

# NEWS RELEASE

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## SDK Revises Performance Forecast for First-Half and Full-Year 2009

Showa Denko K.K. (SDK) has revised its performance forecast for the first half of 2009 from the figures announced on February 9, 2009, in view of the recent economic trends.

SDK has also revised its performance forecast for full-year 2009. However, the Company did not make new calculations regarding the second half of the year because it is difficult to make a forecast at this moment. Thus, the revised full-year forecast on Page 2 is provided by simply subtracting the first-half shortages from the initial figures.

### Revision of performance forecast for the first half, 2009

[Revised performance forecast for Jan. 1 – Jun. 30, 2009]

Consolidated basis (Millions of yen; %)

	Net sales	Operating income	Ordinary income	Net income
Earlier forecast (A) (Announced on Feb. 9, 2009)	370,000	- 4,000	- 8,000	- 6,000
Revised forecast (B)	280,000	- 27,500	- 39,500	- 38,000
(B) – (A)	- 90,000	- 23,500	- 31,500	- 32,000
Percentage of changes	- 24.3%	--	--	--
First half, 2008 results	510,788	24,626	18,047	11,730

Non-consolidated basis (Millions of yen; %)

	Net sales	Operating income	Ordinary income	Net income
Earlier forecast (A) (Announced on Feb. 9, 2009)	235,000	- 6,000	- 2,500	2,000
Revised forecast (B)	175,000	- 24,000	- 24,000	- 22,000
(B) – (A)	- 60,000	- 18,000	- 21,500	- 24,000
Percentage of changes	- 25.5 %	--	--	--
First half, 2008 results	360,243	17,101	15,262	10,129

## Revision of performance forecast for full-year 2009

[Revised performance forecast for Jan. 1 – Dec. 31, 2009]

Consolidated basis (Millions of yen; %)

	Net sales	Operating income	Ordinary income	Net income
Earlier forecast (A) (Announced on Feb. 9, 2009)	800,000	17,000	8,000	2,000
Revised forecast (B)	710,000	- 6,500	- 23,500	- 30,000
(B) - (A)	- 90,000	- 23,500	- 31,500	- 32,000
Percentage of changes	- 11.3%	--	--	--
2008 results	1,003,876	26,792	9,793	2,451

Non-consolidated basis (Millions of yen; %)

	Net sales	Operating income	Ordinary income	Net income
Earlier forecast (A) (Announced on Feb. 9, 2008)	515,000	2,000	2,000	4,000
Revised forecast (B)	455,000	- 16,000	- 19,500	- 20,000
(B) - (A)	- 60,000	- 18,000	- 21,500	- 24,000
Percentage of changes	- 11.7%	--	--	--
2008 results	705,219	13,549	4,338	3,395

[Reasons for the revision of consolidated & non-consolidated performance forecast]

As for the first half of the year, we expect our shipment of petrochemicals will be maintained at almost the same level as in the initial forecast. However, overall sales volumes are declining as we had to reduce production in the first quarter by a margin much higher than we anticipated, in response to sharp production cuts in the automobile and electronics industries amid the global recession. In the second quarter, recovery of production/shipment will be delayed, mainly in the Aluminum and Inorganics segments. As a result, the performance for the first half of the year will be lower than the initial forecast in terms of net sales, operating income, ordinary income, and net income.

At this moment, it is difficult to make a forecast for the third and fourth quarters since the recovery of shipments/supply-demand balance in customer industries is still uncertain. Thus, we did not make new calculations regarding the second half of the year, and we have simply subtracted the first-half shortages from the initial full-year forecast.

(Reference)

[Forecast of net sales and operating income for the first half, by segment]  
Consolidated basis (Billions of yen)

		Jan. – Jun. 2009			First half, 2008 results
		Initial forecast (Announced on Feb. 9)	Revised forecast (Announced on Apr. 30)	Increase/ decrease	
Petrochemicals	Sales	110.0	93.0	- 17.0	204.7
	O.I.	- 3.0	- 0.5	2.5	6.0
Chemicals	Sales	50.0	47.0	- 3.0	40.8
	O.I.	0.5	- 1.5	- 2.0	3.7
Electronics	Sales	70.0	43.0	- 27.0	101.1
	O.I.	- 5.0	- 16.5	- 11.5	7.5
Inorganics	Sales	40.0	23.0	- 17.0	43.5
	O.I.	7.5	0.5	- 7.0	9.8
Aluminum	Sales	100.0	74.0	- 26.0	120.8
	O.I.	- 1.5	- 7.5	- 6.0	0.7
HQ costs and other	Sales	0	0	0	0
	O.I.	- 2.5	- 2.5	0	- 3.1
Total	Sales	370.0	280.0	- 90.0	510.8
	O.I.	- 4.0	- 28.0	- 24.0	24.6

Note:

The above forecast is based on the information available as of today and assumptions as of today regarding risk factors that could affect our future performance. Actual results may differ materially from the forecast due to a variety of reasons, including, but not limited to, the economic conditions, costs of naphtha and other raw materials, demand for our products, market conditions, and foreign exchange rates.

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