



Asahi**KASEI**

**Fiscal 2023 1st Quarter
Financial Results
– Supplementary
Financial Summary –**

August 3, 2023

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.

Q1 2023 results

- Although sales in Homes and Health Care were firm, consolidated net sales decreased year-on-year as Material had slower demand in China and lower market prices than expected
- Operating income decreased year-on-year with slow demand and low market prices in Material, and acquisition impact and increased costs in the Health Care business category, but in line with previous forecast

H1 2023 forecast

- Year-on-year net sales and operating income decrease with weak recovery of operating climate for Material in Q2, but forecast upward revised in Homes and Health Care
- Expectation unchanged for overall recovery in demand and market prices toward H2, but at a slower pace than previously assumed
- Efforts to enhance earnings structure by passing on increased feedstock costs, reducing manufacturing costs, and reducing inventories and SG&A
- Accelerating studies on structural transformation of business portfolio and advancing investment in growth businesses based on prioritized resource allocation while reaping the fruits of past investments

Shareholder returns

- Unpredictable environment in FY 2023, but interim dividends forecast of ¥18 per share maintained based on shareholder returns policy

Progress of MTP

- Establishment of Asahi Kasei Healthcare Headquarters in the United States (near Boston, MA) to support further business expansion
- Selected as “DX Stock” for 3rd consecutive year in recognition of digital transformation initiatives

1. Consolidated results for Q1 2023

Although sales in Homes and Health Care were firm, consolidated net sales decreased year-on-year as Material had slower demand in China and lower market prices than expected

Operating income decreased year-on-year with slow demand and low market prices in Material, and acquisition impact and increased costs in the Health Care business category, but in line with previous forecast

Net income decreased year-on-year with lower operating income and equity in losses of affiliates

		Q1 2022	Q1 2023	Increase (decrease)	% change
Net sales	(¥ billion)	670.4	650.7	(19.7)	-2.9%
Operating income	(¥ billion)	49.4	21.8	(27.6)	-55.9%
Operating margin		7.4%	3.3%		
Operating income before goodwill amortization	(¥ billion)	57.8	28.8	(29.0)	-50.2%
EBITDA	(¥ billion)	90.5	65.5	(25.0)	-27.6%
EBITDA margin		13.5%	10.1%		
Net income attributable to owners of the parent	(¥ billion)	29.8	9.6	(20.2)	-67.8%

¥/US\$ exchange rate (market average)

130

137

¥/€ exchange rate (market average)

138

149

Naphtha price (¥/kL, domestic)

86,100

67,500

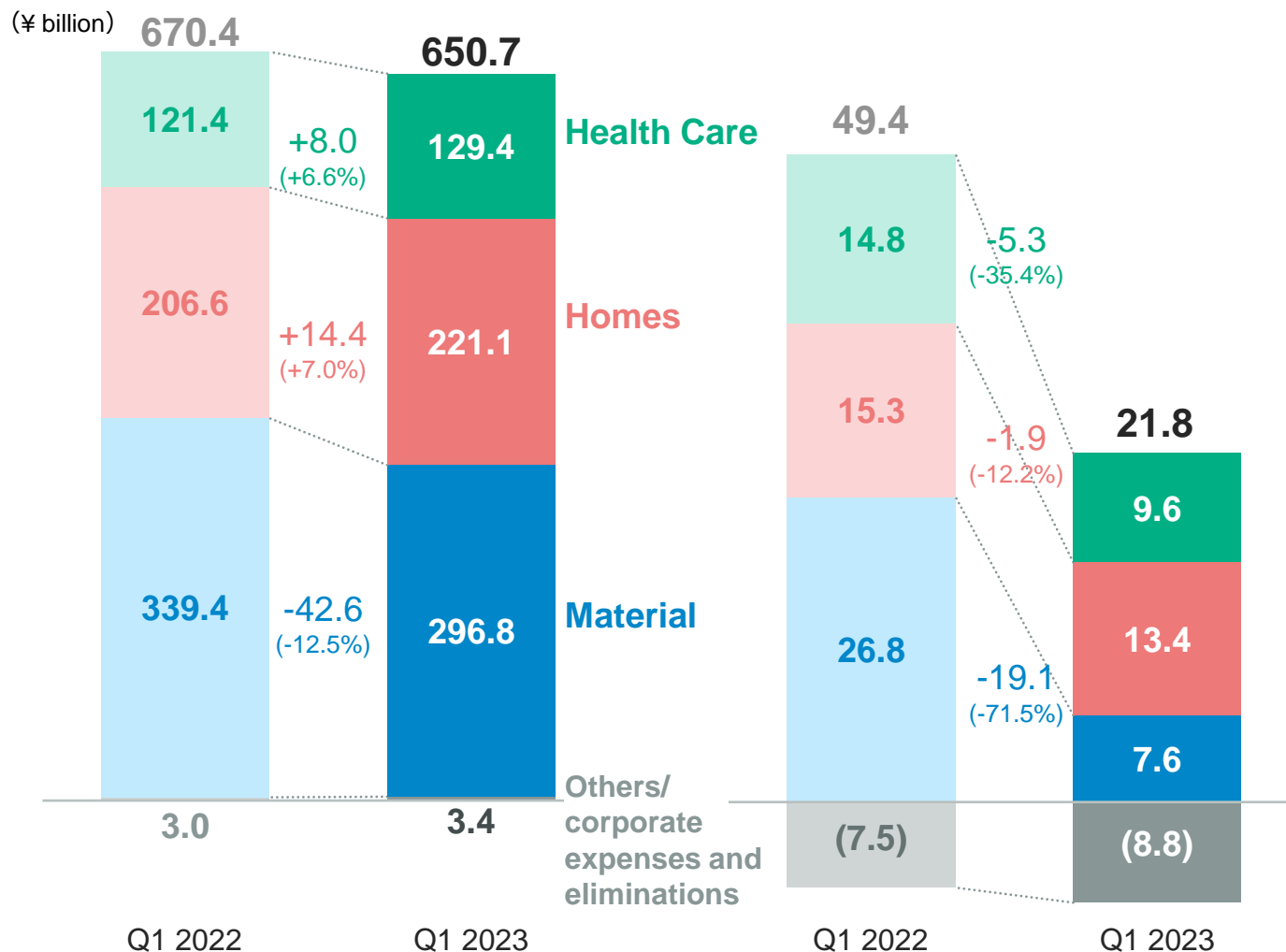
Q1 2023 results by segment

Sales (YoY)

-¥19.7 billion (-2.9%)

Operating income (YoY)

-¥27.6 billion (-55.9%)



Health Care

Sales increase, but operating income decrease

- Decreased income in the Health Care business category with higher SG&A due to greater activity, and negative impact of Bionova consolidation
- Flat operating income in Critical Care with lower operating margin for defibrillators due to product mix, but improved reimbursement conditions for LifeVest

Homes

Sales increase, but operating income decrease

- Decreased income in order-built homes with higher average unit prices but increased material costs and decreased volume of work
- Decreased income in North America with decreased volume of work, and deteriorated profitability compared to year-ago period when selling prices were maintained while lumber prices declined

Material

Sales and operating income decrease

- Decreased income in Basic Materials with lower volumes due to demand slowdown, and impact of inventory valuation due to lower material prices
- Decreased income in Life Innovation with decreased sales volumes due to demand slowdown

Year-on-year variations

SG&A

Increased value of overseas expenses due to weaker yen, impact of new consolidations, etc.

Non-operating income/expense

Decreased equity in earnings of affiliates due to deteriorated earnings at PTT Asahi Chemical, etc.

Extraordinary income/loss

Decreased with lower gain on sales of strategic shareholdings

(¥ billion)

	Q1 2022		Q1 2023		Increase (decrease)	% change
		% of sales		% of sales		
Net sales	670.4	100.0%	650.7	100.0%	(19.7)	-2.9%
Cost of sales	464.5	69.3%	464.3	71.3%	(0.2)	-0.0%
Gross profit	206.0	30.7%	186.4	28.7%	(19.5)	-9.5%
Selling, general and administrative expenses	156.6	23.4%	164.7	25.3%	8.1	+5.1%
Operating income	49.4	7.4%	21.8	3.3%	(27.6)	-55.9%
Net non-operating income (expenses)	2.2		(0.4)		(2.6)	
of which, net equity in earnings (losses) of affiliates	1.6		(0.3)		(1.9)	
Ordinary income	51.5	7.7%	21.4	3.3%	(30.2)	-58.5%
Net extraordinary income (loss)	(1.9)		(2.4)		(0.5)	
Income before income taxes	49.6	7.4%	19.0	2.9%	(30.6)	-61.7%
Income taxes	(19.6)		(8.8)		10.8	
Net income attributable to non-controlling interests	(0.1)		(0.6)		(0.5)	
Net income attributable to owners of the parent	29.8	4.4%	9.6	1.5%	(20.2)	-67.8%

Decreased with lower gain on sales of strategic shareholdings

	(¥ billion)		
	Q1 2022	Q1 2023	Increase (decrease)
Gain on sales of investment securities	2.2	0.7	(1.5)
Gain on sales of noncurrent assets	0.6	0.1	(0.5)
Total extraordinary income	2.8	0.8	(2.0)
Loss on valuation of investment securities	1.0	—	(1.0)
Loss on disposal of noncurrent assets	1.2	1.3	0.2
Impairment loss	0.0	0.0	(0.0)
Loss on fire at plant facilities	1.6	—	(1.6)
Business structure improvement expenses	0.9	1.9	1.0
Total extraordinary loss	4.7	3.2	(1.5)
Net extraordinary income (loss)	(1.9)	(2.4)	(0.5)

Total assets

Increased value of overseas assets due to weaker yen, increased cash and cash equivalents

Liabilities

Increased interest-bearing debt, increased value of overseas liabilities due to weaker yen

Net assets

Decreased retained earnings by payment of dividends, but increased accumulated other comprehensive income due to weaker yen

	At end of Mar. 2023	At end of Jun. 2023	Increase (decrease)
Current assets	1,488.2	1,552.8	64.6
Cash and deposits	251.2	307.9	56.7
Notes, accounts receivable– trade, and contract assets	442.7	439.8	(2.9)
Inventories	642.6	658.6	16.0
Other current assets	151.8	146.6	(5.2)
Noncurrent assets	1,965.7	2,052.3	86.6
Property, plant and equipment	871.7	898.8	27.1
Intangible assets ¹	736.2	777.0	40.8
Investments and other assets	357.8	376.4	18.6
Total assets	3,453.9	3,605.1	151.2
Goodwill ¹	348.6	370.9	22.4
Interest-bearing debt ²	939.5	1,036.1	96.6
D/E ratio	0.57	0.59	0.03

	At end of Mar. 2023	At end of Jun. 2023	Increase (decrease)
Liabilities	1,758.5	1,818.4	59.9
Current liabilities	912.2	912.1	(0.1)
Notes and accounts payable–trade	180.6	159.5	(21.1)
Other current liabilities	731.6	752.6	21.0
Noncurrent liabilities	846.4	906.4	60.0
Net assets	1,695.4	1,786.7	91.3
Shareholders' equity	1,317.5	1,302.5	(14.9)
Capital stock	103.4	103.4	–
Capital surplus	79.8	80.3	0.4
Retained earnings ¹	1,141.7	1,126.3	(15.4)
Treasury stock	(7.4)	(7.4)	(0.0)
Accumulated other comprehensive income	342.8	448.7	105.9
Non-controlling interests	35.1	35.5	0.4
Total liabilities and net assets	3,453.9	3,605.1	151.2

(¥ billion)

¹ Figures at the end of March 2023 retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022 (US Eastern time)

² Excluding lease obligations

Operating

Flow turned positive with reduced demand for working capital and decreased income tax payment, although income before income taxes decreased

Investing

Less cash used compared to previous year with impact of Bionova acquisition

Financing

Less cash provided with reduced raising of funds

	(¥ billion)		
	Q1 2022	Q1 2023	Increase (decrease)
a. Net cash provided by (used in) operating activities	(40.1)	30.2	70.3
b. Net cash provided by (used in) investing activities	(82.1)	(55.1)	27.0
Outlays for capital expenditure	(38.8)	(54.0)	(15.2)
Outlays for M&A	(42.2)	—	42.2
Others	(1.0)	(1.1)	(0.0)
c. Free cash flows [a+b]	(122.2)	(24.9)	97.3
d. Net cash provided by (used in) financing activities	135.7	64.8	(71.0)
e. Others	20.1	16.8	(3.3)
Net increase (decrease) in cash and cash equivalents [c+d+e]	33.6	56.6	23.0

2. Forecast for H1 2023

Year-on-year net sales and operating income decrease with weak recovery of operating climate for Material in Q2, but forecast upward revised in Homes and Health Care

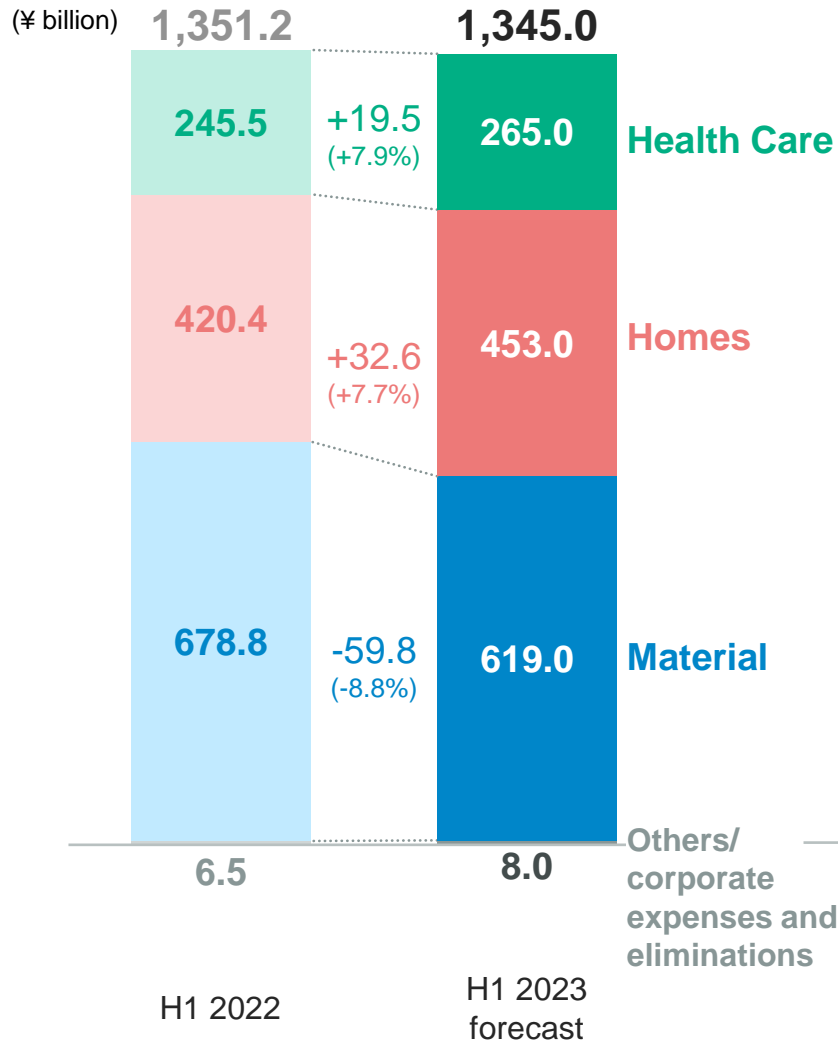
Efforts to enhance earnings structure by passing on increased feedstock costs, reducing manufacturing costs, and reducing inventories and SG&A

		Q1	Q2	H1 2022	Q1	Q2 forecast	H1 2023 forecast	H1 2023 vs H1 2022 % change	H1 2023 forecast in May
Net sales	(¥ billion)	670.4	680.8	1,351.2	650.7	694.3	1,345.0	-0.5%	1,360.0
Operating income	(¥ billion)	49.4	36.4	85.8	21.8	24.2	46.0	-46.4%	51.5
Operating margin				6.4%			3.4%		3.8%
Net income attributable to owners of the parent	(¥ billion)	29.8	21.9	51.7	9.6	12.4	22.0	-57.5%	28.0
¥/US\$ exchange rate (market average)		130	138	134	137	140	139		
¥/€ exchange rate (market average)		138	139	139	149	150	150		
Naphtha price (¥/kL, domestic)		86,100	81,400	83,800	67,500	60,000	63,800		
Dividends per share (¥)		-	-	18	-	-	18		(forecast)

H1 2023 operating performance forecast by segment (year-on-year)

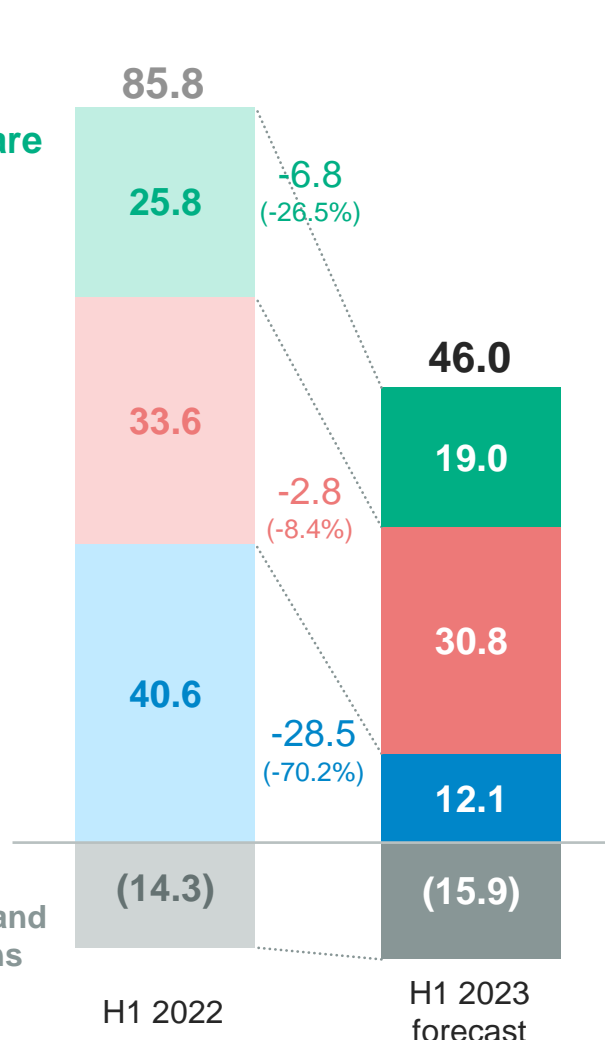
Sales (YoY)

-¥6.2 billion (-0.5%)



Operating income (YoY)

-¥39.8 billion (-46.4%)



Health Care

Sales increase, but operating income decrease

- Decreased income in Health Care business category with increased SG&A, increased feedstock and fuel costs, and negative impact of Bionova consolidation
- Increased income in Critical Care with increased shipments of AEDs due to improvement of difficulty in parts procurement

Homes

Sales increase, but operating income decrease

- Decreased income in order-built homes with higher average unit prices but increased material costs and decreased volume of work
- Decreased income in North America with decreased volume of work, and deteriorated profitability compared to year-ago period when selling prices were maintained while lumber prices declined

Material

Sales and operating income decrease

- Decreased income in Basic Materials with lower volumes due to demand slowdown, impact of inventory valuation due to lower material prices, and maintenance turnaround
- Decreased income in Life Innovation with decreased sales volumes due to demand slowdown

H1 2023 operating performance forecast by segment (vs. forecast in May) AsahiKASEI

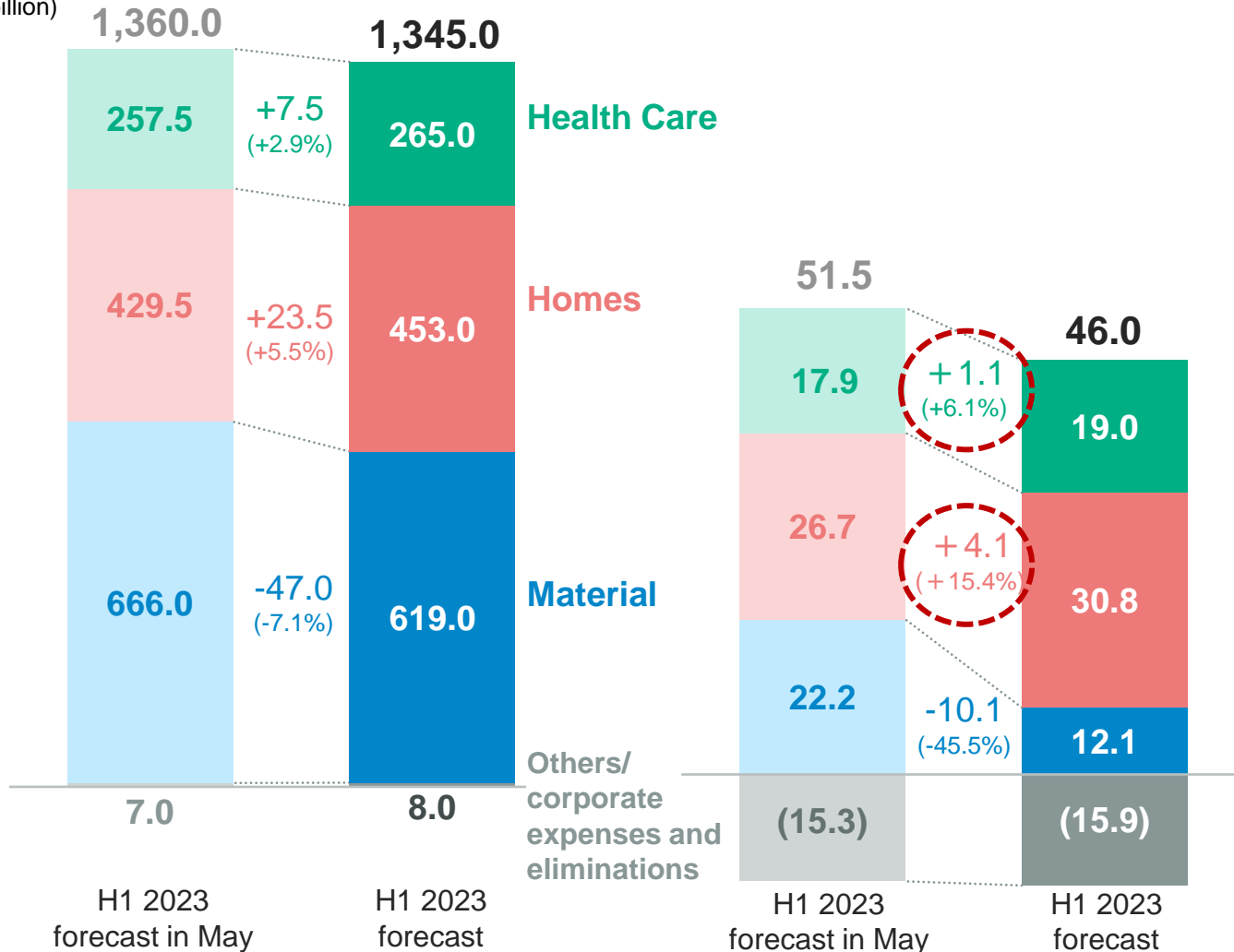
Sales (vs. forecast in May)

-¥15.0 billion (-1.1%)

Operating income (vs. forecast in May)

-¥5.5 billion (-10.7%)

(¥ billion)



Health Care

Sales and operating income revised upward

- Firm shipments centered on AEDs with greater than expected improvement of difficulty in parts procurement in Critical Care

Homes

Sales and operating income revised upward

- Greater than expected reduction of fixed costs in order-built homes, and certain deliveries of condominiums to be made in advance in real estate

Material

Sales and operating income revised downward

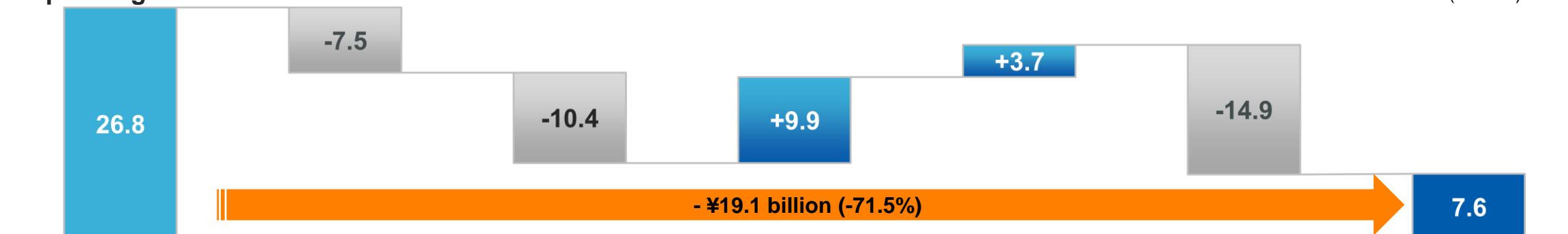
- Decreased shipments due to lower than expected demand, and deteriorated terms of trade and impact of inventory valuation with reduced market prices in Basic Materials

3. Results by segment

Terms of trade improved as negative impact of sales prices was offset by reduced feedstock costs and positive impact of foreign exchange, but operating income decreased with lower sales volume due to demand slowdown and negative impact of others (inventory valuation, operating rates, etc.)

Operating income increase/decrease

(¥ billion)



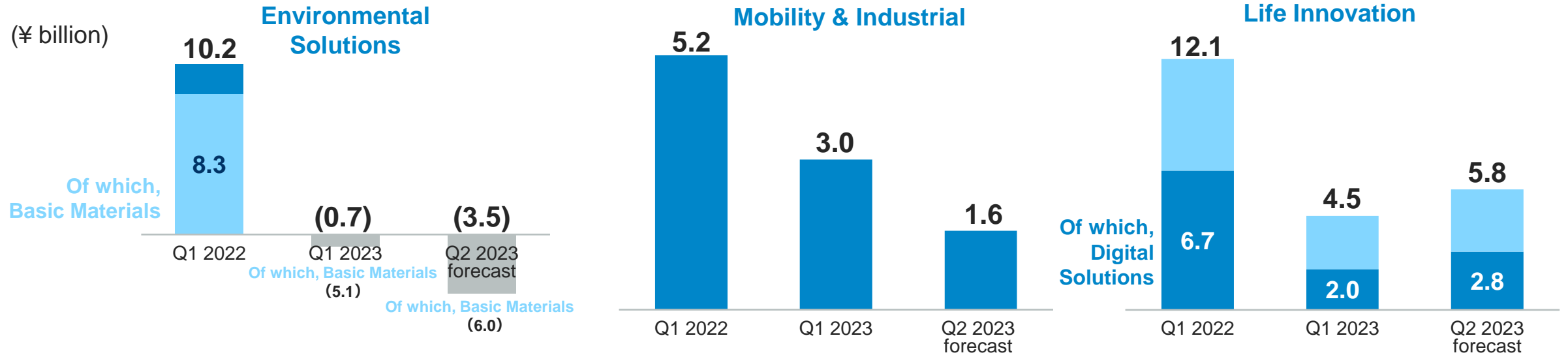
	Sales				Operating income					Increase(decrease) due to:				
	Q1 2022	Q1 2023	Increase (decrease)	% change	Q1 2022	Q1 2023	Increase (decrease)	% change	Sales Volume	Sales prices ¹	Feedstock cost ¹	Foreign exchange ²	Others ³	
	Material Segment	339.4	296.8	(42.6)	-12.5%	26.8	7.6	(19.1)	-71.5%	(7.5)	(10.4)	9.9	3.7	(14.9)
Environmental Solutions	149.9	114.6	(35.3)	-23.6%	10.2	(0.7)	(10.9)	-	(3.3)	(9.2)	4.3	1.5	(4.3) ⁴	
of which, Basic Materials	100.1	66.2	(33.9)	-33.8%	8.3	(5.1)	(13.4)	-	/	/	/	/	/	
Mobility & Industrial	92.5	91.8	(0.7)	-0.8%	5.2	3.0	(2.1)	-41.0%	1.3	(2.8)	0.9	1.3	(2.8)	
Life Innovation	96.9	90.3	(6.6)	-6.8%	12.1	4.5	(7.6)	-62.6%	(5.5)	1.6	(0.9)	0.9	(3.7)	
of which, Digital Solutions	34.2	29.4	(4.9)	-14.2%	6.7	2.0	(4.7)	-70.7%	/	/	/	/	/	
Others in Material	0.2	0.2	0.1	+56.8%	(0.6)	0.8	1.4	-	-	-	55 ⁴	-	(4.1)	

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 valuation, etc.

⁴ "Others" in operating income of Environmental Solutions includes increase/decrease related to internal sales price which correlate with "Feedstock cost" for the segment; to compensate, corresponding positive and negative figures are shown as "Feedstock cost" and "Others" of Others in Material.

■ Operating income

(¥ billion)



Main businesses		Q1 2023 vs Q1 2022 (YoY)		Q2 2023 vs Q1 2023 (QoQ)	
Environmental Solutions	Separators	↗	Impact of reduced operating rates, but operating income increase with increased shipments for automotive applications and decreased amortization of goodwill and other intangible assets due to impairment on Polypore in previous fiscal year	↘	Increased shipments in both consumer electronics and automotive applications, but operating income decrease forecasted with fixed costs concentrated toward end of H1
	Basic Materials	↘	Operating income decrease with reduced shipments due to sluggish demand, and impact of inventory valuation	↘	Increased shipments, but operating income decrease forecasted with impact of maintenance turnaround
Mobility & Industrial	Car interior material	↗	Operating income increase with greater sales volume as reduced vehicle production recovers, and improved terms of trade	↘	Firm demand, but operating income decrease forecasted with reduced sales volume due to seasonal factors and certain shipments made in advance
	Engineering plastics & others	↘	Increased shipments with improved demand in automotive applications, but operating income decrease with decreased shipments in electronics applications and deteriorated terms of trade	↗	Operating income increase forecasted with increased shipments due to improved demand in automotive applications
Life Innovation	Digital Solutions	↘	Decreased operating income with fewer shipments due to lower demand in electronics and semiconductor markets	↗	Operating income increase forecasted with increased shipments due to increased demand in electronics and semiconductor markets

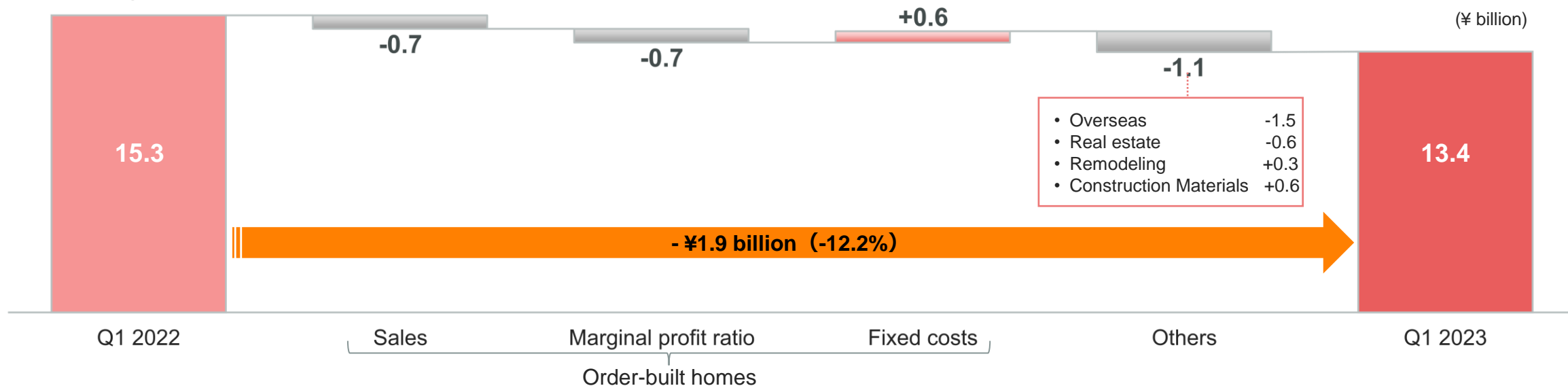
(¥ billion)

Sales	H1 2022			H1 2023 forecast		Q1 2023 vs Q1 2022		H1 2023 vs H1 2022		H1 2023 forecast in May	
	Q1	Q2		Q1	Q2 forecast	Increase (decrease)	% change	Increase (decrease)	% change		
Material Segment	339.4	339.4	678.8	296.8	322.2	619.0	(42.6)	-12.5%	(59.8)	-8.8%	666.0
Environmental Solutions	149.9	141.4	291.3	114.6	128.4	243.0	(35.3)	-23.6%	(48.3)	-16.6%	285.0
of which, Basic Materials	100.1	87.3	187.4	66.2	77.8	144.0	(33.9)	-33.8%	(43.4)	-23.1%	180.0
Mobility & Industrial	92.5	99.7	192.1	91.8	97.2	189.0	(0.7)	-0.8%	(3.1)	-1.6%	186.0
Life Innovation	96.9	98.3	195.2	90.3	95.7	186.0	(6.6)	-6.8%	(9.2)	-4.7%	195.0
of which, Digital Solutions	34.2	32.3	66.5	29.4	30.6	60.0	(4.9)	-14.2%	(6.5)	-9.8%	62.0
Others in Material	0.2	0.2	0.3	0.2	0.8	1.0	0.1	+56.8%	0.7	+222.4%	-

Operating Income	H1 2022			H1 2023 forecast		Q1 2023 vs Q1 2022		H1 2023 vs H1 2022		H1 2023 forecast in May	
	Q1	Q2		Q1	Q2 forecast	Increase (decrease)	% change	Increase (decrease)	% change		
Material Segment	26.8	13.9	40.6	7.6	4.5	12.1	(19.1)	-71.5%	(28.5)	-70.2%	22.2
Environmental Solutions	10.2	2.4	12.5	(0.7)	(3.5)	(4.2)	(10.9)	-	(16.7)	-	0.2
of which, Basic Materials	8.3	1.2	9.5	(5.1)	(6.0)	(11.1)	(13.4)	-	(20.6)	-	(6.8)
Mobility & Industrial	5.2	3.9	9.1	3.0	1.6	4.6	(2.1)	-41.0%	(4.5)	-49.3%	6.3
Life Innovation	12.1	7.5	19.6	4.5	5.8	10.3	(7.6)	-62.6%	(9.3)	-47.4%	11.8
of which, Digital Solutions	6.7	3.8	10.5	2.0	2.8	4.8	(4.7)	-70.7%	(5.7)	-54.4%	7.1
Others in Material	(0.6)	0.1	(0.6)	0.8	0.6	1.4	1.4	-	2.0	-	3.9

Operating income decrease with negative sales factor as higher average unit prices due to shift to larger and higher value-added units were insufficient to overcome decreased volume, and marginal profit ratio turned negative with impact of higher material costs in domestic order-built homes

■ Operating income increase/decrease

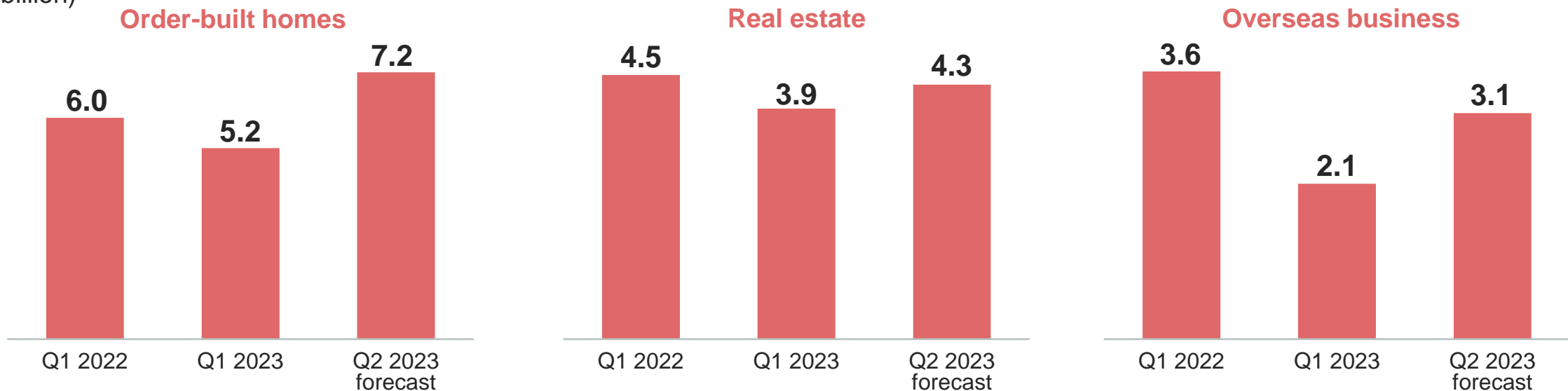


	Sales				Operating income							
	Q1 2022	Q1 2023	Increase (decrease)	% change	Q1 2022	Q1 2023	Increase (decrease)	% change	Increase (decrease) due to:			
									Order-built homes			Others
	Sales	Marginal Profit	Fixed cost									
Homes segment	206.6	221.1	14.4	+7.0%	15.3	13.4	(1.9)	-12.2%	(0.7)	(0.7)	0.6	(1.1)
Homes	197.5	210.5	13.0	+6.6%	15.0	12.5	(2.4)	-16.2%	(0.7)	(0.7)	0.6	(1.6)
Construction Materials	9.2	10.6	1.4	+15.6%	0.3	0.9	0.6	+184.6%	-	-	-	0.6

¹ Real estate, Remodeling, Overseas, etc.

■ Operating income

(¥ billion)



Main businesses		Q1 2023 vs Q1 2022 (YoY)		Q2 2023 vs Q1 2023 (QoQ)	
Homes	Order-built homes		Increased average unit prices with larger and higher value-added units, but operating income decrease with higher material costs and decreased volume		Operating income increase forecasted with increased work due to seasonal factors
	Real estate		Firm performance of rental management business, but operating income decrease with fewer deliveries of condominiums		Operating income increase forecasted with increased deliveries of condominiums
	Overseas		Increased operating income in Australian business with progress in construction of units compared to year-ago period affected by bad weather; decreased operating income in North American business with reduced volume of work and deteriorated profitability compared to year-ago period when selling prices were maintained while lumber prices declined		Operating income increase forecasted with progress in construction of units with cost increase passed on in Australian business

(¥ billion)

Sales	H1 2022		H1 2022	H1 2023 forecast		H1 2023 forecast	Q1 2023 vs Q1 2022		H1 2023 vs H1 2022		H1 2023 forecast in May
	Q1	Q2		Q1	Q2 forecast		Increase (decrease)	% change	Increase (decrease)	% change	
Homes Segment	206.6	213.8	420.4	221.1	231.9	453.0	14.4	+7.0%	32.6	+7.7%	429.5
Homes	197.5	203.5	401.0	210.5	220.5	431.0	13.0	+6.6%	30.0	+7.5%	408.0
Order-built homes	95.1	101.5	196.6	94.2	97.3	191.5	(0.9)	-0.9%	(5.1)	-2.6%	191.0
Real estate	41.7	39.4	81.1	40.3	47.2	87.5	(1.4)	-3.4%	6.4	+7.8%	83.0
Remodeling	12.1	14.0	26.1	12.6	14.9	27.5	0.5	+4.1%	1.4	+5.5%	28.0
Overseas business	48.3	48.5	96.8	63.1	60.4	123.5	14.8	+30.7%	26.7	+27.6%	105.5
Others	0.3	0.1	0.4	0.2	0.8	1.0	(0.0)	-12.9%	0.6	+150.6%	0.5
Construction Materials	9.2	10.3	19.4	10.6	11.4	22.0	1.4	+15.6%	2.6	+13.3%	21.5

Operating income	H1 2022		H1 2022	H1 2023 forecast		H1 2023 forecast	Q1 2023 vs Q1 2022		H1 2023 vs H1 2022		H1 2023 forecast in May
	Q1	Q2		Q1	Q2 forecast		Increase (decrease)	% change	Increase (decrease)	% change	
Homes Segment	15.3	18.3	33.6	13.4	17.4	30.8	(1.9)	-12.2%	(2.8)	-8.4%	26.7
Homes	15.0	17.9	32.9	12.5	16.5	29.0	(2.4)	-16.2%	(3.9)	-11.8%	26.0
Order-built homes	6.0	10.2	16.2	5.2	7.2	12.4	(0.8)	-13.7%	(3.8)	-23.4%	11.2
Real estate	4.5	3.1	7.5	3.9	4.3	8.2	(0.6)	-12.8%	0.7	+9.1%	7.0
Remodeling	0.9	1.6	2.5	1.1	1.7	2.8	0.3	+34.4%	0.3	+13.6%	2.8
Overseas business	3.6	2.8	6.4	2.1	3.1	5.2	(1.5)	-41.9%	(1.3)	-19.6%	5.2
Others	0.0	0.2	0.3	0.2	0.2	0.4	0.2	+770.1%	0.1	+51.6%	(0.2)
Construction Materials	0.3	0.4	0.7	0.9	0.9	1.8	0.6	+184.6%	1.1	+148.8%	0.7

Significant decrease in Q1 orders received year on year, but trend of recovery with progress of new marketing measures

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

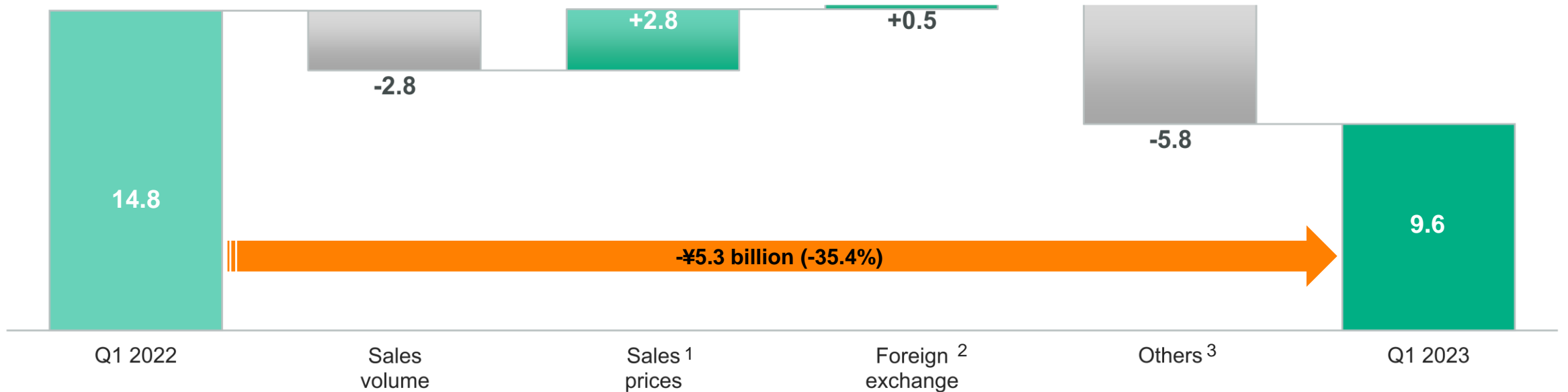
		Order-built homes						Real estate		
		Orders		Sales				Sales ¹		
		Value of new orders during the term	Order backlog	Unit homes	Multi-dwelling homes	Other	Total	Development	Rental/brokerage	Total
FY 2021	H1	206.3 (+42.0%)	563.5	127.4	51.0	10.6	189.0	21.8	64.2	86.0
	H2	178.0 (-1.8%)	533.3	142.3	60.6	11.6	214.5	29.5	67.0	96.5
	annual	384.3 (+17.7%)		269.7	111.6	22.2	403.5	51.3	131.2	182.5
FY 2022	Q1	92.4 (+1.3%)	546.8	63.0	27.1	4.9	95.1	7.8	34.0	41.7
	Q2	98.8 (-14.2%)	548.1	67.9	28.4	5.2	101.5	3.9	35.5	39.4
	H1	191.2 (-7.3%)		130.9	55.5	10.2	196.6	11.7	69.4	81.1
	H2	164.4 (-7.6%)	503.0	134.9	65.5	13.7	214.1	35.2	73.2	108.4
	annual	355.6 (-7.5%)		265.8	121.0	23.9	410.7	46.9	142.6	189.5
FY 2023	Q1	77.2 (-16.4%)	509.0	55.1	32.4	6.6	94.2	3.6	36.7	40.3
	Q2 forecast	104.5 (+5.8%)	520.7				97.3	8.9	38.3	47.2
	H1 forecast	181.7 (-5.0%)					191.5	12.5	75.0	87.5

¹ Within real estate business, condominiums business is shown as "Development" while brokerage business and rental management are shown together as "Rental/brokerage" (FY 2021–2022 revised accordingly)

In Critical Care, positive sales prices factor with progress in passing on higher costs to defibrillator prices, but negative sales volume factor due to defibrillator product mix; in Health Care business category, negative others factor due to consolidation of Bionova and increased SG&A

Operating income increase/decrease

(¥ billion)



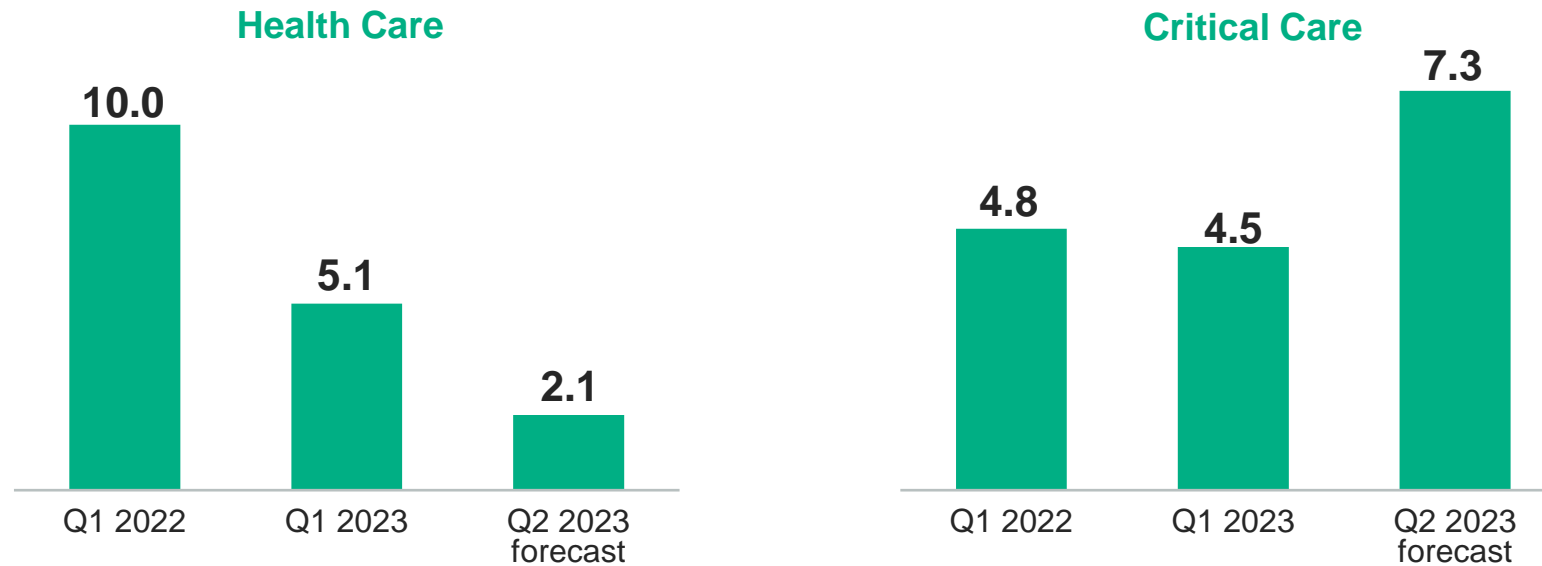
	Sales				Operating income							
	Q1 2022	Q1 2023	Increase (decrease)	% change	Q1 2022	Q1 2023	Increase (decrease)	% change	Increase (decrease) due to:			
									Sales volume	Sales prices ¹	Foreign exchange ²	Others ³
Health Care Segment	121.4	129.4	8.0	+6.6%	14.8	9.6	(5.3)	-35.4%	(2.8)	2.8	0.5	(5.8)
Health Care	50.5	51.1	0.6	+1.3%	10.0	5.1	(4.9)	-49.0%	(0.5)	0.4	0.1	(4.9)
Critical Care	71.0	78.3	7.4	+10.4%	4.8	4.5	(0.3)	-7.0%	(2.3)	2.4	0.4	(0.9)

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

(¥ billion)



Main businesses		Q1 2023 vs Q1 2022 (YoY)		Q2 2023 vs Q1 2023 (QoQ)	
Health Care	Pharmaceuticals		Firm sales of mainstay products, but operating income decrease with increased SG&A due to enhanced promotional activity, etc.		Operating income decrease forecasted with SG&A and R&D expenses increasing toward Q2
	Medical		Operating income decrease with consolidation of Bionova and decreased shipments of Planova due to inventory adjustments by customers resulting in diminished demand		Operating income decrease forecasted with SG&A increasing toward Q2
Critical Care	LifeVest		Operating income increase with improved reimbursement status, etc.		Orders on a recovery trend with increased salesforce, but operating income decrease forecasted with lower revenue from Q1 to Q2
	Defibrillators		Progress in passing on increased costs, but operating income decrease due to product mix		Increased operating income forecasted with increased shipments

(¥ billion)

Sales	Q1	Q2	H1 2022	Q1	Q2 forecast	H1 2023 forecast	Q1 2023 vs Q1 2022		H1 2023 vs H1 2022		H1 2023 forecast in May
							Increase (decrease)	% change	Increase (decrease)	% change	
Health Care Segment	121.4	124.1	245.5	129.4	135.6	265.0	8.0	+6.6%	19.5	+7.9%	257.5
Health Care	50.5	48.5	98.9	51.1	51.4	102.5	0.6	+1.3%	3.6	+3.6%	106.5
Pharmaceuticals	27.0	26.6	53.6	28.8	28.2	57.0	1.9	+7.0%	3.4	+6.4%	57.5
Medical	23.5	21.8	45.3	22.2	23.3	45.5	(1.3)	-5.3%	0.2	+0.3%	49.0
Critical Care	71.0	75.6	146.6	78.3	84.2	162.5	7.4	+10.4%	15.9	+10.9%	151.0

Operating income	Q1	Q2	H1 2022	Q1	Q2 forecast	H1 2023 forecast	Q1 2023 vs Q1 2022		H1 2023 vs H1 2022		H1 2023 forecast in May
							Increase (decrease)	% change	Increase (decrease)	% change	
Health Care Segment	14.8	11.0	25.8	9.6	9.4	19.0	(5.3)	-35.4%	(6.8)	-26.5%	17.9
Health Care	10.0	4.5	14.6	5.1	2.1	7.2	(4.9)	-49.0%	(7.4)	-50.5%	8.9
Critical Care	4.8	6.5	11.3	4.5	7.3	11.8	(0.3)	-7.0%	0.5	+4.6%	9.0

EBITDA	Q1	Q2	H1 2022	Q1	Q2 forecast	H1 2023 forecast	Q1 2023 vs Q1 2022		H1 2023 vs H1 2022		H1 2023 forecast in May
							Increase (decrease)	% change	Increase (decrease)	% change	
Health Care Segment	29.6	27.5	57.2	26.4			(3.2)	-10.9%			50.0
Health Care	15.8	11.3	27.2	12.1			(3.7)	-23.7%			22.7
Critical Care	13.8	16.2	30.0	14.3			0.5	+3.7%			27.3

(Sales region, monetary unit)		FY 2022		Q1 2023	Q1 2023 vs Q1 2022	
		Q1	H1		Increase (decrease)	% change
Asahi Kasei Pharma						
Teribone	(Japan, ¥ billion)	10.4	20.7	9.6	(0.8)	-7.9%
Recomodulin	(Japan, ¥ billion)	2.0	4.2	2.0	(0.1)	-2.5%
Kevzara	(Japan, ¥ billion)	2.2	4.5	2.6	0.4	+16.7%
Reclast	(Japan, ¥ billion)	0.3	0.7	0.3	(0.0)	-6.1%
Plaquenil	(Japan, ¥ billion)	1.4	2.7	1.4	0.1	+5.1%
Veloxis Pharmaceuticals						
Envarsus XR	(US, \$ million)	46	88	61	15	+31.7%

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

Development stage	Code name, form, generic name	Classification	Indication	Region	Origin	Remarks
Market launch (Q1 FY 2023)	AK1820, injection/capsule, isavuconazonium sulfate	Antifungal agent	Invasive fungal infections	Japan	Licensed	Brand name: Cresemba
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	

4. Appendix

(¥ billion)

	Q1 2022		Q1 2023		Increase (decrease)	% change
	Overseas sales	% of total	Overseas sales	% of total		
Material Segment	204.1	60.1%	182.6	61.5%	(21.4)	-10.5%
Environmental Solutions	85.2	56.9%	68.9	60.1%	(16.3)	-19.1%
Mobility & Industrial	73.8	79.8%	74.0	80.6%	0.2	+0.3%
Life Innovation	44.9	46.3%	39.5	43.8%	(5.4)	-12.0%
Others in Material	0.2	100.0%	0.2	99.2%	0.1	+55.5%
Homes Segment	48.3	23.4%	63.1	28.6%	14.8	+30.7%
Homes	48.3	24.4%	63.1	30.0%	14.8	+30.7%
Construction Materials	-	-	-	-	-	-
Health Care Segment	94.3	77.7%	103.0	79.6%	8.7	+9.2%
Health Care	24.2	47.9%	25.8	50.5%	1.6	+6.6%
Critical Care	70.1	98.8%	77.2	98.6%	7.1	+10.1%
Others	0.3	11.0%	0.3	9.1%	(0.0)	-5.4%
Consolidated	347.0	51.8%	349.1	53.6%	2.1	+0.6%

Overseas sales by region						
Asia	142.8	21.3%	117.2	18.0%	(25.6)	-17.9%
of which, sales to China	63.0	9.4%	58.7	9.0%	(4.3)	-6.9%
The Americas	125.4	18.7%	137.0	21.1%	11.5	+9.2%
Europe	42.0	6.3%	48.0	7.4%	6.0	+14.2%
Other countries	36.7	5.5%	46.9	7.2%	10.2	+27.8%

Segment	Business category	Company	Operations	Consolidation on statements of income	Cost	Goodwill
Homes	Homes	Focus Companies (Focus Plumbing LLC and 4 other companies)	Residential construction work in North America	Nov. 1, 2022	¥36.2 billion	¥12.8 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	¥42.9 billion	¥35.5 billion

(¥ billion)

	FY 2020 (recalculated)				FY 2021 (recalculated)				FY 2022				FY 2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 forecast
Material Segment	208.0	236.8	271.0	289.0	279.6	296.3	315.2	318.9	339.4	339.4	327.0	310.8	296.8	322.2
Environmental Solutions	89.0	95.1	106.5	123.7	119.1	129.0	137.3	137.2	149.9	141.4	136.8	131.8	114.6	128.4
of which, Basic Materials	53.7	55.9	64.4	77.1	72.4	82.3	90.2	90.0	100.1	87.3	88.7	85.9	66.2	77.8
Mobility & Industrial	39.1	55.6	71.6	76.8	75.4	76.5	80.7	89.6	92.5	99.7	94.0	92.3	91.8	97.2
Life Innovation	79.9	85.9	92.7	88.3	85.0	90.5	97.1	91.9	96.9	98.3	96.0	86.5	90.3	95.7
of which, Digital Solutions	28.0	28.1	30.7	27.5	28.6	30.6	31.3	30.9	34.2	32.3	29.9	26.1	29.4	30.6
Others in Material	(0.0)	0.3	0.2	0.2	0.0	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.8
Homes Segment	147.8	184.8	170.2	177.1	195.1	197.9	218.3	211.2	206.6	213.8	230.1	248.4	221.1	231.9
Homes	139.1	175.3	161.0	169.4	187.2	188.6	208.5	202.2	197.5	203.5	219.5	238.8	210.5	220.5
Construction Materials	8.8	9.5	9.2	7.6	7.9	9.3	9.8	9.0	9.2	10.3	10.7	9.6	10.6	11.4
Health Care Segment	95.7	109.2	103.0	100.0	105.8	100.1	107.0	103.0	121.4	124.1	128.6	122.8	129.4	135.6
Health Care	36.5	37.8	40.7	39.4	42.8	42.6	46.8	42.1	50.5	48.5	54.5	46.8	51.1	51.4
Critical Care	59.2	71.4	62.3	60.6	63.0	57.5	60.3	60.9	71.0	75.6	74.1	76.0	78.3	84.2
Others	3.6	3.5	3.0	3.3	3.0	3.3	3.2	3.5	3.0	3.5	3.4	4.1	3.4	4.6
Consolidated	455.2	534.2	547.3	569.4	583.4	597.6	643.7	636.6	670.4	680.8	689.2	686.1	650.7	694.3

Quarterly operating income

AsahiKASEI

(¥ billion)

	FY 2020 (recalculated)				FY 2021 (recalculated)				FY 2022				FY 2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3 ¹	Q4 ¹	Q1	Q2 forecast
Material Segment	8.0	11.0	20.9	23.0	31.1	27.5	29.8	17.6	26.8	13.9	8.1	(7.7)	7.6	4.5
Environmental Solutions	1.9	4.4	8.2	13.0	14.3	14.5	13.8	6.2	10.2	2.4	(2.6)	(12.2)	(0.7)	(3.5)
of which, Basic Materials	(1.0)	2.0	4.2	8.9	8.2	10.8	10.0	6.4	8.3	1.2	(4.2)	(8.5)	(5.1)	(6.0)
Mobility & Industrial	(3.3)	0.8	3.9	6.3	8.2	5.0	5.4	7.1	5.2	3.9	0.5	1.2	3.0	1.6
Life Innovation	8.2	6.6	9.0	5.5	10.2	8.9	10.8	4.9	12.1	7.5	7.7	0.6	4.5	5.8
of which, Digital Solutions	3.1	2.8	3.8	3.6	4.3	4.6	4.6	3.4	6.7	3.8	3.2	0.5	2.0	2.8
Others in Material	1.2	(0.8)	(0.3)	(1.8)	(1.6)	(1.1)	(0.2)	(0.6)	(0.6)	0.1	2.5	2.7	0.8	0.6
Homes Segment	10.6	20.9	16.4	15.2	15.1	18.1	22.3	17.3	15.3	18.3	18.5	23.3	13.4	17.4
Homes	9.8	19.6	15.5	14.8	14.7	17.3	21.3	17.3	15.0	17.9	17.9	23.1	12.5	16.5
Construction Materials	1.0	1.3	1.1	0.0	0.4	0.8	1.0	0.0	0.3	0.4	0.6	0.1	0.9	0.9
Health Care Segment	15.5	19.9	20.4	11.8	20.5	13.8	15.9	2.0	14.8	11.0	11.4	4.6	9.6	9.4
Health Care	5.7	5.1	8.8	3.4	7.6	5.9	9.0	(0.7)	10.0	4.5	7.9	0.5	5.1	2.1
Critical Care	9.8	14.8	11.7	8.4	12.9	7.8	6.9	2.7	4.8	6.5	3.5	4.1	4.5	7.3
Others	0.8	1.0	0.9	1.5	0.5	1.2	0.9	1.5	0.6	1.2	0.8	1.7	0.6	0.5
Corporate expenses and eliminations	(4.8)	(6.1)	(5.8)	(9.2)	(6.7)	(7.9)	(8.0)	(9.8)	(8.1)	(7.9)	(8.6)	(10.2)	(9.4)	(7.6)
Consolidated	30.1	46.7	52.7	42.3	60.5	52.6	60.9	28.6	49.4	36.4	30.3	11.7	21.8	24.2

¹ Figures for fiscal 2022 are retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022

Segments	Business categories	Businesses
Material	Environmental Solutions	Separators
		Membrane Solutions
		Synthetic Rubber & Elastomers
		Basic Materials Petrochemical-related business
	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		
Homes	Homes	Order-built homes (unit homes, multi-dwelling homes)
		Real estate (condominiums, rental management)
		Remodeling
		Overseas business (North American, Australian)
	Construction Materials	Construction Materials
Health Care	Health Care	Pharmaceuticals (therapeutic drugs)
		Medical (bioprocess, blood purification)
	Critical Care	Emergency medical devices (defibrillators, etc.)

- Figures for fiscal 2022 are retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022
- For comparison purposes, results of past fiscal years are recalculated in accordance with the new classifications from FY 2022
- 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.
- EBITDA = operating income, depreciation, and amortization (tangible, intangible, and goodwill)

Schedule for announcement of financial results for fiscal 2023 2nd Quarter

November 7, 2023 (JST)