



Consolidated Balance Sheets

Showa Denko K.K. and Consolidated Subsidiaries

As at December 31, 2019 and 2018

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 5)
	2019	2018	2019
Current assets			
Cash and deposits (Notes 6 and 7)	¥ 122,086	¥ 113,186	\$ 1,114,332
Notes and accounts receivable (Notes 7 and 10)	184,425	217,200	1,683,329
Allowance for doubtful accounts	(754)	(1,386)	(6,885)
Inventories	173,667	152,800	1,585,135
Other current assets (Notes 7 and 9)	17,632	14,732	160,934
Total current assets	497,057	496,533	4,536,845
Property, plant and equipment (Notes 11 and 14)			
Land (Note 19)	226,514	234,987	2,067,488
Buildings and structures	288,591	283,303	2,634,087
Machinery, equipment and vehicles	893,878	900,921	8,158,797
Construction in progress	18,794	11,106	171,543
	1,427,777	1,430,317	13,031,915
Less : Accumulated depreciation	(954,608)	(951,911)	(8,713,108)
Net property, plant and equipment	473,168	478,406	4,318,807
Investments and other assets			
Investment securities (Notes 7, 8, and 11)	71,786	71,886	655,220
Long-term loans	334	71	3,049
Net defined benefit asset (Note 12)	244	249	2,227
Deferred tax assets (Note 13)	3,381	4,574	30,857
Other (Notes 7 and 9)	38,537	31,596	351,744
Allowance for doubtful accounts	(8,125)	(8,332)	(74,164)
Total investments and other assets	106,156	100,044	968,932
Total assets	¥1,076,381	¥1,074,983	\$ 9,824,584

See notes to financial statements.

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 5)
	2019	2018	2019
Current liabilities			
Short-term debt (Notes 7 and 11)	¥ 52,720	¥ 81,747	\$ 481,194
Current portion of long-term debt (Notes 7 and 11)	31,943	41,403	291,560
Notes and accounts payable (Notes 7, 10, and 11)	133,730	182,890	1,220,611
Income taxes payable	6,864	10,160	62,652
Provision for repairs	644	64	5,874
Provision for bonuses	3,050	3,516	27,834
Provision for stock payments (Note 3)	—	5	—
Provision for business structure improvement	1,686	129	15,389
Other current liabilities (Notes 7 and 9)	32,238	42,160	294,254
Total current liabilities	262,875	362,074	2,399,368
Non-current liabilities			
Long-term debt less current portion (Notes 7 and 11)	213,861	164,818	1,951,996
Deferred tax liabilities (Note 13)	7,950	6,027	72,563
Provision for repairs	2,021	1,102	18,448
Provision for stock payments (Note 3)	200	156	1,823
Provision for business structure improvement	824	2,876	7,521
Net defined benefit liability (Note 12)	9,969	22,018	90,990
Deferred tax liabilities for land revaluation (Note 19)	32,150	32,324	293,449
Other non-current liabilities (Notes 7 and 9)	27,099	18,248	247,345
Total non-current liabilities	294,074	247,569	2,684,135
Contingent liabilities (Note 17)			
Net assets (Note 18)			
Shareholders' equity			
Capital stock			
Authorized, 330,000,000 shares			
<i>Issued (2019): 149,711,292 shares</i>	140,564	—	1,282,982
<i>Issued (2018): 149,711,292 shares</i>	—	140,564	—
Capital surplus	78,912	78,911	720,263
Retained earnings	249,246	197,717	2,274,973
Less: Treasury stock at cost (2019): 3,836,329 shares	(11,664)	—	(106,465)
Less: Treasury stock at cost (2018): 3,836,364 shares	—	(11,659)	—
Total shareholders' equity	457,057	405,532	4,171,753
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	9,789	7,489	89,352
Deferred gains or losses on hedges	433	836	3,951
Revaluation reserve for land (Note 19)	33,060	33,281	301,756
Foreign currency translation adjustments	4,140	7,069	37,786
Remeasurements of defined benefit plans (Note 12)	(5,114)	(8,244)	(46,673)
Total accumulated other comprehensive income	42,309	40,431	386,172
Non-controlling interests	20,067	19,377	183,157
Total net assets	519,433	465,340	4,741,082
Total liabilities and net assets	¥1,076,381	¥1,074,983	\$ 9,824,584