

## Consolidated Balance Sheets Web

Note: The U.S. dollar amounts appearing on the following pages represent the arithmetical results of translating yen into U.S. dollars at the rate of ¥132.70 to US\$1.00, the approximate rate of exchange as at December 31, 2022.

	Millions of yen		Thousands of U.S. dollars
	2022	2021	2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and deposits	¥ 187,126	¥ 236,237	\$ 1,410,140
Notes and accounts receivable	297,681	319,546	2,243,262
Allowance for doubtful accounts	(1,254)	(1,426)	(9,449)
Inventories	250,574	203,879	1,888,273
Other current assets	54,057	40,295	407,363
Total current assets	788,183	798,531	5,939,588
<b>Property, plant and equipment</b>			
Land	234,425	242,556	1,766,577
Buildings and structures	361,289	343,574	2,722,599
Machinery, equipment and vehicles	1,039,169	955,138	7,830,963
Leased assets	28,740	30,429	216,580
Construction in progress	50,866	38,782	383,313
	1,714,488	1,610,479	12,920,032
Less : Accumulated depreciation	(1,032,570)	(950,958)	(7,781,238)
Net property, plant and equipment	681,918	659,521	5,138,794
<b>Investments and other assets</b>			
Goodwill	295,355	311,766	2,225,735
Customer related assets	133,639	141,141	1,007,079
Investment securities	84,041	103,798	633,318
Long-term loans	777	674	5,853
Net defined benefit asset	18,046	33,088	135,990
Deferred tax assets	17,169	15,207	129,379
Other	81,915	79,131	617,291
Allowance for doubtful accounts	(622)	(466)	(4,687)
Total investments and other assets	630,320	684,338	4,749,959
Total assets	¥ 2,100,421	¥ 2,142,390	\$15,828,342

	Millions of yen		Thousands of U.S. dollars
	2022	2021	2022
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities</b>			
Short-term debt	¥ 72,419	¥ 74,451	\$ 545,734
Current portion of long-term debt	42,677	72,857	321,603
Notes and accounts payable	263,402	239,897	1,984,947
Income taxes payable	5,983	17,180	45,083
Provision for repairs	19	4,848	143
Provision for bonuses	9,489	8,815	71,505
Provision for bonuses for directors	47	71	356
Provision for stock payments	21	39	155
Other current liabilities	68,495	70,492	516,167
Total current liabilities	462,551	488,650	3,485,693
<b>Noncurrent liabilities</b>			
Long-term debt less current portion	932,400	683,448	7,026,372
Deferred tax liabilities	51,416	60,144	387,457
Provision for repairs	1,260	96	9,495
Provision for stock payments	302	196	2,272
Provision for business structure improvement	772	812	5,819
Net defined benefit liability	9,981	17,523	75,212
Deferred tax liabilities for land revaluation	29,525	30,128	222,497
Other noncurrent liabilities	37,538	42,941	282,877
Total noncurrent liabilities	1,063,192	835,287	8,011,999
<b>Contingent liabilities</b>			
<b>Net assets</b>			
<b>Shareholders' equity</b>			
Capital stock			
Authorized, 330,000,000 shares			
Issued (2022): 184,901,292 shares	182,146	—	1,372,616
Issued (2021): 184,901,292 shares	—	182,146	—
Capital surplus	108,140	119,772	814,922
Retained earnings	163,425	143,335	1,231,540
Less: Treasury stock at cost (2022): 3,784,720 shares	(11,612)	—	(87,505)
Less: Treasury stock at cost (2021): 3,824,243 shares	—	(11,655)	—
Total shareholders' equity	442,100	433,598	3,331,573
<b>Accumulated other comprehensive income</b>			
Valuation difference on available-for-sale securities	559	2,838	4,214
Deferred gains or losses on hedges	1,461	1,167	11,007
Revaluation reserve for land	27,915	28,928	210,362
Foreign currency translation adjustments	72,008	38,421	542,638
Remeasurements of defined benefit plans	6,211	9,036	46,804
Total accumulated other comprehensive income	108,154	80,391	815,026
<b>Non-controlling interests</b>			
	24,423	304,463	184,050
Total net assets	574,677	818,452	4,330,649
Total liabilities and net assets	¥ 2,100,421	¥ 2,142,390	\$15,828,342

## Consolidated Statements of Operations

Resonac Holdings Corporation and Consolidated Subsidiaries  
For the years ended December 31, 2022 and 2021

	Millions of yen		Thousands of U.S. dollars
	2022	2021	2022
Net sales	¥ 1,392,621	¥ 1,419,635	\$10,494,509
Cost of sales	1,089,639	1,081,642	8,211,295
Gross profit	302,983	337,994	2,283,214
Selling, general and administrative expenses	243,611	250,796	1,835,805
Operating income	59,371	87,198	447,410
Other income (expenses)			
Interest and dividends income	1,834	2,267	13,821
Equity in earnings of unconsolidated subsidiaries and affiliates	3,630	5,251	27,352
Gain on sales of investment securities, net	4,731	5,814	35,654
Foreign exchange gain	10,632	4,281	80,124
Gain on sales of noncurrent assets, net	13,470	1,104	101,505
Interest expenses	(15,744)	(10,006)	(118,642)
Loss on retirement of noncurrent assets	(6,045)	(4,838)	(45,555)
Impairment loss	(10,091)	(11,564)	(76,042)
Business structuring expenses	—	(32,767)	—
Loss on sale of businesses	(3,504)	(12,078)	(26,405)
Loss related to the Antimonopoly Act	(5,579)	—	(42,042)
Other, net	(4,123)	(11,737)	(31,068)
Total	(10,788)	(64,272)	(81,299)
Income before income taxes	48,583	22,926	366,111
Income taxes			
Current	18,617	26,957	140,291
Deferred	(8,092)	(6,688)	(60,976)
Net income	38,058	2,657	286,796
Net income attributable to non-controlling interests	7,265	14,751	54,746
Net income (loss) attributable to owners of the parent	¥ 30,793	¥ (12,094)	\$ 232,051

	Yen	U.S. dollars
Per share amounts		
Net income (loss) attributable to owners of the parent: Basic	¥170.03	¥(77.40) \$1.28
Net income (loss) attributable to owners of the parent: Diluted	170.03	(77.40) 1.28
Cash dividends (applicable to the period)	65.00	65.00 0.49

Notes: Net income per share has been computed based on the average number of shares of common stock outstanding during the respective fiscal year.  
See notes to financial statements.

## Consolidated Statements of Comprehensive Income

Resonac Holdings Corporation and Consolidated Subsidiaries  
For the years ended December 31, 2022 and 2021

	Millions of yen		Thousands of U.S. dollars
	2022	2021	2022
Net income	¥38,058	¥ 2,657	\$286,796
Other comprehensive income:			
Valuation difference on available-for-sale securities, net of tax	(2,246)	(949)	(16,925)
Deferred gains or losses on hedges, net of tax	294	259	2,213
Foreign currency translation adjustments	32,932	39,074	248,170
Remeasurements of defined benefit plans, net of tax	(2,805)	8,927	(21,140)
Share of other comprehensive income of unconsolidated subsidiaries and affiliates accounted for using equity method	1,763	958	13,285
Total other comprehensive income	¥29,937	¥48,268	\$225,602
Comprehensive income	¥67,995	¥50,925	\$512,399
Comprehensive income attributable to:			
Owners of the parent	59,569	35,111	448,899
Non-controlling interests	8,426	15,814	63,499

See notes to financial statements.

## Consolidated Statements of Changes in Net Assets

Resonac Holdings Corporation and Consolidated Subsidiaries  
For the years ended December 31, 2022 and 2021

	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	Non-controlling interests	Total net assets
<b>Balance as at December 31, 2020</b>	149,711	¥140,564	¥ 78,190	¥165,572	¥(11,657)	¥ 3,728	¥908	¥29,034	¥ (506)	¥ 128	¥ 312,119	¥ 718,080
Issuance of new shares	35,190	41,583	41,583	—	—	—	—	—	—	—	—	83,165
Dividends from surplus	—	—	—	(9,500)	—	—	—	—	—	—	—	(9,500)
Net loss attributable to owners of the parent	—	—	—	(12,094)	—	—	—	—	—	—	—	(12,094)
Purchase of treasury stock	—	—	—	—	(6)	—	—	—	—	—	—	(6)
Disposal of treasury stock	—	—	0	—	7	—	—	—	—	—	—	7
Increase by increase of consolidated subsidiaries	—	—	—	45	—	—	—	—	—	—	—	45
Increase by decrease of consolidated subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—
Decrease by decrease of consolidated subsidiaries	—	—	—	(690)	—	—	—	—	—	—	—	(690)
Change in treasury shares of the parent arising from transactions with non-controlling shareholders	—	—	—	—	—	—	—	—	—	—	—	—
Changes in liabilities for written put options over non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	1	—	—	—	—	—	—	—	1
Net changes of items other than shareholders' equity	—	—	—	—	—	(890)	259	(106)	38,928	8,909	(7,656)	39,443
<b>Balance as at December 31, 2021</b>	184,901	¥182,146	¥119,772	¥143,335	¥(11,655)	¥2,838	¥1,167	¥28,928	¥38,421	¥9,036	¥ 304,463	¥ 818,452
Issuance of new shares	—	—	—	—	—	—	—	—	—	—	—	—
Dividends from surplus	—	—	—	(11,788)	—	—	—	—	—	—	—	(11,788)
Net income attributable to owners of the parent	—	—	—	30,793	—	—	—	—	—	—	—	30,793
Purchase of treasury stock	—	—	—	—	(3)	—	—	—	—	—	—	(3)
Disposal of treasury stock	—	—	(0)	—	46	—	—	—	—	—	—	46
Increase by increase of consolidated subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—
Increase by decrease of consolidated subsidiaries	—	—	—	72	—	—	—	—	—	—	—	72
Decrease by decrease of consolidated subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—
Change in treasury shares of the parent arising from transactions with non-controlling shareholders	—	—	(29)	—	—	—	—	—	—	—	—	(29)
Changes in liabilities for written put options over non-controlling interests	—	—	(11,603)	—	—	—	—	—	—	—	—	(11,603)
Reversal of revaluation reserve for land	—	—	—	1,013	—	—	—	—	—	—	—	1,013
Net changes of items other than shareholders' equity	—	—	—	—	—	(2,279)	294	(1,013)	33,587	(2,826)	(280,040)	(252,277)
<b>Balance as at December 31, 2022</b>	184,901	¥182,146	¥108,140	¥163,425	¥(11,612)	¥ 559	¥1,461	¥27,915	¥72,008	¥6,211	¥ 24,423	¥ 574,677

	Thousands		Thousands of U.S. dollars									
	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	Non-controlling interests	Total net assets
<b>Balance as at December 31, 2021</b>	184,901	\$1,372,616	\$902,579	\$1,080,141	\$(87,830)	\$ 21,390	\$ 8,794	\$217,996	\$289,535	\$ 68,097	\$ 2,294,372	\$ 6,167,688
Issuance of new shares	—	—	—	—	—	—	—	—	—	—	—	—
Dividends from surplus	—	—	—	(88,829)	—	—	—	—	—	—	—	(88,829)
Net loss attributable to owners of the parent	—	—	—	232,051	—	—	—	—	—	—	—	232,051
Purchase of treasury stock	—	—	—	—	(23)	—	—	—	—	—	—	(23)
Disposal of treasury stock	—	—	(1)	—	349	—	—	—	—	—	—	347
Increase by increase of consolidated subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—
Increase by decrease of consolidated subsidiaries	—	—	—	544	—	—	—	—	—	—	—	544
Decrease by decrease of consolidated subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—
Change in treasury shares of the parent arising from transactions with non-controlling shareholders	—	—	(218)	—	—	—	—	—	—	—	—	(218)
Changes in liabilities for written put options over non-controlling interests	—	—	(87,438)	—	—	—	—	—	—	—	—	(87,438)
Change due to merger	—	—	—	—	—	—	—	—	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	7,634	—	—	—	—	—	—	—	7,634
Net changes of items other than shareholders' equity	—	—	—	—	—	(17,175)	2,213	(7,634)	253,103	(21,292)	(2,110,322)	(1,901,107)
<b>Balance as at December 31, 2022</b>	184,901	\$1,372,616	\$814,922	\$1,231,540	\$(87,505)	\$ 4,214	\$11,007	\$210,362	\$542,638	\$ 46,804	\$ 184,050	\$ 4,330,649

## Consolidated Statements of Cash Flows

Resonac Holdings Corporation and Consolidated Subsidiaries  
For the years ended December 31, 2022 and 2021

	Millions of yen		Thousands of U.S. dollars
	2022	2021	2022
<b>Cash flows from operating activities</b>			
Income before income taxes	¥ 48,583	¥ 22,926	\$ 366,111
Adjustments for:			
Depreciation and amortization	92,716	97,726	698,690
Impairment loss	10,091	11,564	76,042
Amortization of goodwill	16,843	17,720	126,923
Increase (decrease) in net defined benefit liability	(2,383)	4,038	(17,960)
Interest and dividends income	(1,834)	(2,267)	(13,821)
Interest expenses	15,744	10,006	118,642
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(3,630)	(5,251)	(27,352)
Loss (gain) on sales and valuation of investment securities	(4,952)	(5,101)	(37,318)
Loss on retirement of noncurrent assets	6,045	4,838	45,555
Loss (gain) on sales of noncurrent assets	(13,470)	(1,104)	(101,505)
Loss (gain) on sales of businesses	3,504	(3,045)	26,405
Business structuring expenses	—	32,767	—
Loss related to the Antimonopoly Act	5,579	—	42,042
Decrease (increase) in notes and accounts receivable-trade	23,653	(51,628)	178,242
Decrease (increase) in inventories	(40,083)	(43,739)	(302,058)
Increase (decrease) in notes and accounts payable-trade	(18,592)	72,694	(140,106)
Other, net	1,157	(34,230)	8,721
<b>Subtotal</b>	<b>138,971</b>	<b>127,914</b>	<b>1,047,260</b>
Interest and dividends income received	8,686	7,266	65,454
Interest expenses paid	(15,641)	(9,999)	(117,865)
Income taxes (paid) refund	(31,667)	(9,898)	(238,635)
Net cash provided by (used in) operating activities	100,349	115,283	756,207
<b>Cash flows from investing activities</b>			
Payments into time deposits	(1,606)	(1,666)	(12,105)
Proceeds from withdrawal of time deposits	2,570	1,507	19,368
Purchase of property, plant and equipment	(87,857)	(67,741)	(662,069)
Proceeds from sales of property, plant and equipment	20,960	2,223	157,947
Purchase of investment securities	(1,667)	(3,270)	(12,561)
Proceeds from sales of investment securities	22,019	9,318	165,929
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	84,133	—
Net decrease (increase) in short-term loans receivable	774	(1,230)	5,830
Payments of long-term loans receivable	(410)	(246)	(3,088)
Collection of long-term loans receivable	251	14,271	1,893
Other, net	(9,701)	(8,693)	(73,106)
Net cash provided by (used in) investing activities	(54,667)	28,606	(411,962)

	Millions of yen		Thousands of U.S. dollars
	2022	2021	2022
<b>Cash flows from financing activities</b>			
Net increase (decrease) in short-term debt	(3,162)	11,352	(23,832)
Proceeds from long-term loans payable	409,600	24,300	3,086,662
Repayments of long-term loans payable	(285,642)	(307,247)	(2,152,536)
Proceeds from share issuance of bonds	112,536	99,539	848,045
Redemption of bonds	(20,000)	(25,000)	(150,716)
Proceeds from issuance of preferred stock	—	82,405	—
Purchase of treasury stock	(3)	(7)	(23)
Cash dividends paid	(11,758)	(9,479)	(88,609)
Proceeds from stock issuance to non-controlling shareholders	—	29,766	—
Cash dividends paid to non-controlling shareholders	(13,025)	(16,117)	(98,152)
Purchase of investments in subsidiaries without change in scope of consolidation	(287,635)	(5,293)	(2,167,558)
Other, net	(4,875)	(5,960)	(36,745)
Net cash provided by (used in) financing activities	(103,964)	(121,741)	(783,451)
Effect of exchange rate changes on cash and cash equivalents	10,027	14,634	75,565
Net increase (decrease) in cash and cash equivalents	(48,255)	36,782	(363,641)
Cash and cash equivalents at the beginning of the year	234,938	197,928	1,770,446
Increase in cash and cash equivalents resulting from newly consolidated subsidiaries	—	229	—
Cash and cash equivalents at the end of the year	¥ 186,683	¥ 234,938	\$ 1,406,805