

May 30, 2017

Sumitomo Seika Chemicals Co., Ltd.

Sumitomo Seika to Expand Production Capacity for Super Absorbent Polymers in South Korea

Sumitomo Seika Chemicals Co., Ltd. announced today its decision to expand super absorbent polymer production facilities at its consolidated subsidiary in Korea, Sumitomo Seika Polymers Korea Co., Ltd. (Head Office: Yeosu-si, Jeollanam-do, South Korea)

1. Strategic Objectives of Production Capacity Expansion

The super absorbent polymers market in Asia is expected to expand further amid a rapid economic growth of the region. In particular, Sumitomo Seika's AQUA KEEP super absorbent polymers have been favorably accepted by many customers for excellence in quality and performance and have seen an ever-growing demand from the market over the decades.

The super absorbent polymers production plant which Sumitomo Seika had built at its subsidiary in South Korea was commissioned successfully last year. Given the booming market and in a bid to meet a further demand increase in the years to come, the Company has decided to expand the production plant at the Korean subsidiary.

Sumitomo Seika has super absorbent polymers production plants in four countries around the world, i.e. Japan, Singapore, South Korea, and France. It is the firm intention of Sumitomo Seika to offer greater assurance and satisfaction to its customers by the stable supply of products through the global network of production capabilities as well as by the provision of quality products backed by the Company's advanced technologies and thorough quality control expertise.

2. Outline of Capacity Expansion

1. Company Name	Sumitomo Seika Polymers Korea Co., Ltd.
2. Location	66, Jungheung 2-ro, Yeosu-si, Jeollanam-do, South Korea
3. Investment	About 8 billion yen
4. Planned Production Capacity Increase	59,000 tons / year (Total 118,000 tons / year incl. existing production capacity)
5. Scheduled Start of Operation	December 2018

3. Expected impact on earnings

The production capacity expansion is expected to have minimal impact on consolidated earnings of Sumitomo Seika Chemicals for the year ending March 2018.

(References) The Company's super absorbent polymer production capacity (as of April 2017):

Japan	210,000	tons / year
Singapore	70,000	tons / year
South Korea	59,000	tons / year
France (production commissioned to Arkema)	47,000	tons / year
Total	386,000	tons / year