



Consolidated Financial Results for the Second Quarter of Fiscal Year 2025 (Japanese GAAP)

January 14, 2025

Listed company name SUMINOE Co., Ltd. Listed on the Tokyo Stock Exchange
Code number 3501 URL: <https://suminoe.co.jp/>
Representative (Title) President (Name) Teppei Nagata
Responsible contact person (Title) Operating Officer, General Manager, Corporate Planning Department
(Name) Akihide Mizuno (Phone) +81-6-6251-6803
Scheduled date of filing of quarterly report: January 14, 2025 Scheduled date of dividend payment: February 12, 2025
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 FY2025 (June 1, 2024 to November 30, 2024)

(1) Consolidated Operating Results (accumulation) (% indicate year-on-year changes)

	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, 2025	50,698	(1.4)	742	(47.2)	446	(73.6)	65	(91.3)
Q2 of FY ended May 31, 2024	51,409	13.2	1,405	—	1,693	—	753	—

(Note) Comprehensive income Q2 of FY ending May 31, 2025: (467) million yen (—%)
Q2 of FY ended May 31, 2024: 2,431 million yen (208.7%)

	Profit per share Basic	Profit per share Diluted
	Yen	Yen
Q2 of FY ending May 31, 2025	9.78	—
Q2 of FY ended May 31, 2024	116.07	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Q2 of FY ending May 31, 2025	92,085	36,532	33.3
FY2024	92,199	37,687	34.7

(Reference) Shareholders' equity Q2 of FY ending May 31, 2025: 30,706 million yen FY2024: 32,038 million yen

2. Dividend Information

	Dividend per share				
	First quarter	Second quarter	Third quarter	End of the year	Annual
	Yen	Yen	Yen	Yen	Yen
FY2024	—	35.00	—	35.00	70.00
FY2025	—	40.00	—	—	—
FY2025 (Forecast)	—	—	—	20.00	—

(Note) Revision of the latest dividend forecast: Yes

* As the Company plans to conduct a two-for-one stock split for its common stock effective March 1, 2025, the amount of year-end dividend per share in its forecast for the fiscal year ending May 2025 represents the amount after considering the impact of the stock split, and the total annual dividend is not calculated in the forecast. If the impact of the stock split is not considered, the year-end dividend per share in the forecast for the fiscal year ending May 2025 would be 40.00 yen, and the total annual dividend per share would be 80.00 yen. For more details, please refer to "Explanation on the appropriate use of forecasts and other special issues."

3. Forecast of Consolidated Financial Results for FY2025 (June 1, 2024 to May 31, 2025)

(% indicate year-on-year changes)

Full 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
	105,300	1.8	3,300	(0.0)	3,400	(7.3)	1,500	71.5	112.37

(Note) Revision of the latest forecasts of operational results: No

* The profit per share in our forecast of full year consolidated financial results for the fiscal year ending May 2025 shown above has considered the impact of the stock split. If the impact of the stock split is not considered, the full-year profit per share would be 224.74 yen. For more details, please refer to “Explanation on the appropriate use of forecasts and other special issues.”

*Notes

(1) Major changes in significant consolidated subsidiaries during the period: Yes

Addition to the scope of consolidation: 1 (Company Name: WAKATAKE Inc.) Reduction from the scope of consolidation: —

(Note) For more details, please refer to “2. Interim Consolidated Financial Statements and Major Notes (4) Major Notes on Interim Consolidated Financial Statements (Change in the scope of consolidation or the application of equity method)” on page 13 of the Accompanying Materials to this Summary of Quarterly Consolidated Financial Statement.

(2) Application of special accounting methods for preparing interim 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 (cumulative from the beginning of the fiscal year)

Q2 of FY2025	7,682,162 shares	FY2024	7,682,162 shares
Q2 of FY2025	1,059,757 shares	FY2024	926,816 shares
Q2 of FY2025	6,718,753 shares	Q2 of FY2024	6,491,584 shares

(Note) Interim consolidated financial results are not subject to the review by certified public accountants or an audit corporation.

(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.

(Forecasts of dividends and financial results after the stock split)

The Board of Directors of the Company, at its meeting held today, has approved a two-for-one stock split for the Company’s common stock, which is scheduled to take effect on March 1, 2025.

The forecasts for the dividend and consolidated financial forecast for the fiscal year ending May 2025 without considering the stock split are as follows.

1. Dividend forecast for FY2025
 - Dividends per share
 - End of the year 40.00 yen
 - Annual 80.00 yen
2. Forecast of consolidated financial results for FY2025
 - Profit per share Basic
 - Full year 224.74 yen

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1. Overview of Operating Results

(1) Overview of Operating Results for the Interim Period

During the current consolidated interim accounting period, the Japanese economy recovered at a moderate pace as capital investment remaining stable on the back of healthy corporate earnings and the employment and income environment improved due to wage increases. However, the economic environment remains a concern due to the impact of the unstable international situation, the effects of prolonged soaring raw material and energy costs, the continued high interest rate levels in Europe and the United States, and the slowdown in the Chinese economy etc.

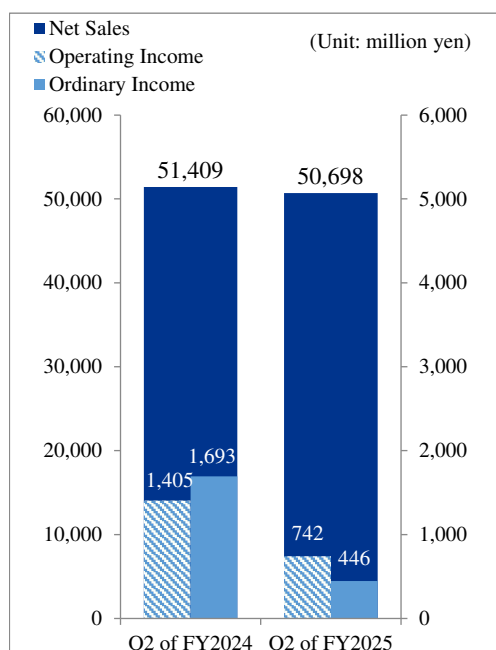
In the interior industry, which relates to the Company's business, the domestic new housing starts were down 2.9% year on year, and the floor area of nonresidential construction starts were decreased by 10.7% year on year. In the automotive industry, automobile production in the Japanese market decreased by 7.6% year on year, and overseas production also declined.

Under the policy set forth in "STEP II (2025-2027)," which is for the last three years of its medium- to long-term management targets "SUMINOE GROUP WAY 2022-2024-2027," the Group is promoting various measures based on the understanding that these three years are the period in which the Group will make steady progress in improving its capabilities and demonstrating its true strength.

During the current consolidated interim accounting period, in the Automotive Textiles and Traffic Facilities Segment, efforts were continued from the previous fiscal year for products for automobiles to prepare for the start of mass production at a new synthetic leather plant constructed by a Mexican subsidiary. At the same time, construction work is underway to build a production system for carpets for automobiles and car mats at the Vietnam base, which has served as the main manufacturing plant for fabric-coated heating products of the Functional Materials Segment. Under the new production system, mass production is scheduled to start by the end of the current fiscal year. These are part of our ongoing efforts to improve the profitability of the Vietnam base and to strengthen our global optimal supply system. In order to market the strengths of the SUMINOE GROUP to secure future orders, we also made presentations to introduce sustainable new materials and new technologies and propose total coordination to Japanese automakers in Japan and overseas under the theme of "Liberate: Freedom from time and space constraints." We will continue to work to improve our technological strengths and ability to make proposals. In the traffic facilities business, interior products as well as safety products, such as escape ladders, were adopted by many railway companies as the Group proposed a wide range of products leveraging its strength as the company with the largest market share. In the Interior Fittings Segment, curtains and roll carpets were adopted by many hotels as the number of their renovation projects increased in response to the recovery of inbound demand. The Group aims to expand its market share by proposing products that combine the traditional technology of Dantsu (hand-woven knotted carpets or rugs), which was its founding business, with new ideas and technological development.

On December 2, 2024, the Company changed its trade name from "Suminoe Textile Co., Ltd." to "SUMINOE Co., Ltd." In conjunction with this, the trade name of "SUMINOE Co., Ltd.," the core company in the Interior Fittings Segment, was also changed to "SUMINOE Interior Products Co., Ltd." Prior to the change of its trade name, the Company released a video presenting the history and future vision of the SUMINOE GROUP and held a press conference on November 28 to announce the trade name change. We also aim to increase awareness and expand our customer base through advertising in newspapers, transit advertising, etc. Taking the change of trade name as an opportunity, the Company will promote activities to realize full-scale overseas expansion while working to increase the profitability and competitiveness of each business, including non-textile businesses, in order to take on the challenge of creating new value for the world.

Under these circumstances, our consolidated results for the interim accounting period are as follows.

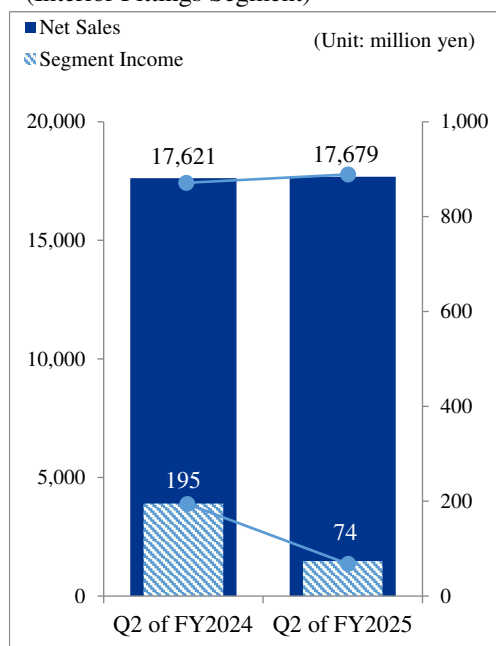


In the Automotive Textiles and Traffic Facilities Segment, while we responded appropriately to the continuing recovery trend in demand for interior products for railways and buses, we were affected by the decline in production volume of Japanese automakers, and in the Interior Fittings Segment, sales for general households were sluggish, resulting in net sales of 50,698 million yen, down 1.4% year on year. Operating income decreased by 47.2% year on year to 742 million yen due to the impact of soaring raw material prices and increased transportation costs, in addition to lower sales. Ordinary income decreased by 73.6% year on year to 446 million yen, and profit attributable to owners of parent decreased by 91.3% year on year to 65 million yen due to the recording of foreign exchange losses due to recent fluctuations in foreign exchange rates and share of loss of entities accounted for using equity method in non-operating expenses.

The performance by segment is as described below.

Segments	Net sales		Operating income (loss)	
	Amount (Million yen)	YY Change (%)	Amount (Million yen)	YY Change (%)
Interior Fittings	17,679	+0.3	74	(61.6)
Automotive Textiles and Traffic Facilities	31,157	(1.2)	1,707	(19.8)
Functional Materials	1,636	(20.9)	(31)	—
Other	225	+20.8	36	+6.4
Total	50,698	(1.4)	1,787	(26.9)
Adjustment	—	—	(1,045)	—
Consolidated	50,698	(1.4)	742	(47.2)

(Interior Fittings Segment)



Net sales increased by 0.3% year-on-year to 17,679 million yen due to sluggish sales of household carpets and other household products, as well as an increase in the number of carpet tiles delivered to the property and strong orders for roll carpets, mainly in the middle- to high-end product range. Segment income decreased by 61.6% year-on-year to 74 million yen due to a decline in sales of household carpets and the impact of prolonged high raw material and energy prices.

In commercial carpets, the environmental initiatives of *ECOS®*, eco-friendly carpet tiles under the horizontal recycling system, sold by SUMINOE Interior Products Co., Ltd., have spread throughout Japan, and overseas sales have also been strong, also the sale volume of roll carpets for hotels increased owing to our accumulated technical strength and credibility. As a result, net sales of commercial carpets as a whole grew by 4.0 % year on year.

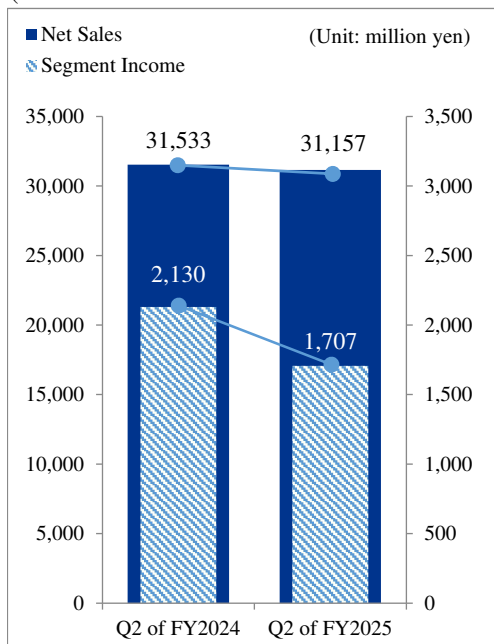
In household carpets, although we focus on developing new sales channels for high-grade rug mats and other products and revising sales strategies, net sales were down 12.8% year on year as the market continued to stagnate.

In curtains, sales of *Face® Vol. 20.1*, curtains for medical, welfare and educational institutions, showed steady growth, sales to households were weak. As a result, net sales of curtains as a whole were down 1.2% year on year.

In wall coverings, while sales of fusuma paper and other products were sluggish, wallpaper catalogue sales remained strong due to a last-minute surge in demand before the price revision applicable to shipments in and after December. As a result, net sales of wall coverings as a whole grew by 0.2% year on year.

In the space design business, orders for commercial facilities and interior options for high-rise apartment buildings increased. As a result, net sales increased by 7.2% year on year.

(Automotive Textiles and Traffic Facilities Segment)

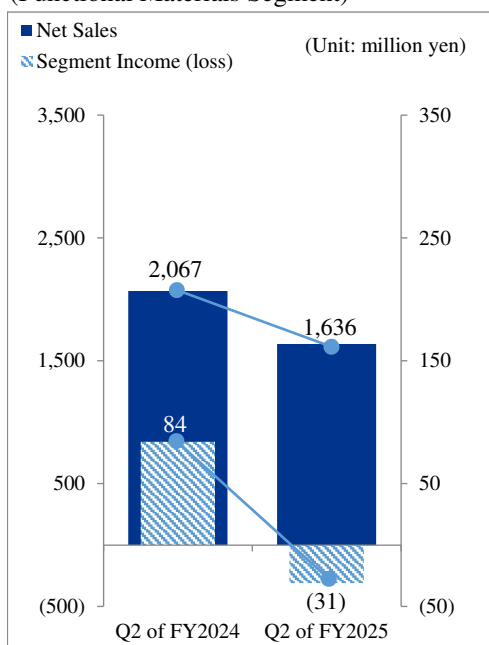


While we steadily responded to recovering demand for interior products for railways and buses with group collaboration, the decline in production volume of Japanese automakers in Japan and overseas had an impact. As a result, net sales of the Automotive Textiles and Traffic Facilities Segment as a whole decreased by 1.2% year-on-year to 31,157 million yen. Segment income decreased by 19.8% year on year to 1,707 million yen due to lower sales and higher transportation costs.

In the automotive textiles business, domestic sales decreased by 3.0% year-on-year due to a decline in sales of ordered models. Overseas, in addition to the contribution of foreign exchange rates at each overseas base, at North and Central American bases, sales were affected by production adjustment arising from remodeling of certain models, although sales of carpets and car mats were firm. Furthermore, the acceleration of the shift to EVs in China and the slump in sales volume of Japanese automakers due to social conditions in Southeast Asian countries had an impact. As a result, overseas sales decreased by 2.0% year on year.

In the traffic facilities business, sales of products for railway vehicles increased over the year on year due to quickly respond to the railway renewal works due to an increase in the number of passengers using public transportation reflecting more opportunities to go out, through collaboration with Seki Textile Co., Ltd., which was converted into a subsidiary. Moreover, our interior products for buses performed well as we steadily captured demand for such products for sightseeing buses, which has shown signs of recovery, following fixed-route buses. As a result, net sales of the traffic facilities business as a whole exceeded the results for the same period of the previous fiscal year.

(Functional Materials Segment)



In deodorizing filters, sales increased year-on-year due to an increase in shipments, mainly filters for air purifiers, due to the acceleration of delivery times. In addition, sales of various functional materials such as *SUMITRON*®, polyester fiber yarn made of chips recycled from used PET bottles, were also strong. However, sales of fabric-coated heating products such as electric carpets, one of our core products, were lower than the same period of the previous fiscal year as the number of new orders decreased due to inventory adjustment at customers arising from mild winters in recent years. In floor materials for bathrooms, sales also declined year-on-year due to the one of our main customers started placing orders with other companies for some models as a result of a change in its production system. Therefore, net sales of the Functional Materials Segment as a whole decreased by 20.9% year on year to 1,636 million yen and segment loss was 31 million yen (segment income of 84 million yen in the same period of the previous fiscal year).

(2) Overview of Financial Position for the Interim Period

(i) Financial position

Total assets at the end of the current interim consolidated accounting period were 92,085 million yen, down 113 million yen from the end of the previous consolidated fiscal year, due to a decrease in investment securities.

Liabilities grew to 55,553 million yen, an increase of 1,041 million yen, due to an increase in loans payable.

Net assets shrank to 36,532 million yen, a decrease of 1,155 million yen, due to a decrease in valuation difference on available-for-sale securities.

(ii) Cash flows

Cash and cash equivalents at the end of the current interim consolidated accounting period amounted to 7,965 million yen, down 187 million yen from the end of the previous consolidated fiscal year. A summary of the cash flow situation is provided as follows:

(Cash flows from operating activities)

Net cash used in operating activities amounted to 1,130 million yen (2,914 million yen provided in the same period of the previous year) due to an increase notes and accounts receivable - trade.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 549 million yen (694 million yen used in the same period of the previous year) due to purchase of non-current asserts.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to 1,470 million yen (424 million yen provided in the same period of the previous year) due to an increase in loans payable.

(3) Explanation of Future Forecast Information Including Forecast of Consolidated Financial Results

There are no modifications to the forecasts for the full year of the fiscal year ending May 31, 2025 announced on July 12, 2024. If it becomes necessary to revise the forecasts in view of the future trend in our financial results, the revision will be disclosed promptly.

2. Interim Consolidated Financial Statements and Major Notes

(1) Interim Consolidated Balance Sheets

(Unit: million yen)

	FY2024 (As of May 31, 2024)	Q2 of FY2025 (As of November 30, 2024)
Assets		
Current assets		
Cash and deposits	8,303	8,115
Notes and accounts receivable - trade, and contract assets	15,665	16,277
Electronically recorded monetary claims - operating	7,764	8,867
Merchandise and finished goods	9,657	9,680
Work in process	2,362	2,387
Raw materials and supplies	4,312	4,177
Other	2,954	3,569
Allowance for doubtful accounts	(69)	(62)
Total current assets	50,949	53,012
Non-current assets		
Property, plant and equipment		
Land	15,652	15,630
Other, net	15,262	14,835
Total property, plant and equipment	30,914	30,465
Intangible assets	1,510	1,470
Investments and other assets		
Investment securities	6,396	4,479
Deferred tax assets	1,304	1,539
Other	1,266	1,260
Allowance for doubtful accounts	(142)	(142)
Total investments and other assets	8,824	7,137
Total non-current assets	41,249	39,072
Total assets	92,199	92,085

(Unit: million yen)

	FY2024 (As of May 31, 2024)	Q2 of FY2025 (As of November 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,519	10,569
Electronically recorded obligations - operating	8,200	9,446
Short-term loans payable	8,249	11,745
Income taxes payable	812	455
Provision for loss on sales of shares of subsidiaries and associates	903	—
Other	5,794	5,378
Total current liabilities	35,479	37,595
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term loans payable	8,840	7,989
Deferred tax liabilities	313	323
Provision for directors' retirement benefit	90	59
Net defined benefit liability	3,956	3,903
Other	4,830	4,681
Total non-current liabilities	19,031	17,958
Total liabilities	54,511	55,553
Net assets		
Shareholders' equity		
Capital stock	9,554	9,554
Capital surplus	2,388	2,380
Retained earnings	12,198	12,022
Treasury shares	(2,709)	(2,975)
Total shareholders' equity	21,431	20,981
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,750	1,298
Deferred gains or losses on hedges	(1)	8
Revaluation reserve for land	6,283	6,283
Foreign currency translation adjustment	2,605	2,157
Remeasurements of defined benefit plans	(30)	(22)
Total accumulated other comprehensive income	10,607	9,725
Non-controlling interests	5,649	5,825
Total net assets	37,687	36,532
Total liabilities and net assets	92,199	92,085

(2) Interim Consolidated Statements of Income and Comprehensive Income
Interim Consolidated Statements of Income

(Unit: million yen)

	Q2 of FY2024 (June 1, 2023 to November 30, 2023)	Q2 of FY2025 (June 1, 2024 to November 30, 2024)
Net sales	51,409	50,698
Cost of sales	40,556	40,225
Gross profit	10,852	10,472
Selling, general and administrative expenses	9,447	9,730
Operating income	1,405	742
Non-operating income		
Interest income	13	15
Dividend income	54	67
Foreign exchange gains	220	—
Real estate rent	148	202
Other	147	148
Total non-operating income	584	434
Non-operating expenses		
Interest expenses	147	158
Share of loss of entities accounted for using equity method	91	75
Foreign exchange loss	—	312
Rent expenses on real estates	12	33
Other	45	148
Total non-operating expenses	296	729
Ordinary income	1,693	446
Extraordinary income		
Gain on sales of non-current assets	23	56
Gain on sales of investment securities	110	310
Reversal of provision for loss on sales of shares of subsidiaries and associates	—	75
Total extraordinary income	133	443
Extraordinary loss		
Loss on sales and retirement of non-current assets	14	15
Loss on valuation of investment securities	22	21
Loss on disaster	39	—
Total extraordinary loss	77	36
Profit before income taxes	1,749	853
Income taxes - current	578	499
Income taxes - deferred	41	(45)
Total income taxes	620	453
Profit	1,128	399
Profit attributable to non-controlling interests	375	333
Profit attributable to owners of parent	753	65

Interim Consolidated Statements of Comprehensive Income

(Unit: million yen)

	Q2 of FY2024 (June 1, 2023 to November 30, 2023)	Q2 of FY2025 (June 1, 2024 to November 30, 2024)
Profit	1,128	399
Other comprehensive income		
Valuation difference on available-for-sale securities	216	(452)
Deferred gains or losses on hedges	(14)	10
Foreign currency translation adjustment	1,084	(432)
Remeasurements of defined benefit plans	15	7
Share of other comprehensive income of entities accounted for using equity method	0	—
Total other comprehensive income	1,302	(867)
Comprehensive income	2,431	(467)
Comprehensive income attributable to:		
Owners of parent	1,956	(816)
Non-controlling interests	475	348

(3) Interim Consolidated Quarterly Statement of Cash Flows

	Q2 of FY2024 (June 1, 2023 to November 30, 2023)	Q2 of FY2025 (June 1, 2024 to November 30, 2024)
Cash flows from operating activities		
Profit before income taxes	1,749	853
Depreciation	1,133	1,098
Increase (decrease) in net defined benefit liability	(39)	(48)
Increase (decrease) in provision for directors' retirement benefits	(4)	(50)
Increase (decrease) in allowance for doubtful accounts	(1)	(4)
Increase (decrease) in provision for loss on sales of shares of subsidiaries and associates	—	(903)
Interest and dividend income	(68)	(83)
Interest expenses	147	158
Share of loss (profit) of entities accounted for using equity method	91	75
Share issuance cost	10	—
Loss (gain) on sales and retirement of non-current assets	(8)	(41)
Loss (gain) on sales of investment securities	(110)	(310)
Loss (gain) on valuation of investment securities	22	21
Decrease (increase) in notes and accounts receivable - trade	(1,724)	(1,574)
Decrease (increase) in inventories	655	(104)
Increase (decrease) in notes and accounts payable - trade	1,478	511
Decrease (increase) in consumption taxes refund receivable	(50)	(84)
Increase (decrease) in accrued consumption taxes payable	(26)	(53)
Decrease (increase) in other current assets	(591)	(779)
Increase (decrease) in other current liabilities	803	1,218
Other	79	13
Subtotal	3,545	(87)
Interest and dividend income received	63	84
Interest expenses paid	(142)	(165)
Income taxes paid	(596)	(964)
Income taxes refund	43	2
Net cash provided by (used in) operating activities	2,914	(1,130)
Cash flows from investing activities		
Payments into time deposits	(150)	(150)
Proceeds from withdrawal of time deposits	150	150
Purchase of securities	(5)	(1)
Proceeds from sales and redemption of securities	8	2
Purchase of property, plant and equipment	(976)	(585)
Proceeds from sales of property, plant and equipment	73	59
Payments for retirement of property, plant and equipment	(2)	(556)
Purchase of intangible assets	(87)	(184)
Purchase of investment securities	(8)	(55)
Proceeds from sales and redemption of investment securities	303	703
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	66
Payments of loans receivable	(0)	(0)
Collection of loans receivable	1	1
Other	0	0
Net cash provided by (used in) investing activities	(694)	(549)

(Unit: million yen)

	Q2 of FY2024 (June 1, 2023 to November 30, 2023)	Q2 of FY2025 (June 1, 2024 to November 30, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,702)	3,559
Proceeds from long-term loans payable	4,513	700
Repayments of long-term loans payable	(1,267)	(1,548)
Repayments of lease obligations	(442)	(394)
Purchase of treasury shares	(0)	(296)
Proceeds from sales of treasury shares	782	—
Proceeds from issuance of share acquisition rights	3	—
Cash dividends paid	(125)	(236)
Cash dividends paid to non-controlling interests	(335)	(313)
Net cash provided by (used in) financing activities	424	1,470
Effect of exchange rate change on cash and cash equivalents	182	21
Net increase (decrease) in cash and cash equivalents	2,826	(187)
Cash and cash equivalents at beginning of period	6,929	8,153
Cash and cash equivalents at end of period	9,756	7,965

(4) Major Notes on Interim Consolidated Financial Statements

(Notes on assumption of going concern)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Change in the scope of consolidation or the application of equity method)

As the Company acquired all issued shares of WAKATAKE Inc. based on the share transfer agreement concluded on June 7, 2024, the company has been included in the scope of consolidated interim accounting period of the fiscal year ending May 31, 2025. Sumisho Airbag Systems Co., Ltd., which was an entity accounted for using the equity method, has been excluded from the scope of application of the equity method starting from the current interim accounting period as a result of the transfer of its shares by the Company.

(Segment information)

I Q2 of FY2024 (June 1, 2023 to November 30, 2023)

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

(Unit: million yen)

	Reportable Segments				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded on the interim consolidated financial statements (Note 3)
	Interior Fittings	Automotive Textiles and Traffic Facilities	Functional Materials	Total				
Net sales								
Net sales to outside customers	17,621	31,533	2,067	51,223	186	51,409	—	51,409
Inter-segment sales and transfers	387	3	14	404	64	468	(468)	—
Total	18,008	31,536	2,081	51,627	250	51,878	(468)	51,409
Segment income	195	2,130	84	2,410	33	2,444	(1,038)	1,405

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

2. Adjustment of (1,038) million yen in segment income includes eliminations among segments of 48 million yen and corporate expenses unallocated to relevant reportable segments of (1,087) 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 interim consolidated statements 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 FY2025 (June 1, 2024 to November 30, 2024)

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

(Unit: million yen)

	Reportable Segments				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded on the interim consolidated financial statements (Note 3)
	Interior Fittings	Automotive Textiles and Traffic Facilities	Functional Materials	Total				
Net sales								
Net sales to outside customers	17,679	31,157	1,636	50,472	225	50,698	—	50,698
Inter-segment sales and transfers	410	13	45	469	64	533	(533)	—
Total	18,089	31,170	1,682	50,942	289	51,232	(533)	50,698
Segment income (loss)	74	1,707	(31)	1,751	36	1,787	(1,045)	742

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

2. Adjustment of (1,045) million yen in segment income (loss) includes eliminations among segments of 19 million yen and corporate expenses unallocated to relevant reportable segments of (1,064) 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 (loss) is adjusted with operating income in interim consolidated statements of income.

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

Omitted as it is not significant.