

Contact: K. Kuruma
President
Kaneka America Corporation
(212) 705-4360

**KANEKA CORPORATION OF JAPAN ANNOUNCES
CONSTRUCTION OF A NEW U.S. COQ10 PLANT**

Kaneka Corporation of Osaka, Japan, announced today that due to the rapid growth in consumer consumption of CoQ10, Kaneka will build a new CoQ10 plant in the United States, the major world market for this vital nutrient.

NEW \$80 MILLION PLANT This new plant will be built on a 47 acre tract in Pasadena, Texas, and will have an initial annual production capacity of 100 metric tons. It is scheduled to be completed in the Spring of 2006 at a total cost of approximately \$80 million. Kaneka says it forecasts additional expansion at this site in coming years due to projected increases in CoQ10 consumption in the United States.

NEW TEXAS SUBSIDIARY To service this new plant, Kaneka will establish a wholly-owned subsidiary, Kaneka Nutrients L.P., in Pasadena, Texas, by the end of June 2004. This subsidiary will employ approximately 60 people.

RECENT KANEKAQ10 INCREASE In order to meet increasing worldwide demand, Kaneka recently announced that it was doubling the annual production of its trademarked KanekaQ10 at its Takasago, Japan, facility to 150 metric tons as of July 2004, at a total cost of approximately \$33 million.

Current yearly consumption of CoQ10 worldwide is estimated to be about 150 metric tons, with approximately two-thirds of this demand coming from the United States. Other major world markets like Europe and Japan also show steady demand growth, leading to projections that worldwide demand for CoQ10 may double in the next five years.

LONG COQ10 PRODUCTION HISTORY Kaneka began production of CoQ10 in 1977. Since then it has been continuously supplying high-quality, natural CoQ10, under strict GMP control, to the world's food supplement industry.