

# NEWS RELEASE

SHOWA DENKO K.K.

13-9, Shiba Daimon 1-chome  
Minato-ku, Tokyo 105-8518

May 12, 2005

## SDK Revises Performance Forecast for First Half 2005

Showa Denko K.K. (SDK) has revised its performance forecast for the first half of 2005. Consolidated net sales for the period are expected to increase 2.1% from the earlier forecast (announced March 15, 2005), to ¥388 billion, due mainly to good performances of the petrochemical and hard disk (HD) media businesses.

Selling prices of petrochemicals increased during the period, reflecting a tight demand-supply situation and a rise in feedstock costs. Utilization of petrochemical plants remained at high levels in response to brisk demand. Shipment volumes of HD media continued steady.

Consolidated operating income is expected to increase 13.3% from the earlier forecast, to ¥25.5 billion, due to continued high plant utilization and higher selling prices in the petrochemicals segment. Ordinary income and net income will also increase as a result of the increase in operating income. However, SDK did not revise its full-year performance forecast (consolidated and non-consolidated) due to many uncertain factors, including the crude oil prices.

[Revised performance forecast for Jan. 1 – June 30, 2005]

### Consolidated basis

(Billions of yen, %)

	Net sales	Operating income	Ordinary income	Net income
Earlier forecast (A) (Announced on Mar. 15, 2005)	380.0	22.5	16.5	13.0
Revised forecast (B)	388.0	25.5	20.0	16.5
(B) - (A)	8.0	3.0	3.5	3.5
Percentage of increase (decrease)	2.1%	13.3%	21.2%	26.9%
First half, 2004 results	348.3	22.2	16.2	6.4
2004 results (full-year)	740.7	52.1	38.9	7.6

Non-consolidated basis

(Billions of yen, %)

	Net sales	Operating income	Ordinary income	Net income
Earlier forecast (A) (Announced on Mar. 15, 2005)	264.0	14.5	16.0	5.5
Revised forecast (B)	270.0	16.0	17.5	7.4
(B) - (A)	6.0	1.5	1.5	1.9
Percentage of increase (decrease)	2.3%	10.3%	9.4%	34.5%
First half, 2004 results	245.4	15.5	11.4	5.7
2004 results (full-year)	525.8	44.1	35.2	9.6

For more information, contact:  
PR & IR Group (Phone: 81-3-5470-3235)