NEWS RELEASE

SHOWA DENKO K.K.
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March 18, 2019

（Correction）SDK Corrects Segment Information in 2018 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, 2018.

Contents of correction

We found errors in numbers indicating impairment loss in the columns of “Others” segment and “Elimination” due to misclassification. These numbers are listed in the tables in the section of SEGMENT INFORMATION on page 23 of the Consolidated Financial Statements for the year ended December 31, 2018. The numbers subject to this correction are those underlined in the tables below.

(Before correction)

(c) The impairment loss and the (negative) goodwill of the Companies for the year ended December 31,2017 and 2018 were summarized by business segment as follows:

Year ended December 31, 2018	Millions of yen							
	Petrochemicals	Chemicals	Electronics	Inorganic	Aluminium	Others	Elimination	Total
Impairment loss	¥7	—	¥4,964	¥79	¥9,642	¥7,880	¥—	¥22,573
Goodwill								
Amortization	—	48	44	8	276	27	—	404
Unamortized balance	—	134	244	38	2,278	122	—	2,815
Negative goodwill								
Amortization	—	308	33	—	54	28	—	422
Unamortized balance	—	1,780	293	—	486	17	—	2,575

Year ended December 31, 2018	Thousands of U.S. dollars							
	Petrochemicals	Chemicals	Electronics	Inorganic	Aluminium	Others	Elimination	Total
Impairment loss	$65	$—	$44,723	$716	$86,869	$70,990	$—	$203,362
Goodwill								
Amortization	—	431	399	76	2,487	246	—	3,638
Unamortized balance	—	1,208	2,195	341	20,518	1,097	—	25,359
Negative goodwill								
Amortization	—	2,774	293	—	483	255	—	3,805
Unamortized balance	—	16,037	2,637	—	4,377	150	—	23,201

(After correction)

(c) The impairment loss and the (negative) goodwill of the Companies for the year ended December 31,2017 and 2018 were summarized by business segment as follows:

Year ended December 31, 2018	Millions of yen							
	Petrochemicals	Chemicals	Electronics	Inorganic	Aluminium	Others	Elimination	Total
Impairment loss	¥7	—	¥4,964	¥79	¥9,642	¥6,016	¥1,864	¥22,573
Goodwill								
Amortization	—	48	44	8	276	27	—	404
Unamortized balance	—	134	244	38	2,278	122	—	2,815
Negative goodwill								
Amortization	—	308	33	—	54	28	—	422
Unamortized balance	—	1,780	293	—	486	17	—	2,575

Year ended December 31, 2018	Thousands of U.S. dollars							
	Petrochemicals	Chemicals	Electronics	Inorganic	Aluminium	Others	Elimination	Total
Impairment loss	$65	$—	$44,723	$716	$86,869	$54,197	$16,792	$203,362
Goodwill								
Amortization	—	431	399	76	2,487	246	—	3,638
Unamortized balance	—	1,208	2,195	341	20,518	1,097	—	25,359
Negative goodwill								
Amortization	—	2,774	293	—	483	255	—	3,805
Unamortized balance	—	16,037	2,637	—	4,377	150	—	23,201

In addition, numbers indicating “Total number of employees” listed in the table of “IV. Reference” in the Summary have been corrected.

Total number of employees	2018	2019 Forecast
Before correction	10,634	10,942
After correction	10,476	10,786

For further information, contact:
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