

Asahi Kasei Corporation

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**Consolidated Results for Fiscal 2024:
April 1, 2024 – March 31, 2025**

(All figures in millions of yen, rounded to the nearest million, unless otherwise specified)

I. Summary of Consolidated Results

1. Operating results (percent change from previous year in brackets)

	FY 2024	FY 2023
Net sales	3,037,312 [+9.1%]	2,784,878 [+2.1%]
Operating income	211,921 [+50.6%]	140,746 [+10.2%]
Ordinary income	193,459 [+114.7%]	90,118 [-25.5%]
Net income attributable to owners of the parent	134,996 [+208.2%]	43,806 [—]
Net income per share*	97.94	31.60
Diluted net income per share*	—	—
Net income/shareholders' equity	7.4%	2.5%
Ordinary income/total assets	5.0%	2.5%
Operating income/net sales	7.0%	5.1%

* Yen

Notes:

- Comprehensive income was ¥131,466 million during fiscal 2024, and ¥206,181 million during fiscal 2023.
- Equity in earnings of affiliates was ¥(7,188) million during fiscal 2024, and ¥(38,106) million during fiscal 2023.

2. Financial position

At fiscal year end March	2025	2024
Total assets	4,015,214	3,662,730
Net assets	1,913,944	1,848,625
Net worth/total assets	46.3%	49.5%
Net worth per share*	1,369.16	1,308.20

* Yen

Notes:

- Net worth consists of shareholders' equity and accumulated other comprehensive income.
- Net worth was ¥1,859,420 million as of March 31, 2025, and ¥1,813,391 million as of March 31, 2024.

3. Cash flows

	FY 2024	FY 2023
Cash flows from operating activities	301,489	295,300
Cash flows from investing activities	(381,150)	(142,598)
Cash flows from financing activities	144,567	(94,331)
Cash and cash equivalents at end of period	390,035	333,498

II. Cash Dividends

Fiscal year	Cash dividends per share*				Total annual dividend amount	Dividends/ consolidated net income	Dividends/ consolidated net worth	
	Q1	Q2	Q3	Q4				
2023	—	18.00	—	18.00	36.00	49,962	113.9%	2.9%
2024	—	18.00	—	20.00	38.00	52,174	38.8%	2.8%
2025 (forecast)	—	20.00	—	20.00	40.00		44.1%	

* Yen

III. Forecast for Fiscal 2025 (April 1, 2025 – March 31, 2026)

(percent change from same period of previous year in brackets)

	For Q1–Q2	For the fiscal year
Net sales	1,512,000 [+1.5%]	3,117,000 [+2.6%]
Operating income	95,000 [-12.8%]	215,000 [+1.5%]
Ordinary income	95,000 [-8.4%]	216,000 [+11.7%]
Net income attributable to owners of the parent	42,000 [-30.3%]	125,000 [-7.4%]
Net income per share*	30.47	90.69

* Yen

Note:

Performance forecasts are based on the best information available at this time, but actual results may diverge from these forecasts due to a variety of factors which cannot be foreseen.

IV. Other Information

1. Significant changes in the scope of consolidation during the period

12 companies added:

ODC Construction, LLC and 5 subsidiaries

Calliditas Therapeutics AB and 5 subsidiaries

2. Changes in accounting policies, changes in accounting estimates, and retroactive restatement

None

3. Changes in presentation

Consolidated balance sheets:

Technology assets, which were included in other under intangible assets for the fiscal year ended March 31, 2024, are reported separately due to increased materiality. Consolidated balance sheets for the fiscal year ended March 31, 2024, are restated to reflect this change. As a result, other under intangible assets, previously reported to be ¥394,052 billion, is reclassified to ¥146,643 billion as technology assets and ¥247,409 as other.

Consolidated statements of income:

Foreign exchange loss, which was included in other under non-operating expenses for the fiscal year ended March 31, 2024, exceeded one-tenth of total non-operating expenses for the fiscal year ended March 31, 2025, and is reported separately. Consolidated statements of income for the fiscal year ended March 31, 2024, are restated to reflect this change. As a result, other under non-operating expenses, previously reported to be ¥22,766 million, is reclassified to ¥2,786 million as foreign exchange loss and ¥19,980 million as other.

4. Number of shares outstanding

	FY 2024	FY 2023
Number of shares outstanding at end of period	1,365,751,932	1,393,932,032
Number of shares of treasury stock at end of period	7,683,150	7,761,893
Average number of shares outstanding during period	1,378,342,060	1,386,143,255

V. Summary of Non-Consolidated Results

1. Results for fiscal 2024 (April 1, 2024 – March 31, 2025)

(1) Operating results (percent change from previous year in brackets)

	FY 2024	FY 2023
Net sales	726,492 [+6.6%]	681,508 [-4.5%]
Operating income	650 [—]	(26,546) [—]
Ordinary income	16,319 [-91.5%]	192,641 [+394.7%]
Net income	37,022 [-78.2%]	170,162 [—]
Net income per share*	26.86	122.76
Diluted net income per share*	—	—

* Yen

(2) Financial position

At fiscal year end March	2025	2024
Total assets	2,177,563	1,967,465
Net assets	566,480	625,610
Net worth/total assets	26.0%	31.8%
Net worth per share*	417.12	451.32

* Yen

VI. Overview of Consolidated Results

1. Consolidated group results

Net sales reached ¥3,037.3 billion, an increase of ¥252.4 billion from a year ago, and operating income reached ¥211.9 billion, an increase of ¥71.2 billion. Material had improved terms of trade with higher petrochemical market prices and increased shipments with firm demand in semiconductor and electronics related markets, while Homes and Healthcare performed well. Ordinary income increased by ¥103.3 billion to ¥193.5 billion with lower equity in losses of affiliates. Net income attributable to owners of the parent increased by ¥91.2 billion to ¥135.0 billion with lower impairment loss than a year ago, although income tax expenses increased.

Regarding non-consolidated results, net sales increased by ¥45.0 billion to ¥726.5 billion, operating income was ¥0.6 billion representing a ¥27.2 billion improvement, ordinary income decreased by ¥176.3 billion to ¥16.3 billion, and net income decreased by ¥133.1 billion to ¥37.0 billion. Increases in net sales and operating income were largely due to recovery in performance of businesses in the Material segment. Decreases in ordinary income and net income were largely an effect of lower dividends received from consolidated subsidiaries than in the previous year.

2. Results by operating segment

The Asahi Kasei Group's operations are described by major business classification: three reportable segments of Material, Homes, and Healthcare, together with an "Others" category.

All segments had increased net sales and operating income, with growth-driving businesses in each segment, including Health Care, Critical Care, and Digital Solutions, contributing to income growth.

MATERIAL

Sales increased by ¥107.0 billion from a year ago to ¥1,368.8 billion, and operating income increased by ¥44.8 billion from a year ago to ¥87.4 billion.

In Environmental Solutions, although separators were impacted by increased expenses related to the establishment of a new company and the North American investment as well as regular price revisions, basic materials had improved terms of trade and decreased fixed costs, resulting in a significant increase in operating income. Operating income in Mobility & Industrial increased with improved terms of trade due to the weaker yen and progress in passing on increased costs, as well as greater shipments of car interior material. Operating income in Life Innovation increased with firm sales of mainstay products in digital solutions such as electronic materials for AI servers and high-end smartphones, and electronic components, as well as a positive effect from the weaker yen.

HOMES

Sales increased by ¥81.5 billion from a year ago to ¥1,035.9 billion, and operating income increased by ¥13.0 billion from a year ago to ¥95.9 billion.

In order-built homes, although volume declined, operating income increased as larger and higher value-added units resulted in higher average unit prices and reduced costs resulted in an improved marginal profit ratio. In real estate, although operating income from development operations was largely unchanged from the previous year, overall operating increased with firm expansion of volume in rental management operations. Operating income in overseas operations increased with recovery of volume in the North American business and progress in passing on higher material costs in the Australian business, in addition to a positive effect from the weaker yen. Operating income in construction materials increased with progress in passing on increased costs.

HEALTHCARE

Sales increased by ¥62.1 billion from a year ago to ¥615.9 billion, and operating income increased by ¥15.5 billion from a year ago to ¥64.0 billion.

In health care, although costs were incurred related to the acquisition of Calliditas Therapeutics AB of Sweden, operating income increased with firm growth in shipments of mainstay products such as Envarsus XR. Operating income in critical care increased with a greater number of new patients for LifeVest, higher selling prices and lower unit costs for

defibrillators, and a positive effect from the weaker yen.

OTHERS

Sales increased by ¥1.8 billion from a year ago to ¥16.8 billion, and operating income decreased by ¥0.2 billion from a year ago to ¥2.9 billion.

VII. Consolidated Financial Statements

1. Balance sheets

	At end of March 2024	At end of March 2025
Assets		
Current assets		
Cash and deposits	338,108	393,467
Notes, accounts receivable–trade, and contract assets	485,941	491,414
Merchandise and finished goods	317,397	341,531
Work in process	171,645	183,613
Raw materials and supplies	189,794	194,186
Other	150,030	169,042
Allowance for doubtful accounts	(2,877)	(3,805)
Total current assets	1,650,037	1,769,448
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	669,119	698,602
Accumulated depreciation	(366,214)	(373,652)
Buildings and structures, net	302,906	324,950
Machinery, equipment and vehicles	1,621,333	1,640,722
Accumulated depreciation	(1,351,326)	(1,368,752)
Machinery, equipment and vehicles, net	270,007	271,970
Land	72,750	81,945
Lease assets	13,936	14,839
Accumulated depreciation	(7,010)	(7,114)
Lease assets, net	6,926	7,725
Construction in progress	132,051	162,890
Other	211,763	221,775
Accumulated depreciation	(143,113)	(150,645)
Other, net	68,650	71,131
Subtotal	853,289	920,611
Intangible assets		
Goodwill	360,676	389,640
Technology assets	146,643	297,384
Other	247,409	243,529
Subtotal	754,728	930,553
Investments and other assets		
Investment securities	188,288	168,371
Long-term loans receivable	17,198	9,561
Long-term advance payments–trade	26,692	24,416
Net defined benefit asset	41,876	74,133
Deferred tax assets	84,557	69,217
Other	46,638	49,431
Allowance for doubtful accounts	(574)	(527)
Subtotal	404,676	394,602
Total noncurrent assets	2,012,693	2,245,766
Total assets	3,662,730	4,015,214

	At end of March 2024	At end of March 2025
Liabilities		
Current liabilities		
Notes and accounts payable–trade	213,252	193,583
Short-term loans payable	178,091	203,249
Commercial paper	83,000	87,000
Current portion of bonds payable	30,000	20,000
Lease obligations	7,815	8,049
Accrued expenses	151,577	180,644
Income taxes payable	17,827	18,666
Advances received	88,415	109,750
Provision for grant of shares	70	176
Provision for periodic repairs	4,805	10,297
Provision for product warranties	4,369	4,708
Provision for removal cost of property, plant and equipment	6,511	13,854
Other	128,838	114,631
Total current liabilities	914,572	964,608
Noncurrent liabilities		
Bonds payable	200,000	280,000
Long-term loans payable	425,926	567,209
Lease obligations	30,729	29,538
Deferred tax liabilities	20,184	55,608
Provision for grant of shares	545	611
Provision for periodic repairs	7,924	5,516
Provision for removal cost of property, plant and equipment	15,843	6,874
Net defined benefit liability	133,434	121,619
Long-term guarantee deposits	23,295	24,070
Other	41,654	45,618
Total noncurrent liabilities	899,534	1,136,663
Total liabilities	1,814,106	2,101,271
Net assets		
Shareholders' equity		
Capital stock	103,389	103,389
Capital surplus	80,272	80,319
Retained earnings	1,135,533	1,191,076
Treasury stock	(7,316)	(8,015)
Total shareholders' equity	1,311,878	1,366,768
Accumulated other comprehensive income		
Net unrealized gain on other securities	51,269	35,996
Deferred gains (losses) on hedges	(14)	78
Foreign currency translation adjustment	417,391	394,803
Remeasurements of defined benefit plans	32,867	61,776
Total accumulated other comprehensive income	501,513	492,652
Non-controlling interests	35,234	54,523
Total net assets	1,848,625	1,913,944
Total liabilities and net assets	3,662,730	4,015,214

2. Statements of income and statements of comprehensive income

(1) Statements of income

	FY 2023	FY 2024
Net sales	2,784,878	3,037,312
Cost of sales	1,968,909	2,079,051
Gross profit	815,969	958,260
Selling, general and administrative expenses	675,223	746,340
Operating income	140,746	211,921
Non-operating income		
Interest income	7,684	9,982
Dividends income	3,504	3,396
Other	6,504	7,448
Total non-operating income	17,693	20,826
Non-operating expenses		
Interest expense	7,448	9,096
Equity in losses of affiliates	38,106	7,188
Foreign exchange loss	2,786	5,624
Other	19,980	17,380
Total non-operating expenses	68,320	39,288
Ordinary income	90,118	193,459
Extraordinary income		
Gain on sales of investment securities	27,088	32,453
Gain on sales of noncurrent assets	527	336
Insurance income	15,346	9,512
Gain on business transfer	2,986	—
Settlement income	6,163	—
Gain on negative goodwill	—	2,218
Total extraordinary income	52,110	44,520
Extraordinary loss		
Loss on valuation of investment securities	1,773	2,286
Loss on disposal of noncurrent assets	8,044	8,503
Impairment loss	92,834	12,181
Loss on product compensation	—	1,977
Business structure improvement expenses	10,733	18,429
Total extraordinary loss	113,385	43,377
Income before income taxes	28,843	194,602
Income taxes-current	31,984	47,914
Income taxes-deferred	(49,469)	6,283
Total income taxes	(17,484)	54,197
Net income	46,328	140,404
Net income attributable to non-controlling interests	2,522	5,408
Net income attributable to owners of the parent	43,806	134,996

(2) Statements of comprehensive income

	FY 2023	FY 2024
Net income	46,328	140,404
Other comprehensive income		
Net increase (decrease) in unrealized gain on other securities	(1,184)	(14,994)
Deferred gains (losses) on hedges	(86)	92
Foreign currency translation adjustment	151,830	(22,332)
Remeasurements of defined benefit plans	7,369	28,867
Share of other comprehensive income of affiliates accounted for using equity method	1,925	(572)
Total other comprehensive income	159,854	(8,938)
Comprehensive income	206,181	131,466
Comprehensive income attributable to:		
Owners of the parent	202,517	126,135
Non-controlling interests	3,665	5,331

3. Statements of changes in net assets

	FY 2023	FY 2024
Shareholders' equity		
Capital stock		
Balance at beginning of fiscal year	103,389	103,389
Balance at end of fiscal year	103,389	103,389
Capital surplus		
Balance at beginning of fiscal year	79,841	80,272
Changes during the fiscal year		
Disposal of treasury stock	0	(0)
Cancellation of treasury stock	—	(29,216)
Transfer from retained earnings to capital surplus	—	29,216
Capital increase of consolidated subsidiaries	431	47
Total changes of items during the period	431	47
Balance at end of fiscal year	80,272	80,319
Retained earnings		
Balance at beginning of fiscal year	1,141,690	1,135,533
Changes during the fiscal year		
Dividends from surplus	(49,962)	(49,962)
Net income attributable to owners of the parent	43,806	134,996
Transfer from retained earnings to capital surplus	—	(29,216)
Change of scope of consolidation	—	(275)
Total changes of items during the period	(6,157)	55,543
Balance at end of fiscal year	1,135,533	1,191,076
Treasury stock		
Balance at beginning of fiscal year	(7,426)	(7,316)
Changes during the fiscal year		
Purchase of treasury stock	(12)	(30,010)
Disposal of treasury stock	122	94
Cancellation of treasury stock	—	29,216
Total changes of items during the period	110	(700)
Balance at end of fiscal year	(7,316)	(8,015)
Total shareholders' equity		
Balance at beginning of fiscal year	1,317,493	1,311,878
Changes during the fiscal year		
Dividends from surplus	(49,962)	(49,962)
Net income attributable to owners of the parent	43,806	134,996
Purchase of treasury stock	(12)	(30,010)
Disposal of treasury stock	122	94
Change of scope of consolidation	—	(275)
Capital increase of consolidated subsidiaries	431	47
Total changes of items during the period	(5,615)	54,890
Balance at end of fiscal year	1,311,878	1,366,768

	FY 2023	FY 2024
Accumulated other comprehensive income		
Net unrealized gain on other securities		
Balance at beginning of fiscal year	52,310	51,269
Changes during the fiscal year		
Net changes of items other than shareholders' equity	(1,042)	(15,273)
Total changes of items during the period	(1,042)	(15,273)
Balance at end of fiscal year	51,269	35,996
Deferred gains or losses on hedges		
Balance at beginning of fiscal year	72	(14)
Changes during the fiscal year		
Net changes of items other than shareholders' equity	(86)	92
Total changes of items during the period	(86)	92
Balance at end of fiscal year	(14)	78
Foreign currency translation adjustment		
Balance at beginning of fiscal year	265,022	417,391
Changes during the fiscal year		
Net changes of items other than shareholders' equity	152,369	(22,589)
Total changes of items during the period	152,369	(22,589)
Balance at end of fiscal year	417,391	394,803
Remeasurements of defined benefit plans		
Balance at beginning of fiscal year	25,397	32,867
Changes during the fiscal year		
Net changes of items other than shareholders' equity	7,470	28,908
Total changes of items during the period	7,470	28,908
Balance at end of fiscal year	32,867	61,776
Total accumulated other comprehensive income		
Balance at beginning of fiscal year	342,802	501,513
Changes during the fiscal year		
Net changes of items other than shareholders' equity	158,711	(8,861)
Total changes of items during the period	158,711	(8,861)
Balance at end of fiscal year	501,513	492,652
Non-controlling interests		
Balance at beginning of fiscal year	35,087	35,234
Changes during the fiscal year		
Net changes of items other than shareholders' equity	146	19,290
Total changes of items during the period	146	19,290
Balance at end of fiscal year	35,234	54,523
Total net assets		
Balance at beginning of fiscal year	1,695,382	1,848,625
Changes during the fiscal year		
Dividends from surplus	(49,962)	(49,962)
Net income attributable to owners of the parent	43,806	134,996
Purchase of treasury stock	(12)	(30,010)
Disposal of treasury stock	122	94
Change of scope of consolidation	—	(275)
Capital increase of consolidated subsidiaries	431	47
Net changes of items other than shareholders' equity	158,858	10,429
Total changes of items during the period	153,242	65,319
Balance at end of fiscal year	1,848,625	1,913,944

4. Statements of cash flows

	FY 2023	FY 2024
Cash flows from operating activities		
Income before income taxes	28,843	194,602
Depreciation and amortization	152,593	153,478
Impairment loss	92,834	12,181
Amortization of goodwill	29,603	32,628
Increase (decrease) in provision for grant of shares	196	171
Increase (decrease) in provision for periodic repairs	11	3,084
Increase (decrease) in provision for product warranties	(9)	273
Increase (decrease) in provision for removal cost of property, plant and equipment	2,649	(1,623)
Increase (decrease) in net defined benefit liability	2,348	2,188
Interest and dividend income	(11,189)	(13,378)
Interest expense	7,448	9,096
Equity in (earnings) losses of affiliates	38,106	7,188
(Gain) loss on sales of investment securities	(27,088)	(32,453)
(Gain) loss on valuation of investment securities	1,773	2,286
(Gain) loss on sale of property, plant and equipment	(527)	(336)
(Gain) loss on disposal of noncurrent assets	8,044	8,503
(Gain) loss on business transfer	(2,986)	—
Gain on negative goodwill	—	(2,218)
(Increase) decrease in notes, accounts receivable–trade, and contract assets	(19,087)	2,816
(Increase) decrease in inventories	(16,303)	(32,068)
Increase (decrease) in notes and accounts payable–trade	18,630	(26,732)
Increase (decrease) in accrued expenses	(2,416)	21,115
Increase (decrease) in advances received	14,979	20,982
Other, net	3,907	(22,176)
Subtotal	322,360	339,608
Interest and dividend income, received	14,816	15,886
Interest expense paid	(7,042)	(8,549)
Income taxes (paid) refund	(34,834)	(45,456)
Net cash provided by (used in) operating activities	295,300	301,489
Cash flows from investing activities		
Payments into time deposits	(4,218)	(5,065)
Proceeds from withdrawal of time deposits	3,115	6,472
Purchase of property, plant and equipment	(147,705)	(201,684)
Proceeds from sales of property, plant and equipment	1,183	723
Purchase of intangible assets	(24,249)	(16,255)
Purchase of investment securities	(10,576)	(8,025)
Proceeds from sales of investment securities	37,559	36,913
Purchase of shares in subsidiaries resulting in change in scope of consolidation	—	(191,174)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	1,809
Payments for transfer of business	—	(8,281)
Proceeds from business transfer	7,320	—
Payments of loans receivable	(13,887)	(9,191)
Collection of loans receivable	8,144	12,799
Other, net	715	(191)
Net cash provided by (used in) investing activities	(142,598)	(381,150)

	FY 2023	FY 2024
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(23,674)	14,841
Increase (decrease) in commercial paper	(41,000)	4,000
Proceeds from long-term loans payable	65,500	206,063
Repayment of long-term loans payable	(54,499)	(72,482)
Proceeds from issuance of bonds payable	60,000	100,000
Redemption of bonds	(40,000)	(30,000)
Repayments of lease obligations	(9,274)	(10,903)
Purchase of treasury stock	(12)	(30,019)
Proceeds from disposal of treasury stock	122	122
Cash dividends paid	(49,962)	(49,962)
Proceeds from share issuance to non-controlling interests	—	16,312
Cash dividends paid to non-controlling interests	(1,132)	(2,824)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(166)	(325)
Other, net	(233)	(256)
Net cash provided by (used in) financing activities	(94,331)	144,567
Effect of exchange rate change on cash and cash equivalents	29,662	(8,503)
Net increase (decrease) in cash and cash equivalents	88,034	56,403
Cash and cash equivalents at beginning of period	247,903	333,498
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	—	134
Increase (decrease) in cash and cash equivalents resulting from corporate division	(2,439)	—
Cash and cash equivalents at end of period	333,498	390,035

VIII. Business Combinations

1. Purchase of ownership of ODC Construction, LLC

Asahi Kasei Homes, a consolidated subsidiary of Asahi Kasei, concluded an agreement to acquire 100% ownership of ODC Construction, LLC (ODC), a Florida-based subcontractor performing residential construction work, on August 6, 2024 (US Eastern time), through a U.S. subsidiary, and completed the acquisition on August 29, 2024.

1) Outline of business combination

(1) Name and nature of business of counterparty

Name of acquired company: ODC Construction, LLC

Nature of business: Framing work, foundation work, etc. for home construction in Florida

(2) Main reasons for the acquisition

While strengthening its core business of order-built unit homes in Japan, Asahi Kasei Homes considers North American and Australian businesses to be important sources of additional growth, positioned as one of the Asahi Kasei Group's "10 Growth Gears" (GG10), businesses to lead the next phase of growth in fields of focus as part of its medium-term management plan for fiscal 2024 focused on the theme "Be a Trailblazer."

The holding company of the North American homes business, Synergos Companies LLC (Synergos), aims to enhance productivity and quality at manufacturing and construction sites mainly in Arizona and Nevada by leveraging its strength in construction process management while integrating subcontractors that are the core of the construction process, such as Erickson Framing Operations LLC and Focus Companies LLC, suppliers of building components, Austin Companies LLC, a residential electrical, concrete, and HVAC group, and Brewer Companies LLC, a residential plumbing group.

As Synergos has recorded firm performance by meeting growing needs for streamlining and cost reduction at construction sites due to labor shortages, long construction periods, and rising construction costs, Asahi Kasei Homes has continued to study opportunities to expand into new regions.

With the acquisition of ODC, Asahi Kasei Homes expands its business to Florida, which ranked second among the 50 states in terms of the number of residential building permits in 2023, and where strong housing demand is expected to continue.

ODC is one of the largest subcontractors in Florida performing framing and foundation work. ODC has a strong business platform in Florida, and is pursuing an efficient business model through means such as a work management system. Going forward, Asahi Kasei Homes and ODC will generate synergy by leveraging each other's expertise and know-how, aiming to further improve the efficiency and quality of construction work.

- (3) Acquisition date
August 29, 2024
- (4) Statutory form of business combination
Ownership purchase for cash as consideration
- (5) Name of company after transaction
ODC Construction, LLC
- (6) Acquired voting right
Voting right before the acquisition: 0%
Voting right after the acquisition: 100%
- (7) Grounds for determining acquiring company
Ownership purchase for cash as consideration by a consolidated subsidiary
- 2) The period of acquired business's results included in the consolidated financial statements
From August 30, 2024, to March 31, 2025
- 3) Cost of acquisition and details
- | | | |
|-------------------------------|------|------------------------|
| <u>Purchase consideration</u> | cash | <u>¥34,987 million</u> |
| Purchase price | | ¥34,987 million |
- 4) Major acquisition related costs
Advisory fees and others: ¥662 million
- 5) Amount of goodwill, measurement principle, amortization method, and useful life
- (1) Amount of goodwill
¥16,972 million
- (2) Measurement principle
Goodwill is measured as the excess of the purchase price over the fair value of identifiable assets acquired and liabilities assumed
- (3) Amortization method and useful life
Straight-line method over 20 years
- 6) Details of assets acquired and liabilities assumed as of the acquisition date
- | | |
|-------------------------------|------------------------|
| Current assets | ¥6,934 million |
| <u>Noncurrent assets</u> | <u>¥17,779 million</u> |
| <u>Total assets</u> | <u>¥24,713 million</u> |
| Current liabilities | ¥6,621 million |
| <u>Noncurrent liabilities</u> | <u>¥77 million</u> |
| <u>Total liabilities</u> | <u>¥6,697 million</u> |

7) Amount of identifiable intangible assets other than goodwill, its details and major weighted average useful life

(1) Purchased price allocated to intangible assets and its major items

Customer-related assets	¥12,820 million
Trade name	¥3,512 million
Software	¥43 million

(2) Major weighted average useful life

Customer-related assets	10 years
Trade name	20 years
<u>Software</u>	<u>5 years</u>
Total	12 years

8) Pro forma effects on the consolidated statements of income assuming the business combination had been completed at the beginning of fiscal year, and method of calculation thereof
Information is omitted due to immateriality. This note is not subject to audit.

2. Purchase of shares of Calliditas Therapeutics AB

Asahi Kasei resolved to acquire the shares of Swedish pharmaceutical company Calliditas Therapeutics AB for the purpose of making Calliditas a wholly-owned subsidiary of Asahi Kasei through a voluntary tender offer for Calliditas, and completed its tender offer on September 2, 2024 (CEST), making Calliditas a wholly-owned consolidated subsidiary of Asahi Kasei through a squeeze-out procedure under Swedish law.

1) Outline of business combination

(1) Name and nature of business of counterparty

Name of acquired company: Calliditas Therapeutics AB
Nature of business: Development, manufacture, and sale of medicine and related products

(2) Main reasons for the acquisition

Asahi Kasei is confident that the acquisition will accelerate its transformation into a global specialty pharmaceutical business by unlocking the potential of existing business operations and human resources of Calliditas. Asahi Kasei expects to achieve the following outcomes through the acquisition of Calliditas:

- Solidifying its presence in the U.S. market by expanding its in-house sales structure for renal and autoimmune disease fields
- Greater breadth of in-licensing opportunities that leverage an expanded platform as a global pharmaceutical company

(3) Acquisition date

September 9, 2024

(4) Statutory form of business combination

Stock purchase for cash as consideration

(5) Name of company after transaction

Calliditas Therapeutics AB

(6) Acquired voting right

Voting right before the acquisition: 0%
Voting right after the acquisition: 100%

- (7) Grounds for determining acquiring company
Stock purchase for cash as consideration by Asahi Kasei
- 2) The period of acquired company's results included in the consolidated financial statements
From October 1, 2024, to March 31, 2025
- 3) Cost of acquisition and details
- | | | |
|-------------------------------|------|-------------------------|
| <u>Purchase consideration</u> | cash | <u>¥167,810 million</u> |
| Purchase price | | ¥167,810 million |
- 4) Major acquisition related costs
Advisory fees and others: ¥3,220 million
- 5) Amount of goodwill, measurement principle, amortization method, and useful life
- (1) Amount of goodwill
¥45,608 million
- (2) Measurement principle
Goodwill is measured as the excess of the purchase price over the fair value of identifiable assets acquired and liabilities assumed
- (3) Amortization method and useful life
Straight-line method over 20 years
- 6) Details of assets acquired and liabilities assumed as of the acquisition date
- | | |
|-------------------------------|-------------------------|
| Current assets | ¥16,650 million |
| <u>Noncurrent assets</u> | <u>¥167,950 million</u> |
| <u>Total assets</u> | <u>¥184,600 million</u> |
| Current liabilities | ¥14,802 million |
| <u>Noncurrent liabilities</u> | <u>¥56,065 million</u> |
| <u>Total liabilities</u> | <u>¥70,867 million</u> |
- 7) Amount of identifiable intangible assets other than goodwill, its details and major weighted average useful life
- (1) Purchase price allocated to intangible assets and its major items
Technology assets ¥166,242 million
- (2) Major weighted average useful life
Technology assets 19 years
- 8) Pro forma effects on the consolidated statements of income assuming the business combination had been completed at the beginning of fiscal year, and method of calculation thereof
Information is omitted due to immateriality. This note is not subject to audit.

IX. Segment Information

1. Reporting segments

(1) Fiscal 2023

	Reporting segments					Others ¹	Total
	Material	Homes	Healthcare	Subtotal			
<i>Sales</i>							
Customers	1,261,729	954,405	553,786	2,769,920	14,958	2,784,878	
Intersegment	12,313	9,621	4	21,938	41,132	63,070	
Total	1,274,042	964,026	553,790	2,791,858	56,090	2,847,948	
Operating income	42,561	82,953	48,494	174,007	3,161	177,168	
Assets	1,759,867	609,350	1,054,103	3,423,320	128,076	3,551,395	
Other items							
Depreciation and amortization ²	72,020	20,079	47,203	139,302	926	140,228	
Amortization of goodwill	5,316	1,295	22,992	29,603	—	29,603	
Investments in associates accounted for using equity method	46,983	4,932	1,290	53,206	23,344	76,550	
Increase in property, plant and equipment, and intangible assets	111,464	25,786	32,186	169,436	1,113	170,550	

¹ Plant and environmental engineering, research and analysis, employment agency/staffing operations, etc.

² Excluding amortization of goodwill.

(2) Fiscal 2024

	Reporting segments				Others ¹	Total
	Material	Homes	Health Care	Subtotal		
<i>Sales</i>						
Customers	1,368,770	1,035,860	615,901	3,020,530	16,781	3,037,312
Intersegment	18,234	10,036	5	28,275	45,549	73,823
Total	1,387,004	1,045,895	615,905	3,048,805	62,330	3,111,135
Operating income	87,382	95,912	64,026	247,321	2,929	250,249
Assets	1,834,743	688,131	1,326,101	3,848,975	123,024	3,971,998
Other items						
Depreciation and amortization ²	64,119	20,675	54,736	139,530	1,097	140,627
Amortization of goodwill	5,460	1,875	25,293	32,628	—	32,628
Investments in associates accounted for using equity method	47,934	5,091	1,398	54,423	24,335	78,758
Increase in property, plant and equipment, and intangible assets	124,223	31,493	42,644	198,360	1,787	200,147

¹ Plant and environmental engineering, research and analysis, employment agency/staffing operations, etc.

² Excluding amortization of goodwill.

2. Differences between total amounts of reporting segments and recorded amounts on consolidated financial statements

Sales	Fiscal 2023	Fiscal 2024
Total of reporting segments	2,791,858	3,048,805
Net sales in "Others" category	56,090	62,330
Elimination of intersegment transactions	(63,070)	(73,823)
Net sales on consolidated statements of income	2,784,878	3,037,312

Operating income	Fiscal 2023	Fiscal 2024
Total of reporting segments	174,007	247,321
Operating income in "Others" category	3,161	2,929
Elimination of intersegment transactions	(21)	23
Corporate expenses, etc. ¹	(36,401)	(38,351)
Operating income on consolidated statements of income	140,746	211,921

¹ Corporate expenses, etc. include corporate revenue, basic research expense, and group management expense, etc. which are not allocated to reporting segments.

Assets	Fiscal 2023	Fiscal 2024
Total of reporting segments	3,423,320	3,848,975
Assets in "Others" category	128,076	123,024
Elimination of intersegment transactions	(417,696)	(483,217)
Corporate assets ¹	529,031	526,433
Total assets on consolidated balance sheets	3,662,730	4,015,214

¹ Corporate assets include assets of Asahi Kasei Corp.—surplus operating funds (cash and deposits), long-term investment capital (investment securities, etc.), and land, etc.

X. Geographic Information

1. Fiscal 2023

(1) Net sales

Japan	United States	China	Other regions	Total
1,315,828	516,793	249,401	702,856	2,784,878

(2) Property, plant and equipment

Japan	United States	Other regions	Total
564,017	164,954	124,318	853,289

2. Fiscal 2024

(1) Net sales

Japan	United States	China	Other regions	Total
1,377,378	597,934	285,571	776,429	3,037,312

(2) Property, plant and equipment

Japan	United States	Other regions	Total
586,706	179,674	154,232	920,611

XI. Important Subsequent Events

1. Transfer of blood purification business to IA Holdings Co., Ltd. through issuance of preferred stock by a consolidated subsidiary, transfer of shares, etc.

On April 1, 2025, Asahi Kasei transferred the bioprocess business, etc. of wholly owned subsidiary Asahi Kasei Medical Co., Ltd. to a newly established wholly owned subsidiary Asahi Kasei Life Science Corp. while transferring shares of Asahi Kasei Medical, performing business in hemodialysis, therapeutic apheresis, etc. (Blood Purification Business), to a special purpose company, IA Holdings Co., Ltd. (Investing Company), established by Integral Corporation and to be owned by the funds managed by Integral Corporation and its affiliates.

1) Outline of business separation

(1) Name of company separated to
IA Holdings Co., Ltd.

(2) Nature of separated business

- Development, manufacture, and sale of dialyzers (artificial kidneys) and related products
- Development, manufacture, and sale of therapeutic apheresis products

(3) Main reasons for the separation

With a 50-year history of development, manufacture, and sale of dialysis and therapeutic apheresis related products, the Blood Purification Business supplies a range of products that are highly regarded by users both in Japan and overseas. High value-added products include dialyzer with Vitamin E-interactive membrane, plasmapheresis products for intractable diseases, and the CryoSeal System for automated production of autologous fibrin sealant. Recently, the Blood Purification Business has leveraged its extensive cultivated experience and know-how to newly expand into the field of intensive care with products and services that provide diverse value to patients and healthcare professionals. While Asahi Kasei had studied various strategic options for the continuous growth of the Blood Purification Business, it received a proactive investment proposal from Integral with a strong will to grow the business. Asahi Kasei determined that it would be important for the Blood Purification Business to further strengthen investment for growth as an independent and specialized business under a new partner.

(4) Date of business separation
April 1, 2025

(5) Other items related to the transaction

- (a) Asahi Kasei Life Science Corp. established as a wholly owned subsidiary of Asahi Kasei.
- (b) Bioprocess business, etc. transferred from Asahi Kasei Medical to Asahi Kasei Life Science by absorption-type separation.
- (c) Integral invested in Asahi Kasei Medical through the Investing Company by preferred stock, and on April 1, 2025, Asahi Kasei transferred shares in Asahi Kasei Medical to the Investing Company, etc., resulting in 20% of the voting rights in Asahi Kasei Medical being held by Asahi Kasei and 80% being held by the Investing Company. With a target date of April 2027, the Investing Company's holding of voting rights is scheduled to increase to 100% (including cases where the holding ratio jointly held with a company designated by the Investing Company is 100%).

2) Outline of accounting treatment

(1) Amount of gain or loss related to the transfer

Gain on business transfer: ¥10,473 million

Note: The above amount includes gain or loss from the transfer of the remaining shares, which is targeted in April 2027. The amount is calculated provisionally as price adjustments will be

made as agreed upon with the Investing Company.

(2) Appropriate book value of assets and liabilities related to transferred business

Current assets	¥47,647 million
Noncurrent assets	¥25,559 million
<u>Total assets</u>	<u>¥73,206 million</u>
Current liabilities	¥17,784 million
Noncurrent liabilities	¥5,520 million
<u>Total liabilities</u>	<u>¥23,303 million</u>

Note: The amounts are calculated provisionally as they have not yet been determined.

(3) Accounting treatment

The difference between the consideration received for the transfer and the amount equivalent to the shareholders' equity related to the transferred business is recognized as gain on business transfer

3) Reportable segment which the separated business was included in: Healthcare

2. Change in segment classification

Along with a reconfiguration of part of the functions of research and development etc. to the Material segment on April 1, 2025, a portion of research organizations etc. which had been included in corporate expenses, etc. will be included in the Material segment from the fiscal year ending March 31, 2026.

XII. Additional Information

1. Corporate separation by a consolidated subsidiary and transfer of diagnostics business etc. to Nagase & Co., Ltd. through transfer of shares

Asahi Kasei Pharma Corp., a wholly-owned subsidiary of Asahi Kasei, concluded a final agreement on September 24, 2024, with Nagase & Co., Ltd. (Nagase) regarding the transfer to Nagase of its diagnostics business, Ohito Pharmaceuticals Plant, and Ohito Office (the Transfer).

1) Outline of business separation

(1) Name of company separated to
Nagase & Co., Ltd.

(2) Nature of separated business

- All operations related to the manufacture, development, and sale of diagnostic reagents and enzymes for diagnostic reagents
- Ohito Pharmaceuticals Plant (manufacturing plant for raw material of enzymes for diagnostic reagents, and for active pharmaceutical ingredients of Bredinin™ and other pharmaceuticals)
- Ohito Office (infrastructure management organization mainly for the Ohito District overall, including the diagnostics business and the Ohito Pharmaceuticals Plant)

(3) Main reasons for the separation

The Asahi Kasei Group aims for income growth in its Healthcare sector through the growth of medical devices and related products in the field of critical care, continuous expansion of the pharmaceuticals business, and development of the bioprocess business. As each area has significant growth opportunities that will continue to require focused investment, a portfolio review was performed to determine future priorities. As part of this process, Asahi Kasei Pharma carefully studied various options for its diagnostics business (the Business), including the possibility of transfer to another company that could generate synergy with the Business from the perspective of being the best owner. Asahi Kasei Pharma determined that it would be best for the Business to operate not under the Asahi Kasei Group but under Nagase, which has a

firm presence and outstanding technological capabilities in bio-related fields and is capable of making proactive investments for the growth of the Business.

(4) Date of business separation

July 1, 2025 (scheduled)

(5) Other items related to the transaction

With an effective date scheduled for July 1, 2025, Asahi Kasei Pharma will transfer its rights and obligations pertaining to the Transfer, and its land and facilities in the Ohito District, to a subsidiary which was newly established by corporate separation, and on the same date, Asahi Kasei Pharma will transfer all of said shares to Nagase.

2) Reportable segment which the separated business was included in: Healthcare