

**Asahi Kasei Corporation**

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## Consolidated Results for 1st Quarter Fiscal 2025: April 1, 2025 – June 30, 2025

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

**I. Summary of Consolidated Results**

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

	Q1 2025	Q1 2024
Net sales	738,321 [+0.3%]	735,934 [+13.1%]
Operating income	53,653 [+7.6%]	49,873 [+128.9%]
Ordinary income	49,957 [-7.0%]	53,718 [+151.3%]
Net income attributable to owners of the parent	19,716 [-42.2%]	34,092 [+255.5%]
Net income per share*	14.52	24.59
Diluted net income per share*	—	—

\* Yen

Note:

- Comprehensive income was ¥(7,386) million during Q1 2025, and ¥122,838 million during Q1 2024.

## 2. Financial position

At end of	June 2025	March 2025
Total assets	3,963,757	4,015,214
Net assets	1,877,998	1,913,944
Net worth/total assets	46.0%	46.3%
Net worth per share*	1,341.82	1,369.16

\* Yen

Notes:

- Net worth consists of shareholders' equity and accumulated other comprehensive income.
- Net worth was ¥1,822,282 million as of June 30, 2025, and ¥1,859,420 million as of March 31, 2025.

## II. Cash Dividends

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

\* Yen

Note: The cash dividend forecast has not been revised.

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

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

	For Q1 – Q2	For the fiscal year
Net sales	1,504,000 [+0.9%]	3,117,000 [+2.6%]
Operating income	105,000 [-3.6%]	215,000 [+1.5%]
Ordinary income	99,000 [-4.5%]	216,000 [+11.7%]
Net income attributable to owners of the parent	61,000 [+1.2%]	125,000 [-7.4%]
Net income per share*	44.92	90.69

\* Yen

Notes:

- Performance forecasts are based on the best information available at this time, but actual results may diverge from these forecasts due to a variety of factors which cannot be foreseen.
- The forecast for Q1–Q2 fiscal 2025 announced on May 9, 2025, has been revised.
- The forecast for fiscal 2025 announced on May 9, 2025, is unchanged; it is scheduled to be reviewed when Q1–Q2 results are announced.

## IV. Other Information

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

5 companies eliminated:

Asahi Kasei Medical Co., Ltd. and 4 consolidated subsidiaries

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

Income tax expenses: A reasonable estimate of the effective tax rate after applying tax-effect accounting for the current fiscal year is made, and quarterly income before income taxes is multiplied by the corresponding effective tax rate. When calculation using reasonably estimated annual effective tax rate causes irrational results, income tax amount is calculated based on the legal tax rate.

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

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

5. Number of shares outstanding

	Q1 2025	FY 2024
Number of shares outstanding at end of period	1,365,751,932	1,365,751,932
Number of shares of treasury stock at end of period	7,684,290	7,683,150
Average number of shares outstanding during period	1,358,068,373	1,386,168,753 *

\* Q1 2024

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

**V. Overview of Consolidated Results**

Please refer to "Presentation Material" for first quarter fiscal 2025 on the following webpage:  
[https://www.asahi-kasei.com/ir/library/financial\\_briefing/](https://www.asahi-kasei.com/ir/library/financial_briefing/)

## VI. Consolidated Financial Statements

### 1. Balance sheets

	At end of March 2025	At end of June 2025
<b>Assets</b>		
Current assets		
Cash and deposits	393,467	384,007
Notes, accounts receivable–trade, and contract assets	491,414	470,909
Merchandise and finished goods	341,531	337,927
Work in process	183,613	197,344
Raw materials and supplies	194,186	190,312
Other	169,042	175,154
Allowance for doubtful accounts	(3,805)	(3,800)
Total current assets	1,769,448	1,751,852
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	698,602	694,775
Accumulated depreciation	(373,652)	(369,292)
Buildings and structures, net	324,950	325,484
Machinery, equipment and vehicles	1,640,722	1,605,250
Accumulated depreciation	(1,368,752)	(1,338,116)
Machinery, equipment and vehicles, net	271,970	267,134
Land	81,945	81,783
Lease assets	14,839	14,289
Accumulated depreciation	(7,114)	(6,864)
Lease assets, net	7,725	7,425
Construction in progress	162,890	159,916
Other	221,775	216,318
Accumulated depreciation	(150,645)	(146,734)
Other, net	71,131	69,584
Subtotal	920,611	911,326
Intangible assets		
Goodwill	389,640	372,054
Technology assets	297,384	289,728
Other	243,529	234,051
Subtotal	930,553	895,833
Investments and other assets		
Investment securities	168,371	182,168
Long-term loans receivable	9,561	9,561
Long-term advance payments–trade	24,416	23,975
Net defined benefit asset	74,133	73,656
Deferred tax assets	69,217	65,627
Other	49,431	50,323
Allowance for doubtful accounts	(527)	(565)
Subtotal	394,602	404,746
Total noncurrent assets	2,245,766	2,211,905
Total assets	4,015,214	3,963,757

	At end of March 2025	At end of June 2025
Liabilities		
Current liabilities		
Notes and accounts payable-trade	193,583	173,681
Short-term loans payable	203,249	242,437
Commercial paper	87,000	121,000
Current portion of bonds payable	20,000	10,000
Lease obligations	8,049	8,121
Accrued expenses	180,644	155,348
Income taxes payable	18,666	13,599
Advances received	109,750	94,310
Provision for grant of shares	176	212
Provision for periodic repairs	10,297	10,712
Provision for product warranties	4,708	4,794
Provision for removal cost of property, plant and equipment	13,854	7,857
Other	114,631	127,158
Total current liabilities	964,608	969,227
Noncurrent liabilities		
Bonds payable	280,000	280,000
Long-term loans payable	567,209	525,787
Lease obligations	29,538	29,256
Deferred tax liabilities	55,608	54,848
Provision for grant of shares	611	872
Provision for periodic repairs	5,516	5,749
Provision for removal cost of property, plant and equipment	6,874	30,515
Net defined benefit liability	121,619	117,771
Long-term guarantee deposits	24,070	21,952
Other	45,618	49,783
Total noncurrent liabilities	1,136,663	1,116,532
Total liabilities	2,101,271	2,085,760
Net assets		
Shareholders' equity		
Capital stock	103,389	103,389
Capital surplus	80,319	80,319
Retained earnings	1,191,076	1,182,826
Treasury stock	(8,015)	(8,016)
Total shareholders' equity	1,366,768	1,358,517
Accumulated other comprehensive income		
Net unrealized gain on other securities	35,996	38,975
Deferred gains (losses) on hedges	78	127
Foreign currency translation adjustment	394,803	365,105
Remeasurements of defined benefit plans	61,776	59,559
Total accumulated other comprehensive income	492,652	463,765
Non-controlling interests	54,523	55,716
Total net assets	1,913,944	1,877,998
Total liabilities and net assets	4,015,214	3,963,757

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

### 1) Statements of income

	Q1 2024	Q1 2025
Net sales	735,934	738,321
Cost of sales	504,324	497,823
Gross profit	231,610	240,498
Selling, general and administrative expenses	181,737	186,845
Operating income	49,873	53,653
Non-operating income		
Interest income	2,790	2,419
Dividends income	1,645	888
Equity in earnings of affiliates	954	1,040
Other	3,622	2,407
Total non-operating income	9,011	6,753
Non-operating expenses		
Interest expense	1,989	2,803
Other	3,176	7,646
Total non-operating expenses	5,166	10,449
Ordinary income	53,718	49,957
Extraordinary income		
Gain on sales of investment securities	5,830	354
Gain on sales of noncurrent assets	206	67
Insurance income	1,246	—
Settlement income	—	4,338
Gain on sale of shares of subsidiaries and associates	—	7,483
Total extraordinary income	7,283	12,243
Extraordinary loss		
Loss on valuation of investment securities	611	—
Loss on disposal of noncurrent assets	1,569	1,600
Impairment loss	281	753
Loss on product compensation	1,800	—
Loss on cancellation of power contract	—	4,196
Business structure improvement expenses	7,352	29,880
Total extraordinary loss	11,613	36,429
Income before income taxes	49,389	25,771
Total income taxes	14,419	4,747
Net income	34,969	21,024
Net income attributable to non-controlling interests	877	1,308
Net income attributable to owners of the parent	34,092	19,716

## 2) Statements of comprehensive income

	Q1 2024	Q1 2025
Net income	34,969	21,024
Other comprehensive income		
Net increase (decrease) in unrealized gain on other securities	(1,490)	2,932
Deferred gains (losses) on hedges	751	49
Foreign currency translation adjustment	89,113	(29,627)
Remeasurements of defined benefit plans	(521)	(2,047)
Share of other comprehensive income of affiliates accounted for using equity method	16	282
Total other comprehensive income	87,868	(28,410)
Comprehensive income	122,838	(7,386)
Comprehensive income attributable to:		
Owners of the parent	121,090	(9,171)
Non-controlling interests	1,748	1,786

### 3. Statements of cash flows

	Q1 2024	Q1 2025
Cash flows from operating activities		
Income before income taxes	49,389	25,771
Depreciation and amortization	36,295	39,198
Impairment loss	281	753
Amortization of goodwill	7,977	8,075
Increase (decrease) in provision for grant of shares	266	301
Increase (decrease) in provision for periodic repairs	952	647
Increase (decrease) in provision for product warranties	126	119
Increase (decrease) in provision for removal cost of property, plant and equipment	(144)	17,649
Increase (decrease) in net defined benefit liability	(1,936)	(1,240)
Interest and dividend income	(4,435)	(3,306)
Interest expense	1,989	2,803
Equity in (earnings) losses of affiliates	(954)	(1,040)
(Gain) loss on sales of investment securities	(5,830)	(354)
(Gain) loss on valuation of investment securities	611	—
(Gain) loss on sale of property, plant and equipment	(206)	(67)
(Gain) loss on disposal of noncurrent assets	1,569	1,600
(Gain) loss on sale of shares of subsidiaries and associates	—	(7,483)
(Increase) decrease in notes, accounts receivable–trade, and contract assets	(1,850)	17,220
(Increase) decrease in inventories	(15,200)	(28,488)
Increase (decrease) in notes and accounts payable–trade	(22)	(17,373)
Increase (decrease) in accrued expenses	(22,652)	(21,377)
Increase (decrease) in advances received	7,032	(7,640)
Other, net	(8,388)	9,782
Subtotal	44,868	35,547
Interest and dividend income, received	5,499	3,919
Interest expense paid	(2,182)	(2,789)
Income taxes (paid) refund	(6,626)	(20,017)
Net cash provided by (used in) operating activities	41,559	16,660
Cash flows from investing activities		
Payments into time deposits	(643)	(440)
Proceeds from withdrawal of time deposits	855	353
Purchase of property, plant and equipment	(42,674)	(36,631)
Proceeds from sales of property, plant and equipment	302	242
Purchase of intangible assets	(3,700)	(5,636)
Purchase of investment securities	(18,771)	(856)
Proceeds from sales of investment securities	6,582	536
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	1,809	27,901
Payments of loans receivable	(842)	(525)
Collection of loans receivable	489	794
Other, net	(229)	266
Net cash provided by (used in) investing activities	(56,823)	(13,995)



	Q1 2024	Q1 2025
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	16,455	37,781
Increase (decrease) in commercial paper	45,000	34,000
Proceeds from long-term loans payable	234	5,000
Repayment of long-term loans payable	(10,450)	(44,857)
Redemption of bonds	—	(10,000)
Repayments of lease obligations	(2,328)	(2,527)
Purchase of treasury stock	(3)	(1)
Proceeds from disposal of treasury stock	28	0
Cash dividends paid	(24,981)	(27,193)
Cash dividends paid to non-controlling interests	(960)	(1,305)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(325)	—
Other, net	(35)	111
Net cash provided by (used in) financing activities	22,635	(8,992)
Effect of exchange rate change on cash and cash equivalents	18,494	(3,113)
Net increase (decrease) in cash and cash equivalents	25,865	(9,441)
Cash and cash equivalents at beginning of period	333,498	390,035
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	134	0
Cash and cash equivalents at end of period	359,497	380,595