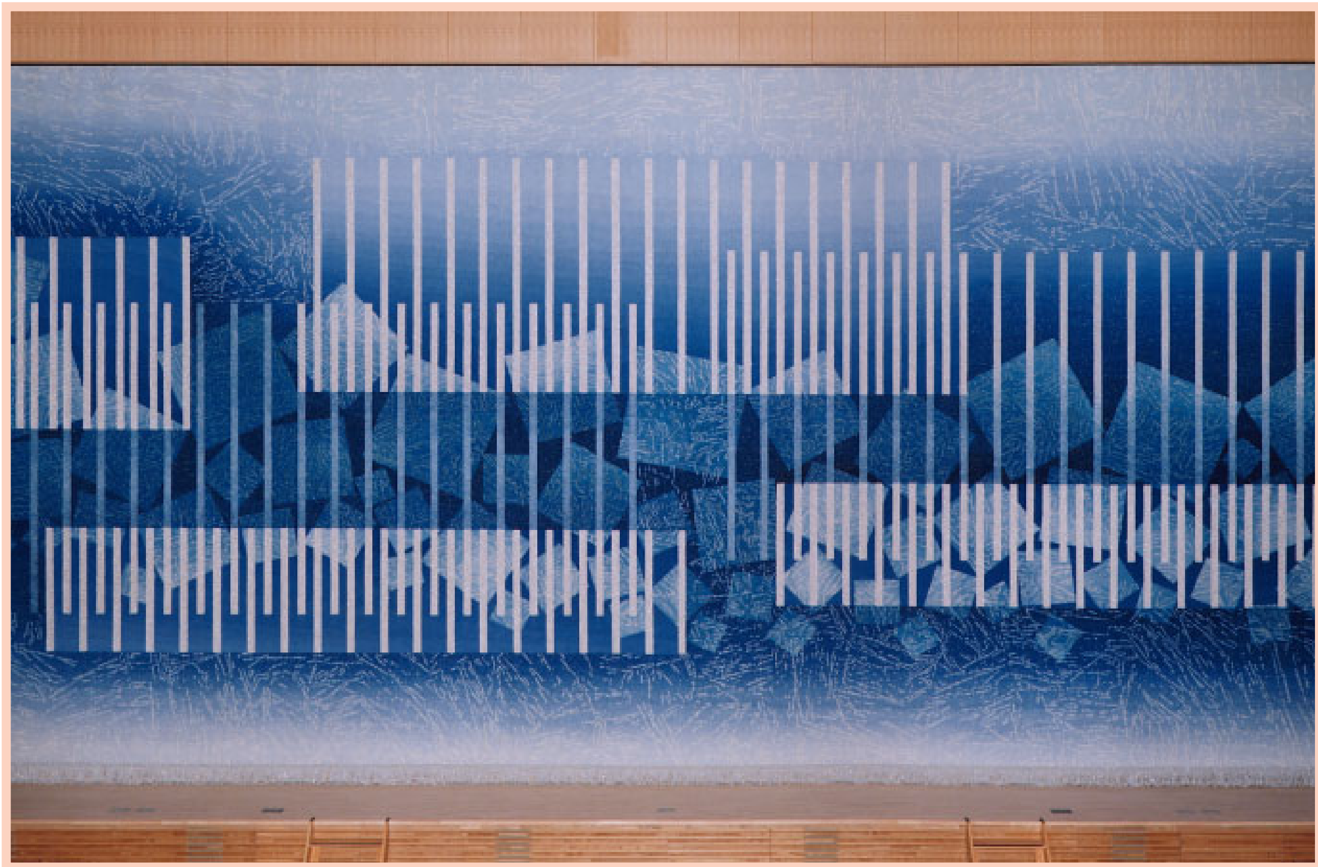


SUMINOE TEXTILE CO., LTD.

Annual Report 2005

Chairman Kondo (seated) with President Yoshikawa

1. Basic Business Policy

We take great pride in being a pioneer in the industry. In line with our mission of providing more pleasant living spaces by constantly offering distinctive designs for interiors, we develop new technologies, which enable the creation of innovative, environment-friendly products. We are now placing even more emphasis on environmental preservation. All Suminoe Textile staff are more committed than ever to enriching the lives of our customers through the development of environmentally sound products and technologies.

The current term, ending May 2006, is the last year of our current medium-term plan. We have set ourselves the target during this term of building a foundation for becoming a global company in the truest sense. We will work hard to realize profits as quickly as possible in our overseas operations, particularly in the U.S. and China. In our production operations in Japan we will focus on enhancing product quality, reducing material costs, and further bolstering our capability to meet delivery deadlines with an internationally competitive earnings base.

2. Basic Policy on Profit Distribution

The Company's management regards the maintenance of stable dividend payments to its shareholders as a matter of top priority. To this end, we are working to strengthen our business base through management reform so as to create a corporate structure capable of generating adequate profits.

3. Medium-to-Long-Term Management Plan, and Tasks to be Addressed

The company's medium-to-long-term management strategy focuses on the following seven issues:

1. The growing of new businesses, centering primarily on recycling
2. Adoption of leading-edge information and network technology
3. Creation of value-added products that precisely meet market demand and establishment of supply-chain management
4. Establishment of overseas operation bases
5. Improvement in financial position
6. Modernization of the pension system
7. Creation of a crisis management system

By successfully tackling the above issues, we aim to bolster our business foundation and enhance our earnings structure.

4. Basic Policy on Corporate Governance

The objective of corporate governance is to ensure sound management and operational efficiency. We are making strenuous efforts to continually provide stakeholders with stable profits and thereby raise enterprise value.

To this end, we have taken a number of steps to reform our management system. Our Board of Directors includes outside directors, and we have strengthened the functions of our corporate auditors. We also employ an executive officer system under which directors are primarily responsible for decision-making and the supervision of operations, while executive officers handle the execution of day-to-day operations. This system clearly separates the responsibilities of the directors and executive officers.

We have compiled a compliance manual based on our corporate code of ethics. Through adherence to the regulations contained in this manual, we aim to improve our trustworthiness in the eyes of the public.

5. Target Management Indicators

As its medium-to-long-term management target, the Company aims to achieve an ROE of 5% or higher. To this end, we will efficiently allocate management resources in order to achieve a steady increase in cash flow generated by operating activities to raise earning power and enterprise value.

6. Business Performance for the Term Ended May 2005

During the term under review, the Japanese economy showed signs of recovery. Private-sector capital investment expanded accompanying the growth in corporate earnings, and the employment situation also improved. However, the pace of recovery slowed due to a series of natural disasters, coupled with rising crude oil prices and a deceleration in the U.S. and Chinese economies.

Concerning the operating environment for our businesses, there was an increasing disparity between the Tokyo area, where the downward trend in the interior goods business was halted, and other areas, where demand remained lackluster for the most part. In addition, the upward trend in crude oil prices pushed materials prices higher, intensifying competition between companies and also between individual product categories. Consequently, the gap in corporate performance is quite noticeable. In the automotive-related segment, although demand was strong in Japan for compact cars, the maturing of the market and a diversification in consumers' preferences has necessitated a quicker business response. In overseas markets, we are seeing an acceleration in the global strategies of the major car manufacturers in the emerging markets of Brazil, Russia, India and China (the so-called BRICs markets). To appropriately respond to these developments, we are being required to conduct R&D and production on a global scale.

Amid this environment, the Company recorded net sales on a consolidated basis for the term of ¥69,926 million (US$647,463 thousand), 1.4% higher than the previous year.

By product segment, carpet sales amounted to ¥27,314 million (US$252,910 thousand), sales of drapery to ¥27,134 million (US$251,233 thousand), moquette upholstery sales to ¥4,136 million (US$38,299 thousand), and sales of other products to ¥11,342 million (US$105,021 thousand).

An extraordinary gain of ¥56 million (US$519 thousand) was posted as a result of recognition of gains on the termination of a contributory funded retirement plan, but this was more than offset by an extraordinary loss of ¥65 million (US$602 thousand) incurred in a loss on the sale and disposal of property, plant and equipment.

As a result, the Company posted net income of ¥1,028 million (US$9,519 thousand), down 31.6% from the previous term.

For the foreseeable future, possibilities of a downward movement in the world economy cannot be ruled out, taking into consideration the U.S. economic outlook and record-high oil prices. Looking at the business environment for the Suminoe Textile Group, however, the leading domestic economic indicators generally show signs of improvement. The Group will implement measures targeting the following strategic issues.

First of all, we will strengthen our domestic production system with the aim of raising productivity and realizing the highest level of product quality. At our Osaka plant, our main production base for automobile-related products, we will continue taking steps to shorten lead times, to reduce inventories. At the same time, we will make efforts to improve the production process and product quality. Moreover, at Suminoe Nara Co., Ltd., which was established through the spin-off of our flooring materials division (including the Nara plant) in September of last year, we are undertaking the streamlining and integration of some operations, and expanding others under the new production system. We are making various improvements so as to develop products that will be well received in the market, while simultaneously enhancing product quality to create a carpet production base that can compete with greater flexibility.

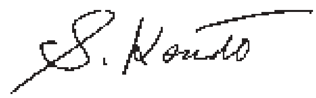
Concerning overseas operations, we have expanded our carpet production facilities at Suminoe Textile of America Corporation (U.S.), which is our overseas production base for car interior furnishings, and at T.C.H. Suminoe Co., Ltd. (Thailand), aiming expand our production capacities and make possible the production of all varieties of textile furnishings, including seat fabric and carpets.

In the China market, in response to the increased local car production that has accompanied the rise in car sales, we have decided to establish a production base for interior furnishings in that country within the current fiscal year, to build a system capable of responding to the demands of car manufacturers. Regarding heated carpets, we converted the joint venture firm Suzhou Suminoe Brother Textile Co., Ltd. into a wholly owned subsidiary in December 2004, and renamed it Suzhou Suminoe Textiles Co., Ltd. The company was established as a maker of the textile furnishings incorporated in heated carpet. In the future, this company will produce not only the textile part of heated carpets, but also non-woven textiles, allowing it to enter other new fields.

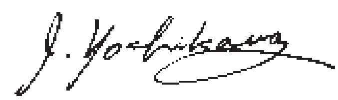
With regard to the establishment of the our brand profile, we are working hard to expand our market share through the aggressive development of such products as Triple Fresh, an odor-killing item developed utilizing our proprietary technologies; OH TILE, polyolefin hard floor coverings (PVC-free); and Sumitron yarn, recycled fiber material from PET bottles. In the case of odor-killing Triple Fresh, we have developed a fourth-generation product that is effective in absorbing and decomposing formaldehyde and VOC (volatile organic compounds) using photocatalysts under fluorescent light or natural daylight. We are in the planning stages of the commercialization process for Triple Fresh VOC.

Regarding the cultivation of new businesses, in August 2004 Suminoe Textile established a joint venture with Sumitomo Corporation and Asahi Kasei Fibers Corporation to produce side-curtain airbags. The new company is named Sumisho Airbag Systems Co., Ltd., and its Matsuura Plant (in Nagasaki Prefecture) was completed in March of this year. The mission of this business is to contribute to the local economy and to automotive safety for society as a whole. Utilizing high-level technology, this company has already commenced operation, with the aim of developing high-quality products and undertaking production and supply for car manufacturers. Suminoe Textile is providing its expertise in car interior textile materials, and plans to expand business operations in this field.

The management of Suminoe Textile is vigorously expanding the operations of the entire Suminoe Group with the aims of strengthening its operational effectiveness and reinforcing its earnings base. To attain these goals, we are taking an aggressive stance toward the effective redeployment among our business bases in Japan and overseas of the group's management resources — including technological know-how, expertise in the fields of design and development, key qualified staff, and other assets. Regarding our staff compensation and promotion systems, we are putting emphasis on injecting youthful vigor into the ranks of our management through adoption of compensation and promotion systems more closely linked to quantifiable performance. In this way, we hope to foster a body of loyal employees who will maintain our high technological standards into the next generation and beyond. Regarding retirement benefits, our present qualified defined benefit pension plan is scheduled to be replaced by a defined-contribution plan.



Sadahiko Kondo
Chairman



Ichizo Yoshikawa
President

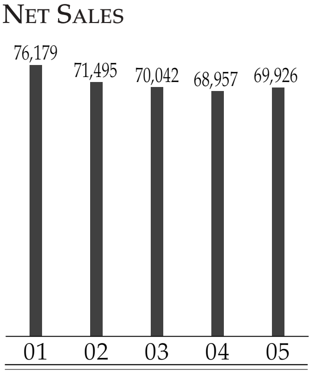
Financial Highlights

Suminoe Textile Co., Ltd. and Consolidated Subsidiaries
Years ended May 31

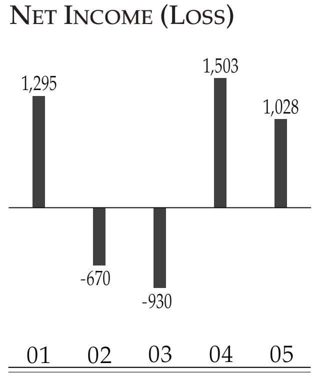
	Millions of yen					Thousands of U.S. dollars
	2005	2004	2003	2002	2001	**2005**
Net sales	**¥69,926**	¥68,957	¥70,042	¥71,495	¥76,179	**$647,463**
Income (loss) before income taxes and minority interests	**1,387**	1,356	(1,002)	(437)	1,181	**12,843**
Net income (loss)	**1,028**	1,503	(930)	(670)	1,295	**9,519**
Total assets	**70,762**	69,178	68,322	70,272	77,703	**655,204**
Shareholders' equity	**22,786**	22,158	18,886	20,204	21,474	**210,981**
Amounts per share (in yen and U.S. dollars):						
Net income (loss)	**¥13.39**	¥19.58	¥(12.11)	¥(8.43)	¥15.10	**$0.12**
Cash dividends applicable to the year	**2.50**	2.50			2.50	**0.02**

Notes: 1. U.S. dollar amounts are converted from Japanese yen amounts at the rate of U.S.$1 to ¥108, the approximate rate on May 31, 2005.
2. Net income (loss) per share of common stock is computed based on the weighted average number of shares outstanding.

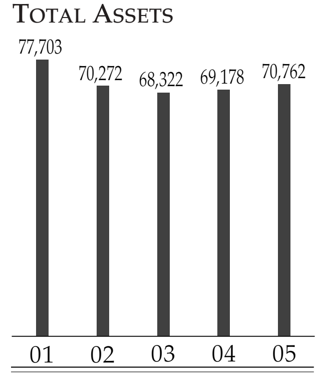
Net Sales



Net Income (Loss)



Total Assets



Consolidated Balance Sheets

Suminoe Textile Co., Ltd. and Consolidated Subsidiaries
May 31, 2005 and 2004

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2005	2004	**2005**
ASSETS			
Current assets:			
Cash and cash equivalents	**¥ 6,503**	¥ 5,423	**$ 60,213**
Marketable securities (Note 3)	**842**	418	**7,796**
Notes and accounts receivable:			
Trade notes	**7,986**	7,917	**73,944**
Trade accounts	**10,019**	9,432	**92,769**
Other	**1,258**	930	**11,648**
Allowance for doubtful receivables	**(100)**	(110)	**(926)**
Inventories (Note 4)	**8,115**	8,628	**75,139**
Deferred tax assets (Note 9)	**463**	529	**4,287**
Other	**700**	926	**6,482**
Total current assets	**35,786**	34,093	**331,352**
Property, plant and equipment (Notes 2.e and 5):			
Land	**16,849**	16,903	**156,009**
Buildings and structures	**14,455**	13,931	**133,843**
Machinery and equipment	**16,511**	16,272	**152,880**
Construction in progress	**467**	639	**4,324**
Total	**48,282**	47,745	**447,056**
Accumulated depreciation	**(23,543)**	(23,264)	**(217,991)**
Net property, plant and equipment	**24,739**	24,481	**229,065**
Other assets:			
Investment securities (Notes 3 and 5)	**7,035**	7,635	**65,139**
Investments in and loans to associated companies	**899**	619	**8,324**
Deferred tax assets (Note 9)	**180**	92	**1,667**
Other	**2,679**	2,828	**24,805**
Allowance for doubtful accounts	**(556)**	(570)	**(5,148)**
Total other assets	**10,237**	10,604	**94,787**
Total	**¥70,762**	¥69,178	**$655,204**

See notes to consolidated financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2005	2004	**2005**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings (Note 5)	**¥ 8,154**	¥ 7,700	**$ 75,500**
Current portion of long-term debt (Note 5)	**1,245**	1,312	**11,528**
Notes and accounts payable:			
Trade notes	**8,972**	9,309	**83,074**
Trade accounts	**8,213**	7,495	**76,046**
Construction	**138**	197	**1,278**
Accrued expenses	**1,853**	1,900	**17,157**
Income taxes payable	**330**	163	**3,056**
Other	**432**	389	**4,001**
Total current liabilities	**29,337**	28,465	**271,640**
Long-term liabilities:			
Long-term debt (Note 5)	**6,490**	6,385	**60,093**
Liability for retirement benefits (Note 6)	**5,528**	5,466	**51,185**
Deferred tax liabilities (Note 9)	**670**	754	**6,204**
Deferred tax liabilities related to land revaluation excess (Note 9)	**5,445**	5,449	**50,417**
Other	**339**	349	**3,138**
Total long-term liabilities	**18,472**	18,403	**171,037**
Minority interests	**167**	152	**1,546**
Commitments and contingent liabilities (Notes 11 and 13)			
Shareholders' equity (Notes 2.e, 5, 7 and 14):			
Common stock–authorized, 300,000,000 shares; issued, 76,821,626 shares	**9,554**	9,554	**88,463**
Capital surplus	**2,653**	2,653	**24,565**
Retained earnings	**1,850**	1,009	**17,130**
Land revaluation excess	**6,960**	6,965	**64,444**
Net unrealized gain on available-for-sale securities	**1,920**	2,125	**17,777**
Foreign currency translation adjustments	**(134)**	(137)	**(1,241)**
Total	**22,803**	22,169	**211,138**
Treasury stock–at cost; 105,365 shares in 2005 and 79,493 shares in 2004	**(17)**	(11)	**(157)**
Total shareholders' equity	**22,786**	22,158	**210,981**
Total	**¥70,762**	¥69,178	**$655,204**

CONSOLIDATED STATEMENTS OF INCOME

Suminoe Textile Co., Ltd. and Consolidated Subsidiaries
Years ended May 31, 2005 and 2004

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2005	2004	2005
Net sales	¥69,926	¥68,957	$647,463
Cost and operating expenses:			
Cost of sales	54,427	53,611	503,954
Selling, general and administrative (Note 10)	14,424	14,116	133,555
Total cost and operating expenses	68,851	67,727	637,509
Operating income	1,075	1,230	9,954
Other income (expenses):			
Interest and dividend income	75	75	694
Net gain on sales of securities	67	377	620
Rental income	232	199	2,148
Interest expense	(193)	(196)	(1,787)
Rental expense	(73)	(63)	(676)
Loss on sales and disposal of property, plant and equipment	(65)	(227)	(602)
Gain (loss) on termination of contributory funded retirement plan (Notes 2.f and 6)	56	(260)	519
Other–net (Note 8)	213	221	1,973
Other income (expenses)–net	312	126	2,889
Income before income taxes and minority interests	1,387	1,356	12,843
Income taxes (Note 9):			
Current	342	182	3,167
Deferred	(3)	(343)	(28)
Total income taxes	339	(161)	3,139
Minority interests	(20)	(14)	(185)
Net income	¥ 1,028	¥ 1,503	$ 9,519

	Yen		U.S. dollars
Per share of common stock (Note 2.n):			
Net income	¥13.39	¥19.58	$0.12
Cash dividends applicable to the year	2.50	2.50	0.02

See notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

Suminoe Textile Co., Ltd. and Consolidated Subsidiaries
Years ended May 31, 2005 and 2004

	Number of shares		Millions of yen						
	Common stock	Treasury stock	Common stock	Capital surplus	Retained earnings (accumulated deficit)	Land revaluation excess	Net unrealized gain (loss) on available-for-sale securities	Foreign currency translation adjustments	Treasury stock
Balance at June 1, 2003	76,821,626	55,422	¥9,554	¥2,653	¥ (977)	¥7,897	¥ (181)	¥ (53)	¥ (7)
Net income for the year					1,503				
Decrease in land revaluation excess, principally due to sales of land					511	(932)			
Decrease due to exclusion of an associated company formerly accounted for by equity method					(28)				
Net change in unrealized gain (loss) on available-for-sale securities							2,306		
Net change in foreign currency translation adjustments								(84)	
Purchase of treasury stock (Note 7)		24,071							(4)
Balance at May 31, 2004	76,821,626	79,493	9,554	2,653	1,009	6,965	2,125	(137)	(11)
Net income for the year					**1,028**				
Cash dividends, ¥2.5 per share					**(192)**				
Decrease in land revaluation excess, principally due to sales of land					**5**	**(5)**			
Net change in unrealized gain on available-for-sale securities							**(205)**		
Net change in foreign currency translation adjustments								**3**	
Purchase of treasury stock (Note 7)		**25,872**							**(6)**
Balance at May 31, 2005	**76,821,626**	**105,365**	**¥9,554**	**¥2,653**	**¥1,850**	**¥6,960**	**¥1,920**	**¥(134)**	**¥(17)**

	Thousands of U.S. dollars (Note 1)						
	Common stock	Capital surplus	Retained earnings	Land revaluation excess	Net unrealized gain (loss) on available-for-sale securities	Foreign currency translation adjustments	Treasury stock
Balance at May 31, 2004	$88,463	$24,565	$ 9,343	$64,490	$19,675	$(1,269)	$(102)
Net income for the year			**9,519**				
Cash dividends, $0.02 per share			**(1,778)**				
Decrease in land revaluation excess, principally due to sales of land			**46**	**(46)**			
Net change in unrealized gain on available-for-sale securities					**(1,898)**		
Net change in foreign currency translation adjustments						**28**	
Purchase of treasury stock (Note 7)							**(55)**
Balance at May 31, 2005	**$88,463**	**$24,565**	**$17,130**	**$64,444**	**$17,777**	**$(1,241)**	**$(157)**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Suminoe Textile Co., Ltd. and Consolidated Subsidiaries
Years ended May 31, 2005 and 2004

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2005	2004	2005
Operating activities:			
Income before income taxes and minority interests	¥1,387	¥ 1,356	$12,843
Adjustments for:			
Income taxes–paid	(167)	(72)	(1,546)
Depreciation and amortization	920	892	8,518
Decrease in allowance for doubtful receivables and accounts	(24)	(138)	(222)
Net gain on sales of securities	(67)	(377)	(620)
Loss on sales and disposal of property, plant and equipment	65	227	602
Changes in assets and liabilities:			
Decrease (increase) in notes and accounts receivable	(652)	1,319	(6,037)
Decrease (increase) in inventories	535	(774)	4,953
Increase (decrease) in notes and accounts payable–trade	245	(1,878)	2,268
Increase (decrease) in liability for retirement benefits	62	(1,263)	574
Increase in other current assets	(44)	(500)	(407)
Decrease in other current liabilities	(253)	(687)	(2,342)
Other–net	34	110	314
Total adjustments	654	(3,141)	6,055
Net cash provided by (used in) operating activities	2,041	(1,785)	18,898
Investing activities:			
Proceeds from sales of property, plant and equipment	44	1,107	407
Purchases of property, plant and equipment	(1,067)	(1,729)	(9,880)
Proceeds from sales and redemption of securities	8,477	11,176	78,491
Purchases of marketable and investment securities	(8,578)	(9,468)	(79,426)
Increase in other assets	(123)	(418)	(1,138)
Net cash provided by (used in) investing activities	(1,247)	668	(11,546)
Financing activities:			
Net change in short-term borrowings	447		4,138
Proceeds from long-term debt	1,350	1,739	12,500
Repayments of long-term debt	(1,312)	(1,120)	(12,148)
Purchase of treasury stock	(6)	(4)	(55)
Dividends paid	(191)		(1,769)
Dividends paid to minority interests	(1)	(1)	(9)
Net cash provided by financing activities	287	614	2,657
Foreign currency translation adjustments on cash and cash equivalents	(1)	(72)	(9)
Net increase (decrease) in cash and cash equivalents	1,080	(575)	10,000
Cash and cash equivalents, beginning of year	5,423	5,998	50,213
Cash and cash equivalents, end of year	¥6,503	¥ 5,423	$60,213

See notes to consolidated financial statements.

1. Basis of presenting consolidated financial statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Securities and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in Japan in order to present them in a form which is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Suminoe Textile Co., Ltd. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥108 to $1, the approximate rate of exchange at May 31, 2005. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. Summary of significant accounting policies

a. Principles of consolidation

The accompanying consolidated financial statements as of May 31, 2005 include the accounts of the Company and all subsidiaries (together, the "Companies").

Under the control or influence concept, those companies which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated.

The Companies' investments in associated companies (companies over which the companies have the ability to exercise significant influence) are accounted for by the equity method.

Costs in excess of net assets of subsidiaries at the date of acquisition that cannot be specifically assigned to individual assets are charged to income as incurred.

All significant intercompany transactions and balances have been eliminated. All material unrealized profits included in assets resulting from transactions within the Companies are eliminated.

b. Cash and cash equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits that represent short-term investments, all of which mature within three months of the date of acquisition.

c. Inventories

Inventories are stated at cost determined by the average method.

d. Marketable and investment securities

Marketable and investment securities are classified and accounted for, depending on management's intent, as follows: i) trading securities, which are held for the purpose of earning capital gains in the near term, are reported at fair value, and the related unrealized gains and losses are included in earnings, ii) held-to-maturity debt securities, which management has the positive intent and ability to hold to maturity, are reported at amortized cost, and iii) available-for-sale securities, which are those securities not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported as a separate component of shareholders' equity.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method. For other than temporary declines in fair value, non-marketable available-for-sale securities are reduced to net realizable value by a charge to income.

e. Property, plant and equipment

Property, plant and equipment except land are stated at cost. Depreciation is computed over the estimated useful lives of the assets by the declining-balance method while the straight-line method is applied to buildings acquired after April 1, 1998, at rates based on the useful lives of the assets. The range of estimated useful lives is principally from 3 to 50 years for buildings and from 4 to 17 years for machinery and equipment.

Under the "Law of Land Revaluation", promulgated and revised on March 31, 1998 and 1999, respectively, the Company elected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of May 31, 2000. The resulting land revaluation excess represents unrealized appreciation of land and is stated, net of income taxes, as a component of shareholders' equity. There was no effect on the consolidated statement of income. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation excess account and related deferred tax liabilities. The details of the one-time revaluation as of May 31, 2000 were as follows:

Land before revaluation:	¥ 3,436 million
Land after revaluation:	¥16,713 million
Land revaluation excess:	¥ 7,700 million
	(net of income taxes of ¥5,576 million)

As of May 31, 2005, the carrying amount of the land after the above one-time revaluation exceeded the market value by ¥5,373 million ($49,750 thousand).

f. Retirement benefits

The Companies, account for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

On April 23, 2002, the Company obtained an approval to relinquish the entrusted government portion of the contributory funded plans by government according to enforcement of the defined benefit enterprise pension law on April 1, 2002.

The differences between the liability to be relinquished and the related pension fund assets were credited to income on the date when government's approval was obtained according to "Practical Guidelines of Accounting for Retirement Benefits (Interim Report)" issued by the Japanese Institute of Certified Public Accountants, for the year ended May 31, 2003.

On March 26, 2004, the Company terminated its contributory funded plan in addition to the entrusted government portion of the contributory funded plans when the Company obtained the government's approval.

On March 31, 2005, the Company thereafter transferred the entrusted government portion and related assets to the government and recognized ¥56 million ($519 thousand) as income for the difference between the balance of the retirement benefit liabilities brought forward and the amount actually transferred for the year ended May 31, 2005.

In addition, certain subsidiaries have a contributory trusted pension plan covering most of their employees together with multi-employers. The certain subsidiaries fund and record contributions as charge to income as current period costs and prior service costs. The pension fund assets available for benefits under this plan were approximately ¥333 million ($3,083 thousand) and ¥319 million at May 31, 2005 and 2004, respectively.

The Company provides for the liability for directors and corporate auditors' retirement benefits at the amounts which would be required to be paid if all directors and corporate auditors retired at the balance sheet date. Amounts payable to directors and corporate auditors upon retirement are subject to the approval of shareholders.

g. Leases

All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that do not transfer ownership of the leased property to the lessee are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's consolidated financial statements.

h. Income taxes

The provision for current income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

i. Appropriations of retained earnings

Appropriations of retained earnings are reflected in the consolidated financial statements for the following year upon shareholders' approval.

j. Foreign currency transactions

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statements of income to the extent that they are not hedged by forward exchange contracts.

k. Foreign currency financial statements

The balance sheet accounts of foreign subsidiaries and associated companies are translated into Japanese yen at the current exchange rates as of the balance sheet dates except for shareholders' equity, which is translated at the historical rates. Revenue and expense accounts of the foreign subsidiaries and associated companies are translated into Japanese yen at the average annual exchange rates.

Differences arising from such translation are shown as "Foreign currency translation adjustments" as a separate component of shareholders' equity.

l. Derivatives and hedging activities

The Company uses foreign exchange forward contracts and interest rate swaps to manage its exposures to fluctuations in foreign exchange and interest rates. The Company does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: a) all derivatives are recognized as either assets or liabilities and measured at fair value, and the resulting gains or losses are recognized in the consolidated statements of income and b) for derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on those derivatives are deferred until maturity of the hedged transactions.

The foreign exchange forward contracts are utilized to hedge foreign currency exposures on overseas transactions. Trade payables and receivables denominated in foreign currencies are translated at the contracted rates if the forward contracts qualify for hedge accounting.

The interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements is recognized and included in interest expense or income.

m. Bond issue costs

Bond issue costs are charged to income as incurred.

n. Per share information

Basic net income per share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the year, retroactively adjusted for stock splits.

The computations of net income per share of common stock are based on the weighted average number of shares outstanding during each year of 76,728,815 shares for the year ended May 31, 2005 and 76,755,751 shares for the year ended May 31, 2004.

Diluted net income per share is not disclosed because the Companies have not issued dilutive securities.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

o. Segment information

The Companies are predominantly engaged in one industry, the manufacture and sale of interior fabric, including carpets, drapery and moquettes. Sales are made throughout Japan primarily to wholesalers, retailers and car manufacturers through sewing companies. The Companies have no industry segments or significant foreign operations to be reported.

p. New accounting pronouncements

In August 2002, the Business Accounting Council issued a Statement of Opinion, "Accounting for Impairment of Fixed Assets", and in October 2003 the Accounting Standards Board of Japan (ASB) issued ASB Guidance No. 6, "Guidance for Accounting Standard for Impairment of Fixed Assets". These new pronouncements are effective for fiscal years beginning on or after April 1, 2005 with early adoption permitted for fiscal years ending on or after March 31, 2004.

The new accounting standard requires an entity to review its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

The Company is currently in the process of assessing the effect of adoption of these pronouncements.

3. Marketable and investment securities

Marketable and investment securities as of May 31, 2005 and 2004 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Current:			
Government and corporate bonds	**¥ 70**	¥ 74	**$ 648**
Other	**772**	344	**7,148**
Total	**¥ 842**	¥ 418	**$ 7,796**
Non-current:			
Equity securities	**¥7,028**	¥7,563	**$65,074**
Government and corporate bonds	**7**	57	**65**
Other		15	
Total	**¥7,035**	¥7,635	**$65,139**

The carrying amounts and aggregate fair values of marketable and investment securities at May 31, 2005 and 2004 were as follows:

	Millions of yen			
	2005			
	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as available-for-sale:				
Equity securities	**¥3,292**	**¥2,612**	**¥24**	**¥5,880**
Government and corporate bonds	**77**	**0**	**0**	**77**
Total	**¥3,369**	**¥2,612**	**¥24**	**¥5,957**

	Millions of yen			
	2004			
	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as available-for-sale:				
Equity securities	¥3,477	¥3,029	¥ 93	¥6,413
Government and corporate bonds	131			131
Other	114		34	80
Total	¥3,722	¥3,029	¥127	¥6,624

	Thousands of U.S. dollars			
	2005			
	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as available-for-sale:				
Equity securities	**$30,481**	**$24,185**	**$222**	**$54,444**
Government and corporate bonds	**713**	**0**	**0**	**713**
Total	**$31,194**	**$24,185**	**$222**	**$55,157**

Available-for-sale securities included in marketable and investment securities whose fair value is not readily determinable as of May 31, 2005 and 2004 were as follows:

	Carrying amount		
	Millions of yen		Thousands of U.S. dollars
	2005	2004	2005
Available-for-sale:			
Equity securities	**¥1,148**	¥1,150	**$10,630**
Other	**772**	279	**7,148**
Total	**¥1,920**	¥1,429	**$17,778**

Proceeds from sales of available-for-sale securities for the years ended May 31, 2005 and 2004 were ¥2,868 million ($26,556 thousand) and ¥1,806 million, respectively. Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥88 million ($815 thousand) and ¥20 million ($185 thousand), respectively for the year ended May 31, 2005 and ¥506 million and ¥98 million, respectively, for the year ended May 31, 2004.

The carrying values of debt securities and investment funds in trust by contractual maturities for securities classified as available-for-sale at May 31, 2005 are as follows:

	Millions of yen	Thousands of U.S. dollars
Due in one year or less	¥842	$7,796
Due after one year through five years	7	65
Total	¥849	$7,861

4. Inventories

Inventories at May 31, 2005 and 2004 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2005	2004	2005
Finished products and purchased merchandise	**¥5,481**	¥6,004	**$50,750**
Work-in-process	**1,580**	1,728	**14,630**
Materials and supplies	**1,054**	896	**9,759**
Total	**¥8,115**	¥8,628	**$75,139**

5. Short-term borrowings and long-term debt

Short-term borrowings are principally comprised of bank overdrafts. As is customary in Japan, the Companies obtains financing by discounting trade notes receivable with banks. Such discounted notes and the related contingent liabilities are not included in the consolidated balance sheets but are disclosed as contingent liabilities (see Note 13). The weighted average annual interest rates for short-term borrowings and notes discounted at May 31, 2005 and 2004 were 0.86% and 0.83%, respectively.

Long-term debt at May 31, 2005 and 2004 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2005	2004	2005
Unsecured bonds:			
1.46%, due January 2007	**¥2,000**	¥2,000	**$18,519**
0.47%, due September 2007	**1,000**	1,000	**9,259**
0.39%, due June 2010	**1,500**	1,500	**13,889**
Collateralized loans from banks and other financial institutions, due through 2010 with interest ranging from 1.15% to 1.58%	**3,235**	3,197	**29,954**
Total	**7,735**	7,697	**71,621**
Less current portion	**1,245**	1,312	**11,528**
Long-term debt, less current portion	**¥6,490**	¥6,385	**$60,093**

At May 31, 2005, annual maturities of long-term debt, less current portion were as follows:

	Millions of yen	Thousands of U.S. dollars
Year ending May 31:		
2007	¥3,101	$28,713
2008	1,764	16,333
2009	480	4,444
2010	345	3,195
2011	800	7,408
Total	¥6,490	$60,093

At May 31, 2005, assets pledged as collateral for short-term borrowings of ¥1 million ($9 thousand) and long-term debt (including current portion) of ¥2,237 million ($20,713 thousand) were as follows:

	Millions of yen	Thousands of U.S. dollars
Property, plant and equipment, less accumulated depreciation	¥9,348	$86,556
Investment securities	3,446	31,907

Bank overdrafts are generally covered under basic written agreements which provide that additional collateral (including sums on deposit with such banks) or guarantors will be furnished at the banks' request and that any collateral furnished will be applicable to all indebtedness due to such banks. Certain long-term loan agreements provide that lenders may request the Companies to submit proposals to pay dividends for approval. The Companies have never received such a request from any of their lenders.

6. Retirement benefits

The Company and certain subsidiaries have unfunded retirement plans, a non-contributory funded retirement plan and a contributory funded retirement plan covering substantially all of their employees.

Under the unfunded and a non-contributory funded retirement plans, employees terminating their employment are entitled, in most circumstances, to lump-sum severance payments determined by reference to the rate of pay at time of termination, years of service and certain other factors.

The liability for retirement benefits for 2005 and 2004 included ¥466 million ($4,315 thousand) and ¥383 million, respectively, for retirement benefits of directors and corporate auditors.

The liability (asset) for employees' retirement benefits at May 31, 2005 and 2004 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Projected benefit obligation	**¥7,382**	¥7,691	**$68,352**
Fair value of plan assets	**(1,572)**	(1,596)	**(14,556)**
Unrecognized prior service cost	**(112)**	(124)	**(1,037)**
Unrecognized actuarial loss	**(636)**	(888)	**(5,889)**
Net liability	**¥5,062**	¥5,083	**$46,870**

The components of net periodic benefit costs for the years ended May 31, 2005 and 2004 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Service cost	**¥311**	¥431	**$2,880**
Interest cost	**186**	207	**1,722**
Expected return on plan assets	**(40)**	(38)	**(370)**
Recognized actuarial loss	**103**	94	**954**
Amortization of prior service costs	**13**	2	**120**
Loss (gain) on termination of contributory funded plan	**(56)**	260	**(519)**
Net periodic benefit costs	**¥517**	¥956	**$4,787**

The Company recognized the loss on termination of its contributory funded plan, which consists of the recognition of unrecognized actuarial loss and the payment to its former employees who have right to receive payments from the plan on March 26, 2004.

Assumptions used for the years ended May 31, 2005 and 2004 are set forth as follows:

	2005	2004
Discount rate	**2.5%**	2.5%
Expected rate of return on plan assets	**2.5%**	2.5%
Recognition period of actuarial gain/loss	**10 years**	10 years
Amortization period of prior service costs	**10 years**	10 years

7. Shareholders' equity

Japanese companies are subject to the Japanese Commercial Code (the "Code").

The Code requires that all shares of common stock are recorded with no par value and at least 50% of the issue price of new shares is required to be recorded as common stock and the remaining net proceeds as additional paid-in capital, which is included in capital surplus. The Code permits Japanese companies, upon approval of the Board of Directors, to issue shares to existing shareholders without consideration as a stock split. Such issuance of shares generally does not give rise to changes within the shareholders' accounts.

The Code also provides that an amount at least equal to 10% of the aggregate amount of cash dividends and certain other appropriations of retained earnings associated with cash outlays applicable to each period shall be appropriated as a legal reserve (a component of retained earnings) until such reserve and additional paid-in capital equals 25% of common stock. The amount of total additional paid-in capital and legal reserve that exceeds 25% of the common stock may be available for dividends by resolution of the shareholders. In addition, the Code permits the transfer of a portion of additional paid-in capital and legal reserve to the common stock by resolution of the Board of Directors.

The Code allows Japanese companies to repurchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The repurchased amount of treasury stock cannot exceed the amount available for future dividend plus amount of common stock, additional paid-in capital or legal reserve to be reduced in the case where such reduction was resolved at the shareholders meeting.

In addition to the provision that requires an appropriation for a legal reserve in connection with the cash payment, the Code imposes certain limitations on the amount of retained earnings available for dividends. The amount of retained earnings available for dividends under the Code was ¥2,424 million ($22,440 thousand) as of May 31, 2005, based on the amount recorded in the Company's general books of account.

Dividends are approved by the shareholders at a meeting held subsequent to the fiscal year to which the dividends are applicable. Semiannual interim dividends may also be paid upon resolution of the Board of Directors, subject to certain limitations imposed by the Code.

8. Other income (expenses): Other–net

"Other income (expenses): Other–net" for the years ended May 31, 2005 and 2004 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Loss on write-down of marketable and investment securities	**¥ (2)**	¥ (52)	**$ (18)**
Retirement benefits for directors and corporate auditors		(7)	
Equity in earnings (losses) of associated companies	**(55)**	52	**(509)**
Other–net	**270**	228	**2,500**
Total	**¥213**	¥221	**$1,973**

9. Income taxes

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rates of approximately 40.7% and 42.0% for the years ended May 31, 2005 and 2004, respectively.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at May 31, 2005 and 2004 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Deferred tax assets:			
Allowance for doubtful receivables and accounts	**¥ 372**	¥ 171	**$ 3,445**
Liabilities for retirement benefits	**2,183**	2,099	**20,213**
Tax loss carryforwards	**332**	806	**3,074**
Investment securities	**449**	604	**4,157**
Other	**844**	630	**7,815**
Less valuation allowance	**(3,537)**	(3,663)	**(32,750)**
Total deferred tax assets	**¥ 643**	¥ 647	**$ 5,954**
Deferred tax liabilities:			
Land revaluation excess	**¥5,445**	¥5,449	**$50,417**
Retained earnings appropriated for tax allowable reserves	**11**	15	**102**
Net unrealized gain on available-for-sale securities	**659**	765	**6,102**
Total deferred tax liabilities	**¥6,115**	¥6,229	**$56,621**
Net deferred tax assets	**¥ 643**	¥ 621	**$ 5,954**
Net deferred tax liabilities	**¥6,115**	¥6,203	**$56,621**

At May 31, 2005 the Company and a certain subsidiary have tax loss carryforwards aggregating approximately ¥1,920 million ($17,778 thousand) which are available to be offset against taxable income of the companies in future years. These tax loss carryforwards, if not utilized, will expire as follows:

	Millions of yen	Thousands of U.S. dollars
Year ending May 31:		
2008	¥ 344	$ 3,185
2009	1,138	10,537
2010	25	231
2011	183	1,695
2012	230	2,130
Total	¥1,920	$17,778

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the years ended May 31, 2005 and 2004 is as follows:

	2005	2004
Normal effective statutory tax rates	**40.7%**	42.0%
Change in valuation allowance	**(34.7)**	(62.8)
Expenses not deductible for income tax purposes	**3.2**	2.6
Per capita levy	**3.0**	2.4
Foreign tax credit	**0.8**	0.6
Unrecognized deferred tax of unrealized gain	**4.7**	
Difference of tax rates for foreign subsidiaries	**5.1**	
Effect of tax rate change		1.3
Other–net	**1.6**	2.0
Actual effective tax rates	**24.4%**	(11.9)%

10. Research and development costs

Research and development costs charged to income were ¥262 million ($2,426 thousand) and ¥275 million for the years ended May 31, 2005 and 2004, respectively.

11. Leases

The Company leases certain machinery and equipment. Total lease payments under finance leases that are not deemed to transfer ownership of the leased property to the lessee are ¥73 million ($676 thousand) and ¥67 million for the years ended May 31, 2005 and 2004, respectively.

Pro forma information on an "as if capitalized" basis for leased property under finance leases that do not transfer ownership of the leased property to the lessee as of May 31, 2005 and 2004 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Machinery and equipment:			
Acquisition cost	**¥302**	¥288	**$2,796**
Accumulated depreciation	**(186)**	(148)	**(1,722)**
Net leased property	**¥116**	¥140	**$1,074**

Obligations under finance leases as of May 31, 2005 and 2004:

	Millions of yen		Thousands of U.S. dollars
	2005	2004	**2005**
Due within one year	**¥ 65**	¥ 61	**$ 602**
Due after one year	**51**	79	**472**
Total	**¥116**	¥140	**$1,074**

The amounts of acquisition cost and obligations under finance leases includes the imputed interest expense portion.

Depreciation expense, which is not reflected in the accompanying consolidated statements of income, computed by the straight-line method was ¥72 million ($667 thousand) and ¥67 million for the years ended May 31, 2005 and 2004, respectively.

12. Derivatives

The Company enters into derivatives financial instrument contracts, in the normal course of business, to reduce the exposure to fluctuations in interest rates and foreign exchange rates. The Company has utilized interest rate swaps to decrease interest expense on long-term debt. The Company also enters into foreign exchange forward contracts to hedge market risk from changes in foreign exchange rates associated with assets and liabilities denominated in foreign currencies. The Company does not hold or issue derivatives for trading purposes. Subsidiaries do not enter into derivatives.

Because the counterparties to these derivatives are limited to major financial institutions, the Company does not anticipate any losses arising from credit risk.

The basic policies for the use of derivatives are approved by the Board of Directors and the execution and control of derivatives are controlled by the Finance Processing Section of the Finance Accounting Department. Each derivative transaction is reported to the Accountant Section of the Finance Accounting Department.

Derivative financial instruments which qualify for hedge accounting for the years ended May 31, 2005 and 2004, are not subject to the disclosure of market value information.

13. Contingent liabilities

Contingent liabilities at May 31, 2005 were as follows:

	Millions of yen	Thousands of U.S. dollars
Trade notes discounted	¥1,025	$9,491
Employees' housing loans guaranteed	21	194
Guarantee for leased assets	142	1,315

14. Subsequent event

The following appropriations of retained earnings at May 31, 2005 were approved at the Company's shareholders meeting held on August 30, 2005:

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends, ¥2.5 ($0.02) per share	¥192	$1,778

Deloitte.

Deloitte Touche Tohmatsu
Nakanoshima Central Tower
2-2-7, Nakanoshima
Kita-ku, Osaka 530-0005
Japan

Tel: +81 6 4560 6016
Fax: +81 6 4560 6020
www.deloitte.com/jp

To the Board of Directors of
Suminoe Textile Co., Ltd.:

We have audited the accompanying consolidated balance sheets of Suminoe Textile Co., Ltd. and consolidated subsidiaries as of May 31, 2005 and 2004, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Suminoe Textile Co., Ltd. and consolidated subsidiaries as of May 31, 2005 and 2004, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

August 30, 2005

Member of
Deloitte Touche Tohmatsu

BOARD OF DIRECTORS AND CORPORATE AUDITORS

as of August 30, 2005

Chairman
Sadahiko Kondo
(Representative Director)

President
Ichizo Yoshikawa
(Representative Director)

Managing Directors
Masahiko Takebayashi
Makoto Odajima
Syun Hayashi

Directors
Ichiro Masukura
Mitsuhiko Akizuki
Ken-ichi Yamagata
Shinji Yoshida
Toshikazu Masukawa

Corporate Auditors
Kazuo Yamada
Hiroshi Matano
Satoshi Adachi

INVESTOR INFORMATION

as of May 31, 2005

Year of Establishment: 1883
Paid-in Capital Stock: ¥9,554,173,950
Authorized Shares: 300,000,000 shares
Issued and Outstanding Shares: 76,821,626 shares
Shareholders: 7,110
Employees: 472

Major Shareholders:
Takashimaya Company, Limited
Nippon Life Insurance Company
Mizuho Corporate Bank, Limited
Marubeni Corporation
The Master Trust Bank of Japan, Limited
Toyota Motor Corporation
Suminoe Textile's Employees' Association
Unitika Limited
Suminoe Textile's Kyoeikai Association*
The Bank of Ikeda, Limited

* Shareholders' Association of Business Partners

CORPORATE DATA

as of May 31, 2005

Subsidiaries
Suminoe Co., Ltd.
Runon Co., Ltd.
Marunaka Souei Co., Ltd.
Circumindustry Co., Ltd.
Suminoe Works Co., Ltd.
Suminoe Logistics Co., Ltd.
Suminoe Interior Plaza Co., Ltd.
Sewing Hyogo Co., Ltd.
Tango Textile Co., Ltd.
Suminoe Koka Co., Ltd.
Suminoe Nara Co., Ltd.
Sumix Co., Ltd.
S·H·O Co., Ltd.
Suminoe Textile of America Corp.
Suzhou Suminoe Textiles Co., Ltd.
Kansai Techno Service Co., Ltd.
Kansai Laboratory Co., Ltd.
Suminoe Seahorse Co., Ltd.
Degora Trading Co., Ltd.
Many Able Co., Ltd.

Associated Companies
T.C.H. Suminoe Co., Ltd.
Komatsu Suminoe Tec Co., Ltd.
KST Co., Ltd.
Suzhou Suminoe Koide Automotive Accessories Co., Ltd.
PT Sinar Suminoe Indonesia
Sumisho Airbag Systems Co., Ltd.

Offices
Head Office, Osaka Branch & Osaka Showroom
11-20, Minami-Semba 3-Chome,
Chuo-ku, Osaka 542-8504
Phone: 06-6251-6801
Fax: 06-6251-0862

Tokyo Branch & Tokyo Showroom
BR Gotanda-Building, 30-4,
Nishi-Gotanda 2-Chome,
Shinagawa-ku, Tokyo 141-8534
Phone: 03-5434-2860
Fax: 03-5434-6542

Sales Offices
Sapporo, Sendai, Kita-kanto, Chiba, Yokohama, Shizuoka, Kanazawa, Nagoya, Kyoto, Kobe, Okayama, Hiroshima, Fukuoka, Kagoshima

Factories
Nara, Osaka, Shiga, Kyoto

R&D Center
5-8, Obori 1-Chome, Matsubara,
Osaka 580-0006
Phone: 072-330-5745
Fax: 072-330-2519

SUMINOE TEXTILE CO., LTD.

Head Office

11-20, Minami-Semba 3-Chome,
Chuo-ku, Osaka 542-8504, Japan
Phone: 06-6251-6801
Fax: 06-6251-0862
URL: http://suminoe.jp/

Explanation of the annual report cover

The new municipal cultural hall "CYGNUS" opened in Tsubatamachi, Ishikawa Prefecture on October 1, 2005. Suminoe Textile has provided a traditional tsuzure-ori *style stage curtain measuring 21 meters in width and 10 meters in height. The design portrays the beauty of the Japan Sea and the feelings of those who love it.*

This report was printed using soy ink on 100 percent recycled paper.

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