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November 9, 2022

## Consolidated Results for 1st and 2nd Quarter Fiscal 2022: April 1, 2022 – September 30, 2022

(All figures in millions of yen, rounded to the nearest million, unless otherwise specified)

**I. Summary of Consolidated Results**

## 1. Operating results (percent change from previous year in brackets)

	Q1–Q2 2022	Q1–Q2 2021
Net sales	1,351,231 [+14.4%]	1,181,049 [+19.4%]
Operating income	85,808 [–24.2%]	113,144 [+47.4%]
Ordinary income	86,394 [–27.5%]	119,233 [+53.9%]
Net income attributable to owners of the parent	51,720 [–43.3%]	91,290 [+95.1%]
Net income per share*	37.28	65.79
Diluted net income per share*	—	—

\* Yen

Note:

Comprehensive income was ¥244,583 million during Q1–Q2 2022, and ¥97,609 million during Q1–Q2 2021.

## 2. Financial position

At end of	September 2022	March 2022
Total assets	3,690,751	3,349,075
Net assets	1,940,270	1,718,815
Net worth/total assets	51.7%	50.4%
Net worth per share*	1,374.52	1,216.33

\* Yen

Notes:

- Net worth consists of shareholders' equity and accumulated other comprehensive income.
- Net worth was ¥1,907,080 million as of September 30, 2022, and ¥1,687,410 million as of March 31, 2022.

**II. Cash Dividends**

Fiscal year	Cash dividends per share*				Total annual
	Q1	Q2	Q3	Q4	
2021	—	17.00	—	17.00	34.00
2022	—	18.00	—	—	—
2022 (forecast)	—	—	—	18.00	36.00

\* Yen

Note: The cash dividend forecast has not been revised.

### III. Forecast for Fiscal 2022 (April 1, 2022 – March 31, 2023)

#### 1. Latest forecasts (percent change from results in year-ago period in brackets)

	For the fiscal year
Net sales	2,851,000 [+15.8%]
Operating income	177,000 [-12.7%]
Ordinary income	178,000 [-16.1%]
Net income attributable to owners of the parent	129,000 [-20.3%]
Net income per share*	92.98

\* Yen

#### Notes:

- Performance forecasts are based on the best information available at this time, but actual results may diverge from these forecasts due to a variety of factors which cannot be foreseen.
- The forecast for fiscal 2022 announced on August 4, 2022, has been revised.

### IV. Other Information

#### 1. Changes in significant subsidiaries which affected scope of consolidation during the period

Addition of one new subsidiary:  
Bionova Holdings, Inc.

#### 2. Special accounting methods for preparation of the consolidated financial statements

Income tax expenses: A reasonable estimate of the effective tax rate after applying tax-effect accounting for the current fiscal year is made, and quarterly income before income taxes is multiplied by the corresponding effective tax rate.

#### 3. Changes in accounting policies, changes in accounting estimates, and retroactive restatement

Application of Implementation Guidance on Accounting Standard for Fair Value Measurement:

Accounting Standards Board of Japan (ASBJ) Guidance No. 31 “Implementation Guidance on Accounting Standard for Fair Value Measurement” is applied from the beginning of the first quarter of the fiscal year ending March 31, 2023. In accordance with Article 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement regarding transitional treatment, the new accounting policy is to be applied in the future. This change has no effect on the quarterly consolidated financial statements.

#### 4. Notable changes in shareholders' equity: None

#### 5. Number of shares outstanding

	Q1-Q2 2022	FY 2021
Number of shares outstanding at end of period	1,393,932,032	1,393,932,032
Number of shares of treasury stock at end of period	6,478,328	6,640,935
Average number of shares outstanding during period	1,387,358,834	1,387,530,651*

\* Q1-Q2 2021

## V. Consolidated Financial Statements

### 1. Balance sheets

	At end of March 2022	At end of September 2022
<b>Assets</b>		
Current assets		
Cash and deposits	244,641	243,271
Notes, accounts receivable–trade, and contract assets	434,595	451,816
Merchandise and finished goods	252,521	308,337
Work in process	146,120	169,829
Raw materials and supplies	141,608	170,206
Other	117,195	135,702
Allowance for doubtful accounts	(2,471)	(2,624)
Total current assets	1,334,209	1,476,535
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	646,311	665,201
Accumulated depreciation	(333,966)	(344,558)
Buildings and structures, net	312,344	320,643
Machinery, equipment and vehicles	1,569,782	1,624,746
Accumulated depreciation	(1,288,462)	(1,320,711)
Machinery, equipment and vehicles, net	281,320	304,035
Land	69,567	70,671
Lease assets	8,679	14,182
Accumulated depreciation	(6,814)	(7,109)
Lease assets, net	1,865	7,073
Construction in progress	102,284	104,803
Other	159,312	163,607
Accumulated depreciation	(121,477)	(121,381)
Other, net	37,834	42,226
Subtotal	805,215	849,452
Intangible assets		
Goodwill	431,335	526,651
Other	405,508	457,880
Subtotal	836,843	984,531
Investments and other assets		
Investment securities	246,701	245,737
Long-term loans receivable	6,227	8,547
Long-term advance payments–trade	30,432	29,680
Net defined benefit asset	1,193	3,076
Deferred tax assets	54,276	55,480
Other	34,404	38,188
Allowance for doubtful accounts	(426)	(475)
Subtotal	372,808	380,233
Total noncurrent assets	2,014,866	2,214,216
<b>Total assets</b>	<b>3,349,075</b>	<b>3,690,751</b>

	At end of March 2022	At end of September 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable–trade	178,092	193,424
Short-term loans payable	239,491	223,951
Commercial paper	113,000	150,000
Current portion of bonds payable	—	20,000
Lease obligations	2,224	2,500
Accrued expenses	146,275	141,836
Income taxes payable	58,115	20,208
Advances received	62,476	72,205
Provision for grant of shares	208	—
Provision for periodic repairs	4,738	6,380
Provision for product warranties	4,007	4,301
Provision for removal cost of property, plant and equipment	4,445	4,268
Other	110,778	95,353
<b>Total current liabilities</b>	<b>923,850</b>	<b>934,426</b>
<b>Noncurrent liabilities</b>		
Bonds payable	160,000	140,000
Long-term loans payable	253,785	376,406
Lease obligations	8,715	12,037
Deferred tax liabilities	52,017	53,691
Provision for grant of shares	490	490
Provision for periodic repairs	5,396	3,829
Provision for removal cost of property, plant and equipment	12,298	10,086
Net defined benefit liability	152,081	150,973
Long-term guarantee deposits	22,490	22,656
Other	39,139	45,890
<b>Total noncurrent liabilities</b>	<b>706,410</b>	<b>816,056</b>
<b>Total liabilities</b>	<b>1,630,260</b>	<b>1,750,482</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	103,389	103,389
Capital surplus	79,887	79,841
Retained earnings	1,282,325	1,310,320
Treasury stock	(6,219)	(6,016)
<b>Total shareholders' equity</b>	<b>1,459,381</b>	<b>1,487,534</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized gain on other securities	66,287	65,478
Deferred gains or losses on hedges	(341)	164
Foreign currency translation adjustment	167,225	358,277
Remeasurements of defined benefit plans	(5,142)	(4,373)
<b>Total accumulated other comprehensive income</b>	<b>228,029</b>	<b>419,546</b>
Non-controlling interests	31,405	33,190
<b>Total net assets</b>	<b>1,718,815</b>	<b>1,940,270</b>
<b>Total liabilities and net assets</b>	<b>3,349,075</b>	<b>3,690,751</b>

## 2. Statements of income and statements of comprehensive income

### 1) Statements of income

	Q1-Q2 2021	Q1-Q2 2022
Net sales	1,181,049	1,351,231
Cost of sales	795,025	948,432
Gross profit	386,024	402,799
Selling, general and administrative expenses	272,881	316,991
Operating income	113,144	85,808
Non-operating income		
Interest income	546	1,144
Dividends income	2,184	2,138
Equity in earnings of affiliates	5,005	2,292
Other	3,741	2,606
Total non-operating income	11,475	8,180
Non-operating expenses		
Interest expense	1,779	2,134
Other	3,607	5,460
Total non-operating expenses	5,386	7,594
Ordinary income	119,233	86,394
Extraordinary income		
Gain on sales of investment securities	6,116	2,194
Gain on sales of noncurrent assets	328	998
Insurance income	—	1,843
Gain on step acquisitions	1,700	—
Total extraordinary income	8,144	5,035
Extraordinary loss		
Loss on valuation of investment securities	35	1,443
Loss on disposal of noncurrent assets	2,877	3,283
Impairment loss	178	45
Loss on fire at plant facilities	—	4,053
Business structure improvement expenses	5,089	1,881
Total extraordinary loss	8,179	10,704
Income before income taxes	119,198	80,725
Total income taxes	26,811	28,309
Net income	92,387	52,416
Net income attributable to non-controlling interests	1,097	696
Net income attributable to owners of the parent	91,290	51,720

2) Statements of comprehensive income

	Q1-Q2 2021	Q1-Q2 2022
Net income	92,387	52,416
Other comprehensive income		
Net increase (decrease) in unrealized gain on other securities	(2,276)	(524)
Deferred gains or losses on hedges	530	505
Foreign currency translation adjustment	7,215	189,254
Remeasurements of defined benefit plans	1,176	774
Share of other comprehensive income of affiliates accounted for using equity method	(1,423)	2,157
Total other comprehensive income	5,223	192,166
Comprehensive income	97,609	244,583
Comprehensive income attributable to:		
Owners of the parent	96,559	243,237
Non-controlling interests	1,050	1,345

### 3. Statements of cash flows

	Q1–Q2 2021	Q1–Q2 2022
<b>Cash flows from operating activities</b>		
Income before income taxes	119,198	80,725
Depreciation and amortization	58,230	66,781
Impairment loss	178	45
Amortization of goodwill	13,715	18,099
Decrease in provision for grant of shares	(124)	(208)
(Decrease) increase in provision for periodic repairs	(4,485)	74
Increase in provision for product warranties	196	181
Decrease in provision for removal cost of property, plant and equipment	(2,058)	(2,397)
Decrease in net defined benefit liability	(2,014)	(1,708)
Interest and dividend income	(2,729)	(3,282)
Interest expense	1,779	2,134
Equity in earnings of affiliates	(5,005)	(2,292)
Gain on sales of investment securities	(6,116)	(2,194)
Loss on valuation of investment securities	35	1,443
Gain on sale of property, plant and equipment	(328)	(998)
Loss on disposal of noncurrent assets	2,877	3,283
(Increase) decrease in notes, accounts receivable–trade, and contract assets	(23,749)	1,001
Increase in inventories	(39,400)	(87,817)
Increase in notes and accounts payable–trade	14,508	4,947
Decrease in accrued expenses	(2,563)	(13,243)
Increase in advances received	10,143	7,792
Other, net	(19,747)	(11,968)
<b>Subtotal</b>	<b>112,541</b>	<b>60,400</b>
Interest and dividend income, received	4,034	8,419
Interest expense paid	(1,813)	(2,047)
Income taxes paid	(38,074)	(70,454)
<b>Net cash provided by (used in) operating activities</b>	<b>76,687</b>	<b>(3,682)</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,786)	(1,336)
Proceeds from withdrawal of time deposits	5,846	1,231
Purchase of property, plant and equipment	(64,838)	(78,332)
Proceeds from sales of property, plant and equipment	693	3,695
Purchase of intangible assets	(15,122)	(7,788)
Purchase of investment securities	(2,862)	(1,987)
Proceeds from sales of investment securities	7,762	3,813
Purchase of shares in subsidiaries resulting in change in scope of consolidation	(19,862)	(42,361)
Payments of loans receivable	(4,004)	(10,419)
Collection of loans receivable	2,672	2,355
Other, net	(78)	(104)
<b>Net cash used in investing activities</b>	<b>(91,579)</b>	<b>(131,233)</b>

	Q1-Q2 2021	Q1-Q2 2022
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	12,368	(18,955)
Increase in commercial paper	39,000	37,000
Proceeds from long-term loans payable	542	130,641
Repayment of long-term loans payable	(18,790)	(16,880)
Repayments of lease obligations	(1,884)	(1,763)
Purchase of treasury stock	(212)	(4)
Proceeds from disposal of treasury stock	125	208
Cash dividends paid	(23,594)	(23,593)
Proceeds from share issuance to non-controlling interests	—	1,094
Cash dividends paid to non-controlling interests	(1,227)	(1,270)
Purchase of shares in subsidiaries not resulting in change in scope of consolidation	—	(163)
Other, net	(8)	(7)
Net cash provided by financing activities	6,320	106,305
Effect of exchange rate change on cash and cash equivalents	183	26,808
Net decrease in cash and cash equivalents	(8,388)	(1,803)
Cash and cash equivalents at beginning of period	216,235	242,948
Increase in cash and cash equivalents resulting from changes in scope of consolidation	1,112	212
Cash and cash equivalents at end of period	208,959	241,357