

NEWS RELEASE

SHOWA DENKO K.K.

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SDK Revises Full-Year 2012 Performance Forecast

Showa Denko K.K. (SDK) has revised its earlier forecast of consolidated business results for full-year 2012 announced on February 9, in view of the recent business trends.

[Revised performance forecast for Jan. 1 – Dec. 31, 2012]

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, 2012)	880,000	48,000	42,000	23,000	15.37
Revised forecast (B) (Announced on Aug. 1, 2012)	790,000	42,000	36,000	18,000	12.03
(B) - (A)	- 90,000	- 6,000	- 6,000	- 5,000	
Percentage of changes	- 10.2%	- 12.5%	- 14.3%	- 21.7%	
2011 results	854,158	47,357	40,018	16,980	11.35

[Reasons for the revision of consolidated performance forecast]

Net sales will decrease due mainly to lower shipment volumes in the Petrochemicals segment, which was caused by the suspension of operations for about 90 days in the first half of the year as a result of the ethylene plant trouble. The Electronics segment will record higher profit due to steady conditions in the hard disk media business. However, the Petrochemicals segment will record lower profit due to lower shipment volumes in the first half of the year and expected delays in the recovery of demand in the second half of the year. The Chemicals segment will also record lower profit due mainly to the stagnant acrylonitrile market. As a result, total operating income is expected to fall below the initial forecast. Ordinary income and net income will be lower than the initial forecast due to the fall in operating income.

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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