

April 1, 2011  
Denki Kagaku Kogyo Kabushiki Kaisha

## Regarding Impacts of the Pacific Coast of Tohoku Earthquake (Release No. 2)

We at Denki Kagaku Kogyo express our most heart-felt condolences to all those affected by the Pacific Coast of Tohoku Earthquake.

Below, we provide an update on the impacts of the earthquake on our Group's operations.

### 1. Impacts on Production

- Certain production facilities for styrene monomer and other petrochemical products at our Chiba Plant have been affected by raw material shortages resulting from fire at the petrochemicals complex and other damage suffered by suppliers. A gradual return to normal operations is expected to begin in early April.
- Rolling blackouts, and other electric power supply restrictions imposed by Tokyo Electric Power Company have affected production of films, sheets, and other processed resin products, and electronics components, at the Isesaki and Shibukawa plants in Gunma Prefecture, the Ofuna Plant in Kanagawa Prefecture, and other facilities, as well.
- Temporary shipment stoppages and supply restrictions due to quake or tsunami damage suffered by raw material and fuel suppliers, rolling blackouts, and other factors have caused significant supply chain disruptions.
- We are doing everything possible to minimize impacts on our production. This includes measures like making the most of our in-house power generation capabilities, securing raw materials from overseas suppliers, revising our production plans as necessary, and increasing production at the Group's plant in Singapore. Despite our best efforts, however, production impacts like those mentioned above are inevitable and the probability of an unavoidable decline in output is significant.
- As we continue to do everything we can to stabilize our product supply, we would like to ask our customers for their understanding of the circumstances we are dealing with and to contact the relevant business units regarding details about deliveries and other matters concerning specific products.

### 2. Impacts on Business Results

How the earthquake and tsunami will impact our business results forecast is still unclear, but we will immediately announce any major changes as they become evident.