Requirement 3

Ability to continuously innovate by leveraging diverse intangible assets

Asahi Kasei's initiatives

We have advanced value creation across businesses and sectors by leveraging the diverse intangible assets unique to Asahi Kasei, including human resources, technologies, and management knowledge.

Going forward, we will leverage the Asahi Kasei ecosystem to create even more innovative products, services, and business models.



Material sector

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Mechanisms for creating value through Asahi Kasei's ecosystem

Asahi Kasei's ability to share and leverage intangible assets such as human resources, technologies, and management knowledge across sectors and businesses is a distinctive competitive strength.
What should be the form of corporate functions responsible for human resources, R&D, intellectual property, production technology, and digital strategy in order to create value that the individual businesses could not generate on their own? Various issues based on awareness of this issue are described.



HR Strategy

p. 42

- Renewing the HR system to strengthen a culture of taking on challenges
- Management support and leader development to draw out the strengths of individuals and teams
- Developing management human resources globally and fostering group-wide cohesion



Production Technology Strategy

p. 55

- Applying production technology to utilize core technologies across sectors
- Early application of physical AI in manufacturing processes
- Creation of smart laboratories to accelerate R&D



R&D and IP Strategy

p. 47

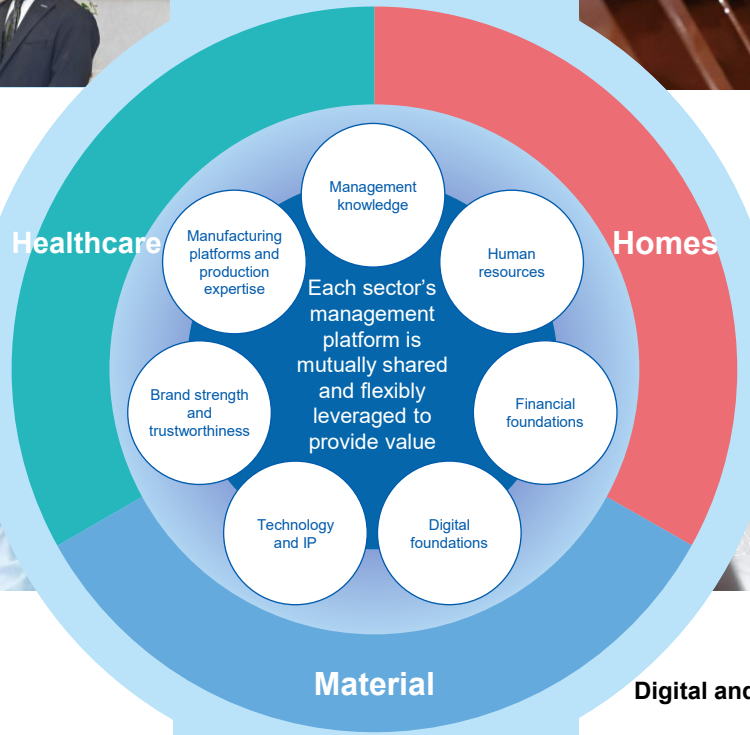
- Leveraging core technologies to create new innovations
- Enhancement of R&D leveraging AI to increase the speed of development and commercialization
- Strengthening of business models that generate value from intangible assets, and gaining earnings though licensing



Digital and AI Strategy

p. 57

- Establishment of an environment enabling the use of AI and data across sectors and businesses (developing ST-Hub, a dedicated AI platform for the Asahi Kasei Group)
- Incorporating the utilization of data and AI into operational sites
- Development of digital human resources



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Human resources strategy behind the character of Asahi Kasei

Satoshi Nishikawa
Senior Executive Officer
Executive Officer for Human Resources

What constitutes the strength that is the source of Asahi Kasei's competitiveness?

The strength of our people is rooted in the values and culture shared across our diverse businesses and job functions. This culture is characterized by such qualities as thinking and acting independently, joining forces with colleagues to confront difficulties, and recognizing that every business has passionate stories woven by our predecessors as well as its own unsung heroes. Another distinctive strength of Asahi Kasei's people is that, while each individual possesses a high degree of expertise and takes pride in their business, when they transfer across business boundaries, they adapt to their new environment and open a fresh chapter in their career story.

This culture is like a secret sauce that has been handed down through the generations over many years. It has been created and enriched through the accumulation of actions motivated by the desire to make Asahi Kasei better. At a time when business portfolio transformation and growth investments are proceeding in parallel, I see numerous related parties at every business site engaging sincerely with both the business and its members, earnestly considering and discussing how to connect their strengths to Asahi Kasei's future, and taking bold action. Each time I witness this, I am reminded that therein lies the essence of Asahi Kasei's strength.

What is the essence of Asahi Kasei's human resources strategy?

Although the secret sauce has fostered people with certain qualities, as society and the business environment change, and employees' values and views of their careers become increasingly diverse, it is important not to simply let it evolve on its own, but also to refine it deliberately. This, in turn, is deeply connected to our human resources strategy. I believe the essence of our human resources strategy lies in the interaction between medium- to long-term efforts to transform our culture and strengthen our foundations and strategic measures that address the short- to medium-term challenges of individual businesses, This ultimately enhances the sustainability of both the company as a whole and each of its businesses. In some cases, the proactive establishment of a basic structure comes first, and this facilitates the agile execution of strategic measures. In others, aligning cultural transformation with strategic measures gives it greater relevance and credibility. Although both ultimately seek to achieve the same goal, they differ in terms of pace and the sequence in which they are undertaken. In an organization such as ours, where people on the front lines demonstrate a strong sense of initiative, this discrepancy often becomes particularly pronounced. Rather than avoiding it, however, we deliberately bring the opposing views together and work through them. By repeating this process, our unique secret sauce will continue to evolve.

What's next for the evolution of Asahi Kasei's ecosystem?

To transform our corporate culture and strengthen our foundations, we have pursued a variety of initiatives, including promoting career ownership, reforming management, and advancing diversity. While formulating the previous MTP, we identified lifelong growth and co-creativity as common themes. To further accelerate this effort, in fiscal 2025 we transitioned to a new HR system designed to encourage employees to take on challenges. These initiatives are intended to ignite the inherent desire of every employee to take on challenges and engage in co-creation, enabling them to lead more fulfilling professional lives. However, some degree of anxiety and uncertainty is unavoidable during the transition, and rather than turning a blind eye to these concerns, we are addressing them carefully while aligning everyone around the future we seek, with the aim of creating an environment that generates genuine value.

Another fundamental initiative is to establish a framework for strengthening our global human resources. With overseas sales accounting for more than half of total sales and overseas markets expected to assume even greater importance as sources of future growth, it is increasingly important to continuously develop management human resources outside Japan and increase their participation in group-wide management. In fiscal 2025, following discussions that included executives outside Japan, we established a set of common rules, the GMS*, aimed at enhancing the corporate value of the Asahi Kasei Group. In fiscal 2026, we are increasing the number of overseas executives participating in group-wide management and fostering a deeper understanding of GMS and more substantive discussions on enhancing overall corporate value based on that understanding.

Going forward, as we continue to evolve Asahi Kasei's distinctive mechanism for value creation on a global scale, we aim to remain a company that takes on challenges through the power of co-creativity generated by its diverse businesses, and an inclusive company that embraces diverse businesses and people.

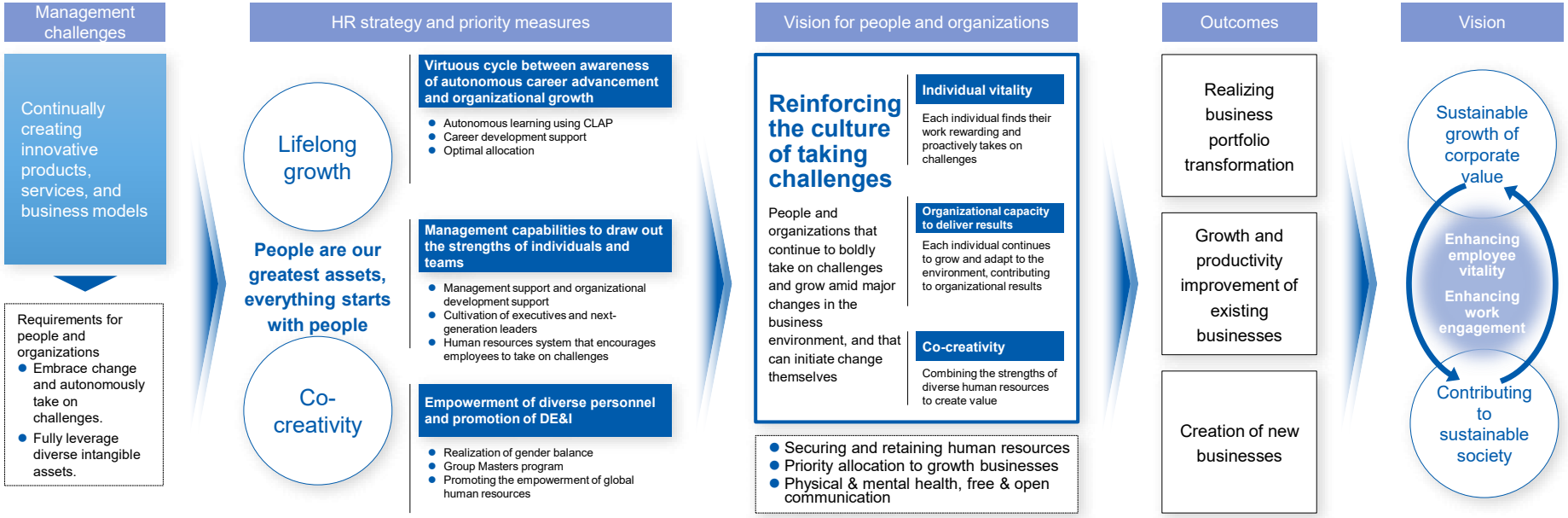
* Group Management Standards (fundamental standards of conduct for enhancing the value of the Asahi Kasei Group. For details, see page 115. ▶)

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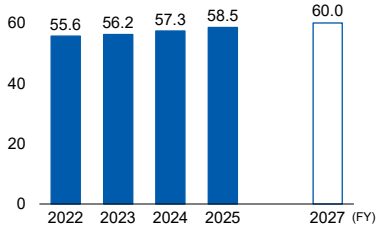
Enhancing corporate value by reinforcing the culture of taking on challenges

For Asahi Kasei, which continues to evolve with the times, human capital management is an important management priority that supports the enhancement of our corporate value. Under the current MTP, our human resources strategy is built on two pillars: "lifelong growth," in which each individual actively seeks personal growth and challenges, and "co-creativity," which leverages diversity to promote collaboration. We are advancing human resources initiatives from three broad perspectives. By developing people and organizations that continue to take on bold challenges and grow even amid changes in the operating environment, we will contribute to our businesses and enhance corporate value.

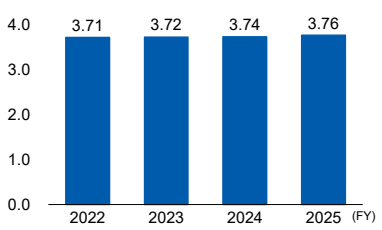


Trends in main KPIs

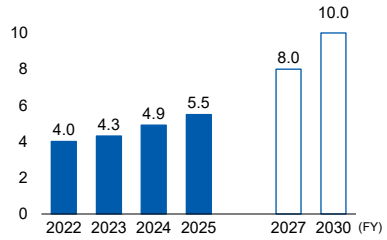
Percentage of employees reporting favorable vitality (%)[1,2,4]
(3.5 or higher on a 5-point scale)



Indicator of actions driving growth[1,2]



Percentage of women in the total number of managers and the Group Masters program[1,3,4]



Related indicators[1]	FY2025 Results
Investment in personnel training	¥255,000/person/year
Group Executive succession preparation rate	285%
Workplace dialogue implementation rate	73.6%
Number of women working as managers	361
Diversity and psychological safety score (in KSA survey)	Diversity: 4.09 Psychological safety: 3.67
Number of personnel transfers across sectors and corporate functions	≈300

[1] Scope: Asahi Kasei Corp., Asahi Kasei Microdevices, Asahi Kasei Homes, Asahi Kasei Construction Materials, Asahi Kasei Therapeutics, and Asahi Kasei Life Science. [2] Scores from the KSA employee engagement survey. [3] Figures for each fiscal year are as of April 1st of the following fiscal year. [4] Linked to executive compensation. [5] Average training implemented per person in Japan. [6] Percentage of candidates for Group Executive positions who are senior general managers or heads of business units. [7] Rate of implementation of discussions on an organization's issues, aspirations and future initiatives by each organization

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Strategy 1 People and organizations that achieve lifelong growth: Strengthening a culture of challenge through a new personnel system

At Asahi Kasei, taking on challenges does not mean individuals acting independently of one another. It means working together with colleagues to discover one's role, grow, and contribute to the organization. We will promote HR policies that foster the growth of organizations through individual challenges, creating a virtuous cycle. We are also strengthening support for organizational leaders to maximize the capabilities of highly motivated personnel who embrace challenges.

Introduction of a new HR system in fiscal 2025: Promoting young talent based on merit and enabling senior employees to continue thriving

Fair + Open

In response to the rapidly changing business environment, we transitioned to a new HR system in fiscal 2025 to encourage each employee to take on challenges and foster a culture of taking challenges throughout the organization. The new system embraces "Fair," signifying a new form of fairness, and "Open," reflecting our aim to foster an open organizational culture in which employees support one another in taking on challenges. The system features an evaluation and compensation framework that emphasizes current performance, contributions, and challenges undertaken, rather than past achievements, and steady progress is being made in appointing younger employees to managerial positions. The issue going forward is how to achieve behavioral change among individual employees by firmly instilling the new system throughout the organization. We are strengthening support for managers, who play a key role in this effort, to help them consistently set a clear direction, support employees in taking on challenges, and provide high-quality feedback. Through these practices, managers can take on challenges and grow alongside team members with diverse values while fostering an organizational culture with a high level of psychological safety. We also held workshops in each business sector on utilizing the system, working to promote a shared understanding of its aims and the expected approach to management. In addition, we have introduced 360-degree feedback to encourage managers to engage in self-reflection and change their behavior, thereby further strengthening the culture of taking on challenges envisioned under the new HR system.

Connecting individual growth to organizational growth

We conduct KSA, an annual engagement survey assessing employee empowerment and growth for all employees. The aim is to enhance individual and organizational vitality and encourage behaviors that support taking on challenges and achieving growth. This survey measures three indicators: supervisor-subordinate relationships and workplace environments, vitality, and actions driving growth. The results are provided as feedback to line managers. In particular, we monitor the indicator for behaviors that lead to growth and the percentage of employees reporting favorable levels of vitality as KPIs, using the results to assess conditions by workplace and age group and improve talent development initiatives.

We also continue to promote workplace dialogue, through which each organization discusses its challenges, desired state, and future initiatives. We assess the state of workplace relationships and provide each manager with feedback on the results, and in fiscal 2025, we also began an initiative to present specific actions based on the assessment results. As the business environment continues to change, including through the transformation of our business portfolio, maintaining and enhancing employee vitality is a key priority. We will therefore strengthen support tailored to the circumstances of each organization and promote initiatives that link the growth of each individual to organizational growth.

Developing management human resources across business sectors by leveraging Asahi Kasei's ecosystem

Our Next-Generation Management Human Resource Development Program is designed to develop management human resources capable of leading the Asahi Kasei Group from the perspective of overall optimization. The program is intended for Group Executive[1] candidates selected from each business through assessments and dialogue with senior management. Launched in fiscal 2017, the program has continued to evolve each year. In fiscal 2025, we introduced a framework under which executives themselves mentor candidates and contribute to the development of human resources in areas beyond their own responsibilities. Learning from mentors in different areas enables candidates to develop multifaceted perspectives and make more sophisticated management decisions. Furthermore, through opportunities to gain experience across businesses and sectors, we seek to broaden their perspectives and develop an outlook encompassing the entire Asahi Kasei Group, while enhancing their leadership capabilities through diverse experiences. The ability to provide such development opportunities across business sectors could be considered to be a distinctive feature of management human resource development at Asahi Kasei. Going forward, our challenge is to appoint diverse human resources, including younger employees and women, to senior management positions, thereby enhancing the quality of decision-making and creating new value.

[1] Group Executives are appointed from among Executive Officers by resolution of the Board of Directors of Asahi Kasei. Group Executives have the responsibility and authority to enhance the corporate value of the entire Asahi Kasei Group.

Management Human Resource Development Program



KPI Group Executive succession preparation rate
260% in fiscal 2023 ⇒ 280% in fiscal 2024 ⇒ 285% in fiscal 2025

Developing personnel who seek independent growth and challenges: supporting young employees

We are developing learning communities as forums where young personnel can learn proactively and expand their networks. The community activity where new employees learn alongside peers launched in fiscal 2023, has helped alleviate career-related concerns among young employees and foster connections across the regions where they are assigned. Going forward, we plan to expand it into an initiative that also engages more experienced young employees. Since fiscal 2025, we have strengthened onboarding by taking an integrated approach spanning recruitment through development after employees join the company. In addition to communicating workplace expectations before they join, we support their early success through training conducted in collaboration with local communities and other initiatives. This initiative was selected for the Grand Prize in the Human Resources Recruitment and Development Transformation category of the Large Enterprise Division at the Career Ownership Management Award 2026.

2026 Career Ownership Management Award 最優秀賞 (人材採用・育成の変革部門)

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Strategy 2 Harnessing the abilities of diverse personnel to enhance our co-creativity

As our unique characteristic of "Diversity × Specialty" indicates, we have many diverse personnel with various experience, knowledge, and abilities. Our goal is for these human resources to transcend the boundaries of sectors and businesses to play an active role group-wide. Creating sustainable value requires not only diversity in attributes such as nationality and gender, but also qualitative diversity in areas such as expertise, ability, and experience, which create something new when combined, enhancing our co-creativity. To accelerate this, we are utilizing a talent management system to visualize human resources, leading to more strategic placement and development.

Bringing out the strengths of diverse human resources by achieving gender balance

For Asahi Kasei, with its diverse businesses and human resources, DE&I is a foundation for creating corporate value. DE&I goes beyond legal compliance and securing human resources. Incorporating diverse perspectives into decision-making enhances the quality and speed of decisions and serves as a source of competitiveness that drives innovation. As the social environment changes and businesses become increasingly sophisticated, maximizing the value of Asahi Kasei's ecosystem requires greater diversity among decision-makers and the establishment of a workplace culture in which everyone can fulfill their potential.

We regard achieving gender balance as a key pillar of our DE&I initiatives and have strengthened efforts to promote women to leadership positions and encourage men to take childcare leave. In recent years, both the percentage of eligible male employees taking childcare leave and the number of days taken have increased substantially, reflecting steady progress in fostering a supportive workplace culture.

Meanwhile, although we have strengthened development measures for the promotion of women, their appointment to decision-making positions has not progressed sufficiently and remains an issue. We are therefore working to continuously build a pipeline of female talent through initiatives such as female leadership development programs, mentoring programs, and career training for women. In addition, each business sector and operating company formulates personnel plans for individual employees, helping to clarify development needs, provide opportunities to gain experience, and ensure appropriate assignments. Furthermore, we have designated the percentage of women in leadership positions (managers and Group Masters) as a KPI, and since fiscal 2022 have linked the level of achievement to executive compensation to enhance the effectiveness of our initiatives.

Promoting understanding of diversity

To promote DE&I, we are working to develop inclusive leadership and foster an inclusive organizational culture. Understanding and appropriately managing unconscious bias are essential for managers to harness the capabilities of diverse human resources and translate them into organizational strength. We are therefore strengthening initiatives to enhance psychological safety in the workplace. We also use KSA to continuously monitor the level of understanding of diversity and the extent to which psychological safety has taken root in the workplace.

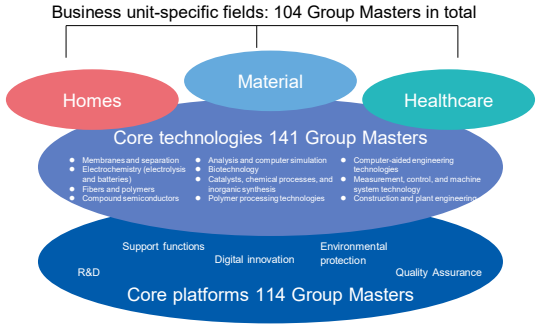
KSA diversity and psychological safety score (out of 5)

	FY2022	FY2023	FY2024	**FY2025**
Diversity	4.00	4.01	4.05	**4.09**
Psychological safety	3.60	3.61	3.65	**3.67**

Fostering personnel who contribute to business by expanding Group Masters and accelerating interaction

Through the Group Masters system, which nurtures highly specialized personnel whose expertise is recognized both within and outside the company, we aim to create new businesses and strengthen existing businesses. The fields of specialization in which Group Master positions are established are reviewed annually in light of changes in business strategy, ensuring close alignment between business strategies and human resource development policies. Having a wealth of specialized personnel within the company who can be contacted at any time offers a variety of advantages in areas such as new customer development and business creation, and represents one of the most compelling aspects of Asahi Kasei's ecosystem.

Group Masters fields



Total 359

Developing global management personnel and fostering group-wide cohesion

In light of the increasing proportion of overseas sales and the expansion of our businesses, particularly in North America, we regard the development of management personnel capable of leading businesses globally and the advancement of human resource management at overseas locations as important management priorities. In particular, subsidiaries that have joined the Asahi Kasei Group through M&A each have their own well-established brands and corporate cultures. While respecting these distinctive characteristics, it is an urgent priority to foster a sense of unity and identity as the Asahi Kasei Group and to instill the A-Spirit throughout the organization. We identify issues based on the business strategies and market characteristics of each region, with Corporate Human Resources and regional human resources teams working together to address them.

In North America in particular, amid continued growth investments, including M&A, we recognize the establishment of governance for local management, the alignment of senior management with group-wide policies and values, and the systematic development of next-generation management personnel as priority issues, and are working earnestly to address them. Through development programs for candidates for future management and functional leadership roles, we provide opportunities to build networks across different businesses and entities, and to participate in group-wide management.

In fiscal 2025, we implemented initiatives to facilitate interaction between them and next-generation management personnel in Japan, held regular meetings among senior management in North America and corporate executives, and promoted the sharing of group-wide issues to foster mutual understanding.

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Fostering mutual understanding and trust through dialogue to support global management

Deepening connections through the Team AK Meeting



Along with growth in overseas sales, the proportion of non-Japanese employees has risen to some 40% of Asahi Kasei Group personnel. One endeavor to maintain alignment in global management is the Team AK Meeting held since fiscal 2019. The meeting provides a forum for leaders of North American operations and senior management from Japan to engage in direct dialogue to deepen mutual understanding and strengthen relationships of trust.

The fiscal 2025 meeting was held in Michigan, home to Asahi Kasei America's headquarters, with approximately 70 participants. Leaders from the Healthcare, Homes, and Material sectors gathered together to engage in discussions that transcended businesses and national boundaries. Next-generation leadership candidates from each sector also played leading roles in the dialogue, contributing to lively discussions on the Asahi Kasei Group's strengths and challenges, as well as approaches to further value creation.

By learning from one another and combining their diverse strengths, we will continue to carry forward the Asahi Kasei Group's unique ability to create value for future generations.

Mutual Understanding and Trust Fostered Through Team AK Meeting Create Value from Diversity



Richard A. Packer
Vice-Presidential Executive Officer, Corporate Initiatives, Asahi Kasei Corp.
President, Asahi Kasei America, Inc.

One of the Asahi Kasei Group's greatest strengths is the diversity of its people. Across Healthcare, Homes, and Material, individuals with different cultures, experiences, and areas of expertise contribute to the success of our businesses. We need to make sure these differences do not become barriers, but instead serve as a source of new value creation.

In North America, I have seen insights from the Homes sector applied to Corporate Venture Capital (CVC) activities in the Material sector. Learning and collaboration across business sectors and functions create new ideas, fresh perspectives, and opportunities for growth.

Realizing the full potential of this diversity requires more than simply having talented people from different backgrounds. It requires building trust that extends beyond national borders, organizational structures, and business sectors. The Team AK Meeting provides an important opportunity to foster this mutual understanding and trust.

"One AK" does not mean everyone thinks or operates the same way. It means sharing a common purpose while leveraging the unique strengths of each individual, business, and culture. By connecting diversity with trust, we can strengthen the Asahi Kasei Group's sustainable growth and competitiveness, while creating new value for future generations.

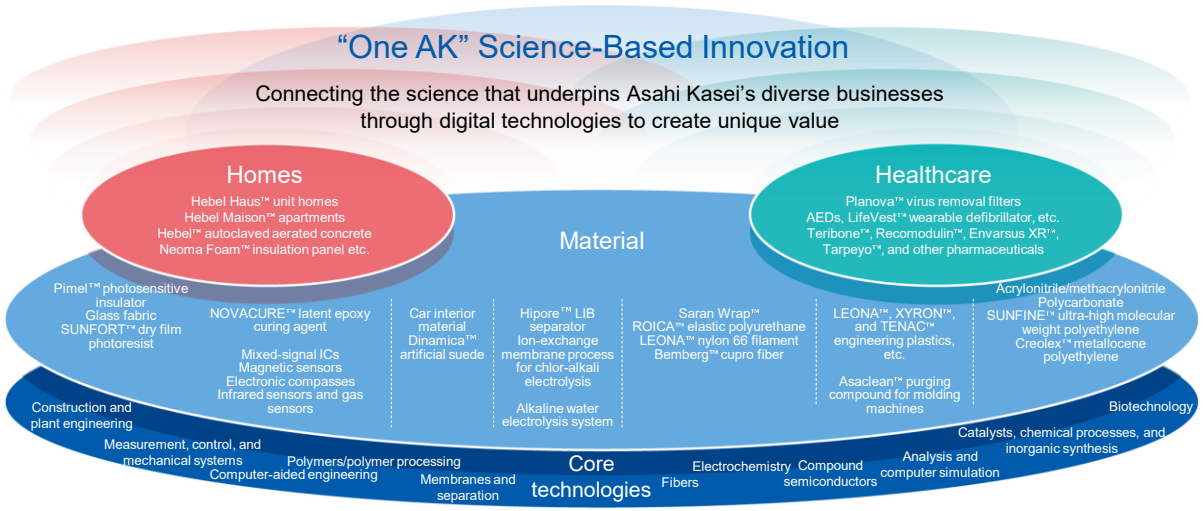
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What Asahi Kasei's R&D can do for an uncertain future

Osamu Matsuzaki
Senior Executive Officer
Executive Officer for R&D and IP
Senior General Manager, Corporate Research & Development



What is Asahi Kasei's distinctive approach to R&D?

Asahi Kasei operates businesses across three distinct sectors: Healthcare, Homes, and Material. Each sector has its own R&D organization and pursues advanced research and development in its respective fields. Asahi Kasei also creates new value by combining technologies and expertise across sectors.

Since its founding, Asahi Kasei has actively embraced outstanding fundamental technologies, integrating them with its own proprietary technologies to bring them into practical use in society. Underpinning this is our ability to use science, which is the foundation of technology, as a common language as we extend its application across sectors. Among the technologies supporting businesses created through this process, we define those that particularly differentiate us from other companies as core technologies, and we deliberately work to refine them.

Connecting diverse technologies through science, developing core technologies from those connections, and leveraging them to create new businesses. This is what characterizes Asahi Kasei's distinctive approach to R&D.

R&D for the future

Beginning in fiscal 2025, Asahi Kasei's R&D leaders from each sector have been meeting four times a year to exchange information, identify technologies that can be mutually leveraged, and apply them to their respective R&D activities. For fiscal 2026, we are considering using this forum to identify the challenges faced by each business, share them across Asahi Kasei, and create opportunities to exchange ideas for cross-sector solutions. We have also clarified the role of our corporate research organization, which is not directly affiliated with any particular business, in pursuing group-wide synergies and creating distinctive added value unique to Asahi Kasei. It focuses on research subjects that connect different sectors, as well as subjects that are difficult for individual businesses to pursue due to the associated risks or the timing of practical implementation. We are using rapidly evolving generative AI to accelerate the exploration of new research subjects and the sharing and utilization of internal knowledge.

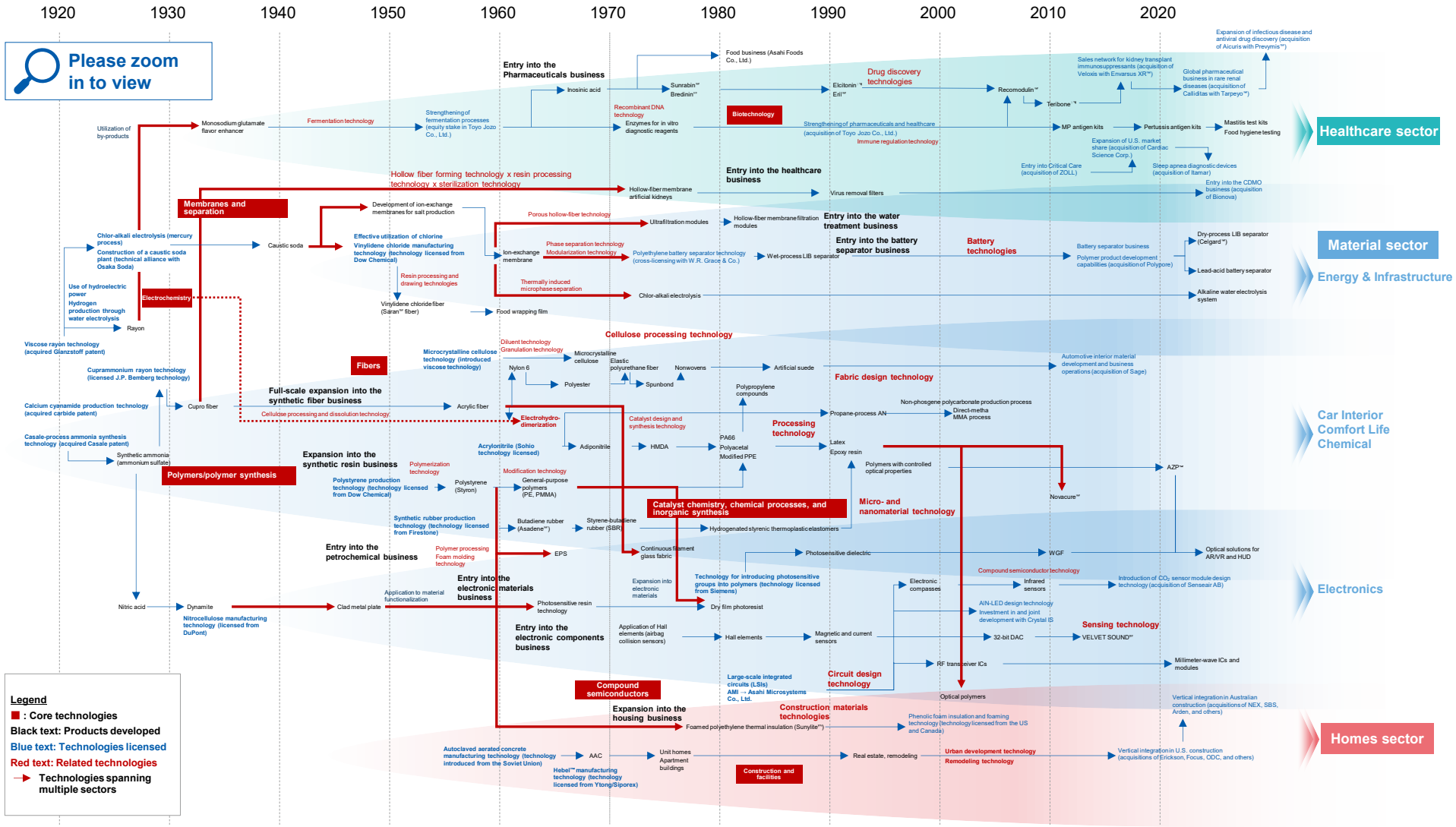
These initiatives are significantly expanding the potential for new businesses spanning all three sectors.

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Lineage of technology in the current business portfolio

Asahi Kasei has transformed its businesses in response to the societal challenges and market changes of each era, while carrying forward and advancing the technologies and expertise that underpin them. What technologies were introduced, and when? Where did the core technologies come from? How were they developed into products and businesses? How have they been passed on, leading to today's growth businesses? This is the background that shaped the current business portfolio.



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Examples of R&D expected to generate innovation

Exceptional innovation from core technologies: FO–MD hybrid membrane system

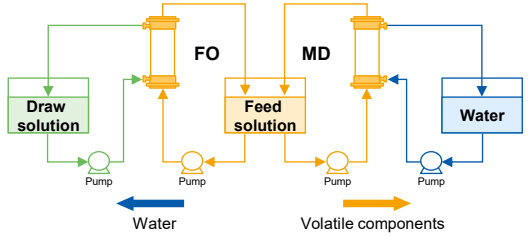
Asahi Kasei has cultivated its core membrane and separation technologies over many years. By refining these technologies to their fullest potential, we have created an unprecedented innovation in pharmaceutical concentration processes. Based on hollow-fiber membranes, this technology integrates two distinct separation principles: forward osmosis (FO) and membrane distillation (MD).

The FO membrane selectively separates only water using a difference in osmotic pressure, while the MD membrane efficiently removes organic solvents using a difference in vapor pressure. By combining these two technologies in a proprietary configuration, we developed a new process that enables concentration without heating or pressurization, while allowing precise control over the balance between water and solvent content. This process also offers significant advantages in reducing energy requirements and simplifying equipment, contributing to the stable production of high-value-added pharmaceuticals that has been difficult to achieve using conventional methods. For example, it shortens freeze-drying time while minimizing heat-induced quality degradation for peptide therapeutics, and it is applicable to organic solvent systems and highly concentrated solutions for nucleic acid therapeutics.

This technology is a prime example of innovation emerging from core technologies, originating in Asahi Kasei's membrane and separation technologies. The company aims to develop it into a next-generation, high-value-added business following the Planova™ virus removal filter.

FO/MD membrane system

Revolutionary FO–MD system for pharmaceutical manufacturing processes



- Concentration at or below room temperature without heating, avoiding damage to peptides and other heat-sensitive pharmaceutical ingredients
- Dramatically shorter freeze-drying times and reduced energy consumption
- Applicable to organic solvent systems and high-concentration conditions in nucleic acid therapeutics

Refining Asahi Kasei's core membrane and separation technologies to accelerate new business development in the Healthcare sector

Two world-leading technologies in AlN substrates for power semiconductors

Together with its U.S. subsidiary Crystal IS, Asahi Kasei is advancing research and development on aluminum nitride (AlN) single-crystal substrates, which are expected to become a key material for next-generation semiconductor devices. Combining high thermal conductivity, excellent breakdown voltage characteristics, and a wide bandgap, AlN is an ultra-wide-bandgap semiconductor material attracting attention as a next-generation substrate with the potential to drive innovation across a broad range of advanced technology fields, including high-frequency wireless communications, aerospace, and power conversion systems.

Leveraging Crystal IS's world-leading AlN crystal growth and substrate processing technologies, Asahi Kasei is working to achieve the practical application of high-quality, large-diameter AlN substrates. Furthermore, through open innovation involving joint research with Nagoya University and other universities in Japan and overseas, Asahi Kasei is also advancing research and development on cutting-edge devices that use AlN substrates. Going beyond materials development, Asahi Kasei is working to create new value in its electronics business by developing device structures and performance-enhancement technologies that take full advantage of AlN's properties.

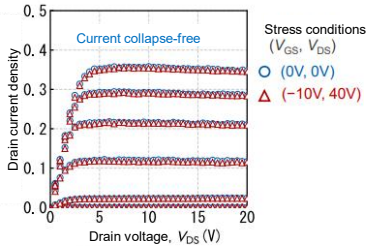
In this way, based on two world-leading AlN technologies, Asahi Kasei is taking on the challenge of creating new value in next-generation semiconductors and contributing to the realization of a sustainable and enriched society.

World-leading Scaling up to 4-inch aluminum nitride wafers



Collaboration with U.S. subsidiary Crystal IS

World-leading Enhanced performance of high-frequency devices



Joint research with Nagoya University

Accelerating the creation of new businesses in Electronics, centered on AlN technology pioneered through two world-leading strengths

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Diverse R&D subjects expanding possibilities for the future

The role and organizational structure of R&D for an uncertain future

Each of Asahi Kasei's three sectors has its own distinctive R&D framework, through which it pursues subjects required for the future development of its businesses and proprietary expertise that provides a competitive advantage.

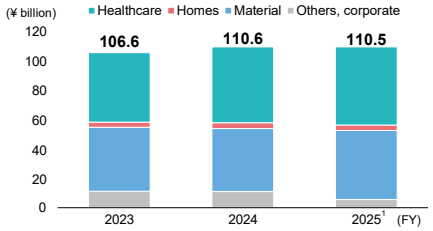
At the same time, we are evolving our organizational structure, including centralizing R&D on medium- to long-term subjects and R&D based on a group-wide perspective within Corporate Research & Development. This will enable us to maximize each sector's strengths, accelerate the creation of new businesses, and sustain the growth of existing businesses.

Asahi Kasei's R&D mission and vision

Mission
Grounded in science, driven by courage, we connect today to a better tomorrow for people and our planet

Vision
To create a world where every person is filled with excitement for the life and lifestyle of tomorrow

R&D expenses



Healthcare

Asahi Kasei Therapeutics

Drug discovery research	Exploring technologies, compounds, and therapeutic concepts with the potential to become new drugs, creating a source of future pipeline assets #Basic Research #Drug Target Discovery #Drug Candidate Creation
Clinical development	Evaluating the efficacy and safety of drug candidates in humans and generating the clinical data required to obtain regulatory approval #Clinical Trials #Efficacy & Safety #Regulatory Approval
Business development	Acquiring products, technologies, and business opportunities that drive growth through external partnerships, in-licensing, acquisitions, etc. #External Partnerships #Drug In-Licensing and M&A

Asahi Kasei Life Science

R&D and Business Development	R&D and business development in the bioprocess field. Strengthening product competitiveness while exploring new technologies, products, and business opportunities #Virus Removal #Biopharmaceutical CDMO #Next-Generation Modalities

ZOLL

R&D departments	Developing new products and technologies, and exploring partnerships, acquisitions, and new business opportunities, primarily in the fields of critical care, cardiovascular care, and sleep medicine #Critical and Cardiovascular Care #Sleep Medicine #Medical Device Innovation

Homes

Asahi Kasei Homes

LONGLIFE R&D Center	Researching new ways of living that reflect changing resident needs and evolving social trends, and seeking to enhance the value of homes and help resolve social issues through lifestyle-related housing solutions #Living with Pets #Senior Lifestyles #Home Security #Two-Generation Homes #Dual-Income Families etc.
Housing R&D Center	Conducting demonstration tests to scientifically verify the safety, durability, and comfort of homes and enhance their long-term value #Seismic and Fire Resistance #Weather Resistance and Durability #Thermal Environment #Acoustics
Condominium Redevelopment R&D Center	Contributing to disaster preparedness and urban revitalization through research and communication that support urban renewal #Condominium Reconstruction #Urban Renewal #Disaster-Resilient Urban Development

Asahi Kasei Construction Materials

Comfortable Space Research Laboratory Thermal Insulation Technology Dept., etc.	Contributing to comfortable living environments and a safe, secure, and sustainable society by integrating proprietary technologies in architecture, civil engineering, and spatial design #Living Environments #Sustainable Materials and Technologies

Material

Asahi Kasei Material Business Research & Development

Energy Solutions Laboratory	R&D and new business creation in electrochemistry, LIB separators, highly conductive electrolytes, and lithium doping #Electrochemistry #Battery Prototyping and Performance Evaluation #Control of Higher-Order Polymer Structures and Physical Properties #Computational Chemistry
Chemistry & Chemical Process Laboratory	Driving the practical application and decarbonization of AI and energy technologies, with catalyst design, process development, precision organic and inorganic synthesis, and advanced analysis as core technologies #Chemical Processes (Reaction and Separation Control) #Catalysts (Nanoparticle and Structural Control) #Organic/Inorganic Synthesis (Precision Synthesis and Particle Control)
Polymer Science & Technology Laboratory	Advancing core polymer chemistry technologies to meet diverse market needs in electronics, resources and energy, and other fields #Polymer Synthesis, Depolymerization, and End-Group Modification #Composite Processing #Fiber Processing #Cellulose Science

Asahi Kasei Microdevices

Business Development Center	Conducting R&D on silicon photonics applying semiconductor thin-film technology, and technology development focused on its integration with AI technology through external co-creation #Silicon Photonics #AI Technology
Product Development Center	Promoting the development of products utilizing sensing technology, with a focus on energy conservation, health, comfort, and related fields #Sensing Technology #Energy Conservation, Health, and Comfort

Corporate

Innovation Strategy Center (#R&D Strategy #Creation of New Businesses #Open Innovation), Advanced Technology Research Laboratories (#Membranes and Separation #Compound Semiconductors #Nanomaterials #Advanced Biotechnology), Platform Lab for Science & Technology (#Analytical Science #Computational Science #Data Science and AI), Digital Value Co-Creation, Corporate Production Technology, CVC (Corporate Venture Capital) Office, TBC Project

[1] Starting in fiscal 2025, certain R&D which had been included in corporate expenses and eliminations is now included in the Material sector.

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Intellectual property and intangible assets contributing to corporate value

Three contributions and how we create value leveraging intellectual property and intangible assets

The Asahi Kasei Group leverages intellectual property and intangible assets through three initiatives to enhance corporate value.

●1. Connecting intellectual property to management

Through IP landscaping (IPL) analysis, we support the formulation of management and business strategies and help accelerate business portfolio transformation by enhancing management and business decision-making. (See p. 52 ▶)

●2. Connecting intellectual property to value

We contribute to enhancing profitability by creating opportunities for business co-creation based on the intellectual property and intangible assets generated by the Asahi Kasei Group. (See p. 53 ▶)

●3. Connecting intellectual property to business

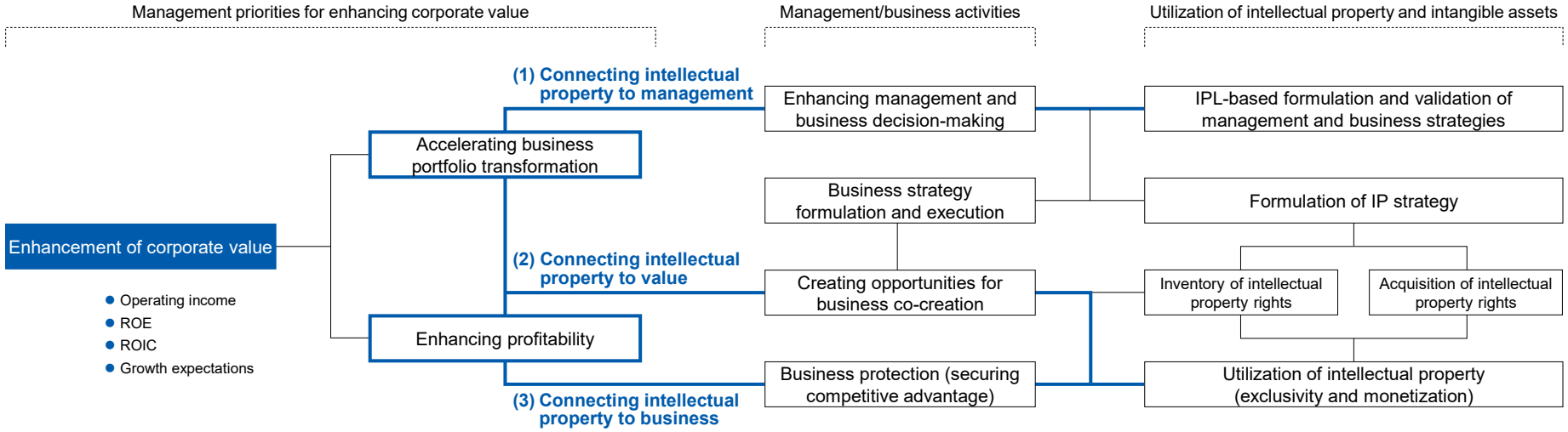
We contribute to enhancing the earnings power of our businesses by formulating IP strategies to realize business strategies, and acquiring and utilizing intellectual property rights to secure competitive advantages. (See p. 54 ▶)

Organizational structure enabling IP expertise from diverse business sectors to be circulated and leveraged across the Group

These three IP and intangible asset initiatives are carried out by three organizations: Corporate IP, the Intellectual Property Intelligence Department, and the TBC (Technology-value Business Creation) Project. IP specialists in Corporate IP lead the IP activities of each business division, the Intellectual Property Intelligence Department contributes to the formulation of management and business strategies through IPL, and the TBC Project pursues business co-creation with external partners and gaining earnings by leveraging the company's intangible assets. We have developed and visualized the way to link IP and intangible assets to enhanced corporate value, including the three forms of contribution, and shared it across the relevant organizations. This enables each organization to understand its role, leverage its strengths, and conduct activities through mutual collaboration and complementary efforts.

Furthermore, in response to the transformation of Asahi Kasei's business portfolio, the IP organizations have accumulated high-quality IP expertise across a diverse range of business sectors. The ability to leverage this IP expertise across business sectors is another strength of the Asahi Kasei Group. For example, in the Overseas Homes business, which the Homes sector has been strengthening in recent years as a First Priority business, we are fully leveraging the Material sector's IP expertise in acquiring and utilizing intellectual property rights for overseas markets, together with the Healthcare sector's IP expertise in IP due diligence and post-merger integration for overseas M&A.

We are also promoting the cross-functional use of IP expertise, such as applying the Material sector's expertise in Asian markets to the Healthcare sector, as well as sharing and applying IP expertise within the same business sector.



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(1) Connecting intellectual property to management: Contributing to business portfolio transformation

In transforming our business portfolio, one of Asahi Kasei's key management priorities, we analyze the business environment through IPL providing a comprehensive, technology-informed view of businesses, and share our findings with management, thereby contributing to management decision-making by strengthening the technology perspective.

Example 1

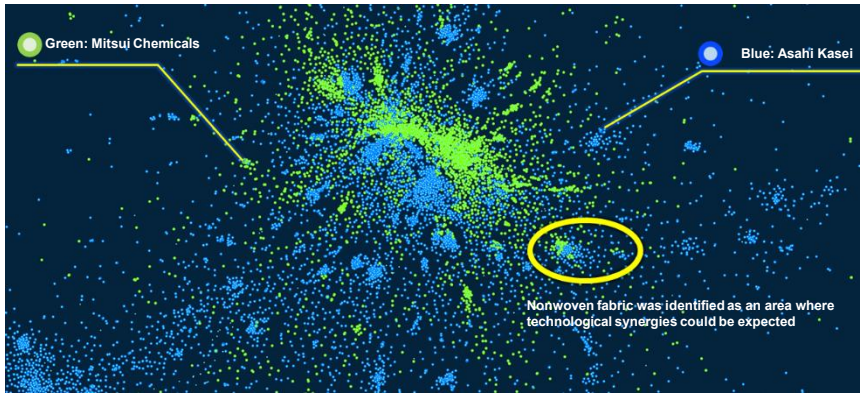
Patent landscape analysis for the spunbond nonwovens business

In 2023, we established a joint venture with Mitsui Chemicals, Inc. for the spunbond nonwovens business, one of the structural transformations in the Material sector. During the decision-making process, various analyses of intellectual property objectively demonstrated technological synergies between the two companies. We also conducted simulations to assess the joint venture's competitive advantages. With this approach as part of its comprehensive strategic decision-making, Asahi Kasei achieved a structural transformation of its spunbond nonwovens business.

The figure below provides an overview of patents held by Asahi Kasei and Mitsui Chemicals, Inc., created using text-mining methods. Each dot represents a single patent, and the distance between dots indicates the similarity between patents. A cluster of dots represents a single technology area, which roughly corresponds to a business. Patents held by Asahi Kasei and Mitsui Chemicals, Inc. formed a single cluster in the area related to nonwoven fabrics. Further examining the patents, we were able to clearly identify potential areas of synergy between the two companies in the field of nonwoven fabrics.

An assessment of the two companies' nonwoven fabric-related technological capabilities, based on patent scores, indicated the potential to achieve strong competitiveness in this market through collaboration. Based on these analysis results, we were able to demonstrate to senior management that the proposed joint venture with Mitsui Chemicals, Inc. in the field of nonwoven fabrics was a promising opportunity from an intellectual property perspective, thereby supporting the management decision to establish the joint venture.

Patent overview using IPL



Created in-house using VALUENEX Radar (a tool provided by VALUENEX Japan Inc.).

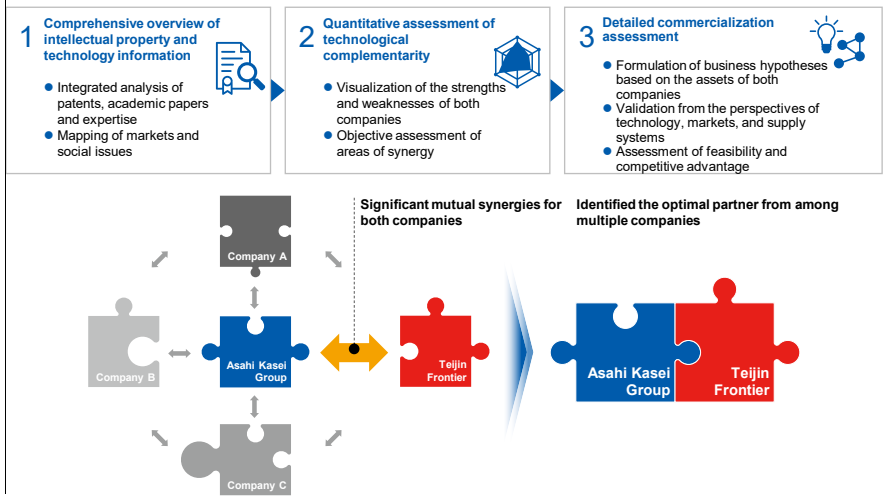
Example 2

Co-creation support for TA Frontier Co., Ltd. —Enhancing management decision-making through a strategic advisory function

In considering the business integration of Teijin Frontier Co., Ltd. and Asahi Kasei Advance Corp. to form TA Frontier Co., Ltd., one of the structural transformations in the Material sector, we conducted an integrated analysis of the two companies' technology assets, market environments, social issues, and supply chains, based on intellectual property information.

Specifically, we conducted a comprehensive review of patent information from multiple fiber-related companies by technology field, and quantified the extent to which Asahi Kasei's strengths and weaknesses complemented those of other companies as their degree of technological complementarity. This enabled us to objectively visualize their suitability as co-creation partners and the synergies that could be generated by combining the technologies of the two companies. In addition to patent information, we also considered each company's expertise, social trends, and initiatives to reduce environmental impact, and proposed multiple co-creation subjects, including environmentally conscious materials and new businesses leveraging supply chains.

In this way, by using intellectual property intelligence to identify future business opportunities, technological synergies, and competitive advantages, we contributed to better-informed management decision-making regarding the establishment of TA Frontier Co., Ltd.



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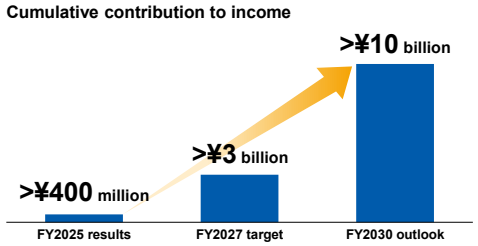
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(2) Connecting intellectual property to value: Monetizing intellectual property through business co-creation

Technology-value Business Creation (TBC)

Asahi Kasei is strengthening Technology-value Business Creation (TBC) as a business model to gain value from intangible assets (IP, know-how, data, algorithms, etc.) comprising our vast accumulated technology and monetize them through licensing and other means. As it is difficult for a single company alone to establish all the necessary technologies and business foundations, we develop business concepts based on our intangible assets and combine them with the tangible and intangible assets of external partners, enabling both parties to co-create businesses quickly and in an asset-light manner.

Through initiatives to generate value from intangible assets, centered on these activities, we aim to achieve a cumulative contribution to income of more than ¥10 billion by 2030.



- **Target: 10 new license agreements* (cumulative total for the three years from fiscal 2025 to fiscal 2027)**
- **Six license agreements concluded in fiscal 2025**

* Results from projects centered on initiatives to monetize intangible assets (TBC)

Example of TBC

Application of the proprietary intangible asset of antibody technology for bacterial detection

Bovine mastitis, an infectious disease caused by bacterial infection of the udders of dairy cows, is a major issue in the dairy industry. Because milk from cows infected with mastitis cannot be shipped, the disease has a significant financial impact on dairy farmers. Therefore, there is a need to diagnose mastitis and begin treatment as quickly as possible.

We had conducted research on bacterial detection technologies for the diagnosis of infectious diseases in the Healthcare sector. In doing so, we built a broad portfolio of antibodies against various bacterial species, and acquired expertise in developing test kits compatible with a variety of specimen types. This technology enables dairy farmers themselves to easily detect bacteria in milk in approximately one hour, about 1/50 of the time required by conventional methods. By enabling an early response to mastitis, this technology is expected to reduce economic losses for dairy farmers.

In August 2025, we entered into a licensing agreement with AR BROWN Co., Ltd. covering this test kit technology in Japan, Asia, and the Middle East. In addition to an upfront payment, we are entitled to receive royalties based on sales following commercialization.

Development of the rapid test kit for bacteria causing bovine mastitis

Development of the core technology

The R&D department developed a bacterial detection technology using proprietary antibodies that target the L7/L12 protein within bacterial cells.



Application to human infectious disease

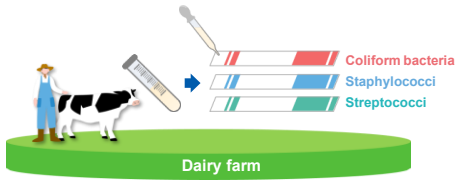
Building on this bacterial detection technology, we developed a rapid diagnostic kit for mycoplasma pneumonia, a human infectious disease for which no simple, rapid testing method had previously been available. Sales commenced in 2013.

(The business was divested in 2021)



Application to animal infectious disease

We focused on mastitis, which causes significant economic losses in the animal infectious disease field. Leveraging the lineup of bacterial detection antibodies, and diagnostic kit development expertise gained in the human infectious disease field, we developed rapid diagnostic kits for three major causative bacterial species.



Initiatives leading to a licensing business

Step 1 Formulating a commercialization policy

As we do not have a nationwide network for delivering diagnostic products to dairy farmers, we determined that commercialization on our own would require considerable time. We therefore formulated a policy of pursuing early commercialization through collaboration with a partner that already has an established business platform in the dairy farming field.

Step 2 Business model assessment

During business model assessment, we anticipated capabilities that potential partners may lack, such as contract manufacturing resources, and secured and established these capabilities in advance to enhance the value of our proposal to potential partners.

Step 3 Partner search

To identify partners capable of expanding the business globally, we conducted both push- and pull-based activities, and secured prospective partner companies.

Step 4 Negotiating a co-creation agreement

We clarified the requirements of both parties and discussed them individually to work toward a mutual agreement to ensure that an equitable business co-creation relationship would ensue following the conclusion of the agreement.

Step 5 Support for our partner

We began providing support in both technology and business development to help our partner commercialize the technology.

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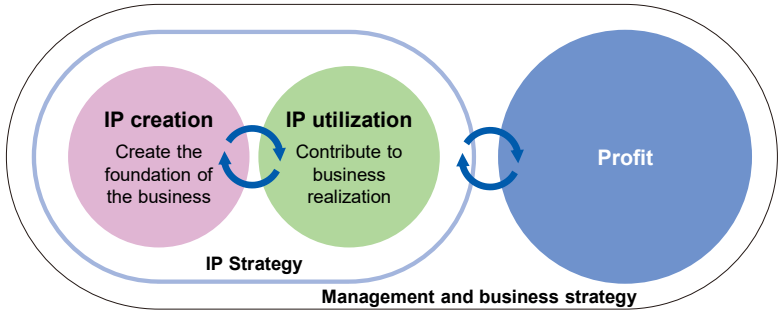
(3) Connecting intellectual property to business: Contributing to enhanced profitability

Leveraging intellectual property and intangible assets to secure our technological advantage

Technologies generated through research and development can be converted into greater business profits when accompanied by strategic intellectual property activities. It is important to formulate and execute an intellectual property strategy comprising two mutually reinforcing elements: IP creation, which involves securing intellectual property rights for R&D results based on anticipated future utilization scenarios, and IP utilization, which involves applying those rights to businesses.

We also support efforts to earn customers' trust in our technological capabilities by leveraging intellectual property and intangible assets to secure our competitive advantage. The evaluation and adoption of our products by key customers enhance confidence in our products and technological capabilities. Expanding sales to other customers also significantly increases business profits. Once we earn customers' trust, we are then able to identify their emerging needs at an early stage. By responding to these needs, we build sustainable relationships which further contribute to the enhancement of corporate value.

How IP creation and utilization together lead to profit

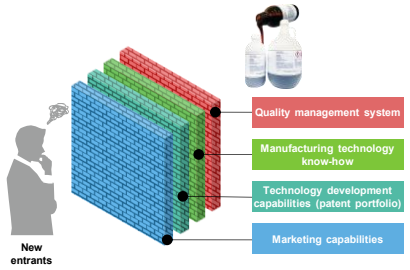


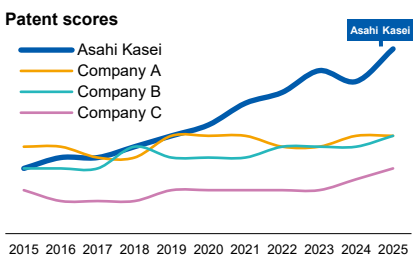
Example of IP creation

IP initiatives supporting the success and competitive advantage of Pimel™

Pimel™ is a liquid photosensitive resin that is used around the world for applications including surface protection of semiconductor devices and as interlayer dielectric for redistribution layers, with its use expanding in advanced packaging. The Pimel™ business is growing through a virtuous cycle of identifying customer needs, developing products, and ensuring a stable supply. Marketing capabilities (human network), production technology expertise, quality control systems, and technological development capabilities (patent portfolio), are all intangible assets that are difficult for competitors to replicate. Together, they form a formidable fourfold barrier to entry that contributes to the growth of the business.

The development speed of Pimel™ is accelerated by close collaboration with customers in product evaluation and development. Corporate IP contributes to maintaining and expanding business earnings by promptly filing patent applications and securing rights to protect inventions generated through rapid development. The continued growth in the patent score representing the technological value of Pimel™ reflects both the cutting-edge technological development capabilities we have demonstrated in this industry in recent years and the patent rights we have steadily secured for the resulting inventions. This demonstrates that the creation of intellectual property is contributing to the business's strong technological competitiveness.





Example of IP utilization

Extending the market exclusivity period for Teribone™ osteoporosis treatment (freeze-dried formulation)

The reexamination period for Teribone™ (freeze-dried formulation) expired in 2017, and sales were expected to decline sharply following the market entry of generics. To address this risk, we launched the Teribone™ Autoinjector, a new formulation that enables patients to self-inject at home, while also working to protect the Teribone business through a portfolio of patents. Specifically, we secured multifaceted protection through patents covering such areas as dosage and administration that define the drug's use for patients at high risk of fracture, as well as manufacturing methods. As a result, we successfully extended the effective period of market exclusivity for Teribone™ (freeze-dried formulation) and sales were maintained.

In September 2023, following a petition for a preliminary injunction against patent infringement based on a manufacturing process patent held by Asahi Kasei Therapeutics, a preliminary injunction was issued prohibiting the manufacture, sale, and offering for sale of a generic version of Teribone™ (freeze-dried formulation).

The litigation was settled with the opposing party in the Intellectual Property High Court on October 20, 2025. This settlement will contribute significantly to maximizing the value of the drug based on its intellectual property strategy.

This achievement demonstrates the true value of leveraging intellectual property by leveraging a patent portfolio to protect the business and maintaining business profits against the threat of generics.



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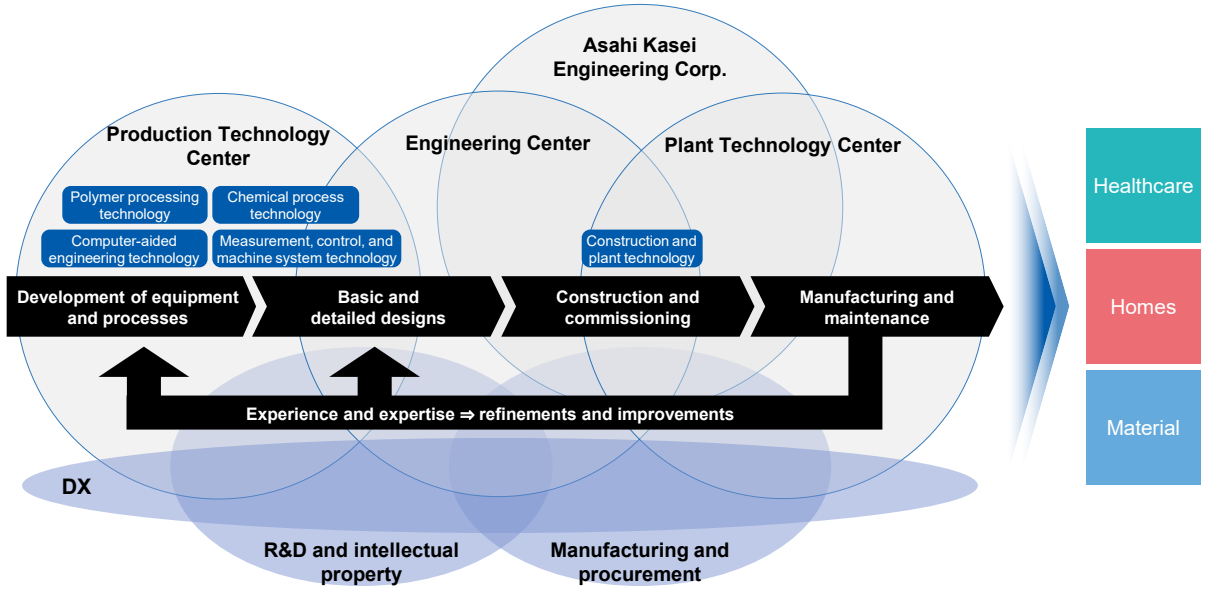
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Manufacturing challenges have no boundaries between sectors—creating new value through collaboration and AI

Toshihiko Takizawa
Lead Executive Officer
Executive Officer for Production Technology
Senior General Manager, Corporate Production Technology

Corporate Production Technology organizational structure:



With an integrated engineering framework comprising three centers and Asahi Kasei Engineering Corp., seamless integration of development, construction and maintenance is an organizational strength

What are the strengths of Asahi Kasei's production technology?

Asahi Kasei's production technology has evolved through co-creation among Corporate Production Technology, the production technology functions of each business, and the manufacturing, environment and safety, quality assurance, R&D, intellectual property, and procurement departments. Manufacturing operations are realized through a chain of development ⇒ design ⇒ construction ⇒ manufacturing ⇒ maintenance. Seamless information sharing among the respective departments enables equipment upgrades, process improvements, and the prevention of operational issues, leading to optimized manufacturing processes. We are confident that the close integration of this engineering chain is what makes our production technology strong.

Why is production technology a source of corporate value creation for Asahi Kasei?

In developing a diverse portfolio of niche businesses, Asahi Kasei has created differentiated products and services by combining general-purpose technologies with its proprietary production technologies. We also apply manufacturing and maintenance expertise acquired in one business to the manufacturing processes of other businesses. This application of technology group-wide is a unique advantage of owner engineering and an important intangible asset underpinning corporate value. Going forward, guided by our belief that manufacturing challenges have no boundaries between sectors, we will continue to apply technologies across the sectors and devote our full efforts to driving profit growth and improving capital efficiency in each business.

How will you further enhance corporate value?

Recently, our use of AI has given us confidence that we can efficiently and effectively deploy technologies across the Asahi Kasei Group's broad range of businesses. How can we use AI to formalize and share the tacit knowledge held by each business, foster previously less apparent connections between areas of expertise, and translate these into new synergies? Companies like Asahi Kasei with a diverse portfolio of businesses are particularly well positioned to maximize the benefits of AI and accelerate growth. We will position the use of AI in production technology as a highest priority and advance related initiatives in collaboration with the digital transformation departments and other relevant functions.

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Expanding the application of production technologies and accelerating value creation through AI

Application of pore size control technology developed through polymer processing in the Material sector

In the Material sector, we have created numerous unique products, including membranes and separators, centered on our pore size control technology, which imparts functionality to polymer products through specialized processing. We have also accumulated extensive expertise in the shape measurement technologies and quality control methods that support these products. These technological foundations are utilized in a wide range of fields, including the high-precision pore size design and quality control required for virus removal filters, as well as foaming technology for thermal insulation materials. Positioning pore size control technology as one of the Asahi Kasei Group's core technologies, we aim to create new markets and applications by strengthening our competitive advantage through application across diverse business sectors while further advancing this technology.

Integrating AI into assembly and automation technologies cultivated in the Healthcare sector

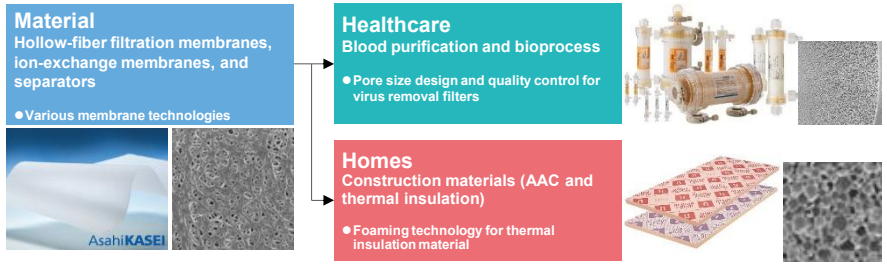
The Life Science business has long had a strong need for automation in its assembly processes, and we were quick to engage in production innovation using robotics. In the electronic materials business, we are currently leveraging the automation technologies we have developed to bring our smart laboratory concept to fruition, creating a fully unmanned experimental environment operating 24 hours a day.

We are also promoting the introduction of physical AI, which integrates automation technologies with AI, positioning it as a key technology for addressing future personnel shortages and facilitating the transfer of expert skills. In particular, welding processes in the Homes business are highly dependent on skilled workers with advanced expertise, while the number of such workers is declining. To address this challenge, we aim to implement physical AI at an early stage as we work to enhance the competitiveness of our production sites and establish a foundation for sustainable manufacturing.

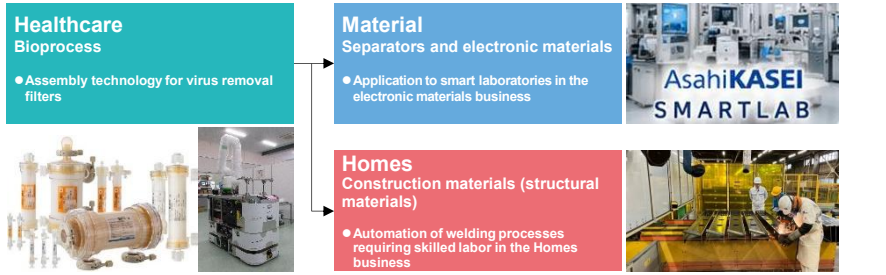
Leveraging AI for more efficient and sophisticated development of products and production technologies; application to smart laboratories

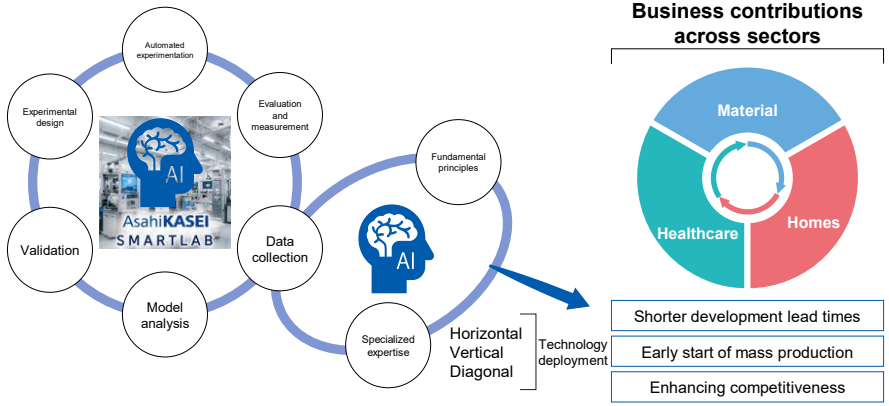
Advancing production technologies is essential for response to rapid changes in the business environment, and AI is indispensable to achieving this. For example, through collaboration with the DX organization, the smart laboratory developed for the electronic materials mentioned above aims to shorten product development lead times and enable an early transition to mass production. At the smart laboratory, not only experiments but also analysis and evaluation are automated, and AI autonomously devises the conditions for subsequent experiments based on the results. By operating around the clock, the laboratory can conduct 10,000 experiments per month, a scale that would be impossible to achieve through human effort alone. We will use the vast amount of data generated not only to optimize production conditions for electronic materials, but also for applications in other products and other sectors. To achieve this, we believe it is important not to use AI as a black box, but rather to integrate it with specialized production technology expertise and fundamental principles, thereby deepening our understanding of the underlying phenomena and applying the insights gained to other similar processes. (For details, please refer to Digital and AI Strategy, p. 57. ▶)

Pore size control technology



Assembly and automation technologies





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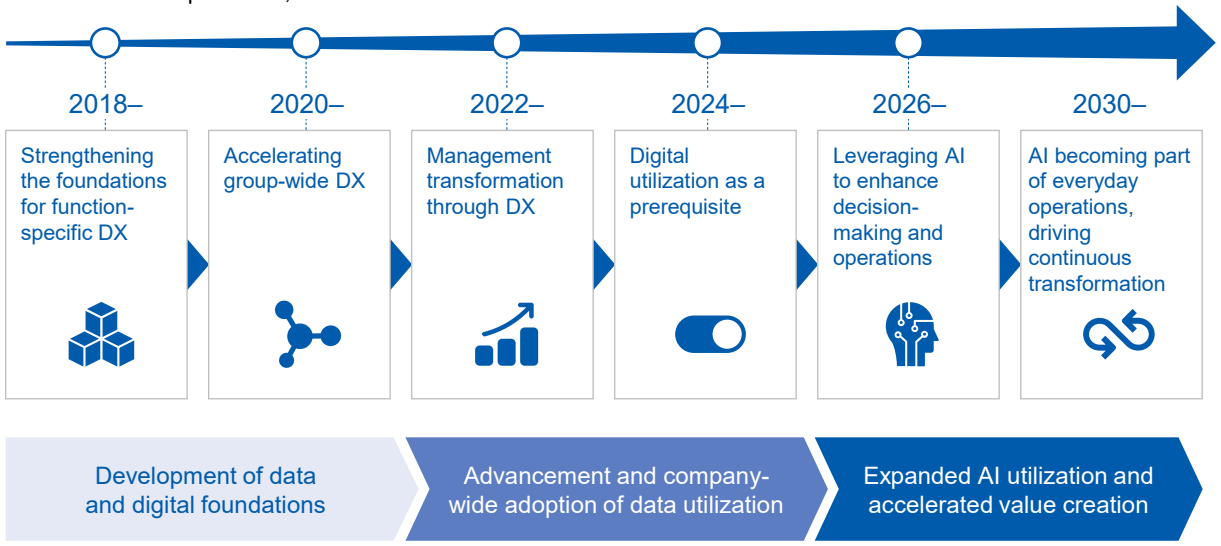


AI brings out the value of having diverse businesses

Akio Terada
Executive Officer for DX
Senior General Manager, Digital Value Co-Creation
General Manager, DX Strategy Promotion Center

Deeper use of data and AI to sustainably increase corporate value

By combining technological advances with the capabilities of our people, and continuously transforming our businesses and operations, we create value for the future.



How do you assess Asahi Kasei's DX initiatives?

Asahi Kasei has advanced DX through initiatives originating at the front lines of R&D, manufacturing, sales and other operations, steadily building data infrastructure, developing human resources, and implementing individual projects. As a result, we have steadily strengthened the foundation for using digital technologies to enhance business competitiveness, including more sophisticated development through materials informatics (MI), improved productivity through smart factories, and company-wide development of digital human resources. We view our selection as a DX Stock for six consecutive years under an initiative led by Japan's Ministry of Economy, Trade and Industry as evidence that our progress has earned a certain degree of recognition.

At the same time, to be candid, I feel that we still retain some characteristics of a collection of small and medium-sized enterprises. While each business has developed its own strengths and advanced digitalization, and individual efforts have helped extend successful initiatives across the organization, the hindrance of organizational barriers has prevented their benefits from scaling significantly. Our next stage is to pursue high-impact DX that optimizes the company as a whole, such as connecting assets across businesses to create new businesses, and to address fundamental management challenges so that DX delivers substantial contributions to profit.

How will the Asahi Kasei ecosystem evolve through the use of AI?

The most important aspect of Asahi Kasei's digital strategy going forward is achieving both the democratization and the governance of data usage. This means defining who may use data and to what extent based on its nature and content, creating an environment in which data can be shared securely, and everyone has appropriate access. This will serve as the starting point for value creation. At the same time, my mission is to swiftly advance a grand design for the entire Asahi Kasei Group, including the design of data structures, AI integration, and a common platform.

Asahi Kasei's path to success will continue to lie in diversification. Rather than being a large corporation that is merely a patchwork of businesses, we will sustain our success by establishing horizontal connections as a reproducible system. We will enhance the quality and speed of decision-making while promoting the reuse of knowledge and creating new combinations across business boundaries. We will position AI as an accelerator, embed it throughout the organization, and further evolve Asahi Kasei's ecosystem.

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An internal environment that brings results from DX and AI

DX and AI that deliver tangible results involve value creation by Digital Value Co-Creation, starting from management challenges faced by the businesses

The use of DX and AI is simply a means of achieving the desired outcomes, including improving business profitability, accelerating management decision-making, redesigning operations to enhance efficiency, and expanding future growth opportunities. At Asahi Kasei, Digital Value Co-Creation, a corporate division, addresses the specific management challenges of each business and promotes group-wide support utilizing data and AI. One of the strengths of the Asahi Kasei Group is its framework for efficiently and continuously gaining business results from digital initiatives by establishing shared group-wide digital foundations, preventing the duplication of investments by individual businesses.

For example, by developing shared infrastructure essential to manufacturing sites (manufacturing IoT and data analytics platforms), as well as a shared generative AI platform exclusively for the Asahi Kasei Group (see p. 59 for details), we are creating an environment in which businesses can utilize shared DX infrastructure together with internal data and knowledge. Through these efforts, we aim to improve operational efficiency in each business and enhance management decision-making.

These initiatives are beginning to make steady, direct contributions to profit generation in each business. For example, at plants and other manufacturing sites, the automatic collection of quality inspection data and AI-based detection of risks in quality-related responses have reduced workloads by thousands of hours while improving quality reliability. We are also building a track record of earnings improvements through machine learning-based demand forecasting and inventory management. In corporate administrative functions, we have also enhanced visualization of business operations across the Asahi Kasei Group with management dashboards and a platform for GHG emissions data.

Hands-on support from digital professionals and improved employee literacy as keys to implementation at the front lines

DX can only function effectively when infrastructure, human resources, and support processes work together as one. Over the past decade, Asahi Kasei has implemented a wide range of measures aimed at encouraging all employees to embrace the use of digital technologies in their work. Throughout these efforts, we have consistently emphasized hands-on support provided by corporate digital professionals, extending through implementation at operational sites.

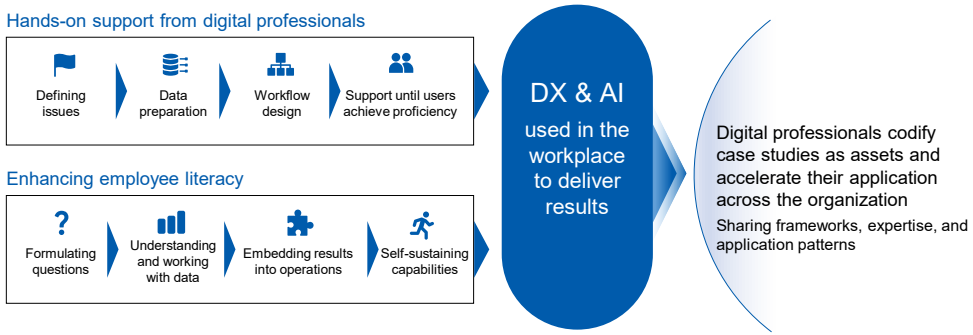
Each business has its own unique operations and challenges. Consequently, the outcomes of DX and AI initiatives vary significantly depending on how challenges are defined and how data is prepared. For this reason, Digital Value Co-Creation, the corporate division supporting operational sites, does more than simply provide tools. It works alongside operational sites to identify issues, preprocess data, and design workflows, providing ongoing support until the tools can be used effectively in practice. Asahi Kasei's early progress in the use of digital technologies owes less to the development of the infrastructure itself than to how it is used to deliver results at operational sites.

Another important benefit of Asahi Kasei's DX and AI initiatives is the ability to take successful practices developed in one business and apply them across other businesses. Rather than treating these efforts as isolated projects, we build up frameworks for defining challenges, know-how, and patterns of application as shared assets, enabling faster and more reliable utilization across different businesses.

Expanding these initiatives also requires improving the digital literacy of employees at operational sites. Through measures such as enhanced e-learning programs and the DX Open Badge Program (development of MI personnel, etc.), we have also established systems to develop personnel who understand what questions to ask, what data to use and how to handle it, and how to incorporate outcomes into operations. In this way, the benefits of hands-on support are not temporary, but are embedded in the organization's ability to independently drive its own initiatives.

Key initiatives

Key initiatives	Initiatives	Main projects	Expected outcomes
Build a company-wide platform	Establish an environment that enables company-wide use of AI and data	• Company-wide DX platforms (Smart Text Hub [AI platform], MI data analytics platform, etc.) • Human resources and management data platform	Greater operational efficiency and more sophisticated decision-making
Generate profits at operational sites	Integrate data and AI in manufacturing, sales, and operations to deliver results	• Demand forecasting and inventory optimization • Automation of quality inspections • Utilization of internal and external data	Cost reduction, inventory reduction, and profitability improvement
Develop and deploy human resources	Develop digital human resources and extend the benefits company-wide	• Development of digital human resources • Hands-on support at operational sites	Improved reproducibility of outcomes and company-wide application



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A shared AI platform to further Asahi Kasei's ecosystem

ST-Hub, Asahi Kasei Group's proprietary AI platform to search internal documents, on-site data, and other information, providing answers with maximum efficiency

Asahi Kasei is rapidly advancing its own in-house AI platform to utilize proprietary knowledge lying dormant group-wide. Asahi Kasei's AI platform, Smart Text Hub (ST-Hub), uses AI to search internal documents, manufacturing-site data, customer interaction records, and operational expertise in a secure environment, and provide answers. A key benefit is the ability to obtain answers based on proprietary internal information while preventing information leakage.

The core value of having the AI platform in-house lies in the ability to reuse expertise on the use of AI gained in various settings across the organization. Data preprocessing (data structuring, tagging, addition of metadata, etc.) has a major impact on the quality of AI output. By applying this expertise across organizational boundaries, Asahi Kasei is driving group-wide operational transformation, such as applying expertise of corporate production technology in searching design standards to searches for design documents in the Homes sector, and applying expertise developed in the Material sector for structuring sales reports and searching for similar cases to searches of past customer interactions in the Healthcare sector.

Another advantage of an in-house system is that it provides a platform accessible to everyone. Providing individual AI licenses to all personnel, including those at manufacturing sites, is not practical in terms of either cost or administration. We also want to avoid the proliferation of multiple software packages. By having the system in-house, we have reduced costs to approximately one-twentieth of what would be required to adopt an external service company-wide, while creating an environment in which every employee can access and utilize AI.

Data, expertise and human resource information from each business—AI as an engine for generating new value

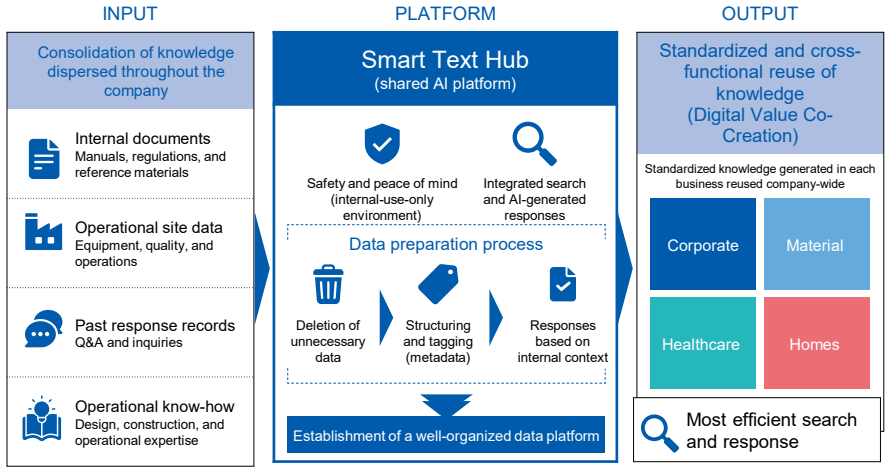
Since it was founded, Asahi Kasei has created new business value by applying technologies and insights developed in one business to other applications. The fundamental value of AI lies in its ability to combine knowledge in this way, faster and with greater reproducibility than ever before. Beyond simply improving operational efficiency, it provides a foundation for reexamining the underlying patterns of past successes so they can be deliberately replicated.

For example, Asahi Kasei has used the technology of Bemberg™ cupro fiber to expand into hollow-fiber membranes, artificial kidneys, and ultimately Planova™ virus-removal filters. By utilizing AI, we expect to connect dispersed knowledge across areas such as material properties, manufacturing processes, and application development, enabling us to systematically explore potential applications in other fields.

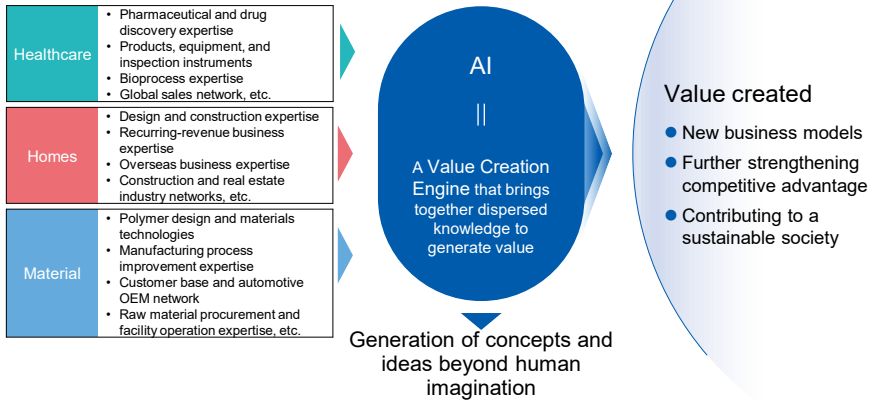
The recurring-revenue business concept developed in our Homes business is also being applied to the ion-exchange membrane chlor-alkali electrolysis business as a model for continuously delivering value that extends beyond product sales to include operation, maintenance, and optimization. Using AI to visualize and apply these value creation patterns across the organization allows us to enhance business models in other businesses with a high degree of reproducibility.

In this way, generative AI truly serves as a value creation engine for Asahi Kasei. We will create new business models by organically reconnecting the know-how accumulated across our diverse operations with the expertise of our people in new ways.

Overview of the ST-Hub shared AI platform



Value creation unique to Asahi Kasei



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Turning intangible assets into competitive advantage

Diverse human resources, technologies, intellectual property, management knowledge, and production expertise. The intangible assets that the Asahi Kasei Group has accumulated over many years are shared and utilized across the Healthcare, Homes, and Material sectors, underpinning the competitive advantages of their respective businesses. In turn, the strengths and expertise generated by each business are shared across the Asahi Kasei Group, leading to the creation of new value. This virtuous cycle is the source of value creation unique to Asahi Kasei.

Healthcare



Role

Contributing to the lives of people through the provision of innovative pharmaceuticals and medical devices that meet unmet needs under the mission “Improve and save patients’ lives”

Path to success

- Focus on specific therapeutic areas
- Full use of M&A expertise and human resources

Homes



Role

Enabling secure and enriched living through the provision of high-quality, highly durable homes and construction materials, and various related services

Path to success

- Unique positioning based on strengths such as human resources and branding
- Overseas expansion with business models based on domestic expertise

Material

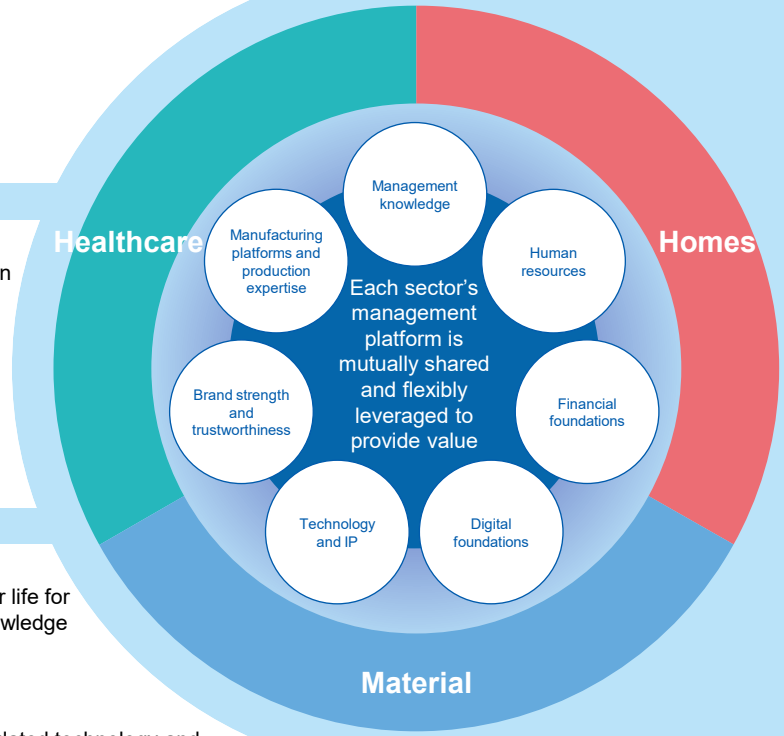


Role

Providing sustainable solutions that contribute to a better life for people and the Earth by utilizing the technology and knowledge of materials and chemistry

Path to success

- Generating earnings in niche areas leveraging accumulated technology and expertise
- Approach to growth utilizing other companies’ capital and alliances



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Sector strategies to enhance corporate value



Healthcare

Ken Shinomiya
Primary Executive Officer
President, Healthcare Sector

Innovative pharmaceuticals and medical devices that contribute to peoples' lives and drive the growth of the Asahi Kasei Group

In the Healthcare sector, the investments and efforts to strengthen our business foundations to date are steadily beginning to bear fruit. The Life Science business and Critical Care business have returned to growth trajectories. In the Pharmaceuticals business, in addition to growth at Veloxis and Calliditas, we welcomed Aicuris as a new member whose business is closely aligned with our strategy. Of the approximately 10,000 employees in the Healthcare sector, around 7,000 work in the United States. Since April 2026, I have also been based in the United States, the world's largest market, managing the sector from the forefront of innovation. I believe the knowledge and networks I develop here will provide an important foundation not only for the growth of the Healthcare sector but also for accelerating the globalization of the Asahi Kasei Group.

In addition to innovations in medical technology, the evolution of AI and robotics give the healthcare industry the potential to transform futures once confined to the imagination into something real. With pride in our role in a sector dedicated to life, we will continue to face challenges as a driver supporting the growth of Asahi Kasei.



Homes

Yuji Owaku
Primary Executive Officer
President, Homes Sector

Our people have always been the driving force of our growth—continuing to embrace challenges without fear of change

In fiscal 2025, the Homes sector achieved record highs in both net sales and operating income. Our ability to advance a strategic focus on larger and higher value-added homes, despite significant changes in the business environment, was possible thanks to our on-site capabilities, which remain closely attuned to customers.

The key to further growth is passing on to the next generation a culture in which each individual can take on new challenges without fear of failure. As Sector President, I will promote coordination across business boundaries and create an environment in which people continually take on new challenges.

Housing is a field full of promise, allowing us to create new value for people's lives. Having built beyond 300,000 homes over more than 50 years, our relationships with customers represent an enormous asset. While co-creating value with customers in Japan through services for existing homes such as remodeling and rental management, growth opportunities in our North American and Australian businesses are expanding. Each employee's effort to take on challenges is a source of growth as we forge the future of the Homes sector.



Material

Hiroyoshi Matsuyama
Primary Executive Officer
President, Material Sector

Redefining competitiveness, entering new growth markets; supporting society while advancing reforms

The Material sector is at a historic turning point. While investing for growth such as in electronic materials, we are advancing structural transformation of the Chemical business and accelerating business portfolio transformation. We are making a clean break from a business model premised on Japan's rapid economic growth and the expansion of Asian markets. We are reassessing our strategies and assumptions, thoroughly enhancing productivity and profitability, and questioning the reason for our products as we redefine the sources of our competitiveness.

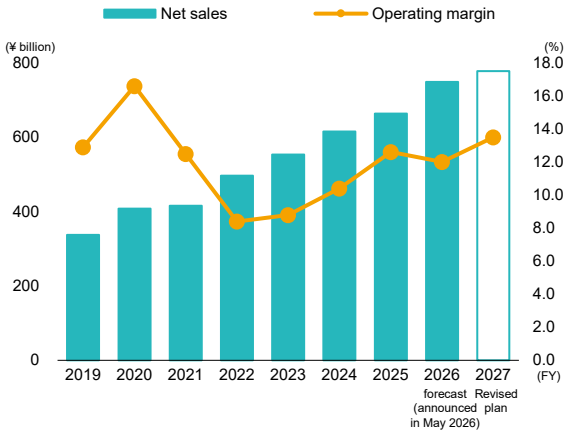
Growth markets such as AI and semiconductors, separation, energy storage, and hydrogen offer significant opportunities. While actively investing in electronics, we will expand our value proposition with recurring services in addition to providing products in areas such as ion-exchange membranes. Our sensing and signal processing technologies are also a major strength as we transform business models to monitor the condition of equipment and products while utilizing data. We are creating a new group of businesses that support society while proactively promoting reforms to transform ourselves without delay.

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Healthcare

Net sales and operating margin



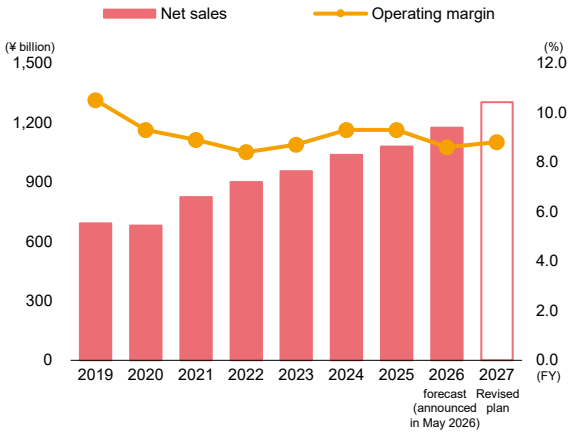
KPIs

(¥ billion)

(FY)	2023	2024	2025	2027 Revised plan[5]
Net sales	553.8	615.9	664.1	778.0
Operating income	48.5	64.0	83.5	105.0
Operating margin	8.8%	10.4%	12.6%	13.5%
Operating income before amortization of goodwill	71.5	89.3	109.6	132.0
EBITDA	118.7	144.1	170.7	—
ROIC[3]	4.5%	5.1%	6.0%	7.8%
ROIC before amortization of goodwill[4]	6.6%	7.1%	7.9%	9.9%

Homes

Net sales and operating margin[1]



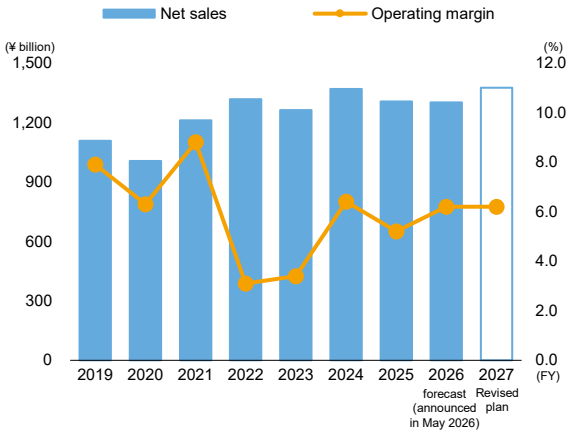
KPIs

(¥ billion)

(FY)	2023	2024	2025	2027 Revised plan[5]
Net sales	954.4	1,035.9	1,077.4	1,302.0
Operating income	83.0	95.9	99.8	115.0
Operating margin	8.7%	9.3%	9.3%	8.8%
Operating income before amortization of goodwill	84.2	97.8	102.0	118.5
EBITDA	104.3	118.5	122.7	—
ROIC[3]	27.1%	27.1%	21.9%	18.2%
ROIC before amortization of goodwill[4]	27.5%	27.7%	22.3%	18.7%

Material

Net sales and operating margin[1]



KPIs

(¥ billion)

(FY)	2023	2024	2025[2]	2027 Revised plan[5]
Net sales	1,261.7	1,368.8	1,306.2	1,375.0
Operating income	42.6	87.4	68.3	85.0
Operating margin	3.4%	6.4%	5.2%	6.2%
Operating income before amortization of goodwill	47.9	92.8	73.7	90.0
EBITDA	119.9	157.0	141.0	—
ROIC[3]	2.6%	4.8%	4.1%	4.5%
ROIC before amortization of goodwill[4]	2.9%	5.1%	4.4%	4.8%

[1] Fiscal 2019–2021 results recalculated to reflect business classifications adopted in fiscal 2022.
[2] Starting in fiscal 2025, certain R&D and DX functions which had been included in corporate expenses and eliminations are now included in the Material sector.
[3] ROIC = operating income (1 − tax rate) ÷ (fixed assets + working capital, etc.)
[4] ROIC before amortization of goodwill = (operating income + goodwill amortization) × (1 − tax rate) ÷ (fixed assets + working capital etc.)
[5] Announced in April 2026

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Pharmaceuticals & Life Science (Pharmaceuticals)

(FY2025 Pharmaceuticals & Life Science)
Net sales: ¥259.9 billion Operating income: ¥47.3 billion

Product and business information

Primarily the U.S. market

Envarsus XR™ immunosuppressant for kidney transplant patients (transplantation)
A formulation from Veloxis, acquired in fiscal 2019. Taken long-term after kidney transplantation

Tarpeyo™ treatment for IgA nephropathy (kidney disease)
A formulation from Calliditas, acquired in fiscal 2024. IgA nephropathy is a rare disease in which chronic inflammation impairs kidney function. If the condition progresses, it can lead to kidney failure, requiring dialysis or kidney transplantation

Pritelivir treatment for herpes simplex virus infections (severe infectious diseases)
A formulation from Aicuris, acquired in fiscal 2026. Expected to serve as a treatment for herpes simplex virus infections in immunocompromised patients. Currently under regulatory review, with launch planned during fiscal 2026


Envarsus XR™



Tarpeyo™

Primarily the Japanese market

Teribone™ osteoporosis drug (orthopedics)

Kevzara™ treatment for rheumatoid arthritis (autoimmune diseases)

Recomodulin™ anticoagulant (severe infectious diseases)

Cresemba™ treatment for invasive fungal infections (severe infectious diseases), etc.

Business environment

	Customer	Competitors	Market size	Market share	Important business conditions
Envarsus XR™	● University hospitals, other major hospitals (nephrologists) ● Kidney transplant centers	Other tacrolimus formulations and other immunosuppressants	Number of kidney transplant candidates in the U.S.: Approximately 200,000[1] In FY2024, ≈28,000 transplants were performed[2] (expected to increase by 5–6% per year on average)[3] [1] USRDS (U.S. Renal Data System) [2] OPTN (Organ Procurement and Transplantation Network, operated by UNOS under contract with HRSA) [3] Asahi Kasei estimate	Prescription share: At least 20%[6] [6] Asahi Kasei estimate	● Revision of NHI (National Health Insurance) price ● Development and launch of competing products, reports of adverse events ● Revisions to guidelines
Tarpeyo™		APRIL inhibitors and other IgA nephropathy treatments (as of August 2026, 5 IgA nephropathy treatments have been launched. The market is expected to form with several more treatments being launched)	Number of potential IgA nephropathy patients in the U.S.: ≈130,000 to 200,000[4] Approximately 40,000 to 60,000 patients projected to be taking medication from FY 2030 onward[5] [4] American Society of Nephrology, 2024 [5] Asahi Kasei estimate at time of acquisition	Prescription share: 10% target	

Strengths and business strategy

Strength: Market positioning in the U.S. renal disease field

Distinctive formulations

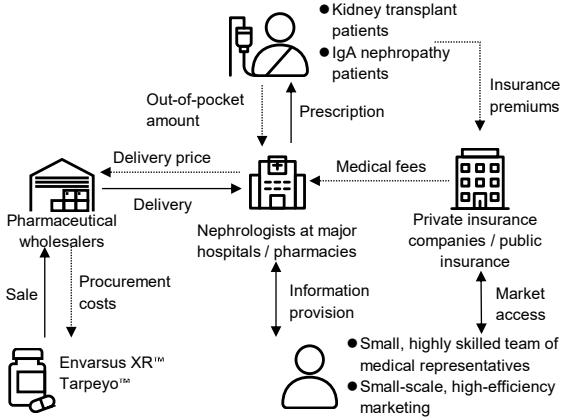
- Envarsus XR™ is a unique extended-release mechanism limits peak blood concentrations and maintains effective drug levels over an extended period. This allows for reduced dosing frequency (once daily) and minimizes side effects.
- Tarpeyo™ is the first FDA-approved treatment for IgA nephropathy in the U.S.[7] Well-balanced in terms of administration, price, efficacy, and safety, making it user-friendly (a type of steroid that is easy to use and suitable as a first-line treatment)

[7] From FDA public documents.

Focusing on relatively low-risk rare disease areas

- Targeting niche, low-competition areas that are too small for big pharma. Allows for a small number of medical representatives and low marketing and R&D costs. Low promotional costs make it easier to maintain profitability while investing in clinical trials and business development.

Business model in the United States



Veloxis / Calliditas

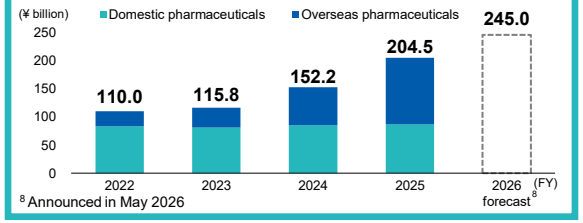
Business Strategy

Establishing a foundation for sustainable growth focused on rare diseases in the autoimmune, renal, transplantation, and severe infectious disease areas, primarily in the U.S. market

Overseas pharmaceuticals business driving sales growth

- Tarpeyo™: Peak sales expected to reach US$500 million after 2030. Given factors such as the steady progress in raising awareness among physicians, the milestone may be reached sooner
- Envarsus XR™: U.S. sales CAGR over 20% since the acquisition (FY2020–2025)

Net sales of the Pharmaceuticals business



[8] Announced in May 2026

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Pharmaceuticals & Life Science (Life Science)

Product and business information

Planova™ virus removal filter
Cellulose hollow-fiber filters used to remove viruses during the manufacture of biopharmaceuticals and plasma derivatives

Process development and contract manufacturing services (CDMO) business for biopharmaceuticals
Acquired Bionova in FY2022
(A CDMO [contract development and manufacturing organization] is contracted by pharmaceutical companies to develop manufacturing processes and perform manufacturing of pharmaceuticals)


Planova™ virus removal filter


Cell culture process equipment for the CDMO business

Business environment

	Customer	Competitors	Market size	Market share	Important business conditions
Planova™	● Pharmaceutical companies ● CDMO ● Research institutions	Virus removal filters: Cytiva Corp. [Danaher Corp.] (U.S.), Merck KGaA "Millipore" (Germany)	Virus removal filter market: ≈¥70 billion (2020–2030 pharmaceutical market CAGR: plasma derivatives 5%[1], biopharmaceuticals 8%[2]) [1] MRB Asahi Kasei protein-region-country forecasts 2020-2030-V5 Feb.2023 [2] Database from Evaluate	World-class position in the virus removal filter market	● Market trends for plasma derivatives and biopharmaceuticals
CDMO	● Pharmaceutical companies (primarily biotech startups)	Small to mid-sized CDMOs (companies offering specialized services, such as for biotech startups)	Biopharmaceutical CDMO market: $10 billion (2023 to 2028 market CAGR: 13%[3]) [3] AliraHealth, Biologics and Advanced Therapies Contract Manufacturing Report, 2024	—	● Funding trends for biotech startups

Strengths and business strategy

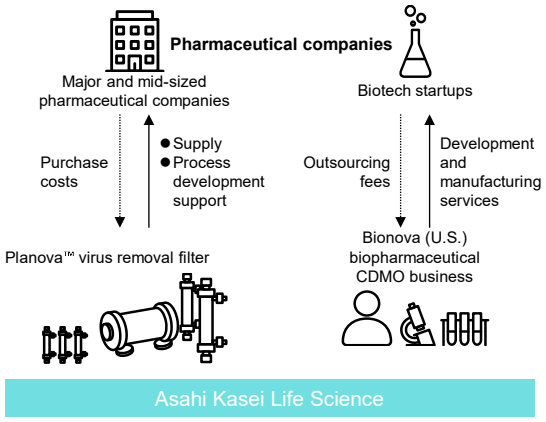
Strength: Solid market position of Planova™, built over many years

Planova™ customer base

- The world's first[4] filter developed to remove viruses from biotherapeutics
- Trusted by pharmaceutical companies and key opinion leaders in the industry, with a strong network built through product proposals tailored to customer needs, stable product supply, and technical support backed by academic expertise

Operation of CDMO business with expertise in next-generation modalities

- Extensive experience with complex next-generation antibody therapeutics[5] whose process development and manufacture are challenging.
- CDMO services for plasmids[6], whose demand is expected to grow with the emergence of gene therapy and cell therapy, have also been launched.



[4] Asahi Kasei estimate
[5] Next-generation antibody therapeutics: Antibody drugs produced using genetic engineering techniques, differing from conventional antibodies, and including types such as antibody-drug conjugates and bispecific antibodies
[6] Plasmids: DNA molecules present inside microbial cells such as E. coli, used as key raw materials for therapies including gene therapy, cell therapy, and mRNA vaccines

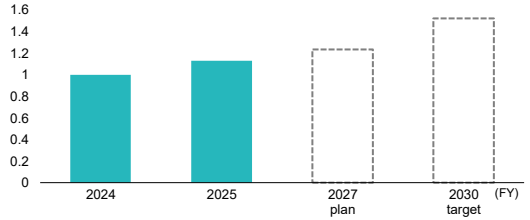
Business Strategy

Strengthening our market position through capacity expansion, high-performance product development, and technical support in anticipation of stable growth in the biopharmaceutical market

Past and planned expansions of Planova™ production capacity

- FY2019: Increased spinning capacity (Nobeoka City, Miyazaki Prefecture)
- FY2021: Increased spinning capacity (Oita City, Oita Prefecture)
- FY2024: Increased assembly capacity (Nobeoka City, Miyazaki Prefecture)
- FY2029 (planned): Increased spinning capacity (Nobeoka City, Miyazaki Prefecture)

Projected Planova™ sales from FY2024 baseline



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Critical Care

(FY2025 Critical Care)
Net sales: ¥404.2 billion Operating income: ¥36.1 billion

Product and business information

ACT (Acute Care Technology)
Medical devices such as defibrillators and AEDs

CMS (Cardiac Management Solutions)
Therapeutic and diagnostic medical devices prescribed for patients with cardiopulmonary diseases, centered on the LifeVest™ wearable defibrillator

Sleep apnea-related business
Itamar's diagnostic devices and Respicardia's therapeutic devices, both of which were acquired in fiscal 2021

The Critical Care business is operated by ZOLL, which was acquired in fiscal 2012
ZOLL is a market leader in innovative medical devices for serious cardiopulmonary conditions



AED


Defibrillators for medical institutions


LifeVest™


WatchPAT™


remedē™ System

Business environment

	Customer	Competitors	Market size	Market share	Important business conditions
ACT (Defibrillators, etc.)	● Medical institutions ● Public facilities	Stryker Corporation (U.S.), Koninklijke Philips N.V. (Netherlands), Nihon Kohden Corporation (Japan), Mindray Bio-Medical Electronics Co., Ltd. (China)	Global market potential: >$5 billion[1] [1] Asahi Kasei estimate	Defibrillators and AEDs: Top-tier in the U.S., our main market	● Revisions to insurance reimbursement prices ● Trends in the development and launch of competing products, reports of adverse events ● Revisions to guidelines
CMS (LifeVest™, etc.)	● Physicians (cardiologists, sleep specialists)		Global market potential for wearable defibrillators: >$6 billion ($2–3 billion in the U.S. and $3–4 billion in Europe and other regions)	Wearable defibrillators: approximately 80% in the U.S. and approximately 100% in Europe and other regions	

Strengths and business strategy

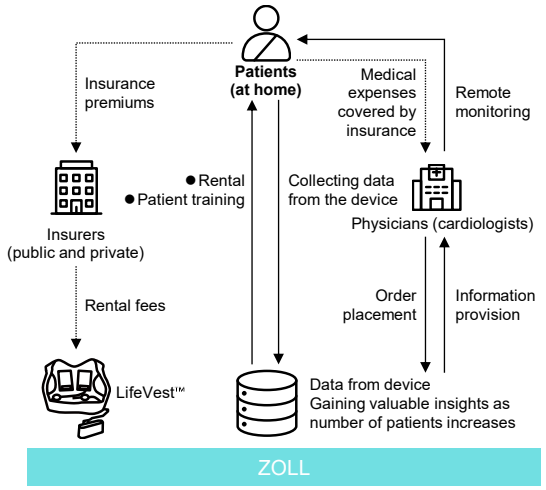
Strength: Trust among healthcare professionals, underpinned by a unique product portfolio and extensive track record

Track record of LifeVest™
- Worn by patients at risk of sudden cardiac arrest. A groundbreaking device that automatically delivers an electric shock within approximately one minute if a life-threatening arrhythmia is detected
- Worn by more than a million patients worldwide for over 20 years, thousands of lives saved

Operations supporting patient quality of life
- High-quality operational know-how cultivated over many years for LifeVest™ (e.g., achieving a rate of over 99% for completing device fitting within 24 hours of order)

Solid market position and evidence of safety
- Established networks and trust with cardiologists, hospitals, and health insurance organizations through LifeVest™ business
- Algorithms that accurately detect changes in cardiac function. (large volume of clinical data from over 20 years of real-world use and evidence obtained from long-term monitoring)

Business model for LifeVest™

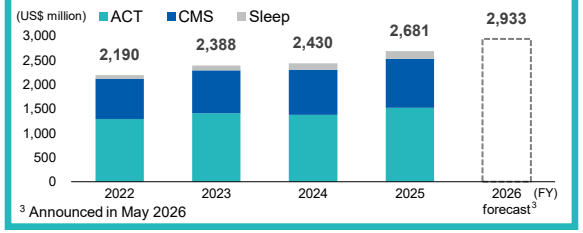


Business Strategy

Solidify the market positions of existing businesses, including defibrillators and LifeVest™, while accelerating market penetration of sleep apnea-related devices

- ACT: Target a CAGR of 20% or more (FY2025 to FY2028), outpacing the market growth rate, through measures including the launch of new defibrillators for medical institutions
- CMS: Further expand sales of LifeVest™ in the U.S. and expand business in Europe, where market penetration remains low
- Sleep: Aim to expand sales, supported by factors including the inclusion of Respicardia's products as a recommended treatment in the American Academy of Sleep Medicine's clinical practice guideline for the treatment of central sleep apnea[2]

Critical Care net sales



[3] Announced in May 2026

[2] Treatment of central sleep apnea in adults: an American Academy of Sleep Medicine clinical practice guideline

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Domestic Homes
(Order-built, rental management/real estate brokerage, remodeling, construction materials)

(FY2025 Domestic Homes)
Net sales: ¥739.5 billion Operating income: ¥81.7 billion

Product and business information

Order-built homes business
Hebel Haus™ unit homes
Hebel Maison™ apartment buildings
Note: Sales are limited to 21 prefectures with densely populated areas such as Kanto, Chubu, and Kansai.

Rental management business
Management of apartment buildings

Real estate brokerage business
Brokerage and purchase and resale of real estate

Remodeling business
Maintenance and renovation work for homes sold by Asahi Kasei Homes

Construction materials business
Hebel™ autoclaved aerated concrete
Neoma Foam™ next-generation insulation panels, etc.



Product information and operating environment

	Customer	Competitors	Market size	Market share	Important business conditions
Hebel Haus™ unit homes	● Order-built home buyers (higher rate of rebuilding than competitors)	Sekisui House, Ltd., Sumitomo Forestry Co., Ltd., Sekisui Chemical Co., Ltd., Ichijo Co, Ltd., etc. (many others including local builders have a national market share of 5% or less by number of units)	Owner-occupied home starts in the 21 prefectures: 130,000 units[1] [1] Number of new home construction starts, Ministry of Land, Infrastructure, Transport and Tourism (FY2025)	Share of owner-occupied home starts in the 21 prefectures: 3.7%[3] [3] Asahi Kasei estimate (FY2025)	● Mortgage interest rate trends ● Material cost and land price trends ● Consumer sentiment faced with rising prices
Hebel Maison™ apartment buildings	● Individuals seeking apartment management or land utilization opportunities	Daito Trust Construction Co., Ltd., Sekisui House, Ltd., Daiwa House Industry Co., Ltd., etc.	Rental home starts in the 21 prefectures: 250,000 units[2] Note: While new home construction starts are expected to decline going forward, the decrease in the 21 prefectures is expected to be relatively moderate. [2] Number of new home construction starts, Ministry of Land, Infrastructure, Transport and Tourism (FY2025)	Share of rental home starts in 21 prefectures: 2.3%[4] Note: Our market share is higher in central areas, such as the 23 wards of Tokyo, and in three-story unit homes. [4] Asahi Kasei estimate (FY2025)	

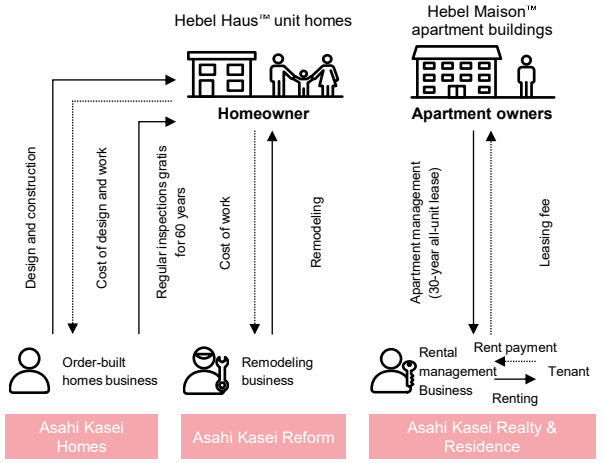
Strengths and business strategy

Strength: High-value-added homes offering earthquake resistance, fire resistance, and durability

Homes with superior earthquake resistance, fire resistance, and durability
- Robust steel-frame construction incorporates Hebel™ and Neoma Foam™, which maintains high thermal insulation performance over the long term. Highly earthquake-resistant and durable
- Proprietary after-sales service system including a 60-year gratis inspection program

Superior design and housing solution proposal capabilities
- Unit homes: Two-generation homes and three-story urban homes
- Apartment buildings: Unique housing solutions, including pet-friendly rental housing

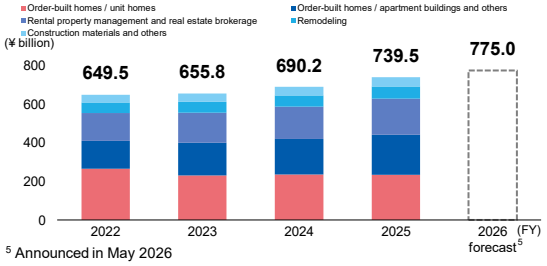
Services for the approximately 310,000 homes built
- Remodeling: In addition to stable orders from maintenance work, demand for remodeling is expected to expand going forward.
- Rental management: Rapidly expanding in line with growing orders for apartment buildings. (as of FY2025, approx. 126,000 units under management, maintaining a vacancy rate in the 2% range)



Business Strategy

Enhancing customer appeal through even larger, higher-value-added order-built homes and strengthening recurring-revenue business by expanding the portfolio of high-quality properties
- Despite a decline in the number of housing units ordered, an expanded product lineup in the luxury residence series targeting upper-middle and high-end segments and strengthened corporate sales have increased the average price per building, resulting in steady growth in the value of orders received
- Recurring-revenue business, such as rental management, have steadily expanded in line with the recent growth in orders for apartment buildings

Net sales by business



[5] Announced in May 2026

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Domestic Homes (Real estate development)

(FY2025 Real Estate Development)
Net sales: ¥48.6 billion Operating income: ¥10.7 billion

Product and business information

Atlas™ urban condominiums
Strengths not only in condominium development on vacant land, but also in rebuilding aging condominiums and redevelopment projects in areas with a high concentration of wooden structures. A distinctive presence, particularly as a pioneer in condominium reconstruction (the company has participated in over 10% of the 340 condominium reconstruction projects carried out in Japan to date[1])

[1] As of August 2025; Source: Ministry of Land, Infrastructure, Transport and Tourism



Product information and operating environment

Customer	Competitors	Market size	Market share	Important business conditions
● New condominium buyers	Developers such as Mitsui Fudosan Residential Co., Ltd., Nomura Real Estate Development Co., Ltd., Mitsubishi Estate Residence Co., Ltd., Daiwa House Industry Co., Ltd., etc.	● New condominium market: 59,940 units sold nationwide in FY2025 [2] (although a gradual overall decline is expected, the number of households in Tokyo is projected to increase, indicating strong demand in urban areas) ● Reconstruction market: Increasing number of condominiums built at least 40 years ago (1.48 million units at the end of FY2024, projected to double in 10 years and rise by a factor of 3.3 in 20 years, indicating significant business opportunities for reconstruction)[3] [2] Source: Real Estate Economic Institute Co., Ltd. [3] Source: Ministry of Land, Infrastructure, Transport and Tourism	● Condominium reconstruction: 56 projects, ranked No. 1 nationwide[4] ● Statutory redevelopment: 32 projects, ranked 7th nationwide[5] [4] Based on the number of reconstruction associations in which the company participated and which received approval in accordance with the Act on Facilitation of Reconstruction of Condominiums (as of April 1, 2025; Source: Industrial Marketing Consultants Co., Ltd.) [5] Urban planning projects for residential use in which the company participated as a member of the redevelopment association, approved by April 2026. (as of April 2026; Source: Industrial Marketing Consultants Co., Ltd.)	● Real estate-related market trends ● Heightened construction costs due to increased material prices and labor shortages ● Active real estate investment market in the Tokyo metropolitan area, including tourist demand (e.g., increased hotel demand) ● Increased real estate purchases by wealthy foreign investors

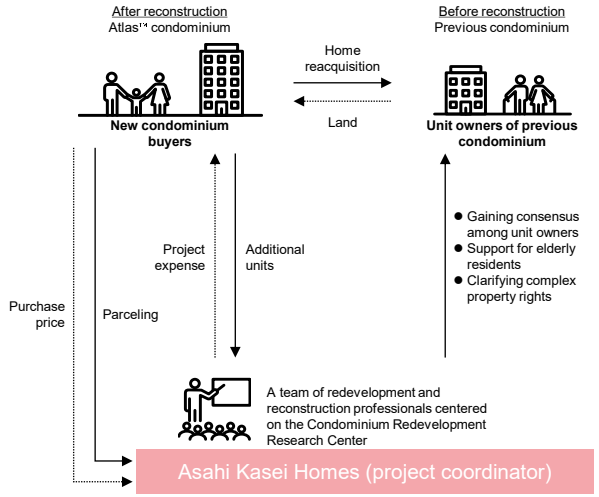
Strengths and business strategy

Strength: Leveraging expertise developed through reconstruction, redevelopment, and exchange of equivalent value projects

Supply of condominiums in prime locations
- Prime locations are often ripe for reconstruction and redevelopment projects, with a high proportion of high-value units

Expertise in consultation for consensus-building
- Focused on joint development (exchange of equivalent value) projects in central urban areas, condominium reconstruction, and redevelopment projects. Participating from the early planning stages as a project coordinator, demonstrating persistent consensus-building capabilities faced with complex property rights arrangements

Unrivaled track record in condominium reconstruction
- Asahi Kasei's Condominium Redevelopment Research Center functions as a think tank that consolidates expertise, while experienced project staff meet directly with management associations involved in reconstruction to support consensus-building

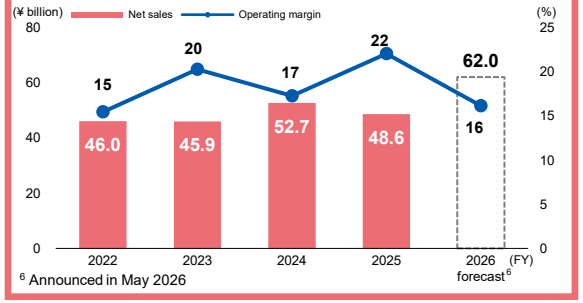


Business Strategy

Development of highly profitable businesses centered on urban redevelopment projects and expansion of the investment and development business

- Expanding beyond condominiums to commercial and other properties
- Furthermore, going forward, expanding development, acquisition, and management of investment properties

Net sales and operating margin of the real estate development business



[6] Announced in May 2026

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Overseas Homes

(FY2025 Overseas Homes)
Net sales: ¥289.3 billion Operating income: ¥7.4 billion

Product and business information

North America
Subcontracted construction of homes for sale (operating in Arizona, Nevada, and Florida, states with particularly high population inflows)

Australian operations
Australia's third-largest home builder (operating in New South Wales, Queensland, South Australia, Victoria, and Tasmania, covering approximately 80% of Australia's population)


North American homes


Australian homes

Product information and operating environment

	Customer	Competitors	Market size	Market share	Important business conditions
North American Homes	● North American home builders: D.R. Horton, Inc., Lennar Corporation, etc. (large-scale developments by major builders are expanding due to housing shortages)	Numerous small- and medium-sized competitors exist at each stage of the process	Housing starts: 1.36 million units[1] (housing shortages are expected to reach 1.4–1.7 million units annually through 2030 due to increased immigration) [1] Source: U.S. Department of Commerce (2025 results)	Among the top shares in Arizona across the five main construction steps (concrete, electrical, HVAC, plumbing, and framing).	● Rising mortgage rates ● Immigration policy ● Impact of rising material costs
Australian Homes	● Australian home buyers (strong in order-built homes for the upper-middle- and high-end segments)	Metricon Homes Pty Ltd., ABN Group Pty Ltd., etc.	Housing starts: Approximately 180,000 units[2] (due to increased immigration, the government set a target of constructing 1.2 million new homes over the five years starting mid-2024) [2] Source: Australian Bureau of Statistics (2025 results)	Share of unit home housing starts: Top 3[3] [3] July 2024 to June 2025 (Source: HIA Economics)	● Shortage of skilled workers ● Rising costs ● Rising mortgage rates

Strengths and business strategy

Strength: Expertise in the domestic homes business developed through **Hebel Haus™**

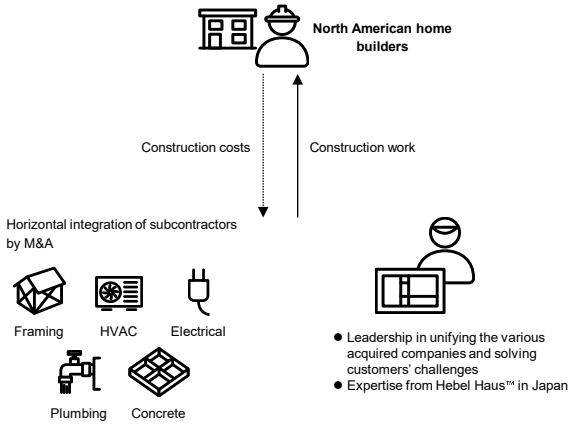
North America:
A distinctive business model designed to enhance efficiency and productivity through systematized construction

- Shorter construction periods: Integrates five core steps of the construction process (accounting for approximately 40% of the overall home construction process) to provide an integrated construction system. In some cases, construction periods have been reduced to less than 50% of the normal average
- Improved quality control: We manage progress on behalf of the builder. Reducing rework for builders through integrated management of five major steps

Australia:
Advancing systematized construction through vertical integration of a steel frame supplier

- Reducing costs by bringing part of steel frame production in-house and leveraging systematized construction expertise

Business model for North American operations



Business Strategy

Building and expanding business models in anticipation of medium- to long-term demand growth in the North American and Australian markets

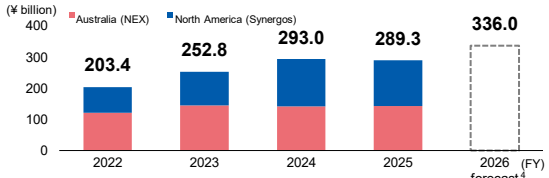
North American operations: Expanding market share and regional coverage through broader adoption of the business model

- In addition to Arizona and Nevada, business expanded to Florida through the acquisition of ODC in fiscal 2024. Furthermore, in fiscal 2025, we built our own structural frame plant, with expansion into Texas also under consideration
- Focusing on acquiring new customers in anticipation of a market recovery

Australian operations: Expanding the built-for-sale housing business to maximize the benefits of systematized construction

- Launching a new land development business with the aim of attracting new customer segments

Net sales in North American and Australian operations



[4] Announced in May 2026

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Electronics

(FY2025 Electronics[1])
Net sales: ¥164.0 billion Operating income: ¥29.6 billion

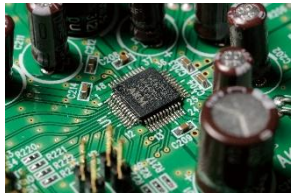
Product and business information

Electronic materials
Pimel™ photosensitive insulator, glass fabric for printed circuit boards, Sunfort™ photosensitive dry film, and other materials mainly used in back-end semiconductor processes

Electronic components
LSIs, magnetic sensors, current sensors, and other products


Pimel™


Glass fabric for printed circuit boards


LSI

Product information and operating environment

	Customer	Competitors	Market size	Market share	Important business conditions
Electronic materials	● Semiconductor manufacturers ● Substrate-related manufacturers	Primarily Japanese electronic materials manufacturers (Resonac Holdings Corporation, etc.)	CAGR of 20% (FY2024–2031)[2] in the AI/key device market, the growth market for Pimel™ and glass fabric [2] Fuji Chimera Research Institute, Inc., 2025 Comprehensive Survey of Data Center/AI Key Device Markets	● Pimel™: Global top-tier in the photosensitive insulating materials market ● Glass fabric: Global top-tier in low-dielectric glass fabric market ● Photosensitive dry film: Global top-tier	● Growth of semiconductor market supporting AI technology ● Smartphone and EV market trends
Electronic components	● Electronic device manufacturers (smartphones, audio equipment, automotive devices, etc.)	Global electronic components manufacturers	● Smartphones: Firm demand for camera module ICs as cameras offer increasingly advanced features such as image stabilization ● Automotive: Firm demand for audio ICs amid growing demand for comfortable sound environments. Demand for current sensors for EVs is also expected to grow going forward	● Global top-tier market share in ICs for mobile device camera modules	

Strengths and business strategy

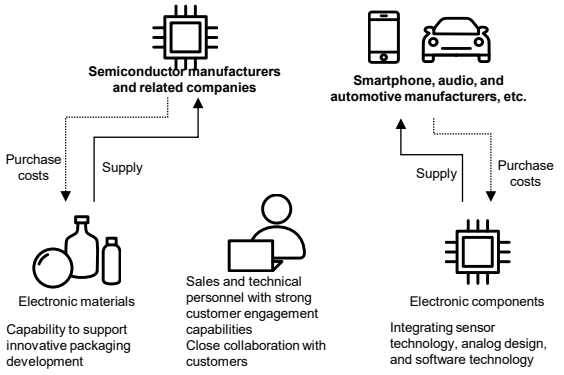
Strength: Ability to accurately identify market leaders and create de facto industry standards through design and development that anticipate market needs

Electronic materials: Ability to rapidly develop solutions by understanding and aligning with customer needs in advanced semiconductor processes

- Results: Pimel™ received the TSMC Excellent Performance Award, awarded by the major semiconductor company Taiwan Semiconductor Manufacturing Company (TSMC) to suppliers demonstrating outstanding performance, for two consecutive years in 2024 and 2025

Electronic components: Providing solutions combining both hardware and software

- Results: In ICs for mobile device camera modules, co-created new camera control technologies with customers that enable benefits such as thinner smartphones, wider image stabilization angles and lower power consumption



Business Strategy

Pioneering development of high-performance materials and components that enable cutting-edge semiconductors and electronic devices, and establishment of systems for their supply

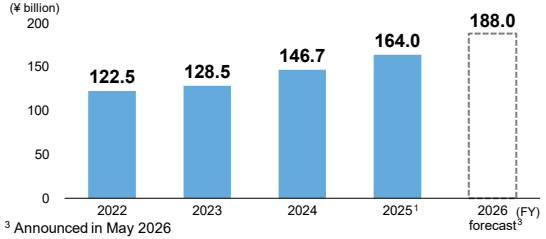
Pimel™: Capital investment to meet strong demand (Fuji City, Shizuoka Prefecture)

- FY2024: New plant began operation
- FY2028: Second production line at the new plant scheduled to begin operation

Glass fabric: Launch of cutting-edge products

- Advancing the development of next-generation and subsequent-generation glass fabric for high-speed communications and expanding production volumes

Net sales of the Electronics business



[3] Announced in May 2026

FY2025 results recalculated to reflect slight reallocation between others in Material and certain businesses in FY2026

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Car Interior

(FY2025 Car Interior)
Net sales: ¥165.7 billion Operating income: ¥9.1 billion

Product and business information

Car interior materials
Fabric
Synthetic leather (PVC)
Dinamica™ artificial suede
(a proprietary product highly regarded as a sustainable, high-quality material manufactured without the use of organic solvents)

The automotive interior materials business is operated by Sage, a global leader in automotive interior materials, which was acquired in fiscal 2018



Product information and operating environment

Customer	Competitors	Market size	Market share	Important business conditions
Major vehicle manufacturers, primarily in Europe and the U.S.	● Overall car interior materials: AUNDE Achter & Ebels GmbH (Germany), Seiren Co., Ltd. (Japan), etc. ● Artificial suede: Toray Industries, Inc. “Alcantara” (Japan)	2024 automotive interior materials market size[1]: ≈$7 billion, FY2023–2031 CAGR ≈5% [1] Asahi Kasei estimate	Car interior materials: Global top-tier in sales	● Global vehicle production volume ● EV market share, competitive trends for PVC in China

Strengths and business strategy

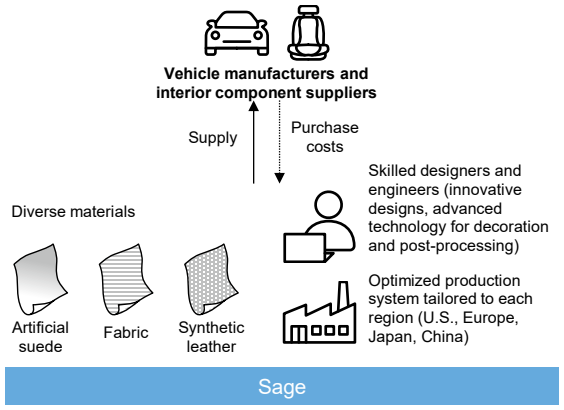
Strength: An automotive interior design platform provider offering innovative designs and advanced decoration and post-processing technologies

Strength 1 Diverse products and new material development capabilities

- Dinamica™ in particular is produced using recycled polyester and water-based polyurethane, and adopted globally as an environmentally friendly, high-end artificial suede
- New entry into PVC synthetic leather, a segment with high growth potential. Following a business integration with a joint venture in China in fiscal 2020, sales expanded roughly tenfold over the five years through fiscal 2025
- Capability to develop new surface materials leveraging technology and know-how cultivated in the textile business

Innovative designs and advanced technology for decoration and post-processing

- Technical ability to visualize innovative designs, technical ability to balance design with functionality such as durability
- A team of skilled designers capable of turning concepts of clients’ designers into products

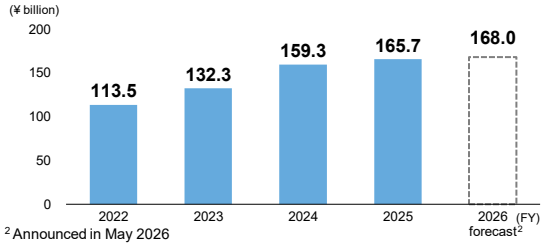


Business Strategy

Strengthen the interior decoration product portfolio and extend the scope of value provided to customers throughout the entire vehicle interior

- Further strengthen design proposal ability: Establish a team of designers capable of customization in line with regional design trends
- New product development: Develop and commercialize new surface materials with technology development through open innovation

Net sales of the Car Interior business



[2] Announced in May 2026

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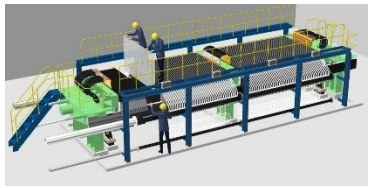
Energy & Infrastructure
(Ion-exchange membrane process for chlor-alkali electrolysis)

(FY2025 Energy & Infrastructure)
Net sales: ¥127.9 billion Operating income: ¥0.5 billion

Product and business information

Development, manufacture, and sale of electrolyzers, ion-exchange membranes, electrodes and electrolysis cells for caustic soda production using the ion-exchange membrane process
Monitoring services and technical support for the chlor-alkali electrolysis process

Note: The ion-exchange membrane chlor-alkali electrolysis process is a system that uses ion-exchange membranes to electrolyze brine and produce chlorine and caustic soda. The chlorine produced is used in the manufacture of disinfectants, bleach, polyvinyl chloride (PVC), and polyurethane resins, while the caustic soda finds applications across a wide range of industries, including pulp and paper, non-ferrous metals, electronics, and pharmaceuticals.


Electrolyzer


Ion-exchange membrane

Product information and operating environment

Customer	Competitors	Market size	Market share	Important business conditions
Global chlor-alkali manufacturers	Ion-exchange membrane process for chlor-alkali electrolysis, hydrogen-related businesses, etc. ● Membranes: AGC Inc. (Japan), Agfa-Gevaert NV (Belgium), Toray Industries, Inc. (Japan), etc. ● Electrolyzers: thyssenkrupp nucera AG & Co. KGaA (Germany), Siemens AG (Germany), etc.	Global chlor-alkali demand: Approx. 100 million tons* * Source: "2024 World Analysis – Chlor-Alkali – Appendix," August 4, 2023	Electrolyzers and exchange membranes: Global top-tier in the chlor-alkali electrolysis business	● Market trends for caustic soda and PVC ● Trend toward conversion of diaphragm-process plants ● Environmental regulations by country and region

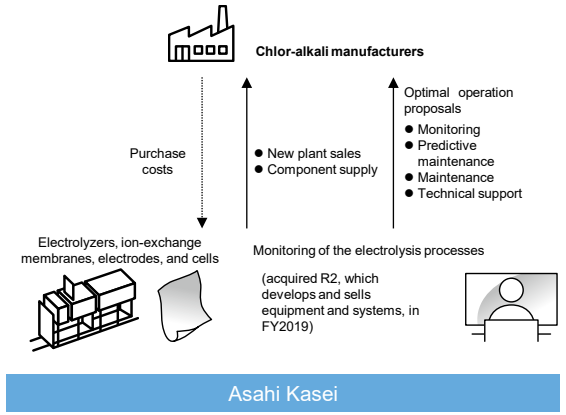
Strengths and business strategy

Strength: One-stop solutions combining a broad product portfolio with monitoring capabilities

Customer base
- Long-standing relationships of trust with customers cultivated over 50 years
- Proven track record with adoption at over 170 plants in 30 countries worldwide

The only full-line product offering in the industry
- Supplying all key elements required for chlor-alkali electrolysis (electrolyzers, ion-exchange membranes, electrodes, and cells)
- Capable of providing one-stop solutions to address customers' production challenges

Operational expertise
- Marketing and technical service personnel stationed in multiple locations around the world for close customer support
- People and teamwork for customer-focused problem solving
- R2's monitoring technology and expertise

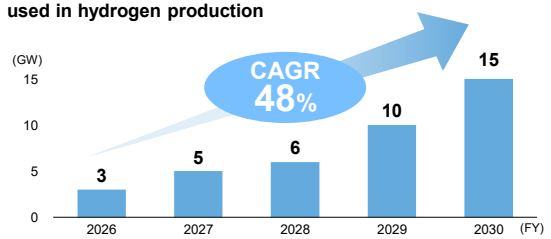


Business Strategy

Sustainable growth through strengthening the solutions business within the ion-exchange membrane business, and the launch of new hydrogen-related businesses

- Our large-scale alkaline water electrolysis system has been in operation for six years. It has a world-class track record
- Production equipment to manufacture electrolyzer cell frames and membranes for both hydrogen production and the ion-exchange membrane process for chlor-alkali electrolysis is scheduled to begin operation in fiscal 2028 (selected under the Ministry of Economy, Trade and Industry's GX Supply Chain Construction Support Project).

Projected demand for water electrolyzers used in hydrogen production



Source: Prepared by Asahi Kasei based on BloombergNEF, Hydrogen Supply Outlook 2025

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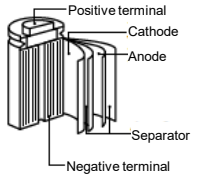
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Energy & Infrastructure (Separator)

Product and business information

Hipore™ wet-process LIB separator
Celgard™ dry-process LIB separator (acquired Polypore in fiscal 2015)

Note: A separator is a film positioned between a battery's positive and negative electrodes. It allows ions to pass between the electrodes while preventing contact between them, preventing short circuits.





Product information and operating environment

Customer	Competitors	Market size	Market share	Important business conditions
LIB manufacturers	● Shanghai Energy New Materials Technology Co., Ltd. (China) ● Shenzhen Senior Technology Material Co., Ltd. (China) ● SK IE Technology Co., Ltd. (South Korea), etc.	● North American EV market: 1.3 billion m² in 2030 (2025–2030 CAGR of 10%, Asahi Kasei estimate) ● North American ESS market: 1.3 billion m² by 2030, comparable to the EV market (2025–2030 CAGR of 11%, Asahi Kasei estimate)	● Consumer electronics applications: Global top-tier in the high-end market ● EV applications: Aiming for market share of ≥30% in North America by fiscal 2030	● EV market share ● Demand from AI and data centers ● Demand for grid-scale energy storage systems ● Regulatory environment (EV regulations, IRA, OBBB Act [U.S.]) ● Tariffs, etc.

Strengths and business strategy

Strength: Continuously evolving, high-performance, high-quality products backed by expertise cultivated over many years

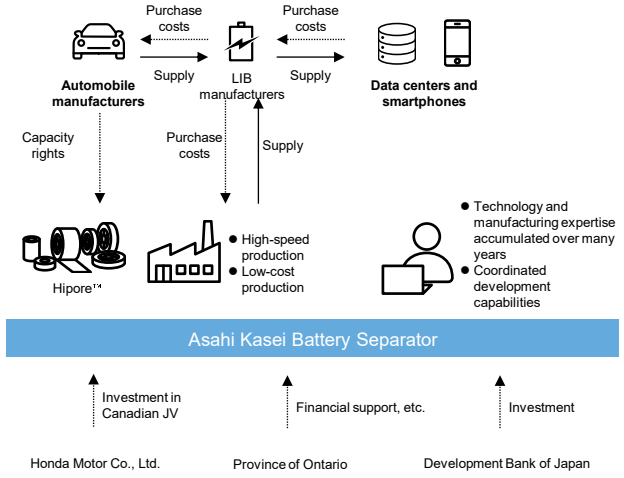
Product performance and quality

- 40-year history (a long-established chemical manufacturer with roots in polyethylene raw material development and membrane and separation technologies)
- High ability to respond to customer needs using accumulated expertise has enabled the development of products based on a high degree of coordination
- Wide range of coated membranes, quality that contributes to improved battery yields, and uniform pore structure that contributes to longer battery life

Ample production capacity to meet anticipated demand growth

- Completion of an integrated plant for base film and coated Hipore™ separator in Ontario, Canada, scheduled for fiscal 2027 (speed approximately double the industry standard for both base film and coating processes[1])

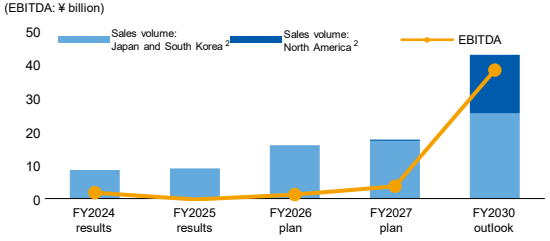
[1] Asahi Kasei estimate



Business Strategy: Maximizing earnings by flexibly shifting the sales portfolio in response to rapid market changes

- Short term: Achieve growth by reliably capturing expanding AI-related demand for energy storage systems (ESS)
- Medium to long term: Focus on expanding the customer base in anticipation of future demand growth, despite the current slowdown in EV demand growth

Sales volume and EBITDA of the Hipore business



[2] Japan, South Korea, and North America indicate sites of production

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