

Explanatory Material for the Partial Spin-off of Crasus Chemical Inc. (Petrochemical Business)

Resonac Holdings Corporation

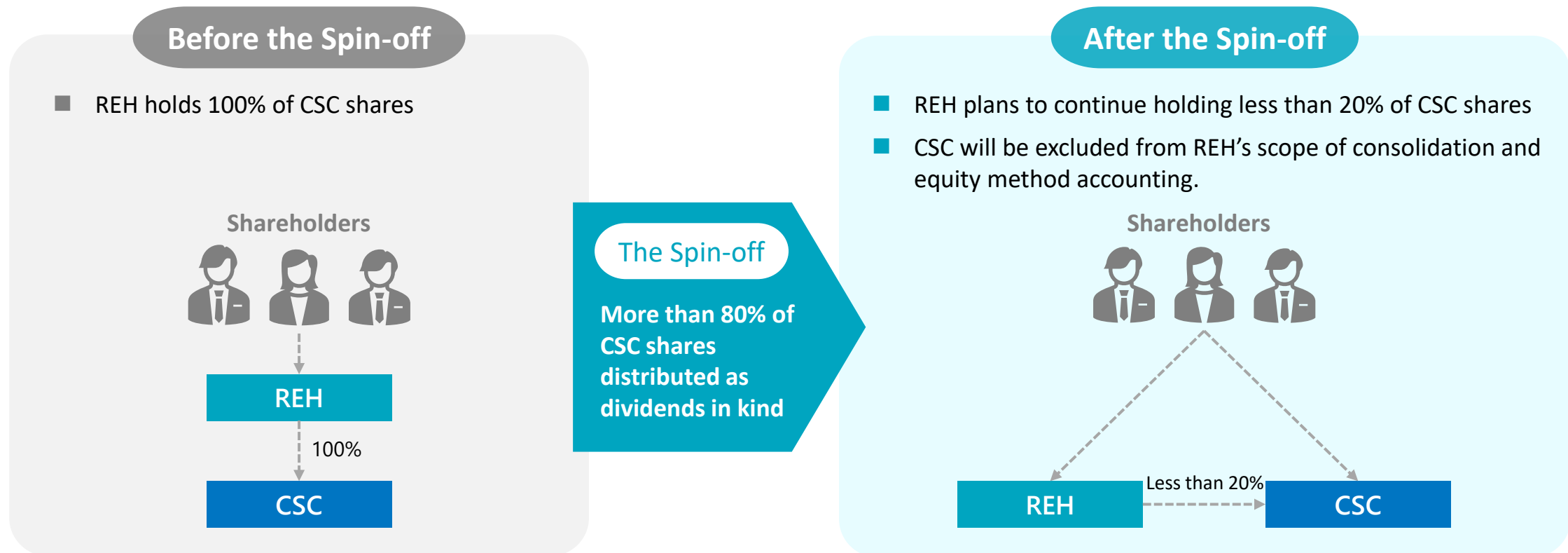
July 6, 2026

RESONAC

Abbreviations Used in this Material

Abbreviation	Official Name / Definition
REH	Resonac Holdings Corporation
CSC	Crasus Chemical Inc.
REH share(s)	Share(s) of common stock of REH
CSC share(s)	Share(s) of common stock of CSC
Spin-off	REH's partial spin-off of CSC
TSE	Tokyo Stock Exchange
Mizuho Securities	Mizuho Securities Co., Ltd.
IFRS Accounting Standards	IFRS [®] Accounting Standards as issued by the International Accounting Standards Board

- ✓ REH plans to implement a partial spin-off of CSC, which operates the petrochemical business, effective October 1, 2026.*¹
- ✓ In the Spin-off, more than 80% of CSC shares will be distributed to REH shareholders through dividends in kind. CSC shares are expected to be listed on the TSE Standard Market through a direct listing.*²
- ✓ As a result of the execution of the Spin-off, REH shareholders will hold two listed REH shares and listed CSC shares.

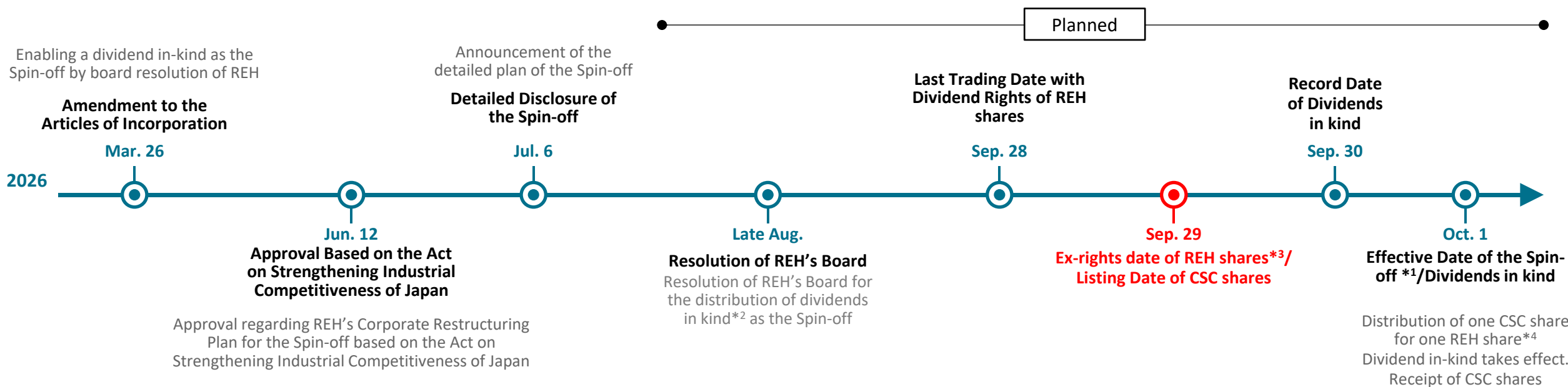


*¹ The execution of the Spin-off is subject to, among others, approval by the TSE for the listing of CSC shares.

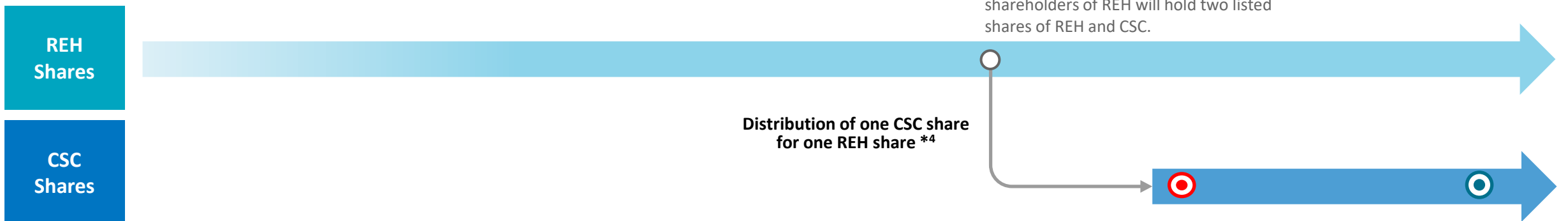
*² CSC has submitted an application for the initial listing to the TSE in late April 2026. For details of the direct listing, please refer to page 6.

REH has appointed Mizuho Securities and Goldman Sachs Japan Co., Ltd. as financial advisors for the execution of the Spin-off.

Overview of the Spin-off Schedule



Shareholding Status of REH Shareholders



*1 The execution of the Spin-off is subject to approval by the TSE for the listing of CSC shares.

*2 REH has obtained approval regarding its Corporate Restructuring Plan for the Spin-off based on the Act on Strengthening Industrial Competitiveness of Japan. Based on the Act, REH plans to execute the Spin-off (the distribution of dividends in kind) by a resolution of REH's Board.

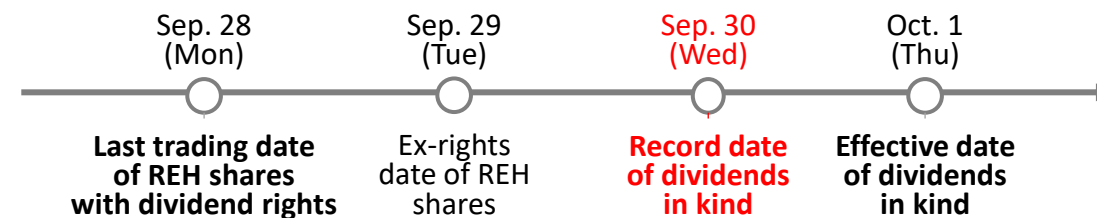
*3 For further information on trading on the ex-rights date, please refer to page 8.

*4 For further information on the conditions to receive CSC shares, please refer to page 5.

*5 Please contact your securities company to confirm whether you are able to trade.

Details of Receipt of Dividends in kind

- ✓ CSC shares will be distributed on Thursday, October 1, 2026, through dividends in kind, to shareholders appearing in REH's register of shareholders as of the record date of dividends in kind on **September 30, 2026**.
- ✓ In order to be recorded as a shareholder of REH as of the record date of dividends in kind, it is necessary to have executed buy orders by **September 28, 2026** (the last trading day with rights).



Shareholders who can receive dividends in kind

Holding REH shares as of the record date of dividends in kind

- e.g.
- Hold REH shares as of Sep. 28, and have not executed sell orders by that day
 - Do not hold REH shares as of Sep. 28 but have executed buy orders by that day



Shareholders who cannot receive dividends in kind

Not holding REH shares as of the record date of dividends in kind

- e.g.
- Hold REH shares as of Sep. 28 and have executed sell orders by that day
 - Do not hold REH shares as of Sep. 28 but have executed buy orders after that day



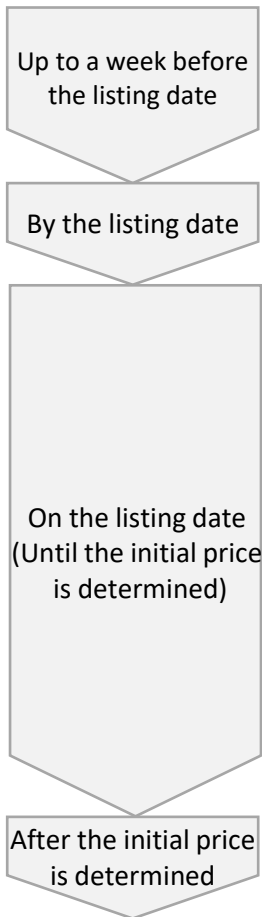
*1 Settlement occurs two business days after the execution of Buy/Sell orders.

- ✓ The Spin-off will employ a direct listing, under which CSC shares will be listed without a primary or secondary offering.

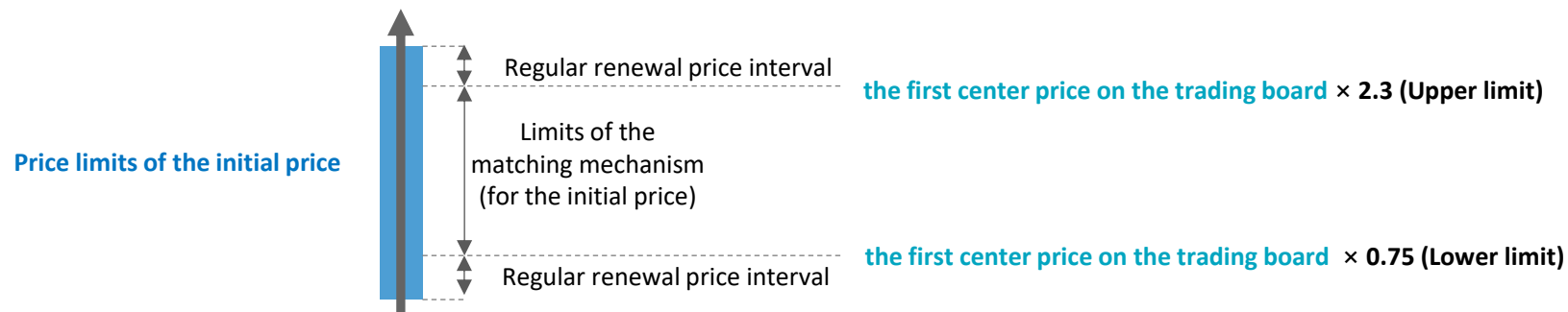
	Direct Listing	IPO (Primary or Secondary Offering in Connection with the Initial Listing)	
		Primary	Secondary
New Share Issuance	No	Yes	No
Primary or Secondary Offering	No	Offering of New Shares	Offering of Issued Shares
Method of Determining the First Center Price on the Trading Board* ¹	<ul style="list-style-type: none"> Determined by the TSE, referring to the reference price <ul style="list-style-type: none"> The reference price is submitted by the lead managing trading participant 	<ul style="list-style-type: none"> The primary or secondary offering price will be used as the first center price on the trading board <ul style="list-style-type: none"> These prices are determined through bookbuilding or auction 	
Method of Determining Initial Price after Listing	To be determined according to the actual supply and demand from investors for CSC shares, within a range that incorporates the regular renewal price interval applied to the upper and lower price limits of the matching mechanism, which will be defined based on the first center price on the trading board on the listing date		
Listing Examination	Yes (by the TSE)		

*¹ The first center price on the trading board is the price that is used as a basis for the matching mechanism until the initial price is determined and does not indicate any actual trading price or equity value of CSC shares, for which trading is scheduled to start from Tuesday, September 29, 2026.

- ✓ The initial price after listing will be determined via the TSE's *Itayose* Method (call auction), based on investors' supply and demand for CSC shares.
- ✓ The first center price on the trading board on the listing date before the determination of the initial price*¹ will be determined by the TSE based on a reference price to be submitted by Mizuho Securities, as the lead managing trading participant.



- Mizuho Securities, the lead managing trading participant, submits **the reference price** for CSC shares to the TSE
- **The reference price**: A price referred to in determining the upper and lower limits of the matching mechanism before the determination of the initial price, which is based on the first center price on the trading board (, which does not indicate any actual trading price or the equity value of CSC shares)
- The TSE determines and announces **the first center price on the trading board***¹ of CSC shares on the listing date, based on the reference price
- The initial price will be established through **the TSE's *Itayose* Method (call auction), based on investors' supply and demand** for CSC shares, within a range that incorporates the regular renewal price interval applied to the upper and lower price limits of the matching mechanism.



- The share price after the determination of the initial price will also be determined **based on supply and demand**.

*1 The first center price on the trading board is the price used as a basis for the matching mechanism until the initial price is determined and does not indicate any actual trading price or the equity value of CSC shares, for which trading is scheduled to commence on Tuesday, September 29, 2026.

*2 The details of the matching mechanism before the determination of the initial price are expected to be announced on the TSE website one business day prior to the listing date.

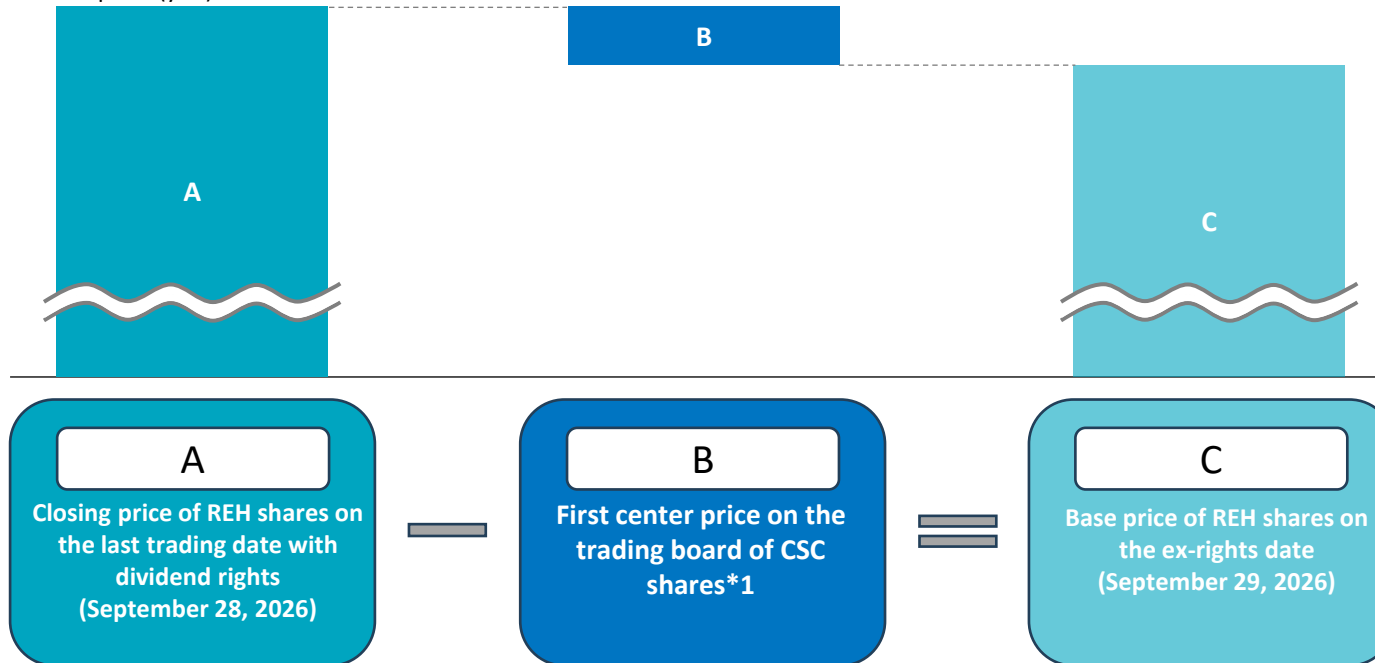
Base Price on the Ex-rights Date Related to the Spin-off

- ✓ As of the ex-rights date of REH shares on September 29, 2026, trading on the TSE is expected to be carried out using the per share price calculated by the following image as the base price of REH shares.
- ✓ The base price is the basis of the price limits for transactions on the exchange (a range within which the price can fluctuate during a day) and does not indicate any actual trading price for any trade of REH shares conducted on September 29, 2026. The actual price will be determined based on supply and demand.
- ✓ The TSE is expected to separately announce information relating to the trading of shares, including the calculation method of the base price.

Image of calculation method of the base price on the ex-rights date of REH shares

* This image shows the process of ex-rights for illustrative purpose only and does not indicate actual trading price or equity value of REH shares or CSC shares.

Share price (yen)



(For reference) Meaning of the three prices

Reference price

- Used by the TSE **when determining the first center price on the trading board on the listing date**
- Submitted to the TSE by Mizuho Securities, the lead managing trading participant

B First center price on the trading board

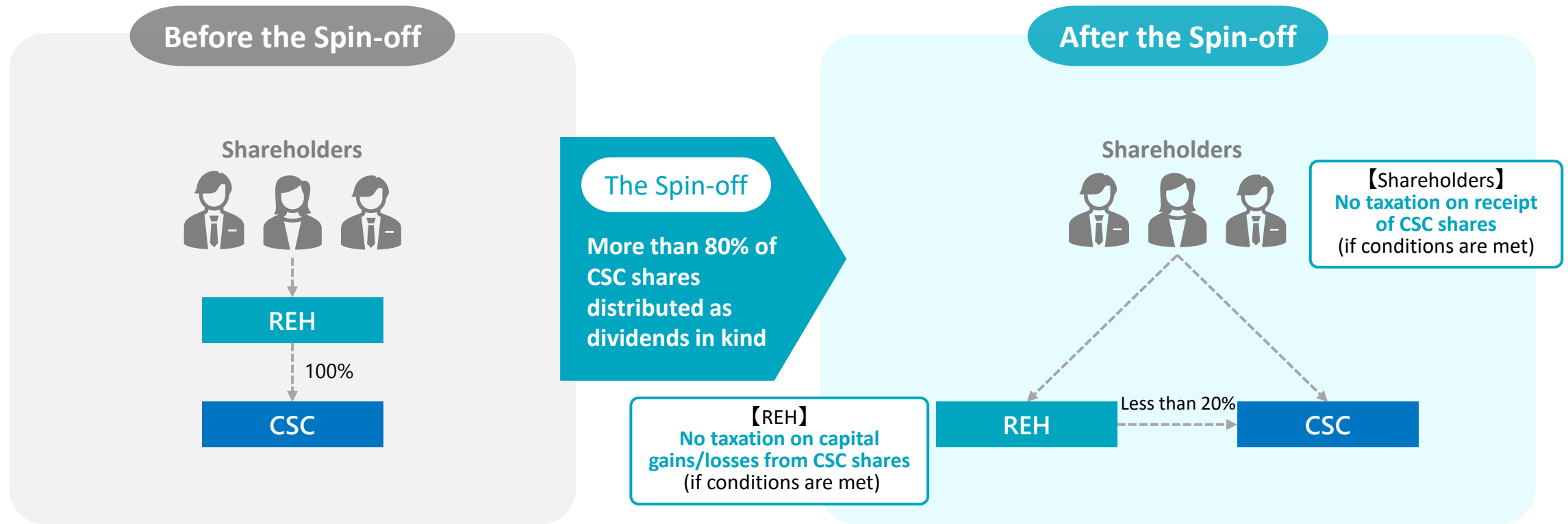
- **Used to calculate the upper and lower limits of the quote range before the initial price is determined on the listing date.**
- The upper limit of the quote range is 2.3 times the first center price on the trading board, while the lower limit is 0.75 times the first center price on the trading board.

C Base price

- **The price used as the basis for the price limit range (the range of prices that can fluctuate in one day)**
- To prevent rapid price fluctuations, the share price is restricted to a certain range above and below the base price.

*1 The TSE plans to determine the first center price on the trading board based on the reference price submitted by the lead managing trading participant.

- ✓ This Spin-off is intended to qualify as a tax-qualified share distribution under Japanese tax law. Therefore, in connection with the dividends in kind of CSC shares, REH shareholders will not be subject to taxation on deemed dividends, and taxation on capital gains or losses will be deferred.
- ✓ REH will not be subject to any taxation on capital gains or losses upon distributing CSC shares to its shareholders.

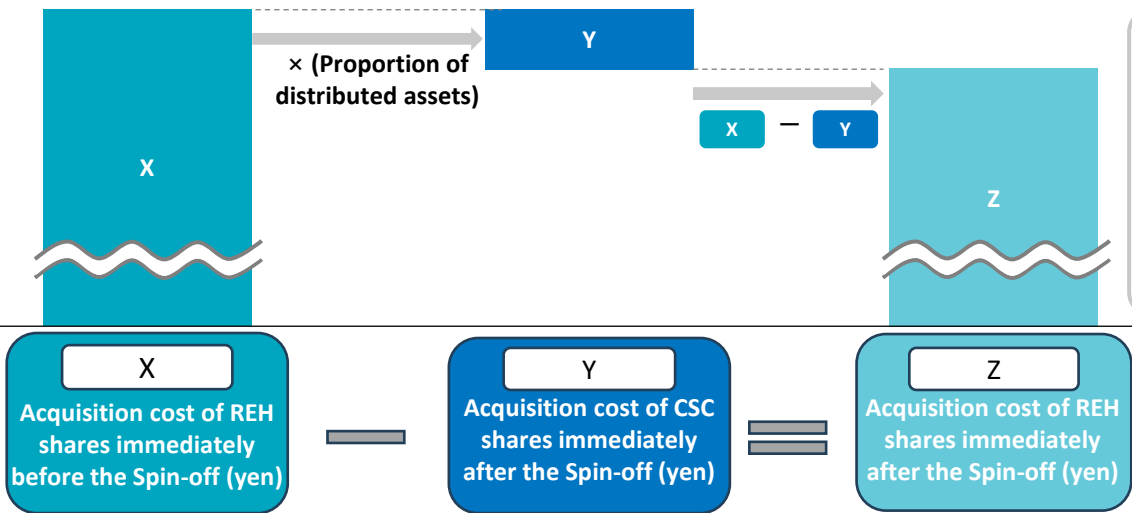


- The tax treatment described in this material is a general explanation based on materials published by the relevant government authorities and does not guarantee the specific tax treatment applicable to individual shareholders. For advice on specific tax treatment, please consult your own tax advisor, such as a certified tax accountant.

- ✓ The acquisition cost*^{1,2} of REH shares and CSC shares applicable to shareholders for tax purposes immediately after the Spin-off will be the amounts calculated using the proportion of distributed assets.
- ✓ As of the date of this material, the estimated proportion of distributed assets is expected to be approximately “0.09”. Further information will be provided once determined.

Image of calculation method of the acquisition cost of REH and CSC shares immediately after the Spin-off*^{1,2}

*This image describes the tax treatment of the Spin-off in Japan for illustrative purposes only, and does not indicate any actual trading price or equity value of REH shares or CSC shares.



(Example of calculating acquisition cost immediately after the Spin-off)

- Assuming the proportion of distributed assets is 0.09
 - Assuming 100 REH shares were purchased at 18,720 yen*³ per share ($x = 1,872,000$ yen)
- y Acquisition cost of CSC shares = x 1,872,000 yen \times 0.09 = 168,480 yen
 z Acquisition cost of REH shares = x 1,872,000 yen - y 168,480 yen = 1,703,520 yen

- The tax treatment described above does not purport to be a complete description of the tax consequences of the Spin-off (dividend in-kind) and does not address the tax treatment in any jurisdiction other than Japan. For details of the tax treatment under the laws of Japan and other jurisdictions, please consult your own tax advisor, such as a certified tax accountant.

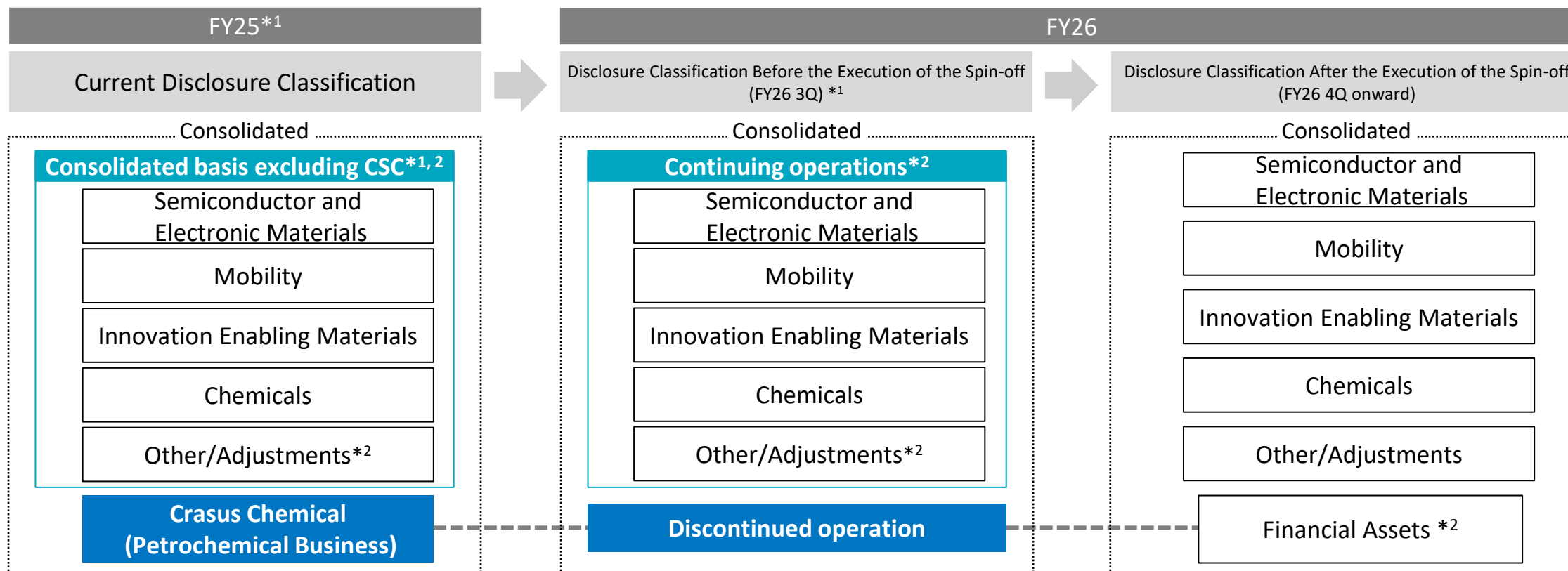
*1 Based on the distribution of dividends in kind at a rate of one CSC share for each REH share.

*2 For corporate shareholders, the calculation should be made by replacing “acquisition cost” with “book value (for tax purposes)”.

*3 Closing price of REH shares on the TSE Prime Market as of May 29, 2026.

- ✓ Following the decision regarding the Spin-off disclosed as of July 6th 2026, REH will classify CSC as a discontinued operation in accordance with IFRS Accounting Standards from Q3 FY2026 and present it separately from continuing operations.
- ✓ After the execution of the Spin-off, CSC is expected to be excluded from REH's scope of consolidation and equity method accounting. Thereafter, CSC shares are expected to be recognized as financial assets.

Image of changes in disclosure classification



*1 From Q3 FY26, the results for FY25, the comparative period, will be restated to conform to the classification of continuing operations and discontinued operations in accordance with IFRS Accounting Standards.

*2 The difference between the results of continuing operations and the consolidated results excluding CSC is the amount equivalent to intersegment transactions between the CSC segment and other segments, and such difference is expected to be immaterial. This difference also applies to operating cash flows.

- ✓ The impact of the execution of the Spin-off on REH's consolidated results continues to be evaluated and has not been determined at this time.
- ✓ Upon the execution of the Spin-off, REH will deconsolidate CSC. The major accounting treatments affecting REH's consolidated financial results are as follows.
 - ① Difference between the carrying amount and fair value of CSC shares to be distributed as dividends in kind, recorded as profit or loss from a discontinued operation
 - ② Difference between the carrying amount and fair value of CSC shares retained by REH after the Spin-off, recorded as profit or loss from a discontinued operation
- ✓ Regarding the accounting treatment described above, a considerable one-time loss may be recorded in the consolidated statement of profit or loss at the time of the execution of the Spin-off. However, because this loss will be recorded as a loss from a discontinued operation, there will be no impact on operating profit and profit from continuing operations.

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