

February 14, 2014 DENKI KAGAKU KOGYO KABUSHIKI KAISHA (DENKA)

Reorganization of the DENKA Innovation Center and Establishment of the Life Innovation Research Institute

DENKA is advancing its DENKA100 management plan (for details, please refer to the April 10, 2013 news release on DENKA's website: <u>http://www.denka.co.jp/eng/news/pdf/20130410_DENKA100_E.pdf</u>). One of the new growth strategies outlined in this plan is to focus management resources on new growth drivers and develop next-generation products. In line with this strategy, DENKA has reorganized its divisions and begun other new initiatives.

The renovation of the DENKA Innovation Center (Machida City, Tokyo) is one such initiative. Its main building is scheduled for completion in April 2014. The new Center will serve to promote open innovation, essential to DENKA's new growth strategies, as a site for future-oriented innovative research that is open to the community.

Now, as the completion of the new building approaches, DENKA has decided to reorganize the existing Central Research Institute and the vaccine and diagnostic reagent development functions of DENKA SEIKEN Co., Ltd. under the DENKA Innovation Center in order to further reinforce the Group's research network. These entities will be reorganized to create the Advanced Technologies Research Institute and Life Innovation Research Institute, effective April 1, 2014.

The Life Innovation Research Institute will combine the functions of DENKA's life science research and development departments and the next-generation reagent and vaccine development departments of DENKA SEIKEN, aiming to concentrate group resources in the healthcare field, one of the Group's new growth drivers, to create new value. We will use these combined operations to bolster the development of next-generation products.

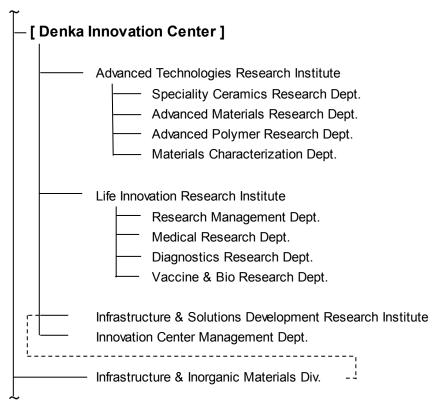
In addition, the Infrastructure & Solutions Development Center will be renamed the Infrastructure & Solutions Development Research Institute



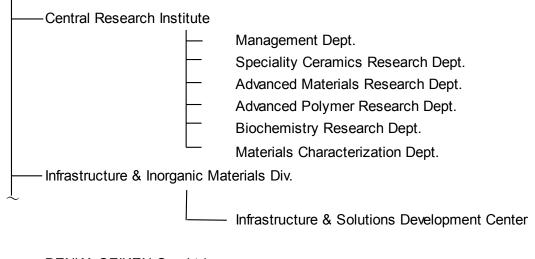
(please refer to the attached chart for details).

The nearly completed main building of the DENKA Innovation Center

New organization



Current organization



DENKA SEIKEN Co., Ltd. (a part of vaccine and diagnostic reagent development departments)