

## Third-Party Opinions



### ASSURANCE STATEMENT

#### INDEPENDENCE ASSURANCE STATEMENT

SGS Japan's Report on Sustainability activities in the Showa Denko CSR Report 2009

#### NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Japan was commissioned by Showa Denko K.K. to conduct an independent assurance of the CSR Report 2009. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report. Financial data was not included in this assurance process.

The information in the CSR Report 2009 of Showa Denko K.K. and its presentation are the responsibility of the governing body and the management of Showa Denko K.K. SGS Japan has not been involved in the preparation of any of the material included in the CSR report 2009.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification.

The SGS Group has developed a set of protocols for the Assurance of Sustainability Reports based on current best practice guidance provided in the Global Reporting Initiative Sustainability Reporting Guidelines (2006) and the AA1000 Assurance Standard (2008). These protocols follow differing levels of Assurance depending the reporting history and capabilities of the Reporting Organisation.

This report has been assured using our Level 1 protocol for content veracity.

The visited sites for this assurance are Showa Denko K.K. head office and Chichibu Plant. The assurance comprised a combination of pre-assurance research, interviews with top management, validation with external bodies and stakeholders (at head office), interviews with managers and persons in charge of producing the report and providing information contained in the report as well as review of related materials and verification and confirmation of sampled data using documentation (at head office and Chichibu Plant).

#### STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS Japan affirms our independence from Showa Denko K.K. being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience of the industry and qualifications for this assignment, and comprised auditors who are registered with EMS, QMS, OHSAS, GHG Lead Auditors and IRCA Registered Sustainability Assurance Practitioner.

#### VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within Showa Denko CSR Report 2009 verified is accurate, reliable and provides a fair and balanced representation of the organisation's sustainability activities during the reporting period.

Signed:

For and on behalf of SGS Japan Inc.

Masahiro Soga, Managing Director

11<sup>th</sup> August, 2009

## CSR Report 2009 Response to third-party assessments

As part of its medium-term CSR plan, the Showa Denko Group has continued to make progress in creating an infrastructure for CSR in the following three stages: establishing a foothold; firm establishment; and further development. The CSR plan is linked to the Passion Project medium-term consolidated business plan that we began to implement in 2006. In 2008, the final year of the medium-term CSR plan, we stepped up our Responsible Care activities and had a continuing dialogue with all stakeholders. These efforts were based on continuous improvement in compliance and risk-management systems developed by 2007, as well as the concept for the third stage, namely, further development of CSR activities.

Although we made steady progress in developing control structures through the plan-do-check-act (PDCA) cycle in the areas of compliance and risk management, phosgene gas leaks occurred at the Higashinagahara Plant. As we make sure that all sites within the Group learn a lesson from this experience, we will take every measure to ensure thorough application of the PDCA cycle to risk management so as to prevent the recurrence of such incidents.

In the area of dialogue with stakeholders, as part of our efforts to ensure our facilities establish deep roots in the local communities in which we operate, we focused on enhancing communication in various ways, including sponsorship of chemistry education within the community and the drafting of site-specific CSR reports. Most of our sites will issue their own site-specific CSR reports in 2009 to report on 2008 activities. We will perform various communication activities throughout the Group, including support for education within our communities and site-specific CSR reports, in order to solidify our identity as a group of companies trusted by the local communities in which we operate.

For Showa Denko, as an organization seeking to contribute to the sound growth of society through its activities, efforts to combat global warming represent a key topic. In 2008, the Group cut volumes of greenhouse gas emissions from its facilities by 7% from the 1990 levels, meeting and surpassing its goal of 6% reductions, without resorting to emissions trading. We will continue fulfilling our responsibilities as a member of international society by developing unique and individualized technologies in the areas of environmental protection and energy conservation, while continuing to reduce greenhouse gas emissions.

In our future initiatives, we will highly respect SGS Japan Inc.'s comments regarding the provision of accurate and detailed information to society, considering the comments as invaluable viewpoints expressed by the broader society. In addition to strengthening dialogue with stakeholders and establishing a system for incorporating viewpoints and requests of our stakeholders, we will seek to be a Group worthy of even deeper trust by society. We will do this by enhancing internal Group verification and communicating the most accurate information possible.

We wish to express our gratitude to the inspection personnel for their broad-ranging and detailed inspections. We will continue to incorporate the opinions expressed to advance the CSR initiatives of the Showa Denko Group, as we strive to be an enterprise trusted and valued by society through business efforts that advance the sound growth of society.

#### Norikuni Imoto

Representative Director and  
Senior Managing Corporate Officer,  
Chief Risk Management Officer (CRO)  
Showa Denko K.K.

# SHOWA DENKO

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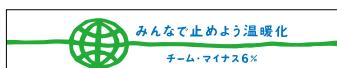
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As a member of GPN, Showa Denko is promoting green purchasing of printing.



Showa Denko is striving to reduce greenhouse gas emissions in support of the Ministry of Environment's campaign to combat global warming.



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