

NEWS RELEASE

SHOWA DENKO K.K.

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SDK to Further Expand HD Media Production Capacity in Singapore

Showa Denko K.K. (SDK) today decided to further expand its hard disk (HD) media production capacity by 2 million disks per month, installing additional production lines at its fully-owned subsidiary Showa Denko HD Singapore Pte. Ltd. (SHDS). This is in addition to the capacity expansion of 3 million disks per month announced on April 28, 2010.

Although the hard disk drive (HDD) production is now undergoing a slight adjustment phase, HDD demand is expected to grow at an annual rate of around 10% in the coming years owing to the rise in the volume of global communication as well as increased use in PCs, servers and digital electric appliances.

SDK has therefore concluded that it is necessary to further strengthen its HD media production capacity in addition to the ongoing expansion work. SDK will continue examining measures to increase its HD media production capacity to meet growing demand in a timely manner.

There is a growing requirement for HD media with still higher recording capacity. As the world's largest independent HD media supplier, SDK will continue to ensure stable supply of high-capacity HD media that meet customer requirements.

The additional 2-million-disks/month capacity expansion at SHDS will involve capital expenditure of approximately ¥5.5 billion, and is scheduled for completion in June 2011. As from July 2011, the Showa Denko Group's total HD media production capacity will be increased to 27 million disks a month. (The capacity as of the end of June 2010 amounted to 22 million disks a month. In April 2011, when the expansion work announced on April 28, 2010 is to be completed, the capacity will increase to 25 million disks a month.)

Profile of SHDS (as of December 31, 2009)

Company name: Showa Denko HD Singapore Pte. Ltd.

Head office location: Singapore

Scope of business: Production and sale of HD media

Ownership: Owned 100% by SDK

Number of employees: 1,093

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Our HD media plant in Singapore

