

Summary of Questions and Answers at a Briefing on Resonac Holdings, 1st Quarter 2023 Financial Results

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*All contents are based on the information available as of the date and time of the briefing.

[General]

Q. What is the timeline and a potential effect regarding 'structural reforms' in presentation material p.15?

A. For production capacity reduction and workforce optimization in HD media business, fixed-cost reduction worth single-digit billion yen is expected starting next year.

Structural reforms in Mobility segment are in planning phase, lead by a designated team. Although some actions take time to bear fruit, our goal is to normalize the profit structure by 2025.

'Getting rid of money-losing products' is equivalent of the disclosure in February that, structural reforms of unprofitable businesses by 2025 enables 2%+ improvement in EBITDA.

[Semiconductor and Electronic Materials segment]

Q. Operating income estimate in 2023 2Q seems weak. What changed from 1Q to 2Q?

A. Losses related to overstocked HD media inventory are estimated in 2Q to some extent, as well as 1Q. For semiconductor materials, while expecting a gradual recovery, an increase in fixed cost including depreciation cost as facilities for prior investments begin to complete, has a negative impact.

Q. Operating income estimate in 2023 2nd half also seems weak. From 1st half to 2nd half, what changed in Semiconductor and Electronic Materials segment?

A. The estimate take into account that in 2nd half, HD media inventory with heavier fixed cost materializes in cost of goods sold, and an increase in fixed cost in semiconductor materials.

[Mobility segment]

Q. How is a thorough review in Mobility segment reflected in 2nd half estimate?

A. Although exiting money-losing products being an objective, some products will take some time to discontinue. It will be 2024 onwards to fully materialize.

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