

NEWS RELEASE

SHOWA DENKO K.K.

13-9, Shiba Daimon 1-chome
Minato-ku, Tokyo 105-8518

February 6, 2009

SDK Revises Forecast for 2008 Performance

Showa Denko K.K. (SDK) has revised its performance forecast for full-year 2008 from the figures announced on November 6, 2008 in view of the recent economic conditions and fluctuations in foreign currency exchange rates.

[Revised performance forecast for Jan. 1 – Dec. 31, 2008]

Consolidated basis (Millions of yen; %)

	Net sales	Operating income	Ordinary income	Net income
Earlier forecast (A) (Announced on Nov. 6, 2008)	1,050,000	34,000	20,500	10,000
Revised forecast (B)	1,003,800	26,700	9,700	2,400
(B) – (A)	- 46,200	- 7,300	- 10,800	- 7,600
Percentage of changes	- 4.4%	- 21.5%	- 52.7%	- 76.0%
2007 results	1,023,238	76,671	59,989	33,066

Non-consolidated basis (Millions of yen; %)

	Net sales	Operating income	Ordinary income	Net income
Earlier forecast (A) (Announced on Nov. 6, 2008)	720,000	18,500	11,000	6,500
Revised forecast (B)	705,200	13,500	4,300	3,300
(B) – (A)	- 14,800	- 5,000	- 6,700	- 3,200
Percentage of changes	- 2.1 %	- 27.0%	- 60.9%	- 49.2%
2007 results	709,642	48,756	43,490	22,289

[Reasons for the revision of consolidated and non-consolidated performance forecast for full-year 2008]

As a result of the drastic economic slowdown at home and abroad, our performance has been affected by lower shipment volumes and the appreciation of the yen against the U.S. dollar.

Sales of the Petrochemicals segment will decrease from the earlier forecast due to production cuts in the second half of the year. Sales of the Electronics segment will decrease, especially in the hard disk (HD) media business, reflecting the production cutbacks in the PC industry. Sales of the Aluminum segment will decrease, mainly in the area of automotive parts, reflecting the global-scale reductions in automobile production.

Operating income will decrease due to the production cuts in the Petrochemicals segment and lower shipment volumes in the Electronics segment, centering on HD media (both in the second half of 2008); and lower shipment volumes in the Aluminum segment, centering on automotive parts.

Ordinary income will decrease due to the fall in operating income and the rise in exchange losses, following the sharp appreciation of the yen against the U.S. dollar. Net income will also decrease, following the fall in ordinary income.

Note:

The above performance forecast has been prepared based on information available at this moment and assumed risks that could adversely affect our future performance. Please note that actual results may differ materially from the forecast due to a variety of factors, including changes in economic conditions, naphtha and other raw material costs, demand for our products and relevant market prices, and foreign currency exchange rates. This list is not inclusive.

For further information, contact:
IR & PR Office (Phone: 81-3-5470-3235)