

Sumitomo Chemical Announces Major Expansion of MMA Business

Sumitomo Chemical Co., Ltd. (Sumitomo) has recently initiated a project to construct new production lines in Singapore that will significantly increase its production capacity for methyl methacrylate (MMA), both monomer and polymer (molding compound). The new MMA monomer plant, which will be the company's third MMA monomer production facility in Singapore, will have an annual capacity of 90,000 tons. The new polymer plant, which will be the company's second MMA polymer production facility in the country, will have an annual capacity of 50,000 tons. The start of commercial production at each plant is scheduled for the first quarter of 2008.

Sumitomo has positioned the MMA business as a core strategic operation of its Basic Chemicals Sector. To aggressively expand the business, particularly in Asian market, the company is leveraging its proprietary, globally competitive technologies, such as its direct oxidation technology to efficiently produce MMA monomer, a continuous bulk polymerization process capable of producing optical-grade MMA polymer for products like LCD light-guide sheets, and a sheet extrusion technology suitable for thick optical panels applications.

The demand for MMA monomer in Asia is expected to expand at a rate exceeding 7% annually due to the fast-growing demand for MMA polymers and MS resins for IT-related applications, such as LCDs and projection televisions, as well as for its more conventional uses in such materials as cast sheets, emulsion, artificial marble, MBS resins, and transparent ABS resins. A new demand is also burgeoning quickly in Singapore and its neighboring countries. The increase in demand for MMA polymer is projected to even exceed that of MMA monomer due to the very strong growth in demand for use in LCDs, in addition to growth in its conventional uses in automobiles, home electric appliances, and other general merchandise. On the other hand, the increase

in MMA monomer production capacity is limited even on a global basis, and supply is expected to remain tight well into the future.

Sumitomo's new MMA facilities will be able to take advantage of established infrastructure in Singapore, such as feedstock procurement and logistics systems. In addition, by employing Sumitomo's proprietary high-performance oxidation catalyst, efficiently using existing plant infrastructure, and minimizing the number of staff needed through highly-efficient operational systems, the new production facilities are expected to have a strong advantage in terms of cost competitiveness.

When the third monomer plant is completed, Sumitomo will have a total MMA monomer production capacity in Singapore of 223,000 tons, including the first plant which is in operation and a second plant that has been completed and is preparing for the start of commercial operation. Along with production facilities in Japan and Korea, Sumitomo's combined production capacity of MMA monomer in Asia will amount to 413,000 tons. For MMA polymer, the new plant will bring the company's production capacity in Singapore to 100,000 tons and its overall capacity in Asia to 244,000 tons. As the largest MMA producer in Asia, the company intends to continue leveraging the strengths of its unique proprietary technologies and aggressively expand its operations to meet the rapidly-expanding demand in Asia.