

Asahi Kasei Corp.
May 9, 2024

(Update to Previous Disclosure) Notice of Loss on Sales of Shares and Gain from Income Taxes by Transfer of Shares between Consolidated Subsidiaries

As described in “Notice of Transfer of Shares between Consolidated Subsidiaries” issued on February 7, 2024, transfer of shares has been completed on March 25, 2024. The effect of this on financial results for the fiscal year ended March 31, 2024, is a loss on sales of shares of subsidiaries and affiliates and a gain from income taxes on the non-consolidated financial statements, and a gain from income taxes on the consolidated financial statements.

1. Recording of loss on sales of shares of subsidiaries and affiliates (non-consolidated), and income taxes—current and income taxes—deferred (non-consolidated and consolidated)

Asahi Kasei transferred all shares of consolidated subsidiary Asahi Kasei Energy Storage Materials, Inc. (AKESM) to consolidated subsidiary Asahi Kasei Holdings US, Inc. for \$110 million. As a result, ¥19.1 billion was recorded as loss on sales of shares on the non-consolidated financial statements for the fiscal year ended March 31, 2024. As this loss on sales of shares is eliminated in consolidation, there is no effect on the consolidated financial statements.

In relation to the transfer of shares, income taxes—current decreased by ¥24.1 billion and income taxes—deferred decreased by ¥42.3 billion on both the non-consolidated financial statements and the consolidated financial statements for the fiscal year ended March 31, 2024, resulting in a gain of ¥66.4 billion, as the amount previously denied for tax purposes when loss on valuation of shares of AKESM was recorded in the fiscal year ended March 31, 2023, has now been accepted, and the loss on sales has been included in deductible expenses for tax purposes.

2. Effect on financial results

For more details regarding financial results, please refer to “Notice of equity in losses of affiliates, impairment loss, loss on valuation of shares, and differential between performance forecast and results” and “Consolidated Results for Fiscal 2023” issued today.