Evolving unique chemical company

Third Quarter, 2014 Financial Results
- Consolidated -

SHOWA DENKO K.K.

October 30, 2014

Saburo Muto, CFO

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 economic conditions, costs of naphtha and other raw materials, demand for our products, market conditions, and foreign exchange rates. We undertake no obligation to update the forward-looking statements unless required by law.

Consolidated Companies

- Consolidated subsidiaries: 47

  No changes from the end of June

  5 companies newly consolidated, compared with the end of 2013

  Shanghai Showa Chemicals Co., Ltd.
  Zhejiang Quzhou Juhua Showa Electronic Chemical Materials Co., Ltd.
  Showa Denko Aluminum (Nantong) Co., Ltd.
  Hanacans Joint Stock Company, BE International Corporation

- Equity method applied: 12

  Excluded 2 from the end of June

  Kofu Gas Center K.K. (Chemicals segment, liquidated)
  Takasaki Gas Center K.K. (Chemicals segment, liquidated)

  3 companies excluded, compared with the end of 2013

  Tokyo Aluminum Wire Co., Ltd.
  Kofu Gas center K.K.
  Takasaki Gas center K.K.

Selected Data

(Average)

	2013		2014		Increase/decrease	
	Jan.-Sept.	Jul.-Sept.	Jan.-Sept.	Jul.-Sept.	Jan.-Sept.	Jul.-Sept.
Exchange rate: ¥/US$	96.7	99.0	103.0	103.9	Yen depreciated by ¥6.2/$	Yen depreciated by ¥5.0/$
Domestic naphtha price: ¥/kl	64,450	63,900	70,850	70,700	6,400	6,800
Aluminum						
LME price: US$/T	1,913	1,828	1,865	2,007	-48	180
Domestic market*: K¥/T	240	236	264	288	24	52

Exchange rate at the end of June, 2014 ¥101.4/US$, at the end of September, 2014 ¥109.5/US$
⇒Yen depreciated by ¥8.1/US$

*Domestic market: data from Nikkei

Summary

Jan. 1 – Sept. 30, 2013 vs. Jan. 1 – Sept. 30, 2014

(Unit: Billions of Yen)

	Jan.-Sept.2013	Jan.-Sept.2014	Increase/decrease
Net Sales	617.5	647.6	30.0
Operating Income	15.8	18.2	2.4
Non-operating income and expense	-3.5	-1.2	2.3
Interest/Dividend income less expenses	-2.1	0.0	2.2
Foreign exchange gain or loss	0.8	1.2	0.4
Equity in earnings or losses of affiliates	-0.6	0.5	1.0
Other	-1.6	-2.8	-1.3
Ordinary Income	12.4	17.1	4.7
Extraordinary Income	1.9	1.1	-0.8
Extraordinary Loss	-3.7	-11.3	-7.6
Income before income taxes and minority interests	10.6	6.9	-3.7
Income Taxes	-2.8	-4.5	-1.8
Income before minority interests	7.8	2.3	-5.5
Minority Interests in income	-1.1	-0.2	0.9
Net Income	6.7	2.2	-4.6

Extraordinary Profit/Loss

(Unit: Billions of Yen)

	Jan.-Sept. 2013	Jan.-Sept. 2014	Increase/decrease
■Extraordinary Profit	1.9	1.1	-0.8
●Gain on sales of investment securities	1.0	0.7	-0.3
●Compensation for contract cancellation	0.8	—	-0.8
●Other	0.1	0.4	0.3
■Extraordinary Loss	-3.7	-11.3	-7.6
●Loss on sales and retirement of noncurrent assets	-0.9	-1.7	-0.7
●Impairment loss	-0.6	-2.8	-2.2
●Loss on restructuring of subsidiaries and affiliates	-1.4	—	1.4
●Loss on valuation of investment securities	-0.1	-4.0	-4.0
●Other	-0.7	-2.8	-2.1
■Extraordinary Profit/Loss, Net	-1.7	-10.2	-8.4

Consolidated Sales by Segment

(Unit: Billions of Yen)

	Jan.-Sept. 2013	Jan.-Sept. 2014	Increase/ decrease	
Petrochemicals	207.6	202.6	-5.0	【Olefins】sales decreased (shipment volumes down due to large-scale shutdown maintenance) 【Organic chemicals】sales increased (shipment volume of vinyl acetate up)
Chemicals	95.5	102.4	6.9	【Basic chemicals】sales increased (AN: market price up, Chloroprene rubber: shipment volumes up) 【Industrial gases】,【Functional chemicals】sales slightly increased 【Electronic chemicals】sales increased (shipment volumes up)
Electronics	99.2	102.6	3.4	【HDs】sales increased 【Compound semiconductors】sales increased (shipment volumes up) 【Rare earth】sales slightly increased (shipment volumes up)
Inorganics	49.0	50.9	2.0	【Ceramics】sales increased (shipment volumes of abrasives up) 【Graphite electrodes】sales increased (shipment volumes up)
Aluminum	67.2	70.9	3.7	【High-purity foil for capacitors】sales increased (shipment volumes up) 【Aluminum specialty components】sales increased (shipment volumes up) 【Aluminum cans】sales decreased (shipment volumes down)
Others	127.3	150.0	22.7	【LIB materials】sales maintained at the year-earlier level 【SHOKO Co., Ltd.】sales increased
Adjustment	-28.3	-31.8	-3.6	
Total	617.5	647.6	30.0	

Consolidated Operating Income by Segment

(Unit: Billions of Yen)

	Jan.-Sept. 2013	Jan.-Sept. 2014	Increase/ decrease	
Petrochemicals	2.0	-0.6	-2.6	【Olefins】profit decreased (shipment volumes down due to shutdown maintenance) 【Organic chemicals】profit decreased (ethyl acetate)
Chemicals	1.3	3.2	1.9	【Basic chemicals】profit increased (AN, Chloroprene rubber) 【Industrial gases】profit increased 【Electronic chemicals】profit increased 【Functional chemicals】profit decreased
Electronics	14.2	18.9	4.7	【HDs】profit increased 【Compound semiconductors】profit increased (shipment volumes up) 【Rare earth】profit increased (shipment volumes up, adjustment loss in book value of inventory posted in 1st half, 2013)
Inorganics	-0.3	-0.7	-0.4	【Ceramics】profit decreased (Alumina costs up) 【Graphite electrodes】profit decreased
Aluminum	4.8	2.5	-2.3	【High-purity foil for capacitors】profit decreased (raw material costs up) 【Aluminum specialty components】profit increased (shipment volumes up) 【Aluminum cans】profit decreased (raw material costs up)
Others	-0.8	0.5	1.3	【LIB materials】profit increased 【SHOKO Co., Ltd.】profit increased
Adjustment	-5.3	-5.5	-0.2	
Total	15.8	18.2	2.4	

Summary

CQ3 (Jul.1 – Sept.30), 2013 vs. CQ3 (Jul.1 – Sept.30), 2014

(Unit: Billions of Yen)

	CQ3, 2013	CQ3, 2014	Increase/decrease
Net Sales	216.1	234.0	17.8
Operating Income	9.1	7.7	-1.4
Non-operating income and expense	-2.2	2.2	4.3
Interest/Dividend income less expenses	-0.9	1.0	1.8
Foreign exchange gain or loss	-0.6	2.1	2.6
Equity in earnings or losses of affiliates	0.0	0.1	0.1
Other	-0.7	-0.9	-0.2
Ordinary Income	7.0	9.8	2.9
Extraordinary Income	0.5	0.0	-0.4
Gain on sales of investment securities	0.5	0.0	-0.5
Extraordinary Loss	-1.0	-5.5	-4.7
Loss on sales and retirement of noncurrent assets	-0.3	-0.9	-0.6
Impairment loss	-0.3	-2.3	-2.0
Other	-0.4	-2.3	-1.9
Income before income taxes and minority interests	6.5	4.4	-2.1
Income Taxes	-1.5	0.9	2.4
Income before minority interests	5.0	5.3	0.3
Minority Interests in income	-0.4	0.3	0.7
Net Income	4.6	5.6	1.0

Consolidated Sales by Segment

CQ3 (Jul.1 – Sept.30), 2013 v s. CQ3 (Jul.1 – Sept.30), 2014

(Unit: Billions of Yen)

	CQ3, 2013	CQ3, 2014	Increase/ decrease	
Petrochemicals	72.2	82.9	10.7	【Olefins】sales increased (price up) 【Organic chemicals】sales increased (shipment volume of vinyl acetate up)
Chemicals	33.6	35.1	1.5	【Basic chemicals】sales increased (shipment volume of chloroprene rubber up) 【Industrial gases】sales decreased (shipment volume of dry ice down) 【Electronic chemicals】sales increased (shipment volumes up) 【Functional chemicals】sales maintained at the year-earlier level
Electronics	33.1	33.1	0.1	【HDs】sales increased 【Compound semiconductors】sales maintained at the year-earlier level 【Rare earth】sales decreased (shipment volumes down)
Inorganics	17.9	17.6	-0.4	【Ceramics】sales slightly decreased 【Graphite electrodes】sales slightly increased (shipment volumes up)
Aluminum	23.5	25.1	1.5	【High-purity foil for capacitors】sales increased (shipment volumes up) 【Aluminum specialty components】sales increased (shipment volumes for automotive applications up) 【Aluminum cans】sales decreased (sales in Japan decreased: shipment volumes down, sales in Vietnam increased: newly consolidated)
Others	45.0	50.6	5.6	【LIB materials】sales decreased (shipment volumes down) 【SHOKO Co., Ltd.】sales increased
Adjustment	-9.1	-10.4	-1.2	
Total	216.1	234.0	17.8	

Consolidated Operating Income by Segment

CQ3 (Jul.1 – Sept.30), 2013 v s. CQ3 (Jul.1 – Sept.30), 2014

(Unit: Billions of Yen)

	CQ3, 2013	CQ3, 2014	Increase/ decrease	
Petrochemicals	2.0	1.3	-0.7	【Olefins】profit decreased 【Organic chemicals】profit slightly increased (shipment volume of vinyl acetate up)
Chemicals	0.7	1.8	1.1	【Basic chemicals】profit increased (AN: market price up) 【Industrial gases】profit slightly increased 【Electronic chemicals】profit increased (shipment volumes up) 【Functional chemicals】profit slightly decreased
Electronics	5.8	5.7	-0.1	【HDs】profit maintained at the year-earlier level 【Compound semiconductors】profit maintained at the year-earlier level 【Rare earth】profit decreased
Inorganics	0.3	0.0	-0.3	【Ceramics】profit decreased (Alumina costs up) 【Graphite electrodes】profit increased (shipment volumes up)
Aluminum	1.9	0.7	-1.2	【High-purity foil for capacitors】,【Aluminum specialty components】profit maintained at the year-earlier level 【Aluminum cans】profit decreased (shipment volumes down, raw material costs up)
Others	0.1	0.1	0.0	【LIB materials】profit slightly decreased 【SHOKO Co., Ltd.】profit maintained at the year-earlier level
Adjustment	-1.7	-2.0	-0.3	
Total	9.1	7.7	-1.4	

Consolidated Balance Sheet

(Unit: Billions of Yen)

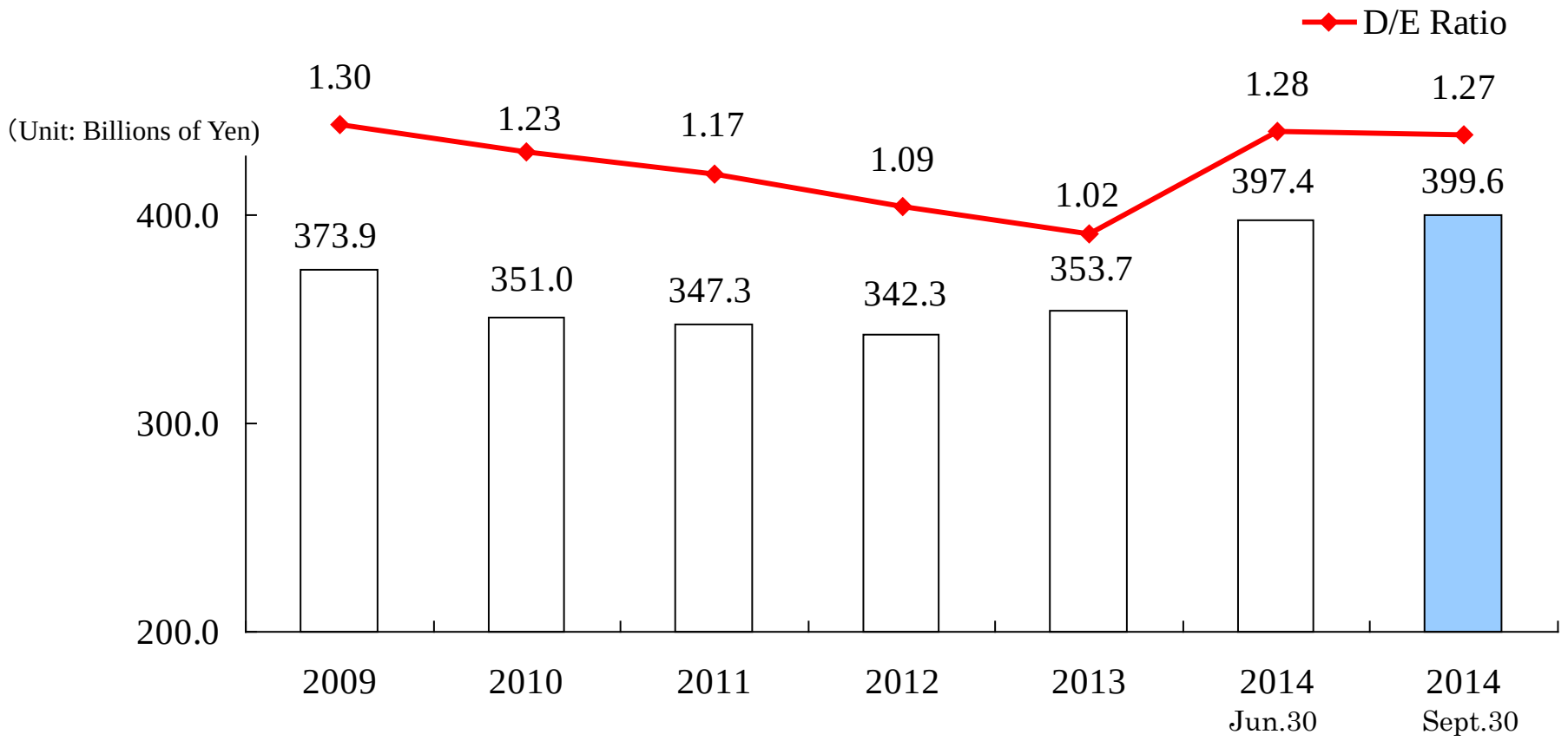
Assets	Dec.31, 2013	Sept.30, 2014	Increase	Liabilities and Net Assets	Dec.31, 2013	Sept.30, 2014	Increase
Cash and deposits	68.2	56.1	-12.1	Notes and accounts payable	124.2	117.6	-6.6
Notes and accounts receivable	156.1	165.7	9.6	Interest-bearing debt	353.7	399.6	45.9
Inventories	120.2	123.1	3.0	Provision for retirement benefits	20.3	16.0	-4.3
Other current assets	30.1	34.4	4.3	Other liabilities	141.8	148.3	6.5
Total Current Assets	374.6	379.3	4.7	Total Liabilities	640.0	681.4	41.5
Buildings and structures	85.5	84.1	-1.4	Capital stock	140.6	140.6	-
Machinery and equipment	111.6	119.2	7.5	Capital surplus	62.2	62.2	0
Land	254.6	254.1	-0.5	Retained earnings	58.4	56.1	-2.3
Other tangible fixed assets	42.4	48.7	6.3	Treasury stock	-0.1	-10.2	-10.0
Tangible Fixed Assets	494.1	506.0	11.9	Total Shareholders' equity	261.0	248.8	-12.3
Intangible Fixed Assets	11.0	14.2	3.3	Valuation difference on available-for-sale securities	5.8	6.0	0.2
Investments and other assets	106.1	96.4	-9.7	Foreign currency translation adjustment, Deferred hedge gains	6.4	11.4	5.0
incl. investment securities	78.7	72.5	-6.1	Revaluation reserve for land	27.9	27.9	0
				Total accumulated other comprehensive income	40.2	45.3	5.2
				Minority Interests	44.6	20.5	-24.1
Total fixed assets	611.2	616.7	5.5	Total net assets	345.8	314.6	-31.2
Total Assets	**985.8**	**996.0**	**10.2**	**Total Liabilities and Net Assets**	**985.8**	**996.0**	**10.2**

Total Assets
Interest-bearing Debt and D/E ratio

(Unit: Billions of Yen)

	Dec.31, 2013	Sept.30, 2014	Increase/ decrease
● **Total assets**	985.8	996.0	10.2
● **Interest-bearing debt**	353.7	399.6	45.9
● **Debt/Equity ratio**	1.02times	1.27times	0.25p
● **Stockholders' Equity ratio**	30.6%	29.5%	-1.0p

Interest-bearing Debt



Equity ratio	25.5%	26.1%	26.8 %	29.2%	30.6%	30.0%	29.5%

(Reference) Summary

CQ2 (Apr.1 – Jun.30), 2014 vs. CQ3 (Jul.1 – Sept.30), 2014

(Unit: Billions of Yen)

	CQ2, 2014	CQ3, 2014	Increase/ decrease
Net Sales	204.0	234.0	30.0
Operating Income	3.0	7.7	4.7
Non-operating income and expense	-2.3	2.2	4.5
Interest/Dividend income less expenses	-0.4	1.0	1.3
Foreign exchange gain or loss	-0.8	2.1	2.9
Equity in earnings or losses of affiliates	-0.2	0.1	0.3
Other	-1.0	-0.9	0.1
Ordinary Income	0.6	9.8	9.2
Extraordinary Income	0.4	0.0	-0.3
Extraordinary Loss	-4.7	-5.5	-0.8
Income before income taxes and minority interests	-3.7	4.4	8.1
Income Taxes	-0.5	0.9	1.4
Income before minority interests	-4.3	5.3	9.5
Minority Interests in income	-0.1	0.3	0.4
Net Income	-4.4	5.6	10.0

(Reference) Consolidated Sales by Segment

CQ2 (Apr.1 – Jun.30), 2014 vs. CQ3 (Jul.1 – Sept.30), 2014

(Unit: Billions of Yen)

	CQ2, 2014	CQ3, 2014	Increase/ Decrease	
Petrochemicals	57.7	82.9	25.2	【Olefins】sales increased (shipment volumes up: shutdown maintenance at CQ2, 2014) 【Organic chemicals】sales increased (shipment volume of vinyl acetate up)
Chemicals	33.9	35.1	1.2	【Basic chemicals】sales decreased (shipment volumes of AN, chloroprene rubber down due to shutdown maintenance in August 2014) 【Industrial gases】sales increased (shipment volume of dry ice up, seasonal) 【Electronic chemicals】sales increased (shipment volumes up) 【Functional chemicals】sales decreased (shipment volumes down)
Electronics	32.3	33.1	0.8	【HDs】sales increased (shipment volumes up) 【Compound semiconductors】sales decreased (shipment volumes down) 【Rare earth】sales decreased (shipment volumes down)
Inorganics	17.4	17.6	0.2	【Ceramics】sales maintained at the CQ2, 2014 level 【Graphite electrodes】sales increased (shipment volumes up)
Aluminum	24.6	25.1	0.5	【High-purity foil for capacitors】sales slightly decreased 【Aluminum specialty components】sales increased (shipment volumes for automotive applications up) 【Aluminum cans】sales increased (sales in Japan maintained at the CQ2, 2014 level, sales in Vietnam increased: newly consolidated)
Others	49.5	50.6	1.1	【LIB materials】sales decreased 【SHOKO Co., Ltd.】sales increased
Adjustment	-11.4	-10.4	1.0	
Total	204.0	234.0	30.0	

(Reference) Consolidated Operating Income by Segment

CQ2 (Apr.1 – Jun.30), 2014 vs. CQ3 (Jul.1 – Sept.30), 2014

(Unit: Billions of Yen)

	CQ2, 2014	CQ3, 2014	Increase/ Decrease	
Petrochemicals	-1.9	1.3	3.2	【Olefins】profit increased (shipment volumes up: shutdown maintenance at CQ2, 2014) 【Organic chemicals】profit increased (shipment volumes up)
Chemicals	0.4	1.8	1.4	【Basic chemicals】profit increased 【Industrial gases】profit increased (seasonal) 【Electronic chemicals】profit increased (shipment volumes up) 【Functional chemicals】profit decreased (shipment volumes down) 【IPP】profit increased (shutdown maintenance at CQ2, 2014)
Electronics	5.1	5.7	0.6	【HDs】profit increased (shipment volumes up) 【Compound semiconductors】profit slightly decreased 【Rare earth】profit maintained at the CQ2, 2014 level
Inorganics	-0.3	0.0	0.4	【Ceramics】profit decreased (costs up) 【Graphite electrodes】profit increased (shipment volumes up)
Aluminum	0.9	0.7	-0.2	【High-purity foil for capacitors】,【Aluminum specialty components】profit maintained at the CQ2, 2014 level 【Aluminum cans】profit slightly increased
Others	0.1	0.1	0.0	【LIB materials】profit decreased 【SHOKO Co., Ltd.】profit slightly increased
Adjustment	-1.4	-2.0	-0.6	
Total	3.0	7.7	4.7	

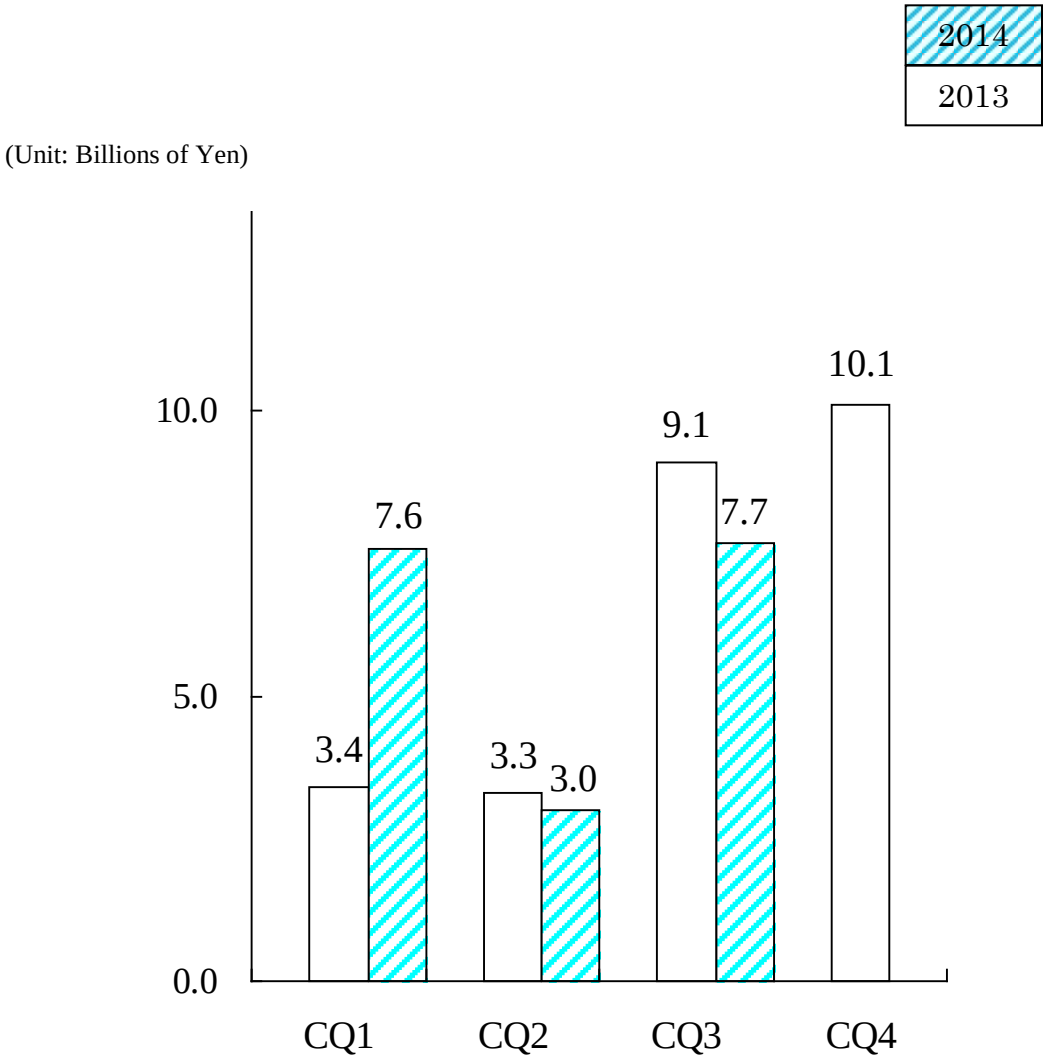
(Reference) Quarterly Summary 2014

(Unit: Billions of Yen)

	CQ1, 2014	CQ2, 2014	CQ3, 2014	Jan. - Sept. 2014	2014 Forecast *
Net Sales	209.6	204.0	234.0	647.6	895.0
Operating Income	7.6	3.0	7.7	18.2	32.0
Net Income	0.9	-4.4	5.6	2.2	7.0

Forecast was revised on Jul. 31, 2014

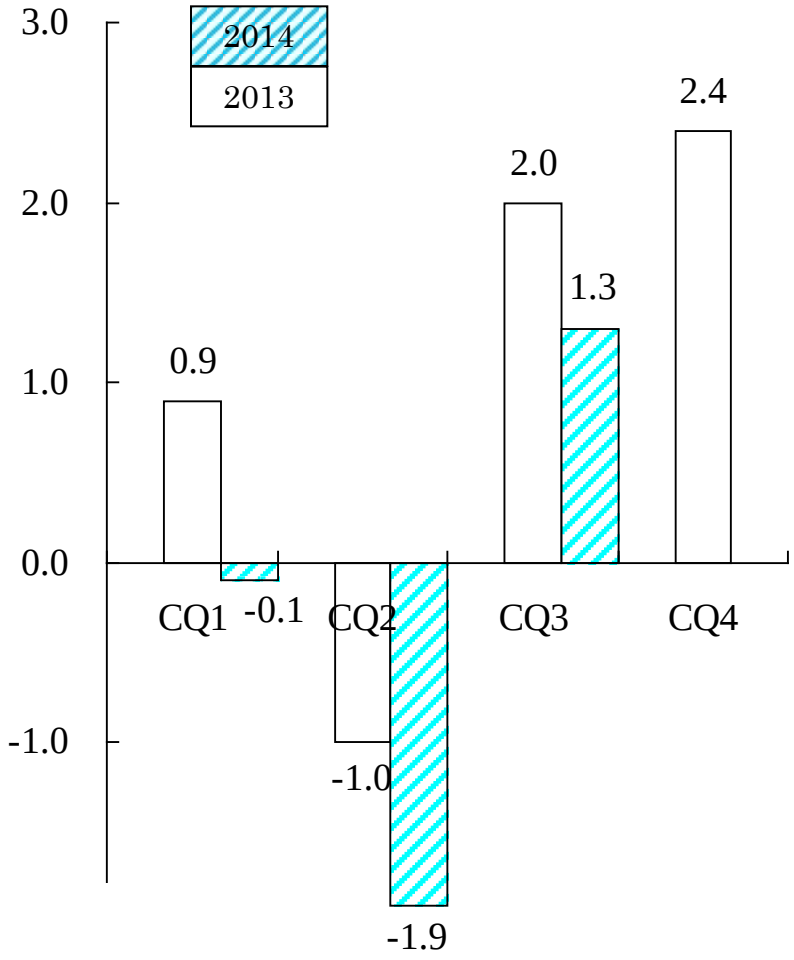
(Reference) Quarterly Operating Income



(Reference) Quarterly Operating Income by Segment

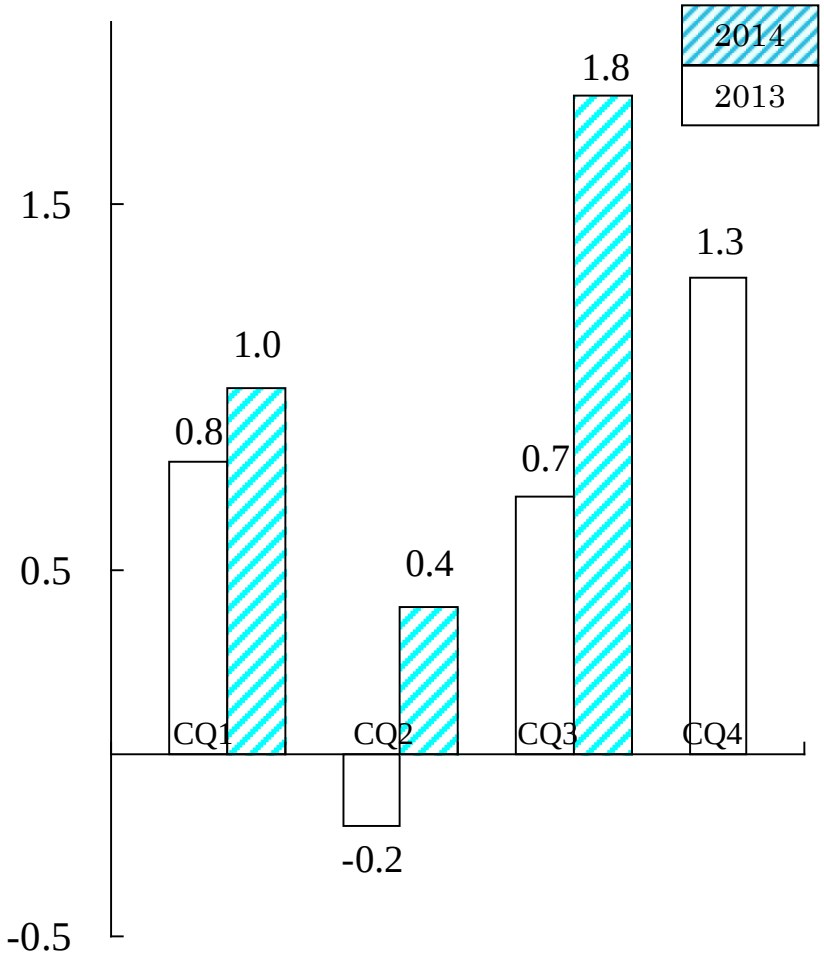
《Petrochemicals》

(Unit: Billions of Yen)



《Chemicals》

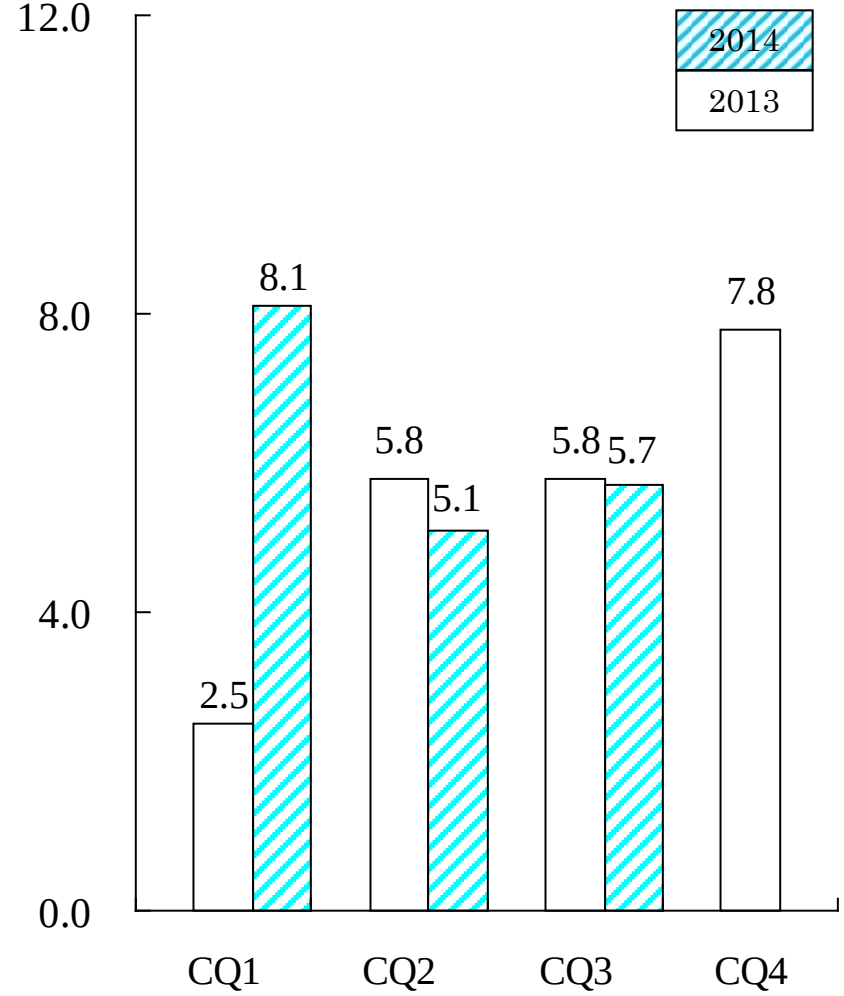
(Unit: Billions of Yen)



(Reference) Quarterly Operating Income by Segment

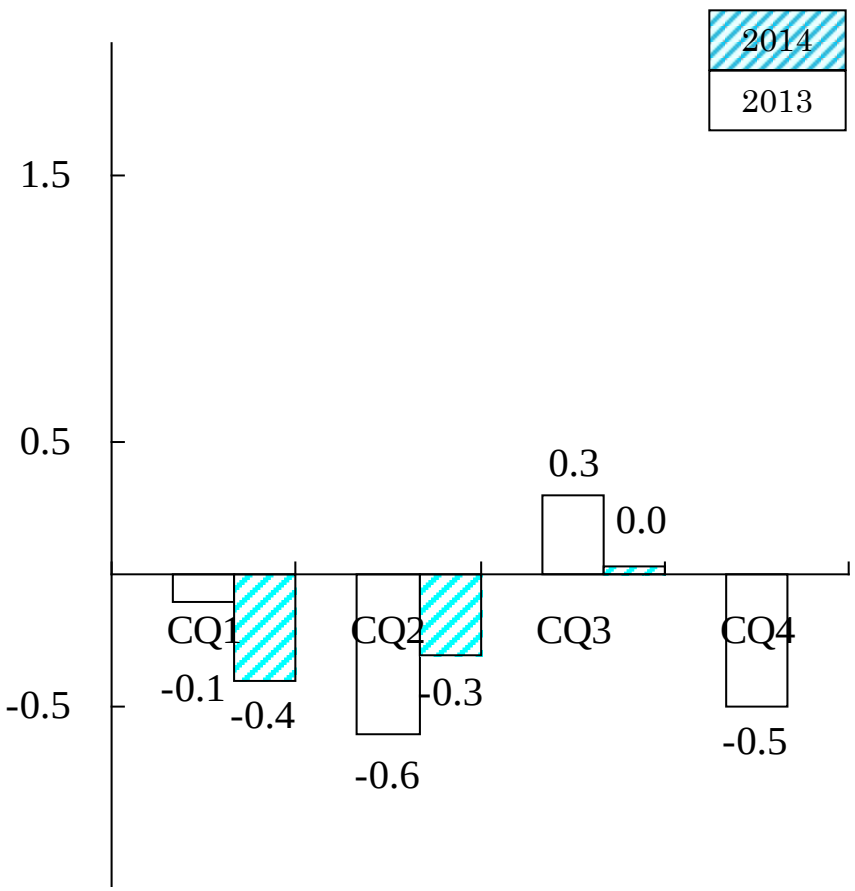
《Electronics》

(Unit: Billions of Yen)



《Inorganics》

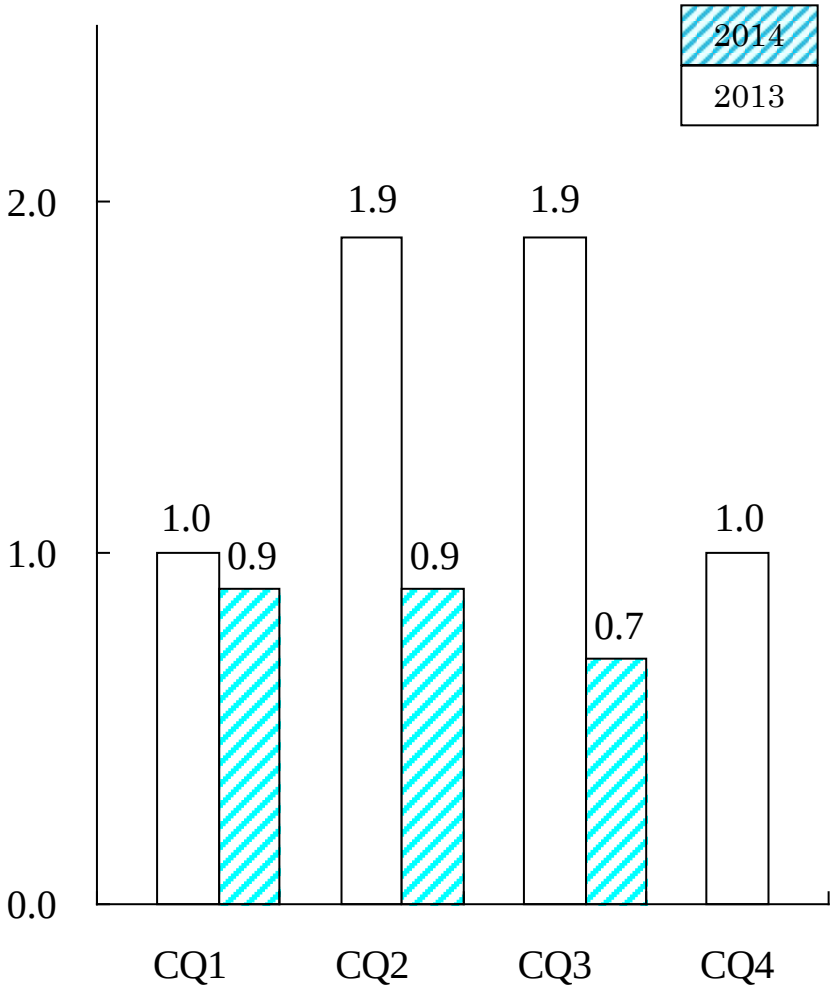
(Unit: Billions of Yen)



(Reference) Quarterly Operating Income by Segment

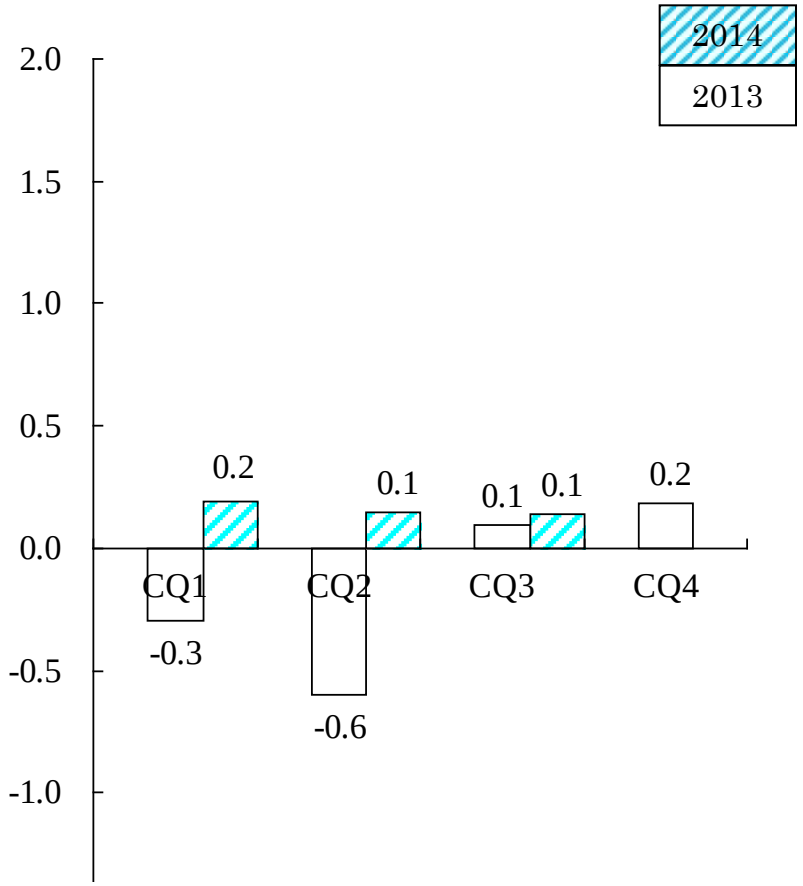
《Aluminum》

(Unit: Billions of Yen)



《Others》

(Unit: Billions of Yen)



Topics

[General]

- **Increase of capacity to produce 6” SiC epitaxial wafers for power devices**

  In September, SDK increased its capacity to produce silicon carbide (SiC) epitaxial wafers with a diameter of six inches for use in power devices from 400 units a month to 1,100 units a month. SDK also started shipping of a new grade of SiC epitaxial wafers with improved quality, to be used in power control modules for automobiles and other applications that require heavy withstanding currents. When compared with the currently mainstream silicon-based semiconductors, SiC-epitaxial-wafer-based power devices can operate under relatively high-temperature, high-voltage and heavy–current conditions, while substantially reducing energy loss. With these features, SiC power devices are expected to be in greater demand for use in automobiles, power sources for servers, electric trains, decentralized power generation systems utilizing new energy sources, and other applications. The market size of SiC power devices is expected to grow to be about 30 billion yen in 2020. SDK will continue meeting market needs for quality, and contribute to the extension of SiC power device market.

- **Repurchase of own shares**

  At its Board of Directors’ meeting held on July 31, 2014, SDK resolved to repurchase its own shares in order to ensure shareholder returns and facilitate flexible implementation of capital policy in response to changes in the business environment. SDK started the repurchase on August 1, 2014 and completed it on September 22, 2014. Accumulated total number of shares repurchased was 68,261,000 (equivalent to about ¥10 billion).

Topics

[Petrochemicals segment]

- **Decision to dissolve PT. Showa Esterindo Indonesia**

SDK decided to terminate production of ethyl acetate at its subsidiary PT. Showa Esterindo Indonesia (SEI) by the end of this year, and dissolve and liquidate SEI after demolition and removal of the production facilities. SEI started to produce ethyl acetate in 1999 as SDK's first plant to introduce our proprietary technology to synthesize ethyl acetate by adding ethylene directly to acetic acid, and had been providing stable Southeast Asian market with ethyl acetate since then. In recent years, however, the business environment for SDI has become harder than before because of rises in material prices and expansion of the capacities of neighboring countries to supply ethyl acetate. Under these circumstances, SDK and its partners have concluded that it is difficult to continue SEI's operations, and decided to dissolve the company.

[Chemicals segment]

- **Acquisition of Air Products' high-purity chlorine business in Taiwan**

In order to strengthen its special material gas business, SDK decided in July to acquire a high purity chlorine business including production facilities located in Kaohsiung, Taiwan, which had been owned by Air Products San Fu Co., Ltd, a subsidiary of Air Products and Chemicals Inc. (APCI). The demand for high-purity chlorine used as an etching gas in the manufacturing process of semiconductors and LCDs is increasing, and the annual market size of the gas is expected to be about 2,000 tons in 2015. The SDK Group has production facilities for high-purity chlorine with annual production capacity of 1,000 tons in its Kawasaki Plant. By having additional high-purity chlorine production facilities in Taiwan, the SDK Group aims to ensure further stable supply of high-purity chlorine to the growing market in East Asia.

Topics

[Electronics segment]

- **Starting to mass-produce highest capacity 3.5-inch HD media**

The leading-edge 3.5-inch hard disk (HD) media produced and sold by SDK have been introduced into 8 TB hard disk drives (HDDs), the world's highest storage capacity HDDs to date. The 3.5-inch HD media introduced this time use the perpendicular magnetic recording (PMR) technology, and are classified as the seventh generation products of the HD media based on the PMR technology. SDK pioneered in producing and selling HD media using the PMR technology in 2005. The number of shipment of HDDs, especially those for the use in storage servers in data centers, is expected to increase very rapidly because of the increase in data generation accompanying the extension of cloud computing. The number of shipment of HD media, which are major components of HDDs and decide the storage capacities of them, is expected to show annual rate of increase of about 3%. As the world's largest independent HD media supplier, SDK will aim to ensure stable supply of high-capacity media. SDK will also continue meeting customer requirements in terms of quality as well as quantity.

[Inorganics segment]

- **High-performance photocatalyst LUMI-RESH to be applied to membrane building material**

High-performance photocatalyst LUMI-RESHTM which was developed by Showa Denko Ceramics Co., Ltd., a subsidiary of SDK, is to be applied to an indoor-use membrane building material "Hikari-Protextile" which is manufactured and marketed by Taiyo Kogyo Corporation, the leading membrane building material manufacturer and membrane structure builder. Hikari-Protextile is to be put on the market in January 2015. It has already been confirmed in our laboratory that, compared to conventional photocatalysts, which are usually activated by ultraviolet rays much included in sunlight, LUMI-RESHTM can be activated even by visible low-energy light and inactivate bacteria and viruses. The high antiviral property of LUMI-RESHTM is expected to be recognized as a technology to reduce infection risk of viruses including influenza virus and norovirus. By further improving performance of photocatalysts, the Showa Denko Group will contribute to people's healthy, safe and sound life.

Topics

[Aluminum segment]

- **Decision to expand the capacity to produce high-purity aluminum foils in China**

SDK decided in July to expand its capacity to produce high-purity aluminum foils for aluminum electrolytic capacitors in China. Aluminum electrolytic capacitors are used in wide areas, including electric appliances, IT devices, electric vehicles, hybrid cars and equipment for power generation with renewable energy sources. The demand for electrolytic capacitors is expected to increase especially in China. By expanding the productive capacity of Showa Denko Aluminum (Nantong) from 400 tons a month at present to 600 tons a month by January 2015, SDK will ensure stable supply of high-quality high-purity aluminum foils and continue responding the expansion of the market of aluminum electrolytic capacitors in a timely manner.

[Others segment]

- **Completion of the expansion of production lines for LIB packaging laminates**

Showa Denko Packaging Co. Ltd., a subsidiary of SDK, completed the expansion work of its productive capacity for aluminum laminated films used for packaging lithium ion batteries (LIBs) at its Hikone Plant in Shiga Prefecture, and started mass production with the expanded lines in July. As a result of this expansion work, Showa Denko Packaging's productive capacity for aluminum laminated films was increased to be three times as much as that in 2010. The market for aluminum laminated films used for LIB packaging continues expanding. Specifically, not only the demand for small LIBs used in smart devices such as smartphones and tablets is growing, but also the demand for large LIBs is expected to grow due to the progress in the electrification of cars. The Showa Denko Group aims to ensure stable supply of high-quality materials for LIBs whose market is growing dramatically.