



Consolidated Financial Results for the Second Quarter of Fiscal Year 2021 (Japanese GAAP)

January 14, 2021

Listed company name Suminoe Textile Co., Ltd. Listed on the Tokyo Stock Exchange
Code number 3501 URL: <https://suminoe.co.jp/>
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Scheduled date of filing of quarterly report: January 14, 2021 Scheduled date of dividend payment: February 9, 2021
Preparation of supplementary explanatory documents for quarterly financial results: No
Holding analyst meeting for quarterly financial results: Yes (For institutional investors and securities analysts)
(Amounts are rounded down to the nearest million yen) (Figures in brackets are negative)

1. Consolidated Financial Results for the 2nd Quarter of FY2021 (June 1, 2020 to November 30, 2020)

(1) Consolidated Operating Results (accumulation) (% change from the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Q2 of FY ending May 31, 2021	37,567	(22.7)	20	(98.3)	(5)	—	(352)	—
Q2 of FY ended May 31, 2020	48,602	(1.4)	1,190	(11.9)	1,130	(16.2)	474	(3.9)

(Note) Comprehensive income Q2 of FY ending May 31, 2021: (436) million yen (— %)
Q2 of FY ended May 31, 2020: 1,133 million yen (395.7 %)

	Profit per share Basic	Profit per share Diluted
	Yen	Yen
Q2 of FY ending May 31, 2021	(55.87)	—
Q2 of FY ended May 31, 2020	70.83	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Q2 of FY ending May 31, 2021	86,296	32,015	31.6
FY2020	86,272	32,582	32.5

(Reference) Shareholders' equity Q2 of FY ending May 31, 2021: 27,310 million yen FY2020: 27,998 million yen

2. Dividend Information

	Dividend per share				
	First quarter	Second quarter	Third quarter	End of the year	Annual
	Yen	Yen	Yen	Yen	Yen
FY2020	—	35.00	—	15.00	50.00
FY2021	—	15.00	—	—	—
FY2021 (Forecast)	—	—	—	20.00	35.00

(Note) Revision of the latest dividend forecast: Yes

For the revision of the dividend forecast, please refer to the "Notice Regarding Full-Year Financial Result Forecast, Dividend from Surplus (Interim Dividend), and Year-end Dividend Forecast" announced today. (The notice is available only in Japanese.)

3. Forecast of Consolidated Financial Results for FY2021 (June 1, 2020 to May 31, 2021)

(% change from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share Basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	81,400	(11.1)	868	(44.3)	860	(35.0)	85	(40.5)	13.46

(Note) Revision of the latest forecasts of operational results: Yes

For the revision of the latest forecasts of operational results, please refer to the “Notice Regarding Full-Year Financial Result Forecast, Dividend from Surplus (Interim Dividend), and Year-end Dividend Forecast” announced today. (The notice is available only in Japanese.)

*Notes

- (1) Major changes in significant consolidated subsidiaries during the period (changes in specified subsidiaries accompanying change in the scope of consolidation): No
- (2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, financial estimates and restatements
 - (i) Changes in accounting policies due to revisions of accounting standards: No
 - (ii) Changes in accounting policies other than (i) above: No
 - (iii) Changes in financial estimates: No
 - (iv) Restatements of financial statements: No

(4) Number of shares issued (common stock)

- (i) Number of shares issued at the end of the period (including treasury stock)
- (ii) Number of treasury shares at the end of the period
- (iii) Average number of shares outstanding during the period (quarterly consolidated cumulative period)

Q2 of FY2021	7,682,162 shares	FY2020	7,682,162 shares
Q2 of FY2021	1,363,626 shares	FY2020	1,373,422 shares
Q2 of FY2021	6,312,959 shares	Q2 of FY2020	6,697,034 shares

(Note) The summary of quarterly financial results is outside the scope of quarterly review by a certified public accountant or an accounting firm.

(Note) Explanation on the appropriate use of forecasts and other special issues

(Note on the forward-looking statements)

The forward-looking statements in this document concerning forecasts of performance, etc. are based on currently available information, and contain uncertain factors. The actual performance may be significantly different from the forecasts due to various factors.

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1. Qualitative information for the second quarter of the fiscal year under review

(1) Explanation of business results

During the second quarter of the consolidated fiscal year under review, though the Japanese economy showed signs of recovery from the recession caused by the novel coronavirus (COVID-19) pandemic, it was stagnant due to the deterioration of the employment environment and the slowing recovery of consumption. In the world economy, though the Chinese economy recovered, the situation remained challenging in Europe and the United States with no end in sight to the COVID-19 pandemic.

In the interior industry, which relates to the Company's business, domestic new housing starts were down 9.3% year on year, and the floor area of nonresidential construction starts also decreased by 11.8% year on year. In the automotive industry, automobile production in the Japanese market was down 11.5% year on year. Both production and sales also stagnated in overseas markets, falling short of those in the same period of the previous fiscal year.

In the above-described business environment, the Group is promoting market development of ESG-based products and global management, which the Group has been working on, while implementing measures to prevent the spread of COVID-19, such as improving the working environment by securing the safety and security of employees.

In the Interior Fittings Segment, the Company endeavors to increase sales of products processed with antibacterial and antiviral technology called *CLEANSE*® and other health-conscious and environment-friendly products, including *ECOS*®, eco-friendly carpet tiles under the horizontal recycling system. In addition, by welcoming CPO Co., Ltd., which designs and builds stores, we will strive to expand our business domain from the manufacturing and sale of interior materials to space design, and further to the store field.

In the Automotive Textiles and Traffic Facilities Segment, efforts are being made to develop technologies and increase orders received for non-textile products such as artificial leather and to reduce costs through the optimization of material procurement and the places of production for globally marketed cars in the automotive textiles business.

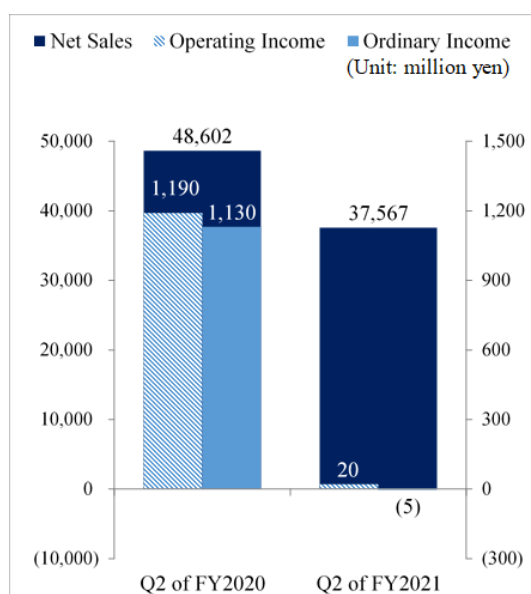
While in the traffic facilities business, the Company manufactures and distributes high-performance fabric materials and endeavors to increase sales of seat cushion materials and safety products for railway vehicles and buses. In both the automotive textiles business and the traffic facilities business, our processing technologies accumulated in the Interior Fitting Segment including antibacterial and antiviral effects are applied to the product development.

In the Functional Materials Segment, the Company established a new sales and distribution base for fabric-coated electric heating products in Vietnam in 2019. We will diversify regional risks and establish an optimal supply system. Furthermore, our focus is placed on the development and sale of products processed with our original complex function processing technology called *TRIPLE FRESH*® *DEO*, which provides deodorizing, antibacterial, antiviral and anti-allergen functions.

For the entire Group, we are working on reconstructing our core system and raising the accuracy of our consolidated performance management, in order to upgrade our business management structure. We have been working steadily on building a foundation for business growth.

Presently, a cross-business project has been established. Gathering the strengths of each business field such as the design capability of the Interior Fittings Segment, the processing technology for fabric materials used in the Automotive Textiles and Traffic Facilities Segment, and high-function technologies including the deodorizing, antibacterial and antiviral capabilities of the Functional Materials Segment, the Company engages in the development of next-generation interior fittings, which will be required for our living spaces in the future.

Under these circumstances, our consolidated quarterly results for the second quarter of this fiscal year are as follows.

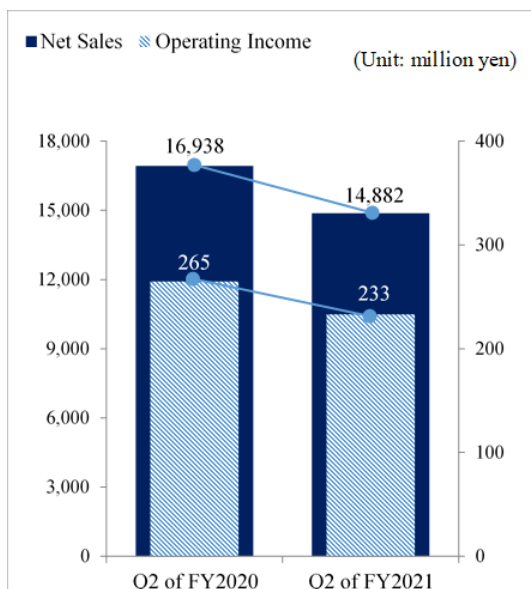


Net sales declined 22.7% year on year to 37,567 million yen attributable to lackluster sales of commercial carpet tiles and curtains and a large drop in domestic and overseas automobile-related sales due to the impact of the global economic slowdown. As to profits, operating income declined 98.3% year on year to 20 million yen, ordinary loss was 5 million yen (ordinary income of 1,130 million yen in the same period of the previous year), and loss attributable to owners of parent was 352 million yen (Profit attributable to owners of parent of 474 million yen in the same period of the previous year).

The performance by segment is as described below.

Segments	Net sales		Operating income	
	Amount (Million yen)	YY Change (%)	Amount (Million yen)	YY Change (%)
Interior Fittings	14,882	(12.1)	233	(11.8)
Automotive Textiles and Traffic Facilities	20,406	(29.2)	546	(66.0)
Functional Materials	2,067	(25.2)	52	(69.4)
Other	210	+182.5	37	+6.2
Total	37,567	(22.7)	870	(58.2)
Adjustment	—	—	(850)	—
Consolidated	37,567	(22.7)	20	(98.3)

(Interior Fittings Segment)



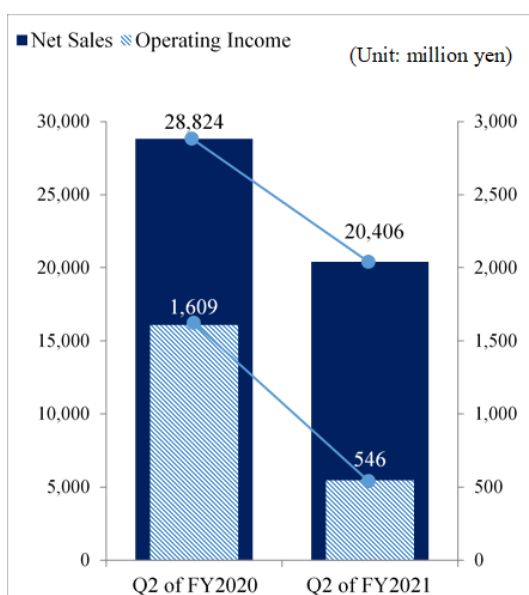
While sales of household carpets for online and retail stores were robust, sales of commercial carpet tiles, custom-made curtains for general households, and curtains for medical, welfare, and educational institutions were sluggish. As a result, net sales declined 12.1% year on year to 14,882 million yen, and operating income declined 11.8% year on year to 233 million yen.

Regarding commercial carpets, sales of roll carpets increased thanks to orders for large-scale projects. However, sales of carpet tiles, those for export in particular, remained significantly weak due to the impact of lockdowns on economic activities. Consequently, net sales of commercial carpets as a whole declined 8.0% year on year.

Net sales of household carpets increased by 13.5% year on year reflecting robust sales for online under the stay-at-home restriction, and strong sales mainly at DIY stores due to a rebound in consumption after the restriction was lifted. Regarding curtains, sales of *mode S® Vol. 9* and *U Life® Vol. 9* for general households were subdued. In addition, sales of *Face* for medical, welfare, and educational institutions shrank as temporary restrictions on access to medical institutions to prevent the spread of COVID-19 resulted in postponement of new deliveries and replacement work to the second half of the fiscal year or later. Accordingly, net sales of curtains as a whole declined 8.0% year on year.

Net sales of wall coverings were down 17.0% year on year owing to the decrease in sales of wallpaper attributable to the decline in demand for new construction and refurbishments for houses, stores, hospitals, and hotels due to the COVID-19 pandemic.

(Automotive Textiles and Traffic Facilities Segment)

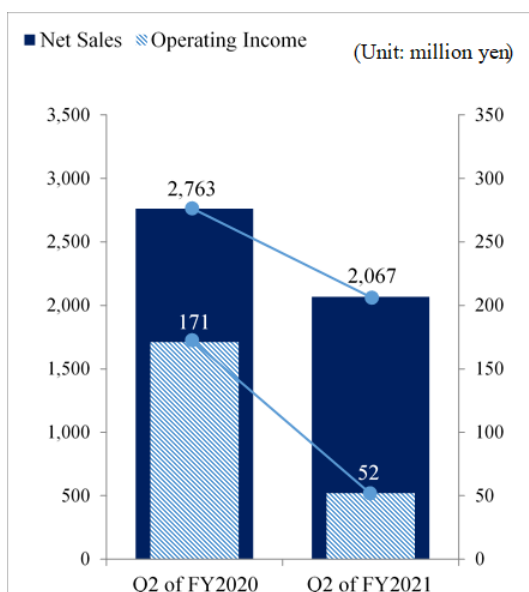


Net sales were down 29.2% year on year to 20,406 million yen and operating income declined 66.0% year on year to 546 million yen on the back of sluggish global car production by Japanese automakers and a decline in demand for interior materials for railway vehicles and buses.

In the automotive textiles business, a decline in car production by Japanese automakers was observed due to sluggish economic activity attributable to the COVID-19 pandemic. Domestic automobile production temporarily went into a sharp decline. In September, it recovered to the same level as September of the previous year, but this was not sufficient to compensate for the decline. Domestic sales thus declined 15.9% year-on-year. Additionally, regarding overseas markets, though there were regional differences, production volumes were consistently on a recovery trend, with China, in particular, continuing to demonstrate a steady recovery. However, the impact of production cuts and decline in sales due to global lockdowns was large. Overseas sales therefore declined 37.8% year-on-year.

In the traffic facilities business, demand for interior fittings for railway vehicles dropped due to fewer passengers on public transportation attributable to the promotion of telework. Furthermore, new bus production volume plunged due to significantly diminished domestic travel and inbound foreign tourists. As a result, net sales for the traffic facilities business as a whole fell below the level of the same period of the previous year.

(Functional Materials Segment)



While sales of deodorant filters for air purifiers and floor materials for bathrooms grew steadily, new orders received in the current fiscal period for electric carpets, one of our core products, plummeted due to the warm winter in the previous fiscal period.

Net sales declined 25.2% year on year to 2,067 million yen, and operating income declined 69.4% year on year to 52 million yen, reflecting sluggish sales of roofing materials, civil engineering materials, interior materials for airplanes and others.

(2) Explanation of financial position

(i) Financial position

Total assets at the end of the consolidated fiscal period under review amounted to 86,296 million yen, an increase of 23 million yen from the end of the previous consolidated fiscal year, due to an increase in cash and deposits and notes and accounts receivable-trade despite a decrease in inventories and investment securities.

Liabilities grew to 54,280 million yen, an increase of 589 million yen, due to an increase in long-term loans payable despite a decrease in notes and accounts payable-trade and short-term loans payable.

Net assets shrank to 32,015 million yen, a decrease of 566 million yen, due to a decrease in retained earnings.

(ii) Cash flows

Cash and cash equivalents at the end of second quarter of the consolidated fiscal year amounted to 12,870 million yen, up 2,560 million yen from the end of the previous fiscal year. A summary of the cash flow situation is provided as follows:

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 90 million yen (2,408 million yen provided in the same period of the previous year) due to depreciation of 976 million yen and a decrease in inventories of 1,733 million yen, despite a decrease in notes and accounts payable-trade of 2,486 million yen.

(Cash flows from investing activities)

Net cash provided by investing activities amounted to 646 million yen (1,335 million yen used in the same period of the previous year) due to proceeds from sales and redemption of investment securities of 1,005 million yen, despite purchase of property, plant and equipment of 470 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to 1,814 million yen (1,076 million yen used in the same period of the previous year) due to proceeds from long-term loans payable of 5,200 million yen, despite a net decrease in short-term loans payable of 1,887 million yen and repayments of long-term loans payable of 909 million yen.

(3) Explanation of future forecast information including forecast of consolidated business results

The announcement of the forecast of consolidated financial results for the fiscal year ending May 2021 had been postponed as it was difficult to estimate the impact of COVID-19 on the Group's business.

It is difficult to predict the end of the COVID-19 pandemic both in Japan and overseas and the challenging situation is expected to continue in industries related to the Group's business. In order to vigorously overcome the challenges and grow as a company, it is important to develop the market for ESG-based products and global management, which the Group has been working on. While working on the expansion of sales for antibacterial and antiviral processing products, the need for which is increasing in each department, we are also working to strengthen cooperation among our overseas bases to create an optimal production system.

Taking into account the current business trends, we plan to achieve net sales of 81,400 million yen, operating income of 868 million yen, ordinary income of 860 million yen, and profit attributable to owners of parent of 85 million yen in the fiscal year ending May 2021. For details, please refer to the "Notice Regarding Full-Year Financial Result Forecast, Dividend from Surplus (Interim Dividend), and Year-end Dividend Forecast" announced today. (The notice is available only in Japanese.)

2. Consolidated quarterly financial statements and major notes

(1) Consolidated quarterly balance sheet

(Unit: million yen)

	FY2020 (As of May 31, 2020)	Q2 of FY2021 (As of November 30, 2020)
Assets		
Current assets		
Cash and deposits	10,500	13,101
Notes and accounts receivable-trade	14,502	15,322
Electronically recorded monetary claims - operating	6,469	6,061
Merchandise and finished goods	10,422	8,888
Work in process	1,669	1,424
Raw materials and supplies	2,847	2,852
Others	2,299	2,490
Allowance for doubtful accounts	(23)	(26)
Total current assets	48,688	50,114
Non-current assets		
Property, plant and equipment		
Land	17,602	17,597
Other, net	9,858	9,129
Total property, plant and equipment	27,460	26,726
Intangible assets		
Investments and other assets	1,598	1,614
Investment securities	5,987	4,743
Deferred tax assets	1,395	1,834
Other	1,299	1,425
Allowance for doubtful accounts	(157)	(163)
Total investments and other assets	8,525	7,840
Total non-current assets	37,584	36,181
Total assets	86,272	86,296

(Unit: million yen)

	FY2020 (As of May 31, 2020)	Q2 of FY2021 (As of November 30, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,161	11,982
Electronically recorded obligations - operating	5,135	4,081
Short-term loans payable	10,858	9,624
Current portion of bonds payable	—	500
Income taxes payable	592	419
Other	4,120	4,541
Total current liabilities	33,868	31,149
Non-current liabilities		
Bonds payable	1,500	1,000
Long-term loans payable	7,825	11,785
Deferred tax liabilities	332	306
Provision for directors' retirement benefit	103	142
Net defined benefit liability	4,223	4,204
Other	5,837	5,692
Total non-current liabilities	19,821	23,130
Total liabilities	53,690	54,280
Net assets		
Shareholders' equity		
Capital stock	9,554	9,554
Capital surplus	2,651	2,640
Retained earnings	10,452	10,005
Treasury shares	(4,017)	(3,988)
Total shareholders' equity	18,641	18,211
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,434	1,208
Deferred gains or losses on hedges	2	(5)
Revaluation reserve for land	7,797	7,797
Foreign currency translation adjustment	331	288
Remeasurements of defined benefit plans	(208)	(189)
Total accumulated other comprehensive income	9,357	9,099
Non-controlling interests	4,583	4,705
Total net assets	32,582	32,015
Total liabilities and net assets	86,272	86,296

(2) Consolidated quarterly statement of income and comprehensive income

Consolidated quarterly statement of income

(The second quarter of FY2021)

(Unit: million yen)

	Q2 of FY2020 (June 1, 2019 to November 30, 2019)	Q2 of FY2021 (June 1, 2020 to November 30, 2020)
Net sales	48,602	37,567
Cost of sales	38,594	29,743
Gross profit	10,007	7,823
Selling, general and administrative expenses	8,816	7,803
Operating income	1,190	20
Non-operating income		
Interest income	8	9
Dividend income	84	71
Real estate rent	134	134
Other	77	127
Total non-operating income	305	343
Non-operating expenses		
Interest expenses	143	118
Share of loss of entities accounted for using equity method	53	184
Foreign exchange losses	86	17
Rent expenses on real estates	16	16
Other	64	33
Total non-operating expenses	365	369
Ordinary income (loss)	1,130	(5)
Extraordinary income		
Gain on sales of non-current assets	2	3
Gain on sales of investment securities	103	830
Total extraordinary income	105	833
Extraordinary loss		
Loss on sales and retirement of non-current assets	26	10
Impairment loss	—	280
Loss on valuation of investment securities	—	558
Total extraordinary loss	26	849
Profit (loss) before income taxes	1,210	(21)
Income taxes – current	527	382
Income taxes – deferred	(53)	(195)
Total income taxes	473	187
Profit (loss)	736	(208)
Profit attributable to non-controlling interests	262	143
Profit (loss) attributable to owners of parent	474	(352)

Consolidated quarterly statements of comprehensive income
(The second quarter of FY2021)

(Unit: million yen)

	Q2 of FY2020 (June 1, 2019 to November 30, 2019)	Q2 of FY2021 (June 1, 2020 to November 30, 2020)
Profit (loss)	736	(208)
Other comprehensive income		
Valuation difference on available-for-sale securities	628	(225)
Deferred gains or losses on hedges	10	(9)
Foreign currency translation adjustment	(265)	(12)
Remeasurements of defined benefit plans, net of tax	21	18
Share of other comprehensive income of entities accounted for using equity method	1	1
Total other comprehensive income	396	(227)
Comprehensive income	1,133	(436)
Comprehensive income attributable to:		
Owners of parent	908	(611)
Non-controlling interests	224	175

(3) Consolidated quarterly statement of cash flows

(Unit: million yen)

	Q2 of FY2020 (June 1, 2019 to November 30, 2019)	Q2 of FY2021 (June 1, 2020 to November 30, 2020)
Cash flows from operating activities		
Profit (loss) before income taxes	1,210	(21)
Depreciation	966	976
Impairment loss	—	280
Increase (decrease) in net defined benefit liability	29	(5)
Increase (decrease) in provision for directors' retirement benefits	2	4
Increase (decrease) in allowance for doubtful accounts	9	8
Interest and dividend income	(93)	(81)
Interest expenses	143	118
Share of loss (profit) of entities accounted for using equity method	53	184
Loss (gain) on sales and retirement of non-current assets	23	7
Loss (gain) on sales of investment securities	(103)	(830)
Loss (gain) on valuation of investment securities	—	558
Decrease (increase) in notes and accounts receivable - trade	(3,032)	(47)
Decrease (increase) in inventories	259	1,733
Increase (decrease) in notes and accounts payable - trade	2,338	(2,486)
Decrease (increase) in consumption taxes refund receivable	13	68
Increase (decrease) in accrued consumption taxes payable	47	31
Decrease (increase) in other current assets	323	(513)
Increase (decrease) in other current liabilities	677	675
Other	(123)	(116)
Subtotal	2,748	544
Interest and dividend income received	93	81
Interest expenses paid	(145)	(109)
Income taxes paid	(387)	(460)
Income taxes refund	100	34
Net cash provided by (used in) operating activities	2,408	90
Cash flows from investing activities		
Payments into time deposits	(150)	(150)
Proceeds from withdrawal of time deposits	124	161
Purchase of securities	(9)	(11)
Proceeds from sales and redemption of securities	11	15
Purchase of property, plant and equipment	(993)	(470)
Proceeds from sales of property, plant and equipment	67	12
Purchase of intangible assets	(280)	(132)
Purchase of investment securities	(8)	(8)
Proceeds from sales and redemption of investment securities	175	1,005
Purchase of shares of subsidiaries and associates	(272)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	229
Payments of loans receivable	(2)	(6)
Collection of loans receivable	1	1
Net cash provided by (used in) investing activities	(1,335)	646

(Unit: million yen)

	Q2 of FY2020 (June 1, 2019 to November 30, 2019)	Q2 of FY2021 (June 1, 2020 to November 30, 2020)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,627	(1,887)
Proceeds from long-term loans payable	—	5,200
Repayments of long-term loans payable	(721)	(909)
Repayments of lease obligations	(448)	(385)
Purchase of treasury shares	(971)	(0)
Proceeds from sales of treasury shares	—	18
Cash dividends paid	(239)	(94)
Cash dividends paid to non-controlling interests	(323)	(127)
Net cash provided by (used in) financing activities	(1,076)	1,814
Effect of exchange rate change on cash and cash equivalents	(82)	9
Net increase (decrease) in cash and cash equivalents	(85)	2,560
Cash and cash equivalents at beginning of period	7,754	10,309
Cash and cash equivalents at end of period	7,669	12,870

(4) Major notes on consolidated quarterly financial statements

(Notes on assumption of going concern)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Additional information)

The Group has made accounting estimates regarding the recoverability of deferred tax assets and impairment accounting for non-current assets, assuming that the impact of the COVID-19 pandemic will continue for about one year from the end of the fiscal year ended May 2020, and reflected them in the accounting process.

There have been no significant changes to what was presented in the additional information in the Annual Securities Report for the fiscal year ended May 2020.

(Segment information)

I Q2 of FY2020 (June 1, 2019 to November 30, 2019)

1. Information on net sales and income or loss by reportable segment

(Unit: million yen)

	Reportable Segments				Other (Note 1)	Total	Adjustment (Note 2)	Figures in consolidated quarterly statement of income (Note 3)
	Interior Fittings	Automotive Textiles and Traffic Facilities	Functional Materials	Total				
Net sales								
Net sales to outside customers	16,938	28,824	2,763	48,527	74	48,602	—	48,602
Inter-segment sales and transfers	365	3	0	369	84	453	(453)	—
Total	17,304	28,827	2,764	48,897	158	49,056	(453)	48,602
Segment income	265	1,609	171	2,046	35	2,081	(890)	1,190

(Note) 1. *Other* represents businesses that are not included in reportable segments, such as the physical property and performance inspection businesses.

2. Adjustment of -890 million yen in segment income includes eliminations among segments of 2 million yen and corporate expenses unallocated to relevant reportable segments of -893 million yen. Unallocated corporate expenses mainly consist of expenses for the Administrative division and R&D division that do not belong to any reportable segment.

3. Segment income is adjusted with operating income in consolidated quarterly statement of income.

2. Information on impairment loss on non-current assets or goodwill, etc. by reportable segment

Omitted as it is not significant.

II Q2 of FY2021 (June 1, 2020 to November 30, 2020)

1. Information on net sales and income or loss by reportable segment

(Unit: million yen)

	Reportable Segments				Other (Note 1)	Total	Adjustment (Note 2)	Figures in consolidated quarterly statement of income (Note 3)
	Interior Fittings	Automotive Textiles and Traffic Facilities	Functional Materials	Total				
Net sales								
Net sales to outside customers	14,882	20,406	2,067	37,356	210	37,567	—	37,567
Inter-segment sales and transfers	321	0	0	322	84	406	(406)	—
Total	15,203	20,407	2,068	37,679	294	37,973	(406)	37,567
Segment income	233	546	52	833	37	870	(850)	20

(Note) 1. *Other* represents businesses that are not included in reportable segments, such as the physical property and performance inspection businesses.

2. Adjustment of -850 million yen in segment income includes eliminations among segments of 12 million yen and corporate expenses unallocated to relevant reportable segments of -863 million yen. Unallocated corporate expenses mainly consist of expenses for the Administrative division and R&D division that do not belong to any reportable segment.

3. Segment income is adjusted with operating income in consolidated quarterly statement of income.

2. Information on impairment loss on non-current assets or goodwill, etc. by reportable segment

Impairment loss on non-current assets has been recorded in the Interior Fittings Segment, the Automotive Textiles and Traffic Facilities Segment, the Functional Materials Segment, Other, and corporate assets that are not allocated to any reportable segment. The amount of the impairment loss recorded for the six months ended November 30, 2020 was 129 million yen in the Interior Fittings Segment, 106 million yen in the Automotive Textiles and Traffic Facilities Segment, 4 million yen in the Functional Materials Segment, 1 million yen in Other, and 38 million yen in corporate assets that are not allocated to any reportable segment.