SHOWA DENKO VISION

We at the Showa Denko Group will provide products and services that are useful and safe and exceed our customers’ expectations, thereby enhancing the value of the Group, giving satisfaction to our shareholders, and contributing to the sound growth of international society as a responsible corporate citizen.

We defined our vision in 2002 when we formulated the Sprout Project and partially revised its wording in 2005 from the viewpoint of corporate social responsibility (CSR). The vision, though brief, clarifies our mission of fulfilling the expectations of all our stakeholders, including shareholders, customers, suppliers, citizens, and employees. We will work hard to realize this vision and earn the full trust of all stakeholders by providing excellent products and services in line with the new Passion Project.

CODE OF CONDUCT AND GUIDELINES

We established the code of conduct for Showa Denko Group employees in 1998. We then enacted its guidelines in the following year, clarifying the meaning of the code through details and examples. We then partially revised the guidelines in 2005 to better reflect the principles of CSR. In their daily activities, all officers and employees of the Showa Denko Group are following the code and its guidelines to retain public confidence, contribute to the prosperity of international society, and ensure the continued growth of the Group.

The Code of Conduct

As Showa Denko officers and employees,
1. We will develop and provide useful and safe technologies, products, and services to contribute to the sound growth of society;
2. We will observe the laws of Japan and of the foreign countries in which we operate, abide by the Company rules, and strive to maintain the social order;
3. We will conduct business in Japan and abroad based on the principle of fair and free competition;
4. We will do our best to ensure safety and to protect the global environment;
5. We will make sure that we maintain good communications with the public and disclose accurate information on our Company in a timely manner;
6. We will respect human rights and create a cheerful and comfortable working environment; and
7. We will act as a member of the international society and contribute to the development of the regions in which we operate.

INvolVEMENT IN COMMUNITY ACTIvITIES

Involvement with local schools

In an effort to deepen the interest of young people in chemistry, we are providing them with opportunities for chemistry experiments and education. As a first such attempt, researchers at our Oita Petrochemical Complex demonstrated chemistry experiments at Oita elementary and junior high schools in 2004. Similar opportunities were provided in 2006 to elementary and junior high school pupils in the Chiba and Chichibu districts. Furthermore, the Company participated in the Japan Chemical Industry Association’s campaigns for youngsters, demonstrating light-generation experiments using LEDs. In 2006, the Company also participated in the Eco-Products Exhibition in Tokyo, where we gave quizzes to elementary and junior high school pupils to raise their environmental awareness. The Company participated in the Eco-Products Exhibition in Singapore as well.

Aluminum can recycling activities

Showa Denko Group employees are actively engaged in the recycling of aluminum cans. As part of this activity, the Group makes donations to regional social welfare organizations. The employees also cooperate with local residents, including shopkeepers, in the recycling of aluminum cans and then donate the resulting money to volunteer groups that aid people with special needs.

DISCLOSURE AWARD

We received the 2006 Disclosure Award from the Tokyo Stock Exchange (TSE). As part of its efforts to encourage listed companies to make full public disclosure of all relevant information, the TSE grants awards each year to those who are considered to be very positive in this regard. We will continue to provide information to our stakeholders in a clear and timely manner to increase our transparency.