March 16, 2016



Denka Co.,Ltd. Denka Seiken Co., Ltd.

Denka Group Company Denka Seiken Completes a New Manufacturing Facility at Kagamida Plant

Denka Company Limited (headquarters: Chuo-ku, Tokyo; president: Shinsuke Yoshitaka; hereinafter "Denka") hereby announces that Denka Seiken Co., Ltd. (headquarters: Chuo-ku, Tokyo; president: Tetsuro Maeda; hereinafter "Denka Seiken"), a core Denka Group subsidiary, has completed the construction of a new manufacturing facility at its Kagamida Plant on March 15, 2016.

Denka Seiken operates two plants in Gosen City, Niigata Prefecture; the Niigata Plant and the Kagamida Plant. Now that the new manufacturing facility has been completed, the Niigata Plant's diagnostic reagent-related facilities will be relocated to the Kagamida Plant. This move is intended to establish two distinct production systems dedicated and <u>attuned</u> to the production of vaccines in the case of the Niigata Plant and diagnostic reagents in the case of the Kagamida Plant.

As for the Kagamida Plant, the introduction of the new facility and the streamlining of its entire production system will help enhance the Group's diagnostic reagent supply structure as well as its ability to ensure sustained high product quality. Meanwhile, we will secure land for additional facilities at the Niigata Plant, aiming to further augment its capacity as a core production base serving as a bulwark of our vaccine business.

On March 15, 2016, the facility's completion was marked by a celebration to which we invited Mr. Hirohiko Izumida, the governor of Niigata Prefecture, Mr. Katsumi Ito, the mayor of Gosen City, and other local government body representatives as well as people representing contractors who had worked on construction.

At the celebration, Denka President Shinsuke Yoshitaka stated Denka's commitment to continued contributions to the development of businesses in the region and the vitalization of local culture. He also discussed the Group's aspirations to further expand its operations in the life science field with Denka Seiken serving as a core operating company.

Mr. Tetsuro Maeda, the president of Denka Seiken, expressed heartfelt thanks to those who generously supported the construction of the new facility. He also explained his policy of actively pursuing R&D aimed at creating diagnostic reagents for preventing lifestyle-related diseases as well as those for detecting infectious diseases, which are posing an ever greater threat around the world with the spread globalization. In addition, Mr. Maeda reported Denka Seiken's decision to initiate clinical trials aimed at developing an intradermal influenza vaccine.

In line with the growth strategy of its Denka100 management plan, Denka is striving to focus its management resources to growth drivers and the development of next-generation products. Diagnostic reagents manufactured and marketed by Denka Seiken constitute a key product group supporting the Denka Group's expansion in the promising healthcare field. Looking ahead, the Denka Group will promote the selection and concentration of its management resources while addressing market needs to help resolve issues confronting society.



Appearance of the new manufacturing facility building

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President of Denka giving a speech at the celebration

Reference:

Please also refer to our press release entitled "Denka Seiken to Expand Its Diagnostic Reagent and Vaccine-Related Facilities," announced on July 3, 2014.

http://www.denka.co.jp/eng/news/pdf/20140703_denkaseiken_diagnosticreagents_e.pdf

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