

Third Quarter, 2024 Consolidated Financial Results (Summary)

1. Summary of Consolidated Results (Jan. - Sep.)

(1) Summary

(Unit: billions of yen)

Items	2023 Jan.1 - Sep.30	2024 Jan.1 - Sep.30	Increase/ decrease	2024 forecast
Net Sales	942.3	1,027.5	85.2	1,382.0
Operating Income	(4.3)	58.9	63.2	77.5
Net Income Attributable to Owners of the Parent	(6.4)	50.8	57.1	32.0

Revised forecast announced on Nov. 12, 2024

(2) Net sales and Operating Income by Segment

(Unit: billions of yen)

Segment	2023 Jan.1 - Sep.30	2024 Jan.1 - Sep.30	Increase/ decrease	2024 forecast	
Semiconductor and Electronic Materials	Net Sales	241.7	328.5	86.8	437.0
	Op. Income	(12.5)	45.3	57.8	61.5
Mobility	Net Sales	159.4	160.7	1.4	212.0
	Op. Income	2.8	3.5	0.7	4.5
Innovation Enabling Materials	Net Sales	67.7	71.8	4.1	97.0
	Op. Income	5.5	8.5	2.9	10.5
Chemicals	Net Sales	384.7	381.1	(3.7)	516.0
	Op. Income	10.2	6.4	(3.8)	9.0
Others, Adjustments	Net Sales	88.8	85.5	(3.3)	120.0
	Op. Income	(10.4)	(4.8)	5.6	(8.0)
Total	Net Sales	942.3	1,027.5	85.2	1,382.0
	Op. Income	(4.3)	58.9	63.2	77.5

Since the current fiscal year, the Aluminum Specialty Components business was transferred from the Innovation Enabling Materials segment to the Mobility segment, and the figures for 2023 shown in the chart have been changed retroactively.

Segment	2024 Jan.1 - Mar.31	2024 Apr.1 - Jun.30	2024 Jul.1 - Sep.30	
Semiconductor and Electronic Materials	Net Sales	97.5	112.1	118.9
	Op. Income	6.3	15.3	23.7
Mobility	Net Sales	52.6	55.5	52.7
	Op. Income	1.7	0.7	1.1
Innovation Enabling Materials	Net Sales	22.3	24.7	24.8
	Op. Income	2.4	3.1	2.9
Chemicals	Net Sales	116.8	128.6	135.6
	Op. Income	0.7	1.4	4.4
Others, Adjustments	Net Sales	32.2	26.2	27.0
	Op. Income	(2.2)	(1.4)	(1.2)
Total	Net Sales	321.4	347.2	359.0
	Op. Income	8.9	19.0	30.9

2. Cash dividends

Items	2023 Result	2024 Forecast
Cash dividends per share (yen)	65.0	65.0

3. Reference

Items	2023 Jan.1 - Sep.30	2024 Jan.1 - Sep.30	Increase/ decrease
Exchange Rate (yen/US\$)	138.1	151.3	Yen depreciated by 13.2
Domestic Naphtha Price (yen/kl)	65,850	76,150	10,300

(Unit: billions of yen)

Items	Dec.31, 2023	Sep.30, 2024	Increase/ decrease
Total Assets	2,032.0	2,059.6	27.6
Interest-Bearing Debt	1,016.5	1,032.8	16.3

The above forecast is 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 international situation, costs of naphtha and other raw materials, demand or market conditions for our products such as graphite electrodes and other commodities, and foreign exchange rates. We undertake no obligation to update the forward-looking statements unless required by law.

Consolidated Financial Statements
for the first three quarters ended September 30, 2024



I . Consolidated Financial Results

November 12th, 2024

(¥ in millions, US\$ in thousands, except for net income attributable to owners of the parent per share)

(1) Results of operations :

	Results for the first three quarters (Jan. 1-Sep. 30)			
	2023	2024	Increase (Decrease)	2024
	¥	¥	%	\$
Net sales	942,307	1,027,549	9.0	7,199,250
Operating income	(4,309)	58,885	—	412,559
Ordinary income	(7,150)	46,499	—	325,780
Net income attributable to owners of the parent	(6,367)	50,770	—	355,703
Net income attributable to owners of the parent per share: Basic	(35.15)	280.83		1.97
Net income attributable to owners of the parent per share: Diluted	—	—		—

Notes

Important changes in accounting policies : applicable

Comprehensive income :

Results for the year ended September 30, 2024 ¥52,849 million

Results for the year ended September 30, 2023 ¥34,635 million

(¥ in millions, US\$ in thousands,
except for stockholders' equity ratio)

(2) Financial position :

	Dec. 31, 2023	Sep. 30, 2024	Sep. 30, 2024
	¥	¥	\$
Total assets	2,031,953	2,059,602	14,430,058
Total equity	578,668	616,352	4,318,304
	%	%	%
Stockholders' equity ratio	27.2	28.7	28.7

(3) Dividends :

	2023	2024 Forecast
Q1 dividends per share (¥)	—	—
Q2 dividends per share (¥)	0.00	0.00
Q3 dividends per share (¥)	—	—
End of Term dividends per share (¥)	65.00	65.00
Annual dividends per share (¥)	65.00	65.00

II . Forecast of performance for the year ending December 31, 2024

(¥ in millions, US\$ in thousands, except for net income attributable to owners of the parent per share)

	fiscal year	
	¥	\$
Net sales	1,382,000	9,682,618
Operating income	77,500	542,983
Ordinary income	61,500	430,883
Net income attributable to owners of the parent	32,000	224,200
Net income attributable to owners of the parent per share: Basic	177.02	1.24

*The above forecast was announced on November 12, 2024.

The above forecast is based on the information available at this point of time. Actual results may differ materially due to a variety of reasons, including such economic factors as fluctuations in foreign currency exchange rates as well as market supply and demand conditions.

Note

The U.S. dollar is valued at ¥142.73 throughout this statement for convenience only.

[Business Results and Financial Conditions]

1. Analysis of business results

(1) Summary

In the nine-month period ended September 30, 2024 (“2024 1-3Q”), the global economy showed signs of recovery, although supply constraints persisted due to the prolonged rise in energy and raw material costs caused by the situation in Ukraine and the Middle East, and the impact of global monetary tightening continued. The semiconductor industry in particular showed signs of recovery. The Japanese economy also showed a moderate recovery overall, with improvements seen in consumer spending and corporate capital investment.

Consolidated sales for 2024 1-3Q increased from the corresponding nine-month period of the previous year (“2023 1-3Q”). Sales in the Chemicals segment decreased mainly due to a decline in the sales price of Graphite Electrodes. Sales in the Mobility segment were on par with 2023 1-3Q. In the Semiconductors and Electronic Materials segment and the Innovation Enabling Materials segment, sales increased due to higher sales volumes. Operating income for 2024 1-3Q increased from 2023 1-3Q. In the Chemicals segment, operating income decreased mainly due to the price decline in Graphite Electrodes. However, operating income increased in the other three segments: Semiconductors and Electronic Materials, Mobility, and Innovation Enabling Materials. Ordinary income for 2024 1-3Q increased, although non-operating profit and loss deteriorated compared to 2023 1-3Q due to foreign exchange losses. Net income attributable to owners of the parent for 2024 1-3Q increased compared to 2023 1-3Q due to gains on sales of fixed assets of land and buildings of the former head office.

(Unit: millions of yen)

	2023 1 - 3Q (Jan.-Sep.)	2024 1 - 3Q (Jan.-Sep.)	Increase/ decrease	Increase/ decrease rate
Sales	942,307	1,027,549	85,242	9.0%
Operating income	(4,309)	58,885	63,194	—
Ordinary income	(7,150)	46,499	53,648	—
Net income attributable to owners of the parent	(6,367)	50,770	57,136	—

(2) Overview of Business Segments (January 1 - September 30, 2024), compared with the same period of 2023

[Semiconductor and Electronic Materials]

In the Semiconductor and Electronic Materials segment, sales of Semiconductor Materials increased due to a gradual recovery in semiconductor market conditions from 2023 1-3Q. In Device Solutions, sales of HD media increased significantly due to a recovery in demand for data centers, and sales of SiC epitaxial wafers increased due to an increase in sales volume. As a result, sales and operating income in this segment increased from 2023 1-3Q.

(Unit: millions of yen)

	2023 1 - 3Q (Jan.-Sep.)	2024 1 - 3Q (Jan.-Sep.)	Increase/ decrease	Increase/ decrease rate
Sales	241,697	328,486	86,790	35.9%
Operating income	(12,463)	45,332	57,796	—

[Mobility]

In the Mobility segment, Automotive Products faced sluggish demand due to the situation in Thailand, despite the recovery of automobile production and the launch of products for new models, resulting in a decrease in sales from 2023 1-3Q. For Lithium-ion Battery Materials, while the impact of slowing demand for consumer products continued, sales increased due to an increase in the demand for electric vehicles. As a result, sales remained at the same level as 2023 1-3Q, and operating income increased.

(Unit: millions of yen)

	2023 1 - 3Q (Jan.-Sep.)	2024 1 - 3Q (Jan.-Sep.)	Increase/ decrease	Increase/ decrease rate
Sales	159,352	160,709	1,357	0.9%
Operating income	2,779	3,465	685	24.7%

*Since the current fiscal year, the Aluminum Specialty Components business was transferred from the Innovation Enabling Materials segment to the Mobility segment, and the figures for 2023 shown in the chart have been changed retroactively.

[Innovation Enabling Materials]

In the Innovation Enabling Materials segment, sales and operating income increased from 2023 1-3Q due to the pass-through of higher raw material prices to product sales prices and an increase in sales volume.

(Unit: millions of yen)

	2023 1 - 3Q (Jan.-Sep.)	2024 1 - 3Q (Jan.-Sep.)	Increase/ decrease	Increase/ decrease rate
Sales	67,742	71,799	4,057	6.0%
Operating income	5,545	8,488	2,943	53.1%

[Chemicals segment]

In the Chemicals segment, sales of Olefins & Derivatives increased due to an increase in unit sales prices in line with the rise in naphtha prices, but operating income decreased due to a decrease in sales volume caused by the maintenance of petrochemical derivatives. Sales of Basic Chemicals remained at the same level as 2023 1-3Q, and operating income decreased due to higher raw material prices for some products. Sales and operating income of Graphite Electrodes decreased due to a decrease in sales volume and unit sales prices affected by sluggish market conditions.

As a result, sales and operating income decreased from 2023 1-3Q.

(Unit: millions of yen)

	2023 1 - 3Q (Jan.-Sep.)	2024 1 - 3Q (Jan.-Sep.)	Increase/ decrease	Increase/ decrease rate
Sales	384,727	381,053	(3,675)	(1.0)%
Operating income	10,214	6,420	(3,794)	(37.1)%

2. Financial conditions for the January 1 – September 30, 2024 period (as compared with the conditions at December 31, 2023)

Total assets at the end of 2024 1-3Q increased from the end of the previous fiscal year due to an increase in cash and deposits, despite a decrease in intangible fixed assets such as goodwill. Total liabilities decreased as interest-bearing debt increased but notes and accounts payable - trade and other liabilities decreased. Net assets increased, due to the recording of net income attributable to owners of the parent.

(Unit: millions of yen)

	Dec. 31, 2023	Sep. 30, 2024	Increase/ decrease
Total Assets	2,031,953	2,059,602	27,650
Total Liabilities	1,453,285	1,443,251	(10,034)
Net assets	578,668	616,352	37,684

3. Performance forecast

Our company announced today (November 12) that it has revised its consolidated earnings forecasts. For the assumptions of the forecast, please refer to " Resonac Revises Forecast of Consolidated Performance " announced on November 12, 2024.

(Unit: millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent
Previous forecast (A) (Announced on Aug. 8, 2024)	1,392,000	61,000	51,000	34,500
Revised forecast (B) (Announced on Nov. 12, 2024)	1,382,000	77,500	61,500	32,000
(B)- (A)	(10,000)	16,500	10,500	(2,500)
Percentage of changes	(0.7%)	27.0%	20.6%	(7.2%)

Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

	Dec. 31, 2023	Sep. 30, 2024	Sep. 30, 2024
	¥	¥	\$
Assets			
Current assets			
Cash and deposits	190,318	242,950	1,702,166
Notes and accounts receivable-trade	266,122	262,335	1,837,983
Merchandise and finished goods	115,123	115,923	812,182
Work in process	23,687	23,899	167,442
Raw materials and supplies	86,383	91,173	638,781
Other	72,019	72,591	508,587
Allowance for doubtful accounts	(1,731)	(1,768)	(12,389)
Total current assets	751,922	807,103	5,654,752
Noncurrent assets			
Property, plant and equipment			
Buildings and structures, net	154,659	151,975	1,064,773
Machinery, equipment and vehicles, net	218,346	216,462	1,516,587
Land	230,806	223,969	1,569,177
Other, net	74,775	88,719	621,586
Total property, plant and equipment	678,586	681,125	4,772,123
Intangible assets			
Goodwill	285,199	271,634	1,903,133
Other	185,390	164,071	1,149,518
Total intangible assets	470,589	435,705	3,052,651
Investments and other assets			
Investment securities	72,503	75,441	528,558
Other	59,515	61,687	432,190
Allowance for doubtful accounts	(1,163)	(1,458)	(10,216)
Total investments and other assets	130,856	135,670	950,533
Total noncurrent assets	1,280,031	1,252,499	8,775,306
Total assets	2,031,953	2,059,602	14,430,058

(¥ in millions, US\$ in thousands)

	Dec. 31, 2023	Sep. 30, 2024	Sep. 30, 2024
	¥	¥	\$
Liabilities			
Current liabilities			
Notes and accounts payable-trade	177,375	169,831	1,189,873
Short-term loans payable	52,489	59,903	419,695
Current portion of long-term loans payable	23,552	24,795	173,720
Commercial papers	10,000	—	—
Current portion of bonds	40,000	90,000	630,561
Provision	12,198	18,760	131,434
Other	146,267	124,921	875,229
Total current liabilities	461,881	488,210	3,420,511
Noncurrent liabilities			
Bonds payable	250,000	290,000	2,031,808
Long-term loans payable	625,840	551,830	3,866,251
Provision	3,361	4,778	33,476
Net defined benefit liability	9,961	9,473	66,371
Other	102,242	98,960	693,337
Total noncurrent liabilities	991,404	955,041	6,691,243
Total liabilities	1,453,285	1,443,251	10,111,754
Net assets			
Shareholders' equity			
Capital stock	182,146	182,146	1,276,158
Capital surplus	108,140	108,378	759,323
Retained earnings	137,269	141,220	989,420
Treasury stock	(11,593)	(13,164)	(92,231)
Total shareholders' equity	415,963	418,580	2,932,670
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	194	189	1,323
Deferred gains or losses on hedges	1,196	189	1,327
Revaluation reserve for land	26,113	61,147	428,409
Foreign currency translation adjustment	99,217	101,627	712,021
Remeasurements of defined benefit plans	10,154	9,384	65,744
Total accumulated other comprehensive income	136,875	172,536	1,208,824
Non-controlling interests	25,830	25,236	176,810
Total net assets	578,668	616,352	4,318,304
Total liabilities and net assets	2,031,953	2,059,602	14,430,058

Consolidated Statements of Income

(¥ in millions, US\$ in thousands)

	Results for the first three quarters (Jan.1-Sep.30)		
	2023	2024	2024
	¥	¥	\$
Net sales	942,307	1,027,549	7,199,250
Cost of sales	763,942	782,224	5,480,446
Gross profit	178,364	245,325	1,718,804
Selling, general and administrative expenses	182,674	186,440	1,306,245
Operating income (loss)	(4,309)	58,885	412,559
Non-operating income			
Interest income	1,227	1,470	10,299
Dividends income	404	509	3,568
Equity in earnings of affiliates	859	3,570	25,011
Foreign exchange gains	7,100	—	—
Miscellaneous income	4,677	5,412	37,915
Total non-operating income	14,266	10,961	76,793
Non-operating expenses			
Interest expenses	9,959	10,021	70,213
Foreign exchange losses	—	2,808	19,673
Miscellaneous expenses	7,148	10,517	73,687
Total non-operating expenses	17,107	23,347	163,573
Ordinary income (loss)	(7,150)	46,499	325,780
Extraordinary income			
Gain on sales of noncurrent assets	1,610	25,683	179,938
Gain on sale of businesses	24,319	—	—
Other	5,334	1,922	13,465
Total extraordinary income	31,262	27,604	193,403
Extraordinary loss			
Loss on sales and retirement of noncurrent assets	2,937	2,856	20,013
Provision for business structure improvement	—	4,700	32,929
Other	13,509	2,903	20,338
Total extraordinary losses	16,446	10,459	73,280
Profit before income taxes	7,666	63,644	445,903
Income taxes	12,812	12,139	85,048
Net income (loss)	(5,146)	51,505	360,855
Net income attributable to non-controlling interests	1,221	735	5,151
Net income (loss) attributable to owners of the parent	(6,367)	50,770	355,703

Consolidated Statements of Comprehensive Income

(¥ in millions, US\$ in thousands)

	Results for the first three quarters (Jan.1-Sep.30)		
	2023	2024	2024
Net income (loss)	¥ (5,146)	¥ 51,505	\$ 360,855
Other comprehensive income:			
Valuation difference on available-for-sale securities	(239)	12	84
Deferred gains or losses on hedges	(1,665)	(1,006)	(7,052)
Foreign currency translation adjustments	40,498	3,411	23,899
Remeasurements of defined benefit plans, net of tax	(452)	(770)	(5,397)
Share of other comprehensive income of entities accounted for using equity method	1,638	(302)	(2,117)
Total other comprehensive income	39,781	1,344	9,417
Comprehensive income	34,635	52,849	370,272
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of the parent	31,980	51,397	360,097
Comprehensive income attributable to non-controlling interests	2,655	1,452	10,175

(Reference)**SEGMENT INFORMATION**

Information about sales and operating income :

9 Months ended September 30, 2023	Millions of yen						
	Semiconductor and Electronic Materials	Mobility	Innovation Enabling Materials	Chemicals	Others	Elimination	Consolidated
Sales							
Outside customers	¥ 241,697	¥ 159,352	¥ 67,742	¥ 384,727	¥ 88,789	¥ —	¥ 942,307
Inter-segment	2,571	2,438	8,434	8,469	4,839	(26,750)	—
Total	244,267	161,790	76,176	393,196	93,628	(26,750)	942,307
Operating income (loss)	¥ (12,463)	¥ 2,779	¥ 5,545	¥ 10,214	¥ (2,533)	¥ (7,851)	¥ (4,309)

9 Months ended September 30, 2024	Millions of yen						
	Semiconductor and Electronic Materials	Mobility	Innovation Enabling Materials	Chemicals	Others	Elimination	Consolidated
Sales							
Outside customers	¥ 328,486	¥ 160,709	¥ 71,799	¥ 381,053	¥ 85,501	¥ —	¥ 1,027,549
Inter-segment	3,928	1,564	9,619	9,674	4,961	(29,747)	—
Total	332,415	162,273	81,418	390,727	90,462	(29,747)	1,027,549
Operating income (loss)	¥ 45,332	¥ 3,465	¥ 8,488	¥ 6,420	¥ (981)	¥ (3,839)	¥ 58,885

9 Months ended September 30, 2024	Thousands of U.S. dollars						
	Semiconductor and Electronic Materials	Mobility	Innovation Enabling Materials	Chemicals	Others	Elimination	Consolidated
Sales							
Outside customers	\$ 2,301,453	\$ 1,125,965	\$ 503,044	\$ 2,669,745	\$ 599,043	\$ —	\$ 7,199,250
Inter-segment	27,522	10,960	67,391	67,781	34,758	(208,411)	—
Total	2,328,975	1,136,925	570,435	2,737,526	633,801	(208,411)	7,199,250
Operating income (loss)	\$ 317,610	\$ 24,275	\$ 59,468	\$ 44,981	\$ (6,875)	\$ (26,899)	\$ 412,559