

# NEWS RELEASE

SHOWA DENKO K.K.

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## SDK Revises Performance Forecast for Full-Year 2010

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

Operating income of the Electronics, Inorganics, and Aluminum segments will increase from the earlier forecast, due mainly to increased production by the electronics and automobile industries.

[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 Apr. 28, 2010)	800,000	33,000	24,500	12,000	8.02
Revised forecast (B) (Announced on Aug. 3, 2010)	825,000	40,000	32,000	14,000	9.35
(B) - (A)	25,000	7,000	7,500	2,000	
Percentage of changes	3.1%	21.2%	30.6%	16.7%	
2009 results	678,204	- 4,983	- 22,325	- 37,981	- 29.44

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)	520,000	10,000	10,000	10,000	6.68
Revised forecast (B) (Announced on Aug. 3, 2010)	555,000	14,000	14,000	7,500	5.01
(B) - (A)	35,000	4,000	4,000	- 2,500	
Percentage of changes	6.7%	40.0%	40.0%	- 25.0%	
2009 results	442,625	- 14,380	- 17,774	- 27,564	- 21.36

(Reference)

[Revised forecast of net sales and operating income for full-year 2010, by segment]

Consolidated basis (Billions of yen)

		Jan. – Dec. 2010			2009 results
		Earlier forecast (Announced on Apr. 28)	Revised forecast (Announced on Aug. 3)	Increase/ decrease	
Petrochemicals	Sales	275.0	285.0	10.0	236.0
	O.I.	6.0	6.0	0	8.0
Chemicals	Sales	95.0	95.0	0	91.9
	O.I.	4.0	4.0	0	0.4
Electronics	Sales	195.0	195.0	0	127.8
	O.I.	15.0	16.0	1.0	- 9.8
Inorganics	Sales	70.0	75.0	5.0	53.7
	O.I.	6.0	8.5	2.5	3.6
Aluminum & Other	Sales	165.0	175.0	10.0	168.8
	O.I.	6.0	8.5	2.5	- 4.2
HQ costs and other	Sales	—	—	—	—
	O.I.	- 4.0	- 3.0	1.0	- 3.0
Total	Sales	800.0	825.0	25.0	678.2
	O.I.	33.0	40.0	7.0	- 5.0

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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