

August 24, 2009

## **Notification Concerning the Reorganization of Domestic Production Bases for the Business of Anti-vibration Rubber for Automobiles**

Tokai Rubber Industries, Ltd. (TRI) announces that the resolution to reorganize domestic production bases for the business of anti-vibration rubber for automobiles has passed at the board meeting on August 24, 2009.

### 1. Effect of consolidation of production bases

Being in the continuing tough business environment accompanied with a sudden slowdown in economy, which has been triggered by the financial crisis in the United States of America in the latter half of 2008, we have taken various measures including production adjustment, cost cutting, and reduction on investment in facilities.

In the automotive field, which accounts for 80% of our consolidated net sales, the rate of drop in car production is diminishing. However, since the production remains at a low level, we are unable to expect to trim down the huge surplus of our manufacturing capability of anti-vibration rubber for automobiles.

TRI so far has looked into a reorganization of production bases for anti-vibration rubber for automobiles as a measure to make the production systems more efficient. Recently, we have decided to close Okayama Plant and transfer its capability to other domestic production bases.

### 2. Brief overview of the reorganization of production bases

Okayama Plant will close on March 31, 2009, and its operations will be transferred to TRI Kyushu Ltd. (Bungotakada City, Oita) and Komaki Plant (Komaki City, Aichi).

### 3. Outline of Okayama Plant

|                      |   |
|----------------------|---|
| (1) Name             | Okayama Plant   |
| (2) Location         | 440, Shimonoda, Kawaguchi, Saidaiji, Okayama City, Okayama Prefecture |
| (3) Plot area        | 16,434m <sup>2</sup>  |
| (4) Product          | Anti-vibration rubber for automobiles                                 |
| (5) Production scale | Approx. 8 billion yen (2008)  |
| (6) Employees        | 110   |

### 4. Effects on business practice

With the closure of Okayama Plant, we anticipate to post extraordinary loss incurred by disposal and relocation of production facilities. We will disclose the details of figures immediately after they are fixed.