

March 6, 2013

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 104th Ordinary General Meeting of Shareholders

The 104th 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** Wednesday, March 27, 2013 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 104th Business Term (January 1, 2012 to December 31, 2012), and reports on the Auditing Results of Accounting Auditors and the Board of Auditors.
(2) Reports on the Non-consolidated Financial Statements for the 104th Business Term (January 1, 2012 to December 31, 2012).

Matters to be Resolved upon:

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Election of Nine Directors

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 Tuesday, March 26, 2013.

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/> or <https://daiko.mizuho-tb.co.jp/>. 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 Tuesday, March 26, 2013. 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: 4,489,810,407 yen

(3) Effective date for appropriation of surplus:

March 28, 2013

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 two 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 Chemical Industry Association	272,500 shares

2.	Hideo Ichikawa (March 18, 1952)	<p>April 1975 June 1999</p> <p>January 2001</p> <p>May 2003</p> <p>January 2006</p> <p>March 2008</p> <p>September 2008</p> <p>January 2010</p> <p>January 2011</p>	<p>Joined the Company General Manager, Business Support Department, Montell SDK Sunrise Ltd.</p> <p>General Manager, Business Support Department, SunAllomer Ltd.</p> <p>General Manager, Corporate Strategy Department, of the Company</p> <p>Corporate Officer; General Manager, Corporate Strategy Office</p> <p>Director; Corporate Officer; General Manager, Corporate Strategy Office</p> <p>Director; Corporate Officer; Executive Officer, HD Sector</p> <p>Director; Managing Corporate Officer; Executive Officer, HD Sector</p> <p>President and Chief Executive Officer (CEO) (up to the present)</p>	185,000 shares
3.	Akira Koinuma (August 20, 1951)	<p>April 1975 June 1999</p> <p>October 2001</p> <p>August 2003</p> <p>July 2005</p> <p>January 2006</p> <p>January 2008</p> <p>January 2010</p> <p>March 2011</p> <p>January 2012</p> <p>January 2013</p>	<p>Joined the Company General Manager, Production Technology Department, Oita Plant, Japan Polyolefins Co., Ltd.</p> <p>General Manager, Oita Plant, Japan Polyolefins Co., Ltd.</p> <p>General Manager, Production Group, Oita Plant, of the Company</p> <p>General Manager, Production Technology Department, Technology Headquarters</p> <p>General Manager, Production Technology Office and Production Technology Center, Technology Headquarters</p> <p>Corporate Officer; Deputy Executive Officer, Technology Headquarters</p> <p>Corporate Officer; Executive Officer, Production Technology Headquarters</p> <p>Director; Corporate Officer; Executive Officer, Production Technology Headquarters</p> <p>Director; Managing Corporate Officer; Executive Officer, Production Technology Headquarters</p> <p>Director; Managing Corporate Officer, in charge of Production Technology, Energy & Electricity, SPS Innovation, and CSR departments; Chief Technology Officer (CTO) (up to the present)</p>	169,000 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.	Yoshikazu Sakai (October 27, 1951)	<p>April 1975 Joined the Company</p> <p>January 2006 General Manager, Finance Office</p> <p>January 2008 Corporate Officer; General Manager, Finance Office</p> <p>January 2011 Corporate Officer</p> <p>March 2011 Director; Corporate Officer</p> <p>January 2013 Director; Corporate Officer, in charge of Finance & Accounting and Information Systems departments; Chief Financial Officer (CFO) (up to the present)</p>	100,000 shares
5.	Shunji Fukuda (December 12, 1953)	<p>April 1976 Joined the Company</p> <p>July 1996 General Manager, Marketing Department, Developmental Marketing Headquarters, Montell-JPO Co., Ltd.</p> <p>June 1999 Marketing Manager and General Manager, Catalloy Development Department, Advanced Materials Division, Montell SDK Sunrise Ltd.</p> <p>January 2001 General Manager, Marketing Department II, Polypropylene Division, SunAllomer Ltd.</p> <p>June 2003 General Manager, Planning and Administration Department, SunAllomer Ltd.</p> <p>March 2004 Executive Vice President, SunAllomer Ltd.</p> <p>January 2006 General Manager, Electronics Marketing Division, Electronics Sector, of the Company</p> <p>January 2008 Corporate Officer; General Manager, Electronics Marketing Division, Electronics Sector</p> <p>September 2008 Corporate Officer; Executive Officer, Electronics Sector</p> <p>January 2011 Corporate Officer</p> <p>March 2011 Director; Corporate Officer</p> <p>January 2013 Director; Corporate Officer, in charge of Industrial Gases and Basic Chemicals divisions, and Corporate Strategy Department (up to the present)</p> <p>Important Concurrent Posts: Chairman, Showa Denko (Shanghai) Co., Ltd. President, Union Helium Co., Ltd.</p>	89,000 shares
6.	Hirokazu Iwasaki (December 26, 1951)	<p>April 1975 Joined the Company</p> <p>January 2006 General Manager, Intellectual Property Office, Technology Headquarters</p> <p>January 2008 Corporate Fellow; General Manager, Intellectual Property Office, Technology Headquarters</p> <p>January 2009 Corporate Officer; General Manager, Intellectual Property Office, Technology Headquarters</p> <p>January 2010 Corporate Officer; General Manager, Chemicals Division, Chemicals Sector</p> <p>January 2011 Corporate Officer; Executive Officer, Chemicals Sector</p> <p>March 2011 Director; Corporate Officer; Executive Officer, Chemicals Sector</p> <p>January 2013 Director; Corporate Officer, in charge of complex and plants (up to the present)</p>	114,000 shares

Candidate No.	Name (Date of Birth)	Personal History, Positions at the Company, and Important Concurrent Posts	Number of Shares of the Company Held
7.	*Masaru Amano (August 29, 1952)	<p>April 1976 Joined the Company</p> <p>January 2005 General Manager, Human Resources Group, Business Support Center</p> <p>January 2006 General Manager, Human Resources Office</p> <p>January 2009 Corporate Officer; General Manager, Human Resources Office</p> <p>January 2011 Corporate Officer; General Manager, General Affairs Office</p> <p>January 2013 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)</p>	39,000 shares
8.	Tomofumi Akiyama (August 13, 1935)	<p>April 1959 Joined Fukoku Mutual Life Insurance Company</p> <p>May 1982 General Manager, Finance Department, Fukoku Mutual Life Insurance Company</p> <p>July 1984 Director, Fukoku Mutual Life Insurance Company</p> <p>March 1989 Managing Director, Fukoku Mutual Life Insurance Company</p> <p>July 1998 President, Fukoku Mutual Life Insurance Company</p> <p>March 2008 Director, of the Company (incumbent)</p> <p>July 2010 Chairman, Fukoku Mutual Life Insurance Company (incumbent) (up to the present)</p> <p>Important Concurrent Post: Chairman, Fukoku Mutual Life Insurance Company</p>	0 shares
9.	Akiyoshi Morita (August 23, 1941)	<p>April 1967 Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)</p> <p>September 1994 Director, Toyota Motor Corporation</p> <p>June 1995 Managing Director, Toyota Motor Corporation</p> <p>June 1999 Senior Managing Director, Toyota Motor Corporation</p> <p>June 2000 Executive Vice President, Aichi Steel Corporation</p> <p>June 2004 President, Aichi Steel Corporation</p> <p>June 2008 Chairman, Aichi Steel Corporation</p> <p>June 2011 Advisor, Aichi Steel Corporation (incumbent)</p> <p>March 2012 Director, of the Company (incumbent) (up to the present)</p>	50,000 shares

- Notes: 1. None of the candidates for the Directors has any special interest in the Company.
2. Mr. Masaru Amano is a candidate to be newly elected.
3. Mr. Tomofumi Akiyama and Mr. Akiyoshi Morita are candidates for Outside Directors. Reasons for proposing the two 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.
4. Mr. Akiyama will have served as Outside Director of the Company for five (5) years at the close of this ordinary general meeting of shareholders.
5. Mr. Akiyama served as President of Fukoku Mutual Life Insurance Company, which received an order to improve business operations under Article 132, paragraph 1 of the Insurance Business Law from the Financial Services Agency on July 3, 2008 with respect to the company's failure to pay certain insurance claims and benefits during the term of his office as President. After the occurrence of such incidents, he worked to prevent recurrence of such incidents by improving and enhancing management control, internal audit and insurance payment systems, and made efforts to regain trust of the customers and stakeholders. As a result, the order was lifted on December 16, 2011.
6. Mr. Morita will have served as Outside Director of the Company for one (1) year at the close of this ordinary general meeting of shareholders.
7. 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. The amount of limited liability under the agreement shall be the minimum level stipulated by laws and regulations.
8. 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.