

Sumitomo Chemical Expands Production Capacity for Resorcinol

Sumitomo Chemical will build a new production facility at its Oita Works in Japan for resorcinol, a core product of its Fine Chemicals sector, in order to strengthen and expand this business and continue to provide a stable supply for its customers.

Resorcinol is used as a raw material in a wide array of chemical products including adhesives for rubber and wood, flame retardants, ultra-violet absorbents, pharmaceuticals, agricultural chemicals, functional polymers, and colorants. It is widely used particularly as an adhesive for joining rubber and reinforcement materials for automotive tires. With automobile production expanding, worldwide demand for resorcinol is expected to increase, especially in China and other markets in Asia.

Sumitomo Chemical utilizes its own proprietary process for manufacturing resorcinol, called hydroperoxidation. Unlike other methods, this process does not generate a large volume of salt byproducts, substantially reducing the economic impact of disposal treatment and making the process highly cost competitive. Since first producing resorcinol using this process at the Chiba Works in 1981, Sumitomo Chemical has gradually expanded its production capacity. The Company is now the world's top-ranking resorcinol producer with an annual capacity of 20,000 tons, and has been capitalizing on the sales network it has built to expand this business globally.

With demand growth for resorcinol expected to continue, Sumitomo Chemical decided to construct a new resorcinol production facility with an annual capacity of 10,000 tons at its Oita Works in order to take advantage of existing infrastructure and easy access to raw materials to build diversified stable supply capabilities. With the completion of the new facility, Sumitomo Chemical will become the world's largest manufacturer of resorcinol, with an annual production capacity of 30,000 tons, enabling it to meet the growing demand for the product and continue to provide its customers with a stable supply.

Sumitomo Chemical will continue to further strengthen its capabilities for providing a stable supply of resorcinol, taking advantage of its global sales network to promote even better customer relationships by meeting the exact requirements of the market in a timely manner to ensure a firm basis for profitability and expand its important resorcinol business in its Fine Chemicals Sector.

Overview of new production facility

- 1) Location: Sumitomo Chemical's Oita Works (Oita City, Oita Prefecture, Japan)
- 2) Capacity: 10,000 tons/year
- 3) Completion date: February 2010 (projected)