



## Consolidated Financial Results for the Fiscal Year 2025 (Japanese GAAP)

July 11, 2025

Listed company name SUMINOE Co., Ltd. Listed on the Tokyo Stock Exchange  
Code number 3501 URL: <https://suminoe.co.jp/>  
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Date of holding Annual General Meeting of Shareholders: August 28, 2025  
Scheduled date of dividend payment: August 29, 2025  
Scheduled date of filing of annual security report: August 27, 2025  
Preparation of supplementary explanatory documents for financial results: No  
Holding analyst meeting for 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 FY2025 (June 1, 2024 to May 31, 2025)

#### (1) Consolidated Operating Results (% 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	%
FY2025	104,791	1.3	3,001	(9.0)	2,514	(31.5)	669	(23.4)
FY2024	103,478	9.1	3,300	154.9	3,668	132.9	874	172.9

(Note) Comprehensive income FY2025: 622 million yen ((82.7)%) FY2024: 3,588 million yen (117.1%)

	Profit per share Basic	Profit per share Diluted	Ratio of profit to equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2025	50.18	—	2.1	2.7	2.9
FY2024	66.11	—	2.9	4.1	3.2

(Reference) Equity in earnings or losses of affiliates FY2025: (75) million yen FY2024: (261) million yen

\* As the Company conducted a two-for-one stock split for its common stock effective March 1, 2025, profit per share is calculated assuming the stock split was conducted at the beginning of the previous consolidated fiscal year.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Book-value per share
	Million yen	Million yen	%	Yen
FY2025	94,976	37,163	32.8	2,354.28
FY2024	92,199	37,687	34.7	2,371.35

(Reference) Shareholders' equity FY2025: 31,181 million yen FY2024: 32,038 million yen

\* As the Company conducted a two-for-one stock split for its common stock effective March 1, 2025, book-value per share is calculated assuming the stock split was conducted at the beginning of the previous consolidated fiscal year.

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
FY2025	2,283	(2,254)	773	8,697
FY2024	7,450	(2,323)	(4,204)	8,153

## 2. Dividend Information

	Dividend per share					Total annual dividends	Payout ratio (consolidated)	Dividend to equity ratio (consolidated)
	First quarter	Second quarter	Third quarter	End of the year	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2024	—	35.00	—	35.00	70.00	472	52.9	1.5
FY2025	—	40.00	—	20.00	—	529	79.7	1.7
FY2026 (Forecast)	—	21.50	—	21.50	43.00		38.0	

\* As the Company conducted a two-for-one stock split for its common stock effective March 1, 2025, the amount of year-end dividend per share for the FY2025 and forecast for the FY2026 represents the amount after considering the impact of the stock split, and the total annual dividend per share for FY2025 is shown as “—.” Please refer to “Explanation on the appropriate use of forecasts and other special issues” for the total annual dividend per share for the FY2025 and forecast for the FY2026 without considering stock split.

## 3. Forecast of Consolidated Financial Results for FY2026 (June 1, 2025 to May 31, 2026)

(% change from the previous 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
Interim	51,460	1.5	670	(9.7)	910	103.6	100	52.1	7.55
Full year	105,000	0.2	3,100	3.3	3,350	33.2	1,500	123.9	113.25

### \*Notes

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

Addition to the scope of consolidation: 2 (Company Name: WAKATAKE Inc., Bondtex Lamination de Mexico, S.A. de C.V.)

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

(Note) For more details, please refer to “3. Consolidated Financial Statements and Major Notes (5) Major Notes on Consolidated Financial Statements (Change in the scope of consolidation or the application of equity method)” on page 17 of the Accompanying Materials to this Summary of Consolidated Financial Statement.

#### (2) 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

#### (3) 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

FY2025	15,364,324 shares	FY2024	15,364,324 shares
FY2025	2,119,604 shares	FY2024	1,853,632 shares
FY2025	13,348,546 shares	FY2024	13,226,815 shares

(Note) As the Company conducted a two-for-one stock split for its common stock effective March 1, 2025, number of shares issued at the end of the period, number of treasury shares at the end of the period and average number of shares outstanding during the period are calculated assuming the stock split was conducted at the beginning of the previous consolidated fiscal year.

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Highlights for FY2025 (June 1, 2024 to May 31, 2025)

(1) Non-Consolidated Operating Results (% change from the previous fiscal year) (Figures in brackets are negative)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2025	18,754	(0.1)	(522)	—	551	(37.0)	361	—
FY2024	18,769	8.7	(569)	—	874	32.6	(286)	—

	Profit per share Basic	Profit per share Diluted
	Yen	Yen
FY2025	27.08	—
FY2024	(21.70)	—

\* As the Company conducted a two-for-one stock split for its common stock effective March 1, 2025, profit per share is calculated assuming the stock split was conducted at the beginning of the previous consolidated fiscal year.

(Reasons for the difference between non-consolidated financial results and those for the previous fiscal year)

As the Company has recognized foreign exchange loss in the fiscal year ended May 31, 2025 due to fluctuations in exchange rates, and extraordinary loss on valuation of shares of subsidiaries and associates arising from the share transfer of an entity accounted for using the equity method in the previous fiscal year. The difference between the ordinary income and profit for FY2025 and those for FY2024 is above a certain level.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Book-value per share
	Million yen	Million yen	%	Yen
FY2025	70,027	22,317	31.9	1,685.03
FY2024	69,241	23,262	33.6	1,721.78

(Reference) Shareholders' equity FY2025: 22,317 million yen FY2024: 23,262 million yen

\* As the Company conducted a two-for-one stock split for its common stock effective March 1, 2025, book-value per share is calculated assuming the stock split was conducted at the beginning of the previous consolidated fiscal year.

(Note) The summary of financial results is outside the scope of 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.

(The dividend and financial results after the stock split)

The Board of Directors of the Company, at its meeting held on January 14, 2025, approved a two-for-one stock split for the Company's common stock, which was scheduled to take effect on March 1, 2025.

The dividend and consolidated financial results for FY2025, and financial forecasts for FY2026 without considering the stock split are as follows.

- Dividend for FY2025  
Dividend per share  
End of the year 40.00 yen  
Annual 80.00 yen
- Consolidated financial results for FY2025  
Profit per share Basic  
Full year 100.36 yen
- Dividend forecast for FY2026  
Dividend per share  
Second quarter 43.00 yen  
End of the year 43.00 yen  
Annual 86.00 yen
- Forecasts of consolidated financial results for FY2026  
Profit per share Basic  
Second quarter (accumulation) 15.10 yen  
Full year 226.51 yen

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

During the consolidated fiscal year ended May 31, 2025 under review, thanks to strong corporate earnings, revitalization of capital investment, and an expansion in inbound demand, the economy remained resilient. However, the economic environment remains a concern due to the impact of the unstable international situation, and the prolonged soaring raw material and energy costs, as well as the need to monitor the trade policy trends of the new U.S. administration.

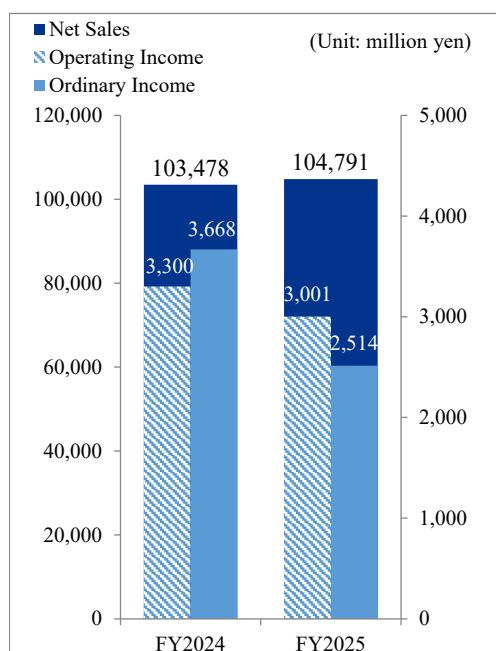
In the interior industry, which relates to the Company's business, the domestic new housing starts were down 4.0% year-on-year, and the floor area of nonresidential construction starts were decreased by 6.0% year-on-year. In the automotive industry, automobile production in the Japanese market decreased by 2.0% year-on-year, and overseas production also declined.

Under the policy set forth in "STEP II (2025-2027)," which was 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 consolidated fiscal year ended May 31, 2025, which was the first year of STEP II, in the Automotive Textiles and Traffic Facilities Segment, mass production has commenced at the synthetic leather plant newly established in our Mexican subsidiary. At the same time, we have been advancing the construction of 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 has started, and 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 under the theme of "Liberate: Freedom from time and space constraints." Those contributed to promote sales expansion to automakers in Japan and overseas and future strength our bases in North and Central America. In the traffic facilities business, by maintaining and improving the development and production system in an integrated manner through collaboration in manufacturing and sales, we have steadily responded to the demand associated with the increase in the number of passengers using railways and buses. we have made efforts to broaden our proposals by leveraging the largest market share, such as the implementation of many emergency escape ladders due to the strengthening of safety and disaster prevention measures by railway companies. In the Interior Fittings Segment, curtains and roll carpets were adopted by many hotels as the number of their openings and renovation projects increased in response to the recovery of inbound demand. In addition, the environmental initiatives of the *ECOS®*, eco-friendly carpet tiles under the horizontal recycling system, have also been recognized, and it was adopted in office buildings and educational facilities. Moreover, we strengthened the lineup of value-added products for the medium- to high-end range and worked to enhance the recognition of the SUMINOE brand.

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." 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 financial results for the fiscal year are as follows.

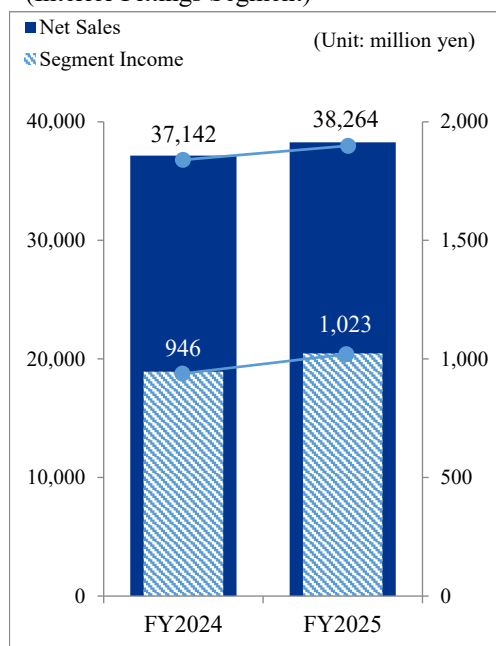


In the Automotive Textiles and Traffic Facilities Segment, while we responded appropriately to the continuing recovery trend in demand for interior products for railways and buses. Also, in the Interior Fittings Segment, the environmentally friendly and highly versatile *ECOS®*, eco-friendly carpet tiles under the horizontal recycling system, has been highly regarded, leading to an increase in the number of delivered projects, resulting in net sales of 104,791 million yen, up 1.3% year-on-year. Operating income decreased by 9.0% year-on-year to 3,001 million yen owing to the impact of decline in production efficiency due to fluctuations in production plans from automakers and the accompanying increase in logistics costs. Ordinary income decreased by 31.5% year-on-year to 2,514 million yen, and profit attributable to owners of parent decreased by 23.4% year-on-year to 669 million yen due to the recording of foreign exchange loss of a consolidated subsidiary and system failure response costs 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	38,264	+3.0	1,023	+8.1
Automotive Textiles and Traffic Facilities	63,478	+1.1	4,094	(7.5)
Functional Materials	2,566	(17.9)	(124)	—
Other	481	+18.1	86	+14.2
Total	104,791	+1.3	5,079	(5.6)
Adjustment	—	—	(2,077)	—
Consolidated	104,791	+1.3	3,001	(9.0)

(Interior Fittings Segment)



Net sales increased by 3.0% year-on-year to 38,264 million yen due to the number of delivery projects for carpet tiles for office buildings has increased and as the space design business, which designs entire “spaces,” also remained strong. Segment income increased by 8.1% year-on-year to 1,023 million yen mainly due to successful implementation of flexible price revisions for commercial carpets and wallpaper in light of the continued high prices of raw materials and energy.

In commercial carpets, the environmental initiatives of *ECOS®*, eco-friendly carpet tiles under the horizontal recycling system, is using recycled materials and reducing CO<sub>2</sub> emissions, sold by SUMINOE Interior Products Co., Ltd., have been highly regarded domestically, and overseas sales have also been strong. As a result, net sales grew by 4.1% year-on-year.

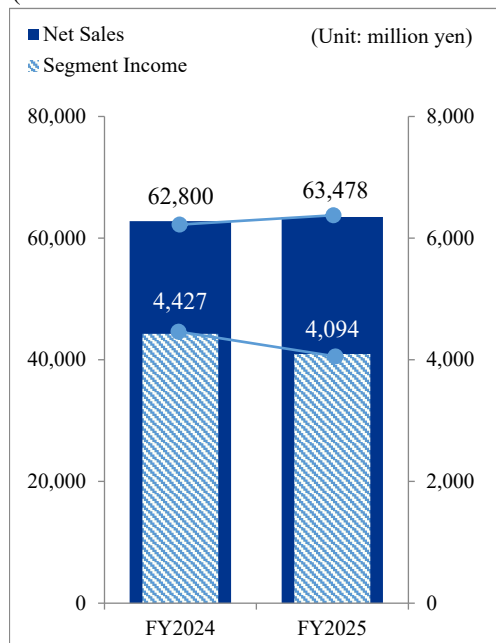
In household carpets, although we focus on developing new sales channels for medium- to high-grade rug mats and other products and revising sales strategies to achieve differentiation from other companies, net sales were down 6.6% year-on-year as their sales boosting effect has been limited so far.

In curtains, sales of *U Life Curtain Vol. 11* for general households, which was launched in July 2024, showed steady growth. As a result, net sales grew 1.7% year-on-year.

In wall coverings, net sales increased by 3.3% year-on-year due to price revisions of wallpapers and sales contribution from window films driven by demand for crime prevention measures.

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 8.0% year-on-year.

(Automotive Textiles and Traffic Facilities Segment)



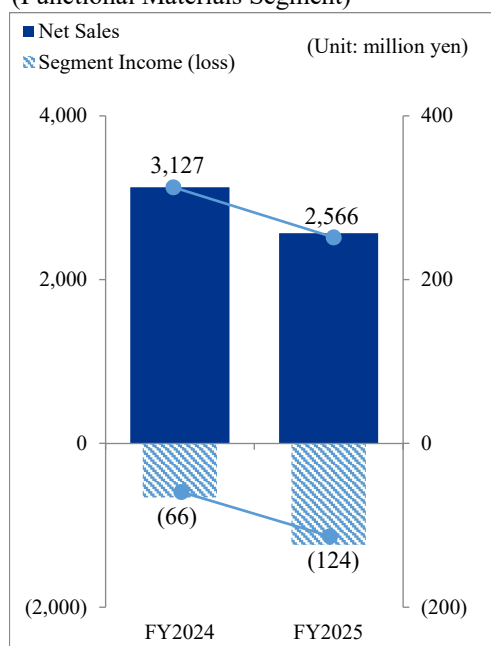
While we were affected by sluggish sales of Japanese automakers at overseas bases, we steadily responded to recovering demand for interior products for railways and buses with group collaboration. As a result, net sales of the Automotive Textiles and Traffic Facilities Segment increased by 1.1% year-on-year to 63,478 million yen. Segment income decreased by 7.5% year-on-year to 4,094 million yen due to the decline in production efficiency caused by fluctuations in automobile production plans and the resulting increase in logistics costs.

In the automotive textiles business, domestic sales increased by 2.0% year-on-year due to the increase in sales volume of ordered models. Overseas, at North and Central American bases, while sales were affected by changes in the production plans of automakers, sales of car mats were firm due to the successful completion of business restructuring in the previous fiscal year and sales promotion activities. At Chinese bases, sales were affected significantly by production cuts and withdrawals by Japanese automakers in China. At Southeast Asian bases, the decline in sales of Japanese automakers due to the social situation in each country continues, and the effects of exchange rates could not be absorbed the overall impacts. As a result, overseas sales decreased by 1.3% 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 in manufacturing and sales with Seki Textile Co., Ltd., which was converted into a subsidiary. Moreover, our interior products for buses, the demand for sightseeing buses, following fixed-route buses and highway buses, has been steadily captured due to the revitalization of customer flow and the increase in inbound tourism, resulting in a stable trend. As a result, net sales of the traffic facilities business as a whole exceeded the results for the previous fiscal year.



(Functional Materials Segment)



In deodorizing filters, net sales increased year-on-year due to a recovery in demand for air purifier filters, which had declined in reaction to special demand in the COVID-19 crisis, and resilient sales of filters for automatic opening and closing trash cans. However, sales of fabric-coated heating products such as electric carpets, one of our core products, were lower than 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 17.9% year-on-year to 2,566 million yen and segment loss was 124 million yen (segment loss of 66 million yen in the previous fiscal year).

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the current fiscal year amounted to 94,976 million yen, up 2,777 million yen from the end of the previous fiscal year, due to an increase in notes and accounts receivable - trade.

Liabilities grew to 57,813 million yen, up 3,301 million yen, due to an increase in loans payable.

Net assets shrank to 37,163 million yen, down 524 million yen, due to a decrease in valuation difference on available-for-sale securities

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the consolidated fiscal year amounted to 8,697 million yen, up 543 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 2,283 million yen (7,450 million yen provided in the previous fiscal year) due to an increase in profit before income taxes.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 2,254 million yen (2,323 million yen used in the previous fiscal year) due to purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to 773 million yen (4,204 million yen used in the previous fiscal year) due to the net increase in loans payable.

(Reference) Changes in cash flow indicators

	FY2021	FY2022	FY2023	FY2024	FY2025
Shareholders' equity ratio (%)	33.5	33.4	32.7	34.7	32.8
Shareholders' equity ratio on market value basis (%)	14.3	12.5	15.8	18.3	16.2
Ratio of cash flows to interest bearing debts (year)	4.9	55.4	12.8	2.7	10.2
Interest coverage ratio (times)	18.3	1.7	4.2	28.5	5.8

(Notes) Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio on market value basis: Market capitalization / Total assets

Ratio of cash flows to interest bearing debts: Interest-bearing debts / Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / Interest payment

1. Each indicator is calculated using consolidated financial figures.
2. Market capitalization is calculated using the following formula: Fiscal year-end share price × Fiscal year-end number of outstanding shares (excluding treasury shares)
3. Operating cash flow represents net cash provided by (used in) operating activities in the consolidated statements of cash flows. Interest-bearing debts refer to all liabilities with an obligation to pay interest stated in the consolidated balance sheet. Interest payment represents interest expenses paid stated in the consolidated statements of cash flows.

#### (4) Forecast of Financial Results for FY2026

In June 2024, the Group commenced STEP II, which is the latter half of “SUMINOE GROUP WAY 2022-2024-2027,” to continue for three years. The Group will take various measures designed to reinforce its true strengths in order to achieve sustainable growth.

In the fiscal year ending May 31, 2026, the second year of STEP II, the Japanese economy is expected to recover due to improvements in the employment and income environment and an increase in inbound demand. However, the intense international situation, the prolonged soaring raw material and energy costs, and the shift to protectionist policies by the new U.S. administration have further heightened the uncertainty regarding the outlook for the global economy.

Under these circumstances, in the automotive textiles business, mass production has already commenced at the synthetic leather plant newly established in our Mexican subsidiary, and we plan to set up a new synthetic leather finishing line at our Thai subsidiary within the year. Going forward, the Company will focus on providing a stable supply of high-quality products that meet customer needs. It will also work to strengthen its global expansion by promoting the establishment of a system to win orders not only from Japanese automakers, but also from foreign automakers through exhibitions and presentations overseas, while also strengthening cooperation between its domestic and overseas bases. In the traffic facilities business, we will continue to meet the recovering demand for both railways and buses as a market leader that has boasted a top share for over a century, while also advancing proposals that respond to the need for strengthening safety and disaster prevention measures in various railway companies. In the Interior Fittings Segment, we will continue to strive to respond to the increase in renovation projects of hotels and other facilities due to the recovery of inbound demand, while also promoting the expansion of environmentally friendly products centered around “ECOS®.” In addition, the Company aims to increase customer appeal by expanding its lineup of value-added products in the medium- to high-end range by creating a new series of them, thereby further raising awareness of the SUMINOE brand. We will also focus on developing new sales channels, using products for nursing care, disaster risk prevention, pets, etc., which leverage our core technologies, while making proposals unique to our Group. In the Functional Materials Segment, although we cannot expect a significant recovery in new orders for fabric-coated heating products due to the warm winters in recent years, we will focus on acquiring orders for non-seasonal products and small home appliances, as well as expanding sales channels. Additionally, we will also promote proposal-based development and marketing in order to introduce the Group’s unique products and technologies to new industries.

We plan to post net sales of 105,000 million yen, operating income of 3,100 million yen, ordinary income of 3,350 million yen, and profit attributable to owners of parent of 1,500 million yen for the fiscal year ending May 31, 2026. At present, we believe that the direct impact of the tariff hikes imposed by the new U.S. administration will be limited. However, if we determine that there is a possibility that changes in the business environment may have a significant impact on the Company’s performance in the future, we will promptly disclose such information.

## 2. Basic Policy Regarding Selection of Accounting Standards

Considering the comparability of consolidated financial statements among fiscal years and companies, the Company plans to prepare its consolidated financial statements in accordance with Japanese GAAP for the time being. Regarding the adoption of International Financial Reporting Standards (IFRS) in the future, we plan to decide the timing for introducing IFRS appropriately, taking into account the situation in Japan and overseas.

### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated Balance Sheet

(Unit: million yen)

	FY2024 (As of May 31, 2024)	FY2025 (As of May 31, 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	8,303	8,847
Notes and accounts receivable - trade, and contract assets	15,665	15,976
Electronically recorded monetary claims - operating	7,764	9,423
Securities	72	71
Merchandise and finished goods	9,657	9,962
Work in process	2,362	2,568
Raw materials and supplies	4,312	4,565
Income taxes receivable	101	293
Other	2,780	3,283
Allowance for doubtful accounts	(69)	(61)
Total current assets	50,949	54,931
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,165	9,017
Machinery, equipment and vehicles, net	3,685	4,504
Land	15,652	15,669
Leased assets, net	1,360	1,314
Construction in progress	1,386	230
Other, net	663	639
Total property, plant and equipment	30,914	31,376
Intangible assets		
Leased assets	4	73
Other	1,506	1,531
Total intangible assets	1,510	1,605
Investments and other assets		
Investment securities	6,396	4,534
Long-term loans receivable	3	1
Deferred tax assets	1,304	1,173
Other	1,262	1,490
Allowance for doubtful accounts	(142)	(136)
Total investments and other assets	8,824	7,064
Total non-current assets	41,249	40,045
<b>Total assets</b>	<b>92,199</b>	<b>94,976</b>

(Unit: million yen)

	FY2024 (As of May 31, 2024)	FY2025 (As of May 31, 2025)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	11,519	10,678
Electronically recorded obligations - operating	8,200	10,940
Short-term loans payable	8,249	13,995
Current portion of bonds payable	—	1,000
Lease obligations	800	801
Income taxes payable	812	761
Provision for loss on sales of shares of subsidiaries and associates	903	—
Other	4,993	4,427
Total current liabilities	35,479	42,606
Non-current liabilities		
Bonds payable	1,000	—
Long-term loans payable	8,840	5,929
Lease obligations	1,214	1,481
Deferred tax liabilities	313	342
Deferred tax liabilities for land revaluation	3,093	3,184
Provision for directors' retirement benefit	90	44
Net defined benefit liability	3,956	3,713
Other	521	510
Total non-current liabilities	19,031	15,206
Total liabilities	54,511	57,813
<b>Net assets</b>		
Shareholders' equity		
Capital stock	9,554	9,554
Capital surplus	2,388	2,388
Retained earnings	12,198	12,358
Treasury shares	(2,709)	(2,976)
Total shareholders' equity	21,431	21,324
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,750	1,341
Deferred gains or losses on hedges	(1)	(7)
Revaluation reserve for land	6,283	6,192
Foreign currency translation adjustment	2,605	2,316
Remeasurements of defined benefit plans	(30)	13
Total accumulated other comprehensive income	10,607	9,856
Non-controlling interests	5,649	5,981
Total net assets	37,687	37,163
<b>Total liabilities and net assets</b>	<b>92,199</b>	<b>94,976</b>

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

(Unit: million yen)

	FY2024 (June 1, 2023 to May 31, 2024)	FY2025 (June 1, 2024 to May 31, 2025)
Net sales	103,478	104,791
Cost of sales	81,202	82,447
Gross profit	22,275	22,343
Selling, general and administrative expenses	18,975	19,341
Operating income	3,300	3,001
Non-operating income		
Interest income	33	31
Dividend income	117	138
Foreign exchange gains	290	—
Real estate rent	341	351
Other	320	200
Total non-operating income	1,103	722
Non-operating expenses		
Interest expenses	269	385
Share of loss of entities accounted for using equity method	261	75
Foreign exchange loss	—	399
Rent expenses on real estates	52	54
System failure response costs	—	156
Other	152	137
Total non-operating expenses	735	1,209
Ordinary income	3,668	2,514
Extraordinary income		
Gain on sales of non-current assets	28	82
Gain on sales of investment securities	128	383
Insurance claim income with disaster	56	—
Reversal of provision for losses on sale of subsidiary company stocks	—	75
Total extraordinary income	213	542
Extraordinary loss		
Loss on sales and retirement of non-current assets	110	31
Impairment loss	84	—
Loss on valuation of investment securities	—	25
Loss on disaster	34	—
Provision for loss on sales of shares of subsidiaries and associates	903	—
Loss on liquidation of subsidiaries and associates	—	14
Total extraordinary loss	1,132	71
Profit before income taxes	2,749	2,984
Income taxes - current	1,365	1,268
Income taxes - deferred	(196)	286
Total income taxes	1,168	1,555
Profit	1,580	1,428
Profit attributable to non-controlling interests	706	758
Profit attributable to owners of parent	874	669

# Consolidated Statements of Comprehensive Income

(Unit: million yen)

	FY2024 (June 1, 2023 to May 31, 2024)	FY2025 (June 1, 2024 to May 31, 2025)
Profit	1,580	1,428
Other comprehensive income		
Valuation difference on available-for-sale securities	607	(409)
Deferred gains or losses on hedges	(29)	(5)
Revaluation reserve for land	—	(90)
Foreign currency translation adjustment	1,407	(345)
Remeasurements of defined benefit plans	21	44
Share of other comprehensive income of entities accounted for using equity method	0	—
Total other comprehensive income	2,007	(806)
Comprehensive income	3,588	622
Comprehensive income attributable to:		
Owners of parent	2,717	(80)
Non-controlling interests	870	702

### (3) Consolidated Statements of Changes in Shareholders' equity

FY2024 (June 1, 2023 to May 31, 2024)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	9,554	2,611	11,207	(3,913)	19,458
Changes of items during the period					
Dividends of surplus			(363)		(363)
Profit attributable to owners of parent			874		874
Purchase of treasury shares				(1)	(1)
Disposition of treasury shares		(381)		1,205	824
Reversal of revaluation reserve for land			638		638
Transfer to capital surplus from retained earnings		158	(158)		—
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(222)	991	1,204	1,972
Balance at the end of the period	9,554	2,388	12,198	(2,709)	21,431

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	1,143	27	6,922	1,362	(52)	9,403	5,251	34,113
Changes of items during the period								
Dividends of surplus								(363)
Profit attributable to owners of parent								874
Purchase of treasury shares								(1)
Disposition of treasury shares								824
Reversal of revaluation reserve for land								638
Transfer to capital surplus from retained earnings								—
Net changes of items other than shareholders' equity	607	(28)	(638)	1,242	21	1,204	398	1,602
Total changes of items during the period	607	(28)	(638)	1,242	21	1,204	398	3,574
Balance at the end of the period	1,750	(1)	6,283	2,605	(30)	10,607	5,649	37,687



FY2025 (June 1, 2024 to May 31, 2025)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	9,554	2,388	12,198	(2,709)	21,431
Changes of items during the period					
Dividends of surplus			(501)		(501)
Profit attributable to owners of parent			669		669
Purchase of treasury shares				(296)	(296)
Disposition of treasury shares		(8)		30	21
Transfer to capital surplus from retained earnings		8	(8)		—
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	160	(266)	(106)
Balance at the end of the period	9,554	2,388	12,358	(2,976)	21,324

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	1,750	(1)	6,283	2,605	(30)	10,607	5,649	37,687
Changes of items during the period								
Dividends of surplus								(501)
Profit attributable to owners of parent								669
Purchase of treasury shares								(296)
Disposition of treasury shares								21
Transfer to capital surplus from retained earnings								—
Net changes of items other than shareholders' equity	(409)	(5)	(90)	(288)	44	(750)	332	(417)
Total changes of items during the period	(409)	(5)	(90)	(288)	44	(750)	332	(524)
Balance at the end of the period	1,341	(7)	6,192	2,316	13	9,856	5,981	37,163

## (4) Consolidated Statements of Cash Flows

(Unit: million yen)

	FY2024 (June 1, 2023 to May 31, 2024)	FY2025 (June 1, 2024 to May 31, 2025)
Cash flows from operating activities		
Profit before income taxes	2,749	2,984
Depreciation	2,257	2,289
Impairment loss	84	—
Increase (decrease) in net defined benefit liability	(129)	(182)
Increase (decrease) in provision for directors' retirement benefits	(5)	(66)
Increase (decrease) in provision for loss on the sale of shares of subsidiaries and associates	903	(903)
Increase (decrease) in allowance for doubtful accounts	29	(13)
Interest and dividend income	(151)	(169)
Interest expenses	269	385
Share of loss (profit) of entities accounted for using equity method	261	75
Share issuance costs	10	—
Loss (gain) on sales and retirement of non-current assets	82	(51)
Loss (gain) on sales of investment securities	(128)	(383)
Loss (gain) on valuation of investment securities	—	25
Insurance claim income with disaster	(56)	—
Loss on disaster	34	—
Decrease (increase) in notes and accounts receivable - trade	550	(2,300)
Decrease (increase) in inventories	290	(846)
Increase (decrease) in notes and accounts payable - trade	1,101	2,158
Decrease (increase) in consumption taxes refund receivable	(154)	(140)
Increase (decrease) in accrued consumption taxes payable	9	23
Decrease (increase) in other current assets	13	(289)
Increase (decrease) in other current liabilities	450	1,507
Other	92	(153)
Subtotal	8,562	3,951
Interest and dividend income received	156	170
Interest expenses paid	(261)	(391)
Insurance claim income with disaster received	56	—
Loss on disaster paid	(27)	—
Income taxes refund (paid)	(1,036)	(1,446)
Net cash provided by (used in) operating activities	7,450	2,283

(Unit: million yen)

	FY2024 (June 1, 2023 to May 31, 2024)	FY2025 (June 1, 2024 to May 31, 2025)
Cash flows from investing activities		
Payments into time deposits	(300)	(300)
Proceeds from withdrawal of time deposits	300	300
Purchase of securities	(9)	(1)
Proceeds from sales and redemption of securities	12	2
Purchase of property, plant and equipment	(2,974)	(2,165)
Proceeds from sales of property, plant and equipment	2,091	82
Payments for retirement of property, plant and equipment	(397)	(557)
Payments for asset retirement obligations	(1)	—
Purchase of intangible assets	(300)	(344)
Purchase of investment securities	(14)	(59)
Proceeds from sales and redemption of investment securities	366	715
Purchase of shares of subsidiaries and associates	(1,100)	—
Proceeds from shares of subsidiaries resulting in change in scope of consolidation	—	66
Payments of loans receivable	(0)	(1)
Collection of loans receivable	3	2
Other	0	4
Net cash provided by (used in) investing activities	(2,323)	(2,254)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(5,392)	3,746
Proceeds from long-term loans payable	4,826	2,350
Repayments of long-term loans payable	(2,821)	(3,242)
Repayments of lease obligations	(750)	(832)
Purchase of treasury shares	(1)	(296)
Proceeds from sales of treasury shares	782	0
Proceeds from issuance of share acquisition rights	3	—
Cash dividends paid	(361)	(501)
Cash dividends paid to non-controlling interests	(490)	(449)
Net cash provided by (used in) financing activities	(4,204)	773
Effect of exchange rate change on cash and cash equivalents	300	(259)
Net increase (decrease) in cash and cash equivalents	1,223	543
Cash and cash equivalents at the beginning of the period	6,929	8,153
Cash and cash equivalents at the end of the period	8,153	8,697

## (5) Major Notes on Consolidated Financial Statements

(Notes on assumption of going concern)

Not applicable.

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

Significant changes in the scope of consolidation

Wakatake Inc. was included in the scope of consolidation of the fiscal year ended May 31, 2025, as the Company acquired all of its issued shares based on the share transfer agreement concluded on June 7, 2024. However, the company was excluded from the scope of consolidation effective April 1, 2025 following an absorption-type merger in which the company is the disappearing company and Preterior Textile Inc., a consolidated subsidiary of the Company, is the surviving company.

Moreover, Bondtex Lamination de Mexico, S.A. de C.V. was newly established during the current consolidated fiscal year and has been included in the scope of consolidation.

Significant changes in the scope of application of the equity method

During the current consolidated fiscal year, the Company excluded Sumisho Airbag Systems Co., Ltd., a former equity method affiliate, from the scope of application of the equity method, in conjunction with the transfer of its shares held.

(Segment information, etc.)

(Segment information)

### 1. Outline of reportable segment information

The Company's reportable segments are components of an entity for which separate financial information is available and evaluated regularly by the Board of Directors in determining the allocation of management resources and in assessing performance.

The Company has business divisions and subsidiaries by the type of product and service. Each division and subsidiary draws up a comprehensive strategy for their products and services at home and aboard and conducts business activities.

Accordingly, our Group consists of segments divided by the type of product and service on the basis of business divisions. It has the following three reportable segments: *Interior Fittings Segment*, *Automotive Textiles and Traffic Facilities Segment*, and *Functional Materials Segment*.

The Interior Fittings Segment manufactures, sells, and installs carpets, curtains, wallpaper, various flooring materials, etc. It also designs, constructs, and supervises construction of spaces. The Automotive Textiles and Traffic Facilities Segment engages in the manufacture and sales of interior materials for automobiles, buses, and railway vehicles. The Functional Materials Segment engages in the manufacture and sales of products such as electric carpets, deodorizing related products, and interior materials for airplanes.

### 2. Method to calculate net sales, income or loss, assets, liabilities, and other items by reportable segment

The accounting treatment methods applied to the Group's reported business segments largely correspond to the description in "Significant Accounting Policies for the Preparation of Consolidated Financial Statements" disclosed in our latest Securities Report (submitted on August 29, 2024). Segment income is based on operating income. Inter-segment sales and transfers are based on current market prices.

## 3. Information on net sales, income or loss, assets, liabilities, and other items by reportable segment

FY2024 (June 1, 2023 to May 31, 2024)

(Unit: million yen)

	Reportable Segments				Other (Note 1)	Total	Adjustment (Note 2)	Figures in consolidated financial statements (Note 3)
	Interior Fittings	Automotive Textiles and Traffic Facilities	Functional Materials	Total				
Net sales								
Net sales to outside customers	37,142	62,800	3,127	103,070	407	103,478	—	103,478
Inter-segment sales and transfers	771	8	73	853	137	990	(990)	—
Total	37,913	62,809	3,201	103,923	544	104,468	(990)	103,478
Segment income (loss)	946	4,427	(66)	5,307	76	5,383	(2,083)	3,300
Segment assets	28,429	43,087	3,465	74,981	93	75,074	17,124	92,199
Other								
Depreciation and amortization	357	1,565	147	2,070	26	2,096	160	2,257
Investments in equity method affiliates	—	903	—	903	—	903	—	903
Increase in property, plant, and equipment, and intangible assets	275	3,060	53	3,389	23	3,413	461	3,875

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

2. Adjustments are as follows:

- (1) Adjustment of (2,083) million yen in segment income (loss) includes eliminations among segments of 40 million yen and corporate expenses unallocated to relevant reportable segments of (2,123) 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.
- (2) Adjustment of 17,124 million yen in segment assets includes eliminations among segments of (129) million yen and corporate assets unallocated to relevant reportable segments of 17,253 million yen. Unallocated corporate assets mainly consist of investment of surplus funds by parent company (cash and deposits), long-term invested funds (investment securities), and assets related to the Administrative division that do not belong to any reportable segment.

3. Segment income (loss) is adjusted with operating income in the consolidated statement of income.

FY2025 (June 1, 2024 to May 31, 2025)

(Unit: million yen)

	Reportable Segments				Other (Note 1)	Total	Adjustment (Note 2)	Figures in consolidated financial statements (Note 3)
	Interior Fittings	Automotive Textiles and Traffic Facilities	Functional Materials	Total				
Net sales								
Net sales to outside customers	38,264	63,478	2,566	104,309	481	104,791	—	104,791
Inter-segment sales and transfers	812	5	125	942	135	1,078	(1,078)	—
Total	39,076	63,484	2,691	105,252	617	105,870	(1,078)	104,791
Segment income (loss)	1,023	4,094	(124)	4,992	86	5,079	(2,077)	3,001
Segment assets	30,088	44,460	2,526	77,075	562	77,637	17,338	94,976
Other								
Depreciation and amortization	373	1,663	39	2,076	24	2,100	188	2,289
Investments in equity method affiliates	—	0	—	0	—	0	—	0
Increase in property, plant, and equipment, and intangible assets	220	2,608	22	2,851	22	2,874	346	3,221

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

2. Adjustments are as follows:

- (1) Adjustment of (2,077) million yen in segment income (loss) includes eliminations among segments of 38 million yen and corporate expenses unallocated to relevant reportable segments of (2,116) 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.
- (2) Adjustment of 17,338 million yen in segment assets includes eliminations among segments of (334) million yen and corporate assets unallocated to relevant reportable segments of 17,672 million yen. Unallocated corporate assets mainly consist of investment of surplus funds by parent company (cash and deposits), long-term invested funds (investment securities), and assets related to the Administrative division that do not belong to any reportable segment.
3. Segment income (loss) is adjusted with operating income in the consolidated statement of income.

(Relevant information)

FY2024 (June 1, 2023 to May 31, 2024)

1. Information by product and service

The disclosure of information by product and service was omitted, since similar information was disclosed in segment information.

2. Information by region

(1) Net sales

(Unit: million yen)

Japan	North and Central America	Asia	Other	Total
68,577	21,047	13,797	55	103,478

(Note) 1. Net sales are classified into the countries or regions based on the geographical location of customers.

2. Sales to the North and Central America region include sales of 12,561 million yen in the United States, which accounts for more than 10% of the net sales reported on the consolidated statements of income.

(2) Property, plant, and equipment

(Unit: million yen)

Japan	North and Central America	Asia	Total
23,626	5,737	1,549	30,914

(Note) Property, plant, and equipment to the North and Central America region include property, plant, and equipment of 3,581 million yen in Mexico, which accounts for more than 10% of the property, plant, and equipment reported on the

consolidated balance sheet.

### 3. Information by major customer

The disclosure of information by major customer is omitted, since no sales to a specific outside customer exceeded 10% of the net sales reported on the consolidated statements of income.

FY2025 (June 1, 2024 to May 31, 2025)

#### 1. Information by product and service

The disclosure of information by product and service was omitted, since similar information was disclosed in segment information.

#### 2. Information by region

##### (1) Net sales

(Unit: million yen)

Japan	North and Central America	Asia	Other	Total
69,003	19,017	16,240	530	104,791

(Note) 1. Net sales are classified into the countries or regions based on the geographical location of customers.

2. Sales to the North and Central America region include sales of 12,720 million yen in the United States, which accounts for more than 10% of the net sales reported on the consolidated statements of income.

##### (2) Property, plant, and equipment

(Unit: million yen)

Japan	North and Central America	Asia	Total
23,407	6,366	1,601	31,376

(Note) Property, plant, and equipment to the North and Central America region include property, plant, and equipment of 4,267 million yen in Mexico, which accounts for more than 10% of the property, plant, and equipment reported on the consolidated balance sheet.

### 3. Information by major customer

The disclosure of information by major customer is omitted, since no sales to a specific outside customer exceeded 10% of the net sales reported on the consolidated statements of income.

(Impairment loss on non-current assets by reportable segment)

FY2024 (June 1, 2023 to May 31, 2024)

(Unit: million yen)

	Reportable Segments				Other	Elimination or corporate	Total
	Interior Fittings	Automotive Textiles and Traffic Facilities	Functional Materials	Total			
Impairment loss	—	—	84	84	—	—	84

FY2025 (June 1, 2024 to May 31, 2025)

Not applicable.

(Per share information)

	FY2024 (June 1, 2023 to May 31, 2024)	FY2025 (June 1, 2024 to May 31, 2025)
Book-value per share	2,371.35 yen	2,354.28 yen
Profit per share Basic c	66.11 yen	50.18 yen

(Note)1. As the Company conducted a two-for-one stock split for its common stock effective March 1, 2025, book-value per share and profit per share are calculated assuming the stock split was conducted at the beginning of the previous consolidated fiscal year.

2. Profit per share diluted is not stated, since there is no potential common share.

3. The bases to calculate net assets per share are as follows:

	FY2024 (As of May 31, 2024)	FY2025 (As of May 31, 2025)
Total net assets (million yen)	37,687	37,163
Net assets related to common shares (million yen)	32,038	31,181
Main differences (million yen) Non-controlling interests	5,649	5,981
Number of common shares issued (1,000 shares)	15,364	15,364
Number of common shares of treasury shares (1,000 shares)	1,853	2,119
Number of common shares used to calculate net assets per share (1,000 shares)	13,510	13,244

4. The bases to calculate profit per share are as follows:

	FY2024 (June 1, 2023 to May 31, 2024)	FY2025 (June 1, 2024 to May 31, 2025)
Profit attributable to owners of parent (million yen)	874	669
Profit not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent concerning common shares (million yen)	874	669
Average number of common shares during the period (1,000 shares)	13,226	13,348

(Significant subsequent events)

Not applicable.