NEWS RELEASE

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SDK Records Impairment Loss (Extraordinary Loss)

Showa Denko (SDK) (TOKYO: 4004), in its 2018 consolidated financial statements announced today, recorded loss due to impairment (extraordinary loss).

Specifically, we reappraised the value of the aluminum beverage can business, of SDK and its consolidated subsidiary Showa Aluminum Can Corporation, and the value of the lithium-ion battery materials business, of SDK, taking into consideration their future performance forecast. As a result, SDK decided to record impairment loss of ¥8,845 million and ¥4,641 million, respectively, for relevant fixed assets. Furthermore, SDK recorded impairment loss for idle assets at some of its sites, including Hikone Plant (¥5,967 million) and Institute for Advanced and Core Technology (¥1,864 million). In total, SDK recorded ¥22,573 million of impairment loss in the category of extraordinary loss.

As for the influence of this issue on the consolidated business results, please refer to SDK's 2018 consolidated financial statements announced today.

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