

2025 Consolidated Financial Results (Summary) under IFRS

From the current fiscal year, segmentation classification have been revised.
 Figures for the fiscal year ended December 2024 have been restated accordingly

I. Results for 2025

1. Summary

(Unit: billions of yen, except for "per share" indicators)

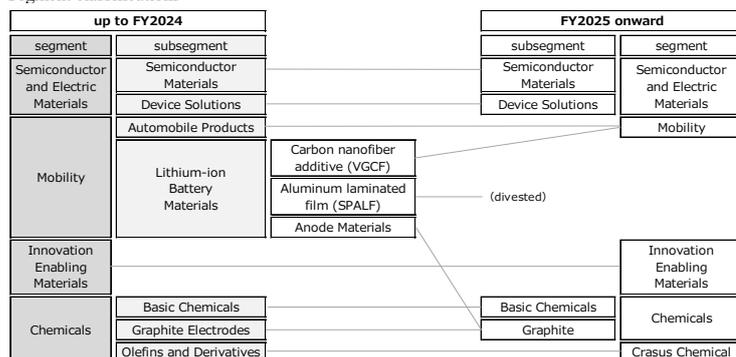
Items	2024 Jan.1 - Dec.31	2025 Jan.1 - Dec.31	Increase/ decrease
Revenue	1,391.5	1,347.1	(44.4)
Core operating profit	92.1	109.1	17.0
Operating profit	89.0	46.7	(42.4)
Profit before tax	84.6	45.0	(39.6)
Profit	74.8	31.0	(43.7)
Profit attributable to owners of the parent	73.5	29.0	(44.5)
Basic earnings per share	¥406.61	¥160.49	(¥246.12)
Annual dividend per share	¥65.00	¥65.00 (planned)	-

2. Revenue and Core operating profit by Segment (Year to year comparison)

(Unit: billions of yen)

Segment		2024 Jan.1 - Dec.31	2025 Jan.1 - Dec.31	Increase/ decrease
Semiconductor and Electronic Materials	Revenue	445.1	506.3	61.2
	Core op. profit	73.7	108.4	34.6
Mobility	Revenue	200.3	178.4	(21.9)
	Core op. profit	6.3	4.4	(1.9)
Innovation Enabling Materials	Revenue	97.0	92.2	(4.8)
	Core op. profit	11.3	10.4	(0.9)
Chemicals	Revenue	202.7	174.4	(28.4)
	Core op. profit	1.8	(5.5)	(7.2)
Crasus Chemical	Revenue	329.7	300.3	(29.4)
	Core op. profit	8.6	4.7	(3.9)
Others, Adjustments	Revenue	116.6	95.5	(21.1)
	Core op. profit	(9.5)	(13.2)	(3.6)
Total	Revenue	1,391.5	1,347.1	(44.4)
	Core op. profit	92.1	109.1	17.0

Segment classifications



3. Revenue and Core operating profit by Segment (Quarterly transition)

(Unit: billions of yen)

Segment		2025 Jan.1 - Mar.31	2025 Apr.1 - Jun.30	2025 Jul.1 - Sep.30	2025 Oct.1 - Dec.31
Semiconductor and Electronic Materials	Revenue	111.2	119.5	135.0	140.7
	Core op. profit	19.6	22.9	31.5	34.4
Mobility	Revenue	46.9	42.8	42.4	46.3
	Core op. profit	1.1	0.2	0.7	2.4
Innovation Enabling Materials	Revenue	22.0	22.9	23.0	24.3
	Core op. profit	2.1	2.8	3.1	2.3
Chemicals	Revenue	37.7	40.7	47.5	48.5
	Core op. profit	(6.3)	(1.9)	0.8	1.9
Crasus Chemical	Revenue	78.7	71.2	72.9	77.5
	Core op. profit	0.8	(1.6)	4.1	1.4
Others, Adjustments	Revenue	24.7	23.8	23.4	23.6
	Core op. profit	(2.5)	(2.6)	(2.0)	(6.0)
Total	Revenue	321.1	320.9	344.2	360.9
	Core op. profit	14.8	19.8	38.2	36.3

II. Forecast for 2026

1. Summary

(Unit: billions of yen, except for "per share" indicators)

Items	2025	2026 Forecast	Increase/ decrease
Revenue	1,347.1	1,310.0	(37.1)
Core operating profit	109.1	140.0	30.9
Operating profit	46.7	105.0	58.3
Profit before tax	45.0	103.0	58.0
Profit	31.0	79.0	48.0
Profit attributable to owners of the parent	29.0	77.0	48.0
Basic earnings per share	¥160.49	¥425.45	¥264.96
Annual dividend per share	¥65.00 (planned)	¥65.00	—

2. Revenue and Core operating profit by Segment

(Unit: billions of yen)

Segment		2025	2026 Forecast	Increase/ decrease
Semiconductor and Electronic Materials	Revenue	506.3	570.0	63.7
	Core op. profit	108.4	128.0	19.6
Mobility	Revenue	178.4	144.0	(34.4)
	Core op. profit	4.4	3.0	(1.4)
Innovation Enabling Materials	Revenue	92.2	90.0	(2.2)
	Core op. profit	10.4	9.0	(1.4)
Chemicals	Revenue	174.4	190.0	15.6
	Core op. profit	(5.5)	8.0	13.5
Crasus Chemical	Revenue	300.3	280.0	(20.3)
	Core op. profit	4.7	7.0	2.3
Others, Adjustments	Revenue	95.5	36.0	(59.5)
	Core op. profit	(13.2)	(15.0)	(1.8)
Total	Revenue	1,347.1	1,310.0	(37.1)
	Core op. profit	109.1	140.0	30.9

III. Cash flow

(Unit: billions of yen)

Items	2024	2025	Increase/ decrease	2026 Forecast	Increase/ decrease
Operating Activities	163.7	130.3	(33.4)	166.0	35.7
Investing Activities	(52.3)	(87.1)	(34.8)	(130.0)	(42.9)
Free Cash Flow	111.3	43.2	(68.2)	36.0	(7.2)
Financing Activities	(20.5)	(69.9)	(49.4)	(29.0)	40.9
Others	14.6	9.8	—	—	—
Net increase in cash and cash equivalents	105.5	(17.0)	—	—	—

IV. Reference

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

Items	2024	2025	Increase/ decrease	2026 Forecast	Increase/ decrease
Capital expenditures	102.0	112.9	10.8	146.2	33.4
Depreciation and amortization	98.0	94.3	(3.8)	94.5	0.3
R&D expenditures	44.8	46.5	1.7	53.6	7.1
Gap between interest expense and interest & dividend income	(11.5)	(9.8)	1.7	(11.5)	(1.7)
Exchange rate (yen/US\$)	151.6	149.7	Yen appreciated by 1.9	150.0	Yen depreciated by 0.3
Domestic naphtha price (yen/kl)	75,400	66,850	(8,550)	66,000	(850)
Interest-bearing liabilities	1,023.7	969.5	(54.2)	960.0	(9.5)
Total assets	2,172.6	2,106.7	(65.9)		

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 global political circumstances, the global economic conditions, tightening of regulations, demand for our products, market conditions, and foreign exchange rates. We undertake no obligation to update the forward-looking statements unless required by law.

Consolidated Financial Statements

for the fiscal year ended December 31, 2025

(Under IFRS)

I . Consolidated Financial Results

February 13, 2026

(All amounts are rounded to the nearest million yen)

(1) Results of operations :

(Percentages indicate year-on-year changes)

Fiscal year ended	Revenue		Core operating profit		Operating profit		Profit		Profit attributable to owners of the parent		Comprehensive Income	
	Yen	%	Yen	%	Yen	%	Yen	%	Yen	%	Yen	%
December 31, 2025	1,347,125	(3.2)	109,145	18.4	46,676	(47.6)	31,048	(58.5)	29,031	(60.5)	48,363	(58.6)
December 31, 2024	1,391,480	7.4	92,145	832.0	89,036	—	74,772	—	73,503	—	116,742	276.0

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the parent	Ratio of profit before tax to total assets	Ratio of core operating profit to revenue
	Yen	Yen	%	%	%
December 31, 2025	160.49	160.49	4.3	2.1	8.1
December 31, 2024	406.61	406.61	12.0	4.0	6.6

Reference:

Important changes in accounting policies: not applicable

Profit before tax

Fiscal year ended December 31, 2025 ¥ 45,042 million ((46.8)%)

Fiscal year ended December 31, 2024 ¥ 84,647 million (—%)

Share of profit of investments accounted for using the equity method

Fiscal year ended December 31, 2025 ¥ 9,288 million

Fiscal year ended December 31, 2024 ¥ 6,798 million

* Core operating profit is calculated as operating profit excluding certain gains and expenses attributable to non-recurring factors.

(2) Financial position :

Fiscal year ended	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity attributable to owners of the parent per share
	Yen	Yen	Yen	%	Yen
December 31, 2025	2,106,723	727,613	698,852	33.2	3,861.43
December 31, 2024	2,172,626	692,006	664,616	30.6	3,677.50

(3) Cash flows :

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the year
	Yen	Yen	Yen	Yen
December 31, 2025	130,286	(87,123)	(69,895)	261,971
December 31, 2024	163,653	(52,306)	(20,468)	294,656

(4) Dividends :

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen		%	%
December 31, 2024	—	0.00	—	65.00	65.00	11,787	16.0	1.9
December 31, 2025	—	0.00	—	65.00	65.00	11,791	40.5	1.7
December 31, 2026 (Forecast)	—	0.00	—	65.00	65.00		15.3	

II. Forecast of performance for the year ending December 31, 2026

(Percentages indicate year-on-year changes)

	Revenue		Core operating profit		Operating profit		Profit		Profit attributable to owners of the parent		Basic earnings per share
		%		%		%		%		%	Yen
1st half	615,000	(4.2)	53,000	53.2	35,000	7.3	20,500	2.9	20,000	1.8	110.51
Fiscal year	1,310,000	(2.8)	140,000	28.3	105,000	125.0	79,000	154.4	77,000	165.2	425.45

Reference:

Profit before tax

1st half ¥ 34,500 million (13.4%)

Fiscal year ¥ 103,000 million (128.7%)

* 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 condition

[Business Results and Financial Conditions]

1. Analysis of business results

(1) Summary

In the year ended December 31, 2025("2025"), the global economy showed a modest recovery overall, despite ongoing concerns about the impact of U.S. trade policies and other factors. In the semiconductor industry, steady growth was seen, mainly driven by demand for advanced applications such as AI. In Japan, the domestic economy also saw a moderate recovery, driven by a pickup in personal consumption and corporate capital investment.

Revenue for 2025 decreased overall to ¥1,347,125 million from the fiscal year ended December 31, 2024("2024"). While revenue in the Semiconductor and Electronic Materials segment increased due to higher sales volumes, revenue declined in the other four segments. Core operating profit increased to ¥109,145 million. While the other four segments recorded lower core operating profit, the Semiconductor and Electronic Materials segment posted higher core operating profit on increased revenue, leading to overall growth. Operating profit decreased to ¥46,676 million compared with 2024, in which a gain on the sale of land and buildings of the former head office was recorded, due to the recognition of impairment losses associated with decisions to divest multiple businesses, including Fiamm Energy Technology S.p.A. As a result of the decrease in operating profit and other factors, profit attributable to owners of the parent amounted to ¥29,031 million.

(Unit: millions of yen)

	2024 Jan.-Dec.	2025 Jan.-Dec.	Increase/ decrease	Increase/ decrease rate
Revenue	1,391,480	1,347,125	(44,355)	(3.2)%
Core operating profit	92,145	109,145	17,000	18.4%
Operating profit	89,036	46,676	(42,360)	(47.6)%
Profit attributable to owners of the parent	73,503	29,031	(44,472)	(60.5)%

Core operating profit: calculated as operating profit 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)

(2) A breakdown of revenue and core operating profit by segment (January 1 - December 31, 2025)

[Semiconductor and Electronic Materials]

In this segment, revenue of Front-end Semiconductor Materials slightly declined, reflecting the moderate pace of recovery in NAND demand and the impact of the divestiture of the exhaust gas abatement equipment business. Revenue of Back-end Semiconductor Materials increased, mainly due to higher shipment volumes for advanced semiconductors, including those used in AI applications. Device Solutions saw higher revenue for HD media, supported by steady demand from data centers, while SiC epitaxial wafers remained flat due to a slowdown in the EV market. As a result, this segment recorded higher revenue and higher core operating profit compared with 2024.

(Unit: millions of yen)

	2024 Jan.-Dec.	2025 Jan.-Dec.	Increase/ decrease	Increase/ decrease rate
Revenue	445,139	506,336	61,197	13.7%
Core operating profit	73,718	108,365	34,647	47.0%

[Mobility]

In this segment, revenue and core operating profit decreased compared with 2024, reflecting the impact of the divestiture of secondary battery packaging materials and food packaging materials business during 2025 1Q, as well as a decline in demand from certain domestic customers.

(Unit: millions of yen)

	2024 Jan.-Dec.	2025 Jan.-Dec.	Increase/ decrease	Increase/ decrease rate
Revenue	200,311	178,430	(21,881)	(10.9)%
Core operating profit	6,343	4,396	(1,947)	(30.7)%

[Innovation Enabling Materials]

This segment saw a decrease in both revenue and core operating profit compared with 2024, due to lower demand for certain products which were impacted by the sluggish automobile market.

(Unit: millions of yen)

	2024 Jan.-Dec.	2025 Jan.-Dec.	Increase/ decrease	Increase/ decrease rate
Revenue	97,001	92,202	(4,799)	(4.9)%
Core operating profit	11,268	10,352	(916)	(8.1)%

[Chemicals segment]

In this segment, Basic Chemicals business recorded higher revenue and core operating profit, reflecting increased sales volumes of carbon dioxide and price increases for certain products. Graphite business saw declines in both sales volumes and selling prices due to weak market conditions for graphite electrodes, resulting in lower revenue and a widening loss. As a result, this segment posted lower revenue and lower core operating profit compared with 2024.

(Unit: millions of yen)

	2024 Jan.-Dec.	2025 Jan.-Dec.	Increase/ decrease	Increase/ decrease rate
Revenue	202,730	174,358	(28,372)	(14.0)%
Core operating profit	1,751	(5,484)	(7,235)	—

[Crasus Chemical segment]

In this segment, revenue declined from 2024 due to lower selling prices following a drop in naphtha prices. Core operating profit decreased as a result of weaker product market conditions and a deterioration in inventory valuation differences.

(Unit: millions of yen)

	2024 Jan.-Dec.	2025 Jan.-Dec.	Increase/ decrease	Increase/ decrease rate
Revenue	329,680	300,302	(29,378)	(8.9)%
Core operating profit	8,614	4,698	(3,916)	(45.5)%

(3) Projections for 2026

The Company expect the global economy in the next fiscal year to continue its gradual recovery, supported by a rebound in demand, although uncertainties remain regarding future prospects due to factors such as inflation trends in various countries and developments in U.S. trade policy.

Under these circumstances, the Company will continue to make proactive capital investments in its core growth semiconductor and electronic materials businesses, driven by semiconductor demand, while further advancing business portfolio reforms and various initiatives.

The Group's performance forecast for 2026 is as follows.

(Unit: millions of yen)

	2025 Jan.-Dec.	2026 Jan.-Dec.	Increase/ decrease	Increase/ decrease rate
Revenue	1,347,125	1,310,000	(37,125)	(2.8)%
Core operating profit	109,145	140,000	30,855	28.3%
Operating profit	46,676	105,000	58,324	125.0%
Profit before tax	45,042	103,000	57,958	128.7%
Profit	31,048	79,000	47,952	154.4%
Profit attributable to owners of the parent	29,031	77,000	47,969	165.2%

Core operating profit: calculated as operating profit 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.	2026 Jan.-Dec.	Increase/ decrease
Semiconductor and Electronic Materials	Revenue	506,336	570,000	63,664
	Core operating profit	108,365	128,000	19,635
Mobility	Revenue	178,430	144,000	(34,430)
	Core operating profit	4,396	3,000	(1,396)
Innovation Enabling Materials	Revenue	92,202	90,000	(2,202)
	Core operating profit	10,352	9,000	(1,352)
Chemicals	Revenue	174,358	190,000	15,642
	Core operating profit	(5,484)	8,000	13,484
Crasus Chemical	Revenue	300,302	280,000	(20,302)
	Core operating profit	4,698	7,000	2,302
Others, Adjustments	Revenue	95,497	36,000	(59,497)
	Core operating profit	(13,182)	(15,000)	(1,818)
Total	Revenue	1,347,125	1,310,000	(37,125)
	Core operating profit	109,145	140,000	30,855

The above forecast is based on the information available as of February 13, 2026, 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, 2025 period

(1) Situations of assets, liabilities, and equity

As of the end of 2025, total assets decreased from the end of 2024, mainly due to declines in cash and cash equivalents and in intangible assets such as goodwill. Total liabilities also decreased from the end of 2024, reflecting reductions in interest-bearing liabilities and other financial liabilities. Total equity increased compared with the end of 2024, primarily due to higher retained earnings resulting from profit attributable to owners of the parent.

(Unit: millions of yen)

	Dec. 31, 2024	Dec. 31, 2025	Increase/ decrease
Total Assets	2,172,626	2,106,723	(65,903)
Total Liabilities	1,480,620	1,379,110	(101,510)
Total Equity	692,006	727,613	35,607

(2) Situation of cash flows in 2025

Net cash provided by operating activities decreased compared with 2024, mainly due to a decline in profit. Net cash used in investing activities increased from 2024, primarily reflecting higher expenditures for the purchase of property, plant and equipment. As a result, free cash flow decreased from 2024.

Net cash used in financing activities increased compared with 2024. Although cash outflows related to repayments of long-term borrowings decreased, this was more than offset by factors such as proceeds from issuance of convertible bonds with share acquisition rights recorded in 2024. As a result, cash and cash equivalents at the end of 2025 decreased from the end of 2024, including the impact of foreign exchange fluctuations.

(Unit: millions of yen)

	2024	2025	increase/ decrease
Cash flows from operating activities	163,653	130,286	(33,367)
Cash flows from investing activities	(52,306)	(87,123)	(34,817)
Free cash flows	111,347	43,163	(68,184)
Cash flows from financing activities	(20,468)	(69,895)	(49,427)
Cash and cash equivalents at end of period	294,656	261,971	(32,685)

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.”

The Resonac Group, under its Purpose “Changing society through the power of chemistry,” creates functions demanded by the times as an advanced materials partner and contributes to the sustainable development of the global community. To realize our long-term vision, we believe it is essential to position sustainability at the core of our management. Accordingly, we have established an execution framework, identified materiality, set KGI and KPIs, and are promoting their adoption across our global operations.

“Ideal states of Resonac”



Our company aims to become a “global top-tier functional materials company” by co-creating to pass on a beautiful planet and a society where people can live happier lives to the next generation. To achieve this, we will unite as a group to drive our businesses forward while strengthening talent development and enhancing transparency and meritocracy in our human resource evaluation processes. We aspire to become a company that can compete with leading global companies in both qualitative and quantitative dimensions; a company that drives innovation and business development to contribute to a sustainable global society; and a company recognized as a leading organization in co-creative talent development by diverse stakeholders. With these goals in mind, we are committed to realizing this vision.

(2) Financial indicators and target levels

	2025 Actual results	Targets
Revenue (¥ trillion)	1.35	Over 1.0
EBITDA margin (%)	15.1%	20%
ROIC (%)	6.2%	10%
Net Debt/Equity Ratio (times)	0.83	Below 1.0

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

4. Our view on selection of accounting standard

Our Group has applied the International Financial Reporting Standards (IFRS) from the fiscal year ending December 2024, with the primary objectives of enhancing the international comparability of financial information in capital markets, strengthening appeal to overseas investors, and improving Group management through the standardization of accounting practices.

Consolidated Statement of Financial Position

(Unit: millions of yen)

	Dec. 31, 2024	Dec. 31, 2025
	¥	¥
Assets		
Current assets		
Cash and cash equivalents	294,656	261,971
Trade receivables	274,485	280,230
Inventories	220,812	206,058
Income taxes receivable	3,674	3,504
Other financial assets	28,735	32,051
Other current assets	36,184	33,749
Subtotal	858,546	817,563
Assets held for sale	28,002	35,416
Total current assets	886,548	852,979
Non-Current assets		
Property, plant and equipment	670,776	662,921
Intangible assets	442,417	410,716
Retirement benefit asset	38,514	49,446
Deferred tax assets	17,867	13,607
Investments accounted for using the equity method	70,396	71,543
Other financial assets	23,640	22,237
Other non-current assets	22,468	23,274
Total non-current assets	1,286,078	1,253,744
Total assets	2,172,626	2,106,723

(Unit: millions of yen)

	Dec. 31, 2024	Dec. 31, 2025
	¥	¥
Liabilities		
Current liabilities		
Trade payables	171,433	162,757
Bonds and borrowings	137,862	169,611
Accrued expenses	38,157	41,507
Income taxes payable	8,344	8,693
Lease liabilities	4,837	4,452
Provisions	3,358	1,313
Other financial liabilities	96,934	51,152
Other current liabilities	17,707	23,962
Subtotal	478,632	463,447
Liabilities directly associated with assets held for sale	16,541	9,589
Total current liabilities	495,173	473,036
Noncurrent liabilities		
Bonds and borrowings	858,399	777,010
Retirement benefit liability	10,300	7,296
Provisions	5,970	4,427
Lease liabilities	22,608	18,454
Other financial liabilities	10,731	7,803
Deferred tax liabilities	71,273	70,473
Other non-current liabilities	6,166	20,611
Total non-current liabilities	985,447	906,074
Total liabilities	1,480,620	1,379,110
Equity		
Share capital	182,146	182,146
Capital surplus	108,863	108,681
Treasury shares	(13,172)	(12,409)
Retained earnings	318,643	343,574
Accumulated other comprehensive income	68,136	76,860
Total equity attributable to owners of the parent	664,616	698,852
Non-controlling interests	27,390	28,761
Total equity	692,006	727,613
Total liabilities and equity	2,172,626	2,106,723

Consolidated Statements of Profit or Loss

(Unit: millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
	¥	¥
Revenue	1,391,480	1,347,125
Cost of sales	(1,080,381)	(1,023,323)
Gross profit	311,099	323,802
Selling, general and administrative expenses	(242,936)	(265,692)
Other income	38,713	17,557
Other expenses	(17,840)	(28,991)
Operating profit	89,036	46,676
Finance income	4,755	6,079
Finance costs	(15,942)	(17,001)
Share of profit of investments accounted for using the equity method	6,798	9,288
Profit before tax	84,647	45,042
Income tax expense	(9,875)	(13,994)
Profit	74,772	31,048
Profit attributable to		
Owners of the parent	73,503	29,031
Non-controlling interests	1,269	2,017
Earnings per share		
Basic earnings per share (Yen)	406.61	160.49
Diluted earnings per share (Yen)	406.61	160.49

Consolidated Statements of Comprehensive Income

(Unit: millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit	¥ 74,772	¥ 31,048
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	1,646	(1,780)
Remeasurements of defined benefit plans	6,997	7,498
Share of other comprehensive income of investments accounted for using the equity method	(83)	112
Total	8,560	5,830
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	33,519	11,338
Net changes in fair value of cash flow hedges	(1,418)	209
Share of other comprehensive income of investments accounted for using the equity method	1,309	(62)
Total	33,410	11,485
Total other comprehensive income	41,970	17,315
Comprehensive income	116,742	48,363
Comprehensive income attributable to		
Owners of the parent	113,682	45,442
Non-controlling interests	3,060	2,921

Consolidated Statement of Changes in Equity

Fiscal year ended December 31, 2024

(Unit: millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Accumulated other comprehensive income	
					Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of period	182,146	104,692	(11,593)	249,838	5,043	—
Profit	—	—	—	73,503	—	—
Other comprehensive income	—	—	—	—	1,564	6,999
Total comprehensive income	—	—	—	73,503	1,564	6,999
Dividends	—	—	—	(11,787)	—	—
Purchase of treasury shares	—	—	(1,883)	—	—	—
Disposal of treasury shares	—	0	304	—	—	—
Share-based payment transactions	—	389	—	—	—	—
Purchase of non-controlling interests	—	239	—	—	—	—
Issuance of convertible bonds with share acquisition rights	—	3,543	—	—	—	—
Transfer from accumulated other comprehensive income to retained earnings	—	—	—	7,089	(90)	(6,999)
Total transactions with owners	—	4,171	(1,579)	(4,698)	(90)	(6,999)
Balance at end of period	182,146	108,863	(13,172)	318,643	6,517	—

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Accumulated other comprehensive income			Total		
	Exchange differences on translation of foreign operations	Cash flow hedges	Total			
Balance at beginning of period	28,814	1,189	35,046	560,129	26,382	586,511
Profit	—	—	—	73,503	1,269	74,772
Other comprehensive income	33,034	(1,418)	40,179	40,179	1,791	41,970
Total comprehensive income	33,034	(1,418)	40,179	113,682	3,060	116,742
Dividends	—	—	—	(11,787)	(1,176)	(12,963)
Purchase of treasury shares	—	—	—	(1,883)	—	(1,883)
Disposal of treasury shares	—	—	—	304	—	304
Share-based payment transactions	—	—	—	389	—	389
Purchase of non-controlling interests	—	—	—	239	(876)	(637)
Issuance of convertible bonds with share acquisition rights	—	—	—	3,543	—	3,543
Transfer from accumulated other comprehensive income to retained earnings	—	—	(7,089)	—	—	—
Total transactions with owners	—	—	(7,089)	(9,195)	(2,052)	(11,247)
Balance at end of period	61,848	(229)	68,136	664,616	27,390	692,006

Fiscal year ended December 31, 2025

(Unit: millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Accumulated other comprehensive income	
					Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of period	182,146	108,863	(13,172)	318,643	6,517	—
Profit	—	—	—	29,031	—	—
Other comprehensive income	—	—	—	—	(1,676)	7,521
Total comprehensive income	—	—	—	29,031	(1,676)	7,521
Dividends	—	—	—	(11,787)	—	—
Purchase of treasury shares	—	—	(7)	—	—	—
Disposal of treasury shares	—	46	770	—	—	—
Share-based payment transactions	—	(28)	—	—	—	—
Purchase of non-controlling interests	—	(200)	—	—	—	—
Issuance of convertible bonds with share acquisition rights	—	—	—	—	—	—
Transfer from accumulated other comprehensive income to retained earnings	—	—	—	7,687	(166)	(7,521)
Total transactions with owners	—	(182)	763	(4,100)	(166)	(7,521)
Balance at end of period	182,146	108,681	(12,409)	343,574	4,675	—

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Accumulated other comprehensive income			Total		
	Exchange differences on translation of foreign operations	Cash flow hedges	Total			
Balance at beginning of period	61,848	(229)	68,136	664,616	27,390	692,006
Profit	—	—	—	29,031	2,017	31,048
Other comprehensive income	10,357	209	16,411	16,411	904	17,315
Total comprehensive income	10,357	209	16,411	45,442	2,921	48,363
Dividends	—	—	—	(11,787)	(1,550)	(13,337)
Purchase of treasury shares	—	—	—	(7)	—	(7)
Disposal of treasury shares	—	—	—	816	—	816
Share-based payment transactions	—	—	—	(28)	—	(28)
Purchase of non-controlling interests	—	—	—	(200)	—	(200)
Issuance of convertible bonds with share acquisition rights	—	—	—	—	—	—
Transfer from accumulated other comprehensive income to retained earnings	—	—	(7,687)	—	—	—
Total transactions with owners	—	—	(7,687)	(11,206)	(1,550)	(12,756)
Balance at end of period	72,205	(20)	76,860	698,852	28,761	727,613

Consolidated Statements of Cash Flows

(Unit: millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
	¥	¥
Cash flows from operating activities		
Profit	74,772	31,048
Depreciation and amortization	98,026	94,254
Income tax expense	9,875	13,994
Impairment losses (reversal of impairment losses)	23,982	51,035
Interest and dividend income	(2,743)	(3,684)
Interest expenses	14,268	13,540
Share of loss (profit) of investments accounted for using the equity method	(6,798)	(9,288)
Decrease (increase) in trade receivables	(5,695)	(19,081)
Decrease (increase) in accounts receivable - other	(1,417)	(4,126)
Decrease (increase) in inventories	7,726	1,789
Increase (decrease) in trade payables	(3,415)	5,924
Increase or decrease in retirement benefit asset or liability	(10,966)	(11,815)
Other	(23,452)	(14,832)
Subtotal	174,163	148,758
Interest received	2,196	2,761
Dividends received	6,987	8,532
Interest paid	(12,390)	(12,943)
Income taxes refund (paid)	(7,303)	(16,822)
Net cash provided by (used in) operating activities	163,653	130,286
Cash flows from investing activities		
Purchase of property, plant and equipment	(88,312)	(106,726)
Proceeds from sale of property, plant and equipment	32,385	4,650
Proceeds from sale of subsidiaries and businesses	732	20,576
Purchase of securities and other investments	(288)	(178)
Proceeds from sale and redemption of securities and other investments	602	1,447
Other	2,575	(6,892)
Net cash provided by (used in) investing activities	(52,306)	(87,123)

(Unit: millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
	¥	¥
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,900	18,534
Net increase (decrease) in commercial papers	(10,000)	—
Proceeds from long-term borrowings	172,436	144,659
Repayments of long-term borrowings	(250,708)	(165,179)
Proceeds from issuance of bonds	24,887	9,952
Redemption of bonds	(40,000)	(60,000)
Proceeds from issuance of convertible bonds with share acquisition rights	99,904	—
Repayments of lease liabilities	(6,411)	(4,992)
Purchase of treasury shares	(1,883)	(7)
Dividends paid to owners of the parent	(11,760)	(11,759)
Dividends paid to non-controlling interests	(1,220)	(1,519)
Other	(613)	416
Net cash provided by (used in) financing activities	(20,468)	(69,895)
Effect of exchange rate changes on cash and cash equivalents	14,593	9,761
Net increase (decrease) in cash and cash equivalents	105,472	(16,971)
Cash and cash equivalents at beginning of period	190,642	294,656
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	(1,458)	(15,714)
Cash and cash equivalents at end of period	294,656	261,971

(Reference)**SEGMENT INFORMATION**

Fiscal year ended December 31, 2024

(Unit: millions of yen)

	Reporting Segment						Others	Adjustments	Total
	Semiconductor and Electronic Materials	Mobility	Innovation Enabling Materials	Chemicals	Crasus Chemical	Total			
Revenue									
Revenue from external customers	445,139	200,311	97,001	202,730	329,680	1,274,861	116,619	—	1,391,480
Intersegment revenue	4,969	676	12,781	12,467	1,976	32,869	6,657	(39,526)	—
Total	450,108	200,987	109,782	215,197	331,656	1,307,730	123,276	(39,526)	1,391,480
Segment profit (loss): (Core operating profit)	73,718	6,343	11,268	1,751	8,614	101,694	13	(9,562)	92,145

Fiscal year ended December 31, 2025

(Unit: millions of yen)

	Reporting Segment						Others	Adjustments	Total
	Semiconductor and Electronic Materials	Mobility	Innovation Enabling Materials	Chemicals	Crasus Chemical	Total			
Revenue									
Revenue from external customers	506,336	178,430	92,202	174,358	300,302	1,251,628	95,497	—	1,347,125
Intersegment revenue	4,991	863	12,767	11,010	3,906	33,537	7,238	(40,775)	—
Total	511,327	179,293	104,969	185,368	304,208	1,285,165	102,735	(40,775)	1,347,125
Segment profit (loss): (Core operating profit)	108,365	4,396	10,352	(5,484)	4,698	122,327	4,408	(17,590)	109,145

Adjustment from segment profit to profit before tax are follows:

(Unit: millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Segment profit (Core operating profit)	¥ 92,145	¥ 109,145
Impairment losses	(24,432)	(51,035)
Gain on reversal of impairment losses	450	—
Other income	38,713	17,557
Other expenses	(17,840)	(28,991)
Operating profit	89,036	46,676
Finance income	4,755	6,079
Finance costs	(15,942)	(17,001)
Share of profit of investments accounted for using the equity method	6,798	9,288
Profit before tax	84,647	45,042