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(Securities Code: 3407)

June 1, 2026

(Commencement date of measures for electronic provision of information: May 25, 2026)

To Shareholders with Voting Rights:

Koshiro Kudo
President & Representative Director
Asahi Kasei Corporation
1-1-2 Yurakucho, Chiyoda-ku, Tokyo,
Japan

**NOTICE OF
THE 135th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

Please be kindly informed that the 135th Ordinary General Meeting of Shareholders of Asahi Kasei Corporation (the “Company”) will be held for the purposes as described below.

When convening this Ordinary General Meeting of Shareholders, the Company has taken measures for electronic provision and has posted matters subject to electronic provision as “Notice of the 135th Ordinary General Meeting of Shareholders” on the following websites on the Internet.

[Company’s website]

<https://www.asahi-kasei.com/jp/shoushu/135>

[Tokyo Stock Exchange’s website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

To find the notice, enter and search for the issue name “Asahi Kasei” or the code “3407” and select “Basic Information” and “Documents for public inspection/PR information” in that order.

In order to exercise voting rights in writing or via the Internet, please review the Reference Documents for the General Meeting of Shareholders posted as matters subject to electronic provision and follow the instruction on page 3 to send or complete the form to exercise voting rights so that it can be received no later than 5:00 p.m. JST, Tuesday, June 23, 2026.

- 1. Date and Time:** Wednesday, June 24, 2026, 10:00 a.m. (JST)
2. Place: Banquet room “Rose” (3F), Tokyo Kaikan
3-2-1 Marunouchi, Chiyoda-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the Company’s 135th Fiscal Period (April 1, 2025 - March 31, 2026)
 2. Results of Audits of the Consolidated Financial Statements by the Independent Auditors and the Audit & Supervisory Board

Proposals to be resolved:

Proposal 1: Election of Eight Directors

Proposal 2: Election of One Audit & Supervisory Board Member

Disclosure on websites

- Should the matters subject to electronic provision require revisions, the revised versions will be posted on each of the websites described above.
- Of the matters subject to electronic provision, the matters listed below are not included in the paper copy to be sent to shareholders who have requested it, pursuant to laws and regulations and Article 15 of the Articles of Incorporation of the Company. Please note that the above matters are subject to audit by the Independent Auditors and the Audit & Supervisory Board Members.
 - “System to ensure internal control and the status thereof” and the “Basic policy concerning control of the Company” in the Business Report
 - “Consolidated Statements of Changes in Net Assets” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements
 - “Non-Consolidated Statements of Changes in Net Assets” and “Notes to Non-Consolidated Financial Statements” in the Non-Consolidated Financial Statements

Guidance on how to exercise your voting rights

There are the following three ways:

1. Attend the General Meeting of Shareholders

Date and Time of the Meeting: Wednesday, June 24, 2026, 10:00 a.m. (JST)

Bring your voting rights paper as attached and submit it to the reception desk.

Note: The exercise of voting rights by proxy is limited to exercise by delegating said rights to another shareholder with voting rights. In addition, please note that it is necessary to submit a document certifying the right of proxy.

2. Exercise by postal mail

Indicate your approval or disapproval on each proposal on the attached voting rights paper and return it to us.

Deadline of Exercise: Must arrive no later than Tuesday, June 23, 2026, 5:00 p.m. (JST)

3. Exercise by the Internet

Deadline of Exercise: Must be entered no later than Tuesday, June 23, 2026, 5:00 p.m. (JST)

Please access our voting rights website and enter your approval or disapproval on each proposal.

- Handling of voting rights exercise
 - If you have exercised your voting rights in duplicate, both on paper and via the Internet, we will handle your Internet vote as the effective exercise of your voting rights.
 - If you have exercised your voting rights more than once via the Internet, only the latest exercise of your voting rights shall be handled as effective.
 - If neither approval nor disapproval of a proposal is indicated on the voting rights exercise form you sent, it shall be deemed a vote of approval.

To Institutional Investors

The Company utilizes an online platform for institutional investors to exercise their voting rights operated by ICJ.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of Eight Directors

The term of office of the following nine Directors will expire at the close of this Ordinary General Meeting of Shareholders: Messrs. Hideki Kobori, Koshiro Kudo, Kazushi Kuse, Toshiyasu Horie, Masatsugu Kawase, Tsuyoshi Okamoto, and Yoshinori Yamashita, and Meses. Yuko Maeda and Chieko Matsuda. Therefore, from the perspective of increasing the ratio of Independent Outside Directors on the Board of Directors, the Company proposes that the following eight candidates be elected as Directors.


Meanwhile, candidates Meses. Yuko Maeda and Chieko Matsuda and Messrs. Yoshinori Yamashita and Hiroyuki Ogawa are candidates for Outside Directors, and the Company judges that the said four candidates have sufficient independence with no conflict of interest with the general shareholders in light of the Company's criteria for independence. As the said four candidates meet the requirements for independent officer stipulated by the Tokyo Stock Exchange, the Company has registered them with the Tokyo Stock Exchange as independent officers.


The candidates are as follows:


Candidate No.	Name	Date of birth	Position and responsibilities at the Company	Candidate attribute
1	Hideki Kobori	February 2, 1955	<ul style="list-style-type: none"> Chairman & Director Board of Directors Meeting convener & chair Nomination Advisory Committee member Remuneration Advisory Committee member 	Re-appointed
2	Koshiro Kudo	June 5, 1959	<ul style="list-style-type: none"> President & Representative Director Presidential Executive Officer Shareholders Meeting & Management Council convener & chair Oversight of Group management Nomination Advisory Committee member Remuneration Advisory Committee member 	Re-appointed
3	Toshiyasu Horie	December 30, 1962	<ul style="list-style-type: none"> Representative Director Primary Executive Officer Executive Officer for Strategy, Accounting & Finance, IR, BT Project Executive Officer for Communications Oversight of Internal Control, IT, Sustainability Strategy Planning, Asahi Kasei Europe GmbH, Asahi Kasei America, Inc., Asahi Kasei (China) Co., Ltd. 	Re-appointed
4	Masatsugu Kawase	March 9, 1965	<ul style="list-style-type: none"> Director Primary Executive Officer Oversight of ESH, QA, Regional Offices, Manufacturing, Production Technology, Health & Productivity Management Executive Officer for Energy Policy, Green Transformation 	Re-appointed


Candidate No.	Name	Date of birth	Position and responsibilities at the Company	Candidate attribute
5	Yuko Maeda	July 26, 1960	<ul style="list-style-type: none"> • Outside Director • Nomination Advisory Committee member • Remuneration Advisory Committee member 	Re-appointed
				Outside Director
				Independent
6	Chieko Matsuda	November 18, 1964	<ul style="list-style-type: none"> • Outside Director • Nomination Advisory Committee member • Remuneration Advisory Committee member 	Re-appointed
				Outside Director
				Independent
7	Yoshinori Yamashita	August 22, 1957	<ul style="list-style-type: none"> • Outside Director • Nomination Advisory Committee member • Chair of the Remuneration Advisory Committee 	Re-appointed
				Outside Director
				Independent
8	Hiroyuki Ogawa	March 23, 1961		Newly-appointed
				Outside Director
				Independent


Abbreviations: R = Re-appointed, N = Newly-appointed, O = Outside Director, I = Independent


Candidate No.	Name, Date of Birth	No. of Company's shares held/ Attendance at Board of Directors meetings/ Tenure as Director	Career summary and position/responsibility at the Company [Notable concurrent offices]
1	 <p>Hideki Kobori February 2, 1955</p>	<p>145,500 (of which, to be delivered based on the stock-based remuneration system: 60,000)</p> <p>15/15</p> <p>14 years (at the close of the 135th Ordinary General Meeting of Shareholders)</p>	<p>April 1978: Joined the Company</p> <p>April 2008: Asahi Kasei Microdevices Director</p> <p>April 2008: Asahi Kasei Microdevices Senior Executive Officer</p> <p>April 2009: Asahi Kasei Microdevices Primary Executive Officer</p> <p>April 2010: Asahi Kasei Microdevices President & Representative Director</p> <p>April 2010: Asahi Kasei Microdevices Presidential Executive Officer</p> <p>April 2012: Senior Executive Officer</p> <p>June 2012: Director (position held at present)</p> <p>April 2014: Representative Director</p> <p>April 2014: Primary Executive Officer</p> <p>April 2016: President and Director</p> <p>April 2016: Presidential Executive Officer</p> <p>April 2022: Chairman and Director (position held at present)</p> <ul style="list-style-type: none"> ● Board of Directors Meeting convener & chair ● Nomination Advisory Committee member ● Remuneration Advisory Committee member <p>[Notable Concurrent Offices]</p> <p>Outside Director, Nomura Research Institute, Ltd.</p> <p>Outside Director, Seiko Group Corporation</p> <p>External Director, Japan Investment Corporation</p>
<p>[Reasons for us to nominate him as a Director candidate and expected roles]</p> <p>After many years of experience in the electronics business, including as Marketing and Sales Center General Manager, Corporate Strategy and Planning General Manager, and President and Representative Director of Asahi Kasei Microdevices, he assumed a role of executive officer responsible for Strategy, Accounting & Finance, and Internal Control for the entire Group in April 2012. In April 2016, he assumed the role of President and Director of the Company. Since April 2022, he has served as Chairman & Director of the Company. Based on the experience and knowledge he gained through his career, we expect him to play a full role in deciding important matters and supervising the business execution of the Group as a Director.</p>			
<p>[Message from the candidate]</p> <p>By promoting corporate governance conducive to a virtuous cycle of achieving sustainable growth of the Asahi Kasei Group's corporate value and realizing a sustainable society, we continue to strive to earn the trust of shareholders and other stakeholders.</p>			


Candidate No.	Name, Date of Birth	No. of Company's shares held/ Attendance at Board of Directors meetings/ Tenure as Director	Career summary and position/responsibility at the Company [Notable concurrent offices]
2	 <p data-bbox="304 696 464 757">Koshiro Kudo June 5, 1959</p>	<p data-bbox="507 353 683 566">134,400 (of which, to be delivered based on the stock-based remuneration system: 89,000)</p> <p data-bbox="563 600 627 629">15/15</p> <p data-bbox="507 663 683 842">5 years (at the close of the 135th Ordinary General Meeting of Shareholders)</p>	<p data-bbox="707 309 1409 707"> April 1982: Joined the Company April 2013: Asahi Kasei Fibers Executive Officer April 2016: Lead Executive Officer April 2017: President of Fibers & Textiles SBU April 2017: Senior General Manager, Osaka Office April 2019: Senior Executive Officer April 2019: President of Performance Products SBU June 2021: Director (position held at present) April 2022: Representative Director (position held at present) April 2022: President and Director (position held at present) April 2022: Presidential Executive Officer (position held at present) </p> <ul data-bbox="707 734 1393 887" style="list-style-type: none"> ● Shareholders Meeting and Management Council convener & chair ● Oversight of Group management ● Nomination Advisory Committee member ● Remuneration Advisory Committee member
<p data-bbox="296 898 1114 927">[Reasons for us to nominate him as a Director candidate and expected roles]</p> <p data-bbox="296 927 1409 1144">After many years of experience in the textiles business, including as Asahi Kasei Fibers Executive Officer, President of Fibers & Textiles SBU, and President of Performance Products SBU, he assumed the role of executive officer responsible for Strategy, Accounting & Finance, and Internal Control for the entire Group in April 2021. Since April 2022, he has served as President and Director of the Company. Based on the experience and knowledge he gained through his career, we expect him to play a full role in deciding important matters and supervising the business execution of the Group as a Director.</p>			
<p data-bbox="296 1151 619 1180">[Message from the candidate]</p> <p data-bbox="296 1180 1393 1332">In an era of significant global uncertainty where the outlook is increasingly difficult to predict, we are confident that the Company's intrinsic strengths will truly come to the fore. Driven by this conviction, we will boldly advance our growth strategies and structural reforms, leveraging the intangible assets and diverse businesses cultivated over more than 100 years of history, as we work to achieve sustainable enhancement of corporate value.</p>			


Candidate No.	Name, Date of Birth	No. of Company's shares held/ Attendance at Board of Directors meetings/ Tenure as Director	Career summary and position/responsibility at the Company [Notable concurrent offices]
3	 <p>Toshiyasu Horie December 30, 1962</p>	<p>50,375 (of which, to be delivered based on the stock-based remuneration system: 28,375)</p> <p>15/15</p> <p>4 years (at the close of the 135th Ordinary General Meeting of Shareholders)</p>	<p>April 1985: Joined the Company April 2015: Asahi Kasei Chemicals Corporate Planning & Coordination General Manager April 2016: Petrochemicals SBU Planning & Coordination General Manager April 2019: Executive Officer April 2020: Lead Executive Officer April 2022: Senior Executive Officer June 2022: Director (position held at present) April 2023: Representative Director (position held at present) April 2024: Primary Executive Officer (position held at present)</p> <ul style="list-style-type: none"> ● Executive Officer for Strategy, Accounting & Finance, IR and BT Project ● Executive Officer for Communications ● Oversight of Internal Control ● Oversight of IT ● Oversight of Sustainability Strategy Planning ● Oversight of Asahi Kasei Europe GmbH ● Oversight of Asahi Kasei America, Inc. ● Oversight of Asahi Kasei (China) Co., Ltd.
<p>[Reasons for us to nominate him as a Director candidate and expected roles] After many years of experience in the petrochemicals business, he assumed the role of Executive Officer responsible for general affairs, legal affairs, and PR, as well as risk management and compliance. Since April 2022, he has been responsible for Strategy and Accounting & Finance for the Group as a whole. Based on the experience and knowledge he gained through his career, we expect him to play a full role in deciding important matters and supervising the business execution of the Group as a Director.</p>			
<p>[Message from the candidate] In a business environment continuing to undergo drastic changes, we will continue to work on strengthening our business portfolio with a view to achieving resilient and sustainable growth. Alongside these efforts to strengthen our business foundation, we will also pursue stable and continuous returns.</p>			

Candidate No.	Name, Date of Birth	No. of Company's shares held/ Attendance at Board of Directors meetings/ Tenure as Director	Career summary and position/responsibility at the Company [Notable concurrent offices]
4	 <p data-bbox="311 672 470 761">Masatsugu Kawase March 9, 1965</p>	<p data-bbox="502 347 686 560">34,650 (of which, to be delivered based on the stock-based remuneration system: 20,250)</p> <p data-bbox="502 593 686 627">15/15</p> <p data-bbox="502 649 686 840">3 years (at the close of the 135th Ordinary General Meeting of Shareholders)</p>	<p data-bbox="710 313 1396 683"> April 1990: Joined the Company April 2016: Petrochemicals SBU Basic Chemicals Division General Manager April 2018: Production Center Planning & Coordination General Manager April 2020: Senior Managing Executive April 2021: Lead Executive Officer April 2021: Senior General Manager, Production Center April 2023: Senior Executive Officer June 2023: Director (position held at present) April 2025: Primary Executive Officer (position held at present) </p> <ul data-bbox="710 705 1364 862" style="list-style-type: none"> ● Oversight of ESH, QA, Regional Offices, Manufacturing, Production Technology ● Oversight of Health & Productivity Management ● Executive Officer for Energy Policy ● Executive Officer for Green Transformation
<p data-bbox="295 873 1396 1052"> [Reasons for us to nominate him as a Director candidate and expected roles] After many years of experience in process development and manufacturing of the petrochemicals business, he has been responsible for ESH, QA, regional offices, manufacturing, production technology, health and productivity management, energy policy, and carbon neutrality since April 2022. Based on the experience and knowledge he gained through his career, we expect him to play a full role in deciding important matters and supervising the business execution of the Group as a Director. </p>			
<p data-bbox="295 1075 1396 1243"> [Message from the candidate] We will strengthen initiatives on health and productivity management, the environment, safety, and quality assurance, which are fundamental elements of our business activities, to ensure the safety and security of our stakeholders. In addition, we will leverage our core technologies, production technologies, and digital infrastructure including data and AI to drive value creation that realizes a sustainable society and company. </p>			

Candidate No.	Name, Date of Birth	No. of Company's shares held/ Attendance at Board of Directors meetings/ Tenure as Director	Career summary and position/responsibility as Director of the Company [Notable concurrent offices]
5	<p>[Outside Director Candidate]</p>  <p>Yuko Maeda July 26, 1960</p>	<p>0 15/15 5 years (at the close of the 135th Ordinary General Meeting of Shareholders)</p>	<p>April 1984: Joined Bridgestone Corporation September 2003: Tokyo Medical and Dental University Director of Technology Transfer Center and Intellectual Property Manager of Intellectual Property Right Department October 2009: Tokyo Medical and Dental University Visiting Professor October 2011: Kyoto Prefectural University of Medicine Specially Appointed Professor May 2013: Bridgestone Corporation Executive Officer April 2014: Japan Agency for Marine-Earth Science and Technology Auditor January 2017: CellBank Corp. Director (position held at present) October 2020: Kyushu University Executive Vice President June 2021: Director, the Company (position held at present)</p> <ul style="list-style-type: none"> ● Nomination Advisory Committee member ● Remuneration Advisory Committee member <p>[Notable Concurrent Offices] Director, CellBank Corp. External Director, MODEC, Inc.</p>
<p>[Reasons for us to nominate her as an Outside Director candidate and expected roles] She has rich experience as an engineer in industry, academia and government. Based on the experience and knowledge she gained through her career, we expect her to play a full role in deciding important matters and supervising the business execution of the Group as an Outside Director.</p>			
<p>[Supplementary explanations on independence] The Group has transactions with Bridgestone Corporation, where she was formerly involved in executive management, mainly concerning components supply. However, the amount of said transactions is very small, not more than 1% of the consolidated sales of the Group and not more than 1% of the consolidated sales of Bridgestone Corporation. In addition, as she has retired from Bridgestone Corporation in 2017, such situation does not have any influence on her independence. Currently, there are no transactions between the Group and CellBank Corp., where she is currently involved in executive management.</p>			
<p>[Message from the candidate] Amid turbulent social conditions, the Asahi Kasei Group, with its strength in diversified business operations, will work to achieve both contribution to society and sustainable enhancement of corporate value. I will devote myself fully to transforming and optimizing our business structure and advancing sustainability, while focusing on overseeing management decision-making from an independent standpoint, in order to meet the expectations of our stakeholders.</p>			

Candidate No.	Name, Date of Birth	No. of Company's shares held/ Attendance at Board of Directors meetings/ Tenure as Director	Career summary and position/responsibility as Director of the Company [Notable concurrent offices]
6	<p>[Outside Director Candidate]</p>  <p>Chieko Matsuda November 18, 1964</p> <p>RO</p>	<p>0</p> <p>15/15</p> <p>3 years (at the close of the 135th Ordinary General Meeting of Shareholders)</p>	<p>April 1987: Joined The Long-Term Credit Bank of Japan, Limited</p> <p>October 1998: Joined Moody's Japan K.K.</p> <p>September 2001: Corporate Directions, Inc. Partner</p> <p>October 2006: Booz & Company, Inc. Vice President (Partner)</p> <p>April 2011: Tokyo Metropolitan University Faculty of Economics and Business Administration Professor (position held at present)</p> <p>April 2011: Tokyo Metropolitan University Graduate School of Management Professor (position held at present)</p> <p>June 2023: Director, the Company (position held at present)</p> <ul style="list-style-type: none"> ● Nomination Advisory Committee member ● Remuneration Advisory Committee member <p>[Notable Concurrent Offices]</p> <p>Professor, Faculty of Economics and Business Administration, Tokyo Metropolitan University</p> <p>Professor, Graduate School of Management, Tokyo Metropolitan University</p> <p>Outside Director, IHI Corporation</p> <p>Outside Member of the Board, Toyota Tsusho Corporation</p> <p>External Director, Isetan Mitsukoshi Holdings Ltd.</p>
<p>[Reasons for us to nominate her as an Outside Director candidate and expected roles]</p> <p>She has been involved in research on financial and capital market business, management consulting business, and corporate and financial strategy for many years. Based on the experience and knowledge she gained through her career, we expect her to play a full role in deciding important matters and supervising the business execution of the Group as an Outside Director.</p>			
<p>[Supplementary explanations on independence]</p> <p>The Group had management consulting transactions with her until fiscal 2022. However, the amount of said transactions is very small, not more than ¥10 million, and such situation does not have any influence on her independence.</p>			
<p>[Message from the candidate]</p> <p>In an environment with drastic changes, management decision-making and its oversight to effectively acquire and allocate management resources and achieve growth are becoming increasingly important. I will do my utmost for our stakeholders toward the future that the Asahi Kasei Group aspires to.</p>			

Candidate No.	Name, Date of Birth	No. of Company's shares held/ Attendance at Board of Directors meetings/ Tenure as Director	Career summary and position/responsibility as Director of the Company [Notable concurrent offices]
7	<p>[Outside Director Candidate]</p>  <p>Yoshinori Yamashita August 22, 1957</p>	<p>0 15/15 2 years (at the close of the 135th Ordinary General Meeting of Shareholders)</p>	<p>March 1980: Joined Ricoh Company, Ltd. April 2008: Ricoh Electronics, Inc. President April 2010: Ricoh Company, Ltd. Group Executive Officer April 2011: Ricoh Company, Ltd. Corporate Senior Vice President April 2011: Ricoh Company, Ltd. Corporate Planning Division General Manager June 2012: Ricoh Company, Ltd. Director (position held at present) June 2012: Ricoh Company, Ltd. Corporate Executive Vice President April 2014: Ricoh Company, Ltd. Business Solutions Group General Manager June 2016: Ricoh Company, Ltd. Deputy President April 2017: Ricoh Company, Ltd. Representative Director April 2017: Ricoh Company, Ltd. President and CEO April 2023: Ricoh Company, Ltd. Chairperson (position held at present) June 2024: Director, the Company (position held at present)</p> <ul style="list-style-type: none"> ● Nomination Advisory Committee member ● Chair of the Remuneration Advisory Committee <p>[Notable Concurrent Offices] Chairperson, Director, Ricoh Company, Ltd. External Director, Nomura Real Estate Holdings, Inc. Outside Director, Kubota Corporation</p>
<p>[Reasons for us to nominate him as an Outside Director candidate and expected roles] He has rich experience as a corporate executive. Based on the experience and knowledge he gained through his career, we expect him to play a full role in deciding important matters and supervising the business execution of the Group as an Outside Director.</p>			
<p>[Supplementary explanations on independence] The Group has transactions with Ricoh Company, Ltd., where he currently works, mainly concerning office supplies including copiers. However, the amount of said transactions is very small, not more than 1% of the consolidated sales of the Group and not more than 1% of the consolidated sales of Ricoh Company, Ltd., and such situation does not have any influence on his independence.</p>			
<p>[Message from the candidate] In a turbulent business environment, transformation of business structure and acceleration of DX are indispensable for the sustainable growth of a company. Leveraging my knowledge of global management, I will focus on overseeing and advising management from an independent standpoint toward solving social issues and enhancing corporate value. I intend to devote my full efforts to meeting the expectations of shareholders and achieving the medium- to long-term development of the Company.</p>			

Candidate No.	Name, Date of Birth	No. of Company's shares held/ Attendance at Board of Directors meetings/ Tenure as Director	Career summary and position/responsibility at the Company [Notable concurrent offices]
8	<p data-bbox="292 461 480 517">[Outside Director Candidate]</p>  <p data-bbox="292 741 480 837">Hiroyuki Ogawa March 23, 1961</p>	0	<p data-bbox="703 315 1406 864"> April 1985: Joined Komatsu Ltd. April 2010: Komatsu Ltd. Executive Officer April 2010: Komatsu Ltd. Production Division Ibaraki Plant Manager April 2013: Komatsu Ltd. Production Division Procurement President April 2014: Komatsu Ltd. All Indonesia Operations Representative April 2014: Komatsu Ltd. PT Komatsu Marketing and Support Indonesia Chairman April 2015: Komatsu Ltd. Senior Executive Officer April 2016: Komatsu Ltd. Production Division President April 2018: Komatsu Ltd. Senior Executive Officer June 2018: Komatsu Ltd. Director (position held at present) April 2019: Komatsu Ltd. President, Representative Director and CEO April 2025: Komatsu Ltd. Chairman of the Board (position held at present) </p> <p data-bbox="703 898 1406 976"> [Notable Concurrent Offices] Chairman of the Board, Director, Komatsu Ltd. Outside Director, Tadano Ltd. </p>
<p data-bbox="292 999 1406 1111"> [Reasons for us to nominate him as an Outside Director candidate and expected roles] He has rich experience as a corporate executive. Based on the experience and knowledge he gained through his career, we expect him to play a full role in deciding important matters and supervising the business execution of the Group as an Outside Director. </p>			
<p data-bbox="292 1133 1406 1267"> [Supplementary explanations on independence] The Group has transactions with Komatsu Ltd., where he currently works, mainly concerning the supply of materials and others. However, the amount of said transactions is very small, not more than 1% of the consolidated sales of the Group and not more than 1% of the consolidated sales of Komatsu Ltd., and such situation does not have any influence on his independence. </p>			
<p data-bbox="292 1290 1406 1447"> [Message from the candidate] As the external environment surrounding companies is changing rapidly, I intend to leverage my experience and knowledge gained through global business operations and management to fulfill my roles of advising and overseeing management from a medium- to long-term perspective, and to make every effort, to the best of my ability, to contribute to strengthening the governance structure and enhancing corporate value. </p>			

- Notes:
1. There is no conflict of interest between any candidate and the Company.
 2. In accordance with Article 427, Paragraph 1, of the Companies Act, the Company has concluded agreements with Messrs. Hideki Kobori and Yoshinori Yamashita, and Meses. Yuko Maeda and Chieko Matsuda, which limit their liability as specified in Article 423, Paragraph 1, of the Companies Act, with the amount of their individual liability being either ¥10 million or the minimum amount stipulated by law or ordinance, whichever is higher. The Company plans to conclude a similar agreement with Mr. Hiroyuki Ogawa, if he is elected as Director.
 3. The Company has entered into an indemnification agreement with all Directors as stipulated in Article 430-2, Paragraph 1 of the Companies Act, under which the Company will indemnify them for the expenses stipulated in Item 1, Paragraph 1 and losses stipulated in Item 2, Paragraph 1 of the same Act to the extent provided by laws and regulations. The Company plans to enter into the same indemnification agreement with Mr. Hiroyuki Ogawa, if he is elected as Director.
 4. The Company has concluded a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance agreement shall cover compensation for damage, settlements, attorney's fees, etc. to be borne by the insured parties. Each candidate will be included as an insured party under the insurance agreement. In addition, the Company plans to renew the agreement with the same contents at the next renewal.
 5. IHI Corporation, a company where Ms. Chieko Matsuda serves as an Outside Director, found improper alterations in the test operation records carried out during the production process for marine engines and land-use engines manufactured by a subsidiary company of IHI Corporation, as well as misconduct in the snow removal performance test of rotary snowplows in another subsidiary company. The company disclosed respective facts in April 2024 and July 2024. The company is working to prevent recurrence, among others. In addition, Japan Fair Trade Commission determined that a subsidiary company of IHI Corporation has engaged in a violation of the Antimonopoly Act for its mechanical parking systems business, and the company disclosed the said fact in March 2025 (the subsidiary company was approved for leniency program which resulted in no cease and desist orders and no surcharge payment orders). Although she was not aware of these facts until the aforementioned incidents came to light, she has regularly made suggestions regarding the importance of compliance and group governance on occasions including the meetings of the Board of Directors. Subsequent to the discovery of the said incidents, she is fulfilling her assigned duties as Outside Director by providing appropriate guidance on the investigation into the facts and implementation of measures to prevent recurrence.

Proposal 2: Election of One Audit & Supervisory Board Member


The term of office of Audit & Supervisory Board Member Haruyuki Urata will expire at the close of this Ordinary General Meeting of Shareholders. The Company therefore proposes that the following one candidate be elected as Audit & Supervisory Board Member. Prior agreement of the Audit & Supervisory Board has been obtained regarding the submission of this proposal.

Candidate Mr. Haruyuki Urata is a candidate for Outside Audit & Supervisory Board Member, and the Company judges that the candidate has sufficient independence with no conflict of interest with the general shareholders in light of the Company's criteria for independence for Outside Audit & Supervisory Board Members. As Mr. Haruyuki Urata meets the requirements for an independent officer stipulated by the Tokyo Stock Exchange, the Company has registered him with the Tokyo Stock Exchange as an independent officer.

The candidate is as follows:

Abbreviations:

R = Re-appointed, N = Newly-appointed, O = Outside Audit & Supervisory Board Member, I = Independent

Name, Date of Birth	No. of Company's shares held/ Attendance at Board of Directors meetings/ Attendance at Audit & Supervisory Board meetings	Career summary [Notable concurrent offices]
 <p>Haruyuki Urata November 8, 1954</p> <p style="text-align: right;">RO</p>	<p style="text-align: center;">0 15/15 33/34 4 years (at the close of the 135th Ordinary General Meeting of Shareholders)</p>	<p>April 1977: Joined Orient Leasing Co., Ltd. (currently ORIX Corporation)</p> <p>February 2005: ORIX Corporation Executive Officer</p> <p>August 2006: ORIX Corporation Managing Executive Officer</p> <p>June 2007: ORIX Corporation Managing Director</p> <p>January 2008: ORIX Corporation Director and Deputy President</p> <p>January 2009: ORIX Corporation Director and Deputy President, and Group CFO</p> <p>January 2011: ORIX Corporation Representative Director and Deputy President, and Group CFO</p> <p>June 2015: ORIX Bank Corporation Representative Director and President</p> <p>June 2020: ORIX Bank Corporation Director and Chairman</p> <p>June 2021: ORIX Bank Corporation Special Adviser</p> <p>June 2022: Audit & Supervisory Board Member, the Company (position held at present)</p> <p>[Notable Concurrent Offices] Outside Director, Mizuho Leasing Company, Limited</p>
<p>[Reasons for us to nominate him as an Outside Audit & Supervisory Board Member candidate and expected roles]</p> <p>He has extensive experience as a corporate executive and as an officer in charge of corporate accounting and finance. Based on the experience and knowledge he has gained, we expect him to properly perform his duties as an Outside Audit & Supervisory Board Member. Furthermore, as mentioned above, he has considerable insight into finance and accounting.</p>		
<p>[Supplementary explanations on independence]</p> <p>The Group has lease-related transactions with ORIX Corporation, where he was formerly involved in executive management. However, the amount of said transactions is very small, not more than 1% of the consolidated sales of the Group and not more than 1% of the consolidated sales of ORIX Corporation and such situation does not have any influence on his independence. Currently, there are no transactions between the Group and ORIX Bank Corporation, where he was formerly involved in executive management.</p>		
<p>[Message from the candidate]</p> <p>As the Asahi Kasei Group navigates a rapidly changing world, it is working to accelerate the transformation of its business portfolio and further strengthen its management foundation to be resilient to change, as it looks toward its next 100 years. I hope to fulfill my responsibilities in a way that contributes to the sound and sustainable growth of the Group and to high-quality group governance that can live up to the trust of society.</p>		

- Notes:
1. There is no conflict of interest between the candidate and the Company.
 2. In accordance with Article 427, Paragraph 1, of the Companies Act, the Company has concluded an agreement with Mr. Haruyuki Urata, which limits his liability as specified in Article 423, Paragraph 1, of the Companies Act, with the amount of his individual liability being either ¥10 million or the minimum amount stipulated by law or ordinance, whichever is higher.
 3. The Company has entered into an indemnification agreement with Mr. Haruyuki Urata as stipulated in Article 430-2, Paragraph 1 of the Companies Act, under which the Company will indemnify him for the expenses stipulated in Item 1, Paragraph 1 and losses stipulated in Item 2, Paragraph 1 of the same Act to the extent provided by laws and regulations.
 4. The Company has concluded a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance agreement shall cover compensation for damage, settlements, attorney's fees, etc. to be borne by the insured parties. The candidate will be included as an insured party under the insurance agreement. In addition, the Company plans to renew the agreement with the same contents at the next renewal.

For reference:

Independence Standards and Qualification for Outside Directors/Audit & Supervisory Board Members

In determining that Outside Directors and Outside Audit & Supervisory Board Members are independent, the Company ensures that they do not correspond to any of the following and that they are capable of performing their duties from a fair and neutral standpoint.

- (1) A person who currently executes or has executed businesses of the Group (Executive Directors, Executive Officers, employees, etc.) over the last 10 years
- (2) A company or a person who executes the businesses thereof whose major business partner is the Group (a company or a person with more than 2% of its annual consolidated net sales coming from the Group)
- (3) A major business partner of the Group (when payments by this partner to the Group account for more than 2% of the Company's annual consolidated net sales or when the Company borrows money from such partner amounting to more than 2% of the Company's consolidated total assets) or a person who executes the businesses thereof
- (4) A person who receives a large amount of money or other financial gain (¥10 million or more in one year) from the Group as an individual other than remuneration for being a Director/Audit & Supervisory Board Member of the Company
- (5) A company which receives a large amount of donations or aid (¥10 million or more in one year) from the Group or a person who executes the businesses thereof
- (6) A main shareholder of the Group (a person/company who directly or indirectly owns 10% or more of all voting rights of the Company) or a person who executes the businesses thereof
- (7) A person who executes the businesses of a company which elects Directors/Audit & Supervisory Board Members/employees of the Group as Directors/Audit & Supervisory Board Members
- (8) An Independent Auditor of the Group or any staff thereof
- (9) A person who has fallen into any of the categories 2 through 8 above over the last three years
- (10) A person who is a close relative (spouse, relative within the second degree of kinship, or those with whom they share living expenses) of a person who falls under any of the categories 1 through 8 above, provided that "a person who executes businesses thereof" in 1, 2, 3, 5, 6, and 7 above shall be replaced with "an important person who executes the businesses thereof (Executive Directors and Executive Officer, etc.)"
- (11) A person who has served as Outside Director or Outside Audit & Supervisory Board Member of the Company for more than eight years in total.

For reference:

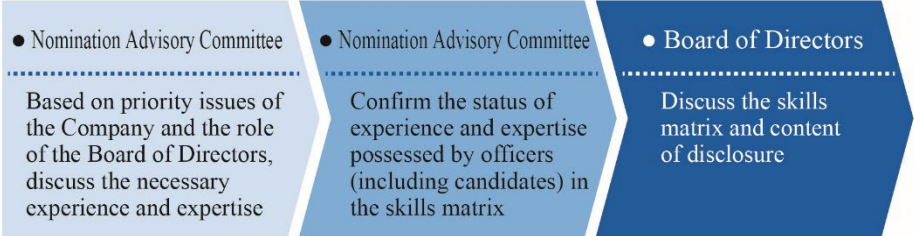
Experience and Expertise of Directors and Audit & Supervisory Board Members (Skills Matrix)

In order to “contribute to life and living for people around the world,” the Company pursues a virtuous cycle of two aspects of sustainability: “contributing to a sustainable society” and “sustainable growth of corporate value.” In addition, in a discontinuous and uncertain business environment, the Group acknowledges that it is particularly an important management issue for the Group to accelerate business portfolio transformation with both growth investments and structural transformation.

Based on this management issue, the role of the Board of Directors of the Company is to supervise important matters and make important decisions on management of the Group, which operates a wide range of businesses, including management strategies such as the medium-term management plan, business portfolio management, allocation of management resources, and sustainability. In order to fulfill this role, in addition to ensuring independence and diversity, it is necessary for the Board of Directors as a whole to possess extensive experience and a high level of expertise.

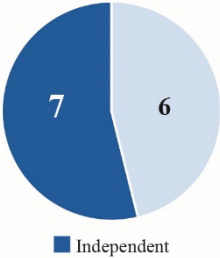
Therefore, the Board of Directors and the Nomination Advisory Committee of the Company identify the experience and expertise (skills) required for Directors and Audit & Supervisory Board Members, and then confirm the status of such skills held by using a skills matrix. The following was revised in fiscal 2024 through this process.

Process for reviewing skills matrix



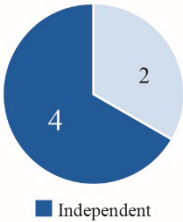
Composition ratio

Ratio of Independent Directors and Audit & Supervisory Board Members

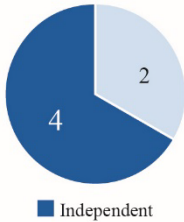


7 out of 13 Directors and Audit & Supervisory Board Members are independent (4 out of 8 Directors are independent)

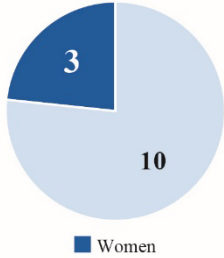
Ratio of Independent Directors on Nomination Advisory Committee



Ratio of Independent Directors on Remuneration Advisory Committee



Ratio of Women



3 out of 13 Directors and Audit & Supervisory Board Members are women (2 out of 8 Directors are women)

Skills Matrix of Directors and Audit & Supervisory Board Members (Planned) After the General Meeting of Shareholders

Abbreviations: O = Outside Director, I = Independent

Skills	Directors							
	Hideki Kobori	Koshiro Kudo	Toshiyasu Horie	Masatsugu Kawase	Yuko Maeda	Chieko Matsuda	Yoshinori Yamashita	Hiroyuki Ogawa
					☐ I	☐ I	☐ I	☐ I
Corporate Management (experience as President of a listed company)	•	•					•	•
Management Strategy, Organization Operation			•			•		
Finance, Accounting			•			•		
Sustainability			•	•	•	•		
Global Businesses			•					
R&D, Innovation, DX				•	•			
Manufacturing & Quality Assurance				•	•			
Human Resources, DE&I					•	•		
Legal Affairs, Risk Management								

- Notes: 1. The above table indicates up to four major skills for each individual and does not represent all of their skills.
 2. “Corporate Management (experience as President of a listed company)” is positioned as broad and diverse experience, including elements of other skills listed in the above table.

Audit & Supervisory Board Members					Reasons and details of skill selection
Takuya Magara	Hiroki Ideguchi	Akemi Mochizuki	Haruyuki Urata	Yoshikazu Ochiai	
		○ Ⅱ	○ Ⅱ	○ Ⅱ	
					In light of the management environment of the Group which is accelerating business portfolio transformation, the selection was made because outstanding leadership and diverse experience as the head of a listed company are necessary.
	●		●		Selected the experience and expertise in planning and executing management strategies, managing large-sized organizations, etc., since they are necessary for supervising management strategy, which is the main agenda for the Board of Directors of the Company.
	●	●	●		Selected the experience and expertise in planning and executing capital policy and capital allocation, and accounting insights, etc., since they are necessary for business portfolio transformation and management aiming for capital efficiency.
●					Selected the experience and expertise in supervising sustainability issues at the management level, including carbon neutrality, circular economy, and dealing with human rights, which are core subjects of management strategy.
			●	●	Selected the experience and expertise in leading or supervising international operations, including managing in the global business environment and promoting overseas business operations, since the Company has numerous overseas sites and is strengthening its expansion into global markets.
●					R&D, innovation, and DX are the source of the Group's sustainable growth. The experience and expertise in these fields were selected since they are necessary for creating value through them and preventing damage by using cybersecurity, etc.
●					Selected the experience and expertise in manufacturing technology, quality assurance, and safety technology since they are essential to the Group's business execution.
	●				Selected the experience and expertise in this field to create innovations and businesses as well as to promote the active participation and growth of human resources by planning and executing human resources measures aligned with the management strategies and promoting diversity, equity and inclusion (DE&I).
	●	●		●	Selected the experience and expertise in the legal field, compliance and insights, etc. on risk management, since they are essential to the Group's sustainable growth and prevention of damage.

The results of the resolutions will be posted on the Company's website
(<https://www.asahi-kasei.com/jp/shoushu/135>).

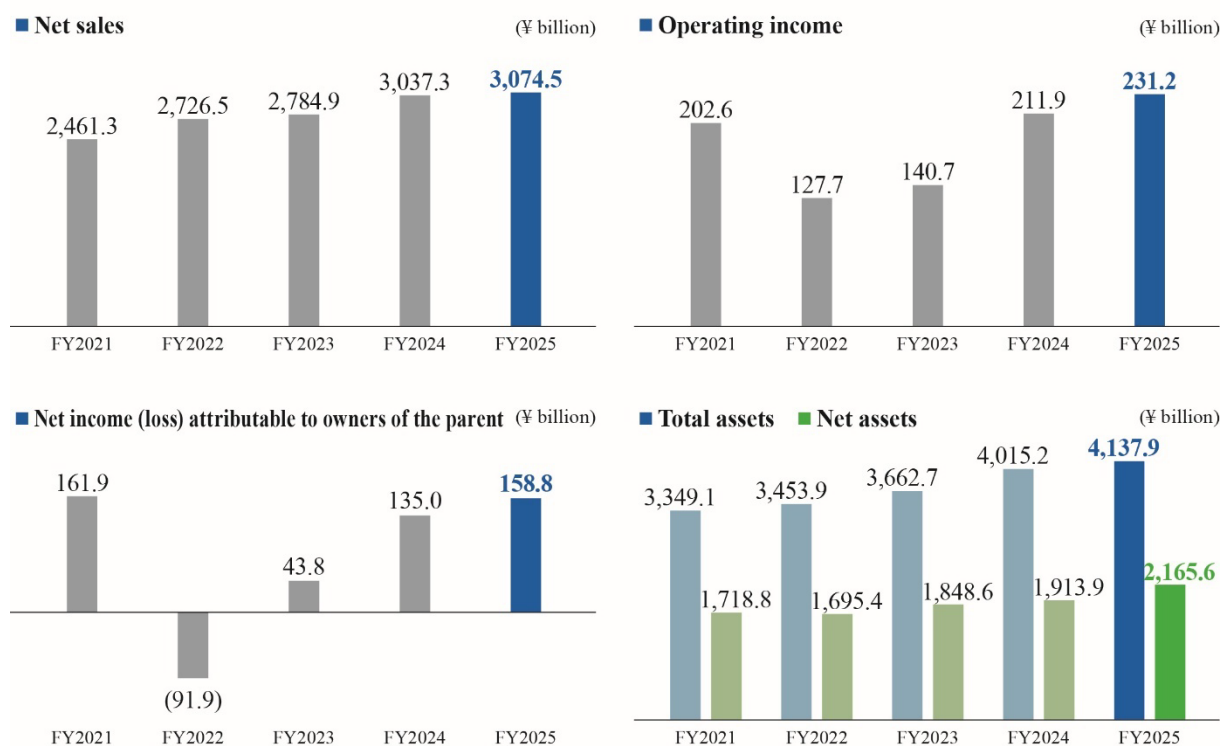
(Appendix)

Business Report

(From April 1, 2025 to March 31, 2026)

1. The Group's Business Results

Consolidated results

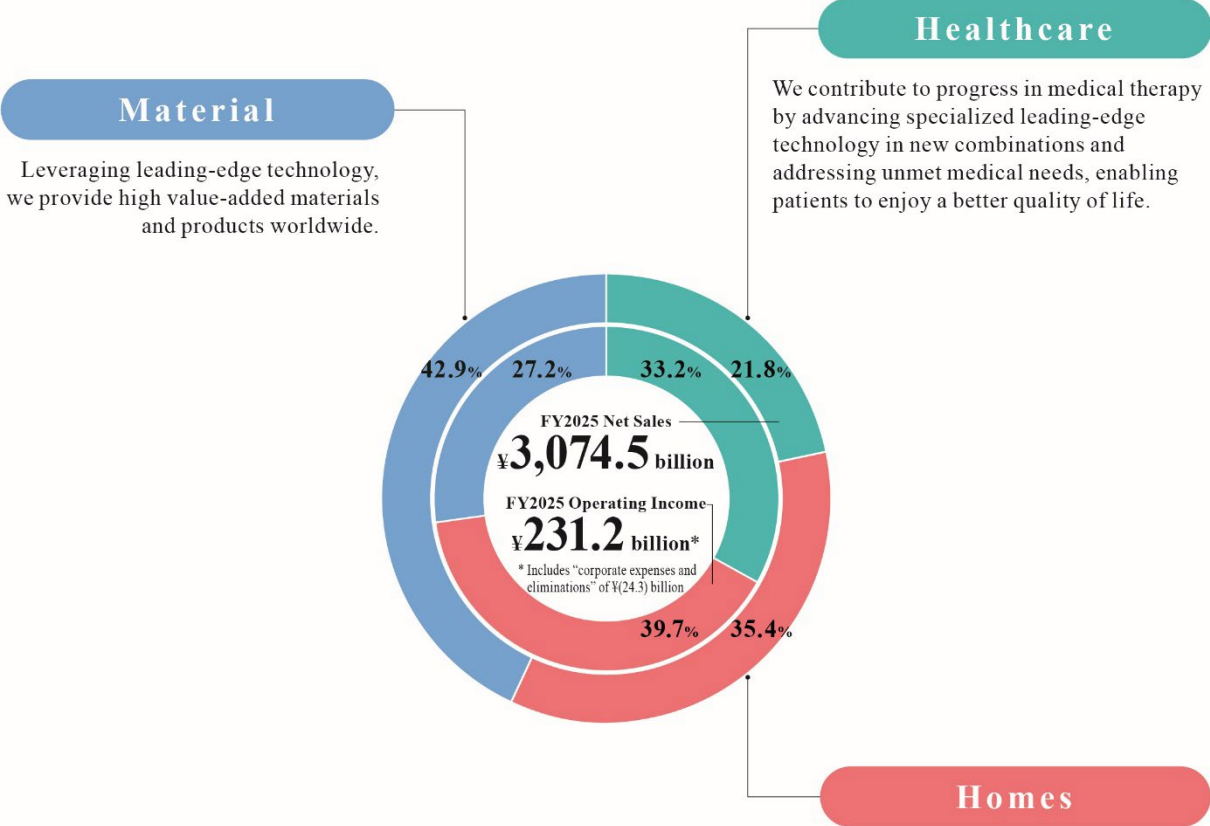


Business results of the fiscal year under review

Consolidated net sales for the fiscal year under review were ¥3,074.5 billion, an increase of ¥37.2 billion from the previous year, and operating income was ¥231.2 billion, an increase of ¥19.3 billion from the previous year, marking a record high for the second consecutive fiscal year. By segment, operating income increased in the Healthcare segment, supported by profit growth in the Pharmaceuticals business, and in the Homes segment, supported by firm performance in the domestic Housing business. On the other hand, operating income decreased in the Material segment due to the impact of inventory valuation in the Essential Chemical business and the implementation of a large-scale maintenance turnaround at the Mizushima Works. In addition, extraordinary income and loss deteriorated due to losses associated with the withdrawal from certain businesses in the Material segment. However, as non-operating income and expenses improved in addition to the increase in operating income, net income attributable to owners of the parent increased by ¥23.8 billion from the previous year to ¥158.8 billion.

The Asahi Kasei Group’s Businesses and Main Products

The Group carries out business activities in three sectors: “Healthcare,” “Homes,” and “Material.”
 Note: Percentages exclusive of “Others” category and “corporate expenses and eliminations”



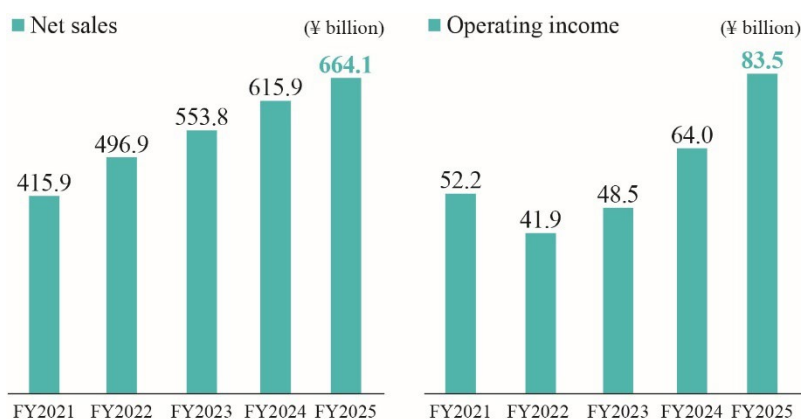
Healthcare

[Main businesses]

We provide pharmaceuticals globally in the fields of autoimmune disease, severe infectious disease, transplantation, kidney disease, and orthopedics. We also contribute to the improvement of safety and productivity of pharmaceuticals by providing products used in the manufacturing process of biopharmaceuticals, etc. and contract development and manufacturing services (CDMO). In the Critical Care business, AEDs, professional defibrillators, sleep apnea-related products, and others contribute to saving the lives of patients with serious cardiopulmonary and respiratory diseases, by providing medical devices and other products.

[Overview of results by segment]

The Critical Care business recorded decreased income due to an increase in selling, general and administrative expenses and others, despite the effect of an increase in the number of new patients using LifeVest and the launch of a new defibrillator product. On the other hand, the Pharmaceuticals and Life Science business recorded increased income through steady expansion of sales of mainstay products as well as the effect of the newly consolidated Swedish pharmaceutical company Calliditas Therapeutics AB, resulting in increased income in the entire Healthcare segment.



Fiscal 2025 highlight

Acquisition of Aicuris Anti-infective Cures AG, a German-based biopharmaceutical company

The Company reached an agreement to acquire Aicuris Anti-infective Cures AG, a German-based biopharmaceutical company. This acquisition expands the Company's specialty pharmaceutical platform further into severe infectious diseases, accelerating growth as a global specialty pharma operation.

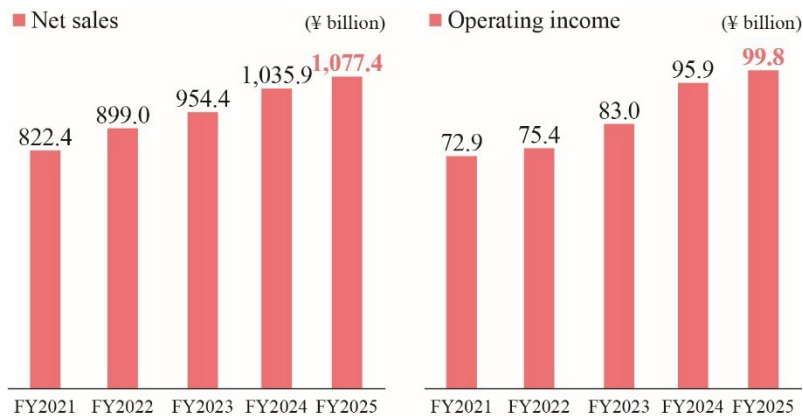
Homes

[Main businesses]

We set the stage for a rich and fulfilling lifestyle with our Homes business that provides high-quality products and services centered around the Long Life Home, which earns high customer satisfaction that lasts for more than half a century, and with our Construction Materials business that provides high value-added products and services. We are also accelerating our overseas development and real estate business in this segment.

[Overview of results by segment]

In the Homes business, average unit prices of order-built homes rose due to larger and higher value-added units, and real estate development and rental management/brokerage also performed well. The Construction Materials business also progressed in passing on increased costs, resulting in increased income in the entire Homes segment.



Fiscal 2025 highlight

First Japanese company to receive RE100 Leadership Awards for two consecutive years

At the RE100 Leadership Awards 2025, Asahi Kasei Homes received the “RE100 Changemaker” award, which is given to companies that have actively engaged in advanced initiatives toward the realization of a decarbonized society and demonstrated results and outstanding leadership.

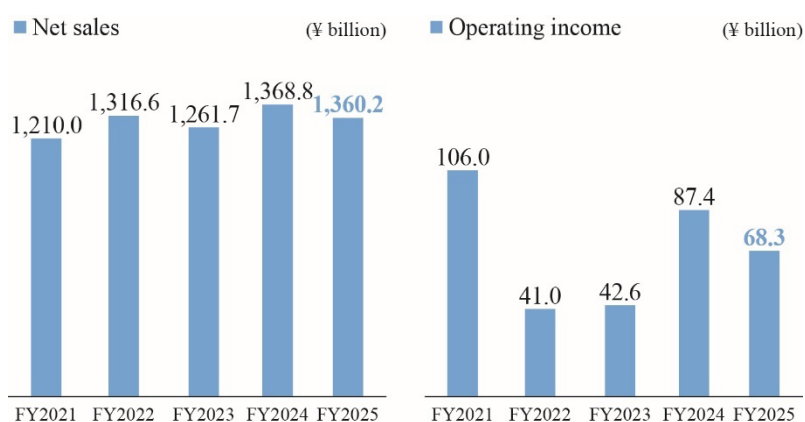
Material

[Main businesses]

With materials and technologies for a carbon neutral society including energy storage and clean hydrogen manufacturing technology, resin and fiber products that contribute to next generation mobility, electronic materials including semiconductor materials, and consumables such as Saran Wrap cling film, which helps make life more convenient, our high value-added product portfolio is expanding on a global scale, contributing to a better future through advanced technologies as well as promoting the development of products and technologies to achieve a sustainable society.

[Overview of results by segment]

The Electronics business had increased sales of mainstay products backed by strong demand in semiconductor- and electronics-related markets, mainly for AI servers and high-end smartphones, resulting in increased income. On the other hand, due to the impact of inventory valuation differences in the essential chemical business and the implementation of a large-scale maintenance turnaround at the Mizushima Works, as well as an increase in fixed costs across businesses, income decreased in the entire Material segment.



Note: Fiscal 2025 operating income was impacted by the April 2025 transfer of certain corporate R&D functions etc. to the Material segment.

Fiscal 2025 highlight

Expansion of production capacity for alkaline water electrolysis systems for clean hydrogen production

The Company decided to construct new facilities at the Kawasaki Works capable of producing electrolysis cell frames and membranes for both alkaline water electrolysis systems and ion-exchange membrane process chlor-alkali electrolysis systems. The new facilities are scheduled to begin commercial operation in fiscal 2028.

2. Medium-term Management Strategies / Plans and Progress

1. Management environment and management issues

As shown in the United Nations' "The 2030 Agenda for Sustainable Development," there are various issues toward a sustainable society, and initiatives are being taken around the world. However, according to the United Nations' 2025 report, only 35% of the Sustainable Development Goals (SDGs) are evaluated as on track or making moderate progress. Making the most of the remaining five years leading up to 2030 is required.

Over the century since its founding, the Group has grown in response to the needs of each era. These issues for a sustainable society are not only challenging for the Group itself, but also are business opportunities to actively engage in. Many of these issues cannot be solved by a single company or industry, and collaboration across companies and industries is becoming more important. For example, there are subjects and issues that are mutually related beyond industry boundaries, such as housing and energy, medical and housing, etc. The Company recognizes that this environment is a great business opportunity for the Company, which has diverse businesses in the Healthcare, Homes and Material segments. The Company also has diverse assets, including human resources, core technologies, brands, and management knowledge, which the Company has cultivated over the past 100 years. By utilizing diversity, which is the Group's characteristic, the Company will aim to continuously create innovative products, services, and business models with high value-added and specialty in an approach focusing on differentiation from our competitors.

On the other hand, when looking at the current situation, our management environment is rapidly changing with significantly heightened uncertainties. Conflicts, political instability, social divisions, and reduced policy predictability around the world are risk factors including instability of energy and raw materials supply chain, financial market volatility, and downturn in the world economy. By firmly looking at the management environment, the entire Group will combine its strengths as one team to navigate the path with our customers and other companies, investors and other various stakeholders to provide value. The Company will aim for a virtuous cycle of two aspects of sustainability, in which "contribution to sustainable society" leads to "sustainable growth of corporate value" for the Group, which in turn makes further "contribution to sustainable society" possible.

For reference: Summary of Medium-Term Management Plan 2027 "Trailblaze Together"

Through profit growth driven by returns on investments, improvement of capital efficiency through structural transformation and productivity enhancement, and further strengthening and utilization of our management platform, the Company aims to evolve "Diversity × Specialty," which is unique to Asahi Kasei, targeting operating income of ¥270 billion, ROIC of 6%, and ROE of 9% in fiscal 2027, the final year of the plan. "Diversity" indicates the abundance of growth opportunities and ability to generate stable earnings as an effect of having a diverse range of business operations, while "Specialty" indicates a focus on differentiation from competitors in order to achieve high added value and high profitability. Together, these are the source of Asahi Kasei's unique value proposition.

2. Progress of key performance indicators

Operating income for fiscal 2025 was ¥231.2 billion, marking a record high for the second consecutive year. In addition to Calliditas, acquired in 2024, delivering growth that exceeded expectations in the Pharmaceuticals business, Pimel photosensitive dielectric, used in the manufacturing process of semiconductors for AI applications, performed strongly in the Electronics business on the back of robust demand. Net income attributable to owners of the parent was ¥158.8 billion, and in terms of capital efficiency, ROIC was 5.9% and ROE was 8.0%.

[Changes of management indicators]

		FY2024 result	FY2025 result	FY2027 revised plan	Annual growth rate (FY2024- FY2027)	FY2030 target
(¥ billion)						
Net sales		3,037.3	3,074.5	3,470.0		
Profitability	Operating income	211.9	231.2	270.0	8.4%	380.0
	Operating margin	7.0%	7.5%	7.8%		
	Operating income before goodwill amortization	244.5	264.9	306.0		
	EBITDA ¹	398.0	427.5	483.0		
	EBITDA margin	13.1%	13.9%	13.9%		
	Net income attributable to owners of the parent	135.0	158.8	174.0		
	EPS (¥)	97.9	117.0	129.6		
Capital efficiency	ROIC²	5.5%	5.9%	6.0%		≥8.0%
	ROE³	7.4%	8.0%	9.0%		≥12.0%
Financial health	D/E ratio	0.62	0.46	≈0.7		
	Interest-bearing debt/EBITDA	2.9	2.3	≈3.0		
	Equity ratio	46.3%	50.5%			
Exchange rate (¥/\$)		153	151	140		

¹ EBITDA = operating income + depreciation and amortization (tangible, intangible, and goodwill)

² ROIC = (operating income – income taxes) ÷ average annual invested capital

³ ROE = net income ÷ (shareholders' equity + accumulated other comprehensive income)

3. Measures and progress

September 2025

Homes

Asahi Kasei Homes became the first Japanese company to receive RE100 Leadership Awards for two consecutive years (refer to page 24)

Healthcare

ZOLL launched Zenix monitor/defibrillator

ZOLL Medical Corporation launched Zenix, a new series of monitor/defibrillators for healthcare professionals, in the U.S. It is a groundbreaking device combining ease of use and advanced functionality. As one of the leading companies in the North American defibrillator market, ZOLL will contribute to improving the quality of patient care by offering high value-added products that meet customer needs and strengthen market competitiveness.

October 2025

Material

Expanded production capacity for alkaline water electrolysis systems for clean hydrogen production (refer to page 25)

November 2025

Material

2025 TSMC Excellent Performance Award received in recognition of Pimel photosensitive dielectric for advanced semiconductors

At the 2025 TSMC Excellent Performance Award held by Taiwan Semiconductor Manufacturing Co., Ltd. (TSMC), the Company was awarded Excellent Technology Development & Production Supporting in AP Material in recognition of Pimel photosensitive dielectric. In response to expanding demand in the flourishing semiconductor market, the Company decided in August 2025 to increase production capacity at its facility in Fuji City, Shizuoka, Japan.

December 2025

General

Decision to integrate businesses of Asahi Kasei Advance and Teijin Frontier

The Company decided to implement an absorption-type merger between Asahi Kasei Advance Corp., a wholly owned subsidiary of Asahi Kasei, and Teijin Frontier Co., Ltd., a wholly owned subsidiary of Teijin, with Teijin Frontier as the surviving company. The integration is scheduled to take effect on October 1, 2026, creating a joint venture with Teijin holding 80% and the Company holding 20%.

Material

Accelerating portfolio transformation through divestiture of Daramic lead battery separator business

The Company decided to transfer the Daramic lead battery separator business operated under U.S.-based Polypore International, LLC, a consolidated subsidiary of the Company, to Kingswood Capital Management, LP.

Homes

Asahi Kasei Homes announced a real estate development project by a newly established Australian subsidiary

Asahi Kasei Homes' Australian subsidiary AKHAR Pty Ltd announced that it will launch a real estate development project in New South Wales in the first half of 2026, as the first project under "Nex Property," a new real estate development business brand aimed at expanding its future business in Australia.

January 2026

Material

Asahi Kasei, Mitsui Chemicals, and Mitsubishi Chemical signed a basic agreement to promote decarbonization of ethylene production in western Japan

The Company, Mitsui Chemicals, Inc., and Mitsubishi Chemical Corporation signed a basic agreement to establish a new joint operating entity for their ethylene production facilities in western Japan, and to discontinue operations of the Asahi Kasei Mitsubishi Chemical Ethylene Corp. ethylene production facility in Kurashiki, Okayama Prefecture, and consolidate operations at the Osaka Petrochemical Industries, Ltd. facility in Takaishi,

Osaka, targeting fiscal 2030. In addition, an initial facility utilizing Revolefin, a technology currently under development by the Company to manufacture decarbonized basic chemicals, will be installed at the Mizushima Works of Asahi Kasei, with the three companies aiming to commence joint commercial production of decarbonized basic chemicals in fiscal 2034.

February 2026

Healthcare

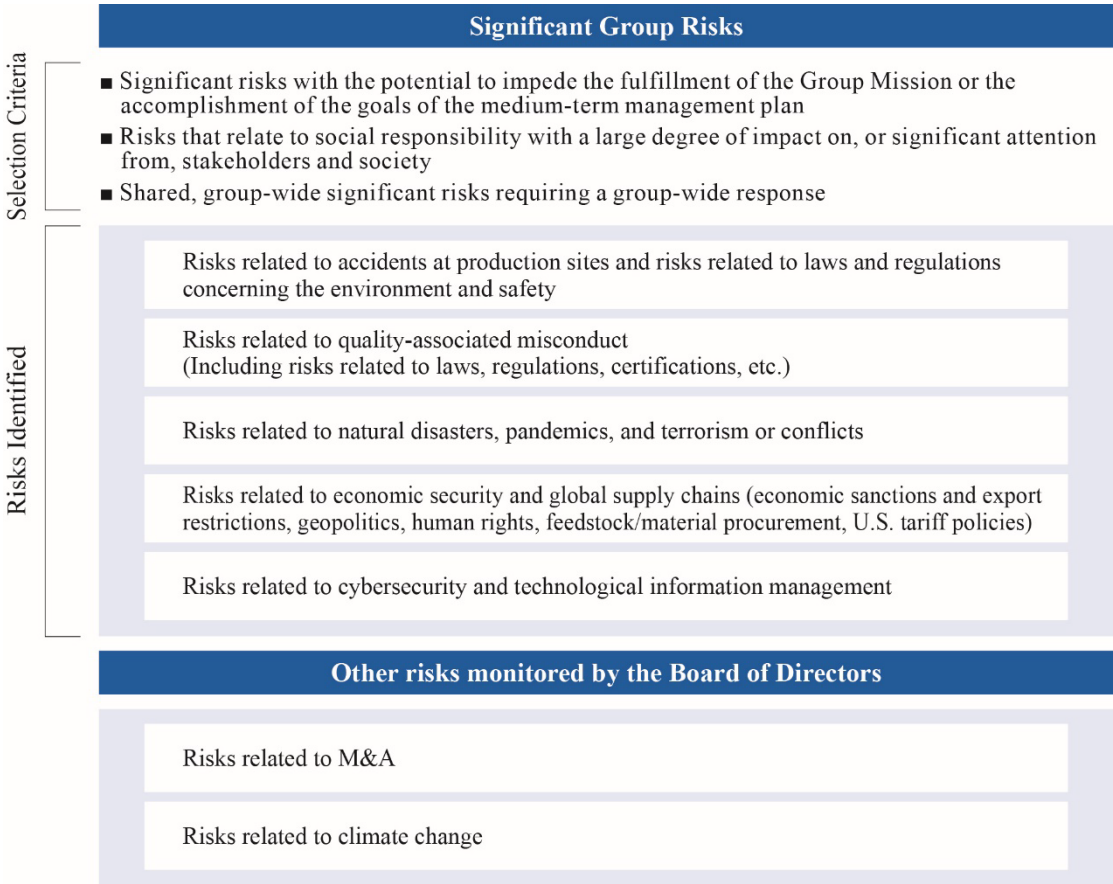
Acquisition of Aicuris Anti-infective Cures AG, a German-based biopharmaceutical company (refer to page 23)

4. Business risks

Under the risk management framework overseen by the Board of Directors, the Company categorizes risks that could have a cross-group impact as Significant Group Risks, and risks critical for each business unit as Significant Business Risks, and enhances PDCA management through both of these. Under the instruction of the President, the Executive Officer for risk management and compliance and the Risk Management Team (comprising mainly Risk Management & Compliance, General Affairs, and Corporate Strategy) work with administrative functions and business units to promote risk mitigation measures, and report regularly to the Risk Management & Compliance Committee and the Board of Directors for their oversight.

In fiscal 2025, the Company strengthened risk assessments at each business unit level and promoted initiatives to raise awareness of risks at the operational level. In addition, to strengthen cross-group initiatives by administrative functions, members from each administrative function were added to the Risk Management Team to enhance the framework.

The following were identified as Significant Group Risks for fiscal 2025.



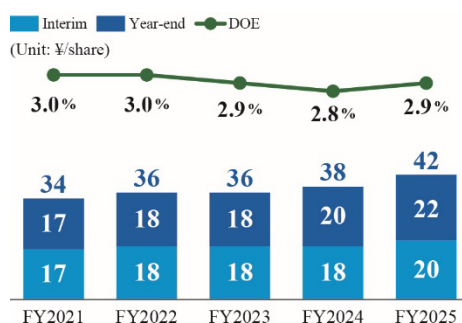
3. Finance

1. The Company's views on shareholder returns and year-end dividends

The Company determines the level of shareholder returns based on the medium-term free cashflow outlook. The Company especially emphasizes medium- to long-term progressive dividends with a target DOE of 3%, and aims to continuously improve the level of shareholder returns.

For the consolidated business results of fiscal 2025, net income exceeded the initial plan. The year-end dividend for fiscal 2025 shall be ¥22 per share, which, together with the interim dividend of ¥20 per share already paid, will bring the annual dividend to ¥42 per share, an increase of ¥4 per share over the previous fiscal year. For fiscal 2026, based on the performance forecasts, the Company plans to pay out an annual dividend of ¥44 per share.

The Company will consider and implement share repurchases by comprehensively considering optimization of the capital structure as well as investment projects, cash flows, and share price conditions. In fiscal 2025, the Company decided to repurchase shares up to a maximum of ¥40 billion. The repurchase period is from November 6, 2025, to October 31, 2026, and the repurchased shares are planned to be cancelled.



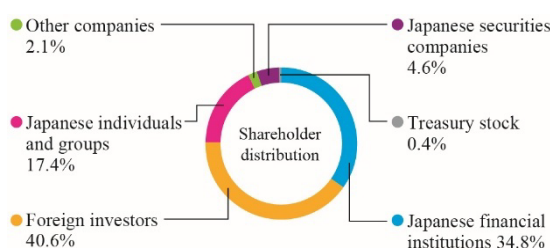
Note: The Company purchased treasury stock of approximately ¥30.0 billion in fiscal 2024.

2. Status of shares

Total number of authorized shares: 4,000,000,000 shares

Total number of outstanding shares: 1,365,751,932 shares (including 6,116,443 shares of treasury stock)

Number of shareholders: 225,260 persons (increased by 8,116 persons compared to the previous fiscal year)



Largest shareholders (top 10)

Name of shareholder	Number of shares owned (thousand shares)	Percentage of equity* (%)
The Master Trust Bank of Japan, Ltd. (trust account)	200,145	14.72
Custody Bank of Japan, Ltd. (trust account)	80,976	5.96
Nippon Life Insurance Company	40,880	3.01
Asahi Kasei Group Employee Stockholding Assn.	35,884	2.64
State Street Bank and Trust Company 505001	29,442	2.17
Sumitomo Life Insurance Company	20,161	1.48
Mizuho Trust & Banking Co., Ltd. retirement benefit trust (Mizuho Bank account) Trustee of sub-trust: Custody Bank of Japan, Ltd.	19,800	1.46
JPMorgan Chase Bank 385781	18,443	1.36
Meiji Yasuda Life Insurance Company	18,416	1.35
Tokio Marine & Nichido Fire Insurance Co., Ltd.	16,425	1.21

* Excluding treasury stock.

3. Status of funds raised

In fiscal 2025, backed by strong business performance, operating cash flows were abundant, and combined with proceeds from business transfers, bank loans and commercial paper decreased. As a result, outstanding interest-bearing debt (excluding lease obligations) at the fiscal year-end decreased by ¥189.9 billion from a year ago to ¥967.5 billion.

4. Main lenders and loans

(¥ million)	
Lender	Loan
Development Bank of Japan Inc.	115,000
Sumitomo Mitsui Banking Corporation*	108,724
Mizuho Bank, Ltd.*	86,517
The Norinchukin Bank	80,650
MUFG Bank, Ltd.	56,397

* The loan amounts of the lender include loans from lenders' overseas affiliates.

Note: Other than above, there is an outstanding loan of ¥55,200 million as a syndicated loan.

For reference: Message from the responsible Executive Officer

Toshiyasu Horie, Representative Director and Primary Executive Officer

In fiscal 2025, the Electronics business benefited from robust demand for AI-related semiconductors, and the Pharmaceuticals business was supported by the growth of Calliditas, acquired in the previous fiscal year, both generating profits that exceeded the plan, resulting in operating income marking a record high for the second consecutive year. With a view to sustainable growth, we actively invested in growth opportunities where the Company's unique technologies and business models can be leveraged, and in light of irreversible changes in the business environment, we decided to withdraw from certain businesses and reconfigure the supply framework in the Chemical business. As for shareholder returns, while emphasizing medium- to long-term progressive dividends with a target DOE of 3%, we also flexibly repurchase shares taking into account investment projects, cash flows, and share price conditions, aiming to continuously raise the level of shareholder returns. We will continue to strive to enhance corporate value in the coming year.

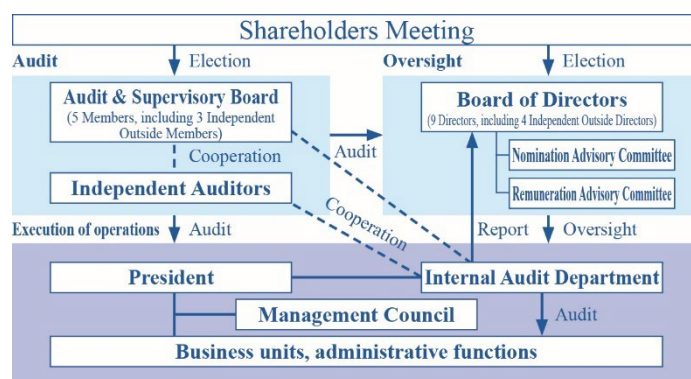
4. Corporate Governance

1. Basic views on corporate governance

The Group Vision of the Company is to provide new value to society and solve social issues by enabling “Living in health and comfort” and “Harmony with the natural environment” under the Group Mission of “Contributing to life and living for people around the world.” With this as a base, the Company aims to contribute to society, achieve sustainable growth, and enhance corporate value over the medium- to long-term by promoting innovation and creating synergy through the connection of various businesses.

The Company continues to pursue optimal corporate governance as a framework to achieve transparent, fair, timely, and resolute decision-making in accordance with changes in the business environment.

2. The Company’s corporate governance system and key points



Key points

- Four-ninths of Directors are Independent Outside Directors *
- Two Directors are female
- Directors have diverse backgrounds
- Three-fifths of Audit & Supervisory Board Members are Independent Outside Audit & Supervisory Board Members
- Audit & Supervisory Board Members are supported by Audit & Supervisory Board Members Office
- Internal Audit Department reports to both the President and the Board of Directors

* If the proposal in the Reference Documents is approved as proposed, 50% of Directors will be Independent Outside Directors.

3. Meetings of Board of Directors, Advisory Committees, and Audit & Supervisory Board (FY2025)

	No. of meetings held	Average attendance	Main agenda items
Board of Directors	15	100% (Directors and Audit & Supervisory Board Members)	<ul style="list-style-type: none"> ● Business portfolio transformation and enhancement of corporate value ● Examinations, decisions, and follow-up of growth investments, M&A, structural transformation, and carve-outs ● Reports of the group-wide risk management status ● Reports of dialogue with investors ● Sustainability initiatives and disclosure ● Reports of Nomination and Remuneration Advisory Committees
Nomination Advisory Committee	6	100% (all members)	<ul style="list-style-type: none"> ● Composition and size of the Board of Directors ● Officer nomination process and selection criteria ● Nomination of officers for fiscal 2026 ● Succession plan for the President
Remuneration Advisory Committee	4	100% (all members)	<ul style="list-style-type: none"> ● Review and deliberation of the officer remuneration system ● Decision on individual performance-linked remuneration amounts
Audit & Supervisory Board	34	99% (Audit & Supervisory Board Members)	<ul style="list-style-type: none"> ● Review of the discussion points and key considerations at the Board of Directors ● Evaluation of the effectiveness of the Audit & Supervisory Board ● Opinion exchange sessions with Outside Directors ● Information sharing and opinion exchange sessions with the internal audit division, the Corporate Auditors of subsidiaries, and the auditing firm

4. Major activities of Outside Officers

Classification	Name	Situation of attendance to the Board of Directors (attendance rate)	Situation of attendance to the Audit & Supervisory Board (attendance rate)	Situation of attendance to the Nomination Advisory Committee (attendance rate)	Situation of attendance to the Remuneration Advisory Committee (attendance rate)
Director	Tsuyoshi Okamoto	15 out of 15 meetings (100%)	–	6 out of 6 meetings (100%)	4 out of 4 meetings (100%)
	Yuko Maeda	15 out of 15 meetings (100%)	–	6 out of 6 meetings (100%)	4 out of 4 meetings (100%)
	Chieko Matsuda	15 out of 15 meetings (100%)	–	6 out of 6 meetings (100%)	4 out of 4 meetings (100%)
	Yoshinori Yamashita	15 out of 15 meetings (100%)	–	6 out of 6 meetings (100%)	4 out of 4 meetings (100%)
Audit & Supervisory Board Members	Akemi Mochizuki	15 out of 15 meetings (100%)	33 out of 34 meetings (97%)	–	–
	Haruyuki Urata	15 out of 15 meetings (100%)	33 out of 34 meetings (97%)	–	–
	Yoshikazu Ochiai	15 out of 15 meetings (100%)	34 out of 34 meetings (100%)	–	–

Classification	Name	Remarks
Directors	Tsuyoshi Okamoto	Based on his experience as a company President, he made necessary statements as appropriate at meetings of the Board of Directors and each committee. During the fiscal year under review, he made comments and asked questions, in particular, about the business feasibility and profitability of investment projects and consideration on employees' motivation on measures, and fulfilled the role and responsibility expected of Outside Director, including by providing supervision, advice, and suggestions on the management.
	Yuko Maeda	Based on her experience in research and development and management at companies, universities, and other institutions, she made necessary statements as appropriate at meetings of the Board of Directors and each committee. During the fiscal year under review, she made comments and asked questions, in particular, about marketing strategy, human resource management, and safety at manufacturing sites, and fulfilled the role and responsibility expected of Outside Director, including providing supervision, advice, and suggestions on the management.
	Chieko Matsuda	Based on her experience at a university and in management consulting, she made necessary statements as appropriate at meetings of the Board of Directors and each committee. During the fiscal year under review, she made comments and asked questions, in particular, about capital policy from the perspective of capital markets and investors, and Group governance and risk management, and fulfilled the role and responsibility expected of Outside Director, including by providing supervision, advice, and suggestions on the management.
	Yoshinori Yamashita	Based on his experience as a company President, he made necessary statements as appropriate at meetings of the Board of Directors and each committee. During the fiscal year under review, he made comments and asked questions, in particular, about risks in global management, ensuring the effectiveness of measures at the operational level, and how to communicate information internally and externally, and fulfilled the role and responsibility expected of Outside Director, including by providing supervision, advice, and suggestions on the management.
Audit & Supervisory Board Members	Akemi Mochizuki	Based on her experience as a certified public accountant, she made necessary statements as appropriate at meetings of the Board of Directors and Audit & Supervisory Board. During the fiscal year under review, she made comments and asked questions, in particular, from the perspectives of risk management and accounting, and fulfilled the role and responsibility expected of Outside Audit & Supervisory Board Member to ensure the legality and appropriateness of management decision-making.
	Haruyuki Urata	Based on his experience as a company President and a head of finance, he made necessary statements as appropriate at meetings of the Board of Directors and Audit & Supervisory Board. During the fiscal year under review, he made comments and asked questions, in particular, about group governance and the internal control system, and fulfilled the role and responsibility expected of Outside Audit & Supervisory Board Member to ensure the legality and appropriateness of management decision-making.
	Yoshikazu Ochiai	Based on his experience as a prosecutor and attorney, he made necessary statements as appropriate at meetings of the Board of Directors and Audit & Supervisory Board. During the fiscal year under review, he made comments and asked questions, in particular, about risk management, compliance, and information security, and fulfilled the role and responsibility expected of Outside Audit & Supervisory Board Member to ensure the legality and appropriateness of management decision-making.

5. Directors and Audit & Supervisory Board Members (As of March 31, 2026)

Position	Name	Responsibilities	Concurrent holding of important posts
Chairman & Director	Hideki Kobori	<ul style="list-style-type: none"> Board of Directors Meeting convener & chair Nomination Advisory Committee member Remuneration Advisory Committee member 	<ul style="list-style-type: none"> Outside Director, Nomura Research Institute, Ltd. Outside Director, Seiko Group Corporation External Director, Japan Investment Corporation
President & Representative Director	Koshiro Kudo	<ul style="list-style-type: none"> Presidential Executive Officer Shareholders Meeting & Management Council convener & chair Oversight of Group management Nomination Advisory Committee member Remuneration Advisory Committee member 	
Director	Kazushi Kuse	<ul style="list-style-type: none"> Vice-Presidential Executive Officer Oversight of R&D Oversight of DX Oversight of Intellectual Property 	
Representative Director	Toshiyasu Horie	<ul style="list-style-type: none"> Primary Executive Officer Executive Officer for Strategy, Accounting & Finance, IR Oversight of Internal Control Oversight of IT Oversight of Communications Oversight of Sustainability Strategy Planning Oversight of Asahi Kasei Europe GmbH Oversight of Asahi Kasei America, Inc. Oversight of Asahi Kasei (China) Co., Ltd. 	
Director	Masatsugu Kawase	<ul style="list-style-type: none"> Primary Executive Officer Oversight of ESH, QA, Regional Offices, Manufacturing, Production Technology Executive Officer for Health & Productivity Management Executive Officer for Energy Policy Executive Officer for Green Transformation 	
Outside Director	Tsuyoshi Okamoto	<ul style="list-style-type: none"> Chair of the Nomination Advisory Committee Remuneration Advisory Committee member 	<ul style="list-style-type: none"> Honorary Counselor, Tokyo Gas Co., Ltd. Outside Director, Mitsubishi Estate Co., Ltd.
Outside Director	Yuko Maeda	<ul style="list-style-type: none"> Nomination Advisory Committee member Remuneration Advisory Committee member 	<ul style="list-style-type: none"> Director, CellBank Corp. External Director, MODEC, Inc.
Outside Director	Chieko Matsuda	<ul style="list-style-type: none"> Nomination Advisory Committee member Remuneration Advisory Committee member 	<ul style="list-style-type: none"> Professor, Faculty of Economics and Business Administration, Tokyo Metropolitan University Professor, Graduate School of Management, Tokyo Metropolitan University Outside Director, IHI Corporation Outside Member of the Board, Toyota Tsusho Corporation External Director, Isetan Mitsukoshi Holdings Ltd.
Outside Director	Yoshinori Yamashita	<ul style="list-style-type: none"> Nomination Advisory Committee member Chair of Remuneration Advisory Committee 	<ul style="list-style-type: none"> Chairperson, Director, Ricoh Company, Ltd. External Director, Nomura Real Estate Holdings, Inc. Outside Director, Kubota Corporation
Audit & Supervisory Board Member	Takuya Magara		

Position	Name	Responsibilities	Concurrent holding of important posts
Audit & Supervisory Board Member	Hiroki Ideguchi		
Outside Audit & Supervisory Board Member	Akemi Mochizuki		<ul style="list-style-type: none"> • Outside Director, Audit and Supervisory Committee Member of Tsumura & Co. • Statutory Auditor of SBI Holdings, Inc.
Outside Audit & Supervisory Board Member	Haruyuki Urata		<ul style="list-style-type: none"> • Outside Director of Mizuho Leasing Company, Limited
Outside Audit & Supervisory Board Member	Yoshikazu Ochiai		<ul style="list-style-type: none"> • Attorney-at-law (Of Counsel, Nishimura & Asahi (Gaikokuho Kyodo Jigyo) law firm)

- Notes:
1. No special relationship exists between the above important posts held concurrently and the Company.
 2. Directors Tsuyoshi Okamoto, Yuko Maeda, Chieko Matsuda, and Yoshinori Yamashita are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act and are registered as Independent Officers as specified by the Tokyo Stock Exchange.
 3. Audit & Supervisory Board Members Akemi Mochizuki, Haruyuki Urata, and Yoshikazu Ochiai are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act and are registered as Independent Officers as specified by the Tokyo Stock Exchange.
 4. Audit & Supervisory Board Members Akemi Mochizuki and Haruyuki Urata have extensive experience as a certified public accountant, and an Executive Officer responsible for accounting and finance, respectively, and both have considerable insight into finance and accounting.
 5. The Company has executed contracts with five Directors: Hideki Kobori, Tsuyoshi Okamoto, Yuko Maeda, Chieko Matsuda, and Yoshinori Yamashita as well as five Audit & Supervisory Board Members: Takuya Magara, Hiroki Ideguchi, Akemi Mochizuki, Haruyuki Urata, and Yoshikazu Ochiai to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of either ¥10 million or the minimum liability limit amount for damages stipulated in laws and regulations.
 6. The Company has entered into an indemnification agreement with all Directors and Audit & Supervisory Board Members stated above as stipulated in Article 430-2, Paragraph 1 of the Companies Act, under which the Company will indemnify them for the expenses stipulated in Item 1, Paragraph 1 and losses stipulated in Item 2, Paragraph 1 of the same Act to the extent provided by laws and regulations.
 7. The Company has concluded a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with Directors, Audit & Supervisory Board Members, Executive Officers, and Directors, Corporate Auditors, Executive Officers at major subsidiary companies, as the insured parties. The insurance agreement shall cover compensation for damage, settlements, attorney's fees, etc. to be borne by the insured parties, and premiums are fully covered by the Company. However, measures are taken so that the properness of the execution of duties by the insured parties is not impaired by excluding from coverage criminal acts of the insured or damage incurred by the insured in connection with acts committed by the insured with knowledge that the act violates laws and regulations.

6. Independent Auditors

- (1) Name of Independent Auditors
PricewaterhouseCoopers Japan LLC
- (2) The rationale for the Audit & Supervisory Board having agreed on the amount of remuneration, etc. to be paid to Independent Auditors pertaining to fiscal 2025
 - 1) Remuneration for audit services as stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act
PricewaterhouseCoopers Japan: ¥306 million
 - 2) Total amount of money and other financial profit to be paid by the Company and its subsidiaries
PricewaterhouseCoopers Japan: ¥545 million

Notes: 1. In the audit contract between the Company and Independent Auditors, it is not practically possible to distinguish between the remuneration for the audit based on the Companies Act as Independent Auditors and that for the audit based on the Financial Instrument and Exchange Act. Therefore, the above amounts include both of these.

2. In addition to audit services as stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act, the Company pays Independent Auditors expenses for various advisory services.

3. The Company's significant overseas subsidiaries are audited (only to the extent the provisions of overseas statutory laws and regulations equivalent to the Companies Act and the Financial Instruments and Exchange Act are applicable) by parties other than the Company's Independent Auditors (such as a chartered accountant or an entity that has the equivalent qualification to a chartered accountant overseas).

- 3) The rationale for the Audit & Supervisory Board having agreed on the remuneration, etc. of Independent Auditors

The Audit & Supervisory Board, after conducting necessary verification to ascertain the appropriateness of descriptions in the audit plan prepared by the Independent Auditors, the status of execution of accounting audit duties, the basis for the calculation of the estimated amount of remuneration estimation, etc., determined that the amount of the remuneration, etc. of the Independent Auditors was appropriate and agreed on the amount.

- (3) Policies of dismissal or denial of reappointment of Independent Auditors
The Audit & Supervisory Board shall dismiss Independent Auditors subject to the agreement of all Audit & Supervisory Board Members when it concludes that any item of Article 340, Paragraph 1 of the Companies Act is applicable to Independent Auditors.

In addition to the above case, if it is deemed difficult for Independent Auditors to perform their duties adequately, the Audit & Supervisory Board shall decide a proposal concerning dismissal or denial of reappointment of Independent Auditors, and the Board of Directors shall submit the relevant proposal to the General Meeting of Shareholders based on the relevant decision.

**For reference:
Strategic Shareholdings**

The Company is continuing to reduce its holdings of shares held for purposes other than pure investment (strategic shareholdings), taking into consideration factors such as the risk of share price fluctuations, costs associated with such holdings, and capital efficiency.

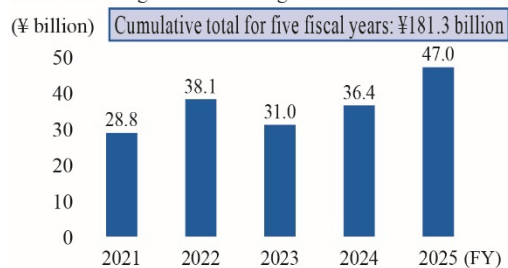
The purpose, effectiveness and economic rationale of individual strategic shareholdings are regularly evaluated from qualitative and quantitative aspects each year, and are reviewed by the Board of Directors.

As a result of the verification, the Company reduces, through sales or other means, holdings of shares judged to be no longer compatible with the purpose of holding them or deemed to have costs and risks that outweigh the benefits of holding them, taking into consideration the conditions of the company concerned.

Strategic holdings of listed shares



Sales of strategic shareholdings



7. Remuneration for Officers

The amount of remuneration, etc. of Directors and Audit & Supervisory Board Members in fiscal 2025

Classification	Amount paid (¥ million)	Breakdown by remuneration type (¥ million)			Number of Directors and Audit & Supervisory Board Members paid
		Basic remuneration	Performance- linked monetary remuneration	Stock-based remuneration*	
Directors	744	455	151	139	10
(of which Outside Directors)	81	81	–	–	4
Audit & Supervisory Board Members	169	169	–	–	6
(of which Outside Audit & Supervisory Board Members)	61	61	–	–	3

* In this table, “Stock-based remuneration” represents an amount expected to be charged for the next fiscal year, not an amount that was charged for the fiscal year under review. The Company charges the stock-based remuneration on a day when points are conferred based on the Share Grant Regulations. The point conferment date is set to a day in the next fiscal year of the fiscal year in which the target achievement base date for the points (the final day of the fiscal year) exists.

Status of shares granted to officers as remuneration for execution of duties in fiscal 2025

Classification	Number of shares	Number of eligible officers
Directors (excluding Outside Officers)	27,250 shares (common stock)	1

Note: The above indicates the status of shares granted to those who retired from the position of Director based on the Company’s stock-based remuneration system (share grant trust).

Resolutions by the General Meeting of Shareholders on remuneration, etc. of Directors and Audit & Supervisory Board Members

Date of resolution by the General Meeting of Shareholders	Outline of resolution	Number of persons pertaining to resolution
June 24, 2022	The cash remuneration limit to be paid to Audit & Supervisory Board Members (¥180 million per year or less)	5
June 24, 2022	The stock-based remuneration limit (up to ¥450 million over three fiscal years)	5
June 25, 2025	The cash remuneration limit to be paid to Directors (¥1,000 million per year or less, of which annual remuneration for Outside Directors is ¥150 million or less)	9 (including 4 Outside Directors)

Remuneration for Directors

(1) Decision-making policy

As one of the corporate governance mechanisms to ensure that the Group can achieve sustainable growth and enhance corporate value over the medium to long term, the Company has sought advice of the Remuneration Advisory Committee on the decision-making policy pertaining to the contents of remuneration, etc. for individual Directors (hereinafter, the “Decision-making Policy”). Respecting the contents of the reports thereof, the Board of Directors has made a resolution on the content that includes the following basic policy. (An outline of the Decision-making Policy is as stated in (2) Basic design and (3) Decision-making process below.)

Basic policy:

The Directors’ remuneration of the Company is one of the important components of corporate governance. The Company designs this system to provide appropriate incentives to both executives and supervisors for achieving the Group’s sustainable growth and improving its medium- to long-term corporate value.

Remuneration for Non-executive Directors including Outside Directors, who supervise the management of the Company, is comprised solely of fixed basic remuneration at a level determined in consideration of third-party survey data, in order to secure a high degree of independence unaffected by earnings fluctuations.

The remuneration system for Executive Directors, who are the Senior Management, combines performance-linked monetary remuneration together with stock-based remuneration as nonmonetary remuneration, in addition to fixed basic remuneration, in order to provide incentives tied to earnings and management strategy, with levels of remuneration amounts and proportions of types of remuneration adjusted as appropriate for each role according to management strategy and tasks, in consideration of third-party survey data.

To ensure the optimal way of remunerating Directors and design of the remuneration system, the Board of Directors and the Remuneration Advisory Committee regularly deliberate, continually confirm appropriateness, and make improvements.

(2) Basic design

1) Performance-linked monetary remuneration

- Designed by combining both the achievement of financial targets including invested capital efficiency to provide incentives tied to earnings and management strategy as management leaders together with the achievement of non-financial targets including individual targets including progress on sustainability
- Calculated by making a comprehensive judgment based on the achievement of financial targets such as consolidated net sales, operating income, ROIC, etc., together with the achievement of individually set targets including progress on sustainability
- Standards for financial incentives are selected from the perspectives of appropriateness as clear and objective evaluation criteria based on earnings results as well as awareness of increased invested capital efficiency
- The formula required to calculate individual performance-linked monetary remuneration amounts is outlined as follows:

$$\boxed{\text{Index calculated by evaluation*}} \times \boxed{\text{Basic amount by rank}} = \boxed{\text{Individual performance-linked monetary remuneration amounts}}$$

* Coefficient comprehensively considering achievement of financial targets and non-financial targets

- Target figures / standard figures and actual figures of management indicators to be used for the calculation of performance-linked monetary remuneration amounts in the most recent fiscal year

	Fiscal 2025 target figure / standard figure	Fiscal 2025 actual figure
Consolidated operating income	¥215.0 billion	¥231.2 billion
Consolidated ROIC*	6.0%	5.9%

* (Operating income – income taxes) ÷ average annual invested capital

2) Stock-based remuneration

- To reinforce a common perspective with shareholders including both the benefits of share price increases and the risk of share price decreases, a stock-based remuneration system was adopted, and it was revised at the 131st Ordinary General Meeting of Shareholders held on June 24, 2022.
- A trust established by the Company acquires shares of the Company and grants them to eligible Directors. Based on the Share Grant Regulations adopted by the Board of Directors, eligible Directors are conferred points according to individual ranks and degree of achievement of performance targets (maximum of 150,000 points per fiscal year) and the Company's shares are granted to eligible Directors corresponding to the accumulated number of points at the time of their retirement as Director and as officer of the Group (one share of stock per point)
- The following table describes the status of the performance targets above, which are defined by the Board of Directors, for fiscal 2025.

Indicator	Indicator Calculation Method	Fiscal 2025 target figure / standard figure	Fiscal 2025 actual figure
Employee engagement	“Vitality” Index in employee engagement survey ¹	58.2%	58.5%
Diversity	Percentage of women among managers and Group Masters ²	6.0%	5.5%
Corporate value	Total shareholder return (TSR) of the Company relative to TOPIX growth rate ³	100% or more	115.2%

¹ Percentage of respondents who gave favorable responses (a score of 3.5 or higher on a 5-point scale) to questions related to the “Vitality” Index in the employee engagement survey

² The base date for the target and actual figures for the Diversity indicator is the day after the fiscal year-end

³ Ratio of the Company's total shareholder return (TSR) to TOPIX growth rate on a dividend-reinvested basis (using the average closing price for each day of the final month of the previous fiscal year and the final month of the current fiscal year)

(3) Decision-making process

- Entrusted to the Remuneration Advisory Committee based on a resolution of the Board of Directors
- The Remuneration Advisory Committee is authorized to confirm the reasonableness and appropriateness of the evaluation of the achievement of targets by Executive Directors as proposed by the President & Director, and to determine performance-linked monetary remuneration amount for individual Directors by applying this evaluation to the framework formula determined by the Board of Directors
Fixed basic remuneration by rank is paid upon determination of the amount by the Board of Directors
Stock-based remuneration is granted when certain conditions are met, corresponding to points conferred based on the Share Grant Regulations adopted by the Board of Directors
- The reason for entrusting the authority is because entrusting to the Remuneration Advisory Committee is the most appropriate in order to determine the remuneration for individual Directors from a highly independent, objective, and transparent standpoint while overseeing the business results of the entire Group
- To ensure the appropriate use of this authorization to the Remuneration Advisory Committee, the Outside Directors comprise a majority of the Remuneration Advisory Committee, and it regularly reports to the Board of Directors on the process of the above confirmation and determination

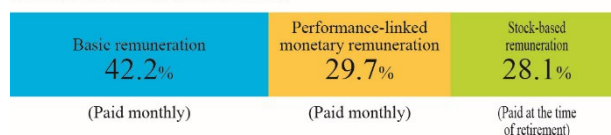
Composition of the members of the Remuneration Advisory Committee (as of March 31, 2026)

Name	Position and responsibilities
Yoshinori Yamashita	Outside Director, Chair of the Remuneration Advisory Committee
Tsuyoshi Okamoto	Outside Director
Yuko Maeda	Outside Director
Chieko Matsuda	Outside Director
Hideki Kobori	Chairman & Director
Koshiro Kudo	Representative Director, President & Director, Presidential Executive Officer

(4) Reason for the Board of Directors to have judged the contents of remuneration, etc. for individual Directors pertaining to fiscal 2025 are in line with the Decision-making Policy

- The contents of basic remuneration and stock-based remuneration are determined upon taking into account the results of deliberations by the Remuneration Advisory Committee, of whose members Outside Directors comprise a majority, to ensure objectivity and transparency of the decision.
- The decision on performance-linked monetary remuneration has been made through a highly independent, objective, and transparent process of the Remuneration Advisory Committee.

For reference: Executive Directors



- Performance-linked monetary remuneration = commitment to results
- Stock-based remuneration = sharing the perspective with shareholders

Note: Remuneration for Outside Directors comprises basic remuneration only

Remuneration for Audit & Supervisory Board Members

- A performance-linked remuneration system is not applied in the remuneration for Audit & Supervisory Board Members, and their remuneration consists of fixed remuneration. Individual remuneration amounts are determined through discussions among Audit & Supervisory Board Members.

8. Results of evaluation of effectiveness of the Board of Directors

The Board of Directors of the Company conducts regular evaluations of its own effectiveness every fiscal year. The results of the evaluation of the effectiveness of the Board of Directors (hereinafter, “the fiscal year’s evaluation”) in fiscal 2025 are summarized as follows. In order to maintain an evaluation cycle that also incorporates an objective perspective, the Company will continue to use the third-party organization on a regular basis for evaluating the effectiveness of the Board of Directors.

1. Process of the fiscal year’s Evaluation

(1) December 2025

The Company’s Board of Directors deliberated on the process and survey content of the fiscal year’s evaluation.

(2) From December 2025 to January 2026

Survey of all Directors and Audit & Supervisory Board Members was conducted. The survey covered the Board of Directors, the Nomination Advisory Committee, and the Remuneration Advisory Committee (hereinafter “covered bodies”). The survey topics included the functions, operation and discussion status of the covered bodies, and individual evaluation (self-evaluation) of all Directors and Audit & Supervisory Board Members. In this fiscal year’s survey, in order to further enhance the supervisory function, both the exercise of the supervisory function of the Board of Directors as a whole and individual contributions to the exercise of the supervisory function were evaluated.

(3) March and April 2026

The Company’s Board of Directors confirmed the results of the evaluation of the effectiveness of the Board of Directors based on the survey results above, and deliberated on responses to the issues identified.

2. Summary of results of the evaluation

(1) The Company’s Board of Directors confirmed that the effectiveness of the Board of Directors is sufficiently ensured, particularly in the following aspects.

- The Board of Directors was evaluated for advancing agenda-setting on business portfolio transformation (growth investments and structural transformation) with a view to 2030, enriching the quality and quantity of discussions, and deepening overall discussions on management issues from a medium- to long-term perspective.
- The Board of Directors was evaluated for appropriately incorporating the perspectives of capital markets and other stakeholders on key management issues to conduct in-depth discussions, as well as for deepening monitoring discussions from a risk perspective, including IT security risks.
- In operational aspects, the Board of Directors was highly evaluated for frank exchanges of critical opinions that contribute to enhancing corporate value, and for maintaining an open environment that encourages active discussion and makes it easy for Outside Officers to speak.

(2) On the other hand, the Company’s Board of Directors shared that there are still issues regarding the following points.

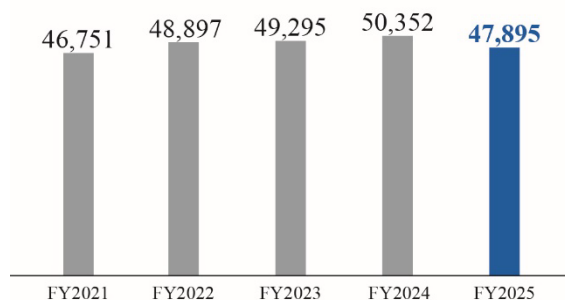
- The Board of Directors recognizes the need to place greater emphasis on discussions of medium- to long-term future strategy for sustainable enhancement of corporate value, to further enrich discussions on the evolution of sector management, and to deepen consideration from multiple perspectives and add depth to discussions from the perspective of capital markets.
- Regarding raising the quality of discussions by the Board of Directors, the Board of Directors recognizes the need to make effective use of off-site settings to deepen discussions on medium- to long-term strategic subjects and to further promote Outside Officers’ understanding of the businesses.
- Regarding the Nomination Advisory Committee, the Board of Directors recognizes the need to consider further enhancement of the operation of the succession plan for the President & CEO. Regarding the Remuneration Advisory Committee, the Board of Directors recognizes the need to advance consideration toward the revision of the next officer remuneration system.

3. PDCA cycle of evaluation of the effectiveness of the Board of Directors and future measures

		Plan: Direction of measures for fiscal 2025	Do: Primary measures during fiscal 2025	Check: Evaluation for the fiscal year	Act: Future measures
Board of Directors	Deliberation subjects/deliberation quality	<ul style="list-style-type: none"> ■ Further enhance discussions from a medium- to long-term perspective on the future vision of the Group after business portfolio transformation, sustainability issues, etc., and deepen discussions on management ■ Aim to further raise the quality of discussions from the perspective of capital markets by increasing opportunities for opinion exchange between Outside Directors and management on topics for dialogue with investors 	<ul style="list-style-type: none"> ■ Deliberate on the annual agenda at the Board of Directors. Subjects related to enhancing corporate value, such as measures for enhancing corporate value and sustainability, are continuously deliberated ■ Discuss the future vision of key growth businesses in the Material sector, also utilizing off-site settings ■ Exchange opinions with Outside Directors constructively in off-site settings prior to small meetings with institutional investors 	<ul style="list-style-type: none"> ■ Highly evaluated on the advancement of agenda-setting on business portfolio transformation and discussions from a medium- to long-term perspective ■ Subjects were identified that need to be deliberated more intensively, including the future strategy of NEXT Asahi Kasei, and responses to changes in the management environment, in order to sustainably enhance corporate value ■ Regarding discussions from the perspective of capital markets, it was pointed out that there is a need to further deepen discussions on the Company's unique value creation across diverse business operations and the technology aspect of growth strategy 	<p>(1) Agenda-setting that contributes to sustainable enhancement of corporate value</p> <ul style="list-style-type: none"> ■ At the Board of Directors and other meetings, further enrich discussions on the Group's future strategy by discussing not only NEXT Asahi Kasei and the future vision of each sector and resource allocation based on these, but also the management platform that supports growth ■ Continue to work toward maximizing corporate value by expanding discussions from the perspective of technology and innovation in deliberations on measures to enhance corporate value
	Operation	<ul style="list-style-type: none"> ■ Secure time for deliberation on key management issues by rationally narrowing down the Board of Directors' agenda items. Improve the effectiveness of deliberations by enhancing information sharing through effective utilization of off-site settings 	<ul style="list-style-type: none"> ■ The Board of Directors Secretariat worked closely with the Chairman to establish an agenda schedule that rationally consolidates deliberations. Through appropriate time allocation, deepened discussions on key management issues 	<ul style="list-style-type: none"> ■ Status of operation was evaluated as appropriate due to steady operational improvements ■ It was pointed out that, toward raising the quality of discussions, the effective utilization of off-site settings is also important for sharing the premises of discussions, such as the Company's corporate culture 	<p>(2) Operational improvements to raise the quality of discussions at the Board of Directors</p> <ul style="list-style-type: none"> ■ Enhance the effectiveness of deliberations at the Board of Directors through continuous operational improvements, such as optimizing the utilization of off-site settings and improving the format of materials
Nomination and Remuneration Advisory Committees	<ul style="list-style-type: none"> ■ Enhance the operation of both advisory committees to further deepen deliberations on the Board of Directors composition, succession, and officer remuneration. In addition, enhance the content of information sharing with the Board of Directors 	<ul style="list-style-type: none"> ■ Deliberate on the matters listed on the left at the Nomination Advisory Committee. After the June 2026 General Meeting of Shareholders, Outside Directors will constitute half of the Board of Directors ■ Officer remuneration was revised to further enhance incentives for improving corporate value 	<ul style="list-style-type: none"> ■ Both advisory committees are evaluated as functioning appropriately. Information sharing with the Board of Directors was also highly evaluated ■ The progress of the succession plan is regularly confirmed at the Nomination Advisory Committee. Based on this, suggestions were provided toward further enhancement of operation 	<p>(3) Initiatives toward deepening discussions at the Nomination and Remuneration Advisory Committees</p> <ul style="list-style-type: none"> ■ Continue to examine ways to enhance the operation of the succession plan. In addition, deepen consideration of the optimal officer remuneration system for enhancing corporate value, with a view to the next revision 	

5. Status of Human Resources, Sites, and the Group

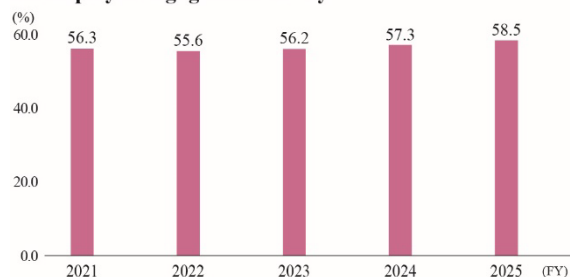
1. Number of employees at the Group (as of the end of each fiscal year)



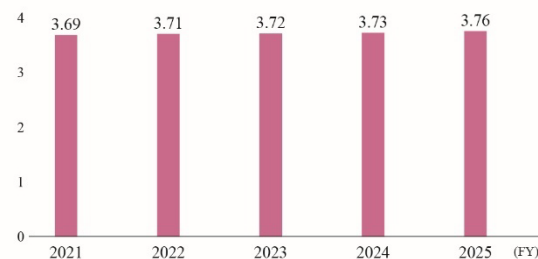
Note: The ratio of overseas employees for FY2025 is slightly above 40%.

For reference: Human resources-related data

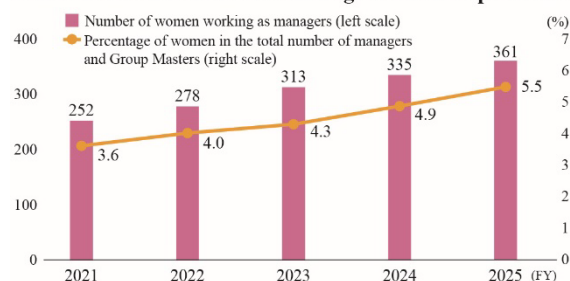
Percentage of favorable responses on the Vitality Index in the employee engagement survey



Growth behavior index from work engagement survey



Number of women working as managers and percentage of women in the total number of managers and Group Masters



Applicable range: Results for personnel employed by Asahi Kasei Corp., Asahi Kasei Microdevices Corp., Asahi Kasei Homes Corp., Asahi Kasei Construction Materials Corp., Asahi Kasei Pharma Corp., and Asahi Kasei Life Science Corp.

Notes: 1. Figures are as of April 1 of the following fiscal year.

2. Asahi Kasei Pharma Corp. changed its name to Asahi Kasei Therapeutics Corp. effective April 1, 2026.

In the medium-term management plan, the Company positions “lifelong growth” to continue to grow and take on challenges, and “co-creativity” to expand and connect diversity, as pillars of human resource strategy.

The Company is promoting measures to leverage the unique value of the Group by enhancing management’s ability to draw out both individual and team capabilities, achieving a virtuous cycle of career autonomy for each individual and organizational growth, and leveraging diverse human resources.

The Company has set and monitors the following as major KPIs for human resource strategy: the percentage of women in manager positions and as Group Masters, the Growth Behavior Index¹ and the Vitality Index² of the employee engagement survey.

¹ Average value of responses (5-point scale) on the Growth Behavior Index in the employee engagement survey

² Percentage of respondents in a favorable state (3.5 or higher on a 5-point scale) on the Vitality Index in the employee engagement survey

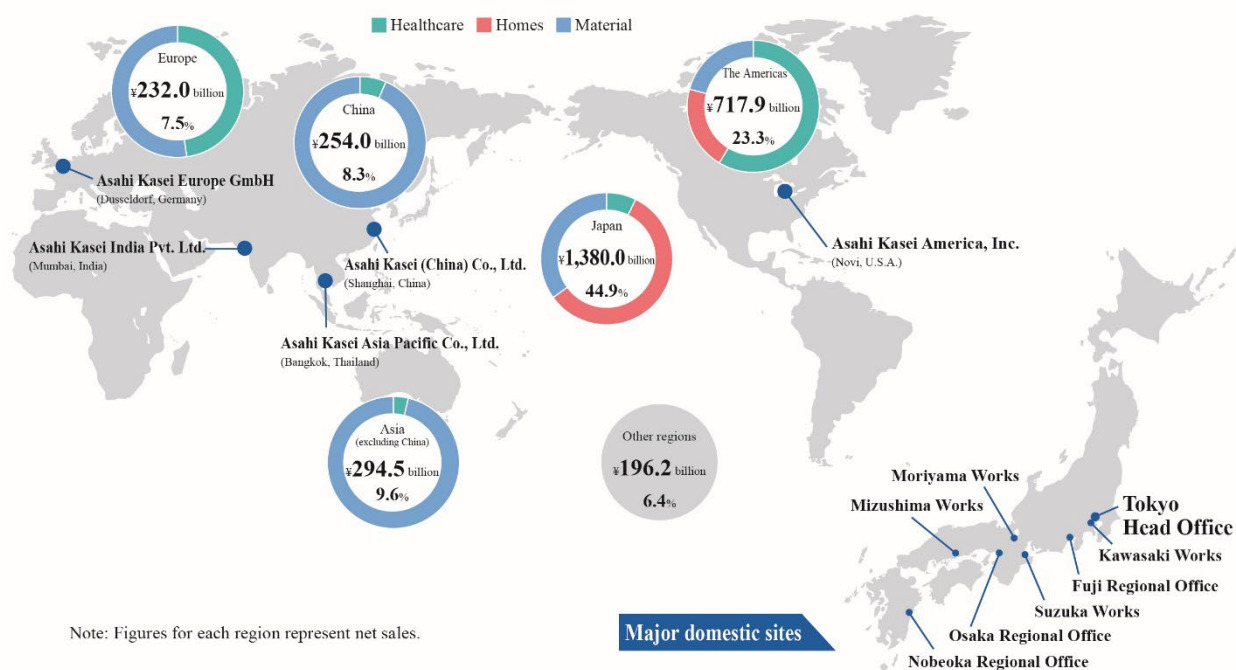
2. Status of the Asahi Kasei Group (Group structure, primary sites, and Group companies)

The Company operates under an operating holding company configuration comprising three sectors of Healthcare, Homes, and Material, bringing together diverse management assets to pursue sustainable enhancement of corporate value through growth investments and structural transformation.



Notes: 1. There are 285 subsidiaries included in the scope of consolidation and 36 affiliates accounted for using equity method (as of March 31, 2026).
 2. Asahi Kasei Pharma Corp. changed its name to Asahi Kasei Therapeutics Corp. effective April 1, 2026.

Major overseas sites



Note: Figures for each region represent net sales.

Major domestic sites

Consolidated Financial Statements

Consolidated Balance Sheets (As of March 31, 2026)

(¥ million)

Accounts	Previous Consolidated Fiscal Year (As of March 31, 2025)	Consolidated Fiscal Year (As of March 31, 2026)
(Assets)		
Current assets	1,769,448	1,865,357
Cash and deposits	393,467	377,023
Notes, accounts receivable–trade, and contract assets	491,414	513,807
Merchandise and finished goods	341,531	369,639
Work in process	183,613	226,280
Raw materials and supplies	194,186	197,806
Other	169,042	184,611
Allowance for doubtful accounts	(3,805)	(3,809)
Noncurrent assets	2,245,766	2,272,586
Property, plant and equipment	920,611	961,081
Buildings and structures	324,950	317,497
Machinery, equipment and vehicles	271,970	263,087
Land	81,945	80,067
Lease assets	7,725	10,600
Construction in progress	162,890	212,828
Other	71,131	77,003
Intangible assets	930,553	917,865
Goodwill	389,640	383,805
Technology assets	297,384	294,854
Other	243,529	239,205
Investments and other assets	394,602	393,640
Investment securities	168,371	140,241
Long-term loans receivable	9,561	10,521
Long-term advance payments–trade	24,416	23,378
Net defined benefit asset	74,133	108,909
Deferred tax assets	69,217	53,921
Other	49,431	57,528
Allowance for doubtful accounts	(527)	(859)
Total assets	4,015,214	4,137,943

Note: Amounts are rounded to the nearest million yen.

Accounts	Previous Consolidated Fiscal Year (As of March 31, 2025)	Consolidated Fiscal Year (As of March 31, 2026)
	(¥ million)	
(Liabilities)	2,101,271	1,972,296
Current liabilities	964,608	793,143
Notes and accounts payable–trade	193,583	195,002
Short-term loans payable	203,249	99,926
Commercial paper	87,000	—
Current portion of bonds payable	20,000	30,000
Lease obligations	8,049	9,333
Accrued expenses	180,644	196,823
Income taxes payable	18,666	19,696
Advances received	109,750	104,722
Provision for grant of shares	176	243
Provision for periodic repairs	10,297	5,103
Provision for product warranties	4,708	4,892
Provision for removal cost of property, plant and equipment	13,854	3,654
Other	114,631	123,748
Noncurrent liabilities	1,136,663	1,179,153
Bonds payable	280,000	250,000
Long-term loans payable	567,209	587,618
Lease obligations	29,538	34,344
Deferred tax liabilities	55,608	58,482
Provision for grant of shares	611	735
Provision for periodic repairs	5,516	6,554
Provision for removal cost of property, plant and equipment	6,874	26,207
Net defined benefit liability	121,619	107,980
Long-term guarantee deposits	24,070	22,971
Other	45,618	84,263
Net assets	1,913,944	2,165,647
Shareholders' equity	1,366,768	1,468,278
Capital stock	103,389	103,389
Capital surplus	80,319	80,319
Retained earnings	1,191,076	1,294,711
Treasury stock	(8,015)	(10,140)
Accumulated other comprehensive income	492,652	620,180
Net unrealized gain on other securities	35,996	13,674
Deferred gains or losses on hedges	78	(24)
Foreign currency translation adjustment	394,803	519,234
Remeasurements of defined benefit plans	61,776	87,295
Non-controlling interests	54,523	77,189
Total liabilities and net assets	4,015,214	4,137,943

Note: Amounts are rounded to the nearest million yen.

Consolidated Statements of Income
(April 1, 2025 – March 31, 2026)

(¥ million)

Accounts	Previous Consolidated Fiscal Year (April 1, 2024 – March 31, 2025)	Consolidated Fiscal Year (April 1, 2025 – March 31, 2026)
Net sales	3,037,312	3,074,505
Cost of sales	2,079,051	2,065,913
Gross profit	958,260	1,008,592
Selling, general and administrative expenses	746,340	777,392
Operating income	211,921	231,200
Non-operating income	20,826	31,708
Interest income	9,982	12,718
Dividends income	3,396	1,933
Equity in earnings of affiliates	—	8,993
Other	7,448	8,064
Non-operating expenses	39,288	32,490
Interest expense	9,096	12,449
Equity in losses of affiliates	7,188	—
Other	23,004	20,041
Ordinary income	193,459	230,419
Extraordinary income	44,520	66,253
Gain on sales of investment securities	32,453	41,696
Gain on sales of noncurrent assets	336	3,605
Insurance income	9,512	—
Settlement income	—	8,523
Gain on negative goodwill	2,218	—
Gain on sale of shares of subsidiaries and associates	—	12,428
Extraordinary loss	43,377	82,063
Loss on valuation of investment securities	2,286	3,335
Loss on disposal of noncurrent assets	8,503	9,738
Impairment losses	12,181	16,661
Loss on cancellation of power contract	—	4,440
Loss on product compensation	1,977	—
Business structure improvement expenses	18,429	47,889
Income before income taxes	194,602	214,609
Income taxes—current	47,914	44,495
Income taxes—deferred	6,283	6,574
Net income	140,404	163,539
Net income attributable to non-controlling interests	5,408	4,746
Net income attributable to owners of the parent	134,996	158,793

Note: Amounts are rounded to the nearest million yen.

Consolidated Financial Statements

For reference:
Summary of Consolidated Statements of Cash Flows
(April 1, 2025 – March 31, 2026)

(¥ million)

Description	Consolidated Fiscal Year (April 1, 2025 – March 31, 2026)
Cash flows from operating activities	303,104
Income before income taxes	214,609
Depreciation and amortization	162,598
Amortization of goodwill	33,746
Decrease in notes, accounts receivable–trade, and contract assets	(12,377)
Increase in inventories	(76,553)
Decrease in notes and accounts payable–trade	(6,461)
Increase in accrued expenses	16,536
Increase in advances received	28,604
Income taxes (paid) refund	(48,764)
Other	(8,834)
Cash flows from investing activities	(106,873)
Purchase of property, plant and equipment	(193,671)
Proceeds from sales of property, plant and equipment	5,714
Purchase of intangible assets	(17,379)
Purchase of investment securities	(6,289)
Proceeds from sales of investment securities	48,925
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	62,605
Other	(6,777)
Cash flows from financing activities	(245,354)
Net increase in loans payable, commercial paper, and bonds payable	(194,572)
Cash dividends paid	(54,386)
Purchase of treasury stock	(2,344)
Proceeds from share issuance to non-controlling interests	18,000
Other	(12,052)
Effect of exchange rate change on cash and cash equivalents	31,156
Net increase in cash and cash equivalents	(17,967)
Cash and cash equivalents at beginning of period	390,035
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	0
Cash and cash equivalents at end of period	372,068

Note: Amounts are rounded to the nearest million yen.

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheets

(As of March 31, 2026)

(¥ million)

Accounts	Previous Non-Consolidated Fiscal Year (As of March 31, 2025)	Non-Consolidated Fiscal Year (As of March 31, 2026)
(Assets)		
Current assets	590,949	588,506
Cash and deposits	42,960	39,865
Electronically recorded monetary claims—operating	3,405	3,248
Accounts receivable—trade	155,046	146,655
Securities	—	20
Merchandise and finished goods	123,030	118,270
Work in process	40,363	42,686
Raw materials and supplies	63,060	68,466
Prepaid expenses	9,641	9,894
Accounts receivable—other	30,368	31,539
Income taxes refund receivable	7,476	832
Short-term loans receivable from subsidiaries and affiliates	86,300	106,363
Advances paid	11,564	7,550
Other	17,742	13,126
Allowance for doubtful accounts	(7)	(7)
Noncurrent assets	1,586,614	1,600,577
Property, plant and equipment	319,897	322,819
Buildings	94,328	98,083
Structures	35,140	45,558
Machinery and equipment	91,782	96,685
Vehicles	442	399
Tools, furniture and fixtures	8,833	8,409
Land	48,957	47,485
Lease assets	10	19
Construction in progress	40,405	26,181
Intangible assets	34,371	27,622
Software	33,606	26,914
Other	765	708
Investments and other assets	1,232,346	1,250,136
Investment securities	67,734	26,958
Stocks of subsidiaries and affiliates	1,038,922	1,078,303
Investments in capital	153	21
Long-term loans receivable from subsidiaries and affiliates	43,650	64,839
Distressed receivables	5,146	3,463
Long-term advance payments—trade	16,392	15,237
Long-term prepaid expenses	2,545	3,237
Deferred tax assets	55,961	52,011
Other	6,988	9,530
Allowance for doubtful accounts	(5,146)	(3,463)
Total assets	2,177,563	2,189,084

Note: Amounts are rounded to the nearest million yen.

(¥ million)

Accounts	Previous Non-Consolidated Fiscal Year (As of March 31, 2025)	Non-Consolidated Fiscal Year (As of March 31, 2026)
(Liabilities)	1,611,084	1,588,638
Current liabilities	672,633	638,927
Notes payable–trade	855	295
Accounts payable–trade	68,098	61,688
Short-term loans payable	111,145	—
Commercial paper	87,000	—
Current portion of bonds payable	20,000	30,000
Current portion of long-term loans payable	63,238	61,498
Short-term loans payable to subsidiaries and affiliates	199,612	388,634
Lease obligations	4	9
Accounts payable–other	17,204	11,474
Accrued expenses	40,110	42,583
Advances received	13,422	8,040
Deposits received	6,790	6,546
Provision for grant of shares	84	140
Provision for periodic repairs	10,297	5,103
Provision for removal costs of property, plant and equipment	5,589	3,014
Provision for loss on guarantees	1,608	—
Other	27,575	19,902
Noncurrent liabilities	938,451	949,711
Bonds payable	280,000	250,000
Long-term loans payable	562,938	583,700
Lease obligations	6	10
Provision for retirement benefits	55,632	54,062
Provision for grant of shares	392	497
Provision for periodic repairs	1,302	2,271
Provision for removal costs of property, plant and equipment	5,504	24,190
Provision for loss on business of subsidiaries and associates	6,670	2,492
Provision for loss on guarantees	—	1,990
Long-term guarantee deposits	3,217	3,169
Other	22,790	27,329

Note: Amounts are rounded to the nearest million yen.

(¥ million)

Accounts	Previous Non-Consolidated Fiscal Year (As of March 31, 2025)	Non-Consolidated Fiscal Year (As of March 31, 2026)
(Net assets)	566,480	600,446
Shareholders' equity	533,678	590,163
Capital stock	103,389	103,389
Capital surplus	79,396	79,396
Legal capital surplus	79,396	79,396
Other capital surplus	—	0
Retained earnings	358,908	417,517
Legal retained earnings	25,847	25,847
Other retained earnings	333,060	391,670
Reserve for special depreciation	1,280	997
Reserve for advanced depreciation of noncurrent assets	11,921	11,789
Reserve for special disaster	22	22
Reserve for dividend equalization	7,000	7,000
General reserve	82,000	82,000
Retained earnings brought forward	230,838	289,862
Treasury stock	(8,015)	(10,139)
Valuation and translation adjustments	32,802	10,283
Net unrealized gain on other securities	32,728	10,299
Deferred gains or losses on hedges	74	(16)
Total liabilities and net assets	2,177,563	2,189,084

Note: Amounts are rounded to the nearest million yen.

Non-Consolidated Financial Statements

Non-Consolidated Statements of Income (April 1, 2025 – March 31, 2026)

(¥ million)

Accounts	Previous Non-Consolidated Fiscal Year (April 1, 2024 – March 31, 2025)	Non-Consolidated Fiscal Year (April 1, 2025 – March 31, 2026)
Net Sales	726,492	650,795
Cost of sales	607,094	540,906
Gross profit	119,397	109,889
Selling, general and administrative expenses	118,747	113,342
Operating income (loss)	650	(3,452)
Non-operating income	29,639	84,320
Interest and dividends income	24,054	80,386
Foreign exchange gains	1,442	305
Other income	4,143	3,629
Non-operating expenses	13,970	16,852
Interest expenses	7,068	11,134
Other	6,902	5,717
Ordinary income	16,319	64,016
Extraordinary income	40,309	92,689
Gain on sales of investment securities	32,324	39,757
Gain on sales of shares of subsidiaries and associates	1,181	42,449
Gain on liquidation of subsidiaries and affiliates	23	—
Gain on sales of noncurrent assets	134	4,208
Gain on extinguishment of tie-in shares	0	1,337
Insurance income	6,646	—
Reversal of allowance for doubtful accounts for subsidiaries and associates	—	1,296
Reversal of provision for loss on business of subsidiaries and associates	—	3,642
Extraordinary loss	34,780	48,036
Loss on valuation of investment securities	1,361	2,721
Loss on valuation of shares of subsidiaries and affiliates	2,419	—
Loss on disposal of noncurrent assets	5,786	5,603
Impairment loss	10,247	11,991
Business structure improvement expense	2,969	27,721
Loss on product compensation	1,800	—
Provision of allowance for doubtful accounts for subsidiaries and associates	3,528	—
Provision for loss on business of subsidiaries and associates	6,670	—
Income before income taxes	21,847	108,669
Income taxes—current	(15,443)	(18,067)
Income taxes—deferred	268	13,741
Net income	37,022	112,995

Note: Amounts are rounded to the nearest million yen.

Independent Auditors' Report (consolidated)

May 11, 2026

The Board of Directors
Asahi Kasei Corporation

PricewaterhouseCoopers Japan LLC

Tokyo Office		
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Kensuke Koda
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Hideki Godai
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Masaki Nitta

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheets, the consolidated statements of income, the consolidated statements of changes in net assets, and the notes to the consolidated financial statements of Asahi Kasei Corporation (the "Company") for the fiscal year from April 1, 2025, through March 31, 2026.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the corporate group which consists of the Asahi Kasei Corp. and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan (including provisions applicable to audits of financial statements of entities of significant public interest), and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Matters of Emphasis

1. As described in Item 1 of Important Subsequent Events, Veloxis Pharmaceuticals, Inc., a consolidated subsidiary of the Company, acquired all shares of Aicuris Anti-infective Cures AG on April 17, 2026, making it a wholly owned subsidiary.
2. As described in Item 2 of Important Subsequent Events, the Company executed borrowings on April 14, 2026, to fund the acquisition of all shares of Aicuris Anti-infective Cures AG.

Our opinion is not modified in respect of these matters.

Other Statements

Other statements are the business report and the supplementary schedules. Management is responsible for the preparation and disclosure of other statements. The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the process of reporting the other statements.

The other statements are not included within the scope of our audit findings regarding the consolidated

financial statements, and we do not indicate our opinions on the contents of the other statements.

Our responsibility with regard to the auditing of the consolidated financial statements is to read through the contents of other statements and consider if there are any material differences between their contents and those of the consolidated financial statements or the knowledge we have obtained through our auditing activities. Furthermore, it is our responsibility to pay attention to whether or not there are signs of material errors in other statements, in addition to such material differences.

When we determine that there are material errors in the contents of other statements through our auditing activities, we are required to report such fact.

We have found no matters to report regarding the contents of other statements.

Responsibilities of Management, Audit & Supervisory Board Members, and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by us. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, we consider internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, we are required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While our conclusions

are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- In order to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to be the basis for our audit opinion on the consolidated financial statements, we plan and implement audit on the consolidated financial statements. We are responsible for conducting, supervising, and inspecting the audit of the consolidated financial statements, and are solely responsible for the audit opinion.

We report to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

We report to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on our independence, any measures taken to remove obstacles or any safeguards that are applied to reduce obstacles to an acceptable level, if any.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Independent Auditors' Report (non-consolidated)

May 11, 2026

The Board of Directors
Asahi Kasei Corporation

PricewaterhouseCoopers Japan LLC

Tokyo Office

Designated Limited Liability Partner Certified Public Accountant Kensuke Koda
Engagement Partner

Designated Limited Liability Partner Certified Public Accountant Hideki Godai
Engagement Partner

Designated Limited Liability Partner Certified Public Accountant Masaki Nitta
Engagement Partner

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheets, the statements of income, the statements of changes in net assets, and the related notes, and the accompanying supplementary schedules of Asahi Kasei Corporation (the "Company") for the 135th fiscal period from April 1, 2025 through March 31, 2026.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2026, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan (including provisions applicable to audits of financial statements of entities of significant public interest), and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Matters of Emphasis

As described in Important Subsequent Events, the Company executed borrowings on April 14, 2026, to fund the acquisition of all shares of Aicuris Anti-infective Cures AG.

Our opinion is not modified in respect of this matter.

Other Statements

Other statements are the business report and the supplementary schedules. Management is responsible for the preparation and disclosure of other statements. The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the process of reporting the other statements.

The other statements are not included within the scope of our audit findings regarding the financial statements and the accompanying supplementary schedules, and we do not indicate our opinions on the contents of the other statements.

Our responsibility with regard to the auditing of the financial statements and the accompanying supplementary schedules is to read through the contents of other statements and consider if there are any material differences between their contents and those of the financial statements and the accompanying supplementary schedules or

the knowledge we have obtained through our auditing activities. Furthermore, it is our responsibility to pay attention to whether or not there are signs of material errors in other statements, in addition to such material differences.

When we determine that there are material errors in the contents of other statements through our auditing activities, we are required to report such fact.

We have found no matters to report regarding the contents of other statements.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by us. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, we consider internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, we are required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to

the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While our conclusions are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

We report to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

We report to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on our independence, any measures taken to remove obstacles or any safeguards that are applied to reduce obstacles to an acceptable level, if any.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Audit Report

With respect to the Directors' performance of their duties during the 135th financial period from April 1, 2025, to March 31, 2026, the Audit & Supervisory Board has prepared this audit report upon deliberations based on the audit reports prepared by each of the Audit & Supervisory Board Members, and hereby reports as follows:

1. Method and Content of Audit Conducted by Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board formulated audit policies, audit plans, etc. and received reports from each of the Audit & Supervisory Board Members regarding the status of implementation of their audits and results thereof. The Audit & Supervisory Board also received reports from the Directors, etc. and the Independent Auditors regarding the status of performance of their duties and requested explanations when deemed necessary.
- (2) In conformity with standards of audit by Audit & Supervisory Board Members set down by the Audit & Supervisory Board and in accordance with the audit policy and audit plans, we, Audit & Supervisory Board Members, sought to facilitate mutual understanding with Directors, the internal audit division and other employees endeavored to collect information and maintain and improve the audit environment, and conducted audits as follows:
 - 1) We attended Board of Directors meetings and other important meetings, received reports from Directors and other employees concerning the performance of their duties, requested explanations as necessary, examined important documents and inspected operations and financial affairs at the head office and other major business locations including overseas. With respect to subsidiaries, we facilitated a mutual understanding and exchanged information with Directors, Corporate Auditors, etc. of subsidiaries, and received from subsidiaries reports on their operations as necessary, including visits to major overseas sites.
 - 2) We periodically received reports from Directors and other employees, sought explanations as necessary, and expressed our opinions regarding the contents of resolutions by the Board of Directors concerning the development of systems stipulated in Article 100, Paragraphs 1 and 3, of the Ordinance for Enforcement of the Companies Act, which are necessary to ensure that Directors' performance of their duties is in conformity with laws and regulations and the Articles of Incorporation of the Company, and to ensure the appropriateness of operations of the Company and its subsidiaries, as described in the business report, as well as the status of the building and management of the systems developed pursuant to such resolutions (internal control systems).

We also periodically received reports from Directors, other employees and PricewaterhouseCoopers Japan LLC, sought explanations as necessary and expressed our opinions regarding assessment of internal control over financial reporting as well as the status of audit thereof.
 - 3) We confirmed the contents of the basic policy on control of the Company presented in the business report.
 - 4) We monitored and examined whether the Independent Auditors maintained their independence and properly conducted audit, received reports from the Independent Auditors concerning the status of the performance of its duties. We were also notified by the Independent Auditors that they had in place "systems for ensuring proper execution of duties" (matters listed in each item of Article 131 of the Corporate Accounting Rules) in accordance with the "Standards on Quality Control for Audits" (Business Accounting Council), etc. and requested explanations as necessary. With respect to the key audit matters (KAM), we discussed them with PricewaterhouseCoopers Japan LLC, received reports on the status of their audits, and requested explanations as necessary.

Based on the above-described methods, the Audit & Supervisory Board Members conducted examinations of the Company's business report and the supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statements of changes in net assets and related notes) and the supplementary schedules, and the consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of changes in net assets and related notes) for the business year under review.

2. Results of Audit

- (1) Results of audit of the business report, etc.
 - 1) We acknowledge that the business report and the supplementary schedules fairly present the status of the Company pursuant to laws and regulations and the Articles of Incorporation of the Company.

- 2) We acknowledge that no misconduct or material fact constituting a violation of any laws or regulations or the Articles of Incorporation of the Company was found with respect to the Directors' performance of their duties.
 - 3) We acknowledge that the details of resolutions approved by the Board of Directors concerning the internal control systems are appropriate. No matters that necessitate comment were found regarding the details described in the business report and the Directors' performance of their duties both with respect to the internal control systems including internal control over financial reporting.
 - 4) No matters that necessitate comment were found regarding the basic policy on control of the Company presented in the business report.
 - 5) We confirmed the status of the damage compensation suit concerning piling work filed by Mitsui Fudosan Residential Co., Ltd. and two other companies against Asahi Kasei Construction Materials Corporation, a subsidiary of the Company.
- (2) Results of audit of the non-consolidated financial statements and the supplementary schedules
We acknowledge that the methods of the audit used and results of audit reached by the Independent Auditors, PricewaterhouseCoopers Japan LLC, are appropriate.
- (3) Results of audit of the consolidated financial statements
We acknowledge that the methods of the audit used and results of audit reached by the Independent Auditors, PricewaterhouseCoopers Japan LLC, are appropriate.

May 11, 2026

The Audit & Supervisory Board
Asahi Kasei Corporation

Audit & Supervisory Board Member	Takuya Magara
Audit & Supervisory Board Member	Hiroki Ideguchi
Outside Audit & Supervisory Board Member	Akemi Mochizuki
Outside Audit & Supervisory Board Member	Haruyuki Urata
Outside Audit & Supervisory Board Member	Yoshikazu Ochiai

For reference: Significant Subsequent Event Concerning the Company and Its Corporate Group Occurring After Receipt of the Audit Report by the Audit & Supervisory Board

Reconfiguration of Certain Derivatives Operations at the Mizushima Works Targeting FY2030

(1) Outline

The Board of Directors of the Company on May 12, 2026 made a resolution on the reconfiguration of certain derivatives operations at the Mizushima Works targeting fiscal 2030, as shown in the table below.

(i) Products to be discontinued targeting fiscal 2030

Products	Applications	Production discontinuation schedule	Sales discontinuation schedule
Styrene monomer	Resin feedstock, etc.	Targeting fiscal 2030	TBD (sales to continue for some time)
Suntec-LD and Suntec-EVA low-density polyethylene	Various films, packaging materials, sundry goods, etc.		
Suntec-HD and Creolex high-density polyethylene			

(ii) Products subject to supply framework reconfiguration

Products	Applications	Details of reconfiguraion
Acrylonitrile (hereinafter, "AN")	Resin feedstock, fiber feedstock, etc.	Targeting fiscal 2030, the 200,000 ton/year production line at the Mizushima Works will be discontinued, and the 50,000 ton/year methacrylonitrile (hereinafter, "MAN") production line will be converted to an AN/MAN co-production line. AN supply will continue together with AN produced by Tongsuh Petrochemical Corp., Ltd., a subsidiary in South Korea.
Duranol polycarbonate diol	Polyurethane feedstock for synthetic leather, etc.	Targeting fiscal 2030, production at the Mizushima Works (around 3,000 tons/year) will be discontinued, while supply will be continued through production by Asahi Kasei Performance Chemicals Corp., a subsidiary in China, etc.

(2) Sales of subject businesses (year ended March 31, 2026)

¥116,174 million (total gross sales of relevant products, including internal transactions)

(3) Significant impact of the reconfiguration of certain derivatives operations on business operations, etc.

In connection with this structural transformation, the 251 employees engaged in the subject businesses are scheduled to be reassigned within the Company.

The equipment will be dismantled promptly upon the discontinuation of production. Related dismantling expenses, projected to occur in or after fiscal 2030, will be recognized in accordance with future progress.