

NEWS RELEASE

SHOWA DENKO K.K.

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SDK to Postpone Transfer of Automotive Air-Conditioner Heat Exchanger Business

Showa Denko K.K. (SDK) has decided to postpone the transfer of its automotive air-conditioner heat exchanger business to Keihin Corporation (Keihin) from the originally scheduled date of October 1, 2011 to January 1, 2012. The three-month postponement is due to expected delay in competition-law-based procedures in China.

SDK announced on August 2, 2011 that the company will split its automotive air-conditioner heat exchanger business on October 1, 2011 based on an absorption-type split agreement, with SDK serving as the splitting company and Thermal Technology Corporation as the succeeding company. In the same announcement, SDK said it will transfer its shares in Thermal Technology to Keihin on October 1, 2011. Following the postponement of business transfer, however, SDK has decided to also postpone the company split to January 1, 2012.

As a result of this postponement, SDK's consolidated net sales for 2011 will increase by around ¥6 billion. However, the postponement will have only slight influence on SDK's consolidated operating income and net income for 2011.

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