

Sumitomo Chemical Moves to Establish Optical-Grade MMA Polymer Production in Korea

Tokyo, September 21, 2004 — Sumitomo Chemical Co., Ltd. today announced that its South Korean affiliate, LG MMA Corporation (LG MMA), has started construction of a new methyl methacrylate (MMA) polymer plant with an annual production capacity of 40,000 tons. The plant uses Sumitomo Chemical's proprietary continuous bulk polymerization process technology which enables low-cost production of high quality MMA polymer suitable for optical applications. Commercial operations are scheduled to begin in July 2005.

LG MMA has MMA monomer plants, which have an annual capacity of 100,000 tons in total, as well as an MMA polymer plant with a 50,000-ton capacity that uses suspension polymerization process technology. The company supplies its products to customers in South Korea and other countries in Asia. In recent years there has been a surge in demand for optical-grade MMA polymer for use in such products as LCD light panels. To meet this demand, Sumitomo Chemical licensed its continuous bulk polymerization technology to LG MMA, under which the South Korean affiliate will manufacture and sell optical grade MMA polymer in the fast growing LCD-related market.

MMA is one of the core businesses in Sumitomo Chemical's Basic Chemicals Sector. The company is expanding its MMA business, particularly in Asian markets, and provides a full range of products, including MMA monomer, MMA polymer, cast sheets, and extrusion sheets, based on its highly competitive production technologies. Sumitomo Chemical's MMA polymer plants in Japan and Singapore employ the company's continuous bulk polymerization process. Through debottlenecking, in 2003 the company increased its annual MMA polymer production capacity in Japan from 30,000 tons to 45,000 tons, and this year boosted its capacity in Singapore from 35,000 tons to 50,000 tons. With LG MMA's new plant in Korea, Sumitomo Chemical will have a combined annual optical-grade MMA polymer production capacity of 135,000 tons in Japan, Singapore, and Korea, thereby solidifying its position as the leading supplier of MMA polymer in Asia and accelerating earnings growth in its expanding MMA business.

Overview of LG MMA Corporation

President: C.S. Koo

Ownership: LG Corporation 50%
Sumitomo Chemical Co., Ltd. 25%
Nippon Shokubai Co., Ltd. 25%

Capital: 24 billion Won

Established: 1991

Major Business: Production and Sales of MMA monomer and MMA polymer

Employees: 177