Supplemental Materials regarding Issuance of Zero Coupon Convertible Bonds Due 2028

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Resonac Holdings Corporation

April 23, 2024

Overview

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Item	Zero Coupon Convertible Bonds due 2028
Issuer	Resonac Holdings Corporation
Securities Offered	Bonds with stock acquisition rights (tenkanshasaigata shinkabu yoyakuken-tsuki shasai)
Offering Market	Overseas markets, mainly in Europe and Asia (excluding the U.S.)
Governing Law	English Law
Maturity	4 years and 7 months
Issue Amount	¥100,000,000,000
Announcement Date	April 23, 2024 (Tue)
Pricing Date	Between April 23, 2024 (Tue) and AM 8:00 (JST) on April 24, 2024 (Wed)
Closing Date	May 13, 2024 (Mon)
Maturity Date	December 29, 2028 (Fri)
Offer Price	102.5%
Issue Price / Redemption Price	100.0% / 100.0%
Initial Conversion Price	To be determined
Coupon	0%
Ancillary Terms	Contingent Conversion (CoCo) (130% of applicable Conversion Price until 3 months before the maturity)
Lock-up	For the Company / For a period Beginning on the Pricing Date and ending 180 calendar days after the Closing Date
Use of Proceeds	(a) approximately ¥40 billion as capital investment for semiconductor materials (including CMP Slurry, copper clad laminates and die bonding materials) and SiC epitaxial wafers; and (b) the balance for repayment of long-term borrowings.
Bookrunner	Nomura International plc / Mizuho International plc

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Purpose of Issuance of the Bonds / Use of Proceeds

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Background and Purpose	● Resonac Holdings Corporation (“REH”) believes that in order to implement its growth strategies and meet its medium-term targets, it is necessary to accelerate its investments in the growth of its semiconductor materials business and, while considering diversification of financing methods and minimization of funding costs, to strengthen its financial footing to facilitate proactive and strategic investments. ● Therefore, REH resolved to issue the Bonds with Stock Acquisition Rights as a strategic financing method, taking comprehensive consideration of the market environment, funding costs, and the transaction’s impact on existing shareholders, etc., to achieve the foregoing objectives.
Use of Proceeds	● The net proceeds from the issue of the Bonds with Stock Acquisition Rights are estimated to amount to approximately ¥100 billion, and are expected to be used by REH by December 2025 as follows: ● Approximately ¥40 billion as capital investment for semiconductor materials (including CMP Slurry, copper clad laminates and die bonding materials) and SiC epitaxial wafers; and ● The balance for repayment of long-term borrowings.

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Disclaimer

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