

# NEWS RELEASE

SHOWA DENKO K.K.

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

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## SDK Revises Performance Forecast for First Half 2010

Showa Denko K.K. (SDK) has revised its earlier forecast of consolidated business results for the first half of 2010 announced on April 28, in view of the recent business trends.

Operating income for all segments, except the Petrochemicals, will increase, reflecting the expansion of production mainly by the electronics and automobile industries. Meanwhile, operating income for the Petrochemicals segment, which had shutdown maintenance of the ethylene plant, is expected to be maintained at the level of the previous forecast.

Thus, SDK's consolidated net sales, operating income, ordinary income, and net income for the January 1 – June 30 period will all increase from the previous forecast.

SDK is now reviewing its performance forecast for full-year 2010 (January 1 – December 31). The company will explain the forecast on August 3, when it announces the results 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 Apr. 28, 2010)	380,000	13,000	9,500	4,000	2.67
Revised forecast (B) (Announced on July 29, 2010)	384,000	17,700	14,000	7,700	5.15
(B) - (A)	4,000	4,700	4,500	3,700	
Percentage of changes	1.1%	36.2%	47.4%	92.5%	
First half 2009 results	286,683	- 22,861	- 34,334	- 46,531	- 37.29

Non-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)	230,000	2,000	6,000	6,000	4.01
Revised forecast (B) (Announced on July 29, 2010)	250,700	4,800	8,800	6,900	4.61
(B) - (A)	20,700	2,800	2,800	900	
Percentage of changes	9.0%	140.0%	46.7%	15.0%	
First half 2009 results	184,996	- 19,147	- 17,454	- 27,405	- 21.96

(Reference)

[Revised 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 Apr. 28)	Revised forecast (Announced on July 29)	Increase/ decrease	
Petrochemicals	Sales	125.0	126.4	1.4	96.2
	O.I.	1.5	1.6	0.1	2.0
Chemicals	Sales	45.0	44.6	- 0.4	46.8
	O.I.	2.0	2.2	0.2	-1.1
Electronics	Sales	90.0	86.8	- 3.2	43.0
	O.I.	6.0	6.7	0.7	- 15.7
Inorganics	Sales	35.0	37.1	2.1	22.9
	O.I.	2.5	3.7	1.2	0.3
Aluminum & Other	Sales	85.0	89.1	4.1	77.7
	O.I.	3.0	4.6	1.6	- 6.8
HQ costs and other	Sales	—	—	—	—
	O.I.	- 2.0	- 1.1	0.9	- 1.6
Total	Sales	380.0	384.0	4.0	286.7
	O.I.	13.0	17.7	4.7	- 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.

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