

## Strengthening and Expanding the EMS\* Production Base in Mexico

KAGA ELECTRONICS CO., LTD. (Head Office: Chiyoda-ku, Tokyo; Representative Director, President & COO: Ryoichi Kado; hereinafter “the Company”) hereby announces that it will strengthen and expand its production base as follows to meet the increasing demand for EMS in Mexico.

(\*) Electronics Manufacturing Service: Provision of product development and manufacturing services on an outsourcing basis

### 1. Purpose and Aim of the New Factory Construction

TAXAN MEXICO S.A. DE C.V. (Head Office: San Luis Potosí, Mexico; Representative Director and President: Takayuki Tsurumi; hereinafter, “TAXAN MEXICO”) is a wholly owned subsidiary established by the Company as a production base for the EMS business in Mexico. Since its establishment in 2017, TAXAN MEXICO’s manufacturing activities have been focused on the assembly of lighting units used in four-wheeled vehicles intended for the U.S. market.

In addition to increasing orders from these existing customers, we also expect to acquire new customers requiring the assembly of circuit boards used in air-conditioning equipment for the U.S. market. As a result, current facilities lack the necessary space, so we have acquired new land in a nearby industrial park and are proceeding with the construction of a new factory.

The investment, which includes the land purchase and buildings, is expected to total around 5 billion yen over the next five years. We will introduce the latest energy-saving equipment to promote manufacturing that is both highly efficient and environmentally friendly.

### 2. Outline of the New TAXAN MEXICO Factory

		New factory	Current factory
Location		Parque Industrial Millenium, Arroyos, San Luis Potosí	Parque Industrial Logistik, Villa de Reyes, San Luis Potosi
Area	Land	80,000 m <sup>2</sup>	23,000 m <sup>2</sup>
	Buildings	20,000 m <sup>2</sup>	8,200 m <sup>2</sup>
Items produced		Assembly of automotive lighting units and circuit boards for air-conditioning equipment, etc.	Assembly of automotive lighting units, etc.
Number of employees		700 (at start of operation)	478 (as of the end of March 2023)
Start of operation		Scheduled for April 2024	February 2017

In addition to unit assembly and circuit board assembly, the Company intends to make the new TAXAN MEXICO factory into an integrated production base that includes component molding, sheet metal processing, and finished product assembly. The aim is to capture local production demand for products intended for the U.S. market, where opportunities are expected to increase in the future, and turn the Mexican operation into the largest EMS business base in the Group, with net sales of 50 billion yen and approximately 2,000 jobs to be created within five years from the start of operation.

■ Inquiries concerning this matter  
 KAGA ELECTRONICS CO., LTD.  
 (URL : <https://www.taxan.co.jp/en/>)  
 Ichiro Shirai, General Manager  
 Investor Relations & Public Relations Department  
 TEL: +81-3-5657-0106 / FAX: +81-3-3254-7133