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legibility by everyone,  
based on the concept of  
universal design (UD).

# Integrated Report 2025 SUMINOE GROUP



# Bringing innovation to all kinds of spaces.

## Group Philosophy

### VISION

#### The future we aim for

To set a "new comfort standard" in harmony with the times and the earth to create delightful lifestyles of the future.

### SPIRIT

#### Values we cherish (Company Motto)

We pride ourselves as a pioneer in the interior industry and persist in a spirit of cooperation, sincerity and determination.

### MISSION

#### Our mission to fulfill

Bring people- and society-friendly spaces to the world through technology and ideas that closely support people's lives.

### VALUE

#### Basic guidelines for business activities

### SUMINOE "4C" Values

- Challenge** Take on challenges for new business development based on our advanced technological capabilities and extensive customer base as an industry pioneer.
- Create** Create new value by maximizing our unique technologies.
- Customer** Identify new challenges for further development, leveraging our ability to sincerely cater to customers and our foresight.
- Contribute** Continue to pursue manufacturing that is friendly to both people and the earth.

## Code of Conduct

1. We comply with all laws and ethical business standards, and conduct corporate activities in an impartial and ethically sound manner.
2. We contribute to the advancement of the community through the production and sale of high-quality products.
3. We treat all employees of the Company fairly, act with due respect for their individual personalities, and place high importance on their health and safety.
4. We place high priority on maintaining good relationships with all our stakeholders.
5. We make proactive contributions to the community, as expected of a good corporate citizen.
6. We take very seriously the impact of our business activities on the global environment, and contribute to environmental preservation initiatives.

The objective of publishing this Integrated Report is to inform a broad range of stakeholders about how the SUMINOE GROUP creates value in the medium and long term, and what kind of initiatives the Group promotes to enhance its corporate value.

This Report provides financial information, including management strategies for achieving sustainable growth, as well as a business overview and the performance of the SUMINOE GROUP. It also includes non-financial information on specific sustainability and ESG initiatives. By disclosing such information in an integrated manner, this Report aims to help stakeholders deepen their understanding of the Group.

In editing this Report, we used the "International Integrated Reporting Framework" by the IFRS Foundation and the "Guidance for Collaborative Value Creation 2.0" by the Ministry of Economy, Trade and Industry (METI) of Japan as reference.

### Scope of the Report

SUMINOE Co., Ltd. and its consolidated subsidiaries in Japan and overseas; however, the scope varies according to the items reported.

### Period Covered

Fiscal year 2025 (From June 2024 to May 2025)  
Some activities undertaken outside the above period are included.

### Disclaimer about Forward-looking Statements

Among all the current plans, strategies, and judgments that are included in this Report, those which are not historical facts represent our forecasts for future performances, etc. These are based on assumptions and judgments using information currently available to the SUMINOE GROUP and may include risks and uncertain factors. Therefore, please be advised that the Group's business results that will be publicly announced in the future may differ significantly from these forecasts due to various factors.

### Information Disclosure System

Financial Information	Non-financial Information
<b>Integrated Report</b>	
Securities Report (Japanese only)	
<ul style="list-style-type: none"> <li>● Flash report of financial results and materials for financial results briefings</li> <li>● Business report (Japanese only)</li> <li>● IR information</li> </ul> <p style="text-align: right;"><a href="https://suminoe.co.jp/en/ir/">https://suminoe.co.jp/en/ir/</a></p>	<ul style="list-style-type: none"> <li>● Corporate Governance Report (Japanese only)</li> <li>● Sustainability</li> </ul> <p style="text-align: right;"><a href="https://suminoe.co.jp/en/csr/">https://suminoe.co.jp/en/csr/</a></p>

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### Supplementary Note

Effective December 2, 2024, the Company changed its trade name from "Suminoe Textile Co., Ltd." to "SUMINOE Co., Ltd." and changed the name of its subsidiary SUMINOE Co., Ltd. to "SUMINOE Interior Products Co., Ltd." Basically, the new trade names are used in this Report. However, the previous trade names are used in some portions that contain information on matters in past fiscal years and quotations from external materials.

# At a Glance

## SUMINOE GROUP in Numbers



Founded  
**1883**

Capital (As of May 31, 2025)

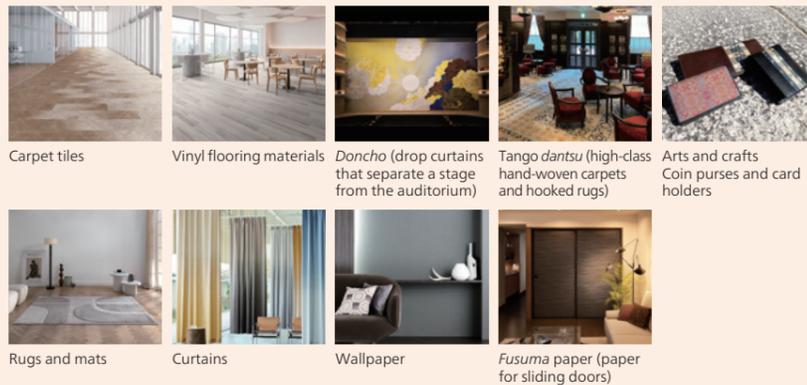
**9,554 million yen**

Group companies in Japan  
**15**  
Overseas Group companies  
**13**

## Business Summary

### Interior Fittings

Wholesale of interior textiles for commercial use (in Japan and overseas); interior finishing work (curtains, carpets, wallpaper, drop curtains, hand-woven carpets and hooked rugs, etc.); wholesale of household interior textile products; EC business, store design and construction (space design business); sales of curtains and other optional items; and production and sales of arts and crafts.



### Automotive Textiles and Traffic Facilities

The Automotive Textiles business is engaged in development, production and sales of a total line of automotive interior materials, from floors to ceilings, including ceiling materials, seat covering materials, car mats, and floor carpets.

The Traffic Facilities business is engaged in production and sales of interior materials for trains, buses and other public transportation facilities, such as seat covering materials, seat cushion materials, curtains, wall coverings, and flooring materials.



### Functional Materials

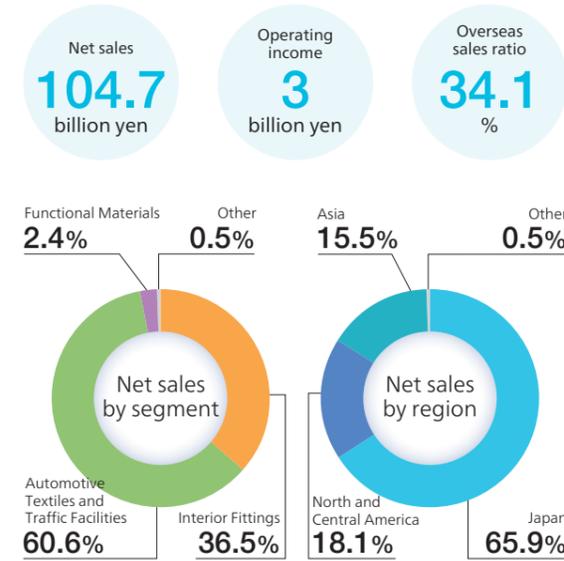
Moving beyond its conventional business segments, the Group has been active in advancing into new business fields, handling a wide range of products, including textiles, non-textiles, interior materials, household appliances and food.

Household appliance business: Development, production and sales of fabric-coated heating products; Functional materials business: Development, production and sales of floor materials for bathrooms, deodorizing products, interior materials for aircraft, water shielding/thermal insulation sheets, and food products, etc.

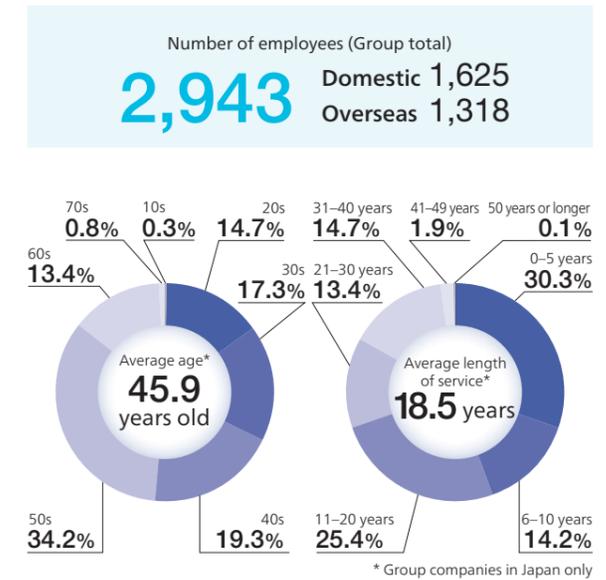


## Net sales breakdown

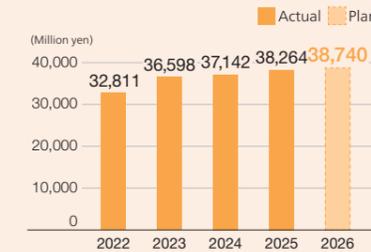
(Fiscal year ended May 31, 2025)



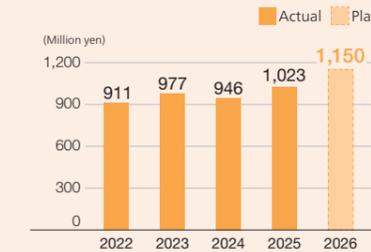
## Employees (As of May 31, 2025)



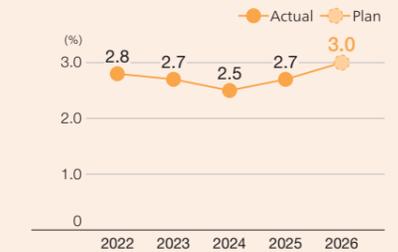
### Net sales



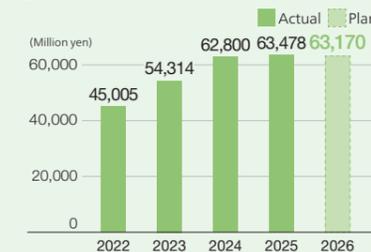
### Segment income



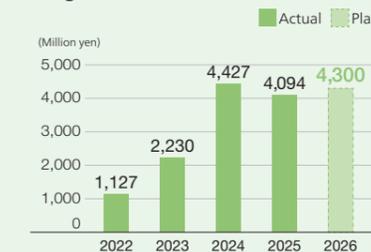
### Segment income margin



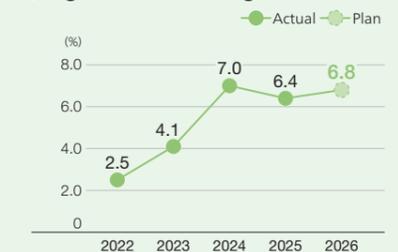
### Net sales



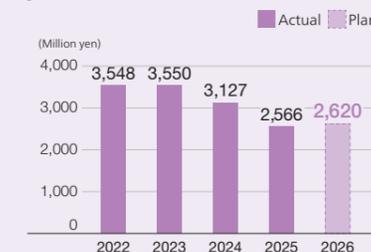
### Segment income



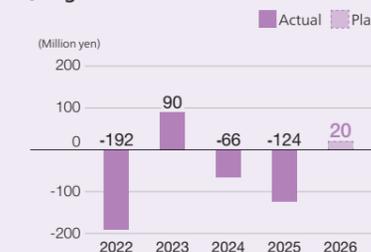
### Segment income margin



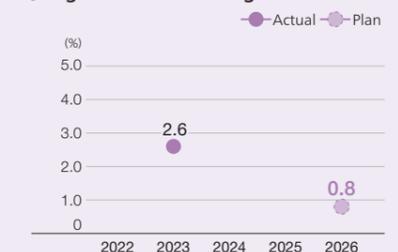
### Net sales



### Segment income



### Segment income margin



# Progress in Value Creation

SUMINOE was founded by rice dealer Denshichi Murata, who opened the Murata Factory in 1883 in Sumiyoshi Village, Higashinari-gun, Osaka Prefecture (now Sumiyoshi Ward, Osaka City). This small factory in a private household was receiving orders for interiors for railway cars and ships, and even for the Imperial Diet Building, heralding the dawn of Japan's carpet industry.

1880s	1900s	1930s	1950s	1980s	2000s	2020s	2024-2025	
Contribution to Japan's Modernization			Popularizing Interior Fabrics		in Common Households			Offering One-of-a-Kind Products to Customers around the World
Industrial Revolution in Japan <b>History of the SUMINOE GROUP</b>	Taisho Democracy	World Depression World War II	High economic growth period Period of increasing globalization	Bubble economy Manifestation of environmental problems Collapse of the bubble economy	IT revolution A declining birthrate and aging population	Novel coronavirus (COVID-19) pandemic	Transition to post-COVID-19 society	
<b>1883</b> Murata Factory founded. Manufacture of handwoven carpets begins in Sumiyoshi, Osaka. <b>1892</b> The Company's first patent obtained for carpet weaving, "Yamato-ori."	<b>1903</b> Sumiyoshi Factory with full-scale weaving facilities established. <b>1913</b> Suminoe Textile Joint-Stock Company established. <b>1916</b> Manufacture of carpets using power looms begins.	<b>1930</b> Suminoe Textile Co., Ltd. established. <b>1937</b> Kawachi Factory established, where woolen spinning begins. <b>1949</b> Shares listed on the Tokyo, Osaka, and Kyoto stock exchanges.	<b>1954</b> First to introduce to Japan a tufting carpet machine from the U.S. <b>1971</b> Nara Factory (now Nara Factory of Suminoe Techno Co., Ltd.) established, and Sumiyoshi Factory closed.	<b>1987</b> Shiga Factory established. <b>1994</b> T.C.H. Suminoe Co., Ltd., the Company's first overseas base, established as a joint venture in Thailand. <b>1998</b> Suminoe Textile Group "SUMINOE Environmental Declaration" and "KKR+A" announced.	<b>2003</b> Suminoe Textile of America Corporation established in the U.S. <b>2005</b> SPM Automotive Textile Co., Ltd. established as a joint venture in China. <b>2013</b> Suminoe Textile de Mexico, S.A. de C.V. established in Mexico. <b>2015</b> Bondtex, Inc. in the U.S. becomes a subsidiary.	<b>2020</b> CPO Co., Ltd. becomes a subsidiary. <b>2022</b> PRETERIOR-TEXTILE Inc. becomes a subsidiary. Seki Textile Co., Ltd. becomes a subsidiary. Reorganization of the Nara Factory completed. <b>2023</b> Group Philosophy as well as the Group's unified logo and tagline announced.	<b>2024</b> Satisfies the continued listing criteria for the Prime Market. Synthetic leather factory newly established at Suminoe Textile de Mexico, S.A. de C.V. Trade names of Suminoe Textile Co., Ltd. and the Company's subsidiary SUMINOE Co., Ltd. changed. <b>2025</b> Begins to deliver floor carpets to a major foreign automobile manufacturer in the U.S.	

1883

2025

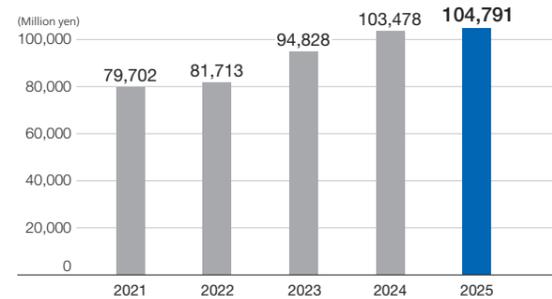
## Value Offered by the Group

<b>1891</b>  <ul style="list-style-type: none"> <li>● <b>Winning acclaim for dantsu carpet-weaving techniques</b></li> </ul> <p>Winning acclaim for its manufacturing techniques, the Murata Factory supplied <i>dantsu</i> hand-woven carpets to the Imperial Diet Building. We have continued to deliver the "red carpet" and other interior textiles for the present-day Diet Building.</p>	<b>1913</b>  <ul style="list-style-type: none"> <li>● <b>Mass production realized by using power looms</b></li> </ul> <p>The Company imported technology and power looms from Germany and the U.K., becoming the first in Japan to manufacture machine-woven moquette.</p>	<b>1957</b>  <ul style="list-style-type: none"> <li>● <b>Helping widespread use of carpets in general households</b></li> </ul> <p>Although carpets had usually been custom-made, high-end products, the Company released a ready-made carpet called "Tafton," which was affordably priced for ordinary households.</p>	<b>1980</b>  <ul style="list-style-type: none"> <li>● <b>Production of Japan's first carpet tiles</b></li> </ul> <p>Suminoe Textile produced carpet tiles that can express mosaic patterns. It is easy to replace the damaged carpet tiles with new ones. With these advantages, these carpet tiles attracted much attention as an innovative product.</p>	<b>1998</b>  <ul style="list-style-type: none"> <li>● <b>Development of around-the-clock deodorizing treatment technology</b></li> </ul> <p>Suminoe Textile developed トリアルフレッシュ® (TRIPLE FRESH) treatment technology, which deodorizes and decomposes substances that cause sick building syndrome and other malodorous substances generated daily in our environment on a 24-hour basis. This technology contributes to the protection of people's health.</p>	<b>2024</b>  <ul style="list-style-type: none"> <li>● <b>From Suminoe Textile to SUMINOE</b></li> </ul> <p>Effective December 2, 2024, the Company changed its trade name from "Suminoe Textile Co., Ltd." to "SUMINOE Co., Ltd." and changed the name of its subsidiary SUMINOE Co., Ltd. to "SUMINOE Interior Products Co., Ltd." Aiming to promote activities for full-scale overseas expansion, as well as to improve the profitability and competitiveness of each business, including non-textile-related businesses, we will take on the challenge of creating new value for the world.</p>	
<b>1899</b>  <ul style="list-style-type: none"> <li>● <b>Manufacture of Japan's first hand-woven moquette</b></li> </ul> <p>The Company received an order to manufacture the seat covers used in trains of Japan National Railways, which had conventionally used imported seat covers. We succeeded in producing and supplying hand-woven moquette as a seat covering for the first time in Japan.</p>	<b>1931</b>  <ul style="list-style-type: none"> <li>● <b>Participating in the automotive industry in its infancy</b></li> </ul> <p>Suminoe Textile supplied carpets and seat covering materials to automobiles assembled and manufactured in Japan for the U.S. automakers, Ford Motor Company and General Motors.</p>	<b>1968</b>  <ul style="list-style-type: none"> <li>● <b>Producing an 836 m<sup>2</sup> carpet by hand</b></li> </ul> <p>The Homeiden Imperial Palace building is a banquet hall, the largest of all the Imperial Palace halls. Suminoe Textile provided for this hall a hand-woven <i>dantsu</i> carpet of 836 m<sup>2</sup>. Its manufacturing process required approximately 10,000 weavers, who spent as long as nine months to complete this masterpiece carpet.</p>	<b>1971</b>  <ul style="list-style-type: none"> <li>● <b>Construction of a new pollution-free carpet factory</b></li> </ul> <p>When pollution problems attracted much attention, our Nara Factory was newly constructed. The factory was equipped with effluent treatment facilities to prevent leakage of hazardous substances discharged with wastewater.</p>	<b>1989</b>  <ul style="list-style-type: none"> <li>● <b>Development of a continuous fiber made from recycled polyester</b></li> </ul> <p>スミトロン® (SUMITRON), which uses polyester chips recycled from PET bottles as raw material at 50% or more, contributes to resource conservation.</p>	<b>2011</b>  <ul style="list-style-type: none"> <li>● <b>Development of recycled carpet tiles</b></li> </ul> <p>We established a framework for repeating the recycling cycle involving the same products for carpet tiles. These recycled carpet tiles became the first to be certified as Eco Mark products under new standards.</p>	<b>Toward the future</b>  <ul style="list-style-type: none"> <li>● <b>Passing on traditional techniques to future generations</b></li> </ul> <p>While promoting business reforms, the SUMINOE GROUP maintains and cultivates hand-weaving techniques passed down through Japan's historical industry, thereby contributing to cultural preservation.</p>

# Financial Highlights

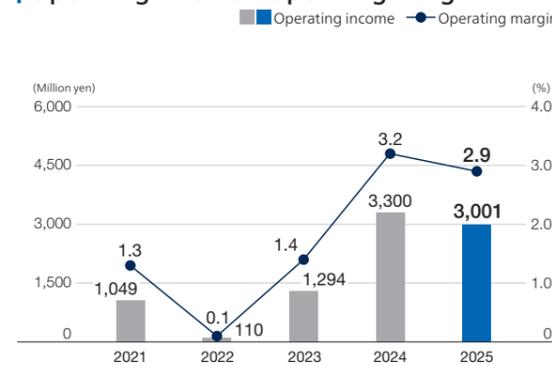
(For each FY ended May 31)

## Net sales



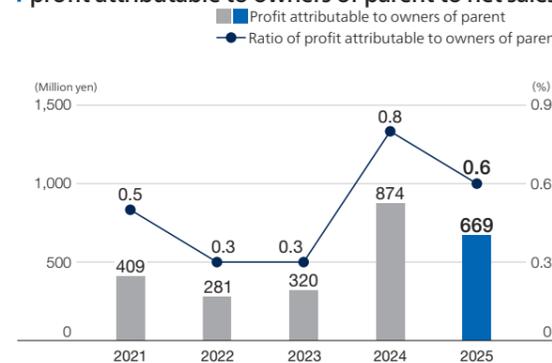
Net sales increased 1.3% year-on-year due to factors including an increase in sales volume of ordered automobile models in Japan, capture of demand arising from recovered production of railways and buses, and, in the Interior Fittings segment, an increase in the number of projects for which carpet tiles were delivered.

## Operating income / Operating margin



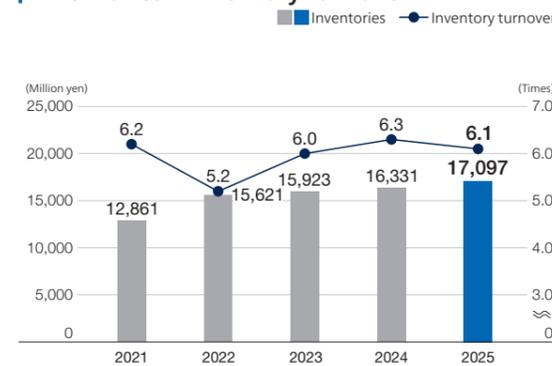
In addition to the prolonged surge in raw material and energy prices, factors such as decline in production efficiency due to fluctuations in production plans of automakers and the resulting increase in logistics costs led to a 9.0% decrease year-on-year.

## Profit attributable to owners of parent / Ratio of profit attributable to owners of parent to net sales



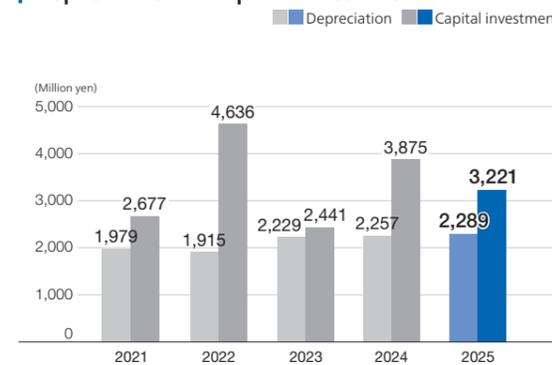
Recording of non-operating expenses, including foreign exchange loss of a consolidated subsidiary and system failure response costs, as well as the recording of "income taxes - deferred" associated with the reversal of deferred tax assets, resulted in a 23.4% decrease year-on-year.

## Inventories / Inventory turnover



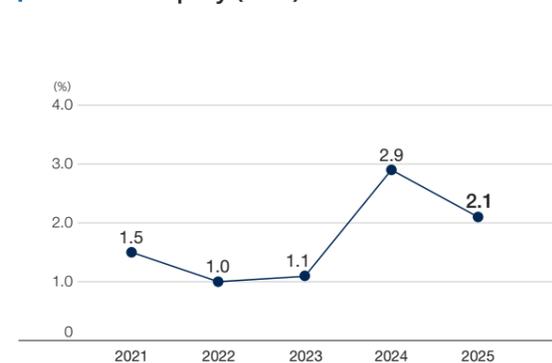
Inventories increased due to the impact of the launch of a new series mainly in the Interior Fittings segment and inventory adjustments related to ordered projects. We will continue efforts to optimize inventory levels.

## Depreciation / Capital investment



Capital investment has been advanced at our new synthetic leather plant in Mexico since the fiscal year ended May 2023, and mass production commenced during the fiscal year under review. In the fiscal year ending May 2026, we plan to introduce synthetic leather finishing line equipment at our Thai subsidiary.

## Return on equity (ROE)

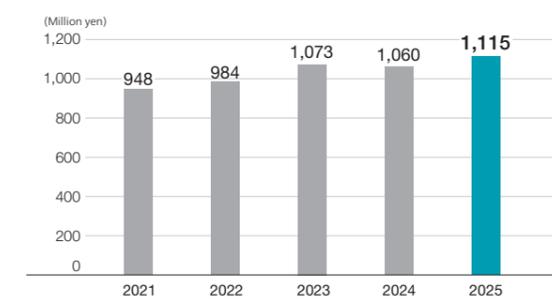


Although the target for the SGW STEP II period is an ROE of 8.0%, exceeding the cost of equity, ROE growth was sluggish during the fiscal year under review mainly due to weak performance at overseas sites in the Automotive Textiles business.

# Non-financial Highlights

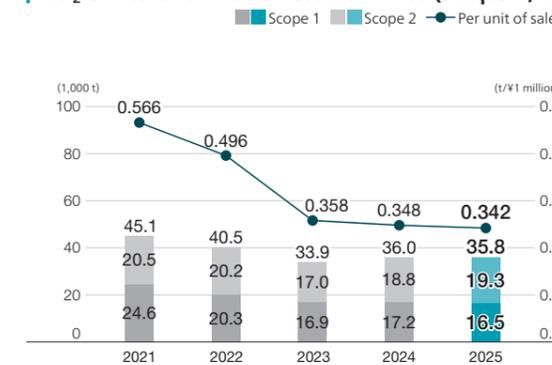
(For each FY ended May 31)

## R&D expenses



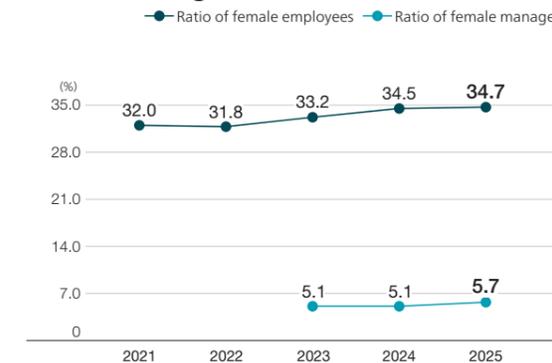
During the fiscal year under review, we focused on developing sustainable automotive interior materials with improved recyclability and using carbon-free materials, as well as developing smart textile-related technologies. Including these efforts, R&D expenses increased by 55 million yen year-on-year.

## CO<sub>2</sub> emissions in business activities (Scope 1, 2)



Emissions per unit of sales was reduced by 1.7% from the previous fiscal year, achieving the 1.0% emission target set in Eco Challenge 2027 (p. 43). We will continue to strive to reduce CO<sub>2</sub> emissions.

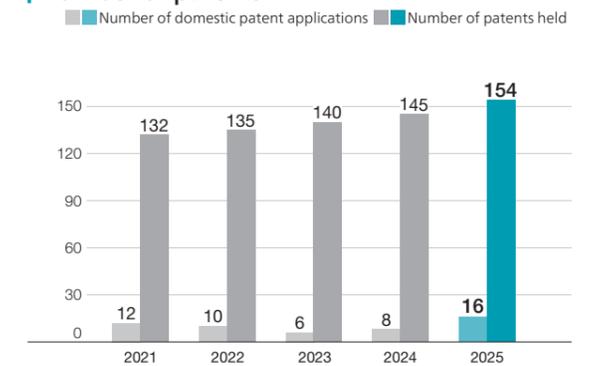
## Ratio of female employees and ratio of female managers\* (group companies in Japan only)



The ratio of female managers increased by 0.6 percentage points from the previous fiscal year to 5.7%. We are committed to promoting diversity as we view it as a source of corporate growth.

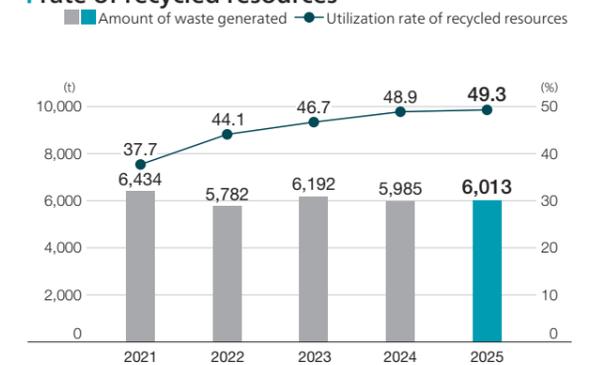
\* Percentage of female employees whose positions correspond to section chiefs or higher  
\* The ratio of female managers has been calculated since the fiscal year ended May 2023.

## Number of patents



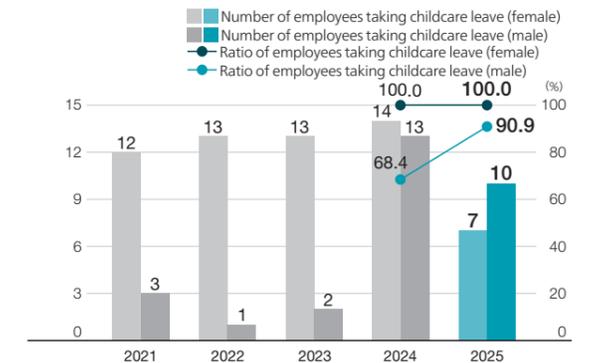
During the fiscal year under review, the number of patent applications doubled from the previous fiscal year to 16, driven by patent applications for new functional materials and household appliances. We will continue to pursue both technological development and intellectual property strategies, aiming to create new value.

## Amount of waste generated and utilization rate of recycled resources



During the fiscal year under review, the amount of waste generated increased due to an increase in production volume resulting from the expansion of production facilities at overseas sites.

## Number and ratio of employees taking childcare leave (group companies in Japan only)



Through the implementation of the Working Style Reform Action Plan 2024 (p. 52) and the internal dissemination of the "work-life balance support manual" (p. 52), we are working to foster a workplace culture and an environment in which both men and women can easily take childcare leave.

\* The ratio of employees taking childcare leave has been calculated since the fiscal year ended May 2024.