

Asahi Kasei to absorb wholly owned subsidiary Asahi Kasei Epoxy through simplified merger

The Asahi Kasei Board of Directors today resolved to absorb Asahi Kasei Epoxy Co., Ltd. (Asahi Kasei Epoxy), a wholly owned subsidiary, through an absorption-type merger with an effective date scheduled for April 1, 2026 (The Merger). As The Merger is a simplified absorption-type merger of a wholly owned subsidiary, certain items and details are omitted from disclosure.

1. Purpose of The Merger

Asahi Kasei Epoxy was established in 1966 as Asahi-Ciba Ltd. for the manufacture of epoxy resins. It subsequently began manufacturing epoxy curing agents as well as epoxy resins, and became a wholly owned subsidiary and its name was changed to Asahi Kasei Epoxy in 2000. To streamline operation of the business, Asahi Kasei has decided to absorb Asahi Kasei Epoxy.

2. Outline of The Merger

1) Schedule of The Merger

Authorization by Board of Directors	February 5, 2025
Execution of Merger Agreement	February 5, 2025
Effective Date of The Merger	April 1, 2026 (scheduled)

As The Merger is a simplified absorption-type merger for Asahi Kasei in accordance with Paragraph 2, Article 796 of the Companies Act of Japan, and a short-form merger for Asahi Kasei Epoxy in accordance with Paragraph 1, Article 784 of the Companies Act of Japan, neither Asahi Kasei nor Asahi Kasei Epoxy require approval of the Merger Agreement at a General Meeting of Shareholders.

2) Method of The Merger

The Merger is an absorption-type merger with Asahi Kasei as the surviving company and Asahi Kasei Epoxy to be dissolved.

3) Allocation related to The Merger

As The Merger is a merger of a wholly owned subsidiary, there will be no allocation of shares or other assets due to The Merger.

4) Share warrants and bonds with share warrants with The Merger

None.

3. Corporate profile of parties to The Merger

(as of March 31, 2024)

	Surviving Company	Dissolving Company
1) Company name	Asahi Kasei Corp.	Asahi Kasei Epoxy Co., Ltd.
2) Location	1-1-2 Yurakucho, Chiyoda-ku, Tokyo, Japan	1-1-2 Yurakucho, Chiyoda-ku, Tokyo, Japan
3) Name and position of representative	Koshiro Kudo, President & Representative Director	Toshinori Kashiwagi, President & Representative Director
4) Business field	Diversified chemicals	Epoxy resin and curing agent
5) Paid-in capital	¥103,389 million	¥300 million

6) Date of establishment	May 21, 1931	June 25, 1966
7) Outstanding shares	1,393,932,032	600,000
8) Fiscal year end	March 31	March 31
9) Largest shareholders and percentage of equity	<p>The Master Trust Bank of Japan, Ltd. (trust account): 16.18%</p> <p>Custody Bank of Japan, Ltd. (trust account): 6.52%</p> <p>JP Morgan Chase Bank 385632: 3.04%</p> <p>Nippon Life Insurance Company: 2.95%</p> <p>Asahi Kasei Group Employee Stockholding Association: 2.78%</p> <p>Note: percentage of equity ownership after exclusion of treasury stock.</p>	Asahi Kasei Corp.: 100%
10) Financial position and earnings in previous fiscal year		
Fiscal year ended	March 31, 2024 (consolidated)	March 31, 2024 (non-consolidated)
Net assets	¥1,848,625 million	¥1,604 million
Total assets	¥3,662,730 million	¥1,805 million
Net worth per share	¥1,308.20	¥2,673.79
Net sales	¥2,784,878 million	¥709 million
Operating income	¥140,746 million	¥49 million
Ordinary income	¥90,118 million	¥50 million
Net income	¥43,806 million	¥32 million
Net income per share	¥31.60	¥53.25

4. Situation after The Merger

There will be no changes to the company name, location, name and position of representative, business field, paid-in capital, or fiscal year end of Asahi Kasei Corp.

5. Future outlook

The effect of The Merger on consolidated earnings is immaterial.

For reference:

Consolidated forecast for current fiscal year (announced February 5, 2025) and results of previous fiscal year

(¥ million)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent
Forecast for current fiscal year (ending March 31, 2025)	3,044,000	200,000	186,000	110,000
Results of previous fiscal year (ended March 31, 2024)	2,784,878	140,746	90,118	43,806