

NEWS RELEASE

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December 14, 2006

SDK Opens New Hard Disk Media Plant in Singapore --To Produce High Storage Capacity Media Using Innovative Technology--

Showa Denko K.K. (SDK) today held a ceremony in Singapore to celebrate the official opening of its new hard disk (HD) media plant in the presence of Mr. Lim Hng Kiang, Minister for Trade & Industry of Singapore, and many other distinguished guests.

The new plant, under construction since December 2005, has recently been completed. This is the fourth HD media plant for the Showa Denko Group, following the existing first plant in Singapore as well as plants in Chiba (Japan) and Taiwan.

At the new plant in Singapore, we have installed the first production line within a clean room based on our innovative perpendicular magnetic recording (PMR) technology. The plant will be in full operation early next year.

In response to growing demand, we are planning to increase the production capacity at the new plant in a timely manner. Thus, the Group's total hard disk media production capacity will be increased from 15.75 million disks per month at present to 24 million disks per month by the end of 2008. Our capital investment in the new plant, including the construction of the building and the clean room as well as future expansions, will total ¥60 billion.

Demand for HD media is expected to grow at an annual rate of 15% due to rapid increases in demand for such consumer electronics applications as HDD recorders, video cameras and mobile music players, in addition to the conventional PC application. SDK has become the world's first to launch PMR-technology-based HD media for use in notebook PCs, which require high storage capacity, and small-diameter HD media for consumer electronics applications. We will fully utilize the new plant in Singapore to provide our customers with most advanced, high storage capacity HD media.

For further information, contact:
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[Reference]

Outline of the new plant

Location: Pioneer Crescent Area, Republic of Singapore

Number of employees: 1,100 (the total for the two plants in Singapore)

Site: 68,000 square meters

Production items: aluminum- and glass-based HD media