

Third Quarter, 2011 Consolidated Financial Results (Summary)**Third Quarter Results 2011****1. Summary**

Items	(Unit: billions of yen)			(Unit: billions of yen)			2011 Forecast
	2010 CQ3 Jul.1 - Sept.30	2011 CQ3 Jul.1 - Sept.30	Increase	2010 Jan.1 - Sept.30	2011 Jan.1 - Sept.30	Increase	
Net Sales	200.3	225.1	24.9	584.4	641.6	57.3	870.0
Operating Income	9.8	16.8	7.0	27.5	38.9	11.3	45.0
Net Income	1.7	9.6	7.9	9.4	17.5	8.1	21.0
Gap between interest expense and interest/dividend income	-1.3	-1.2	0.1	-3.4	-3.3	0.2	

[2011 forecast]

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

Items	(Unit: billions of yen)			(Unit: billions of yen)		
	Jun. 30, 2011	Sept. 30, 2011	Increase	Dec. 31, 2009	Sept.30, 2011	Increase
Total assets	927.4	932.7	5.4	924.5	932.7	8.2
Interest-bearing debt	359.3	355.6	-3.7	351.0	355.6	4.6

2. Net Sales and Operating Income by Segment

Segment		(Unit: billions of yen)			(Unit: billions of yen)			2011 Forecast
		2010 CQ3 Jul.1 - Sept.30	2011 CQ3 Jul.1 - Sept.30	Increase	2010 Jan.1 - Sept.30	2011 Jan.1 - Sept.30	Increase	
Petrochemicals	Net Sales	53.4	64.0	10.6	144.1	191.1	47.0	240.0
	Operating Income	0.6	1.0	0.4	0.8	5.1	4.3	5.0
Chemicals	Net Sales	32.3	31.6	-0.7	98.1	97.9	-0.2	135.0
	Operating Income	0.6	-0.5	-1.1	4.0	2.3	-1.6	7.0
Electronics	Net Sales	32.9	52.1	19.2	105.7	120.6	14.9	180.0
	Operating Income	3.5	12.5	9.0	10.5	20.0	9.5	23.0
Inorganics	Net Sales	20.4	18.8	-1.6	58.9	58.9	0.0	90.0
	Operating Income	3.3	2.5	-0.8	7.3	8.1	0.8	10.0
Aluminum	Net Sales	34.1	32.7	-1.4	98.8	94.4	-4.4	120.0
	Operating Income	2.4	2.4	0.0	6.9	6.0	-0.9	7.0
Others	Net Sales	39.5	36.7	-2.9	114.6	113.2	-1.3	150.0
	Operating Income	0.7	0.3	-0.4	1.3	1.8	0.5	1.0
Adjustment	Net Sales	-12.4	-10.7	1.7	-35.8	-34.5	1.3	-45.0
	Operating Income	-1.3	-1.4	-0.1	-3.3	-4.5	-1.2	-8.0
Total	Net Sales	200.3	225.1	24.9	584.4	641.6	57.3	870.0
	Operating Income	9.8	16.8	7.0	27.5	38.9	11.3	45.0

[2011 forecast]

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

Segment		(Unit: billions of yen)		
		2011 CQ1 Jan.1 - Mar.31	2011 CQ2 Apr.1 - Jun.30	2011 CQ3 Jul.1 - Sept.30
Petrochemicals	Net Sales	58.9	68.2	64.0
	Operating Income	2.1	2.0	1.0
Chemicals	Net Sales	32.5	33.9	31.6
	Operating Income	1.7	1.1	-0.5
Electronics	Net Sales	26.5	42.1	52.1
	Operating Income	2.1	5.4	12.5
Inorganics	Net Sales	19.7	20.3	18.8
	Operating Income	2.5	3.2	2.5
Aluminum	Net Sales	29.7	32.0	32.7
	Operating Income	1.6	2.0	2.4
Others	Net Sales	38.0	38.6	36.7
	Operating Income	0.7	0.8	0.3
Adjustment	Net Sales	-12.2	-11.5	-10.7
	Operating Income	-1.4	-1.7	-1.4
Total	Net Sales	193.0	223.5	225.1
	Operating Income	9.4	12.7	16.8

(Note) 1. 2010 segment figures are reclassified by the new segmentation, for the reference purpose only.

2. Amount of "Adjustment" includes company-wide costs which are not allocated to each segment.

2. Cash dividends

Item	(Unit: yen)	
	2010	2011 Forecast (Announced on Feb.9)
Cash dividends per share	3.0	3.0

3. Reference (Consolidated)

Item	2010 CQ3 Jul.1 - Sept.30	2011 CQ3 Jul.1 - Sept.30	Increase
Exchange rate (yen/US\$)	85.9	77.9	-8
Domestic naphtha price (yen/kl)	42,700	54,900	12,200

The performance forecast for 2011 is based on the economic conditions and the Company's business policy at this point of time. Please note that actual results may differ materially from the forecast due to a variety of factors, including changes in the market conditions.

(Reference)

Reclassification of segment (by applying "management approach")

As from FY 2011, Showa Denko K.K. changes 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 segment figures are reclassified according to the new segmentation.

CO1, CO2, CO3 2010 (Previous year) Net sales and Operating Income by Segment (Reference)

(Unit: billions of yen)

Previous segmentation (Before application of management approach)		CQ1, 2010 (Jan.-Mar.)	CQ2, 2010 (Apr.-Jun.)	CQ3, 2010 (Jul.-Sep.)
Petrochemicals	Net Sales	64.2	62.3	71.5
	Operating Income	1.0	0.6	1.1
Chemicals	Net Sales	21.8	22.8	21.5
	Operating Income	1.1	1.1	0.4
Electronics	Net Sales	42.6	44.2	40.3
	Operating Income	2.5	4.2	3.3
Inorganics	Net Sales	17.4	19.8	19.7
	Operating Income	1.1	2.6	3.1
Aluminum	Net Sales	41.8	47.3	47.2
	Operating Income	1.8	2.7	2.7
HQ costs and other	Net Sales	—	—	—
	Operating Income	-0.6	-0.5	-0.9
Total	Net Sales	187.7	196.4	200.3
	Operating Income	7.0	10.7	9.8

(Unit: billions of yen)

New segmentation (After application of management approach)		CQ1, 2010 (Jan.-Mar.)	CQ2, 2010 (Apr.-Jun.)	CQ3, 2010 (Jul.-Sep.)
Petrochemicals	Net Sales	46.2	44.5	53.4
	Operating Income	0.3	-0.0	0.6
Chemicals	Net Sales	32.4	33.4	32.3
	Operating Income	2.0	1.4	0.6
Electronics	Net Sales	36.0	36.9	32.9
	Operating Income	2.7	4.3	3.5
Inorganics	Net Sales	18.1	20.4	20.4
	Operating Income	1.3	2.7	3.3
Aluminum	Net Sales	30.6	34.1	34.1
	Operating Income	1.6	2.9	2.4
Others	Net Sales	35.8	39.2	39.5
	Operating Income	0.2	0.5	0.7
Adjustment	Net Sales	-11.4	-12.0	-12.4
	Operating Income	-1.1	-0.9	-1.3
Total	Net Sales	187.7	196.4	200.3
	Operating Income	7.0	10.7	9.8

(Major Changes)

【Previous segments】

Petrochemicals	Olefins, Organic chemicals Former Showa Highpolymer Co., Ltd.
Chemicals	Chemicals (AN, chloroprene rubber, ammonia, industrial gases, etc.)
Electronics	Hard disk Compound semiconductors Rare earth magnetic alloys
	High-purity gases for semiconductor processing
	Others Fine ceramics Advanced battery materials
Inorganics	Ceramics Graphite electrodes
Aluminum	Rolled products (High purity foils for capacitors) Extrusions/specialty products (Aluminum cylinders for LBP) Shotie Heat exchangers Aluminum cans IPP (independent power provider) Showa Denko Packaging Co., Ltd.
	Shoko Co., Ltd. (allocated business-wise)

【New segments】

Petrochemicals
Chemicals
Electronics
Inorganics
Aluminum
Others

