



July 3, 2014

DENKI KAGAKU KOGYO KABUSHIKI KAISHA (DENKA)  
DENKA SEIKEN Co., Ltd.

## **DENKA SEIKEN to Expand Its Diagnostic Reagent and Vaccine-Related Facilities**

DENKA (headquarters: Chuo-ku, Tokyo; president: Shinsuke Yoshitaka) hereby announces the decision made by its core Group company DENKA SEIKEN Co., Ltd. (headquarters: Chuo-ku, Tokyo; president: Tetsuro Maeda; hereinafter “DENKA SEIKEN”) to establish a new manufacturing facility that will house diagnostic reagent production lines as well as to make other capital expenditures aimed at expanding related facilities.

DENKA SEIKEN manufactures vaccines and part of its diagnostic reagent lineup at its Niigata Plant while producing the other diagnostic reagents at its Kagamida Plant. As a part of initiatives aimed at reinforcing and expanding its diagnostic reagent and vaccine businesses, DENKA SEIKEN intends to relocate its diagnostic reagent-related facilities in the Niigata Plant to the new facility building that it plans to build at the Kagamida Plant, thereby establishing an integrated diagnostic reagent production system and securing greater competitiveness. At the same time, this move is intended to facilitate the reorganization and upgrading of DENKA SEIKEN’s vaccine and diagnostic reagent supply systems for enhanced product quality management. In addition, plans call for expanding administration and R&D facility buildings to enhance our research and development capabilities.

As it approaches the centennial of its founding in 2015, DENKA is promoting the DENKA100 management plan, which sets out “Focus management resources on new growth drivers and develop next-generation products” as the Group’s growth strategy. DENKA SEIKEN manufactures and markets diagnostic reagents for rubella virus testing and other applications as well as quick diagnostic test kits for influenza viruses and noroviruses, and DENKA considers these products as essential drivers bolstering our growth in the healthcare field. The aforementioned investment is in line with our plan to focus our management resources in the healthcare field to enhance the competitiveness of our diagnostic reagent and vaccine businesses while accelerating our R&D efforts. In these ways, DENKA will remain responsive to the present and future market needs, thereby providing solutions to issues facing the society.

## 1. Outline of Investments

Total investments:	Approximately ¥6 billion
Location:	DENKA SEIKEN Co., Ltd., Kagamida Plant
Facilities to be established:	(1) New manufacturing facility building (a total floor area: approximately 12,000m <sup>2</sup> ) (2) Extension of building for administration and R&D facility (a total floor area: approximately 2,000m <sup>2</sup> )
Completion:	March 2016 (scheduled)

## 2. Anticipated Effect on Performance

The projected increase in expenses due to these investments has been included in the forecasts for the recently announced full-year operating results.

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