



KYOWA HAKKO BIO CO., LTD.

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June 27, 2011

Dear Valued Customer,

Due to world price increases of corn and fuel, we have been adversely impacted by the increase in cost we pay for production of our amino acids. For example, heavy oil and corn based syrup prices are at significantly higher levels than previous years and this trend is continuing.

Despite these increases, we have withheld taking any pricing action as long as possible in the hope that this would not be necessary. Unfortunately, the continued high prices of the materials above and the adverse impact it has on our operating costs forces us to impose a price increase.

Effective immediately, we will implement approximately ten percent price increase on all new business for all of our products.

We share your concern in this matter. We are keenly aware that our continued success depends upon our ability to provide you with superior quality and service at the lowest possible cost. Even with this adjustment, we believe you'll find we still provide the best value for our products.

We appreciate your understanding of this situation and look forward to serving you now and in the future.

Sincerely yours,

Chikakuni Kotani,  
General Manager, Fine Chemicals Department  
KYOWA HAKKO BIO CO., LTD