

NEWS RELEASE

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SDK Revises Performance Forecast for First Half and Full-Year 2010

Showa Denko K.K. (SDK) has revised its earlier forecast of consolidated business results for the first half of 2010 announced on February 10, in view of the recent business trends. SDK has also revised its performance forecast for full-year 2010. However, the Company did not make new calculations regarding the second half of the year because it is difficult at this moment to forecast the shipment/supply-demand situation pertaining to customer industries. Thus, the revised full-year forecast is provided by simply adding the expected increases from the initial figures for the first half of the year.

[Revised performance forecast for Jan. 1 – June 30, 2010]

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 Feb. 10, 2010)	370,000	10,000	6,000	3,000	2.00
Revised forecast (B) (Announced on Apr. 28, 2010)	380,000	13,000	9,500	4,000	2.67
(B) - (A)	10,000	3,000	3,500	1,000	--
Percentage of changes	2.7%	30.0%	58.3%	33.3%	--
First half 2009 results	286,683	- 22,861	- 34,334	- 46,531	- 37.29

[Revised performance forecast for Jan. 1 – Dec. 31, 2010]

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 Feb. 10, 2010)	790,000	30,000	21,000	11,000	7.35
Revised forecast (B) (Announced on Apr. 28, 2010)	800,000	33,000	24,500	12,000	8.02
(B) - (A)	10,000	3,000	3,500	1,000	--
Percentage of changes	1.3%	10.0%	16.7%	9.1%	--
2009 results	678,204	- 4,983	- 22,325	- 37,981	- 29.44

[Reasons for the revision of consolidated performance forecast]

Operating income for the first half of the year is expected to exceed our initial forecast as shipments in the Aluminum, Chemicals, and Electronics segments will be higher than original estimates due mainly to the recovery in production in the electronics and automobile industries.

We did not make new calculations regarding the second half of the year because it is difficult at this moment to forecast the shipment/supply-demand situation pertaining to customer industries. Thus, the revised full-year forecast is provided by simply adding the expected increases from the initial figures for the first half of the year.

(Reference)

[Forecast of net sales and operating income for first half 2010, by segment]

Consolidated basis (Billions of yen)

		Jan. – June 2010			First half 2009 results
		Earlier forecast (Announced on Feb. 10)	Revised forecast (Announced on Apr. 28)	Increase/ decrease	
Petrochemicals	Sales	120.0	125.0	5.0	96.2
	O.I.	1.5	1.5	0	2.0
Chemicals	Sales	50.0	45.0	- 5.0	46.8
	O.I.	1.0	2.0	1.0	-1.1
Electronics	Sales	90.0	90.0	0	43.0
	O.I.	5.5	6.0	0.5	- 15.7
Inorganics	Sales	30.0	35.0	5.0	22.9
	O.I.	2.5	2.5	0	0.3
Aluminum & Other	Sales	80.0	85.0	5.0	77.7
	O.I.	1.5	3.0	1.5	- 6.8
HQ costs and other	Sales	--	--	--	--
	O.I.	- 2.0	- 2.0	0	- 1.6
Total	Sales	370.0	380.0	10.0	286.7
	O.I.	10.0	13.0	3.0	- 22.9

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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