

Initiatives for Society

Personal Growth 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.

For example, Owari Seisen Co., Ltd., which accepts foreign technical intern trainees, is striving to create a working environment that is comfortable for them by such means as providing translation dictionaries and translation machines at their workplace and preparing handouts and documents posted in common areas (dining lounge, rest rooms, etc.) in multiple languages, including their mother tongues.

We will henceforth continue to 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		2020	2021
Number of employees	Male	1,210	1,156
	Female	569	544
Average age	Male	46.6	47.4
	Female	41.9	43.5
Average years of service	Male	15.8	16.6
	Female	12.1	12.5
Number of new graduates hired	Male	19	10
	Female	14	7
Percentage of employees with disabilities (%)		1.26	1.71
Percentage of female managers* (%)		11.4	11.1

* Percentage of female employees whose positions correspond to section chief or higher at the Group companies in Japan

Human Resource Development

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

At Suminoe Textile Co., Ltd., new employees are required to receive collective training and online training for one month after joining the Company and then take OJT* between May to September. The Company regards those who are in their third year or less of employment as young employees. Their department director and the person in charge of their OJT draw up a three-year training plan for new employees and coach them according to the plan.

* OJT stands for on-the-job training, which means occupational education that is delivered while employees are performing practical tasks at their workplaces.

Number of employees taking training (FY2020)				
Training system / Number of trainees		Total	Male	Female
Training by level, role training, and selective training (for skill improvement)	Online training	164	111	53
	Collective training	16	13	3
Selective training (for self-development)	Correspondence course	119	87	32
	Language training (online)	25	19	6
	Language training (in-person)	1	1	0

Topics

Conducting Online Training for Skill Improvement

We held an online training program on MS Word and Excel, which are useful in work efficiency improvement, inviting instructors outside the Company. The program consisted of morning and afternoon sessions with different contents so that participants could select either one. This selective system enabled trainees to learn about the content that was more necessary for them. The training program received many applications from Group companies both in Japan and abroad. It was held with 81 participants in the morning session and 62 participants in the afternoon session. Many participants pointed out the online program's unique advantages, saying that "The program was good because no travel time was needed" and "I was able to better concentrate on the training at home than at my workplace."

Participant's Impression of the Training



Ryoya Tada

Osaka Traffic Sales Group
Traffic Sales Department
Suminoe Textile Co., Ltd.

I found the program content immediately useful in my daily work, and the lecture was delivered in a careful and easy-to-understand manner. I was therefore able to deepen my knowledge despite the short time. If given a chance, I will be willing to attend this kind of skill improving program in the future so as to increase my work efficiency.

Topics

Holding Interviews with Employees for Fostering Next-generation Leaders

Suminoe Textile Co., Ltd. held "interviews for fostering next-generation leaders" with six young employees who were in their sixth year of employment. By incorporating opinions from the Third Human Resources Subcommittee, an interview was held twice for each employee. In the first round of interviews, these young employees designated one of their senior employees who they wish to hear from. The designated seniors talked about the troubles, targets, approaches to the job and the like that they had as young employees. These seniors also told their present views and gave advice to these juniors. In the second round, the Human Resources Department Director interviewed the young employees on their present work and future career for about one hour.

These interviews provided the young employees with opportunities to talk in person or online with their senior employees and the Human Resources Department Director, who may be in remote areas and with whom they usually have little contact. Asked about their impressions of the interviews, some of these young employees answered "I had a valuable experience that enhanced my motivation" or "I was refreshed since I could sort out my thoughts and feelings by speaking about how I felt about my job." Their senior employees made comments such as "The interview was stimulating and gave me a good opportunity to reflect on myself" and "I was happy to feel connected with my juniors since I have few opportunities to interact and exchange views with other employees of a similar generation." Accordingly, we found that these interviews were beneficial for both the young employees and their seniors. In addition, the Human Resources Director stated: "It was a precious experience for me. I would like to keep on serving as a 'human resources director who is walking around' in the future."

In the next fiscal year and onward, we will continue to hold interviews with young employees and intensify our efforts to establish a system that helps young employees reaffirm their own goals and that supports their personal growth.



Face-to-face "interview for fostering next-generation leaders"

Supporting a Balance between Career and Family Life

To encourage male employees to take childcare leave, the Group announces the regulations on this leave to the applicable male employees and their supervisors. This fiscal year, the Group saw its first three male employees take childcare leave. Aiming to increase the number of these employees, we will continue the ongoing efforts 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 (Group companies in Japan)

Item/sex/fiscal year		2019	2020
Childcare leave, etc.	Number of employees who took childcare leave	0	3
		Male 11	12
	Number of employees who returned to work after childcare leave	0	3
		Male 5	11
Family care leave, etc.	Number of employees who reduced working hours	0	0
		Male 9	17
	Number of employees who advanced/postponed work start/finish times	0	0
		Male 4	5
Family care leave, etc.	Number of employees who took family care leave	4	2
		Male 6	2
	Number of employees who reduced working hours	0	0
		Male 0	0
Family care leave, etc.	Number of employees who advanced/postponed work start/finish times	0	0
		Male 0	0

Occupational Health and Safety

Management of Working Hours

Promoting Measures to Remedy the Issue of Long Working Hours

The First Human Resources Subcommittee, established under the CSR Promotion Committee, regularly reviews current employees' working hours, and based on the results, it holds discussions on improvement measures to reduce these hours. Working from home is more likely to lead to longer working hours. Moreover, teleworking makes it difficult to accurately grasp how employees manage their working time. To come up with solutions to these problems, we will hold discussions and continue the ongoing measures to grasp employees' starting and quitting times as well as teleworking hours and to issue messages on no-overtime days. We will also strive to remedy the issue of long working hours by holding interviews with employees who tend to work long hours and their supervisors and by other means.

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	2019	2020
Use rate of annual paid leave (%)	56.6	59.4

Social Initiatives for Society

Promotion of Occupational Health and Safety in the Suminoe Textile Group

About the Occurrence of a Serious Accident

In December 2020, an occupational fatal accident occurred at the Shiga Factory of Suminoe Techno Co., Ltd. Taking this accident seriously, we are making Group-wide efforts to promote occupational health and safety activities to prevent the recurrence of similar accidents.

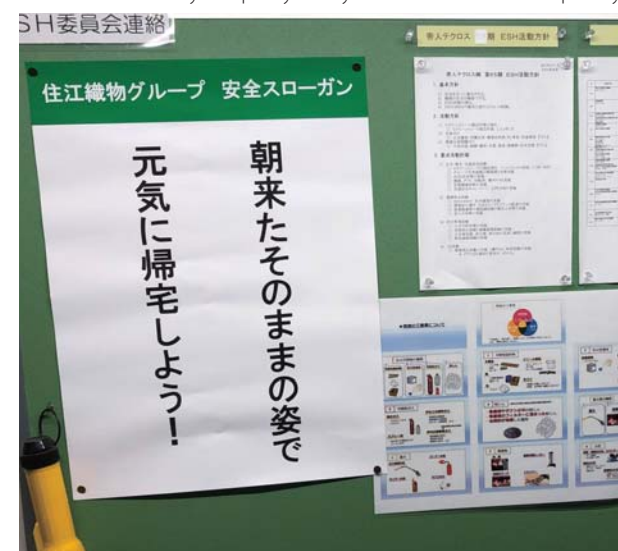
Suminoe Textile Group Safety Declaration

The Suminoe Textile Group stipulates that “We give the highest priority to securing people’s safety and health in all the processes of all business activities” in Section 4 “About securing a safe and sound workplace” of Chapter 2 in its Code of Corporate Behavior.

Also, in Item 1 “Elimination of occupational accidents,” the Group sets out as follows: People’s safety and health are irreplaceable. To eliminate occupational accidents, it is a fundamental prerequisite to comply not only with laws and regulations but also with in-house regulations regarding health and safety. We provide thorough health and safety education in order to ensure that all employees stick to the basics in carrying out day-to-day operations and to enhance their risk prediction sensitivity.

In response to the fatal occupational accident in December 2020, we reaffirm the necessity of making sure again that all employees fully comply with the Suminoe Textile Group Code of Corporate Behavior stated above. We will make all-out effort to ensure that all employees in all job categories in the Suminoe Textile Group adhere to the three principles of safety: 1. Keeping the workplace tidy and organized; 2. Inspection and maintenance; and 3. Strict observance of standard operation procedures.

We take a safety-first policy. Safety is the first and foremost priority.



Poster of the Suminoe Textile Group's safety slogan (put up at production sites in Japan and overseas)

Health and Safety Policy and Safety Code of Conduct

On June 1, 2021, the Central Health and Safety Subcommittee formulated the Health and Safety Policy and the Safety Code of Conduct, both of which are shared across the Group.

The Subcommittee also established and announced the “STOP6: 18 ironclad rules to prevent serious accidents,” which summarizes measures to be shared by all the Group companies to prevent serious accidents. With the full participation of all members, we are promoting health and safety activities to prevent occupational accidents before they occur.

Suminoe Textile Group Health and Safety Policy
“Safety First”—the first and foremost priority is safety.
The Suminoe Textile Group regards “safety” as the most important theme. Giving the highest priority to securing people’s safety and health in all processes of all its business activities, the Group works to prevent occupational accidents and create a comfortable working environment.

Suminoe Textile Group Three Principles of Safety

- Keeping the workplace tidy and organized
- Inspection and maintenance
- Strict observance of standard operation procedures

Suminoe Textile Group Safety Code of Conduct

- Top management always takes the initiative in improving the safety culture and sets a good example for employees.
- We build up a workplace climate of safety first.
- We comply with applicable laws and regulations and the in-house regulations.
- We aim to improve the work environment with the participation of all employees.
- We take proactive measures to ensure safety by predicting potential risks.
- We conduct safety education and drills.

Suminoe Textile Group Safety Target

- Completely eliminate occupational accidents.

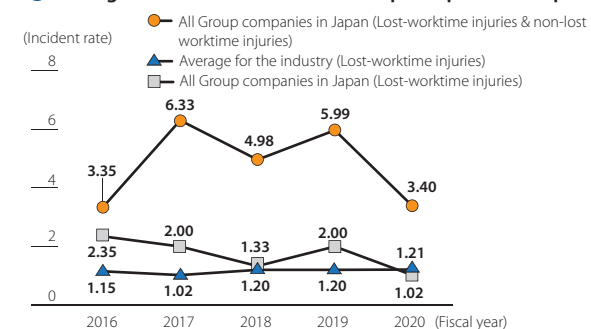


Poster to promote measures to prevent serious accidents classified by type

Progress in the Occupational Health and Safety Initiatives

The Group’s Central Health and Safety Subcommittee holds meetings twice a year, bringing together persons in charge of promoting occupational health and safety at Group companies, to exchange views about prevention of occupational accidents and report on the activities of each company. This year, although both the number of occupational accidents and the number of lost-worktime injuries decreased, a fatal occupational accident occurred. We will intensify our efforts to create an accident-free work environment by strengthening risk assessments.

Change in the incident rate* of Group companies in Japan



Source: 2020 Workplace Accident Trend Survey, Ministry of Health, Labour and Welfare

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

Activities of Suminoe Techno Co., Ltd.

Reinforcing the Health and Safety Promotion System

Clarifying the system and roles regarding occupational accident prevention activities

The Health and Safety Committee has conventionally been inspecting the dangerous spots and conducting activities to prevent occupational accidents. Learning lessons from the accident in December 2020, Suminoe Techno strives to reinforce its promotion system by clarifying the respective roles and objectives of the Workplace Executive Committee, subcommittees, and the Health and Safety Committee.

Management of Health and Safety Materials Using the In-house Intranet

Monitoring the activity progress by systematic data compilation and updating records

To unify the management of the company’s health and safety activities, the Health and Safety Committee takes the lead in preparing relevant materials, which have been made accessible through the in-house intranet. The latest materials as well as materials showing the progress in health and safety activities are posted on the intranet. Suminoe Techno also discloses information that other Group companies can use as a reference for their health and safety activities.

Announcing Health and Safety Materials to All Employees and Updating Health and Safety Education Materials

Publicizing what should be observed by employees in their workplaces and providing them with knowledge on health and safety

To raise employees’ awareness of safety, boards bearing safety precautions are set up at each workplace, and health and safety materials are disclosed to all employees. Also, Suminoe Techno has updated its health and safety education materials to provide instruc-



Health and safety education materials

tions regarding compliance with relevant rules and the responses to be taken when a problem occurs.

Conducting the Questionnaire Survey on Safety Awareness of Employees

To promote health and safety activities incorporating opinions of employees and confirm the progress in these activities

In March 2021, after providing health and safety education, the company conducted a comprehension test and the Questionnaire Survey on Safety Awareness of Employees. The objectives of the survey are to reflect opinions from employees in the future health and safety activities and to utilize the results to improve their awareness of safety. Suminoe Techno plans to carry out this survey every year in order to encourage employees to be always aware of safety and enable management to grasp the changes in safety awareness of employees.

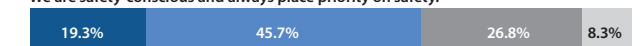
Results of the Questionnaire Survey on Workplace Safety Awareness (Examples)

- Agree
- Somewhat agree
- Somewhat disagree
- Disagree

Management has a high degree of interest in health and safety.



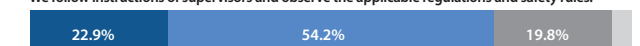
We are safety-conscious and always place priority on safety.



All of us are made well aware of work-related laws and regulations.



We follow instructions of supervisors and observe the applicable regulations and safety rules.



S

Initiatives for Society

Social

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

Promoting Women's Empowerment

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

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

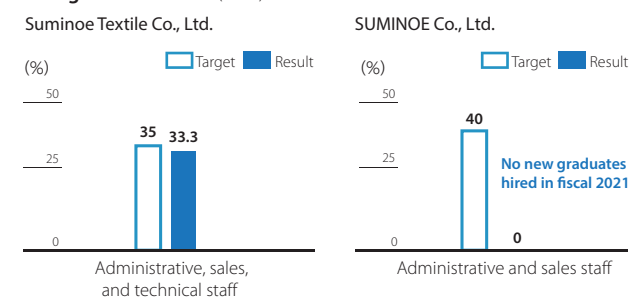
2. Targets and progress

Target 1 Ratio of new female graduates hired

Suminoe Textile Co., Ltd.: 35% or more (administrative and sales staff, and technical staff)

SUMINOE Co., Ltd.: 40% or more (administrative/sales staff)

New graduates hired (2021)



Interviews with Female Employees Who Are Actively Working

Voice

Keiko Nakayama

Procurement Accessories Group
Carpet and Accessories Business Division
Automotive Textile Business Headquarters,
Suminoe Textile Co., Ltd.



What, specifically, does your present work involve?

I am in charge of administration of the import and export of automotive accessories. My main jobs are preparing and checking documents, performing various application procedures, and scheduling with persons inside and outside the Company. I have deadlines to meet, which require many complicated paper procedures. However, I am working hard to ensure smooth transactions.

I have many opportunities to use my foreign language ability. I also enjoy acting as an intermediary or a coordinator between suppliers and the Company to facilitate smooth trading. This has enhanced my communication skills. Another attractive feature of my work is that I can improve myself while making effective use of specialist skills.

Workplace where I can feel job satisfaction

I hoped to continue working after marriage and childbirth.

Now I use the reduced working hours system since I have a long commute and my children are still small. The use of the teleworking system is also very helpful in maintaining a good work-life balance, so I appreciate it.

Target 2 Implementing initiatives to create an environment where both male and female employees can succeed while striking a balance between career and family life

This fiscal year, staggered working hours and working from home helped employees strike a balance between career and family life, so many employees hope for the continuation of these systems in the future. Although these systems were commenced as temporary measures to prevent the spread of novel coronavirus infections, we will consider making provisions for these systems.

Target 3 Having one or more male employees taking childcare leave and maintaining the rate of female employees taking childcare leave at 100%

In 2020, since three male employees took childcare leave, the Group was able to achieve the target. We also maintained the rate of female employees taking childcare leave at 100%. We will continue to actively announce the childcare leave system and programs to help achieve a life-work balance to applicable employees and their supervisors so as to raise their awareness.

Despite reduced working hours, I am entrusted with not supportive but responsible work, which makes me feel satisfied and motivates me to continue working. Although I sometimes face difficulties and a lack of time, my coworkers offer me cooperation and understanding. I therefore always strive to accomplish my tasks.

Striking a proper balance between work and family life

After having a child, I came to think more deeply about the effective use of time.

If my child is not well, I sometimes have to suddenly take a day off from work. As such, I am conscious of efficiently doing work by sorting out my priorities. To complete all my jobs within the working hours, I make it a rule to list what I should do tomorrow before leaving work to ensure that I can quickly start working the next day.

As for childrearing, I devote all my energies into caring for my children while spending time with them to compensate for my long hours of absence from home. Now I make a daily habit of eating breakfast together with all my family members. I also talk with my husband about our children every night to share our anxiety and stress about childrearing. I think it is good for both of us to have many discussions so that we cooperate with each other. Since my health can significantly affect my family, I know it is particularly important to regulate my daily life by keeping early hours.

For now, I am groping my way forward. However, I will do my best to further improve my skills, thereby achieving better results in cooperation with my family and those who work with me.

Senior Employees Playing Active Roles

Voice

Akihiko Terashita

Chief, Tuft Section, Production Department
Suminoe Techno Co., Ltd.



Looking back on my career to date since I joined the company

Just after joining Suminoe Techno, I was assigned to the Tuft Section. Since then, I have been committed to my work on manufacturing floors. In my long career with the company, I have mostly worked in the Tuft Section. However, for about three years, I was also engaged in handling of outsourcing affairs, which involved visiting cooperative companies to negotiate prices and delivery dates. I undertook this duty 20 years after joining the company, and it took a long time getting used to jobs in a totally different field for me. However, I managed to do the work with a lot of help from my coworkers and my wife. I am very thankful to them for their generous support. Although I sometimes found it difficult to perform my duties, it offered me valuable opportunities to talk with people outside the company, which turned out to be useful in doing my present work. Now I realize that it was a good experience that led to my personal growth and that marked a turning point in my career. After returning to the manufacturing site, I have placed emphasis on educating young employees to hand my techniques down to future generations. Company-wide efforts are underway to provide education tailored to individual employees in accordance with their respective aptitudes. There have been many ups and downs, but I am really happy to have entered this company.

What are the things that you think are important in your work?

I think it is important to keep the workplace tidy and organized and to communicate with other employees. A tidy and well-organized

workplace will help ensure the safety of employees and increase work efficiency. I always do my jobs with the utmost caution to prevent workplace accidents.

I attach importance to communication because I myself realized that I could continue working even during the hard times if I could keep good human relationships. I therefore talk to as many people as I can in the workplace, choosing the topics that interest them. Since the Tuft Section has always had a comfortable atmosphere, I feel lucky and thankful.

Message to other senior employees

I would first like to encourage other senior employees to look after their health. Fortunately, I have not suffered from any serious diseases or injuries to date. I think that an appropriate release of stress is the key to good health. Previously, I used to let the stress out by eating out. However, under the COVID-19 pandemic, now I enjoy the time at home and try to find various ways to keep in shape.

Message

Eiji Niizaki

Tuft Team, Tuft Section, Production Department
Suminoe Techno Co., Ltd.



Message to Mr. Terashita from a Coworker

Section Chief Terashita plays a pivotal role in the Tuft Section. He is always cheerful and has a sense of humor. In keeping with the safety-first policy, Mr. Terashita is powerfully working at the workplace. I have associated with him for more than 30 years since I joined the company. I have learned a lot from seeing him hard at work, so I felt like he was my big brother when we were young. Now I respect him as a good supervisor.

Introduction of a Local Employee Working at an Overseas Subsidiary

Voice

Thanunthorn Sena

Suminoe Koide (Thailand) Co., Ltd.

Joined the company on August 17, 2020



Why did you want to join the company?

I decided to become a member of Suminoe Koide since I thought it was a stable and interesting company. The company also offered me an opportunity to learn Japanese while working, which was a new experience that I wanted to try.

What is good about working for this company?

I have the privilege of working with good coworkers. Thanks to them, I can enjoy working every day.

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

First of all, I try to be a good listener to accurately understand what they mean. For vocabulary building, I periodically review important words to memorize them.

What is your favorite place in your country?

I love Chiang Mai, where Suminoe Koide (Thailand) Co., Ltd. is located. The city is a place with great food and has many famous tourist spots. During winter (the dry season), we usually have beautiful weather and you can enjoy scenic beauty here in Chiang Mai.



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.

Accepting Interns

INTEC CO., LTD. accepted interns from Osaka College of Technology from March 15 to 19, 2021, with cooperation of Kansai Laboratory Co., Ltd. In the internship program, these interns created their original leaflet for INTEC CO., LTD. in order to study the relationships among individuals, a company and society through manufacturing. On the final day of the program, they were given an opportunity to present what they had learned in this program. We were pleased to hear their impressions of the program and receive words of appreciation from these interns.



Intern's impression of the program (excerpt from presentation materials)

Fund-raising for Teletón

Suminoe Textile de Mexico, S.A. de C.V. (STM) donated money raised from its employees to Teletón in December 2020. Teletón is a non-profit organization in South America, which supports children with disabilities, runs charge-free rehabilitation centers and raises donations by holding events and broadcasting charity programs. In return for its contribution, a child using a rehabilitation center presented STM with a commemorative item (photograph stand). It was received by the human resources department on behalf of the company. STM also works to donate food and everyday items to Casa de Jesús (the house of Jesus), a nonprofit organization that provides support for disadvantaged children and young people.



A child handing a photo stand

Participating in the Angel Tree Program

Every year, Suminoe Textile of America Corporation (STA) participates in the Angel Tree program run by the Salvation Army in the United States. The Angel Tree Program is designed to connect disadvantaged children with individuals and companies, offering these donors opportunities to provide Christmas gifts for children in need. In December 2020, STA donated Christmas gifts for 75 families and then received a letter of gratitude with appreciation messages from the Salvation Army.

In addition, STA has continued other social contribution activities, including making donations to support meal delivery services for people with disabilities, the elderly and the homeless and giving candy bags to children's homes in the State of South Carolina.



A letter of gratitude from the Salvation Army in the United States

Participating in the Shinagawa Terakoya Event

The Tokyo Branch of Suminoe Textile Co., Ltd. has participated in the Shinagawa Terakoya program organized by the Future Education Promotion Organization to assist local junior high schools in providing career education to students. In November 2020, we visited Shinagawa Ward Ebara Hiratsuka Gakuen, where we gave an explanation about the details of our work to ten 7th grade students. They enjoyed hands-on experience of simple interior coordination, with their teacher playing a customer role. After the program, these students expressed their impressions, making such comments as "It was difficult to coordinate the interior according to the customer's requests" and "This experience motivated me to consider my future career."



Shinagawa Terakoya program