Data

This section includes information that we couldn't fully cover in the main report, focusing on questions frequently asked by our readers.

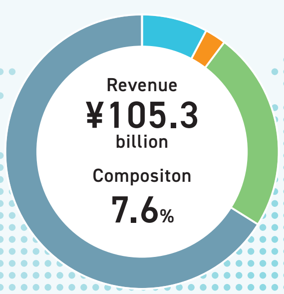
Global Business Composition / Financial and Non-financial Highlights

Resonac voluntarily adopted the International Financial Reporting Standards (IFRS) from 2024. The figures on this page are also based on IFRS.

Europe

Number of employees 1,568

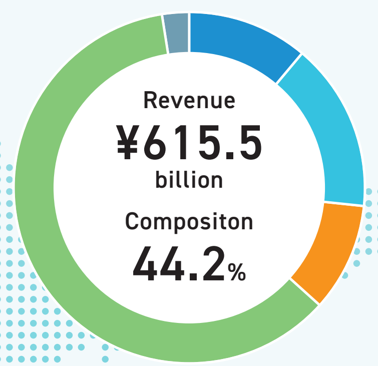
Number of companies 17



Japan

Number of employees 12,538

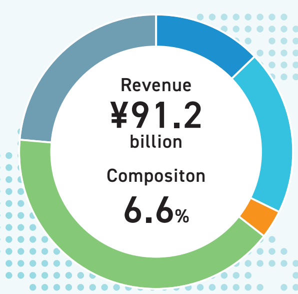
Number of companies 63



North America

Number of employees 1,186

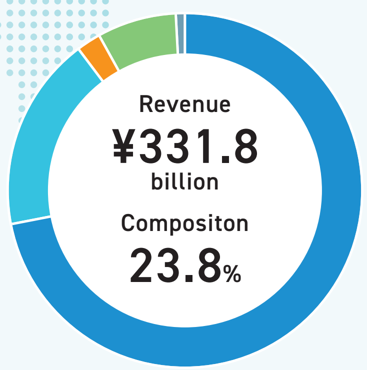
Number of companies 10



Asia

Number of employees 5,554

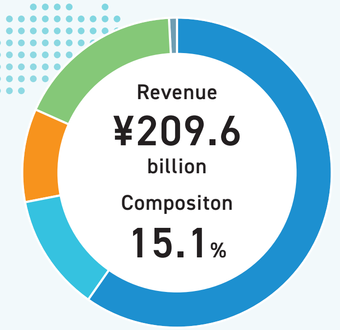
Number of companies 35



China

Number of employees 2,747

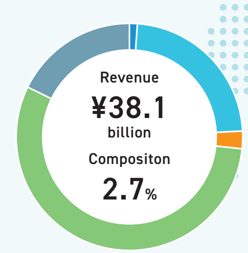
Number of companies 26



Other regions

Number of employees 343

Number of companies 6



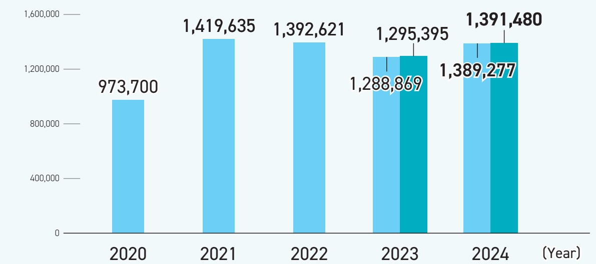
Semiconductor and Electronic Materials | Mobility | Innovation Enabling Materials | Chemicals | Others

*Core operating profit is calculated by excluding gains and losses arisen from non-recurring factors from operating profit. Gains and losses from non-recurring factors refer to other income, other expenses, and impairment losses (included in cost of sales, selling, general and administrative expenses).

Resonac voluntarily adopted the International Financial Reporting Standards (IFRS) from 2024. We have disclosed figures based on IFRS retrospectively to 2023, the year prior to adoption, and also provide figures calculated under JGAAP for the periods spanning 2020 to 2024.
Resonac made former Hitachi Chemical a consolidated subsidiary, and started to incorporate and disclose Hitachi Chemical's figures into its consolidated financial statements from the third quarter of 2020.

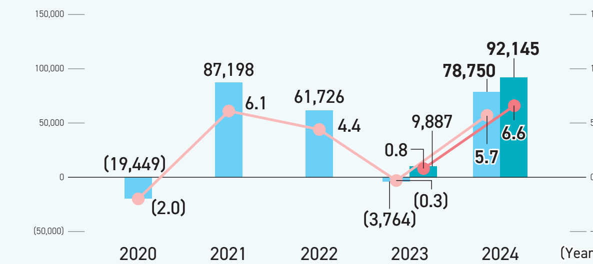
Revenue (Millions of yen)

*Net sales under JGAAP are marked with ■



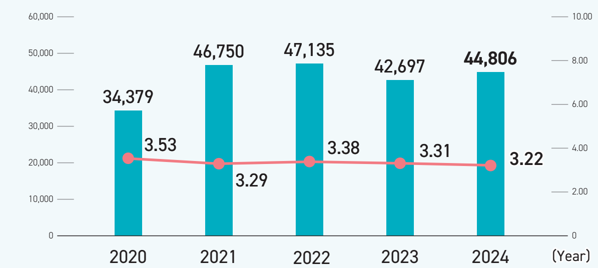
Core operating profit (Millions of yen) / Ratio of core operating profit to revenue (%)

*Operating income (loss) under JGAAP are marked with ■ *Ratio of operating income (loss) to sales under JGAAP are marked with ■



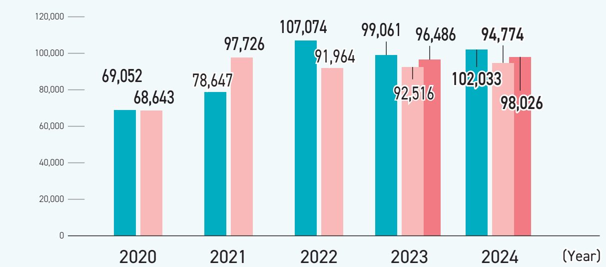
R&D expenditures (Millions of yen) / Ratio of R&D expenditures to revenue (%)

*No difference due to change of the statement

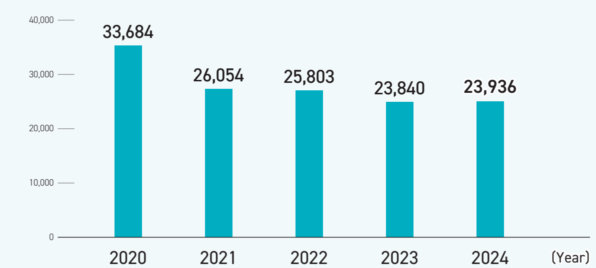


Capital expenditures (Millions of yen) / Depreciation and amortization (Millions of yen)

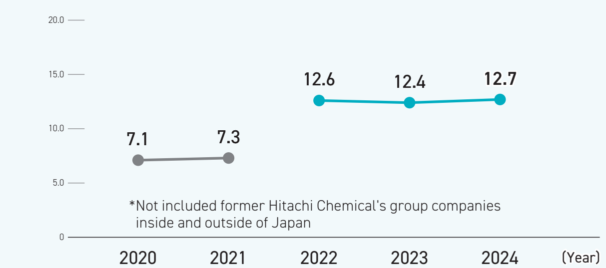
*The figures from 2023 on are based on IFRS *Depreciation and amortization under JGAAP are marked with ■



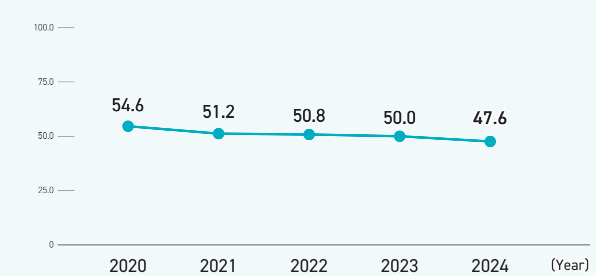
Number of employees (persons)



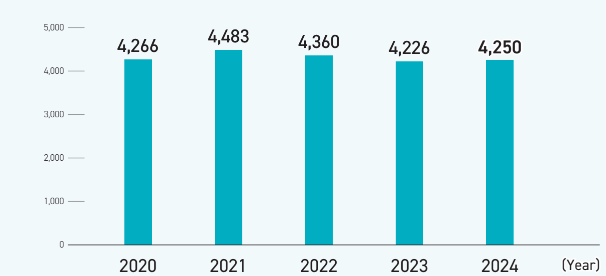
Ratio of female managers (%)



Ratio of employees working outside Japan (%)



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



P121/ Consolidated 11-Year Summary

Financial data | Non-financial data

For details of the data, please refer to the relevant website.

Consolidated 11-Year Summary

Japanese Generally Accepted Accounting Principles (JGAAP)

Financial Highlights (Consolidated) Millions of yen	2014	2015	2016	2017	2018	2019	2020*5	2021	2022	2023*6
For the year										
Net sales	872,785	775,732	671,159	780,387	992,136	906,454	973,700	1,419,635	1,392,621	1,288,869
Operating income (loss)	20,551	33,508	42,053	77,708	180,003	120,798	(19,449)	87,198	61,726	(3,764)
Ratio of operating income (loss) to sales (%)	2.4	4.3	6.3	10.0	18.1	13.3	(2.0)	6.1	4.4	(0.3)
Net income (loss) attributable to owners of the parent	2,929	921	12,305	37,404	111,503	73,088	(76,304)	(12,094)	32,422	(18,955)
Cash flows from operating activities	66,996	61,170	68,949	67,235	149,785	78,554	109,286	115,283	99,376	118,686
Cash flows from investing activities	(46,876)	(42,497)	(53,754)	(29,866)	(49,338)	(48,156)	(930,047)	28,606	(54,667)	(61,869)
Free cash flow	20,120	18,674	15,195	37,369	100,447	30,397	(820,761)	143,889	44,709	56,817
Cash flows from financing activities	(24,856)	(21,336)	(13,220)	(18,370)	(61,061)	(18,546)	896,521	(121,741)	(103,267)	(62,880)
R&D expenditures	20,362	20,289	17,313	18,539	19,735	20,605	34,379	46,750	47,135	42,697
Capital expenditures	47,318	44,059	39,276	41,787	41,727	50,216	69,052	78,647	107,074	96,633
Depreciation	40,673	42,137	38,761	38,565	39,459	37,704	68,643	97,726	91,964	92,516
At year-end										
Total assets	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	2,031,953
Total net assets	319,087	308,142	311,231	368,994	465,340	519,433	718,080	818,452	574,718	578,668
Shareholders' equity ratio (%)	29.7	31.5	31.8	34.3	41.5	46.4	18.4	24.0	26.3	27.2
Return on equity (ROE) (%)	1.0	0.3	4.1	11.5	27.9	15.5	(16.9)	(2.6)	6.1	(3.4)
Interest-bearing debt*1	383,124	368,835	359,929	346,726	287,968	303,192	1,060,146	850,603	1,062,637	1,016,532
Debt/equity ratio (times)*1	1.20	1.20	1.16	0.94	0.62	0.60	1.84	1.15	1.07	1.00
Per share*2 (yen)										
Net income (loss)—primary*3	1.99	6.45	86.27	262.44	758.15	501.03	(523.06)	(77.40)	179.02	(104.65)
Net assets	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	3,052.07
Cash dividends (applicable to the period)	3.00	3.00	—	80.00*4	120.00	130.00	65.00	65.00	65.00	65.00

International Financial Reporting Standards (IFRS)

	2023*6	2024
For the year		
Revenue	1,295,395	1,391,480
Core operating profit*7	9,887	92,145
Ratio of core operating profit to revenue (%)	0.8	6.6
Profit (loss) attributable to owners of the parent	(6,505)	73,503
Cash flows from operating activities	118,715	163,653
Cash flows from investing activities	(55,158)	(52,306)
Free cash flow	63,557	111,347
Cash flows from financing activities	(73,086)	(20,468)
R&D expenditures	42,697	44,806
Capital expenditures	99,061	102,033
Depreciation and amortization	96,486	98,026
At year-end		
Total assets	2,054,594	2,172,626
Total equity	586,511	692,006
Ratio of equity attributable to owners of the parent to total assets (%)	27.3	30.6
Return on equity attributable to owners of the parent (ROE) (%)	(1.2)	12.0
Interest-bearing liabilities	1,030,145	1,023,706
Debt/equity ratio (net, times)	1.01	0.74
Per share*2 (yen)		
Earnings (loss)	(35.91)	406.61
Equity attributable to owners of the parent	3,092.32	3,677.50
Cash dividends (applicable to the period)	65.00	65.00

*1 In regard to amount of subordinated loan and preferred stock were calculated on the basis of each characteristics of the capital structure.
*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 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.
*6 Resonac adopted the International Financial Reporting Standards (IFRS) from the fiscal year ended December 31, 2024. Data for fiscal 2023 that comply with IFRS are included for comparison.
*7 Core operating profit is calculated by excluding gains and losses arisen from non-recurring factors from operating profit. Gains and losses from non-recurring factors refer to other income, other expenses, and impairment losses (included in cost of sales, selling, general and administrative expenses).

Non-financial data	Scope up to 2017	2014	2015	2016	2017	Scope in and after 2018	2018	2019	2020	2021	2022	2023	2024
Number of employees (persons)	2014-2017: Former Showa Denko (consolidated)	10,577	10,561	10,146	10,864	All group companies	33,465	33,908	33,684	26,054	25,803	23,840	23,936
Ratio of employees working outside Japan (%)		43.9	44.4	40.1	44.0		54.2	54.5	54.6	51.2	50.8	50.0	47.6
Number of female managers (persons)	2014-2017: Former Showa Denko (non-consolidated)	18	23	26	28	2018-2021: Resonac (non-consolidated) + Subsidiaries of former Showa Denko in and outside Japan 2022-: All group companies	162	170	170	148	397	404	441
Ratio of female managers (%)		2.3	3.0	3.4	3.7		7.0	7.1	7.1	7.3	12.6	12.4	12.7
Greenhouse gas emissions (Scope 1 + Scope 2) (kt-CO_2)*1	2014-2017: Former Showa Denko (consolidated in Japan)	3,667	3,699	3,818	3,785	All group companies	4,827	4,657	4,266	4,483	4,360	4,226	4,250
Amount of water withdrawals (excluding seawater, thousand m^3)		62,620	60,040	58,720	59,470	2018-2021: Resonac (consolidated in Japan) and former Hitachi Chemical subsidiaries (outside Japan) 2022-: All group companies	67,306	68,060	67,522	64,261	68,292	73,361	81,572
Amount of industrial waste sent to landfills (tons)		1,158	851	323	448		3,368	3,163	1,375	2,154	15,312	10,845	8,655*2

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 withdrawals data up until 2017 is expressed in units of 10,000 m^3.
*1 Actual greenhouse gas emissions (Scope 1 + Scope 2) in 2013 (consolidated) were 4,634 kt.
*2 The amount of industrial waste sent to landfills in 2024 is not limited to industrial wastes. (included wastes which based on the law of each countries)

Scope of Data
All group companies: REH + REC + Group companies in Japan + Group companies overseas
Japan: REH + REC + Group companies in Japan
Overseas: Group companies overseas
REH: Resonac Holdings Corporation
REC: Resonac Corporation
REH + REC: Resonac Holdings Corporation and Resonac Corporation

Material Issues and Non-financial KPI Targets and Results

Resonac's material issues consist of management issues that contribute to realizing its long-term vision in terms of both society's expectations and degree of importance to the Company. Material issues are discussed and determined by the entire management team at the Sustainability Promotion Council, taking into consideration the intent of the frontlines through individual discussions in each CXO area (function). Material issues are reported to the Board of Directors and continually reviewed while exchanging opinions with internal and external stakeholders. We will maximize corporate value by creating an environment conducive to long-term growth, continuing to record profits (economic value), and contributing to the sustainability of society (creating social and environmental value and minimizing/eliminating negative impacts). We also continue to review the opportunities and risks associated with the three material issues.

Material issues	Gain credibility through responsible business management	Strengthen co-creativity & competitiveness and create social value through innovation and business	Develop autonomous, creative, and active human resources and culture
Economic value	Improvement of motivation, raising of productivity, reduction of costs, and enhancement of brand value through eradication of all types of accidents and other incidents and increased efficiency of internal processes	Enhancement of corporate value by achieving business growth through the provision of social and environmental value Enhancement of employee motivation by helping employees to gain a solid sense that we are realizing our purpose through our businesses	Active involvement of employees and higher employee motivation through strategic job rotations and development of leaders from the perspective of Companywide optimization and realization of high productivity
Social value	Balancing of our contribution to the resolution of social issues and duty as a chemical manufacturer through responsible business management	Maximization of our positive impact and minimization of our negative impact on society and the environment through the thorough implementation of responsible consumption and production as a chemical manufacturer that serves as the basis for a variety of industries	Resolution of social issues by co-creation and innovation through the growth and active involvement of autonomous and creative co-creative talent and the nurturing of a corporate culture conducive to the attainment of such objectives
Environmental value	Reduction of environmental impact through reduction of GHG emissions, waste reduction, and improved recycling rates		

Components of opportunities and risks

Risks	• Loss of trust in society due to environmental, safety, and quality incidents • Weakening of the management foundation due to lack of understanding of potential risks and lack of appropriate risk-taking • Decline in co-creation capabilities and competitiveness due to delayed response to regional and national laws and regulations and soft law, including international norms	• Obsolescence of material manufacturers' technologies due to development of digital and AI technologies • Decline in co-creation capabilities and competitiveness due to delayed response to environmental and social issues • Decline in co-creation capabilities and competitiveness due to delays in industry restructuring and portfolio reform	• Personnel retention risk due to inability to cultivate and maintain organizational culture and engagement • Stagnation of innovation due to lack of psychological safety
Opportunities	• Helping customers ensure quality by offering safe and secure products and services • Increased added value through realization and maintenance of advanced manufacturing processes	• Creation of social value based on applicability to resolution of wide-ranging social issues (environment-friendly products, new materials, etc.) • Enhancement of corporate value by flexibly responding to changes in customers and capital markets and to their expectations	• Facilitation of innovation through development and creation of co-creative human resources

Strengthen co-creativity & competitiveness and create social value through innovation and business

Composition	Key items (Non-financial KPIs)	2025 Targets	2024 targets
Creation of social value through our businesses	Resonac Pride Products and Services*1	• Completion of accreditation for major products by open process in each business	• Through internal and external review committees, the gasification chemical recycling business for used plastics at the Kawasaki Plant and the Packaging Solution Center's initiatives to promote open innovation in semiconductor packaging materials and processes were certified as Resonac Pride Products and Services. • Set as a key performance indicator (KPI) for executive remuneration
	CFP*2-related initiatives	• Completion of CFP calculation for major products	• In Japan: Complete calculations for approximately 50% of applicable products
Marketing	Create large-scale projects through the penetration of problem-solving marketing	• Launch new theme creation projects in each business area	• Establishment of a new development team to identify key development areas for major themes. Start exploring how to approach projects to create new themes
	Use of digital platforms	• Strengthening of overseas and regional information dissemination using digital marketing	• Automation of digital marketing in cooperation with business units takes root, contributing to the creation of new key projects
		• Contribute to sales efficiency and business growth by utilizing customer data and project information from CRM*3 tools	• Increase in the number of business units using CRM tools. Utilization of data from CRM tools to increase sales productivity
Open innovation, R&D and intellectual property strategies	Co-creation with internal and external parties	• Promotion of open innovation and increase of the ratio of external cooperation themes / year on year increase in the number of papers and external presentations	• Promotion of open innovation / Cooperation outside the Company: 56 (2023: 59) • Number of papers and external presentations: 196 (2023: 192)
	Strengthening of R&D and intellectual property strategies	• Increase in the CFP calculation ratio and enhancement of intellectual property indicators, such as Market Coverage (MC), which indicates market value, and Technology Relevance (TR), which indicates technological value	• CFP calculation ratio: 32% (2023: 31%) • Intellectual property indicators MC: 0.76, TR: 1.09 (2023: MC: 0.75, TR: 1.02)
	Human resource development	• Assignment of leaders and professional-minded human resources at an appropriate ratio / Completion of a venue for co-creation	• Start exploring human resource development and placement using the Five Factors & Stress (FFS) theory • Fostering a culture of co-creation through leadership networking events and various working groups within the CTO organization
Digital transformation	Data-driven management	• Completion of preparations for level-one master data for financial KPIs that can be automatically accumulated • Completion of creation of GHG visualization and data acquisition process	• Definition of master structure for unified management across the Company with a focus on the key master data. Completion of a prototype management tool for some master data • Company-wide rollout of a unified management system aimed at visualizing and reducing GHG emissions. Start of process design for the visualization and reduction of Scope 3 emissions, and product-specific LCA calculation
	Promotion of digital transformation and development of professional-minded human resources	• Horizontal deployment of IT/DX business partners' activity knowledge and start of business units' self-led BPR project promotion activities • Optimization of personnel allocation by utilizing the skills and competencies of talent in the CDO organization	• Promotion of BPR projects utilizing business process improvement methods, as it was discovered that half of the company's IT/DX issues were caused by business processes • Implementation of training using visualized skill assessments and clarification of organizations' human resource issues
	Enhancement of IT and digital literacy	• Entrenched use of IT and digital tools in operations	• Implementation of company-wide training to foster a digital mindset and contribute to improving employees' IT/digital literacy

*1 Resonac Pride Products and Services: Please see P127
*2 Carbon Footprint of Products (CFP): Calculated by converting the amount of GHG emissions emitted across the entire lifecycle of a product or the GHG emissions associated with it into the equivalent amount of CO_2
*3 CRM: Customer Relationship Management

Material Issues and Non-financial KPI Targets and Results

Gain credibility through responsible business management

Composition	Key items (Non-financial KPIs)	2025 Targets	2024 Results
Safety	Fostering a culture emphasizing safety	●Establishment of a culture emphasizing safety to eliminate occupational accidents	●Safety message delivered by upper management ●Employees' "My Safety Declaration" ●Raise safety awareness and create opportunities for dialogue with superiors ●Expansion of the Safety Communication Program (SCP*6)
	Number of serious occupational accidents*4	●Serious occupational accidents (All group companies, including partner companies):0	●Serious occupational accident (All group companies, including partner companies): 1
	Lost time incident rate	●Lost time incident rate (Japan): less than 0.1	●Lost time incident rate (Japan): 0.64
	Number of serious equipment-related accidents*5	●Serious equipment-related accidents (All group companies): 0	●Serious equipment-related accidents (All group companies): 0
Quality assurance	Number of serious product-related accidents*7	●Serious product-related accidents (All group companies): 0	●Serious product-related accidents (All group companies): 0
	Number of serious quality compliance violations	●Serious quality compliance violations (All group companies): 0	●Serious quality compliance violations (All group companies): 0
Chemicals management	Product stewardship	●Establishment of a Resonac policy for containment controlled substances and designation of chemical substances based on the said policy*5	●100% completion of risk assessment of priority risk assessment substances and issuance of safety summary reports. 10 new cases, 49 revisions. ●Also awarded the JIPS*8 Award by the Japan Chemical Industry Association (JCIA) in 2024 (fourth consecutive year)
Environment	Reduction of greenhouse gas emissions	●GHG emissions (All group companies): 30% reduction (Scope 1 + Scope 2) from fiscal 2013 (2030 target)	●Scope 1 + Scope 2: 2023 results (All group companies): 8.3% reduction from the level of 2013
	Reduction of industrial waste sent to landfills	●Reduction of waste sent to landfills compared to 2024 (All group companies)	●2023: 10,845 tons → 2024: 8,655 tons (All group companies)
	Number of serious environmental accidents*7	●Serious environmental accidents (All group companies): 0	●Serious environmental accidents (All group companies): 0
Human rights	Respect for human rights	●Establishment of a human rights due diligence operation structure	●Implemented human rights training on a global basis ●Started due diligence for suppliers, focusing on high-risk regions and businesses (including compliance with European Batteries Regulation)
Procurement	Improvement of quality of communication with suppliers	●Maintain a response rate of at least 90% for CSR questionnaires	●CSR questionnaire response rate: 93% (2023: 91%)
		●Improvement of the ratio of suppliers above the satisfactory threshold 85% or more (2028 target: 90% or more)	●Suppliers above the satisfactory threshold: 91% (2023: 89%)
Compliance	Inculcation of "Our Code of Conduct"	●Improve inculcation of "Our Code of Conduct"	●Inculcation of Code of Conduct across all employees through e-learning
	Thorough implementation of Group global compliance standards	●100% adoption of regulations at overseas Group companies*9	●60% adoption of regulations at overseas Group companies
	Increase in number of whistleblowing reports	●Increase in number of reports through the whistleblowing system	●Increase in the number of whistleblowing cases through raising awareness of the system (81 in 2022 → 97 in 2023 → 101 in 2024)
Risk management	Operation of comprehensive risk management systems	●Development of a new comprehensive risk management system	●Scenario-based top-down risks were identified in addition to bottom-up risks from the field, and key risks were identified through detailed analysis using generative AI. Risks were ranked through deliberation by the management team
	Reinforcement of the function of the second line of defense	●Expansion of the Group's internal control framework	●Collaborated with flag bearers for managing critical risks (S and A-ranked risks) to define risk scenarios, developed a shared CXO dashboard, and clarified the potential business impact and mitigation strategies.
		●Launch of expansion outside Japan and centralization of risk data	●Steadily rotate the cycle of the Risk Control Implementation Evaluation Function introduced in 2023

*4 Serious occupational accidents are defined as those that qualify for disability certification (Disability Grades 1 to 7 under the Labor Standards Act) or death.
*5 Among fires, leaks, equipment damage, etc., serious equipment-related accidents are defined as those involving the following: (1) an accident resulting in lost work time or more occurs within the workplace; (2) an emergency transport, evacuation order, environmental pollution, etc., occurs outside the workplace, and has a large social impact.
*6 SCP (Safety Communication Program): Safety patrol activities conducted by managers and supervisors that are not aimed at pointing out issues. Managers are expected to recognize risks by observing the on-site situation and conversing with employees in the field, and take responsibility for solving problems.
*7 Definitions are based on the Company's accident standards.
*8 JIPS (Japan Initiative of Product Stewardship): The JIPS award is presented by the Japan Chemical Industry Association to member companies that have conducted superior initiatives in disclosing their safety summary reports as part of the autonomous/self-motivated initiatives in chemicals management.
*9 Revised KPIs

Develop autonomous, creative, and active human resources and culture

Composition		Key items (KGI/KPI)	2025 Targets	2024 Results
Hire & Develop talent for the business	KGI	Future talent portfolio formation (REH + REC)	●Portfolio formation for target divisions	●Formation for two target divisions
	KGI	Succession planning readiness rate (REH + some Group companies in Japan)	●150%*10	●142.7%
		Establish portfolio role models, positions, and development plans (REH + REC)	●Formulate role models for target divisions	●Formation for two target divisions
Become an Employer of choice	KGI	Employee engagement score (All group companies)	●Improved year on year	●57%
		Engagement survey response rate (All group companies)	●85% or more	●88%
		Rate of male employees taking childcare leave and number of days taken (REH + REC)	●Acquisition rate: 100% ●Number of days: Greater than or equal to the previous year	●Acquisition rate: 97% ●Number of days: 37.3 days
		Gender wage gap (REH + REC)	——	●75.6%
Develop self-driven professionals		Percentage of line managers who participated in co-creative leadership training (filing company and Resonac Corporation)	●90%	●87%
Cultivation of corporate culture conducive to co-creation	KGI	Purpose and Values implementation survey score (All group companies)	●Improved year on year*11	●Purpose implementation: 57% ●Values implementation: 67%
		Purpose and Values empathy survey score (All group companies)	●Improved year on year*11	●Purpose implementation: 71% ●Values implementation: 74%
		Positive evaluations for global award AHA! (All group companies)	●Improved year on year	●71%
		Psychological safety survey score (All group companies)	●Improved year on year*11	●61%
		Inclusion safety survey score (All group companies)	●Improved year on year*11	●59%
		Ratio of female managers (All group companies)	●13%	●12.7%
		Diversity at the decision-making level (All group companies)	●Under consideration	●12.1%
		Employment rate of persons with disabilities (REH+REC)	●2.50%*11	●2.51%

*10 Succession planning readiness rate: (the number of people in succession pool/the number of general managers of business units/CXO-1 and higher positions) x 100
*11 Targets for 2025 have been revised based on 2024 results

While the Group manages indicators and related data, and is implementing specific initiatives, some indicators do not apply to all companies in the consolidated Group. As such, some indicators cover Resonac Holdings Corporation, Resonac Corporation, and some domestic Group companies.

Scope of Data

All group companies: REH + REC + Group companies in Japan + Group companies overseas
Japan: REH + REC + Group companies in Japan
Overseas: Group companies overseas

REH: Resonac Holdings Corporation
REC: Resonac Corporation
REH + REC: Resonac Holdings Corporation and Resonac Corporation

Please visit our website for more details.

Resonac Pride Products and Services, an Initiative to Visualize Our Purpose and Values

As an advanced materials partner, our aim is to "change society through the power of chemistry" and realize "happiness and prosperity of people" and "harmony with the global environment" by creating the functions that the times demand of us. To achieve this, it is important to visualize what kind of value and how much our products and services, which spans in a wide range of areas from midstream to downstream in the value chain, have provided to society, environment and customers. The number of certified Resonac Pride Products and Services are positioned as a KPI to achieve the material issue "Strengthen co-creativity & competitiveness and create social value through innovation and business," and being promoted while linking them to remuneration for directors and corporate officers.

Certification steps and point of Resonac Price Products and Services

Steps of screening	STEP1	STEP2	STEP3	STEP4	STEP5	STEP6	STEP7	STEP8
	Application for certification by business units	Initial screening conducted by the secretariat	Collect comments from stakeholders	Collect comments from Sustainability Advisors	Internal screening by Sustainability Promotion Council	Certification as Resonac Pride Products and Services	Report to those who made comments	Report to Board of Directors

Point! Points of certification

Purpose implementation contents	Value provided to society, the environment, and customers (quantified where possible) + social value creation narrative (hypothetical, qualitative)
Values implementation	Implementation of four Values
Risk assessment	Risks and negative impacts from third party points of view
Relevance to shared global goals	Contribution to SDGs
Challenges for the future	Potential for expanding future business opportunities and scaling up
Financial impact	Impact on future sales, profits, and cash flow

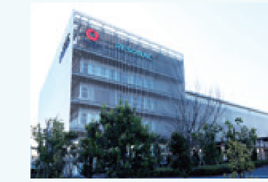
Progress of Certification

We completed certification for the efforts of chemical plastic recycling (KPR) and the Packaging Solution Center (PSC) in 2024. We are currently working to visualize the value we provide to society, environment and customers for each of the representative products and services of our other businesses. We are working to certify the representative products and services of all businesses by the end of 2025. Furthermore, from 2025, we have included the number of certifications in the KPI for the incentive portion of remuneration for directors and corporate officers. In addition, in order to increase objectivity, we have added a step to seek opinions from experts (Sustainability Advisors P83).

		2024	2025	2026 onward
Business	Electronics Business	Certification completed (No. 2: PSC)	—	Second case certified
	Hard Disk Media Business	—	Scheduled for certification	
	Device Solutions Business	—		
	Mobility Business	—		
	High Performance Materials Business	—		
	Basic Chemicals Business	Certification completed (No. 1: KPR)	—	
	Graphite Business	—	Scheduled for certification	

The second certified Resonac Pride Products and Services

Packaging Solution Center



Co-creation activities
Number of companies joined in JOINT2 : 14

Technological innovation
High-density semiconductor packaging
Reducing the spacing between electrodes and interconnects to 1/3 of conventional values

JOINT2 P75

The Packaging Solution Center is a place for open innovation that uses and provides advanced semiconductor packaging technologies and the latest equipment to co-create with customers. In 2018, we launched the consortium "JOINT" to realize co-creation with external stakeholders. By moving away from individual optimization, each equipment and materials manufacturer is enabling efficient development through the integration and optimization of equipment and materials. The PSC's efforts contribute to social development and the reduction of environmental impact through "co-creation with stakeholders" and "technological innovation."

Points of Certification (Excerpt)

- Through one-on-one collaboration with customers, we are contributing to the early realization of next-generation semiconductor packages used for generative AI, which are currently attracting a lot of attention.
- By increasing the density of the semiconductor packages, we can improve the performance of generative AI and increase the computing speed of supercomputers.

Purpose implementation contents	Development time reduced to one-third of previous levels = time to market reduced
	For example, improved performance of generative AI and improved computing speed of supercomputers
Contents of Values implemented	Demonstrated all Values including "Open Minds & Open Connections"
Relevance to shared global goals	Contributed to 7: Affordable and Clean Energy, 9: Industry, Innovation and Infrastructure, 12: Responsible Consumption and Production
Contribution to environment	Reduced GHG emissions per performance by more than 90%
Challenges for the future	Expanded co-creation activities both domestically and overseas, such as the start of JOINT activities in the U.S.
Financial impact	Confirmed the amount of contribution to sales in the Electronics Business as of 2026

Contribution to social development

For example

Improved performance of generative AI
The evolution of GPT will reduce work hours and improve productivity in society (44% of work hours will be affected on average in the industry)

Improved computing speed of supercomputers
Improved accuracy of weather forecasts, with 25 times the resolution. We can now respond to sudden changes in weather.

Contributing to reducing environmental impact

For example

Reduction of GHG emissions
Early realization of high-performance packaging reduces GHG emissions per performance by 90%

Comments fromStakeholders

Stakeholders		Expectations and improvements for the Packaging Solution Center (PSC)
	Co-creation partners	• As the importance of semiconductor packaging technology increases, expect PSC to maintain and strengthen Japan's strength in materials and equipment • Hope to promote human exchanges and human resource development together, such as opportunities to identify issues between JOINT2 participating companies • Expect clarification of the positioning of the results of JOINT2 participating companies and discussion of exit strategies for business development to device companies and foundries
	Customers	• Expect higher contribution to the packaging industry through diverse process and product prototyping using materials from multiple companies
	Experts	• Expect co-creation activities that will lead the semiconductor industry (e.g. development of international standards, etc.) • Expect that the significance of co-creation will be understood by society, investors, and employees, by disclosing how this initiative will drive Resonac's growth
	Investors	• With the development of AI and other technologies, the total amount of electricity used by society as a whole will increase. Expect activities that will lead to improvements in the system level of society as a whole, including the impact on the environment • Hope that this will lead to contributions not only to the economy but also to society as a whole and to the affluence of people

External evaluation status

Selected ESG indices

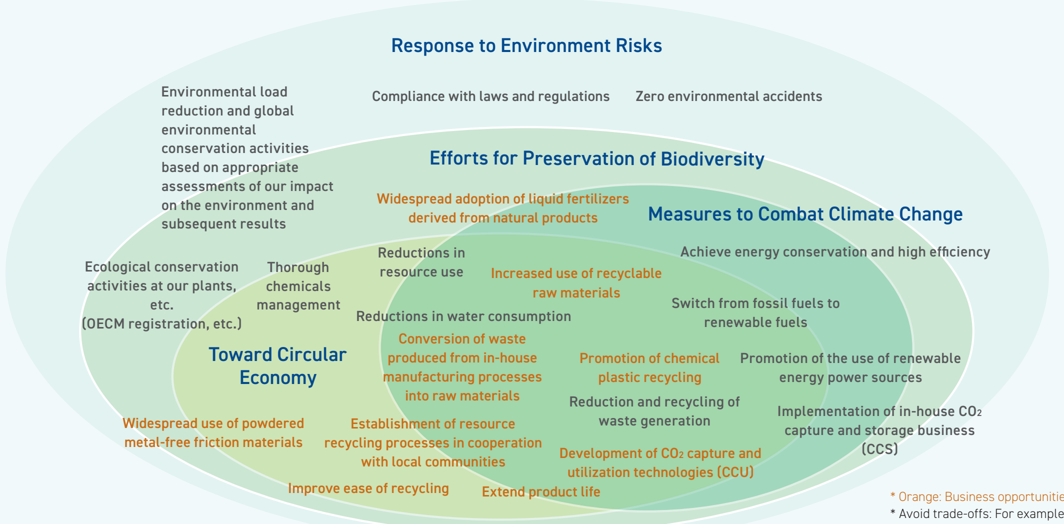
- FTSE4Good Global Index
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI Nihonkabu ESG Select Leaders Index
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)
- S&P/JPX Carbon Efficient Index
- SNAM Sustainability Index
- Morningstar Japan ex-REIT Gender Diversity Tilt Indexes (GenDi J)

External evaluations and awards (excerpts)

July 2025:Green and Sustainable Chemistry (GSC) Awards, Minister of Economy, Trade and Industry Prize (Japan Association for Chemical Innovation) WEB
March 2025:SX Brands (Tokyo Stock Exchange (TSE) and The Ministry of Economy, Trade and Industry (METI)) WEB
March 2025:JIPS Award Grand Prize(Japan Chemical Industry Association)
February 2025:Nikkei Integrated Report Awards Excellence Award (Nikkei Inc.)
January 2025:Disaster Prevention and Mitigation × Sustainability Award 2025 Smartace Award Grand Prize (Society for Sustainable Mitigation And Related Technologies Against Catastrophic Events)

Environmental Initiatives

The four pillars of our environmental initiatives are "Measures to Combat Climate Change," "Efforts for Preservation of Biodiversity," "Toward Circular Economy" and "Response to Environmental Risks." As each of these initiatives relate, "Efforts for Preservation of Biodiversity" and "Toward Circular Economy" must be addressed simultaneously in order to implement "Measures to Combat Climate Change," which is an urgent matter. We will view the entire environment as a social issue more than ever, and as such, we will take on the challenge of changing society through the power of chemistry. We will strengthen our efforts to manage risks and seize opportunities through "Response to Environmental Risks" spanning across all of our environmental initiatives.



* Orange: Business opportunities
* Avoid trade-offs: For example, we will not adversely affect the ecosystem in order to install solar panels

Information disclosure in line with the TCFD* and TNFD recommendations

* The Task Force on Climate-related Financial Disclosures (TCFD) disbanded in October 2023. Its functions have been taken over by the IFRS Foundation .

Governance

Role of the Board of Directors and monitoring system

The President and CEO supervises the risks and business opportunities, targets, and specific initiatives associated with the environment including climate change, while the Chief Sustainability Officer (CSuO) takes responsibility for promoting actions. These issues are deliberated at the Sustainability Promotion Council and the Management Committee. The progress of each initiative is regularly monitored, and remedial measures are discussed when needed. The Board of Directors receives periodic reports of what the Sustainability Promotion Council and the Management Committee discussed, and on which points they made decisions and deliberates and supervises them from the perspective of maximizing corporate value. From 2022, we have aligned the evaluation indexes for inside directors and corporate officers with the initiatives in the long-term vision and countermeasures against sustainability issues, including climate change, with the aim to strongly incentivize them to manage the Group from a long-term perspective and promote the sustainable growth of the Group. Furthermore, in March 2024, we revised our Corporate Governance Basic Policies to clarify the role of the Board of Directors in addressing climate change and protecting biodiversity. To achieve carbon neutrality, we are implementing initiatives through a company-wide Carbon Neutrality Project involving all CXOs and business units.

Promotion system of Resonac's environmental initiatives

- Board of Directors
- Management Committee
  - Sustainability Promotion Council
    - Carbon Neutrality Project
    - Biodiversity Preservation Project

Risk Management

Process to assess, identify, and manage risks

The Group conducts climate change and nature risk assessments for each business, assesses "transition risks" and "physical risks" arising from climate change, as well as dependency, impact, and risks related to nature. We then identify material risks for the Group and develop countermeasures against them. Material issues in identifying risks and developing countermeasures are reported to the Board of Directors. We will continue to conduct the risk assessments to update risks and countermeasures, along with monitoring the progress of the existing countermeasures.

Integration into enterprise risk management

Given the importance of building an enterprise risk management system, the Group pursues integrated risk management using a common framework across the Group. Information on climate change, nature and other risks with the potential to impact the Group's management is registered in an integrated manner into our risk management system via companywide risk identification activities. Key risks, which have very high significance or priority, are deliberated by a dedicated committee (Risk Management Committee). Important matters are submitted to the Management Committee for deliberation and decision before being reported to the Board of Directors.

Short-, Medium- to Long-term Nature-related Risks and Opportunities and Responses to Them

(i) Climate change-related

Amid the successful transition to a carbon-neutral society, the Group sees climate change as both a risk and opportunity. The Group will exercise its social responsibility as a company and build further competitive advantages to reduce GHG emissions across the value chain by providing products and services that contribute to decarbonization, achieving co-creation with partners, improving energy efficiency, and increasing usage of renewable energy. Given the above, the Group analyzes risks and opportunities to evaluate the impact of climate change on the Group businesses under the following two scenarios: (1) The average global temperature will increase by 4°C or more and (2) The average global temperature rise can be kept well below 2°C and continue efforts to limit it to 1.5°C based on the Paris Agreement, which were released by the Intergovernmental Panel on Climate Change (IPCC) or the International Energy Agency (IEA). Based on the analysis, we determine the necessary countermeasures. Business impact assessments were conducted in the Semiconductor and Electronic Materials segments in 2023, followed by the Mobility and Innovation Enabling Materials segments in 2024. Assessments are scheduled to be completed for all businesses by 2025. We will make disclosures on this front starting with the segments for which impact assessments have been completed.

Assumptions for scenario analysis

Item		Detailes
Estimated duration		Until fiscal 2030
Adopted scenario	4°C scenario	IPCC/RCP8.5, IEA/STEPS
	1.5/2°C scenario	IPCC/RCP2.6, IEA/SDS (partly IEA/NZE)
Timeline definition	Short-term	less than three years
	medium-term	three to less than ten years
	long-term	ten to thirty years
Scenario analysis target		Existing businesses

(ii) Nature-related

In order to realize a nature-positive economy, we are working to address climate change through our businesses and promote the realization of a circular economy, while taking into account our dependency and impact on nature and making efforts to reduce and manage our impact and conserve the environment. As part of these efforts, we analyzed the dependency and impact on nature and nature-related risks and opportunities in our direct operations and value chains in accordance with the LEAP approach recommended by the TNFD, which reaffirmed our need to take action. In 2024, we conducted evaluations of our major businesses and suppliers.

Evaluation process that follows the LEAP approach

Discovering connections with nature (Locate)	Organize priority regions for evaluation and response based on geographical location information and external tools
Assess dependency and impact (Evaluate)	Identify key dependency and impact on nature and assess this magnitude for areas subject to assessment
Assess risks and opportunities (Assess)	Identify key nature-related risks and opportunities and assess this magnitude for areas subject to assessment
Preparing to respond and report (Prepare)	Compare the assessment results with our initiatives and explore and implement response measures

Discovering connections with nature (Locate)

In the locate phase, we identified the locations of our manufacturing sites and major supplier sites and assessed the natural conditions of their surrounding areas. We assessed a total of 59 manufacturing sites and 40 major supplier sites in Japan and overseas. After identifying the biomes around each site, we carried out assessments at each site in accordance with the five criteria defined by the TNFD (importance for biodiversity, high ecosystem integrity, rapid decline in ecosystem integrity, water-related physical risks, and importance for ecosystem service provision) using data obtained from external tools and other sources.

Looking at the trends in the assessment results, we found that some of our manufacturing sites were important for biodiversity and had high ecosystem integrity. One domestic site overlaps a key biodiversity area (KBA) and is close to a protected area, and was also deemed to have high ecosystem integrity. As another site in Southeast Asia also overlaps with a KBA, we recognized the need to prioritize the management of our impact on nature going forward. Furthermore, since water risks tend to be high at manufacturing sites in Southeast Asia, we recognized the need to prioritize measures such as water usage reduction and flood prevention. In terms of other criteria, no sites were found to have particularly notable results.

In the assessment results for supplier sites, some sites were found to be important for biodiversity and have high ecosystem integrity. We also discovered that water risks are particularly high in Southeast Asia. It became clear that we need to pay attention to risks throughout the supply chain and, if necessary, to implement activities to reduce risks and preserve the environment across our supply chain through engagement and other means.

Outline of assessment results for priority locations at manufacturing sites

Item	Explanation
Importance for biodiversity	One site in Japan and one site in Southeast Asia overlaps a KBA, and several other sites were found to be near protected areas
High ecosystem integrity	Ecosystem integrity is high at one site in Japan, but low at most other sites
Decline in ecosystem integrity	Integrity was found to be declining at many sites
Physical water risks	There were several sites with high water risk, mainly in Southeast Asia
Importance of ecosystem services	Most sites did not overlap or were not close to areas managed by IPLCs

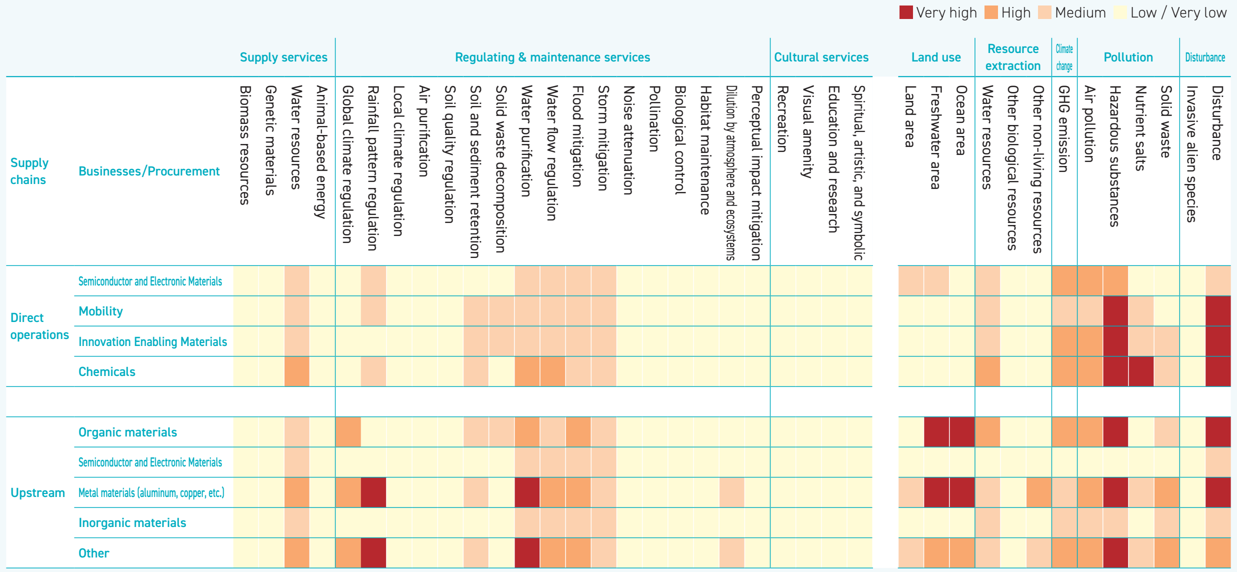
* Assessments were conducted in accordance with these five criteria using the following data and tools.
  - Importance for biodiversity: Confirmed and assessed proximity to areas important for biodiversity (protected areas, Key Biodiversity Area, Critical Habitat Screening layer, WWF Global 200 regions).
  - High ecosystem integrity/rapid decline in ecosystem integrity: Confirmed and assessed based on the GLOBIO MSA and the Biodiversity Intactness Index provided by the National History Museum.
  - Physical water risks: Confirmed and assessed baseline water stress and flood risk (rivers and coasts) using Aqueduct.
  - Importance for ecosystem service provision: Confirmed and assessed proximity to areas managed by indigenous people and local communities (IPLCs) using Global Forest Watch.

Assess dependency and impact (Evaluate)

In the evaluate phase, we identified and evaluated the significant dependency and impacts on nature in our core businesses. We conducted assessments using ENCORE, a tool recommended by the TNFD, as well as our internal information, and compiled the results into a heat map. Direct operations were found to have a significant impact on disturbances such as emission of atmospheric pollutants and GHG emissions, discharge of hazardous substances to water and soil, noise, and light pollution associated with our manufacturing process. We also discovered that we have a high dependency on water, including water resource supplies and water purification.

In upstream value chains, we reaffirmed that the procurement of organic and metallic materials is heavily dependent and has a significant impact on nature in many items, including land use, water usage, pollution, and disturbance. While we have established sustainable procurement standards and Sustainable Procurement Guidelines to help facilitate the understanding of these standards, we still continue our efforts to understand and address the dependency and impact on nature across our supply chain.

Dependency and impact on nature across the supply chain



Assess risks and opportunities (Assess)

In the assess phase, we identified and organized the nature-related risks and opportunities in our businesses based on the assessment results of the locate and evaluate phases.

(iii) Climate and nature-related risks and opportunities and main response

Opportunity/ Risk category		Time frame	Impacts on the Company	Domain	Response measures	Impact on climate*1 1.5 / 2°C	Impact on climate*1 4°C	Impact on nature*1
Transition opportunities and risks	Risks	Medium term	Increase in tax (cost) due to the introduction of carbon pricing (ICP)	All businesses	● Revision of GHG emission reduction targets for 2030 and establishment of the roadmap ● Set targets and implement reduction initiatives for each business ● Expand the introduction of renewable energy ● Raw materials/fuels conversion ● Participation in the GX League	Large	Large	—
	Risks	Short to medium term	Shift to renewable energy due to tighter regulations on GHG emissions / Increase in procurement costs		● Introduction of solar power generation and utilization of hydroelectric power generation facilities	Medium	—	—
	Opportunities and risks	Short to medium term	Government support under the policies for decarbonization initiatives of companies		● Project for the development of eight-inch SiC wafers for next-generation green power semiconductors (adopted as part of the NEDO Green Innovation Fund project) ● Project for the development of a low-concentration CO_2 separation system employing an innovative separation agent (adopted as part of the NEDO Green Innovation Fund project) ● Reinforcement of the global semiconductor material supply chain (adopted under the Ministry of Economy, Trade and Industry subsidiary program for overseas market survey projects for building resilient supply chains in the Indo-Pacific area)	○	○	—

Opportunity/ Risk category		Time frame	Impacts on the Company	Domain	Response measures	Impact on climate*1 1.5 / 2°C	Impact on climate*1 4°C	Impact on nature*1
Transition opportunities and risks	Opportunities and risks	Short to medium term	Increases/decreases in sales due to changes in consumer behavior and awareness related to climate change	All businesses	● Promotion of products, development of new products, and improvement of competitiveness in response to the needs of a decarbonized society ● Advancement of R&D based on long-term themes at the Stage for Co-creation	○	○	—
	Opportunities and risks	Medium term	Increases/decreases in sales due to changes in consumer behavior and awareness related to plastic pollution and resource recycling		● Reduction of waste in manufacturing processes and reduction of disposal costs through recycling ● Use of recycled and bio-based raw materials, and development of technologies therefor ● Improvement of ease of recycling and lengthening of product life ● Initiatives for recycling resources in cooperation with local communities, such as the reuse of marine plastic waste	—	—	○
	Risks	Medium term	Increase in costs and damage to reputation due to stricter regulations aimed at reducing the impact on nature, such as water withdrawal and water/air pollution in areas important for biodiversity		● Thorough chemicals management ● Initiatives to reduce environmental impacts on water quality ● Efficient use of water and reduction of water usage	—	—	○
	Risks	Short to medium term	Greater request for initiatives and disclosure related to decarbonization from customers		● Establishment of carbon footprint of products (CFP) calculation frameworks, tracking of GHG emissions, and formulation of reduction plans	○	○	—
	Risks	Medium term	Increase in costs associated with sustainability measures for raw materials and traceability, etc.		● Sourcing of raw materials produced in a sustainable manner	—	—	○
	Opportunities and risks	Short to medium term	Re-evaluation by investors depending on how effectively the Group captures needs from society and customers to solve environmental issues		● Adding value to our products/services (Resonac Pride Products and Services) to help solve the problems that society and customers face ● Attracting investments through proactive measures against climate change and promotion of a circular economy	○	○	—
	Opportunities	Medium term	Capture of demand through the development of products that contribute to biodiversity conservation		● Sell products that contribute to reducing impact on nature and to the conservation, restoration, and regeneration of nature, such as biostimulant materials	—	—	○
	Opportunities and risks	Medium term	Increase in resilience and improvement in reputation in the procurement of water resources through biodiversity conservation activities centered on water withdrawal and drainage areas		● Conduct biological research within and around sites, protect rare species, and conserve local biodiversity ● Continue and promote environmental restoration projects in the Lake Kasumigaura basin, which is used for industrial water (maintain and increase number of Nationally Certified Sustainably Managed Natural Sites)	—	—	○
	Risks	Short to medium term	Increase in procurement costs due to soaring prices of raw materials and switching materials	Semiconductor and Electronic Materials	● Reduce raw material consumption by improving productivity	Small	Small	—
				Mobility	● Promote the development of materials and components that contribute to resource recycling	Medium	Small	—
				All businesses	● Diversification of raw material suppliers and resources ● Consideration of using recycled raw materials ● Shift to in-house production and local production for local consumption of raw materials with unstable supply ● Collaboration with supply chains (suppliers / customers) to reduce GHG emissions ● Adoption of a formula system to respond to fluctuations in major raw material prices (changes in raw material prices are automatically reflected in product prices) ● Reflect increases in raw material prices in product prices	○	○	—
	Opportunities and risks	Short to medium term	Increases/decreases in procurement costs due to price fluctuations of naphtha-derived raw materials	Innovation Enabling Materials	● Adjust production plans based on sales trend forecasts and thorough inventory management	Large	Medium	—
	Risks	Short to medium term	Decrease in sales due to changes in consumer behavior and awareness	Semiconductor and Electronic Materials	● Participate in working groups of the Semiconductor Climate Consortium (SCC)	Medium to large	—	—
				Mobility	● Increase the number of environmentally friendly products	Small to medium	—	—
				Innovation Enabling Materials	● Promote the development of products that help customers reduce Scope 3 emissions	Small to medium	—	—
				All businesses	● Reduce GHG emissions in manufacturing processes and information disclosure to customers ● Quantitatively and scientifically calculate the amount of GHG reduced by society through the utilization of our products and technologies (calculate avoided GHG emissions/CFP) ● Explore environmentally friendly manufacturing processe	○	○	—

Category	Opportunity/ Risk category	Time frame	Impacts on the Company	Domain	Response measures	Impact on climate*1 1.5 / 2°C	Impact on climate*1 4°C	Impact on nature*1
Transition opportunities and risks	Opportunities	Short to medium term	Increase in sales due to growing demand for EVs/ autonomous driving	Semiconductor and Electronic Materials	● Response to increased demand for SiC power semiconductors	Large	Large	—
				Mobility	● Increase the number of sites in regions where EVs are spreading, and conduct on-site development and local production ● Co-create with customers at the Power Module Integration Center ● Promote co-creation with customers on aluminum recycling technologies	Medium	Medium	—
				Innovation Enabling Materials	● Timely confirmation of required performance through close cooperation with end users	Medium	Medium	—
				All businesses	● Develop and expand sales of materials that contribute to smaller and lighter parts	○	○	—
	Opportunities	Short to medium term	Increase in sales due to growing demand for low-power semiconductors and environmentally friendly products that contribute to the reduction of Scope 3 emissions by customers	Innovation Enabling Materials	● Promote sales of products using recycled raw materials ● Promote the development of products that contribute to shortening customer processes and reducing product CFP ● Promote the development of products that contribute to semiconductor manufacturing processes and energy reduction	Medium	—	—
				Semiconductor and Electronic Materials	● Assess the environmental standard conformity of product designs ● Response to increased demand for SiC power semiconductors ● Develop materials that contribute to smaller and lighter parts for customer products ● Develop 8 inch SiC wafers for next-generation green power semiconductors ● Develop etching gas for semiconductors with low GWP ● Develop encapsulants that contribute to GHG-reducing processes ● Take measures to produce thinner adhesive film for memory applications	Large	Medium	—
	Opportunities	Short to medium term	Increase in sales due to decarbonization of server- related facilities and data centers through the spread of remote work, automation, and data usage		● Establish Packaging Solution Center in Silicon Valley, U.S. ● Participate in working groups of the Semiconductor Climate Consortium (SCC) ● Participate in the Texas Institute for Electronics (TIE), a consortium for advanced semiconductor	Large	Small	—
Physical risks	Risks	Short term	Suspended operation of manufacturing sites due to natural disasters caused by climate change and ecosystem degradation, and decrease in profit caused by an increase in the equipment repair cost and unstable raw material procurement	All businesses	● Conduct an analysis of flood risks at manufacturing sites and major suppliers ● Regular risk identification and reduction activities, and enhancement of business continuity planning	Small*2	Small*2	○
	Risks	Short term	Suspended operation due to water shortage attributable to climate change and ecosystem degradation, and decrease in profit caused by an increase in costs to address them		● Efficient use of water and reduction of water usage ● Actively engage in dialogue with local stakeholders on water use and water conservation	—	—	○

*1 The financial impact of climate and biodiversity-related opportunities and risks is being calculated sequentially, and will thus be disclosed in stages. As such, the impact of the same risks and opportunities may differ from those disclosed in the previous fiscal year.
Large: We expect regulations and policies to tackle climate change to continue impacting the Group going forward. As a result, we estimate the annual impact on our operating income to be ¥10.0 billion or higher.
Medium: Moves to address climate change are already underway, and we expect this to continue impacting the Group going forward. As a result, we estimate the annual impact on our operating income to range from ¥3.0 billion to less than ¥10.0 billion.
Small: There are moves to address climate change. As a result, we estimate the annual impact on our annual operating income to be less than ¥3.0 billion.
○: We have deemed there to be impact on climate change and biodiversity.
—: We have deemed there to be no impact on climate change and biodiversity.
*2 This year, physical risks were analyzed at an additional 21 Group company sites in Japan and overseas (57 sites in total) using hazard maps and AQUEDUCT. In the event of a once-in-a-century disaster, combined with the analysis results of last year, it was discovered that 20 sites are exposed to risks. However, we set the impact as "small" because the annual impact taking into account the recurrence interval is small for both the 1.5/2°C and 4°C scenarios. We also analyzed risks at 40 major supplier sites, and confirmed that the impact on these businesses would be small.

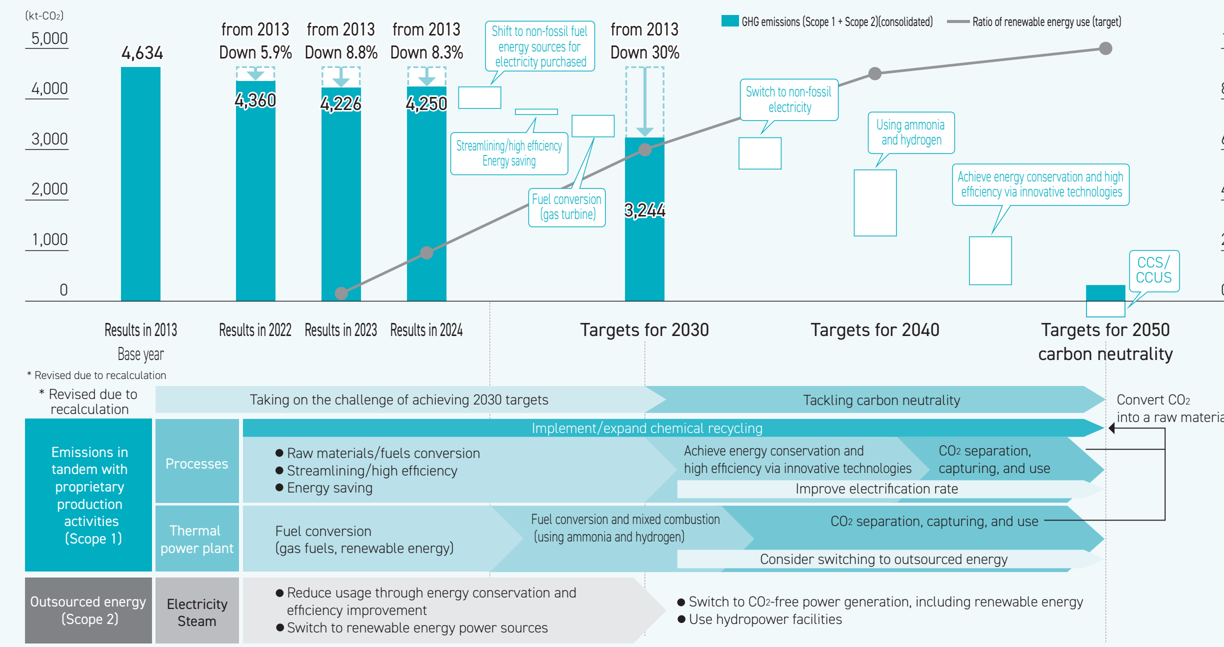
Metrics and Targets

(i) Climate change-related

We are pursuing carbon neutrality leading up to 2050, to accomplish the goal of becoming a company that contributes to a sustainable global society as put forth by our long-term vision. We have also set a milestone target of reducing Scope 1 and 2 GHG emissions by 30% (compared to 2013) by 2030. In 2024, we switched 100% of its electricity usage to electricity derived from solar power at our Head Office, and the entire Resonac Group purchased 196,700 MWh of electricity derived from renewable energy. We reduced GHG emissions by 8.3% compared to 2013 by switching to non-fossil fuel energy sources such as solar power generation. Going forward, we will accelerate our efforts to achieve our targets and further promote information disclosure. For Scope 3, we are gradually disclosing figures on our website for categories where calculations have been completed. We will continue to improve the accuracy of these calculations while working to reduce our GHG emissions.

Road to carbon neutrality

● Non-financial KPI Results and Targets Reduction of GHG Emissions : 30% reduction from the level of 2013 (Scope 1 and 2) (2030 target)



* We consider starting the calculation and disclosure of Scope 3 emissions from upstream activities before setting a reduction target.

(ii) Nature-related

We monitor and set targets for our environmental performance. Preparations are underway for the future disclosure of core global disclosure targets recommended by the TNFD, which we have not yet disclosed.

TNFD global core disclosure metrics		Monitoring details	Target setting status
C2.1	Wastewater discharged	Monitoring and disclosure of the amount of wastewater and amount of water pollutants discharged	Reduction of volume of water pollutants discharged compared to 2024 (2025)
C2.2	Waste generation and disposal	Monitor and disclose waste generation per unit of output.	Aiming for zero landfill waste by 2050, with landfill waste reduced from 2024 levels by 2025.
C2.3	Plastic pollution	Monitoring of the amount of waste plastic generated, the amount and rate of plastic recycling	Objectives under review
C2.4	Total amount of non-GHG air pollutants	Monitoring and disclosure of air pollutant emissions	• Reduction of chemical substance* air emission intensity by 1% compared to 2024 (2025) • Reduction of volume of atmospheric pollutants discharged compared to 2024 (2025) *The 30 substances selected by the Resonac Group based on hazard and atmospheric emissions
C3.0	Water withdrawal and consumption from areas of water scarcity	Monitoring and disclosure of water withdrawal	Reduction of freshwater withdrawal intensity by 1% compared to 2024 (2025)
C5.0	Ecosystem condition and species extinction risk	Annual monitoring of the species and numbers of plants and animals that live in the area are monitored every year in the Kasumigaura Surrounding Environment Regeneration Project , our social contribution activity Monitoring of the population of the Japanese fire-bellied newt, classified as a near-threatened species on the Fukushima Prefecture's Red List, at our Kitakata Plant.	Year-on-year increase in the number of plant and animal species and populations (2025)
C7.2	Description and value of fines/penalties received/litigation action in the year due to negative nature-related impacts	Monitoring and disclosure of the number of violations of laws and regulations related to environmental pollution	Zero serious environmental accidents that adversely impacted human health or the environment
C7.4	Increase in and proportion of revenue from products and services producing demonstrable positive impacts on nature	Disclosure of the number of certified Resonac Pride Products and Services (achievement of our purpose = products and services that change society) (including nature-related elements in "change society")	One certification as Resonac Pride Products and Services for each business headquarters (2025)

Consolidated Financial Statements

Consolidated Statement of Financial Position

Millions of yen

	2023	2024
Assets		
Current assets		
Cash and cash equivalents	190,642	294,656
Trade receivables	265,511	274,485
Inventories	224,571	220,812
Income taxes receivable	7,574	3,674
Other financial assets	27,572	28,735
Other current assets	35,214	36,184
Subtotal	751,084	858,546
Assets held for sale	14,346	28,002
Total current assets	765,430	886,548
Non-current assets		
Property, plant and equipment	668,686	670,776
Intangible assets	461,422	442,417
Retirement benefit asset	28,038	38,514
Deferred tax assets	14,174	17,867
Investments accounted for using the equity method	68,707	70,396
Other financial assets	22,127	23,640
Other non-current assets	26,011	22,468
Total non-current assets	1,289,164	1,286,078
Total assets	2,054,594	2,172,626

Millions of yen

	2023	2024
Liabilities		
Current liabilities		
Trade payables	177,776	171,433
Bonds and borrowings	123,343	137,862
Accrued expenses	37,766	38,157
Income taxes payable	3,779	8,344
Lease liabilities	5,228	4,837
Provisions	927	3,358
Other financial liabilities	93,445	96,934
Other current liabilities	21,695	17,707
Subtotal	463,959	478,632
Liabilities directly associated with assets held for sale	—	16,541
Total current liabilities	463,959	495,173
Non-current liabilities		
Bonds and borrowings	875,377	858,399
Retirement benefit liability	10,513	10,300
Provisions	6,106	5,970
Lease liabilities	26,197	22,608
Other financial liabilities	14,685	10,731
Deferred tax liabilities	65,647	71,273
Other non-current liabilities	5,599	6,166
Total non-current liabilities	1,004,124	985,447
Total liabilities	1,468,083	1,480,620
Equity		
Share capital	182,146	182,146
Capital surplus	104,692	108,863
Treasury shares	(11,593)	(13,172)
Retained earnings	249,838	318,643
Accumulated other comprehensive income	35,046	68,136
Total equity attributable to owners of the parent	560,129	664,616
Non-controlling interests	26,382	27,390
Total equity	586,511	692,006
Total liabilities and equity	2,054,594	2,172,626

Consolidated Statement of Profit or Loss

Millions of yen

	2023	2024
Revenue	1,295,395	1,391,480
Cost of sales	(1,066,822)	(1,080,381)
Gross profit	228,573	311,099
Selling, general and administrative expenses	(246,476)	(242,936)
Other income	37,319	38,713
Other expenses	(28,823)	(17,840)
Operating profit (loss)	(9,407)	89,036
Finance income	4,151	4,755
Finance costs	(14,869)	(15,942)
Share of profit of investments accounted for using the equity method	5,907	6,798
Profit (loss) before tax	(14,218)	84,647
Income tax expense	7,701	(9,875)
Profit (loss)	(6,517)	74,772
Profit (loss) attributable to		
Owners of the parent	(6,505)	73,503
Non-controlling interests	(12)	1,269
Earnings per share (Yen)		
Basic earnings (loss) per share (Yen)	(35.91)	406.61
Diluted earnings (loss) per share (Yen)	(35.91)	406.61

Consolidated Statement of Comprehensive Income

Millions of yen

	2023	2024
Profit (loss)	(6,517)	74,772
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net changes in fair value of financial assets measured at fair value through other comprehensive income	(400)	1,646
Remeasurements of defined benefit plans	7,781	6,997
Share of other comprehensive income of investments accounted for using the equity method	118	(83)
Total	7,499	8,560
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	29,538	33,519
Net changes in fair value of cash flow hedges	(269)	(1,418)
Share of other comprehensive income of investments accounted for using the equity method	796	1,309
Total	30,065	33,410
Total other comprehensive income	37,564	41,970
Comprehensive income	31,047	116,742
Comprehensive income attributable to		
Owners of the parent	29,141	113,682
Non-controlling interests	1,906	3,060

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

Millions of yen

2023	Equity attributable to owners of the parent						Equity attributable to owners of the parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Accumulated other comprehensive income		Accumulated other comprehensive income			Total	Non-controlling interests	Total equity
					Financial assets measured at FVTOCI	Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations	Cash flow hedges	Total			
Balance at beginning of period	182,146	101,743	(11,612)	260,375	5,697	—	—	1,458	7,155	539,807	26,771	566,578
Loss	—	—	—	(6,505)	—	—	—	—	—	(6,505)	(12)	(6,517)
Other comprehensive income	—	—	—	—	(695)	7,797	28,813	(269)	35,646	35,646	1,918	37,564
Total comprehensive income	—	—	—	(6,505)	(695)	7,797	28,813	(269)	35,646	29,141	1,906	31,047
Dividends	—	—	—	(11,788)	—	—	—	—	—	(11,788)	(1,203)	(12,991)
Purchase of treasury shares	—	—	(4)	—	—	—	—	—	—	(4)	—	(4)
Disposal of treasury shares	—	(0)	23	—	—	—	—	—	—	23	—	23
Share-based payment transactions	—	275	—	—	—	—	—	—	—	275	—	275
Purchase of non-controlling interests	—	2,674	—	—	—	—	—	—	—	2,674	(1,092)	1,582
Issuance of convertible bonds with share acquisition rights	—	—	—	—	—	—	—	—	—	—	—	—
Transfer from accumulated other comprehensive income to retained earnings	—	—	—	7,755	41	(7,797)	1	—	(7,755)	—	—	—
Total transactions with owners	—	2,949	19	(4,033)	41	(7,797)	1	—	(7,755)	(8,820)	(2,295)	(11,115)
Balance at end of period	182,146	104,692	(11,593)	249,838	5,043	—	28,814	1,189	35,046	560,129	26,382	586,511

Millions of yen

2024	Equity attributable to owners of the parent						Equity attributable to owners of the parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Accumulated other comprehensive income		Accumulated other comprehensive income			Total	Non-controlling interests	Total equity
					Financial assets measured at FVTOCI	Remeasurements of defined benefit planss	Exchange differences on translation of foreign operations	Cash flow hedges	Total			
Balance at beginning of period	182,146	104,692	(11,593)	249,838	5,043	—	28,814	1,189	35,046	560,129	26,382	586,511
Profit	—	—	—	73,503	—	—	—	—	—	73,503	1,269	74,772
Other comprehensive income	—	—	—	—	1,564	6,999	33,034	(1,418)	40,179	40,179	1,791	41,970
Total comprehensive income	—	—	—	73,503	1,564	6,999	33,034	(1,418)	40,179	113,682	3,060	116,742
Dividends	—	—	—	(11,787)	—	—	—	—	—	(11,787)	(1,176)	(12,963)
Purchase of treasury shares	—	—	(1,883)	—	—	—	—	—	—	(1,883)	—	(1,883)
Disposal of treasury share	—	0	304	—	—	—	—	—	—	304	—	304
Share-based payment transactions	—	389	—	—	—	—	—	—	—	389	—	389
Purchase of non-controlling interests	—	239	—	—	—	—	—	—	—	239	(876)	(637)
Issuance of convertible bonds with share acquisition rights	—	3,543	—	—	—	—	—	—	—	3,543	—	3,543
Transfer from accumulated other comprehensive income to retained earnings	—	—	—	7,089	(90)	(6,999)	—	—	(7,089)	—	—	—
Total transactions with owners	—	4,171	(1,579)	(4,698)	(90)	(6,999)	—	—	(7,089)	(9,195)	(2,052)	(11,247)
Balance at end of period	182,146	108,863	(13,172)	318,643	6,517	—	61,848	(229)	68,136	664,616	27,390	692,006

Consolidated Statement of Cash Flows

Millions of yen

	2023	2024
Cash flows from operating activities		
Profit (loss)	(6,517)	74,772
Depreciation and amortization	96,486	98,026
Income tax expense	(7,701)	9,875
Impairment losses (reversal of impairment losses)	27,790	23,982
Interest and dividend income	(2,245)	(2,743)
Interest expenses	13,702	14,268
Share of loss (profit) of investments accounted for using the equity method	(5,907)	(6,798)
Decrease (increase) in trade receivables	6,572	(5,695)
Decrease (increase) in accounts receivable - other	21,972	(1,417)
Decrease (increase) in inventories	31,592	7,726
Increase (decrease) in trade payables	(21,808)	(3,415)
Increase or decrease in retirement benefit asset or liability	(10,466)	(10,966)
Other	(11,491)	(23,452)
Subtotal	131,979	174,163
Interest received	1,955	2,196
Dividends received	5,265	6,987
Interest paid	(12,425)	(12,390)
Income taxes refund (paid)	(8,059)	(7,303)
Net cash provided by (used in) operating activities	118,715	163,653
Cash flows from investing activities		
Purchase of property, plant and equipment	(85,559)	(88,312)
Proceeds from sale of property, plant and equipment	5,535	32,385
Proceeds from sale of subsidiaries and businesses	31,692	732
Purchase of securities and other investments	(358)	(288)
Proceeds from sale and redemption of securities and other investments	3,283	602
Net decrease (increase) in short-term loans receivable	688	36
Other	(10,439)	2,539
Net cash provided by (used in) investing activities	(55,158)	(52,306)

Millions of yen

	2023	2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(23,721)	4,900
Net increase (decrease) in commercial papers	10,000	(10,000)
Proceeds from long-term borrowings	65,300	172,436
Repayments of long-term borrowings	(131,724)	(250,708)
Proceeds from issuance of bonds	29,843	24,887
Redemption of bonds	—	(40,000)
Proceeds from issuance of convertible bonds with share acquisition rights	—	99,904
Repayments of lease liabilities	(5,171)	(6,411)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(4,552)	(538)
Purchase of treasury shares	(4)	(1,883)
Dividends paid to owners of the parent	(11,794)	(11,760)
Dividends paid to non-controlling interests	(1,263)	(1,220)
Other	—	(75)
Net cash provided by (used in) financing activities	(73,086)	(20,468)
Effect of exchange rate changes on cash and cash equivalents	11,471	14,593
Net increase (decrease) in cash and cash equivalents	1,942	105,472
Cash and cash equivalents at beginning of period	188,700	190,642
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	—	(1,458)
Cash and cash equivalents at end of period	190,642	294,656

Corporate Data/Editorial Policies

Corporate Data

(As of December 31, 2024)

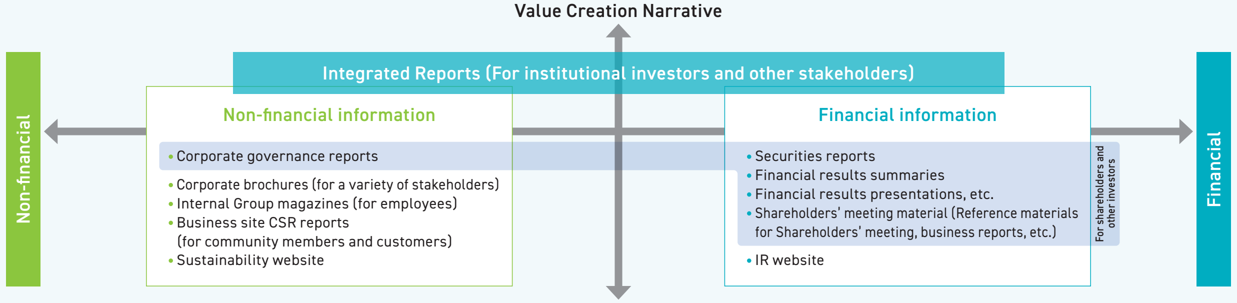
Company Name	Resonac Holdings Corporation
Head Office	Tokyo Shiodome Bldg., 1-9-1, Higashi-Shimbashi, Minato-ku, Tokyo 105-7325, Japan
Formed	June 1939
Capital	¥182,146 million
Consolidated Number of Employee	23,936
Subsidiaries and Associates Subsidiaries (Japan) Web Subsidiaries (Global) Web	Subsidiaries: 123 Associates and others: 33

Editorial Policies

Publication Date	July 2025
Reporting Period	January 1, 2024 to December 31, 2024. Some information on disclosure items and business activities from after January 1, 2025, is also provided.
Reporting scope and display methods in this report	Figures and information in this report refer to the Resonac Group. Official names or their abbreviations (REH, REC) are used when referring to Resonac Holdings Corporation (REH) or Resonac Corporation (REC) as a non-consolidated entity. Regarding performance data, financial data covers Resonac Holdings Corporation and its subsidiaries, associates and others (including Resonac Corporation), while the scope of non-financial data is specified for each dataset.
Reference guidelines	"IFRS Sustainability Disclosure Standards," International Financial Reporting Standards (IFRS) Foundation SASB Standards, U.S. Sustainability Accounting Standards Board International Integrated Reporting Framework TCFD (Task Force on Climate-related Financial Disclosures) TNFD (Taskforce on Nature-related Financial Disclosures) "Sustainability Reporting Standard," GRI "Guidance for Collaborative Value Creation," Ministry of Economy, Trade and Industry, etc.
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.



Stock Information

(As of December 31, 2024)

Authorized number of shares	330,000,000
Number of shares outstanding	184,901,292
Number of shareholders	86,469

Shareholders by Sector

Foreign corporate entities, etc.	68,035 thousand	37%
Financial institutions	64,434 thousand	35%
Individuals	33,384 thousand	18%
Securities firms	11,594 thousand	6%
Japanese corporate entities	3,893 thousand	2%
Treasury shares	3,561 thousand	2%

Shareholders (Top 10)

(As of December 31, 2024)

Name of shareholders	Stake in the Company: Number of shares held (in thousands)	Stake in the Company: Rate of shareholding (%)
The Master Trust Bank of Japan Ltd. (Trust Account)	30,103	16.60
Custody Bank of Japan, Ltd. (Trust Account)	11,481	6.33
KOREA SECURITIES DEPOSITORY – SAMSUNG	9,061	5.00
JPMorgan Securities Japan Co., Ltd.	5,590	3.08
Fukoku Mutual Life Insurance Company	4,516	2.49
STATE STREET BANK AND TRUST COMPANY 505223	3,467	1.91
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	3,219	1.78
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	2,824	1.56
STATE STREET BANK AND TRUST COMPANY 505103	2,781	1.53
The Dai-ichi Life Insurance Company, Limited	2,700	1.49

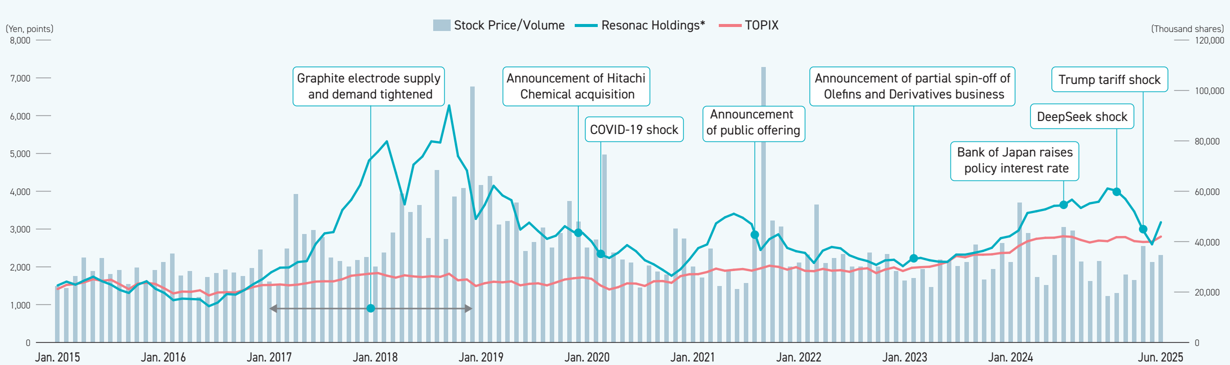
*Each rate of shareholding was calculated after deducting the number of treasury shares (3,561 thousand) from the number of shares outstanding.

		Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Year-end stock price (yen)		2,197	2,415	2,020	2,810	4,015
Dividends per share (yen)		65	65	65	65	65
Payout ratio (%)	(Non-consolidated)	34.8	33.1	35.5	284.2	45.4
	(Consolidated)	—	—	36.3	—	16.0

Total shareholder return (TSR)	Past year	Past 3 years	Past 5 years	Past 10 years
Resonac Holdings	145.2%	174.3%	149.7%	315.4%
TOPIX (including dividends)	120.5%	150.7%	182.5%	248.8%

*As of the end of 2024
* 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).

Stock Price/Volume



*Figures from before 2022 are from former Showa Denko.