



NEWS RELEASE

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

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Showa Denko Revises Forecast of Consolidated Performance

Showa Denko (SDK) (TOKYO: 4004) announces that it revises its forecast of consolidated business results for the full year ending on December 31, 2021, which was announced on August 3, 2021.

1. Revision of forecast of consolidated business results for January 1 – December 31, 2021

(1) Revised forecast of consolidated business results for January 1 – December 31, 2021

(Millions of yen, excepting net income per share)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income attributable to owners of the parent per share (¥)
Previous forecast (A) (Announced on August 3, 2021)	1,400,000	85,000	82,000	(25,000)	(171.37)
Revised forecast (B) (Announced on Feb. 9, 2022)	1,420,000	87,000	86,500	(12,000)	(76.80)
(B) – (A)	20,000	2,000	4,500	13,000	
Percentage of changes	1.4%	2.4%	5.5%	–	
Reference Results for January 1 – December 31, 2020	973,700	(19,449)	(43,971)	(76,304)	(523.06)

(2) Reasons for the revision

Net sales hovers around the level of the previous forecast. However, operating income is expected to slightly increase. Ordinary income is also expected to increase by about 4.5 billion yen due to an increase in foreign exchange gain and a slight increase in equity in earnings of affiliates. In addition, an extraordinary loss of about 8.5 billion yen, which was once expected to incur in the year ending on December 31, 2021 as a cost of business structure improvement in the Showa Denko Materials segment, is now expected to incur in 2022. As a result, net income attributable to owners of the parent is expected to increase by about 13 billion yen from that in the previous forecast.

With regard to the dividend, we maintain our expectation that the Company will pay 65 yen per share as year-end dividend.

[Reference] Segment-wise breakdown of net sales and operating income (consolidated) for the year ending on December 31, 2021

Net sales				(Billions of yen)
Segment	Performance forecast for Jan. 1 – Dec. 31, 2021 (Consolidated)			2020 actual results (Jan. – Dec. 2020)
	Previous forecast (Jan. – Dec. 2021) Announced on August 3, 2021	Revised forecast (Jan.- Dec. 2021) Announced on February 9, 2022	Increase/ decrease	
Petrochemicals	265.0	283.0	18.0	193.4
Chemicals	180.0	187.0	7.0	155.8
Electronics	115.0	121.0	6.0	97.4
Inorganics	100.0	102.5	2.5	82.9
Aluminum	75.0	76.0	1.0	80.2
Showa Denko Materials	650.0	635.0	(15.0)	302.7
Others	40.0	44.0	4.0	107.3
Adjustments	(25.0)	(28.5)	(3.5)	(46.0)
Total	1,400.0	1,420.0	20.0	973.7

Operating income				
Petrochemicals	17.0	20.5	3.5	4.9
Chemicals	19.5	21.5	2.0	13.5
Electronics	15.5	16.0	0.5	9.1
Inorganics	12.0	14.5	2.5	(32.3)
Aluminum	7.5	7.0	(0.5)	0.4
Showa Denko Materials	26.5	20.5	(6.0)	(6.3)
Others	0.2	0.0	(0.2)	1.2
Adjustments	(13.2)	(13.0)	0.2	(10.0)
Total	85.0	87.0	2.0	(19.4)

Note: The forecast in this document has been worked out based on information available as of today, and assumptions as of today about uncertain factors that can affect our future performance. Actual business results may differ materially from the above forecast due to a variety of risk factors, including, but not limited to, the impact of COVID-19 on the world economy, economic conditions, costs of naphtha and other raw materials, demand and market prices for graphite electrodes and other products, and foreign exchange rates.

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