

Asahi Kasei Corporation

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May 9, 2024

**Consolidated Results for Fiscal 2023:
April 1, 2023 – March 31, 2024**

(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 2023	FY 2022
Net sales	2,784,878 [+2.1%]	2,726,485 [+10.8%]
Operating income	140,746 [+10.2%]	127,716 [-37.0%]
Ordinary income	90,118 [-25.5%]	120,900 [-43.0%]
Net income attributable to owners of the parent	43,806 [—]	(91,948) [—]
Net income per share*	31.60	(66.30)
Diluted net income per share*	—	—
Net income/shareholders' equity	2.5%	-5.5%
Ordinary income/total assets	2.5%	3.6%
Operating income/net sales	5.1%	4.7%

* Yen

Notes:

- Comprehensive income was ¥206,181 million during fiscal 2023, and ¥25,192 million during fiscal 2022.
- Equity in earnings of affiliates was ¥(38,106) million during fiscal 2023, and ¥923 million during fiscal 2022.
- Calculation of results for fiscal 2022, previously based on provisional accounting treatment related to business combinations, has been finalized.

2. Financial position

At fiscal year end March	2024	2023
Total assets	3,662,730	3,453,900
Net assets	1,848,625	1,695,382
Net worth/total assets	49.5%	48.1%
Net worth per share*	1,308.20	1,197.85

* Yen

Notes:

- Net worth consists of shareholders' equity and accumulated other comprehensive income.
- Net worth was ¥1,813,391 million as of March 31, 2024, and ¥1,660,295 million as of March 31, 2023.
- Calculation of results as of March 31, 2023, previously based on provisional accounting treatment related to business combinations, has been finalized.

3. Cash flows

	FY 2023	FY 2022
Cash flows from operating activities	295,300	90,804
Cash flows from investing activities	(142,598)	(213,584)
Cash flows from financing activities	(94,331)	111,780
Cash and cash equivalents at end of period	333,498	247,903

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			
2022	—	18.00	—	18.00	36.00	49,962	—
2023	—	18.00	—	18.00	36.00	49,962	113.9%
2024 (forecast)	—	18.00	—	18.00	36.00		49.9%

* Yen

III. Forecast for Fiscal 2024 (April 1, 2024 – March 31, 2025)

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

	For Q1–Q2	For the fiscal year
Net sales	1,428,000 [+6.1%]	2,912,000 [+4.6%]
Operating income	80,000 [+43.1%]	180,000 [+27.9%]
Ordinary income	78,000 [+49.9%]	181,000 [+100.8%]
Net income attributable to owners of the parent	40,000 [+29.7%]	100,000 [+128.3%]
Net income per share*	28.86	72.14

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

Elimination of one subsidiary:

Asahi Kasei Spunbond (Thailand) Co., Ltd.

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

None

3. Changes in presentation

Consolidated statements of income:

Foreign exchange loss and costs of idle facilities, which were reported separately under non-operating expenses for the fiscal year ended March 31, 2023, are included in other under non-operating

expenses for the fiscal year ended March 31, 2024, due to decreased materiality. Consolidated statements of income for the fiscal year ended March 31, 2023, are restated to reflect this change. As a result, foreign exchange loss under non-operating expenses, previously reported to be ¥2,287 million, and costs of idle facilities, previously reported to be of ¥3,300 million, are included in other.

4. Number of shares outstanding

	FY 2023	FY 2022
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	7,761,893	7,864,299
Average number of shares outstanding during period	1,386,143,255	1,386,887,194

V. Summary of Non-Consolidated Results

1. Results for fiscal 2023 (April 1, 2023 – March 31, 2024)

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

	FY 2023	FY 2022
Net sales	681,508 [-4.5%]	713,961 [+9.4%]
Operating income	(26,546) [—]	(11,073) [—]
Ordinary income	192,641 [+394.7%]	38,942 [-52.5%]
Net income	170,162 [—]	(201,425) [—]
Net income per share*	122.76	(145.24)
Diluted net income per share*	—	—

* Yen

(2) Financial position

At fiscal year end March	2024	2023
Total assets	1,967,465	1,995,939
Net assets	625,610	506,780
Net worth/total assets	31.8%	25.4%
Net worth per share*	451.32	365.62

* Yen

VI. Overview of Consolidated Results

1. Consolidated group results

Net sales reached ¥2,784.9 billion, an increase of ¥58.4 billion from a year ago, and operating income reached ¥140.7 billion, an increase of ¥13.0 billion. Although Material had a greater demand slowdown than anticipated, especially in China, and lower market prices, terms of trade improved, while Homes and Health Care had firm performance. Ordinary income decreased by ¥30.8 billion to ¥90.1 billion, with ¥38.1 billion recorded as equity in losses of affiliates. Net income attributable to owners of the parent was ¥43.8 billion, recovering from net loss of the previous year, with a lower impairment loss than a year ago, and decreased income tax expenses as an effect of transfer of shares of Asahi Kasei Energy Storage Materials, Inc., although impairment loss was recorded on assets such as equipment related to asset group for general-purpose petrochemicals and resins.

Regarding non-consolidated results, net sales decreased by ¥32.5 billion to ¥681.5 billion, there was an operating loss of ¥26.5 billion representing a ¥15.5 billion deterioration from the operating loss of the previous year, ordinary income increased by ¥153.7 billion to ¥192.6 billion,

and net income was ¥170.2 billion representing a ¥371.6 billion increase from the net loss of the previous year. The increase in ordinary income was largely due to dividends received from consolidated subsidiaries. Although impairment loss was recorded under extraordinary loss, net income was gained through the receipt of dividends from subsidiaries, elimination of loss on valuation of shares of subsidiaries and affiliates with respect to Asahi Kasei Energy Storage Materials, Inc. (AKESM), and decreased income tax expenses as an effect of the transfer of shares of AKESM during the fiscal 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 Health Care, together with an "Others" category.

MATERIAL

Sales decreased by ¥54.9 billion from a year ago to ¥1,261.7 billion, and operating income increased by ¥1.5 billion from a year ago to ¥42.6 billion.

In Environmental Solutions, although the basic materials business had decreased shipments with a general slowdown in demand related to petrochemicals especially in China and an impact from inventory valuation due to lower market prices, operating income increased due to lower amortization of goodwill and other intangible assets as an effect of the impairment loss on Polypore in the previous fiscal year. In Mobility & Industrial, operating income increased with increased shipments due to improvement from the effect of reduced vehicle production and increased production capacity. In Life Innovation, although there was an impact from inventory valuation, products for AI servers and high-end smartphones performed well.

HOMES

Sales increased by ¥55.4 billion from a year ago to ¥954.4 billion, and operating income increased by ¥7.6 billion from a year ago to ¥83.0 billion.

In order-built homes, although unit prices rose with larger and higher value-added units and fixed costs were reduced, operating income decreased with increased costs for other materials and a decreased volume of building work. In real estate, operating income increased with rental management operations expanding firmly and a large number of high-value sales of condominiums in urban centers. In overseas operations, although profitability of the North American business declined from the level of the previous fiscal year when high sales prices were maintained as lumber prices decreased, operating income increased with the Australian business achieving progress in passing on increased costs in contrast to the previous fiscal year when high material and labor costs had a significant impact. Operating income in construction materials increased with progress in passing on increased costs.

HEALTH CARE

Sales increased by ¥56.9 billion from a year ago to ¥553.8 billion, and operating income increased by ¥6.6 billion from a year ago to ¥48.5 billion.

Although sales of mainstay products such as Envarsus XR were firm, operating income in health care decreased with nonrecurrence of the lump-sum licensing income recorded in the previous fiscal year, increased SG&A expenses at Veloxis, and impact of consolidation of Bionova.

Operating income in critical care increased with improved insurance reimbursement conditions for LifeVest, progress in passing on increased costs for defibrillators, and increased shipments of AEDs with improvement from difficulty in parts procurement.

OTHERS

Sales increased by ¥0.9 billion from a year ago to ¥15.0 billion, and operating income decreased by ¥1.1 billion from a year ago to ¥3.2 billion.

VII. Consolidated Financial Statements

1. Balance sheets

	At end of March 2023	At end of March 2024
Assets		
Current assets		
Cash and deposits	251,181	338,108
Notes, accounts receivable–trade, and contract assets	442,692	485,941
Merchandise and finished goods	310,380	317,397
Work in process	162,255	171,645
Raw materials and supplies	169,918	189,794
Other	154,335	150,030
Allowance for doubtful accounts	(2,567)	(2,877)
Total current assets	1,488,195	1,650,037
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	663,642	669,119
Accumulated depreciation	(347,877)	(366,214)
Buildings and structures, net	315,765	302,906
Machinery, equipment and vehicles	1,611,495	1,621,333
Accumulated depreciation	(1,313,694)	(1,351,326)
Machinery, equipment and vehicles, net	297,801	270,007
Land	69,232	72,750
Lease assets	12,017	13,936
Accumulated depreciation	(6,457)	(7,010)
Lease assets, net	5,560	6,926
Construction in progress	120,299	132,051
Other	188,994	211,763
Accumulated depreciation	(125,950)	(143,113)
Other, net	63,045	68,650
Subtotal	871,701	853,289
Intangible assets		
Goodwill	348,561	360,676
Other	387,597	394,052
Subtotal	736,158	754,728
Investments and other assets		
Investment securities	212,611	188,288
Long-term loans receivable	8,466	17,198
Long-term advance payments–trade	28,267	26,692
Net defined benefit asset	25,836	41,876
Deferred tax assets	45,916	84,557
Other	37,248	46,638
Allowance for doubtful accounts	(498)	(574)
Subtotal	357,846	404,676
Total noncurrent assets	1,965,705	2,012,693
Total assets	3,453,900	3,662,730

	At end of March 2023	At end of March 2024
Liabilities		
Current liabilities		
Notes and accounts payable–trade	180,560	213,252
Short-term loans payable	196,032	178,091
Commercial paper	124,000	83,000
Current portion of bonds payable	40,000	30,000
Lease obligations	6,766	7,815
Accrued expenses	147,163	151,577
Income taxes payable	17,491	17,827
Advances received	72,948	88,415
Provision for grant of shares	80	70
Provision for periodic repairs	8,410	4,805
Provision for product warranties	4,240	4,369
Provision for removal cost of property, plant and equipment	3,788	6,511
Other	110,683	128,838
Total current liabilities	912,163	914,572
Noncurrent liabilities		
Bonds payable	170,000	200,000
Long-term loans payable	409,424	425,926
Lease obligations	28,526	30,729
Deferred tax liabilities	27,767	20,184
Provision for grant of shares	339	545
Provision for periodic repairs	4,309	7,924
Provision for removal cost of property, plant and equipment	15,910	15,843
Net defined benefit liability	128,708	133,434
Long-term guarantee deposits	22,703	23,295
Other	38,671	41,654
Total noncurrent liabilities	846,355	899,534
Total liabilities	1,758,517	1,814,106
Net assets		
Shareholders' equity		
Capital stock	103,389	103,389
Capital surplus	79,841	80,272
Retained earnings	1,141,690	1,135,533
Treasury stock	(7,426)	(7,316)
Total shareholders' equity	1,317,493	1,311,878
Accumulated other comprehensive income		
Net unrealized gain on other securities	52,310	51,269
Deferred gains or losses on hedges	72	(14)
Foreign currency translation adjustment	265,022	417,391
Remeasurements of defined benefit plans	25,397	32,867
Total accumulated other comprehensive income	342,802	501,513
Non-controlling interests	35,087	35,234
Total net assets	1,695,382	1,848,625
Total liabilities and net assets	3,453,900	3,662,730

2. Statements of income and statements of comprehensive income

(1) Statements of income

	FY 2022	FY 2023
Net sales	2,726,485	2,784,878
Cost of sales	1,952,709	1,968,909
Gross profit	773,776	815,969
Selling, general and administrative expenses	646,060	675,223
Operating income	127,716	140,746
Non-operating income		
Interest income	3,896	7,684
Dividends income	4,021	3,504
Equity in earnings of affiliates	923	—
Other	5,210	6,504
Total non-operating income	14,050	17,693
Non-operating expenses		
Interest expense	5,907	7,448
Equity in losses of affiliates	—	38,106
Other	14,959	22,766
Total non-operating expenses	20,867	68,320
Ordinary income	120,900	90,118
Extraordinary income		
Gain on sales of investment securities	32,201	27,088
Gain on sales of noncurrent assets	729	527
Insurance income	8,814	15,346
Gain on business transfer	—	2,986
Settlement income	—	6,163
Total extraordinary income	41,744	52,110
Extraordinary loss		
Loss on valuation of investment securities	2,805	1,773
Loss on disposal of noncurrent assets	12,517	8,044
Impairment loss	189,446	92,834
Loss on fire at plant facilities	7,092	—
Business structure improvement expenses	13,326	10,733
Total extraordinary loss	225,186	113,385
Income (loss) before income taxes	(62,541)	28,843
Income taxes-current	56,118	31,984
Income taxes-deferred	(28,654)	(49,469)
Total income taxes	27,464	(17,484)
Net income (loss)	(90,005)	46,328
Net income attributable to non-controlling interests	1,942	2,522
Net income (loss) attributable to owners of the parent	(91,948)	43,806

(2) Statements of comprehensive income

	FY 2022	FY 2023
Net income (loss)	(90,005)	46,328
Other comprehensive income		
Net increase (decrease) in unrealized gain on other securities	(13,706)	(1,184)
Deferred gains or losses on hedges	414	(86)
Foreign currency translation adjustment	95,352	151,830
Remeasurements of defined benefit plans	30,593	7,369
Share of other comprehensive income of affiliates accounted for using equity method	2,544	1,925
Total other comprehensive income	115,197	159,854
Comprehensive income	25,192	206,181
Comprehensive income attributable to:		
Owners of the parent	22,825	202,517
Non-controlling interests	2,367	3,665

3. Statements of changes in net assets

	FY 2022	FY 2023
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	79,887	79,841
Changes during the fiscal year		
Disposal of treasury stock	0	0
Capital increase of consolidated subsidiaries	(46)	431
Total changes of items during the period	(46)	431
Balance at end of fiscal year	79,841	80,272
Retained earnings		
Balance at beginning of fiscal year	1,282,325	1,141,690
Changes during the fiscal year		
Dividends from surplus	(48,575)	(49,962)
Net income (loss) attributable to owners of the parent	(91,948)	43,806
Change of scope of consolidation	(139)	—
Change of scope of equity method	25	—
Total changes of items during the period	(140,636)	(6,157)
Balance at end of fiscal year	1,141,690	1,135,533
Treasury stock		
Balance at beginning of fiscal year	(6,219)	(7,426)
Changes during the fiscal year		
Purchase of treasury stock	(1,414)	(12)
Disposal of treasury stock	208	122
Total changes of items during the period	(1,207)	110
Balance at end of fiscal year	(7,426)	(7,316)
Total shareholders' equity		
Balance at beginning of fiscal year	1,459,381	1,317,493
Changes during the fiscal year		
Dividends from surplus	(48,575)	(49,962)
Net income (loss) attributable to owners of the parent	(91,948)	43,806
Purchase of treasury stock	(1,414)	(12)
Disposal of treasury stock	208	122
Change of scope of consolidation	(139)	—
Change of scope of equity method	25	—
Capital increase of consolidated subsidiaries	(46)	431
Total changes of items during the period	(141,888)	(5,615)
Balance at end of fiscal year	1,317,493	1,311,878

	FY 2022	FY 2023
Accumulated other comprehensive income		
Net unrealized gain on other securities		
Balance at beginning of fiscal year	66,287	52,310
Changes during the fiscal year		
Net changes of items other than shareholders' equity	(13,977)	(1,042)
Total changes of items during the period	(13,977)	(1,042)
Balance at end of fiscal year	52,310	51,269
Deferred gains or losses on hedges		
Balance at beginning of fiscal year	(341)	72
Changes during the fiscal year		
Net changes of items other than shareholders' equity	414	(86)
Total changes of items during the period	414	(86)
Balance at end of fiscal year	72	(14)
Foreign currency translation adjustment		
Balance at beginning of fiscal year	167,225	265,022
Changes during the fiscal year		
Net changes of items other than shareholders' equity	97,798	152,369
Total changes of items during the period	97,798	152,369
Balance at end of fiscal year	265,022	417,391
Remeasurements of defined benefit plans		
Balance at beginning of fiscal year	(5,142)	25,397
Changes during the fiscal year		
Net changes of items other than shareholders' equity	30,538	7,470
Total changes of items during the period	30,538	7,470
Balance at end of fiscal year	25,397	32,867
Total accumulated other comprehensive income		
Balance at beginning of fiscal year	228,029	342,802
Changes during the fiscal year		
Net changes of items other than shareholders' equity	114,773	158,711
Total changes of items during the period	114,773	158,711
Balance at end of fiscal year	342,802	501,513
Non-controlling interests		
Balance at beginning of fiscal year	31,405	35,087
Changes during the fiscal year		
Net changes of items other than shareholders' equity	3,682	146
Total changes of items during the period	3,682	146
Balance at end of fiscal year	35,087	35,234
Total net assets		
Balance at beginning of fiscal year	1,718,815	1,695,382
Changes during the fiscal year		
Dividends from surplus	(48,575)	(49,962)
Net income (loss) attributable to owners of the parent	(91,948)	43,806
Purchase of treasury stock	(1,414)	(12)
Disposal of treasury stock	208	122
Change of scope of consolidation	(139)	—
Change of scope of equity method	25	—
Capital increase of consolidated subsidiaries	(46)	431
Net changes of items other than shareholders' equity	118,455	158,858
Total changes of items during the period	(23,433)	153,242
Balance at end of fiscal year	1,695,382	1,848,625

4. Statements of cash flows

	FY 2022	FY 2023
Cash flows from operating activities		
Income (loss) before income taxes	(62,541)	28,843
Depreciation and amortization	140,013	152,593
Impairment loss	189,446	92,834
Amortization of goodwill	37,273	29,603
Increase (decrease) in provision for grant of shares	(279)	196
Increase (decrease) in provision for periodic repairs	2,585	11
Increase (decrease) in provision for product warranties	198	(9)
Increase (decrease) in provision for removal cost of property, plant and equipment	2,951	2,649
Increase (decrease) in net defined benefit liability	(5,838)	2,348
Interest and dividend income	(7,917)	(11,189)
Interest expense	5,907	7,448
Equity in (earnings) losses of affiliates	(923)	38,106
(Gain) loss on sales of investment securities	(32,201)	(27,088)
(Gain) loss on valuation of investment securities	2,805	1,773
(Gain) loss on sale of property, plant and equipment	(729)	(527)
(Gain) loss on disposal of noncurrent assets	12,517	8,044
(Gain) loss on business transfer	—	(2,986)
(Increase) decrease in notes, accounts receivable–trade, and contract assets	8,405	(19,087)
(Increase) decrease in inventories	(84,053)	(16,303)
Increase (decrease) in notes and accounts payable–trade	(7,949)	18,630
Increase (decrease) in accrued expenses	(5,167)	(2,416)
Increase (decrease) in advances received	8,040	14,979
Other, net	(8,982)	3,907
Subtotal	193,563	322,360
Interest and dividend income, received	13,666	14,816
Interest expense paid	(5,859)	(7,042)
Income taxes (paid) refund	(110,565)	(34,834)
Net cash provided by (used in) operating activities	90,804	295,300
Cash flows from investing activities		
Payments into time deposits	(5,209)	(4,218)
Proceeds from withdrawal of time deposits	3,702	3,115
Purchase of property, plant and equipment	(151,973)	(147,705)
Proceeds from sales of property, plant and equipment	7,796	1,183
Purchase of intangible assets	(20,185)	(24,249)
Purchase of investment securities	(7,352)	(10,576)
Proceeds from sales of investment securities	43,200	37,559
Purchase of shares in subsidiaries resulting in change in scope of consolidation	(78,420)	—
Proceeds from business transfer	—	7,320
Payments of loans receivable	(6,661)	(13,887)
Collection of loans receivable	2,132	8,144
Other, net	(613)	715
Net cash provided by (used in) investing activities	(213,584)	(142,598)

	FY 2022	FY 2023
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(29,778)	(23,674)
Increase (decrease) in commercial paper	11,000	(41,000)
Proceeds from long-term loans payable	209,648	65,500
Repayment of long-term loans payable	(75,461)	(54,499)
Proceeds from issuance of bonds payable	50,000	60,000
Redemption of bonds	—	(40,000)
Repayments of lease obligations	(3,665)	(9,274)
Purchase of treasury stock	(1,415)	(12)
Proceeds from disposal of treasury stock	208	122
Cash dividends paid	(48,575)	(49,962)
Proceeds from share issuance to non-controlling interests	1,499	—
Cash dividends paid to non-controlling interests	(1,371)	(1,132)
Purchase of shares in subsidiaries not resulting in change in scope of consolidation	(163)	(166)
Other, net	(149)	(233)
Net cash provided by (used in) financing activities	111,780	(94,331)
Effect of exchange rate change on cash and cash equivalents	15,744	29,662
Net increase (decrease) in cash and cash equivalents	4,744	88,034
Cash and cash equivalents at beginning of period	242,948	247,903
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	212	—
Decrease in cash and cash equivalents resulting from corporate division	—	(2,439)
Cash and cash equivalents at end of period	247,903	333,498

VIII. Business combinations

1) Transfer of photomask pellicles business

1. Outline of business separation

(1) Name of company separated to
Mitsui Chemicals, Inc.

(2) Nature of separated business
Operations related to manufacture, development, and sale of pellicles

(3) Main reasons for the separation
As a result of successive discussions between Asahi Kasei and Mitsui Chemicals on the future prospects for both companies' pellicles business, from the perspectives of swift decision-making and business strengthening, the conclusion was reached that it would be best to transfer the business to Mitsui Chemicals and operate the FPD pellicles and LSI pellicles business as part of the robust structure of Mitsui Chemicals.

(4) Date of business separation
July 1, 2023 (effective date of the separation and date of business transfer)

(5) Outline of transaction including legal form
Absorption-type separation with Asahi Kasei as the separating company and Mitsui Chemicals as the succeeding company with consideration only in assets such as cash. Also, business transfer of operations of Asahi Kasei EMD Taiwan Corp. and Asahi Kasei E-materials Korea Inc. with consideration only in assets such as cash.

2. Outline of accounting treatment

(1) Amount of gain on transfer

Gain on business transfer ¥2,986 million

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

Current assets	¥3,333 million
<u>Noncurrent assets</u>	<u>¥1,509 million</u>
<u>Total assets</u>	<u>¥4,842 million</u>
Current liabilities	¥384 million
<u>Noncurrent liabilities</u>	<u>¥124 million</u>
<u>Total liabilities</u>	<u>¥508 million</u>

(3) Accounting treatment

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

3. Reportable segment which the separated business was included in

Material

4. Approximate profit or loss related to the separated business recorded in consolidated statements of income for the fiscal year ended March 31, 2024

Information is omitted due to immateriality.

2) Finalization of provisional accounting treatment for business combination

At the close of the fiscal year ended March 31, 2023, provisional accounting treatment was applied to the business combination with Focus Plumbing LLC, Focus Framing, Door & Trim LLC, Focus Electric LLC, Focus Concrete, LLC, and Focus Fire Protection LLC, which was performed on October 31, 2022 (U.S. Eastern time). The accounting treatment was finalized during the fiscal year ended March 31, 2024.

Due to a review of purchase price allocation, the amount of customer-related assets has been changed to ¥17,082 million, trademarks to ¥2,595 million, and order backlog to ¥2,469 million, respectively. As a result, goodwill has been changed from the provisional amount of ¥34,952 million to ¥12,806 million, a decrease of ¥22,146 million. Amortization periods are 20 years for goodwill (straight-line method), 13 years for customer-related assets, 19 years for trademarks, and 2 years for order backlog.

In the consolidated balance sheets for the fiscal year ended March 31, 2023, other under intangible assets increased by ¥18,902 million and foreign currency translation adjustment increased by ¥9 million, while goodwill decreased by ¥19,529 million and retained earnings decreased by ¥636 million. In the statements of income for the fiscal year ended on March 31, 2023, operating income and ordinary income decreased by ¥636 million, while loss before income taxes, net loss, and net loss attributable to owners of the parent each increased by ¥636 million.

IX. Segment Information

1. Reporting segments

(1) Fiscal 2022

	Reporting segments				Others ¹	Total ³
	Material	Homes ³	Health Care	Subtotal ³		
<i>Sales</i>						
Customers	1,316,615	898,971	496,881	2,712,466	14,019	2,726,485
Intersegment	10,739	8,291	33	19,063	44,888	63,951
Total	1,327,354	907,262	496,914	2,731,530	58,906	2,790,436
Operating income	41,016	75,383	41,860	158,260	4,250	162,510
Assets	1,751,117	672,631	954,538	3,378,285	102,287	3,480,571
<i>Other items</i>						
Depreciation and amortization ²	72,078	17,228	43,397	132,703	775	133,479
Amortization of goodwill	15,384	778	21,111	37,273	—	37,273
Investments in associates accounted for using equity method	66,560	5,242	2,502	74,305	22,553	96,858
Increase in property, plant and equipment, and intangible assets	106,494	25,685	25,106	157,285	645	157,930

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

² Excluding amortization of goodwill.

³ Figures revised to reflect finalization of provisional accounting treatment as described in “Business combinations” above.

(2) Fiscal 2023

	Reporting segments				Others ¹	Total
	Material	Homes	Health Care	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
<i>Other items</i>						
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. Differences between total amounts of reporting segments and recorded amounts on consolidated financial statements

Sales	Fiscal 2022	Fiscal 2023
Total of reporting segments	2,731,530	2,791,858
Net sales in "Others" category	58,906	56,090
Elimination of intersegment transactions	(63,951)	(63,070)
Net sales on consolidated statements of income	2,726,485	2,784,878

Operating income	Fiscal 2022	Fiscal 2023
Total of reporting segments ²	158,260	174,007
Operating income in "Others" category	4,250	3,161
Elimination of intersegment transactions	301	(21)
Corporate expenses, etc. ¹	(35,095)	(36,401)
Operating income on consolidated statements of income ²	127,716	140,746

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

² Figures revised to reflect finalization of provisional accounting treatment as described in "Business combinations" above.

Assets	Fiscal 2022	Fiscal 2023
Total of reporting segments ²	3,378,285	3,423,320
Assets in "Others" category	102,287	128,076
Elimination of intersegment transactions	(519,877)	(417,696)
Corporate assets ¹	493,205	529,031
Total assets on consolidated balance sheets ²	3,453,900	3,662,730

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.

² Figures revised to reflect finalization of provisional accounting treatment as described in "Business combinations" above.

X. Geographic information

1. Fiscal 2022

(1) Net sales

Japan	United States	China	Other regions	Total
1,347,958	455,712	241,960	680,855	2,726,485

(2) Property, plant and equipment

Japan	United States	Other regions	Total
595,513	156,637	119,551	871,701

2. 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

XI. Important Subsequent Events

Significant capital investment

1. Main reason for the investment

At the Board of Directors Meeting held on April 24, 2024, a decision was made to construct an integrated plant in Ontario, Canada for the base film manufacturing and coating of Hipore™ wet-process lithium-ion battery (LIB) separator.

Asahi Kasei positions Energy Storage as one of the “10 Growth Gears” (GG10) businesses expected to drive future growth in its medium-term management plan for fiscal 2024, focused on the theme “Be a Trailblazer.” The core of the Energy Storage business is Hipore™ wet-process LIB separator, which has been leading technological innovation based on over 40 years of business history, and is currently expanding its sales in automotive applications in addition to consumer electronics applications.

To meet increasing North American demand for battery separator for electric vehicles as an effect of the Inflation Reduction Act (IRA) in the U.S. and other governmental clean energy policies, and to join North American LIB supply chains being established, the decision was made to construct a manufacturing plant in Ontario, Canada.

2. Overview of the capital investment

(1) Location: Ontario, Canada

(2) Plant overview: Integrated plant for the base film manufacturing and coating of Hipore™ lithium-ion battery separator

(3) Amount of investment: Approximately ¥180 billion

(4) Production capacity: Approximately 700 million m² per year (as coated film)

(5) Start of operation: Commercial start-up scheduled in 2027

3. Material impact of the capital investment on sales and production activities

The impact of this capital investment on consolidated results for the year ending March 31, 2025, is immaterial.