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July 31, 2026

Consolidated Results for 1st Quarter Fiscal 2026: April 1, 2026 – June 30, 2026

(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 2026	Q1 2025
Net sales	826,157 [+11.9%]	738,321 [+0.3%]
Operating income	81,305 [+51.5%]	53,653 [+7.6%]
Ordinary income	85,330 [+70.8%]	49,957 [-7.0%]
Net income attributable to owners of the parent	53,766 [+172.7%]	19,716 [-42.2%]
Net income per share*	39.73	14.52
Diluted net income per share*	—	—

* Yen

Note:

• Comprehensive income was ¥78,774 million during Q1 2026, and ¥(7,386) million during Q1 2025.

2. Financial position

At end of	June 2026	March 2026
Total assets	4,456,791	4,137,943
Net assets	2,196,726	2,165,647
Net worth/total assets	47.5%	50.5%
Net worth per share*	1,572.45	1,539.66

* Yen

Notes:

• Net worth consists of shareholders' equity and accumulated other comprehensive income.

• Net worth was ¥2,116,889 million as of June 30, 2026, and ¥2,088,458 million as of March 31, 2026.

II. Cash Dividends

Fiscal year	Cash dividends per share*				
	Q1	Q2	Q3	Q4	Total annual
2025	—	20.00	—	22.00	42.00
2026	—				
2026 (forecast)		22.00	—	22.00	44.00

* Yen

Note: The cash dividend forecast has not been revised.

III. Forecast for Fiscal 2026 (April 1, 2026– March 31, 2027)

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

	For Q1－Q2	For the fiscal year
Net sales	1,686,000 [+13.4%]	3,254,000 [+5.8%]
Operating income	145,000 [+34.9%]	248,000 [+7.3%]
Ordinary income	149,000 [+40.5%]	247,500 [+7.4%]
Net income attributable to owners of the parent	89,000 [+34.3%]	160,000 [+0.8%]
Net income per share*	66.13	119.65

* 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 Q1–Q2 fiscal 2026 is newly added, while the full-year forecast is as announced on May 12, 2026.

• The forecast for fiscal 2026 announced on May 12, 2026, is unchanged; it is scheduled to be reviewed when Q1–Q2 results are announced.

IV. Other Information

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

   6 companies added:
   Aicuris Anti-infective Cures AG and 5 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:

   Based on a resolution of the Board of Directors on November 5, 2025, a repurchase of 10,201,200 shares of stock was performed. As a result, treasury stock increased by ¥17,861 million during Q1 fiscal 2026. Treasury stock at the end of Q1 fiscal 2026 was ¥28,005 million.

5. Number of shares outstanding

	Q1 2026	FY 2025
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	19,513,914	9,311,227
Average number of shares outstanding during period	1,353,464,008	1,358,068,373 *

* Q1 2025

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 first quarter fiscal 2026 on the following webpage:
https://www.asahi-kasei.com/ir/library/financial_briefing/

VI. Consolidated Financial Statements

1. Balance sheets

	At end of March 2026	At end of June 2026
Assets		
Current assets		
Cash and deposits	377,023	387,356
Notes, accounts receivable–trade, and contract assets	513,807	525,669
Merchandise and finished goods	369,639	410,056
Work in process	226,280	248,416
Raw materials and supplies	197,806	211,474
Other	184,611	195,712
Allowance for doubtful accounts	(3,809)	(3,908)
Total current assets	1,865,357	1,974,775
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	681,618	688,478
Accumulated depreciation	(364,121)	(368,552)
Buildings and structures, net	317,497	319,926
Machinery, equipment and vehicles	1,613,963	1,635,803
Accumulated depreciation	(1,350,876)	(1,360,925)
Machinery, equipment and vehicles, net	263,087	274,878
Land	80,067	79,806
Lease assets	18,504	18,807
Accumulated depreciation	(7,904)	(8,210)
Lease assets, net	10,600	10,597
Construction in progress	212,828	238,547
Other	232,932	237,009
Accumulated depreciation	(155,930)	(166,278)
Other, net	77,003	70,731
Subtotal	961,081	994,484
Intangible assets		
Goodwill	383,805	424,389
Technology assets	294,854	434,935
Other	239,205	237,751
Subtotal	917,865	1,097,075
Investments and other assets		
Investment securities	140,241	138,119
Long-term loans receivable	10,521	10,992
Long-term advance payments–trade	23,378	23,040
Net defined benefit asset	108,909	109,398
Deferred tax assets	53,921	53,675
Other	57,528	55,706
Allowance for doubtful accounts	(859)	(473)
Subtotal	393,640	390,457
Total noncurrent assets	2,272,586	2,482,016
Total assets	4,137,943	4,456,791

	At end of March 2026	At end of June 2026
Liabilities		
Current liabilities		
Notes and accounts payable–trade	195,002	218,235
Short-term loans payable	99,926	197,506
Commercial paper	—	88,000
Current portion of bonds payable	30,000	30,000
Lease obligations	9,333	9,885
Accrued expenses	196,823	163,772
Income taxes payable	19,696	35,280
Advances received	104,722	109,858
Provision for grant of shares	243	389
Provision for periodic repairs	5,103	8,176
Provision for product warranties	4,892	4,988
Provision for removal cost of property, plant and equipment	3,654	6,031
Other	123,748	111,501
Total current liabilities	793,143	983,621
Noncurrent liabilities		
Bonds payable	250,000	307,500
Long-term loans payable	587,618	582,253
Lease obligations	34,344	33,825
Deferred tax liabilities	58,482	98,392
Provision for grant of shares	735	1,300
Provision for periodic repairs	6,554	4,345
Provision for removal cost of property, plant and equipment	26,207	23,096
Net defined benefit liability	107,980	108,774
Long-term guarantee deposits	22,971	23,214
Other	84,263	93,745
Total noncurrent liabilities	1,179,153	1,276,443
Total liabilities	1,972,296	2,260,065
Net assets		
Shareholders’ equity		
Capital stock	103,389	103,389
Capital surplus	80,319	80,319
Retained earnings	1,294,711	1,318,565
Treasury stock	(10,140)	(28,005)
Total shareholders’ equity	1,468,278	1,474,268
Accumulated other comprehensive income		
Net unrealized gain on other securities	13,674	13,915
Deferred gains (losses) on hedges	(24)	(19)
Foreign currency translation adjustment	519,234	543,963
Remeasurements of defined benefit plans	87,295	84,761
Total accumulated other comprehensive income	620,180	642,621
Non-controlling interests	77,189	79,837
Total net assets	2,165,647	2,196,726
Total liabilities and net assets	4,137,943	4,456,791

2. Statements of income and statements of comprehensive income

1) Statements of income

	Q1 2025	Q1 2026
Net sales	738,321	826,157
Cost of sales	497,823	535,806
Gross profit	240,498	290,352
Selling, general and administrative expenses	186,845	209,047
Operating income	53,653	81,305
Non-operating income		
Interest income	2,419	3,535
Dividends income	888	806
Equity in earnings of affiliates	1,040	2,081
Foreign exchange gain	—	4,956
Other	2,407	2,167
Total non-operating income	6,753	13,545
Non-operating expenses		
Interest expense	2,803	3,837
Other	7,646	5,683
Total non-operating expenses	10,449	9,520
Ordinary income	49,957	85,330
Extraordinary income		
Gain on sales of investment securities	354	2,320
Gain on sales of noncurrent assets	67	350
Settlement income	4,338	—
Gain on sale of shares of subsidiaries and associates	7,483	—
Total extraordinary income	12,243	2,670
Extraordinary loss		
Loss on disposal of noncurrent assets	1,600	1,139
Impairment loss	753	54
Loss on cancellation of power contract	4,196	—
Business structure improvement expenses	29,880	350
Total extraordinary loss	36,429	1,542
Income before income taxes	25,771	86,457
Total income taxes	4,747	30,317
Net income	21,024	56,140
Net income attributable to non-controlling interests	1,308	2,373
Net income attributable to owners of the parent	19,716	53,766

2) Statements of comprehensive income

	Q1 2025	Q1 2026
Net income	21,024	56,140
Other comprehensive income		
Net increase (decrease) in unrealized gain on other securities	2,932	101
Deferred gains (losses) on hedges	49	5
Foreign currency translation adjustment	(29,627)	24,792
Remeasurements of defined benefit plans	(2,047)	(2,527)
Share of other comprehensive income of affiliates accounted for using equity method	282	264
Total other comprehensive income	(28,410)	22,634
Comprehensive income	(7,386)	78,774
Comprehensive income attributable to:		
Owners of the parent	(9,171)	76,207
Non-controlling interests	1,786	2,567

3. Statements of cash flows

	Q1 2025	Q1 2026
Cash flows from operating activities		
Income before income taxes	25,771	86,457
Depreciation and amortization	39,198	43,129
Impairment loss	753	54
Amortization of goodwill	8,075	9,436
Increase (decrease) in provision for grant of shares	301	711
Increase (decrease) in provision for periodic repairs	647	864
Increase (decrease) in provision for product warranties	119	70
Increase (decrease) in provision for removal cost of property, plant and equipment	17,649	(737)
Increase (decrease) in net defined benefit liability	(1,240)	(3,288)
Interest and dividend income	(3,306)	(4,341)
Interest expense	2,803	3,837
Equity in (earnings) losses of affiliates	(1,040)	(2,081)
(Gain) loss on sales of investment securities	(354)	(2,320)
(Gain) loss on sale of property, plant and equipment	(67)	(350)
(Gain) loss on disposal of noncurrent assets	1,600	1,139
(Gain) loss on sale of shares of subsidiaries and associates	(7,483)	—
(Increase) decrease in notes, accounts receivable–trade, and contract assets	17,220	1,504
(Increase) decrease in inventories	(28,488)	(73,250)
Increase (decrease) in notes and accounts payable–trade	(17,373)	19,263
Increase (decrease) in accrued expenses	(21,377)	(34,498)
Increase (decrease) in advances received	(7,640)	5,713
Other, net	9,782	(24,335)
Subtotal	35,547	26,977
Interest and dividend income, received	3,919	4,541
Interest expense paid	(2,789)	(3,806)
Income taxes (paid) refund	(20,017)	(13,458)
Net cash provided by (used in) operating activities	16,660	14,254
Cash flows from investing activities		
Payments into time deposits	(440)	(1,131)
Proceeds from withdrawal of time deposits	353	1,526
Purchase of property, plant and equipment	(36,631)	(55,688)
Proceeds from sales of property, plant and equipment	242	805
Purchase of intangible assets	(5,636)	(5,894)
Purchase of investment securities	(856)	(544)
Proceeds from sales of investment securities	536	6,537
Purchase of shares in subsidiaries resulting in change in scope of consolidation	—	(131,681)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	27,901	—
Payments of loans receivable	(525)	(9,794)
Collection of loans receivable	794	496
Other, net	266	(168)
Net cash provided by (used in) investing activities	(13,995)	(195,535)

	Q1 2025	Q1 2026
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	37,781	138,602
Increase (decrease) in commercial paper	34,000	88,000
Proceeds from long-term loans payable	5,000	—
Repayment of long-term loans payable	(44,857)	(46,867)
Proceeds from issuance of bonds payable	—	57,500
Redemption of bonds	(10,000)	—
Repayments of lease obligations	(2,527)	(2,536)
Purchase of treasury stock	(1)	(17,867)
Proceeds from disposal of treasury stock	0	0
Cash dividends paid	(27,193)	(29,912)
Cash dividends paid to non-controlling interests	(1,305)	(762)
Other, net	111	(189)
Net cash provided by (used in) financing activities	(8,992)	185,969
Effect of exchange rate change on cash and cash equivalents	(3,113)	6,048
Net increase (decrease) in cash and cash equivalents	(9,441)	10,736
Cash and cash equivalents at beginning of period	390,035	372,068
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	0	—
Cash and cash equivalents at end of period	380,595	382,805