

Materiality

Asahi Kasei's Vision

The Asahi Kasei Group carries out business activities to provide new value to society by enabling “living in health and comfort” and “harmony with the natural environment,” as set forth in its Group Vision. We aim to achieve two mutually reinforcing aspects of sustainability by contributing to the creation of a sustainable society while leading to improved corporate value. We believe that providing value that contributes to ensuring the sustainability of society will bring about sustainable improvements in our corporate value along with a high level of profitability, which will in turn enable us to take on further challenges. Guided by this belief, we endeavor to provide products and services that correspond to changes in the social climate. We will continue to offer such products and services, contributing to a sustainable society through the pursuit of innovation while taking into account the lifestyles of people around the world.

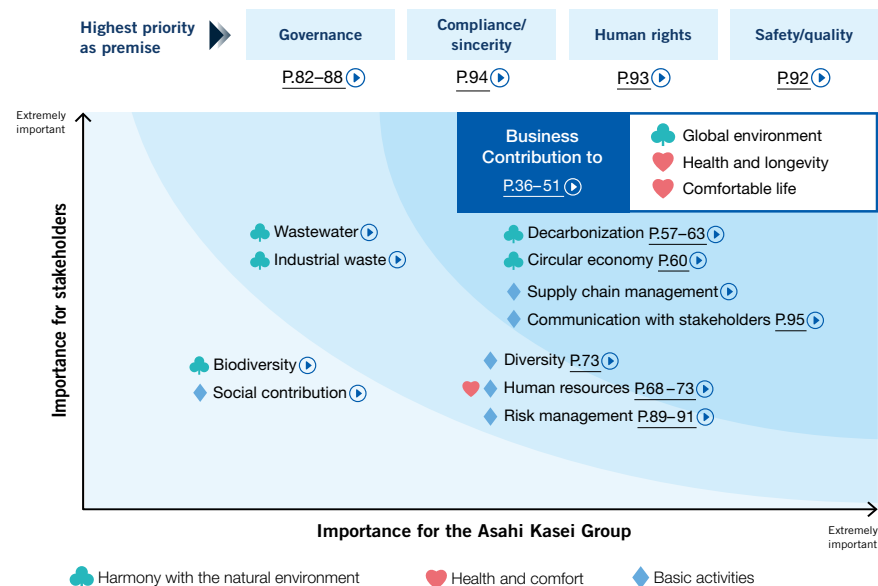
In 2021, we established our Sustainability Policy to clarify the Asahi Kasei Group's stance on sustainability and to heighten a mutual internal understanding for accelerated action toward creating a sustainable society. The policy sets forth specific and essential elements to approach matters of sustainability in addition to basic concepts.

Key Points of the Asahi Kasei Group Sustainability Policy

- Realize the two mutually reinforcing aspects of sustainability of “contributing to sustainable society” and “the sustainable growth of corporate value”
- Pursue the optimal form of governance for realizing Asahi Kasei's sustainability vision
- Create value by contributing to sustainable society
- Carry out responsible business activities
- Facilitate the empowerment of personnel

Process for Identifying Materiality

In fiscal 2017, the Asahi Kasei Group identified important issues and subjects that it should prioritize as materiality through the process outlined below. We review these subjects and issues in accordance with changes in the operating environment.



Identification of Issues

We identified issues in accordance with requirements of society and our Group Mission, Group Vision, and Group Values, in consideration of international guidelines and the evaluation criteria of ESG rating institutions.

Determination of Degree of Importance

We evaluated the degree of importance both to society and to the Asahi Kasei Group and mapped it on two axes.

Evaluation of Appropriateness

We verified the appropriateness of the material issues by examining them from a diverse range of perspectives, such as through deliberations involving the leaders of various divisions, discussions with outside companies, and consultations with Outside Directors.

Examination and Approval

The Board of Directors approved the material issues after several deliberations by the Management Council.

Integration into Management Strategies

Material issues are meaningful only when they are integrated into management strategies to realize our vision. In the MTP we have therefore established non-financial key performance indicators (KPIs) pertaining to materiality and identified issues to be addressed in the five fields for provision of value that will contribute to Asahi Kasei's value creation over the long term.

Materiality	Non-Financial KPIs(Benchmarks)	Vision (Targets)
♣ ♥ ♦ Contribution through businesses	Contributions to GHG emission reduction	At least double by fiscal 2030 (compared with fiscal 2020)
♣	GG10-related patents	Account for over 50% of total patents by fiscal 2030
♣	GHG emissions	Reduction of 30% or more by fiscal 2030 (compared with fiscal 2013)
♥ ♦	Number of digital professional human resources	Tenfold increase by fiscal 2030 (compared with fiscal 2021)
♥ ♦	Number of Group Masters	360 by fiscal 2024
♦	Percentage of women in the total number of managers and the Group Masters program	10% by fiscal 2030

For more information regarding KPIs and initiatives on material issues, please access the links in the materiality diagram. The following page clarifies the process leading up to identifying opportunities and creating value in each of the fields for provision of value.

Process Leading Up to Value Creation in Each Field for Provision of Value

