

Asahi Kasei Corp.
May 12, 2026

Asahi Kasei to Reconfigure Certain Derivatives Operations at the Mizushima Works to Strengthen Profitability by FY2030

The Board of Directors of Asahi Kasei today adopted a resolution regarding the reconfiguration of certain derivatives operations at the company's Mizushima Works by fiscal 2030, as shown in the table below.

While there have been reports of shortage of supply of petrochemical products due to the recent shortage of naphtha, as of May 12, the ethylene production facility at the Mizushima Plant of Asahi Kasei Mitsubishi Chemical Ethylene Corp. (AMEC) and related derivatives facilities are continuing to operate. Furthermore, AMEC has obtained prospects for naphtha procurement for the time being, and it is not presumed that there will be any interruption in supply of derivatives at this time. Asahi Kasei will continue to maintain the stable operation of said facilities in order to meet domestic demand for petrochemical products.

Current state of the petrochemical industry and policies of Asahi Kasei

While Japan's petrochemical industry is a key industry that supports society at large, operating rates have remained persistently low due to the long-term decline in demand as the population decreases, as well as diminished competitiveness in the East Asian region which had been a major export market. The industry also faces structural challenges in relation to public expectations for progress toward carbon neutrality. Under such circumstances, it has become necessary for Japan's petrochemical industry to overcome its challenges and transform into a sustainable and robust industry.

It is within this context that Asahi Kasei has reviewed its chemical business based on the following policies.

- 1) Raising operating rates through industry-wide consolidation of businesses with low rates of operation and making future supply more robust
- 2) Continuing businesses where Asahi Kasei has strengths, and fulfilling responsibility to supply
- 3) Contributing to the advancement toward carbon neutrality

Asahi Kasei believes that the advancement of accordant measures will contribute to solving the above-described structural issues, and be conducive to the robustness of Japan's petrochemical industry.

Matters resolved today

Today's resolution, based on policy 1), above, is a decision regarding the reconfiguration of certain derivatives at the Mizushima Works. For over half a century, Asahi Kasei has supplied styrene monomer (since 1965) and polyethylene (LDPE since 1964, HDPE since 1970) to domestic and overseas customers. However, operating rates for these products have remained low, a situation which is deemed to be structural and irreversible. The decision was thus made to discontinue the production of these products.

Regarding acrylonitrile (supplied since 1962) and polycarbonate diol (supplied since 2003), Asahi Kasei will optimize the global supply framework, including overseas sites, by reducing domestic acrylonitrile production capacity and discontinuing domestic polycarbonate diol production.

Future outlook

With regard to the discontinuations announced today, Asahi Kasei is aware that it will take some time for changeover to substitute products across the supply chain. To allay concerns of changeover, a

transition period of approximately 4 years has been allotted, with discontinuation of production targeted for fiscal 2030. In the interim, Asahi Kasei will prioritize maintaining stable supply to customers, and fulfill its supply responsibility.

Even after Asahi Kasei discontinues domestic production of certain derivatives as described, overall domestic production capacity of said derivatives will still be amply above domestic demand. Following Asahi Kasei's discontinuation of production targeted in fiscal 2030, it is expected that operating rates of relevant facilities throughout Japan will increase, resulting in a more robust petrochemical industry supply chain.

In concert with today's decision, in accordance with policy 3), above, Asahi Kasei is advancing toward the practical application of its Revolefin™ technology to produce decarbonized basic chemicals such as ethylene and propylene using bioethanol as feedstock. This would not only contribute to decarbonization, but also constitute a transition away from overreliance on petroleum.

Outline of the reconfiguration

(1) Products with production to be discontinued targeting fiscal 2030

Product	Applications	Schedule for discontinuation of production	Schedule for cessation of sale
Styrene monomer	Resin feedstock, etc.	Targeting fiscal 2030	TBD (sale continuing for some time)
Suntec™-LD and Suntec™-EVA low-density polyethylene (LDPE)	Various films, packaging materials, sundry goods, etc.		
Suntec™-HD and Creolex™ high-density polyethylene (HDPE)			

(2) Products for the supply framework to be reconfigured

Product	Applications	Scope of reconfiguration
Acrylonitrile (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 MAN (methacrylonitrile) production line will be converted to AN/MAN co-production. <u>AN supply will continue together with AN produced by Tongsoh Petrochemical Corp., Ltd., a subsidiary in South Korea.</u>
Duranol™ polycarbonate diol (PCD)	Polyurethane feedstock for synthetic leather, etc.	Targeting fiscal 2030, production at the Mizushima Plant (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.

(3) Net sales of subject businesses (year ended March 31, 2026)

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

(4) Personnel and assets

The 251 employees currently assigned to the affected operations will be reassigned to other positions within Asahi Kasei. The equipment will be promptly dismantled following discontinuation of production.

Impact on earnings

The effect on Asahi Kasei's consolidated forecast for the fiscal year ending March 31, 2027, is immaterial. As dismantling of equipment is expected to be performed in fiscal 2030 or later, costs will be incurred in accordance with progress.

For reference:

Consolidated forecast for the current fiscal year and results of the previous fiscal year

(¥ million)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent
Forecast for current fiscal year (ending March 31, 2027)	3,254,000	248,000	247,500	160,000
Results of the previous fiscal year (ended March 31, 2026)	3,074,505	231,200	230,419	158,793

State of Japan's petrochemical industry

[with regard to products with production to be discontinued as shown in (1), above]

(kt)

	Domestic capacity	Asahi Kasei's capacity	Domestic demand	Production volume	Import volume	Export volume
Styrene monomer	1,610	370	1,070	1,300	0	230
LDPE	2,060	120	1,290	1,160	380	250
HDPE	1,080	120	720	660	210	150

Note: Production capacities as of December 31, 2024, according to survey by the Ministry of Economy, Trade and Industry; HDPE capacity of swing facilities included in the HDPE total. Other figures from the Japan Petrochemical Industry Association (2024).

Press release dated January 27, 2026

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

<https://www.asahi-kasei.com/news/2025/e260127.html>

Business Portfolio Transformation

Under its [three-year medium-term management plan "Trailblaze Together,"](#) Asahi Kasei is improving capital efficiency and accelerating earnings by converting past growth investments into tangible

returns. To support this, the company is implementing structural reforms that channel resources to its key growth pillars—pharmaceuticals, critical care, overseas homes, and electronics.

Recent actions such as entering [a basic agreement with Mitsui Chemicals and Mitsubishi Chemical to promote the decarbonization of ethylene production in western Japan](#), and [acquiring Aicuris to strengthen its specialty pharma platform in severe infectious diseases](#), demonstrate Asahi Kasei’s disciplined execution of this strategy and reinforce the foundation for sustained, profitable growth.

