August 14, 2025

For immediate release


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## Notice of divergence between 1H FY12/2025 earnings forecasts and actual results, and revision of consolidated earnings forecasts for FY12/2025

Consolidated results for the first half of the fiscal year ending December 2025, announced today, diverged from the forecasts for the same period previously announced on February 14, 2025. The differences have been summarized in the table below. The Board of Directors of Ultrafabrics Holdings Co., Ltd. also resolved at a meeting held today to revise the consolidated earnings forecasts for the full fiscal year ending December 31, 2025, previously announced on February 14, 2025, as shown in the second table below.

1. Divergence between 1H FY12/2025 earnings forecasts and actual results (Jan 1, 2025, to Jun 30, 2025)

| | Sales Revenue | Operating Income | Income Before Tax | Net Income | Net Income Attributable to Owners of the Parent | Basic Earnings per Share |
|---|---|---|---|---|---|---|
| Previously Announced (A) | Mil JPY<br>10,700 | Mil JPY<br>1,100 | Mil JPY<br>900 | Mil JPY<br>600 | Mil JPY<br>600 | JPY<br>32.54 |
| Revised (B) | 10,092 | 664 | 390 | 197 | 197 | 10.60 |
| Difference (B) – (A) | -608 | -436 | -510 | -403 | -403 | — |
| Difference (%) | -5.7 | -39.7 | -56.6 | -67.2 | -67.2 | — |
| FY2024 (Reference) | 10,410 | 1,628 | 1,522 | 1,151 | 1,151 | 62.58 |

2. Revision of consolidated earnings forecasts for FY12/2025 (Jan 1, 2025, to Dec 31, 2025)

| | Sales Revenue | Operating Income | Income Before Tax | Net Income | Net Income Attributable to Owners of the Parent | Basic Earnings per Share |
|---|---|---|---|---|---|---|
| Previously Announced (A) | Mil JPY 22,500 | Mil JPY 2,900 | Mil JPY 2,200 | Mil JPY 1,500 | Mil JPY 1,500 | JPY 81.34 |
| Revised (B) | 20,900 | 1,500 | 800 | 600 | 600 | 32.18 |
| Difference (B) – (A) | -1,600 | -1,400 | -1,400 | -900 | -900 | — |
| Difference (%) | -7.1 | -48.3 | -63.6 | -60.0 | -60.0 | — |
| FY2024 (Reference) | 20,296 | 2,799 | 2,274 | 1,640 | 1,640 | 88.95 |

3. Rationale

1H FY12/25 consolidated sales revenue came in below the prior estimate by 5.7%. Despite sales for commercial aircrafts comfortably exceeding estimates, there were shortfalls for furniture, automotive small parts (such as shift boots and gap hiders), and other applications including camping cars, owing to a wait-and-see approach taken by some customers in response to the uncertain outlook for US tariff policy and other issues as well as a soft office market and continuous high interest rates. In addition, rising procurement prices for raw materials and a stronger yen (both period average at JPY148.6/$ and period end rate at JPY144.8/$) than expected as JPY 150.0/$ weighed on the gross profit margin, resulting in all profit lines from operating income downward falling below prior announced forecasts, despite effective curbs on SG&A costs.

Ultrafabrics Holdings lowered the consolidated sales revenue forecast for FY12/25 by 7.1% by way of change in 1) the 2H presumed forex rate of JPY150.0/$ to JPY148.0/$ given the current forex rate status, and 2) the sales assumption of automotive seats downwards triggered by a change in models a core client produces, despite ongoing brisk sales for aviation use. The revised gross margin assumption reflects the sustained downtrend in the margin at 1H, as well as higher outsourcing ratio and UF tariff impacts on sales revenue and COGS. As a result, forecasts were revised downward considerably for operating income, income before tax, and net income, despite effective curbs on SG&A costs.

The initial dividend target is for ¥39 per share of common stock. However, Ultrafabrics Holdings will revisit this forecast when setting earnings forecasts, capex targets, and the cash flow outlook for the next fiscal year, and will make a further announcement if adjustment is necessary.

The earnings forecasts are based on information available to Ultrafabrics Holdings as of the time the document was released, and certain assumptions deemed reasonable to management. However, actual results could differ considerably due to various factors.