

*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.  
Accordingly, they do not necessarily match the figures in the Annual Review issued by the Company, which present the same statements  
in a form that is more familiar to foreign readers through certain reclassifications or the summarization of accounts.*



July 13, 2021

For Immediate Release

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Representative: Ichizo Yoshikawa  
Chairman and President  
(Securities Code: 3501, 1st Section, TSE)  
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## **Notice Regarding Formulation of Medium- to Long-term Management Targets**

Suminoe Textile Co., Ltd. (hereinafter, “the Company”) hereby announces that it has formulated “SUMINOE GROUP WAY 2022-2024-2027,” Medium- to Long-term Management Targets, as detailed below.

### **1. Background of formulating the Medium- to Long-term Management Targets**

#### **○ Review of the previous Medium-term Management Plan**

Under the 5th Three-Year Medium-Term Management Plan “2020” covering the period from June 2017 to May 2020, the Suminoe Textile Group (hereinafter, “the Group”) promoted various measures toward the achievement of targets focusing on the two themes of “Restructuring of corporate governance” and “Growth of business.” Up to the second year, both net sales and operating income exceeded those in the previous fiscal year. However, in the fiscal year ended May 2020, the last year of the plan, the operating results fell below those in the previous fiscal year due to the impact of prolonged US-China trade frictions, the consumption tax hike and the spread of the novel coronavirus infectious disease (COVID-19). Given the difficulty in forecasting the end of the COVID-19 pandemic both in Japan and abroad and that it was also expected that the industries relating to the businesses of the Group would continue to face severe situations, the Company postponed the announcement of the new Medium-term Management Plan by one year. Thereafter, the Company formulated “SUMINOE GROUP WAY 2022-2024-2027,” new six-year Medium- and Long-term Management Targets starting June 2021.

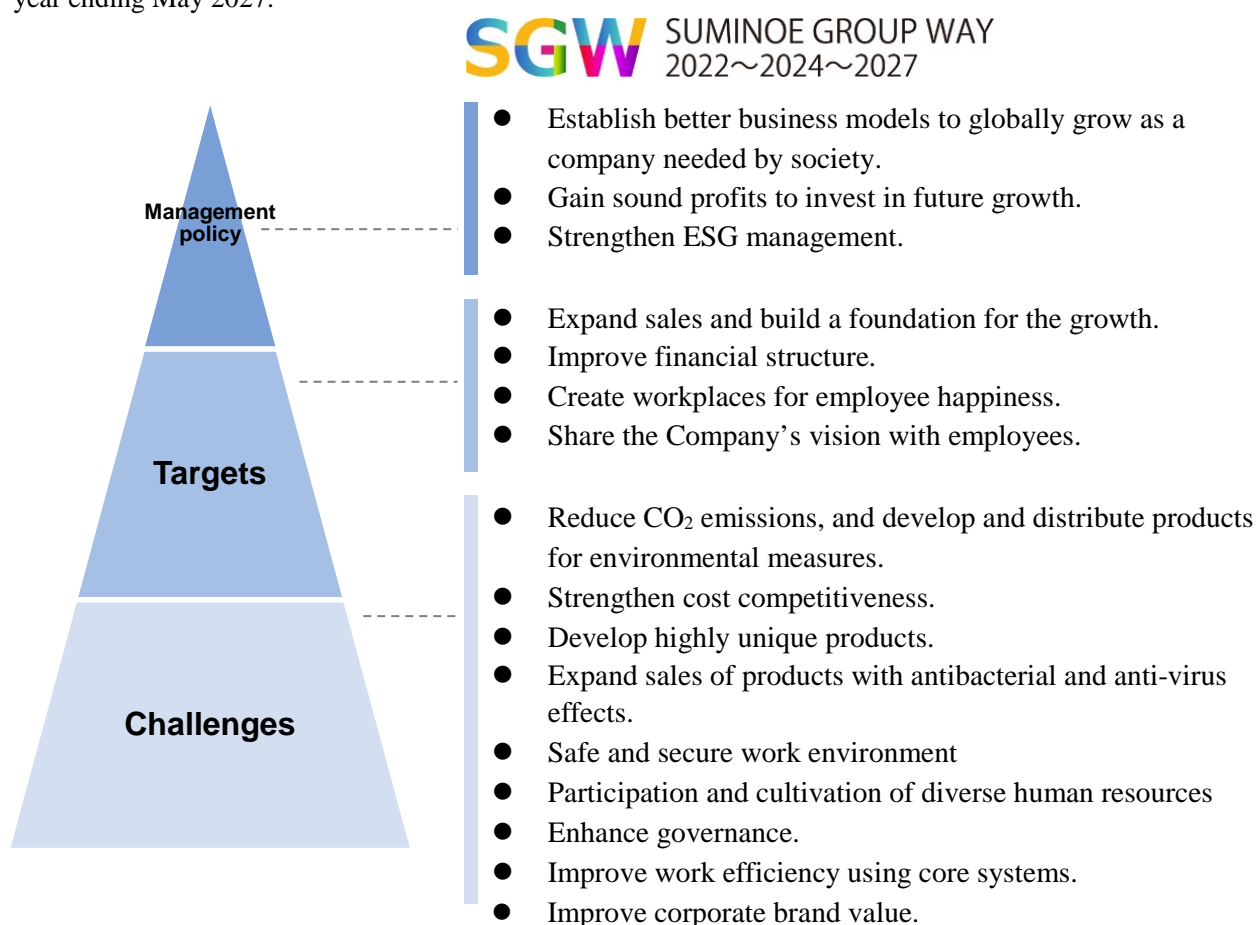
#### **○ Medium- and Long-term Management Targets “SUMINOE GROUP WAY 2022-2024-2027”**

The Company anticipates that the domestic and overseas economy, which remained sluggish due to the COVID-19 pandemic, will take steps toward normalization. However, the environment surrounding the businesses of the Group is assumed to change swiftly as seen in the domestic aging society, a decrease in working population, a rise of awareness of ESG and SDGs, reflecting the growing environmental risks on a global scale, the acceleration of DX and other factors.

During the period of the Medium- to Long-term Management Targets, the Group will mark its 140th anniversary of foundation. In order to continue to grow into the future, we will combine the strengths of all employees of the Group companies to achieve the Medium- and Long-term Management Plan “SUMINOE GROUP WAY 2022-2024-2027” by increasing sales of products that meet social needs and promoting global management based on the ESG management which the Group has focused on to date.

## 2. Overview of “SUMINOE GROUP WAY 2022-2024-2027”

With a view to our medium- to long-term “ideal corporate image,” we have formulated policies up to the fiscal year ending May 2027.



### Initiatives for ESG:

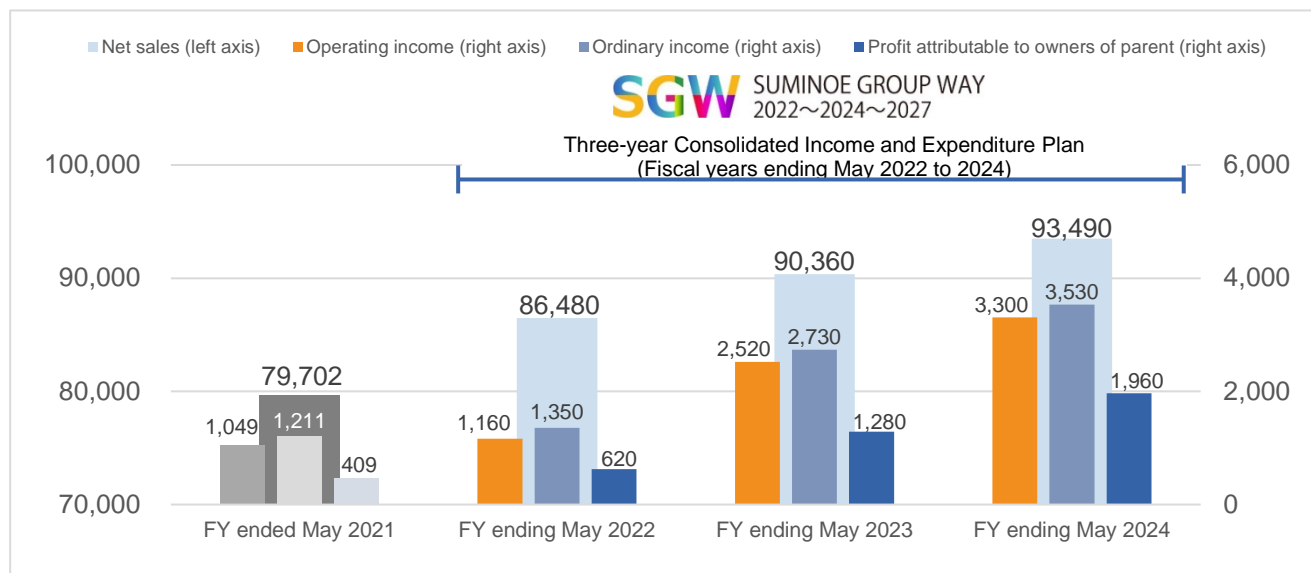
Environment	Social	Governance
<ul style="list-style-type: none"> <li>• Initiatives for the reduction of CO<sub>2</sub> emissions</li> <li>• Development of Eco-friendly Products</li> </ul>	<p><u>Initiatives for employees:</u></p> <ul style="list-style-type: none"> <li>• Improve workplaces for more safety and security.</li> <li>• Diversity and inclusion</li> <li>• Participation and cultivation of human resources</li> <li>• Omnidirectional communication</li> </ul> <p><u>Social contribution activities:</u></p> <ul style="list-style-type: none"> <li>• Contribution in case of disasters</li> <li>• Support and donation for poverty and starvation</li> </ul>	<ul style="list-style-type: none"> <li>• Restructure the core systems.</li> <li>• Strengthen the managerial decision making by outside directors.</li> <li>• Promote interactive in-house communication through top management’s frequent visits to workplaces.</li> <li>• Continue to conduct compliance training.</li> <li>• Further disseminate “Corporate ethics hotline.”</li> <li>• Strengthen global risk management.</li> <li>• BCP action plan</li> </ul>

### 3. Overview of the Three-year Consolidated Income and Expenditure Plan (Fiscal years ending May 2022 to 2024)

With ESG management in mind, the Group will develop and promote the sale of products that contribute to a decarbonized society and products with antibacterial and anti-virus effects in each business segment. The Group will also endeavor to improve productivity and competitiveness, aiming at further efficiency by strengthening the management base and at the same time reorganizing offices through restructuring of core systems.

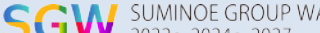
#### (1) Three-year Consolidated Income and Expenditure Plan

(Million yen)



#### (2) Numerical targets by business segment

(Million yen)

		Actual results	 Three-year Consolidated Income and Expenditure Plan (Fiscal years ending May 2022 to 2024)			
			FY ended May 2021	FY ending May 2022	FY ending May 2023	FY ending May 2024
		Interior fittings	Net sales	31,024	33,750	34,430
Operating income	579		400	450	520	
Automotive textiles and traffic facilities	Net sales	45,102	48,980	51,910	54,170	
	Operating income	2,102	2,800	3,590	4,170	
Functional materials	Net sales	3,130	3,410	3,680	3,840	
	Operating income	(87)	(140)	150	190	

### 4. Investment Plan

The Company will make investments equivalent to 10 billion yen in total for the expansion of business, restructuring of core systems and the reorganization of offices during the three years from the fiscal year ending May 2022 to the fiscal year ending May 2024.

\* Please refer to the attached sheets for details of the Medium- to Long-term Management Targets.

Risk information concerning the prospects for future performance stated in this material:

The descriptions stated in this document concerning the future plans, strategies, etc. of the Company were prepared based on predictable and reasonable judgment as of the time of preparation, and the actual results may vary depending on various future factors.

## Medium- to Long-term Management Targets



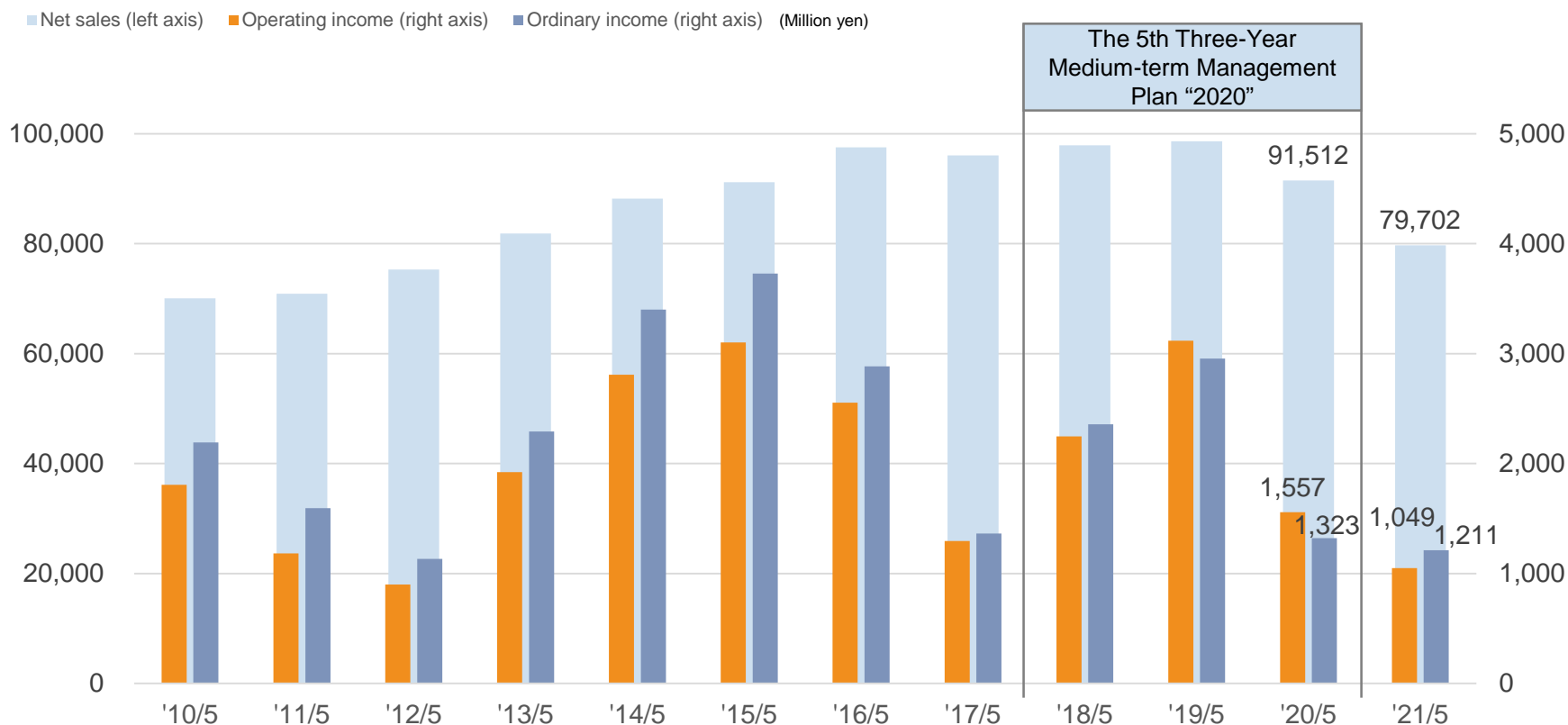
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reclassifications or the summarization of accounts.*

Securities code: 3501  
(First Section, Tokyo Stock Exchange)



# Trend of Consolidated Financial Results

While the previous Three-Year Medium-term Management Plan “2020” pursued upward trends in both net sales and operating income, the fiscal year ended May 2020, the final year of the plan, faced shortfalls from the previous fiscal year due to the impacts of prolonged US-China trade friction, the consumption tax hike and the spread of the novel coronavirus infectious disease (COVID-19).



# SUMINOE GROUP WAY POLICY

Focusing on our medium- and long-term “ideal corporate image,” we have established our policy through the fiscal year ending May 2027.

## **SGW** SUMINOE GROUP WAY 2022~2024~2027

### Management policy

- Establish better business models to globally grow as a company required by society.
- Gain sound profits to invest in future growth.
- Strengthen ESG management.

### Targets

- Expand sales and build a foundation for the growth.
- Improve financial structure.
- Create workplaces for employee happiness.
- Share the Company's vision with employees.

### Challenges

- Reduce CO<sub>2</sub> emissions, and develop and distribute products for environmental measures.
- Strengthen cost competitiveness.
- Develop highly unique products.
- Expand sales of products with antibacterial and anti-virus effects.
- Safe and secure work environment
- Participation and cultivation of diverse human resources
- Enhance governance.
- Improve work efficiency using core systems.
- Improve corporate brand value.

# SUMINOE GROUP WAY POLICY



SUMINOE GROUP WAY  
2022~2024~2027

Financial targets  
Non-financial targets

## Management policy

- Establish better business models to globally grow as a company required by society.
- Gain sound profits to invest in future growth.
- Strengthen ESG management.

### Expand sales and build a foundation for the growth.

- Operating margin: 5% or more
- Investment plan for building a foundation for growth
- Develop and promote the sale of products for environmental measures.

### Improve financial structure.

- Improve D/E ratio.
- Increase inventory turnover.
- Effective use of treasury stock

### Create workplaces for employee happiness.

- Create healthier work environment, cultivate human resources and effectively use diverse human resources.

### Share the Company's vision with employees.

Consolidated net  
sales:  
79.7 billion yen

FY2021

Consolidated net sales:  
93.4 billion yen

FY2024

Consolidated net sales:  
100 billion yen or more

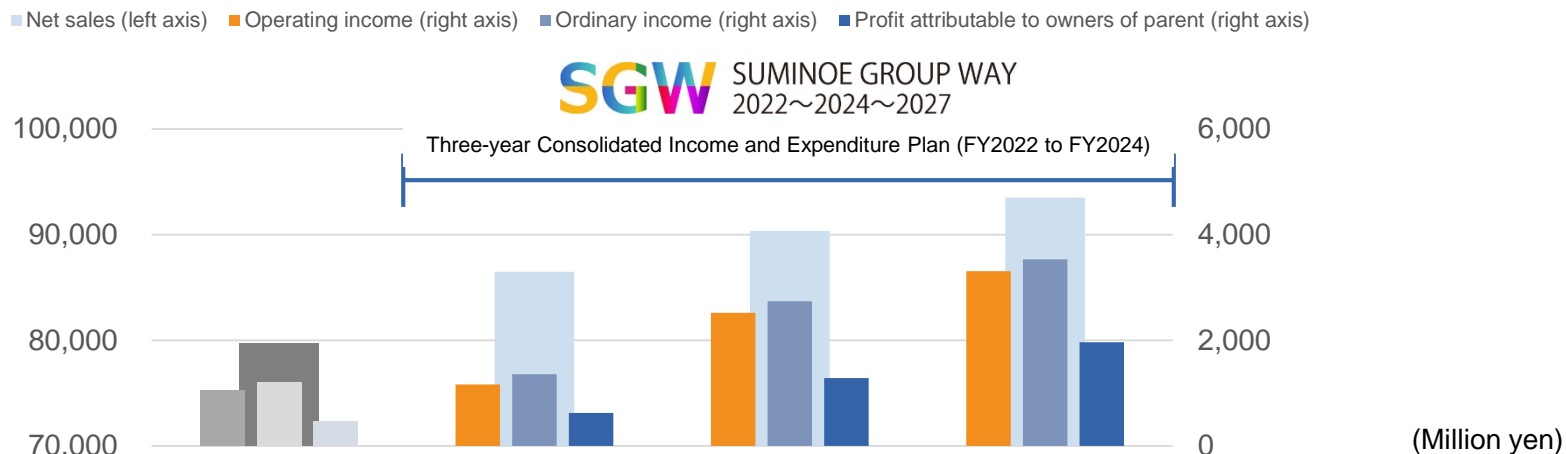
FY2027

## Financial Targets

- Expand sales and build a foundation for the growth.
- Improve financial structure.



# Three-year Consolidated Income and Expenditure Plan



	Actual results	SGW SUMINOE GROUP WAY 2022~2024~2027		Three-year Consolidated Income and Expenditure Plan (Fiscal years ending May 2022 to 2024)		
	FY ended May 2021	FY ending May 2022	FY ending May 2023	FY ending May 2024	Comparison with FY ended May 2021	
Net sales	79,702	86,480	90,360	93,490	+13,787	+17.3%
Operating income (Operating margin)	1,049 (1.3%)	1,160 (1.3%)	2,520 (2.8%)	3,300 (3.5%)	+2,251	+214.5%
Ordinary income	1,211	1,350	2,730	3,530	+2,318	+191.3%
Profit attributable to owners of parent	409	620	1,280	1,960	+1,551	+378.7%
ROE (%)	1.5	2.2	4.5	6.6	—	
D/E ratio (times)	0.67	0.58	0.64	0.56	—	

\* Assumed foreign exchange rate: 105.95 yen for FY2021

Target exchange rate for three years: 103.00 yen

# Growth Strategy by Business Segment: Interior Fittings

Products: Curtains, carpets, rugs and mats, wallpaper, etc.



## Advantages

- Capability for development and sales planning of high-level and environmentally conscious products cultivated over the years
- Proposals for planning, designing and coordination of the entire room space

## External environment

- Increased demand for environmentally conscious products
- Decreased number of new housing starts
- Profit deterioration risk due to higher materials costs

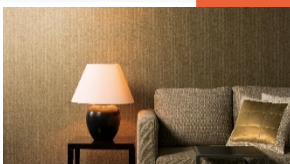
# Growth Strategy by Business Segment: Interior Fittings

(Million yen)	Actual results FY ended May 2021	SGW SUMINOE GROUP WAY 2022~2024~2027		Three-year Consolidated Income and Expenditure Plan (Fiscal years ending May 2022 to 2024)		
		FY ending May 2022	FY ending May 2023	FY ending May 2024	Comparison with FY ended May 2021	
Net sales	31,024	33,750	34,430	35,120	+4,095	+13.2%
Operating income	579	400	450	520	(60)	(10.3%)
Operating margin	1.9%	1.2%	1.3%	1.5%	—	



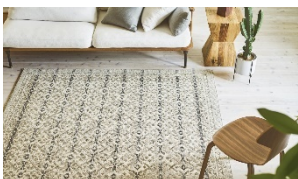
## (Commercial carpets)

- Increase product lineups and sales of ECOS® carpet tiles.
- Shift from piece-dyed yarn to solution-dyed yarn.



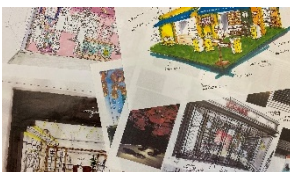
## (Wallpaper)

- Launch anti-virus wallpaper.



## (Household carpets)

- Launch a new line of business to sell custom-made rugs.
- Increase lineups of folding rugs.



## (Space design business)

- Increase new customers.
- Expand business to offices, hotels, etc.



## (Curtains)

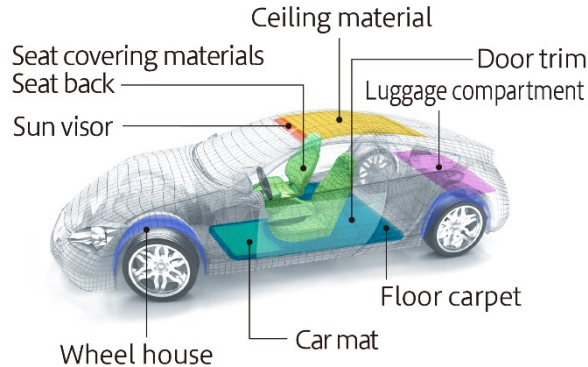
- Strengthen strategy by sales channel of SUMINOE branded curtains.
- Develop new products for housing.
- Increase lineups of contract curtains, focusing on functionality mainly with anti-virus processing.

## (Others)

- Enhance transmission and penetration of our brand image.
- Strengthen directly operated EC business.

# Growth Strategy by Business Segment: Automotive Textiles and Traffic Facilities

Products: Seat covering materials, floor carpets, ceiling materials, etc.



Newly built railroad vehicles of 1000 series of Keikyu Corporation



Articulated bus "Port Loop" of Shinki Bus Co., Ltd.

## Advantages

- A total range of automotive interior textile products, from ceiling materials to carpets and car mats, are provided.
- A high level of technology and proposal capabilities cultivated over the years
- Cooperation with the interior business division in development and design
- A large market share in the Traffic Facilities business
- Antibacterial and anti-virus treatments on the interior materials

## External environment

- Initiatives for decarbonized society have been enhanced.
- The number of domestically produced automobiles has been decreasing.
- CASE and MaaS
- Rise of new EV manufacturers
- Intensified price competition
- Decrease in commuting and business trips due to penetration of teleworking
- Decrease in the number of trains/buses owned
- Increase in travelers in the post-pandemic era



# Growth Strategy by Business Segment: Automotive Textiles and Traffic Facilities

(Million yen)	Actual results	SGW SUMINOE GROUP WAY Three-year Consolidated Income and Expenditure Plan 2022~2024~2027 (Fiscal years ending May 2022 to 2024)				
	FY ended May 2021	FY ending May 2022	FY ending May 2023	FY ending May 2024	Comparison with FY ended May 2021	
Net sales	45,102	48,980	51,910	54,170	+9,068	+20.1%
Operating income	2,102	2,800	3,590	4,170	+2,067	+98.3%
Operating margin	4.7%	5.7%	6.9%	7.7%	—	

## —Automotive Textiles

(Japan)



- Differentiation by designing synthetic leather sheets
- Development of interiors for next-generation vehicles
- Cost reduction through the optimization of material procurement
- Development of products with higher profitability, those for new parts, those produced with less man-hours, and environmentally conscious products.
- Development of fabric materials using new production methods
- Horizontal development to overseas markets



(Overseas)

North and  
Central America

China

Thailand

Indonesia

- Optimization of balance of production by each company
- Enhance capability of decorating fabric materials.
- New order receipts for vehicles at which we have not targeted yet.
- Local procurement and local production in response to safeguard measures

## —Traffic Facilities

- Increase sales of moquette and curtains with anti-virus treatment, and develop synthetic leather sheets.
- Develop environmentally friendly fabrics.

(Railway vehicles)



- Increase order receipts for renovation and replacement works.
- Develop and distribute flame-retardant and light-weight carpets.
- Propose and receive orders for *SUMICUBE®* with a new tactile impression.
- Develop and increase sales of high-performance, low-price floor signage films.
- Increase sales of safety measure products.

(Buses)



- Increase sales of moquette and curtains with anti-virus treatment.
- Increase market shares.

# Growth Strategy by Business Segment: Functional Materials

## Electric carpets



## Deodorization and air-filter-related products



## "Kakidanomi," Persimmon polyphenol supplements



## Floor material for bathrooms



## Interior materials for aircraft

## "SUMITRON®," continuous fiber made from recycled polyester

## Smart textiles, etc.

### Advantages

- Effective use of functional processing, such as deodorization and anti-virus
- Expansion of business domains regardless of conventional fields and industries
- Systems to promote development of diversified usages
- Promotion of delicate product development to meet customer needs

### External environment

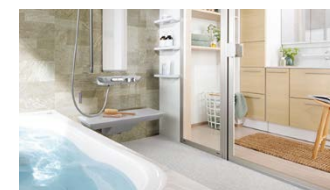
- Rise of hygiene awareness and health-consciousness
- Increase in at-home time length and private-minded
- Contribution to the reduction of environmental load
- Response to aging society

# Growth Strategy by Business Segment: Functional Materials

(Million yen)	Actual results FY ended May 2021	SGW SUMINOE GROUP WAY 2022~2024~2027		Three-year Consolidated Income and Expenditure Plan (Fiscal years ending May 2022 to 2024)		
		FY ending May 2022	FY ending May 2023	FY ending May 2024	Comparison with FY ended May 2021	
Net sales	3,130	3,410	3,680	3,840	+710	+22.7%
Operating income	(87)	(140)	150	190	+277	—
Operating margin	—	—	4.1%	4.9%	—	—

Improve business and product value; Strengthen capability of development and sales.

- Optimize the production and supply systems of textile-based electric heating appliances.
- Promote development of new applications of functional materials by using processing technologies.
- Increase sales of products made by functionally processing technologies, such as deodorant treatment and anti-virus treatment.
- Promote thorough quality management and supply of products by obtaining JISQ9100 certification, a quality management system standard for the aerospace industry.
- Promote development of new health supplements following “Kakidanomi.”
- Promote commercialization of smart textiles.
- Cooperate with the development section to strengthen the capability of development and sales.



# Growth Strategy:

## “Antibacterial and Anti-virus” (All Domains)

### Interiors Fittings

- Expand product lineups of commercial carpets and curtains.
- Expand product lineups of household carpets, and strengthen the combination with other functions.
- Develop wallpapers with anti-virus treatment

### Automotive Textiles and Traffic Facilities (Traffic Facilities)

- Expand sales of anti-virus processed moquette, curtains and carpets.

### Technical and Production Engineering

- Develop space-related functional products (deodorant, antibacterial, anti-virus, etc.).

### Automotive Textiles and Traffic Facilities (Automotive Textiles)

- Standardize antibacterial and anti-virus treatments.
- Realize low prices by securing a large volume of materials.

### Functional Materials

- Develop and distribute products in each field.
- Increase sales of the antibacterial and anti-virus processed *SUMINOE FRESH FILTER*.

Antibacterial and anti-virus processing technology developed for the Suminoe Textile Group products



Antibacterial

Anti-virus

\* "CLEANSE®" is a registered trademark of Kurabo Industries Ltd.



TRIPLEFRESH DEO

Deodorant

Antibacterial

Anti-virus

Anti-allergen



Deodorant

Antibacterial

Anti-virus

Anti-allergen

Anti-mite



# Research and Technology

- Develop and receive orders of successor models to bathroom flooring materials.
- Improve floor signage films.
- Develop and commercialize chemicals for multifunctional processing.
- Develop new deodorizing filters.
- Develop space-related functional products (deodorizing, antibacterial, anti-virus, etc.).
- Smart textiles: Efforts for commercialization of water-wetting detection systems and power generating fibers
- Develop new products using persimmon tannin of Nara method.
- Basic research using bioplastics
- Basic research for extracting beneficial substances from woody biomass

## Proposal for smart textiles

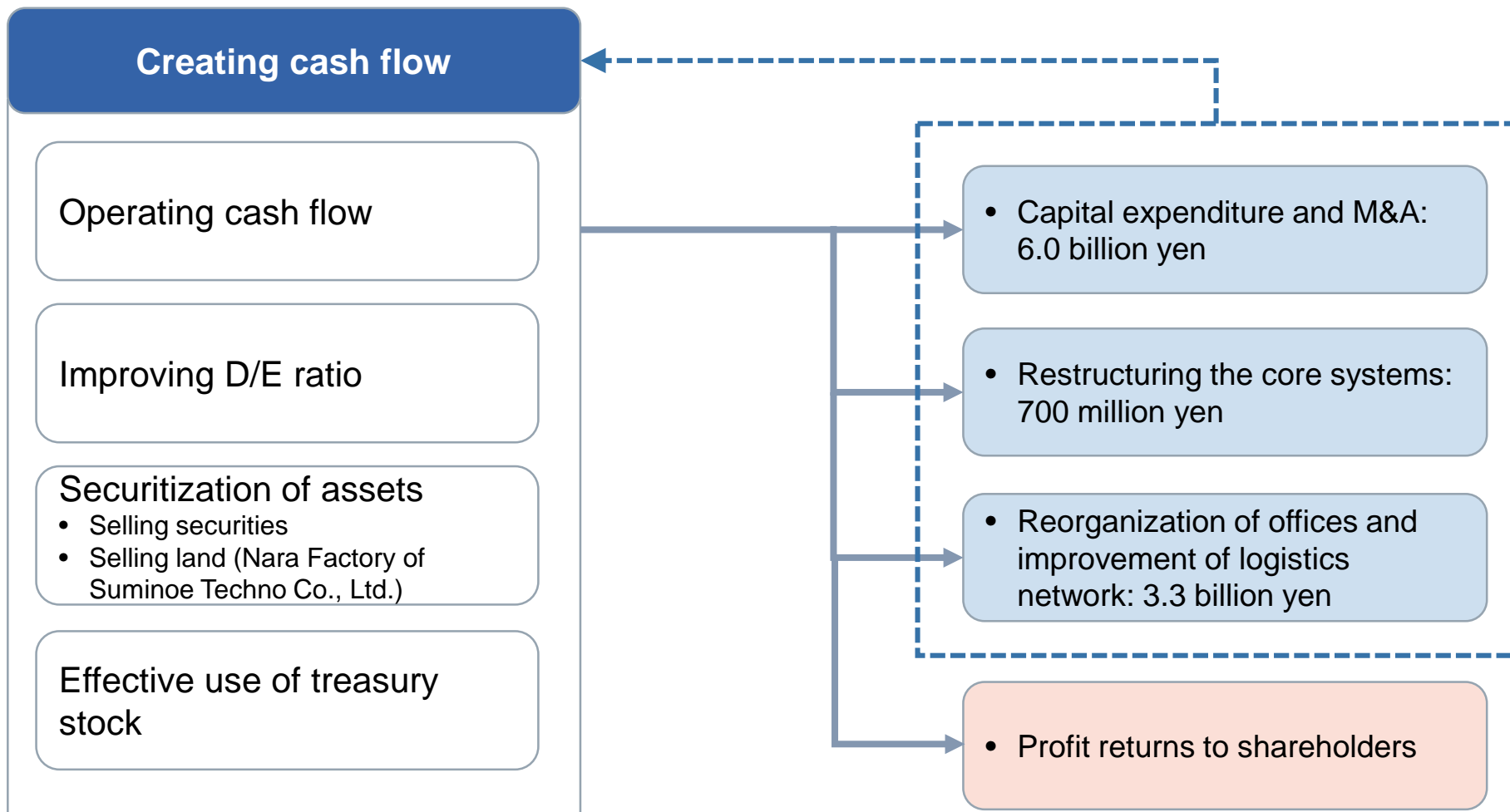
### External environment

- Rise in awareness of safety and security
- Transformation of the nursing care industry and labor shortage due to aging
- Increase in demand for products made of bioplastics and biomass plastics, and risks arising from developing conventional petroleum-derived products
- Risk of conflict of intellectual properties concerning patents owned by us



# Investments and capital policy

- We will aggressively implement capital expenditure and M&A with the aim of strengthening the existing businesses and the expanding business scale.
- We will endeavor to realize the optimum capital structure.



# Initiatives to Remain in Prime Market

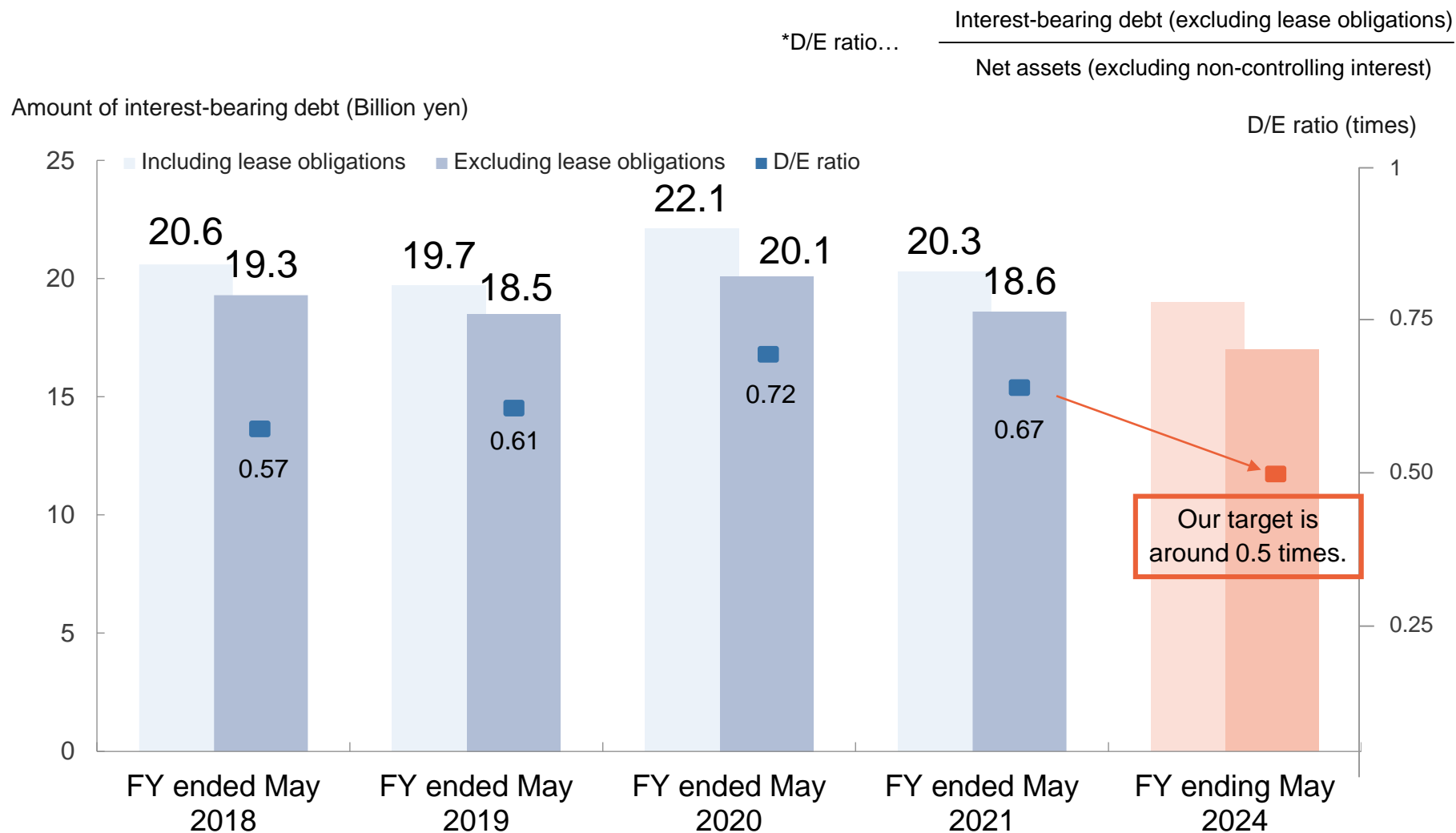
Effective April 2022, the Tokyo Stock Exchange will reorganize into new market segments. Suminoe Textile Group will take every possible measure to meet the new listing criteria for Prime Market.

- Strengthen the existing businesses, and increase corporate value through aggressive capital expenditure and M&A.
- Enhance communication with investors and improve our name recognition by implementing proactive IR activities.
- Place more emphasis on profit return to shareholders.
- Initiatives for increasing the number of free-floating shares, etc.

	Criteria of listing shares on Prime Market	The Company's situation
Number of shareholders:	800 or more	○
Number of free-floating shares	20,000 trading units or more	○
Free-float market capitalization	10 billion yen or more	Unachieved
Trading value	Average trading value per day must be 20 million yen or more	Unachieved
Ratio of free-float shares	35% or more	○

# Plan to Improve D/E ratio

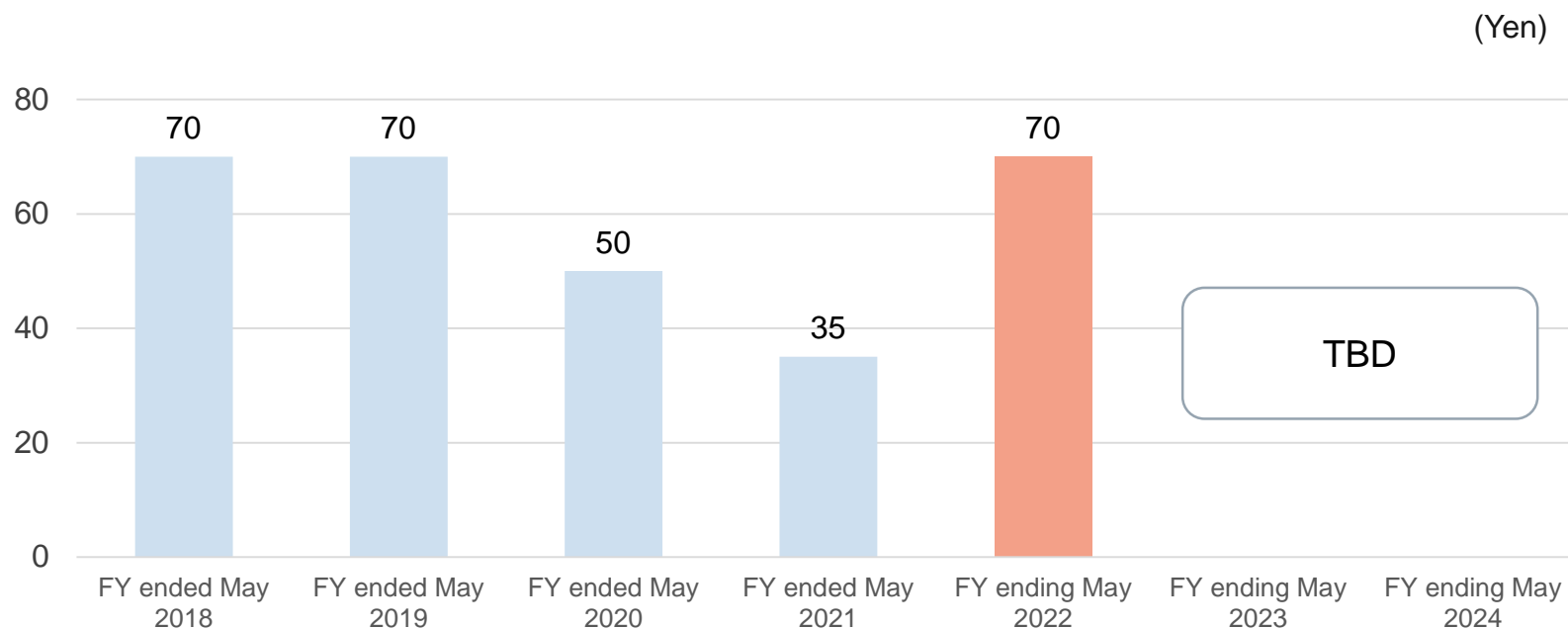
Corporate value will be improved by reducing interest-bearing debt for improvement of D/E ratio.



# Profit Return to Shareholders

With stable dividend payment to shareholders as a precondition, we will appropriately distribute returns, taking into consideration the trend of business performance and future investments for business expansion.

The dividend will be paid twice a year as an interim dividend and a year-end dividend.



We will enhance communication with shareholders through proactive IR activities.

## Non-financial Targets – Initiatives for ESG

- Create workplaces for employee happiness.
- Share the Company's vision with employees.

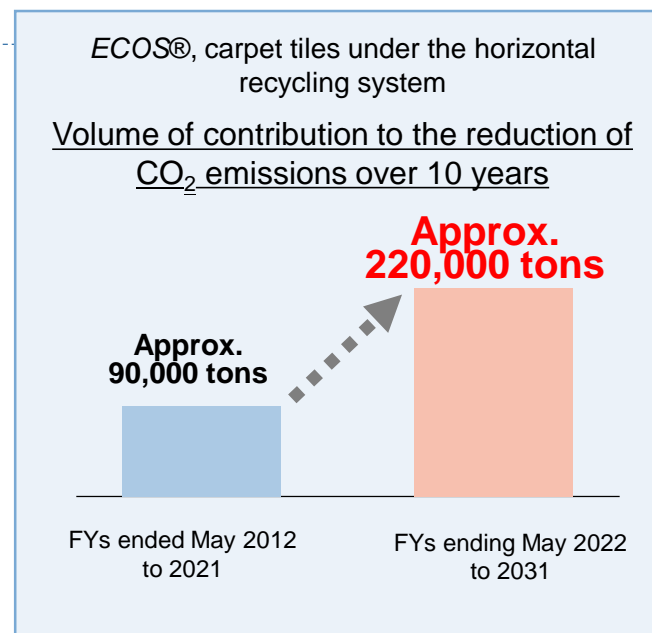
# Initiatives for Reduction of CO<sub>2</sub> Emissions



We have focused on the initiatives for the reduction of CO<sub>2</sub> emissions through products manufactured by the Group since we developed “SUMITRON®” in 1990.

In June 2021, we established the “Visualization Committee on the Reduction of CO<sub>2</sub> Emissions” to further enhance the reduction of CO<sub>2</sub> emissions and the lowering of environmental load.

- Volume of contribution to the reduction of CO<sub>2</sub> emissions through products
  - Circulation-type recycling of carpet tiles
  - Increase the use of recycled fibers, such as “SUMITRON®.”
  - Increase the use of yarn recycled from PET and recycled resin materials.
- Reduction of CO<sub>2</sub> emissions in the business activities
  - Improve logistics systems and unify the production bases.
  - Improve energy efficiency and change fuels used.
  - Working style reforms



# Development of Eco-friendly Products

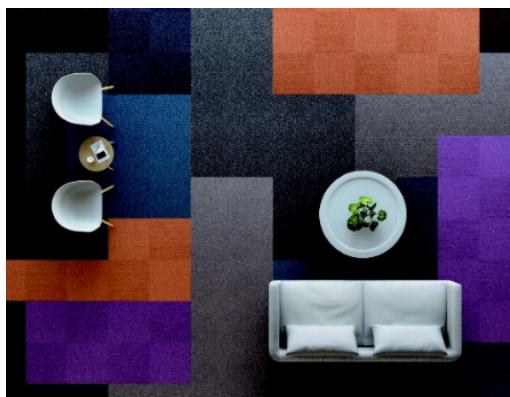


We will contribute to a decarbonized society by accelerating research and development under the development philosophy of “K (*Kenko* meaning Health in Japanese), K (*Kankyo* meaning Environment), Recycle, plus A (Amenity).”

(Examples of eco-friendly products that contribute to the reduction of CO<sub>2</sub> emissions)

## **ECOS®, carpet tiles under the horizontal recycling system**

- Launched in 2011
- Achieved 84% at the maximum, which is the highest level of recycled materials used in the industry, and 43% at the maximum in the reduction rate of CO<sub>2</sub> emissions.
- Approximately 90,000 tons of CO<sub>2</sub> was reduced over the past decade.
- Approximately 220,000 tons of CO<sub>2</sub> are to be reduced over the next decade.



“ECOS®”: the solution-dyed yarn is applied to the pile yarn for the surface.

## **SUMITRON®**

- Polyester chips recycled from PET bottles are used as material by 50% or more.
- Useable for a long period of time due to excellent weather- and heat-resistance properties.
- Solution-dyed yarn is used for reducing environmental load.

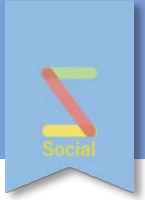


## **Transition to solution-dyed yarn**

Traditionally, the piece-dyeing method, which required large amounts of water and electricity as well as dyeing effluent treatment, had been applied to dye pile yarn used for the surface of carpets. We have now shifted to using solution-dyed yarn (pigmented at the spinning stage), which reduces CO<sub>2</sub> emissions, requiring less water and energy and with no effluent problem in the production process.



# Initiatives for S (Social)



We will endeavor to create workplaces for employee happiness.

## ● Initiatives for employees

1. Improve workplaces for more safety and security.
    - Review, transmit, educate and disseminate our human rights policy.
    - Conduct training for the prevention of harassment.
    - Eliminate occupational accidents.
    - Acquire “Certified Health & Productivity Management Outstanding Organizations.”
  2. Diversity and inclusion
    - Teleworking and off-peak commuting system
    - Support for life-work balance (work, childrearing and nursing care)
    - Paid leave by the hour, flex-time system
    - Promote women’s participation.
    - Employ people with disabilities.
    - Employ foreign workers.
    - Participation of senior employees
  3. Participation and cultivation of human resources
    - Education for human resources
      - IT literacy
      - Education for corresponding stages, etc.
    - Career self-declaration system
    - Job rotation
    - Review of human resources management and evaluation systems
  4. Omnidirectional communication
    - Dissemination of corporate philosophy and management policy, and the progress will be shared.
    - Consider the timely disclosure of information and transmit it.
    - Communication between departments
- ## ● Social contribution activities
- Contribution in cases of disasters
  - Support and donation for poverty and starvation

# Initiatives for G (Governance)



We aim to be a company trusted in society by further promoting our initiatives and by complying with laws and regulations and corporate ethics.

- Restructure the core systems.
- Strengthen the managerial decision making by outside directors.
- Promote interactive in-house communication through top management's frequent visits to workplaces.
- Continue to conduct compliance training.
- Further disseminate "Corporate ethics hotline."
- Strengthen global risk management.
- BCP action plan

## Initiatives to Be Enhanced during the Target Period

# Initiatives to Be Enhanced during the Target Period

- **Reorganization of Nara Factory**

P.26

- Seek higher efficiency by reorganizing the arrangement in the factory.
- Strengthen the cooperation between the Technical Center of and the Development Team of Suminoe Techno Co., Ltd.

- **Strengthen the space design business**

P.27

Shift from “surface” to the whole planning and design of the “space.”

- **Intelligent Interior 2.0**

P.28

Develop next-generation automotive interiors through collaboration between the Automotive textiles, the Traffic facilities and the Interior fittings businesses.

- **Corporate branding**

Enhance IR and PR activities for stakeholders of the Group for their better understanding of, and empathy with, our philosophy and businesses.

- **Initiatives for the reduction of CO<sub>2</sub> emissions**

Reduce CO<sub>2</sub> emissions in the business operations and product life cycles.

- **Working style reform**

Create environment for healthy working, cultivate human resources, and promote participation of diversified human resources.

- **Reorganization of the core systems**

Improve efficiency in clerical work, unify inventory and other data, and enhance IT human resources.

- **Improvement of financial structure**

- Improve D/E ratio (by reducing interest-bearing debt).
- Increase inventory turnover ratio.
- Implement effective use of treasury stock

# Reorganization of Nara Factory

We will realize the business bases that meet the needs of the times.

- Improve productivity
  - Sell off unnecessary production facilities.
  - Improve productivity by concentrating the production facilities.
- Improve efficiency of supply chains
  - Increase logistics warehouses, reduce the cost paid to external warehouses and improve work efficiency by concentrating logistics centers.
- Enhance research and development
  - Establish a new R&D building as a shared base for technological development, demonstrate synergy effects by enhancing cooperation between the business divisions, and accelerate the development of new products.
- Reduce environmental load
  - Reduce environmental load by removing dyeing facilities and a wastewater treatment plant.



New R&D Building under construction

# Enhancing Space Design Business

We will materialize our customer's requests at a higher level by expanding the business domain to the planning and design of the whole “space,” not limiting it to production, sale and proposition of products that color the “surface.”

Synergy effects have gradually become apparent since CPO Co., Ltd, which has in-depth expertise and excellent know-how concerning store design, joined the Group in 2020. Going forward, we will expand our business domains to not only stores in which CPO has strength but also nurseries, schools and medical facilities.





# Interior Fittings for Next-generation Automobiles

The Interior Fittings business in charge of interiors of hotels and the Automotive Textiles and the Traffic Facilities business have united their strengths to jointly promote “Intelligent Interior 2.0,” a cross-sectoral project to create next-generation automobile interiors. The new car interior in the age of CASE and MaaS will be pursued by “ONE SUMINOE.”

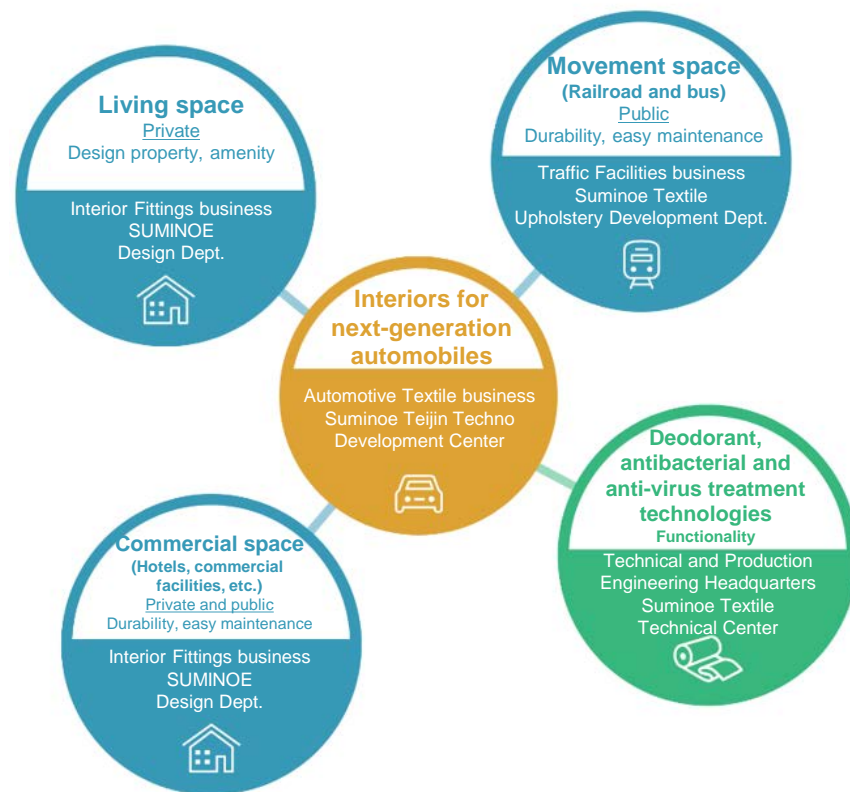
## I.I.2.0

Intelligent Interior 2.0

With the progress of autonomous driving technology, everybody on board will feel the car offers a free and private space.

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With the progress of car sharing, an automobile will become a public space which different kinds of people can share.



Risk information concerning the prospects for future performance stated in this material:

The descriptions stated in this document concerning the future plans, strategies, etc. of the Company were prepared based on the predictable and reasonable judgment as of the time of preparation, and the actual results may vary depending on various future factors.