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KANEKA CORPORATION

**Kaneka to Construct New Medical Device Plant in Hokkaido**  
- Roughly 10 billion yen investment aimed at expanding global business -

Kaneka Corporation (Headquarters: Minato-ku, Tokyo; President: Minoru Tanaka) has decided to build a new medical device plant in Tomakomai Tohbu Industrial Area (referred to below as "Tomatoh Industrial Area") in Hokkaido, northern area of Japan. The plant, which represents an investment of roughly 10 billion yen, is scheduled to go into operation in May 2024. The new plant will be a "smart factory" that offers a high level of productivity by automating and advancing its manufacturing processes. It will meet brisk worldwide demand and accelerate Kaneka's global business expansion. This will be start of a new stage of activity for the Medical Solutions Vehicle (referred to below as "Medical SV").

Kaneka does medical device business through the Medical SV both in Japan and overseas. Sales of the medical devices that it also plans to produce at the new plant are growing steadily as the result of the expansion of applications for which the devices have been approved in the U.S. and the launches of new product last year. Demand for Liposorber™, which selectively removes LDL cholesterol from the bloodstream, is expected to see grow steadily in the future, especially in Western countries. The new product Rheocarna™ has been positively received by the market as a new method for treating severe arteriosclerosis obliterans ("ASO")\*1. Demand is expected to soar in markets with large numbers of latent patients, such as the U.S. and China. Through the construction of the new plant, Kaneka aims to ensure a solid supply foundation from which it can achieve dramatic business growth.

The Medical SV (intervention, blood purification device, etc.), which meets a wide range of needs through its diverse lineup, and the Pharma Solutions Vehicle (small molecule pharmaceuticals, biopharmaceuticals, etc.), which supplies valuable solutions to pharmaceutical companies around the world, are Health Care Solutions Unit (referred to below as "Health Care SU") and are positions as drivers of Kaneka's business portfolio transformation. Kaneka plans to dramatically advance its business operations in this field, including the construction of the new plant in Hokkaido, and aims to reach 300 billion yen in Health Care SU net sales by 2030.

In 2017, Kaneka established Kaneka Hokkaido Co., Ltd. to manage its Hokkaido business operations and launched the "Hokkaido Initiative"\*2. Kaneka is engaged in distinctive business activities that leverage regional features, such as engaging in recycling-oriented dairy farming through Betsukai Wellness Farm Co., Ltd., which it established in 2020.

The Tomatoh Industrial Area, where the new plant will be constructed, is situated at a key distribution location with convenient access by land, sea, and air. It is one of the top industrial areas in Japan, with well-developed infrastructure. The new plant, which aims to be a zero-energy factory, will use Kaneka's photovoltaics. Kaneka also plans to actively use the newly acquired commercial land as a business site for areas other than the Medical business.

"There are things that we can only accomplish here. From our business site in Hokkaido, we're going to make the world's dreams come true. We're completely confident in our convictions, and we're about to go into action."

\*1 A disease that causes arteriosclerosis where stenosis and occlusion of lower limbs artery occurred, leading to impaired blood flow (ischemia). If it progresses, there is a higher risk of limb amputation or death.

\*2 This is a project to work on Hokkaido, the second new frontier, as a management strategy.

- Production activities in the agricultural, marine, dairy, and other fields
- A state of the art medical site for the medical device, biopharmaceutical, regenerative medicine and cell therapy, and other fields
- Supplying high performance fertilizer that dramatically increases productivity in the farming and livestock fields



Image of new plant