

TRI completes acquisition of Produflex MG

Tokai Rubber Industries, Ltd. (“TRI” / Head Office: Komaki, Aichi, Japan, President: Yoshiaki Nishimura) announces that TRI successfully completed in Brazil to purchase all the outstanding quotas of Produflex Minas Indústria de Borrachas Ltda.

This is the second acquisition of automotive anti-vibration rubber manufacturers by TRI after the acquisition of Anvis Group GmbH in Germany completed in May 2013. TRI’s anti-vibration business expands into 18 countries with this acquisition.

Produflex MG acquisition was made indirectly through our existing subsidiary Tokai Rubber do Brasil Serviços Ltda. (“TRI Brazil”), incorporated to conduct market research and survey activities for business expansion in South America. This acquisition enhances not only TRI’s production capability for Japanese automotive customers, but also product development and marketing capabilities for European customers who have large market shares in South America.

Along with the acquisitions of Dytech – Dynamic Fluid Technologies S.p.A., an Italy based automotive hose manufacturer in February 2013, TRI’s global production network is completed in both the automotive anti-vibration systems and automotive hose business.

On this opportunity, we will promote our full-scale entry to non-Japanese automotive customers which is one of our priority implementation items in our mid-term management plan “2015 TRI Group Vision”, as well as further sales to Japanese customers.

Incidentally, the acquisition of Produflex MG will be reflected in the consolidated balance sheet from 2Q and in the consolidated income statement of 3Q of the fiscal year ending March 2014.

<overview of the acquisition>

(1) **Quotas acquired:** 100% of quotas outstanding

(2) **Date of quota acquisition:** 1 July 2013