TRANSLATION

March 6, 2015

TO OUR SHAREHOLDERS:

SHOWA DENKO K.K.
(Securities Code: 4004)
13-9, Shiba Daimon 1-Chome, Minato-ku,
Tokyo, Japan

Hideo Ichikawa
President and Chief Executive Officer

Notice of Convocation of the 106th Ordinary General Meeting of Shareholders

The 106th Ordinary General Meeting of Shareholders of Showa Denko K.K. will be held as described below and you are cordially invited to attend the Meeting.

If you do not expect to attend the Meeting, please exercise your voting rights in writing or by electronic means (including the use of the Internet) after reviewing the following Reference Materials for the General Meeting of Shareholders.

1. **Date and Hour** Friday, March 27, 2015 at 10:00 a.m.
2. **Place** Tokyo International Forum (Hall B7)
   5-1, Marunouchi 3-Chome, Chiyoda-ku, Tokyo, Japan
3. **Matters constituting the Purpose of the Meeting:**

Matters to be Reported: (1) Reports on the Business Report and the Consolidated Financial Statements for the 106th Business Term (January 1, 2014 to December 31, 2014), and reports on the Auditing Results from Accounting Auditors and the Board of Auditors.
(2) Reports on the Non-consolidated Financial Statements for the 106th Business Term (January 1, 2014 to December 31, 2014).

Matters to be Resolved upon:

Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Election of Nine Directors
Proposal No. 3: Election of One Auditor

4. Other Matters that have been decided by the Board of Directors before Convocation:

Repeated voting:

1) If the voting rights are exercised both in writing and via the Internet, the voting via the Internet will be regarded as effective.

2) If the voting rights are exercised repeatedly using one and the same method, either via the Internet or in writing, the last voting will be regarded as effective.

5. Methods for exercising voting rights for shareholders who do not expect to attend the Meeting:

1) Exercise of voting rights in writing (by mail)

Please indicate your consent or dissent to the proposals on the enclosed Card for Exercise of Voting Rights, and return it by mail to reach us no later than Thursday, March 26, 2015.

2) Exercise of voting rights via the Internet, etc.

Please log on to the designated website for exercise of voting rights at http://www.it-soukai.com/. Enter your code number and password as provided on the enclosed Card for Exercise of Voting Rights and, by following the instructions on the computer screen, enter your consent or dissent and send it to reach us no later than 5:45 p.m. on Thursday, March 26, 2015. For your information, we are also a member to the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc.

- ✧ Upon attending the Meeting, please present the enclosed Card for Exercise of Voting Rights to the receptionist.
- ✧ When the need arises to amend Reference Materials for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements or Consolidated Financial Statements, such amendments will be announced on the Company's website at http://www.sdk.co.jp/.

Reference Materials for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

It is proposed that surplus be appropriated as follows:

It is the Company's basic policy to decide on the distribution of dividends in consideration of earnings performance of the relevant business term and the need to retain earnings for future business development.

Concerning the term-end dividends for this term, the Company, after taking into account the business results of the term as well as the need to improve future competitiveness and financial strength, proposes a term-end dividend as described below.

1. Matters related to term-end dividends
   (1) Type of dividend assets
   Cash
   (2) Matters related to the appropriation of dividend assets and total amount thereof:
   3.00 yen per common share of the Company Total amount: 4,284,845,004 yen
   (3) Effective date for appropriation of surplus:
   March 30, 2015
2. Matters related to the appropriation of other surplus:
   None

Proposal No. 2: Election of Nine Directors

The term of office of all the nine Directors is to expire at the close of this ordinary general meeting of shareholders. The Company proposes election of nine Directors, including three Outside Directors. The list of candidates is as follows:

Candidate No.	Name (Date of Birth)	Personal History, Positions at the Company, and Important Concurrent Posts	Number of Shares of the Company Held
1.	Kyohei Takahashi (July 17, 1944)	April 1968 Joined the Company October 1995 General Manager, Planning Department, Japan Polyolefins Co., Ltd. June 1996 President, Montell-JPO Co., Ltd. June 1999 Executive Vice President, Montell SDK Sunrise Ltd. January 2001 Executive Vice President, SunAllomer Ltd. March 2002 Managing Director; Executive Officer, Petrochemicals Sector, of the Company March 2004 Senior Managing Director January 2005 President January 2007 President and Chief Executive Officer (CEO) January 2011 Chairman of the Board (up to the present) Important Concurrent Post: Chairman, Japan Association for Chemical Innovation	322,500 shares

Candidate No.	Name (Date of Birth)	Personal History, Positions at the Company, and Important Concurrent Posts	Number of Shares of the Company Held
2.	Hideo Ichikawa (March 18, 1952)	April 1975 Joined the Company June 1999 General Manager, Business Support Department, Montell SDK Sunrise Ltd. January 2001 General Manager, Business Support Department, SunAllomer Ltd. May 2003 General Manager, Corporate Strategy Department, of the Company January 2006 Corporate Officer; General Manager, Corporate Strategy Office March 2008 Director; Corporate Officer; General Manager, Corporate Strategy Office September 2008 Director; Corporate Officer; Executive Officer, HD Sector January 2010 Director; Managing Corporate Officer; Executive Officer, HD Sector January 2011 President and Chief Executive Officer (CEO) (up to the present)	288,000 shares
3.	Shinji Sakai (September 18, 1947)	July 1971 Joined the Company March 2000 General Manager, Planning Department, Electronics Sector March 2002 Councillor; General Manager, Planning Department, Electronics Sector March 2004 Corporate Officer; General Manager, Planning Department, Electronics Sector January 2005 Corporate Officer; Deputy Executive Officer, Electronics Sector March 2005 Director; Deputy Executive Officer, Electronics Sector January 2007 Director; Corporate Officer; Executive Officer, Electronics Sector January 2008 Director; Managing Corporate Officer; Executive Officer, Electronics Sector September 2008 Director; Managing Corporate Officer January 2010 Director; Senior Managing Corporate Officer; in charge of Corporate Strategy and China offices January 2011 Director January 2011 Special Advisor, Shoko Co., Ltd. March 2011 President, Shoko Co., Ltd. March 2014 Director; Executive Vice President, of the Company January 2015 Director; Executive Vice President, in charge of Ceramics and Carbons divisions, Yokohama, Shiojiri, and Omachi plants, Corporate R&D and Corporate Strategy departments (up to the present) Important Concurrent Post: Chairman, Showa Denko Carbon, Incorporated Chairman, Showa Denko Sichuan Carbon, Incorporated	102,000 shares

Candidate No.	Name (Date of Birth)	Personal History, Positions at the Company, and Important Concurrent Posts	Number of Shares of the Company Held
4.	Akira Koinuma (August 20, 1951)	April 1975 Joined the Company June 1999 General Manager, Production Technology Department, Oita Plant, Japan Polyolefins Co., Ltd. October 2001 General Manager, Oita Plant, Japan Polyolefins Co., Ltd. August 2003 General Manager, Production Group, Oita Plant, of the Company July 2005 General Manager, Production Technology Department, Technology Headquarters January 2006 General Manager, Production Technology Office and Production Technology Center, Technology Headquarters January 2008 Corporate Officer; Deputy Executive Officer, Technology Headquarters January 2010 Corporate Officer; Executive Officer, Production Technology Headquarters March 2011 Director; Corporate Officer; Executive Officer, Production Technology Headquarters January 2012 Director; Managing Corporate Officer; Executive Officer, Production Technology Headquarters January 2013 Director; Managing Corporate Officer January 2015 Director; Senior Managing Corporate Officer, in charge of Production Technology, Energy & Electricity, SPS Innovation, and CSR departments; Chief Technology Officer (CTO) (up to the present)	236,000 shares
5.	Masaru Amano (August 29, 1952)	April 1976 Joined the Company January 2005 General Manager, Human Resources Group, Business Support Center January 2006 General Manager, Human Resources Office January 2009 Corporate Officer; General Manager, Human Resources Office January 2011 Corporate Officer; General Manager, General Affairs Office January 2013 Corporate Officer March 2013 Director; Corporate Officer January 2015 Director; Managing Corporate Officer, in charge of Internal Audit, Legal & Intellectual Property, General Affairs & Human Resources, and Purchasing & SCM departments; Chief Risk Management Officer (CRO) (up to the present)	79,000 shares

Candidate No.	Name (Date of Birth)	Personal History, Positions at the Company, and Important Concurrent Posts	Number of Shares of the Company Held
6.	Saburo Muto (January 15, 1954)	April 1976 Joined the Company March 2004 General Manager, Accounting Group, Business Support Center January 2006 General Manager, Accounting Office January 2010 Corporate Fellow; General Manager, Accounting Office January 2011 Corporate Officer; General Manager, Accounting Office January 2013 Corporate Officer; General Manager, Finance & Accounting Department March 2014 Director; Corporate Officer; General manager, Finance & Accounting Department August 2014 Director; Corporate Officer January 2015 Director; Managing Corporate Officer, in charge of Finance & Accounting and Information Systems departments; Chief Financial Officer (CFO) (up to the present)	60,000 shares
7	Tomofumi Akiyama (August 13, 1935)	April 1959 Joined Fukoku Mutual Life Insurance Company May 1982 General Manager, Finance Department, Fukoku Mutual Life Insurance Company July 1984 Director, Fukoku Mutual Life Insurance Company March 1989 Managing Director, Fukoku Mutual Life Insurance Company July 1998 President, Fukoku Mutual Life Insurance Company March 2008 Director, of the Company (incumbent) July 2010 Chairman, Fukoku Mutual Life Insurance Company (incumbent) (up to the present) Important Concurrent Post: Chairman, Fukoku Mutual Life Insurance Company	0 shares
8.	Akiyoshi Morita (August 23, 1941)	April 1967 Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation) September 1994 Director, Toyota Motor Corporation June 1998 Managing Director, Toyota Motor Corporation June 1999 Senior Managing Director, Toyota Motor Corporation June 2000 Executive Vice President, Aichi Steel Corporation June 2004 President, Aichi Steel Corporation June 2008 Chairman, Aichi Steel Corporation June 2011 Advisor, Aichi Steel Corporation (incumbent) March 2012 Director, of the Company (incumbent) (up to the present)	50,000 shares

Candidate No.	Name (Date of Birth)	Personal History, Positions at the Company, and Important Concurrent Posts	Number of Shares of the Company Held
9.	*Masaharu Oshima (March 17, 1946)	April 1974 Joined Nippon Telegraph and Telephone Public Corporation (currently Nippon Telegraph and Telephone Corporation) November 1995 Professor, Applied Chemistry Department, Graduate School of Engineering, The University of Tokyo April 2006 Director, Synchrotron Radiation Research Organization, The University of Tokyo October 2009 Chairman, The Japanese Society for Synchrotron Radiation Research April 2013 Project Professor, Synchrotron Radiation Research Organization, The University of Tokyo May 2013 Chairman, The Surface Science Society of Japan (incumbent) June 2013 Emeritus Professor, The University of Tokyo (incumbent) April 2014 Project Researcher, Synchrotron Radiation Research Organization, The University of Tokyo (incumbent) (up to the present) Important Concurrent Post: Chairman, The Surface Science Society of Japan	0 shares

Notes: 1. None of the candidates for the Directors has any special interest in the Company.

2. Mr. Masaharu Oshima is a candidate to be newly elected.

3. Mr. Tomofumi Akiyama, Mr. Akiyoshi Morita, and Mr. Masaharu Oshima are candidates for Outside Directors. Reasons for proposing the three as candidates for Outside Directors are as follows:

1) For Mr. Akiyama

We have received from him valuable advice on the management of the Company based on his insight and his experience in managing a life insurance company for many years. We therefore believe he is well qualified for the position as Outside Director.

2) For Mr. Morita

We have received from him valuable advice on the management of the Company based on his insight and his experience in managing a car manufacturing company and a special steel manufacturing company for many years. We therefore believe he is well qualified for the position as Outside Director.

3) For Mr. Oshima

We expect to receive from him valuable advice on the management of the Company, especially in the field of research and development, based on his abundant expertise and experience as a researcher of electronics. We therefore believe he is well qualified for the position as Outside Director. Though Mr. Oshima has never taken part in management of business companies in the past, he participated in commercialization of results of joint researches with multiple companies. We therefore judge he can appropriately fulfill his duties as Outside Director.

4. Mr. Akiyama will have served as Outside Director of the Company for seven (7) years at the close of this ordinary general meeting of shareholders.

5. Mr. Morita will have served as Outside Director of the Company for three (3) years at the close of this ordinary general meeting of shareholders.

6. Pursuant to the provisions of Articles of Incorporation, in case Mr. Akiyama and Mr. Morita are reelected, the Company plans to extend the existing agreements with them limiting their liability for damages within a defined range. In addition, in case Mr. Oshima is elected, the Company plans to conclude the same agreement with him. The amount of limited liability under the agreement shall be the minimum level

stipulated by laws and regulations.

7. Pursuant to relevant rules of the Tokyo Stock Exchange, Inc. (TSE), the Company has notified the TSE that Mr. Akiyama and Mr. Morita have been appointed the Company's independent directors who will not have conflicting interests with general shareholders. In addition, the Company plans to notify the TSE that Mr. Oshima has been nominated as a candidate for the Company's independent director. Though Fukoku Mutual Life Insurance Company, in which Mr. Akiyama has another position, holds shares of the Company, the percentage of shares held by Fukoku Mutual Life Insurance Company is 3.86% and does not meet the condition to be recognized as major stock holder. In addition, though the Company has business relations with Fukoku Mutual Life Insurance Company including borrowing money form it, the percentage of money borrowed from Fukoku Mutual Life Insurance Company is less than1% of the Company's total assets, and does not meet the condition to be recognized as major business acquaintance of the Company. We therefore judge Mr. Akiyama will not have conflicting interests with general shareholders. Though Mr. Akiyoshi Morita is an Advisor of Aichi Steel Corporation, the amount of annual business transactions between the Company and Aichi Steel Corporation is less than 1% of the Company's net sales, and does not meet the condition to be recognized as major business acquaintance of the Company. We therefore judge Mr. Morita will not have conflicting interests with general shareholders. Mr. Masaharu Oshima and the Company had joint researches until 2008. The annual research expenses were less than 10 million yen, and do not meet the condition to be recognized as major business acquaintance of the Company. We therefore judge Mr. Oshima will not have conflicting interests with general shareholders.

Proposal No. 3: Election of One Auditor

The term of office of Auditor Ichiro Nomura is to expire at the close of this ordinary general meeting of shareholders. The Company proposes election of one auditor.

As to this proposal, approval from the Board of Auditors has been obtained.

The candidate for Auditor is as listed below:

Name (Date of Birth)	Personal History, and Important Concurrent Posts		Number of Shares of the Company Held
Ichiro Nomura (August 6, 1948)	July 1971	Joined the Company	135,000 shares
	March 2001	Councillor; General Manager, Planning Department, Aluminum Materials Sector	
	March 2003	Councillor; General Manager, Planning Department, Aluminum Sector	
	March 2004	Corporate Officer; General Manager, Planning Department, Aluminum Sector	
	January 2005	Corporate Officer	
	March 2005	Director	
	January 2007	Director; Corporate Officer	
	January 2008	Director; Managing Corporate Officer	
	January 2010	Director; Senior Managing Corporate Officer	
	August 2010	Director; Senior Managing Corporate Officer, in charge of Internal Audit, IR & PR, Accounting, Finance, and Information Systems offices; Chief Financial Officer (CFO)	
	January 2011	Director, Assistant to President	
	March 2011	Standing Statutory Auditor (up to the present)	

Note: The candidate for the Auditor has no special interest in the Company.