

Consolidated 11-Year Summary

Resonac made former Hitachi Chemical a consolidated subsidiary, and started on July 1, 2020 to incorporate Hitachi Chemical's sales figures and income/losses into its consolidated financial statements.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ^{*5}
Financial Highlights (Consolidated) Millions of yen											
For the year											
Net sales	¥739,675	¥847,803	¥ 872,785	¥ 775,732	¥ 671,159	¥ 780,387	¥ 992,136	¥ 906,454	¥ 973,700	¥1,419,635	¥1,392,621
Operating income (loss)	28,108	25,953	20,551	33,508	42,053	77,708	180,003	120,798	(19,449)	87,198	61,726
Ratio of operating income (loss) to sales (%)	3.8	3.1	2.4	4.3	6.3	10.0	18.1	13.3	(2.0)	6.1	4.4
Net income (loss) attributable to owners of the parent	9,368	9,065	2,929	921	12,305	37,404	111,503	73,088	(76,304)	(12,094)	32,422
Net cash provided by operating activities	53,310	63,565	66,996	61,170	68,949	67,235	149,785	78,554	109,286	115,283	99,813
Net cash provided by (used in) investing activities	(41,741)	(55,203)	(46,876)	(42,497)	(53,754)	(29,866)	(49,338)	(48,156)	(930,047)	28,606	(54,667)
Free cash flow	11,569	8,362	20,120	18,674	15,195	37,369	100,447	30,397	(820,761)	143,889	45,145
Net cash provided by (used in) financing activities	(20,150)	(6,805)	(24,856)	(21,336)	(13,220)	(18,370)	(61,061)	(18,546)	896,521	(121,741)	(103,267)
R&D expenditures	20,633	20,435	20,362	20,289	17,313	18,539	19,735	20,605	34,379	46,750	47,135
Capital expenditures	42,503	44,370	47,318	44,059	39,276	41,787	41,727	50,216	69,052	78,647	107,074
Depreciation and amortization	46,232	39,779	40,673	42,137	38,761	38,565	39,459	37,704	68,643	97,726	91,964
At year-end											
Total assets	933,162	985,771	1,009,843	940,494	932,698	1,026,999	1,074,983	1,076,381	2,203,606	2,142,390	2,093,744
Total net assets	314,966	345,811	319,087	308,142	311,231	368,994	465,340	519,433	718,080	818,452	574,718
Shareholders' equity ratio(%)	29.2	30.6	29.7	31.5	31.8	34.3	41.5	46.4	18.4	24.0	26.3
Return on equity (ROE)(%)	3.6	3.2	1.0	0.3	4.1	11.5	27.9	15.5	(16.9)	(2.6)	6.1
Interest-bearing debt ^{*1}	342,262	353,686	383,124	368,835	359,929	346,726	287,968	303,192	1,060,146	850,603	1,062,637
Debt/equity ratio (gross, times) ^{*1}	1.09	1.02	1.20	1.20	1.16	0.94	0.62	0.60	1.84	1.15	1.07
Per share^{*2} (yen)											
Net income (loss)—primary ^{*3}	6.26	6.06	1.99	6.45	86.27	262.44	758.15	501.03	(523.06)	(77.40)	179.02
Net assets	182.24	201.27	209.76	2,076.05	2,080.85	2,473.06	3,057.16	3,423.25	2,782.79	2,838.51	3,038.35
Cash dividends (applicable to the period)	3.00	3.00	3.00	3.00	—	80.00 ^{*4}	120.00	130.00	65.00	65.00	65.00

^{*1} From the third quarter of 2020, due to former Hitachi Chemical, becoming a consolidated subsidiary, the D/E ratio reflects the following situation: regarding preferred shares issued by HC Holdings K.K., a subsidiary, posted under non-controlling interests on the consolidated balance sheets, the value equivalent to 50% is added to each of interest-bearing debt, and shareholders' equity, in consideration of the characteristics of the capital structure. For interest-bearing debt, net value is indicated after excluding cash and deposits and adding debt on lease. For Determination of the 50/50 allocation for preferred shares in light of the characteristics of the capital structure is based on the rating of Japan Credit Rating Agency, dated April 21, 2020. This change in accounting standards for the D/E ratio from 2020 has been retroactively reflected in 2019 figures. Furthermore, in regard to the subordinated loans taken out in order to purchase preferred stock, 50% of this amount is deducted from interest-bearing debt and added to shareholders' equity. Determination of the 50/50 allocation for the subordinated loan in light of the characteristics of the capital structure is based on the rating of Japan Credit Rating Agency, dated October 4, 2022.

^{*2} Resonac consolidated every 10 shares of common stock into one share on July 1, 2016. "Per share" indicators for 2015 and 2016 (except for cash dividends) are calculated on the basis of the number of outstanding shares after this consolidation.

^{*3} Net income (loss) per share has been computed based on the average number of shares of common stock outstanding during the respective fiscal year.

^{*4} Resonac resolved payment of dividends of ¥30.00 per share based on the record date of May 11, 2017 at the extraordinary general meeting of shareholders held in June 2017. Cash dividends applicable to 2017 include this amount.

^{*5} Our subsidiary former Hitachi Chemical (current Resonac Corporation) and its Japanese subsidiaries previously adopted the International Financial Reporting Standards (IFRS), but switched to Japanese Generally Accepted Accounting Principles (JGAAP) from fiscal 2023. This change has been applied retroactively and the figures for fiscal 2022 have been retroactively adjusted. Some of these retroactively adjusted figures include those that have not yet been audited.

Consolidated 11-Year Summary

Nonfinancial data	Scope up to 2017	2014	2015	2016	2017	Scope in and after 2018	2018	2019	2020	2021	2022
		Number of employees (persons)	2014-2017: Former Showa Denko (non-consolidated)	10,577	10,561		10,146	10,864	Consolidated	33,465	33,908
Ratio of employees working outside Japan (%)	43.9	44.4		40.1	44.0	54.2	54.5	54.6		51.2	50.8
Number of female managers (persons)	2014-2017: Former Showa Denko (consolidated)	18	23	26	28	2018-2021: Resonac (non-consolidated) + Subsidiaries of former Showa Denko in and outside Japan 2022: Consolidated	162	170	170	148	397
Ratio of female managers (%)		2.3	3.0	3.4	3.7		7.0	7.1	7.1	7.3	12.6
Greenhouse gas emissions (Scope 1 + Scope 2; kt-CO ₂)	2014-2017: Former Showa Denko (consolidated in Japan)	3,650	3,683	3,714	3,654	Consolidated	4,708	4,562	4,213	4,422	4,270
Amount of Water used (excluding seawater; thousand m ³)		62,620	60,040	58,720	59,470	2018-2021: Resonac (non-consolidated) and former Showa Denko subsidiaries (in and outside Japan) 2022: Consolidated	67,306	68,060	67,522	64,261	68,292
Ratio of industrial waste sent to landfills (%)		1.08	0.95	0.32	0.38	Resonac (consolidated in Japan) and former Hitachi Chemical Subsidiaries (outside Japan)	1.8	1.8	1.0	1.4	2.5

Note:

For non-financial data, boundaries (scope of data) differ depending on the item and time period.

Upon the integration of the former Showa Denko and the former Hitachi Chemical, we have re-examined boundaries and figures for past fiscal years, making some adjustments in our disclosures.

Additionally, water intake data up until 2017 is expressed in units of 10,000 m³.

For performance data on ESG (environment, society, governance) please refer to our website.

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
ASSETS			
Current assets			
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
Property, plant and equipment			
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
Investments and other assets			
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
LIABILITIES AND NET ASSETS			
Current liabilities			
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
Noncurrent liabilities			
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
Contingent liabilities			
Net assets			
Shareholders' equity			
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
Accumulated other comprehensive income			
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
Non-controlling interests			
	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
Balance as at December 31, 2020	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
Balance as at December 31, 2021	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)
Balance as at December 31, 2022	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
Balance as at December 31, 2021	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)
Balance as at December 31, 2022	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
Cash flows from operating activities			
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
Subtotal	138,971	127,914	1,047,260
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
Cash flows from investing activities			
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
Cash flows from financing activities			
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

Corporate Data/Stock Information

Corporate Data

(As of June 30, 2023)

Company Name Resonac Holdings Corporation

Head Office Tokyo Shiodome Bldg., 1-9-1,
Higashi-Shimbashi, Minato-ku,
Tokyo 105-7325, Japan

Formed June 1939

Capital (As of March 31, 2023) ¥182,146 million

Consolidated Number of Employees (As of December 31, 2022) 25,803

Affiliates (As of March 31, 2023) Consolidated Subsidiaries: 104

Subsidiaries (Japan) [Web](#) Equity method applied: 12

Subsidiaries (Global) [Web](#)

Stock Information

(As of December 31, 2022)

Authorized number of shares 330,000,000

Number of shares outstanding 184,901,292

Number of shareholders 90,689

Shareholders by Sector



- Foreign corporate entities, etc.61,317 thousand 33.16%
- Financial institutions58,550 thousand 31.67%
- Individuals41,998 thousand 22.71%
- Securities firms14,293 thousand 7.73%
- Japanese corporate entities5,188 thousand 2.81%
- Treasury shares3,554 thousand 1.92%

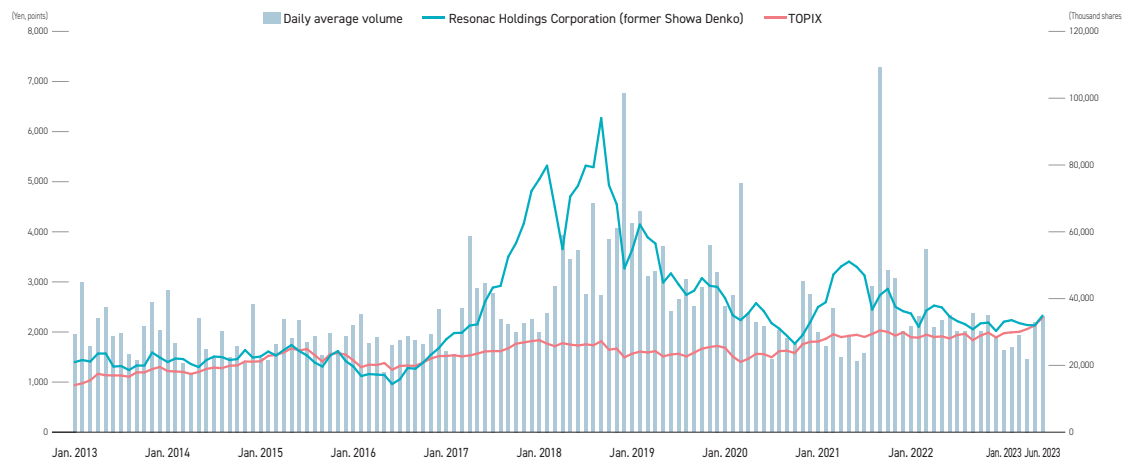
Shareholders (Top 10)

(As of December 31, 2022)

Name of shareholders	Stake in the Company	
	Number of shares held (in thousands)	Rate of shareholding (%)
The Master Trust Bank of Japan Ltd. (Trust Account)	28,130	15.51
KOREA SECURITIES DEPOSITORY – SAMSUNG	9,062	5.00
Custody Bank of Japan, Ltd. (Trust Account)	7,667	4.23
STATE STREET BANK AND TRUST COMPANY 510312	4,905	2.70
STATE STREET BANK AND TRUST COMPANY 505223	4,850	2.67
Fukoku Mutual Life Insurance Company	4,517	2.49
JPMorgan Securities Japan Co., Ltd.	4,474	2.47
STATE STREET BANK AND TRUST COMPANY 510311	4,135	2.28
SMBC Nikko Securities Inc.	3,051	1.68
HSBC BANK PLC A/C M AND G (ACS)	2,854	1.57

Note: Each rate of shareholding was calculated after deducting the number of treasury shares (3,554 thousand) from the number of shares outstanding.

Stock Price/Volume



Stock Information


	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Year-end stock price (yen)	3,270	2,899	2,197	2,415	2,020
Dividends per share (yen)	120	130	65	65	65
Payout ratio (%)	67.7	40.5	34.8	33.1	35.5
Total shareholder return (TSR)		Past year	Past 3 years	Past 5 years	Past 10 years
Resonac		86.3%	76.4%	51.2%	201.1%
TOPIX (including dividends)		97.5%	118.1%	117.2%	274.2%

* TSR: Total shareholder return. The total rate of return on investments, consisting of capital gains and dividend payouts.

* TSR for Resonac is calculated based on accumulated dividends and stock price fluctuations. TSR for TOPIX is calculated based on dividend included stock index (see Japan Exchange Group's monthly statistics report data).

Editorial Policies

Editorial Policies

Publication Date	July 2023
Reporting Period	January 1, 2022 to December 31, 2022 Some information on disclosure items and business activities from after January 1, 2023, is also provided.
Scope	Resonac Holdings Corporation and its consolidated subsidiaries
Referenced Guidelines	This report was prepared while referencing the International Integrated Reporting Framework of the Value Reporting Foundation; the SASB Standards of the Sustainability Accounting Standards Board of the United States; the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation: ESG Integration, Non-Financial Information Disclosure, and Intangible Assets into Investment of the Ministry of Economy, Trade and Industry; the Sustainability Reporting Standards of the Global Reporting Initiative; and the final report of the Task Force on Climate-related Financial Disclosures. 

Display Methods in This Report Figures and information in this report refer to the Resonac Group. Official names are used when referring to Resonac Holdings Corporation or Resonac Corporation as a non-consolidated entity. When figures or information for the former Showa Denko or the former Hitachi Chemical (Showa Denko Materials) before 2023 is provided, they are indicated as "former Showa Denko" or "former Hitachi Chemical."

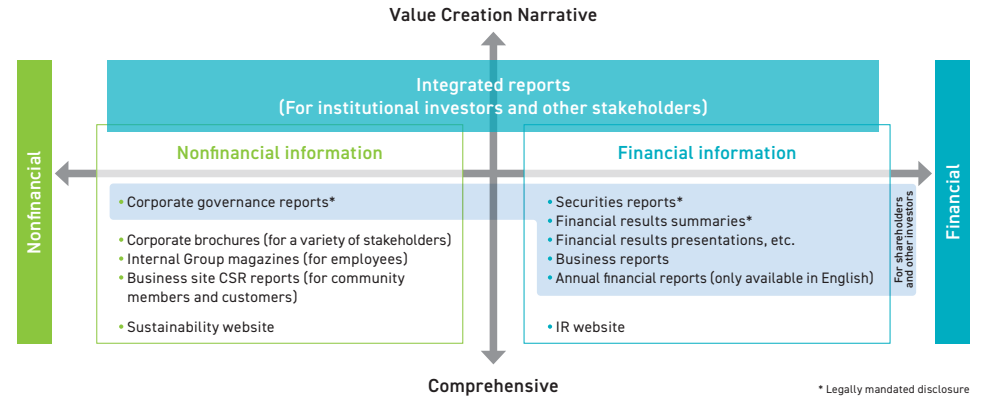
Scope for Results Data Financial: Resonac Holdings Corporation and its 121 consolidated subsidiaries and affiliates accounted for using equity method
122 companies in total
Others: Resonac Holdings Corporation and its consolidated subsidiaries
*However, please refer to the relevant website for details on the scope of environmental and safety data. [Web](#)

Third-Party Verification of Environmental and Safety Data Data disclosed by the Company are submitted to third-party verification each year to ensure reliability. For details, please refer to the relevant website. [Web](#)

Caution Regarding Forward-Looking Statements Performance forecasts and other forward-looking statements are based on information available as of the time of publication of this report and certain assumptions judged to be reasonable. Actual performance may vary materially due to risks, uncertainty, or other factors.

Disclosure Materials

Resonac discloses information through its integrated reports and a variety of other communication tools.



Process of Preparing Resonac Report 2023

- 1 Decision of direction and message during meetings of the Sustainability Promotion Council, attended by the CEO and all other chief officers**
- 2 Planning and preparation of content by means of monthly planning meetings**
Members: CFO Hideki Somemiya, CSO Tomomitsu Maoka, and staff from the Investor Relations Department, the Organization & Talent Development Department, the Culture Communication Department, the Corporate Planning Department, the Brand Communication Department, and the Sustainability Department
- 3 Collaboration with content and support members from relevant divisions and draft writing**
- 4 Discussion and approval by the Management Committee and the Board of Directors**



Kick-off of planning meeting



A video highlighting Resonac's corporate philosophy as a Co-creative Chemical Company is available on our YouTube channel.

Resonac Holdings Corporation

Resonac Corporation

Tokyo Shiodome Bldg., 1-9-1, Higashi-Shimbashi, Minato-ku, Tokyo 105-7325, Japan

Head Office of Resonac was relocated to Shiodome in June 2023.

<https://www.resonac.com/>

 **Video** Interactive safety patrol in new office