

Consolidated Balance Sheets

Showa Denko K.K. and Consolidated Subsidiaries

At December 31, 2014 and 2013

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 5)
	2014	2013	2014
Current assets			
Cash and deposits (Notes 6 and 7)	¥ 66,840	¥ 68,250	\$ 554,455
Notes and accounts receivable (Notes 7 and 10)	170,829	169,390	1,417,080
Allowance for doubtful accounts	(1,509)	(256)	(12,516)
Inventories	123,600	120,156	1,025,300
Deferred tax assets (Note 13)	4,244	4,810	35,204
Other current assets	16,435	12,249	136,336
Total current assets	380,439	374,599	3,155,859
Property, plant and equipment (Note 11)			
Land (Note 19)	254,116	254,593	2,107,969
Buildings and structures	267,817	258,341	2,221,625
Machinery, equipment and vehicles	769,620	728,051	6,384,238
Construction in progress	46,277	35,688	383,886
	1,337,830	1,276,673	11,097,718
Less: Accumulated depreciation	(824,173)	(782,586)	(6,836,777)
Net property, plant and equipment	513,656	494,087	4,260,941
Investments and other assets			
Investment securities (Notes 7, 8 and 11)	76,113	78,688	631,378
Long-term loans	771	1,201	6,395
Net defined benefit asset (Notes 3 and 12)	20	—	169
Deferred tax assets (Note 13)	15,563	15,889	129,102
Other	22,953	21,839	190,398
Allowance for doubtful accounts	(412)	(531)	(3,421)
Total investments and other assets	115,007	117,085	954,022
Goodwill (Note 23)	1,980	—	16,427
Total assets	¥1,011,083	¥ 985,771	\$ 8,387,249

See notes to financial statements.

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 5)
	2014	2013	2014
Current liabilities			
Short-term debt (Notes 7 and 11)	¥ 76,519	¥ 96,182	\$ 634,751
Current portion of long-term debt (Notes 7 and 11)	80,486	41,694	667,659
Notes and accounts payable (Notes 7 and 10)	183,427	167,287	1,521,586
Income taxes payable	2,435	2,202	20,199
Provision for repairs	61	3,512	506
Provision for bonuses	2,135	2,251	17,714
Provision for business structure improvement	769	296	6,382
Provision for Niigata Minamata Disease	137	149	1,132
Other current liabilities (Note 13)	34,811	33,373	288,769
Total current liabilities	380,781	346,945	3,158,698
Noncurrent liabilities			
Long-term debt less current portion (Notes 7 and 11)	226,119	215,811	1,875,725
Deferred tax liabilities (Note 13)	3,453	3,305	28,640
Provision for retirement benefits (Note 12)	—	20,310	—
Provision for repairs	633	43	5,254
Net defined benefit liability (Notes 3 and 12)	22,115	—	183,453
Deferred tax liabilities for land revaluation (Note 19)	39,841	39,849	330,492
Other noncurrent liabilities (Notes 7 and 23)	17,637	13,698	146,305
Total noncurrent liabilities	309,798	293,016	2,569,868
Contingent liabilities (Note 17)			
Net assets (Note 18)			
Shareholders' equity			
Capital stock			
Authorized, 3,300,000,000 shares			
Issued, 2014—1,497,112,926 shares	140,564	—	1,166,018
Issued, 2013—1,497,112,926 shares	—	140,564	—
Capital surplus	62,221	62,221	516,143
Retained earnings	57,467	58,414	476,708
Less: Treasury stock at cost, 2014—68,831,258 shares	(10,153)	—	(84,221)
Less: Treasury stock at cost, 2013—539,728 shares	—	(149)	—
Total shareholders' equity	250,099	261,050	2,074,647
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	6,783	5,850	56,269
Deferred gains or losses on hedges	1,262	105	10,470
Revaluation reserve for land (Note 19)	27,908	27,923	231,508
Foreign currency translation adjustments	19,018	6,284	157,758
Remeasurements of defined benefit plans (Notes 3 and 12)	(4,899)	—	(40,639)
Total accumulated other comprehensive income	50,072	40,161	415,367
Minority interests	20,333	44,599	168,669
Total net assets	320,504	345,811	2,658,683
Total liabilities and net assets	¥1,011,083	¥985,771	\$8,387,249