

# Consolidated Financial Statements

## Consolidated Balance Sheets

Asahi Kasei Corporation and Consolidated Subsidiaries

March 31, 2021 and 2020

Detailed Consolidated Financial Statements are available at the following link:  
[https://www.asahi-kasei.com/ir/library/financial\\_briefing/pdf/2103statements.pdf](https://www.asahi-kasei.com/ir/library/financial_briefing/pdf/2103statements.pdf)

ASSETS	Millions of yen		Thousands of U.S. dollars*
	2021	2020	2021
<b>Current assets:</b>			
Cash and deposits	¥ 221,779	¥ 207,957	\$ 2,003,243
Notes and accounts receivable–trade	338,640	330,999	3,058,802
Merchandise and finished goods	203,159	216,463	1,835,056
Work in process	166,494	160,064	1,503,875
Raw materials and supplies	111,798	101,313	1,009,827
Other	97,131	92,153	877,346
Allowance for doubtful accounts	(2,225)	(1,519)	(20,098)
Total current assets	1,136,776	1,107,430	10,268,052
<b>Noncurrent assets:</b>			
Property, plant and equipment			
Buildings and structures	598,675	563,110	5,407,596
Accumulated depreciation	(319,144)	(305,259)	(2,882,703)
Buildings and structures, net	279,531	257,851	2,524,894
Machinery, equipment and vehicles	1,535,326	1,466,958	13,867,997
Accumulated depreciation	(1,286,057)	(1,243,780)	(11,616,448)
Machinery, equipment and vehicles, net	249,269	223,179	2,251,549
Land	70,577	67,024	637,494
Lease assets	8,615	9,645	77,816
Accumulated depreciation	(7,687)	(8,964)	(69,434)
Lease assets, net	928	681	8,382
Construction in progress	84,463	75,487	762,921
Other	182,414	172,674	1,647,674
Accumulated depreciation	(149,920)	(143,210)	(1,354,169)
Other, net	32,495	29,464	293,515
Subtotal	717,262	653,686	6,478,746
Intangible assets			
Goodwill	351,921	365,680	3,178,764
Other	342,454	349,566	3,093,253
Subtotal	694,374	715,246	6,272,008
Investments and other assets			
Investment securities	286,517	244,581	2,587,996
Long-term loans receivable	1,241	7,951	11,209
Long-term advance payments–trade	29,390	20,467	265,468
Deferred tax assets	21,116	44,466	190,733
Other	32,709	28,883	295,448
Allowance for doubtful accounts	(445)	(435)	(4,020)
Subtotal	370,529	345,914	3,346,843
Total noncurrent assets	1,782,165	1,714,846	16,097,597
<b>Total assets</b>	<b>¥ 2,918,941</b>	<b>¥ 2,822,277</b>	<b>\$26,365,649</b>

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LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars*
	2021	2020	2021
<b>Liabilities:</b>			
Current liabilities:			
Notes and accounts payable–trade	¥ 142,087	¥ 131,207	\$1,283,416
Short-term loans payable	144,571	275,671	1,305,853
Commercial paper	84,000	139,000	758,739
Lease obligations	880	1,006	7,949
Accrued expenses	126,705	121,520	1,144,477
Income taxes payable	21,268	18,145	192,106
Advances received	78,601	73,623	709,972
Provision for grant of shares	124	78	1,120
Provision for periodic repairs	7,222	4,043	65,233
Provision for product warranties	3,522	3,738	31,813
Provision for removal cost of property, plant and equipment	5,651	2,640	51,043
Other	88,533	71,863	799,684
Total current liabilities	703,163	842,531	6,351,396
Noncurrent liabilities:			
Bonds payable	110,000	60,000	993,587
Long-term loans payable	320,404	229,172	2,894,084
Lease obligations	3,921	3,506	35,417
Deferred tax liabilities	58,669	70,600	529,934
Provision for grant of shares	513	412	4,634
Provision for periodic repairs	3,415	4,560	30,846
Provision for removal cost of property, plant and equipment	12,652	5,771	114,281
Net defined benefit liability	158,832	174,365	1,434,667
Long-term guarantee deposits	21,939	21,613	198,166
Other	30,899	26,287	279,099
Total noncurrent liabilities	721,243	596,286	6,514,705
Total liabilities	1,424,406	1,438,817	12,866,101
<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	933,872
Capital surplus	79,641	79,641	719,366
Retained earnings	1,158,792	1,125,738	10,466,914
Treasury stock (2021—6,396,867 shares, 2020—6,440,327 shares)	(5,932)	(5,990)	(53,581)
Total shareholders' equity	1,335,890	1,302,777	12,066,570
Accumulated other comprehensive income			
Net unrealized gain on other securities	91,887	67,027	829,979
Deferred gains or losses on hedges	(347)	(241)	(3,134)
Foreign currency translation adjustment	50,462	13,027	455,803
Remeasurements of defined benefit plans	(10,416)	(23,275)	(94,084)
Total accumulated other comprehensive income	131,586	56,538	1,188,565
Non-controlling interests	27,058	24,145	244,404
Total net assets	1,494,535	1,383,460	13,499,548
Commitments and contingent liabilities			
<b>Total liabilities and net assets</b>	<b>¥2,918,941</b>	<b>¥2,822,277</b>	<b>\$26,365,649</b>

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## Consolidated Statements of Income

Asahi Kasei Corporation and Consolidated Subsidiaries  
Years Ended March 31, 2021 and 2020

	Millions of yen		Thousands of U.S. dollars*
	2021	2020	2021
<b>Net sales</b>	¥2,106,051	¥2,151,646	\$19,023,133
Cost of sales	1,425,342	1,476,606	12,874,555
<b>Gross profit</b>	680,709	675,040	6,148,577
Selling, general and administrative expenses	508,901	497,776	4,596,703
<b>Operating income</b>	171,808	177,264	1,551,874
Non-operating income:			
Interest income	1,895	2,769	17,117
Dividends income	4,308	5,251	38,912
Equity in earnings of affiliates	3,451	7,138	31,172
Insurance income	2,618	1,724	23,647
Other	5,059	3,596	45,696
Total non-operating income	17,331	20,479	156,544
Non-operating expenses:			
Interest expense	3,209	4,016	28,986
Other	7,893	9,720	71,294
Total non-operating expenses	11,102	13,735	100,280
<b>Ordinary income</b>	178,036	184,008	1,608,129
Extraordinary income:			
Gain on sales of investment securities	17,312	13,679	156,373
Gain on sales of noncurrent assets	353	4,268	3,189
Total extraordinary income	17,665	17,948	159,561
Extraordinary loss:			
Loss on valuation of investment securities	66	1,953	596
Loss on disposal of noncurrent assets	10,637	9,668	96,080
Impairment loss	1,937	21,949	17,496
Loss on disaster	—	2,437	—
Loss on fire at plant facilities	22,287	—	201,310
Loss on product compensation	2,118	5,173	19,131
Business structure improvement expenses	7,750	4,840	70,003
Total extraordinary loss	44,795	46,022	404,616
<b>Income before income taxes</b>	150,906	155,934	1,363,075
Income taxes — current	73,273	54,173	661,846
— deferred	(4,465)	(3,967)	(40,331)
Total income taxes	68,808	50,206	621,516
<b>Net income</b>	82,098	105,728	741,559
Net income attributable to non-controlling interests	2,330	1,797	21,046
<b>Net income attributable to owners of the parent</b>	¥ 79,768	¥ 103,931	\$ 720,513

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## Consolidated Statements of Comprehensive Income

Asahi Kasei Corporation and Consolidated Subsidiaries  
Years Ended March 31, 2021 and 2020

	Millions of yen		Thousands of U.S. dollars*
	2021	2020	2021
<b>Net income</b>	¥ 82,098	¥105,728	\$ 741,559
Other comprehensive income			
Net (decrease) increase in unrealized gain on other securities	24,806	(34,895)	224,063
Deferred gains or losses on hedges	(106)	(201)	(957)
Foreign currency translation adjustment	35,491	(26,115)	320,576
Remeasurements of defined benefit plans	12,631	(3,867)	114,091
Share of other comprehensive income of affiliates accounted for using equity method	3,020	(3,482)	27,278
Total other comprehensive income	75,842	(68,561)	685,051
<b>Comprehensive income</b>	¥157,941	¥ 37,167	\$1,426,619
Comprehensive income attributable to:			
Owners of the parent	¥154,817	¥ 35,730	\$1,398,401
Non-controlling interests	3,124	1,437	28,218

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## Consolidated Statements of Changes in Net Assets

Asahi Kasei Corporation and Consolidated Subsidiaries  
Years Ended March 31, 2021 and 2020

	Millions of yen												
	Shareholders' equity					Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at March 31, 2020	¥103,389	¥79,641	¥1,125,738	¥(5,990)	¥1,302,777	¥67,027	¥(241)	¥13,027	¥(23,275)	¥ 56,538	¥24,145	¥1,383,460	
Changes during the fiscal year													
Dividends from surplus			(45,800)		(45,800)							(45,800)	
Net income attributable to owners of the parent			79,768		79,768							79,768	
Purchase of treasury stock				(10)	(10)							(10)	
Disposal of treasury stock		(0)		69	69							69	
Cancellation of treasury stock													
Transfer from retained earnings to capital surplus		0	(0)										
Change of scope of consolidation			(914)		(914)							(914)	
Capital increase of consolidated subsidiaries		0			0							0	
Net changes of items other than shareholders' equity						24,860	(106)	37,434	12,859	75,049	2,913	77,962	
Total changes of items during the period	–	0	33,054	59	33,113	24,860	(106)	37,434	12,859	75,049	2,913	111,075	
Balance at March 31, 2021	¥103,389	¥79,641	¥1,158,792	¥(5,932)	¥1,335,890	¥91,887	¥(347)	¥50,462	¥(10,416)	¥131,586	¥27,058	¥1,494,535	
	Millions of yen												
	Shareholders' equity					Accumulated other comprehensive income							
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets	
Balance at March 31, 2019	¥103,389	¥79,708	¥1,077,586	¥ (3,936)	¥1,256,747	¥101,971	¥ (40)	¥ 42,020	¥(19,213)	¥124,738	¥21,225	¥1,402,710	
Changes during the fiscal year													
Dividends from surplus			(48,723)		(48,723)							(48,723)	
Net income attributable to owners of the parent			103,931		103,931							103,931	
Purchase of treasury stock				(10,016)	(10,016)							(10,016)	
Disposal of treasury stock		0		83	84							84	
Cancellation of treasury stock		(7,878)		7,878									
Transfer from retained earnings to capital surplus		7,856	(7,856)										
Change of scope of consolidation			801		801							801	
Capital increase of consolidated subsidiaries		(46)			(46)							(46)	
Net changes of items other than shareholders' equity						(34,945)	(201)	(28,993)	(4,062)	(68,200)	2,920	(65,280)	
Total changes of items during the period	–	(67)	48,152	(2,055)	46,030	(34,945)	(201)	(28,993)	(4,062)	(68,200)	2,920	(19,250)	
Balance at March 31, 2020	¥103,389	¥79,641	¥1,125,738	¥ (5,990)	¥1,302,777	¥ 67,027	¥(241)	¥ 13,027	¥(23,275)	¥ 56,538	¥24,145	¥1,383,460	

## Consolidated Statements of Changes in Net Assets

Asahi Kasei Corporation and Consolidated Subsidiaries

Years Ended March 31, 2021 and 2020

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 or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Balance at March 31, 2020	\$933,872	\$719,366	\$10,168,350	\$(54,105)	\$11,767,474	\$605,429	\$(2,177)	\$117,668	\$(210,234)	\$510,686	\$218,092	\$12,496,251
Changes during the fiscal year												
Dividends from surplus			(413,693)		(413,693)							(413,693)
Net income attributable to owners of the parent			720,513		720,513							720,513
Purchase of treasury stock				(90)	(90)							(90)
Disposal of treasury stock		(0)		623	623							623
Cancellation of treasury stock												
Transfer from retained earnings to capital surplus		0	(0)									
Change of scope of consolidation			(8,256)		(8,256)							(8,256)
Capital increase of consolidated subsidiaries		0			0							0
Net changes of items other than shareholders' equity						224,551	(957)	338,127	116,150	677,888	26,312	704,200
Total changes of items during the period	–	0	298,564	533	299,097	224,551	(957)	338,127	116,150	677,888	26,312	1,003,297
Balance at March 31, 2021	\$933,872	\$719,366	\$10,466,914	\$(53,581)	\$12,066,570	\$829,979	\$(3,134)	\$455,803	\$(94,084)	\$1,188,565	\$244,404	\$13,499,548

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## Consolidated Statements of Cash Flows

Asahi Kasei Corporation and Consolidated Subsidiaries

Years Ended March 31, 2021 and 2020

	Millions of yen		Thousands of U.S. dollars*
	2021	2020	2021
<b>Cash flows from operating activities:</b>			
Income before income taxes	¥ 150,906	¥ 155,934	\$1,363,075
Depreciation and amortization	108,369	96,016	978,855
Impairment loss	1,937	21,949	17,496
Amortization of goodwill	24,903	22,288	224,939
Amortization of negative goodwill	–	(79)	–
Increase in provision for grant of shares	148	119	1,337
Increase in provision for periodic repairs	2,033	332	18,363
(Decrease) increase in provision for product warranties	(221)	640	(1,996)
Increase in provision for removal cost of property, plant and equipment	9,891	3,141	89,342
Decrease in net defined benefit liability	(4,303)	(4,069)	(38,867)
Interest and dividend income	(6,202)	(8,021)	(56,020)
Interest expense	3,209	4,016	28,986
Equity in earnings of affiliates	(3,451)	(7,138)	(31,172)
Gain on sales of investment securities	(17,312)	(13,679)	(156,373)
Loss on valuation of investment securities	66	1,953	596
Gain on sale of property, plant and equipment	(353)	(4,268)	(3,189)
Loss on disposal of noncurrent assets	10,637	9,668	96,080
Decrease in notes and accounts receivable–trade	5,214	16,919	47,096
Decrease (increase) in inventories	6,110	(51,950)	55,189
Increase (decrease) in notes and accounts payable–trade	1,706	(45,562)	15,410
Increase in accrued expenses	1,371	2,624	12,384
Increase (decrease) in advances received	8,190	(1,925)	73,977
Other, net	15,896	(20,688)	143,582
Subtotal	318,744	178,218	2,879,090
Interest and dividend income, received	8,690	10,834	78,493
Interest expense paid	(3,086)	(4,203)	(27,875)
Income taxes paid	(70,672)	(60,388)	(638,352)
Net cash provided by operating activities	253,676	124,460	2,291,356
<b>Cash flows from investing activities:</b>			
Payments into time deposits	(6,262)	(4,195)	(56,562)
Proceeds from withdrawal of time deposits	4,333	13,343	39,138
Purchase of property, plant and equipment	(133,347)	(138,354)	(1,204,471)
Proceeds from sales of property, plant and equipment	656	5,693	5,925
Purchase of intangible assets	(16,945)	(16,096)	(153,058)
Purchase of investment securities	(8,061)	(10,820)	(72,812)
Proceeds from sales of investment securities	20,264	23,543	183,037
Purchase of shares in subsidiaries resulting in change in scope of consolidation	(4,811)	(175,759)	(43,456)
Payments for transfer of business	(17,566)	(1,964)	(158,667)
Payments of loans receivable	(6,144)	(23,170)	(55,496)
Collection of loans receivable	10,428	9,253	94,192
Other, net	(297)	369	(2,683)
Net cash used in investing activities	(157,751)	(318,156)	(1,424,903)

	Millions of yen		Thousands of U.S. dollars*
	2021	2020	2021
<b>Cash flows from financing activities:</b>			
Net (decrease) increase in short-term loans payable	¥(168,641)	¥ 172,022	\$(1,523,268)
(Decrease) increase in commercial paper	(55,000)	62,000	(496,793)
Proceeds from long-term loans payable	143,467	45,816	1,295,881
Repayment of long-term loans payable	(16,936)	(17,586)	(152,976)
Proceeds from issuance of bonds payable	50,000	40,000	451,630
Redemption of bonds	–	(20,000)	–
Repayments of lease obligations	(1,226)	(1,276)	(11,074)
Purchase of treasury stock	(10)	(10,016)	(90)
Proceeds from disposal of treasury stock	69	84	623
Proceeds from share issuance to non-controlling interests	–	849	–
Cash dividends paid	(45,800)	(48,723)	(413,693)
Cash dividends paid to non-controlling interests	(1,198)	(1,052)	(10,821)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(307)	–	(2,773)
Other, net	(287)	(194)	(2,592)
Net cash (used in) provided by financing activities	(95,869)	221,923	(865,947)
<b>Effect of exchange rate change on cash and cash equivalents</b>	9,639	(4,060)	87,065
<b>Net Increase in cash and cash equivalents</b>	9,695	24,167	87,571
<b>Cash and cash equivalents at beginning of year</b>	204,771	180,520	1,849,616
<b>Increase in cash and cash equivalents resulting from changes in scope of consolidation</b>	1,769	85	15,979
<b>Cash and cash equivalents at end of year</b>	¥ 216,235	¥ 204,771	\$1,953,166

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