

NEWS RELEASE

SHOWA DENKO K.K.

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SDK Signs Agreement on Split and Transfer of Industrial Gas Business

Showa Denko K.K. (SDK) today approved an absorption-type split agreement for its industrial gas business at its board meeting, and concluded the agreement with its wholly owned subsidiary Showa Tansan Co., Ltd. (STK).

As announced on June 27, 2011, SDK decided to split its business in air separation gases (oxygen, nitrogen, argon, etc.), compressed hydrogen, carbon dioxide and dry ice, etc. and transfer the business to STK effective January 1, 2012.

Details of the company split, including schedules, are as follows:

1. Schedules

The absorption-type split agreement was approved today at respective board meetings of SDK and STK, and concluded between the two companies the same day. SDK, the splitting company, will not refer the split agreement to its shareholders' meeting for approval, because this transaction falls under the category of a simplified split under the provisions of Article 784, paragraph 3 of the Companies Act. STK, the succeeding company, will not refer the split agreement to its shareholders' meeting for approval either, because this transaction falls under the category of an informal split under the provisions of Article 796, paragraph 1 of the Companies Act. The company split will take effect on January 1, 2012.

2. Allotment

STK, the succeeding company, will not issue or allot new shares.

3. Assets/liabilities subject to split (As of December 31, 2010)

Item	Book value	Item	Book value
Current assets	¥15 million	Current liabilities	0
Fixed assets	¥1,624 million	Fixed liabilities	0
Total	¥1,639 million	Total	0

4. Situation of the succeeding company after split

(a) Company name

STK will change its name to "Showa Denko Gas Products Co., Ltd." effective January 1, 2012.

(b) Capital stock

The succeeding company's capital stock will not change because there will be no issue/allotment of new shares.

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