NEWS RELEASE

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March 6, 2017

SDK to Hold Ordinary General Meeting of Shareholders

Showa Denko (SDK) (TOKYO: 4004) at its board of directors' meeting today decided on the contents of the ordinary general meeting of shareholders for its 108th business term. The agenda of the meeting will be different from usual ordinary general meetings of shareholders with regard to the section of I. 4. We sincerely apologize for any inconvenience caused to our shareholders, investors and other parties concerned due to the delay in announcing our financial results.

I. Ordinary general meeting of shareholders for the 108th business term

1. Date and hour: Thursday, March 30, 2017 at 10:00 a.m.
2. Place: Tokyo International Forum (Hall B7), 5-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
3. Matters constituting the purpose of the meeting
   Matters to be resolved upon:
   Proposal No. 1: Partial amendment to the Articles of Incorporation
   Proposal No. 2: Election of nine directors
   Proposal No. 3: Election of one Audit & Supervisory Board member
4. Differences from usual ordinary general meetings of shareholders
   a) Matters to be reported
   As for the closing procedures at Shoko Co., Ltd. (Shoko), a consolidated subsidiary of SDK, a Special Examination Committee is continuing its work. Shoko needs to wait for the completion of the examination work and the committee's report, perform various procedures for finalizing details, and undergo audit by an independent auditor. In view of the above, we are now unable to provide our business report and financial statements (consolidated and non-consolidated) for the 108th business term together with our notice of convocation of the ordinary general meeting of shareholders.

   Thus, we will set a new record date and present the business report and financial statements (consolidated and non-consolidated) for the 108th business term as well as reports on the audit results of consolidated financial statements from the accounting auditor and the Audit & Supervisory Board, to an extraordinary meeting of shareholders to be held later.

   At the coming ordinary general meeting of shareholders, we will explain the background to the delay in our announcement of financial results in connection with Shoko's delay in announcing its financial results, as well as facts that become clear by the time of the meeting.

   b) Matters to be resolved upon:
   i. Partial amendment to the Articles of Incorporation
   SDK decided, at its board of directors' meeting today, not to renew its Reaction Policy on Large-scale Purchases of the Company's Stock Certificates (Takeover

Defense), which is due to expire at the close of its 108th ordinary general meeting of shareholders scheduled for March 30, 2017 (the "Ordinary Shareholders' Meeting"). SDK therefore decided to propose deletion of relevant clauses in the Articles of Incorporation. For details, please refer to the news release entitled "SDK Not to Renew Reaction Policy on Large-scale Share Purchases" issued today.

ii. Election of directors

The term of office of all the nine directors is to expire at the close of the Ordinary Shareholders' Meeting. SDK proposes election of nine directors, including three outside directors.

iii. Election of a member of Audit & Supervisory Board

One standing statutory member of the Audit & Supervisory Board is to resign at the close of the Ordinary Shareholders' Meeting. SDK proposes election of one Audit & Supervisory Board Member to fill up the vacancy. The Audit & Supervisory Board has already given approval to this proposal.

iv. Appropriation of surplus

As described in the timely disclosure document entitled "SDK to Change Record Date for Dividend Payment" dated March 6, 2017, the board of directors today decided to forgo term-end payment of dividends based on the original record date of December 31, 2016. This is because we will not be able to finalize financial statements prior to the Ordinary Shareholders' Meeting. We sincerely apologize for this.

As for the payment of dividends, after financial statements for the 108th business term are finalized, we will make a decision on dividend payment and set a new record date. We will announce our decision and results of study as quickly as possible.

II. Extraordinary general meeting of shareholders

We will hold an extraordinary general meeting of shareholders at a later date to present the business report and reports on the audit results of financial statements (consolidated and non-consolidated) for the 108th business term. We will announce the date/hour and place of the meeting as soon as they are fixed.

For more information, contact:
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