

**Transfer of Bemberg lining fabric business by  
corporate separation (simplified absorption-type separation)**

Asahi Kasei's Board of Directors has today adopted a resolution to execute a separation agreement (Separation Agreement) regarding the transfer of its business related to the manufacture and sale of Bemberg<sup>1</sup> lining fabric (The Business<sup>2</sup>) to Asahi Kasei Advance Corp. (Asahi Kasei Advance), a wholly owned subsidiary of Asahi Kasei, with an effective date of October 1, 2024 (scheduled), by absorption-type separation (The Separation).

As The Separation is a simplified absorption-type separation where The Business will be separated into a wholly owned subsidiary of Asahi Kasei, certain items and content are omitted from this disclosure.

<sup>1</sup> Cupro fiber made from cotton linter.

<sup>2</sup> Manufacture and sale of Bemberg yarn are not included in The Business.

**1. Purpose of The Separation**

Asahi Kasei manufactures and sells Bemberg fabric for use as lining of suits and other apparel, while Asahi Kasei Advance has a trading company function for a wide range of materials including fibers, resins, chemicals, and construction materials, and is engaged in the manufacture and sale of textile products.

The decision was made to separate The Business to Asahi Kasei Advance based on the judgment that The Business can aim for further expansion by utilizing its sales offices and market connections while leveraging its technical capabilities.

**2. Overview of The Separation****1) Schedule of The Separation<sup>3</sup>**

Authorization by Board of Directors	March 6, 2024 (today)
Execution of Separation Agreement	August 2024 (scheduled)
Effective Date of The Separation	October 1, 2024 (scheduled)

<sup>3</sup> Because The Separation corresponds to a simplified absorption-type separation for Asahi Kasei as the separating company in accordance with the provisions of Paragraph 2 of Article 784 of Japan's Companies Act, The Separation Agreement does not require approval by a General Meeting of Shareholders of Asahi Kasei or Asahi Kasei Advance.

**2) Method of The Separation**

Absorption-type separation with Asahi Kasei as the separating company and Asahi Kasei Advance as the succeeding company.

**3) Allocation related to The Separation**

Since The Separation is between Asahi Kasei and a wholly-owned subsidiary of Asahi Kasei, it is performed without consideration, with no allocation of new shares from the succeeding company, and no allotment of funds or other assets.

**4) Share warrants and bonds with share warrants with The Separation**  
None.**5) Change of paid-in capital due to The Separation**

There will be no change in paid-in capital due to The Separation.

- 6) Rights and obligations to be succeeded to the succeeding company  
In accordance with the Separation Agreement, Asahi Kasei shall succeed to Asahi Kasei Advance the assets, liabilities, contractual status and obligations, and other incidental rights and obligations pertaining to The Business.
- 7) Outlook for fulfillment of obligations  
It is judged that there is no issue regarding the outlook for fulfillment of obligations by Asahi Kasei Advance after the Effective Date of The Separation.

### 3. Corporate profile of parties to The Separation

	Separating Company	Succeeding Company
1) Company name	Asahi Kasei Corp.	Asahi Kasei Advance Corp.
2) Location	1-1-2 Yurakucho, Chiyoda-ku, Tokyo, Japan	6-17-21 Shimbashi, Minato-ku, Tokyo, Japan
3) Name and position of representative	Koshiro Kudo, President & Representative Director	Masanori Yagami, President & Representative Director
4) Business field	Diversified chemicals	Manufacture and sale of fibers, resins, chemicals, and construction materials
5) Paid-in capital	¥103,389 million (as of March 31, 2023)	¥500 million (as of March 31, 2023)
6) Date of establishment	May 21, 1931	April 1, 1975
7) Outstanding shares	1,393,932,032 (as of March 31, 2023)	20,001 (as of March 31, 2023)
8) Fiscal year end	March 31	March 31
9) Largest shareholders and percentage of equity	The Master Trust Bank of Japan, Ltd. (trust account): 15.49% Custody Bank of Japan, Ltd. (trust account): 6.14% JP Morgan Chase Bank 385632: 3.41% Nippon Life Insurance Company: 2.95% Asahi Kasei Group Employee Stockholding Association: 2.71% Sumitomo Mitsui Banking Corp.: 1.83% State Street Bank West Client — Treaty 505234: 1.73% Mizuho Trust & Banking Co., Ltd. retirement benefit trust (Mizuho Bank account) Trustee of sub-trust: Custody Bank of Japan, Ltd.: 1.43% Sumitomo Life Insurance	Asahi Kasei Corp.: 100% (as of March 31, 2023)

	Company: 1.43% Meiji Yasuda Life Insurance Company 1.33% (as of March 31, 2023) Note: percentage of equity ownership after exclusion of treasury stock.	
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10) Financial position and earnings in previous fiscal year

Asahi Kasei Corp. (consolidated, JGAAP, fiscal year ended March 31, 2023)	
Net assets	¥1,695,382 million
Total assets	¥3,453,900 million
Net worth per share	¥1,197.85
Net sales	¥2,726,485 million
Operating income	¥127,716 million
Ordinary income	¥120,900 million
Net income (loss) attributable to owners of the parent	¥(91,948) million
Net income (loss) per share	¥(66.30)

Note: Figures for the year ended March 31, 2023, previously based on provisional accounting treatment related to business combinations, have been finalized.

Asahi Kasei Advance Corp. (non-consolidated, JGAAP, fiscal year ended March 31, 2023)	
Net assets	¥18,207 million
Total assets	¥49,557 million
Net worth per share	¥910,327.23
Net sales	¥59,662 million
Operating income	¥1,785 million
Ordinary income	¥1,981 million
Net income	¥1,238 million
Net income (loss) per share	¥61,895.55

4. Outline of separating business

1) Content of separating business

Manufacture and sale of Bemberg lining fabric

2) Operating results of separating business (fiscal year ended March 31, 2023)

Net sales: ¥2,646 million

3) Book value of separating assets and liabilities

Assets		Liabilities	
Current assets	¥830 million	Current liabilities	¥0 million
Noncurrent assets	¥100 million	Noncurrent liabilities	¥40 million
Total	¥930 million	Total	¥40 million

Note: Because the above values are current as of December 31, 2023, the value of actual separating assets and liabilities will be adjusted to reflect changes up to the Effective Date of The Separation.

5. Situation after The Separation

No changes are currently scheduled to the company name, location, name and position of representative, business field, paid-in capital, or fiscal year end of Asahi Kasei or Asahi Kasei

Advance.

## 6. Future outlook

The effect of The Separation on consolidated earnings is immaterial. Execution of the Separation Agreement is scheduled for August 2024.

For reference:

Forecast for current fiscal year (announced February 7, 2024) and results of previous fiscal year (consolidated)

(¥ million)

	Net sales	Operating income	Ordinary income	Net income (loss) attributable to owners of the parent
Forecast for current fiscal year (ending March 31, 2024)	2,775,000	130,000	120,000	80,000
Results of previous fiscal year (ended March 31, 2023)	2,726,485	127,716	120,900	(91,948)