



# NEWS RELEASE

**SHOWA DENKO K.K.**

13-9, Shiba Daimon 1-chome  
Minato-ku Tokyo 105-8518

April 17, 2017

## **Shoko Receives Report from Special Examination Committee**

Showa Denko (SDK) (TOKYO: 4004) announces that its consolidated subsidiary Shoko Co., Ltd. (Shoko) today disclosed the outline of a report from its Special Examination Committee on the results of examination and Shoko's policy for dealing with the issue.

As stated in our news release of March 27, 2017 entitled "SDK to Apply for Extension of Deadline for Annual Securities Report," Shoko established the Special Examination Committee to examine transactions by one of its subsidiaries with a specific customer. (The name of the relevant subsidiary is BE International Corporation.) The Special Examination Committee, including outside experts, has continued examination of the issue with the assistance of a law firm and a professional research company.

SDK has been closely cooperating with KPMG AZSA LLC, the accounting auditor for both SDK and Shoko, and sharing the results of examination in a timely and appropriate manner. To submit its annual securities report for the 108<sup>th</sup> business term (from January 1 to December 31, 2016) by the extended deadline of Monday, May 1, 2017, SDK is undergoing audit by the accounting auditor.

In addition, SDK is considering amendment of prior-year annual securities report and financial statements. The scope and contents of such amendment will be decided after scrutiny of the contents of the results of examination and after discussions with Shoko and KPMG AZSA LLC. Even when amendment of prior-year documents is made, SDK will be able to meet the deadline of May 1, 2017. As for the date for announcing the financial results for 2016, SDK will announce the date as soon as it is fixed.

We sincerely apologize for any inconvenience caused to our shareholders, investors, business partners and other parties concerned. We will fully cooperate with Shoko in devising and implementing specific measures to prevent recurrence as quickly as possible, with a view to regaining the confidence. Your understanding and support will be highly appreciated.

For more information, contact:  
Public Relations Office (Phone: 81-3-5470-3235)