

Press Release

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Degussa and Shionogi establish Precipitated Silica/Silica Gel/Matting Agents Joint Venture in Japan

June 24, 2003

Prof. Dr. Utz-Hellmuth Felcht, CEO of Degussa AG, Duesseldorf/Germany and Mr. Motozo Shiono, President of Shionogi & Co., Ltd., Osaka/Japan jointly announce in Tokyo that Degussa and Shionogi will establish a joint venture in Japan for precipitated silica, silica gel and matting agents.

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The joint venture will commence operation on October 1, 2003 and expects in the first year sales of approx. Yen 3 billion (US \$ 25,5 million). Degussa will hold through its subsidiary Degussa Japan Co., Ltd., Tokyo, 51% of the new venture's shares whereas Shionogi will have 49%.

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„By this step we accomplish two objectives: we sharpen our focus on our pharmaceutical business and by joining forces with Degussa we help building a better future for our silica, silica gel and matting agents activities“ said Mr. Shiono. Being a part of its Industrial Chemicals Division Shionogi will transfer production, sales and R&D activities to the new joint venture.

Prof. Felcht pointed out: “By the formation of this new joint venture Degussa realizes the next step in its silica strategy in Asia. From now on we will use the new venture to systematically grow and expand Degussa's silica business in Japan and Asia/Pacific.” The new venture will benefit from Degussa's broad know how in precipitated silicas and matting agents, innovative product development and global distribution net work backed up by several applied technology centers.

[Reference]

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Degussa AG

Head Office: Bennigsenplatz 1, 40474 Düsseldorf
Capital Euro 206 million
CEO: Prof. Dr. Utz-Hellmuth Felcht
Employees: 48,000 (as of March 2003)
Sales: 11.8 billion Euro (December 2002)

Degussa Japan Co., Ltd.

Head Office: 12F Shinjuku Monolith, 2-3-1 Nishi-Shinjuku,
Shinjuku-ku, Tokyo 163-0938
Capital Yen 498 million
President: Dieter Pfeiffer
Employees: 120 (as of March 2003)
Sales: Yen 14.5 billion (December 2002)

Shionogi & Co., Ltd.

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