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Sumitomo Chemical Expands PMMA Business

Sumitomo Chemical (the Company) has recently embarked on a plan to expand its production capacity for methyl methacrylate polymer (PMMA) by adding a new production line to its facility in Singapore. The new 50 thousand-ton-per-year plant, the Company's third PMMA plant in Singapore, is slated to start commercial operation in the third quarter of 2012.

This capacity expansion, combined with the Company's first and second plants, will bring its annual production capacity in Singapore to 150 thousand tons. This, added to the Sumitomo Chemical Group's three bases of operation in Japan and Korea, will increase total production capacity for PMMA to 318 thousand tons per year, making the Group the world's largest producer.

This year, demand has been rising steeply for PMMA used for light guide plates, a component of LCD televisions equipped with LED backlights. This is because, as LCD televisions become increasingly thin and more power-efficient, use of the conventional cold-cathode tube is shifting rapidly to use of LEDs, and with this shift, PMMA light guide plates are being adopted to disperse the light source evenly over the entire screen. These market conditions are expected to drive demand for PMMA for this application by as much as 8% per year. In addition, demand for PMMA is expected to grow for conventional applications in automobiles, home electrical appliances, and miscellaneous goods. This intense demand growth is forecast to continue to tighten the supply and demand balance for PMMA, and Sumitomo Chemical is undertaking the latest plant construction in its efforts to meet the increasing demand.

Sumitomo Chemical positions methyl methacrylate (MMA) as one of the strategic businesses of its Basic Chemicals Sector. The Company produces MMA monomer, the raw material for PMMA, using its highly efficient direct oxidation manufacturing technology and high-performance catalysts. Leveraging its globally competitive proprietary continuous bulk polymerization process technology optimized for optical-grade PMMA for applications such as light guide plates, the Company seeks to actively expand its business mainly in Asian markets.

Sumitomo Chemical will continue to further strengthen and expand its MMA business in its active efforts to meet the rapidly increasing demand as the world's largest producer of PMMA.