

**Notice concerning capital increase of sub-subsidiaries (to become Specified Subsidiaries)  
related to lithium-ion battery separator business**

Asahi Kasei's Board of Directors has today adopted a resolution to add capital to ES Materials Holdings Corp. (ESM), a wholly owned subsidiary of Asahi Kasei, in order to add capital to E-Materials Canada Corp. (EMC) through its parent company, ES Materials Canada Corp. (ESC), a wholly owned subsidiary of ESM, related to Asahi Kasei's Hipore™ lithium-ion battery (LIB) separator<sup>1</sup> business (The Capital Increase).

As a result of The Capital Increase, the capital of ESC and EMC will correspond to more than 10/100 of the amount of capital of Asahi Kasei, thus making them Specified Subsidiaries.

<sup>1</sup> A lithium-ion battery separator is a microporous membrane that provides a barrier between the positive and negative electrodes of a lithium-ion battery, allowing lithium ions to pass through while preventing short circuits.

### 1. Purpose of The Capital Increase

Asahi Kasei's Group Mission is contributing to life and living for people around the world, and its Energy Storage business aims to contribute to the world's carbon neutrality considering new ways of using energy. Energy Storage is one of Asahi Kasei's "10 Growth Gears" (GG10) businesses to drive future growth as designated in its medium-term management plan for fiscal 2024 focused on the theme "Be a Trailblazer," with earnings growth projected over the medium-to-long term.

The core of the Energy Storage business is Hipore™ wet-process LIB separator, whose sales are expanding mainly in automotive applications. To meet North American demand for separator for electric vehicles and to join North American LIB supply chains being established as an effect of governmental clean energy policies, the decision was made to execute The Capital Increase for establishing an integrated production base for Hipore™ separator, including the membrane production process and coating process, and to purchase land and begin plant construction in Canada.

### 2. Outline of sub-subsidiaries whose capital is to be increased

1) Company name	ES Materials Canada Corp. (ESC)	
2) Location	22 Adelaide Street West, Suite 3400, Toronto, Ontario, Canada	
3) Name and position of representative	Kohei Kita, Board Director	
4) Business field	Lithium-ion battery separator business	
5) Paid-in capital	C\$88 million (¥9.8 billion)	
6) Date of establishment	December 19, 2023	
7) Largest shareholders and percentage of equity	ES Materials Holdings Corp.: 100%	
8) Relationship with the	Capital	Indirectly 100% invested by Asahi Kasei

listed company		through ESM, a wholly owned subsidiary of Asahi Kasei
	Personnel	Asahi Kasei employee dispatched as Board Director of the company
	Business	NA

1) Company name	E-Materials Canada Corp. (EMC)	
2) Location	22 Adelaide Street West, Suite 3400, Toronto, Ontario, Canada	
3) Name and position of representative	Kohei Kita, Board Director	
4) Business field	Lithium-ion battery separator business	
5) Paid-in capital	C\$75 million (¥8.4 billion)	
6) Date of establishment	December 20, 2023	
7) Largest shareholders and percentage of equity	ES Materials Canada Corp.: 100%	
8) Relationship with the listed company	Capital	Indirectly 100% invested by Asahi Kasei through ESC, a wholly owned subsidiary of Asahi Kasei
	Personnel	Asahi Kasei employee dispatched as Board Director of the company
	Business	NA

Note: Financial position and financial results of each of the above companies are omitted as they have no completed fiscal year.

Note: Exchange rate of ¥111.77 per C\$ applied based on TTM published by Sumitomo Mitsui Banking Corp. on March 29, 2024.

### 3. Overview of The Capital Increase

	ES Materials Canada Corp. (ESC)	E-Materials Canada Corp. (EMC)
1) Authorization by Board of Directors	April 24, 2024	April 24, 2024
2) Payment period	From May 2024 to March 2027 (scheduled)	From May 2024 to March 2027 (scheduled)
3) Payment completion date	March 2027 (scheduled)	March 2027 (scheduled)
4) Amount of capital increase	C\$1,087 million (¥121.5 billion)	C\$1,006 million (¥112.4 billion)
5) Amount of capital (after increase)	C\$1,175 million (¥131.3 billion)	C\$1,081 million (¥120.8 billion)
6) Investment ratio (after increase)	ES Materials Holdings Corp.: 100%	ES Materials Canada Corp.: 100%

Note: Exchange rate of ¥111.77 per C\$ applied based on TTM published by Sumitomo Mitsui Banking Corp. on March 29, 2024.

#### 4. Future outlook

The effect of The Capital Increase on consolidated earnings is immaterial.