Consolidated Financial Results for the Fiscal Year Ended May 31, 2026

Bringing innovation to all kinds of spaces

SUMINOE Co., Ltd.

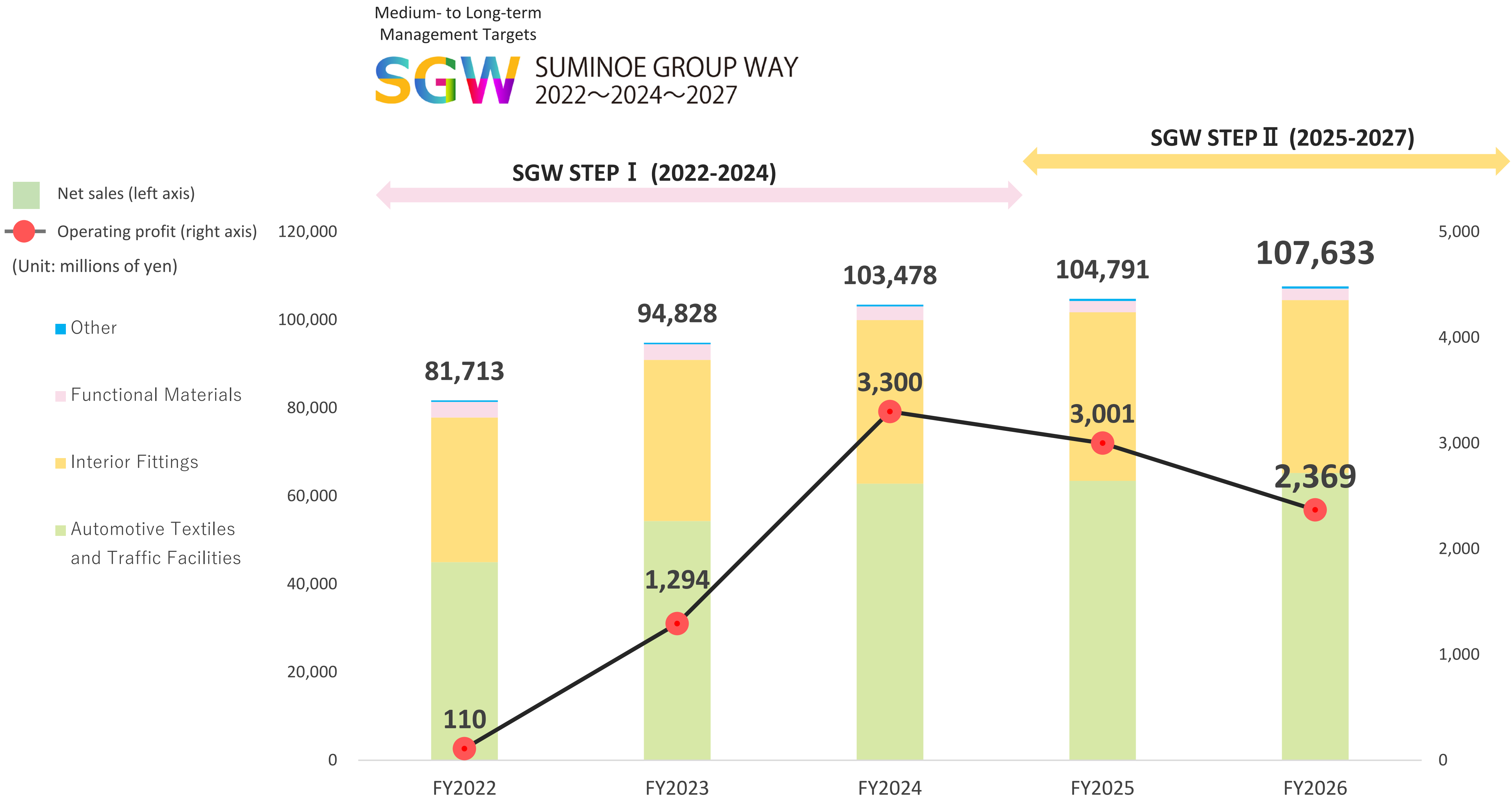
(TSE Prime: 3501) | July 2026

This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
In this document, negative amounts are shown in parentheses.

Table of Contents

Overview of Consolidated Financial Results for FY2026

Consolidated Performance Trends (Net sales / Operating profit)



Summary

- ✓ **Net sales increased YoY,** driven by floor carpet programs launched in North and Central America in the previous fiscal year, recovering demand for railway and bus interior products in the Automotive Textiles and Traffic Facilities Segment, and increased carpet tile project volumes in the Interior Fittings Segment.
- ✓ **Operating profit decreased YoY,** due to lower production efficiency resulting from delays in ramping up production to meet increased orders at the Mexico base.
- ✓ **Ordinary profit increased YoY,** primarily due to a shift from foreign exchange losses recorded in the previous fiscal year to foreign exchange gains.
- ✓ **Profit attributable to owners of parent turned to a loss YoY,** mainly due to the absence of gains on sale of investment securities recorded in the previous fiscal year and the reversal of deferred tax assets.

(Unit: millions of yen)	FY2025	FY2026		
	Results	Results	YoY change (Rate)	YoY change (Amount)
Net sales	104,791	**107,633**	+2.7%	+2,841
Operating profit Operating margin	3,001 2.9%	**2,369** **2.2%**	(21.1%)	(632)
Ordinary profit Ordinary profit margin	2,514 2.4%	**2,764** **2.6%**	+10.0%	+250
Profit (loss) attributable to owners of parent Profit margin attributable to owners of parent	669 0.6%	**(340)** —	—	(1,010)

Exchange rate (JPY/USD)	152.60	**151.10**

Breakdown by Business Segment

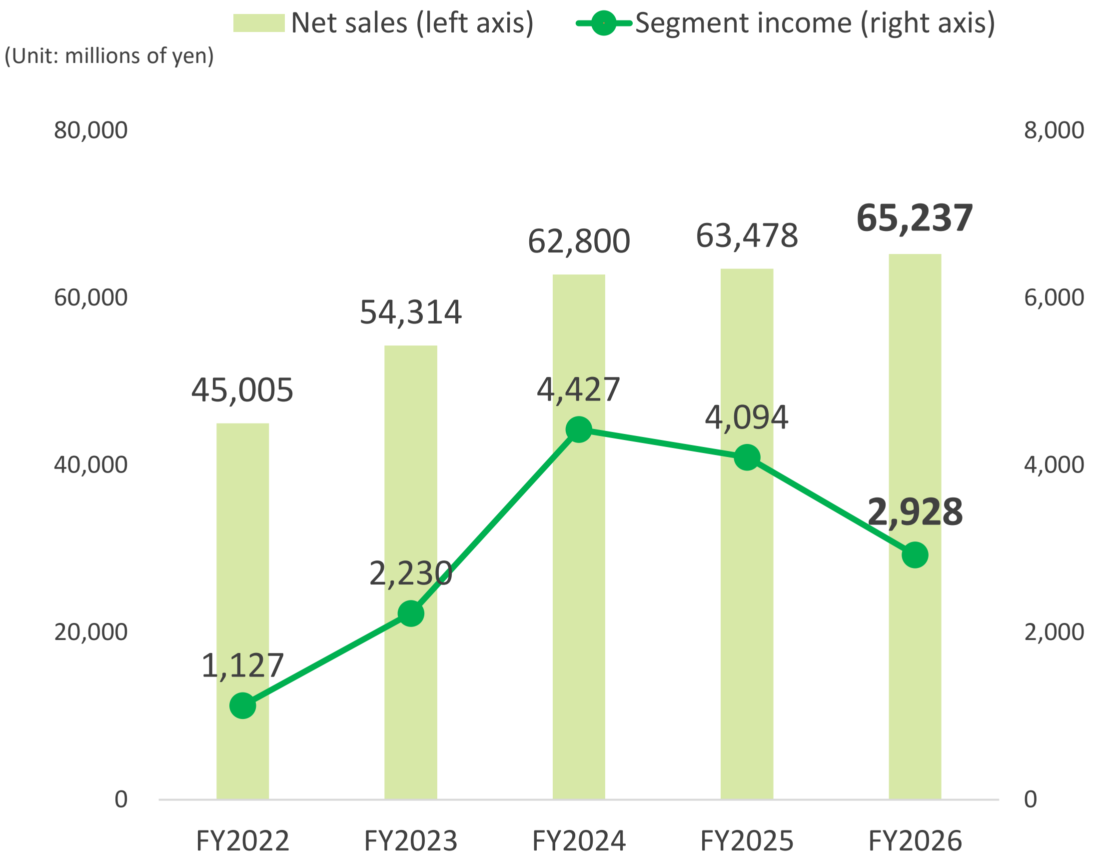
(Unit: millions of yen)

		FY2025	FY2026			
		Results	Results	YoY change (Rate)	YoY change (Amount)	Net sales ratio
Net sales	Automotive Textiles and Traffic Facilities	63,478	**65,237**	+2.8%	+1,758	60.6%
	Interior Fittings	38,264	**39,260**	+2.6%	+995	36.5%
	Functional Materials	2,566	**2,631**	+2.5%	+65	2.4%
	Other	481	**503**	+4.6%	+22	0.5%
	Total	104,791	**107,633**	+2.7%	+2,841	100.0%
Operating profit	Automotive Textiles and Traffic Facilities	4,094	**2,928**	(28.5%)	(1,166)	
	Interior Fittings	1,023	**1,455**	+42.2%	+432	
	Functional Materials	(124)	**54**	—	+179	
	Other	86	**131**	+51.1%	+44	
	Adjustment	(2,077)	**(2,200)**	—	(122)	
	Total	3,001	**2,369**	(21.1%)	(632)	

Automotive Textiles and Traffic Facilities Segment

Net sales increased while segment income decreased

- ✓ **Net sales increased YoY,** by contributions from floor carpet for new customers and recovering demand for railway and bus interior products.
- ✓ **Segment income decreased YoY,** due to lower production efficiency, as production system enhancements could not keep pace with increased new orders at the Mexico base.



For a breakdown of net sales by business segment, please refer to the following slide.

Net sales	**65,237 million yen** YoY +2.8% +1,758 million yen	Segment income	**2,928 million yen** YoY (28.5%) (1,166 million yen)

Business Environment	Domestic and overseas automobile production volumes YoY : increased

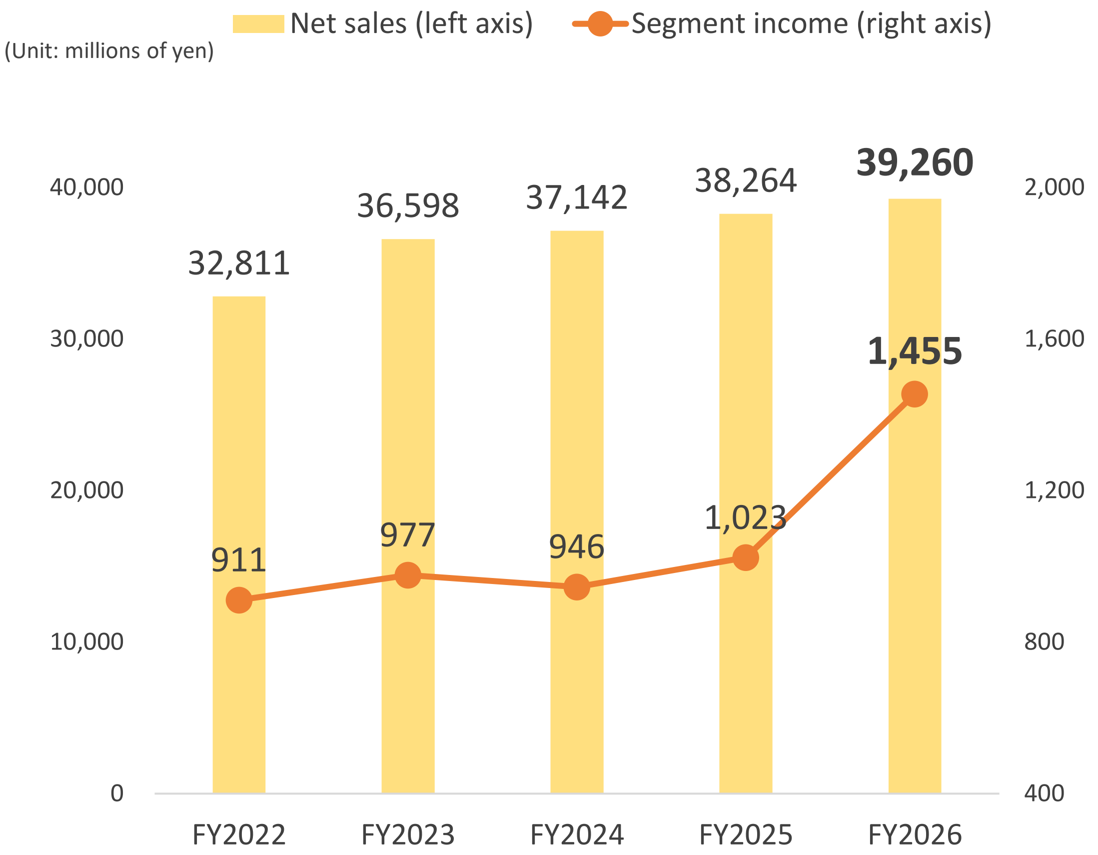
Automotive Textiles and Traffic Facilities Segment (Year-on-year Change in Net sales)

Automotive Textiles (Domestic) +1.2%	+	● Production volume increase for ordered models ● Production increase due to pre-model-change demand
Automotive Textiles (Overseas) +3.1%	+	● Steady growth in sales to overseas automakers (North and Central America) ● Sales contribution from new vehicle models (Thailand, India and Indonesia)
	–	● Sluggish sales to Japanese automakers in China amid EV shift (China)
Traffic Facilities Increased	+	● Response to growing demand for railway and bus interior products associated with increased inbound tourism through an integrated manufacturing and sales structure ● Increase in orders for railway renewal works that had been postponed due to the COVID-19 pandemic ● Increase due to demand being brought forward in anticipation of model changes and price revisions for route buses and highway buses

Interior Fittings Segment

Both net sales and segment income increased

- ✓ **Net sales increased YoY,** driven by robust orders for carpet tile installation projects and interior projects in large-scale commercial facilities.
- ✓ **Segment income increased YoY,** driven by higher margins from increased sales of high-value-added products and the positive impact of price revisions implemented in the previous fiscal year.



For a breakdown of net sales by product type, please refer to the following slide.

Net sales	39,260 million yen YoY +2.6% +995 million yen	Segment income	1,455 million yen YoY +42.2% +432 million yen

Business Environment	Domestic new housing starts YoY : (5.3%) Floor area of nonresidential construction starts YoY : (14.3%)

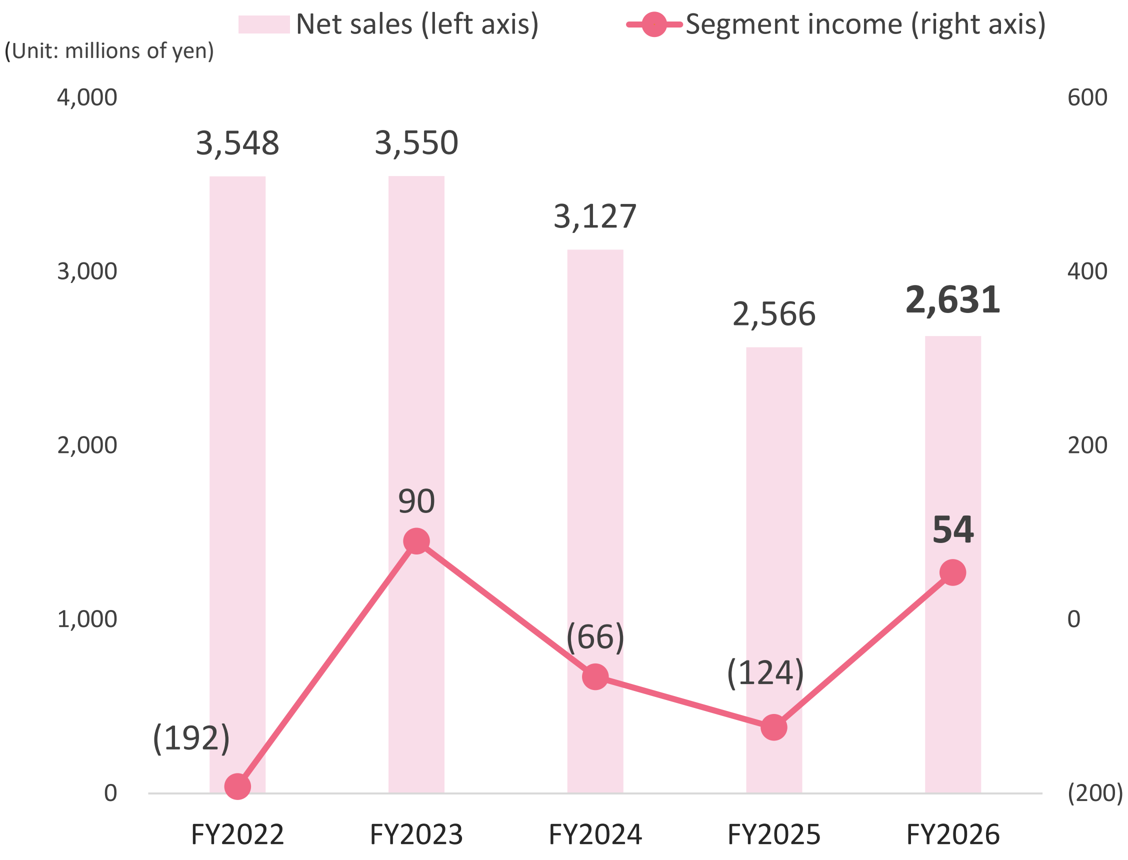
Interior Fittings Segment (Year-on-year Change in Net sales)

Commercial Carpets +5.0%	+	● Growing adoption of “ECOS®” eco-friendly carpet tiles under the horizontal recycling system, mainly in office buildings ● Steady orders for roll carpets for luxury brand shops and hotels
Household Carpets (2.9%)	+	● Contribution from sales of the made-to-order rug series "Epilogue"
	–	● Intensification of sales competition due to sluggish market conditions
Curtains (4.5%)	–	● Sales of “mode S Curtain Vol. 11” for general households, launched in July 2025, progressed below initial expectations ● Weak sales for medical, welfare and educational facilities
Wallcoverings +3.1%	+	● Revision of wallpaper prices, considering persistently high raw material and energy costs, proved effective ● Sales contribution from functional window films driven by growing demand for thermal insulation and security
Space Design Business +12.5%	+	● Robust orders for interiors projects from large-scale commercial facilities

Functional Materials Segment

Both net sales and segment income increased.

- ✓ **Net sales increased YoY,** driven by the launch of a new lineup of spring/summer home appliance-related products and growth in air purifier filters for overseas models.
- ✓ **Segment income increased YoY,** supported by lower logistics costs and the successful restructuring of the production system at the Vietnam base.



Net sales	2,631 million yen YoY +2.5% +65 million yen	Segment income	54 million yen YoY —% +179 million yen

Household appliances Increased	● Expanded product lineup with spring/summer products
Deodorizing Filters Increased	● Increase in sales of filters for overseas-model air purifiers ● Increase in sales of filters for sensor-activated trash cans
Floor Materials for Bathrooms Decreased	● Decrease in shipments due to the transfer of certain models following a change in a major customer's production system

Consolidated Balance Sheet

(Unit: millions of yen)

	End of May 2025	End of May 2026	Change from the Previous Fiscal Year-end
Current assets	54,931	**49,728**	(5,202)
Property, plant and equipment	31,376	**31,700**	+323
Intangible assets	1,605	**1,642**	+36
Investments and other assets	7,064	**8,677**	+1,613
Non-current assets	40,045	**42,019**	+1,974
Total assets	94,976	**91,748**	(3,228)
Current liabilities	42,606	**36,311**	(6,294)
Non-current liabilities	15,206	**15,613**	+407
Liabilities	57,813	**51,925**	(5,887)
Net assets	37,163	**39,822**	+2,659
Total liabilities and net assets	94,976	**91,748**	(3,228)

* Interest-bearing debt: Total of short-term borrowings, long-term borrowings, and bonds

Main factors for changes (Unit: millions of yen)
Change from Previous Fiscal Year-end

- Notes and accounts receivable - trade, and contract assets: (3,830)
- Inventories: (1,184)

Foreign exchange impact: +394; underlying change: (1,578)

- Notes and accounts payable - trade: (5,138)
- Interest-bearing debt*: (1,956)
- Deferred tax liabilities: +1,194
- Valuation difference on available-for-sale securities: +1,440
- Foreign currency translation adjustment: +1,105

Capital Investment and Depreciation

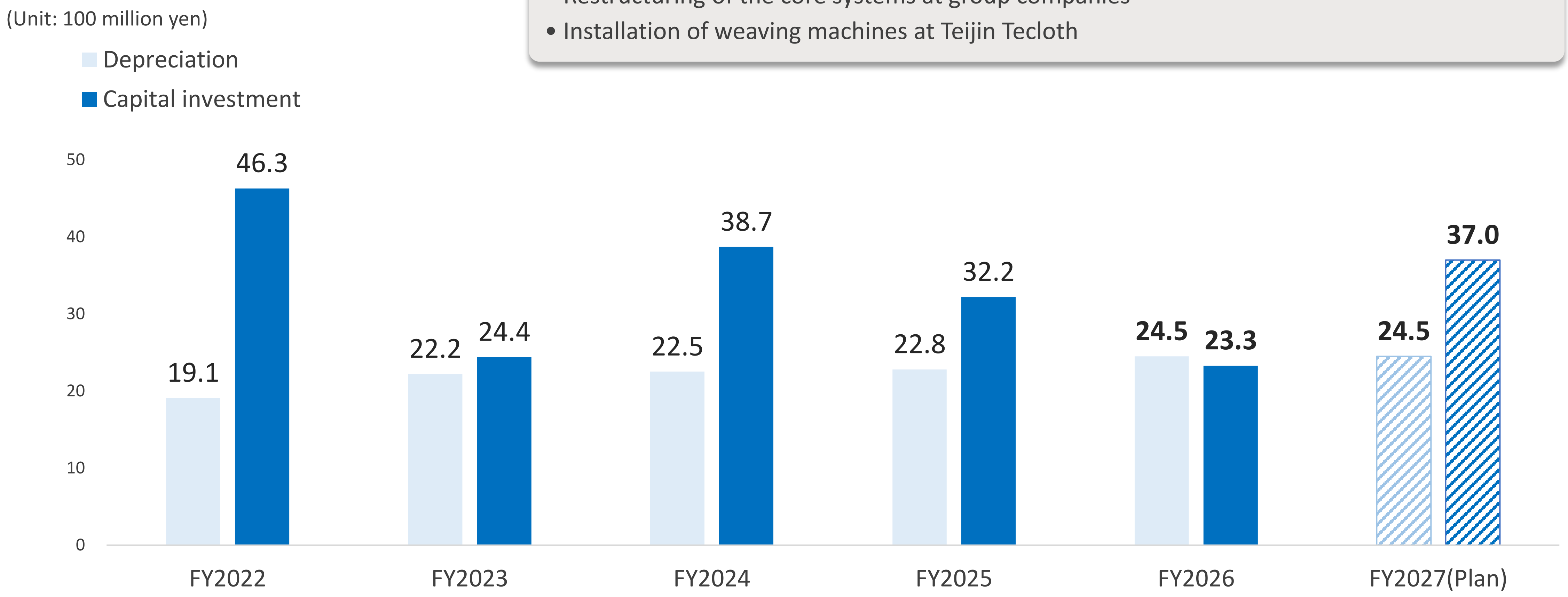
Major capital investment projects

FY2026

- Restructuring of the core systems
- Installation of weaving machines at TANGO TEXTILE

FY2027

- Restructuring of the core systems at group companies
- Installation of weaving machines at Teijin Tecloth



Consolidated Financial Result Forecasts for FY2027

Consolidated Financial Result Forecasts for FY2027

- ✓ Net sales are expected to decline slightly YoY, while profits are expected to increase through the execution of profitability improvement measures in our North and Central American operations.
- ✓ To enhance profitability, we will implement timely price revisions to pass through increases in raw material and labor costs.

(Unit: millions of yen)	FY2026	FY2027		
	Results	Initial plan	YoY change (Rate)	YoY change (Amount)
Net sales	107,633	**106,500**	(1.1%)	(1,133)
Operating profit Operating margin	2,369 2.2%	**3,500** **3.3%**	+47.7%	+1,130
Ordinary profit Ordinary profit margin	2,764 2.6%	**3,600** **3.4%**	+30.2%	+835
Profit (loss) attributable to owners of parent Profit margin attributable to owners of parent	(340) —	**1,450** **1.4%**	—	+1,790

	FY2026	FY2027
Exchange rate (JPY/USD)	151.10	**155.00**

Breakdown by Business Segment for FY2027

(Unit: millions of yen)

		FY2026	FY2027		
		Results	Initial plan	YoY change (Rate)	YoY change (Amount)
Net sales	Automotive Textiles and Traffic Facilities	65,237	**64,100**	(1.7%)	(1,137)
	Interior Fittings	39,260	**39,300**	+0.1%	+39
	Functional Materials	2,631	**2,590**	(1.6%)	(41)
	Other	503	**510**	+1.3%	+6
	Total	107,633	**106,500**	(1.1%)	(1,133)
Operating profit	Automotive Textiles and Traffic Facilities	2,928	**4,280**	+46.2%	+1,351
	Interior Fittings	1,455	**1,500**	+3.1%	+44
	Functional Materials	54	**70**	+28.0%	+15
	Other	131	**120**	(8.6%)	(11)
	Adjustment	(2,200)	**(2,470)**	—	(269)
	Total	2,369	**3,500**	+47.7%	+1,130

Automotive Textiles

- Stabilization of mass production systems at our North and Central American operations
- Strengthening earnings-contributing initiative

Traffic Facilities

- Promotion of total interior design to enhance the comfort and aesthetics of passenger cabin interiors
- Enhancement of comprehensive proposal capabilities, including products that meet growing safety and disaster prevention needs of railway operators

Interior Fittings

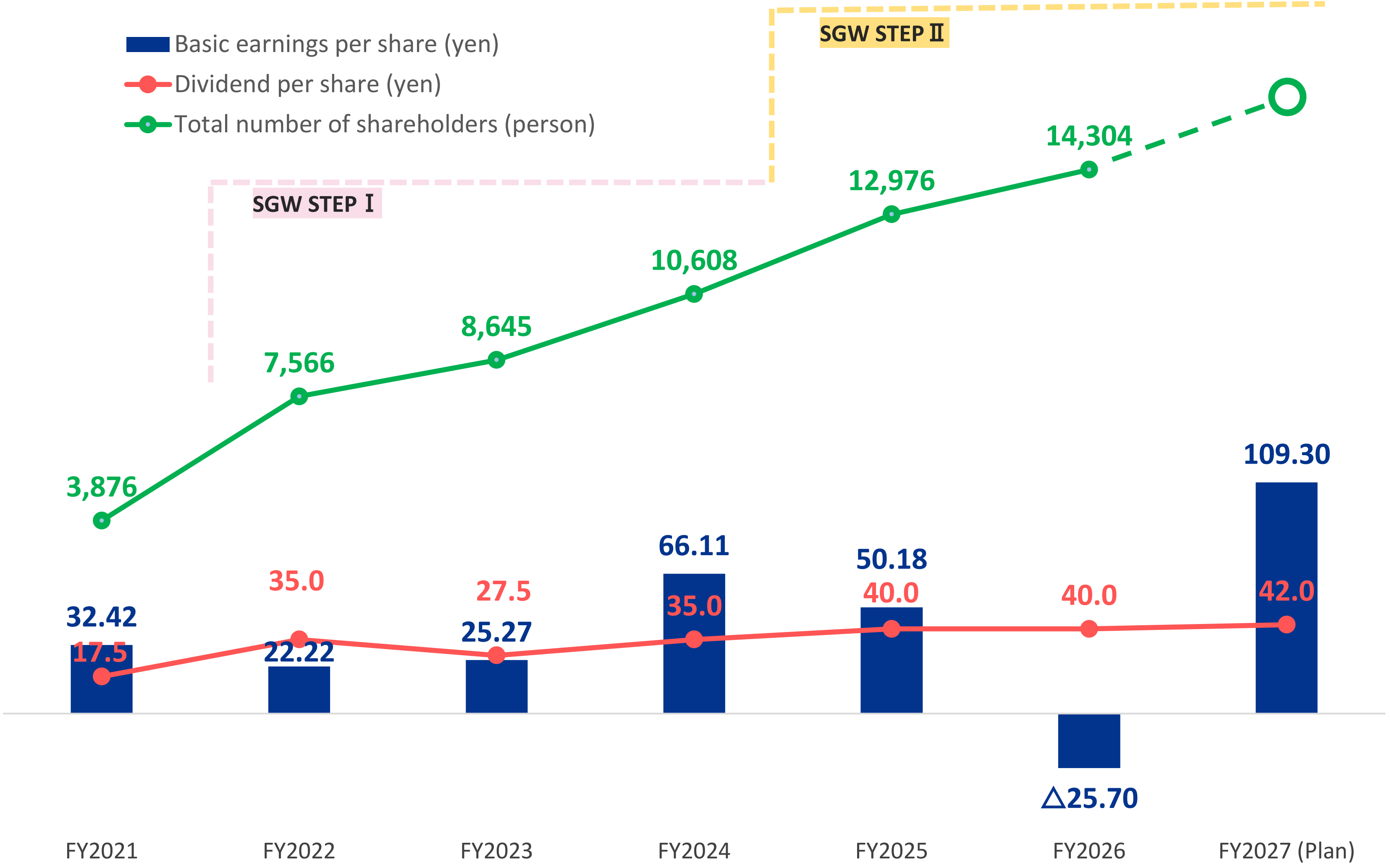
- Expansion of the value-added product lineup in the medium- to high-grade zone
- Enhancement of SUMINOE brand recognition through promotional activities leveraging the Group's strength in total space design

Functional Materials

- Expansion of the spring/summer product lineup through increased order acquisition and channel expansion

Shareholder returns

We believe that returning profits to shareholders is an important management issue.
We will continue to ensure proper allocation of profits, taking into account the stable dividend and trends in business performance.



Policy on shareholder returns

Stable shareholder returns

01 Dividends are basically paid twice a year, as interim and year-end dividends.

02 Except in unforeseen circumstances, such as a sudden deterioration in the business environment, the minimum dividend will be maintained at 35 yen per share.

Continuous expansion of returns

03 The payout ratio will be raised from 33% to 38%.

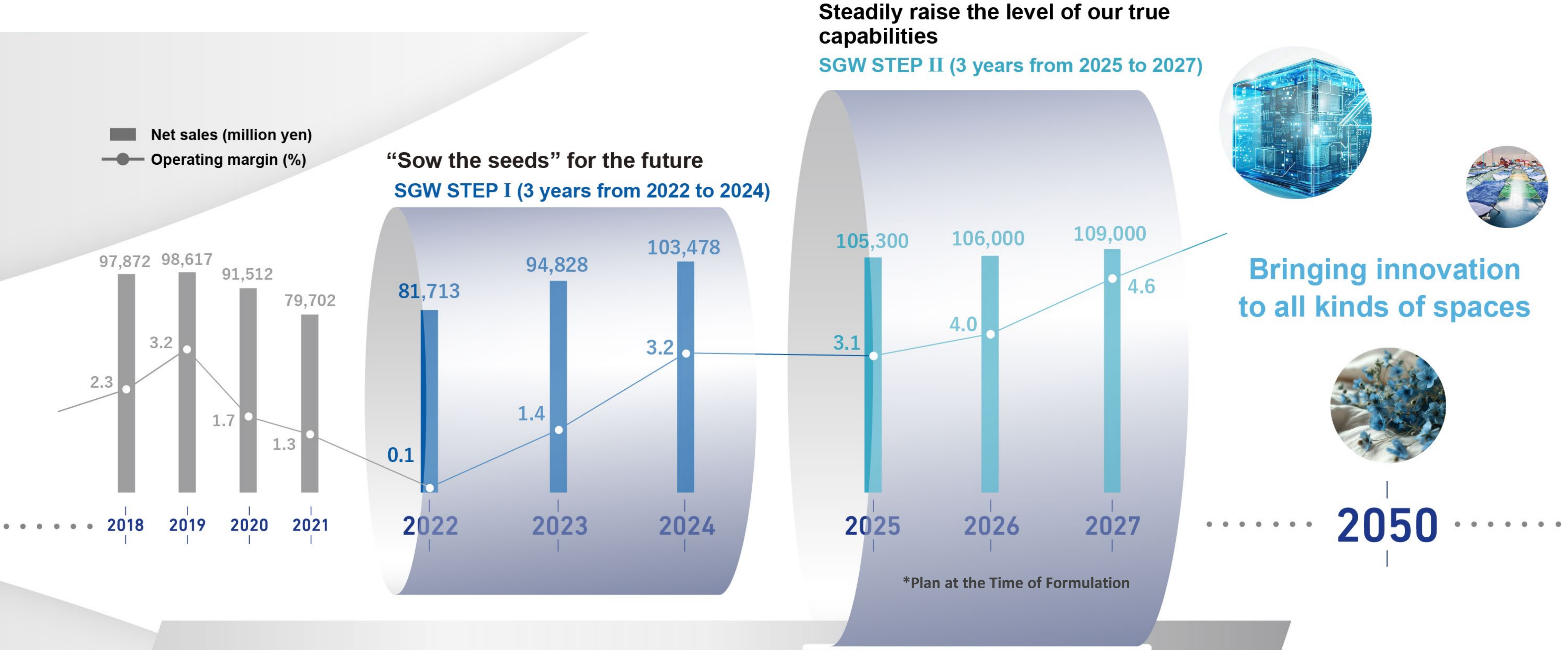
04 We will continue to offer a shareholder special benefit plan that includes our own products.

* Effective March 1, 2025, the Company conducted a two-for-one stock split of its common shares. Basic earnings per share and dividends per share are presented after giving effect to this stock split.

Progress of Medium- to Long-term Management Targets
“SUMINOE GROUP WAY STEP Ⅱ (2025–2027)”

Overview of SUMINOE GROUP WAY

In order to steadily "transform" for the future, we have formulated medium- to long-term management targets.
This plan, named SGW (SUMINOE GROUP WAY), is being implemented over two phases spanning six years, and has now reached a critical stage as it enters its final year.



Growth engine / **Accelerating global expansion** / **Enhancing non-textile areas**

SUMINOE GROUP WAY STEP Ⅱ : Three-Year Consolidated Financial Plan

(Unit: millions of yen)	FY2024	FY2025		FY2026		FY2027	
	Results	Original Plan	Results	Original Plan	Results	Original Plan	Initial Plan
Net sales	103,478	105,300	104,791	106,000	107,633	109,000	106,500
Operating profit	3,300	3,300	3,001	4,200	2,369	5,000	3,500
Operating margin	3.2%	3.1%	2.9%	4.0%	2.2%	4.6%	3.3%
Automotive Textiles and Traffic Facilities	4,427	4,610	4,094	5,130	2,928	5,540	4,280
Interior Fittings	946	1,000	1,023	1,130	1,455	1,360	1,500
Functional Materials	(66)	(180)	(124)	90	54	170	70
Other	76	90	86	130	131	170	120
Adjustment	(2,083)	(2,220)	(2,077)	(2,280)	(2,200)	(2,240)	(2,470)
Ordinary profit	3,668	3,400	2,514	4,200	2,764	5,000	3,600
Profit (loss) attributable to owners of parent	874	1,500	669	2,100	(340)	2,600	1,450

Exchange Rate (JPY/USD)	145.31	144.00	152.60	131.00	151.10	125.00	155.00

Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Progress of SUMINOE GROUP WAY STEP Ⅱ

Analysis of current situation

■ **Consolidated Management Indicators**

(Unit: millions of yen)	FY2025	FY2026	FY2027
	Results	Results	Initial Plan
Net sales	104,791	107,633	106,500
Operating profit	3,001	2,369	3,500
Ordinary profit	2,514	2,764	3,600
Profit (loss) attributable to owners of parent	669	(340)	1,450
PER	23.1x	—	—
PBR	0.5x	0.5x	—
ROE	2.1%	(1.1%)	—

Factors behind the shortfall

The Group recognizes the delay in improving profitability in its core automotive textiles business as the primary reason for the shortfall.

External Factors

- Significant changes in the market environment surrounding the automotive textiles business
- Restructuring of Japanese automakers’ global production systems
- Supply chain disruption and realignment

Internal Factors

- Delayed response to external factors due to insufficient organizational and execution frameworks at North and Central American operations
- Insufficient readiness in production launch, quality control, and production management following the transition to mass production

Restoring profitability in the core business and improving margins are the highest priorities

Progress of SUMINOE GROUP WAY STEP Ⅱ

Specific initiatives

Normalizing our North and Central American bases is a key priority for improving profitability.
We will tackle short-term challenges while driving structural reforms over the medium- to long-term to increase corporate value.

Policy	Purpose	Specific initiatives
① **Strengthening quality management capabilities**	• Ensuring consistent quality across global operations • Enhancing capabilities to prevent recurrence	• Review of global quality and production response processes • Reorganizing and standardizing management standards • Rebuilding the management structure
② **Strengthening adaptability to change**	• Building a resilient business foundation in light of market conditions, regulations, and geopolitical risks	• Formulating swift responses to changes in the external environment, including market conditions and country risk • Strengthening risk diversification and management • Optimizing the business portfolio • Enhancing medium- to long-term business management to stabilize the earnings structure
③ **Strengthening group synergies**	• Improving earnings stability • Improving capital efficiency	• Company-wide optimization of operations through stronger coordination across manufacturing, sales, distribution, and administration • Sharing talent and expertise globally • Improving capital efficiency through integrated management of financial functions • Strengthening the business foundation through cross-group utilization of management resources

Notice of Change in Representative Director (Replacement of President)

Kazuaki Suwa

He has extensive operational and management experience in the Automotive textiles business headquarters, including many years of overseas assignments, and has successfully led the division as its Head since August 2024. The Company expects him to continue contributing to its management and has therefore nominated him as a candidate for Representative Director.

April 1983	Joined the Company
August 2020	Operating Officer
August 2021	COO, Suminoe Textile de Mexico, S.A. de C.V.
April 2022	COO, Suminoe Textile of America Corporation **CEO, Suminoe Textile de Mexico, S.A. de C.V. (present)** CEO, Bondtex, Inc.
August 2022	**Senior Operating Officer (present)**
August 2024	**Director (current)** **General Manager, Automotive Textiles Business Headquarters (present)** **President and Representative Director, Suminoe Teijin Techno Co., Ltd. (present)** **CEO, Suminoe Textile of America Corporation (present)** **Chairman, SPM Automotive Textile Co., Ltd. (present)** **CEO, T.C.H. Suminoe Co., Ltd. (present)**

The change will be submitted to the 137th Annual General Meeting of Shareholders to be held on August 28, 2026, and formalized at the meeting of the Board of Directors to be held immediately thereafter.

Thank you for your attention

Risk information related to future outlook in this document

The descriptions regarding the future outlook, such as the future plans and strategies of our group, provided in this document, are prepared based on reasonable judgements that can be made at the present time, and actual results may differ from these statements due to various factors in the future.