

Announcement of the Absorption-type Merger (Simple merger, Short-form merger) of a Consolidated Subsidiary

Tokyo, Japan , - Seikagaku Corporation (hereafter "Seikagaku") (head office: Chiyoda-ku, Tokyo) hereby announces that the Board of Directors resolved at a meeting of held on December 20, 2011 to implement an absorption-type merger of Seikagaku's consolidated subsidiary Seikagaku Biobusiness Corporation (hereafter "Seikagaku Biobusiness") (head office: Chuo-ku, Tokyo). Since this merger is a simple merger and a short-form merger with a wholly owned subsidiary, some matters and details for disclosure have been omitted.

1. Purpose of the Merger

As Seikagaku disclosed in "Seikagaku Announces the Discontinuation of Research Reagent Business at Its Subsidiary", a press release dated March 29, 2011, Seikagaku Biobusiness will discontinue its research reagent business on March 31, 2012. Meanwhile, Seikagaku has judged that consolidating the Seikagaku Group's resources as well as integrating the operating structure is optimal for further developing the businesses related to bulk products, endotoxin and β -glucan detecting reagents that Seikagaku Biobusiness has engaged in to date. So, Seikagaku has decided to implement an absorption-type merger of Seikagaku Biobusiness.

2. Outline of the Merger

(1) Schedule of the merger

Merger resolution by the Board of Directors:	December 20, 2011
Conclusion of the merger agreement:	December 20, 2011
Planned merger date (effective date):	April 1, 2012

Note: Because this merger is considered a simple merger under the provisions of Article 796, Paragraph 3 of the Companies Act (in the case of Seikagaku), and a short form merger under the provisions of Article 784, Paragraph 1 of the Companies Act (in the case of Seikagaku Biobusiness), the merger will be implemented without approval of the merger agreement by a general shareholders' meeting of either company.

(2) Method of the merger

This merger will be a merger by absorption, with Seikagaku as the surviving company and Seikagaku Biobusiness as the dissolved company.

(3) Allocation of shares related to the merger

Since Seikagaku Biobusiness is a wholly owned subsidiary of Seikagaku, there will be no issuance of new shares, increase in capital, or payment of money delivered due to merger.

(4) Handling of new stock acquisition rights and bonds with stock acquisition rights of the dissolved company

Seikagaku Biobusiness has issued no new stock acquisition rights or bonds with stock acquisition rights.

3. Outline of the Parties to the Merger (As of March 31, 2011)

	Surviving Company	Dissolved Company
(1) Company name	Seikagaku Corporation	Seikagaku Biobusiness Corporation
(2) Head office	6-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	17-24, Shinkawa 1-chome, Chuo-ku, Tokyo
(3) Representative	Ken Mizutani, President	Shinji Harashima, President
(4) Business	Manufacturing and sales of pharmaceutical products and medical devices etc, specifically related to glycoconjugates	Sales of bulk products and manufacturing and sales of research reagents, endotoxin and β -glucan detecting reagents
(5) Capitalization	¥3,840 million	¥100 million
(6) Date of establishment	June 2, 1947	May 18, 2007 (Start of business: October 1, 2007)
(7) Issued shares	58,584,093 shares	2,000 shares
(8) Fiscal year-end	March 31	March 31
(9) No. of employees	649 (consolidated)	30 (non-consolidated)
(10) Major shareholders and shareholding ratios	<ul style="list-style-type: none"> -Shingyo KK 13.81% -KK Kaiseisha 12.84% -State Street Bank and Trust Company 7.85% -The Master Trust Bank of Japan, Ltd. (Mitsubishi Chemical Corporation retirement benefit account in trust) 5.47% -Trust & Custody Services Bank, Ltd. (Mizuho Bank, Ltd. retirement benefit account in trust re-entrusted by Mizuho Trust & Banking Co., Ltd.) 3.47% 	-Seikagaku Corporation 100.00%
(11) Financial condition and operating results for most recent fiscal year (year ended March 31, 2011)		
Total equity	¥56,106 million (consolidated)	¥5,249 million (non-consolidated)
Total assets	¥62,684 million (consolidated)	¥6,230 million (non-consolidated)
Total equity per share	¥987.67 (consolidated)	¥2,624,649.12 (non-consolidated)
Net sales	¥27,117 million (consolidated)	¥3,644 million (non-consolidated)
Operating income	¥3,533 million (consolidated)	¥788 million (non-consolidated)
Ordinary income	¥4,159 million (consolidated)	¥718 million (non-consolidated)
Net income	¥2,451 million (consolidated)	¥434 million (non-consolidated)
Net income per share	¥43.16 (consolidated)	¥217,432.25 (non-consolidated)

4. Post-merger Status

No change in Seikagaku's company name, head office, representative, business, capitalization, or fiscal year-end will result from this merger.

5. Business Outlook

Since Seikagaku Biobusiness, the dissolved company, is a wholly owned consolidated subsidiary of Seikagaku, the impact of the merger on Seikagaku's consolidated business results will be minor.

(Reference information)

Forecast of consolidated financial results for the fiscal year ending March 31, 2012 (announced on November 8, 2011) and results of operations for the fiscal year ended March 31, 2011

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Forecast of consolidated financial results for the fiscal year ending March 31, 2012	27,000	4,700	4,800	3,200
Results of consolidated operations for the fiscal year ended March 31, 2011	27,117	3,533	4,159	2,451

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