

NEWS RELEASE

SHOWA DENKO K.K.

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February 8, 2010

SDK Announces Revised Performance Forecast for 2009

Showa Denko K.K. (SDK) has revised its earlier forecast of consolidated business results for 2009 announced on December 8, 2009, in view of the recent business trends.

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

Consolidated basis (Millions of yen, excepting net income per share)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Earlier forecast (A) (Announced on Dec. 8, 2009)	680,000	- 8,000	- 26,500	- 41,500	- 32.16
Revised forecast (B) (Announced on Feb. 8, 2010)	678,200	- 5,000	- 22,300	- 38,000	- 29.45
(B) - (A)	- 1,800	3,000	4,200	3,500	--
Percentage of changes	- 0.3%	--	--	--	--
2008 results	1,003,876	26,792	9,793	2,451	1.96

[Reasons for the revision of consolidated performance forecast]

In the fourth quarter (October – December), shipment volumes increased due to the increase in demand from customer industries. We accordingly expect improvements in our operating income, ordinary income and net income as compared with the earlier forecast.

Profit levels will improve mainly in the Electronics, Aluminum & Other, and Petrochemicals segments. In the Electronics segment, in particular, shipment volumes of hard disk media will be higher than expectations, reflecting brisk demand for PCs. The Aluminum & Other segment will also record better results, because shipment volumes to the automobile and other customer industries are gradually improving, and our own cost reduction efforts are bearing fruit.

As a result, operating income for the fourth quarter is expected to reach ¥11.2 billion, compared with ¥8.2 billion in the earlier forecast.

(Reference)

[Forecast of net sales and operating income for full-year 2009, by segment]

Consolidated basis (Billions of yen)

		Jan. – Dec. 2009			2008 results
		Earlier forecast (Announced on Dec. 8, '09)	Revised forecast (Announced on Feb. 8, '10)	Increase/ decrease	
Petrochemicals	Sales	233.0	236.0	3.0	400.2
	O.I.	7.5	8.0	0.5	- 1.3
Chemicals	Sales	95.0	91.9	- 3.1	93.3
	O.I.	0.5	0.4	- 0.1	5.3
Electronics	Sales	127.0	127.8	0.8	188.8
	O.I.	- 11.0	- 9.8	1.2	9.3
Inorganics	Sales	53.0	53.7	0.7	88.8
	O.I.	3.5	3.6	0.1	19.2
Aluminum & Other	Sales	172.0	168.8	- 3.2	232.8
	O.I.	- 5.0	- 4.2	0.8	- 0.2
HQ costs and other	Sales	0	0	0	0
	O.I.	- 3.5	- 3.0	0.5	- 5.5
Total	Sales	680.0	678.2	- 1.8	1,003.9
	O.I.	- 8.0	- 5.0	3.0	26.8

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 risk factors, 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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