

**“Cs+ for Tomorrow 2021”
Medium-term Management
Initiative
Progress and Outlook**

May 25, 2021
Asahi Kasei Corp.

Introduction

■ Environmental changes since formulation of “Cs+ for Tomorrow 2021”

U.S.–China decoupling, etc.

Rapid movement toward carbon neutral

Values changed by pandemic

New ways of living and working

Irreversible changes to industrial and demand structures

Heightened awareness for health and hygiene

Supply chains considering society and the environment



■ Execution aligned with environmental changes



Care for People

Active life in the new normal



Care for Earth

Carbon neutral sustainable world

AsahiKASEI
 Diversity cultivated over 100-years of history and **capability to change** through the innovation of employees, organizations, and the company

While reconfirming risks in a discontinuous and uncertain environment, regarding changes as opportunities and moving proactively

Value provision for sustainable society

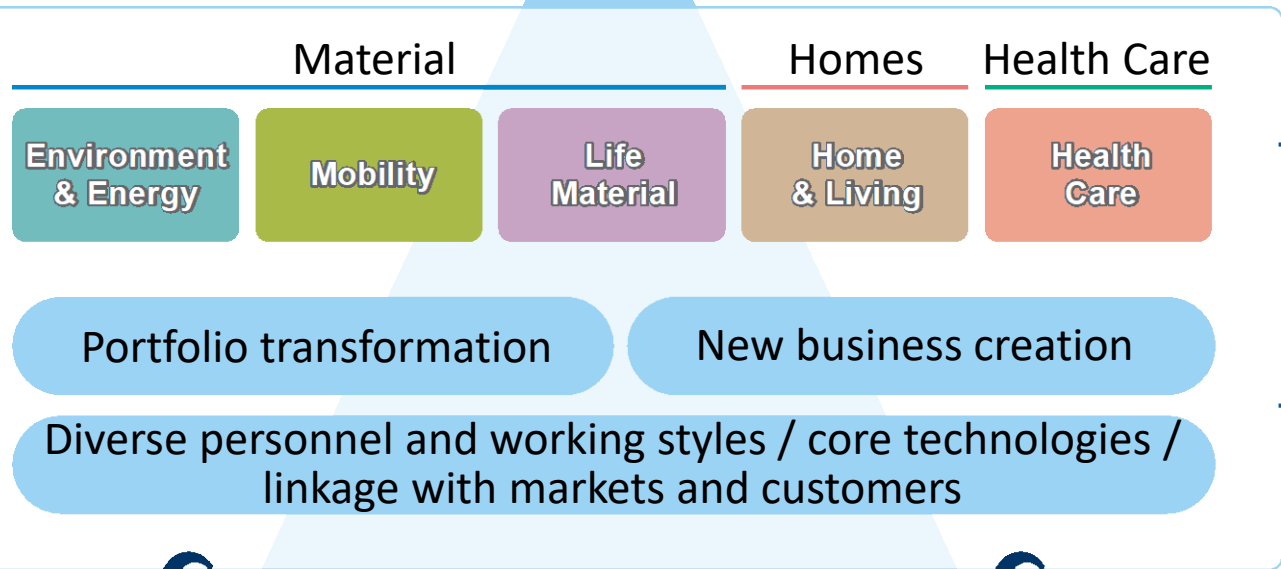
Execution aligned with management environment, but no fundamental change in concept for value provision

Contributing to sustainable society

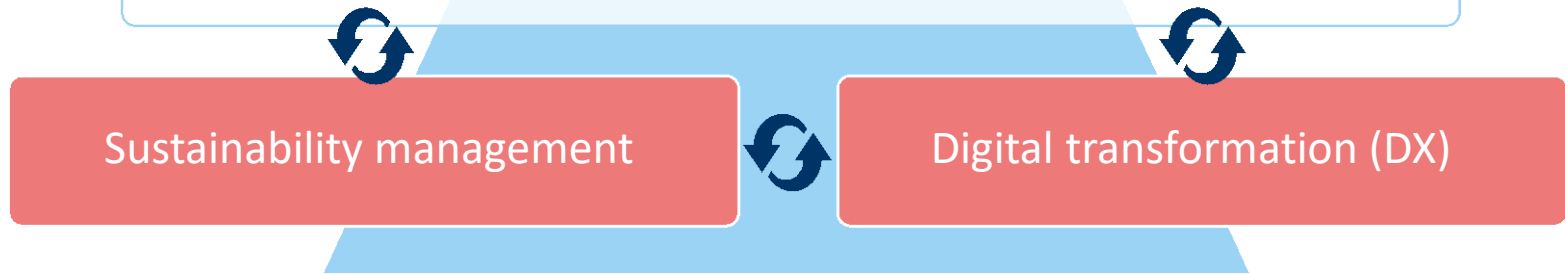
Group Mission

Contributing to life and living for people around the world

Growth strategy in priority fields for provision of value



Reinforcing the base for growth



Policy for execution

Growth investments considering cost of capital emphasizing financial discipline

Business portfolio transformation and **cultivating new growth fields**

Advancing **sustainability and DX** as sources of competitiveness

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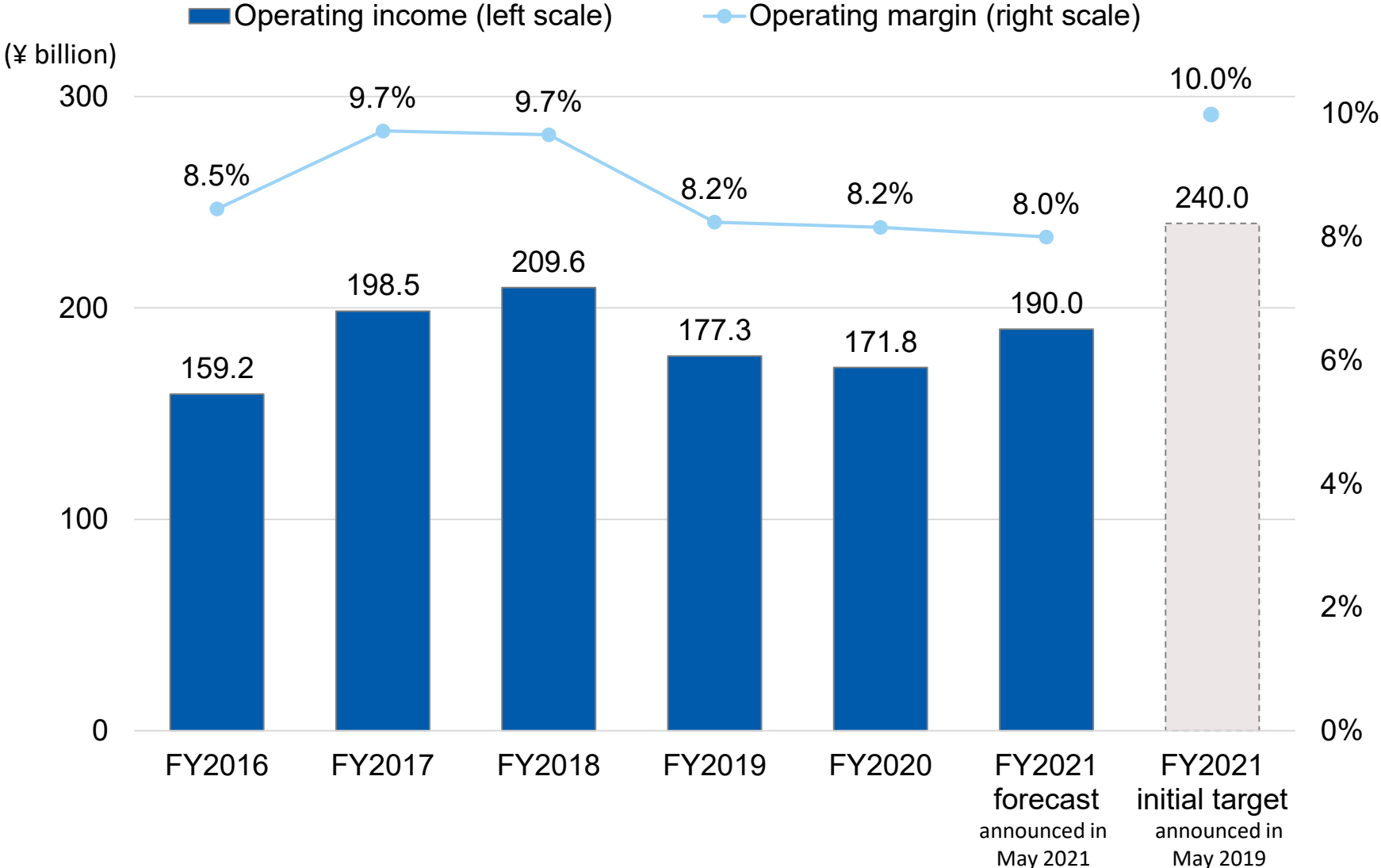
- ▶▶▶ **1. Progress on Financial Objectives**
- 2. Progress on Major Activities
 - 1) Actions in priority fields for provision of value
 - 2) Building platform for sustainable growth
- 3. Sustainability Initiatives
- 4. Toward Asahi Kasei's Next 100 Years

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 to not imply a guarantee of actual outcomes.

Operating income and operating margin

Income growth stagnated due to environmental change; recovering but forecast to fall short of initial target



Main financial metrics

Decline in net income in FY2020 with temporary tax expense (approx. ¥24 billion) etc.; profitability and capital efficiency expected to recover in FY2021

		FY2018	FY2019	FY2020	FY2021 forecast announced in May 2021	18-21 annual growth	FY2021 initial target announced in May 2019
	(¥ billion, unless otherwise specified)						
	Net sales	2,170.4	2,151.6	2,106.1	2,375.0		2,400.0
Profitability	Operating income	209.6	177.3	171.8	190.0	-3.2%	240.0
	Operating margin	9.7%	8.2%	8.2%	8.0%		10.0%
	EBITDA* ¹	313.6	295.6	305.1	331.0	1.8%	370.0
	EBITDA margin	14.5%	13.7%	14.5%	13.9%		15.4%
	Net income	147.5	103.9	79.8	155		180.0
	EPS (¥)	106	75	57	112	1.9%	130
Capital Efficiency	ROIC* ²	8.8%	6.6%	4.9%			9.0%
	Net income per shareholder's equity (ROE)	11.1%	7.6%	5.6%			11.1%
Financial Health	D/E ratio	0.31	0.52	0.45			≈0.5
	Capital ratio	53.6%	48.6%	50.3%			
	Exchange rate (¥/ \$)	111	109	106	105		110

*1: Operating income, depreciation, and amortization (tangible, intangible, and goodwill)

*2: (Operating income – income taxes) / average annual invested capital

Capital allocation

Sound financial condition maintained even with pandemic; continuing to strive for greater cash generating capacity and capital efficiency

Framework for capital allocation (FY2019–21 3-year period)

 blue letters indicate current view

Financing for growth (while maintaining financial discipline)

Pursuing returns above cost of capital

Borrowing capacity
 D/E ratio around 0.5
 Increase in interest-bearing debt
 ¥200 to ¥400 billion

Expected to be within the targeted range at end of FY21

Capital expenditure
 (decision-adopted basis)
 3-year total ≈¥800 billion
 (including M&A)

Strict selection of investments
 ¥700 to ¥800 billion

Operating cash flow
 3-year total
 ¥600 to ¥700 billion

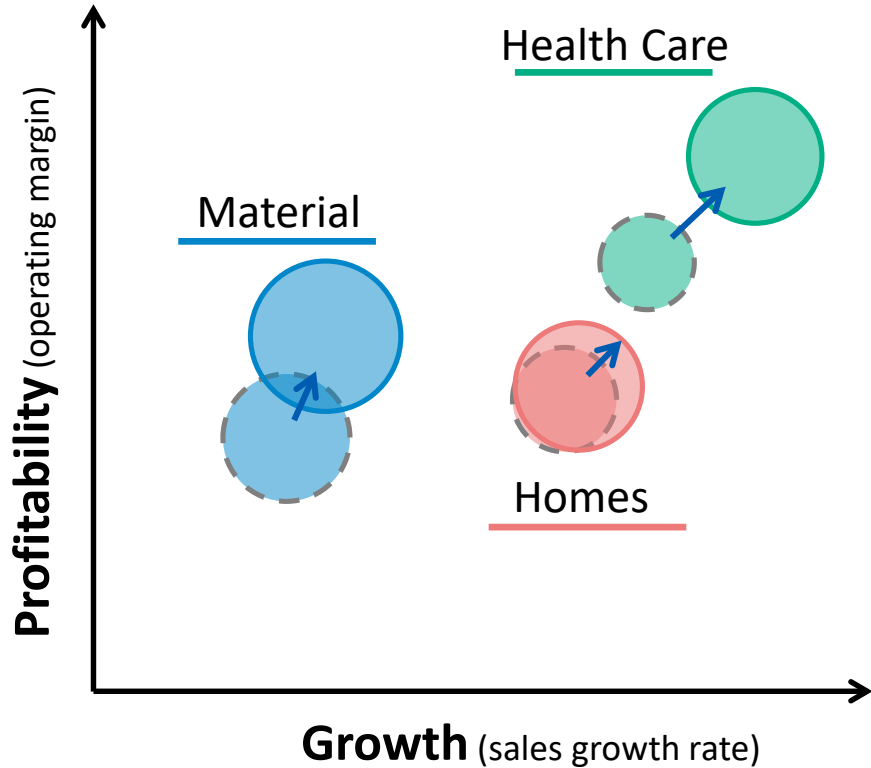
Aiming toward the targeted range with enhanced cash generation

Share buybacks performed flexibly according to circumstances

Shareholder returns
 Growth in dividends per share
 as earnings expand
 (payout ratio around 30 to 40%)

Returns in line with original assumption

Performance and outlook by sector



Dotted circle: current term
 Solid circle: mid-term target
 Circle size: operating income amount

Current situation by sector*

Material

- ▶ Slower growth and lower income due to environmental change
- ▶ Recovering, but performance below target

	FY19	FY20	FY21
Sales	1,093.1	991.2	1,168.0
Operating income	92.4	66.5	100.0
Operating margin	8.4%	6.7%	8.6%

Homes

- ▶ Domestic Japanese business recovering from Covid impact but 1 year behind plan
- ▶ Consolidation of McDonald Jones Homes

	FY19	FY20	FY21
Sales	704.4	692.6	791.0
Operating income	72.7	63.5	67.0
Operating margin	10.3%	9.2%	8.5%

Health Care

- ▶ Increased demand for ventilators and virus removal filters, income growth forecasted to achieve target

	FY19	FY20	FY21
Sales	337.8	407.9	400.0
Operating income	43.5	67.6	55.0
Operating margin	12.9%	16.6%	13.8%

Outlook

- ▶ **Prioritizing profitability and capital efficiency** over increased scale; accelerating portfolio transformation
- ▶ **Thorough financial discipline, strict selection of growth investments**

- ▶ Domestic growth in homes for seniors and medium-rise; **overseas expansion in the US and Australia**
- ▶ Using IT to raise profitability; continued cashflow contribution

- ▶ **High earnings growth and profitability** through **returns** on previous investments
- ▶ Continuing **investment for further expansion** as growth driver for the group

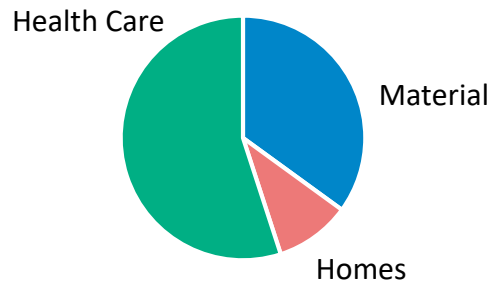
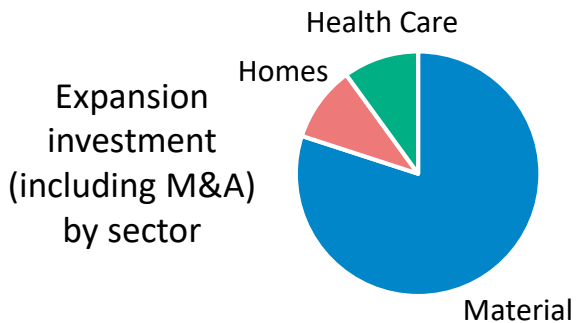
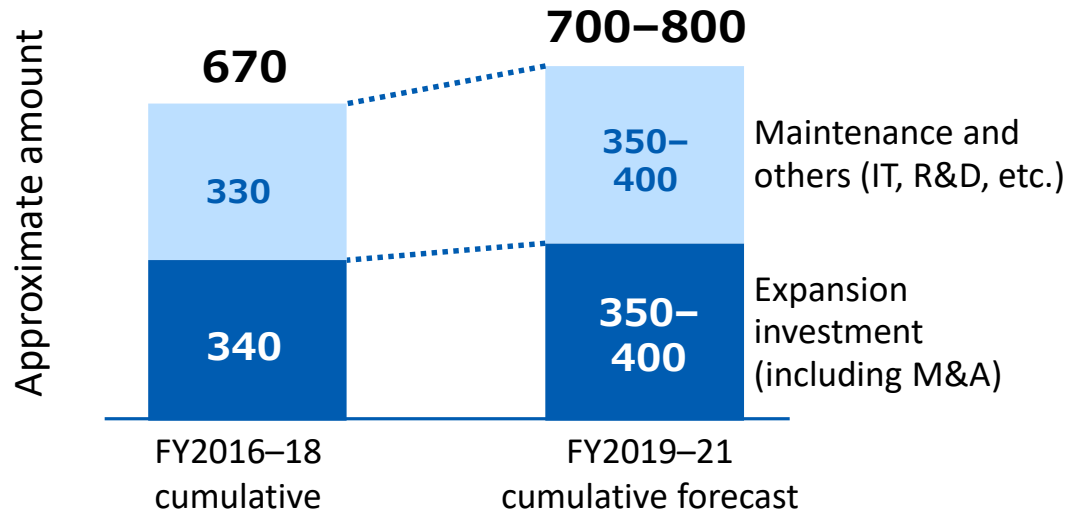
* FY19-20 results, FY21 forecast (announced in May 2021); ¥ billion

Investment for sustainable growth

While maintaining financial discipline, proactively investing in businesses with mid-term growth prospects (Health Care, LIB separators, etc.) and in DX and sustainability

Investment decisions adopted

(¥ billion)



Main investments (including planned)

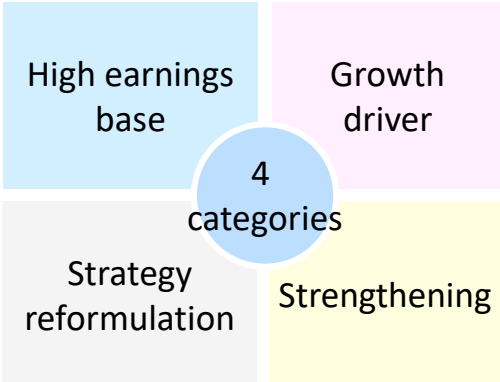
- Growth by M&A**
 - ▶ Acquisition of Adient’s automotive fabric business
 - ▶ Acquisition of controlling interest in McDonald Jones Homes
 - ▶ Acquisition of Veloxis Pharmaceuticals
 - ▶ Acquisition of Cardiac Science
 - ▶ Acquisition of Respicardia
- Expansion investment for growth businesses**
 - ▶ LIB separator capacity expansion
 - ▶ Ceolus microcrystalline cellulose capacity expansion
- Sustainability related**
 - ▶ Hydroelectric power plants in Nobeoka area
 - ▶ Chemical recycling related
- DX related**
 - ▶ Smart lab using materials informatics
 - ▶ Automated visual inspection using AI
 - ▶ Improved productivity with digital tools in Homes

Business portfolio transformation

Raising cash generating capacity and capital efficiency by accelerating portfolio transformation through screening of “strategy reformulation businesses” based on business evaluation

Business evaluation

- ▶ Evaluated by profitability (operating margin) and sales growth
- ▶ Additional evaluation to classify businesses in 4 categories
 - ROIC, cost of capital
 - Sustainability (GHG emissions, etc.)
 - Profit amount, profit volatility, business stage



Strategy reformulation businesses

Among ~60 businesses evaluated

15 businesses

Mainly commodity products in Material

Strategy study for individual businesses

- ▶ Reconsidered strategy based on view of competitive environment impacted by pandemic
- ▶ Set KPIs and milestones for strategy reformulation, continually monitoring progress

Process stages



▶ **Actions begun for structural reform of several businesses**

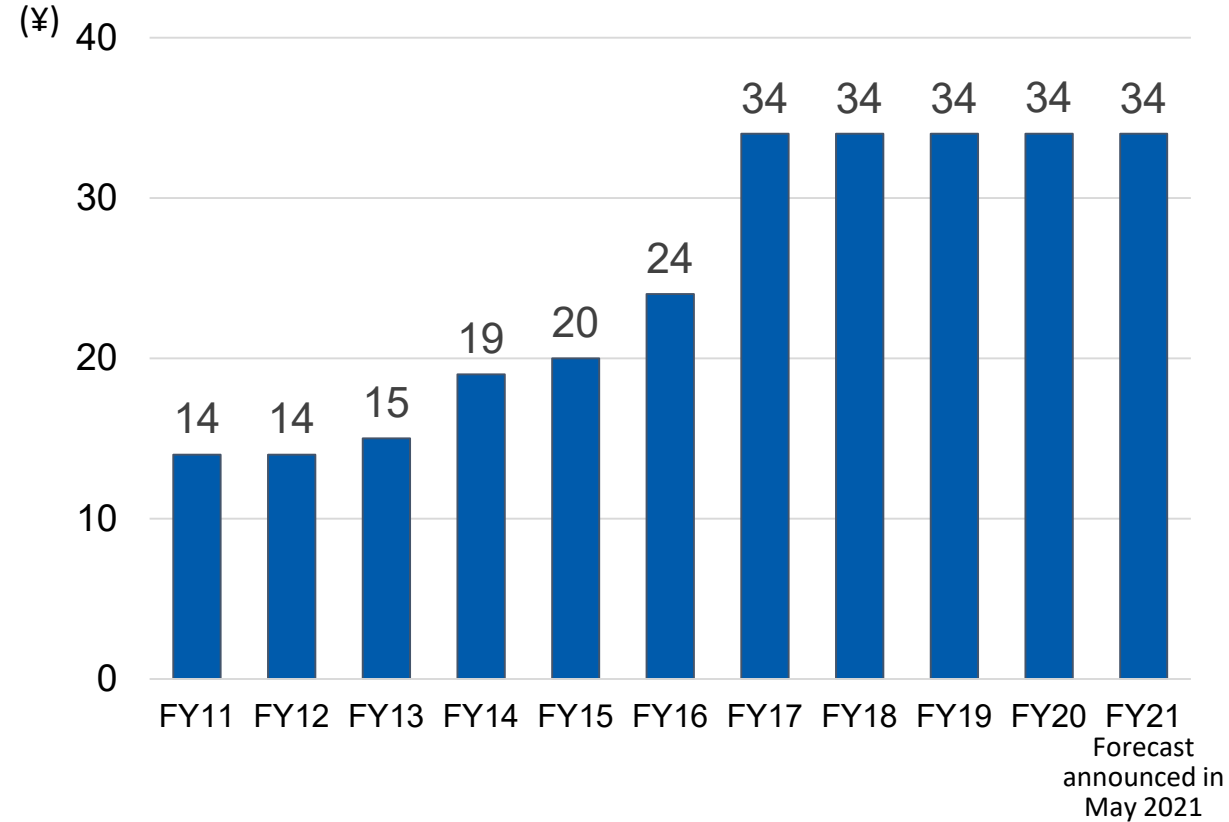
Shareholder returns

Maintained dividends at ¥34 per share based on policy for shareholder returns

Shareholder returns policy

- 1 Determining level of shareholder returns based on medium-term FCF outlook
- 2 Shareholder returns basically by dividends, aiming to maintain or increase dividends per share
- 3 With payout ratio of around 30–40%, considering dividend on equity (DOE) as well, aiming to steadily increase level of shareholder returns
- 4 Share buybacks as appropriate considering suitable level of equity

Dividends per share



Payout ratio (3-year total)

FY16-18	FY19-21
30%	≥40%

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Material: Business strategy

Raising profitability/capital efficiency with new value provision models based on changed operating environment



Environment
& Energy

Perceived change
<ul style="list-style-type: none"> ▶ Carbon neutral movement accelerates worldwide ▶ Rapidly growing need for technologies and solutions that contribute to decarbonization



Way to provide value	Example
<p>System/solution provider</p> <ul style="list-style-type: none"> ▶ Provide systems/solutions that combine core technologies, processes, and operational know-how of materials ▶ Accelerate development of technologies and products that contribute to the environment 	<ul style="list-style-type: none"> ● Alkaline water electrolysis system leveraging electrolyzer, membrane, and electrode technologies cultivated with chlor-alkali ● CO₂ chemistry, CO₂ separation/recovery system

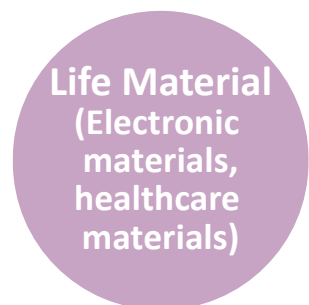


Mobility

<ul style="list-style-type: none"> ▶ Temporary market slowdown, but changes related to CASE continue to present opportunities to provide value with materials
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<p>Material with proposal of usage</p> <ul style="list-style-type: none"> ▶ Propose lightweighting, modularization, and environmentally friendly materials to meet sustainability requirements for EDVs ▶ Strengthen marketing to key customers 	<ul style="list-style-type: none"> ● Proposing parts through the use of CAE and other digital technologies ● Providing cabin space solutions using sensors
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Life Material
(Electronic materials,
healthcare materials)

<ul style="list-style-type: none"> ▶ Firm demand even under the Covid pandemic ▶ New needs arising from advances in next-gen communications, changes in hygiene awareness, and new lifestyles



<p>Material differentiated by high performance/function</p> <ul style="list-style-type: none"> ▶ Provide differentiated materials required by the advancing digital society ▶ Provide value to meet new needs in healthcare and other fields with distinctive materials and devices 	<ul style="list-style-type: none"> ● Surface disinfection solution with Klaran UVC LEDs ● 3Cs visualization solution combining CO₂ sensors and live cameras
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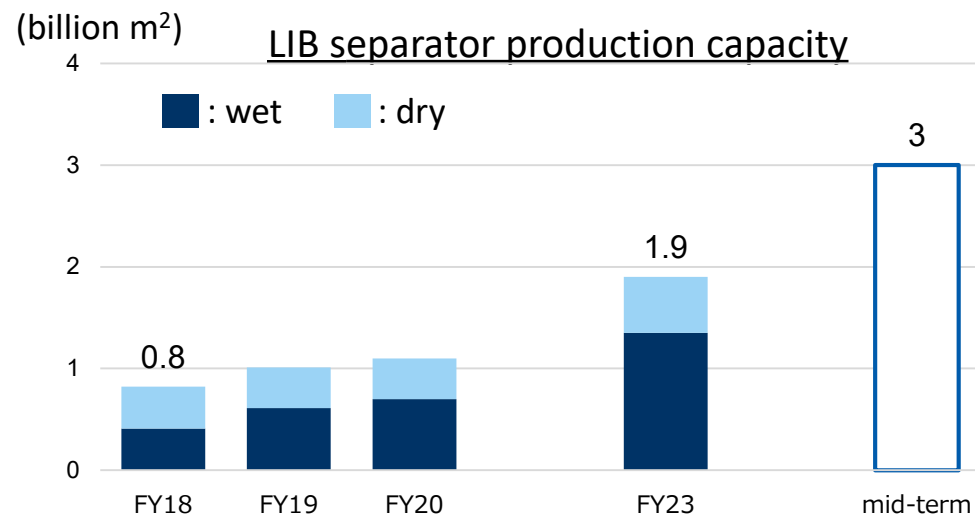
Material: Focus on Growth Businesses

Shift resources in the Material sector to high-value-added businesses such as LIB separator and automotive interior materials

Environment & Energy

Expansion of LIB separator business

- ▶ Raising capacity to 1.9 billion m² in FY2023 and 3 billion m² in the medium term in line with EV-market growth; meeting diverse requirements with both wet and dry processes

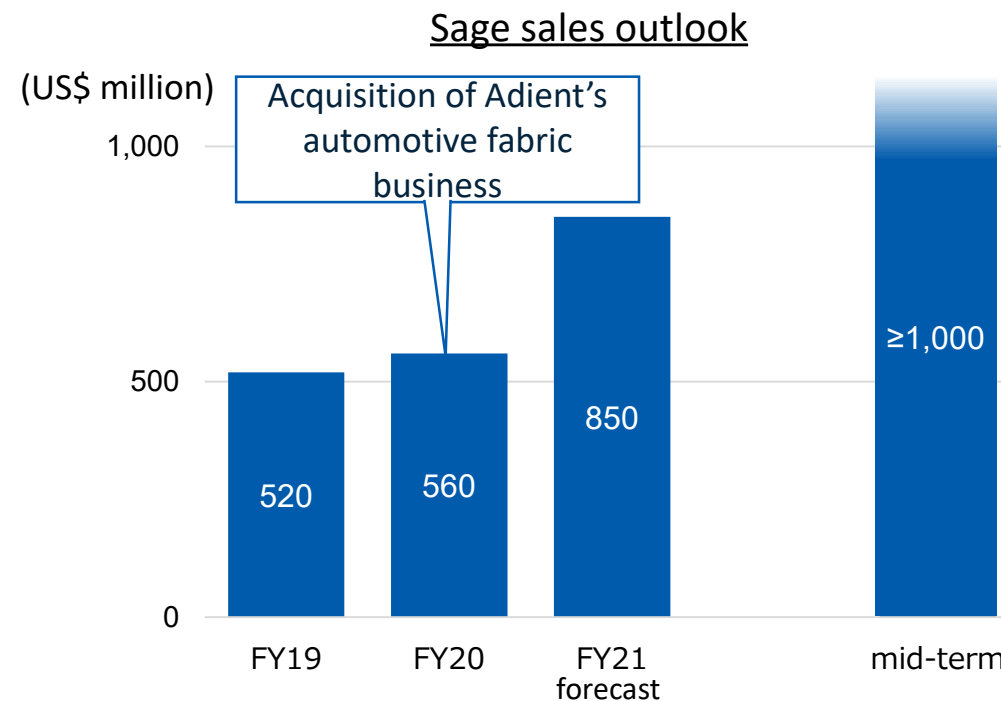


Location	Capacity expansion	Start-up
Moriyama, Japan	≈ 0.2 billion m ² /y	FY2019
Moriyama, Japan	≈ 0.09 billion m ² /y	FY2020
Moriyama, Japan	≈ 0.3 billion m ² /y	FY2021 (scheduled)
Hyuga, Japan	≈ 0.35 billion m ² /y	FY2023 (scheduled)

Mobility

Expansion of Sage business

- ▶ Strengthening position as a leading supplier by building optimized supply network and proposing the best materials for each region, leveraging designability
- ▶ Synergy with environmentally friendly Lamous



Material: Highlights in Life Material

Life
Material

Actions for Growth

Accelerating growth of existing businesses

- ▶ Construction of second plant for Ceolus microcrystalline cellulose (completion in Spring 2023)
- ▶ Accelerate business expansion for Klaran high-performance UVC LEDs
 - High output at 265 nm wavelength effective for disinfection
 - Adopted in UV Streamer Air Purifier by Daikin Industries, Ltd.
- ▶ Automated flexo printing platemaking solution (for packaging materials), collaborating with a leading company



Klaran UVC LED



Daikin UV Streamer Air Purifier



Automated flexo platemaking solution

Developing new business models

- ▶ Fresh Logi solution for maintaining freshness of produce
 - Reducing food waste and CO₂ emissions
 - In concert with SMAGt^{*1} system

*1: Agricultural data platform using blockchain to visualize the production and transaction history by Information Services International-Dentsu, Ltd.



Fresh Logi

Anti-counterfeiting solutions

- Promoting new solutions using blockchain and transparent RFID^{*2} tags that are difficult to replicate

*2: Radio frequency identification



Homes: Business Strategy

Home & Living

Maintaining existing medium-term growth strategy while using digital technology to meet changing lifestyle needs; strengthening resilience to disasters and adapting to carbon-free by leveraging our know-how for sustainable urban living

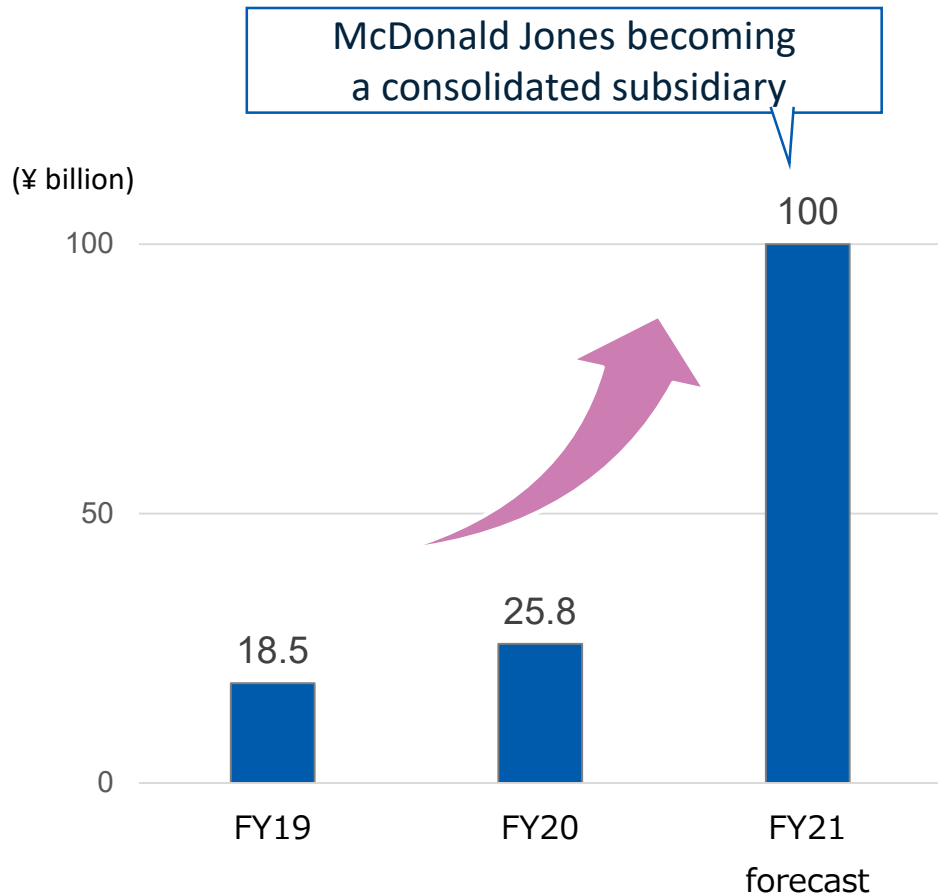


* Resilience certification for Asahi Kasei Homes

Homes: Expansion of Overseas Business

Pursuing growth through business models aligned with the characteristics of each region

Net Sales of Overseas Business



Australia

- ▶ McDonald Jones, a major steel-frame housing company, becoming a consolidated subsidiary (capital participation since 2017)



Home interior example

Aiming to be Australia’s leading brand through vertical integration with the steel frame supplier acquired in 2020

North America

- ▶ Horizontal integration between Austin Companies for electrical, concrete, and HVAC (acquired in 2020) and Erickson (acquired in 2018)



Construction with Erickson’s components

Efficiently streamlined provision of high-quality buildings

Homes: Sustainability and Resilience

To realize sustainable urban living, expedite initiatives of decarbonization and enhanced resilience to disasters

Sustainability

- ▶ Participation in RE100 (Asahi Kasei Homes)
- ▶ Promotion of net-zero emission homes (reaching 66% in FY2020)
- ▶ Supply of non-FIT non-fossil power to our plants



- ▶ Neoma Foam received the 18th GSC Award (Minister of the Environment Award) and the 52nd JCIA Technology Award (Environmental Technology Award)



Neoma Foam



Comfortable Space Laboratory

Resilience

- ▶ The 7th Japan Resilience Award (first condo rebuilt after 2016 Kumamoto earthquake)



Earthquake damage



After completion

- ▶ Joint research on real-time earthquake damage estimation system (with NIED*)

* National Research Institute for Earth Science and Disaster Resilience



Seismometer with Hebel Haus

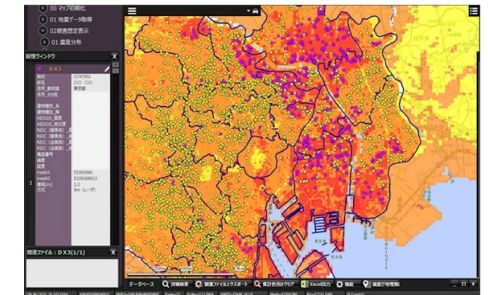


Image of the System

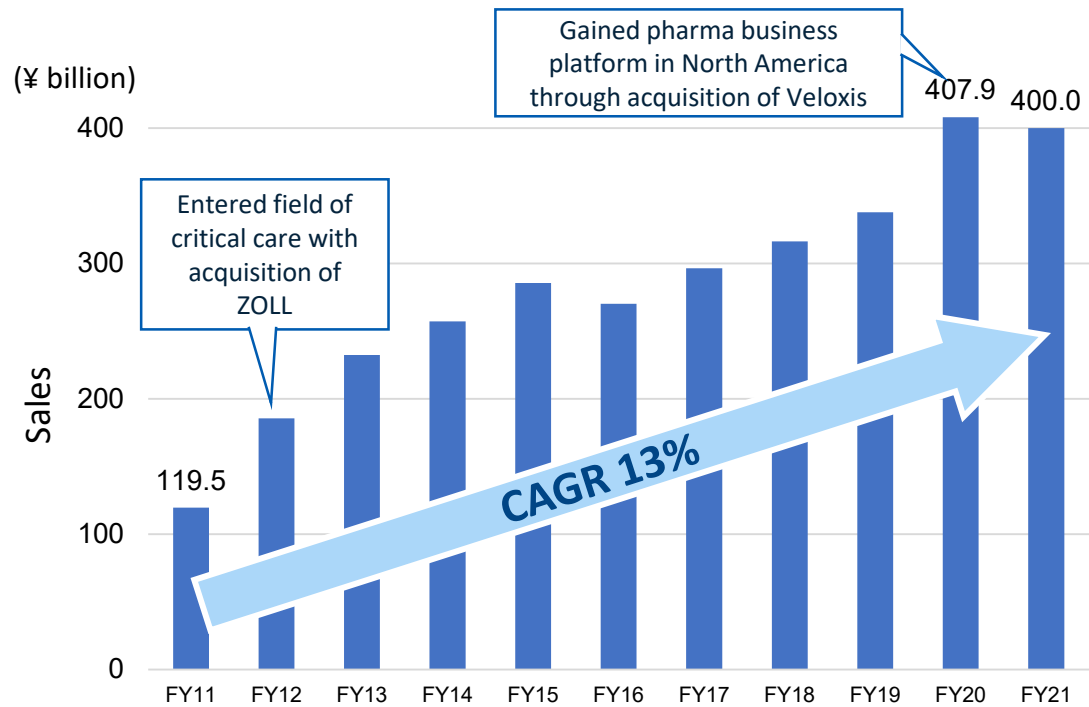
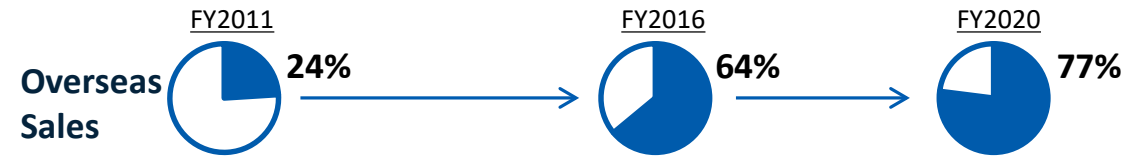
Health Care: Business Strategy

Health Care

Continued growth even with Covid impact; prioritizing Group resources on Health Care; global expansion of both pharmaceuticals and medical devices, to be the third major pillar and driver of growth

Sales Growth

- ▶ 13% CAGR* over past 10 years
- ▶ Driven by overseas business (reaching nearly 80%)

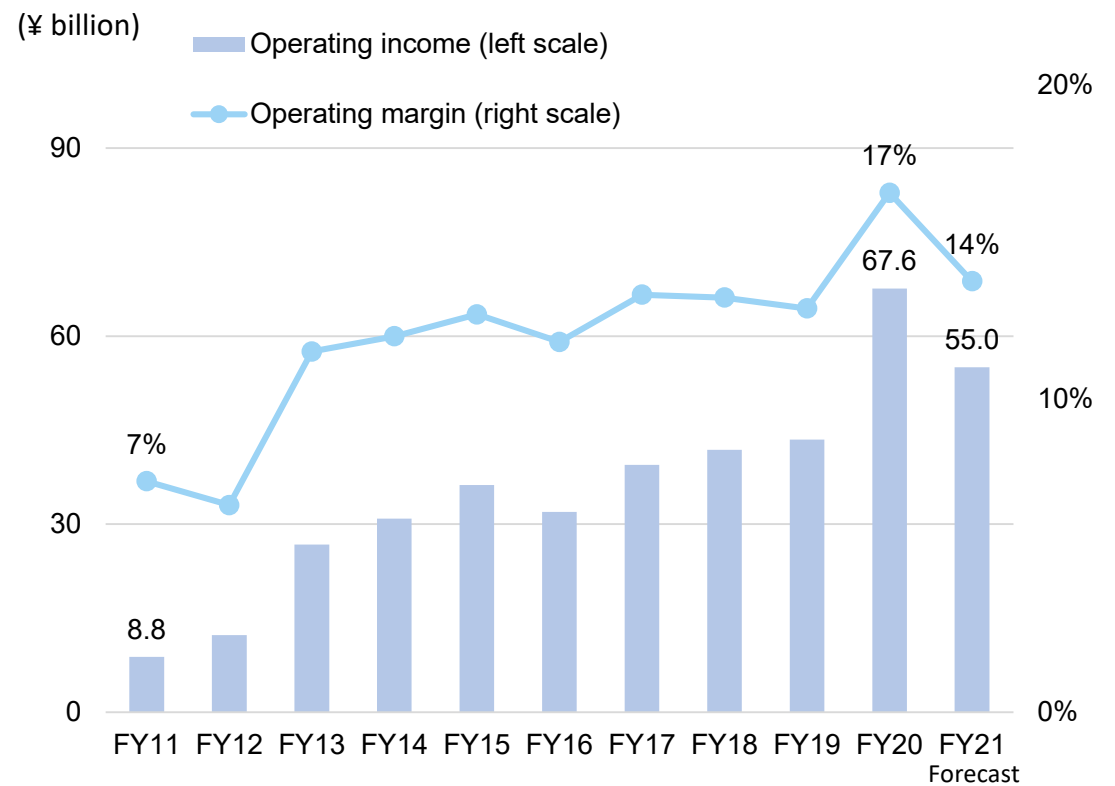


*Compound Annual Growth Rate

Forecast (announced in May 2021)

Income Growth

- ▶ More than six-fold growth over past 10 years
- ▶ Both amount and margin rising



Forecast (announced in May 2021)

Health Care: Critical Care Business Development

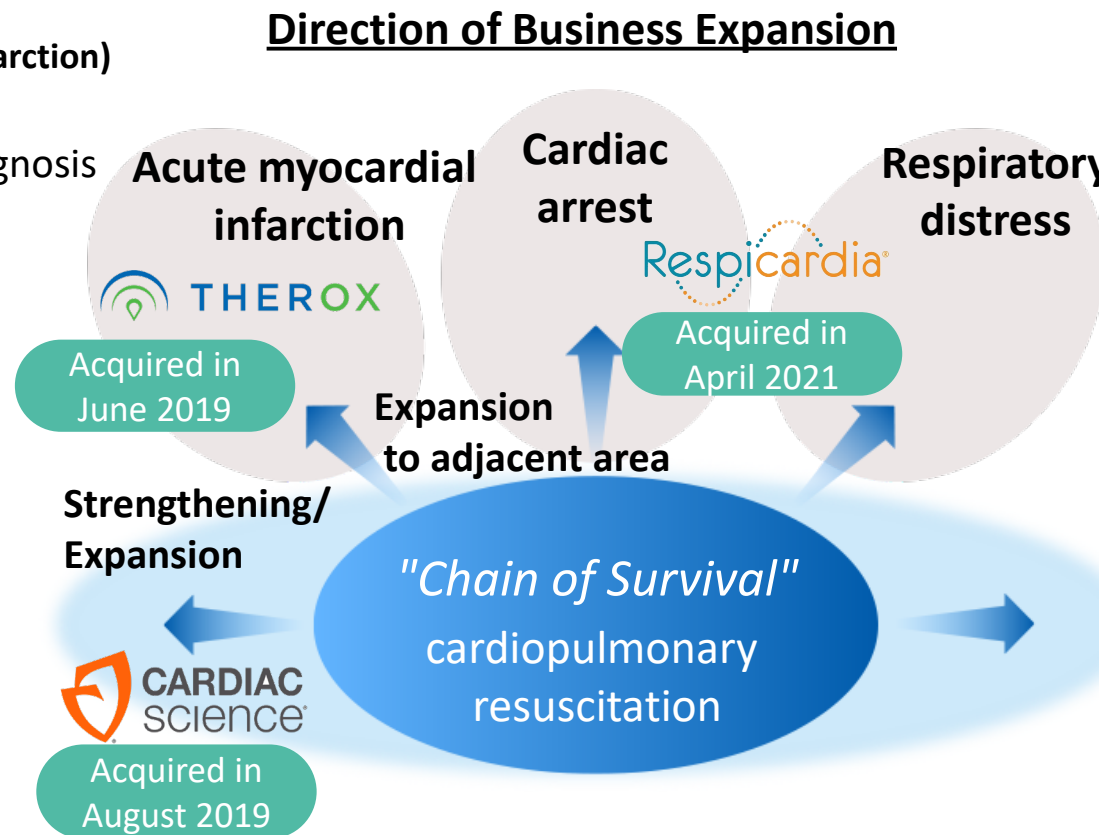
Continuing organic growth of existing businesses focused on cardiopulmonary resuscitation while promoting business development for both existing businesses and adjacent areas through acquisitions



TherOx SSO₂ System
(for acute myocardial infarction)
Innovative therapy for improving patient prognosis

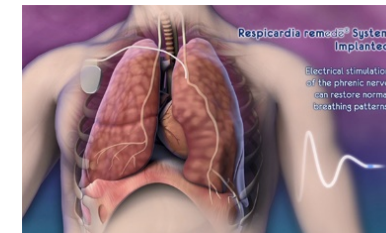


Cardiac Science AEDs
Expansion of AED product lineup



Respicardia remedē System
(Implantable neurostimulation device for central sleep apnea)

Innovative treatment for CSA, accompanied by risk of heart failure (estimated to be more than 1 million patents in the U.S. who could benefit)

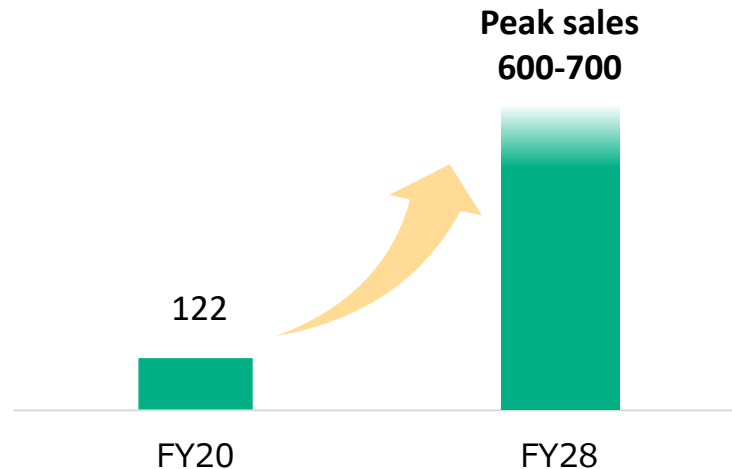


Health Care: Pharmaceuticals and Medical Devices

Pharmaceuticals (overseas)

- ▶ Steady growth in Veloxis Envarsus XR (immunosuppressant drug used following kidney transplant)
 - Increase of US transplantations
 - Expansion of facilities employing Envarsus XR

Envarsus XR US sales (US\$ million)



- ▶ Integration of clinical development and business development function of Asahi Kasei Pharma in the US with Veloxis

Pharmaceuticals (domestic)

- ▶ Growth of Teribone autoinjector osteoporosis drug
 - Reached top share in Japan among teriparatide formulations
- ▶ Start of “Bone Check” project enlightening potential osteoporosis patients



Teribone autoinjector (for self-injection)

Medical

- ▶ Strengthening bioprocess business
 - Expansion of sales and production capacity of Planova virus removal filters in line with the market growth of biologics (hollow fiber production capacity 40,000 m²/y increase ⇒ Total production capacity 130,000 m²/y)



Planova virus removal filters



Planova hollow fiber spinning plant (completed Sept. 2019)

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Asahi Kasei DX Vision 2030

Asahi Kasei will co-create “healthy living” and “a future world full of smiles” through the borderless connections enhanced by digital innovation



Crossing boundaries and connecting with the power of digital

To create new value for society, we will resonate across countries and cultures and co-create across companies and organizations.



Healthy living and a future world full of smiles

We will lead to a healthy, secure, safe, comfortable life and a world full of smiles for future generations.

Development of DX as a pillar of growth strategy

Direction of DX Deployment

from 2018
Digital Introduction Period

Foundations of functional DX

- Materials informatics (MI), production technology innovation, IP landscape, etc.

⇒ About 400 projects

from 2020
Digital Deployment Period

Accelerate companywide DX promotion

- Development of DX Vision
- Digital Value Co-Creation, co-creation laboratories, etc.



from 2022
Digital Creation Period

Management Innovation through DX

- Business model transformation, valuing intangible assets
- Utilization in management decision-making
- Use in human resource management, etc.



from 2024

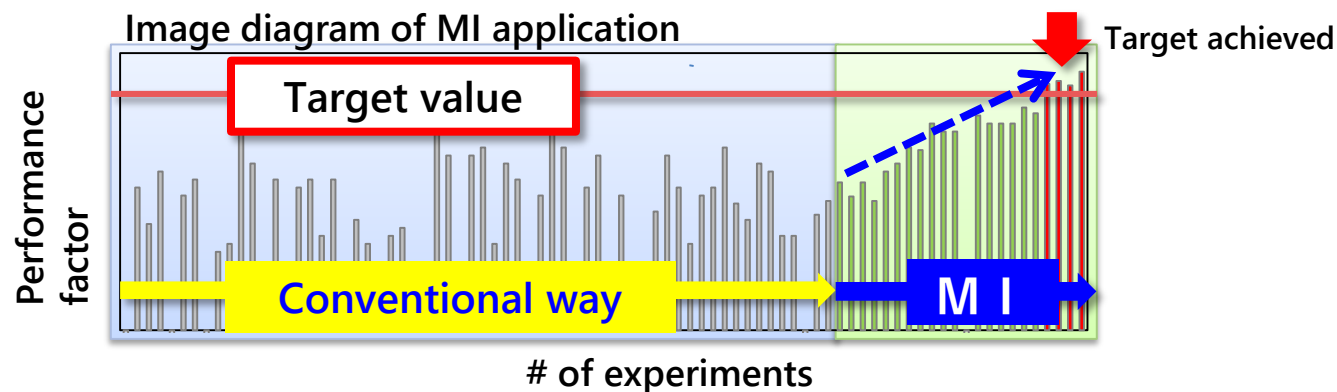
Digital Normal Period

All employees become digital human resources

All employees gain a mindset of digital utilization

Application of MI to development of innovative materials and products

- ▶ **MI dramatically accelerates** the search for combinations of materials × processes (melting methods, mixing methods, etc.), enables **the search for new combinations** that were not previously found, and achieves **the highest performance**.



Development of remote monitoring system for improved productivity

- ▶ Ex., green hydrogen demonstration project in Germany monitored in Japan



Herten, Germany



Alkaline water electrolyzer

Control PC



Edge server



Kawasaki Works (Kanagawa, Japan)

Edge server



Data reference software



Monitoring PC



Remote monitoring /Data analysis

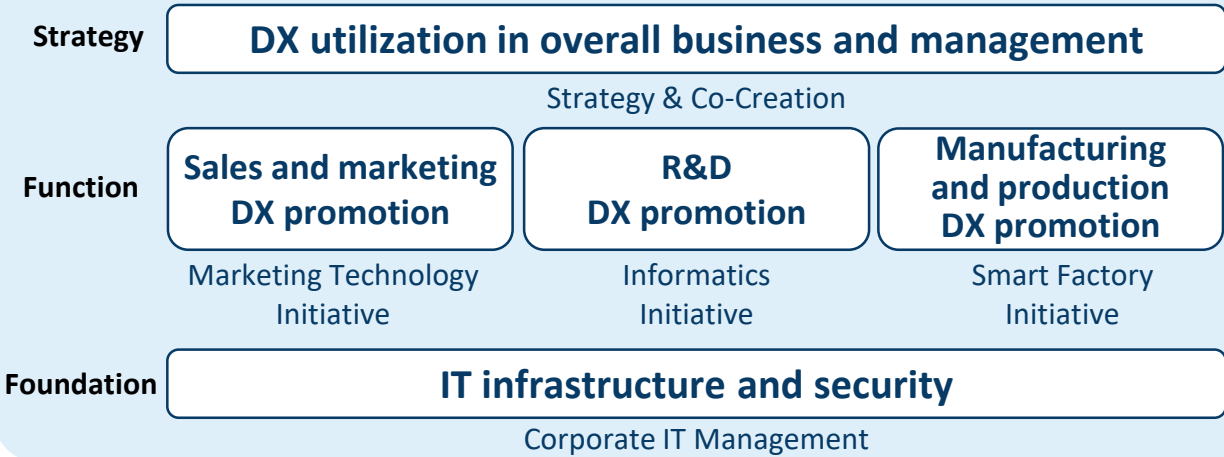
Asahi Kasei Data Center (Miyazaki)

DX Promotion Framework

Establishment of Digital Value Co-Creation

- ▶ With the diversity that is a strength of the Asahi Kasei Group, promoting reforms through co-creation with digital technology across the Group

Digital Value Co-Creation (organization reporting to president)



Opened CoCo-CAFE digital co-creation laboratory



- ▶ A base where digital human resources are gathered together and create cooperatively with both inside and outside the company

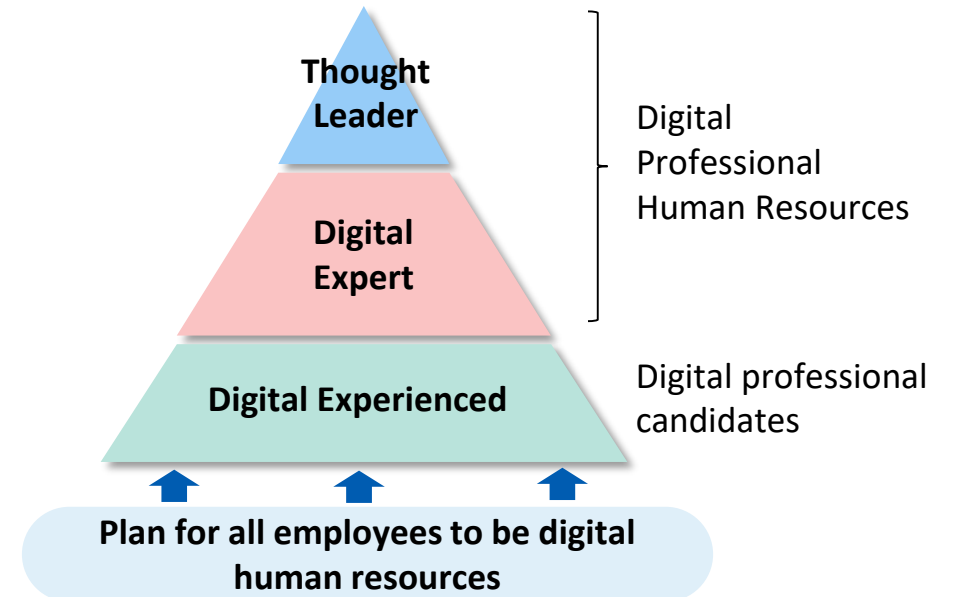


Promoting DX education by level

- ▶ Strengthen DX education for all Asahi Kasei Group employees (started Open Badge system)
- ▶ Develop business managers into DX leaders (training program to deepen understanding of DX and strengthen its promotion)

Developing and obtaining of DX professional human resources

- ▶ By the end of FY2021, to have 230 digital professional personnel who will promote advanced digitization through development programs and recruitment



Use of intellectual property

Intellectual Property Awards
Minister of Economy, Trade and Industry Award
 (2021 Award for Excellence in Utilizing the Intellectual Property System)

Reasons for Awards Received

1. Intellectual property activities with an awareness of contributing to business based on the mission of maximizing business value
2. As a contribution to business advancement, IP landscape and intellectual property activities to support DX were implemented company-wide
3. Succession of a strong intellectual property mindset to successive researchers through an educational program aimed at raising awareness of intellectual property

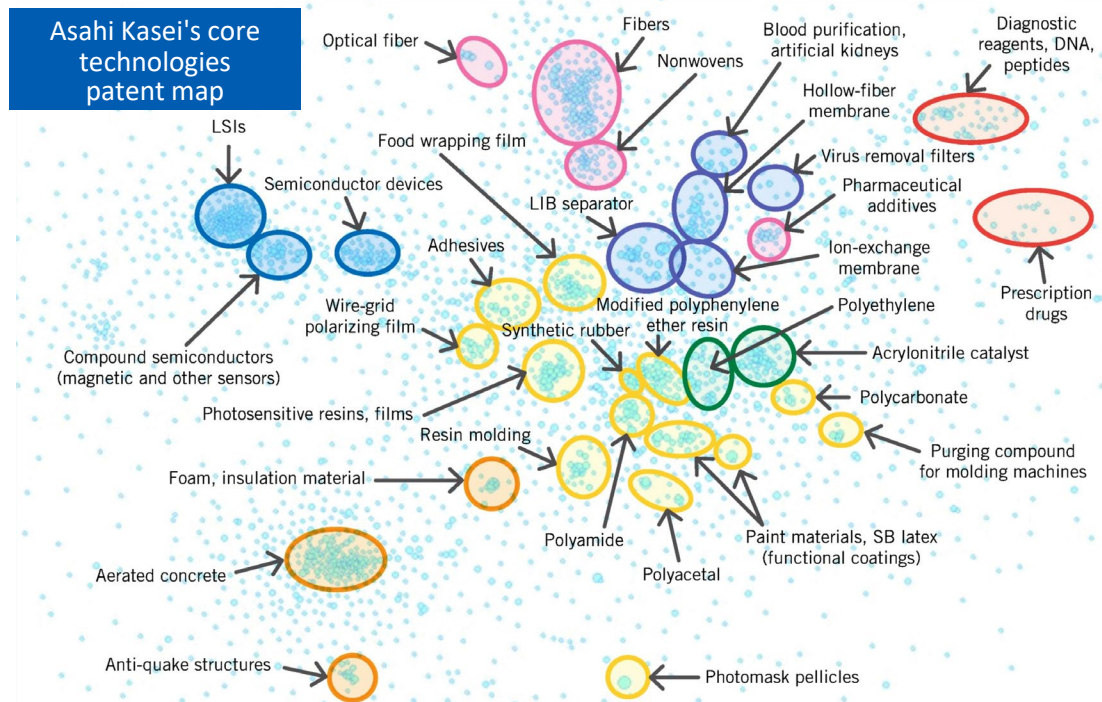
Implementation of IP landscape activities in various businesses within the Asahi Kasei Group



Hipore LIB separator



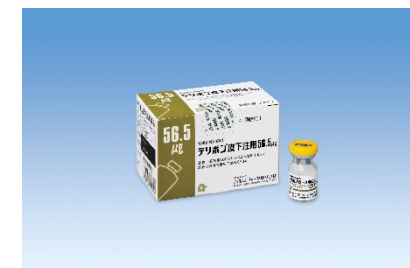
Hebel Haus unit home



Created by Asahi Kasei using "TechRadar Vision" (a tool provided by VALUENEX Japan Inc.)
 Each dot shows a patent held by the Asahi Kasei Group in Japan.



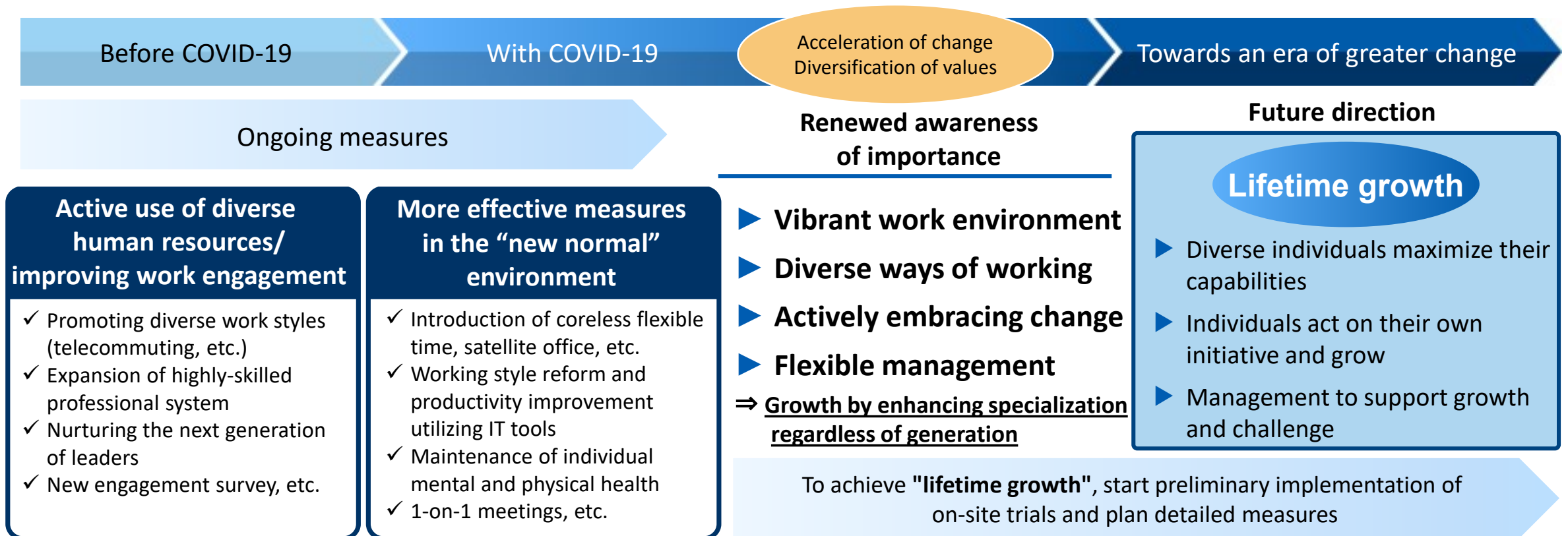
S-SBR synthetic rubber for fuel-efficient tires



Teribone osteoporosis drug

Development of Human Resource Base

In order to respond to changes and continue to provide value to society, promoting the creation of a foundation that supports the autonomous growth of employees and enables diverse individuals to thrive

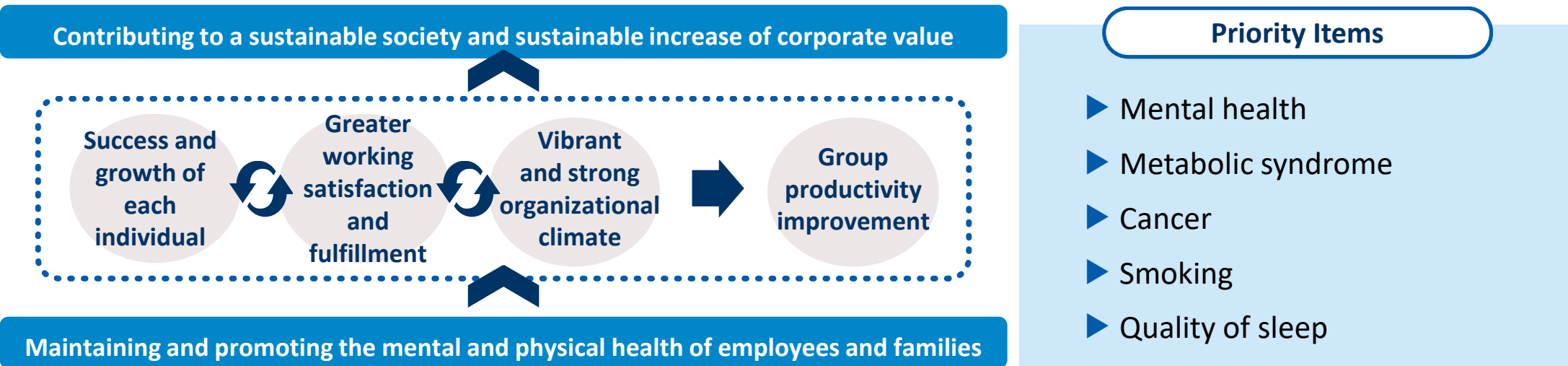


“Everything starts from people” — for the further evolution of Team Asahi Kasei

"Diversity" cultivated over 100-years of history and **"Capability to Change"** through the innovation of employees, organizations, and the company

Promoting Health and Productivity Management

Enhanced health and productivity management will contribute to the two aspects of sustainability for Asahi Kasei



Priority Items

- ▶ Mental health
- ▶ Metabolic syndrome
- ▶ Cancer
- ▶ Smoking
- ▶ Quality of sleep

Examples of activities

- ▶ Continuous implementation of AED lifesaving seminars
⇒ Basic lifesaving measures for emergencies
- ▶ Introduction of an osteoporosis checkup subsidy support (Asahi Kasei Pharma)
⇒ Increased awareness of osteoporosis and improved health



AED lifesaving seminars

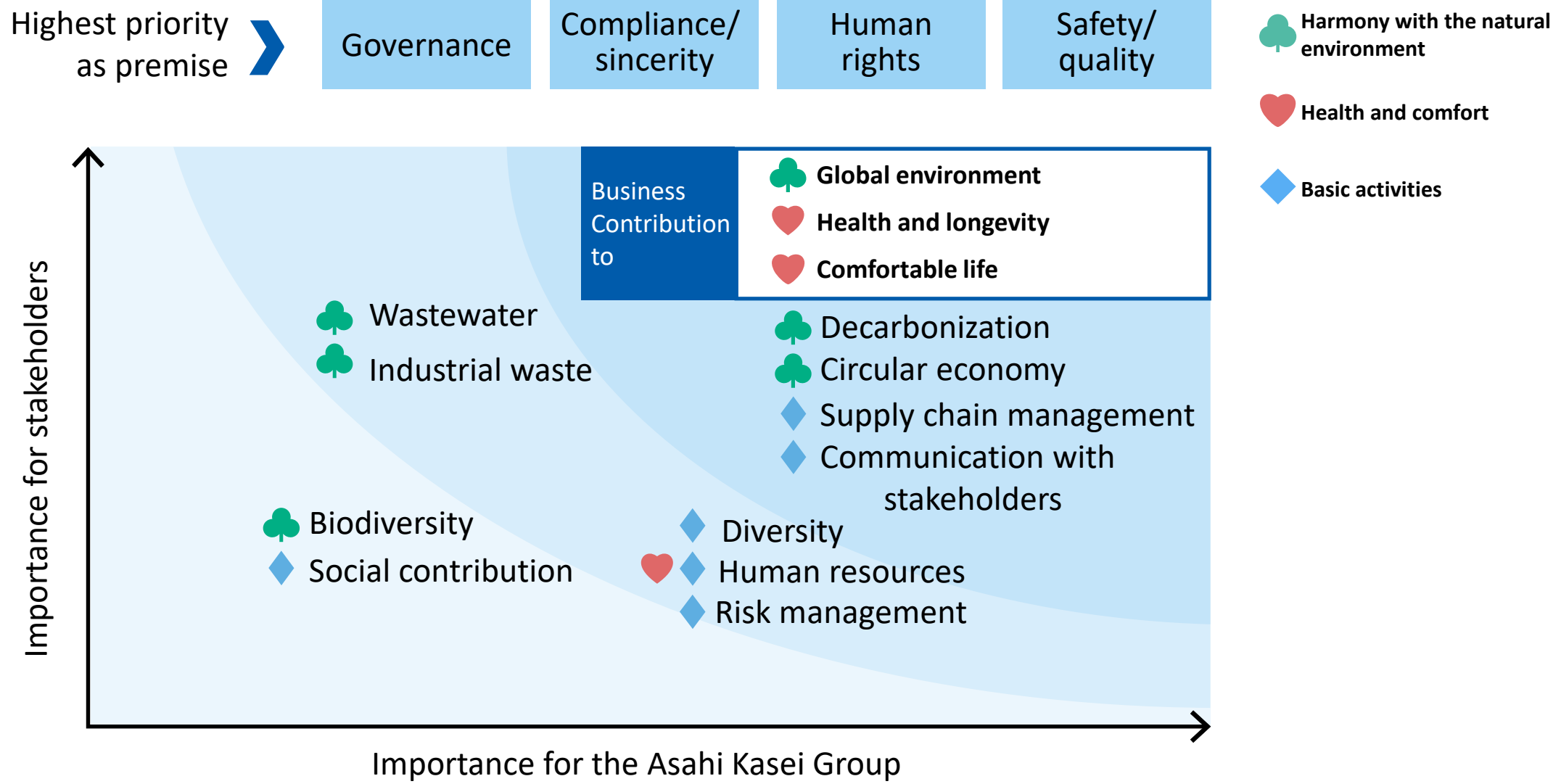
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Materiality of the Asahi Kasei Group considering business environment change



Contribution to realize a carbon neutral and sustainable world



Care for
Earth

Carbon neutral
sustainable world

The Asahi Kasei Group is addressing global climate issues by leveraging our scientific strengths cultivated since our foundation

- ▶ Contributing to the decarbonization of various industries
- ▶ Contributing to reducing global greenhouse gas (GHG) emissions through our technologies, products, and services

Contributing to decarbonization in many ways

Next generation
energy

- ▶ Green hydrogen production
- ▶ Energy storage
- ▶ Green ammonia, etc.

Carbon
absorption and
utilization

- ▶ CO₂ separation and recovery
- ▶ CO₂ chemistry, etc.

Circular
economy

- ▶ Material Recycling
- ▶ Chemical recycling, etc.

Environmental
contribution
products

- ▶ LIB separator
- ▶ Ion-exchange membrane
- ▶ Lightweighting resin
- ▶ S-SBR for fuel-efficient tires
- ▶ Elastomer for asphalt modification
- ▶ CO₂ sensors
- ▶ Net-zero emission houses
- ▶ High-performance insulation material, etc.

Decarbonization Initiatives

Reducing our own GHG emissions

**To realize a sustainable society,
the Asahi Kasei Group aims to achieve carbon neutrality by 2050 ^{*1}**

Main measures

- ▶ Energy decarbonization (acceleration of R&D for alkaline water electrolysis, CO₂ separation/recovery/utilization, etc.)
- ▶ Manufacturing process innovation
- ▶ Shift to high-value-added, low-carbon businesses, etc.

2030 Target

Reduce GHG emissions by 30% or more (compared with FY2013)^{*2}

**Develop a roadmap to achieve the goal,
and accelerate decarbonization initiatives accordingly**

*1: GHG emissions from our business activities (Scope 1, 2)

*2: Presumption that the Japanese power supply structure will be more than 50% non-fossil in accordance with the governmental policy

Projects for decarbonization

Working with other companies to achieve a hydrogen society, increasing our own use of renewable energy

Green Solution Project (from April 2021)

- ▶ Aiming to create businesses that can provide value to society with an overview of the entire carbon neutral-related market

Working toward a hydrogen society

- ▶ Contributing to the achievement of a hydrogen society through large-scale water electrolysis demonstrations, etc.
- ▶ Participation in Japan Hydrogen Association

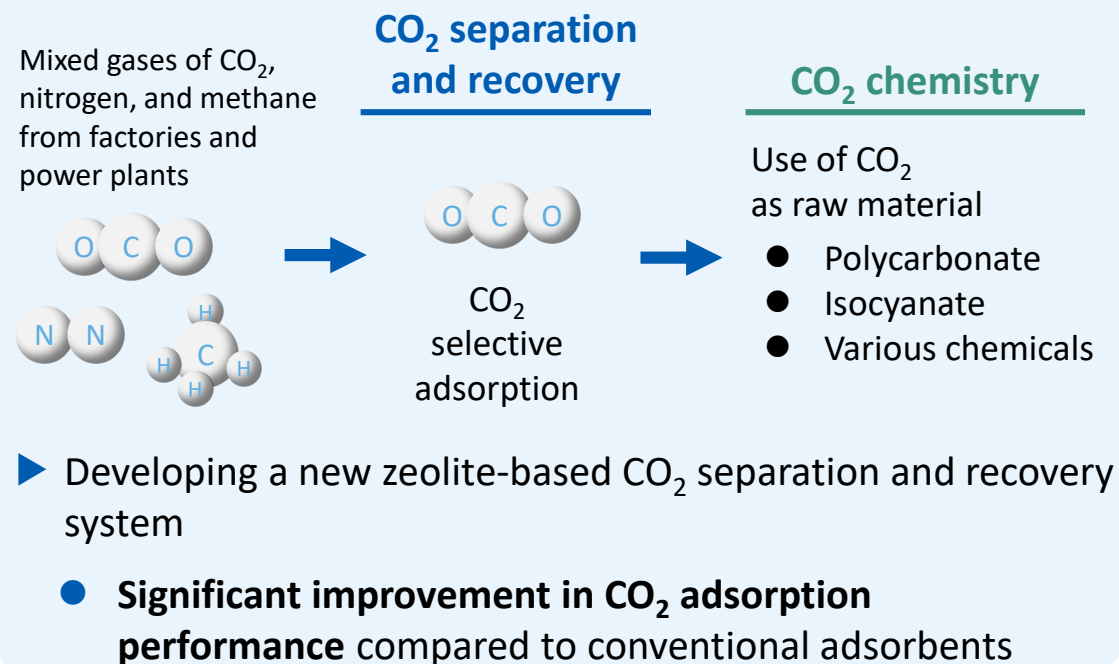


NEDO project
Fukushima Hydrogen Energy Research Field (FH2R)



ALIGN-CCUS
water electrolysis system
(Niederaussem, Germany)

Achieving CO₂ adsorption and utilization

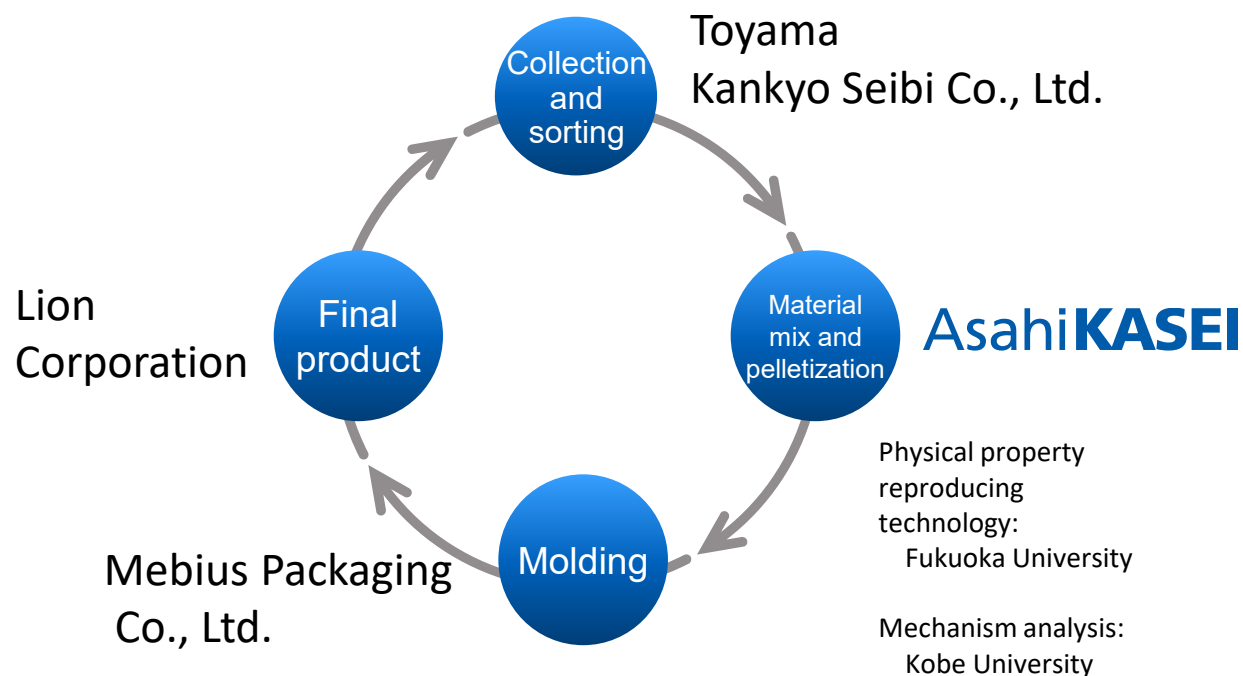


Projects for the circular economy

Promoting projects in collaboration with other companies and academia

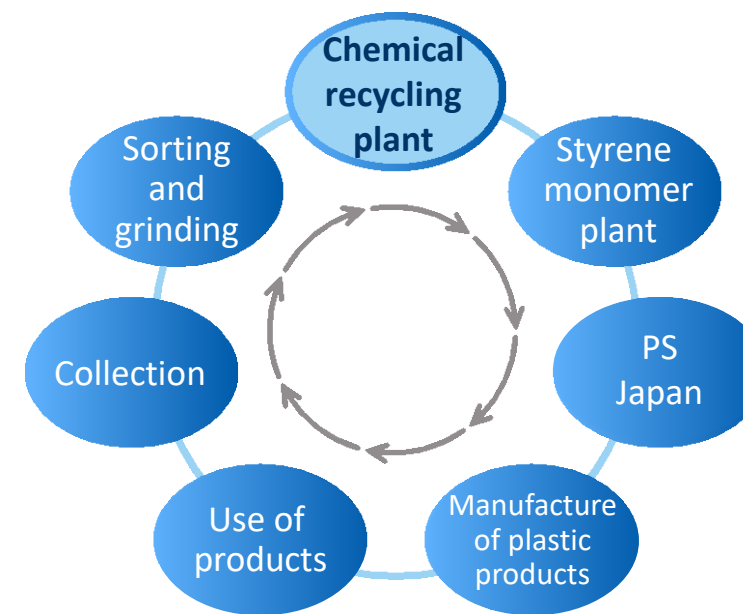
■ Polyethylene material recycling

- ▶ Develop recycled toiletries bottles in NEDO Project*
- ▶ Establish a platform to manage and visualize the supply chain based on blockchain technology with IBM Japan, Ltd.



■ Polystyrene chemical recycling

- ▶ Plan to construct facility to convert used polystyrene products back to styrene monomer through thermal decomposition



Chemical recycling of polystyrene

* 2019: Adoption of NEDO "Leading Research Program"/ 2020: Adoption of NEDO "Innovative Resource Recycling Process Technologies"

Contributing to active life in the "new normal"



Care for
People

Active life
in the new normal

Providing high-quality medical care and fulfilling lives through our products, technologies, and solutions

Contributing to anti-Covid measures



Ventilators



Therapeutic apheresis



Surface disinfection solution



Virus removal filters



Medical gown



Mask

Contributing to high quality treatment

Orthopedics

- ▶ Osteoporosis treatment
 - Teribone
 - Reclast
- ▶ Rheumatoid arthritis treatment
 - Kevzara

Immune system

- ▶ Immunosuppressive agent
 - Envarsus XR
 - Bredinine


Renal disease

- ▶ Artificial kidneys

Critical care / Heart disease

- ▶ Defibrillators
- ▶ LifeVest (wearable defibrillator)
- ▶ Recomodulin (anticoagulant)
- ▶ Therapeutic apheresis
- ▶ Implantable neurostimulator device (central sleep apnea therapy)

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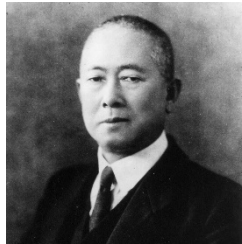
1. Progress on Financial Objectives
2. Progress on Major Activities
 - 1) Actions in priority fields for provision of value
 - 2) Building platform for sustainable growth
3. Sustainability Initiatives
-  **4. Toward Asahi Kasei's Next 100 Years**

Asahi Kasei's centennial and the next 100 years



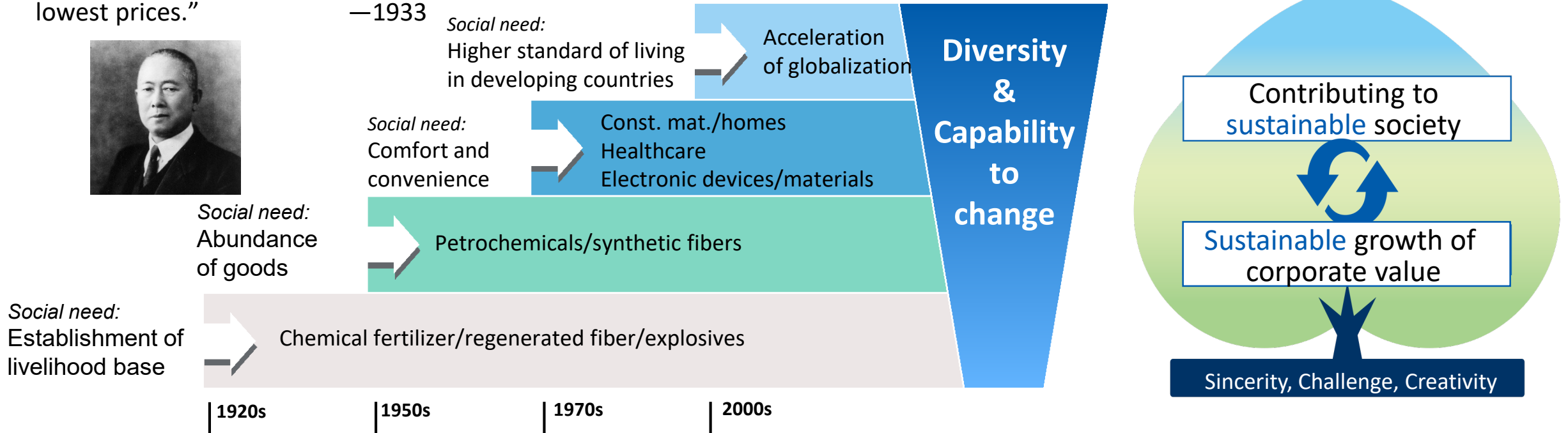
Vision of founder Shitagau Noguchi

“As industrialists, we must be cognizant that, to improve the living standard, our ultimate mission is to contribute to people by supplying abundant highest-quality daily necessities at the lowest prices.”
—1933



Grasping social needs,
dynamic portfolio transformation,
developing business that makes life better

Two aspects of sustainability
for Asahi Kasei



Management direction for the next 100 years

■ Realization of the two aspects of sustainability for Asahi Kasei

Providing solution for **a sustainable society** through innovative technologies and advanced initiatives

Providing value expected by society to realize **sustainable growth of corporate value**

■ Pursue a portfolio of high-profitability and high capital efficiency value-added businesses

Pursue **both high profitability and capital efficiency** and **sustainable profit growth**

Pursue **synergies** between businesses and dynamic **portfolio transformation**

■ Further enhance business platform, the fundamental strength of Asahi Kasei

Venue where **diverse individuals** can thrive with high motivation

Maximize use of intangible assets such as **diverse core technologies** and accumulated **know-how**

Upgrading and streamlining operations and reforming business models through DX

Our diversity, capability to change, and care for the future of people and the earth will endure for another century

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.”



(Reference) Financial performance by sector

(¥ billion)		FY2018	FY2019	FY2020	FY2021 forecast announced in May 2021	'18→'21 CAGR	FY2021 initial target announced in May 2019
Material	Net Sales (a)	1176.2	1093.1	991.2	1168.0	-8.3%	1350.0
	Operating income (b)	129.6	92.4	66.5	100.0		150.0
	Operating margin (b/a)	11.0%	8.4%	6.7%	8.6%		11.1%
	EBITDA (c)	190.7	163.0	137.4	176.0		240.0
	EBITDA margin (c/a)	16.2%	14.9%	13.9%	15.1%		17.8%
Homes	Net Sales (a)	659.8	704.4	692.6	791.0	-0.6%	750.0
	Operating income (b)	68.2	72.7	63.5	67.0		75.0
	Operating margin (b/a)	10.3%	10.3%	9.2%	8.5%		10.0%
	EBITDA (c)	77.2	83.3	74.8	79.0		89.0
	EBITDA margin (c/a)	11.7%	11.8%	10.8%	10.0%		11.9%
Health Care	Net Sales (a)	316.2	337.8	407.9	400.0	9.6%	370.0
	Operating income (b)	41.8	43.5	67.6	55.0		56.0
	Operating margin (b/a)	13.2%	12.9%	16.6%	13.8%		15.1%
	EBITDA (c)	68.6	72.9	111.6	100.0		83.0
	EBITDA margin (c/a)	21.7%	21.6%	27.4%	25.0%		22.4%