



January 30, 2024

For Immediate Release

Company name: Suminoe Textile Co., Ltd.  
Representative: Teppei Nagata, President  
(Securities Code: 3501, Prime Market, TSE)  
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## Notice on the Expansion of Production Capacity at Suminoe Textile de Mexico, S.A. de C.V.

Suminoe Textile Co., Ltd. (hereinafter “the Company”) announces that it has decided to make a capital investment to increase the production capacity at Suminoe Textile de Mexico, S.A. de C.V. (hereinafter “STM”) due to the Suminoe Textile of America Corporation (hereinafter “STA”) has received a new order.

### Details

#### 1. Background for increasing production capacity

The greatest feature of the SUMINOE GROUP’s automotive textiles business is its capability to supply an entire range of automotive textiles, from floors to ceilings, including floor carpets, car mats, seat covering materials, decorative fabric materials, and ceiling materials. The Group has expanded its manufacturing and sales sites beyond Japan to 11 locations in six countries (the United States, Mexico, China, Thailand, Indonesia, and India), aiming to establish an optimal global supply system. One of our key initiatives for the future is to further strengthen operation bases in North and Central America, and we are proceeding with business restructuring and capital investment.

STA has recently awarded a contract with leading foreign car manufacturer in North America for floor carpets with a monthly production of about 500,000 to 600,000m<sup>2</sup>. In preparation for the start of mass production at STM, which will be responsible for the production of this new order, we will strengthen our production system to aim to further improve productivity and further increase orders.

Starting with this order and capital investment, we will promote efforts throughout the automotive textiles business to improve our global presence and profitability.

#### 2. Overview of the capital investment

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|------------------------|--|
| (1) Investment details | Car Floor Carpets Production Line  |
| (2) Location           | Ave. Rio San Lorenzo No.931 Parque Tecnoindustrial Castro del Rio, 5ta. Etapa.<br>Irapuato, Guanajuato, Mexico |
| (3) Investment amount  | Approximately 600 million yen  |

#### 3. Schedule

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|----------------|--|
| September 2024 | Start of installation of the production line |
| October 2024   | Start of commissioning                       |
| November 2024  | Start of mass production                     |

#### 4. Other

The impact of this capital investment on the business results of the Company for the fiscal year ending May 31, 2024 will be insignificant.