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For Immediate Release

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Notice of Acquisition of a Site and Start of Construction of a New Building at a Mexican Subsidiary

Suminoe Textile Co., Ltd. (hereinafter the “Company”) is pleased to inform that its Mexican subsidiary Suminoe Textile de Mexico, S.A. de C.V. (hereinafter “STM”) has acquired a site for the new construction of a manufacturing line of synthetic leather for automotive interior products and started the construction of a new building that will have feature of a factory and a warehouse

1. Reason for acquisition of a site and construction of a new building

The most notable characteristics of the automotive textiles business of the Suminoe Textile Group is its capability to supply an entire range of interior products for automobiles, from floors to ceilings, including ceiling materials, seat covering materials, car mats, and floor carpet. Our Group has expanded its manufacturing and distribution bases not only Japan but also 12 locations in 6 countries (the U.S., Mexico, China, Thailand, Indonesia, and India), aiming to establish an optimal global supply capability.

As part of this initiative, we have decided to construct a new manufacturing line for synthetic leather products at STM (as announced in the “Notice of New Construction of a Synthetic Leather Manufacturing Line at a Mexican Subsidiary” dated July 26, 2022; [available only in Japanese](#)).

In order to respond to the expansion of the synthetic leather market in North and Central America, we need to improve productivity and efficiency and put in place an optimal work environment. Therefore, we have acquired a site and started the construction of a new building in Mexico. The synthetic leather production capacity of the newly constructed manufacturing line is expected to be 400,000 m per month.

We will continue actively capital investment so that we can build a production system that matches the materials we provide, and promote the expansion of the Group's business.

2. Outline of the acquired site and the new building

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| (1) Location | Castro del Río Industrial Park, Irapuato, Guanajuato, the United Mexican States |
| (2) Investment amount | Approximately 3 billion yen (including land, building construction, and processing facilities) |
| (3) Site area | Approximately 47,000 m ² |
| (4) Total floor area | Approximately 15,000 m ² |

(5) Scheduled completion date November 2023

3. Future operation schedule

November 2023 Completion of the new building

December 2023 Pre-production

June 2024 Start of mass production

4. Other

The impact of this acquisition and construction on the business results of the Company for the fiscal year ending May 2023 will be insignificant.