TRANSLATION

March 8, 2018

TO OUR SHAREHOLDERS:

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

Kohei Morikawa
President and Chief Executive Officer

Notice of Correction to the Reference Materials for "Notice of Convocation of the 109th Ordinary General Meeting of Shareholders"

Concerning the Reference Materials for the "Notice of Convocation of the 109th Ordinary General Meeting of Shareholders," the Company found a point that needs correction. We apologize for the occurrence of the mistake, and would like to announce a correction of the document as given below via this website.

1. The Company hereby corrects the "Notes" concerning the "**Proposal No. 3: Election of Two Audit & Supervisory Board Members**" which were stated on pages 16 and 17 of the document as given below. The part subject to this correction is as underlined.

[Before correction]

Notes: 1. Each candidate does not have any special interest in the Company.
2. Mr. Tetsu Moriki and Mr. Setsu Ohnishi are candidates to be newly elected.
3. Mr. Setsu Ohnishi is a candidate for Outside Member of Audit & Supervisory Board
4. Pursuant to the provisions of Articles of Incorporation, in case Mr. Ohnishi is elected, the Company plans to conclude an agreement with him limiting his liability for damages within a defined range. The amount of limited liability under the agreement shall be the minimum level stipulated by laws and regulations.
5. (Omitted)

[After correction]

Notes: 1. Each candidate does not have any special interest in the Company.
2. Mr. Tetsu Moriki and Mr. Setsu Ohnishi are candidates to be newly elected.
3. Mr. Setsu Ohnishi is a candidate for Outside Member of Audit & Supervisory Board
4. Mr. Tetsu Moriki is a candidate for Audit & Supervisory Board Member to fill up the vacancy as a substitute for incumbent Audit & Supervisory Board Member Akira Koinuma. Mr. Setsu Ohnishi is a candidate for Audit & Supervisory Board Member as a successor to incumbent Audit & Supervisory Board Member Yukio Obara.
5. Pursuant to the provisions of Articles of Incorporation, in case Mr. Ohnishi is elected, the Company plans to conclude an agreement with him limiting his liability for damages within a defined range. The amount of limited liability under the agreement shall be the minimum level stipulated by laws and regulations.
6. (Omitted)