

Press Release

Degussa Japan Co., Ltd.
Shinjuku Monolith 12F
2-3-1, Nishi-Shinjuku
Shinjuku-ku
Tokyo 163-0938
www.degussa.co.jp

Shionogi & Co., Ltd.
1-8, Doshomachi 3-chome,
Chuo-ku
Osaka 541-0045
www.shionogi.co.jp

September 26, 2003

DSL. Japan Co., Ltd., a Joint Venture for Precipitated Silica, Silica Gel and Matting Agents, Begins Business

Degussa Japan Co., Ltd. (Head Office: Shinjuku, Tokyo; President: Ulrich Sieler) and Shionogi & Co., Ltd. (Head Office: Osaka; President: Motozo Shiono) have completed preparations and procedures for the establishment of a new joint venture for precipitated silica, silica gel and matting agents. The name of the new company is DSL. Japan Co., Ltd. (DSL stands for Degussa-Shionogi Limited). It will begin business as scheduled on October 1, 2003.

Degussa will provide back-up for the new company with its broad know-how and innovative production technologies for precipitated silica and matting agents, and its global sales network supported by the Technology Service Center. Shionogi & Co., Ltd. will transfer to the new company its precipitated silica and silica gel production, marketing and research and development divisions, which have conducted an industrial chemicals business for many years. In Japan, the products of both companies will be sold through Degussa Japan Co., Ltd. Through the concerted efforts of both companies, a mutually beneficial expansion of the product lineup and growth of research and development in the Asian market is expected.

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T:+81-6-6209-7885
F:+81-6-6229-9596
Tokyo
T:+81-3-3406-8164
F:+81-3-3406-8099

The profile of the new company is as follows;

1. Company Name DSL. Japan Co., Ltd.
2. Address Shinjuku Monolith 12F
 2-3-1, Nishi-Shinjuku
 Shinjuku-ku
 Tokyo 163-0938 Japan
 TEL: +81-3-5323-7421 FAX: +81-3-5323-7398

 Plant 1125, Kariya, Akoh
 Hyogo 678-0239 Japan
 TEL: +81-791-42-2050 FAX: +81-791-42-2134
3. Established August 25, 2003 (Business start date: October 1, 2003)

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|-------------------------|--|
| 4. Capital | 400 million yen |
| 5. Share | Degussa Japan, Co. Ltd. 51%
Shionogi & Co., Ltd. 49% |
| 6. Board of Directors | Takehiko Ito, Chairman and Representative Director
(Currently Representative Managing Director of Degussa Japan Co., Ltd.)
Winfried Ries, President and Representative Director
Kaoru Miyashita, Vice President and Representative Director
(Currently General Manager of Industrial Chemicals Division, Shionogi & Co., Ltd.) |
| 7. Business Description | Precipitated silica, silica gel and matting agents business |
| 8. Sales | Approximately 3,000 million yen (planned) |

About Degussa

Degussa is a multinational corporation consistently aligned to highly profitable specialty chemistry. With sales of 11.8 billion Euro and a workforce of some 48.000, it is Germany's third-largest chemical company and the world market leader in specialty chemicals. In fiscal 2002, the corporation generated operating profits (EBIT) of more than 900 million Euro. Degussa's core strength lies in highly effective system solutions that are tailored to the requirements of its customers in over 100 countries throughout the world. Degussa's activities are led by the vision "Everybody benefits from a Degussa product - every day and everywhere."

About Shionogi

Shionogi & Co., Ltd. is a major research-driven Japanese pharmaceutical manufacturer. The company's primary businesses are research and development, manufacturing, marketing and import and export sales of pharmaceuticals and diagnostics. Shionogi follows a basic policy of continually providing the superior medicines essential to people's health. For more details, please visit www.shionogi.co.jp.

(For Reference)

Degussa AG

Head Office: Bennisenplatz 1
40474 Düsseldorf
Nordrhein-Westfalen, Germany

Capital: 206 million Euro

CEO: Prof. Dr. Utz-Hellmuth Felcht

Employees: 48,000 (as of March 31, 2003)

Sales: 11.8 billion Euro (1,394 billion yen) (December 2002)

Degussa Japan Co., Ltd.

Head Office: Shinjuku Monolith 12F, 2-3-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-0938

Capital: 498 million yen

President: Ulrich Sieler

Employees: 120 (as of September 2003)

Sales: 14.5 billion yen (December 2002)

SHIONOGI & Co., Ltd.

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Head Office: 1-8, Doshomachi 3-chome, Chuo-ku Osaka 541-0045,
Japan
Capital: 21,279 million yen
President: Motozo Shiono
Employees: 4,744 (As of March 31, 2003)
Sales: 285.2 billion yen (March 2003, consolidated)