

Consolidated Statements of Changes in Net Assets

Showa Denko K.K. and Consolidated Subsidiaries

For the years ended December 31, 2014 and 2013

	Thousands		Millions of yen									
	Number of shares of capital stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Minority interests	Total net assets
Balance at December 31, 2012	1,497,113	¥140,564	¥62,222	¥53,172	¥ (145)	¥ 924	¥ (305)	¥28,025	¥(11,722)	¥ —	¥42,232	¥314,966
Dividends from surplus	—	—	—	(4,490)	—	—	—	—	—	—	—	(4,490)
Net income	—	—	—	9,065	—	—	—	—	—	—	—	9,065
Purchase of treasury stock	—	—	—	—	(5)	—	—	—	—	—	—	(5)
Disposal of treasury stock	—	—	(0)	—	1	—	—	—	—	—	—	1
Increase by increase of consolidated subsidiaries	—	—	—	576	—	—	—	—	—	—	—	576
Reversal of revaluation reserve for land	—	—	—	103	—	—	—	—	—	—	—	103
Other	—	—	—	(11)	—	—	—	—	—	—	—	(11)
Net changes of items other than shareholders' equity	—	—	—	—	—	4,926	410	(103)	18,006	—	2,368	25,607
Balance at December 31, 2013	1,497,113	¥140,564	¥62,221	¥58,414	¥ (149)	¥5,850	¥ 105	¥27,923	¥ 6,284	¥ —	¥44,599	¥345,811
Dividends from surplus	—	—	—	(4,490)	—	—	—	—	—	—	—	(4,490)
Net income	—	—	—	3,500	—	—	—	—	—	—	—	3,500
Purchase of treasury stock	—	—	—	—	(10,005)	—	—	—	—	—	—	(10,005)
Disposal of treasury stock	—	—	(0)	—	0	—	—	—	—	—	—	0
Increase by increase of consolidated subsidiaries	—	—	—	475	—	—	—	—	—	—	—	475
Decrease by increase of consolidated subsidiaries	—	—	—	(443)	—	—	—	—	—	—	—	(443)
Reversal of revaluation reserve for land	—	—	—	14	—	—	—	—	—	—	—	14
Other	—	—	—	(4)	—	—	—	—	—	—	—	(4)
Net changes of items other than shareholders' equity	—	—	—	—	—	934	1,158	(14)	12,733	(4,899)	(24,266)	(14,355)
Balance at December 31, 2014	1,497,113	¥140,564	¥62,221	¥57,467	¥(10,153)	¥6,783	¥1,262	¥27,908	¥19,018	¥(4,899)	¥20,333	¥320,504

	Thousands		Thousands of U.S. dollars (Note 5)									
	Number of shares of capital stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Minority interests	Total net assets
Balance at December 31, 2013	1,497,113	\$1,166,018	\$516,144	\$484,562	\$ (1,234)	\$48,524	\$ 868	\$231,627	\$ 52,131	\$ —	\$369,966	\$2,868,607
Dividends from surplus	—	—	—	(37,244)	—	—	—	—	—	—	—	(37,244)
Net income	—	—	—	29,036	—	—	—	—	—	—	—	29,036
Purchase of treasury stock	—	—	—	—	(82,991)	—	—	—	—	—	—	(82,991)
Disposal of treasury stock	—	—	(2)	—	3	—	—	—	—	—	—	2
Increase by increase of consolidated subsidiaries	—	—	—	3,940	—	—	—	—	—	—	—	3,940
Decrease by increase of consolidated subsidiaries	—	—	—	(3,672)	—	—	—	—	—	—	—	(3,672)
Reversal of revaluation reserve for land	—	—	—	118	—	—	—	—	—	—	—	118
Other	—	—	—	(34)	—	—	—	—	—	—	—	(34)
Net changes of items other than shareholders' equity	—	—	—	—	—	7,745	9,603	(118)	105,626	(40,639)	(201,297)	(119,080)
Balance at December 31, 2014	1,497,113	\$1,166,018	\$516,143	\$476,708	\$(84,221)	\$56,269	\$10,470	\$231,508	\$157,758	\$(40,639)	\$168,669	\$2,658,683

See notes to financial statements.