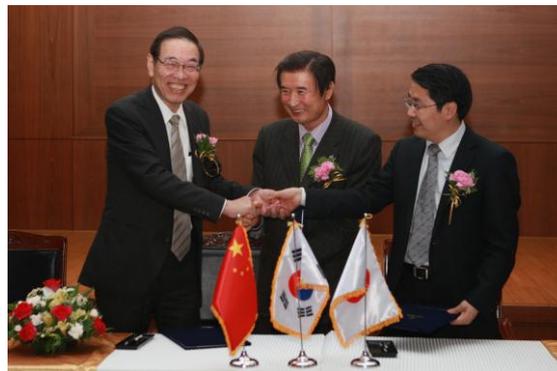


## **Established kneaded rubber production JV**

### **with top South Korean anti-vibration rubber manufacturer Daeheung R&T in Jiangsu, China**

Sumitomo Riko Company Limited (Head Office: Komaki, Aichi Prefecture, President and COO: Tetsu Matsui) has decided to sign a joint venture contract with Daeheung R&T Co., Ltd. (Head Office: Gimhae-si, Gyeongsangnam-do, Korea) for the establishment of a new kneaded rubber manufacturer and sales company called Daeheung SumiRiko Rubber Material (Yancheng) Co., Ltd. in Yancheng, Jiangsu province, China.



Mr. Nishimura, Chairman and CEO (left) shaking hands firmly with Mr. Ryu, Chairman of Daeheung R&T (center) and others at the land investment signing ceremony (Daeheung R&T Head Office, end of April)

After Sumitomo Riko raised its share in Daeheung R&T, the leader in Korean automotive anti-vibration rubber market, last December, the two companies are now jointly establishing a new company as their first project together that will further strengthen their ties.

In the Chinese market, the Sumitomo Riko Group established its automotive anti-vibration rubber and hose manufacture and sales company Tokai Rubber (Tianjin) Co., Ltd. (TRT) in 1995, since when it has expanded steadily and now has 19 companies operating in that country. China is becoming an increasingly important market for the Sumitomo Riko Group, which apart from automotive parts also manufactures industrial materials and IT related products at 13 bases there.

Both Sumitomo Riko and Daeheung R&T have continually conducted their own kneaded rubber production until now, but decided to establish this new joint venture because of the demand to strengthen their production capacity in line with their robust business expansion. In this way, they are building a structure that can offer a steady supply of high quality and competitively priced kneaded rubber to the various Sumitomo Riko Group bases opening up around China, and that can generate a synergistic effect for the groups of both companies through their joint intensive production.

The plan is to establish the new joint venture in Yancheng, Jiangsu province. Both partner companies can expect significant benefits from the location, which is next to Yancheng Daeheung Automotive Parts Co., Ltd., Daeheung R&T's anti-vibration rubber plant currently under construction, and very conveniently located for the East China and North China regions where Sumitomo Riko Group is expanding.

Through this Japan-ROK joint venture, the Sumitomo Riko Group will pursue its business growth in China effectively and strive to deliver even more attractive products.

**< Outline of Daeheung SumiRiko Rubber Material (Yancheng) Co., Ltd. >**

Location: East of Jingsi Road, and the North of Weisi Road, Yanlong Street, Gaoxin Yandu Area, Yancheng, Jiangsu Province, China

Line of Business: Manufacture and sale of kneaded rubber

Capital: \$8 million

Investment ratio: Sumitomo Riko 40%, Daeheung R&T 60%

Founded: August 2015 (planned)

Representative: Yeong-Gil Kim, CEO

Employees: approximately 60 (expected in 2018)

Factory area: Site; approximately 13,200m<sup>2</sup>, Floor space; approximately 14,500m<sup>2</sup>

Investment: \$16 million

Sales: 83 million yuan (expected in 2016)

Operational launch: August 2016 (scheduled)

**< Outline of Sumitomo Riko Company Limited >**

Address: 1, Higashi 3-chome, Komaki, Aichi

Lines of Business: Manufacture and sale of automotive parts (anti-vibration rubbers, hoses, sound controlling parts, interior fittings) and general industrial items (cleaning blades and precision rolls, anti-vibration rubber for trains, homes, bridges and electronic devices, high-pressure hoses, conveyance hoses, rubber seals, etc.)

Capital: ¥12,145 million

Founded: December 1929

Parent Company: Sumitomo Electric Industries

Employees: 23,568 (consolidated basis, as of end March 2015)

Sales: ¥400,930 million (consolidated basis, year ending March 2015)

**< Outline of Daeheung R&T Co., Ltd. >**

Address: 607 Cheong Cheon-ri, Jillye-Myeon, Gimhae-si, Gyeongsangnam-do, 621-884, Korea

Lines of Business: Manufacture and sale of automotive anti-vibration rubbers and brake hoses

Capital: 784 million won

Established: March 2002

Representative: Ryu Jin Soo, Chairman

Investment ratio: Mr. Ryu (Chairman) and others 70%, Sumitomo Riko 30%

Employees: 627 (as of end December 2014)

Sales: 303,055 million won (fiscal 2014)

---

**【Contact Information】**

Public Relations Department, E-mail: [kouhou@jp.sumitomoriko.com](mailto:kouhou@jp.sumitomoriko.com)

<http://www.sumitomoriko.co.jp/>