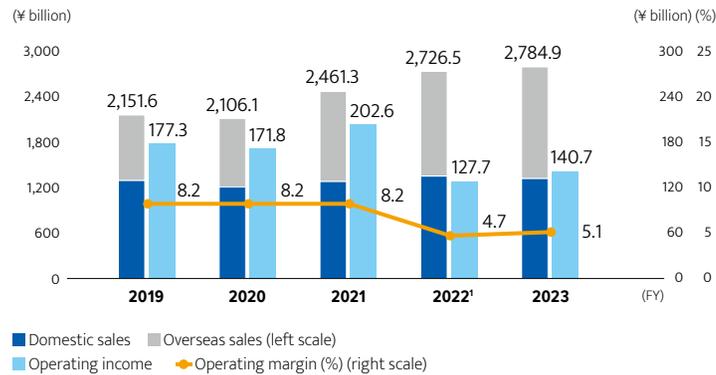


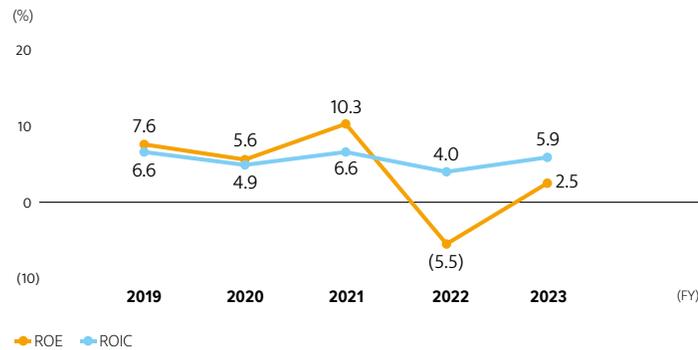
## Financial Highlights

### Net sales (domestic & overseas), operating income, operating margin



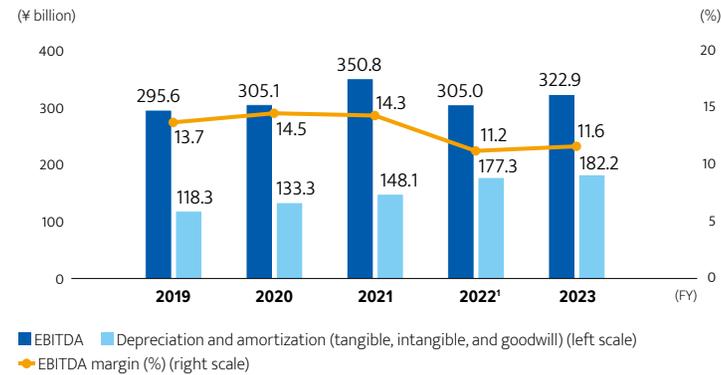
▶ In fiscal 2023, although challenging conditions continued in the Material sector, net sales and operating income increased with firm performance of real estate and growth of overseas business in the Homes sector, and improved results in the Health Care sector driven by critical care. Overseas sales increased due to expansion of overseas businesses, including by M&A, and the weakening yen, accounting for over half of total net sales.

### ROE<sup>3</sup>, ROIC<sup>4</sup>



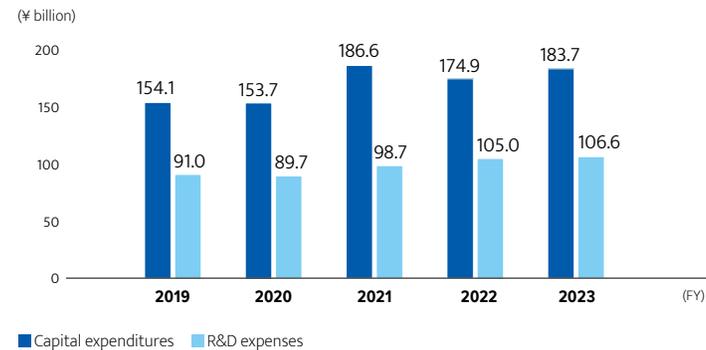
▶ The Asahi Kasei Group positions ROE and ROIC as major KPIs to indicate its efficiency in generating profits relative to shareholders' equity and invested capital. In fiscal 2023, despite the recording of an income tax gain on the transfer of shares between consolidated subsidiaries in the U.S., ROE and ROIC were low due in part to sluggish performance of the Material sector and the recording of impairment loss on certain assets in basic materials, etc.

### EBITDA<sup>2</sup>, depreciation and amortization, EBITDA margin



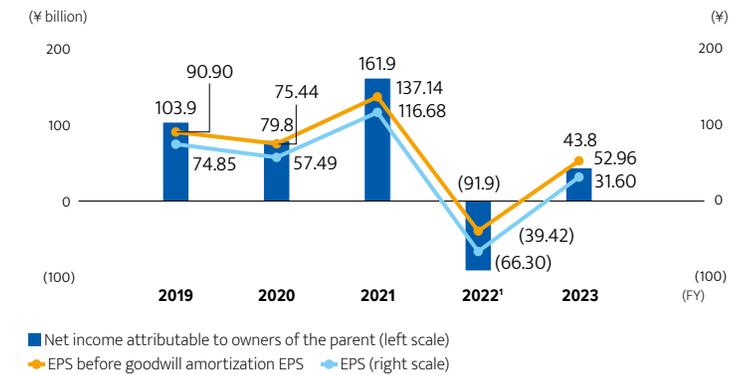
▶ Given the upward trend in depreciation and amortization due to proactive capital expenditure and M&A, the Asahi Kasei Group positions EBITDA as a major KPI signifying its ability to generate cash. In fiscal 2023, increase in depreciation and amortization was curtailed as a result of lower amortization of goodwill and other intangible assets due to the impairment on Polypore in the previous fiscal year.

### Capital expenditures, R&D expenses



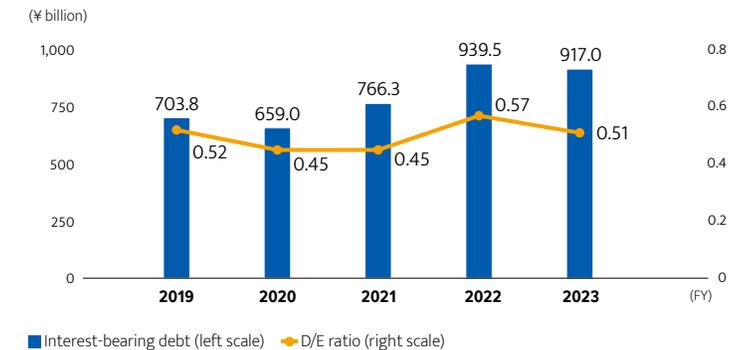
▶ The Asahi Kasei Group carries out proactive capital expenditures geared toward achieving growth over the medium-to-long term—including for expansion of growth businesses, and in relation to decarbonization and other areas to fortify its foundation—and R&D focused on the Health Care and Material sectors. While carefully examining profitability, capital expenditures increased in fiscal 2023 as a result of investments in growth businesses.

### Net income attributable to owners of the parent, EPS, EPS before goodwill amortization



▶ In fiscal 2023, despite the recording of an income tax gain on the transfer of shares between consolidated subsidiaries in the U.S., net income was low due to the recording of impairment loss on certain assets in basic materials, etc. Nevertheless, net income improved significantly from the previous fiscal year, when an impairment loss was recorded on Polypore. As goodwill is amortized in accordance with Japanese accounting standards, EPS before amortization of goodwill is shown for reference.

### Interest-bearing debt, D/E ratio



▶ In fiscal 2023, interest-bearing debt decreased, reflecting reduced demand for working capital as a result of efforts to reduce inventories and the absence of major investment projects such as M&A. In addition, the D/E ratio declined on an increase in accumulated other comprehensive income due to the weakening yen, which led to an increase in net worth.

<sup>1</sup> Figures for fiscal 2022 have been adjusted retrospectively to reflect the completion of the purchase price allocation in the first quarter of fiscal 2023 for the acquisition of the Focus Companies of the U.S., which was completed on October 31, 2022.

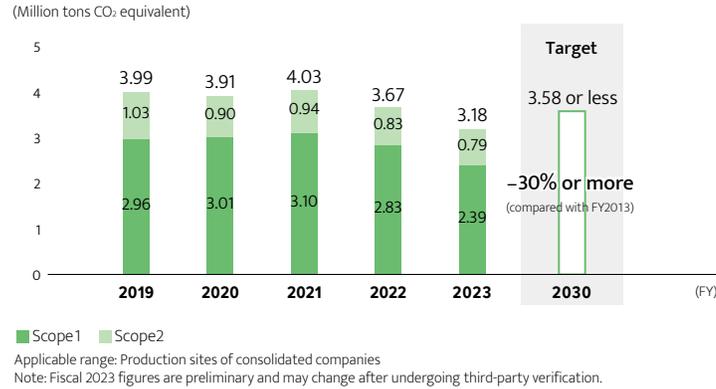
<sup>2</sup> Operating income, depreciation, and amortization

<sup>3</sup> Net income per shareholders' equity

<sup>4</sup> (Operating income – income taxes) / average annual invested capital

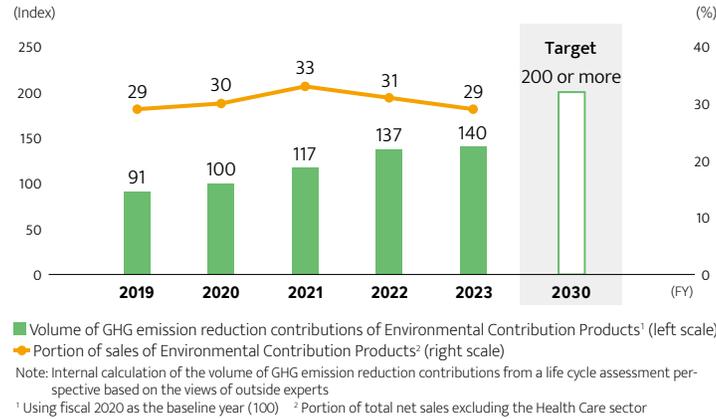
## Non-Financial Highlights

### Greenhouse gas (GHG) emissions (Scope 1 and Scope 2)



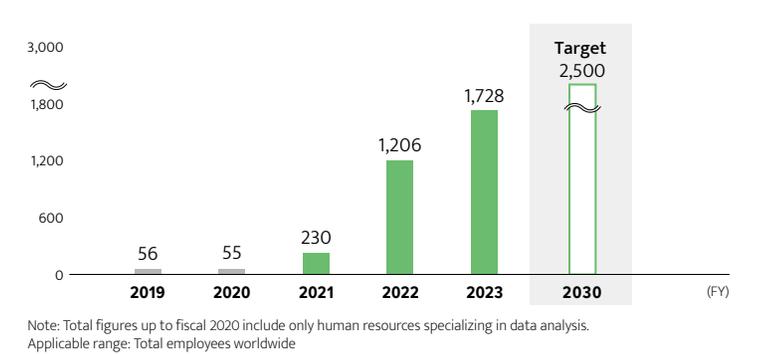
▶ The Asahi Kasei Group is targeting a GHG emission reduction of 30% or more by fiscal 2030 compared with fiscal 2013 to clarify its path toward carbon neutrality. In order to achieve this target, we engage in ongoing endeavors to reduce emissions.

### GHG emission reduction contributions through Environmental Contribution Products



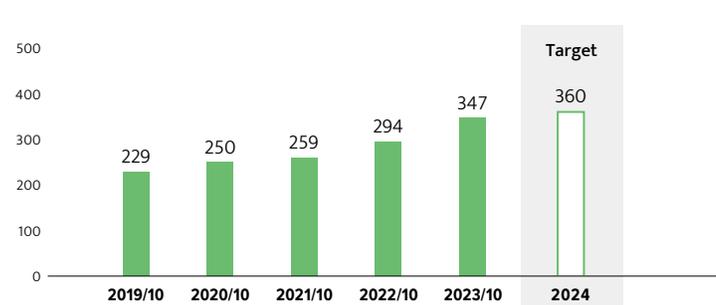
▶ Products and services of the Asahi Kasei Group that contribute to improving the environment across their entire life cycle are designated as Environmental Contribution Products. We will work to develop Environmental Contribution Products with the goal of reducing society's overall GHG emissions.

### Number of digital professional human resources



▶ We are cultivating digital professional human resources who utilize advanced digital technology and data to solve business issues and create business models. We have also begun offering certain training courses at overseas affiliates. As digitalization progresses rapidly in a wide range of fields, we have numerous digital professionals working actively around the world.

### Number of Group Masters



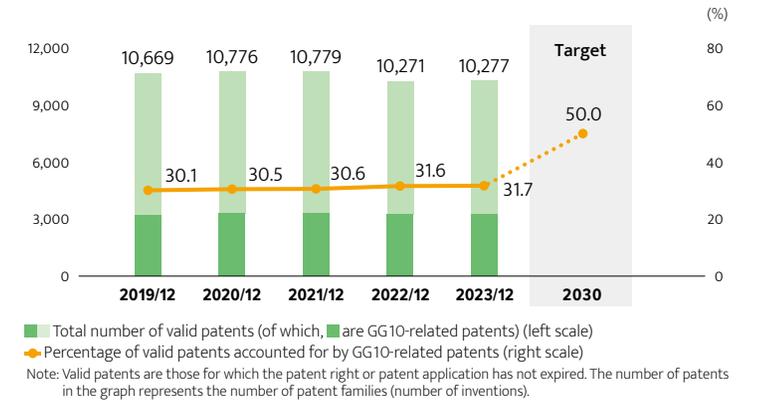
▶ The Asahi Kasei Group appoints, nurtures, and rewards as Group Masters human resources with the potential to proactively engage in and contribute to the creation of new businesses and the enhancement of established businesses. We aim to enhance our corporate value through the development and recruitment of specialists in various fields. For effective utilization, fields of technology and specialization for the appointment of human resources as Group Masters are reviewed annually in accordance with business strategy.

### Number of women working as managers and percentage of women in total number of managers and Group Masters



▶ Amid rapid change in the operating environment, the Asahi Kasei Group must utilize the capabilities of its diverse human resources to boost co-creativity if it is to create value continuously. With the promotion of women as a KPI, we will realize conditions that enable diverse human resources, including women, to thrive in a variety of settings within the organization through the creation of an environment and requirements for achieving the KPI.

### Number of valid patents and percentage of which accounted for by GG10-related patents



▶ The Asahi Kasei Group focuses efforts on maximizing intellectual property value in order to establish a patent portfolio that contributes to its businesses. We aim to further enhance our competitiveness by increasing the percentage of valid patents accounted for by 10 of our businesses (GG10) that will drive our growth going forward.

## Consolidated Financial Statements

## Consolidated Balance Sheets

Asahi Kasei Corporation and Consolidated Subsidiaries  
March 31, 2024 and 2023Detailed Consolidated Financial Statements are available at the following link:  
[https://www.asahi-kasei.com/ir/library/financial\\_briefing/pdf/2403statements.pdf](https://www.asahi-kasei.com/ir/library/financial_briefing/pdf/2403statements.pdf)

ASSETS	Millions of yen		Thousands of U.S. dollars*
	2024	2023	2024
<b>Current assets:</b>			
Cash and deposits	¥ 338,108	¥ 251,181	\$ 2,234,243
Notes, accounts receivable—trade, and contract assets	485,941	442,692	3,211,135
Merchandise and finished goods	317,397	310,380	2,097,383
Work in process	171,645	162,255	1,134,243
Raw materials and supplies	189,794	169,918	1,254,173
Other	150,030	154,335	991,410
Allowance for doubtful accounts	(2,877)	(2,567)	(19,011)
Total current assets	1,650,037	1,488,195	10,903,568
<b>Noncurrent assets:</b>			
Property, plant and equipment			
Buildings and structures	669,119	663,642	4,421,589
Accumulated depreciation	(366,214)	(347,877)	(2,419,970)
Buildings and structures, net	302,906	315,765	2,001,626
Machinery, equipment and vehicles	1,621,333	1,611,495	10,713,890
Accumulated depreciation	(1,351,326)	(1,313,694)	(8,929,664)
Machinery, equipment and vehicles, net	270,007	297,801	1,784,227
Land	72,750	69,232	480,737
Lease assets	13,936	12,017	92,090
Accumulated depreciation	(7,010)	(6,457)	(46,323)
Lease assets, net	6,926	5,560	45,768
Construction in progress	132,051	120,299	872,603
Other	211,763	188,994	1,399,346
Accumulated depreciation	(143,113)	(125,950)	(945,701)
Other, net	68,650	63,045	453,644
Subtotal	853,289	871,701	5,638,598
Intangible assets			
Goodwill	360,676	348,561	2,383,374
Other	394,052	387,597	2,603,925
Subtotal	754,728	736,158	4,987,299
Investments and other assets			
Investment securities	188,288	212,611	1,244,221
Long-term loans receivable		8,466	113,646
Long-term advance payments—trade	26,692	28,267	176,383
Net defined benefit asset	41,876	25,836	276,720
Deferred tax assets	84,557	45,916	558,759
Other	46,638	37,248	308,187
Allowance for doubtful accounts	(574)	(498)	(3,793)
Subtotal	404,676	357,846	2,674,129
Total noncurrent assets	2,012,693	1,965,705	13,300,026
<b>Total assets</b>	<b>¥3,662,730</b>	<b>¥3,453,900</b>	<b>\$24,203,595</b>

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars*
	2024	2023	2024
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Notes and accounts payable—trade	¥ 213,252	¥ 180,560	\$ 1,409,185
Short-term loans payable	178,091	196,032	1,176,839
Commercial paper	83,000	124,000	548,470
Current portion of bonds payable	30,000	40,000	198,242
Lease obligations	7,815	6,766	51,642
Accrued expenses	151,577	147,163	1,001,632
Income taxes payable	17,827	17,491	117,802
Advances received	88,415	72,948	584,253
Provision for grant of shares	70	80	463
Provision for periodic repairs	4,805	8,410	31,752
Provision for product warranties	4,369	4,240	28,871
Provision for removal cost of property, plant and equipment	6,511	3,788	43,025
Other	128,838	110,683	851,371
Total current liabilities	914,572	912,163	6,043,560
<b>Noncurrent liabilities:</b>			
Bonds payable	200,000	170,000	1,321,615
Long-term loans payable	425,926	409,424	2,814,551
Lease obligations	30,729	28,526	203,060
Deferred tax liabilities	20,184	27,767	133,377
Provision for grant of shares	545	339	3,601
Provision for periodic repairs	7,924	4,309	52,362
Provision for removal cost of property, plant and equipment	15,843	15,910	104,692
Net defined benefit liability	133,434	128,708	881,742
Long-term guarantee deposits	23,295	22,703	153,935
Other	41,654	38,671	275,253
Total noncurrent liabilities	899,534	846,355	5,944,188
Total liabilities	1,814,106	1,758,517	11,987,749
<b>Net assets:</b>			
Shareholders' equity			
Capital stock			
Authorized—4,000,000,000 shares			
Issued and outstanding—1,393,932,032 shares	103,389	103,389	683,202
Capital surplus	80,272	79,841	530,443
Retained earnings	1,135,533	1,141,690	7,503,687
Treasury stock (2024—7,761,893 shares, 2023—7,864,299 shares)	(7,316)	(7,426)	(48,345)
Total shareholders' equity	1,311,878	1,317,493	8,668,988
Accumulated other comprehensive income			
Net unrealized gain on other securities	51,269	52,310	338,789
Deferred gains or losses on hedges	(14)	72	(93)
Foreign currency translation adjustment	417,391	265,022	2,758,151
Remeasurements of defined benefit plans	32,867	25,397	217,188
Total accumulated other comprehensive income	501,513	342,802	3,314,036
Non-controlling interests	35,234	35,087	232,829
Total net assets	1,848,625	1,695,382	12,215,853
Commitments and contingent liabilities			
<b>Total liabilities and net assets</b>	<b>¥3,662,730</b>	<b>¥3,453,900</b>	<b>\$24,203,595</b>

\* As the amounts shown in U.S. dollars are for convenience only, and are not intended to be computed in accordance with generally accepted translation procedures, the approximate current exchange rate of ¥151.33 = US\$1 prevailing on March 31, 2024, has been used.

## Consolidated Statements of Income

Asahi Kasei Corporation and Consolidated Subsidiaries  
Years Ended March 31, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars*
	2024	2023	2024
<b>Net sales</b>	¥2,784,878	¥2,726,485	\$ 18,402,683
Cost of sales	1,968,909	1,952,709	13,010,698
<b>Gross profit</b>	815,969	773,776	5,391,984
Selling, general and administrative expenses	675,223	646,060	4,461,924
<b>Operating income</b>	140,746	127,716	930,060
Non-operating income:			
Interest income	7,684	3,896	50,776
Dividends income	3,504	4,021	23,155
Equity in earnings of affiliates	—	923	—
Other	6,504	5,210	42,979
Total non-operating income	17,693	14,050	116,917
Non-operating expenses:			
Interest expense	7,448	5,907	49,217
Equity in losses of affiliates	38,106	—	251,807
Other	22,766	14,959	150,439
Total non-operating expenses	68,320	20,867	451,464
<b>Ordinary income</b>	90,118	120,900	595,507
Extraordinary income:			
Gain on sales of investment securities	27,088	32,201	179,000
Gain on sales of noncurrent assets	527	729	3,482
Insurance income	15,346	8,814	101,408
Gain on business transfer	2,986	—	19,732
Settlement income	6,163	—	40,726
Total extraordinary income	52,110	41,744	344,347
Extraordinary loss:			
Loss on valuation of investment securities	1,773	2,805	11,716
Loss on disposal of noncurrent assets	8,044	12,517	53,155
Impairment loss	92,834	189,446	613,454
Loss on fire at plant facilities	—	7,092	—
Business structure improvement expenses	10,733	13,326	70,924
Total extraordinary loss	113,385	225,186	749,257
<b>Income (loss) before income taxes</b>	28,843	(62,541)	190,597
Income taxes — current	31,984	56,118	211,353
Income taxes — deferred	(49,469)	(28,654)	(326,895)
Total income taxes	(17,484)	27,464	(115,536)
<b>Net income (loss)</b>	46,328	(90,005)	306,139
Net income (loss) attributable to non-controlling interests	2,522	1,942	16,666
<b>Net income (loss) attributable to owners of the parent</b>	¥ 43,806	¥ (91,948)	\$ 289,473

\* As the amounts shown in U.S. dollars are for convenience only, and are not intended to be computed in accordance with generally accepted translation procedures, the approximate current exchange rate of ¥151.33 = US\$1 prevailing on March 31, 2024, has been used.

## Consolidated Statements of Comprehensive Income

Asahi Kasei Corporation and Consolidated Subsidiaries  
Years Ended March 31, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars*
	2024	2023	2024
<b>Net income (loss)</b>	¥ 46,328	¥ (90,005)	\$ 306,139
<b>Other comprehensive income</b>			
Net increase (decrease) in unrealized gain on other securities	(1,184)	(13,706)	(7,824)
Deferred gains or losses on hedges	(86)	414	(568)
Foreign currency translation adjustment	151,830	95,352	1,003,304
Remeasurements of defined benefit plans	7,369	30,593	48,695
Share of other comprehensive income of affiliates accounted for using equity method	1,925	2,544	12,721
Total other comprehensive income	159,854	115,197	1,056,327
<b>Comprehensive income</b>	¥206,181	¥ 25,192	\$ 1,362,460
Comprehensive income attributable to:			
Owners of the parent	¥202,517	¥ 22,825	\$ 1,338,248
Non-controlling interests	3,665	2,367	24,219

## Consolidated Statements of Changes in Net Assets

Asahi Kasei Corporation and Consolidated Subsidiaries  
Years Ended March 31, 2024 and 2023

Millions of yen

	Shareholders' equity					Accumulated other comprehensive income						Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities	Deferred gains (losses) on hedges*	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
<b>Balance at March 31, 2023</b>	¥103,389	¥79,841	¥1,141,690	¥(7,426)	¥1,317,493	¥52,310	¥ 72	¥265,022	¥25,397	¥342,802	¥35,087	¥1,695,382
Changes during the fiscal year												
Dividends from surplus			(49,962)		(49,962)							(49,962)
Net income (loss) attributable to owners of the parent			43,806		43,806							43,806
Purchase of treasury stock				(12)	(12)							(12)
Disposal of treasury stock		0		122	122							122
Change of scope of consolidation												—
Change of scope of equity method												—
Capital increase of consolidated subsidiaries		431			431							431
Net changes of items other than shareholders' equity						(1,042)	(86)	152,369	7,470	158,711	146	158,858
<b>Total changes of items during the period</b>	—	431	(6,157)	110	(5,615)	(1,042)	(86)	152,369	7,470	158,711	146	153,242
<b>Balance at March 31, 2024</b>	¥103,389	¥80,272	¥1,135,533	¥(7,316)	¥1,311,878	¥51,269	¥(14)	¥417,391	¥32,867	¥501,513	¥35,234	¥1,848,625

Millions of yen

	Shareholders' equity					Total accumulated other comprehensive income						Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities	Deferred gains (losses) on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
<b>Balance at March 31, 2022</b>	¥103,389	¥79,887	¥1,282,325	¥(6,219)	¥1,459,381	¥ 66,287	¥(341)	¥167,225	¥(5,142)	¥228,029	¥31,405	¥1,718,815
Changes during the fiscal year												
Dividends from surplus			(48,575)		(48,575)							(48,575)
Net income (loss) attributable to owners of the parent			(91,948)		(91,948)							(91,948)
Purchase of treasury stock				(1,414)	(1,414)							(1,414)
Disposal of treasury stock		0		208	208							208
Change of scope of consolidation			(139)		(139)							(139)
Change of scope of equity method			25		25							25
Capital increase of consolidated subsidiaries		(46)			(46)							(46)
Net changes of items other than shareholders' equity						(13,977)	414	97,798	30,538	114,773	3,682	118,455
<b>Total changes of items during the period</b>	—	(46)	(140,636)	(1,207)	(141,888)	(13,977)	414	97,798	30,538	114,773	3,682	(23,433)
<b>Balance at March 31, 2023</b>	¥103,389	¥79,841	¥1,141,690	¥(7,426)	¥1,317,493	¥ 52,310	¥ 72	¥265,022	¥25,397	¥342,802	¥35,087	¥1,695,382

## Consolidated Statements of Changes in Net Assets

Asahi Kasei Corporation and Consolidated Subsidiaries  
Years Ended March 31, 2024 and 2023

Thousands of U.S. dollars\*

	Shareholders' equity					Accumulated other comprehensive income						Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities	Deferred gains (losses) on hedges*	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Balance at March 31, 2023	\$683,202	\$527,595	\$7,544,373	\$(49,072)	\$8,706,093	\$345,668	\$476	\$1,751,285	\$167,825	\$2,265,261	\$231,858	\$11,203,212
Changes during the fiscal year												
Dividends from surplus			(330,153)		(330,153)							(330,153)
Net income (loss) attributable to owners of the parent			289,473		289,473							289,473
Purchase of treasury stock				(79)	(79)							(79)
Disposal of treasury stock		0		806	806							806
Change of scope of consolidation												
Change of scope of equity method												
Capital increase of consolidated subsidiaries		2,848			2,848							2,848
Net changes of items other than shareholders' equity						(6,886)	(568)	1,006,866	49,362	1,048,774	965	1,049,746
Total changes of items during the period	—	2,848	(40,686)	727	(37,104)	(6,886)	(568)	1,006,866	49,362	1,048,774	965	1,012,635
Balance at March 31, 2024	\$683,202	\$530,443	\$7,503,687	\$(48,345)	\$8,668,988	\$338,789	\$ (93)	\$2,758,151	\$217,188	\$3,314,036	\$232,829	\$12,215,853

\* As the amounts shown in U.S. dollars are for convenience only, and are not intended to be computed in accordance with generally accepted translation procedures, the approximate current exchange rate of ¥151.33 = US\$1 prevailing on March 31, 2024, has been used.

## Consolidated Statements of Cash Flows

Asahi Kasei Corporation and Consolidated Subsidiaries  
Years Ended March 31, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars*
	2024	2023	2024
<b>Cash flows from operating activities:</b>			
Income (loss) before income taxes	¥ 28,843	¥ (62,541)	\$ 190,597
Depreciation and amortization	152,593	140,013	1,008,346
Impairment loss	92,834	189,446	613,454
Amortization of goodwill	29,603	37,273	195,619
Increase (decrease) in provision for grant of shares	196	(279)	1,295
Increase (decrease) in provision for periodic repairs	11	2,585	73
Increase (decrease) in provision for product warranties	(9)	198	(59)
Increase (decrease) in provision for removal cost of property, plant and equipment	2,649	2,951	17,505
Increase (decrease) in net defined benefit liability	2,348	(5,838)	15,516
Interest and dividend income	(11,189)	(7,917)	(73,938)
Interest expense	7,448	5,907	49,217
Equity in (earnings) losses of affiliates	38,106	(923)	251,807
(Gain) loss on sales of investment securities	(27,088)	(32,201)	(179,000)
(Gain) loss on valuation of investment securities	1,773	2,805	11,716
(Gain) loss on sale of property, plant and equipment	(527)	(729)	(3,482)
(Gain) loss on disposal of noncurrent assets	8,044	12,517	53,155
(Gain) loss on business transfer	(2,986)	—	(19,732)
(Increase) decrease in notes, accounts receivable–trade, and contract assets	(19,087)	8,405	(126,128)
(Increase) decrease in inventories	(16,303)	(84,053)	(107,731)
Increase (decrease) in notes and accounts payable–trade	18,630	(7,949)	123,108
Increase (decrease) in accrued expenses	(2,416)	(5,167)	(15,965)
Increase (decrease) in advances received	14,979	8,040	98,982
Other, net	3,907	(8,982)	25,818
Subtotal	322,360	193,563	2,130,179
Interest and dividend income, received	14,816	13,666	97,905
Interest expense paid	(7,042)	(5,859)	(46,534)
Income taxes (paid) refund	(34,834)	(110,565)	(230,186)
Net cash provided by (used in) operating activities	295,300	90,804	1,951,365
<b>Cash flows from investing activities:</b>			
Payments into time deposits	(4,218)	(5,209)	(27,873)
Proceeds from withdrawal of time deposits	3,115	3,702	20,584
Purchase of property, plant and equipment	(147,705)	(151,973)	(976,046)
Proceeds from sales of property, plant and equipment	1,183	7,796	7,817
Purchase of intangible assets	(24,249)	(20,185)	(160,239)
Purchase of investment securities	(10,576)	(7,352)	(69,887)
Proceeds from sales of investment securities	37,559	43,200	248,193
Purchase of shares in subsidiaries resulting in change in scope of consolidation	—	(78,420)	—
Proceeds from business transfer	7,320	—	48,371
Payments of loans receivable	(13,887)	(6,661)	(91,766)
Collection of loans receivable	8,144	2,132	53,816
Other, net	715	(613)	4,725
Net cash provided by (used in) investing activities	(142,598)	(213,584)	(942,298)

	Millions of yen		Thousands of U.S. dollars*
	2024	2023	2024
<b>Cash flows from financing activities:</b>			
Net increase (decrease) in short-term loans payable	¥ (23,674)	¥ (29,778)	\$ (156,440)
Increase (decrease) in commercial paper	(41,000)	11,000	(270,931)
Proceeds from long-term loans payable	65,500	209,648	432,829
Repayment of long-term loans payable	(54,499)	(75,461)	(360,133)
Proceeds from issuance of bonds payable	60,000	50,000	396,485
Redemption of bonds	(40,000)	—	(264,323)
Repayments of lease obligations	(9,274)	(3,665)	(61,283)
Purchase of treasury stock	(12)	(1,415)	(79)
Proceeds from disposal of treasury stock	122	208	806
Cash dividends paid	(49,962)	(48,575)	(330,153)
Proceeds from share issuance to non-controlling interests	—	1,499	—
Cash dividends paid to non-controlling interests	(1,132)	(1,371)	(7,480)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(166)	(163)	(1,097)
Other, net	(233)	(149)	(1,540)
Net cash provided by (used in) financing activities	(94,331)	111,780	(623,346)
<b>Effect of exchange rate change on cash and cash equivalents</b>	29,662	15,744	196,009
<b>Net increase (decrease) in cash and cash equivalents</b>	88,034	4,744	581,735
<b>Cash and cash equivalents at beginning of year</b>	247,903	242,948	1,638,162
<b>Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation</b>	—	212	—
<b>Increase (decrease) in cash and cash equivalents resulting from corporate division</b>	(2,439)	—	(16,117)
<b>Cash and cash equivalents at end of year</b>	¥333,498	¥247,903	\$2,203,780

\* As the amounts shown in U.S. dollars are for convenience only, and are not intended to be computed in accordance with generally accepted translation procedures, the approximate current exchange rate of ¥151.33 = US\$1 prevailing on March 31, 2024, has been used.