

NEWS RELEASE

SHOWA DENKO K.K.

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

February 9, 2009

SDK to Partially Amend Articles of Incorporation

Showa Denko K.K. (SDK) decided at its board meeting today to propose partial amendment to its Articles of Incorporation at the company's 100th ordinary general meeting of shareholders scheduled for March 27.

The purposes of the amendment are as follows:

- (1) Change terms in line with the Pharmaceutical Affairs Law (Article 3 as amended).
- (2) Add provisions for clarification of Showa Denko Group's objects and purposes (Article 3 as amended).
- (3) Following the enforcement on January 5, 2009 of the Law Partially Revising the Law for Transfer of Bonds, Etc. to Rationalize the Closing of Stock Transactions (Law No. 88 of 2004), we will delete an article regarding the issuance of certificates for shares of this corporation. (This clause is deemed to have been abolished in accordance with Article 6, paragraph 1, of the supplementary provisions in the above-mentioned law.) We are also changing the provisions concerning non-issuance of share certificates and actual shareholders. The amendment includes partial changes in phrases and the numbering of articles. (Article 7 of the current Articles of Incorporation; Articles 8, 9, 10, 18, 40 and 41 as well as Supplementary Provisions, as amended)

Substance of amendment is as detailed in the table below, with amended parts underlined. Subject to the approval by the shareholders' meeting, the amendment will take effect on March 27.

Current Articles of Incorporation	Proposed Amendments
Chapter 1 General Rules	Chapter 1 General Rules
Articles 1-2 (Text omitted)	Articles 1-2 (Same as present text)
(Objects and Purposes)	(Objects and Purposes)
Article 3	Article 3
The objects and purposes of this corporation shall be to engage in the following businesses:	The objects and purposes of this corporation shall be to engage in the following businesses:
1. Manufacturing, selling, buying, exporting and importing related to the following:	1. Manufacturing, selling, buying, exporting and importing related to the following:
(1) - (3) (Text omitted)	(1) - (3) (Same as present text)
(4) Pharmaceuticals, quasi-pharmaceuticals, animal health products and medical <u>devices</u>	(4) Pharmaceuticals, quasi-pharmaceuticals, animal health products and medical <u>equipment</u>
Current Articles of Incorporation	Proposed Amendments
(5) - (11) (Text omitted)	(5) - (11) (Same as present text)
2-8 (Text omitted)	2-8 (Same as present text)

Current Articles of Incorporation	Proposed Amendments
(New)	<u>9. Non-life insurance agency, and businesses pertaining to the sale of life insurance</u>
(New)	<u>10. Assistance and support for commissioning non-life-insurance companies to conduct the specified financial instruments exchange business</u>
<u>9-10</u> (Text omitted)	<u>11-12</u> (Same as present text)
Articles 4-5 (Text omitted)	Articles 4-5 (Same as present text)
Chapter 2 Shares	Chapter 2 Shares
Article 6 (Text omitted)	Article 6 (Same as present text)
<u>(Issuance of Share Certificates)</u>	
<u>Article 7</u>	(To be deleted)
<u>This corporation shall issue certificates for its shares.</u>	
Article <u>8</u> (Text omitted)	Article <u>7</u> (Same as present text)
(Number of Shares of Each Transferable Unit, and Handling of Shares Less Than a Transferable Unit)	(Number of Shares of Each Transferable Unit, and Handling of Shares Less Than a Transferable Unit)
Article <u>9</u>	Article <u>8</u>
① The number of shares of each transferable unit of this corporation shall be 1,000.	①The number of shares of each transferable unit of this corporation shall be 1,000.
<u>② Notwithstanding the provisions of Article 7, this corporation shall not issue a certificate for shares less than the transferable unit (hereinafter referred to as “less-than-the-transferable-unit shares”); provided, however, this does not apply to cases covered by the rules for handling shares.</u>	(To be deleted)
<u>③ Shareholders of this corporation (inclusive of actual shareholders, the same applies hereinafter) who own less-than-the-transferable-unit shares shall be entitled to request that a certain number of shares be sold in line with the rules for handling shares so that, together with the shares already held, they come to own one transferable unit of shares.</u>	② Shareholders of this corporation who own <u>shares less than the transferable unit (hereinafter referred to as “less-than-the-transferable-unit shares”)</u> shall be entitled to request that a certain number of shares be sold in line with the rules for handling shares so that, together with the shares already held, they come to own one transferable unit of shares.

Current Articles of Incorporation	Proposed Amendments
<p>(Rights regarding Less-than-the-transferable-unit Shares) Article <u>10</u></p> <p>Shareholders of this corporation shall not be entitled, regarding the less-than-the-transferable-unit shares they hold, to exercise rights except the following:</p> <ol style="list-style-type: none"> 1. Rights stated in respective items of Article 189, paragraph 2, of the Companies Act 2. Rights to file a request in accordance with the provisions in Article 166, paragraph 1, of the Companies Act 3. Rights to the allotment of shares and share options in proportion to the number of shares already held 4. Rights to file a request in accordance with Paragraph <u>3</u> of the preceding article 	<p>(Rights regarding Less-than-the-transferable-unit Shares) Article <u>9</u></p> <p>Shareholders of this corporation shall not be entitled, regarding the less-than-the-transferable-unit shares they hold, to exercise rights except the following:</p> <ol style="list-style-type: none"> 1. Rights stated in respective items of Article 189, paragraph 2, of the Companies Act 2. Rights to file a request in accordance with the provisions in Article 166, paragraph 1, of the Companies Act 3. Rights to the allotment of shares and share options in proportion to the number of shares already held 4. Rights to file a request in accordance with Paragraph <u>2</u> of the preceding article
<p>(Shareholders Register Administrator) Article <u>11</u></p> <ol style="list-style-type: none"> ① This corporation shall appoint a shareholders register administrator. ② The shareholders register administrator and its office for handling related procedures shall be selected by resolution of the board of directors and this corporation shall make an official announcement thereof. ③ Preparation, maintenance, and other matters relating to the shareholders register (<u>inclusive of the actual shareholders register, the same applies hereinafter</u>), the original register of share options <u>and the share certificate loss register</u> of this corporation shall be entrusted to the shareholders register administrator, and they shall not be handled by this corporation. 	<p>(Shareholders Register Administrator) Article <u>10</u></p> <ol style="list-style-type: none"> ① This corporation shall appoint a shareholders register administrator. ② The shareholders register administrator and its office for handling related procedures shall be selected by resolution of the board of directors and this corporation shall make an official announcement thereof. ③ Preparation, maintenance, and other matters relating to the shareholders register <u>and</u> the original register of share options of this corporation shall be entrusted to the shareholders register administrator, and they shall not be handled by this corporation.
<p>Articles <u>12-18</u> (Text omitted)</p>	<p>Articles <u>11-17</u> (Same as present text)</p>
<p>(Reaction Policy on Large-Scale Purchases) Article <u>19</u></p> <ol style="list-style-type: none"> ① This corporation may, by resolution of its board of directors, decide to introduce, amend or abolish a reaction policy (hereinafter referred to as “Reaction Policy”) with respect to large-scale purchases of its stock, for the purpose of securing and enhancing its corporate value and the common interests of its shareholders. 	<p>(Reaction Policy on Large-Scale Purchases) Article <u>18</u></p> <ol style="list-style-type: none"> ① This corporation may, by resolution of its board of directors, decide to introduce, amend or abolish a reaction policy (hereinafter referred to as “Reaction Policy”) with respect to large-scale purchases of its stock, for the purpose of securing and enhancing its corporate value and the common interests of its shareholders.

Current Articles of Incorporation	Proposed Amendments
<p>② In addition to deciding the matters otherwise stipulated by law or these articles of incorporation, the general meeting of the shareholders of this corporation may, by its resolution, approve the Reaction Policy determined by the board of directors, and amend or abolish the Reaction Policy introduced previously. The resolutions for such approval, amendment or abolishment shall be made subject to Article <u>17</u>, paragraph 1 hereof.</p> <p>③ (Text omitted)</p> <p>Articles <u>20-40</u> (Text omitted)</p> <p>(Payment of Term-end Dividends) Article <u>41</u> Term-end dividends shall be paid to the shareholders or registered pledgees <u>written or recorded</u> in the shareholders register as of the record date.</p> <p>(Payment of Interim Dividends) Article <u>42</u> This corporation may, by resolution of the board of directors, pay interim dividends (meaning the appropriation of surplus under the provisions of Article 454, paragraph 5, of the Companies Act) to the shareholders or registered pledgees <u>written or recorded</u> in the shareholders register as of the record date.</p> <p>(New)</p> <p>(New)</p> <p>(New)</p>	<p>② In addition to deciding the matters otherwise stipulated by law or these articles of incorporation, the general meeting of the shareholders of this corporation may, by its resolution, approve the Reaction Policy determined by the board of directors, and amend or abolish the Reaction Policy introduced previously. The resolutions for such approval, amendment or abolishment shall be made subject to Article <u>16</u>, paragraph 1 hereof.</p> <p>③ (Same as present text)</p> <p>Articles <u>19-39</u> (Same as present text)</p> <p>(Payment of Term-end Dividends) Article <u>40</u> Term-end dividends shall be paid to the shareholders or registered pledgees <u>listed</u> in the shareholders register as of the record date.</p> <p>(Payment of Interim Dividends) Article <u>41</u> This corporation may, by resolution of the board of directors, pay interim dividends (meaning the appropriation of surplus under the provisions of Article 454, paragraph 5, of the Companies Act) to the shareholders or registered pledgees <u>listed</u> in the shareholders register as of the record date.</p> <p><u>Supplementary Provisions</u></p> <p><u>(Share Certificate Loss Register)</u> Article <u>1</u> <u>Preparation, maintenance, and other matters relating to the share certificate loss register of this corporation shall be entrusted to the shareholders register administrator, and they shall not be handled by this corporation.</u></p> <p><u>(Handling of Supplementary Provisions)</u> Article <u>2</u> <u>Articles 1 and 2 of these Supplementary Provisions shall be deleted after the lapse of one year from the date of enforcement of the Law Partially Revising the Law for Transfer of Bonds, Etc. to Rationalize the Closing of Stock Transactions (Law No. 88 of 2004).</u></p>

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