

NEWS RELEASE

SHOWA DENKO K.K.

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SDK Revises 2005 Full-Year Performance Forecast

Showa Denko K.K. (SDK) has revised its performance forecast for the whole year of 2005. Consolidated net sales for the year are expected to increase 1.3% from the earlier forecast (announced on March 15, 2005), to ¥790 billion, while consolidated operating income is expected to increase 6.7%, to ¥56 billion.

This upward revision in both net sales and operating income is due mainly to higher selling prices in the petrochemicals segment, reflecting a rise in feedstock costs and brisk demand. Ordinary income and net income will also rise as a result of the increase in operating income.

[Revised performance forecast for Jan. 1 – December 31, 2005]

Consolidated basis

(Billions of yen, %)

	Net sales	Operating income	Ordinary income	Net income
Earlier forecast (A) (Announced on March 15, 2005)	780	52.5	40.5	24.5
Revised forecast (B)	790	56.0	46.5	31.0
(B) - (A)	10.0	3.5	6.0	6.5
Percentage of increase (decrease)	1.3%	6.7%	14.8%	26.5%
2004 results	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 March 15, 2005)	543.0	32.0	29.0	11.0
Revised forecast (B)	550.0	34.5	32.5	15.0
(B) - (A)	7.0	2.5	3.5	4.0
Percentage of increase (decrease)	1.3%	7.8%	12.1%	36.4%
2004 results	525.8	44.1	35.2	9.6

For more information, contact:
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