

## **Exedy To Build Transmission Parts Plant In Mexico**

TOKYO (Nikkei)--Automotive clutch manufacturer Exedy Corp. (7278) is moving into the transmission parts business in Mexico.

The company will build a plant in the central Mexican state of Aguascalientes with plans to begin mass production as early as January 2012. The plant will make clutch packs and torque converters, which are incorporated into automatic transmissions to convey engine power to the drive shaft. It will initially employ 75 workers and be able to produce 250,000 torque converters and 800,000 clutch packs annually.

The facility will assemble the products using parts procured in the U.S. and Japan and will supply local Japanese transmission manufacturers. It will be Exedy's third overseas manufacturing location for torque converters and clutch packs, joining ones in the U.S. and China. Investment is expected to total around 1.5 billion yen.

In advance of construction, the Japanese firm has established a local subsidiary that will operate the plant. Sales of 40 million dollars are targeted in Mexico in fiscal 2013. In February, Exedy invested over 1 billion yen to double torque converter production capacity to 1 million units per year in China, where the auto market continues to grow.

Source: Nikkei English News 2011/04/22