

News Release

March 5th, 2008

Announcement of New Investment for Cathode Block Production Capacity Increase

SEC CARBON, Ltd. hereby announces the decision by our board of directors to make a facility investment to expand our graphitized cathode block production facility in Kyoto, Japan.

Graphitized cathode block has superior characteristics in improving productivity of large-sized aluminium smelting pots.

As a pioneer in development of graphitized cathode blocks, we are proud to note that our product "SK-Block" prevails in the market as a global standard of graphitized cathode blocks, holding the largest market share of its kind in the industry thanks to high recognition from our customers.

As aluminium is one of the most important materials to propose an answer to global warming, we see the industry enforcing a dynamic change to renew and expand their production. The rate of project announcements by various company groups is higher than ever seen in the history of this industry.

The new smelter projects will unexceptionally have large sized plants with modern technology where the graphitized cathode blocks are essential.

In response to strong requests from our customers for more supply of our cathode blocks, and with a strong will to support the movement, we have made a decision for a vast investment to expand our capacity to fulfill the supply needs and to maintain the leading status into the future.

The construction work will commence from 2009 and a 15,000MT/year of capacity will be added to the current 30,000MT/year in 2011. The total production capacity will be 45,000MT/year at that point.

A further expansion of another 15,000MT/year, which is a lighter step than the first expansion, is also in our plan. This will increase our total production capacity of graphitized cathode blocks to 60,000MT/year, the timing to be decided later.

This expansion will take place in the premises of our existing Kyoto factory to ensure the same high quality of the existing SK-Block.

Expansion at Kyoto enables us also to hold down investment and management costs, utilizing the present facilities and human resources to the maximum.

Measures to minimize the CO₂ emission will also be enforced in the new facility.

We have decided to use natural gas to fuel the baking furnaces, and will select similarly environment friendly equipment for other facilities as well.