NEWS RELEASE

SHOWA DENKO K.K.
13-9, Shiba Daimon 1-chome
Minato-ku, Tokyo 105-8518

December 12, 2014

Showa Denko Revises Consolidated Performance Forecast for 2014

Showa Denko (SDK) (TOKYO: 4004) has revised its consolidated performance forecast for full-year 2014 announced on July 31, 2014, taking into consideration the recent business trends.

1. Revised forecast of consolidated business results for Jan. 1 – Dec. 31, 2014

(Millions of yen, excepting net income per share)

	Net sales	Operating income	Ordinary income	Net income	Net income per share* (¥)
Earlier forecast (A) (Announced on July 31, 2014)	895,000	32,000	26,000	7,000	4.68
Revised forecast (B) (Announced on Dec. 12, 2014)	885,000	25,000	24,000	5,000	3.40
(B) - (A)	-10,000	-7,000	-2,000	-2,000	
Percentage of changes	-1.1%	-21.9%	-7.7%	-28.6%	
2013 results	848,071	25,953	23,488	9,065	6.06

2. Reasons for the revision of consolidated performance forecast

Net sales will decrease due mainly to lower selling prices of ethylene and other petrochemical products, reflecting the sharp decline in naphtha prices caused by the sudden drop in crude oil prices.

Operating income in the Petrochemicals segment will decrease significantly. This is due to the sharp decline in olefin prices on the international market, resulting from the more-than-expected decline in naphtha prices, and the use of high-priced stock of naphtha for production.

Operating income in the Aluminum segment will also decrease due to the rise in procurement costs of aluminum ingot.

Ordinary income and net income will decrease due mainly to the decline in operating income.

Note: The above forecast is based on the information available as of today and assumptions as of today regarding risk factors that could affect our future performance. Actual results may differ materially from the forecast due to a variety of risk factors, including, but not limited to, the economic conditions, costs of naphtha and other raw materials, demand for our products, market conditions, and foreign exchange rates.

[Reference]

Forecast of consolidated sales and operating income for 2014 by segment (¥100 million)

		Forecast of 2014 results (consolidated)			2013 actual results (Jan. 1-Dec. 31)
		Earlier forecast (Jan. 1-Dec. 31) Announced on July 31, 2014	Revised forecast (Jan. 1-Dec. 31) Announced on Dec. 12, 2014	Increase/ decrease	
Petrochemicals	Sales	2,860	2,800	-60	2,867
	O.I.	25	-35	-60	44
Chemicals	Sales	1,430	1,410	-20	1,307
	O.I.	60	55	-5	26
Electronics	Sales	1,380	1,400	20	1,365
	O.I.	260	265	5	219
Inorganics	Sales	680	680	0	659
	O.I.	0	0	0	-8
Aluminum	Sales	1,040	1,070	30	904
	O.I.	40	30	-10	58
Others	Sales	2,020	1,980	-40	1,765
	O.I.	15	10	-5	-6
Adjustments	Sales	-460	-490	-30	-387
	O.I.	-80	-75	5	-73
Total	Sales	8,950	8,850	-100	8,481
	O.I.	320	250	-70	260

For further information, contact:
IR Office, Finance & Accounting Department (Phone: 81-3-5470-3323)