Denka

July 17, 2026

Denka Company Limited

Notice of Withdrawal from the DENKA ER Business

Denka Company Limited (Head Office: Chuo Ward, Tokyo; Representative Director and President: Ikuo Ishida; hereinafter “the Company”) has decided to withdraw from the business of specialty rubber “DENKA ER,” a copolymer of ethylene, vinyl acetate, and acrylic acid ester, as part of the Management Plan "Mission 2030" Phase 2 (FY2026–FY2028). This move supports efforts to rebuild earning power and lay the foundation for a new growth stage.

Launched in April 1982 as a specialty rubber developed in-house by the Company, the product offers excellent heat and oil resistance that bridges the performance gap between acrylic rubber and fluorocarbon rubber. It has been sold primarily as a material for automotive hoses. Recently, however, the automotive market has undergone changes, including the transition toward electric vehicles (EVs) and the decline in production of internal combustion engine vehicles. Given these circumstances, the Company has determined that future demand growth is unlikely and securing stable earnings would be difficult, leading to this decision.

The impact of this move on the Company’s consolidated financial results for the fiscal year ending March 2027 is expected to be minimal. Should any matters arise that require disclosure in the future, they will be announced promptly.

Under its Management Plan “Mission 2030,” the Company will continue to optimize its business portfolio and, by concentrating management resources on growth areas, work to enhance sustainable corporate value.

Overview of the Withdrawn Business

Business Description: Copolymer of ethylene, vinyl acetate, and acrylic acid ester

Product Name: DENKA ER

Applications: Rubber components for automobiles and machinery, etc.

Production Site: Chiba Plant (Ichihara City, Chiba Prefecture)

Production End Date: August 2028 (Sales to end by March 31, 2030)

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