



October 9, 2009

**Notification Concerning the Reorganization of the Business of Hoses for Automobiles in North America**

Tokai Rubber Industries, Ltd. (President: Yoshiaki Nishimura; Head office: Komaki City, Aichi Prefecture; abbr: TRI) announces that it decided to reorganize the production bases for the business of hoses for automobiles in North America.

1. Effect of reorganization of production bases for the business of hoses for automobiles in North America

Due to the sudden downturn in economy in North America in the latter half of 2008, we have taken various measures including production adjustment, cost cutting, and reduction on investment for the business in North America. Anticipating the tough situation in the business of hoses in North America to be continued for the time being, we have decided to reorganize the business for hoses from the perspective of strengthening the business constitution of DTR; all the business of hoses of DTR Industries, Inc. (DTR-OH) and part of the business of hoses of DTR Tennessee, Inc. (DTR-TN) will be transferred to Mexico and China. With the main premises that we shall be able to ensure the stable delivery to customers and assume the quality responsibility for certain, we have examined the reorganization of the business of hoses from the perspective of structuring the global optimal production bases for the entire TRI Group.

2. Overview of the reorganization of production bases

At present, we have three production bases of hoses for automobiles in North America, namely, DTR-OH, DTR-TN and DTR de Mexico, where they produce rubber hoses and resin hoses. We are going to start transferring the operation in December 2009, and production bases of hoses for automobiles in North America will be two bases including DTR-TN and DTR de Mexico after August 2010. In accordance with the reorganization, a part of the current operation of the hoses for automobiles in North America is going to be transferred to Tokai Dalian Hose Co., Ltd. and Tokai Rubber (Guangzhou) Co., Ltd.

<Production and destination of transfer>

	Present		After reorganization of bases	
	Rubber hoses	Resin hoses	Rubber hoses	Resin hoses
DTR-OH	○	○	×	×
DTR-TN	○	○	○	×
DTR de Mexico	○	○	○	○
Tokai Dalian Hose Co., Ltd.	○	×	○	×
Tokai Rubber (Guangzhou) Co., Ltd.	○	×	○	×

※DTR-OH will continue the production of anti-vibration rubber for automobiles after the reorganization.