

Consolidated Financial Results

Third Quarter, 2024

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Resonac Holdings Corporation

November 12, 2024

RESONAC

1. 2024 1-3Q saw significant improvements both in sales and income compared to 2023 1-3Q, driven by the strong performance in the Semiconductor and Electronic Materials segment
2. 2024 full-year forecast revised upward, expects increased operating income compared to the previous announcement

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2. 2024 Performance Forecast

Summary (2023 1-3Q vs. 2024 1-3Q)

(Unit: Billions of Yen)

	2023 1-3Q	2024 1-3Q	Increase/ Decrease
Net sales	942.3	1,027.5	85.2
Operating income	(4.3)	58.9	63.2
Non-operating income and expenses, net	(2.8)	(12.4)	(9.5)
Ordinary income	(7.1)	46.5	53.6
Extraordinary profit/loss	14.8	17.1	2.3
Income before income taxes	7.7	63.6	56.0
Net Income	(5.1)	51.5	56.7
Net income attributable to owners of the parent	(6.4)	50.8	57.1
EBITDA* ²	77.5	142.4	64.9
EBITDA margin	8.2%	13.9%	5.6p

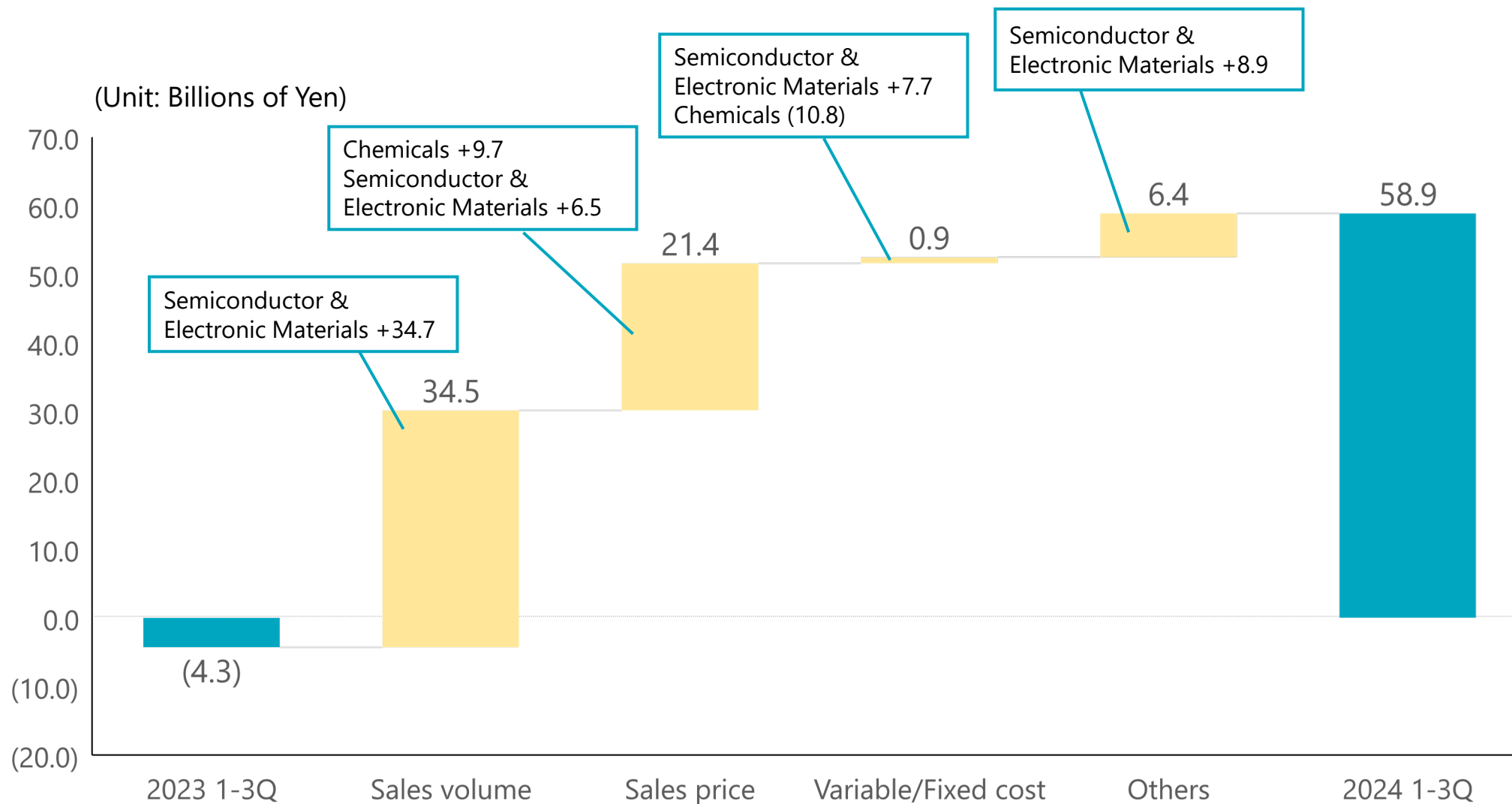
Reference Based on ongoing businesses*¹
(Unit: Billions of Yen)

	2023 1-3Q	2024 1-3Q	Increase/ Decrease
Net sales	935.8	1,027.5	91.7
Operating income	(4.7)	58.9	63.6
EBITDA	76.7	142.4	65.7
EBITDA margin	8.2%	13.9%	5.7p

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

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

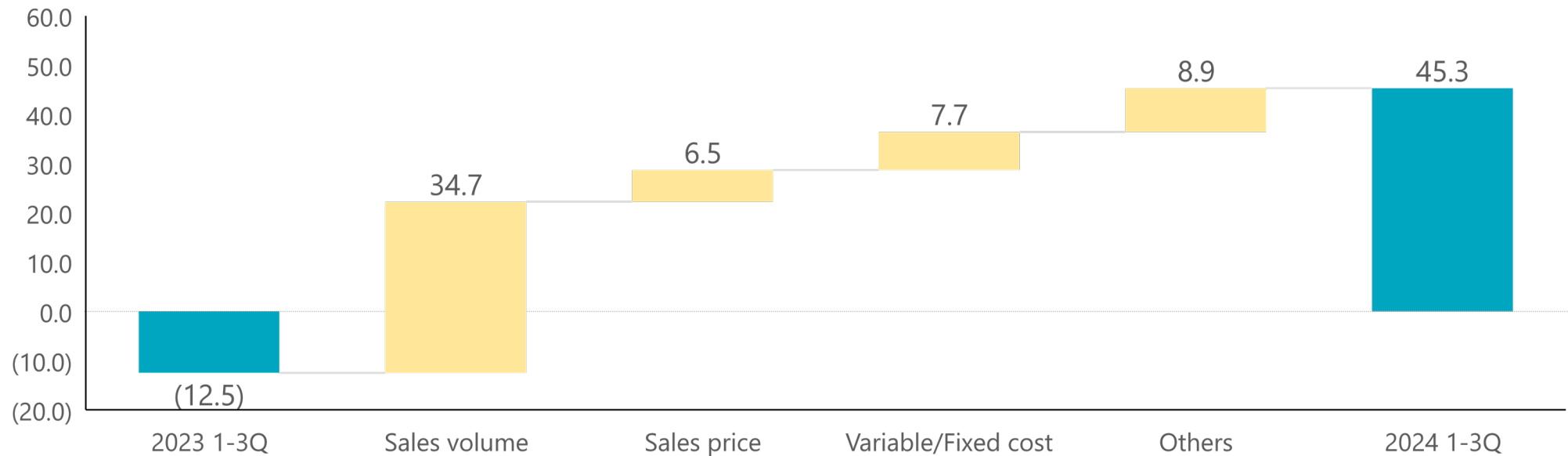
Breakdown of Operating Income Changes (2023 1-3Q vs. 2024 1-3Q)



Breakdown of Segment Operating Income Changes (2023 1-3Q vs. 2024 1-3Q)

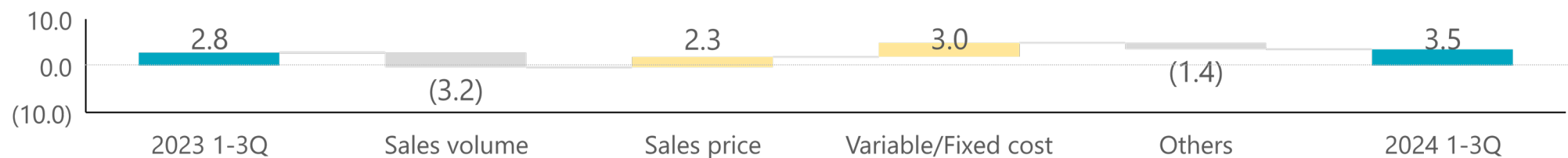
Semiconductor & Electronic Materials

(Unit: Billions of Yen)



Mobility*

(Unit: Billions of Yen)

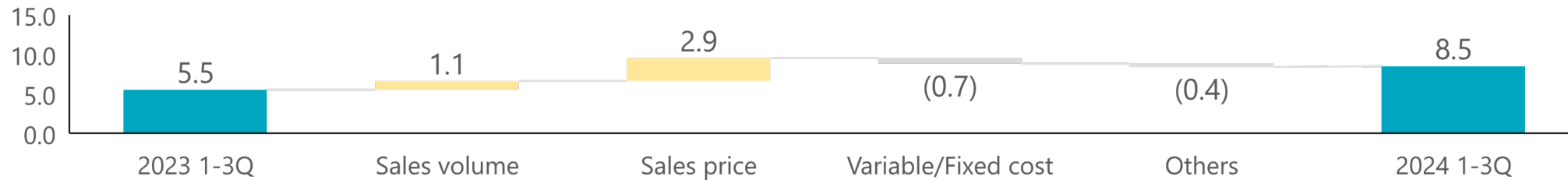


* Change in segmentation applied retroactively (Aluminum Specialty Components business moved from Innovation Enabling Materials to Mobility)

Breakdown of Segment Operating Income Changes (2023 1-3Q vs. 2024 1-3Q)

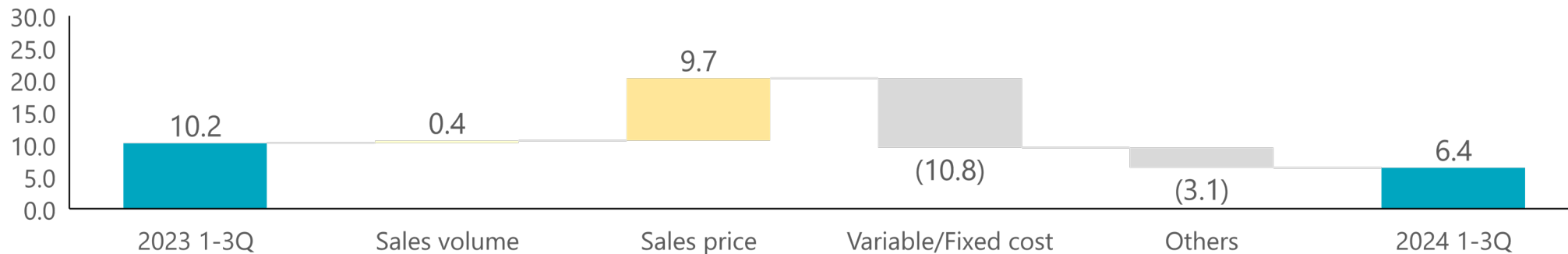
Innovation Enabling Materials*

(Unit: Billions of Yen)



Chemicals

(Unit: Billions of Yen)



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

Sales, Operating Income and EBITDA: Segment Breakdown (2023 1-3Q vs. 2024 1-3Q)

(Unit: Billions of Yen)

Segment		2023 1-3Q*	2024 1-3Q	Increase/ Decrease	
Semiconductor and Electronic Materials	Sales	241.7	328.5	86.8	36%
	Operating Income	(12.5)	45.3	57.8	-
	EBITDA	27.5	86.0	58.5	213%
Mobility	Sales	159.4	160.7	1.4	1%
	Operating Income	2.8	3.5	0.7	25%
	EBITDA	18.0	19.1	1.1	6%
Innovation Enabling Materials	Sales	67.7	71.8	4.1	6%
	Operating Income	5.5	8.5	2.9	53%
	EBITDA	10.6	13.5	2.9	28%
Chemicals	Sales	384.7	381.1	(3.7)	(1%)
	Operating Income	10.2	6.4	(3.8)	(37%)
	EBITDA	23.1	20.1	(3.0)	(13%)
Others/ Adjustments	Sales	88.8	85.5	(3.3)	(4%)
	Operating Income	(10.4)	(4.8)	5.6	-
	EBITDA	(1.8)	3.6	5.3	-
Total	Sales	942.3	1,027.5	85.2	9%
	Operating Income	(4.3)	58.9	63.2	-
	EBITDA	77.5	142.4	64.9	84%

* 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 1-3Q	2024 1-3Q	Increase/ Decrease		Performance Overview
Sales	241.7	328.5	86.8	36%	Both sales and operating income increased as sales volume increased, thanks to the gradual recovery in demand which began in 2023 - Front-end Semiconductor Materials, Back-end Semiconductor Materials: All major products saw increases in sales with larger sales volume as semiconductor market recovered
Front-end Semiconductor Materials	57.6	64.2	6.6	11%	
Back-end Semiconductor Materials	116.6	154.2	37.5	32%	
Device Solutions	43.1	79.5	36.4	84%	
Others	24.3	30.7	6.3	26%	
Operating Income	(12.5)	45.3	57.8	-	- 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
EBITDA	27.5	86.0	58.5	213%	
EBITDA margin	11.4%	26.2%	14.8p	-	

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 1-3Q*	2024 1-3Q	Increase/ Decrease		Performance Overview
Sales	159.4	160.7	1.4	1%	Sales largely unchanged; operating income increased - Automotive Products: Despite the recovery in automobile production and the launch of products for new models, sales decreased due to the negative impact on demand from the situation in Thailand
Automotive Products	137.8	132.1	(5.7)	(4%)	
Lithium-ion Battery Materials	22.0	24.8	2.8	13%	
Others	(0.4)	3.8	4.2	-	
Operating Income	2.8	3.5	0.7	25%	- Lithium-ion Battery Materials: Sales of aluminum laminate film (<i>SPALF</i>) decreased due to weak consumer demand; sales of anodes materials grew as shipment for EVs increased, while sales of carbon nanofiber additives for cathodes and anodes of LIBs remained unchanged
EBITDA	18.0	19.1	1.1	6%	
EBITDA margin	11.3%	11.9%	0.6p	-	

* 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 1-3Q*	2024 1-3Q	Increase/ Decrease		Performance Overview
Sales	67.7	71.8	4.1	6%	Both sales and operating income increased as sales price was raised to reflect the sharp increase of material costs and sales volume increased
Operating Income	5.5	8.5	2.9	53%	
EBITDA	10.6	13.5	2.9	28%	
EBITDA margin	15.6%	18.8%	3.2p	-	

* 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 1-3Q	2024 1-3Q	Increase/ Decrease		Performance Overview
Sales	384.7	381.1	(3.7)	(1%)	- Olefins & Derivatives: Sales increased due to higher naphtha prices, but operating income decreased as sales volume decreased due to the shutdown maintenance of petrochemical derivatives
Olefins & Derivatives	232.7	242.7	10.0	4%	
Basic Chemicals	63.7	63.6	(0.1)	(0%)	
Graphite Electrodes	87.0	74.6	(12.5)	(14%)	
Others	1.3	0.2	(1.1)	(86%)	
Operating Income	10.2	6.4	(3.8)	(37%)	- Basic Chemicals: Sales largely unchanged; operating income decreased as some products saw increased material price
EBITDA	23.1	20.1	(3.0)	(13%)	- Graphite Electrodes: Both sales volume and price decreased due to the weak market condition, leading to the decrease in operating income
EBITDA margin	6.0%	5.3%	(0.7p)	-	

Main Products

- Olefins & Derivatives: Olefins, Organic chemicals

Non-operating Income/Expenses

(Unit: Billions of Yen)

	2023 1-3Q	2024 1-3Q	Increase/ Decrease
Interest/Dividends income and expenses	(8.3)	(8.0)	0.3
Equity in earnings of affiliates	0.9	3.6	2.7
Foreign exchange gains/loss	7.1	(2.8)	(9.9)
Other	(2.5)	(5.1)	(2.6)
Net	(2.8)	(12.4)	(9.5)

Extraordinary Profit/Loss

(Unit: Billions of Yen)

	2023 1-3Q	2024 1-3Q	Increase/ Decrease
Gain on sale of noncurrent assets	1.6	25.7	24.1
Gain on sale of businesses	24.3	-	(24.3)
Business restructuring expenses	-	(4.7)	(4.7)
Impairment loss	(4.1)	(1.4)	2.7
Extra retirement payments	(6.5)	(0.3)	6.1
Other	(0.6)	(2.1)	(1.6)
Net	14.8	17.1	2.3

Consolidated Balance Sheet

(Unit: Billions of Yen)

Assets	Dec. 31, 2023	Sep. 30, 2024	Increase/Decrease	Liabilities and net assets	Dec. 31, 2023	Sep. 30, 2024	Increase/Decrease
Cash and deposits	190.3	243.0	52.6	Notes and accounts payable	177.4	169.8	(7.5)
Notes and accounts receivable	266.1	262.3	(3.8)	Interest-bearing debt	1,016.5	1,032.8	16.3
Inventories	225.2	231.0	5.8	Other liabilities	259.4	240.6	(18.8)
Other current assets	70.3	70.8	0.5	Total liabilities	1,453.3	1,443.3	(10.0)
Total current assets	751.9	807.1	55.2	Total shareholders' equity	416.0	418.6	2.6
Total tangible fixed assets	678.6	681.1	2.5	incl. Retained earnings	137.3	141.2	4.0
Total intangible fixed assets	470.6	435.7	(34.9)	Total accumulated other comprehensive income	136.9	172.5	35.7
incl. Goodwill	285.2	271.6	(13.6)	incl. Revaluation reserve for land	26.1	61.1	35.0
incl. Other intangible fixed assets	185.4	164.1	(21.3)	incl. Foreign currency translation adjustment	99.2	101.6	2.4
Investments and other assets	130.9	135.7	4.8	Non-controlling interests	25.8	25.2	(0.6)
Total fixed assets	1,280.0	1,252.5	(27.5)	Total net assets	578.7	616.4	37.7
Total assets	2,032.0	2,059.6	27.6	Total liabilities and net assets	2,032.0	2,059.6	27.6

Major Indicators

Adjusted net D/E ratio* ¹ (Times)	1.00	0.90	(0.10)	Equity ratio* ² (%)	27.2	28.7	1.5p
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*1 {(Loans payable + Commercial 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 and July 29, 2024

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

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1. 2024 1-3Q Consolidated Financial Statements
2. 2024 Performance Forecast

(Unit: Billions of Yen)

	2023 Results (A)	2024 Forecast (C)* ¹	Increase/ Decrease (C) – (A)	2024 Earlier Forecast (B)* ²	Increase/ Decrease (C) – (B)
Net sales	1,288.9	1,382.0	93.1	1,392.0	(10.0)
Operating income	(3.8)	77.5	81.3	61.0	16.5
Non-operating income and expenses, net	(11.0)	(16.0)	(5.0)	(10.0)	(6.0)
Ordinary income	(14.8)	61.5	76.3	51.0	10.5
Extraordinary profit/loss	(11.4)	(11.5)	(0.1)	(1.0)	(10.5)
Income before income taxes	(26.2)	50.0	76.2	50.0	0.0
Net Income	(18.0)	33.5	51.5	35.0	(1.5)
Net income attributable to owners of the parent	(19.0)	32.0	51.0	34.5	(2.5)
EBITDA* ³	105.7	188.3	82.6	171.3	17.0
EBITDA margin	8.2%	13.6%	5.4p	12.3%	1.3p
Net income attributable to owners of the parent per share	(¥104.65)	¥177.02	¥281.67	¥190.85	(¥13.83)
Cash dividends per share	¥65	¥65	-	¥65	-

*1 Released Nov. 12, 2024 *2 Released Aug. 8, 2024 *3 EBITDA=Operating income + Depreciation + Amortization of goodwill

2024 Sales and Operating Income: Segment Breakdown (Consolidated)

Segment		2024 Forecast ^{*1}				2023 Results ^{*2}		2024 Earlier Forecast ^{*3}	
		1Q Results	2Q Results	3Q Results	Full-year Forecast	Full-year Results	Increase/Decrease	Full-year Forecast	Increase/Decrease
Semiconductor and Electronic Materials	Sales	97.5	112.1	118.9	437.0	338.1	98.9	433.0	4.0
	Operating Income	6.3	15.3	23.7	61.5	(9.4)	70.9	50.0	11.5
	EBITDA margin	20.0%	26.0%	31.4%	26.6%	13.0%	13.6p	24.1%	2.5p
Mobility	Sales	52.6	55.5	52.7	212.0	216.1	(4.1)	205.0	7.0
	Operating Income	1.7	0.7	1.1	4.5	5.4	(0.9)	4.0	0.5
	EBITDA margin	12.9%	11.1%	11.8%	11.8%	11.9%	(0.0p)	11.7%	0.1p
Innovation Enabling Materials	Sales	22.3	24.7	24.8	97.0	93.0	4.0	100.0	(3.0)
	Operating Income	2.4	3.1	2.9	10.5	7.9	2.6	10.0	0.5
	EBITDA margin	18.3%	19.4%	18.7%	17.8%	15.7%	2.1p	16.6%	1.2p
Chemicals	Sales	116.8	128.6	135.6	516.0	516.3	(0.3)	535.0	(19.0)
	Operating Income	0.7	1.4	4.4	9.0	7.7	1.3	11.0	(2.0)
	EBITDA margin	4.4%	4.9%	6.5%	5.3%	4.9%	0.4p	5.5%	(0.2p)
Others/ Adjustments	Sales	32.2	26.2	27.0	120.0	125.4	(5.4)	119.0	1.0
	Operating Income	(2.2)	(1.4)	(1.2)	(8.0)	(15.3)	7.3	(14.0)	6.0
	EBITDA margin	2.4%	4.5%	5.9%	2.1%	(2.7%)	4.9p	(2.3%)	4.4p
Total	Sales	321.4	347.2	359.0	1,382.0	1,288.9	93.1	1,392.0	(10.0)
	Operating Income	8.9	19.0	30.9	77.5	(3.8)	81.3	61.0	16.5
	EBITDA margin	11.3%	13.7%	16.3%	13.6%	8.2%	5.4p	12.3%	1.3p

(Unit: Billions of Yen)

*1 Released Nov. 12, 2024 *2 Change in segmentation applied retroactively (Aluminum Specialty Components business moved from Innovation Enabling Materials to Mobility)

*3 Released Aug. 8, 2024

Appendix

Consolidated Companies

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

- +1: Related to the establishment of a new company for the partial spin-off of petrochemical business
- 1: Related to the liquidation of a foreign subsidiary
- 1: Related to the merger of a domestic subsidiary

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

Key Outside Factors

Items	2023		2024	
	1-3Q Results	Full-year Results	1-3Q Results	Full-year Forecast
Exchange Rates				
(¥/US\$)	138.1	140.6	151.3	149.7
	<i>On Sep. 30, 2023: 149.6</i>		<i>On Sep. 30 2024: 142.7</i>	
(¥/Euro)	149.6	152.0	164.4	163.4
Domestic Naphtha Price (¥/KL)	65,850	67,600	76,150	74,250

(Unit: Billions of Yen)

Segment	2023 1-3Q*	2024 1-3Q	Increase/ Decrease
Semiconductor and Electronic Materials	28.9	32.1	3.3
Mobility	7.7	8.3	0.6
Innovation Enabling Materials	3.0	3.7	0.7
Chemicals	13.3	14.3	1.0
Others	9.4	8.8	(0.7)
Total	62.3	67.2	4.9

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

(Unit: Billions of Yen)

Segment		2023 1-3Q*1	2024 1-3Q	Increase/ Decrease
Semiconductor and Electronic Materials	Depreciation (excl. PPA)	20.7	21.5	0.8
	PPA depreciation	9.3	9.3	-
	Goodwill amortization	9.9	9.9	(0.0)
Mobility	Depreciation (excl. PPA)	12.1	12.5	0.4
	PPA depreciation	1.6	1.6	-
	Goodwill amortization	1.6	1.6	-
Innovation Enabling Materials	Depreciation (excl. PPA)	3.7	3.7	(0.1)
	PPA depreciation	0.7	0.7	0.0
	Goodwill amortization	0.6	0.7	0.0
Chemicals	Depreciation (excl. PPA)	12.7	13.1	0.4
	PPA depreciation	0.2	0.4	0.1
	Goodwill amortization	0.0	0.2	0.2
Others	Depreciation (excl. PPA)	7.6	7.8	0.2
	PPA depreciation	0.1	0.1	-
	Goodwill amortization	0.5	0.5	0.0
Based on ongoing businesses*2 Total	Depreciation (excl. PPA)	56.8	58.5	1.7
	PPA depreciation	11.9	12.1	0.2
	Goodwill amortization	12.7	12.9	0.3
Discontinued businesses	Depreciation (excl. PPA)	0.4	-	(0.4)
	PPA depreciation	-	-	-
	Goodwill amortization	-	-	-
Total	Depreciation (excl. PPA)	57.2	58.5	1.3
	PPA depreciation	11.9	12.1	0.2
	Goodwill amortization	12.7	12.9	0.3

*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)

	2024 2Q	2024 3Q	Increase/ Decrease
Net sales	347.2	359.0	11.8
Operating income	19.0	30.9	11.9
Non-operating income and expenses, net	0.4	(14.9)	(15.3)
Ordinary income	19.5	16.0	(3.5)
Extraordinary profit/loss	(1.0)	(0.5)	0.5
Income before income taxes	18.4	15.5	(2.9)
Net Income	11.0	13.1	2.0
Net income attributable to owners of the parent	11.4	12.3	0.9
EBITDA (Operating income + Depreciation + Amortization of goodwill, etc.)	47.5	58.6	11.1
EBITDA margin	13.7%	16.3%	2.6p

Sales and Operating Income 2023: Segment Breakdown (Consolidated)

(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 Establishes New SiC Wafer Facility in Yamagata, Holds Groundbreaking Ceremony
	Resonac Develops Temporary Bonding Film and New Debonding Process for Advanced Semiconductor Packages Achieving Cleanliness and High Productivity through New Technology
Chemicals	Resonac Announces Group Organizational Restructuring for Partial Spin-Off of Petrochemical Business (Simplified Absorption-Type Company Split and In-Kind Dividend)
	Resonac Announces Price Increase on all new Graphite Electrode Orders
Others	Resonac Corporation Signs Contract to Transfer Shares of Minaris Regenerative Medicine Subsidiaries to Altaris

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.