

# NEWS RELEASE

SHOWA DENKO K.K.

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## SDK Revises Performance Forecast for First Half 2011

Showa Denko K.K. (SDK) has revised its earlier forecast of consolidated business results for the first half of 2011 announced on February 9, in view of the recent business trends.

Profit from the Petrochemicals segment will increase, reflecting continued high plant utilization rates and use of raw material naphtha purchased before the recent unexpected increase in naphtha prices. Profit from the Inorganics segment will also increase due to steady shipments of graphite electrodes and ceramics, reflecting the tight supply-demand situation on the market. As a result, our consolidated net sales, operating income, ordinary income and net income for the first half of 2011 will increase from the earlier forecast.

As for the performance forecast for full-year 2011 (January 1 – December 31), we will not review it as of the date of announcement of the first half results. This is because we are facing many uncertainties, such as economic trends in the U.S.A. and Europe as well as fluctuations on the foreign exchange market.

[Revised performance forecast for Jan. 1 – June 30, 2011]

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. 9, 2011)	415,000	17,000	14,000	6,500	4.34
Revised forecast (B) (Announced on July 29, 2011)	416,500	22,100	18,000	7,800	5.21
(B) - (A)	1,500	5,100	4,000	1,300	
Percentage of changes	0.4%	30.0%	28.6%	20.0%	
First half 2010 results	384,099	17,744	14,049	7,701	5.15

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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