

### **Establishment of medical device sales subsidiary in Taiwan**

Asahi Kasei Kuraray Medical has established a subsidiary in Taipei for the sale of dialyzers and therapeutic apheresis devices, with operation beginning on April 15, 2008. The new subsidiary, Asahi Kasei Medical Trading (Taiwan) Co., Ltd. (AMT), will obtain growing sales through the provision of enhanced service and support for customers in Taiwan.

Medical devices operations are marked as a focus for growth in the Asahi Kasei Group's *Growth Action – 2010* strategic management initiative. A range of measures are being taken for business expansion, both to raise production capacity and extend marketing capabilities. Japan's leading manufacturer of dialyzers, also called artificial kidneys, Asahi Kasei Kuraray Medical supplies medical devices to over sixty countries. Its global network includes sales subsidiaries in the US, Europe, and China, and a plant in China for the assembly of polysulfone-membrane dialyzers.

Asahi Kasei Kuraray Medical has sold dialyzers in Taiwan since 1989. Taiwan is one of Asia's largest markets for dialyzers, with the number of dialysis patients estimated at some 46,000 in 2007 and increasing by some 4% annually. The start-up of AMT enables enhanced service and support for distributors and users in Taiwan, with reinforced marketing activity closely coordinated with local market needs.

Initial efforts at AMT will focus on raising market share in dialyzers, and the company will subsequently expand operations to include therapeutic apheresis devices and other products.

#### *Profile of Asahi Kasei Medical Trading (Taiwan) Co., Ltd.*

Location: Taipei, Taiwan

President: Tatsuo Hiyoshi

Establishment: January 2008

Paid-in capital: NT\$5 million (≈¥18 million)

Shareholding: 100% by Asahi Kasei Kuraray Medical

Start-up: April 2008

Products: Dialyzers of Asahi Kasei Kuraray Medical (initially)

FY2010 sales target: ¥1.6 billion

Asahi Kasei Kuraray Medical expanded capacity for polysulfone-membrane dialyzer assembly at its plant in Hangzhou, Zhejiang, China, in June 2007, and construction is in progress for a new integrated spinning and assembly plant in Nobeoka, Miyazaki, Japan, with completion in September 2008, which will raise total dialyzer production capacity to 30 million modules per year. AMT complements local sales bases Asahi Kasei Medical America Inc., Asahi Kasei Medical Europe GmbH in Germany, and Asahi Kasei Medical Trading (Hangzhou) Co., Ltd. in China as Asahi Kasei Kuraray Medical advances its strategy for the global development of operations with heightened overseas marketing capability and increasing market leadership in Asia.

*Profile of Asahi Kasei Kuraray Medical Co., Ltd.*

President: Yasuyuki Yoshida

Establishment: July 1974

Paid-in capital: ¥800 million

Shareholding: 93% by Asahi Kasei Pharma, 7% by Kuraray Medical

Head office: Tokyo, Japan

Business line:

Development, production, and sale of dialyzers and therapeutic apheresis products

Production facilities:

Nobeoka – production of hollow-fiber dialyzer membrane and other products

Oita – assembly of dialyzers and blood filters

China – assembly of dialyzers

Employees: ≈1,500 (at end of March 2008)

*Dialyzer business overview*

Number of chronic dialysis patients (as of Dec 31, 2006):

Japan – 265 thousand (incl. peritoneal dialysis)\*

Worldwide – 1.3 million (incl. Japan)†

Dialyzer market scale (2006):†

Japan – 40 million modules/year

Worldwide – 120 million modules/year

Asahi Kasei Kuraray Medical market share (2007):†

Japan – 42% (ranked No. 1)

Worldwide – 18% (ranked No. 2)

Principal dialyzer manufacturers:

Japan – Asahi Kasei Kuraray Medical Co., Ltd., Nipro Corp., Fresenius-Kawasumi Co., Ltd., Toray Medical Co., Ltd., Nikkiso Co., Ltd.

Overseas – Fresenius Medical Care AG (Germany), Gambro AB (Sweden)

\* According to the Japanese Society for Dialysis Therapy

† Asahi Kasei Kuraray Medical estimate