

First Quarter, 2011 Consolidated Financial Results (Summary)

1. Summary

(Unit: billions of yen)

Items	2010 CQ1 Jan. 1 - Mar.31	2011 CQ1 Jan. 1 - Mar.31	Increase
Net Sales	187.7	193.0	5.3
Operating Income	7.0	9.4	2.3
Net Income	3.5	2.6	-0.9
Gap between interest expense and interest/dividend income	-1.3	-1.1	0.2

Items	Dec. 31, 2010	Mar. 31, 2011	Increase
Total assets	924.5	925.2	0.7
Interest-bearing debt	351.0	364.9	13.9

[First half, 2011 forecast]

First half 2011 Forecast
415.0
17.0
6.5

*First half 2011 forecast was announced on Feb.9, 2011.

2. Net Sales and Operating Income by Segment

(Unit: billions of yen)

Segment		2010 CQ1 Jan. 1 - Mar.31	2011 CQ1 Jan. 1 - Mar.31	Increase
Petrochemicals	Net Sales	46.2	58.9	12.7
	Operating Income	0.3	2.1	1.8
Chemicals	Net Sales	32.4	32.5	0.1
	Operating Income	2.0	1.7	-0.3
Electronics	Net Sales	36.0	26.5	-9.5
	Operating Income	2.7	2.1	-0.6
Inorganics	Net Sales	18.1	19.7	1.6
	Operating Income	1.3	2.5	1.2
Aluminum	Net Sales	30.6	29.7	-0.9
	Operating Income	1.6	1.6	0.0
Others	Net Sales	35.8	38.0	2.1
	Operating Income	0.2	0.7	0.5
Adjustment	Net Sales	-11.4	-12.2	-0.8
	Operating Income	-1.1	-1.4	-0.3
Total	Net Sales	187.7	193.0	5.3
	Operating Income	7.0	9.4	2.3

[First half, 2011 forecast]

First half 2011 Forecast
110.0
2.0
65.0
3.0
80.0
7.5
40.0
4.0
65.0
3.5
75.0
0.5
-20.0
-3.5
415.0
17.0

(Note) As from the first quarter 2011, Showa Denko K.K. changed the segment classification and the number of segments increased from five to six. Segment figures for CQ1 2010 are reclassified in accordance with the new segmentation, for the reference purpose only.

3. Reference

[First half, 2011 forecast]

	2010 CQ1 Jan. 1 - Mar.31	2011 CQ1 Jan. 1 - Mar.31	Increase
Exchange rate (yen/US\$)	91	82	-8
Domestic naphtha price (yen/kl)	47,700	52,200	4,500

First half 2011 Forecast
85
48,800

The above forecast is based on information available as of Feb. 9, 2011 and our assumptions as of Feb. 9, 2011, about risk factors that could affect our future performance.

(Reference)

Reclassification of segment (by applying "management approach")

From 2011 first quarter, Showa Denko K.K. changed the segment classification and the number of segments increased from five to six. The new segmentation reflects our internal business divisions ("management approach") following a change in Japanese accounting standard. For your reference, 2010 first quarter segment figures are reclassified according to the new segmentation.

2010 First quarter (Previous year) Net sales and Operating Income by Segment (Reference)

(Unit: billions of yen)

Segment		Previous segmentation (Before application of management approach)
Petrochemicals	Net sales	64.2
	Operating Income	1.0
Chemicals	Net sales	21.8
	Operating Income	1.1
Electronics	Net sales	42.6
	Operating Income	2.5
Inorganics	Net sales	17.4
	Operating Income	1.1
Aluminum	Net sales	41.8
	Operating Income	1.8
HQ costs and other	Net sales	—
	Operating Income	-0.6
Total	Net sales	187.7
	Operating Income	7.0



(Unit: billions of yen)

Segment		New segmentation (After application of management approach)
Petrochemicals	Net sales	46.2
	Operating Income	0.3
Chemicals	Net sales	32.4
	Operating Income	2.0
Electronics	Net sales	36.0
	Operating Income	2.7
Inorganics	Net sales	18.1
	Operating Income	1.3
Aluminum	Net sales	30.6
	Operating Income	1.6
Others	Net sales	35.8
	Operating Income	0.2
Adjustment	Net sales	-11.4
	Operating Income	-1.1
Total	Net sales	187.7
	Operating Income	7.0

(Major Changes)

【Previous segments】

【New segments】

