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SUMINOE GROUP Integrated Report 2023

Having marked the 140th anniversary of its founding, the SUMINOE GROUP will change for the better.

In 2023, the SUMINOE GROUP celebrated the 140th anniversary of its founding. We strive to set a “new comfort standard” in harmony with the times and the earth to create delightful lifestyles of the future. To this end, the Group will explore the following “4C” values.

Interior Fittings

Providing comfortable and functional interior products

Curtains | rugs and mats | carpets | wallpaper
sliding paper doors | arts and crafts textiles | doncho
(plush hand-woven carpets that separate a stage from the auditorium) | dantsu (hand-woven carpets and hooked rugs)



Automotive Textiles

Adding higher value to automotive textiles

Ceiling materials | seat covering materials
car mats | floor carpets



Traffic Facilities

Supplying a total line of interior materials for public transportation facilities

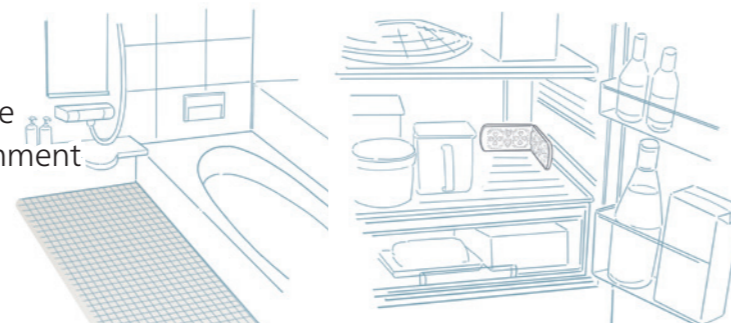
Seat covering materials | seat cushion materials
carpets | floor signage film | curtains



Functional Materials

Offering new functional products that are friendly to human health and the environment

Fabric-coated heating products | deodorizing filters
floor materials for bathrooms
interior materials for aircraft



VISION —The future we aim for—

To set a “new comfort standard” in harmony with the times and the earth to create delightful lifestyles of the future.

MISSION —Our mission to fulfill—

Bring people- and society-friendly spaces to the world through technology and ideas that closely support people's lives.

SPIRIT —Values we cherish (Company Motto)—

We pride ourselves as a pioneer in the interior industry and persist in a spirit of cooperation, sincerity and determination.

VALUE —Basic guidelines for business activities— SUMINOE “4C” Values

Challenge

Take on challenges for new business development based on our advanced technological capabilities and extensive customer base as an industry pioneer.

Create

Create new value by maximizing our unique technologies.

Customer

Identify new challenges for further development, leveraging our ability to sincerely cater to customers and our foresight.

Contribute

Continue to pursue manufacturing that is friendly to both people and the earth.

Code of Conduct

1. We comply with all laws and ethical business standards, and conduct corporate activities in an impartial and ethically sound manner.
2. We contribute to the advancement of the community through the production and sale of high-quality products.
3. We treat all employees of the Company fairly, act with due respect for their individual personalities, and place high importance on their health and safety.
4. We place high priority on maintaining good relationships with all our stakeholders.
5. We make proactive contributions to the community, as expected of a good corporate citizen.
6. We take very seriously the impact of our business activities on the global environment, and contribute to environmental preservation initiatives.

The objective of publishing this Integrated Report is to inform a broad range of stakeholders of how the SUMINOE GROUP creates value in the medium and long term and what kind of initiatives the Group promotes to enhance its corporate value.

This report provides financial information, including management strategies to achieve sustainable growth as well as a business overview and the performance of the SUMINOE GROUP, and non-financial information on its specific sustainability and ESG initiatives. By disclosing such information in an integrated manner, this report aims to help stakeholders deepen their understanding of the Group.

Referenced Guidelines

ISO 26000 Guidance on Social Responsibility
 Guidance for Collaborative Value Creation, published by the Ministry of Economy, Trade and Industry (METI) of Japan
 International Integrated Reporting Framework, published by the International Integrated Reporting Council (IIRC)

Scope of the Report

Suminoe Textile Co., Ltd. and its consolidated subsidiaries in Japan and overseas
 However, the scope varies according to the items reported.

Period Covered

Fiscal year 2023 (From June 2022 to May 2023)
 (Some activities undertaken outside the above period are included.)

Information Disclosure System



Disclaimer about Forward-Looking Statements

Among all the current plans, strategies, and judgments that are included in this Report, those which are not historical facts represent our forecasts for future performances, etc. These are on the basis of assumptions and judgments based on information currently available for the SUMINOE GROUP and may thus contain risks and uncertain factors. Please be advised, therefore, that the Group’s business results that will be publicly announced in the future may differ significantly from the forecasts due to various factors.

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Supplementary Note
 This Reports uses the “SUMINOE GROUP” when referring to our corporate group, in accord with its new Group Philosophy and the united Group logo, both of which were announced in June 2023.
 However, in some portions related to documents published in June 2023 and earlier, the “Suminoe Textile Group” is used as before.
 This is an English translation of the release issued in Japanese. The figures for these financial statements are prepared in accordance with the accounting principles based on Japanese law.

* Average figures of Group companies only in Japan

Founded

1883

Net sales (Fiscal year 2023)

94,828 million yen

Capita (As of May 31, 2023)

9,554 million yen

Interior Fittings	36,598 million yen	Automotive Textiles and Traffic Facilities	54,314 million yen
Functional Materials	3,550 million yen	Other	365 million yen

Number of Employees (As of May 31, 2023)

Consolidated Group companies:

2,779

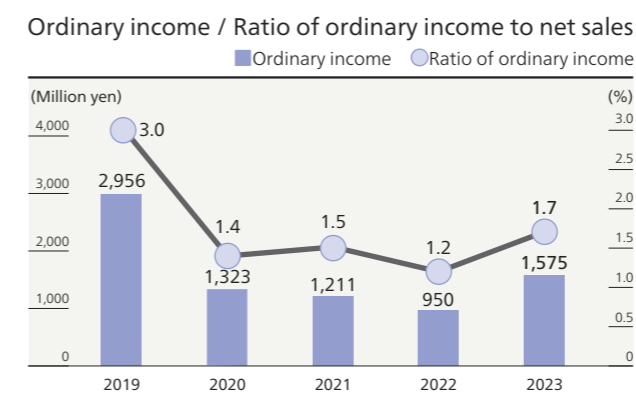
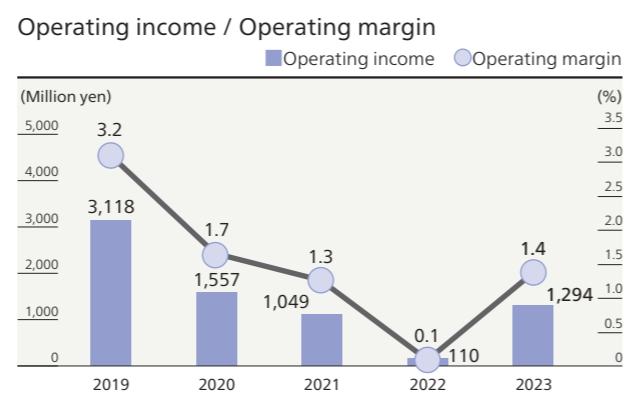
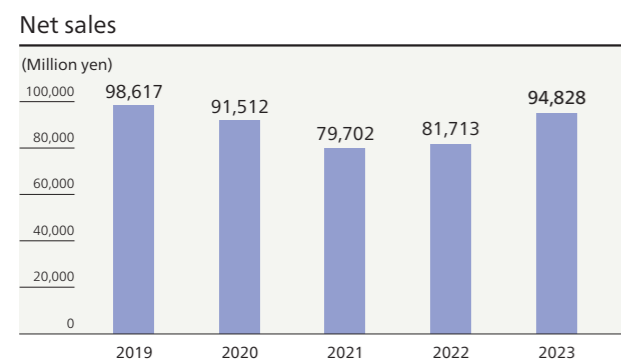
In Japan 1,618
Overseas 1,161

62% Male
38% Female

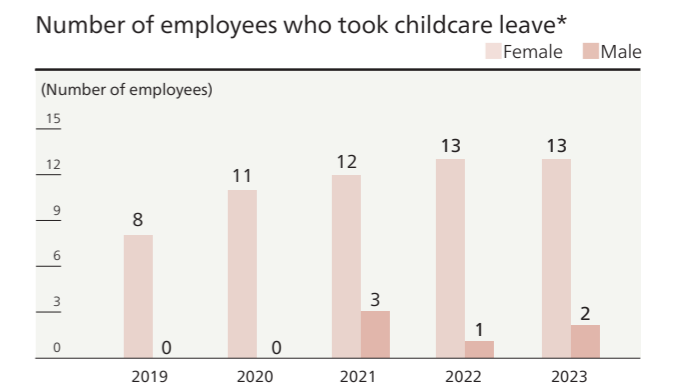
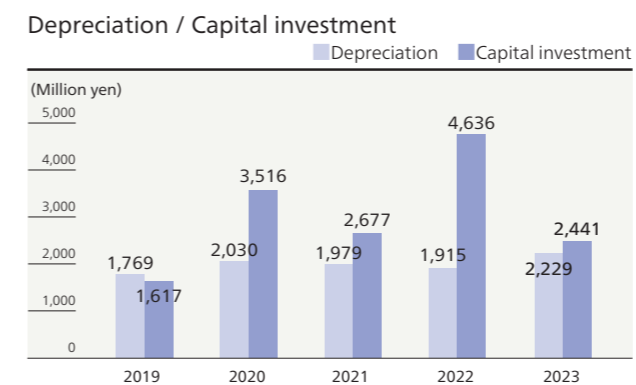
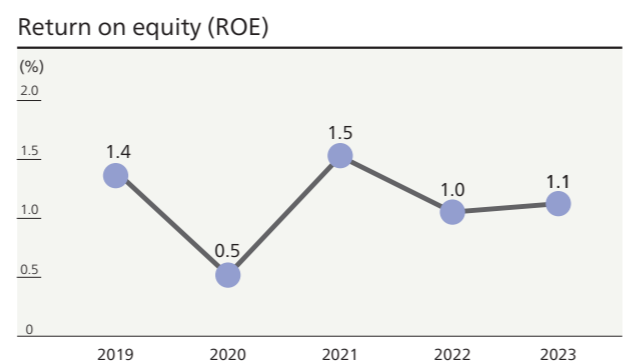
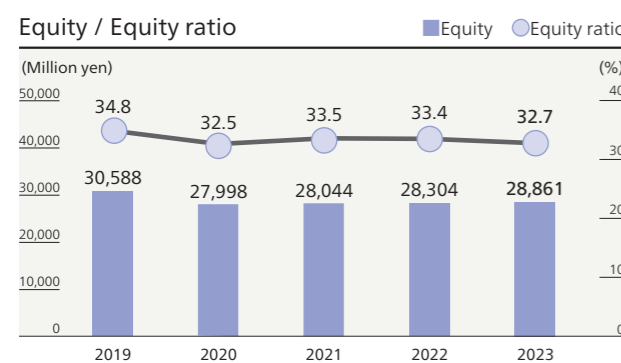
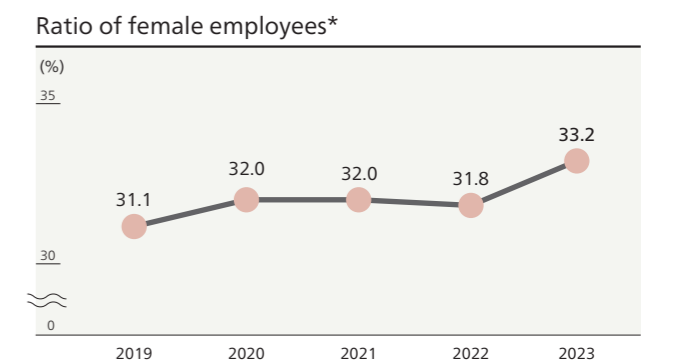
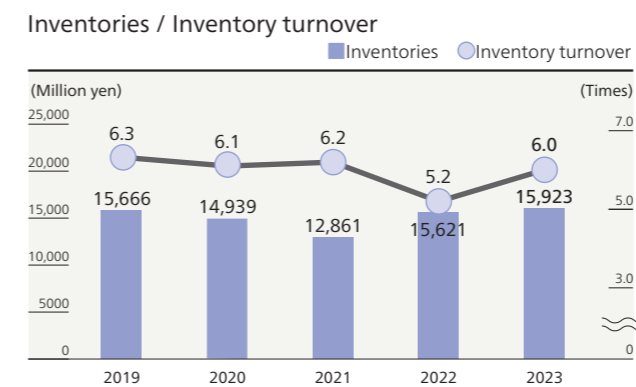
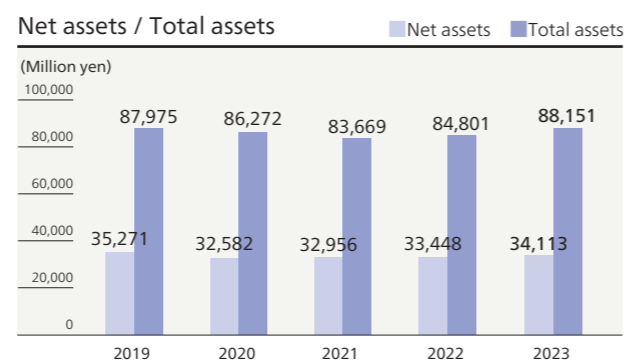
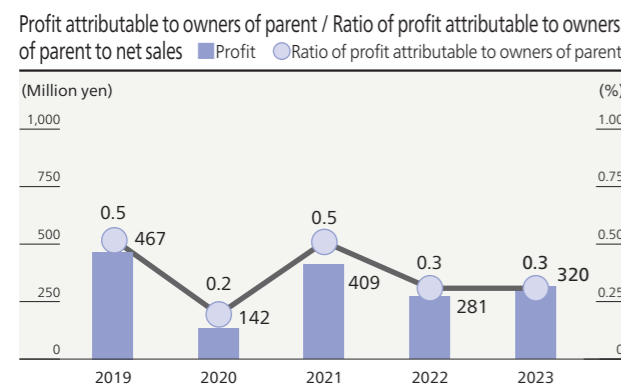
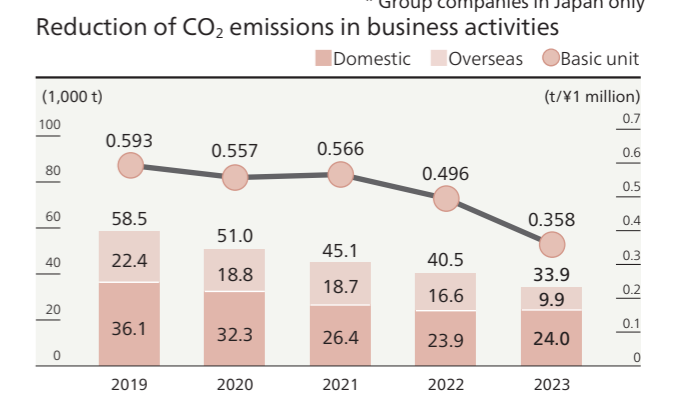
Average age*
45.7 years old

Average length of service*
15.3 years

Financial Data (for each FY ended May 31)



Non-financial Data (for each FY ended May 31)



Suminoe Textile was founded by rice dealer Denshichi Murata, who opened the Murata Factory in 1883 in Sumiyoshi Village, Higashinari-gun, Osaka Prefecture (now Sumiyoshi Ward, Osaka City).

This small factory in a private household was receiving orders for interiors for railway cars and ships, and even for the Imperial Diet Building, heralding the dawn of Japan's carpet industry.

1880s	1900s	1930s	1940s	1970s	1990s	2000s	2020s
Contribution to Japan's Modernization			Popularizing Interior Fabrics in Common Households		Offering One-of-a-Kind Products to Customers around the World		
Industrial Revolution in Japan	Taisho Democracy	World Depression World War II	High economic growth period	Period of increasing globalization Bubble economy Manifestation of environmental problems	Collapse of the bubble economy IT revolution	A declining birthrate and aging population	Novel coronavirus (COVID-19) pandemic
History of the SUMINOE GROUP 1883 Murata Factory founded. Manufacture of handwoven carpets begins in Sumiyoshi, Osaka. 1892 The Company's first patent obtained for carpet weaving, "Yamato-ori." 1903 Sumiyoshi Factory with full-scale weaving facilities established. 1913 Suminoe Textile Joint-Stock Company established. 1916 Manufacture of carpets using power looms begins. 1930 Suminoe Textile Co., Ltd. established. 1937 Kawachi Factory established, where woolen spinning begins. 1949 Shares listed on the Tokyo, Osaka, and Kyoto stock exchanges. 1954 First to introduce to Japan a tufting carpet machine from the U.S. 1971 Nara Factory (now Nara Factory of Suminoe Techno Co., Ltd.) established, and Sumiyoshi Factory closed. 1987 Shiga Office established. 1994 T.C.H. Suminoe Co., Ltd., the Company's first overseas base, established as a joint venture in Thailand. 1998 Suminoe Textile Group "SUMINOE Environmental Declaration" and "KKR+A" announced. 2003 Suminoe Textile of America Corporation established in the U.S. 2005 SPM Automotive Textile Co., Ltd. established as a joint venture in China. 2009 Suminoe Teijin Techno Co., Ltd. established as a joint venture. 2013 Suminoe Techno Co., Ltd. established. 2020 Shares of CPO Co., Ltd. acquired. 2022 Shares of PRETERIOR-TEXTILE Inc. acquired Shares of Seki Textile Co., Ltd. acquired 2023 Group Philosophy as well as the Group's unified logo and tagline announced.							

Value Offered by the Group

1891




Winning acclaim for Dantsu carpet-weaving techniques
 Winning acclaim for its manufacturing techniques, the Murata Factory supplied *Dantsu* hand-woven carpets to the Imperial Diet Building. We have continued to deliver the "red carpet" and other interior textiles for the present-day Diet Building.

1913



Mass production realized by using power looms
 The Company imported technology and power looms from Germany and the U.K., becoming the first in Japan to manufacture machine-woven moquette.

1957



Helping widespread use of carpets in general households
 Although carpets had usually been custom-made, high-end products, the Company released a ready-made carpet called "Tafton," which was affordably priced for ordinary households.

1971



Construction of a new pollution-free carpet factory
 When pollution problems attracted much attention, our Nara Factory was newly constructed. The factory was equipped with effluent treatment facilities in order to prevent leakage of hazardous substances discharged with wastewater.

1989



Development of a continuous fiber made from recycled polyester
 スミトロン® (SUMITRON), which uses polyester chips recycled from PET bottles as raw material by 50% or more, contributes to resource-saving.

2011




Development of recycled carpet tiles
 We established a framework for repeating the recycling cycle involving the same products for carpet tiles. These recycled carpet tiles became the first to be certified as Eco Mark products under new standards.

1899



Manufacture of Japan's first hand-woven moquette
 The Company received an order to manufacture the seat covers used in trains of Japan National Railways, which had conventionally used imported seat covers. We succeeded in producing and supplying hand-woven moquette as a seat covering for the first time in Japan.

1931



Participating in the automotive industry in its infancy
 Suminoe Textile supplied carpets and seat covering materials to automobiles assembled and manufactured in Japan for the U.S. automakers, Ford Motor Company and General Motors.

1968



Producing a 836 m² carpet by hand
 The Homeiden Imperial Palace building is a banquet hall, the largest of all the Imperial Palace halls. Suminoe Textile provided for this hall a hand-woven *dantsu* carpet of 836 m². Its manufacturing process required approximately 10,000 weavers, who spent as long as nine months to complete this masterpiece carpet.

1980



Production of Japan's first carpet tiles
 Suminoe Textile produced carpet tiles that can express mosaic patterns. It is easy to replace the damaged carpet tiles with new ones. With these advantages, these carpet tiles attracted much attention as an innovative product.

1998



Development of around-the-clock deodorizing treatment technology
 Suminoe Textile developed トリアプルフレッシュ® (TRIPLE FRESH) treatment technology, which can deodorize and decompose substances that cause sick house syndrome and other malodorous substances that are generated daily in our environment on a 24-hour basis. This technology contributes to protection of people's health.

The past, the present and the future



Passing on traditional techniques to future generations
 While promoting business reforms, the SUMINOE GROUP maintains and cultivates hand-weaving techniques handed down in Japan's historical industry, thereby making cultural contribution.