Interim Financial Results for Fiscal Year Ending March 31, 2026

SUGIMOTO & CO., LTD.

9932

October 29, 2025

Contents

Overview of Interim Financial Results for Fiscal Year Ending March 31, 2026

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- Factors contributing to change in net sales: Net sales decreased due to factors such as the postponement of capital investment by various manufacturing industries.
- Factors contributing to change in operating profit: Operating profit decreased due to costs associated with the development of new businesses, expenses related to internal digital transformation, recruitment-related costs, and an increase in personnel costs.
- Factors for B/S changes: Short-term borrowings increased to cover a decrease in accounts receivable and expense payments, including those related to the implementation of the new core system.
- Dividend policy: The interim dividend for the fiscal year ending March 31, 2026, was implemented at 27 yen per share, as originally planned.

Net sales	Operating profit	Key indicators
22,774 million yen	**651 million yen**	**Interim Period Dividend per share: 27 yen**
(1.7% decrease YoY)	(27.9% decrease YoY)	**EPS: 35.60 yen**

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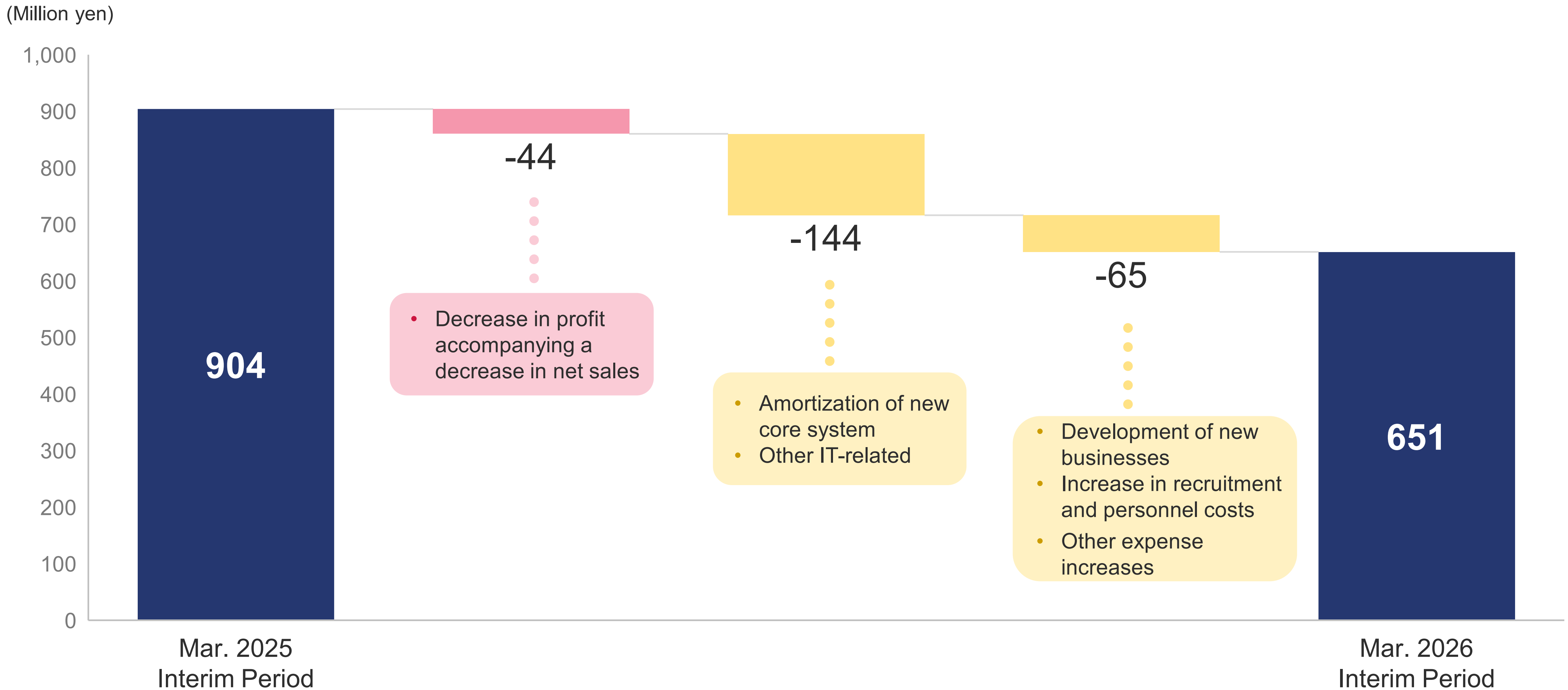
- Although investment in generative AI and rechargeable batteries increased, leading to strong performance in related fields, net sales decreased due to the postponement of capital investment by various manufacturing industries
- Operating profit decreased due to costs associated with the development of new businesses, expenses related to internal digital transformation, recruitment-related costs, and an increase in personnel costs

(Million yen)

	Mar. 2025 Interim period	Mar. 2026 Interim period	YoY change	YoY change (%)
Net sales	23,175	22,774	-401	-1.7%
Operating profit	904	651	-253	-27.9%
Ordinary profit	1,144	905	-239	-20.9%
Profit attributable to owners of parent	746	658	-87	-11.7%
ROE (%)	2.1	1.9	-0.2	-9.5%
EPS (Yen)	37.56	35.60	-1.96	-5.2%

- Factors contributing to decrease: In addition to a decrease in profit accompanying lower net sales, expenses increased, including costs for developing new businesses, recruitment, and personnel costs



Main Items of Balance Sheet

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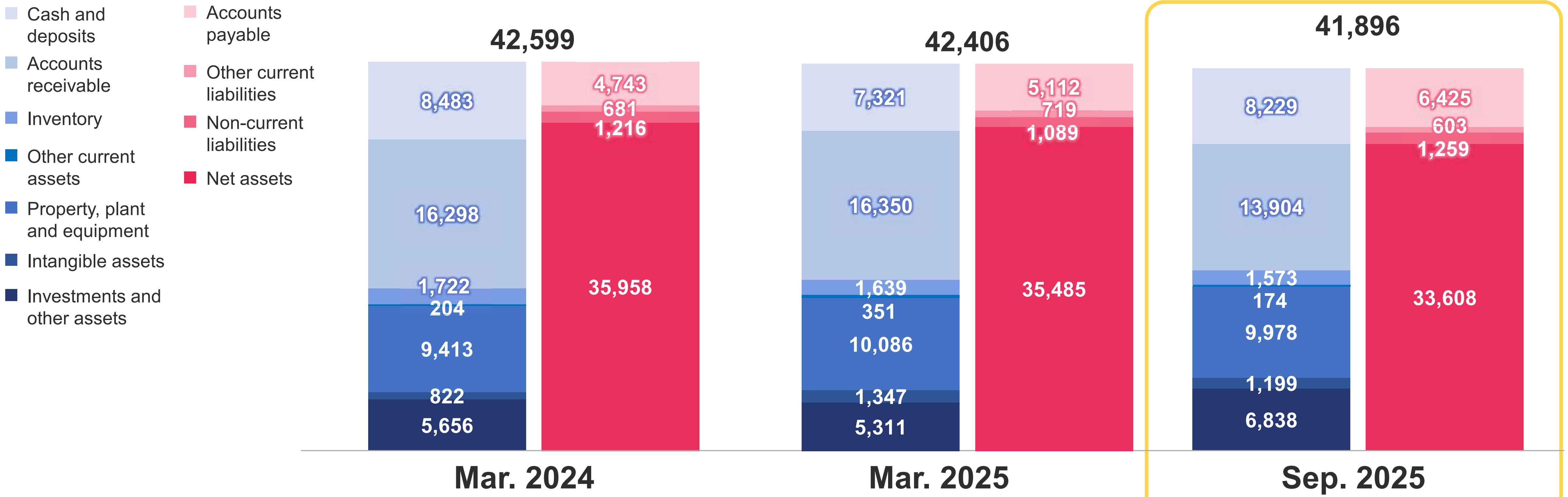
■ Control of the equity ratio through active share buybacks, with a focus on optimizing the capital structure

Consolidated balance sheet

(Million yen)



	Mar. 2024	Mar. 2025	Sep. 2025
Net assets	35,958	35,485	33,608
Equity ratio	84.4%	83.7%	80.2%

Cash Flow Statement

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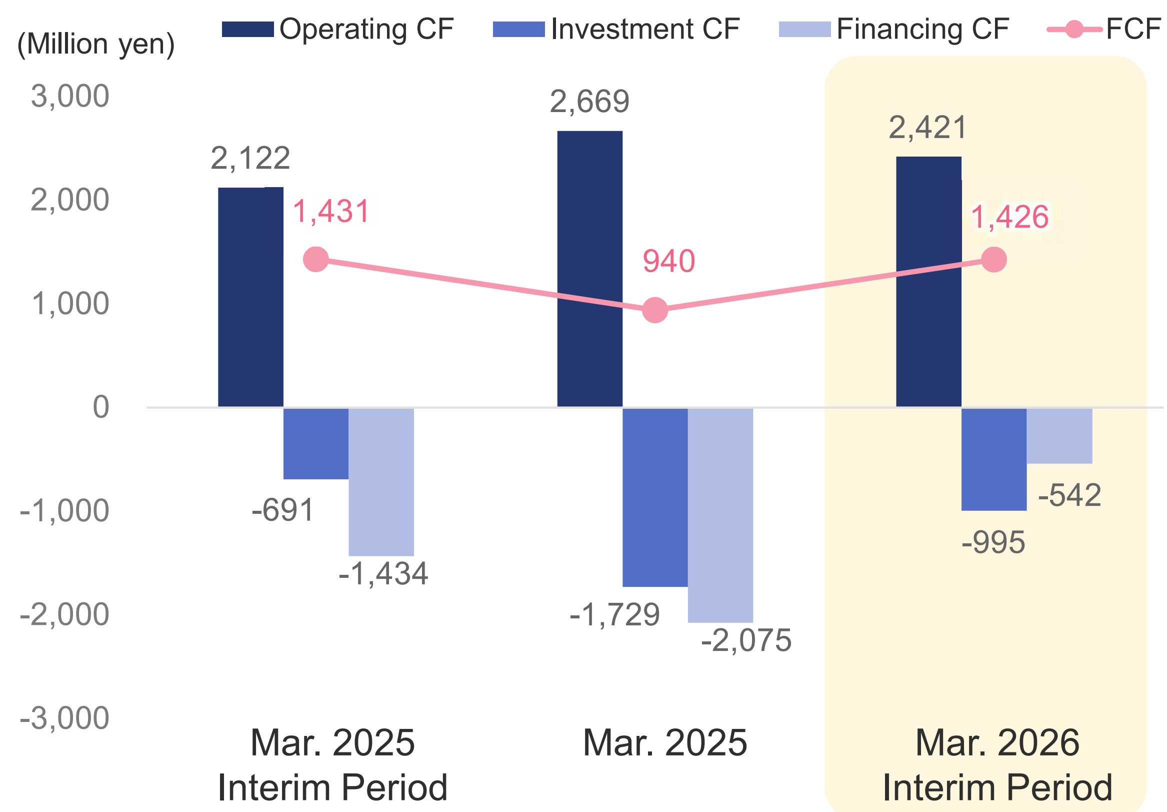
- Net cash inflow from operating activities was 2,421 million yen due to a decrease in accounts receivable
- Net cash outflow from investing activities increased due to the acquisition of investment securities
- Free cash flow decreased due to the decrease in accounts receivable and the acquisition of investment securities
- Net cash outflow from financing activities decreased due to short-term borrowings

Cash flow statement

(Million yen)

	Mar. 2025 Interim period	**Mar. 2026 Interim period**
Net cash provided by (used in) operating activities	2,122	2,421
Net cash provided by (used in) investing activities	-691	-995
Net cash provided by (used in) financing activities	-1,434	-542
Net increase (decrease) in cash and cash equivalents	-3	884
Cash and cash equivalents at end of period	8,411	8,137



Earnings Forecast for Fiscal Year Ending March 31, 2026

Progress Against Earnings Forecast (Interim Period)

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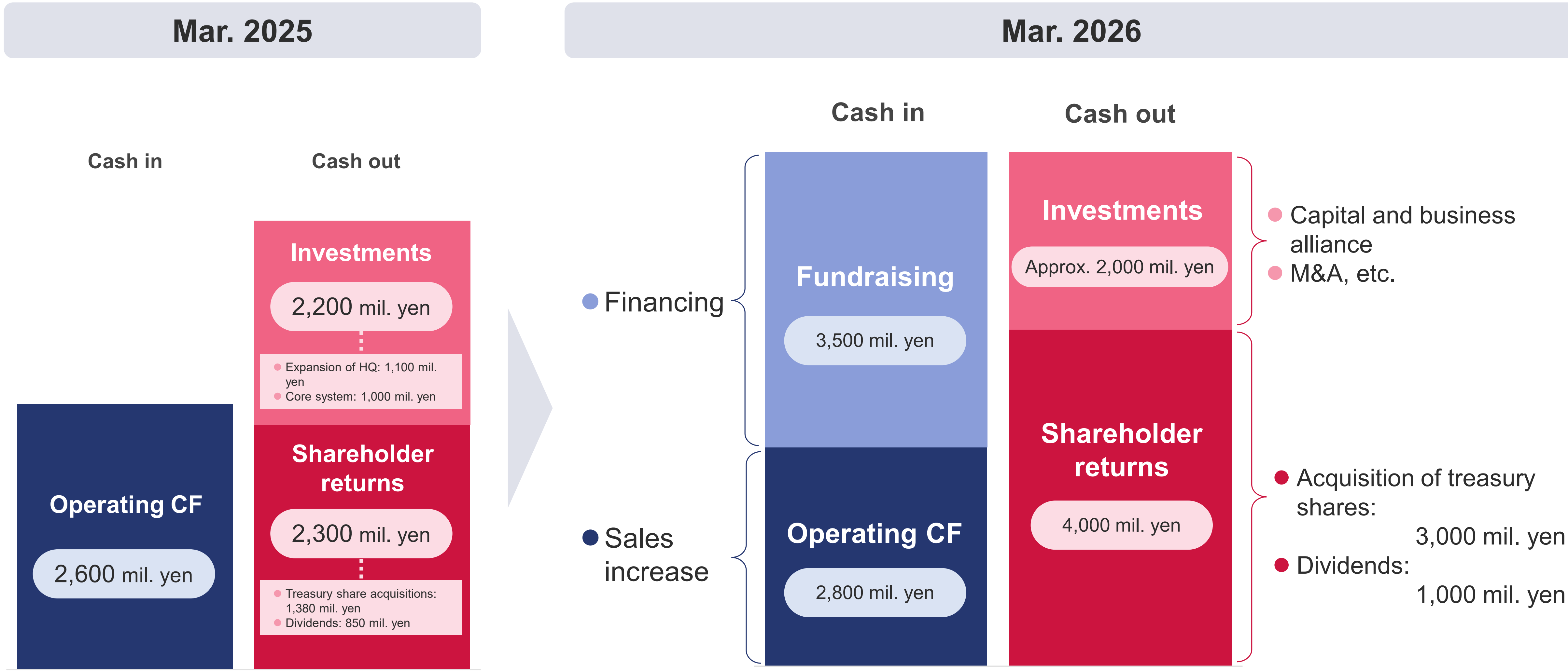
- Progress during the interim period was slower than anticipated, resulting in a downward revision announced on October 15
- The full-year earnings forecast will be maintained at this time, as a recovery is anticipated based on our earnings trend and outlook

	Mar. 2025 (Results)	Mar. 2026 (Forecast)	Mar. 2026 Interim period (Results)	Progress
Net sales	49,465	51,800	22,774	44.0%
Operating profit	2,395	2,380	651	27.4%
Ordinary profit	2,906	2,960	905	30.6%
Profit attributable to owners of parent	1,917	1,935	658	34.0%
EPS (Yen)	98.18	101.01	35.60	35.2%

Cash Allocation

- In the fiscal year ending March 31, 2026, we plan to carry out fundraising and allocate funds to active growth investments, including M&A, and shareholder returns



Progress of Cash Allocation

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- The cash allocation plan, which began at the start of the period, has progressed smoothly as of the end of September 2025

	Mar. 2026 Planned amount	Completed	Remarks
Fundraising	3,500 mil. yen	2,300 mil. yen	• Raised 2,300 million yen through financing
Growth investments	2,000 mil. yen	1,000 mil. yen	• Investments for launching new businesses, such as capital and business alliances **See supplementary materials "Regarding New Business Initiatives"**
Shareholder returns	4,000 mil. yen	2,800 mil. yen	• Total acquisition of treasury shares up to the end of Sep. 2025: 2,300 million yen • 2nd quarter-end dividends: 480 million yen

Progress of Capital Policy Initiatives

Indicator Targets for the Medium to Long Term

- Steadily implement measures for realizing the medium- to long-term indicators published in August 2024
—“Measures to achieve management that takes capital costs and share price into account”
- Following the announcement of our financial results for the fiscal year ended March 31, 2024, and the share buyback in May 2025, our P/B ratio has been trending near 1.0x to date. We are achieving our medium- to long-term target for our share price level at a pace exceeding expectations
- Going forward, we recognize that improving ROE and maintaining this share price level are our key challenges

When the medium- to long-term targets were disclosed (Aug. 16, 2024)

P/B ratio	0.7 x
Share price*1	1,300 yen
P/E ratio (forecast)	13 x
ROE*2	5.4%

Now (Oct. 28, 2025)

P/B ratio	1.01 x
Share price	1,856 yen
P/E ratio (forecast)	18.1 x
ROE*3	5.4%

Peak share price: 2,015 yen (Oct. 24, 2025)

Medium- to long-term targets

P/B ratio	1.0 x or higher
Target share price	2,000 yen
P/E ratio	17.5 x Aiming for the TSE Prime Market Average
ROE	8% or higher Achieve by raising capital efficiency

*1 Reflects the stock split
*2 Fiscal year ended Mar. 31, 2024
*3 Fiscal year ended Mar. 31, 2025

Progress of the KPI of Each Measure (As of October 2025)

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- We continue to make steady progress in our capital policy initiatives. In the fiscal year ending March 31, 2026, we plan to achieve the medium- to long-term payout ratio target ahead of schedule and have implemented an interim dividend.
- As of the interim period for the fiscal year ending March 31, 2026, challenges persist in achieving net sales growth and improving the profit margin
- The next medium-term management plan will be determined based on the results of the 4th Medium-Term Management Plan

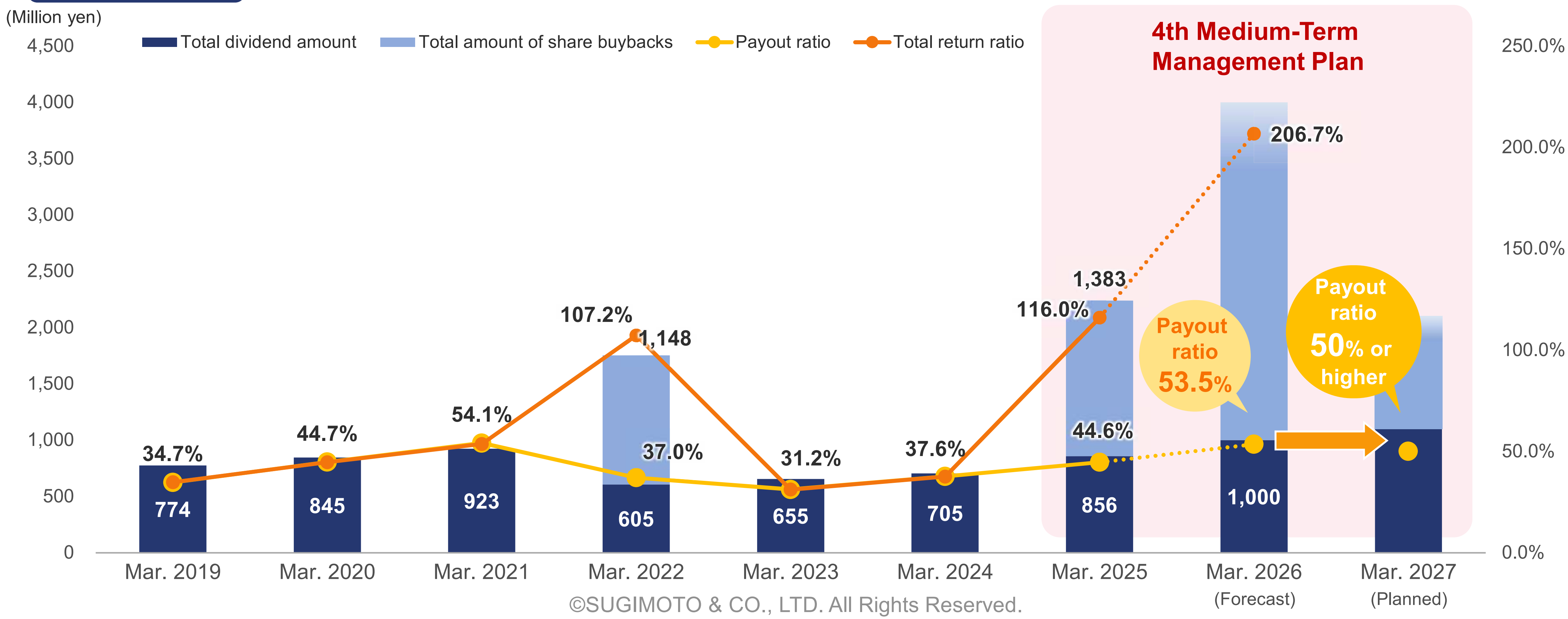
					Actual: Mar. 2026 Interim Period	Plan: Mar. 2026	KPI: 4th Medium-Term Plan Mar. 2027
P/B Ratio	ROE	Limit excessive retention of shareholders' equity	Capital policies/ financial strategy	Enhance shareholder returns • Increase the payout ratio and proactively perform share buybacks	• Implemented interim dividend • Performed share buybacks (2,300 mil. yen completed)	• Payout ratio: 53.5% • Continue to perform share buybacks (3,000 mil. yen)	Maintain payout ratio of 50% or higher*
				Implement a stock split	–	–	–
	ROE	Growth of net sales and improvement of margin	Growth strategy	Expansion of net sales and improvement of earnings capacity due to smooth execution of medium-term management plan • Enhance existing businesses • Expansion of new products and services and development of new markets • Proactive growth investments (Including M&A)	Net sales: 22,774 mil. yen Operating profit: 651 mil. yen	Net sales: 51,800 mil. yen Operating profit: 2,380 mil. yen	Final year Net sales: 55,830 mil. yen Operating profit: 2,860 mil. yen
	P/E Ratio	Improvement of expected growth rate					
	Reduced cost of equity		Non-financial strategy	Comprehensive information disclosure	• Continue disclosure of financial results briefing materials	• Continue disclosure of financial results briefing materials	Comprehensive information disclosure

In progress — Achieved

*The minimum dividend per share shall be 35 yen (after reflecting the stock split)

Shareholder Returns

Policies	During the 4th Medium-Term Management Plan, we will maintain a payout ratio of 50% or higher, in addition to implementing proactive share buybacks A judgment will be made while planning the next medium-term management plan based on the results of the 4th Medium-Term Management Plan
Mar. 2026 initiatives	Carry out 3,000 million yen in share buybacks by March 2026 The planned total amount of dividends for the fiscal year ending March 31, 2026, is 1,000 million yen (54 yen per share)
Mar. 2026 interim progress	Executed share buybacks (2,300 mil. yen) Total interim dividends: 480 million yen (27 yen per share)



Initiatives to Accelerate Growth and Improve Profitability

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- In our 4th Medium-Term Management Plan “Start of the Next 100 years: Taking on the Challenge of Change,” we seek to cultivate a muscular physique with the resilience to withstand a rapidly changing environment based on five policies

Our Group’s business model and strengths

Supplier
Area: All of Japan
Products: Over 1 million

Efficient sourcing means we avoid holding inventory for long periods

SUGIMOTO Group
SUGIMOTO

Direct sales department → **Manufacturers** Area: All of Japan

Wholesale department → **Retailers** Area: All of Japan

Initiatives of the 4th Medium-Term Management Plan

1 Development of new businesses

- Progression of enhanced sales of new products
  - Launch of DX product sales
  - Business partnerships with other industries

Product lineup enhancement

Network expansion

2 Expansion into new markets

- Horizontal development of existing networks
  - Leveraging the relationship with the supplier chain of our Group’s 64 sales bases, we will further advance the development into new regions
- M&A strategy: Compensate for any blank spaces in industries and regions through M&A

Strengthening our foundation

3 ESG promotion

- We will expend part of our profits as part of our contribution to society to bring to fruition the kind of climate change countermeasures only a trading company do

4 Investment in IT resources

- Investment in new technologies, including infrastructure, and switching to activities that leverage them

5 Increased employee satisfaction

- By improving working environments, we are aiming to boost productivity by helping employees live with peace of mind
- Improving work-life balance
  - Promoting the use of paid vacation days and reduction of hours of overtime worked

Initiatives of the 4th Medium-Term Management Plan

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- In the interim period for the fiscal year ending March 31, 2026, (1) development of new businesses and (2) initiatives to expand into new markets are in progress **(See supplementary materials "Regarding New Business Initiatives")**
- (4) Initiatives for investment in IT resources have also begun

Individual policies	Initiatives for Mar. 2026
(1) Development of new businesses	• Expand the IT product sales business • Begin a new capital and business alliance with an IT consulting business
(2) Expansion into new markets	• Expand networks and complement weaknesses through M&A
(3) ESG promotion	• Acquire *Kurumin* certification • Donate to local government agencies
(4) Investment in IT resources	• Improve capital efficiency by fully leveraging the new core system (LINk)
(5) Increased employee satisfaction	• Improve workplace environments • Improve engagement

- We aim to transform our conventional single portfolio of machinery and tool wholesaling by promoting DX product sales and expanding into the IT trading business
(See supplementary materials "Regarding New Business Initiatives")

Individual policies	Initiatives for Mar. 2026
(1) Development of new businesses	• Expand the IT product sales business • Begin a new capital and business alliance with an IT consulting business
(2) Expansion into new markets	• Expand networks and complement weaknesses through M&A
(3) ESG promotion	• Acquire *Kurumin* certification • Donate to local government agencies
(4) Investment in IT resources	• Improve capital efficiency by fully leveraging the new core system (LINk)
(5) Increased employee satisfaction	• Improve workplace environments • Improve engagement

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- We aim to improve ROE by increasing operational efficiency through investment in IT resources

Individual policies	Initiatives for Mar. 2026
(1) Development of new businesses	• Expand the IT product sales business • Begin a new capital and business alliance with an IT consulting business
(2) Expansion into new markets	• Expand networks and complement weaknesses through M&A
(3) ESG promotion	• Acquire *Kurumin* certification • Donate to local government agencies
(4) Investment in IT resources	• Improve capital efficiency by fully leveraging the new core system (LINk)
(5) Increased employee satisfaction	• Improve workplace environments • Improve engagement

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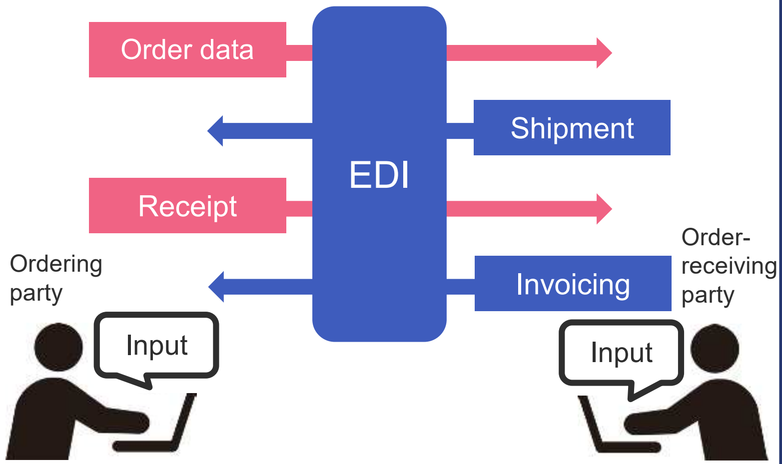
- We aim to improve ROE by enhancing operational efficiency and improving profitability through data integration with business partners and the development of an internal data-utilization infrastructure
- We will improve the efficiency of sales activities by utilizing data to support the expansion of our business scale, in conjunction with the launch of new business initiatives

Initiatives in progress

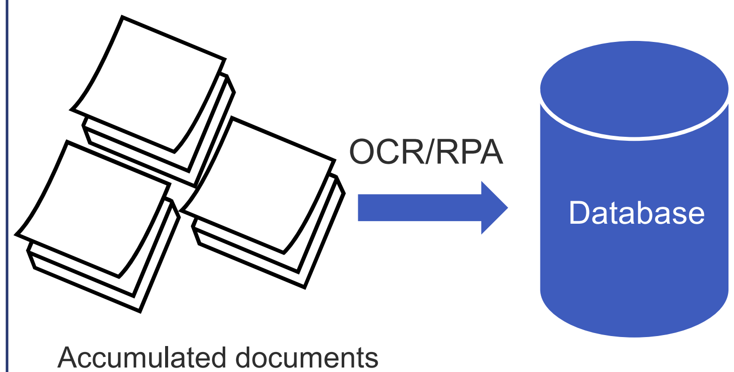
Data integration with business partners using EDI

- **Completing the process through invoicing** with a single business application
- Eliminates the need for paper documents, **removing the need for manual printing and data entry**



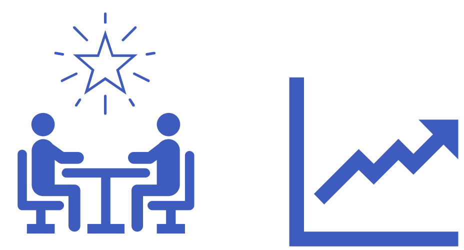
Development of a data-utilization infrastructure

- Digitizing paper documents using OCR and RPA to **develop a database**
- Promoting **the development and recruitment of digital talent**



Improving the efficiency of sales activities by utilizing data

- **Improving the quality of proposal-based sales** by utilizing and analyzing transaction history



Improving ROE by enhancing operational efficiency and improving efficiency for business scale expansion

These materials are intended to provide information about our current plans and performance forecasts. Such future plans and forecast figures are made by the Company based on currently available information.

The actual results are subject to a variety of factors and conditions and may not be the same as the plan. These materials are not intended to confirm or guarantee the results described herein.

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