

November 9, 2005

Sumika Electronic Materials (Wuxi) Co., Ltd. Expands Production

Sumitomo Chemical today announced that it will expand the production capacity of Sumika Electronic Materials (Wuxi) Co., Ltd. The move, in response to the surge in demand for components from the rapidly expanding Chinese liquid crystal display (LCD) panel industry, entails an expansion of the Company's production facilities for polarizing film processing and light diffusion plates for LCD televisions.

The LCD market is expanding as demand rapidly increases for both large LCD televisions and small to mid-sized displays for use in personal computers and mobile electronic devices. As LCD panel manufacturers are rapidly shifting module production to China, demands for Sumitomo Chemical to more quickly develop and deliver products are increasing from customers who are themselves expanding their operations in the area.

Sumitomo Chemical is working to expand its facilities in the production bases of Shanghai and Wuxi. However, given the Company's commitment to meet the increasing needs of its customers, the Company decided that it would expand capacity for its polarizing film processing and LCD television diffusion plates at its mass-production bases in the Wuxi area.

After the expansion is complete, the production capacity for polarizing film at the Wuxi facility will increase by 2.5 times the current level to 50 million sheets per month (2-inch conversion) for small and mid-size units, and eight times the current level, to 1.6 million sheets per month (32-inch conversion) for larger-screen displays used in televisions. The Company will also expand its plant for light diffusion plates used in LCD televisions. The first line (annual capacity of 5000 tons) is currently under construction, with operation scheduled to commence in February 2006. The Company has only recently decided to undertake construction of the second line (annual capacity of 5000 tons), and completion is scheduled for Spring 2006.

In addition to expanding the polarizing film processing facility in Wuxi, Sumitomo Chemical is considering establishing new plants for the production of raw material rolls, and the construction of a facility for producing liquid crystal polymer compound. The Company also intends to select a location in the South China region as a third production base. Through cooperation among its three production bases in China, the Company will be able to offer exceptional customer service and meet the growing demand in China.