

Summary of Questions and Answers at a Briefing on Resonac Holdings, 2nd Quarter, 2025 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 Could you comment on the direction to achieve the consolidated core operating profit target of 70 billion yen for 25/2H?

A Based on the outlook for each segment, full-year guidance remains unchanged. Semiconductor and Electronic Materials and Innovation Materials segment are expected to be in line with guidance. Mobility and Crasus Chemical segment may face downside, but upside from “Others/Adjustments” is expected to offset. Overall consolidated guidance is unchanged.

Q Could you explain the expected impact of the so-called Trump tariffs from 25/2H?

A Revenue to the U.S., including Mobility segment, was a single-digit percentage in 2024. Indirect effects are hard to estimate, but costs are intended to be passed on to prices. Therefore, the impact is not expected to be significant.

[Semiconductor and Electronic Materials Segment]

Q Please outline the direction for each subsegment toward achieving the 25/2H guidance.

A The Front-end Semiconductor Materials subsegment is expected to remain stagnant as the NAND market remain sluggish throughout 2025. The Back-end Semiconductor Materials subsegment is planned to grow steadily, with AI-related materials expected to see high growth. The Device Solutions subsegment achieved solid volume growth in HD media in 25/1H, with further growth expected in 25/2H.

Q Regarding AI-related materials, what were the results for 25/1H and the outlook for 25/2H?

A Overall, we expect AI-related material revenue to double in fiscal year 2025 compared to fiscal year 2024. In 25/1H, while the situation is different by product, overall progress is in line with our plans. We expect steady growth to continue from 25/2H onward.

Q Could you explain whether revenue for non-AI products in the Back-end Semiconductor Materials subsegment also increased in 25/2Q compared to 25/1Q?

A For most non-AI products, revenue increased compared to 25/1Q. While it is difficult to distinguish from pull-forward demand due to the so-called Trump tariffs, materials demand for smartphone in 25/2Q also contributed to the increase.

[Chemicals Segment]

Q The Graphite Electrodes business is seeing a decrease in losses 25/2Q compared to 25/1Q. What drove this improvement? Also, what is the outlook for the 25/2H?

A The market conditions for the Graphite Electrodes business are tough, but selling prices rose in 25/2Q, reducing the losses from 25/1Q. We expect core operating loss decrease in 25/2H compared to 25/1H.

Q Is it possible to provide an update on the progress of structural reforms in the Graphite Electrodes business?

A We are actively considering the structural reforms in the Graphite Electrodes business and will communicate updates as progress is made.

[Crasus Chemical Segment]

Q The core operating profit was negative in 25/1H. Could you explain why? Also, can we expect improvement from 25/3Q onward?

A The loss was mainly due to the drop in naphtha prices from 25/1Q to 25/2Q, which led to a deterioration in inventory valuation differences. From 25/3Q, we expect naphtha prices to stabilize and volumes to grow higher as we completed the scheduled maintenance in 25/1Q. We forecast a return to be profitable in both the 25/2H and full-year.

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