PRESS RELEASE

AsahiKASEI

Asahi Kasei Corp.
November 22, 2024

Asahi Kasei to absorb wholly owned subsidiary Asahi Kasei NS Energy through simplified merger

The Asahi Kasei Board of Directors today resolved to absorb Asahi Kasei NS Energy Corp. (Asahi Kasei NS Energy), a wholly owned subsidiary, through an absorption-type merger with an effective date scheduled for April 1, 2025 (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 NS Energy was founded in 2004 as a joint venture with Nippon Steel Corporation (at the time) in order to supply electricity and steam to operations in the Nobeoka region and to sell power on the electricity market. It became a wholly owned subsidiary on April 1, 2023, operating solely as a supplier to the Asahi Kasei Group. To streamline its operation, Asahi Kasei has decided to absorb Asahi Kasei NS Energy.

2. Outline of The Merger

1) Schedule of The Merger

Authorization by Board of Directors	November 22, 2024
Execution of Merger Agreement	November 22, 2024
Effective Date of The Merger	April 1, 2025 (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 Finance in accordance with Paragraph 1, Article 784 of the Companies Act of Japan, neither Asahi Kasei nor Asahi Finance 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 Finance 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 NS Energy Corp.
2) Location	1-1-2 Yurakucho, Chiyoda-ku, Tokyo, Japan	3400-1 Asahimachi 4-chome, Nobeoka, Miyazaki, Japan
3) Name and position of representative	Koshiro Kudo, President & Representative Director	Kazuhisa Fujita, President & Representative Director
4) Business field	Diversified chemicals	Electricity and steam

5) Paid-in capital	¥103,389 million	¥10 million
6) Date of establishment	May 21, 1931	July 22, 2004
7) Outstanding shares	1,393,932,032	200
8) Fiscal year end	March 31	March 31
9) Largest shareholders and percentage of equity	The Master Trust Bank of Japan, Ltd. (trust account): 16.18% Custody Bank of Japan, Ltd. (trust account): 6.52% JP Morgan Chase Bank 385632: 3.04% Nippon Life Insurance Company: 2.95% Asahi Kasei Group Employee Stockholding Association: 2.78% Note: percentage of equity ownership after exclusion of treasury stock.	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	¥1,949 million
Total assets	¥3,662,730 million	¥3,202 million
Net worth per share	¥1,308.20	¥9,745,194.46
Net sales	¥2,784,878 million	¥8,066 million
Operating income	¥140,746 million	¥14 million
Ordinary income	¥90,118 million	¥37 million
Net income (loss) attributable to owners of the parent	¥43,806 million	¥(12) million
Net income (loss) per share	¥31.60	¥(57,753.64)

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:

Forecast for current fiscal year (announced November 1, 2024) and results of previous fiscal year (consolidated)

(¥ million)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent
Forecast for current fiscal year (ending March 31, 2025)	3,071,000	195,000	190,000	110,000
Results of previous fiscal year (ended March 31, 2024)	2,784,878	140,746	90,118	43,806