

NEWS RELEASE

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SDK to Change Organization for Electronics Business

Showa Denko K.K. (SDK) has decided to change the organization for its electronics business effective September 16, 2008 to accelerate the growth of the business. Under the new organization, hard disk media (the growth driver) and new growth drivers, including LED, will be separated into two different business sectors, both under the direct supervision of President & CEO. This is intended as a measure to clarify and strengthen responsibilities for executing respective businesses and increase the speed of growth.

Furthermore, as the rare earth business has been globalized with production facilities both in Japan (Chichibu) and China (Inner Mongolia and Jiangxi Province), SDK has decided to create an independent division for the business. Details of the organizational changes are as follows:

1. An HD Sector will be created, taking over all functions of the existing HD Division, Electronics Sector. The HD Sector will have Planning Office, Marketing Department, CS Department, Technology Development Department, and Production & Technology Control Department. The HD Division will be abolished.
2. A Rare Earth Division will be created within the Electronics Sector. The division will have Marketing Department and Production & Technology Control Department.
3. The jurisdiction over the Chiba Regional Office will be moved from the Electronics Sector to the HD Sector.
4. The jurisdiction over the Chichibu Plant will be moved from the Electronics Materials Division to the Electronics Sector. The Electronics Materials Division will have Marketing Department, Ichihara Production & Technology Control Department, Chichibu Production & Technology Control Department, and Technology Development Department. The rare earth production/technology/SCM/quality assurance functions at the Chichibu Plant will be transferred to the Production & Technology Control Department under the Rare Earth Division.
5. The Electronics Sector's Optical Device Department and Electronics Marketing Division will be abolished. The Electronics Materials Division will take over all functions of the Optical Device Department. The compound semiconductor marketing functions will be transferred from the Electronics Marketing Division to the Marketing Department under the Electronics Materials Division. The Electronics Marketing Division's rare earth marketing functions and capacitor marketing functions will be transferred to the Marketing Department under the Rare Earth Division, and to the Capacitor Department, respectively.

Notwithstanding these changes in organization, the category of "Electronics segment" in SDK's financial statements will remain unchanged.

For further information, contact:
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[Reference]
Organization charts

