



## **ZEON Corporation Completes Construction of CMB Plant in Guangzhou, China**

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August 25, 2004

In July 2003, ZEON Corporation (President & CEO: Naozumi Furukawa) established ZEON Polymix (Guangzhou) Co., Ltd. in China. This is a joint venture of the Company with ZEON Polymix Inc. (a wholly owned subsidiary of ZEON Corporation; President: Toshio Horie), Tokyo Zairyo Co., Ltd. (a 54% owned subsidiary of ZEON Corporation; President: Hiromichi Fukaya), and Toyota Tsusho Corporation (President: Masaaki Furukawa) to meet rising demand on carbon masterbatch (CMB) in China. The products are the raw material mainly used in automobile rubber parts. Construction of the new factory, which commenced in December 2003, has now completed and the facility has begun commercial operation.

As part of our Synthetic Rubbers business, ZEON Corporation is aggressively developing its CMB business overseas. This new plant is our third overseas CMB production site, following the commencement of operations at ZEON Advanced Polymix Company Co., Ltd. in Thailand, and ZEON Polymix (Shanghai) Co., Ltd. in China, and is the only Japanese CMB manufacturing operation in the South China region.

The rapid growth of automobile production in China has accelerated the pace at which automobile parts manufacturers in Japan, the U.S., and Europe are moving production to China, dramatically increasing the demand for CMB in that region. Furthermore, the demand for CMB is becoming more diversified and requires higher levels of quality. ZEON Corporation aims to grow its CMB business still further by establishing a supply framework that promptly responds to this market trend. Additionally, ZEON Corporation is planning to further expand and develop our Synthetic Rubbers business in China by taking advantage of the synergy achieved through partnership with Shanghai ZEON Co., Ltd. and ZEON Trading (Shanghai) Co., Ltd., which are our CMB manufacturing and marketing bases, respectively, in the East China region. By expanding sales in China of CMB, made with oil-resistant specialty synthetic rubbers (nitrile, acrylic, and epichlorhydrin rubbers), an area where we hold the largest worldwide market share, we aim to further strengthen our leading position as the producer of CMB in the world.

### **Corporate Profile**

- (1)Company name           ZEON Polymix (Guangzhou) Co., Ltd.
- (2)Established July       16, 2003
- (3)Location               Yonghe Economic Zone, Guangzhou, Guangdong, China
- (4)Capital                 US\$3 million
- (5)Investment ratio       30% ZEON Corporation, 30% ZEON Polymix Inc.,  
30% Toyota Tsusho Corporation, 10% Tokyo Zairyo Co., Ltd.

(6)Production capacity 5,000 t/year

(7)President Tadayuki Minami (Director, and General Manager,  
Rubber Division, ZEON Corporation)

(8)Investment Approximately 400 million yen by ZEON Corporation

 **For further information**

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