TRI establishes its logistic subsidiary in Shanghai, China

~Aiming to reduce logistic costs in China~

Tokai Rubber Industries, Ltd. (TRI) (Head office: Komaki City, Aichi Prefecture, President: Yoshiaki Nishimura) has announced to establish its logistic subsidiary, temporarily named “Tokai Rubber Logistics (Shanghai) Co., Ltd. in July, 2012.

【Background and purpose of establishing the new company】
Since we first expanded our businesses into China in 1995, TRI Group has been setting up its production and development bases one after another in line with the rapid expansion of the automobile market in China. As we are currently running 14 bases in China, required are further efforts to achieve overall cost reduction. We are also prompted to streamline our logistic system through cost-cutting, etc.
Therefore, we decided to establish our logistic subsidiary in Shanghai, China in order to reduce our overall distribution costs and optimize logistics by consolidating our business operations management between our Chinese bases and in exports and imports in China.
Specifically, we will integrate the separate trucking and delivery services arranged by our individual group companies and suppliers respectively. This will lessen the number of trucks used and the transportation time as well as CO2 emission. In exports and imports operations, we will also try to raise the loading ratio of marine containers so that we can cut freight costs.
Tokai Rubber Logistics is expected to have a coordinating function over the domestic distribution in China as well as serving as a crucial base for exports and imports business with our Japanese and other bases around the world. With this new logistic company and “Kita-Kyushu Logistics Center,” established in Kita-Kyushu City, Fukuoka Prefecture in September 2011, we will pursue a more efficient distribution system that effectively connects Japan and other Asian countries such as China.
Meanwhile, Tokai Rubber Logistics Co., Ltd. will absorb our present resident office in Shanghai run by our logistic subsidiary, TRI Logitech (Head office: Komaki City, Aichi Prefecture, President: Kazumasa Yoshida).

【Outline of Tokai Rubber Logistics Co., Ltd.】
Location：No.317 XianXia Road, ChangNing District, Shanghai, China
Capital Stock：5 million yuan (Approx. 60 million yen※1)
Capital ratio：Tokai Rubber Industries, Ltd. 60％、TRI Logitech 40％
Representatives：Chairman－Katsunori Kanaoka（Managing Executive Officer at TRI）
President－Keisuke Kojima（Logistics Planning Office Manager at TRI）
Establishment：July, 2012（scheduled）
Payroll number：7（※1）Based on an exchange rate of 1yuan＝12.09yen

【Overview of TRI Logitech】
Capital stock：70 million yen
Capital ratio：Tokai Rubber Industries, Ltd. 90％, Fukoku Logistics Co., Ltd.5％,
Hokkho Transportation 5％
Business Description：Logistic operations for TRI Group
Establishment：October, 2003 Number of logistic bases：4
Payroll number：44 (as of the end of September, 2011)
【Reference】Images of trunk line transportation, distribution of procured items, and logistics centers between our bases in China.

Contact
Public Relations Office, General Affairs Department
TEL: 81-0568-77-4222