

Consolidated Financial Statements

For the year ended December 31, 2024



I . Consolidated Financial Results

Feb. 13th, 2025

(¥ in millions, US\$ in thousands, except for

(1) Results of operations : net income attributable to owners of the parent per share)

	Results for the year ended December 31			
	2023	2024	Increase (Decrease)	2024
	¥	¥	%	\$
Net sales	1,288,869	1,389,277	7.8	8,782,887
Operating income	(3,764)	78,750	—	497,850
Ordinary income	(14,773)	69,692	—	440,586
Net income attributable to owners of the parent	(18,955)	55,422	—	350,371
Net income attributable to owners of the parent per share: Basic	(104.65)	306.59		1.94
Net income attributable to owners of the parent per share: Diluted	—	—		—
	%	%		
Net income on equity	(3.4)	9.4		
Ordinary income on total assets	(0.7)	3.4		
Operating income to net sales	(0.3)	5.7		

Notes

Important changes in accounting policies : not applicable

Comprehensive income :

Results for the year ended December 31,2024

¥94,900million

Results for the year ended December 31,2023

¥16,227million

(¥ in millions, US\$ in thousands,

(2) Financial position : except for total equity per share)

	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2024
	¥	¥	\$
Total assets	2,031,953	2,124,966	13,433,850
Total equity	578,668	658,395	4,162,317
Total equity per share	3,052.07	3,494.12	22.09
	%	%	%
Stockholders' equity ratio	27.2	29.7	29.7

(3) Cash flows :

(¥ in millions, US\$ in thousands)

	Results for the year ended December 31		
	2023	2024	2024
	¥	¥	\$
Cash flows from operating activities	118,686	165,254	1,044,721
Cash flows from investing activities	(61,869)	(51,601)	(326,218)
Cash flows from financing activities	(62,880)	(19,978)	(126,298)
Cash and cash equivalents at end of the year	189,915	295,432	1,867,695

Note: For the fiscal year ended December 2022, figures are based on retroactive accounting due to changes in accounting policies for the current fiscal year.

(4) Dividends :

	2023	2024	2025 forecast
End of Q1 dividends per share (¥)	—	—	—
End of Q2 dividends per share (¥)	0.00	0.00	0.00
End of Q3 dividends per share (¥)	—	—	—
End of Term dividends per share (¥)	65.00	65.00	65.00
Total of dividend per share above (¥)	65.00	65.00	65.00
Total dividends (¥ in millions)	11,788	11,787	
	%	%	%
Payout ratio (consolidated)	—	21.2	45.2
Net assets dividend yield (consolidated)	2.1	2.0	

II. Forecast of performance for the year ending December 31, 2025

(¥ in millions, percentages indicate year-on-year changes)

	Revenue		Core Operating profit		Operating profit		Net profit		Net profit attributable to owners of the parent		Basic earnings per share
		%		%		%		%		%	Yen
1st half	676,000	—	28,000	—	16,000	—	5,500	—	5,400	—	29.88
Fiscal year	1,422,000	—	98,000	—	49,000	—	27,000	—	26,000	—	143.87

Reference: Profit before taxes

First Half of FY2025: ¥10,000 million(—%), FY2025: ¥38,000 million(—%)

*The above forecast is based on the information available at this point of time.

Actual results may differ materially due to a variety of reasons, including such economic factors as fluctuations in foreign currency exchange rates as well as market supply and demand conditions.

Notes

Yen amounts have been translated into U.S.dollars for convenience only, at the rate of ¥158.18 to US\$1.00, the approximate rate of exchange as of December 31, 2024.

[Business Results and Financial Conditions]

1. Analysis of business results

(1) Summary

In the year ended December 31, 2024("2024"), there was a gradual recovery in the global economy. In particular, that of the semiconductor industry was relatively significant. Still, supply constraints persisted due to the prolonged rise in energy and raw material costs caused by the situation in Ukraine and the Middle East, and the impact of global monetary tightening continued. The Japanese economy also showed a moderate recovery overall, with improvements seen in consumer spending and corporate capital investment.

Consolidated sales for 2024 increased to 1,389,277 million yen from the previous fiscal year ended December 31, 2023("2023"). Sales in the Mobility and Chemical segments remained at the same level as 2023. Sales in the Semiconductor and Electronic Materials and Innovation Enabling Materials segments increased due to increased sales volume, resulting in an overall increase in sales.

Operating income for 2024 increased to 78,750 million yen from 2023. Operating income decreased in the Mobility segment, but the other three segments increased.

As for non-operating income and expenses, ordinary income was 69,692 million yen, due to an improvement in equity in earnings of affiliates compared to 2023. Extraordinary income included gains on the sale of fixed assets, such as the land and buildings of the former head office, and net income attributable to owners of parent for 2024 was 55,422 million yen.

(Unit: millions of yen)

	2023 Jan.-Dec.	2024 Jan.-Dec.	Increase/ decrease	Increase/ decrease rate
Sales	1,288,869	1,389,277	100,408	7.8%
Operating income	(3,764)	78,750	82,514	—
Ordinary income	(14,773)	69,692	84,465	—
Net income attributable to owners of the parent	(18,955)	55,422	74,377	—

(2) A breakdown of net sales and operating income by segment (January 1 - December 31, 2024)

[Semiconductor and Electronic Materials]

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

(Unit: millions of yen)

	2023 Jan.-Dec.	2024 Jan.-Dec.	Increase/ decrease	Increase/ decrease rate
Sales	338,126	445,136	107,010	31.6%
Operating income	(9,422)	62,927	72,349	—

[Mobility]

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

(Unit: millions of yen)

	2023 Jan.-Dec.	2024 Jan.-Dec.	Increase/ decrease	Increase/ decrease rate
Sales	216,072	213,671	(2,402)	(1.1)%
Operating income	5,391	4,890	(501)	(9.3)%

[Innovation Enabling Materials]

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

(Unit: millions of yen)

	2023 Jan.-Dec.	2024 Jan.-Dec.	Increase/ decrease	Increase/ decrease rate
Sales	92,971	97,231	4,260	4.6%
Operating income	7,850	10,684	2,834	36.1%

[Chemicals segment]

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

Overall, sales of the Chemicals segment was at the same level as 2023, while operating income increased.

(Unit: millions of yen)

	2023 Jan.-Dec.	2024 Jan.-Dec.	Increase/ decrease	Increase/ decrease rate
Sales	516,333	517,390	1,058	0.2%
Operating income	7,718	9,543	1,826	23.7%

(3) Projections for 2025

We expect the global economy to continue its gradual recovery in the next fiscal year, despite some uncertainties regarding to the risk of a stagnation due to global monetary tightening and rising inflation, as well as the impact of policy change in the United States.

Under these circumstances, our company will continue to aggressively invest in its core growth semiconductor and electronic materials businesses, driven by semiconductors demand, while continuing to reform its business portfolio and implement various measures.

The Group's performance forecast for 2025 is as follows.

(Unit: millions of yen)

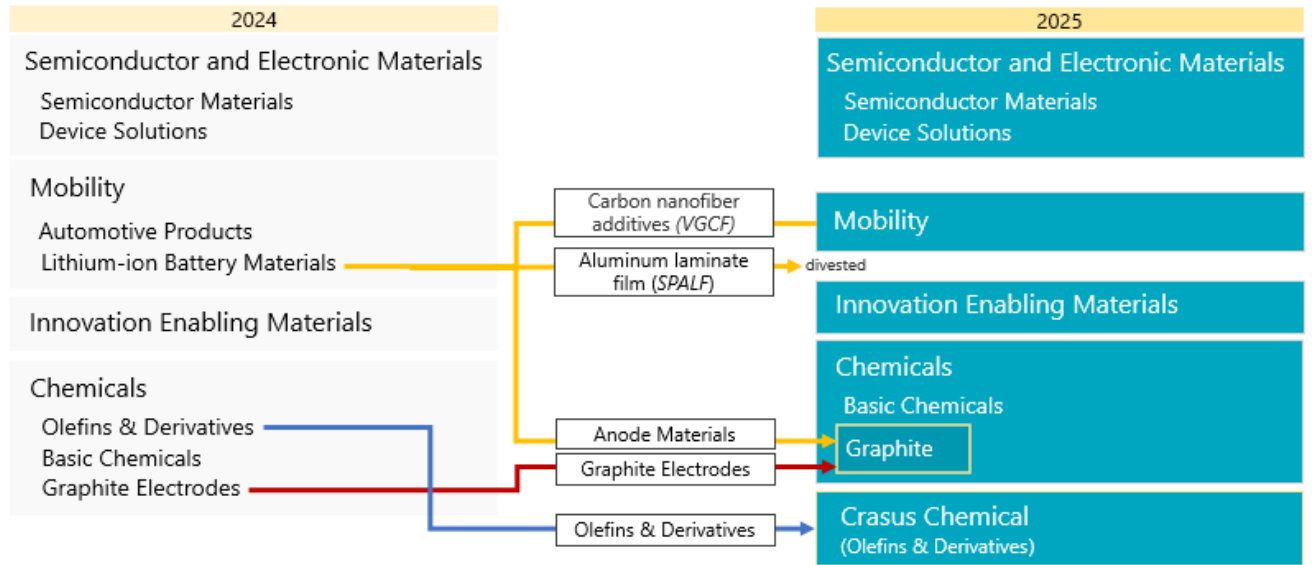
	2025 Jan.-Dec.
Sales Revenue	1,422,000
Core Operating Income	98,000
Operating Income	49,000
Income before Income Taxes	38,000
Net Income	27,000
Net income attributable to owners of the parent	26,000

Core operating income: calculated as operating income excluding certain gains and expenses attributable to non-recurring factors. Non-recurring items include Other operating income, Other operating expenses and Impairment loss (included in Cost of sales and Selling, general and administrative expenses)

(Unit: millions of yen)

Segments	2025 Jan.-Dec.	
	Sales Revenue	Core Operating Income
Semiconductor and Electronic Materials	499,000	99,000
Mobility	180,000	6,500
Innovation Enabling Materials	100,000	9,000
Chemicals	174,000	(5,000)
Crasus Chemical	358,000	10,500
Others, Adjustments	111,000	(22,000)
Total	1,422,000	98,000

Starting from the fiscal year ending December 2025, the segment classification will be changed as follows.



The above forecast is based on the information available as of February 13, 2025, and our assumptions as of the same date about risk factors that could affect our future performance. Actual results may differ materially due to a variety of reasons.

2. Financial conditions for the January 1 – December 31, 2024 period

(1) Situations of assets, liabilities, and net assets

Total assets at the end of 2024 increased from the end of 2023 due to an increase in cash and deposits. Total liabilities increased as interest-bearing debt increased. Net assets increased, due to an increase in foreign currency translation adjustments.

(Unit: millions of yen)

	Dec. 31, 2023	Dec. 31, 2024	Increase/ decrease
Total Assets	2,031,953	2,124,966	93,014
Total Liabilities	1,453,285	1,466,571	13,286
Net assets	578,668	658,395	79,728

(2) Situation of cash flows in 2024

Net cash provided by operating activities during 2024 increased from 2023 due to an increase in profit before income taxes. Net cash used in investing activities during 2024 decreased from 2023 due to an increase in income from the sale of fixed assets, despite a decrease in income from the sale of subsidiary shares resulting in a change in the scope of consolidation. As a result, free cash flow increased from 2023. Net cash used in financing activities during 2024 decreased from 2023.

Although there were expenditures for repayment of long-term loans and redemption of corporate bonds, etc., due to income from long-term loans and income from issuance of corporate bonds, etc., expenditures decreased by 42,902 million yen compared to 19,978 million yen.

As a result, cash and cash equivalents at the end of 2024 increased from the end of 2023, including the impact of currency fluctuations.

(Unit: millions of yen)

	2023	2024	increase/ decrease
Cash flows from operating activities	118,686	165,254	46,568
Cash flows from investing activities	(61,869)	(51,601)	10,268
Free cash flows	56,817	113,653	56,836
Cash flows from financing activities	(62,880)	(19,978)	42,902
Cash and cash equivalents at end of period	189,915	295,432	105,517

(3) Trends in cash flow indexes

	2021	2022	2023	2024
Equity ratio	24.0%	26.3%	27.2%	29.7%
Equity ratio on a market value basis	20.4%	17.5%	25.0%	34.1%
Debt maturity (years)	7.4	10.7	8.6	6.2
Interest coverage ratio (times)	11.5	6.4	9.7	13.6

[Notes]

Equity ratio: $\text{Equity} / \text{Total assets}$

Equity ratio on a market value basis: $\text{Total market value of listed shares} / \text{Total assets}$

Debt maturity (years): $\text{Interest-bearing debt} / \text{Cash flows from operating activities}$

Interest coverage ratio: $\text{Cash flows from operating activities} / \text{Interest payment}$

- Each index is calculated by relevant formulas with financial figures quoted from the consolidated financial statements.
- Equity is calculated by deducting non-controlling interests from total net assets.
- Total market value of listed shares is calculated by multiplying the closing share price at the year-end by the number of shares issued, after deducting treasury stock.
- As to the cash flows, the amount of “cash flows from operating activities” in the consolidated cash flow statement is used.
- “Interest-bearing debt” refers to loans payable, commercial paper, bonds and lease liabilities as listed among liabilities on the consolidated balance sheet.
- As to the interest payment, the amount of “interest expense” in the consolidated cash flow statement is used.

3. Management policy

(1) Medium- to long-term business strategy

In January 2023, the former Showa Denko K.K. and the former Hitachi Chemical Co., Ltd. (the former Showa Denko Materials Co., Ltd.) integrated to make a new start as Resonac Group.

“Corporate Philosophy of Resonac”

The Group’s corporate philosophy is the Purpose “Change society through the power of chemistry,” and the four Values which we should consider important, “Passionate & Results-Driven,” “Agile & Flexible,” “Open Minds Open Connections,” and “Solid Vision & Solid Integrity.”

To change society through the power of chemistry based on the Group’s purpose, we are strengthening our business execution system in accordance with the belief that we must position the concept of sustainability as an essential component of management. As part of these efforts, we have established Sustainability Vision 2030 and identified key sustainability issues for implementing the main strategies of our long-term vision, and we are working to ensure that these issues are disseminated throughout the Group. We will work together as a group to engage in business activities, strengthen human resource development, promote transparency in personnel evaluation, and thoroughly implement meritocracy.

“Ideal states of Resonac”



Co-creative Chemical Company

Our foundation remains our wide range of cutting-edge functional materials technologies, which encompass areas spanning from midstream to downstream sectors. We will leverage this solid base to ascertain the roots of today’s challenges and take the initiative in finding new solutions. To achieve this objective, we will think beyond the conventional boundaries of our individual business activities. We are committed to co-creating a better society together with stakeholders who share our ideals, ranging from consumers to industry leaders, and to accumulating the strength expected of a global company as well as acting and making decisions in an agile and flexible manner. As a “Co-creative Chemical Company,” Resonac will “Change society through the power of chemistry.”

Global top-level functional chemical company

We aim to become one of the global top-level functional chemical companies. We are committed to become a "Company that can compete on the world stage" with both qualitative and numerical aspects, a "Company that contributes to a sustainable global society" with innovation and business development capabilities, and a "Company that develops co-creative talent that represents Japan’s manufacturing industry " that will attract attention from various stakeholders.

(2) Target management indexes

	2024 actual results	targets
Net sales (¥ trillion)	1.29	Over 1.0
EBITDA margin (%)	8.2%	20%
ROIC (%)	0.5%	10% in medium- to long-term
Net Debt/Equity Ratio (times)	1.0	Aim to achieve 1.0

We will aim to be in the top 25% of the ranking of total shareholders' return (TSR) in the chemical industry in medium- to long term.

4. Our view on selection of accounting standard

Our Group intends to execute its consolidated financial statements in accordance with Japanese standards for the moment, after careful consideration to comparability among consolidated financial statements of different terms or different companies. As for application of International Financial Reporting Standards (IFRS), we will continue carefully observing circumstances in and outside Japan and deal with the standards appropriate.

Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2024
	¥	¥	\$
Assets			
Current assets			
Cash and deposits	190,318	295,757	1,869,748
Notes and accounts receivable-trade	266,122	280,995	1,776,424
Merchandise and finished goods	115,123	110,559	698,942
Work in process	23,687	23,329	147,482
Raw materials and supplies	86,383	90,916	574,766
Other	72,019	74,034	468,034
Allowance for doubtful accounts	(1,731)	(2,148)	(13,579)
Total current assets	751,922	873,441	5,521,817
Noncurrent assets			
Property, plant and equipment			
Buildings and structures, net	154,659	150,562	951,840
Machinery, equipment and vehicles, net	218,346	217,963	1,377,943
Tools, furniture and fixtures, net	25,021	25,557	161,571
Land	230,806	213,523	1,349,873
Leased assets	12,403	15,211	96,161
Construction in progress	37,351	60,335	381,432
Total property, plant and equipment	678,586	683,151	4,318,819
Intangible assets			
Goodwill	285,199	267,860	1,693,388
Customer related assets	128,908	121,145	765,866
Other	56,482	38,831	245,487
Total intangible assets	470,589	427,836	2,704,741
Investments and other assets			
Investment securities	72,503	71,628	452,826
Net defined benefit asset	28,038	38,554	243,734
Deferred tax assets	14,965	15,695	99,224
Other	16,513	16,127	101,952
Allowance for doubtful accounts	(1,163)	(1,465)	(9,264)
Total investments and other assets	130,856	140,539	888,472
Total noncurrent assets	1,280,031	1,251,525	7,912,033
Total assets	2,031,953	2,124,966	13,433,850

(¥ in millions, US\$ in thousands)

	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2024
	¥	¥	\$
Liabilities			
Current liabilities			
Notes and accounts payable-trade	177,375	177,082	1,119,494
Short-term loans payable	52,489	55,291	349,543
Current portion of long-term loans payable	23,552	23,645	149,482
Commercial papers	10,000	-	-
Current portion of bonds	40,000	60,000	379,315
Provision for repairs	794	53	335
Provision for bonuses	10,593	13,678	86,473
Provision for bonuses for directors	109	148	936
Provision for stock payment	81	7	44
Provision for business structure improvement	621	3,281	20,742
Other	146,267	153,237	968,752
Total current liabilities	461,881	486,422	3,075,116
Noncurrent liabilities			
Bonds payable	250,000	315,000	1,991,402
Long-term loans payable	625,840	549,895	3,476,388
Deferred tax liabilities	36,321	37,050	234,227
Deferred tax liabilities for land revaluation	28,448	25,594	161,802
Provision for repairs	2,430	3,982	25,174
Provision for stock payment	353	697	4,406
Provision for business structure improvement	577	276	1,745
Net defined benefit liability	9,961	10,087	63,767
Other	37,474	37,569	237,507
Total noncurrent liabilities	991,404	980,149	6,196,417
Total liabilities	1,453,285	1,466,571	9,271,533
Net assets			
Shareholders' equity			
Capital stock	182,146	182,146	1,151,511
Capital surplus	108,140	108,378	685,158
Retained earnings	137,269	152,332	963,029
Treasury stock	(11,593)	(13,172)	(83,273)
Total shareholders' equity	415,963	429,684	2,716,425
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	194	108	683
Deferred gains or losses on hedges	1,196	(224)	(1,414)
Revaluation reserve for land	26,113	54,686	345,719
Foreign currency translation adjustment	99,217	132,088	835,048
Remeasurements of defined benefit plans	10,154	15,132	95,666
Total accumulated other comprehensive income	136,875	201,791	1,275,702
Non-controlling interests	25,830	26,921	170,190
Total net assets	578,668	658,395	4,162,317
Total liabilities and net assets	2,031,953	2,124,966	13,433,850

Consolidated Statements of Income

(¥ in millions, US\$ in thousands)

	Results for the year ended Dec.31 2023 and 2024		
	2023	2024	2024
	¥	¥	\$
Net sales	1,288,869	1,389,277	8,782,887
Cost of sales	1,042,252	1,055,295	6,671,481
Gross profit	246,617	333,982	2,111,406
Selling, general and administrative expenses	250,380	255,232	1,613,556
Operating income (loss)	(3,764)	78,750	497,850
Non-operating income			
Interest income	1,840	2,223	14,054
Dividends income	400	517	3,270
Equity in earnings of affiliates	3,589	4,548	28,755
Foreign exchange gains	1,967	1,696	10,720
Miscellaneous income	6,457	5,879	37,167
Total non-operating income	14,253	14,864	93,967
Non-operating expenses			
Interest expenses	13,370	13,555	85,691
Financing expenses	438	2,550	16,123
Miscellaneous expenses	11,455	7,817	49,416
Total non-operating expenses	25,263	23,922	151,230
Ordinary income (loss)	(14,773)	69,692	440,586
Extraordinary income			
Gain on sales of noncurrent assets	3,720	28,444	179,822
Other	30,615	3,576	22,606
Total extraordinary income	34,335	32,020	202,428
Extraordinary loss			
Loss on sales and retirement of noncurrent assets	5,889	4,400	27,818
Impairment loss	26,183	24,480	154,760
Provision for business structure improvement	20	3,516	22,228
Other	13,654	2,672	16,889
Total extraordinary losses	45,746	35,068	221,695
Profit (loss) before income taxes	(26,184)	66,644	421,320
Income taxes	(8,159)	9,876	62,436
Net income (loss)	(18,026)	56,768	358,884
Net income attributable to non-controlling interests	929	1,347	8,513
Net income (loss) attributable to owners of the parent	(18,955)	55,422	350,371

Consolidated Statements of Comprehensive Income

(¥ in millions, US\$ in thousands)

	Results for the year ended Dec.31 2023 and 2024		
	2023	2024	2024
	¥	¥	\$
Net income (loss)	(18,026)	56,768	358,884
Other comprehensive income:			
Valuation difference on available-for-sale securities	(255)	(5)	(35)
Deferred gains or losses on hedges	(265)	(1,419)	(8,974)
Remeasurements of defined benefit plans, net of tax	27,695	33,356	210,873
Share of other comprehensive income of entities accounted for using equity method	6,190 887	4,978 1,223	31,471 7,731
Total other comprehensive income	34,252	38,132	241,066
Comprehensive income	16,227	94,900	599,950
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of the parent	14,003	91,765	580,129
Comprehensive income attributable to non-controlling interests	2,223	3,135	19,821

Consolidated Statements of Changes in Net Assets

For the year ended December 31, 2023

For the year ended December
31, 2023

(¥ in millions)

	Shareholders' equity					Total accumulated other comprehensive income						Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total valuation and translation adjustments		
Restated balance at December 31, 2022	182,146	108,140	165,902	(11,612)	444,576	355	1,461	27,915	72,008	3,980	105,719	24,423	574,718
Changes of items during the period													
Dividends from surplus			(11,788)		(11,788)								(11,788)
Net loss attributable to owners of parent			(18,955)		(18,955)								(18,955)
Purchase of treasury stock				(4)	(4)								(4)
Disposal of treasury stock		(0)		23	23								23
Increase by decrease of consolidated subsidiaries			309		309								309
Change in treasury shares of parent arising from transactions with non-controlling shareholders					-								-
Reversal of revaluation reserve for land			1,801		1,801								1,801
Net changes of items other than shareholders' equity						(160)	(265)	(1,802)	27,209	6,174	31,156	1,406	32,563
Total changes of items during the period		(0)	(28,632)	19	(28,613)	(160)	(265)	(1,802)	27,209	6,174	31,156	1,406	3,949
Balance at December 31, 2023	182,146	108,140	137,269	(11,593)	415,963	194	1,196	26,113	99,217	10,154	136,875	25,830	578,668

For the year ended December 31, 2024

For the year ended December
31, 2024

(¥ in millions)

	Shareholders' equity					Total accumulated other comprehensive income						Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total valuation and translation adjustments		
Restated balance at December 31, 2023	182,146	108,140	137,269	(11,593)	415,963	194	1,196	26,113	99,217	10,154	136,875	25,830	578,668
Changes of items during the period													
Dividends from surplus			(11,787)		(11,787)								(11,787)
Net profit attributable to owners of parent			55,422		55,422								55,422
Purchase of treasury stock				(1,883)	(1,883)								(1,883)
Disposal of treasury stock		0		304	304								304
Increase by decrease of consolidated subsidiaries					-								-
Change in treasury shares of parent arising from transactions with non-controlling shareholders		238			238								238
Reversal of revaluation reserve for land			(28,572)		(28,572)								(28,572)
Net changes of items other than shareholders' equity						(86)	(1,419)	28,572	32,871	4,978	64,916	1,091	66,006
Total changes of items during the period		238	15,063	(1,579)	13,722	(86)	(1,419)	28,572	32,871	4,978	64,916	1,091	79,729
Balance at December 31, 2024	182,146	108,378	152,332	(13,172)	429,684	108	(224)	54,686	132,088	15,132	201,791	26,921	658,395

For the year ended December 31, 2024

For the year ended December 31, 2024

(US\$ in thousands)

	Shareholders' equity					Total accumulated other comprehensive income						Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total valuation and translation adjustments		
Restated balance at December 31, 2023	1,151,512	683,652	867,805	(73,289)	2,629,680	1,229	7,560	165,087	627,241	64,196	865,312	163,293	3,658,285
Changes of items during the period													
Dividends from surplus			(74,516)		(74,516)								(74,516)
Net profit attributable to owners of parent			350,371		350,371								350,371
Purchase of treasury stock				(11,905)	(11,905)								(11,905)
Disposal of treasury stock		0		1,924	1,924								1,924
Increase by decrease of consolidated subsidiaries					-								-
Change in treasury shares of parent arising from transactions with non-controlling shareholders		1,506			1,506								1,506
Reversal of revaluation reserve for land			(180,630)		(180,630)								(180,630)
Net changes of items other than shareholders' equity						(546)	(8,974)	180,632	207,808	31,470	410,390	6,897	417,287
Total changes of items during the period		1,506	95,224	(9,981)	86,749	(546)	(8,974)	180,632	207,808	31,470	410,390	6,897	504,037
Balance at December 31, 2024	1,151,511	685,158	963,029	(83,273)	2,716,425	683	(1,414)	345,719	835,048	95,666	1,275,702	170,190	4,162,317

Consolidated Statements of Cash Flows

(¥ in millions, US\$ in thousands)

	Results for the year (Jan. 1-Dec. 31)		
	2023	2024	2024
	¥	¥	\$
Net cash provided by (used in) operating activities			
Income (loss) before income taxes and minority interests	(26,184)	66,644	421,320
Depreciation and amortization	92,516	94,774	599,150
Impairment loss	26,183	24,480	154,760
Amortization of goodwill	16,953	17,198	108,724
Increase (decrease) in net defined benefit liability	(10,292)	(10,601)	(67,019)
Interest and dividends income	(2,240)	(2,740)	(17,324)
Interest expenses	13,370	13,555	85,691
Equity in (earnings) losses of affiliates	(3,589)	(4,548)	(28,755)
Loss (gain) on sales and valuation of investment securities	462	(74)	(470)
Loss on retirement of noncurrent assets	5,803	4,297	27,165
Loss (gain) on sales of noncurrent assets	(3,634)	(28,341)	(179,169)
Decrease (increase) in notes and accounts receivable-trade	1,131	(5,812)	(36,744)
Decrease (increase) in inventories	28,081	7,660	48,425
Increase (decrease) in notes and accounts payable-trade	(16,570)	(3,361)	(21,246)
Other, net	9,440	2,329	14,725
Subtotal	131,429	175,458	1,109,231
Interest and dividends income received	7,064	9,184	58,060
Interest expenses paid	(12,233)	(12,144)	(76,770)
Income taxes paid	(7,574)	(7,245)	(45,800)
Net cash provided by (used in) operating activities	118,686	165,254	1,044,721

(¥ in millions, US\$ in thousands)

	Results for the year (Jan. 1-Dec. 31)		
	2023	2024	2024
	¥	¥	\$
Net cash provided by (used in) investing activities			
Payments into time deposits	(1,146)	(1,107)	(6,998)
Proceeds from withdrawal of time deposits	1,096	1,212	7,664
Purchase of property, plant and equipment	(87,105)	(86,403)	(546,232)
Proceeds from sales of property, plant and equipment	6,169	33,608	212,469
Purchase of investment securities	(38)	(76)	(478)
Proceeds from sales of investment securities	3,283	459	2,904
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,552)	-	-
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	31,692	-	-
Net decrease (increase) in short-term loans receivable	(12)	(559)	(3,534)
Payments of long-term loans receivable	(892)	(1,551)	(9,808)
Collection of long-term loans receivable	910	1,089	6,883
Other, net	(11,274)	1,726	10,912
Net cash provided by (used in) investing activities	(61,869)	(51,601)	(326,218)
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	(20,138)	2,573	16,267
Net increase (decrease) in commercial papers	10,000	(10,000)	(63,219)
Proceeds from long-term loans payable	65,300	172,436	1,090,125
Repayment of long-term loans payable	(131,665)	(250,708)	(1,584,952)
Proceeds from issuance of bonds	29,843	124,791	788,918
Redemption of bonds	-	(40,000)	(252,876)
Purchase of treasury shares	(4)	(1,883)	(11,904)
Proceeds from sale of treasury shares	0	23	145
Cash dividends paid	(11,794)	(11,760)	(74,348)
Cash dividends paid to non controlling shareholders	(1,263)	(1,220)	(7,713)
Purchase of investments in subsidiaries without change in scope of consolidation	-	(538)	(3,401)
Other, net	(3,160)	(3,692)	(23,338)
Net cash provided by (used in) financing activities	(62,880)	(19,978)	(126,298)
Effect of exchange rate change on cash and cash equivalents	9,922	11,842	74,867
Net increase (decrease) in cash and cash equivalents	3,859	105,517	667,072
Cash and cash equivalents at beginning of period	186,056	189,915	1,200,623
Cash and cash equivalents at end of period	189,915	295,432	1,867,695

(Reference)

SEGMENT INFORMATION

(a) The operations of the Companies for the year ended December 31, 2023 and 2024 were summarized by business segment as follows :

Year ended December 31, 2023	Millions of yen						
	Semiconductor and Electronic Materials	Mobility	Innovation Enabling Materials	Chemicals	Others	Elimination	Consolidated
Sales							
Outside customers	¥ 338,126	¥ 216,072	¥ 92,971	¥ 516,333	¥ 125,367	¥ -	¥ 1,288,869
Inter-segment ...	3,406	5,199	11,612	12,797	4,133	(37,147)	-
Total	341,532	221,271	104,583	529,130	129,500	(37,147)	1,288,869
Operating income (loss)	¥ (9,422)	¥ 5,391	¥ 7,850	¥ 7,718	¥ (2,276)	¥ (13,025)	¥ (3,764)

Year ended December 31, 2024	Millions of yen						
	Semiconductor and Electronic Materials	Mobility	Innovation Enabling Materials	Chemicals	Others	Elimination	Consolidated
Sales							
Outside customers	¥ 445,136	¥ 213,671	¥ 97,231	¥ 517,390	¥ 115,849	¥ -	¥ 1,389,277
Inter-segment ...	4,970	1,935	12,547	12,902	6,582	(38,936)	-
Total	450,106	215,605	109,778	530,292	122,431	(38,936)	1,389,277
Operating income (loss)	¥ 62,927	¥ 4,890	¥ 10,684	¥ 9,543	¥ (711)	¥ (8,584)	¥ 78,750

Year ended December 31, 2024	Thousands of U.S. dollars						
	Semiconductor and Electronic Materials	Mobility	Innovation Enabling Materials	Chemicals	Others	Elimination	Consolidated
Sales							
Outside customers	\$ 2,814,112	\$ 1,350,807	\$ 614,683	\$ 3,270,896	\$ 732,388	\$ -	\$ 8,782,887
Inter-segment ...	31,420	12,230	79,324	81,564	41,609	(246,147)	-
Total	2,845,532	1,363,037	694,007	3,352,460	773,997	(246,147)	8,782,887
Operating income (loss)	\$ 397,820	\$ 30,914	\$ 67,546	\$ 60,333	\$ (4,493)	\$ (54,270)	\$ 497,850

(b) The operations of the Companies for the year ended December 31, 2023 and 2024 were summarized by geographic area as follows :

Year ended December 31, 2023	Millions of yen				
	Japan	China	Asia (exc. China)	Others	Total
Sales	¥ 607,079	¥ 174,207	¥ 266,417	¥ 241,166	¥ 1,288,869
	Japan	Asia	Others	Total	
Tangible fixed assets	¥ 443,080	¥ 138,662	¥ 96,845	¥ 678,586	

Year ended December 31, 2024	Millions of yen				
	Japan	China	Asia (exc. China)	Others	Total
Sales	¥ 613,571	¥ 209,310	¥ 331,760	¥ 234,636	¥ 1,389,277
	Japan	Asia	Others	Total	
Tangible fixed assets	¥ 451,792	¥ 123,533	¥ 107,826	¥ 683,151	

Year ended December 31, 2024	Thousands of U.S. dollars				
	Japan	China	Asia (exc. China)	Others	Total
Sales	\$ 3,878,939	\$ 1,323,240	\$ 2,097,358	\$ 1,483,348	\$ 8,782,887
	Japan	Asia	Others	Total	
Tangible fixed assets	\$ 2,856,187	\$ 780,964	\$ 681,668	\$ 4,318,819	

(c) The impairment loss and the (negative) goodwill of the Companies for the year ended December 31, 2023 and 2024 were summarized by business segment as follows :

Year ended December 31, 2023	Millions of yen						
	Semiconductor and Electronic Materials	Mobility	Innovation Enabling Materials	Chemicals	Others	Elimination	Consolidated
Impairment loss	¥ 14,280	¥ 36	¥ 362	¥ 968	¥ 10,538	¥ -	¥ 26,183
Goodwill Amortization	13,294	2,135	1,040	79	624	-	17,171
Unamortized balance	218,636	35,220	15,547	6,189	10,289	-	285,881
Negative goodwill Amortization	33	-	184	-	2	-	218
Unamortized balance	¥ 130	¥ -	¥ 551	¥ -	¥ 1	¥ -	¥ 682

Year ended December 31, 2024	Millions of yen						
	Semiconductor and Electronic Materials	Mobility	Innovation Enabling Materials	Chemicals	Others	Elimination	Consolidated
Impairment loss	¥ 1,494	¥ 1,165	¥ -	¥ 21,820	¥ -	¥ -	¥ 24,480
Goodwill Amortization	13,271	2,135	1,071	315	624	-	17,415
Unamortized balance	205,365	33,085	14,618	5,592	9,665	-	268,325
Negative goodwill Amortization	33	-	184	-	1	-	217
Unamortized balance	¥ 98	¥ -	¥ 367	¥ -	¥ -	¥ -	¥ 465

Year ended December 31, 2024	Thousands of U.S. dollars						
	Semiconductor and Electronic Materials	Mobility	Innovation Enabling Materials	Chemicals	Others	Elimination	Consolidated
Impairment loss	\$ 9,447	\$ 7,367	\$ -	\$ 137,946	\$ -	\$ -	\$ 154,760
Goodwill Amortization	83,901	13,494	6,768	1,990	3,942	-	110,096
Unamortized balance	1,298,299	209,161	92,411	35,351	61,103	-	1,696,325
Negative goodwill Amortization	206	-	1,161	-	5	-	1,372
Unamortized balance	\$ 617	\$ -	\$ 2,322	\$ -	\$ -	\$ -	\$ 2,939

2024 Consolidated Financial Results (Summary)

I. Results for 2024 (Japanese GAAP)

1. Summary

(Unit: billions of yen)

Items	2023 Jan.1 - Dec.31	2024 Jan.1 - Dec.31	Increase/ decrease
Net Sales	1,288.9	1,389.3	100.4
Operating Income	(3.8)	78.7	82.5
Net Income Attributable to Owners of the Parent	(19.0)	55.4	74.4
Net Income Attributable to Owners of the Parent per Share	(¥104.65)	¥306.59	¥411.24
Net Assets per Share	¥3,052.07	¥3,494.12	¥442.05
Annual Dividend per Share	¥65.00	¥65.00 (planned)	-

2. Net sales and Operating income by Segment (Year to year comparison)

(Unit: billions of yen)

Segment		2023 Jan.1 - Dec.31	2024 Jan.1 - Dec.31	Increase/ decrease
Semiconductor and Electronic Materials	Net Sales	338.1	445.1	107.0
	Op. Income	(9.4)	62.9	72.3
Mobility	Net Sales	216.1	213.7	(2.4)
	Op. Income	5.4	4.9	(0.5)
Innovation Enabling Materials	Net Sales	93.0	97.2	4.3
	Op. Income	7.9	10.7	2.8
Chemicals	Net Sales	516.3	517.4	1.1
	Op. Income	7.7	9.5	1.8
Others, Adjustments	Net Sales	125.4	115.8	(9.5)
	Op. Income	(15.3)	(9.3)	6.0
Total	Net Sales	1,288.9	1,389.3	100.4
	Op. Income	(3.8)	78.7	82.5

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

3. Net sales and Operating income by Segment (Quarterly transition)

(Unit: billions of yen)

Segment		2024 Jan.1 - Mar.31	2024 Apr.1 - Jun.30	2024 Jul.1 - Sep.30	2024 Oct.1 - Dec.31
Semiconductor and Electronic Materials	Net Sales	97.5	112.1	118.9	116.6
	Op. Income	6.3	15.3	23.7	17.6
Mobility	Net Sales	52.6	55.5	52.7	53.0
	Op. Income	1.7	0.7	1.1	1.4
Innovation Enabling Materials	Net Sales	22.3	24.7	24.8	25.4
	Op. Income	2.4	3.1	2.9	2.2
Chemicals	Net Sales	116.8	128.6	135.6	136.3
	Op. Income	0.7	1.4	4.4	3.1
Others, Adjustments	Net Sales	32.2	26.2	27.0	30.3
	Op. Income	(2.2)	(1.4)	(1.2)	(4.5)
Total	Net Sales	321.4	347.2	359.0	361.7
	Op. Income	8.9	19.0	30.9	19.9

II. Forecast for 2025 (IFRS)

1. Summary

(Unit: billions of yen)

Items	2025 Forecast
Sales Revenue	1,422.0
Core Operating Income	98.0
Operating Income	49.0
Net Income	38.0
Income before Income Taxes	27.0
Net Income Attributable to Owners of the Parent	26.0
Net Income Attributable to Owners of the Parent per Share	¥141.10
Annual Dividend per Share	¥65.00

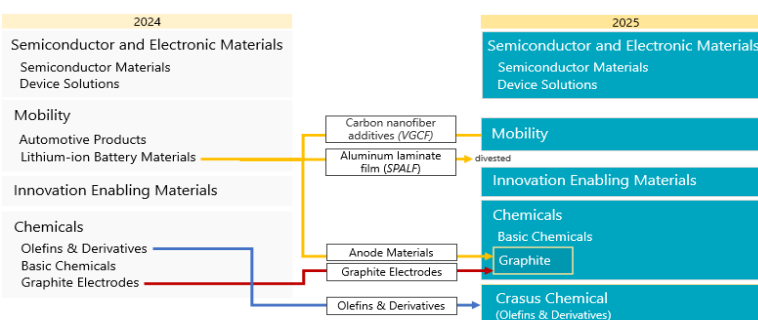
The Group will voluntarily adopt the International Financial Reporting Standards (IFRS) from the consolidated financial statements in the securities report for the fiscal year ending December 2024. Therefore, the consolidated performance forecast for the fiscal year ending December 2025 is based on IFRS. There is no variance analysis with the actual figures for the fiscal year ending December 2024, when Japanese GAAP was applied.

2. Sales Revenues and Core Operating Income by Segment

(Unit: billions of yen)

Segment		2025 Forecast
Semiconductor and Electronic Materials	Sales Revenue	499.0
	Core Op. Income	99.0
Mobility	Sales Revenue	180.0
	Core Op. Income	6.5
Innovation Enabling Materials	Sales Revenue	100.0
	Core Op. Income	9.0
Chemicals	Sales Revenue	174.0
	Core Op. Income	(5.0)
Crasus Chemical	Sales Revenue	358.0
	Core Op. Income	10.5
Others, Adjustments	Sales Revenue	111.0
	Core Op. Income	(22.0)
Total	Sales Revenue	1,422.0
	Core Op. Income	98.0

Starting from the fiscal year ending December 2025, the segment classification will be changed as follows.



III. Cash flow

(Unit: billions of yen)

Items	2023	2024	Increase/ decrease	2025 Forecast
Operating Activities	118.7	165.3	46.6	130.0
Investing Activities	(61.9)	(51.6)	10.3	(130.0)
Free Cash Flow	56.8	113.7	56.8	0.0
Financing Activities	(62.9)	(20.0)	42.9	(10.0)
Others	9.9	11.8	1.9	—
Net increase in Cash	3.9	105.5	101.7	—

IV. Reference

(Unit: billions of yen, except for exchange rate, and domestic naphtha price)

Items	2023	2024	Increase/ decrease	2025 Forecast
Capital expenditures	96.6	98.4	1.8	131.4
Depreciation and amortization	92.5	94.8	2.3	95.8
R&D expenditures	42.7	44.8	2.1	47.8
Gap between interest expense and interest & dividend income	(11.1)	(10.8)	0.3	(15.1)
Exchange rate (yen/US\$)	140.6	151.6	Yen depreciated by 11.0	150.0
Domestic naphtha price (yen/kl)	67,600	75,400	7,800	78,000
Interest-bearing debt	1,016.5	1,021.1	4.6	1,033.0
Total assets	2,032.0	2,125.0	93.0	

Note : The above forecast is based on the information available as of today and assumptions as of today regarding risk factors that could affect our future performance. Actual results may differ materially from the forecast due to a variety of risk factors, including, but not limited to, the international situation, costs of naphtha and other raw materials, demand or market conditions for our products such as graphite electrodes and other commodities, and foreign exchange rates. We undertake no obligation to update the forward-looking statements unless required by law.