

# Chapter 01 Aiming to Enhance Corporate Value from a Long-term Perspective

The novel coronavirus (COVID-19) pandemic has been threatening people's health and lives, also having significant impacts on social, economic and corporate activities. The pandemic has blocked people's movements and physical distributions worldwide, stagnated economic activities, and destabilized the international financial market, rapidly causing a severe recession in the short term. Under this global crisis, people's sense of values and life in society are greatly changing. To cope with these changes, the Suminoe Textile Group has adopted the following policy for the future.

\*The information published here is as of the time of preparing this report (October 1, 2020).

## Ensuring the Safety of Employees and Continuation of Business Operations

### The Company's Decision-Making

To address the COVID-19 pandemic, after a state of emergency was declared by the central and local governments in Japan, the Suminoe Textile Group announced its own state of emergency notifications to respective Group companies in accordance with the situations on each occasion. Moreover, the Group implemented advice from related divisions at the Company and took other appropriate measures.

The assumption is that due to the COVID-19 pandemic, what is called "the New Normal" will last for more than two years. We should therefore seek the ideal state of working styles and individual evaluations on the premise of the New Normal in the future. As part of countermeasures against the COVID-19 pandemic, we have already introduced remote conferencing, which has proved to be a sufficiently effective means of communication and be able to improve the work efficiency because of travel time saving. On the other hand, remote conferencing reminded us of the importance of talking with others face-to-face. We also realized that the work-from-home system is useful for employees in terms of infection prevention and time

efficiency, whereas working in their living environments makes it difficult to draw the line between public and private affairs, more often ending up in doing overtime since they work irregular hours. Taking into account both advantages and disadvantages of each measure, we have implemented what we can do by trial and error. Going forward, the entire Group will continue to make concerted efforts to overcome this difficult situation.

## Social Responsibility to Be Fulfilled as a Company

### Preventing the Spread of Infection

To prevent the novel coronavirus infection from spreading, we have established guidelines for infection prevention regarding our daily operations. By promoting strict compliance with these guidelines, we take the greatest care to ensure that our employees, their families and our customers will not spread the infection.

Action Guidelines of the Suminoe Textile Group  
 In response to the state-of-emergency declaration made by the Japanese government, each individual member of the Suminoe Textile Group pledges full cooperation in strictly refraining from going to other prefectures and avoiding the "three Cs" (Closed spaces, Crowded places, and Close contact settings). We will implement these pledges to protect Japanese society, our companies, ourselves and our families.

## Major infection protection measures taken by the Group



Measures to allow employees to have flexible work styles (Staggering working hours and working from home)



Encourage workplace ventilation, washing hands, gargling, and disinfection

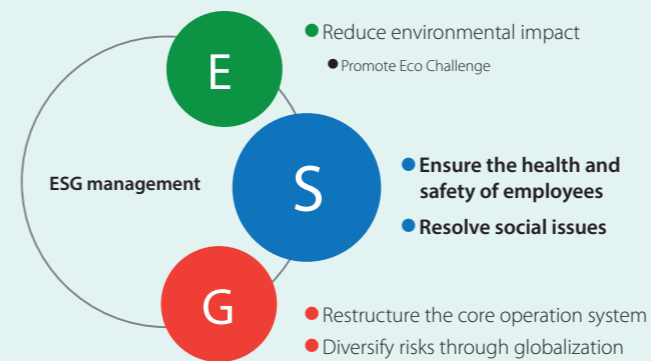


Avoid face-to-face meetings and business trips  
 Promote remote conferencing (improvement of the network environment)



Install acrylic plates on the desk

## ESG Initiatives



- Ensure the health and safety of employees**
  - Implement infection prevention measures
    - Develop office environments
    - Measures to allow employees to have flexible work styles (Staggering working hours and working from home)
      - Promote workstyle reforms and operational improvement
  - Revise BCPs and risk manuals
  - Revise internal regulations
- Resolve social issues**
  - Develop products designed to resolve social issues and environmentally friendly products (Deodorant, antibacterial, and anti-virus products)
  - Respond to changes in social behavior and lifestyles (E-commerce business and web marketing)

## Securing Stable Supply

With the worldwide spread of COVID-19, our global supply chain of raw materials was partly interrupted. However, we are able to continue stable supply of products with virtually no problem. This is because based on our past experiences, we can give customers appropriate explanations about changes in the supply chain, secure the required amounts of raw materials, supply products in a stable manner, and resolve quality problems.

## Challenges to Be Addressed as a Company

### Business Growth with ESG Management in Mind

Ever since more than four decades ago, the Group has focused on the development of environmentally friendly products and initiatives. The Suminoe Textile Group "SUMINOE Environmental Declaration" announced in 1998 sets forth the Group's commitment to environmental protection regarding its products and production processes, in keeping with the philosophy of "KKR+A (Kenko [Health], Kankyo [Environment], Recycle and Amenity). The underlying concept behind this attitude was that environmental protection would be the important theme for the global environment during the 21st century. Nowadays the importance of initiatives taken by companies for society is also

highlighted by an external factor, i.e., the novel coronavirus pandemic. Corporate initiatives for society and for the environment are similarly important in pursuing ESG practices and the SDGs. We will strive for management and business growth while being well aware of such importance.

## New Sense of Values

### Creating Value in Response to Changes in Society

Now that risk of infection lurks everywhere in our daily lives, our corporate behavior and way of thinking have drastically changed. In the New Normal, which is considered to last for a while in the future, we will further expand our existing products featuring antibacterial and anti-virus functions, such as curtains, carpets and carpet tiles. These products were already on the market before the COVID-19 pandemic. We will also accelerate the Group's environmental philosophy "KKR+A" and promote initiatives for society in order to "create new value" that is required by society. Through such efforts, we aim to grow as a company capable of dealing with changing values that are sought after by the market in the age of coexisting with the coronavirus and in the post-COVID 19 world.



Hitoshi Iida  
 Representative Senior Managing Director  
 Suminoe Textile Co., Ltd.

## Chapter 02 Building Sustainable Trust between the Company and Its Employees

### Workstyle Reforms for Living with the Novel Coronavirus

I consider it a duty of the Human Resources Department to create a working environment where employees can maximize their performance. During the COVID-19 crisis, it is important to establish the environment needed to continue business operations with top priority given to employees' safety. Even in the post-coronavirus period, we will continue to utilize new options, such as online meetings, training and interviews, which have become prevalent due to the pandemic, and apply work-from-home guidelines.

Katsuya Kawai  
Director, Human Resources  
Department  
Suminoe Textile Co., Ltd.



### Paving the Way for a Flexible Working Style

I do my work while referencing the real color samples and prototypes. As such, initially I could not complete my job only with my personal computer, so working from home was inefficient for me. However, now I am finding a better way to proceed with my work from home by setting a firm schedule. I believe that the recent pandemic has paved the way for a flexible working style.



Fuzuki Hattori  
Design Department  
Suminoe Teijin Techno  
Co., Ltd.

### Continuing to Utilize New Options

In the age of living with the coronavirus, working from home has become commonplace. It is therefore necessary for the Information Management Department to promote online applications and digitization. To begin with, we are now working to create an environment to encourage the widespread use of communication tools across the Company. In the future, we are going to establish a system foundation that can cope with various changes in consideration of the convenience, security and costs.

Ryoichi Kusano  
General Manager, Information  
Systems Department  
Suminoe Textile Co., Ltd.



### Proactive Review of Our Conventional Business Procedures

Under the impact of the COVID-19 pandemic, our working styles are rapidly changing. Through staggered working hours and working from home, all the members of our department were encouraged to proactively review our conventional business procedures. Moreover, since I worked from home while my child's school was closed, I was able to increase meaningful time with my family. I feel that I can maintain forward-looking attitudes, despite many difficulties due to inefficient work and limited going out.



Keisuke Ryu  
Traffic Sales Department  
Suminoe Textile Co., Ltd.

### Establishing a System Foundation

The COVID-19 pandemic is yet to subside. The Company must continue to pursue an "organization where employees can feel job satisfaction" and a "flexible and resilient organization that can survive society" in the age of living with the coronavirus as well as the post-COVID-19 period. The key to growth of the Suminoe Textile Group lies in whether or not we can advance workstyle reforms while adapting to the New Normal.

Tsuyoshi Miyake  
General Manager,  
CSR Promotion Department  
Suminoe Textile Co., Ltd.



### Active Introduction of New Tools

My department actively introduced Internet fax (online or cloud-based fax) and new communication tools on the occasion of implementing the work-from-home system. I hope that the introduction of these tools and working from home will become widespread Group-wide. The ongoing pandemic has provided us with a good opportunity to review and improve not only the Company's initiatives but also individual employees' current business procedures in response to the changes in working styles.



Yuka Okamoto  
Fabric Department  
SUMINOE Co., Ltd.

### The Key to Growth Is to Advance Workstyle Reforms