NEWS RELEASE

SHOWA DENKO K.K.
13-9, Shiba Daimon 1-chome
Minato-ku, Tokyo 105-8518

March 6, 2020

(Correction) SDK Corrects Segment Information in 2019 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, 2019.

Contents of correction

We found errors in numbers indicating depreciation in the columns of underlined segments due to errors in calculation. These numbers are listed in the tables in the section of SEGMENT INFORMATION on page 22 of the Consolidated Financial Statements for the year ended December 31, 2019. The numbers subject to this correction are those underlined in the tables below.

(Before correction)

(a) The operations of the Companies for the year ended December 31, 2018 and 2019 were summarized by business segment as follows:

Year ended December 31, 2019	Millions of yen							
	Petrochemicals	Chemicals	Electronics	Inorganics	Aluminum	Others	Elimination	Consolidated
Sales								
Outside customers	¥240,923	¥140,158	¥95,702	¥221,453	¥90,500	¥117,717	¥—	¥906,454
Inter-segment	9,755	17,322	743	8,682	7,042	8,446	(51,989)	—
Total	250,678	157,480	96,445	230,135	97,542	126,163	(51,989)	906,454
Operating income (loss)	¥17,201	¥13,656	¥4,880	¥89,256	¥1,746	¥1,819	(¥7,759)	¥120,798
Assets	¥137,504	¥230,932	¥142,511	¥281,757	¥135,072	¥160,063	(¥11,458)	¥1,076,381
Depreciation	4,136	9,267	9,269	8,048	4,820	1,526	584	37,650
Amortization of (negative) goodwill	—	(163)	12	8	217	24	—	98
Investments in non-consolidated subsidiaries and affiliates	10,570	3,457	—	1,754	—	487	—	16,268
Capital expenditures	4,404	11,412	10,474	11,685	8,464	2,889	888	50,216

Year ended December 31, 2019	Thousands of U.S. dollars							
	Petrochemicals	Chemicals	Electronics	Inorganics	Aluminum	Others	Elimination	Consolidated
Sales								
Outside customers	$2,199,008	$1,279,278	$873,514	$2,021,295	$826,034	$1,074,455	$—	$8,273,583
Inter-segment	89,038	158,108	6,782	79,241	64,274	77,087	(474,529)	—
Total	2,288,046	1,437,386	880,295	2,100,536	890,308	1,151,542	(474,529)	8,273,583
Operating income (loss)	$156,997	$124,644	$44,540	$814,673	$15,939	$16,602	($70,821)	$1,102,574
Assets	$1,255,059	$2,107,813	$1,300,759	$2,571,714	$1,232,857	$1,460,963	($104,580)	$9,824,584
Depreciation	37,750	84,587	84,602	73,454	43,993	13,930	5,330	343,646
Amortization of (negative) goodwill	—	(1,484)	107	77	1,978	216	—	894
Investments in non-consolidated subsidiaries and affiliates	96,479	31,554	—	16,010	—	4,442	—	148,484
Capital expenditures	40,195	104,167	95,600	106,653	77,253	26,372	8,103	458,343

(After correction)

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Assets	$1,255,059	$2,107,813	$1,300,759	$2,571,714	$1,232,857	$1,460,963	($104,580)	$9,824,584
Depreciation	37,750	84,587	84,643	73,849	44,052	13,930	5,330	344,141
Amortization of (negative) goodwill	—	(1,484)	107	77	1,978	216	—	894
Investments in non-consolidated subsidiaries and affiliates	96,479	31,554	—	16,010	—	4,442	—	148,484
Capital expenditures	40,195	104,167	95,600	106,653	77,253	26,372	8,103	458,343

For further information, contact:
IR Office, Finance & Accounting Department (Phone: 81-3-5470-3323)