



NEWS RELEASE

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Showa Denko Revises Forecast of Consolidated Performance

Showa Denko (SDK) (TOKYO: 4004) announces that, taking the Company's recent performance into account, it revises its forecast of consolidated business results for the full year ending on December 31, 2022, which was announced on August 3, 2022.

Revision of forecast of consolidated business results for January 1 – December 31, 2022

(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 Feb. 14, 2022)	1,500,000	84,000	85,000	32,000	176.69
Revised forecast (B) (Announced on Aug. 3, 2022)	1,410,000	56,000	62,000	22,000	121.48
(B) – (A)	(90,000)	(28,000)	(23,000)	(10,000)	
Percentage of changes	(6.0)%	(33.3)%	(27.1)%	(31.3)%	
Reference Results for January 1 – December 31, 2021	1,419,635	87,198	86,861	(12,094)	(77.40)

[Reasons for the revision]

Considering weakening demand, net sales are expected to be lower than the previous forecast especially in the Semiconductor and Electric Materials segment and the Chemicals segment. We expect that operating income for 2022 will be lower than the previous forecast due partly to the rise of material price and energy cost. Accordingly, ordinary income and net income attributable to owners of the parent is also expected to be lower than the previous forecast.

As for the breakdown of each segment, please refer the table in next page.

[Reference] Segment-wise breakdown of net sales and operating income (consolidated) for the year ending on December 31, 2022

(Unit: billions of yen)

		Performance forecast for Jan.1 – Dec. 31, 2022 (Consolidated)			2021 actual results (Jan. – Dec. 2021)
		Previous forecast announced on Aug. 4, 2022	Revised forecast announced on Nov. 7, 2022	Increase/ decrease	
Semiconductor and Electronic Materials	Net Sales	470.0	440.0	(30.0)	422.9
	Op. Income	60.0	45.0	(15.0)	49.6
Mobility	Net Sales	180.0	180.0	0.0	173.8
	Op. Income	(3.0)	(2.0)	1.0	(2.0)
Innovation Enabling Materials	Net Sales	150.0	140.0	(10.0)	143.3
	Op. Income	12.0	9.5	(2.5)	13.6
Chemicals	Net Sales	580.0	535.0	(45.0)	431.0
	Op. Income	36.0	24.0	(12.0)	37.9
Others	Net Sales	120.0	115.0	(5.0)	248.6
	Op. Income	(1.4)	(1.5)	(0.1)	7.4
Adjustments	Net Sales	0.0	0.0	0.0	0.0
	Op. Income	(19.6)	(19.0)	0.6	(19.2)
Total	Net Sales	1,500.0	1,410.0	(90.0)	1,419.6
	Op. Income	84.0	56.0	(28.0)	87.2

Performance forecast and other statements pertaining to the future as contained in this document are based on the information available as of today and assumptions as of today regarding risk factors that could affect our future performance. Actual results may differ materially from the forecast due to a variety of risk factors, including, but not limited to, the influence of the coronavirus disease 2019 (COVID-19) on the world economy, the international situation, costs of naphtha and other raw materials, demand or market conditions for our products such as graphite electrodes and other commodities, and foreign exchange rates. We undertake no obligation to update the forward-looking statements unless required by law.

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