

February 1, 2016

Press Release

Sumitomo Metal Mining Co., Ltd.

**Increase in Production Capacity for Lithium Tantalate & Lithium Niobate Substrates**

Sumitomo Metal Mining Co., Ltd. (SMM) has decided to increase production capacity at Sumiko Kunitomi Denshi Co., Ltd., Ohkuchi Electronics Co., Ltd., and the Ome District Division in order to further increase production of the lithium tantalite substrates and lithium niobate substrates (hereinafter referred to as "LT/LN substrates") used in chips for SAW filters for information and communication terminals.

SMM produces and sells LT/LN substrates that are used in SAW filter\* chips. In order to respond to the rapidly expanding market over recent years, SMM is enhancing production facilities at its wholly owned subsidiaries Sumiko Kunitomi Denshi Co., Ltd. located in Hokkaido and Ohkuchi Electronics Co., Ltd. located in Kagoshima, as well as at its Ome District Division located in Tokyo (as revealed on March 25, 2015), in order to achieve a production capacity of 300,000 pieces per month.

However, SMM has continued to receive requests from SAW filter manufacturers for increased production, and as such, the decision has been made to further enhance production facilities at each production site. At Sumiko Kunitomi Denshi, the decision has also been made to add a new plant building to the existing ones. With these changes, SMM's LT/LN substrate production capacity will increase to 400,000 pieces per month.

The planned facility investment outlined here is approximately six billion yen, and enhancement work is scheduled to start in February 2016 with all facilities expected to be completed by September 2017. Production capacity will be increased incrementally as each facility is completed.

SMM aims to use its strengths, which include a proven track record of producing and selling LT/LN substrates for approximately 30 years and comprehensive production technology that extends from single-crystal fabrication to wafer processing, to achieve further growth in the LT/LN substrates market.

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\*SAW (Surface Acoustic Wave) filter

This is a device that extracts an electrical signal from a specific frequency band and is incorporated in information and communication terminals such as smartphones. In addition to the rapid growth in the market for devices such as smartphones, tablet terminals, and other such products over recent years, the number of filters incorporated in each device has increased greatly due to greater communication speed and volume, which has led to a rapid increase in demand.