

March 4, 2010

**TO OUR SHAREHOLDERS:**

**SHOWA DENKO K.K.**

(Securities Code: 4004)

13-9, Shiba-Daimon 1-Chome, Minato-ku,  
Tokyo, Japan

Kyohei Takahashi

President and Chief Executive Officer

**Notice of Convocation of the 101<sup>st</sup> Ordinary General Meeting of Shareholders**

The 101<sup>st</sup> 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.

[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 25, 2010.

[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 Thursday, March 25, 2010. For your information, we are also a member to the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc.

1. **Date and Hour** Friday, March 26, 2010 at 10:00 a.m.
2. **Place** Tokyo International Forum (Hall B7)  
5-1, Marunouchi 3-Chome, Chiyoda-ku, Tokyo, Japan  
Please take note that the place is different from last year's.

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 101<sup>st</sup> Business Term (January 1, 2009 to December 31, 2009), and reports on the Auditing Results of Accounting Auditors and the Board of Auditors.  
(2) Reports on the Non-consolidated Financial Statements for the 101<sup>st</sup> Business Term (January 1, 2009 to December 31, 2009).

**Matters to be Resolved upon:**

- Proposal No. 1:** Reduction in Amount of Capital Reserve
- Proposal No. 2:** Appropriation of Surplus
- Proposal No. 3:** Election of Eight Directors
- Proposal No. 4:** 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.
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- ✧ 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: Reduction in Amount of Capital Reserve

It is proposed that the amount of capital reserve be reduced as described below, in accordance with the provisions in Article 448, paragraph 1, of the Companies Act, to enable the Company to implement a flexible capital policy in the future, and that the amount thus reduced be allocated to “other capital surplus”:

1. Amount of reduction in capital reserve: ¥37,000,000,000
2. Amount of increase in other capital surplus: ¥37,000,000,000
3. Effective date for reduction in the amount of capital reserve: March 26, 2010

#### Proposal No. 2: 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. It is also proposed that disposition of special reserve be approved as a means to pay dividends.

##### 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: 4,489,959,495 yen

###### (3) Effective date for appropriation of surplus:

March 29, 2010

##### 2. Matters related to the appropriation of other surplus:

###### (1) Item of surplus to be reduced, and its amount

Special reserve: ¥24,000,000,000

###### (2) Item of surplus to be increased, and its amount

Retained earnings carried forward: ¥24,000,000,000

**Proposal No. 3: Election of Eight Directors**

The term of office of all the twelve Directors is to expire at the close of this ordinary general meeting of shareholders. The Company therefore proposes election of eight Directors, including one Outside Director. The Company has decided that the Board of Directors should put greater emphasis on supervising functions and transfer part of its decision-making authority to the Management Committee. Thus, the Company will reduce the number of 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)	<p>April 1968      Joined the Company</p> <p>October 1995    General Manager, Planning Department, Japan Polyolefins Co., Ltd.</p> <p>June 1996      President, Montell-JPO Co., Ltd.</p> <p>June 1999      Executive Vice President and Representative Director, Montell SDK Sunrise Ltd.</p> <p>January 2001    Executive Vice President and Representative Director, SunAllomer Ltd.</p> <p>March 2002     Managing Director; Executive Officer, Petrochemicals Sector, of the Company</p> <p>March 2004     Senior Managing Director</p> <p>January 2005    President</p> <p>January 2007    President and Chief Executive Officer (up to the present)</p>	206,500 shares
2.	Norikuni Imoto (August 20, 1945)	<p>April 1968      Joined the Company</p> <p>March 1997      General Manager, General Affairs Department</p> <p>June 1997      Councillor; General Manager, General Affairs Department</p> <p>March 2000     Director; Executive Officer, Corporate Relations Center</p> <p>March 2004     Managing Director; Executive Officer, Corporate Relations Center</p> <p>January 2006    Managing Director</p> <p>January 2007    Director; Senior Managing Corporate Officer</p> <p>January 2010    Director; Senior Managing Corporate Officer; Chief Risk Management Officer (CRO), in charge of Internal Audit, Human Resources, General Affairs, Legal, and CSR offices (up to the present)</p>	113,000 shares
3.	Ichiro Nomura (August 6, 1948)	<p>July 1971        Joined the Company</p> <p>March 2001      Councillor; General Manager, Planning Department, Aluminum Materials Sector</p> <p>March 2003      Councillor; General Manager, Planning Department, Aluminum Sector</p> <p>March 2004      Corporate Officer; General Manager, Planning Department, Aluminum Sector</p> <p>January 2005     Corporate Officer</p> <p>March 2005      Director</p> <p>January 2007     Director; Corporate Officer</p> <p>January 2008     Director; Managing Corporate Officer</p> <p>January 2010     Director; Senior Managing Corporate Officer; Chief Financial Officer (CFO); in charge of Internal Control Promotion, IR &amp; PR, Accounting, Finance, and Information Systems offices (up to the present)</p>	106,000 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.	Shinji Sakai (September 18, 1947)	<p>July 1971      Joined the Company</p> <p>March 2000    General Manager, Planning Department, Electronics Sector</p> <p>March 2002    Councillor; General Manager, Planning Department, Electronics Sector</p> <p>March 2004    Corporate Officer; General Manager, Planning Department, Electronics Sector</p> <p>January 2005   Corporate Officer; Deputy Executive Officer, Electronics Sector</p> <p>March 2005    Director; Deputy Executive Officer, Electronics Sector</p> <p>January 2007   Director; Corporate Officer; Executive Officer, Electronics Sector</p> <p>January 2008   Director; Managing Corporate Officer; Executive Officer, Electronics Sector</p> <p>September 2008 Director; Managing Corporate Officer</p> <p>January 2010   Director; Senior Managing Corporate Officer; in charge of Corporate Strategy and China offices (up to the present)</p> <p>Important Concurrent Posts: Chairman, Showa Denko (Shanghai) Co., Ltd.</p>	83,000 shares
5.	Toshio Ohi (September 24, 1946)	<p>June 1970      Joined the Company</p> <p>April 1998     General Manager, Manufacturing Department, Kawasaki Plant</p> <p>June 1999     Councillor; General Manager, Manufacturing Department, Kawasaki Plant</p> <p>March 2000    Councillor; General Manager, Kawasaki Plant, Gases &amp; Chemicals Division, Chemicals Sector</p> <p>July 2002     Councillor; General Manager, Production Technology Department, Technology Headquarters</p> <p>March 2003    Corporate Officer; General Manager, Production Technology Department, Technology Headquarters</p> <p>March 2004    Corporate Officer; Deputy Executive Officer, Technology Headquarters</p> <p>January 2006   Corporate Officer; General Manager, Chemicals Production Center, Chemicals Sector</p> <p>January 2007   Corporate Officer; Executive Officer, Chemicals Sector</p> <p>March 2007    Director; Corporate Officer, Executive Officer, Chemicals Sector</p> <p>January 2010   Director; Managing Corporate Officer, Executive Officer, Chemicals Sector; in charge of Advanced Battery Materials Department (up to the present)</p> <p>Important Concurrent Posts: Chairman, Taiwan Showa Chemicals Manufacturing Co., Ltd. Chairman, F2 Chemicals Limited Chairman, Zhejiang Quzhou Juhua Showa Electronic Chemical Materials Co., Ltd. President, Union Helium Co., Ltd. President, Showa Denko Air Products Co., Ltd.</p>	62,000 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.	Kenji Tsukamoto (July 1, 1948)	<p>April 1972 May 2000</p> <p>Joined Showa Aluminum Corp. General Manager, Technology Planning Department, Technology Headquarters, Showa Aluminum Corp.</p> <p>March 2001</p> <p>Councillor; General Manager, Aluminum Production Technology Department, Production Technology Headquarters, of the Company</p> <p>March 2002</p> <p>Councillor; General Manager, Aluminum Technology Center, Aluminum Sector</p> <p>March 2003</p> <p>Corporate Officer; General Manager, Extrusion Division, Aluminum Sector</p> <p>March 2005</p> <p>Corporate Officer; Deputy Executive Officer, Aluminum Sector</p> <p>January 2006</p> <p>Corporate Officer; General Manager, Corporate Technical Office, Technology Headquarters</p> <p>January 2008</p> <p>Corporate Officer; Executive Officer, Technology Headquarters</p> <p>March 2008</p> <p>Director; Corporate Officer; Executive Officer, Technology Headquarters</p> <p>January 2010</p> <p>Director; Managing Corporate Officer; Chief Technology Officer (CTO); Executive Officer, Research &amp; Development Headquarters (up to the present)</p>	35,000 shares
7	Hideo Ichikawa (March 18, 1952)	<p>April 1975 June 1999</p> <p>Joined the Company General Manager, Business Support Department, Montell SDK Sunrise Ltd.</p> <p>January 2001</p> <p>General Manager, Business Support Department, SunAllomer Ltd.</p> <p>May 2003</p> <p>General Manager, Corporate Strategy Department, of the Company</p> <p>January 2006</p> <p>Corporate Officer; General Manager, Corporate Strategy Office</p> <p>March 2008</p> <p>Director; Corporate Officer; General Manager, Corporate Strategy Office</p> <p>September 2008</p> <p>Director; Corporate Officer; Executive Officer, HD Sector</p> <p>January 2010</p> <p>Director; Managing Corporate Officer; Executive Officer, HD Sector (up to the present)</p> <p>Important Concurrent Posts: President, Showa Denko HD Yamagata K.K. President, Showa Denko Electronics K.K. Chairman, Showa Denko HD Trace Corporation President, Showa Denko HD Singapore Pte. Ltd.</p>	40,000 shares
8	Tomofumi Akiyama (August 13, 1935)	<p>April 1959 May 1982</p> <p>Joined Fukoku Mutual Life Insurance Company General Manager, Finance Department, Fukoku Mutual Life Insurance Company</p> <p>July 1984 March 1989</p> <p>Director, Fukoku Mutual Life Insurance Company Managing Director, Fukoku Mutual Life Insurance Company</p> <p>July 1998</p> <p>President, Fukoku Mutual Life Insurance Company</p> <p>March 2008</p> <p>Director, of the Company (up to the present)</p> <p>Important Concurrent Posts: President, Fukoku Mutual Life Insurance Company</p>	0 shares

- Notes: 1. None of the candidates for the Directors has any special interest in the Company.
2. Mr. Tomofumi Akiyama is a candidate for Outside Director.
3. Reasons for proposing Mr. Akiyama as a candidate for Outside Director:  
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 qualified as an Outside Director.
4. Mr. Akiyama has been serving as President of Fukoku Mutual Life Insurance Company, which received a business improvement order 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. After the occurrence of such incidents, he has 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.
5. Mr. Akiyama will have served as Outside Director of the Company for two (2) years at the close of this ordinary general meeting of shareholders.
6. Pursuant to the provisions of Articles of Incorporation, in case Mr. Akiyama is reelected, the Company plans to extend the existing 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.

**Proposal No. 4: Election of One Auditor**

The term of office of Auditor Hideshi Iwai is to expire at the close of this ordinary general meeting of shareholders. The Company proposes election of Mr. Yukio Obara to fill the vacancy.

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
Yukio Obara (February 8, 1947)	July 1969      Joined The Fuji Bank, Limited June 1996      Director & General Manager, London Branch May 1997      Director & General Manager, Head Office Corporate Banking Division II May 1999      Managing Director; Head of Asset Management Group April 2002      Deputy President, Mizuho Holdings, Inc. January 2003    Deputy President, Mizuho Financial Group, Inc. March 2003      Deputy President, Mizuho Bank, Ltd. June 2004      Corporate Auditor, Mizuho Financial Group, Inc. June 2005      President & CEO, Mizuho Information & Research Institute, Inc. (up to the present) Important Concurrent Posts: President & CEO, Mizuho Information & Research Institute, Inc. (Scheduled to resign on February 28, 2010) Chairman of the Board, Shoei Co., Ltd. (Scheduled to assume the post on March 25, 2010)	0 shares

Notes: 1. The candidate for the Auditor has no special interest in the Company.

2. Mr. Obara is a candidate for Outside Auditor.

3. Reasons for proposing Mr. Obara as a candidate for Outside Auditor:

We look forward to receiving valuable advice on how to ensure the propriety of the Company's business execution, based on his insight and his experience in managing financial institutions for many years and in managing a consultant firm.

4. Pursuant to the provisions of Articles of Incorporation, in case Mr. Obara is elected, the Company plans to enter into 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.