

Initiatives for Society

Growth and Success of Employees—Creating a Working Environment Where Each and Every Employee Can Demonstrate His/Her Best Performance

Respect for Human Rights

The Suminoe Textile Group will ensure a sound working environment where no employees are harassed or discriminated against because of their race, beliefs, religion, nationality, physical features, etc.

Respect for Diversity

The Suminoe Textile Group considers that human resources are the source of sustainable corporate growth and that it is important to enable each and every employee to demonstrate his/her best performance and grow further. We place emphasis on initiatives to create a working environment that ensures that diverse human resources can work happily and actively, regardless of gender, age, and nationality.

■ Personnel data (Group companies in Japan) As of the end of May each fiscal year

Item/sex/fiscal year		2019	2020
Number of employees	Male	1,070	1,210
	Female	483	569
Average age	Male	45.9	46.6
	Female	41.4	41.9
Average years of service	Male	15.5	15.8
	Female	12.2	12.1
Number of new graduates hired	Male	21	19
	Female	10	14

Supporting a Balance between Career and Family Life

In June 2019, Suminoe Textile Co., Ltd. revised its internal regulations so that employees can take nursing care leave by the hour and use support leave to take care of their family members (for the number of days of unused annual paid leave that expires by prescription, and this leave is retroactively effective for up to five years). The Company will continue its endeavors to support employees in striking a balance between career and family life and to create comfortable workplace environments.

■ Number of employees who used childcare/family care supporting systems

Item/sex/fiscal year		2018	2019
Childcare leave, etc.	Number of employees who took childcare leave	Male	0
		Female	11
	Number of employees who returned to work after childcare leave	Male	0
		Female	5
Number of employees who reduced working hours	Male	0	
	Female	9	
Family care leave, etc.	Number of employees who advanced/postponed work start/finish times	Male	0
		Female	4
	Number of employees who took family care leave	Male	0
		Female	4
Number of employees who reduced working hours	Male	0	
	Female	6	
Number of employees who advanced/postponed work start/finish times	Male	0	
	Female	0	

Human Resource Development

We have formulated an education curriculum for the entire Group. The curriculum comprises various programs, which are categorized into training by level, role training, and selective training.

At Suminoe Textile Co., Ltd. those who are in their third year or less of employment are regarded as young employees. They are required to receive collective training for one month after joining the Company and then take on-the-job (OJT) training between May to September. During the first three years after employment, young employees of Group companies in Japan are required to take annual training sessions. After receiving training for new recruits, they undergo collective training designed for second- and third-year employees. The Suminoe Textile Group companies in Japan jointly implement training programs, which also serve as opportunities for deepening mutual exchange among employees participating from their respective Group companies.

■ Number of employees taking training (FY2019)

Training system / Number of trainees		Total	Male	Female
Training by level, role training, and selective training (for skill improvement)	Collective training	174	125	49
	Correspondence course	110	74	36
Selective training (for self-development)	Language training (in-person)	5	4	1
	Language training (web)	19	11	8

(FY2019)

Training system / Number of trainees		Total	Male	Female
Nominative/selective training	Middle management training	12	12	0
	Web management course*	7	6	1

* Started in June 2020

Topics

Launch of TATSUNOKO CLUB

Cross-Departmental Opportunities for Knowledge Acquisition

In October 2019, we launched the Tatsunoko Club, an in-house study meeting that serves as a venue for self-development to learn a variety of basic knowledge. It is a participatory meeting for learning mainly through discussions and exercises.

The Tatsunoko Club has brought together interested employees, transcending the departmental boundaries, to learn about “Critical Thinking,” “Service Innovation” and other themes that are more challenging than themes related to common daily routines. It has been attended by young employees, managers, and overseas employees who participate on the web. In the six months since its launch, a total of ten Tatsunoko Club meetings were held, with nearly 50 participants at a maximum.

We had worked for many years to achieve the task of realizing this kind of training. Many participants also commented that the Tatsunoko Club provided them with a significant opportunity to gain a new insight and hone their skills. We will continue to help individual employees pursue learning and their personal growth.



Topics

Publishing a Technical Data Handbook

Handing Down Knowledge and Experience to Employees Who Will Become the Next-Generation Leaders

In March 2020, Suminoe Techno Co., Ltd. published the second edition of the handbook for human resource development. The company promotes human resource development, aiming to foster individuals who can think and act on their own at the worksite and nurture professionals equipped with the highest level of expertise.



Occupational Health and Safety

Safety Activities

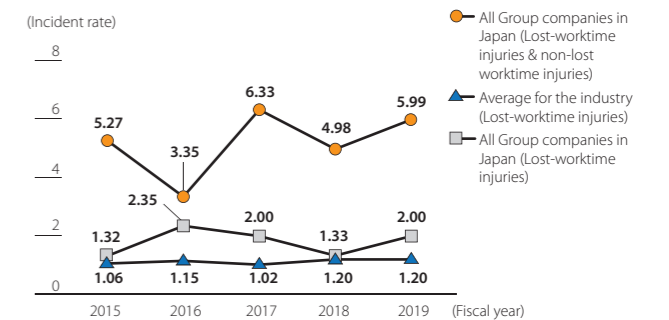
Promoting Occupational Accident Prevention Activities

At each office/factory of the Suminoe Textile Group, the Health and Safety Committee (in the case of a small establishment, the person in charge of health and safety) takes the lead in efforts to eradicate occupational accidents.

To promote occupational accident prevention activities, the Central Health and Safety Subcommittee consolidated and shared Group-wide “proposal instances regarding occupational health and safety,” “on-site safety awareness-raising examples,” and other information on the initiatives carried out at respective offices/factories. However, both the number of occupational accidents and the number of lost-worktime injuries slightly increased. Accordingly, the incident rate rose. We also failed to achieve a rate of lost-worktime injuries of “1.0 or lower,” which we had set as the target for fiscal 2019.

We will strengthen risk assessments and consult with each factory/office about measures to reduce occupational accidents by thoroughly decreasing risks and preventing the recurrence of similar accidents.

Change in the incident rate* of Group companies in Japan



Source: 2019 Workplace Accident Trend Survey, Ministry of Health, Labor and Welfare

* Incident rate: Accident frequency, measured as the number of deaths and injuries caused by industrial accidents per million working hours

Management of Working Hours

Promoting Measures to Correct the Issue of Long Working Hours

This fiscal year, the First Personnel Subcommittee, established under the CSR Promotion Committee, unified the document form for reviewing current employees’ working hours at Group companies. Based on the results, discussions are held as to improvement measures to reduce these hours. The Subcommittee repeatedly makes an announcement over the P.A. system to encourage employees to go home early after closing time and calls employees’ attention to no-overtime days. These measures have produced positive effects. The results of the Questionnaire Survey on Workplace Comfort also showed a higher rating for the question regarding employee’s working hours than in the previous surveys.

As for the use of paid leave, the rate of employees using paid vacation days increased from the previous fiscal year.

■ Use of paid leave (in Group companies in Japan)

Item / Fiscal year	2018	2019
Use rate of annual paid leave (%)	42.7	56.6

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Promoting Women's Empowerment

This section reports on the progress made in the Women's Empowerment Promotion Plan.

1. Planned period: June 1, 2018 – May 31, 2020

2. Targets and progress

Target 1 Ratio of new female graduates hired

Suminoe Textile Co., Ltd.

50% or more for administrative and sales staff,

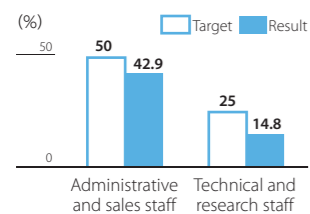
25% or more for technical and research staff

SUMINOE Co., Ltd.

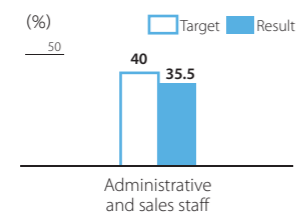
40% or more for administrative and sales staff

■ New graduates hired (2018~2020)

Suminoe Textile Co., Ltd.



SUMINOE Co., Ltd.



Target 2 Enhancing the system to enable female employees to continue working even after going through various life events by supporting them in balancing work and family

We promote initiatives to support female employees in striking a balance between career and family life.

For details, please refer to "Supporting a Balance between Career and Family Life" on page 35 of this CSR Report.

Target 3 Raising the rating of the questions regarding women's empowerment by 0.1 point in the in-house employees' opinion survey (Questionnaire Survey on Workplace Comfort)

To raise the rating of the questions regarding women's empowerment, we implemented career design training, training on coaching female subordinates, meetings for promoting exchange between female employees, etc. However, there was no major change in the rating during the past two years.

【New Women's Empowerment Promotion Plan】

1. Planned period: June 1, 2020 - May 31, 2022

2. Targets: We will strive to raise the female employment rate and the percentage of female managers by publicizing our activities to promote women's empowerment at company information sessions, dispatching female employees to external training programs, holding exchange meetings for them, and providing training for female managers. We will also work to encourage male employees to take childcare leave by raising the awareness of the male employees themselves and their supervisors.

Interviews with Female Employees Who Are Actively Working

Voice

Mami Nakagawa

Product Planning Department, Product Division
RUNON CO., LTD.



Fascinated with Wallpaper

Since long ago, I have felt familiar with wallpaper because of my father's job. As I grew, I became interested in the history of how wallpaper had taken root in Japan, and so I decided to study this area in university. My research motivated me to join RUNON. Now I am mainly engaged in wallpaper product planning and creation of sample books. Wallpaper production begins with selecting wallpaper making companies to which we entrust the manufacture of products in accordance with the required functions and design expression. Since respective wallpaper making companies use different manufacturing methods, it is important to understand each company's characteristics. In addition, we strive to design products, taking into account the properties related to installation, such as ease of putting up and beautiful finish, to ensure that we can satisfy all concerned parties, including wallpaper installers and end-users. It is truly delightful to find such products of ours being used in the town or on television after they have been chosen from among thousands of options, including products created by other companies. I can also feel my work rewarding if our products will last for a long time in the world. I always pay attention to the space where wallpaper is used and to other interior elements beside the wallpaper to find new ideas and hints that will help me develop the next design.

Taking on New Challenges with Curiosity

As I continue to work longer for this company, I have more opportunities to take advantage of my past experience, but I may become more stability-oriented. To prevent this, I encourage myself to take on new challenges with curiosity. In retrospect, I feel that I was happy to experience the pleasure, discoveries and some personal growth, all of which would not have been possible without continuing to work. I believe that we can pursue a way of working suitable for ourselves in any environments by taking on challenges regardless of precedent while addressing the aspects of work that are unsuitable for us. I will continue to practice positive thinking to overcome any difficult situations without deciding that I can't do it.

Continuing to Offer a Better Lifestyle

To create a sample book titled "HOME," I referenced its past editions. Viewing the past works appearing in them, I was greatly impressed because I realized that our predecessors had passionately created these products with their wishes to "have customers use the wallpaper in this manner" and "meet the needs of the times." Previously, a customer said "I want to continue using the same wallpaper for years to come," albeit the fact that the product had been created several decades ago. I was very pleased to hear that and felt proud to work for a company that can produce products loved by customers for many decades. Although interior styles vary with the times, people's wish to enjoy a better lifestyle remains unchanged. While valuing the history that RUNON has woven, I will continue my efforts to create products and sample books that are loved and satisfying to our customers for many years.

Senior Employees Playing Active Roles

Voice

Hitoshi Nishio

Quality Assurance Department
Suminoe Textile Co., Ltd.



What approach do you take to your daily work?

I am in charge of quality auditing, maintenance and management of the quality management system for aircraft textiles, monitoring of legally regulated chemical substances based on the Green Procurement Guidelines, preparation and registration of SDSs, AISs and IMDSS, compliance with the Container and Packaging Recycling Law, and supporting other quality and environmental affairs. As for management of chemical substances contained in our products, ignorance is inexcusable since it is a duty to be performed to comply with laws and regulations. With this recognition, I ask persons in charge of product design and procurement in the Company to conduct investigations into chemical substances that have been newly added as restricted items each year to ensure that they have a good understanding of the regulations and the latest information. My motto is to work hard as courageously and confidently as anyone else while proactively obtaining new information and knowledge.

What aspect of your work do you find the most worthwhile, and what has been your most beneficial experience while working for the company?

I like to take on new challenges and address technological issues in response to changes. When I can achieve positive results, I feel a sense of fulfillment. I have many years of experience in working on the factory floor. I am thankful that I have enjoyed many opportunities to deal with new technologies and equipment. For example, I have worked on the development of resin for electric home appliances, as well as production of a high-speed tenter, asphalt carpet tiles, PVC carpet tiles, APAO backing, rubber foam backing, urethane foam backing, and plant-based carpet tiles.

I am truly pleased to have these valuable experiences, including troubles at the manufacturing site. Even now, I am benefiting from these experiences.

What has been your happiest experience while working for the Company?

It was in 2018 when we acquired the certification for JIS Q 9100: 2016, a quality management system standard for the aerospace industry. In the future, the certification will be absolutely necessary for marketing interior materials for aircraft. Its registration is valuable because JIS Q 9100 is a quality management system standard at the highest level, with only about 700 companies certified in Japan. It was our great pleasure that thanks to cooperation of people around us, we managed to complete the quality manual in a short term of one year and then succeeded in obtaining the certification.

Message to other Senior Employees

I believe that it is important to work with the first priority given to staying healthy while periodically taking care of your body. If you are not well, you cannot work hard.

Message

Takako Izumi

Quality Assurance Department
Suminoe Textile Co., Ltd.



Message to Mr. Nishio from a Coworker

I respect Mr. Nishio since he is powerful enough to process enormous volumes of information, working hard to enter IMDS data and create a quality manual for aircraft textiles. He always comes up with cheerful and invigorating topics and brightens the atmosphere of the Quality Assurance Department. In addition, Mr. Nishio has a sweet tooth. He is good at finding tasty sweets and new cakes, and we often receive a share of such confections.

Introduction of a Local Employee Working at an Overseas Subsidiary

Voice

Cai hongju

Suzhou Suminoe Koide Automotive Accessories Co., Ltd. (SSK)

Joined the company on September 6, 2011



What aspect of your work do you find the most worthwhile or important?

I find it worthwhile to make a trial product for a new vehicle model because I can obtain a wide variety of information. When a pre-production sample is completed, I have a feeling of achievement. I attach importance to strengthening quality control so as not to produce defective products.

What is the key to communicating well with Japanese staff members?

Looking up Japanese manners and customs on the Internet helps me find common topics for conversation, making it easier to exchange with Japanese staff members.

What are your advantages over others in doing work?

I think that I take a serious attitude towards work. I am conscious of performing work in an efficient manner.

What are your favorite places that you would recommend or you want to visit?

I love Xishan Island, which is my home. It features beautiful landscape and is rich in fruits. In Japan, I am interested in Osaka since I have heard that it is a beautiful city, where the Head Office of Suminoe Textile is located. I wish I could visit it just once.

Initiatives for Society

Communication with Local Communities (Social Contribution Activities)

Each factory/office in the Suminoe Textile Group has conducted community-based social contribution activities.

Local Cleanup Activities

As a good corporate citizen, we strive to revitalize the regional community and promote environmental beatification and protection. For example, individual factory employees have been continuously cleaning areas near their factory, as members of their local communities.



Teijin Teclath Ltd.
In May 2020, 45 employees participated in the Inazawa “Gomi Zero” (Garbage Reduction) Campaign in Spring.

Cooperation with Educational Institutions “Company Tour to Shinagawa”

The Tokyo Branch of Suminoe Textile Co., Ltd. has been providing cooperation for a company tour program, which nearby schools have been promoting as part of career education. In September 2019, six students visited the Tokyo Branch, where they enjoyed hands-on experience of interior designing by coordinating curtains and rugs in the image of their teachers’ rooms. These students also participated in a meeting to exchange views on “What do you think about ‘working?’” and “Why do we study?” They expressed their impressions of this program, making such comments as “It was interesting to discover that individual participants have different opinions” and “I will continue to study hard for my future career.”



Promotion of the Pink Ribbon Campaign

RUNON Co., Ltd. is an official supporter of the Pink Ribbon Campaign. This campaign aims to protect as many women as

possible from the sadness caused by breast cancer by spreading correct knowledge about breast cancer. The company supports this campaign with a strong determination to act and back up women engaged in the interior industry and staff members of medical, nursing care, and welfare facilities.

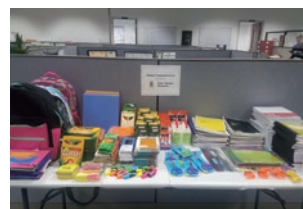


Social Contribution Activities at Suminoe Textile of America Corporation (STA)

STA has been constantly working on local community-based activities. This fiscal year, in October 2019 the company held Family Manufacturing Day for one week, inviting families of its employees and local high-school and university students. During the factory tour, participants were guided to the shop floor for manufacture of automotive textiles that are familiar to them so that they could feel the pleasure of manufacturing while receiving explanations about the company and products. They also enjoyed cookies and drinks served during the event, which was held in a friendly atmosphere. Family Manufacturing Day welcomed more than 80 guests. Additionally, STA continuously makes donations to local elementary schools and gives Christmas presents to local children.



The Angel Tree
Christmas presents for local children



Donating stationery to a local elementary school