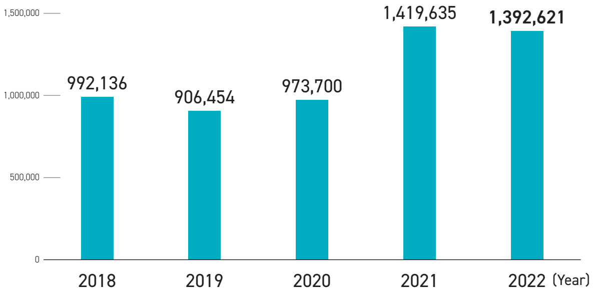
Financial and Nonfinancial Highlights

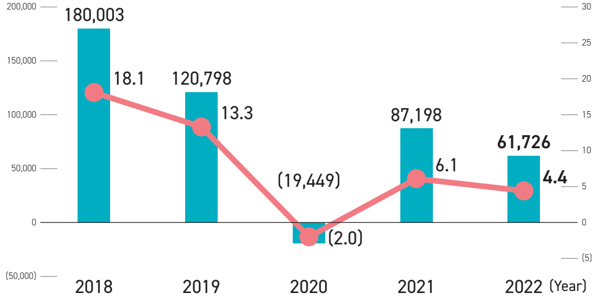
Figures include data for former Hitachi Chemicals after July 1, 2020.

Net sales (Millions of yen)



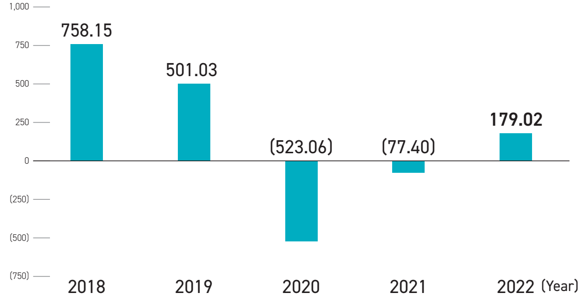
Businesses that Resonac will continue to operate saw a growth in net sales thanks to robust semiconductor demand, a recovery in automobile production, and higher selling prices. However, net sales fell overall due to the impact from the sale of multiple businesses in the previous fiscal year.

Operating income (Millions of yen)
Ratio of operating income (loss) to sales (%)



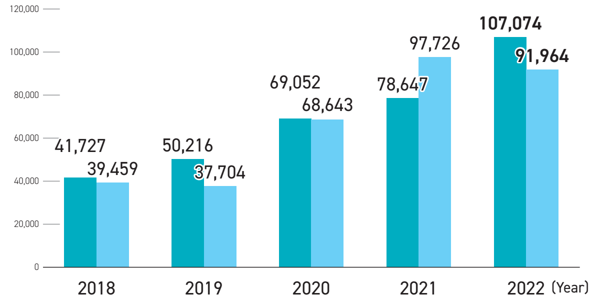
Operating income decreased, due partly to drags from the time lag at which soaring raw material costs were passed onto selling prices and from the sale of businesses. The above figures have been revised since the time of the earnings release due to changes in accounting policies.

Net income (loss) per share*1 (Yen)



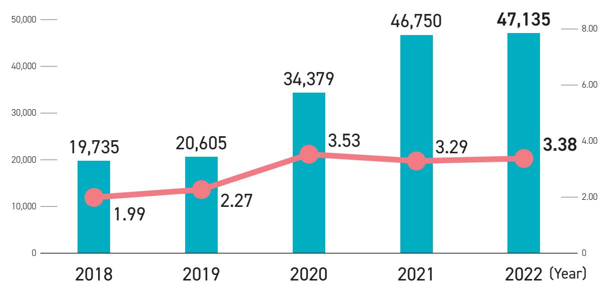
While hefty extraordinary losses were recorded in the previous fiscal year due to business restructuring, no such losses were booked in the current fiscal year, resulting in a move back into the black.

Capital expenditures (Millions of yen)
Depreciation and amortization (Millions of yen)



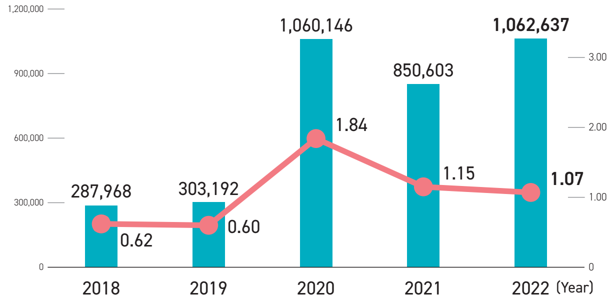
In line with the goals set in our long-term vision, we focused investments on boosting the production capacity of the Semiconductor and Electronic Materials segment, a Core Growth business.

R&D expenditures (Millions of yen)
Ratio of R&D expenditures to sales (%)



We are focusing efforts on R&D in a bid to swiftly create synergies from the integration of two companies that have been integrated.

Interest-bearing debt (Millions of yen)*2
Post-adjustment net debt/equity ratio (Times)*2



We raised funds through subordinated loans for the acquisition of preferred stock, which resulted in an increase in interest-bearing debt. As a result, interest expense increased while preferred stock dividends decreased.

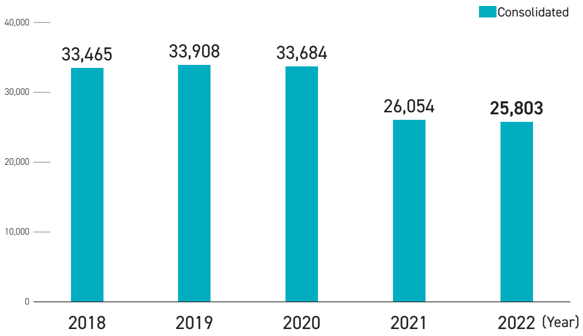
Our subsidiary former Hitachi Chemical (current Resonac Corporation) and its Japanese subsidiaries previously adopted the International Financial Reporting Standards (IFRS), but switched to Japanese Generally Accepted Accounting Principles (JGAAP) from fiscal 2023. This change has been applied retroactively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

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

*2 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% 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 regards 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.

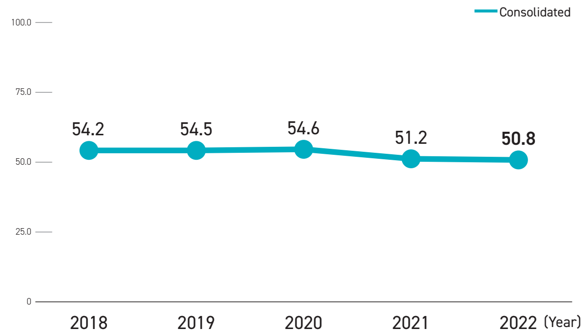
Financial and Nonfinancial Highlights

Number of employees (persons)



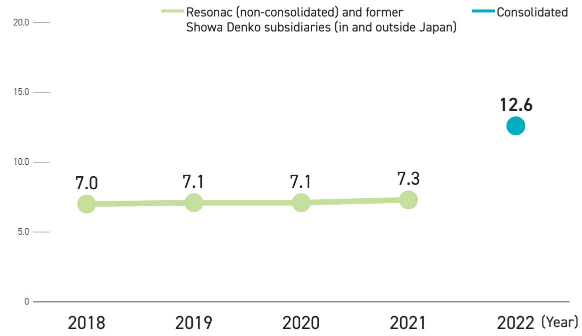
Former Hitachi Chemical joined the Showa Denko Group in 2020. We have been carrying out business portfolio restructuring, such as selling off the energy storage devices and systems business in 2021, and are working to optimize the allocation of employees.

Ratio of employees working outside Japan (%)



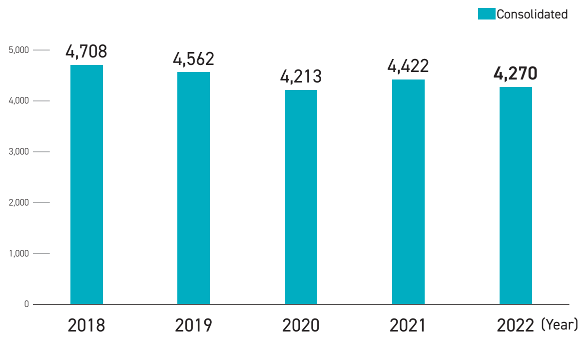
The sale of domestic and overseas plants and Group company businesses, carried out as part of business portfolio restructuring, has led to a change in the number of employees. See P10 for the number of employees by region.

Ratio of female managers (%)



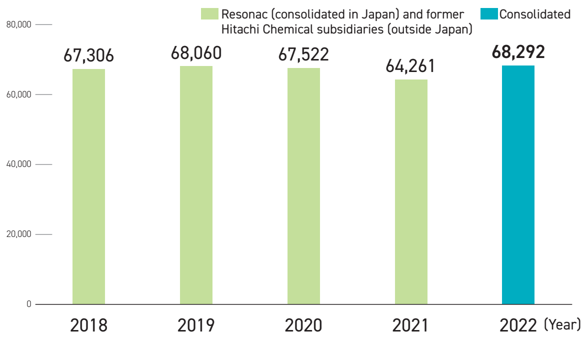
We aim to recruit and train employees without being influenced by nationality, gender, or other factors, and maximize the value of individuality within our organization by accepting the meaningful value brought by the unique and varying attributes of each person.

Greenhouse gas emissions (Scope1+Scope2; kt-CO_2)



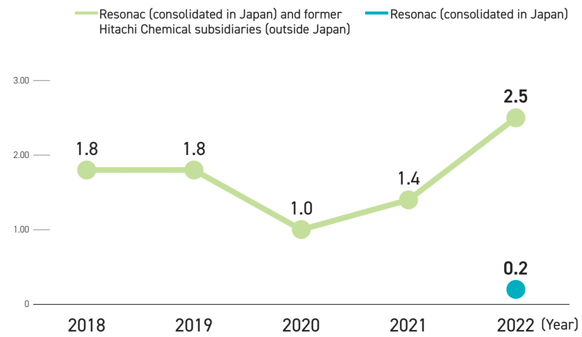
In a bid to reach our goal of becoming carbon neutral in 2050, we have set the target of a 30% reduction in greenhouse gas emissions in 2030 from the level of 2013. We are reviewing the medium- to long-term targets for each business, and are working to reduce our greenhouse gas emissions and promote energy saving.

Amount of water used (excluding seawater; thousand m^3)



The Resonac Group regards a shortage of water as a global issue and is working to make effective use of water and reduce its consumption. We also treat the water used in our activities to reduce its environmental impact before releasing it back into the environment.

Ratio of industrial waste sent to landfills (%)



We have set the target of achieving a ratio of industrial waste sent to landfills of 0.5% or less in Japan, and are working to reduce the amount of waste we produce and recycle and use our resources more efficiently. We also inspect our sub-contractors for intermediate treatment and final disposal of waste to confirm that they appropriately treat and dispose of our waste.