NEWS RELEASE

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February 13, 2020

SDK Records Impairment Loss (Extraordinary Loss)

Showa Denko (SDK) (TOKYO: 4004), in its 2019 consolidated financial statements announced today, recorded loss due to impairment (extraordinary loss).

Specifically, we reappraised the value of some businesses, including those for manufacturing aluminum fabricated articles and synthetic resins, taking into consideration their future performance forecast. As a result, SDK decided to record impairment loss for relevant fixed assets, totaling ¥15,662 million (in the category of extraordinary loss). The figure includes impairment loss of ¥10,418 million for the aluminum fabricated articles manufacturing business, and impairment loss of ¥2,812 million for the synthetic resins manufacturing business.

As for the influence of this issue on the consolidated business results, please refer to SDK's 2019 consolidated financial statements announced today.

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