Interconnection of Inorganic/Aluminum and Organic Chemical Technologies
Ranking as one of Japan’s leading chemical companies, Showa Denko K.K. operates in the five major sectors of petrochemicals, chemicals, electronics, inorganic materials, and aluminum.

Showa Denko has many consolidated subsidiaries active in a wide range of related operations, including Japan Polyolefins Co., Ltd., which manufactures polyethylene plastics.

Under the “Cheetah Project,” a medium-term consolidated business plan that extends from 2000 through 2002, we have been fully renovating operations through restructuring, the improvement of our financial strength, and the reduction of our workforce.

Based on achievements made to date under the plan, we have established a new consolidated business plan for the 2003–2005 period named the “Sprout Project,” in which we will shift our focus from restructuring to growth strategies.

We will achieve growth through the pursuit of synergies that nurture interconnections among inorganic/aluminum and organic chemicals technologies. Focusing on the three major target markets of electronics, automotive parts, and personal care/environmental goods, we will fully utilize our core technologies and provide individualized products that meet stringent customer requirements.

Showa Denko is committed to the principle of Responsible Care and is vigorously carrying out an action plan to implement its Responsible Care program.

Forward-Looking Statements
This annual report contains statements relating to management’s projections of future profits, the possible achievement of the Company’s financial goals and objectives, and management’s expectations for the Company’s product development program. The Company cannot guarantee that these expectations and projections will be realized or correct. Actual results may differ materially from the results anticipated in the statements included herein due to a variety of factors, including such economic factors as fluctuations in foreign currency exchange rates as well as market supply and demand conditions. The timely commercialization of products under development by the Company may be disrupted or delayed by a variety of factors, including market acceptance, the introduction of new products by competitors, and changes in regulations or laws. The foregoing list of factors is not inclusive.