

Zeon Kasei Constructing a Production Plant in Mexico for Powder Slush Compounds

March 29, 2016

Zeon Kasei Co., Ltd. (President: Yoshiro Ogura), a subsidiary of Zeon Corporation (President: Kimiaki Tanaka), has begun construction of a plant that will produce resin compounds (PVC/PSC) for powder slush molding, using polyvinyl chloride resin as raw material, in San Luis Potosí City in San Luis Potosí State, the United Mexican States. The plant is scheduled to commence operations in April 2017.

Zeon Kasei established Zeon Kasei Mexico S.A. de C.V. (ZKMX) in Mexico in July 2015, and the plant is being built at ZKMX's location in the Las Colinas Industrial Park in San Luis Potosí City. This area has excellent infrastructure and offers easy access to Japanese and European automakers in Mexico as well as to the North American market. The first phase of construction will enable the plant to achieve an annual production capacity of 1,200 tons, with operations scheduled to commence in April 2017. We plan to keep pace with the expanding market by increasing the capacity by an additional 1,200 tons in the second phase of construction to 2,400 tons per year. PVC/PSC offers superior design, molding, and processing capabilities at a reasonable cost and is increasingly being applied as a cover material for seamless airbag modules by Japanese and overseas automakers. ZKMX seeks to respond to increased automobile production in North America and Mexico by supplying PVC/PSC locally. It also intends to strengthen its collaboration with Zeon Kasei's PSC Business Development Division and Zeon Corporation's Manufactured Product Development Laboratory to meet market demand.

The use of PVC/PSC by automakers in Japan and overseas is projected to increase in the coming years. With this outlook, Zeon Kasei decided to construct the plant in Mexico, as well as one in China, from the standpoint of ensuring stable supply and realizing local production and consumption. As a result, Zeon Kasei is creating a tripolar manufacturing structure for its PVC/PSC business, with the Ibaraki Plant in Japan, Changshu Plant in China, and the plant in Mexico, to develop its global operations in line with the expansion of the automobile industry around the world.



Company name: Zeon Kasei Mexico S.A. de C.V.

Representative: Toshikazu Onuki

Location: Las Colinas Industrial Park, San Luis Potosí City, San Luis Potosí State

Production item: PVC/PSC compounds for powder slush

Production capacity: Phase 1: 1,200 tons/year; Phase 2: 1,200 tons/year (total: 2,400 tons/year)

Start of production: April 2017 (tentative)

Paid-in capital: USD12.7 million

Shareholding: Zeon Kasei Co., Ltd.: 100%



For further information

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