

November 9, 2005

Sumitomo Chemical Acquires Stake in Quantum Leap Packaging Inc.

Sumitomo Chemical today announced that it has acquired an equity stake in Quantum Leap Packaging, Inc. (QLP), a Massachusetts-based company engaged in the development of liquid crystal polymer (LCP) packaging technology. Sumitomo Chemical has invested \$20 million to purchase shares newly issued by QLP, representing 20.7% of QLP's outstanding shares. In addition, Sumitomo Chemical has obtained a non-exclusive license to market in Japan and Korea the Air Cavity Packages (ACP) developed by QLP. After confirming through its marketing activities the market potential for this business, Sumitomo Chemical intends to make a full-fledged entry into the LCP packaging business.

LCP is a heat-resistant resin that can be shaped to high-tolerance specifications, and is used for electronic components such as connectors. Sumitomo Chemical has positioned the LCP business as one of its strategic IT-related Chemicals Sector businesses, and it is capitalizing on its world-class manufacturing technology and the superior performance of its products to expand this business in global markets. Sumitomo Chemical is engaged in the development of various applications that take advantage of the special features of LCP and is also developing downstream products based on its own proprietary technology.

QLP has been engaged in research and development of ACP using LCP and has succeeded in developing a high-performance LCP compounded resin, marketed under the name "Quantech," whose performance far exceeds that of conventional LCPs. It has also developed molding and performance evaluation technology for Quantech. In its efforts to commercialize its ACP, QLP is targeting leading components manufacturers in Europe and the U.S. for this business, and expects assessments by initial customers to be completed and commercial shipments to commence in the near future.

ACP is used to protect semiconductors, such as CCD image sensors, that are a key component of digital cameras, mobile telephones, copy machines and other products, from the external environment. At present, ceramics have been generally used for manufacturing ACP. As electronic products have become smaller, however, there is

greater demand for smaller, thinner components with more complicated shapes. Because ACP made from LCP have superior features in terms of molding and processing, they offer greater freedom in terms of miniaturization, lightness, shape and design, as well as the possibility of greater density for wiring. As a result, many expect that ACP using LCP will eventually take the place of ceramics for such applications.

Working with QLP, who has superior technology and development capabilities, will help Sumitomo Chemical to shorten development time, speed its commercialization of ACP, and expand its LCP business.