

Asahi Kasei Corporation

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Consolidated Results for 1st to 3rd Quarter Fiscal 2025: April 1, 2025 – December 31, 2025

(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-Q3 2025	Q1-Q3 2024
Net sales	2,261,263 [+0.1%]	2,259,252 [+9.5%]
Operating income	173,949 [+6.2%]	163,776 [+66.3%]
Ordinary income	179,689 [+17.7%]	152,673 [+68.7%]
Net income attributable to owners of the parent	120,607 [+22.7%]	98,319 [+67.9%]
Net income per share*	88.82	71.00
Diluted net income per share*	—	—

* Yen

Note:

- Comprehensive income was ¥209,222 million during Q1-Q3 2025, and ¥152,841 million during Q1-Q3 2024.
- Calculation of results for Q1-Q3 2024, previously based on provisional accounting treatment related to business combinations, has been finalized.

2. Financial position

At end of	December 2025	March 2025
Total assets	4,164,696	4,015,214
Net assets	2,081,841	1,913,944
Net worth/total assets	48.1%	46.3%
Net worth per share*	1,477.87	1,369.16

* Yen

Notes:

- Net worth consists of shareholders' equity and accumulated other comprehensive income.
- Net worth was ¥2,004,641 million as of December 31, 2025, and ¥1,859,420 million as of March 31, 2025.

II. Cash Dividends

Fiscal year	Cash dividends per share*				
	Q1	Q2	Q3	Q4	Total annual
2024	—	18.00	—	20.00	38.00
2025	—	20.00	—		
2025 (forecast)				20.00	40.00

* Yen

Note: The cash dividend forecast has not been revised.

III. Forecast for Fiscal 2025 (April 1, 2025 – March 31, 2026)

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

	For the fiscal year
Net sales	3,065,000 [+0.9%]
Operating income	225,000 [+6.2%]
Ordinary income	229,000 [+18.4%]
Net income attributable to owners of the parent	145,000 [+7.4%]
Net income per share*	106.83

* 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 2025 announced on November 5, 2025, has been revised.

IV. Other Information

1. Significant changes in the scope of consolidation during the period

21 companies eliminated:
Asahi Kasei Medical Co., Ltd. and 4 consolidated subsidiaries
Nagase Diagnostics Co., Ltd.
Daramic, LLC and 14 consolidated subsidiaries

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. When calculation using reasonably estimated annual effective tax rate causes irrational results, income tax amount is calculated based on the legal tax rate.

3. Changes in accounting policies, changes in accounting estimates, and retroactive restatement: None

4. Notable changes in shareholders' equity: None

5. Number of shares outstanding

	Q1-Q3 2025	FY 2024
Number of shares outstanding at end of period	1,365,751,932	1,365,751,932
Number of shares of treasury stock at end of period	9,308,938	7,683,150
Average number of shares outstanding during period	1,357,887,719	1,384,810,773 *

* Q1-Q3 2024

6. Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

V. Overview of Consolidated Results

Please refer to "Presentation Material" for third quarter fiscal 2025 on the following webpage:
https://www.asahi-kasei.com/ir/library/financial_briefing/

VI. Consolidated Financial Statements

1. Balance sheets

	At end of March 2025	At end of December 2025
Assets		
Current assets		
Cash and deposits	393,467	440,892
Notes, accounts receivable–trade, and contract assets	491,414	495,170
Merchandise and finished goods	341,531	375,837
Work in process	183,613	229,510
Raw materials and supplies	194,186	192,955
Other	169,042	192,605
Allowance for doubtful accounts	(3,805)	(3,672)
Total current assets	1,769,448	1,923,295
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	698,602	685,517
Accumulated depreciation	(373,652)	(366,662)
Buildings and structures, net	324,950	318,854
Machinery, equipment and vehicles	1,640,722	1,596,928
Accumulated depreciation	(1,368,752)	(1,334,016)
Machinery, equipment and vehicles, net	271,970	262,912
Land	81,945	79,963
Lease assets	14,839	17,306
Accumulated depreciation	(7,114)	(7,442)
Lease assets, net	7,725	9,864
Construction in progress	162,890	179,151
Other	221,775	227,742
Accumulated depreciation	(150,645)	(152,868)
Other, net	71,131	74,874
Subtotal	920,611	925,620
Intangible assets		
Goodwill	389,640	386,341
Technology assets	297,384	303,654
Other	243,529	237,443
Subtotal	930,553	927,438
Investments and other assets		
Investment securities	168,371	152,771
Long-term loans receivable	9,561	10,310
Long-term advance payments–trade	24,416	23,520
Net defined benefit asset	74,133	74,677
Deferred tax assets	69,217	73,939
Other	49,431	53,791
Allowance for doubtful accounts	(527)	(665)
Subtotal	394,602	388,343
Total noncurrent assets	2,245,766	2,241,400
Total assets	4,015,214	4,164,696

	At end of March 2025	At end of December 2025
Liabilities		
Current liabilities		
Notes and accounts payable–trade	193,583	201,125
Short-term loans payable	203,249	140,222
Commercial paper	87,000	90,000
Current portion of bonds payable	20,000	30,000
Lease obligations	8,049	8,958
Accrued expenses	180,644	169,964
Income taxes payable	18,666	26,284
Advances received	109,750	109,005
Provision for grant of shares	176	—
Provision for periodic repairs	10,297	4,722
Provision for product warranties	4,708	4,903
Provision for removal cost of property, plant and equipment	13,854	5,544
Other	114,631	121,624
Total current liabilities	964,608	912,352
Noncurrent liabilities		
Bonds payable	280,000	250,000
Long-term loans payable	567,209	587,693
Lease obligations	29,538	33,636
Deferred tax liabilities	55,608	61,439
Provision for grant of shares	611	868
Provision for periodic repairs	5,516	5,746
Provision for removal cost of property, plant and equipment	6,874	30,872
Net defined benefit liability	121,619	117,387
Long-term guarantee deposits	24,070	22,514
Other	45,618	60,349
Total noncurrent liabilities	1,136,663	1,170,503
Total liabilities	2,101,271	2,082,855
Net assets		
Shareholders' equity		
Capital stock	103,389	103,389
Capital surplus	80,319	80,319
Retained earnings	1,191,076	1,256,525
Treasury stock	(8,015)	(10,136)
Total shareholders' equity	1,366,768	1,430,096
Accumulated other comprehensive income		
Net unrealized gain on other securities	35,996	20,585
Deferred gains (losses) on hedges	78	(128)
Foreign currency translation adjustment	394,803	496,569
Remeasurements of defined benefit plans	61,776	57,520
Total accumulated other comprehensive income	492,652	574,545
Non-controlling interests	54,523	77,199
Total net assets	1,913,944	2,081,841
Total liabilities and net assets	4,015,214	4,164,696

2. Statements of income and statements of comprehensive income

1) Statements of income

	Q1-Q3 2024	Q1-Q3 2025
Net sales	2,259,252	2,261,263
Cost of sales	1,542,670	1,515,443
Gross profit	716,582	745,820
Selling, general and administrative expenses	552,807	571,871
Operating income	163,776	173,949
Non-operating income		
Interest income	7,461	8,851
Dividends income	3,134	1,706
Equity in earnings of affiliates	—	9,281
Other	5,239	7,892
Total non-operating income	15,835	27,730
Non-operating expenses		
Interest expense	6,232	9,053
Equity in losses of affiliates	6,809	—
Other	13,896	12,936
Total non-operating expenses	26,938	21,990
Ordinary income	152,673	179,689
Extraordinary income		
Gain on sales of investment securities	13,928	32,271
Gain on sales of noncurrent assets	273	2,309
Insurance income	6,646	—
Settlement income	—	8,463
Gain on negative goodwill	1,526	—
Gain on sale of shares of subsidiaries and associates	—	11,965
Total extraordinary income	22,374	55,007
Extraordinary loss		
Loss on valuation of investment securities	757	1,207
Loss on disposal of noncurrent assets	4,908	6,341
Impairment loss	1,246	2,433
Loss on product compensation	1,978	—
Loss on cancellation of power contract	—	4,432
Business structure improvement expenses	12,494	46,009
Total extraordinary loss	21,384	60,422
Income before income taxes	153,662	174,274
Total income taxes	51,254	48,943
Net income	102,409	125,332
Net income attributable to non-controlling interests	4,089	4,724
Net income attributable to owners of the parent	98,319	120,607

2) Statements of comprehensive income

	Q1-Q3 2024	Q1-Q3 2025
Net income	102,409	125,332
Other comprehensive income		
Net increase (decrease) in unrealized gain on other securities	(580)	(15,860)
Deferred gains (losses) on hedges	2	(206)
Foreign currency translation adjustment	53,542	104,178
Remeasurements of defined benefit plans	(1,691)	(4,081)
Share of other comprehensive income of affiliates accounted for using equity method	(839)	(140)
Total other comprehensive income	50,433	83,890
Comprehensive income	152,841	209,222
Comprehensive income attributable to:		
Owners of the parent	148,075	202,501
Non-controlling interests	4,767	6,721

3. Statements of cash flows

	Q1-Q3 2024	Q1-Q3 2025
Cash flows from operating activities		
Income before income taxes	153,662	174,274
Depreciation and amortization	111,624	120,904
Impairment loss	1,246	2,433
Amortization of goodwill	24,427	24,954
Increase (decrease) in provision for grant of shares	171	81
Increase (decrease) in provision for periodic repairs	1,507	(5,345)
Increase (decrease) in provision for product warranties	42	100
Increase (decrease) in provision for removal cost of property, plant and equipment	(1,004)	15,687
Increase (decrease) in net defined benefit liability	(1,296)	(1,246)
Interest and dividend income	(10,596)	(10,557)
Interest expense	6,232	9,053
Equity in (earnings) losses of affiliates	6,809	(9,281)
(Gain) loss on sales of investment securities	(13,928)	(32,271)
(Gain) loss on valuation of investment securities	757	1,207
(Gain) loss on sale of property, plant and equipment	(273)	(2,309)
(Gain) loss on disposal of noncurrent assets	4,908	6,341
Gain on negative goodwill	(1,526)	—
(Gain) loss on sale of shares of subsidiaries and associates	—	(11,965)
(Increase) decrease in notes, accounts receivable–trade, and contract assets	(13,590)	1,151
(Increase) decrease in inventories	(37,025)	(85,849)
Increase (decrease) in notes and accounts payable–trade	(12,840)	2,344
Increase (decrease) in accrued expenses	(12,559)	(8,957)
Increase (decrease) in advances received	8,603	20,783
Other, net	(30,191)	(6,471)
Subtotal	185,161	205,062
Interest and dividend income, received	12,738	12,107
Interest expense paid	(5,866)	(8,629)
Income taxes (paid) refund	(28,694)	(39,752)
Net cash provided by (used in) operating activities	163,340	168,790
Cash flows from investing activities		
Payments into time deposits	(4,620)	(3,992)
Proceeds from withdrawal of time deposits	6,018	3,305
Purchase of property, plant and equipment	(150,192)	(121,547)
Proceeds from sales of property, plant and equipment	538	3,426
Purchase of intangible assets	(12,327)	(13,764)
Purchase of investment securities	(5,217)	(2,948)
Proceeds from sales of investment securities	15,696	38,128
Purchase of shares in subsidiaries resulting in change in scope of consolidation	(188,431)	—
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	1,809	62,307
Payments for transfer of business	(8,281)	—
Payments of loans receivable	(7,565)	(7,510)
Collection of loans receivable	11,423	3,620
Other, net	(149)	819
Net cash provided by (used in) investing activities	(341,299)	(38,156)

	Q1-Q3 2024	Q1-Q3 2025
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	47,621	(64,591)
Increase (decrease) in commercial paper	30,000	3,000
Proceeds from long-term loans payable	150,458	82,651
Repayment of long-term loans payable	(26,881)	(63,901)
Proceeds from issuance of bonds payable	100,000	—
Redemption of bonds	(30,000)	(20,000)
Repayments of lease obligations	(8,180)	(7,551)
Purchase of treasury stock	(27,088)	(2,341)
Proceeds from disposal of treasury stock	122	219
Cash dividends paid	(49,962)	(54,386)
Proceeds from share issuance to non-controlling interests	10,000	18,000
Cash dividends paid to non-controlling interests	(2,883)	(2,151)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(325)	—
Other, net	(185)	25
Net cash provided by (used in) financing activities	192,697	(111,025)
Effect of exchange rate change on cash and cash equivalents	11,257	26,917
Net increase (decrease) in cash and cash equivalents	25,995	46,525
Cash and cash equivalents at beginning of period	333,498	390,035
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	134	0
Cash and cash equivalents at end of period	359,628	436,560