

## **Sumitomo Bakelite (Suzhou) Co., Ltd. Introduction of new production facilities for Encapsulation of Semiconductor Devices**

Tokyo, Japan –July 28, 2021 Sumitomo Bakelite Co., Ltd. (TOKYO:4203 HQ: Shinagawa-ku, Tokyo, President and Representative Director: Kazuhiko Fujiwara) a Chinese subsidiary of Sumitomo Bakelite Co., Ltd. (Sumitomo Bakelite (Suzhou) Co., Ltd.: hereinafter “SSB”), will expand its production capacity by installing new manufacturing equipment for semiconductor packaging materials in the new facility on the same campus.

### [\[Background\]](#)

Sumitomo Bakelite Co., Ltd. estimates that it currently holds the largest worldwide market share (approximately 40%) for “SUMIKON®” EME, Epoxy Molding Compounds for Encapsulation of Semiconductor Devices. SSB started production in 1997 to serve customers in China.

In order to keep up pace with the growing Chinese market and to further increase the market share in China, SSB has been expanding production capacity of the existing lines. However, the demand for epoxy molding compounds in China would continue to increase more in line with the increased demand of semiconductors for PC and its peripheral equipment, and for home appliances buoyed by widespread remote work (and remote education) after the outbreak of COVID-19 since 2020. It is expected that SSB’s further capacity increase in the current production lines may not fulfill the increasing demand soon. Therefore, Sumitomo Bakelite Co., Ltd. has decided to install a new production line at SSB so that the overall production capacity becomes 1.5 times



Appearance of Sumitomo Bakelite (Suzhou) Co., Ltd.

The new production line will be installed in the other building on the current campus, and construction has already begun with the approval of the authorities. The equipment installation is scheduled to be completed by end of 2021, and production shall be slated from early 2022.

Investing approximately 2.5 billion Japanese yen in this is planned.

For the time being, this capacity expansion will enable us to meet demand for epoxy molding compounds in the Chinese market, but we also need to respond quickly to further increases in demand in the future.

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