

July13, 2007

## **Sumika Electronic Materials Poland Expands Production**

Sumitomo Chemical Co., Ltd. today announced that it will expand a plant for the production of light diffusion plates for LCD televisions, currently under construction at its European subsidiary, Sumika Electronic Materials Poland Sp. Z o.o. (SEMP below), located in a suburb of the city of Toruń in northern Poland, in order to meet the rapidly growing demand for LCD panels in Europe.

In recent years, the LCD display market has been seeing rapidly increasing demand for large-screen televisions, and LCD panel manufacturers are increasingly establishing operations in Europe. Therefore, Sumitomo Chemical is strengthening its local capabilities to enable timely development and delivery in response to the increasing requirements of its customers. Sumitomo Chemical established SEMP last year as its base of manufacturing operations for IT-related materials in Europe. The Phase 1 plant currently under construction includes lines for the chip-cut processing polarizing film and the production of light diffusion plates. The line for light diffusion plates has an annual production capacity of 5000 tons of light diffusion plates, and is scheduled to start operation in November 2007. In order to meet the booming demand, Sumitomo Chemical has decided on the new construction of a Phase 2 production line, which will boost production capacity for light diffusion plates to 10 thousand tons per year. Furthermore, the Phase 2 line will be designed so as to allow for production of higher-performance light diffusion plates developed through future technical innovations to meet the demands of our customers.

The amount of investment in the Phase 2 line expansion is ¥1.5 billion, bringing Sumitomo Chemical's total amount of investment in SEMP to approximately ¥7 billion. SEMP's annual sales following the Phase 2 line expansion are expected to be ¥15 billion.

The establishment of Sumitomo Chemical's European base of operations in Poland, announced in August 2006, and the currently scheduled expansion will further enhance the Company's ability to provide LCD-related materials promptly to panel manufacturers with operations in Europe and offer a broader range of flexible services to its customers. Sumitomo Chemical will leverage the advantages of its expanded European operations to further the global expansion of its core business in IT-related materials.

### Summary of SEMP:

1. Company Name: Sumika Electronic Materials Poland Sp. Z o.o.
2. Established: September 2006
3. Location: Lysomice, Toruń, Kujawsko-Pomorskie Voivodship, Republic of Poland
4. Area: Approx. 200 thousand m<sup>2</sup> (including space for future expansion)

5. Capacity: Polarizing film: 500,000 sets/mo.  
Light diffusion plates: 10,000 tons/yr. (after Phase 2 line expansion)
6. Start of operations: Phase 1 production line: November 2007 (planned)  
Phase 2 production line: (current expansion) Summer 2008 (planned)
7. Personnel: Approx. 400 persons