



NEWS RELEASE

SHOWA DENKO K.K.
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February 28, 2018

SDK Corrects Segment Information in 2017 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, 2017.

Contents of correction

We found errors in numbers indicating assets of Chemicals segment and Others segment due to misclassification, and errors in numbers indicating sales summarized by geographic areas. These numbers are listed in the tables in the section of SEGMENT INFORMATION on page 21 of the Consolidated Financial Statements for the year ended December 31, 2017. The numbers subject to this correction are those underlined in the tables below.

SEGMENT INFORMATION

(a) The operations of the Companies for the year ended December 31, 2016 and 2017 were summarized by business segment as follows:

(Before correction)

Year ended December 31, 2017	Millions of yen							
	Petrochemicals	Chemicals	Electronics	Inorganic	Aluminium	Others	Elimination	Consolidated
Sales								
Outside customers.	¥240,685	¥131,540	¥120,593	¥65,199	¥96,827	¥125,544	¥—	¥780,387
Inter-segment.	10,443	17,218	2,471	8,243	8,612	8,080	(55,067)	—
Total.	251,128	148,758	123,064	73,442	105,439	133,624	(55,067)	780,387
Operating income (loss).	¥33,357	¥16,474	¥21,925	¥7,089	¥6,697	¥633	(¥8,357)	¥77,818
Assets.	¥146,608	¥217,327	¥144,939	¥202,274	¥169,561	¥164,854	(¥20,836)	¥1,024,727
Depreciation.	6,850	8,460	9,598	5,463	5,356	1,614	1,113	38,454
Amortization of (negative) goodwill.	—	(260)	12	8	228	(0)	—	(12)
Investments in non-consolidated subsidiaries and affiliates.	11,148	2,301	—	1,789	—	340	—	15,578
Capital expenditures.	2,836	9,627	11,242	7,781	8,022	1,154	617	41,279

Year ended December 31, 2017	Thousands of U.S. dollars							
	Petrochemicals	Chemicals	Electronics	Inorganic	Aluminium	Others	Elimination	Consolidated
Sales								
Outside customers.	\$2,129,954	\$1,164,069	\$1,067,192	\$576,981	\$856,877	\$1,111,005	\$—	\$6,906,077
Inter-segment.	92,416	152,374	21,867	72,947	76,212	71,505	(487,322)	—
Total.	2,222,369	1,316,443	1,089,059	649,928	933,089	1,182,511	(487,322)	6,906,077
Operating income (loss).	\$295,192	\$145,787	\$194,030	\$62,738	\$59,263	\$5,603	(\$73,954)	\$688,658
Assets.	\$1,297,415	\$1,923,249	\$1,282,644	\$1,790,034	\$1,500,543	\$1,458,886	(\$184,391)	\$9,068,380
Depreciation.	60,619	74,865	84,938	48,348	47,401	14,283	9,849	340,303
Amortization of (negative) goodwill.	—	(2,304)	104	75	2,019	(0)	—	(106)
Investments in non-consolidated subsidiaries and affiliates.	98,655	20,362	—	15,828	—	3,009	—	137,854
Capital expenditures.	25,099	85,195	99,486	68,858	70,991	10,211	5,458	365,298

(After correction)

Year ended December 31, 2017	Millions of yen							
	Petrochemicals	Chemicals	Electronics	Inorganic	Aluminium	Others	Elimination	Consolidated
Sales								
Outside customers.	¥240,685	¥131,540	¥120,593	¥65,199	¥96,827	¥125,544	¥—	¥780,387
Inter-segment.	10,443	17,218	2,471	8,243	8,612	8,080	(55,067)	—
Total.	251,128	148,758	123,064	73,442	105,439	133,624	(55,067)	780,387
Operating income (loss).	¥33,357	¥16,474	¥21,925	¥7,089	¥6,697	¥633	(¥8,357)	¥77,818
Assets.	¥146,608	¥215,641	¥144,939	¥202,274	¥169,561	¥166,540	(¥20,836)	¥1,024,727
Depreciation.	6,850	8,460	9,598	5,463	5,356	1,614	1,113	38,454
Amortization of (negative) goodwill.	—	(260)	12	8	228	(0)	—	(12)
Investments in non-consolidated subsidiaries and affiliates.	11,148	2,301	—	1,789	—	340	—	15,578
Capital expenditures.	2,836	9,627	11,242	7,781	8,022	1,154	617	41,279

Year ended December 31, 2017	Thousands of U.S. dollars							
	Petrochemicals	Chemicals	Electronics	Inorganic	Aluminium	Others	Elimination	Consolidated
Sales								
Outside customers.	\$2,129,954	\$1,164,069	\$1,067,192	\$576,981	\$856,877	\$1,111,005	\$—	\$6,906,077
Inter-segment.	92,416	152,374	21,867	72,947	76,212	71,505	(487,322)	—
Total.	2,222,369	1,316,443	1,089,059	649,928	933,089	1,182,511	(487,322)	6,906,077
Operating income (loss).	\$295,192	\$145,787	\$194,030	\$62,738	\$59,263	\$5,603	(\$73,954)	\$688,658
Assets.	\$1,297,415	\$1,908,329	\$1,282,644	\$1,790,034	\$1,500,543	\$1,473,805	(\$184,391)	\$9,068,380
Depreciation.	60,619	74,865	84,938	48,348	47,401	14,283	9,849	340,303
Amortization of (negative) goodwill.	—	(2,304)	104	75	2,019	(0)	—	(106)
Investments in non-consolidated subsidiaries and affiliates.	98,655	20,362	—	15,828	—	3,009	—	137,854
Capital expenditures.	25,099	85,196	99,486	68,858	70,991	10,211	5,458	365,299

(b) The operations of the Companies for the year ended December 31, 2016 and 2017 were summarized by geographic area as follows:

(Before correction)

Year ended December 31, 2017	Millions of yen			
	Japan	Asia	Others	Total
Sales.	¥521,025	¥223,452	¥35,910	¥780,387
Tangible fixed assets.	¥402,889	¥103,011	¥505,900	

Year ended December 31, 2017	Thousands of U.S. dollars			
	Japan	Asia	Others	Total
Sales.	\$4,610,838	\$1,977,450	\$317,788	\$6,906,077
Tangible fixed assets.	\$3,565,388	\$911,600	\$4,476,988	

(After correction)

Year ended December 31, 2017	Millions of yen			
	Japan	Asia	Others	Total
Sales.	¥504,162	¥230,644	¥45,580	¥780,387
Tangible fixed assets.	¥402,889	¥103,011	¥505,900	

Year ended December 31, 2017	Thousands of U.S. dollars			
	Japan	Asia	Others	Total
Sales.	\$4,461,614	\$2,041,097	\$403,365	\$6,906,077
Tangible fixed assets.	\$3,565,388	\$911,600	\$4,476,988	

For further information, contact:
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