

<u>Home</u>> <u>Press Release</u>> <u>Press Release (2005)</u>> ZEON Corporation Completes Construction of Precision Optics Laboratory and ZeonorFilm ® Complex No. 5 at Takaoka Plant

## ZEON Corporation Completes Construction of Precision Optics Laboratory and ZeonorFilm<sup>®</sup> Complex No. 5 at Takaoka Plant

February 2, 2005

ZEON Corporation (President & CEO: Naozumi Furukawa) held two ceremonies on February 2, 2005 to celebrate the completion of a new Precision Optics Laboratory and the new Complex No. 5 in the Takaoka Plant of ZEON Corporation located in Takaoka, Toyama Prefecture. Complex No. 5 is owned by Optes Co., Ltd. (President: Masahiro Yamazaki), a subsidiary wholly owned by ZEON Corporation and this second facility upgrade is intended to increase production capacity for LCD optical film (product name: ZeonorFilm<sup>®</sup>).

The Precision Optics Laboratory will accommodate most of the precision processing research functions currently being carried out at the R&D Center in Kawasaki, Kanagawa Prefecture. The integration of R&D and production functions at the Takaoka Plant will enhance communication and synergy between design and development and accelerate the development of products, such as various optical films, lenses, prisms, and diffusion plates used in cameras, DVDs, mobile phones, LCD televisions, PCs, and game devices.

The relocation of operations to the Precision Optics Laboratory intends to innovate production technology, such as renovating production facilities for precision processing, confidential, as competition in this field is expected to heat up in the future. Another aim is to develop technology for producing high quality precision optical products and for reducing production costs.

ZEON Corporation is currently building a next generation R&D building No. 10 inside the R&D Center in Kawasaki city to augment and promote R&D of original technology. This new laboratory and Precision Optics Laboratory aim to collaborate for the next generation of business by working together.

The facility upgrade for ZeonorFilm<sup>®</sup> increases Optes Co., Ltd.'s production capacity for LCD optical film, a decision carried out to accommodate favorable increases in sales and rapid expansion of the LCD flat panel market, mainly for LCD TVs. Annual capacity was increased from the existing 10 million square meters to 15 million square meters.

ZEON Corporation regards its specialty plastics business, comprising high-performance transparent thermoplastic resin, cyclo-olefin polymer (product name: ZEONEX<sup>®</sup> and ZEONOR<sup>®</sup>) and high precision-processed COP products, to be an area with significant growth potential and has been aggressively investing in its facilities in recent years.

In October, 2004, in addition to polarizing film rolls, an existing product, ZEON Corporation developed and

released four new types of ZeonorFilm<sup>®</sup>; 1) those which have both have polarizing performance and polarizing plate protection performance; 2) those able to produce polarizing plates using roll-to-roll pasting technology; and 3) those able to contribute to improving the stability of the screen. The new product satisfies performance requirements in the next generation of large-size flat panel displays. ZEON Corporation had already doubled annual COP production capacity to 10,000 tons at the Mizushima Plant in 2004, but decided to further increase annual production to 15,000 tons in 2005. ZEON Corporation further intends to boost production capacity for various products based on the analysis of demand forecasts, while focusing on developing new products.

## Supplementary explanation of COP

The Company is aiming at full utilization of C5 fraction, a by-product produced when ethylene and propylene are derived from naphtha. COP is made from dicyclopentadiene (DCPD) extracted and separated from the C5 fraction. ZEONEX<sup>®</sup>, a high-grade COP originally developed and marketed by ZEON Corporation in 1990, ahead of its competitors, exhibits low water absorbency, superior fluidity and high-precision molding properties when heated or melted, and a lower specific gravity. Utilizing its high transparency and low double-refraction properties, it is mainly used for optical devices such as lenses and prisms for cameras on mobile phones, digital cameras, and compact cameras. It is also used in pick-up lenses for OA equipment and for optical disks including CDs, MDs, and DVDs. ZEONEX<sup>®</sup> received the Chemical Society of Japan Award in 1995. In 1998, the Company launched ZEONOR<sup>®</sup>, a standard-grade COP with improved impact- and heat-resistant properties as well as high transparency. It is widely used in the manufacture of light guide, diffusion plates as well as optical film for LCD flat panel display, extensions for automobile headlights, tableware, and pharmaceutical containers and packages.

ZeonorFilm<sup>®</sup> received the 2003 Display of the Year Award.

## For further information

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Contact form

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