



December 5, 2007

DENKA receives from European Commission regarding Chloroprene Rubber

Denki Kagaku Kogyo K.K. (DENKA) and its subsidiary Denka Chemicals GmbH (Head office: Düsseldorf, Germany) received a decision from the European Commission on December 5, 2007 that a total fine of 47 million Euros (approximately 7.6 billion yen) is to be imposed for acts of anti-competitive behavior to the sale of chloroprene rubber in Europe between 1993 and 2002.

Regarding this decision by the European Commission, we will conduct a close examination of this decision and will deal with the issue in a fair and appropriate manner, including filing to the Court of First Instance.

Further, the effect of this matter upon financial impact is unclear at the present, so DENKA will not revise its full-year financial forecast for the year ending March 2008. And if necessary, DENKA will separately announce the impact on its financial impact.