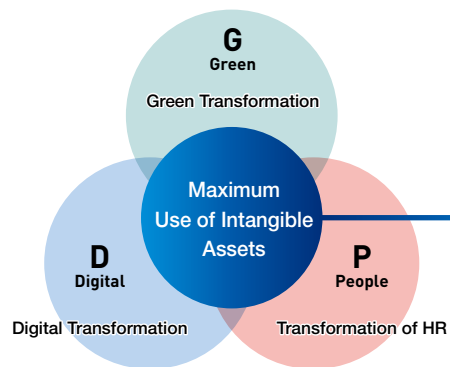


Maximum Use of Intangible Assets

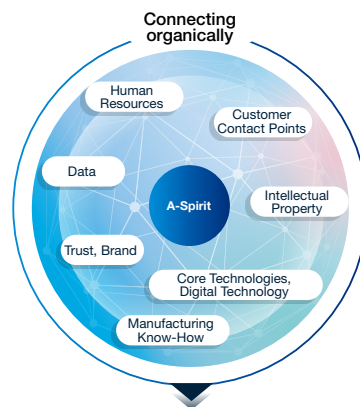
Guiding Principle for Use of Intangible Assets

In its MTP, Asahi Kasei adopted the maximum use of intangible assets as one of its key areas for transformation to strengthen its business platform. We aim to improve our corporate value by organically connecting our intangible assets, which we view as a vital management resource.

Four Key Areas for Transformation to Strengthen Our Business Platform



Overview of Intangible Assets



Improving corporate value through value creation

Using Rights to Maximize the Value of Intellectual Property and Intangible Assets

The Asahi Kasei Group leverages intellectual property rights from both a rights-focused perspective and an informational perspective to maximize the value of its intangible assets. In terms of the former, we protect our businesses from imitation by other companies and grant intellectual property licenses to other companies to earn royalty income by obtaining patents and leveraging them to secure exclusive rights. For the latter, we gain insights on industrial trends and the intellectual properties and business strategies of other companies by analyzing publicly available intellectual property information, and utilize these insights to develop our business and management strategies.

1 Rights-focused perspective

Patent rights bestow the enforceable right of exclusivity (Creates barriers to entry, allows monetization through licensing, etc.)

Use of Rights

2 Informational perspective

Patents represent the largest available source of technological information, enabling access to information on the strategies of other companies

Use of Information (IP landscaping)

1 Rights-focused perspective

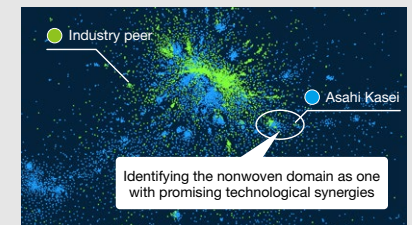
Extending the Exclusive Marketing Period for Teribone™ (Freeze-Dried Preparation)

With the conclusion of the patent reexamination period for Teribone™ (freeze-dried preparation) in 2017, the entrance of generic drugs was expected to lead to a sharp decline in sales. In response to this risk, Asahi Kasei Pharma launched the Teribone™ subcutaneous autoinjector, which enables self-administered injection at home, and has endeavored to protect Teribone™ businesses through a set of patents. Specifically, we have succeeded in maintaining sales by effectively extending the exclusive marketing period of Teribone™ (freeze-dried preparation)—as a result of efforts to ensure multifaceted protection through dosage and administration patents prescribing the drug's distinctive feature, namely, its use for patients at high risk of bone fracture, and patents emphasizing its features for enhancing quality. Furthermore, in September 2023, a provisional injunction was issued preventing the manufacture, sale, or application for sale of a generic version of Teribone™ (freeze-dried preparation) in a provisional injunction against infringement of patent rights based on Asahi Kasei Pharma's manufacturing process patent.

2 Informational perspective

Investigating the Possibility of Combining Nonwoven Business with that of Industry Peer

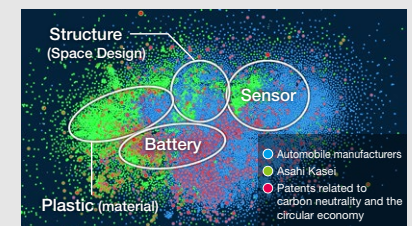
The Asahi Kasei Group uses its intangible assets to strengthen established businesses and achieve structural transformation as well as to create new businesses. When deciding to establish a joint venture for our spunbond nonwoven business, we used IP landscaping. The map on the right provides an overview of the patents of both the Asahi Kasei Group and an industry peer. In addition to objectively demonstrating the existence of technological synergies between the two companies through this overview, we conducted a simulation of advantages over other companies in the event of combining forces, thereby identifying a path to success. We made a strategic decision using this approach, which achieved structural transformation that enables the growth of the nonwoven business.



2 Informational perspective

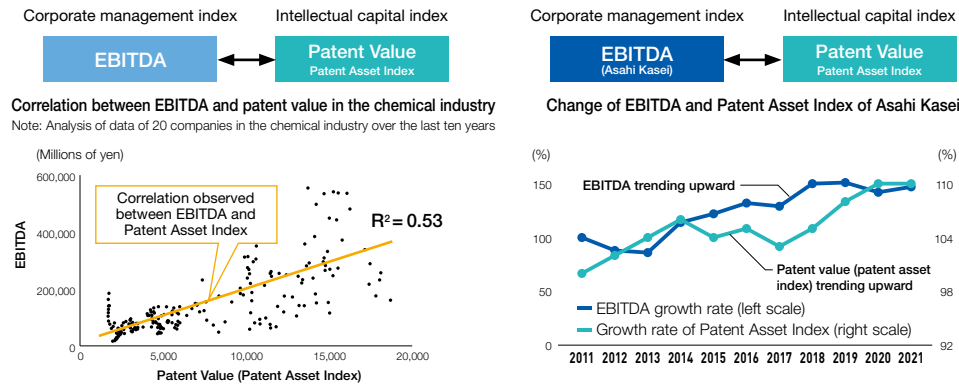
Strengthening Communication with Automobile Manufacturers

In the automotive domain, the Asahi Kasei Group fosters business communication with automobile manufacturers by using IP landscaping to visualize relationships between our technologies and those of automobile manufacturers. Using IP landscaping to objectively identify common domains with manufacturers and potential for co-creation to realize sustainability, we gain opportunities to introduce our products in business negotiations.



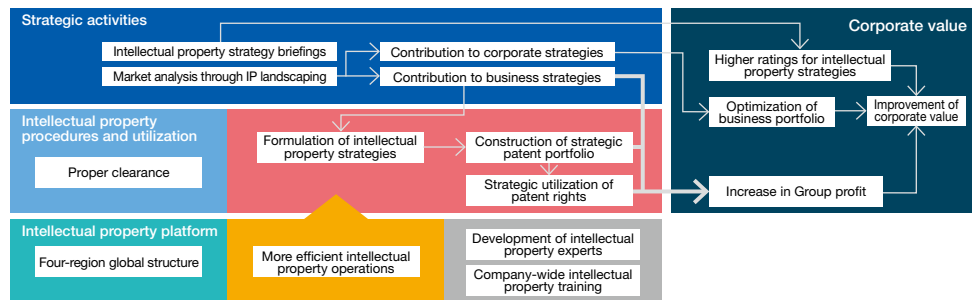
Constructing a Corporate Value Improvement Narrative through IP Activities

In fiscal 2022, the Asahi Kasei Group analyzed the correlation between indices of management and indices of intellectual property and intangible assets as an initiative to visualize the corporate and business contribution of IP activities. Results of a review of the correlation between several indices of management (such as net sales, profit, operating margin, and ROIC) and various indices of intellectual property and intangible assets (such as numbers of patents, overseas patent applications, and forward patent citations, and a variety of patent scores), confirmed a correlative relationship between EBITDA and patent value in the chemical industry.



In fiscal 2023, we examined the possibility of creating a specific road map (corporate value improvement narrative) for reflecting intellectual property measures in corporate value based on the assumption of a correlation between intellectual property measures (investment and utilization) and management indices.

In the examination, we organized our intellectual property measures into strategic activities and intellectual property procedures and utilization. The examination led us to a narrative in which strategic activities and intellectual property procedures and utilization supported by our intellectual property platform improve corporate value in ways that include optimizing our business portfolio and increasing Group profit. Asahi Kasei's *Intellectual Property Report 2023* reports on the corporate value improvement narrative pertaining to the Asahi Kasei Group's three business sectors.



The Cabinet Office's *Intellectual Property/Assets/Capital and Other Intangible Assets Governance Guidelines ver. 2.0* calls on companies to clarify how they link investment in and utilization of intellectual property and intangible assets to management indices at the corporate level, and how this contributes to improving corporate value. The Asahi Kasei Group's corporate value improvement narrative meets the requirements set out in the guidelines.

Verifying the Appropriateness of Corporate Value Improvement Narrative

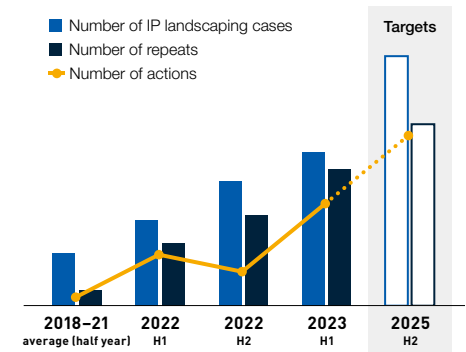
With the cooperation of external experts, we are working on objective and qualitative verification of the correlation between the elements constituting the corporate value improvement narrative described on the left. In one business, we identified a significant correlation between intellectual property procedures and utilization (patent score) and net sales of the business, thereby verifying the probability of the narrative.

Examples of KPIs Based on the Corporate Value Improvement Narrative

Asahi Kasei improves corporate value by promoting intellectual property activities aligned with its corporate value improvement narrative. We have established KPIs as a way to verify the extent to which promotion of intellectual property activities fuels contributions to management and business. The KPIs focus in particular on IP activities with a close connection to financial indicators. We will continue to pursue further corporate value improvement by promoting IP activities while regularly optimizing the KPI and confirming our progress toward achieving it.

Level of contribution to management and business strategies of IP landscaping

We established a KPI on the contribution to management and business strategies of IP landscaping, an IP activity closely connected to the improvement of corporate value. The KPI measures the contribution level of IP landscaping with a focus on the three essential elements of quantity, quality, and productivity. Specifically, quantity demonstrates the number of IP landscaping cases, quality is assessed in terms of the percentage of repeats¹ and actions², and productivity is calculated using the number of IP landscaping cases conducted per person. Incorporating the perspective of quality makes for an indicator that more accurately expresses the level of contribution to business activities and, in turn, corporate activities. By fiscal 2025, we aim to more than double the level of contribution compared with fiscal 2022. We aim to improve corporate value by meeting this KPI target.



¹ IP landscaping requests from the same organization

² Cases where the outcome of IP landscaping has led to decision or action on the management, business, or development side of the requesting organization