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## Consolidated Results for 1st Quarter Fiscal 2022: April 1, 2022 – June 30, 2022

(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)

	Q1 2022	Q1 2021
Net sales	670,441 [+14.9%]	583,433 [+28.2%]
Operating income	49,361 [-18.4%]	60,510 [+101.0%]
Ordinary income	51,535 [-20.9%]	65,171 [+115.6%]
Net income attributable to owners of the parent	29,831 [-35.7%]	46,428 [+241.7%]
Net income per share*	21.50	33.46
Diluted net income per share*	—	—

\* Yen

Note: Comprehensive income was ¥160,652 million during Q1 2022, and ¥43,759 million during Q1 2021.

## 2. Financial position

At end of	June 2022	March 2022
Total assets	3,633,170	3,349,075
Net assets	1,855,843	1,718,815
Net worth/total assets	50.2%	50.4%
Net worth per share*	1,314.39	1,216.33

\* Yen

Notes:

- Net worth consists of shareholders' equity and accumulated other comprehensive income.
- Net worth was ¥1,823,437 million as of June 30, 2022, and ¥1,687,410 million as of March 31, 2022.

**II. Cash Dividends**

Fiscal year	Cash dividends per share*				Total annual
	Q1	Q2	Q3	Q4	
2021	—	17.00	—	17.00	34.00
2022	—	—	—	—	—
2022 (forecast)	—	18.00	—	18.00	36.00

\* Yen

Note: The cash dividend forecast has not been revised.

### III. Forecast for Fiscal 2022 (April 1, 2022 – March 31, 2023)

#### 1. Latest forecasts (percent change from results in year-ago period in brackets)

	For Q1–Q2	For the fiscal year
Net sales	1,387,000 [+17.4%]	2,731,000 [+11.0%]
Operating income	86,300 [–23.7%]	210,500 [+3.9%]
Ordinary income	87,500 [–26.6%]	216,500 [+2.1%]
Net income attributable to owners of the parent	52,800 [–42.2%]	164,500 [+1.6%]
Net income per share*	38.06	118.58

\* Yen

#### Notes:

- 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.
- The forecast for Q1–Q2 fiscal 2022 is newly added, while the full-year forecast is as announced on May 13, 2022.

### IV. Other Information

#### 1. Changes in significant subsidiaries which affected scope of consolidation during the period

Addition of one new subsidiary:  
Bionova Holdings, Inc.

#### 2. Special accounting methods for preparation of the consolidated financial statements

Income tax expenses: A reasonable estimate of the effective tax rate after applying tax-effect accounting for the current fiscal year is made, and quarterly income before income taxes is multiplied by the corresponding effective tax rate.

#### 3. Changes in accounting policies, changes in accounting estimates, and retroactive restatement

Application of Implementation Guidance on Accounting Standard for Fair Value Measurement:

Accounting Standards Board of Japan (ASBJ) Guidance No. 31 “Implementation Guidance on Accounting Standard for Fair Value Measurement” is applied from the beginning of the first quarter of the fiscal year ending March 31, 2023. In accordance with Article 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement regarding transitional treatment, the new accounting policy is to be applied in the future. This change has no effect on the quarterly consolidated financial statements.

#### 4. Notable changes in shareholders' equity: None

#### 5. Number of shares outstanding

	Q1 2022	FY 2021
Number of shares outstanding at end of period	1,393,932,032	1,393,932,032
Number of shares of treasury stock at end of period	6,642,136	6,640,935
Average number of shares outstanding during period	1,387,290,500	1,387,534,187*

\* Q1 2021

## V. Consolidated Financial Statements

### 1. Balance sheets

	At end of March 2022	At end of June 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	244,641	278,602
Notes, accounts receivable–trade, and contract assets	434,595	449,072
Merchandise and finished goods	252,521	282,932
Work in process	146,120	162,429
Raw materials and supplies	141,608	162,038
Other	117,195	133,947
Allowance for doubtful accounts	(2,471)	(2,354)
<b>Total current assets</b>	<b>1,334,209</b>	<b>1,466,667</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	646,311	658,333
Accumulated depreciation	(333,966)	(340,265)
Buildings and structures, net	312,344	318,068
Machinery, equipment and vehicles	1,569,782	1,603,641
Accumulated depreciation	(1,288,462)	(1,307,449)
Machinery, equipment and vehicles, net	281,320	296,191
Land	69,567	70,293
Lease assets	8,679	13,840
Accumulated depreciation	(6,814)	(7,065)
Lease assets, net	1,865	6,775
Construction in progress	102,284	103,158
Other	159,312	163,765
Accumulated depreciation	(121,477)	(122,166)
Other, net	37,834	41,598
<b>Subtotal</b>	<b>805,215</b>	<b>836,084</b>
<b>Intangible assets</b>		
Goodwill	431,335	507,170
Other	405,508	441,381
<b>Subtotal</b>	<b>836,843</b>	<b>948,551</b>
<b>Investments and other assets</b>		
Investment securities	246,701	247,468
Long-term loans receivable	6,227	8,762
Long-term advance payments–trade	30,432	30,295
Net defined benefit asset	1,193	2,129
Deferred tax assets	54,276	55,291
Other	34,404	38,370
Allowance for doubtful accounts	(426)	(448)
<b>Subtotal</b>	<b>372,808</b>	<b>381,868</b>
<b>Total noncurrent assets</b>	<b>2,014,866</b>	<b>2,166,503</b>
<b>Total assets</b>	<b>3,349,075</b>	<b>3,633,170</b>

	At end of March 2022	At end of June 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable–trade	178,092	195,688
Short-term loans payable	239,491	308,331
Commercial paper	113,000	172,000
Current portion of bonds payable	—	20,000
Lease obligations	2,224	2,411
Accrued expenses	146,275	126,806
Income taxes payable	58,115	29,025
Advances received	62,476	67,637
Provision for grant of shares	208	208
Provision for periodic repairs	4,738	7,152
Provision for product warranties	4,007	4,280
Provision for removal cost of property, plant and equipment	4,445	5,384
Other	110,778	113,305
<b>Total current liabilities</b>	<b>923,850</b>	<b>1,052,227</b>
<b>Noncurrent liabilities</b>		
Bonds payable	160,000	140,000
Long-term loans payable	253,785	294,861
Lease obligations	8,715	12,199
Deferred tax liabilities	52,017	55,815
Provision for grant of shares	490	490
Provision for periodic repairs	5,396	3,989
Provision for removal cost of property, plant and equipment	12,298	9,156
Net defined benefit liability	152,081	151,955
Long-term guarantee deposits	22,490	22,531
Other	39,139	34,103
<b>Total noncurrent liabilities</b>	<b>706,410</b>	<b>725,099</b>
<b>Total liabilities</b>	<b>1,630,260</b>	<b>1,777,326</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	103,389	103,389
Capital surplus	79,887	79,860
Retained earnings	1,282,325	1,288,431
Treasury stock	(6,219)	(6,220)
<b>Total shareholders' equity</b>	<b>1,459,381</b>	<b>1,465,459</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized gain on other securities	66,287	65,761
Deferred gains or losses on hedges	(341)	(174)
Foreign currency translation adjustment	167,225	297,169
Remeasurements of defined benefit plans	(5,142)	(4,779)
<b>Total accumulated other comprehensive income</b>	<b>228,029</b>	<b>357,978</b>
<b>Non-controlling interests</b>	<b>31,405</b>	<b>32,407</b>
<b>Total net assets</b>	<b>1,718,815</b>	<b>1,855,843</b>
<b>Total liabilities and net assets</b>	<b>3,349,075</b>	<b>3,633,170</b>

## 2. Statements of income and statements of comprehensive income

### 1) Statements of income

	Q1 2021	Q1 2022
Net sales	583,433	670,441
Cost of sales	388,057	464,487
Gross profit	195,376	205,954
Selling, general and administrative expenses	134,866	156,592
Operating income	60,510	49,361
Non-operating income		
Interest income	274	508
Dividends income	1,565	1,646
Equity in earnings of affiliates	3,685	1,600
Other	1,695	1,508
Total non-operating income	7,219	5,262
Non-operating expenses		
Interest expense	904	957
Costs of idle facilities	108	713
Other	1,545	1,418
Total non-operating expenses	2,557	3,088
Ordinary income	65,171	51,535
Extraordinary income		
Gain on sales of investment securities	5,637	2,240
Gain on sales of noncurrent assets	287	572
Gain on step acquisitions	1,700	—
Total extraordinary income	7,624	2,811
Extraordinary loss		
Loss on valuation of investment securities	—	1,033
Loss on disposal of noncurrent assets	1,547	1,155
Impairment loss	1	40
Loss on fire at plant facilities	—	1,633
Business structure improvement expenses	2,840	889
Total extraordinary loss	4,388	4,750
Income before income taxes	68,407	49,596
Total income taxes	21,624	19,648
Net income	46,783	29,948
Net income attributable to non-controlling interests	355	117
Net income attributable to owners of the parent	46,428	29,831

2) Statements of comprehensive income

	Q1 2021	Q1 2022
Net income	46,783	29,948
Other comprehensive income		
Net increase (decrease) in unrealized gain on other securities	(5,129)	(278)
Deferred gains or losses on hedges	30	167
Foreign currency translation adjustment	1,327	128,007
Remeasurements of defined benefit plans	574	366
Share of other comprehensive income of affiliates accounted for using equity method	174	2,442
Total other comprehensive income	(3,023)	130,704
Comprehensive income	43,759	160,652
Comprehensive income attributable to:		
Owners of the parent	43,219	159,780
Non-controlling interests	541	872

### 3. Statements of cash flows

	Q1 2021	Q1 2022
<b>Cash flows from operating activities</b>		
Income before income taxes	68,407	49,596
Depreciation and amortization	28,686	32,615
Impairment loss	1	40
Amortization of goodwill	6,843	8,488
(Decrease) increase in provision for periodic repairs	(57)	1,007
Increase in provision for product warranties	259	199
Decrease in provision for removal cost of property, plant and equipment	(879)	(2,208)
Decrease in net defined benefit liability	(721)	(566)
Interest and dividend income	(1,839)	(2,153)
Interest expense	904	957
Equity in earnings of affiliates	(3,685)	(1,600)
Gain on sales of investment securities	(5,637)	(2,240)
Loss on valuation of investment securities	—	1,033
Gain on sale of property, plant and equipment	(287)	(572)
Loss on disposal of noncurrent assets	1,547	1,155
Decrease in notes, accounts receivable–trade, and contract assets	1,866	1,116
Increase in inventories	(9,203)	(51,698)
(Decrease) increase in notes and accounts payable–trade	(10,306)	8,889
Decrease in accrued expenses	(20,270)	(25,349)
Increase in advances received	3,943	3,827
Other, net	(17,144)	(21,977)
<b>Subtotal</b>	<b>42,428</b>	<b>559</b>
Interest and dividend income, received	3,098	7,269
Interest expense paid	(319)	(736)
Income taxes paid	(15,009)	(47,202)
<b>Net cash provided by (used in) operating activities</b>	<b>30,198</b>	<b>(40,110)</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(936)	(653)
Proceeds from withdrawal of time deposits	5,053	587
Purchase of property, plant and equipment	(28,938)	(33,566)
Proceeds from sales of property, plant and equipment	627	2,544
Purchase of intangible assets	(2,848)	(5,274)
Purchase of investment securities	(1,561)	(1,360)
Proceeds from sales of investment securities	6,601	2,572
Purchase of shares in subsidiaries resulting in change in scope of consolidation	(19,925)	(42,237)
Payments of loans receivable	(78)	(4,998)
Collection of loans receivable	2,346	351
Other, net	(83)	(93)
<b>Net cash used in investing activities</b>	<b>(39,743)</b>	<b>(82,127)</b>

	Q1 2021	Q1 2022
Cash flows from financing activities		
Net increase in short-term loans payable	14,770	61,550
Increase in commercial paper	32,000	59,000
Proceeds from long-term loans payable	—	40,000
Repayment of long-term loans payable	(10,003)	(230)
Repayments of lease obligations	(683)	(1,155)
Purchase of treasury stock	(2)	(1)
Proceeds from disposal of treasury stock	0	0
Cash dividends paid	(23,594)	(23,593)
Proceeds from share issuance to non-controlling interests	—	509
Cash dividends paid to non-controlling interests	(1,154)	(536)
Other, net	262	194
Net cash provided by financing activities	11,596	135,737
Effect of exchange rate change on cash and cash equivalents	313	20,080
Net increase in cash and cash equivalents	2,364	33,580
Cash and cash equivalents at beginning of period	216,235	242,948
Increase in cash and cash equivalents resulting from changes in scope of consolidation	1,112	212
Cash and cash equivalents at end of period	219,712	276,739