



Fiscal 2022 1st Quarter Financial Results

– supplementary financial summary –

August 4, 2022

Asahi Kasei Corporation

Disclaimer

The forecasts and estimates shown in this document are dependent on a variety of assumptions and economic conditions. Plans and figures depicting the future do not imply a guarantee of actual outcomes.

Focus of Q1 2022 results and H1 2022 forecast

Q1 2022 results

- Sales increased due to weaker yen, increased market prices of petrochemicals, etc., reaching a record high for Q1
- Operating income decreased due to deteriorating operating climate factors such as lockdowns in China, lingering semiconductor shortages, and the Russia-Ukraine situation, resulting in slowdown of demand, higher feedstock prices, etc., as well as temporary factors occurring in the previous year in Health Care

H1 2022 forecast

- Operating income forecasted to decrease centering on Environmental Solutions in Material as the severe operating climate continues from Q1, while some improvement is expected related to lockdowns in China, etc.
- Efforts to suppress the negative impact by passing on the cost increase from higher feedstock prices, cost reductions, optimal inventory management, etc.

Shareholder returns

- Interim dividends of ¥18 per share forecasted (no change from the previous forecast)
- Studying additional returns including share buybacks in accordance with shareholder returns policy of the medium-term management plan

Progress of medium-term management plan

- Acquisition of Bionova Scientific, LLC, a CDMO business for next-generation antibody based drugs, in Medical Devices
- Decision to transfer of photomask pellicles business to Mitsui Chemicals, Inc.

Current Situation and Outlook for Business Environment

- Efforts to suppress the impact of a severe operating climate by passing on the cost increase from higher feedstock prices, cost reductions, optimal inventory management, greater control of procurement of components and parts, etc.

Major operating climate changes	Impacted segment	Current situation and outlook
China lockdowns	Material	Decreased demand for products for automobiles, smartphones, etc., centered in Q1; partial improvement forecasted from Q2
Semiconductor shortages	Material	Lingering impact, reduced vehicle production expected, resulting in decreased demand for automotive-related products
	Health Care	In Critical Care, continued impact from difficulties in procurement of defibrillator parts, but trend of improvement, and further improvement forecasted from Q2
Russia-Ukraine situation	Material	Reduced vehicle production centered in Europe due to difficulty of procuring parts by OEMs
Higher feedstock and material prices	Material	Feedstock prices generally continuing to rise, but proactively passing on the cost increase to curtail deterioration of terms of trade
	Homes	Greater impact than previously forecasted due to continuous price increases of steel, etc., centered on domestic order-built homes; in North American business, lumber price decline in Q1 resulting in improved profitability

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1. Consolidated results for Q1 2022

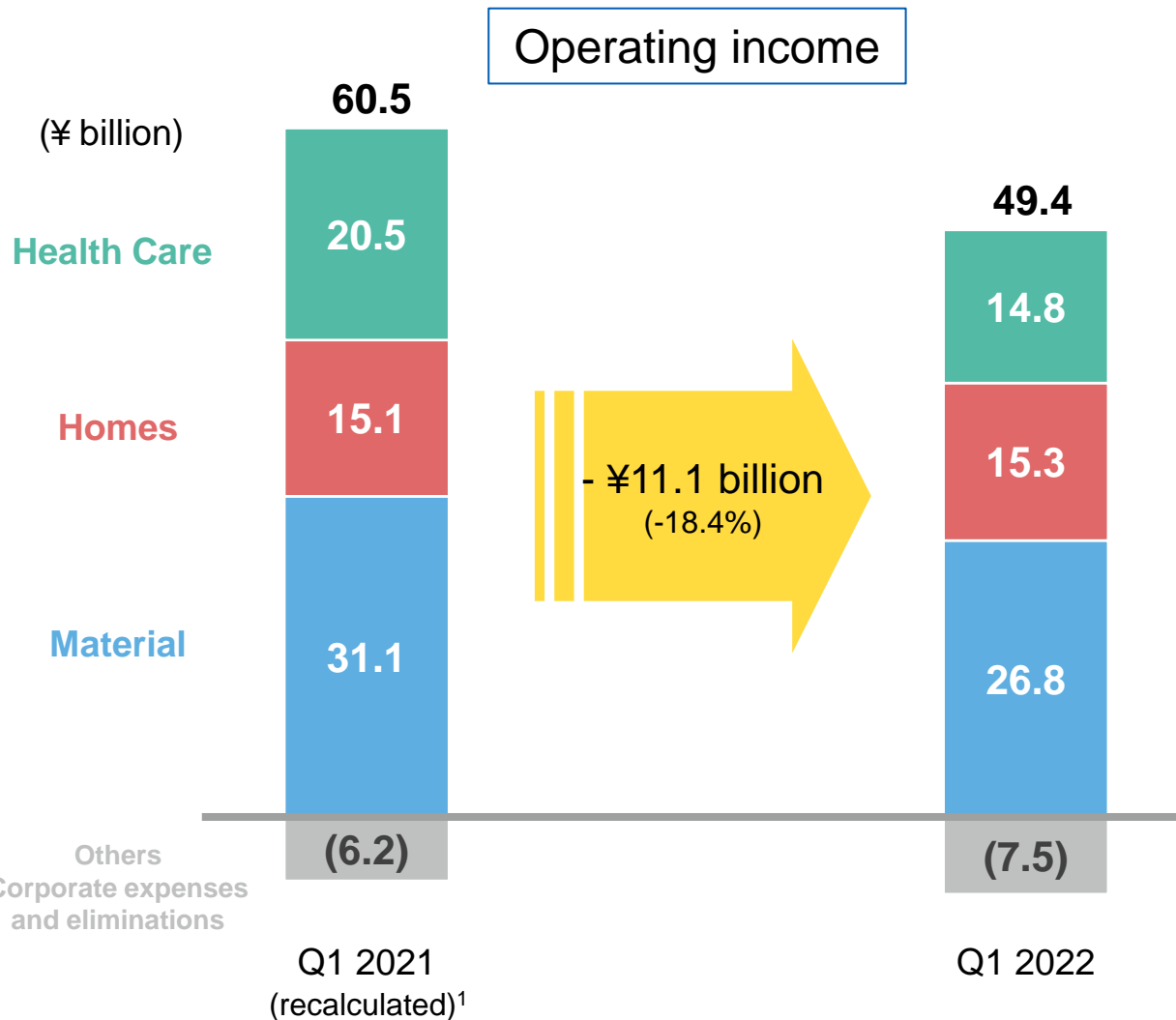
Financial results for Q1 2022 (consolidated)

- Sales increased in all segments due to weaker yen, increased market prices of petrochemicals, etc.
- Operating income decreased due to deteriorating operating climate factors such as lockdowns in China, lingering semiconductor shortages, and the Russia-Ukraine situation, resulting in slowdown of demand in automotive-related markets, higher feedstock prices, etc., as well as temporary factors occurring in the previous year in Health Care
- Net income decreased with lower operating income, lower gain on sales of strategic shareholdings, etc.

		Q1 2021	Q1 2022	Increase (decrease)	% change
Net sales	(¥ billion)	583.4	670.4	87.0	+14.9%
Operating income	(¥ billion)	60.5	49.4	(11.1)	-18.4%
Operating margin		10.4%	7.4%		
EBITDA	(¥ billion)	96.0	90.5	(5.6)	-5.8%
EBITDA margin		16.5%	13.5%		
Net income attributable to owners of the parent	(¥ billion)	46.4	29.8	(16.6)	-35.7%
¥/US\$ exchange rate (market average)		110	130		
¥/€ exchange rate (market average)		132	138		

Results by segment (year-on-year)

- Although Digital Solutions and the Health Care business category performed well, operating income in Material and Health Care decreased due to deteriorating operating climate and temporary factors of the previous year in Health Care



Major factors by segment

Health Care: Sales increase, but operating income decrease

Increased shipments of mainstay products in the Health Care business category; normalization of effect from surge in demand for ventilators, temporary impact of acquisitions, etc., and reduced shipments due to semiconductor shortages in Critical Care

Homes: Sales and operating income increase

Firm performance of overseas business centering on North American operations; decreased deliveries of condominium units in Real Estate

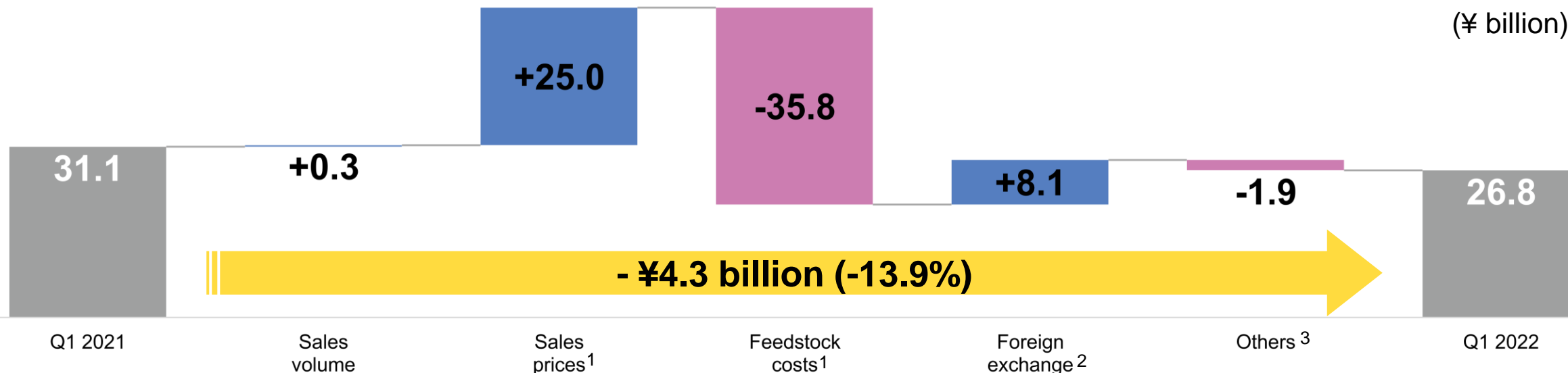
Material: Sales increase, but operating income decrease

Progress in passing on the cost increase from weaker yen and higher feedstock prices, increased shipments in Digital Solutions; decreased shipments of separators, engineering plastics, etc. due to reduced vehicle production caused by the semiconductor shortages

¹ For comparison purposes, results of past fiscal years are hereinafter recalculated in accordance with the new classifications.

Operating income increase/decrease (Material)

- Negative impact of higher feedstock costs largely offset by weaker yen and sales price increases to pass on the increased costs



Sales and operating income increase/decrease

		Q1 2021 (recalculated)	Q1 2022	Increase (decrease)	% change	Increase (decrease) due to:				
						Sales volume	Sales prices ¹	Feedstock costs ¹	Foreign exchange ²	Others ³
Material segment	Sales	279.6	339.4	59.8	+21.4%	4.1	25.0	–	12.5	18.2
	Operating income	31.1	26.8	(4.3)	-13.9%	0.3	25.0	(35.8)	8.1	(1.9)
Environmental Solutions	Sales	119.1	149.9	30.8	+25.8%	1.5	17.8	–	4.3	7.2
	Operating income	14.3	10.2	(4.2)	-29.1%	(1.4)	17.8	(31.9)	3.3	8.1
Mobility & Industrial	Sales	75.4	92.5	17.1	+22.7%	(1.7)	6.2	–	4.0	8.6
	Operating income	8.2	5.2	(3.0)	-37.0%	(0.5)	6.2	(7.6)	1.8	(2.9)
Life Innovation	Sales	85.0	96.9	11.8	+13.9%	4.1	1.0	–	4.2	2.5
	Operating income	10.2	12.1	1.9	+18.9%	2.3	1.0	(1.7)	3.0	(2.6)
Others in Material	Sales	0.0	0.2	0.1	+231.8%	0.1	–	–	–	–
	Operating income	(1.6)	(0.6)	1.0	–	(0.1)	–	5.5	–	(4.4)

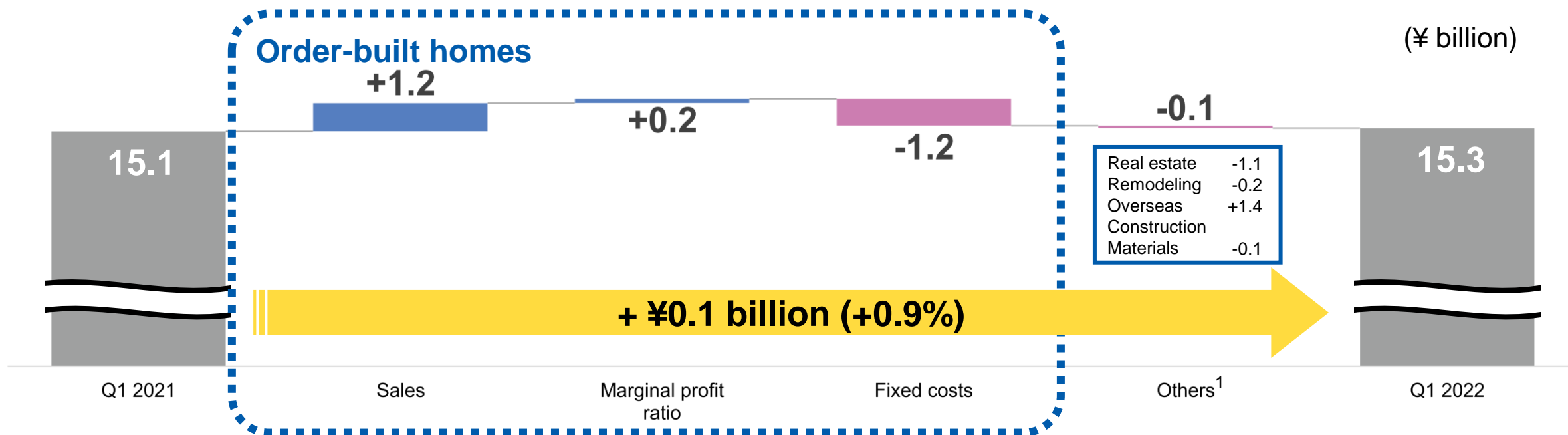
¹ Excluding effect of foreign exchange.

² Effect of foreign exchange associated with sales prices and feedstock costs.

³ Foreign currency translation adjustment, fixed costs, inventory valuations, etc.

Operating income increase/decrease (Homes)

- Operating income increased in domestic order-built homes despite higher material costs with higher average unit prices due to larger and higher value-added units, and by improving profitability through cost reductions



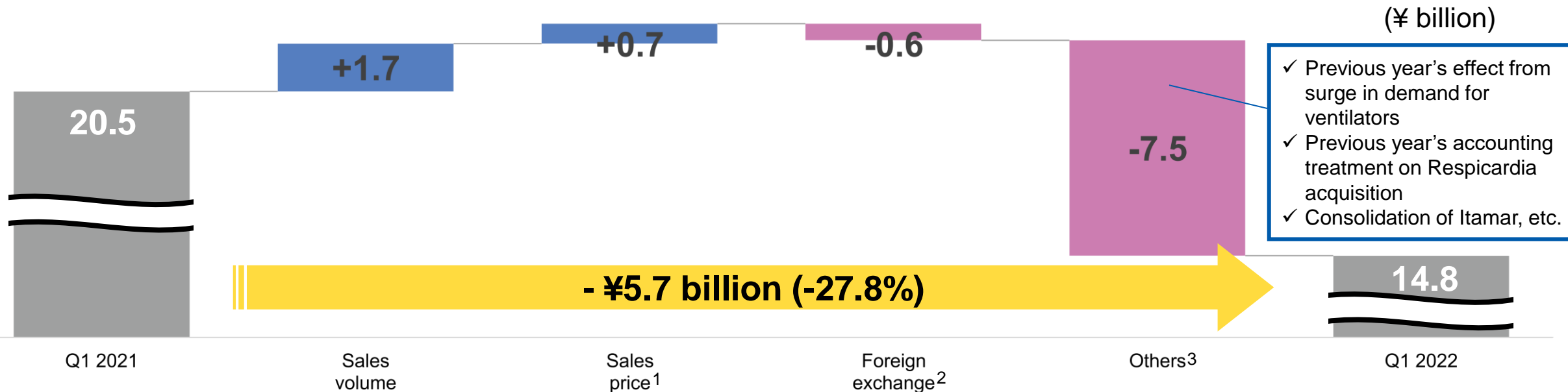
Sales and operating income increase/decrease

		Q1 2021 (recalculated)	Q1 2022	Increase (decrease)	% change	Increase (decrease) due to:			
						Order-built homes			Others ¹
						Sales	Marginal profit	Fixed cost	
Homes segment	Sales	195.1	206.6	11.6	+5.9%	3.9	—	—	7.7
	Operating income	15.1	15.3	0.1	+0.9%	1.2	0.2	(1.2)	(0.1)

¹ Real estate, remodeling, overseas, construction materials, etc.

Operating income increase/decrease (Health Care)

- Positive impact from sales volume due to increased shipments of mainstay products in the Health Care business category; normalization of effect from surge in demand for ventilators, nonrecurrence of previous year's accounting treatment on Respicardia acquisition, and impact from consolidation of Itamar in Critical Care



Sales and operating income increase/decrease




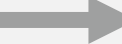


		Q1 2021	Q1 2022	Increase (decrease)	% change	Increase (decrease) due to:			
						Sales volume	Sales prices ¹	Foreign exchange ²	Others ³
Health Care segment	Sales	105.8	121.4	15.6	+14.8%	1.5	0.7	(0.6)	14.0
	Operating income	20.5	14.8	(5.7)	-27.8%	1.7	0.7	(0.6)	(7.5)
Health Care	Sales	42.8	50.5	7.7	+18.0%	5.9	(0.1)	0.1	1.8
	Operating income	7.6	10.0	2.4	+31.6%	4.2	(0.1)	0.1	(1.7)
Critical Care	Sales	63.0	71.0	7.9	+12.6%	(4.4)	0.8	(0.6)	12.2
	Operating income	12.9	4.8	(8.1)	-62.9%	(2.5)	0.8	(0.6)	(5.7)

¹ Excluding effect of foreign exchange.

² Effect of foreign exchange associated with sales prices.

³ Including foreign currency translation adjustment, fixed cost variance, and nonrecurring income/expense related to licensing, new consolidations, etc.

Operating income trends in Q1 2022 (year-on-year)

		Trends	Major factors of operating income increase/decrease
Material	Environmental Solutions		<p>Separators: Operating income decrease with automotive applications impacted by reduced vehicle production and demand slowdown in consumer electronics applications due to Chinese economic downturn</p> <p>Basic Materials: Increased feedstock costs, but operating income flat with increased shipments and lower costs due to absence of major maintenance turnarounds</p>
	Mobility & Industrial		<p>Car interior material: Operating income decrease with higher costs of feedstocks and logistics</p> <p>Engineering plastics & others: Progress in passing on higher costs, but operating income decrease with reduced vehicle production resulting in lower shipments</p>
	Life Innovation		<p>Digital Solutions: Increased operating income with greater shipments of electronic devices for smartphone applications, continuing brisk semiconductor markets, and weaker yen exchange value</p>
Homes	Homes		<p>Order-built homes: Higher material costs, but operating income increase with larger and higher value-added units</p> <p>Overseas: Operating income increase with progress in passing on higher lumber costs and recent lumber price decrease in North American operations</p> <p>Real estate: Operating income decrease with fewer deliveries of condominium units</p>
Health Care	Health Care		<p>Pharmaceuticals: Lower license income and higher SG&A, but operating income increase with growing shipments of mainstay drugs such as Teribone and Envarsus XR</p> <p>Medical Devices: Increased SG&A for logistics, etc., but operating income increase with greater shipments of Planova and benefit of foreign currency translation adjustment due to weaker yen</p>
	Critical Care		<p>Defibrillators: Decreased operating income with normalization of effect from surge in demand for ventilators, and decreased shipments due to semiconductor shortage; trend for improvement of semiconductor shortage between Q4FY21 and Q1FY22</p> <p>LifeVest: Increased operating income with benefit of foreign currency translation adjustment due to weaker yen</p> <p>Others: Nonrecurrence of previous year's accounting treatment on Respicardia acquisition, impact from consolidation of Itamar</p>

Overseas sales

(¥ billion)

	Q1 2021 (recalculated)		Q1 2022		Increase (decrease)	% change
	Overseas sales	% of total	Overseas sales	% of total		
Material segment	174.5	62.4%	204.1	60.1%	29.5	+16.9%
Environmental Solutions	77.6	65.1%	85.2	56.9%	7.7	+9.9%
Mobility & Industrial	58.3	77.4%	73.8	79.8%	15.5	+26.5%
Life Innovation	38.6	45.4%	44.9	46.3%	6.3	+16.3%
Others in Material	0.0	100.0%	0.2	100.0%	0.1	+231.8%
Homes segment	36.7	18.8%	48.3	23.4%	11.6	+31.5%
Homes	36.7	19.6%	48.3	24.4%	11.6	+31.5%
Construction Materials	–	–	–	–	–	–
Health Care segment	81.6	77.1%	94.3	77.7%	12.7	+15.6%
Health Care	19.1	44.7%	24.2	47.9%	5.1	+26.5%
Critical Care	62.5	99.1%	70.1	98.8%	7.6	+12.2%
Others	0.2	7.2%	0.3	11.0%	0.1	+50.9%
Consolidated	293.0	50.2%	347.0	51.8%	53.9	+18.4%
Overseas sales by region						
Asia	127.2	21.8%	142.8	21.3%	15.7	+12.3%
of which, sales to China	57.8	9.9%	63.0	9.4%	5.1	+8.9%
The Americas	95.3	16.3%	125.4	18.7%	30.2	+31.7%
Europe	39.1	6.7%	42.0	6.3%	2.9	+7.4%
Other countries	31.5	5.4%	36.7	5.5%	5.2	+16.5%

Variations from year-ago period

- SG&A: Increased costs for labor and logistics, increased value of overseas expenses due to weaker yen
- Non-operating income/expense: Decreased equity in earnings of affiliates due to decreased earnings at PTT Asahi Chemical
- Extraordinary income/loss: Decreased gain on sales of strategic shareholdings, nonrecurrence of gain on step acquisitions

(¥ billion)

	Q1 2021		Q1 2022		Increase (decrease)	% change
		% of sales		% of sales		
Net sales	583.4	100.0%	670.4	100.0%	87.0	+14.9%
Cost of sales	388.1	66.5%	464.5	69.3%	76.4	+19.7%
Gross profit	195.4	33.5%	206.0	30.7%	10.6	+5.4%
Selling, general and administrative expenses	134.9	23.1%	156.6	23.4%	21.7	+16.1%
Operating income	60.5	10.4%	49.4	7.4%	(11.1)	-18.4%
Net non-operating income (expenses) of which,	4.7		2.2		(2.5)	
(net equity in earnings (losses) of affiliates)	3.7		1.6		(2.1)	
Ordinary income	65.2	11.2%	51.5	7.7%	(13.6)	-20.9%
Net extraordinary income (loss)	3.2		(1.9)		(5.2)	
Income before income taxes	68.4	11.7%	49.6	7.4%	(18.8)	-27.5%
Income taxes	(21.6)		(19.6)		2.0	
Net income attributable to non-controlling interests	(0.4)		(0.1)		0.2	
Net income attributable to owners of the parent	46.4	8.0%	29.8	4.4%	(16.6)	-35.7%

Extraordinary income and loss

(¥ billion)

	Q1 2021	Q1 2022	Increase (decrease)
Gain on sales of investment securities	5.6	2.2	(3.4)
Gain on sales of noncurrent assets	0.3	0.6	0.3
Gain on step acquisitions	1.7	–	(1.7)
Total extraordinary income	7.6	2.8	(4.8)
Loss on valuation of investment securities	–	1.0	1.0
Loss on disposal of noncurrent assets	1.5	1.2	(0.4)
Impairment loss	0.0	0.0	0.0
Loss on fire at plant facilities	–	1.6	1.6
Business structure improvement expenses	2.8	0.9	(2.0)
Total extraordinary loss	4.4	4.7	0.4
Net extraordinary income (loss)	3.2	(1.9)	(5.2)

Balance sheets

- Total assets: Increased inventories due to higher feedstock prices, increased value of overseas assets due to weaker yen
- Liabilities: Increased interest-bearing debt, increased value of overseas liabilities due to weaker yen
- Net assets: Accumulated other comprehensive income increased with greater foreign currency translation adjustment due to weaker yen in addition to recording of net income

				(¥ billion)			
	At end of Mar. 2022	At end of Jun. 2022	Increase (decrease)		At end of Mar. 2022	At end of Jun. 2022	Increase (decrease)
Current assets	1,334.2	1,466.7	132.5	Liabilities	1,630.3	1,777.3	147.1
Cash and deposits	244.6	278.6	34.0	Current liabilities	923.9	1,052.2	128.4
Notes and accounts receivable– trade and contract assets	434.6	449.1	14.5	Notes and accounts payable–trade	178.1	195.7	17.6
Inventories	540.2	607.4	67.2	Other current liabilities	745.8	856.5	110.8
Other current assets	114.7	131.6	16.9	Noncurrent liabilities	706.4	725.1	18.7
Noncurrent assets	2,014.9	2,166.5	151.6	Net assets	1,718.8	1,855.8	137.0
Property, plant and equipment	805.2	836.1	30.9	Shareholders' equity	1,459.4	1,465.5	6.1
Intangible assets	836.8	948.6	111.7	Capital stock	103.4	103.4	–
Investments and other assets	372.8	381.9	9.1	Capital surplus	79.9	79.9	(0.0)
				Retained earnings	1,282.3	1,288.4	6.1
				Treasury stock	(6.2)	(6.2)	(0.0)
				Accumulated other comprehensive income	228.0	358.0	129.9
				Non-controlling interests	31.4	32.4	1.0
Total assets	3,349.1	3,633.2	284.1	Total liabilities and net assets	3,349.1	3,633.2	284.1
Goodwill	431.3	507.2	75.8				
Interest-bearing debt ¹	766.3	935.2	168.9				
D/E ratio	0.45	0.51	0.06				

¹ Excluding lease obligations.

- Operating: Flow turned negative with decreased income before income taxes, increased working capital such as inventories, and increased income tax payments related to reconfiguration of Veloxis organizations
- Investing: Cash used for M&A increased with acquisition of Bionova Scientific
- Financing: Cash provided even after dividends payment due to debt financing

	Q1 2021	Q1 2022	Increase (decrease)
			(¥ billion)
a. Net cash provided by (used in) operating activities	30.2	(40.1)	(70.3)
b. Net cash provided by (used in) investing activities	(39.7)	(82.1)	(42.4)
Outlays for capital expenditure	(31.8)	(38.8)	(7.1)
Outlays for M&A	(19.9)	(42.2)	(22.3)
Others	12.0	(1.0)	(13.0)
c. Free cash flows [a+b]	(9.5)	(122.2)	(112.7)
d. Net cash provided by (used in) financing activities	11.6	135.7	124.1
e. Others	0.3	20.1	19.8
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	2.4	33.6	31.2

2. Forecast for H1 2022

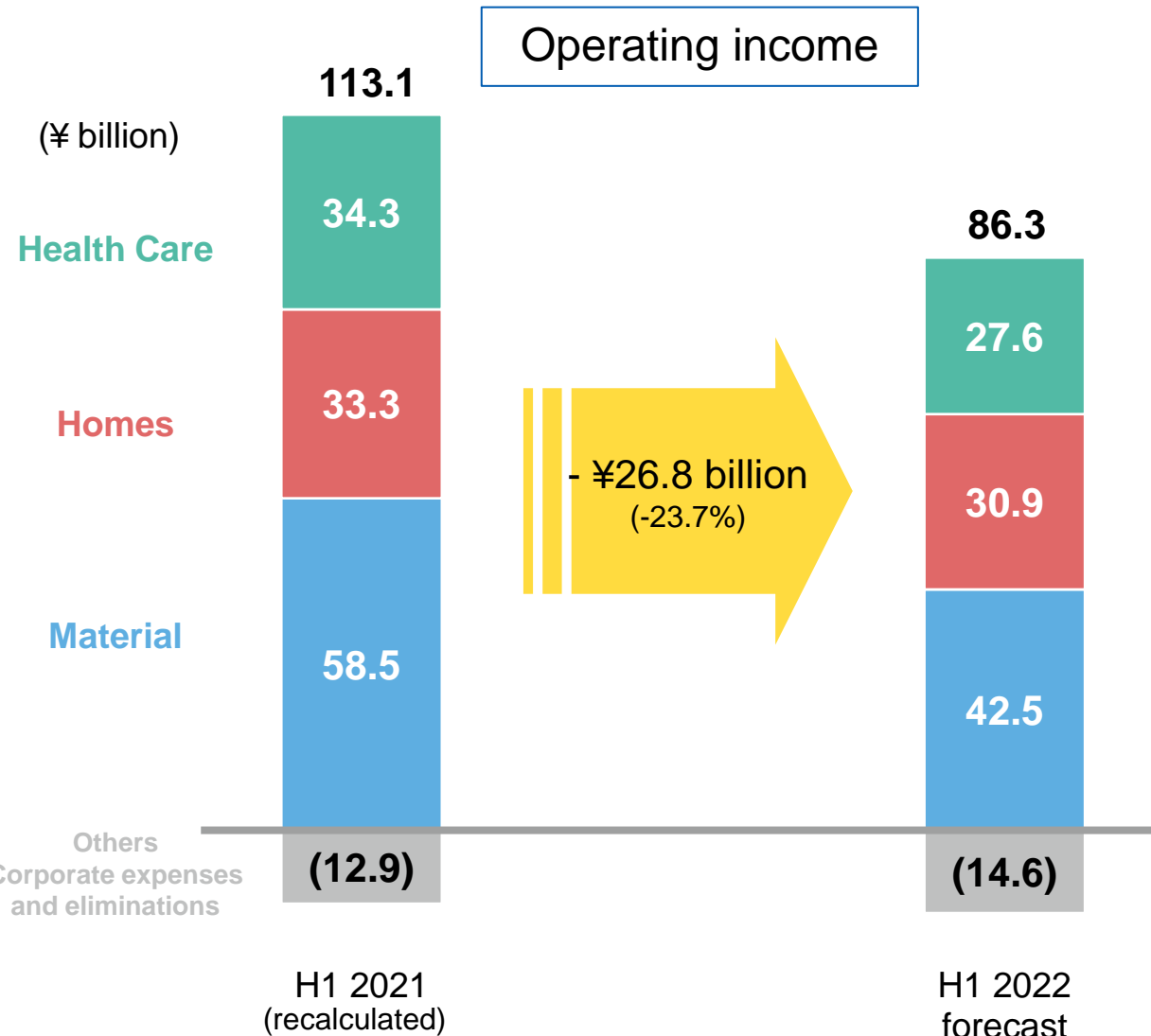
H1 2022 operating performance forecast (consolidated)

- Severe operating climate expected to continue from Q1, with decreased income centered on Material
- Impact of Chinese lockdowns, etc. partially improving toward Q2; closely watching global economic trends
- FY 2022 interim dividends forecasted at ¥18 per share, unchanged from May announcement; studying additional returns including share buybacks in accordance with shareholder returns policy of the medium-term management plan

		H1 2021			H1 2022 forecast		H1 2022 vs H1 2021	
		Q1	Q2	H1 2021	Q1	Q2 forecast	% change	
Net sales	(¥ billion)	583.4	597.6	1,181.0	670.4	716.6	1,387.0	+17.4%
Operating income	(¥ billion)	60.5	52.6	113.1	49.4	36.9	86.3	-23.7%
Operating margin		9.6%			6.2%			
Net income attributable to owners of the parent	(¥ billion)	46.4	44.9	91.3	29.8	23.0	52.8	-42.2%
¥/US\$ exchange rate (market average)		110			132			
¥/€ exchange rate (market average)		131			139			
Naphtha price (¥/kL, domestic)		50,600			83,800			
Dividends per share (¥)		17			18		(forecast)	

H1 2022 operating performance forecast (by segment)

- Although Digital Solutions and the Health Care business category expected to perform well, operating income decrease forecasted in all segments due to deteriorating operating climate and temporary factors of the previous year in Health Care



Major factors by segment

Health Care: Sales increase, but operating income decrease

Impact of new consolidation in Medical Devices, but increased shipments of mainstay products in the Health Care business category; normalization of effect from surge in demand for ventilators, temporary impact of acquisitions, etc., and reduced shipments due to semiconductor shortages in Critical Care







Homes: Sales increase, but operating income decrease

Operating income increase in domestic order-built homes with larger and higher value-added units; decreased deliveries of condominium units in Real Estate

Material: Sales increase, but operating income decrease

Progress in passing on the cost increase from weaker yen and higher feedstock prices, increased shipments in Digital Solutions; decreased shipments of separators, engineering plastics, etc. due to reduced vehicle production caused by the semiconductor shortages, deteriorated terms of trade in Basic Materials

Operating income trends in H1 2022 (year-on-year)

		Trends	Major factors of operating income increase/decrease
Material	Environmental Solutions		<p>Separators: Operating income decrease forecasted with automotive applications impacted by reduced vehicle production, and demand slowdown in consumer electronics applications due to Chinese economic downturn; partial improvement in demand recovery in automotive applications expected toward Q2</p> <p>Basic Materials: Operating income decrease forecasted with deterioration of terms of trade</p>
	Mobility & Industrial		<p>Car interior material: Operating income decrease forecasted with higher costs of feedstocks and logistics</p> <p>Engineering plastics & others: Progress in passing on higher costs, but operating income decrease forecasted with reduced vehicle production resulting in lower shipments</p>
	Life Innovation		<p>Digital Solutions: Increased operating income forecasted with greater shipments of electronic devices for smartphone applications, continuing brisk semiconductor markets, and weaker yen exchange value</p> <p>Comfort Life: Decreased operating income forecasted with higher costs of feedstocks and logistics</p>
Homes	Homes		<p>Order-built homes: Higher material costs, but operating income increase forecasted with larger and higher value-added units</p> <p>Overseas: Flat operating income forecasted with firm North American operations despite decreased margin on lumber, but Australian operations impacted by higher costs for material and labor</p> <p>Real estate: Operating income decrease forecasted with fewer deliveries of condominium units</p>
Health Care	Health Care		<p>Pharmaceuticals: Lower license income and higher SG&A, but operating income increase forecasted with growing shipments of mainstay drugs such as Teribone and Envarsus XR</p> <p>Medical Devices: Increased shipments of Planova and benefit of foreign currency translation adjustment due to weaker yen, but operating income decrease forecasted with effect of consolidation of CDMO business of Bionova</p>
	Critical Care		<p>Defibrillators: Decreased operating income forecasted with normalization of effect from surge in demand for ventilators, and decreased shipments due to semiconductor shortage; trend for improvement of semiconductor shortage between Q4FY21 and Q1FY22</p> <p>LifeVest: Increased operating income forecasted with firm performance outside the U.S. and benefit of foreign currency translation adjustment due to weaker yen</p> <p>Others: Nonrecurrence of previous year's accounting treatment on Respicardia acquisition, impact from consolidation of Itamar</p>

Sales forecast by business category

(¥ billion)

	Q1	Q2	H1 2021 (recalculated)	H1 2022 forecast		H1 2022 vs H1 2021		
				Q1	Q2 forecast	Increase (decrease)	% change	
Material segment	279.6	296.3	575.9	339.4	372.6	712.0	136.1	+23.6%
Environmental Solutions	119.1	129.0	248.2	149.9	164.6	314.5	66.3	+26.7%
Mobility & Industrial	75.4	76.5	151.8	92.5	106.0	198.5	46.7	+30.8%
Life Innovation	85.0	90.5	175.6	96.9	101.6	198.5	22.9	+13.1%
Others in Material	0.0	0.3	0.3	0.2	0.3	0.5	0.2	+49.5%
Homes segment	195.1	197.9	393.0	206.6	210.4	417.0	24.0	+6.1%
Homes	187.2	188.6	375.8	197.5	199.5	397.0	21.2	+5.6%
Construction Materials	7.9	9.3	17.1	9.2	10.8	20.0	2.9	+16.7%
Health Care segment	105.8	100.1	205.9	121.4	129.6	251.0	45.1	+21.9%
Health Care	42.8	42.6	85.3	50.5	51.0	101.5	16.2	+18.9%
Critical Care	63.0	57.5	120.5	71.0	78.5	149.5	29.0	+24.0%
Others	3.0	3.3	6.3	3.0	4.0	7.0	0.7	+10.7%
Consolidated	583.4	597.6	1,181.0	670.4	716.6	1,387.0	206.0	+17.4%

Operating income forecast by business category

(¥ billion)

							H1 2022 vs H1 2021	
	Q1	Q2	H1 2021 (recalculated)	Q1	Q2 forecast	H1 2022 forecast	Increase (decrease)	% change
Material segment	31.1	27.5	58.5	26.8	15.7	42.5	(16.1)	-27.5%
Environmental Solutions	14.3	14.5	28.9	10.2	5.2	15.3	(13.5)	-46.9%
Mobility & Industrial	8.2	5.0	13.2	5.2	5.3	10.5	(2.7)	-20.7%
Life Innovation	10.2	8.9	19.1	12.1	6.3	18.4	(0.7)	-3.6%
Others in Material	(1.6)	(1.1)	(2.7)	(0.6)	(1.1)	(1.8)	0.9	–
Homes segment	15.1	18.1	33.3	15.3	15.6	30.9	(2.4)	-7.2%
Homes	14.7	17.3	32.0	15.0	15.5	30.5	(1.5)	-4.8%
Construction Materials	0.4	0.8	1.2	0.3	0.1	0.4	(0.9)	-70.6%
Health Care segment	20.5	13.8	34.3	14.8	12.8	27.6	(6.7)	-19.5%
Health Care	7.6	5.9	13.6	10.0	5.7	15.7	2.1	+15.8%
Critical Care	12.9	7.8	20.7	4.8	7.1	11.9	(8.8)	-42.7%
Others	0.5	1.2	1.7	0.6	0.8	1.4	(0.3)	-18.1%
Corporate expenses and eliminations	(6.7)	(7.9)	(14.6)	(8.1)	(7.9)	(16.0)	(1.4)	–
Consolidated	60.5	52.6	113.1	49.4	36.9	86.3	(26.8)	-23.7%

3. Appendix



Revision of business categories

Segments	Business categories	Businesses	
Material	Environmental Solutions	Separators	
		Membrane Solutions	
		Synthetic Rubber & Elastomers	
		Basic Materials ¹	
	Mobility & Industrial	Fibers (automotive)	
		Engineering Plastics	
		Performance Coating Materials	
	Life Innovation	Digital Solutions	Electronic Materials
			Electronic Devices
			UVC Project
			Functional Additives
			Explosives
		Comfort Life	Photoproducts
		Fibers (apparel, industrial, etc.)	
		Consumables	
	Asahi Kasei Advance ²		
Homes	Homes		
	Construction Materials		
Health Care	Health Care		
	Critical Care		
Others			
Corporate expenses and eliminations			

- Formerly Basic Materials
- Formerly Performance Products
- Formerly Specialty Solutions
- Formerly Corporate expenses and eliminations

1 Certain products are transferred to Mobility & Industrial

2 Asahi Kasei Advance results, previously separated among Performance Products, Others in Material, and Construction Materials, are now included in Life Innovation

Material segment

(¥ billion)

Sales	Q1	Q2	H1 2021 (recalculated)	H1 2022 forecast			Q1 2022 vs Q1 2021		H1 2022 vs H1 2021	
				Q1	Q2 forecast	H1 2022 forecast	Increase (decrease)	% change	Increase (decrease)	% change
				Material segment	279.6	296.3	575.9	339.4	372.6	712.0
Environmental Solutions	119.1	129.0	248.2	149.9	164.6	314.5	30.8	+25.8%	66.3	+26.7%
of which, basic materials	72.4	82.3	154.7	100.1	107.9	208.0	27.7	+38.3%	53.3	+34.5%
Mobility & Industrial	75.4	76.5	151.8	92.5	106.0	198.5	17.1	+22.7%	46.7	+30.8%
Life Innovation	85.0	90.5	175.6	96.9	101.6	198.5	11.8	+13.9%	22.9	+13.1%
of which, digital solutions	28.6	30.6	59.3	34.2	35.3	69.5	5.6	+19.6%	10.2	+17.3%
Others in Material	0.0	0.3	0.3	0.2	0.3	0.5	0.1	+231.8%	0.2	+49.5%

Operating income	Q1	Q2	H1 2021 (recalculated)	H1 2022 forecast			Q1 2022 vs Q1 2021		H1 2022 vs H1 2021	
				Q1	Q2 forecast	H1 2022 forecast	Increase (decrease)	% change	Increase (decrease)	% change
				Material segment	31.1	27.5	58.5	26.8	15.7	42.5
Environmental Solutions	14.3	14.5	28.9	10.2	5.2	15.3	(4.2)	-29.1%	(13.5)	-46.9%
of which, basic materials	8.2	10.8	19.0	8.3	3.1	11.4	0.1	+1.0%	(7.7)	-40.3%
Mobility & Industrial	8.2	5.0	13.2	5.2	5.3	10.5	(3.0)	-37.0%	(2.7)	-20.7%
Life Innovation	10.2	8.9	19.1	12.1	6.3	18.4	1.9	+18.9%	(0.7)	-3.6%
of which, digital solutions	4.3	4.6	8.9	6.7	3.9	10.6	2.4	+55.5%	1.7	+19.1%
Others in Material	(1.6)	(1.1)	(2.7)	(0.6)	(1.1)	(1.8)	1.0	–	0.9	–

Homes segment (i)

(¥ billion)

Sales	Q1	Q2	H1 2021 (recalculated)	H1 2022 forecast		Q1 2022 vs Q1 2021		H1 2022 vs H1 2021		
				Q1	Q2 forecast	Increase (decrease)	% change	Increase (decrease)	% change	
Homes segment	195.1	197.9	393.0	206.6	210.4	417.0	11.6	+5.9%	24.0	+6.1%
Homes	187.2	188.6	375.8	197.5	199.5	397.0	10.3	+5.5%	21.2	+5.6%
Order-built homes, etc.	91.2	97.9	189.0	95.1	100.9	196.0	3.9	+4.3%	7.0	+3.7%
Real estate	45.9	40.1	86.0	41.7	39.3	81.0	(4.2)	-9.1%	(5.0)	-5.8%
Remodeling	13.0	13.8	26.7	12.1	14.9	27.0	(0.8)	-6.5%	0.3	+1.0%
Overseas business	36.7	36.4	73.1	48.3	44.7	93.0	11.6	+31.5%	19.9	+27.2%
Others	0.4	0.5	0.9	0.3	(0.3)	0.0	(0.2)	-38.1%	(0.9)	-100.0%
Construction Materials	7.9	9.3	17.1	9.2	10.8	20.0	1.3	+16.6%	2.9	+16.7%

Operating income	Q1	Q2	H1 2021 (recalculated)	H1 2022 forecast		Q1 2022 vs Q1 2021		H1 2022 vs H1 2021		
				Q1	Q2 forecast	Increase (decrease)	% change	Increase (decrease)	% change	
Homes segment	15.1	18.1	33.3	15.3	15.6	30.9	0.1	+0.9%	(2.4)	-7.2%
Homes	14.7	17.3	32.0	15.0	15.5	30.5	0.2	+1.5%	(1.5)	-4.8%
Order-built homes, etc.	5.7	8.4	14.1	6.0	9.2	15.2	0.3	+5.5%	1.0	+7.3%
Real estate	5.6	4.1	9.6	4.5	2.7	7.2	(1.1)	-19.8%	(2.5)	-25.5%
Remodeling	1.1	1.5	2.6	0.9	1.8	2.6	(0.2)	-20.3%	0.1	+2.4%
Overseas business	2.3	3.1	5.4	3.6	1.9	5.5	1.4	+59.8%	0.2	+3.1%
Others	0.1	0.2	0.4	0.0	(0.0)	0.0	(0.1)	-83.7%	(0.3)	-95.5%
Construction Materials	0.4	0.8	1.2	0.3	0.1	0.4	(0.1)	-20.6%	(0.9)	-70.6%

Homes segment (ii)

- Year-on-year increase in value of new orders forecasted for H1 2022 despite lingering impact of fewer visitors to model homes

(¥ billion, % indicates year-on-year comparison)

		Order-built homes, etc.						Real estate				
		Orders			Sales			Sales				
		Value of new orders during the term		Order backlog	Unit homes	Multi-dwelling homes	Other ¹	Total	Pre-built homes	Rental housing	Other	Total
FY 2020	H1	145.3	(-28.1%)	543.8	132.8	46.9	8.1	187.8	30.9	58.1	2.1	91.0
	H2	181.3	(-8.6%)	527.5	136.6	61.1	9.2	206.9	11.1	60.8	7.1	79.0
	annual	326.6	(-18.4%)		269.3	108.0	17.4	394.7	42.0	118.9	9.1	170.1
FY 2021 ²	Q1	91.2	(+91.5%)	540.9	61.2	24.8	5.1	91.2	13.3	31.0	1.6	45.9
	Q2	115.1	(+17.8%)	563.5	66.2	26.1	5.6	97.9	7.1	31.5	1.5	40.1
	H1	206.3	(+42.0%)		127.4	51.0	10.6	189.0	20.5	62.5	3.1	86.0
	H2	178.0	(-1.8%)	533.3	142.3	60.6	11.6	214.5	24.7	64.6	7.2	96.5
	annual	384.3	(+17.7%)		269.7	111.6	22.2	403.5	45.2	127.1	10.2	182.5
FY 2022 ²	Q1	92.4	(+1.3%)	548.6	63.0	27.1	5.0	95.1	7.3	33.0	1.4	41.7
	Q2 forecast	118.1	(+2.6%)	568.7				100.9	2.7	34.0	2.6	39.3
	H1 forecast	210.5	(+2.0%)					196.0	10.0	67.0	4.0	81.0

¹ Income from maintenance service which was previously included in SG&A is included in sales beginning with FY 2019.

² The Accounting Standard for Revenue Recognition is applied beginning with FY 2021. Order backlog shown above remains based on the previous method.

Health Care segment (i)

(¥ billion)

Sales	Q1	Q2	H1 2021	Q1	Q2 forecast	H1 2022 forecast	Q1 2022 vs Q1 2021		H1 2022 vs H1 2021	
							Increase (decrease)	% change	Increase (decrease)	% change
Health Care segment	105.8	100.1	205.9	121.4	129.6	251.0	15.6	+14.8%	45.1	+21.9%
Health Care	42.8	42.6	85.3	50.5	51.0	101.5	7.7	+18.0%	16.2	+18.9%
Pharmaceuticals	22.7	22.1	44.8	27.0	27.5	54.5	4.3	+19.0%	9.7	+21.7%
Medical Devices	20.1	20.5	40.6	23.5	23.5	47.0	3.4	+16.9%	6.4	+15.9%
Critical Care	63.0	57.5	120.5	71.0	78.5	149.5	7.9	+12.6%	29.0	+24.0%
Operating income	Q1	Q2	H1 2021	Q1	Q2 forecast	H1 2022 forecast	Q1 2022 vs Q1 2021		H1 2022 vs H1 2021	
							Increase (decrease)	% change	Increase (decrease)	% change
Health Care segment	20.5	13.8	34.3	14.8	12.8	27.6	(5.7)	-27.8%	(6.7)	-19.5%
Health Care	7.6	5.9	13.6	10.0	5.7	15.7	2.4	+31.6%	2.1	+15.8%
Critical Care	12.9	7.8	20.7	4.8	7.1	11.9	(8.1)	-62.9%	(8.8)	-42.7%
EBITDA	Q1	Q2	H1 2021	Q1	Q2 forecast	H1 2022 forecast	Q1 2022 vs Q1 2021		H1 2022 vs H1 2021	
							Increase (decrease)	% change	Increase (decrease)	% change
Health Care segment	31.9	25.7	57.7	29.6			(2.3)	-7.3%		
Health Care	12.5	11.1	23.6	15.8			3.3	+26.8%		
Critical Care	19.5	14.6	34.1	13.8			(5.7)	-29.1%		

Health Care segment (ii)

Main pharmaceuticals products

(Sales region, monetary unit)	FY 2021		FY 2022	Q1 2022 vs Q1 2021	
	Q1	H1	Q1	Increase (decrease)	% change
Asahi Kasei Pharma					
Teribone (Japan, ¥ billion)	9.0	18.6	10.4	1.4	+15.8%
Recomodulin (Japan, ¥ billion)	2.2	4.5	2.0	(0.2)	-8.5%
Kevzara (Japan, ¥ billion)	1.6	3.5	2.2	0.6	+34.7%
Reclast (Japan, ¥ billion)	0.3	0.6	0.3	0.0	+11.5%
Plaquenil (Japan, ¥ billion)			1.4	1.4	
Veloxis Pharmaceuticals					
Envarsus XR (US, \$ million)	34	67	46	12	+37.1%

Generic name		Classification	Indication	Formulation
Teribone	Teriparatide acetate	Synthetic human parathyroid hormone (PTH)	Osteoporosis with high risk of fracture	Injection
Reclast	Zoledronic acid	Osteoporosis drug	Osteoporosis	Injection
Recomodulin	Recombinant thrombomodulin alfa	Anticoagulant	Disseminated intravascular coagulation	Injection
Kevzara	Sarilumab (rDNA origin)	Interleukin-6 inhibitor	Rheumatoid arthritis not responding well to conventional treatments	Injection
Plaquenil	Hydroxychloroquine sulfate	Immunomodulator	Cutaneous lupus erythematosus, systemic lupus erythematosus	Tablet
Envarsus XR	Tacrolimus extended-release tablets	Immunosuppressant drug	Kidney transplantation	Tablet

Health Care segment (iii)

Pharmaceuticals pipeline

Development stage	Code name, form, generic name	Classification	Indication	Region	Origin	Remarks
Pending approval	AK1820, injection/capsule, isavuconazonium sulfate	Antifungal agent	Invasive fungal infections	Japan	Licensed	
Phase II	ART-123, injection, recombinant thrombomodulin alfa	Anticoagulant	Chemotherapy-induced peripheral neuropathy (CIPN)	Japan	In-house	Additional indication Joint U.S.-Japan Phase I study in progress
Phase II	AK1830, oral	Analgesic	Pain associated with osteoarthritis	Japan	Licensed	
Phase II			Chronic low back pain			
Pending approval (overseas)	HE-69, tablet, mizoribine	Immunosuppressant	Lupus nephritis, nephrotic syndrome	China	In-house	Additional indication
Phase III (overseas)	ART-123, injection, recombinant thrombomodulin alfa	Anticoagulant	Severe sepsis with coagulopathy	United States, Europe, etc.	In-house	

Major M&A (since April 2021)

		Company	Operations	Consolidation on statements of income	Cost	Goodwill
Homes	Homes	McDonald Jones Homes Pty Ltd	Construction of custom-built homes and sale of pre-built homes in Australia	Apr. 1, 2021	¥ 19.1 billion	¥ 5.5 billion
Health Care	Health Care	Bionova Holdings, Inc.	Biopharmaceutical manufacturing process development, GMP-compliant manufacturing of current and next-generation antibody drugs	Jul. 1, 2022	¥ 42.6 billion (provisional calculation)	¥39.8 billion (provisional calculation)
	Critical Care	Respicardia, Inc.	Development, manufacture, and sale of an implantable neurostimulator device for the treatment of central sleep apnea (CSA)	Apr. 9, 2021	¥ 30.7 billion	¥ 14.4 billion
		Itamar Medical Ltd.	Development, manufacture, and sale of diagnostic devices for sleep apnea	Dec. 16, 2021	¥ 60.9 billion	¥ 37.8 billion (provisional calculation)

Highlights (since April 2022)

Investment for growth (GG10)

- ◆ April, agreement for acquisition by Asahi Kasei Medical of Bionova Scientific, LLC, a U.S.-based biopharmaceutical CDMO; acquisition completed in May
- ◆ May, AKM to launch low-latency solution with Active Road Noise Cancellation (ARNC) technology for automotive with Silentium
- ◆ June, Alchemedicine and Asahi Kasei Pharma Enter into Exclusive License Agreement for Selective Endothelin A Receptor Antagonist

Structural transformation and strengthening existing businesses

- ◆ May, Transfer of photomask pellicles business to Mitsui Chemicals, Inc., by corporate separation (simplified absorption-type separation)

Strengthening business platform

- ◆ May, Asahi Kasei establishes group-wide data management platform
- ◆ May–June, start of provision of carbon footprint data for engineering plastics, synthetic rubber, and elastomers
- ◆ June, selected as “DX (Digital Transformation) Stock” for second consecutive year

◆	Material
◆	Homes
◆	Health Care
◆	Corporate

Quarterly sales (since FY 2019)

(¥ billion)

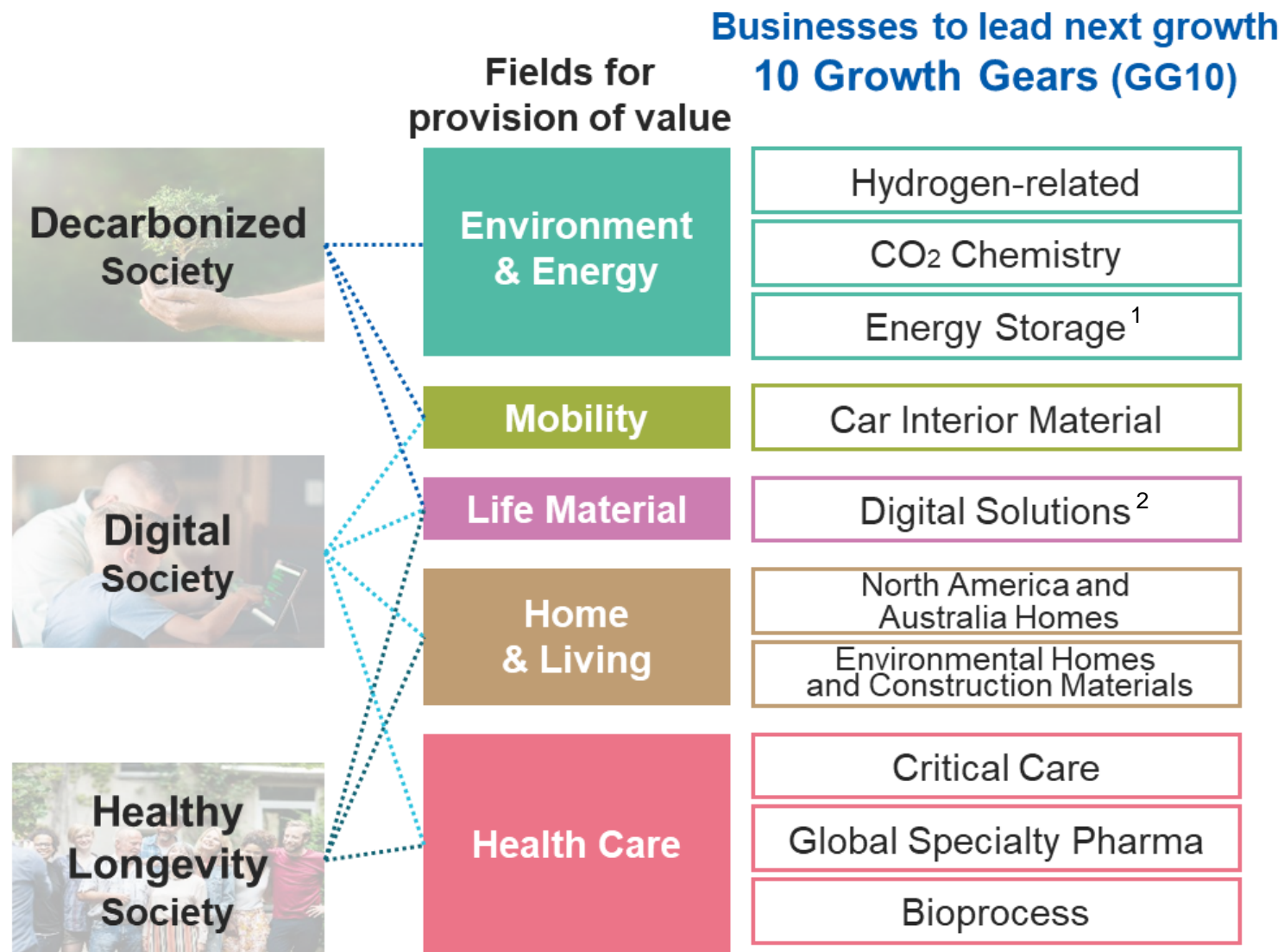
	FY 2019 (recalculated)				FY 2020 (recalculated)				FY 2021 (recalculated)				FY 2022	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 forecast
Material segment	274.6	292.2	279.5	260.4	208.0	236.8	271.0	289.0	279.6	296.3	315.2	318.9	339.4	372.6
Environmental Solutions	116.8	124.1	118.7	104.7	89.0	95.1	106.5	123.7	119.1	129.0	137.3	137.2	149.9	164.6
of which, Basic Materials	75.5	77.9	76.8	64.8	53.7	55.9	64.4	77.1	72.4	82.3	90.2	90.0	100.1	107.9
Mobility & Industrial	68.6	67.1	64.5	63.2	39.1	55.6	71.6	76.8	75.4	76.5	80.7	89.6	92.5	106.0
Life Innovation	89.3	101.1	96.3	92.5	79.9	85.9	92.7	88.3	85.0	90.5	97.1	91.9	96.9	101.6
of which, Digital Solutions	27.3	30.4	30.7	28.5	28.0	28.1	30.7	27.5	28.6	30.6	31.3	30.9	34.2	35.3
Others in Material	0.0	0.0	(0.0)	0.0	(0.0)	0.3	0.2	0.2	0.0	0.3	0.2	0.2	0.2	0.3
Homes segment	141.4	185.5	152.5	211.5	147.8	184.8	170.2	177.1	195.1	197.9	218.3	211.2	206.6	210.4
Homes	130.6	174.3	141.9	202.5	139.1	175.3	161.0	169.4	187.2	188.6	208.5	202.2	197.5	199.5
Construction Materials	10.8	11.2	10.7	9.0	8.8	9.5	9.2	7.6	7.9	9.3	9.8	9.0	9.2	10.8
Health Care segment	82.7	84.9	83.5	86.7	95.7	109.2	103.0	100.0	105.8	100.1	107.0	103.0	121.4	129.6
Health Care	34.3	35.8	32.3	30.9	36.5	37.8	40.7	39.4	42.8	42.6	46.8	42.1	50.5	51.0
Critical Care	48.4	49.1	51.2	55.8	59.2	71.4	62.3	60.6	63.0	57.5	60.3	60.9	71.0	78.5
Others	3.4	3.9	4.3	4.5	3.6	3.5	3.0	3.3	3.0	3.3	3.2	3.5	3.0	4.0
Consolidated	502.1	566.6	519.9	563.1	455.2	534.2	547.3	569.4	583.4	597.6	643.7	636.6	670.4	716.6

Quarterly operating income (since FY 2019)

(¥ billion)

	FY 2019 (recalculated)				FY 2020 (recalculated)				FY 2021 (recalculated)				FY 2022	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 forecast
Material segment	24.5	29.9	21.1	12.0	8.0	11.0	20.9	23.0	31.1	27.5	29.8	17.6	26.8	15.7
Environmental Solutions	9.5	13.9	8.9	1.4	1.9	4.4	8.2	13.0	14.3	14.5	13.8	6.2	10.2	5.2
of which, Basic Materials	8.4	10.2	5.8	(0.3)	(1.0)	2.0	4.2	8.9	8.2	10.8	10.0	6.4	8.3	3.1
Mobility & Industrial	6.3	6.4	4.0	3.5	(3.3)	0.8	3.9	6.3	8.2	5.0	5.4	7.1	5.2	5.3
Life Innovation	7.6	9.9	8.3	6.7	8.2	6.6	9.0	5.5	10.2	8.9	10.8	4.9	12.1	6.3
of which, Digital Solutions	1.8	3.4	3.2	3.5	3.1	2.8	3.8	3.6	4.3	4.6	4.6	3.4	6.7	3.9
Others in Material	1.1	(0.3)	(0.1)	0.4	1.2	(0.8)	(0.3)	(1.8)	(1.6)	(1.1)	(0.2)	(0.6)	(0.6)	(1.1)
Homes segment	9.9	22.8	13.3	26.5	10.6	20.9	16.4	15.2	15.1	18.1	22.3	17.3	15.3	15.6
Homes	8.8	21.3	12.1	25.2	9.8	19.6	15.5	14.8	14.7	17.3	21.3	17.3	15.0	15.5
Construction Materials	1.2	1.4	1.7	1.0	1.0	1.3	1.1	0.0	0.4	0.8	1.0	0.0	0.3	0.1
Health Care segment	12.6	13.3	9.9	7.7	15.5	19.9	20.4	11.8	20.5	13.8	15.9	2.0	14.8	12.8
Health Care	6.8	7.2	3.8	0.1	5.7	5.1	8.8	3.4	7.6	5.9	9.0	(0.7)	10.0	5.7
Critical Care	5.9	6.1	6.1	7.7	9.8	14.8	11.7	8.4	12.9	7.8	6.9	2.7	4.8	7.1
Others	0.5	0.9	1.0	1.2	0.8	1.0	0.9	1.5	0.5	1.2	0.9	1.5	0.6	0.8
Corporate expenses and eliminations	(6.3)	(6.4)	(6.7)	(10.4)	(4.8)	(6.1)	(5.8)	(9.2)	(6.7)	(7.9)	(8.0)	(9.8)	(8.1)	(7.9)
Consolidated	41.3	60.4	38.5	37.0	30.1	46.7	52.7	42.3	60.5	52.6	60.9	28.6	49.4	36.9

Next growth businesses in Medium-Term Management Plan 2024 (GG10)



¹ Separators, etc.

² Electronic components, electronic materials, etc.

Notes

- EBITDA = operating income, depreciation, and amortization (tangible, intangible, and goodwill)
- The Accounting Standard for Revenue Recognition is applied beginning with FY 2021.
- Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

IR Calendar

**Schedule for announcement
of financial results for
fiscal 2022 2nd Quarter**

November 9, 2022 (JST)

AsahiKASEI

Creating for Tomorrow

THE COMMITMENT OF THE ASAHI KASEI GROUP:

To do all that we can in every era to help the people of the world make the most of life and attain fulfillment in living.

Since our founding, we have always been deeply committed to contributing to the development of society, boldly anticipating the emergence of new needs.

This is what we mean by “Creating for Tomorrow.”

