## Bajio region

# Mexico

# Global Expansion

Introduction of an Overseas Affiliate: Suminoe Textile de Mexico, S.A. de C.V.

In the automotive textile business, the Suminoe Textile Group has established 12 manufacturing and sales sites in six overseas countries to supply a total line of automotive textiles to customers around the world.

To satisfy customer needs, we deliver our products to customers in a speedy and stable manner by applying manufacturing and management expertise we have cultivated in Japan to overseas operation sites.

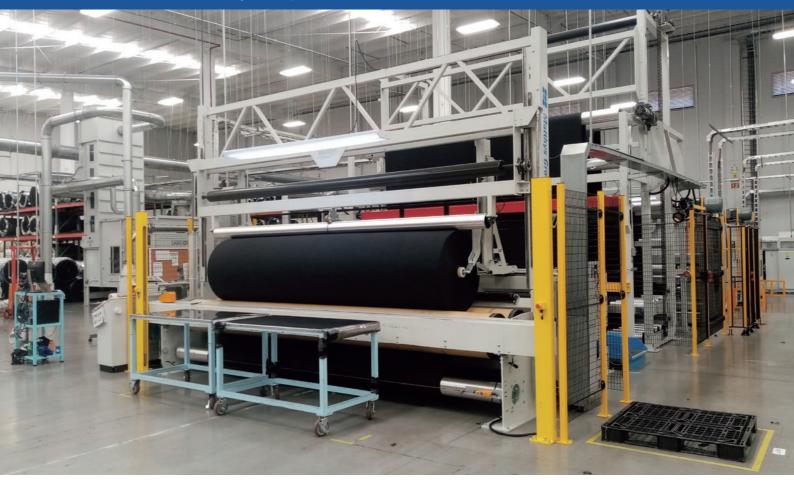
The respective global sites have also contributed to economic development and job creation in their local communities.

#### About Suminoe Textile de Mexico, S.A. de C.V. (STM)

STM is a manufacturing factory of car mats, set up as a 100%-owned subsidiary of Suminoe Textile of America Corp in 2013 in Irapuato City, the state of Guanajuato, located in central Mexico. The automobile industry has been growing its presence in Mexico as an export base for North America, also driven by the increasing domestic demand for automobiles. Under these circumstances, STM has come to handle automotive carpets and fabrics, in addition to car floor mats, expanding its scope of business as a company capable of supplying a total line of automotive textiles—which represents the key feature of the Suminoe Textile Group.

In 2019, STM obtained IATF16949/ISO 9001 certification and introduced its second needle punching machine. In other words, the company strengthened its management and production systems at the same time to hone competitiveness. STM has been constantly growing as an operation site that plays an important role in promoting the global strategy of the Suminoe Textile Group.

STM employs 233 people, with female employees accounting for nearly 60%. Among all employees, about 80% are those in their 10s to 30s. STM is a vibrant company characterized by such a high percentage of young employees. All employees of the company will cheerfully work as a team to supply even higher quality products to the expanding market in a more stable manner while focusing on low-cost production.



#### Cheerful and Generous National Character

The Bajio region, which is home to STM, is located between the United States and South America. With many automobile manufacturers advanced from various countries since olden days, the region is very tolerant toward people from other countries. Most Mexican people believe in Christianity (Marianism) and take particular care of their mothers. In general, Mexican people are cheerful and generous but work seriously. Probably because of fewer national holidays than other countries, many Mexican employees spend holidays with their families. In fact, you can frequently see them enjoying a fiesta (party) with their relatives and friends in the garden at a residence where many Japanese employees dispatched to Mexico live. Local employees attach importance to their family time on holidays, while they work very hard on weekdays.

# Communication within the Company and with the Local Community (Social Contribution)

Besides weekly company-wide meetings, STM has established a basic system for voluntarily holding various meetings to discuss development progress, quality control, production planning and other subjects. Even under the impact of the COVID-19 pandemic as described later, the company strives to ensure that employees can continue smooth operations by actively holding web meetings. Also, various in-house events, such as a Christmas party and a costume contest on the Days of the Dead, are instrumental in promoting communication among employees. As a community-based company, STM has been vigorous in promoting communication with the local

community. This fiscal year, the company participated in an event in which violent toys (e.g., toy guns) brought by children were exchanged for less violent alternatives. In Mexico, it is not difficult to purchase guns illegally. For this reason, the above kinds of events are often held to prevent children from playing with toy guns and feeling familiar with guns. STM donated kites, Frisbees and yo-yos, and employees gave rubber balls at the event. On the day of the event, STM employees directly handed these toys to children and felt pleased to see many children smiling.

### Impact of the Novel Coronavirus Pandemic and Infection Prevention Measures

The novel coronavirus has raged fiercely in Mexico as well. Partly due to the insufficient medical system, the country's numbers of infections and deaths are among the highest in the world. To ensure the safety of employees, STM stopped operating the plant in April and May. Before resuming operations, the plant was instructed by the Mexican government to take strict prevention measures and had to undergo inspections. In response, STM implemented measures to secure commuting routes and establish working systems to enable employees to maintain social distancing, distribute personal protective equipment (PPE) to employees, provide workplaces with disinfectants, and raise employees' infection prevention awareness. As a result, the company was able to safely resume its plant operations in June. Although there is still no end to the pandemic in sight and people's daily lives are restricted, STM continues to take great care to prevent the spread of infection among employees and their families.





The company and its employees donated rubber balls and other toys, which were handed to children in exchange for their toy guns etc., which have a violent image.



Costume contest on the Days of the Dead
The Days of the Dead (November 1 and 2) may be likened to the Bon festival in
Japan. Various events are held throughout Mexico, and people disguise
themselves for the Day of the Dead, for instance, by wearing skull masks.
As part of its effort to facilitate in-house communication, STM held a costume
contest. (The photo was taken in November 2019.)



Home to the largest number of the world heritage-listed sites in Central and South America The World Heritage of "Historic Town of Guanajuato" against the blue sky in Mexico. The site is a 45-minute drive from the city of Irapuato, where STM is located.

#### Shohei Yamamoto Joined the Company in 2008



In August 2019, I took up my new post here at STM. As a salesperson, I am serving as a liaison with customers, primarily Japanese manufacturers. Now global supply of the same quality products is taken for granted. We are therefore required to establish systems for manufacturing high-quality, cost-competitive products and supplying them to local manufacturers, amid the shrinking of the market resulting from the COVID-19 pandemic. It is the first time for me to work at an overseas affiliate, and I am struggling every day to improve myself here in Mexico, where Japanese common sense does not apply. I am often bewildered by the gaps between the two countries in terms of both work and daily life. However, even in such a situation, I believe that I am gradually learning about the pleasure and hardness of working overseas in the course of communicating with local residents and customers.

13 Suminoe Textile Group CSR Report 2020 14