Tokai Rubber Industries, Ltd. (TRI) (Head office: Komaki City, Aichi Prefecture, President: Yoshiaki Nishimura) announces that it will establish Tokai Rubber Hose Vietnam Co., Ltd (TRHV in short), a subsidiary manufacturing and distributing resin hose products used for two-wheel vehicles in Ha Nam Province, Vietnam. The company will launch production there in January, 2013.

In Vietnam, motorcycles are becoming prevalent thanks to economic growth and its two-wheel vehicle market has developed into the second largest one in South East Asia following Indonesia. With Japanese motorcycle makers increasing their production capacity in Vietnam, we have also decided to begin local production in order to keep up with this trend.

We are currently planning to complete a new plant in the second half of fiscal 2013 but for delivering our products at the earliest possible time, we will lease a factory of a local company belonging to the Sumitomo Electric Group until the new plant is complete.

Acquiring growing Asian markets is positioned as an important management strategy in the “2015 TRI GROUP VISION,” our group’s mid-term management plan that sets fiscal 2015 as its final year. As we have already built our production facilities for various products such as automobile supplies in South East Asia such as Thailand and Indonesia, we hope to be able to further strengthen our business base in growth markets by expanding our business to Vietnam.

<Outline of TRHV>
Location: Dong Van 2 Industrial Park, Duy Thien, Ha Nam Province, Vietnam
Production Items: Resin, rubber hose and components for motorcycles
Capital Stock: 220 million yen
Representative: President Mikio Tmosada
Payroll: 90 (estimation for FY2018)
Sales Amount: 190 billion VND (※about 700 million yen, estimation for FY2018)

<Outline of New Plant>
Location: Dong Van 2 Industrial Park, Duy Thien, Ha Nam Province, Vietnam
Area of Plant: Site: 6,300 ㎡ Building: 2,400 ㎡
Initial Investment: 66 billion VND(※about 250 million yen)
Production Capacity: 190 billion VND (※about 700 million yen, estimation for FY2018)
(※) Calculated 0.0038yen/VND