

Press Releases: SUMITOMO



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Turkish-Japanese joint-venture in production; Japanese Tire Giant Sumitomo Rubber and Abdülkadir Özcan push the button for investment of a production facility

Ankara, September 21, 2012 - At a press conference held by the Prime Ministry Investment Support and Promotion Agency of Turkey (ISPAT), Japanese Sumitomo Rubber Industries - (Sumitomo Rubber) and Abdülkadir Özcan Automotive Tire (AKO) have jointly announced their decision to construct a production facility in the Central Anatolian province of Çankırı at an investment cost of around USD 500 million.

During the press conference attended by **Mr. Zafer Çağlayan**, Turkey's Economy Minister; **Mr. M. İlker Aycı**, President of ISPAT; **Mr. Ikuji Ikeda** President & CEO of Sumitomo Rubber Industries and Mr. Mustafa Özcan, Chairman of Abdülkadir Özcan, it was reported that the production in the Çankırı plant is expected to start in July 2015.

The facility's core business will focus on the production and sales of radial tires for passenger cars, as well as tires for light trucks. Meanwhile, the production capacity is planned to reach 30,000 tires per day, whereas direct employment in the plant will increase to around 2,000 people by the end of 2019.

Mr. M. İlker Aycı, President of ISPAT said the Agency has been working on this project for the past 20 months and added: "This investment is very important in terms of creating employment and contributing to Turkey's exports. With this investment, our country is being positioned as a strategic base of a global giant such as Sumitomo Rubber, which will focus on emerging markets, particularly in the Middle East, North Africa, Russia and Europe. As ISPAT, we announced the collaborations with Japanese finance corporations during the previous months. We expect to see significant movements in regard to investment between the two countries. We are proud to win this investment for our country."

Commenting on the investment, **Mr. Ikuji Ikeda** President & CEO of Sumitomo Rubber, said that Sumitomo Rubber Group expects a significant increase in tire sales in emerging markets, such as the Middle East, North Africa, and Russia. He went on to say: "We believe that supplying tires from Turkey, which is closer to our target markets and to Europe, will enable us to get enormous benefits in terms of lead time and transportation costs. Moreover, we expect Japanese automobile to boost their manufacturing operations in Turkey, and are looking forward to increased sales of both OE and replacement tires in the Turkish market. In this regard, Turkey has now become a strategic base for us. I would like to thank Mr. M. İlker Aycı and his team for their efforts and contributions to each stage of this project for almost two years."

Sumitomo Rubber Industries, operating since 1909, is a world giant in this field. The first local tire producer in Japan, the company currently has eight tire production facilities in total; four in Japan and another four in Asia. The facility in Çankırı stands out as the first production facility of the group in the region.

