NEWS RELEASE

SHOWA DENKO K.K.
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March 16, 2016

SDK Corrects Segment Information in 2015 Consolidated Financial Statements

Showa Denko (SDK) (TOKYO: 4004) announces that it has corrected errors in the segment information of its Consolidated Financial Statements for the year ended December 31, 2015.

1. Contents of correction
   We found errors in numbers indicating assets of Aluminum segment and Others segment due to misclassification, which are listed in the tables in the section of SEGMENT INFORMATION on page 26 of the Consolidated Financial Statements for the year ended December 31, 2015. The numbers subject to this correction are those underlined and shaded in the tables below.

SEGMENT INFORMATION

(a) The operations of the Companies for the year ended December 31, 2014 and 2015 were summarized by business segment as follows:

(Before correction)

Year ended December 31, 2015	Millions of yen							
	Petrochemicals	Chemicals	Electronics	Inorganic	Aluminium	Others	Elimination	Consolidated
Sales								
Outside customers	¥226,442	¥130,150	¥129,759	¥55,223	¥93,377	¥146,007	¥–	¥780,958
Inter-segment	4,846	12,142	1,733	8,253	7,380	6,452	(40,805)	–
Total	231,288	142,292	131,492	63,476	100,756	152,459	(40,805)	780,958
Operating income (loss)	¥10,543	¥10,707	¥17,472	(¥1,249)	¥2,563	¥1,493	(¥7,857)	¥33,672
Assets	¥120,242	¥198,359	¥146,440	¥151,964	¥149,908	¥185,755	(¥11,355)	¥941,314
Depreciation	5,752	7,569	13,964	4,132	6,042	2,863	1,815	42,137
Amortization of (negative) goodwill	—	(273)	12	1,354	256	86	—	1,436
Investments in non-consolidated subsidiaries and affiliates	14,230	2,538	—	6,486	—	232	—	23,486
Capital expenditures	1,969	10,345	11,130	10,218	6,135	2,369	1,893	44,059

(After correction)

Year ended December 31, 2015	Millions of yen							
	Petrochemicals	Chemicals	Electronics	Inorganic	Aluminium	Others	Elimination	Consolidated
Sales								
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(Before correction)

Year ended December 31, 2015	Thousands of U.S. dollars							
	Petrochemicals	Chemicals	Electronics	Inorganic	Aluminium	Others	Elimination	Consolidated
Sales								
Outside customers	$1,877,469	$1,079,101	$1,075,853	$457,868	$774,204	$1,210,570	$-	$6,475,065
Inter-segment	40,181	100,668	14,369	68,427	61,185	53,496	(338,325)	-
Total	1,917,650	1,179,769	1,090,221	526,295	835,389	1,264,066	(338,325)	6,475,065
Operating income (loss)	$87,413	$88,772	$144,867	($10,354)	$21,247	$12,378	($65,143)	$279,181
Assets	$996,945	$1,644,632	$1,214,165	$1,259,960	$1,242,919	$1,540,129	($94,144)	$7,804,606
Depreciation	47,695	62,757	115,775	34,255	50,095	23,738	15,050	349,365
Amortization of (negative) goodwill	—	(2,260)	98	11,229	2,124	715	—	11,904
Investments in non-consolidated subsidiaries and affiliates	117,986	21,044	—	53,774	—	1,923	—	194,728
Capital expenditures	16,326	85,774	92,281	84,721	50,868	19,640	15,693	365,302

(After correction)

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	Petrochemicals	Chemicals	Electronics	Inorganic	Aluminium	Others	Elimination	Consolidated
Sales								
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For further information, contact:
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