

FOR IMMEDIATE RELEASE

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**KANEKA CORPORATION OF JAPAN ANNOUNCES ADDITIONAL  
EXPANSION OF COQ10 PRODUCTION FACILITIES  
TO BE COMPLETED IN OCTOBER 2005**

Kaneka Corporation of Osaka, Japan, announced today that due to the rapid growth in consumer consumption of CoQ10, Kaneka will further expand its CoQ10 production capacity at Takasago, Japan facility. This additional expansion will bring its annual production capacity in Japan to 180 metric tons. This expansion move is scheduled to be completed in October 2005 at a total cost of approximately \$23 million.

In order to meet increasing worldwide demand, Kaneka recently announced that it will build a new CoQ10 plant in the United States. This new plant will be built 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. To service this new plant, Kaneka established a wholly-owned subsidiary, Kaneka Nutrients L.P., in Pasadena, Texas in June 2004.

Today, worldwide demand for CoQ10 is exceeding expectations, especially in Japan, where CoQ10 was recently approved for cosmetic use.

Worldwide consumption of CoQ10 in 2003 is estimated to be about 150 metric tons annually, with the United States being the major market. But because of growing consumer acceptance of CoQ10 in the U.S., in Japan and in Europe, projections indicate that this worldwide demand may double in the coming years.

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.

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