

KANEKA CORPORATION

June 18, 2010

Full-scale development of biopharmaceutical manufacturing businesses: A capital alliance with the Belgian biotechnology company, Eurogentec

Kaneka Corporation (headquarters: Osaka, Japan; President: Mr. Kimikazu Sugawara) is pleased to announce a capital alliance with the biotechnology company, Eurogentec group (head office: Liège, Belgium, unlisted company), to actively develop and expand biopharmaceutical*-related businesses. Kaneka has entered into an agreement with majority shareholders of Eurogentec for acquisition of Eurogentec's majority stake. Through this acquisition, Eurogentec will become a consolidated subsidiary of Kaneka. This acquisition will be an important step to achieve 30 billion yen sales in biopharmaceutical manufacturing businesses within 10 years.

*Pharmaceutical products composed of peptides, proteins or nucleic acids created through biotechnologies such as microbial cell culture, recombinant DNA and cell fusion technologies.

Based on an advanced technology platform consisting of biotechnology, synthetic technology and various combinations thereof, Kaneka is a leading technology-driven supplier of pharmaceutical bulk and intermediates, especially of advanced chiral intermediates, for conventional synthetic small-molecule drugs*.

As a recent trend, it has been becoming more difficult to create innovative small-molecule drugs and the number of new-drug approvals is declining. On the other hand, the market for biopharmaceutical products has been growing notably in recent years*. The rapid development of biotechnology provides a greater chance for new drugs with unprecedented effectiveness against disease. The advantages of biopharmaceuticals are the higher safety and less adverse effects comparing with the conventional small-molecule drugs.

*Because conventional pharmaceutical products consist of chemically synthesized small molecules, they are called "small-molecule drugs."

*The market for contract manufacturing of biopharmaceutical products worldwide has already reached 270 billion yen, and further expansion of the market is predicted.

Since many years, Kaneka has dedicated itself to develop various biotechnologies in order to be prepared for entering the biopharmaceuticals business, e.g. basic technologies for the microbial production of protein drugs, innovative technologies for fragmented antibodies, and so on.

To materialize the contract manufacturing business for biopharmaceuticals as quickly as possible, Kaneka judged that the best way is to form a strategic alliance with an existing player who has already a good experience and facilities in this business field.

Eurogentec was founded in 1985 by Professor Joseph Martial and others as a spin-off from the University of Liège (Belgium). Eurogentec S.A. is a leading global supplier of innovative reagents, kits, specialty products and custom services to scientists in the life science, biotechnology, pharmaceutical and diagnostic markets. It has production sites and sales centers in Europe, the United States, and Japan. Eurogentec covers genomics, proteomics, and biologics business, and is engaged in the contract manufacture of biopharmaceuticals and diagnostic products as well as in sales of research reagents.

Kaneka believes that combining its proprietary technologies with current Eurogentec's business will lead to rapid establishment of Kaneka's biopharmaceutical-related business. We will further expand the businesses by investing in a new larger facility for protein drugs, and by conducting continuous reinforcement of nucleic acids business.

"Health" is one of the most important strategic fields in Kaneka's long-term vision, "Declaration of KANEKA UNITED" in which it is stated that "We will create products and materials that support peoples' health-related, medical treatment, and health care needs". Kaneka believes that being a leading supplier in the rapidly growing biopharmaceutical manufacturing business market will lead to significant growth of the company.

Outline of Eurogentec Group

Head office: Liège, Belgium

Business: Manufacture and sale of proteins, nucleic acids, and peptides for use in pharmaceutical and diagnostic products, and for use in research as well

Founded: 1985

Representative: Jean-Pierre Delwart (CEO)

Employees: about 400 (as of June 1, 2010)

Capital: 11 million Euros

Annual Sales: 41.4 million Euros (fiscal year 2009)

Main production and sales centers:

Eurogentec S.A. (Liège, Kingdom of Belgium), Eurogentec North America Inc. (San Diego, California, USA), Anaspec Inc. (Fremont City, California, USA), Nippon EGT (Toyama City)