

December 4, 2017

**Sumitomo Chemical to Expand Production Capacity  
for High-Purity Chemicals for Semiconductors in Xi'an, China**

Sumitomo Chemical has decided to expand its production capacity for high-purity chemicals for semiconductors at Sumika Electronic Materials (Xi'an) Co., Ltd., a wholly owned subsidiary in Xi'an City, Shaanxi Province, China, bringing the subsidiary's total capacity to nearly twice the current level. The expanded facility is scheduled to start commercial-scale production in early 2019.

Centering on Japan, South Korea, and China, Sumitomo Chemical has actively engaged in the business of high-purity chemicals used mainly for precision cleaning in semiconductor micromachining. In China where the semiconductor market growth has been particularly brisk, Sumitomo Chemical built its first production base for semiconductor-grade high-purity chemicals at Sumika Electronic Materials (Xi'an) Co., Ltd. incorporated in 2012. This was followed by setting up another subsidiary, Sumika Electronic Materials (Changzhou) Co., Ltd. in August this year, which recently began constructing a plant for high-purity chemicals for semiconductors as the Company's second production base for the product in China.

As far as the IT-related chemicals business in China is concerned, Sumitomo Chemical established its first direct presence in the country back in 2001 by building a processing facility and a sales office for optical functional films in Shanghai. Since then, the Company has constantly developed the business at various locations throughout the country, including Beijing and Wuxi, so that it can deliver fine-tuned services in a manner to meet customers' specific needs. During the course of these endeavors, a high growth potential of the semiconductor market in China and an expected concurrent expansion of demand for high-purity chemicals have led Sumitomo Chemical to decide on expanding its production facility at Xi'an, as announced today.

In its current Three-Year Corporate Business Plan, Sumitomo Chemical has positioned ICT as one of the core domains for creating next-generation businesses. Going forward, the Company will further strengthen its initiatives to enhance the high-purity chemicals business by capturing a vigorous demand for semiconductors and by leveraging strategically the two operational bases in China, Sumika Electronic Materials (Changzhou) in the coastal area and Sumika Electronic Materials (Xi'an) in the inland area.

## **Overview of Sumika Electronic Materials (Xi'an) Co., Ltd.**

Location: Xi'an High-tech Industries Development Zone, Shaanxi Province, China  
Capital: CNY 250.724 million  
Chairman: Hajime Ikezoe  
Established: November 2012  
Business: Manufacture and sales of hydrogen peroxide water, sulfuric acid, ammonia water, isopropyl alcohol, etc.