

Summary of Questions and Answers at a Briefing on Resonac Holdings, 3rd Quarter, 2023 Results

17:00 – 18:00, Thursday, November 9, 2023

Briefer: Hideki Somemiya, Director & Managing Corporate Officer, CFO

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

[General]

Q. What is the breakdown of extraordinary profit/loss expected in 4Q, which is 33.8 billion yen in loss, according to the full-year forecast?

A. Mainly structural reforms cost, including impairment loss.

Q. Are your debts mainly yen-based? How much of them are floating rate and how much of them are fixed?

A. Mostly yen-based. For interest rate, majority of them are fixed.

[Semiconductor and Electronic Materials segment]

Q. Can you walk us through the performance change from 3Q to 4Q?

A. Front-end/Back-end Semiconductor Materials expect less income due to the increased fixed cost as manufacturing equipments begin operating while sales remains largely unchanged. Device Solutions expect unchanged level of income despite increased sales as utilization rate remains low.

[Mobility segment]

Q. How is 'Price increase/exit unprofitable product/customer', shown in presentation material p.16, progressing?

A. For 48 products, we are making efforts to get the negotiations done by the end of 2023. Although some may take a while till the negotiation results begin to contribute, we are determined to materialize through next year.

[Innovation Enabling Materials segment]

Q. Why does 4Q expect decreased income from 3Q, while sales are expected to increase?

A. It is mainly because 3Q income includes retroactive price raise for the past material/fuel price rise, while 4Q does not have that one-off gain.

Q. What is your take on this segment, in terms of structural reforms?

A. Long tail products still remain in large numbers. It is our commitment to take measures through price raise or exit.

[Chemicals segment]

Q. Can you walk us through the performance change, from 2Q to 3Q and also from 3Q to 4Q?

A. In 2Q to 3Q comparison, Graphite Electrodes decreased income while Olefins & Derivatives and Basic Chemicals increased.

In 3Q to 4Q comparison, while Basic Chemicals are to remain steady, Olefins & Derivatives are to lose temporary naphtha-related gains enjoyed in 3Q and Graphite Electrodes are expected to have decreased income from slow demand and temporary factors including inventory write-downs. As a segment, it expects larger sales while income decreases.

Q. What is the regional trends of Graphite Electrodes market?

A. For North America, compared to other regions, relatively steady despite weakened demand as customers continue destocking their inventories. Europe the most competitive, Asia in the middle of aforementioned markets.

* 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.