

Sumitomo Seika Chemicals Company Limited

### **Announcement Regarding Establishment of Korean-Based Subsidiary**

In a bid to further enhance the globalization of its operations, Sumitomo Seika Chemicals Company Limited has decided to establish a wholly owned subsidiary in Korea for the production and sale of its products.

Our company has been supplying manufacturers of semiconductors and crystal liquids in Korea with a wide variety of gases, including high purity ammonia, nitric oxide, dichlorosilane, and carbon monoxide utilizing our unique technology over the years.

In particular, high purity ammonia gas usage has been increasing year after year in Korea, and its demand is expected to increase significantly by the end of fiscal year (FY) 2008. While our company has previously responded to the demand by exporting the gas from Japan, our clients have been strongly urging us to supply it through local production due to the increase in demand.

In view of transportation safety and ensuring access to stock, we have decided to produce high purity ammonia gas in Korea. We plan to construct a plant for production of the gas, and also to install a stock point for various gases.

Construction of the plant will be completed within FY 2008, and its production capacity will be 1,500 tons per year. After completion of the plant, our company will have three high purity ammonia production bases in Japan, Taiwan and Korea.

Projecting an increase in our sale of super absorbent polymer and various functional chemical products in Korea over time, our company is taking this opportunity to establish an overseas subsidiary to serve as the company responsible for sales in the territory. We hope that this will further strengthen our sales activities as well as enhance a wide variety of services to clients who request engineering and other services.

#### <Overview of Korea-Based Subsidiary>

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|--------------------|---|
| 1. Company Name    | Sumisei Chemical Company Limited (President: Hitoshi Fujimura)  |
| 2. Capital         | 7 billion won (equivalent to approximately 0.7 billion yen)<br>Wholly owned by Sumitomo Seika Chemicals Company Limited |
| 3. Company Address | Head Office/ Plant: Paju<br>Sales Office: Seoul   |
| 4. Sales           | Approximately 2.2 billion yen for FY 2009   |