

## **DENKA to Withdraw from the Vinyl Acetate Monomer Business**

DENKI KAGAKU KOGYO KABUSHIKI KAISHA  
(DENKA)

DENKA (president: Shinsuke Yoshitaka) announces its decision to withdraw from the manufacture and sale of vinyl acetate monomer (vinyl acetate). Vinyl acetate production at DENKA's Chiba Plant will conclude on April 30, 2014, and sales will conclude on June 30, 2014.

Domestic demand for vinyl acetate has contracted due to a long-term decrease in the number of new homes being built and the shift of many adhesives-related customers' manufacturing bases to locations overseas. As a result, vinyl acetate has come to be in chronic over-supply. At the same time, vinyl acetate manufacturing continues to attract capital investment overseas, further contributing to the prolonged harsh conditions in the market environment.

Amid these conditions, our exhaustive efforts to cut costs have failed to wholly offset the effects of the deteriorating business environment, and we have determined that it would be extremely difficult to secure enough profit to sustain business operations. Accordingly, we have decided to withdraw from the vinyl acetate business.

In May 2012, DENKA consolidated two styrene monomer production facilities at the Chiba Plant into a single facility. Now, the withdrawal from the vinyl acetate business represents the next step in a shift of management resources from basic petrochemical products to higher value-added products.

DENKA will continue to manufacture such acetyl chemical products as POVAL, EVA and SAKNOHOL to meet the needs of its customers.

We apologize for any inconvenience to our vinyl acetate customers and ask for their understanding of the circumstances surrounding this decision.

### **Outline of DENKA's vinyl acetate business and schedule of withdrawal**

Plant:	The Chiba Plant (Ichihara, Chiba)
Production capacity:	60,000 tons/year
Schedule:	Conclusion of manufacture on April 30, 2014 Conclusion of sales on June 30, 2014

#### **For inquiries:**

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