

RESONAC REPORT 2026








Change Society through the Power of Chemistry

RESONAC

Phase 2 of Resonac's Second Founding Begins

Let us know your opinions on Resonac's value creation

Four years since Resonac's "second founding." Ready for Phase 2

Following Resonac's integration of two companies, defined as a "second founding," we entered Phase 2 of the "second founding" in 2026. In Phase 1, we focused mainly on **"strategy," "individual strength,"** and **"corporate culture,"** which are central to maximizing corporate value, and we have come close to almost finishing our business portfolio reform, which is the **"strategy"** portion. From now on, we will focus more on business strategy, company-wide material issues, and the management agenda. Regarding the people and culture that determine the feasibility of a strategy, we are proud that Resonac's new **"corporate culture"** has been fostered and taken root as a result of pushing forward with reforms to the fullest extent. In Phase 2, we believe that **co-creative talent capable** of increasing corporate value by leveraging **"individual strengths"** is poised to play an increasingly vital role. This is the beginning of a phase where we will achieve growth. We will shape, expand, and support growth.

Where true corporate value stands today

Last year's Integrated Report stated that "the stock price mirrors an approximation of a company's value," but instead of getting too caught up in the ups and downs of stock prices, "management will revisit the company's Purpose, Values, and core competencies to maximize true corporate value." We committed to creating the value that only we can build, in our own way, with the **"Resonac value creation hypothesis"** poised to create value and change society by combining various initiatives with **strategies**, **individual strengths**, and **corporate culture**.

One year has passed since then. It was also a year when our new hypothesis, that co-creation the Resonac way accelerates value creation, came to fruition. Thanks to improving performance and favorable market conditions, our stock price is doing very well. We would be beyond delighted if this resulted in fostering a sense of understanding that our hypothesis-based initiatives lead to growth and having the capital markets recognize this. Going forward, we will continue striving to maximize what we define as true corporate value and share with you not only our results but also the stories behind them.

Beyond the Integrated Report

This year's Integrated Report prominently features our enthusiasm for Phase 2, with everyone from management to employees passionately sharing the commitment to "Say & Do" in their own words. In our Integrated Report four years ago, we received feedback that "the results do not match the enthusiasm," but this year we can share the results of Phase 1 with you. We would appreciate your understanding and support for our enthusiasm. This report includes more individuals than usual, because it features a wide range of expectations and requests from stakeholders. We understand the opinion that there is too much narrative information, including discussions and dialogues, but particularly in this age of AI, we want to share our commitment and vision for the future, which numbers and data from the past cannot capture alone. We hope to convey this tangible sense of passion through this format. Furthermore, Japanese-style management, meaning of individual happiness, and the link between social impact and economic value go beyond corporate boundaries, potentially exceeding the existing framework of Integrated Reports. However, this also embodies Resonac's spirit. We decided to share the value we aim to co-create with society, in our own way.

This report serves as a starting point for dialogue with everyone. We will continue our endeavors on this front.

We would appreciate your honest feedback.

Resonac's pursuit of value creation continues...

What Does an Integrated Report Mean to Resonac?

We prepared our Integrated Report with the following in mind.

Provide what? How we have created value from the past to the present and whether we have the structure (business model) and capabilities to create value in the future.

To whom? Our valued stakeholders with whom we wish to have a long-lasting relationship, including investors with medium- to long-term perspectives

What for? A communication tool for building trust in Resonac's management, engaging in persuasive dialogue, and co-creating value. It also plays a role in fostering a corporate culture by aligning the direction of Resonac employees.

In the second founding, marked by the birth of Resonac through the integration of two companies, we have produced Integrated Reports to proactively address stakeholders' questions and deepen their understanding of the significance of the integration, our strategies, and the foundation for value creation. Starting in 2026, based on a new Long-Term Vision, we will share our unique approach and hypothesis on value creation, and through dialogue with everyone, we will communicate this as the starting point of co-creation to shape the future together.



2021 — Merger of the two companies was decided

- What does the Showa Denko and Hitachi Chemical merger entail?
- Is there really any point in merging?



2022 — Effective integration

- Who is the CEO? What was the reason and process for the selection?
- The companies effectively merged, but organizational integration is still a long way off



2023 — Resonac established

- What's going to change after becoming Resonac?
- Reforms are progressing at a rapid pace, but is governance okay?



2024 — Year before the financial and non-financial targets

- What are Resonac's goals?
- What challenges are in the way of achieving targets?



2025 — Final year of Long-Term Vision Phase 1

- What has been achieved since the second founding?
- Has the value creation process changed?



2026 — First year of Long-Term Vision Phase 2

- What are the challenges of Phase 2?
- We would like to know more about value creation

Key opinions from last year's RESONAC REPORT and incorporation into this year's RESONAC REPORT

1. Four years since the integration, I am wondering if there are any new challenges specifically facing Resonac now

This year's report reviews the four years since the integration and presents the challenges and plans to be undertaken in Phase 2. Now that we have established a foundation, management and employees explain what we should tackle as "Say & Do." In addition, in each dialogue, we select and plan the challenges that particularly need improvement, and each page presents the vision, challenges, results, and plans for each theme.

2. A deeper analysis is needed to identify the social issues that Resonac's technologies and talent are uniquely positioned to address.

Currently, we are taking on the challenge of visualizing the social and environmental contributions of Resonac Pride Products and Services, but we need to explore more persuasive ways of communicating our social impact to convert these contributions to economic value. This report shows the relationship between our business and society on the cover and presents various information (R&D, human resource strategies, value creation hypothesis) regarding solutions to social issues. We would like to explore these matters further through dialogue and utilize this for business management. We would appreciate your feedback.

How RESONAC REPORT is made

1. Planning and preparation of editorial policies and contents by means of planning meetings held every two months
   Members: CFO, CSO/CRO, CHRO, CSuO, and staff from the Capital Strategy Department, the Human Capital Management Department, the Corporate Strategy & Resilience Department, the Brand Communication Department, and the Sustainability Department
2. Decision of direction and message during meetings of the Sustainability Promotion Council, attended by the CEO, all other chief officers, and all general managers of business units
3. Discussion of each page with Sustainability Partners and those in charge of each department, and draft writing
4. Deliberation and approval by the Sustainability Promotion Council attended by the entire management team



RESONAC REPORT **2026**

Recipe for Reading

START here first!!

RESONAC REPORT 2026 will help you understand Resonac's past and future!
We organized it so that you can read what you want to learn about in the order that you want to learn. Start with whatever information you like!

Let's master the basic menu!



1. **What does Resonac do?** P005

Introduces and highlights important concepts, what businesses we operate and where, and how much we earn

2. **Get to know CEO Takahashi's mind!** P009 P015

Part 1 CEO Takahashi's commitment to becoming World-Class!
Part 2 Leaders should be like this!! A scathing critique of JTC in a dialogue between Mr. Toyama of JPiX and CEO Takahashi

3. **Progress in "Change Society through the Power of Chemistry"** P019

Long-Term Vision Phase 2 is underway!
What will we do, by when, and where are we aiming? Explanation of the characteristics of the board members leading the battle, using historical figures as examples

Quick Read 20 minutes

4. **How money is spent in detail!** P027

Will it really go that well?! CFO Somemiya answers finance and capital questions

Recipe for developing the strongest technologies

Quick Read 10 minutes



1. **Dialogue on R&D possibilities opened up by AI and computational science!** P079

Preferred Networks, Inc. x Resonac talk about the future of R&D

2. **Overview of Resonac's R&D** P085

A quick overview of Resonac's research and development strategies

3. **Research and Development Center enhancement** P087

Enhancing research capabilities: The current state of the Research and Development Center and the introduction of a project system

4. **Sustainability** P088

Research and development activities from a long-term perspective starting from social issues

5. **Research and development process** P089

This is how to cultivate human resources that create groundbreaking future technologies!

6. **Intellectual property strategies** P091

Designing Resonac's winning business strategy starting from intellectual property!

Resonac's value creation recipe



Quick Read 10 minutes

1. **Value creation hypothesis** P033

Explanation of the secrets to continuously creating value!

2. **Example: Semiconductor material** P037

The strengths of MCL, a product that supports the AI age!

3. **Example: Mobility** P039

Secrets of "aluminum suspension"!

4. **Supporting organizational capabilities: "Safety" and "Digital"** P041

Understanding the foundation that supports competitiveness and co-creation

5. **More Resonac Pride Products and Services that embody the Resonac spirit** P043

Visualizing the embodiment of our Purpose and Values

Recipe for top-notch human resources

Quick Read 8 minutes



1. **Dialogue exploring co-creation culture and happiness for further growth** P069

Leading researcher on happiness and well-being Professor Maeno and CHRO Imai talk about happiness

2. **Human resource strategies** P073

Bringing human creativity and happiness to the center of human capital management!

Who, what, and how to change: Recipe to change society through the power of chemistry



1. **JOINT3 dialogue on changing the future through co-creation** P047

Launching JOINT3: Co-creation discussed by Ms. Segawa of Tokyo Electron and JOINT mastermind Abe

2. **Front-end / Back-end Semiconductor Materials** P053

These are our strategies for growth areas aiming to be World-Class!

3. **Hard Disk Media** P057

Data storage supporting the AI society with a competitive advantage!

4. **SiC Epitaxial Wafers** P059

SiC epitaxial technology supporting AI data centers!

5. **Mobility** P061

Re-inventing acceleration, steering, and braking for mobility!

DATA SECTION

Detailed information for those who require it, including data and corporate history; KPIs and performance results linked to material issues and management agendas; initiatives on climate change, biodiversity, etc.; financial statements and company overview!
You can also view external evaluations here

Recipe for sustainability



Quick Read 5 minutes

1 Overview of initiatives P093

Expand co-creation across the entire value chain under the slogan of "Position sustainability at the core of management"!

2 Environment P095

Comprehensive initiatives on climate change, circular society, biodiversity, environmental risks!

3 Human rights P097

Our approach, Resonac's unique human rights issues, and how we address them!

Recipe for governance, the Resonac way



Quick Read 12 minutes

1 Transformations achieved through ongoing communication! P099

Summary of the points raised by Outside Director and the changes over the past few years!

2 Board members P101

Directors and Audit & Supervisory Board Members, diverse individuals, engage in lively discussions

3 Corporate governance P107

Effectiveness of the Board of Directors and the activities of the Nomination and Remuneration Advisory Committees!

4 Risk management P115

Pushing forward with companywide key risks and Group governance initiatives

5 Stakeholder engagement P119

Engagement with diverse stakeholders

3 Pursuit of happiness P075

Measures toward realizing work styles that enable employees to experience happiness

4 Learning Festival for independent study P077

A project for individuals to choose an independent learning path and grow in the optimal way

Quick Read 15 minutes



6 Innovation Enabling Materials P063

Platform for new materials and technologies toward an exciting society!

7 Basic Chemicals P065

Urban chemical park supporting the future of people and communities

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At a Glance: What Does Resonac Do?

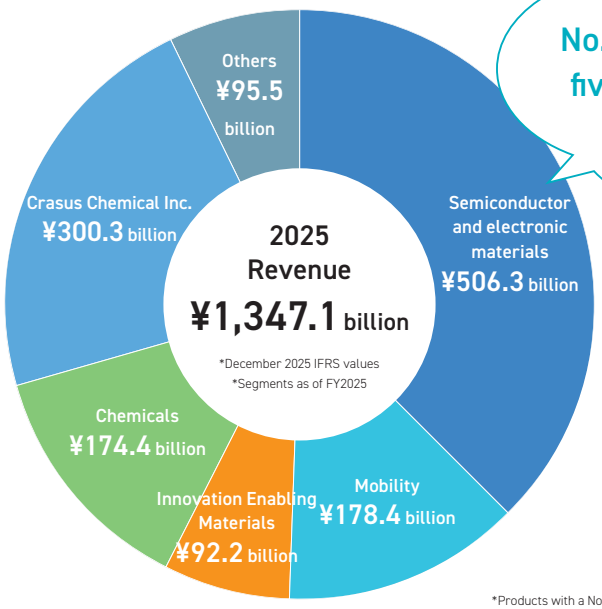
Resonac is a functional chemical company that generates value through co-creation. We aim to be a company that people will look back on decades from now and say, "This would not have been possible without Resonac," and we support the evolution of industry through our wide-ranging research and development. Within this context, more advanced and complex materials are essential for the advancement of technologies that will significantly change society, such as AI, and Resonac develops and supplies many new materials that contribute to this advancement. In 2026, we entered the growth realization stage of our Long-term vision Phase 2, and we are further accelerating value creation while positioning semiconductor and electronic materials at the core.

Change Society through the Power of Chemistry

Crasus Chemical Inc.
- Olefins and Derivatives

Chemicals
- Basic Chemicals
- Graphite

Innovation Enabling Materials
- Resin materials
- Functional chemicals
- Ceramics
- Coating materials



No. 1 global share in five semiconductor materials*

Semiconductor and Electronic Materials
- Semiconductor Materials (Front-end / Back-end)
- Hard Disk
- SiC Epitaxial Wafers

Mobility
- Automotive Products

*Products with a No. 1 global share and their sources are shown on page 52.

Sustainable Competitive Advantage Born from a Co-creation Framework Resilient to Change

- Leading Industry Collaboration Platforms Such as JOINT3 and US-JOINT
- World-Class Back-End Evaluation and Analysis Platform
- Material Portfolio Spanning Front-End to Back-End Processes
- Accelerating Development Through AI x Computational Science
- Global Sales, Manufacturing, and Technical Support System

See P007 for more details.

Chemicals

Revenue	Core operating profit	EBITDA margin
¥174.4 billion (¥202.7 billion in the previous fiscal year)	¥(5.5) billion (¥1.8 billion in the previous fiscal year)	5.4% (8.7% in the previous fiscal year)

- Basic Chemicals ····· ¥88.4 billion (¥87.1 billion in the previous fiscal year)
- Graphite ····· ¥84.7 billion (¥116.4 billion in the previous fiscal year)


Ammonia


Dry ice


Graphite Electrodes

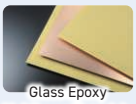

Anode materials for lithium-ion batteries

Semiconductor and Electronic Materials

Revenue	Core operating profit	EBITDA margin
¥506.3 billion (¥445.1 billion in the previous fiscal year)	¥108.4 billion (¥73.7 billion in the previous fiscal year)	30.2% (25.9% in the previous fiscal year)

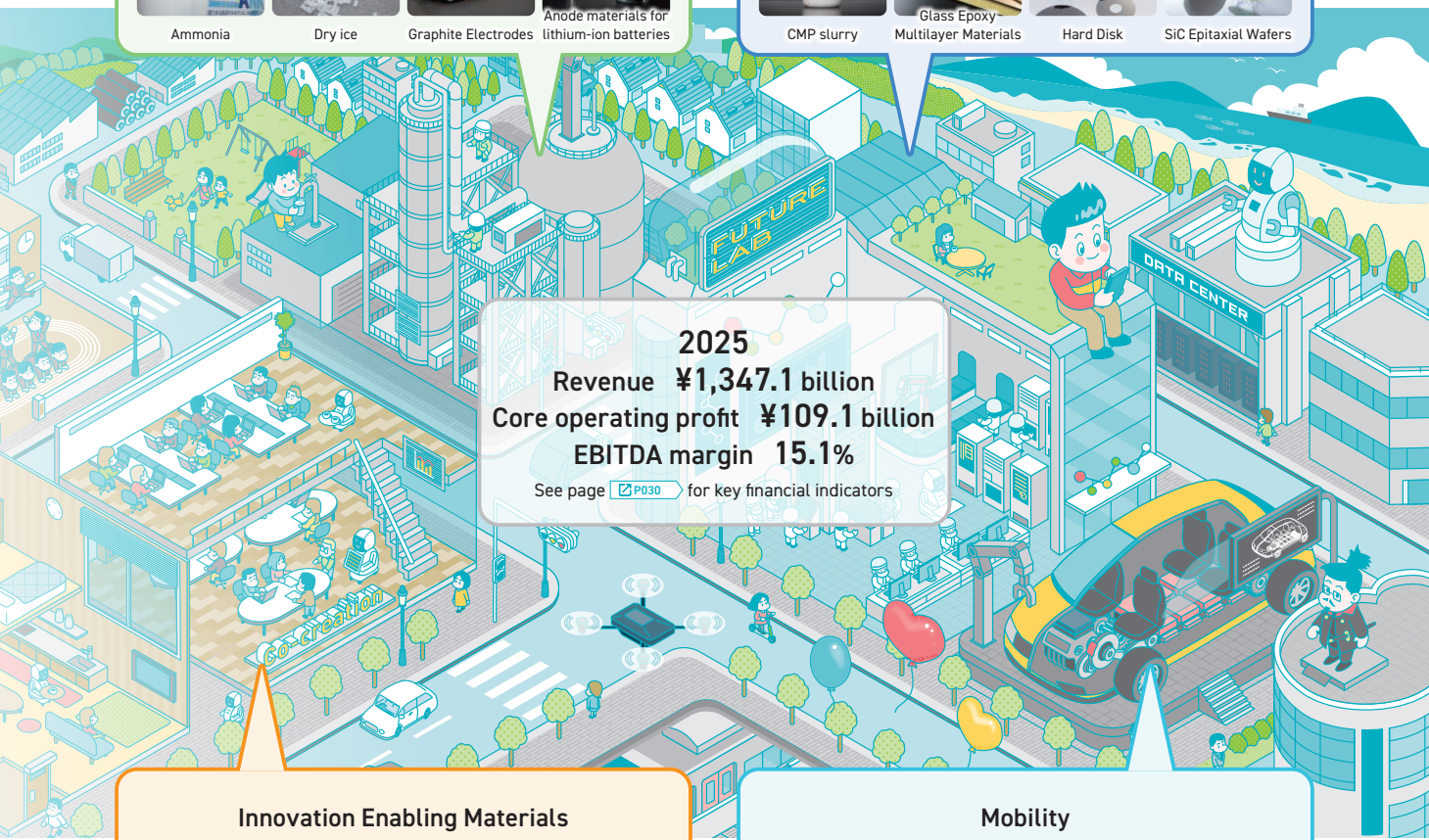
- Semiconductor Front-end Process Materials ····· ¥83.6 billion (¥86.4 billion in the previous fiscal year)
- Semiconductor Back-end Process Materials ····· ¥245.0 billion (¥209.4 billion in the previous fiscal year)
- Device Solutions ····· ¥122.4 billion (¥106.5 billion in the previous fiscal year)


CMP slurry


Glass Epoxy Multilayer Materials


Hard Disk


SiC Epitaxial Wafers



2025
Revenue ¥1,347.1 billion
Core operating profit ¥109.1 billion
EBITDA margin 15.1%
See page P030 for key financial indicators

Innovation Enabling Materials

Revenue	Core operating profit	EBITDA margin
¥92.2 billion (¥97.0 billion in the previous fiscal year)	¥10.4 billion (¥11.3 billion in the previous fiscal year)	17.6% (17.7% in the previous fiscal year)


Insulating Varnish


Functional Monomers


Non-stick Coating


High Purity Ultrafine Titanium Oxide

Mobility

Revenue	Core operating profit	EBITDA margin
¥178.4 billion (¥200.3 billion in the previous fiscal year)	¥4.4 billion (¥6.3 billion in the previous fiscal year)	9.8% (11.8% in the previous fiscal year)


Resin gears


Powder metal products


Aluminum products


Brake pads

At a glance
What Does Resonac Do?

The Concept We Cherish

Resonac's Purpose is our guiding principle that defines how we engage with society through the power of chemistry and the direction we aim to pursue. Our Values serve as the behavioral compass for realizing our Purpose, enabling fast, decisive, and consistent decision-making. Our shared values foster empathy and trust both within and outside the company and support co-creation. By returning to these values in our daily work and decision-making, we make them a driving force for challenge and transformation.

By actively investing in materials for AI semiconductors and encouraging co-creative innovation, we strengthened Resonac's foundation for growth and took a leading role in the market in 2025.



Purpose

Change Society through the Power of Chemistry

Values

1. **Passionate & Results-Driven**
2. **Agile & Flexible**
3. **Open Minds & Open Connections**
4. **Solid Vision & Solid Integrity**

Our Strengths

Sustainable Competitive Advantage Born from a Co-creation Framework Resilient to Change

Leading Industry Collaboration Consortia Such as JOINT3 and US-JOINT



We are leading industry collaboration consortia, such as JOINT3 and US-JOINT, that connect materials, equipment, and customers. With 28 companies participating in JOINT3 and 12 in US-JOINT, these platforms are driving co-creation. Building on our broad lineup of materials, we are accelerating technology development for next-generation semiconductors.

P055

World-Class Back-End Evaluation and Analysis Platform

We have established a platform centered on the Packaging and Power Solution Center and APLIC*, providing end-to-end support from material property evaluation to reliability evaluation. By integrating processes from prototyping to final evaluation, we are advancing and accelerating the development of advanced packaging.

*Advanced Panel Level Interposer Center



P052

Material Portfolio Spanning Front-End to Back-End Processes

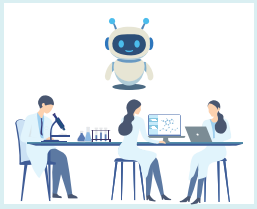


With a lineup of four front-end products and eight back-end products, we provide broad coverage of the entire semiconductor process. By combining multiple products with high market share, we are able to offer optimal solutions that take a holistic view of our customers' entire processes.

P054

Accelerating Development Through AI x Computational Science

At the Research Center for Computational Science and Informatics, we integrate AI and computational science to enhance everything from material design to analysis. By combining these capabilities with our accumulated technological assets, we streamline the development process and dramatically accelerate the creation of advanced semiconductor materials.



P084



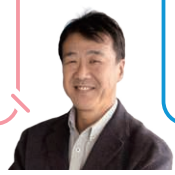
I believe Resonac's strength lies in being a group of people who aim to provide high-level problem-solving solutions that exceed customer expectations by flexibly utilizing a wide range of management resources, including intellectual property, across the entire functional materials chain from upstream to downstream, and through co-creation with manufacturing equipment companies and other entities that transcend corporate boundaries.

Mikiya Yamada Senior Analyst, Equity Research Department, Mizuho Securities Co., Ltd.

Global Sales, Manufacturing, and Technical Support System

Our sales, manufacturing, and technical sites around the world work in close coordination and provide a customer-centric support system. By providing end-to-end support from development through mass production, we ensure a stable global supply and deliver high-value-added solutions.

Europe is notable for its research institutions at the forefront of cutting-edge technology and its advanced environmental technologies. REU contributes to the Group's growth by capturing regional demand and, through co-creation with stakeholders, communicating technological and environmental value.

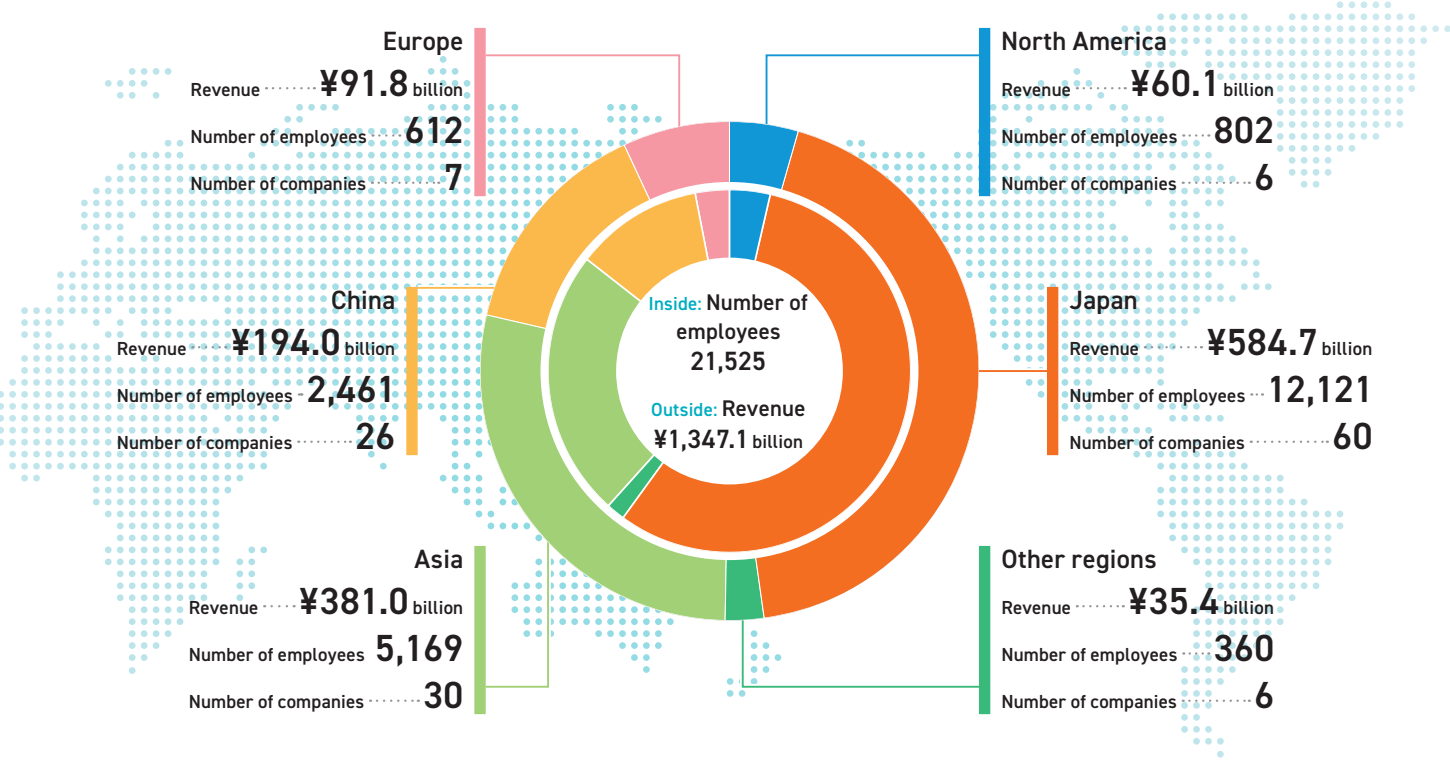


Hiroaki Sugano Resonac Europe GmbH

In North America, against the backdrop of growing demand for AI semiconductors, we are accelerating the development of advanced packaging materials through co-creation with customers and industry partners, with US-JOINT at the core. By identifying market needs and proposing technical solutions, we are driving global growth.



Dennis Parker Resonac America, Inc.



In China, our mainstay businesses are semiconductor and electronic materials, mobility, and functional materials, and we are growing against the backdrop of demand for AI and EVs. We are driving sustainable growth through localized management and supply, strategic collaboration with customers, and digital transformation.



Hiroyuki Suzuki Resonac (China) Corporation

Viewing ASEAN and India as a single market, we are strengthening our sales and technical support in the semiconductor and electronic materials markets. Through co-creation with customers and advanced packaging solutions, we contribute to regional growth and enhanced competitiveness.



Sim Mong Teck Resonac Asia Pacific Pte.Ltd.

01 Source of Value Creation

Resonac is moving into the next phase!

009	Message from the CEO
015	Special Feature: Phase 2 Dialogue CEO Takahashi x JPiX's Toyama
019	Long-Term Vision
023	Management: Team Takahashi
027	Financial and Capital Strategies: Past and Future

Message from the CEO

It has been four years since Resonac's second founding. Resonac is beginning "Phase 2"

Through growth and selective management, we aim to change society and be the best in the world.

Hidehito Takahashi
President and CEO

Looking back on the past four years

We will promote thorough corporate transformation as the first step in our long-term vision

It has been four years since I took over as CEO in 2022. In our second founding phase, which was marked by the integration of Showa Denko and Hitachi Chemical to establish Resonac, we drove transformation with the long-term vision of becoming a World-Class Functional Chemical Company from Japan by 2030. The pillars of reform were business portfolio reform, strengthening human capital management, and fostering corporate culture.

In business portfolio reform, we evaluated each business using the following indicators: "fitness for strategy," "profitability and capital efficiency," and "best owner (that is, whether Resonac is the best owner for the business)." Businesses that did not meet these standards were divested. Including the olefins and derivatives business, which we aim to partially spin off this year, we have sold or spun off 18 businesses in the past four years. However, the results of rapid structural reforms go beyond simply preparing to concentrate management resources on growth businesses. I feel a sense of accomplishment in seeing an increase in people who are determined and committed thanks to my mindset of "thinking as we go" rather than "preparing before we start." In a rapidly changing world, the Company cannot be the only one to keep doing things the same way. To become a World-Class Functional Chemical Company, a willingness to embrace change is essential. The increasing number of employees who are committed to the belief that "Resonac is a company that transforms to keep up with the times" will be the foundation for our future growth.

What we have emphasized in strengthening human capital management is the autonomy of each employee and the development of co-creative talent. I have visited 70 business sites each year and held over 100 roundtable discussions and town-hall meetings. Over the course of four years, I have dedicated a tremendous amount of time to engaging in dialogue with employees, and as a result, the number of people who uphold the Purpose*1 on their own and work with their colleagues to realize their strong aspirations and demonstrate the Values*2 is definitely increasing. I was deeply moved by the actions of one officer who traveled all over the world gathering people to launch a new consortium (JOINT3), and I decided to invest in this dream by investing a large sum of money. In addition, a research and development engineer from the former Hitachi Chemical's friction materials business inspected the former Showa Denko's aluminum business and concluded that something amazing would definitely happen if they collaborated, and this led to the start of a new project. Furthermore, regarding NCF*3, which has grown into a core product of the Company as a material for AI semiconductors, we achieved rapid launch by introducing the image analysis technology from hard disk media, a completely separate department, into the inspection process, which had been a challenge. All of these things started with the strong aspirations of just one person. A co-creative mindset that transcends the boundaries of specialized fields, which has been widely fostered within the Company, will continue to be a key asset for our growth.

*1 Purpose: Change Society through the Power of Chemistry
*2 Values: Passionate & Results-Driven; Agile & Flexible; Open Minds & Open Connections; Solid Vision & Solid Integrity
*3 NCF: Non Conductive Film

In terms of fostering corporate culture, we have been emphasizing the importance of the Values for the past four years. Even if the business portfolio is optimized, if employees cannot demonstrate the Values in those businesses, it will not lead to growth. Therefore, in my first year, I declared that "we want people who resonate with our Purpose and demonstrate our Values as part of our company," and I have repeatedly engaged in discussions with on-site staff, alongside the HR department, to ensure that everyone understands and can demonstrate the Values. What has been built within the company over the past four years is a shared understanding of what the Values mean in practice.

When we told the prospective employees that "Resonac is not a company for lifetime employment, but we will definitely train you to become someone who can succeed anywhere in the world," we received a great deal of support. The conditions for moving to the next phase have been met.

Maximizing "Strategy × Individual Strengths × Corporate Culture" in anticipation of the arrival of an AI society

Resonac's corporate value increases by maximizing the multiplication of "Strategy × Individual Strengths × Corporate Culture," and this is already reflected in our achievements.

The KPIs set forth in our long-term vision with 2025 as the

Message from the CEO

target year were revenue of over ¥1 trillion, an EBITDA margin of 20%, and a PBR above 1x. While sales were close to ¥1.4 trillion in 2022, the reason we specifically stated net sales of over ¥1 trillion is because we were placing emphasis on the EBITDA margin. To reach an EBITDA margin of 20%, it was essential to restructure businesses with large sales volumes but low operating income ratios, and we had been considering establishing an independent olefins and derivatives business since that time. Currently,* sales and PBR have exceeded our targets. Our EBITDA margin for fiscal 2025 was 15.1%, but it is expected to reach 20% once the partial spin-off of the olefins and derivatives business is completed. The results of our structural reforms have been well-received by the capital markets, and we recognize that this is what has led to our current* stock price.

*End of June 2026

On the other hand, during our transformation, a major change occurred in the external environment: the dramatic advancement of AI. The surge in demand for advanced semiconductors, which are essential for generative AI, presents us with a great opportunity. In addition, AI will undoubtedly prove useful to us in research and development and productivity improvement across all businesses. Meanwhile, the role of humans is also facing significant changes. There are three things that AI cannot do. It cannot have aspirations, make value judgments based on experience, or create innovation from scratch. This can be rephrased as the Purpose, Values, and co-creative mindset emphasized by Resonac, and human resources who lack these capabilities will likely be replaced by AI. Going forward, it will become even more important to enhance individual capabilities.



Phase 2 of transformation

Three hurdles that must be overcome in order to achieve growth

The foundation for growth is in place. 2026 marks the beginning of a phase where we will achieve growth. My job as CEO is to maximize the corporate value of Resonac. We aim to contribute to society and the environment, and become a World-Class Functional Chemical Company. We view the hurdles that must be overcome to achieve this as material issues. We have set management agendas, strategies, and KPIs for material issues* related to social value creation, business foundation, and people and culture, and have begun initiatives to achieve growth. From the perspective of envisioning, expanding, and supporting growth, I will explain three Say & Do strategies.

* "Creating Social Value through Innovation and Businesses," "Build a Strong Business Foundation to Support Growth," and "Develop Autonomous and Creative Talent and a Culture of Co-creation"

Say & Do 1

Improving capital efficiency through business portfolio optimization

The first step in Phase 2 is to envision growth. We position the semiconductor and electronic materials field as a catalyst for growth, and we will fundamentally improve the profitability of each segment.

Resonac is a functional materials company, and the source of our value creation comes from our extensive knowledge of organic resins and inorganic fillers, as well as our technologies for mixing them. In other words, the potential applications of these technologies are limitless, but from the perspective of maximizing corporate value, we should focus on semiconductor materials for the time being. However, if, for example, Doraemon becomes popular in the future, we could develop functional materials for creating "Doraemon." I believe that by

We have instilled a commitment to change within the organization by "thinking as we go" rather than "preparing before we start."

combining the technological foundation we have cultivated to date with co-creation, we can continue to generate new functions.

The question is, how long will the semiconductor market continue to grow? It's unclear how long the current trend of generative AI will continue, but given that semiconductor demand has cycles, there is a high possibility of a temporary decline. However, a key characteristic of semiconductors is that they continue to grow alongside high volatility. And it is precisely because each peak that follows a valley is higher than the previous peak that the semiconductor market has continued to grow. Hesitating to invest out of fear of a long payback period will result in missed opportunities, therefore we should actively allocate resources. Making decisions requires not only courage, but also determination and conviction; without these, one cannot reach the World-Class stage.

The automotive industry is difficult for other industries to enter, but by approaching areas that require advanced materials technologies, such as power modules and thermal management, we believe we can demonstrate our presence in the industry.

On the other hand, the business structure of the olefins and derivatives and graphite electrodes businesses, which do not offer long-term growth prospects and are highly volatile, must undergo a thorough review. In the automotive field, the production of resin molded products such as tailgates was deemed to fall outside Resonac's fitness for strategy in terms of materials technologies, and therefore the business was sold off.

Through the growth of materials for AI and the optimization of our business portfolio, we aim to increase sales in the semiconductor and electronic materials segment to over 50% of our total sales. In terms of the EBITDA margin, the semiconductor and electronic materials segment significantly exceeds 20%. We anticipate that improving the business structure in other segments and increasing operating profit ratios will boost our overall EBITDA margin.

Above all, if we can establish ourselves as a functional materials manufacturer focused on semiconductor materials, our corporate value will increase significantly. What can be expected from this is the formation of a "cluster" with other players. Japanese manufacturers of semiconductor materials possess advanced technologies, but their sales volume is not large, making it difficult for them to make large-scale investments to meet the demand for AI. However, if manufacturers collaborate, and in some cases merge, they may be able to complement each other in terms of technological collaboration and investment. Once a certain market capitalization is reached, this could also serve as a safeguard against hostile takeovers by large overseas corporations. Synergistic effects leading to the development of the entire semiconductor industry would also be beneficial for Japan. In this context, we will accelerate business growth so that Resonac can become a leading company.

Say & Do 2

Strengthening business growth capabilities through co-creative innovation

The second step is expanding growth. Based on our cultivated co-creative mindset, we will maximize our internal and external networks and lead the market, primarily in terms of semiconductor materials.

The Company's growth in the semiconductor materials field to date has been due to our strength in understanding our customers. Resonac is not a semiconductor manufacturer, but we have connections with major players such as TSMC, NVIDIA, and Intel, as well as hyperscalers such as GAFAM, allowing us to proactively gather information on industry needs. By drawing on accumulated information to create a five-year roadmap for semiconductor evolution and working backward to advance the research and development of materials, we have been able to make rapid proposals to customers.

However, Resonac is not the only company with the latest information. By working with top global companies in the fields of materials, equipment, and design, we can share more advanced knowledge. Based on this idea, we established the co-creative evaluation platform "JOINT3" in 2025. The panel-level organic interposer field, where materials development is advancing, is expected to become a game-changer, with demand rapidly expanding due to the increase and acceleration of data communication capacity. Through co-creation amongst the 28 participating companies, we believe we can bring innovation to advanced semiconductor packages.

Through our previous experience establishing "JOINT" and "JOINT2," we have accumulated expertise in consortium management, including the management of results and patents. Leveraging these strengths, "US-JOINT," a joint venture involving 12 companies, including materials and equipment manufacturers from Japan and the U.S., began

See here for our Long-Term Vision message

full-scale operation in 2026. The most important point is that a base has been established in Silicon Valley, U.S. As GAFAM expands its influence, it continues to create new concepts for semiconductor packages. The aim is to establish a consortium to handle the above and function as a back-office for prototyping and experimentation. Becoming a strong partner of hyperscalers, who will lead the next AI era, will also allow us to anticipate demand.

Say & Do 3

Establishing the foundation for sustainable growth centered on a culture of co-creation

For the third step, the theme is supporting growth. The Company's engagement score for "degree of implementation with the Purpose and Values" improved significantly from 34% in 2022 to 60% in 2024. However, the score for 2025 remains at the same level as 2024. The next important step will be ensuring that employees feel happiness. Based on our established understanding of what the Purpose and Values mean in practice, we will implement organizational reforms.

The biggest hurdle in this process will likely be that employees who are unable to demonstrate the Values will remain within the Company. Happiness thrives when there are no people around who make others unhappy. Engagement survey results clearly show that if even one person out of ten makes others unhappy, the motivation of those around them drops significantly. Furthermore, interviews with on-site employees have revealed that individuals who make those around them unhappy are generally those who are unable to demonstrate the Values. Given these circumstances, we declared in 2026 that we will provide thorough feedback to those who are unable to demonstrate the Values, encourage them to reflect on themselves, and if improvement is not achieved, we will support them in finding a suitable environment for their success. This may be rather harsh, but it is a topic we cannot shy away from. On the other hand, the majority of employee reactions to this declaration were positive. It seems that the desire to cherish our Purpose and Values is spreading.

Japanese companies tend to have a strong resistance to giving negative feedback. When it comes to employment, I believe it is wrong for excessive caution to prevent us from providing appropriate guidance and support. For individuals who are unable to demonstrate the Values, the first step is to help them become fully aware of their situation, repeatedly develop improvement plans and encourage action, and if results still do not materialize, then we must consider roles and environments, including external ones, that better utilize the individual's strengths. This kind of healthy communication is not about denying an individual's value, but about finding opportunities for better growth and success, and managers should carry this out with determination and conviction.

To concretely advance reforms, a fair and objective approach is necessary, such as establishing indicators for the Values and conducting 360-degree feedback by assessing individuals' behaviors against those indicators. Although it will be a very demanding task, this eliminates subjective indicators such as likes and dislikes, and this means that we should be able to obtain results that are highly satisfactory.

At the same time, we aim to become an organization where employees who demonstrate the Values feel more fulfilled. Humans are creatures who find happiness in connecting with others, and a company where employees can experience a sense of accomplishment alongside their colleagues is a wonderful place. To maximize this appeal, we must cultivate managers who are receptive to taking on challenges. We plan to strengthen training systems and promote environmental improvements, such as by showcasing co-creative talent who engage those around them as model cases. Furthermore, as a foundation for all of this, being healthy both physically and mentally is of paramount importance, and we will further accelerate our initiatives for health management.

We will also begin working on a new system design. In particular, we are newly introducing a project-based organizational structure. We will use different organizational structures depending on the characteristics of the work. For areas where reproducibility and stable quality are important, we will use a traditional hierarchical organization, and for areas where rapid innovation and reform are required, we will enable the selection of an agile project-based organization that transcends departmental and divisional boundaries. In a project-based organization, the goal is to create a system where one person can contribute to multiple projects by assigning Project Managers to oversee projects and People Managers to manage human resources. By allocating the necessary personnel to focus on key issues, goals and missions will become clearer, and various initiatives should become more active. Cross-disciplinary co-creation will likely increase even further.

Reforms concerning people and culture are inevitably met with resistance and anxiety. However, the initiatives of the

We aim to change the conservative mindset of Japanese industry with the ambition of becoming a force that will mark a new era where people speak of "before Resonac and after Resonac."



past four years have fostered a sense of flexibility in adapting to change, and employees now share a belief that "Resonac can do whatever it takes." While respecting the wishes of each individual, conducting phased trials, and following steady procedures, we will pursue happiness for everyone through the implementation of bold reforms.

Resonac's mission

Passing on a more sustainable planet and society where people can live with happiness to the next generation

The growth to be achieved in Phase 2 must contribute to the society of the future. What Resonac aims to achieve through co-creation is "a more sustainable planet and society where people can live with happiness." Although we face challenges such as war and climate change, I do not dislike the planet as it is today. I want to pass it on to the next generation in a good state. To fulfill our mission, it is essential to maintain a balance between profit generation and sustainability.

First and foremost, it is important to contribute to society through our business. AI, which will become the technological infrastructure of the future, will solve social issues in many areas. Resonac's technological capabilities, which contribute to these areas, will contribute to the advancement of humankind. In this way, we must incorporate into all our businesses a perspective that looks beyond our activities to society at large in order to create new value.

In addition, I would like to apply a co-creative mindset to our sustainability initiatives. At Kawasaki Plant, which manufactures basic chemicals and has high CO_2 emissions, we decided to partially introduce hydrogen-fired gas turbines after receiving project approval from the Ministry of Economy, Trade and Industry. Kawasaki Plant has also been promoting a "gasification chemical recycling business," which generates ammonia and hydrogen from used plastics, for over 20 years, and we are proud to say that our chemical recycling technologies are among the most advanced in the world. Building on these achievements and working in cooperation with Kawasaki City, we will develop Kawasaki Plant into an environmentally conscious urban plant, and in doing so present a model for a sustainable society.

Furthermore, I believe that Resonac's thorough reforms will transform the conservative mindset within Japanese industry, which is sometimes derisively called JTC.* In fact, we have seen an increase in consultations from managers from other companies, and we have begun to truly feel the attention we are receiving from outside the company. In the HR industry, we have sometimes been called "too innovative to imitate." In the future, when people look back on the history of Japanese industry, we aim to become a force that will mark a new era where people speak of "before Resonac and after Resonac." I believe that the determination and conviction of CEOs in carrying out reforms will stimulate Japanese industry, which has been stagnant for a long time.

Resonac is leading the way towards the next stage of growth. I am not the only one who is serious about this. When I interact with employees who are drawing roadmaps on-site, the sparkle in their eyes leaves a very strong impression on me. I no longer feel that we are outmatched by even the world's leading companies. Please look forward to our next phase.

* JTC: Abbreviation for Japanese Traditional Company A company that implements Japanese-style management.

Overcoming the negative legacy of Japanese-style management and finding strengths in ancient Japan

Takahashi: As globalization progresses, the limitations of Japanese-style management* are beginning to become apparent. Mr. Toyama, what do you think is required of today's managers and organizations?

* This refers to the management system of Japanese companies established during the post-war period of rapid economic growth, including lifetime employment and seniority-based wage systems

Toyama: Japanese-style management was only effective for about 30 years, from around 1960 to 1990. It was developed within a specific environment of industrial development and population growth, and is not a traditional management philosophy.

The problem is that it was considered a universal model and became a constraint for the next 30 years. Seniority-based wage systems and lifetime employment became entrenched vested interests, hindering adaptation to change and ultimately leading to a loss of vitality in Japanese companies.

Takahashi: I agree with you. I have said in various places that I'm "picking a fight with the status quo," and at the root of this is that exact anger and frustration at stagnation. Many of the companies currently referred to as "large corporations" are still clinging to their past successes and have not been able to adequately adapt to environmental changes that have occurred since the bursting of the bubble economy. They are simply resting on their laurels, stuck in a time when people viewed them as great companies.

I believe that traditional practices such as mass hiring of new graduates, lifetime employment, and seniority-based wage systems are ruining Japanese companies and hindering change. In fact, younger generations are seeking environments that allow them to increase their market value, rather than traditional employment.

Toyama: During the "lost 30 years," globalization made it possible to carry out simple manufacturing even in low-wage countries. The source of value is shifting from tangible goods to intangible assets such as expertise and content, and companies are expected to continuously create unique value that only they can provide.

Takahashi: Some have pointed out that "commodities are not profitable," but we focus on functional materials. To meet our customers' specific needs, we continuously refine our products by combining different materials and suppliers. Businesses that require this kind of alignment have high barriers to entry, making it difficult for companies from countries like China, South Korea, and the U.S. to easily enter the market.

While Japanese-style management has its issues, I believe it also possesses unique strengths. Rather than a global company, I want to aim to become an international company that leverages the strengths of Japan.

Toyama: I also believe that Japan's strength lies in alignment, and this is particularly evident in the Edo period (1603-1868). As exemplified by Kabuki and Ukiyo-e prints, Japan has a culture of many people aligning various things to create



Hidehito Takahashi
President and CEO,
Resonac Corporation

Phase 2

Resonac's co-creat
social change in
the w

complex and delicate value with a high degree of reproducibility. Instead of competing with massive capital, re-evaluating these unique Japanese strengths could clarify the added value that companies can create.

What is the power of co-creation that can respond to market game-changers?

Toyama: When considering JTCs as organizations, their biggest weakness lies in the fact that their leaders' abilities and mental operating systems (OS) were unable to adapt to change. When the game changes from baseball to soccer, people hastily put together an impromptu soccer team. But, of course, people who have only ever played baseball cannot possibly compete against Manchester United or Real Madrid. Unless the leaders understand soccer and take the initiative to bring about change, it's impossible to build a decent team.

Takahashi: In Resonac's human resource development, we place great emphasis on what it means to be a leader. We have shifted our focus from developing apps to cultivating an OS; in other words, we have shifted our focus from individual skills to refining the foundation of our thinking. We define individuals who can create and align together as co-creative talent.

When I explain OS, I use the exact same analogy. The world is changing at an unprecedented pace, and we need the flexibility to adapt to such changes.

In reality, functional chemicals and commodity chemicals are as different as baseball and soccer. The bulk commodity chemicals market is a world where large factories are built to increase uptime and the market determines the price of products. To operate large factories safely, a hierarchical organizational structure is necessary. On the other hand, functional chemicals involve a process of continuous alignment, and the required organizational structure is completely different.

Toyama: This brings us back to the unique strengths of Japanese companies.

Takahashi: As you mentioned earlier, this is a strength that Japanese people have cultivated since the time of Kabuki and Ukiyo-e. The growth of the semiconductor market has of course been helpful, but the fact that the market size for each individual material is not that large has actually been working to our advantage.

Toyama: Because the market is small, large competitors cannot enter. In an era with a shortage of workers, there is no benefit in building a massive factory. Actually, I believe that precisely because of this small scale, the strengths of Japanese companies can be maximized.

Another point is that with the advancement of AI, many middle-management white-collar jobs will likely start to be handled by AI. As such, what organizations need will be human resources who can ask questions and make decisions on their own. With the intention of saying goodbye to Japanese-style management, it is time to re-examine our current approach to training and bottom-up organizational management.



Dialogue

ion will bring about Japan and around world!

Kazuhiko Toyama
Chairman & CEO,
Japan Platform of Industrial Transformation, Inc. (JPiX)

Phase 2 Dialogue

See here for speakers' impression after the interview (In Japanese only)

Takahashi: I agree with you. If we have a process from 1 to 10, and AI takes over steps 2 through 9, then only steps 1 and 10 will remain for humans. 1 represents the determination to decide what to do, while 10 represents making a decision from the options presented. In a world where middle management disappears and leaders and on-site employees are directly connected, the determination and conviction of each individual becomes crucial. This requires different skills than traditional Japanese-style management.

Toyama: Among those who are commonly referred to as "bosses," there are many who, in a positive sense, are "unconventional" by traditional standards. On the other hand, when it comes to running these new organizations, soft power—based on trust and shared values—is just as important as coercive power such as personnel and finance. Therefore, it is necessary to change an organization's OS.

Takahashi: I visit approximately 70 business sites annually with the CHRO, engaging in direct conversations with on-site staff. I believe that the essence of soft power lies not only in disseminating information, but also in creating an overall atmosphere. We have been selling off businesses to increase corporate value, and when making such major decisions, it is the role of a leader who possesses determination and conviction to engage in dialogue with employees to exchange thoughts and feelings.

Toyama: In large corporations, on-site employees often receive information about management's thoughts through the media. Instead of this, it is important for management to communicate its intentions directly through dialogue.

Takahashi: In that sense, transparency is important. What I strive to do is honestly convey facts to employees. If a manager says different things to different people, contradictions will inevitably arise. That is why I try to be frank, even when the information I have to share is harsh.

Toyama: It's a matter of corporate culture. I think the key to changing it lies in management's degree of commitment.

Takahashi: You're right, organizational culture can only be changed by management.

Values and skills evaluation system for developing human resources that create added value

Toyama: Culture is like an OS that unconsciously influences people's thoughts and actions. When Japanese-style management is deeply ingrained, it becomes difficult to adapt to change. If more people develop an OS that allows them to think from a fundamental perspective and continuously question whether their work is creating added value, organizations should change autonomously. In many overseas companies, this sense is more acute because they face the reality that if a person doesn't create added value, they will lose their job.

Takahashi: Our goal is to break the codependent relationship between Japanese companies and their employees, and to create an environment where each individual can work happily and demonstrate their potential based on the Purpose. That is the kind of company Resonac strives to be.

Toyama: It can be difficult to see in large corporations, but the essence of work lies in being of service to someone and receiving compensation for it. This is nothing new; it's a fundamental principle that humanity has always followed.



I wonder why Japanese people seem so unhappy at work. Unless we change that, Japan will never change.

Japan has become monotone. That is why I believe we should reclaim the colorful world of Edo culture once more.



Creating systems that allow people to truly feel this essence is becoming increasingly important for all companies. Since Resonac is ahead of the curve, I would like to see you set an example. Because that would prove my hypothesis.

Takahashi: We are planning to introduce a skills-based personnel system next year. If we can create a system that visualizes a person's skills and evaluates them based on those skills, individuals will be able to identify their own skills, and companies and employees can then build relationships where they choose and are chosen by one another.

Toyama: There is a debate over "membership-based" versus "job-based" employment, but in reality, job-based employment around the world is actually skills-based: companies explicitly define the skills required for a particular position, stating, "This role requires these skills."

Takahashi: The term is being used incorrectly. That is why Resonac describes it as "skills-based." Our goal is not simply a job-based system, but the human resource management approach that lies beyond it.

Since taking office, I have consistently said that I want Resonac to become a company that develops talent. In the future, I want it to become a company where "people like those at Resonac" are recognized and valued as a brand in their own right.

From Resonac to a colorful society Japan's future beyond transformation

Toyama: The past 30 years have been a period in which past successes have stifled Japan's potential. However, we are finally starting to break free from these constraints.

Japan is the first country to confront the challenge of achieving growth in the face of a declining population. If Resonac can serve as a role model for both management reform and business transformation, it could make a significant contribution to improving productivity in Japan. I have high expectations.

Takahashi: Thank you for your words. Lately, I have fortunately begun to see a gradual emergence of ambitious managers, and I want to build a network with these kinds of people and create an environment where we can all work hard together.

Toyama: After 30 years of stagnation, it seems that more and more people are now willing to stand up to change.

Takahashi: The reason I am so focused on happiness is because I cannot understand why Japanese people seem so unhappy at work. If you laugh while working, there is a belief that it means you are not taking your work seriously. I feel that Japan will not change unless we change the situation of white-collar workers at listed companies being unhappy.

Toyama: If we can overcome the wave of change we are currently experiencing, Japan's next 100 years will be much more interesting and colorful. I would like Resonac to be a driving force behind that change.

Takahashi: I believe we must continue to innovate in order to meet expectations. A leader's job is to keep innovating, so I intend to continue demonstrating to society what evolution truly means through this company, so as not to fall into the trap of maintaining the status quo. Please check out the colorful future that Resonac is creating!

Long-Term Vision

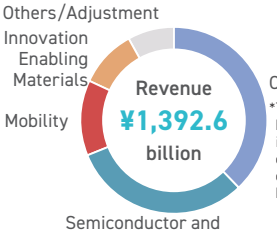
Phase 1

EBITDA margin
2022 Results **12.2%**

EBITDA margin
2023 Results **8.2%**
Resonac established

EBITDA margin
2025 Results **15.1%**

2022



*The Chemicals business includes the olefins and derivatives business.

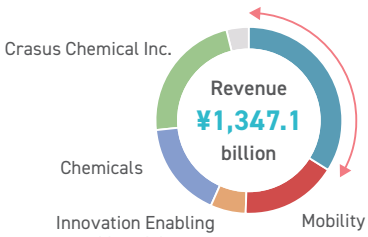
Cultivation of corporate culture
Degree of implementation of the Purpose and Values
34%

Reduction of GHG emissions*1
Down 5.9%

Serious occupational accidents
0

2023

2025



Semiconductor and electronic materials
38%

*1 Reduction of greenhouse gas emissions (Scope 1 + Scope 2) (consolidated) (from the level of 2013)



Achievements in Long-Term Vision Phase 1

1. Focused investment in the semiconductor business (enhanced profitability and efficiency)
2. Withdrawal from unprofitable businesses and restructuring (improved efficiency)
3. Enhancement of integration through co-creative development (strengthened differentiated development)
4. Establishment of team management and inculcation of Purpose and Values

Business Portfolio Reform

2021-2024: 11 business divestitures
(Combined business value over ¥200 billion)

2025 ① Resonac Packaging Corporation (food packaging materials business) ② Clean-S Showa Co., Ltd. (exhaust gas abatement equipment business) ③ Resin molded products business in China ④ F2 Chemicals Ltd. ⑤ FIAMM Energy Technology S.p.A.

Business and Technology Development

Overview Building a co-creation-based platform for business and technology development focusing on semiconductors and shifting to customer-centric development

Specific measures / achievements ① Promoting co-creative development through JOINT2 ② Establishing a platform for verification by the PSC* combining materials, equipment, and processes ③ Expanding co-creation in the mobility field by the Power Module Integration Center (PMiC)* ④ Establishing a hypothesis-driven development process that begins with customer dialogue and proceeds through verification ⑤ Providing solutions that integrate products and evaluation across the entire semiconductor manufacturing process, from front-end to back-end processes

Cultivation of Human Resources / Corporate Culture

Overview Focusing on fostering a sense of unity following the merger and laying the foundation for a culture of co-creation

Specific measures / achievements ① Inculcating Purpose and Values through AHA!, town-hall meetings, roundtable discussions, etc. ② Identifying organizational challenges through engagement surveys ③ Promoting co-creative leadership training and the personnel system

Sustainability

Overview Establishing and embedding sustainability as a management foundation

Specific measures / achievements ① Establishing a sustainability promotion system ② Identifying material issues and setting non-financial KPIs ③ Beginning efforts to make contributions to society and the environment visible

Governance

Overview Establishing a post-merger management structure and governance framework

Specific measures / achievements ① Establishing a governance structure centered on the Board of Directors and the Management Committee ② Identifying and addressing companywide key risks ③ Strengthening compliance / internal control

* The former Packaging Solution Center (PSC) and the former Power Module Integration Center (PMiC) were integrated in 2026 to form the Packaging and Power Solution Center (PSC).

Vision

EBITDA margin: 20%
Multiple of 15x
(EV/EBITDA multiple)

Phase 2

Vision

Cultivation of corporate culture	Degree of implementation of the Purpose and Values 60%
Reduction of GHG emissions*1	Down 13.4%
Serious occupational accidents	1

Functional materials, etc.



Semiconductor and electronic materials
≧50%

Cultivation of corporate culture	Further enhancement of the degree of implementation of the Purpose and Values
Reduction of GHG emissions*1	Carbon neutrality
Serious occupational accidents	0



CEO Takahashi's Say & Do (Long-Term Vision Phase 2)

1. Optimize the business portfolio to improve capital efficiency
2. Strengthen growth through co-creation and innovation
3. Establish a sustainable growth foundation through a culture of co-creation

We co-create a more sustainable planet and society where people can live with happiness as we strive to become a World-Class Functional Chemical Company.

Business Portfolio Reform

Scheduled in 2026 ① Spin-off of Crasus Chemical Inc. (olefins and derivatives business) ② Transfer of automotive molded products and materials business

Business and Technology Development

Overview Evolving the co-creation framework to enable business and technology development that creates competitive advantage (growth realization stage)

Specific measures ① Deepening global, cross-industry co-creation through JOINT3 and US-JOINT ② Evolving toward structure-driven solution proposals by leveraging capabilities in semiconductor materials, evaluation, and analysis ③ Accelerating verification and proposal cycles through an understanding of customer processes ④ Accelerating development and improving accuracy through the use of AI/MI and computational science ⑤ Creating next-generation themes by leveraging market intelligence

Cultivation of Human Resources / Corporate Culture

Overview Evolving the culture of co-creation into a "capability that delivers results" and building a talent base that supports sustainable growth

Specific measures ① Developing a culture of co-creation and enhancing employee happiness ② Skills-based talent deployment ③ Advancing development ④ Human resources investment with a focus on improving human capital ROI

Sustainability

Overview Embedding sustainability into business operations and translating social value into corporate value

Specific measures ① Business development by viewing sustainability as a growth opportunity ② Value creation across the entire value chain ③ Continuing and advancing the initiatives for carbon neutrality and other initiatives

Governance

Overview Evolving toward governance that supports value creation through appropriate risk-taking

Specific measures ① Enhancing decision-making to support portfolio management ② Balancing risk management and growth strategy ③ Strengthening governance through dialogue with stakeholders

What's Different! Overview of Long-Term Vision Phase 2

In Phase 1 of the Long-Term Vision during Resonac's second founding from 2022, we pursued the transformation of the business structure by reforming the business portfolio and strengthening the management foundation during a second founding phase following the merger. In Phase 2, we will transition to the growth realization stage, building on the structural reforms to date. We will enhance our business growth and earning power by concentrating management resources in the semiconductor and electronic materials fields and accelerating co-creation and innovation. At the same time, we will increase corporate value by bringing a culture of co-creation to life and strengthening human capital, underpinned by the practice of our Purpose and Values, as we strive to become a World-Class Functional Chemical Company.

Purpose

Change Society through the Power of Chemistry

Values

Passionate & Results-Driven; Agile & Flexible; Open Minds & Open Connections; Solid Vision & Solid Integrity

Vision

We co-create a more sustainable planet and society where people can live with happiness, as we strive to become a World-Class Functional Chemical Company*.

* Company that can compete on the world stage; Company that contributes to a sustainable global society; Company that develops co-creative talent

Material issues

- **Create Social Value through Innovation and Businesses**
- **Build a Strong Business Foundation to Support Growth**
- **Develop Autonomous and Creative Talent and a Culture of Co-creation**

Management agenda

- Sustainable growth through businesses
- Promoting co-creative innovation
- Implementing sustainability
- Advanced manufacturing built on safety and quality
- Strengthening portfolio management
- Increasing productivity and creating value through AI
- Developing a culture of co-creation and enhancing employee happiness

See page 127 for other KPIs.

Company-wide KPIs for 2030

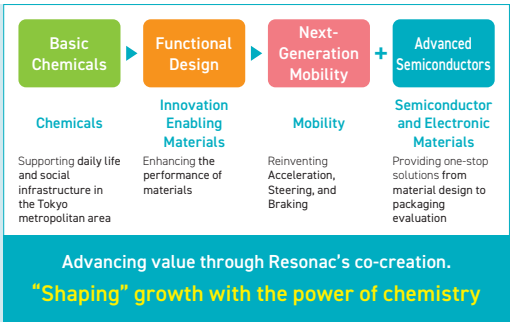
* No timeline is set for ☐

Sustainable growth through businesses	Promoting co-creative innovation	Implementing sustainability	Advanced manufacturing built on safety and quality	Strengthening portfolio management	Increasing productivity and creating value through AI	Developing a culture of co-creation and enhancing employee happiness
Revenue: Over ¥1 trillion	Promoting (technology-driven) new product development*1	Number of certified Resonac Pride Products and Services: Increase	Number of serious safety and health / equipment and process / environmental incidents: 0	ROIC: 10%	AI service adoption rate in business operations: 100%	Employee engagement score: Year-on-year increase
ROIC: 10%	Enhancing the market value and technical value of patents MC: >1.0, TR: >1.2	GHG emissions Scope 1 and 2: 30% reduction (by 2030 from the level of 2013) Scope 3: (under consideration) (SBT to be obtained)	Number of serious product-related accidents: 0	EBITDA margin to sales: Over 20%	Cumulative achievement rate of business benefit ROI*2: Over 100%	Purpose and Values implementation score: Year-on-year increase
EBITDA margin to sales: Over 20%	*1 Through R&D progress index management	Number of serious compliance violations: 0	Sustainable procurement ratio: 100%	EPS: ¥500	*2 Business benefit amount relative to IT expenditures (outsourcing costs + capital expenditures) contributing to the business	Human capital ROI (disclosure from 2028 onward)
Number of certified Resonac Pride Products and Services: Increase		Progress rate of risk response measures / Top management review cycle: Increase		EV/EBITDA multiple: x15		
				Net Debt/EBITDA ratio: x3		



Say & Do 1 "Shape" Growth Trajectory

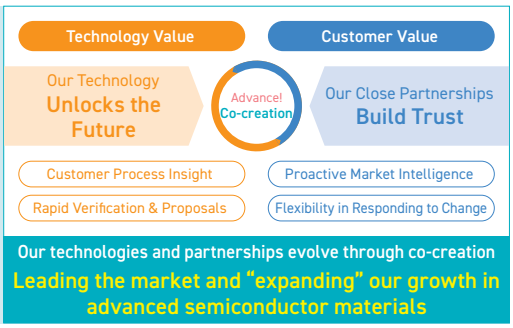
By optimizing our business portfolio, we will reassess our business fields and capital allocation to chart a course for future growth. Identifying growth fields by selection and concentration, we will enhance the performance of materials based on basic chemicals and create new value in cutting-edge fields such as semiconductors and mobility!





Say & Do 2 "Expand" Growth Footprint

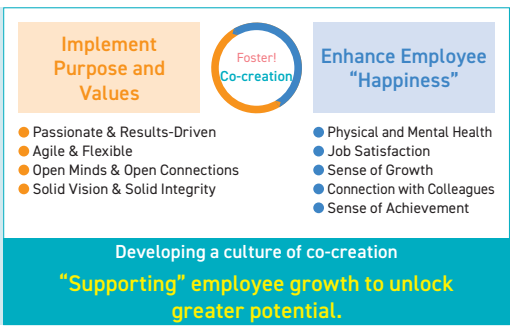
Our technologies, cultivated through deep understanding of customer processes and rapid verification and proposal cycles, are the source of technology value. Our ability to work closely with customers, developed through proactive gathering of market intelligence and flexibility in responding to change, is the source of customer value. By integrating and evolving this value, we will lead the market and expand our growth in advanced semiconductor materials!





Say & Do 3 "Support" Growth Initiatives

We support the growth of individual employees by implementing Purpose and Values and enhancing employee happiness. Through dialogue and opportunities to take on challenges, we encourage autonomous action and help each person realize their full potential. By further developing a culture of co-creation and enhancing our ability to create value, we strengthen the foundation that supports sustainable growth!



Here's How We Developed Our New Long-Term Vision!

Through extensive discussions involving our business unit, headquarters functions, and corporate officers, we formulated our "vision," "material issues," and "key initiatives and KPIs"—all rooted in our "aspirations." The formulation process was guided by the following three considerations:

1. **Shifting from a company-centric perspective to a "societal" perspective**
2. **Integrated strategy without separating financial and non-financial aspects**
3. **Being simple by streamlining complex hierarchical structures**

We developed the vision through extensive company-wide discussions, with the aim of contributing to the sustainable growth of both society and our company.

Rumi Ueyama Sustainability Department



We have defined our vision and action plan through top-down and bottom-up dialogues.

Kensuke Sato Corporate Planning Department



Management: Team Takahashi

Having completed Phase 1 of its Long-Term Vision, which began with the company's second founding, Resonac has embarked on Phase 2. Team Takahashi will continue to lead reforms aimed at making Resonac a World-Class Functional Chemical Company. Here, we introduce the members of the management team who are advancing co-creation by drawing on their individual strengths, together with messages from each of them.

Initiatives to Penetrate and Implement Purpose and Values

Members of Resonac's management team not only drive transformation in their respective areas of responsibility but also visit business sites in Japan and overseas and workplaces to engage in ongoing dialogue with employees.

In addition to town hall meetings, Moyamoya Meetings, and Purpose Exploration Café held by the CEO and CHRO during their visits to business sites and plants in Japan and overseas, General Managers of Business Units (BUs) and CXOs also visit plants in Japan and overseas to host town hall meetings and Sustainability Day events. Team Takahashi's approach is characterized by on-site dialogues that embed the Values throughout the organization and help shape a corporate culture unique to Resonac.

On-site Dialogues by CEO and CHRO

2025

41 locations in Japan

38 locations overseas

I devote more time to dialogues with employees than to anything else!

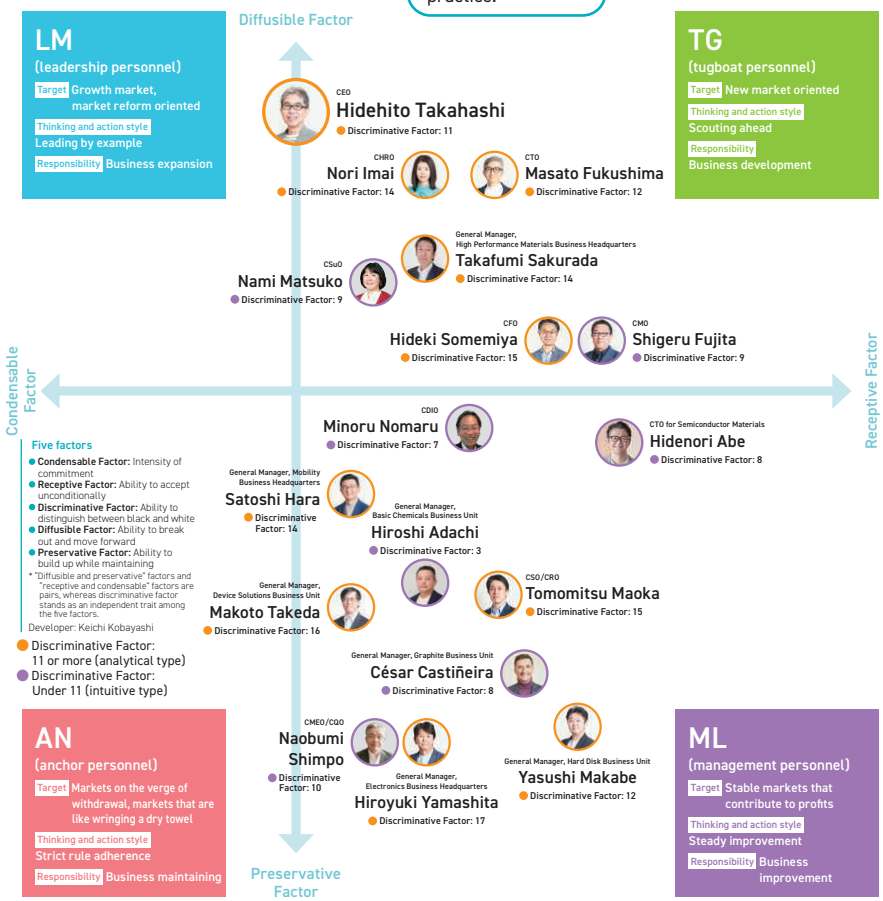
Over the past few years, we have developed a shared sense of what our Values look like in practice.



Team Takahashi: A Tapestry of Diverse Personalities

Resonac uses Five Factors & Stress (FFS) theory* to promote team building. The aim is to deepen understanding of oneself and others and, while maintaining psychological safety, enable each individual to recognize their role and make full use of their strengths. FFS theory is also applied to organizational design and human resource development. Resonac's management team, Team Takahashi, is structured in a manner truly suitable for a period of transformation. CEO Hidehito Takahashi leverages the characteristics of LM (leadership personnel) to lead everyone, while TG (tugboat personnel) is responsible for pioneering, and ML (management personnel) is in charge of improvements.

* Five Factors & Stress (FFS) theory: Developed in the study of stress and personality. It quantifies human thought and behavioral characteristics, which are the patterns in which people think and act arbitrarily and unconsciously, in terms of five factors and stress values, providing insight into whether an individual's latent strengths are being positively or negatively expressed.



* Latest analytical results



The Age of AI Adoption:
Rival Powers Rise! Executive AI Avatars Take the Field

—The Use of AI at Resonac—

We are working to create an environment where every employee can use AI in their day-to-day work. In 2025, we rolled out Copilot* across the company, expanding the number of paid licenses to 6,500. By making AI an integral part of our day-to-day operations, we aim to continuously improve productivity and create new value. As part of these initiatives, a team of young leaders developed "Executive AI Avatars"—AI agents designed to reflect each executive's distinctive thought processes and decision-making style—and made them available internally in May 2026. By learning from executives' past statements and the principles underlying their decisions, these AI avatars replicate their decision-making styles, enabling employees to approach their day-to-day work from a management perspective. Going forward, we will leverage AI to accelerate productivity gains and value creation, thereby driving sustainable growth in corporate value.

* Copilot: A generative AI assistant provided by Microsoft

Management: Team Takahashi

Meet "Team Takahashi," Our Management Team

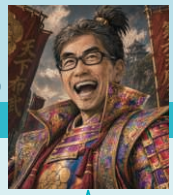
Executive AI Avatars of the members of Team Takahashi were generated by using historical figures with similar traits as models based on their remarks and characteristics!

The executives answer questions posed by their AI avatars. The small speech bubbles contain comments directed at the characters modeled on the executives.

▶ Scan the QR code for messages about the Long-Term Vision from Team Takahashi

President and Chief Executive Officer (CEO)

Hidehito Takahashi



Great figure

Oda Nobunaga

A trailblazer who defies convention and leads transformation

Question by AI: Takahashi, have you seen the transformation through since the company's second founding?

Executive's comment: I've never settled for half measures in our transformation. I'm confident we have been on the right track, and we're now seeing tangible results. But there's no such thing as "completion." Let's work together to make Resonac a great company.

If I'm to be struck down, let it be at Ms. Imai's hands!



The Real Takahashi

General Manager, Electronics Business Headquarters

Hiroyuki Yamashita



Tokugawa Mitsukuni

A leader who creates value through discipline and co-creation

Yamashita, have you driven growth in the semiconductor industry through co-creation?

By strengthening collaboration both within and beyond the company, we will continue to co-create value in the semiconductor sector and, through these sustained efforts, help drive the industry's growth.

I'll travel the world to make it happen.



The Real Yamashita

Chief Financial Officer (CFO)

Hideki Somemiya



Sakamoto Ryoma

A driving force who bridges divides and changes the course

Somemiya, have you seen the financial and capital reforms through to full optimization?

While we've largely achieved optimization, we'll continue to improve capital efficiency and refine our business portfolio. We'll enhance our financial flexibility to enable bold strategic moves and achieve true optimization by improving ROIC—without fail.

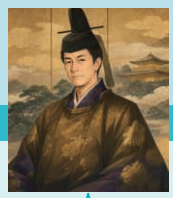
I'd rather not die young...



The Real Somemiya

Chief Strategy Officer (CSO) / Chief Risk Management Officer (CRO)

Tomomitsu Maoka



Ashikaga Yoshimitsu

A unifying leader who harnesses diverse strengths for the greater good

Maoka, have you made decisions that will create lasting value?

Decisions, by their very nature, are meant to influence the future. I approached every decision with pride and conviction, guided by one goal: to make Resonac a company people admire.

Outsmarted again—just like Yoshimitsu by Ikkyu...



The Real Maoka

Chief Human Resource Officer (CHRO)

Nori Imai



Akechi Mitsuhide

A change agent who challenges conventional wisdom and turns the tide

Imai, have you continued to pursue bold change through people and culture?

We've taken on one challenge after another! Working hand in hand with the CEO, and together with our roughly 22,000 employees, we've been building a new culture for Resonac. Next comes the "Happiness" phase, where everyone takes the initiative to create value. ♡

No sign of Hideyoshi...



The Real Imai

Chief Marketing Officer (CMO)

Shigeru Fujita



Chiba Shusaku

A leader who codifies excellence and embeds it throughout the organization

Fujita, can you show in concrete numbers how you have strengthened our marketing and sales capabilities?

Our shift to a co-creation model for working with customers is now delivering measurable results. I'm proud of our salespeople for forging a new kind of relationship with our customers.

Disciples wanted



The Real Fujita

Chief Sustainability Officer (CSuO)

Nami Matsuko



Sen no Rikyu

A master who discerns what truly matters and creates spaces for dialogue

Matsuko, is that challenge helping bring our Purpose to life?

Discover our Resonac Pride Products and Services! Through co-creation, we continually enhance the value they deliver and take pride in helping shape a better society. We hope you'll join us!

I'm much more colorful than that! (lol)



The Real Matsuko

Chief Operations, Manufacturing and Engineering Officer (CMEO)/ Chief Quality Officer (CQO)

Naobumi Shimpo



Hattori Hanzo

A trusted operator who works behind the scenes and protects what matters—without fail

Shimpo, have you maintained the momentum of improvement?

Yes. Our frontline manufacturing teams are making solid progress, and information about risks is being shared more widely. Going forward, we aim to further improve our systems—for example, by making differences in performance among sites more visible—and establish consistent, repeatable operating practices.

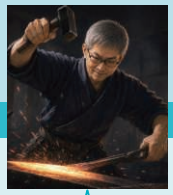
Whether behind the scenes or out in front, I'll be there to support our frontline teams!



The Real Shimpo

Chief Technology Officer (CTO)

Masato Fukushima



Horikawa Kunihiro

A craftsperson who forges raw materials into lasting value

Fukushima, what challenges did you take on, and what did you change?

We've transformed the way we develop technology. We combined the strengths of two companies and redesigned R&D around co-creation and dialogue. By leveraging ambidextrous talents skilled in both computational science and experimental research, we are developing technologies with the potential to drive meaningful social change.

I'm just so happy!



The Real Fukushima

General Manager, Mobility Business Headquarters

Satoshi Hara



Uesugi Kenshin

A principled leader who remains true to his convictions and faces every challenge head-on

Hara, are you delivering innovative technologies?

Through co-creation with our customers, we've focused on delivering innovative technologies for lightweighting and thermal management that support electrification and carbon neutrality. At the same time, we're reviewing underperforming businesses to strengthen both profitability and competitiveness.

I will continue to strive in pursuit of the path.



The Real Hara

General Manager, High Performance Materials Business Headquarters

Takafumi Sakurada



Kuroda Kanbei

A strategist who anticipates what lies ahead, charts a path to victory, and leads the way

Sakurada, are your efforts translating directly into value for customers?

We're increasingly creating value not only for our customers but within the company as well. Leveraging our broad capabilities across ceramics, resins, monomers, and other materials, we're evolving toward an application- and solution-oriented business model.

I seek no one's favor.



The Real Sakurada

CTO for Semiconductor Materials

Hidenori Abe



Hiraga Gennai

A co-creation leader who connects the world and creates value

Abe, have you helped shape the future of advanced packaging through co-creation?

JOINT has brought together customers, equipment manufacturers, materials suppliers, and design tool manufacturers from around the world. Together, we're shaping a shared vision for the future of advanced packaging and accelerating technological development to make it a reality.

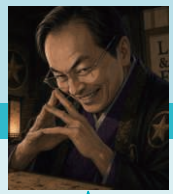
I'm all for going smoke-free.



The Real Abe

Chief Digital Information Officer (CDIO)

Minoru Nomaru



Tanuma Okitsugu

A reformer who redesigns systems, changes the course, and creates new value

Nomaru, are you remaining true to your vision and making it a reality?

To transform our business processes, we have steadily met our targets in digital infrastructure, systems implementation, AI deployment, cybersecurity, and talent development—and tangible results are beginning to emerge. You can look forward to what's ahead!

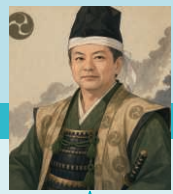
Do I really look that villainous?!



The Real Nomaru

General Manager, Basic Chemicals Business Unit

Hiroshi Adachi



Mori Motonari

A leader who unites people and turns individual strengths into collective power

Adachi, have you made a meaningful contribution to the environment and society through our business?

We've begun scaling up chemical recycling and transitioning to low-carbon energy, while also strengthening our capacity to reliably supply products that support essential infrastructure. Despite challenges posed by market volatility and profitability, we remain committed to these efforts.

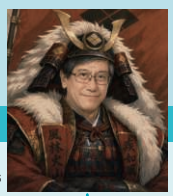
I'm humbled and honored!



The Real Adachi

General Manager, Device Solutions Business Unit

Makoto Takeda



Takeda Shingen

A commander who connects strategy with execution and unlocks the organization's full potential

Takeda, are you truly following through on your commitments?

We'll continue to see our commitments through: swift as the wind in adapting our strategy; steady as the forest in refining our technology and cost competitiveness; fierce as fire in execution; and immovable as a mountain in safeguarding Japanese manufacturing.

Who's my double?



The Real Takeda

General Manager, Hard Disk Business Unit

Yasushi Makabe



Yagyu Munenori

A master who calmly assesses each situation, chooses the best course of action, and achieves results

Makabe, have you consistently faced the facts and examined the data?

While advancing structural reforms, including the consolidation and rationalization of sites, we shifted our focus toward data center applications, where demand is growing rapidly with the expansion of AI and cloud computing. This was the result of facing the facts and examining the data.

Bring out the best in our people!



The Real Makabe

General Manager, Graphite Business Unit

César Castiñeira



Juan Sebastián Elcano

A navigator who inspires the crew and charts a course toward new horizons

César, are you helping support industries around the world?

Through our graphite business, we support essential industries by building trusted partnerships and delivering performance, sustainability, and solutions that make a difference worldwide.

Onward to new horizons!



The Real César

Financial and Capital Strategies: Past and Future

We answer your questions!

Q&A by CFO Hideki Somemiya



Resonac transitioned to Phase 2 of its Long-Term Vision in 2026.
It has been four years since we established our Long-Term Vision in 2022. Having completed our integration, we have advanced structural reform and rebuilt our financial foundation, and we are now entering a "phase to realize growth."
Here, CFO Hideki Somemiya answers questions asked by internal and external stakeholders about Resonac's past and future.

Q When you became CFO, how did you assess the financial position of Resonac (then Showa Denko)?

A To be honest, our financial position at the time was "extremely difficult" by any measure.

In 2021, when CEO Takahashi (then CSO of Showa Denko) asked me to become CFO of the newly integrated company, my first question was: "Why did you proceed with the Hitachi Chemical acquisition at such high leverage?"

The answer I got was: "I want to change the concept of what a large Japanese company can be." That conviction and vision moved me deeply, and I resolved to take on the challenge.

At that time, what I took most seriously was, needless to say, the sheer scale of interest-bearing debt. Without addressing this, we would not be able to take the next step. Sustaining high levels of capital investment in our growth businesses while simultaneously rebuilding our financial health required more than operating cash flow alone.

Therefore, we moved decisively and boldly to divest non-core assets and transfer non-core businesses. Specifically, we sold the former plant site in Yokohama City, the former Daimon Head Office, and our entire portfolio of listed cross-shareholdings, and transferred

17 businesses with a combined value exceeding ¥200.0 billion. Selling the former Daimon Head Office was not easy, as many stakeholders had a strong emotional attachment to it. However, based on the judgment that it was necessary for the future of the organization, we went ahead with the sale.

As a result of these efforts, our Net Debt/EBITDA ratio improved from an extreme of 14.7x immediately after the Hitachi Chemical acquisition (at the end of 2020) to 3.5x by the end of 2025.

Q From a CFO's perspective, how do you assess Resonac's current financial position?

A I mentioned that our Net Debt/EBITDA ratio has improved, but we have not yet reached the "3x" level that many investors treat as an informal upper threshold.

That said, if conversions of the convertible bonds issued in 2024 continue to progress, a portion of the debt is deconsolidated through the partial spin-off of Crasus Chemical, and we sustain steady debt repayment of roughly ¥10.0 billion to ¥15.0 billion per year, I believe we can reach that level within a relatively short timeframe.

To be honest, however, we do not intend to be satisfied simply by bringing our Net Debt/EBITDA ratio below 3x. We believe a stronger financial foundation is necessary to pursue larger growth opportunities in the future.

Resonac aims to be a "World-Class Functional Chemical Company." To achieve this goal, we need to invest in further growth opportunities in a timely and decisive manner, matching and ultimately surpassing our benchmark peers.

To make that path clear, we have set the following KPIs.*

* Key Performance Indicators

(1) EBITDA margin: 20%
(2) EPS: ¥500
(3) ROIC: 10%

These indicators serve as a vital compass, guiding the direction we must take.

Q Is there an order of priority for the three KPIs—an EBITDA margin of 20%, EPS of ¥500, and ROIC of 10%?

A Based on our business structure and analysis of global benchmark peers, achieving both revenue scale and capital efficiency is essential for Resonac to compete on the world stage. We have therefore set a goal of "achieving ROIC of 10% while maintaining revenue of ¥1 trillion."

We regard the EBITDA margin and EPS as important milestones on the path to achieving ROIC of 10%. The expected sequence of achievement is: (1) EBITDA margin of 20%, (2) EPS of ¥500, and (3) ROIC of 10%.

On (1), with the completion of partial spin-off of Crasus Chemical, the target is within reach. On (2), I believe the target is achievable within a few years through continuous margin improvement and minimizing non-recurring losses. I see (3) as a natural extension of the first two. By completing our structural reforms and concentrating invested capital in higher-growth, higher-return businesses, I believe this is by no means a distant target.

Profitability metrics and target levels	Path to achievement
EBITDA margin: 20%	Achievement is within reach through the completion of a round of portfolio reforms and growth in semiconductor and electronic materials. We manage our business operations to ensure stable achievement even during downcycles.
EPS: ¥500	In addition to achieving EBITDA margin targets, our goals are well within reach by reducing losses from non-recurring items to approximately ¥10.0 billion per year as portfolio reforms complete a cycle.
ROIC: 10%	We aim to achieve this by concentrating resources in high-profitability areas and pursuing further growth to become a company that can compete on the world stage.

Q&A by CFO Hideki Somemiya

Q As CFO, what do you consider most important for achieving our ROIC target of 10%?

A Concentrating resources in semiconductor and electronic materials—our high-profitability areas—to accelerate business growth is our fundamental policy. Meanwhile, as CFO, I also have many issues to address.

From an investment standpoint, we have been focusing investments on semiconductor and electronic materials fields to enhance capital efficiency and have been steadily improving ROIC. However, the investment environment will change going forward. For example, in "JOINT3," a consortium focused on developing materials, equipment, and design tools for panel-level organic interposers, upfront investment such as equipment installation is increasing, which carries the risk of weighing on ROIC in the short term.

We nonetheless concluded that this is a field where Resonac can win, and one where we can expect high returns over the long term. That is precisely why we decided to invest despite the risks, and why we have communicated that growth story carefully through news releases and media channels.

We see the resulting movement in our stock price as a sign that investors have recognized our efforts. We believe this reflects the market's understanding of our strategic story: by leading JOINT3 and co-creating with customers and participating companies, Resonac can supply materials aligned with customer roadmaps and drive further growth in our semiconductor materials business.

We will continue to engage in close dialogue with the business side, evaluating whether investments are truly worthwhile from the perspective of medium- to long-term corporate value creation, rather than judging solely based on short-term impacts on performance.

On a personal note, I sometimes feel a slight sense of unease precisely when our debt is declining steadily. I recognize that some advocate for debt-free management or prioritizing shareholder returns over growth investment, but I want to state clearly that I disagree with that view.

The role of CFO spans many responsibilities, but its essence is taking risks, investing in growth areas, and expanding the business. And I believe it also means explaining those decisions clearly to our stakeholders.

That, in turn, should translate into returns for our shareholders.

Q What message would you like to share with investors as we enter Phase 2?

A Resonac's commitment to continue winning in the semiconductor materials field will never waver. The semiconductor market itself is expected to continue growing significantly. Yet, looking across the value chain, we feel that the materials field—and back-end materials in particular—has yet to be fully recognized. In recent years, as the industry has entered what is called the More Than Moore era, the importance of materials has grown. Yet, materials account for only about 5% of the overall semiconductor market. I find it deeply frustrating that this share remains so far behind semiconductor manufacturing equipment business, which represents roughly 10% of the market. That is precisely why we at Resonac aim not merely to benefit from market growth, but to enhance the presence of the materials field itself through proposal-driven development.

By applying our technological strength and development capabilities to uncover and address customers' latent needs, we aim to enhance the value we deliver. The result we seek is to reclaim the share that the materials field has long been denied—and that is Resonac's next challenge. JOINT3 is a key initiative in pursuit of that goal. We intend to deliver tangible results here and earn greater recognition from our customers and the market.

Having completed our second founding, Resonac entered Phase 2—our full-scale growth stage—in 2026. As CFO, I will continue to fully commit to management to ensure we become a leading presence that drives the enhancement of our presence in the materials field.

Financial and Capital Strategies



Hideki Somemiya
Chief Financial Officer (CFO)

Introduction

Four years have passed since the effective integration of the former Showa Denko and the former Hitachi Chemical. In 2025, the final year of "Phase 1," the results of our cumulative efforts became clearly visible in our numbers for the first time. Core operating profit reached a post-integration high, and our stock price rose sharply, reaching a level surpassing ¥10,000. We analyze that these are the result of semiconductor and electronic materials—for which we have continued preparations even during the downcycle—manifesting as earnings along with the market recovery, in addition to the fact that uncertainty and skepticism toward the Company that had remained in the market were resolved all at once. In terms of financial health as well, while debt levels remain somewhat high, we have steadily advanced the normalization of our balance sheet through measures such as refinancing half of our subordinated loans with senior loans.

However, we are by no means satisfied with these results. In this section, we set out the P&L and balance sheet profile we aim to achieve over the medium to long term, and explain the financial and capital strategies we will pursue to get there.

Vision for Our P&L

We aim to build a solid P&L that achieves both high absolute profit levels and strong profitability. Currently, the Semiconductor and Electronic Materials segment generates the majority of our core operating profit. Going forward, we intend for this segment to account for more than half of revenue as well, rising to approximately 60% to 70% within a few years. This will further advance the qualitative transformation of our revenue base and enable sustainable profit growth.

We have been actively reshuffling our businesses, targeting a company-wide EBITDA margin of 20% as a benchmark, with the goal of establishing a higher-profitability business portfolio. In the near term, this process has temporarily inflated non-recurring items equivalent to disposal losses. We plan to reach a defined milestone in our portfolio reform early, then reduce net non-recurring items to approximately ¥(10.0) billion, steadily narrowing the gap between core operating profit and operating profit.

Through these twin drivers of business growth and non-recurring item reduction, we believe we can achieve our current EPS target of ¥500 (net income of approximately ¥100.0 billion) in the not-too-distant future. Beyond growing our high-profitability areas, we will redeploy capital previously tied up in low-profitability, asset-heavy operations into higher-profitability areas. This will allow us to achieve the ambitious dual target of "revenue exceeding ¥1 trillion" and "ROIC of 10%."

(The figures for 2022 are based on Japanese Generally Accepted Accounting Principles (JGAAP), while those for 2023 to 2026 are based on IFRS)

		Targets	2022	2023	2024	2025	2026 forecast
Profitability	EBITDA margin	20%	12.2%	8.2%	13.7%	15.1%	17.9%
	Excluding Olefins & Derivatives business		15.2%	9.4%	16.6%	18.4%	21.6%
	EPS	¥500	¥179	¥(36)	¥407	¥160	¥425
	Adjusted EPS		¥239	¥71	¥423	¥506	¥619
	ROIC	10%	3.3%	1.5%	5.2%	6.2%	7.5%

Financial and Capital Strategies

Vision for Our Balance Sheet

We aim to build a balance sheet that is both resilient and efficient. By reducing our debt level, we will expand our financial flexibility while remaining mindful of our cost of capital and maintaining an appropriate balance between debt and equity.

Our analysis already puts our cost of equity at around 10%. With our debt level declining and our stock price rising, our WACC*1 has also risen compared to previous levels. We therefore do not believe that simply continuing to reduce our outstanding borrowings is necessarily the optimal solution. Domestic materials manufacturers in particular tend to target a net cash position, but we believe we should make rational use of the leverage available to us at a low debt cost in the 1% range.

In fact, it is not uncommon for global peers with a profit scale similar to ours to carry Net Debt of around ¥500.0 billion. These companies carry a Net Debt/EBITDA ratio of roughly 2x to 3x, which is not particularly low, but we do not believe this constrains their management flexibility or acts as a valuation discount factor.

We consider a Net D/E ratio of 1.0x or below to be an appropriate target level. Although we have already achieved this level, our goal is to achieve it on a "natural state"—that is, without counting the equity credit applied to our subordinated loans (balance of ¥137.5 billion as of June 30, 2026). The subordinated loans have some time before their first call in 2029 and will remain part of our capital structure for the foreseeable future. However, we intend to build a sufficiently sound balance sheet at an early stage—one that does not rely on their equity credit. We also target a Net Debt/EBITDA ratio of 3x or below—a level we consider resilient to significant swings in the semiconductor market—and believe we can achieve this within a relatively short timeframe.

*1 Weighted average cost of capital

(The figures for 2022 are based on Japanese Generally Accepted Accounting Principles (JGAAP), while those for 2023 to 2026 are based on IFRS)

		Targets	2022	2023	2024	2025	2026 forecast
Debt level	Net Debt		¥876.1 billion	¥839.5 billion	¥729.1 billion	¥707.6 billion	¥690.0 billion
	Net D/E ratio	1.0x or less	1.07x	1.01x	0.74x	0.83x	0.81x
	Net Debt/EBITDA ratio	3.0x or less	5.1x	7.9x	3.8x	3.5x	2.9x

Rationale Behind Our Target P&L and Balance Sheet

In short, it is to sustain our continuous growth over the medium to long term. More specifically, our aim is to build the foundation that lets us capture every growth opportunity we identify—whether organic or inorganic—without missing any.

A solid P&L provides sufficient ability to generate cash to enable investments for the next phase of growth. Meanwhile, a strong, efficient balance sheet gives us the financing capacity that serves as "firepower" when it matters the most. This enables us to deploy a diverse mix of financing tools: leverage that takes full advantage of Japan's low interest rate environment, abundant cash flow, and equity strengthened by improved earnings power.

To Achieve Such P&L and Balance Sheet

In capital allocation, our top priority remains investing in growth areas that will generate future cash, and we will direct more than half of our operating cash flow toward this end. Debt reduction and dividends remain our second priority, and that basic policy is unchanged.

At the same time, we will scale up in monetary terms, setting our sights on achieving levels of ¥200.0 billion in

operating cash flow, ¥(100.0) billion in investing cash flow, and ¥100.0 billion in free cash flow.

In addition to cash allocation, increasing the volume and stability of cash inflows in the first place is equally important. Beyond concentrating resources in high-profitability core growth businesses, we also need to maintain and develop businesses that serve as stable cash cows*2. For example, although their growth rate does not reach that of back-end process materials, we believe that increasing the weighting of front-end process materials—which have high switching costs and can be expected to generate long-term revenue once adopted—is also one effective option.

In addition, in terms of business operations, strengthening resilience to the semiconductor cycle is also essential. While completely avoiding the impact of a downcycle on performance is difficult, we will work to minimize the damage through diligent efforts such as monitoring production and inventory trends via close communication with customers, and phased execution of our capital investment. Maintaining a company-wide EBITDA margin of 20% even during a downcycle is the standard we aim to uphold.

Valuation

Our stock price has already surpassed the ¥10,000 theoretical value we presented in February 2025, and has also set a new all-time high, surpassing the record set during the bubble economy. However, we view this as merely a waypoint. For example, our current market multiple remains at a discount to global peers that trade at EV/EBITDA multiples above 20x.

	Resonac Holdings		Global Peer A	Global Peer B
		Of which, Semiconductor and Electronic Materials		
2025 Revenue (Billions of yen)	1,347.1	506.3	710.0	480.0
Year-on-year revenue growth	-3%	+14%	+10%	-0%
EBITDA margin	15.1%	30.2%	30%	28%
EV/EBITDA multiple	16x		21x	27x

(Based on closing prices as of June 12, 2026, and each company's 2025 results, as compiled by the Company. Calculated at $1 = ¥150)

From the perspective of growth potential, with our large exposure to back-end process materials—where the shift in added value is progressing—we believe we are in an advantageous position even compared to global peers.

We also place importance on understanding which metrics the market uses to evaluate us. In the past, we tended to be evaluated primarily on a PBR*3 basis as a general chemical manufacturer. In recent years, however, the market has shifted to evaluating us on an EV/EBITDA multiple that better reflects our business composition, and our stock price has risen substantially as a result. However, we believe that we will be truly recognized by the market as a specialty chemicals stock only when we reach the stage of being evaluated on a P/E ratio*4 basis.

Currently, the Semiconductor and Electronic Materials segment accounts for an extremely high share of our earnings—high enough that a sum-of-the-parts analysis is hardly necessary to demonstrate this. We believe that if we can steadily reduce losses from non-recurring items, we will be able to discuss our valuation on the basis of net income.

From a purely valuation-based perspective, it is true that becoming a pure-play semiconductor materials company would be the most advantageous position. At the same time, that does not necessarily align fully with our vision of being a "Functional Materials Company." We will apply rigorous restructuring to businesses with low growth and high performance volatility, while retaining the materials and technologies essential to growth over a 10- or 20-year horizon. That is our long-term strategy.

If semiconductor and electronic materials—our core growth driver—were to account for 60% to 70% of revenue, with the remaining businesses "broadly stable" and maintaining "a certain level of profitability (EBITDA margin of around 15%)," we should qualify as a semiconductor materials stock that investors can hold with confidence, even without being a pure-play. That is precisely the vision we are pursuing over the next few years—and one we are steadily bringing to life.

*2 Source of cash generation *3 Price-to-book ratio *4 Price-to-earnings ratio

02 Resonac's Value Creation

Starting from the previous year, we present our Value Creation Hypothesis to clearly communicate to everyone both within and outside the company how we create value. This hypothesis shows the expected results and the metrics that should indicate the results, if the ingredients of value creation—namely, our strengths cultivated to date and our key themes for the future—are mixed with "strategies," "individual strengths," and "corporate culture" using the Value Creation Recipe.

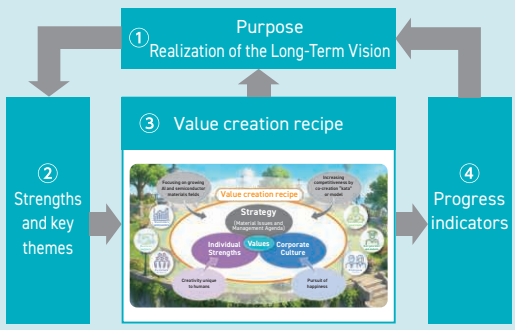
This year, we also introduce some specific examples based on the hypothesis that "Resonac-style co-creation accelerates this value creation."

Going forward, we will continue to create value in ways that only Resonac can, using our unique approach.

Through co-creation

Resonac's Value Creation Hypothesis

A diagram illustrating our approach to value creation



① **Purpose and Vision:** What Resonac aims to achieve most

② **Strengths and Key Themes:** The strengths we will continue to refine and the key themes for future value creation

③ **Value Creation Recipe:** The "key" to our value creation! We accelerate value creation through co-creation by adjusting the mix of "strategies," "individual strengths," and "corporate culture" according to our growth stage.

④ **Progress Indicators:** Indicators that Resonac believes reflect the value created

Discussion of the Value Creation Hypothesis

Questions on how Resonac creates value and how we should present that.

We are here

*Report the status of discussions to the Board of Directors as well

The value creation hypothesis working group, whose members included Board Directors, held a workshop and developed a draft. → Discuss with sustainability advisors → Discuss with investors/ experts → Discuss in-house, including with senior management → Disclosure! Dialogue with stakeholders → Discuss further in-house in view of the feedback received → **Update the Value Creation Hypothesis**

Continuous revisions

External Feedback on Our Value Creation

Following the presentation of our value creation hypothesis in Resonac Report 2025, we have engaged in dialogue with various stakeholders, including investors, experts, and employees.

We will incorporate our stakeholders' feedback into our management decisions to drive further value creation.

Examples of Stakeholder Feedback We Received

- It's commendable that management is taking the time to discuss value creation.
- This is a wonderful initiative that challenges the cookie-cutter value creation narratives prevalent across Japanese companies.
- It's good that the input includes "cultivated strengths"—the source of competitive advantage.
- Regarding the impact, how Resonac intends to "change society through the power of chemistry" should be clarified.
- A deeper analysis is needed to identify the social issues that Resonac's technologies and talent are uniquely positioned to address.
- There should be social and economic value along the path to corporate value. I'd therefore like to see disclosure of that pathway and related initiatives.

Feedback from the Impact-Driven Corporate Value Enhancement Alliance (ICEA*)

Based on the Integrated Report and the value creation hypothesis, ICEA identified the following three elements of Resonac's value creation:

Profitability: High added value of irreplaceable materials backed by technology & business portfolio reform
Growth Potential: Expanding presence in the semiconductor field
Probability: "Execution Capability" = Development of co-creative talent

Amid rapidly changing social structures, Resonac anticipates emerging social issues and continues to hone its strengths in technology and execution capability (co-creative talent) to drive value creation. ICEA believes this is why Resonac was able to capture AI demand and establish a unique position.

*ICEA: Impact-Driven Corporate Value Enhancement Alliance. ICEA is one of the subcommittees of the Japan Impact-driven Financing Initiative



Nami Matsuko
CSuO

We want stakeholders to understand, through dialogue, that we are striving to create value that only we can deliver in a way unique to us. To do so, we developed an approach we call Value Creation Hypothesis, engaged in dialogue with many people, and received invaluable feedback. What we need to show is **the story of the mechanism and the trial-and-error process through which we seek to create value in pursuit** of our Purpose. **The commitment to value creation and the execution capability that we demonstrate will undoubtedly lead to expectations for our next phase of growth**.



Hideki Somemiya
CFO

We place **strong emphasis on investing in the technologies, talent, and organizational capabilities that will become the sources of our future growth and competitiveness**. As CFO, I ensure that our limited management resources are appropriately allocated to growth fields. At the same time, I will work to make the outcomes visible from both financial and non-financial perspectives, ultimately linking them to sustainable value creation. Investors, after all, are looking closely at whether we can **continue to grow sustainably over the long term**.



Tomomitsu Maoka
CSO/CRO

Currently, our materials technologies play a critical role in supporting generative AI. However, the value lies not in the technologies themselves but in the products and services through which it is realized. We need to clearly demonstrate how we will build competitive advantage through **co-creation and technological collaboration**. Resonac transitioned to Phase 2 of its Long-Term Vision. While **accurately assessing risks and opportunities**, we will work to create economic, social, and environmental value.



Nori Imai
CHRO

Our people and organization form the foundation of this value creation. I believe that creating an environment where every employee can proactively take on challenges and co-create with diverse colleagues will drive value creation. Since our "second founding," we have cultivated a culture of co-creation unique to Resonac. Going forward, we will continue to evolve while further enhancing our execution capabilities, building on this culture as the foundation. By achieving both the **happiness of individual employees and sustainable corporate growth**, we aim to unlock even greater value creation.

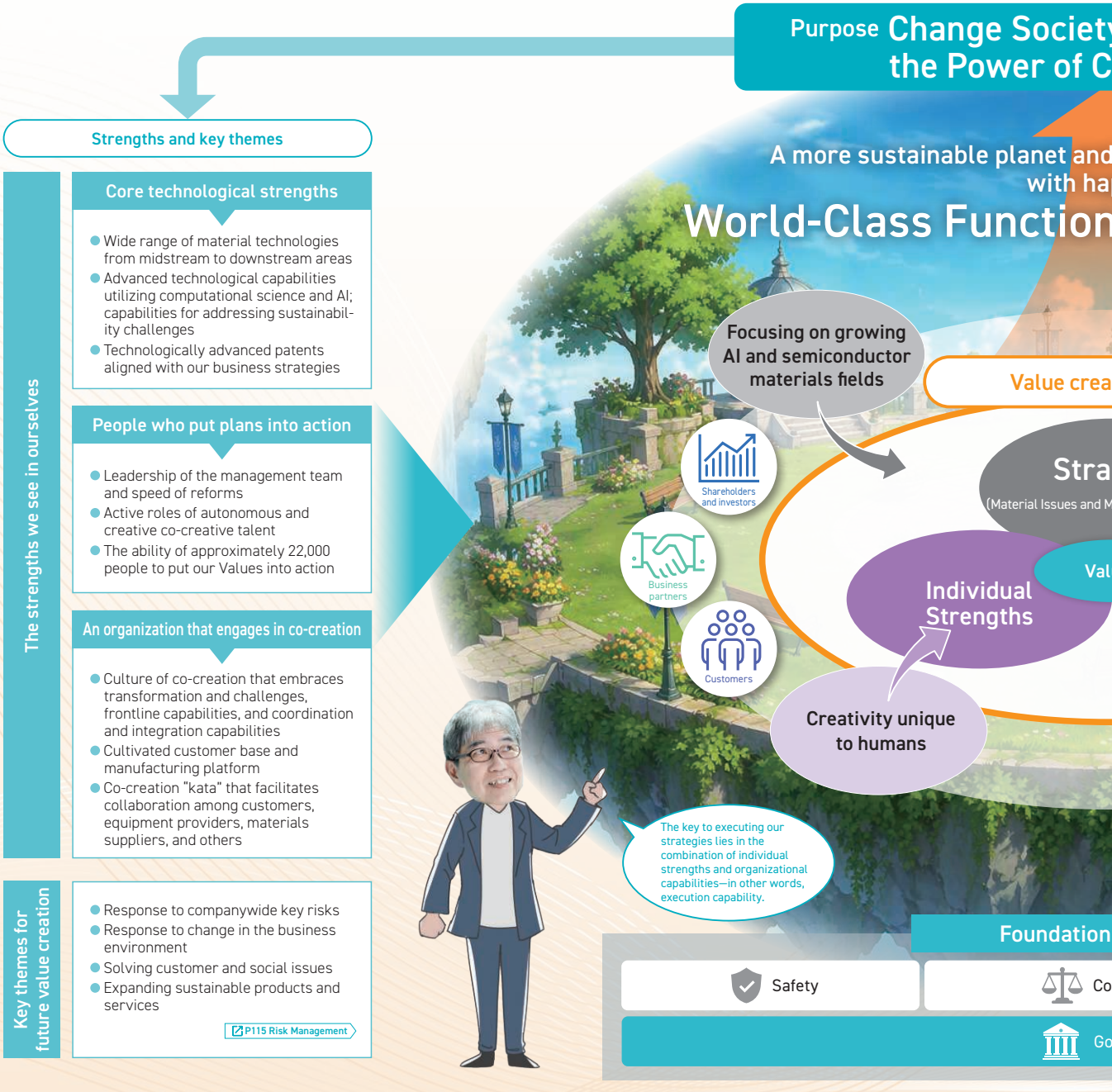


Hidehito Takahashi
CEO

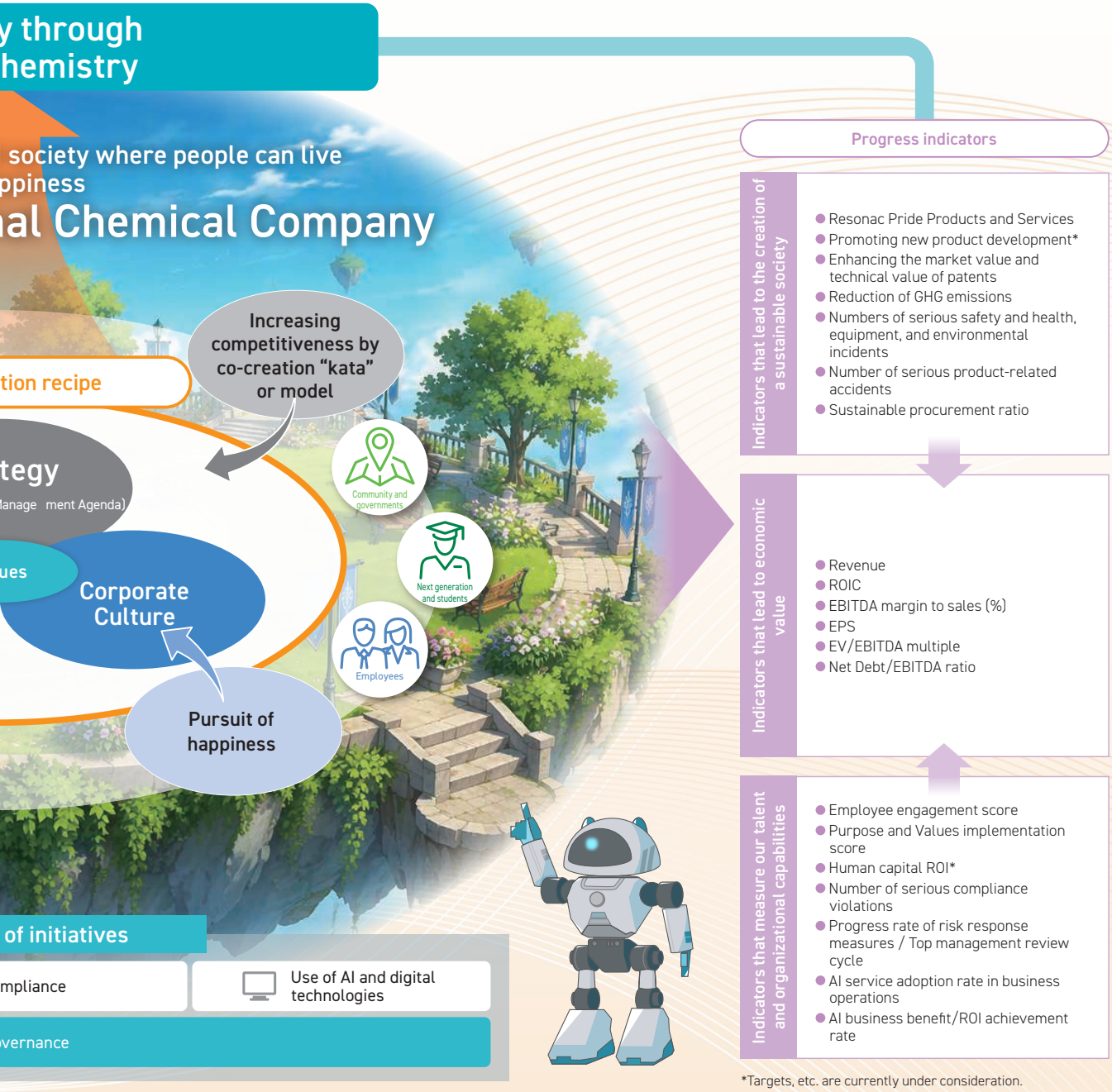
I believe that Resonac's value creation cannot be **achieved through strategies alone, but only when strategies, individual strengths, and corporate culture come together as one**. To truly fulfill our Purpose, "Change society through the power of chemistry," we will continue to engage in co-creation with many partners.

Value Creation Hypothesis through Co-Creation

In 2025, Resonac disclosed its Value Creation Hypothesis diagram for the first time in the Integrated Report. What we aim to convey through the Value Creation Hypothesis diagram is Resonac's inherent strengths—technologies, people, and organizational culture—and how these strengths shape our approach to value creation. At Resonac, our uniqueness lies in our approach. We refine these strengths by combining them with strategies, individual strengths, and corporate culture (value-creation recipe) and create new



value through dialogue and co-creation, not only within the company but also with a diverse range of stakeholders. Therefore, the key development since last year is the hypothesis that "open co-creation with many internal and external partners is accelerating Resonac's value creation" (co-creation hypothesis).



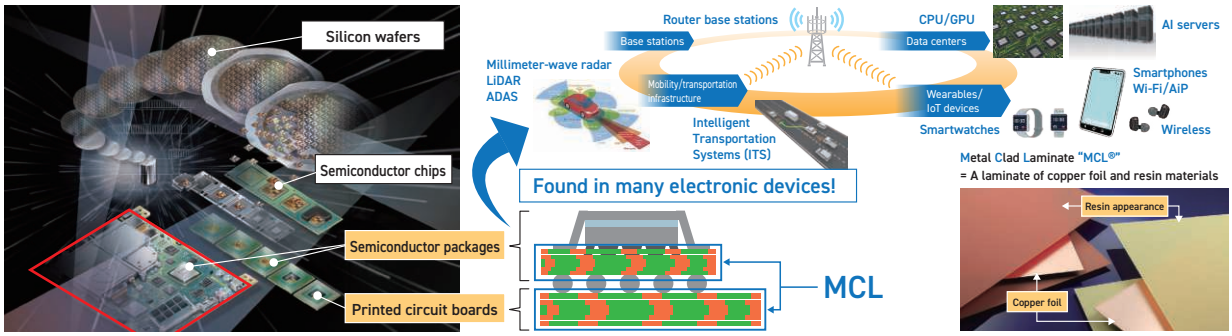
*Targets, etc. are currently under consideration.

Here we introduce two case studies that practise how we create value through co-creation with end users by leveraging the "key" elements of value creation: "strategies," "individual strengths," and "corporate culture."

Value Creation Hypothesis

Case Study 1 Electronics Business: Copper Clad Laminates (MCL)

Copper clad laminates or metal clad laminates (MCL) are used in semiconductor packages and printed circuit boards for data centers, PCs, mobile devices, and automotive applications. They are also increasingly used in semiconductor packages for generative AI, a rapidly expanding market.



Value Creation Hypothesis for Copper Clad Laminates (MCL)

What kind of value is being created for the environment and society?

- Contributing to the widespread adoption and performance improvements of generative AI and autonomous driving (AI semiconductors)
- Reducing GHG emissions per unit of performance through faster generative AI processing

Strengths (Laminate Materials business)

Core technological strengths

- Technology development leveraging past insights from CTO-led organizational collaboration
- Technical collaboration with internal and external partners (e.g., SIM mounting evaluation (technical verification) utilizing the PS Center*)
- Unique and robust intellectual property portfolio
- Co-creation with process manufacturers
- New process development capability
- Stable quality assurance system shared across all production sites

People who put plans into action

- Early identification of customer end-product information and requirements through sales activities
- Technical communication skills that promote co-creation both internally and externally

An organization that engages in co-creation

- Ability to respond to issues through collaboration among development, manufacturing, and quality assurance
- High level of psychological safety that enables people to freely make suggestions
- Ability to collaborate across sites in different countries

Key themes (Laminate Materials business)

- Supply instability of raw materials (glass substrates, copper foil)
- Production capacity constraints due to growing demand for generative AI
- Standardization and formalization of manufacturing know-how and individual knowledge ⇒ DX

Value creation recipe

POINT 1

Accelerating creation of co-creative innovations

Direct co-creation with end users

POINT 2

Aggressive investment in growing semiconductor materials business

Expansion of production facilities in line with growing AI demand

POINT 3

Evolution and deepening of individual strengths/corporate culture

Fostering psychological safety and putting learning into practice

Indicators (Laminate Materials business)

Creating a sustainable society

Social and environmental indicators

- GHG emissions per unit of performance for semiconductor packages used in generative AI
  Approx. 90% reduction (compared to 2017)

Technological indicators

- Number of external presentations
  11 (including 1 joint presentation with PSC*)
- Number of patent applications
  Approx. 1.5 times (compared to 2020)
  (Overseas applications approx. 7 times, compared to 2020)

Economic value

- Net sales
  Growth rate +150%
  (compared to 2020)
- Market share (semiconductor packages)
  Top global market share (37%)
  Source: Prismark Partners LLC
  (Results in 2025)

Talent and organizational capabilities

- Employee engagement score
  Increased by 3 percentage points
  (compared to 2024, all development departments)

*PS Center: Packaging and Power Solution Center

POINT 1 Accelerate creation of co-creative innovations

Direct co-creation with end users

End users
A testimonial from Broadcom



Dilip Vijay
Vice President and General Manager Global IC Operations, Broadcom

Supply Expansion & Material Diversification

Resonac has been working closely with Broadcom to address the tight supply of raw materials by developing a new supply chain and bringing it into mass production, thereby expanding overall supply capacity. This initiative has played a critical role in supporting the rapidly growing demand from AI data center customers.

Quality & Process Stabilization

Although bringing in new sources will inevitably introduce variation, Resonac can distill the factors critical to quality, enabling production ramp at unprecedented speeds. This would not be possible without Resonac's deep expertise and mutual alignment with customer, such as Broadcom, without compromising quality.

Strategic Alignment & Management Reviews

To maintain operational alignment, we conduct regular high-level Management Review Meetings. Through these meetings, we aim to (1) identify and prioritize new material sources beyond those already qualified, and (2) advance packaging technology development for joint programs, further strengthen our partnership, and accelerate the development of next-generation advanced semiconductor packaging.

POINT 2 Aggressive investment in growing semiconductor materials business

Expansion of production facilities in line with growing generative AI demand



Takuo Morimoto
Business Planning Department, Laminate Materials Business Unit

Our laminate materials business has production bases in Japan (Ibaraki Prefecture), Hong Kong, China (Guangdong Province), and Taiwan. Amidst the recent global expansion of the generative AI field, demand for semiconductor package substrates has surged, and our production of copper clad laminates continues to expand. To meet this strong demand, we are progressively increasing our production capacity. This fiscal year, a new production line will be completed at Shimodate Plant, and mass production will begin in the fourth quarter. From fiscal 2027 onwards, we plan to expand production facilities at our domestic, Chinese, and Taiwanese locations, doubling our production capacity by 2030 compared to 2024. Furthermore, we will focus on developing and launching new products for the next-generation generative AI field, thereby further expanding our business.

POINT 3 Evolution and deepening of individual strengths/corporate culture

Fostering psychological safety and putting learning into practice



Ryoichi Uchimura
Laminate Materials Development Department

By systematically promoting study sessions that bring together development, manufacturing, and quality assurance, we have been able to raise the overall level of expertise and strengthen our ability to respond to on-site issues. In addition, we are developing a database of past issues and technical knowledge, creating a highly reproducible problem-solving system that is less dependent on individuals. Furthermore, by collaborating with PSC,* we are incorporating analysis and assembly evaluation into the early stages of development, significantly improving the accuracy and speed of technological verification. I believe that these initiatives will encourage people to take on challenges in a psychologically safe environment, and that this will undoubtedly lead to a sustainable improvement in the overall competitiveness of the organization.

Transforming future society through contributions to lowering semiconductor latency and reducing power consumption



Mikiya Yamada
Senior Analyst, Equity Research Department, Mizuho Securities Co., Ltd.

I look forward to Resonac's extensive intellectual property related to insulating materials and interface treatment, analysis and evaluation technologies, co-creation initiatives with various equipment manufacturers, and the accumulation of trusting relationships with customers. These things contribute to the optimization of actual usage conditions, such as the properties of the interface between the conductor and insulator that make up an MCL, the heat dissipation of the insulator, and its physical stability. Natural language processing (NLP), image recognition (IR), and voice recognition (VR) are expected to significantly reduce the burden of standardizing information input, dramatically improve the efficiency of information processing in the service industry and business operations, and ultimately transform future society. However, I believe that achieving this will likely require high-density mounting of semiconductor elements. I expect Resonac's MCL to continue providing practical solutions for faster, lower-latency, and lower-power systems through high-density mounting.

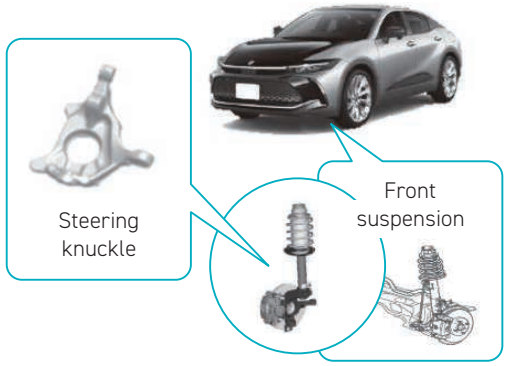
Here we introduce two case studies that demonstrate how we create value through co-creation with end users by leveraging the "key" elements of value creation: "strategies," "individual strengths," and "corporate culture."

Value Creation Hypothesis

Case Study 2 Mobility Business: Aluminum Suspension

Aluminum suspension components are critical parts that significantly affect vehicle behavior and braking performance. Resonac has developed an aluminum suspension material that uses up to 90% scrap-derived aluminum raw materials. This technology utilizes AI-based composition prediction to optimize and neutralize the effects of impurities in scrap, enabling its use in high-strength components—an application previously considered difficult.





Source: The Special Steel® Vol. 73, No. 3 (Issue No. 732), 3. Forging of Automotive Parts

Value Creation Hypothesis for Aluminum Suspension

What kind of value is being created for the environment and society?

- Reducing society's overall GHG emissions through the use of our components
- Improved ride comfort and handling stability through reduced weight of aluminum suspension components

Strengths (Aluminum Specialty Components Business)

Core technological strengths

- Accelerating development through the use of computational science
- An exceptionally high volume of patent applications; strategic and comprehensive patent filing (in collaboration with the Intellectual Property Department)
- Increasing demand for recycled aluminum
- Compliance with increasingly stringent environmental and other regulations

People who put plans into action

- Personnel and expertise capable of making an impact while on assignment at automakers
- Capabilities for technical communication with automotive manufacturers and subcontractors

An organization that engages in co-creation

- Strong bonds/relationships with customers
- Close collaboration between development, evaluation, and computational science
- Strong marketing capabilities through collaboration between sales and development
- Organizational culture that values and respects diversity

Key themes (Aluminum Specialty Components Business)

- Increasing demand for recycled aluminum
- Compliance with increasingly stringent environmental and other regulations

Value creation recipe

POINT 1

Accelerating creation of co-creative innovations

Direct collaboration with end users

POINT 2

Environmental initiatives through business

Initiatives for carbon neutrality and the creation of a circular economy

POINT 3

Evolution and deepening of individual strengths/corporate culture

Personnel exchange with an automobile manufacturer and application of computational science

Indicators (Aluminum Specialty Components Business)

Creating a sustainable society

Social and environmental indicators

- Resonac Pride Products and Services certification completion
- GHG emissions
  63% reduction carbon footprint (compared to conventional materials)
- Resource circulation ratio
  Achieved 90% usage rate for scrap-derived raw materials (compared to 30% for conventional materials)

Technological indicators

- Product development lead time
  Approx. 3 years → Approx. 6 months (compared to 2010)
- Number of patent applications
  Approx. 2.5 times (compared to 2020)

Economic value

- Net sales
  Growth rate +270%
  (2028 plan / compared to 2025)
- EBITDA margin of 15% or more
  Exceeding the targets set by the Mobility Business Headquarters

Talent and organizational capabilities

- Employee engagement score
  Increased by 4 percentage points in 2025 (compared to 2024)
- "I am proud of Resonac's products and services"
  Increased by 7 percentage points (compared to 2024)

POINT 1 Accelerate creation of co-creative innovations

Direct collaboration with end users

End users
A testimonial from TOYOTA MOTOR CORPORATION

We have worked with Resonac to reduce environmental impact and realize a circular economy through initiatives related to aluminum recycling technology and weight reduction. These initiatives are making significant contributions to realizing sustainable mobility. Going forward, I am primarily looking forward to the technological development and stabilization of mass production of aluminum products. In addition, leveraging its strengths as a comprehensive manufacturer capable of handling everything from casting to plastic processing and heat treatment, I look forward to the achievement of total carbon neutrality and a circular economy, including improved recycling rates. Furthermore, I want us to continue working together to contribute to our mission of delivering excellent cars to customers not only in Japan, but around the world.



Kazuki Ohno,
Office Manager
Vehicle Materials Development Office, Mobility Materials Technology Department,
TOYOTA MOTOR CORPORATION

POINT 2 Environmental initiatives through business

Initiatives for carbon neutrality and the creation of a circular economy

The sales team planned and implemented regular exchanges to understand customers' organizations and work structures and communicate that information to the right people; the technology team dispatched guest engineers to customers' sites to confirm real on-site problems, and then collaborated with development departments and plants to develop technology alongside customers; and through co-creation with computational science, we have dramatically improved the accuracy and speed with which we respond to customers. These efforts have resulted in the creation of technologies that embody the essence of Resonac—horizontal co-creation—and can contribute to building a circular economy. In addition, regarding the procurement of scrap materials, which is crucial for realizing our goals, the business unit's raw materials procurement department are co-creating with customers, Group companies, and trading companies to create a system that allows for broader and more stable procurement than ever before.



Yoshinori Takeda
General Manager, Aluminum Specialty Components Business Unit

POINT 3 Evolution and deepening of individual strengths/corporate culture

Personnel exchange with an automobile manufacturer and application of computational science

Through my secondment to an automobile manufacturer, I learned not only how to thoroughly eliminate waste and manage costs, but also how to think in a holistic, optimal way, encompassing everything from materials to processing. I believe that by working closely with on-site employees to solve problems, we deepened mutual understanding, strengthened cross-departmental collaboration, built solid relationships of trust, and accelerated collaboration between the Company and customers. In addition, I believe that our swift responses, clarification of technological value, and thorough improvements have contributed to enhancing our proposal capabilities and value creation capabilities, and serve as a foundation for enhancing our collaboration with customers.



Takuya Arayama
Institute for Advanced Integrated Technology



The properties of metallic materials are determined not only by their alloying elements but also by their microstructures, including crystal structures, constituent phases, morphologies, and defects. These microstructural features evolve during processing and heat treatment. Therefore, through thermodynamics- and kinetics-based microstructure simulations, I aim to understand microstructure formation behavior, including phase stability in the presence of scrap-derived impurities, and to develop guidelines for materials and process design. Through collaboration across simulation, experimentation, materials characterization, and manufacturing, I apply the computational results to practical development, thereby advancing materials design and process optimization, improving development efficiency, and strengthening our technological foundation.

Takeshi Kaneshita
Research Center for Computational Science and Informatics

Promoting the advanced utilization of scrap-derived raw materials in collaboration with stakeholders

Aluminum has a specific gravity of about one-third that of iron, and aluminum suspensions contribute significantly to improving a vehicle's handling performance and comfort by reducing unsprung weight. However, because aluminum's Young's modulus is about one-third that of iron, optimizing the aluminum's crystal structure and suspension shape is crucial in the design and manufacture of aluminum suspensions. Given that scrap contains small amounts of impurities, and that overall optimization is particularly crucial in the automotive industry, I believe that improving the utilization rate of scrap-derived raw materials for this application requires not only Resonac's extensive intellectual property related to the design, calculation simulation, manufacturing, and evaluation of aluminum functional components, but also co-creation with scrap suppliers and customers.



Mikiya Yamada
Senior Analyst, Equity Research Department, Mizuho Securities Co., Ltd.

We present "safety" and "digital strategy" as initiatives that underpin the value creation recipe shown in the Value Creation Hypothesis diagram. Safety serves as the foundation for business continuity and trust that underpins the culture of co-creation, while digital strategy is a key driver that accelerates transformation and co-creation.

Safety

Value Creation Hypothesis for Safety

Please visit our website for more details.

What kind of value is being created?

Supporting sustainable value creation based on safety and compliance

Continuing to protect people's health and safety, and the environment

What are Resonac's strengths and issues?

Strengths

- Top management's commitment to putting safety first and the frontline capability to act on that commitment
- Safety behavior grounded in a culture of co-creation and based on the Code of Conduct
- Continuous safety management based on company-wide rules and individual dialogue

Key themes

- Residual risks due to delays in implementing inherently safer design
- Variations in safety levels due to reliance on individual sites
- Insufficient safety management capabilities due to an inadequate talent base

What mechanisms enable us to create value?

Strategies, individual strengths, corporate culture

1 Inherent safety

Eliminating hazard factors at the equipment and process design stage to reduce risks at their root

2 Enhancing risk management

Optimizing safety management across the entire Group through visualization and standardization

3 Strengthening governance and the talent base

Expanding the scope and implementation of safety management, both within and outside the Group

Which indicators show the results of the initiatives?

KGIs	2026 targets
Number of serious safety and health incidents	0
Number of serious equipment/ process incidents	0
Number of serious environmental incidents	0
Domestic employee lost time injury frequency rate	0.1

POINT 1
Inherent safety

We will incorporate safety design into equipment to eliminate risks and make the equipment inherently safer.

- Eliminating hazards during equipment and process design to reduce risks at source
- Promoting automation and unmanned operations for hazardous materials and heavy-load handling (AGVs, filling equipment, etc.)
- Eliminating manual tasks through the introduction of sensors
- Reducing risks of physical injury to workers through introduction of work-assist equipment
- Strengthening reviews and controls by specialists in equipment safety design

POINT 2
Risk visualization → Improvement

By visualizing and managing risks, we drive continuous improvement.

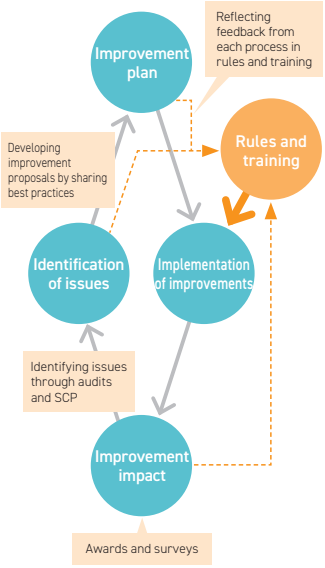
- Quantitative assessment and prioritized management of risks by site based on surveys and risk assessments
- Implementation of a hybrid safety control system combining company-wide standards with site-specific criteria
- Establishment of an improvement cycle through KPI monitoring and review
- Accelerating the pace of improvement through the horizontal deployment of best practices

POINT 3
Safety governance + Human resource development

We are establishing safety governance that extends within and beyond the Group, while also developing human resources.

- Rollout of safety standards throughout the supply chain and to contractors, and monitoring of compliance
- Introduction of hands-on hazard awareness training for employees and contractors
- Conducting audits and evaluations of external partners in high-risk processes
- Introduction of an environmental and safety staffing model tailored to risk and scale
- Systematic development of specialized personnel through company-wide training and job rotation

Safety embedding cycle





Safety is the cornerstone of management and the most critical foundation supporting value creation. By thoroughly engaging with genba (the actual workplace), genbutsu (the actual objects), and genjitsu (the actual facts), we identify and address every risk, helping ensure the peace of mind of everyone associated with Resonac. Safety is a driving force that accelerates co-creation, and our continued efforts to strengthen it lead to value creation for society. Once again, let's translate "Safety First" from awareness into action. Let's work together to implement this with unwavering dedication. Stay safe.

Naobumi Shimpo CMEO/CQO

Digital Strategy

Value Creation Hypothesis for Digital Strategy

Please visit our website for more details. (In Jaanese only)

What kind of value is being created?

Improving business value, competitiveness, and productivity

Ensuring business continuity and rapid response to business changes

What are Resonac's strengths and issues?

Strengths

- Company-wide digital literacy (generative AI usage rate of 95% or higher)
- Company-wide driving force for transformation
- Advanced digital infrastructure
- System update management

Key themes

- Digital tools that only improve individual work efficiency
- Proliferation of fragmented IT systems and data
- Security vulnerabilities
- Rising maintenance costs

What mechanisms enable us to create value?

Strategies, individual strengths, corporate culture

1. Co-creation × AIX
   Operational efficiency improvement and process reform driven by "AI, digital technology, and data"
2. Building and operating secure, high-quality digital platforms
   Deploying digital platform services and enhancing cyber-resilience
3. Fostering digital talent to drive transformation
   Company-wide digital training and skills-based management
4. Strengthening global governance
   Establishing and overseeing a company-wide governance framework

Which indicators show the results of the initiatives?

KGIs	2026 targets
Cumulative achievement rate of business benefit ROI*	90% or more
AI service adoption rate in business operations	90% or more
Maintenance cost reduction	Annual reduction of 3% or more
Number of serious incidents	0
Talent ratio by digital skill level	Lv3: (launch phase) Lv2: 15% Lv1: 25%

* Business benefit amount relative to IT expenditures (outsourcing costs + capital expenditures) contributing to the business

POINT 1 Co-creation × AIX

We are strengthening co-creation with business units and promoting company-wide business process transformation through AI and digital technologies, leveraging an integrated data and connectivity platform.

- Automation of indirect operations
- Efficiency improvement and advancement of direct operations
- Innovation across the entire process chain

POINT 2 Digital platforms

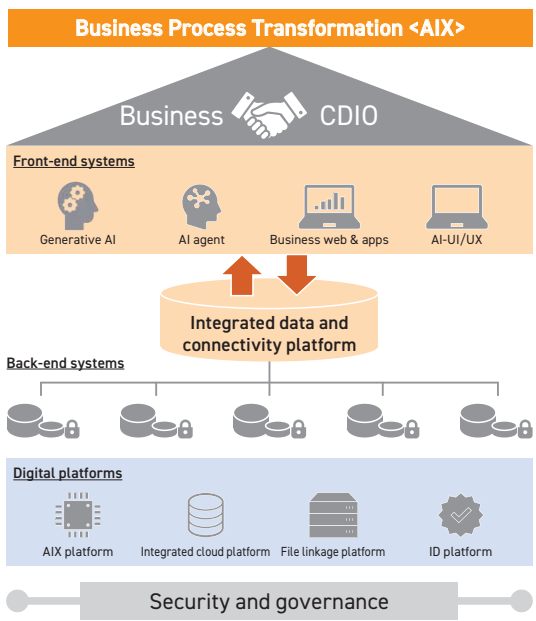
We will build secure, robust, and flexible digital platforms to support business activities and create an environment capable of responding immediately to business changes.

- Deployment of high-quality, user-friendly digital platform services
- Enhancement of cyber-resilience
- Strengthening Security and governance

POINT 3 Digital talent

We are developing talent to drive digital and AI transformation and strengthening our organizational capabilities.

- Company-wide training and workshops to improve digital and AI literacy
- Developing leaders to drive transformation and promoting community activities
- Talent model and skills-based assignment management





Under our new digital strategy, we are taking on the challenge of creating new business value by leveraging AI, digital technology, and data. Going beyond improvements in operational efficiency, we are driving co-creation toward business transformation and innovation in interconnected process chains.
"From each individual's small challenges to major transformation!" Resonac delivers on its promises and makes it happen.

Minoru Nomaru CDIO

An Initiative to Visualize Implementation of Our Purpose and Values

Resonac Pride Products and Services

As an advanced materials partner, we will create the functions society needs, help realize a more sustainable planet and society where people can live with happiness, and thereby fulfill our Purpose: "Change society through the power of chemistry." To achieve this, it is important to visualize what kind of value and how much our products and services, which span a wide range of areas from midstream to downstream in the value chain, have provided to society, the environment and customers. The number of certified Resonac Pride Products and Services is positioned as a KPI to address the material issue "creating social value through innovation and businesses," and this is linked to remuneration for directors and corporate officers.

Certification steps and points of Resonac Pride Products and Services

Steps of screening

- STEP 1 Application for certification by business units
- STEP 2 Initial screening conducted by the secretariat
- STEP 3 Collect comments from stakeholders
- STEP 4 Collect comments from Sustainability Advisors
- STEP 5 Internal screening by Sustainability Promotion Council
- STEP 6 Certification as Resonac Pride Products and Services
- STEP 7 Report to those who made comments
- STEP 8 Report to Board of Directors
- STEP 9 Monitoring of certified products

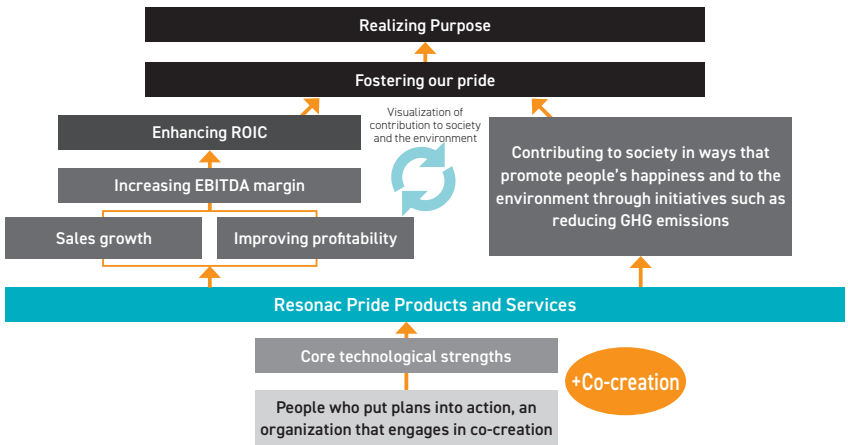
Points of certification

			Evaluation items	Approach
Purpose implementation contents	Contribution to society	Qualitative	Story of contribution to society	Qualitative and quantitative evaluation of the degree of contribution to society
		Quantitative	Quantification of social impact	
	Contribution to environment	Qualitative	Story of contribution to the environment	Qualitative and quantitative evaluation of the degree of contribution to the environment
		Quantitative	CFP, LCA, and quantified contributions to emissions reductions	
Implementation of four Values		Qualitative	Contents of Values implemented	Evaluating whether the four values are implemented
Implementation of co-creation		Qualitative	Details of co-creation activities	Evaluating co-creation activities with internal and external partners
Risk assessment		Qualitative	Negative Impacts and countermeasures	Evaluating risk types and impact levels
Relevance to shared global goals		Qualitative	17 goals and 169 targets of SDGs	Evaluating relevance to the SDGs
Challenges for the future		Qualitative	Future growth potential of the business and scalability of its contributions to society and the environment	Qualitatively evaluating future contributions and significance
Financial impact*		Quantitative	Revenue, operating margin, etc.	Quantitatively evaluating financial impact

*For products and services with no direct revenue, the financial impact is estimated using proxy metrics such as revenue contribution.

Positioning of Resonac Pride Products and Services

Resonac Pride Products and Services represent an initiative aimed at realizing our Purpose of changing society. Through the certification, we aim to visualize the environmental and social impact of our products and services and present it alongside our value creation hypothesis and the story of how that value will be realized, thereby accelerating its conversion into economic value. Furthermore, through this process, we will continue to take on the challenge of realizing our Purpose with pride.



Initiatives following the certification as Resonac Pride Products and Services

The first certified Resonac Pride Products and Services Kawasaki Plastic Recycling



To advance resource circulation, we are working to produce ammonia through gasification recycling using feedstock 100% derived from used plastics. This initiative involves developing and introducing new processes based on existing ones. In September 2025, it was approved as a project eligible for the Ministry of Economy, Trade and Industry's "support focusing on the price gap (price gap support)." Furthermore, through co-creation with Lotte Co., Ltd. and Japan Waste Group, we began chemical recycling of used plastic packaging from production losses through gasification at Lotte's Sayama Plant in October 2025. Through this initiative, we are putting the recycling of used plastics into practice and contributing to the realization of a circular economy.

Points for Monitoring Following Certification!

1. Percentage of feedstock derived from used plastics
2. Reduction of GHG emissions
3. Conversion to economic value



The second certified Resonac Pride Products and Services Packaging and Power Solution Center (Shinkawasaki)*

In recent years, as the markets for generative AI and autonomous driving continue to expand rapidly, back-end packaging technology is becoming one of the key technologies for the next-generation semiconductors that enable these applications.

We are leading JOINT consortium activities together with external semiconductor materials manufacturers, equipment manufacturers, and substrate manufacturers. Following the JOINT2 initiative, with the aim of further accelerating open innovation and creating business opportunities, we established JOINT3, a co-creation evaluation framework, in August 2025, forming a consortium comprising Resonac and 27 other companies from Japan, the U.S., Singapore, and other countries. Through this initiative, we will promote integrated collaboration across materials, equipment, and design, thereby contributing to the higher performance and reliability required of next-generation semiconductors.



P52

*The name at the time of certification was the Packaging Solution Center.

Points for Monitoring Following Certification!

1. Degree of contribution to the environment through improved semiconductor package performance
2. Evolution of co-creation at JOINT3
3. Business creation capability

Emphasizing the reliability of the system through continuous verification after certification

As demonstrated by certifications No. 1 and No. 2, creating social value through co-creation with stakeholders is one of Resonac's strengths. A commitment to continuously verifying environmental contributions and financial impacts through monitoring, starting with certification, enhances society's trust.



Naoya Hasegawa
Professor, Faculty of Sustainability Studies, and Graduate School of Public Policy and Social Governance, Hosei University
(Sustainability Advisor to Resonac)

Having ongoing dialogue about the value creation hypothesis



Nami Matsuko
CSuO

Q Based on our value creation hypothesis, this year we presented specific examples and opinions from our stakeholders to illustrate how and what kind of value we have created, and how co-creation has accelerated value creation. What are your thoughts on this?

The approach of reviewing things through dialogue is a good one. For the previous value creation hypothesis, the diagram illustrating its system helped us understand it better, but it left us with a further question: "Are you truly serious about making it a reality?" Through the examples this time around, **I believe the clarity of the process by which strengths and issues combine with strategy, individual strengths, and corporate culture to create value has increased**.

Investors with medium- to long-term perspectives are shifting their expectations from superficial information to more in-depth information. Resonac's hypothesis for value creation and the accompanying examples of initiatives contain **information that I consider to be "in-depth" information, which demonstrates everyone's enthusiasm and ability to execute**. As Resonac moves into Phase 2, I look forward to seeing its genuine commitment to realizing its unique hypothesis and the further expansion of results disclosure.



Masahiro Kato
Fellow
Sustainable Investment Division
Mitsubishi UFJ Trust and Banking Corporation



Masayuki Matsuyama
Professor
Department of Economics, Faculty of Economics,
Musashino University

The amount of non-financial information disclosed by Japanese companies is increasing year by year, but despite the growing amount of information available, it is often difficult to use it effectively for decision-making. In response, some companies are attempting to explain the causal relationship between their activities and value creation using data such as certain numerical models and statistical methods.

On the other hand, global companies with advanced information disclosure are beginning to adopt an approach that communicates value creation through written stories rather than data. They begin with their story and then present the underlying facts as data, thereby illustrating causality. **I advocate for disclosure through stories and facts as one effective way to express value creation,** but this may be a method that is somewhat difficult for Japanese companies.

Resonac carefully understands the story that leads to value creation and demonstrates its connection to the Company's core approaches, then supports it with a wealth of materials including data and testimonials from stakeholders. In this way, Resonac's success lies in its ability to effectively communicate **its unique approach to value creation**. This may be a **new way of expressing value creation that cannot be found in Europe or among other global companies**. Resonac's Integrated Report is similar to a "strategy" report.

Many companies include some element of social issue resolution in their purpose, but not many actually translate that purpose into business that generates financial returns while connecting it to customer and beneficiary outcomes.

Through Resonac's case study at ICEA, we were able to derive the hypothesis that the "model of co-creation" in which value is created alongside customers and partners, and the "degree of implementation" of the Purpose by each employee who actually drives that co-creation are important KPIs, and that the **"commitment"** with which the CEO and other executives take the lead in improving these **activities is the driver that will achieve both impact creation and increased corporate value**.

Furthermore, I believe that the commitment of each and every employee enhances the company's resilience, fostering the expectation that even if a new social issue arises in our rapidly changing society, **"Resonac will be able to turn that social issue into an opportunity for business growth,"** and that this will be **reflected in the evaluation of corporate value**.



Sumika Tabara
Deputy Executive Director
ICEA



Minoru Matsubara
Chief Sustainability Officer and Managing Executive Officer
Resona Asset Management Co., Ltd.

Rather than simply listing financial and non-financial elements, I felt that Resonac's value creation hypothesis was **an ambitious attempt to express how corporate value is created from a unique perspective**. In particular, the way Resonac positions strategy, individual strengths, and corporate culture as the source of value creation reflects its unique way of thinking. On the other hand, the essence of value creation is not confined to the internal environment of a company, but is nurtured within the context of its relationship with society. **Resonac's Purpose, "Change society through the power of chemistry," is not simply about improving corporate value, but rather a demonstration of its intention to bring about social change beyond that.** Going forward, I look forward to seeing how Resonac's worldview will be further refined as it creates new changes through co-creation with customers, partners, and society. I see great potential in Resonac as a platform that supports social transformation, connecting the strengths of diverse people and organizations and accelerating the creation of new value.

The sole and most important job of a manager is to maximize corporate value. In Phase 1, we thoroughly implemented reforms in strategy, individual strengths, and corporate culture, and I believe the results of these efforts are being recognized by the market in the form of our stock price. However, what **we aim to be is a company that continuously creates "value that would not exist in a world without Resonac" and changes society**, and to be a World-Class Functional Chemical Company that co-creates a more sustainable planet and society where people can live with happiness.

To achieve this, it is essential to have a system and culture that allows human resources who resonate with our Purpose and put our Values into practice to further participate and take on challenges. **As a World-Class Functional Chemical Company from Japan, we aim to succeed on the world stage. We will also prove the potential of Japanese manufacturing to the world. This challenge is what constitutes Resonac's value creation as we look ahead to Phase 2 and beyond**.



Hidehito Takahashi
CEO

03 Business Driven by Co-creation

What to change, with whom, and how?

047 Special Feature / Resonac × Who: Dialogue (1)
053 Business Strategies
069 Special Feature / Resonac × Who: Dialogue (2)
073 Human Resource Strategies
079 Special Feature / Resonac × Who: Dialogue (3)
085 R&D Strategies
093 Sustainability Strategies

Resonac x Who: Dialogue (1) Business Strategies

The JOINT3 challenge is changing semiconductors—and the lifestyles of tomorrow

Within advanced semiconductor packaging technology, Resonac and Tokyo Electron have each driven technological innovation in their respective domains of materials and equipment. Sumie Segawa, a Vice President & General Manager at Tokyo Electron, and Hidenori Abe, Corporate Officer and CTO for Semiconductor Materials at Resonac Holdings, discussed their two companies' path ahead in JOINT3 and what future Japan stands to gain from advances in semiconductors.



Sumie Segawa
Vice President & General Manager
Division Officer,
Corporate Innovation Division
Tokyo Electron Ltd.

Hidenori Abe
Corporate Officer
CTO for Semiconductor Materials
Resonac Holdings Corporation

The growing need for technological innovation in back-end processes is shifting the semiconductor industry's key themes to "integration" and "co-creation"

Abe: Looking back over more than 70 years of semiconductor history, I believe it has been the front-end processes that have driven advances in added value. As Moore's Law, which predicted the growing number of components on an integrated circuit, demonstrates, the history of semiconductors is one of improving performance and efficiency by pushing miniaturization to its limits. The back-end processes, by contrast, were responsible for functions such as protecting chips in semiconductor packages, and were not considered particularly high in added value.

Segawa: The key driver of semiconductor advancement so far has been patterning technology, which is used in the front-end process to draw extremely fine electronic circuits at the nanometer scale on wafers. Tokyo Electron has supplied front-end equipment including deposition, coating and developing, etching, and cleaning systems. Delivering highly specialized equipment for each of those processes is at the core of our business.

Abe: In the 2020s, with front-end miniaturization reaching the angstrom* scale, the physical limits of front-end advancement are drawing near. As a result, back-end processes are beginning to attract attention. This mounting technology, known as advanced semiconductor package, integrates multiple different semiconductor chips into a single package, dramatically improving data transfer speeds and power efficiency.

In advanced semiconductor package, organic materials are used in large quantities alongside equipment, so the materials themselves affect the performance of the overall semiconductor. In other words, we recognize that the importance of functional chemical companies like Resonac is growing across the semiconductor industry as a whole.

* A unit used to express extremely small lengths, such as the size of atoms or molecules, or the wavelength of visible light. 1 Å equals 0.1 nanometers (100 picometers).

Segawa: As Mr. Abe notes, miniaturization is becoming increasingly difficult in front-end processes. So, we equipment manufacturers and our customers are collaborating more closely, and the drive to accelerate process development is intensifying.

Abe: With semiconductors now entering a new phase of evolution, AI semiconductors are at the center of demand. Historically, application processors for PCs and smartphones have driven semiconductor evolution. However, those were ultimately B2C devices, and the semiconductor packages used in them were priced at roughly $10 to $20 per unit. But the rise of AI semiconductors has expanded the B2B market and driven up unit prices, making it increasingly common for a single semiconductor package to carry a price tag in the tens of thousands of dollars. As higher performance demands better materials, the price range for those materials has of course shifted substantially from what it once was.

Segawa: The shift to higher-value-added processes has had a big impact. Collaboration among manufacturers has long been common in this industry. The emergence of expensive AI semiconductors has increased the importance of yield, fueling demand for processes that minimize waste of costly chips. This is driving what might be called the "front-end migration of back-end processes."

We are primarily a front-end equipment manufacturer, but as back-end equipment processes migrate toward the front end, we see new business areas emerging, including 3D packaging systems and test systems.

Mr. Abe, how do you view the potential of these new business areas?

Abe: There is no doubt that the AI semiconductor trend will continue to expand. What we are watching closely is the size of semiconductor packages. To integrate more chips and increase computing power, semiconductor packages must keep growing in size. Larger semiconductor packages will give rise to challenges involving warpage and reliability. How to address those challenges is one major issue. There is also

another consideration: as performance demands increase, the heat generated will continue to grow. If that heat cannot be properly managed, normal operation becomes difficult, so we see a significant rise in demand for heat dissipation materials.

Segawa: Beyond an era focused on the performance and value of individual logic and memory devices, there is now demand for diverse ways of creating value and problem-solving capabilities. When it comes to generating ideas for such combinations, there are likely limits to what a single company can achieve on its own.

On top of existing device technology roadmaps, customers are now gaining a range of options. In that environment, there will inevitably be cases where collaboration is essential to reach the market ahead of the competition. It is fair to say that cross-industry co-creation between companies is becoming increasingly important.

JOINT3: evolved from JOINT2 as a new hub for value creation

Abe: One such new challenge in response to these market and societal changes is JOINT3.

For 30 years, we have operated the Packaging Solution Center*, evaluating materials using test vehicles. Within that framework, we launched JOINT2, the predecessor to JOINT3, as a consortium for developing next-generation semiconductor package mounting technologies. 14 equipment, material, and substrate manufacturers participated in the consortium, which had been active since 2021.

At that time, we had not anticipated that AI semiconductors would expand to this extent. Even so, by engaging with technologies expected to emerge, Resonac predicted the increase in package size and the shift of interposers from wafers to panels, and repeatedly conducted basic experiments.

Segawa: Resonac had anticipated the current trends and was already preparing for them. How did that work come together as the JOINT3 project?

Abe: JOINT2 was originally scheduled to conclude in 2026. As we thought through the next move, we began seriously exploring how to address the shift to panelization. Moving from wafers to panels is not as simple as it sounds. Through our research at JOINT2, we had learned firsthand that scaling up introduces significant challenges in warpage and uniformity.

Without an integrated line combining higher-performance equipment with higher-performance materials for evaluation, R&D cannot move forward—no matter how much time passes. We believed many equipment and material manufacturers shared these concerns, so we took the lead in discussing them with various companies. Those discussions confirmed that everyone held exactly the same view. However, test vehicles

* Packaging and Power Solution Center (Shinkawasaki, Kawasaki City, Kanagawa Prefecture)



JOINT3 aims to further accelerate open innovation. Japanese companies each have their unique strengths. By uniting those strengths, we want to create a new market standard.

Technological convergence between front-end and back-end processes, aimed at achieving greater semiconductor performance and functionality, creates new business opportunities. Catching that wave and taking on new challenges and difficulties open the way to the future. We aim to grow, sometimes competing, sometimes collaborating.



for large-format panels are currently almost impossible to obtain, even when a fresh evaluation is needed. We reasoned that, if this was something everyone needed, the consortium model was the right approach again. So, we built a manufacturing and prototyping line for large-format panels. We launched JOINT3 as a venue capable of demonstrating an end-to-end process flow and accelerating the R&D of equipment and material manufacturers.

What led Tokyo Electron to join JOINT3?

Segawa: We are a semiconductor manufacturing equipment manufacturer, and we saw this as an opportunity for new manufacturing equipment markets to emerge beyond our wafer processing equipment.

The back-end process market has existed for some time, and its players are already well-established. However, we were confident that this technological change would create an opportunity for front-end equipment manufacturers like us to enter a back-end market that is shifting toward the front end.

We have display manufacturing equipment technology for handling flat, rectangular panels. We also have equipment technology for handling round semiconductor wafers. Drawing on the synergy of these two technologies, we aim to enter new markets. That said, back-end and front-end processes are genuinely different worlds. We want to learn from Resonac, a back-end veteran, and gain knowledge through co-creation.

We decided to join JOINT3 because we hope to build a mutually beneficial relationship—one where we deepen discussions with customers and other equipment and material manufacturers, use the forum as a place to learn process evaluation, and give participants easy access to Tokyo Electron equipment.

Abe: I had known Ms. Segawa for years, but I never imagined we would work together in this way, so I was surprised when I received word of her participation. Having a company with Tokyo Electron's reputation endorse our vision and join us in pursuing the new business opportunities in advanced semiconductor package was a genuine delight. For JOINT3 as well, the offer was greatly appreciated as an opportunity to demonstrate more broadly to the world that we are capable of conducting cutting-edge R&D.

Segawa: Resonac has raised its profile to the point where its name now comes up whenever AI semiconductors are discussed. As back-end processes grow in importance within the semiconductor industry, societal expectations of Resonac are rising as well. It will surely become an indispensable company in AI semiconductors in the near future. We would be delighted to build the future together with a company like that.

Resonac x Who: Dialogue (1)

See here for speakers' impression after the interview (In Japanese only)

As a forum where the full picture of the process is visible, JOINT3 will accelerate open innovation and energize Japan as a whole

Abe: JOINT3 is currently building a dedicated research and development base named APLIC*1 in Ibaraki Prefecture.

A challenge with JOINT2 was that, because it was operated at our Shinkawasaki site, which was also used for other purposes, we were unable to provide participating companies with many opportunities to engage in hands-on work. As a result, the degree of open innovation fell short of expectations.

Once APLIC is complete, many equipment manufacturers and material manufacturers will be able to gather in one place and conduct experiments together. Engineers with different areas of expertise will be able to engage in deeper discussions around shared issues and challenges. This will not only accelerate technological development, but may also generate insights that would not have emerged otherwise. We expect JOINT3 to accelerate open innovation further than ever before.

*1 Advanced Panel Level Interposer Center

Segawa: We believe this kind of open innovation forum is especially important for Japan. The reason is that more than 90% of the components that make up our equipment come from suppliers in Japan. Each Japanese company brings distinct strengths. If those strengths can be combined to raise Japan's presence in the new market for semiconductor panels, every participating company in JOINT3 stands to benefit. JOINT3 is the formation that best uses Japan's geographic advantage.

Abe: Japan has a truly strong base of supporting industries. Japan's material manufacturers are strong in part because Japan's raw material producers are strong.

Recently, however, because each customer conducts its own R&D, customers have fewer opportunities to see the overall picture and structure that emerge when technologies are combined. As a result, it becomes harder for universities and companies doing raw materials research to envision what they should be creating in the future. JOINT3 is intended to serve as a new hub for technological development, where these individuals can meet, exchange information across disciplines, and share ideas freely, fostering innovation.

We held discussions with approximately 140 companies and established JOINT3 with the 27 companies*2 that agreed to join us. Among them was an instrument manufacturer focused on measurement, a category we had not previously anticipated. It reminded us that every company faces the same concerns and challenges.

*2 HORIBA Advanced Techno joined in May 2026, bringing the current total to 28 companies.

Making our mark in the semiconductor market and shaping a new era

Abe: The trend of shift to panelization has advanced faster than we anticipated, and the move from wafers to panels is already underway. With an eye toward the point when panelization technology will be needed in earnest, we must advance technological development centered on JOINT3.

Segawa: By combining Resonac's materials, Tokyo Electron's equipment, and the strengths and insights of many other participating companies, we expect solution development to advance at an unprecedented pace.

Abe: We want to advance R&D collaboratively so that the materials and equipment created by participating companies become the market standard.

Segawa: Advancing panelization will also lower manufacturing costs and accelerate the adoption in the AI device market. That will enrich people's lives, and the challenges we took on to make it happen will shine all the brighter for it.

Abe: Let us push each other to grow so that our co-creation centered on JOINT3 can be the driving force that shapes that new era.

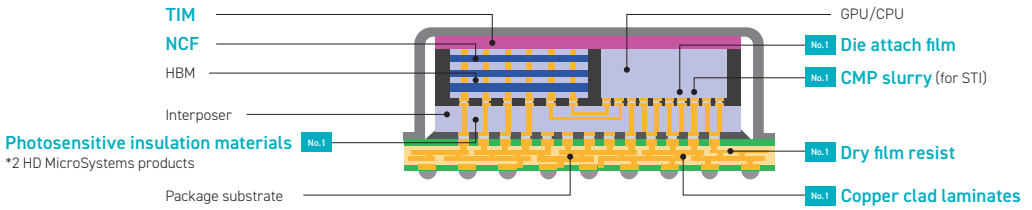
Resonac's Products and Its Co-creation "Kata" Supporting AI Semiconductors

Solution proposals based on our in-depth knowledge of chemistry and understanding of semiconductor devices

Contributing to accelerating the development of advanced devices as a leading semiconductor materials company

The rise of generative AI is driving growing demand for semiconductors and accelerating technological innovation. Lower energy consumption alongside improvements in performance are important for AI semiconductors. Amid demand for greater efficiency, the miniaturization of front-end processes is reaching its limits, and the key to achieving further advancements has now shifted to the back-end processes. In the back-end processes, we propose an optimal combination of materials that are tailored to customer needs. Resonac is leveraging its diverse material technologies and expertise to meet even detailed requirements, advancing game-changing transformations in the semiconductor industry with a focus on co-creation.

"Global share No. 1*1 semiconductor material portfolio" supporting the evolution of AI processors



＋

Resonac's co-creation model, or "kata"

Packaging and Power Solution Center

Resonac's Packaging and Power Solution Center is a research and development base involved in the manufacturing processes for structures, verification of reliability, and feedback on the Company's materials. Its activities are focused on advanced semiconductor packages (including those for AI), and power devices used in the power supply systems of data centers and other facilities. The Shinkawasaki site draws on 30 years of knowhow in packaging material evaluation to lead the JOINT2 and JOINT3 consortia. It serves as a core facility for consolidating the materials and equipment technologies of participating companies, as well as the prototyping and verification of advanced semiconductor packages. The Oyama site provides one-stop services ranging from the prototyping of power devices to verification, based on customer requirements. As a core facility for thermal management, which will become increasingly important in the future, it also contributes to the development of next-generation power device solutions.



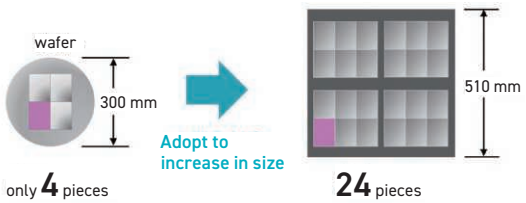
Keiichi Hatakeyama
Head of Packaging and Power Solution Center

Evaluation and analysis infrastructure | Solution proposals | Co-creation with customers

Thermal management is vital for the evolution of AI semiconductors. Through co-creation with customers and equipment and materials manufacturers, we provide value to society.

JOINT3

We have established JOINT3, a co-creation evaluation framework comprising Resonac Corporation and 27 other semiconductor material, equipment, and design tool manufacturers from Japan, U.S., Singapore, and other countries. We have also launched the Advanced Panel Level Interposer Center (APLIC), which uses a 515 x 510 mm panel-level organic interposer prototype production line for the co-creative development of materials, equipment, and design tools suitable for panel-level organic interposers.



US-JOINT featured on the P055 !

Higher integration of semiconductors | Contributing to society through co-creation with customers | Larger panel sizes

References:
1 Source of the global share No. 1: Fuji Chimera Research Institute "2024 Electronics Packaging New Materials Handbook": Glassbased copper-clad laminates (for packages), 2023 actual results (value); Dry film resist, 2023 actual results (shipment value); Underfill for first-level assembly, 2023 actual results (volume and value); Photosensitive insulating materials / buffer coat and redistribution layer formation materials, 2023 actual results (volume; *products from HD Microsystems, a Resonac group company)
*2 Fuji Keizai "2025 Semiconductor Materials Market: Current Status and Future Outlook": Die attach film, 2024 actual results (volume); CMP slurry (for STI), 2024 actual results (value)

Business Strategies

Semiconductor and Electronic Materials

Front-end / Back-end Semiconductor Materials

Core Growth businesses | Stable Earnings businesses | Fundamental businesses (technologies / materials) | Undergoing structural reforms

P006 / Results by Segment



Hiroyuki Yamashita
General Manager, Electronics Business Headquarters

Medium- to Long-Term Vision

With an eye to realizing a society in which humans and AI co-create, as a leading semiconductor materials company that proposes solutions based on deep insight into chemistry and an understanding of semiconductor devices, we will contribute to accelerating the development of advanced devices that realize a sustainable society.

(1) Achievements to Date

- Promoted the expansion of materials and concentrated investments in strategic products for growth areas such as AI semiconductor packages and advanced logic and memory applications
- Contributed to improvements in revenue and the EBITDA margin through portfolio strategies
- Established US-JOINT and JOINT3 as frameworks for global co-creation activities with equipment and materials manufacturers, and accelerated the technological development of advanced semiconductor packages P47 / Business Strategy Dialogue
- Built a robust supply chain to respond to geopolitical risks in a bid to secure stable supply and strengthen our competitive edge

(2) Issues

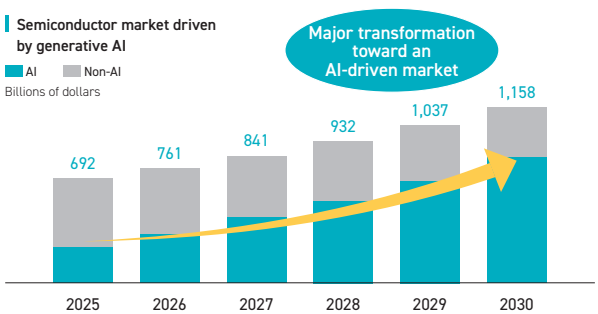
- **Enhancement of ability to respond to accelerating technological advancements**
  Amid the spread of generative AI and the advancement of digital infrastructure, the speed of semiconductor technology evolution and the level of customer demands are increasing. Strengthening our technological and product development capabilities to continue to meet these demands is a challenge.
- **Continuing to provide value for next-generation semiconductors**
  To continuously provide value in the field of next-generation semiconductors, innovative evolution is required in all aspects of our products, supply, and business operations
- **Advancement of supply chain management, which supports stable supply**
  Amid rising geopolitical risks, demands for supply stability are mounting, making the advancement of management that oversees the entire supply chain a key issue to be addressed

(3) Priority Measures for Phase 2!

- Further deepen business operations centered on co-creation to strengthen competitiveness in the field of next-generation semiconductors
- Enhance product capabilities by strengthening collaboration with partners through JOINT activities, while promoting contributions to energy conservation and reducing environmental impacts by improving material performance
- In light of geopolitical risks, advance the sophistication of the supply chain management system centered on collaboration with suppliers, aiming to achieve both a stable supply and business growth

Semiconductor Market Driven by Generative AI

The semiconductor market is expanding amid the spread of generative AI, with AI-related applications driving growth in particular. The market structure is undergoing a major shift from being traditionally non-AI-centric to being AI-driven.



Source: INTERNATIONAL BUSINESS STRATEGIES, INC., MARCH 2025

(4) Plans for 2026

Priority Measures — Growth Strategy for Next-Generation Semiconductors Field

In 2026, we will further promote product portfolio reform and aim to expand high-value-added businesses centered on the next-generation semiconductors field. We will steadily advance the growth of strategic products for growth fields while leading to medium- to long-term business growth through the continuous market introduction of new products. US-JOINT and JOINT3 will fully start initiatives leading to the creation of new technological themes and product concepts through collaboration with partners. At the same time, we will work to foster a sense of unity at the business headquarters and develop human resources through global dialogues, as well as strengthen manufacturing capabilities utilizing SPC (Statistical Process Control). Furthermore, in advancing our supply chain management system, we will improve supply stability by strengthening our collaboration with strategic suppliers and promoting multi-sourcing, as well as improve our adjustment capabilities through the visualization of supply-demand data. Additionally, we will strengthen risk resilience by diversifying our bases and establishing alternative production systems.

We will drive company-wide growth in semiconductor materials, focusing on growth and people, forging ahead with determination and speed while demonstrating co-creation value in terms of quality and supply. The headquarters will embrace change and work together as a team to enhance execution capabilities to support the evolution of the AI era through materials.

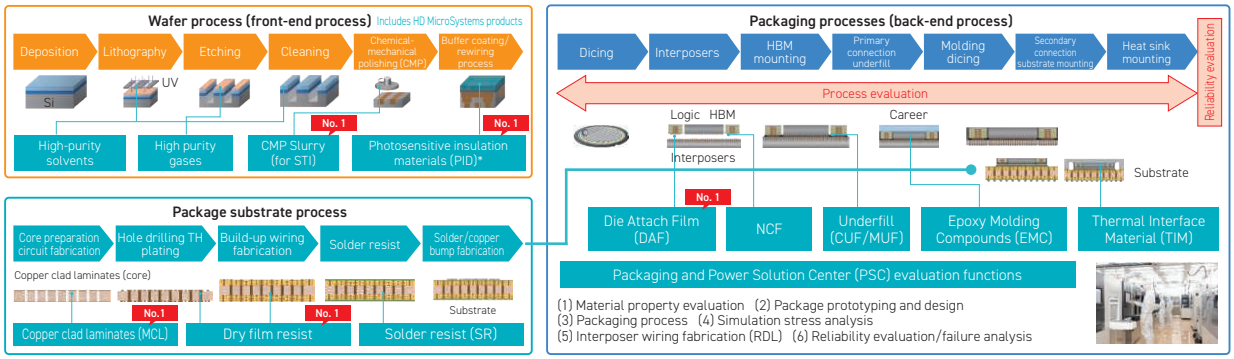


Relationship Between Daily Life and Our Products

"Structure-based" proposal capabilities realized through advanced semiconductor materials and evaluation foundations

In addition to our broad lineup of products with high market share, we will leverage our World-Class packaging evaluation foundation to move toward material proposals "created proactively" starting from packaging structures

Our products | Global share No. 1* | PSC compliant



* Source: Fuji Chimera Research Institute "2024 Electronics Packaging New Materials Handbook," Copper Clad Laminate for Package 2023 actual (value basis), Dry Film Resist 2023 actual (shipping value basis), Encapsulant 2023 actual (volume and value basis), Underfill for Primary Jisso 2023 actual (volume and value basis); Photosensitive insulation materials*, Buffer coating materials and rewiring materials 2023 actual (volume:* products of HD MicroSystems L.L.C., a group company)
* Fuji Keizai "2025 Semiconductor Materials Market: Current Status and Future Outlook": Die bonding film, 2024 actual results (volume); CMP slurry (for STI), 2024 actual results (value)

See here for details on Value Creation "Hypothesis": Case Study (1) [Electronics Business: Copper Clad Laminates]

P37 / Copper Clad Laminates



Resonac Pride Products and Services for This Business*

Packaging and Power Solution Center (Shinkawasaki)



See here for social and environmental contributions

P44 / Resonac Pride Products and Services, an Initiative to Visualize Our Purpose and Values

*Resonac Pride Products and Services is an initiative to visualize what kind of value and how much the Company's products and services have provided to society, the environment, and customers.

Full-scale Launch of US-JOINT

Resonac Launches R&D Center for Next-Gen Semiconductor Package Technology under U.S.-Japanese Consortium "US-JOINT"

The "US-JOINT" Consortium Officially Kicks Off: Opening Ceremony Report

The "US-JOINT" consortium, led by Resonac and comprising 12 Japanese and U.S. companies including materials and equipment manufacturers, has officially entered full-scale operation with the aim of establishing a new technology development model in the field of next-generation semiconductor package. To mark this launch, we held an opening ceremony on April 20, 2026 (local time) at our local base in Silicon Valley, U.S., attended by government officials from Japan and the U.S., participating companies, and other stakeholders. US-JOINT is the first consortium in the U.S. dedicated specifically to advanced semiconductor package.

US-JOINT logo



The opening ceremony



US-JOINT serves as a new co-creation model for next-generation semiconductor package development, bringing together materials and equipment manufacturers and customers from Japan and the U.S. to enable the swift verification and implementation of cutting-edge concepts. Leveraging our strengths in materials and evaluation technologies, we will lead innovation creation as a player in this ecosystem. Starting with this initiative, we will transform the very way semiconductor development is conducted.

Hidenori Abe, CTO for Semiconductor Materials

Changing Society: Specific Example

Resonac Semiconductor Materials that Enhance Society's Information Processing Capabilities Themselves

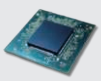
With the rapid expansion of generative AI, cloud computing, and data centers, society is calling for advanced information processing at an unprecedented speed. Semiconductors, which play a central role in this, not only require miniaturization and high-level integration, but also the tackling of complex challenges such as reducing power consumption, heat dissipation, and reliability. At Resonac, we have evolved our solution proposals starting from the packaging structures, leveraging our strengths in a range of materials covering front-end to back-end processes and our World-Class evaluation and analysis foundations. Through co-creation with semiconductor manufacturers, fabless companies, equipment manufacturers, and materials manufacturers, we are transforming development processes that were previously fragmented across individual companies, achieving a new development model that optimizes everything from semiconductor package design to evaluation in an integrated manner. This simultaneously enables high performance while reducing the power consumption of AI servers, contributing to improved energy efficiency across the entire digital infrastructure. By supporting the evolution of semiconductors, we are enhancing society's information processing capabilities and fundamentally changing the way people live and industries operate. This embodies the Resonac vision of "Change Society through the Power of Chemistry," playing a role in connecting social issues with technological innovation.

Growth opportunities for advanced packaging and back-end process materials created by AI server demand

Advancement of generative AI and sophistication of packaging requirements are driving demand for back-end process materials

Backed by the enhancement of quantity and quality, we expect AI-related back-end process materials to exceed market growth at a CAGR of 25-50%





Advancement of generative AI	Sophistication of package requirements	Enhancement of added values	
Increase in no. of servers	**Sophistication of performance requirements**	**Higher capacity of package structure**	**Advancement of back-end process materials**
Increase in demand for AI servers CAGR 20% (2025-2030) Increase in computational intensity × Infrastructure expansion	Advancement of processing power Optimization of power consumption Enhancement of heat management	Larger package and interposers +80% or more (2025: 70x80 to 100x100 mm) Increase in substrate wiring layers +15 to +20% (2025: 20-22 layers) Increase in HBM layers +60 to +150% (2025: 8 or 12 layers)	Dimensional stability and warpage control Copper clad laminates, solder resist, etc. Miniaturization and low loss Dry Film Resist, photosensitive insulation materials, etc. Thinner film and uniformity NCF, etc. Thermal Interface Material, Epoxy Molding Compounds, etc. Thermal conductivity materials, encapsulants, etc.

* The figures in this illustration are our estimates assuming the period from 2025 to 2030, and may vary depending on market trends.

Opening message

A collaborative effort like US-JOINT is exactly what the industry has needed. I am very much looking forward to the US-JOINT R&D center's full-scale operation in Silicon Valley. We expect this initiative to speed up semiconductor innovation and spark entirely new breakthroughs beyond what we see today.
Dilip Vijay, Vice President and Head of Global IC Operations, Broadcom Inc.

With US-JOINT now fully operational in Silicon Valley, we expect face-to-face technical dialogue to lead to more efficient joint development through faster feedback and clearer understandings. We welcome US-JOINT's efforts and look forward to the innovations and strengthened ecosystem collaboration this initiative can enable.
Raja Swaminathan, Vice President of Heterogeneous Integration Technologies, Advanced Micro Devices, Inc.

The expansion of generative AI and the current requirements of computing demands more advanced packaging for semiconductors. I am very confident that US-JOINT is just the start of innovation for advanced packaging and chiplets in generative AI computing. Finally, I truly appreciate the effort that led to today, and I hope that today's one step can lead to a tremendous outcome for the U.S. and Japan and to the world.
Kazumi Nishikawa, Director-General for Economic Security Policy, Trade and Economic Security Bureau, Ministry of Economy, Trade and Industry

In growth fields such as generative AI and autonomous driving, the importance of advanced semiconductor package technology in back-end processes is increasing further along with improvements in semiconductor performance. On the other hand, while new package concepts are being born one after another, the limited environment in which they can be validated quickly and practically has been a bottleneck for technological development.

US-JOINT will utilize its R&D base in Silicon Valley to validate the latest semiconductor package concepts together with customers who are the primary users of advanced semiconductors. By capturing market needs in real time and combining the technological capabilities of top Japanese and U.S. manufacturers in the material and equipment fields with an environment where U.S. semiconductor users and new ideas gather, we will accelerate R&D of materials, evaluation, and assembly technologies, leading to the early practical application and commercialization of new technologies.

"US-JOINT aims to shorten the proof-of-concept (PoC) period from approximately six months to as little as one month by enabling 12 participating Japanese and U.S. companies to conduct development in Silicon Valley, home to major hyperscalers. Through 'collaboration' between semiconductor-related companies from Japan and the United States, the initiative will accelerate global semiconductor innovation."
Hidehito Takahashi, CEO



Name and location	US-JOINT (JOINT: Jisso Open Innovation Network of Tops) Union City, California, USA
Objectives	To create an evaluation platform for next-generation semiconductor packages and develop packaging technologies in the United States
Participating companies (in alphabetical order)	12 companies (as of April 20, 2026) Azimuth Industrial; KLA Corporation; Kulicke and Soffa Industries; MEC COMPANY LTD.; Moses Lake Industries; NAMICS Corporation; TOKYO OHKA KOGYO CO., LTD.; Toppan Inc.; TOWA Corporation; ULVAC, Inc.; 3M Company; and Resonac Corporation

Launch	April 2026 (full-scale operation)
Main Facilities/ Environment	Advanced semiconductor packaging processes (patterning, bonding, molding, plating, etc.), evaluation and analysis equipment, cleanrooms (Classes 100 and 1,000)
Facility Role	R&D base for validating next-generation semiconductor-packaging concepts
Intended Users	Fabless companies, semiconductor manufacturers, and engineers from participating companies

Sustainability

Benefiting Our Business!

Building a Sustainable and Resilient Supply Chain

In December 2025, we held our first "Suppliers' Day" with the aim of further strengthening our co-creation relationships with strategic suppliers. 153 people from 64 companies participated, sharing their business policies and sustainability initiatives. We also presented awards such as the "Partner of the Year" and "Sustainability Partner Award" to suppliers that have made significant contributions to our business. Through this initiative, we are promoting the establishment of a sustainable and resilient supply chain and further deepening our co-creation relationships with strategic suppliers.



Suppliers' Day (December 2025)

Business Strategies

Semiconductor and Electronic Materials: Device Solutions

Hard Disk Media

Core Growth businesses | Stable Earnings businesses | Fundamental businesses (technologies / materials) | Undergoing structural reforms

P006 / Results by Segment



Yasushi Makabe
General Manager,
Hard Disk Business Unit

Medium- to Long-Term Vision

We will continue to create high-quality, innovative, and environmentally friendly large-capacity storage as a technology leader in the industry to help create a sustainable, prosperous future where advanced digital infrastructure enhances social foundations and provides everyone with access to a wealth of information.

(1) Achievements to Date

- Implemented structural reforms of hard disk media business in 2023 following a sharp decline in demand due to inventory cutbacks across the industry during the latter half of 2022 to 2023
- Consolidated media manufacturing sites in Ichihara and Singapore, and integrated operations with our aluminum substrate manufacturing sites (Oyama, Yamagata, and Malaysia) to respond quickly and flexibly to demand fluctuations
- Also strengthened our business operations as "One Team" under a virtual CXO structure including overseas employees
- Continuously supplying products of stable quality to meet customer needs, with demand currently back on a growth trajectory

(2) Issues

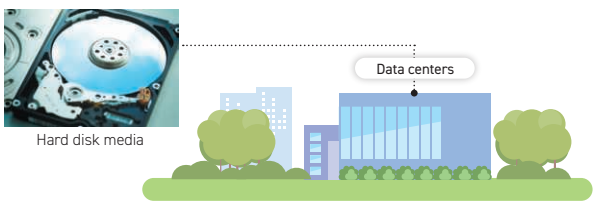
- **Greater-than-expected rise in demand for hard disk drives (HDDs) for data centers**
  Shipments for data centers are expected to enter an explosive growth phase going forward due to the rapid expansion of generative AI applications from deep learning to inference, AI agents, and AI robotics

(3) Priority Measures for Phase 2!

- To meet the rapidly increasing demand driven by the expansion of AI applications, we will significantly increase media storage capacity through maximizing PMR storage capacity, including media thinning, and through the mass production of HAMR
- We will also establish a supply structure capable of responding to the growing market by constructing and expanding production lines, improving productivity through collaboration between media and substrate bases, and promoting DX and automation

Relationship Between Daily Life and Our Products

Hard disk media is incorporated into hard disk drives and is used in data centers, corporate data servers, and surveillance cameras, among others.



Resonac Pride Products and Services for This Business

"Large Capacity Hard Disk Media"

▶ Contribution to society
Laying the foundation for an advanced digital society
Improving health and quality of life

▶ Contribution to environment
Reduction of GHG emissions

(4) Plans for 2026

Priority Measures

Steady Transition to Growth Phase Through Technological Innovation and Supply Capacity Enhancement

To ensure a transition from demand recovery to growth trajectory, we will promote the completion of HAMR technology and strive to push the limits of PMR recording density through co-creation with customers and suppliers. In addition, we will secure supply capacity capable of meeting the rapid growth in demand going forward by improving the productivity and stabilizing the quality of existing production lines, and by restarting idle lines at our Singapore facility (from 2027). Furthermore, we will shift to smart production lines utilizing AI and DX, and ramp up our BCP activities to fulfil our responsibility to supply media for HDDs as social infrastructure.

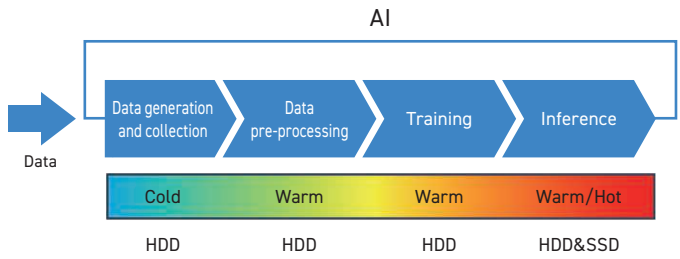
By improving the storage capacity per media disc, we will reduce power consumption per terabyte and contribute to reducing GHG emissions across the entire supply chain. We will also promote resource recycling to realize a circular economy.



Changing Society: Specific Example

Data Storage Supporting Generative AI

With the expanding use of generative AI, it is becoming increasingly important to determine how to efficiently store and reuse the vast amounts of data generated during the training and operation processes over the long term. Looking at the entire process from generative AI generation and collection to inference, much of the data is continuously used in the processes of accumulation, circulation, and retraining. Therefore, HDDs, characterized by their large capacity and high cost efficiency, play a central role in storage infrastructure. On the other hand, SSDs are used in specific areas where high processing performance is required, such as learning and inference. However, given the current rise in NAND flash prices and the superior power efficiency per unit of capacity of HDDs, the distinction between HDDs and SSDs is becoming clearer. Through the supply of high-capacity hard disk media, we will contribute to the establishment of sustainable storage infrastructure that supports data centers in the AI era.



Sustainability

Benefiting Our Business!

Contributions to Society and the Environment Strengthen Our Businesses



At Resonac Hard Disk's Yamagata Plant in Japan, the fuel for the steam and hot water supply boilers used within the plant was switched in May 2026 from conventional heavy oil to liquefied natural gas (LNG), which has a lower GHG emission factor. We expect this to reduce CO_2 emissions by approximately 900 tons per year. This initiative is being carried out as part of the Smart Energy Center concept led by Yamagata Prefecture. The LNG satellite station installed within the plant supplies LNG not only to Resonac, but also to surrounding companies, contributing to the decarbonization of the entire region.

Fuel being injected from a liquefied natural gas (LNG) tank truck into the LNG satellite station

Business Strategies

Semiconductor and Electronic Materials: Device Solutions

SiC Epitaxial Wafers

Core Growth businesses | Stable Earnings businesses | Fundamental businesses (technologies / materials) | Undergoing structural reforms

P006 / Results by Segment



Makoto Takeda
General Manager,
Device Solutions Business Unit

Medium- to Long-Term Vision

To realize an environmentally friendly and sustainable society, we will supply our "Best in Class" SiC epitaxial wafers for power semiconductors to the advanced semiconductor market in a stable manner. To achieve this, we will establish world leading levels in terms of "high awareness of safety and legal compliance," "technological capabilities in development and production," and our "one team" approach, aiming to become the industry's triple crown winner.

(1) Achievements to Date

- Worked to strengthen our business foundation under our Medium- to Long-Term Vision of becoming the "industry's triple crown winner" with world leading levels in terms of "high awareness of safety and legal compliance," "technological capabilities in development and production," and our "one team" approach
- Strengthened business foundation through co-creation with customers and business partners, including enhancing cost competitiveness through the large-scale expansion of SiC facilities, and through intellectual property strategies and strategic partnerships
- Received the "Minister of Economy, Trade and Industry Prize" at the Green and Sustainable Chemistry (GSC) Awards in 2025 in recognition of the social value of our SiC business, followed by the "Ichimura Prize in Industry for Distinguished Achievement" in 2026 for establishing high-productivity technology for high-quality SiC epitaxial wafers through joint research with the Central Research Institute of Electric Power Industry

(2) Issues

- **Adapting to supply and demand fluctuations and diversifying applications**

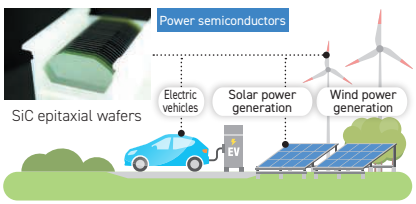
  The SiC market is experiencing a supply-demand imbalance owing to inventory cutbacks driven by excessive expectations for electric vehicle (EV) demand, leading to mounting pressure to reduce costs. Furthermore, the growth of new applications such as AI data centers and high-voltage power transmission has led to growing demand for high reliability and higher voltage resistance, as well as a shift away from a structure dependent on EV demand.

(3) Priority Measures for Phase 2!

- We will strive to improve production efficiency and reduce costs through the introduction of AI, simulations, and automation
- For new products, such as our eight-inch epitaxial wafers, and products for new applications such as AI data centers, we will further strengthen collaboration with customers from the early stages of development to achieve certification and mass production as quickly as possible

Relationship Between Daily Life and Our Products

SiC epitaxial wafers are mainly used as substrates for power semiconductor devices and contribute to energy conservation in various fields, such as renewable energy and electric vehicles (EVs).



Resonac Pride Products and Services for This Business

"SiC Epitaxial Wafers"

▶ Contribution to society
Laying the foundation for an advanced digital society
Building an energy-conserving society

▶ Contribution to environment
Reduction of GHG emissions
Resource conservation and waste reduction

(4) Plans for 2026

Priority Measures

Strengthening the Competitiveness of the SiC Epitaxial Wafer Business

To make 2026 a year in which we deliver results, and in order to reliably capture the growing demand for automotive and AI data center applications, we will complete the safe and steady start-up of new and expanded production lines and strengthen our stable supply system by deploying the production and operational expertise we have accumulated to date. Doing so will also reduce geopolitical risks by manufacturing in Japan, and will lead to providing greater peace of mind to customers who prioritize economic security.

Furthermore, we will maximize the development capabilities we have cultivated over the years to quickly obtain certification for eight-inch epitaxial wafers for our major customers.

We will advance the development of new applications, such as AI data centers and high-voltage power transmission. As the quality required for these applications is very well suited to the high voltage resistance and high reliability that are strengths of Resonac SiC epitaxial wafers, we believe this is an area in which we can demonstrate a strong competitive edge.

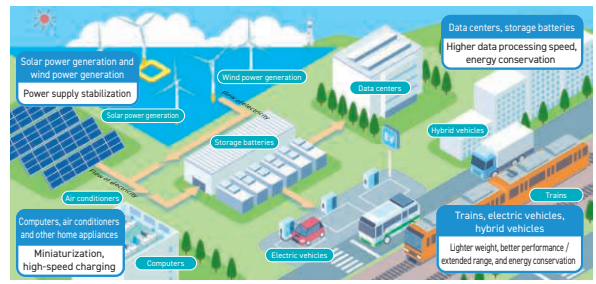


Changing Society: Specific Example

SiC Epitaxial Technology Supporting Society

At Resonac, we develop and provide SiC epitaxial wafers optimized for various applications, in collaboration not only with our customers but also with numerous research institutions and equipment/materials business partners. Through co-creation with our business partners in technology development and integrated management utilizing digital transformation (DX), we have contributed to energy conservation driven by electrification and the spread of AI. Gaining recognition for this integration of social value enhancement and business growth, we received the "Minister of Economy, Trade and Industry Prize," which is a Green and Sustainable Chemistry (GSC) Award. We also received the "Ichimura Prize in Industry for Distinguished Achievement" for establishing high-productivity technology for high-quality SiC epitaxial wafers through joint research with the Central Research Institute of Electric Power Industry.

Going forward, we will demonstrate leadership geared toward further technological innovation and the realization of a sustainable society.



Resonac Wins the 24th GSC Award's Minister of Economy, Trade and Industry Prize

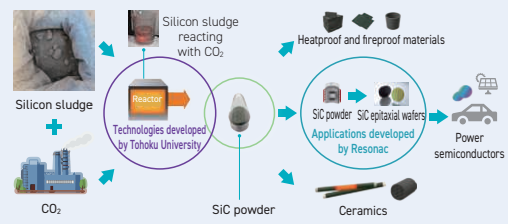
"High-productivity manufacturing technology for high-quality SiC epitaxial wafers for power semiconductors" received the Contribution Award of the "Ichimura Prize in Industry for Distinguished Achievement" (in Japanese only)

Sustainability

Benefiting Our Business!

Contributions to Society and the Environment Strengthen Our Businesses

Amid growing demand for highly efficient power control technology, fueled by the expansion of AI data centers, Resonac contributes to the advancement of substrates that enable more efficient and stable power utilization by reducing the power conversion losses of ultra-high voltage power devices through our SiC epitaxial wafers. Furthermore, as a new initiative, Resonac and Tohoku University are developing technology that produces SiC materials from waste materials (silicon sludge) generated during the silicon processing and CO_2 as raw materials. As this initiative simultaneously enables reductions in CO_2 emissions and waste recycling, we expect it to contribute to reducing the environmental impact of SiC power semiconductor materials.



Resonac and Tohoku University Launch Joint Research on Technology to Produce SiC Power Semiconductor Materials from Waste Silicon and CO_2

Business Strategies

Mobility

Mobility

Core Growth businesses	Stable Earnings businesses
Fundamental businesses (technologies / materials)	**Undergoing structural reforms**

P006 / Results by Segment



Satoshi Hara
General Manager,
Mobility Business Headquarters

Medium- to Long-Term Vision

Mobility Forward!!

We unleash the power of chemistry to reinvent acceleration, steering, and braking in mobility, utilizing our material design technology (metal and resin) and processing technology to promote co-creation with our customers.

Furthermore, we utilize digital transformation (DX) and AI technologies to provide solutions that exceed customer expectations and achieve sustainable growth accompanied by profits.

(1) Achievements to Date

- Steadily advanced the optimization of business locations and revised our business portfolio through structural reforms in 2025
- With a focus on profitability and capital efficiency, we concentrated our management resources by selling our aluminum laminate film business and automotive molded parts business
- Also made progress toward a more profitable business structure through price hikes and cost reductions

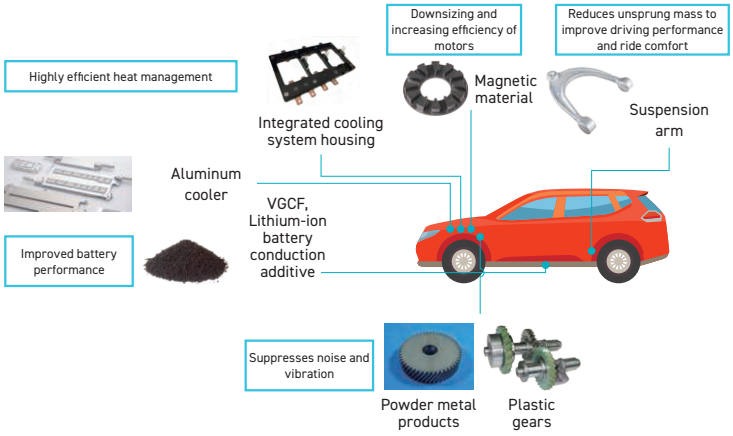
(2) Issues

- **Focusing on creating game-changing products**
  While R&D leveraging our strengths as a materials manufacturer has achieved certain results, creating game-changing products that lead to a transformation of our business structure remains a challenge that we must continue to focus on

(3) Priority Measures for Phase 2!

- Continue to strengthen revenue base through increased efficiency and cost reduction
- Further promote internal and external co-creation to ramp up R&D activities, starting with materials technology, to establish sustainable competitive strengths

Relationship Between Daily Life and Our Products



Resonac Pride Products and Services for This Business

"Aluminum suspension"



See here for details on Value Creation "Hypothesis": Case Study (2) Mobility Business: Aluminum Suspension

P39 / Aluminum Suspension

(4) Plans for 2026

Priority Measures: Enhancing Profitability Through Value Creation

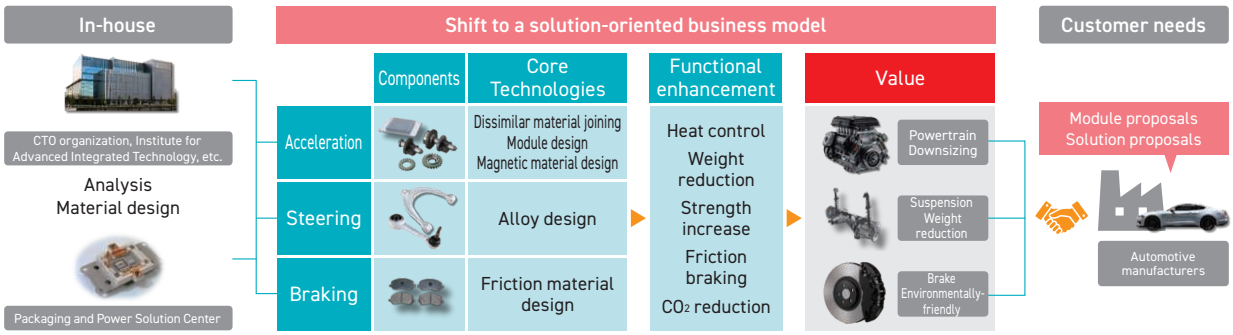
In 2026, we aim to reap the rewards of the structural reforms implemented to date to establish a highly profitable mobility business unique to Resonac, leveraging our strengths in material design as a functional chemical manufacturer. At the same time, we will enhance the speed and quality of development through team collaborations with our key customers. With a view to achieving an EBITDA margin of 15% in 2030, we will establish a business structure that enables us to create value in a stable and sustainable manner by balancing resource concentration in growth areas with profitability improvement.

We will refine our materials technology that supports acceleration, steering, and braking, create game-changing products through co-creation with our customers, thereby building a mobility business that is unique to Resonac.



Changing Society: Specific Example — Unleashing the Power of Chemistry to Reinvent Acceleration, Steering, and Braking

This Business Headquarters advances materials, processing, analysis, and evaluation technologies through collaboration between CTO organizations, including the Institute for Advanced Integrated Technology, and internal functions such as the Packaging and Power Solution Center (Oyama). Starting from this internal co-creation, we have developed component technologies that support "acceleration, steering, and braking," achieving functionality enhancement such as reduced weight, increased strength, and heat control, and expanding into areas such as environmentally-friendly materials for suspensions, powertrains, and brakes. Furthermore, through co-creation with customers from the development stage, we are progressively expanding the value we provide, from individual components to modules and then to solution proposals.



Sustainability

Benefiting Our Business!

Contributing to CN* at Manufacturing Stage

In the automotive disc brake pads market, demands related to safety and the environment are becoming increasingly sophisticated due to factors such as heavier vehicle weight resulting from electrification, the growing need for stable braking performance, and regulations for the materials used and brake dust. We develop products that achieve high braking performance and wear resistance through our formulation technology using more than 20 types of materials. We comply with North American copper regulations and Euro 7 dust regulations in Europe, and also contribute to reducing environmental impact by working to reduce CO_2 emissions during manufacturing and promoting resource recycling.

*Carbon neutrality



Disc brake pads for automobiles

Business Strategies

Innovation Enabling Materials

Innovation Enabling Materials



P006 / Results by Segment



Takafumi Sakurada
General Manager,
High Performance Materials Business Headquarters

Medium- to Long-Term Vision

To create a society full of excitement, we will continue to produce innovative chemical materials as the core of Resonac manufacturing, ensuring safety and harmony with the environment.

(1) Achievements to Date

- Integrated two business units responsible for organic and polymer business as part of our efforts to optimize business portfolio for growth markets, including advanced semiconductors
- Consolidated organic and polymer development, technologies, and human resources to promote internal and external co-creation to serve as a foundation supporting our innovation and competitiveness
- Currently expanding our operation and productivity improvement activities (citizen development such as RPA*1 and BI*2 tool apps that the production operators themselves have learned and developed) carried out in the Ceramics Business Unit to each of our plants through exchange meetings with other business units

*1 Robotic process automation, *2 Business intelligence

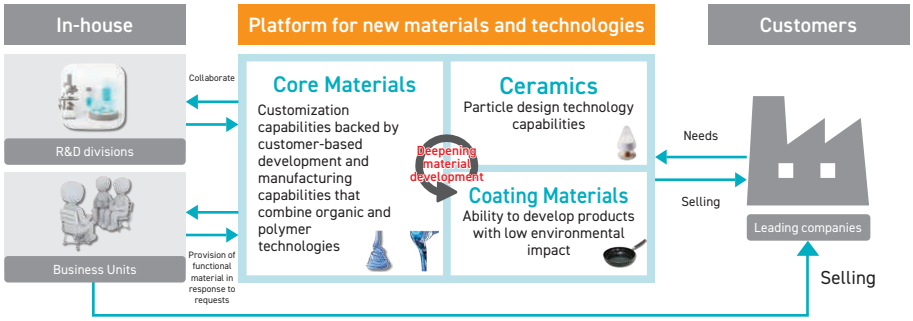
(2) Issues

- **Creating and accelerating the commercialization of new materials and technologies**
  Accelerating the creation and commercialization of new materials and technologies with high internal and external prospects in growth markets, primarily semiconductors and electronic materials

(3) Priority Measures for Phase 2!

- Continued optimization of business portfolio for organic and inorganic materials sectors
- Internal and external co-creation through the consolidation of development systems, exploration and deepening of growth fields, and promotion of the creation of materials and technologies for growth markets
- Transition toward future-oriented manufacturing in harmony with the environment, local communities, and society

Relationship Between Daily Life and Our Products



Resonac Pride Products and Services for This Business

"High-purity ultra-fine titanium oxide"

▶ Contribution to society
Laying the foundation for an advanced digital society
Improving safety in the mobility market

▶ Contribution to environment
Reduction of GHG emissions
Resource circulation

(4) Plans for 2026

Priority Measures

Strengthening the Technology Platform Function that Contributes to Enhancing Our Competitiveness and Business Growth Capabilities

- Enhancing business competitiveness and promoting internal co-creation through organizational restructuring of the inorganic business and consolidation of development functions
- Standardizing and advancing global manufacturing through the establishment of a new production control center for innovative materials
- Promoting initiatives to create materials and technologies for semiconductors and electronic materials
- Creating materials and technologies that contribute to reducing greenhouse gas emissions related to production activities and reducing customer emissions

As a technology platform, we will contribute to strengthening our competitiveness and business growth capabilities. Furthermore, in order to become a World-Class Functional Chemical Company and create a society full of excitement, we will refine our core material technology capabilities and work to create innovative high-functional materials that contribute to solving various social issues.



Changing Society: Specific Example

Transforming the Future of High-performance Devices Through Co-creation with Customers



High-purity ultra-fine titanium oxide is used as a key material in MLCCs (multi-layered ceramic capacitors) and, through our proprietary synthesis technology, enables MLCCs to be made smaller and lighter while achieving higher capacitance. The miniaturization and higher capacitance of MLCCs support improvements in computing performance in the AI-related market, including servers, which is expected to expand rapidly at a CAGR (compound annual growth rate) of 31% from 2023 to 2030. Downsizing an MLCC by one size category reduces its volume by 50% to 80%, thereby reducing the amount of materials used and cutting electricity consumption during MLCC manufacturing by 40% to 50%. In recognition of this social and environmental value, high-purity ultra-fine titanium oxide was certified as a Resonac Pride Product and Service last year.

Sustainability

Benefiting Our Business!

Strengthening Market Competitiveness by Reducing Greenhouse Gas Emission with Our Products!



Rotary regenerative thermal oxidizer (Goi Plant (Noda))

At the Goi Plant (Noda) in Japan, we changed the fuel for our rotary regenerative thermal oxidizer from kerosene to city gas in order to reduce Scope 1 emissions. This has reduced CO_2 emissions during combustion and also cut fuel consumption by improving combustion efficiency. At the Shiojiri Plant in Japan, we are proceeding with the introduction of an on-site PPA utilizing unused land in order to reduce Scope 2 emissions, with operation scheduled to begin in 2027. We are also working to reduce raw material-derived emissions (Scope 3) at the Tatsuno Plant by using biomass feedstock in unsaturated polyester resin products. Through these initiatives, we will promote reductions in the carbon footprint of our products (CFP), contribute to reducing our customers' Scope 3 emissions, and strengthen our market competitiveness.

Business Strategies

Chemicals

Basic Chemicals

Core Growth businesses	Stable Earnings businesses
Fundamental businesses (technologies / materials)	Undergoing structural reforms

P006 / Results by Segment



Hiroshi Adachi
General Manager,
Basic Chemicals Business Unit

Medium- to Long-Term Vision

With pride in and responsibility for supporting the future of people and communities, we pursue manufacturing in harmony with the global environment. Through co-creation and technological innovation, we will establish a pioneering model for an urban chemical park and showcase it globally.

(1) Achievements to Date

- Redefined our responsibility as a "foundational business" that supports people's lives and transformed the way we operate. Advanced energy-efficiency measures, price revisions, and operational improvements, making the restoration of profitability and stable supply our highest priority.
- Promoted optimization of facility management and investment from a long-term perspective while strengthening frontline capabilities and improving operational efficiency from a long-term perspective, thereby laying the foundation for stably supplying products that support social infrastructure. In 2025, decided to: (1) produce low-carbon ammonia* using only hydrogen derived entirely from used plastics and textiles as feedstock; and (2) reduce GHG emissions by converting the fuel used in on-site power generation facilities to city gas and hydrogen.

P96 / Initiatives for Carbon Neutrality

- Established the GX Strategy Promotion Department within the Basic Chemicals Business Unit and put in place an organizational structure capable of developing a business model that circulates resources without waste, centered on decarbonization-driven transformation toward carbon neutrality (CN) by 2050.

* Certified as an eligible project in the first round for the "Support focusing on the price gap" program under the Act on Promotion of Supply and Utilization of Low-Carbon Hydrogen and its Derivatives for Smooth Transition to a Decarbonized Growth-Oriented Economic Structure, administered by the Ministry of Economy, Trade and Industry. As of 2026, the hydrogen used as feedstock for ammonia production is approximately 50% plastic-derived and 50% derived from fossil feedstocks. It has been confirmed that ammonia produced from plastic-derived feedstocks can reduce GHG emissions by more than 80% compared with ammonia produced from fossil-derived feedstocks (third-party certification by the Japan Life Cycle Assessment Facilitation Centre (LCAF)).

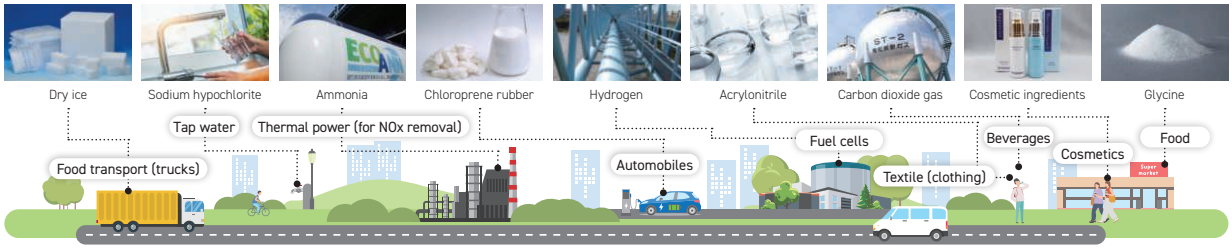
(2) Issues

- **Strengthening capabilities for decarbonization and resource circulation**
  Implement measures to further reduce GHG emissions while expanding the environmental value we add to our products.
- **Addressing structural issues of the Basic Chemicals Business**
  Address challenges such as rising raw material and fuel costs, the need to upgrade aging facilities, and labor shortages, thereby further strengthening our business foundation.

(3) Priority Measures for Phase 2!

- Enhancing the value of our product lines that support society and daily life to further evolve and develop into a "business that offers differentiated value"
- Priority measures include business transformation through digital transformation (DX), improving productivity through human resource development and the transfer of technical expertise, and accelerating the development of new resource-circulation products through co-creation.
- Further strengthening our business structure's resilience to market fluctuations and clarifying its role as a foundational business that generates stable earnings and supports the Group's overall growth strategy.

Relationship Between Daily Life and Our Products



(4) Plans for 2026

Priority Measures

Transition to the Phase of Implementing Structural Reforms

In 2026, we will maintain and strengthen our earnings base through stable procurement and appropriate price pass-through in response to rising raw material and fuel procurement costs resulting from the worsening situation in the Middle East. At the same time, we will roll out ISCC PLUS-certified acrylonitrile (AN) as a circular feedstock for textiles and resins, creating a premium market by leveraging its environmental value, stable supply, and price competitiveness. We will also resolve the issues of driver shortages and aging of chartered vessels in a timely manner while further developing our logistics infrastructure. Furthermore, we will support sustainable growth by steadily advancing the development of new technologies and products that will become pillars of future growth, while creating a work environment that puts safety first. Through these initiatives, we will seek to balance short-term results with medium- to long-term value creation.

Ammonia is used for denitrification in thermal power plants, and sodium hypochlorite is used to disinfect tap water. As a solid foundation supporting society, the Basic Chemicals Business will achieve robust and sustainable growth.

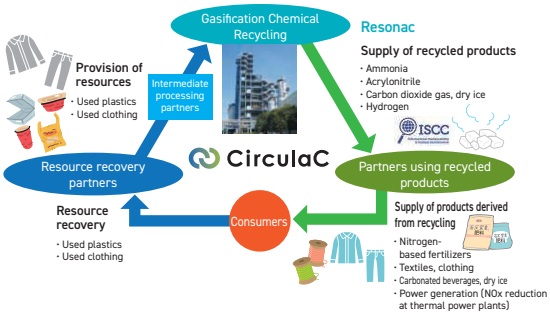


Changing Society: Specific Example

Launched "CirculaC", a Circular Business Model for Used Plastics and Textiles

Resonac began the gasification chemical recycling of used plastics in 2003 and has a track record of stable operation spanning more than 20 years. Since launching "CirculaC", a resource-circulation model, in 2025, Resonac has been working to expand its network of partners. Take textiles, for example. Acrylic fibers made using the ammonia and acrylonitrile produced by Resonac as feedstocks are turned into clothing, and the used clothing is then recycled into ammonia through our gasification chemical recycling process. Or take agricultural plastics. Ammonia and carbon dioxide are produced from plastics used for field mulch sheets and in greenhouses; the ammonia is used as fertilizer and the carbon dioxide to promote plant growth, thereby creating a circular system. Working with our customers, suppliers, and local communities, Resonac will transform the way materials that support social infrastructure are produced and used. We will lead the transition to a circular economy, ahead of broader societal change.

CirculaC is a circular business model advanced jointly by Resonac and its partners working as one.



Resonac Pride Products and Services for This Business

Kawasaki Plastic Recycling

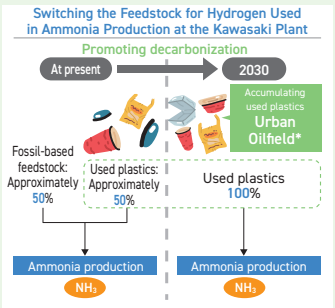
▶ Learn more about our contributions to society and the environment

P44 / Initiative to Visualize Implementation of Our Purpose and Values
Resonac Pride Products and Services

Sustainability

Benefiting Our Business!

Sustainability Is a Catalyst for Structural Reform and Improved Profitability



The Kawasaki Plant in Japan was established in 1930 and began producing ammonia (NH_3), synthesized using hydrogen (H_2) and airborne nitrogen (N_2) as feedstocks. Starting with hydrogen production through water electrolysis, the plant has successively shifted its hydrogen feedstock to solid fossil feedstocks, petroleum, by-product gases (off-gases) generated by neighboring companies, and used plastics (urban oilfields*[3]), anticipating societal needs in order to develop and strengthen the business. Following our "second founding" as Resonac, we aim to have 100% of the hydrogen feedstock at the Kawasaki Plant derived from used plastics and textiles by 2030, the 100th anniversary of the plant's establishment. This initiative was highly acclaimed, earning the Minister of the Environment Prize at the Fiscal 2025 Green and Sustainable Chemistry (GSC) Awards. The Kawasaki Plant will continue to serve as a foundational business that generates stable earnings and supports Resonac's value creation, while remaining a source of trust.

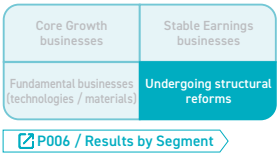
Winner of the Minister of the Environment Prize at the 25th GSC Awards

* A concept similar to that of an "urban mine," viewing used plastics accumulated in cities as a new source of feedstock that can replace imported petroleum.

Business Strategies

Chemicals

Graphite



P006 / Results by Segment



César Castiñeira
General Manager, Graphite Business Unit

Medium- to Long-Term Vision

Resonac Graphite Business Unit aims to lead sustainable steelmaking by producing premium graphite electrodes and high-tech solutions for EAF (Electric Arc Furnace) optimization, advancing decarbonization, strengthening customer partnerships, and creating long-term value globally.

(1) Achievements to Date

- To date, Resonac's Graphite Business Unit has strengthened its position as a leading global supplier of graphite electrodes and high-tech solutions for the EAF optimization in the steel industry.
- The business has advanced sustainability initiatives, reduced its environmental footprint, improved operational efficiency, and reinforced long-term customer partnerships.
- Through premium products, process optimization support, and reliable global supply, RGBU continues to deliver value-driven solutions that enhance furnace performance, productivity, and steelmaking sustainability.

(2) Issues

- **Addressing market fluctuations and structural issues of the business**

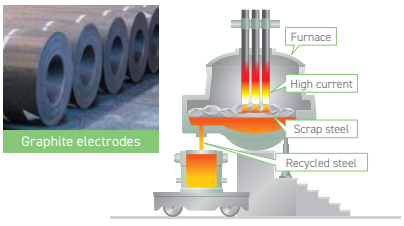
  The graphite electrode industry faces cyclical steel demand, volatile raw material and energy costs, global overcapacity, pricing pressure, decarbonization requirements, supply chain risks, and the need to support EAF steelmakers with higher productivity and sustainability.

(3) Priority Measures for Phase 2!

- Support the shift toward clear value creation logic by providing concrete sustainability-driven examples.
- Foster stakeholder dialogue, helping co-create future growth models and achieve meaningful transformation.

Relationship Between Daily Life and Our Products

Graphite Electrodes (GE) are indispensable to steel recycling. They are used for melting scrap steel in EAFs. In addition, GE play a critical role in steelmaking processes that use Direct Reduced Iron (DRI) as a raw material, particularly in regions advancing the transition to low-carbon production methods.



Resonac Pride Products and Services for This Business

Graphite electrodes

Contribution to society

Contributing through steel for construction

Contributing to local community

Contribution to environment

Reduction of GHG emissions

(4) Plans for 2026

Priority Measures

Strengthening Decarbonization and ESG Initiatives

The 2026 plan focuses on accelerating decarbonization, strengthening sustainable procurement, and improving ESG performance. Key qualitative targets include deeper stakeholder engagement and enhanced transparency, while quantitative ambitions concentrate on reducing GHG emissions, improving energy efficiency, and increasing supplier ESG compliance and assessment coverage.

In 2026, I am committed to accelerating our sustainability agenda by delivering measurable progress in safety, equality, inclusion, decarbonization, and customer value while fostering a culture of responsibility and continuous improvement.



Changing Society: Specific Example

Initiative for Women's Week

A key social initiative is Resonac's Women's Week, which promotes gender equality, and the development of female talent across the organization and the industry. Through workshops, leadership discussions, mentoring opportunities, and employee engagement activities, the program encourages equal opportunities and fosters an inclusive workplace culture. Complementing this effort, RGBU supports employee well-being, professional development, safety excellence, and community engagement initiatives, reinforcing its commitment to creating a respectful, diverse, and high-performing work environment. All these initiatives, driven by Resonac under the Sparking Truth umbrella, are a call to action for partners, including suppliers, customers, institutions and organizations, who share our vision and our commitment to creating a positive impact on society and in the communities where we operate.



Women's Week 2026

Sustainability

Benefiting Our Business!

Integrate Sustainability for Our Business



RGBU integrates sustainability across its operations through an ESG framework. Key initiatives include responsible procurement and supplier ESG assessments, strict chemical compliance (REACH/GHS), decarbonization and GHG reduction, strong quality and safety systems, water and environmental management, and human rights due diligence aligned with UN principles.

Through these initiatives, RGBU contributes to the realization of a sustainable society while enhancing both the competitiveness and credibility of its business.

Received EcoVadis Gold certification in A Coruña (Spain) and Steeg (Austria) on February 2026.



Takashi Maeno
Dean, Faculty of Well-Being,
Musashino University
Professor Emeritus, Keio University

Nori Imai
Board Director,
Chief Human Resource Officer (CHRO)
Resonac Holdings Corporation

Resonac x Who: Dialogue (2)

Human Resource Strategies

Beyond the full realization of happiness lies Resonac's further growth

Since the merger of the two companies, Resonac has been working to transform its corporate culture in pursuit of becoming a World-Class Functional Chemical Company. Now we are preparing to advance that effort to the next stage. In Phase 2 of our Long-Term Vision, we aim for "Developing a co-creation culture and employee happiness." CHRO Nori Imai, who has led the transformation effort from the front, invites Professor Takashi Maeno, a leading authority in the study of well-being, to discuss the intent and vision behind Phase 2, and the future Resonac is working toward.

Tangible progress gained through four years of transformation efforts

Imai: Since the merger, we have worked continuously to develop co-creative talent and build a co-creation culture. Four years in, we can clearly see a change in how each employee acts. In particular, we have rolled our Values-expected behaviors-thoroughly across all sites.As a result, we believe an open, agile culture that encourages co-creation beyond boundaries is beginning to flourish. We are a functional chemical company, and our business cannot move forward if we simply wait for top-down strategy. By responding quickly

to customer needs with solutions that combine diverse technologies, we can create new value. To achieve this, the ability to align internally and externally and act autonomously-what we call "co-creativity"-has been essential to Resonac's growth.

In Phase 2, the next stage, we set our goal as "developing a co-creation culture and enhancing employee happiness." At Resonac, happiness is defined as a state in which employees are physically and mentally healthy, strive together with like-minded colleagues toward shared goals, and find fulfillment and a sense of achievement in doing so. Until now, we have encouraged behavioral change by having employees, through feedback from others, reflect on their actions based on our Values and recognize the need to change. That is why, in Phase 2, we wanted employees to draw on intrinsic motivations, such as personal fulfillment and excitement, as drivers of sustained behavioral change. In an era of rapid AI advancement, the ability to act on one's own initiative matters more than anything else. To overcome difficult challenges, having colleagues who support one another is essential. You keep challenging yourself alongside your colleagues, driven by your own convictions and a sense of excitement. Each challenge, built upon the last, nurtures both individual happiness and Resonac's co-creation culture. Those convictions are captured in the phrase "developing a co-creation culture and employee happiness."

Maeno: Entering a phase where employees are encouraged to work toward happiness is, I believe, a highly advanced stage of human capital management. Happiness is, in fact, closely linked to business management. Various studies indicate that happy people, compared with those who are not, score higher on psychological qualities that matter at work, such as initiative, creativity, cooperation, and contribution. It is no exaggeration to say that the evolution of human capital management is the pursuit of employee happiness. Yet framing it in terms of "improving human capital" makes it difficult for employees to feel a sense of personal ownership. Setting a clear, attainable goal that employees can readily understand and work toward—working in a state of happiness—is a wonderful way to elevate human capital management to a higher level. When did you first recognize the importance of these initiatives?

Imai: Happiness became the focus of my thinking more than 10 years ago. After reflecting deeply on what the ultimate strategy for a functional materials manufacturer should be from a corporate planning perspective, I arrived at the answer: autonomous, co-creative talent—the source of innovation. Innovation happens only when you encounter something or someone you could never have imagined on your own. That said, it is not so simple that it occurs naturally just from people meeting one another. When I thought through the process by which innovation occurs, I concluded that people with a genuine ambition to achieve something must first find like-minded collaborators, and that strategically building the environment that makes such connections possible is essential. Research by Professor Maeno and others in the study of well-being and psychology has also confirmed that what we had intuitively considered important has academic backing. That confirmation gave us the confidence to finally move into action.

Maeno: It is important that "happiness" is naturally embedded in the strategy you are pursuing. The concept of well-being has attracted growing attention, but people who first become aware of autonomy and diversity through my talks often take considerable time to fully internalize and act on these ideas. The answer aligns with what Ms. Imai yourself worked out more than 10 years ago—I believe that is why things were able to move forward so quickly.

In Japan, there is a long-held attitude that work is something you persevere through, even in the face of hardship. Of course, there are also some merits to that attitude. However, given that data shows productivity increases when people are in a state of happiness, there should be no reason to deliberately choose the harder path. Resonac was formed by merging established Japanese companies, so it would be natural for traditional ways of thinking to run deep. That makes the degree of change achieved in such a short time all the more remarkable.

Imai: Our CEO Takahashi and I both had little patience for Japan's traditional ways of thinking. So that was part of it too. Why should you have to furrow your brow and look stressed out to be seen as serious about your work? My view has always been that working that way does not help results and, if anything, actually hinders them.

Resonac x Who: Dialogue (2)

See here for speeker's impression after the interview(In Japanese only)

Maeno: The fact that senior leadership is genuinely committed has also been a factor in driving the transformation forward. In my work alongside HR teams at many companies to advance well-being management, I have encountered no small number of cases where leadership simply says "We'll leave it to you" and takes no ownership of the initiative. Frankly, results cannot meet expectations under those conditions. Companies where senior leadership is genuinely committed are the ones that truly change. Before our conversation today, I had the chance to tour your office. The cheerful energy each employee brought, the open exchanges with management, and even the office layout itself all conveyed that your initiatives are being carried out with real attention to detail, and that they are translating into tangible results.

Resonac's success has the potential to be a touchstone for the advancement of Japanese companies

Imai: In Phase 2 of the human capital management strategy, developing people who can act on their own initiative without waiting for top-down strategy-that is, autonomous, co-creative talent-remains central. Four years after the merger, the groundwork is done. From here, we will work toward a people and organization model that accelerates business growth, flattening the organization further and building an environment where each individual can act with greater autonomy.

Maeno: The study of well-being has also found that high-diversity environments tend to foster greater happiness. What initiatives are planned to build the environments and systems that foster this kind of "happiness"?

Imai: For divisions where speed and innovation matter more than repeatability, we will introduce a project-based organizational structure. On the personnel system side, we plan to adopt a skills-based approach. We will define the skills required for every position and then match each individual to the roles and challenging opportunities that best fit their skills. In the coming AI era, the structure of divisions and organizations will change more flexibly than ever before, and cross-organizational co-creation will become the norm. That is why we want to shift our thinking, to start from each person's skills and connect them with the right work and the right colleagues. We believe that system is the foundation that will accelerate co-creation and generate new value. Initiatives such as the global award AHA!* have already produced cross-divisional connections and results, so the idea is to accelerate that momentum further.

* A company-wide co-creation award that recognizes initiatives that put the Purpose and Values into practice.

Maeno: By enabling individuals to fully apply their abilities, the system fosters psychological safety. Cross-divisional connections then cultivate diversity, creating an ideal environment for greater happiness and creativity. Japanese companies have traditionally had lower diversity, but that has come with



Happiness correlates strongly with creativity, initiative, and similar qualities. Pursuing employee happiness can therefore be called the essence of human capital management.

In Phase 1, the goal was behavioral change triggered by expectations and feedback from others. In Phase 2, we want intrinsic motivation that wells up from within to be the driving force behind transformation.



a strength: employees build deep relationships with one another and work together diligently. Global companies, by contrast, have traditionally had higher diversity than those in Japan, and have drawn their strength from the creativity that diversity generates. These are not competing models where one is superior to the other; each has its own strengths and weaknesses. In recent years in Japan, however, the weaknesses have become more prominent. Many have come to associate Japanese workplaces with tendencies such as "the nail that sticks out gets hammered down" and strong pressure to conform. Resonac, however, is implementing initiatives to capture the best of both Japan and the rest of the world. That is genuinely exciting. Dedicated, motivated employees keep a healthy sense of distance with one another, treating each other with respect while still clearly telling each other what needs to be said and what needs to be done. I believe only Japanese companies can build this kind of relationship between people and their organizations. If they can succeed in this, no company anywhere in the world could surpass them. Dominant in the analog era, humbled in the digital era, and ready to win again in the era ahead. I feel as though I am watching that first step being taken.

Imai: Thank you for your valuable insights. We ourselves are still midway along this path. But that, I feel, is precisely what makes it worth continuing to strive.

Maeno: A historic Japanese company decided to combine the best of both Japan and the rest of the world, committed fully to that decision, and built change through relentless practice, achieving this much transformation in just four years. I believe this is an example from Resonac that many Japanese companies should learn from. At the same time, there are surely still challenges to overcome. For example, it will likely become increasingly important to show more clearly how initiatives such as co-creation and happiness connect to business outcomes and innovation.

Imai: That is exactly right. Cross-divisional initiatives are clearly gaining momentum, but we cannot yet demonstrate this comprehensively through data. Going forward, we want to quantify those changes and visualize which behaviors and networks contribute to organizational vitality.

From here on, individual intent, skills, and the challenges people take on, as well as the serendipity that emerges from human connection, will generate ever greater value. That is precisely why we are committed to building an organization that draws out the full potential of every employee and, through co-creation, keeps generating new value that only people can create. People are the source of our competitive strength. We are convinced that fully unleashing that potential will accelerate Resonac's innovation and drive our growth into a company that wins consistently on the world stage.

Human Resource Strategies



Nori Imai
Chief Human Resource Officer (CHRO)

SAY & DO with an Eye to the Future!

Precisely because we are living in an era of rapid advances in AI technology, Resonac **places "uniquely human creativity" and happiness at the heart of its human capital management.** By harnessing the power of digital technology and AI to free employees from routine tasks, we turn the time this creates into opportunities for dialogue, chance encounters, and serendipity. From this will emerge innovations that cannot be created through planning alone. We believe that precisely this kind of uniquely human value creation will become the source of our future competitiveness.

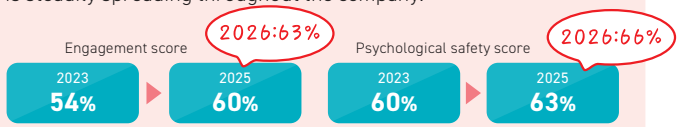
1 Initiatives and Achievements to Date, and Hurdles to Overcome

Since the merger, Resonac has advanced the transformation of its corporate culture by inculcating its Purpose and Values, thereby fostering a shared language and sense of unity. Moving forward, we will focus on the following initiatives to further develop an environment in which employees can choose their own career paths, take on challenges, and grow.

	2022	2023	2024	2025	2026
Focus Points	Fostering a sense of unity ・Corporate philosophy, corporate policy ・From recognition/ understanding to empathy	Establishment of a foundation for co-creation ・Inculcation of Purpose and Values ・Emphasis on psychological safety	Implementation of Purpose ・Making the Purpose a personal concern ・Implementation of co-creation that goes beyond boundaries	Implementation of Values ・Values-based behavior ・Deeper dialogue	Embedding autonomy and co-creation ・Accelerating delegation of authority ・Workplace improvement involving all employees
Measures * Ongoing initiatives are listed only under the year in which they began	・Town-hall/roundtable discussion ・PV cascade down training ・Training sessions to bolster the co-creative collaboration capabilities	・Moyamoya Meeting ・Global Award AHA! ・REBLUC ・Leadership training programs	・Purpose Exploration Café ・Engagement causal discovery ・Use of FFS theory ・Career support	・Dialogue On-site ・Learning Festival ・Global leadership training programs	・Piloting of a skills-based organizational model ・"Tomogaku," an in-house initiative for enjoyable, self-directed learning ・Support for people managers ・Reform limiting required approval seals to three
Platform	・Executive integration ・Compensation revision ・Establishment of an internal recruitment system	・Integration of personnel systems in Japan ・Japan talent review ・Introduction of a global human resource platform	・Global grading ・Global talent review ・360-degree feedback	・Internal Project Challenge system ・Establishment of an external side job system ・AHA! matching system	・Piloting a project-based organizational model ・Standardization of global HR operations ・Flattening the organizational hierarchy
Engagement Score	-	54 %(±0)	57 %(+3%)	60 %(+3%)	63 %(+3%) News Flash!
Degree of implementation of Purpose and Values	34 %(+10%)	49 %(+15%)	60 %(+11%)	60 %(±0)	65 %(+5%)

GOODPoint

Since the merger, we have steadfastly implemented initiatives centered on our Purpose and Values, such as town-hall meetings and Dialogue On-site led by management. Just as JOINT3 and the Learning Festival began with one person's aspiration, when passion connects us with others, even ambitious endeavors in an environment where psychological safety is ensured can be brought to fruition. This culture of "Let's give it a try—because we're Resonac!" is steadily spreading throughout the company.

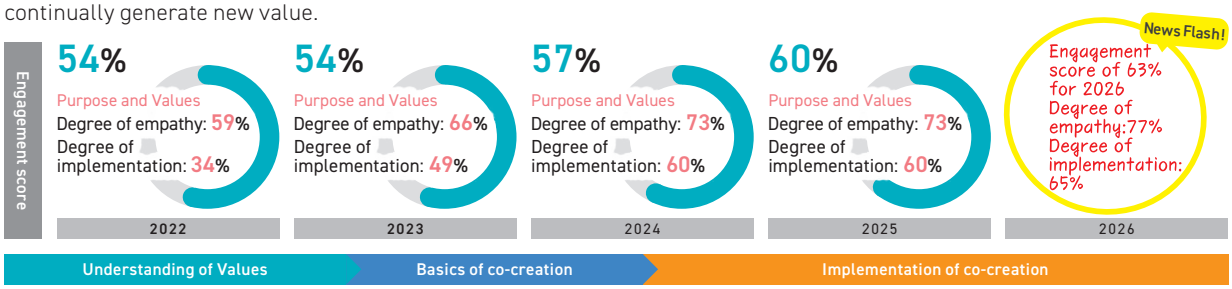


MOREPoint

Until now, various reforms, including workplace improvements, have been led primarily by managers. Going forward, we will make these efforts "everyone's business" across our workplaces, with employees taking the lead. To further support employees in taking on challenges autonomously, we will **introduce skills-based job assignments and evaluations starting in 2027**, helping each individual gain a greater sense of fulfillment and personal growth. We will continue to build an environment in which everyone can experience fulfillment at work and happiness, and take on challenges while being true to themselves.

2 The Next Challenge Identified through the Engagement Survey: Corporate Culture × the Individual

We view the engagement survey as a "compass for management" that helps us identify key issues in advancing our strategy and determine our next move. To create an environment in which employees can choose their own career paths, take on challenges, and grow, it is crucial that everyone take personal ownership of workplace improvement rather than leave it solely to managers. We will continue working to evolve into an organization where individual passion and co-creation continually generate new value.



Analysis of 2025 Results

A causal analysis of the engagement survey results shows that scores have risen year by year. In particular, scores for "growth opportunities" and "psychological safety," which we addressed as priority management issues, have risen steadily as a result of expanding career-related information and creating more opportunities for dialogue.

Meanwhile, "response to employee feedback" and "work process reform" have been identified as ongoing challenges as we move into the next phase of our evolution. Specifically, regarding work process reform, we are moving beyond delegating authority and reviewing processes to promoting a shift toward simpler, faster ways of working that make full use of AI and digital transformation (DX). Going forward, we will align these initiatives with the flattening of the organizational hierarchy and the introduction of a project-based organizational model to create an organizational structure in which each individual can take on challenges with greater agility.

Four years of causal discovery analysis have revealed that the factors influencing engagement are shifting significantly from "relationships with the organization and superiors" to each employee's "job satisfaction." Going forward, through the introduction of a skills-based HR system, we will foster an environment in which each individual can choose their own career path, take on challenges, and experience personal growth. At the same time, we will leverage AI technology to strengthen job matching so that we can respond swiftly to changes in the market environment, thereby maximizing the capabilities of both individuals and the organization.

	2023		2025
Growth opportunities	50%	▶	57%
Psychological safety	60%	▶	63%
Management's response to employee feedback	44%	▶	48%
Work processes	39%	▶	42%

Causal discovery of engagement survey results

▼

It has become clear that the key focus of engagement has shifted from the company to superiors and then to individuals, and that "job satisfaction" has become increasingly important.

Initiatives to Improve Employee Engagement at a Group Company in China

The transformation at Resonac Electronic Materials (Guangzhou) Co., Ltd. (REMGZ) began with addressing the perception gap between management and frontline employees, prompted by the 2024 survey results. With restoring trust in the company as the top priority, REMGZ focused on improving the working environment and fostering dialogue. HR representatives visited workplaces to explain the purpose of the survey and the intent behind the questions. Making employees' views visible helped deepen mutual understanding and led to measures such as reducing the number of meetings. As a result, employee engagement improved.

Engagement score

2024: **49%** ▶ 2025: **83%**

This initiative served as a catalyst for employees to "take the initiative to improve the workplace," fostering a culture in which employees make proposals. It has also led to a reduction in the defect rate and an increase in workplace productivity.



Wang Jianen
Resonac Electronic Materials (Guangzhou) Co., Ltd.

Toward Realizing Work Styles That Enable Employees to Experience Happiness

The elements that contribute to happiness vary over time. **(1)** In the present moment, "physical and mental well-being," which enables us to "concentrate and get in the zone"; **(2)** in the short term, "relationships with those around us" and "putting the Values into practice," which determine whether we experience "pleasure or discomfort"; **(3)** in the medium term, "connection with our Purpose," which enables us to feel that "our work is meaningful"; and **(4)** in the long term, the excitement that comes from "taking on the unknown together with colleagues"—an experience that may be difficult at the time but, in retrospect, leads to a sense of accomplishment.

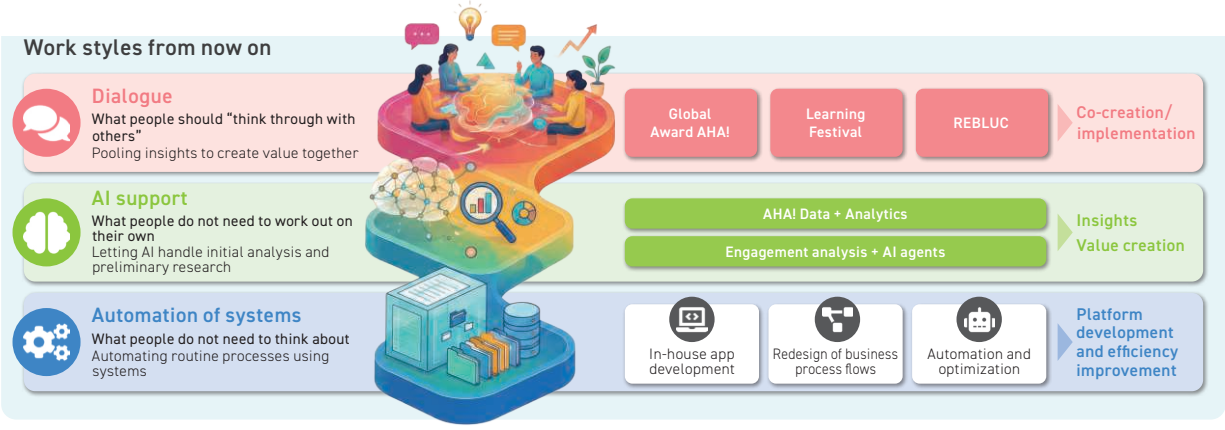
We are now at the stage of shifting course toward "proactive transformation." By placing the "pursuit of happiness" at the heart of our next human resource strategies, we will strategically enhance the workplace environment based on the four perspectives outlined above, with the aim of becoming an organization in which every individual can enjoy taking on challenges together with colleagues.

Elements and Measures for Experiencing Happiness

Timeline	Elements of Happiness	Resonac's Key Measures
In the present moment	Physical and mental health	・Health and productivity management * Resonac is certified as a "White 500" company
Short term	Colleagues and relationships	・Co-creative leadership training ・360-degree feedback based on our Values ・FFS theory ・Engagement survey
Medium term	Meaning and significance	・Purpose Exploration Café ・REBLUC
Long term	Challenging the unknown (co-creation)	・Global Award AHA! ・Learning Festival

Pursuit of Happiness: Leveraging AI Technology to Empower People to Drive Innovation

Pursuing happiness also requires improving the work environment. Use AI to streamline operations and devote the resources freed up as a result to dialogue with colleagues and co-creation. We will bring out the full potential of uniquely human aspirations, thereby accelerating value creation as a company.



Three Measures for Pursuing Happiness

❶ Skills-based position management

We define the requirements for the "positions" needed for business growth and the "skills" of each individual, including their strengths and expertise, and place emphasis on personal growth and career autonomy by matching the two. By aligning employees' aspirations with business themes, we aim to rapidly establish a "cycle in which both the organization and its people grow."

❷ Flattening the organizational hierarchy

We restructure and simplify the existing organizational hierarchy to accelerate decision-making. We will streamline reporting and redirect the time freed up as a result to dialogue with colleagues and co-creation. This will ultimately promote collaboration transcending organizational boundaries and enable us to evolve into a flat organization in which each individual can proactively pursue co-creation.

❸ Project-based organizational model

We are promoting a shift to a project-based organizational model that enables employees to come together flexibly and swiftly based on their individual strengths and willingness to take on challenges. We will increase opportunities for co-creation in which diverse individuals connect organically, thereby enhancing job satisfaction while responding swiftly to changes in the market environment.

Inside Stories

Behind the Scenes of Value Creation:
Employees Share Their Stories of "Challenge," "Learning," and "Pride"

At Resonac, we believe that "enhancing individual strengths" and "evolving and deepening our corporate culture" are essential for value creation. By placing autonomy and co-creation at the core of individual growth and putting our Values into practice as a guide to action, we contribute to business growth.

Autonomy Autonomy means being able to make judgments and take action based on Resonac's Values as well as one's own values and principles.



Co-creation Co-creation means a process in which diverse people come together and pool their skills and perspectives to create new value.

Here are just some of our many initiatives.

AHA!: The Ever-Evolving and Deepening Implementation of Our Values

Number of participants: **12,155** employees

Number of participating teams: **958** teams

Global Award AHA! celebrates how employees across the Resonac Group embody our Purpose and Values. To date, it has attracted a cumulative total of more than 12,000 participants from around the world. This is a system that Resonac takes great pride in. Diverse teams—transcending organizational and national boundaries—share their practical insights with passion, sparking new co-creation.

Action! "Challenge"

In 2026, we redesigned the program to allow participants to share processes and connections among different challenges more openly. The goal is to cultivate a culture where employees around the world take center stage and celebrate one another's proactive, self-driven challenges.



AHA! Gold Award winner makes a speech

Deepening Learning and New Initiatives for Co-Creation

Game-based training program proposed by employees ▶ Deepening empathy with our Values and fostering proactive, self-driven action

Is there an effective way for new employees to understand what "co-creation" entails and appreciate the importance of psychological safety while having fun? In response to this question, a group of employee volunteers at the Kawasaki Plant in Japan devised and implemented a game-based communication training program. This in-house learning initiative will be rolled out company-wide as the "Tomogaku Series."

Action! "Learning"

Seeing the new employees smiling and enjoying their conversations left us feeling encouraged and gave us a clear sense that the initiative is working. We plan to expand this initiative to other sites as well. We will continue to promote the Tomogaku Series to lay the foundation for a culture of co-creation in which everyone can speak their minds and acknowledge the value of one another.



Training session at the Kawasaki Plant

Cross-plant Co-creation and Improvement Activities

Autonomous exchange across plants ▶ Strengthening on-site capabilities and co-creation capabilities through global collaboration

To overcome challenging market conditions, Resonac Powdered Metals (Dongguan) Co., Ltd. (RPMDG) in China conducted a technical exchange with a site in Thailand that has achieved success in factory automation. In addition to acquiring knowledge of DX and energy conservation, RPMDG is deepening its understanding by learning from examples of "visualization" at other plants. Such cross-site collaboration enhances problem-solving capabilities on the front lines and helps build stronger workplaces.

Action! "Pride"

The Thai team's AHA! Gold Award-winning presentation sparked a desire to "learn that technology," leading to cross-site co-creation. RPMDG began implementing improvements based on what it learned in Thailand. We realized that pride in our workplaces is shared across national borders.



Visiting a site in Thailand and having an exchange

Taking the Initiative to Learn...

Report on the First-Ever Learning Festival!

Scan the QR code to watch a promotional video on the Learning Festival (In Japanese only)

What is the Learning Festival?

Conceived by young employees, the inaugural Learning Festival was held to provide employees with opportunities to choose what they learn and grow in the ways that best suit them. We adopted a format similar to a music festival, with a diverse range of content offered simultaneously, and participants free to select learning and networking programs according to their interests and challenges. Using this event as a catalyst, we aim to further promote employees' self-directed learning and co-creation, thereby fostering our corporate culture.



Pick UP!

Workshop on Creating New Value Through "Systems × Design Thinking"



With Associate Professor Makoto Ioki of Keio University's Graduate School of System Design and Management as our guest, participants experienced techniques for generating innovative ideas!

Collaborating with people from diverse backgrounds and brainstorming based on the given themes and framework led to fresh insights. I learned a lot. It motivated me to pursue even deeper learning.



Akihiro Ichikawa Yamazaki Plant

Pick UP!



Hands-On Safety Training Course

Resonac places the highest priority on safety. This training enables participants to physically experience the dangers of mishandling equipment and raise their safety awareness!

Pick UP!

Career Consulting Experience

We held a session where employees could explore pathways for building a career that feels true to themselves, reflecting on their concerns and future aspirations with nationally licensed in-house career counselors.

I sought counseling because I felt uncertain about my future career. After the career consultation, I rediscovered what excites me and what I want to prioritize. My perspective shifted from "I've only got a few years left until retirement" to: "If I want to feel that excitement again, I still have five years to make it happen!"



M.S Headquarters






Entrance

Entry

Innovation Stage

Project Management Stage

Self/Team Management Stage

Network

Self-transformation Stage

Main

Leadership Stage

Pick UP!

Presentation by Executive Vice President Yamashita Decisiveness as a Leader: Integrating Numbers and On-Site Insight



A special session where the Head of the Electronics Business Headquarters, Resonac's leading driving force, shared his daily observations, thoughts, and decisions!

Participating in the Learning Festival for the First Time

Because I was able to choose sessions based on my own interest in learning, rather than simply attending mandatory training, I was engaged with a positive and proactive mindset. Connecting with colleagues from other sites also gave me fresh inspiration.



Tomoki Matsumura
Resonac Hard Disk Corporation




Execution leaders

Satoshi Shinyama & Miki Mochizuki
Organization & Talent Development Group

They stepped forward to plan the Learning Festival. With the addition of five employees that came together through the internal system for "Project Challenge", a program that allows employees to devote 20% of their working hours to work in other departments, they brought the event to life through cross-departmental co-creation.

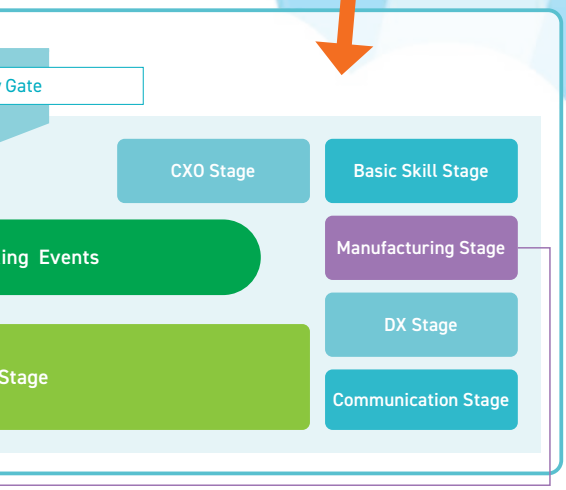
Rewarded in Nihon No Jinjibu's "HR Award 2026", an awards program supported by the Ministry of Health, Labour, and Welfare.

This is the venue map of the Learning Festival held in Ariake on Tuesday, November 11, and Wednesday, November 12, 2025.
1,545 employees gathered!
Participants freely selected their sessions from 78 programs delivered by both external and in-house instructors.



Just over 10% of domestic employees

Number of participants (registration basis)	Average number of sessions attended per person	Satisfaction rating (5-point scale)
1,545 persons	2.7 sessions	4.25



Comments from external parties

At the Learning Festival, participants interact in an open, unfinished space, going beyond their respective positions and roles as they bring their questions to the table and think about them together with others. It is an attempt to create the prerequisite conditions that allow such learning to arise naturally, and I felt that it offers one way for organizations to fulfill their obligation of supporting and promoting learning.



Satoko Tatsumi
Chief Researcher, Recruit Works Institute

The opportunity to attend a large-scale Learning Festival left a deep impression on me, particularly through the sense of unity fostered by the lively interactions and mutual learning among many people, as well as their enthusiasm for taking on new challenges.



Mitsue Murohashi
General Manager of Career Development Department, Corporate Strategy Division, HAZAMA ANDO CORPORATION




Other Content

Scan the QR code to find out the full lineup of diverse content, including the sharing of practical knowledge by executives and frontline leaders, conceptual and interpersonal skills training by external instructors, booths showcasing what makes our various plants unique and attractive, hands-on experience of molecular observation technology using VR, and cross-departmental networking events!

(In Japanese only)

Looking Ahead

Our ambition is to establish the Learning Festival as a regular event that every Resonac employee attends at least once. By connecting all employees as "colleagues who inspire and elevate one another" through the Learning Festival, we hope to contribute to Resonac's journey toward becoming a World-Class Functional Chemical Company.



Satoshi Shinyama
Organization & Talent Development Group

More than 10% of our employees in Japan participated, creating a unique "Resonac-style" enthusiasm for learning. The culture of autonomy and co-creation is spreading widely.



Nori Imai
Chief Human Resource Officer (CHRO)



Resonac x Who: Dialogue (3)

R&D Strategies

Expanding R&D possibilities through AI and computational science — to the cutting edge and beyond with our co-creation partners

Keigo Kawamura
AI Products and Solutions Division
Preferred Networks, Inc.

Daisuke Okanohara
Chief Executive Officer
Preferred Networks, Inc.

Masato Fukushima
Corporate Officer, Chief Technology Officer (CTO), Resonac Holdings Corporation

Katsuhisa Yoshida
CTO, Head of Research Center for Computational Science and Informatics, Resonac

Daisuke Fujimoto
CTO, Head of Institute for Advanced Integrated Technology, Resonac

AI and computational science are evolving rapidly, and the way R&D is conducted is on the verge of fundamental change. Preferred Networks, a company at the forefront of computing, and Resonac, which aims to become a World-Class Functional Chemical Company, discuss new possibilities in R&D.

Advancing R&D through technological innovation

Fukushima: Resonac is strengthening its collaboration with Preferred Networks (PFN), a leader in AI solutions and computing infrastructure. By deepening our co-creation relationships with a group of top-tier experts, our R&D divisions should be able to open up new possibilities. How do you at PFN see the remarkable advances in AI and computational science?

Okanohara: In R&D practice, the relationship between experiments and computation is shifting. Traditionally, computational science served primarily to identify success factors and uncover problems in experimental results. It is now becoming possible to discover new materials and manufacturing processes from the simulation results

thanks to AI and computers. We will likely see a reversal in which computation precedes experiments.

Fukushima: Resonac, as a maker of physical products, has built its business on repeated experiments and verification to improve quality. Presenting a finished product to customers and hearing their praise is one of the satisfactions of being an engineer. While this motivation is constant, experiments also demand enormous efforts, as well as the time and cost of sourcing materials. That is why Resonac has used computational science to derive new ideas from analyses of past success factors. Simulation speed and accuracy are now improving, making it increasingly easy to identify winning ideas. It is clear that failing to master AI will leave us behind the rest of the world.

Okanohara: PFN's mission is to "make the real world computable and create the future together," and our strength comes from a deep understanding of customers' business domains and the ability to develop the technologies that they actually need on the ground. In materials development as well, we use AI to achieve outcomes that are previously difficult to reach. Even now, progress is being made in yield improvement, faster development cycles, and more. In the near future, PFN should be able to contribute to innovation as well, including discovery of entirely new materials.

Results of the two companies' co-creative R&D, now underway

Yoshida: Resonac began discussions with PFN two years ago. The co-creation began when Resonac expressed interest in adopting Matlantis, the universal atomistic simulator offered by the PFN Group. Originally designed for computational scientists, the platform not only enables pre-experimental simulation but also offers a wealth of use cases and strong support. For these reasons, we are now rolling it out internally for use by researchers.

Okanohara: Matlantis is an AI simulator for materials development that incorporates atomic- and electron-level property data based on quantum chemistry calculations. We are confident that Matlantis delivers materials development simulation at unprecedented, unparalleled speed and accuracy. What results has Resonac seen on the ground?

Fujimoto: Previously, Resonac's simulations primarily involved researchers at the Institute for Advanced Integrated Technology submitting requests to computational scientists at the Research Center for Computational Science and Informatics and receiving feedback from them. However, Matlantis can be operated by experimental scientists themselves, so they have begun using it as well. With support from the Research Center for Computational Science and Informatics, researchers have learned to use Matlantis, and in some cases have applied simulation-based design to achieve record-breaking performance. Ideas that researchers shelved as "not worth requesting a computational scientist for" represent missed opportunities. The greatest achievement may be that researchers can now act on those ideas.

Fukushima: I ran quantum chemistry calculations as a student, and in that environment some calculations took up to six months. If the initial hypothesis or model was flawed, all that work was wasted. Researchers in materials develop-



At the foundation of co-creation is respect. Trusted partners come together, and AI accelerates their evolution, giving rise to high-quality co-creation.
Beyond that lies the future of R&D that will change the world.

ment had long been waiting for technology that can calculate quickly while ensuring reliability. That is where Matlantis came in.

Fujimoto: Researchers at our Institute for Advanced Integrated Technology also face limits on the number of experiments they can conduct hands-on. Updating the research process has been a long-standing challenge. For researchers who have honed their existing methods, experience, and intuition, adopting AI may feel like a hurdle. Yet AI also expands the range of thinking, and that is another of its strengths. We expect AI to not only accelerate the development cycle but also broaden the range of ideas.

Resonac's culture of embracing advanced technology

Yoshida: PFN is also supporting the project for the mass-production launch of NCF*. NCF, Resonac's core product, urgently needed increased production, and we were looking to shorten prototyping time through AI. Having PFN assess the level of our expertise and talent was also one of our aims. Now, please share your candid impressions of the project.

* NCF: Non-Conductive Film. Used as an underfill material for 3D semiconductor packages incorporating stacked TSV memory and similar devices, where pitch and gap dimensions continue to shrink.

Kawamura: As a software-focused team, we had limited hands-on experience with physical equipment, and I think we often made difficult requests to you. Yet the willingness to always respond positively, embrace data analysis in the field, and take on challenges was where I saw Resonac's strength. At the same time, I feel there was room to further accelerate the cycle of testing, evaluation, and adjustment to deliver results on short-term projects. In hindsight, I wish we had understood the manufacturing site more deeply and approached the work with a stronger sense of the overall picture. Had we worked side by side with production staff at the machines, pointing at the equipment as we discussed the issues, we would have developed more practical solutions.

Yoshida: Process improvement through AI that incorporates the knowledge of frontline workers—that's exactly it. The Research Center for Computational Science and Informatics faces similar challenges. The people who work with the data need to understand the manufacturing site and customer requirements, and understand the process more deeply than anyone else.

Conditions for co-creative R&D

Fukushima: Co-creation of this kind is an essential element for Resonac as it pursues its goal of becoming a World-Class Functional Chemical Company. What are the essential elements of co-creative R&D for a cutting-edge company like PFN?

Okanohara: The semiconductor-related industry that Resonac focuses on is one where specialist knowledge converges amid rapid change, as players take on new challenges one after another. External knowledge is becoming increasingly important, but the key, I would suggest, is



Integrating Resonac's materials chemistry expertise with PFN's AI technology will establish an unshakeable position in the AI and semiconductor fields.
This is an important challenge for Japan's future as well.

Accessing the world's top players from our respective areas, exchanging knowledge, and continuously striving to improve will push the entire co-creation network to an even higher level.



mutual understanding. In other industries I have observed, innovative technologies tend to be monopolized by the companies that develop them. In the semiconductor industry, by contrast, where players share grand challenges such as overcoming physical limits, open innovation is the path forward for the market. Cross-disciplinary co-creation takes time, however. Both parties need to understand each other's implicit knowledge and awareness of the challenges. You should build the relationship steadily, by accumulating intangible assets together rather than pursuing short-term results.

Fukushima: For mutual understanding, respect is key. Step into uncharted territory with a trusted partner, driven by excitement for what is new. When you have that kind of relationship, you feel you can give the next step a try. If you bind yourself with a mindset of "this is how we've always done it," that will keep you from moving into a new world.

Kawamura: Opportunities to share knowledge with one another are important. PFN keeps a constant watch on AI technology, and Resonac does the same for semiconductor materials technology. When each side brings its vision of the future to the table, ideas expand into new fields and innovation follows. We have frequently felt these synergies on the development site as well.

Fujimoto: For our part, we cannot truly update our R&D without daily exposure to the highest-level technology. Both companies have already held technical exchange workshops for three consecutive years, but it is important to maintain points of contact and build relationships where people feel comfortable talking to each other. Exposure to each other's cutting-edge technology motivates both sides to aim higher. As this relationship deepens, co-creation will emerge organically from the teams themselves.

The impact of AI and the significance of researchers

Okanohara: In the not-too-distant future, AI may not merely assist humans—it may become a member of the co-creation team. AI agents repeatedly test hypotheses, then compile and report results that have also gone through experiments. AI can hold the complex information that both partners bring, so it may even propose the co-creation themes.

Yoshida: In the world beyond that, what role will researchers be expected to play?

Okanohara: There are claims that AGI* will surpass humans and solve the world's accumulated challenges, but I find myself unable to fully agree with that view. Even if semiconductors surpass their physical limits and achieve efficiencies 1,000 times greater than today, and robots act in concert, problems such as environmental issues and social issues will likely remain—problems that intelligence alone cannot solve.

* AGI: Artificial General Intelligence. Unlike conventional specialized AI, this is a next-generation AI that learns the intellectual activities humans perform and can autonomously solve problems across multiple fields.

Fukushima: That is precisely why co-creation may be essential in the areas that humans must absolutely take on. The call to "approach this challenge together" emerges

Resonac x Who: Dialogue (3)

See here for speeker's impression after the interview (In Japanese only)

from conversation between humans.

Okanohara: At the field level, researchers will need at least baseline skills in working with AI and robots, and will be expected to take on responsibility for their use. We should get ahead of that future now.

Kawamura: A word that has been cropping up among engineering students lately is "getting AI'd out"."Getting AI'd out" means being "replaced by AI." The term reflects a strong sense of crisis among young people. As AI continues to evolve, simply developing solutions is no longer enough for us. We must stay ahead, using AI more effectively than anyone else and reaching a level where we can teach others to do the same. To raise the knowledge base across the company, junior employees at PFN engage in grassroots activities such as paper reading groups and case-sharing sessions.

Fukushima: At Resonac, the CDIO organization works with the Research Center for Computational Science and Informatics to build momentum, but the biggest challenge is mindset. Every employee should recognize that a major wave is coming.

Kawamura: A sense of crisis is important, but so is a spirit of adventure. The mindset of riding that wave and reshaping products through their own ideas runs deep at Resonac, I believe. The value of frontline engineers in development and manufacturing will, if anything, increase. This is because physical AI will be held back by device costs, and it will not be deployed at every site. People who bridge the intelligence of AI and the physical sites will likely see their role grow even further.

The future society that lies beyond co-creation

Fukushima: To change the world going forward, an ecosystem that raises the quality of co-creation is essential. The Packaging and Power Solution Center, JOINT3, and US-JOINT, all currently underway, aim to create a single hub where high-quality, cutting-edge information converges and innovative ideas are generated in rapid succession. Embedding that knowledge in each operation also accelerates R&D. If a cutting-edge group like PFN joins this kind of ecosystem, the R&D process across society as a whole will be updated.

Yoshida: Resonac will gain access to top-tier information from around the world, including from hyperscalers. Sharing frontline needs with partners will further strengthen the ecosystem. We must also continue to keep pace with PFN's level of technology. I expect this relationship of mutual striving to ripple outward through the entire co-creation network.

Fujimoto: We can also expect a positive impact on human resource development. Solutions that anyone can use, like Matlantis, may uncover the hidden skills of seasoned engineers. Lowering the barrier for young engineers to take on challenges is also a positive for the society of the future.

Okanohara: As AI continues to shape new economic spheres, Japan, for its part, must be firmly involved in that cycle of value creation. Resonac creates the materials the world needs, and PFN's AI technology supports that effort. Through that fusion, we aspire to continue contributing to the advancement of humanity. That is the kind of co-creation we want to bring to life.



Adopting AI and computational science is a challenge for the frontline.
As trials grow explosively and methods diversify, the ideas of researchers across every generation are expanding.

Looking ahead to contributing to the real world that lies beyond AI and computing technology, I am genuinely excited about what our co-creation with Resonac will bring.



Kawamura: Growing up during Japan's "lost 30 years," I found the era of strong industry distant, not something I could feel as real. At the same time, I find myself feeling hope and a sense of potential in the Japan I live in today. I also joined PFN out of a desire to contribute to the real world that lies beyond computing technology. Seeing Resonac's drive to reach the top has only heightened my excitement.

Fukushima: If more trusted co-creation partners come together, we could build an ecosystem that makes the world see Japan as a force to be reckoned with. My dream is to make Resonac a company that endures for 100 years. I believe R&D is the starting point for that. Resonac alone cannot fill every gap in the puzzle. We need the strength of trusted partners. Let's go after the top spot in the world together.

Case Study

Introducing AI into R&D led by Resonac's Research Center for Computational Science and Informatics



Katsuhisa Yoshida
Research Center for Computational Science and Informatics

The center led the introduction of Matlantis and deployed it to applications such as the Company's CMP slurry. Its unparalleled speed to accuracy are also helping to close the gap between computational science and experiments, accelerating materials development.

Beyond Matlantis, Resonac is implementing a range of initiatives that combine computational science and AI technology. Resonac has established an in-house Research Center for Computational Science and Informatics and works closely with business units and manufacturing sites, enabling computational science and AI specialists to embed themselves in development environments, understand processes, and acquire implicit knowledge. This generates competitive advantages such as analytical capabilities that tightly integrate materials knowledge with computational science and AI.



Tatsushi Saito
Research Center for Computational Science and Informatics

Computational science x AI
Accelerating Semiconductor Materials Development with Cutting-Edge AI and Simulation Technology

MI x pseudo-quantum computer
Significantly accelerated the search for optimal semiconductor material formulations through the use of quantum computing technology

MI
Developed a new photosensitive film for advanced semiconductor packages

Computational science (structure, fluid)
Developed low thermal expansion copper clad laminates for next-generation semiconductor packages through simulation

Computational science(molecular design)
Developed magnetic encapsulant for inductors with 1.4x higher bending strength compared to conventional product

R&D Strategies

CTO Discusses Resonac's R&D Strategy



Masato Fukushima
Chief Technology Officer (CTO)

Vision **Master technologies, create functions, and go one step beyond imagination.**

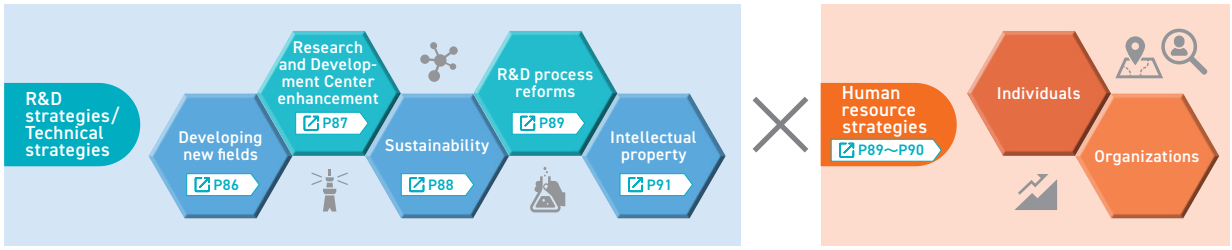
Resonac's R&D aims to **bring a once-in-a-decade "truly amazing innovation" to the world.** By fostering co-creation among experimentation, computation, and analysis, and mixing with researchers' unique ideas with marketers' perspectives, we will continue to create breakthrough, **"practical" value** that exceeds imagination.

4 missions

1. Create social value using sustainable-first, innovative technologies that can make us as one of World-Class Functional Chemical Company.
2. Promote the fusing of scientific technologies from both inside and outside the company and maximize the output of our R&D
3. Use processes predicated on collaboration with AI to carry out R&D
4. Develop into an organization of technical experts that can take the world by storm

R&D Strategies that Create Value Sustainably

To realize our vision, we will integrally promote our technology strategy, which consists of five focus areas, and our human resource strategy, which serves as its driving force. We will shift our research portfolio to next-generation fields and consolidate our Research and Development Centers in "Goshomiya," "Tsukuba," and "Stage for Co-creation." Furthermore, we will enhance our cross-functional project structure and our coordination between intellectual property, analysis, and computational science to deepen our "co-creative R&D," accelerating everything from exploration to social implementation. This will not only enhance the competitiveness of our existing businesses but also continuously cultivate the seeds of future growth a decade into the future.



Measures for Accelerating Value Creation

The key to value creation is the power to anticipate market needs and translate them into material demand characteristics and themes for new fields. We are further enhancing our coordination with the CMO organization and using the primary information we collect from our customers, the market, and our supply chain in our R&D. On March 17, 2026, together with the CTO and CMO organizations, we conducted a business briefing for analysts, where we communicated how our wide-ranging material portfolio, mounting and evaluation foundation, which is closely aligned with customer processes, and development and sales coordination strengths will help us remain a winner in the semiconductor material field. We see these communications with investors and customers as also being opportunities to polish the direction of our R&D. We will continue to lead social implementation in the next growth areas by co-creating with partners, both in Japan and abroad, utilizing AI and computational science, and developing ambidextrous talent.

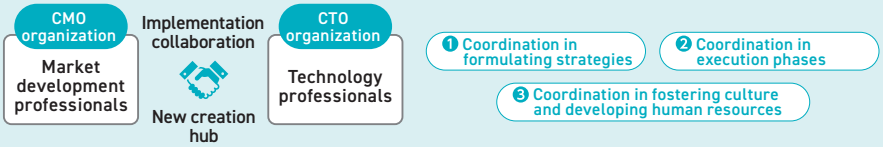


Business Briefing for Analysts

Resonac's New Business Creation in Collaboration with the CMO

Vision **We will continue to take on pioneering challenges to pave the way to an exciting future for society, connect people, technologies, and society, and create value that exceeds the imagination.**

The CMO and CTO organizations are strengthening their coordination in all kinds of areas, such as strategy, execution, and personnel, to enhance our new business creation capabilities. We **anticipate future customer issues and leverage our core competence in our proposals to address them.** To create new business ideas with a long-term perspective, we promote **bottom-up activities on new themes, led by our new theme review meetings.**





Shigeru Fujita
Chief Marketing Officer (CMO)

Developing New Fields

In our highly unpredictable society, we define trend scenarios with an eye to the future. By combining these scenarios with our core competencies, we flexibly and responsively explore new business fields with the aim of creating new growth opportunities. We explore areas in new fields in terms of how well they harmonize with our business portfolio and their future market appeal, collaborating with customers in the following four areas.

Focus area		Core competencies	Potential strategic themes			
Domain	Main scenario		Focused strengthening	Ambitious cultivation		Exploration and development
Next-generation computing	• Expansion of computational resources through advances in semiconductor functionality • Realization of non-von Neumann type computers	Function design • Molecular design • Physical property prediction • AI, MI	Next-generation semiconductor materials	Next-generation high speed communications materials	Photoelectric fusion materials	Non-von Neumann type computer-related materials
Beyond mobility	• Advancement of mobility GX and DX • Expansion of industrial and social application of robotics	Functionality enhancement for materials • Organic, inorganic, metal material synthesis, and polymerization reaction control • Microstructure control	Easy-to-disassemble materials	High-strength lightweight composite materials	Actuators/ sensing materials	Space-related materials
Green energy	• Creation of energy with low environmental impact • More efficient energy usage	Maximization of compound functions • Integrated function design • Interface control	Direct device cooling materials	Functional materials for a hydrogen-based society	Ultra high-performance heat management	Ultra-high-temperature/ ultra-low-temperature heat management
Sustainable materials	• Realization of circular economy • Achievement of carbon neutrality	Solution proposals • Functionality evaluation • Simulation • Manufacturing process development	Plastic recycling	Renewable functional materials	Carbon load reduction materials	Recycling design-oriented composite materials

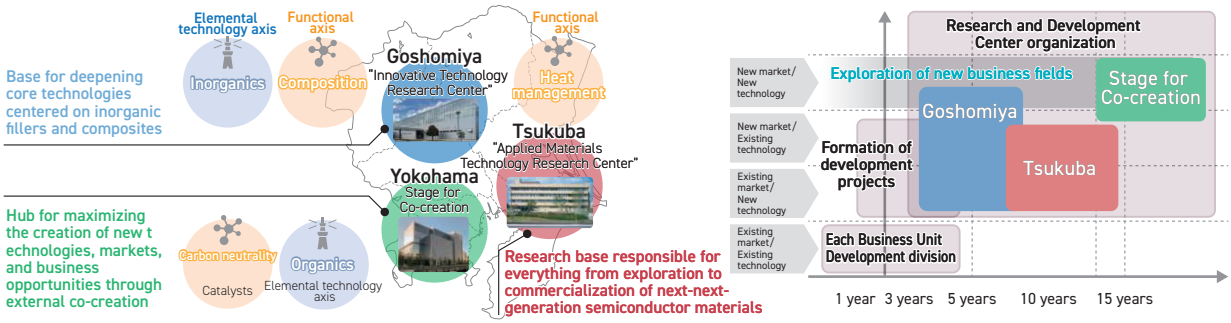
R&D Strategies

Research and Development Center Enhancement Measures

To strengthen its Research and Development Center, Resonac is promoting the consolidation of functions and the definition of roles at three major bases. We have positioned Tsukuba as a hub covering the entire process from exploration to commercialization for next-next- generation semiconductor and electronic materials, Goshomiya as our base for advancing inorganic filler and composite technologies, and the Stage for Co-creation as our base for external collaboration. At the same time, we have introduced a project structure that integrates material development, materials analysis, and computational science to accelerate the creation of new products and businesses while pursuing both the delivery of results and human resource development.

Consolidation into Three Major Bases and Definition of Functions and Roles

Resonac's R&D integrates "Chemistry to Synthesize," "Chemistry to Formulate," and "Chemistry to Think" to accelerate the creation of value for next-next-generation in growth areas centered on semiconductor and electronics materials. For advanced semiconductor packages, we developed a new photosensitive film that enables the formation of fine copper circuits with a line width/line spacing pitch of 1.5 μm on organic interposers. By applying AI to resin design, we seamlessly integrated the entire development process, material development, formulation /film formation, and assembly evaluation across multiple divisions. Furthermore, by applying multiscale analysis, we developed low thermal expansion copper clad laminates that accommodate large semiconductor packages exceeding 100 mm square, achieving a temperature cycle test life four times that of conventional products. To generate further results, we have consolidated our Research and Development Center functions into three major bases. By working closely with each of our business sites, we will accelerate the creation of new products and businesses. to accelerate the creation of new products and businesses.



Reinforcing R&D Capabilities Through the Introduction of a Project Structure

We will evolve from the conventional approach of proceeding with a division of roles for material development, analysis, and computational science by organization to a "three-in-one" project structure. While enhancing our problem-solving capabilities with broad knowledge, we will broaden the expertise and perspective of each researcher through participation in multiple projects, taking our co-creative R&D to the next level.

Three-in-one project structure



Case Study

Applied Materials Technology Research Center, Institute for Advanced Integrated Technology (Tsukuba)



Our Center integrates "computational and information science, materials analysis, and materials development" within individual projects to create material system solutions directly linked to customer issues.

We have established a dual-management structure comprising Project Managers who promote themes and People Managers who develop talent, enabling us to pursue both the delivery of results and the growth of our people.

By leveraging our location in Tsukuba, where research institutes are concentrated, and accelerating co-creation with the Electronics Business Headquarters and partners inside and outside the Company, we will lead the social implementation of semiconductor materials while achieving both speed and quality.

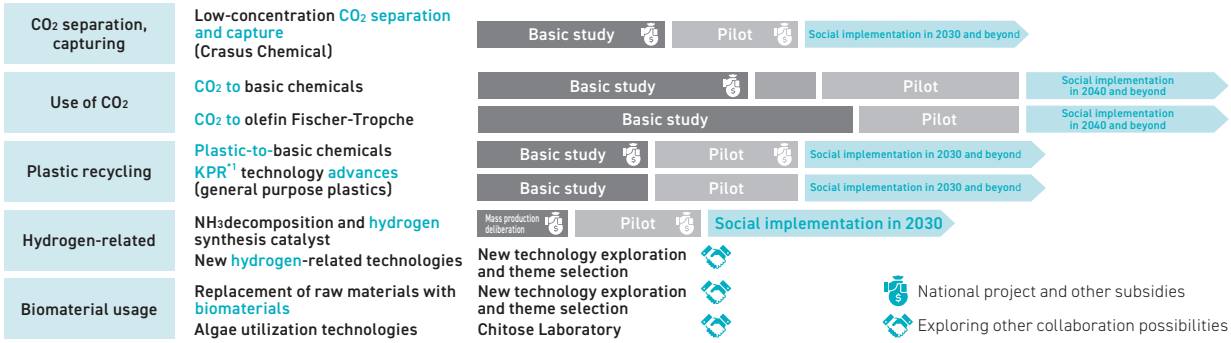
Takashi Kawamori
Head of Applied Materials Technology Research Center

Sustainability

As a GX pioneer working to create a resource and energy-circulating society, Resonac aims to establish a globally competitive position. To that end, to continue delivering technologies and materials that contribute to a truly sustainable society, we will continue and deepen R&D activities from a long-term perspective in the area of sustainability. Furthermore, through new business creation that incorporates sustainability perspectives, we will create an impact that balances the resolution of social issues with the enhancement of corporate value.

Socially-driven R&D: Carbon Neutrality

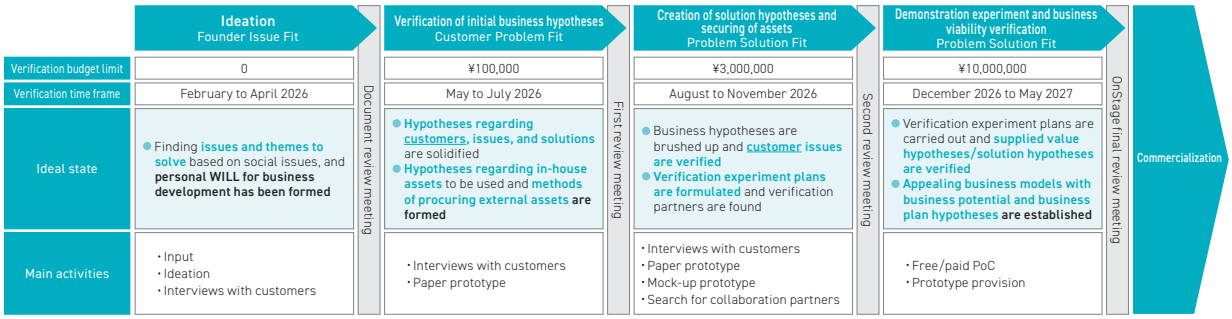
We aim to achieve carbon neutrality by 2050, and are contributing to the transition to a society that uses non-fossil-based raw materials and hydrogen. Specifically, we are promoting initiatives through industry-government-academia co-creation and collaboration, such as technology to manufacture basic chemical raw materials from plastic, technology to utilize ammonia and hydrogen, CO_2 separation, capture, and utilization technologies, and CO_2 emissions reduction throughout the entire product life cycle, expanded to Scope 3.



*1 Kawasaki Plastic Recycling

Creation of a New Business for Solving Social Issues:"OnStage" Stage for Co-creation

The Stage for Co-creation is accelerating our creation of new business areas through co-creation both inside and outside the Company. The core of Stage for Co-Creation is OnStage, a business development program that is open to both internal and external applications. It verifies business ideas in stages and identifies potential for commercialization. We are fleshing out promising proposals from approximately 140 applications and will make decisions on their commercialization by around spring of 2027. Resonac aims to engage in highly competitive business operations that leverage its personnel, technologies, and equipment. At the same time, we will also foster the cultivation of a platform and culture that continuously produce results through an open environment that anyone can participate in, leading to profitability and the enhancement of corporate value.



R&D Process

To continuously create high-value-added materials, we are transforming our R&D processes, expanding our global ecosystem of coordination with universities, research organizations, and startups in Japan and overseas, and accelerating our efforts to discover the seeds of next-generation technologies. We are also systematically developing "ambidextrous talent" that can fuse computational science and AI with experimentation. We have established a speedy verification cycle through our project structure and stage gates, and by using an integrated approach to taking our research themes to the next level from an early stage and implementing human resource strategies that support these efforts, we are striving to raise the likelihood of successful research outcomes.

Human Resource Strategy That Supports the Execution of Organizational Strategy

As part of our R&D process reforms, we are promoting human resource strategies for the personnel that implement our organization strategies. By improving individual skills and fostering a mindset of actively taking on challenges, we aim to realize the combined strength of individuals and the organization and achieve sustainable growth. To that end, we have created personnel placement and training mechanisms based on skills-based perspectives, and we are creating a culture that promotes upskilling and reskilling. In conjunction with this, we are clarifying the roles of the managers that support our project structure, enhancing our development of the next-generation talent, building a training structure, and enriching our training.

Building a training foundation rooted in our project structure

Following the introduction of our project structure, we have been systematizing roles, skills, and experience, establishing a identify their own career paths and growth challenges, learn autonomously, and practice within projects, we are connecting the growth of each individual to the generation of R&D results.



Career path is undefined and the road forward is unclear

Career path and training are clear and detailed
(Enables active growth and diverse career development)

Development plans for 2026

Climbing destination	**Define human resource requirements and visualize career path**
Climbing routeTraining	**Build training structure and actively provide opportunities**
Experience, knowledge and skills	**Build structure for recording and utilizing skills**

KPIs

Research and Development Center personnel goals for 2030:

- **Participation by 100% of personnel in GX Certification training (sustainability)**
- **100% of personnel are "ambidextrous talents" (able to perform experimentation and utilize AI and computational science)**

* Green Transformation

Personnel development linked to site roles and strengths

We leverage the knowledge and experience accumulated on-site through the characteristics and strengths of each site for human resource development. While honing the advantages of each site, we share issues and learning between sites and stimulate one another, enhancing individual strengths into the power of the entire organization. We aim to improve our combined strength as an R&D organization by balancing the autonomy of sites with alignment with our overall strategy.

Case Study Innovative Technology Research Center, Institute for Advanced Integrated Technology (Goshomiya)



The Innovative Technology Research Center is an exploration research site that develops ambidextrous talent capable of fully utilizing computational science, materials informatics (MI), and experiments, starting from our core technologies in inorganic, organic, and composite materials, and also accelerates external co-creation through its project-based organizational management approach.

We have also redefined management roles as Project Managers equipped with PMBOK®* -based decision-making capabilities and People Managers with enhanced coaching capabilities, and are promoting the creation of new materials and new businesses through the three-in-one integration of technology, talent, and organization.

Masaru Tanaka
Head of Innovative Technology Research Center

Case Study Stage for Co-creation (Yokohama)



At the Stage for Co-creation, in addition to new business creation and making our R&D processes smarter, we are working on unprecedented areas such as resource circulation.

To tackle problems without fixed solutions, we need to think outside the confines of our specialization and collaborate with outside parties.

That's why we place great importance on personnel who can keep on learning on their own and taking on new challenges. We are building an environment in which personnel can build up experiences with success through various projects and develop their ability to find solutions themselves, encouraging their spirit of challenge.

Yoshihito Sueoka
Head of the Stage for Co-Creation

* PMBOK® is a registered trademark of the Project Management Institute, Inc.

Experimentation, AI, and Computational Science— Developing Ambidextrous Talent

Resonac has a Research Center for Computational Science and Informatics, which is integrally responsible for computational science (molecular design, structural and fluid dynamics simulation), AI and MI (materials informatics), data management, and software development. The center's greatest feature is the deep involvement of computational science and AI specialists in the experiment and development sites. They directly master material development processes and implicit knowledge, applying them to analysis work. These analytic capabilities, which tightly combine materials knowledge, computational science, and AI, are the source of our competitive edge. To further deepen these strengths, we develop the personnel responsible for experiments into "ambidextrous talent" that can autonomously select and apply computational science and AI technologies.

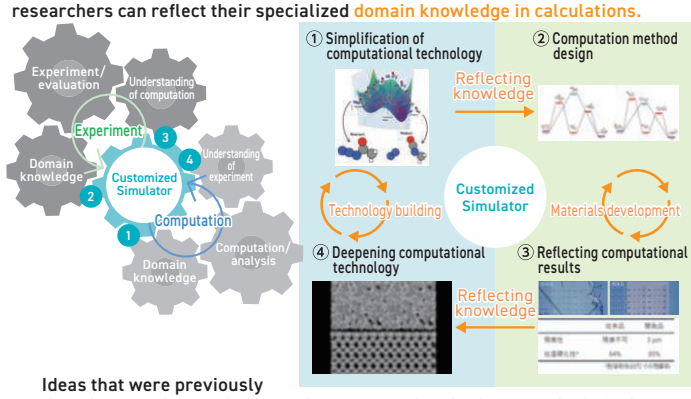
R&D centered on ambidextrous talent (experimentation and computational science)

- Researchers use back-and-forth with AI to explore methods for realizing ideas and deliberate across both the experimental and computational science domains
- Researchers can quickly take on challenges in both experimentation and computation that they can perform themselves
- Researchers can consult with experts regarding details and more advanced matters
- Researchers understand the key points of both experimentation and computational science
- Researchers can effectively communicate with high-level experts
- Human resources are fully leveraged in R&D activities



Use of computational science by experimental researchers

Computational science researchers ensure accuracy and customize computational science tools on the premise of autonomous utilization, so that experimental researchers can reflect their specialized domain knowledge in calculations.

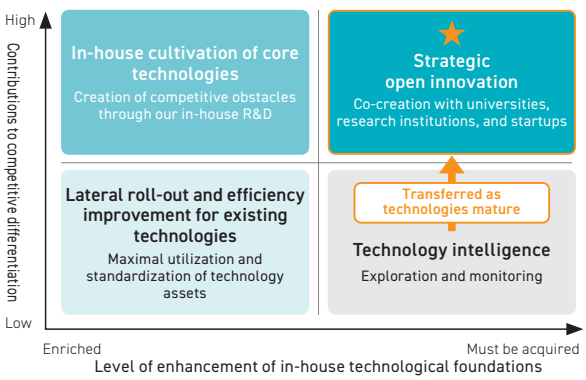


Ideas that were previously thought not to be worth requesting computational science analysis for have achieved record-breaking performance characteristics through this initiative.

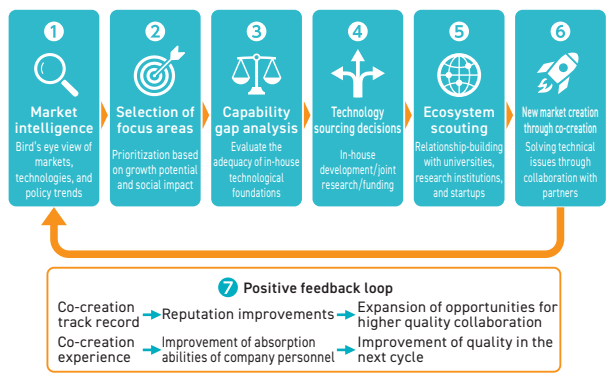
R&D and Co-creation With Outside Parties

Resonac actively promotes co-creation with universities, research institutes, and startup companies in Japan and abroad. We are working to deepen our R&D ecosystem, which leverages outside resources. In the semiconductor material field, in particular, we dispatch researchers to U.S. universities to acquire the latest technologies and share the knowledge and networks they have developed within the company. This accelerates the development of next-generation materials while also developing personnel. Due to our international recognition as a semiconductor material manufacturer, major overseas universities actively seek us out for co-creation activities, and our circle of collaboration with industry and academia is expanding around the world. We will continue to lead the creation of the world-best technologies and products by fusing our knowledge with external parties.

R&D sourcing strategy matrix



Strategic open innovation process



R&D Strategies

Intellectual Property Strategies



Naotake Ota
General Manager, Intellectual Property Department

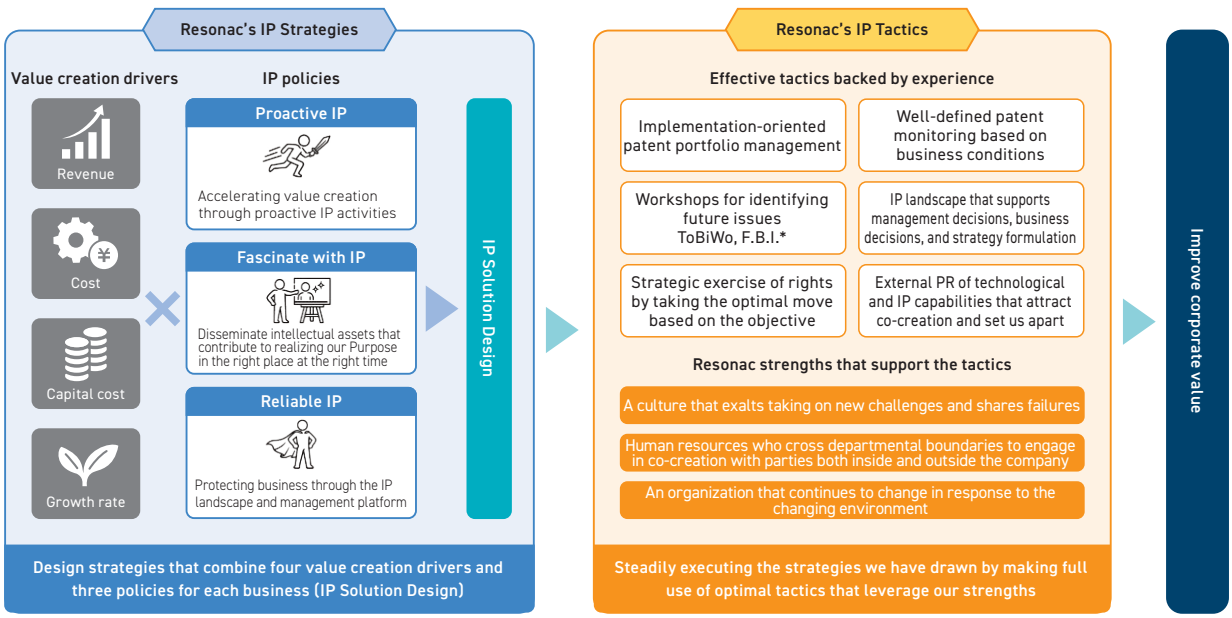
An Organization That Focuses on Designing Success in the Market, Not Acquiring Patents

Resonac positions intellectual property as a strategic asset for increasing corporate value. The Intellectual Property Department, which is responsible for IP, doesn't stop with submitting patent applications and obtaining rights, but leverages the expertise we have built up and our practical know-how to design and implement methods for achieving success for our company and our businesses through IP, aligning the perspectives and goals of business units and R&D. We call this activity "IP Solution Design."

Another strength of our IP is that we continue to update our approach in response to the changing market, technology, and competitive environment. This year, we have adopted the approach of linking our IP activities to our four value creation drivers. This makes it easier for us to convey results to our stakeholders and contributes to the motivation and sense of growth of each and every employee involved in intellectual property.

Value Creation Hypothesis | IP Strategies That Help Increase Corporate Value

Below is our intellectual property value creation hypothesis. We formulate strategies based on our three IP policies, using the four value creation drivers that constitute corporate value as a common language, depending on the purpose and issues of each business. On this basis, we optimally combine and execute tactics, leveraging the IP utilization expertise accumulated to date. Furthermore, we will implement PDCA cycles while validating results with business units and R&D, continuously reviewing strategies to increase our contribution to enhancing corporate value.



* F.B.I.: Future Business Image
* "ToBiwo" and "Future Business Image" are registered trademarks of Resonac in Japan

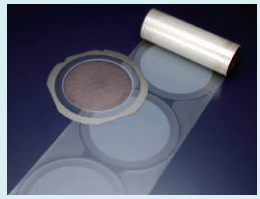
Case Study

Building Multi-level, Multifaceted Barriers to Entry and Evolving IP Strategies in Response to Environmental Changes

Die Bonding Film IP Strategy

Our Die Bonding Film is one of the semiconductor materials for which we have the No. 1* market share in the world. Amid the rapid speed of technological development and a continuously changing competitive environment, we have combined multiple IP tactics to build multi-layered and multi-faceted barriers to entry. These initiatives function as an element that supports our technological advantage, product reliability, and the enhancement of our brand power.

*No. 1 in global sales volume for Die Bonding Film (die attach film category) according to Fuji Keizai "2025 Current Situation and Future Prospects of Semiconductor Material Market (Study Period: May to August 2025)"Results in 2024



IP strategies



Build multi-layered and multi-faceted barriers to entry to support business competitiveness

Effective tactics backed by experience

- Leverage the IP landscape to create patents for next-generation products that anticipate future problems
- Create highly efficient patents with an eye toward executing rights
- Timely and active rights execution based on market and business conditions
- IP, business units, and R&D work together to create a patent network that encompasses customer execution
- Regular review of our patent portfolio and risk management based on the results of Patent SDI (Selective Dissemination of Information; regular research system)

Contribution domains



Maintain market position
Enhancement of brand strengths

Future key points of focus

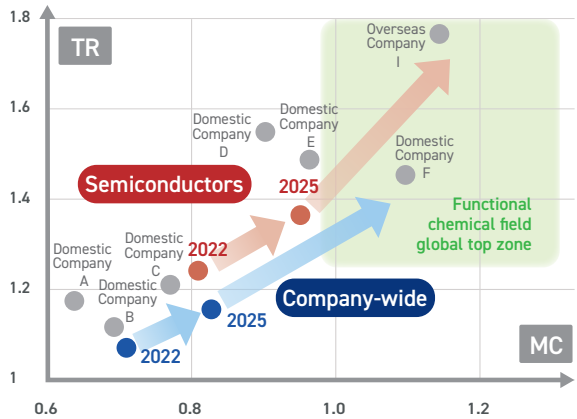
In the future, we will verify the effectiveness of IP strategies from the perspectives of value creation drivers and review which domains require additional measures to be taken. Together with our business units and R&D, we will further refine our strategies based on the changing business environment.

Analysis of the Current Situation and Future Vision

We monitor the results of each activity using PatentSight+* TR and MC as our primary indices. Since 2022, both TR and MC have been steadily rising as a result of efforts to optimize portfolio by creating a global patent network and performing dynamic stocktaking. Particularly in the semiconductor field, we are getting significantly closer to our target area through an ambidextrous IP strategy of exclusivity x co-creation based on overseeing the entire supply chain.

We will continue to respond to changes in the business environment while refining our strategies and aim to raise company-wide TR and MC to the global level of the functional chemical field by 2028.

*The IP landscape tool supplied by LexisNexis. Technology Relevance (TR) is an indicator of the technology value of patents. It is calculated based primarily on the number of citations in patent screening. Market Coverage (MC) is an indicator of the market value of patents. It is calculated based primarily on the number of countries in which the technology has been patented and the rights acquisition ratio.



Latest Topic

Decision to Maintain Patent for Liquid Encapsulant for Use in Generative AI-related Semiconductor Packages

An opposition to patent was filed by a third party in regard to our liquid encapsulant patent, but on March 11, 2026, the Japan Patent Office affirmed the validity of our patent. This was announced in a press release. The Intellectual Property Department does not treat such responses to oppositions as mere legal actions, but leverages them as PR opportunities to appeal our technological capabilities to customers and serve as a check on competitors.

Sustainability Strategies



Nami Matsuko CSuO

SAY & DO with an Eye to the Future!

It has been four years since we made a fresh start, **with "positioning sustainability at the core of management"** as our guiding principle. We have strengthened our management foundation by establishing a common internal language for sustainability and achieving non-financial targets. Having created a certification system for Resonac Pride Products and Services to realize our Purpose, we have strengthened initiatives with Sustainability Partners in each division, thereby strengthening sustainability governance. More and more employees are coming to realize that **"sustainability is benefitting our business!"**

Going forward, we will wholeheartedly support employees **who wish to turn sustainability into a growth opportunity** and promote initiatives to convert the social and environmental value we have created into economic value. Moreover, **we will work together** with suppliers, customers, and members of local communities to advance various initiatives, including those related to the environment and human rights, with the entire **value chain in mind, from R&D through procurement and manufacturing to product provision and beyond**, and together change society.

Suppliers

Responsible Procurement

Building a responsible supply chain

- Implementation of the Supplier Code of Conduct
- Sharing the Responsible Procurement Policy
- Addressing customer and social demands

CSR Survey and Evaluation

Covering 1,300 companies Response rate of 90%!

- Conducting CSR questionnaire survey
- Sustainability risk assessment
- Reviewing and following up on survey results

Dialogue with Suppliers

Held our first Suppliers' Day! 153 attendees from 64 companies

- Holding a dialogue with suppliers
- Conducting one-on-one discussions
- Sharing sustainability information

Co-creation toward Scope 3 emissions reduction

Measures to Combat ClimateChange

- GHG emissions reduction targets and emissions tracking
- Collaboration for carbon footprint calculations
- Switch to low-emission feedstocks

Please also read the "Procurement Information" page on our website.

Manufacturing at Resonac

Sustainable Product and Technology Development P88

Sustainability Awards newly established!

- Exploration of new materials and technologies to support society of the future
- Advancing R&D through AI
- Revision of standards for creating sustainable products

Measures to Combat ClimateChange P95.P129

Next challenge: Life cycle assessment

- Carbon footprint calculations completed for major products
- Implementing fuel conversion and promoting the shift to non-fossil electricity
- Preparing to obtain SBT* certification to achieve carbon neutrality by 2050 *Science Based Targets

Toward Circular Economy P95.P129

Initiatives Unique to a Chemical Manufacturer!

- Recycling plastics and other resources
- Improving resource productivity
- Product development with the entire lifecycle in mind

Efforts for Preservation of Biodiversity P129.P135

Contributing to a nature-positive future

- Analysis in accordance with the TNFD* framework
- Water-related risk assessment and responses

*Taskforce on Nature-related Financial Disclosures

Respect for Human Rights P97

Identifying human rights issues throughout the entire value chain

- Identifying human rights issues specific to Resonac and addressing them

Please also read the "Sustainability" page on our website.

2022
Preparation and Launch
- Identified material issues for sustainability and set KPIs
- Integrated various data sets

2023
Trial and Error
- Establishing a carbon-neutral framework and incorporating a sustainability perspective into business and technology development
- Strengthening stakeholder engagement

2026
Blossoming of Resonac's Uniqueness
At present
- Demonstrating initiative through co-creation
- Strengthening businesses and technologies that change society through the power of chemistry

Co-creative Chemical Company

Creation of social and environmental value

2035
Creation of Social Value through Co-creation

We co-create a more sustainable planet and society where people can live with happiness, as we strive to become a World-Class Functional Chemical Company.

Cultivating in employees a sustainability mindset based on Purpose and Values

Long-Term Vision Phase 1 | Phase 2

Customers

Safety P41
Safety as the foundation of everything

- Preventing serious accidents and disasters
- Risk visualization and continuous improvement
- Fostering a safety culture and strengthening governance

Digital Strategy P42
Accelerating business reform with AI

- Business transformation through AI and data utilization
- Establishing a company-wide digital platforms
- Promoting automation in production and R&D

Chemicals Management
Implementing responsible chemicals management

- Thorough chemicals management and safety evaluation
- Compliance and risk management
- Strengthening the global management system

Quality Assurance
Quality that meets customer expectations

- Delivering World-Class quality
- Improving quality from the customer's perspective
- Continuous improvement through collaboration between Headquarters and manufacturing sites

Co-Creation P43/P47
Creating new value together with customers

- Promoting co-creation through JOINT and other initiatives
- Development to address customer challenges
- Proposing solutions combining materials and technologies

Environmental Performance Improvement
Contributing to the resolution of environmental issues

- Providing environmentally friendly products
- Contributing to reduction of GHG emissions

Quality and Stable Supply
Products customers can choose with confidence

- Ensuring quality and product safety
- Maintaining stable supply
- Responding to supply chain risks

Toward Circular Economy
Effective use of limited resources

- Providing environmental value through chemical recycling
- Use of biomass feedstocks

Outlook for the shift from embedding sustainability in management to transforming it into a competitive advantage

Resonac's distinctive strength lies in its positioning of sustainability at the core of its management strategy, and its integration into the business. Resonac is advancing its efforts to promote decarbonization and resource circulation, along with human rights, safety, and compliance, across the entire value chain from procurement to product delivery. As a result, a system that visualizes these values and links them to business growth is beginning to function. I have great expectations of the next stage—the transformation of social value creation to competitive advantage as a Co-creative Chemical Company.



Naoya Hasegawa
Professor Faculty of Sustainability Studies, Hosei University
(Sustainability Advisor to Resonac)

Environment

1 Reassessing Our Key Environmental Initiatives and Their Impacts

The four pillars of our environmental initiatives are "Measures to Combat Climate Change," "Toward Circular Economy," "Efforts for Preservation of Biodiversity," and "Response to Environmental Risks." Since these initiatives are interrelated, we have reassessed and confirmed the positive and negative impacts (synergies and trade-offs) that our key measures have on each environmental issue. We will continue to promote these initiatives in an integrated manner while striving to optimize our overall environmental initiatives.

● Major positive impacts ○ Potential for synergy with major positive impacts △ Potential for negative impacts (trade-offs with major positive impacts)— No significant impact, no information available

Primary category	Secondary category	Tertiary category	Business Unit	Measures to Combat Climate Change	Toward Circular Economy	Efforts for Preservation of Biodiversity	Response to Environment Risks
Measures to Combat Climate Change	Fuel conversion (gas turbine)	Production and supply of low-carbon ammonia; deployment for fuel applications	Chemicals	●	○	—	—
		Use of hydrogen energy (fuel, power generation, chemical feedstock)	Chemicals	●	—	—	—
	Introduction of renewable energy	Introduction of on-site PPAs utilizing idle land and other sites	All businesses	●	—	△	—
		Increasing the proportion of non-fossil electricity through the procurement of non-fossil certificates	All businesses	●	—	—	—
	Energy conservation and enhancement of manufacturing efficiency	Improving energy intensity through enhanced combustion and thermal efficiency	All businesses	●	—	—	—
		Reducing energy consumption through improvements in manufacturing processes	All businesses	●	—	△	—
	Products and services that support a low-carbon society	Semiconductor materials contributing to high performance and energy efficiency	Semiconductor and Electronic Materials	●	—	—	—
		Reducing emissions across the entire life cycle through weight reduction Building a circular business model (CirculaC)	Mobility Chemicals	●	○	—	—
Toward Circular Economy	Promoting plastic resource circulation	Recycling plastics and textiles into chemical feedstocks Building circular supply chains within and outside the Group	Chemicals	○	●	—	—
	Recycling of resources	Promoting aluminum recycling technologies	Mobility	○	●	○	○
		Improving resource utilization efficiency and reuse	All businesses	○	●	—	—
	Water resource management	Reducing water consumption	All businesses	○	●	○	○
	Chemical substances	Reducing chemical emissions	All businesses	—	—	○	●
		Minimizing risks associated with products containing chemical substances	All businesses	—	—	○	●
Efforts for Preservation of Biodiversity	Ecosystem conservation	Ecosystem conservation activities through rice cultivation in the watershed from which we draw water	All businesses	○	○	●	—
		Forest conservation (participation in the forest adoption program)	Graphite	○	○	●	—
Response to Environment Risks	Compliance	Compliance with laws and regulations	All businesses	—	—	—	●
	Human resource development	Promoting the development of environmental talent (GX talent and personnel capable of conducting LCAs)	All businesses	○	○	○	●
	Products designed to reduce environmental impact (pollution prevention)	Conducting LCAs (environmentally friendly design)	All businesses	○	○	○	●

Example of Our Initiatives

Scaling up chemical recycling technology to produce basic chemical feedstocks from mixed plastic waste

We are engaged in the research and development of chemical recycling technology that transforms mixed plastic waste, which has not been readily usable as a resource with conventional technologies, into socially useful basic chemical feedstocks such as ethylene and propylene. This initiative has been selected for NEDO's Green Innovation Fund Project "Development of Plastic Raw Material Manufacturing Technology Using CO_2, etc." With the fundamental technology at the laboratory scale now largely established, we are proceeding with scale-up using bench-scale facilities. Going forward, we plan to progress through the pilot-facility stage to large-scale demonstration around 2030. We will continue working through co-creation with relevant departments within the Company, academia, government ministries and agencies, and public institutions to generate R&D outcomes with a view to social implementation.



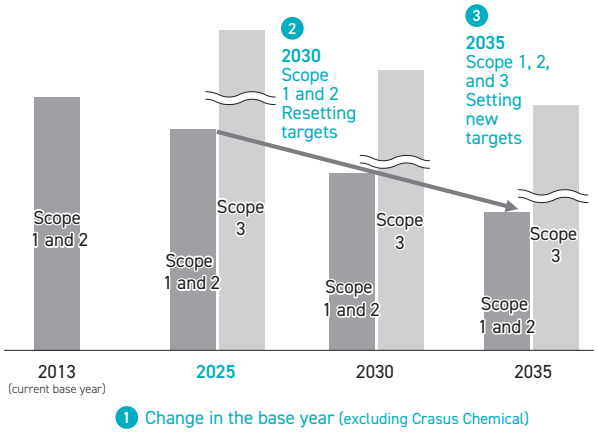
The bench-scale facilities at the Stage for Co-creation in Yokohama

2 Initiatives for Carbon Neutrality

Looking ahead, we anticipate changes in the volume and composition of our emissions as a result of the listing of Crasus Chemical and plan to obtain SBT certification. In preparation for SBT* certification, we have begun engaging with customers and suppliers to reduce upstream and downstream emissions (Scope 3), in addition to reducing our own emissions (Scope 1 and 2).

*Science Based Targets

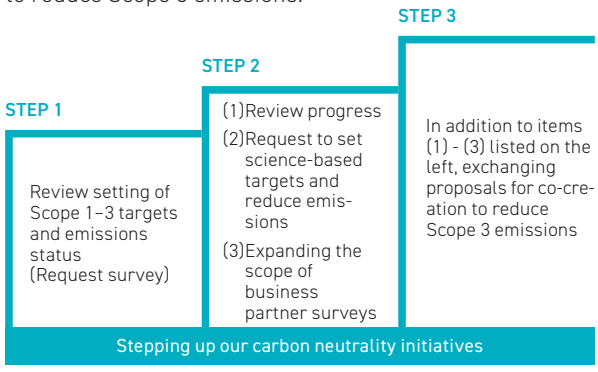
Key points for SBT certification



1 Change in the base year (excluding Crasus Chemical)

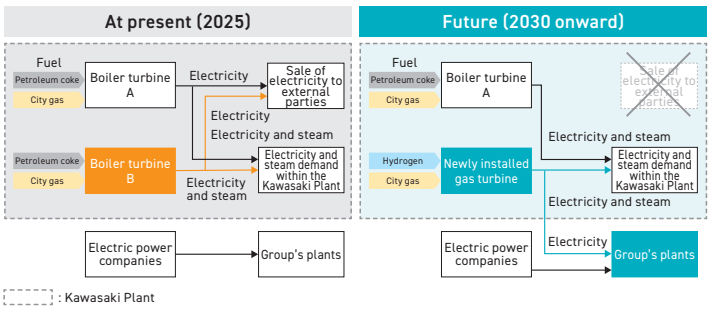
Initiatives with customers

We are working with our business partners step by step to reduce Scope 3 emissions.



Initiatives for Reducing Emissions from Our Own Operations

We plan to implement fuel conversion for one of the two boiler-turbine systems at our Kawasaki Plant in Japan, which accounts for approximately half of Resonac's total emissions. Including fuel consumption associated with the sale of electricity to external parties, we expect total emissions reductions of approximately 400,000 to 500,000 metric tons of CO_2 per year.



At the Kawasaki Plant, which primarily manufactures basic chemicals, the most important issues in preparing for the start-up of the hydrogen gas turbine in the first quarter of 2030 are establishing a self-wheeling scheme (supplying electricity to sites outside Kawasaki) and ensuring a stable supply of clean electricity. Through public-private partnerships that leverage the geographical advantages of the Kawasaki waterfront area and co-creation within and beyond Resonac, we will put our Purpose and Values into practice and steadily advance the plan. Through these initiatives, the Basic Chemicals Business Unit will directly address the challenges of enhancing product value and resolving social issues.



Yuto Kinoshita
Planning Department, Basic Chemicals Business Unit

Chemical recycling, producing high quality chemicals from a mix of different types of plastic, is an excellent form of upcycling, but productivity has been a problem. For Resonac, improving the productivity of chemical recycling by scaling up has been an extremely effective approach to achieving resource recycling, and combining this with initiatives for fuel switching to hydrogen is a leading example of innovation for simultaneously achieving both decarbonization and resource recycling.

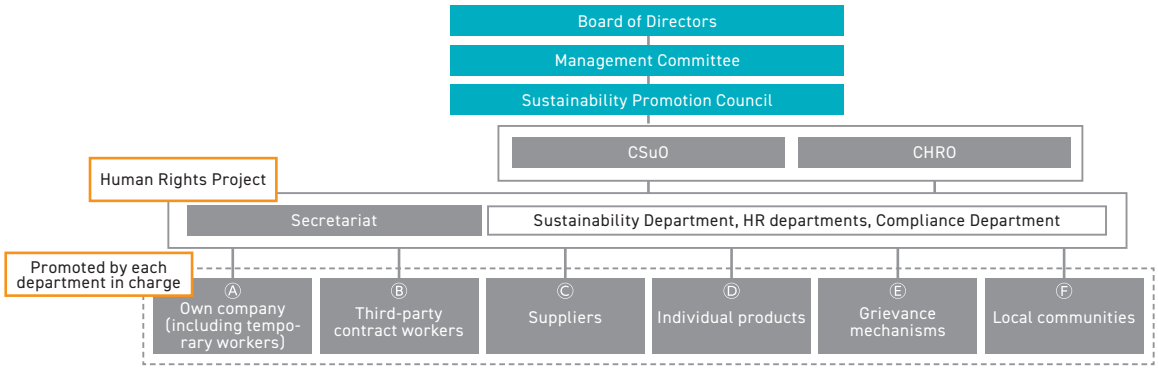


Norihiro Itsubo
Professor School of Creative Science and Engineering, Faculty of Science and Engineering, Waseda University
(Sustainability Advisor to Resonac)

Respect for Human Rights

1 Promotion Structure

With regard to respect for human rights, the Chief Sustainability Officer (CSuO) is the executive responsible for these efforts, which are advanced through a human rights project centered on a secretariat comprising the Sustainability, Human Resources, and Compliance departments. Matters are regularly discussed at the Sustainability Promotion Council attended by Group CXOs, including the CEO, and Business Unit heads, and important matters are deliberated and decided upon at the Management Committee and then reported to the Board of Directors. By strengthening governance, we aim to mitigate management risks.



2 Identification of Salient Human Rights Issues

We respect the UN Guiding Principles on Business and Human Rights and have formulated a human rights policy and comply with it. We have established a process to properly assess the impact of our business decisions and operations on human rights, and strive to identify, prevent, and mitigate risks that could cause or contribute to serious human rights violations and to provide remedy. In 2025, we identified the human rights risks to be addressed as priorities within our company and across our entire value chain using the following process.

Desktop research ››› Interviews ››› Identification

Screening of human rights issues Preliminary assessment of adverse impacts

- Comprehensively investigated and analyzed human rights risks affecting rights-holders associated with Resonac's value chain → Compiled a list of human rights issues
- Conducted a materiality assessment based on "severity" and "likelihood" in accordance with international guidelines, and drafted a human rights risk map

Assessment factors

Human rights issues based on international human rights standards
Human rights risks in industries relevant to Resonac (using specialized databases)
Human rights issues recognized in existing initiatives (internal documentation)

In-depth assessment of human rights issues

- Based on the desktop research, conducted interviews with relevant departments, focusing on human rights issues that are considered to be priority areas requiring response, to understand Resonac's specific human rights issues and the current state of our initiatives

Departments Interviewed	Interview structure
HR Operation & Labor Management Department	Gathering feedback on the draft human rights risk map
HR Business Partner Department	Specific human rights issues
SCM Division	
Corporate Administration Department	Awareness and operational framework regarding human rights management
Site Administration Departments (several)	

Identification of human rights risks to be addressed

- Based on the results of the desktop research and interviews, updated the materiality assessment and human rights risk map. Following consultation with external experts, identified salient human rights issues to be addressed as priorities and finalized the human rights risk map
- Based on the human rights risk map and interview results, compiled an action plan outlining the items to be addressed as priorities moving forward

3 Identified Human Rights Issues and Responses

The priority issues determined through the process of identifying salient human rights issues are as follows. We are currently working to identify where potential human rights risks exist, including assessing how they are currently managed, in preparation for conducting human rights due diligence with respect to each group of rights-holder.

Materiality and response priorities for salient human rights issues: High Low

Human rights issues / rights-holder	Ⓐ Own company's employees (including temporary workers)	Ⓑ Third-party contract workers (including foreign nationals and subcontractors)	Ⓒ Workers in the supply chain	Ⓕ Local communities
Risk response framework and processes	Assessing potential human rights risks affecting overseas employees and how those risks are managed, etc.	Requesting on-site contractors to respect human rights, assessing how human rights risks are managed, conducting risk assessments, etc.	Enhancing CSR self-assessments, site visits and follow-ups, etc.	Assessing how risks affecting residents in local communities are managed, etc.
① Discrimination	Overseas: Assessing how each company manages these issues in practice	Japan: Verifying the status of measures taken by contractors Overseas: Assessing how each company manages these issues in practice	Assessing the specific initiatives implemented by suppliers and their level of implementation	—
② Harassment	Same as above	Same as above	Same as above	—
③ Occupational health and safety	Same as above	Overseas: Assessing how each company manages these issues in practice	Same as above	—
④ Overwork and long working hours	Same as above	Japan: Verifying the status of measures taken by contractors Overseas: Assessing how each company manages these issues in practice	Same as above	—
⑤ Child labor, maternity protection, and child protection	Same as above	Same as above	Same as above	—
⑥ Impact on residents in local communities and respect for their rights	—	—	—	Assessing how risks affecting residents in communities surrounding manufacturing sites are managed
⑦ Violence and complicity in armed conflict	—	—	—	Identifying high-risk raw materials that require Group-wide action

Critical for a chemical manufacturer

Promoting Initiatives within Resonac

Resonac accords the top priority to the dignity and safety of its employees and is working both in Japan and overseas to prevent and address human rights risks related to harassment, occupational health and safety, and overwork. We have established consultation channels accessible to all employees. In Japan, we continue to provide training primarily for managers, rigorously manage working hours, and conduct safety initiatives. At our overseas sites, we are assessing actual conditions and working to raise management standards. We will continue to improve the environment so that everyone can work with peace of mind and promote the mitigation of human rights risks.



Kenji Miyata
Culture Communication & HR Policy Planning Department

Third-party Contract Workers

Resonac places the highest priority on safety and compliance, and regards the right to work safely as a fundamental right of all workers. We view ensuring a work environment where third-party contract workers can complete their tasks safely as a critical responsibility, just as we do for our own employees. Based on this belief, we clarify safety requirements from the contracting stage and establish systems for risk management, safety training, and supervision and support during work. Furthermore, by clarifying the roles and scope of responsibility of both parties in company-wide rules, we provide a safe work environment and promote initiatives to respect human rights.



Hirokazu Miyazawa
Environment and Safety Division

When it comes to human rights initiatives, rather than taking the approach of "proving that problems do not exist," it is important to take the perspective that "problems do exist," and to work with the relevant parties to consider how to address these problems. I expect Resonac to demonstrate an awareness of the issues and a commitment to making improvements, and to take steps forward together with the relevant stakeholders.



Minoru Matsubara
Resona Asset Management Co., Ltd. (Sustainability Advisor to Resonac)

04 Resonac's Governance

Transformations achieved through continuous dialogue

Here, we present the progress of Resonac's corporate governance reforms aimed at enhancing corporate value.

Theme

"Board Effectiveness"



To continue enhancing the quality of our management decisions, it is important to bring together diverse perspectives from within and outside the Company and continuously spark chemical reactions

Kohei Morikawa,
Chairman of the Board

Reflected into management

In addition to advancing the Board of Directors' monitoring function, we have enriched discussions on strategies and key management issues through constructive dialogue with the management team.

- Redesigning the agenda to place greater emphasis on strategy, capital efficiency, and business portfolio
- Reviewing the composition of the Board of Directors in light of management issues and future growth opportunities
- Shifting from report-centered operations to an approach focused on in-depth discussions of key issues
- Promoting decision-making that is focused on capital efficiency, including ROIC and cost of capital, and which contributes to enhancing medium- to long-term corporate value
- Establishing a cycle of ongoing improvements through evaluation of the Board of Directors' effectiveness



Tomomitsu Maoka,
Board Director/CSO/CRO

Future discussions

Deepening medium- to long-term strategic discussions that contribute to enhancing corporate value

Theme

"Nomination Process"



The key lies in discovering and hiring talents who can realize the future vision of the Company

Tetsuo Tsuneishi,
Outside Director, Chairperson of the Nomination Advisory Committee

Reflected into management

The Committee is working to establish a framework that enhances transparency and objectivity while supporting sustainable growth in corporate value.

- Building an Board structure suitable for the period of transformation
- Systematizing and periodically reviewing CEO succession and emergency plans
- Visualizing the pool of next-generation management talents, and monitoring their development progress
- Monitoring the implementation status of the new remuneration system, and overseeing the KPI attainment status



Nori Imai,
Board Director/CHRO

Future discussions

Continued review of succession plans for leaders who can take Resonac into the next generation

Taking our second founding as an opportunity and guided by Since our "second founding," we have continued to strengthen our governance framework, drawing on the insights of our Outside Directors and Audit & Supervisory Board Members to enhance corporate value. Discussions within the Nomination Advisory Committee and Remuneration Advisory Committee, led by our outside directors, have also been reinvigorated. We will continue to evolve as we develop a foundation for supporting our value creation as a globally competitive functional chemical company.



Hidehito Takahashi
Representative Director, President and CEO

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Theme

"Officer Remuneration"



It is more important than ever to design remuneration systems that are visibly linked to corporate value

Kenji Yasukawa,
Outside Director, Chairperson of the Remuneration Advisory Committee

Reflected into management

We moved to a remuneration system that is linked to the enhancement of corporate value and strengthened management discipline.

- Introducing performance-based incentives that emphasize indicators such as ROIC and TSR
- Increasing the proportion of medium- to long-term incentives (stock-based compensation)
- Securing objectivity through a Remuneration Advisory Committee led by outside director
- Strengthening alignment with strategic and sustainability KPIs
- Enhancing the transparency of remuneration determination processes, and expanding disclosures



Hideki Somemiya,
Board Director/CFO

Future discussions

Ensuring alignment with value creation that exceeds cost of capital, and clarifying relative evaluation

Theme

"Audit"



We want to anticipate risks proactively, and apply that to ensuring effective oversight

Masako Yajima,
Outside Member of Audit & Supervisory Board

Reflected into management

We enhanced the effectiveness of the Audit & Supervisory Board through governance and risk management that looks ahead to achieve a balance between offensive and defensive management approaches.

- Shifting to audits that contribute to management decisions in response to changes in the internal and external environment
- Improving audit functions for addressing management issues through the clarification of audit perspectives
- Responding to sophisticated and diverse risks by leveraging external expertise and internal information-gathering capabilities
- Expanding the control and audit systems by adding external audits to the three-line model
- Strengthening internal controls through coordination among internal audit, external audit, and the management team



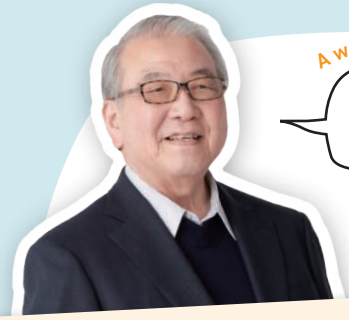
Toshiharu Kato,
Full-time Audit & Supervisory Board Member

Future discussions

Building and operating a global and sophisticated audit system aimed at realizing sound growth

Directors and Audit & Supervisory Board Members

We asked our Outside Directors and Audit & Supervisory Board Members to share their profiles and perspectives on the challenges and expectations for enhancing the Company's corporate value.



A word to Resonac

Let's take on bold challenges towards growth through daring transformation and reform!

Career After joining the then Tokyo Electron Laboratories, Inc. (current Tokyo Electron Ltd.) in 1976 and gaining overseas business experience, he became Chairman of the Board of Directors in 2015. His track record of leading companies to growth as a manager has given him advanced expertise and extensive practical experience in global management and the semiconductor business. He was appointed Vice Chairman of the Japan Association of Corporate Directors in 2022. Since becoming an Outside Director of the Company in 2023, he has been providing important advice on corporate governance reforms aimed at by the Company, utilizing his knowledge of corporate governance.
Significant concurrent positions Corporate Director, Tokyo Electron Device Ltd.

Name **Tetsuo Tsuneishi**

Position **Outside Director**

Skills possessed

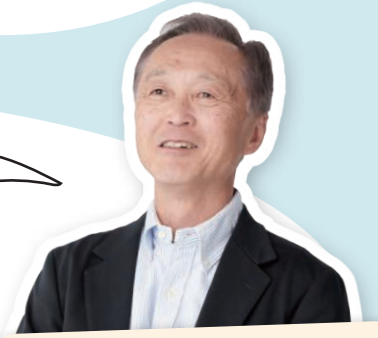
Term of office as Board Director: **3 years**
Attendance at BoD meetings in 2025: **12/12**

Motto **Diligence in my practice, enduring to the end without regret**

Favorite word **World Class**



As a child, I dreamed of becoming a big band jazz drummer, and I achieved that dream during my university years



A message to young Resonac employees

If you tackle the major problems of our time, you can embark on the journey (of life) with wonderful friends

Career He joined the then Yamanouchi Pharmaceutical Co., Ltd. (current Astellas Pharma Inc.) in 1986. In April 2023, he was appointed as Representative Director, Chairman of the Board of the company (current position). With a background in a top Japanese pharmaceutical firm that operates globally and has undergone corporate integration, he possesses development experience in the U.S., has been involved in the formulation of management strategy and sales oversight, and has broad experience and insights as a manager of a leading company with diverse human resources. Since taking office in 2024, he has been providing us with important advice from various perspectives by utilizing his knowledge as a corporate manager.
Significant concurrent positions Representative Director, Chairman of the Board, Astellas Pharma Inc.

Name **Kenji Yasukawa**

Position **Outside Director**

Skills possessed

Term of office as Board Director: **2 years**
Attendance at BoD meetings in 2025: **12/12**

Motto **Little daily delays add up to disaster**

If I retire from the business world, I want to spend every day on a green lawn



Skills

- Global Business
- Portfolio Management
- Sustainability
- Risk Management
- Finance/Accounting/ Capital Markets
- Innovation
- Personnel Development/ Corporate Culture
- Legal/Compliance



A word to Resonac

Let's make a company that continuously grows, where everyone's happiness and work go hand in hand!

Career She joined the Ministry of Health and Welfare (current Ministry of Health, Labour and Welfare) in 1982. She possesses experience in the establishment of heart transplant systems, among others, at the Health Policy Bureau, and in the life science field, she was involved in business development, portfolio restructuring, and M&As in Japan and overseas at Toray Industries, Inc., Otsuka Group, and FUJIFILM Corporation. She provides valuable advice to the Company by utilizing her strategic perspectives gained through this wide-ranging experience.

Name **Izumi Sakakibara**

Position **Outside Director**

Skills possessed

Term of office as Board Director: **1 year**
Attendance at BoD meetings in 2025: **9/9**

Motto: Simple dans ma vertu, forte dans mon devoir (Simple in virtue, steadfast in duty)



I enjoy running and playing agility games with my beloved English Setter, Buddy

A word to Resonac

An interesting company that combines "Amazing!" and "Let's try a little harder!"



Career He joined Japan Airlines Co., Ltd. in 1978. After accumulating experience in both the maintenance and planning departments, he was appointed as top management of the company immediately after it filed for bankruptcy in 2010. He led the company's rehabilitation as a corporate executive, contributing to its resurgence, and also possesses wide-ranging experience and insight as an outside director in various industries. He also has deep knowledge of and provides advice on safety, which the Company prioritizes.

Name **Masaru Onishi**

Position **Outside Director**

Skills possessed

Term of office as Board Director: **1 year**
Attendance at BoD meetings in 2025: **9/9**

Motto: Humility



No matter how late I get home, my four daughters greet me with enthusiastic barks (definitely disturbing the neighbors!)

Directors and Audit & Supervisory Board Members



A word to Resonac

Let's make Resonac an even stronger company through the power of legal affairs!

Name **Masako Yajima**

Position Outside Audit & Supervisory Board Member

Skills possessed

Term of office as A&S Board Member: **6 years**
Attendance at BoD meetings in 2025: **12/12**
Attendance at A&S Board meetings in 2025: **14/14**

Career As an attorney at a law firm that focuses on corporate law, she handles cases related to crisis management and disputes. She has experience and a high level of insight as a lawyer with extensive international experience in corporate legal affairs. In addition to ensuring the appropriateness and legality of business execution in the globalization of the Company's business and M&As, she has been providing forward-looking legal advice utilizing knowledge and experience in preventive law.
Significant concurrent positions Partner, Nishimura & Asahi (GKJ)



A word to Resonac

I am hoping to see management that places more emphasis on capital efficiency

Name **Yasuyuki Miyasaka**

Position Outside Audit & Supervisory Board Member

Skills possessed

Term of office as A&S Board Member: **4 years**
Attendance at BoD meetings in 2025: **12/12**
Attendance at A&S Board meetings in 2025: **14/14**

Career As a certified public accountant involved in audits domestically and internationally for many years, he possesses advanced expertise and extensive experience in corporate finance and accounting. He has served as an Outside Member of Audit & Supervisory Board of the Company since 2022 and provided advice from the perspective of ensuring the appropriateness of business execution. From his standpoint as a specialist, he provides useful advice on how the Company can earn sufficient returns that exceed its cost of capital.
Significant concurrent positions President, Yasuyuki Miyasaka CPA Office



A word to Resonac

During times of growth, it's crucial to stay true to the basics and thoroughly check everything carefully!

Name **Kiyoko Toda**

Position Outside Audit & Supervisory Board Member

Skills possessed

Term of office as A&S Board Member: **2 years**
Attendance at BoD meetings in 2025: **12/12**
Attendance at A&S Board meetings in 2025: **14/14**

Career She has extensive business experience and advanced expertise in corporate finance and accounting, and ethical compliance related to manufacturing and financial institutions that operate globally. She gained experience in the audit division of a major auditing firm, and has been involved in the management of Japanese subsidiaries of foreign companies as the head of the finance and accounting department and the ethics and compliance department.

Skill Matrix

The Board of Directors (oversight) and the management team (execution) led by the CEO, share the common goal of maximizing corporate value. While the Board of Directors, primarily led by outside directors, emphasizes its monitoring function, it also fosters deeper discussions through diverse opinions and recommendations that extend beyond monitoring. The Board of Directors identifies portfolio management, sustainability, and risk management as the most important perspectives and areas for oversight and discussion. To ensure effective monitoring, the Board of Directors sets appropriate and specific agenda items.

The skills required of Board members to effectively discuss Resonac Holdings's key agenda items are as follows:

	Name	Term of office (years)	Attendance at BoD meetings in 2025:	Attendance at A&S Board meetings in 2025:	Global Business	Portfolio Management	Sustainability	Risk Management	Finance/ Accounting/ Capital Markets	Innovation	Personnel Development/ Corporate Culture	Legal/Compliance
Board Directors	Hidehito Takahashi	9	12/12		○	○	○		○		○	
	Kohei Morikawa	10	12/12		○	○	○			○		
	Hideki Somemiya	4	12/12		○	○	○		○		○	
	Tomomitsu Maoka	4	12/12		○	○	○	○				○
	Nori Imai	2	12/12		○	○	○				○	
	Tetsuo Tsuneishi	3	12/12		○				○		○	○
	Kenji Yasukawa	2	12/12		○	○	○			○	○	
	Masaru Onishi	1	9/9					○			○	○
	Izumi Sakakibara	1	9/9		○	○	○			○		
					8	7	7	2	3	3	6	3
Audit & Supervisory Board Members	Toshiharu Kato	7	12/12	14/14			○		○			
	Mitsuo Katayose	2	12/12	14/14		○				○		
	Masako Yajima	6	12/12	14/14				○				○
	Yasuyuki Miyasaka	4	12/12	14/14				○	○			
	Kiyoko Toda	2	12/12	14/14					○			○
					0	1	1	2	3	1	0	2

Skills	Reason
Global Business	In order to become a "company that can compete on the world stage," we must have World-Class competitiveness and profitability. Therefore, we have identified "Global Business" as a key skill, requiring an understanding of country- and region-specific customs and cultures overseas, as well as management experience in international markets and global companies.
Portfolio Management	We are optimizing our business portfolio to become a World-Class Functional Chemical Company. Therefore, we have identified "Portfolio Management" as a key skill for making strategic management decisions that contribute to enhancing corporate value.
Sustainability	We have established company-wide financial and non-financial KPIs aligned with our material issues for sustainability and our vision, and we have formulated strategies for each business and function to drive our initiatives. Therefore, we have identified "Sustainability" as a key skill for evaluating our business and measures from an ESG perspective in order to contribute to the sustainable development of global society.
Risk Management	To become a "company that can compete on the world stage," we believe that identifying, evaluating, and appropriately managing increasingly complex and diverse global risks will enhance the quality of management decision-making and drive corporate value enhancement. Therefore, we have identified "Risk Management" as a key skill for evaluating measures to mitigate losses or impacts from unforeseen events.
Finance/ Accounting/ Capital Markets	We aim to maximize corporate value in line with the expectations of investors and capital markets. Therefore, we have identified "Finance/Accounting/Capital Markets" as a key skill, encompassing the ability to quantitatively assess management decisions and expertise in dialogue with investors.
Innovation	We aim to be a "company that contributes to a sustainable global society," with a strong focus on enhancing our capability to create innovations and to develop new businesses. Therefore, we have identified "Innovation" as a key skill, requiring expertise and experience in new business promotion, technological development, and business model transformation.
Personnel Development/ Corporate Culture	We aim to develop autonomous, creative, and active human resources and culture, guided by our Purpose, which is to "change society through the power of chemistry." Therefore, we have identified "Personnel Development/Corporate Culture" as a key skill encompassing understanding the importance of recruiting and developing a diverse, competitive workforce with shared values, as well as fostering a corporate culture, and knowledge and experience in organizational management.
Legal/Compliance	We position safety and compliance as the foundations of our business operations, and we aim to gain credibility through responsible business management by appropriately addressing the increasingly complex global legal and regulatory requirements. Therefore, we have identified "Legal/Compliance" as a key skill, requiring deep expertise and experience in legal and compliance areas.

Directors and Audit & Supervisory Board Members



Hidehito Takahashi

Skills possessed

Representative Director, President and Chief Executive Officer (CEO)

He joined the then Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd .) in 1986. He has held management positions at GE Japan Holding Corporation and several other foreign companies. Having joined the Company in 2015, he has been promoting the Company's growth strategy as the Chief Strategy Officer (CSO) since 2020. Since 2022, he has overseen the company-wide management strategy as Representative Director and Chief Executive Officer (CEO) and completed the integration with Hitachi Chemical. He leads Team Takahashi with ample knowledge and practical experience in business, leadership, and execution skills.

Term of office as Board Director:
9 years
Attendance at BoD meetings in 2025:
12/12

Please see the website for profile WEB



Kohei Morikawa

Skills possessed

Board Director, Chairman of the Board / President of the Chemical Society of Japan

He joined Showa Denko K.K. (currently the Company) in 1982. After being in charge of the R&D and business units for specialty chemicals and high-purity gases for semiconductors, he was appointed as Chief Technology Officer (CTO). From 2017, he oversaw company-wide management strategy as the Representative Director and Chief Executive Officer (CEO). He has knowledge and experience in the technology and markets of functional chemicals that the Company focuses on. He has been promoting reform of the Board of Directors to enhance its monitoring function since 2022, as the Chairman of the Board.

Term of office as Board Director:
10 years
Attendance at BoD meetings in 2025:
12/12

Please see the website for profile WEB



Hideki Somemiya

Skills possessed

Board Director, Chief Financial Officer (CFO)

He joined Nomura Research Institute, Ltd. in 1990. He has advanced expertise and extensive practical experience in corporate finance and accounting based on his track record as a financial officer at foreign investment banks and Sony Corporation. He also led strategies and business related to semiconductors and system solutions at Sony. Since joining former Showa Denko in October 2021, he has been implementing financial and accounting strategies to improve profitability and corporate value.

Term of office as Board Director:
4 years
Attendance at BoD meetings in 2025:
12/12

Please see the website for profile WEB



Tomomitsu Maoka

Skills possessed

Board Director, Chief Strategy Officer (CSO), Chief Risk Management Officer (CRO)

He joined A.T. Kearney, Inc. in 1999. He joined Renesas Electronics Corporation in 2013 after serving as a strategy and business manager at foreign companies. He has accumulated a track record in a number of corporate planning and China business management executive positions, and possesses advanced expertise and extensive practical experience in management strategy and global management of technology companies. Since joining former Showa Denko in October 2021, he has been promoting the advancement of management strategy and risk management, as well as global expansion.

Term of office as Board Director:
4 years
Attendance at BoD meetings in 2025:
12/12

Please see the website for profile WEB



Nori Imai

Skills possessed

Board Director, Chief Human Resource Officer (CHRO)

She joined former Hitachi Chemical in 1995. In addition to sales experience in the U.S., she has experience in multiple businesses and corporate planning. She served as a leader from Hitachi Chemical during the integration of the two companies. Since 2022 after the effective integration, she has been leading the permeation of Purpose and Values, integration of HR systems and personnel systems, and laying the foundation for cultural transformation as the Chief Human Resource Officer (CHRO).

Term of office as Board Director:
2 years
Attendance at BoD meetings in 2025:
12/12

Please see the website for profile WEB



Toshiharu Kato

Skills possessed

Full-time Audit & Supervisory Board Member

He has been involved for many years in the corporate planning department as well as in the finance and accounting departments both in Japan and overseas, and since 2017, he has served as the Chief Financial Officer (CFO), overseeing the finance and accounting departments. He has ample knowledge and extensive practical experience in management, finance, and accounting.

Term of office as A&S Board Member: **7 years**
Attendance at BoD meetings in 2025: **12/12**
Attendance at A&S Board meetings in 2025: **14/14**



Mitsuo Katayose

Skills possessed

Full-time Audit & Supervisory Board Member

He joined former Hitachi Chemical in 1987. He was involved in R&D in the electronics materials area, functional materials business planning, and the automotive parts business, and led the creation of new businesses and products as Chief Technology Officer (CTO). After integration, as General Manager of the High Performance Materials Business Headquarters, he has promoted the integration of both companies' materials businesses and the creation of technical synergies. He has the ability, knowledge, and broad experience to perform audits of business operations in an accurate and fair manner.

Term of office as A&S Board Member: **2 years**
Attendance at BoD meetings in 2025: **12/12**
Attendance at A&S Board meetings in 2025: **14/14**

Corporate Officers

President

Hidehito Takahashi — Chief Executive Officer (CEO)

Executive Vice President

Hiroyuki Yamashita — General Manager, Electronics Business Headquarters, Resonac Corporation

Managing Corporate Officer

Hideki Somemiya — Chief Financial Officer (CFO)

Managing Corporate Officer

Tomomitsu Maoka — Chief Strategy Officer (CSO) / Chief Risk Management Officer (CRO)

Nori Imai — Chief Human Resource Officer (CHRO)

Corporate Officers

Shigeru Fujita — Chief Marketing Officer (CMO)

Nami Matsuko — Chief Sustainability Officer (CSuO)

Corporate Officers

Naobumi Shimpo — Chief Operations, Manufacturing and Engineering Officer (CMEO) / Chief Quality Officer (CQO)

Masato Fukushima — Chief Technology Officer (CTO)

Satoshi Hara — General Manager, Mobility Business Headquarters, Resonac Corporation

Takafumi Sakurada — General Manager, High Performance Materials Business Headquarters, Resonac Corporation

Hidenori Abe — CTO for Semiconductor Materials

Minoru Nomaru — Chief Digital Information Officer (CDIO)

Sustainability Advisors

Based on the expectations of investors and other stakeholders, we have appointed Sustainability Advisors to provide advice and evaluations on sustainability to our executives and Board of Directors, with the aim of contributing to the enhancement of the Group's corporate value.

Advisors are responsible for providing reference opinions when executives submit proposals and reports to the Board of Directors, offering expert advice upon request from the Board of Directors, evaluating and advising on executive policies, strategies, and initiatives, and providing expertise in the field of sustainability. The aim of this is to improve the effectiveness of the Board of Directors' monitoring of non-financial areas.

Our Sustainability Advisors(from the left)

- Norihiro Itsubo: Professor, Department of Resources and Environmental Engineering, School of Creative Science and Engineering, Faculty of Science and Engineering, Waseda University
- Naoya Hasegawa: Professor, Faculty of Sustainability Studies, and Graduate School of Public Policy and Social Governance, Hosei University
- Minoru Matsubara: Chief Sustainability Officer and Managing Executive Officer, Resona Asset Management Co., Ltd.



Corporate Governance

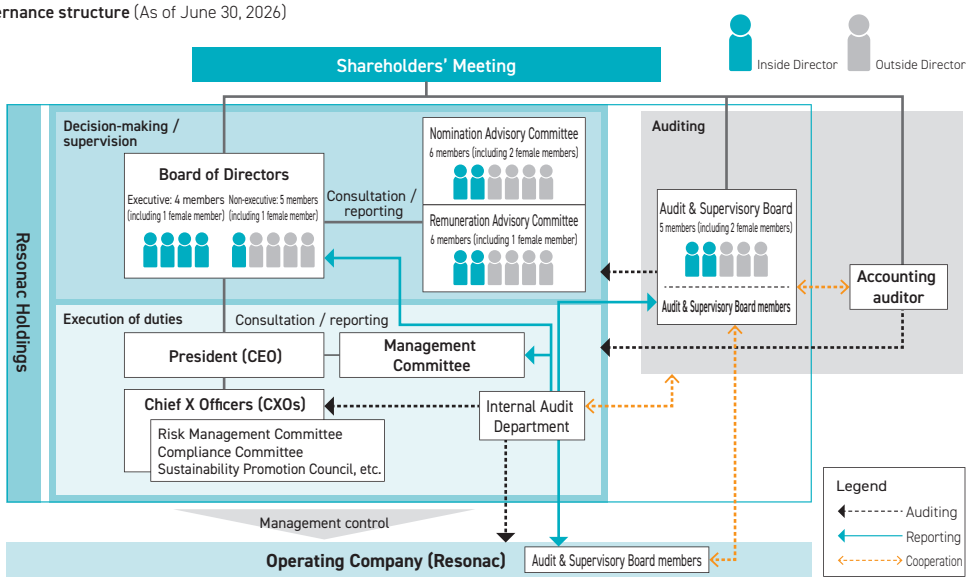
Please also read the "Corporate Governance" page on our website.

Basic Policies

Resonac believes in the importance of continuously enhancing its corporate governance in terms of supporting efforts to create functions required of the times as an advanced materials partner; contributing to the sustainable development of global society; and realizing the Group's Purpose of "Change Society through the Power of Chemistry."

The company shall ensure the soundness, effectiveness and transparency of management and swift decision-making. The Company shall also build a system that allows us to demonstrate our corporate value and fully take advantage of our resources, with a focus on objectives such as strengthening our management and technological foundations and improving the capabilities and motivation of our employees.

Corporate governance structure (As of June 30, 2026)



Board of Directors

Chairperson: Inside director not in charge of business execution
Meeting frequency: Once a month in principle

Audit & Supervisory Board

Chairperson: Inside full-time Audit & Supervisory Board member
Meeting frequency: Once a month in principle

Nomination Advisory Committee

Chairperson: Outside director
Meeting frequency: 5 or 6 times a year

Remuneration Advisory Committee

Chairperson: Outside director
Meeting frequency: 3 or 4 times a year

Management Committee

President, CXOs, and division heads whose presence on the committee is deemed necessary by the president

Chairperson: President
Meeting frequency: Twice a month in principle

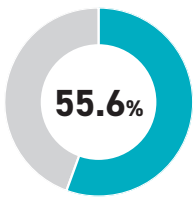
Ratio of Outside Directors



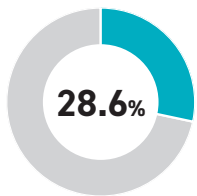
Ratio of Outside Officers (Directors, Audit & Supervisory Board members)



Ratio of Directors Not in Charge of Business Execution



Ratio of Female Officers (Directors, Audit &Supervisory Board members)



Evaluation of the Board of Directors' Effectiveness

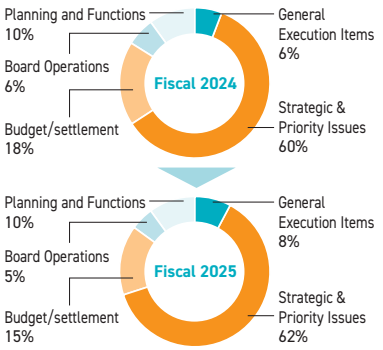
Evaluation method

The Company evaluates the effectiveness of the Board of Directors every year, aiming to strengthen corporate governance and further improve the effectiveness of the Board of Directors in future fiscal years. To be specific, in December 2025, the Company surveyed respective Directors and Audit & Supervisory Board members through anonymous questionnaires and free descriptions to evaluate the effectiveness of the Board of Directors in fiscal 2025. Then, in March 2026, the Board of Directors held a meeting for all directors and Audit & Supervisory Board members to discuss the collected self-evaluation results and the discussions on the Board of Directors reform held in fiscal 2025, create a summary of the evaluation results for fiscal 2025, and formulate an action plan for fiscal 2026. Note that we have outsourced the questionnaire survey and aggregation of the results to an outside institution in order to ensure its objectivity and enhance future effectiveness of the Board of Directors.

Evaluation Results (Actions Taken in 2025)

The issues identified in the effectiveness evaluation for fiscal 2024	● While there are voices expressing appreciation for efforts to optimize the agenda in terms of the appropriateness of proposals, there is also a call for further enhancement of strategic discussions over the medium to long term. ● Feedback on investor opinions and the sharing of information from advisory committees has received mixed evaluations among members. There are calls for improvements in the quantity and quality of information, opportunities for better understanding of the Company, and collaboration with various organizations. ● Although a common understanding has been established regarding the role that the Board of Directors should fulfill, there is a significant disparity in evaluations of the Board's composition between internal and external directors, with calls for discussions on independence and diversity.
Action plan for fiscal 2025	1. Focus on enhancing the functions of the Board as a monitoring body by optimizing the agenda centered around sustainability, portfolio management, and risk management. 2. Enhance the effectiveness of the Board of Directors through ongoing improvements in communication opportunities and information-sharing mechanisms. 3. Continue discussions regarding the structure and functioning of the Board of Directors, including its composition
Initiatives taken in fiscal 2025	1-1. The Board of Directors sets agendas aligned with its oversight responsibilities, including sustainability, portfolio management, and risk management. 1-2. For matters such as business restructuring, the Board ensures timely agenda scheduling by utilizing informal reporting sessions to supplement formal deliberations. 1-3 The Board has established three dedicated opportunities for in-depth discussion regarding the Long-Term Vision, which forms the core of the Company's medium- to long-term strategy. 2-1. The Board has enhanced its advance briefing process by expanding the scope of prior explanations, promptly sharing discussion content with all members, and ensuring comprehensive supplementary explanations during Board meetings. 2-2. Minutes of advisory committee meetings are shared with all Board members, and the practice remains in place for committee chairpersons to report key discussion points during Board meetings. 2-3. The Board continues to facilitate regular dialogue between the Accounting Auditor and Outside Directors. 2-4. The Board maintains the practice of holding meetings (including lunch meetings) attended exclusively by Outside Officers. 2-5. The Board enhances the substance of feedback provided based on the views and opinions of investors. 3-1. To further improve the depth of deliberations, the Board continues to utilize "Deliberation Items," a dedicated agenda category introduced in fiscal 2024. 3-2. Through these "Deliberation Items," the Board engages in high-level discussions regarding its own composition and institutional design --including the optimal ratio of Outside Directors --to foster a shared strategic vision among all members.

Changes in the characteristics of matters discussed at the Board of Directors' meetings from fiscal 2023 to fiscal 2025



[Composition of discussion]
Strategic topics and key challenges* account for 60% of the agenda, aligning with the direction toward "strengthening supervisory functions."
*Strategic topics and key challenges business unit strategies, key CXO issues, and matters related to portfolio management, sustainability, risk management, and governance

Action plan for fiscal 2026 based on the effectiveness evaluation of the Board of Directors for fiscal 2024 is as follows.

Challenges identified in the effectiveness evaluation of the Board of Directors for fiscal 2025	● The Board's operations, including the conduct of meetings and the responsiveness of the Secretariat, continue to receive high evaluations and remain highly regarded for their overall effectiveness. ● Regarding the appropriateness of agenda items and the follow-up on discussed matters, many Board members recognize steady progress and improvements. Concurrently, it is acknowledged that there remains room for further enhancement in these areas. ● Regarding the provision of feedback on investor perspectives --which previously saw lower scores and wider variance --both the overall evaluation and the consistency of scores have improved. Nevertheless, the Board recognizes the need for ongoing improvement in the quality and depth of this feedback. ● Further enhancements are sought in information sharing among advisory committees. The Board also identifies a need for stronger collaboration among Outside Officers, the Audit & Supervisory Board, and the Accounting Auditor.
Action plan for the Board of Directors for fiscal 2026	1. The Board will continue to optimize its agenda --with a focus on sustainability, portfolio management, and risk management --to further strengthen its oversight function as a monitoring board. Through these efforts, the Board remains committed to deepening the quality and substance of its deliberations. 2. The Board will further enhance its overall effectiveness by continuously improving various communication channels and information-sharing mechanisms, ensuring a robust framework for informed decision-making.

Corporate Governance

Information sharing and dialogue with outside directors

With the aim of further improving its effectiveness, the Board of Directors also holds lunch meetings and plant visits, among other measures, to increase opportunities for information sharing and dialogue. In October 2025, a Board of Directors meeting was held at the Packaging and Power Solution Center (Shinkawasaki) to provide outside officers with an opportunity to deepen their understanding of the Electronics Business. A report on the long-term strategy for the Electronics Business was presented during the Board meeting. After the meeting, participants toured the clean room facilities and engaged in a lively Q&A session.



Site Visit by Outside Directors

Nomination Process

Approach to nomination

In electing and nominating candidates for Directors, the Nomination Advisory Committee, an advisory body to the Board of Directors, that consists of a majority of independent outside directors shall deliberate matters related to nomination and report the results of its deliberation to the Board of Directors. Candidates for Audit & Supervisory Board members shall have the knowledge, expertise and capabilities required to fulfill their duties, including those with strong expertise in finance and accounting.

Composition of the Nomination Advisory Committee

Chairman: Tetsuo Tsuneishi (Outside Director)	**Members: Hidehito Takahashi (Representative Director; President and Chief Executive Officer)** **Nori Imai (Board Director)** **Kenji Yasukawa (Outside Director)** **Masaru Onishi (Outside Director)** **Izumi Sakakibara (Outside Director)**

The meeting was held six times from April 2025 to March 2026, and all members attended all meetings.

Selection criteria for directors

- Directors must possess deep knowledge and insights, strong sense of ethics, and fair and impartial judgment required to fulfill their duty of enhancing corporate value over the short, medium, and long term.
- Directors must be of excellent character, possess a strong will to fulfill their duties, and be able to maintain a healthy mind and body.
- Directors must be able to secure the time and effort necessary to properly fulfill their roles and responsibilities.
- The appointment of such directors must help maintain diversity in the expertise, experience and attributes of the Board of Directors and ensure efficient and effective corporate governance.

Additional selection criteria for outside directors

- Outside directors must supervise the management of the Group and conflicts of interest between the Company and the management team, and be able to provide appropriate advice on business execution.
- Outside directors must meet the independence criteria for outside officers established by the Company.
- In principle, the term of office shall be no more than four years. If the term of office is to be extended beyond this period, a request must be made by the Nomination Advisory Committee and the relevant outside director must consent to it.

Dismissal of the CEO or other members of management

If any concern arises that a director may fall under the criteria for dismissal, the Nomination Advisory Committee shall investigate and deliberate the matter and report the results to the Board of Directors, which shall then make a final decision to present the matter as a proposal for the General Meeting of Shareholders.

Implementing a succession plan

The Company is conducting company-wide talent reviews, at the Groupwide and global levels, to cultivate the future leaders who will be necessary to advancing its growth strategies.

The Nomination Advisory Committee discusses and confirms the viability of management's selection of potential successors and its formulation of development processes. The Board of Directors continually monitors all succession planning initiatives based on reports from the Committee.

Officer Remuneration

Basic policies on remuneration

The policy for determining the amount of remuneration and number of shares to be granted to respective directors of the Company is established by the Board of Directors after the Remuneration Advisory Committee, comprising a majority of outside and independent officers, deliberates on the appropriateness of the policy each fiscal year. While deliberating, the Remuneration Advisory Committee considers consistency with the Policy for Determining Remuneration for Directors and Corporate Officers, the evolving business environment, and feedback from shareholders and investors. Additionally, it sources essential information for its discussions from third-party organizations with extensive global experience and knowledge.

Composition of the Remuneration Advisory Committee

Chairman: Kenji Yasukawa (Outside Director)	**Members: Hidehito Takahashi (Representative Director; President and Chief Executive Officer) Hideki Somemiya (Board Director) Tetsuo Tsuneishi (Outside Director) Masaru Onishi (Outside Director) Izumi Sakakibara (Outside Director)**

The meeting was held five times from April 2025 to March 2026, and all members attended all meetings.

Primary roles and authority of the Remuneration Advisory Committee

Matters to be resolved	Matters to be deliberated or confirmed
● Basic compensation for individual directors ● Targets and evaluation of performance indicators associated with short-term incentives (STIs) for directors, and amounts paid to individual directors ● Position-based standard points, performance indicator targets and evaluations, and the number of earned points and shares to be delivered to individuals associated with directors' stock-based compensation (PSUs and RS)	● Policy for determining the remuneration for directors and corporate officers ● Details of remuneration for respective corporate officers (excluding those concurrently serving as directors) ● Formulation, amendment, or revocation of significant company rules and procedures related to remuneration for directors and corporate officers, along with descriptions presented in important public announcements and other relevant communications

*1 PSU: Performance share unit *2 RS: Restricted stocks

In order to appropriately fulfill its roles and exercise authority when deliberating and making decisions, the Remuneration Advisory Committee carefully considers consistency with the Policy for Determining Remuneration for Directors and Corporate Officers, while also accounting for the evolving business environment and feedback from shareholders and investors. Furthermore, the Committee obtains information, advice, and other insights necessary for its deliberations from Towers Watson Co., Ltd., a third-party organization with a wealth of international experience and knowledge.

Compensation consultants from Towers Watson were present at two out of the five meetings of the Remuneration Advisory Committee throughout the period. The Remuneration Advisory Committee reported the matters deliberated upon or resolved to the Board of Directors in a timely and appropriate manner during the period. Accordingly, the Board of Directors is confirming the reasonableness and appropriateness of the reported matters.

Matters discussed, etc.

Time of meeting and matters discussed	Participants
April 2025 ● Following approval of the compensation revision proposal at the 116th Ordinary General Meeting of Shareholders, we determined the individual standard compensation amounts and the number of LTI standard points to be granted to each director for fiscal 2025 based on the revised Policy for Determining Remuneration for Directors and Corporate Officers. July 2025 ● Examined operational procedures for setting targets and conducting the evaluation process for individual performance (performance indicators for STI) to facilitate more efficient decision-making by the Remuneration Advisory Committee. November 2025 ● Collected and analyzed the latest developments in executive compensation at companies in Japan and overseas and reviewed recent market trends. ● Compared the remuneration levels and remuneration structure for executive directors and corporate officers with those of major manufacturing companies with global businesses as their core operations, verified their appropriateness, and confirmed that the revised remuneration system remains appropriate (also confirmed that no revisions will be made in fiscal 2026). ● Compared the remuneration levels and remuneration structure for outside directors with those of major companies (across all industries) with global businesses as their core operations, verified their appropriateness, and confirmed that the revised remuneration system remains appropriate (also confirmed that no revisions will be made in fiscal 2026). January and March 2026 ● Determined the individual standard compensation amounts and the number of LTI standard points to be granted to each director for fiscal 2026. ● For PSU for fiscal 2023, determined the number of Company shares and the amount of cash to be granted to each director based on the TSR evaluation for the three-year period from January 2023 through December 2025. ● Determined the evaluation of the performance indicators for the fiscal 2025 STI (companywide performance and personal performance), as well as the STI amount and the number of shares of restricted stock to be granted under the fiscal 2025 performance-linked RS plan.The process of personal performance evaluations for each evaluated director (President and CEO, CFO, CSO/CRO, CHRO) began with an initial assessment by the President and CEO (including a self-evaluation for the President and CEO). The final evaluations were then conducted through deliberation and confirmation of their appropriateness. ● Discussed and determined the targets for the performance indicators for the fiscal 2026 STI (companywide performance and personal performance) and the targets for the performance indicators (sustainability indicators) for the fiscal 2026 performance-linked RS plan. Deliberated and confirmed the appropriateness of personal performance targets after receiving explanations from each director (President and CEO, CFO, CSO/CRO, CHRO) who were under evaluation. Confirmed the appropriateness of the executive remuneration disclosure in the fiscal 2025 Business Report and Securities Report from the perspective of enhancing disclosure to shareholders and investors and improving clarity.	All members (excluding newly appointed members)

Corporate Governance

Details of remuneration for Directors and Corporate Officers for fiscal 2025

Remuneration of Directors and Audit & Supervisory Board members

Category	Total amount paid (Millions of yen)	Total amount paid by remuneration type (Millions of yen)					Number of recipients
		Basic compensation	Short-term incentive (STI)	Stock-based compensation I (PSUs)	Stock-based compensation II (RS)		
					Performance-linked	Non-performance-linked	
Directors	1,222	381	164	512	144	20	11
Outside directors	82	77	—	—	—	5	6
Audit & Supervisory Board members	127	127	—	—	—	—	5
Outside Audit & Supervisory Board members	50	50	—	—	—	—	3

*1 The amounts of basic compensation and STI are the total amount of compensation paid in fiscal 2025 (all monetary remuneration).
*2 Short-term incentive (STI), stock-based compensation I (PSUs), and performance-linked stock-based compensation II (RS) constitute performance-linked remuneration, while stock-based compensation I (PSUs) and stock-based compensation II (RS) constitute non-monetary remuneration.
*3 The amount of STI above is the total amount of compensation paid in March 2025 (all monetary remuneration), based on the performance and other results achieved during fiscal 2024.
*4 The amount of stock-based compensation I (PSUs) is the total amount expensed in fiscal 2025. Under the PSU plan, the number of shares of the Company's stock determined based on the results of the three-year TSR (Total Shareholder Return) evaluation will be promptly delivered after the end of the three-year TSR evaluation period (a certain percentage (50%) of the determined number is paid in cash at fair market value). For the PSU management, we utilize the stock benefit trust of Mizuho Trust & Banking Co.
*5 The amount of stock-based compensation II (RS) is the total amount expensed in fiscal 2025. The RS granted to executive directors is performance-linked. Each fiscal year, the number of shares of the Company's stock determined based on the results of the sustainability evaluation is granted subject to transfer restrictions until the recipient's resignation (a certain percentage (30%) of the determined number is retained as points and paid in cash at fair market value at the time of resignation). The Chairman of the Board and outside directors receive RS without performance conditions following the end of each fiscal year, with the transfer restrictions lifted at the time of resignation (no cash settlement is made). For the RS management, we utilize the stock benefit trust (BBT-RS) of Mizuho Trust & Banking Co.
*6 The amount of remuneration for directors from fiscal 2022 onward was resolved at the 113th Ordinary General Meeting of Shareholders held on March 30, 2022, and the details are as presented below. The STI and LTI amounts are paid to directors (excluding outside directors).

Category	Date of resolution of the General Meeting of Shareholders	Monetary remuneration (Basic Compensation + STI)	Stock-based compensation (LTI:BBT)		Number of applicable persons
			Contribution amount	Points granted	
Directors	March 30, 2022 The 113th Ordinary General Meeting of Shareholders	Up to ¥850 million per year (of which, outside directors: ¥100 million)	3 fiscal years Up to ¥1.35 billion	1 fiscal year Up to 410,000 points	10 (of which, 4 outside directors)

* The amount of remuneration for directors from fiscal 2025 onward was resolved at the 116th Ordinary General Meeting of Shareholders held on March 26, 2025, and the details are as presented below. For STI and BBT, the amount is for executive directors. BBT-RS is a stock benefit trust with Mizuho Trust & Banking Co. related to newly introduced restricted stock (RS), and is available to all directors (including non-operating executive and outside directors).

Category	Date of resolution of the General Meeting of Shareholders	Monetary remuneration (Basic Compensation + STI)	Stock-based compensation (LTI:BBT and BBT-RS)		Number of applicable persons
			Contribution amount	Points granted	
Directors	March 26, 2025 The 116th Ordinary General Meeting of Shareholders	Up to ¥1.1 billion per year (of which, outside directors: ¥150 million)	3 fiscal years Up to ¥2.2 billion per year (of which, outside directors: ¥100 million)	1 fiscal year Up to 410,000 points (of which, outside directors: 20,000 points)	9 (of which, 4 outside directors)

* The amount of remuneration for Audit & Supervisory Board members was resolved at the 96th Ordinary General Meeting of Shareholders held on March 30, 2005 to be no more than ¥12 million per month. The number of Audit & Supervisory Board members as of the close of the said General Meeting of Shareholders was four including two outside member of Audit & Supervisory Board.

Individual remuneration amounts (limited to the President and CEO or those with a total amount of remuneration paid by the Group of ¥100 million yen or more)

Principal position and name during fiscal 2025	Total amount paid (Millions of yen)	Total amount paid by remuneration type (Millions of yen)					Company category
		Basic compensation	Annual bonus (STI)	Stock-based compensation I (PSUs)	Stock-based compensation II (RS)		
					Performance-linked	Non-performance-linked	
Representative Director, President and CEO Hidehito Takahashi	517	100	80	241	97	—	Resonac Holdings
Board Director, Chairman of the Board Kohei Morikawa	183	54	—	114	—	15	Resonac Holdings
Board Director, CFO Hideki Somemiya	157	50	28	63	16	—	Resonac Holdings
Board Director, CSO/CROBoard Director, CSO/CRO Tomomitsu Maoka	157	50	28	63	16	—	Resonac Holdings
Board Director, CHRO Nori Imai	151	50	28	57	16	—	Resonac Holdings

Please see page 89-90 of our securities reports for the calculation method and evaluation results of performance-linked compensation for fiscal 2025. (in Japanese only)

Policy for Determining Remuneration for Directors and Corporate Officers for fiscal 2025 and changes thereto

Method for determining the Policy for Determining Remuneration for Directors and Corporate Officers

The policy for determining the remuneration for respective directors of the Company is established by the Board of Directors after the Remuneration Advisory Committee, comprising a majority of outside and independent directors, deliberates on the appropriateness of the policy each fiscal year. While deliberating, the Remuneration Advisory Committee considers the evolving business environment, along with feedback from shareholders and investors. Additionally, it sources essential information for its discussions from third-party organizations with extensive global experience and knowledge.

Policy for determining the remuneration for directors and corporate officers

Basic policies

[Directors (excluding outside directors)]

- Establish a remuneration scheme appropriate for recruiting and retaining talented human resources from inside and outside Japan suited to a World-Class Functional Chemical Company
- Incentivize them to achieve performance targets and increase medium- to long-term corporate value, thereby driving the sustainable growth of the Group
- Maintain a transparent, fair, and rational process for deciding remuneration from the viewpoint of accountability to all shareholders including stakeholders

[Outside directors]

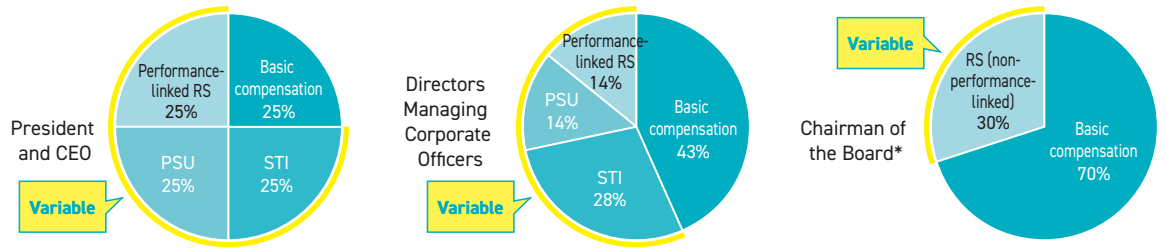
- A remuneration scheme appropriate for the role and responsibility of supervising management from an independent and objective standpoint, and providing advice on management that is conscious of enhancing corporate value over the medium to long term

Composition and levels of remuneration

[Directors (excluding outside directors)]

- The remuneration of directors (excluding outside directors) consists of basic compensation (fixed compensation) based on the position, a short-term incentive (STI) tied to annual performance, and a stock-based compensation (LTI) contingent upon medium- to long-term performance and corporate value. Stock-based compensation (LTI) consists of performance share units (PSUs), in which common stock of the Company is delivered according to business performance and stock price over a three-year period, and performance-linked RS, in which restricted stock (RS) is delivered based on annual sustainability evaluations.
- Remuneration levels and the ratio of variable compensation (STI and LTI) to total compensation are established at appropriate amounts and ratios, aligning with benchmarks from other companies (comparison with major manufacturing companies with global operations at their core) based on surveys conducted by external specialized organizations. Given the substantial responsibility for business performance and stock price, the proportion of variable compensation will be set higher for higher-ranking positions.
- Notwithstanding the above, remuneration for the Chairman of the Board, and other non-executive internal directors will be individually determined according to their respective roles and responsibilities. If their principal role and responsibility is the oversight of management, performance-linked STI and LTI will not be paid.

Composition of remuneration for directors (standard amount) for fiscal 2026



* Remuneration for the Chairman of the Board, whose primary role is to oversee management (in their capacity as chairperson), will consist of base remuneration and Restricted Stock (RS) without performance conditions. Transfer restrictions for RS will be lifted upon resignation.
* As figures are rounded to the nearest whole number, the sum of each column may not add up to 100%.

[Outside directors]

- Compensation for outside directors consists of basic compensation (fixed compensation) and restricted stocks (RS) not subject to performance conditions.
- The members and chairman of the Remuneration Advisory Committee or the Nomination Advisory Committee receive additional allowances corresponding to their designated duties.
- RS shall be approximately 10% of basic remuneration (excluding allowances for committee members and chairpersons).
- The levels of remuneration are established at appropriate amounts, considering the time and efforts spent by each outside director to fulfill their expected roles and functions, as well as benchmarks from other companies (comparison with major companies across all industries with global operations at their core) based on surveys conducted by external specialized organizations.

Corporate Governance

Short-term Incentive (STI)

The amounts to be paid to individuals as STI are calculated by multiplying the position-based standard amount by two factors: (1) companywide performance evaluation coefficient (evaluation ratio of 70%); and (2) personal performance evaluation coefficient (evaluation ratio of 30%). This approach aims to enhance incentives for achieving companywide performance targets. The performance evaluation coefficient ranges from 0% to 200%, based on performance results and other factors.

Individual amount granted as STI = Position-based standard amount × ((1) Companywide performance evaluation coefficient + (2) Personal performance evaluation coefficient)

Key performance indicators (KPIs) used to calculate the companywide performance evaluation coefficient and the personal performance evaluation coefficient are selected from the financial and strategic indicators prioritized by the Company to achieve its Long-Term Vision.

Key Performance Indicators (KPIs) for the fiscal 2026 STI

	KPIs	Evaluation weight	Reasons for selection
①Company-wide performance evaluation	EBITDA*1	20%	**Indicators for becoming a World-Class Functional Chemical Company** Through business growth centered on electronics + innovation and structural reform, we aim for scale and profitability appropriate for a company that can compete on the world stage.
	EBITDA margin to sales*2	30%	
	ROIC*3	20%	**Indicators for maximizing corporate value and profit distribution to shareholders** In addition to fitness for strategy and best owner, encourage management that is more aware of discipline (profitability and capital efficiency), aiming to further enhance portfolio management and improve medium- to long-term ROE.
②Personal performance evaluation	Endeavors aligned with the Long-Term Vision, actions to resolve sustainability issues, and more.	30%	Strongly encourage management from a long-term perspective to attain sustainable growth of the Company

*1 EBITDA = Core operating profit + Depreciation and amortization
*2 EBITDA margin to sales = EBITDA ÷ Consolidated revenue
* When evaluating performance for 1 and 2 above, the exchange rates used for full-year forecasts for fiscal 2026 (announced on February 13, 2026) are applied to make a foreign currency adjustment.
*3 ROIC = (Core operating profit ± Equity in earnings of unconsolidated subsidiaries and affiliates − Income taxes expense) ÷ (Interest-bearing debt + Total equity)

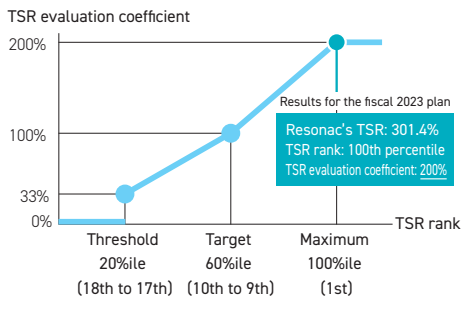
Performance Share Unit (PSU)

Our PSU system is designed to deliver a certain number of shares calculated by multiplying the standard points based on the position-based standard amount by a coefficient (0% to 240%) corresponding to the Company's TSR (Total Shareholder Return) over a three-year period, with the aim of enhancing corporate value in the medium to long term.

The TSR evaluation coefficient will be determined by comparing Resonac's three-year TSR with our ranking within the domestic peer group (chemical and textile companies of similar size or larger that operate a similar business model to Resonac) and with the growth rate of a stock index composed of chemical companies in Europe and the U.S. The target for the Company's TSR ranking within the domestic peer group is set at or above the median, consistent with the Long-Term Vision: "TSR: Aim to rank among the chemicals industry's top 25% over the medium to long term." To ensure objectivity and transparency, benchmark indices that are widely recognized among shareholders and investors will be selected as stock indices in Europe and the U.S. The adjustment coefficient based on a comparison with major stock market indices in Europe and the U.S. was introduced beginning with the fiscal 2025 plan.

Fiscal 2026 PSU plan (Evaluation period: January 2026 to December 2028)

TSR evaluation index = **Comparison with domestic peer group*1** × **Comparison with major European and U.S. stock indices*2**



*1 Chemical and textile companies of similar size or larger that operate a similar business model to Resonac (22 companies)

TSR ÷ Index growth rate (European/U.S. average)	Adjustment coefficient
120% or more	120%
110% - 120%	110%
90% - 110%	100%
80% - 90%	90%
Less than 80%	80%

*2 The growth rate of the STOXX Europe 600 Chemicals index will be used for Europe, and the growth rate of the S&P 500 Chemicals (Industry) index will be used for the U.S.

The TSR evaluation coefficient (actual figure) for the fiscal 2023 LTI was 200%, based on our TSR (301.4%) for the three years spanning January 2023 to December 2025 and our ranking among 22 companies in the chemical and textile industries (100th percentile, exceeding first place among the 22 companies).

TSR benchmarks (22 companies)

Chemical
- Mitsubishi Chemical Group
- SUMITOMO CHEMICAL
- Asahi Kasei
- Kao
- Mitsui Chemicals
- Shiseido
- Nippon Paint Holdings
- Nitto Denko
- Tosoh
- DIC
- FUJIFILM Holdings
- Shin-Etsu Chemical
- SEKISUI CHEMICAL
- Nippon Paint Holdings
- AIR WATER
- Unicharm
- UBE
- MITSUBISHI GAS CHEMICAL
- KANEKA
- Kuraray

Textile
- Toray Industries
- TEIJIN

Performance-linked RS

We have introduced performance-linked RS since fiscal 2025 to strengthen management that is conscious of stock price and support the realization of the Long-Term Vision. The performance-linked RS system is designed to deliver a certain number of restricted stock (RS) calculated by multiplying the standard points based on the position-based standard amount by a coefficient based on annual sustainability evaluations. The delivered RS will be non-transferable until resignation. A certain percentage of the calculated number (currently a uniform 30%) will be retained as points and paid in cash equivalent to the market value at the time of resignation. During the transfer restriction period, points are added on the assumption that dividend equivalents on the retained portion are reinvested.

The sustainability evaluation coefficient for fiscal 2026 will be determined based on the Purpose and Values implementation score, the evaluation score for key initiatives to enhance employee engagement, and the achievement status of the number of certified Resonac Pride Products and Services*.

Number of shares delivered to individuals = Position-based standard points x Sustainability evaluation coefficient (85%–115%)

* Resonac Pride Products and Services are initiatives to demonstrate our Purpose and Values through our business. In terms of certification, we aim to integrate the points of view of third parties in evaluation from the perspectives of value provided to customers and society by changing society based on our Purpose as well as the appropriateness of Resonac's four Values, risk assessment such as product environmental assessment and reputation, future potential and impact such as sales plans and market share, and relevance to shared global goals (SDGs).
- The sustainability evaluation coefficient (actual figure) for fiscal 2025 was 105%, based on the results of items (1) to (3) below.
(1) Employee engagement score: 60% (+3 percentage points year on year)(2) Purpose implementation score: 56% (-1 percentage point year on year)Values implementation score: 63% (±0 percentage points year on year)(3) Number of certified Resonac Pride Products and Services: 7 (certification achieved across all businesses)
Note: To ensure the objectivity and fairness of the certification evaluation, the social, environmental, and customer value provided by the applicable products and services of the Company is first quantified. The evaluation then reflects dialogue with a wide range of stakeholders, including customers, investors, local communities, and governments, as well as multifaceted risk assessments and advice from the Sustainability Advisors (three external experts), and is finalized following deliberation by the Sustainability Promotion Council.

Restricted stocks (RS)

RS will be delivered to the Chairman of the Board (inside director) and outside directors each fiscal year (after the end of each fiscal year) to encourage them to supervise and advise management with a focus on enhancing corporate value over the medium to long term. The delivered RS will be non-transferable until resignation. RS delivered to outside directors shall be approximately 10% of basic compensation (excluding allowances for committee members and chairpersons).

Adjustment of compensation, request for return of compensation, etc.

In case of deterioration in the Company's business performance, or such problems that could damage its corporate or brand value as quality issues, serious accidents, or scandals, the Company reserves the right to temporarily decrease or withhold remuneration and other benefits for directors.

Regarding the short-term incentive (STI), if temporary special factors emerge, which was not anticipated when the targets were set at the beginning of the period, individual amounts may be recalculated based on reassessed performance and other elements with the exclusion of the impact of such factors.

Regarding the short-term incentive (STI) and long-term incentive (LTI), if a director or corporate officer is involved in misconduct or if payment was made based on incorrect financial statements, the Company may nullify the right to receive associated benefits on account of such fact or demand return of compensation already paid to the individual concerned.

Cross-Shareholdings

Policy on reduction of cross-shareholdings

In principle, the Group adheres to a policy of not engaging in cross-shareholdings, and steps are currently underway to reduce existing cross-shareholdings.

Review on the appropriateness of cross-shareholdings

The Board of Directors verifies each year whether the profitability and business feasibility of holdings (listed shares) are rational given the associated capital costs.

Voting right exercise standard

When the Company exercises its voting rights of cross-shareholdings, the company shall decide approval or disapproval of each item on the agenda by examining whether the item contributes to increasing corporate value and maintaining/increasing shareholders' returns or not.

Holdings for which numbers of shares held increased in fiscal 2025*

	Holdings	Acquisition costs of additional shares (Millions of yen)	Reason for increase
Unlisted stocks	1	96	Investment to advance R&D
Stocks other than unlisted stocks	—	—	—

Holdings for which numbers of shares held decreased in fiscal 2025*

	Holdings	Sales proceeds associated with reduction in the number of shares (Millions of yen)
Unlisted stocks	12	7
Stocks other than unlisted stocks	1	166

Numbers of cross-shareholdings and amount on the balance sheet*

	Holdings	Amount on the balance sheet (Millions of yen)
Unlisted stocks	51	1,751
Stocks other than unlisted stocks	—	—

* We do not hold any listed shares as of June 30, 2026.

Risk Management



Turning Risk into a Management Tool—Offensive Risk Management

We will transform risk from a defensive consideration into a management tool. We have visualized and prioritized risks across the Company and leveraged them in our decision-making. Going forward, we will strengthen indicator management using KRIs and companywide risk visibility, while also identifying emerging risks, including AI. We will turn change into opportunity and achieve sustained improvement in competitive advantage and corporate value.

Tomomitsu Maoka, CSO/CRO

1 Achievements to date

(1) Organizational setup:Established a risk management process driven by both on-site and management perspectives
(2) Visualization and monitoring of companywide key risks:Achieved ownership by each CXO, indicator management using KRIs, and monitoring
(3) BCM / crisis response:Completed the development of BCPs for major domestic products and began training to verify their effectiveness

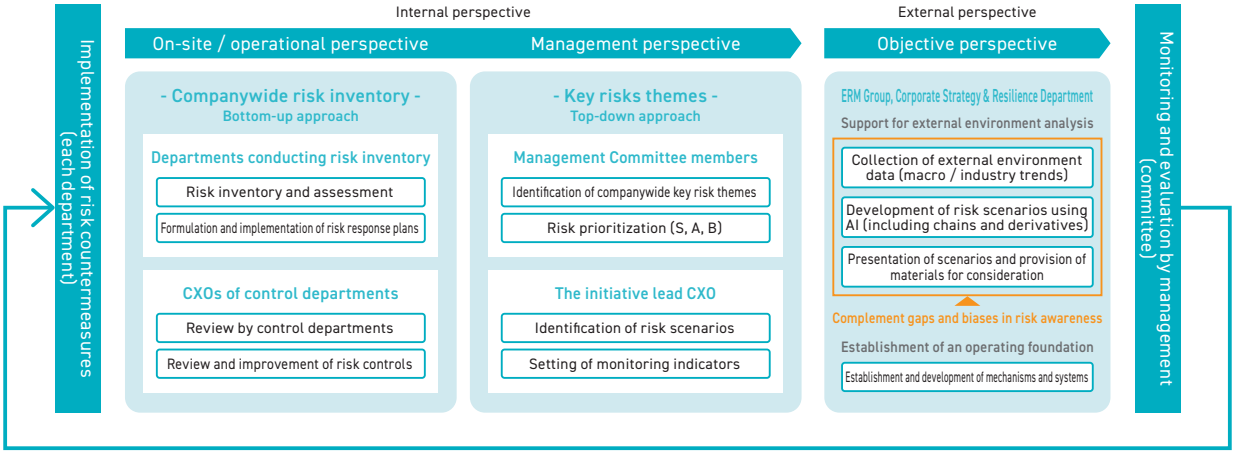
2 Moving toward using risk information in management

(1) Organizational setup: Moving to a stage of pursuing standardization and more advanced governance based on the operating model established
▶ Promoting global rollout (rollout to regional headquarters / rollout to overseas subsidiaries and associates centered on business units)
(2) Visualization and monitoring of companywide key risks: Moving to a stage where development into advanced risk management, including early warning management, is possible
▶ Refinement of risk scenarios and development of quantitative alert management systems
(3) BCM / crisis response: Moving to a stage of advancing verification of the effectiveness of crisis response and seeking to evolve into a function that supports management decision-making
▶ Refinement of business impact analysis to support crisis response decisions by management, and enhancement of BCPs

* KRIs: key risk indicators

Risk Management Process

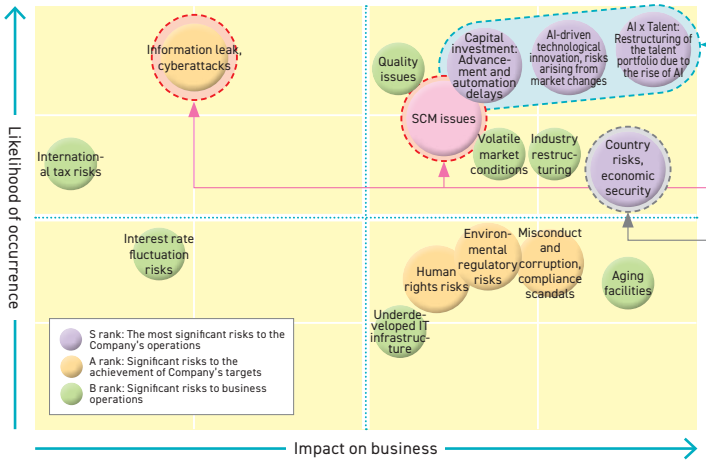
We use a process that combines a bottom-up risk inventory from an operational perspective with top-down identification of key risks from a management perspective. Identified risks are systematically mapped. We also use external environment analysis leveraging generative AI and other digital technologies to address gaps and biases in risk awareness and to develop response policies and incorporate them into management decision-making.



Response to Companywide Key Risks

We enhance risk awareness through a scenario-based approach that takes changes in the external environment into account, and reflect the results in our management strategy and business operations. At a senior executives study session held in March 2026, the Company conducted its annual review of companywide key risk themes and discussed monitoring approaches tailored to the characteristics of each theme after organizing the key issues for each risk area.

2026 companywide key risk heat map



Growth driver area

Whether we are capturing changes in market and technological environments and translating them into value creation

Foundation development area

Whether we have an operating foundation capable of withstanding external threats

Economic security area





Item	Related themes	Main issues
Growth driver area (review of risk appetite)	● AI x Talent: Restructuring of the talent portfolio due to the rise of AI ● AI-driven technological innovation, risks arising from market changes ● Capital investment delays: Advancement and automation delays	● Discussion of how increasing **AI-driven automation of patent drafting and filing** could rapidly change technology protection and the competitive landscape (e.g., rapid expansion of patent portfolios and patent infringement risks). ● **How to design data and infrastructure** was discussed as a key issue in anticipation of changes in the pace of activities from R&D through production resulting from **advances in quantum computing, physical AI, and related technologies.** ▶ **Continue close monitoring of AI-related risks as S-rank risks due to their high level of uncertainty**
Economic security area (setting directional parameters (variables))	● Country risks, economic security	● Awareness that efforts should focus on a narrower set of assumed scenarios and prioritize issues yet to be addressed. ▶ **Scenario-based analysis of specific contingency events as an S-rank risk**
Foundation development area (enhancing resilience)	● SCM issues ● Information leak, cyberattacks	● Recognition that **individual countermeasures have progressed to a certain extent and uncertainty has relatively declined**. ● Awareness that **Information leakage risks remain a key area requiring enhanced internal controls.** ▶ **Continue existing countermeasures and maintain progress management**

S-rank risks	Assumed worst-case scenario (main scenario)
AI x Talent: Restructuring of the talent portfolio due to the rise of AI	Loss of human capital and delays in adapting to AI weaken the foundations of sustainable value creation and medium- to long-term competitiveness
AI-driven technological innovation, risks arising from market changes	The widespread adoption of AI brings fundamental changes to technology strategy and intensifies competition, resulting in the loss of competitiveness as technological differentiators become standardized
Country risks, economic security	A contingency involving Taiwan simultaneously disrupts personnel, technology, information, assets, and business relationships, resulting in a severe business continuity crisis
Capital investment delays: Advancement and automation delays	Aging facilities and constrained human resources persist. Declining product competitiveness and reduced production capacity become apparent, and the high-cost structure remains unchanged
SCM issues	Supply disruptions occur, causing production and shipments to halt simultaneously across multiple businesses. Significant losses are incurred, resulting in a loss of customer trust

Risk Management

Case Study

Scenario Analysis: "AI x Talent: Restructuring of the Talent Portfolio due to the Rise of AI"

As part of our analysis of companywide key risks, we recognize the need to restructure our talent portfolio due to the rise of AI. In identifying this risk, we organized developments already underway (drivers and background factors) and changes expected within the Company (impacts and outcomes) into a dashboard, and the entire management team developed a main scenario representing the assumed worst-case scenario. We then broke it down into five individual and derived scenarios. For each scenario, we examined and established alert thresholds (KRIs) and began indicator management and monitoring.



Nori Imai
CHRO

AI and talent are both sources of risk and sources of competitive advantage. Their importance is increasing rapidly, particularly for technology- and R&D-driven companies such as Resonac.

Work is being redefined into areas "entrusted to AI," "performed collaboratively with AI," and "performed by people," making the restructuring of the talent portfolio essential.

We are first advancing skills-based talent deployment and agile organizational design. Looking ahead, one area that management intends to discuss in greater depth is reviewing the qualifications expected of future executive candidates and leaders. We aim to develop leaders who can drive co-creation through highly specialized expertise, a strong sense of mission, and the ability to bring together diverse talent.



Tomomitsu Maoka
CSO/CRO

The essence of this risk is not the delay in adapting to AI itself, but the inability of our people and organization to evolve at the pace of change. People who can drive co-creation through highly specialized expertise embody Resonac's Vision.

Every risk also presents an opportunity. Rather than viewing AI-driven talent transformation simply as a threat to be managed, we seek to reposition it as a driving force for accelerating competitive advantage by capitalizing on change.

Assumed worst-case scenario (main scenario)

Loss of human capital and delays in adapting to AI weaken Resonac's capacity for sustainable value creation and its medium- to long-term competitiveness

Individual scenarios

① Loss of core technologies together with key personnel
② Hollowing out of management
③ Skill obsolescence and delays in reskilling
④ Unsuccessful or failed AI investments
⑤ Accelerated growth in surplus personnel

Executive Crisis Response Drill

Simulation of a Major Earthquake Directly Beneath Tokyo Metropolitan Area

As part of its BCP, Resonac conducts management crisis response drills. This drill simulated a major earthquake directly beneath Tokyo metropolitan area during business hours, with a particular focus on strengthening the management team's practical decision-making and crisis leadership capabilities during emergencies. By simulating responses immediately after the earthquake and several hours later, we reinforced a shared understanding among the management team.

On the day of the drill, discussions incorporated lessons learned from past earthquakes. Participants promptly reached agreement on initial response measures and assessed the impact on each site, while anticipating the potential impacts on the Company's business over the days and weeks following the earthquake.

Going forward, we will steadily operationalize cross-departmental coordination, clarify lines of instruction, and enhance companywide information management and decision-making processes in order to build an even more effective crisis response system.

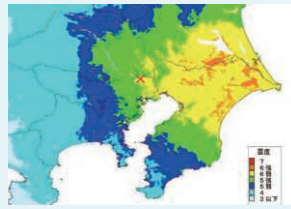


Assumed scenario

Epicenter: Chiba Prefecture (near Narita Airport)
Magnitude: M7.3
Tsunami status: No tsunami warning or advisory issued

Scenario phases

① Impact assessment (approx. 2 hours after the earthquake)
② Response strategy review (approx. 5 hours after the earthquake)



Source: Created based on the Cabinet Office's "Report of the Working Group on the Direct Hits to the Tokyo Metropolitan Area Earthquake Model"

Group Governance Initiatives

To strengthen group governance, Resonac Group regularly reviews its "Rules on Group Management" and continuously promotes the implementation of function-specific regulations established by each CXO organization across the Group worldwide. In addition, by implementing the initiatives outlined below based on a deep understanding of the specific circumstances of each domestic and overseas affiliate, we have established a governance framework that supports our affiliates while ensuring the effective and consistent execution of global policies.

Early risk detection and support framework

Resonac Group has established an "early risk detection and support framework" to identify warning signs of potential risks at its affiliates and facilitate timely and appropriate responses. Under this framework, we consolidate affiliate assessment information held by CXO organizations, including engagement survey results, workplace accident data, and cash monitoring results, and identify companies where risks may materialize through integrated analysis and visualization of a wide range of data.
The information is shared across relevant CXO organizations, which regularly discuss and coordinate appropriate actions for each company through regular review meetings. In addition, CXO organizations participating in this program are requested to share information on affiliates requiring close attention, enabling management executives and CXO organizations to maintain a common understanding of priority companies and promote proactive risk monitoring and early detection across the Group.

❶ Consolidate assessment data from each CXO organization to identify companies where risks may materialize and that may require improvement support.

CXO organizations	Data collected (example)
CFO	Financial, cash, and receivables information
CMEO/ CQO	Environment and safety indicators (including the number of occupational incidents)
	Q RiC (Quality Risk & Capability Assessment)
CSO/CRO	Export control audit results and internal audit results
CHRO	Engagement survey scores
CDIO	Security assessment results
CSuO	Compliance violation data reports

	Scores by each CXO					
Group companies	Financial	Environment and safety	Quality management	Export controls	Human resources	IT risks
Company A	95	72	76	75	95	88
Company B	77	56	90	89	42	85
Company C	80	88	78	62	95	71
Company D	23	36	15	28	56	35

➡ Company D, which has a relatively low score, is identified as a candidate for improvement support

❷ Cross-functional discussion of response measures and action plans for specific affiliates

Affiliates requiring priority attention are identified based on a shared understanding among management executives and CXO organizations, while response measures and action plans are developed for those affiliates.

[Expected Values & Benefits]
- Aligns management executives and CXO organizations on which affiliates require priority attention
- Prevents inconsistent responses across CXO organizations and enables coordinated actions
- Enhances the effectiveness of early issue detection and response



Group Management Initiatives

Each year, Resonac Group holds a Global Kickoff Meeting (GKM), bringing together more than 100 key leaders in person to build a shared understanding of the Group's priority initiatives and foster unity among the management team. Over the years, the GKM has become a cornerstone of Group-wide co-creation.
This year, we also launched RHQ Connect, through which regional headquarters (RHQ) leaders directly share regional initiatives, creating new opportunities for global collaboration.

Through these initiatives, we strengthen collaboration across the Group and enhance the effectiveness of Group-wide management.



Global Kickoff Meeting (GKM)

Stakeholder Engagement

for Value Creation

To realize our Purpose, Resonac promotes co-creation with a diverse range of stakeholders, including employees, customers, shareholders and investors, local communities and governments, business partners, and the next generation. Guided by an inclusive perspective, we continued dialogue and incorporated diverse views in management throughout 2025. We apply the insights gained to enhance the quality of our business activities, with the aim of achieving sustainable growth and enhancing corporate value over the medium to long term.

Shareholders and investors

Approach to value creation

Enhance management discipline and transparency through constructive dialogue with the capital markets

We deepen dialogue with shareholders and investors and reflect their perspectives in management to enhance corporate value over the medium to long term.



Sustainability Meeting (December 2025)

Engagement methods

- Ordinary General Meetings of Shareholders
- Financial results briefings, Sustainability Meetings, management policy briefings, business briefings, and briefings for individual investors
- Dialogue focused on ESG
- Small-group and individual meetings

Comments from stakeholders

- Expectations regarding portfolio and structural reforms
- Expectations regarding our growth strategy centered on semiconductor and electronic materials
- Interest in capital efficiency, evaluation metrics, and KPIs
- Interest in employee engagement and corporate culture
- Greater transparency and comparability in environmental and human rights initiatives and disclosures

How we reflected feedback in management

- Promoted portfolio reviews through business divestitures and spin-offs
- Actively invested in semiconductor and electronic materials
- Reviewed KPI design and target levels based on business characteristics
- Expanded disclosures through small-group meetings, Sustainability Meetings, the Integrated Reports, and other channels
- Examined value creation hypotheses and promoted the visualization of value created through our businesses

Business partners

Approach to value creation

Co-create value through collaboration with business partners

We work together across the supply chain to address environmental and social issues while enhancing value.



Suppliers' Day (December 2025)

Customers

Approach to value creation

Create social and economic value by addressing customer challenges

Through diverse technologies and co-creation, we create value while ensuring a stable supply of safe and reliable products.



US-JOINT Opening Ceremony (April 2026)

Engagement methods

- Co-creation in semiconductor materials field leveraging US-JOINT
- Technical proposals and joint development leveraging the Packaging and Power Solution Center
- Technical collaboration leveraging the Innovation Center
- Building long-term partnerships through the functional materials business
- Exhibitions and technical seminars

Comments from stakeholders

- Stable supply and quality assurance for high-performance, highly reliable products
- Expectations for the development of products that contribute to society and the environment
- Expectations for improved technical proposal capabilities and development speed
- Requests to strengthen global responsiveness

How we reflected feedback in management

- Made focused investment in semiconductor and electronic materials
- Advanced quality management systems
- Accelerated development of sustainable products
- Strengthened technological development capability and customer engagement functions
- Developed global supply systems

Employees

Approach to value creation

Organizational culture that encourages employees to take on challenges

Based on our Purpose, we foster a culture in which diverse talent takes on challenges and promotes co-creation and transformation through dialogue.



Learning Festival (November 2025)



Engagement methods

- Holding supplier briefings and sharing procurement policies
- Requests for understanding and support of the Sustainable Procurement Guidelines
- CSR evaluations and improvement support (CSR questionnaires), together with on-site visits to confirm CSR initiatives through dialogue (CSR visits)
- One-on-one dialogue and issue sharing

Comments from stakeholders

- Ensuring fair transaction terms and maintaining long-term business relationships
- Understanding and support for cooperation in CSR initiatives
- Clarification of quality and delivery standards
- Requests for consultation in response to rising costs

How we reflected feedback in management

- Strengthened sustainable procurement initiatives
- Enhanced supply chain risk management and strengthened BCP initiatives
- Promoted issue identification and improvement activities through collaboration and co-creation with business partners
- Reviewed procurement strategies and strengthened stable supply systems

Community and governments

Approach to value creation

Contribute to community well-being and sustainable development through dialogue and co-creation

We deepen mutual understanding through ongoing dialogue with local communities and governments and create value that contributes to sustainable community development and well-being.



Akamatsu Power Station Tour (January 2026)

Engagement methods

- Social contribution activities in collaboration with local governments (education and the environment)
- Regular consultations, community briefings, and disaster response drills
- Disclosure of environmental, safety, and operational information, and plant tours
- Social contribution activities in collaboration with local governments (education and the environment)

Comments from stakeholders

- Requests for safe operations, accident prevention, and reduced environmental impact
- Requests for sustainable community development and contributions to local economies
- Interest in transparency of information disclosure
- Improved reliability of emergency response

How we reflected feedback in management

- Contributed to sustainable community development
- Increased investment in safety, environmental initiatives, and risk management
- Expanded dialogue with local communities and enhanced disclosures
- Developed crisis response systems

Engagement methods

- Employee engagement surveys and follow-up activities
- Communication between senior management and employees through town-hall meetings, Dialogue On-site, and other forums
- one-on-one and 360-degree feedback
- Organizational talent development and leadership training programs
- Information shared via posters, the Intranet, and other channels

Comments from stakeholders

- Both concerns and expectations regarding transformation
- Requests for expanded career development and skill enhancement opportunities
- Interest in fairness of evaluations and compensation
- Expectations for greater flexibility and diversity in ways of working
- Nonproductive work processes

How we reflected feedback in management

- Positioned human resource strategies at the core of management (advancing human capital management)
- Reviewed performance evaluation and compensation systems
- Mapped our talent, developed succession plans, and expanded investment in talent development
- Reformed organizational culture (enhanced psychological safety)
- Expanded the use of generative AI and the "No More Than Three Stamps" initiative (streamlined the approval process)

Next generation and students

Approach to value creation

Expand value creation through co-creation with the next generation

By engaging in dialogue with students, we incorporate new perspectives, learn together, and contribute to the realization of a sustainable society.



Future-focused Workshop for Junior High and High School Students (March 2026)

Engagement methods

- University partnerships and joint research
- Internships and guest lectures
- Tours of plants and Research and Development Center
- Semiconductor laboratory classes and workshops

Comments from stakeholders

- Expectations for contributions to solving social issues (people's well-being and the environment)
- Expectations for growth opportunities and an environment that encourages challenge
- Interest in global career opportunities
- Interest in workplace environment and corporate culture

How we reflected feedback in management

- Integrated solutions to social issues into business strategies and strengthened communications
- Revitalizing social contribution initiatives for the next generation, the environment, and other areas
- Clarified our Long-Term Vision for contributing to society and the environment
- Increased investment in education and research and development
- Implemented initiatives to enhance brand value and the ability to attract talent

Consolidated 11-Year Summary

	Japanese Generally Accepted Accounting Principles (JGAAP)						
	2015	2016	2017	2018	2019	2020*5	2021
Financial Highlights (Consolidated) Millions of yen							
For the year							
Net sales	775,732	671,159	780,387	992,136	906,454	973,700	1,419,635
Operating income (loss)	33,508	42,053	77,708	180,003	120,798	(19,449)	87,198
Ratio of operating income (loss) to sales (%)	4.3	6.3	10.0	18.1	13.3	(2.0)	6.1
Net income (loss) attributable to owners of the parent	921	12,305	37,404	111,503	73,088	(76,304)	(12,094)
Cash flows from operating activities	61,170	68,949	67,235	149,785	78,554	109,286	115,283
Cash flows from investing activities	(42,497)	(53,754)	(29,866)	(49,338)	(48,156)	(930,047)	28,606
Free cash flow	18,674	15,195	37,369	100,447	30,397	(820,761)	143,889
Cash flows from financing activities	(21,336)	(13,220)	(18,370)	(61,061)	(18,546)	896,521	(121,741)
R&D expenditures	20,289	17,313	18,539	19,735	20,605	34,379	46,750
Capital expenditures	44,059	39,276	41,787	41,727	50,216	69,052	78,647
Depreciation	42,137	38,761	38,565	39,459	37,704	68,643	97,726
At year-end							
Total assets	940,494	932,698	1,026,999	1,074,983	1,076,381	2,203,606	2,142,390
Total net assets	308,142	311,231	368,994	465,340	519,433	718,080	818,452
Shareholders' equity ratio (%)	31.5	31.8	34.3	41.5	46.4	18.4	24.0
Return on equity (ROE) (%)	0.3	4.1	11.5	27.9	15.5	(16.9)	(2.6)
Interest-bearing debt	368,835	359,929	346,726	287,968	303,192	1,060,146	850,603
Debt/equity ratio*1 (times)	1.20	1.16	0.94	0.62	0.60	1.84	1.15
Per share*2 (yen)							
Net income (loss)—primary*3	6.45	86.27	262.44	758.15	501.03	(523.06)	(77.40)
Net assets	2,076.05	2,080.85	2,473.06	3,057.16	3,423.25	2,782.79	2,838.51
Cash dividends (applicable to the period)	3.00	—	80.00*4	120.00	130.00	65.00	65.00

*1 Debt/equity ratio is calculated taking into account the equity components of subordinated loans and preferred shares.
*2 Resonac consolidated every 10 shares of common stock into one share on July 1, 2016. "Per share" indicators for 2015 and 2016 (except for cash dividends) are calculated on the basis of the number of outstanding shares after this consolidation.
*3 Net income (loss) per share is calculated based on the average number of shares of common stock outstanding during the respective fiscal year.
*4 Resonac resolved payment of dividends of ¥30.00 per share based on the record date of May 11, 2017 at the extraordinary general meeting of shareholders held in June 2017. Cash dividends applicable to 2017 include this amount.

Non-financial data	Scope up to 2017	2015	2016	2017
Number of employees (persons)	2015-2017: Former Showa Denko (consolidated)	10,561	10,146	10,864
Ratio of employees working outside Japan (%)		44.4	40.1	44.0
Number of female managers (persons)	2015-2017: Former Showa Denko (non-consolidated)	23	26	28
Ratio of female managers (%)		3.0	3.4	3.7
Greenhouse gas emissions (Scope 1 + Scope 2) (kt-CO_2)*1	2015-2017: Former Showa Denko (consolidated in Japan)	3,699	3,818	3,785
Amount of water withdrawals (excluding seawater, thousand m^3)		60,040	58,720	59,470
Amount of industrial waste sent to landfills (tons)		851	323	448

Note:
For non-financial data, boundaries (scope of data) differ depending on the item and time period. Upon the integration of the former Showa Denko and the former Hitachi Chemical, we have re-examined boundaries and figures for past fiscal years, making some adjustments in our disclosures. Additionally, water withdrawals data up until 2017 is expressed in units of 10,000 m3.
*1 Actual greenhouse gas emissions (Scope 1 + Scope 2) in 2013 (consolidated) were 4,634 kt.
*2 The amount of industrial waste sent to landfills in 2024 and 2025 is not limited to industrial wastes. (included wastes which based on the law of each countries)

Financial data Non-financial data

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

2022	2023*6	International Financial Reporting Standards (IFRS)	2023*6	2024	2025
		For the year			
1,392,621	1,288,869	Revenue	1,295,395	1,391,480	1,347,125
61,726	(3,764)	Core operating profit*7	9,887	92,145	109,145
4.4	(0.3)	Ratio of core operating profit to revenue (%)	0.8	6.6	8.1
32,422	(18,955)	Profit (loss) attributable to owners of the parent	(6,505)	73,503	29,031
99,376	118,686	Cash flows from operating activities	118,715	163,653	130,286
(54,667)	(61,869)	Cash flows from investing activities	(55,158)	(52,306)	(87,123)
44,709	56,817	Free cash flow	63,557	111,347	43,163
(103,267)	(62,880)	Cash flows from financing activities	(73,086)	(20,468)	(69,895)
47,135	42,697	R&D expenditures	42,697	44,806	46,458
107,074	96,633	Capital expenditures	99,061	102,033	112,853
91,964	92,516	Depreciation and amortization	96,486	98,026	94,254
		At year-end			
2,093,744	2,031,953	Total assets	2,054,594	2,172,626	2,106,723
574,718	578,668	Total equity	586,511	692,006	727,613
26.3	27.2	Ratio of equity attributable to owners of the parent to total assets (%)	27.3	30.6	33.2
6.1	(3.4)	Return on equity attributable to owners of the parent (ROE) (%)	(1.2)	12.0	4.3
1,062,637	1,016,532	Interest-bearing liabilities	1,030,145	1,023,706	969,527
1.07	1.00	Debt/equity ratio (net, times)	1.01	0.74	0.83
		Per share*2 (yen)			
179.02	(104.65)	Earnings (loss)	(35.91)	406.61	160.49
3,038.35	3,052.07	Equity attributable to owners of the parent	3,092.32	3,677.50	3,861.43
65.00	65.00	Cash dividends (applicable to the period)	65.00	65.00	65.00

*5 Resonac made former Hitachi Chemical a consolidated subsidiary, and started on July 1, 2020 to incorporate Hitachi Chemical's sales figures and income/losses into its consolidated financial statements.
*6 Resonac adopted the International Financial Reporting Standards (IFRS) from the fiscal year ended December 31, 2024. Data for fiscal 2023 that comply with IFRS are included for comparison.
*7 Core operating profit is calculated by excluding gains and losses arisen from non-recurring factors from operating profit. Gains and losses from non-recurring factors refer to other income, other expenses, and impairment losses (included in cost of sales, selling, general and administrative expenses).

	2018	2019	2020	2021	2022	2023	2024	2025
Scope in and after 2018								
All group companies	33,465	33,908	33,684	26,054	25,803	23,840	23,936	21,525
	54.2	54.5	54.6	51.2	50.8	50.0	47.6	43.7
2018-2021: Resonac (non-consolidated) + Subsidiaries of former Showa Denko in and outside Japan 2022-: All group companies	162	170	170	148	397	404	441	425
	7.0	7.1	7.1	7.3	12.6	12.4	12.7	13.3
All group companies	4,827	4,657	4,266	4,483	4,360	4,226	4,250	4,014
2018-2021: Resonac (consolidated in Japan) and former Hitachi Chemical subsidiaries (outside Japan) 2022-: All group companies	67,306	68,060	67,522	64,261	68,292	73,361	81,572	73,645
	3,368	3,163	1,375	2,154	15,312	10,845	8,655*2	5,398*2

Scope of Data

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

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

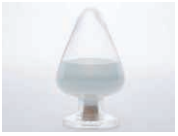
Company History Our Journey —Semiconductor—

The former Showa Denko's expertise in materials technologies and the former Hitachi Chemical's capabilities in functional materials development. The fusion of these two strengths has created the power to combine technology and talent, allowing us to develop the core of our value creation into co-creation. Based on this foundation, Resonac is implementing new value in society alongside its partners. The foundation for value creation established in this way is embodied in co-creation activities through products, and it connects to both the resolution of social issues and business growth. This page introduces our story of co-creation, showing how the functions brought about by the technologies cultivated by both companies have come to generate even more value through co-creation.

Former Showa Denko

Upstream materials × Industrial scale × Functional differentiation

Developed materials technologies starting with electrochemistry and built a technological foundation that led to semiconductor materials such as fine particles and high-purity polymers. The power of chemistry stated in our Purpose began here.



1987
Spherical Alumina

Established the foundation for ceramic filler technologies with excellent heat dissipation and insulation properties.



2005
Hard Disk Media

Next-generation recording technology enabled higher capacity and stable supply



2006
SiC epitaxial wafers

Leveraging high-voltage performance and high reliability, created energy-saving value through co-creation



2010s
High-purity gases for semiconductors

Process value was created through co-creation for equipment integration

Former Hitachi Chemical

Evolution toward downstream-oriented, application-driven functional materials

Created value by leveraging strengths in aligning a wide range of material technologies, processes, and evaluation, to meet customer needs. By taking on repeated challenges alongside customers, this approach has been passed down to Resonac's current co-creative innovations.



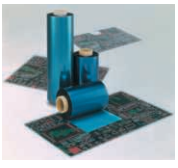
1955
Copper clad laminates (MCL)

High performance and high density support through organic polymer technology



1992
Semiconductor encapsulant (epoxy-based)

Achieved high reliability through material design that takes process compatibility into account



1978
Photosensitive dry film (Photec)

Miniaturization and performance maximization with process-compatible photomaterials



1998
CMP slurry

Achieved both high-speed polishing and low defect rates by designing fine particles and controlling reactions

Please also read the "Company History" page on our website.



MCL for large substrates
Developed while engaging in repeated dialogue with customers and equipment manufacturers, with an optimized material design starting with the package structure. We integrated the design and evaluation of resin, copper, and glass composites to solve thermal, electrical, and reliability issues associated with higher integration, thereby supporting the evolution of semiconductors.



Photosensitive interlayer insulation film PV-F
Developed through co-creation that integrates in-house materials, processes, and evaluation technologies. Through repeated dialogue with customers and equipment manufacturers, we refined its performance to achieve both high resolution and high reliability, evolving it into a material that contributes to the overall value improvement of the mounting process.

2023 Resonac established RESONAC

Combination of functions and solution development through co-creation

Our unique approach, co-creation "kata," involves working with customers and material/equipment manufacturers to combine functions and elevate them into value. The evolution of this co-creation "kata" has led to new applications and markets, connecting Resonac's value creation to the present day.



Stage for co-creation



Packaging and Power Solution Center (Shinkawasaki)

Resonac's Co-creation Model

At venues for co-creation, including consortia led by Resonac and various facilities, we engage in ongoing dialogue with our customers, business partners, and others, combining diverse insights and technologies to create new value.

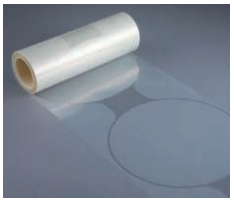


JOINT3

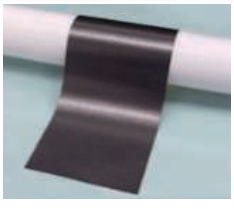


US-JOINT

Change Society through the Power of Chemistry



Insulating adhesive films NCF (Non-conductive film)
Through dialogue with customers and equipment manufacturers, the integrated design of materials and processes led to evolution of NCF. As a co-creative material that balances high-density packaging and mass production reliability, and enhances the value of the overall process, it supports next-generation semiconductors.



TIM heat dissipation sheets
We engaged in repeated dialogue with customers and equipment manufacturers to address the challenge of increasing heat generation in semiconductors. By optimizing everything from material properties to mounting and evaluation in an integrated manner, we achieved improved performance and reliability in next-generation semiconductors through co-creation.

Material Issues and Management Agenda KPI Targets and Results

Resonac's material issues consist of management issues that consider both society's expectations and degree of importance to the Company in order to realize its Long-Term Vision.

The entire management team discussed and determined materiality at senior executives study sessions and Sustainability Promotion Council meetings. Material issues are reported to the Board of Directors and continually reviewed while exchanging opinions with internal and external stakeholders (including Sustainability Advisors). In addition, the review process incorporates the results of discussions on visions, measures, and KPIs within each BU and CXO organization, and this results in a review that considers both top-down and bottom-up approaches.

We will maximize corporate value by creating an environment conducive to long-term growth, continuing to record profits (economic value), and contributing to the sustainability of society (creating social and environmental value and minimizing/eliminating negative impacts). Going forward, we will continually review each material issue, including the opportunities and risks involved, while exchanging opinions with internal and external stakeholders.

Purpose and Values

Change Society through the Power of Chemistry

Passionate & Results-Driven; Agile & Flexible;
Open Minds & Open Connections; Solid Vision & Solid Integrity

Vision

We co-create a more sustainable planet and society where people can live with happiness, as we strive to become a World-Class Functional Chemical Company*

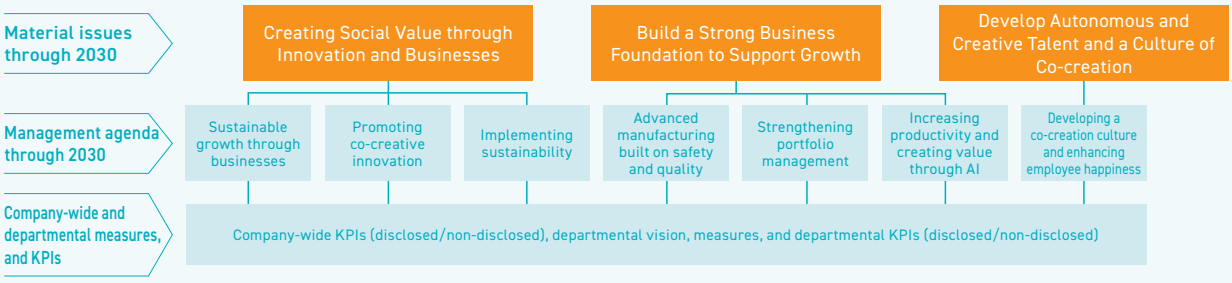
* Company that can compete on the world stage; Company that contributes to a sustainable global society; Company that develops co-creative talent

Material issues through 2030

	Creating Social Value through Innovation and Businesses	Build a Strong Business Foundation to Support Growth	Develop Autonomous and Creative Talent and a Culture of Co-creation
Economic value	Enhancement of corporate value by achieving **business growth** through the provision of social and environmental value **Enhancement of employee motivation** by helping employees to gain a solid sense that we are realizing our Purpose through our businesses	**Improvement of motivation, raising of productivity, reduction of costs, and enhancement of brand value** through eradication of all types of accidents and other incidents and increased efficiency of internal processes	Realization of **active involvement of employees, higher employee motivation, and high productivity** through strategic job rotations and development of leaders from the perspective of Companywide optimization
Social value	**Maximization of our positive impact and minimization of our negative impact on society and the environment** through the thorough implementation of responsible consumption and production as a chemical manufacturer that serves as the basis for a variety of industries	**Balancing of our contribution to the resolution of social issues and duty as a chemical manufacturer** through responsible business management	**Resolution of social issues by co-creation and innovation** through the growth and active involvement of autonomous and creative co-creative talent and the nurturing of a corporate culture conducive to the attainment of such objectives
Environmental value		**Reduction of environmental impact** through reduction of GHG emissions, waste reduction, and improved recycling rates	

Components of opportunities and risks

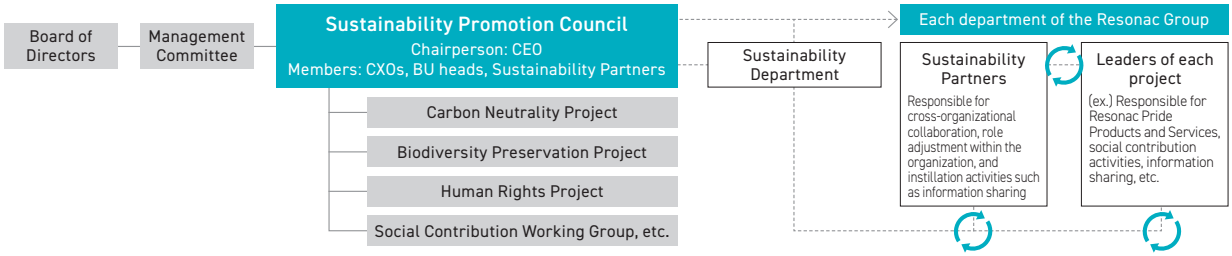
	Creating Social Value through Innovation and Businesses	Build a Strong Business Foundation to Support Growth	Develop Autonomous and Creative Talent and a Culture of Co-creation
Risks	● Obsolescence of material manufacturers' technologies due to development of digital and AI technologies ● Decline in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



	Agenda title	Desired state in 2030
Value creation	Sustainable growth through businesses	● With Resonac positioned as a World-Class Functional Chemical Company, each business is growing and playing a role in the portfolio ● Each business, product, and service contributes to solving social issues and generates sales and profits (visualizing the story and effects)
	Promoting co-creative innovation	● By bringing together knowledge and skills from both inside and outside the company, the seeds for solving social issues are being planted ● The range of proposals offered to customers is expanding, and our co-creation with customers is increasing
	Implementing sustainability	● Sustainability initiatives are positioned at the core of business and R&D, and are driving the enhancement of corporate value ● We are able to have a positive impact on the entire value chain while minimizing negative impacts ● Each department is able to independently implement initiatives at a level that is more than sufficient for a company that competes on a global scale
Co-creative talent	Developing a co-creation culture and enhancing employee happiness	● By matching the talent desired by companies with the skills of individuals, employees can experience growth (= happiness)
Sustainable business operations	Advanced manufacturing built on safety and quality	● With increased compliance awareness and the provision of high-quality products, we are gaining even more trust from customers ● Employees' working environment has improved, and the number of accidents is decreasing ● Employees share the goal of producing safe and high-quality products, which in turn boosts their morale
	Strengthening portfolio management	● By optimizing the allocation of management resources, we are expanding our growth areas and maximizing current and future returns ● We are able to maximize corporate value across our entire portfolio through investment diversification, risk mitigation through individual measures, and appropriate investment in growth areas ● The two points mentioned above are being achieved sustainably through collaboration with internal and external stakeholders
	Increasing productivity and creating value through AI	● By leveraging AI, data, and digital technologies, business processes are becoming more efficient, resources are being reallocated, and productivity is improving ● The quality of decision-making is being improved through the visualization and analysis of information, as well as the refinement of decision-making processes.

Sustainability promotion system

The CEO supervises Resonac's sustainability and the CSuO is responsible for the promotion of sustainability. The Management Committee deliberates and decides on important items such as policies and plans and then consults with and reports to the Board of Directors. The Sustainability Promotion Council, which brings together Group CXOs including the CEO and business unit heads (BU heads), is held every other month to discuss a broad range of sustainability-related topics. In order to link the discussions in the council to organizational operations and share them with employees, we have appointed sustainability partners (promotion managers) in the business units and CXO organizations, and we engage in active discussions and collaboration.



Material Issues and Management Agenda KPI Targets and Results

Securities reports

The company-wide KPIs under the new Long-Term Vision beginning in 2026 that can be publicly disclosed are presented below. For details on the financial and non-financial KPIs in the Long-Term Vision up to 2025, please refer to the Securities Report for the fiscal year ended December 31, 2025 (issued in March 2026, pages 16–18) (in Japanese only).

Sustainable growth through businesses

KPIs	Targets	2025 Results
Revenue	Over ¥1 trillion	¥1,347.1 billion (¥1,046.8 billion*excluding olefins and derivatives business)
ROIC	10%	6.2%
EBITDA margin to sales (%)	20% or more	15.1% (18.4% *excluding olefins and derivatives business)
Number of certified Resonac Pride Products and Services	2030 Targets : Complete certification for planned products and services 2026 Targets : 4 products certified	5 products certified (certification completed for representative products in all BUs)

Promoting co-creative innovation

KPIs	2030 Targets	2025 Results	2026 Targets
Promoting technology-driven new product development through R&D progress index management	1.4 times the 2026 level	Implementation under consideration	Establish criteria
Improving the market coverage (MC) and technology relevance (TR) of patents	from 2025 MC≧134% TR≧126%	MC 0.82 TR 1.15	from 2025 MC≧105% TR ≧107%
Promoting internal co-creation projects through the introduction of a theme-based project system	100%	— (Planning stage)	50% or more
Number of presentations and contributions to academic conferences, etc.	100 or more	262 (Number of papers and external presentations)	100 or more

Implementing sustainability

KPIs	2030 Targets	2025 Results	2026 Targets
GHG emissions (Scope 1 + Scope 2)	30% reduction from 2013	13.4% reduction from 2013	Targets set for each BU
GHG emissions (Scope 3)	Set targets in accordance with SBT (up to 2027) and continue to implement engagement activities	Upstream: Tracking results and disclosing on the website Downstream: Currently calculating	Complete internal target setting
Number of serious compliance violations	Zero	Zero	Zero
(1) Progress rate of risk response measures / (2) Top management review cycle	(1) 100% (2) 100%	(1) 100% (2) 100%	(1) 100% (2) 100%
Number of certified Resonac Pride Products and Services	Complete certification for planned products and services	5 products (certification completed for representative products in all BUs)	4 products
Environmental action plan indicators including energy, resource recycling, and biodiversity	1% annual reduction in intensity (currently considering change to a medium- to long-term target)	0.4% reduction in energy consumption intensity 1.1% reduction in waste generation per unit of output, etc.	1% reduction in intensity year on year (energy, water, and waste)
Identifying and addressing human rights issues specific to the Company	Build a state where due diligence is underway	Internal system construction completed	Complete identification of issues unique to the Company

Advanced manufacturing built on safety and quality

KPIs	2030 Targets	2025 Results	2026 Targets
Number of serious safety and health incidents	Zero	2	Zero
Number of serious equipment/process incidents	Zero	Zero	Zero
Number of serious environmental incidents	Zero	Zero	Zero
Number of serious product-related accidents	Zero	1	Zero
Sustainable procurement ratio	100%	59%	70%
Domestic employee lost time injury frequency rate (Unit: incidents per 1,000,000 working hours)	0.1	0.39	0.1

Strengthening portfolio management

KPIs	Targets	2025 Results
ROIC	10%	6.2%
EBITDA margin to sales (%)	20% or more	15.1% 18.4% (excluding olefins and derivatives business)
EPS	¥500	¥160 ¥506 (Adjusted Basis)
EV/EBITDA multiple	15x	11.4x
Net Debt / EBITDA ratio	3x	3.5x

Increasing productivity and creating value through AI

KPIs	2030 Targets	2025 Results	2026 Targets
AI service adoption rate in business operations	100%	—	90% or more
Cumulative achievement rate of business benefit ROI*	100% or more		90% or more

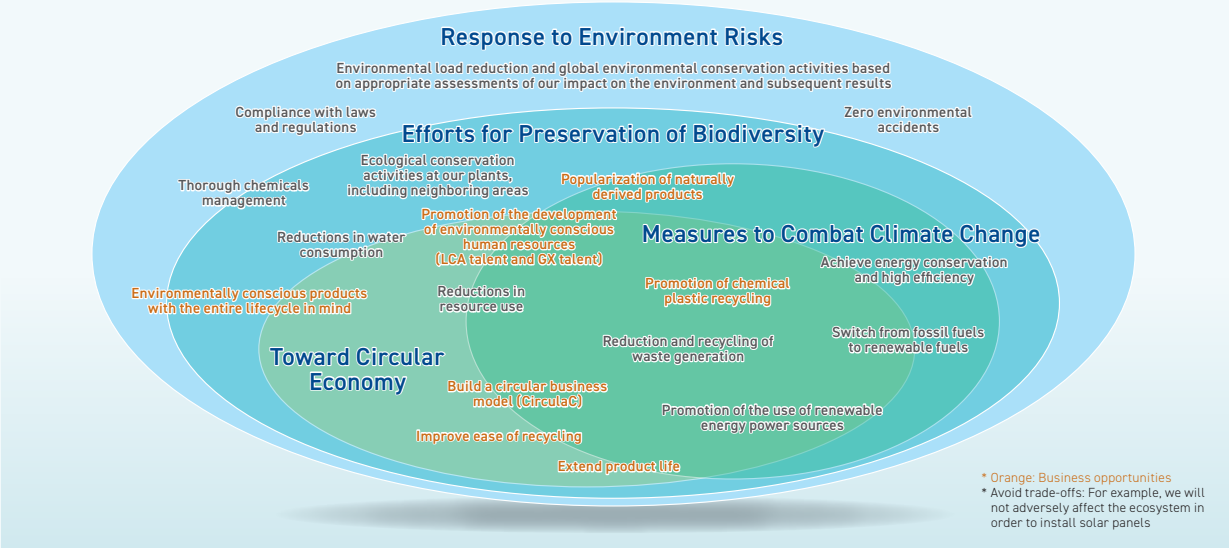
*Business benefit amount relative to IT expenditures (outsourcing costs + capital expenditures) contributing to the business

Developing a co-creation culture and enhancing employee happiness

KPIs	2030 Targets	2025 Results	2026 Targets
Employee engagement score	Improved year on year	60%	Improved year on year
Purpose and Values implementation score	Improved year on year	60%	Improved year on year
Human capital ROI	(Target values will be considered after determination of the measurement method)		
Well-being survey score	(Target values will be considered after determination of the measurement method)		
Skill sufficiency rate	(Target values will be considered after determination of the measurement method)		
Succession planning readiness rate	150-180%	123.2%	130-150%
Work engagement survey score	(Target values will be considered after determination of the measurement method)		
Inclusion/job satisfaction survey score	Improved year on year	61%/68%	Improved year on year
POS (an indicator measuring the extent to which employees feel that their organization and managers prioritize their health)	Improved year on year	3.2	Improved year on year
Employee health literacy score	Improved year on year	3.53	Improved year on year

Environmental Initiatives

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



Information disclosure in line with the TCFD* and TNFD recommendations

*1 TCFD (Task Force on Climate-related Financial Disclosures): International disclosure recommendations for companies to assess and disclose climate-related risks and opportunities. It disbanded in October 2023, and its functions have been taken over by the IFRS Foundation.
*2 TNFD (Taskforce on Nature-related Financial Disclosures): International disclosure recommendations for companies to assess and disclose their dependency and impact on nature as well as nature-related risks and opportunities.

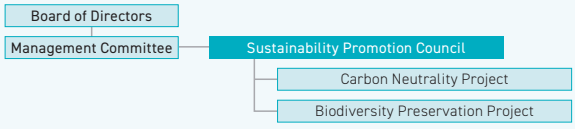
Governance

Role of the Board of Directors and monitoring system

The President and CEO supervises the risks and business opportunities, targets, and specific initiatives associated with the environment including climate change, while the Chief Sustainability Officer (CSuO) takes responsibility for promoting actions. These issues are deliberated at the Sustainability Promotion Council and the Management Committee. The progress of each initiative is regularly monitored, and remedial measures are discussed when needed.

The Board of Directors receives periodic reports of what the Sustainability Promotion Council and the Management Committee discussed, and on which points they made decisions and deliberates and supervises them from the perspective of maximizing corporate value. From 2022, we have aligned the evaluation indexes for inside directors and corporate officers with the initiatives in the Long-Term Vision and countermeasures against sustainability issues, including climate change, with the aim to strongly incentivize them to manage the Group from a long-term perspective and promote the sustainable growth of the Group. Furthermore, in March 2024, we revised our Corporate Governance Basic Policies to clarify the role of the Board of Directors in addressing climate change and protecting biodiversity. To achieve carbon neutrality, we are implementing initiatives through a company-wide Carbon Neutrality Project involving all CXOs and business units.

Promotion system of Resonac’s environmental initiatives



Risk Management

Process to assess, identify, and manage risks

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

Integration into enterprise risk management

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

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

(i) Climate change-related strategy

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

Assumptions for scenario analysis

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

(ii) Nature-related strategy

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

Evaluation process that follows the LEAP approach

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

Discovering connections with nature (Locate)

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

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

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

Outline of assessment results for priority locations at manufacturing sites

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

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

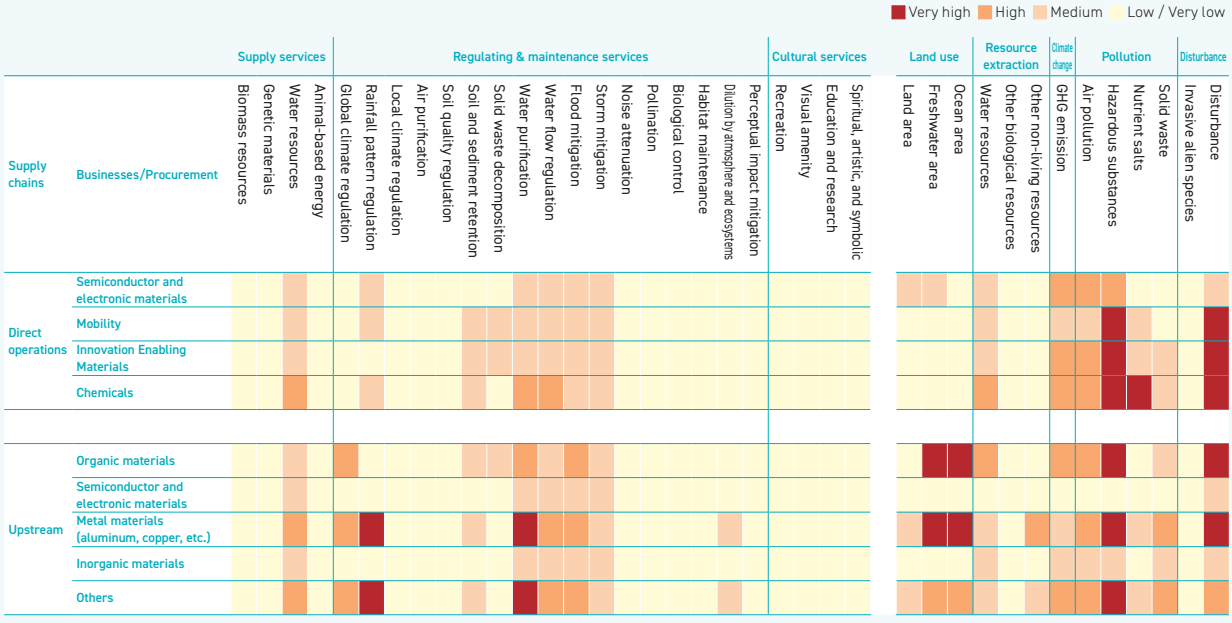
DATA SECTION

Assess dependency and impact (Evaluate)

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

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

Dependency and impact on nature across the supply chain



Assess risks and opportunities (Assess)

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

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

Opportunity/ Risk category		Time frame	Impacts on the Company	Domain	Response measures	Impact on climate*1 1.5/2°C	Impact on climate*1 4°C	Impact on nature*1
Transition opportunities and risks	Opportunities	Short to medium term	Increase in sales due to growing demand for EVs/ autonomous driving	Semiconductor and electronic materials	● Response to increased demand for SiC power semiconductors	Large	Large	—
				Mobility	● Increase the number of sites in regions where EVs are spreading, and conduct on-site development and local production ● Co-create with customers at the Power Module Integration Center ● Promote co-creation with customers on aluminum recycling technologies	Medium	Medium	—
				Innovation Enabling Materials	● Timely confirmation of required performance through close cooperation with end users	Small	Small	—
				All businesses	● Co-creation with customers at Packaging and Power Solution Center (Oyama) ● Develop and expand sales of materials that contribute to smaller and lighter parts	—	—	—

Opportunity/ Risk category		Time frame	Impacts on the Company	Domain	Response measures	Impact on climate*1 1.5/2℃	Impact on climate*1 4℃	Impact on nature*1
Transition opportunities and risks	Opportunities	Short to medium term	Increase in sales due to growing demand for low-power semiconductors and environmentally friendly products that contribute to the reduction of Scope 3 emissions by customers	Innovation Enabling Materials	● Promote sales of products using recycled raw materials ● Promote the development of products that contribute to shortening customer processes and reducing product CFP ● Promote the development of products that contribute to semiconductor manufacturing processes and energy reduction	Small	–	–
				Chemicals	● Expand production of low-carbon ammonia and its derivatives, which have high environmental value ● Horizontally deploy technology through licensing ● Stably supply graphite electrodes to meet the increasing demand for electric furnace steel	Small	–	–
				Semiconductor and electronic materials	● Assess the environmentally conscious product designs ● Response to increased demand for SiC power semiconductors ● Develop materials that contribute to smaller and lighter parts for customer products ● Develop 8 inch SiC wafers for next-generation green power semiconductors ● Develop etching gas for semiconductors with low GWP ● Develop encapsulants that contribute to GHG-reducing processes ● Take measures to produce thinner adhesive film for memory applications ● Promote co-creative platform JOINT activities (Japan and the U.S.) ● Participate in working groups of the Semiconductor Climate Consortium (SCC) ● Participate in the Texas Institute for Electronics (TIE), a consortium for advanced semiconductor	Large	Medium	–
	Opportunities	Short to medium term	Increase in sales due to decarbonization of server- related facilities and data centers through the spread of remote work, automation, and data usage			Large	Small	–
	Opportunities	medium-term	Capture of demand through the development of products that contribute to biodiversity conservation	All businesses	● Sell products that contribute to reducing impact on nature and to the conservation, restoration, and regeneration of nature, such as biostimulant materials	–	–	○
	Opportunities and risks	Short to medium term	Government support under the policies for decarbonization initiatives of companies		● Project for the development of eight-inch SiC wafers for next-generation green power semiconductors (adopted as part of the NEDO Green Innovation Fund project) ● Project for the development of a low-concentration CO_2 separation system employing an innovative separation agent (adopted as part of the NEDO Green Innovation Fund project) ● Reinforcement of the global semiconductor material supply chain (adopted under the Ministry of Economy, Trade and Industry subsidiary program for overseas market survey projects for building resilient supply chains in the Indo-Pacific area)	○	○	–
	Opportunities and risks	Short to medium term	Increases/decreases in sales due to changes in consumer behavior and awareness related to climate change		● Promotion of products, development of new products, and improvement of competitiveness in response to the needs of a decarbonized society ● Advancement of R&D based on long-term themes at the Stage for Co-creation	○	○	–
	Opportunities and risks	medium-term	Increases/decreases in sales due to changes in consumer behavior and awareness related to plastic pollution and resource recycling		● Reduction of waste in manufacturing processes and reduction of disposal costs through recycling ● Use of recycled and bio-based raw materials, and development of technologies therefor ● Improvement of ease of recycling and lengthening of product life ● Initiatives for recycling resources in cooperation with local communities, such as the reuse of marine plastic waste	–	–	○
	Opportunities and risks	Short to medium term	Re-evaluation by investors depending on how effectively the Group captures needs from society and customers to solve environmental issues		● Adding value to our products/services (Resonac Pride Products and Services) to help solve the problems that society and customers face ● Attracting investments through proactive measures against climate change and promotion of a circular economy	○	○	–
	Opportunities and risks	medium-term	Increase in resilience and improvement in reputation in the procurement of water resources through biodiversity conservation activities centered on water withdrawal and drainage areas		● Conduct biological research within and around sites, protect rare species, and conserve local biodiversity ● Continue and promote environmental restoration projects in the Lake Kasumigaura basin, which is used for industrial water (maintain and increase number of Nationally Certified Sustainably Managed Natural Sites)	–	–	○
	Opportunities and risks	Short to medium term	Increases/decreases in procurement costs due to price fluctuations of naphtha-derived raw materials	Innovation Enabling Materials	● Adjust production plans based on sales trend forecasts and thorough inventory management	Large	Medium	–
	Risks	medium-term	Increase in tax (cost) due to the introduction of carbon pricing (ICP)	All businesses	● Revision of GHG emission reduction targets for 2030 and establishment of the roadmap ● Set targets and implement reduction initiatives for each business ● Expand the introduction of renewable energy ● Equipment changes and raw materials/fuels conversion	Large	Large	–
	Risks	Short to medium term	Shift to renewable energy due to tighter regulations on GHG emissions / Increase in procurement costs		● Utilize in-house power generation facilities through the introduction of solar power generation and hydrogen co-firing gas turbines, etc.	Medium	–	–

Opportunity/ Risk category		Time frame	Impacts on the Company	Domain	Response measures	Impact on climate*1 1.5/2°C	Impact on climate*1 4°C	Impact on nature*1
Transition opportunities and risks	Risks	medium-term	Increase in costs and damage to reputation due to stricter regulations aimed at reducing the impact on nature, such as water withdrawal and water/air pollution in areas important for biodiversity	All businesses	● Thorough chemicals management ● Initiatives to reduce environmental impacts on water quality ● Efficient use of water and reduction of water usage	–	–	○
	Risks	Short to medium term	Greater request for initiatives and disclosure related to decarbonization from customers		● Establishment of carbon footprint of products (CFP) calculation frameworks, tracking of carbon emissions, and formulation of reduction plans	○	○	–
	Risks	medium-term	Increase in costs associated with sustainability measures for raw materials and traceability, etc.		● Sourcing of raw materials produced in a sustainable manner	–	–	○
	Risks	Short to medium term	Increase in procurement costs due to soaring prices of raw materials and switching materials	Semiconductor and electronic materials	● Reduce raw material consumption by improving productivity ● Promote the development of materials and components that contribute to resource recycling ● Diversification of raw material suppliers and resources ● Consideration of using recycled raw materials ● Shift to in-house production and local production for local consumption of raw materials with unstable supply ● Collaboration with supply chains (suppliers / customers) to reduce GHG emissions ● Adoption of a formula system to respond to fluctuations in major raw material prices (changes in raw material prices are automatically reflected in product prices) ● Reflect increases in raw material prices in product prices	Small	Small	–
				Mobility		Medium	Small	–
				Innovation Enabling Materials		Medium	Small	–
				Chemicals		Small	Small	–
	Risks	Short to medium term	Decrease in sales due to changes in consumer behavior and awareness	Semiconductor and electronic materials	● Participate in working groups of the Semiconductor Climate Consortium (SCC)	Medium to large	–	–
				Mobility	● Increase the number of environmentally friendly products	Small to medium	–	–
				Innovation Enabling Materials	● Promote the development of products that help customers reduce Scope 3 emissions	Small	–	–
				Chemicals	● Expand production of low-carbon ammonia and its derivatives, which have high environmental value	Small	–	–
				All businesses	● Reduce GHG emissions in manufacturing processes and information disclosure to customers ● Quantitatively and scientifically calculate the amount of GHG reduced by society through the utilization of our products and technologies (calculate avoided GHG emissions/CFP) ● Explore environmentally friendly manufacturing process	–	–	–
Physical risks	Risks	Short-term	Suspended operation of manufacturing sites due to natural disasters caused by climate change and ecosystem degradation, and decrease in profit caused by an increase in the equipment repair cost and unstable raw material procurement	All businesses	● Conduct an analysis of flood risks at each site and major customers/suppliers ● Regular risk identification and reduction activities, and enhancement of business continuity planning	Medium*2	Medium*2	○
	Risks	Short-term	Suspended operation due to water shortage attributable to climate change and ecosystem degradation, and decrease in profit caused by an increase in costs to address them		● Efficient use of water and reduction of water usage ● Actively engage in dialogue with local stakeholders on water use and water conservation	–	–	○

*1 While climate-related assessments in all business segments have been completed, the financial impact of biodiversity-related opportunities and risks is being calculated sequentially, and will thus be disclosed in stages. As such, the impact of the same risks and opportunities may differ from those disclosed in the previous fiscal year.
Large: We expect regulations and policies to tackle climate change to continue impacting the Group going forward. As a result, we estimate the annual impact on our operating income to be ¥10.0 billion or higher.
Medium: Moves to address climate change are already underway, and we expect this to continue impacting the Group going forward. As a result, we estimate the annual impact on our operating income to range from ¥3.0 billion to less than ¥10.0 billion.
Small: There are moves to address climate change. As a result, we estimate the annual impact on our annual operating income to be less than ¥3.0 billion.
○: We have deemed there to be impact on climate change and biodiversity.
–: We have deemed there to be no impact on climate change and biodiversity.

*2 This fiscal year, physical risks were analyzed at an additional 56 Group company sites in Japan and overseas using hazard maps and AQUEDUCT, bringing the total number of evaluated sites to 96. As a result, in the event of a once-in-a-century disaster, it was confirmed that 38 sites could be exposed to physical risks, including those identified in the analyses conducted up to the previous fiscal year. We also analyzed risks at 85 major supplier sites and 21 major customer sites. We confirmed that the annual impact taking into account the recurrence interval is "medium" for both the 1.5/2°C and 4°C scenarios.

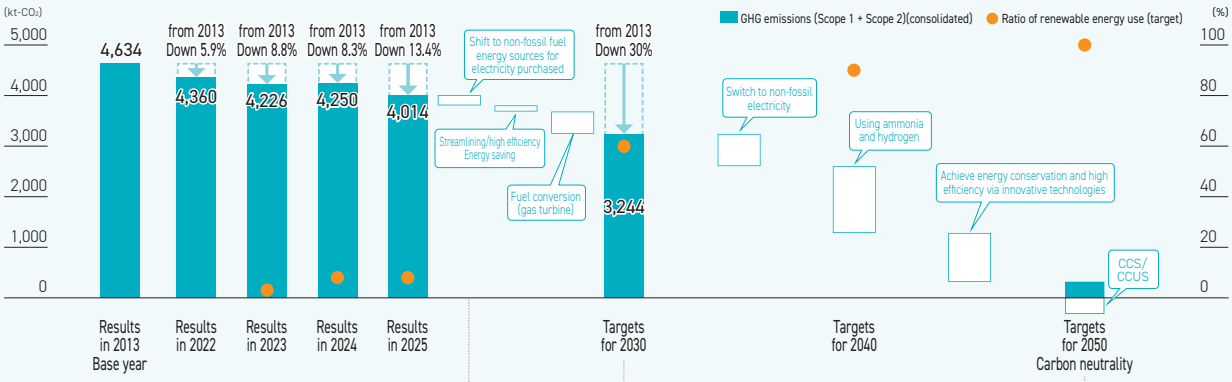
Metrics and Targets

(i) Climate change-related

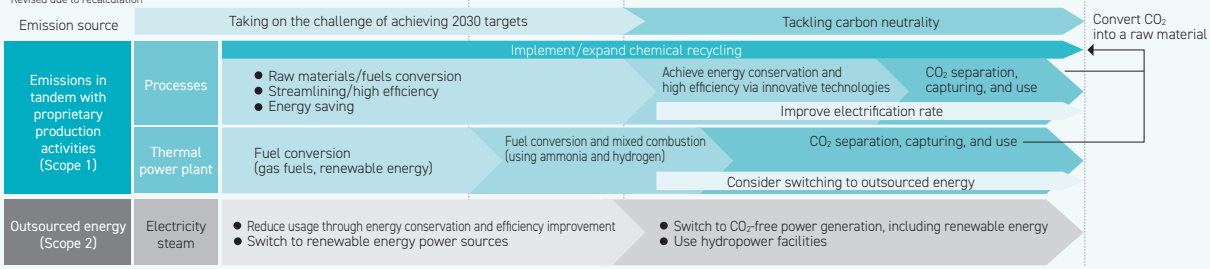
We are pursuing carbon neutrality leading up to 2050, to accomplish the goal of becoming a company that contributes to a sustainable global society as put forth by our Long-Term Vision. We have also set a milestone target of reducing Scope 1 and 2 GHG emissions by 30% (compared to 2013) by 2030. The switch to non-fossil electricity, including renewable energy, has been completed at the Packaging and Power Solution Center (Shinkawasaki), which began in 2020, as well as at the Institute for Advanced Integrated Technology (Tsukuba), the Stage for Co-creation (Yokohama), and our head office in Shiodome, which relocated in 2023. Furthermore, Resonac Graphite Austria GmbH (Austria), which produces graphite electrodes, has been switching to wind-powered electricity since 2023. In addition to shifting to non-fossil fuel energy sources for electricity purchased, the introduction of solar power generation at Resonac Materials (Thailand) Co., Ltd. (Thailand) resulted in the entire Resonac Group using 231.1 thousand MWh of non-fossil fuel electricity in 2025. Going forward, we will accelerate our efforts to achieve our targets and further promote information disclosure. For Scope 3, we are gradually disclosing figures on our website for categories where calculations have been completed. We will continue to improve the accuracy of these calculations while working to reduce our GHG emissions.

Road to carbon neutrality

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



*Revised due to recalculation



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

(ii) Nature-related

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

TNFD global core disclosure metrics		Monitoring details	Target setting status
C2.1	Wastewater discharged	Monitoring and disclosure of the amount of wastewater and amount of water pollutants discharged	Reduction of volume of water pollutants discharged compared to 2025 (2026)
C2.2	Waste generation and disposal	Monitor and disclose waste generation per unit of output.	Aiming for zero landfill waste by 2050, with landfill waste reduced from 2025 levels by 2026.
C2.3	Plastic pollution	Monitoring of the amount of waste plastic generated, the amount and rate of plastic recycling	Objectives under review
C2.4	Total amount of non-GHG air pollutants	Monitoring and disclosure of air pollutant emissions	・Reduction of atmospheric emissions of chemical substances* compared to 2025 (2026) ・Reduction of volume of atmospheric pollutants discharged compared to 2025 (2026) * The 30 substances selected by the Resonac Group based on hazard and atmospheric emissions
C3.0	Water withdrawal and consumption from areas of water scarcity	Monitoring and disclosure of water withdrawal	Reduction of freshwater withdrawal intensity by 1% compared to 2025 (2026)
C5.0	Ecosystem condition and species extinction risk	Annual monitoring of the species and numbers of plants and animals that live in the area are monitored every year in the Kasumigaura Surrounding Environment Regeneration Project, our social contribution activity Monitoring of the population of the Japanese fire-bellied newt, classified as a near-threatened species on the Fukushima Prefecture's Red List, at our Kitakata Plant.	Year-on-year increase in the number of plant and animal species and populations (2026)
C7.2	Description and value of fines/ penalties received/litigation action in the year due to negative nature-related impacts	Monitoring and disclosure of the number of violations of laws and regulations related to environmental pollution	Zero serious environmental accidents that adversely impacted human health or the environment
C7.4	Increase in and proportion of revenue from products and services producing demonstrable positive impacts on nature	Disclosure of the number of certified Resonac Pride Products and Services (achievement of our purpose = products and services that change society) (including nature-related elements in "change society")	Four certified products as Resonac Pride Products and Services (2026)

Initiatives to Address Water-related Risks

To identify and mitigate water-related risks in our business operations, we conduct surveys and analyses at our manufacturing sites. We conducted water-related risk assessments using Aqueduct* in 2024 and in-depth assessments and interviews in 2025 at 15 sites in India, Thailand, and China that were identified as facing particularly high water-related risks. During the interviews, we reviewed current water use, the incidence of droughts and floods, and responses to applicable water-related regulations, as well as the targets and measures already in place at each site. Furthermore, based on the information obtained, we analyzed the risks and initiatives implemented for each watershed and formulated a water resource management roadmap tailored to the specific characteristics of each region. We are currently considering specific measures to be implemented under this roadmap, taking into account the risk-assessment findings and our existing initiatives. We will continue our efforts to achieve sustainable water use and ensure stable continuity of our business.

* A suite of water risk assessment tools provided by the World Resources Institute (WRI)

Step 1: Screening of sites

Conducted a preliminary water-related risk assessment of manufacturing sites using Aqueduct for screening of high-risk sites

Step 2: Identification of high-risk sites

Identified 15 sites in India, Thailand, and China as potentially facing particularly high water-related risks

[Key Items of In-Depth Assessment]

- Academic literature in countries and regions where high-risk sites are located
- Documents published by national and local governments in areas where high-risk sites are located
- History of water-related risk events in countries and regions where high-risk sites are located

Step 3. In-depth assessment

Conducted assessments using regional data

Step 4: Interviews

Conducted questionnaire-based interviews

[Interview items]

Business
- Business overview and direction

Water use
- Water intake and discharge volumes

Risks
- Water shortage risk
  - Water intake restrictions, fluctuations in water volume, etc.
- Water quality risks
  - Discharge regulations, pollutant loads, etc.
- Flood risk
  - Frequency of occurrence, impact of damage, etc.
- External environmental risk
  - Water costs, changes in surrounding land use, etc.

External factors
- Regulatory and environmental changes

Responses
- Policies and progress of initiatives

Step 5. Formulation of a roadmap

Formulated a transition plan incorporating targets and action policies based on the findings of the in-depth assessments and interviews

The following are examples of proactive initiatives in China to improve water-use efficiency and reduce water-related risks.

Case Study 1 Water Recycling and Reuse at Resonac Highpolymer Materials (Shanghai) Co., Ltd. (RHMSH)

RHMSH manufactures and sells polymer products and synthetic resin materials in Shanghai, China. RHMSH reviewed how its storage tanks were cooled and introduced a water reuse system, replacing spray cooling with a method that does not require water. Together with steam recovery and reuse, these measures have reduced annual water use by approximately 7,000 m³.



Storage tank temperature control without using cooling water

Environmental measures in Kitakata City, Fukushima

Environmental remediation work to address soil contamination resulting from past operations at the Kitakata Plant in Japan was completed in October 2023. We will continue to value dialogue and information sharing with local residents.

Priority regions: India and China-Detailed Assessment of Water-Related Risks and Roadmap for Water Resource Management

For watersheds facing high water-related risks, we have compiled the risk assessment findings and current initiatives. Below, case studies for India and China are presented.

* For each region, we have selected and listed the risk factors considered particularly important based on the assessment results and interview findings.

		Risk assessment results	Current key initiatives
India (Yamuna River and Sabamarti River watersheds)	Water intake	● Driven in part by rising water demand, the balance between water supply and demand is increasingly tight, leaving the region highly exposed to water supply risks. ● Rising water demand, declining groundwater levels, and tighter restrictions on water withdrawals could constrain water availability.	**Monitoring of water consumption** ● Installation of monitoring meters on municipal water supply lines ● Introduction of real-time monitoring systems **Efficient use of water resources** ● Introduction of water reuse systems
	Wastewater discharge	● Based on an assessment of water treatment infrastructure and river water quality, the region is considered to face significant water quality management challenges relating to both water withdrawals and wastewater discharge. ● Higher wastewater discharge volumes and tighter regulations could increase management burdens and compliance costs.	**Advanced wastewater management and reuse** ● Proper treatment of industrial wastewater and compliance with regulatory standards ● Compliance with water quality standards through regular effluent testing ● Prevention of spills and pollution by adhering to proper procedures for the storage, labeling, and handling of chemical substances ● Installation of on-site wastewater treatment facilities at the factory and use of treated water for the in-house vegetable garden
China (Watersheds in Shanghai and surrounding region)	Water intake	● Although water use across the region is high, local data and infrastructure conditions indicate a relatively low likelihood of water depletion or shortages, and water supply risk is therefore considered limited. ● Some sites have raised concerns about rising water prices and supply restrictions, which could affect future costs and water supply conditions.	**Efficient use of water resources** ● Promoting the reuse of cooling water, rainwater, and other sources ● Improving water use efficiency and conserving water through facility upgrades and flow management **Response to water supply risks** ● Ensuring stable supply of water resources Employee education and awareness initiatives on water conservation ● Ensuring efficient water management and stable supply through long-term contracts with water utilities
	Wastewater discharge	● Regional disparities in water treatment infrastructure create risks related to wastewater management and water quality management. ● Some sites expect wastewater discharge volumes to increase and recognize the need to meet regulatory requirements, which is likely to increase management burdens and compliance costs.	**Enhancing wastewater management** ● Regular monitoring of pollutant concentrations and discharge loads, and compliance with regulatory standards ● Reduction of pollutants through wastewater treatment and the conclusion of wastewater treatment contracts with specialized contractors ● Installation of emergency containment ponds to prevent off-site pollutant releases in the event of an accident
	Flooding	● The watershed is at high risk of flooding. ● Flooding caused by typhoons and other extreme weather events could disrupt site operations.	**Strengthening physical flood protection measures** ● Deploying flood protection equipment and supplies, including submersible pumps and sandbags, at each site ● Preventing surface-water flooding through regular cleaning of stormwater drains, drainage channels, and related facilities **Establishing emergency response systems** ● Formulating emergency response plans and conducting regular emergency drills ● Establishing emergency support systems in collaboration with local industrial parks and government agencies

Case Study 2 Use of Rainwater at Resonac Materials (Suzhou) Co., Ltd. (RMSZ)

RMSZ's second plant in Suzhou, China, manufactures polymer products, including encapsulants for electronic components. During normal operations, the plant uses an underground firefighting water tank installed when the plant was built to collect and reuse rainwater. The collected rainwater is used to irrigate landscaped areas at the plant, offsetting part of the estimated landscaping water demand of approximately 1,000 m³ identified in the environmental impact assessment. The 155 m³ rainwater collection pond is expected to supply an average of approximately 80 m³ of rainwater per month.



Rainwater reuse system at RMSZ's Second Plant

Niigata Minamata disease

As the company responsible, we once again offer our deepest apologies to the victims of the Niigata Minamata disease, which was caused by wastewater emitted from the former Showa Denko, and to the people living in the surrounding area for the great inconvenience caused. We will continue to work with national and local governments to address this issue in good faith in accordance with the law.

Consolidated Financial Statements

Millions of yen

Consolidated Statement of Financial Position	2024	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
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
Non-current 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

Millions of yen

Consolidated Statement of Profit or Loss	2024	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 (Yen)		
Basic earnings per share (Yen)	406.61	160.49
Diluted earnings per share (Yen)	406.61	160.49

Millions of yen

Consolidated Statement of Comprehensive Income	2024	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

Millions of yen

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

Millions of yen

2025	Equity attributable to owners of the parent											
	Share capital	Capital surplus	Treasury shares	Retained earnings	Accumulated other comprehensive income					Total	Non-controlling interests	Total equity
					Financial assets measured at FVTOCI	Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations	Cash flow hedges	Total			
Balance at beginning of period	182,146	108,863	(13,172)	318,643	6,517	—	61,848	(229)	68,136	664,616	27,390	692,006
Profit	—	—	—	29,031	—	—	—	—	—	29,031	2,017	31,048
Other comprehensive income	—	—	—	—	(1,676)	7,521	10,357	209	16,411	16,411	904	17,315
Total comprehensive income	—	—	—	29,031	(1,676)	7,521	10,357	209	16,411	45,442	2,921	48,363
Dividends	—	—	—	(11,787)	—	—	—	—	—	(11,787)	(1,550)	(13,337)
Purchase of treasury shares	—	—	(7)	—	—	—	—	—	—	(7)	—	(7)
Disposal of treasury shares	—	46	770	—	—	—	—	—	—	816	—	816
Share-based payment transactions	—	(28)	—	—	—	—	—	—	—	(28)	—	(28)
Purchase of non-controlling interests	—	(200)	—	—	—	—	—	—	—	(200)	—	(200)
Issuance of convertible bonds with share acquisition rights	—	—	—	—	—	—	—	—	—	—	—	—
Transfer from accumulated other comprehensive income to retained earnings	—	—	—	7,687	(166)	(7,521)	—	—	(7,687)	—	—	—
Total transactions with owners	—	(182)	763	(4,100)	(166)	(7,521)	—	—	(7,687)	(11,206)	(1,550)	(12,756)
Balance at end of period	182,146	108,681	(12,409)	343,574	4,675	—	72,205	(20)	76,860	698,852	28,761	727,613

Consolidated Financial Statements

Millions of yen

Consolidated Statement of Cash Flows	2024	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 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)

Millions of yen

	2024	2025
Cash flows from financing activities		
Net increase 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

Corporate Data/Editorial Policies

Corporate Data

(As of December 31, 2025)

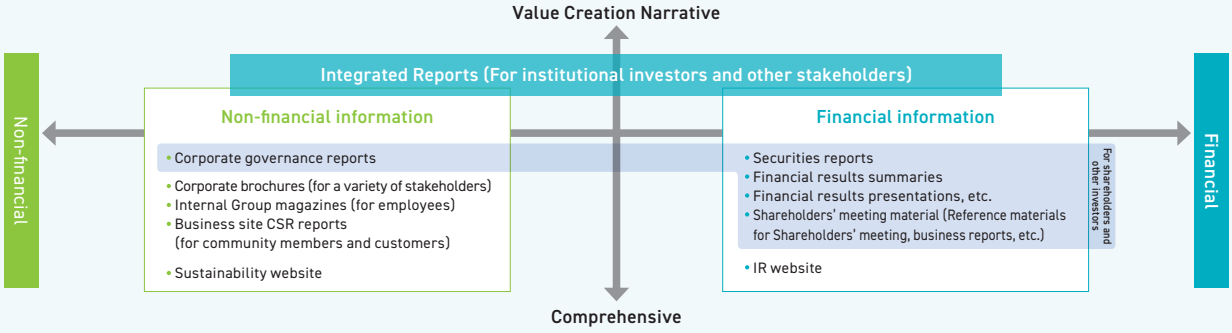
Company Name	Resonac Holdings Corporation
Head Office	Tokyo Shiodome Bldg., 1-9-1, Higashi-Shimbashi, Minato-ku, Tokyo 105-7325, Japan
Formed	June 1939
Capital	¥182,146 million
Consolidated Number of Employee	21,525
Subsidiaries and Associates	Subsidiaries: 101 Associates and others: 33
Subsidiaries (Japan) WEB	
Subsidiaries (Global) WEB	

Editorial Policies

Publication Date	July 2026
Reporting Period	January 1, 2025 to December 31, 2025. Some information on disclosure items and business activities from after January 1, 2026, is also provided.
Reporting Scope and Display Methods in This Report	Figures and information in this report refer to the Resonac Group. Official names or their abbreviations (REH, REC) are used when referring to Resonac Holdings Corporation (REH) or Resonac Corporation (REC) as a non-consolidated entity. Regarding performance data, financial data covers Resonac Holdings Corporation and its subsidiaries, associates and others (including Resonac Corporation), while the scope of non-financial data is specified for each dataset.
Main Disclosure Standards and Frameworks Referenced	"IFRS Sustainability Disclosure Standards," SASB Standards, U.S. International Integrated Reporting Framework TCFD TNFD "Sustainability Reporting Standard," GRI "Guidance for Collaborative Value Creation," Ministry of Economy, Trade and Industry, etc.
Third-Party Verification of Environmental and Safety Data	Data disclosed by the Company are submitted to third-party verification each year to ensure reliability. For details, please refer to the relevant website. WEB
Caution Regarding Forward-Looking Statements	Performance forecasts and other forward-looking statements are based on information available as of the time of publication of this report and certain assumptions judged to be reasonable. Actual performance may vary materially due to risks, uncertainty, or other factors.

Disclosure Materials

Resonac discloses information through its integrated reports and a variety of other communication tools.



Corporate Data/Editorial Policies

Stock Information

(As of December 31, 2025)

Authorized Number of Shares	330,000,000
Number of Shares Outstanding	184,901,292
Number of Shareholders	73,665

Shareholders by Sector



- Foreign corporate entities, etc. ··· 71,051 thousand 38%
- Financial institutions ····· 68,133 thousand 37%
- Individuals ····· 26,809 thousand 15%
- Securities firms ····· 12,851 thousand 7%
- Treasury shares ····· 3,498 thousand 2%
- Japanese corporate entities ····· 2,558 thousand 1%

Shareholders (Top 10)

(As of December 31, 2025)

Name of Shareholders	Stake in the Company: Number of shares held (in thousands)	Stake in the Company: Rate of shareholding (%)
The Master Trust Bank of Japan Ltd. (Trust Account)	31,428	17.33
Custody Bank of Japan, Ltd. (Trust Account)	15,953	8.79
STATE STREET BANK AND TRUST COMPANY 505001	8,683	4.79
STATE STREET BANK AND TRUST COMPANY 505223	5,775	3.18
JPMorgan Securities Japan Co., Ltd.	5,717	3.15
Fukoku Mutual Life Insurance Company	4,517	2.49
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	3,965	2.19
STATE STREET BANK AND TRUST COMPANY 505103	3,592	1.98
Goldman Sachs Japan Co., Ltd. BNYM	3,069	1.69
JP MORGAN CHASE BANK 385781	2,647	1.46

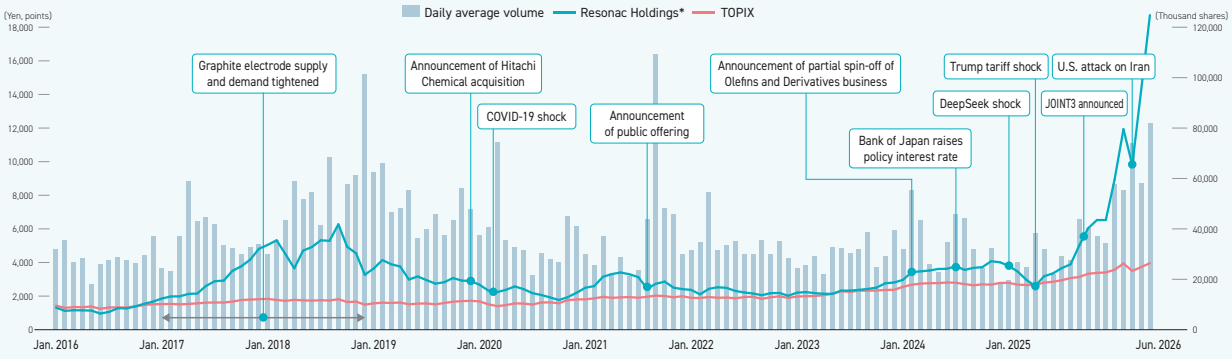
* Each rate of shareholding was calculated after deducting the number of treasury shares (3,498 thousand) from the number of shares outstanding.

	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
Year-end stock price (Yen)	2,415	2,020	2,810	4,015	6,526
Dividends per share (Yen)	65	65	65	65	65
Payout ratio (%) (Non-consolidated)	33.1	35.5	284.2	45.4	664.4
(Consolidated)	—	36.3	—	16.0	40.5

Total shareholder return (TSR)	Past year	Past 3 years	Past 5 years	Past 10 years
Resonac Holdings	164%	333%	312%	510%
TOPIX (including dividends)	125%	194%	213%	279%

* As of the end of 2025
* TSR: Total shareholder return The total rate of return on investments, consisting of capital gains and dividend payouts.
* TSR for Resonac is calculated based on accumulated dividends and stock price fluctuations. TSR for TOPIX is calculated based on dividend included stock index (see Japan Exchange Group's monthly statistics report data).

Stock Price/Volume



* Figures from before 2022 are from former Showa Denko.

External Evaluation

ESG Investment Indexes Adopting Resonac

FTSE4Good

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

2026 Sompo Sustainability Index

MORNINGSTAR GenDi J Japan ex-REIT Gender Diversity Tilt Index TOP CONSTITUENT 2026

2026 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2026 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

2026 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

JPX-NIKKEI HC100

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Other Evaluations

SX Brand 2026

The "SX Brands" program is designed by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) to select leading companies that enhance their ability to generate sustainable growth resources through Sustainability Transformation (SX), thereby achieving enhanced corporate value. The program was established in February 2023, and our company has been selected as an SX Brand for two consecutive years, for "SX Brand 2025" and "SX Brand 2026."

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

We were certified for the first time as an Outstanding Organization of KENKO Investment for Health (White 500) as a corporation practicing excellent health and productivity management. As a foundation for developing a co-creation culture and enhancing employee Happiness, we have established three KGIs: "fostering a healthy corporate culture," "improving employees' health literacy," and "reducing presenteeism." We promote health and productivity management through a structure that includes occupational health professionals, such as the chief occupational physician and nurses.

女性が活躍しています

Based on the Act on the Promotion of Women's Active Engagement in Professional Life, our company has obtained the second stage out of three stages in the "Eruboshi" certification system, which recognizes excellent companies that meet certain standards.

Awards

Date	Organizer	Award title	News release
July 2026	The "HR Award" Steering Committee of Nihon no Jinjibu	Selected as a Winner in the Corporate HR Category of the "HR Award 2026"	Resonac's "Learning Festival" Learning Event Wins Recognition at the "HR Award 2026"
June 2026	Japan Association for Chemical Innovation	Green and Sustainable Chemistry (GSC) Awards, Minister of the Environment Prize	Received the Minister of the Environment Prize at the 25th GSC Awards (Resource Circulation Business Using Diverse Types of Used Plastics)
May 2026	Ichimura Foundation for New Technology	"Contribution Award" of the Ichimura Prize in Industry for Distinguished Achievement	"High-productivity manufacturing technology for high-quality SiC epitaxial wafers for power semiconductors" received the Contribution Award of the "Ichimura Prize in Industry for Distinguished Achievement"
March 2026	Nikkei Inc.	Nikkei Integrated Report Awards Excellence Award	Received the Excellence Award at the 5th Nikkei Integrated Report Award
Janualy 2026	Life Cycle Assessment Society of Japan (JLCA)	JLCA Chairperson's Award	Received the Chairperson's Award at the 22nd JLCA Awards
July 2025	Japan Association for Chemical Innovation	Green and Sustainable Chemistry (GSC) Awards, Minister of Economy, Trade and Industry Prize	Resonac Wins the 24th GSC Award's Minister of Economy, Trade and Industry Prize
March 2025	Japan Chemical Industry Association	JIPS Award Grand Prize	Resonac wins the "JIPS Award Grand Prize" for the fourth consecutive year
February 2025	Nikkei Inc.	Nikkei Integrated Report Awards Excellence Award	Received the Excellence Award at the 4th Nikkei Integrated Report Award
January 2025	Society for Sustainable Mitigation And Related Technologies Against Catastrophic Events	Disaster Prevention and Mitigation × Sustainability Award 2025 Smartace Award Grand Prize	First-ever Disaster Prevention and Mitigation × Sustainability Award 2025 Smartace Award Grand Prize

Resonac NOW

Introducing stories of the people working at Resonac
(In Japanese only)

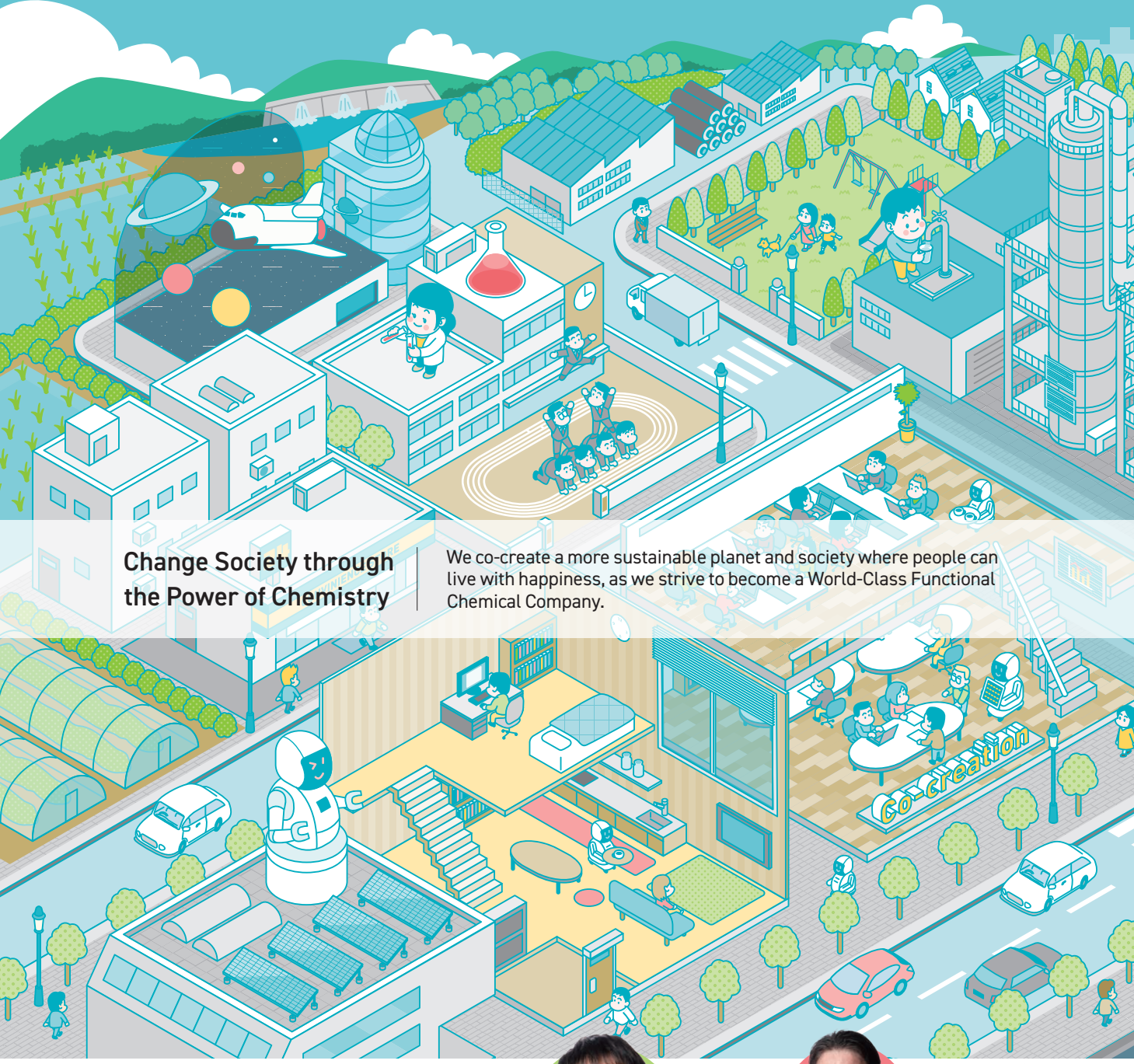


List of Resonac's Official Social Media Accounts

We primarily share content for business professionals, including messages from management and introductions to our products and technologies.

We cover a wide range of Resonac-related topics, including information on internal and external events, match updates for our table tennis and badminton teams, and chemistry quizzes.
(In Japanese only)

We share stories designed to help people feel more familiar with Resonac and chemistry
(In Japanese only)



Change Society through the Power of Chemistry

We co-create a more sustainable planet and society where people can live with happiness, as we strive to become a World-Class Functional Chemical Company.



Resonac Holdings Corporation
Resonac Corporation
Tokyo Shiodome Bldg., 1-9-1, Higashi-Shimbashi, Minato-ku,
Tokyo 105-7325, Japan
https://www.resonac.com/

About the cover page At Resonac, under the Purpose of "Change Society through the Power of Chemistry," we promote co-creation both inside and outside the company to pass down a more sustainable planet and society where people can live with happiness. This cover page expresses the contributions of our various technologies to society. The wraparound band features the team members who won the Gold Award at our global awards program AHA! 2025 (Awards of Harmony).

Scan here for an explanation of the cover illustration