



We aim to establish ourselves as the “unique chemical company with individualized products”.

2008 Financial Results

- Consolidated -

SHOWA DENKO K.K.

February 10, 2009

This presentation contains statements relating to management’s projections of future profits and expectations for the Company’s product development program. The Company cannot guarantee that these expectations and projections will be realized or correct. Please note that actual results may differ materially from the forecast due to a variety of factors, including changes in the market conditions. The timely commercialization of products under development by the Company may be disrupted or delayed by a variety of factors, including market acceptance, and the introduction of new products by competitors. The foregoing list of factors is not inclusive.

Consolidated Companies

■ Consolidated subsidiaries: 40

■ Newly consolidated: 4

- Showa Tansan Co., Ltd. (Chemicals)
- Shotan Shoji Kaisha Ltd. (Chemicals)
- Ganzhou Zhaori Rare Earth New Material Co., Ltd. (Electronics)
- Shoko Insurance Service Co., Ltd. (Aluminum)

■ Excluded from the consolidation: 2

- Kokusai Eisei Co., Ltd. (Sold, Chemicals)
- Pt. Showa Aluminum Indonesia (under liquidation, Aluminum)

■ Equity method applied: 20

■ Excluded :2

- Showa Tansan Co., Ltd. (Chemicals)
- Shotan Shoji Kaisha Ltd. (Chemicals)

Major Selected Data

	2007	2008	Increase
■ Exchange rate: ¥/US\$	117.8	103.5	Yen strengthened by ¥14.3/\$
■ Domestic naphtha price: ¥/kl	56,975	68,900	+11,925
■ Aluminum LME price: US\$/T	2,662	2,621	-40

Exchange rate at December 31, 07 ¥/US\$114.2, at June 30, 08 ¥/US\$91.0

⇒ Yen strengthened by 23.2¥/US\$

Summary of 2008 Financial Results

(Unit: Billions of Yen, except Net income per share)

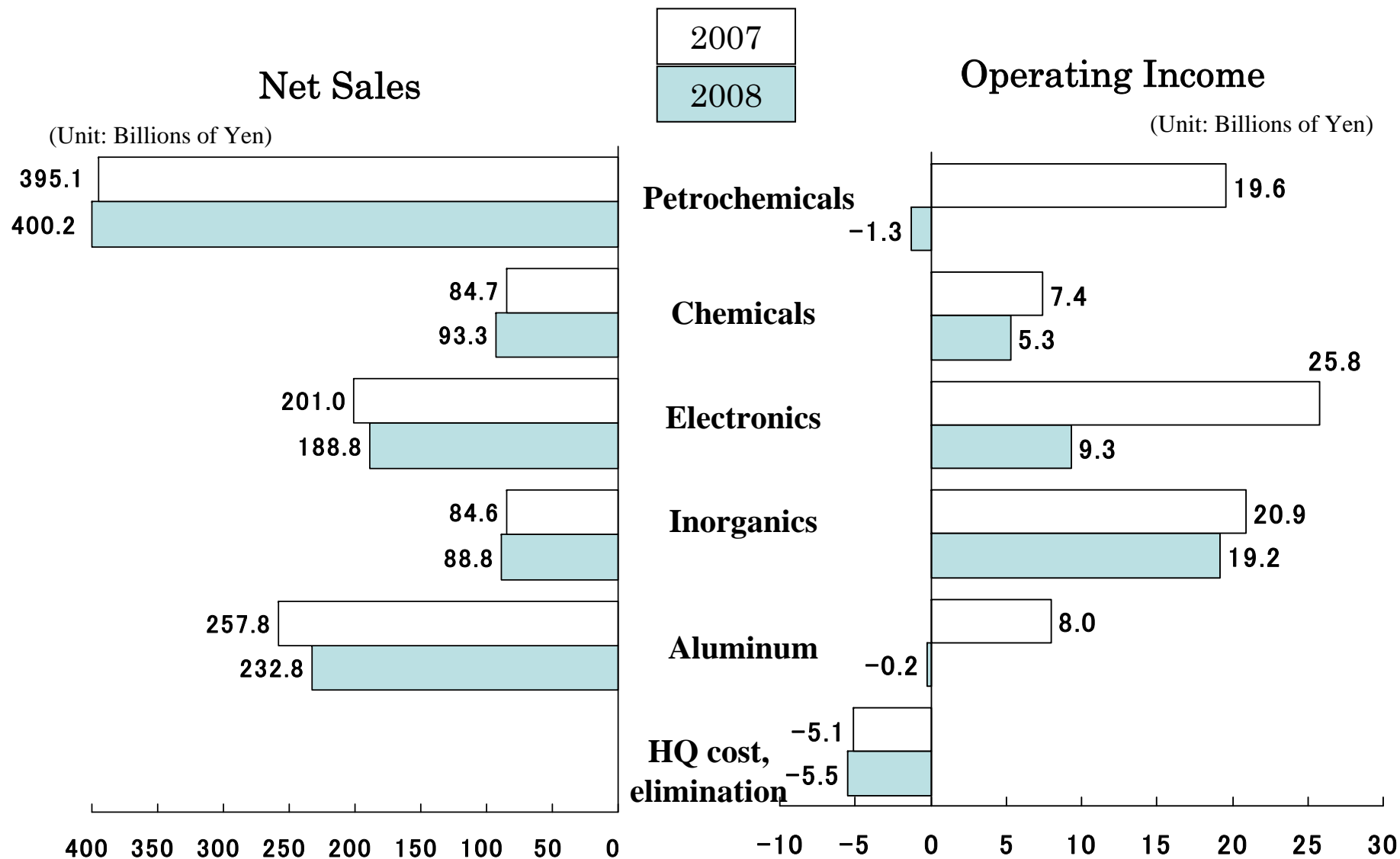
	2007	2008	Increase	
Net Sales	1,023.2	1,003.9	-19.4	-1.9%
Operating Income [Rate to net sales]	76.7 7.5%	26.8 2.7%	-49.9 -4.8 point	-65.1%
Interest/dividend income less interest expenses	-6.8	-6.3	0.6	
Equity Method	2.4	0.7	-1.6	
Currency exchange loss	-1.6	-5.1	-3.5	
New HD media factory start-up cost	-5.4	-	5.4	
Other	-5.2	-6.3	-1.2	
Ordinary Income	60.0	9.8	-50.2	-83.7%
Extraordinary Profit	5.5	13.0	7.5	
Extraordinary Loss	-9.1	-16.5	-7.3	
Net Income before taxes	56.3	6.3	-50.0	
Corporate Taxes	-21.0	-2.9	18.2	
Minority Interests	-2.2	-0.9	1.3	
Net Income	33.1	2.5	-30.6	-92.6%
Net Income per Share	¥ 27.52	¥ 1.96	-¥ 25.56	

Extraordinary Profit/Loss

(Unit: Billions of Yen)

	2007	2008	Increase
■ Extraordinary Profit	5.5	13.0	7.5
● Gain on the sale of property	0.7	0.7	+0.0
● Gain on the sale of investment securities	2.5	10.1	+7.6
● Other	2.3	2.1	-0.2
■ Extraordinary Loss	-9.1	-16.5	-7.3
● Loss on fixed assets sold or retired	-4.6	-4.6	-0.1
● Loss on the sale and valuation of investment securities	-0.2	-2.3	-2.1
● Loss on impairment of fixed assets	-1.7	-4.3	-2.6
● Reserve for restructuring expenses	—	-0.5	-0.5
● Other	-2.6	-4.7	-2.1
■ Extraordinary Profit/Loss, Net	-3.7	-3.5	+0.2

Sales and Operating Income by Segment



Consolidated Sales by Segment

(Unit: Billions of Yen)

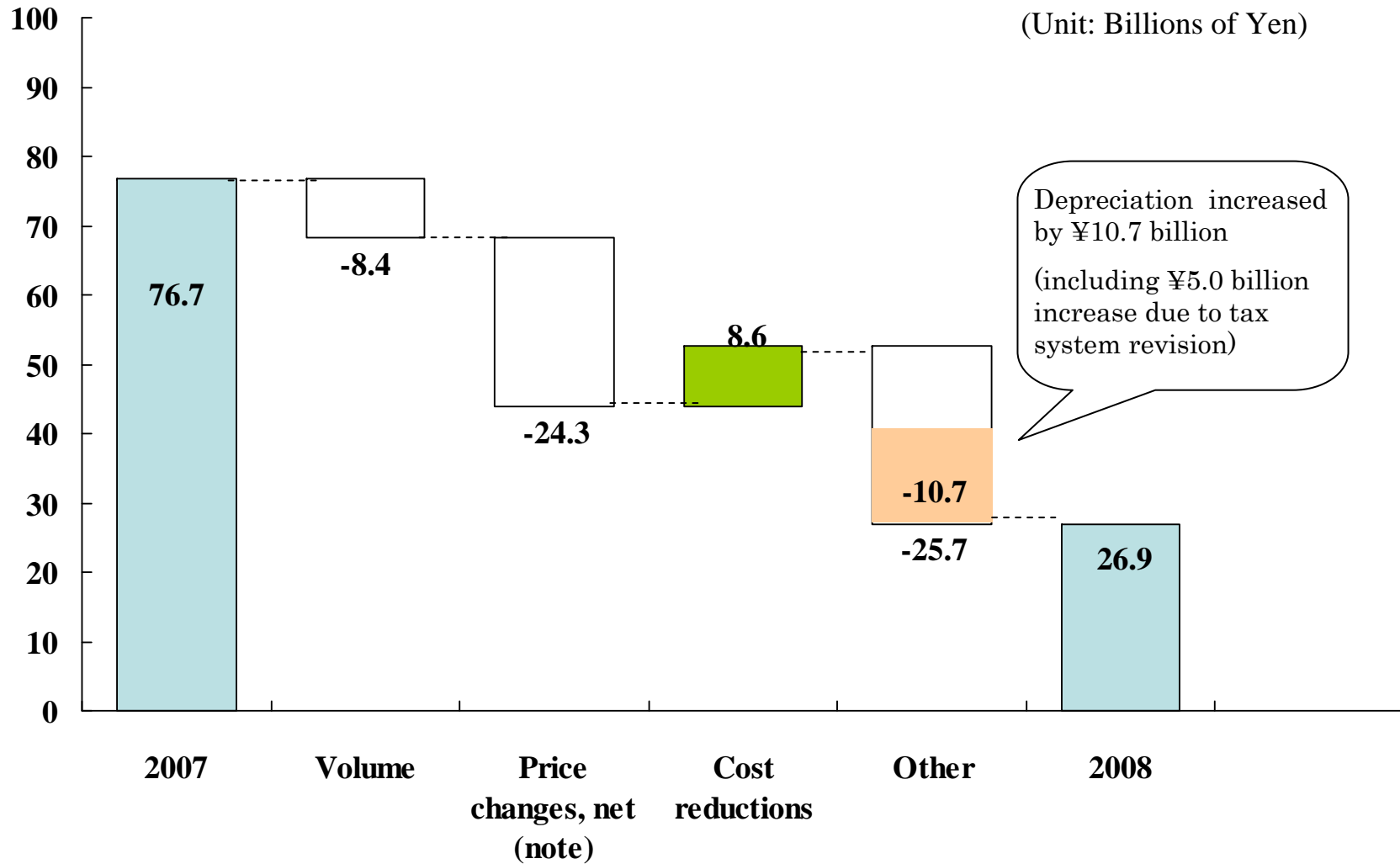
	2007	2008	Increase	Increase by Business
Petrochemicals	395.1	400.2	+5.1	Olefins: sales increased (price up) Organic chemicals: sales decreased (shipment volume of acetic acid decreased)
Chemicals	84.7	93.3	+8.6	AN: sales increased (shipment volume increased) Caustic soda · ammonia · Amino acids: sales increased (price up) Chloroprene rubber: sales slightly decreased (Demand for automobile decreased) Newly consolidated : sales increased (Showa Tansan Co., Ltd.)
Electronics	201.0	188.8	-12.2	HDs: sales decreased (sales increased in 1 st half, sales decreased in 2 nd half, Appreciation of Yen, shipment volume decreased) Compound semiconductors: sales increased (shipment volume of ultrabright LEDs increased) Specialty gases: sales decreased (fall in demand for semiconductors) Rare earth: sales increased (shipment volume increased, price up due to high cost of raw materials.
Inorganics	84.6	88.8	+4.2	Ceramics: sales slightly increased (price up) Carbons: sales increased (price up due to higher cost of raw materials)
Aluminum	257.8	232.8	-25.0	Ingots: sales decreased (shipment volume decreased) Rolled products :sales decreased (withdrawal from the commodity foils business in the previous year, lower shipment volumes of high-purity foils for capacitors in the second half of 2008) Sheets · Extruded products: sales fell due to decreased shipments of extrusions for building materials. Heat exchangers: sales slightly decreased (sales rose in Asia and Europe, fell in Japan and the United States) <i>Shotic</i> : sharp drop in shipments for the automobile applications Aluminum cans: shipment volume decreased
Total	1,023.2	1,003.9	-19.4	

Consolidated Operating Income by Segment

(Unit: Billions of Yen)

	2007	2008	Increase	Increase by business
Petrochemicals	19.6	-1.3	-20.9	Olefins: profit decreased (lower volumes in the second half, negative effect of high-priced stock of naphtha) Organic chemicals: profit decreased (substantially decreased shipment volumes of acetic acid)
Chemicals	7.4	5.3	-2.1	AN· Shoprene : profit decreased (Decreased shipment volume in the second half)
Electronics	25.8	9.3	-16.6	HDs: profit decreased (the rise in depreciation expenses, the appreciation of yen, decreased shipment volumes) Compound semiconductors: profit decreased (increased development costs of ultrabright LED chips) Rare earth: profit slightly increased. (shipment volume increased)
Inorganics	20.9	19.2	-1.7	Ceramics: profit decreased due to higher raw material cost. Carbons: graphite electrodes: profit increased in Japan, decreased in the U.S due to the adverse effect of the appreciation of the yen.
Aluminum	8.0	-0.2	-8.3	Rolled products : profit decreased (lower shipment volumes of high-purity foils for capacitors in the second half) Sheets·Extruded products: profit decreased due to lower shipment volume of extrusions for building materials. Heat exchangers: profit slightly decreased (increased in Asia and U.S, decreased in Japan and Europe) Aluminum cans: profit decreased (shipment volume decreased) Power generation business as an independent power provider: profit decreased due to higher fuel cost
HQ costs, elimination	-5.1	-5.5	-0.4	R&D cost increased.
Total	76.7	26.8	-49.9	

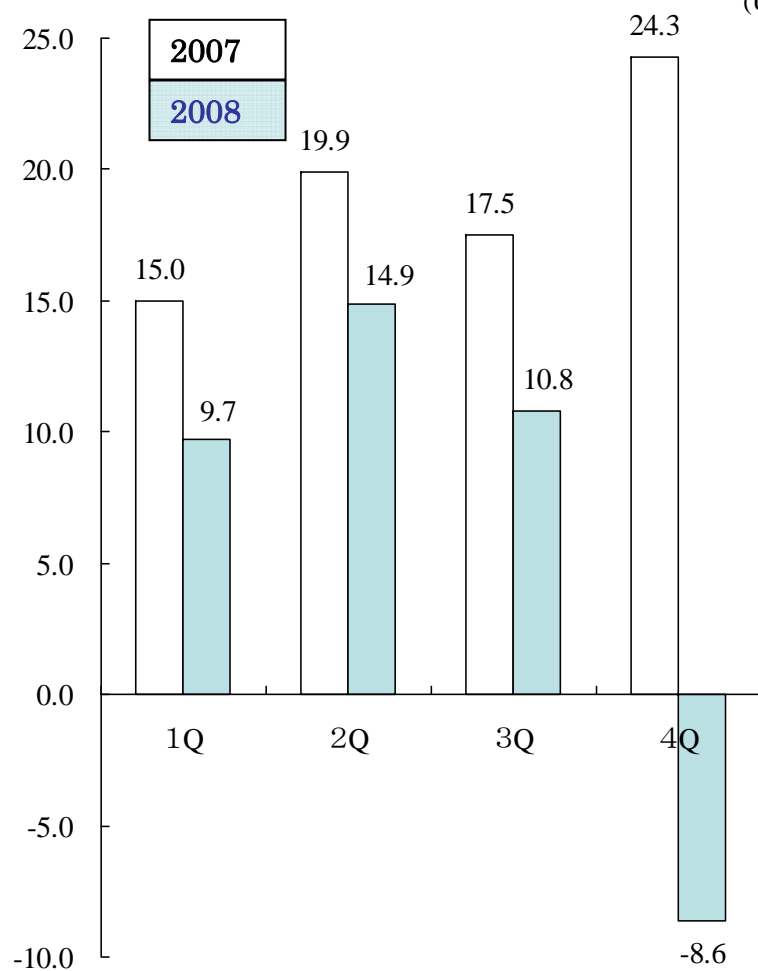
Operating Income Breakdown by Factor



Operating Income, Quarterly

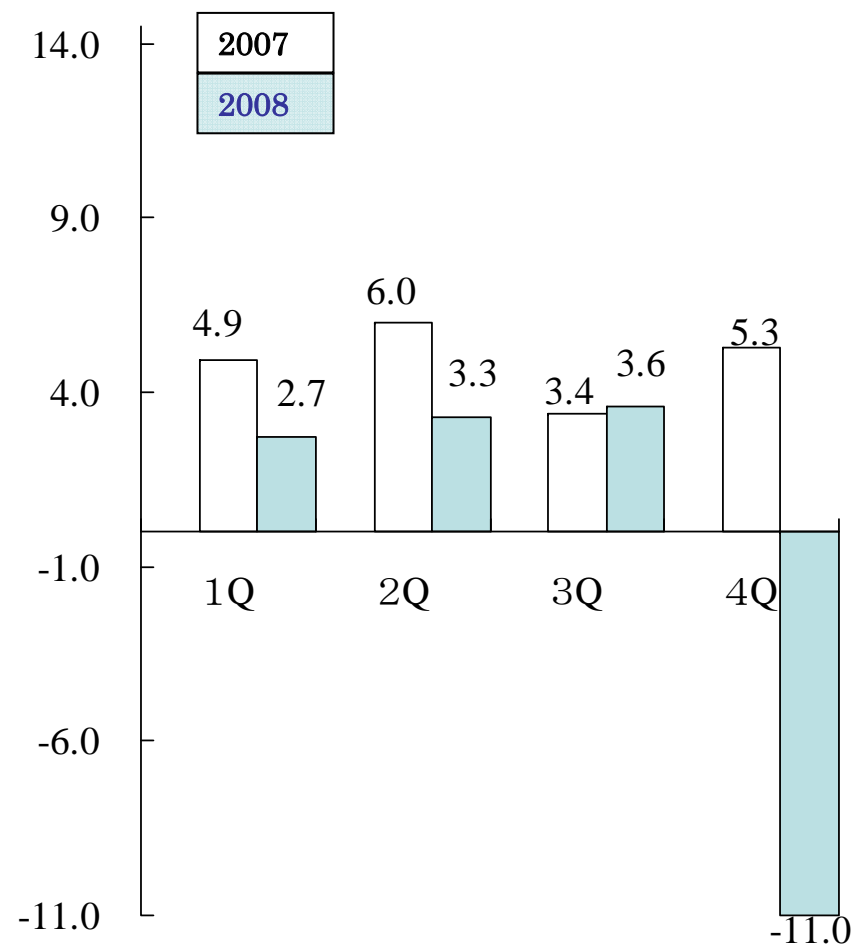
《Corporate》

(Unit: Billions of Yen)

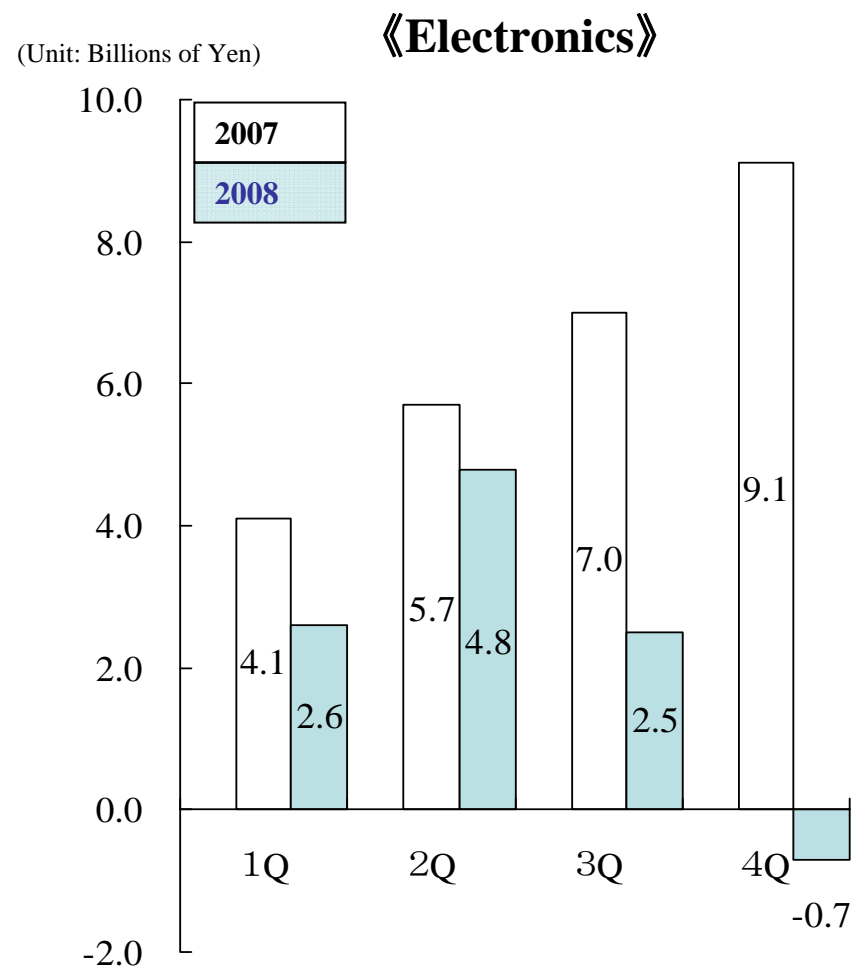
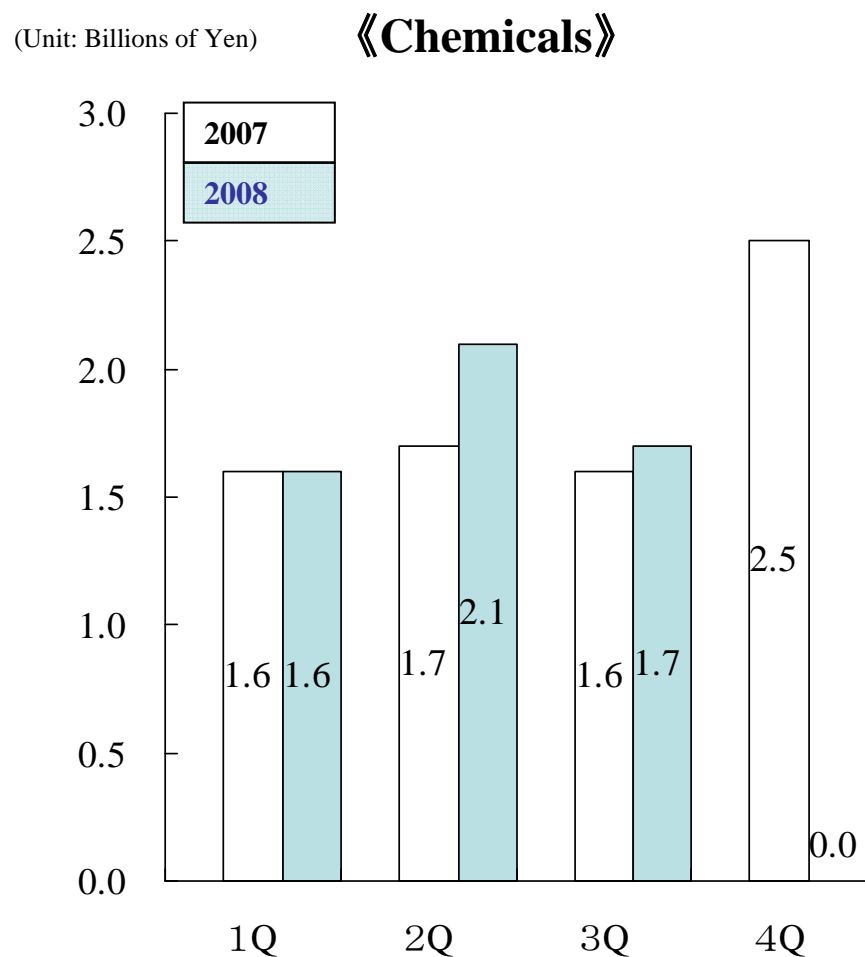


《Petrochemicals》

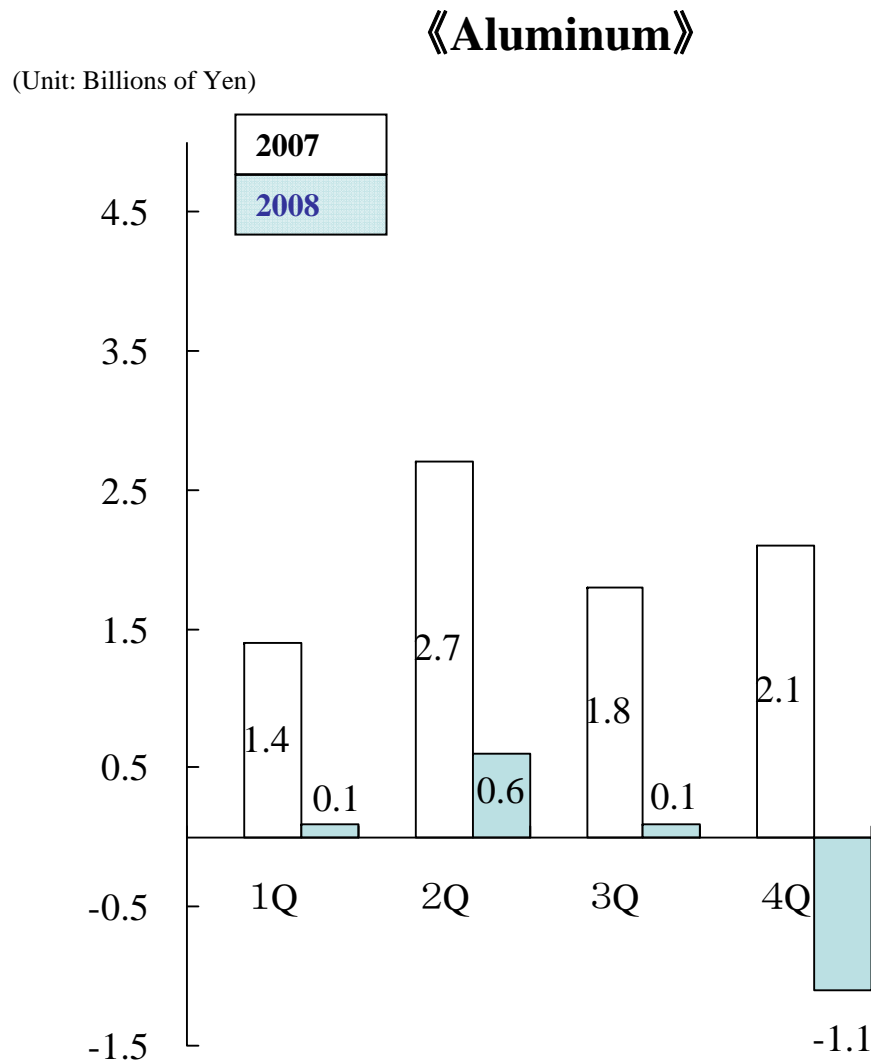
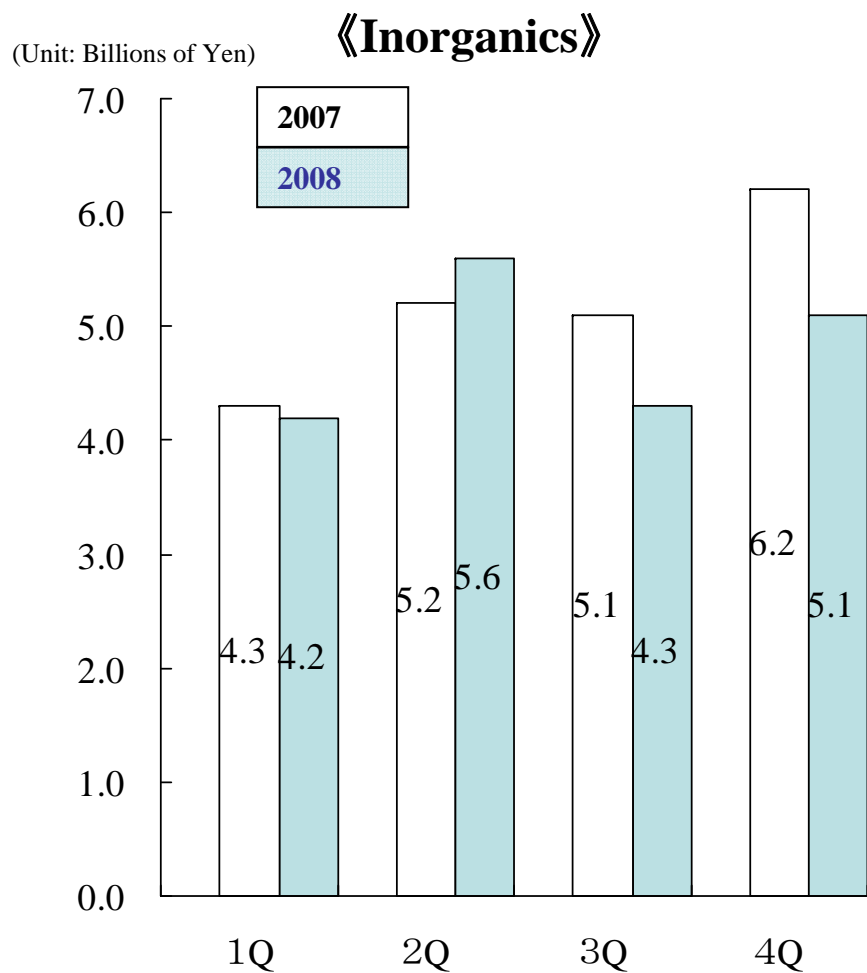
(Unit: Billions of Yen)



Operating Income by Segment (Quarterly)



Operating Income by Segment (Quarterly)



Consolidated Balance Sheet

(Unit: Billions of Yen)

Assets	Dec. 31, 2007	Dec. 31, 2008	Increase	Liabilities and Stockholders' Equity	Dec 31, 2007	Dec. 31, 2008	Increase
Cash and deposits	31.9	41.0	9.1	Accounts payable	168.6	140.4	-28.2
Accounts receivable	177.6	117.2	-60.4	Interest-bearing debt	395.6	392.9	-2.7
Inventories	109.3	117.7	8.4	Deferred tax liabilities due to land revaluation	46.5	46.0	-0.5
Deferred tax assets	3.2	5.9	2.7	Accrued pension and severance costs	31.2	28.7	-2.5
Other current assets	26.3	39.9	13.6	Other liabilities	89.0	88.6	-0.5
<u>Current Assets</u>	<u>348.4</u>	<u>321.7</u>	<u>-26.7</u>	<u>Total Liabilities</u>	<u>731.0</u>	<u>696.6</u>	<u>-34.4</u>
Buildings and structures	101.1	95.0	-6.1	Common stock	121.9	121.9	-
Machinery and equipment	169.2	152.5	-16.7	Capital surplus	37.9	37.9	0.1
Land	260.6	256.0	-4.5	Retained earnings	75.9	73.1	-2.7
Other tangible fixed assets	28.4	28.1	-0.3	Treasury stock	-0.2	-0.2	0.0
<u>Tangible Fixed Assets</u>	<u>559.3</u>	<u>531.6</u>	<u>-27.6</u>	<u>Total Stockholders' equity</u>	<u>235.5</u>	<u>232.8</u>	<u>-2.6</u>
Intangible Fixed Assets	15.1	13.0	-2.1	Securities valuation surplus	16.1	5.0	-11.1
Investments and other assets	106.8	95.7	-11.2	Foreign currency translation adjustment • Deferred hedge gains	2.2	-19.1	-21.2
Incl. Investment securities	86.8	65.6	-21.1	Revaluation surplus –Land	23.7	21.9	-1.8
Deferred tax assets	7.5	17.6	10.1	<u>Total valuations and adjustments</u>	<u>41.9</u>	<u>7.8</u>	<u>-34.1</u>
				Minority Interest	21.3	24.8	3.5
<u>Total fixed assets</u>	<u>681.3</u>	<u>640.4</u>	<u>-40.9</u>	Total equity	<u>298.7</u>	<u>265.5</u>	<u>-33.2</u>
Total Assets	1,029.6	962.0	-67.6	Total liabilities and equity	1,029.6	962.0	-67.6

Total Assets, Interest-bearing Debt and D/E ratio

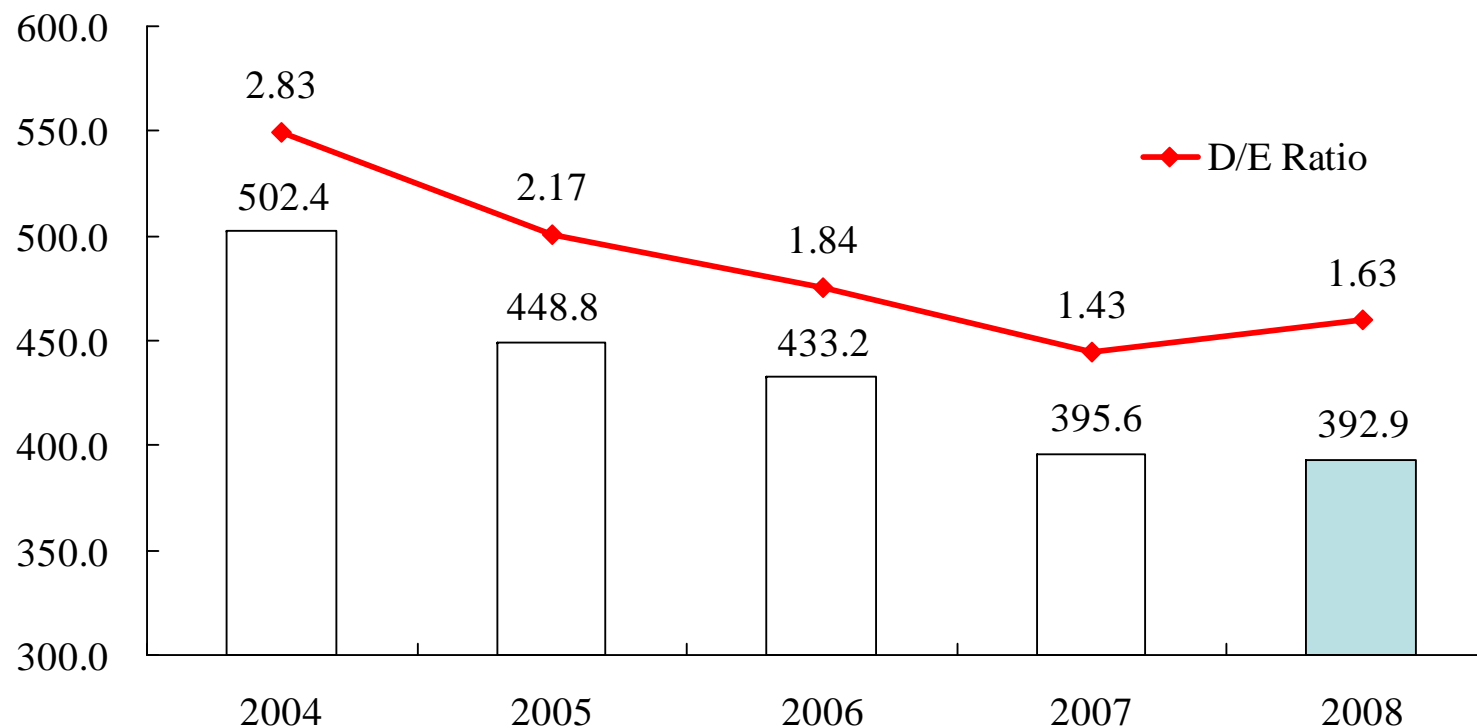
(Unit: Billions of Yen, times, %)

	Dec.31 2007	Dec.31 2008	Increase / decrease
■ Total assets	1,029.6	962.0	-67.6
■ Interest-bearing debt	395.6	392.9	-2.7
■ Debt/Equity ratio	1.43times	1.63times	0.2p
■ Stockholder's Equity ratio	26.9%	25.0%	-1.9p
■ ROE	12.9%	0.9%	-12.0p
■ ROA*	7.4%	2.7%	-4.7p

*ROA: Operating income / Total assets (Total assets at the beginning + Total assets at term-end) × 1/2

Interest-bearing Debt

(Unit: Billions of Yen)



Equity ratio	18.8%	21.0 %	22.7 %	26.9 %	25.0%
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Consolidated Cash Flows

(Unit: Billions of Yen)

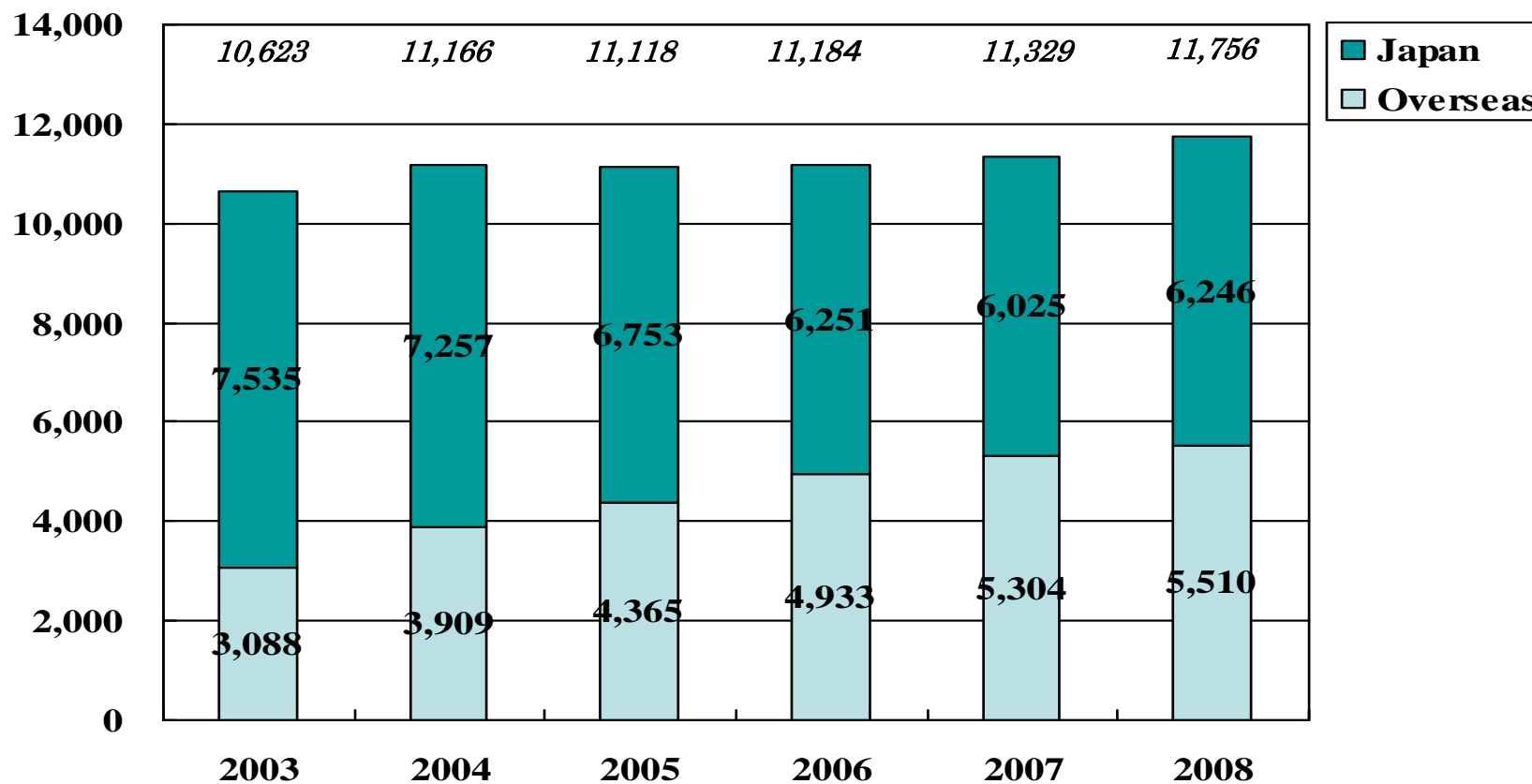
	2007	2008	Increase
● CF from Operating Activities	67.3	61.1	-6.2
● CF from Investing Activities	-69.7	-44.0	+25.6
● Free CF	-2.3	17.1	+19.4
● CF from Financing Activities	-20.6	-3.8	+16.7
● Others	-0.3	-4.2	-3.9
Increase of cash and equivalents	-23.2	9.1	+32.3

Selected Data (Consolidated)

(Unit: Billions of Yen, except number of employees)

	2007	2008	Increase
● Interest/dividend income less interest expenses	-6.8	-6.3	+0.6
● Capital expenditures	69.3	54.8	-14.5
● Depreciation and amortization	49.8	60.4	+10.7
● R&D expenditures	17.4	20.1	+2.7
● Number of employees	11,329	11,756	+42.7
● Total employment cost	74.2	76.3	+2.1

Total number of employees and breakdown by location



Japan	70.9%	65.0%	60.7%	55.9%	53.2%	53.1%
Overseas	29.1%	35.0%	39.3%	44.1%	46.8%	46.9%

Forecast for 2009 (Consolidated)

(Unit: Billions of Yen except Cash dividends per Share and Net income per Share)

	2008	2009 Forecast	Increase
Net Sales	1,003.9	800.0	-203.9
Operating Income	26.8	17.0	-9.8
Interest/dividend income less interest expenses	-6.3	-7.0	-0.7
Ordinary Income	9.8	8.0	-1.8
Extraordinary Profit/Loss, net	-3.5	-1.0	+2.5
Net Income	2.5	2.0	-0.5
Cash dividends per Share	¥5	*	-
Net Income per Share	¥1.96	¥1.60	-¥0.36

* The Company has not yet decided on dividends for 2009.

Net Sales by Segment 2009 Forecast (Consolidated)

(Unit: Billions of Yen)

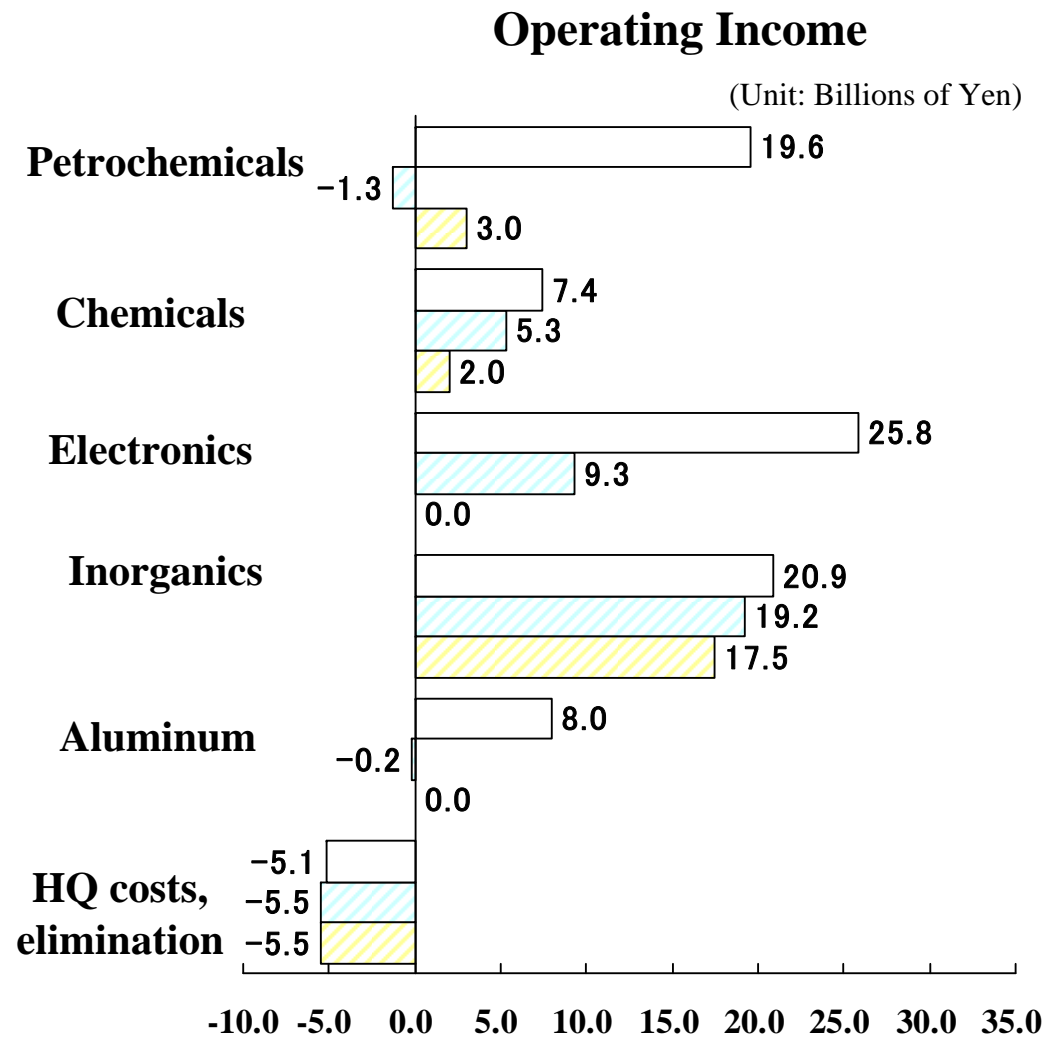
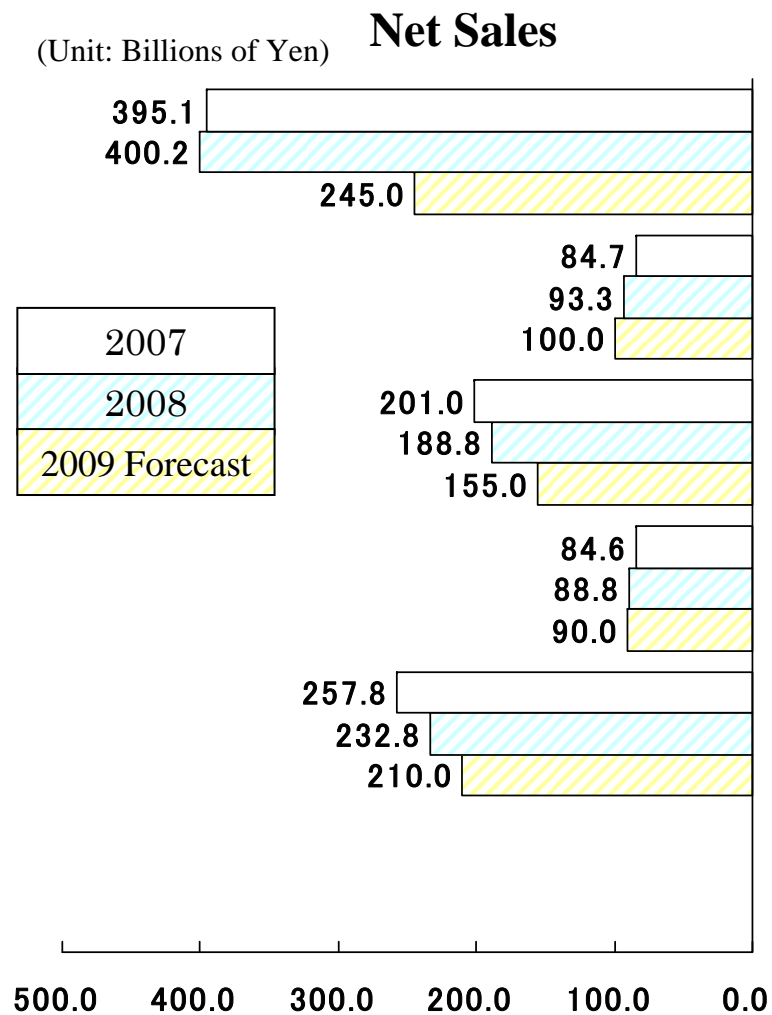
	2008	2009 (Forecast)	Increase	Comments
Petrochemicals	400.2	245.0	-155.2	Sales price down, reduced production expected
Chemicals	93.3	100.0	+6.7	Full-year contribution of the consolidation of Showa Tansan
Electronics	188.8	155.0	-33.8	HDs: Appreciation of Yen, decreased shipment volume expected
Inorganics	88.8	90.0	+1.2	
Aluminum	232.8	210.0	-22.8	Ingots: shipment volume expected Weaker shipments for the automobile industry expected
Total	1,003.9	800.0	-203.9	

Operating Income 2009 Forecast (Consolidated)

(Unit: Billions of Yen)

	2008	2009 (Forecast)	Increase	Comments
Petrochemicals	-1.3	3.0	+4.3	Olefins: market conditions expected to improve somewhat Shipment volumes expected to improve slightly in the second half Organic chemicals: sales for PTA terminated
Chemicals	5.3	2.0	-3.3	AN [*] <i>Shoprene</i> : shipment volume will decrease, price down
Electronics	9.3	0.0	-9.3	HDs: Appreciation of Yen, shipment volume will decrease
Inorganics	19.2	17.5	-1.7	Decreased shipment volume in 1 st half expected
Aluminum	-0.2	0.0	+0.2	Weaker shipments for the automobile industry Aluminum cans and Power generation business as an independent power provider: decreased fuel cost expected
HQ cost, elimination	-5.5	-5.5	0.0	
Total	26.8	17.0	-9.8	

Sales and Operating Income Forecast for 2009



Capital expenditures/ Depreciation by Segment

* forecast (Unit: Billions of Yen)

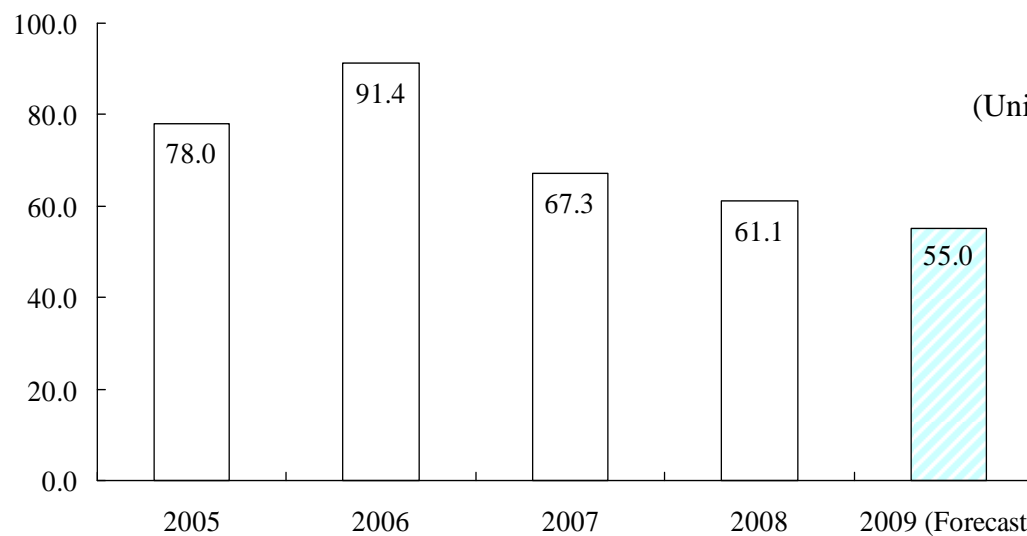
	2007		2008		2008-2007 Increase		2009 Forecast		2009*-2008 Increase		Depreciation expenses increase caused by the changes in tax systems 2008-2007	Expected depreciation expenses increase due to changes in tax systems 2009-2008
	Capital expendi- tures	Deprecia- tion	Capital expendi- tures	Deprecia- tion	Capital expenditures	Deprecia- tion	Capital expenditures	Deprecia- tion	Capital expendi- tures	Deprecia- tion		
Petrochemicals	5.6	5.7	8.1	6.7	2.5	1.1	2.2	7.0	-5.9	0.2	1.1	0.1
Chemicals	5.1	5.0	7.7	6.7	2.6	1.7	10.0	7.8	2.3	1.0	1.0	0.2
Electronics	44.4	27.7	29.0	33.8	-15.5	6.1	21.8	28.6	-7.1	-5.3	0.9	0.2
Inorganics	3.7	2.8	4.2	3.5	0.4	0.7	4.0	3.6	-0.2	0.2	0.6	0.5
Aluminum	10.6	8.6	5.9	9.8	-4.7	1.1	5.9	9.0	0.0	-0.8	1.5	1.6
Total	69.3	49.8	54.8	60.4	-14.6	10.7	44.0	56.0	-10.8	-4.5	5.0	2.6

Consolidated Cash Flows

2009 Forecast

(Unit: Billions of Yen)

	2008	2009 (Forecast)	Increase
● CF from Operating Activities	61.1	55.0	-6.1
● CF from Investing Activities	-44.0	-45.0	-1.0
● Free CF	17.1	10.0	-7.1
● CF from Financing Activities	-3.8	-17.4	-13.6
● Others	-4.2	0.0	+4.2
Increase of cash and equivalent	9.1	-7.4	-16.5

2005-2009
CF from Operating Activities


(Unit: Billions of Yen)



Selected Data 2009 Forecast (Consolidated)

(Unit: Billions of Yen)

	2008	2009 (Forecast)	Increase
● Exchange rate: ¥/US\$	1st half 105	1st half 90	Yen appreciated by ¥15/\$
	2nd half 102	2nd half 95	Yen appreciated by ¥ 7/\$
● Domestic naphtha price: ¥/kl	1st half 68,800	1st half 32,000	1st half -36,800
	2nd half 69,000	2nd half 40,000	2nd half -29,000
● Aluminum LME price: US\$/T	1st half 2,887	1st half 1,525	1st half -1,362
	2nd half 2,356	2nd half 1,650	2nd half -706
● Interest-bearing debt	392.9	385.0	-7.9
● Interest/dividend income less interest expenses	-6.3	-7.0	-0.7
● R&D expenditures	20.1	24.9	+4.8
● Number of employees	11,756	11,290	-46.6
● Total employment cost	76.3	75.2	-1.2

Topics

■ Petrochemicals

● Expansion of allyl alcohol production capacity at Oita

◆ In May, SDK completed the expansion of its allyl alcohol production capacity at Oita Petrochemical Complex, raising the capacity from 56,000 tons a year to 70,000 tons a year. Allyl alcohol is used as raw material for allyl ester resin, whose demand is growing for many applications, including spectacle lenses.

● Manufacture of n-propyl acetate

◆ In October, SDK decided to build a plant for n-propyl acetate that will be used in solvents for ink for special gravure printing. The plant will be completed by the end of 2009 and commercial shipments will start in early 2010. Demand for n-propyl acetate is expected to grow as it is safer to use than conventional solvents.

Topics

■ Chemicals

● Sale of shares in Kokusai Eisei

◆ In March, SDK sold 90% of the shares it owned in its wholly owned consolidated subsidiary Kokusai Eisei Co., Ltd., to Iwatani International Corporation.

● Installation of GHG decomposition unit

◆ In June, SDK decided to install a greenhouse gas (GHG) decomposition unit at its Kawasaki site for start-up in March 2009. The installation of the unit will enable the Showa Denko Group to reduce GHG emissions by 6% in compliance with the Kyoto Protocol without relying on emission trading.

● Tender offer for Showa Tansan's common stock

◆ In June, SDK changed the status of Showa Tansan Co., Ltd. from an affiliate, to which the equity method was applied, to a consolidated subsidiary by increasing its ownership of Showa Tansan's shares through a tender offer.

Topics

■ Chemicals

● **Expansion of chloroprene rubber production capacity**

- ◆ In September, SDK expanded its chloroprene rubber production capacity at its Kawasaki site from 20,000 tons a year to 23,000 tons a year. Chloroprene rubber is widely used in automotive parts and many other applications owing to the material's high resistance to oils, heat and weather as well as its high flame retardance.

● **Waste anesthetic gas disposal system provided to Swedish firm**

- ◆ SDK provided its waste anesthetic gas disposal system technology (AnescleanSW™) to Qmt tech ab, a medical equipment engineering company in Sweden. The AnescleanSW™ system decomposes nitrous oxide, a greenhouse gas used as inhalation anesthetic at hospitals. SDK granted Qmt the right to sell the system to hospitals in North European countries.

Topics

■ Chemicals

● Acquisition of shares in F2 Chemicals of U.K.

◆ In September, SDK reached agreement with Asahi Glass Co., Ltd., Mitsubishi Corporation, and Mitsubishi's Italian subsidiary MITENI S.p.A. to purchase all the shares of their joint venture F2 Chemicals Limited of the United Kingdom. By combining F2 Chemicals' fluorine technologies with our own technologies, we aim to expand the lineup of our fluorine compounds.

● Completion of new plant for high-performance insulating ink

◆ In November, our subsidiary Nippon Polytech Corporation (NPC) completed its new plant for high-performance electrical insulating ink for use in the manufacture of chip-on-film –technology-based electronic parts in LCD panels for TVs, PCs and mobile phones. The ink, in which SDK's newly developed urethane-based thermoset resin is used, improves image quality and extends life of LCD panels.

Topics

■ Electronics

● **Launch of 80 lm/W AlGaInP ultrabright red LED chips**

- ◆ In May, SDK started commercial shipment of AlGaInP ultrabright red LED chips with luminous efficiency of 80 lumen per watt. To the best of our knowledge, the product had the world's highest luminous efficiency for this type available on the market as of May 2008. AlGaInP ultrabright LED chips are now used mainly in outdoor displays. However, new applications are being developed, including automotive parts (rear lights, interior lighting) and LCD backlight for flat-panel TVs.

● **Consolidation of HD media operations with HOYA**

- ◆ In September, SDK reached basic agreement with Hoya Corporation to consolidate the two companies' HD media operations by establishing a joint venture in 2009. By combining their respective technical strengths, SDK and HOYA will step up R&D to develop new HD media products with higher storage capacity. At the same time, the two companies will increase the efficiency of their operation sites to ensure sustainable competitive power.

Topics

■ Electronics

● Shipments of HD media with the world's highest storage capacity

- ◆ In August, SDK began commercial shipments of 1.89-inch HD media with storage capacity of 120 gigabytes per disk. And in September, SDK began commercial shipments of 2.5-inch HD media with storage capacity of 250 gigabytes per disk. To the best of our knowledge, both products had the world's highest storage capacity for HD media of these sizes available on the market as of January, 2009. 1.89-inch HD media are used in mobile music players, high-definition camcorders, and small-sized notebook PCs. Meanwhile, 2.5-inch HD media are used mainly in notebook PCs. Demand for high-capacity HD media is expected to grow.

● Establishment of rare earth metal subsidiary in Vietnam

- ◆ In October, SDK established Showa Denko Rare-Earth Vietnam Co., Ltd. in Ha Nam Province, Vietnam, as its 90%-owned subsidiary. In April 2010, the new company will begin producing 800 tons a year in total of didymium and dysprosium, which will be used as raw material for neodymium-based high-performance magnetic alloys. The Showa Denko Group is producing rare earth magnetic alloys at three plants—one in Japan and two in China—with combined capacity of 8,000 tons a year. With the establishment of the new company in Vietnam, the Group will be able to ensure stable procurement of raw materials for its neodymium-based high-performance magnetic alloy production and further strengthen the business.

Topics

■ Electronics

● **Expanding high-purity ammonia business for electronics**

- ◆ In November, SDK established a joint venture in Quzhou, Zhejiang Province, China to produce high-purity ammonia for the electronics industry. The joint venture, Zhejiang Quzhou Juhua Showa Electronic Chemical Materials Co., Ltd., owned 51% by SDK, is now building a 500-ton-a-year high-purity ammonia plant for start-up in June 2009. Fully utilizing the new plant in China and existing production sites in Japan (Kawasaki) and Taiwan, SDK will strengthen its supply of high-purity ammonia to the growing East Asian market.

● **Taking over SiC epitaxial wafers business**

- ◆ In December, SDK took over ESICAT Japan, LLP's business in silicon carbide (SiC) epitaxial wafers for power device applications. Owing to their superior electricity-saving properties, SiC-based semiconductors are expected to be increasingly used in power conversion devices and inverter modules for electric power/automobile/railroad/electric appliance industries.

Topics

■ Electronics

● Expanding C4F6 etching gas business

- ◆ SDK will start up a new production facility for high-purity C4F6 gas in Kawasaki in the first half of 2009 in cooperation with Air Products and Chemicals, Inc. Demand for C4F6 is expected to grow due to its improved processability and selectivity and very low environmental impact.

● Commercialization of new grade carbon nanotube

- ◆ SDK has decided to build a commercial production facility for VGCFTM-X, a new grade of SDK carbon nanotube with an optimized design for resin composite applications. Production will begin in the first half of 2010 within the premises of Oita Petrochemical Complex. A small added amount of VGCFTM-X can give stable conductivity to resins. Thus it will find applications in static-free plastic cases for the carriage of semiconductor/hard disk media parts in a clean room, contributing to better quality of these parts. SDK has concluded a patent cross-license agreement with Hyperion Catalysis International, Inc., which owns many key patents pertaining to materials and applications in the area of carbon nanotubes, including for resin composites.

Topics

■ Inorganics

● Graphite electrode production capacity expansion

- ◆ In the graphite electrode business, the Showa Denko Group has maximized production/distribution efficiency at the two production bases—one each in Japan and the United States. The Group has established technical advantages, as demonstrated by its position as a world leader in the production of large-diameter graphite electrodes. Our U.S. subsidiary Showa Denko Carbon, Inc. has completed a series of debottlenecking, expanding its capacity to 45,000 tons a year (up 5,000 tons a year). As a result, the Group's total graphite electrode production capacity has reached 105,000 tons a year.

Topics

- **High-purity aluminum foil production capacity expansion**

- ◆ In January, our subsidiary Showa Denko Sakai Aluminum K.K. (SSK) completed a new line for refining aluminum slabs. With the completion, SSK's high-purity foil production capacity was expanded from 1,500 tons a month to more than 1,800 tons a month. High-purity aluminum foils are used in the production of electrolytic capacitors, whose demand has increased substantially in recent years for use in high-performance electric appliances, such as flat-panel TVs, and automotive parts.

- **Environment-friendly pipes made from recycled PET bottles**

- ◆ In June, Showa EcopipeTM, a drainage/ventilation pipe produced and marketed by our subsidiary Showa Denko Kenzai K.K. using recycled PET bottles, was adopted commercially for the first time in a condominium. Compared with existing hard PVC pipes, Showa EcopipeTM needs only one-third energy-input for production, contributing to the reduction in CO₂ emissions. Also, Showa EcopipeTM does not emit chlorine-based toxic gases at the time of incineration.

Topics

■ Aluminum, etc.

● **New aluminum melting furnace at Oyama**

- ◆ In June, SDK completed the modernization work of aluminum casting facilities at its Oyama Plant, installing new melting furnaces with the capacity of producing 60,000 tons of billets a year. The modernization is intended as a measure to ensure the delivery of high-quality fabricated aluminum products to customers.