

NEWS RELEASE

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SDK Completes Transfer of Automotive Air-Conditioner Heat Exchanger Business

Showa Denko K.K. (SDK) completed the transfer of its automotive air-conditioner heat exchanger business to Keihin Corporation (Keihin) on January 1, 2012 by transferring 60% of shares in Thermal Technology Corporation.

SDK first announced on June 6, 2011 that it signed a final agreement on the transfer with Keihin and that the transfer would take effect in October 2011. Then SDK announced on September 21, 2011 that the transfer would be postponed by three months, to January 1, 2012, due to expected delay in competition-law-based procedures in China.

Our performance forecast for 2011, to be announced later, will reflect the influence of this business transfer.

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