NEWS RELEASE

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

December 13, 2016

Showa Denko Revises Full-year Performance Forecast

Showa Denko (SDK) (TOKYO: 4004) has revised its earlier forecast of consolidated business results for full-year 2016 announced on August 9, 2016 in view of the recent business trends.

[Revised forecast of consolidated business results for Jan. 1 – Dec. 31, 2016]

(Millions of yen, excepting profit attributable to owners of parent per share)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit attributable to owners of parent per share (¥)
Earlier forecast (A) (Announced on Aug. 9, 2016)	670,000	30,000	23,000	9,000	63.1
Revised forecast (B) (Announced on Dec. 13, 2016)	670,000	36,000	30,000	12,000	84.1
(B) – (A)	–	6,000	7,000	3,000	
Percentage of changes	–	20.0%	30.4%	33.3%	
Reference 2015 results	780,958	33,672	32,225	969	6.78

SDK consolidated every ten shares of its common stock into one share on July 1, 2016. The above numbers, both for 2016 and 2015, are calculated on the basis of the number of outstanding shares after this consolidation.

[Reasons for the revision of consolidated performance forecast]
Operating income in the Petrochemicals segment is expected to exceed the earlier forecast because the spread of ethylene, etc. has improved, reflecting the tight supply-demand balance in the Asian market. Operating income in the Electronics segment will also exceed the earlier forecast because shipment volumes of HD media recently have stronger tendency than the earlier forecast.

Ordinary income and profit attributable to owners of parent will exceed the earlier forecast, reflecting the increase in operating income.

[Reference] Segment-wise breakdown of net sales and operating income (consolidated)

1. Net sales (in 100 millions of yen)

Segment	Performance forecast for 2016 (Consolidated)			2015 actual results (Jan. - Dec. 2015)
	Earlier forecast (Jan. - Dec. 2016) Announced on Aug. 9, 2016	Revised forecast (Jan. - Dec. 2016) Announced on Dec. 13, 2016	Increase/ decrease	
Petrochemicals	1,800	1,850	50	2,313
Chemicals	1,350	1,330	-20	1,423
Electronics	930	1,000	70	1,315
Inorganics	520	500	-20	635
Aluminum	980	980	0	1,008
Others	1,570	1,500	-70	1,525
Adjustments	-450	-460	-10	-408
Total	6,700	6,700	0	7,810

2. Operating income

Petrochemicals	150	180	30	105
Chemicals	130	130	0	107
Electronics	95	130	35	175
Inorganics	-55	-60	-5	-12
Aluminum	40	40	0	26
Others	20	20	0	15
Adjustments	-80	-80	0	-79
Total	300	360	60	337

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.

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