

Consolidated Financial Results

Second Quarter, 2022

(August 4, 2022)



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Director & Managing Corporate Officer

SHOWA DENKO K.K.

Summary

1. In the first half of 2022, the Showa Denko Group's net sales decreased by 37.3 billion yen from the same period of the previous year due partly to the sluggish automobile production and the effect of the transfer of businesses implemented in 2021, despite positive impact of the yen's depreciation, continued strong sales in the Semiconductor and Electronic Materials segment, and shifting increased raw material costs onto product prices to some extent. The Group's operating income decreased 10.5 billion yen due partly to a decrease in net sales caused by the two factors mentioned above, and non-recurrence of gain from the devaluation of graphite electrode inventory caused by an application of the "lower of cost or market" accounting method in 2020, which was once recorded in 2021.
*Within ongoing businesses, net sales increased by 65.7 billion yen, but operating income decreased by 2.4 billion yen.
2. Regarding the performance forecast for full-year 2022, the Group's net sales increased 150 billion yen from the previous forecast announced in February 2022 while we left operating income of 84.0 billion yen as it was, reflecting the yen's depreciation further than expected, the delay in the recovery of automobile production, and a steep rise in prices of raw materials exceeding our forecast.
3. As a part of preparation for the integration of corporate statuses scheduled for the beginning of the next year, the company repurchased preferred stock of a subsidiary for 275.0 billion yen earlier than we planned by utilizing a fund financed through a subordinated loan.

Summary (1H (Jan.-Jun.), 2021 vs. 1H (Jan.-Jun.), 2022)

(Unit: Billions of Yen)

	1H, 2021	1H, 2022	Increase/ Decrease
Net sales	693.4	656.0	(37.3)
Operating income	47.6	37.1	(10.5)
Non-operating income and expenses, net	2.6	9.8	7.1
Ordinary income	50.2	46.8	(3.4)
Extraordinary profit/loss	(50.4)	(2.8)	47.6
Income before income taxes	(0.2)	44.1	44.2
Net Income	(5.8)	37.5	43.3
Net income attributable to owners of the parent	(13.4)	31.7	45.1
EBITDA (Operating income + Depreciation expense + Amortization of goodwill, etc.)	106.3	91.0	(15.2)
EBITDA margin (%)	15.3%	13.9%	(1.5p)

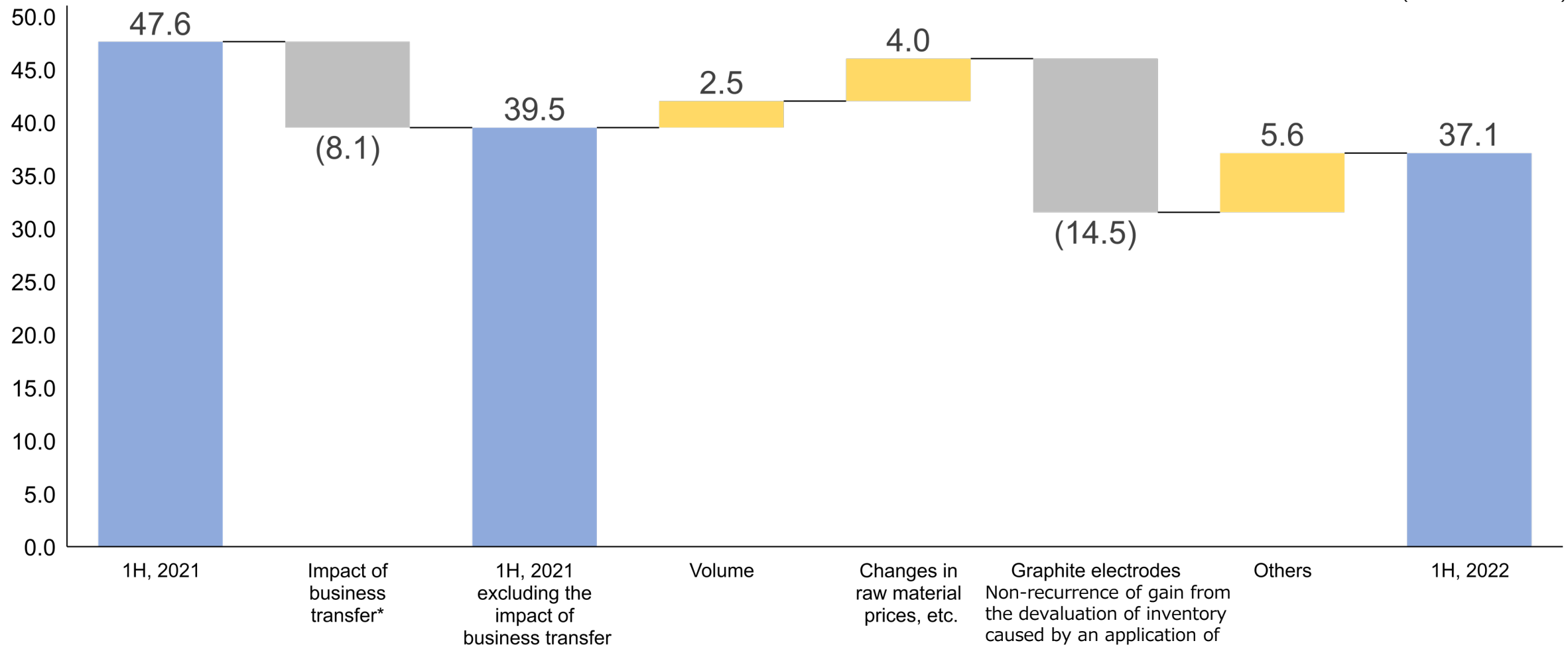
(Ref.) Based on ongoing businesses (Unit: Billions of Yen)

	1H, 2021*	1H, 2022	Increase/ decrease
Net sales	590.4	656.0	65.7
Operating income	39.5	37.1	(2.4)
EBITDA	92.8	91.0	(1.8)
EBITDA margin%	15.7%	13.9%	(1.8p)

*These data are for reference where we excluded results of businesses transferred in 2021, which are aluminum cans, rolled aluminum products, food wrap, printed wiring boards, and energy storage devices. (Not covered by auditing)

Operating Income Breakdown by Factor (1H, 2021 vs. 1H, 2022)

(Unit: Billions of Yen)



* Excluding the impact of deconsolidation of Shoko Co., Ltd.

Graphite electrodes
Non-recurrence of gain from the devaluation of inventory caused by an application of the "lower of cost or market" accounting method in 2020, which was once recorded in 2021.

Summary of Consolidated Sales and Operating Income by Segment (1H, 2021 vs. 1H, 2022)



(Unit: Billions of Yen)

		1H, 2021	1H, 2022	Increase/decrease	
Semiconductor and Electronic Materials	Sales	196.2	220.4	24.1	12%
	Operating Income	21.2	26.8	5.6	27%
Mobility	Sales	89.6	86.7	(2.9)	(3%)
	Operating Income	1.0	(1.2)	(2.2)	-
Innovation Enabling Materials	Sales	65.6	70.0	4.4	7%
	Operating Income	8.3	5.4	(2.9)	(35%)
Chemicals	Sales	191.3	224.5	33.2	17%
	Operating Income	19.3	13.1	(6.2)	(32%)
Others/ Adjustments	Sales	150.6	54.5	(96.2)	(64%)
	Operating Income	(2.1)	(7.0)	(4.9)	-
Total	Sales	693.4	656.0	(37.3)	(5%)
	Operating Income	47.6	37.1	(10.5)	(22%)

* Change of disclosure segment from Jan. 2022. Please refer to Page 14.

Sales and Operating Income by Segment (1H, 2021 vs. 1H, 2022) Semiconductor and Electronic Materials



(Unit: Billions of Yen)

	1H, 2021	1H, 2022	Increase/ decrease		Performance Overview
Sales	196.2	220.4	24.1	12%	<p>Although the segment was affected by the transfer of the Printed Wiring Board business in 2021 and a rise in raw material costs, sales of semiconductor-related materials, HD media, and SiC epitaxial wafers increased due to strong demand. Thus sales and operating income of the segment increased.</p> <ul style="list-style-type: none"> •Front-end Semiconductor Materials: Sales of high-purity gases for electronics and CMP slurry increased due to strong demand for semiconductors. •Back-end Semiconductor Materials: Sales increased due to good sales of die bonding materials and copper clad laminates caused by strong demand for semiconductors. •Device Solutions: Sales significantly increased due to steady demand for HD media for use in data centers and an increase in shipment volumes of SiC epitaxial wafers.
Front-end Semiconductor Materials	37.7	47.9	10.1	27%	
Back-end Semiconductor Materials	88.7	98.1	9.4	11%	
Device Solutions	38.6	57.0	18.4	48%	
Others	31.2	17.4	(13.8)	(44%)	
Operating Income	21.2	26.8	5.6	27%	

[Main Products]

- Front-end Semiconductor Materials : High-purity gases for electronics, CMP slurry
- Back-end Semiconductor Materials : Epoxy molding compounds, Die bonding materials, Copper clad laminates, Photosensitive dry films, Photosensitive solder resists
- Device Solutions : HD media, SiC epitaxial wafers, Compound semiconductors

Sales and Operating Income by Segment (1H, 2021 vs. 1H, 2022)

Mobility



(Unit: Billions of Yen)

	1H, 2021	1H, 2022	Increase/ Decrease		Performance Overview
Sales	89.6	86.7	(2.9)	(3%)	<p>Sales decreased due to sluggish production of cars caused by short supply of semiconductors and the Shanghai lockdown due to the spread of COVID-19 infection. In addition, there are soaring raw material prices and amortization of goodwill and intangible assets, resulting in an operating loss.</p> <ul style="list-style-type: none"> •Automotive Products: While car production was sluggish, sales of powder metal products decreased. However, sales of plastic molded products and friction materials increased. •Lithium-ion Battery Materials: Sales of carbon nanofiber additives for cathodes and anodes of LIBs increased. However, sales of carbon anode materials and aluminum laminate film (SPALF™) decreased.
Automotive Products	68.1	69.3	1.2	2%	
Lithium-ion Battery Materials	20.0	16.6	(3.4)	(17%)	
Others	1.5	0.8	(0.7)	(48%)	
Operating Income	1.0	(1.2)	(2.2)	—	

[Main Products]

- Automotive Products : Plastic molded products, Friction materials, Powder metal products
- Lithium-ion Battery Materials : Aluminum laminate film (SPALF™), Carbon nanofiber additives for cathodes and anodes of LIBs, Anode materials

Sales and Operating Income by Segment (1H, 2021 vs. 1H, 2022)

Innovation Enabling Materials / Chemicals



(Unit: Billions of Yen)

		1H, 2021	1H, 2022	Increase / decrease		Performance Overview
Innovation Enabling Materials	Sales	65.6	70.0	4.4	7%	Due to a rise in product prices caused by soaring raw material prices, sales of aluminum specialty components and functional chemicals increased, but profit of the segment decreased because of a time lag between a rise in raw material costs and passing it on to the prices of products.
	Operating Income	8.3	5.4	(2.9)	(35%)	
Chemicals	Sales	191.3	224.5	33.2	17%	<ul style="list-style-type: none"> •Petrochemicals: Once-in-four-year shutdown maintenance took place. Sales increased due to a rise in product prices caused by a rise in raw naphtha prices, and profit decreased due to a decline in shipment volumes caused by the shutdown maintenance. •Basic Chemicals & Industrial Gases: Sales increased due to a rise in product prices caused by a rise in prices of raw materials and fuel, but profit decreased due to a time-lag between cost increase and price hike, etc. •Graphite Electrodes: Sales and profit increased due to increases in shipment volumes and product prices.
	Petrochemicals	123.8	132.5	8.7	7%	
	Basic Chemicals & Industrial Gases	32.0	37.2	5.2	16%	
	Graphite Electrodes	35.5	54.6	19.2	54%	
	Others	0.0	0.1	0.1	-	
	Operating Income	19.3	13.1	(6.2)	(32%)	

[Main Products]

- Innovation Enabling Materials : Functional chemicals, Functional resins, Coating materials, Ceramics, Aluminum specialty components
- Petrochemicals : Olefins, Organic chemicals

Non-operating income/expenses, Extraordinary profit/loss

Non-operating income/expenses

(Unit: Billions of Yen)

	1H, 2021	1H, 2022	Increase/ Decrease	Main factors
Interest/Dividends income and expenses	(3.9)	(3.3)	0.6	Interest expenses decreased
Equity in earnings of affiliates	3.0	2.3	(0.7)	
Foreign exchange gains or losses	4.2	12.5	8.3	
Other	(0.6)	(1.7)	(1.1)	
Net	2.6	9.8	7.1	

Extraordinary profit/loss

(Unit: Billions of Yen)

	1H, 2021	1H, 2022	Increase/ Decrease	Main factors
Gain on sale of investment securities	1.3	1.9	0.6	
Gain on sale of businesses	8.1	-	(8.1)	
Loss on sale and retirement of noncurrent assets	(1.3)	(1.8)	(0.6)	
Business restructuring expenses	(32.8)	-	32.8	
Other	(25.8)	(2.9)	22.9	
Net	(50.4)	(2.8)	47.6	

2022 Forecast (Consolidated)



(Unit: Billions of Yen except Cash dividends per Share and Net income per Share)

(Ref.) Based on ongoing business*3

	2022 Forecast		Increase/ decrease
	Earlier*1	Revised*2	
Net sales	1,350.0	1,500.0	150.0
Operating income	84.0	84.0	-
Non-operating income and expenses	(5.0)	1.0	6.0
Ordinary income	79.0	85.0	6.0
Extraordinary profit/loss	(24.0)	(30.0)	(6.0)
Net income attributable to owners of the parent	27.0	32.0	5.0
EBITDA*4	193.7	193.6	(0.2)
EBITDA margin%	14.4%	12.9%	(1.4p)
ROIC*5	4.8%	4.3%	(0.5p)
Net income attributable to owners of the parent per share	¥149.11	¥176.69	¥27.58
Cash dividends per share	¥65	¥65	-

	2021 Full Year			Increase/ decrease
	2021 Full Year	2022 Forecast*2		
Net sales	1,259.3	1,500.0	240.7	
Operating income	73.7	84.0	10.3	
EBITDA	183.4	193.6	10.2	
EBITDA margin%	14.6%	12.9%	(1.7p)	
	1,419.6			
	87.2			
	(0.3)			
	86.9			
	(63.9)			
	(12.1)			
	202.6			
	14.3%			
	4.3%			
	(¥77.40)			
	¥65			

(Unit: Billions of Yen)

*1 Announced on Feb. 14, 2022

*2 Announced on Aug. 3, 2022

*3 These data are for reference where we excluded results of businesses transferred in 2021, which are aluminum cans, rolled aluminum products, food wrap, printed wiring boards, and energy storage devices. (Not covered by auditing)

*4 EBITDA=Operating income + Depreciation expense + Amortization of goodwill, etc.

*5 ROIC=(Operating income +Equity in earnings of affiliates – Income taxes) / (Interest-bearing debt + Total net assets)

Sales, Operating Income and EBITDA by Segment, 2022 Forecast (Consolidated)



(Unit: Billions of Yen)

Segment		2022 Forecast		Increase/ decrease	2022		2021 Actual*4
		Earlier*2	Revised*3		1H Actual	2H Revised*3	
Semiconductor and Electronic Materials	Sales	430.0	470.0	40.0	220.4	249.6	391.8
	O.I.*1	53.0	60.0	7.0	26.8	33.2	46.9
	EBITDA	105.1	111.8	6.7	53.0	58.8	98.5
Mobility	Sales	190.0	180.0	(10.0)	86.7	93.3	173.8
	O.I.*1	6.0	(3.0)	(9.0)	(1.2)	(1.8)	(2.0)
	EBITDA	24.7	15.8	(8.8)	8.9	6.9	18.6
Innovation Enabling Materials	Sales	140.0	150.0	10.0	70.0	80.0	141.3
	O.I.*1	13.0	12.0	(1.0)	5.4	6.6	13.8
	EBITDA	21.7	20.4	(1.2)	10.0	10.5	22.4
Chemicals	Sales	480.0	580.0	100.0	224.5	355.5	431.0
	O.I.*1	34.0	36.0	2.0	13.1	22.9	37.9
	EBITDA	50.8	53.1	2.3	21.5	31.5	54.1
Others/ Adjustments	Sales	110.0	120.0	10.0	54.5	65.5	121.4
	O.I.*1	(22.0)	(21.0)	1.0	(7.0)	(14.0)	(22.9)
	EBITDA	(8.4)	(7.5)	0.8	(2.4)	(5.1)	(10.3)
Total	Sales	1,350.0	1,500.0	150.0	656.0	844.0	1,259.3
	O.I.*1	84.0	84.0	-	37.1	46.9	73.7
	EBITDA	193.7	193.6	(0.2)	91.0	102.5	183.4

*1 Operating Income *2 Announced on Feb. 14, 2022 *3 Announced on Aug. 4, 2022

*4 These data are for reference where we excluded results of businesses transferred in 2021, which are aluminum cans, rolled aluminum products, food wrap, printed wiring boards, and energy storage devices. (Not covered by auditing)

Consolidated Balance Sheet

Consolidated Balance Sheet

(Unit: Billions of Yen)

Assets	Dec. 31, 2021	Jun. 30, 2022	Increase/Decrease	Liabilities and net assets	Dec. 31, 2021	Jun. 30, 2022	Increase/Decrease
Cash and deposits	236.2	222.9	(13.3)	Notes and accounts payable	207.7	220.4	12.7
Notes and accounts receivable	278.6	293.5	14.9	Interest-bearing debt	850.6	1,140.0	289.4
Inventories	203.9	256.0	52.1	Other liabilities	265.6	265.9	0.3
Other current assets	79.8	85.4	5.6	Total liabilities	1,323.9	1,626.4	302.4
Total current assets	798.5	857.8	59.3	<u>Total shareholders' equity</u>	433.6	442.0	8.4
Total tangible fixed assets	659.5	701.4	41.9	incl. Retained earnings	143.3	163.3	19.9
Goodwill	311.8	303.8	(8.0)	<u>Total accumulated other comprehensive income</u>	80.4	129.3	48.9
Other intangible fixed assets	210.7	203.7	(7.0)	incl. Valuation difference on available-for-sale securities	2.8	2.0	(0.9)
<u>Total intangible fixed assets</u>	522.5	507.5	(15.0)	incl. Foreign currency translation adjustment	38.4	89.9	51.4
<u>Investments and other assets</u>	161.8	155.2	(6.6)	Non-controlling interests	304.5	24.3	(280.2)
Total fixed assets	1,343.9	1,364.2	20.3	Total net assets	818.5	595.6	(222.8)
Total assets	2,142.4	2,222.0	79.6	Total liabilities and net assets	2,142.4	2,222.0	79.6

Major Indicators

Adjusted net D/E ratio*¹ (Times)	1.15	1.10	(0.05p)	Equity ratio*² (%)	24.0	25.7	1.7p
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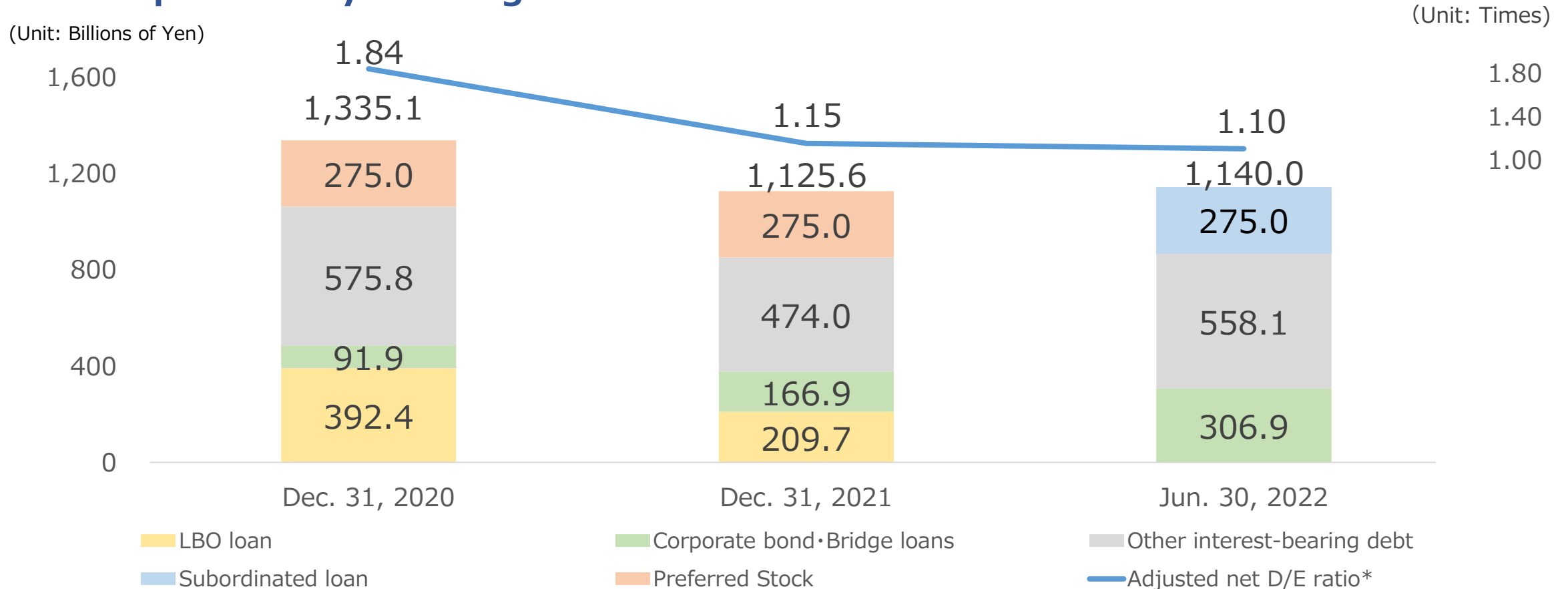
*¹ Dec.31, 2021: {(Loans payable+Commercial papers+Bonds payable+Lease liabilities) – Cash and deposits + preferred stocks as equity capital×50%} / (Total shareholders' equity+ preferred stocks as equity capital ×50%)
 Jun.30, 2022: {(Loans payable+Commercial papers+Bonds payable+Lease liabilities) – Cash and deposits – subordinated loan as equity capital×50%} / (Total shareholders' equity+ subordinated loan as equity capital ×50%)
The assumption that we consider 50% of the total value of issued preferred stocks as equity capital is based on the credit rating given by Japan Credit Rating Agency, Ltd. on April 21, 2020 and April 27, 2020.

*² (Total net assets – Non-controlling interests) /Total liabilities and net assets) ×100

(Interest-bearing debt + preferred stock) Balance trends



As a part of preparation for the integration of corporate statuses scheduled for the next year, the Company repurchased preferred stock for 275.0 billion yen earlier than we planned by utilizing subordinated loan.



* Dec.31,2020, 2021: $\frac{\{(Loans\ payable + Commercial\ papers + Bonds\ payable + Lease\ liabilities) - Cash\ and\ deposits + preferred\ stocks\ as\ equity\ capital \times 50\%\}}{(Total\ shareholders'\ equity + preferred\ stocks\ as\ equity\ capital \times 50\%)}$
 Jun.30, 2022: $\frac{\{(Loans\ payable + Commercial\ papers + Bonds\ payable + Lease\ liabilities) - Cash\ and\ deposits - subordinated\ loan\ as\ equity\ capital \times 50\%\}}{(Total\ shareholders'\ equity + subordinated\ loan\ as\ equity\ capital \times 50\%)}$

(Reference) Changes in segmentation for disclosure (from Jan. 2022)



<Relationship between new segments and major products>

Old \ New	Semiconductor and Electronic Materials	Mobility	Innovation Enabling Materials	Chemicals	Others
Petrochemicals	-	-	-	Olefins, Organic Chemicals, Polymer	-
Chemicals	Electronic chemicals	-	Functional chemicals, Coating materials	Industrial gases, Basic chemicals	-
Electronics	HD media, Compound semiconductors	Lithium-ion battery (LIB) materials	-	-	-
	SiC epitaxial wafers		-	-	-
Inorganics	-	-	Ceramics	Graphite electrodes	-
Aluminum	-	-	Aluminum specialty components	-	-
Showa Denko Materials	Information and communication (Electronics materials, Wiring boards Materials)	Mobility components (Automotive products, Carbon anode materials for LIBs)	Mobility components (Varnishes, Functional Resins)	-	Life Science
Others	-	-	-	-	Others

Note: each business is colored by based on business portfolio of the Long-term vision.

■ : "Core Growth" business ■ : "Fundamental Technologies/Materials" business ■ : "Stable Earnings" business ■ : "Next-Generation" business

(Reference) Consolidated Companies, Selected Data



Consolidated Companies

Consolidated subsidiaries: 123 (-1 from Dec. 31, 2021)

+ 1: Showa Denko Materials' Ceramics business spin-off Preparation company (newly established)

- 2: Liquidation of Showa Denko (Dalian) Co., Ltd.

Absorption-type merger of SHOWA DENKO CARBON Spain Holding S.L. by SHOWA DENKO CARBON Spain S.A.U.

Equity method applied: 13 (± 0 from Dec. 31, 2021)

Selected Data

(Average)

Item	1H, 2021	1H, 2022	2H, 2022 Revised Forecast*
Exchange rates			
(¥/US\$)	107.7	122.9	135.0
	<i>At Jun. 30, 2021 : 110.6 At Dec. 31, 2021 : 115.0</i>	<i>At Jun. 30, 2022 : 136.7</i>	
(¥/€)	129.8	134.3	134.0
Domestic naphtha price (¥/KL)	43,250	75,350	81,900

* Announced on Aug. 4, 2022

(Reference)

Costs of the integration with Showa Denko Materials Co., Ltd.



(Unit: Billions of Yen)

Item	2022		2021 Full Year	2022 Revised Forecast*2	Increase/Decrease
	1H Actual	2H Revised Forecast*2			
Post-merger integration (PMI) expenses*1 (Operating expenses)	(2.2)	(5.3)	(7.2)	(7.5)	(0.3)
Interest on borrowing related to acquisition of shares, preferred stocks, etc. (Non-operating expenses)	(3.1)	(9.6)	(8.0)	(12.7)	(4.7)
Preferred stock dividends (Net income attributable to non-controlling interests)	(5.4)	—	(12.9)	(5.4)	7.5
Total	(10.6)	(14.9)	(28.1)	(25.5)	2.6

*1 PMI expenses: expenses related to merger processes such as management and operation to maximize the effect of integration after merger.

*2 Announced on Aug. 4, 2022

(Reference) Cash Flows, Results and 2022 Forecast (Consolidated)



(Unit: Billions of Yen)

	1H 2021	1H 2022	Increase/ Decrease	2022 Forecast		Increase/ Decrease	2021 Results
				Earlier*1	Revised*2		
CF from operating activities	55.3	21.9	(33.4)	140.0	120.0	(20.0)	115.3
CF from investing activities	(10.4)	(36.6)	(26.2)	(135.0)	(100.0)	35.0	28.6
Free CF	44.9	(14.7)	(59.7)	5.0	20.0	15.0	143.9
CF from financing activities	(73.6)	(18.2)	55.4	(90.0)	(80.0)	10.0	(121.7)
Others	9.1	20.2	11.1	0.0	20.0	20.0	14.6
Increase/decrease of cash and cash equivalents	(19.6)	(12.8)	6.9	(85.0)	(40.0)	45.0	36.8

*1 Announced on Feb. 14, 2022 *2 Announced on Aug. 4, 2022

(Reference) Selected Data, results and 2022 Forecast (Consolidated)



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	1H, 2021	1H, 2022	Increase/ Decrease	2022 Forecast		Increase/ Decrease	2021 Results
				Earlier*1	Revised*2		
Capital investment	35.4	52.4	17.0	133.5	123.1	(10.3)	78.6
Depreciation and amortization*3	49.5	45.5	(4.0)	92.9	92.7	(0.2)	97.7
R&D expenditures	23.7	22.9	(0.8)	48.1	47.4	(0.7)	46.8
Interest/dividend income less interest expenses	(3.9)	(3.3)	0.6	(6.0)	(13.1)	(7.1)	(7.7)
Interest-bearing Debt	984.8	1,140.0	155.3	800.0	1,100.0	300.0	850.6
Adjusted net D/E ratio (Times)	1.72	1.10	(0.62)	1.19	1.08	(0.11)	1.15
Number of employees	32,373	26,295	(6,078)	26,586	26,487	(99)	26,054
(Unit: people)							
Japan	14,641	12,858	(1,783)	12,583	12,492	(91)	12,727
Overseas	17,732	13,437	(4,295)	14,003	13,995	(8)	13,327
Total labor costs (Unit: Billions of Yen)	101.1	90.9	(10.2)	182.8	183.8	1.0	199.1

*1 Announced on Feb. 14, 2022 *2 Announced on Aug. 4, 2022

*3 Including depreciation of intangible fixed assets caused by application of PPA (Purchase Price Allocation)

(Reference)

Capital expenditures by Segment, results and 2022 Forecast



(Unit: Billions of Yen)

Segment	1H, 2021	1H, 2022	Increase/ decrease	2022 Forecast		Increase/ Decrease	2021 Results
				Earlier*1	Revised*2		
Semiconductor and Electronic Materials	14.0	24.3	10.3	61.5	58.1	(3.4)	35.2
Mobility	5.3	4.4	(0.9)	12.6	9.9	(2.7)	9.9
Innovation Enabling Materials	3.8	3.6	(0.2)	8.0	7.6	(0.4)	8.4
Chemicals	6.7	9.6	2.9	21.0	20.3	(0.7)	14.1
Others	5.6	10.6	5.0	30.4	27.3	(3.1)	11.0
Total	35.4	52.4	17.0	133.5	123.1	(10.3)	78.6

*1 Announced on Feb. 14, 2022 *2 Announced on Aug. 4, 2022

(Reference) Depreciation by Segment, results and 2022 Forecast



(Unit: Billions of Yen)

Segment		1H, 2021* ¹	1H, 2022	Increase/ decrease	2022 Forecast		Increase/ Decrease	2021 Results* ¹
					Earlier* ²	Revised* ³		
Semiconductor and Electronic Materials	Depreciation* ⁴	18.7	19.6	0.9	38.8	38.5	(0.3)	38.3
	Amortization of goodwill	6.6	6.6	0.0	13.3	13.3	0.0	13.3
Mobility	Depreciation* ⁴	9.2	9.1	(0.1)	16.5	16.7	0.2	18.5
	Amortization of goodwill	1.1	1.1	0.0	2.1	2.1	0.0	2.1
Innovation Enabling Materials	Depreciation* ⁴	3.9	4.2	0.3	7.9	7.6	(0.2)	7.9
	Amortization of goodwill	0.3	0.4	0.1	0.8	0.8	0.0	0.7
Chemicals	Depreciation* ⁴	8.0	8.4	0.4	16.7	17.0	0.3	16.2
	Amortization of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others/ Adjustments	Depreciation* ⁴	5.2	4.3	(0.9)	13.0	12.8	(0.2)	12.0
	Amortization of goodwill	0.3	0.3	(0.0)	0.6	0.6	0.0	0.6
Total	Depreciation* ⁴	45.0	45.5	0.6	92.9	92.7	(0.2)	92.9
	Amortization of goodwill	8.3	8.4	0.1	16.8	16.8	0.0	16.8

*1 These data are for reference where we excluded results of businesses transferred in 2021, which are aluminum cans, rolled aluminum products, food wrap, printed wiring boards, and energy storage devices. (Not covered by auditing) *2 Announced on Feb. 14, 2022

*3 Announced on Aug. 4, 2022 *4 Including depreciation of intangible fixed assets caused by application of PPA (Purchase Price Allocation)

(Reference)
Summary (CQ1 (Jan.-Mar.), 2022 vs. CQ2 (Apr.-Jun.), 2022)



(Unit: Billions of Yen)

	Jan.-Mar. 2022	Apr.-Jun. 2022	Increase/ Decrease
Net sales	308.0	348.0	40.0
Operating income	15.4	21.7	6.4
Non-operating income and expenses, net	4.6	5.2	0.6
Ordinary income	19.9	26.9	7.0
Extraordinary profit/loss	(2.3)	(0.5)	1.8
Income before income taxes	17.6	26.4	8.8
Net Income	12.1	25.3	13.2
Net income attributable to owners of the parent	8.4	23.3	14.9
EBITDA (Operating income + Depreciation expense + Amortization of goodwill, etc.)	42.1	49.0	6.9
EBITDA margin (%)	13.7%	14.1%	0.4p

(Reference)
Sales and Operating Income by Segment, 2021
 (Based on new segmentation)



(Unit: Billions of Yen)

Segment		2021				
		Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Full Year
Semiconductor and Electronic Materials	Sales	81.7	94.7	102.8	112.6	391.8
	Operating Income	7.7	12.0	12.0	15.2	46.9
Mobility	Sales	46.3	43.2	41.9	42.4	173.8
	Operating Income	1.1	(0.1)	(0.3)	(2.7)	(2.0)
Innovation Enabling Materials	Sales	29.5	34.4	38.1	39.3	141.3
	Operating Income	4.2	4.1	3.4	2.0	13.8
Chemicals	Sales	86.5	104.9	113.1	126.6	431.0
	Operating Income	7.1	12.1	11.6	7.0	37.9
Others/ Adjustments	Sales	44.8	24.4	24.1	28.1	121.4
	Operating Income	(3.6)	(5.3)	(6.0)	(8.0)	(22.9)
Based on ongoing businesses* Total	Sales	288.8	301.6	320.0	348.9	1,259.3
	Operating Income	16.6	22.9	20.7	13.5	73.7
Discontinued business	Sales	50.9	52.1	38.3	19.1	160.3
	Operating Income	4.2	3.9	3.6	1.7	13.5
Total amount	Sales	339.7	353.7	358.3	367.9	1,419.6
	Operating Income	20.8	26.8	24.4	15.3	87.2

*These data are for reference where we excluded results of businesses transferred in 2021, which are aluminum cans, rolled aluminum products, food wrap, printed wiring boards, and energy storage devices. (Not covered by auditing)

(Reference)

Sales and Operating Income by Segment, 2022 (Consolidated)



(Unit: Billions of Yen)

Segment		2022			
		Jan.-Mar.	Apr.-Jun.	2H Forecast*	Full Year Forecast*
Semiconductor and Electronic Materials	Sales	107.3	113.0	249.6	470.0
	Operating Income	12.9	13.9	33.2	60.0
Mobility	Sales	44.4	42.3	93.3	180.0
	Operating Income	0.4	(1.5)	(1.8)	(3.0)
Innovation Enabling Materials	Sales	34.3	35.7	80.0	150.0
	Operating Income	2.9	2.5	6.6	12.0
Chemicals	Sales	95.1	129.5	355.5	580.0
	Operating Income	2.2	10.9	22.9	36.0
Others/ Adjustments	Sales	26.9	27.6	65.5	120.0
	Operating Income	(3.0)	(4.0)	(14.0)	(21.0)
Total	Sales	308.0	348.0	844.0	1,500.0
	Operating Income	15.4	21.7	46.9	84.0

* Announced on Aug. 4, 2022

Topics

Segment	Topics
General	SDK and Microwave Chemical Start Joint Development of New Microwave-based Chemical Recycling Technology to Directly Transform Used Plastic into Basic Chemical Feedstock
Semiconductor and Electronic Materials	Showa Denko Concludes MOU with SK Inc. to Give Consideration to a Plan to Cooperatively Produce High-Purity Gases for Semiconductors in North America
	Showa Denko Starts Shipment of Newly Developed HD Media for Record-breaking 26TB Near-line HDD
	Showa Denko's Program to Develop 8-inch SiC Wafers for Next-generation Green Power Semiconductor Selected for NEDO's Green Innovation Fund Projects
Chemicals	Showa Denko to Consider Simplified Absorption-type Company Split (Graphite Electrodes)

*Please refer to each news release for details.

News Releases: <https://www.sdk.co.jp/english/news.html>
<https://www.mc.showadenko.com/news/english>

Note

Performance forecast and other statements pertaining to the future as contained in this presentation 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.