished goods and 1,015 million yen in other current assets. Non-current assets were 64,756 million yen, an increase of 1,469 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 916 million yen in intangible assets and 302 million yen in investments and other assets. As a result, total assets amounted to 176,610 million yen, an increase of 5,860 million yen from the end of the previous consolidated fiscal year.

### **(Liabilities)**

Current liabilities at the end of the third quarter consolidated accounting period were 56,199 million yen, an increase of 2,925 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 3,421 million yen in short-term borrowings and 2,589 million yen in notes and accounts payable – trade, but a decrease of 1,719 million yen in income taxes payable and 989 million yen in provision for bonuses. Non-current liabilities were 12,659 million yen, an increase of 1,891 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 2,000 million yen in long-term borrowings. As a result, total liabilities amounted to 68,858 million yen, an increase of 4,817 million yen from the end of the previous consolidated fiscal year.

### **(Net assets)**

Total net assets at the end of the third quarter consolidated accounting period were 107,752 million yen, an increase of 1,042 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 665 million yen in non-controlling interests and 267 million yen in valuation difference on available-for-sale securities. As a result, the equity ratio was 60.6% (62.5% 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 10, 2024. Due to a fire at a supplier's plant in Our Company in late December 2024, production of some flooring products purchased from the company has become temporarily impossible. We are currently examining the situation and considering countermeasures regarding the supply system going forward. For the current fiscal year, the consolidated earnings forecast announced on May 10 has been maintained after taking into account the impact of the fire on our performance. If it becomes clear that there will be a significant impact on our business performance in the future, we will disclose the information promptly.

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

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	25,096	25,984
Notes and accounts receivable - trade, and contract assets	34,948	33,365
Electronically recorded monetary claims - operating	24,300	27,329
Securities	300	300
Merchandise and finished goods	18,380	19,790
Work in process	278	252
Raw materials and supplies	3,129	2,803
Other	1,446	2,461
Allowance for doubtful accounts	(416)	(433)
Total current assets	107,463	111,853
Non-current assets		
Property, plant and equipment		
Land	16,468	16,361
Other, net	23,440	23,799
Total property, plant and equipment	39,909	40,160
Intangible assets		
Software	1,247	1,503
Goodwill	1,173	1,883
Other	807	757
Total intangible assets	3,228	4,144
Investments and other assets		
Investment securities	8,128	8,186
Investment property	4,888	4,962
Guarantee deposits	1,894	1,990
Retirement benefit asset	548	647
Deferred tax assets	3,978	3,437
Other	729	1,240
Allowance for doubtful accounts	(17)	(12)
Total investments and other assets	20,149	20,452
Total non-current assets	63,287	64,756
Total assets	170,750	176,610

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	16,131	18,721
Contract liabilities	1,208	1,403
Electronically recorded obligations - operating	15,423	15,619
Short-term borrowings	5,711	9,132
Lease liabilities	522	426
Income taxes payable	2,681	961
Provision for bonuses	3,602	2,613
Provision for bonuses for directors (and other officers)	134	68
Provision for product warranties	389	383
Asset retirement obligations	—	5
Other	7,468	6,864
Total current liabilities	53,273	56,199
Non-current liabilities		
Long-term borrowings	—	2,000
Lease liabilities	1,251	1,063
Deferred tax liabilities	256	240
Retirement benefit liability	6,495	6,482
Asset retirement obligations	1,784	1,691
Other	979	1,180
Total non-current liabilities	10,767	12,659
Total liabilities	64,040	68,858
<b>Net assets</b>		
Shareholders' equity		
Share capital	13,616	13,616
Capital surplus	17,175	17,218
Retained earnings	70,799	70,789
Treasury shares	(791)	(698)
Total shareholders' equity	100,799	100,926
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,305	3,573
Deferred gains or losses on hedges	(20)	—
Foreign currency translation adjustment	1,241	1,197
Remeasurements of defined benefit plans	1,312	1,369
Total accumulated other comprehensive income	5,839	6,140
Share acquisition rights	55	4
Non-controlling interests	14	680
Total net assets	106,709	107,752
Total liabilities and net assets	170,750	176,610



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

**Quarterly Consolidated Statements of Income (For the nine months)**

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	140,006	147,299
Cost of sales	96,158	101,796
Gross profit	43,848	45,503
Selling, general and administrative expenses	28,878	32,856
Operating profit	14,970	12,646
Non-operating income		
Interest income	74	61
Dividend income	188	179
Rental income from real estate	322	321
Other	210	196
Total non-operating income	795	759
Non-operating expenses		
Interest expenses	200	193
Rental expenses on real estate	87	81
Foreign exchange losses	50	129
Other	29	18
Total non-operating expenses	368	423
Ordinary profit	15,398	12,982
Extraordinary income		
Gain on sale of non-current assets	11	2
Gain on sale of investment securities	41	33
Subsidy income	385	—
Gain on liquidation of subsidiaries and associates	59	—
Total extraordinary income	497	35
Extraordinary losses		
Loss on retirement of non-current assets	15	35
Loss on sale of investment securities	48	33
Other	0	—
Total extraordinary losses	64	68
Profit before income taxes	15,831	12,949
Income taxes - current	4,618	3,807
Income taxes - deferred	325	354
Total income taxes	4,944	4,162
Profit	10,887	8,786
Loss attributable to non-controlling interests	—	(15)
Profit attributable to owners of parent	10,887	8,802

**Quarterly Consolidated Statements of Comprehensive Income (For the nine months)**

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	10,887	8,786
Other comprehensive income		
Valuation difference on available-for-sale securities	1,168	267
Deferred gains or losses on hedges	(16)	20
Foreign currency translation adjustment	670	(93)
Remeasurements of defined benefit plans, net of tax	180	57
Total other comprehensive income	2,002	250
Comprehensive income	12,890	9,036
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,890	9,094
Comprehensive income attributable to non-controlling interests	—	(57)

### (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 (excluding the omission of disclosures as specified in Article 4, Paragraph 2 of the Standards for Preparing Quarterly Financial Statements, etc.).

#### (Notes on Significant Changes in the Scope of Consolidation)

The Company acquired 70% shares of D'Perception Pte. Ltd. during the interim consolidated accounting period and is therefore included in the scope of consolidation.

#### (Notes to Changes in Accounting Policies)

##### (Application of "Accounting Standards for Corporate Tax, Resident Tax, and Business Tax, etc.")

The Company has applied the "Accounting Standards for Corporate Tax, Resident Tax, and Business Tax, etc." (Accounting Standards Board of Japan (ASBJ) Statement No. 27 revised on October 28, 2022; hereinafter the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the beginning of the first quarter consolidated accounting period. Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of Paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of Paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28 revised on October 28, 2022, ASBJ; hereinafter the "Revised Application Guidance of 2022"). There is no impact on the quarterly consolidated financial statements due to this change in accounting policy.

Concerning the revision related to revised treatment on consolidated financial statement when deferring gains or losses on sale realized in conjunction with sale of shares of subsidiaries, etc. conducted among consolidated companies for tax purposes, the Revised Application Guidance of 2022 has been adopted from the beginning of the first quarter consolidated accounting period. The change in the accounting policy has been applied retrospectively. Therefore, the new accounting policy was reflected in the quarterly consolidated financial statements and the consolidated financial statements for the previous quarterly consolidated accounting period and for the previous fiscal year. There is no impact on the quarterly consolidated financial statements for the previous quarterly consolidated accounting period and the consolidated financial statements for the previous fiscal year due to this change in accounting policy.

#### (Notes to Segment Information)

I. Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

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

	Domestic Interior	Domestic Exterior	Overseas	Adjusted amount (Note 1)	(Millions of yen) Amount recorded on the quarterly consolidated financial statements (Note 2)
Net sales					
Sales to external customers	117,732	4,847	17,427	-	140,006
Intersegment net sales or transfers	2	17	-	(20)	-
Total	117,734	4,864	17,427	(20)	140,006
Segment profit (loss)	15,217	13	(261)	2	14,970

Notes: 1. All adjustments of segment profits (losses) are performed by eliminating transactions among segments.  
2. Segment profit (loss) is adjusted to operating profit in the quarterly consolidated statement of income.

II. Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

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	121,598	4,886	20,815	-	147,299
Intersegment net sales or transfers	0	11	-	(12)	-
Total	121,598	4,897	20,815	(12)	147,299
Segment profit (loss)	13,431	(21)	(765)	2	12,646

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

2. Segment profit (loss) is adjusted to operating profit in the quarterly consolidated statement of income.

2. Information on assets by reportable segment

The Company acquired 70% shares of D'Perception Pte. Ltd. during the interim consolidated accounting period and is therefore included in the scope of consolidation. As a result, the amount of assets in the Overseas segment for the third quarter consolidated cumulative period increased by 3,524 million yen from the end of the previous consolidated fiscal year. This amount is provisionally calculated as the allocation of acquisition cost has not been completed at the end of the third quarter consolidated accounting period.

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

(Significant changes in the amount of goodwill)

In the Overseas segment, the Company acquired 70% shares of D'Perception Pte. Ltd. and included it in the scope of consolidation. The amount of increase in goodwill as a result of this event was 818 million yen in the third quarter consolidated cumulative period. This amount is provisionally calculated as the allocation of acquisition cost has not been completed at the end of the third quarter consolidated accounting period.

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

Not applicable.

**(Notes on Going Concern Assumption)**

Not applicable.

**(Notes to Quarterly Consolidated Statement of Cash Flows)**

The quarterly consolidated statement of cash flows for the third quarter consolidated cumulative period are not prepared.

Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the third quarter consolidated cumulative period are as follows.

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	2,436	2,320
Amortization of goodwill	126	148