

2004 Third Quarter Consolidated Financial Results (Summary)

1. Summary

(Unit: billions of yen)

Items	2004 CQ3 Jan. 1 - Sep.30	2003 CQ3 Jan. 1 - Sep.30	Increase
Net Sales	537.2	516.5	20.7
Operating Income	36.2	25.4	10.8
Net Income	11.8	8.4	3.4
Total assets	954.4	933.6	20.8
Interest bearing debt	525.8	540.9	-15.1

(Unit: billions of yen)

2004 July 1 - Sep. 30	2003 July 1 - Sep. 30	Increase
188.9	170.9	18.0
14.0	9.4	4.6
5.4	4.5	0.9

1-2. Net Sales and Operating Income by Segment

(Unit: billions of yen)

Segment		2004 CQ3 Jan. 1 - Sep.30	2003 CQ3 Jan. 1 - Sep.30	Increase
Petrochemicals	Net Sales	182.6	181.4	1.2
	Operating Income	14.0	8.5	5.5
Chemicals	Net Sales	56.4	56.1	0.4
	Operating Income	2.3	3.8	-1.5
Electronics	Net Sales	81.8	68.3	13.6
	Operating Income	10.9	6.9	4.0
Inorganic Materials	Net Sales	40.4	37.7	2.7
	Operating Income	4.3	1.7	2.6
Aluminum	Net Sales	175.9	173.0	2.8
	Operating Income	9.3	8.0	1.3
HQ costs and other	Net Sales	-	-	-
	Operating Income	-4.6	-3.4	-1.1
Total	Net Sales	537.2	516.5	20.7
	Operating Income	36.2	25.4	10.8

(Unit: billions of yen)

2004 July 1 - Sep. 30	2003 July 1 - Sep. 30	Increase
65.4	60.5	4.9
6.4	2.6	3.8
17.9	18.5	-0.6
0.6	1.2	-0.6
30.4	23.8	6.6
4.1	3.1	0.9
13.7	12.3	1.5
1.5	0.6	0.9
61.5	55.9	5.6
2.9	2.7	0.2
-	-	-
-1.5	-0.9	-0.6
188.9	170.9	18.0
14.0	9.4	4.6

2. Forecast for 2004 (full year) : revised on Nov. 16

(Unit: billions of yen)

Items	Revised forecast	Earlier forecast (Announced on Aug. 10, '04)	Increase
Net Sales	735.0	720.0	15.0
Operating Income	50.0	47.0	3.0
Net Income	7.0	13.0	-6.0
Interest bearing debt	510.0	515.0	-5.0

(Unit: billions of yen)

2004 Results	Increase
689.4	45.6
38.5	11.5
10.3	-3.3
527.4	-17.4

2-2. Net Sales and Operating Income by Segment: revised on Nov. 16

(Unit: billions of yen)

Segment		Revised forecast	Earlier forecast (Announced on Aug. 10, '04)	Increase
Petrochemicals	Net Sales	252.0	243.0	9.0
	Operating Income	18.0	14.0	4.0
Chemicals	Net Sales	82.0	83.0	-1.0
	Operating Income	5.5	6.5	-1.0
Electronics	Net Sales	114.0	113.0	1.0
	Operating Income	15.0	14.5	0.5
Inorganic Materials	Net Sales	55.0	53.0	2.0
	Operating Income	5.5	5.0	0.5
Aluminum	Net Sales	232.0	228.0	4.0
	Operating Income	12.0	13.0	-1.0
HQ costs and other	Net Sales	-	-	-
	Operating Income	-6.0	-6.0	0
Total	Net Sales	735.0	720.0	15.0
	Operating Income	50.0	47.0	3.0

(Unit: billions of yen)

2004 Results	Increase
235.1	16.9
12.0	6.0
78.2	3.8
6.0	-0.5
94.7	19.3
10.7	4.3
51.0	4.0
2.7	2.8
230.3	1.7
11.6	0.4
-	-
-4.4	-1.6
689.4	45.6
38.5	11.5

SHOWA DENKO started disclosure of its quarterly consolidated financial results beginning with the first quarter of 2004. Figures for the year-earlier quarter are shown for reference.

The performance forecast for 2004 is based on the economic conditions and the Company's business policy at this point of time. Please note that actual results may differ materially from the forecast due to a variety of factors, including changes in the market conditions.