

Consolidated Financial Results

First Quarter, 2024

Hideki Somemiya, CFO
Director & Managing Corporate Officer
Resonac Holdings Corporation

May 15, 2024

The logo for Resonac, featuring the word "RESONAC" in a bold, blue, sans-serif font. The letter "R" is stylized with a vertical line through its center.

1. 2024 1Q saw improvements both in sales and income compared to 2023 1Q. Recovery in demand continued gradually; fixed cost control and weaker yen contributed to the improvement from the initial forecast
2. 2024 full-year forecast does not include the revision of 2024 2nd half; revised figures planned to be announced as 1st half figures unfold

Table of Contents

1. 2024 1Q Consolidated Financial Statements
2. 2024 Performance Forecast

(Unit: Billions of Yen except figures per share)

	2023 1Q	2024 1Q	Increase/ Decrease
Net sales	298.9	321.4	22.5
Operating income	(9.2)	8.9	18.2
Non-operating income and expenses, net	(1.7)	2.1	3.8
Ordinary income	(10.9)	11.0	21.9
Extraordinary profit/loss	(3.8)	18.7	22.5
Income before income taxes	(14.7)	29.7	44.4
Net Income	(11.2)	27.4	38.6
Net income attributable to owners of the parent	(12.3)	27.1	39.3
EBITDA*2	17.9	36.3	18.4
EBITDA margin	6.0%	11.3%	5.3p

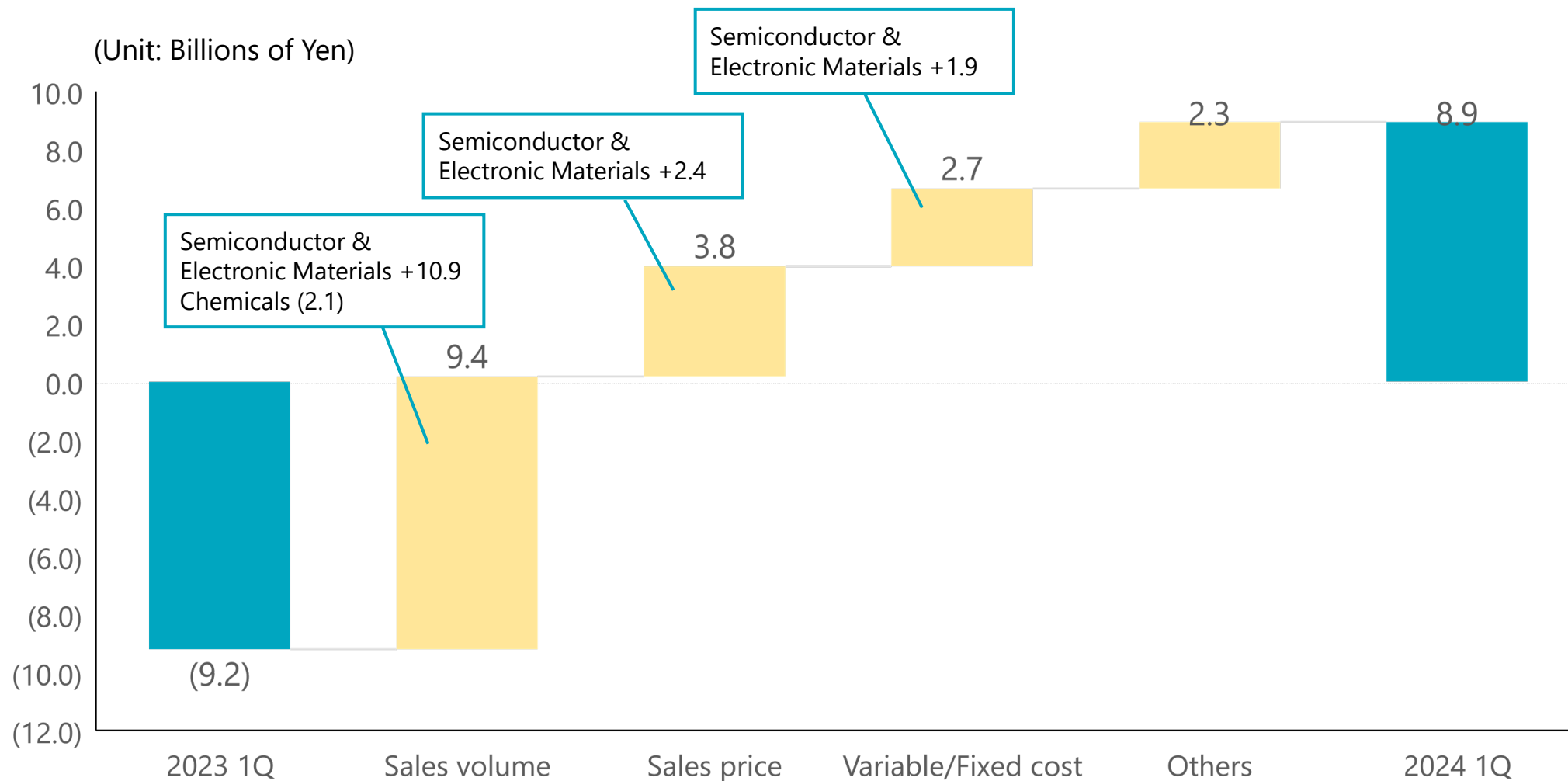
Reference Based on ongoing businesses*1
(Unit: Billions of Yen)

	2023 1Q	2024 1Q	Increase/ Decrease
Net sales	295.9	321.4	25.5
Operating income	(9.3)	8.9	18.3
EBITDA	17.6	36.3	18.7
EBITDA margin	5.9%	11.3%	5.3p

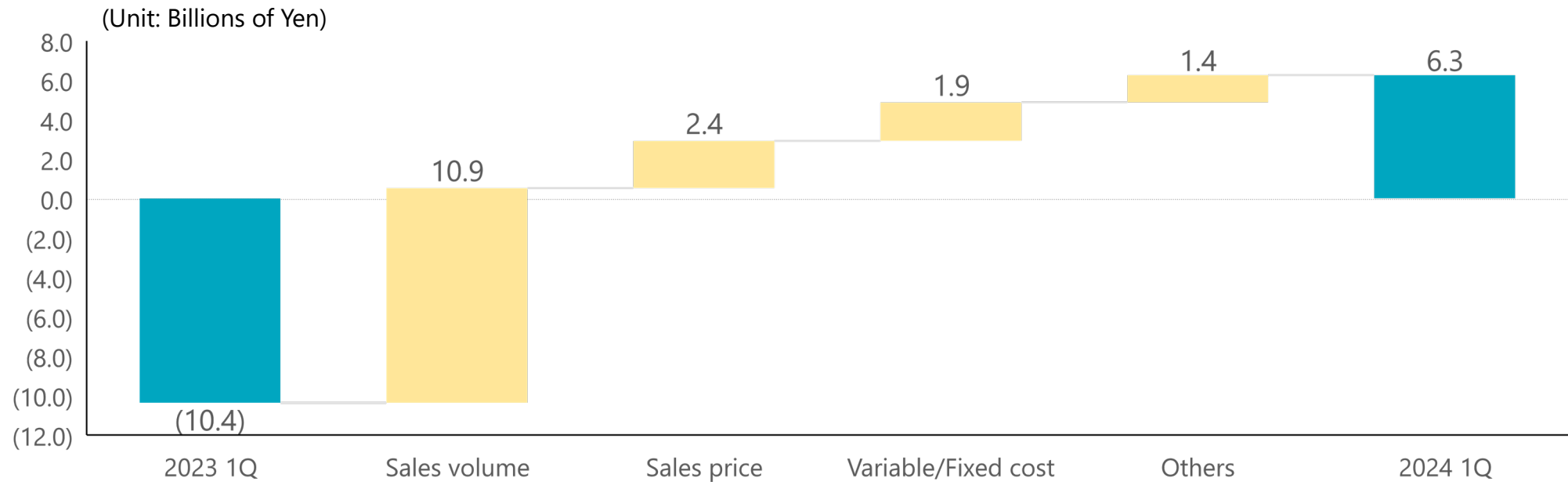
*1 Unaudited figures for reference purposes. Excluding results of businesses divested during 2023-2024: Diagnostic medicine

*2 EBITDA=Operating income + Depreciation + Amortization of goodwill

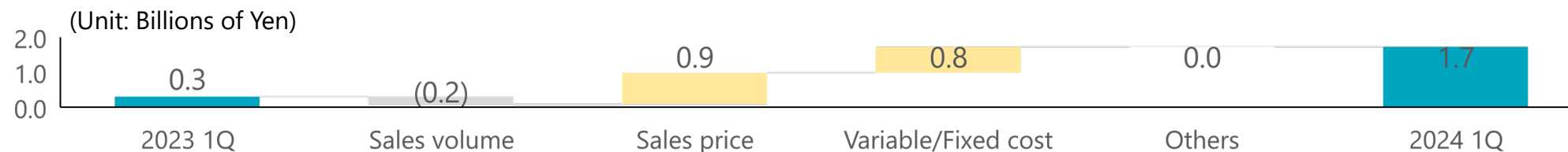
Breakdown of Operating Income Changes (2023 1Q vs. 2024 1Q)



Semiconductor & Electronic Materials



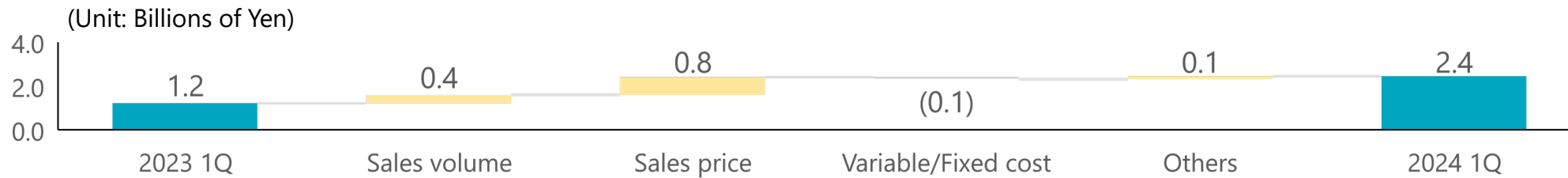
Mobility



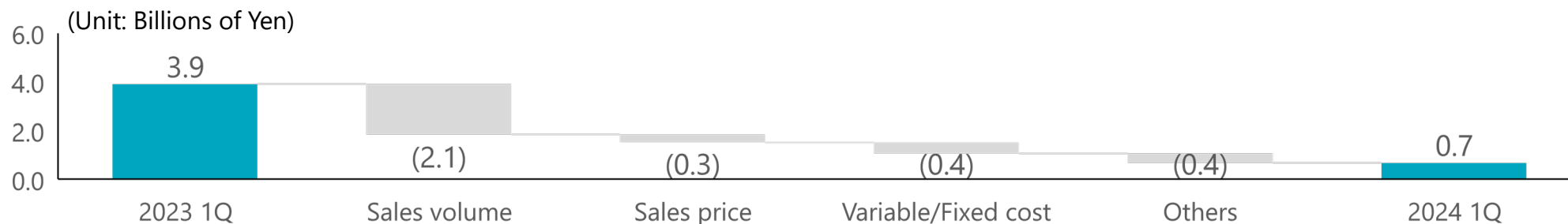
* Change in segmentation applied retroactively (Aluminum Specialty Components business moved from Innovation Enabling Materials to Mobility)

Breakdown of Segment Operating Income Changes (2023 1Q vs. 2024 1Q)

Innovation Enabling Materials



Chemicals



* Change in segmentation applied retroactively (Aluminum Specialty Components business moved from Innovation Enabling Materials to Mobility)

Sales, Operating Income and EBITDA: Segment Breakdown (2023 1Q vs. 2024 1Q)

(Unit: Billions of Yen)

Segment		2023 1Q*	2024 1Q	Increase/ Decrease	
Semiconductor and Electronic Materials	Sales	69.4	97.5	28.1	40%
	Operating Income	(10.4)	6.3	16.6	-
	EBITDA	2.7	19.5	16.9	634%
Mobility	Sales	51.8	52.6	0.7	1%
	Operating Income	0.3	1.7	1.4	475%
	EBITDA	5.5	6.8	1.3	23%
Innovation Enabling Materials	Sales	20.7	22.3	1.6	8%
	Operating Income	1.2	2.4	1.2	101%
	EBITDA	2.9	4.1	1.2	39%
Chemicals	Sales	127.1	116.8	(10.3)	(8%)
	Operating Income	3.9	0.7	(3.2)	(83%)
	EBITDA	8.2	5.1	(3.1)	(38%)
Others/ Adjustments	Sales	29.9	32.2	2.3	8%
	Operating Income	(4.3)	(2.2)	2.1	-
	EBITDA	(1.4)	0.8	2.2	-
Total	Sales	298.9	321.4	22.5	8%
	Operating Income	(9.2)	8.9	18.2	-
	EBITDA	17.9	36.3	18.4	103%

* Change in segmentation applied retroactively (Aluminum Specialty Components business moved from Innovation Enabling Materials to Mobility)

Semiconductor and Electronic Materials

(Unit: Billions of Yen)

	2023 1Q	2024 1Q	Increase/ Decrease		Performance Overview
Sales	69.4	97.5	28.1	40%	Both sales and operating income increased as sales volume increased, thanks to the gradual recovery in demand which began in 2023 2Q. - Front-end Semiconductor Materials: Slight increase in sales due to weaker yen - Back-end Semiconductor Materials: All major products saw increases in sales with larger sales volume as semiconductor market recovered - Device Solutions: HD media sales increased significantly due to the recovery of the demand for data centers. Sales of SiC epitaxial wafers also increased due to larger sales volume
Front-end Semiconductor Materials	20.5	20.9	0.4	2%	
Back-end Semiconductor Materials	32.5	44.8	12.3	38%	
Device Solutions	10.6	22.9	12.3	117%	
Others	5.8	8.9	3.0	52%	
Operating Income	(10.4)	6.3	16.6	-	
EBITDA	2.7	19.5	16.9	634%	
EBITDA margin	3.8%	20.0%	16.2p	-	

Main Products

- Front-end Semiconductor Materials: High-purity gases for electronics, CMP slurry
- Back-end Semiconductor Materials: Epoxy molding compounds, Die bonding materials, Copper clad laminates, Photosensitive dry films, Photosensitive solder resists
- Device Solutions: HD media, SiC epitaxial wafers, Compound semiconductors

(Unit: Billions of Yen)

	2023 1Q*	2024 1Q	Increase/ Decrease		Performance Overview
Sales	51.8	52.6	0.7	1%	<p>Both sales and operating income increased due to the recovery of automobile production and the launch of products for new model vehicles</p> <ul style="list-style-type: none"> - Automotive Products: Sales increased due to the recovery of automobile production and the launch of products for new model vehicles - Lithium-ion Battery Materials: While sales of aluminum laminate film (<i>SPALF</i>) decreased due to weak consumer demand, sales of carbon nanofiber additives for cathodes and anodes of LIBs and anodes materials increased with the increased shipment for EVs.
Automotive Products	44.7	45.8	1.1	3%	
Lithium-ion Battery Materials	7.1	8.0	0.9	13%	
Others	0.0	(1.3)	(1.3)	-	
Operating Income	0.3	1.7	1.4	475%	
EBITDA	5.5	6.8	1.3	23%	
EBITDA margin	10.6%	12.9%	2.2p	-	

* Change in segmentation applied retroactively (Aluminum Specialty Components business moved from Innovation Enabling Materials to Mobility)

Main Products

- Automotive Products: Plastic molded products, Friction materials, Powder metal products, Aluminum specialty components
- Lithium-ion Battery Materials: Aluminum laminate film (*SPALF*), Carbon nanofiber additives for cathodes and anodes of LIBs, Anode materials

(Unit: Billions of Yen)

	2023 1Q*	2024 1Q	Increase/ Decrease		Performance Overview
Sales	20.7	22.3	1.6	8%	Sales increased as sales price was raised to reflect the sharp increase of material costs and sales volume increased; Operating income increased compared to 2023 1Q when sales price was yet to reflect the increase in cost
Operating Income	1.2	2.4	1.2	101%	
EBITDA	2.9	4.1	1.2	39%	
EBITDA margin	14.2%	18.3%	4.1p	-	

* Change in segmentation applied retroactively (Aluminum Specialty Components business moved from Innovation Enabling Materials to Mobility)

Main Products

- Functional resins, Functional chemicals, Coating materials, Ceramics

(Unit: Billions of Yen)

	2023 1Q	2024 1Q	Increase/ Decrease		Performance Overview
Sales	127.1	116.8	(10.3)	(8%)	<ul style="list-style-type: none"> - Olefins & Derivatives: Both sales and operating income decreased despite higher naphtha price, as sales volume decreased due to the shutdown maintenance of petrochemical derivatives - Basic Chemicals: While negotiations in price raise have materialized in general, sales decreased as some products had lower sales prices reflecting the lowered material cost. Operating income increased accordingly - Graphite Electrodes: Both sales volume and price decreased due to the weak market condition, leading to the decrease in operating income
Olefins & Derivatives	78.0	76.0	(2.0)	(3%)	
Basic Chemicals	20.7	20.0	(0.8)	(4%)	
Graphite Electrodes	28.3	20.7	(7.6)	(27%)	
Others	(0.0)	0.1	0.1	-	
Operating Income	3.9	0.7	(3.2)	(83%)	
EBITDA	8.2	5.1	(3.1)	(38%)	
EBITDA margin	6.4%	4.4%	(2.1p)	-	

Main Products

- Olefins & Derivatives: Olefins, Organic chemicals

Non-operating Income/Expenses

(Unit: Billions of Yen)

	2023 1Q	2024 1Q	Increase/ Decrease
Interest/Dividends income and expenses	(2.9)	(2.5)	0.4
Equity in earnings of affiliates	0.9	0.4	(0.5)
Foreign exchange gains	0.5	4.2	3.7
Other	(0.2)	(0.0)	0.2
Net	(1.7)	2.1	3.8

Extraordinary Profit/Loss

(Unit: Billions of Yen)

	2023 1Q	2024 1Q	Increase/ Decrease
Gain on sale of noncurrent assets	0.0	19.7	19.7
Losses on sale and retirement of noncurrent assets	(1.2)	(0.9)	0.3
Impairment loss	(2.9)	(0.8)	2.2
Gain on revision of retirement benefit plan	0.4	-	(0.4)
Gain on reversal of PCB disposal costs	0.3	-	(0.3)
Other	(0.5)	0.6	1.1
Net	(3.8)	18.7	22.5

Consolidated Balance Sheet

(Unit: Billions of Yen)

Assets	Dec. 31, 2023	Mar. 31, 2024	Increase/Decrease	Liabilities and net assets	Dec. 31, 2023	Mar. 31, 2024	Increase/Decrease
Cash and deposits	190.3	213.2	22.9	Notes and accounts payable	177.4	175.1	(2.3)
Notes and accounts receivable	266.1	255.2	(10.9)	Interest-bearing debt	1,016.5	998.2	(18.3)
Inventories	225.2	223.6	(1.5)	Other liabilities	259.4	259.5	0.1
Other current assets	70.3	77.5	7.3	Total liabilities	1,453.3	1,432.8	(20.5)
Total current assets	751.9	769.6	17.7	Total shareholders' equity	416.0	394.3	(21.6)
Total tangible fixed assets	678.6	685.6	7.0	incl. Retained earnings	137.3	117.5	(19.8)
Total intangible fixed assets	470.6	455.4	(15.2)	Total accumulated other comprehensive income	136.9	190.0	53.1
incl. Goodwill	285.2	281.4	(3.8)	incl. Revaluation reserve for land	26.1	61.1	35.0
incl. Other intangible fixed assets	185.4	174.0	(11.4)	incl. Foreign currency translation adjustment	99.2	119.4	20.2
Investments and other assets	130.9	132.9	2.0	Non-controlling interests	25.8	26.3	0.5
Total fixed assets	1,280.0	1,273.9	(6.2)	Total net assets	578.7	610.7	32.0
Total assets	2,032.0	2,043.5	11.5	Total liabilities and net assets	2,032.0	2,043.5	11.5

Major Indicators

Adjusted net D/E ratio* ¹ (Times)	1.00	0.90	(0.10)	Equity ratio* ² (%)	27.2	28.6	1.4p
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*1 [(Loans payable + Commercial papers + Bonds payable + Lease liabilities) - Cash and deposits - 50% of subordinated loan] / (Total shareholders' equity + 50% of subordinated loan); evaluates 50% of subordinated loan as equity capital, based on the credit rating given by Japan Credit Rating Agency, Ltd. on April 27, 2020

*2 (Total net assets - Non-controlling interests) / (Total liabilities and net assets) x 100

Table of Contents

1. 2024 1Q Consolidated Financial Statements
2. 2024 Performance Forecast

(Unit: Billions of Yen except figures per share)

	2023 Results (A)	2024 Initial Forecast* (B)	2024 Apr. 16 Forecast (C)	Increase/ Decrease (C) – (A)	Increase/ Decrease (C) – (B)	2024 Apr. 16 Forecast	
						1H Forecast	2H Forecast
Net sales	1,288.9	1,330.0	1,360.0	71.1	30.0	670.0	690.0
Operating income	(3.8)	28.0	47.0	50.8	19.0	14.0	33.0
Non-operating income and expenses, net	(11.0)	(15.0)	(15.0)	(4.0)	0.0	(8.0)	(7.0)
Ordinary income	(14.8)	13.0	32.0	46.8	19.0	6.0	26.0
Extraordinary profit/loss	(11.4)	(4.0)	(4.0)	7.4	0.0	1.0	(5.0)
Income before income taxes	(26.2)	9.0	28.0	54.2	19.0	7.0	21.0
Net Income	(18.0)	11.0	26.0	44.0	15.0	0.0	26.0
Net income attributable to owners of the parent	(19.0)	10.0	25.0	44.0	15.0	0.0	25.0
Net income attributable to owners of the parent per share	(¥104.65)	¥55.34	¥138.34	¥242.99	¥83.00		
Cash dividends per share	¥65	¥65	¥65	-	-		

* Released Feb. 14, 2024

2024 Sales and Operating Income: Segment Breakdown (Consolidated)

(Unit: Billions of Yen)

Segment		2024 Apr. 16 Forecast					2023*	
		1Q Results	2Q Forecast	1H Forecast	2H Forecast	Full-year Forecast	Full-year Results	Increase/Decrease
Semiconductor and Electronic Materials	Sales	97.5	102.5	200.0	210.0	410.0	338.1	71.9
	Operating Income	6.3	6.7	13.0	18.0	31.0	(9.4)	40.4
Mobility	Sales	52.6	52.4	105.0	105.0	210.0	216.1	(6.1)
	Operating Income	1.7	(0.7)	1.0	6.0	7.0	5.4	1.6
Innovation Enabling Materials	Sales	22.3	27.7	50.0	45.0	95.0	93.0	2.0
	Operating Income	2.4	2.6	5.0	4.0	9.0	7.9	1.1
Chemicals	Sales	116.8	143.2	260.0	275.0	535.0	516.3	18.7
	Operating Income	0.7	(0.7)	0.0	13.0	13.0	7.7	5.3
Others/ Adjustments	Sales	32.2	22.8	55.0	55.0	110.0	125.4	(15.4)
	Operating Income	(2.2)	(2.8)	(5.0)	(8.0)	(13.0)	(15.3)	2.3
Total	Sales	321.4	348.6	670.0	690.0	1,360.0	1,288.9	71.1
	Operating Income	8.9	5.1	14.0	33.0	47.0	(3.8)	50.8

* Change in segmentation applied retroactively (Aluminum Specialty Components business moved from Innovation Enabling Materials to Mobility)

Appendix

Consolidated Companies

Consolidated subsidiaries: 101 (-1 from Dec. 31, 2023)

-1: Related to the liquidation of a foreign subsidiary

Equity method applied: 12 (unchanged from Dec. 31, 2023)

Key Outside Factors

(Average)

Items	2023		2024			
	1Q Results	Full-year Results	1Q Results	1H Forecast	2H Forecast	Full-year Forecast
Exchange Rates						
(¥/US\$)	132.3	140.6	148.6	149.6	135.0	142.3
	<i>On Mar. 31, 2023: 133.5</i>		<i>On Mar. 29, 2024: 151.4</i>			
(¥/Euro)	142.1	152.0	161.3	162.3	150.0	156.1
Domestic Naphtha Price (¥/KL)	66,500	67,600	72,500	74,850	70,400	72,650

(Unit: Billions of Yen)

Segment	2023 1Q*	2024 1Q	Increase/ Decrease
Semiconductor and Electronic Materials	10.9	12.8	1.9
Mobility	2.7	2.3	(0.4)
Innovation Enabling Materials	0.9	0.8	(0.1)
Chemicals	3.8	4.4	0.6
Others	2.6	1.8	(0.9)
Total	21.0	22.1	1.1

* Change in segmentation applied retroactively (Aluminum Specialty Components business moved from Innovation Enabling Materials to Mobility)

(Unit: Billions of Yen)

Segment		2023 1Q*1	2024 1Q	Increase/ Decrease
Semiconductor and Electronic Materials	Depreciation (excl. PPA)	6.6	6.9	0.2
	PPA depreciation	3.1	3.1	-
	Goodwill amortization	3.3	3.3	-
Mobility	Depreciation (excl. PPA)	4.1	4.0	(0.2)
	PPA depreciation	0.5	0.5	-
	Goodwill amortization	0.5	0.5	-
Innovation Enabling Materials	Depreciation (excl. PPA)	1.3	1.2	(0.1)
	PPA depreciation	0.2	0.2	0.0
	Goodwill amortization	0.2	0.2	0.0
Chemicals	Depreciation (excl. PPA)	4.2	4.2	0.0
	PPA depreciation	0.1	0.1	0.0
	Goodwill amortization	0.0	0.1	0.1
Others	Depreciation (excl. PPA)	2.5	2.7	0.3
	PPA depreciation	0.0	0.0	-
	Goodwill amortization	0.2	0.2	0.0
Based on ongoing businesses*2 Total	Depreciation (excl. PPA)	18.7	19.0	0.3
	PPA depreciation	4.0	4.0	0.1
	Goodwill amortization	4.2	4.3	0.1
Discontinued businesses	Depreciation (excl. PPA)	0.2	-	(0.2)
	PPA depreciation	-	-	-
	Goodwill amortization	-	-	-
Total	Depreciation (excl. PPA)	18.9	19.0	0.1
	PPA depreciation	4.0	4.0	0.1
	Goodwill amortization	4.2	4.3	0.1

*1 Change in segmentation applied retroactively (Aluminum Specialty Components business moved from Innovation Enabling Materials to Mobility)

*2 Unaudited figures for reference purposes. Excluding results of businesses divested during 2023-2024: Diagnostic medicine

(Unit: Billions of Yen)

	2023 4Q	2024 1Q	Increase/ Decrease
Net sales	346.6	321.4	(25.2)
Operating income	0.5	8.9	8.4
Non-operating income and expenses, net	(8.2)	2.1	10.2
Ordinary income	(7.6)	11.0	18.6
Extraordinary profit/loss	(26.2)	18.7	44.9
Income before income taxes	(33.9)	29.7	63.5
Net Income	(12.9)	27.4	40.3
Net income attributable to owners of the parent	(12.6)	27.1	39.7
EBITDA (Operating income + Depreciation + Amortization of goodwill, etc.)	28.2	36.3	8.0
EBITDA margin	8.2%	11.3%	3.1p

(Unit: Billions of Yen)

Segment		2023 ^{*1}				
		1Q	2Q	3Q	4Q	Full-year
Semiconductor and Electronic Materials	Sales	69.4	84.0	88.3	96.4	338.1
	Operating Income	(10.4)	(2.7)	0.6	3.0	(9.4)
Mobility	Sales	51.8	52.1	55.4	56.7	216.1
	Operating Income	0.3	0.3	2.2	2.6	5.4
Innovation Enabling Materials	Sales	20.7	22.9	24.2	25.2	93.0
	Operating Income	1.2	1.7	2.6	2.3	7.9
Chemicals	Sales	127.1	127.8	129.8	131.6	516.3
	Operating Income	3.9	0.9	5.4	(2.5)	7.7
Others/ Adjustments	Sales	26.9	26.9	28.5	36.6	118.9
	Operating Income	(4.4)	(4.3)	(2.0)	(4.9)	(15.7)
Based on ongoing businesses ^{*2} Total	Sales	295.9	313.7	326.2	346.6	1,282.4
	Operating Income	(9.3)	(4.2)	8.9	0.5	(4.1)
Discontinued businesses	Sales	3.0	3.5	0.0	0.0	6.5
	Operating Income	0.1	0.2	(0.0)	(0.0)	0.4
Total	Sales	298.9	317.2	326.2	346.6	1,288.9
	Operating Income	(9.2)	(4.0)	8.9	0.5	(3.8)

*1 Change in segmentation applied retroactively (Aluminum Specialty Components business moved from Innovation Enabling Materials to Mobility)

*2 Unaudited figures for reference purposes. Excluding results of businesses divested during 2023-2024: Diagnostic medicine

Segment	Topics
Semiconductor and Electronic Materials	Resonac Increases Capacity to Produce Materials for AI Chips Resonac invests 15 billion yen in facilities to produce non-conductive film and thermal conductive sheet
	Resonac Participates Semiconductor Assembly Test Automation and Standardization Research Association (SATAS)
Innovation Enabling Materials	Resonac's Lithium-ion Battery Binder Adopted for Toyota's Hybrid Vehicles
Chemicals	Resonac Concludes MOU with Mitsui & Co. on CCS Joint Studies
	Resonac Starts a Demonstration Experiment of Recycling Marine Plastic Wastes with the City of Kawasaki
Others	Resonac Issues Zero Coupon Convertible Bonds Due 2028

News Release

Please refer to our news releases for details

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

Note

Performance forecast and other statements pertaining to the future as contained in this presentation are 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.