New Plant Completed at Automotive Parts Manufacturing Subsidiary in Tianjin, China

Tokai Rubber Industries, Ltd. (Head office: Komaki City, Aichi Prefecture; President: Yoshiaki Nishimura) announces that a new plant has been completed at Tokai Chemical (TIANJIN) Auto Parts Co., Ltd. (TCT in short) located in Tianjin, China. The company manufactures and sells automotive interior parts and sound insulation/damping materials.

Utilizing our urethane foaming technology, TRI Group has been supplying automakers with “sound insulation/damping materials” such as engine cover to enhance the quietness in driving, and “automotive interior products” including headrest and armrest that can contribute to a safe and comfort driving experience. These urethane businesses are operated by our subsidiary Tokai Chemical Industries, Ltd. (Head office: Mitake Town, Kani County, Gifu Prefecture, TCI in short) that owns TCT as its only overseas base established in January, 2004. Turning 10 years old this year, TCT was moving forward this new plant project with a view to preparing itself to supply products to local automakers in addition to Japanese OEMs in a full-fledged manner.

The commemorative ceremony was held locally to celebrate the plant’s completion and TCT’s 10th anniversary with participation of about 70 people such as officials from the local government, Economic Development Area, and public administration as well as our major customers from Japanese and local automakers, suppliers and our Groups’ associates. TRI President Nishimura addressed the participants on behalf of our Group and stressed the significance of our decade-long business in Tianjin and this new plant, saying, “World-class competitiveness is a must for developing our businesses in the super-competitive automotive market in China. We will further keep up our efforts to become a global supplier capable of providing high-quality products around the world.”
Regarding our Group’s urethane businesses, TCI Group owns its manufacturing bases in Mitake (main plant), Ayase City in Kanagawa Prefecture, and Bungo-Takada City in Oita Prefecture in Japan. We have also been expanding the businesses globally through TCT and TRI’s overseas bases in America, Thailand, and Poland, which allows us to build up our product supply capability to major automotive markets around the world. We are committed to further strengthening these business foundations in order to establish the status as a global supplier.

<Outline of TCT>
Location: No.6 Juying Rd., Jinnan Economic Development Area, Dist. Jinnan, Tianjin, China
Business Description: Manufacturing and sales of automotive interior parts and sound insulation/damping materials
Establishment: January 2004
Capital: 350 million yen
Investment Ratio: Tokai Chemical Industries, Ltd. 70%
Tokai Rubber Industries, Ltd. 20%
Tokai Rubber (TIANJIN) Co., Ltd. 10%
Representative: Chairman Isao Mizukami (President of Tokai Chemical Industries, Ltd.)
Plant Site Area: Approx. 4,500 ㎡ (buildings)
Total Workforce: 565 (as of the end of March, 2014)
Sales Amount: 210 million renminbi （Approx. 3.44 billion yen※ in fiscal 2013）

<Outline of the New Plant>
Location: No.21 Bao Yuan Rd., Jinnan Economic Development Area, Dist. Jinnan, Tianjin, China
Business Description: Manufacturing of automotive interior parts and sound insulation/damping materials
Start of Construction: December 2012
Start of Mass production: March 2014
Investment Amount: 471 million yen
Plant Site Area: Approx. 10,400 ㎡ (buildings)
Total Workforce: Approx. 450 （planned for fiscal 2015 only for the new plant）
Production capacity: 155 million renminbi （Approx. 2.54 billion yen※ for fiscal 2015）

(※) Calculated 16.4 yen/yuan

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