

Sekisui America Corporation Announces Acquisition of XenoTech, L.L.C.  
Acquisition expands the pharmacokinetics contract services business of Sekisui Medical in the U.S. markets

July 9, 2008--Sekisui Chemical Co., Ltd. (TSE: 4204), has announced that it has entered into a definitive agreement to purchase, in an all cash transaction, the privately held Contract Research Organization, XenoTech, L.L.C. which specializes in pre-clinical safety studies.

The acquisition strengthens Sekisui Medical Co., Ltd. a division of the High Performance Plastics Company, within Sekisui Chemical, by establishing a U.S. presence and expanding its customer base. The acquisition of XenoTech fulfills part of Sekisui Medical's business plan of global expansion to bring its leading products and services, which currently hold top market share in Japan, to new geographic markets. XenoTech, a leading company in the in vitro metabolism field in the U.S., is a meaningful part of the strategic business expansion and will serve as the platform for Sekisui Medical to deploy pre-clinical services internationally.

XenoTech, a privately held company founded in 1994 by Dr. Andrew Parkinson, is a Contract Research Organization with unparalleled experience and expertise in evaluating drug candidates as substrates, inhibitors and inducers of cytochrome P450 enzymes. XenoTech offers a variety of in vitro contract studies for drug candidate evaluation, as well as an extensive selection of products for drug metabolism research. Dr. Parkinson is a renowned researcher and scientist who has served as a member of the editorial board of several scientific journals, on NIH study section, is an active member of multiple scientific societies, and who has served or currently serves as a consultant to several pharmaceutical companies and the FDA.

"The acquisition expands the pharmacokinetics contract service business into the U.S. markets and provides the platform to introduce the technology and know-how of Sekisui Medical to the large U.S. marketplace," said Mutsumi Fukuda, Sekisui Medical's President. "XenoTech provides Sekisui Medical with highly experienced personnel for drug discovery and development processes in the U.S. and new customers, including major pharmaceutical companies."

In October 2006 the High Performance Plastics Company acquired Daiichi Pure Chemicals Co., Ltd. and subsequently integrated its Medical Products Division with Daiichi Pure Chemicals and changed its name to Sekisui Medical Co., Ltd. in April 2008. Sekisui Medical specializes in two business sectors with four business areas, the diagnostic sector (diagnostic reagents and diagnostic equipment areas) and the medical sector (medicine and pharmacokinetics areas). Of these business areas, the pharmacokinetics area includes contract research services to evaluate the safety and efficacy of new drug candidates produced in pharmaceutical companies. Sekisui Medical has attained the number one position in the Japanese pharmacokinetics market.

"The acquisition by Sekisui will provide XenoTech with significant scientific, distribution and financial resources to accelerate XenoTech's growth plan," said Dr. Parkinson. "The capabilities of the ADME Tox. Research Institute of Sekisui Medical are highly complementary to those of XenoTech and the combination offers customers an unparalleled service provider with an international footprint."

The transaction is subject to customary closing conditions and is expected to close at the end of July.

## About Sekisui Chemical Co., Ltd.

Sekisui Chemical Co., Ltd. (TSE: 4204) has three division companies: High Performance Plastics Company, Urban Infrastructure and Environmental Products Company (UIEP) and Housing Company. The High Performance Plastics Company produces and markets a wide range of products and services for the IT Materials Related, Automotive, Medical and other fields worldwide. UIEP activities are centered on the Water Environment Solutions Business which provides PVC pipe systems to meet the increasing demand for the establishment and replacement of water infrastructure systems all over the world. The Housing Company offers Sekisui Heim, a line of high quality industrialized houses produced with Sekisui's advanced Unit Technology. Sekisui was founded in 1947 and is headquartered in Tokyo, Japan and Osaka, Japan with 18,907 employees worldwide. The Company had revenue of more than \$8.8 billion\* (JPY 958 billion) in fiscal year 2007 through March 31, 2008. For more information, visit [www.sekisuichemical.com](http://www.sekisuichemical.com).  
\*1USD =JPY 108

## About XenoTech L.L.C.

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