

Summary of Questions and Answers at a Briefing on Resonac Holdings, 2nd 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 background of dividend forecast of 65 yen per share?

A. We value TSR as an important KPI; given the stock price has been low, we decided to continue the dividend payment to shareholders.

[Semiconductor and Electronic Materials segment]

Q. What lead to the changes in sales and operating income from 1Q to 2Q?

A. As for Front-end Semiconductor Materials, both sales and operating income decreased due to weak demand in semiconductor memory. As for Back-end Semiconductor Materials, both sales and operating income increased as demand recovered strongly. As for Device Solutions, despite continued weak demand in HD media, sales improved compared to 1Q and operating income did as well, as losses from disposal of piled-up inventory has lessened.

Q. What leads to the changes in sales and operating income from 1st half to 2nd half?

A. As a segment as a whole, 2nd half compared with 1st half is expected to be an increase in sales and a decrease in operating loss, mainly due to the improvement in Back-end Semiconductor Materials. Sales and income forecast in Front-end Semiconductor Materials does not expect to change largely from 1st half. Device Solutions expect increased sales while income is expected to be largely unchanged from 1st half.

[Chemical segment]

Q. What lead to the decreased operating income, while sales remained largely unchanged, from 1Q to 2Q?

A. Olefins & Derivatives and Graphite Electrodes decreased in income, due to inventory write-downs and negative impacts of inventory valuation difference. Although Basic Chemicals saw an increase in income as it managed to pass on the increased raw material cost, it was not enough to cover the decrease of Olefins & Derivatives and Graphite Electrodes.

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