

Together with Our Customers

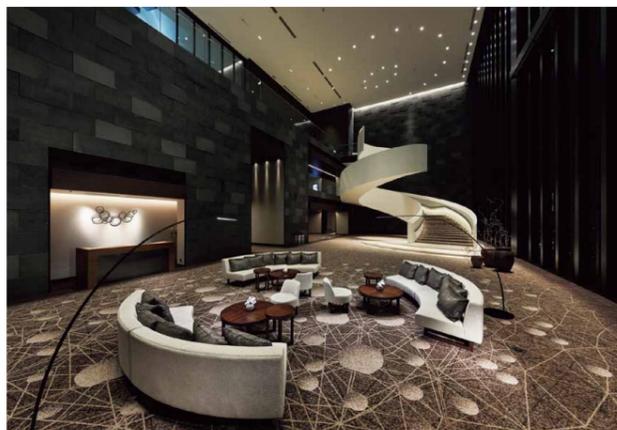
(Delivery Track Records)

The Suminoe Textile Group works together with customers to offer comfortable public spaces.



Delivery Track Records of Interior Fittings Products

Conrad Osaka



Atrium Lounge



Guest room



40 Sky Bar & Lounge

The Conrad Osaka, opened on June 9, 2017, is a top brand hotel of the Hilton Group. The hotel resides on the highest floors of Nakanoshima Festival West Tower, which is located at the heart of Osaka, at a height of 200 meters above the ground. As its concept "Your Address in the Sky" suggests, the Conrad Osaka overlooks the Osaka cityscape, making guests feel they are in the sky. This luxury hotel commands open panoramic views of Osaka from all guest rooms, allowing guests to enjoy a personalized time full of inspiration. Staying at the Conrad Osaka, whose design concept is "natural phenomena," guests can feel more familiar with natural phenomena, such as light, wind, rain and the stars. Each space expresses the universe, the wind, the Milky Way, constellations, the Earth, and other natural phenomena. Its soaring lobby is covered with carpets designed with graphics, which use an optical illusion to make them appear three dimensional. The lobby is highlighted by a spiral staircase connecting the three levels, drawing impressive curves inspired by a fluttering ribbon in the sky. Artworks created by renowned artists are found everywhere throughout the interior. Fusing modern design, magnificent scenery and art, the Conrad Osaka serves as a venue where adults can meet and enjoy exchange. On the occasion of the Conrad Osaka's opening, SUMINOE Co., Ltd. delivered its interior products, including all the carpets for public spaces and the curtains for guest rooms.



[Sales representative's view]

Aki Iwami

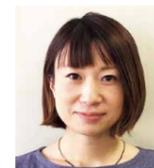
Section Chief
Development Department, Western Japan
SUMINOE Co., Ltd.

Since its opening, the Conrad Osaka has extensively received mentions on SNS and by the media, as the most remarkable hotel in the Kansai region. After due discussions with interior designers, who are our client, our company supplied carpets and curtains to the hotel.

First, in the summer of 2014, we participated in the competition for guest room carpets. Our team had great difficulty devising a proposal that matched the hotel's concept in the short term. Gaining cooperation from all conceivable members, I presented our proposal. I can remember how my heart leaped with joy when we heard that we had won the competition.

Then we made proposals for the carpets to be used for all the public spaces and for guest room curtains. When these proposals were adopted by the hotel, we were extremely delighted. I am also very pleased to see our products match well with the hotel's concept, helping the Conrad Osaka earn such great popularity as mentioned earlier.

Taking this opportunity, I would like to express my sincere appreciation to the clients who adopted our proposals, the hotel operators, the designers, and the members of partner companies involved.



[Designer's view]

Yoko Kawatsu

Chief
Design Department
SUMINOE Co., Ltd.

The entire hotel was designed on the theme of "natural phenomena." We held many meetings with interior designers, to discuss how we could ensure that our products would please the hotel guests. We designed products for guest room floors and banquet rooms, borrowing motifs from stars. While maintaining a modern atmosphere, our design features constellations based on Greek mythology, as hidden motifs. In drawing the design, we felt excited to imagine that guests would smile when they discovered the hidden constellations. The completed hotel offers a very pleasant, artistic space that affords a sense of spaciousness.

We are deeply grateful to the many people concerned for their generous cooperation that enabled us to successfully deliver our products to the Conrad Osaka. We are also truly honored to be able to engage in creating designs in such a great project.

Delivery Track Records of Automotive Textiles

Profia/Ranger, Hino Motors, Ltd.



Hino Motors, Ltd. holds the No.1 share in sales of domestic heavy- and medium-duty trucks. In 2017, 100 years after the birth of its 100% domestically produced trucks, Hino Motors launched two new models toward the next 100 years: the sixth generation of the Ranger (released on April 5) and the third generation of the Profia (released on May 22). These new models incorporate many technologies, such as engines that comply with 2016 emission standards and enhanced safety equipment and functions, so as to resolve various issues that confront the truck industry.

Suminoe Teijin Techno Co., Ltd., which handles automotive textiles, proposed seat covering materials focusing on practicality and comfort, considering that trucks are "moving workplaces" for many drivers. As a result, the company's PVC leather was adopted by the automaker for the above two models (for practical-type seats).

By applying our sophisticated embossing techniques, we succeeded in creating a PVC leather with a novel design in which simple geometrical patterns are enhanced by a sense of luster that delicately changes. The seat covering has a high-quality design that would satisfy a wide range of drivers, including young people and women.



[Sales representative's view]

Takeshi Yoshizawa

First Sales Department
Suminoe Teijin Techno Co., Ltd.

The Profia was completely redesigned for the first time in 14 years, and the Ranger for the first time in 16 years. On the occasion of the changeover, we started to develop the seat covering material for these new models.

When developing the seat covering material, we paid particular attention to the details of the design aspect, such as the sophisticated embossment and a sense of luster featuring complex variation, as well as the aspect of durability, taking into account the fact that the material is used in trucks.

We held close discussions with designers, and created many prototypes to develop a seat covering material that would make drivers feel comfortable not only with the seat but also with the in-car environment. In this way, we worked on manufacturing products with the aim of satisfying our customers.

As a result of such efforts, we could finally see the release of the trucks with their seats covered with our PVC leather. I would be very happy if our products brought satisfaction to the drivers who drive these trucks.



[Designer's view]

Akihiro Kawamura

Development Group, Synthetic Leather
Department, R&D Center
Suminoe Teijin Techno Co., Ltd.

PVC leathers are our company's new products that were mass-produced for domestic customers for the first time in 2017.

To begin with, we started the development of a PVC leather for trucks. When developing the PVC leather as the main seat material, initially we faced extreme difficulty in creating a design that matched the concept of the automaker, and we were unable to develop a convincing product. However, by applying our company's embossing techniques cultivated through the manufacture of fabrics, we finally succeeded in commercializing a PVC leather with complexly changing geometrical patterns enhanced by a sense of luster.

Seat covering materials for trucks require greater durability than those for passenger vehicles. Nevertheless, thanks to cooperation from people in various fields, we were able to develop a new product that combines both excellent design and durability.

Delivery Track Records of Traffic Facilities

Mass production models of the E235 Series railcars for the Yamanote Line, East Japan Railway Company



The East Japan Railway Company (JR East) has promoted the development of railways that customers can use with peace of mind, by enhancing the passenger comfort and stability of the transport quality. As part of such efforts, JR East has gradually replaced existing railcars with new ones in commuter trains running in the Greater Tokyo Metropolitan area. The E235 is a new series of next-generation railcars taking advantage of the achievements of technological development that have been made thus far. In response to passengers' opinions, the height of luggage racks has been lowered by 5 cm to make it easier to stow and take down luggage on E235 Series railcars. In addition, the surface of the handrails held by many passengers has been processed to have fine bumps and dips, in order to impart a feeling of cleanliness.

Since May 22, 2017, the E235 Series trains have come into commercial operation in sequence. By the end of March 2018, JR East will introduce 15 trains comprised of E235 Series railcars. With remaining 34 trains scheduled to go into service by around the spring of 2020, a total of 50 trains comprising E235 Series railcars (550 cars in total) will run on the Yamanote Line, combined with one that was introduced in advance of mass production. KEN OKUYAMA DESIGN was in charge of supervising the design of the E235 Series. Its design features modern gradations of yellowish-green, a traditional color used for the Yamanote Line. These railcars have employed the seat covering and cushion materials of Suminoe Textile Co., Ltd.



[Sales representative's view]
Takeru Sato
Tokyo Traffic Sales Group
Eastern Japan Traffic Sales Department

Under the supervision of KEN OKUYAMA DESIGN, the E235 was designed using yellowish-green, which is a traditional color of the Yamanote Line trains, as a motif. We developed the seat covering material with an uneven surface by applying special processing, for the first time as materials for new series of railcars. We proposed a square-patterned textile created by a combination of various woven patterns drawn on the base in a delicately shaded yellowish-green. Our proposal was adopted by the railway company. The priority seat design was also renewed from the conventional design. Each railcar has priority seats, whose logo was printed with ink-jet printers, to be friendly to wheelchair users and baby stroller users. We are pleased to have been able to help produce railcars that can be used by many people more safely and comfortably.

[Customer's comment]
Mr. Hideaki Amanuma
Conventional Line Rolling Stock Group
Rolling Stock Technology Center,
Transport & Rolling Stock Department
East Japan Railway Company

Railcar components are required to have various functions, including durability, ease of maintenance, and incombustibility, to allow customers to ride in the railcars safely and comfortably. In particular, the railcar seats, on which an unspecified large number of people sit, should harmonize these functions to a high degree. These seats also should be of high-quality design, since they are components that largely determine the impression of the interior of the railcar. The seat covering material recently delivered by Suminoe Textile employs a design using the main color yellowish-green, which is a traditional motif of the Yamanote Line, while taking over the functions developed for the conventional series of E233 railcars. With the excellent design, the finished product is in harmony with the next-generation trains on the Yamanote Line, helping passengers spend a safe and pleasant time aboard with peace of mind.

Delivery Track Records of Functional Materials

Deodorant air filter for air purifiers geared to the ASEAN market, Sharp Corporation



Sharp Corporation holds a high share of the air purifier market in Japan, while also increasing its market shares in China and other parts of the world. Suminoe Textile Co., Ltd. has supplied deodorant filters for some models of air purifiers for the Japanese market. Recently, our deodorant filter was adopted by the air purifiers geared to the ASEAN market, which Sharp had developed as part of its efforts to expand its overseas market share. Nowadays, smoke damage known as "haze*" is attracting considerable attention as a grave pollution problem in ASEAN countries. In the stage of developing the deodorant filter mentioned above, Suminoe Textile's

Technical Center examined its effectiveness in removing individual hazardous gases and offensive odors contained in the haze. As a result, our filter was determined to possess properties that are effective in reacting against the haze. Gases and odors that can be removed by air purifiers widely vary according to the environments in which they are used. We were able to commercialize this product by wisely fusing technologies and experiences that the Company had accumulated regarding deodorization in order to flexibly meet customer needs.



[Sales representative's view]
Kodai Komori
Osaka First Sales Department
Functional Materials Business Division

Sharp Corporation has been pushing forward with the development of products that are adaptive to the needs of overseas markets, at a time when the growth of the air purifier market in Japan is leveling off. I feel that Sharp's initiatives are truly wonderful. As a member of a deodorant air filter supplier, I myself want to manufacture products that meet market needs by resolving the inconvenience, dissatisfaction and discomfort of customers. For this reason, I was very pleased when we received a request to develop a deodorant air filter to cope with haze. Needless to say, starting a new task entails risk. Nevertheless, I will continue to improve my ability through product development, always maintaining the attitude of taking on new challenges.

[Customer's comment]
Mr. Naoyuki Shigemoto
Senior Manager, Plasmacluster Equipment Engineering Department
Air-Conditioning System and Plasmacluster Equipment Business Unit
Health and Environment Systems BU Sharp Corporation

Haze has posed a serious pollution problem in Singapore and Malaysia, causing local people in the affected areas great trouble. Hoping to reduce such haze-related damage as much as possible, Sharp worked to produce an air purifier equipped with a deodorant air filter having the effect of removing poisonous gases and offensive odors contained in haze. With cooperation from Suminoe Textile Co., Ltd, we succeeded in commercializing the product. The deodorant air filter developed by Suminoe Textile is highly regarded in the local areas. I hope that Suminoe Textile will continue to support us in developing products that respond to local needs, in the same manner as this.

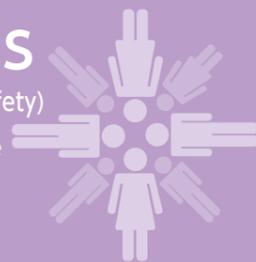
*Haze: A smoke pollution caused by smog that is generated from the large-scale burning of farmland and forest fires on the island of Sumatra in Indonesia and in other locations, and then drifts to the Malay Peninsula and Singapore. Due to haze, people in the affected regions may suffer symptoms such as coughing, sneezing and asthma.

Together with Our Employees

(Respect for Diversity, Human Resource Development, and Occupational Health and Safety)

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 their best performance and grow further.

We are working on initiatives to create a working environment that ensures diverse human resources can work happily and actively, regardless of gender, age, and nationality.



Respect for Diversity

Number of new graduates hired

In April 2017, 36 new graduates joined our Group companies in Japan, with the ratio of female graduates standing at 33.3%, and the average ratio of female employees in the past three years standing at 32.5%.

*New graduates were hired by: Suminoe Textile Co., Ltd., SUMINOE Co., Ltd., RUNON Co., Ltd., Suminoe Logistics Co., Ltd., Tango Textile Co., Ltd., and Suminoe Techno Co., Ltd.

Number of employees working overseas

In accordance with global expansion, employees working at our overseas Group companies (including those stationed overseas) numbered 1,339*, which is 1.7 times higher than five years ago. We will continue to conduct follow-up of employees working overseas. For example, both labor and management will regularly visit overseas establishments to inspect the workplaces and living environments of employees working in other countries/regions. *As of the end of May 2017.

Care for children, the elderly and other family members

We strive to further strengthen the system to support employees in balancing work and care for children, the elderly and other family members, to ensure that employees can continue working with peace of mind.

Respective Group companies in Japan are gradually making revisions to their support systems and adding new systems, including the support leave system to allow employees to take annual paid vacations that expired before being used, for nursing care, as well as the systems for reducing working hours, and for advancing/postponing work start/finish times.

Major systems to support the balancing of work with child-rearing and/or nursing care (in Suminoe Textile Co., Ltd.)

*As of June 1, 2017

	System name	Feature
Childcare	Childcare leave	This leave can be taken for child-rearing until children reach one year old (extendable until the age of one-and-a-half).
	Reducing working hours	Working hours can be reduced up to two hours a day in 30-minute units, until children reach the end of March in their third year in elementary school.
	Advancing/postponing work start/finish times	Work start/finish times can be advanced/postponed up to one hour in 15-minute units, until the employee's children graduate from elementary school at the end of March.
Nursing care	Nursing care leave	Total of 183 days
	Reducing working hours	Working hours can be reduced up to two hours a day in 30-minute units, until the reason for nursing care ceases to exist.
	Advancing/postponing work start/finish times	Work start/finish times can be advanced/postponed up to one hour in 15-minute units, until the reason for nursing care ceases to exist.
Other	Support leave	Employees can use their paid holidays to take care of the elderly or other family members (for more than three consecutive days).

Number of beneficiaries and ratio

	FY 2015	FY 2016
Childcare leave, etc.	Number of employees who took childcare leave	5
	Ratio of employees who returned to work	87.5%
	Number of employees who reduced working hours	13
Family care leave, etc.	Number of employees who advanced/postponed work start/finish times	6
	Number of employees who took family care leave	0
	Number of employees who reduced working hours	1

Promoting Women's Empowerment and Supporting a Balance between Career and Family Life

This section reports on the progress made in the Women's Empowerment Promotion Plan, stipulated by Suminoe Textile Co., Ltd. and SUMINOE Co., Ltd. in March 2016.

1. Planned period: April 2016–May 2018

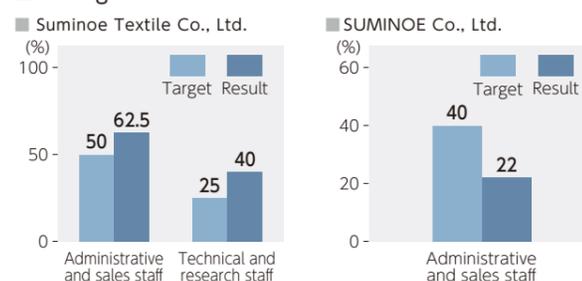
2. Targets and progress

Target 1: Ratio of new female graduates hired

Suminoe Textile Co., Ltd. ... 50% or more for administrative and sales staff, and 25% or more for technical and research staff

SUMINOE Co., Ltd. ... 40% or more for administrative and sales staff

New graduates hired in FY 2017



Target 2: Establishing a system to enable female employees to continue working even after going through various life events and to develop their career

In June 2017, we revised the regulations regarding childcare leave, etc. We will also continue to promote working styles that allow female employees to advance their career, while establishing support systems as a safety net. In July 2017, we held a women's empowerment seminar designed for management divisions.

Target 3: Raising the rating of the question regarding women's empowerment by 0.1 points in the Questionnaire on Workplace Comfort (in-house employees' opinion survey)

We have set a target of raising the rating of the question regarding women's empowerment by 0.1 point. However, the survey results showed that the rating has been on the decline each year. We are aware that this decreasing rating indicates that we need to take measures to make employees more aware of women's empowerment. We will promote these measures in coordination with the Third Personnel Subcommittee, which is tasked with deliberating on the revitalization of human resources.

Human Resource Development (Training System, Training Track Records, and Response to Globalization)

The Suminoe Textile Group companies in Japan jointly implement training programs. Our education curriculum comprises various programs that are categorized into training by level, role training, and selective training. As elective training for self-development, we offer a corresponding course and foreign language training programs.

For example, employees can take foreign language training by attending language schools to improve their language skills, primarily English proficiency, in response to increasing globalization. Although participating employees personally pay the tuition fees, the Company will provide them with a financial incentive according to their percentage of attendance, after they have completed the course.

Number of employees taking training between June 2016 and May 2017

Training system		Total	Male	Female
Training by level, role training, and selective training (for skill improvement)	Collective training	150	119	31
	Correspondence course	98	46	52
Selective training (for self-development)	Language training	14	8	6

In June 2017, we revised the amount of the financial incentives and the conditions for providing these incentives, to make it easier for employees to receive language training.

Impressions of the language training

My daily tasks include communication with overseas Group companies. In the hope of becoming able to communicate more smoothly with local staff members in English, I participated in the language training program. At the language school, my class was held mainly through roleplaying performed by a native English-speaking instructor and two or three students. Each lesson selected a single theme, on which students were able to repeatedly practice conversational expressions that were likely to be used in actual business settings.

My instructor also taught me polite expressions suitable for various circumstances, along with slight differences in nuance between them. I felt that this was an advantage that could be gained only from attending a language school. In the future, I wish to make effective use of expressions that I learned in this training in making requests and inquiries of staff members of overseas Group companies, so as to proceed with my duties smoothly.

Kanako Yamashita
Finance Department



Occupational Health and Safety (Safety Activities)

At each office/factory of the Suminoe Group, the Health and Safety Committee (in the case of a small establishment, the person in charge of health and safety) takes the lead in efforts to eradicate occupational accidents.

To promote occupational accident prevention activities, the Central Health and Safety Subcommittee consolidated and shared Group-wide the "proposal instances regarding occupational health and safety," "on-site safety awareness-raising examples," "automotive safety seminars," "countermeasures against heatstroke," and other information on the initiatives carried out at respective offices/factories. Through these efforts, the number of occupational accidents for the entire Group was reduced, though we failed to achieve a rate of lost-worktime injuries of "1.0 or lower," which we had set as the target for fiscal 2016. With recognition that it is important to re-examine the locations where accidents have occurred, we will review the preventive measures that were taken after accidents,

and give guidance to employees whenever these measures are found to be insufficient. The seriousness of each of the occupational accidents we had was reported to the CSR Promotion Committee. In this way, we will continue Group-wide efforts to reduce the number of occupational accidents to zero.

Change in the incident rate* of Suminoe Group companies in Japan



Source: 2016 Workplace Accident Trend Survey, Ministry of Health, Labor and Welfare
*Incident rate: Accident frequency, measured as the number of deaths and injuries caused by industrial accidents per million working hours

Occupational Health and Safety (Management of Working Hours)

The First Personnel Subcommittee regularly reviews current employees' working hours, and discusses improvement measures to be taken. The Subcommittee has held interviews with employees who stay long hours at their workplaces and with their supervisors regarding the reasons and improvement measures, and has repeatedly called attention to no-overtime days. We have begun to see these measures gradually produce effects.

As part of activities to manage working hours, we have organized labor law seminars for managers since fiscal 2014. In fiscal 2016, these seminars were held at four offices/factories, to raise awareness of laws and regulations from a legal perspective. Going forward, we will radically improve the management of working hours, by concurrently identifying the actual operation status through a recurrence prevention project.

Occupational Health and Safety (Prevention of Harassment)

The entire Suminoe Textile Group conducts harassment prevention training, with the aim of creating a comfortable working environment. In fiscal 2017, in which the training is in its third year, the training was held at 11 offices/factories in Japan. Additionally, training on how to respond to harassment consultations was implemented for the management divisions

of each Group company, in July 2017. Specialist lecturers provided guidance to participating members on how to deal with harassment consultations, and about concrete measures to prevent harassment.



Harassment prevention training

Revitalization of Human Resources and Promotion of Women's Empowerment

Interviews with Female Employees Who Are Actively Working



Chiemi Oki
Materials Technology Section,
Sales Management Department
Automotive Interiors Division
Ishikawa Factory, Owari Seisen Co., Ltd.

What does your current work involve?

I am engaged in printing patterns on textiles, in the process of developing automotive seat covering materials. To be more specific, I adjust pigments and chemicals and express patterns on fabrics, in accordance with the image desired by the customer. Before I joined the company, I had wished to do work that allows me to exert my individuality. So I am very happy with my current work. Since I have little knowledge of chemicals, I am studying about chemicals while working every day.

When do you feel pleasure and joy in your work?

I feel the greatest pleasure at the moment when I see the finished result by removing the first print screen. I really do feel happy when it is done as expected. However, even when the result is different from what I expected, conversely I feel interested in it and consider it a new discovery. In my past experiences, what impressed me most was the great textile competition for a major car models. In response to repeated design changes, I made prints over and over again, but they failed to match the image of the customer, and thus we had no choice but to give up. I can still remember being really, bitterly disappointed at that time. I think that all the people who are engaged in this kind of work have the hope of creating products that satisfy customer requirements, to the greatest extent possible.

Do you have anything you are always trying to achieve?

Once every two years, an in-house exhibition is held, at which individual employees present their ideas to customers. Since I cannot design fabrics, I always have to grope my way to manufacturing a product from a scratch. However, I am always endeavoring to improve my ability to propose better ideas. Actually, in my work I can sometimes please a customer more than I expected, by making a proposal from a different viewpoint. At such moments I feel very happy. I also appreciate the environment and atmosphere of my present workplace, which is friendly to working mothers. On the basis of this favorable working environment, I will continue to be myself and take on various new challenges.



Huang Xujuan
Production Control Department
Suzhou Suminoe Koide Automotive
Accessories Co., Ltd.

Why did you join Suzhou Suminoe Koide?

Before joining Suzhou Suminoe Koide, I heard from an employee of the company that the Suminoe Textile Group was a major business entity in Japan, and its employees were well-treated and could work in a good working environment. I also thought the company's working environment would enable me to improve my ability to take on new challenges. I therefore strongly wanted to become a member of Suzhou Suminoe Koide.

What kind of work have you experienced so far at the company? When do you feel your work is pleasurable or worthwhile?

After joining the company, first I worked as a production line worker. I was then assigned to the warehouse management section. Now I am working at the production control department. I think my current work is worthwhile because I can enjoy exchanges with my supervisor and coworkers, and I can be highly evaluated by the people around me when I smoothly accomplish my jobs by making efforts. I am delighted that I can grow through my work without realizing it.

Is there anything you attach importance to in your work? Also, what is the source of your motivation?

I attach importance to performing my work enthusiastically, earnestly, and responsibly. I also think that it is important to deepen exchanges with my coworkers and build up teamwork.

I was strongly impressed with the Japanese people's sincere attitude toward their work. I feel a great sense of fulfillment, since I can learn how to proceed with tasks from the people around me while working with them. I like my present work very much, and believe that my company will certainly achieve further growth in the future. This is the source of my motivation.

What are your future vision and goal?

I want to study Japanese harder, and improve my capabilities, so I will be able to accomplish each individual job in a more reliable manner. I also aim to grow myself together with the company, and continue my current work which I like.



Senior Employees Playing Active Roles

Syuichi Urushidani
Business Division
SUMINOE Co., Ltd.



1980 Joined SUMINOE Co., Ltd. and was assigned to the Tokyo Branch. After working at the Third Contact Section, Small and Medium-Sized Design Office Department (for selling products to small and medium-sized design offices) and then the Tama Liaison Office, became engaged in order receiving work.
1995 Business Division (Tokyo)
2011 Deputy Manager, Business Division (Tokyo)
2012 Transferred to the Business Division (Osaka)
2014 Manager, Business Division (Osaka)
2016 Retired on reaching the mandatory age of 60

What does your current work involve?

I am working hard every day to accurately grasp the income and expenditure of the interior business divisions, including eight affiliated companies, and compile their forecasts. I am also engaged in formulating various plans at the beginning of the fiscal term, and devising corrective plans. I have to prepare these materials very carefully and meticulously, since they are submitted to important meetings. To draw up these plans, I negotiate with each company and relevant divisions, make modifications, and negotiate again...this process is repeated until the plan is completed. In compiling a forecast of income and expenditure, I ask the progress about three times a month, in an attempt to reflect the actual conditions in the forecast. Since I have been engaged in this task for a long time, I know well what to do and when. I therefore try to take action looking one step ahead. I am proud that this may be a task that only I can do, as I have a wealth of experience in this regard.

What kind of awareness do you have in your daily work?

As I deal with numbers, I can understand well how each company is moving. However, I am aware that I should also obtain information on society as a whole. It is boring only handling numbers. Additionally, I try to see what is hidden behind the numbers. When I find a change in figures, I ask a question about the factor behind the change. I believe the important thing for this task is to sufficiently think and do it by

myself. Although I still make mistakes from time to time, I can learn a lesson from each mistake. Nowadays I gradually delegate my duties to younger people. I will continue coaching them to pass on my duties to them in the future.

How have you felt about your career so far in the company?

In my work, I have kept a Zen phrase, "Desire little and know contentment," in mind as my motto. This means that if you don't want too much, you can feel contentment with the present situation. This does not mean throwing away your desire, but accepting reality with an open mind. After I embraced this concept, I came to want to perform each job wholeheartedly, without being too greedy. My motivation has not changed even after I was re-employed as a Senior Employee. The people around me depend on me, which strongly motivates me to do my best, and makes me feel my work is worthwhile. I think that the most important thing is to be needed by someone else.

Message to those who continue working as Senior Employees

Let's enjoy working together, giving top priority to health, keeping a quiet heart, and with an easy and graceful attitude.

[Message from a Coworker]

I have worked with Mr. Urushidani in the same division so far. My impression of him has always remained the same: he is honest and gentle, but can say the right thing in the right place. Due to his gentle nature, at a glance he does not seem to work extremely hard. However, I am always surprised to know how much work Mr. Urushidani has accomplished and of what high quality. Among other things, he proceeds with any jobs by making predictions and preparations in advance, so as to support the company president and other people around him. I respect this attitude, and I will follow the example of Mr. Urushidani.



Takahito Niguma
Business Division
SUMINOE Co., Ltd.

Introduction of a Local Employee Working at an Overseas Subsidiary



**Suminoe Teijin Techno Krishna
India Pvt. Ltd. (STK), India**



Sandeep Sangwan
Staff in charge of outsourcing management

- ① When did you join the company?
- ② Why did you want to join the company?
- ③ What does your work involve, and what aspect of your work do you find the most interesting?
- ④ What do you like best about Suminoe?
- ⑤ What are your special strengths?
- ⑥ What color is your personality?
- ⑦ Nowadays, what do you feel the most passionate about?
- ⑧ Which spots would you recommend in your local area?
- ⑨ Do you have any message to the employees at other Suminoe Textile Group companies?

- ① December 2013
- ② Before joining Suminoe, I had little work experience. I therefore hoped to enter a famous company to work in an environment that would enable me to acquire technical capabilities and exert my originality.
- ③ I am in charge of outsourcing management (textiles, knitting, and dyeing and processing). I find my work interesting when I can resolve a serious delivery problem,

and when I can successfully find the cause of a problem and implement appropriate measures.

- ④ The company's corporate culture and support from my supervisor. My supervisor and coworkers have provided me with wonderful guidance, which has helped me develop myself, both as an individual person and as a team member.
- ⑤ I am calm and honest, and an active type of person.
- ⑥ White, which is a symbol of peace, and can be easily mixed with other colors.
- ⑦ Volleyball, basketball, and travel to unfamiliar places.
- ⑧ Kasol, Province of Himachal Pradesh (India)
- ⑨ We are proud to be part of Suminoe group. Over the years, the company has built a great legacy, and we must work together to take that legacy forward as well as for self-growth.



Together with Our Suppliers/ Risk Management

We have established the Suminoe Textile Group Code of Corporate Behavior to be followed in conducting business activities. The Code of Corporate Behavior stipulates that Group companies should work to maintain and promote fair and free competition and abide by the law that prohibits acts requiring unfair trading of suppliers in purchasing activities. We also pursue management focusing on risk management. In fiscal year 2016, we carried out risk assessment at offices/factories in Japan, and activities related to risks and intellectual property rights at overseas subsidiaries.

Together with Our Suppliers

Fair Trade (Activities Relating to Compliance with the Subcontract Act)

The purpose of the Suminoe Textile Group is to “contribute to the improvement of society through the production and sales of good products, and a prosperous business.” To this end, we consider that it is very important to deepen the relationship of trust with our suppliers. With particular emphasis on compliance with the Subcontract Act, we continue to take various measures to ensure the appropriate and smooth management of subcontracting transactions. We strive to clarify and improve the actual situations of subcontracting transactions, through audits focused on such transactions by the Internal Auditing Department, and by cooperating with the Fair Trade Commission

and the Small and Medium Enterprises Agency in conducting surveys. As educational and awareness-raising measures, the CSR Promotion Department holds in-house seminars to prevent violations of the Subcontract Act and promote employees’ awareness of the Subcontract Act. In fiscal 2016, a total of three seminars were held at two establishments, with 78 participants from 19 divisions. We will continue to make the relevant laws and regulations known to all employees, and to take other various measures, including those stated above. Through these endeavors, we aim to further reinforce our relationships with our suppliers.

Risk Management

Progress in Preparation of Business Continuity Plans (BCPs)*1

In the event of a disaster, disseminating relevant information to customers speedily and accurately is key to ensuring that we can continue to maintain customer trust as a company. Based on this idea, our Group has been working to establish its business continuity plans (BCPs) focusing on collecting information regarding employees’ personal safety and damage caused by the disaster, etc.

Ltd. has held emergency drills, in which participants confirm the personal safety information following the in-house emergency contact rule based on the BCP. Modification is made every time a point to be improved is found. In the future, we will brush up the rule to communicate safety information more reliably, and then apply the rule across the Group.

So far, at its Head Office building, Suminoe Textile Co.,

*1 BCP: Stands for Business Continuity Plan, a plan which is developed to ensure that a company can continue and/or restore business operations, during a time of emergency due to a disaster, accident, etc.

Intellectual Property Management Efforts

To conduct constant business operations, we certainly need to protect our intellectual property rights. Moreover, it is also indispensable to make effective use of our intellectual property rights, to improve the competitiveness of our products and technologies. Needless to say, intellectual property rights (trademarks, designs, patents, utility models, etc.) are deeply related to the actual settings in which sales, development and manufacturing function. We are therefore implementing activities to increase employees’ awareness and understanding of intellectual property rights.

To be more specific, each year we publish a total of six issues of the Intellectual Property News on the in-house intranet, to systematically provide useful information regarding intellectual property rights. In fiscal 2016,

these issues carried articles concerning the points to be noted in showing products at exhibitions, and examples of registration of “new types of trademarks” in accordance with the revised Trademark Act. Additionally, at regular technical meetings (held in Nara and Osaka), we introduced to participants unexamined patent publication bulletins and patent gazettes, and present matters related to intellectual property rights. Going forward, we will continue to perform education and awareness-raising activities, to enhance our competitive advantage in our core business field and in our areas of strength. At the same time, we will push forward with activities to pursue patents, from their application to acquisition, thereby protecting and helping develop our business.

Risk Management at Offices/Factories in Japan

Reflecting on the inappropriate accounting at STA, we are committed to making sure that there is no possibility of the recurrence of similar problems at offices/factories in Japan or abroad, mainly by identifying the risk of material misstatement in

financial reports. The Financial Control Committee and the CSR Promotion Committee hold discussions on this matter. We will manage the risks that have been identified, by devising mitigation measures, to ensure that such a problem never occurs again.

Risk Management at Overseas Subsidiaries

As of now, two overseas subsidiaries—SPM Automotive Textile Co., Ltd. in Guangzhou, China, and T. C. H. Suminoe Co., Ltd. (TCHS) in Thailand—have introduced risk management (RM) systems led by worksite staff. This section provides examples of vigorous activities continuously implemented by SPM in China.

SPM (China): In its fourth year since establishing an RM development method as a model case.

In the past, SPM pursued the themes “Responding to a fire emergency,” “Preventing the loss of employees,” and “Cost reductions,” and achieved positive results. In fiscal 2016, the company undertook the theme “Strengthening supplier management.” SPM has striven to improve its system to manage quality, delivery dates, costs and cooperation, by seeking new suppliers, periodically evaluating suppliers, and detecting and taking measures against problems with each supplier at an early stage.

Meanwhile, we have already held seminars at STM (Mexico) and SST (Indonesia) to help introduce RM. In the future, while paying attention to activities at these overseas subsidiaries that have introduced the RM system, we will continue to apply the RM system development method to other overseas factories.

Among measures to prevent any recurrence of problems similar to the inappropriate accounting at STA, the reform of corporate culture is the most important and takes a long time. In particular, the Head Office of Suminoe Textile Co., Ltd. has some difficulty in monitoring the actual situations at overseas subsidiaries. It is therefore all the more necessary to develop risk sensitivity at the worksites of each overseas subsidiary, and deal with risks specific to each country/region. At the same time, we have become aware of the need to reinforce audits of overseas subsidiaries, as part of our efforts to strengthen the functions of the Head Office of Suminoe Textile Co., Ltd. to restrain any problems.

Accordingly, we decided to bolster RM activities at overseas subsidiaries. To this end, in conjunction with the promotion of the abovementioned RM activities under the initiatives of worksite staff, we will visit overseas subsidiaries to conduct effective and efficient on-site audits of high-risk areas, with support from external audit corporations, after understanding and evaluating their missions, business models and risks in advance, also taking into account the characteristics of the region and business model. We will also monitor overseas subsidiaries from an auditing perspective.

