

October 2007

## **Sumitomo Chemical to Expand Liquid Crystal Polymers Production**

Sumitomo Chemical Co., Ltd. has announced that it will expand neat resin production capacity for its liquid crystal polymer (LCP below), Sumikasuper LCP, from an annual 7,000 tons to 9,200 tons and will also build a new facility in China for the production of LCP compounds.

LCP is a super engineering plastic that exhibits excellent heat resistance and thin-wall flowability, and these characteristics are used to advantage in various electronics components. Among these, demand for Sumikasuper LCP is seeing high growth for connectors used in laptop computers and mobile phones, and with demands for lighter weight and miniaturization, is increasingly replacing plastics that have conventionally been used. In addition, demand is increasing in applications for such electronics components as LCD backlights bobbins and optical pickup bobbins, automotive relays, and laser printer heater holders, and new uses are also increasing for other automotive components and LEDs.

Last year, Sumitomo Chemical expanded production capacity of neat resin for LCP at its Ehime Works, bringing the entire Sumitomo Chemical Group's production capabilities to an annual 7,000 tons. In order to meet the further increase in demand, Group company Taoka Chemical Co., Ltd., which supplies neat resin to Sumitomo Chemical under contract manufacture, will expand its production facility, and Sumika Electronic Materials (Wuxi) Co., Ltd. in China will construct new facilities for the production of neat resin and compounds. Completion of these facilities will bring the Group's capacity for neat resin to 9,200 tons annually, which converts to approximately 14,000 tons of compounds, equivalent to 30% of the projected 2009 global demand (according to Company estimates).

Many of our customers engaged in the manufacture of electronics components are establishing manufacturing operations in China, and therefore the greatest demand for LCP used for such components is coming from China. In addition to providing a stable supply to Chinese customers from the new facilities at Sumika Electronic Materials (Wuxi) Co., Ltd., Sumitomo Chemical opened a Customer Support Center within the plant at Sumika Electronic Materials (Shanghai) Co., Ltd. in October of this year to enable prompt customer support capabilities. Leveraging these business developments in China, Sumitomo Chemical will continue to further strengthen its engineering plastics business going forward.

## 【Overview of Investment in New Facilities】

**Taoka Chemical Co., Ltd.**

- Pre-polymerization expansion for LCP neat resin (2,200 tons/yr.), completion planned for the end of 2008
- Advanced-polymerization expansion for LCP neat resin (500 tons/yr.), completion planned for the end of 2008

**Sumika Electronic Materials (Wuxi) Co., Ltd.**

- Advanced-polymerization expansion for LCP neat resin (1,800 tons/yr.), completion planned for Jan. 2009
- New facility for LCP compounds (2.400 tons/yr.), completion planned for Jan. 2009

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### 【Overview of Taoka Chemical Co., Ltd.】

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|------------------------------------|---|
| ( 1 ) Established:                 | October 1934  |
| ( 2 ) Headquarters:                | Osaka, Japan  |
| ( 3 ) Paid-in Capital:             | ¥1,572 million  |
| ( 4 ) Sumitomo Chemical Ownership: | 50.2%   |
| ( 5 ) Details of Business:         | Manufacture and sale of chemical products, including dyes, dye intermediates, pharmaceutical and agrochemical intermediates, recording materials, adhesives, plasticizers |
| ( 6 ) Employees:                   | 280 persons   |
| ( 7 ) President:                   | Toshirou Katoh  |

### 【Overview of Sumika Electronic Materials Co., Ltd. (Wuxi)】

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|------------------------------------|---|
| ( 1 ) Established:                 | July 2004   |
| ( 2 ) Headquarters:                | Wuxi, Jiangsu, Peoples' Republic of China                           |
| ( 3 ) Paid-in Capital:             | US\$146 million   |
| ( 4 ) Sumitomo Chemical Ownership: | 100%  |
| ( 5 ) Details of Business:         | Manufacture and sale of LCD polarizing film, light diffusion plates |
| ( 6 ) Employees:                   | 996 persons   |
| ( 7 ) President:                   | Ken'ichi Miyatake   |