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For Immediate Release

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(Securities Code: 3501, Prime Market, TSE)
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Notice on the Revisions to the Business Forecast and Dividend Forecast

Suminoe Textile Co., Ltd. (hereinafter, "the Company") announces that it has revised the forecasts for consolidated business results and dividend forecast for the full year of the fiscal year ending May 31, 2023 announced on July 15, 2022, considering the current trend of business performance.

Details

1. Revision of forecasts of consolidated business results for the fiscal year ending May 31, 2023 (June 1, 2022 to May 31, 2023)

	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	
Previous forecast (announced on July 15, 2022) (A)	89,000	1,700	1,800	500	78	86
Revised forecast (B)	94,000	1,100	1,300	200	31	55
Difference (B - A)	5,000	(600)	(500)	(300)	—	—
Percentage change (%)	5.6	(35.3)	(27.8)	(60.0)	—	—
(Reference) Business results for the previous year (FY2022)	81,713	110	950	281	44	44

2. Reasons for revision of the forecast

Net sales are expected to exceed the forecast announced on July 15, 2022, due partly to favorable foreign exchange rates. Meanwhile, regarding profit, while we are passing the rising raw material prices and energy and distribution costs on to our customers, it is likely that the impact of rising costs will be significant during the fiscal year under review. Furthermore, in the Automotive Textiles and Traffic Facilities Segment, it is expected that profit will be affected by the decrease in the planned production units of Japanese automobile manufacturers and the status of sluggish production of Japanese cars in China. Regarding products relating to "Notice concerning Our Antivirus Products" (available only in Japanese) dated November 17, 2022, we have sequentially disclosed the relevant products from among those with confirmed antivirus performance. As a result, operating income and ordinary income are expected to fall short of the initially announced forecast due to the cost of these countermeasures. Profit attributable to owners of parent is also expected to fall below the initial forecast due to impairment loss on property, plant and equipment recorded as

extraordinary loss, such as buildings, structures, etc. incidental to the relevant land as a result of transfer of non-current assets.

*Although the plan for the fiscal year ending May 2024 is currently being tabulated, it is expected that profits will significantly improve on the back of the following observations: In the Automotive Textiles and Traffic Facilities Segment, a North American subsidiary, which was one of our concerns, is almost certain to achieve profitability and the production volume of Japanese car manufacturers recovered; the demand for our interior products for railway vehicles and buses recovered; robust order receipts are expected in the Interior Fittings Segment; and raw material prices and energy costs will be further passed on to selling prices.

3. Revision of dividend forecast for the fiscal year ending May 31, 2023

	Dividend per share					
	Second quarter		End of the year		Annual	
	Yen		Yen		Yen	
Previous forecast (announced on July 15, 2022)	—		35 00		70 00	
Revised forecast	—		20 00		55 00	
Actual results for the current year (FY2023) (Reference)	35 00		—		—	
Actual results for the previous year (FY2022)	35 00		35 00		70 00	

4. Reasons for revision of the forecast

We position profit distribution to shareholders as one of our important management themes, and it is our basic policy to implement appropriate profit distributions while taking into consideration the payment of stable dividends and the trend of our business performance.

However, we regret to announce that, as a result of the revisions to the full-year business forecast announced recently, the year-end dividend for the fiscal year ending May 2023 will be reduced to 20 yen per share, a decrease of 15 yen from the previous dividend forecast. As a consequence, the full-year dividend will be 55 yen per share, including the interim dividend of 35 yen per share.

*The above-mentioned forecasts of performance are based on currently available information. The actual performance may be significantly different from the forecasts due to various factors.