



**For inquiries about this Report:**

CSR Promotion Department Suminoe Textile Co., Ltd.  
11-20, Minami-Semba 3-Chome, Chuo-ku,  
Osaka 542-8504, Japan  
Tel: +81-6-6251-6817 Fax: +81-6-6251-6806  
E-mail: [csr@sin.suminoe.co.jp](mailto:csr@sin.suminoe.co.jp)  
URL: <https://suminoe.co.jp/en/>

**UD  
FONT** This document uses  
fonts designed for  
legibility by everyone,  
based on the concept of  
universal design (UD).

# Integrated Report 2024

**SUMINOE GROUP**





# 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 about 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 for achieving sustainable growth, as well as a business overview and the performance of the SUMINOE GROUP. It also includes non-financial information on 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 2024 (From June 2023 to May 2024)  
(Some activities undertaken outside the above period are included.)

### Information Disclosure System

Financial Information	Non-financial Information
Integrated Report (book and website)	
<ul style="list-style-type: none"> <li>• "Investor Relations" section of the website</li> <li>• Flash Report of Financial Results</li> <li>• Business Report (Japanese only)</li> </ul>	<ul style="list-style-type: none"> <li>• "Sustainability" section of the website</li> <li>• Corporate Governance Report (Japanese only)</li> </ul>
Securities Report (Japanese only)	

### 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 based on assumptions and judgments using information currently available to the SUMINOE GROUP and may include risks and uncertain factors. Therefore, please be advised that the Group's business results that will be publicly announced in the future may differ significantly from these forecasts due to various factors.

### About the SUMINOE GROUP

Group Philosophy.....01  
Editorial Policy and Contents.....02  
SUMINOE GROUP in Numbers.....03  
Progress in Value Creation.....05

### Value Creation Story

Message from the President.....07  
Medium- to Long-term Management Targets.....11  
Materiality Identification.....15  
Value Creation Process.....19

### Business and Financial Strategies

Segment Information.....21  
Strategies by Segment: Interior Fittings.....23  
Strategies by Segment: Automotive Textiles and Traffic Facilities (Automotive Textiles).....25  
Strategies by Segment: Automotive Textiles and Traffic Facilities (Traffic Facilities).....27  
Strategies by Segment: Functional Materials.....29  
Overseas Business and Strategy Management.....31  
Research and Development Strategies.....33  
Message from the Director in Charge of Finance.....35

### Sustainability

Sustainability and ESG Initiatives.....37  
Environment.....39  
Social.....45  
Penetration of the SUMINOE GROUP Philosophy.....51  
Governance.....53  
Dialogue between President and Outside Director.....61

### Data Section

Board of Directors and Corporate Auditors.....65  
Eleven-year Consolidated Financial Summary.....67  
Corporate Summary and Investor Relations.....69

### Supplementary Note

1. The Company will change the trade name from "Suminoe Textile Co., Ltd." to "SUMINOE Co., Ltd." effective December 2, 2024, after being approved at the 135th Annual General Meeting of Shareholders to be held on August 29, 2024.  
In this Report, "Suminoe Textile Co., Ltd." is used as the trade name when referencing matters that occurred during the period covered.
2. This Reports uses the term "SUMINOE GROUP" when referring to our corporate group, aligning with its Group Philosophy and the united Group logo, both announced in June 2023. However, in some portions related to documents published in June 2023 and earlier, the term "Suminoe Textile Group" is used as previously.



# At a Glance

Founded

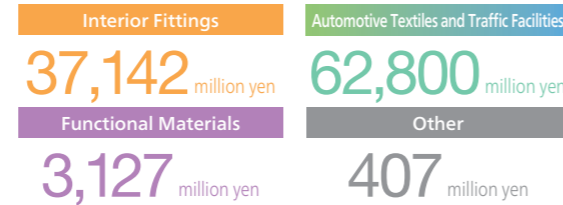
# 1883

Capital (As of May 31, 2024)

# 9,554 million yen

Net sales (Fiscal year 2024)

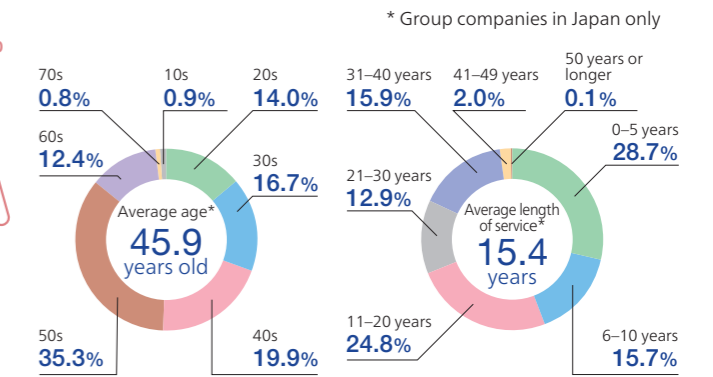
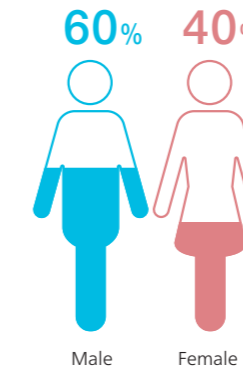
# 103,478 million yen



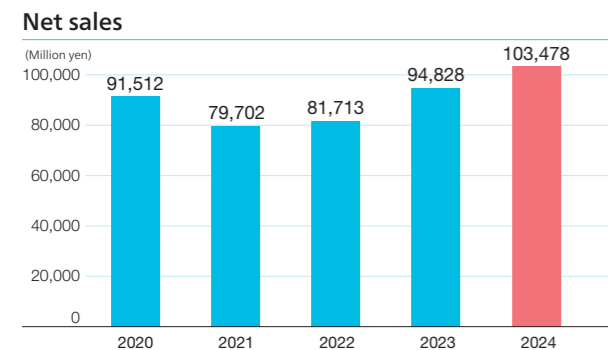
Number of Employees (As of May 31, 2024)

# 2,812

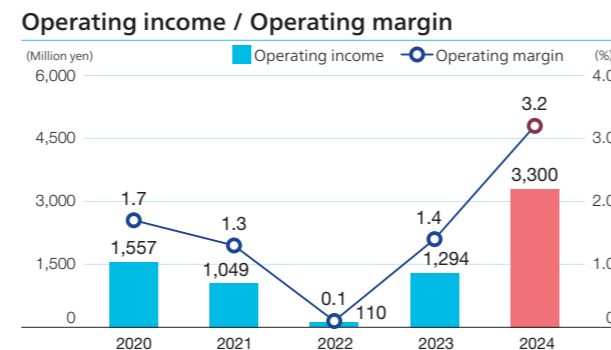
Domestic: 1,608  
Overseas: 1,204



## Financial Data (for each FY ended May 31)

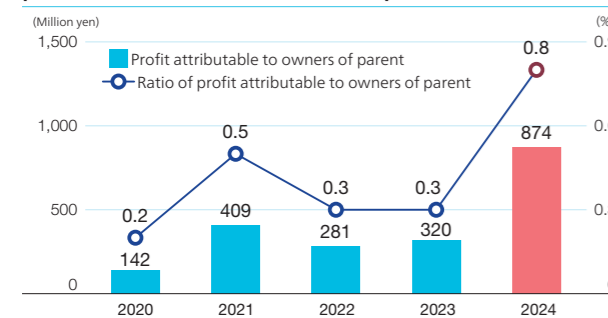


Although net sales had declined following the COVID-19 pandemic, this fiscal year we achieved the highest net sales since 2003, when we began full-scale overseas expansion.

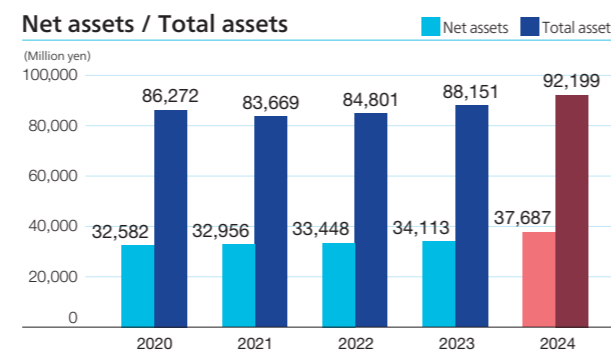


Operating income recovered to the prepandemic level increasing by 154.9% year-on-year, driven by business restructuring at North and Central American bases and implementation of appropriate price pass-through.

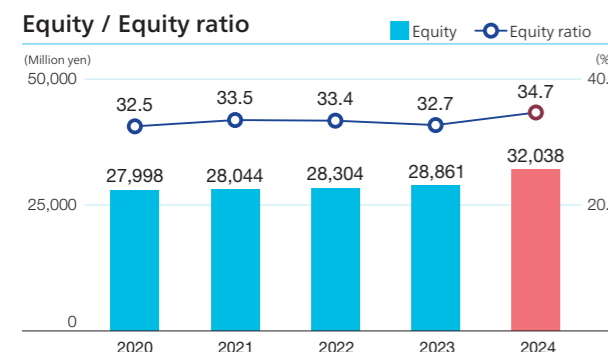
### Profit attributable to owners of parent / Ratio of profit attributable to owners of parent to net sales



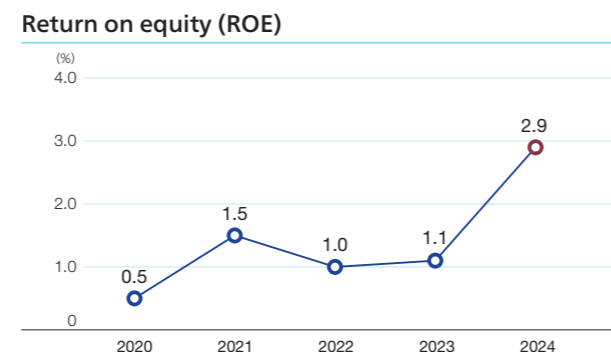
The Company recorded an extraordinary loss due to a provision for loss on sales of shares of subsidiaries and associates arising from share transfer of an entity accounted for using the equity method. However, increase in the net sales as well as in the operating and ordinary incomes exceeded this loss, resulting in a 172.9% year on year increase in profit attributable to owners of parent.



Net assets increased by 3,574 million yen compared to the end of the previous consolidated fiscal year, due to an increase in retained earnings. Total assets increased by 4,048 million yen, due to an increase in property, plant, and equipment.

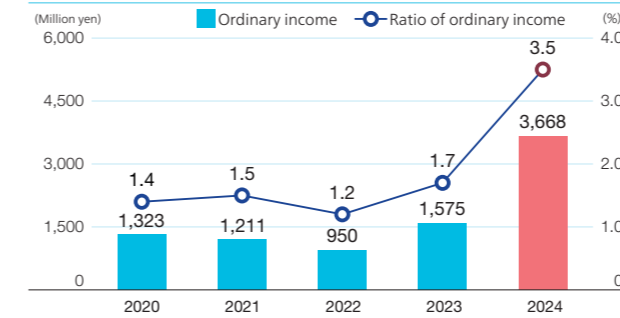


We achieved profitability at the North and Central American bases through business restructuring and partial sale of land and warehouses. Additionally, we are actively working to reduce interest-bearing debt that accumulated in the COVID-19 pandemic.



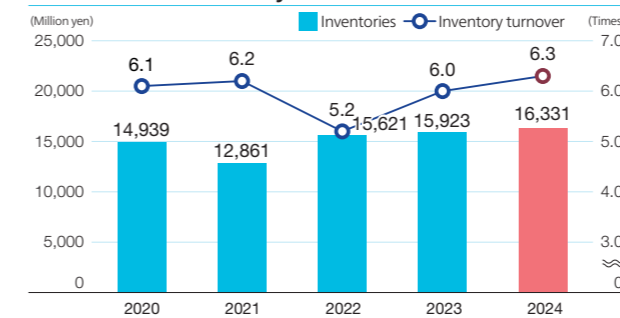
ROE fell below the planned figure. However, we aim an ROE of 8% within the next three years, anticipating profit increase, since initiatives are under way focusing on high-value added areas in the Automotive Textiles and Traffic Facilities segment, as well as the Interior Fittings segment.

### Ordinary income / Ratio of ordinary income to net sales



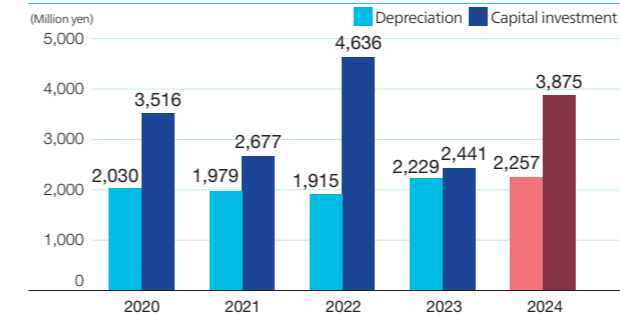
Ordinary income increased by 132.9% on a year-on-year basis, exceeding the published figure, due to higher net sales and operating income, as well as increased foreign exchange gains and real estate rent.

### Inventories / Inventory turnover



Inventories increased due to the effect of foreign exchange rates, mainly in the Automotive Textiles business, etc., however, decreased in terms of the actual value. We will continue implementing measures to reduce inventories.

### Depreciation / Capital investment

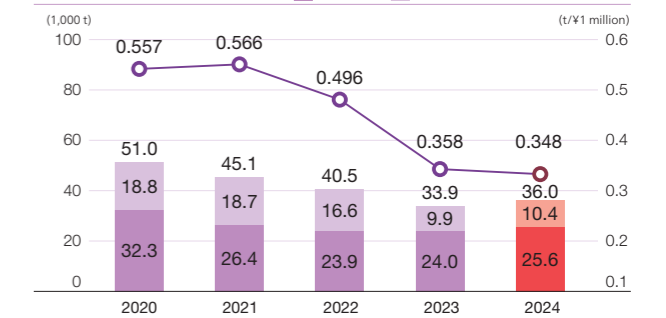


The Group has been making capital investment as planned, for restructuring of its core systems and establishing a new synthetic leather factory in Mexico. We expect that investment will be recovered in the next three years.

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

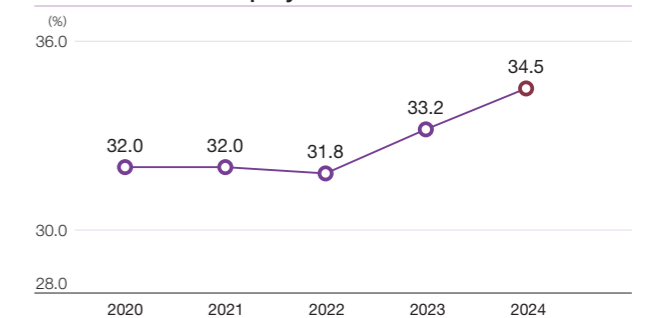
\* Group companies in Japan only

### CO<sub>2</sub> emissions in the business activities (Scope 1, 2)



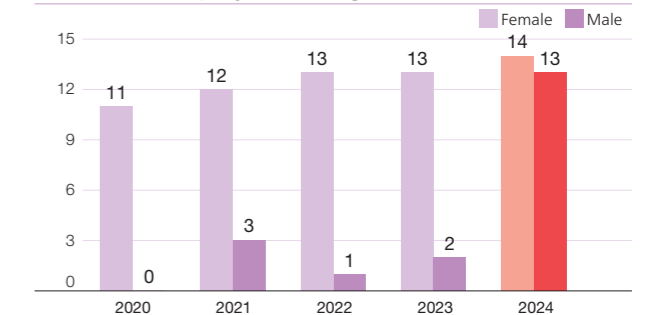
Although CO<sub>2</sub> emissions increased by 2,000 t from the previous fiscal year, we succeeded in reducing CO<sub>2</sub> emissions by approximately 3% in terms of per unit of sales.

### Ratio of female employees\*



The number of Group employees in Japan totaled 1,608, of which 554 members were female. The ratio of female employees stood at 34.5%, an increase of 1.3% compared to the previous fiscal year.

### Number of employees taking childcare leave\*



The number of male employees who took childcare leave increased to 13 because of activities implemented in accordance with the Working Style Reform Action Plan 2023 (see p.50).

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	1950s	1980s	2000s	2020s	2024
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	Transition to post-COVID-19 society
<h1>History</h1> <h2>History of the SUMINOE GROUP</h2>							
<p><b>1883</b> Murata Factory founded. Manufacture of handwoven carpets begins in Sumiyoshi, Osaka.</p> <p><b>1892</b> The Company's first patent obtained for carpet weaving, "Yamato-ori."</p>	<p><b>1903</b> Sumiyoshi Factory with full-scale weaving facilities established.</p> <p><b>1913</b> Suminoe Textile Joint-Stock Company established.</p> <p><b>1916</b> Manufacture of carpets using power looms begins.</p>	<p><b>1930</b> Suminoe Textile Co., Ltd. established.</p> <p><b>1937</b> Kawachi Factory established, where woolen spinning begins.</p> <p><b>1949</b> Shares listed on the Tokyo, Osaka, and Kyoto stock exchanges.</p>	<p><b>1954</b> First to introduce to Japan a tufting carpet machine from the U.S.</p> <p><b>1971</b> Nara Factory (now Nara Factory of Suminoe Techno Co., Ltd.) established, and Sumiyoshi Factory closed.</p>	<p><b>1987</b> Shiga Office established.</p> <p><b>1994</b> T.C.H. Suminoe Co., Ltd., the Company's first overseas base, established as a joint venture in Thailand.</p> <p><b>1998</b> Suminoe Textile Group "SUMINOE Environmental Declaration" and "KKR+A" announced.</p>	<p><b>2003</b> Suminoe Textile of America Corporation established in the U.S.</p> <p><b>2005</b> SPM Automotive Textile Co., Ltd. established as a joint venture in China.</p> <p><b>2013</b> Suminoe Textile de Mexico, S.A. de C.V. established in Mexico.</p>	<p><b>2020</b> Shares of CPO Co., Ltd. acquired.</p> <p><b>2022</b> Shares of PRETERIOR-TEXTILE Inc. acquired.</p> <p>Shares of Seki Textile Co., Ltd. acquired.</p> <p><b>2023</b> Group Philosophy as well as the Group's unified logo and tagline announced.</p>	<p><b>2024</b> Synthetic leather factory newly established at Suminoe Textile de Mexico, S.A. de C.V. Recognized as a Certified Health &amp; Productivity Management Outstanding Organization 2024 (large enterprise category). Announced the latter three-year targets of the Medium-to Long-term Management Targets "SUMINOE GROUP WAY 2022-2024-2027". Amendments to the Article of Incorporation regarding changes in the trade names of Suminoe Textile Co. Ltd. and SUMINOE Co., Ltd. approved at the Annual General Meeting of Shareholders.</p>

# Value

## Value Offered by the Group

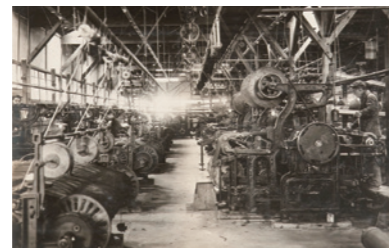
1891



● **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.

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.

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.

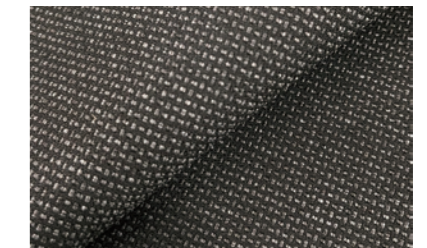
1998



● **Development of around-the-clock deodorizing treatment technology**

Suminoe Textile developed トリプルフレッシュ® (TRIPLE FRESH) treatment technology, which deodorizes and decomposes substances that cause sick house syndrome and other malodorous substances generated daily in our environment on a 24-hour basis. This technology contributes to the protection of people's health.

2024



● **Promoting development and proposals for eco-friendly products**

By realizing carpet tiles with a higher recycled material ratio and car seat covering materials using スマイトロン® (SUMITRON) recycled fiber made by the Company, we contribute to addressing social issues in respective industries.

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 an 836 m<sup>2</sup> 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 m<sup>2</sup>. Its manufacturing process required approximately 10,000 weavers, who spent as long as nine months to complete this masterpiece carpet.

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 to prevent leakage of hazardous substances discharged with wastewater.

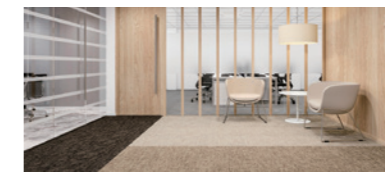
1989



● **Development of a continuous fiber made from recycled polyester**

スマイトロン® (SUMITRON), which uses polyester chips recycled from PET bottles as raw material by 50% or more, contributes to resource conservation.

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.

**Toward the future**



● **Passing on traditional techniques to future generations**

While promoting business reforms, the SUMINOE GROUP maintains and cultivates hand-weaving techniques passed down through Japan's historical industry, thereby contributing to cultural preservation.