Value Creation Model

Based on its Corporate Philosophy, the Suminoe Textile Group will create value that contributes to society, thereby helping realize a

sustainable society and enhancing our corporate value. Input (Capital and Strengths) Manufacturing capital Capital investment 4.63 billion ven **Environmental** Consolidated manufacturing subsidiaries risk in 8 countries Globally optimized supply system Equipment dedicated to producing eco-friendly products Strong relationship with each factory Shortage of resources and Human capital energy Consolidated number of employees: Management who exhibit various specialties to enhance corporate value Diverse human resources well versed in Change in various business fields the mobility Intellectual capital society R&D expenses: 980 million yen Number of patents held: 135 Cooperation between development personnel Aging / Intellectual property creation Shrinking labor force Social and related capital Customers and suppliers belong to different markets Industry-academia partnership Historically established trust from Working style stakeholders reforms Harmonious coexistence with local communities Natural capital Sustainable resources, including those enabled by photovoltaic power informationgeneration, etc. oriented society Total energy consumption Energy use **Financial capital Growing public** Total assets: 84,801 million yen awareness of Interest-bearing debt: 18,999 million yen **ESG** and SDGs Equity ratio: 33.4% Aggressive M&A



Business Segments and Output Human resources with a wide variety of skills Specialist know-how regarding manufacturing Capabilities that form the Technology and core of the Suminoe Textile development capabilities Group Design capability that enables the matching of manufacturing and market needs Historically established trust Ability to change in accordance with market needs

• Maintaining a large market share for more than a century based on trust established over a long history Functional Materials p.23 Capability for sales and development to create new products required by markets, cultivated through sales activities leveraging a wealth of functional materials and functional processing technologies that are unique to the Group

Medium- to Long-term Management Targets "SUMINOE GROUP WAY 2022-2024-2027" [5.12] Environmental management pp.33-38 Corporate Philosophy p.3

Governance, compliance, and risk management pp.45-50 Basic Policy on Sustainability (p.31)

Interior Fittings p.17

Able to propose diverse solutions,

since the Group has multiple

functions as a manufacturer.

an entire space

wholesaler and constructor, and

also able to design and construct

Automotive Textiles p.19

related to various interior textiles,

such as fabrics, carpets and mats, to

Stability in quality and supply achieved

by strong supply chain management

Traffic Facilities p.21

Capability to realize high durability

and flame-retardance required by

textiles used in public transportation

Able to apply its technologies

other business segments

Technologies and products the Group has created based on its fundamenta development philosophy

K: Kenko (Health)

- トリプルフレッシュ® (TRIPLE FRESH) deodorant treatment technology
- Antibacterial and anti-virus processing technology トリプルフレッシュ®デオ (TRIPLE FRESH DEO) and クインテック® (QUINTECH)
- Automotive carpets with noise-absorbing and sound insulating properties

K: Kankyo (Environment)

- Automotive seat covering material "e.colore®" (eco-loré), which has reduced the dyeing process
- Automotive ceiling materials featuring greater ease of recycling after use
- Plant-derived automotive textiles and interior materials for traffic facilities
- Seat cushion material for train cars SUMICUBE®, made from raw materials that emit no poisonous gases when combusted for disposal
- Olefin bathroom flooring that generates no poisonous gases at the time of combustion

R: Recycling

- ECOS® series, eco-friendly carpet tiles under the horizontal recycling system
- Recycled polyester fiber スミトロン® (SUMITRON)
- Nylon yarn recycled from discarded fishing nets

A: Amenity

- Smart textiles that contribute to a comfortable life
- Fabrics for car trim accent GRACE CORD®, etc., which enhance originality
- Flame-resistant flooring film for signs to indicate priority spaces in trains and buses
- Fabric-coated heating products
- Tispa® Series deodorizer for home use

Value that the Group Offers

Social value

Environmental value

- Reduce environmental impact from business operations
- Reduce environmental impact from products
- Reduce the amount of industrial waste generated
- Realize a circular economy
- Strengthen environmental management

Value offered to stakeholders

Customers and consumers

- Improve quality of life (QOL)
- Reduce environmental impact

Employees

- · Diversity & inclusion
- Promote health management and work-life balance

Suppliers

- Strengthen relationships by building a responsible supply chain
- Improve technological capabilities and mutual growth through transactions

Shareholders and investors

- Profit returns to shareholders through enhancement of corporate value
- Strengthen partnerships

Local communities

• Revitalize the local economy through employment and social contribution activities

Economic value

Net sales 81,713 million yen

Profit attributable to owners of parent 281 million yen

Operating margin 0.1%

ROE 1.0%

D/E ratio 0.67 times

Enhance the Group's capital and strengths

Contribute to resolving social issues

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