

(Translation from Japanese Press Release)

Transfer of sales & distribution business of dialysis products from Fresenius Medical Care Japan and hand over of Nikkiso's Korean dialysis business to Fresenius Medical Care

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Nikkiso Co.,Ltd.

Nikkiso and Fresenius Medical Care (“FMC”) have agreed that Fresenius Medical Care Japan (“FMCJ”) appoints and transfers to Nikkiso its dialysis products sales & distribution business in Japan and that Nikkiso hands over to FMC the entire shareholding of Nikkiso Medical Korea, its 100% ownership dialysis related sales subsidiary in Korea to FMC Korea.

1. Outline of sale and distribution transfer

Nikkiso's main business is consisted of Industrial Division and Medical Division. In the field of Medical Division, Nikkiso is the first company to introduce hemodialysis machines to Japan. Presently, Nikkiso maintains the largest share of dialysis machines in Japan and provides various products as a comprehensive dialysis manufacturer, including PEPA dialyzers, which was developed by Nikkiso, bloodlines, and dialysis concentrates.

FMC, having its headquarters in Germany, is the world largest dialysis related business group and FMCJ is its subsidiary in Japan.

Based on the agreement, FMCJ appoints and transfers its entire sales business of dialyzers in Japan to Nikkiso. Nikkiso will distribute FMC's dialyzers in the Japanese market in addition to its own brand of PEPA dialyzers. By expanding its product line-up with the Fresenius' polysulfone dialyzers and based on high confidence from its customers and the extensive sales network in Japan, Nikkiso is aiming to strengthen its dialysis consumables business. Nikkiso will also take over the maintenance services for the existing dialysis machines of FMCJ.

FMCJ will also appoints and transfers its peritoneal dialysis (“PD”) related sales and distribution business to Nikkiso and Nikkiso aims at further developing its home dialysis business along with the home hemodialysis business which it has been successfully promoting.

In the meantime, the existing customers of FMCJ (including FUSO Pharmaceutical Industries, Ltd) will be succeeded by Nikkiso and both companies will do their best to maintain its good relationship.

From now on, FMCJ will focus on the manufacturing, developing, and importing of dialysis products in Japan.

By this new business scheme, Nikkiso and FMCJ strive to contribute to the comprehensive dialysis treatment covering both hemodialysis and peritoneal dialysis.

2. Transfer of Nikkiso's dialysis business in Korea

Nikkiso hands over Nikkiso Medical Korea, its dialysis business subsidiary in Korea to FMC Korea and ceases its dialysis related business in Korea.

3. Schedule

Transfer Date : Aug. 2010 or later (expected)

4. Outlook

Nikkiso anticipates net sales increase through its own sales network as well as existing track record of FMCJ's dialyzer sales. As for FY ending Mar. 2011, the effect to its financial result is forecasted to be minor. However, by expediting the upgrade of sales force including PD products, Nikkiso will materialize further sales increase.

<For reference, the overview of Fresenius Medical Care>

FMC, with its headquarters in Germany, is the world largest dialysis-related business group, developing its business at a global level with over 115 countries in the world, manufacturing and marketing hemodialysis machines, dialyzers, bloodlines, dialysis concentrates, and peritoneal dialysis-related products and running dialysis clinics. In 2009, its revenue was USD 11,247 million (about JPY 1 trillion)

FMCJ is FMC's 100% subsidiary in Japan, established in October 1993.